



CAICA REPORT 2018

To meet customer needs and earn their trust.

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.

Origin of the Company Name

“Challenge” “Advance” “Innovation” “Creation” “Ambition” ———— “CAICA”
The company name CAICA evokes the word *kaika* in Japanese, meaning “enlightenment.”

CAICA Activity Guidelines

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

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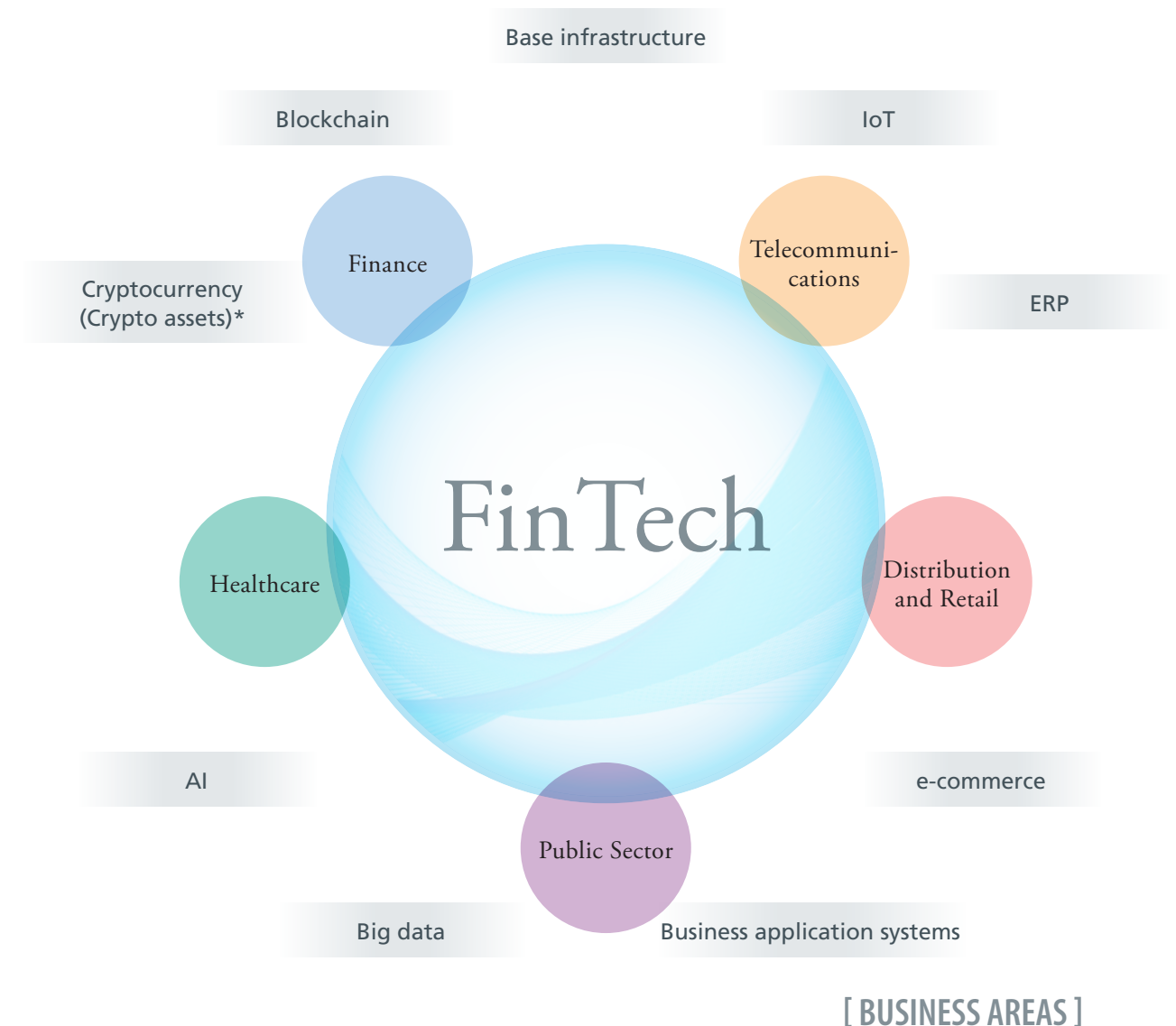
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Systems Integration Capabilities Demonstrated in Diverse Business Categories and Fields



We provide advanced solutions to customers in diverse business categories. We have advanced technological capabilities and a track record of more than 50 years in systems development. Based on these strengths, the Company provides 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 activities.

* Hereafter “cryptocurrency”

History & Business Model

Paving the Way for Growth through Advanced Technological Capabilities and High-Quality Services

CAICA was established on July 14, 1989, and has operated in the systems development business since its founding. Including companies that were merged thereafter, our track record as a systems development business spans approximately 50 years. We develop systems and provide high-quality services for different kinds of businesses, such as distribution, retail, telecommunications, etc., in addition to banks, securities firms, and insurance firms in the finance industry, on which we place primary focus.

As the second and third pillar business for ensuring sustainable and stable growth, the CAICA Group has committed itself to the FinTech field, especially in cryptocurrency business, as a strategic area of focus since the fiscal year ended October 31, 2017. Going forward, we will swiftly establish our position as a financial services platform provider that creates a space for services catering to the many users and companies in cryptocurrency-related businesses.

In November 2017, the Company established CCCT Inc. to carry out operations such as cryptocurrency-related systems research, development, sales, consulting, investment and lending. In anticipation of fulfilling an important role in the financial services field by providing the above-mentioned finance platform for cryptocurrency, we also acquired all the shares of in the three companies of eWarrant Japan Securities K.K., EWARRANT INTERNATIONAL LTD., and EWARRANT FUND LTD. (hereafter “the three

eWarrant companies”) and turned them into subsidiaries in February 2018. We also increased our stake in NCXX Solutions Inc. from 51% to 100% in March 2018, making it a wholly owned subsidiary. Moreover, through a capital and business alliance with FISCO Digital Asset Group Co., Ltd. (hereafter “FDAG”), we subscribed to unsecured convertible bonds with share acquisition rights issued by FDAG, and executed those rights in December 2018 to convert FDAG into an equity-method affiliate. This was done to support financial and technological aspects for the Zaif cryptocurrency exchange business that was operated by Tech Bureau, Corp. and became subject to an unauthorized outflow incident. Along with receiving unsecured convertible bonds with share acquisition rights for the parent company FDAG Group, CAICA and FDAG concluded a capital and business alliance that included subsidiaries of both companies, and we were tasked with systems development for the FDAG Group.

Moreover, we also passed a resolution in March 2019 to acquire additional shares in iStudy Co., Ltd. through a tender offer with the purpose of converting the company into a subsidiary. The tender offer ended in April 2019, and iStudy became our consolidated subsidiary. Going forward, CAICA will demonstrate synergy by accelerating the cultivation of its engineers and the expansion of both companies’ sales channels.

Providing the Best Services through Optimal Development Methods Tailored to Customer Needs

► Solutions Provided by CAICA

We have realized an optimal system for dividing up work in various development processes through such means as fostering a shared goal-oriented culture of seeing projects through until customer needs are fully met and unifying development methods at every stage. In doing so, we have established superior total cost competitiveness and successfully delivered high-quality, advanced information services.

We are involved in systems integration in a multitude of business sectors, beginning with the financial sector. Through this business experience, the Company has amassed advanced technologies and related expertise.

Looking at the systems developed by the Company, we develop data processing systems that offer large-scale, high-productivity services for which disruptions cannot

be tolerated. Examples include financial strategy support systems, such as internet banking systems for financial institutions, purchasing and procurement systems and network surveillance systems using the internet for the retail and distribution sectors, and development of various packaged business software for the information services sector.

The development of these systems requires high reliability and fault tolerance, as well as high transaction processing capacity, along with functions that assure a rapid recovery in the event of a malfunction. Therefore, advanced systems development technologies are essential. CAICA harnesses technologies, knowledge, and expertise amassed over 50 years, as well as personnel, to provide optimal solutions to customers.

