

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock Code: 6488)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2013 AND RESUMPTION OF TRADING

The board of directors (the “Directors”) of SBI HOLDINGS, INC. (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 June 2013.

At the request of the Company, trading in its Hong Kong depositary receipts was halted with effect from 1:00 p.m. on Thursday, 8 August 2013, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 9 August 2013.

(Amounts are rounded off to the nearest million Japanese yen)

1. Consolidated Financial Results

(1) Consolidated Operating Results

(Percentages represent year-on-year changes)

	Operating revenue		Operating income		Profit before income tax expense		Profit for the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended 30 June 2013	80,105	118.9	31,278	700.8	30,457	787.5	17,829	682.4
Three months ended 30 June 2012	36,599	(12.3)	3,906	1.8	3,432	2.5	2,279	139.3

	Profit attributable to owners of the Company		Total comprehensive income/(loss)		Basic earnings per share attributable to owners of the Company	Diluted earnings per share attributable to owners of the Company
	Millions of yen	%	Millions of yen	%	Yen	Yen
Three months ended 30 June 2013	16,269	1059.2	22,140	—	75.17	75.16
Three months ended 30 June 2012	1,403	335.4	(1,267)	—	6.41	6.40

(Note) The Company conducted a 10 for 1 stock split, effective on 1 October 2012. The calculations of basic and diluted earnings per share are based on the new number of shares and adjusted retrospectively, assuming that the stock split was conducted at the beginning of the fiscal year ended 31 March 2012.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the Company	Ratio of equity attributable to owners of the Company to total assets
	Millions of yen	Millions of yen	Millions of yen	%
30 June 2013	2,777,654	379,681	321,441	11.6
31 March 2013	2,494,387	360,535	303,299	12.2

2. Dividends

(Declared date)	Dividend per share				
	End of 1 st Q	End of 2 nd Q	End of 3 rd Q	Year-end	Full year
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended 31 March 2013	—	0.00	—	10.00	10.00
Fiscal Year ending 31 March 2014	—				
Fiscal Year ending 31 March 2014 (forecast) (Note)		—	—	—	—

(Note) Fiscal year ending 31 March 2014 forecast is to be determined.

3. Total number of shares outstanding (Common stock)

(1) Number of shares outstanding (including treasury stock)	: 30 June 2013	: 224,534,961 shares
	: 31 March 2013	: 224,525,781 shares
(2) Number of treasury stock	: 30 June 2013	: 8,101,784 shares
	: 31 March 2013	: 8,098,446 shares
(3) Average number of shares outstanding	: Three months ended 30 June 2013	: 216,433,882 shares
	: Three months ended 30 June 2012	: 219,107,107 shares

(Note) The average number of shares outstanding presented above is retrospectively adjusted, assuming that the 10 for 1 stock split was conducted at the beginning of the fiscal year ended 31 March 2012.

The Group prepared the consolidated financial statements in accordance with International Financial Reporting Standards (“IFRSs”).

As of the date of this announcement, the results for the three months ended 30 June 2013 are under review by the independent accountants of the Company.

1. BUSINESS RESULTS

(1) Results of Operations

The Group's consolidated results of operations for the three months ended 30 June 2013 were as follow. Operating revenue increased 118.9% year-on-year to ¥80,105 million, operating income rose 700.8% to ¥31,278 million, profit before income tax expense increased 787.5% to ¥30,457 million, and profit attributable to owners of the Company rose 1,059.2% to ¥16,269 million.

The results of operations for each reporting segment of the Group for the three months ended 30 June 2013 were as follow.

	Operating revenue			Profit before income tax expense		
	Three months ended 30 June 2012	Three months ended 30 June 2013		Three months ended 30 June 2012	Three months ended 30 June 2013	
	Millions of Yen	Millions of Yen	%	Millions of Yen	Millions of Yen	%
Financial Services Business	23,668	38,480	62.6	659	9,921	1,404.8
Asset Management Business	11,639	38,990	235.0	5,087	21,925	331.0
Biotechnology-related Business	276	1,272	360.0	(687)	71	—
Total	35,583	78,742	121.3	5,059	31,917	530.9
Others	1,663	1,738	4.5	134	201	49.7
Elimination	(647)	(375)	—	(1,761)	(1,661)	—
Consolidation	36,599	80,105	118.9	3,432	30,457	787.5

(% represents year-on-year changes)

(Financial Services Business)

Financial Services Business consists of a wide range of financial related business and the provision of information regarding financial products, including securities brokerage business, banking services business, property and casualty insurance business, financing business offering mortgage loans, credit card business, and leasing business.

