

# Medium-Term Management Plan Traders Group Vision for 2027

## TRADERS HOLDINGS CO., LTD.

Securities Code: 8704

Apr.30, 2024

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## MISSION

**Create New Value**

## VISION

**TRADERS Group will become the "FinTech" Group most trusted by customers and realize a society in which everyone can invest in the future.**

# VALUE

**TRADERS  
HOLDINGS CO., LTD.**

**We will continue to take on the challenge of reform through management that respects compliance and diversity, while valuing all the people involved.**

**TRADERS SECURITIES  
CO., LTD.**

**We will continue to take on the challenge of providing new services demanded by customers and society while contributing to the improvement of financial literacy.**

**FleGrowth Co. Ltd.**

**We will continue to challenge the development of stable and innovative systems with a sense of speed while providing competitive services.**

# Core Competence

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Develop financial services and IT technology services as the core of the Group, by establishing a system in which each business cooperates to quickly identify, analyze, and improve problems. Generate synergies in the business.



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# Review of the Previous Medium-Term Management Plan

# Plan to Double Assets Under Custody

Results for the Previous Medium-Term Management Period.

**Achieve 120 billion yen\* in assets under custody and become the top player in the FX industry!**

\*The target for assets under custody was revised to 100 billion yen for the FY 2023/3.

**Stabilize earnings base and accelerate business growth by product diversification.**



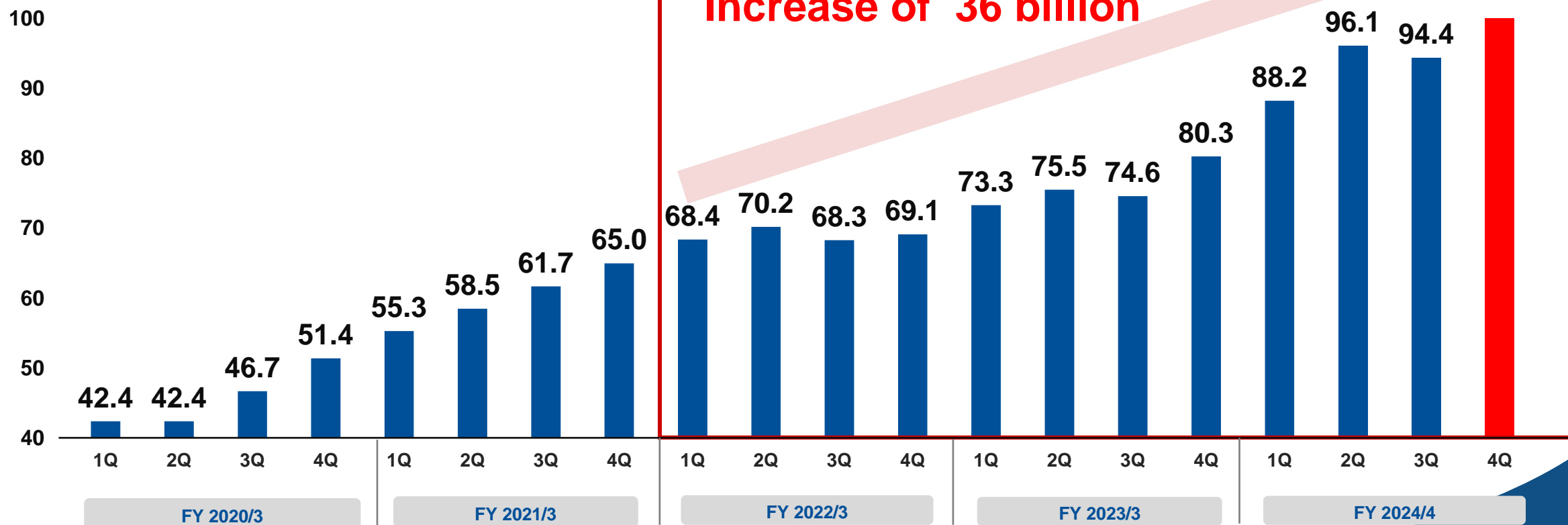
# Assets under custody reached over 100 billion yen.

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- ✓ As of the end of March 2024, assets under custody totaled 101 billion yen, reaching the medium-term management plan target.
- ✓ An increase of approximately 36 billion yen over the three years from March 2021, of which 20.6 billion yen was FY 2024/3.

[BILLIONS OF YEN]

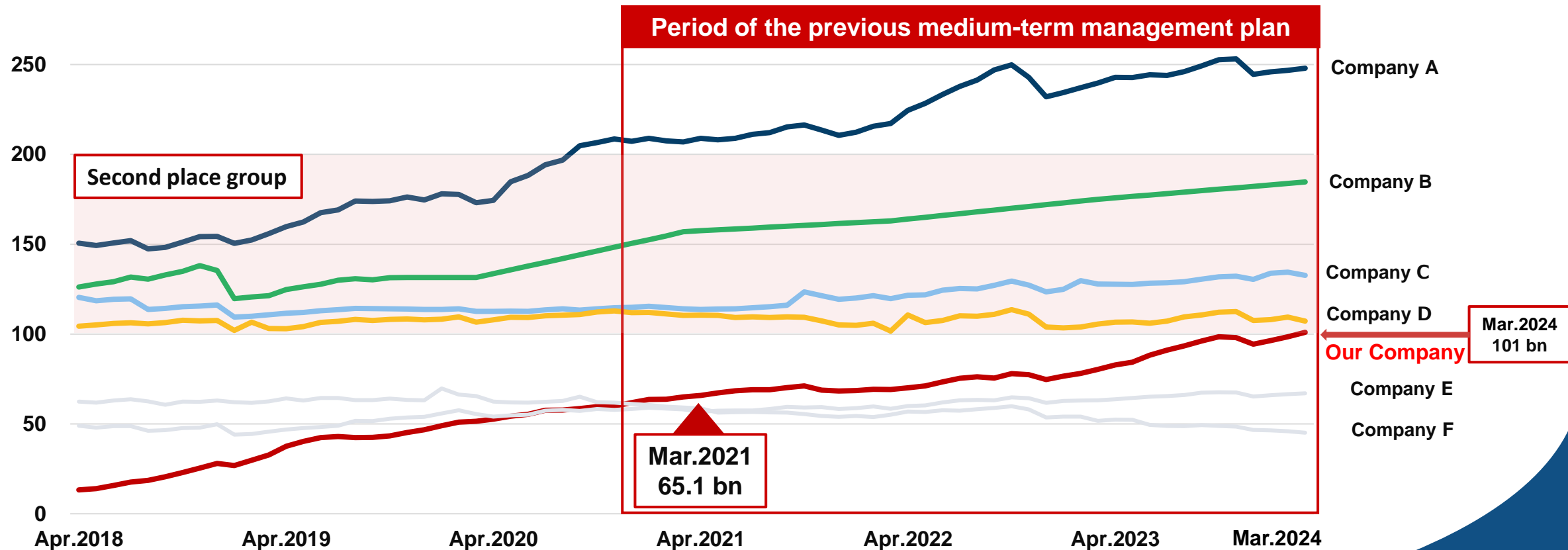


# Ranking in the FX industry: Becoming the main player group in the industry with over 100 billion yen.

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- ✓ As of the end of March 2024, assets under custody amounted to 101 billion yen, reaching the target of second place group.
- ✕ Out of 47 registered members of the Financial Futures Association of Japan (as of the end of April 2024)
- ✓ The situation has changed from three years ago, and there are differences in the accumulation of assets under custody among companies in the second largest group.





