

Pioneering the World of Digital Finance

CAICA REPORT 2020



CAICA Philosophy

CAICA Inc. will provide services that earn high customer satisfaction by respecting the individuality of every employee and bringing together all forms of wisdom, including technologies and experience, thereby helping to enrich people's daily lives.

CAICA Activity Guidelines

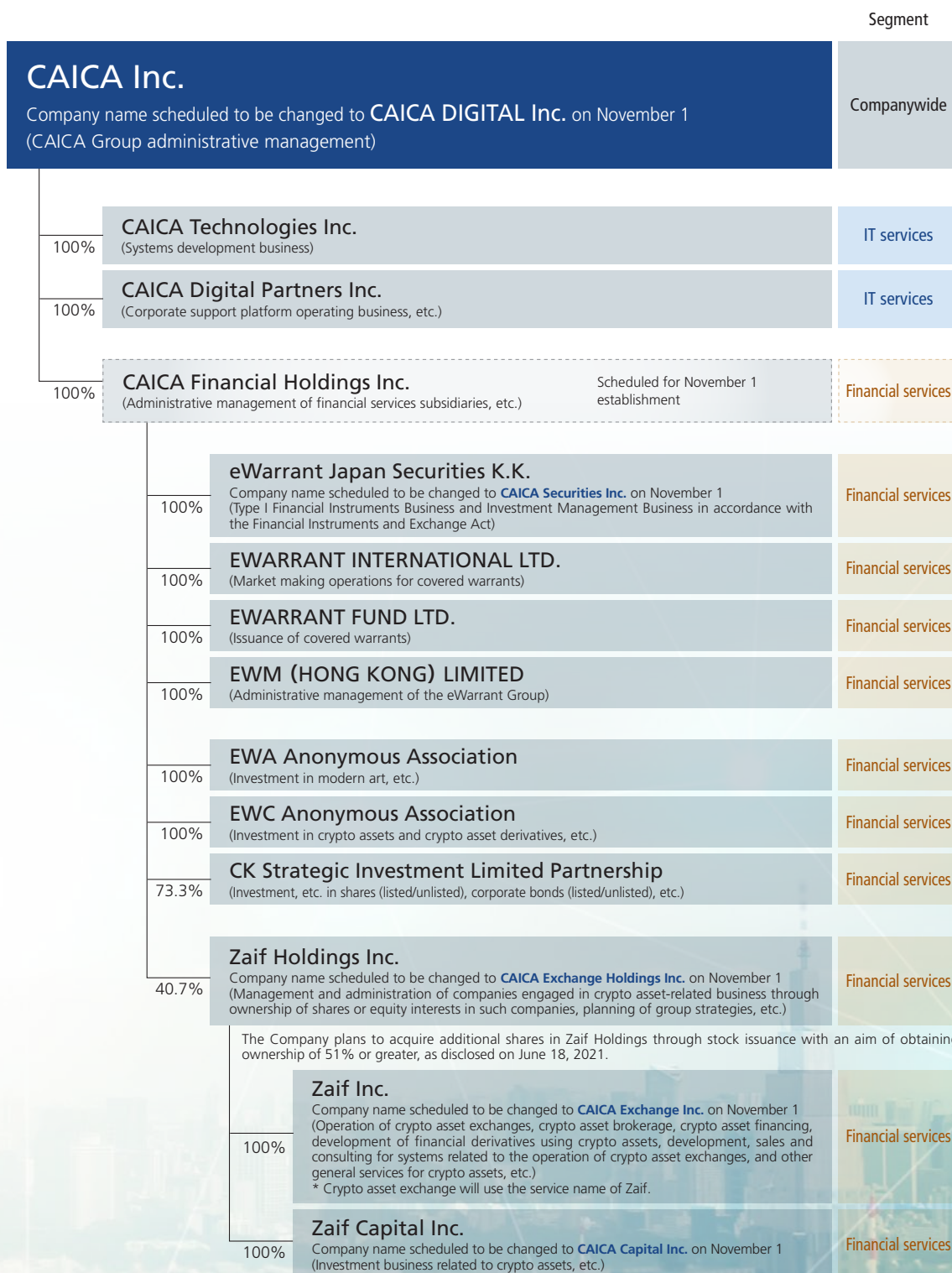
1. We will tackle the challenge of creating new value and achieving innovation.—— Value Creation, Innovation and Challenge
2. We, as professionals, will strive to deliver services that truly satisfy our customers.—— Professionalism, Customer Focus
3. We will value teamwork and work together as one.—— Teamwork, Collaboration
4. We aim to achieve personal fulfillment through our work.—— Personal Fulfillment
5. We will create this company by ourselves.—— Independence

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CAICA Group Organization

As of April 30, 2021



* New company names conditional upon factors such as obtaining permission from authorities.

History

Flow of Group Reorganization

2021	CAICA DIGITAL Inc. Company name scheduled to be changed from CAICA Inc. on November 1, 2021		
	CAICA Financial Holdings Inc. Plan to establish an intermediate holding company to control the financial services business through a company split in November 2021		
	Zaif Holdings Inc. Plan to acquire additional shares in Zaif Holdings through stock issuance in August 2021 with an aim of obtaining ownership of 51% or greater		
	Zaif Holdings Inc. Made a consolidated subsidiary of Zaif Holdings in March 2021, holding 40.7% of its shares, based on the effective control standard. In conjunction, Zaif Holdings' subsidiaries, Zaif Inc. and Zaif Capital Inc., also became consolidated subsidiaries		
	March	Transferred all shares of equity-method affiliate NCXX Inc.	
	February	Strengthened capital and business alliance with FISCO Ltd.	
	February	Established CK Strategic Investment Limited Partnership for investment in shares (listed/unlisted), corporate bonds (listed/unlisted), etc.	
2020	December	The Company and its subsidiary, eWarrant Japan Securities K.K., invested in the Crypto Asset Fund operated by the EWC Anonymous Association, which invests in crypto assets and crypto asset derivatives, and in the Art Fund operated by the EWA Anonymous Association, which invests in modern art, and made both of the associations subsidiaries.	
	November	Established CAICA Digital Partners Inc. to be responsible for corporate support platform operating business, etc.	
	Further evolve into an IT finance company	CAICA Inc. March 1, 2020 Transitioned to holding company system and changed company name to CAICA Inc.	
		March 1, 2020 CAICA Inc. transferred its information systems business to CAICA Technologies Inc. through a company split (absorption-type split)	
2019	Transformed into an IT finance company		
2018	Participated in financial business	•eWarrant Japan Securities K.K. •EWARRANT INTERNATIONAL LTD. •EWARRANT FUND LTD.	•FISCO Digital Asset Group Co., Ltd. (now Zaif Holdings)
		eWarrant Group made into subsidiaries	FISCO Digital Asset Group (now Zaif Holdings) made into an equity-method affiliate
2017	CAICA Inc. February 1, 2017 Company name changed from SJI Inc. to CAICA Inc.		
2016	Declared a fintech strategy and focused on blockchains and crypto assets		
2009	SJI Inc. Integrated all domestic companies and changed company name to SJI Inc.		
2006	SJ Alpine Co., Ltd.		
2005	SJ Holdings Inc.	Sun Japan Corporation Newly established company to continue operations from SJ Holdings	Newly established SJ Alpine Co., Ltd. to continue all sales of TCC Co., Ltd. and IBeT Co., Ltd.
2004	Merger and integration with Sun Japan Corporation		
2003	March 4, 2003 Shares registered as over-the-counter shares with the Japan Securities Dealers Association		
2002			IBeT Co., Ltd.
1989	Sun Japan Corporation Established in Bunkyo-ku, Tokyo		
1977			Japan Systems Creation Inc.
1969		TCC Co., Ltd. Established in Yokohama, Kanagawa Prefecture	Software Management K.K. Established in Shinjuku-ku, Tokyo

Management Policy and Focus Areas

Management Policy

Based on expertise acquired over 50 years in developing systems for financial institutions, we have been focusing on the blockchain and crypto asset fields with our fintech strategy since 2016.

Furthermore, we have successfully moved into the securities and crypto asset fields, making a subsidiary of eWarrant Japan Securities, a Type I Financial Instruments Business, and making the addition to the Group of Zaif Holdings, which has a crypto asset exchange under its umbrella.

In the future, many things will be digitalized. The financial industry structure itself will undergo a significant transformation from centralization to decentralization (DeFi). CAICA will become the one to enact that change.

Focus Areas



Made a subsidiary on March 15, 2021

CAICA Technologies Inc.

