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## PRESS RELEASE

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# GAM Global Special Situations Fund calls for Crypto transparency and value maximisation in SBI Holdings

On the 3 December 2024, the investment managers of GAM Global Special Situations Fund issued an open letter calling for SBI Holdings Inc (8473:TYO) to enhance crypto transparency and actively maximise shareholder value. The letter highlights the significant, yet under recognised, value of SBI's investment in Ripple Labs and its vast XRP holdings—valued at JPY 1.6 trillion against SBI's market cap of JPY 1.2 trillion.

### GAM Global Special Situations Fund urges SBI Holdings Inc to:

- Publish daily updates on the indirect value of its XRP holdings.
- Clearly outline its strategy in blockchain technology and cryptocurrencies.
- Provide regular, transparent calculations of its Net Asset Value (NAV).

GAM Global Special Situations investment managers also recommend SBI consider an XRP buyback program to further leverage its blockchain investments, similar to the strategy adopted by MicroStrategy in the US. By taking these steps, SBI can significantly close the gap between its market value and its NAV, estimated at JPY 3.9 trillion.

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### Notes for editors:

#### Open Letter:

Yoshitaka Kitao  
CEO  
SBI Holdings  
Izumi Garden Tower 19F  
1-6-1 Roppongi, Minato-ku, Tokyo 106-6019  
cc. Bloomberg, FT, WSJ



December 3, 2024

Dear Kitao San,

We are the managers of the GAM Global Special Situations fund, which is a shareholder in your company, and we take a keen interest in it. As such, we had the honor of visiting your Roppongi office last September 11 where we met with Mr Motoaki Shiino and Mr. Toshiki Aoyama.

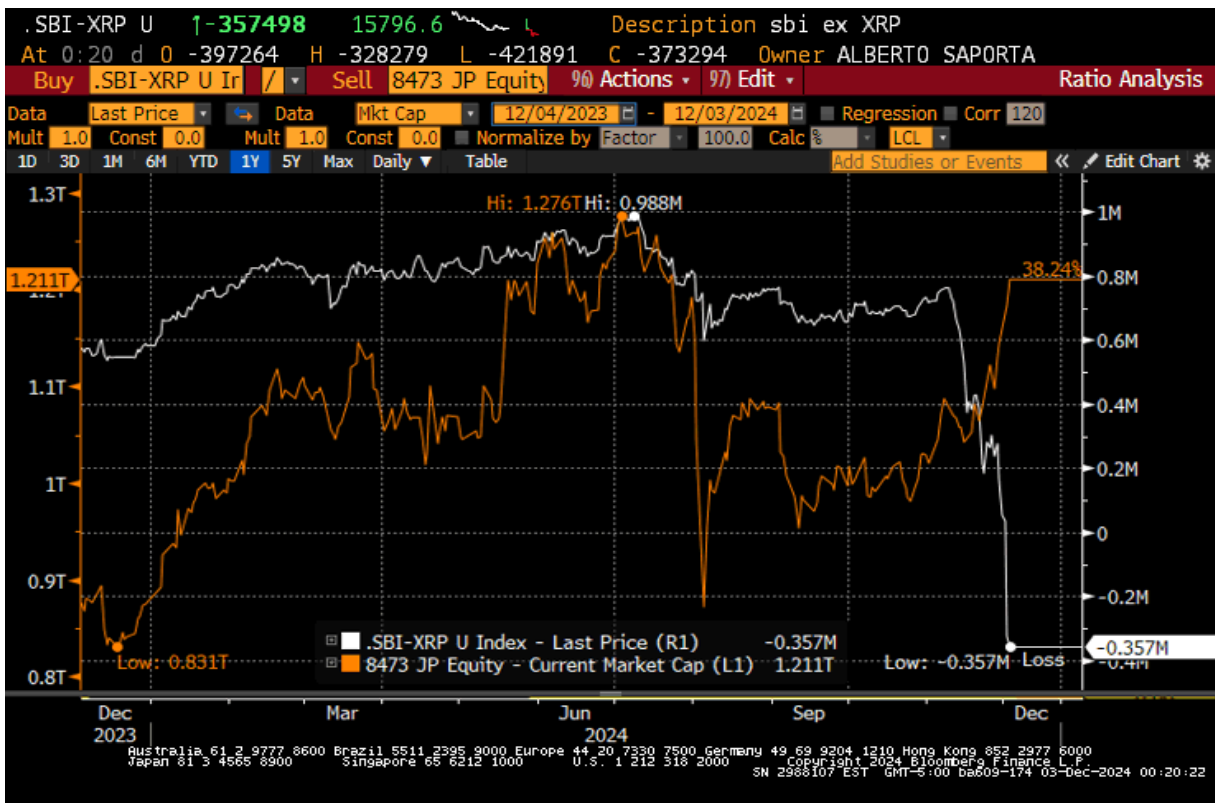
Over the years, we noted how SBI became a key player in the Japanese banking and securities businesses but also a significant investor in blockchain technology, particularly through its investment and ownership in Ripple Labs and SBI Ripple Asia. Ripple Labs owns at last count 48bn XRP. SBI owns between 8 and 9% of Ripple Labs and is its largest outside shareholder. That stake is worth at least JPY 1.6tr (through its XRP holding, and this does not take into account the valuation of Ripple Labs itself) vs. SBI's entire market capitalization of JPY 1.2tr. The value of this investment is little known by the market and SBI's strategy

