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SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock Code: 6488)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011 AND RESUMPTION OF TRADING

The board of directors (the “Directors”) of SBI HOLDINGS, INC. (the “Company”) is pleased to announce the consolidated results of the Company and its consolidated subsidiaries (collectively the “Group”) for the six months ended 30 September 2011.

At the request of the Company, trading in its Hong Kong depositary receipts was suspended with effect from 1:30 p.m. on Wednesday, 26 October 2011, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Thursday, 27 October 2011.

(Amounts are rounded down to the nearest million Japanese yen)

1. Consolidated Financial Results

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	<u>Net sales</u>		<u>Operating income</u>		<u>Ordinary income</u>		<u>Net income</u>	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended 30 September 2011	63,606	1.0	2,511	(30.3)	1,277	83.6	1,113	62.3
Six months ended 30 September 2010	62,948	(0.3)	3,605	(3.9)	695	(65.4)	686	(16.6)

(Note) Total comprehensive income (loss) Six months ended 30 September 2011: (8,571) million yen (—%)
Six months ended 30 September 2010: (7,716) million yen (—%)

	<u>Net income per share</u>	<u>Diluted net income per share</u>
	Yen	Yen
Six months ended 30 September 2011	50.85	44.96
Six months ended 30 September 2010	37.11	27.23

1. Business Results

(1) Analysis of Business Results

The consolidated performance for the six months ended 30 September 2011 resulted in net sales of ¥63,606 million (a 1.0% year-on-year increase), operating income of ¥2,511 million (a 30.3% year-on-year decrease), ordinary income of ¥1,277 million (a 83.6% year-on-year increase), and net income of ¥1,113million (a 62.3% year-on-year increase).

Net sales by business segment are as indicated below.

Segment	Six months ended 30 September			
	2010		2011	
	Millions of Yen	%	Millions of Yen	%
Asset Management Business	10,516	16.7	11,624	18.3
Investment in Securities	9,494		10,547	
Revenue from Operational Investment Securities	8,809		9,894	
Fees from Funds	685		653	
Investment Advisory Services and Others	1,022		1,076	
Brokerage & Investment Banking Business	24,216	38.5	22,345	35.1
Financial Services Business	14,508	23.0	19,880	31.3
Marketplace Business	2,912		2,446	
Financial Products Business	4,340		4,597	
Financial Solutions Business	3,941		4,617	
Other Businesses	3,315		8,218	
Housing and Real Estate Business	8,591	13.7	8,154	12.8
Real Estate Business	2,667		2,307	
Financial Real Estate Business	5,136		5,104	
Lifestyle Networks Business	787		742	
Sub-total	57,833	91.9	62,003	97.5
Others	8,262	13.1	4,933	7.8
Inter-segment revenues	(3,147)	(5.0)	(3,330)	(5.3)
Net sales	62,948	100.0	63,606	100.0

(Note) "Others" column includes revenues in businesses not determined as reportable segments.

<Net Sales>

1) Asset Management Business

In the Asset Management Business net sales come from two major business categories, the Investment in Securities Business and the Investment Advisory Services/ Other Businesses.

(Investment in Securities Business)

The Group invests in venture capital companies in various industries both inside and outside of Japan, such as IT, biotechnology, environment and energy, and financial sectors. Revenues come from two main sources in the investment in securities business: (1) “revenue from operational investment securities”, which is derived from the sale of operational investment securities held for the purpose of securing capital gains, and (2) “fees from funds”, which are revenues comprised of fund establishment fees, fund management fees and incentive fees that are based on a fund’s performance. When the Company or its consolidated subsidiaries invest in a fund operated by the Group, all net sales from the funds under the scope of consolidation, including the revenues corresponding to the stakes of other investors, are booked as revenue from operational investment securities.

In the six months ended 30 September 2011, revenue from operational investment securities increased 12.3% year-on-year to ¥9,894 million. This primarily reflected revenues from overseas investments. Revenue from fees from funds amounted to ¥653 million (down 4.6% year-on-year), which primarily reflected management fees from SBI BROADBAND CAPITAL Silent Partnership and the SBI BB Media Investment Limited Partnership.

(Investment Advisory Services and Other Businesses)

Net sales from investment advisory services and other businesses rose 5.3% year-on-year to ¥1,076 million for the six months. Revenues mainly came from investment trust management fees and interest income from operational loans receivable.

2) Brokerage & Investment Banking Business

Net sales in the Brokerage & Investment Banking Business are derived mainly from brokerage commission from securities transactions, underwriting and sales fees for initial public offerings, commissions from placement and sales of stock, and net trading income and financial revenue from spread on foreign exchange margin transactions and the like.

In the six months ended 30 September 2011, net sales in this business decreased 7.7% year-on-year to ¥22,345 million, which was primarily generated by SBI SECURITIES Co., Ltd. and SBI Liquidity Market Co., Ltd.

3) Financial Services Business

Net sales in the Financial Services Business are comprised of revenues generated in four business components: the Marketplace Business, the Financial Products Business and the Financial Solutions Business and Other Businesses.

(Marketplace Business)

In this business, the Group operates various finance-related comparison websites such as “InsWeb”, an insurance portal site, and “E-LOAN”, to offer a marketplace of services that enables consumers to search and compare information on financial products and services online.

In the six months ended 30 September 2011, net sales in the Marketplace Business declined 16.0% year-on-year to ¥2,446 million, which were primarily posted by the Company.

(Financial Products Business)

In the Financial Products Business, we provide a wide range of financial products and services including credit cards, comprehensive leasing services, auto loans and guarantee services, management and collection of specified monetary claims, and receipt financing that involves medical care payment receivable factoring and providing funds.

In the six months, net sales in the Financial Products Business rose 5.9% year-on-year to ¥4,597 million. These revenues were posted by SBI Card Co., Ltd., SBI Lease Co., Ltd., SBI Credit Co., Ltd., SBI Servicer Co., Ltd. and SBI Receipt Co., Ltd.

(Financial Solutions Business)

In the Financial Solution Business, we mainly provide online settlement services for EC business operators and call center services for financial institutions.

In the six months, net sales in this business rose 17.2% year-on-year to ¥4,617 million. This revenue was primarily generated by SBI VeriTrans Co., Ltd. and SBI Business Support Corp.

(Other Businesses)

In the category of Other Businesses, the Group is primarily engaged in the non-life insurance business with the Internet being the key service channel and the business of providing information on evaluations of financial products, particularly investment trusts, online.

Net sales in this category increased 147.9% year-on-year to ¥8,218 million in the six months. Revenues were mainly generated by SBI Insurance Co., Ltd. and Morningstar Japan K.K.

4) Housing and Real Estate Business

In the Housing and Real Estate Business, net sales come from the Real Estate Business, the Financial Real Estate Business and the Lifestyle Networks Business.

(Real Estate Business)

In the Real Estate Business, we are primarily engaged in the development and sale of properties for investment purposes, planning and design services associated with investment properties, and advisory services for constructions and real estate.

In the six months ended 30 September 2011, net sales declined 13.5% year-on-year to ¥2,307 million. This was primarily generated by the Company and SBI Life Living Co., Ltd.

(Financial Real Estate Business)

The Financial Real Estate Business involves provision of housing loans and real estate secured loans.

In the six months, net sales in this business decreased 0.6% year-on-year to ¥5,104 million. The revenues primarily come from SBI Mortgage Co., Ltd. and CEM Corporation.

(Lifestyle Networks Business)

In the Lifestyle Networks Business, we are mainly engaged in the operation of websites for online intermediary services and comparison and estimate service.

Net sales for the six months, which was mainly contributed by SBI Life Living Co., Ltd., declined 5.7% year-on-year to ¥742 million.

5) Others

In the six months ended 30 September 2011, net sales in businesses not determined as reportable segments, which consisted of system-related business, drug-discovery business and garment business, decreased 40.3% year-on-year to ¥4,933 million.