<https://www.caica-technologies.co.jp/>

Corporate Data

Name of corporation	CAICA Technologies Inc.
Representative	Shin Suzuki, President and Representative Director
Foundation	October 7, 2019 (Company name changed on March 1, 2020)
Head office	3F Lexington Aoyama, 5-11-9 Minamiaoyama, Minato-ku, Tokyo
Capital	301 million yen (as of October 31, 2020)
Business activities	Systems development, consulting, etc. Crypto assets, blockchain-related systems research, development, sales and consulting, etc.
Major shareholder	CAICA Inc. 100%
Membership	Japan Information Technology Services Industry Association
Certifications	ISO 9001  Japanese standard

Main business customers

Accenture Japan Ltd.	NTT DATA FRONTIER CORPORATION	Tokio Marine dR Co., Ltd.
E.design Insurance Co., Ltd.	NTT TechnoCross Corporation	TOHO SYSTEM SCIENCE CO., LTD.
VMware, Inc.	NTT DOCOMO, INC.	Nisshin Fire & Marine Insurance Co., Ltd.
EXA CORPORATION	NTT LOGISCO Inc.	IBM Japan, Ltd.
KYOWA EXEO CORPORATION	OGIS-RI Co., Ltd.	NEC Corporation
SMBC Consumer Finance Co., Ltd.	OKI Software Co., Ltd.	Hitachi, Ltd.
NTT Communications Corporation	KOBELCO SYSTEMS CORPORATION	Hitachi Solutions, Ltd.
NTT COMWARE CORPORATION	JBCC Corporation	Zaif Inc.
NTT DATA Corporation	Sompo Systems Inc.	FUJITSU LIMITED
NTT DATA SYSTEM TECHNOLOGIES INC.	Regional Banks and Information Technology Solution Co., Ltd.	Fujitsu Japan Limited
NTT DATA SOFIA CORPORATION	DTS CORPORATION	Mitsubishi Research Institute DCS Co., Ltd.
NTT DATA TOHOKU CORPORATION	Information Services International-Dentsu, Ltd.	Rakuten Group, Inc.
NTT DATA FINANCIAL CORE CORPORATION	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Rakuten Payment, Inc.
NTT DATA FORCE CORPORATION	Tokio Marine & Nichido Systems Co., Ltd.	(Listed in Japanese alphabetical order)

TECHNOLOGIES

We are quick to incorporate the latest technologies, including blockchain technology, and provide cutting-edge services to customers.

CONSULTING

We support customers in developing IT strategies for planning and drafting, and propose ideal solutions specific to their problems using various advanced technologies.

SOLUTION

As a new growth area, we provide optimum solutions and packages that integrate innovative technologies and the strongest security to solve customers' problems.

INFRASTRUCTURE

From cloud computing and network and server construction to middleware and application platforms, we build solid system infrastructure that guarantees high security standards, providing customers with a more convenient, secure and safe information system environment.

SYSTEM INTEGRATION

We provide advanced solutions to customers in diverse business categories. We deliver an integrated full life cycle service ranging from consultation to design, development, operation and maintenance, along with building platforms such as networks and databases, among other services.

Service

Blockchain and Crypto Asset-Related Services

Industry's Top Level Results

We offer a wide range of services, including proof of concept (using blockchain technology), ownership management, traceability, time and attendance management solutions, original corporate token economy consulting and CAICA's unique crypto asset platform.

Main Features

Industry's top
level results

We can provide
advanced
technologies

Total consulting

Our Products

- Telework Quick Start
- crypto base C
crypto asset exchange package system
- Gu-Gu
blockchain communication service
- NFT (non-fungible token) platform



eWarrant Japan Securities K.K.

Company name scheduled to be changed to **CAICA Securities Inc.** on November 1, 2021

<https://www.ewarrant.co.jp/>

Corporate Data

Name of corporation	eWarrant Japan Securities K.K.
Representative	Mikio Fuchiki, Representative Director
Foundation	September 28, 2009
Head office	3F Lexington Aoyama, 5-11-9 Minamiaoyama, Minato-ku, Tokyo
Financial instruments business operator registration number	Director-General of the Kanto Local Finance Bureau (FIBO) No. 2526
Capital	625 million yen (as of October 31, 2020)
Business activities	Type I Financial Instruments Business and Investment Management Business in accordance with the Financial Instruments and Exchange Act
Major shareholder	CAICA Inc. 100%
Memberships	Japan Securities Dealers Association, Japan Virtual and Crypto Assets Exchange Association
Investor protection fund	Japan Investor Protection Fund

Main affiliated companies and corporate group

- **EWARRANT FUND LTD.**
Conducts covered warrant issuance.
- **EWARRANT INTERNATIONAL LTD.**
Conducts market making operations for covered warrants.



▶ To open an account:

<https://signup.ewarrant-direct.com/>





Make Investing Easier and More Fun. We Meet Investors' Various Needs.

We will continue to introduce financial products that meet investors' various needs through our employees with a high level of expertise and experience in product design, systems development, stable operation and risk management of covered warrants.

Covered warrants: Leveraged investments with small amounts and no margin call

ewarrants are a type of security called a covered warrant, which is a financial product that can be started easily for less than ¥10,000. Original amounts can grow multifold or even by dozens of times, but losses never exceed the initial amount invested. Investors aim for profit by predicting the ups or downs of a target market.

Main features

Investments can be made in small amounts for many different markets	Trading hours are 9 a.m. to 11:50 p.m.	Price fluctuations in target markets are large
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Examples of ewarrant uses

As an alternative to investing in high-priced stock	As a method to hedge risks	As an alternative to margin trading	As an investment method for contingencies
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New crypto asset service

(February 2021) Bitcoin leveraged tracker 1st offer! First in Japan!	(March 2021) Ethereum leveraged tracker 2nd offer!	(May 2021) Crypto asset futures index tracker 3rd offer!
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CFD — ewarrant® CFD

Features of CFD trading

- No trading fees
- Can start from sell orders
- Leverage 10 times
- Uses MetaTrader 5 (MT5) as a trading tool
- Almost 24-hour trading is possible
- Trust protection

New crypto asset service

(July 2021) Crypto Asset CFD

MT5 used as a trading tool for crypto asset CFD, supports automatic buying and selling

CFD employs **MetaTrader 5 (MT5)**, a trading platform of MetaQuotes Software Japan Co., Ltd., as a trading tool and supports the automatic buying and selling program (EA).

Customers can trade even when they are away, and therefore won't miss out on chances to profit while avoiding major losses. Try it out.

First
in Japan!
(Source:
CAICA Inc.)



Handled Currency Pairs
 ● BTC/JPY (Bitcoin)
 ● ETH/JPY (Ethereum)
Minimum lot: 0.1 BTC/1 ETH
Leverage: Max. 2 times
Trading tool: MT5
PC, mobile versions

Zaif Holdings Inc.

<http://zaif-holdings.co.jp/>

Company name scheduled to be changed to **CAICA Exchange Holdings Inc.** in November 2021

Corporate Data

Name of corporation	Zaif Holdings Inc.
Representative	Ryuji Yagi, Representative Director
Foundation	October 4, 2017
Head office	3-21-1 Takeshirodai, Minami-ku, Sakai-shi, Osaka Prefecture
Capital	975 million yen

Zaif Inc.

<https://zaif.jp/>

Company name scheduled to be changed to **CAICA Exchange Inc.** in November 2021

Corporate Data

Name of corporation	Zaif Inc.
Representative	Ryuji Yagi, Representative Director
Foundation	April 12, 2016
Head office	2-18-15 Arakicho, Kishiwada-shi, Osaka Prefecture
Capital	200 million yen

Zaif Capital Inc.

Company name scheduled to be changed to **CAICA Capital Inc.** in November 2021

Corporate Data

Name of corporation	Zaif Capital Inc.
Representative	Hiroiyuki Matsuzaki, President and CEO
Foundation	September 1, 2014
Head office	5-4-30 Minamiaoyama, Minato-ku, Tokyo
Capital	50 million yen



Everything Crypto Asset, from Development of Payment Infrastructure to Establishment of Token Finance

Zaif Holdings is a holding company with Zaif Inc. (Registered Crypto Asset Exchange Business, Director-General, Kinki Finance Bureau Registration No. 00001) and other companies under its umbrella, and a CAICA Inc. subsidiary. We will move forward with our unique crypto asset strategy by maximizing synergies with the eWarrant Group, which plans, develops, forms and sells financial products, and CAICA Technologies, a systems development company that can boast of a track record extending back over 50 years—both are operated under the CAICA Group. We are also accelerating development and deployment of various services using blockchains, the basic technology of crypto assets.

