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SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock code: 6488)

DISCLOSEABLE TRANSACTION THE PROPOSED SPIN-OFF AND SEPARATE LISTING OF SBI MORTGAGE CO., LTD ON THE KOSPI MARKET OF THE KOREA EXCHANGE

Reference is made to the announcements of the Company dated 18 November 2011 and 6 September 2011 in relation to the Proposed Spin-off. This announcement serves to provide an update to investors of the expected timetable of, and the Offer Price relating to, the Public Offering.

As the highest applicable percentage ratio with respect to the Proposed Spin-off under the Listing Rules exceeds 5% but is less than 25%, the Proposed Spin-off constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Upon completion of the Proposed Spin-off, SBI Mortgage will remain a subsidiary of the Company and its financial results will continue to be consolidated into those of the Group.

As the Proposed Spin-off is subject to the final decision of the board of directors of SBI Mortgage (among other conditions), holders of HDRs of the Company and potential investors should note that there is no assurance that the Proposed Spin-off and the Public Offering will take place. Accordingly, holders of HDRs of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the announcements of the Company dated 18 November 2011 and 6 September 2011 in relation to the Proposed Spin-off. This announcement serves to provide an update to investors of the expected timetable of, and the Offer Price relating to, the Public Offering.

On 30 August 2011, SBI Mortgage submitted an application to the Korea Exchange for the listing of the KDRs on the KOSPI Market of the Korea Exchange. The listing application was formally approved by the Korea Exchange on 17 November 2011.

On 12 April 2012, the Company and SBI Mortgage (among other parties) agreed to set the Offer Price of the KDRs at KRW 7,000 per KDR. The Offer Price was determined based on investors' demand for the KDRs and market conditions in Korea and is considered by the Company and SBI Mortgage to be fair and reasonable.

FURTHER INFORMATION ON THE PROPOSED SPIN-OFF AND THE PUBLIC OFFERING

The Public Offering is expected to comprise (i) the offer and sale of the Sale KDRs held by the Company and (ii) the offer and issuance of the New KDRs by SBI Mortgage.

Further information on the Proposed Spin-off is set out as below:

Expected timetable

Application period. Monday, 16 April 2012 to Tuesday, 17 April 2012

Date of payment for the KDRs Thursday, 19 April 2012

Dealing in KDRs on the KOSPI Market of the Korea Exchange
expected to commence on Monday, 30 April 2012

Public Offering of the KDRs

Number of Offer KDRs in the Public Offering 7,123,000 KDRs

Number of New KDRs. 3,799,000 KDRs

Number of Sale KDRs. 3,324,000 KDRs

Offer Price KRW 7,000

Total Gross Proceeds. KRW 49,861 million

Note: The Total Gross Proceeds includes customary underwriting commission that is due and payable by SBI Mortgage to the underwriters of the Public Offering.

REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

The Company considers that the Proposed Spin-off will be beneficial to the Group and its shareholders as a whole because it will (i) widen the shareholder base for SBI Mortgage and improve the profile of SBI Mortgage and the Group; (ii) allow SBI Mortgage to raise financing more easily and independently from the Company in future; and (iii) raise additional funds for both SBI Mortgage and the Company thereby improving the liquidity of both of these companies.

The Directors believe that the terms of the transaction are fair and reasonable and in the interests of the shareholders as a whole.

PRACTICE NOTE 15 CONSIDERATIONS

In connection with the Company's listing in Hong Kong in April 2011, it has obtained a waiver from the Hong Kong Stock Exchange for the strict compliance with the provisions of Practice Note 15 of the Listing Rules. This waiver is subject to certain conditions, including one that the Company must, in connection with a spin-off listing of any of its subsidiaries, issue an announcement pursuant to Rule 13.09(1) that (i) confirms that it would retain a sufficient level of operations and sufficient assets to support its listing status following the spin-off listing and (ii) explains how the Company is able to meet the principles set out in paragraph 3(d)(i) to (iv) of Practice Note 15 in connection with the spin-off listing.

The Group reports revenue under four principal segments: (i) asset management, (ii) brokerage and investment banking, (iii) financial services and (iv) housing and real estate. SBI Mortgage is one of three principal subsidiaries of the Company that engages in the business of housing and real estate. For each of the three years ended 31 March 2011, the Retained Group recorded a net profit and/or loss of JPY(18,873) million, JPY1,353 million and JPY2,437 million. As at 31 March 2011, the Retained Group had a net asset of JPY450,978 million. The Company confirms that it will retain a sufficient level of operations and sufficient assets to support its separate listing status.

