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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

Representative Director,

President & Chief Executive Officer

Japan, 19 December 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.



18 December 2012

SBI Holdings, Inc.

(TOKYO: 8473 / Hong Kong: 6488)

Notice of Subsidiary's Tender Offer of Treasury Stock

SBI Life Living Co., Ltd. (TSE Mothers: 8998), a subsidiary of SBI Holdings, Inc., resolved at the Board of Directors meeting of SBI Life Living Co., Ltd. held on 16 November 2012 to acquire treasury stock specifically by means of tender offer. Please see the accompanying attachment for details.

Notice of Acquisition and Tender Offer of Treasury Stock

SBI Life Living Co., Ltd. (the “Company”) hereby announces that it was resolved at the Board of Directors meeting held on 16 November 2012 to acquire treasury stock specifically by means of tender offer (“Tender Offer”) pursuant to Article 156, Paragraph 1, applied with certain replacement of terms as provided in Article 165, Paragraph 3 of the Company Act (Law No. 86 of 2005, as amended) and the provisions of its Articles of Incorporation.

1. Purpose of the Share Repurchase

It is the basic policy of the Company to return profits to its shareholders through continuous distribution of dividends. It aims to do so with consideration paid to the business results and trends in the Company’s stock prices, and while taking into account the need to secure adequate funds for maintaining a sound financial base and making capital expenditures to support business development.

The Company, while striving to maintain a sound financial base and securing funds to allow agile investments, had been studying the possibility of repurchasing its own shares as one measure for offering greater returns to shareholders. In early April 2012, the Company was informed by Mr. Takekazu Imai, the founder and second largest shareholder of the Company, of his intention to sell part of the shares of common stock of the Company in his holding (number of shares held as of 16 November 2012: 2,549 shares, which represent 10.21% (rounded off to the second decimal place) of the total number of shares issued and outstanding (24,962 shares); hereafter, the shareholder is referred to as “Mr. Imai.”) The Company has no personal or business relationships with Mr. Imai at the present.

The Company, when initially informed of the above intention of Mr. Imai, did not make any specific proposal on the method of sale of shares. Subsequently, Mr. Imai sold 258 shares of common stock of the Company (shares represent 1.03% (rounded off to the second decimal place) of the total number of shares issued and outstanding (24,962 shares)) during the period from 18 May 2012 to 5 July 2012 on the Mothers market of the Tokyo Stock Exchange (hereafter “TSE Mothers”) as indicated on the Report on Changes to Major Shareholding Report (submitted on 5 October 2012) and the Revised Report (submitted on 9 October 2012). However, as the sale of shares was expected to take some time given the low trading volume, Mr. Imai contacted the Company again in late July 2012 regarding the sale of shares of common stock of the Company. Given his second notification, the Company continued to study the possibility of purchasing the shares in consideration of the Company’s management policy, financial conditions and other factors.

As a result, in early September 2012, the Company came to the decision that repurchasing its own shares would be in the best interest of its shareholders and also conform to its basic policy on returning profit to shareholders. This decision was based on considerations of various assumptions and factors: If the Company did not purchase the shares of common stock held by Mr. Imai and the shares were sold on the market, a certain volume of shares of the stock of the Company would continue to be available on the market for some time, which, in light of the trading volume of the common stock of the Company on TSE Mothers, would

presumably have a long-term impact on the fair value of the common stock of the Company. If Mr. Imai sold the shares of common stock of the Company in his holding to a third party, it could potentially cause the Company to revise its capital and business strategies, which would have a considerable impact on the existing shareholders of the Company. On the other hand, the Company repurchasing its own shares would help to improve the net income per share and the net assets per share of the Company and consequently lead to returning profits to shareholders without having a significant impact on the future capital and business strategies of the Company.