Crypto Asset System Trading on Exchanges in Japan and Overseas

As a subsidiary implementing the practice of operating proprietary trading, we conduct crypto asset system trades, as well as provide such services to corporate customers. Applicable crypto assets are not limited to Bitcoin, but also include overseas exchanges and large-scale system trading.

Crypto Assets for Everything. Infrastructure Development for Payment by Bitcoin and Other Means

We will continue working in the future with CAICA to develop infrastructure for Bitcoin payments, which are expected to expand. We have already formed business alliances and partnerships with listed companies for the introduction of payment infrastructure and are progressing on expanding payment infrastructure for crypto assets, which are one form of payment currency.

Zaif Exchange's Main Services

Zaif

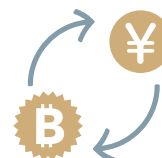
Orderbook Trading

Users can trade among themselves for Bitcoin, XEM, etc. Profits rise by ordering in response to fluctuations. This is a service for traders.



Easy Trading (Store)

Can easily trade in Bitcoin, XEM, etc. This is a service for beginners or those looking to trade immediately.



World's biggest Symbol trader!

(As of 12:30 p.m., May 31, 2021; Source: CoinMarketCap)

CEO Message

We will pioneer the world of digital finance through crypto assets and blockchain technology and aim for a new growth stage.

Shin Suzuki CEO, President and Representative Director



Looking Back at the Fiscal Year Ended October 31, 2020

The fiscal year ended October 31, 2020 was significantly impacted by COVID-19. This was particularly evident in the financial services business, which saw a decrease in both sales and profit due in part to a sharp global market decline from February to March and delays in launches of new products at our subsidiary eWarrant Japan Securities. Meanwhile, although the IT services business performed well, primarily among recurring revenue businesses, it was ultimately unable to offset the slump in the financial services business. As a result, consolidated net sales totaled ¥6,003 million (down 21.0% YoY). In terms of profit, reductions of SG&A expenses at each operating company were not enough to make up for the net sales decrease, resulting in an operating loss of ¥679 million (operating loss of ¥615 million in the previous fiscal year) and an ordinary loss of ¥903 million (ordinary loss of ¥1,111 million in the previous fiscal year). Additionally, loss attributable to owners of parent totaled ¥557 million (loss attributable to owners

of parent of ¥1,753 million in the previous fiscal year).

As you can see here, although financial results were unsatisfactory, this was at the same time a year in which we steadily laid the groundwork toward the next growth stage. We divested our shares of Kushim Inc. (formerly known as iStudy Co., Ltd.), a subsidiary centered around the development and sales of e-learning content, in June 2020. Although CAICA has continually expanded investments in the crypto asset business, we strengthened our financial standing by securing ample cash reserves and made swift judgments with the goal of paying back a portion of interest-bearing debt in anticipation of turmoil in financial markets caused by the COVID-19 pandemic and the subsequent impact on the economy. In September 2020, we also procured funds through a rights offering, and worked on strengthening our financial infrastructure even further, achieving an equity ratio of 80%, and were able to prepare for the upcoming growth stage.

A Medium-Term Management Plan that Aims to Create an IT Finance Company

We have traditionally aimed to expand synergies between IT, finance, and crypto assets, and so we announced Further Deepening IT Finance, CAICA's medium-term management plan built around this strategy, in October 2020. Following that, we made Zaif Holdings and its subsidiaries Zaif and Zaif Capital (hereinafter, the "Zaif Group") into consolidated subsidiaries in March 2021, and released a plan that

reflected this in April of the same year. By making the Zaif Group into subsidiaries, we will aim to be central players in the crypto asset business, where tremendous growth can be expected in the future, as an IT finance company matched to a paradigm shift in which finance and society will undergo a drastic transformation. As the crypto asset market is thriving, we are working to accelerate business based on this plan.

Strategies for the Crypto Asset Business

	Previously	Currently	From now on
Changes in financial markets CAICA's strategies	<ul style="list-style-type: none"> Speculation in crypto assets (decentralized currency) ICO tokens such as BTC Crypto asset FX Revisions to the Payment Services Act/ Financial Instruments and Exchange Act 	<ul style="list-style-type: none"> Converted existing financial products into crypto assets (futures, options, ETF) Converted existing financial products into tokens 	<ul style="list-style-type: none"> DeFi (created decentralized finance through smart contracts) Digital fiat currency
	<ul style="list-style-type: none"> Made Zaif Holdings into an equity-method affiliate Strengthened Zaif Exchange's systems, sold packages geared toward crypto asset exchange operators Market integration and cross-selling with the FISCO Group 	<ul style="list-style-type: none"> Made Zaif Holdings into a subsidiary (acquired a growth business) eWarrant Japan Securities releases Bitcoin leveraged tracker, a securitized product for individuals that targets crypto assets Releasing a platform for NFT tokens (turning rights into small lots using blockchains) Has amassed crypto asset exchanges, securities companies, and blockchain engineers, enabling integrated management 	<ul style="list-style-type: none"> Construct a token economy (a financial platform that turns all kinds of financial commodities into tokens, uses them for payment and distribution) Provide financial infrastructure related to crypto assets Diversify income methods such as commission fees and service-based income

Group Strategies

Digital forms of payment in financial markets are currently increasing, and the shift to digital currency is being further accelerated by the COVID-19 pandemic. Amid these conditions, financial systems are becoming increasingly sophisticated through crypto assets as a new form of finance, and new financial products enabled by crypto assets (such as crypto asset-denominated investment products, payment methods, and funding methods) are being created. Under this environment, we will intensely promote growth strategies for CAICA Technologies, which focuses on blockchain technology; the eWarrant Group, which works on developing financial products; and the Zaif

Group, which manages crypto asset exchanges. In addition to development and sales of digital currency and crypto asset-based financial products, we will accelerate business expansion in the field of cybersecurity as a focus field. In addition, we will implement system investment into Zaif Exchange, a crypto asset exchange managed by Zaif, which is a subsidiary of Zaif Holdings, and heighten its liquidity as a place for investment management of crypto assets. We plan to expand our unique economic zone by heightening liquidity at the crypto asset exchange in order to increase benefits for customers.

Increasing Synergy between CAICA and Zaif

Beginning in the fiscal year ending October 31, 2021, CAICA has changed its business segments to the IT services business and financial services business, and is working to create new financial markets as an IT financial services company, as the segment names imply. In the IT services business, which is centered on CAICA Technologies, we plan to strengthen sales of the CAICA brand's in-house products, and increase the percentage of solution-type products. For main services, in addition to security solutions and crypto asset exchange package system "crypto base C," we will develop "Gu-Gu," a blockchain communication service, and NFT platforms. Meanwhile, in the financial services business, we will strive to increase net sales by enhancing sales of crypto asset-related products with a focus on eWarrant Japan Securities and Zaif. Our strategy for the crypto asset business will be to aim for growth as a platform developer for crypto assets, which will become necessary in the process of the

financial market's transition from centralized to decentralized, and as a company leading the industry.

In this way, we have amassed crypto asset exchanges, securities companies, and blockchain engineers, enabling integrated management, and will turn this into a strength. We will utilize this competitive edge and pursue synergies against the backdrop of the active crypto asset market. In order to maximize synergistic outcomes, we will strengthen relationships, which includes interpersonal exchanges and capital cooperation. In addition to joint development of new functions for crypto asset exchange systems and new products related to crypto assets, and development of new business relationships using the Zaif brand, we will promote marketing that utilizes Zaif Exchange's customer base of 400,000 accounts. In addition, we will develop operational know-how of advanced cybersecurity in the Group, and strive to further enhance services in the field of cybersecurity.