(Note) Net sales by business segment indicated are before eliminations of intersegment revenues.

<Cost of Sales>

1) Asset Management Business

In the six months ended 30 September 2011, cost of sales for the Asset Management Business decreased 38.8% year-on-year to ¥3,900 million, the primary component of which was cost of operational investment securities.

2) Brokerage & Investment Banking Business

In the six months, cost of sales for this business increased 2.3% year-on-year to ¥2,412 million, which were comprised primarily of financing costs such as interest expenses and financial expenses associated with margin or lending transactions.

3) Financial Services Business

In the six months, cost of sales for this business increased 64.5% year-on-year to ¥17,352 million, related primarily to lease operating costs.

4) Housing and Real Estate Business

Operating costs for this business decreased 14.1% year-on-year to ¥2,754 million during the six months. The costs were primarily sales cost of real estate for sale.

5) Other

In the six months, costs of sales for businesses not determined as reportable segments were mainly consisted of the costs for the system-related business and decreased 40.2% year-on-year to ¥3,969 million.

(Note) Operating costs by business segment are results before eliminations of intersegment costs.

<Selling, General and Administrative Expenses>

During the six months ended 30 September 2011, selling, general and administrative expenses amounted to ¥31,342 million, up 2.1% year-on-year, and consisted primarily of personnel expenses and securities system outsourcing costs.

<Non-operating Income>

Non-operating income for the six months ended 30 September 2011 amounted to ¥2,322 million, up 207.9% year-on-year. This was primarily share of results of affiliates.

<Non-operating Expense>

Non-operating expenses for the six months ended 30 September 2011 declined 2.9% year-on-year to ¥3,557 million, consisting primarily of interest expenses.

<Extraordinary Income>

During the six months ended 30 September 2011, extraordinary income declined 7.1% year-on-year to ¥2,252 million. This was mainly gain on sales of investment securities.

<Extraordinary Expense>

Extraordinary loss for the six months ended for 30 September 2011 decreased 75.0% year-on-year to ¥750 million. This consisted primarily of losses on disposal of subsidiaries and affiliates.

(2) Analysis of Financial Conditions

As at 30 September 2011, total assets stood at ¥1,561,526 million, up ¥267,920 million from ¥1,293,606 million at the end of the previous consolidated fiscal year ended 31 March 2011. Owing primarily to the issuance of new shares under the listing on the main board of the Hong Kong Stock Exchange and offering of Hong Kong depositary receipts representing the Company's common shares, net assets amounted to ¥462,979 million, up ¥5,996 million from the end of the previous consolidated fiscal year.

Cash and cash equivalents as at 30 September 2011 totaled ¥133,963 million, down ¥14,823 million compared with the balance of ¥148,786 million at the end of the previous consolidated fiscal year. The following is a summary of cash flows and underlying factors.

(Net Cash used in Operating Activities)

Net cash used in operating activities for the six months ended 30 September 2011 totaled ¥34,313 million, compared with net cash used in of ¥30,034 million in the corresponding period of the previous consolidated fiscal year. This mainly reflected cash outflows of ¥243,000 million for increase in cash segregated as deposits and of ¥29,965 million for increase in margin transaction assets, net, and cash outflow of ¥16,359 million for increase in operational investment securities despite the cash inflow of ¥275,531 million for increase in deposits from customers.

(Net Cash Used in Investing Activities)

Net cash used in investing activities for the six months totaled ¥11,248 million, compared with net cash used in the corresponding period of the previous consolidated fiscal year of ¥9,793 million. This was mainly attributable to cash outflows of ¥10,165 million for purchases of investment securities and of ¥12,695 million for payments of loans receivable despite the cash inflow of ¥14,421 million for collection of loans receivable.

(Net Cash from Financing Activities)

Net cash from financing activities for the six months totaled ¥33,546 million, compared with net cash from financing activities in the corresponding period of the previous consolidated fiscal year of ¥32,959 million. This mainly reflected cash inflows of ¥16,714 million for proceeds from stock issuance and of ¥11,245 million for increase in short-term loans payable.

2. CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all the major code provisions of the Corporate Governance Code throughout the accounting period for the six months ended 30 September 2011, save for deviations in Code Provision A.2.1, A.4.2, A.4.4, B.1 and C.3.

Details of which are explained below.

Chairman and Chief Executive Officer

According to the Code Provision A.2.1, the roles of chairman and chief executive officer (“CEO”) should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

We do not have a separate Chairman and CEO, and Mr. Yoshitaka Kitao currently holds both positions. The Board believes that vesting the roles of both Chairman and CEO in the same person ensures consistent leadership within the Group and enables more effective and efficient planning of long-term strategies and implementation of business plans. The Board believes that the balance of power and authority will not be impaired and is adequately ensured by the effective Board which comprises experienced and high caliber individuals with a sufficient number thereof being independent nonexecutive directors.

Appointment and Re-election of Directors

The procedures of election of directors are laid down in the Company’s Articles of Incorporation and the Companies Act of Japan. The Board is responsible for reviewing Board composition, developing and formulating procedures for nomination and appointment of directors, monitoring the appointment of directors and assessing the independence of independent non-executive directors.

The Code Provision A4.2 requires that all directors should be subject to retirement by rotation at least once every three years. Directors of the Company would not be subject to retirement by rotation, since there is no such rule under the Companies Act of Japan.

Instead, each of the directors (including executive and non-executive directors) of the Company is engaged on a service contract for a term of one year in accordance with the Company’s Articles of Incorporation. The office may be terminated by the directors’ written notice so long as the minimum number of directors required by the Companies Act of Japan could be maintained. Otherwise, a director must continue his/her duty until being replaced by his/her successor.

Apart from foregoing, no Directors for re-election at the annual general meeting held on 29 June 2011 has a service contract with the company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

Nomination Committee

We have not established a Nomination Committee as required by the Code Provision A.4.4. Shareholders elect the directors at the annual general Shareholders’ meeting based on an elective list of directors recommended by the Board, instead of via a nomination committee. The term of office of a director shall expire on the date of the general Shareholders’ meeting relating to the last business year, closing within 1 year after his or her appointment under the Company’s Articles of Incorporation. There is no limit on the number of consecutive term that a director may serve. A Representative Director is elected by the Board.

Remuneration Committee

The Stock Exchange has confirmed that we do not need to strictly comply with paragraph B.1 of Code Provision in respect of the establishment of a Remuneration Committee. The Board performs the role of remuneration committee to determine the remuneration of directors and senior management in accordance with the Companies Act of Japan and we will not put in place a separate committee.

The Board has established a set of rules for the compensation of its officers which set out the remuneration standards and policies of the Company for its executives. The compensation rules are not materially different from the terms of reference for a remuneration committee provided in paragraph B.1.3 of Code Provision and they provide a formal and transparent process for the determination of remuneration. Further, even though the Board of Directors will voluntarily perform the role of the remuneration committee, the decisions on maximum amount of remuneration, the method for calculation of remuneration, and the type and amount of remuneration to be paid to Directors and Statutory Auditors must be determined by the Shareholders of the Company.

Audit Committee

We have not established an Audit Committee as required by Code Provision C.3. Our interim results have not been reviewed by the Audit Committee. The role of the Audit Committee pursuant to the Listing Rules is carried out by a Board of Statutory Auditors of the Company in Japan. The specific roles and responsibilities of the Statutory Auditors and the Board of Statutory Auditors correspond closely to those required to be provided by an Audit Committee under the Listing Rules.

Changes in Information of Directors

The changes in the information of Directors since the publication of the 2010/11 Annual Report are set out below pursuant to Rule 13.51B(1) of the Listing Rules:

Biographical Details of Directors

Mr. Yasutaro Sawada

- Ceased to act as the executive Director and Chief Financial Officer of the Company on 30 September 2011.
- Re-designated to the non-executive Director of the Company on 1 October 2011.

