

January 29, 2016  
SBI Holdings, Inc.

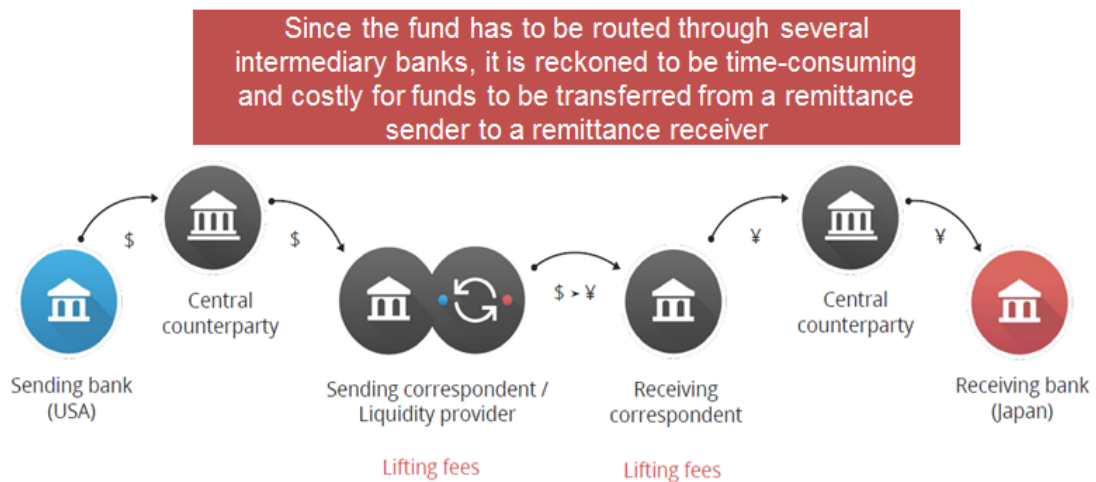
**Notice of Memorandum of Understanding on Investing in and Establishing Joint  
Venture with Ripple Labs Inc. that develops “Ripple Connect,”  
a Next-generation Settlement Platform based on Blockchain Technology**

SBI Holdings, Inc. (“SBIH”) hereby announces that it has recently entered into a memorandum of understanding with Ripple Labs Inc. (Head office: San Francisco, USA; CEO: Chris Larsen; “Ripple”), a developer and provider of “Ripple Connect” which is a next-generation settlement platform based on blockchain technology. The purposes of the memorandum of understanding are to invest in Ripple and to establish a joint venture company with Ripple for operating business in Asia.

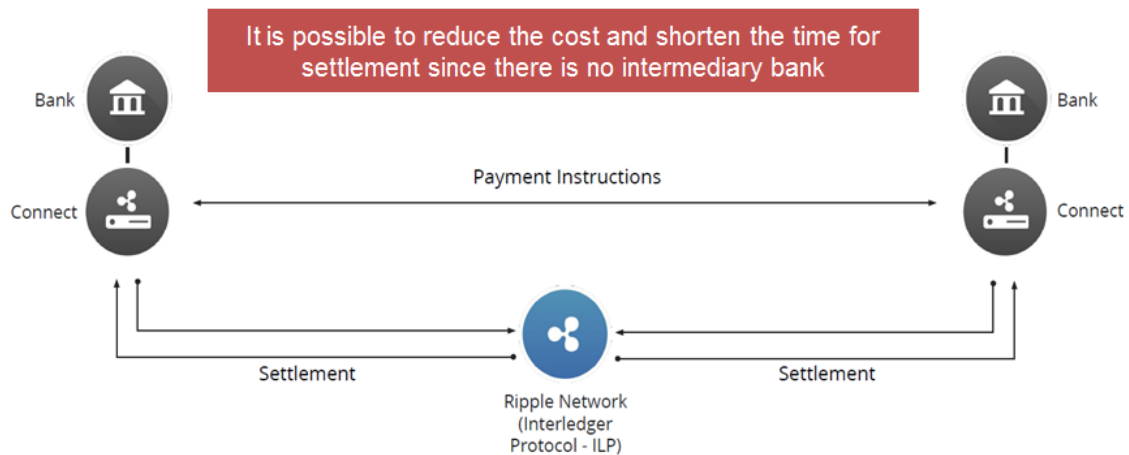
Ripple, which SBIH has recently entered into the memorandum of understanding for investing in and establishing the joint venture with, is one of the world’s leading start-up companies engaged in the FinTech field, and is listed in the “Fintech 50” of the economic magazine *Forbes*. As a leading company engaged in issuing and operating XRP, which is the second-largest virtual currency by market capitalization after bitcoin, Ripple has developed “Ripple Connect,” an alternative tool to the existing settlement infrastructure and an innovative next-generation settlement platform. This tool is based on the blockchain technology underlying virtual currency transactions. It has started performing demonstration experiments with major overseas financial institutions with a view to introducing the tool.

With the conventional settlement infrastructure for overseas remittance, since the fund has to be routed through several intermediary banks, it is reckoned to be time-consuming and costly for funds to be transferred from a remittance sender to a remittance receiver, as well as uncertain. However, with Ripple Connect, intermediary banks are not involved and a remittance sender is linked directly with a remittance receiver through market makers. As a result, it can significantly reduce the amount of fees as well as the time of transactions. At the same time, by shortening the route of settlement, it will become easier for a remittance sender to visualize and track the process.

[Conventional settlement infrastructure for overseas remittance]



[Ripple's settlement infrastructure for overseas remittance]



SBIH has been working on the international remittance field through SBI Remit which is a service provider of quick international remittance at low fees using several channels such as the Internet. In an effort to promote the development of a new international remittance system platform based on blockchain technology, it has recently entered into the memorandum of understanding on investing in Ripple and establishing a joint venture company operating business in Asia.

The SBI Group would like to further expand investments in promising companies in the FinTech industry, which is expected to grow. At the same time, the Group would also like to continuously introduce blockchain technology, which is expected to be core technology for the FinTech field, to the SBI Group's financial service business.

[Outline of Ripple Labs Inc.]

Business : Developing and providing settlement platform “Ripple Connect” and  
issuing virtual currency “XRP”

Head office : 300 Montgomery St, San Francisco, CA 94104

Representative : Chris Larsen, CEO

Establishment : September 2012

URL : <https://ripple.com/>

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