Key measures

IT services business

Strengthen sales of in-house products (the CAICA brand) and increase percentage of solution-type products

Security solutions
Crypto asset exchange package system "crypto base C"
Blockchain communication service "Gu-Gu"

Financial services business

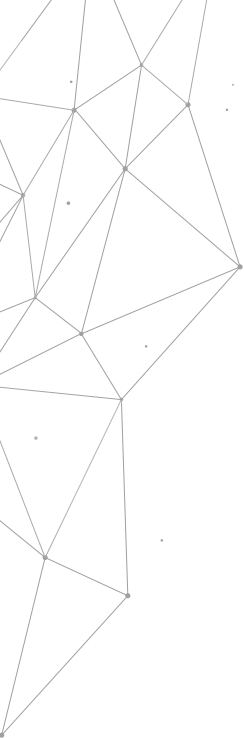
Increase net sales by enhancing sales of crypto asset-related products

FY10/2023 Achieve **net sales of ¥5.9 billion**
(consolidation of Zaif)

M&A

Expand scale through M&A

FY10/2023 Achieve **net sales of ¥1.0 billion**
(excluding Zaif)



The CAICA Coin we issue is one of the few coins issued by listed companies, and, apart from Zaif Exchange, is listed in multiple overseas crypto asset exchanges. Zaif Exchange handles three types of coins including FISCO Coin and NCXX Coin, which are also issued by listed companies, thereby giving it a highly competitive edge. As a result, it has increased its credibility as a crypto asset exchange, and is also succeeding at raising the value of the coins. Typically, stock investments involve a large investment amount, and the investment period will be longer. On the other hand, crypto assets have short investment periods and small amounts. For this reason, Zaif Exchange brings together investors with different investment

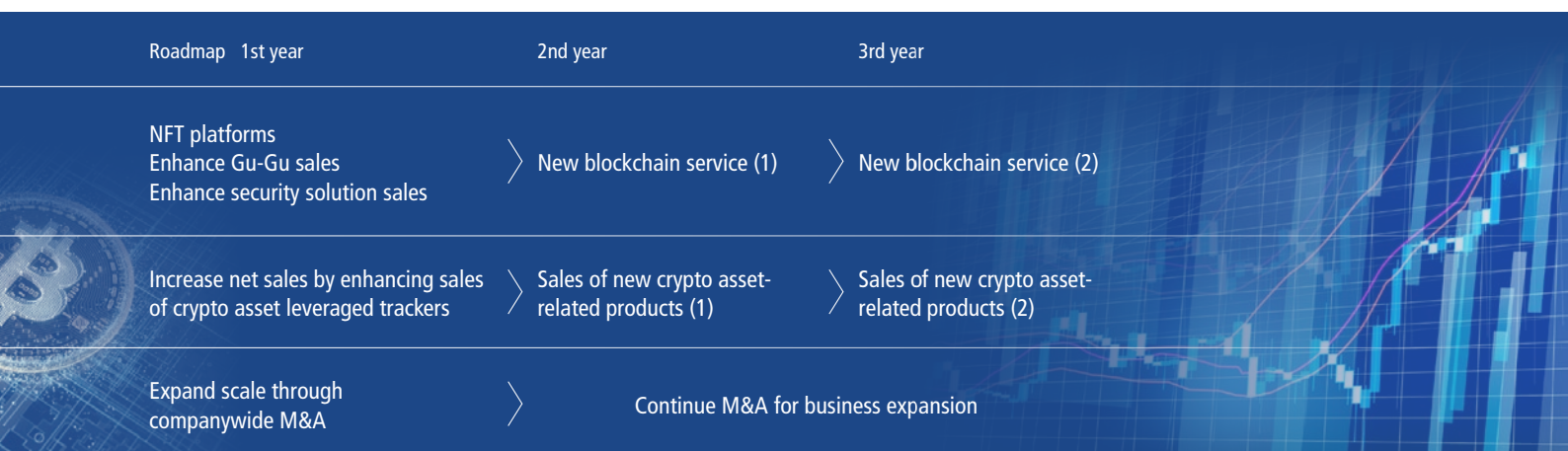


opportunities, and customers with covered warrants provided by eWarrant Japan Securities are major investors and institutional investors, which expands the target client base. By further expanding this mix of customers, we plan to create the unique economic zone which was previously discussed.

Looking Ahead to Fiscal 2021 and Fiscal 2023

In the fiscal year ending October 31, 2021, we recorded a deficit in the second quarter. Despite this, IT services performed well, while in financial services, we accelerated deployment of eWarrant Japan Securities' new products. In addition to launches such as "Bitcoin leveraged tracker," a securitized product for individuals that targets crypto assets, we can expect future growth from the launch of sales of NFT platforms (turning rights into small lots using blockchains). Furthermore, by making the Zaif Group into subsidiaries and enhancing marketing, we intend to achieve increases in profitability. Going forward, we will further improve Zaif Exchange's branding, thereby demonstrating the appeal of multiple services to the customer base of the CAICA Group, which consists of CAICA Technologies, the eWarrant Group, and the Zaif Group. Additionally, as the crypto asset market expands, we will also deploy advertising strategies adapted to market changes.

As a result of these strategies, in the fiscal year ending October 31, 2021, it is projected that the six months of sales of eWarrant's new products and the Zaif Group will contribute to consolidated results, allowing us to regain operating income. Additionally, from the fiscal year ending October 31, 2022 and onward, it is projected that the full contributions of eWarrant's new products and the Zaif Group to the operating results will expand the financial services business, and achieve a significant increase in sales and profit. Furthermore, although IT services currently account for a sizable percentage of total net sales, in the fiscal year ending October 31, 2023, which is the final year of our management plan, we intend to expand the percentage of financial services to 50% or more, and transform into a financial services company utilizing IT.





For Strengthening the Management Foundation

Along with expansion of the Group, strengthening the management foundation is also an urgent issue. In particular, we have worked on strengthening corporate governance and internal control for years, and will further work on them with the addition of the eWarrant Group and Zaif Group. As the parent company, it is necessary to preserve the independence of financial companies within our organization, so we intend to work on strengthening that independence in tandem with corporate governance. As for human resources, we originally had very few employees with financial backgrounds. For that reason, we believe it is important to build an organization that can be trusted as a financial institution by prioritizing hiring employees with financial experience.

Concerning ESG initiatives, which have been seeing

heightened interest in recent years, we view the blockchain and crypto asset businesses in which we are engaged as playing a part in new social infrastructure that will become the foundation of future social transformation, and we understand that they play a major role in the S portion of ESG. Furthermore, outside of business activities, our subsidiary CAICA Technologies participated in the Cabinet Office's SDGs for Regional Revitalization Public-Private Partnership Platform last year. Going forward, we will aim to contribute to regional revitalization by, for instance, providing blockchain solutions and telework solutions that allow people to work securely no matter where they are. Through these activities, we hope to contribute to societal vitalization.

Creating Value through Digital Finance

To us, creating value means changing the shape of finance through crypto asset and blockchain technology, and forming social infrastructure by realizing digital finance. Currently, financial businesses that utilize crypto assets are becoming active. Amid these conditions, we have the experience and components, which are the source of our value, to aim at being a leading IT finance company. We will pioneer the world of digital finance and aim to be a reformer in finance, where the industrial structure itself is

undergoing a dramatic transformation from centralization to decentralization (DeFi). Since initiating our fintech strategy up until now, we have moved forward in an integrated manner and expanded our targets. From here on, we will take to the stage in which we increase profit, and form an economic zone distinct from our competitors. We ask our stakeholders to monitor the specific measures we will undertake and hope they look forward to our future growth.

Initiatives in Fiscal 2021

We will expand business by enhancing collaboration with the Zaif Group.

In addition, to maximize synergistic outcomes, we will strengthen relationships, which includes interpersonal exchanges and capital cooperation.

- Joint development of new functions for crypto asset exchanges
- Joint development of new products related to crypto assets
- Marketing that utilizes a customer base of 400,000 accounts
- Develop new business relationships utilizing the Zaif brand
- Deploy operational know-how of advanced cybersecurity to CAICA's services
- Sales of crypto asset exchange system (crypto base C)
- Enhance service in the field of cybersecurity

Pursuing synergies for business expansion against the backdrop of the active crypto asset market



- An extensive track record in building financial systems
- Cybersecurity and cloud technology
- Type I Financial Instruments Business
- Know-how in developing financial products
- Knowledge related to fintech and digitalization



- Registered as a crypto asset exchange operator
- Customer base of 400,000 accounts
- Zaif's high name recognition
- Know-how related to crypto assets

CAICA Medium-Term Management Plan (revised edition)

(FY10/2021–FY10/2023)

Pioneering the world of digital finance.

A future in which everything is digitalized.

Finance in which the industrial structure itself will change drastically
from centralized to decentralized (DeFi).

CAICA will become the one to enact that change.

