

17 July 2013

SBI Holdings, Inc.

Announcement: Tokyo Court Issues Judgment in the Lawsuit Filed Against Facta Publishing Ltd.

As announced in the press release entitled “Second Lawsuit Filed Against Facta Publishing and its Representative,” dated 31 August 2012, SBI Holdings, Inc. (hereafter “SBIH”) and Mr. Yoshitaka Kitao, its Representative Director, President & Chief Executive Officer (in his individual capacity), jointly filed a defamation lawsuit in the Tokyo District Court against Facta Publishing Ltd. (hereafter “Facta Publishing”) and its representative director, Mr. Shigeo Abe, seeking compensatory damages and other remedies. The lawsuit was a response to certain articles containing baseless and malicious statements about SBIH that were published by Facta Publishing on its website “FACTA Online” on 18 August 2012 as well as in the September edition of its print magazine “FACTA” (published 20 August 2012) (hereafter, the “Articles”). SBIH hereby announces that the Tokyo District Court issued its judgment today.

1. Details of the Judgment

In its decision, the Tokyo District Court agreed with SBIH’s claim that “there is no evidence to suggest that SBIH borrowed JPY 20.0 billion from an individual who was connected to speculators,” and that the Articles “constituted defamation of SBIH and Mr. Yoshitaka Kitao, its Representative Director, President & Chief Executive Officer.” The Tokyo District Court ordered Facta Publishing and its representative director, Mr. Shigeo Abe to pay, on a joint and several basis, JPY 2 million each to SBIH and Mr. Yoshitaka Kitao (for a total of JPY 4 million).

A summary of the Tokyo District Court’s decision is provided below (excerpted from the “fact and reasons” section of the judgment).

- (1) The articles could undermine the public reputation of SBIH and Mr. Yoshitaka Kitao, its Representative Director, President & Chief Executive Officer.
- (2) There is no objective evidence to support the claim in the Articles that SBIH borrowed JPY 20.0 billion from an individual who had connection with speculators. The court is therefore unable to conclude that the essential part of all the evidence is true.
- (3) The defendant posted the articles without conducting a full investigation into the matter. In its analysis and interviews, the defendant failed to obtain the necessary evidence to objectively support the details of its claim, and even failed to interview SBIH regarding

the matter. Therefore, the court is unable to conclude from defendant's approach to information gathering that the defendant had probable cause to believe the information described in the articles was true.

- (4) Posting of the articles by the defendant in its monthly magazine FACTA and on its website FACTA Online constituted an unlawful act against SBIH and Mr. Yoshitaka Kitao.

2. Future Actions

As mentioned above, the judgment fully acknowledged the claims made by SBIH and Mr. Yoshitaka Kitao. However, the court did not order the publication of an official retraction and apology due to its belief that a relatively long time has elapsed since the initial publication, a reason we believe to be irrational. SBIH is currently considering its future actions on this point.

Meanwhile, SBIH and Mr. Yoshitaka Kitao jointly filed a separate lawsuit against Facta Publishing in the Tokyo District Court in March 2012 which is still ongoing. SBIH and Mr. Yoshitaka Kitao will continue to insist on the validity of those claims and will consider taking additional legal action against any other baseless, libelous articles issued by Facta Publishing.

For further information, please contact:

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