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*The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), Hong Kong Exchanges and Clearing Limited and Hong Kong Securities Clearing Company Limited (“**HKSCC**”) take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

Unless defined herein, terms in this announcement shall have the same meanings as those defined in the Prospectus.



SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock Code: 6488)

ANNOUNCEMENT

Provision for doubtful accounts

Subsequent to the issue of the Prospectus on 31 March 2011, one of our wholly-owned subsidiaries, SBI SECURITIES Co., Ltd. (the “**Subsidiary**”) issued a press release in Japan on Friday, 1 April 2011 regarding its estimated provision for doubtful accounts and extraordinary gains (the “**Subsidiary’s Press Release**”). Further to the Subsidiary’s Press Release, we issued a press release in Japan on Tuesday, 5 April 2011 regarding the Subsidiary’s Press Release (the “**Company’s Press Release**”, together with the Subsidiary’s Press Release, collectively the “**Press Releases**”).

The issuance of the Subsidiary’s Press Release was voluntary in Japan and is in line with recent market practice in Japan after the Recent Earthquake. The Company’s Press Release was issued as required by the TSE further to the Subsidiary’s Press Release. The Press Releases are purported to give customers and investors the latest indicative information with regard to the Subsidiary’s and our financial position and performance after the Recent Earthquake.

Supplemental prospectus

In order to enable applicants who have applied for the Public Offer HDRs and other potential investors to consider the potential impact of the Press Releases on their investment decision, we intend to register and issue the Supplemental Prospectus on Wednesday, 6 April 2011 (the “**Supplemental Prospectus**”) to provide the relevant information contained in the Press Releases to applicants and potential investors.

Applicants who have applied for the Public Offer HDRs and who wish to proceed with their applications are required to confirm their applications with respect to all (and not some only) of the Public Offer HDRs applied for by them under the Public Offering within a specified period as provided in the Supplemental Prospectus, which is currently expected to be from 2:00 p.m. to 5:00 p.m. on Wednesday, 6 April 2011, from 9:00 a.m. to 5:00 p.m. on Thursday, 7 April 2011 and from 9:00 a.m. to 5:00 p.m. on Friday, 8 April 2011, and in any event before the deadline specified in the Supplemental Prospectus. The relevant procedures for confirmation will be set out in the section headed “Confirmation of applications procedure” of the Supplemental Prospectus.

Provision for doubtful accounts

Subsequent to the issue of the Prospectus on 31 March 2011, the Subsidiary issued the Subsidiary’s Press Release regarding its estimated provision for doubtful accounts and extraordinary gains. Further to the Subsidiary’s Press Release, we issued the Company’s Press Release regarding the Subsidiary’s Press Release.

The issuance of the Subsidiary’s Press Release was voluntary in Japan and is in line with recent market practice in Japan since the Recent Earthquake. The Company’s Press Release was issued as required by the TSE further to the Subsidiary’s Press Release. The Press Release purports to give customers and investors the latest indicative information with regard to the Subsidiary’s and our financial position and performance after the Recent Earthquake.

Due to increased market fluctuations as a result of the Recent Earthquake, the Subsidiary has experienced an increase in settlement risk associated with customers involved in the trading of futures, options, margin stocks trading and foreign exchange trading. It is estimated that there will be a provision for doubtful accounts in an aggregate sum of approximately ¥1.1 billion in its consolidated financial statements for the year ended 31 March 2011 resulting from the Recent Earthquake (the “**Estimated Provision**”). The Estimated Provision is subject to change and review by the Subsidiary’s management and subsequent recovery actions taken against defaulting customers.

As at 31 December 2010, the Subsidiary had consolidated net assets of approximately ¥179.3 billion in its consolidated financial statements. In addition, the Subsidiary expects to record extraordinary gains in its financial year ended 31 March 2011 in accordance with the applicable accounting treatment adopted in recording any of its extraordinary gains made during the Track Record Period. The Subsidiary considers that its customers' trading conditions remain steady and that the Estimated Provision will not have a significant impact on its financial position.

