

HODL & BUIDL 2028

# Medium-Term Management Plan

April 2026

HODL1 Inc. / TSE: 2345



<b>Company Name</b>	HODL1, inc.
<b>Address</b>	107-0062 2-12-1 Minami-Aoyama, Minato-ku, Tokyo
<b>Founded</b>	June 1997
<b>Representative</b>	Hiroki Tahara
<b>Capital</b>	¥10 million
<b>Listed Market</b>	Tokyo Stock Exchange Standard Market (Code: 2345)
<b>Business Description</b>	Treasury Business Treasury Support Business Web3 Project Support (Consulting & Development)
<b>Memberships</b>	Japan Cryptoasset Business Association Japan Security Token Association Fintech Association of Japan



**Through holding crypto assets (HODL) and contributing to blockchain technology (BUIDL), we create unique value and achieve digital financial transformation while maximizing shareholder value.**



## HODL

Long-term Asset Holding & Return Distribution

- Hold crypto assets tied to blockchain development long-term to maximize shareholder value.
- Generate stable returns through crypto asset management while contributing to healthier liquidity and security on the blockchain.
- Leverage AI for efficient corporate operations and channel appreciation in crypto asset value back to shareholders.



## BUIDL

Financial Infrastructure Innovation & Implementation

- Lead blockchain adoption in Japan leveraging our technical expertise and drive active development.
- Contribute to blockchain development to grow the crypto market and enhance the value of our long-term HODL assets.
- Even when HODL business suffers from market downturns, BUIDL provides stable cash flow to mitigate downside risk.

## The HODL business (crypto asset management) and BUIDL business (planning & development support) form our two revenue pillars.



### HODL Business: Continuous Ethereum Acquisition & Sophisticated Asset Management

- Financing policy: No MS Warrants
- Efficiently purchase Ethereum using market-raised capital. Ethereum
- Generate returns by operating Ethereum through staking, lending, and other methods. Ethereum
- Main costs include crypto purchase fees, wallet management, and security expenses.



### BUIDL Business: End-to-End Business Partner from Planning to Development

- Comprehensive support for Web3 and blockchain projects from planning through development.
- Stable monthly revenue secured primarily through quasi-mandate contract engagements.
- Main costs include consultant and engineer compensation, and sales and marketing for deal acquisition.

## Medium-Term Management Plan: Financial Targets (Through FY October 2028)

Ethereum Holdings

**300** ¥100M

Revenue

**20** ¥100M

Operating Profit

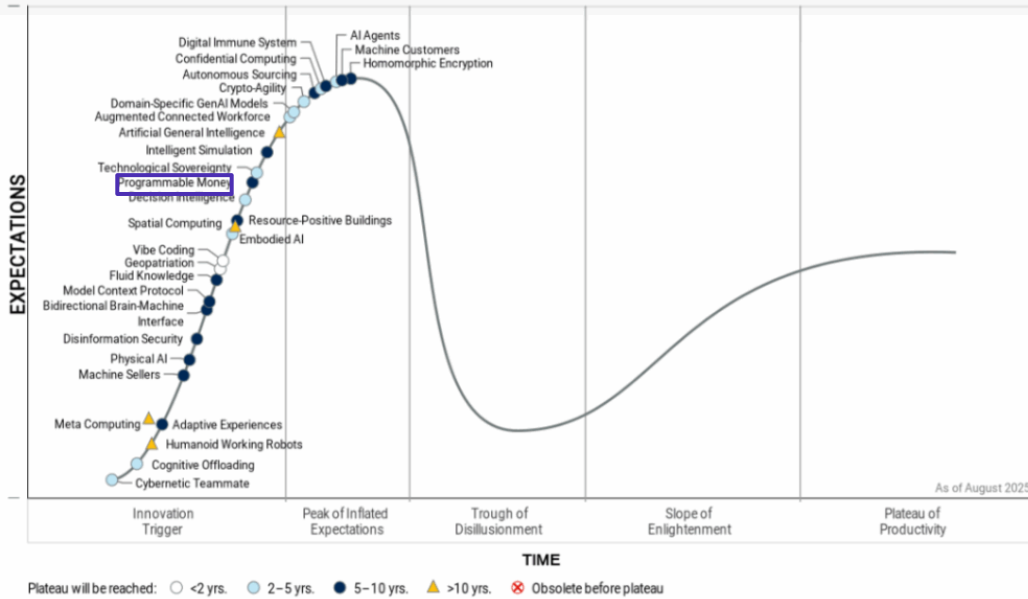
**11** ¥100M

# Market Environment



## As the bubble market collapses, the shift from speculation to real demand centered on Ethereum is accelerating.

Figure 1: Hype Cycle for Emerging Technologies 2025

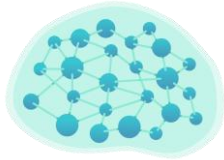


Source: Gartner (September 2025)

- Current blockchain (programmable money) remains in the early phase of Gartner's Hype Cycle; in the early phase — prices have fallen but blockchain adoption in financial services is accelerating.
- The Trump administration market-wide uncertainty, but deregulation is advancing international acceptance. Deregulation is advancing international acceptance of crypto assets and blockchain.
- Domestically, crypto asset migration under financial instruments law is advancing, and broader adoption is expected.
- If the traditional price cycle continues, crypto markets are expected to stabilize near current levels over the next 1-2 years with some fluctuation.

**In on-chain migration of traditional finance and new financial technology development, crypto assets and blockchain technology adoption is advancing.**

### On-chain Migration of Traditional Finance



- Wide range of assets available including MMFs, tokenized stocks, and unlisted shares.
- 24/7/365 trading available; attracting significant domestic attention.

### Expansion of Prediction Markets



- New prediction market platforms like Polymarket and Kalshi have emerged.
- Utilization of stablecoins centered on USDC.

### AI Agent Payment Automation



- Programmable money is highly compatible with AI.
- AI Agent payment protocols like x402 are rapidly expanding.

Catching up with the increase in real-demand blockchain usage,

**we believe crypto assets linked to real-demand blockchains (Bitcoin, EthereumEthereum) will recover.**we believe.

## As Japan's legal framework for crypto assets matures, major players are expected to join, and blockchain adoption is projected to advance following international precedents.

### Migration of Crypto Assets under Financial Instruments Law

#### Regulatory Strengthening

- Regulatory reinforcement advancing to ensure market integrity and reliability.
- Regulatory development focused on investor protection, centered on disclosure requirements, is being prioritized.

#### Development as an Investment Product

- Framework development for positioning crypto assets and related products as investment instruments is progressing.
- Increased participation from traditional financial institutions such as securities firms is also anticipated.

#### Revision of Crypto Asset Tax Treatment

- Review of tax policies is being promoted from the perspective of investment environment development and market activation.
- Discussions on introducing a separate 20% taxation rate continue.



### Diffusion of Blockchain Technology

#### Application to Financial Digitalization

- Against the backdrop of digitalization progress in finance, frameworks for tokenizing deposits, securities, beneficial interests, and other financial assets for more flexible and efficient management and trading are advancing.
- Blockchain is being adopted as financial infrastructure, and development demand is expected to expand.

