

Cboe Global Markets and SBI Holdings, Inc. Sign Memorandum of Understanding

Oct 24, 2022



CHICAGO, Oct. 24, 2022 /PRNewswire/ -- Cboe Global Markets, Inc. (Cboe: CBOE), a leading provider of global market infrastructure and tradable products, and SBI Holdings, Inc. ("SBI"), a pioneer of internet financial services in Japan, today announced the companies have signed a Memorandum of Understanding ("MoU") whereby they have agreed to discuss potential business collaboration opportunities in the areas of traditional and digital finance.

The MoU between Cboe and SBI lays the foundation for the potential exchange of resources and information with respect to pursuing cooperation and planned joint business initiatives between the two firms in equities, digital assets, and other financial products and services, subject to any applicable regulatory approvals. The MoU creates the opportunity for Cboe and its Japanese equities market, Cboe Japan (formerly Chi-X Japan), to potentially reach additional investors and expand its presence in the Asia Pacific financial markets, and for SBI to leverage Cboe's expertise in equities and digital assets in an effort to expand its offering and global distribution network.

"Cboe is pleased to enter into this memorandum of understanding with SBI and we look forward to working together to leverage the expertise of our respective companies in mutually beneficial ways," said Ed Tilly, Chairman and Chief Executive Officer, Cboe Global Markets. "SBI's diverse business across financial services, including its leadership position in Japanese equities, will provide the opportunity for Cboe to expand our presence in the region, bringing innovative technology, products and services to even more investors. Further, our recent expansion into digital assets through Cboe Digital, a market and clearinghouse based on the exchange principles of transparency and regulatory compliance, supported by a network of intermediaries, providing client-driven solutions that help institutions fully embrace this emerging asset class, will provide SBI the opportunity to grow its global network for providing products and services in the digital asset space."

Yoshitaka Kitao, Representative Director, Chairman, President and CEO of SBI Holdings stated, "I recognize that Cboe and SBI Group have a lot in common; both led the reform of the financial industry and have aggressively entered into the field of digital finance by utilizing cutting-edge technology. The chemistry between the two companies will bring about new waves of changes to the Japanese financial market and promote regulatory reforms in Japan that will benefit investors in Japan, especially, the retail investors, and ultimately contribute to solving the long-standing social issue of 'shifting from savings to investment'."

Headquartered in Tokyo, SBI has significantly grown its business as a pioneer of internet finance service in Japan through its financial services businesses that include brokerage, banking, insurance, and asset management. In the proprietary trading system (PTS) business, SBI has contributed to the establishment of a fair and stable trading market as the major shareholder of Japannext Co., Ltd., which is Japan's largest proprietary trading business operator. Recently, SBI has begun proactively engaging in the expansion of its business in the field of digital finance through the use of distributed ledger technology such as security tokens and striving to create a global corridor that supports the consistent function of issuance, distribution, and custody for security tokens.

About Cboe Global Markets, Inc.

Cboe Global Markets (Cboe: CBOE), a leading provider of market infrastructure and tradable products, delivers cutting-edge trading, clearing and investment solutions to market participants around the world. The company is committed to operating a trusted, inclusive global marketplace, providing leading products, technology and data solutions that enable participants to define a sustainable financial future. Cboe provides trading solutions and products in multiple asset classes, including equities, derivatives, FX, and digital assets, across North America, Europe and Asia Pacific. To learn more, visit cboe.com.

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Cautionary Statements Regarding Forward-Looking Information

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve a number of risks and uncertainties. You can identify these statements by forward-looking words such as "may," "might," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," and the negative of these terms and other comparable terminology. All statements that reflect our expectations, assumptions or projections about the future other than statements of historical fact are forward-looking statements. These forward-looking statements, which are subject to known and unknown risks, uncertainties and assumptions about us, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations and projections about future events. There are important factors that could cause our actual results, level of activity, performance or achievements to differ materially from those expressed or implied by the forward-looking statements.

We operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible to predict all risks and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Some factors that could cause actual results to differ include: the loss of our right to exclusively list and trade certain index options and futures products; economic, political and market conditions; compliance with legal and regulatory obligations; price competition and consolidation in our industry; decreases in trading or clearing volumes, market data fees or a shift in the mix of products traded on our exchanges; legislative or regulatory changes or changes in tax regimes; our ability to protect our systems and communication networks from security risks, cybersecurity risks, insider threats and unauthorized disclosure of confidential information; our ability to attract and retain skilled management and other personnel; increasing competition by foreign and domestic entities; our dependence on and exposure to risk from third parties; fluctuations to currency exchange rates; factors that impact the quality and integrity of our indices; the impact of the novel coronavirus ("COVID-19") pandemic; our ability to operate our business without violating the intellectual property rights of others and the costs associated with protecting our intellectual property rights; our ability to minimize the risks, including our credit and default risks, associated with operating a European clearinghouse; our ability to accommodate trading and clearing volume and transaction traffic, including significant increases, without failure or degradation of performance of our systems; misconduct by those who use our markets or our products or for whom we clear transactions; challenges to our use of open source software code; our ability to meet our compliance obligations, including managing potential conflicts between our regulatory responsibilities and our for-profit status; our ability to maintain BIDS Trading as an independently managed and operated trading venue, separate from and not integrated with our registered national securities exchanges; damage to our reputation; the ability of our compliance and risk management methods to effectively monitor and manage our risks; our ability to manage our growth and strategic acquisitions or alliances effectively; restrictions imposed by our debt obligations and our ability to make payments on or refinance our debt obligations; our ability to maintain an investment grade credit rating; impairment of our goodwill, long-lived assets, investments or intangible assets; the accuracy of our estimates and expectations; litigation risks and other liabilities; and operating a digital asset business and clearinghouse, including the expected benefits of our ErisX acquisition, cybercrime, changes in digital asset regulation, losses due to digital asset custody, and fluctuations in digital asset prices. More detailed information about factors that may affect our actual results to differ may be found in our filings with the SEC, including in our Annual Report on Form 10-K for the year ended December 31, 2021 and other filings made from time to time with the SEC.

We do not undertake, and we expressly disclaim, any duty to update any forward-looking statement whether as a result of new information, future events or otherwise, except as required by law. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

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