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## **SBI HOLDINGS, INC.**

(Incorporated in Japan with limited liability)

(Stock code: 6488)

### **OVERSEAS REGULATORY ANNOUNCEMENT**

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached copy of the Announcement.

On behalf of the Board

**SBI Holdings, Inc.**

**Yoshitaka Kitao**

*Chief Executive Officer*

Japan, 23 May 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 Natsumo and Mr Akihiro Tamaki.*

May 23, 2012  
SBI Holdings, Inc.  
(TOKYO: 8473 / Hong Kong: 6488)

## **Notice on Establishment of Two Intermediate Holding Firms** **Through Joint Stock Transfer**

SBI Holdings, Inc. (“SBIH”) hereby announces that it will set up two subsidiaries, both intermediate holding companies, with the SBI Group’s asset management subsidiaries and financial service subsidiaries, respectively, under their umbrella. The two intermediate holding companies will be established through a joint stock transfer, which will be implemented by the subsidiaries to be placed under the said intermediate holding companies.

### 1. Purposes of establishing intermediate holding companies

SBIH decided to introduce the International Financial Reporting Standards (IFRS) beginning in the fiscal year ending March 2013. When listing on the Hong Kong Stock Exchange last year, SBIH was required by the exchange to adopt the IFRS at an early date. As a result of introducing IFRS, there is a possibility that changes in periodic profit and loss in the asset management business will be larger than before, as market prices for operational investment securities and exchange rate fluctuations are directly reflected in the statements of income. Hence, SBIH has thought that it needs to make a clear distinction between the asset management business and other businesses, and establish a system for efficiently and centrally managing funds and foreign exchange in the asset management business, taking into account the ongoing expansion of overseas investments.

Meanwhile, the SBI Group is now in the third phase of the Brilliant Cut Initiative, emphasizing synergies among the three core businesses of securities, banking and insurance. In line with this, we have also considered that it is crucial to build an organizational structure capable of thoroughly pursuing the said synergies by integrating the brokerage business and the financial service business into one segment, and unifying the sales infrastructures of securities, insurance and housing loan businesses as common infrastructure.

In full consideration of the above, SBIH has decided to separately establish SBI Capital Management Co., Ltd. with subsidiaries engaged in the asset management business under its umbrella, and SBI FINANCAL SERVICES Co., Ltd. with Group companies operating the financial service business under its wings, both by means of a stock transfer.

### 2. Overview of the establishment of SBI Capital Management Co., Ltd.

#### (1) Outline of the stock transfer

##### i. Schedule for the stock transfer

Approval of the stock transfer plan by the Board of Directors (of two subsidiaries):

May 23, 2012

Approval of the stock transfer plan by an extraordinary general meeting of shareholders (of two subsidiaries):

June 12, 2012 (planned)

Establishment and registration of the intermediate holding company:

June 13, 2012 (planned)

ii. Method of organizational restructuring

A stock transfer implemented jointly by SBI Investment Co., Ltd. and SBI CAPITAL Co., Ltd.

(2) Profiles of the companies transferring their stocks (as of March 31, 2012)

i. Corporate name	SBI Investment Co., Ltd.	SBI CAPITAL Co., Ltd.
ii. Main business activities	Operate and manage venture capital funds	Operate and manage buyout and revitalization funds
iii. Date of incorporation	June 7, 1996	April 13, 2001
iv. Address of Head Office	1-6-1 Roppongi, Minato-ku, Tokyo	1-6-1 Roppongi, Minato-ku, Tokyo
v. Representatives	Yoshitaka Kitao, Takashi Nakagawa	Yoshitaka Kitao, Kazuhiro Iwamoto
vi. Capital	50 million yen	194 million yen
vii. Fiscal year end	March 31	March 31
viii. Majority shareholders	SBI Holdings, Inc. 100%	SBI Holdings, Inc. 100%
ix. Total assets	14,013 million yen (non-consolidated)	3,370 million yen (non-consolidated)
x. Net assets	4,309 million yen (non-consolidated)	3,062 million yen (non-consolidated)