#### Stablecoin Utilization

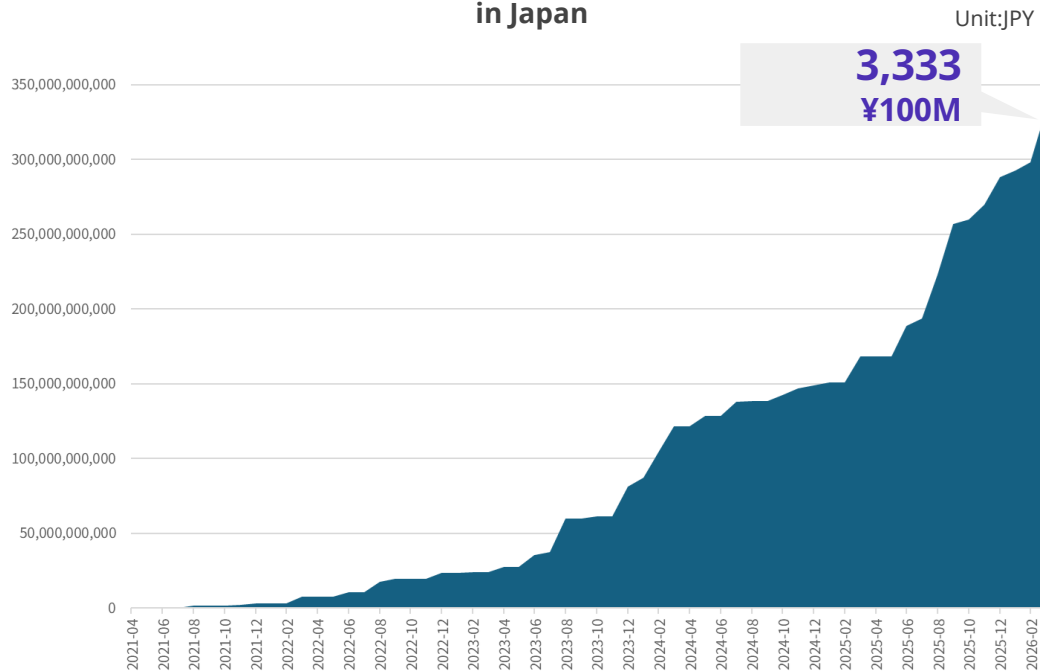
- Beyond remittance and payment efficiency, application areas are expanding as a foundation supporting new financial services.

#### Growth in Crypto Asset Account Numbers

- Against the backdrop of expanding market awareness and increased usage opportunities, the number of domestic crypto asset accounts continues to grow (exceeding 14 million accounts as of February 2026).

## Domestic Security Tokens market continues to expand. 'On-chain Finance' is the next major trend.

Total Cumulative ST Issuance  
in Japan



Source:Source: HODL1 compiled from public information

- As a practical example of financial digitalization, Security Tokens (STs) — assets that digitize securities such as stocks and bonds using blockchain technology — are **attracting significant attention**. are attracting significant attention.
- As of end of March 2026, the cumulative total ST issuance in Japan reached ¥333.3 billion.
- Currently, real estate STs account for more than 80% of the market, but as regulations develop, traditional financial instruments such as stocks and bonds are expected to move on-chain.
- Tokyo Stock Exchange-listed stocks have a market cap of approximately ¥1,180 trillion — even partial on-chain migration would have enormous impact.

**Comprehensive capabilities spanning technology, finance, regulatory compliance, and operations are essential for on-chain finance expansion.**

**We advance development, operations, and commercialization centered on Ethereum to establish our position in the next trend.**

### Key Elements Required for 'On-chain Finance

### Our Characteristics & Strengths

Key Elements Required for 'On-chain Finance	Our Characteristics & Strengths
<b>Technical Implementation Capability</b> <ul style="list-style-type: none"> <li>Service design and implementation on public chains and L2 balancing security with scalability.</li> </ul>	<ul style="list-style-type: none"> <li>Led by crypto-native talent, driving product development and business promotion on Ethereum.</li> </ul>
<b>Financial Business Understanding</b> <ul style="list-style-type: none"> <li>Practical understanding of wallets, custody, payment services law, financial instruments law, and other requirements to operate as a financial entity.</li> </ul>	<ul style="list-style-type: none"> <li>Exchange operations and wallet-based fund management expertise enable sophisticated designs premised on actual operations.</li> </ul>
<b>Regulatory Compliance Capability</b> <ul style="list-style-type: none"> <li>Translating regulations, internal controls, and security audits into practically implementable forms.</li> </ul>	<ul style="list-style-type: none"> <li>As a listed company with comprehensive disclosure regulations and internal controls, we have the foundation to engage with major financial institutions and corporations.</li> </ul>
<b>Operations Know-how</b> <ul style="list-style-type: none"> <li>Practical on-chain knowledge including Ethereum and stablecoin holdings, liquidity provision, and gas fee management.</li> </ul>	<ul style="list-style-type: none"> <li>We possess a unique advantage integrating both the perspective of managing our own assets and providing client support.</li> </ul>
<b>Commercialization Capability</b> <ul style="list-style-type: none"> <li>Business execution capability to deliver continuously to financial institutions and corporations beyond proof-of-concept.</li> </ul>	<ul style="list-style-type: none"> <li>Deep knowledge of domestic regulations and business practices enables us to implement on-chain finance in a form adoptable by Japanese companies.</li> </ul>

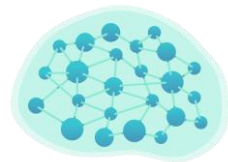
**Leveraging our strengths toward the advancing domestic "on-chain finance" trend, we powerfully promote Ethereum utilization through both technology development and product development. Ethereum**

### Promotion of JPY-Denominated Stablecoins



- Designing payment and remittance use cases for inter-corporate and international transfers.
- Implementation support for financial institutions and designing stablecoin management know-how.
- Designing and developing stablecoin operation methods.

### Expansion of Security Tokens



- Building infrastructure and blockchain compliant with domestic regulations.
- R&D toward making Security Tokens publicly accessible.
- Promoting on-chain migration of diverse rights and assets through Security Token deal structuring.

### Expansion of Prediction Markets



- R&D toward legalization of prediction markets in Japan.
- Development and operation of regulation-compliant prediction markets.
- Support services including market-making in prediction markets.

**From L1 chain development to GameFi, NFT, and crypto exchange service development, we have a proven track record of handling highly specialized and wide-ranging projects.**

### **GameFi Support for Major Corporations**

---

- End-to-end support for a major gaming company's GameFi business from token design to blockchain development and overseas exchange listing.

### **Crypto Exchange Service Development**

---

- Supported revenue enhancement initiatives for new service launches at a crypto exchange.
- Conducted overseas operator research, domestic legal research, and service design based on existing services.

### **End-to-End NFT Solution Development**

---

- End-to-end support for an INO from NFT issuance through sales.
- Rapidly launched an NFT sales site, enabling swift fundraising.

### **L1 Chain Development for Major Corporations**

---

- Participated in development for a new L1 chain launch at a major corporation.
- Holds rare experience and know-how in the most highly specialized domain.

# Long-Term Vision



## Establish a new business model centered on crypto assets through stepwise enhancement of corporate value.

Recover market trust through financial, business foundation, and governance construction.

Enhance revenue capacity through talent development and new business creation, aiming for crypto acquisition independent of market financing.

### 1st Phase (2026-2028)

#### Corporate Rebuilding Phase

- Building financial and business foundation through HODL & BUIDL
- Ethereum— aiming to be Japan's No.1 Ethereum company in both technology and DAT
- Establish governance framework

**Elimination of Going Concern Note through stable business foundation creation**

### 2nd Phase (2029-2031)

#### Growth Phase

- Developing talent with deep blockchain experience and expertise
- Creating new financial services centered on crypto exchange and intermediary businesses

**Talent Development & New Business Creation**

### 3rd Phase (2031-)

#### Leap Forward Phase

- BUIDL and new businesses become the revenue core
- Transitioning from financing-driven Ethereum purchases to additional purchases funded by operational returns and business

**Transition to Ethereum Purchases funded by operational & business returns.**

## Comparison with Bitcoin

---

- Smart contracts enable implementation of complex financial logic.
- Designed to facilitate AI Agent automated payments and autonomous transaction integration.
- Optimal foundation for tokenizing diverse assets in financial digitalization.

## Overwhelming Trust & Liquidity

---

- In RWA and stablecoin holdings, market cap vastly exceeds other chains.
- 10 years of uninterrupted operation without dependency on any single entity.

## Functional Superiority

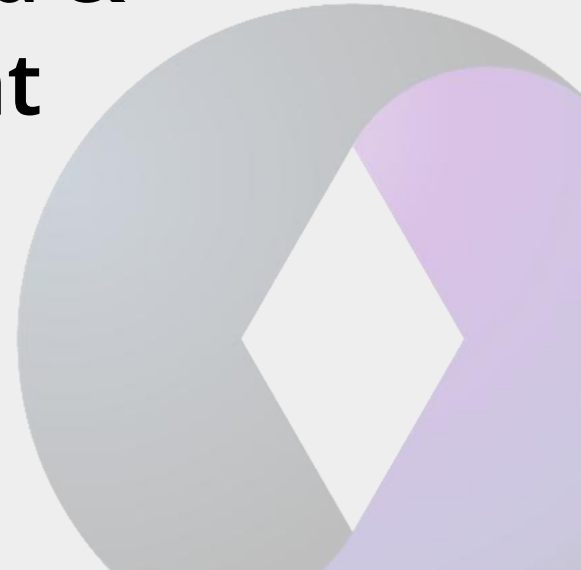
---

- Layer 2 technology achieves both high throughput and functional scalability.
- Rapid evolution in privacy protection technology, AI Agent compatibility, and more.
- Largest developer community and most comprehensive toolset, enabling secure integration of financial assets.

