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SBI HOLDINGS, INC.
(Incorporated in Japan with limited liability)
(Stock code: 6488)

**DISCLOSEABLE TRANSACTION
THE PROPOSED SPIN-OFF AND
SEPARATE LISTING OF SBI AXES CO., LTD.
ON THE KOSDAQ MARKET OF THE KOREA EXCHANGE**

Reference is made to the announcements of the Company dated 27 June 2012 and 2 February 2012 in relation to the Proposed Spin-off. This announcement serves to provide an update to investors of the expected timetable of, and the Offer Price relating to, the Public Offering. This announcement is made pursuant to Rule 13.09(1) and Practice Note 15 of the Listing Rules.

As the highest applicable percentage ratio with respect to the Proposed Spin-off under the Listing Rules exceeds 5% but is less than 25%, the Proposed Spin-off constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

Upon completion of the Proposed Spin-off, SBI AXES will remain a subsidiary of the Company and its financial results will continue to be consolidated into those of the Group.

As the Proposed Spin-off is subject to the final decisions of the board of directors of SBI AXES (among other conditions), HDR Holders and potential investors should note that there is no assurance that the Proposed Spin-off and the Public Offering will take place. Accordingly, HDR Holders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

INTRODUCTION

Reference is made to the announcements of the Company dated 27 June 2012 and 2 February 2012 in relation to the Proposed Spin-off. This announcement serves to provide an update to investors of the expected timetable of, and the Offer Price relating to, the Public Offering. This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

On 1 February 2012, SBI AXES submitted an application to the Korea Exchange for the listing of the KDRs on the KOSDAQ Market of the Korea Exchange. The listing application was approved by the Korea Exchange on 27 June 2012.

On 26 November 2012, the Company and SBI AXES (among other parties) agreed to set the Offer Price of the KDRs at KRW3,600 per KDR. The Offer Price was determined based on investors' demand for the KDRs and market conditions in Korea and is considered by the Company and SBI AXES to be fair and reasonable.

FURTHER INFORMATION ON THE PROPOSED SPIN-OFF AND THE PUBLIC OFFERING

The Public Offering is expected to comprise the offer and issuance of the Offer KDRs by SBI AXES.

Further information on the Proposed Spin-off is set out as below:

Expected timetable

Application period. Wednesday, 28 November 2012 to Thursday, 29 November 2012

Date of payment for the KDRs Tuesday, 4 December 2012

Dealing in KDRs on the KOSDAQ Market of the
Korea Exchange expected to commence on Monday, 17 December 2012

Public Offering of the KDRs

Number of Offer KDRs in the Public Offering	5,341,400 KDRs
Offer Price	KRW3,600
Total Gross Proceeds.	KRW19,229 million

Note: The Total Gross Proceeds includes customary underwriting commission that is due and payable by SBI AXES to the underwriters of the Public Offering.

REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

The entire equity interest of SBI AXES is currently held by the Group. The Proposed Spin-off allows the Subsidiary Funds to capitalize their investments and adjust their investment portfolio to maximize the return of the funds, which will in turn contribute to the business performance of the Group as a whole. In addition, it also allows SBI AXES to widen its shareholder base and improve the profile of SBI AXES and the Group.

The Directors believe that the terms of the transaction are fair and reasonable and in the interests of the Company, the Shareholders and the HDR Holders as a whole.

PRACTICE NOTE 15 CONSIDERATIONS

In connection with the Company's listing in Hong Kong in April 2011, it has obtained a waiver from the Hong Kong Stock Exchange for the strict compliance with the provisions of Practice Note 15 of the Listing Rules. This waiver is subject to certain conditions, including one that the Company must, in connection with a spin-off listing of any of its subsidiaries, issue an announcement pursuant to Rule 13.09(1) that (i) confirms that it would retain a sufficient level of operations and sufficient assets to support its listing status following the spin-off listing and (ii) explains how the Company is able to meet the principles set out in paragraph 3(d)(i) to (iv) of Practice Note 15 in connection with the spin-off listing.

The Group reports revenue under three principal segments: (i) financial services business, (ii) asset management business and (iii) biotechnology-related business. For each of the three years ended 31 March 2012, the Retained Group recorded a net profit of JPY2,350 million, JPY4,534 million and JPY3,200 million. As at 31 March 2012, the net asset of the Retained Group was JPY468,579 million.