The results of operation of Financial Services Business for the three months ended 30 June 2013 were as follows. Operating revenue increased 62.6% year-on-year to ¥38,480 million, and profit before income tax expense increased 1,404.8% to ¥9,921 million.

(Asset Management Business)

Asset Management Business primarily consists of fund management and investment in internet technology, biotechnology, environment energy and financial-related venture companies in Japan and overseas.

The results of operation of Asset Management Business for the three months ended 30 June 2013 were as follows. Operating revenue increased 235.0% year-on-year to ¥38,990 million, and profit before income tax expense rose 331.0% to ¥21,925 million. Operating revenue in this reporting segment represents operating revenues arising from operational investment securities and includes the changes of fair values of those investment securities. The results of operations of the Group's investees which is deemed to be controlled by the Group is consolidated into the results of operations of this reporting segment.

(Biotechnology-related Business)

Biotechnology-related Business represents development and distribution of pharmaceutical products with 5-aminolevulinic acid (ALA) (*), a kind of amino acid which exists in vivo, medicines for cancer, and immune related medicines.

The results of operation of Biotechnology-related Business for the three months ended 30 June 2013 were as follows. Operating revenue increased 360.0% year-on-year to ¥1,272 million, and profit before income tax expense amounted to ¥71 million for the three months ended 30 June 2013 (¥687 million of loss before income tax benefit for the three months ended 30 June 2012).

(*) 5-aminolevulinic acid (ALA) is an amino acid generated by mitochondria in human body and an important substance used to produce heme or cytochrome, proteins to generate energy. The production of ALA in human body decreases with aging. ALA is included in food products including slops of distilled spirits, red wine, and radish shoots. ALA is also known as chloroplastic substance of plant.

(2) Financial Positions and Cash Flows

As at 30 June 2013, total assets amounted ¥2,777,654 million and increased by ¥283,267 million from total assets of ¥2,494,387 million as at 31 March 2013. The Group's equity rose by ¥19,146 million to ¥379,681 million from the fiscal year ended 31 March 2013. As at 30 June 2013, the Group's cash and cash equivalents amounted ¥175,154 million and increased by ¥41,792 million from that of ¥133,362 million as at 31 March 2013. The changes of cash flows for each activity and the reasons for changes are as follows:

(Operating Cash Flows)

Cash flows from operating activities amounted ¥69,226 million of net cash inflows (¥38,117 million of net cash inflows for the three months ended 30 June 2012). The net cash inflows was primarily due to ¥30,457 million cash inflows for increase in profit before income tax expense, ¥27,851 million cash inflows for increase in operational liabilities and other liabilities and ¥30,421 million cash inflows for decrease in assets/liabilities related to securities business, despite ¥15,573 million cash outflows for increase in operational investment securities.

(Investing Cash Flows)

Cash flows from investing activities amounted ¥4,374 million of net cash inflows (¥10,806 million of net cash inflows for the three months ended 30 June 2012). The net cash inflows was primarily due to ¥5,463 million cash inflows for proceeds from sales of investment securities.

(Financing Cash Flows)

Cash flows from financing activities amounted ¥33,462 million of net cash outflows (¥47,438 million of net cash outflows for the three months ended 30 June 2012). The net cash outflows was primarily due to ¥23,526 million cash outflows for decrease in short term loans payable and ¥11,900 million cash outflows for repayment of long term loans payable, despite ¥5,294 million cash inflows for proceeds from long term loans payable.

2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Interim Condensed Consolidated Statement of Financial Position