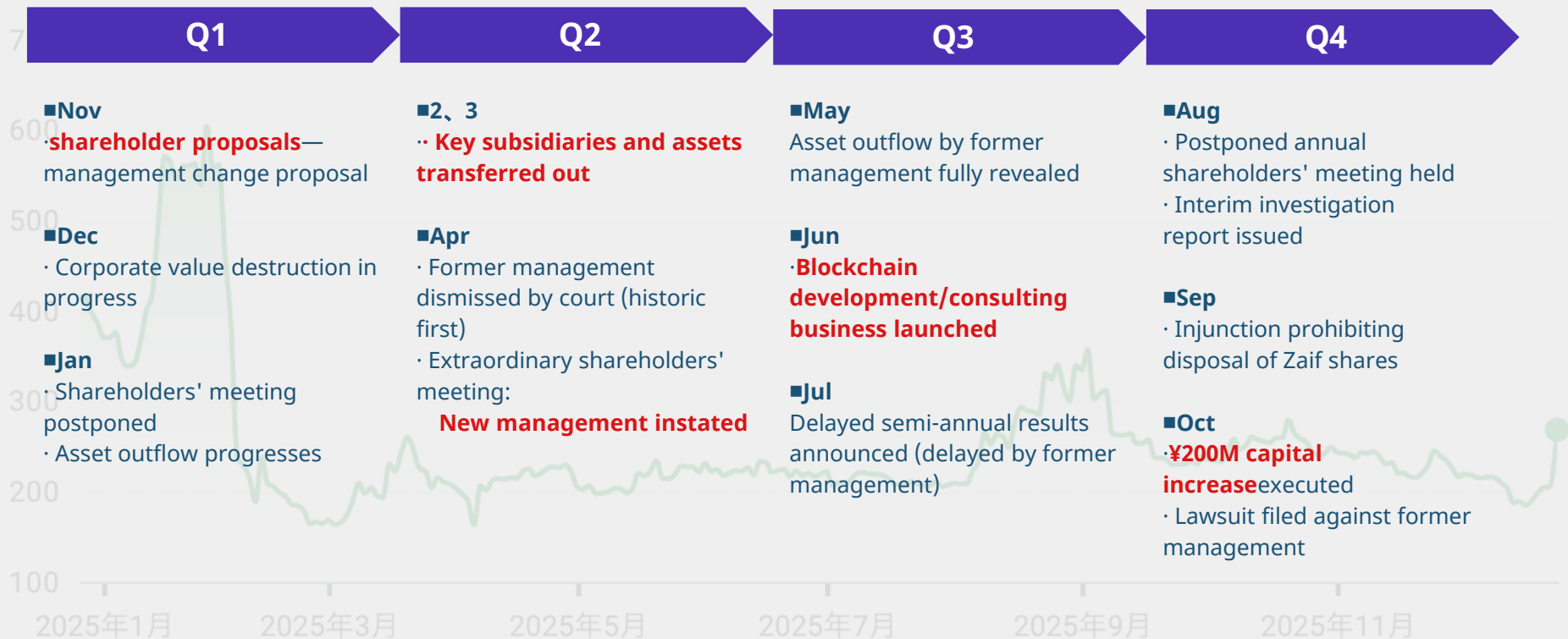
## The Blockchain Most Qualified as Financial Infrastructure

Due to its functional flexibility, ability to handle complex processes, 10-year uninterrupted operation, and massive ecosystem, Ethereum is most qualified as financial infrastructure.

# Historical Background & Current Assessment

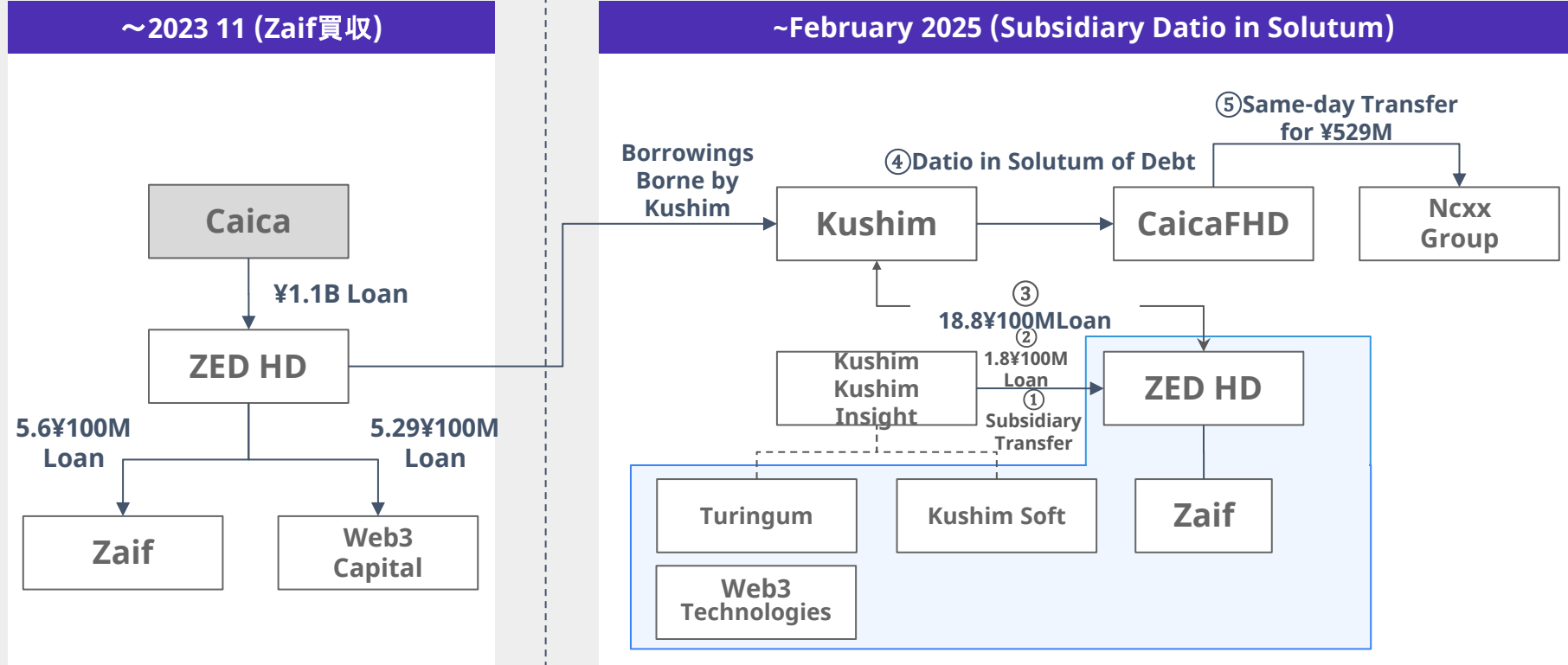


A year that began with shareholder proposals; **the latter half focused on business restart, litigation, and capital increase** toward company recovery.



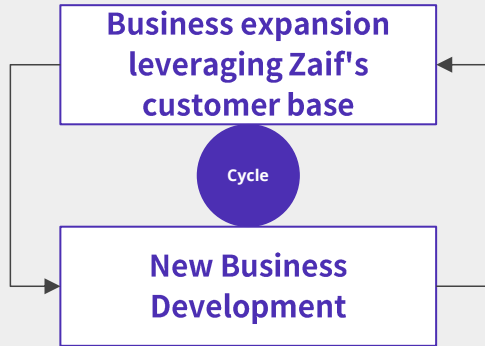
Former management transferred virtually all assets and operating subsidiaries to another listed company in the form of a datio in solutum.

An independent investigation report later concluded this had inflicted damage equivalent to corporate liquidation.

