

Pioneering the World of Digital Finance

CAICA DIGITAL REPORT

2022

[November 1, 2021 to October 31, 2022]



CAICA DIGITAL Philosophy

CAICA DIGITAL 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 DIGITAL 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

Contents

CAICA Group Organization —————	1	OUR GOVERNANCE	
History —————	2	Board of Directors —————	14
Management Policy and Focus Areas ———	3	Corporate Governance —————	17
CEO Message —————	4	FINANCIAL & CORPORATE DATA	
Special Feature —————	8	Financial Statements —————	18
Group Companies —————	10	Corporate Data/ Shareholder Benefits —————	26
CAICA Technologies Inc. —————	11	Investor Information —————	27
CAICA Financial Holdings Inc. —————	12		
CAICA Exchange Inc. CAICA Capital Inc. CAICA Securities Inc. —————	13		

CAICA Group Organization

As of October 31, 2022



History

As of October 31, 2022

Flow of Group Reorganization

2022	Entered the Web3 business	<ul style="list-style-type: none"> • November CAICA Financial Holdings Inc. started providing NFT launchpad (primary sales) for Zaif INO • October Announced the Company's entry into the Web3 business
	July	Dissolved EWC Anonymous Association and EWA Anonymous Association
2021	December	Acquired all shares of FISCO Capital Ltd. through subsidiary CAICA Financial Holdings Inc., made FISCO Capital Ltd. a consolidated subsidiary and changed its company name to CAICA Finance Inc.
		CAICA DIGITAL Inc. Changed the company name from CAICA Inc. on November 1, 2021
		CAICA Financial Holdings Inc. Established an intermediate holding company to control the financial services business through a company split in November 2021
		Unified under the CAICA brand <ul style="list-style-type: none"> • November Changed the company name of subsidiary ewarrant Japan Securities K.K. to CAICA Securities Inc. • November Changed the company name of subsidiary Zaif Holdings Inc. to CAICA Exchange Holdings Inc. • November Changed the company name of subsidiary Zaif Inc. to CAICA Exchange Inc. • November Changed the company name of subsidiary Zaif Capital Inc. to CAICA Capital Inc.
		Zaif Holdings Inc. Acquired 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 evolved into an IT finance company CAICA Inc. March 1, 2020 Transitioned to holding company system and changed company name to CAICA Inc.
		CAICA Technologies 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 <ul style="list-style-type: none"> • eWarrant Japan Securities K.K. • EWARRANT INTERNATIONAL LTD. • EWARRANT FUND LTD. eWarrant Group made into subsidiaries
		FISCO Digital Asset Group Co., Ltd. (now Zaif Holdings) 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		Newly established SJ Alpine Co., Ltd. to continue all sales of TCC Co., Ltd. and IBeT Co., Ltd.
		SJ Holdings Inc. Newly established company to continue operations from SJ Holdings
		Sun Japan Corporation
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

The CAICA DIGITAL Group aims to create innovative businesses, keeping abreast of the times. We provide customers with services utilizing new knowledge as IT finance obtained from merging financial business know-how with expertise cultivated through building many financial systems and cutting-edge technologies. We will also create innovative financial services as a corporate group that matches the paradigm shifts as finance and society undergo dramatic transformations amid the digitalization of society.

Understanding of the Management Environment

We believe that the CAICA DIGITAL Group's systems development business (systems integrator business), in which we have been involved since establishment, is facing significant changes to its business structure due to the progress of digital transformation (DX), and in the near future we envisage a scenario of accelerating industry restructure and pressure for dramatic transformation. Taking these matters into account, the CAICA DIGITAL Group has focused on the blockchain and crypto asset fields under a FinTech strategy since 2016, based on over 50 years of knowledge of systems development for financial institutions. CAICA Exchange Holdings Inc. (hereinafter, CAICA Exchange Holdings) and its subsidiaries, CAICA Exchange Inc. (hereinafter, CAICA Exchange) and CAICA Capital Inc. (hereinafter, CAICA Capital), which have a crypto asset exchange under their umbrella, were made into consolidate subsidiaries and we entered the crypto asset field. We will pursue further business efficiency and profitability in the systems development business (systems integrator business) while at the same time pioneering the world of digital finance as a player operating in the financial business. In addition, the CAICA DIGITAL Group announced its entry into the Web3 business in October 2022 and in November 2022 launched the Zaif INO launchpad (primary sales), starting the Non-Fungible Tokens (NFT) business. Looking ahead, we will advance the Web3 BaaS business for Web3 infrastructure services and staking services, payment services provider (PSP) business for wallet provision and social tipping, and the Web3 business support to support the Web3 community.

NFT: Non-substitutable tokens that have proof of ownership and cannot be exchanged for equivalents.

Policy for Fiscal Year Ending October 31, 2023

IT services business

- Expand orders received from existing customers such as major systems integrators and others
- Improve primary contractor ratio

Financial services business

- Advance Web3 business
- Crypto asset exchange Zaif aims for a recurring revenue business model in automated trading services, etc. and to newly handle high utility coins in the Web3 domain
- CAICA Capital will expand lending services and self-financing investments and loans
- CAICA Securities will terminate existing products at an early stage and work toward changing business formats

CEO Message



CEO, President and
Representative Director
Shin Suzuki

We will devote every effort to
reaching a further growth stage
with our new market-leading
Web3 business.

Looking back at the fiscal year ended October 31, 2022

The IT services and financial services industries in which the CAICA DIGITAL Group conducts its business are expected to see further DX advancement in the wake of the spread of COVID-19. Under these circumstances, the CAICA DIGITAL Group strived to expand orders from existing customers such as major systems integrators in the IT services business, in addition to raising the primary contractor ratio, toward expansion of the digital finance market. In the financial services business, we strived to increase sales in crypto asset-related services.

However, in the fiscal year ended October 31, 2022 we recorded significant losses. Crypto assets, which we had engaged in as a growth strategy, saw worsening market conditions due to a series of major incidents having an impact on the entire industry and other matters. In addition, CAICA Securities posted losses throughout the period, leaving financial services as a growth business in a slump. As a result, consolidated net sales were ¥6,442 million (up 8.3% YoY), but we posted operating loss of ¥1,389 million, ordinary loss of ¥1,395 million and extraordinary losses of ¥5,602 million, for disappointing results.

