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SBI HOLDINGS, INC.
(Incorporated in Japan with limited liability)
(Stock code: 6488)

NOTIFIABLE TRANSACTION SUBSCRIPTION OF SHARES IN SUBSIDIARIES

References are made to the announcements of the Company dated 8 August 2013, 28 August 2013 and 28 November 2013 respectively regarding the subscription of shares in SSB group (the “Announcements”).

The Company wishes to announce that the Group has decided to subscribe shares to be issued by SSB group at the maximum aggregate consideration of KRW 182.0 billion (approximately JPY 17.5 billion) by the end of December 2013. The Group will subscribe shares to be issued by SSB1, SSB2 and SSB4. After that, SSB1 will spend partial funds raised by the subscription in subscribing shares to be issued by SSB2 and SSB4.

During the period from 25 March 2013 to 23 December 2013, the maximum aggregate consideration at which the Group will subscribe shares to be issued by SSB group will be KRW665.7 billion (approximately JPY 59.4 billion).

The percentage ratios in relation to the aggregate investments in SSB group’s shares for the period from 25 March 2013 to 23 December 2013 under Chapter 14 of the Listing Rules will have exceeded 25% but is less than 100%. Accordingly, the aggregate investments in SSB group’s shares for the period constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

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During the period from 25 March 2013 to 23 December 2013, the maximum aggregate consideration at which the Group will subscribe shares to be issued by SSB group will be KRW 665.7 billion (approximately JPY 59.4 billion).

The Group has held 20.9% of equity interest in SSB1 right before the Series of Subscription and will hold 95.4% of equity interest in it after the Subscription on 20 December 2013. SSB group has been

consolidated subsidiaries of the Company since the end of March 2013.

The percentage ratios in relation to the aggregate investments in SSB group's shares for the period from 25 March 2013 to 23 December 2013 under Chapter 14 of the Listing Rules will have exceeded 25% but is less than 100%. Accordingly, the aggregate investments in SSB group's shares for the period constitute a major transaction of the Company under Chapter 14 of the Listing Rules.

THE SUBSCRIPTION OF SHARES TO BE ISSUED BY SSB GROUP

Number of shares to be acquired, transaction amount and the number of shares held before and after the Subscription:

	SSB1	SSB2
Number of shares held prior to the Subscription (*1)	88,755,399 (shareholding ratio:94.9%)	11,680,012 (shareholding ratio:94.0%)
Number of new shares to be obtained after the Subscription	Maximum 10,004,300	Maximum 33,086,200
Number of shares to be subscribed by the Group(*2) (*3)	Maximum 10,004,300 (Transaction amount: KRW 50.0 billion)	Maximum 25,100,795 (Transaction amount: KRW 125.5 billion)
Number of shares to be subscribed by SSB1(*4)	—	Maximum 7,985,405 (Transaction amount: KRW 39.9 billion)
Number of shares held after the Subscription (*5)	98,759,699 (shareholding ratio:95.4%)	44,766,212 (shareholding ratio:98.4%)

	SSB3	SSB4
Number of shares held prior to the Subscription (*1)	33,590,633 (shareholding ratio:100.0%)	11,085,280 (shareholding ratio:64.0%)
Number of new shares to be obtained after the Subscription	—	Maximum 3,320,000
Number of shares to be subscribed by the Group (*2) (*3)	—	Maximum 1,301,158 (Transaction amount: KRW 6.5 billion)
Number of shares to be subscribed by SSB1 (*4)	—	Maximum 2,018,842 (Transaction amount: KRW 10.1 billion)
Number of shares held after the Subscription (*5)	33,590,633 (shareholding ratio:100.0%)	14,405,280 (shareholding ratio:69.8%)

*Note

(1) Including shareholding owned by SSB1

- (2) Excluding existing shareholding owned by SSB1
- (3) Maximum amount of subscription to be underwritten by the Group; in the case that existing shareholders other than the Group and/or SSB1 do not participate in the subscription of their shares allocated and such allocated shares would be forfeited
- (4) SSB1 will utilize the fund raised for this capital increase by the Group to subscribe shares to be issued by SSB2 and SSB4
- (5) Maximum amount of subscription to be underwritten by the Group, including the above forfeited shares and shareholdings owned by SSB1

Consideration

SSB1, SSB2 and SSB4 set the subscription price based on the nominal value of the shares.

SSB1 resolved the issuance of new shares to existing shareholders and the Company decided to let the Group subscribe shares allocated. Moreover, in the case that existing shareholders other than the Group do not participate in the subscription of their shares allocated and such allocated shares would be forfeited; the Company decided to let the Group subscribe all such forfeited shares as well. Where the shares allocated to existing shareholders other than the Group are forfeited, it follows that the maximum number of SSB1's new shares to be held by the Group and the maximum amount of subscription to be underwritten by the Group would be 10,004,300 shares and KRW 50.0 billion respectively (shareholding ratio: 95.4% at maximum). The consideration would be satisfied in cash on 20 December 2013. According to the unaudited financial statements of SSB1, the negative net assets were KRW 74.8 billion as of 30 September 2013.