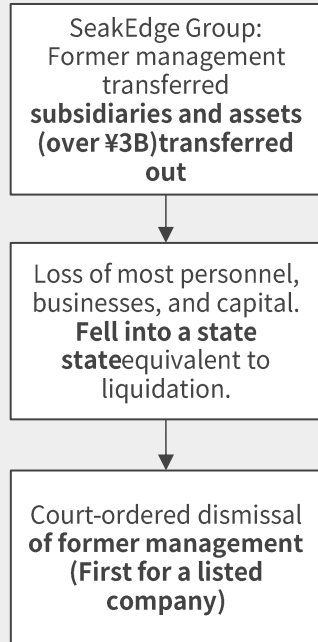


An unprecedented situation for a listed company occurred, resulting in a state equivalent to liquidation.  
At the time of management change, we started with a significant disadvantage.

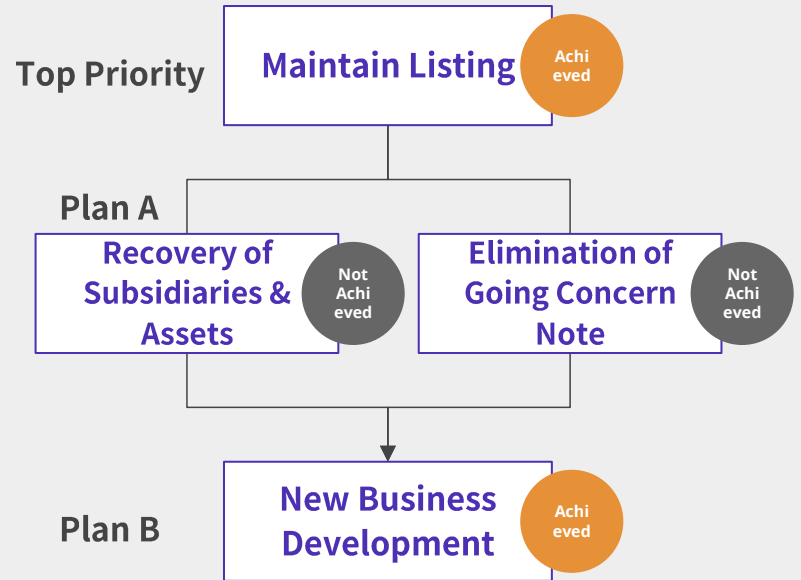
## Pre-Management-Change Targets [November 2024]



## Shareholder Value Destruction



## Priority at Time of Management Change [May 2025]

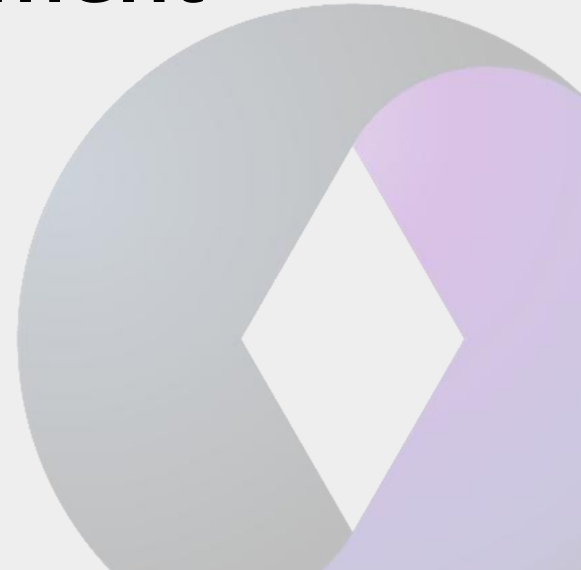


There is a gap between initial expectations when new management started in May 2025 and current reality.

We will address each area with countermeasures and pursue improvements.

	Initial Target	Current Status & Results	Cause	Countermeasures
<b>Subsidiary &amp; Asset Recovery</b>	Sought rapid resolution <b>through injunction</b> (within 6 months).	Injunction did not resolve; <b>extended through full lawsuit</b> (over 1 more year). 0 (Start Line)	<b>Without precedents</b> , legal process timelines and court decisions were unpredictable given lack of precedents.	<b>Given that the recovery of assets will take time</b> , the Company is formulating and executing a growth plan that does not depend on such recovery.
<b>BUIDL Business</b>	In addition to acquiring new clients, the Company aims to expand its business leveraging the Zaif exchange license.	Having lost both its assets and licenses, the Company is rebuilding its business from scratch.	Reputational damage from Reputational damage caused to us <b>by SeakEdge Group's actions was greater than expected.</b>	Through the accumulation of a track record and initiatives such as joining industry associations and hosting study sessions, the Company aims to <b>restore trust.</b>
<b>HODL Business</b>	Promptly raise additional funding <b>and begin full-scale Ethereum accumulation.</b>	<b>Starting behind initial plan</b> Crypto market cooling is viewed <b>as an opportunity.</b>	Delays in results by former management <b>increased FSA and TSE procedures</b> , raising fundraising barriers above peer companies.	<b>By resolving the going-concern note</b> , the Company aims to reduce its cost of capital and lower fundraising hurdles.

# Medium-Term Management Plan Overview



## FY October 2028 Financial Targets

Revenue: **20** ¥100M

Operating Profit: **11** ¥100M

### HODL Business

Ethereum Holdings: **300** ¥100M

Annual Operating Income: **12** ¥100M

Annual Operating Profit: **9** ¥100M

- Pursue holdings expansion and operational income as twin engines.
- **Target achievement excludes unrealized Ethereum appreciation gains.**



### BUIDL Business

Segment Revenue: **8** ¥100M

Segment Operating Profit: **2** ¥100M

- Win on-chain migration deals for financial assets.
- Stabilize management through improved fixed cost coverage **from contract development revenue.**

**Improving profitability through the advancement of the HODL & BUIDL businesses, alongside governance improvements that underpin them and the cultivation of "seeds" in anticipation of the next growth phase.**

## HODL Business

- Gradually acquire Ethereum through fundraising and build up holdings balance.
- Earn approximately 4% annual income return through staking and other operations.

## BUIDL Business

- Achieve stable revenue through support and participation in planning and development projects.
- Target acquisition of planning and development deals in finance and IP sectors where blockchain adoption is expected.

## New Business Creation

- Accelerate business by recovering Zaif and obtaining new crypto intermediary licenses.
- In line with regulatory development from crypto migration under financial instruments law, explore stablecoin and RWA-related services.

## Company Stabilization

- Establishing thorough governance and compliance frameworks.
- Executing legal measures for asset recovery and accountability.
- Aim to eliminate Going Concern note during FY2027.

# Individual Strategies



## Leveraging market cycle opportunities and Ethereum the income-generating structure of Ethereum as a held asset.

### Market Cycle Opportunity



- The crypto market forms a price cycle linked to Bitcoin halving (approx. 4-year cycle).
- Currently in a decline-to-bottom phase — rational timing to average costs through DCA.

### Advantages of Ethereum as a Held Asset



- Medium-to-long-term fundamentals supported by real demand drivers (RWA, AI Agents, and stablecoins)
- A self-compounding revenue structure in which held Ethereum continuously grows through staking and other yield-generating activities

Fundraising



Ethereum  
Acquisition



Operations



Holdings Increase



## Fundraising Policy: Sound Fundraising Respecting Existing Shareholder Value Fundraising

1. **MS Warrants will not be used. Fundraising methods that do not use MS Warrants are adopted.**  
Prioritize methods such as third-party allotments from business partners, **that minimize shareholder dilution.**  
When crypto markets are soft, heavily weigh stock price impact in fundraising execution decisions.
2. Continuously execute the fundraising → Ethereum purchase cycle.  
Diversify purchase timing to average acquisition costs.



## Operations Policy: Achieve 4% Average Return Through Staking Plus Additional Strategies

1. Staking: Earning staking rewards of approximately 3% per annum, creating a structure in which held Ethereum grows autonomously — generating income returns that a **Bitcoin treasury strategy cannot offer.**
2. Yield Diversification: Layering multiple income sources through a combination of lending, options, and similar instruments, constructing a portfolio that is resilient to changes in market conditions and enables stable achievement of the 4% target yield. **High-risk strategies such as leveraged trading will not be employed.**

## Assuming the halving cycle continues, this is the optimal timing to start DAT.

### Bitcoin Chart and Metaplanet's Business Timing

- The crypto market has a **price cycle originating from Bitcoin's halving (approx. 4-year cycle)**.
- Metaplanet started Bitcoin DAT in April 2024 (late accumulation phase) and grew to over ¥1 trillion market cap riding the subsequent upswing.



