

# MONEX GROUP

## **About Monex Group Acquiring Shares of Coincheck, Inc.**

TOKYO, April 6, 2018 - Monex Group, Inc. (“the Company”) today announced that it has decided to acquire 100% shares of Coincheck, Inc. (Head office: Shibuya-ku, Tokyo, Japan, CEO: Koichiro Wada, hereafter “Coincheck”) as below.

### 1. Background and purpose

The Company’s name, “MONEX”, symbolizes our business principles – always a step ahead of the “Y” in “MONEY” – we have been designing and providing approaches to money in a new era globally to support individual’s investment and economic activities by using new technologies.

We recognize blockchain technology and cryptocurrencies as next-generation technologies and platforms which are likely to drastically change the way people approach money. Therefore, since we announced “MONEX’s new beginning” last October, we have considered entering the cryptocurrency exchange business and set up the Monex Cryptocurrency Lab to grow our business based on these new technologies.

Most especially, the cryptocurrency exchange business plays a core part in a vision of “MONEX’s new beginning”. Therefore, the Company has resolved on 100% share acquisition of Coincheck who has been a pioneer among cryptocurrency exchangers.

Coincheck is in the process of enhancing its governance and internal control after receiving the business improvement order from the Kanto Local Finance Bureau concerning the theft of cryptocurrency, NEM, as a result of unauthorized access to its system on January 26, 2018. We aim to build a secured business environment for customers by fully backing up Coincheck’s enhancement process. Specifically, we will maximize the use of our expertise and human resources of business administration, system risk management, and customer asset protection system that we have cultivated since the establishment in the online securities industry. We will support Coincheck to provide secure environment to customers and to grow sustainably as a socially valuable cryptocurrency exchanger.

Through integrating Coincheck’s knowledge on blockchain technology and cryptocurrency with our knowledge on financial industry, we will accelerate the “MONEX’s new beginning” and contribute to the sound development of the cryptocurrency industry. The Company and Coincheck aim to develop a common vision to design the way of finance of the future and provide new values.

# MONEX GROUP

## 2. About Coincheck (as of March 31, 2018)

(1)Name	Coincheck, Inc.		
(2)Address	3-28-13 Shibuya, Shibuya-ku, Tokyo		
(3)Name and title of the representative	CEO: Koichiro Wada		
(4)Main business	Cryptocurrency exchange service provider		
(5)Capital	100 million yen		
(6)Establishment	August 28, 2012		
(7) Major shareholder and shareholding ratio	Koichiro Wada 45.2% Yusuke Otsuka 5.5% Other shareholders 49.3% (5 institutional and 1 individual investor) Other shareholders are not disclosed due to their request based on the confidentiality obligation.		
(8) Relationship with the Company	Capital relationship	None	
	Personal relationship	None	
	Business relationship	None	
(9) Business results and financial condition of Coincheck over the past three years			
Period	Fiscal year ending March 31, 2015	Fiscal year ending March 31, 2016	Fiscal year ending March 31, 2017
Net asset*	9 million yen	69 million yen	540 million yen
Total assets	18 million yen	179 million yen	3,868 million yen
Net assets per share	5.9 yen	39.1 yen	304.6 yen
Sales**	123 million yen	8,511 million yen	77,230 million yen
Operating income**	- 9 million yen	0 million yen	786 million yen
Ordinary income**	- 9 million yen	0 million yen	742 million yen
Net income**	- 10 million yen	0 million yen	471 million yen
Net income per share	- 6.4 yen	0.2 yen	265.5 yen
Dividend per share	-	-	-

\* The Company recognizes that net asset (estimate) at end of the fiscal year ending March 2018 will not become less than that at the end of the fiscal year ending March 2017 even after its compensation to the owners of cryptocurrency, NEM, which was stolen on March 12, 2018.

\*\* Business results are based on financial statements, where sales include revenue from sales of cryptocurrency and cost of sales includes cost of cryptocurrency sold, respectively.

Netting revenue from sales and cost of cryptocurrency sold, the business results (approximate amount of the fiscal year ending March 2017) are as follows.

Sales	980 million
Operating income	719 million
Ordinary income	742 million
Net income	471 million

### (Reference)

According to PITF No. 38 Practical Solution on the Accounting for Virtual Currencies under the Payment Services Act (enacted on March 14, 2018) of the Accounting Standards Board of Japan (ASBJ), a company should record net profit on profit/loss statements by deducting cost of sales from revenue from sales when a cryptocurrency exchange service provider operate a selling transaction of cryptocurrency.