With regard to the specific method of repurchase of its own shares, the Company carefully studied the approach from the perspective of ensuring fairness among shareholders and transparency of transactions, and decided that a tender offer would be appropriate. The Company decided to determine the offer price in the tender offer (hereafter “offer price”), through negotiations with Mr. Imai, assuming that a certain discount would be made from the market price. This decision was based on various considerations. Given the fact that the common stock of the Company is listed on the TSE Mothers market, the Company comprehensively took into account the simple average closing price of the Company’s stock over the three months from 1 June 2012 to 31 August 2012 of JPY 89,596 (figures below one decimal point were rounded off), the recent liquidity of the Company’s stock on the TSE Mothers market and the financial conditions of the Company among other factors. With the expected number of subscription shares at 2,000 (representing 8.01% (rounded off to two decimal places) of the total number of shares issued and outstanding (24,962 shares)), the Company also took into account the possibility of selling the shares on the stock market with consideration to liquidity, the interest of shareholders continuing to hold shares of common stock of the Company and the need to make every effort to prevent an outflow of the assets of the Company. In regard to the scheduled number of shares offered in this tender offer, the Company has set a maximum of 2,400 shares (representing 9.61% (rounded off to two decimal places) of the total number of shares issued and outstanding (24,962 shares)) from the perspective of providing a subscription opportunity to shareholders other than Mr. Imai.

The Company plans to fully appropriate its own funds for the settlement funds required in this tender offer. Given there is a balance of approximately JPY 2,352 million in cash and deposits as of 30 September 2012, the Company expects that there will be no significant impact on the current capital investment plan and dividend policy and that funds necessary for maintaining the Company’s financial standing and pursuing business investments are secured.

In light of the above, the Company, at its meeting of the Board of Directors on 16 November 2012, reached a resolution to repurchase its own shares by means of the tender offer described herein, in accordance with the provision of Article 156, Paragraph 1 of the Companies Act (Law No. 86 of the 2005, including subsequent amendments thereto) to be applied mutatis mutandis pursuant to the provision of Article 165, Paragraph 3 of the said Act and the provisions of the Articles of Incorporation of the Company. The Company, after the disclosure of “Summary of Operating Results for the Second Quarter of Fiscal Year 2012” and “Notice on Adjustments to the Full-Year Operating Projections” effective 7 November 2012, informed Mr. Imai of its intention to execute the tender offer and entered into a subscription contract with Mr. Imai effective 15 November 2012. This subscription contract provides that if the Company begins the tender offer of treasury stock, subscription for 2,000 shares (representing 8.01% of the total number of shares issued and outstanding) among the shares of common stock of the Company in holding shall be made. The 549 shares of common stock of the Company for which Mr. Imai will not apply for tender offer (shares represent 2.20%

(rounded off to the second decimal place) of the total number of shares issued and outstanding (24,962 shares)) will be sold on TSE Mothers in consideration of the trends on the stock market and other factors.

The method of handling the treasury shares acquired by the Company in the tender offer has yet to be determined at the current time.

2. Details of Board Resolution Regarding Acquisition of Treasury Stock

(1) Details of Board Resolution

Class of Shares	Total Number of Shares	Aggregate Purchase Amount
Common Stock	2,400	JPY 180,000,000

(Note 1) “Total Number of Shares” represents 9.61% (rounded off to two decimal places) of the total number of issued shares (24,962 shares)

(Note 2) “Total Number of Shares” indicates the maximum number of shares to be acquired, authorized at the Board of Directors Meeting

(Note 3) “Aggregate Purchase Amount” indicates the maximum amount of the share acquisition authorized at the Board of Directors Meeting

(Note 4) Period of acquisition: 19 November 2012 through 17 December 2012

(2) Listed shares, etc. related to treasury stock already acquired based on the resolution

N/A

3. Outline of Tender Offer, etc.

(1) Time Table

(i) Date of Board Resolution	16 November 2012 (Friday)
(ii) Date of Public Notice for Commencing Tender Offer	19 November 2012 (Monday) Through EDINET (URL: http://info.edinet-fsa.go.jp/) and Nikkei Newspaper
(iii) Date of Tender Offer Notification	19 November 2012 (Monday)
(iv) Period of Tender Offer	From 19 November 2012 (Monday) through 17 December 2012 (Monday)

(2) Purchase Price

JPY 75,000 per share

(3) Grounds for calculating the value of buying price, etc.

