

## SBI Holdings, Inc. and Consolidated Subsidiaries

Consolidated Balance Sheets					(Millions of Yen)
	2000	2000	1Q	2Q	3Q
ASSETS	2008 31st March	2009 31st March	2009 30th June	2009 30th September	2009 31st December
CURRENT ASSETS:	518t March	515t March	50th 9the	Soth Deptember	51st December
Cash and cash equivalents	¥159,007	¥126,313	¥130,312	¥115,477	¥144,745
Time deposits	1,518	1,141	1,870	2,041	1,963
Cash required to be segregated under regulations	313,817	266,267	313,257	322,213	319,510
Trade notes and accounts receivable	10,985	7,915	8,532	8,535	8,308
Operational investment securities	115,717	105,236	104,539	106,298	113,440
Valuation allowance for operational investment securities Operational loans receivable	(4,967) 66,261	(6,207) 47,868	(6,762) 39,869	(6,123) 43,606	(5,893 34,587
Real estate inventory	32,895	36,515	36,964	43,000	32,207
Trading assets	1,728	7,725	443	2,678	3,043
Margin transaction assets:	-,	.,		_,	
Receivables from customers	274,887	134,792	226,442	229,589	208,970
Cash deposits as collateral for securities borrowed	17,995	46,009	23,200	33,529	31,463
Loans secured by securities	-	1		-	
Short-term guarantee deposits	13,414	8,846	10,332	4,184	3,605
Deferred tax assets—current	1,053	5,921	6,185 72,227	7,794	7,058
Prepaid expenses and other current assets Allowance for doubtful accounts	66,723 (1,762)	65,771 (2,703)	(2,175)	47,651 (2,406)	46,515 (1,906
TOTAL CURRENT ASSETS	1,069,271	851,410	965,235	953,121	947,615
		001,110	000,200	000,121	011,010
PROPERTY AND EQUIPMENT—Net:	12,652	8,578	8,407	10,758	16,765
INVESTMENTS AND OTHER ASSETS:					
Investment securities	15,972	10,088	10,946	9,465	9,497
Investment securities Investments in unconsolidated subsidiaries and affiliated companies	25,923	23,781	25,139	30,021	31,707
Software, net of accumulated amortisation	9,769	9,370	9,341	11,152	11,052
Rental deposits	6,801	7,375	7,820	7,130	7,034
Goodwill	60,874	136,354	134,451	136,533	134,667
Long-term trade receivables	50	47	47	11	11
Deferred tax assets—non-current	10,595	10,602	10,402	11,783	14,423
Other assets	12,109	28,273	32,291	32,780	34,930
Allowance for doubtful accounts	(4,769)	(6,644)	(7,613)	(9,229)	(9,503)
TOTAL INVESTMENTS AND OTHER ASSETS TOTAL	137,324 ¥1,219,247	219,246 ¥1,079,234	222,824 ¥1,196,466	229,646 ¥1,193,525	233,818 ¥1,198,198
IOTAL	₹1,413,447	¥1,079,204	¥1,170,400	<b>₹1,170,020</b>	Ŧ1,130,130
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term borrowings	¥53,832	¥54,658	¥57,153	¥97,587	¥71,076
Current portion of long-term debt	112,743	63,033	79,479	70,352	90,033
Income taxes payable	9,352	2,625	2,641	5,286	3,088
Margin transaction liabilities: Payables to financial institutions	81,583	56,726	74,416	53,380	39,075
Proceeds of securities sold for customers' accounts	62,531	89,545	82,468	88,653	89,398
Loans secured by securities	35,441	46,588	70,274	58,269	86,930
Consignment guarantee money received for margin transactions	272,006	229,184	249,658	242,556	235,873
Customers' deposits as collateral for commodity futures	39,574	28,885	52,061	54,886	57,786
Customers' deposits for securities transactions	20,147	23,488	24,979	28,509	29,040
Unearned income	1,893	2,085	2,012	2,085	1,618
Accrued expenses	3,280	3,035	2,747	2,148	2,766
Contingent reserve	22			- 15	
Deferred tax liabilities—current Other current liabilities	8,867 39,363	6     23,591	6 35,995	$17 \\ 25,505$	$12 \\ 25,450$
TOTAL CURRENT LIABILITIES	740,634	623,449	733,889 733,889	729,233	732,145
	110,001	040,110	100,000	120,200	102,140
LONG-TERM LIABILITIES:					
Long-term debt, less current portion	77,149	13,584	12,500	12,866	12,510
Deferred tax liabilities—non-current	300	566	508	504	489
Other long-term liabilities TOTAL LONG-TERM LIABILITIES	5,431 <b>82,880</b>	15,043 29,193	15,396 28,404	17,556 <b>30,926</b>	17,748 30,747
	02,000	23,135	20,404	30,320	50,141
STATUTORY RESERVES	7,967	7,253	7,253	7,220	7,220
					1
NET ASSETS	55 159	55 915	55 916	55 997	55 969
Common stock	55,158 116 762	55,215 219 012	55,216 219 014	55,237 218 922	,
Common stock Capital surplus	116,762	219,012	219,014	218,922	218,946
Common stock Capital surplus Retained earnings	$116,762 \\ 112,339$	219,012 86,866	219,014 87,077	218,922 85,763	218,946 86,427
Common stock Capital surplus	116,762	219,012	219,014	218,922	218,946 86,427 (247
Common stock Capital surplus Retained earnings Treasury stock—at cost Unrealized gain on available-for-sale securities Foreign currency translation adjustments	$116,762 \\112,339 \\(53,064)$	219,012 86,866 (636) (5,946) (966)	219,014 87,077 (636)	218,922 85,763 (247)	218,946 86,427 (247 (145
Common stock Capital surplus Retained earnings Treasury stock—at cost Unrealized gain on available for sale securities Foreign currency translation adjustments Deferred hedged profit/loss	116,762 112,339 (53,064) 10,134	219,012 86,866 (636) (5,946) (966) (26)	219,014 87,077 (636) (2,982) (1,073)	218,922 85,763 (247) (2,192) (1,692) -	$218,946\\86,427\\(247)\\(148)\\(1,507)$
Common stock Capital surplus Retained earnings Treasury stock—at cost Unrealized gain on available-for-sale securities Foreign currency translation adjustments Deferred hedged profit/loss Stock acquisition right	$116,762 \\ 112,339 \\ (53,064) \\ 10,134 \\ (122) \\ 9 \\ 4$	219,012 86,866 (636) (5,946) (966) (26) 12	219,014 87,077 (636) (2,982) (1,073) - 12	$\begin{array}{c} 218,922\\ 85,763\\ (247)\\ (2,192)\\ (1,692)\\ -\\ 12\end{array}$	218,946 86,427 (247) (148) (1,507) -
Common stock Capital surplus Retained earnings Treasury stock—at cost Unrealized gain on available-for-sale securities Foreign currency translation adjustments Deferred hedged profit/loss Stock acquisition right Minority Interest	$\begin{array}{c} 116,762\\ 112,339\\ (53,064)\\ 10,134\\ (122)\\ 9\\ 9\\ 4\\ 146,546\end{array}$	$\begin{array}{c} 219,012\\ 86,866\\ (636)\\ (5,946)\\ (966)\\ (26)\\ 12\\ 65,808\end{array}$	219,014 87,077 (636) (2,982) (1,073) - 12 70,292	218,922 85,763 (247) (2,192) (1,692) 	55,262 218,946 86,427 (247 (145 (1,507 - 12 69,338
Common stock Capital surplus Retained earnings Treasury stock—at cost Unrealized gain on available for sale securities Foreign currency translation adjustments Deferred hedged profit/loss Stock acquisition right	$116,762 \\ 112,339 \\ (53,064) \\ 10,134 \\ (122) \\ 9 \\ 4$	219,012 86,866 (636) (5,946) (966) (26) 12	219,014 87,077 (636) (2,982) (1,073) - 12	$\begin{array}{c} 218,922\\ 85,763\\ (247)\\ (2,192)\\ (1,692)\\ -\\ 12\end{array}$	218,94486,42'(24'(144)(1,50'

