

**Announcement on Determination of Terms of Issue, etc., of
Euro Yen Convertible Bonds Due 2017**

SBI Holdings, Inc. (hereinafter “the Company”) hereby announces the determination of the terms of issue and certain other matters, in addition to those terms that have been already determined as follows, in respect of the issue of Euro Yen Convertible Bonds due 2017 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*, hereinafter the “Bonds with Stock Acquisition Rights,” among which the bonds only shall be referred to as the “Bonds” and the stock acquisition rights only shall be referred to as the “Stock Acquisition Rights”, respectively). The issuance was resolved at the Board of Directors Meeting held on 17 October 2013.

Matters relating to the Stock Acquisition Rights

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| (1) The price of the asset to be contributed upon exercise of the Stock Acquisition Rights | Equal to the principal amount of the Bonds |
| (2) Conversion price (Reference) Share price, etc., as of the pricing date (17 October 2013) | JPY 1,534 |
| (i) Share price (closing price) on the Tokyo Stock Exchange | JPY 1,279 |
| (ii) Conversion premium [{(Conversion price)/(Share price (closing price))-1} × 100] | 19.94% |

This announcement shall not constitute an offer to sell or a solicitation of an offer to buy the Bonds or Shares, nor shall there be any sale of these Bonds or Shares in any state of jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under securities law of any such state or jurisdiction.

This announcement does not constitute or form a part of any offer of securities for sale in the United States or elsewhere. The Bonds issued by the Company and the Shares into which the Bonds are convertible have not been and will not be, at the time of offering, registered under the U.S. Securities Act of 1933 (the “Securities Act”) or any relevant securities law of any state securities law, and may not be offered or sold in the U.S. absent registration under, or an applicable exemption from, the registration requirements of the Securities Act and applicable state securities law. Any public offering of securities to be made in the U.S. will be made by means of a prospectus that may be obtained from the Company and that will contain detailed information about the Company and its management as well as its financial statements.

(Reference) Outline of the Zero Coupon Convertible Bonds due 2017

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| (1) Aggregate amount of the Bonds | The aggregate principal amount of JPY 30,000,000,000 and the aggregate principal amount of the Bonds concerning the replacement certificates of Bonds with Stock Acquisition Rights |
| (2) Paid-in amount of each Bond | 100.0% of the principal amount of each Bond (principal amount of each Bond: JPY 10,000,000) |
| (3) Issue price (offer price) of the Bonds with Stock Acquisition Rights | 102.5% of the principal amount of each Bond |
| (4) Date of determination for the issuance | 17 October 2017 |
| (5) Payment date and issuance date of the Bonds | 5 November 2017 (London time, hereinafter the same unless otherwise specified) |
| (6) Exercise Period of Stock Acquisition Rights | The exercise period shall be from 19 November 2013, to the close of the business of banks on 19 October 2017 (local time at the place where the Stock Acquisition Right is to be exercised); however, (A) in the case of early redemption, then up to the close of the business of banks (local time at the place where a request for the exercise is accepted) on the third Tokyo business day prior to the relevant redemption date (except for the Stock Acquisition Rights relating to the Bonds for which the holder has elected that such Bond shall not be redeemed in the case of redemption for taxation reasons), (B) in the case of purchase and cancellation of the Bonds, then up to the time when such Bond is cancelled by the Company; (C) if the relevant bond shall become due and repayable, then up to the time when such Bond becomes due and repayable. |

Notwithstanding the foregoing, the Stock Acquisition Right may not be exercised for such period as may be designated by the Company, which may not exceed 30 days, and which period shall end on a date not later 14 days after the Corporate Event Effective Date if the Company reasonably determines that such suspension is necessary in order to consummate the relevant organizational restructuring by the Company.

Notwithstanding the foregoing, the Stock Acquisition Right may not be exercised if a calendar day in Japan on which the exercise of Stock Acquisition Rights become effective (or if such calendar day is not a Tokyo business

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day, the next following Tokyo business day) falls during the period from, and including, two Tokyo business days prior to the record date fixed by the Company or other day specified for determining the shareholders pursuant to Article 151, paragraph 1 of the Law Concerning Book-Entry Transfer of Bonds, Stock, etc. (Law No. 75 of 2001) (together with the record date fixed by the Company, collectively, the “Shareholder Determination Date”) (if a Shareholder Determination Date is not a Tokyo business day, three Tokyo business days prior to such Shareholder Determination Date) to, and including, such Shareholder Determination Date (if a Shareholder Determination Date is not a Tokyo business day, three Tokyo business days prior to such Shareholder Determination Date). If there is a change to a Japanese law and regulation or practice relating to the delivery of shares upon the exercise of stock acquisition rights through the book-entry transfer system established pursuant to the Act on Book-Entry Transfer of Corporate Bonds, Shares, Etc., then the Company may amend the restriction on the exercise period of the Stock Acquisition Rights under this paragraph to reflect such change.

(7) Maturity date

2 November 2017

(8) Information on Dilutive Shares

Due to the issue of the Bonds with Stock Acquisition Rights, the ratio of the dilutive shares to the current total number of the issued shares as of 30 September 2013 (224,561,761 shares) is estimated to be 8.71%.

(Note) The ratio of the dilutive shares is calculated by dividing the number of shares to be issued when all the Stock Acquisition Rights are exercised at the initial conversion price, by the current total number of issued shares. The current total number of issued shares is calculated as being 224,561,761 shares, as of 30 September 2013, since the Company has some outstanding stock acquisition rights.

* Please refer to the press release of “Notice Regarding the Issue of Euro Yen Convertible Bonds Due 2017” announced on 17 October 2013 for further details.

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For further information, please contact:

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