Chart Source: Source: CoinMarketCap

### Ethereum Chart and Our Business Timing

- By launching its Ethereum DAT during the bottom range of a market downturn cycle, the Company aims to accumulate holdings at an even more favorable average acquisition cost than Metaplanet.
- While further short-term price declines remain possible, the Company will optimize its average acquisition cost through a DCA (dollar-cost averaging) strategy, positioning itself for the anticipated upswing following the 2028 halvin



① Decline  
Phase② Recover  
Phase③ Accumulation  
Phase

④ Bull Phase

① Decline  
Phase

## Formation of the 4-Year Cycle

- The crypto market has formed a price cycle originating from Bitcoin's halving (approx. 4-year cycle).
- All 3 previous halving cycles observed
- 4 phases: Decline → Recovery → Accumulation → Bull.
- The cycle is underpinned by the 'supply shock' causal mechanism.

## Current Position in the Cycle

Currently in the 'transition from decline to accumulation phase' —  
a rational timing to start DCA (staged acquisition).

### Bitcoin Cycle Position

- Approx. 4 months since ATH (Oct 2025). Early-to-mid decline phase.
- ETH/BTC ratio ~0.029 (historically low level)

### Model-Based Bottom Estimate

- Q4 2026 ~ Q1 2027

### Next Halving

- April-May 2028

## On-chain finance advancement and the rise of AI Agents are expected to impact future prices.

Factor	Details
Finance on-chain transitioning from "experiment" to "implementation"	<ul style="list-style-type: none"><li>● RWA tokenization and on-chain securities use cases are rapidly increasing in the US.</li><li>● Domestically, migration under financial instruments law and spot ETF approval is advancing.</li><li>● We are on the cusp of real demand for smart contract infrastructure materializing.</li></ul>
Rise of the AI Agent Economy	<ul style="list-style-type: none"><li>● Smart contracts are beginning to be used as autonomous payment and contract means between AI Agents.</li><li>● This market is expected to expand rapidly in 2026-2028, Ethereum is highly likely to emerge as the dominant infrastructure layer.</li></ul>
Institutionalization of Stablecoins	<ul style="list-style-type: none"><li>● As legal frameworks are established globally, Ethereum's role as a transitional period of expanding Ethereum's payment infrastructure role.</li></ul>
ETH/BTC Ratio at Historic Low (0.029)	<ul style="list-style-type: none"><li>● The above fundamental developments are not yet priced in.</li><li>● The gap between expanding real demand and valuation is at its largest.</li></ul>

## Adopt a Capital Policy that Maximizes Corporate Value through Sound Fundraising

### Equity

### Debt

#### General Approach

#### MS Warrants (Japan) and ATM (US) are mainstream.

- Merit: Funding can be raised at a steady pace regardless of share price or market conditions.
- Demerit: Since dilution occurs continuously, a downward spiral in the share price tends to occur, resulting in inadequate protection for shareholders.

#### Using Debt to Acquire Crypto Assets

- Merit: Crypto assets can be acquired without diluting existing shares.
- Demerit: If crypto asset prices decline, there is a risk that interest payments become unsustainable, leading to default.

#### Our Policy

#### Fundraising Without Decline Spirals

- Funding will be based on instruments that avoid downward spirals, such as fixed-exercise-price stock acquisition rights and third-party allotment share issuances, without the use of moving-strike warrants (MS warrants).
- The pace of fundraising will be supplemented by driving share price appreciation through progress in the BUIDL business.

#### Debt Will Not Be Used for Crypto Purchases

- In light of default risk, the Company will not acquire or purchase crypto assets using debt financing.
- Going forward, the Company aims to shift toward purchasing crypto assets funded by profits from the BUIDL business and other sources.

**Based on practical crypto management know-how from exchange operations and wallet development,  
building an asset management system that balances security and internal controls.**

### Security

#### Self-Custody

- Introducing MPC wallets designed for institutional investor use to eliminate single points of failure in private key management, while balancing security and operational control.
- Comprehensive security measures including not only private key management but also device control, strict access permission settings, restrictions and monitoring of usable business environments.

#### Utilizing Third-party Custody & Crypto Exchanges

- External custodians are comprehensively evaluated on asset scale, financial foundation, security systems, and operational track record, then diversified across multiple providers to avoid concentration.
- While suppressing management and operational risks from a single provider, ensure safety and stability through continuous monitoring.

### Governance

#### Portfolio Management

- Establish a committee of experts in blockchain technology and financial engineering to continuously evaluate market trends, price movements, liquidity, and overall portfolio risk.
- Based on such evaluations, timely review portfolio composition in response to market and business strategy changes, optimizing for balanced risk and return.

#### Internal Approval Process

- Establish an approval workflow for Ethereum purchases and operations that verifies transaction purpose, amount, execution method, and management appropriateness, enabling controlled decision-making.
- This approval process is operated in integration with custody management, risk management, and monitoring systems to ensure thorough overall management from crypto acquisition through operations.

## The blockchain market continues to expand, and the required standards are becoming more sophisticated.

### Market Expansion Status

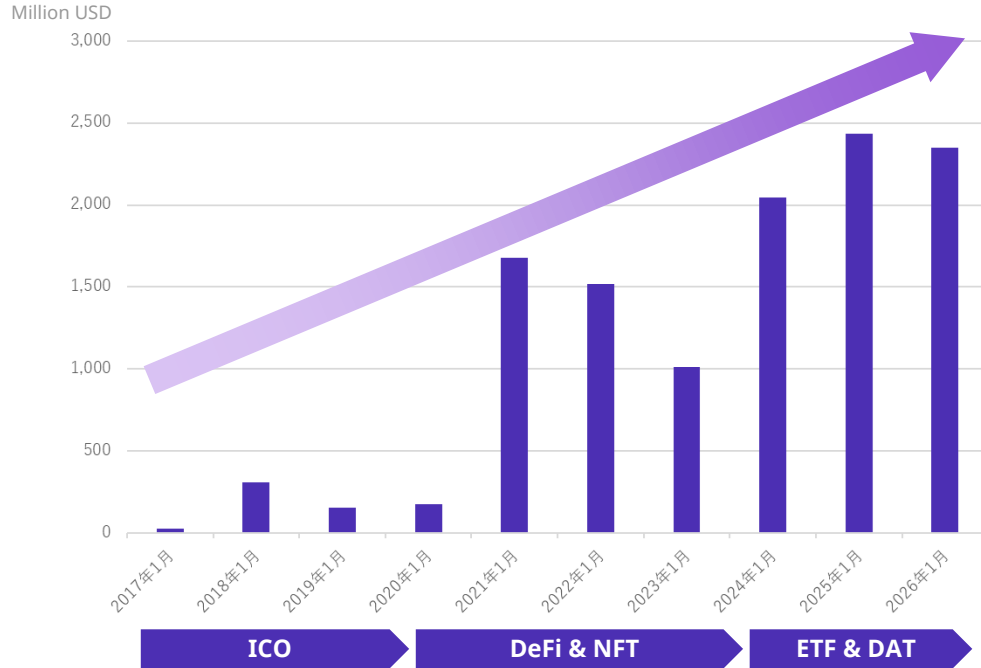


Fig: Total market cap of top 10 cryptocurrencies by year (compiled by HODL1 from CoinMarketCap)

### Increasing Requirements from Market Expansion

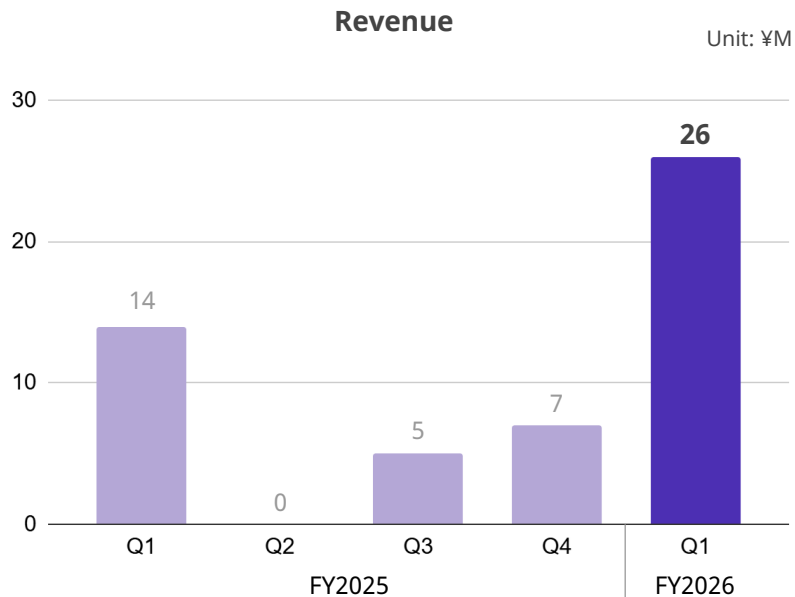
- Full-scale adoption in traditional finance is expected to advance.
- Required standards are becoming even higher.