(i) Basics of Calculation

In calculating the buying price, considering that the Company’s common stock is listed on the TSE Mothers, the Company comprehensively considered and discussed various matters including the most recent status of the liquidity of the Company’s stock on the TSE Mothers market and the Company’s financial condition. The Company did so by referring to the simple average value of the closing price of its common stock in the past three months, between 1 June 2012 and 31 August 2012, which was JPY 89,596 (rounded off to the nearest whole number).

The Company negotiated with Mr. Imai on the premise that it would discount a certain rate from the market price, and decided the price by considering the possibility of selling 2,000 shares which are to be placed on the stock market (8.01% (rounded off to two decimal places) of all the issued shares (24,962 shares)) so as to maintain liquidity; and the need to minimize the loss of the Company's corporate assets for the interests of all the shareholders who will continue to own the Company's common stock.

In view of the above, after the Company's press release announcements on 7 November 2012, titled **“Earnings summary for the second quarter of Fiscal 2012, ended March 31”** and **“Announcement on adjustments, etc., to the full fiscal year results”**, the Company informed Mr. Imai of the Company's intention to purchase shares through the tender offer. On 15 November 2012, the Company reached an agreement with Mr. Imai to set the buying price per share at JPY 75,000 and, at the Board Meeting held on 16 November 2012, it decided to purchase treasury shares through the tender offer.

The buying price of JPY 75,000 is equal to: a value that is discounted by 46.4% (rounded off to one decimal place) from the Company's common stock's closing price of JPY 140,000 on the TSE Mothers market, as of 15 November 2012, that is one business day before the date of the Board Meeting held on 16 November 2012, where the resolution on the purchase by the tender offer was made; a value discounted by 32.3% (rounded off to one decimal place) from the Company's common stock's average closing price of JPY 110,726 (cut off decimal places) in the recent one month; and a value discounted by 23.3% (rounded off to one decimal place) from the Company's common stock's average closing price of JPY 97,794 (cut off decimal places) in the recent three months.

The buying price of JPY 75,000 is equal to a value that is discounted by 44.9% (rounded off to one decimal place) from the Company's common stock's closing price of JPY 136,000 on the TSE Mothers market, on one business day (16 November 2012) before the date of submitting this document.

(ii) How the price was calculated

The Company's basic policy is to return profits, such as dividends of surplus, to all the shareholders continuously, by considering the Company's business performance and stock price status in a comprehensive manner, while maintaining a sound financial standing and securing funds which are necessary for the Company's business investment.

The Company had been discussing whether or not to acquire treasury shares over a long time in such manner, as one of the ways to return The Company's profits to all the shareholders, while maintaining a sound financial standing and securing funds for flexible investment.

At the beginning of April 2012, while the Company were in the process of such discussion, Mr. Imai, who is the founder of the Company and the second largest shareholder, contacted us to inform of his intention to sell some of the common stocks owned by him. At that time, when Mr. Imai contacted us, the Company was not able to propose a concrete way of selling the stocks owned by him.

Between May 18 and 5 July 2012, as stated in the report on changes (submitted on 5 October 2012) and the report on amendments (submitted on 9 October 2012) to the Large Shareholding Report, Mr. Imai attempted to sell 258 common stocks of the Company (1.03% (rounded off to two decimal places) of all the issued shares (24,962 shares)) on the TSE Mothers market; however he realized that it would require a significant amount of time to sell off the shares. Therefore, at the end of July 2012, he contacted us again about selling the common stock held by him.

In response to Mr. Imai's second approach, the Company discussed over and over again about the purchase while considering various matters such as its management policy and financial standing.

As a result, at the beginning of September, 2012, the Company considered, based on the following listed reasons, that the purchase of treasury shares by the Company would lead to the return of profits to all the shareholders, and thereby ensure conformity with its policy to return profits to the Company's shareholders as stated above: (1) If the Company did not purchase its common stock held by Mr. Imai and its common stock held by Mr. Imai was sold on the market, a bulk number of shares would be continuously released in the market temporarily, which would most likely have a long-term effect on the market price of the Company's common stock considering the turnover of its common stock in the TSE Mothers market; (2) if the Company's common stocks held by Mr. Imai were handed over to a third party, there would be a significant impact on the existing shareholders since the Company may need to review its capital policy and business strategy; (3) the acquisition of treasury shares by the Company would increase the net income per share and the net asset per share, and hence would lead to a return of profits to the existing shareholders; (4) the acquisition of treasury shares would have a small impact on the Company's future capital policy and business strategy.