The Company confirms that it will retain sufficient level of operations and sufficient assets to support its separate listing status.

The Company is also able to meet the principles set out in paragraph 3(d)(i) to (iv) of Practice Note 15 as follows:

(i) Clear delineation of business between the Retained Group and the SBI AXES Group

The SBI AXES Group is principally engaged in the provision of online settlement services for e-commerce shops, whereas the Retained Group is principally engaged in financial services business, asset management business and biotechnology-related business. The Retained Group does not compete with the SBI AXES Group in the online settlement services business, nor does the SBI AXES Group compete with the Retained Group in the businesses that the Retained Group is currently principally engaged in.

(ii) *Functional independence*

Independence of directorship and management

The board of directors of SBI AXES comprises six members, of which two are outside directors (similar to independent directors for Hong Kong-listed companies). One of the directors of SBI AXES also holds roles at the Company. Specifically, Mr. Takashi Nakagawa (“Mr. Nakagawa”), a director of SBI AXES, is also a director and a senior managing executive officer of the Company. None of the outside directors of SBI AXES holds any position in the Retained Group.

The board of statutory auditors of SBI AXES comprises three members and all of them are outside statutory auditors. None of the statutory auditors of SBI AXES holds any position in the Retained Group.

The rules of the relevant stock exchange in Korea and Japan permit the above arrangements.

Although SBI AXES will have one common director with the Company, the Company believes that this will not give rise to any issue on management independence. The day-to-day operation of SBI AXES and the Company are carried out by two different teams of dedicated management personnel. The members of the board of directors and board of statutory auditors of the Company will be in a position to ensure that any potential conflict of interests that may arise between SBI AXES and the Company will be dealt with in accordance with all applicable rules and regulations, including the Listing Rules.

To the extent members of the SBI AXES Group are to enter into transactions with members of the Retained Group in the future, Mr. Nakagawa will comply with the relevant Listing Rules (as amended by the waivers obtained by the Company in connection with its listing on the Hong Kong Stock Exchange) in ascertaining whether he can participate in the decisions by the Retained Group to enter into such transactions.

Independence of administrative capability

All the essential administrative functions of SBI AXES and the Company have been, and will continue to be, handled separately. SBI AXES Group and the Retained Group do not share any of their offices or facilities. The office of SBI AXES is located in a different premises from that of the Company and the Company has not provided any assistance or guarantee for the lease of the office by SBI AXES.

Financial independence

Members of the SBI AXES Group do not owe any indebtedness borrowed from members of the Retained Group. In addition, members of the Retained Group do not guarantee any loan obtained by members of the SBI AXES Group.

Future continuing connected transactions

Given that SBI AXES will continue to be a subsidiary of the Company, any transaction between members of the Retained Group, on the one hand, and members of the SBI AXES Group, on the other hand, will not constitute a connected transaction from the Company's perspective (except in the case of a situation falling within Rules 14A.11(5) or (6), in which case the Company will comply with the applicable rules under Chapter 14A of the Listing Rules).

(iii) Clear commercial benefits both to the Company and to SBI AXES

As explained in the section entitled “Reasons and Benefits for entering into the Transaction”, the Proposed Spin-off offers commercial benefits to both the Company and SBI AXES.

(iv) No adverse impact on the interests of shareholders of the Group

For the reasons described above, the Company believes that the Proposed Spin-off and the Public Offering will be advantageous to the Company and its investors, and as such, there should be no adverse impact on the interests of the Shareholders and the HDR Holders.

FINANCIAL EFFECTS OF THE DISPOSAL

As at 30 September 2012, the unaudited net asset value of SBI AXES was JPY1,656 million. Upon completion of the Proposed Spin-off, SBI AXES will remain as a subsidiary of the Company and its financial results will continue to be consolidated into those of the Group. Accordingly, no gain or loss on the Proposed Spin-off will be recognized in the consolidated income statement of the Company.

INFORMATION ABOUT THE COMPANY

The Company is a holding company incorporated under the laws of Japan in 1999. The shares of the Company have been listed on the Tokyo Stock Exchange and the Osaka Securities Exchange since 2002 and its HDRs have been listed on the Hong Kong Stock Exchange since 2011.

