# Twenty One Capital launches as Japan-backed giant in Bitcoin investment



In April 2025, the launch of Twenty One Capital was officially announced, marking the emergence of a prominent new player in the Bitcoin investment landscape. This company, established through a strategic partnership between Japanese conglomerate SoftBank, Tether Holdings SA, and financial services firm Cantor Fitzgerald, began its activities with a Bitcoin portfolio exceeding 42,000 coins, valued at approximately US$3.6 billion. This positions Twenty One Capital as the third-largest institutional holder of Bitcoin globally.

SoftBank, known for its extensive investments in technology and its close alignment with Japanese strategic economic interests, contributed approximately US$900 million for a minority stake in the enterprise. The company is being led by Jack Mallers, notable for his expertise in Bitcoin payment infrastructures. The firm's growth strategy includes plans to raise additional capital through financial instruments such as convertible bonds and private equity placements, aiming initially to issue a US$385 million convertible bond alongside a US$200 million private equity offering.

This venture intersects with Japan's broader economic challenges and strategies. For several decades, Japan has maintained extremely low interest rates to stimulate economic growth. This policy has encouraged capital flight to higher-yielding foreign markets, especially the United States, in a practice known as the yen carry trade. While this has provided financial benefits for investors, it also carries risks; for instance, a rapid 12% appreciation of the yen against the US dollar in July 2024 caused significant instability in the markets due to increased costs for repaying yen-denominated loans.

SoftBank's role in Twenty One Capital aligns with Japan's desire to strengthen its position within the global digital economy. By investing in Bitcoin through this new company, Japan gains exposure to a digital asset outside the traditional financial system dominated by the US dollar. This diversification comes at a critical time when Japan faces limited options regarding its monetary policy. Raising interest rates further risks destabilising the yen carry trade, while further cuts are not feasible given rates are near zero. Moreover, Japan holds substantial amounts of US government bonds—about US$1.125 trillion as of February 2025—which complicates attempts to reduce dependence on the US dollar through bond sales due to potential geopolitical and economic repercussions.

Tether Holdings SA’s involvement adds another dimension to the initiative. Tether, issuer of the USDT stablecoin pegged to the US dollar, holds a significant portfolio of US government bonds—approximately US$94 billion in 2024—making it one of the largest holders worldwide. This enables the trading of digital assets beyond traditional banking structures and offers countries an alternative means to lessen their reliance on the US dollar and its associated financial systems. The inclusion of Tether in this consortium underscores the widening network of financial instruments shaping new global monetary frameworks.

Twenty One Capital’s sizeable Bitcoin holdings are set to influence the broader cryptocurrency market in various ways. To provide context, the company’s initial investment represents roughly one-quarter of the Bitcoin reserves held by the United States, suggesting substantial market influence. Such a significant accumulation is expected to impact Bitcoin’s liquidity and pricing dynamics, potentially increasing the scarcity of available coins and signalling to other institutional investors the strategic value of Bitcoin as an asset class.

An observable market trend is the tendency among large institutional Bitcoin holders to retain their holdings for extended periods, effectively acting as “black holes” that attract and hold capital. This behaviour limits the circulation of Bitcoin back into the market and potentially contributes to long-term price appreciation. Twenty One Capital joins the ranks of companies like MicroStrategy in this investment approach.

Experts also highlight that the principal driver of Bitcoin’s value increase is not necessarily linked to specific events but rather the passage of time, which gradually builds recognition of Bitcoin’s attributes, such as decentralisation, finite supply, and global acceptance. This gradual uptake, coupled with limited availability, fosters conditions conducive to long-term value growth.

The establishment of Twenty One Capital thus reflects multiple intersecting developments: Japan’s search for economic sovereignty and diversification; the evolving global financial architecture challenging domination by the US dollar; and the growing acknowledgement of Bitcoin’s role as a digital store of value. The company’s creation and its substantial Bitcoin acquisition underline the increasing institutionalisation of cryptocurrency investments and the emerging strategic importance attributed to digital assets in national and global economic policies.

This report summarises insights and analysis originally published by blockzeit.com. The original author, Ed Prinz, is Chairman of DLT Austria, an Austrian non-profit organisation dedicated to blockchain education and advocacy. Readers are advised that the content reflects the author's personal views and does not constitute financial advice.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.businesswire.com/news/home/20250423962305/en/Tether-SoftBank-Group-and-Jack-Mallers-Launch-Twenty-One-a-Bitcoin-native-Company-Through-a-Business-Combination-With-Cantor-Equity-Partners> - This article supports the launch of Twenty One Capital through a partnership between Tether, SoftBank, and Jack Mallers, with a focus on Bitcoin exposure and investment strategies.
2. <https://www.investopedia.com/another-bitcoin-treasury-is-coming-to-wall-street-twenty-one-lutnick-trump-11721669> - Investopedia explains that Twenty One Capital will own 42,000 bitcoin, with Tether and its affiliates holding a majority stake, thereby positioning it as a significant player in Bitcoin holdings.
3. <https://www.coindesk.com/markets/2025/04/24/strategy-stock-could-climb-as-new-rival-twenty-one-validates-its-bitcoin-strategy> - CoinDesk discusses how the emergence of Twenty One could validate institutional strategies around Bitcoin, similar to those adopted by companies like MicroStrategy.
4. <https://thepaypers.com/cryptocurrencies/twenty-one-capital-launches-with-usd-36-bln-in-bitcoin--1273271> - The Paypers provides details on Twenty One Capital's valuation and its strategy to acquire more Bitcoin, mirroring MicroStrategy's approach to Bitcoin investments.
5. <https://crypto.news/new-3-6b-bitcoin-giant-twenty-one-capital-takes-aim-at-saylors-strategy/> - Crypto.News discusses Twenty One Capital’s role in accumulating Bitcoin and its potential impact on the market, comparing its strategy with other major players.
6. <https://www.noahwire.com> - Noah Wire Services is mentioned as a source for additional insights into the economic context and strategic implications of Twenty One Capital's emergence.
7. <https://news.google.com/rss/articles/CBMiqAFBVV95cUxNRW5fWDBoUi1VZXhMaHZrZWRnNmltancweW1CaTBGRDRWMWZLSFFTVDJNTVUtVnRnMHNHU0VKVXpFSS1oQk5kT3ZxQXRmcnBFMXY0RTVzc21Da0JwTVFjRHhPVlBoSVQ2VWxkcUJ2d3hkRUNpNGJKaUtWLUFwTnlUWUtlWGw2SzJ3bk9Td3dBNWdKRUcyeEZDQzZYbDBtMmVsdHhTVGdlNkw?oc=5&hl=en-US&gl=US&ceid=US:en> - Please view link - unable to able to access data