

Notice of Establishment of a Joint Venture with LG CNS Co., Ltd.

SBI Holdings, Inc. (“SBIH”) and LG CNS Co., Ltd. (part of the Korean LG Group, headquartered in Seoul, South Korea, CEO Kim Dae Hoon, hereinafter “LG CNS”), a company that provides comprehensive IT services, have executed a joint-venture agreement establishing SBI-LG Systems Co., Ltd. (hereinafter “the System Joint Venture”), an IT system services provider.

1. Intent of the Establishment of the System Joint Venture

The SBI Group is establishing the System Joint Venture with LG CNS with the primary objective of realizing a substantial reduction in system costs for the SBI Group’s wide-ranging overseas and domestic financial services businesses.

As the systems division company of the LG Group, one of Korea’s leading conglomerates, LG CNS possesses strong cost-competitiveness supported by a global developmental regime, and has abundant experience in the development of systems architecture for financial services including the securities area.

Through the establishment of the System Joint Venture with LG CNS, the SBI Group, in addition to a substantial reduction in costs, is striving for faster realization of customer needs by way of enhancements to the system development regime, stronger competitiveness of each of the SBI Group companies, and ensuring the provision of a stable system during the overseas offering of Internet-based financial services.

2. Outline of the System Joint Venture

Corporate name	: SBI-LG Systems Co., Ltd.
Head office	: 1-6-1, Roppongi, Minato-ku, Tokyo
Establishment	: February 2011 (anticipated)
Capital and capital reserve	: Capital: 245 million yen, Capital Reserve: 245 million yen (Total 490 million yen)
Investment ratio	: SBIH 49% LG CNS 51%
Business	: System related business
Board members	: 2 Representative Directors (SBIH appoints 1 and LG CNS 1) 3 Directors (in addition to the Representative Directors) (SBIH appoints 1 and LG CNS 2) 1 Corporate Auditor (SBIH appoints)

3. Outline of LG CNS

Corporate name : LG CNS Co., Ltd.
Head office : Prime Tower #10-1, Hoehyeon-dong, 2-ga, Jung-gu, Seoul, Korea
Representative : Kim Dae Hoon
Number of employees : approximately 9,000 (including domestic and overseas subsidiaries)
 : approximately 500 in the finance related division(s)
Establishment : January 1987
Capital : 3.7 billion yen
Investment ratio : LG 85%
Business : Total IT services such as System Integration, Consulting,, and Outsourcing
Operating revenues : 2.5268 trillion KRW (As of 2009, IFRS consolidation)
Overseas Subsidiaries : Japan, China, India, Indonesia, Europe, Americas, Brazil

4. Schedule

February 2011 Establishment of the new company

For further information, please contact:

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