

# Consolidated Balance Sheets

SBI Holdings, Inc.

SBI Holdings, Inc. and Consolidated Subsidiaries  
31st March, 2007 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	31st March		31st March
	2007	2008	2008
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents (Note 15)	¥ 115,092	¥ 159,007	\$ 1,586,901
Time deposits	616	1,518	15,152
Cash required to be segregated under regulations (Note 4)	340,090	313,817	3,131,909
Notes and accounts receivable—trade (Note 15)	7,537	10,985	109,627
Operational investment securities (Note 6)	100,603	115,717	1,154,861
Valuation allowance for operational investment securities	(18,603)	(4,967)	(49,568)
Operational loans receivable (Note 15)	46,828	66,261	661,284
Real estate inventory (Notes 5 and 15)	35,872	32,895	328,289
Trading assets (Note 7)	4,329	1,728	17,249
Margin transaction assets:			
Receivables from customers	489,269	274,887	2,743,385
Cash deposits as collateral for securities borrowed	11,303	17,995	179,593
Loans secured by securities on non-resale agreement transactions	102		
Short-term guarantee deposits	24,354	13,414	133,868
Deferred tax assets—current (Note 25)	2,271	1,053	10,513
Prepaid expenses and other current assets (Note 9)	40,324	66,723	665,897
Allowance for doubtful accounts	(1,070)	(1,762)	(17,589)
<b>Total current assets</b>	<b>1,198,917</b>	<b>1,069,271</b>	<b>10,671,371</b>
<b>PROPERTY AND EQUIPMENT—Net</b> (Notes 10 and 11)	<b>4,602</b>	<b>5,728</b>	<b>57,161</b>
<b>LEASED ASSETS—Net</b> (Note 12)	<b>10,036</b>	<b>7,877</b>	<b>78,610</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>			
Investment securities (Note 6)	25,399	15,972	159,404
Investments in unconsolidated subsidiaries and affiliated companies (Note 13)	54,411	25,923	258,716
Software, net of accumulated amortisation of ¥4,824 million and ¥7,649 million (\$76,333 thousand) at 31st March, 2007 and 2008, respectively	6,559	8,816	87,980
Rental deposits	4,726	6,801	67,875
Goodwill	53,513	60,874	607,528
Long-term trade receivables	1,536	50	496
Deferred tax assets—non-current (Note 25)	1,915	10,595	105,737
Other assets	7,763	12,109	120,853
Allowance for doubtful accounts	(2,155)	(4,769)	(47,595)
<b>Total investments and other assets</b>	<b>153,667</b>	<b>136,371</b>	<b>1,360,994</b>
<b>TOTAL</b>	<b>¥ 1,367,222</b>	<b>¥ 1,219,247</b>	<b>\$ 12,168,136</b>

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	31st March		31st March
	2007	2008	2008
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Short-term borrowings (Notes 14 and 15)	¥ 56,142	¥ 53,832	\$ 537,245
Current portion of long-term debt (Notes 14 and 15)	25,172	112,743	1,125,179
Income taxes payable	15,755	9,352	93,330
Margin transaction liabilities:			
Payables to financial institutions (Notes 14 and 15)	231,211	81,583	814,206
Proceeds of securities sold for customers' accounts	62,961	62,531	624,060
Loans secured by securities on repurchase agreement transactions (Note 14)	55,825	35,441	353,700
Consignment guarantee money received for margin transactions	297,448	272,006	2,714,631
Customers' deposits as collateral for commodity futures (Note 9)	45,356	39,574	394,949
Customers' deposits for securities transactions	16,234	20,147	201,072
Unearned income (Note 16)	3,030	1,893	18,893
Accrued expenses	3,189	3,280	32,732
Contingent reserve		22	221
Deferred tax liabilities—current (Note 25)	7,201	8,867	88,495
Other current liabilities (Notes 7, 14 and 28)	30,549	39,363	392,842
<b>Total current liabilities</b>	<b>850,073</b>	<b>740,634</b>	<b>7,391,555</b>
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt, less current portion (Notes 14 and 15)	159,603	77,149	769,950
Deferred tax liabilities—non-current (Note 25)	748	300	2,990
Other long-term liabilities (Notes 17 and 18)	3,633	5,431	54,202
<b>Total long-term liabilities</b>	<b>163,984</b>	<b>82,880</b>	<b>827,142</b>
<b>STATUTORY RESERVES</b> (Note 19):			
Reserve for liability for securities transactions	6,314	7,925	79,096
Reserve for liability for commodity transactions	210	42	418
<b>Total statutory reserves</b>	<b>6,524</b>	<b>7,967</b>	<b>79,514</b>
<b>FORWARD</b>	<b>¥ 1,020,581</b>	<b>¥ 831,481</b>	<b>\$ 8,298,211</b>