The incidents related to crypto assets in particular caused significant damage and resulted in major changes to the revenue structure. The earnings model had been based on handling fees, but with these incidents, trade was suppressed, leading to customers leaving, which destroyed the business model as it had been until now. There was another change in the crypto asset market. Crypto assets had been perceived to be a unique financial asset as, for example, they had been bought at times when stock markets were falling, but now they appear to be linked to financial markets overall. This is the result of crypto assets becoming just

another financial asset due to the increase in institutional and individual investors investing in crypto assets, and a significant change was created by tighter U.S. monetary policy, which means crypto assets now fall just like any other assets. The greater the popularity as an asset the greater the long-term benefit, but in the short-term, the status is to be easily affected by U.S. financial markets.

By segment, the IT services business has grown solidly each fiscal year. IT investment also expanded steadily in the COVID-19 pandemic. However, it has become harder to secure outstanding engineers, which is an issue for the entire industry. We are currently working to diversify our human resource acquisition and recruitment system, developing a treatment system for general and specialist positions, and focusing on collaboration with our partners. In the financial services business, CAICA Securities in particular, has continuously posted losses, and the forecast is that recovery is going to take some time. The Company will withdraw from handling current products during the fiscal year ending October 31, 2023, and move ahead on converting business formats. As a new business, we have started considering entry into the private banking business (PB business) for wealthy customers, utilizing Group synergies with minimal capital investment and operating costs. In addition, CAICA Capital lending products are sound, so we expect to further expand these in the future. The plan is also for CAICA Capital to handle coins newly listed on Zaif.

We established the intermediate holding company CAICA Financial Holdings Inc. in November 2021 to manage the financial services business and also unified the financial services business under the CAICA brand. This clarified its vision as an IT finance company and aims to further enhance recognition.

Development of important strategies with **Zaif** at the core



In Zaif, the handling fee model has peaked out, and the Company will shift from one-off sales to recurring revenue growth. In March 2022, we upgraded Zaif Coin Reserve and in June 2022 started the Automatic Trading Easy Trade service. In addition, to further expand our product lineup, we registered as a Type I Financial Instruments Business and launched the FX for Crypto Asset service in August 2022. And we also set up the Crypto OTC Desk exclusively to respond to large-scale transaction demand. This business is rolling out an important strategy based on the following basic policy. Firstly, to raise the ratio of recurring revenue to build a stable base. Next, it aims for spot revenue and expansion of new coins. Then, it will strictly select the coins it handles and work to differentiate from other companies. For coins, we want to expand GameFi, which is coins for gaming, coins for payments in Web3 and more, to achieve significant spot earnings.

CAICA Capital will energize its lending services from the fiscal year ending October 31, 2023, and plans to expand the service in the future in such ways as starting to offer Bitcoin (BTC), Symbol (XYM) and CAICA Coin (CICC).

Moving to a new growth stage through the Web3 business

The CAICA DIGITAL Group entered the Web3 business in October 2022. In November 2022, we launched the Zaif INO launchpad (primary sales) and started the NFT business. Looking ahead, we will advance the Web3 BaaS business for Web3 infrastructure services and staking services, payment services provider (PSP) business for wallet provision and social tipping, and the Web3 business support to support the Web3 community to move toward a new growth stage.

To give a specific example, the core of the Web3 business is the expansion of GameFi through an NFT platform. This expands the Game NFT through collaboration with Zaif. We plan to expand payment services as a new service unique to our Group, such as being able to utilize our proprietary blockchain service and creating synergies with payments made through Zaif. Next, we aim to roll out the Web3 BaaS business as a support business for start-up companies. We provide blockchain technologies to support companies and enable them to provide IT services, which allows client companies to launch services rapidly.

Web3, also known as the decentralized, next-generation internet, is better suited to developing products and services that are easier to understand

than ever before, allowing for a shift from the B2C business model of the past. The C of B2C can be a community to discuss ideas and shape needs to create new services and business models. Business models like C2B and C&B can be constructed, where the CAICA DIGITAL Group can provide a payment function (Zaif) using blockchain technologies and become a business hub. In addition, the Web3 business enables the speedy creation of business models by collaborating with companies that can provide services, and it has the features of not needing large-scale investment and offering quick returns on investments. When a client company starts a new business, new services are created even if they are not accompanied by technological capabilities, so if a collaboration model appears that combines them, there is the potential to create a large market. We also started to provide CAICA Web3 For Biz as a one-stop service for companies to create Web3 business.

The CAICA DIGITAL Group is changing direction for a new growth stage by accurately grasping changes in the market and taking on the challenges of the Web3 business. Going forward, we continue to ask for the unchanging understanding and support of our stakeholders.

Web3 Business Opening Up a New Future

The CAICA DIGITAL Group possesses a proven track record in blockchain and a safe and secure crypto asset exchange Zaif, and takes on the challenges of the Web3 business with our unique competitive strengths and a sense of speed.



The CAICA DIGITAL Group engages in Web3 that is community-driven business creation

Through two-way communications with both the community and companies and designing a business together with the community, it builds a service that incorporates followers' opinions. Moreover, we aim to grow together with client companies by providing them with quality projects and forming a CAICA DIGITAL community based on collaboration with the client companies.

First phase

- NFT business / Zaif INO launchpad (primary sales)

Second phase and third phase

- Web3 BaaS business
- PSP business
- Web3 business support

CAICA DIGITAL Group's trajectory is toward the Web3 business

We possess a **track record in blockchain consulting** and a safe and secure Japanese **crypto asset exchange**, making possible the CAICA DIGITAL Group's entry into the market with **unique competitive capabilities** and a **sense of speed**.

NFT token Zaif INO launchpad (primary sales) 



Crypto asset exchange operation Entry into FinTech business

Track record of over 50 years as a systems development company **CAICA Technologies Inc.** Blockchain consulting

Web2.0

Web2.5

Web3

Core businesses supporting growth

NFT business NFT, token sales

Differentiation: We will differentiate ourselves by specializing in primary sales of high quality, high utility NFT in the GameFi field through an examination system.

Competitive strength: We provide one-stop support from NFT sales through to token market listings through collaboration with the crypto asset exchange Zaif.

Strategy: We will expand scale through collaboration with leading companies.

NFT business
NFT, token sales

Web3 BaaS business

Web3 infrastructure services, staking services

We are rolling out the Web3 development Blockchain as a Service (BaaS) business, centered on NFT. To make NFT more useful under crypto asset and financial rules

we not only issue NFT, but also work on total services from service planning and production and metaverse service development, through to blockchain-based Web3 SDK.

Web3 BaaS business

Web3 infrastructure services, staking services

PSP business

Wallet provision, social tipping

We provide Web3 payment in collaboration with the crypto asset exchange Zaif. Users pay with crypto assets, and stores (member merchants) receive the payment in Japanese yen through a contract with Zaif.