	As at 31 March 2013	As at 30 June 2013
	Millions of Yen	Millions of Yen
Assets		
Cash and cash equivalents	133,362	175,154
Trade and other accounts receivable	412,477	381,531
Assets related to securities business		
Cash segregated as deposits	846,445	962,864
Margin transaction assets	164,935	181,563
Other assets related to securities business	422,265	540,978
Total assets related to securities business	1,433,645	1,685,405
Other financial assets	26,694	28,629
Operational investment securities	119,268	140,552
Other investment securities	57,209	54,135
Investments in associates	35,689	35,402
Investment properties	36,355	37,816
Property and equipment	10,517	11,102
Intangible assets	185,581	186,976
Other assets	29,928	29,897
Deferred tax assets	13,662	11,055
Total assets	2,494,387	2,777,654
Liabilities		
Bonds and loans payable	344,360	311,982
Trade and other accounts payable	48,894	77,729
Liabilities related to securities business		
Margin transaction liabilities	153,612	81,485
Loans payable secured by securities	135,609	208,445
Deposits from customers	387,310	478,838
Guarantee deposits received	372,440	470,663
Other liabilities related to securities business	255,634	347,847
Total liabilities related to securities business	1,304,605	1,587,278
Customer deposits for banking business	376,177	355,077
Income tax payable	2,192	1,990
Other financial liabilities	35,371	35,103
Other liabilities	15,430	15,921
Deferred tax liabilities	6,823	12,893
Total liabilities	2,133,852	2,397,973
Equity		
Capital stock	81,668	81,675
Capital surplus	160,550	160,401
Treasury stock	(5,117)	(5,137)
Other component of equity	6,196	9,279
Retained earnings	60,002	75,223
Equity attributable to owners of the Company	303,299	321,441
Non-controlling interests	57,236	58,240
Total equity	360,535	379,681
Total liabilities and equity	2,494,387	2,777,654

(2) Interim Condensed Consolidated Statements of Income and Comprehensive Income
Interim Condensed Consolidated Statement of Income

	Three months ended 30 June 2012	Three months ended 30 June 2013
	Millions of Yen	Millions of Yen
Operating revenue	36,599	80,105
Operating expense		
Operating cost	(12,596)	(17,494)
Finance cost	(1,085)	(5,158)
Selling, general and administrative expenses	(17,567)	(24,459)
Other expenses	(598)	(915)
Total Operating expense	(31,846)	(48,026)
Share of profits of associates using the equity method	(847)	(801)
Operating income	3,906	31,278
Other financial income and cost		
Other financial income	148	64
Other financial cost	(622)	(885)
Total Other financial income and cost	(474)	(821)
Profit before income tax expense	3,432	30,457
Income tax expense		
Current	(754)	(4,558)
Deferred	(399)	(8,070)
Total Income tax expense	(1,153)	(12,628)
Profit for the period	2,279	17,829
Profit for the period attributable to		
Owners of the Company	1,403	16,269
Non-controlling interests	876	1,560
Profit for the period	2,279	17,829
Earnings per share attributable to owners of the Company		
Basic (Yen)	6.41	75.17
Diluted (Yen)	6.40	75.16

Interim Condensed Consolidated Statement of Comprehensive Income

	Three months ended 30 June 2012 Millions of Yen	Three months ended 30 June 2013 Millions of Yen
Profit for the period	2,279	17,829
Other comprehensive income/(loss) which will not be reclassified subsequently to profit or loss		
FVTOCI financial assets	(294)	1,125
Other comprehensive income/(loss) which will be reclassified subsequently to profit or loss		
Currency translation differences	(3,301)	3,186
Hedging instruments for cash flow hedges	49	—
Other comprehensive income/(loss), net of tax	(3,546)	4,311
Total Comprehensive income/(loss)	(1,267)	22,140
Total comprehensive income/(loss) attributable to		
Owners of the Company	(2,038)	20,474
Non-Controlling interests	771	1,666
Total Comprehensive income/(loss)	(1,267)	22,140

(3) Interim Condensed Consolidated Statement of Changes in Equity

Three months ended 30 June 2012

	Attributable to owners of the Company							
	Capital Stock	Capital Surplus	Treasury Stock	Other Component of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
As at 1 April 2012	81,665	160,471	(3,180)	(1,363)	58,930	296,523	55,382	351,905
Profit for the period	—	—	—	—	1,403	1,403	876	2,279
Other comprehensive income/(loss)	—	—	—	(3,441)	—	(3,441)	(105)	(3,546)
Total comprehensive income/(loss)	—	—	—	(3,441)	1,403	(2,038)	771	(1,267)
Dividends paid	—	—	—	—	(2,208)	(2,208)	(143)	(2,351)
Treasury shares purchased	—	—	(2,000)	—	—	(2,000)	—	(2,000)
Treasury shares sold	—	—	16	—	—	16	—	16
Changes of interests in subsidiaries without losing control	—	(1,095)	—	—	—	(1,095)	4,335	3,240
Transfer	—	—	—	(40)	40	—	—	—
As at 30 June 2012	81,665	159,376	(5,164)	(4,844)	58,165	289,198	60,345	349,543

