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SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock code: 6488)

NOTIFIABLE TRANSACTION ACQUISITION OF SHARES IN PCA LIFE INSURANCE CO., LTD.

The Company wishes to announce that the Board resolved to enter into an agreement with Prudential in relation to an acquisition of 100% equity interest in PCA Life Japan at a consideration of USD 85 million on 16 July 2013. The Acquisition is subject to an authorization or permission to be granted by the relevant authorities in Japan. After the granting of the authorization or permission and payment of the consideration, PCA Life Japan will become the Company's consolidated subsidiary.

As the percentage ratio with respect to the Acquisition exceeds 25% but is less than 100% in profits ratio, the Acquisition constitutes a major transaction for the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

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THE ACQUISITION

Effective Date of the Agreement 16 July 2013

Timing for Payment of the Consideration The payment will be paid after the relevant authorities in Japan have approved the Acquisition.

Parties

The Company as a purchaser
Prudential as a vendor

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Further information of the Acquisition is set out as below:

CONSIDERATION

The purchase price for all the issued shares of PCA Life Japan is USD 85 million which would be satisfied in cash. The consideration was determined based on arm's length negotiation between the Company and Prudential after taking into account the business valuation of PCA Life Japan with reference to various factors, including but not limited to the Company's view of the potential of PCA Life Japan while it would be under the Group's management in the future. The timing for payment of consideration is subject to the authorization or permission to be granted by the relevant authorities in Japan.

REASONS AND BENEFITS OF THE ACQUISITION

PCA Life Japan has more than 130,000 in-force life policies as of 31 March 2013. As part of the Group's overall strategy, the Group has considered expanding into the life insurance business once again and believes the Acquisition represents a valuable opportunity in starting the life insurance business in Japan. The Group will protect the existing policyholders' interests (*1) and is expected to grow into the life insurance business as one of the core businesses in the Group's financial services through the new strategy.

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

*Note 1: There will be no change in the terms and conditions of existing policies regarding this transaction.

FINANCIAL EFFECTS OF THE ACQUISITION

The Company will announce the financial effects of the Acquisition as soon as it becomes clear.

INFORMATION OF THE GROUP

The Company is a holding company incorporated under laws of Japan in July 1999 and was listed on the former Tokyo Stock Exchange (First section) and the former Osaka Securities Exchange (First section) in February 2002 and November 2002, respectively. These two exchanges have been integrated and are now called "Tokyo Stock Exchange (First section)". The Company listed its Hong Kong depositary receipts (by way of secondary listing) on the Main Board of the Stock Exchange of Hong Kong Limited on 14 April 2011. The Group consists of four business segments as follows:

- (i) Financial service business, which offers various financial related services and provides information of the financial products. It primarily involves in the securities business, banking business and insurance services;

- (ii) Asset management business, which primarily involves the operation of investment funds;
- (iii) Biotechnology business, which involves developing and offering medical products, health foods and cosmetics;
- (iv) Other businesses.

INFORMATION OF PCA LIFE JAPAN

PCA Life Japan is a life insurance company incorporated in Japan and is a wholly-owned subsidiary of Prudential. It has more than 130,000 in-force policies as of 31 March 2013 with over 115,000 customers.

According to the audited financials of PCA Life Japan prepared in accordance with the Japanese GAAP, the profits before and after tax of PCA Life Japan for the year ended 31 March 2012 were approximately JPY 2,150 million and JPY 2,147 million respectively. The profits before and after tax for the year ended 31 March 2013 were approximately JPY 4,092 million and JPY 4,088 million respectively.

INFORMATION OF PRUDENTIAL AS THE VENDOR

Prudential is a wholly-owned subsidiary of Prudential plc. Prudential plc is incorporated in England and Wales, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services through its subsidiaries and affiliates throughout the world. It has been in existence for 165 years and has £405 billion in assets under management (as at 31 December 2012). Prudential plc is listed on stock exchanges in London, Hong Kong, Singapore and New York. Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America. Prudential does not meet the definition of connected person in respect of Chapter 14A of the Listing Rules.

GENERAL

The holders of HDRs of the Company and potential investors are reminded that regardless to the contents of this announcement, care should be exercised 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:

“Acquisition”	The purchase of shares in PCA Life Japan by the Company and its subsidiary
“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
“Group”	The Company and its subsidiaries
“JPY”	Japanese Yen, the lawful currency of Japan
“Japanese GAAP”	The generally accepted accounting principles in Japan
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PCA Life Japan”	PCA Life Insurance Co., Ltd., a company incorporated in Japan with limited liability
“Prudential”	Prudential Holdings Limited, a company incorporated in Scotland with limited liability, a wholly-owned subsidiary of which, Prudential Corporation Holdings Limited, owns all the issued shares of PCA Life Japan
“USD”	United States Dollar, the lawful currency of The United States of America
“%”	Per cent.
“£”	Great Britain Pound, the lawful currency of the United Kingdom

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

Japan, 16 July 2013

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 Masato Takamura, Mr Hiroshi Tasaka and Mr Teruhide Sato and the independent non-executive Directors are Mr Masaki Yoshida, Mr Kiyoshi Nagano, Mr Keiji Watanabe, Mr Akihiro Tamaki and Mr Masanao Marumono