

Consolidated Balance Sheets

(Millions of Yen)

	2009	2010	1Q 2010
	31st March	31st March	30th June
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	¥126,313	¥142,582	¥165,624
Time deposits	1,141	1,233	1,044
Cash required to be segregated under regulations	266,267	318,909	306,266
Notes and accounts receivable	7,915	8,484	9,429
Operational investment securities	105,236	121,576	119,738
Valuation allowance for operational investment securities	(6,207)	(8,424)	(9,459)
Operational loans receivable	47,868	34,694	35,927
Real estate inventory	36,515	28,768	31,068
Trading assets	7,725	3,515	9,746
Margin transaction assets:			
Receivables from customers	134,792	221,107	304,980
Cash deposits as collateral for securities borrowed	46,009	40,534	7,122
Short-term guarantee deposits	8,846	5,944	3,361
Deferred tax assets—current	5,921	7,667	7,381
Prepaid expenses and other current assets	65,771	55,767	50,333
Allowance for doubtful accounts	(2,702)	(2,033)	(2,948)
TOTAL CURRENT ASSETS	851,410	980,323	1,039,612
PROPERTY AND EQUIPMENT—Net:	8,578	20,614	17,967
INVESTMENTS AND OTHER ASSETS:			
Investment securities	10,088	11,248	10,420
Investments in unconsolidated subsidiaries and affiliated companies	23,781	29,956	38,540
Software, net of accumulated amortization	9,370	11,671	12,494
Rental deposits	7,375	7,144	7,106
Goodwill	136,354	133,008	130,782
Long-term trade receivables	47	10	0
Deferred tax assets—non-current	10,602	14,197	15,694
Other assets	28,273	31,536	32,244
Allowance for doubtful accounts	(6,644)	(9,767)	(10,253)
TOTAL INVESTMENTS AND OTHER ASSETS	219,246	229,003	237,027
TOTAL	¥1,079,234	¥1,229,940	¥1,294,606
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term debt	¥54,658	¥55,615	¥71,250
Current portion of long-term debt	63,033	125,968	114,618
Income taxes payable	2,625	4,954	2,554
Margin transaction liabilities:			
Payables to financial institutions	56,726	48,813	77,641
Proceeds of securities sold for customers' accounts	89,545	101,224	48,322
Loans secured by securities on repurchase agreement transactions	46,588	63,781	110,673
Consignment guarantee money received for margin transactions	258,069	282,374	283,108
Customers' deposits for securities transactions	23,488	31,176	28,424
Unearned income	2,085	2,049	2,929
Accrued expenses	3,035	2,897	3,034
Deferred tax liabilities—current	6	2,960	965
Other current liabilities	23,591	25,280	39,507
TOTAL CURRENT LIABILITIES	623,449	747,091	783,025
LONG-TERM LIABILITIES:			
Long-term debt, less current portion	13,584	27,620	26,839
Deferred tax liabilities—non-current	566	540	518
Other long-term liabilities	15,043	18,855	19,187
TOTAL LONG-TERM LIABILITIES	29,193	47,015	46,544
STATUTORY RESERVES	7,253	7,219	5,197
EQUITY			
Common stock	55,215	55,284	73,226
Capital surplus	219,012	218,969	236,911
Retained earnings	86,866	87,276	86,803
Treasury stock—at cost	(636)	(247)	(247)
Unrealized gain (loss) on available-for-sale securities	(5,946)	(559)	(4,229)
Foreign currency translation adjustments	(966)	(1,507)	(2,400)
Deferred gain (loss) on derivatives under hedge accounting	(26)	15	(995)
Stock acquisition rights	12	12	12
Minority Interests	65,808	69,372	70,759
TOTAL EQUITY	419,339	428,615	459,840
TOTAL	¥1,079,234	¥1,229,940	¥1,294,606

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.

Consolidated Statements of Operations with Segment Information

(Millions of Yen)