Solutions by Business Sector

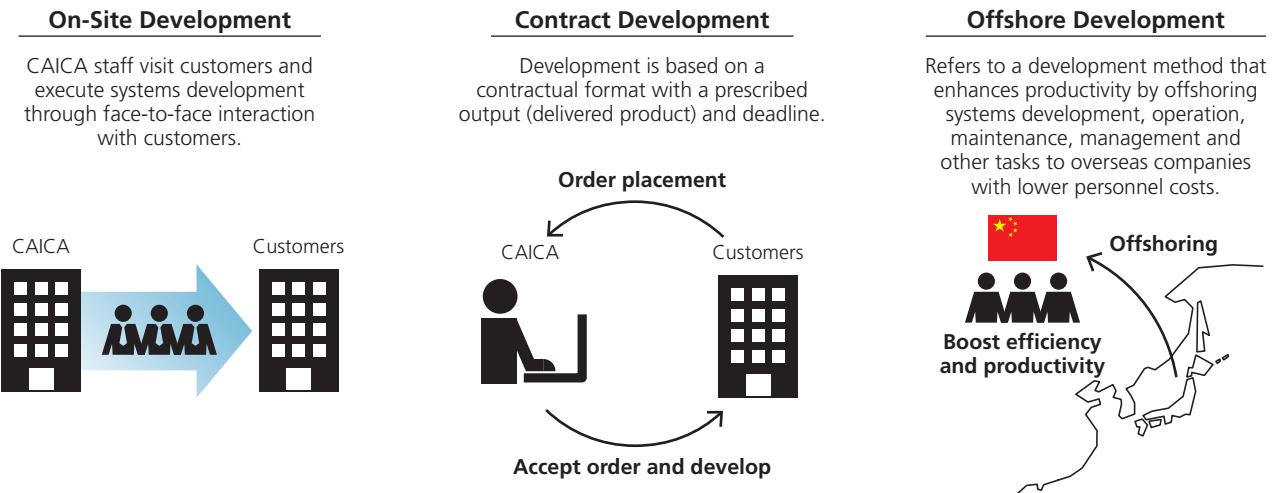
Business sector	Features	
Finance	Banking	Banking is one of our strongest areas, from accounting to information systems and legacy systems to open systems. We have a particularly extensive track record in lending, foreign exchange, branch terminal, internet banking and payment systems.
	Life insurance and P&C insurance	In life insurance operations (new policies, collection, payment, etc.) and P&C insurance operations (products, agency system insurance premiums, etc.), we have an extensive track record ranging from upstream to downstream processes.
	Securities	We have a track record of systems development for major securities firms and systems developers for securities firms. We are strong in areas such as in-house information management systems (stocks, customer relationship management, etc.), asset management, and consulting tools.
Distribution and retail	The distribution and retail sector is one of our strongest business sectors. The Company has developed various systems (including ordering, merchandising, inventory warehouse management, distribution, e-commerce (BtoC), purchasing (BtoB), and customer relationship management) for the distribution sector, encompassing department stores, convenience stores, and apparel.	
Healthcare	Healthcare is another business sector where we are strong. In this sector, we undertake systems development leveraging our track record in providing hospital system operation support for large hospitals, and our experience in developing various hospital systems, which requires advanced data processing technology and medical knowledge.	
Telecommunications	We have a track record in developing systems to control and manage data exchanges with MtoM devices. The Company provides a wide range of support extending to developing applications for various types of data measured by these devices.	
Public sector	We have a track record of winning many tender projects, in addition to developing systems related to the social security and tax number system. Leveraging our extensive experience, we provide high-quality services.	
FinTech-related businesses	In addition to systems development, operational support, and maintenance of cryptocurrency exchanges, the business launches outside sales for those systems. It also has a performance record for development related to credit card payment on smartphones for major companies that operate e-commerce websites.	

► Flexible Development

We provide advanced technological capabilities and high-quality services through an optimal system for dividing up work in each development process between sites in Japan and China, leveraging the strengths of each site. In order to fulfill customer needs, we constantly deliver the best services through optimal development methods,

such as on-site development, contract development, and offshore development. We have earned a strong reputation in the industry over many years for the high quality of our offshore development. In the following pages, our proprietary offshore development system will be explained.

Development Methods Implemented by CAICA



Offshore Development

CAICA’s Proprietary Offshore Development System

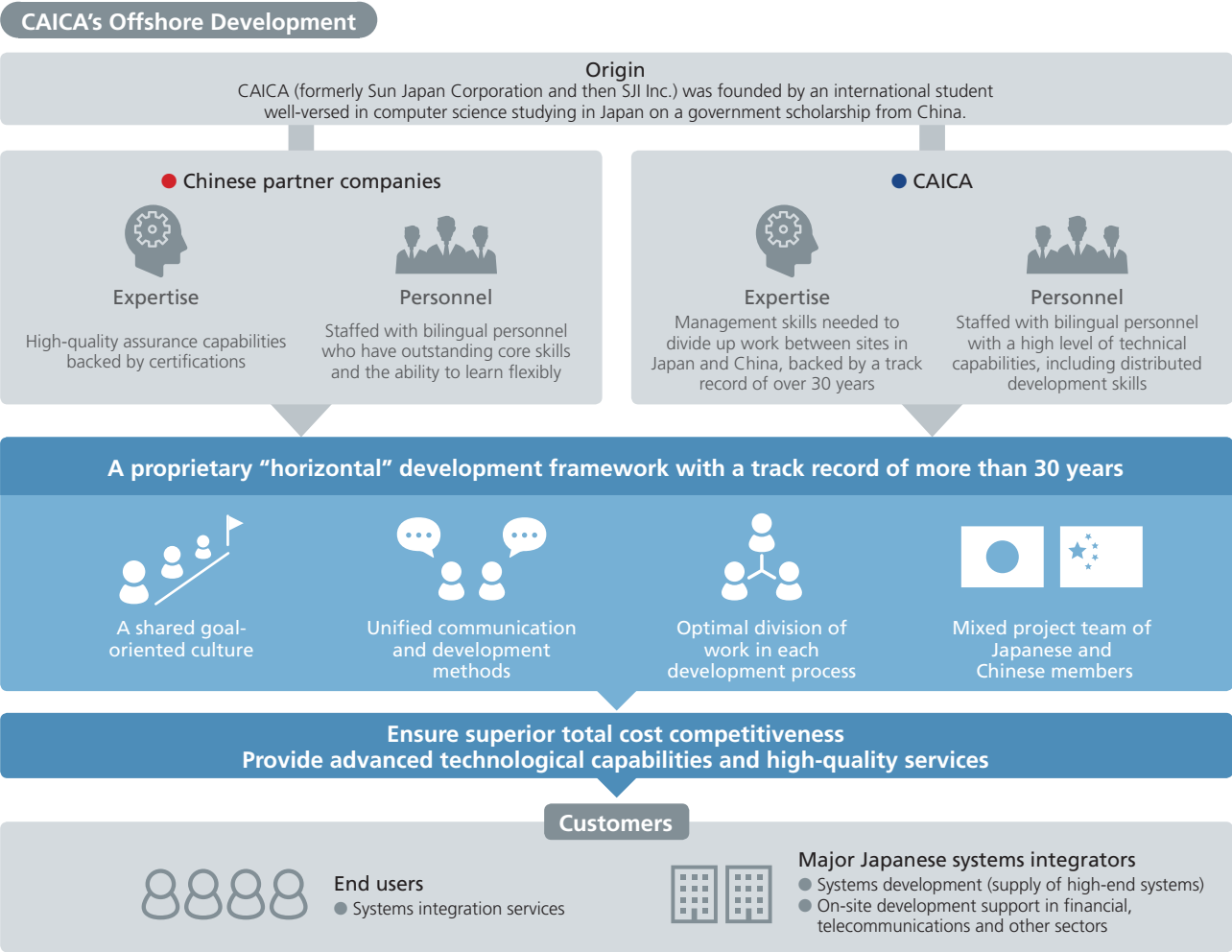
We have been promoting offshore development to provide customers with unique services. Since our founding, we have taken early steps to establish offshore sites in China. As a systems development company, we view offshore development as a unique way to provide advanced technological capabilities as a highly cost effective service. In cooperation with our Group companies (currently partner companies) in Hefei and Nanjing, we have amassed expertise related to our optimal system for dividing up work in each development process between sites in Japan and China. With this system, the Company has built up an extensive track record.

We are able to effectively mobilize personnel through offshore development, enabling us to flexibly provide customers with an optimal development structure for each project. Our partner companies have abundant personnel experienced in systems development for Japanese companies, along with the ability to steadily utilize engineers who

share a development process based on a CMMI Level 5* management system. Through cooperation between us and these partner companies, we flexibly address various types of needs, including the project period and volume, in order to provide high-quality and advanced information services with a superior total cost competitiveness for customers.

