



MONEX GROUP

Monex Group, Inc.

Financial Results Briefing for the Fiscal Year Ending March 2021

April 27, 2021

Event Summary

[Company Name]	Monex Group, Inc.	
[Company ID]	8698-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Results Briefing for the Fiscal Year Ending March 2021	
[Fiscal Period]	FY2020 Annual	
[Date]	April 27, 2021	
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[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	2	
	Oki Matsumoto	Representative Director, CEO
	Yuko Seimei	Representative Executive Officer, COO/CFO
[Analyst Names]*	Takayuki Hara	SMBC Nikko Securities Inc.

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A.

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Presentation

Matsumoto: Hello, everyone. I would like to announce the financial results for the fiscal year ending March 2021 of the Monex Group, Inc.

It was a very good result. We are diversified in an effective way and have growth as well. It is not that the result happened to be good only this time. The content was very good and something that gives us confidence on our future.

Now, I would like to use this file to explain.



Our Business Principles

Always a step ahead of the “Y” in “MONEY,” our name MONEX expresses our desire to embrace all people who are engaged at the forefront of our future.

With state-of-the-art IT technology, globally universal values and a sense of professionalism, Monex Group designs innovative ways of managing money and realizing individual self-fulfillment for an ever-changing future. Our ultimate goal is to optimize each person's lifetime balance sheet.

Revised on April 1st, 2021

1

First of all, our corporate philosophy. I believe many of you have already read this, but we have made subtle modifications to the content.

I think our original role is to back up, enable, or empower our customers to realize what they want to do beyond finance. As an extension of that, I think that there is a space where we can change our business little by little, expand it or evolve, and we have changed the content a little.

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Total customers' assets in custody reached **¥ 6.4 trillion**. With its business portfolio, it has grown into a corporate entity with diversified revenue sources.



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I will explain from page 4.

Group-wide customers' assets in custody accounted for JPY6.4 trillion.

I think this is the same level as the top regional banks, but I think we are becoming a fairly large financial group, including the US and Coincheck, Inc.

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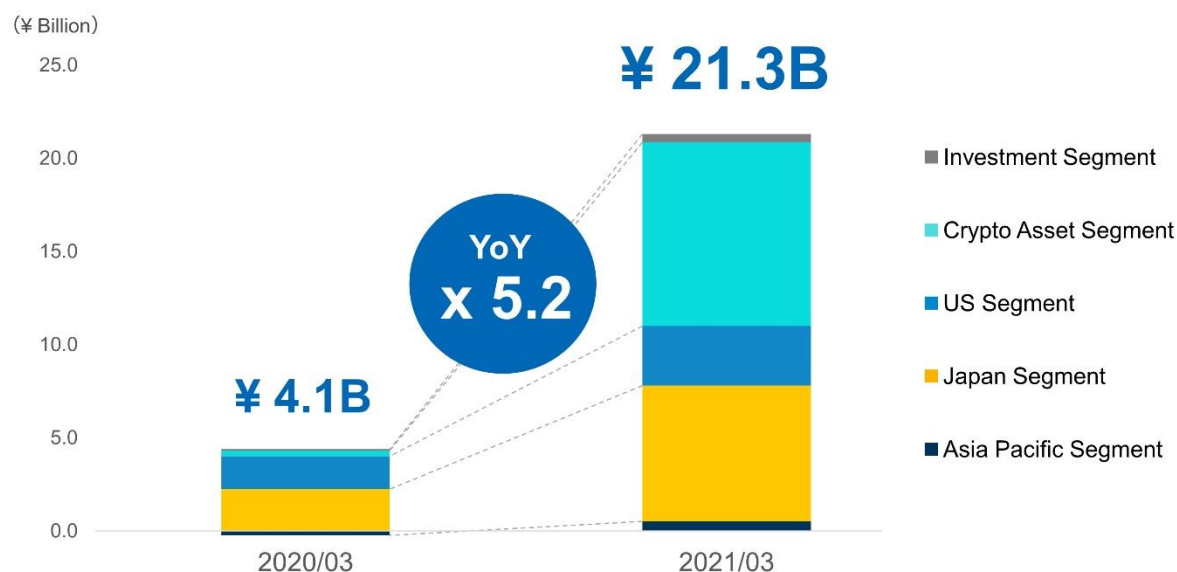
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All segments are making steady progress in its business transformation. Three main segments boosted revenues and **consolidated pre-tax profits increased by 5+ times**.



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Regarding our performance, first, on page 5.

Pre-tax profit increased more than 5 times YoY to JPY21.3 billion.

Let me explain its content.

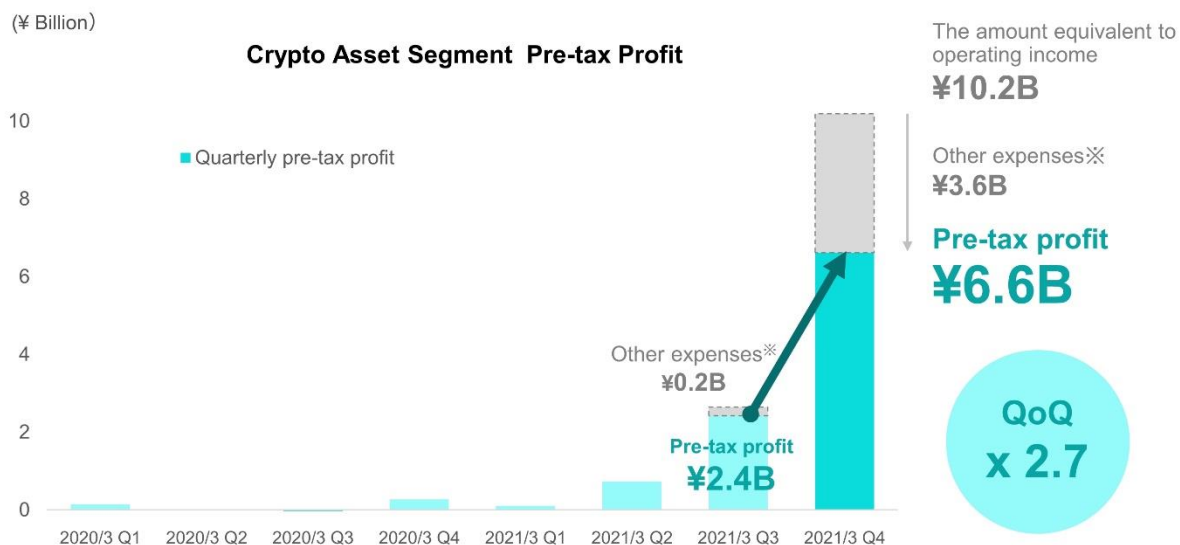
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Segment profit of the Crypto Asset segment rose dramatically, driven by a highly active crypto asset market.



※ A loss related to the fair value of the contingent consideration regarding the Coincheck's earn-out clause

6

First, Coincheck and crypto asset business segments.

The amount equivalent to operating income was about JPY10.2 billion in the fourth quarter. Since we have the earn-out contract until the end of March, adjustments accompanying it have recorded a cost of JPY3.6 billion, resulting in a profit before tax of JPY6.6 billion.

Even after this earn-out adjustment is subtracted, pre-tax profit was 2.7 times higher QoQ.

There will be no more earn-out clauses from April, so future figures will be built on the operating income, which was equivalent to JPY10.2 billion in the fourth quarter.

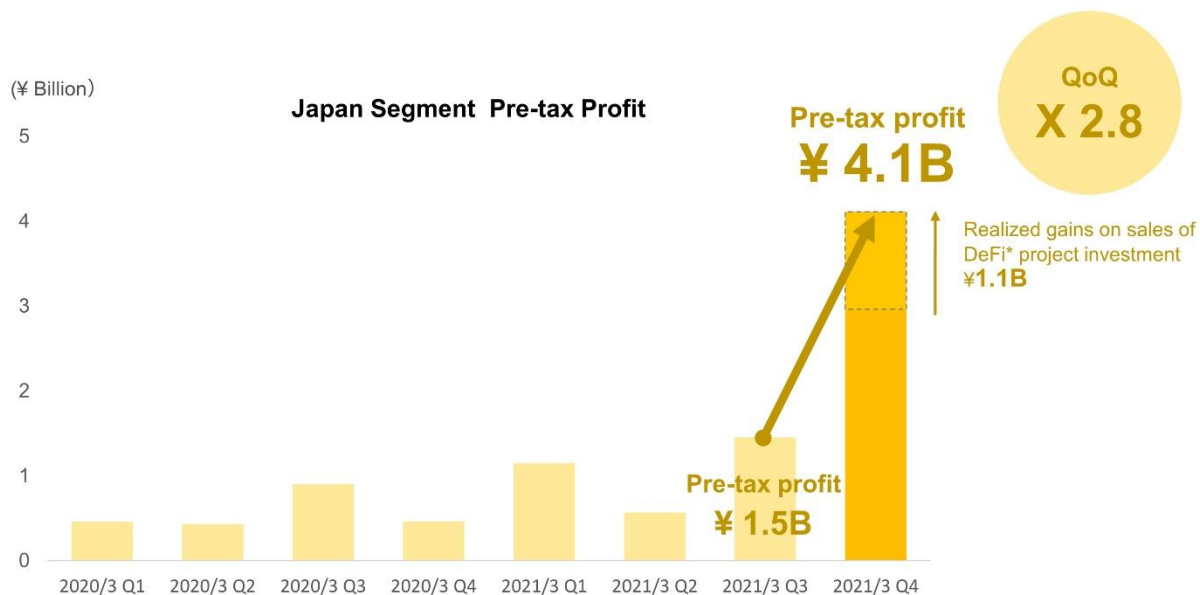
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Segment profit of the Japan segment increased significantly, driven by strong US equity trading and a realized gains on sales of DeFi* project investment.



* DeFi = Decentralized finance

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Page 6 is the Japan segment.

This is also strong. Seimei will be explaining it later, but partly due to the benefits of realizing investments in the DeFi project, Decentralized finance project, our pre-tax profit was JPY4.1 billion, 2.8 times QoQ.

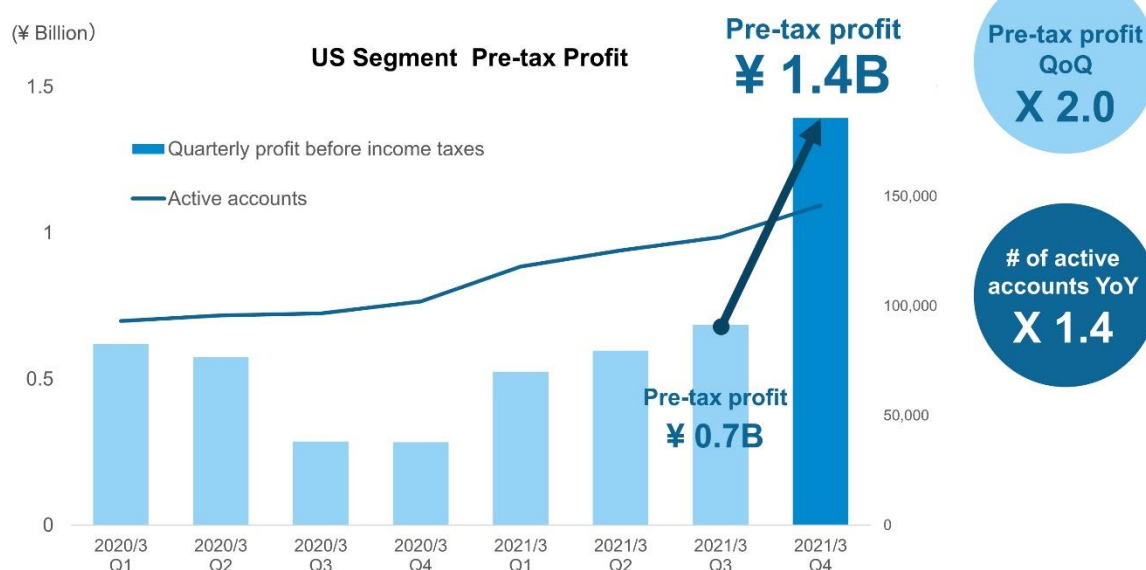
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Record account growth and the emergence of the next generation of traders drove record trading volume. Profit of the US segment almost doubled.



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The US has a pre-tax profit of JPY1.4 billion, doubled QoQ. As you can see in the line graph at the back, the number of active accounts is steadily increasing.

EBITDA for the year is just under JPY6 billion, and it will come out a little later, so I would like to see it firmly at that time. I think it was around that level, and the business is growing firmly.

As I will explain in detail in the second half, I think it is extremely processing because this is the result after overcoming the 2 major rough waves of zero fees and zero interest rates.

