

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company nor is it a solicitation of any vote or approval in any jurisdiction.



SBI HOLDINGS, INC.

**(Incorporated in Japan with limited liability)
(Stock Code: 6488)**

ANNOUNCEMENT

PROPOSED WITHDRAWAL OF LISTING

APPLICATION FOR WITHDRAWAL OF LISTING

An application has been made to the Stock Exchange for the withdrawal of the listing of the HDRs on the Stock Exchange. The Board has approved the Proposal, but such approval is subject to the Stock Exchange having approved the Proposal. The withdrawal of listing of the HDRs from the Stock Exchange is expected to become effective at 9:00 a.m. (Hong Kong time) on Wednesday, June 25, 2014. HDR Holders and investors will be notified by way of an announcement of such withdrawal on the Stock Exchange.

If the Proposal proceeds, dealings in the HDRs on the Stock Exchange will cease at 4:00 p.m. (Hong Kong time) on Monday, May 26, 2014, which will result in the HDRs being non-tradable on the Stock Exchange and the Company will terminate the depositary receipt facility with effect from 9:00 a.m. (Hong Kong time) on Thursday, July 31, 2014 by delivering a formal notice to the Depositary. If HDR Holders want to be able to trade their Shares on the TSE following the Proposal, HDR Holders must convert their HDRs into Shares by submitting a duly completed request for conversion form and the corresponding HDR certificate to the HDR Registrar before 12:00 noon (Hong Kong time) on Monday, May 26, 2014 and each such HDR Holder must have a securities account opened at an Account Managing Institution for the deposit of Shares converted from the HDRs. Please refer to the section headed "Administration of the Proposal" below.

If any of the HDRs remain outstanding following Friday, May 30, 2014, the Depositary will, as soon as practicable after Friday, May 30, 2014, sell the Shares deposited with it representing such outstanding HDRs in the open market through the TSE and hold the net proceeds of such sale (as long as it may lawfully do so), without liability for interest, in trust for the HDR Holders that are the registered holders of such outstanding HDRs. The Depositary will thereafter make a distribution representing such net proceeds on a *pro rata* basis to the relevant HDR Holders.

HDR Holders who wish to transfer their HDRs must lodge the transfer with the HDR Registrar by 4:30 p.m. (Hong Kong time) on Thursday, May 29, 2014. The HDR Register will be closed from

Friday, May 30, 2014 onwards. All HDR Holders recorded on the HDR Register on Friday, May 30, 2014 will be entitled to the net proceeds from the sale of the Shares deposited with the Depository representing the outstanding HDRs held by such HDR Holders. HDR Holders who hold physical HDR certificates are not required to return or surrender their HDR certificates to the HDR Registrar before they are entitled to the net proceeds from such sale and the HDR certificates will no longer be valid and will be deemed to be automatically cancelled after 4:30 p.m. (Hong Kong time) on Thursday, May 29, 2014. Following such sale, the Company will issue an announcement stating the distributable amount per outstanding HDR, together with the foreign exchange rate used to convert the Japanese Yen net proceeds into Hong Kong dollars. The Company expects the HDR Holders to be paid their distributable amounts on or before Monday, June 23, 2014.

HDR Holders' entitlements to distributions and to instruct the Depository or its nominee to attend and vote at the annual general meeting of the Company under the HDR deposit agreement will not be affected by the Proposal. Any person who wants to be eligible to attend and vote (or to instruct the Depository or its nominee to attend and vote) at the 2014 AGM must either (a) convert his/her HDRs into Shares by lodging a conversion application with the HDR Registrar in Hong Kong on or before 12:00 noon (Hong Kong time) on Monday, March 24, 2014 and such HDR Holder must have a securities account opened at an Account Managing Institution for the deposit of Shares converted from the HDRs; or (b) become a HDR Holder on the HDR Register by 4:30 p.m. (Hong Kong time) on Monday, March 31, 2014.

HDR Holders, holders of other securities of the Company and/or potential investors should be aware that the implementation of the Proposal is subject to approval by the Stock Exchange and thus the Proposal may or may not be implemented and the withdrawal of listing may or may not become effective. HDR Holders, holders of other securities of the Company and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

WITHDRAWAL OF LISTING PROPOSAL

An application has been made to the Stock Exchange for the withdrawal of the listing of the HDRs on the Stock Exchange. Such application is subject to the Stock Exchange being satisfied with the Company's compliance with the applicable Listing Rules requirements. If the Proposal is not approved by the Stock Exchange, the HDRs will remain listed on the Stock Exchange. The Board has approved the Proposal, but such approval is subject to the Stock Exchange having approved the Proposal.