Customers are able to employ our partner companies based on diverse offshore development formats, including offshore development contracts and laboratory agreements (for securing development personnel over a fixed period of time). Above all, we have earned a strong reputation for our offshore development by ensuring quality and meeting delivery deadlines. We do this by directly controlling the process through such means as sending our engineers to the relevant sites in China, instead of leaving the process up to the customer.

* CMMI is one type of capability maturity model that provides international guidelines on process improvement for organizations conducting systems development. Level 5 is the highest level.



OUR STRATEGY

Feature

Feature > The CAICA Group's Vision for the Future

Towards Becoming a Genuine FinTech Company with Exceptional Integration of Finance and IT

The CAICA Group added the cryptocurrency business and financial instruments business as new segments in the fiscal year ended October 31, 2018, supplementing the existing information services business centered on systems development.

More specifically, the Group established CCCT in November 2017 to take on systems R&D related to cryptocurrencies and investment, financing, and management of cryptocurrencies. We are also actively focusing our efforts on the cryptocurrency business through initiatives such as in December 2018 when we made an equity-method affiliate out of FDAG, which possesses the company Fisco Cryptocurrency Exchange that operates both the Zaif cryptocurrency exchange and Fisco Cryptocurrency Exchange.

In February 2018, we also added the financial instruments business to our portfolio with the acquisition of the three eWarrant companies.

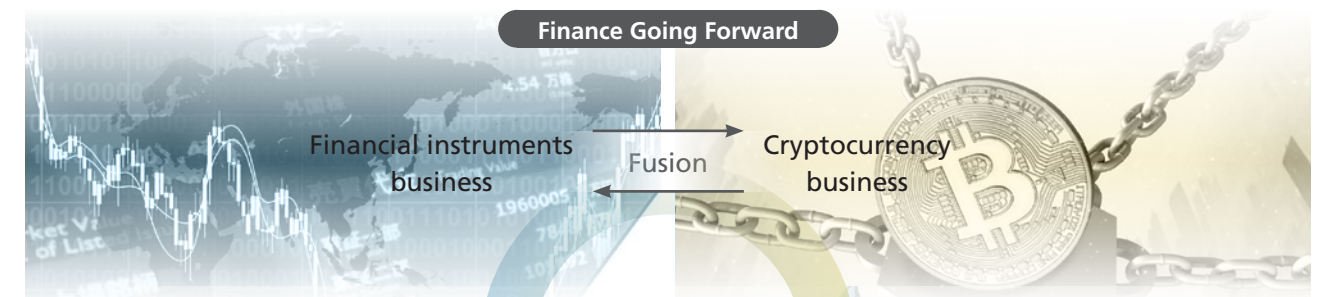
Under the strict regulations of the finance industry, it is necessary for the Group to promote compliance, fulfillment of which, albeit inefficient, once required immense amounts of human resources and time. However, IT has changed this. With the introduction of IT, the efficiency of finance systems improved instantaneously and the tremendously high level of compatibility between finance and IT has been made clear to the point that no significant progress will be made in finance without this technology. Until now, we contributed to optimizing finance systems through orders from financial institutions, however these subcontracts were for financial institutions alone. We believe that opportunities have opened up for new players

to traverse conventional boundaries and participate in the dawn of a new era through a paradigm shift with the debut of cryptocurrency in traditional currency systems as a new concept. With the addition of the cryptocurrency business and financial instruments business, the CAICA Group has begun providing new financial enterprises, products, and services for the world as a company with new types of businesses that possess indispensable IT expertise for financial institutions.

The boundary between finance and IT will become more ambiguous going forward, and an era in which the word "FinTech" itself will be obsolete is not so far away. At this moment, however, we do not see companies that possess both finance and IT with a high level of compatibility. CAICA strives to become known not only in Japan, but around the world as a genuine FinTech business that seamlessly integrates finance and IT.

As part of initiatives to reach this ideal vision of our future early on, we began blockchain technology training in 2018 for nearly 600 of our engineers by using e-learning content jointly created with iStudy and tailored to the Group's own blockchains. We seek to become the best team of blockchain engineers in Japan in terms of quality and quantity.

The CAICA Group is currently in the midst of an evolution away from a systems development company that focuses primarily on financial institutions. In the near future, we believe we will be able to present a new and completely different CAICA to the world with the integration of finance and IT.



Seamless Integration of Finance and IT

CAICA's core competency = a systems construction base supported by 600 blockchain engineers



iStudy Co., Ltd. as a CAICA Subsidiary

iStudy

iStudy Co., Ltd. (Listing: Tokyo Stock Exchange, Second Section; Securities Code: 2345) was turned into a consolidated subsidiary on April 17, 2019. In

its LMS (Learning Management System) business segment, iStudy undertakes systems development, sales, and video distribution for managing the progress of e-learning, personnel skills, and acquisition of work qualifications. Its training services business segment conducts sales in the training business for vendor certification from Oracle and IBM and educational content, and creates and distributes customized content. iStudy is also currently developing its training-style human resource referral business, which provides comprehensive services related to human resources for client companies such as an evaluation of cultivated personnel and paid mediation to introduce personnel to client companies, going beyond conventional business related to human resource development. The training-style human resource referral business will cultivate human resources to address the shortage of human resources in vital fields such as AI and data science in the Fourth Industrial Revolution. This will form a new type of human resource referral business with better matching precision as references regarding trainees' performance and progress will be provided to hiring human resource managers so they can choose a candidate.

The CAICA Group also treats the cultivation and acquisition of IT engineers as an important issue. Although we have focused our efforts in the field of FinTech through development of a cryptocurrency system before other companies, and bolstered the hiring of engineers in advanced technology fields

such as blockchain and cryptocurrency, the situation remains difficult for acquiring human resources in these fields, which obstructs CAICA from expanding its customer orders. By turning iStudy into a consolidated subsidiary, it will create educational content internally based on our confidential knowledge of blockchain technology and accelerate the cultivation of the Group's engineers.

Moreover, with the addition of iStudy to the CAICA Group, we believe we can pursue effective synergy with the following three points. First, both companies will improve the Group's technological capabilities through mutual exchanges with each company's engineers and sharing technology for CAICA's blockchains and other innovations and development technology for iStudy's systems that manage e-learning and employees' skills and skill acquisition progress. Second, both companies will strengthen human resource exchange activities through mutual participation in study groups hosted and managed by employees with the purpose of expanding sales. Third, both companies will expand their sales channels through the sharing of operation information. Through these initiatives, the CAICA Group will endeavor to maximize synergies among its companies.

The CAICA Group especially believes that with iStudy's training-style human resource referral business it will be able to carry out educational training for applicants that match the skill sets the Group is pursuing, evaluating those who complete the training and introducing them as candidates for Group companies, thus allowing for expansion of this business along with more efficient acquisition of blockchain engineers for the CAICA Group.

CEO Message



Suzuki Shin
CEO, President and
Representative Director

Consolidated Business Results for the Fiscal Year Ended October 31, 2018 and Forecast for the Fiscal Year Ending October 31, 2019

In the fiscal year ended October 31, 2018, net sales were ¥7,640 million, up 44.1% year on year, operating loss was ¥395 million compared to operating income of ¥296 million in the previous fiscal year, ordinary income was ¥612 million, down 15.9% year on year, and profit attributable to owners of parent was ¥632 million, down 4.4% year on year.

In addition to the existing stable development projects for major systems integrators, business performance was favorable for Tokyo Tech Corporation and NCXX Solutions, two companies that were converted into subsidiaries in the fiscal year ended October 31, 2017. Overall, net sales saw a significant increase due to the inclusion of the three eWarrant companies, which were converted into subsidiaries this fiscal year, into its consolidated business results. However, CCCT, the strategic subsidiary that operates the cryptocurrency business, posted an operating loss after the start of 2018 due to the influence of factors such as the recording of a loss on investments in cryptocurrency following deterioration in cryptocurrency exchange rates and prior investment related to

cryptocurrency platform system development. Even so, CAICA posted profit attributable to owners of parent with the recording of a gain in sales of cryptocurrencies and a gain in sales of investment securities as non-operating income.

In the fiscal year ending October 31, 2019, CAICA will galvanize the sale of comprehensive solutions for cryptocurrency exchange systems for customers who are newly entering the market as cryptocurrency exchange operators in its cryptocurrency business, a strategic field for the Company. Due to the contributions from this new business in addition to expansion in existing businesses, the Company is forecasting an increase in net sales of 26.3% year on year to ¥9,652 million, operating income of ¥630 million (operating loss of ¥395 million in the previous fiscal year), an increase of 7.2% year on year in ordinary income to ¥657 million, and a decrease in profit attributable to owners of parent of 16.0% year on year to ¥531 million. In regards to cryptocurrency investment, CAICA is following the trends in the cryptocurrency market and investing with capital efficiency in mind.