Mr. Taro Izuchi

- Ceased to act as the Non-executive Director of the Company on 30 September 2011.
- Re-designated to the Executive Director and Chief Operating Officer of the Company on 1 October 2011.

Mr. Shumpei Morita

- Appointed as the Chief Financial Officer of the Company on 1 October 2011.

Other than those disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

3. INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in millions of Japanese Yen, rounded down to the nearest million except for per share information, unless otherwise stated)

(1) INTERIM CONSOLIDATED BALANCE SHEETS

	As at 31 March 2011	As at 30 September 2011
Assets		
Current assets		
Cash and deposits	150,268	134,920
Notes and accounts receivable-trade	10,658	11,175
Short-term investment securities	292	131
Cash segregated as deposits	347,865	592,065
Operational investment securities	132,773	146,600
Operational loans receivable	27,905	27,884
Real estate inventories	16,812	17,140
Trading instruments	2,701	20,514
Margin transaction assets	250,399	260,983
Others	93,118	81,761
Allowance for doubtful accounts	(4,017)	(2,949)
Total current assets	<u>1,028,779</u>	<u>1,290,228</u>
Non-current assets		
Property and equipment	28,431	27,843
Intangible assets		
Goodwill	126,297	126,156
Others	13,946	13,743
Total intangible assets	<u>140,244</u>	<u>139,900</u>
Investments and other assets	90,250	96,056
Total non-current assets	<u>258,926</u>	<u>263,800</u>
Deferred charges	5,900	7,497
Total assets	<u><u>1,293,606</u></u>	<u><u>1,561,526</u></u>

	As at 31 March 2011	As at 30 September 2011
Liabilities		
Current liabilities		
Short-term loans payable	97,164	106,778
Current portion of long-term loans payable	12,147	11,772
Current portion of bonds payable	70,060	80,060
Accrued income taxes	4,574	4,332
Margin transaction liabilities	143,757	124,375
Guarantee deposits received	309,134	278,807
Deposits from customers	37,819	312,166
Provisions	527	1,249
Others	105,411	122,233
Total current liabilities	<u>780,597</u>	<u>1,041,775</u>
Non-current Liabilities		
Bonds payable	540	510
Long-term loans payable	31,366	30,010
Provisions	930	473
Others	17,991	21,348
Total non-current liabilities	<u>50,828</u>	<u>52,343</u>
Statutory reserves		
Reserve for financial products transaction liabilities	5,196	4,429
Reserve for price fluctuation	0	0
Total statutory reserves	<u>5,197</u>	<u>4,429</u>
Total liabilities	<u>836,623</u>	<u>1,098,547</u>
Net assets		
Shareholders' equity		
Capital stock	73,236	81,663
Capital surplus	236,920	248,728
Retained earnings	88,073	86,837
Treasury stock	(246)	(705)
Total shareholders' equity	<u>397,983</u>	<u>416,524</u>
Accumulated other comprehensive income (loss)		
Unrealized losses on available-for-sale securities	(3,902)	(4,854)
Deferred losses on derivatives under hedge accounting	(239)	(3,022)
Foreign currency translation adjustments	(3,012)	(8,732)
Total accumulated other comprehensive income (loss)	<u>(7,155)</u>	<u>(16,609)</u>
Stock acquisition rights	11	11
Minority interests	66,142	63,052
Total net assets	<u>456,982</u>	<u>462,979</u>
Total liabilities and net assets	<u><u>1,293,606</u></u>	<u><u>1,561,526</u></u>

(2) INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

	Six months ended 30 September	
	2010	2011
Net sales	62,948	63,606
Cost of sales	28,646	29,752
Gross profit	34,301	33,854
Selling, general and administrative expenses	30,696	31,342
Operating income	3,605	2,511
Non-operating income		
Interest income	165	204
Dividend income	139	135
Share of results of affiliates	203	1,635
Others	245	347
Total non-operating income	754	2,322
Non-operating expense		
Interest expense	1,375	1,167
Foreign exchange losses	1,249	847
Others	1,039	1,542
Total non-operating expense	3,663	3,557
Ordinary income	695	1,277
Extraordinary income		
Gains on sales of investment securities	55	1,258
Reversal of statutory reserves	2,022	767
Others	348	226
Total extraordinary income	2,426	2,252
Extraordinary expense		
Impairment loss	716	—
Losses on disposal of subsidiaries and affiliates	635	421
Impact from applying the Accounting Standard of Asset Retirement Obligation	501	—
Provision of statutory reserves	—	0
Others	1,154	329
Total extraordinary expense	3,007	750
Income before income taxes	113	2,779
Income taxes-current	(4,392)	(4,306)
Income taxes-deferred	3,001	1,231
Total income taxes	(1,391)	(3,074)
Net income before minority interests	(1,277)	(294)
Minority interests in loss	(1,963)	(1,408)
Net income	686	1,113

(3) INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six months ended 30 September	
	2010	2011
Net income before minority interests	(1,277)	(294)
Other comprehensive income (loss)		
Unrealized gains (losses) on available-for-sale securities	(3,703)	584
Deferred losses on derivatives under hedge accounting	—	(0)
Foreign currency translation adjustments	(1,655)	(4,912)
Share of other comprehensive income (loss) of equity method affiliates	(1,079)	(3,948)
Total other comprehensive income (loss) for the period	(6,438)	(8,276)
Total comprehensive income (loss) for the period	(7,716)	(8,571)
Total comprehensive income (loss) for the period attributable to:		
-Owners of the parent	(5,473)	(8,318)
-Minority interests	(2,242)	(253)

(4) INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six months ended 30 September	
	2010	2011
Net cash used in operating activities		
Income before income taxes	113	2,779
Adjustments for		
Depreciation and amortization	2,969	3,876
Amortization of goodwill	4,271	3,921
Increase in provision	2,927	2,308
Share of results of affiliates	(203)	(1,635)
Write-down of operational investment securities	836	1,010
Equity in earnings of funds	(1,049)	279
Gains on sales of investment securities	(52)	(1,185)
Foreign exchange losses	2,256	3,199
Interest and dividend income	(8,803)	(8,045)
Interest expense	3,369	3,033
Changes in assets and liabilities:		
Increase in operational investment securities	(16,860)	(16,359)
Increase in operational loans receivable	(1,050)	(268)
Increase in real estate inventories	(514)	(485)
Decrease in notes and accounts receivable-trade	820	745
Increase in notes and accounts payable-trade	(732)	(1,290)
Decrease (increase) in cash segregated as deposits	16,000	(243,000)
Increase in trading instruments	(7,651)	(15,919)
Increase in margin transaction assets, net	(30,528)	(29,965)
Increase in deposits from customers	718	275,531
Increase in loans payable secured by securities	3,607	1,752
Others, net	(1,119)	(17,082)
Subtotal	(30,675)	(36,800)
Interest and dividend income received	8,402	7,775
Interest expense paid	(3,394)	(2,912)
Income taxes paid	(4,366)	(2,375)
Net cash used in operating activities	(30,034)	(34,313)
Net cash used in investing activities		
Purchases of intangible assets	(2,776)	(1,808)
Purchases of investment securities	(9,298)	(10,165)
Proceeds from sales of investment securities	3,031	937
Proceeds from sales of investments in subsidiaries	249	524
Purchases of investments in subsidiaries		
resulting in change in scope of consolidation	(99)	68
Proceeds from sales of investments in subsidiaries		
resulting in change in scope of consolidation	—	(27)
Purchases of investments in subsidiaries	—	(4,335)
Payments of loans receivable	(7,506)	(12,695)
Collection of loans receivable	6,630	14,421
Payments for lease and guarantee deposits	(455)	(208)
Proceeds from collection of lease and guarantee		
deposits	339	190
Others, net	92	1,850
Net cash used in investing activities	(9,793)	(11,248)