No significant change and no significant new matter

We confirm that, save as disclosed above, there has been no significant change, and no significant new matter has arisen, since the publication of the Prospectus on 31 March 2011. Other than as disclosed, we do not currently have any additional information relating to our financial or trading position or prospects of the Company which is not otherwise disclosed in the Prospectus.

Supplemental Prospectus

In order to enable applicants who have applied for the Public Offer HDRs to consider, and to enable other potential investors to consider, the potential impact of the Press Releases on their investment decision, we intend to register and issue the Supplemental Prospectus on Wednesday, 6 April 2011 to provide the relevant information contained in the Press Releases to applicants and potential investors. The Supplemental Prospectus aims to provide the latest available information released in Japan subsequent to the issue of the Prospectus in accordance with the recent practice in Japan after the Recent Earthquake and seeks to ensure dissemination of equivalent information to investors in both Japan and Hong Kong.

We, the Sole Global Coordinator and the Hong Kong Underwriters would refer applicants and investors to the Supplemental Prospectus for details relating to the Press Releases.

Applicants who have applied for the Public Offer HDRs and who wish to proceed with their applications are required to confirm their applications with respect to all (and not some only) of the Public Offer HDRs applied for by them under the Public Offering within a specified period as provided in the Supplemental Prospectus, which is currently expected to be

from 2:00 p.m. to 5:00 p.m. on Wednesday, 6 April 2011; and
from 9:00 a.m. to 5:00 p.m. on Thursday, 7 April 2011; and
from 9:00 a.m. to 5:00 p.m. on Friday, 8 April 2011,

and in any event before the deadline specified in the Supplemental Prospectus. The relevant procedures for confirmation will be set out in the section headed "Confirmation of applications procedure" of the Supplemental Prospectus (including returning the "**Confirmation Form**").

Applicants who applied by using WHITE or YELLOW Application Forms or using White Form eIPO, and wish to proceed with their applications, must complete the Confirmation Form by filling in all required information, sign the Confirmation Form and deposit the completed Confirmation Form at any of the branches set out in the section headed “Relevant branches of the receiving banks” of the Supplemental Prospectus before the specified deadline.

Applicants who applied by giving electronic application instructions to HKSCC via CCASS, and wish to proceed with their applications, must give instructions to HKSCC to confirm their applications or give instructions to their brokers or custodians who are CCASS Clearing Participants or CCASS Custodian Participants to give instructions to HKSCC to confirm their applications (as the case may be) on their behalf before the specified deadline.

Applicants who applied (i) using YELLOW Application Forms through brokers, banks or other intermediaries and/or who had not provided their names and addresses on their Application Forms or (ii) by giving electronic application instructions to HKSCC via CCASS should check with their brokers, banks or other intermediaries to establish the latest time by which they can give instructions for the application confirmation as such latest time may be earlier than the deadline specified in the Supplemental Prospectus.

Applications in respect of which valid confirmations are not received by the deadline specified in the Supplemental Prospectus and Confirmation Form will be rejected and refund cheques will be sent out as stipulated in the section headed “Supplementary expected timetable of the Global Offering” as disclosed in the Supplemental Prospectus. Please refer to the paragraphs headed “Availability of this Supplemental Prospectus and the Confirmation Form” in the Supplemental Prospectus for details of where the Confirmation Forms, which are the only means by which valid confirmations can be made, can be obtained. Eligible Applicants who do not wish to proceed with their applications need not take any action.

For the avoidance of doubt, the opening and closing time and dates for application lists for the Public Offering as are currently disclosed in the Prospectus remain unchanged, i.e. opening at 11:45 a.m. on Wednesday, 6 April 2011 and closing at 12:00 noon on Wednesday, 6 April 2011.

Applicants who wish to apply for the Public Offer HDRs on Wednesday, 6 April 2011 are required to use one of the methods of applying for the Public Offer HDRs as specified in the section headed “How to Apply for Public Offer HDRs” of the Prospectus before the application lists close at 12:00 noon on Wednesday, 6 April 2011.