CAICA Group:
Striving to Become a True FinTech Firm

“FinTech” is a portmanteau of finance and technology, implying the anticipated seamless integration of the two going forward.

The Company’s portfolio for the financial instruments business grew with the three eWarrant companies that became subsidiaries in February 2018. The conversion of FDAG, which has Fisco Cryptocurrency Exchange under its umbrella, into an equity-method affiliate in December 2018 greatly expanded the scale of our cryptocurrency business.

Our business portfolio was able to transform at this speed because of the belief that it would be our best chance to become a true FinTech company at an early juncture in the gradual stages of the “off-season,” the time in which the form of finance tends to shift significantly.

In line with these movements, we reviewed the existing organization structure in November 2018 in order to draw out CAICA’s full potential, forming a new structure to accommodate the rebuilding of our business portfolio. This organizational change will make it possible for divisions to pursue horizontal coordination while demonstrating their expertise, and allows us to move flexibly in the FinTech world, where circumstances fluctuate at a dizzying pace.

There are currently many companies with systems development capabilities in Japan. There are also many companies that have platforms to trade financial products and cryptocurrency. However, there are no companies in sight aside from CAICA that possess both aspects with a high level of functionality. We are able to carry out the aforementioned sale of comprehensive solutions for cryptocurrency exchange systems because we possess both of these aspects, and with the many inquiries received, we are now pursuing sales to multiple companies during the fiscal year ending October 31, 2019, focusing primarily on new cryptocurrency exchange operators.

CAICA will strengthen coordination with partner companies to expand profits. With the cryptocurrency business as our area of strategic focus, we will pursue synergy with FISCO Ltd., FDAG and Fisco Cryptocurrency Exchange while increasing our presence in the cryptocurrency field.

We will swiftly establish our position as a financial platform provider that creates a space to provide services and position our finance platform for cryptocurrency as the engine that drives the Group’s growth.

Going forward, CAICA Group will promote its three businesses—information services, financial instruments, and cryptocurrency—in parallel and build a new type of business model that seamlessly integrates finance and information technology.



Business Outline

Solutions Business Division 1



Outline of Services
Solutions Business Division 1 undertakes operations ranging from upstream requirements definition support in the application development field to systems development and maintenance operation for customers such as major systems integrators and insurance companies. In addition to on-site development, we also use offshore development through our partners in China.

Solutions Business Division 2



Outline of Services
Solutions Business Division 2 primarily conducts contract development in the financial sector especially for banking institutions, supporting the core operations of banks such as deposits, loans and exchange. The division also develops channel systems such as branch and ATM systems. In recent years, we have also undertaken development for insurance and payment packages and convenience store operations, showing our strength in systems development for overall operations at financial institutions and branch stores.

Striking a Balance between Selection and Concentration

The division conducts business for customers in a wide range of fields, including major systems integrators, e-commerce website operators, non-life insurance firms, and real estate firms.

For instance, in the major e-commerce website business where we receive orders directly, we initially only managed operation of the e-commerce websites. Now our work is expanding horizontally within the Group to encompass all sorts of systems development related to payment, mobile, and initiatives related to the Group. The scope of our operations offered to major systems integrators has expanded as well, and we have received recognition as an excellent and significant partner in business.

Amidst this backdrop, we pride ourselves on our established history of building stable relations while engaging our customers.

To continue to earn our customers' trust, we have been placing an emphasis on cultivating our personnel, implementing human resource education programs to train not only newcomers, but employees at each career stage. While paying attention to selection and concentration, we will

move forward with a policy of further deepening those relationships we have built.

Moreover, our focus has been on collaborating with Group companies in such ways as contributing to the development of smartphone applications for FISCO Ltd. (Stock and Corporate Info / Recommended Stocks, Cryptocurrency NAVI, and FISCO 2019 Job-Hunting and Corporate Info (all in Japanese only)) and the notary platform registART developed by registART Inc. that uses blockchain technology.



Aiming to Gain Further Trust from Existing Customers

Our specialty is conducting contract development in the financial sector, particularly core systems for banks and insurance operations, as well as channel systems, such as those for operating branches. Notably, the division possesses strengths in the development of accounting systems for the core operations of banks, including deposits, loans and exchange operations, and channel systems such as branch and ATM systems.

Participation in development projects for systems that handle core banking operations is not something that is decided on a whim. The division has built relationships of trust with its customers by improving its technological capabilities to meet their strict quality standards, ascertaining their needs, and always adhering to delivery deadlines. Although building trust takes a long time, it can also be lost in an instant. We keep this in mind

so that we do not become complacent with the level of trust we have established with existing customers, and strongly believe that we must strive to further strengthen integrity through our daily operations.

Moreover, systems developed by the division that support operations at major convenience store branches and analyses of product demand are linked to systems development in many different industries. Going forward, we are considering utilizing the technological capabilities cultivated in finance-related systems development to further expand the scope of our business in non-financial sectors, starting with the distribution industry.

While keeping pace with progressing new technology each day, we strive to be a reliable division that is fully prepared to address the evolving needs of existing customers.

Cryptocurrency & Technology Division



Outline of Services
The Cryptocurrency & Technology Division develops, supports, and maintains systems for cryptocurrency exchanges. Starting from the fiscal year ending October 31, 2019, we will launch sales outside the Group for a cryptocurrency exchange system that utilizes the knowledge we have cultivated so far in terms of systems development, operational support, and maintenance of cryptocurrency exchanges.

Aiming to Become a Front-Runner by Offering All-Inclusive Solutions for Cryptocurrency Exchange Systems

The Cryptocurrency & Technology Division is a strategic subsidiary of the Company and collaborates with CCCT, which offers cryptocurrency-related R&D and services including operations and investment. We also undertake the development, operation, support, and maintenance of the Group's cryptocurrency systems.

Starting from the fiscal year ending October 31, 2019, we will launch sales for a cryptocurrency exchange system that utilizes business results from the systems development, operational support and maintenance of the registered cryptocurrency exchange operators, Fisco Cryptocurrency Exchange and Zaif.

Currently, the division is assisting cryptocurrency exchange operators, quasi-operators, and companies pursuing entry into the cryptocurrency exchange business or developing operations

overseas, with many inquiries received from our clients. The cryptocurrency exchange system offers the operational knowledge that has been cultivated, support for registration as a cryptocurrency exchange operator, swift entry into the business, and provision of a secure system that addresses AML*1 and KYC*2, and we will provide comprehensive solutions including monitoring 24 hours a day, 365 days a year.

Going forward, we will focus on sales of the cryptocurrency exchange system as the Company's newest trial product, striving to establish CAICA's position as a front-runner in this field early on. Through these initiatives, we will devote ourselves daily to becoming a presence that contributes to promotion and expansion of the cryptocurrency business not only in Japan, but around the world.

*1 AML (Anti-money laundering): Preventative measures for money laundering and fraud by anti-social forces, terrorist organizations, and organized crime.
*2 KYC (Know your customer): Preventative measures for unauthorized use of accounts by undertaking sufficient verification to ascertain a client's nature when they open an account.

Infrastructure Solutions Business Division



Outline of Services
The Infrastructure Solutions Business Division operates the base infrastructure business by building hardware (servers/storage), setting up middleware such as virtualization, and undertaking all-inclusive services from data migration to operational support as a core partner for major global systems integrators. We are also in charge of security in areas such as the Group's cryptocurrency exchanges and expanding its internet security business, which has been gaining relevance in recent years.

Placing Emphasis on Two Pillars: Infrastructure and Security

The division offers all-inclusive services that focus on core operations that provide its customers with peace of mind, from requirements definition to building hardware (servers/storage), setting up middleware such as virtualization, and data migration/operational support. We also carry out timely base restructuring adapted to changing demand and a continuous review of security functions and settings.

In the base infrastructure business, we design, install, and maintain base infrastructure for major companies, with a focus on clients in finance-related businesses in particular, including banking institutions such as major and regional banks.

We had been in charge of base integration and security alongside existing major systems

integrators, and we now utilize those experiences in handling security consulting for our registered cryptocurrency exchange operators, Fisco Cryptocurrency Exchange and Zaif.

