

Consolidated Balance Sheets

(Millions of Yen)

	2009	2010	1Q	2Q
	31st March	31st March	2010 30th June	2010 30th September
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	¥126,313	¥142,582	¥165,624	¥133,705
Time deposits	1,141	1,233	1,044	1,361
Cash required to be segregated under regulations	266,267	318,909	306,266	308,666
Notes and accounts receivable	7,915	8,484	9,429	10,561
Operational investment securities	105,236	121,576	119,738	125,139
Valuation allowance for operational investment securities	(6,207)	(8,424)	(9,459)	(5,115)
Operational loans receivable	47,868	34,694	35,927	35,396
Real estate inventory	36,515	28,768	31,068	31,579
Trading assets	7,725	3,515	9,746	10,024
Margin transaction assets:				
Receivables from customers	134,792	221,107	304,980	245,254
Cash deposits as collateral for securities borrowed	46,009	40,534	7,122	22,011
Short-term guarantee deposits	8,846	5,944	3,361	3,350
Deferred tax assets—current	5,921	7,667	7,381	6,819
Prepaid expenses and other current assets	65,771	55,767	50,333	66,373
Allowance for doubtful accounts	(2,702)	(2,033)	(2,948)	(2,813)
TOTAL CURRENT ASSETS	851,410	980,323	1,039,612	992,310
PROPERTY AND EQUIPMENT—Net:	8,578	20,614	17,967	17,909
INVESTMENTS AND OTHER ASSETS:				
Investment securities	10,088	11,248	10,420	10,083
Investments in unconsolidated subsidiaries and affiliated companies	23,781	29,956	38,540	44,290
Software, net of accumulated amortization	9,370	11,671	12,494	13,058
Rental deposits	7,375	7,144	7,106	7,321
Goodwill	136,354	133,008	130,782	129,824
Long-term trade receivables	47	10	0	—
Deferred tax assets—non-current	10,602	14,197	15,694	17,876
Other assets	28,273	31,536	32,244	32,909
Allowance for doubtful accounts	(6,644)	(9,767)	(10,253)	(10,693)
TOTAL INVESTMENTS AND OTHER ASSETS	219,246	229,003	237,027	244,668
TOTAL	¥1,079,234	¥1,229,940	¥1,294,606	¥1,254,887
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Short-term debt	¥54,658	¥55,615	¥71,250	¥56,058
Current portion of long-term debt	63,033	125,968	114,618	125,385
Income taxes payable	2,625	4,954	2,554	4,407
Margin transaction liabilities:				
Payables to financial institutions	56,726	48,813	77,641	52,857
Proceeds of securities sold for customers' accounts	89,545	101,224	48,322	72,274
Loans secured by securities on repurchase agreement transactions	46,588	63,781	110,673	67,389
Consignment guarantee money received for margin transactions	258,069	282,374	283,108	277,825
Customers' deposits for securities transactions	23,488	31,176	28,424	32,158
Unearned income	2,085	2,049	2,929	3,390
Accrued expenses	3,035	2,897	3,034	3,199
Deferred tax liabilities—current	6	2,960	965	1,566
Other current liabilities	23,591	25,280	39,507	40,837
TOTAL CURRENT LIABILITIES	623,449	747,091	783,025	737,345
LONG-TERM LIABILITIES:				
Long-term debt, less current portion	13,584	27,620	26,839	35,274
Deferred tax liabilities—non-current	566	540	518	489
Other long-term liabilities	15,043	18,855	19,187	19,051
TOTAL LONG-TERM LIABILITIES	29,193	47,015	46,544	54,814
STATUTORY RESERVES	7,253	7,219	5,197	5,197
EQUITY				
Common stock	55,215	55,284	73,226	73,226
Capital surplus	219,012	218,969	236,911	236,911
Retained earnings	86,866	87,276	86,803	86,241
Treasury stock—at cost	(636)	(247)	(247)	(247)
Unrealized gain (loss) on available-for-sale securities	(5,946)	(559)	(4,229)	(3,649)
Foreign currency translation adjustments	(966)	(1,507)	(2,400)	(3,168)
Deferred gain (loss) on derivatives under hedge accounting	(26)	15	(995)	(1,476)
Stock acquisition rights	12	12	12	12
Minority Interests	65,808	69,372	70,759	69,681
TOTAL EQUITY	419,339	428,615	459,840	457,531
TOTAL	¥1,079,234	¥1,229,940	¥1,294,606	¥1,254,887