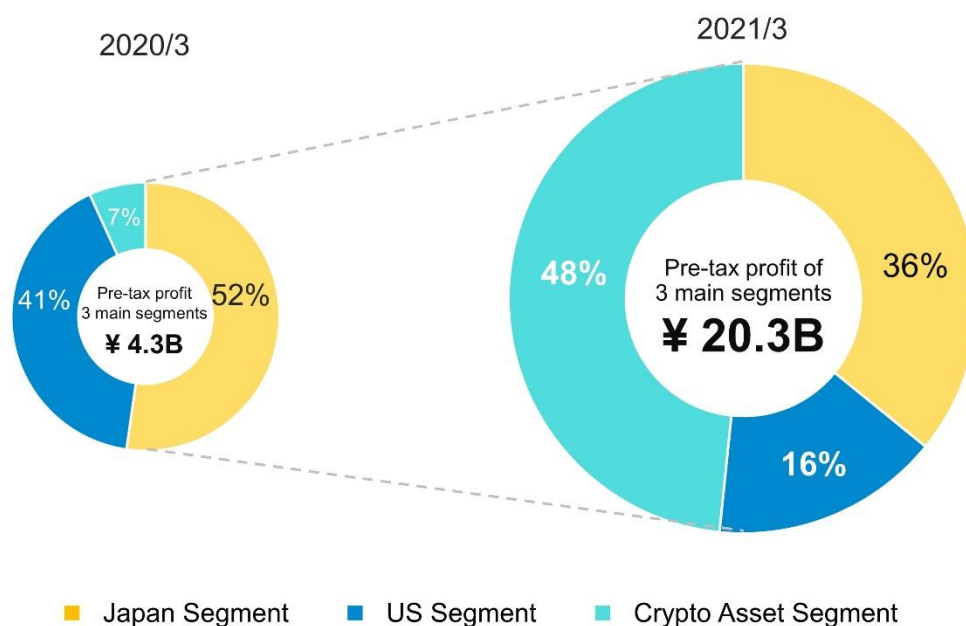
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The group's business portfolio has been diversified and established.
 Expanded profit contribution from non-Japan segment.



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As a result, in the 3 major segments, the overall profit increased, and at the same time, the share of the Japanese segment as a percentage of the profit of the 3 major segments fell from 52% to 36%, so I think we can say that the business is diversified well.

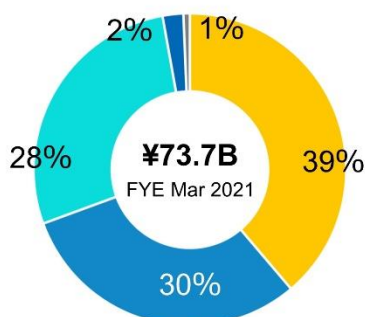
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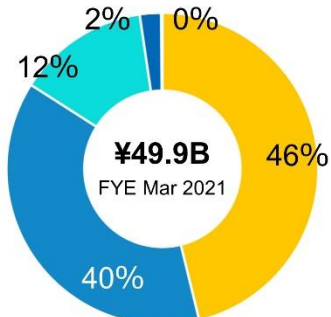
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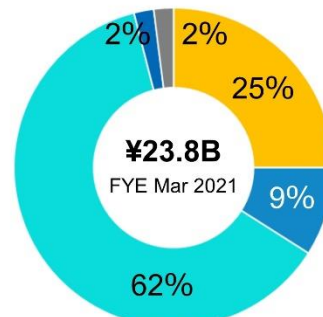
Total operating revenue after deducting financial expenses



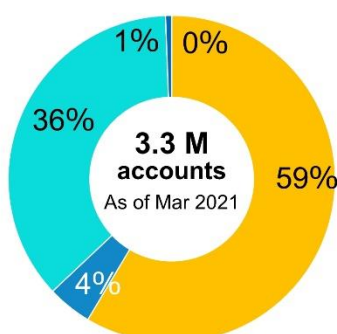
Selling, general and administrative expenses



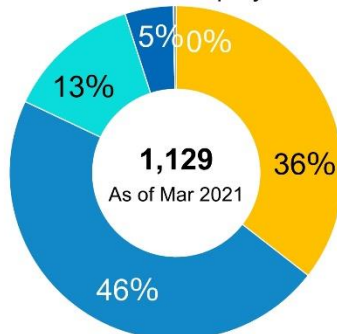
The amount equivalent to operating income



Number of Accounts*



Number of Employees



*Refer to the Databook for FYE Mar 2021

56

By the way, I'll skip it a little, but I put a graph at the front of the appendix on page 56.

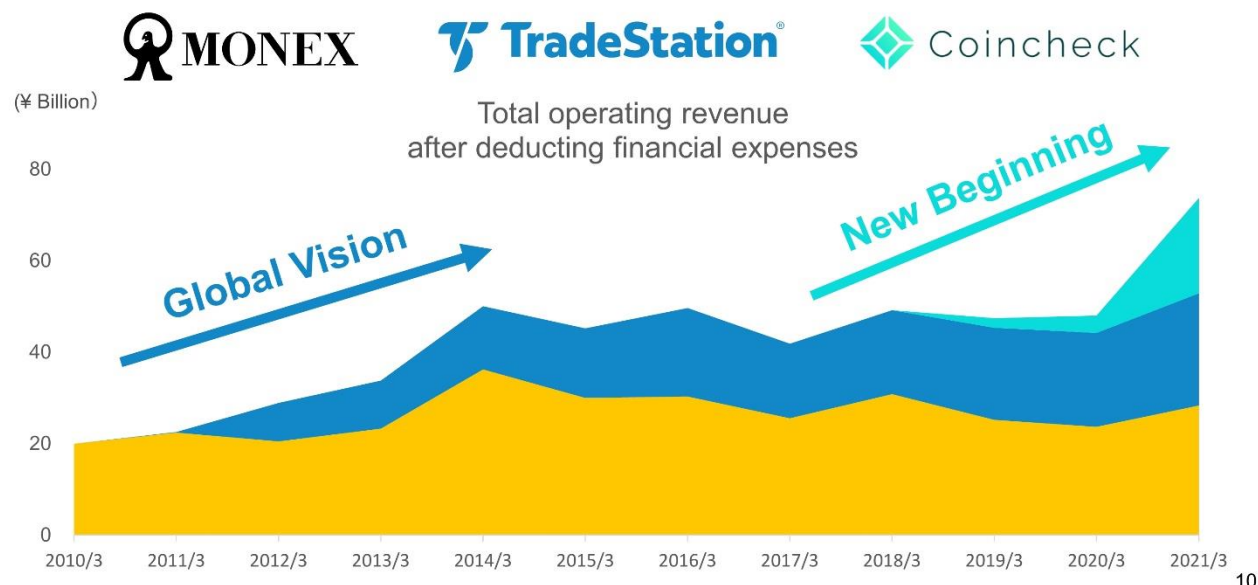
It includes all 5 segments with operating revenue, SG&A expenses, operating income equivalents, number of customers, and number of employees. Although it is bumpy, you can see that the group's sales base with operating revenue of JPY73.7 billion and the operating income equivalent of JPY23.8 billion is diversified considerably mainly in Japan, US, and Coincheck.

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Monex has steadily realized the visions of expanding the online securities business overseas under **“Global Vision”** since 2010, and entering the crypto asset-related business under **“New Beginning”** since 2018. Each strategy continues to expand the earnings base of the group.



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I'm sorry, I'm going back and forth.

Our company was founded in 1999. We launched GlobalVision 11 years ago, and then we searched for TradeStation Group, Inc. and acquired it.

Three years ago, as the "second founding," we launched the blockchain business firmly. Several months after that, we met Coincheck, Inc. and let them join our group.

First, we have a vision, and we have added our businesses through acquisition etc. to fulfill the vision launched earlier, and in this way, we have grown our top lines firmly.

To the left of this graph is 10 years of the founding period, and as a result, consolidated operating revenue has reached JPY73.7 billion.

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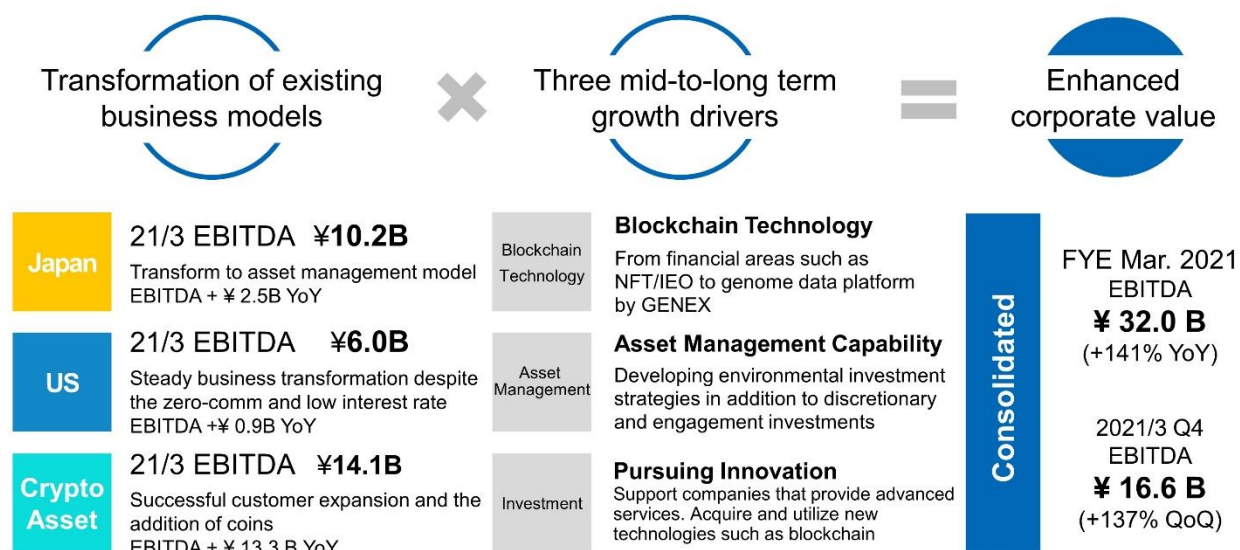
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EBITDA* increased by 141% YoY and ROE grew from 3.9% to 17.3%.

Monex aims for a sustainable increase in corporate value through business model transformation and mid-to-long term growth drivers going forward.



* EBITDA = The amount equivalent to operating income + depreciation and amortization cost + interest expense of US segment (the same hereinafter) 11

This shows the whole group.

As you can see on the right, EBITDA for the current fiscal year was JPY32 billion, 2.4 times higher YoY.

As you can see on the left, EBITDA is JPY10.2 billion, JPY6 billion, and JPY14.1 billion in Japan, US, and crypto, respectively, and all 3 fairly well-balanced engines are on full ignition.

In addition, as with the DeFi project earlier, we will advance the conversion to the asset management model by firmly utilizing blockchain technology, pursuing innovation, or strengthening management capabilities such as Monex Activist Funds.

We will combine our strong business on a solid foundation with new initiatives to further expand our corporate value.

ROE was 17.3% this fiscal year, and I think that the result exceeded the passing score. EBITDA is also about 2.4 times QoQ.

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Consolidated pre-tax profit became **¥ 21.3B (5.2 times YoY)**, coupled with an expansion of customer base on the back of the growing needs of online trading services under the pandemic.

Japan

Customers' assets in custody reached over ¥ 5 trillion driven by the business transformation to "asset management model." US equities trading increased and segment profit was **¥ 7.3B**.

US

Commission free trading and a positive macro environment shattered records for new accounts, client assets and trading volume. Segment profit was **¥ 3.2B**.

Crypto Asset

Segment profit was **¥ 9.9B** (+¥ 9.6B YoY) driven by the active crypto asset market. Earn-out clause has been expired and the full earnings will contribute to the group performance from Apr. 2021.

Asia Pacific

Segment profit was **¥ 0.5B** coupled with the favorable business performance throughout the year due to larger trading volume in HK market.

Investment

MV1 Fund almost completed its investment and successfully achieved the sale of its holding share for the first time since its establishment. Segment profit was **¥ 0.4B**.

* Segment profit = Pre-tax profit. The same hereinafter.

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This is an analysis of YoY, but I will skip it because there will be a detailed explanation later from Seimei.

For example, Japan has promoted the asset management model. The business in the US has overcome zero fee and conversely, it is growing and taking advantage of it. There is crypt, and all segments including investment business and Asia Pacific, excluding Japan, recorded highest profit. Even on consolidated basis, the company recorded a record profit.

Only in the Japan segment, we had a year, 2006, when we were exceptionally profitable, which exceeded this year slightly, but apart from that, it is a record profit, and we are very strong.

Asia Pacific performed strongly as well. The investment segment has also produced a firm outcome.

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Three major segments made great progress with consolidated pre-tax profit of **¥ 12.4B (2.6 times QoQ)**. Consolidated EBITDA largely increased to **¥ 16.6B**.

Japan

Segment profit was **¥ 4.1B** with a realized gains on sales of investment in DeFi project of ¥ 1.1B and an increase in operating revenue on the back of higher transaction volume.

US

Segment profit was **¥ 1.4B** due to attracting graduates from other brokers that expanded our customer base and revenue growth from the newer crypto asset product suite.

Crypto Asset

Segment profit almost tripled to **¥6.6B** driven by favorable crypto asset trading (Operating income* was ¥10.2B with a loss regarding earn-out clause ¥3.6B).

Asia Pacific

Segment profit was **¥ 0.2B** accompanied with larger trading volume due to the favorable account openings and market activity.

Investment

MV1 Fund almost completed its investment and will enter the incubation phase. The segment will also prepare for a launch of next fund.

* The amount equivalent to operating income.

16

In QoQ, on page 16, it was more than twice as good.

As mentioned here, we are not making money simply with a tailwind in a macro environment. We launched a "global vision" as a whole group to fulfill it, and launched a "second founding" to realize it.

We are actively taking action to produce results in various ways such as by involving the DeFi project as written here or entering the crypto-asset business in the US, not just creating results in a macro environment.

From here, Seimei will explain our business performance.

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(JPY million)	FYE Mar. 2020 (Apr. 2019– Mar. 2020)	FYE Mar. 2021 (Apr. 2020– Mar. 2021)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	47,990	73,695	25,705	54%	P23: Analysis of Japan segment P25: Analysis of US segment (USD) P27: Analysis of Crypto Asset segment
SG&A	42,835	49,861	7,027	16%	P24: Analysis of Japan segment P26: Analysis of US segment (USD) P28: Analysis of Crypto Asset segment
The amount equivalent to operating income	5,155	23,833	18,678	362%	
Other income / expenses (net)	-1,025	-2,537	-1,513		Breakdown in DATA BOOK P20: - Consolidated financial results (Other income and other expenses)
Profit before income Taxes	4,131	21,296	17,165	416%	
Profit attributable to owners of the Company	3,011	14,354	11,344	377%	
EBITDA	13,277	31,982	18,705	141%	

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Seimei: I am Seimei, COO/CFO Representative Executive Officer, of Monex Group. I would like to explain the consolidated financial results.

