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SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)
(Stock code: 6488)

DISCLOSEABLE TRANSACTION DISPOSAL OF SHARES IN SUBSIDIARIES

The Company wishes to announce that on 28 September 2012 the Group has entered into an agreement to dispose of 100 % equity interest in SBI Capital Solutions Co., Ltd. and all its equity interest in SBI Mezzanine Fund No2 LIMITED PARTNERSHIP and SBI Mezzanine Fund No3 LIMITED PARTNERSHIP at a consideration of approximately JPY 3.4 billion.

Thereafter, SBI Capital Solutions Group including SBI Capital Solutions Co., Ltd. and its consolidated funds namely SBI Mezzanine Fund No2 LIMITED PARTNERSHIP and SBI Mezzanine Fund No3 LIMITED PARTNERSHIP, Metropolitan Enterprise Revitalization Fund Limited Liability Partnership and Metropolitan Enterprise Revitalization Fund Limited Liability Partnership No.2 will cease to be the Company's subsidiary.

As the applicable ratio with respect to the Disposal Transaction exceeds 5% but is less than 25% in the profits ratio, this transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

The Company wishes to announce that on 28 September 2012 the Group has entered into an agreement to dispose of 100 % equity interest in SBI Capital Solutions Co., Ltd. and the equity interest in SBI Mezzanine Fund No2 LIMITED PARTNERSHIP and SBI Mezzanine Fund No3 LIMITED PARTNERSHIP at a consideration of approximately JPY 3.4 billion.

Thereafter, SBI Capital Solutions Group will cease to be the Company's subsidiary.

The Group holds 100% of equity interest in SBI Capital Solutions Co., Ltd and 73.2% and 100.0% of interest in SBI Mezzanine Fund No2 LIMITED PARTNERSHIP and SBI

Mezzanine Fund No3 LIMITED PARTNERSHIP respectively, right before the Disposal Transaction.

THE DISPOSAL TRANSACTION

Expected Timing for payment of the consideration 10 October 2012

Parties	The Group, as the vendor and an Purchaser
Assets to be disposed of	The shares in SBI Capital Solutions Co., Ltd. (1,000 shares representing 100% equity interest in SBI Capital Solutions Co., Ltd.); 73.2% of interest in SBI Mezzanine Fund No2 LIMITED PARTNERSHIP, 100.0% of interest in SBI Mezzanine Fund No3 LIMITED PARTNERSHIP
Consideration	Approximately JPY 3.4 billion in cash The consideration was determined based on arm's length negotiation between the Vendor and the Purchaser by reference of book value of the assets to be disposed of.

REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

SBI Capital Solutions Co., Ltd. have been developing investment business specialized to mezzanine investment and dip finance through investment funds. The Company have decided to sell all Company's equity interest in SBI Capital Solutions Co., Ltd. and the Group's interest in two mezzanine funds managed by SBI Capital Solutions Co., Ltd., upon receiving an offer to acquire our mezzanine fund business which has been operated by SBI Capital Solutions Co., Ltd. from the Purchaser.

Our Group has been enhancing restructuring to concentrate our managing resources to the businesses, such as securities business, banking business and insurance business, which are expected to be stronger synergy under the concept of "brilliant cut". On this occasion, the Company concentrates business resources to the investment in ventures and small-medium sized company at the asset management business.

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 DISPOSAL

SBI Capital Solutions Group generated before and after tax profit through this first quarter ended 30 June 2012 of approximately JPY 360 million and approximately JPY 357 million respectively. Upon completion of the Disposal, SBI Capital Solutions Group

will cease to be subsidiaries of the Company and will no longer be consolidated into the financial statements of the Group for the second half year of the fiscal year ending 31 March 2013.

The Group is expected to recognize loss before tax on disposal of SBI Capital Solutions Group of approximately JPY 0.2 billion which is calculated by net proceeds of JPY 3.4 billion from the disposal less the book value of the SBI Capital Solutions Group shares of approximately JPY 3.6 billion and approximately JPY 0.1 billion profit after tax.

Save as disclosed herein, the Disposal will not have any material impact on the earnings and assets and liabilities of the Group.

USE OF PROCEEDS

It is expected that the net proceeds from the Disposal will be used for general working capital of the Group and to finance any potential investments available to the Group in the future.

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 CAPITAL SOLUTIONS GROUP

SBI Capital Solutions Co., Ltd. which is incorporated in Japan in June 2006, is a specialist in debtor-in-possession (DIP) financing, purchase of non-performing loans, business revitalization, and mezzanine investment. It develops and owns the following mutual funds SBI Mezzanine Fund No2 LIMITED PARTNERSHIP, SBI Mezzanine Fund No3 LIMITED PARTNERSHIP, Metropolitan Enterprise Revitalization Fund Limited Liability Partnership, and Metropolitan Enterprise Revitalization Fund Limited Liability Partnership No.2, to engage in mezzanine investment and revitalization financing.

The attributable profits before and after tax of the SBI Capital Solutions Group for the year ended 31 March 2011 were approximately JPY 460 million and JPY 387 million respectively. The attributable loss before tax and after tax of the SBI Capital Solutions Group for the year ended 31 March 2012 were approximately JPY 597 million and JPY 528 million respectively.

INFORMATION OF THE PURCHASER

The Purchaser is an investment fund incorporated in Japan and managed by a company with its principal business in investing in private equity.

The Purchaser does not meet the definition of connected person in respect of Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

As the applicable ratio with respect to the Disposal Transaction exceeds 5% but is less than 25% in the profits ratio, this transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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 profits of SBI Capital Solutions Group 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
“SBI Capital Solutions Group”	SBI Capital Solutions Co., Ltd., SBI Mezzanine Fund No2 LIMITED PARTNERSHIP, SBI Mezzanine Fund No3 LIMITED PARTNERSHIP, Metropolitan Enterprise Revitalization Fund Limited Liability Partnership, and Metropolitan Enterprise Revitalization Fund Limited Liability Partnership No.2
“Company”	SBI Holdings, Inc., a company incorporated in Japan with limited liability
“Disposal”	The disposal of SBI Capital Solutions Group shares
“Disposal Transaction”	The sale and purchase transaction entered into on 28 September 2012 among the Group and the Purchaser
“Director(s)”	The director(s) of the Company

“Group”	The Company and its subsidiaries
“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
“Purchaser”	An investment fund incorporated in Japan and managed by a company with its principal business in investing in private equity
“%”	Per cent

On behalf of the Board
SBI Holdings, Inc.
Yoshitaka Kitao

*Representative Director,
President & Chief Executive Officer*

Japan, 28 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.