PSP business
Wallet provision, social tipping

Web3 business support

Web3 community support

Web3 business support

Web3 community support

The CAICA DIGITAL Group provides business start-up support related to Web3 that only we can offer.

We provide all services with the knowledge from being a crypto asset exchange operator and Type I Financial Instruments Business, compliance as a publicly listed company, business development, fundraising, market making and token listing support.

We provide one-stop support from NFT sales through to listings

Zaif Crypto asset business consulting, exchange

Blockchain consulting

CAICA Technologies Inc.

Web3 business



CryptoGames

POLKA FANTASY
THE CHRONICLES OF REALMS



CAICA DIGITAL Group

~A unique corporate group with knowledge of both blockchain consulting and crypto assets~

Alliance partners

Collaborations with other leading companies

The CAICA DIGITAL Group advances the Web3 business utilizing our knowledge of both blockchain consulting and crypto asset exchange operations, and has entered the Web3 business by working together with alliance partners.

Paving the way for digital finance in the Web3 era

CAICA DIGITAL

IT services



Financial services

CAICA Technologies Inc.

Systems development business, research, development, sales and consulting business of systems related to crypto assets

CAICA Financial Inc.

Announced entry into the Web3 business on October 11, 2022

CAICA Exchange Inc.

Operates crypto asset exchange Zaif, Type I Financial Instruments Business

CAICA Capital Inc.

Investment management business related to crypto assets

CAICA Securities Inc.

Type I Financial Instruments Business

Started providing
CAICA Web3 For Biz,
a service for companies!

Rolling out a matching service to create
Web3 business

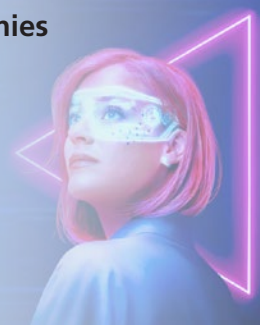
CAICA Web3 For Biz service site
<https://www.caica.jp/web3/>
(Only in Japanese)

Web3 service for companies

CAICA Web3

For Biz

Matching service to create
Web3 business developed
by CAICA DIGITAL Inc.



CAICA Technologies Inc.

Corporate Data

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

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, 2022)
Business activities	Information services business (systems development, consulting, etc., crypto assets, blockchain-related systems research, development, sales and consulting, etc.)
Major shareholder	CAICA DIGITAL Inc. 100%
Membership	Japan Information Technology Services Industry Association
Certifications	<p>ISO 9001</p> <p>Certification body : Japan Quality Assurance Organization (JQA)</p> <p>Certification number : JQA-QM5414</p> <p>Conformity standard : ISO 9001:2015 (JIS Q 9001:2015)</p> <p>Scope of registration : Digital Innovation Business Dept., Professional Service Business Dept., Business Solution & Technology Business Dept., FinTech Strategy Office</p> <p>Certified : October 20, 2000</p> <p>Expiration : October 7, 2025</p> <p>Privacy mark</p> <p>Examining authority : Japan Information Technology Service Industry Association (JISA) (NPO)</p> <p>Registration number : 11820509(08)</p> <p>Expiration : October 15, 2022</p>
Worker dispatching business	License number: Group 13-314626

Main business customers

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

CAICA Financial Holdings Inc.

Corporate Data

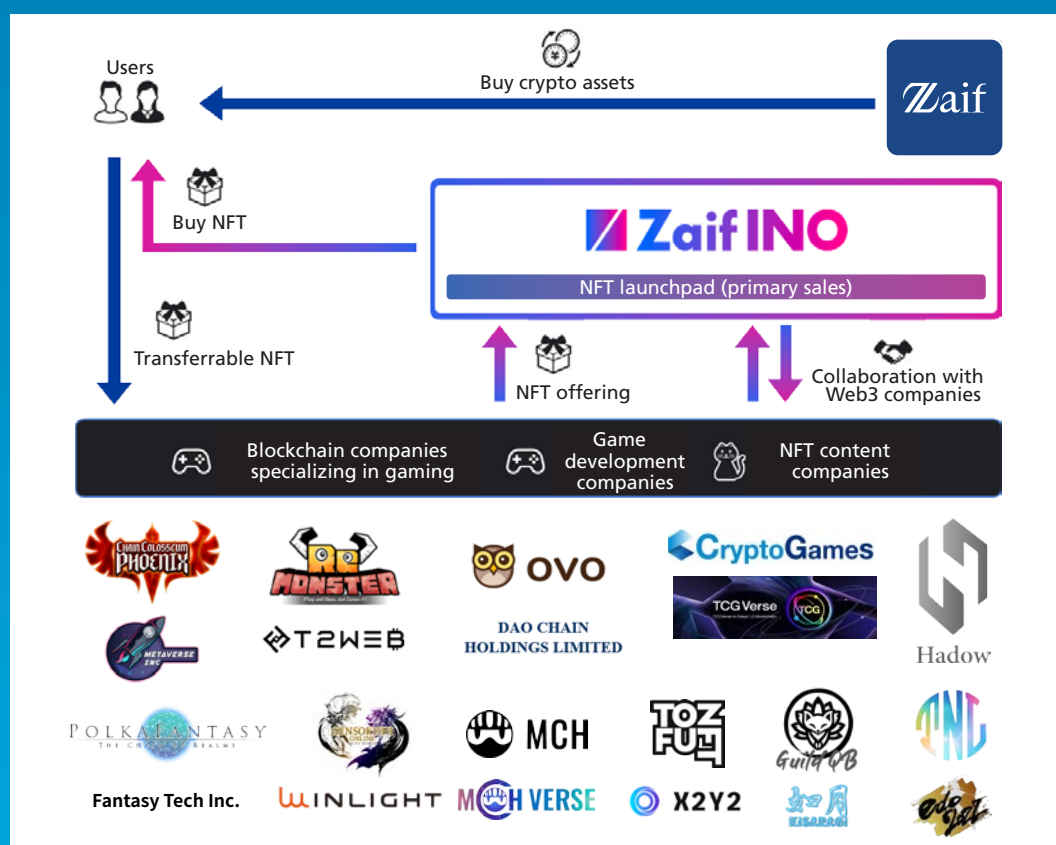
Name of corporation	CAICA Financial Holdings Inc.
Representative	Shin Suzuki, CEO, President and Representative Director
Foundation	November 2021
Head office	3F Lexington Aoyama, 5-11-9 Minamiaoyama, Minato-ku, Tokyo
Capital	50 million yen
Business activities	Intermediate holding company to manage financial services business
Major shareholder	CAICA DIGITAL Inc.