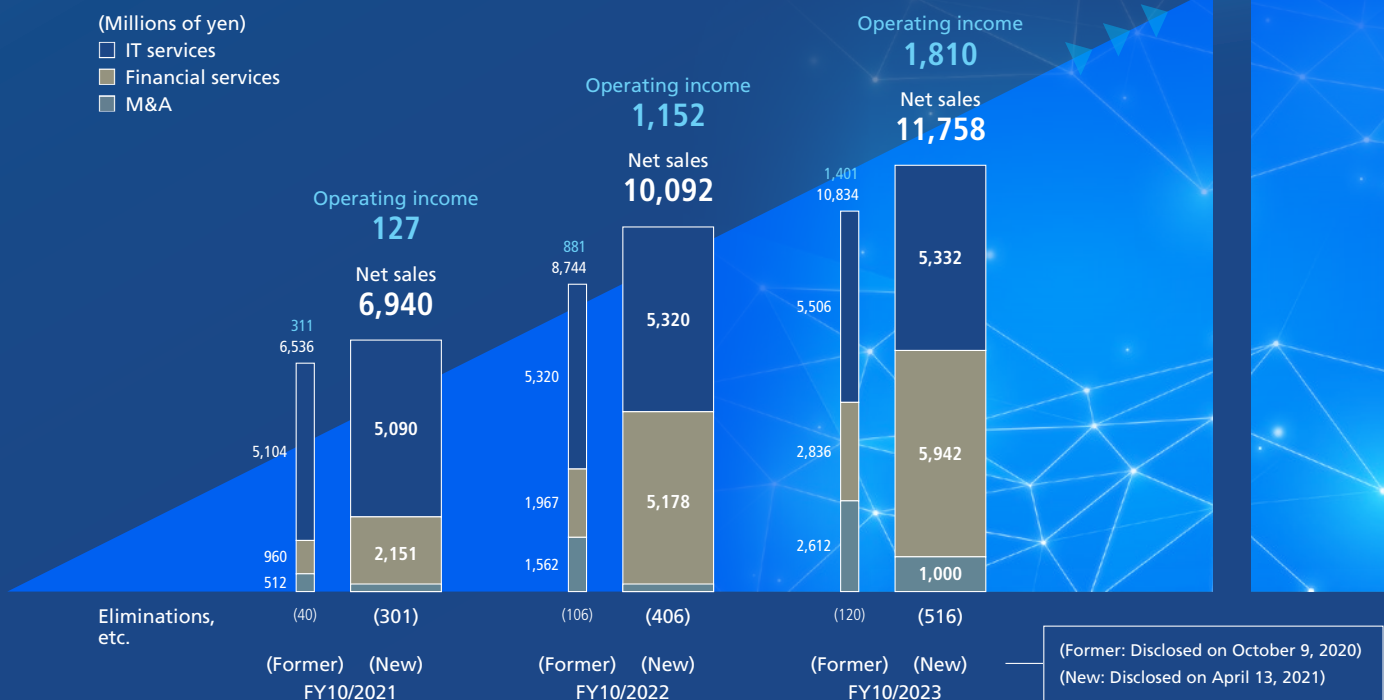
Numerical Targets

In the fiscal year ending October 31, 2021, operating income is expected to decrease due to delays in new product development by eWarrant and the fact that the consolidated contribution by the three companies of the Zaif Group is only for six months. From the fiscal year ending October 31, 2022 and onward, it is projected that the full contributions of eWarrant's new products and the three companies of the Zaif Group to the operating results will expand the financial services business, and achieve an increase in sales and profits.

CAICA 2030 Vision for the Future
Fiscal 2030 Net sales target
¥50 billion

(Millions of yen)

- IT services
- Financial services
- M&A



Board of Directors (as of January 30, 2021)

Directors



Shin Suzuki

CEO, President and Representative Director

- 1991 Joined Japan Systems Creation Inc. (currently the Company)
- 2005 Executive Officer and General Manager, Solutions Development Division 1 of IBeT Co., Ltd. (currently the Company)
- 2008 Executive Officer and General Manager, Solutions Business Department 2 of SJ Alpine Co., Ltd. (currently the Company)
- 2009 Executive Officer and General Manager, Solutions Business Department 2 of SJI Inc. (currently the Company)
- Director, Liandi (Nanjing) Information Systems Co., Ltd.
- 2013 Director and General Manager, Care Information Systems Department of Care Online Limited (currently Care Dynamics Limited)
- General Manager, Service Business Department, Domestic Business Division of the Company
- 2014 General Manager, Business Department 1, Operations Division of the Company
- 2016 Division Director, Business Division 1 of the Company (current)
- 2018 CEO, President and Representative Director of the Company (current)
- President and Representative Director, Tokyo Tech Corporation (currently Kushim Technologies Inc.)
- President and Representative Director, CCCT Inc. (currently Kushim Insight, Inc.)
- 2019 Director, SJ Asia Pacific Limited (current)
- Director, iStudy Co., Ltd. (currently Kushim Inc.) (current)
- Director, Fisco Cryptocurrency Exchange Inc. (currently Zaif Inc.) (current)
- President and Representative Director, CAICA Split Preparation Company (currently CAICA Technologies Inc.) (current)
- Director, aim-soft Inc. (currently Kushim Soft Inc.) (current)
- Director, Kushim Technologies Inc. (current)
- 2020 Vice President and Representative Director, Kushim Insight, Inc. (current)
- President and Representative Director, CAICA Digital Partners Inc. (current)



Kenji Yamaguchi

CFO, Vice President and Representative Director

- 2003 Joined SEQUEDGE Inc. (currently Sequedge Japan Holdings Inc.)
- Director, SEQUEDGE Inc.
- 2010 Director, Sequedge Partners Inc. (currently Vantage Partners Inc.)
- 2011 Director, SEQUEDGE INVESTMENT INTERNATIONAL LIMITED
- 2014 Representative Director, Sequedge Investment Inc. (currently Sequedge Japan Holdings Inc.)
- 2015 Representative Director of the Company
- Director, SJ Asia Pacific Limited (current)
- 2016 Senior Managing Director and Representative Director of the Company (current)
- 2017 Director, Tokyo Tech Corporation (currently Kushim Technologies Inc.)
- Director, NCXX Solutions Inc. (current)
- 2018 Director, eWarrant Japan Securities K.K. (current)
- Director, EWARRANT INTERNATIONAL LTD. (current)
- Director, EWARRANT FUND LTD. (current)
- 2019 CFO, Vice President and Representative Director of the Company (current)
- Director and Audit and Supervisory Committee Member, iStudy Co., Ltd. (currently Kushim Inc.) (current)
- Director, Fisco Cryptocurrency Exchange Inc. (currently Zaif Inc.) (current)
- Director, CAICA Split Preparation Company (currently CAICA Technologies Inc.) (current)
- 2020 Director, CAICA Digital Partners Inc. (current)



Motoki Sato

Director

- 2012 Director, Diamond Agency, Inc. (currently FISCO Ltd.)
- 2014 Director, FISCO Ltd. (current)
- Director, Care Online Limited (currently Care Dynamics Limited) (current)
- Representative Director and President, General Solutions, Inc. (currently FISCO Ltd.)
- Director, Chanty Co., Ltd. (current)
- 2018 Director of the Company (current)
- 2019 Director, iStudy Co., Ltd. (currently Kushim Inc.) (current)
- Representative Director, Vulcan Crypto Currency Financial Products K.K. (currently FISCO Consulting & Solution) (current)
- 2020 Director, FISCO Decentralized Application Platform Ltd. (current)



Hiroki Nakagawa

Director

- 2014 Director, General Solutions, Inc. (currently FISCO Ltd.)
- 2016 Director, FISCO COIN (currently Zaif Inc.)
- Director, FISCO Research & Institute (current)
- 2017 Director, FISCO Digital Asset Group Co., Ltd. (currently Zaif Holdings Inc.) (current)
- Director, iStudy Co., Ltd. (currently Kushim Inc.) (current)
- 2018 Director, regist ART Inc.
- 2019 President and Representative Director, iStudy Co., Ltd. (currently Kushim Inc.) (current)
- President and Representative Director, aim-soft Inc. (currently Kushim Soft Inc.) (current)
- President and Representative Director, Tokyo Tech Corporation (currently Kushim Technologies Inc.) (current)
- 2020 Director, FISCO Ltd. (current)
- Representative Director and President, CCCT Inc. (currently Kushim Insight, Inc.) (current)
- Representative Director, Care Dynamics Limited (current)
- Director of the Company (current)



Daisuke Ito

Director

- 2002 Joined Japan Asia Investment Co., Ltd.
- 2006 Joined Foot Therapy
- 2009 Joined Titicaca Corporation
- 2016 General Manager, Business Development Division of Jitsugyo no Nihon Sha, Ltd.
- 2017 Director, iStudy Co., Ltd. (currently Kushim Inc.) (current)
- 2019 Director, Tokyo Tech Corporation (currently Kushim Technologies Inc.) (current)
- 2020 Director, CCCT Inc. (currently Kushim Insight, Inc.) (current)
- Director of the Company (current)