# Our Strategy: Change course from diversification of product development.

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- ✓ Changed product strategy due to weak crypto-asset CFDs and favorable FX business environment due to US-Japan interest rate differentials.
- ✓ Focus on more profitable businesses Focus marketing on FX business.

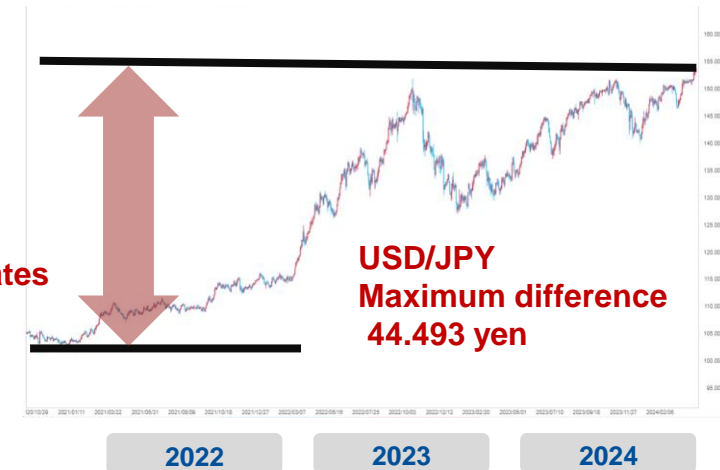
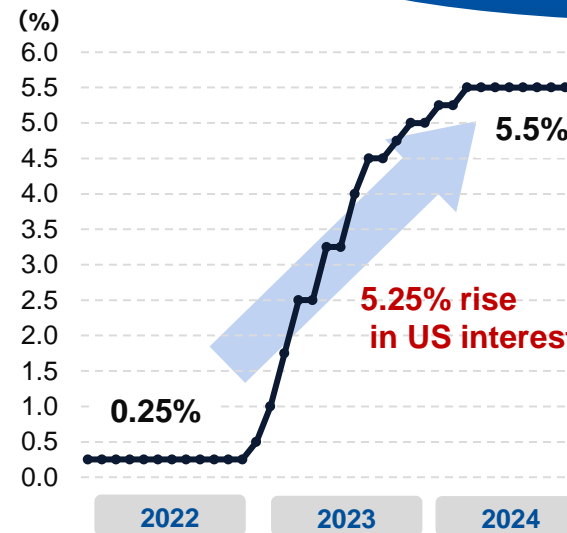


Products such as crypto-asset CFDs

- ✓ In addition to the delay in the launch of new services for crypto-asset CFDs trading, the crypto market has collapsed.
- ✓ The bankruptcy of a crypto-asset exchange company in the United States worsened the image of the company, and the volume of transactions declined along with credit concerns.
- ✓ The business environment has changed significantly since the medium-term management plan was formulated.



FX

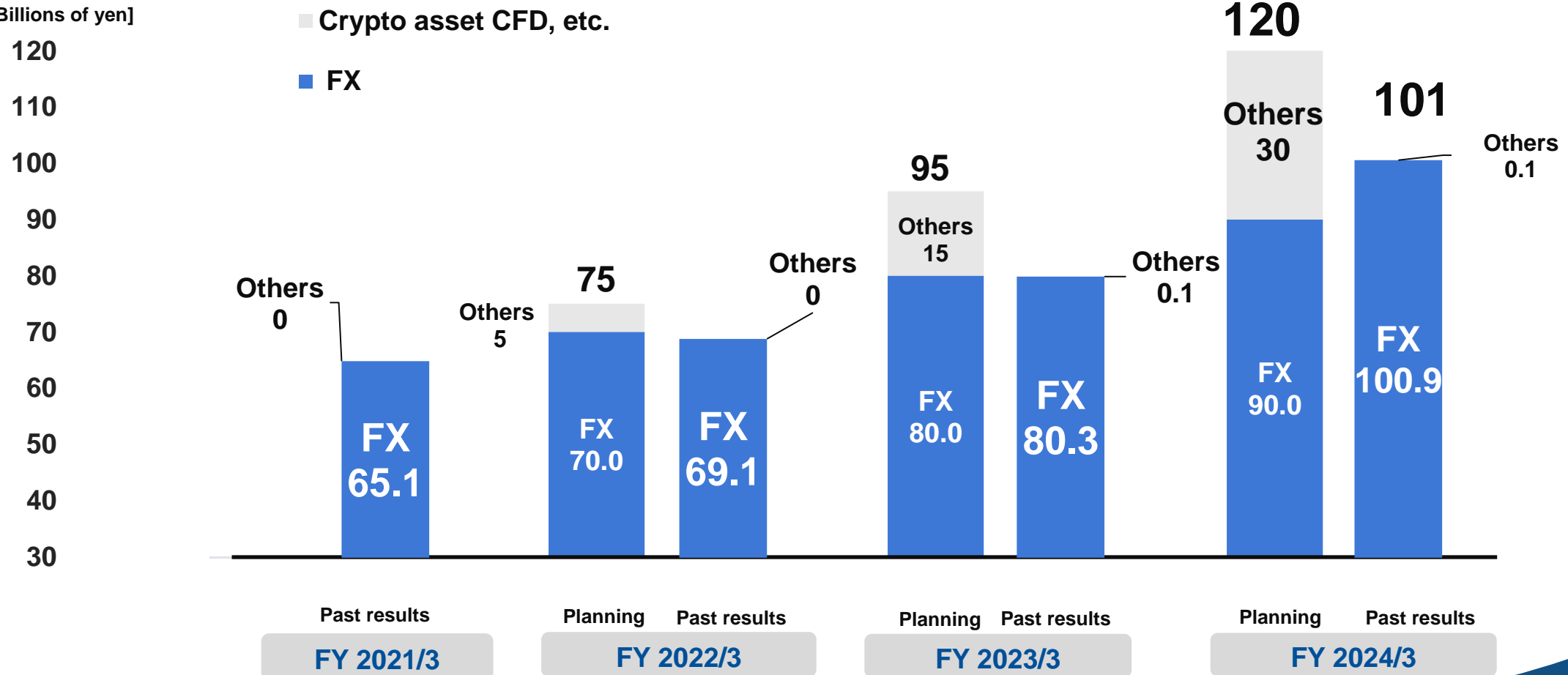


- ✓ Historical weakening of the yen due to the rise in US interest rates in March 2022, which caused a difference in interest rates between Japan and the US.
- ✓ Focus all marketing efforts on FX.