First of all, I would like to explain the results of the fiscal year. It is on page 21 of the financial results explanation material.

Total operating revenue after deducting financial expenses for the fiscal year ended March 2021 increased 54% YoY to JPY73.695 billion. This was due to an increase in receiving commission in 3 segments, Japan, the US, and Asia Pacific, against the background of a significant increase in trading revenue and higher demand for online services and asset management due to the very booming crypto asset market in the crypto asset business.

SG&A expenses increased by only 16% as a whole, as we were able to control the increase in expenses compared to the growth in operating revenue.

As a result, pretax profit increased 416% YoY to JPY21.296 billion. Profit attributable to owners of the Company increased 377% YoY to JPY14.354 billion. EBITDA increased 141% YoY to JPY31.982 billion, the highest level on record.

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YoY Comparison (12 months) Segment Performance



	Japan		US		Asia Pacific		Crypto Asset		Investment	
(JPY million)	2020/3	2021/3	2020/3	2021/3	2020/3	2021/3	2020/3	2021/3	2020/3	2021/3
Total operating revenue after deducting financial expenses and cost of sales	24,342	29,099	19,887	22,958	634	1,604	3,812	20,822	148	509
SG&A	21,671	24,136	17,877	19,771	898	1,145	3,502	7,129	54	71
The amount equivalent to operating income	2,671	4,962	2,010	3,187	-263	459	310	13,693	94	438
Other income / expenses (net)	-420	2,313	-246	13	33	59	-17	-3,825	-0	-0
Profit before income taxes	2,251	7,276	1,763	3,200	-230	519	293	9,868	94	438
Profit attributable to owners of the Company	1,569	4,754	1,418	2,523	-208	417	224	6,469	47	193
EBITDA	7,680	10,197	5,140	5,997	-144	576	800	14,061	94	438
Note	See P23 "total operating revenue after deducting financial expenses" for more details See P24 "SG&A" for more details		See P25 "total operating revenue after deducting financial expenses and cost of sales" for more details See P26 "SG&A" for more details				See P27 "total operating revenue after deducting financial expenses" for more details See P28 "SG&A" for more details			

22

The above is separated by segment on page 22.

Compared to the previous fiscal year, sales and profits increased for all segments. In particular, sales and profits in the crypto asset business segment have increased significantly.

With regard to other expenses shown at the middle, in the Japan segment, approximately JPY1.1 billion in gains on the sale of crypto assets related to R&D investments in DeFi projects was recorded, and in the crypto asset business segment, approximately JPY3.8 billion was recorded for fair value write-offs related to contingent consideration and earn-out expenses the year.

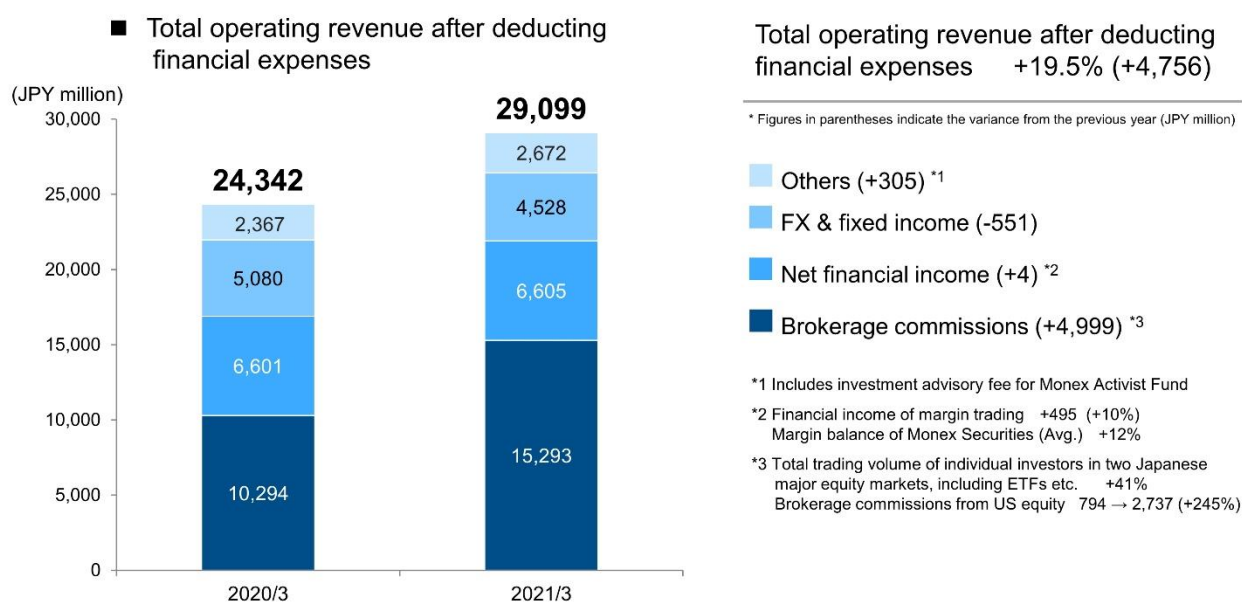
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Japan : Revenue increased by 19.5% YoY due to larger transaction volume of both Japan and US equities trading. Brokerage commission offset lower FX and stock lending income with given interest rate and market condition.



23

Next, I would like to briefly explain the annual results of each segment on page 23.

First of all, it is the Japan segment.

Brokerage commission increased 49% YoY due to strong growth in US stock trading and a booming stock market throughout the year.

FX and fixed income related revenue decreased, but operating revenue overall increased 19.5% to JPY29.1 billion.

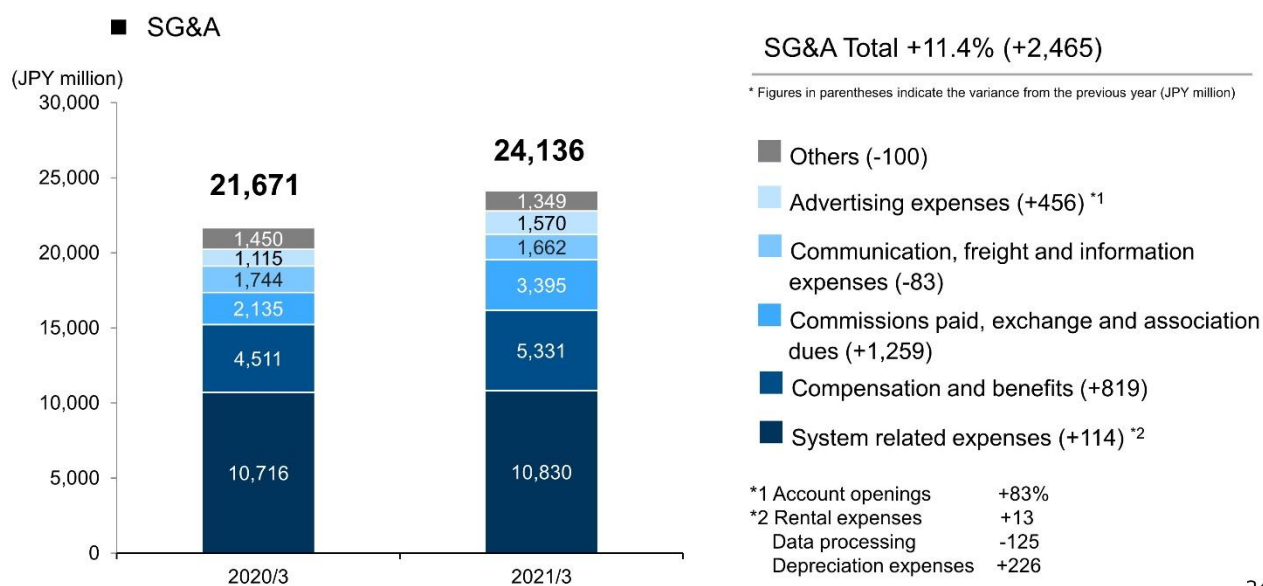
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Japan : Limited overall increase in SG&A to the increase in revenues, although advertising expenses increased for favorable account growth, so does commissions paid and bonus accruals due to higher trading volume.



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Next, regarding SG&A expenses.

It increased mainly in variable costs and labor costs associated with the increase in transaction volume, but compared to the increase of 19.5% in expenses, the increase in SG&A expenses was curved to 11.4%.

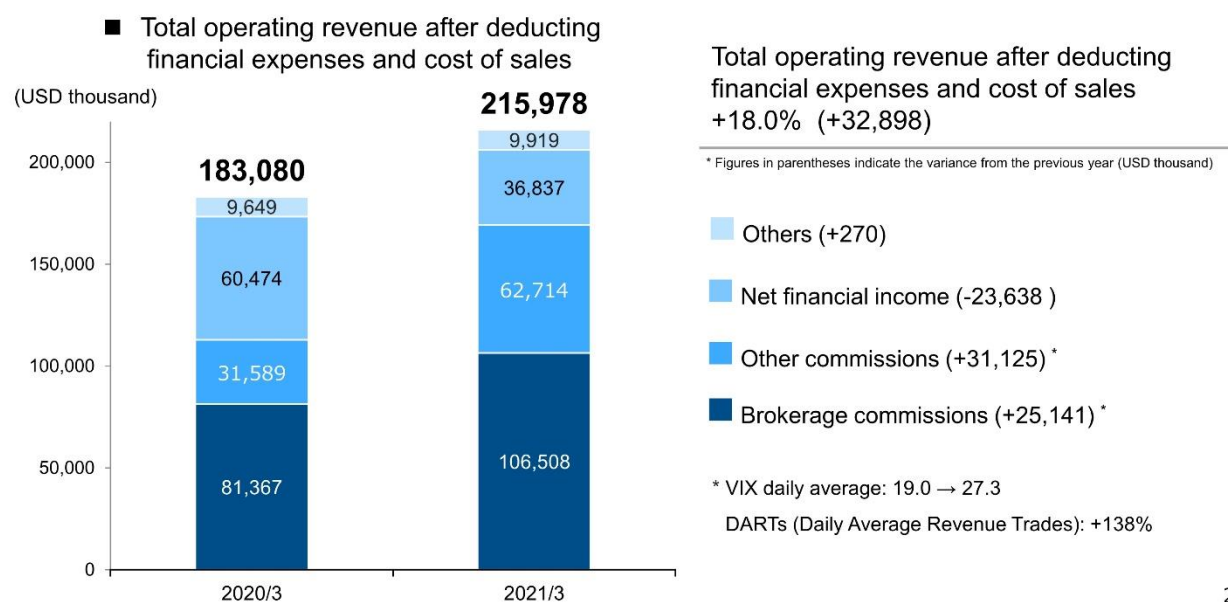
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US : Commission-free trading, account growth and higher volatility (VIX) generated a significant increase in trading volume resulting in higher brokerage and other commissions.



25

Next is the annual results of the US segment.

Looking on a YoY basis, the financial balance has decreased by 39% due to a decline in market interest rates, but as a result of the increase in transaction volume due to an increase in the number of accounts supported by commission-free plans etc. and increased volatility, brokerage commission and other commissions have increased significantly, increasing operating income by 18% to USD215.98 million.

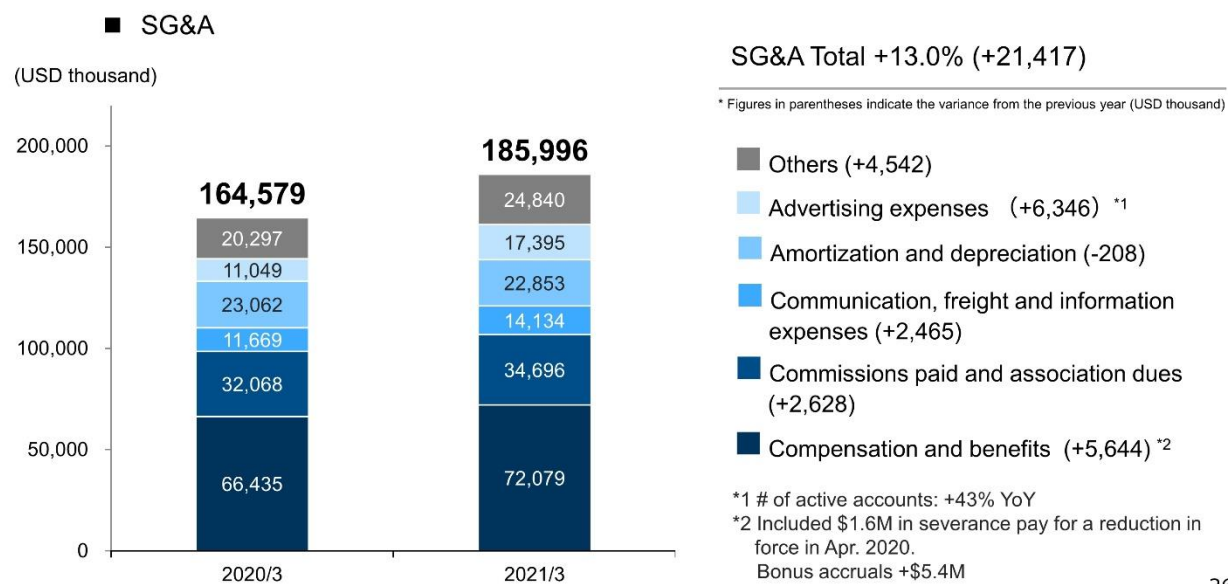
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US : Advertising expenses increased to support new account additions and the growth of the newer crypto asset product suite. Bonus accruals increased due to improved financial performance.



