

August 27, 2015
SBI Holdings, Inc.

**Establishment of a joint venture leasing company with INESA (Group) Co., Ltd.
in the China (Shanghai) Pilot Free Trade Zone**

SBI Holdings, Inc. (Head office: Minato-ku, Tokyo; Representative Director and CEO: Yoshitaka Kitao; “SBIH”) hereby announces that SBI (China) Co., Ltd. (“SBI China”), a subsidiary of SBIH overseeing its business in China, signed a joint venture agreement with INESA (Group) Co., Ltd. (Head office: Shanghai, Republic of China; “INESA”). This agreement is for the establishment of a joint venture engaging in the leasing business in China (“joint venture leasing company”) in the China (Shanghai) Pilot Free Trade Zone (FTZ). INESA is a major Shanghai municipal state-owned assets management company that is authorized by the State-owned Assets Supervision and Administration Commission of the Shanghai Municipal Government. The joint venture leasing company is scheduled to be established in September 2015 after obtaining a business license from the China (Shanghai) Pilot Free Trade Zone (FTZ).

China’s leasing market has grown rapidly in recent years; outstanding leasing contracts in China jumped 52.4% to RMB 3.2 trillion (JPY 64 trillion) at the end of 2014 from RMB 2.1 trillion (JPY 42 trillion) at the end of 2013 (*1). Meanwhile, the lease ratio (ratio of lease volume to capital investments) in China is far lower (*2) than that of advanced countries, such as the United States and Germany. China’s potential leasing market is still in the development stage, indicating significantly large room for growth. As demonstrated by the launch of leasing plans by the Chinese government including the “Guidelines on Promoting Development of Finance Leasing Business in the 12th Five-Year Plan period,” the environment surrounding the leasing industry in China is developing steadily and further growth can be expected in the future.

With the goal of making it easier to build ecological systems in smart cities, one of the focus areas of the information industry, INESA has been engaged in a wide range of business activities, in areas such as smart transportation, housing, water resources, government, education and medical care. Therefore, ongoing leasing needs of the companies participating in smart city projects are expected in the future.

SBI China aims to be the industry’s frontrunner in offering financial services by exploring China’s leasing market through the integration of its extensive financial expertise and professional knowledge in Japan with business resources of INESA.

[Outline of the joint venture leasing company]

Name : INESA-SBI Leasing (Shanghai) Co., Ltd.
Head office : Room 215, Building No.11 ,No.1000, Jinhai road, Shanghai Pilot Free Trade Zone(FTZ)
Establishment : September 2015 (scheduled)
Capital : RMB 300 million (approximately JPY 6.0 billion)
Shareholders : INESA 65%, SBI China 35%
Business : Financial leasing services, operating lease services and factoring services

Note: Based on the premise of the authorization to be granted by the relevant authorities in China.

*1: Compiled by China IRN

*2: According to the "2014 Chinese financial leasing industry professional analysis report"

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