# Performance Against Assets in Custody Plan by Product

- ✓ Target of 90 billion yen for FX-only assets under custody.
- ✓ As a result, assets under custody totaled 101 billion yen, and FX exceeded 10.9 billion yen.

[Billions of yen]



## Results for the Previous Medium-Term Management Period.

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- ✓ Operating revenue increased by 1.5 times and operating income and ordinary income increased by 90% in three years.
- ✓ Consolidated net assets nearly doubled, and ROE remained high at over 25%.
- ✓ Continued to exceed shareholder expectations.

[Millions of yen]	FY 2021/3	FY 2022/3	FY 2023/3	FY 2024/3	Percentage change (VS FY 2021/3)
Operating revenue	6,856	7,082	9,194	10,103	+47.4%
Operating income (Operating income margin)	2,356 [34.4%]	2,372 [33.5%]	3,742 [40.7%]	4,412 [43.7%]	+87.2% [+9.3%]
Ordinary income	2,272	2,360	3,730	4,389	+93.1%
Profit attributable to owners of parent	1,793	2,189	3,217	3,334	+85.9%
Net assets	7,321	9,250	11,975	14,121	+92.9%
Assets under custody (Billions of yen)	65.0	69.1	80.3	101.0	+35.9
ROE	28.0%	26.4%	30.3%	25.6%	(2.4)%

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# New Medium-Term Management Plan



# New Medium-Term Management Plan

Reaching the top 3 in the FX Industry.

Target assets under custody:  
145 billion yen

# Competitive Strategy of the New Medium-Term Management Plan



# Our thoughts on business

Make finance more interesting.

In a world where people are trading both FX and stocks



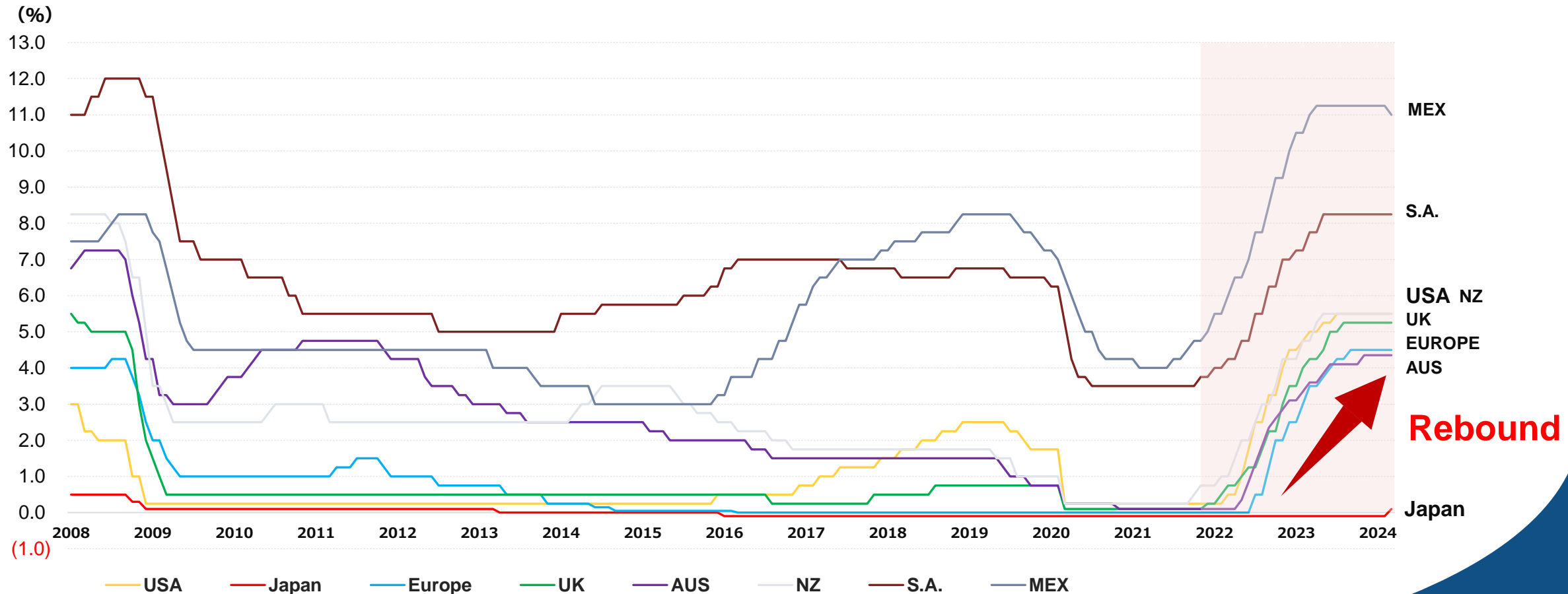
# Business Environment Under the New Medium-Term Management Plan

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- ✓ Interest rates have been on the rise again in recent years.
- ✓ Swap points become more attractive, favorable environment continues for FX.