26

This is SG&A expenses for the US segment.

Advertising expenses have increased due to the fact that we have taken timely marketing measures against the backdrop of a booming market environment.

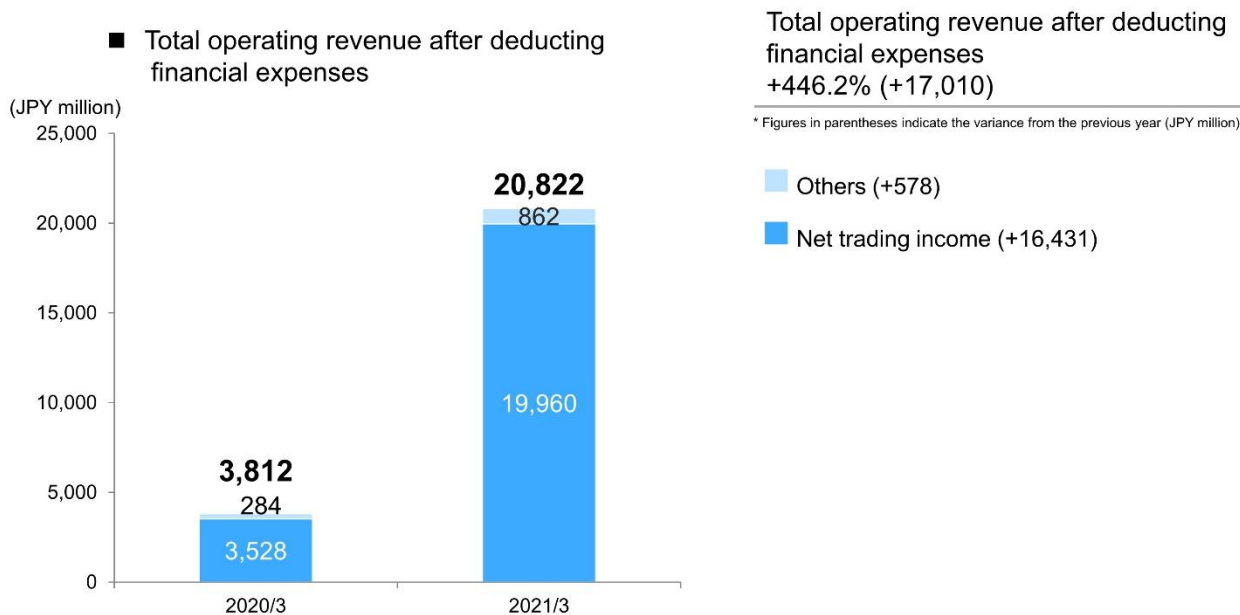
In addition, variable expenses increased due to strong business performance, and overall, sales increased by 13% compared to the previous fiscal year.

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Crypto : Coincheck's trading value at the market place significantly increased due to the booming market and an increase in the number of accounts. Especially, trading value of altcoins increased significantly, which led to 5.5 times increase in revenue.



27

Next, page 27 is the crypto asset business segment.

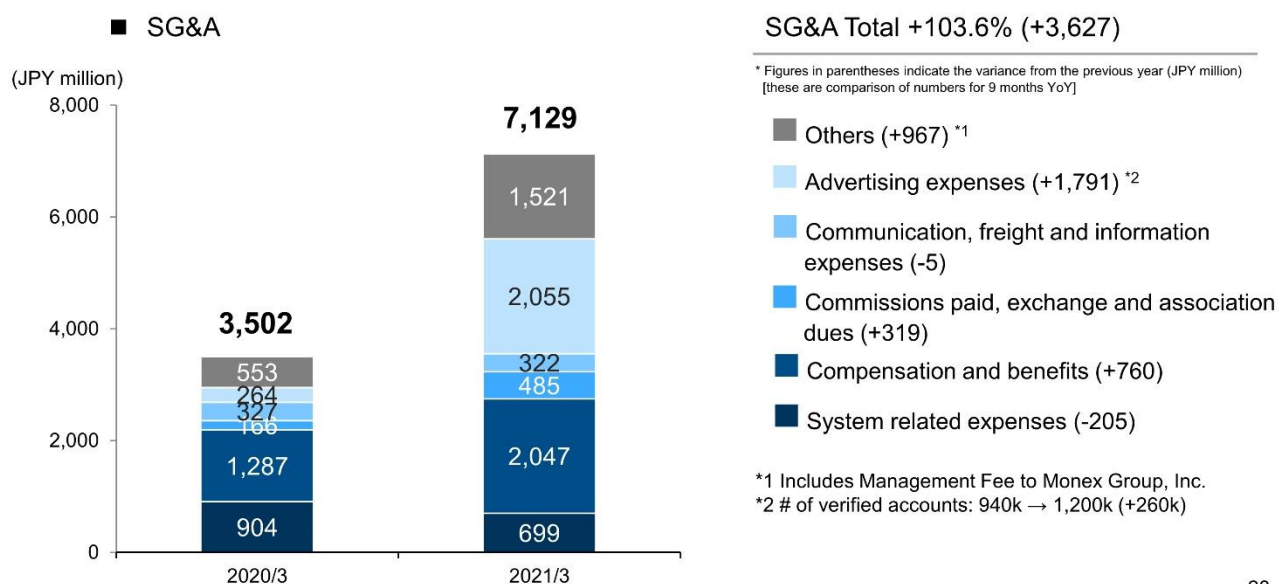
Operating revenue increased by JPY17 billion YoY to JPY20.8 billion due to the very booming crypto asset market. Altcoin's revenue growth has contributed significantly to operating revenue growth.

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Crypto : Coincheck ran TV commercials in Q4 in response to the booming crypto asset market. Advertising expenses increased due to agile marketing initiatives. Compensation and benefits increased due to higher bonus accruals linked with the business performance.



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Regarding SG&A expenses in the crypto asset business segment, advertising expenses increased due to the use of TV commercials in response to the booming crypto asset market.

In addition, although variable expenses increased due to the increase in revenue, this segment has a low percentage of variable costs and fixed costs are kept at a low level, so expenses have been reduced to a 104% increase while revenue has increased by 446% compared to the previous fiscal year.

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(JPY million)

	3Q FYE Mar. 2021 (Oct. 2020- Dec. 2020)	4Q FYE Mar. 2021 (Jan. 2021- Mar. 2021)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	16,826	29,762	12,936	77%	P31: Analysis of Japan segment P33: Analysis of US segment (USD) P35: Analysis of Crypto Asset segment
SG&A	11,825	15,186	3,361	28%	P32: Analysis of Japan segment P34: Analysis of US segment (USD) P36: Analysis of Crypto Asset segment
The amount equivalent to operating income	5,002	14,576	9,575	191%	
Other income / expenses (net)	-210	-2,224	-2,015		Breakdown in DATA BOOK P20: - Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	4,792	12,352	7,560	158%	
Quarterly profit attributable to owners of the Company	3,629	7,806	4,178	115%	
EBITDA	7,009	16,627	9,618	137%	

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Now, on page 29 and beyond, I would like to explain the result in the comparison with the fourth quarter which is from October to December in the previous fiscal year.

Total operating revenue after deducting financial expenses was JPY29.762 billion, an increase of 77% from the previous quarter.

Quarterly profit attributable to owners of the Company increased 115% to JPY7.806 billion.

EBITDA increased 137% to JPY16.627 billion.

This is the highest quarterly performance ever recorded.

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QoQ Comparison (3 months) Segment Performance



	Japan		US		Asia Pacific		Crypto Asset		Investment	
(JPY million)	2021/3 3Q	2021/3 4Q	2021/3 3Q	2021/3 4Q	2021/3 3Q	2021/3 4Q	2021/3 3Q	2021/3 4Q	2021/3 3Q	2021/3 4Q
Total operating revenue after deducting financial expenses and cost of sales	7,231	8,544	5,406	6,880	359	528	3,997	14,233	144	52
SG&A	5,992	6,501	4,734	5,498	261	349	1,348	4,005	19	16
The amount equivalent to operating income	1,239	2,043	672	1,382	98	179	2,648	10,227	126	36
Other income / expenses (net)	215	2,066	12	11	7	19	-225	-3,611	-0	-0
Quarterly profit before income taxes	1,454	4,109	685	1,393	105	198	2,423	6,617	125	36
Quarterly profit attributable to owners of the Company	1,007	2,665	498	1,189	85	156	1,984	3,797	55	1
EBITDA	2,533	3,340	1,362	2,110	127	209	2,733	10,325	126	36
Note	See P31 "total operating revenue after deducting financial expenses and cost of sales" for more details See P32 "SG&A" for more details		See P33 "total operating revenue after deducting financial expenses and cost of sales" for more details. See P34 "SG&A" for more details.				See P35 "total operating revenue after deducting financial expenses and cost of sales" for more details. See P36 "SG&A" for more details.			

30

Page 30 is a breakdown of quarterly results by segment.

In the 4 segments excluding the Investment segment, sales and profits increased YoY. In particular, the crypto asset business segment has been growing remarkably.

In addition, all segments have been in the black for 5 consecutive quarters.

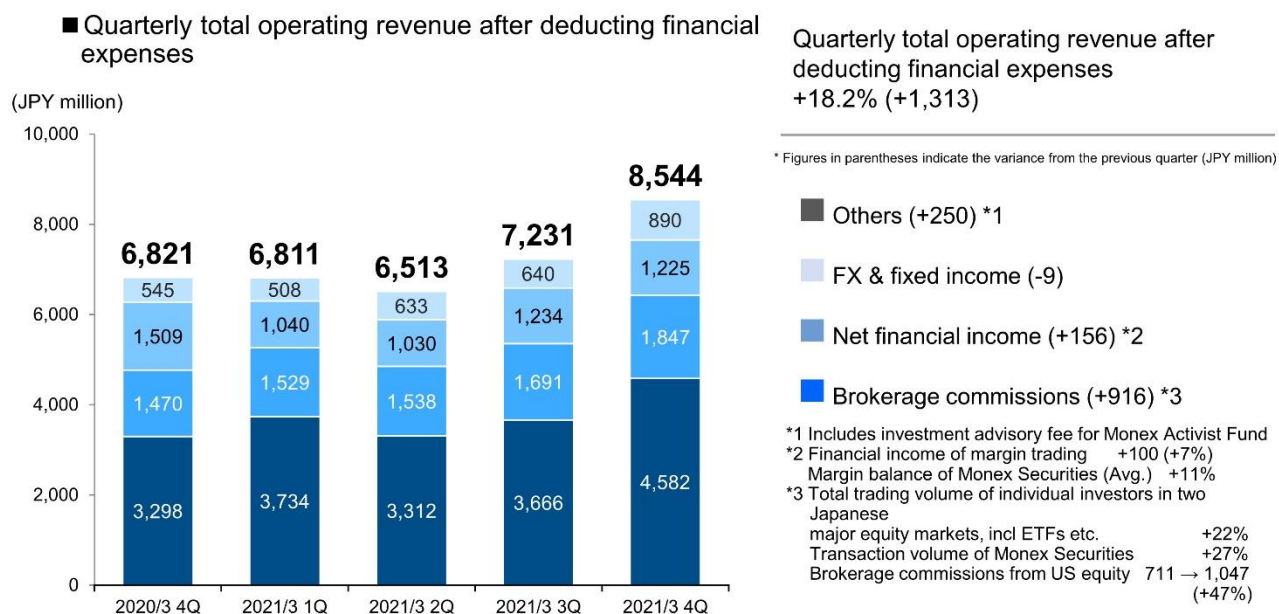
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Japan : Commissions from Japanese and US equities grew in line with the active stock markets. US equities accounted for 23% of total brokerage commissions in 4Q.



31

Let me explain in a little more detail the revenue costs of the 3 major segments.

Page 31, Japan segment.

Operating revenue in the Japan segment increased 18.2% QoQ to JPY8.5 billion.

The main reason for the increase in sales was an increase in the individual sales trading amount for domestic stocks and the growth in US stock trading, resulting in a 25% increase in brokerage commission.

The US stock commission accounted for a record 23% of the total brokerage commission.

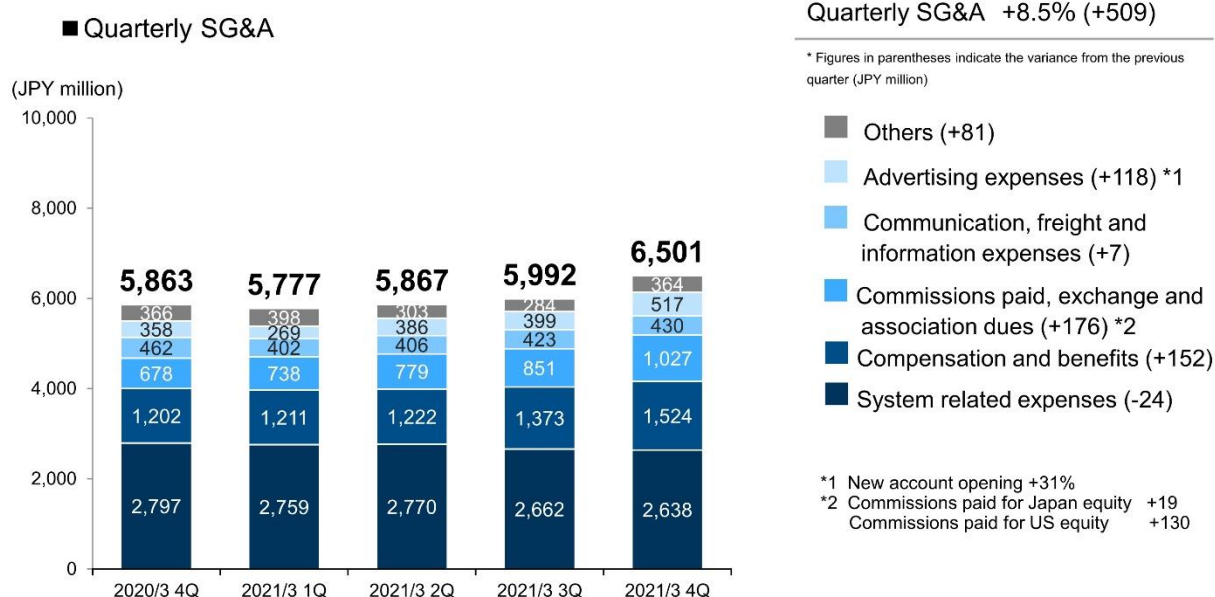
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 **SCRIPTS**
 Asia's Meetings, Globally

Japan : Fixed cost including system related expenses was well under control, while advertising expense and bonus increased driven by active account openings and the favorable business performance.