November 2022

Entry into the Web3 business

Overview of Zaif INO


The Zaif INO launchpad (primary sales) plans for collaborations with a variety of Web3 companies. We will announce partners such as game development companies offering NFT as soon as they are decided.



Service page: <https://zaif-ino.com/>
 Sales page: <https://lp.zaif-ino.com/>
 Inquiries about sales: support@zaif-ino.com
 Zaif INO official Twitter account: https://twitter.com/zaif_ino

We are always looking for projects or companies seeking to sell NFT. If you have an interest, please contact listing@zaif-ino.com

CAICA Exchange Inc.

Corporate Data		https://zaif.jp/ 
Name of corporation	CAICA Exchange Inc.	
Representative	Shin Suzuki, Representative Director	
Foundation	April 12, 2016	
Head office	2-18-15 Arakicho, Kishiwada-shi, Osaka Prefecture	
Capital	300 million yen	
Business activities	Crypto asset exchange business and financial instruments business	
Major shareholder	CAICA Exchange Holdings Inc. 100%	
Memberships	Japan Virtual and Crypto Assets Exchange Association	
Registration number	Director-General of the Kinki Local Finance Bureau, Registration No. 00001 (Crypto Asset Exchange Business) Director-General of the Kinki Local Finance Bureau (FIBO) No.422 (Type 1 Financial Instruments Business)	

CAICA Capital Inc.

CAICA Coin (CICC) lending service	https://caica-capital.jp/cicc/ (Only in Japanese)
Symbol (XYM) lending service	https://caica-capital.jp/xyml/ (Only in Japanese)
Bitcoin (BTC) lending service	https://caica-capital.jp/btc/ (Only in Japanese)

Corporate Data	
Name of corporation	CAICA Capital Inc.
Representative	Hiroyuki Matsuzaki, President and CEO
Foundation	September 1, 2014
Head office	5-4-30 Minamiaoyama, Minato-ku, Tokyo
Capital	500,000 yen
Business activities	Investment business related to crypto assets, etc.
Major shareholder	CAICA Exchange Holdings Inc. 100%

CAICA Securities Inc.

Corporate Data		https://www.caica-sec.com
Name of corporation	CAICA Securities Inc.	
Representative	Shin Suzuki, 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	100 million yen (as of October 31, 2022)	
Business activities	Type 1 Financial Instruments Business and Investment Management Business in accordance with the Financial Instruments and Exchange Act	
Major shareholder	CAICA Financial Holdings Inc. 100%	
Memberships	Japan Securities Dealers Association, Japan Virtual and Crypto Assets Exchange Association	
Investor protection fund	Japan Investor Protection Fund	

Board of Directors (As of January 31, 2023)

Directors



Shin Suzuki
CEO, President and
Representative Director



Kenji Yamaguchi
CFO, Vice 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 SJ Inc. (currently the Company)
Director, Liandi (Nanjing) Information Systems Co., Ltd.
- 2010 Executive Officer and Deputy General Manager, Solutions Business Department 3 of SJ Inc. (currently the Company)
In charge of Business Promotion Office, Fintech Strategy Office
- 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
- 2018 CEO, President and Representative Director of the Company
In charge of Business Division 1, Business Division 2, Business Division 3, Business Promotion Office, Fintech Strategy Office
Director, Tokyo Tech Corporation (currently Kushim Soft Inc.)
Director, CCCT Inc. (currently Kushim Insight, Inc.)
President and Representative Director, Tokyo Tech Corporation (currently Kushim Soft Inc.)
President and Representative Director, CCCT Inc. (currently Kushim Insight, Inc.)
- 2019 President and Representative Director of the Company
In charge of Business Promotion Division, Sales Division, Solutions Development Division 1, Solutions Development Division 2, Cryptocurrency & Technology Division, Infrastructure Solutions Division, Business Promotion Office, Fintech Strategy Office, Internal Audit Office and public relations
Commissioned as General Manager, Business Promotion Division
Director, SJ Asia Pacific Limited (current)
Director, iStudy Co., Ltd. (currently Kushim Inc.)
Director, Fisco Cryptocurrency Exchange Inc. (currently CAICA Exchange Inc.)
President and Representative Director, CAICA Split Preparation Company (currently CAICA Technologies Inc.) (current)
Director, aim-soft Inc. (currently Kushim Soft Inc.)
- 2020 Vice President and Representative Director, Kushim Insight, Inc.
CEO, President and Representative Director of the Company
In charge of Business Division, Internal Audit Office, and public relations, CAICA Technologies Inc.
Commissioned as Division Director, Business Division, CAICA Technologies Inc. (current)
President and Representative Director, CAICA Digital Partners Inc. (current)
- 2021 Director, eWarrant Japan Securities K.K. (currently CAICA Securities Inc.)
Director, NCXX Inc.
Director, Zaif Holdings Inc. (currently CAICA Exchange Holdings Inc.)
Director, CAICA Financial Holdings Inc.
President and Representative Director, CAICA Finance Inc. (current)
Vice President and Representative Director, CAICA Exchange Holdings Inc.
Vice President and Representative Director, CAICA Exchange Inc.
President and Representative Director, CAICA Financial Holdings Inc. (current)
- 2022 President and Representative Director, CAICA Exchange Holdings Inc. (current)
President and Representative Director, CAICA Exchange Inc. (current)
- 2023 President and Representative Director, CAICA Securities Inc. (current)
- 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
In charge of Administrative Management Division and Governance Promotion Office
Commissioned as General Manager, Administrative Management Division
Director, SJ Asia Pacific Limited (current)
- 2016 Senior Managing Director and Representative Director of the Company
In charge of Governance Promotion Office and Finance & Accounting Division and commissioned as General Manager, Finance & Accounting Division
- 2017 Director, Tokyo Tech Corporation (currently Kushim Soft Inc.)
Senior Managing Director and Representative Director of the Company
In charge of Finance & Accounting Division and commissioned as General Manager, Finance & Accounting Division
Director, NCXX Solutions Inc. (currently Jitsugyo no Nihon Research Institute, Ltd.)
Director, NCXX Inc.
Director, CCCT Inc. (currently Kushim Insight, Inc.)
- 2018 Senior Managing Director and Representative Director of the Company
In charge of Finance & Accounting Division and General Affairs & Human Resources Division and commissioned as General Manager, Finance & Accounting Division and General Manager, General Affairs & Human Resources Division
Director, eWarrant Japan Securities K.K. (currently CAICA Securities Inc.) (current)
Director, EWARRANT INTERNATIONAL LTD. (current)
Director, EWARRANT FUND LTD. (current)
- 2019 Vice President and Representative Director of the Company
In charge of Finance & Accounting Division and General Affairs & Human Resources Division
Commissioned as General Manager, Finance & Accounting Division and General Manager, General Affairs & Human Resources Division (current)
Director and Audit and Supervisory Committee Member, iStudy Co., Ltd. (currently Kushim Inc.) (current)
Director, Fisco Cryptocurrency Exchange Inc. (currently CAICA Exchange Inc.) (current)
Director, CAICA Split Preparation Company (currently CAICA Technologies Inc.) (current)
- 2020 Director, CAICA Digital Partners Inc. (current)
- 2021 Director, Zaif Holdings Inc. (currently CAICA Exchange Holdings Inc.) (current)
Director, CAICA Financial Holdings Inc. (current)
Director, CAICA Finance 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)
Representative Director and President, General Solutions, Inc. (currently FISCO Ltd.)
Director, Chanty Co., Ltd.
- 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.