Note(1) The above financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates.

(2) The above financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in Japan.

(3) The leased assets presented previously as Leased assets net have been included in Property and equipment net or Software, net of accumulated amortisation, respectively, because it has been not material.



## SBI Holdings, Inc. and Consolidated Subsidiaries

Consolidated Statements of Operations with Segment In	nfo <u>rmation</u>									(Millions of Yer	
	Year Ended		Year Ended 31s	t March 2009		Year Ended	Year En	Year Ending 31st March, 2010			
	31st March,2008	1Q Apr. –Jun.	2Q Jul Sep.	3Q Oct. – Dec.	4Q JanMar.	31st March,2009	1Q Apr. –Jun.	2Q JulSep.	3Q Oct. – Dec.	Nine-month period ended Dec.31, 2009	
PERATING REVENUES		Apr. – Jun.	Jui. – Sep.	Oct Dec.	Jan.—Mar.		Apr. —Jun.	Jui. – Sep.	Oct Dec.		
Asset Management	¥58,008	¥2,935	¥5,802	¥3,898	¥3,347	¥15,982	¥9,815	¥2,304	<u>¥2,901</u>	¥15,020	
A. Investment in Securities 1) Revenue from Operational Investment Securities 2) Fees from Funds Fees from Funds consists of	<b>54,670</b> 53,447 1,223	<b>2,110</b> 1,828 282	<b>4,743</b> 4,460 283	<b>3,375</b> 3,096 279	<b>2,697</b> 2,421 276	<b>12,925</b> 11,805 1,120	<b>9,205</b> 8,927 278	<b>1,532</b> 1,253 279	<b>1,975</b> 1,615 360	<b>12,712</b> 11,79 91	
- Management Fee - Establishment Fee - Success Fee	1,141 50 32	282 - -	283 - -	279	276	<i>1,120</i> 	278	279	360 - -	91	
B. Investment Advisory Service Fee and Others	8,888	825	1,059	523	650	8,057	610	772	926	2,308	
Brokerage and Investment Banking	<u>¥68,531</u>	<u>¥14,100</u>	<u>¥12,852</u>	¥10,923	<u>¥11,307</u>	¥49,182	¥13,539	<u>¥13,084</u>	<u>¥11,593</u>	¥38,216	
Financial Services	¥22,495	¥5,633	¥5,513	¥5,548	¥5,923	¥22,617	¥6,061	¥5,902	¥6,091	<u>¥18,054</u>	
Housing and Real Estate	<u>¥75,071</u>	¥11,230	<u>¥12,617</u>	¥8,257	¥8,803	¥40,907	¥5,727	¥6,839	<u>¥7,416</u>	<u>¥19,982</u>	
A. Real Estate Business B. Financial Real Estate Business C. Lifestyle Networks Business	55,126 6,727 13,218	6,022 1,738 3,470	6,765 1,989 3,863	2,192 2,316 3,749	3,374 1,850 3,579	18,353 7,893 14,661	959 1,382 3,386	2,293	1,138 3,078 3,200	2,978 6,758 10,251	
System Solution Business	<u>¥323</u>	¥1,456	<u>¥1,500</u>	¥1,987	¥1,461	¥6,354	¥1,015	¥1,295	<u>¥1,018</u>	¥3,328	
Eliminations/Corporate	(1,860)	(751)	(1,140)	(1,138)	(1,090)	(4,119)	(1,125)	(1,303)	(1,347)	(8,778	
OPERATING REVENUE	222,568	34,603	37,144	29,425	29,751	130,923	35,032	28,121	27,672	90,828	
OPERATING COSTS											
Asset Management Brokerage and Investment Banking	38,341 6,616	1,909 1,342	2,626 1,616	3,700 1,143	2,099 1,352	10,334 5,453	7,207 1,025	1,377 1,090	1,733 978	10,31 3,09	
Financial Services Real Estate and Housing	13,160 57,834	3,378 7,681	3,428 9,499	3,542 5,548	3,929 6,347	14,277 29,075	4,222 3,363	3,991 4,357	4,343 4,003	12,55 11,72	
System Solution Business Eliminations/Corporate	249 (856)	1,122 (165)	1,229 (165)	1,518 (127)	1,214 (131)	5,083 (588)	874 (155)	1,157	940 (171)	2,97	