32

It is the cost of the Japan segment.

It was JPY6.5 billion, an increase of 8.5% YoY.

With the stock market boom, variable and advertising expenses have increased, but system-related expenses and fixed costs have been restrained.

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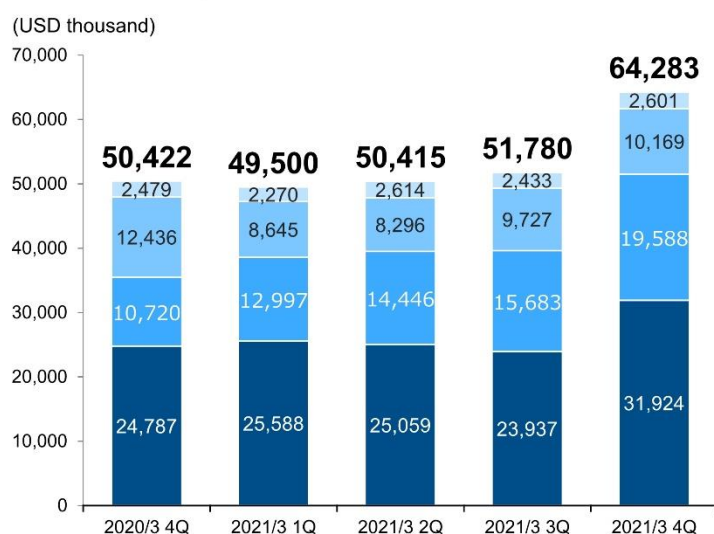
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US : Brokerage and other commissions increased due to record account growth driving higher trading volumes despite lower VIX. Crypto asset related revenue increased.

■ Quarterly total operating revenue after deducting financial expenses and cost of sales



Quarterly total operating revenue after deducting financial expenses and cost of sales +24.1% (+12,503)

* Figures in parenthesis is the variance from previous quarter (USD thousand)

- Others (+168)
- Net financial income (+442)
- Other commissions (+3,905) *
- Brokerage commissions (+7,987) *

* VIX Daily Average: 25.6→23.2
DARTs +16%

33

Next, page 33 is the US segment.

Operating revenue increased 24.1% QoQ to USD64.28 million.

In this quarter, the number of accounts and trading volume increased due to commission-free plans, etc., and brokerage fees such as for stock trading and options trading, as well as other accepted commissions such as payment for order flow, increased significantly.

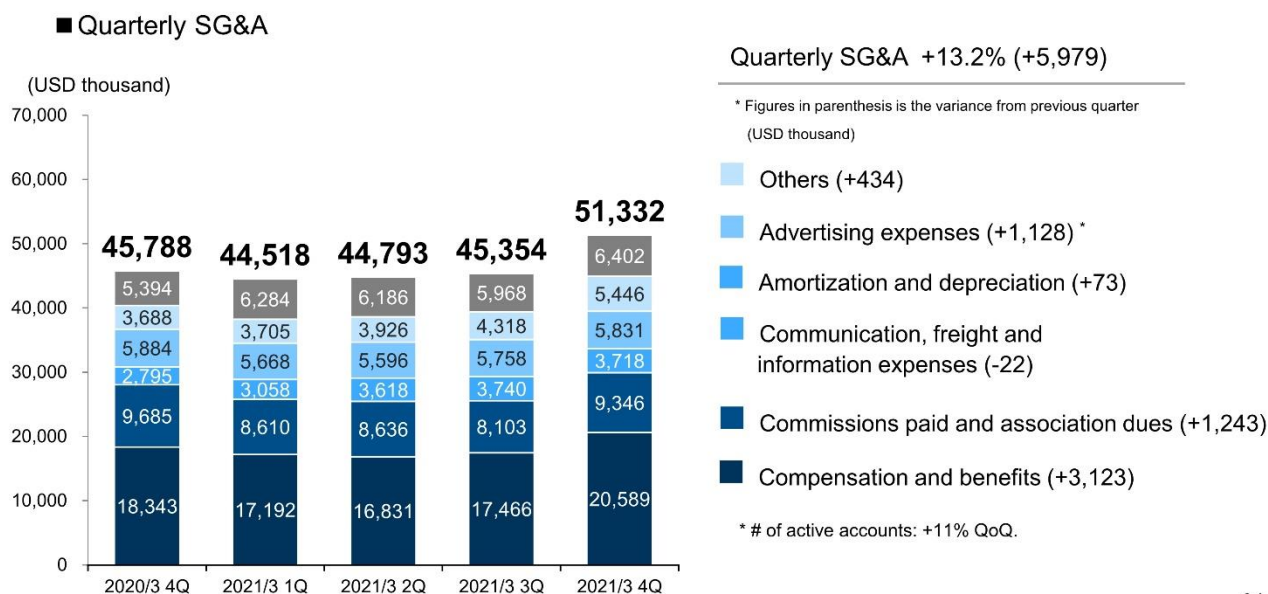
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US : Total expenses have increased in line with variable expenses associated with revenue growth and improved financial performance.



34

The cost of the US segment is on page 34.

It has increased by 13.2% QoQ to USD51.33 million.

This is mainly due to an increase in advertising expenses and labor costs due to the strengthening of new businesses such as crypto assets business, but costs are appropriately controlled.

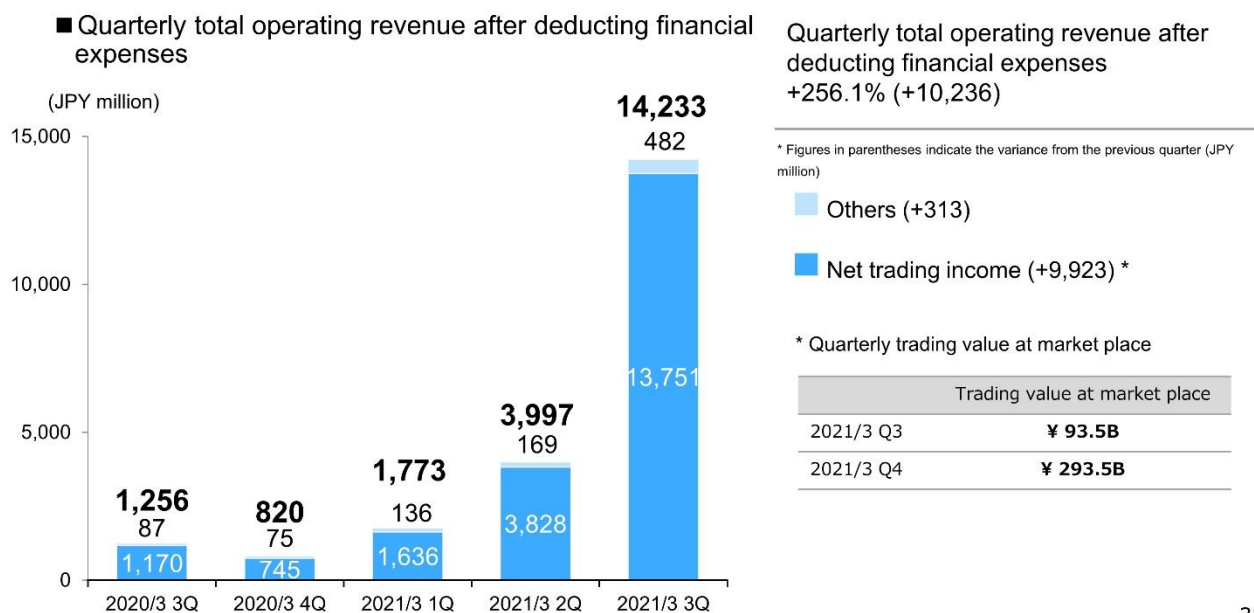
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Crypto : The number of accounts increased significantly due to the active market and marketing initiatives such as TV commercials. The trading value at the market place tripled QoQ, resulting in a significant increase in revenue.



35

Finally, the crypto asset segment business. It is on page 35.

Operating revenue increased significantly by 256.1% QoQ to JPY14.2 billion.

Due to the effect of TV commercials, the number of accounts increased significantly, and the trading value at the market place for Coincheck also increased significantly because the crypto asset market including Altcoins was very booming overall. As a result, trading revenue increased by JPY9.9 billion.

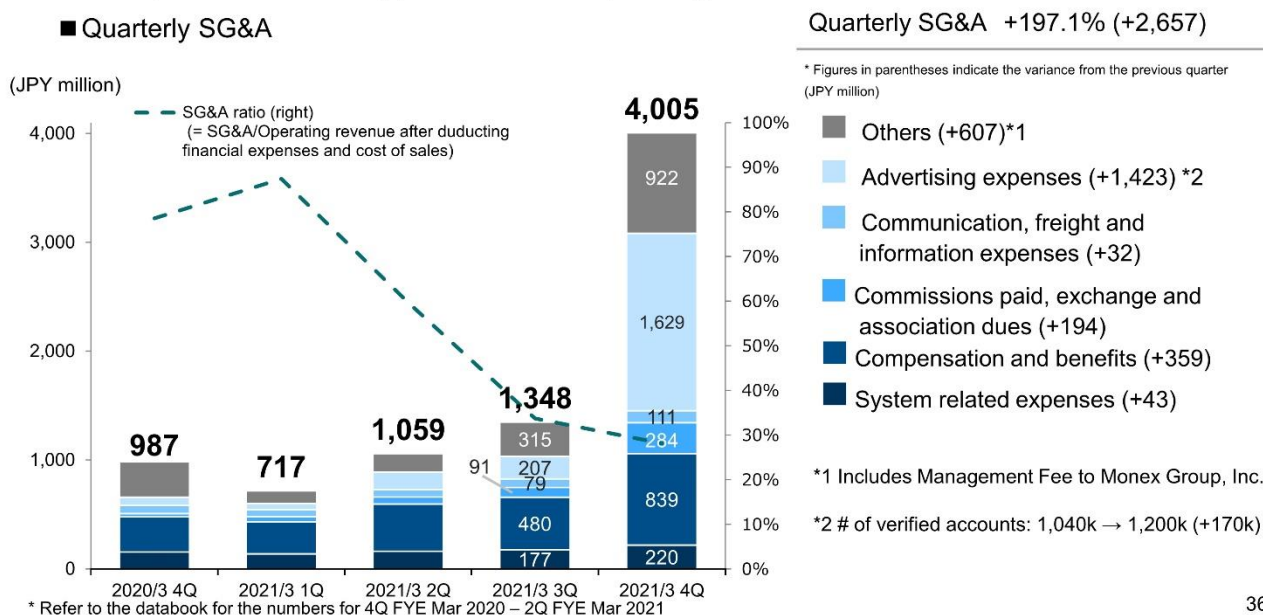
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Crypto : Advertising expenses increased significantly due to agile marketing measures such as TV commercials in response to the booming crypto asset market. Compensation and benefits increased due to an increase in personnel to support account openings and bonus accruals.



36

This is about the expenses for the crypto asset business segment.

In response to the booming crypto-asset market in the current quarter, advertising expenses increased by approximately JPY1.4 billion compared to the previous quarter due to the implementation of dynamic marketing measures.

In addition, labor costs have increased due to the increase in personnel to respond to the increase in applications for new accounts and the increase in performance-linked bonuses. However, the SG&A expense ratio has decreased from about 34% in the previous quarter to about 28% in the current quarter, and while operating revenue has increased significantly, the increase in expenses has been limited. As a result, the profit increased significantly in this quarter.

I have explained the consolidated financial results.