Hiroki Nakagawa
Director

- 2014 Director, General Solutions, Inc. (currently FISCO Ltd.)
- 2016 Director, FISCO COIN (currently CAICA Exchange Inc.)
Director, FISCO Research & Institute (current)
- 2017 Director, FISCO Digital Asset Group Co., Ltd. (currently CAICA Exchange Holdings Inc.) (current)
Director, iStudy Co., Ltd. (currently Kushim Inc.)
- 2018 Director, regist ART Inc.
- 2019 President and Representative Director, iStudy Co., Ltd. (currently Kushim Inc.)
President and Representative Director, aim-soft Inc. (currently Kushim Soft Inc.) (current)
President and Representative Director, Tokyo Tech Corporation (currently Kushim Soft Inc.)
President and Representative Director, NextEdge (currently Kushim Soft Inc.)
- 2020 Director, FISCO Ltd. (current)
Representative Director and President, CCCT Inc. (currently Kushim Insight, Inc.) (current)
Representative Director, Care Dynamics Limited
Director of the Company (current)
- 2021 Director, e frontier, Inc.
- 2022 Director, regist ART Inc. (current)
Director, Turingum Inc. (current)
Director, Web3 Technologies Inc. (current)
- 2023 Chairman and Representative Director, Kushim Inc. (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.)
- 2019 Director, Tokyo Tech Corporation (currently Kushim Soft Inc.)
- 2020 Director, CCCT Inc. (currently Kushim Insight, Inc.) (current)
Director of the Company (current)
- 2021 Director, e frontier, Inc.
Director, Kushim Soft Inc. (current)
Director, Care Dynamics Limited
Director, Turingum Inc. (current)
- 2022 Director, Web3 Technologies Inc. (current)
- 2023 President and Representative Director, Kushim Inc. (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
- 2013 Director, Social Welfare Corporation Zenkoukai
- 2015 Director of the Company (current)
- 2017 Director, Medical Corporation Hakuyokai
- 2020 Director, Churaumi-Hashii Obstetrics and Gynecology Clinic (current)
- 2022 Auditor, Hashii Women's Hospital (current)



Kazuya Shimamura
Outside Director

- 1995 Joined Tohmatsu & 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.
- 2015 Outside Auditor, IBSystem Co., Ltd.
- 2017 Outside Auditor, AZOOM (current)
Director of the Company (current)
- 2019 Outside Director, Audit and Supervisory Committee Member, Meiho Enterprise Co., Ltd. (current)
- 2022 Outside Director, Audit and Supervisory Committee Member, Cosmo Bio Co., Ltd. (current)



Yusaku Ikeda
Outside Director

- 2004 Joined SEVEN-ELEVEN JAPAN CO., LTD.
- 2007 Entered Takahashi Tax Accountant Corporation
- 2010 Registered as a certified tax accountant
- 2012 Established IKEDA Tax Accountant Office, Representative (current)
- 2016 Senior Partner, Romika LLC
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 (currently Kushim Soft Inc.)
 Audit & Supervisory Board Member, NCXX Solutions Inc. (currently Jitsugyo no Nihon Research Institute, Ltd.)
 Audit & Supervisory Board Member, CCCT Inc. (currently Kushim Insight, Inc.)
 2018 Audit & Supervisory Board Member, eWarrant Japan Securities K.K. (currently CAICA Securities Inc.) (current)
 Outside Audit & Supervisory Board Member, CSMEN Co., LTD. (current)
 Audit and Supervisory Board Member, Fisco Cryptocurrency Exchange Inc. (currently CAICA Exchange) (current)
 2019 Director, Valkyrie Capital K.K. (current)
 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)
 2021 Audit & Supervisory Board Member, Zaif Holdings Inc. (currently CAICA Exchange Holdings Inc.) (current)
 Audit & Supervisory Board Member, CAICA Financial Holdings Inc. (current)
 Audit & Supervisory Board Member, CAICA Finance Inc. (current)
 Director, Kushim Insight, 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)
 2021 Director, Chokuhoukoukai Incorporated Medical Association (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.
 2016 Audit & Supervisory Board Member of the Company (current)

■ Skill matrix

Name	Position in the Company	Corporate management	Finance and accounting	Business strategy	Financial knowledge	DX / IT	Marketing	Legal / Compliance	Sustainability
Shin Suzuki	CEO, President and Representative Director	○		○		○			○
Kenji Yamaguchi	CFO, Vice President and Representative Director	○	○		○				○
Motoki Sato	Director	○					○		○
Hiroki Nakagawa	Director	○		○		○			○
Daisuke Ito	Director	○		○		○			○
Mitsuo Kawasaki	Outside Director	○					○		○
Kazuya Shimamura	Outside Director	○	○					○	○
Yusaku Ikeda	Outside Director	○	○						○

