

Notice Regarding the Memorandum of Understanding on Share Acquisition of First Guardian Equities in Sri Lanka

SBI Holdings, Inc. (Head office: Minato-ku, Tokyo; Representative Director and CEO: Yoshitaka Kitao; hereinafter the “Company”), hereby announces that the Company has signed a Memorandum of Understanding to acquire 25% of the shares of First Guardian Equities (Pvt) Limited (hereinafter “FGE”), and provide financial products, primarily Sri Lankan government bonds, through its subsidiary, SBI SECURITIES Co., Ltd (Head office: Minato-ku, Tokyo; Representative Director and President: Masato Takamura; hereinafter “SBI SECURITIES”). This will enable the company through its subsidiary SBI SECURITIES to effectively facilitate transactions in Sri Lankan financial products, such as government securities, quoted debt and equities.

The economic growth rate of Sri Lanka reached 7.4% in 2014, and the country is achieving steady economic growth since the end of the civil war in 2009. In addition, its securities market is expected to continuously grow as the market capitalization of companies listed on the Colombo Stock Exchange (“CSE”), the only stock exchange in Sri Lanka, has been increasing significantly.

FGE is one of the prominent stock brokers in Sri Lanka and has been licensed by the CSE to conduct the stock brokerage businesses and Sri Lankan equities offer excellent growth prospects. The SBI Group is planning to purchase Sri Lankan government bonds, etc. in collaboration with FGE and sell them as high-yield bond products through SBI SECURITIES.

The yield on the 1-year Sri Lankan government bond is approximately 10%, which is relatively high in comparison with declining Japanese government bond yields due to a negative interest rate policy adopted by the Bank of Japan. To meet the various investment needs of individual investors, SBI SECURITIES has provided a large variety of domestic and overseas investment products. By cooperating with FGE, the SBI Group will be able to further expand the lineup of these products.

The SBI Group will endeavour to continue its overseas development of financial services business, such as banking and securities businesses, as well as the investment business primarily in emerging Asian countries, through partnerships with prominent local partners in each country.

[Outline of First Guardian Equities (Pvt) Limited]

- (1) Corporate name: First Guardian Equities (Pvt) Limited
- (2) Head office: Level 32, East Tower, World Trade Centre, Echelon Square, Colombo 1, Sri Lanka.
- (3) Representative: Rohan Goonewardene
- (4) Business: Financial Instruments Business Operators

(5) Establishment: October 19, 2006

For further information, please contact:

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