In view of the above, the Company considered that it would be desirable to negotiate with Mr. Imai on the premise that the Company would discount a certain rate from the market price.

The buying price was decided in view of the fact that the Company's common stock is listed on the TSE Mothers market, and by: (1) referring to the Company's common stock's simple average closing price, which was JPY 89,596 (rounded off to the nearest whole number) in the past three months between 1 June 2012 and 31 August 2012; (2) considering various matters comprehensively, including the most recent liquidity status of the Company's common stock and financial standing in the TSE Mothers market; (3) considering the possibility of selling 2,000 shares which are to be placed on the stock market (8.01% (rounded off to two decimal places) of all the issued shares (24,962 shares)); and (4) considering the need to minimize the loss of the Company's corporate assets for the interests of all the shareholders who will continue to own its common stock.

After the Company's press release announcements on 7 November 2012, titled "**Earnings summary for the second quarter of Fiscal 2012, ended 31 March**" and "**Announcement on adjustments, etc., to the full fiscal year results,**" the Company informed Mr. Imai of its intention to purchase shares through the tender offer. On 15 November 2012, the Company reached an agreement with Mr. Imai to set the buying price per share at JPY 75,000 and, at the Board Meeting held on 16 November 2012, the Company decided to purchase treasury shares through the tender offer.

The buying price of JPY 75,000 is equal to a value that is discounted by 44.9% (rounded off to one decimal place) from the Company's common stock's closing price of JPY 136,000 on the TSE Mothers market, on one business day (16 November 2012) before the date of submitting this document.

(4) Number of Shares Planned to be Acquired

Class of Shares	Number of Shares to be Acquired	Planned Number of Shares in Excess	Sum Total
Common Stock	2,400 shares	-	2,400 shares

(Note) If the total number of tendered shares does not exceed the number of shares planned to be acquired (2,400 shares), all of the tendered shares will be acquired. If the total number of listed shares

subscribed exceeds the planned number to be acquired (2,400 shares), the excess portion shall not be acquired by tender offer either in full or in part, and transfer or other settlement procedures for the purchase of listed shares, etc. will be conducted by the proportional distribution method stipulated in Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (hereinafter the “Act”), as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the Act, and in Article 21 of the Cabinet Office Ordinance.

(5) Funds required for purchase, etc.

Purchase Price (a)	JPY 180,000,000
Purchase Commission (b)	JPY 10,000,000
Other (c)	JPY 1,900,000
Total (a) + (b) + (c)	JPY 191,900,000

(Note 1) The “Purchase Price (a)” indicates the value calculated by multiplying the number of shares to be purchased (2,400 shares) by the purchase price (JPY 75,000) per share.

(Note 2) The “Purchase Commission (b)” indicates the estimated amount of commission to be paid to the tender offer agent.

(Note 3) “Other (c)” indicates the estimated amount of various costs, such as the cost of printing: adverts on the tender offer on newspaper; documents explaining about the tender offer; and other necessary documents.

(Note 4) The amount of various expenses to be paid to the tender offer agent and solicitor’s fee will not be finalized until the tender offer is completed.

(Note 5) The above figures do not include consumption tax and local consumption tax.

(6) Commencement Date and Method of Payment

(i) Name and Address of Tender Offer Agent:

SBI SECURITIES Co., Ltd. 1-6-1 Roppongi, Minato-ku, Tokyo

(ii) Commencement Date of Payment:

Wednesday, 16 January 2013

(iii) Method of Payment:

When the tender offer period ends, the Company will promptly send notification regarding purchase, etc. of the Tender Offer to addresses of subscribing shareholders (standing proxies in case of foreign shareholders). The purchase will be made in cash. The net amount, after deducting the applicable withholding tax from the payment price of the purchased stock certificates (*), will be promptly remitted from the tender offer agent to the subscribing shareholders (standing proxies in case of foreign shareholders) beginning on the payment commencement date.