	Six months ended 30 September	
	2010	2011
Net cash from financing activities		
Increase (decrease) in short-term loans payable	(182)	11,245
Proceeds from long-term loans payable	2,000	600
Repayment of long-term loans payable	(3,328)	(2,330)
Proceeds from issuance of bonds payable	40,464	49,757
Redemption of bonds payable	(41,600)	(40,030)
Proceeds from stock issuance	35,678	16,714
Proceeds from stock issuance to minority interests . . .	1,681	91
Contributions from minority shareholders in consolidated investment funds	1,912	1,472
Cash dividend paid	(1,666)	(2,377)
Cash dividend paid to minority shareholders	(147)	(181)
Distributions to minority shareholders in consolidated investment funds	(1,360)	(432)
Others, net	(491)	(983)
Net cash from financing activities	<u>32,959</u>	<u>33,546</u>
Effect of changes in exchange rate on cash and cash equivalents	(1,978)	(3,485)
Net decrease in cash and cash equivalents	<u>(8,847)</u>	<u>(15,500)</u>
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	697
Decrease in cash and cash equivalents resulting from deconsolidation of subsidiaries	(28)	(19)
Cash and cash equivalents at the beginning of the period	<u>142,581</u>	<u>148,786</u>
Cash and cash equivalents at the end of the period	<u>133,705</u>	<u>133,963</u>

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

I. SEGMENT INFORMATION

1. Information about reportable segments

Six months ended 30 September 2010	Reportable segment				Sub-total	Others (Note)	Total
	Asset Management Business	Brokerage & Investment Banking Business	Financial Services Business	Housing and Real Estate Business			
Net Sales	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)
Revenue from customers	10,514	22,915	13,525	8,590	55,545	7,402	62,948
Inter-segment revenue	1	1,301	983	1	2,287	860	3,147
Total	10,516	24,216	14,508	8,591	57,833	8,262	66,096
Segment operating income (loss)	2,679	3,780	435	1,205	8,100	(1,020)	7,079

(Note) Business segments classified into "Others" are segment not determined as reportable segments which consisted of system-related business, drug-discovery business and garment business.

Six months ended 30 September 2011	Reportable segment				Sub-total	Others (Note)	Total
	Asset Management Business	Brokerage & Investment Banking Business	Financial Services Business	Housing and Real Estate Business			
Net Sales	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)	(millions of Yen)
Revenue from customers	11,624	21,350	18,665	8,152	59,793	3,813	63,606
Inter-segment revenue	0	995	1,214	1	2,210	1,119	3,330
Total	11,624	22,345	19,880	8,154	62,003	4,933	66,937
Segment operating income (loss)	6,023	2,093	(1,607)	1,027	7,536	(1,484)	6,051

(Note) Business segments classified into "Others" are segment not determined as reportable segments which consisted of system-related business, drug-discovery business and garment business.

2. Reconciliation of the differences between the total amount of reportable segments and the total amount recorded in the consolidated financial statements

Operating income	Six months ended 30 September	
	2010	2011
	millions of Yen	millions of Yen
Total of reportable segments	8,100	7,536
Losses of "Others"	(1,020)	(1,484)
Elimination among segments	(933)	(739)
Headquarters expenses (Note)	(2,541)	(2,800)
Operating income of consolidated financial statements	<u>3,605</u>	<u>2,511</u>

(Note) Headquarters expenses are general administrative expenses which are not attributable to reportable segments.

3. Impairment losses in each reportable segment

Impairment losses	Six months ended 30 September	
	2010	2011
	millions of Yen	millions of Yen
Asset Management Business	—	—
Brokerage & Investment Banking Business (Note1)	350	—
Financial Services Business	5	—
Housing and Real Estate Business	—	—
Others (Note2)	360	—
Headquarters expenses and elimination among segment	—	—
Total	<u>716</u>	<u>—</u>

(Notes)

1. Implementation of a new online securities operation system necessitated the disposal of the assets used for the prior operation system.
2. "Others" consist of health care related business.

II. SIGNIFICANT CHANGES IN NET ASSETS

1. Outstanding number of capital stock and treasury stock

Six months ended 30 September 2011	As at 31 March 2011 (share)	Increase (share)	Decrease (share)	As at 30 September 2011 (share)
Outstanding capital stock				
Common shares (Note 1, 2)	19,944,018	2,432,216	—	22,376,234
Treasury stock				
Common shares (Note 2)	14,621	60,000	—	74,621

(Notes)

1. The Company issued new shares of which payment dates were on 12 April and 9 May 2011, relating to the listing on the main board of the Hong Kong Stock Exchange and offering of Hong Kong depositary receipts representing the Company's common shares. Number of shares outstanding increased by 2,000,000, and Capital stock and Capital surplus increased by ¥8,427 million.

2. The Company issued new shares to make its consolidated subsidiary, SBI VeriTrans Co., Ltd., a wholly-owned subsidiary through a share exchange on 1 August 2011. Relating to the share exchange, number of shares outstanding increased by 432,216 and Capital surplus increased by ¥3,379 million, and number of treasury stock increased by 60,000.

Through the issues of new shares, Capital stock and Capital surplus increased to ¥81,663 million and to ¥248,728 million, respectively.

2. Dividends

Dividend paid

Six months ended 30 September 2011						
Resolution	Type of share	Dividend amount (millions of Yen)	Amount per share (Yen)	Declared date	Effective date	Dividends source
Board of Directors' Meeting on 27 April 2011	Common shares	2,391	120	31 March 2011	9 June 2011	Retained earnings

III. EVENT AFTER THE REPORTING PERIOD

Execution of Share Exchange Agreement

The Company and its consolidated subsidiary, SBI Net Systems Co., Ltd. (“SBI Net Systems”) announced that at board meetings held on 26 October 2011 their respective boards of directors adopted resolutions to convert SBI Net Systems into a wholly-owned subsidiary of the Company through a share exchange (the “Share Exchange”) subject to approval at SBI Net Systems’ extraordinary meeting of shareholders, and the two companies executed a share exchange agreement (the “Share Exchange Agreement”).

1. Time Table for the Share Exchange

Board of Directors meeting approving the share exchange and execution of share exchange agreement (both companies)	26 October 2011 (Wed)
Public notice of the record date for the extraordinary shareholders meeting (SBI Net Systems)	27 October 2011 (Thu) (scheduled)
Record date for the extraordinary shareholders meeting (SBI Net Systems)	11 November 2011 (Fri) (scheduled)
Extraordinary shareholders meeting to approve share exchange (SBI Net Systems)	21 December 2011 (Wed) (scheduled)
Final trading date (SBI Net Systems)	26 January 2012 (Thu) (scheduled)
Share delisting date (SBI Net Systems)	27 January 2012 (Fri) (scheduled)
Effective date of share exchange	1 February 2012 (Wed) (scheduled)

(Note): The Company will implement the Share Exchange through the use of a simplified share exchange arrangement pursuant to Article 796, Paragraph 3 of the Companies Act, and consequently, the Company does not require approval from its shareholders.

2. Summary of the Business Combination

(1) Combined company’s name

SBI Net Systems

(2) Combined company’s business

Consigned development of systems

(3) Purpose of the Share Exchange

The Company believes that incorporating the system development know-how held by SBI Net Systems into the SBI group promptly and efficiently through the management integration expected to result from the conversion of SBI Net Systems into the Company’s wholly-owned subsidiary, creating opportunities for SBI Net Systems and the Company to work together on business developments in and outside of Japan, and thereby aiming for significant synergies and enhanced profitability, will maximize the corporate value of the SBI group and will therefore be in the best interests of the shareholders, customers and trading partners, etc. of both the Company and SBI Net Systems.

(4) Legal structure of the business combination

Share exchanges between the Company and minority interests of SBI Net Systems.