OPERATING COSTS	115,844	15,267	18,238	15,324	14,810	68,684	16,536		11.826		
										40,100	
BROSS PROFIT	107,224	19,336	18,911	14,101	14,941	67,289	18,496	16,383	15,846	50,728	
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES Asset Management Brokerage and Investment Banking Financial Services Real Estate and Housing System Solution Business	3,185 41,404 8,486 9,143 547	694 9,369 1,883 2,698 438	983 9,970 1,702 2,619 409	$715 \\ 9,547 \\ 1,647 \\ 2,606 \\ 320$	662 9,129 1,617 2,985 407	3,054 38,015 6,849 10,908 1,574	668 9,458 1,681 2,483 337	743 9,065 1,764 2,949 294	799 8,789 1,993 3,002 251	2,21( 27,31: 5,43 8,43 88:	
Eliminations/Corporate	1,852	345	807	449	884	2,485	688	997	590	2,27	
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	64,617	15,427	16,490	15,284	15,684	62,885	15,315	15,812	15,424	46,551	
<b>DPERATING INCOME</b> Asset Management Brokerage and Investment Banking Financial Services Real Estate and Housing System Solution Business Eliminations/Corporate	16,482 20,511 849 8,094 (473) (2,856)	332 3,389 372 851 (104) (931)	2,193 1,266 383 499 (138) (1,782)	(517) 233 359 103 99 (1,460)	586 826 377 (529) (160) (1,843)	2,594 5,714 1,491 924 (303) (6,016)	1,940 3,056 158 (119) (196) (1,658)	147 (467) (156)	369 1,826 (245) 411 (173) (1,766)	2,49 7,81 (17 (52) (5,490	
OPERATING INCOME	₩42,607	¥3,909	¥2,421	(¥1,183)	(¥743)	₩4,404	¥3,181	¥571	¥422	¥4,174	
OTHER INCOME (EXPENSES):											
Interest and dividends income Interest expense Foreign exchange gain (loss)-net Gain (loss) on sale of investment securities-net Appraisal loss of investment securities Dilution gain (loss) from change in equity interest Reversal of allowance for doubtful accounts	648 (1,785) (726) 6,780 (677) (1,702) 28	460 (486) 245 (1,328) (9,470) 261	577 (561) (226) (236) 9,102 49	281 (737) (777) 54 (5,962) 29	116 (666) 137 (7) (1,218) 2	1,434 (2,450) (621) (1,517) (7,548) 341	175 (371) (194) 610 (4) 116	(357) 157 (21)	113 (545) 194 (73) (6) 1	399 (1,414 (35) 69- (3) 10	
Amortization of goodwill -net Provision for statutory reserves	(2,121) (1.611)	-	(1,066)	(0)	- 4	(1,066)	-		-		
Equity in losses of subsidiaries and associated companies Other net	(1,011) (11,409) (1,213)	(0) (1,003) 85	(802) (651)	(582) (2,482)	(1,475) (2,198)	(3,862) (5,246)	(113) (383)	(36) (1.861)	139 (311)	(1) (2,55	
OTHER INCOME (EXPENSES) - NET	(13,788)	(11,236)	6,181	(10,176)	(5,305)	(20,536)	(164)		(488)	(3,16)	
NCOME BEFORE INCOME TAXES/MINORITY INTERESTS	28,819	(7,827)	8,602	(11,859)	(6,048)	(16,132)	8,017	(1,943)	(66)	1,008	
NCOME TAXES Current Deferred TOTAL INCOME TAXES	19,311 (2,038) 17,273	2,221 (3,365) (1,144)	7,597 (2,506) 5,091	682 55 737	1,329 136 1,465	11,829 (5,680) 6,149	2,381 (1,000) 1,381	2,590 (2,632) (42)	1,798 (2,296) (498)	6,76 (5,92) 84	
MINORITY INTERESTS IN NET INCOME	(7,317)	275	874	1,771	986	3,906	263	824	232	1,31	
NET INCOME (LOSS)	¥4,229	(¥5,908)	¥4,385	(¥10,325)	(¥6,527)	(¥18,375)	¥1,899	(¥1,077)	¥664	¥1,486	
VER SHARE OF COMMON STOCK Basic net income Diluted net income	(Yen) ¥376.63 ¥344.65	(#0,030)				(Yen) (¥1,232.48)	÷1,039	(#1,017)		(Yen ¥88.7)	