around Ripple’s blockchain technology is not clear. In fact, your IR company presentations, while very long and detailed, are very confusing.

As a result, SBI is selling at a very significant discount to its Net Asset Value (NAV) and SBI’s board and management is implicitly destroying shareholder value by not having a pro-active stance when it comes to its blockchain/cryptocurrencies and Ripple investments. The following chart shows the implicit value of SBI ascribed by the market after simply deducting the indirect value of its XRP holdings:



Hence, while SBI’s share price may have gone up this year from about JPY3000 to JPY4000, this increase is in fact “illusory” as SBI’s implicit value excluding its indirect holdings of XRP has actually plunged into negative JPY357bn. The following chart clearly highlights that point: (the orange line is SBI’s market capitalization; white line is SBI’s market ascribed value ex-XRP value)



We believe that SBI shareholders would benefit greatly if:

- 1/ SBI would publish a daily “live” indirect value of its XRP holdings
- 2/ SBI would detail clearly its strategy in blockchain technology and cryptocurrencies businesses
- 3/ SBI would regularly provide a clear calculation of its NAV components and overall NAV. We would be happy to assist your IR department to develop an investor friendly webpage to communicate such information.

We also urge SBI to have an active and public XRP coin buying program. Rather than pay a cash dividend, SBI shareholders would benefit greatly if SBI had a XRP buyback program by recycling a part of its cash flow from its banking and securities business. We suggest that the company announces such a program and embarks on a XRP crypto strategy similar to the highly successful XBT strategy pursued by MicroStrategy in the US.

SBI's board should aggressively work towards getting the company's value closer to its NAV which we calculate to be around JPY 3.9tr (including XRP's indirect holdings) or over 3x its current market capitalization. Having a transparent strategy and communication around your Ripple and blockchain/crypto strategies are key to reaching your fiduciary duty to increase shareholder value.

Looking forward to hearing from you,

Best regards,

**Albert Saporta**  
Co-CIO GAM Alternatives  
GAM Investment Management (Switzerland) AG

**Randel Freeman**  
Co-CIO GAM Alternatives  
GAM USA Inc.

### **About the GAM Global Special Situations Fund**

The investment managers of the GAM Global Special Situations Fund have long held the fundamental belief that markets can be inefficient, and securities go through distinct periods of mispricing, especially in complex corporate situations and when related securities are traded across different markets.

We believe by incorporating these securities in a thoughtfully structured portfolio and employing sophisticated hedging strategies we can achieve superior uncorrelated risk-adjusted returns across all market cycles.

The GAM Global Special Situations Fund invests globally long and short in securities of companies, intra and across markets and within complex corporate capital structures, which are often undergoing significant corporate change. Rigorous quantitative modelling and screening is combined with fundamental analysis and our deep understanding of event-driven dynamics.

The investment strategy is co-managed by [Albert Saporta](#) and [Randel Freeman](#) – two of the pioneers in global event-driven and special situations investing with over 70 years combined experience.

### **About GAM**

GAM is an independent investment manager that is listed in Switzerland. It is an active, independent global asset manager that delivers distinctive and differentiated investment solutions for its clients across its Investment and Wealth Management Businesses. Its purpose is to protect and enhance its clients' financial future. It attracts and empowers the brightest minds to provide investment leadership, innovation

and a positive impact on society and the environment. Total assets under management were CHF 19.0 billion as of 30 June 2024. GAM has global distribution with offices in 14 countries and is geographically diverse with clients in almost every continent. Headquartered in Zurich, GAM Investments was founded in 1983 and its registered office is at Hardstrasse 201 Zurich, 8037 Switzerland. For more information about GAM Investments, please visit [www.gam.com](http://www.gam.com)

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