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SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock code: 6488)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Please refer to the attached copy of the Announcement.

On behalf of the Board

SBI Holdings, Inc.

Yoshitaka Kitao

Chief Executive Officer

Japan, 31 January 2012

As of the date of this announcement, the executive Directors are Mr Yoshitaka Kitao, Mr Taro Izuchi, Mr Takashi Nakagawa, Mr Kenji Hirai, Mr Tomoya Asakura, Mr Takashi Okita, Mr Noriaki Maruyama, Mr Shumpei Morita, Mr Shinji Yamauchi, Mr Makoto Miyazaki, Mr Yoshimi Takahashi, and Mr Masaki Takayanagi, the non-executive Directors are Mr Yasutaro Sawada, Mr Hiroyoshi Kido, Mr Noriyoshi Kimura and Mr Hiroshi Tasaka and the independent non-executive Directors are Mr Masaki Yoshida, Mr Kiyoshi Nagano, Mr Keiji Watanabe, Mr Takeshi Natsuno and Mr Akihiro Tamaki.

January 31, 2012

SBI Holdings, Inc.

(TOKYO: 8473 / Hong Kong: 6488)

Notice Regarding the Absorption of Consolidated Subsidiaries

SBI Holdings, Inc. (hereafter “the Company”) announced today that it decided at a Board of Directors meeting to absorb three companies: SBI Semantic Co., Ltd. (Minato-ku, Tokyo; representative: Shunpei Morita; hereafter “SBI Semantic”), SBI Property Advisors Co., Ltd. (Nagoya, Aichi Prefecture; representative: Hidenori Kamidate; hereafter “SBI Property Advisors”), and SBIMP Co., Ltd. (Minato-ku, Tokyo; representative: Noriaki Maruyama and Nobuharu Yokoyama; hereafter “SBIMP”).

Note that as this absorption is an absorption of 100% consolidated subsidiaries, some of the disclosed items and contents thereof have been omitted.

1. Purpose of Mergers

The Company group promotes management that focuses on earning power based on the “brilliant cut” concept, and, in addition to engaging in fundamental business improvement and thorough operation cost reduction, is making efforts to improve efficiency in group management through organizational restructuring. The Company has decided to absorb these three companies (SBI Semantic, SBI Property Advisors, and SBIMP) in order to consolidate the Group’s management resources and promote further management efficiency.

2. Summary of Mergers

(1) Merger Schedule

Board of Directors Meeting to approve merger contract	January 31, 2012
Conclusion of merger contract	January 31, 2012
Effective date of merger	March 9, 2012

(2) Merger method

The merger method is one in which the Company shall be the surviving company, and SBI Semantic, SBI Property Advisors, and SBIMP shall be dissolved.

* This merger shall take place for the Company through the simplified merger procedures set forth in Article 796 Paragraph 3 of the Companies Act, and for the companies to be merged through the short form merger procedures set forth in Article 784, Paragraph 1 of the same.

(3) Appropriation related to the merger

The Company possesses all shares of the companies to be merged, and there will be no issuance of new shares or increase in capital due to this merger.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights for the companies to be dissolved

No relevant items

3. Summary of merging companies (as of December 31, 2011; excluding special notes)

	Surviving company	Merged company
(1) Name	SBI Holdings, Inc.	SBI Semantic Co., Ltd.
(2) Address	1-6-1 Roppongi, Minato-ku, Tokyo	1-6-1 Roppongi, Minato-ku, Tokyo
(3) Representative	Yoshitaka Kitao	Shunpei Morita
(4) Business	Management and control of the corporate group through the possession of stocks	Implementation, dissemination, and illumination of Semantic web technology
(5) Capital	¥81,663 million	¥42 million
(6) Date of establishment	July 8, 1999	October 9, 2008
(7) Issued shares	22,376,234	1,700
(8) Accounting term	March	March
(9) Main stockholders and percent of shares owned	CB New York Orbis funds 8.74% CB New York Orbis SICAV 7.34% (As of September 30, 2011)	SBI Holdings, Inc. 100%
(10) Operating results and the financial conditions for the last fiscal year (in units of million yens, unless otherwise described)		
Fiscal year	Fiscal year ended March 31, 2011 (Consolidated)	Fiscal year ended March 31, 2011 (Non-Consolidated)
Net assets	456,982	-47
Total assets	1,293,606	251
Net assets per share (yen)	19,610.64	-47,119.36
Net sales	141,081	0
Operating income	8,932	-13
Ordinary income	3,525	-16
Net income for the period	4,534	-33
Net income per share	236.09	-33,096.64

(yen)		
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	Merged company	Merged company
(1) Name	SBI Property Advisors Co., Ltd.	SBIMP Co., Ltd.
(2) Address	1-18-24 Meieki Minami, Nakamura-ku, Nagoya, Aichi Prefecture	1-6-1 Roppongi, Minato-ku, Tokyo
(3) Representative	Hidenori Kamidate	Noriaki Maruyama Nobuharu Yokoyama
(4) Business	Sale, rental/lease, intermediary business, and management of real estate	Home loans, agency business, fire insurance agency business, etc.
(5) Capital	¥50 million	¥30 million
(6) Date of establishment	February 1, 2002	February 25, 2009
(7) Issued shares	2,000	1,200
(8) Accounting term	March	March
(9) Main stockholders and percent of shares owned	SBI Holdings, Inc. 100%	SBI Holdings, Inc. 100%
(10) Operating results and the financial conditions for the last fiscal year (in units of million yens, unless otherwise described)		
Fiscal year	Fiscal year ended March 31, 2011 (Non-Consolidated)	Fiscal year ended March 31, 2011 (Non-Consolidated)
Net assets	61	1
Total assets	382	10
Net assets per share (yen)	30,732.52	1,796.42
Net sales	537	0
Operating income	-99	-26
Ordinary income	-98	-27
Net income for the period	-109	-27
Net income per share (yen)	-54,611.61	-27,363.85

4. Post-merger status

The corporate name, businesses, main office location, representative, capital, and accounting term post-merger shall be the same as pre-merger.

5. Future forecasts

As this merger is absorption of 100% consolidated subsidiaries, the effects on business results will be minor.

For further information, please contact:

SBI Holdings, Inc.; Corporate Communications Dept., Tel: +81 3 6229 0126