

October 28 2020  
SBI Holdings, Inc.  
Money Tap Co., Ltd.

## **Notice of Investment in Money Tap Co., Ltd. by Ripple**

SBI Holdings, Inc. (Head Office: Minato-ku, Tokyo; Representative Director, President & CEO: Yoshitaka Kitao; hereinafter "SBI Holdings") hereby announces that Ripple Labs Inc. (Head Office: San Francisco, US; CEO: Brad Garlinghouse; hereinafter "Ripple") has decided to invest in Money Tap Co., Ltd. (Head Office: Minato-ku, Tokyo; Representative Director & President: Katsuya Kawashima; hereinafter "Money Tap"), which is a subsidiary of SBI Holdings.

Ripple is the leading provider of enterprise blockchain solutions for global payments which appeared on the "FinTech 50 2020" list of globally renowned business magazine Forbes. Founded in 2012, Ripple explores innovation in monetary and financial systems endeavoring to build the "Internet of Value." With 9 offices and nearly 500 employees worldwide, Ripple developed RippleNet, a groundbreaking next-generation payment platform using blockchain technology, the underlying technology driving crypto-assets, and provides RippleNet to major financial institutions around the world. On May 18, 2016, Ripple and SBI Holdings co-founded SBI Ripple Asia Co., Ltd., and have been expanding business targeting Japan, South Korea and parts of Southeast Asia.

XRP, the digital asset used in RippleNet, Ripple's global financial payments network was designed to serve as a bridge between fiat currencies in remittance transactions, giving access to on-demand liquidity. XRP is open-source decentralized blockchain technology which can consistently handle 1,500 transactions per second, 24x7, and can settle transactions in 3-5 seconds. It is faster, less costly and more scalable than any other digital asset.

Meanwhile, RippleNet is used by more than hundreds of financial institutions. It creates a direct connection between transacting banks through the use of distributed ledger technology and allows institutions to share information through distributed ledgers. RippleNet eliminates the delays, high costs, uncertainties and opacity involved mainly in international remittances, providing customers and transacting financial institutions with remittance functions that ensure real-time, cost-efficient, reliable, transparent payments, and delivering a superior customer experience. RippleNet is expected to solve the fundamental issues faced by existing global remittance networks.

Furthermore, Ripple's On-Demand Liquidity (ODL) service aims to reduce the complexity and high fees of the existing international remittance process through the use of the digital asset XRP as a bridge currency in international remittances. The service is already used by more than two dozen financial institutions. Financial institutions no longer need to pre-fund nostro accounts on each side of a transaction in that country's native currency. Approximately \$5 trillion is said to be sitting dormant in nostro accounts around the world and huge amounts of capital are tied up to settle foreign exchange transactions. The use of the ODL service allows financial institutions to significantly reduce their liquidity costs.

Money Tap endeavors to build a financial ecosystem, and the company develops a next-generation payment platform that uses Ripple's technology as described above to promote 24-hour and real-time payments. The company, using such solution, offers smartphone app Money Tap Money Tap enables consumers to make payments between bank accounts at their own bank or to another bank via a bank account, phone number or QR Code, distinguishing itself from other mobile remittance services with its QR code payment function. Money Tap is also seeking to expand the functions of the system platform to include prepaid charge functions for various payment service providers. By forming an ecosystem with financial institutions, and business operators such as payment providers and fintech companies, Money Tap aims to realize a customer experience that allows customers to receive various services with peace of mind, convenience and at low prices.

Interbank transfer fees remained high in Japan and have not been changed for more than 40 years, which is unusual by international standards. Through the provision of next-generation financial infrastructure, Money Tap will help revitalize economic activity and improve international competitiveness by applying sound competition principles to the fee levels of the existing rigid payment infrastructure. This may also help to lower transfer charges and other charges borne by general consumers for remittances and other transactions.

Through this latest investment by Ripple, Money Tap will further strengthen its partnership with Ripple and accelerate the development of new functions and new services including a small-amount collection service and corporate payment function, a community currency, an overseas remittance service, inbound and outbound remittance services, and a supply chain finance function, aiming to increase customer satisfaction through greater convenience.

\*QR Code is the registered trademark of DENSO WAVE INCORPORATED.

#### [List of Money Tap Shareholders]

SBI Holdings, Ripple, The Ashikaga Bank, The Awa Bank, The Ehime Bank, THE OGAKI KYORITSU BANK, Kita-Nippon Bank, Kiraboshi Bank, The Gunma Bank, The Keiyo Bank, THE SAN-IN GODO BANK, THE SHIGA BANK, THE SHIZUOKA BANK, Shimane Bank, The Shimizu Bank, Shinsei Bank, SBI Sumishin Net Bank, Suruga Bank, Seven Bank, THE SENDAI BANK, The Daisan Bank, Daiwa Securities Group, THE CHIKUHO BANK, THE TOHO BANK, THE TOWA BANK, THE TOCHIGI BANK, The Higo Bank, The Hiroshima Bank, The Fukui Bank, THE FUKUOKA CHUO BANK, FUKUSHIMA-BANK, The Hokuriku Bank, The Michinoku Bank, Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, The Miyazaki Bank, YAMAGUCHI FINANCIAL GROUP (The Yamaguchi Bank, Momiji Bank, The Kitakyushu Bank), and 1 other financial institution

#### ■ About Ripple (as of October 2020)

Corporate name	Ripple Labs Inc.
Establishment	September 2012
Location	San Francisco, U.S.
Representative	Brad Garlinghouse, CEO
URL	<a href="https://ripple.com/">https://ripple.com/</a>

#### ■ About Money Tap (as of October 2020)

Corporate name	Money Tap., Co., Ltd.
Establishment	March 2019
Location	Izumi Garden Tower, 1-6-1 Roppongi, Minato-ku, Tokyo
Representative	Katsuya Kawashima, Representative Director & President
URL	<a href="https://moneytap.jp/">https://moneytap.jp/</a>

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