The withdrawal of listing of the HDRs from the Stock Exchange is expected to become effective at 9:00 a.m. (Hong Kong time) on Wednesday, June 25, 2014. HDR Holders, holders of other securities of the Company and/or potential investors will be notified by way of an announcement of such withdrawal on the Stock Exchange.

HDR Holders should note that, if approved, the Proposal could reduce the liquidity and marketability of the HDRs and would result in the termination of the depository receipt facility and the HDRs ceasing to be eligible for trading on the Stock Exchange. The Shares will, however, continue to be listed on the TSE immediately following the implementation of the Proposal.

In order for HDR Holders to be able to trade their Shares on the TSE following the Proposal, HDR Holders must convert their HDRs into Shares by submitting a duly completed request for conversion form and the corresponding HDR certificate to the HDR Registrar before 12:00 noon (Hong Kong time) on Monday, May 26, 2014 and such HDR Holder must have a securities

account opened at an Account Managing Institution for the deposit of Shares converted from the HDRs. Please refer to the section headed “Administration of the Proposal” below.

LISTING RULES IMPLICATIONS

Pursuant to Rule 6.16 of the Listing Rules, a voluntary withdrawal of the listing of the HDRs would require the Company to comply with all relevant laws, regulations and listing rules of the jurisdiction in which it has its primary listing (*i.e.*, the TSE), as well as all relevant laws and regulations of its jurisdiction of incorporation (*i.e.*, Japan) and to give its HDR Holders at least three months’ prior notice of the Proposal by way of an announcement.

The Proposal would become effective and binding on the Company and all HDR Holders, subject to the approval of the Proposal by the Stock Exchange. If the Proposal is approved by the Stock Exchange, it is expected that the Proposal will be implemented on Wednesday, June 25, 2014. The withdrawal of listing of the HDRs on the Stock Exchange will not affect the listing status of the Shares on the TSE.

After the Proposal has been implemented, the Company will no longer be subject to the Listing Rules and will not be required to retain a depository or custodian. Accordingly, the implementation of the Proposal would result in the HDRs not being eligible to be traded on the Stock Exchange.

The Directors intend to continue to operate the Company’s business in the same manner and with the same strategy as at present and intend to continue to expand the Company’s business by exploring new revenue streams and business opportunities to support its future growth. At the same time, the Company will continue to exercise cost control measures, including related savings arising from the Proposal.

ADMINISTRATION OF THE PROPOSAL

If the Proposal proceeds, dealings in the HDRs on the Stock Exchange will cease at 4:00 p.m. (Hong Kong time) on Monday, May 26, 2014, which will result in the HDRs being non-tradable on the Stock Exchange and the Company will terminate the depository receipt facility with effect from 9:00 a.m. (Hong Kong time) on Thursday, July 31, 2014 by delivering a formal notice to the Depository. If HDR Holders want to be able to trade their Shares on the TSE following the Proposal, HDR Holders must convert their HDRs into Shares by submitting a duly completed request for conversion form and the corresponding HDR certificate to the HDR Registrar before 12:00 noon (Hong Kong time) on Monday, May 26, 2014.

The HDR Holders may opt to sell their HDRs prior to the cessation of the dealings in the HDRs on the Stock Exchange or convert their HDRs to obtain the corresponding Shares by submitting a duly completed request for conversion form and the corresponding HDR certificate to the HDR Registrar before 12:00 noon (Hong Kong time) on Monday, May 26, 2014 (in the case of a conversion, provided such HDR Holders have securities accounts with an Account Managing Institution).

If any of the HDRs remain outstanding following Friday, May 30, 2014, the Depository will, as soon as practicable after Friday, May 30, 2014, sell the Shares deposited with it representing such outstanding HDRs in the open market through the TSE and hold the net proceeds of such sale (as long as it may lawfully do so), without liability for interest, in trust for the HDR Holders that are the registered holders of such outstanding HDRs. The Depository will thereafter make a distribution representing such net proceeds on a *pro rata* basis to the relevant HDR Holders.

HDR Holders who wish to transfer their HDRs must lodge the transfer with the HDR Registrar by 4:30 p.m. (Hong Kong time) on Thursday, May 29, 2014. The HDR Register will be closed from Friday, May 30, 2014 onwards. All HDR Holders recorded on the HDR Register on Friday, May 30, 2014 will be entitled to the net proceeds from the sale of the Shares deposited with the Depository

representing the outstanding HDRs held by such HDR Holders. HDR Holders who hold physical HDR certificates are not required to return or surrender their HDR certificates to the HDR Registrar before they are entitled to the net proceeds from such sale and the HDR certificates will no longer be valid and will be deemed to be automatically cancelled after 4:30 p.m. (Hong Kong time) on Thursday, May 29, 2014. Following such sale, the Company will issue an announcement stating the distributable amount per outstanding HDR, together with the foreign exchange rate used to convert the Japanese Yen net proceeds into Hong Kong dollars. The Company expects the HDR Holders to be paid their distributable amounts on or before Monday, June 23, 2014.