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

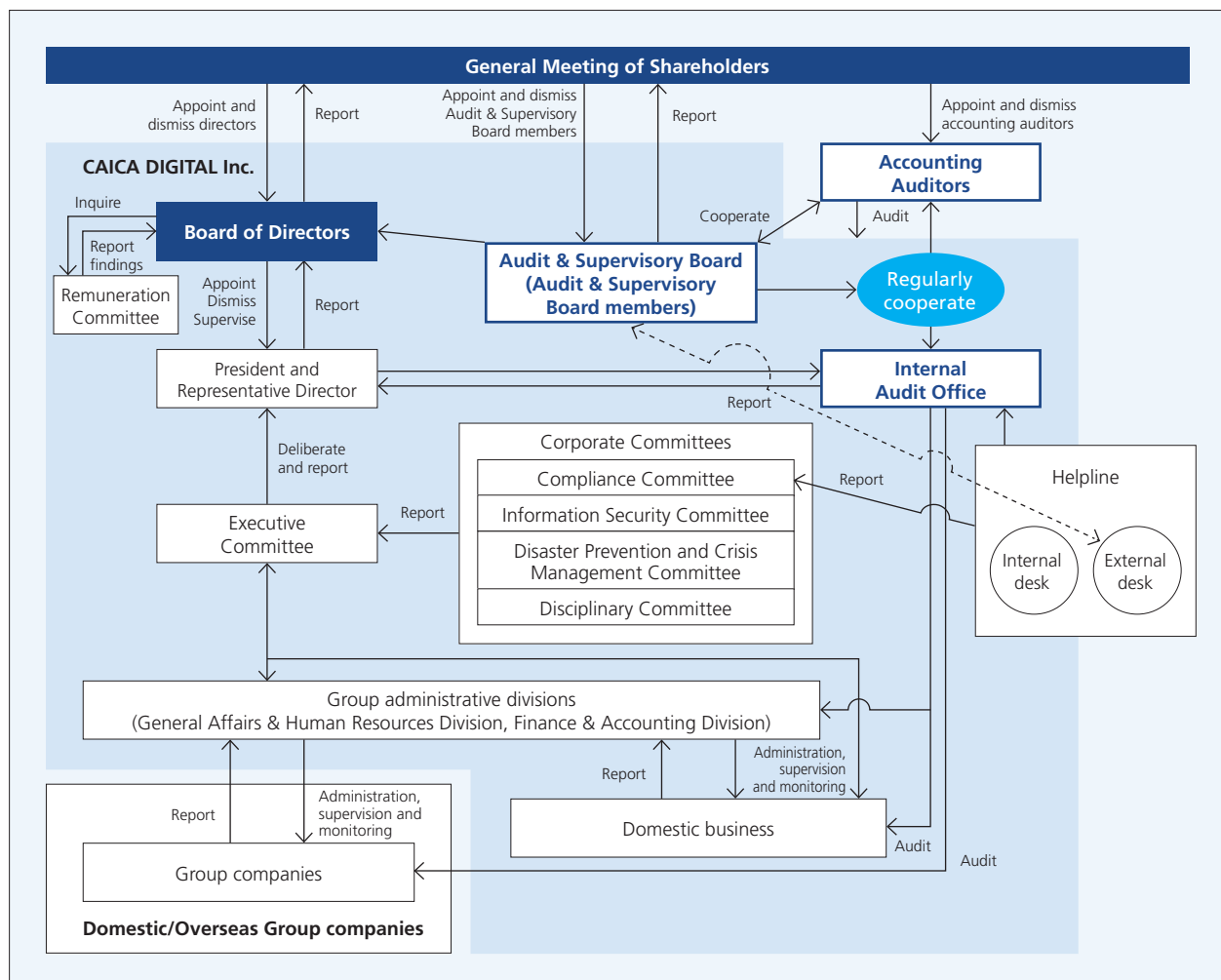
The Company has adopted the framework of a company with an Audit & Supervisory Board in order to secure healthy and sustainable corporate growth and establish an excellent corporate governance system that is capable of earning society's trust.

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



Consolidated Balance Sheet

CAICA DIGITAL Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2021 (As of October 31, 2021)	Fiscal Year Ended October 31, 2022 (As of October 31, 2022)
< ASSETS >		
Current assets		
Cash and deposits	4,248,977	2,671,569
Segregated deposits	14,284,200	9,133,000
Notes and accounts receivable—trade	669,952	—
Accounts receivable—trade	—	830,966
Merchandise and finished goods	5,914	4,781
Work in process	48,118	2,496
Owned crypto assets	499,089	1,590,758
Users' crypto assets	79,689,336	43,196,636
Short-term loans receivable	600	20,000
Accounts receivable—other	142,565	171,751
Deposits paid	894,885	414,242
Others	274,750	186,924
Total current assets	100,758,391	58,223,128
Non-current assets		
Property, plant and equipment		
Buildings and structures	29,788	20,056
Accumulated depreciation	(3,399)	(6,024)
Buildings and structures, net	26,389	14,031
Tools, furniture and fixtures	247,876	164,929
Accumulated depreciation	(115,857)	(124,370)
Tools, furniture and fixtures, net	132,018	40,559
Land	500	500
Total property, plant and equipment	158,908	55,090
Intangible assets		
Software	133,355	1,224
Goodwill	5,457,052	—
Others	16,198	11,241
Total intangible assets	5,606,606	12,466
Investments and other assets		
Investment securities	559,936	525,219
Investments in capital	59,374	60,826
Long-term loans receivable	194,551	285,503
Others	96,134	91,847
Allowance for doubtful accounts	(215,776)	(221,285)
Total investments and other assets	694,221	742,111
Total non-current assets	6,459,736	809,669
Total assets	107,218,127	59,032,797

(Thousands of yen)

	Fiscal Year Ended October 31, 2021 (As of October 31, 2021)	Fiscal Year Ended October 31, 2022 (As of October 31, 2022)
< LIABILITIES >		
Current liabilities		
Notes and accounts payable—trade	206,709	265,464
Current portion of long-term loans payable	180,000	180,000
Current portion of bonds payable	140,000	140,000
Accounts payable—other	203,230	267,946
Deposits received	13,779,776	8,855,948
Deposits received for crypto assets	79,689,336	43,196,636
Borrowed crypto assets	105,586	242,387
Income taxes payable	37,291	46,120
Accrued consumption taxes	146,127	46,661
Provision for bonuses	154,064	151,520
Others	587,579	221,643
Total current liabilities	95,229,702	53,614,330
Non-current liabilities		
Bonds payable	210,000	70,000
Long-term loans payable	360,000	180,000
Deferred tax liabilities	—	474
Others	21,792	15,193
Total non-current liabilities	591,792	265,667
Reserves under special laws		
Reserve for financial instruments transaction liabilities	8	8
Total reserves under special laws	8	8
Total liabilities	95,821,503	53,880,006
< NET ASSETS >		
Shareholders' equity		
Capital stock	997,732	50,000
Capital surplus	14,203,926	12,145,310
Retained losses	(4,112,998)	(7,243,833)
Treasury shares	(99,444)	(103,867)
Total shareholders' equity	10,989,215	4,847,609
Accumulated other comprehensive income		
Valuation difference on other available-for-sale securities	(22,888)	(63,199)
Foreign currency translation adjustment	100,738	102,665
Total accumulated other comprehensive income	77,850	39,465
Share acquisition rights	7,291	3,731
Non-controlling interests	322,266	261,984
Total net assets	11,396,624	5,152,790
Total liabilities and net assets	107,218,127	59,032,797