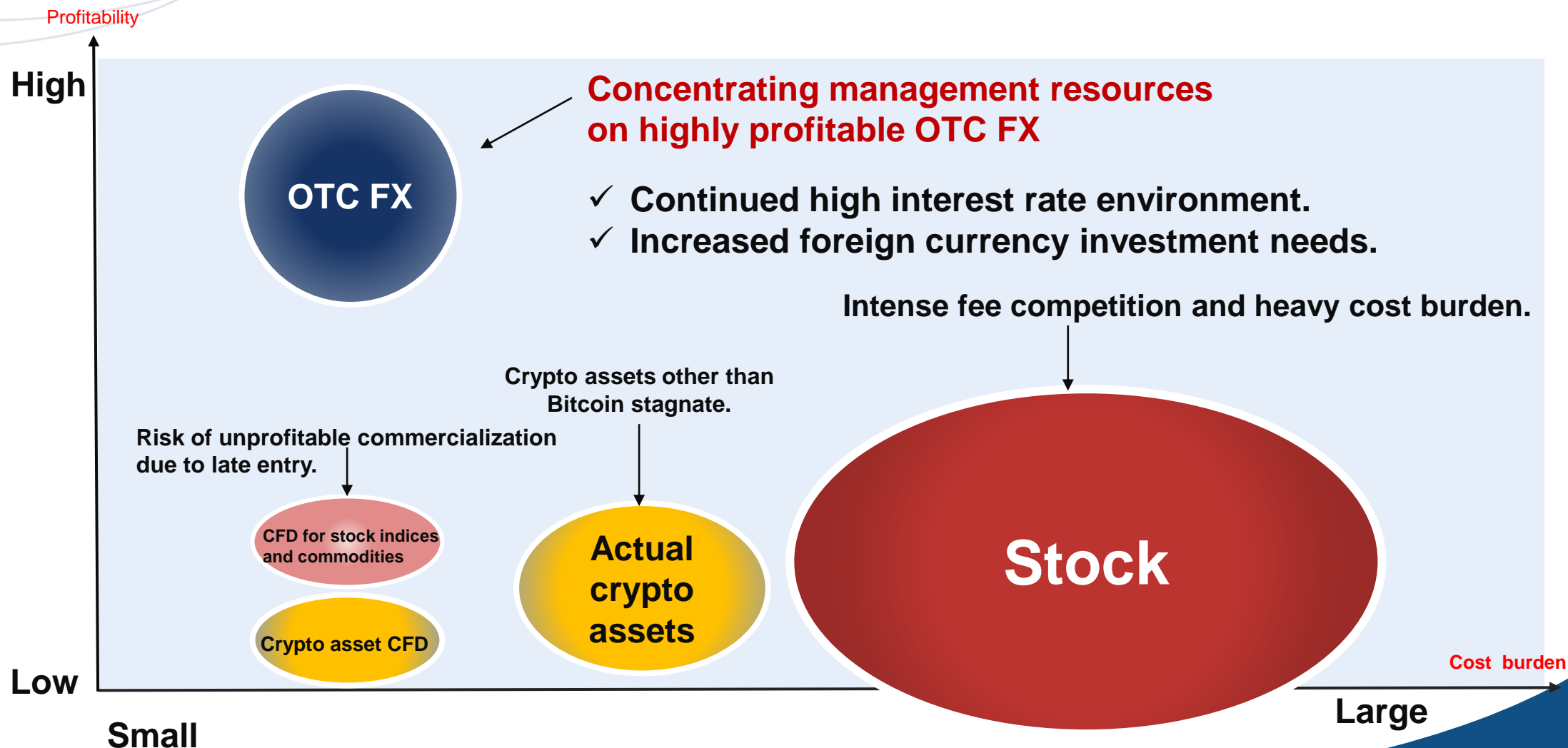
Trends in Policy Interest Rates in Each Country (from 2008 to present)



# Product Strategy of the New Medium-Term Management Plan 金融を、もっと面白く。

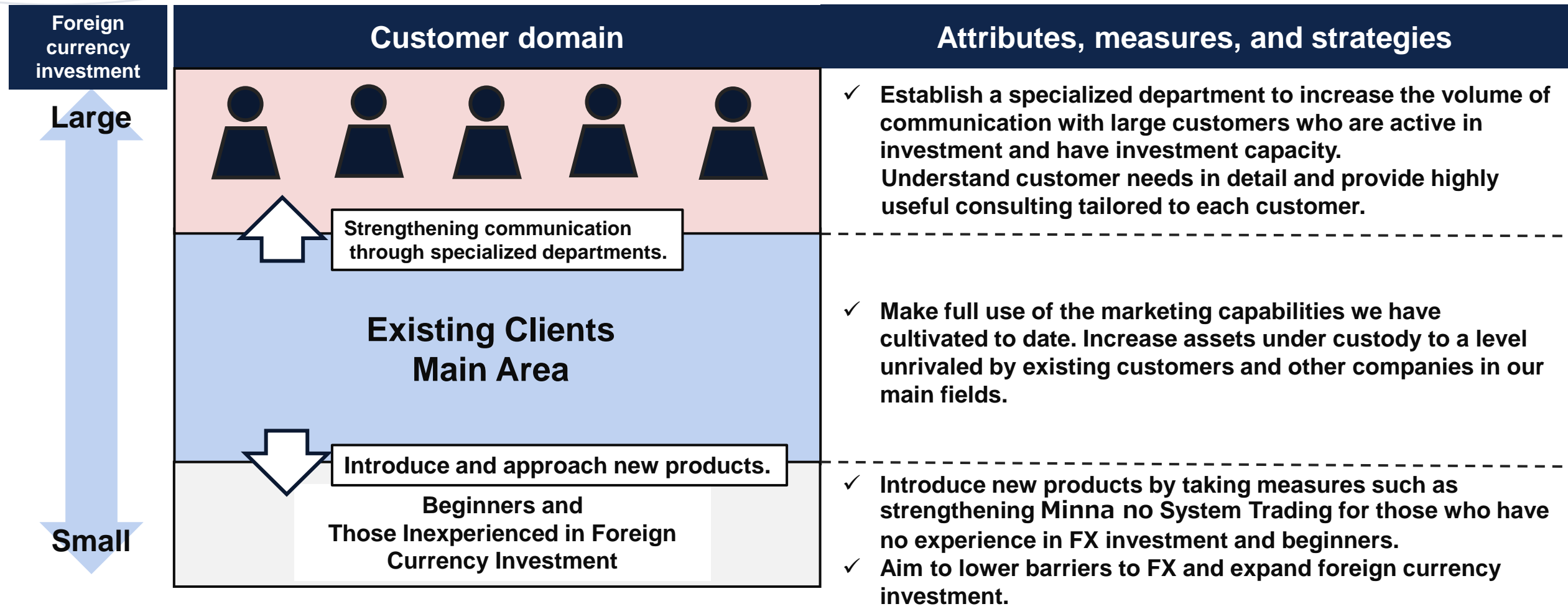


- ✓ Continued high profitability and high growth led by over-the-counter (OTC) retail FX.



# Sales Strategy Under the New Medium-Term Management Plan: New Target Customer Segments

- ✓ While continuing to focus on acquiring existing customer segments, we will strengthen our approach to customer segments that we have not been able to reach.
- ✓ **Introduction of new products** for beginners and establishment of a specialized department for large customers to enhance **consulting**.



