

# MONEX GROUP

## Announcement of Subsidiary's Release

TOKYO, January 11, 2019 – Coincheck, Inc., a fully owned subsidiary of Monex Group, Inc., issued the following press release today.

Attachment: Summary of Coincheck, Inc. press release

Coincheck registered as Cryptocurrency Exchange

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[Press Release]

January 11, 2019

Coincheck, Inc.

### **Coincheck registered as Cryptocurrency Exchange**

Coincheck, Inc. (Head office: Shibuya-ku, Tokyo, President: Toshihiko Katsuya, hereinafter referred to as "Coincheck") announced today that it had registered with the Kanto Financial Bureau as a cryptocurrency exchange agency in accordance with the Payment Service Act, effective January 11, 2019.

Complying with the “Registration Process for Cryptocurrency Exchange” which was publicized on October 24, 2018 by the Financial Services Agency of Japan, Coincheck has given a full explanation to the agency on the firm’s business descriptions, plans, and basic philosophy on risk management, as well as on the development of the firm’s governance with concrete internal controls and customer protection in mind.

Since the hacking incident in January 2018 that caused illegal remittances of the cryptocurrency NEM, Coincheck has suspended certain services in order to focus on enhancing governance and internal controls by developing business improvement plans and carrying them out. In addition, supported by outside experts, Coincheck has worked on enhancing technical safety, and gradually resumed the services in which the technical safety had been confirmed. On November 26, 2018, all tradable cryptocurrencies we offered became available for depositing, remitting, purchasing, and selling.

With the registration as a cryptocurrency exchange agency serving as a milestone, Coincheck strives to continue offering reliable services for our current and prospective customers in a safe and stable manner. Coincheck is also committed to further strengthening security and enhancing usability.

#### **Registration as Cryptocurrency Trading Agency**

Overseeing Regulator: Kanto Financial Bureau

Registration Number: Director of Kanto Local Finance Bureau No. 00014

Registration Date: January 11, 2019  
Name of the Exchange: Coincheck, Inc.  
Corporate Number: 1010001148860

## Appendix

### ■ Coincheck's efforts to enhance governance and internal controls

The company has developed and implemented the following initiatives in order to restore customer confidence.

#### **(1) Improved governance fundamentally**

- Developed governance in which the board primarily oversees executive officers
- Fortified supervision function by having the board composed primarily of outside directors

#### **(2) Revisited the business strategy and ensured customer protection**

- Prioritized resource allocation to enhance internal control and system risk control
- Enhanced customer support to improve explanations to customers and to better handle customer complaints and inquiries

#### **(3) Strengthened governance control by the board**

- Developed several internal guidelines to strengthen governance
- Invited outside experts to Compliance Committee and System Risk Committee

#### **(4) Clarified risks on cryptocurrencies being offered by the company**

- Changed criteria for selecting cryptocurrency offerings
- Stopped offering four anonymous cryptocurrencies

#### **(5) Implemented measures on Anti-Money Laundering (AML) and Countering the Finance of Terrorism (CFT)**

- Introduced a stricter ID confirmation process
- Implemented necessary measures for identifying, evaluating, and lowering risks in accordance with the FSA's guideline
- Introduced three lines of defense for risk management

#### **(6) Revised organizational structure to ensure validity**

- Developed a cross-company risk management structure  
Set up cross-company monitoring department; brought internal checks through

### Risk Committee

- Enhanced system risk management structure  
Set up company-wide monitoring team; internal checks through System Risk Committee; separated networks; introduced cold wallet custody and multi-signature; strengthened security room and detection; enhanced security education; established CSIRT; enhanced contingency plan
- Audit based on internal audit plan in cooperation with Monex Group
- Hired experts for system audit; strengthened internal audit team

### ■ Company Information

Name: Coincheck, Inc.  
Representative: Toshihiko Katsuya, President  
Founded: August 28, 2012  
URL: <https://coincheck.com>