Outside Directors



Mitsuo Kawasaki
Outside Director

1996 Joined At Home Co., Ltd.
2003 Joined Funai Consulting Incorporated
2011 Founder and Representative Director, Catenaccia Inc. (current)
Representative Director, Media Contents Co., Ltd.
2012 Auditor, Asia Medical Support Organization (current)
Director, Mother Key (current)
2013 Director, Social Welfare Corporation Zenkukai (current)
2015 Director of the Company (current)
2017 Director, Medical Corporation Hakuyokai
2020 Director, Churaumi-Hashii Obstetrics and Gynecology Clinic (current)



Kazuya Shimamura
Outside Director

1995 Joined Tohmatu & Co. (currently Deloitte Touche Tohmatsu LLC)
1998 Registered as a certified public accountant
2004 Registered as an attorney at law
Joined Abe, Ikubo & Katayama
2008 Established Shimamura Law Office, Representative (current)
Outside Audit & Supervisory Board Member, Sodick Plustech Co., Ltd.
Outside Auditor, 3-D Matrix, Ltd.
2012 Outside Director, 3-D Matrix, Ltd. (current)
2014 Outside Director, Cosmo Bio Co., Ltd. (current)
2015 Outside Auditor, IBSYSTEM Co., Ltd. (current)
2016 Outside Auditor, AZOOM (current)
2017 Director of the Company (current)
2019 Outside Director (Audit and Supervisory Committee Member), Meiho Enterprise Co., Ltd. (current)



Yusaku Ikeda
Outside Director

1996 Joined SEVEN-ELEVEN JAPAN CO., LTD.
2003 Entered Takahashi Tax Accountant Corporation
2011 Registered as a certified tax accountant
Established IKEDA Tax Accountant Office, Representative (current)
2012 Senior Partner, Romika LLC
2020 Senior Partner, IKEDA LLC (current)
2021 Director of the Company (current)

Audit & Supervisory Board Members



Masaru Koga
Full-Time Audit & Supervisory Board Member

2006 Joined SEQUEDGE Inc. (currently Sequedge Japan Holdings Inc.)
2009 Joined Sequedge Finance Inc.
2011 Joined FISCO Capital Ltd.
2012 Director, FISCO Capital Ltd.
2015 Full-Time Audit & Supervisory Board Member of the Company (current)
2017 Audit & Supervisory Board Member, Tokyo Tech Corporation (current)
Audit & Supervisory Board Member, NCXX Solutions Inc.
Audit & Supervisory Board Member, CCCT Inc. (currently Kushim Insight, Inc.)
2018 Audit & Supervisory Board Member, eWarrant Japan Securities K.K. (current)
Outside Audit & Supervisory Board Member, CSMEN Co., LTD. (current)
Audit and Supervisory Board Member, Fisco Cryptocurrency Exchange Inc. (currently Zaif Inc.) (current)
2019 Audit and Supervisory Board Member, CAICA Split Preparation Company (currently CAICA Technologies Inc.) (current)
2020 Audit and Supervisory Board Member, CAICA Digital Partners Inc. (current)



Shinichi Sugimoto
Outside Audit & Supervisory Board Member

1990 Joined The Boston Consulting Group, Inc.
1996 Joined Fuji Chemical Industries Co., Ltd.
2000 Joined Arthur D. Little Japan, Inc.
Joined Monitor Company Inc.
2003 Joined Profit International Inc.
2007 Founder and Representative Director, BonaFide Consulting, Inc. (current)
2015 Audit & Supervisory Board Member of the Company (current)



Masahiko Hosoki
Outside Audit & Supervisory Board Member

1978 Joined Kawasaki Heavy Industries, Ltd.
1985 Joined Asahi & Co. (currently KPMG AZSA LLC)
1986 Joined Aoyama Audit Corporation (Japanese audit business of Price Waterhouse & Company)
1989 Registered as a certified public accountant
1992 Opened the Hosoki Certified Public Accountant Office
1994 Founder and Representative Director, Will Consulting Co., Ltd. (current)
2007 Audit & Supervisory Board Member, GOKURAKUYU CO., LTD.
2008 Auditor, ASUKA CREDIT COOPERATIVE (current)
2013 Audit & Supervisory Board Member, TAKAYA Co., Ltd. (current)
2016 Audit & Supervisory Board Member of the Company (current)

Corporate Governance

The Company aims to steadily increase corporate value over the long term as one of its management goals. To this end, the Company believes that meeting the expectations and earning the trust of shareholders and other investors, customers, business partners, employees and many other stakeholders will serve as the foundation for achieving sustained growth.

Based on this belief, the Company has positioned the enhancement of corporate governance as a crucial management priority. As such, we are working to build systems and implement measures to ensure strict compliance with laws and regulations and rigorous adherence to corporate ethics, prompt and appropriate decision-making, efficient business execution, and stronger auditing and supervisory functions.

Overview of Corporate Governance and Reasons for Adopting this Framework

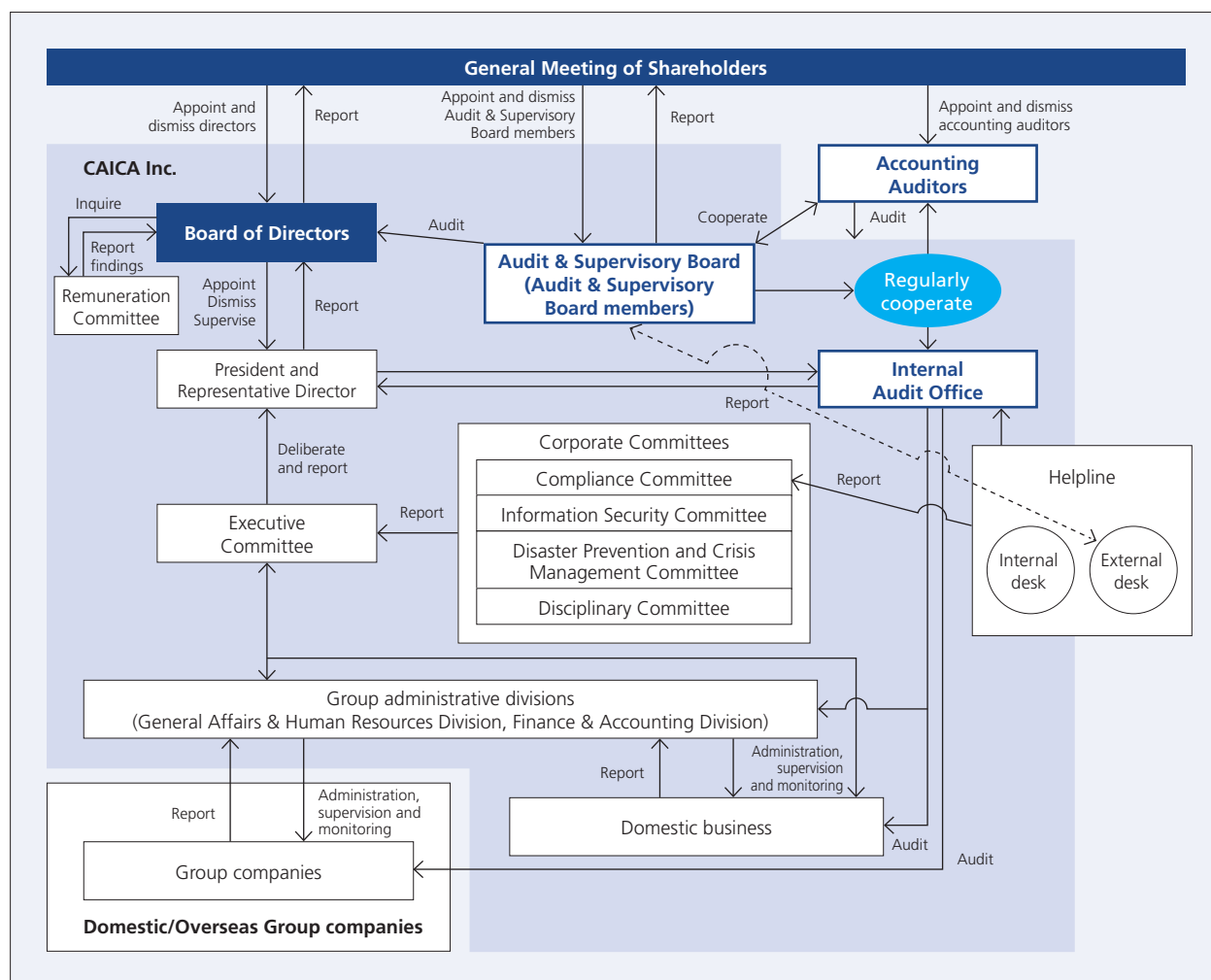
The Company has adopted the framework of a company with an Audit & Supervisory Board in order to secure healthy and sustainable corporate growth and establish an excellent corporate governance system that is capable of earning society's trust.