### HODL1's know-how is our strength

- Advanced blockchain technology capability
- Drive and experience executing large-scale projects
- Adaptability to cutting-edge technology
- Adaptability to legal and regulatory changes

### Ethereum is the Optimal Foundation

- Neutrality, decentralization, and censorship resistance
- Privacy and usability
- High availability and fault tolerance
- High processing performance and scalability



### Revenue recovered to +85.7% year-on-year

- Although revenue dropped to zero in Q2 due to the February 3, 2025 scorched-earth incident, **revenue significantly recovered through upselling of previously acquired deals and new deal acquisition.**
- Continuously conducting sales activities centered on the financial sector and major SIers. While the market is cooling in terms of crypto asset prices, demand remains strong.

Note: The ¥14M revenue recorded in Q1 2025 consists of management consulting fees received from subsidiaries. While these would typically be eliminated as intercompany transactions in consolidated accounting, they remain recorded as revenue due to the "scorched earth" (shodoka) policy, under which the subsidiaries were excluded from the scope of the financial results. Please note that this accounting approach does not imply the abandonment of the subsidiary group.

Defining main targets as financial institutions and major SIers that develop their systems, we aim to win planning and development deals by improving awareness and strengthening technical capabilities.

### Main Targets



- Major financial institutions and securities companies
- Stablecoin Issuers
- Crypto asset exchange operators
- Major SIers
- Crypto asset treasury companies



### Improving Brand Awareness



- Joining various industry associations
- Actively sharing technical and domain expertise inside and outside the industry
- Strengthening relationships with the Ethereum ecosystem



### Strengthening Technical Capabilities

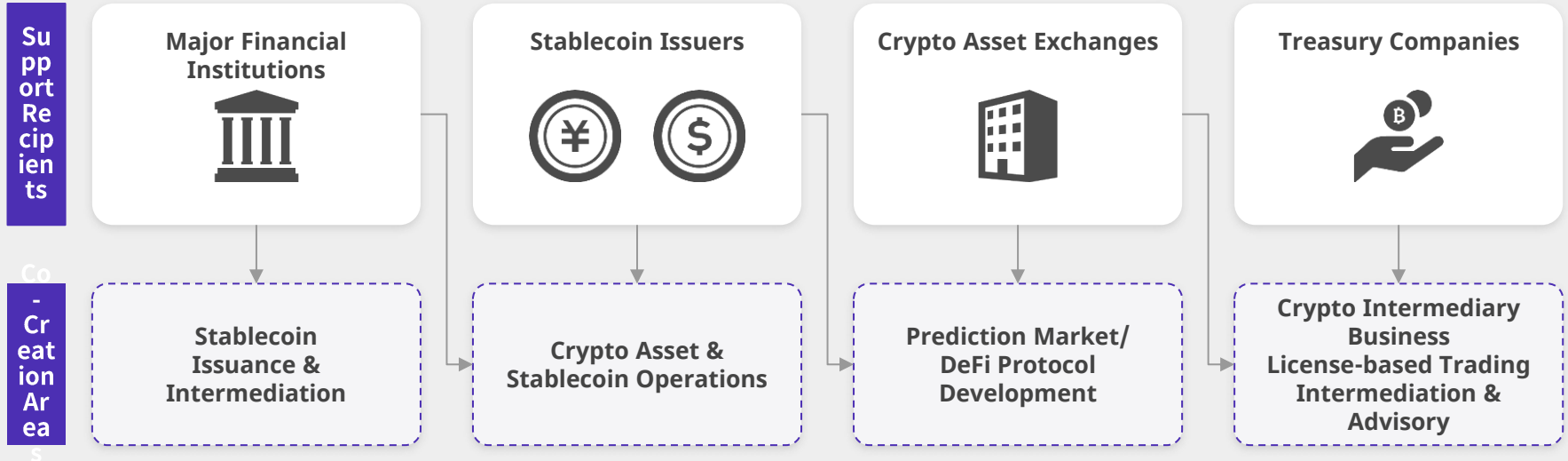


- **Developing compliance and regulation-compliant Layer 2 technologies,**
- Particularly developing technology to solve finance-specific challenges such as AML/KYC and privacy

**Aim to identify needs through planning and development support and co-create new businesses through business partnerships.**



Expanding planning and development support to multiple industries with an eye to the future.



**Rolling out the AI Agent know-how that supported our recovery and listing maintenance Agent build new back-office automation businesses.  
to build new back-office automation businesses.**

## Background of Automation Infrastructure Development

### Immediately After Scorched-earth: Loss of Back-office Functions

- Absence due to all employee transfers, knowledge discontinuity
- Inadequate access to key systems including accounting systems
- Extreme state with no financial data or regulations



### Currently: Highly Automated System via AI Agents

- Optimal SaaS selection and AI-powered automation of SaaS integrations
- Small team achieving high quality, deadline compliance, and security
- Efficient operation of internal control standards required for listed companies

## Specialized Capabilities

### CEO Tahara

Majored in data analysis and AI at the University of Tokyo. Leads implementation based on technical background.

### Director Tanaka

Early adopter of generative AI in practice. Expertise in operational adaptation and optimization.

## Service Functions & Assumed Business Scope

- Accounting-related Functions
- Revenue Management Functions
- Management Dashboard
- Routine Business Automation Package

**Balancing Internal Control and Efficiency: Promoting 'Labor Reduction and Sophistication' of Back-office Operations through AI Agents**



**On February 3, 2025, all operating companies, assets, and resources necessary for listing maintenance were transferred out through board resolutions by the former management, and we have received a Going Concern note from our auditors.**

Issues	Response Policy	Target in Medium-Term Management Plan
<b>Building Governance Framework</b>	<ul style="list-style-type: none"> <li>Ensuring independence of outside directors</li> <li>Re-establishing regulations</li> </ul>	<ul style="list-style-type: none"> <li>Already completed and in operation</li> </ul>
<b>Building Listing Maintenance Framework</b>	<ul style="list-style-type: none"> <li>Securing accounting personnel</li> <li>Improving internal systems using AI and other technologies</li> </ul>	<ul style="list-style-type: none"> <li>Framework construction complete</li> <li>Continuous improvements underway</li> </ul>
<b>Asset Recovery/ Accountability</b>	<ul style="list-style-type: none"> <li>Considering or executing legal proceedings in both civil and criminal matters</li> </ul>	<ul style="list-style-type: none"> <li>Expect to prevail but may be prolonged.</li> <li>Not included in this plan.</li> </ul>
<b>Elimination of Going Concern Note</b>	<ul style="list-style-type: none"> <li>Strengthening financial foundation through HODL strategy</li> <li>Recovering revenue and profit through BUIDL strategy</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of Going Concern Note by October 2027</li> </ul>

Litigation recovery is positioned as an "upside factor" and not included in the medium-term plan. and not included in the medium-term management plan.

**With existing injunctions recognizing irregularities and Companies Act violations, we believe claims have a high probability of success.**



## 01

### Control Recovery

Confirming that shareholder rights of our subsidiaries including 84% of crypto exchange Zaif belong to us.

Shareholder Rights  
Confirmation Claim Case



## 02

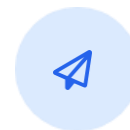
### Asset Recovery

Claims for invalidation of improper long-term loans by former management and return.

**Claiming approximately ¥3.3B.**

Loan Repayment Claim Case

Fraudulent Act Cancellation  
Claim Case



## 03

### External Damage Claims

Damage claims based on statements and communications. Total amount is modest at ¥12M.