INFORMATION ABOUT SBI AXES

SBI AXES is an investment holding company and has subsidiaries in Japan, the United States, the United Kingdom, the Netherlands and Singapore. The principal subsidiaries of SBI AXES are ZERO Co., Ltd. and ZEUS Co., Ltd., which are primarily engaged in the provision of online settlement services for e-commerce shops.

The entire equity interest of SBI AXES is currently held by the Group. The Company, SBI Broadband and SBI BB Mobile hold 30%, 35% and 35%, respectively, of the equity interest of SBI AXES. Both SBI Broadband and SBI BB Mobile are investment funds managed and held by SBI Investment, which in turn is a wholly-owned subsidiary of the Company.

Until April 2012, the Company prepared its financial statements under JGAAP and SBI AXES was not recognized as a subsidiary of the Company under JGAAP. As announced by the Company on 26 April 2012, the Company has adopted IFRS and starting from the fiscal year beginning on 1 April 2012, the financial statements of the Company will be prepared in accordance with IFRS. SBI AXES is recognized as a subsidiary of the Company under IFRS and will remain as a subsidiary of the Company upon completion of the Proposed Spin-off.

The net profits before and after tax of SBI AXES for the year ended 31 March 2012 were approximately JPY1,132 million and JPY643 million, respectively. The net profits before and after tax of SBI AXES for the year ended 31 March 2011 were approximately JPY1,021 million and JPY588 million, respectively.

LISTING RULES IMPLICATIONS

The interest of the Company in SBI AXES will be reduced from 100% to 75% upon completion of the Proposed Spin-off and the issuance of the Offer KDRs on a fully diluted basis.

The Proposed Spin-off constitutes a deemed disposal of the equity interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules and given that the applicable percentage ratios calculated in accordance with the Listing Rules are more than 5% but less than 25%, the Proposed Spin-off also constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. Upon completion of the Proposed Spin-off, SBI AXES will remain a subsidiary of the Company and its financial results will continue to be consolidated into those of the Group.

GENERAL

As the Proposed Spin-off is subject to the final decisions of the board of directors of SBI AXES (among other conditions), HDR Holders and potential investors should note that there is no assurance that the Proposed Spin-off and the Public Offering will take place. Accordingly, HDR Holders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

The figures in this announcement are rounded to the nearest dollar except for the profits of SBI AXES which are rounded to the nearest million Japanese yen.

DEFINITIONS

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

“Company”	SBI Holdings, Inc., a company incorporated in Japan with limited liability
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HDR Holder(s)”	holder(s) of the Hong Kong depositary receipt(s) of the Company
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“IFRS”	International Financial Reporting Standards
“JGAAP”	Japanese Generally Accepted Accounting Principles
“JPY”	Japanese Yen, the lawful currency of Japan
“KDR(s)”	Korea depositary receipt(s) of SBI AXES, each representing one (1) common share of SBI AXES
“Korea”	the Republic of Korea
“KRW”	Korea Won, the lawful currency of the Republic of Korea
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offer KDR(s)”	the new KDRs to be issued by SBI AXES for the Public Offering
“Offer Price”	the offer price for the KDRs, being KRW3,600 per KDR (which includes the underwriting fee payable to the underwriter)
“Proposed Spin-off”	the proposed spin-off of SBI AXES and separate listing of the KDRs on the KOSDAQ Market of the Korea Exchange

“Public Offering”	the conditional offer to the public in Korea for subscription of the KDRs at the Offer Price and the conditional placing of the KDRs to certain professional and institutional investors
“Retained Group”	the Group excluding SBI AXES Group
“SBI AXES”	SBI AXES Co., Ltd. (formerly known as AXES Holdings Co., Ltd.), a subsidiary of the Company incorporated in Japan on 4 April 2011
“SBI AXES Group”	SBI AXES and its subsidiaries
“SBI BB Mobile”	SBI BB Mobile Investment PLS, an investment fund managed by SBI Investment and an indirect subsidiary of the Company
“SBI Broadband”	SBI Broadband Fund #1, Limited Liability Partnership, an investment fund managed by SBI Investment and an indirect subsidiary of the Company
“SBI Investment”	SBI Investment Co., Ltd., a wholly-owned subsidiary of the Company
“Shareholder(s)”	holders of the ordinary share(s) of the Company
“Subsidiary Funds”	SBI Broadband and SBI BB Mobile
“%”	per cent

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

Japan, 26 November 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.