Outside directors utilize their abundant experience and broad knowledge as company managers and heighten the

functions of management. At the same time, they introduce outside perspectives into management and fulfill the role of further improving auditory functions in response to the execution of business operations.

The Company's framework as of the filing date of this report is shown below.

■ Diagram of the Internal Control System



FINANCIAL & CORPORATE DATA



Consolidated Balance Sheet

CAICA Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2019 (As of October 31, 2019)	Fiscal Year Ended October 31, 2020 (As of October 31, 2020)
< ASSETS >		
Current assets		
Cash and deposits	2,564,276	4,960,433
Notes and accounts receivable—trade	851,890	685,546
Merchandise and finished goods	3,522	3,242
Work in process	13,375	77,402
Short-term loans receivable	10,817	—
Accounts receivable—other	88,891	155,219
Crypto assets	137,750	0
Deposits paid	312,668	113,917
Others	282,198	143,790
Total current assets	4,265,389	6,139,553
Non-current assets		
Property, plant and equipment		
Buildings and structures	82,655	21,739
Accumulated depreciation	(24,955)	(691)
Buildings and structures, net	57,699	21,048
Machinery, equipment and vehicles	12,529	—
Accumulated depreciation	(5,675)	—
Machinery, equipment and vehicles, net	6,853	—
Tools, furniture and fixtures	253,642	147,678
Accumulated depreciation	(197,566)	(99,265)
Tools, furniture and fixtures, net	56,076	48,412
Land	500	500
Lease assets	11,390	—
Accumulated depreciation	(11,390)	—
Lease assets, net	0	—
Total property, plant and equipment	121,130	69,961
Intangible assets		
Software	60,527	126,365
Goodwill	1,419,267	24,553
Others	221,698	21,174
Total intangible assets	1,701,493	172,094
Investments and other assets		
Investment securities	4,178,338	4,845,179
Investments in capital	13,074	9,493
Long-term loans receivable	214,509	204,529
Others	238,037	83,480
Allowance for doubtful accounts	(236,976)	(227,076)
Total investments and other assets	4,406,984	4,915,606
Total non-current assets	6,229,607	5,157,661
Total assets	10,494,997	11,297,215

(Thousands of yen)

	Fiscal Year Ended October 31, 2019 (As of October 31, 2019)	Fiscal Year Ended October 31, 2020 (As of October 31, 2020)
< LIABILITIES >		
Current liabilities		
Notes and accounts payable—trade	265,385	195,967
Current portion of long-term loans payable	502,678	180,000
Current portion of bonds payable	140,000	140,000
Accounts payable—other	215,233	136,935
Income taxes payable	32,347	39,827
Accrued consumption taxes	37,193	162,724
Provision for bonuses	166,126	154,029
Others	508,089	118,574
Total current liabilities	1,867,052	1,128,059
Non-current liabilities		
Bonds payable	490,000	350,000
Long-term loans payable	2,076,933	540,000
Deferred tax liabilities	2,944	480
Others	13,874	39,449
Total non-current liabilities	2,583,752	929,930
Reserves under special laws		
Reserve for financial instruments transaction liabilities	8	8
Total reserves under special laws	8	8
Total liabilities	4,450,813	2,057,997
< NET ASSETS >		
Shareholders' equity		
Capital stock	1,000,000	3,193,697
Capital surplus	7,663,090	9,856,787
Retained losses	(3,247,629)	(3,805,449)
Treasury shares	(88,945)	(88,946)
Total shareholders' equity	5,326,515	9,156,089
Accumulated other comprehensive income		
Valuation difference on other available-for-sale securities	6,366	(17,309)
Deferred losses on hedges	(987)	(1,774)
Foreign currency translation adjustment	100,284	100,191
Total accumulated other comprehensive income	105,663	81,107
Share acquisition rights	2,852	2,020
Non-controlling interests	609,152	—
Total net assets	6,044,184	9,239,217
Total liabilities and net assets	10,494,997	11,297,215

Consolidated Statement of Income

CAICA Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2019 (From November 1, 2018 to October 31, 2019)	Fiscal Year Ended October 31, 2020 (From November 1, 2019 to October 31, 2020)
Net sales	7,600,508	6,003,323
Cost of sales	6,248,554	5,145,850
Gross profit	1,351,953	857,472
Selling, general and administrative expenses	1,967,859	1,537,375
Operating loss	(615,905)	(679,903)
Non-operating income		
Interest income	8,777	12,640
Dividend income	39	568
Rental income from buildings	12,892	—
Reversal of provision for bonuses	—	8,717
Others	21,830	8,757
Total non-operating income	43,539	30,682
Non-operating expenses		
Interest paid	25,342	17,880
Commission fees	99,924	20,480
Loss on sales of investment securities	—	24,233
Share of loss of entities accounted for using equity method	391,104	143,664
Share issuance cost	—	25,489
Bond issuance cost	—	17,189
Others	23,119	5,723
Total non-operating expenses	539,490	254,660
Ordinary loss	(1,111,856)	(903,881)
Extraordinary income		
Gain on sales of non-current assets	2,037	—
Gain on sales of shares of subsidiaries and associates	10,813	488,570
Reversal of allowance for doubtful accounts	2,102	9,900
Gain on change in equity	1,559	—
Total extraordinary income	16,512	498,470
Extraordinary losses		
Loss on valuation of investment securities	144,676	—
Impairment loss	487,862	108,413
Loss on sales of non-current assets	—	2,415
Loss on retirement of non-current assets	22	5,590
Loss on step acquisitions	5,388	—
Total extraordinary losses	637,950	116,419
Loss before income taxes	(1,733,294)	(521,830)
Income taxes—current	16,291	41,485
Income taxes—deferred	3,339	(13,022)
Total income taxes	19,630	28,463
Net loss	(1,752,924)	(550,293)
Profit attributable to non-controlling interests	392	7,526
Loss attributable to owners of parent	(1,753,317)	(557,819)

Consolidated Statement of Comprehensive Income

CAICA Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2019 (From November 1, 2018 to October 31, 2019)	Fiscal Year Ended October 31, 2020 (From November 1, 2019 to October 31, 2020)
Net loss	(1,752,924)	(550,293)
Other comprehensive income		
Valuation difference on other available-for-sale securities	(81,896)	(52,921)
Deferred losses on hedges	(653)	—
Foreign currency translation adjustment	(24)	(92)
Share of other comprehensive income of entities accounted for using equity method	—	(786)
Total other comprehensive income	(82,574)	(53,801)
Comprehensive income	(1,835,499)	(604,095)
(Components)		
Comprehensive income attributable to owners of parent	(1,835,891)	(582,375)
Comprehensive income attributable to non-controlling interests	392	(21,719)

Consolidated Statement of Changes in Net Assets

CAICA Inc.

Fiscal Year Ended October 31, 2019 (From November 1, 2018 to October 31, 2019)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained losses	Treasury shares	Total shareholders' equity
Balance at the beginning of the fiscal year	1,000,000	7,663,090	(1,496,112)	(88,945)	7,078,032
Changes during the fiscal year					
Issuance of new shares					—
Loss attributable to owners of parent			(1,753,317)		(1,753,317)
Purchase of treasury shares					—
Change in scope of equity method			1,800		1,800
Net changes of items other than shareholders' equity					—
Total changes during the fiscal year	—	—	(1,751,516)	—	(1,751,516)
Balance at the end of the fiscal year	1,000,000	7,663,090	(3,247,629)	(88,945)	5,326,515

(Thousands of yen)

	Accumulated other comprehensive income						
	Valuation difference on other available-for-sale securities	Deferred losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	Total net assets
Balance at the beginning of the fiscal year	88,262	(334)	100,309	188,237	—	—	7,266,269
Changes during the fiscal year							
Issuance of new shares							—
Loss attributable to owners of parent							(1,753,317)
Purchase of treasury shares							—
Change in scope of equity method							1,800
Net changes of items other than shareholders' equity	(81,896)	(653)	(24)	(82,574)	2,852	609,152	529,430
Total changes during the fiscal year	(81,896)	(653)	(24)	(82,574)	2,852	609,152	(1,222,085)
Balance at the end of the fiscal year	6,366	(987)	100,284	105,663	2,852	609,152	6,044,184