Beginning from 2:00 p.m. on Wednesday, 6 April 2011 and ending at 5:00 p.m. on Friday, 8 April 2011, any applicants who have applied for the Public Offer HDRs, whether on or before Wednesday, 6 April 2011, and wish to proceed with their applications, are required to confirm their applications with respect to all (and not some only) of the Public Offer HDRs applied for by them under the Public Offering as stated in the preceding paragraph.

Confirmation of an application can only be given by validly completing and lodging a Confirmation Form. Confirmation of application can only be validly given in respect of an original application which was validly completed and submitted in accordance with procedures set out in the section headed “How to Apply for Public Offer HDRs” of the Prospectus. Confirmation of an application cannot be validly given in respect of an original application which was not validly completed and submitted in accordance with the relevant procedures set out in the section headed “How to Apply for Public Offer HDRs” of the Prospectus. For details and situations in which Public Offer HDRs will not be allotted to you or your original application is liable to be rejected and therefore not considered validly completed and submitted (e.g. if your original application is revoked, the allotment of Public Offer HDRs is void or multiple applications have been made), please refer to the section headed “Further Terms and Conditions of the Public Offering of the Prospectus”.

Availability of the Supplemental Prospectus and the Confirmation Form

Copies of the Supplemental Prospectus and the Confirmation Form are expected to be available at the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<http://www.sbigroup.co.jp>) from Wednesday, 6 April 2011 and published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on Thursday, 7 April 2011 and Friday, 8 April 2011.

The contents of our website do not form part of the Supplemental Prospectus. No reliance shall be made on the contents of our website.

Copies of the Supplemental Prospectus and the Confirmation Form are expected to be available from 2:00 p.m. to 5:00 p.m. on Wednesday, 6 April 2011, from 9:00 a.m. to 5:00 p.m. on Thursday, 7 April 2011 and from 9:00 a.m. to 5:00 p.m. on Friday, 8 April 2011 at any of the addresses of the Sole Sponsor and the Hong Kong Underwriters or any of the branches of the receiving banks as disclosed in the section headed “How to Apply for Public Offer HDRs — Methods of Applying for the Hong Kong Public Offer HDRs” of the Prospectus.

Commencement of trading

Trading of the Offer HDRs is expected to commence on Thursday, 14 April 2011, as indicated in the expected timetable in the section headed “Expected Timetable” of the Prospectus, subject to satisfaction of the conditions set out in the section headed “Structure and Conditions of the Global Offering” in the Prospectus, which include the formal approval of the Stock Exchange for the listing of the Offer HDRs.

Important

The Directors would like to remind our Shareholders, applicants and potential investors in the HDRs that any information or representations relating to the Group, our Shares, our HDRs or the offer of our HDRs not included in the Prospectus and the Supplemental Prospectus which we intend to issue on Wednesday, 6 April 2011, when issued, or the related Application Forms and the Confirmation Form, must not be relied upon as having been authorised by us, the Sole Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Co-Lead Managers, the Underwriters, any of their respective directors, employees, agents or representatives or any other person or party involved in the offer of our HDRs.

Shareholders, applicants and potential investors in the HDRs are urged to rely only on information contained in the Prospectus and the Supplemental Prospectus, when issued, before making any investment decision in respect of our HDRs.

As of the date of this announcement, the executive Directors are Mr. Yoshitaka Kitao, Mr. Yasutaro Sawada, Mr. Kenji Hirai, Mr. Takashi Nakagawa, Mr. Tomoya Asakura, Mr. Takashi Okita, Mr. Noriaki Maruyama and Mr. Shumpei Morita, the non-executive Directors are Mr. Taro Izuchi, 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.

By order of the Board
SBI Holdings, Inc.
Mr. Yoshitaka Kitao
Chief Executive Officer

Hong Kong, 6 April 2011

“Please also refer to the published version of this announcement in South China Morning Post.”