The Company is able to meet the principles set out in paragraph 3(d)(i) to (iv) of Practice Note 15 as follows:

- (i) *there should be a clear delineation between the businesses retained by the Company and the businesses of SBI Mortgage*

SBI Mortgage is principally engaged in the business of providing housing loans to consumers. The Retained Group is principally engaged in asset management, brokerage and investment banking, financial services and housing and real estate services. The Retained Group does not compete with SBI Mortgage and its subsidiaries in the housing loan business, nor do SBI Mortgage and its subsidiaries compete in a material manner with the Retained Group in the businesses that the Retained Group is currently principally engaged in.

(ii) SBI Mortgage should be able to function independently of the Company

Given that SBI Mortgage is not seeking a listing on the Hong Kong Stock Exchange, this principle is not applicable.

(iii) there should be clear commercial benefits both to the Company and to SBI Mortgage

As explained in the section entitled “Reasons and Benefits for Entering into the Transaction”, the Proposed Spin-off offers commercial benefits to both the Company and SBI Mortgage.

(iv) there should be no adverse impact on the interests of holders of HDRs of the Company resulting from the spin-off

For the reasons described under “Reasons and Benefits for Entering into the Transaction”, the Company believes that the Proposed Spin-off and the Public Offering will be advantageous to the Company and its investors, and as such, there should be no adverse impact on the interests of holders of HDRs of the Company.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon completion of the Proposed Spin-off, SBI Mortgage will remain as a subsidiary of the Company. Accordingly, the financial results of SBI Mortgage will continue to be consolidated into those of the Group.

USE OF PROCEEDS

It is expected that the net proceeds from the Public Offering available to the Company will be used for the general working capital of the Retained Group, as well as for the repayment of loans or other debts and to finance any potential investments available to the Retained Group in the future.

INFORMATION ABOUT THE COMPANY

The Company is a holding company incorporated under the laws of Japan in 1999. The shares of the Company have been listed on the Tokyo Stock Exchange and the Osaka Securities Exchange since 2002 and its HDRs have been listed on the Hong Kong Stock Exchange since 2011.

INFORMATION ABOUT SBI MORTGAGE

SBI Mortgage was incorporated in Japan on 9 June 2000 and is a subsidiary of the Company. SBI Mortgage is one of the largest mortgage banks 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 attributable profits before and after tax of SBI Mortgage for the year ended 31 March 2011 were approximately JPY2,882 million and JPY1,991 million, respectively. The attributable profits before tax and after tax of SBI Mortgage for the year ended 31 March 2010 were approximately JPY1,590 million and JPY824 million, respectively.

LISTING RULES IMPLICATIONS

The interest of the Group in SBI Mortgage will be decreased from 98.0% to 68.3% upon completion of the Proposed Spin-off and the issuance of the New KDRs on a fully diluted basis.

The Proposed Spin-off constitutes a deemed disposal of the equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules and given that the applicable percentage ratios calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Proposed Spin-off also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Upon completion of the Proposed Spin-off, SBI Mortgage will remain a subsidiary of the Company and its financial results will continue to be consolidated into those of the Group.

GENERAL

As the Proposed Spin-off is subject to the final decision of the board of directors of SBI Mortgage (among other conditions), holders of HDRs of the Company and potential investors should note that there is no assurance that the Proposed Spin-off and the Public Offering will take place. Accordingly, holders of HDRs of the Company and potential investors are reminded to exercise caution when dealing in the securities of the Company.

The figures in this announcement are rounded to the nearest dollar except for the profits of SBI Mortgage which are rounded to the nearest million Japanese yen.

DEFINITIONS

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

“Company”	SBI Holdings, Inc., a company incorporated in Japan with limited liability
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HDR(s)”	Hong Kong depositary receipt(s)
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“JPY”	Japanese Yen, the lawful currency of Japan
“KDR(s)”	Korea depositary receipt(s) of the SBI Mortgage, each representing one (1) common share of SBI Mortgage
“Korea”	the Republic of Korea
“KRW”	Korea Won, the lawful currency of the Republic of Korea
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New KDR(s)”	the new KDRs to be issued by SBI Mortgage for the Public Offering
“Offer KDR(s)”	the New KDRs and the Sale KDRs
“Offer Price”	the offer price for the KDRs, being KRW 7,000 per KDR (which includes the underwriting fee payable to the underwriter)
“Proposed Spin-off”	the proposed spin-off of SBI Mortgage and separate listing of the KDRs on the KOSPI Market of the Korea Exchange

“Public Offering”	the conditional offer to the public in Korea for subscription of the KDRs at the Offer Price and the conditional placing of the KDRs to certain professional and institutional investors
“Retained Group”	the Group excluding SBI Mortgage and its subsidiaries
“SBI Mortgage”	SBI Mortgage Co., Ltd., a subsidiary of the Company incorporated in Japan on 9 June 2000
“Sale KDR(s)”	the KDRs representing existing shares of SBI Mortgage held by the Company to be offered for sale in the Public Offering
“%”	per cent

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

Japan, 13 April 2012

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.