The HDR deposit agreement and the HDRs currently provide that the Depositary will sell the outstanding HDRs six months after the termination of the HDR deposit agreement. The Company and the Depositary will enter into an amendment to the HDR deposit agreement to permit the Depositary to sell the outstanding HDRs as soon as practicable after the expiration of two months from the date notice of termination of the HDR deposit agreement is mailed to the HDR Holders. This is expected to result in the HDR Holders receiving their sale proceeds earlier, and as such, it is a change that is beneficial to the HDR Holders. Based on the current timetable, the Company expects (i) the notice of termination of the HDR deposit agreement to be mailed by the Depositary on or shortly after Wednesday, March 5, 2014 and (ii) the Depositary to sell the Shares deposited with it representing the outstanding HDRs in the open market through the TSE as soon as practicable after Friday, May 30, 2014.

Sale of and Dealings in the HDRs

The HDR Holders may sell and deal in any of their HDRs at any time on or prior to 4:00 p.m. (Hong Kong time) on Monday, May 26, 2014, the last day of dealings in the HDRs on the Stock Exchange.

Conversion of HDRs to Shares and Cancellation of HDRs

Pursuant to section 6 of the HDR deposit agreement, an HDR Holder may convert his/her HDRs to Shares by surrendering his/her HDRs to obtain the corresponding Shares provided that:

- (a) such holder may only request for withdrawal from the Depositary of Shares represented by 10 HDRs or multiples thereof; and
- (b) any holder requesting a withdrawal of Shares from the Depositary must have a securities account opened at an Account Managing Institution participating in the scripless book-entry system operated by JASDEC to which the Shares will be credited.

With respect to (b) above, HDR Holders should note that all Japanese listed companies, including the Company, are unable to issue physical certificates with respect to the listed shares and all transfers of listed shares must be made through the book-entry system operated by JASDEC. Under Japanese law, any transfer of Shares becomes effective only through the book-entry system operated by JASDEC, and the title to the Shares passes to the transferee at the time when the transferred number of Shares is recorded in the transferee's securities account opened at an Account Managing Institution. Accordingly, HDR Holders who wish to convert their HDRs into Shares will require a securities account opened at an Account Managing Institution for deposit of Shares converted from the HDRs.

If you do not have a securities account opened at an Account Managing Institution for deposit of Shares converted from the HDRs, you will not be able to convert your HDRs into Shares and your options may be limited to selling the HDRs in the open market prior to 4:00 p.m. (Hong Kong time) on Monday, May 26, 2014 or waiting for the Depositary to distribute proceeds of the sale of the Shares representing the HDRs that remain outstanding following Friday, May 30, 2014. You should consult your stockbroker in relation to trading of Shares in Japan.

In order for any HDR Holder whose HDRs are registered on the HDR Register to be able to convert his/her HDRs to Shares and then to trade such Shares on the TSE following the completion of the Proposal, he or she can obtain a request for conversion form from the HDR Registrar for a conversion of the HDRs to Shares. Upon the return of such form to the HDR Registrar, duly completed, together with the corresponding HDR certificates and payment for the relevant charges, the HDR Registrar will arrange for the conversion of such HDRs to Shares. HDRs held in CCASS must be withdrawn from CCASS in accordance with the CCASS Rules and registered onto the HDR Register before the conversion.

Where a duly completed request for conversion form is received by the HDR Registrar together with the corresponding HDR certificate prior to 12:00 noon (Hong Kong time) on a Business Day, the HDR Registrar expects to complete the conversion to Shares within three to four Business Days. This service will be available to the HDR Holder concerned until 12:00 noon (Hong Kong time) on Monday, May 26, 2014, except during the period from Tuesday, March 25, 2014 to Monday, March 31, 2014. Once the HDRs have been converted to Shares, it may be deposited into the relevant HDR Holder's securities account opened at an Account Managing Institution in accordance with the relevant rules and regulations of Japan.

All HDRs surrendered to the Depositary for the conversion of the HDRs to Shares will be cancelled by the Depositary and the Depositary will destroy the HDRs in certificated form so cancelled in accordance with its customary practices.

