

September 29, 2023
SBI Holdings, Inc.

Notice Regarding Conclusion of a Basic Agreement to Establish a Joint Venture with UAE TradeFinex Tech Ltd., the Promoter of XDC Network

SBI Holdings Co., Ltd. (Head Office: Minato-ku, Tokyo; Representative Director, Chairman, President and CEO: Yoshitaka Kitao; hereinafter “SBI Holdings”) hereby announces that it has concluded a Basic Agreement with TradeFinex Tech Ltd. (Headquarters: Dubai, United Arab Emirates; Co-Founders: Atul Khekade, Ritesh Kakkad; hereinafter “TradeFinex”), which promotes the XDC Network, an enterprise-specific blockchain with the goal of improving the efficiency of trade finance, to establish a joint venture in Japan.

With its operating head office in Dubai, United Arab Emirates, and communities and offices in various countries such as the United States, Singapore, and India, XDC Network is a layer-1 blockchain (*1) that is expected to be used in economic activities around the world, such as trade finance, supply chain management, and cross-border payments. Since its inception, XDC Network has focused on improving the efficiency of trade finance and has worked closely with the World Trade Organization (WTO), the International Chamber of Commerce (ICC), and many other government agencies, as well as providing innovative solutions improving transparency and traceability in trade finance, reducing costs, increasing transaction speed, reducing credit risk, and reducing use of paper documents.

In the SBI Group, XDC Network and SBI VC Trade Co., Ltd. (Head Office: Minato-ku, Tokyo; President: Tomohiko Kondo; hereinafter “SBI VC Trade”) which operates a crypto asset exchange business in the SBI Group, concluded a partnership alliance to work together to expand the use of the XDC Network within Japan on May 11, 2023, and started handling the crypto asset XDC at its exchange, a first in Japan, on May 31, 2023. Even after the start of handling, SBI VC Trade is working to expand the presence of XDC by adding staking and deposit/withdrawal services and improving the trading environment for XDC in Japan.

The newly established joint venture will localize XDC Network-related information in Japan, provide support to crypto asset exchange companies that wish to handle XDC, expand partnerships with subnet/layer 2 (*2) companies, and provide a wide range of innovative solutions of the XDC Network by deploying trade finance solutions provided by XDC Trade Network Pte. Ltd., (Head Office: Singapore, CEO: Sunil Senapati) in the APAC region.

(*1) Layer 1 blockchain (Layer 1): Refers to the blockchain itself, such as the XDC network and Ethereum network, and serves as the infrastructure for approving and recording transactions.

(*2) Subnet/Layer 2 (blockchain): An additional blockchain that solves the scalability problem of the Layer 1

blockchain. Layer 1 may experience delays in approving and recording transactions due to an increase in the number of transactions caused by an increase in the number of users, etc. By channeling transactions to Subnet/Layer 2 or conducting transactions on Subnet/Layer 2 from the beginning, it is possible to record transactions on Layer 1 while reducing the load on the network.

Outline of the Joint Venture (Planned)

Company Name	SBI XDC Network APAC Co., Ltd. (tentative)
Board of Directors	Representative Director, Tomohiko Kondo (Representative Director and President, SBI VC Trade Co., Ltd.) Director, Tadashi Yoshida (XDC Network Head of Japan) Director, Takashi Tashiro (President and Representative Director, BITPoint Japan Co., Ltd.)
Paid-in Capital	300 million yen
Investment ratio	SBI Holdings 60%, TradeFinex 40%

For further information, please contact:

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