(5) Summary of accounting treatment

“Accounting for business combinations” (ASBJ Statement No.21 issued on 26 December 2008) and “Guidance for Accounting Standard for Business Combinations and Business Divestitures” (ASBJ Guidance No.10 issued on 26 December 2008), it will be proceeded as trades with minority interests of those with common control.

3. Details of the Allotment regarding the Share Exchange

Company Name	The Company (Share Exchange Wholly-Owning Parent Company)	SBI Net Systems (Share Exchange Wholly-Owned Subsidiary)
Share exchange ratio (Note) 1.	1	1.25
Number of shares to be delivered pursuant to the Share Exchange	(Note) 2.	
Number of shares to be newly issued pursuant to the Share Exchange	(Note) 3.	

(Notes)

1. Share Exchange Ratio

For every one share of SBI Net Systems common stock, 1.25 shares of the Company's common stock will be allocated and delivered (if any material changes occur in the various conditions that serve as the basis for the calculations, this share exchange ratio may be subject to change through consultations between the two companies). However, no shares will be allocated pursuant to the Share Exchange with respect to the 298,303 shares of SBI Net Systems common stock held by the Company as of 26 October 2011.

2. Number of Shares to be Delivered Pursuant to the Share Exchange

In the implementation of the Share Exchange, the Company will deliver by allotment shares of the Company's common stock equal to the total number of shares of SBI Net Systems common stock owned by shareholders of SBI Net Systems (here and hereafter, excluding the Company) stated or recorded in the SBI Net Systems shareholder register immediately prior to the Share Exchange coming into effect (the "Time of Record") multiplied by 1.25.

As of October 26, 2011, the number of outstanding shares of SBI Net Systems was 417,798. The number of shares obtained after deducting the 298,303 shares owned by the Company, which is 119,495, and then multiplying by 1.25 is 149,368 shares.

3. Number of Shares to be Newly Issued by the Share Exchange

Among the number of shares to be delivered by the Share Exchange, the Company will dispose of the treasury shares held by the Company for 74,621 shares, and will newly issue shares of the Company's stock for the remainder. As of 26 October 2011, the total number of issued shares of SBI Net Systems minus shares held by the Company, multiplied by 1.25, which becomes 149,368 shares, and minus 74,621 shares, shall be 74,747 shares.

4. Basis for Calculating the Share Allocations Associated with the Share Exchange

The Company appointed KPMG FAS Co., Ltd. and SBI Net Systems appointed Hibiya Kansa Hojin, and each requested that the respective valuation organizations determine an appropriate share exchange ratio and received reports on the results.

Both valuation organizations used the market price analysis method with respect to the common shares of both the Company and SBI Net Systems (the "two Companies"). They also performed calculations using the discounted cash flow method with respect to the common shares of SBI Net Systems to reflect status of its future business activities and future profitability and its company-specific nature.

The two companies then conducted consultations and negotiations in a careful manner based on the results of those determinations and agreed on the share exchange ratio.

4. RESUMPTION OF TRADING

At the request of the Company, trading in its Hong Kong depositary receipts was suspended with effect from 1:30 p.m. on Wednesday, 26 October 2011, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Thursday, 27 October 2011.

On behalf of the Board

SBI Holdings, Inc.

Yoshitaka Kitao

Chief Executive Officer

As of the date of this announcement, the executive Directors are Mr. Yoshitaka Kitao, Mr. Taro Izuchi, Mr. Takashi Nakagawa, Mr. Kenji Hirai, Mr. Tomoya Asakura, Mr. Takashi Okita, Mr. Noriaki Maruyama, Mr. Shumpei Morita, Mr. Shinji Yamauchi, Mr. Makoto Miyazaki, Mr. Yoshimi Takahashi, and Mr. Masaki Takayanagi, the non-executive Directors are Mr. Yasutaro Sawada, Mr. Hiroyoshi Kido, Mr. Noriyoshi Kimura and Mr. Hiroshi Tasaka and the independent non-executive Directors are Mr. Masaki Yoshida, Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Takeshi Natsuno and Mr. Akihiro Tamaki.

5. SUPPLEMENTARY INFORMATION

Asset Management Business

The size of managed investment partnerships, etc. in the Asset Management Business amounted to ¥439.9 billion. This included funds worth ¥78.1 billion in the IT and biotechnology categories (the sum of net assets at market value as at the most recent fiscal closing of each fund), ¥12.5 billion in the environment & energy category (ditto), ¥99.6 billion in the overseas category (ditto), ¥31.3 billion in the buyout and mezzanine categories (ditto), ¥187.9 billion in the area including investment trusts, investment advisory and other (net assets at market value based on constant value as at 30 September 2011) as well as ¥30.2 billion in the real estate category (the total investment amount as at 30 September 2011).

The status of management of investment partnerships, etc. and the results of investment operations are described below.

(i) Investment Partnerships, etc. under Management

The following provides information on principal funds based on the most recent fiscal closing results (including interim and quarterly fiscal closing results) as at 30 September 2011.

	Management Company	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Corporation	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Incentive Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
SBI BB MEDIA INVESTMENT LIMITED PARTNERSHIP	SBI Investment Co., Ltd.	24 March, 2005	December (June)	Content/ media/ broadband-related companies inside and outside of Japan	Yusei Audit & Co.	94	20,000	9.5 (10.0)	13,182	—
		30 June, 2012				13,684	—		11,820	
SBI BB Mobile Investment LPS (Note 7)	SBI Investment Co., Ltd.	30 March, 2006	December (June)	Mobile technology-related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	111	32,000	35.9 (36.9)	25,725	—
		31 December, 2011 (31 December, 2013)				19,231	—		25,211	
SBI NEO Technology Investment LPS (Notes 7, 8)	SBI Investment Co., Ltd.	1 July, 2008	December (June)	Unlisted and listed companies in IT, environment and other fields inside and outside of Japan	Deloitte Touche Tohmatsu LLC	33	10,400	43.5 (48.5)	9,388	—
		31 December, 2013 (31 December, 2015)				3,750	—		9,322	
SBI Advanced Technology No. 1 Investment LPS (Note 7)	SBI Investment Co., Ltd.	20 April, 2010	December (June)	Unlisted and listed companies in IT, biotechnology, environment, energy and other fields inside and outside of Japan	Deloitte Touche Tohmatsu LLC	3	3,500	31.4 (37.1)	3,352	—
		31 December, 2018 (31 December, 2020)				104	—		3,350	
SBI Mezzanine Fund No2 LIMITED PARTNERSHIP (Note 7)	SBI Capital Solutions Co., Ltd.	12 April, 2005	January (July)	Companies in need of DIP finance, etc. inside and outside of Japan	Deloitte Touche Tohmatsu LLC	6	9,710	61.8 (73.2)	322	676
		31 January, 2013 (31 March, 2015)				254	12,092		322	