Consolidated Statement of Income

CAICA DIGITAL Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2021 (From November 1, 2020 to October 31, 2021)	Fiscal Year Ended October 31, 2022 (From November 1, 2021 to October 31, 2022)
Net sales	5,946,824	6,442,575
Cost of sales	4,260,267	4,223,498
Gross profit	1,686,556	2,219,076
Selling, general and administrative expenses	2,602,205	3,608,564
Operating loss	(915,649)	(1,389,488)
Non-operating income		
Interest income	13,843	6,043
Dividend income	1,739	2,983
Reversal of provision for bonuses	—	3,834
Others	40,190	4,209
Total non-operating income	55,773	17,071
Non-operating expenses		
Interest paid	7,975	7,196
Commission fees	6,706	5,334
Share of loss of entities accounted for using equity method	25,507	—
Share issuance cost	12,104	3,376
Bond issuance cost	4,581	—
Settlement paid	—	3,738
Others	12,560	3,249
Total non-operating expenses	69,434	22,896
Ordinary loss	(929,310)	(1,395,313)
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	15,311	—
Gain on step acquisitions	1,379,593	—
Gain on bargain purchase	—	637
Reversal of allowance for doubtful accounts	11,300	10,398
Recoveries of written off receivables	—	150,000
Settlement income	—	550,837
Total extraordinary income	1,406,204	711,872
Extraordinary losses		
Impairment loss	1,226,631	5,527,437
Loss on retirement of non-current assets	37,266	10,652
Loss on valuation of investment securities	151,437	64,145
Total extraordinary losses	1,415,335	5,602,235
Loss before income taxes	(938,442)	(6,285,675)
Income taxes—current	23,285	47,536
Total income taxes	23,285	47,536
Net loss	(961,727)	(6,333,212)
Loss attributable to non-controlling interests	(161,829)	(88,316)
Loss attributable to owners of parent	(799,897)	(6,244,896)

Consolidated Statement of Comprehensive Income

CAICA DIGITAL Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2021 (From November 1, 2020 to October 31, 2021)	Fiscal Year Ended October 31, 2022 (From November 1, 2021 to October 31, 2022)
Net loss	(961,727)	(6,333,212)
Other comprehensive income		
Valuation difference on other available-for-sale securities	(5,578)	(40,311)
Foreign currency translation adjustment	547	1,926
Share of other comprehensive income of entities accounted for using equity method	1,774	—
Total other comprehensive income	(3,256)	(38,285)
Comprehensive income	(964,983)	(6,371,597)
(Components)		
Comprehensive income attributable to owners of parent	(803,153)	(6,283,281)
Comprehensive income attributable to non-controlling interests	(161,829)	(88,316)

Consolidated Statement of Changes in Net Assets

CAICA DIGITAL Inc.

Fiscal Year Ended October 31, 2021 (From November 1, 2020 to October 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained losses	Treasury shares	Total shareholders' equity
Balance at the beginning of the fiscal year	3,193,697	9,856,787	(3,805,449)	(88,946)	9,156,089
Changes during the fiscal year					
Issuance of new shares	947,732	947,732			1,895,465
Capital reduction	(3,143,697)	3,143,697			—
Deficit disposition		(492,347)	492,347		—
Loss attributable to owners of parent			(799,897)		(799,897)
Purchase of treasury shares				(12,395)	(12,395)
Disposal of treasury shares		(1,716)		1,897	180
Purchase of additional shares of consolidated subsidiaries		749,772			749,772
Net changes of items other than shareholders' equity					—
Total changes during the fiscal year	(2,195,965)	4,347,138	(307,549)	(10,497)	1,833,126
Balance at the end of the fiscal year	997,732	14,203,926	(4,112,998)	(99,444)	10,989,215

(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) gains on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	(17,309)	(1,774)	100,191	81,107	2,020	—	9,239,217
Changes during the fiscal year							
Issuance of new shares							1,895,465
Capital reduction							—
Deficit disposition							—
Loss attributable to owners of parent							(799,897)
Purchase of treasury shares							(12,395)
Disposal of treasury shares							180
Purchase of additional shares of consolidated subsidiaries							749,772
Net changes of items other than shareholders' equity	(5,578)	1,774	547	(3,256)	5,270	322,266	324,280
Total changes during the fiscal year	(5,578)	1,774	547	(3,256)	5,270	322,266	2,157,406
Balance at the end of the fiscal year	(22,888)	—	100,738	77,850	7,291	322,266	11,396,624

Fiscal Year Ended October 31, 2022 (From November 1, 2021 to October 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained losses	Treasury shares	Total shareholders' equity
Balance at the beginning of the fiscal year	997,732	14,203,926	(4,112,998)	(99,444)	10,989,215
Changes during the fiscal year					
Issuance of new shares	53,851	53,851			107,702
Capital reduction	(1,001,583)	1,001,583			—
Deficit disposition		(3,114,061)	3,114,061		—
Loss attributable to owners of parent			(6,244,896)		(6,244,896)
Purchase of treasury shares				(4,435)	(4,435)
Disposal of treasury shares		11		11	22
Net changes of items other than shareholders' equity					—
Total changes during the fiscal year	(947,732)	(2,058,615)	(3,130,834)	(4,423)	(6,141,606)
Balance at the end of the fiscal year	50,000	12,145,310	(7,243,833)	(103,867)	4,847,609

(Thousands of yen)

	Accumulated other comprehensive income					Total net assets
	Valuation difference on other available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Non-controlling interests	
Balance at the beginning of the fiscal year	(22,888)	100,738	77,850	7,291	322,266	11,396,624
Changes during the fiscal year						
Issuance of new shares						107,702
Capital reduction						—
Deficit disposition						—
Loss attributable to owners of parent						(6,244,896)
Purchase of treasury shares						(4,435)
Disposal of treasury shares						22
Net changes of items other than shareholders' equity	(40,311)	1,926	(38,385)	(3,560)	(60,281)	(102,227)
Total changes during the fiscal year	(40,311)	1,926	(38,385)	(3,560)	(60,281)	(6,243,833)
Balance at the end of the fiscal year	(63,199)	102,665	39,465	3,731	261,984	5,152,790

