

March 3, 2010
SBI Holdings, Inc.
(TOKYO: 8473)

Entry into Internet-based International Money Transfer Business for the First Time in Japan

SBI Holdings, Inc. (“SBIH”) announced today that it has reached a basic agreement on a business alliance for the use of the U.S.-based MoneyGram International, Inc.’s (headquartered in Minneapolis, Minnesota USA, CEO Pamela Patsley, listed on NYSE, hereinafter “MoneyGram”) international money transfer network of over 180,000 locations in more than 190 countries, entering into an Internet-based international money transfer business.

Thus, SBIH will establish “SBI Remit Co., Ltd.,” (to be determined, a wholly owned subsidiary of SBIH (plan), hereinafter “SBI Remit”) as a wholly owned subsidiary, and SBI Remit will proceed with preparations to launch its services during the summer of 2010. Both the provision of the Internet-based international money transfer service and the entry into the money transfer business as a nonbank company are purported to be the first of their kind in Japan.¹ Registration as “money transferrer” based on the new Law regarding settlement is required for the service launch.

1. Intent of the entrance into the international money transfer business

It is said that Japan’s international money transfer market is over trillion-yen market. In the tide of globalization, the demand for international money transfer services is expected to increase steadily, based on the trend that the number of foreign residents in Japan as of the end of 2008 increased by 47% to approximate 2.22 million from ten years ago. Also, opportunities to study and work abroad are continuously increasing. Furthermore, due to the enforcement of the new Law regarding settlement, scheduled in April 2010, by registering as a “money transferrer”, nonbank companies may enter into the money transfer business, which is conventionally limited to banks.

As the trend toward broadband and regulatory reform in the financial sector proceeded, the SBIH Group has provided low-cost user-friendly financial products and services by fully leveraging the power of the Internet. For example, SBI SECURITIES commenced online stock brokerage trading through the regulatory reform of complete liberalization of stock brokerage commissions during the financial big bang of 1999. Currently, the number of customer accounts at SBI SECURITIES exceeds 2 million.

As for the entry into the international money transfer service, SBIH will strive to provide low-cost user-friendly financial services by combining SBIH’s know-how in the Internet financial business and MoneyGram’s know-how in the international money transfer business and the global network.

2. Outline of “international money transfer service”

By utilizing international money transfer service at SBI Remit, transfers can be made for 24 hours a day using PCs and mobile phones. Funds will available in ten minutes once a transfer is completed at MoneyGram’s worldwide agents. Also it is planned that customer in Japan will be able to receive money transferred from MoneyGram’s agents in foreign countries.

¹ As of the end of February 2010. Based on SBIH investigation of the disclosed materials in Japan.

Characteristics 1: Inexpensive fees

Lower fees are achieved by an efficient management utilizing the Internet as the main sales channel and system utilization.

Characteristics 2: Multiple-language services

Multiple languages which are frequently used are available at websites and call centers, so that the service may be widely used by foreign laborers who are not fluent in Japanese or English.

Characteristics 3: Quick money transfer in 24-hour operations

International money transfer services are available 24 hours a day via website. Funds will be available in ten minutes once the transfer is complete.

Characteristics 4: Worldwide money transfer network

Transfers can be made to over 180,000 MoneyGram agent networks in more than 190 countries

Characteristics 5: Treatment with anti-money laundering

A high security level is provided to prevent money laundering by measures such as customer identity verification when registering, with the adoption of appropriate filtering software.

3. Overview of the alliance partner “MoneyGram International, Inc.”

(1)	Businessname	MoneyGram International, Inc.
(2)	Address of the head office	550 Utica Avenue South, Minneapolis, Minnesota 55416, USA
(3)	Representative	CEO: Pamela Patsley
(4)	Description of business	Financial Services
(5)	Listing	New York Stock Exchange

4. Schedule

Spring 2010	Establishment of SBI Remit Co., Ltd. (schedule)
Summer 2010	Launch of service (schedule)

5. Outlook

Nothing about details of the services such as fee level and languages available have been confirmed at present. They will be announced as soon as determined.

For further information, please contact:

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