

September 14, 2017

**SBI Holdings, SBI BITS and NEC Commence
Joint Demonstration Trial of KYC Operations
Using Blockchain Technology**

Tokyo, September 14, 2017 - SBI Holdings, Inc. (SBI Holdings; TSE: 8473), SBI BITS Co., Ltd. (SBI BITS) and NEC Corporation (NEC; TSE: 6701) today announced that they would jointly embark on the industry's first demonstration trial of Know Your Customer (KYC) operations infrastructure equipped with blockchain technology. This trial takes place in cooperation with 14 financial institutions and capitalizes on the initiative called "Proof of Concept Testing for utilization of Blockchain/DLT (distributed ledger technology) in Capital Market Infrastructure" conducted by Japan Exchange Group.

This demonstration trial is intended to increase convenience for customers at the time of opening accounts at securities companies and to streamline the operations of securities companies by sharing KYC information quickly and securely among other securities companies through the use of the blockchain technology, which is characterized by its reduced susceptibility to data falsification and loss.

With the use of open source blockchain platforms, namely Hyperledger Fabric and Corda, SBI Holdings, SBI BITS and NEC will develop an application that allows security companies to share KYC data and implement it on the cloud as KYC operational infrastructure.

In response to the 2014 statement of the Financial Action Task Force (FATF) on countermeasures against international money laundering and terrorist financing, Japan requires domestic financial institutions to carry out identity checks and to keep records on them in the event of an account being opened. Anticipating tougher regulations in the future, financial institutions are required to steadily take action to comply with laws and systems.

To offer a solution to this challenge, SBI Holdings, SBI BITS and NEC will verify and evaluate the effect of introducing blockchain technology to KYC operations in cooperation

with financial institutions that are participating in this trial. The three companies aim to offer secure, reassuring and functional KYC operations infrastructure.

In view of the knowledge learned from the demonstration trial, SBI Holdings, SBI BITS and NEC will subsequently strive to commercialize KYC operations infrastructure, making it available to a wide range of financial institutions, helping to enhance customer service and develop financial services markets.

“As a pioneering FinTech company, the SBI Group will take advantage of its knowledge in the online finance businesses in order to further increase investments in the FinTech area and to introduce cutting-edge FinTech solutions to the Group’s Financial Services Business,” said Mamoru Fujimoto, Executive Officer of SBI Holdings.

“Dedicated to social value creation, NEC will globally accelerate innovations based on blockchain, AI, IoT, security and other advanced technologies by working together with many different companies and research institutions, thereby contributing to the safety, security, efficiency and equality of society. NEC has been leading academic research on blockchain security since the beginning of Bitcoin. We believe that our expertise and knowledge will help the demonstration trial to succeed and to accelerate commercialization of KYC operations infrastructure utilizing blockchain technology,” said Daichi Iwata, Head of the FinTech Business Development Office, NEC Corporation.

SBI Holdings Press Contacts:
Corporate Communications Dept., SBI Holdings, Inc.
TEL: +81-3-6229-0126

NEC Press Contacts (Japan):

Seiichiro Toda	Joseph Jasper
NEC Corporation	NEC Corporation
s-toda@cj.jp.nec.com	j-jasper@ax.jp.nec.com
+81-3-3798-6511	+81-3-3798-6511