# MONEX GROUP

## 3. Outlines of the counterparties in the share acquisition

(1) Name	Koichiro Wada
(2) Address	Shibuya-ku, Tokyo
(3) Relation with the Company	No relationship regarding capital, human, and business

(1) Name	Yusuke Otsuka
(2) Address	Shibuya-ku, Tokyo
(3) Relation with the Company	No relationship regarding capital, human, and business

Other counterparties of the share acquisition are not disclosed due to their request based on the confidentiality obligation.

## 4. Number of shares to be acquired and number of shares owned before and after transfer

(1) Number of shares owned before transfer	0 shares (Number of voting rights: 0) (Voting rights share: 0%)
(2) Number of shares to be acquired	1,775,267 shares (Number of voting rights: 1,775,267)
(3) Acquisition price	3,600 million yen* **
(4) Number of shares to be owned after transfer	1,775,267 shares (Number of voting rights: 1,775,267) (Voting rights share: 100%)

\* The acquisition price is decently calculated from net asset (estimate) of Coincheck at the end of the fiscal year ending March 2018.

\*\*Additionally, the Company and the current shareholders of Coincheck have agreed on a contingent payment. The additional payment may be made up to a half of aggregated sum of net income over the three upcoming fiscal years, deducting a certain level of realized business risk.

## 5. Time schedule

April 6, 2018	Signing of the share acquisition agreement
April 16, 2018	Execution of the share acquisition (planned)

## 6. Coincheck management and executive team

At the extraordinary general shareholders meeting of Coincheck scheduled to be held on April 16, 2018, directors and corporate auditors will be appointed.

Current President, Koichiro Wada and Director COO, Yusuke Otsuka will resign from the board of directors and will become the company's Executive Directors. Toshihiko Katsuya, Managing Director and Senior Executive Officer of the Company, will be appointed as a new Representative Director.

The following is the plan for the board of directors, corporate auditors and executive directors after the extraordinary general shareholders meeting.

### Directors

Title	Name	Current or Past Position
Representative Director	Toshihiko Katsuya	Managing Director and Senior Executive Officer, Monex Group, Inc.
Director	Masaki Ueda	Executive Officer, Monex Group, Inc.
Director	Okii Matsumoto	CEO & Chairman, Monex Group, Inc.
Director	Hideaki Kubori	Lawyer, Founding Partner, Hibiya Park Law Offices and Outside Director, Japan Exchange Group, Inc.
Director	Takeshi Tamaki	Former Managing Director of The Bank of Tokyo-Mitsubishi, Ltd. (currently known as MUFG Bank, Ltd.)

# MONEX GROUP

## Corporate Auditors

Title	Name	Current or Past Position
Corporate Auditor	Kazuyoshi Nagasaka	Former Executive Vice President and Chief Internal Control Officer, INVAST SECURITIES CO., LTD.
Corporate Auditor	Atsuyoshi Gohara	Advisor, Coincheck, Inc. and former Managing Executive Director, Rakuten Bank, Ltd.
Corporate Auditor	Masakazu Sasaki	CPA and Corporate Auditor, Monex, Inc.

## Executive Directors

Title	Name	Current or Past Position
President and Executive Director	Toshihiko Katsuya	Managing Director and Senior Executive Officer, Monex Group, Inc. Former President, Monex, Inc.
Executive Director	Masaki Ueda	Executive Officer, Monex Group, Inc. Former Managing Director and Senior Executive Director, Monex, Inc.
Executive Director	Hiroshi Goto	Former Executive Director, Monex, Inc.
Executive Director	Kimihiro Mine	Former Executive Director, Monex, Inc.
Executive Director	Koichiro Wada	CEO, Coincheck, Inc. (CEO to be resigned)
Executive Director	Yusuke Otsuka	Director and COO, Coincheck, Inc. (Director and COO to be resigned)
Executive Director	Yukio Kimura	Executive Director and CFO, Coincheck, Inc. (CFO to be resigned)

## 7. Future prospect

At this moment, the Company is not able to determine the impact of this share acquisition on the Company and our group companies' business performances. Further disclosure will be made when it becomes necessary. The Company plans to make Coincheck a wholly owned subsidiary from the consolidated financial results for the first quarter of the fiscal year ending March 31, 2019.

## 8. Notice

The acquisition of the whole shares of Coincheck presumes that there is no factor preventing the share acquisitions such as a cease and desist order resulting from the review by the Fair Trade Commission regarding the Article 10.2 of the Act Concerning Prohibition of Private Monopolization and Maintenance of Fair Trade.

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