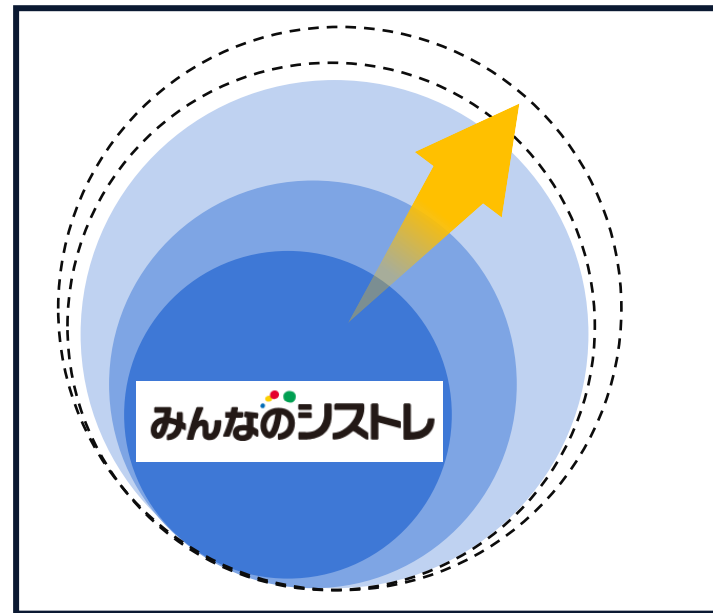
# Promotion of differentiation strategy in FX: Strengthen system trading!

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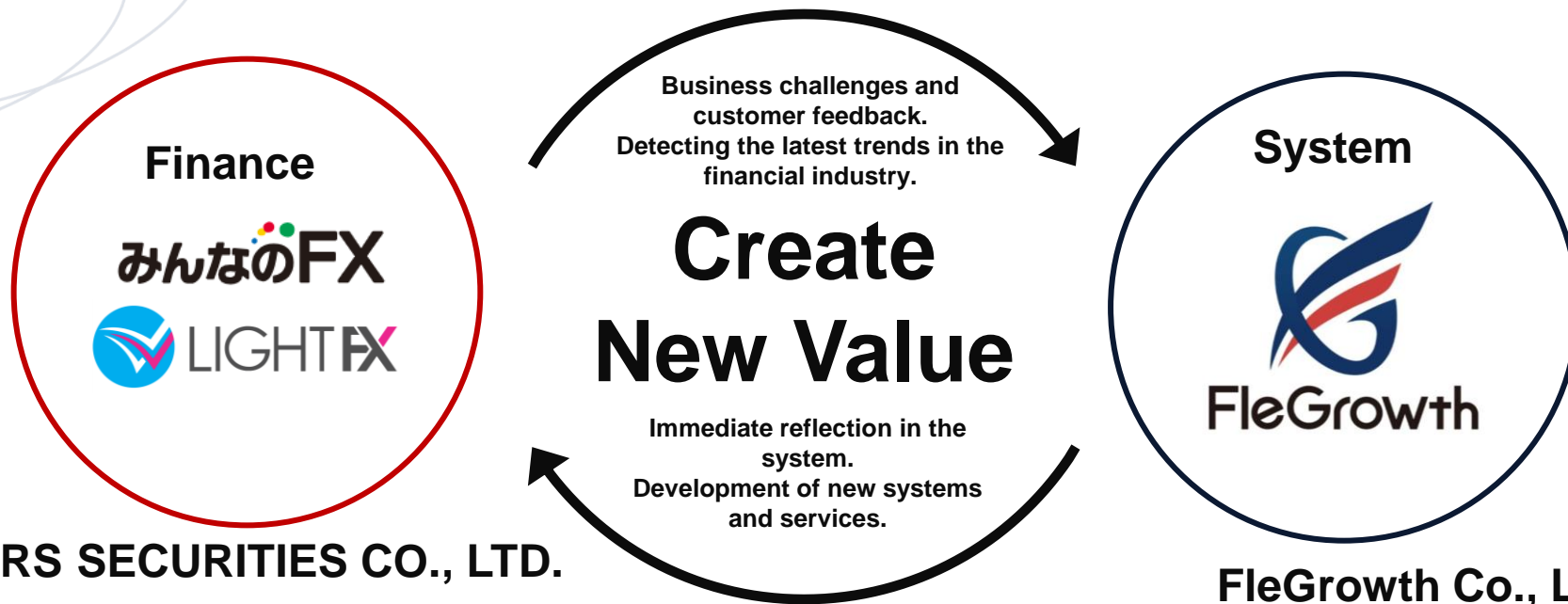
- ✓ Compared to other FX trading, the profit unit price per transaction is high and the trading frequency is large, **so it is highly profitable among FX trading.**
- ✓ We are the only company in Japan that **offers a "selective system trading" (follow trading)** that allows other strong traders to choose trades.
- ✓ Beginners do not need difficult programming and can easily follow the trades of advanced traders, so even beginners can trade with peace of mind.
- ✓ In the future, we will replace the contract system with **our own system**, which will enable us to **process large volumes of transactions with a more powerful contract system.**

## Estimated sales volume by trading system



In the future, "Minna no FX" and "LIGHT FX" will be able to generate the same level of revenue.

# Advantage of the Group's System Development 金融を、もっと面白く。



01

## Cost

Since the system is developed in-house by a wholly owned subsidiary within the Group, the system can be developed at cost for the entire Group.

**Reduces development costs.**

02

## Speed

TRADERS SECURITIES CO., LTD. and the person in charge of system development are in the same office, which enables close cooperation with the front line. There is no loss of communication, and it is possible to ascertain the points for improvement and take immediate corrective measures, so that the service release can be done earlier.

03

## Quality

Engineers who have been developing FX systems for more than 20 years are dedicated to our FX systems and achieve overwhelming stability and convenient processing speed.

04

## Knowhow

Strong problem-solving skills based on long experience in FX.

Knowhow accumulated within the company will be a source of competitiveness in the future.



# Leveraging Generative AI to Accelerate Product Development in the DX Domain

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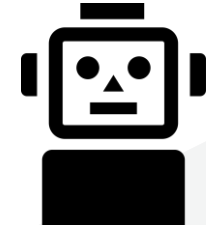
  
FleGrowth Co. Ltd. gathers information on problems and requests from within the Group.



**AIサポートデスク**  
(AI Support Desk)

- ✓ Developing services to improve the efficiency of internal operations using generative AI "In-house Consultation Desk".

Using AI to develop what it would be nice to have in a company.