SSB2 resolved the issuance of new shares to existing shareholders and the Company decided to let SSB1 and the Group subscribe shares allocated. Moreover, in the case that existing shareholders other than SSB1 and the Group do not participate in the subscription of their shares allocated and such allocated shares would be forfeited; the Company decided to let the Group subscribe all such forfeited shares as well. Where the shares allocated to existing shareholders other than SSB1 and the Group are forfeited, it follows that the maximum number of SSB2's new shares to be held by SSB1 and the Group, and the maximum amount of subscription to be underwritten by SSB1 and the Group would be 33,086,200 shares and KRW 165.4 billion respectively (shareholding ratio: 98.4% at maximum). The consideration would be satisfied in cash on 23 December 2013. According to the unaudited financial statements of SSB2, the negative net assets were KRW 161.3 billion as of 30 September 2013.

SSB4 resolved the issuance of new shares to existing shareholders and the Company decided to let SSB1 and the Group subscribe shares allocated. Moreover, in the case that existing shareholders other than SSB1 and the Group do not participate in the subscription of their shares allocated and such allocated shares would be forfeited; the Company decided to let the Group subscribe all such forfeited shares as well. Where the shares allocated to existing shareholders other than SSB1 and the Group are forfeited, it follows that the maximum number of SSB4's new shares to be held by SSB1 and the Group, and the maximum amount of subscription to be underwritten by SSB1 and the Group would be 3,320,000 shares and KRW 16.6 billion respectively (shareholding ratio: 69.8% at maximum). The consideration would be satisfied in cash on 23 December 2013. According to the unaudited financial statements of SSB4, the net assets were KRW 12.1 billion as of 30 September 2013.

Expected Timetable

Signing on the share subscription agreement of SSB1 by the Group	19 December 2013 (tentative)
Payment of the share subscription, signing on the share subscription (forfeited shares) agreement of SSB1 and payment by the Group	20 December 2013 (tentative)
Signing on the share subscription agreement of SSB2 as well as SSB4 by SSB1 and the Group	20 December 2013 (tentative)
Payment of the share subscription agreement of SSB2 as well as SSB4 by SSB1 and the Group	23 December 2013 (tentative)
Signing on the share subscription (forfeited shares) agreement of SSB2 as well as SSB4, payment by SSB1 and the Group	23 December 2013 (tentative)

REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

As described in the Announcements, the Company considered to underwrite by the end of December 2013 a capital increase of KRW182.0 billion (approximately JPY17.5 billion), and currently has decided to subscribe the said capital increase.

SSB group has been implementing various measures to improve profitability insofar and with respect to this capital injection, it will be able to further strengthen its financial standing. Accordingly, SSB group will aggressively promote business development by stepping up the lending to the small and medium-sized enterprises and individuals that will lead to an increase in credit loans.

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

FINANCIAL EFFECTS OF THE SUBSCRIPTION

The Company has already consolidated SSB group since its preceding fiscal year. The Subscription will not have any material impact on its consolidated financial results.

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 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 SSB GROUP

SSB1 commenced operations in October 1971 and its core business is provision of financial products, such as deposit products and lending services. SSB group consists of SSB1 as a leading bank, SSB2(SSB1's shareholding ratio: 24.1 %), SSB3(SSB1's shareholding ratio: 100.0 %), and SSB4(SSB1's shareholding ratio: 60.8%) as of 30 June 2013. And it is the largest savings bank in Korea with KRW 4.3 trillion of aggregate amounts of total assets as of 30 June 2013 and owns operation network nationwide excluding Busan and Gyeongsang-do.

According to the audited consolidated financial statements of SSB1, the net loss before and after tax for the fiscal year ended 30 June 2012 were approximately KRW 157.1 billion and KRW 196.8 billion respectively. The net loss before and after tax for the fiscal year ended 30 June 2013 were approximately KRW 400.5 billion and KRW 401.3 billion respectively.

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:

“Company”	SBI Holdings, Inc., a company incorporated in Japan with limited liability
“Group”	The Company and its subsidiaries except SSB group
“SSB1”	SBI Savings Bank, a company incorporated in Korea with limited liability and the corporate name was changed from “Hyundai Swiss Savings Bank,” on 1 September 2013.
“SSB2”	SBI 2 Savings Bank, a company incorporated in Korea with limited liability and the corporate name was changed from “Hyundai Swiss 2 Savings Bank” on 1 September 2013.
“SSB3”	SBI 3 Savings Bank, a company incorporated in Korea with limited liability and the corporate name was changed from “Hyundai Swiss 3 Savings Bank” on 1 September 2013.
“SSB4”	SBI 4 Savings Bank, a company incorporated in Korea with limited liability and the corporate name was changed from “Hyundai Swiss 4 Savings Bank” on 1 September 2013.
“SSB group”	SSB1, SSB2, SSB3 and SSB4

“Korea”	The Republic of Korea
“KRW”	Korean Won, the lawful currency of the Republic of Korea
“Series of Subscription”	The Subscriptions done in the period from 25 March 2013 to 23 December 2013
“Subscription”	Both subscription of new shares allotted to the Group and SSB1; and subscription of other shareholders’ forfeited shares by the Group and SSB1 in SSB2 and SSB4
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“%”	Per cent

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

Japan, 29 November 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.