	Year Ended 31st March, 2009	Year Ended 31st March, 2010				Year Ended 31st March, 2010	Year Ending 31st March, 2011 1Q Apr. - Jun.
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		
OPERATING REVENUES							
Asset Management Business	¥15,764	¥9,814	¥2,303	¥2,901	¥5,172	¥20,190	¥6,059
A. Investment in Securities	12,924	9,205	1,532	1,974	4,663	17,374	5,566
1) Revenue from Operational Investment Securities	11,804	8,927	1,253	1,614	4,309	16,103	5,230
2) Fees from Funds	1,120	278	279	360	354	1,271	336
<i>Fees from Funds consists of</i>							
· Management Fee	1,120	278	279	360	354	1,271	336
· Establishment Fee	-	-	-	-	-	-	-
· Success Fee	-	-	-	-	-	-	-
B. Investment Advisory Service Fee and Others	2,840	609	771	927	509	2,816	493
Brokerage and Investment Banking Business	¥49,182	¥13,539	¥13,084	¥11,598	¥11,907	¥50,123	¥13,135
Financial Services Business	¥22,617	¥6,061	¥5,902	¥6,091	¥7,552	¥25,606	¥7,170
Housing and Real Estate Business	¥27,863	¥2,710	¥3,615	¥4,623	¥6,205	¥17,153	¥4,178
A. Real Estate Business	18,353	959	880	1,139	3,544	6,522	1,528
B. Financial Real Estate Business	7,893	1,382	2,293	3,077	2,358	9,110	2,276
C. Lifestyle Networks Business	1,417	369	442	407	303	1,521	374
Total Segments	¥115,228	¥32,124	¥24,904	¥25,208	¥30,836	¥113,072	¥30,542
All other segments	¥19,816	¥4,032	¥4,520	¥3,811	¥4,527	¥16,890	¥3,596
Eliminations/Corporate	(4,119)	(1,124)	(1,303)	(1,347)	(1,646)	(5,420)	(1,395)
OPERATING REVENUE	130,923	35,032	28,121	27,672	33,717	124,542	32,743
OPERATING COSTS							
Asset Management Business	10,334	7,207	1,377	1,732	4,908	15,224	4,163
Brokerage and Investment Banking Business	5,453	1,025	1,090	979	1,085	4,179	1,247
Financial Services Business	14,277	4,222	3,991	4,343	5,776	18,332	5,133
Housing and Real Estate Business	19,261	1,479	1,681	2,092	3,789	9,041	1,685
All other segments	14,897	2,758	3,833	2,851	3,655	13,097	2,956
Eliminations/Corporate	(588)	(155)	(234)	(171)	(174)	(734)	(227)
OPERATING COSTS	63,634	16,536	11,738	11,826	19,039	59,139	14,957
GROSS PROFIT	67,289	18,496	16,383	15,846	14,678	65,403	17,786
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES							
Asset Management Business	2,292	516	546	647	712	2,421	787
Brokerage and Investment Banking Business	38,015	9,458	9,065	8,789	9,258	36,570	9,082
Financial Services Business	6,849	1,681	1,764	1,993	1,629	7,067	1,560
Housing and Real Estate Business	7,152	1,427	1,920	1,950	1,943	7,240	1,968
All other segments	6,092	1,545	1,520	1,455	1,376	5,896	1,389
Eliminations/Corporate	2,485	688	997	590	502	2,777	314
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	62,886	15,315	15,812	15,424	15,420	61,971	15,100
OPERATING INCOME							
Asset Management Business	3,139	2,091	380	522	(448)	2,545	1,109
Brokerage and Investment Banking Business	5,714	3,056	2,929	1,825	1,564	9,374	2,806
Financial Services Business	1,491	158	147	(245)	147	207	477
Housing and Real Estate Business	1,250	(196)	14	581	473	872	525
All other segments	(1,174)	(271)	(833)	(495)	(504)	(2,103)	(749)
Eliminations/Corporate	(6,016)	(1,657)	(2,066)	(1,766)	(1,974)	(7,463)	(1,482)
OPERATING INCOME	¥4,404	¥3,181	¥571	¥422	(¥742)	¥3,432	¥2,686
OTHER INCOME (EXPENSES):							
Interest and dividends income	1,434	175	108	113	124	520	198
Interest expense	(2,450)	(371)	(494)	(545)	(550)	(1,960)	(680)
Foreign exchange gain (loss)-net	(621)	(194)	(357)	194	293	(64)	(1,038)
Gain (loss) on sale of investment securities-net	(1,517)	610	157	(73)	2,222	2,916	42
Impairment loss of investment securities	(7,548)	(4)	(21)	(6)	(15)	(46)	(26)
Dilution gain (loss) from change in equity interest	341	116	(10)	1	33	140	31
Provision for statutory reserves	(1)	-	-	-	(0)	(0)	-
Equity in gain (loss) of subsidiaries and associated companies	(3,862)	(113)	(36)	139	(89)	(99)	217
Other-net	(6,312)	(383)	(1,861)	(311)	(1,363)	(3,918)	(589)
OTHER INCOME (EXPENSES) - NET	(20,536)	(164)	(2,514)	(488)	655	(2,511)	(1,845)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	(16,132)	3,017	(1,943)	(66)	(87)	921	841
INCOME TAXES							
Current	11,829	2,381	2,590	1,798	2,327	9,096	2,292
Deferred	(5,680)	(1,000)	(2,632)	(2,298)	(2,432)	(8,360)	(1,832)
TOTAL INCOME TAXES	6,149	1,381	(42)	(498)	(105)	736	460
INCOME BEFORE MINORITY INTERESTS	(22,281)	1,637	(1,901)	431	18	185	381
MINORITY INTERESTS IN NET (INCOME) LOSS	3,906	263	824	232	846	2,165	883
NET INCOME (LOSS)	(¥18,375)	¥1,899	(¥1,077)	¥664	¥864	¥2,350	¥1,264
PER SHARE OF COMMON STOCK							
Basic net income	(Yen) (¥1,232.48)					(Yen) ¥140.30	(Yen) ¥74.12
Diluted net income						(Yen) ¥116.84	(Yen) ¥62.69

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March, 2009	Year Ended 31st March, 2010				Year Ended 31st March, 2010	Year Ending 31st March, 2011 1Q Apr. - Jun.
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		
OPERATING ACTIVITIES	¥103,035	(¥11,486)	(¥40,663)	¥39,338	(¥40,324)	(¥53,135)	(¥10,282)
INVESTING ACTIVITIES	(1,104)	(5,500)	(7,317)	(2,032)	(714)	(15,563)	(4,229)
FINANCING ACTIVITIES	(137,515)	21,113	34,092	(8,471)	37,865	84,599	38,979
Newly consolidated subsidiaries and others	2,890	(128)	(947)	433	1,010	368	(1,426)
CASH AND CASH EQUIVALENT - End of Period	¥126,313	¥130,312	¥115,477	¥144,745	¥142,582	¥142,582	¥165,624

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) SBI Holdings changed its business segments in this fiscal year (year ending March 2011), complying with "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (Statement No.17) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (Guidance No.20).