

30 January 2014

SBI Holdings, Inc.

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

As announced in the press release entitled “Lawsuit Filed Against Facta Publishing and its Representative” (only available in Japanese), dated 8 March 2012, SBI Holdings, Inc. (hereafter “SBIH”), its subsidiary SBI Investment Co., Ltd. (hereafter “SBI Investment”) and Mr. Yoshitaka Kitao, Representative Director, President & Chief Executive Officer of SBIH (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 19 December 2011 as well as in the January edition of its print magazine “FACTA” (published 20 December 2011) (hereafter, the “Articles”). SBIH hereby announces that the Tokyo District Court issued its judgment.

1. Details of the Judgment

In the Articles, Facta Publishing stated that SBIH, SBI Investment and Mr. Yoshitaka Kitao had pursued profits for officers of the SBI Group through the transfer of KLab shares, at the sacrifice of the interests of general investors. However, the Tokyo District Court fully agreed with SBIH’s claim that the Articles contained baseless statements and 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 and JPY 1 million to SBI Investment for a total of JPY 5 million.

A summary of the Tokyo District Court’s decision is provided below.

- (1) The contents of the Articles could undermine the public reputation of SBIH, SBI Investment and Mr. Yoshitaka Kitao, Representative Director, President & Chief Executive Officer of SBIH.
- (2) There is no evidence to support the claim in the Articles that the transfer of KLab shares was intended to gain profits for officers of the SBI Group at the sacrifice of the interests of general investors. The court is therefore unable to conclude that this essential part of

the Articles is true.

- (3) There are no traces to indicate that the person who was regarded as the source of the information provided explanations with concrete underlying facts to support the Articles and the conclusions stated in the Articles are nothing more than presumptions.

Furthermore, no review of the relevant securities report, etc. was conducted whatsoever, although there was nothing to suggest any particular difficulty in reviewing such documents. Therefore, the court is unable to conclude that the defendant had probable cause to believe the information described in the Articles was true.

- (4) The defendant, as the issuer or the party posting the Articles in its monthly magazine FACTA and on its website FACTA Online, is subject to a defamation charge for the unlawful act conducted.

2. Future Actions

As mentioned above, the judgment fully acknowledged the claims regarding the Articles made by SBIH, SBI Investment and Mr. Yoshitaka Kitao. However, the court did not order the publication of an official retraction and apology due primarily to the reasons that a relatively long time has elapsed since the publication of the Articles and that SBIH had proactively taken a certain level of action to restore its reputation by immediately issuing a counterargument on its website that the contents of the Articles were untrue. SBIH is currently considering its future actions on this point. Meanwhile, SBIH, SBI Investment and Mr. Yoshitaka Kitao jointly filed a separate lawsuit against Fact Publishing and its representative director in the Tokyo District Court in August 2012. Please be informed that, as announced in the press release dated 17 July 2013, the Tokyo District Court fully agreed with SBIH's claim also for this case. (The case is currently undergoing an appeal trial in the Tokyo High Court.)

For further information, please contact:

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