

March 2, 2017

SBI Holdings, Inc.

SBI Ripple Asia Co., Ltd.

Announcing the Successful Completion of RC Cloud Pilot

By Japan Bank Consortium

-- Moving into the Commercial Phase

The Japan Bank Consortium (the “Consortium”), of which operation is run by SBI Holdings (Head office: Minato-ku, Tokyo; Representative Director & CEO: Yoshitaka Kitao; “SBI Holdings”) and its subsidiary SBI Ripple Asia (Head office: Minato-ku, Tokyo; Representative Director: Takashi Okita; “SBI Ripple Asia”), hereby announce that it has successfully completed a pilot implementation of “RC Cloud”, a unified platform for both domestic and cross-border payments, by utilizing blockchain-related technology (distributed ledger technology).

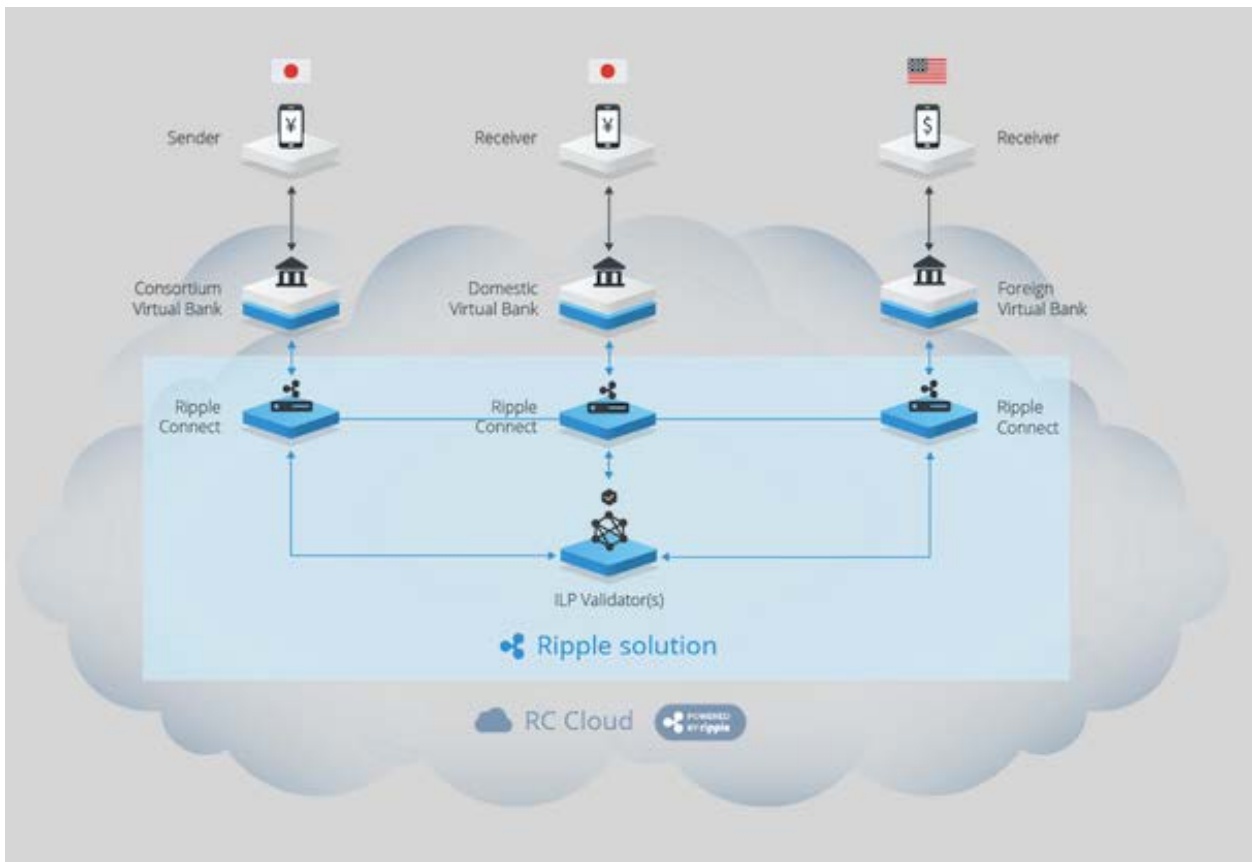
RC Cloud is a Japan-originated, cloud-hosted platform and is the first in the world to allow banks to make both domestic and cross-border payments on a unified platform by utilizing Ripple’s solution. In this pilot project, we confirmed that we were able to execute domestic and cross-border money transactions on commercial-grade RC Cloud, which is powered by Ripple solution, in a pilot environment. (*1)

