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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 13.10B 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, 9 June 2014

*As of the date of this announcement, the executive Directors are Mr. Yoshitaka Kitao, Mr. Takashi Nakagawa, Mr. Tomoya Asakura, Mr. Shumpei Morita and Mr. Peilung Li, the non-executive Directors are Mr. Masato Takamura, Mr. Hiroshi Tasaka and Mr. Teruhide Sato and the independent non-executive Directors are Mr. Masaki Yoshida, Mr. Kiyoshi Nagano, Mr. Keiji Watanabe, Mr. Akihiro Tamaki and Mr. Masanao Marumono.*

## **Notice of SBI Savings Bank's Capital Increase**

SBI Holdings, Inc. (hereinafter "SBIH") hereby announces that SBI Savings Bank (hereinafter "SBI 1 Savings Bank") and SBI 2 Savings Bank, both of which are South Korean subsidiaries of SBIH, will conduct a capital increase amounting to KRW 180.0 billion (equivalent to approximately JPY 18.0 billion, converted at KRW 1 = JPY 0.100). The funds for the capital increase subscription are planned to be raised by SBIH's subsidiary from South Korean financial institutions.

### **1. Reasons for the capital increase and future outlook**

With regard to a capital increase carried out by SBI 1 Savings Bank and its affiliated banks (hereinafter "SBI Savings Bank Group" collectively with SBI 1 Savings Bank), the SBI Group has been considering the possibility of receiving funding contributions from financial institutions and investors outside of the SBI Group. As it became possible to receive funding from several financial institutions in South Korea, the SBI Group decided upon the said capital increase.

Of the total amount of the capital increase subscription, the said subsidiary of SBIH has raised KRW 130.0 billion (equivalent to approximately JPY 13.0 billion) through a syndicated loan from local institutional investors, including a major life insurance company. SBIH is also considering raising the remaining KRW 50.0 billion (equivalent to approximately JPY 5.0 billion) from South Korean financial institutions.

Through the capital increase, the capital adequacy ratios of SBI 1 Savings Bank and SBI 2 Savings Bank are each expected to exceed 8% (as of the end of June 2014).

The SBI Savings Bank Group has been focusing on debt collection by means including the sale of bad debt, and promoting business development to extend loans to individuals, and to small and medium-sized enterprises, in order to strengthen profitability. In SBIH's consolidated financial results based on the International Financial Reporting Standards (IFRS), the SBI Savings Bank Group posted profit before income tax expense of approximately JPY 4.0 billion for the fiscal year ended 31 March 2014.

Owing to the capital increase, the SBI Savings Bank Group will further strengthen its financial base on the basis of the South Korean Accounting Standards (K-GAAP), and more aggressively promote business development through the utilization of the raised funds. Additionally, SBI 1 Savings Bank is considering an organizational restructuring, including affiliated bank mergers, and will continue to strengthen its profitability toward a future IPO.

The impact of the said capital increase on the consolidated financial results of SBIH will be minimal.

**2. Number of shares to be acquired by the SBI Group, transaction amount and the number of shares held before and after the subscription**

	SBI 1 Savings Bank	SBI 2 Savings Bank
Number of shares held by the SBI Group prior to the subscription (*)	149,352,673 (Shareholding ratio: 96.9%)	64,758,212 (Shareholding ratio: 98.9%)
Number of shares to be subscribed	26,997,921	11,863,200
Number of shares to be subscribed by the SBI Group, excluding SBI 1 Savings Bank	26,997,921 (Transaction amount: KRW 135 billion)	8,999,998 (Transaction amount: KRW 45 billion)
Number of shares to be subscribed by SBI 1 Savings Bank	—	2,863,202 (Transaction amount: KRW 14.3 billion)
Number of shares held by the SBI Group after the subscription (*)	176,350,594 (Shareholding ratio: 97.4%)	76,621,412 (Shareholding ratio: 99.0%)

\* The figures include the shares held through SBI 1 Savings Bank.

**3. Schedule**

(1) Signing on the share subscription agreement of SBI 1 Savings Bank	11 June 2014 (tentative)
(2) Payment of share subscription of SBI 1 Savings Bank	12 June 2014 (tentative)
(3) Signing on the share subscription agreement of SBI 2 Savings Bank	12 June 2014 (tentative)
(4) Payment of share subscription of SBI 2 Savings Bank	13 June 2014 (tentative)

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For further information, please contact:

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