## Consolidated Statements of Cash Flows

	Year Ended	Year Ended 31st March, 2009				Year Ended	Year Ending 31st March, 2010			Six-month period
	31st March,2008	1Q	2Q	3Q		31st March,2009	1Q	2Q	3Q	ended Sept.30, 2009
		Apr. – Jun.	Jul Sep.	Oct. – Dec.	JanMar.		Apr. – Jun.	JulSep.	Oct Dec	
OPERATING ACTIVITIES	¥50,073	(¥41,554)	¥38,140	¥63,484	¥42,965	¥103,035	(¥11,486)	(¥40,663)	¥39,338	(¥12,811)
INVESTING ACTIVITIES	(20,610)	(21,225)	19,384	1,812	(1,075)	(1,104)	(5,500)	(7,317)	(2,032)	
FINANCING ACTIVITIES	(9,957)	16,043	(19,473)			(137, 515)	21,113	34,092	(8,471)	
Newly consolidated subsidiaries and others	24,409	2,451	(219)	(339)	997	2,890	(128)	(947)	433	(642)
CASH AND CASH EQUIVALENT - End of Period	¥159,007	¥114,722	¥152,554	¥185,451	¥126,313	¥126,313	¥130,312	¥115,477	¥144,745	¥144,745

(Millions of Yen)

 HAND CASH EQUIVALENT: End of Period
 ¥158,067
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