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SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

(Stock code: 6488)

NOTIFIABLE TRANSACTION SUBSCRIPTION OF SHARES IN SUBSIDIARY

Reference is made to the announcement dated 19 June 2012 regarding Series of Subscription of the shares in the SBI Insurance.

The Company wishes to announce that the Company has decided to subscribe additional 2,000,000 shares in SBI Insurance at a consideration of JPY 6.0 billion on 28 September 2012.

During the period from 29 September 2011 to 28 September 2012 the Company had subscribed an aggregate of 2,403,353 shares (representing approximately 88.3% of the issued share capital of SBI Insurance, based on its issued share capital of 2,720,536 upon completion of the Subscription).

The percentage ratios in relation to the aggregate investments in SBI Insurance Shares for the period from 29 September 2011 to and including 28 September 2012 (being the date on which the investments in SBI Insurance Shares by the Company triggered a discloseable transaction threshold) under Chapter 14 of the Listing Rules had exceeded 5% but is less than 25%. Accordingly, the aggregate investments in SBI Insurance Shares for the period from 29 September 2011 to and including 28 September 2012 constitute a discloseable transaction of the Company for the purpose of Rule 14.06 (2) of the Listing Rules. This announcement is made pursuant to the Listing Rules in respect of all investments in SBI Insurance Shares from 29 September 2011 to 28 September 2012.

INTRODUCTION

The Company wishes to announce that the Company has decided to subscribe additional 2,000,000 shares in SBI Insurance at a consideration of JPY 6.0 billion on 28 September 2012.

During the period from 29 September 2011 to 28 September 2012 the Company had subscribed an aggregate of 2,403,353 shares (representing approximately 88.3% of the issued share capital of SBI Insurance, based on its issued share capital of 2,720,536 upon completion of the Subscription).

The total consideration paid for these 2,403,353 SBI Insurance Shares was JPY 14.0 billion which was satisfied in cash. The price per shares is determined based on the current net asset and adjusted net asset of SBI Insurance in each Subscription.

The Company has directly held 65.5% of equity interest in SBI Insurance, right before the Series of Subscription and holds 96.4% of equity interest in it after the latest Subscription. SBI Insurance has been a consolidated subsidiary of the Company since its incorporation.

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REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

SBI Group is developing Banking, Securities and Insurance business as three core businesses in our domestic financial services, a stable revenue source that will contribute significantly to earnings growth. SBI Insurance, which plays an important role as one of such core businesses, has started its operation from 2008 and the number of its insurance contracts has been steadily growing. Therefore, SBI Insurance has strengthened its finance ground to satisfy the requirement of Insurance Business Act for the financial criteria.

The Directors consider that the terms thereof are fair and reasonable and in the interests of the shareholders as a whole.

FINANCIAL EFFECTS OF THE SUBSCRIPTION

SBI Insurance generated before and after tax loss through the financial year ended 31 March 2012 approximately JPY 5,315 million and approximately JPY 5,449 million respectively.

The Company consolidates SBI Insurance in its financial results. There is no immediate effect on its financial results upon this Series of Subscription.

INFORMATION OF THE GROUP

The Company is a holding company incorporated under laws of Japan in July 1999 and was listed on the Tokyo Stock Exchange (First section) and Osaka Securities Exchange

(First section) in February 2002 and November 2002, respectively. The Company listed its Hong Kong depositary receipts (by way of secondary listing) on the Main Board of the Stock Exchange of Hong Kong Limited on 14 April 2011. The Group consists of four business segments as follows:

- (i) Financial service business, which offers various financial related services and provides information of the financial products. It primarily involves in the securities business, banking business and insurance services;
- (ii) Asset management business, which primarily involves the operation of investment funds;
- (iii) Biotechnology business, which involves developing and offering medical products, health foods and cosmetics;
- (iv) Other businesses.

INFORMATION OF SBI INSURANCE

SBI Insurance commenced operations in January 2008 and its core business is providing automobile insurance products, including voluntary automobile insurance and compulsory automobile liability insurance, primarily through the Internet.

SBI Insurance seeks to offer the industry's lowest insurance premiums for automobile insurance products in Japan.

The attributable loss before and after tax of the SBI Insurance Shares for the year ended 31 March 2011 were approximately JPY 363 million and JPY 368 million respectively. The attributable loss before and after tax of the SBI Insurance Shares for the year ended 31 March 2012 were approximately JPY 1,644 million and JPY 1,685 million respectively.

These attributable losses are multiplied with ratio of the Company's interest in SBI Insurance increased upon this Series of Subscription.

GENERAL

Shareholders and potential investors are reminded that regardless to the contents of this announcement, care should be exercised when dealing in the shares of the Company.

The figures in this announcement are rounded except for the profits or losses of SBI Insurance are rounded down to the million.

The profits of SBI Insurance stated in this announcement are not accounted of consolidated adjustment.

DEFINITIONS

In this announcement, unless the context indicates or specifies otherwise, the following defined expressions have the following meanings:

“Board”	The Board of directors of the Company
“Company”	SBI Holdings, Inc., a company incorporated in Japan with limited liability
“Director(s)”	The director(s) of the Company
“Group”	The Company and its subsidiaries
“SBI Insurance”	SBI Insurance Co., Ltd., consolidated subsidiary of the Company
“SBI Insurance Share(s)”	Ordinary share(s) of SBI Insurance
“Series of Subscription”	The Subscription done in the period from 29 September 2011 to 28 September 2012
“Subscription”	The subscription of newly issued shares of SBI Insurance through third party allotment
“JPY”	Japanese Yen, the lawful currency of Japan
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“%”	Per cent

On behalf of the Board
SBI Holdings, Inc.
Yoshitaka Kitao
Representative Director,
President & Chief Executive Officer

Japan, 27 September 2012

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. Yasutaro Sawada, Mr. Hiroyoshi Kido, Mr. Noriyoshi Kimura, Mr. Hiroshi Tasaka and Mr. Takashi Okita and the independent non-executive Directors are Mr. Masaki Yoshida, Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Akihiro Tamaki and Mr. Masanao Marumono.