# Consolidated Statements of Income

SBI Holdings, Inc.

SBI Holdings, Inc. and Consolidated Subsidiaries  
Years Ended 31st March, 2007 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	31st March		31st March
	2007	2008	2008
<b>LIABILITIES AND EQUITY</b>			
<b>FORWARD</b>	¥ 1,020,581	¥ 831,481	\$ 8,298,211
<b>EQUITY</b> (Notes 20 and 21):			
Common stock—authorised, 34,169,000 shares; issued, 12,399,171 shares in 2007 and 12,435,284 shares in 2008	54,914	55,158	550,477
Capital surplus	116,519	116,762	1,165,287
Stock acquisition rights	42	4	42
Retained earnings	122,167	112,339	1,121,148
Unrealised gain on available-for-sale securities	5,436	10,134	101,137
Deferred gain on derivatives under hedge accounting	2	9	86
Foreign currency translation adjustments	974	(122)	(1,217)
Treasury stock—at cost, 1,183,488 shares in 2007 and 1,183,541 shares in 2008	(53,062)	(53,064)	(529,575)
Total	246,992	241,220	2,407,385
Minority interests	99,649	146,546	1,462,540
Total equity	346,641	387,766	3,869,925
<b>TOTAL</b>	¥ 1,367,222	¥ 1,219,247	\$ 12,168,136

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	Year Ended 31st March		Year Ended 31st March
	2007	2008	2008
<b>OPERATING REVENUES</b> (Notes 22 and 31)	¥ 144,581	¥ 222,568	\$ 2,221,233
<b>OPERATING COSTS</b> (Note 23)	68,745	115,344	1,151,137
Gross profit	75,836	107,224	1,070,096
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b> (Note 24)	52,741	64,617	644,877
Operating income	23,095	42,607	425,219
<b>OTHER INCOME (EXPENSES):</b>			
Interest and dividends income	644	648	6,466
Interest expense	(1,278)	(1,785)	(17,813)
Foreign exchange gain (loss)—net	14	(726)	(7,241)
(Loss) gain on sale of investment securities—net	(23,575)	6,780	67,667
Amortisation of negative goodwill	69,094		
Provision for statutory reserves (Note 19)	(1,599)	(1,611)	(16,080)
Impairment loss (Note 11)	(53)		
Equity in losses of subsidiaries and associated companies	(710)	(4,615)	(46,055)
Goodwill amortisation for the equity method affiliates with significant losses	(1,977)	(6,794)	(67,806)
Other—net	(1,613)	(5,685)	(56,738)
Other income (expenses)—net	38,947	(13,788)	(137,600)
<b>INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS</b>	62,042	28,819	287,619
<b>INCOME TAXES</b> (Note 25):			
Current	38,855	19,311	192,728
Reversal of the prior year's income taxes	(583)		
Deferred	(23,447)	(2,038)	(20,342)
Total income taxes	14,825	17,273	172,386
<b>MINORITY INTERESTS IN NET INCOME</b>	(776)	(7,317)	(73,028)
<b>NET INCOME</b>	¥ 46,441	¥ 4,229	\$ 42,205
<b>PER SHARE OF COMMON STOCK</b> (Notes 2.aa and 30):	Yen		U.S. Dollars
Basic net income	¥ 4,040.51	¥ 376.63	\$ 3.76
Diluted net income	3,845.82	344.65	3.44
Cash dividends applicable to the year	1,200	1,200	11.98

See notes to consolidated financial statements.