(3) Profile of the company to be newly established through stock transfer

i. Corporate name	SBI Capital Management Co., Ltd.
ii. Main businesses and purpose	Business specializing in the Group's asset management business; efficient and central management of funds and foreign exchange for the said business
iii. Date of incorporation	June 13, 2012 (scheduled)
iv. Address of Head Office	1-6-1 Roppongi, Minato-ku, Tokyo
v. Representative	Takashi Nakagawa, Representative Director and President
vi. Capital	100 million yen
vii. Fiscal year end	March 31
viii. Majority shareholder	SBI Holdings, Inc. 100%
ix. Total assets	TBD
x. Net assets	TBD

### 3. Overview of the establishment of SBI FINANCIAL SERVICES Co., Ltd.

#### (1) Outline of the stock transfer

##### i. Schedule for the stock transfer

Approval of the stock transfer plan by the Board of Directors (of three subsidiaries):

May 23, 2012

Approval of the stock transfer plan by an extraordinary general meeting of shareholders (of three subsidiaries):

June 12, 2012 (planned)

Establishment and registration of the intermediate holding company:

June 13, 2012 (planned)

##### ii. Method of organizational restructuring

A stock transfer implemented jointly by SBI SECURITIES Co., Ltd., SBI Liquidity Market Co., Ltd. and SBI Financial Agency Co., Ltd.

#### (2) Profiles of the companies transferring their stocks (as of March 31, 2012)

i. Corporate name	SBI SECURITIES Co., Ltd.	SBI Liquidity Market Co., Ltd.	SBI Financial Agency Co., Ltd.
ii. Main business activities	Comprehensive online securities business	Offering market infrastructure and services of forex trading and developing related systems	Sales of nonlife and life insurance policies
iii. Date of incorporation	March 30, 1944	July 8, 2008	November 24, 2000
iv. Address of Head Office	1-6-1 Roppongi, Minato-ku, Tokyo	1-6-1 Roppongi, Minato-ku, Tokyo	1-6-1 Roppongi, Minato-ku, Tokyo
v. Representatives	Yoshitaka Kitao, Yasutaro Sawada	Tatsuo Shigemitsu	Shinya Suzuki
vi. Capital	47,937 million yen	1,000 million yen	215 million yen
vii. Fiscal year end	March 31	March 31	March 31
viii. Majority shareholders	SBI Holdings, Inc. 100%	SBI Holdings, Inc. 100%	SBI Holdings, Inc. 90% (Note)
ix. Total assets	1,121,941 million yen (consolidated)	6,317 million yen (consolidated)	493 million yen (non-consolidated)
x. Net assets	176,879 million yen (consolidated)	2,677 million yen (consolidated)	449 million yen (non-consolidated)

(Note) SBI Financial Agency Co., Ltd. has become a wholly owned subsidiary of SBIH.

(3) Profile of the company to be newly established through stock transfer

i. Corporate name	SBI FINANCIAL SERVICES Co., Ltd.
ii. Main businesses and purpose	Implementation of various measures for enhancing synergies among the three major core businesses (securities, banking and insurance) in financial service operations
iii. Date of incorporation	June 13, 2012 (scheduled)
iv. Address of Head Office	1-6-1 Roppongi, Minato-ku, Tokyo
v. Representative	Taro Izuchi, Representative Director and President
vi. Capital	100 million yen
vii. Fiscal year end	March 31
viii. Majority shareholder	SBI Holdings, Inc. 100%
ix. Total assets	TBD
x. Net assets	TBD

4. Overview of accounting treatment

A transaction will be conducted under common control in the business combination accounting, and no goodwill will occur.

5. Effects on earnings

As the companies transferring their stocks and those to be newly established are wholly owned subsidiaries of SBIH, this transaction will have no effects on consolidated earnings results.

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For further information, please contact:

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