The conversion of the HDRs to Shares and the cancellation of the HDRs will be subject to the following conversion fees payable to the HDR Registrar collected on behalf of the Depositary:

	<u>Conversion of the HDRs to Shares</u>
Depositary fees	
Maximum issuance and cancellation fee	HK\$0.4/HDR
Cable fees	HK\$155/transaction

None of the Company, the Depositary or the HDR Registrar accepts any liability for loss arising in connection with any of the arrangements provided herein. The Company cannot advise HDR Holders on tax or other consequences of converting HDRs to Shares as such advice will depend on the jurisdiction in which each HDR Holder resides. HDR Holders should take their own professional advice on such matters.

UPCOMING 2014 AGM

HDR Holders' entitlements to distributions and to instruct the Depositary or its nominee to attend and vote at the annual general meeting of the Company under the HDR deposit agreement will not be affected by the Proposal.

The right to instruct the Depositary or its nominee to attend and vote at the 2014 AGM under the terms of the HDR deposit agreement will be granted to the HDR Holders on the HDR Register as of 4:30 p.m. (Hong Kong time) on Monday, March 31, 2014. HDR Holders and investors will be notified by way of an announcement of the time and date of the 2014 AGM and the latest time and date for HDR Holders to instruct the Depositary or its nominee to attend and vote at the 2014 AGM on their behalf.

Any person who wants to be eligible to attend and vote (or to instruct the Depositary or its nominee to attend and vote) at the 2014 AGM must either (a) convert his/her HDRs into Shares by lodging a conversion application with the HDR Registrar in Hong Kong on or before 12:00 noon (Hong Kong time) on Monday, March 24, 2014 and such HDR Holder must have a securities account opened at an Account Managing Institution for the deposit of Shares

converted from the HDRs; or (b) become a HDR Holder on the HDR Register by 4:30 p.m. (Hong Kong time) on Monday, March 31, 2014.

REASONS FOR AND BENEFITS OF THE PROPOSAL

The Shares were listed on the TSE and the OSE in February 2002 and November 2002, respectively (the OSE merged into the TSE on July 16, 2013). The HDRs have been listed and trading on the Stock Exchange since April 14, 2011 and the Company has maintained such listing status since then. Since the listing on the Stock Exchange, an increasing number of HDR Holders have converted their HDRs into Shares. The number of Shares representing outstanding HDRs registered on the Japanese share register has decreased to around 0.05% of the issued shares of the Company as at the Latest Practicable Date. The trading volumes on the Stock Exchange have been low, with the 2013 average daily trading volume on the Stock Exchange being 6,827.51 HDRs compared with the 2013 average daily trading volume on the TSE of 11,071,863.27 Shares.

The Board has determined that it is in the best interest of the Company to withdraw the listing of the HDRs. It has made this determination in part as a result of a change in the Company's strategy to encourage more of its subsidiaries and associates to separately pursue listings in jurisdictions outside Japan (including Hong Kong). The Company expects that once the withdrawal from listing is completed, it will have increased flexibility on its business affairs and will be able to reduce its legal and regulatory compliance costs.

After careful consideration, the Directors have concluded that it is in the best interests of the Company, its HDR Holders and holders of other securities of the Company as a whole if the listing of the HDRs on the Stock Exchange is withdrawn. The Shares will, however, continue to be listed on the TSE immediately following the implementation of the Proposal. Following the Proposal, the Board believes that it will be able to better focus its resources on the matters relating to its listing on the TSE, in line with the Company's business operations and expansion plans.

EXPECTED TIMETABLE

The expected timetable to implement the Proposal is as follows:

Mailing of the notice of termination of the HDR deposit agreement to HDR Holders.....	on or after Wednesday, March 5, 2014
Latest time and date for lodging a duly completed request for conversion form and the corresponding HDR certificate to the HDR Registrar to be eligible to attend and vote at the 2014 AGM	by 12:00 noon (Hong Kong time) Monday, March 24, 2014
Record time and date for HDR Holders to instruct the Depositary or its nominee to attend and vote at the 2014 AGM	by 4:30 p.m. (Hong Kong time) Monday, March 31, 2014
Latest time and date for lodging a duly completed request for conversion form and the corresponding HDR certificate to the HDR Registrar in order to trade their Shares on the TSE following the Proposal.....	12:00 noon (Hong Kong time) on Monday, May 26, 2014
Latest time and date for dealings in the HDRs on the Stock Exchange ⁽¹⁾	4:00 p.m. (Hong Kong time) on Monday, May 26, 2014