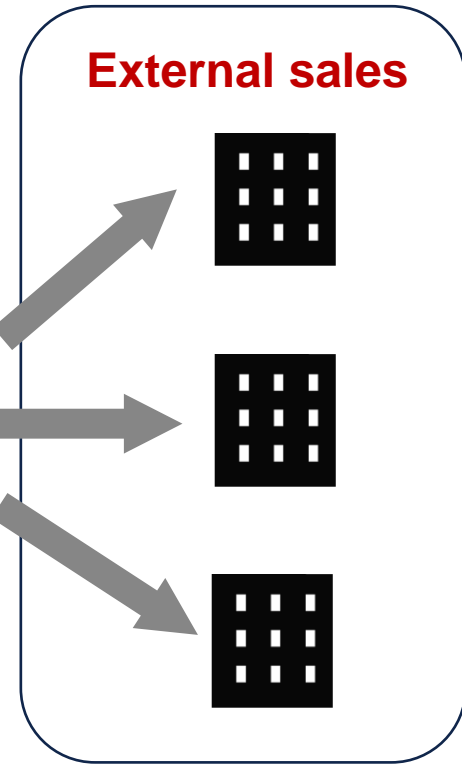


Education Training

Problem Resolution

- ✓ Use within the group to identify many problems and train the AI to provide more detailed answers.
- ✓ High quality answers

Various DX products utilizing generative AI



- ✓ Commercialization for external sales.
- ✓ Increase the number of companies adopting the system and increase consolidated net sales while improving operational efficiency and productivity at companies adopting the system.

Product development using generative AI

Improving operational efficiency and productivity within the Group

To external sales

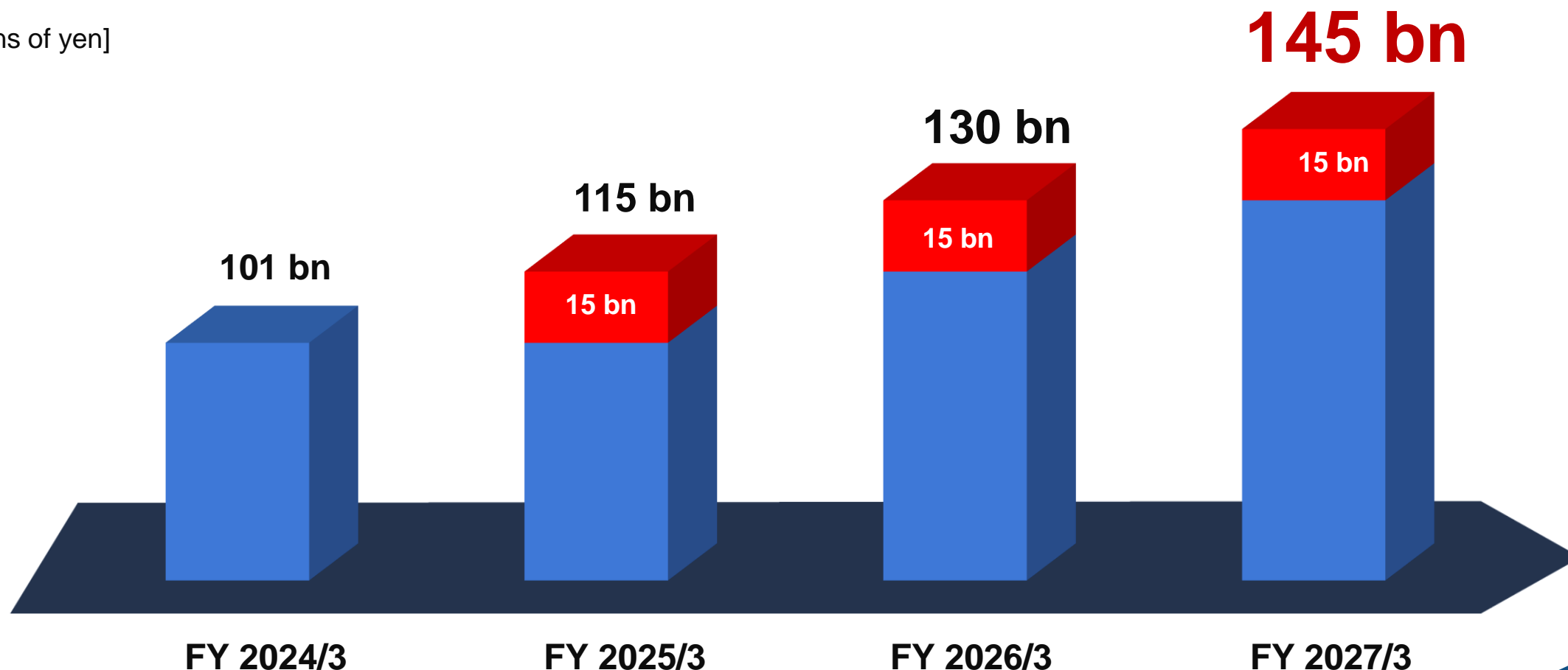
# New Medium-Term Management Plan Assets Under Custody

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- ✓ Accumulate FX assets under custody at an annual rate of 15 billion yen to reach 145 billion yen or more in three years

[Billions of yen]