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		Six-month period ended Sept. 30, 2010
		1Q		2Q			1Q	2Q	
		Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Jan. - Mar.		Apr. - Jun.	Jul. - Sep.	
OPERATING REVENUES									
Asset Management Business	¥15,764	¥9,514	¥2,303	¥2,901	¥5,172	¥20,190	¥8,059	¥4,458	¥10,517
A. Investment in Securities	12,924	9,205	1,532	1,974	4,663	17,374	5,566	3,929	9,495
1) Revenue from Operational Investment Securities	11,804	8,927	1,253	1,614	4,309	16,103	5,230	3,580	8,810
2) Fees from Funds	1,120	278	279	360	354	1,271	336	349	685
<i>Fees from Funds consists of:</i>									
- Management Fee	1,120	278	279	360	354	1,271	336	349	685
- Establishment Fee	-	-	-	-	-	-	-	-	-
- Success Fee	-	-	-	-	-	-	-	-	-
B. Investment Advisory Service Fee and Others	2,840	609	771	927	509	2,816	493	529	1,022
Brokerage and Investment Banking Business	¥49,182	¥13,539	¥13,084	¥11,593	¥11,907	¥50,123	¥13,135	¥11,081	¥24,216
Financial Services Business	¥22,617	¥6,061	¥5,902	¥6,091	¥7,552	¥25,606	¥7,170	¥7,339	¥14,509
Housing and Real Estate Business	¥27,663	¥2,710	¥3,615	¥4,623	¥6,205	¥17,153	¥4,178	¥4,414	¥9,592
A. Real Estate Business	18,353	959	880	1,139	3,544	6,523	1,528	1,140	2,668
B. Financial Real Estate Business	7,993	1,382	2,293	3,077	2,358	9,110	2,276	2,861	5,137
C. Lifestyle Networks Business	1,417	369	442	407	303	1,621	374	413	787
Total Segments	¥115,226	¥32,124	¥24,904	¥25,208	¥30,836	¥113,072	¥30,542	¥27,292	¥57,834
All other segments	¥19,516	¥4,032	¥4,520	¥3,311	¥4,527	¥16,890	¥3,596	¥4,667	¥8,263
Eliminations/Corporate	(4,119)	(1,124)	(1,303)	(1,347)	(1,646)	(6,420)	(1,395)	(1,753)	(3,148)
OPERATING REVENUE	130,923	35,032	28,121	27,672	38,717	124,542	32,743	30,206	62,949
OPERATING COSTS									
Asset Management Business	10,334	7,207	1,377	1,732	4,908	15,224	4,163	2,213	6,376
Brokerage and Investment Banking Business	5,453	1,025	1,090	979	1,085	4,179	1,247	1,112	2,359
Financial Services Business	14,277	4,222	3,991	4,343	5,776	18,332	5,133	5,413	10,546
Housing and Real Estate Business	19,261	1,479	1,681	2,092	3,789	9,041	1,685	1,522	3,207
All other segments	14,897	2,758	3,833	2,851	3,655	13,097	2,956	3,678	6,634
Eliminations/Corporate	(588)	(155)	(234)	(171)	(174)	(734)	(227)	(248)	(475)
OPERATING COSTS	63,634	16,536	11,738	11,826	19,039	59,139	14,957	13,690	28,647
GROSS PROFIT	67,289	18,496	16,383	15,846	14,678	65,403	17,786	16,516	34,302
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES									
Asset Management Business	2,292	516	546	647	712	2,421	787	675	1,462
Brokerage and Investment Banking Business	38,015	9,458	9,065	8,789	9,258	36,570	9,082	8,995	18,077
Financial Services Business	6,849	1,681	1,764	1,993	1,629	7,067	1,560	1,968	3,528
Housing and Real Estate Business	7,152	1,427	1,920	1,950	1,943	7,240	1,968	2,211	4,179
All other segments	6,092	1,545	1,520	1,455	1,376	5,896	1,389	1,200	2,649
Eliminations/Corporate	2,485	688	997	590	502	2,777	314	488	802