	Management Company	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Corporation	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Incentive Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
Metropolitan Enterprise Revitalization Fund, Limited Liability Investment Partnership (Note 7)	SBI Capital Solutions Co., Ltd.	13 March, 2006	January (July)	Companies in need of DIP finance, etc. conducting business in the Tokyo metropolitan area	Deloitte Touche Tohmatsu LLC	3	2,700	0.0 (7.4)	98	192
		31 January, 2013				101	3,223		98	
SBI Mezzanine Fund No.3 LIMITED PARTNERSHIP (Note 7)	SBI Capital Solutions Co., Ltd.	30 October, 2008	January (July)	Companies in need of DIP finance, etc. inside and outside of Japan	Deloitte Touche Tohmatsu LLC	17	7,300	82.2 (100.0)	7,424	60
		31 January, 2016 (31 March, 2018)				3,373	111		7,424	
Metropolitan Enterprise Revitalization Fund, Limited Liability Investment Partnership No.2 (Note 7)	SBI Capital Solutions Co., Ltd.	10 September, 2009	January (July)	Companies in need of DIP finance, etc. conducting business in the Tokyo metropolitan area	Deloitte Touche Tohmatsu LLC	15	2,700	0.0 (7.4)	2,738	-
		31 January, 2016 (31 March, 2018)				1,227	38		2,738	
SBI Value Up Fund No.1 Limited Partnership (Note 7)	SBI CAPITAL Co., Ltd.	1 September, 2006	November (May)	Buyout investment, enterprise revitalization investment, and minority investment in listed companies	Deloitte Touche Tohmatsu LLC	5	23,100	43.3 (49.8)	20,845	114
		30 November, 2014 (31 August, 2016)				16,517	438		20,813	
SBI Selective Target Investment LPS (Note 7)	SBI Investment Co., Ltd.	2 February, 2010	December (June)	Investment primarily in companies already targeted by the Group and which are highly likely to go public	Yusei Audit & Co.	2	900	27.8 (33.3)	890	-
		31 January, 2013 (31 January, 2015)				849	-		833	
SBI Innovation Fund No.1 (Note 7)	SBI Investment Co., Ltd.	31 March, 2010	December (June)	Unlisted and listed companies in Japan	Yusei Audit & Co.	9	3,000	96.7 (100.0)	2,899	-
		30 June, 2020 (30 June, 2022)				2,914	-		2,899	
SBI Entertainment Fund No. 2	SBI Investment Co., Ltd.	31 March, 2010	December (June)	Unlisted and listed companies inside and outside of Japan	Yusei Audit & Co.	2	2,102	0.0 (0.1)	2,067	-
		30 June, 2015 (30 June, 2017)				3,567	-		1,610	
SBI Real Incubation No.1 Limited Partnership (Note 7)	SBI Investment Co., Ltd.	1 September, 2003	August (February)	Franchise companies and other	Yusei Audit & Co.	15	1,800	10.0 (26.7)	896	-
		31 August, 2013				864	124		901	
Biovision Life Science Fund No.1 (Note 7)	SBI Investment Co., Ltd.	24 December, 2003	November	Biotechnology-related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	14	4,200	50.0 (61.9)	2,736	-
		30 September, 2012 (30 September, 2014)				2,930	-		2,376	

	Management Company	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Corporation	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Incentive Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
SBI Bio Life Science Investment LPS (Note 7)	SBI Investment Co., Ltd.	1 August, 2005	November (May)	Biotechnology -related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	19	6,300	46.0 (47.6)	3,684	—
		30 November, 2012 (30 November, 2014)				3,521	—		3,298	
SBI LIFE SCIENCE TECHNOLOGY INVESTMENT LPS (Notes 7, 9)	SBI Investment Co., Ltd.	1 March, 2007	November (May)	Biotechnology -related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	18	9,800	51.0 (54.1)	8,114	—
		30 November, 2015 (30 November, 2017)				6,705	—		7,926	
Energy & Environment No. 1 Limited Partnership	Energy & Environment, Inc.	5 September, 2007	December (June)	Primarily companies engaged in businesses related to electricity, energy and environment inside and outside of Japan	Ernst & Young ShinNihon LLC	14	7,510	49.9 (50.1)	6,147	—
		31 December, 2016 (31 December, 2018)				1,846	—		6,432	
EEI Clean Technology Investment Limited Partnership	Energy & Environment, Inc.	30 September, 2011	December (June)	Primarily companies engaged in businesses related to clean technology and related service inside and outside of Japan	Ernst & Young ShinNihon LLC	—	6,070	32.9 (34.1)	6,070	—
		30 September, 2021 (30 September, 2023)				—	—		6,070	
NEW HORIZON FUND, L.P. (Notes 10, 13)	NEW HORIZON PARTNERS LTD.	30 May, 2005	December	Primarily promising Chinese companies	Price Waterhouse Coopers	5	7,663	0.0 (50.0)	1,447	4,376
		30 May, 2012 (30 May, 2014)				2,197	29,532		3,873	
SBI & TH Venture Capital Enterprise (Notes 7, 11)	SBI & TH (Beijing) Venture Capital Management Co., Ltd.	18 January, 2008	December	Primarily promising Chinese companies	ShineWing Certified Public Accountants	6	2,809	86.1 (87.1)	2,727	—
		17 January, 2016				968	—		2,727	
SBI & BDJB CHINA FUND, L.P. (Note 11)	SBI & BDJB Management Limited	25 February, 2008	December	Primarily promising Chinese companies	RSM Nelson Wheeler Certified Public Accountants	2	8,152	50.0 (50.1)	7,765	—
		25 February, 2013 (25 February, 2015)				1,847	—		7,765	
SBI Zhaoxin L.P. (Notes 7, 11)	SBI Zhaoxin Advisor Limited	11 March, 2009	December	Primarily unlisted Chinese companies	Ernst & Young	—	1,667	100.0 (100.0)	1,604	—
		10 March, 2014 (10 March, 2016)				—	—		1,604	
SBI & Capital 22 JV Fund, L.P. (Notes 7, 11)	SBI & Capital 22 Management Co. Ltd.	29 October, 2008	December	Unlisted companies and other in Taiwan and China	Ernst & Young	3	1,832	66.7 (66.7)	1,579	—
		14 November, 2013 (14 November, 2015)				104	196		1,837	

	Management Company	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Corporation	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Incentive Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
Kingston/SBI Credence Fund, L.P. (Note 13)	Kingston /SBI Credence Limited	14 September, 2011	December	Unlisted and listed companies in China, Taiwan and Hong Kong	To be determined	—	7,663	50.0 (50.0)	7,663	—
		14 September, 2016 (14 September, 2018)				—	—		7,663	
India Japan Fund (Notes 7, 12)	SS Venture Services Limited	29 April, 2008	March	Primarily promising Indian companies	Ernst & Young	—	8,315	0.0 (100.0)	7,479	—
		29 April, 2013 (29 April, 2015)				—	—		7,479	
THE VIETNAM JAPAN FUND (Notes 7, 14)	FPT Fund Management Joint Stock Company	3 April, 2008	December	Primarily promising Vietnamese companies	Ernst & Young	8	6,660	0.0 (96.0)	6,461	—
		19 March, 2014 (19 March, 2017)				3,284	—		6,302	
SBI SOI Limited Partnership	SBI Discovery Fund Management Limited	4 June, 2008	December	Primarily university-led ventures in Asia	To be determined	—	500	0.0 (100.0)	500	—
		4 June, 2016 (4 June, 2018)				—	—		500	
PNB-SBI ASEAN Gateway Fund Ltd.P. (Note 11)	PNB-SBI ASEAN Gateway Investment Management Limited	10 December, 2009	December	Promising companies of ASEAN countries, China and India, and other	Ernst & Young	—	4,072	50.0 (50.0)	4,008	—
		31 March, 2015 (31 March, 2017)				—	—		4,008	
SBI Islamic Fund (Brunei) Limited (Note 15)	SBI (B) SDN BHD	28 June, 2010	December	Islamic companies worldwide in conformity to the Sharia (Islamic) law and other	Deloitte	—	4,721	50.0 (50.0)	4,674	—
		16 September, 2015 (16 September, 2017)				—	—		4,674	
SBI Jefferies Asia Fund L.P. (Notes 7, 11)	SBI-Jefferies Strategic Investments Asia Ltd.	16 July, 2010	December	Promising companies of south Asia, southeastern Asia and etc.	Ernst & Young	—	4,072	80.0 (80.0)	4,061	—
		16 July, 2015 (16 July, 2017)				—	—		4,061	
Jefferies SBI USA Fund L.P. (Note 11)	Jefferies-SBI Strategic Investments USA LLC	25 June, 2010	December	Unlisted U.S. companies	Price Waterhouse Coopers	1	12,216	50.0 (50.0)	12,164	—
		25 June, 2020 (25 June, 2022)				1,387	—		12,164	
SBI-Metropol Investment Fund Cooperative U.A. (Note 11)	SBI-Metropol Fund Management Company Cooperative U.A.	19 November, 2010	December	Unlisted and listed companies in Russia	Ernst & Young	—	8,144	0.0 (50.0)	8,135	—
		19 November, 2017 (19 November, 2019)				—	—		8,135	