High Voltage Capital Case

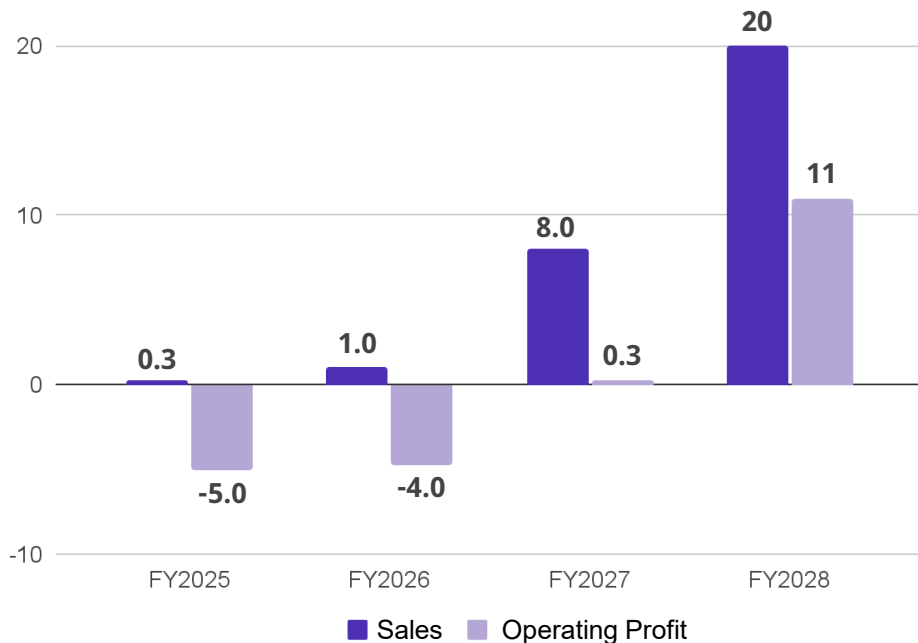
FISCO Case

# Roadmap



## Target Revenue &amp; Operating Profit

Unit: ¥100M



**Targeting revenue of ¥2B  
and operating profit of ¥1.1B by FY  
October 2028.**

- In HODL business, advance accumulation of operational returns through fundraising, additional Ethereum purchases, and efficient operations.
- In BUIDL business, advance brand awareness and deal accumulation.

# Risk Information



## Key Risks &amp; Impacts

## Countermeasures

**Ethereum Price Decline  
&  
Return Target Shortfall**

Our plan to expand the HODL business is premised on gradual Ethereum acquisition and operational returns. If price declines are prolonged, evaluation losses will expand, fundraising capacity will decline, and the growth of held Ethereum value will slow, negatively impacting the operating profit plan. Failure to achieve the assumed 4% average return will also affect the revenue plan.

Averaging acquisition costs through dollar-cost averaging, avoiding lump-sum purchases, staking-centered operations, and limited use of DeFi based on safety assessment and diversification, supplemented partially by BUIDL business revenues.

**Fundraising Shortfall &  
Dilution Risk**

HODL business expansion is premised on connecting fundraising to Ethereum acquisition. If market deterioration, share price decline, or residual credibility damage prevents fundraising as planned, Ethereum acquisition plans will be delayed and growth investment capacity will decline. Depending on the fundraising method, dilution concerns may strengthen and negatively impact share price formation.

Prioritize shareholder value-oriented methods including third-party allotments and fixed-price options without using MS Warrants. When crypto markets are soft, make fundraising decisions taking stock price impact into account.

**Smart Contract,  
Third-Party &  
Custody Risks**

Ethereum operations carry risks of asset damage, operational halt, and credibility loss due to smart contract vulnerabilities, counterparty failures, custody incidents, and inadequate private key management. In the treasury business in particular, even a single incident can have a significant impact on finances and external credibility.

Thoroughly use audited protocols, set operational limits, introduce MPC wallets, manage devices and access permissions, distribute storage across multiple providers, and maintain internal approval workflows and continuous evaluation by the risk committee.

**Regulatory &  
Tax Change Risks**

As we envision crypto asset treasury, staking, DeFi utilization, stablecoin and RWA-related services, changes in crypto regulations, PoS legal status, tax systems, and on-chain finance-related regulations may affect business design and profitability.

Continuously monitor domestic and international regulatory trends through membership in relevant organizations, with initial responses potentially including the use of overseas subsidiaries. On the BUIDL side, strengthen regulation-compliant Layer 2 and AML/KYC/privacy technologies to enhance adaptability to regulatory changes.

The above are the key risks that we recognize may have a significant impact on growth realization and business plans. For other risks, please refer to 'Business Risks' in the Annual Securities Report.

## Key Risks &amp; Impacts

## Countermeasures

<p><b>BUIDL Business Deal Acquisition &amp; Monetization Delays</b></p>	<p>BUIDL business revenue and profit recovery is premised on deal acquisition from financial institutions, major SIers, stablecoin issuers, crypto exchange operators, etc. If deal acquisition falls below expectations, fixed cost absorption will lag, affecting the Going Concern note elimination and overall profit plans.</p>	<p>Increase order probability through continued sales to the financial sector and major SIers, joining industry associations, sharing technical expertise, strengthening Ethereum ecosystem relationships, and developing regulation-compliant technologies.</p>
<p><b>Litigation Prolongation &amp; Asset Recovery Uncertainty</b></p>	<p>We are advancing control recovery, asset recovery, and damage claims, but litigation may be prolonged, and there is uncertainty in the timing and amount of recovery. If recovery of Zaif and others is delayed, delays will occur in our business acceleration scenarios.</p>	<p>Position litigation recovery as an upside factor not included in the medium-term plan. While continuing civil and criminal legal measures, advance BUIDL and HODL foundation building on the premise of not depending on asset recovery.</p>
<p><b>Governance &amp; Internal Control Rebuild Delays</b></p>	<p>Following the asset outflow and delayed financial reporting by the former management, we are rebuilding governance and accounting systems, but if development and operational establishment is delayed, this may affect listing maintenance, disclosure practices, external credibility, and audit compliance.</p>	<p>Continue with independent audit committee members, re-establishing regulations, securing accounting personnel, improving internal systems using AI and other technologies, expert checks, and advance sharing with the Board of Directors.</p>
<p><b>Going Concern Note Elimination Delay</b></p>	<p>We target Going Concern note elimination during FY2027, but if BUIDL revenue recovery, financial foundation strengthening, and internal control operation progress are delayed, the elimination timing will be pushed back, potentially affecting fundraising and shareholder evaluation.</p>	<p>Simultaneously advance financial foundation strengthening through HODL strategy and revenue/profit recovery through BUIDL strategy. Additionally, improve audit compliance capability through continued governance improvement and listing maintenance system operations.</p>

The above are the key risks that we recognize may have a significant impact on growth realization and business plans. For other risks, please refer to 'Business Risks' in the Annual Securities Report.

# Appendix





## Hiroki Tahara — CEO & Representative Director

After graduating from the University of Tokyo, began his career as a blockchain engineer.

At Turingum, the company he founded, worked on privacy technology R&D, Layer 2 design and development, and DeFi smart contract development. After Kushim acquired Turingum and he became CTO, he successfully led a shareholder proposal calling for governance improvements, winning and becoming Kushim's CEO.

Currently the youngest CEO (age 29) among companies listed on the Tokyo Stock Exchange Standard and Prime markets.

## A Team of Specialists with Japan's Highest Level of Expertise



### Ryo Tanaka — Director & CSO

After working at the Tokyo Metropolitan Government and Web3 startups, joined LINE's blockchain and NFT business launch. Served as Vice-Chair of JCBA's NFT Working Group. Joined Turingum in 2022 and became Representative Director in January 2023. Leads and oversees multiple Web3 projects.



### Takuya Oshima — Director & COO

Worked on new business launches at a group company of a major domestic securities firm. Appointed Representative Director and President of Zaif Inc. (crypto exchange operator) in November 2023. Nearly eliminated deficits that had ballooned to approximately ¥1.75B within 2 years. Served as Secretary of JCBA's IEO Working Group.