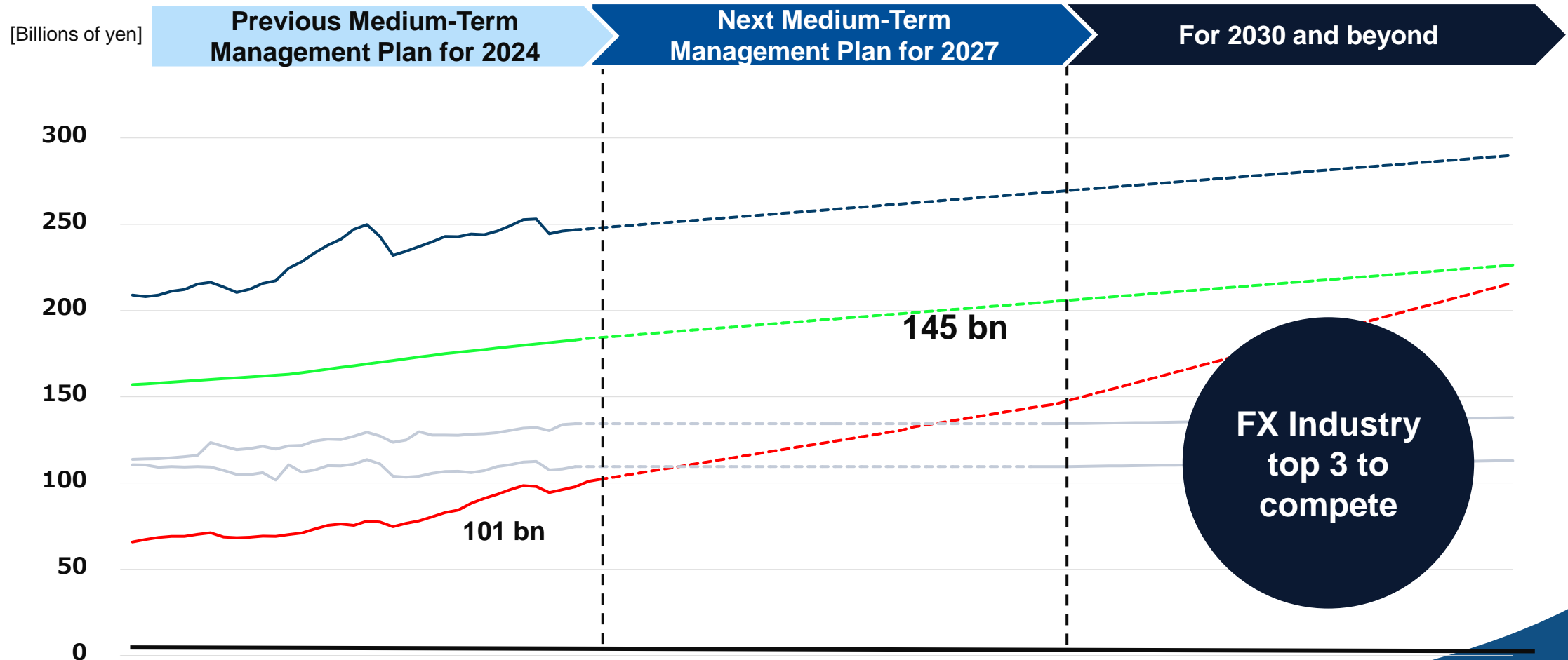


# FX Industry Ranking (Assets under custody) and Future Vision

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- ✓ In three years, we will overtake two companies with assets under custody in the 100 billion yen range and advance to the top 3. The FX industry will be a three-way race.



# Ordinary Income Ranking for the **Fiscal Year Ended March 2023**

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✓ In the near future, we will be on par with major online securities companies in terms of consolidated performance.

Rank	FX industry	Ordinary income
1	GMO CLICK Securities, Inc. ※2	12.1 bn
2	DMM.com Securities Co., Ltd.	12.0 bn
3	Gaitame.Com Co., Ltd.	4.5 bn
4	TRADERS HOLDINGS CO., LTD.	3.7 bn
5	Hirose Tusyō Inc.	3.5 bn
6	GMO Gaika, Inc.	2.7 bn
7	MONEY SQUARE, INC.	2.2 bn
8	MONEY PARTNERS GROUP CO., LTD.	1.2 bn

※ At the time of publication of this document, each company is in the process of announcing its financial results for FY 2024/3, and all information is not available. Therefore, the content of the Company's own research based on the information of each company announced for the FY 2023/3 is described.

※2 Figures for companies whose fiscal year ends in December are those for the FY 2022/12.

※3 Operating profits are shown for IFRS companies.

RANK	Securities industry (Listed)	Ordinary income
1	Nomura Holdings, Inc. ※3	149.4 bn
2	Daiwa Securities Group Inc.	86.9 bn
3	Mitsubishi UFJ Securities Holdings Co., Ltd.	84.5 bn
4	SBI SECURITIES Co., Ltd.	49.5 bn
5	Rakuten Securities, Inc. ※2	16.9 bn
6	Mizuho Securities Co., Ltd.	13.6 bn
7	GMO CLICK Securities, Inc. ※2	12.1 bn
8	Matsui Securities Co., Ltd.	11.2 bn
9	Tokai Tokyo Financial Holdings, Inc.	6.3 bn
10	IwaiCosmo Holdings, Inc.	5.1 bn
11	TRADERS HOLDINGS CO., LTD	3.7 bn

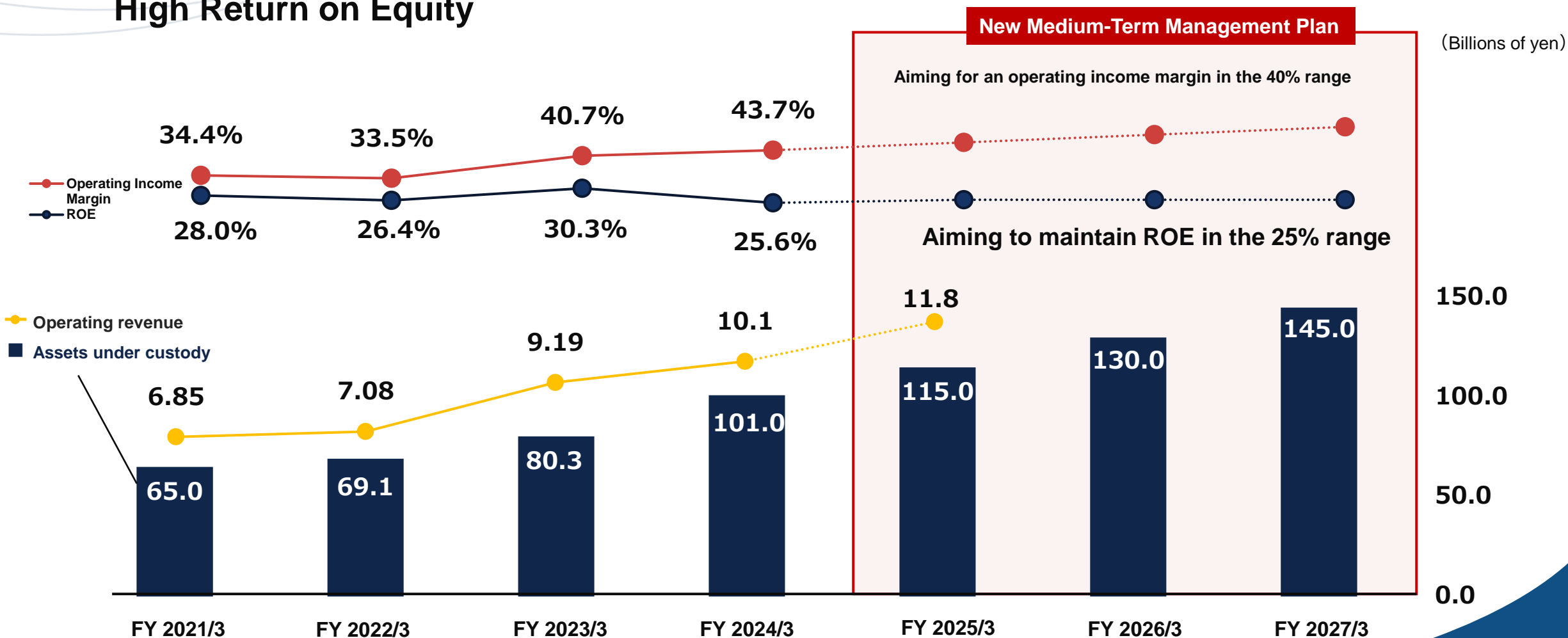
RANK	online securities	Ordinary income
1	SBI SECURITIES Co., Ltd.	49.5 bn
2	Rakuten Securities, Inc. ※2	16.9 bn
3	GMO CLICK Securities, Inc ※2	12.1 bn
4	Matsui Securities Co., Ltd.	11.2 bn
5	au Kabucom Securities Co., Ltd.	3.7 bn
6	TRADERS HOLDINGS CO., LTD	3.7 bn
7	Monex, Inc.	3.2 bn