The Consortium has also been discussing and evaluating the implementation of a Common Gateway (*2), which provides an easy way for member banks to access Ripple solution API, and a money transfer application as well as various regulatory issues. It will make continued progress towards commercialization by comprehensively examining multiple aspects including system development, operation, risk and standardization.

The number of the Consortium members was 42 at the time of the launch in October 2016. With new members joining the Consortium, it now adds up to 47 (*3) as of the end of February 2017 and is expected to increase further as we continue to accept participation by additional banks.

On a global scale, GPSG (Global Payment Steering Group), an advisory group of banks for adopting Ripple solution, has been established and is also accelerating its move towards the commercial phase. The Japan Bank Consortium has been referencing GPSG’s activities and evaluating various aspects of RC Cloud operation, including system/operational risk, standardization and additional development including Common Gateway. As the world is moving from the pilot phase into the production phase for blockchain technology, we hope that our Japan-originated solution will go beyond Japan and spread across the world.

(*1) Image of “RC Cloud” Pilot Implementation



Ripple solution is a suite of software components built around the Interledger Protocol (ILP), an open, neutral protocol that enables the interoperation of different ledgers and payment networks and brings together three aspects of modern payment solutions: messaging, settlement, and FX management.

Ripple Connect is the component of the Ripple solution that connects the internal systems of financial institutions to ledgers that are connected via the Interledger Protocol (ILP), allowing financial institutions settle cross-border payments atomically and in real-time by providing a messaging layer that allows institutions to exchange compliance information, fees, and estimated delivery time of payment.

The ILP Validator component cryptographically confirms the success or failure of a payment and coordinates the funds movement across the ledgers of transacting parties in a way that removes all settlement risk and minimizes delays in settlement.

(*2) Common Gateway refers to a common interface to connect with banks' accounting systems

(*3) List of consortium member banks (47 banks)

The Aomori Bank, Ltd.	The Chugoku Bank, Limited.
The Ashikaga Bank, Ltd.	Tsukuba Bank, Ltd.
The Awa Bank, Ltd.	The Tokyo Star Bank, Limited
AEON Bank, Ltd.	THE TOHO BANK, LTD.
The Senshu Ikeda Bank, Ltd.	THE TOCHIGI BANK, LTD.
The Iyo Bank, Ltd.	THE NISHI-NIPPON CITY BANK, LTD.
Oita Bank Co. Ltd.	The Nomura Trust and Banking Co., Ltd.
ORIX Bank Corporation	THE HACHIJUNI BANK, Ltd.
The Gunma Bank, Ltd.	The Hyakugo Bank, Ltd.
The Keiyo Bank, Ltd.	The Hiroshima Bank, Ltd.
The San-in Godo Bank, Ltd.	The Fukui Bank, Ltd.
The Sikoku Bank, Ltd.	North Pacific Bank, Ltd.
The 77 Bank, Ltd.	THE HOKURIKU BANK, LTD.
THE SHIMIZU BANK, LTD.	Mizuho Financial Group, Inc.
The Juroku Bank, Ltd.	THE MICHINOKU BANK, LTD.
Shinkin Central Bank	Sumitomo Mitsui Trust Bank, Limited.
Shinsei Bank, Limited.	The Musashino Bank, Ltd.
SBI Sumishin Net Bank, Ltd.	The Yachiyo Bank, Limited.
Suruga Bank Ltd.	The Yamagata Bank, Ltd.
Seven Bank, Ltd.	The Yamaguchi Bank, Ltd.
Sony Bank Incorporated	The Bank of Yokohama, Ltd.
The Daishi Bank, Ltd.	Resona Bank, Limited.
Daiwa Next Bank, Ltd.	Bank of The Ryukyus, Limited.
The Chiba Bank, Ltd.	

(*4) Short name for Global Payments Steering Group. The group includes major banks including Bank of America Merrill Lynch and Santander.

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