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	62,885	15,315	15,812	15,424	15,420	61,971	15,100	15,597	30,897
OPERATING INCOME									
Asset Management Business	3,139	2,091	380	522	(448)	2,545	1,109	1,570	2,679
Brokerage and Investment Banking Business	5,714	3,056	2,929	1,825	1,564	9,374	2,806	974	3,780
Financial Services Business	1,491	158	147	(245)	147	207	477	(42)	435
Housing and Real Estate Business	1,250	(193)	14	381	473	872	525	681	1,206
All other segments	(1,174)	(271)	(833)	(495)	(504)	(2,103)	(749)	(271)	(1,020)
Eliminations/Corporate	(6,016)	(1,657)	(2,069)	(1,766)	(1,974)	(7,463)	(1,482)	(1,993)	(3,475)
OPERATING INCOME	¥4,404	¥3,181	¥671	¥422	(¥742)	¥3,432	¥2,686	¥919	¥3,805
OTHER INCOME (EXPENSES):									
Interest and dividends income	1,434	175	108	113	124	520	198	107	305
Interest expense	(2,450)	(371)	(494)	(545)	(550)	(1,960)	(680)	(695)	(1,375)
Foreign exchange gain (loss)-net	(621)	(194)	(357)	194	293	(64)	(1,038)	(211)	(1,249)
Gain (loss) on sale of investment securities-net	(1,517)	610	157	(73)	2,222	2,916	42	11	53
Impairment loss of investment securities	(7,548)	(4)	(21)	(6)	(15)	(46)	(26)	(151)	(177)
Dilution gain (loss) from change in equity interest	341	116	(10)	1	33	140	31	-	31
Equity in gain (loss) of subsidiaries and associated companies	(3,862)	(113)	(36)	139	(89)	(99)	217	(14)	203
Other-net	(6,313)	(383)	(1,861)	(311)	(1,363)	(3,918)	(589)	(693)	(1,282)
OTHER INCOME (EXPENSES) - NET	(20,536)	(164)	(2,514)	(488)	655	(2,511)	(1,845)	(1,646)	(3,491)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	(16,132)	3,017	(1,843)	(66)	(87)	921	841	(727)	114
INCOME TAXES									
Current	11,829	2,381	2,590	1,798	2,327	9,096	2,292	2,101	4,393
Deferred	(5,680)	(1,000)	(2,632)	(2,296)	(2,432)	(8,300)	(1,832)	(1,169)	(3,001)
TOTAL INCOME TAXES	6,149	1,381	(42)	(498)	(105)	736	460	932	1,392
INCOME BEFORE MINORITY INTERESTS	(22,281)	1,637	(1,901)	431	18	185	381	(1,659)	(1,278)
MINORITY INTERESTS IN NET INCOME LOSS	3,906	263	324	232	846	2,165	883	1,081	1,964
NET INCOME (LOSS)	(¥18,375)	¥1,899	(¥1,077)	¥664	¥864	¥2,350	¥1,264	(¥578)	¥666
PER SHARE OF COMMON STOCK									
Basic net income	(¥1,232.48)					¥140.30			¥37.11
Diluted net income	-					¥116.84			¥27.23

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		Six-month period ended Sept. 30, 2010
		1Q		2Q			1Q	2Q	
		Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Jan. - Mar.		Apr. - Jun.	Jul. - Sep.	
OPERATING ACTIVITIES	¥103,035	(¥11,486)	(¥40,663)	¥39,338	(¥40,324)	(¥53,135)	(¥10,282)	(¥19,753)	(¥30,035)
INVESTING ACTIVITIES	(1,104)	(5,500)	(7,317)	(2,032)	(714)	(15,563)	(4,229)	(5,565)	(9,794)
FINANCING ACTIVITIES	(137,513)	21,113	34,092	(8,471)	37,865	84,599	38,979	(6,019)	32,950
Newly consolidated subsidiaries and others	2,890	(128)	(947)	433	1,010	368	(1,426)	(582)	(2,008)
CASH AND CASH EQUIVALENT - End of Period	¥126,313	¥130,312	¥115,477	¥144,745	¥142,582	¥142,582	¥165,624	¥133,705	¥133,705

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).