Fiscal Year Ended October 31, 2020 (From November 1, 2019 to October 31, 2020)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained losses	Treasury shares	Total shareholders' equity
Balance at the beginning of the fiscal year	1,000,000	7,663,090	(3,247,629)	(88,945)	5,326,515
Changes during the fiscal year					
Issuance of new shares	2,193,697	2,193,697			4,387,395
Loss attributable to owners of parent			(557,819)		(557,819)
Purchase of treasury shares				(1)	(1)
Change in scope of equity method					—
Net changes of items other than shareholders' equity					—
Total changes during the fiscal year	2,193,697	2,193,697	(557,819)	(1)	3,829,573
Balance at the end of the fiscal year	3,193,697	9,856,787	(3,805,449)	(88,946)	9,156,089

(Thousands of yen)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on other available-for-sale securities	Deferred losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	6,366	(987)	100,284	105,663	2,852	609,152	6,044,184
Changes during the fiscal year							
Issuance of new shares							4,387,395
Loss attributable to owners of parent							(557,819)
Purchase of treasury shares							(1)
Change in scope of equity method							—
Net changes of items other than shareholders' equity	(23,676)	(786)	(92)	(24,556)	(831)	(609,152)	(634,540)
Total changes during the fiscal year	(23,676)	(786)	(92)	(24,556)	(831)	(609,152)	3,195,033
Balance at the end of the fiscal year	(17,309)	(1,774)	100,191	81,107	2,020	—	9,239,217

Consolidated Statement of Cash Flows

CAICA Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2019 (From November 1, 2018 to October 31, 2019)	Fiscal Year Ended October 31, 2020 (From November 1, 2019 to October 31, 2020)
Cash flows from operating activities		
Loss before income taxes	(1,733,294)	(521,830)
Depreciation and amortization	79,558	104,215
Amortization of goodwill	73,286	91,653
Share issuance cost	—	25,489
Bond issuance cost	—	17,189
Decrease in allowance for doubtful accounts	(2,101)	(9,900)
Decrease in provision for bonuses	(27,569)	(1,159)
Interest and dividend income	(8,816)	(13,208)
Interest paid	25,342	17,880
Share of loss of entities accounted for using equity method	391,104	143,664
Gain on change in equity	(1,559)	—
Loss on step acquisitions	5,388	—
Loss on sales of investment securities	—	24,233
Gain on sales of shares of subsidiaries and associates	(10,813)	(488,570)
Loss on valuation of investment securities	144,676	—
Share-based remuneration expenses	2,852	6,286
Loss on retirement of non-current assets	22	5,590
Impairment loss	487,862	108,413
Decrease (increase) in notes and accounts receivable—trade	166,782	(14,367)
Increase in inventories	(33,430)	(64,888)
Increase in notes and accounts payable—trade	23,148	10,192
Decrease in deposits paid	507,624	198,687
Decrease (increase) in accrued consumption taxes	(18,533)	144,353
Other, net	(267,996)	(340,900)
Subtotal	(196,468)	(556,974)
Interest and dividend income received	1,074	2,260
Interest paid	(21,937)	(19,561)
Income taxes paid	(15,271)	(25,413)
Income taxes refund	—	8,479
Net cash used in operating activities	(232,601)	(591,209)

(Thousands of yen)

	Fiscal Year Ended October 31, 2019 (From November 1, 2018 to October 31, 2019)	Fiscal Year Ended October 31, 2020 (From November 1, 2019 to October 31, 2020)
Cash flows from investing activities		
Purchase of property, plant and equipment	(39,119)	(35,178)
Purchase of intangible assets	(620,088)	(69,618)
Purchase of investment securities	(475,720)	(1,442,497)
Proceeds from sales of investment securities	—	58,771
Payments of leasehold and guarantee deposit	—	(52,171)
Proceeds from refund of leasehold and guarantee deposits	—	87,395
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(563,428)	—
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	288,595	1,794,006
Collection of loans receivable	214,015	125,380
Payments for acquisition of businesses	—	(27,281)
Other, net	(7,476)	7,743
Net cash (used in) provided by investing activities	(1,203,222)	446,550
Cash flows from financing activities		
Net (decrease) increase in short-term loans payable	(2,000,000)	30,000
Proceeds from long-term loans payable	2,910,000	—
Repayments of long-term loans payable	(300,347)	(1,684,928)
Proceeds from issuance of bonds	682,928	—
Redemption of bonds	(70,000)	(140,000)
Proceeds from issuance of common stock	—	4,344,715
Dividends paid	—	(5,935)
Other, net	(48,660)	(3,639)
Net cash provided by financing activities	1,173,921	2,540,213
Effect of exchange rate change on cash and cash equivalents	(2,616)	602
Net (decrease) increase in cash and cash equivalents	(264,520)	2,396,156
Cash and cash equivalents at beginning of the fiscal year	2,482,857	2,564,276
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	345,939	—
Cash and cash equivalents at end of the fiscal year	2,564,276	4,960,433

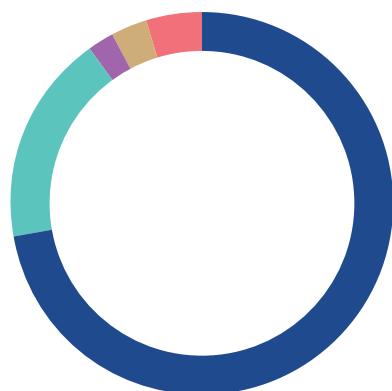
Corporate Data (As of October 31, 2020)

Name of corporation	CAICA Inc. Company name scheduled to be changed to CAICA DIGITAL Inc. on November 1, 2021
Foundation	July 14, 1989
Head office	3F, Lexington Aoyama 5-11-9 Minamiaoyama, Minato-ku, Tokyo 107-0062, Japan
Telephone (main)	+81-3-5657-3000
Representative	Shin Suzuki CEO, President and Representative Director
Certifications	<p>ISO 9001 Certification body: Japan Quality Assurance Organization (JQA) Certification number: JQA-QM5414 Conformity standard: ISO 9001: 2015 (JIS Q 9001:2015) Registration scope: Solutions Business Division 1, Solutions Business Division 2, Cryptocurrency & Technology Division, Infrastructure Solutions Division Certified: 10/20/2000 Expiration: 10/7/2022</p> <p>PrivacyMark Examining authority: Japan Information Technology Services Industry Association (JISA) (NPO) Registration number: 11820509 (07) Expiration: 10/15/2022</p>
Worker dispatching business	License number: Group 13-307754
Memberships	Japan Cryptoasset Business Association (JCBA) Blockchain Collaborative Consortium (BCCC)
Capital	50 million yen (As of April 30, 2021)
Number of employees	Consolidated: 428 employees Non-consolidated: 13 employees (As of October 31, 2020)
Business activities (consolidated)	IT services business, financial services business
Main banks	Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. Mizuho Bank, Ltd. Resona Bank, Limited
URL	https://www.caica.jp/en/

Investor Information (As of October 31, 2020)

Transfer agent and special account custodian	Sumitomo Mitsui Trust Bank, Limited
Listed exchange	Tokyo Stock Exchange, JASDAQ Standard
Securities code	2315
Total number of shares issued	635,070,646 shares
Number of shares in one trading unit	100 shares
Treasury shares	193,010 shares
Number of shareholders	44,515

Composition of Shareholders



■ Individuals and others	72.29%
■ Financial institutions	17.79%
■ Other domestic companies	2.27%
■ Financial instruments business operators	3.06%
■ Foreign companies, etc.	4.59%

Status of Major Shareholders

Major shareholders	Number of shares held (shares)	Proportion of total shares issued (%)
Custody Bank of Japan, Ltd. (Trust account)	106,948,400	16.85
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT (Standing proxy: MUFG Bank, Ltd.)	15,925,192	2.51
Japan Securities Finance Co., Ltd.	6,040,200	0.95
Rakuten Securities, Inc.	5,715,900	0.90
STATE STREET BANK AND TRUST COMPANY 505223 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Department)	5,501,800	0.87
Tomoya Ojima	4,060,000	0.64
Morgan Stanley MUFG Securities Co., Ltd.	3,500,012	0.55
BNP PARIBAS SECURITIES SERVICES PARIS JASDEC / BP2S PARIS-GLM-SLAB PARIS (Standing proxy: HSBC, Tokyo Branch, Custody Services Department)	3,406,600	0.54
SBI SECURITIES Co., Ltd.	2,799,900	0.44
SRA Holdings, Inc.	2,516,600	0.40