Moreover, we are able to provide the "latest technology in its best form" due to our committed partnerships with leading companies in cloud services, virtualization, and security, starting with Terilogy Co., Ltd. (which excels at security in particular). In the infrastructure base business, we strive for high-quality products without complacency from the position of a core partner. In the security business, we strive to create new opportunities for business by acting first.

FinTech Strategy Office



Goto Masahiro
Office Manager
FinTech Strategy Office

Outline of Services
The FinTech Strategy Office undertakes initiatives to build systems with the purpose of fusing financial services with information technology. As the global spread of people's daily activities becomes more sophisticated, the world of finance, which handles capital associated with economic activities, is also becoming more complex. The field of FinTech processes vast amounts of financial data by using rapidly advancing information technologies, and we are aiming to gather knowledge in this field to build systems that utilize these technologies. The evolution of technology itself is also proceeding at a dizzying pace, and thus, we are also particularly focusing our efforts going forward on gathering information and research on blockchains, AI, and deep learning as technology with the potential to change the world.

Aiming to Become a True FinTech Company that Integrates IT and Finance

FinTech, which combines the words “finance” and “technology,” has been in the common lexicon in Japan for some time now. Even so, genuine FinTech has not yet permeated the business scene.

The FinTech Strategy Office plays a leading role in elevating CAICA to the status of a true FinTech business by having an overhead view from both financial and technological aspects, such as in the cryptocurrency business where the Company is applying its efforts.

Currently, CAICA and CCCT are carrying out systems development, operational support, and maintenance for the registered cryptocurrency exchange operators Fisco Cryptocurrency Exchange

and Zaif, and will improve the user-friendliness of these cryptocurrency exchanges.

Moreover, CAICA plans to promote the more generic use of blockchains not just in the finance sector, but in many different fields.

The CAICA Group possesses a handful of companies related to finance, starting with the Company, Tokyo Tech, the systems development company, NCXX Solutions, eWarrant Japan Securities, and the two aforementioned cryptocur-
rency exchanges. Thus, the FinTech Strategy Office will pursue all sorts of possibilities as a central player in maximizing Group synergies in FinTech, a field with vast hidden potential.

DATA SECTION

Board of Directors (As of January 30, 2019)

Representative Directors



Suzuki Shin
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 lBeT 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 (current)
- 2018 CEO, President and Representative Director of the Company (current) President and Representative Director, Tokyo Tech Corporation (current) President and Representative Director, CCCT Inc. (current)



Yamaguchi Kenji
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
- 2016 Senior Managing Director and Representative Director of the Company (current)
- 2017 Director, Tokyo Tech Corporation (current) Director, NCXX Solutions Inc. (current) Director, CCCT 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)



Yagi Ryuji
Chairman of the Board

- 2010 Joined FISCO Ltd.
- 2011 Director, e-tabinet.com
- 2013 Director, NCXX Inc. (currently NCXX Group Inc.) Director and General Manager, Advisory Section of FISCO Ltd. Director, Care Online Limited (currently Care Dynamics Limited) Director, NCXX Solutions Inc.
- 2014 Director, General Solutions, Inc. (currently FISCO IR Ltd.) Director, Chanty Co., Ltd.
- 2015 CEO, Chairman and Representative Director of the Company
- 2017 President and Representative Director, Tokyo Tech Corporation Director, NCXX Solutions Inc. (current) Representative Director and President, CCCT Inc.
- 2018 Representative Director, eWarrant Japan Securities K.K. Director, EWARRANT INTERNATIONAL LTD. (current) Director, EWARRANT FUND LTD. (current) Chairman of the Board of the Company (current) Director, Tokyo Tech Corporation (current) Director, CCCT Inc. (current) Representative Director, Fisco Cryptocurrency Exchange Inc. (current) Representative Director, FISCO Digital Asset Group Co., Ltd. (current)
- 2019 Director, eWarrant Japan Securities K.K. (current)



Sato Motoki
Director

- 2012 Director, Diamond Agency, Inc. (currently FISCO DIAMOND AGENCY, Inc.) (current)
- 2014 Director, FISCO Ltd. (current) Director, Care Online Limited (currently Care Dynamics Limited) (current) Representative Director and President, General Solutions, Inc. (currently FISCO IR Ltd.) (current) Director, Chanty Co., Ltd. (current)
- 2018 Director of the Company (current)

Outside Directors



Kawasaki Mitsuo
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)
- 2016 Director, Media Contents Co., Ltd. (current)



Kiseki Jun
Outside Director

- 1971 Joined The Sumitomo Bank, Limited (currently Sumitomo Mitsui Banking Corporation)
- 1989 Deputy-Manager, Hong Kong Branch of The Sumitomo Bank, Limited
- 1992 Branch Manager, Paris Branch of The Sumitomo Bank, Limited
- 1996 General Manager, Information Development Department (M&A) of The Sumitomo Bank, Limited
- 2000 Executive Officer (responsible for M&A), Daiwa Securities SB Capital Markets Co. Ltd. (currently Daiwa Securities Group, Inc.)
- 2002 Director, Japan Otis Elevator Company
- 2008 Director, Iwakaze Capital, Inc.
- 2016 Director of the Company (current)



Shimamura Kazuya
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. (current)
- 2015 Outside Auditor, IBSystem Co., Ltd. (current)
- 2016 Outside Auditor, AZOOM (current)
- 2017 Director of the Company (current)

Audit & Supervisory Board Members



Koga Masaru
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. (current) Audit & Supervisory Board Member, CCCT Inc. (current)
- 2018 Audit & Supervisory Board Member, eWarrant Japan Securities K.K. (current) Audit & Supervisory Board Member, CSMEN Co., LTD. (current) Auditor, Fisco Cryptocurrency Exchange Inc. (current)



Sugimoto Shinichi
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)



Hosoki Masahiko
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)



Katsube Hideo
Outside Audit & Supervisory Board Member

- 1973 Joined Kokusai Denshin Denwa Co., Ltd. (currently KDDI CORPORATION)
- 1988 Director, Nippon Menard Cosmetic Co., Ltd. (current)
- 1996 Manager, Service Planning Division, Corporate Planning Sector of Kokusai Denshin Denwa Co., Ltd. (currently KDDI CORPORATION)
- 2000 Founder and Representative Director, Knowledge Company Inc. (current)
- 2001 Director, BIG GROUP Co., Ltd. (currently M-H-GROUP LTD.)
- 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.

Corporate Governance Framework

Organs of the Company and Internal Control System

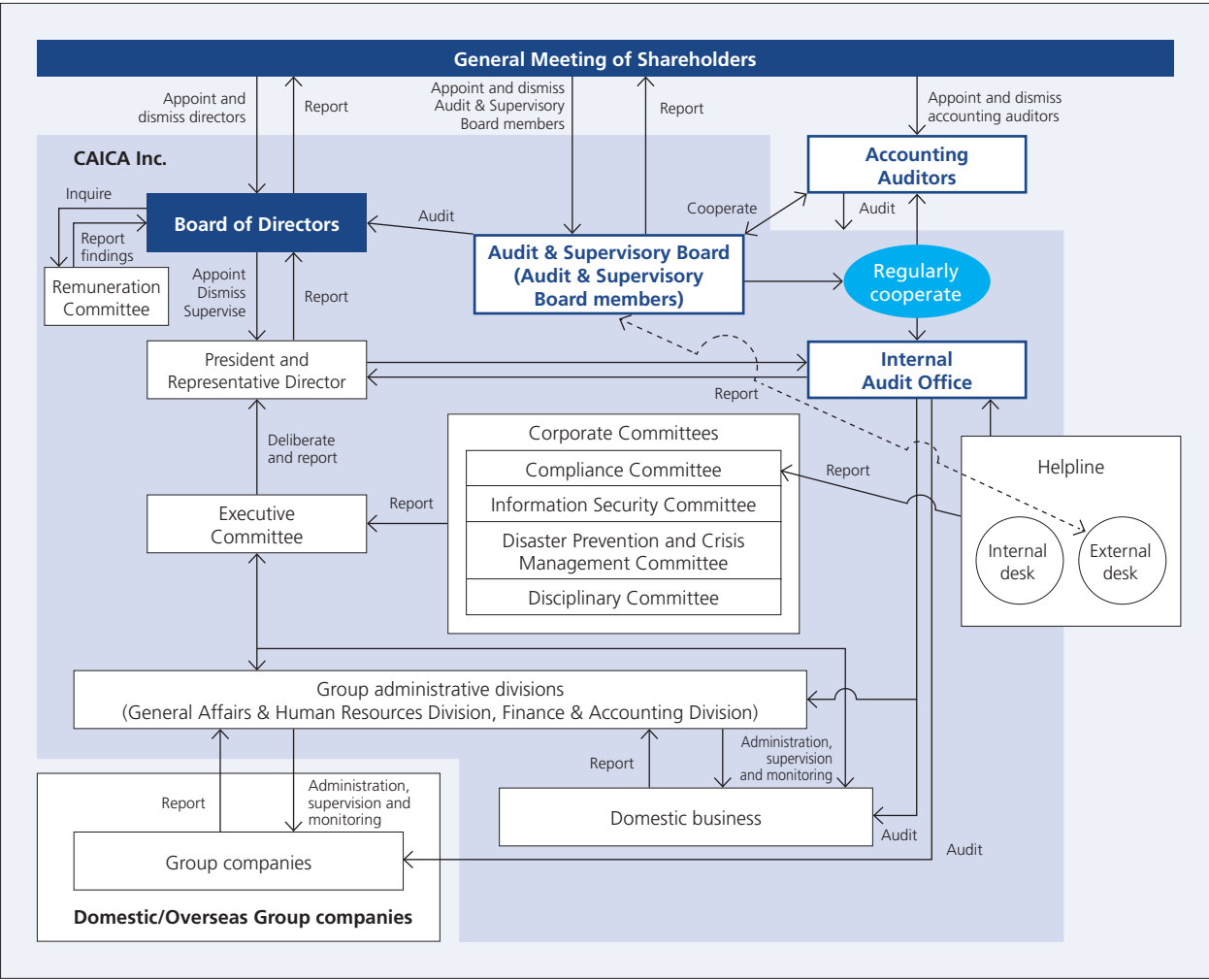
The Company's Board of Directors meets regularly every month as the highest decision-making body for the formulation of management strategies and business execution. The Board of Directors has a total of seven members, three of whom are outside directors. An Executive Committee led by the full-time directors has been set up primarily to enhance deliberations in the decision-making process and to ensure appropriate decision-making centered on Company-wide budget control.