Latest time and date for lodging transfers of HDRs with the HDR Registrar	4:30 p.m. (Hong Kong time) on Thursday, May 29, 2014
Record date for HDR Holders to qualify for the entitlement to the net proceeds from the sale of the Shares representing the outstanding HDRs, if completed	Friday, May 30, 2014
Closure of the HDR Register	from Friday, May 30, 2014 onward
Announcement in respect of the distributable amount and the foreign exchange rate from Japanese Yen to Hong Kong dollar, where applicable, per outstanding HDR to be received by the HDR Holders after the sale of the Shares representing the outstanding HDRs, if completed	on or before Monday, June 16, 2014
Payment to the HDR Holders of the distributable amount	on or before Monday, June 23, 2014
Announcement of the withdrawal of the listing of HDRs on the Stock Exchange	before 8:30 a.m. (Hong Kong time) on Tuesday, June 24, 2014
Effective time and date for the withdrawal of listing of HDRs on the Stock Exchange	9:00 a.m. (Hong Kong time) on Wednesday, June 25, 2014
Effective time and date for the termination of the depositary receipt facility	9:00 a.m. (Hong Kong time) on Thursday, July 31, 2014

Notes:

- (1) There are three Business Days from the last day of dealings in the HDRs on the Stock Exchange to the latest time for lodging transfers of HDRs to qualify for the entitlement to the net proceeds from the sale of the Shares representing the outstanding HDRs, if completed, on a pro rata basis, in order to allow sufficient time for clearing and settlement of dealings in the HDRs on the last day of trading to enable purchasers of HDRs on the last day of trading to qualify for the entitlement to the net proceeds from the sale of the Shares representing the outstanding HDRs, if completed, on a pro rata basis.

HDR Holders and potential investors should also note that the above timetable is subject to change. Further announcement(s) will be made in the event of such change.

WARNING

HDR Holders, holders of other securities of the Company and/or potential investors should be aware that the implementation of the Proposal is subject to approval by the Stock Exchange and thus the Proposal may or may not be implemented and the withdrawal of listing may or may not become effective. HDR Holders, holders of other securities of the Company and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"2014 AGM"	the 2014 Annual General Meeting of the Company
"Account Managing Institution"	a financial instrument trader, bank, trust company, or other financial institution that meets the requirements prescribed by the Book-Entry Act
"Board"	the board of Directors
"Book-Entry Act"	the Act Concerning Book-Entry Transfer of Corporate Bonds, Stocks, etc of Japan (Act No. 75 of 2001, as amended)
"Business Day"	a day on which banks are open for business in Hong Kong (other than a Saturday, Sunday, a public holiday or a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. Hong Kong time)
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Rules"	General Rules of CCASS and CCASS Operational Procedure as amended, supplemented or otherwise modified from time to time
"Company"	SBI Holdings, Inc., a company incorporated in Japan with limited liability on July 8, 1999
"Depository"	JP Morgan Chase Bank, N.A., in its capacity as depository of the HDRs, or any successor appointee in that capacity from time to time
"Director(s)"	the director(s) of the Company or any one of them
"HDR(s)"	Hong Kong depository receipt(s) of the Company
"HDR deposit agreement"	the deposit agreement entered into between the Company and the Depository on March 30, 2011 in relation to the HDRs
"HDR Holder(s)"	a registered holder of any HDR(s), being their legal owner
"HDR Register"	the register of HDR Holders maintained in Hong Kong by the HDR Registrar
"HDR Registrar"	Computershare Hong Kong Investor Services Limited or successor appointee from time to time

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JASDEC”	Japan Securities Depository Center, Inc.
“Latest Practicable Date”	January 31, 2014, being the latest practicable date for the purpose of ascertaining certain information contained in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“OSE”	Osaka Securities Exchange
“PRC”	the People’s Republic of China
“Proposal”	the proposal to withdraw the listing of the HDRs on the Stock Exchange as described in this announcement
“Share(s)”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TSE”	Tokyo Stock Exchange

By order of the Board

SBI Holdings, Inc.

Yoshitaka Kitao

*Representative Director, President &
Chief Executive Officer*

Japan, Tuesday, March 4, 2014

As at the date of this announcement, the Directors are:

Executive Directors: Mr. Yoshitaka Kitao, Mr. Taro Izuchi, Mr. Takashi Nakagawa, Mr. Tomoya Asakura, Mr. Shumpei Morita, Mr. Noriaki Maruyama and Mr. Peilung Li.

Non-executive Directors: Mr. Masato Takamura, Mr. Hiroshi Tasaka and Mr. Teruhide Sato.

Independent non-executive Directors: Mr. Masaki Yoshida, Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Akihiro Tamaki and Mr. Masanao Marumono.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.