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Japan Government-Backed Investors Agree To Invest In iSTOX, Bringing Series A Total To US\$50 Million

New investors include the venture capital arm of JIC as well as DBJ, signalling rising confidence in the iSTOX digital securities platform, in a financing round that saw existing investors Singapore Exchange, Tokai Tokyo and Hanwha adding to their holdings

SINGAPORE – 21 JANUARY 2021 – Leading global digital securities platform [iSTOX](#) announced today that two government-backed investors in Japan have concluded an agreement to invest in the company, as iSTOX closed its Series A funding round with a total of US\$50 million raised. The two investors are: the venture capital arm of [Japan Investment Corporation \(JIC\)](#), or JIC Venture Growth Investments (JIC-VGI), and [Development Bank of Japan Inc \(DBJ\)](#), which is a financial institution wholly owned by the Japanese Government. Also joining iSTOX as new investors are Japan's [Juroku Bank](#) and [Mobile Internet Capital \(MIC\)](#), a venture capital firm.

In this latest round of financing, existing investors Singapore Exchange (SGX), Japan's Tokai Tokyo Financial Holdings and Korea's Hanwha Asset Management also made fresh investments. Other existing investors of iSTOX include Temasek Holdings subsidiary Heliconia Capital Management and Thailand's Kiatnakin Phatra Financial Group.

Founded in 2017, iSTOX is a financial technology company regulated by the Monetary Authority of Singapore (MAS) as a multi-asset platform for the issuance, custody and secondary trading of digital securities. The mission of iSTOX is to democratise the private capital markets, putting previously out-of-reach investments in the hands of underserved investors. iSTOX graduated from the MAS Fintech Regulatory Sandbox in February 2020.

Oi Yee [Choo](#), Chief Commercial Officer of iSTOX, said, "The support of government-backed investors JIC-VGI and DBJ as well as other new investors in this round signals a rising confidence in the iSTOX digital securities platform and our business model. Existing shareholders SGX, Tokai Tokyo and Hanwha have also added to their holdings, which shows that investors who have engaged with iSTOX for some time continue to have strong conviction in our mission and our potential."

She added, "Capital markets are transforming rapidly because of advancements in technology. The regulator MAS and our institutional investors have been far-sighted and progressive, and



they support the change wholeheartedly. With the new financing, iSTOX will expand our footprint both geographically and in terms of investment offerings. We will roll out private issuances by blue-chip issuers that individual investors on our platform can subscribe to in bite-size portions. Our expansion in China, where we recently signed an agreement with Chongqing city, will continue apace. Also in the iSTOX pipeline are issuance deals involving other regions, including Europe and Australia. The digital securities space will grow by leaps and bounds in 2021. iSTOX will lead the competition globally and bring positive change to the world of finance.”

Launch of the next generation of digital financial services

Hideki Yarimizu, Chief Executive Officer of [JIC-VGI](#), said, “We have decided to participate in the launch of the next generation of digital financial services and platforms covering Asia. We believe that this project will also contribute to the development of Japanese financial services. We look forward to working with iSTOX's management and shareholders.”

The Series A announcement takes place at a time when private markets are outperforming public markets. In the past decade, global private equity returned 13.2% on average, approximately double the returns from global public equity¹. Private market assets under management grew to US\$6.5 trillion in 2019², almost 2.7 times more than in 2010.

iSTOX has made important strides in the past year and is well-positioned to contribute to this wave of private market growth. After obtaining a full MAS license in February 2020, iSTOX signed a memorandum of understanding (MOU) with the Chongqing Monetary Authority³ in November 2020 to set up a digital securities exchange in Chongqing to serve the Chinese market, marking the first overseas expansion by iSTOX⁴. In December 2020, iSTOX listed the world's first unicorn fund in digital securities form⁵.

iSTOX allows multi-asset issuances of fractionalised private market securities, including equity, bonds and funds, making them accessible to a much larger pool of investors, not just institutions or private banking clients. Through the creation of security tokens using blockchain and smart contract technology, iSTOX automates manual processes that have hitherto made it impossible for traditional issuers to handle large numbers of smaller investors. This enables iSTOX to reduce minimum investment ticket sizes to US\$20,000 or less, from the US\$1 million minimum usually required for private market investments. The

¹ See March 2020 report by [Cambridge Associates](#)

² See February 2020 report by [McKinsey](#)

³ The Chongqing Local Financial Supervision and Administration Bureau (重庆市地方金融监督管理局) is the local monetary authority in Chongqing and reports to the Chongqing Municipal Government.

⁴ See <https://istox.com/insights/istox-sets-sights-on-china-expansion-signs-mou-agreement-with-chinas-chongqing-financial-regulator/>

⁵ See <https://istox.com/opportunities/unicorn/>



proprietary exchange iSTOX has built also allows the secondary buying and selling of securities among investors, enhancing the liquidity and value of those investments.

With the efficiency gains from tokenisation, companies that issue securities benefit from lower fees, a lower minimum fundraising threshold, faster speed to issuance and less uncertainty. The access companies get to a larger pool of investors and capital allows them to stay private for longer, giving them the freedom to focus on long-term growth, rather than the short-term profits required by the public markets.

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About iSTOX

iSTOX is a future-ready capital markets platform set to usher in a new era for capital fundraising and investment. Through digital securities, iSTOX offers a more innovative, flexible, inclusive, and efficient system for an emerging generation of investors and issuers. As part of its mission, iSTOX seeks to enable all users to transact exactly the way they want to and extends capital market access to a wider segment of the community. iSTOX is owned and operated by ICHX, which has been approved by MAS as a recognised market operator (RMO) and has a capital markets services (CMS) license to deal in securities and collective investment schemes, and to provide custodial services. For more information, visit www.iSTOX.com.