

# MONEX GROUP

## Announcement of Subsidiary's Release

TOKYO, August 25, 2020 – Coincheck, Inc., a subsidiary of Monex Group, Inc., issued the following press release today.

Attachment: Summary of Coincheck, Inc. press release

Joint Project Launched for Japan's First IEO (Initial Exchange Offering)  
~Bringing together blockchain and content to activate fan communities~

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[Press Release]

August 25, 2020

Coincheck, Inc.

Hashpalette Inc.

## **Joint Project Launched for Japan's First IEO (Initial Exchange Offering)**

～Bringing together blockchain and content to activate fan communities～

Coincheck, Inc. (headquarters: Tokyo; Representative Director: Satoshi Hasuo; hereinafter, Coincheck) is pleased to announce that it will join forces with Hashpalette Inc. (hereinafter, Hashpalette), a joint corporation between Link-U Inc. (hereinafter, Link-U), a Tokyo Stock Exchange First Section company that operates a 10 million MAU manga app lineup, and HashPort Inc. (hereinafter, HashPort) with a wealth of experience in blockchain, on a joint project to realize Japan's first IEO (Initial Exchange Offering).

An IEO (Initial Exchange Offering) is a system where a cryptocurrency exchange supports the formation and growth of communities and fund procurement coming from the issuance of tokens. An IEO is a type of Initial Coin Offering (ICO) by which a company or project electronically issues utility tokens to procure funds and a cryptocurrency exchange acts as the main party for selling the issuer tokens. Under this joint project, the cryptocurrency exchange service Coincheck will sell Palette Token (PLT), a utility token issued by Hashpalette, which was jointly established by Link-U and HashPort in March 2020. Palette Tokens can be utilized on Palette, a blockchain platform for manga, anime, sports, music and other forms of content.

## ■ About the blockchain platform Palette

Palette is a blockchain platform to issue, manage and distribute digital items that utilize content for fan communities. Digital items are blockchain assets issued in the form of non-fungible tokens (NFT). Palette Chain, a consortium-type blockchain as a basis of Palette, is operated as a consensus node by numerous content companies that have fulfilled certain criteria. Talks with potential consortium companies are underway and will be announced soon.

## ■ About Palette Token (PLT)

Palette Tokens are built on the Ethereum blockchain, which is used for consensus node management fee payments, smart contract commissions (gas), NFT transaction settlements and other applications on Palette Chain. If Palette Tokens are used for NFT settlements, the delivery of NFT and money can be conducted simultaneously without the use of escrow services, thereby creating a safe secondary distribution market. Furthermore, Palette Tokens play an important role in the incentive structure for maintenance and operation of Palette Chain. Palette Tokens can freely go back and forth between Palette Chain and Ethereum blockchain thanks to cross chain technology.

Coincheck has been considering entering the IEO business since August 2019. Palette, provided by project partner Hashpalette, digitizes a variety of world-famous Japanese content as NFTs that are distributed over the blockchain, enabling anyone to easily own and sell this content. In the future, this will facilitate the creation of an ecosystem where creators and artists can offer different new digital content experiences that up until now were difficult to achieve, such as “limited manga reading/browsing rights” or “limited concert participation rights.” As a new challenge, Coincheck will support settlements, voting, and the sale and distribution of Palette Tokens that are provided as an incentive for the operating node to accelerate the growth of this ecosystem through crypto assets. In addition, through this project, Coincheck will strive to create crypto assets that have societal significance beyond being a speculation vehicle.

Hashpalette is working to digitize the content industry by utilizing blockchain. Link-U Inc., which jointly operates Hashpalette, has been working on content digitization of primarily electronic books since its establishment and has expanded to 12 million reader users. The content industry is undergoing a period of transition with the growing



importance of global markets and changes in business model due to the coronavirus. Given this, a fan-driven new ecosystem that organically links digital and real worlds must be created. Palette, working with major content companies and Japan's leading crypto asset exchange service Coincheck, is striving to create a blockchain ecosystem that both creators and fans can safely and easily use. Hashpalette and its partner companies are working to construct services that until now were difficult to realize, such as its "limited manga reading/browsing rights," "limited commemorative photo that can be used in sports games," as well as its "Comikabu limited illustration-attached manga fan club membership rights," which Hashpalette conducted verification tests of in May of this year. Using globally competitive Japanese content, the companies are working to utilize blockchain to expand even further worldwide.

■ Coincheck, Inc.

Coincheck, Inc. offers a diverse range of crypto asset services, including Coincheck, a crypto asset exchange service with the highest number of downloaded apps and more than 2.08 million users(\*). With a mission to make the exchange of new values easier, Coincheck is working to develop better services created from crypto assets and blockchain. \*As of June 30, 2020

- Representative director: Satoshi Hasuo
- Date of establishment: August 28, 2012
- Headquarters: E Space Tower 12th Floor, 3-6 Maruyamacho, Shibuya-ku, Tokyo 150-0044
- Business description: Development and operation of a crypto asset exchange service

■ Hashpalette Inc.

- Representative directors: Yuuki Matsubara, Seihaku Yoshida
- Date of establishment: March 2, 2020
- Headquarters: 5-17-2 Minami Aoyama, Minato-ku, Tokyo 107-0062
- Business description:
- R&D in blockchain technology
- Content businesses utilizing blockchain
- Consulting related to content

#### ■ Link-U Inc.

With a management philosophy to solve the world's problems using technology, Link-U is a one-stop server platform business that uses its own in-house developed servers to distribute data and appropriately accumulate, analyze and process that data with AI solutions.

- Representative director: Yuuki Matsubara
- Date of establishment: August 20, 2013
- Headquarters: 4th floor, 4-4-1 Kanda Surugadai, Chiyoda-ku, Tokyo 101-0062
- Business description:
- Server platform operations
- Application development
- Service/advertising management

#### ■ HashPort Inc.

With a management philosophy to transform societal systems with blockchain, HashPort conducts blockchain-related research and consulting and supports overseas blockchain projects in their Japan launch, particularly the localization of top-tier overseas projects.

- Representative director: Seihaku Yoshida
- Date of establishment: July 13, 2018
- Headquarters: Placeo Aoyama Building, 3rd floor, 2-7-13 Kita Aoyama, Minato-ku, Tokyo 107-0061
- Business description: Consulting operations