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## **SBI HOLDINGS, INC.**

(Incorporated in Japan with limited liability)

(Stock code: 6488)

# **PROPOSED SPIN-OFF AND SEPARATE LISTING OF SBI Mortgage Co., Ltd. ON THE KOSPI MARKET OF THE KOREA EXCHANGE**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to announce that it is currently considering a possible spin-off and separate listing of SBI Mortgage, a subsidiary in its mortgage loan business on the KOSPI Market of the Korea Exchange.

On 30 August 2011, SBI Mortgage submitted a Listing Application to the Korea Exchange.

The exact structure and detail of the Public Offering in Korea have not yet been finalized as the particulars of which are yet to be decided and finalized by the directors of SBI Mortgage in consultation with the Underwriter.

Shareholders of the Company and public investors should note that there is no assurance as to whether or when the Proposed Spin-Off will proceed, or whether it will be completed successfully. As the Proposed Spin-Off may or may not proceed, shareholders of the Company and public investors are advised to exercise caution when dealing in the securities of the Company.

Further announcements will be made by the Company as and when appropriate in compliance with the Listing Rules.

## **INTRODUCTION**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to announce that it is currently considering a possible spin-off and separate listing of SBI Mortgage, a subsidiary in its mortgage loan business on the KOSPI Market of the Korea Exchange.

On 30 August 2011, SBI Mortgage submitted a Listing Application to the Korea Exchange.

It is expected that, pursuant to the Public Offering, the SBI Mortgage shares will be offered for subscription by way of public offer in Korea, and placement to professional and institutional investors.

Factors affecting the Proposed Spin-Off will include securing compliance with all regulatory requirements, including the applicable regulatory authorities, suitable market conditions at the relevant time and other conditions which may not be foreseen.

## **INFORMATION OF THE SBI Mortgage AND THE RETAINED GROUP**

SBI Mortgage was incorporated in Japan on 9 June 2000 and is direct and indirect owned subsidiary of the Company.

SBI Mortgage is one of the largest mortgage banker in Japan and provides fixed-rate housing loans as its main product, and also originates housing loans by utilizing securitization on risk-hedging structure.

The Retained Group, save for SBI Mortgage, will be engaged principally in the Retained Business.

## **CONDITION PRECEDENT TO THE PROPOSED SPIN-OFF**

Completion of the Proposed Spin-off is condition on the Securities Market Division of the Korea Exchange granting the approval for the listing of all the SBI Mortgage Shares in issue and to be issued under the Public Offering (including the SBI Mortgage Shares to be issued upon the exercise of the options that may be granted under the SBI Mortgage Share Option Scheme and the over-allotment option, if any) on the KOSPI Market of the Korea Exchange.

## **GENERAL**

As of the date of this announcement, the Board of SBI Mortgage has not yet finalized the date of listing of the SBI Mortgage Shares. The decisions of the Board of SBI Mortgage to proceed with the Proposed Spin-off and the Public Offering, is dependent upon, among others, the market conditions during the period leading up to the Public Offering. There is also no assurance that the Proposed Spin-off and the separate listing of the SBI Mortgage Shares in issue and to be issued under the Public Offering on the KOSPI Market of the Korea Exchange will take place or as to when it may take place. Further announcement (s) will be made by the Company in relation to the Proposed Spin-off and the Public Offering as and when appropriate.

Shareholders of the Company and public investors should note that there is no assurance as to whether or when the Proposed Spin-Off will proceed, or whether it will be completed successfully. As the Proposed Spin-Off may or may not proceed, Shareholders of the Company and public investors are advised to exercise caution when dealing in the securities of the Company.

## DEFINITIONS

In this announcement, unless the context indicates or specifies otherwise, the following defined expressions have the following meanings:

“Board”	The Board of directors of the Company
“Company”	SBI Holdings, Inc., a company incorporated in Japan with limited liability
“Director(s)”	The director(s) of the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Listing Application”	An application for listing of all the ordinary shares of SBI Mortgage in issues and to be issued under the Public Offering (including the SBI Mortgage Shares to be issued upon the exercise of the share options that may be granted under the SBI Mortgage Share Option Scheme and the over-allotment options, if any) on the KOSPI Market of Korea Exchange in listing application form
“Proposed Spin-off”	The proposed spin-off of the Spin-off Business by the Company to SBI Mortgage through a separate listing of the SBI Mortgage Shares on the KOSPI Market
“Public Offering”	The conditional offer to the public in Korea for subscription of the SBI Mortgage Shares at the Offer Price, the conditional placing of the SBI Mortgage Shares to certain professional and institutional investors for cash
“Retained Business”	The business of asset management, brokerage and investment banking, financial service, real estate and others, excluding mortgage loan business operated by SBI Mortgage, now be operated by SBI Group, which business will be operated by the Retained Group after completion of the Proposed Spin-off
“Retained Group”	The SBI Group excluding SBI Mortgage
“SBI Group”	The Company and its subsidiaries
“SBI Mortgage”	SBI Mortgage Co., Ltd., a subsidiary of the Company incorporated in Japan 9 June 2000
“SBI Mortgage Shares”	Ordinary shares of SBI Mortgage or Korean Depositary Receipts representing SBI Mortgage Share(s)

“Share(s)”	Ordinary share(s)
“Shareholder(s)”	Holder(s) of the Share(s) of the Company and Hong Kong Depositary Receipts representing shares of the Company
“Spin-off Business”	The business of providing fixed-rate housing loans as its main product, and also originates housing loans by utilizing securitization on risk-hedging structure in Japan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	Bears the meaning ascribed to it under the Listing Rules
“Underwriter”	Hanna Daetoo Securities Co., Ltd., a securities company of incorporated in Korea

On behalf of the Board  
**SBI Holdings, Inc.**  
**Yoshitaka Kitao**  
*Chief Executive Officer*

Japan, 6 September 2011

*As of the date of this announcement, the executive Directors are Mr Yoshitaka Kitao, Mr Yasutaro Sawada, 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 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.*