	Management Company	Date Established	Fiscal Closing (Interim, etc.)	Major Investment Targets	Audit Corporation	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Incentive Fee (Millions of Yen)
		Contract Maturity Date (Maturity Date after Extension)				Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
INVEST AD/SBI AFRICA FUND, L.P. (Note 13)	Invest AD/SBI Limited	11 January, 2011	December	Promising companies in north and central Africa	Ernst & Young	—	5,747	50.0 (50.0)	5,747	—
		11 January, 2016 (11 January, 2018)				—	—		5,747	
INVEST AD/SBI TURKEY FUND, L.P. (Note 13)	Invest AD/SBI Turkey Limited	22 May, 2011	December	Promising companies in Turkey	Ernst & Young	—	7,663	50.0 (50.0)	7,663	—
		22 May, 2016 (22 May, 2018)				—	—		7,663	
Total						405	244,988	38.3 (50.5)	200,254	5,418
						91,224	45,754		199,645	

(Notes)

1. Funds in the process of liquidation are as follows.

	Management Company	Date Established	Major Investment Targets	Audit Corporation	Number of Portfolio Companies	Commitment Amount (Millions of Yen)	SBI's Investment Ratio (Group's Investment Ratio) (%)	Net Asset Value (Millions of Yen)	Incentive Fee (Millions of Yen)
		Contract Maturity Date			Investment Balance (Millions of Yen)	Cumulative Dividend (Millions of Yen)		Amount of Net Assets at Market Value (Millions of Yen)	
Softbank Internet Fund	SOFT TREND CAPITAL Corp.	1 July, 1999	Internet-related and other companies inside and outside of Japan	Yusei Audit & Co.	3	12,300	0.0 (11.4)	525	—
		30 September, 2010			512	10,739		453	
SBI BROADBAND CAPITAL Silent Partnership	SBI BROADBAND CAPITAL Co., Ltd.	1 September, 2004	Broadband related companies inside and outside of Japan	Deloitte Touche Tohmatsu LLC	—	20,790	0.0 (0.2)	13,761	—
		31 August, 2011			—	2,079		13,761	
SBI BROADBAND FUND No1 LIMITED PARTNERSHIP (Note 7)	SBI Investment Co., Ltd.	1 October, 2004	Broadband-related companies inside and outside of Japan	Yusei Audit & Co.	117	32,600	39.6 (39.9)	22,742	—
		31 August, 2011			23,073	—		21,844	
MASDAR-SBI Fund, L.P.	MASDAR-SBI Alternative Energy Fund Ltd.	22 December, 2008	Japanese alternative energy-related companies and other	Ernst & Young	—	1,532	0.0 (50.0)	—	—
		10 September, 2010			—	—		—	

- The number of portfolio companies includes cases of investments in partnerships in addition to securities investment but excludes items to which impairment accounting was fully applied. In case an investment target falls under multiple funds, it is accounted for more than once in the total number of companies invested in.
- SBI's investment ratio and the Group's investment ratio are ratios as at the end of the most recent fiscal closing (including interim and quarterly fiscal closing) of each fund.
- Net asset value is derived based on acquisition cost (in case the value has declined considerably, the amount after impairment treatment) and in case allowance has been posted, the amount after deduction of allowance is used. The unpaid commitment amount is also included in the calculation.

5. The amount of net assets at market value represents the net asset value plus the impact of unrealized gain/loss on securities as at the end of the most recent fiscal period (including interim and quarterly fiscal periods) of each fund. In computing the market value, the closing price on the market as at the end of the most recent fiscal period (including interim and quarterly fiscal periods) of each fund was applied for each listed stock, while unlisted stocks, etc. were valued using acquisition costs. The unpaid commitment amount is also included in the calculation.
6. In case the initial fiscal closing has not arrived for a fund since its establishment, the number of portfolio companies and the investment balance are not recorded, and the commitment amount is indicated under the net asset value and the amount of net assets at market value.
7. This fund is included in the scope of consolidation in accordance with the “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations” (Accounting Standards Board of Japan (ASBJ) Practical Solution Report No. 20, 8 September, 2006).
8. Figures under SBI NEO Technology Investment LPS are aggregates of figures for SBI NEO Technology A Investment LPS and for SBI NEO Technology B Investment LPS. SBI's investment ratio/Group's investment ratio includes the portion of investment made by SBI NEO Technology C Investment LPS established on 19 June, 2009.
9. Figures under SBI LIFE SCIENCE TECHNOLOGY INVESTMENT LPS include those for SBI LIFE SCIENCE TECHNOLOGY NO2 INVESTMENT LPS.
10. NEW HORIZON FUND, L.P. performs the fiscal closing process on a quarterly basis, and the figures reflect the provisional fiscal closing results of 30 September 2011.
11. This fund has been set to provide U.S. dollar-based reporting. For the purpose of presentation herein, an exchange rate as at 31 December, 2010 (USD1 = JPY81.44) was applied on U.S. dollar-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
12. This fund has been set to provide U.S. dollar-based reporting. For the purpose of presentation herein, the exchange rate as at 31 March 2011 (USD1 = JPY83.15) was applied on U.S. dollar-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
13. This fund has been set to provide U.S. dollar-based reporting. For the purpose of presentation herein, the exchange rate as at 30 September 2011 (USD1 = JPY76.63) was applied on U.S. dollar-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
14. This fund has been set to provide Vietnamese dong-based reporting. For the purpose of presentation herein, the exchange rate as at 31 December, 2010 (VND10,000 = JPY41.63) was applied on Vietnamese dong-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
15. This fund has been set to provide Singapore dollar-based reporting. For the purpose of presentation herein, the exchange rate as at 31 December, 2010 (SGD1 = JPY62.95) was applied on Singaporean dollar-based figures in calculating the investment balance, the commitment amount, the net asset value and the amount of net assets at market value.
16. The number of portfolio companies of funds managed by SBI-HIKARI P.E. Co., Ltd., a consolidated subsidiary of the Company, amounted to a total of 95 companies based on the data at the end of the most recent fiscal closing (including interim closing) of each fund as at 30 September 2011. The investment balance totaled ¥4,392 million, the net asset value was ¥7,737 million and the amount of net assets at market value was ¥7,232 million. In case an investment target falls under multiple funds, it is accounted for more than once in the number of portfolio companies.

17. The number of portfolio companies of funds managed by SBI Trans-Science Co., Ltd., a consolidated subsidiary of the Company, amounted to a total of 38 companies based on the data at the end of the most recent fiscal closing (including interim closing) of each fund as at 30 September 2011. The investment balance totaled ¥1,136 million, the net asset value was ¥1,514million and the amount of net assets at market value was ¥1,337 million. In case an investment target falls under multiple funds, it is accounted for more than once in the number of portfolio companies.

18. The number of portfolio companies of funds managed by SBI Investment KOREA Co., Ltd., an affiliate of the Company accounted for under the equity method, amounted to a total of 44 companies based on the data at the end of the most recent fiscal closing (including interim closing) of each fund as at 30 September 2011. The investment balance totaled ¥6,695 million, the net asset value was ¥13,576 million and the amount of net assets at market value was ¥13,490 million. In case an investment target falls under multiple funds, it is accounted for more than once in the number of portfolio companies. Each fund has been set to provide Korean won-based reporting. For the purpose of presentation herein, the exchange rate as at the most recent fiscal closing of each fund was applied on Korean won-based figures in calculating the aforementioned investment balance, the commitment amount, the net asset value and the amount of net assets at market value.

