

【NEWS RELEASE】

February 2, 2026
SMBC Nikko Securities Inc.

**SMBC Nikko Securities Launches DeFi Technology Department
to Lead Crypto Asset Business Development**

SMBC Nikko Securities Inc. (President & CEO: Shuji Yoshioka, "SMBC Nikko") is pleased to announce the establishment of a new department dedicated to business development in the crypto asset sector, the "DeFi Technology Department," effective. Through the creation of this department, SMBC Nikko aims to evolve alongside technology and provide new added value to our clients.

1. Background and Purpose

In Japan, crypto assets—primarily Bitcoin and Ethereum—have traditionally been used as means of payment. In 2026, the Diet is expected to deliberate revisions to the Financial Instruments and Exchange Act to regulate crypto assets as a new class of securities. The proposed revisions are expected to include provisions allowing banking group subsidiaries to hold crypto assets for investment purposes, as well as to issue and trade crypto assets. In addition, the 2026 tax reform outline includes a shift to separate taxation for certain crypto assets, which is expected to significantly impact the investment environment surrounding crypto assets.

Since establishing the Nikko Open Innovation Lab in March 2020, SMBC Nikko has been engaged in initiatives in the crypto asset field. The firm became a regular member of the Japan Cryptoasset Business Association in 2021 and has actively contributed to efforts to improve the business environment for crypto assets in Japan. SMBC Nikko has placed particular emphasis on the decentralized finance^{*1} (DeFi) sector, undertaking initiatives such as co-hosting international events to gain insights into the latest security technologies, including zero-knowledge proofs^{*2} (ZK), and other industry trends, as well as operating incubation programs in collaboration with Hashed^{*3}.

Leveraging their expertise and network in this field, and considering the changing environment surrounding crypto assets, SMBC Nikko has established a new department aimed at developing safe and reliable access to the crypto asset market and delivering investment services with advanced UI/UX for our clients.

【Outline of the New Department】

<u>Department Name</u>	DeFi Technology Department
<u>Date of Establishment</u>	February 1, 2026
<u>Purpose</u>	<ul style="list-style-type: none">Development of businesses and systems utilizing crypto assets and stablecoinsFormulation of proposals related to crypto asset regulationsOperational activities related to the issuance and trading of crypto assets

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2. Outlook

Looking ahead, next-generation financial markets are expected to experience significant growth in the crypto asset sector, but also see the emergence of the Real World Assets (RWA^{*4}) market—where traditional capital markets and alternative asset markets are consolidated onto blockchain infrastructure.

Through the DeFi Technology Department, SMBC Nikko intends to explore business opportunities in areas where, as a securities company, it can fulfill its essential role as a gatekeeper of the market, making full use of cutting-edge technology.

In addition, the firm aims to strengthen recruitment in this area and accelerate development efforts, while working to establish frameworks that contribute to the sound and efficient functioning of next-generation financial markets.

*1 A system that enables financial transactions to be completed between individuals without the mediation of any financial institution

*2 A cryptographic method that allows one party to confirm the proof of a statement without revealing any information.

*3 SMBC Nikko made a Limited Partner (LP) investment in Hashed in June2025.

Website: https://www.smbcnikko.co.jp/news/release/2025/pdf/250605_01.pdf

*4 Physical or traditional financial assets that are brought onto the blockchain through tokenization.