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SBI Holdings, Inc.
(TOKYO: 8473)
SBI Investment Co., Ltd.

Establishment of SBI AI&Blockchain Fund, a Venture Capital Fund Endeavoring to Invest Mainly in AI and Blockchain Fields

SBI Investment Co., Ltd. (Head office: Minato-ku, Tokyo; Representative Director and President: Katsuya Kawashima; hereinafter “SBI Investment”), a wholly owned subsidiary of SBI Holdings (Head office: Minato-ku, Tokyo; Representative Director and CEO: Yoshitaka Kitao) that engages in venture capital fund operation and management hereby announces that it has newly established SBI AI&Blockchain Fund (fund name: SBI AI&Blockchain LPS; hereinafter the “Fund”) in order to invest in promising venture companies in AI and blockchain fields.

As a pioneer in the FinTech industry, SBI Investment set up the FinTech Fund (total commitment amount: JPY 30 billion) in December 2015, endeavoring to make investments in promising venture FinTech companies. Since then, the FinTech Fund has steadily conducted investment activities in response to the rising expectations for the future of blockchain and other FinTech-related businesses, as well as the emergence of many more promising venture companies than anticipated in Japan and overseas, and the know-how and knowledge of FinTech businesses cultivated by the SBI Group. The SBI Group, as a whole, currently invests in 61 companies (approximately JPY 32 billion) including investments by SBI Holdings, etc., and has earned a top global rating* for its investments in FinTech companies.

While new technologies such as AI and blockchain are attracting global attention in the financial sector, they are also expected to be used in various other sectors, such as the medical, real estate and public sectors. As a result, SBI Investment has decided to set up the Fund as a successor to the FinTech Fund, striving to make investments in promising venture companies conducting a broad range of AI and blockchain businesses, including that of FinTech companies along with IoT, robotics and the sharing economy, which are closely related to AI and blockchain technologies.

SBI Investment has been considering launching the Fund since around October 2017 and decided to start making investments reaching about JPY 20 billion in January 2018 to meet strong requests from the existing FinTech Fund investors, domestic and overseas financial institutions, corporations, and institutional investors.

SBI Investment also plans to solicit additional investments from regional financial institutions (e.g. regional banks and credit associations) and institutional investors (e.g. life and non-life insurers, pension funds), and to increase the fund size to the JPY 50 billion level as soon as possible. In particular, regional financial institutions have successively expressed their intentions to make investments. The number of those financial institutions is expected to significantly exceed 28 (the number of regional financial institutions that have invested in the FinTech Fund).

Like the FinTech Fund, the Fund will support open innovation between investors and investee companies, increase the value of investee companies, and actively help investors implement and use new technologies. Through these activities, SBI Investment endeavors to help investee companies and investors enhance the services they provide and eventually contribute to the growth and development of new industries.

After years of actively investing in venture companies in growth fields, such as the IT, mobile and bio-life science sectors, as well as FinTech, the SBI Group is now equipped with a wealth of experience from investing in those companies and supporting their development. We will continue to actively develop next-generation industries and enhance the enterprise value of the venture companies in which we invest.

* Source: CB Insights, “Blockchain Investment Trends in Review

[Reference: Overview of the new fund]

Fund name	: SBI AI&Blockchain Fund
(Registered name)	(SBI AI&Blockchain LPS)
Launch date	: January 2018
Fund operation period	: Approximately 10 years
Investment target	: Promising venture companies mainly in AI and blockchain fields
Target total commitment amount	: JPY 50 billion

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