Three months ended 30 June 2013

	Attributable to owners of the Company							Total equity
	Capital Stock	Capital Surplus	Treasury Stock	Other Component of equity	Retained earnings	Total	Non-control ing interests	
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	
As at 1 April 2013	81,668	160,550	(5,117)	6,196	60,002	303,299	57,236	360,535
Profit for the period	—	—	—	—	16,269	16,269	1,560	17,829
Other comprehensive income/(loss)	—	—	—	4,205	—	4,205	106	4,311
Total comprehensive income/(loss)	—	—	—	4,205	16,269	20,474	1,666	22,140
Issuance of new stock	7	7	—	—	—	14	—	14
Dividends paid	—	—	—	—	(2,170)	(2,170)	(365)	(2,535)
Treasury shares purchased	—	—	(31)	—	—	(31)	—	(31)
Treasury shares sold	—	1	11	—	—	12	—	12
Changes of interests in subsidiaries without losing control	—	(157)	—	—	—	(157)	(297)	(454)
Transfer	—	—	—	(1,122)	1,122	—	—	—
As at 30 June 2013	81,675	160,401	(5,137)	9,279	75,223	321,441	58,240	379,681

(4) Interim Condensed Consolidated Statement of Cash flows

	Three months ended 30 June 2012	Three months ended 30 June 2013
	Millions of Yen	Millions of Yen
Net cash from operating activities		
Profit before income tax expense	3,432	30,457
Depreciation and amortization	1,863	2,667
Share of profits of associates using the equity method	847	801
Interest and dividend income	(4,685)	(17,941)
Interest expense	1,704	5,918
Increase in operational investment securities	(6,341)	(15,573)
Decrease in accounts receivables and other receivables	15,400	24,262
Increase in operational liabilities and other liabilities	2,731	27,851
Decrease in assets/liabilities related to securities business	23,547	30,421
Decrease in customer deposits for banking business	—	(27,745)
Others	1,433	(753)
Subtotal	39,931	60,365
Interest and dividend income received	4,569	18,102
Interest expense paid	(1,635)	(6,776)
Income taxes paid	(4,748)	(2,465)
Net cash from operating activities	38,117	69,226
Net cash from investing activities		
Purchases of intangible assets	(1,011)	(1,163)
Purchases of investment securities	(2,729)	(1,641)
Proceeds from sales of investment securities	342	5,463
Acquisition of subsidiaries, net of cash and cash equivalents acquired	—	(2,057)
Proceeds from sales of subsidiaries, net of cash and cash equivalents disposed of	13,000	2,862
Payments of loans receivable	(1,738)	(859)
Collection of loans receivable	1,808	2,859
Others	1,134	(1,090)
Net cash from investing activities	10,806	4,374

	Three months ended 30 June 2012	Three months ended 30 June 2013
	Millions of Yen	Millions of Yen
Net cash used in financing activities		
Decrease in short term loans payable	(13,829)	(23,526)
Proceeds from long-term loans payable	200	5,294
Repayment of long-term loans payable	(5,004)	(11,900)
Redemption of bonds payable	(30,540)	—
Proceeds from stock issuance	—	14
Proceeds from stock issuance to non-controlling interests	1,916	13
Contributions from non-controlling interests in consolidated investment funds	112	116
Cash dividend paid	(2,079)	(2,029)
Cash dividend paid to non-controlling interests	(123)	(362)
Distributions to non-controlling interests in consolidated investment funds	(17)	(521)
Purchase of treasury stock	(2,000)	(31)
Proceeds from sale of interests in subsidiaries to non-controlling interests	4,347	19
Payments for purchase of interests in subsidiaries from non-controlling interests	(91)	(69)
Others	(330)	(480)
Net cash used in financing activities	<u>(47,438)</u>	<u>(33,462)</u>
Net increase in cash and cash equivalents	1,485	40,138
Cash and cash equivalents at the beginning of the period	159,833	133,362
Effect of changes in exchange rate on cash and cash equivalents	(2,059)	1,654
Cash and cash equivalents at the end of the period	<u>159,259</u>	<u>175,154</u>

Notes to Interim Condensed Consolidated Financial Statements

1. Significant Accounting Policies

The accounting policies presented in the consolidated financial statements for the year ended 31 March 2013 are applied consistently in the preparation of these interim condensed consolidated financial statements.