Support

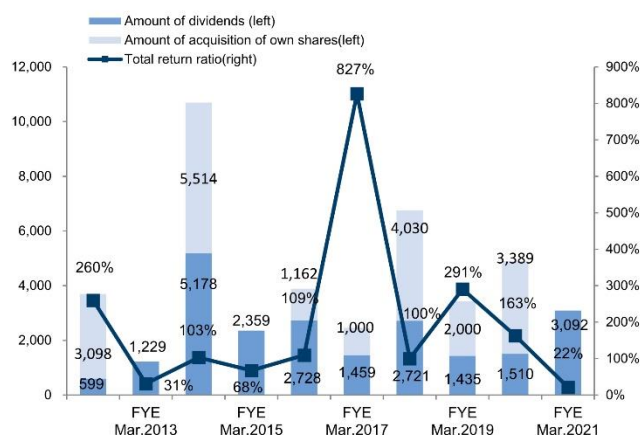
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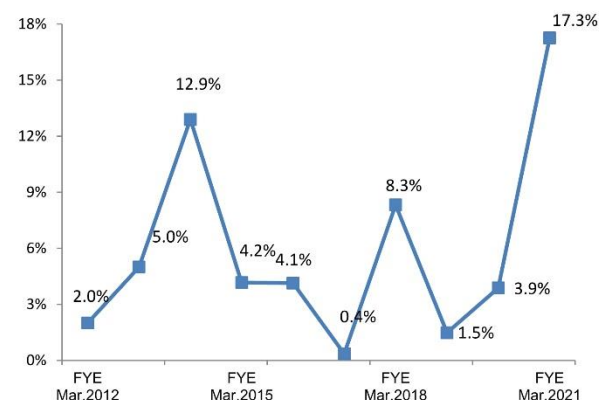
Total return ratio(*1) is aimed at 75% on a multi-year basis

◆ Total return amount (*2) and total return ratio

(million yen)



◆ Return on equity ratio



(*1) Total return ratio = (dividend paid *3 + amount of share buyback *4) / profit attributable to owners of the Company

(*2) Total return amount = dividend paid + amount of share buyback

(*3) Refer to P61 "Dividend history" for more information of dividend per share

(*4) Amount of share buyback : JPY 3.1B in Jun. 2011, 5.5B in May 2013, 1.2B in Jul.-Aug.2015, 1.0B in May-Jun. 2016, 1.0B in May 2017, 3.0B in Feb.-Mar. 2018, 2.0B in Aug. 2018, 3.4B in Jul.- Aug. 2019

38

Matsumoto: Before we talk about each business, I'd like you to take a look at this page 38.

I would like to explain that ROE achieved a high return of 17.3% this fiscal year.

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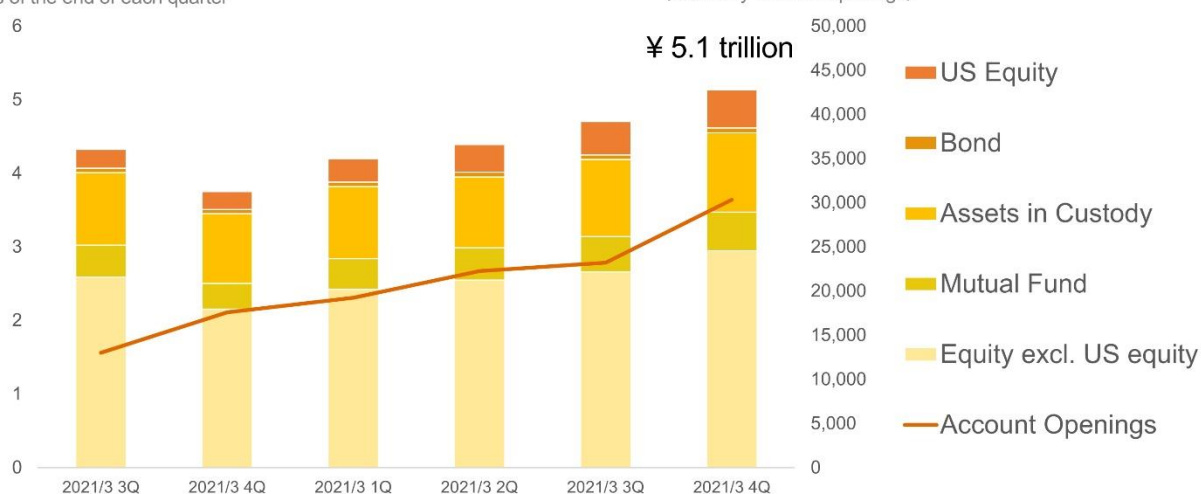
Customers' assets in custody reached over ¥ 5 trillion.
 Account openings surpassed pre-COVID19 levels and significantly.

Customer's assets in custody and quarterly new account openings at Monex, Inc.

(Assets in custody : trillion yen)

* As of the end of each quarter

(Quarterly account openings)



40

For business update, I would like to show you briefly and move onto Q&A.

First of all, page 40, the Japan business.

Customers' assets in custody at Monex Securities exceeded JPY5 trillion.

The second one from the left of the graph shows the temporary drop due to the coronavirus pandemic, but after that, we increased accounts steadily and the market recovered, so the customers' assets in custody has exceeded JPY5 trillion.

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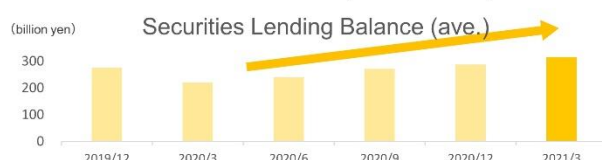
 **SCRIPTS**
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Stock-type assets in custody steadily increased, driven by successful service expansion of Mutual Funds and Securities Lending.

Stock-type business offerings and initiatives for increasing customers' assets

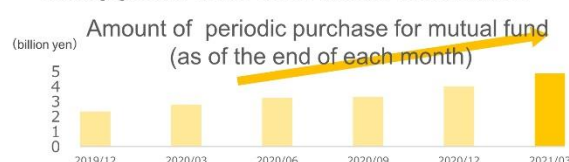
Securities Lending

- Enabled margin account holders to use their collateral stocks for lending last Nov. Lending balance reached ¥ 310 B (+ ¥90B YoY).



Mutual Funds

- Use of the daily installment service increased and the monthly accumulation amount reached ¥4.9B, driving growth of the entire mutual fund balance



New Platform Business

- Concluded a final agreement for a comprehensive business partnership in the financial instruments intermediary business with Shinsei Bank Group
- Monex will execute transactions of the relevant customers of Shinsei Bank Group and manage their accounts. Both has started its cooperation with an official launch target in Jan 2022.
- Apply the same framework to partner with other financial players, which will promote further transformation to the asset-management model
- Monex and a subsidiary of Shinsei Bank Group will start accepting applications for an original affiliated credit card in May. It will allow users to accumulate Monex Points, and the partnership will further expand the service to enable users to periodically purchase mutual funds with the points.

41

On page 41.

Securities lending have also increased steadily. In mutual funds, the daily installment service is also steadily increasing. Both are solidly being underlain with the introduction of new services.

The platform business is a system for the Shinsei Bank Group and a back-office contracting service, but we are steadily preparing.

In addition, with regards to the credit card aligning with Aplus Co., Ltd., we have also announced a Monex card to which we attached an epoch-making service.

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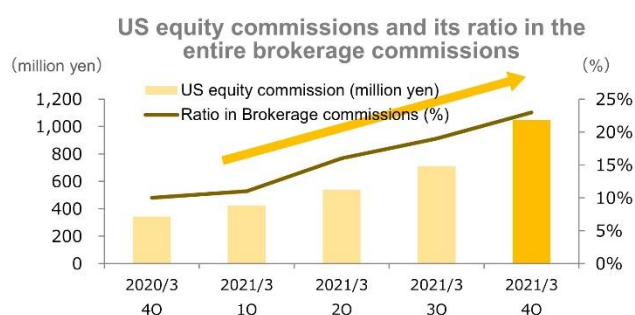
 **SCRIPTS**
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Brokerage commissions from US equity trading made up for 23% of all brokerage commission revenues

Services to increase customers' assets in custody

US Equity Trading

- US equity and USD assets in custody increased +113% YoY. US equity revenue ratio of total brokerage commissions is increasing and reached 23% in 4Q.
- Account opening surveys illustrate that the US equity trading feature attracts the most people for choosing Monex Securities.



Investment Education Courses

- Began offering paid investment education courses to help customers increase assets. Started offering online the first course on US equities to teach global diversified portfolios.

IFA – Independent Financial Advisor

- Under the concept of “Premium IFA,” customers' assets reached over ¥8.3B. With product offering along with the customers' needs, aims to increase assets in Japanese and US equities.

ferci

- Trading app for younger generations with a community function. Access to shares of less than one unit stimulates asset management needs under the pandemic. 70% of customers who opened accounts via ferri are first-time investors.

42

On page 42.

With US stocks reaching 23% of Monex Securities' total brokerage commission income, there are trade stations in the group, so we have the large advantage in growing business steadily.

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Monex Activist Fund performs well above TOPIX (+ 5point).

Reinforcing group's asset management capability

Discretionary Investment Service ON COMPASS/ON COMPASS+

AUM **¥ 11.1 billion**

The hybrid face-to-face discretionary investment service "ON COMPASS+" has four partnerships in total and intends to further expand its sales channels in the future.

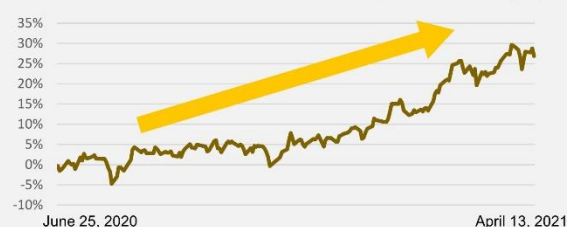
- Akatsuki Securities
- Okachi Securities
- Shizuoka TM Securities
- Hokuyo Securities

Engagement Fund Monex Activist Fund

AUM **¥ 6.8 billion***

Established an offshore fund to start offering the fund to overseas in June.

Performance after deducting success fees since establishment : +30% (TOPIX +5pt)



*AUM is the amount of the mother fund for Monex Activist Fund

43

On page 43.

There is a Monex Activist Fund on the right, but the asset under management at the mother fund level is approaching JPY7 billion.

This is the return since we started the mutual fund for retail in June, but the return is 30% after the success fee deduction of 22% success fee including tax, and it is 5 percentage points better compared to TOPIX.

Although the results will be even better from April, when we originally started to manage mother funds, we have also had significantly more concrete results in engagement fund. The result of management was very good overall, and we believe that we can expect further asset accumulation in the future.

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Monex Climate Impact Strategy to hold renewable energy assets to have positive impact on global climate issues.

Sustainable Finance

Sustainable Finance

Triggered by the GPIF's investment in environmental bonds, FY2020 marked a turning point for ESG investment in Japan. Financial institutions started distributing assets to begin investing in ESG-related assets.

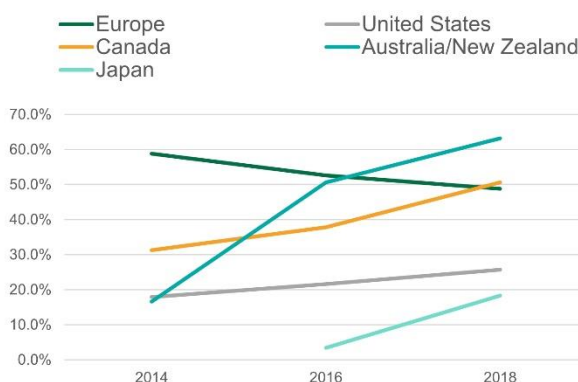
Monex Climate Impact Strategy

Experts with strong relationships with European energy companies will be stationed locally to identify investment opportunities in global projects for environmental assets.

Developing an environmental contribution reporting and measuring system that cannot be tampered with by utilizing blockchain.



Proportion of Sustainable Investing Relative to Total Managed Assets*



*Refer: Global Sustainable Alliance
"2018 Global Sustainable Investment Review."

44

Moving onto page 44.

In January, we established a Sustainable Finance Department within Monex Securities.

We are preparing the Monex Climate Impact Strategy here, and we will be able to report about the Climate Impact Fund around next month.

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TradeStation's customer base and revenue base has almost doubled in one year.

Account Additions & Client Assets

TradeStation has expanded its customer target from active traders to casual traders. The customer base expanded significantly through focused performance digital marketing efforts, including increased use of search engines and social media impressions.

As of Mar. 31, 2020 vs. As of Mar. 31, 2021

Total Client Assets ^{*1}
\$10.3B +91%

Total Active Accounts
145K^{*2} +43%



^{*1} Customers' Assets in custody include the balance of foreign stocks and some deposits of Monex, Inc. and Asia-Pacific Segment.

^{*2} Includes active crypto accounts beginning December 1, 2020.

Trading Volumes

DARTs continue to increase after the introduction of commission-free trading, which has seen accelerated adoption during the pandemic. Due to the expansion of the customer base, TradeStation's DARTs have become less correlated to volatility.

As of FYE2020/3 Q4 vs. As of FYE 2021/3 Q4

DARTs
276,959 +97%



45

Page 45 onward is about the US.

As you can see on the left, both the number of accounts and total clients' assets in custody have been growing steadily, exceeding JPY1 trillion in clients' assets in custody. It has doubled YoY.

The right side is particularly interesting, but the line graph is VIX, so volatility is gradually going down after a temporary raise due to coronavirus pandemic. However, for DARTS, the trading volume and the number of transactions are increasing rapidly.

What this means is that we have increased our customer base greatly by reducing the number of commissions to zero and by changing our marketing methods to better win over younger people and more customers. As a result, trading volumes has increased even if volatility went down.

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TradeStation has evolved into a growth company with its newer crypto product suite performing strongly.

Commission Revenue

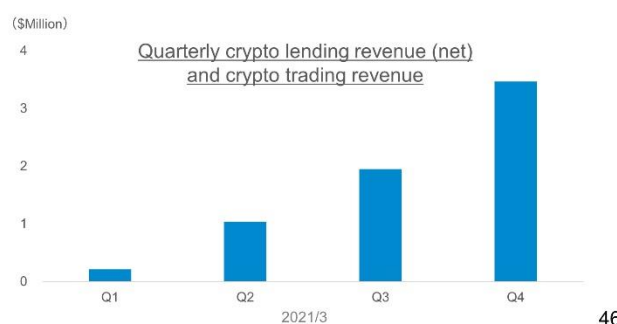
- Despite volatility stabilizing, customer trading volumes remained elevated in Q4 due to an increase in the number of active accounts. TradeStation's commission revenue* was \$46.6M (YoY +69%).
- TradeStation has increased the number of API partners as a driver of growth of accounts and commission revenues.