Moreover, the Company has adopted the framework of a company with an Audit & Supervisory Board. The Audit & Supervisory Board comprises four members, three of whom are outside

Audit & Supervisory Board members. The Audit & Supervisory Board members supervise the execution of the directors' duties by attending important meetings including meetings of the Board of Directors and the Executive Committee. In parallel, the Audit & Supervisory Board members exchange opinions with the representative directors on a daily basis, thereby monitoring management from an independent perspective.

Furthermore, the Company has a Compliance Committee in place to help promote compliance internally. In addition, the Company operates the Helpline (whistleblower hotline) to augment the Compliance Committee.

Diagram of the Internal Control System



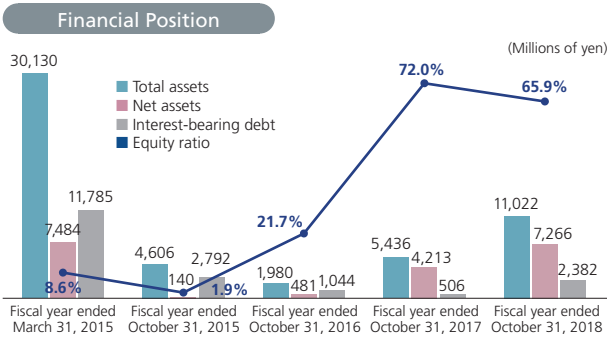
CFO Message

We are aiming to improve corporate value by implementing growth investment that takes advantage of a robust financial base.

Yamaguchi Kenji
CFO, Vice President and Representative Director

Q: Please explain measures to improve the CAICA Group's finances.

A: The equity ratio for the CAICA Group made a V-shaped recovery from 1.9% in the fiscal year ended October 31, 2015 to 72.0% in the fiscal year ended October 31, 2017, and retained a high level in the fiscal year ended October 31, 2018 at 65.9%. CAICA established a robust financial base by restoring credit from financial institutions, and managed to borrow unsecured and non-guaranteed loans. We will also refinance our short-term loans with long-term loans in order to maintain a cash flow balance for the fiscal year ending October 31, 2019.



Q: Please explain CAICA's M&A strategy going forward.

A: CAICA anticipates having an emphasized presence in the financial services field under the concept of a cryptocurrency platform, and turned the three eWarrant companies into subsidiaries in February 2018. In the fiscal year ending October 31, 2019, we will continue to actively undertake M&A activities with companies that can produce synergic effects, including expanding our customer base in fields related to FinTech.

Q: Please explain initiatives being taken to maximize CAICA's cash flow.

A: CAICA will begin external sales of its cryptocurrency exchange system starting from the fiscal year ending October 31, 2019, and secure stable profit through the

acquisition, maintenance, and management of new profit from usage fees for the system. Moreover, we will continue to reduce costs through thorough implementation of project management.

Q: What are your thoughts on CAICA's policies for shareholder returns?

A: We consider shareholder returns to be an important measure in terms of the Company's management. We will examine the shareholder return policy by giving consideration to the enhancement of internal reserves for the purpose of growth investment, while considering business strategies, financial condition, profit levels, and other matters in a comprehensive manner.

Q: Please explain the indicated mix of gains and losses in cryptocurrency investments.

A: Cryptocurrency investments ended up substantially in the black at ¥730 million in the fiscal year ended October 31, 2018. However, due to cryptocurrency investment losses being classified as non-operating income or extraordinary income instead of net sales in the first quarter of the fiscal year,* as well as CCCT's cryptocurrency investments ending up in the red due to the impact of a price drop in Bitcoin and other cryptocurrencies in January 2018, the aforementioned deficit ended up recorded as a net sales loss. Even so, CAICA posted ordinary income and profit attributable to owners of parent.

* In accordance with a change in purpose for the Company's Articles of Incorporation, investments in cryptocurrency at the Company are recorded with a net sales classification starting from the second quarter.

Gains (Losses) on Cryptocurrency Investments (Consolidated)					
(Millions of yen)					
Fiscal year ended	1Q	2Q	3Q	4Q	Total
October 31, 2018					(Full year)
CAICA (Net sales)	—	(34)	2	1	(30)
CCCT (Net sales)	(313)	(81)	76	(19)	(338)
CAICA (Non-operating income)	915	—	—	—	915
CAICA (Extraordinary income)	183	—	—	—	183
Total	785	(116)	78	(17)	730

Consolidated Balance Sheet

CAICA Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2017 (As of October 31, 2017)	Fiscal Year Ended October 31, 2018 (As of October 31, 2018)
< ASSETS >		
Current assets		
Cash and deposits	2,071,760	2,482,857
Notes and accounts receivable—trade	1,057,743	1,123,141
Merchandise	—	12,016
Work in process	34,031	28,889
Short-term loans receivable	62,300	76,460
Accounts receivable—other	34,056	39,580
Cryptocurrency	—	274,150
Deposits paid	122,730	820,292
Others	61,522	126,406
Allowance for doubtful accounts	(63,708)	(78,147)
Total current assets	3,380,437	4,905,647
Non-current assets		
Property, plant and equipment		
Buildings and structures	272,034	274,418
Accumulated depreciation	(43,994)	(60,209)
Buildings and structures, net	228,040	214,209
Machinery, equipment and vehicles	9,159	9,159
Accumulated depreciation	(8,343)	(8,547)
Machinery, equipment and vehicles, net	815	611
Tools, furniture and fixtures	193,376	281,268
Accumulated depreciation	(64,083)	(119,426)
Tools, furniture and fixtures, net	129,292	161,842
Land	146,616	146,616
Lease assets	11,390	11,390
Accumulated depreciation	(10,820)	(11,390)
Lease assets, net	569	0
Construction in progress	—	2,431
Total property, plant and equipment	505,335	525,712
Intangible assets		
Software	77,154	86,425
Goodwill	163,082	135,585
Others	21,472	30,562
Total intangible assets	261,709	252,573
Investments and other assets		
Investment securities	1,039,842	4,983,295
Investments in capital	4,762	154,095
Long-term loans receivable	169,163	141,863
Others	257,820	220,531
Allowance for doubtful accounts	(182,244)	(160,930)
Total investments and other assets	1,289,345	5,338,856
Total non-current assets	2,056,389	6,117,142
Total assets	5,436,827	11,022,789

(Thousands of yen)

