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SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock code: 6488)

PRICE SENSITIVE INFORMATION

This announcement is made pursuant to Rule 13.09(1) 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
*Representative Director,
President & Chief Executive Officer*

Japan, 28 September 2012

As of the date of this announcement, the executive Directors are Mr Yoshitaka Kitao, Mr Taro Izuchi, Mr Takashi Nakagawa, Mr Tomoya Asakura, Mr Shumpei Morita, Mr Noriaki Maruyama and Mr Peilung Li, the non-executive Directors are Mr Yasutaro Sawada, Mr Hiroyoshi Kido, Mr Noriyoshi Kimura, Mr Hiroshi Tasaka and Mr Takashi Okita and the independent non-executive Directors are Mr Masaki Yoshida, Mr Kiyoshi Nagano, Mr Keiji Watanabe, Mr Akihiro Tamaki and Mr Masanao Marumono.



September 28, 2012

SBI Holdings, Inc.

(TOKYO: 8473 / Hong Kong: 6488)

Conversion of SBI Japannext into a Consolidated Subsidiary

SBI Holdings, Inc. (“SBIH”) hereby announces that it acquired shares in SBI Japannext Co., Ltd. (head office: Chiyoda-ku, Tokyo; “SBI Japannext”), an equity-method affiliate, from existing shareholders yesterday. As a result, the SBI Group’s stake in SBI Japannext exceeds 50% and SBIH has made SBI Japannext a consolidated subsidiary, though stock acquisition rights of SBI Japannext were partially exercised today.

1. Reasons for additional acquisition

Trading value on the SBI Japannext-run Proprietary Trading System (PTS), named Japannext PTS, has increased steadily since its operations were launched in August 2007. Monthly trading value for August 2012 stood at JPY 925.2 billion, which is equivalent to 4.5% of trading value at the Tokyo Stock Exchange (excluding off-floor trading), both marking a record high. This PTS, Japan’s largest, has developed into the second largest trading market in Japan, with a trading value exceeding that of the Osaka Securities Exchange. (Source: Thomson Reuters and SBI Japannext)

The performance of Japannext PTS’s matching engine, a core trading system, was upgraded on September 24, 2012, to the world fastest level in terms of its latency. Furthermore, the present 5% TOB rule (*) on PTS trading is expected to be relaxed from October 2012, and the number of companies participating in Japannext PTS trading, currently 18, is projected to increase. Given these factors, the trading value of Japannext PTS is likely to rise further. Consequently, earnings of SBI Japannext, which moved into the black in the first quarter of the fiscal year ending March 2013, are also anticipated to expand.

Against the backdrop, to further raise the corporate value of SBI Japannext, by establishing a structure capable of quickly responding to changes in the business environment, SBIH decided to acquire shares in SBI Japannext from existing shareholders and make SBI Japannext a consolidated subsidiary.

(*) 5% TOB rule: Under the current Financial Instruments and Exchange Law, PTS is regarded as off-floor trading, and a takeover bid (TOB) is required when purchasing over 5% of shares of a target company.

2. Outline of SBI Japannext

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|-----|--------------------------|---|
| (1) | Company name | SBI Japannext Co., Ltd. |
| (2) | Head office | 1-1-1, Hirakawa-cho, Chiyoda-ku, Tokyo |
| (3) | Representative | Masami Hatakeyama, Representative Director and Co-CEO
Chung Sok Chon, Representative Director and Co-CEO |
| (4) | Main business activities | Operation of the Proprietary Trading System (PTS) |
| (5) | Capital | JPY 3,169 million (as of September 28, 2012) |
| (6) | Date of establishment | November 8, 2006 |

3. Shareholding ratio of the SBI Group before and after the acquisition

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|-----|---|-----------------------------------|
| (1) | Shareholding ratio before the acquisition | 47.4 (10.4)% |
| (2) | Shareholding ratio after the acquisition | 53.1 (10.0)% (as of September 28) |

The figure in the parenthesis for the holding ratio represents the inclusive indirect holding ratio of voting rights.

4. Future outlook

SBIH will book gain on step acquisitions of about JPY 2.8 billion, which was earned in relation to the conversion of equity-method affiliate SBI Japannext into a consolidated subsidiary following this time's additional acquisition of shares, in the second quarter of the fiscal year ending March 2013.

For further information, please contact:

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