TradeStation Crypto (TCI)

- Crypto Earn, a service that offers interest income on customers' crypto deposits, attracted crypto assets balances and contributed to account acquisition.
- The total of the crypto lending revenue (net) and crypto trading revenue was \$3.5M (QoQ +78%).

* Crypto Lending Revenue (net) and Crypto trading revenue



46

Moving onto next page 46.

The graph on the left shows a revenue breakdown. On the third quarter of the fiscal year ending March 2020, zero fees started. After that, there were various things happened such as that interest rates became zero, but in the great headwinds of zero fees and zero interest rates, we have been firmly increasing profits as shown here.

We increased revenue even with zero commissions. Even if interest rates go down, overall earnings have increased, and since this is growth that has overcome 2 major challenges, we are becoming more confident that we will continue to grow firmly in the future.

As you can see on the right, we are promoting the crypto assets business in the form of TCI, TradeStation Crypto, Inc., among trade stations, and this has also grown steadily.

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The number of accounts rose dramatically due to increased popularity driven by TV commercials during the booming market.

Leading Company among Japanese Crypto Exchanges

No. 1 app DLs^{*1} and supported coins

among domestic crypto exchanges

- # of app downloads **3.72M**
(+850K, +30% YoY)
- # of verified accounts **1.2M**
(+28% YoY)
- # of supported coins **16** coins (as of April 27, 2021)



Coincheck's share in # of verified accounts among 26 domestic exchanges

28%

■ Coincheck
■ Other Japanese exchanges

On a preliminary basis, the net income from Jan.-Mar. 2021 of Coinbase, which went public at a valuation of nearly \$100 billion on its first day of listing, was 80-90 billion yen ^{*3}, and the net income of Coincheck was close to 10% of that.

^{*1} Included: crypto asset exchange app. Term: April 2020 to March 2021. Source: App Annie.

^{*2} Term: February 2021. Source: JVCEA's monthly disclosure of the table of crypto asset transactions

^{*3} Source: News at Coinbase HP. Exchange rates used are ¥110/\$.

Effort to expand customer base and revenue base

- Coincheck has a beginner-friendly UI/UX, and its TV commercials have further raised recognition. The number of accounts increased 3.8 times QoQ, supported by a growing global interest in crypto assets and a booming market.
- Coincheck is focusing on expanding the number of supported coins as one of its important strategies for business expansion with the aim of increasing revenue sources and attracting new customers.



47

From page 47, it is about Coincheck.

As Seimei explained, the fixed cost is very low in the part of the cost of Coincheck YoY, and there is only fluctuation. Anyway, partly due to a TV commercial, the recognition has increased further, and there is a trend to open an account recalling Coincheck, once the market for crypto asset heats up. Overall, I think we can say that we are roughly the number one customer base in Japan.

By the way, Coinbase was listed in the US, but if you look at the figures of Coinbase, comparing them to Coincheck in the same period, Coincheck is about 7% to 9% of Coinbase in terms of revenue and profit, and it has become a considerable scale.

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Coincheck's quarterly trading value in the marketplace tripled QoQ driven by high market activity and an increase in the number of accounts.

Coincheck's services

Coincheck is not based on proprietary trading and its revenue driver is customer trading volume.

	Exchange	Marketplace
Supported coins	4 coins	16 coins
Customer segment	Advanced	Beginners
Platform	Web only	Smartphone App/Web
Revenue source ^{*1}	No commission, No spread	Spread income
Profitability	Low	High
Covered trading ^{*2}	No (matching engine)	Yes
Leveraged trading	No	No
Proprietary trading	No	No

*1 May incur swap fees, borrowing fees, deposit and withdrawal fee, and remittance fees.

*2 Position risk is well controlled by covering almost all customer orders with counterparties.

Quarterly trading value

Trading value increased significantly due to account growth. In Q4, Coincheck's trading value in the marketplace increased more than three times.

Trading value in the exchange

¥2,071.6B

+147% QoQ

Trading value in the marketplace

¥293.5B

+214% QoQ

(¥ Billion)



48

Page 48 is a description of Coincheck's business.

In short, when you look at our stock price, there is a trend that our stock price goes up when Bitcoin goes up. It seems that there is an association of idea that Coincheck is profitable when cryptocurrency goes up, but in fact it is not the case. Since we do not have position basically, Coincheck will increase profits when the trading of crypto assets increases.

Of course, from the association of idea that trading will increase if the market price of crypto assets goes up, there can be an association of ideas that when the price of crypto assets goes up, Bitcoin goes up, which will make profit for Coincheck and Monex. However, if you look at it carefully, the profit is linked to the trading amount, rather than the level of cryptocurrency.

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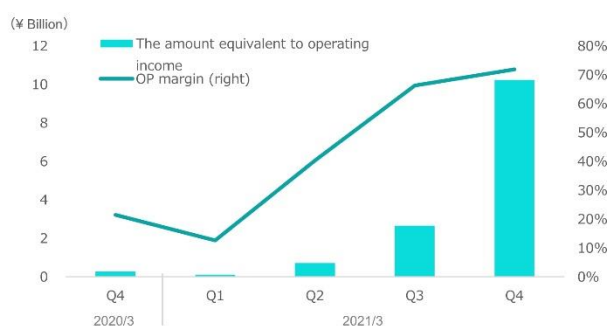
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OP margin was 72%* in Q4. Coincheck develops new business initiatives.

Operating Profit Margin (OP margin)

- Coincheck has built a revenue structure that allows it to increase profits significantly when the market is booming and to remain profitable even when the market is sluggish.
- The operating profit margin for Q4 was 72%. Earn-out clause expired in FYE Mar.31 2021, and all profits will become Coincheck's profit from April 2021.



* Operating margin = The amount equivalent to operating income / Total operating revenue after deducting financial expenses

New business

Sharely

(Virtual shareholder meeting support service)

Coincheck introduced the service at several companies in March and strengthened sales for the general shareholders meeting season in June.



Money Forward

UZABASE

giftee*

明日が、笑顔になる空間を。
space

IEO (Initial Exchange Offering)

The release of IEO was postponed with product improvement becoming a priority issue in light of the booming NFT market. Following careful discussions with the government since this is the first project of its kind in Japan, Coincheck aims to launch the service by FYE Mar.31, 2022.

49

Moving onto operating income. As Seimei explained earlier, the SG&A expense rate has been lowered to 28%. The operating profit margin is 72% as written here.

In addition, Sharely, the Virtual General Meeting of Shareholders Support Service, is steadily accumulating results.

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Launched Japan's first NFT marketplace combined with a crypto asset exchange. Aiming to become No.1 in the world.

Non-Fungible Token

- NFT (Non-Fungible Token) is a digital asset that uses blockchain technology to certify the uniqueness of tokens. NFT is attracting global attention as a new "value" next to crypto asset.
- With its corporate mission to make the exchange of new values easier, Coincheck was the first to enter the NFT business.
- Acquired all shares of Metaps Alpha (currently Coincheck Technology) in Feb 2021, a provider of NFT marketplace "miime". Coincheck also launched Coincheck NFT (β version) in March 2021
- Coincheck strategically operates both "miime", an on-chain NFT marketplace, and Coincheck NFT, an off-chain marketplace

Coincheck NFT (β version)

- Coincheck NFT (β version) is now available for existing Coincheck users and reached 12,000 registered users (as of April 1st, 2021) within a week of its launch. Crypto asset exchange service "Coincheck" and the Coincheck NFT will have synergy effect for further expanding user base
- Land in virtual space ("LAND") in "The Sandbox" was sold out immediately after the launch of Coincheck NFT (β version). Coincheck will strengthen its partnerships with new IP providers in order to offer more attractive products to users.

50

Page 50 is NFT.

We are developing 2 parallel services: on-chain NFT services with no KYC, and off-chain NFT services with KYC.

In fact, we have already had a number of Non-Fungible Token sales, and especially since the beginning of April, we have accomplished certain result.

When it comes to NFT in Japan, it seems that the recognition is almost established that one of the few companies that does NFT is Coincheck, and Coincheck has partnered with NFT players worldwide. Therefore, we would like to build a solid leading position in this field with Japan and the world.

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Steady account growth drove higher DARTs +60% QoQ and segment profit increased by 88%.

Monex Boom / Monex Australia

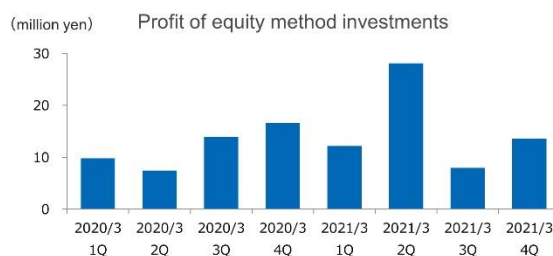
In Hong Kong, the number of accounts grew despite the Chinese New Year period, and trading volume increased significantly QoQ



Cherry Technology Co., Ltd (China)

Providing technology and knowledge of the online brokerage business through a joint venture in PRC. Account openings slowed as the market paused after novel coronavirus recovery. Profit of equity method investments was ¥14M

2020/3 vs 2021/3 (12months)



51

Page 51 is the Asia Pacific segment.

Although the scale of this is small, we have recorded record highs of profit as in other segments.

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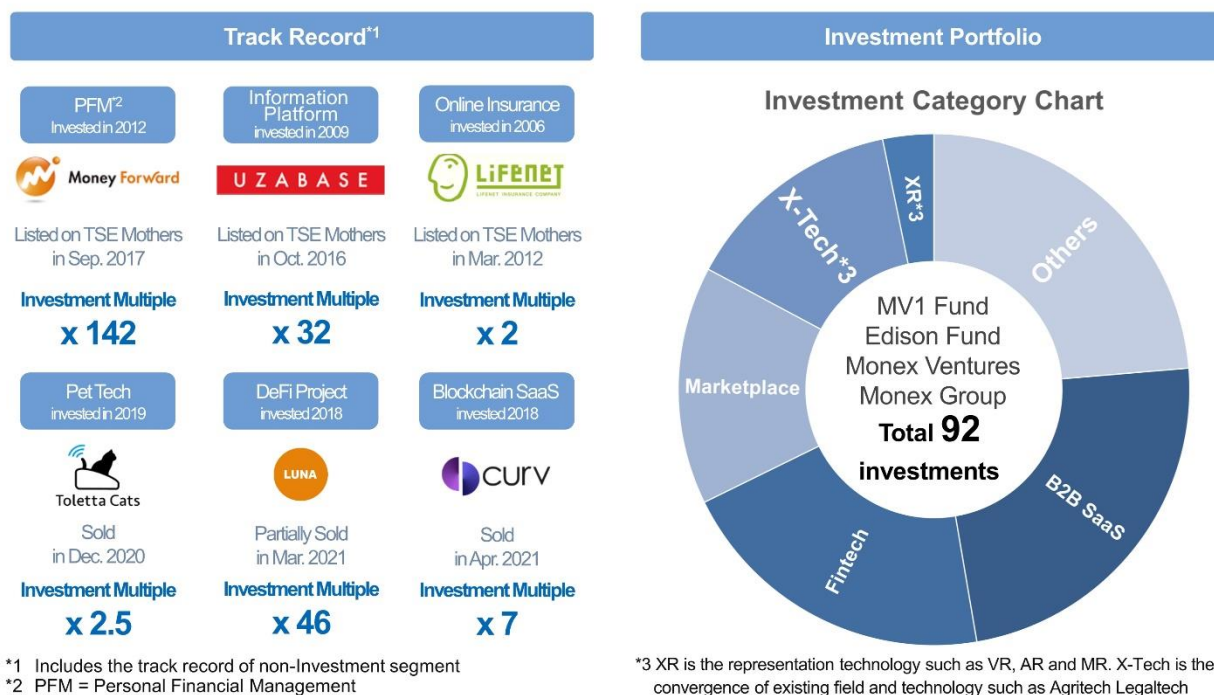
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Page 52 shows the content related to the Investment segment. As described on the left, we have invested some as Monex Ventures or Monex Group, and we have achieved the results of the investment multiple shown here.

We invested in the DeFi project in 2018 and realized some of it a while ago, and the gain from that alone has resulted in a 46-times return.

You may know this Curv, but everyone knows it in the US, and it generated a buzz when PayPal recently acquired it. We invested this Curv in 2018 as well, and since it was bought all by PayPal, it has resulted in the investment results shown here.

As you can see on the right, it is a fairly diversified portfolio.

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Positioned this year to kick off full-scale ESG initiatives. The executive officers themselves are promoting ESG initiatives as part of business promotion.

ESG Initiatives

“Sustainable Finance” as a material ESG issue

- Reviewing the importance of "Sustainable Finance" in the materiality matrix of the Monex Group in response to preparations for the establishment of an environmental fund.



The Monex Group's ESG Approach

- Embracing our business principles and working toward raising corporate value sustainably by addressing ESG issues related to our medium-to-long term business areas.

Building Climate Impact Strategy

- In addition to the engagement fund, Monex Activist Fund and Monex prepare to launch a new investment strategy that measures and reports the environmental impact of its assets under management

Diversity, Equity and Inclusion

- Changes to the Board of Directors was proposed at the General Meeting.
- Added "Sustainability" as a board credential
- Won Gold award for PRIDE Index for two years straight
- Joined and signed "The Valuable 500"

53

Page 53 shows ESG.

One thing to note is that in response to the launch of the Sustainable Finance Department at Monex Securities in January, we have lifted this sustainable finance on the materiality matrix, shown at the left, to the top right aiming to work on ESG in our main business.

As you can see on the right, we are working on ESG in various ways.