(*) Tax Issues on Purchased Stocks via Tender Offer

For specific tax-related questions, please consult with a tax accountant or other experts on tax to make a judgment on your own.

(i) Individual Shareholders:

- (a) In case the Purchase Price per share of stock exceeds the tender offeror’s capital per share
- i. If the monetary amount to be received via the Tender Offer exceeds the portion of the tender offeror’s capital (if a consolidated corporation, then the amount of

consolidated capital stock) corresponding to the stock that initiated the payment, the excess amount is deemed as a dividend and is subject to tax. Any amount that shall be deemed as dividend is subject to 10.147% tax withholding at source (income tax of 7.147%, resident tax of 3% will be applied). Provided, however, in case of large shareholders pursuant to Article 4-6-2, Paragraph 12 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (“Large Shareholders”), income tax of 20.42% will be withheld at source (only income tax will be applied).

ii. The monetary amount to be received via the Tender Offer subtracting above “i.”, or the part deemed to as dividend, will be considered as income from the transfer of shares. Transferring profit/loss will be calculated based on share transfer income subtracting any acquisition cost, and it will be subject to separate taxation filing.

(b) In case the Purchase Price per share of stock is lower than the tender offer’s capital per share of stock

If there is no amount that shall be deemed as dividend, all of the monetary amount to be received will be considered as income from the transfer of shares. Transferring profit/loss will be calculated based on share transfer income subtracting any acquisition cost, and it will be subject to separate taxation filing.

(ii) Corporate Shareholders:

In the event that subscribing shareholders are corporate shareholders, and if the monetary amount to be received via this Tender Offer exceeds the portion of the tender offeror’s capital corresponding to the stock that initiated the payment (if the Purchase Price per share of stock exceeds the tender offeror’s capital per share of stock), the excess amount is deemed as a dividend and is subject to 7.147% tax withholding at source (only income tax will be applied).

Any foreign shareholders who wish to have income tax on the corresponding dividend amount reduced or exempted on the basis of applicable tax treaty shall inform the tender offer agent by 17 December 2012 that a notification regarding tax treaty will be submitted and submit the notification to the tender offer agent by the business day immediately prior to the payment commencement date (January 15, 2013).

(7) Others

(i) This Tender Offer is not conducted in the United States or for the United States, either directly or indirectly, and is not conducted by means of U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and moreover, is not conducted through any securities exchange facility in the United States. This Tender Offer may not be subscribed through any of the aforementioned methods or means, or through the aforementioned facilities, or from the United States.

Furthermore, tender offer notifications or any related documents regarding the Tender Offer are not sent to or distributed, or may not be sent or distributed, in the United States or from the United States by means of mail or any other methods. The Company will not accept any subscriptions to this Tender Offer that directly or indirectly violates the aforementioned restrictions.

Subscribing shareholders and other relevant parties (standing proxies in case of foreign shareholders) are requested to make the following representations and warranties to the tender offer agent.

Subscribing shareholders and other relevant parties: (i) are not in the United States at the times of subscription and submission of the tender offer subscription; (ii) have not received or sent any information regarding the Tender Offer (including any photocopies), directly or indirectly, in the United States, to the United States, or from the United States; (iii) have not used, directly or indirectly, any U.S. mail, other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail and internet communications), and securities exchange facilities in the United States, when signing and delivering any offer or tender offer subscription forms; and (iv) do not act as any other party's agent, trustee or mandatory without discretionary power (except when such other party gives all instructions regarding the offer from the outside of the United States).

- (ii) As of 16 November 2012, Mr. Imai, the Company's second largest shareholder, owns 2,549 shares of the Company's common stocks (the shareholding ratio to the total number of outstanding shares [24,962 shares] is 10.21% [rounded off to two decimal places]), and the Company has made an agreement with Mr. Imai to subscribe 2,000 stock, a part of his holdings (the shareholding ratio to the total number of outstanding shares is 8.01%), to the Tender Offer, in the event the Company starts Tender Offer of treasury stock.

For further information, please contact:

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