[PRESS RELEASE]

SBI BITS and nChain Announce Strategic Partnership to Support Cryptocurrency Security and Bitcoin Cash

Tokyo, Japan – 7 December 2017 – SBI BITS Co., Ltd., the financial technology provider company that is a wholly-owned subsidiary of SBI Holdings, Inc. (HQ: Tokyo, Japan; Representative Director, President & CEO: Yoshitaka Kitao) and nChain, the blockchain research and development pioneer (HQ: Antigua; nChain research business in London, UK; Chairman of the Board: Stefan Matthews) announce a strategic partnership to collaborate on cryptocurrency growth initiatives, focused especially on the Bitcoin Cash network.

For their first collaborative project, SBI BITS and nChain will work together to develop stronger cryptocurrency security solutions for institutions and customers, in particular, a next-generation advanced secure wallet system. nChain will contribute its intellectual property and research insight, and SBI BITS will use its strong development team and financial services expertise to create a next-generation security system for cryptocurrency.

Yoshitaka Kitao, Representative Director, President & CEO of SBI Holdings, remarked:

> *"SBI Group believes in the power of cryptocurrency to transform the world, and we are committed to build a leading cryptocurrency ecosystem. But for cryptocurrency to continue growing, institutional investors and individual customers need confidence in stronger security to protect their investment. As part of its emerging cryptocurrency ecosystem, SBI Group is pleased to work with nChain to develop an enhanced security system which will benefit the entire industry."*

Stefan Matthews, Chairman of the Board of nChain Group, observes:

> *"Given the breadth of its financial services businesses and leading position in Japan, SBI Group is an exceptional partner for nChain. We are confident that SBI BITS' strong development team can help turn nChain's intellectual property and proprietary research insight into the next generation of cryptocurrency security. We are also impressed by SBI Group's commitment to becoming a world-class leader in many facets of cryptocurrency, and using its leadership position to help drive the industry's growth."*

This strategic partnership with nChain will help strengthen SBI Group's recently-announced plans to build a new financial ecosystem based on cryptocurrency, to create synergies with SBI's current financial ecosystem. SBI Group's new cryptocurrency ecosystem will consist of eight businesses that will operate exchange platforms; hedge fund management; financing; mining; ICO and exchange platform rating information services; a derivatives market; remittance services; and transaction/payments services.

For nChain, the collaboration enables the opportunity to bring key security innovations from its patent-pending intellectual property portfolio to life for SBI's business ecosystem in Japan and worldwide. SBI can also as a strong partner to offer nChain's security solutions to the entire cryptocurrency industry.

In addition, SBI BITS and nChain intend to work together on other projects supporting the Bitcoin Cash network. Both SBI Group and nChain Group share a commitment to massive on-chain scaling of the bitcoin network, in order to create a network that powers faster transactions with low fees, makes confirmation times reliable once again, and achieves enterprise-level capabilities. They believe that the Bitcoin Cash chain reflects this vision better than the original bitcoin chain (because Bitcoin Cash has a larger initial default block size of 8MB, compared to the artificial 1MB block limit on the original bitcoin chain, and has plans to lift the block size even further with appropriate testing). Although SBI Group's new ecosystem will support various cryptocurrencies, it will allocate resources to supporting Bitcoin Cash.

Yoshitaka Kitao, Representative Director, President & CEO of SBI Holdings, adds:

> *"The vision of the original Bitcoin white paper written by Satoshi Nakamoto calls for a peer-to-peer electronic cash system. That is a powerful vision, and SBI Group will devote resources to enable a future world where Bitcoin Cash is used globally for daily payments."*

Jimmy Nguyen, CEO of nChain Group, further comments:

> "*Bitcoin Cash is the true Bitcoin. We are excited to work with SBI Group on efforts to support the growth of Bitcoin Cash into a global, fast and low-fee payment system."*

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ABOUT SBI BITS: SBI BITS is a wholly-owned subsidiary of SBI Holdings, Inc. and is part of the cryptocurrency ecosystem of businesses at SBI Group. Formed by the vision of Yoshitaka Kitao, Representative Director, President & CEO, and founder of SBI Holdings, Inc., SBI BITS was established in July 2015 as the core of SBI Holding's FinTech strategy. Since then, SBI BITS has gathered IT experts from all over the world. It currently boast an international working environment of employees from over 40 countries. Top leaders, with more than 20 years of experience each in the FinTech industry, are spearheading the group. SBI BITS aims to spread the latest FinTech to the whole of Asia and the rest of the world, contribute to the advancement of cutting edge technology and bring new value to the financial industry.

ABOUT NCHAIN: nChain is the global leader in research and development of blockchain technologies. Its mission is to enable massive growth of the bitcoin network and dramatic increase in the value of bitcoin for everyone's benefit. The nChain Group of companies has grown to a team of in excess of 60 world-class scientific research, engineering and other professionals primarily based in London, United Kingdom and Vancouver, Canada.