### Kosuke Ito — Director & CTO



Broad participation in EVM-based projects ranging from DeFi algorithm design for option trading, wallet design and development, to GameFi project launch and development.

### Yusuke Egami



Served as tech lead for corporate crypto P&L calculation tools and managed large-scale crypto development projects. Holds broad knowledge and know-how spanning engineering to accounting.

### Keisuke Funatsu



Served as lead engineer for a lending service operated by a major domestic financial institution, handling design through development. Full-stack engineer with broad technical knowledge spanning AWS to blockchain.

## Identifying governance deficiencies in the previous management system and redesigning to prevent recurrence.

### Deficiencies in Previous System

Actual decision-making was conducted not in the Board but in informal meetings with specific external stakeholders.

Independence of audit committee members was not maintained, and supervisory functions had become formalistic.

For important Board agenda items, advance expert confirmation, director notification, and Board deliberation were rarely conducted.

### Improvements in Current System

Practical issues decided in weekly management meetings by internal directors; important matters consistently brought to the Board.

Appointing audit committee members without specific conflicts, including external lawyers, accountants, and internal control specialists, for effective oversight.

For important matters, thoroughly conduct expert checks, approval processes, and provide advance sharing and explanations to the Board.

Institution	Type	Publication Date	Target Year	Projected Price	Basis & Key Assumptions
Standard Chartered	UK Bank	January 2026	End of 2030	\$40,000	Presenting a scenario of gradual appreciation: \$15,000 in 2027, \$22,000 in 2028, \$30,000 in 2029, premised on on-chain finance expansion and ETH/BTC ratio improvement.
VanEck	US Asset Management Firm	May 2024	2030	\$22,000	Re-evaluating ETH as a core financial infrastructure asset against the backdrop of stablecoin, tokenized asset, and on-chain finance expansion. Report states 2030 base case of \$22,000, total return of 487% from then-current price, or 37.8% annualized.
Fidelity Digital Assets	Under Major US Financial Group	2025Q4 2025	Long-term	No Numerical Forecast	According to their latest ETH report 'The Fusaka Upgrade: Scaling Meets Value Accrual,' they analyze that since the Fusaka upgrade, Ethereum has shifted to a model that generates more revenue as the network processes more data, potentially making it a highly profitable asset long-term.
BlackRock	World's Largest Asset Manager	Q1 2026	Medium-to-Long-term	No Numerical Forecast	In their '2026 Theme Outlook,' they express the view that Ethereum is positioned to lead the tokenization of real-world assets over the long term, and will appreciate over the long term.

Category	Term	Description
Basic Concepts	Blockchain	A distributed ledger technology for managing transaction records. Highly resistant to tampering, enabling asset transfers, payments, and contract execution on a network.
	Web3	A next-generation internet domain based on blockchain where users can relatively directly hold and use assets and data.
	Programmable Money	Money that can be automatically executed conditionally. Refers to funds where usage and rules can be embedded through code.
	On-chain	Transactions, records, and asset management executed and recorded on a blockchain.
	On-chainFinancial	A form of finance that implements financial products, payments, securities transactions, and asset management on a blockchain.
	Crypto-native	Personnel or companies that have operated, developed, and run businesses premised on crypto assets and blockchain.
Chain & Infrastructure Technologies	Ethereum	A leading blockchain capable of implementing smart contracts. Characterized by strong adoption in financial applications including RWA, stablecoins, and DeFi.
	Public Chain	An open blockchain that anyone can participate in and view. Ethereum is the representative example.
	L1 Chain	The foundational layer that forms the basis of a blockchain. Ethereum refers to networks like Ethereum itself or Bitcoin itself.

Category	Term	Description
Chain & Infrastructure Technologies	L2 / Layer 2	Scaling technology that speeds up and reduces the cost of processing outside the base chain while ultimately depending on L1 for security.
	EVM	Stands for Ethereum Virtual Machine. EthereumThe execution environment running smart contracts on Ethereum-compatible chains.
	Smart Contract	A mechanism that automatically executes contract terms through code. Can automate transfers, collateral management, interest calculation, and liquidation.
Assets & Tokens	Ethereum	Ethereum The native crypto asset of the Ethereum network. Used for transaction fees, staking, DeFi, and more.
	Stablecoin	A crypto asset designed to be pegged to fiat currencies or similar. Used as a key asset for payments, remittances, fund parking, and DeFi.
	USDC	A leading USD-pegged stablecoin widely used for payments and fund transfers in the crypto market.
	NFT	Stands for Non-Fungible Token. A token representing a unique digital asset, used for images, memberships, game items, and more.
	Security Token (ST)	A token that digitizes rights with securities-like properties such as stocks, corporate bonds, and beneficial interests. Referred to as ST in this document.

Category	Term	Description
Assets & Tokens	RWA	Stands for Real World Assets. A domain that tokenizes and handles real-world assets such as real estate, bonds, stocks, and MMFs.
	Tokenized Stocks	Representation of stock rights and economic value as tokens on a blockchain.
Finance & Operations	DAT	Stands for Digital Asset Treasury. A concept where a company strategically holds crypto assets and utilizes them for financial strategy and corporate value enhancement.
	Treasury Business	A business where a company acquires, holds, and operates crypto assets among its held assets to target financial returns.
	HODL	An investment stance of holding long-term regardless of price fluctuations. Widely used expression in the crypto community.
	BUIDL	A fusion of gaming and DeFi, enabling players to earn crypto assets and tokens through gameplay.
	Staking	In Proof of Stake chains, an operation of depositing assets to participate in network maintenance and receiving rewards in return.
	Lending	An operation of lending crypto assets to third parties and earning interest income. Counterparty credit and collateral management are important.
	DeFi	Stands for Decentralized Finance. A mechanism that provides financial services through smart contracts without a central manager.

Category	Term	Description
Finance & Operations	DCA	Stands for Dollar Cost Averaging. A method of making purchases distributed over fixed periods to average out the acquisition cost.
	MMF	Stands for Money Market Fund. An investment trust operated with short-term safe assets, recently gaining attention as a tokenization target.
	ETF	Stands for Exchange Traded Fund. An investment trust listed on stock exchanges; spot crypto ETFs are important as a driver of market fund inflows.
	Fundamentals	Factors supporting the fundamental value of asset prices. Includes real usage demand, regulatory development, profitability, and supply structure.
Consensus & Supply Structure	Proof of Stake (PoS)	A mechanism that selects network maintainers based on the amount of assets held or locked. Ethereum's current consensus method.
	BitcoinHalving	An event where the amount of newly issued Bitcoin halves approximately every 4 years. Frequently referenced as the origin of the crypto market's price cycle.
Storage & Management	Wallet	A mechanism for storing and sending/receiving crypto assets. In actuality, a tool that manages private keys rather than the assets themselves.

Category	Term	Description
Storage & Management	Custody	A service that safely stores and manages the crypto assets of customers or companies. Often handled by exchanges or specialist providers.
	MPC	Stands for Multi-Party Computation. A cryptographic technology that distributes private key management rather than storing it in one place to reduce leakage risk.
Business Domains & Use Cases	GameFi	A fusion of gaming and DeFi, enabling players to earn crypto assets and tokens through gameplay.
	INO	Stands for Initial NFT Offering. A fundraising or user acquisition measure through initial NFT sales.
	ICO	Stands for Initial Coin Offering. A method of fundraising by issuing and selling tokens.
	AI Agent	Software that autonomously judges and executes based on human instructions. Used in this document in the context of payment and transaction automation.
	x402 Protocol	A type of payment protocol referenced in the context of AI and machines making payments online. A term close to the concept of machine-readable payments.
Regulations & Compliance	AML	Stands for Anti-Money Laundering. Refers to measures against money laundering.
	KYC	Stands for Know Your Customer. Refers to customer verification, including identity verification and transaction purpose confirmation.

This document contains forward-looking statements based on our current plans, outlooks, strategies, and judgments. These statements are based on information available to us at the time of preparation and assumptions we consider reasonable, and contain certain uncertainties.

Statements regarding our management targets and other projections are subject to change and do not guarantee achievement or future performance. Actual results may differ materially due to economic conditions, market environment, competition, regulatory changes, fundraising progress, crypto price fluctuations, and other factors.

Except where disclosure is required by law, we are not obligated to update or revise the content of this document. We ask shareholders and investors to make final investment decisions based on their own judgment.