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Proposals for the General Meeting of Shareholders to be held in June

Technology expertise and younger generations as credentials for new candidates

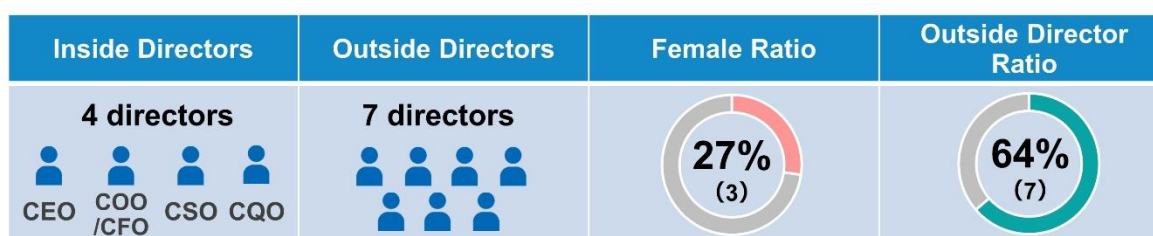
Proposals

1. Partial amendment to the Articles of Incorporation

The number of board of directors from “not more than nine” to “not more than eleven”

2. Election of eleven directors including two new candidates

The Company wishes to appoint as a director Yuko Seimei and increase by one the number of outside and independent directors with the appointment of a young person with technology expertise. To have outside and independent directors make up for almost two-thirds of the Board and to enhance the supervisory function of the Board, the Company proposes to change the number of directors as described above.



54

Moving onto page 54.

With the approval of this year's General Meeting of Shareholders, we have increased the number of directors by 2, by adding Seimei who spoke earlier and Mr. Naofumi Yamada, 31-year-old engineer and the founder of PKSHA Technology as an outside director, which makes the structure with 11 people temporarily, but we have maintained the ratio of women as 27% and ratio of outside director as 64%.

There are a few more graphs for your reference, but overall, it is a very good result, and as I mentioned at the beginning, business performance is strong, and the outlook is bright for the future.

In addition, we are diversified in an effective way. In addition, it did not happen naturally, and it is the result of our firmly building the firm with the vision in the way that we searched for and acquired an American company with the slogan of "global vision," and had Coincheck entering the Group with the idea of "second founding."

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Question & Answer

Matsumoto: Now, we are moving to Q&A time. I will answer the question if you enter them on the chat board.

We have 3 questions from Mr. Hara of SMBC Nikko Securities Inc.

First question is about the crypto asset segment. In the fourth quarter, profitability for the trading value at the market place has risen, but what are the factors behind this? Also, please tell me about your outlook for trading volume, profitability and costs after April.

This is because the ratio of Bitcoin is decreasing, and Altcoins are increasing. Rather than Bitcoin has decreased, the Altcoin ratio as a percentage of the trading value at the market place has increased a little due to the increase of Altcoin. As a result, profitability has increased because Altcoins have a wider spread than Bitcoin.

The current situation in April is pretty good. I think it is fine to say this because, as I mentioned earlier, the trading volume of coins in the market as a whole is measurable to a certain extent, and you can predict the situation from this public information. Moreover, given there is no earn-out any longer, we can start with these 2 big positive advantages, so we think there is no problem. Would this be okay (laughs)?

However, we do not expect the profitability and its ratio will change particularly. As I mentioned earlier, it is a model with a fairly low fixed cost, so if the top line falls, the variable cost will also fall. Of course, if the top line falls, the operating profit margin will fall, and profits will decrease, but we have considerable buffer for that. In addition, there are some speculations about the future.

I think Nikkei Forum starts at 1:30 PM tomorrow in the US. At first, it starts with a conversation between me and Kathy Wood, followed by various forums with Hester Perth of the SEC, Dan Morehead of Pantera, Mike Novogratz of Galaxy Digital, and so on, and it will be aired tomorrow.

The topic is about how crypto assets are developing in the US. Anyway, it has increased in the proper way. Therefore, considering such a thing, it does not seem that the crypto asset market will suddenly cause an engine stalling, so I think that there is no problem in the future regarding the trading amount, the macro environment, the profitability of Coincheck, or the outlook for costs.

There is the second question from Mr. Hara.

Total return rate is at 22% this time, and I have an impression that it is low. The policy is more than 75% in multiple years, but the total return rate over the past 3 years is 62%, which is lower than that. What is the background to such management decisions?

Please wait a minute. I think the total return rate of 62% in the past 3 years that you mentioned is probably wrong from the first place. It is 100% in the fiscal year ended March 2018, 290% in the fiscal year ended March 2019, and 162% in the fiscal year ended March 2020. Mr. Hara, I think you have seen different figures.

I think you can understand it here. Therefore, this time, 291, 163, and 22 are added and broken down by 3, so it will be significantly more than 75%. So 310, 410, yes, I think it will be about 130% or 140%, so it will be significantly exceeded, so we put out this figure naturally, rather than as a management decision.

It is calculated cumulatively but exceeds well enough.

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Well, what is written here is that we are promising a total return rate including share buybacks, and we will exceed 75% in multiple years with average.

As shown in the graph, the total return rate in every year and every fiscal year in the past has continued to be remarkably high. This is because the stock price was low, so, as management, we thought the share price was too low. Therefore, it is better to buy stocks than to pay dividends, and since the stock was too low, we decided to buy stocks. As a result, the total return rate has become very high.

This time, we did not do that, but on the other hand, we observed that there was a high need for dividends. Therefore, we paid dividends firmly. Overall, total return ratio is as shown this time, and the total return rate of the cumulative average for 3 years is still significantly more than 75%.

Moving onto the third question.

If Coincheck were to be listed, I think it would be a parent-child listing, but is such a situation acceptable from the standpoint of promoting engagement investment?

Well, since the time of the acquisition, I have said from the time of the press conference at the time of the acquisition that we aim to go public because it is better to be a listed company in its nature. We have not withdrawn that comment at this time.

Of course, there is a problem of parent-child listing, so it is a hypothetical story to me, but if it becomes a parent-child listing, I and other members will think of and realize the way and the mechanism that will not cause any problem, because although there are various rules in the Tokyo Stock Exchange, I think that the rules of the Tokyo Stock Exchange are insufficient.

Mr. Sakurada of Investment Daily Report sent a question. What do you think about the exchange token issuance by Coincheck?

I see. There is Binance Coin at Binance. Well, in the case of Japan, I think that it is unknown whether the exchange token is allowed to be listed in the first place. In Japan, listing of stable coins is probably difficult in the first place, and I think that exchange tokens may not be that easy.

Currently, there are more than a dozen kinds of coins, and NFT and IO in the service lineup of Coincheck.

For these services, there are various things we need to focus on as a group such as listing of other coins. Against this background, since this is something that we need to develop, rather than just buying and selling like a broker, we consider whether creating something like Coincheck token and sparing resources for that would be the benefit for clients, companies and eventually for shareholders. The answer is no. Therefore, this will be our second priority.

We have not yet got the next question. Does anyone have any questions?

There is one from Mr. Hara of SMBC Nikko Securities, Inc. What is the volume of NFT transactions? Please tell us if there are any current issues in your business expansion.

We have not yet disclosed the volume of NFT transactions, so I would like to refrain from telling you the figures.

We have volume to a certain extent. We have reasonable figures for profit. However, as the name of Non-Fungible Token shows, it is Non-Fungible and it is not compatible. Therefore, there is a limit to the number because it is a unique thing that is not compatible by all means, such as art or something like that.

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So, for example, comparing stock exchanges and Sotheby's, stock exchanges are bigger, no matter how you think about them. Or maybe this is not a good example. Comparing Sotheby's who deals with the original painting to, for example, a bookstore who prints and duplicates the same thing and sells it, I think printing and selling will gain more scale.

Therefore, on the contrary, I think there is an issue with NFT essentially to increase the scale. There is a difference like the one between a bookstore and a used bookstore. There is a difference such as the one between bookstores and, yes, old document shops, so I think that is a challenge.

However, in Japan, there used to be something like a complete gacha, and something like a Kamen Rider card. I think that the familiarity to these digital thing or digital art is high, so that is one thing.

In addition, if it is a non-KYC on-chain, we can deal with the customers around the world all at once. The KYC off-chain is for customers for whom we do KYC at Coincheck. The on-chain is non-KYC, and it can be targeted at customers all over the world, so I think we can increase the amount in that way. Also, since it is a hot theme after all, there is a fair growth rate, but there are some restrictions from the features I just mentioned.

Seimei: The dividend payout amount for 3 years that was asked has been dropped. About share buybacks and dividends.

Matsumoto: I'm sorry, Ms. Seimei, can you please explain? In response to Mr. Hara's question.

Seimei: Regarding the total payment ratio that was in the question, instead of adding percentages, if we make the total amount of share buybacks and dividends for the 3 years as a numerator and total so-called net profit for 3 years as a denominator, it is probably about 60%, and I think that is what he meant.

Our company is aiming for 75% in multiple years by adding the percentage in the past and dividing it by the number of year. In that sense, we are in line with that policy.

With regard to dividends, we believe that the so-called total dividend needs are quite strong, so we would like to operate them in a manner that can stably increase dividends in the future. That is all.

Matsumoto: Yes. I am sorry about it. Next question is from Mr. Yoneya in the East Bay Capital.

Could you tell me what kind of discussions are being held with Shizuoka Bank regarding the listing of Coincheck?

No, I am not able to answer it.

I would like to ask for your views on the constraints for the bank for having a listed cryptocurrency exchange and the views of the Financial Services Agency.

This is about what kind of discussion we are having or not having. Even if we do, I can't answer anything here including the nature of discussion. I hope you will understand. I am sorry. By all means, I will not be able to answer it as there are various issues including selective disclosure. I hope you will understand.

There is another question from Mr. Yoneya.

About the percentage of current trading volume of Altcoin and Bitcoin and the percentage of revenue contribution.

I haven't announced this. I have not announced this, and I have been talking with JVCA for a while about what kind of disclosure should be made.

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This time, former Monex Group CFO, now Coincheck President Hasuo, has become Chairman of JVCA. Since we think it would be better to organize such disclosure and disclose such parts as much as possible, we would like to work as much as we can to make this industry more transparent.

There is a question from Mr. Ono of Rockhampton Management Limited.

Assuming the current stock price level, would it be fair to say that dividends will be the focus of future returns? If a high level of profit continues, will you consider own share acquisition regardless of the stock price?

This is not a fact decided, and if I tell you the answer based on the assumption, it will become a violation of the disclosure rule. Therefore, instead, I would like to tell you what I think about it in general terms.

After all, in this low interest rate, stock prices seem to go up due to excess liquidity. I feel that there is a high need for dividends while talking to shareholders and investors about various IR's, so I feel that it is probably necessary to pay dividends stably.

You mentioned that it is a case based on the current stock price level, but I do not think that the current stock price level is high at all, because I think it is cheap. In that sense, I think that it is really more reasonable to buy stocks when it comes to dividends or stocks.

I also observe that there is a high need for dividends while I work in IR. First of all, we have done dynamic things till now in a sense that dividends change greatly according to profits every time, and share buybacks change greatly depending on stock prices.

We are also observing that the company's portfolio has grown considerably, and the number of shareholders of various types is increasing. Rather than the dividend and the share buybacks being totally different every time and every year depending on the environment, stable dividend and stable increase of it will be what most of shareholders want, and I think that is a good thing.

On top of that, I feel that it will be good to add special dividend or share buybacks depending on the business result etc.

So, in short, yes, we will be considering various possibilities every time depending on the environment going forward.

Yes, we still have a little time. Are there any other questions? Any more? Well, then I would like to end.

I'm sorry, we received the question from Mr. Yoneya; therefore, I would like to end after answering this question.

Looking at external data, Bitcoin trading volumes in the months from February to March are falling with January as its peak. You made a comment that the market is booming currently, but does that mean the trading volume of Bitcoin after April is in a trend of increasing again?

First of all, Bitcoin went down in February and March, and the Altcoin increased by that, so the rate of return seems to have increased.

From April onwards, not only Bitcoin but also other Altcoins are booming. Especially in Coincheck, it is booming. I think that there is some slight difference between market data and Coincheck, but I recognize that it is booming.

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This is the end of the explanation. I think that it was a very good content. We have developed our business by establishing proper vision and realizing it with diversification, and we are not a precarious trade. In addition, revenue is increasing by introducing various new services.

In the US, business performance is growing and overcoming zero interest rates and zero fees.

Also, I think that there are many people in Japan who have various concerns about crypto, but I would like you to listen to tomorrow's Nikkei Forum.

In the US, the system is really being developed. Therefore, it was possible to list Coinbase. That is a really new asset class.

From my point of view, for example, US managers such as BlackRock are investing not only in the listed stocks but also in unlisted stocks within the Jobs Act or in PIPE in SPAC and their unlisted stocks. Those large-scale asset managers are doing well by investing listed stocks that provide 5% to 10% return and unlisted stocks that provide 15% to 20% return on average.

Japan is lagging behind there.

In addition, in the US, even BlackRock is starting investing in crypto assets. So, a company like Ark Invest is already buying a lot of bitcoin.

In addition, in Japan where only listed stocks are focused, asset managers buy unlisted stocks and those funds purchased by the individual. Ahead of Japan, in the US, those asset managers are investing in unlisted stocks. In addition, purchasing the crypto asset has been made possible in the US this time.

From my point of view, I don't play golf that much, but there is a feeling that the US and Japan are something like the one who is playing golf with a driver and the one who is playing with only a club. I feel that there is a large gap.

In that way, when you are in Japan, you would think what crypto assets are, but in the US, they look completely different. As a company that has such a business, we are firm in terms of portfolio, diversified, developing the business without depending only on the macro environment, and we have growth. As a result, it was a very good financial result.

If you have any additional questions, please contact our IR department and we will respond. Thank you very much for today.

[END]

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