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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, 6 September 2011 and 14 April 2012 in relation to the Proposed Spin-off. This announcement serves to provide further information to investors on the implications of the Proposed Spin-off under Practice Note 15 of the Listing Rules and the financial effects of the disposal.

Assuming completion of the Public Offering occurs in accordance with the current timetable, the KDRs are expected to commence dealing on the KOSPI Market of the Korea Exchange at 9:00 a.m. on Monday, 30 April 2012.

As the Proposed Spin-off is subject to the final decisions 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, 6 September 2011 and 13 April 2012 (the “Announcements”) in relation to the Proposed Spin-off. This announcement serves to provide further information to investors on the implications of the Proposed Spin-off under Practice Note 15 of the Listing Rules and the financial effects of the disposal.

Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

PRACTICE NOTE 15 CONSIDERATIONS

As stated in the announcement of the Company dated 13 April 2012, in connection with the Company's listing in Hong Kong in April 2011, the Company 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. The 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, among other things, 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.

In addition to the information disclosed in the Announcements, the Company would like to elaborate further to demonstrate that SBI Mortgage will be able to function independently of the Company, which is one of the principles set out in paragraph 3(d)(iii) of Practice Note 15.

(i) Independence of directorship and management

The board of directors of SBI Mortgage comprises of nine members, of which four are outside directors (similar to independent directors for Hong Kong-listed companies). Two of the directors of SBI Mortgage also hold roles at the Company. Specifically, Mr. Noriaki Maruyama, the representative director and the chief executive officer of SBI Mortgage, is also a director and an executive officer of the Company and Mr. Yoshitaka Kitao, a director of SBI Mortgage, is also the representative director and the chief executive officer of the Company. Three of the directors of SBI Mortgage concurrently serve as executive officers of SBI Mortgage but none of them holds any position in the Company. None of the outside directors of SBI Mortgage serves any position at members of the Retained Group.

The board of statutory auditors of SBI Mortgage comprises of three members and all of them are outside statutory auditors. Mr. Takeshi Nakamichi, an outside statutory auditor of SBI Mortgage, is also a director and executive officer of SBI Investment Co., Ltd., which is a subsidiary of the Company. Despite the dual engagement, Mr. Nakamichi satisfies the independence requirements as an outside statutory auditor under the Companies Act of Japan.

In addition to the three directors of SBI Mortgage that concurrently serve as executive officers, SBI Mortgage has appointed two other executive officers. No executive officer of SBI Mortgage holds any position in the Company.

The rules of the relevant stock exchanges in Korea and Japan permit the above arrangements.

Although SBI Mortgage will have two common directors and one common outside statutory auditor with the Company, the Company believes that this will not give rise to any issue on management independence. The day-to-day operation of SBI Mortgage and the Company are carried out by two different teams of dedicated management personnel. The members of the board of directors and

board of statutory auditors of the Company will be in a position to ensure that any potential conflict of interests that may arise between SBI Mortgage and the Company will be dealt with in accordance with all applicable rules and regulations, including the Listing Rules.

To the extent members of the SBI Mortgage Group were to enter into transactions with members of the Retained Group in the future, Mr. Maruyama, Mr. Kitao and Mr. Nakamichi will comply with the relevant Listing Rules (as amended by the waivers obtained by the Company in connection with its listing on the Hong Kong Stock Exchange) in ascertaining whether each of them can participate in the decisions by the Retained Group to enter into such transactions.

(ii) Independence of administrative capability

All the essential administrative functions of SBI Mortgage and the Company have been, and will continue to be, handled separately. SBI Mortgage and its subsidiaries (the “SBI Mortgage Group”) do not share office premises or facilities with members of the Retained Group. The head office of SBI Mortgage is located in the same building as the Company in Japan but the lease was entered into by SBI Mortgage directly with the landlord, who is an independent third party.

(iii) Financial independence

Members of the SBI Mortgage Group do not owe any indebtedness borrowed from members of the Retained Group. In addition, members of the Retained Group do not guarantee any loan obtained by member of the SBI Mortgage Group.

(iv) Future continuing connected transactions

Given that SBI Mortgage will continue to be a subsidiary of the Company, any transaction between members of the Retained Group, on the one hand, and members of the SBI Mortgage Group, on the other hand, will not constitute a connected transaction from the Company’s perspective (except in the case of a situation falling within Rules 14A.11(5) or (6), in which case the Company will comply with the applicable rules under Chapter 14A of the Listing Rules).

FINANCIAL EFFECTS OF THE DISPOSAL

As at 31 December 2011, the unaudited net asset value of SBI Mortgage was JPY11,292 million. Upon completion of the Proposed Spin-off, SBI Mortgage will remain as a subsidiary of the Company and its financial results will continue to be consolidated into those of the Group. Accordingly, no gain or loss on the Proposed Spin-off will be recognized in the consolidated income statement of the Company.

LISTING DATE

Assuming completion of the Public Offering occurs in accordance with the current timetable, the KDRs are expected to commence dealing on the KOSPI Market of the Korea Exchange at 9:00 a.m. on Monday, 30 April 2012.

GENERAL

As the Proposed Spin-off is subject to the final decisions 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.

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

Japan, 26 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.