The Group also adopted the following new and revised standards and interpretations for the preparation of these interim condensed consolidated financial statements. There is no significant impact to the consolidated financial statements through adoption.

	IFRS	Summary of new standards and amendments
IFRS 10	Consolidated Financial Statements	Clarifications on definition of control as the basis for consolidation, which shall be adopted by all companies
IFRS 11	Joint Arrangements	Classification and accounting treatment relevant to arrangement under joint control based on contractual agreement rather than legal form
IFRS 12	Disclosure of Interests in Other Entities	Broaden the disclosure with regard to interests in other entities including unconsolidated entities
IFRS 13	Fair Value Measurement	Provide guidance for measurement of fair valued applied in all the standards
IAS 1	Presentation of Financial Statements	Amendment to presentation of items of other comprehensive income
IAS 19	Employee Benefits	Recognition of actuarial differences and past service cost Presentation and disclosure of post-employment benefits
IAS 28	Investments in Associates and Joint Ventures	Amendments based on the publishing of IFRS 10, IFRS 11 and IFRS 12
IAS 34	Interim Financial Reporting	Disclosure requirements for interim financial report regarding note to fair value

2. Segment information

The Group engages in a wide range of business activities, primarily online financial service businesses and investment activities in Japan and overseas. Based on the similarities or economic characteristics of business or nature of services, “Financial Services Business”, “Asset Management Business”, and “Biotechnology-related Business”, which is the most growing business in the Group, are determined as reportable segments.

The reporting segments of the Group represent businesses activities for which separate financial information of the Group’s components is available and reviewed regularly by the board of directors for the purpose of allocation of financial resources and performance evaluation.

The following is a description of business activities for the reporting segments.

“Financial Services Business”

The Financial Services Business consists of a wide range of finance related business and the provision of information regarding financial products, including securities brokerage business, banking services business, property and casualty insurance business, financing business offering mortgage loans, credit card business, and leasing business.

“Asset Management Business”

The Asset Management Business primarily consists of fund management and investment in internet technology, biotechnology, environmental energy and finance-related venture companies. The Group includes venture companies acquired in the Asset Management Business in the Group’s consolidation; thus, the businesses operated by the venture companies are included in this segment.

“Biotechnology-related Business”

The Biotechnology-related Business represents development and distribution of pharmaceutical products with 5-aminolaevulinic acid (ALA), a kind of amino acid which exists in vivo, and cancer and immune related pharmaceutical products.

Business segments classified into “Others” mainly consists of development and trading of investment property and operation of online intermediate service, which were included in the former Housing and Real Estate Business segment. They are not classified as a reporting segment based on the quantitative criteria for the three months ended 30 June 2013.

“Elimination” includes profit or loss that is not allocated to certain business segments and the elimination of the inter-company transactions within the Group, at a price based on the actual market price.

The following represents segment information of the Group:

For three months ended 30 June 2012

	Financial Services Business	Asset Management Business	Biotechnology-related Business	Total	Others	Elimination	Consolidated Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Operating revenue	23,668	11,639	276	35,583	1,663	(647)	36,599
Profit before income tax expense	659	5,087	(687)	5,059	134	(1,761)	3,432

For three months ended 30 June 2013

	Financial Services Business	Asset Management Business	Biotechnology-related Business	Total	Others	Elimination	Consolidated Total
	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
Operating revenue	38,480	38,990	1,272	78,742	1,738	(375)	80,105
Profit before income tax expense	9,921	21,925	71	31,917	201	(1,661)	30,457

3. Operating revenue

	Three months ended 30 June 2012	Three months ended 30 June 2013
	Millions of yen	Millions of yen
Operating revenue		
Financial income		
Interest income (Note)	4,274	17,102
Dividends received	678	155
Income arising from financial assets at FVTPL	6,088	22,417
Gain from trading	2,473	3,435
Total financial income	13,513	43,109
Revenue from rendering of services	16,707	29,658
Other income	6,379	7,338
Total operating revenue	<u>36,599</u>	<u>80,105</u>

(Note) Interest income in financial income is arising from financial assets measured at amortized cost.

4. Earnings per Share

Basic earnings per share and diluted earnings per share attributable to owners of the Company were calculated based on the following information:

Since the Company conducted a 10 for 1 stock split, effective on 1 October 2012, basic earnings per share and diluted earnings per share attributable to owners of the Company were calculated based on the new number of shares after the stock split and adjusted retrospectively.

