

May 21, 2024  
SBI Holdings, Inc.

**Notice regarding the Memorandum of Understanding on Business Partnership  
for establishment of Alternative Trading System (ATS)  
with the National Technology Group in Saudi Arabia**

SBI Holdings, Inc. (Head Office: Minato-ku, Tokyo; Representative Director, Chairman, President & CEO: Yoshitaka Kitao; hereinafter “the Company”) hereby announces that it has signed a Memorandum of Understanding (hereinafter “the MoU”) with National Technology Group (Head office: Saudi Arabia; Chairman: Mohammed Rashid Al Ballaa; hereinafter: “NTG”), one of the largest information and communication Technology (ICT) company in Saudi Arabia, to establish an Alternative Trading System (ATS), equivalent to a Proprietary Trading System (PTS) in Japan, in Saudi Arabia.

NTG, established in 1984 in Saudi Arabia, is a leading Information and Communication Technology (ICT) company with a revenue of SAR 2 billion (approximately JPY 80 billion) and over 3,500 employees. It has more than 20 specialized ICT subsidiaries in Saudi Arabia, Gulf Cooperation Council (GCC), Egypt, Pakistan, Sri Lanka, and Turkey, and is also actively involved in the fintech business. Additionally, GTN Group Holdings (hereinafter: “GTN”), a subsidiary of NTG, provides a global trading and investment platform for institutional investors, with hubs in the Middle East, the United States, the United Kingdom, Singapore, and Africa.

Inspired by Saudi “Vision 2030”, the Kingdom of Saudi Arabia is experiencing economic transformation and rapid growth that is expected to continue for decades. To further support this growth, the Capital Market Authority (CMA) of Saudi Arabia has expressed its intention to grant licenses to companies possessing the ability to operate an Alternative Trading System (ATS) with the purpose of providing access to the global capital markets utilizing ATS for fixed income instruments, enhancing liquidity in Saudi Arabia’s fixed income instrument market, and facilitating fund raising through fixed income instruments in both the public and private sectors. In such environment, the SBI Group and GTN, together with International Finance Corporation (IFC) under the World Bank Group, a strategic investor, have applied for the license to CMA to become operators of an ATS. Thus, the Company and NTG have entered into the MoU to accelerate the business development towards the joint establishment of an ATS in Saudi Arabia.

Based on the current MoU, the SBI Group and NTG will consider a business alliance in the following areas:

1. SBI Group and GTN, together with IFC, will jointly submit responses to various requests from CMA toward obtain the license.
2. SBI Group and GTN will act as the operating partners of the ATS while IFC will play the part of a strategic investor..
3. SBI Group will provide its expertise and a matching engine for operating the ATS.
4. GTN will provide the technology for the matching engine primarily focused on fixed income instrument

trading.

5. SBI Group and GTN will promote the sale of fixed income instruments listed on the ATS.

The scope of the business alliance may expand beyond the subjects above, upon agreement between the SBI Group and NTG.

In the past, the Company has established investment funds with prominent local partners in the Middle East and executed investments. Most recently, the Company has signed a MoU for potential business alliances with Aramco, one of the world’s leading comprehensive energy and chemicals companies in Saudi Arabia, in December 2023. In February 2024, the Company has also established “SBI Middle East” in Riyadh as a base of operations for conducting business in the Middle East, and is working towards further expanding its businesses in the region.

Through the alliance with NTG, the SBI Group will endeavor to build a strong, flexible and synergistic relationship, contribute to the development of economic cooperation between Japan and Saudi Arabia, and promote further business expansion in the region.

[Overview of National Technology Group]

(1) Name	National Technology Group
(2) Location	Saudi Arabia
(3) Representative	Chairman: Mohammed Rashid Al Ballaa
(4) Business	Information & Communication Technology
(5) Year of establishment	1984
(6) URL	<a href="https://ntg.com.sa/">https://ntg.com.sa/</a>

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