	Fiscal Year Ended October 31, 2017 (As of October 31, 2017)	Fiscal Year Ended October 31, 2018 (As of October 31, 2018)
< LIABILITIES >		
Current liabilities		
Notes and accounts payable—trade	194,231	252,672
Short-term loans payable	—	2,000,000
Current portion of long-term loans payable	227,488	145,848
Accounts payable—other	240,421	194,435
Income taxes payable	20,985	5,606
Lease obligations	603	—
Provision for bonuses	100,196	234,085
Others	99,229	582,783
Total current liabilities	883,156	3,415,431
Non-current liabilities		
Long-term loans payable	277,952	236,694
Deferred tax liabilities	2,598	55,426
Others	60,040	48,959
Total non-current liabilities	340,591	341,079
Reserves under special laws		
Reserve for financial instruments transaction liabilities	—	8
Total reserves under special laws	—	8
Total liabilities	1,223,747	3,756,519
< NET ASSETS >		
Shareholders' equity		
Capital stock	7,775,162	1,000,000
Capital surplus	12,610,314	7,663,090
Retained losses	(16,486,801)	(1,496,112)
Treasury shares	(88,945)	(88,945)
Total shareholders' equity	3,809,730	7,078,032
Accumulated other comprehensive income		
Valuation difference on other available-for-sale securities	2,360	88,262
Deferred losses on hedges	—	(334)
Foreign currency translation adjustment	100,308	100,309
Total accumulated other comprehensive income	102,669	188,237
Non-controlling interests	300,679	—
Total net assets	4,213,079	7,266,269
Total liabilities and net assets	5,436,827	11,022,789

Consolidated Statement of Income

CAICA Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2017 (From November 1, 2016 to October 31, 2017)	Fiscal Year Ended October 31, 2018 (From November 1, 2017 to October 31, 2018)
Net sales	5,300,801	7,640,243
Cost of sales	4,424,996	6,618,616
Gross profit	875,804	1,021,626
Selling, general and administrative expenses	579,177	1,417,554
Operating income (loss)	296,627	(395,927)
Non-operating income		
Interest income	6,721	10,086
Gain on sales of investment securities	—	100,169
Share of profit of entities accounted for using equity method	274,768	26,554
Gain on sales of cryptocurrencies	71,419	915,541
Reversal of allowance for doubtful accounts	87,352	—
Others	19,691	34,855
Total non-operating income	459,953	1,087,207
Non-operating expenses		
Interest paid	22,926	15,403
Commission fees	3,500	56,003
Others	1,698	7,075
Total non-operating expenses	28,125	78,482
Ordinary income	728,455	612,798
Extraordinary income		
Gain on sales of investment securities	9,293	126,151
Reversal of allowance for doubtful accounts	12,106	6,876
Gain on change in equity	—	40,570
Gain on valuation of cryptocurrency	—	183,811
Gain on exchange of cryptocurrency	—	60,000
Total extraordinary income	21,400	417,409
Extraordinary losses		
Loss on valuation of investment securities	54,503	68,512
Impairment loss	—	291,287
Loss on retirement of non-current assets	—	346
Total extraordinary losses	54,503	360,147
Profit before income taxes	695,352	670,060
Income taxes—current	6,072	27,448
Income taxes—deferred	1,500	5,832
Total income taxes	7,573	33,281
Net income	687,779	636,779
Profit attributable to non-controlling interests	26,289	4,430
Profit attributable to owners of parent	661,490	632,348

Consolidated Statement of Comprehensive Income

CAICA Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2017 (From November 1, 2016 to October 31, 2017)	Fiscal Year Ended October 31, 2018 (From November 1, 2017 to October 31, 2018)
Net income	687,779	636,779
Other comprehensive income		
Valuation difference on other available-for-sale securities	53,714	85,901
Deferred losses on hedges	—	(334)
Foreign currency translation adjustment	49	0
Total other comprehensive income	53,763	85,567
Comprehensive income	741,543	722,347
(Components)		
Comprehensive income attributable to owners of parent	715,253	717,916
Comprehensive income attributable to non-controlling interests	26,289	4,430

Consolidated Statement of Changes in Net Assets

CAICA Inc.

Fiscal Year Ended October 31, 2017 (From November 1, 2016 to October 31, 2017)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained losses	Treasury shares	Total shareholders' equity
Balance at the beginning of the fiscal year	6,391,713	11,226,866	(17,148,292)	(88,945)	381,342
Changes during the fiscal year					
Issuance of new shares					—
Issuance of new shares—exercise of subscription rights to shares	1,383,448	1,383,448			2,766,896
Increases by share exchanges					—
Profit attributable to owners of parent			661,490		661,490
Change in ownership interest of parent due to transactions with non-controlling interests					—
Transfer from capital stock to other capital surplus due to capital reduction					—
Change of scope of consolidation					—
Deficit disposition					—
Other					—
Net changes of items other than shareholders' equity					—
Total changes during the fiscal year	1,383,448	1,383,448	661,490	—	3,428,387
Balance at the end of the fiscal year	7,775,162	12,610,314	(16,486,801)	(88,945)	3,809,730

(Thousands of yen)

	Accumulated other comprehensive income						Total net assets
	Valuation difference on other available-for-sale securities	Deferred losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	
Balance at the beginning of the fiscal year	(51,353)	—	100,259	48,905	51,666	—	481,915
Changes during the fiscal year							
Issuance of new shares							—
Issuance of new shares—exercise of subscription rights to shares							2,766,896
Increases by share exchanges							—
Profit attributable to owners of parent							661,490
Change in ownership interest of parent due to transactions with non-controlling interests							—
Transfer from capital stock to other capital surplus due to capital reduction							—
Change of scope of consolidation						274,390	274,390
Deficit disposition							—
Other							—
Net changes of items other than shareholders' equity	53,714	—	49	53,763	(51,666)	26,289	28,385
Total changes during the fiscal year	53,714	—	49	53,763	(51,666)	300,679	3,731,163
Balance at the end of the fiscal year	2,360	—	100,308	102,669	—	300,679	4,213,079

Fiscal Year Ended October 31, 2018 (From November 1, 2017 to October 31, 2018)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained losses	Treasury shares	Total shareholders' equity
Balance at the beginning of the fiscal year	7,775,162	12,610,314	(16,486,801)	(88,945)	3,809,730
Changes during the fiscal year					
Issuance of new shares	1,165,130	1,165,130			2,330,260
Issuance of new shares—exercise of subscription rights to shares					—
Increases by share exchanges		278,415			278,415
Profit attributable to owners of parent			632,348		632,348
Change in ownership interest of parent due to transactions with non-controlling interests		26,694			26,694
Transfer from capital stock to other capital surplus due to capital reduction	(7,940,292)	7,940,292			—
Change of scope of consolidation					—
Deficit disposition		(14,357,757)	14,357,757		—
Other			583		583
Net changes of items other than shareholders' equity					—
Total changes during the fiscal year	(6,775,162)	(4,947,224)	14,990,689	—	3,268,302
Balance at the end of the fiscal year	1,000,000	7,663,090	(1,496,112)	(88,945)	7,078,032

(Thousands of yen)

	Accumulated other comprehensive income						Total net assets
	Valuation difference on other available-for-sale securities	Deferred losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	
Balance at the beginning of the fiscal year	2,360	—	100,308	102,669	—	300,679	4,213,079
Changes during the fiscal year							
Issuance of new shares							2,330,260
Issuance of new shares—exercise of subscription rights to shares							—
Increases by share exchanges							278,415
Profit attributable to owners of parent							632,348
Change in ownership interest of parent due to transactions with non-controlling interests							26,694
Transfer from capital stock to other capital surplus due to capital reduction							—
Change of scope of consolidation							—
Deficit disposition							—
Other							583
Net changes of items other than shareholders' equity	85,901	(334)	0	85,567	—	(300,679)	(215,111)
Total changes during the fiscal year	85,901	(334)	0	85,567	—	(300,679)	3,053,190
Balance at the end of the fiscal year	88,262	(334)	100,309	188,237	—	—	7,266,269

Consolidated Statement of Cash Flows

CAICA Inc.