Consolidated Statement of Cash Flows

CAICA DIGITAL Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2021 (From November 1, 2020 to October 31, 2021)	Fiscal Year Ended October 31, 2022 (From November 1, 2021 to October 31, 2022)
Cash flows from operating activities		
Loss before income taxes	(938,442)	(6,285,675)
Depreciation and amortization	73,205	69,335
Amortization of goodwill	176,586	330,730
Share issuance cost	12,104	3,376
Bond issuance cost	4,581	—
(Decease) increase in allowance for doubtful accounts	(11,300)	5,509
Increase (decrease) in provision for bonuses	35	(2,543)
Interest and dividend income	(15,583)	(9,026)
Interest paid	7,975	7,196
Gain on bargain purchase	—	(637)
Share of loss of entities accounted for using equity method	25,507	—
Gain on step acquisitions	(1,379,593)	—
Gain on sales of shares of subsidiaries and associates	(15,311)	—
Loss on valuation of investment securities	151,437	64,145
Settlement income	—	(550,837)
Recoveries of written off receivables	—	(150,000)
Share-based remuneration expenses	1,710	—
Loss on retirement of non-current assets	37,266	10,652
Impairment loss	1,226,631	5,527,437
Decrease (increase) in notes and accounts receivable—trade	15,719	(160,726)
Decrease in inventories	26,612	46,754
Increase in owned crypto assets	(319,010)	(1,091,668)
Decrease in users' crypto assets	18,959,262	36,492,699
(Increase) decrease in deposits paid	(755,849)	487,181
Decrease in segregated deposits	3,436,000	5,151,200
Increase in notes and accounts payable—trade	10,741	58,755
Decrease in accrued consumption taxes	(33,468)	(99,466)
Decrease in deposits received	(4,160,823)	(4,923,828)
Decrease in deposits received for crypto assets	(18,959,262)	(36,492,699)
Increase in borrowed crypto assets	105,586	136,800
Other, net	228,135	(292,622)
Subtotal	(2,089,544)	(1,667,955)
Interest and dividend income received	27,833	6,062
Settlement received	—	550,837
Interest paid	(8,715)	(8,033)
Income taxes paid	(20,080)	(35,841)
Income taxes refund	21,305	10,837
Net cash used in operating activities	(2,069,201)	(1,144,092)

(Thousands of yen)

	Fiscal Year Ended October 31, 2021 (From November 1, 2020 to October 31, 2021)	Fiscal Year Ended October 31, 2022 (From November 1, 2021 to October 31, 2022)
Cash flows from investing activities		
Purchase of property, plant and equipment	(87,807)	(20,489)
Purchase of intangible assets	(75,754)	(271,759)
Purchase of investment securities	(552,229)	(69,690)
Proceeds from sale of property, plant and equipment	—	93,945
Payments of leasehold and guarantee deposit	(13,756)	—
Proceeds from sale of shares of subsidiaries and associates	589,199	—
Proceeds from refund of leasehold and guarantee deposits	1,228	15,439
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(16,369)	(1,577)
Payments for investments in capital	(45,000)	—
Loan advances	—	(120,000)
Collection of loans receivable	11,525	10,647
Proceeds from recoveries of written off receivables	—	150,000
Other, net	1,479	1,174
Net cash used in investing activities	(187,484)	(212,310)
Cash flows from financing activities		
Repayments of long-term loans payable	(180,000)	(180,000)
Redemption of bonds	(140,000)	(140,000)
Proceeds from issuance of common stock	1,844,540	102,280
Proceeds from issuance of share acquisition rights	37,800	—
Proceeds from sale of treasury shares	202	1
Purchase of treasury shares	(12,324)	(5,062)
Other, net	(5,258)	(6,898)
Net cash provided by (used in) financing activities	1,544,959	(229,679)
Effect of exchange rate change on cash and cash equivalents	271	8,673
Net decrease in cash and cash equivalents	(711,455)	(1,577,408)
Cash and cash equivalents at beginning of the fiscal year	4,960,433	4,248,977
Cash and cash equivalents at end of the fiscal year	4,248,977	2,671,569

Corporate Data (As of October 31, 2022)

Name of corporation	CAICA DIGITAL Inc. Company name changed from CAICA 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
Worker dispatching business	License number: Group 13-307754
Memberships	Japan Cryptoasset Business Association (JCBA) Blockchain Collaborative Consortium (BCCC)
Capital	50 million yen
Number of employees	Consolidated: 459 employees Non-consolidated: 16 employees
Business activities (consolidated)	Business management of Group companies and related activities
Main banks	Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. Mizuho Bank, Ltd. Resona Bank, Limited
URL	https://www.caica.jp/en/

Shareholder Benefits

—Presentation of CAICA Coin (CICC), a Crypto Asset

■ Eligible shareholders

Eligible shareholders are shareholders who hold at least 10 share units (1,000 shares) and are listed or recorded on the final shareholders' register as of October 31, 2022.

■ Gift for shareholder benefits

Shareholders will be presented with crypto assets CAICA Coin (CICC) uniformly worth ¥500 issued by the Company.

■ How benefits will be presented

Please refer to the notice of shareholder benefits enclosed with the Company's notice of convocation of the Ordinary General Meeting of Shareholders.

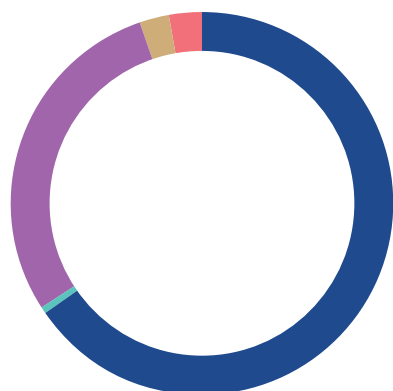
■ Date of distribution of benefits

Planned for May 24, 2023.

Investor Information (As of October 31, 2022)

Transfer agent and special account custodian	Sumitomo Mitsui Trust Bank, Limited
Listed exchange	Tokyo Stock Exchange, Standard Market
Securities code	2315
Total number of shares issued	115,869,094 shares (As of January 31, 2023)
Number of shares in one trading unit	100 shares
Treasury shares	109,175 shares (As of January 31, 2023)
Number of shareholders	56,412

Composition of Shareholders



■ Individuals and others	65.813%
■ Financial institutions	0.069%
■ Other domestic companies	28.861%
■ Financial instruments business operators	2.504%
■ Foreign companies, etc.	2.751%

Status of Major Shareholders

Major shareholders	Number of shares held (shares)	Proportion of total shares issued (%)
FISCO Ltd.	22,623,260	19.82
Jitsugyo no Nihon Sha, Ltd.	3,400,000	2.98
Sequedge Japan Holdings Inc.	2,865,485	2.51
Kushim, Inc.	2,123,256	1.86
BNYMSANV RE GCLB RE JP RD LMGC	1,396,390	1.22
SBI SECURITIES Co., Ltd.	778,900	0.68
SMBC Nikko Securities Inc.	628,200	0.55
Tomoya Ojima	600,400	0.53
Toshitaka Shirahama	400,000	0.35
Hiroyuki Okuda	383,721	0.34