(ii) Investment Operations**(ii)-1 Investment by Securities Type and Investment Balance****Investment by Investment Partnerships, etc. Managed by the Group**

Securities Type	Investments Executed			
	Six months ended 30 September 2010		Six months ended 30 September 2011	
	Amount (Millions of Yen)	Number of Companies	Amount (Millions of Yen)	Number of Companies
Stocks	12,562	52	23,875	60
Bonds with subscription rights to shares	168	2	817	2
Subscription rights to shares	943	4	—	1
Other (corporate bonds, etc.)	12,621	30	10,774	24
Total	26,296	88	35,467	87

Securities Type	Investment Balance			
	As at 31 March 2011		As at 30 September 2011	
	Amount (Millions of Yen)	Number of Companies	Amount (Millions of Yen)	Number of Companies
Stocks	142,534	344	131,549	320
Bonds with subscription rights to shares	4,018	22	3,607	20
Subscription rights to shares	946	10	949	11
Other (corporate bonds, etc.)	11,619	49	15,447	55
Total	159,119	425	151,553	406

(Notes)

1. In case multiple funds invest in a company, the company is counted once to eliminate duplication and reflected in the number of companies. In case investment is made in multiple types of securities of a company, the company is accounted for under each securities type and hence reflected more than once. After excluding all duplications, the number of companies invested in for the six months ended 30 September 2010 was 84 and that for the six months ended 30 September 2011 was 85. As at 31 March 2011 and 30 September 2011, the number of portfolio companies totaled 397 and 378 respectively.
2. Investment balance is presented in market value. In computing the market value, the closing prices on the market as at 31 March 2011 and 30 September 2011 were applied for listed stocks respectively, while unlisted stocks, etc. were valued using acquisition costs (in case the value has declined considerably, the amount after impairment treatment was applied.)

Direct Investment by the Group

Securities Type	Investments Executed			
	Six months ended 30 September 2010		Six months ended 30 September 2011	
	Amount (Millions of Yen)	Number of Companies	Amount (Millions of Yen)	Number of Companies
Stocks	9,620	8	2,077	33
Bonds with subscription rights to shares	591	5	469	4
Subscription Rights to shares	—	—	—	—
Other (Corporate bonds, etc.)	598	1	17	1
Total	10,810	14	2,564	38

Securities Type	Investment Balance			
	As at 31 March 2011		As at 30 September 2011	
	Amount (Millions of Yen)	Number of Companies	Amount (Millions of Yen)	Number of Companies
Stocks	34,622	77	41,625	93
Bonds with subscription rights to shares	1,789	11	487	5
Subscription Rights to shares	—	—	—	—
Other (Corporate bonds, etc.)	858	4	1,668	10
Total	37,270	92	43,781	108

(Notes)

1. In case direct investment is made in multiple types of securities of a company, the company is accounted for under each securities type and hence reflected more than once. After excluding all duplications, as at 31 March 2011 and 30 September 2011, the number of portfolio companies totaled 89 and 105 respectively. There is no duplication between types of securities in the number of companies invested in for the six months ended 30 September 2010 and 2011.
2. Operational investment securities recorded on the consolidated balance sheets (¥132,773 million as at 31 March 2011; ¥146,600 million as at 30 September 2011) represent the aggregate of the above investment balance of direct investment (¥37,270 million as at 31 March 2011; ¥43,781 million as at 30 September 2011), investment balance of investment partnerships, etc. included in the scope of consolidation (¥72,864 million as at 31 March 2011; ¥81,216 million as at 30 September 2011) and investment in investment partnerships, etc. not included in the scope of consolidation (¥31,746 million as at 31 March 2011; ¥27,169 million as at 30 September 2011) minus allowance for investment loss.
3. Investments made in the six months ended 30 September 2010 and 2011 and investment balance as at 31 March 2011 and 30 September 2011 respectively for investment partnerships, etc. included in the scope of consolidation are included in the investment in investment partnerships, etc. managed by the Group provided in the preceding page.

(ii) – 2 Listing by Portfolio Companies

The following provides the status on listing, etc. by portfolio companies of the Group and of investment partnerships, etc. managed by the Group in the consolidated fiscal years ended 31 March 2011 and the six months ended 30 September 2011.

Consolidated Fiscal Year Ended 31 March 2011 (Twelve months ended 31 March 2011)

Number of Companies	Name of Portfolio Company	Month & Year of Listing, etc.	Listing, etc.	Business Description	Location of Head Office
Japan: 1 company Overseas: 10 companies	MEDICAMOBILE, INC.	April 2010	M&A	Sales and offering of various products and services for nursing care facilities	Tokyo, Japan
	Azalea Networks Inc.	September 2010	M&A	Design, development, manufacturing (outsourced) and sales of mesh network devices and communication equipment, and installation, maintenance, upgrade and other handling of related software	U.S.A.
	Wisol Co., Ltd.	September 2010	Listed (KOSDAQ)	Manufacturing of electronic parts	Korea
	ITEK Semiconductor, Inc.	October 2010	Listed (KOSDAQ)	Semiconductor testing services	Korea
	Betfair Group plc	October 2010	Listed (London Stock Exchange)	Operation of an online betting site under the name of "Betfair" primarily in the United Kingdom	U.K.
	CIG Pannonia Life Insurance Plc.	November 2010	Listed (Budapest Stock Exchange)	Life insurance	Hungary
	Airtac International Group	December 2010	Listed (Taiwan Stock Exchange)	Manufacturing of aerodynamic analytical devices	China
	Everpia Vietnam JSC	December 2010	Listed (HoChiMinh Stock Exchange)	Manufacturing of beds and bedding	Vietnam
	Sino Polymer New Materials Co., Ltd.	January 2011	M&A	Development and production of products associated with the new high polymer material, PPS (poly phenylene sulfide)	China
	LB Semicon Inc.	January 2011	Listed (KOSDAQ)	Semiconductor manufacturing business	Korea
Aonemecha Co., Ltd.	March 2011	M&A	Manufacturing of facilities for automating production of displays such as TFT-LCD	Korea	

(Notes)

1. The location of head office of each overseas company reflects the principal place of operation or the substantial head office location.
2. "M&A" is indicated in case a portfolio company has executed a share exchange or entered into a merger with a listed company.
3. In addition to the above, among the portfolio companies of New Horizon Capital, L.P. in which the Company invests as a Limited Partner, Navinfo Co., Ltd. and Harbin Gloria Pharmaceuticals Co., Ltd. became listed companies on the Shenzhen Stock Exchange in May and June 2010 respectively, Sunac China Holdings Limited was listed on the Hong Kong Stock Exchange in October 2010, New Century Department Store Limited Company of Chongqing General Trading and Hebei Meihua Monosodium Glutamate Group Co., Ltd. concluded M&A in December 2010, and Sinovel Wind (Group) Co., Ltd. was listed on the Shanghai Stock Exchange in January 2011.

Six months ended 30 September 2011

Number of Companies	Name of Portfolio Company	Month & Year of Listing, etc.	Listing, etc.	Business Description	Location of Head Office
Japan: 2 companies Overseas: 3 companies	PCHOMESTORE Inc.	April 2011	Listed (GTSM)	Electronic commerce services	Taiwan
	Renren, Inc.	May 2011	Listed (New York Stock Exchange)	Management of No.1 social networking website in China(Renren.com), social commerce website(nuomi.com) and social networking website for business (jingwei.com)	China
	NIBEC Co., Ltd.	July 2011	Listed (KOSDAQ)	Development and manufacturing of artificial bones	Korea
	Mebiopharm Co., Ltd.	July 2011	Listed (TOKYO AIM)	Development of drugs using unique ribosome technology	Tokyo, Japan
	KLab Inc.	September 2011	Listed (TSE Mothers)	Social business, SI business, Cloud and License business	Tokyo, Japan

(Notes)

1. The location of head office of each overseas company reflects the principal place of operation or the substantial head office location.
2. Among the portfolio companies of investment partnerships, etc. managed by the Group, in October 2011, FROUTE Corporation concluded M&A and SymBio Pharmaceuticals Limited was listed on JASDAQ.