(Thousands of yen)

	Fiscal Year Ended October 31, 2017 (From November 1, 2016 to October 31, 2017)	Fiscal Year Ended October 31, 2018 (From November 1, 2017 to October 31, 2018)
Cash flows from operating activities		
Income before income taxes	695,352	670,060
Depreciation and amortization	34,885	101,689
Amortization of goodwill	9,334	19,331
Decrease in allowance for doubtful accounts	(104,756)	(6,876)
(Decrease) increase in provision for bonuses	(41,554)	133,888
Interest and dividend income	(6,721)	(10,086)
Interest paid	22,926	15,403
Foreign exchange losses	20	42
Share of profit of entities accounted for using equity method	(274,768)	(26,554)
Gain on change in equity	—	(40,570)
Gain on sales of investment securities	(9,293)	(226,321)
Loss on valuation of investment securities	54,503	68,512
Gain on valuation of cryptocurrency	—	(183,811)
Loss on retirement of non-current assets	—	346
Impairment loss	—	291,287
Decrease in notes and accounts receivable—trade	17,980	(65,397)
Decrease in inventories	6,497	(6,862)
Increase in cryptocurrency	—	(274,150)
(Decrease) increase in notes and accounts payable—trade	(9,953)	58,440
Decrease in deposits paid	—	359,765
Increase in accrued consumption taxes	7,731	26,718
Other, net	(92,798)	(469,052)
Subtotal	309,386	435,804
Interest and dividend income received	6,717	3,690
Interest paid	(75,514)	(13,583)
Income taxes paid	(6,833)	(52,692)
Net cash provided by operating activities	233,755	373,218

(Thousands of yen)

	Fiscal Year Ended October 31, 2017 (From November 1, 2016 to October 31, 2017)	Fiscal Year Ended October 31, 2018 (From November 1, 2017 to October 31, 2018)
Cash flows from investing activities		
Purchase of property, plant and equipment	(49,628)	(49,215)
Purchase of intangible assets	(6,241)	(81,641)
Purchase of investment securities	(657,619)	(4,566,988)
Proceeds from sales of investment securities	200,000	998,303
Payments for investments in capital	—	(150,000)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(84,718)	(342,411)
Payments of loans receivable	(67,184)	—
Collection of loans receivable	18,360	13,140
Proceeds from collection of lease and guarantee deposits	3,478	8,327
Other, net	2,401	1,606
Net cash used in investing activities	(641,153)	(4,168,880)
Cash flows from financing activities		
Net (decrease) increase in short-term loans payable	(149,334)	2,000,000
Proceeds from long-term loans payable	50,000	130,000
Repayments of long-term loans payable	(839,092)	(252,898)
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	2,715,230	—
Proceeds from issuance of common stock	—	2,330,260
Other, net	(2,407)	(603)
Net cash provided by financing activities	1,774,396	4,206,758
Effect of exchange rate change on cash and cash equivalents	28	0
Net increase in cash and cash equivalents	1,367,027	411,096
Cash and cash equivalents at beginning of the fiscal year	704,732	2,071,760
Cash and cash equivalents at end of the fiscal year	2,071,760	2,482,857

Corporate Data (As of April 1, 2019)

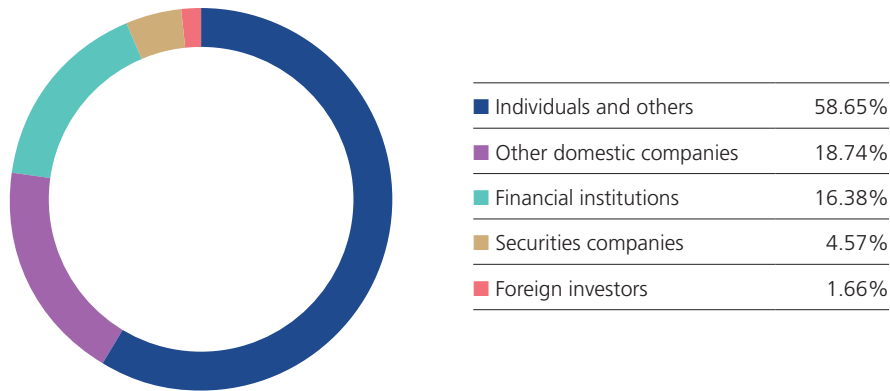
Name of corporation	CAICA Inc.
Foundation	July 14, 1989
Head office	8F, Cross Air Tower 1-5-1 Ohashi, Meguro-ku, Tokyo 153-0044, Japan
Telephone (main)	+81-3-5657-3000
President and CEO	Suzuki Shin
Certifications	ISO 9001 Certification body: Japan Quality Assurance Organization (JQA) Certification number: 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: 10/7/2019 PrivacyMark Examining authority: Japan Information Technology Services Industry Association (JISA) (NPO) Registration number: 11820509 (07) Expiration: 10/15/2020

Worker dispatching business	License number: Group 13-307754
Memberships	Japan Information Technology Services Industry Association (JISA) Blockchain Collaborative Consortium (BCCC)
Capital	1,000 million yen
Number of employees	Consolidated: 710 employees Non-consolidated: 406 employees (As of October 31, 2018)
Business activities (consolidated)	Information services business, Cryptocurrencies business, Financial instruments business
Main banks	Sumitomo Mitsui Banking Corporation The Chiba Bank, Ltd. Mizuho Bank, Ltd. Resona Bank, Limited
URL	https://www.caica.jp/e-toppage/

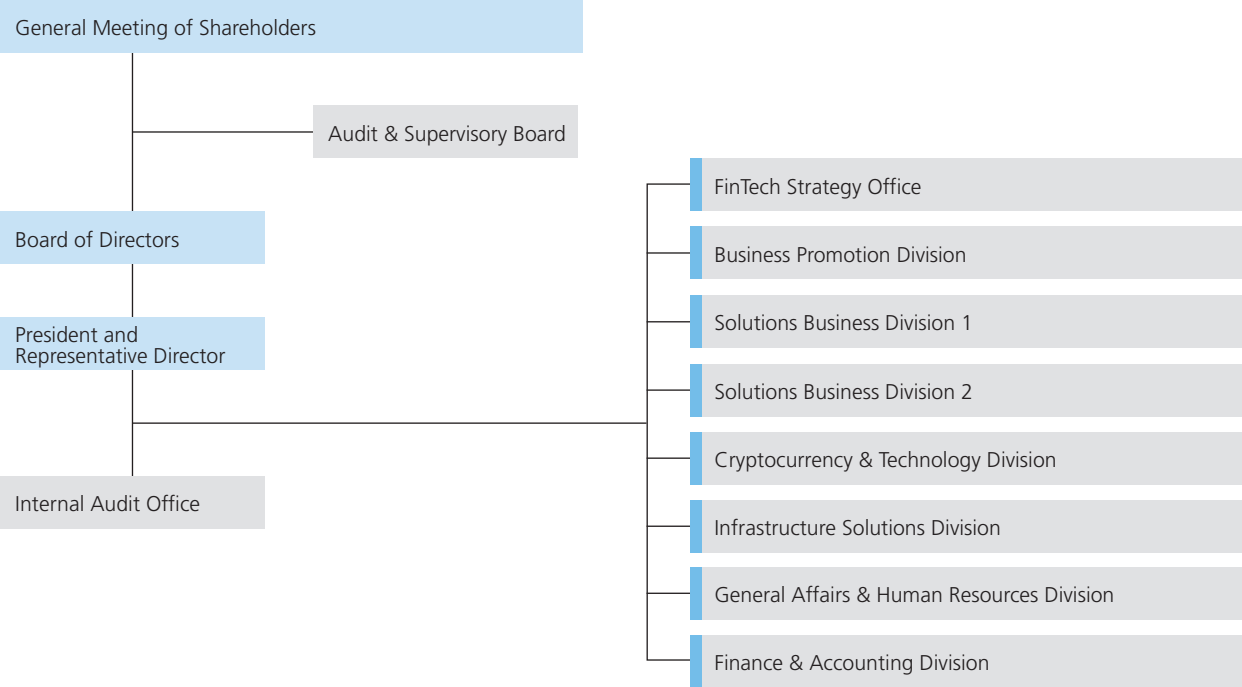
Investor Information (As of October 31, 2018)

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	360,858,455 shares
Number of shares in one trading unit	100 shares
Treasury shares	192,954 shares
Number of shareholders	34,804

Composition of Shareholders



Organization



Status of Major Shareholders

Major shareholders	Number of shares held (shares)	Proportion of total shares issued (%)
Japan Trustee Services Bank, Ltd. (Trust account)	53,474,200	14.83
NCXX Group Inc.	52,605,155	14.59
SBI SECURITIES Co., Ltd.	5,794,700	1.61
Software Research Associates, Inc.	5,033,200	1.40
SRA Holdings, Inc.	5,016,800	1.39
Japan Securities Finance Co., Ltd.	3,008,800	0.83
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	2,596,800	0.72
Rakuten Securities, Inc.	1,998,900	0.55
Takeuchi Kenichi	1,684,600	0.47
kabu.com Securities Co., Ltd.	1,264,200	0.35