# Key Management Indicators - Operating Income Margin and ROE

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✓ **New Medium-Term Management Plan Aims to Maintain High Operating Revenues and High Return on Equity**

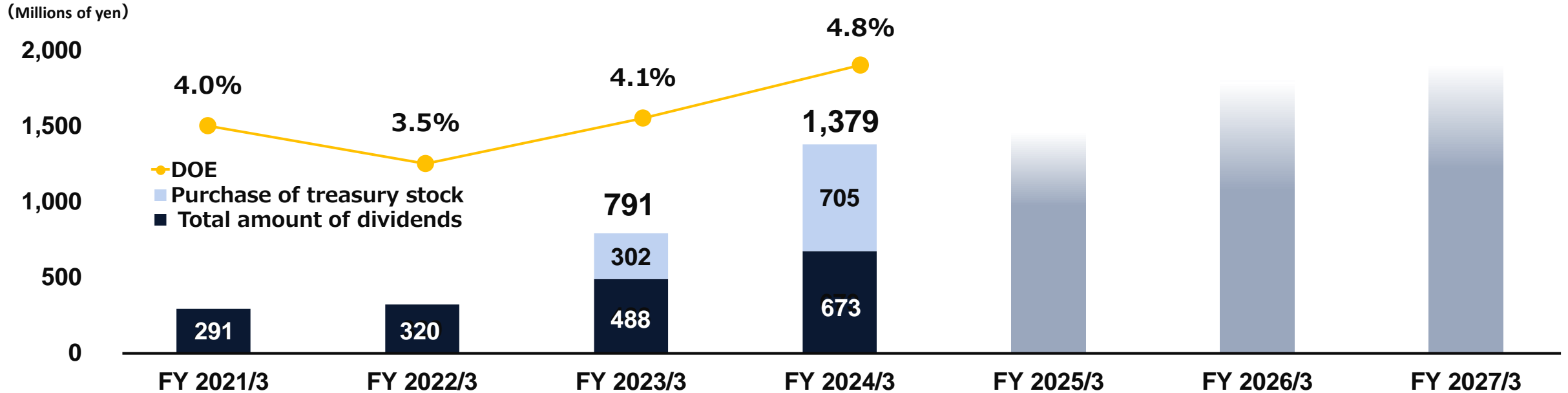


# Shareholder returns

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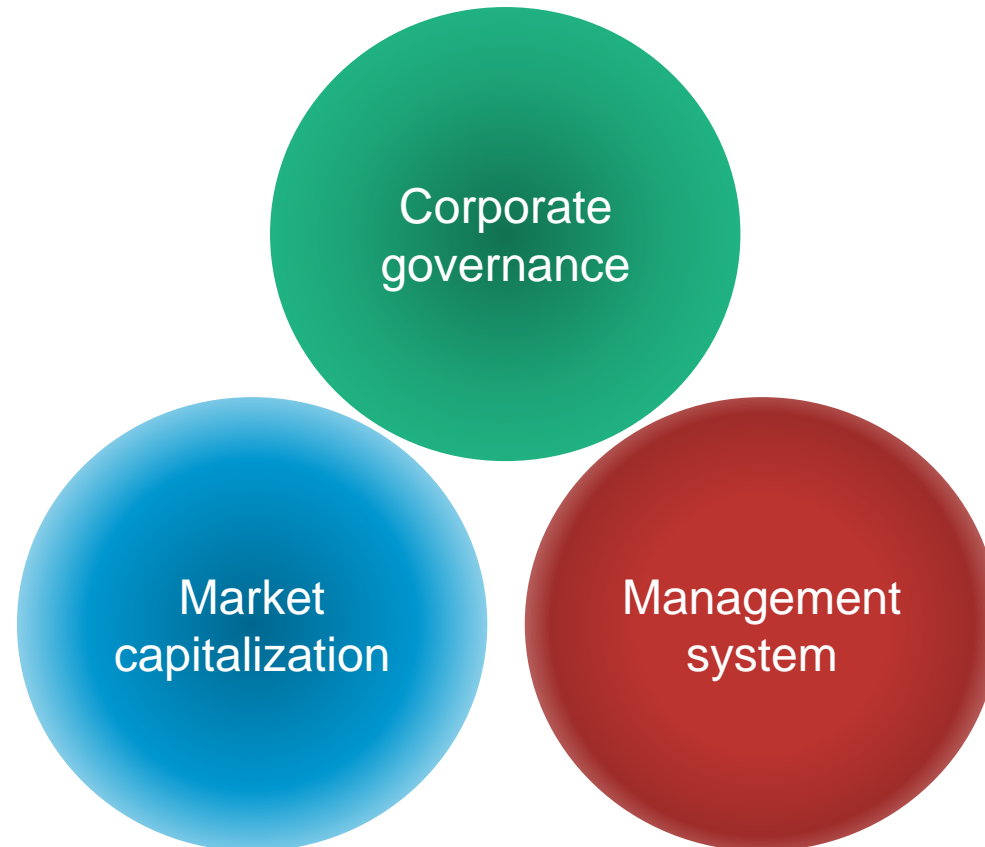
- ✓ **Shareholder Return Policy:**
  - Stable dividends with a consolidated DOE ratio of 4%**
  - Implementation of flexible share buybacks**
- ✓ Be aware of the return on equity (cost of capital) from the investor's perspective.  
Aim to maintain a high return on equity while securing a growth framework for future business areas by reinvesting retained earnings in equity.
- ✓ Annual dividends from the FY 2023/3, when the shareholder return policy was established, were determined with **a DOE of 4% or more.**





# We aim to be listed on the TSE PRIME market.

- ✓ We will continue to work on improving our corporate value to meet the market capitalization criteria of over 25 billion yen.
- ✓ We will further fulfill the Corporate Governance Code, establish an administrative structure appropriate for a prime market listing, and strengthen our personnel structure to enable sustainable growth.
- ✓ When these are fully in place, we would like to apply for an initial listing on the prime market.



## Cautionary statement regarding this document

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Forward-looking statements such as business strategies, target figures, and forecasts contained in this material are based on information currently available to the Company and actual results may differ materially from these statements due to various uncertainties and other risks, including future economic conditions, business environment, and trends in the foreign exchange market.

In addition, some figures, such as market share and market size, are estimates made by the Company and may differ depending on research methods and other factors.

This material is not intended as a solicitation to invest.

### Inquiries about this material

TRADERS HOLDINGS CO.,LTD.  
ir@tradershd.co.jp



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