	Three month ended 30 June 2012	Three month ended 30 June 2013
	Millions of Yen	Millions of Yen
Profit attributable to owners of the Company	1,403	16,269
Weighted average number of shares		
Basic weighted average number of ordinary shares (shares)	219,107,107	216,433,882
Dilutive effect : Stock option (shares)	28,906	19,522
Weighted average number of ordinary shares after the dilutive effect (shares)	<u>219,136,013</u>	<u>216,453,404</u>
Earnings per share attributable to owners of the Company		
Basic (in Yen)	6.41	75.17
Diluted (in Yen)	6.40	75.16

5. Events after the Reporting Period

(1) Issuance of Unsecured Straight Bonds

The Company issued its Unsecured Straight Bonds (“the Bonds”) of ¥30 billion. The details of the Bonds are as follows.

SBI Holdings, Inc. 5th Series of Unsecured Straight Bonds (with inter-bond pari passu clause)

(1) Total amount of issuance	30 billion yen
(2) Denomination of each bond	1 million yen
(3) Interest rate	2.15 per annum
(4) Issue price	100 yen per face-value of 100 yen
(5) Payment date	7 August 2013
(6) Maturity date	5 August 2016 (3-year bond, bullet repayment at maturity)
(7) Use of proceeds	Redemption of the Company's bonds
(8) Underwriters	Daiwa Securities Co., Ltd. SBI SECURITIES Co., Ltd. Mizuho Securities Co., Ltd.
(9) Bond administrator	Resona Bank, Limited

(2) Share Acquisition of PCA Life Insurance Co., Ltd.

Upon resolution and approval of the Company's Board of Directors meeting held on 16 July 2013, the Company entered into an agreement of an acquisition of 100% equity interest in PCA Life Insurance Co., Ltd. (hereinafter “PCA Life Insurance”) which is a Japanese arm of Prudential plc, on the premise of the authorization or permission by the relevant authorities.

(a) Background and rationale of share acquisition

PCA Life Insurance is a life insurance company which has more than 130,000 existing life policies as at 31 March 2013. As part of the SBI Group's overall strategy, the Group has been considering re-entering into the life insurance business and believes that the acquisition will provide a valuable opportunity in starting the life insurance business in Japan. The Group will protect the existing policyholders' interests and aim to expand the life insurance business as one of the core business in the Group's Financial Services Business through the new strategy.

(b) Name of the vendor

Prudential Corporation Holdings Limited

(c) Summary of acquired company

(1) Name	PCA Life Insurance Co., Ltd.
(2) Main Business Activities	Insurance business
(3) Capital Stock	47.5 billion yen (as at 31 March 2013)

(d) Due date of the share transfer

The due date of the transfer of shares is to be determined since the transfer will be conducted after the authorization or permission by the relevant authorities.

(e) Number of shares to be acquired, acquisition amount and the numbers of shares held after the acquisition

(1) Number of shares to be acquired	1,480,000 (number of voting right: 1,480,000)
(2) Acquisition amount	Common share of PCA Life Insurance Co., Ltd.: USD 85 million Advisory expenses: 35 million yen
(3) Number of shares held after acquisition	1,480,000 (number of voting right: 1,480,000) (Shareholding ratio: 100.0%)

3. RESUMPTION OF TRADING

At the request of the Company, trading in its Hong Kong depositary receipts was halted with effect from 1:00 p.m. on Thursday, 8 August 2013, pending the release of this announcement. An application will be made by the Company to the Stock Exchange for resumption of trading in the Hong Kong depositary receipts with effect from 9:00 a.m. on Friday, 9 August 2013.

On behalf of the Board

SBI Holdings, Inc.

Yoshitaka Kitao

Chief Executive Officer

As of the date of this announcement, the executive Directors are Mr. Yoshitaka Kitao, Mr. Taro Izuchi, Mr. Takashi Nakagawa, Mr. Tomoya Asakura, Mr. Shumpei Morita, Mr. Noriaki Maruyama and Mr. Peilung Li, the non-executive Directors are Mr. Masato Takamura, Mr. Hiroshi Tasaka, Mr. Teruhide Sato and the independent non-executive Directors are Mr. Masaki Yoshida, Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Akihiro Tamaki and Mr. Masanao Marumono.