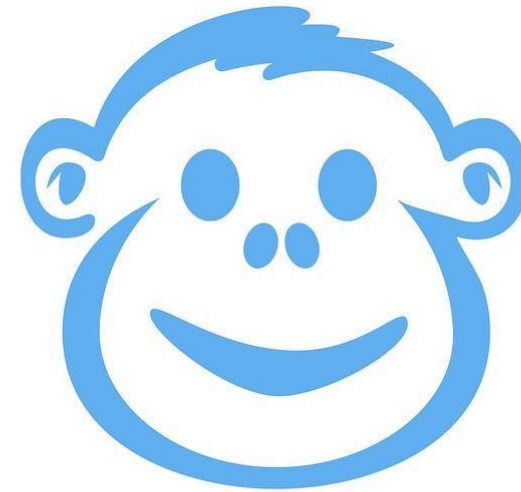


Annual Report

*Watanabe & Brothers'
Investment*

“Orphan Fund”

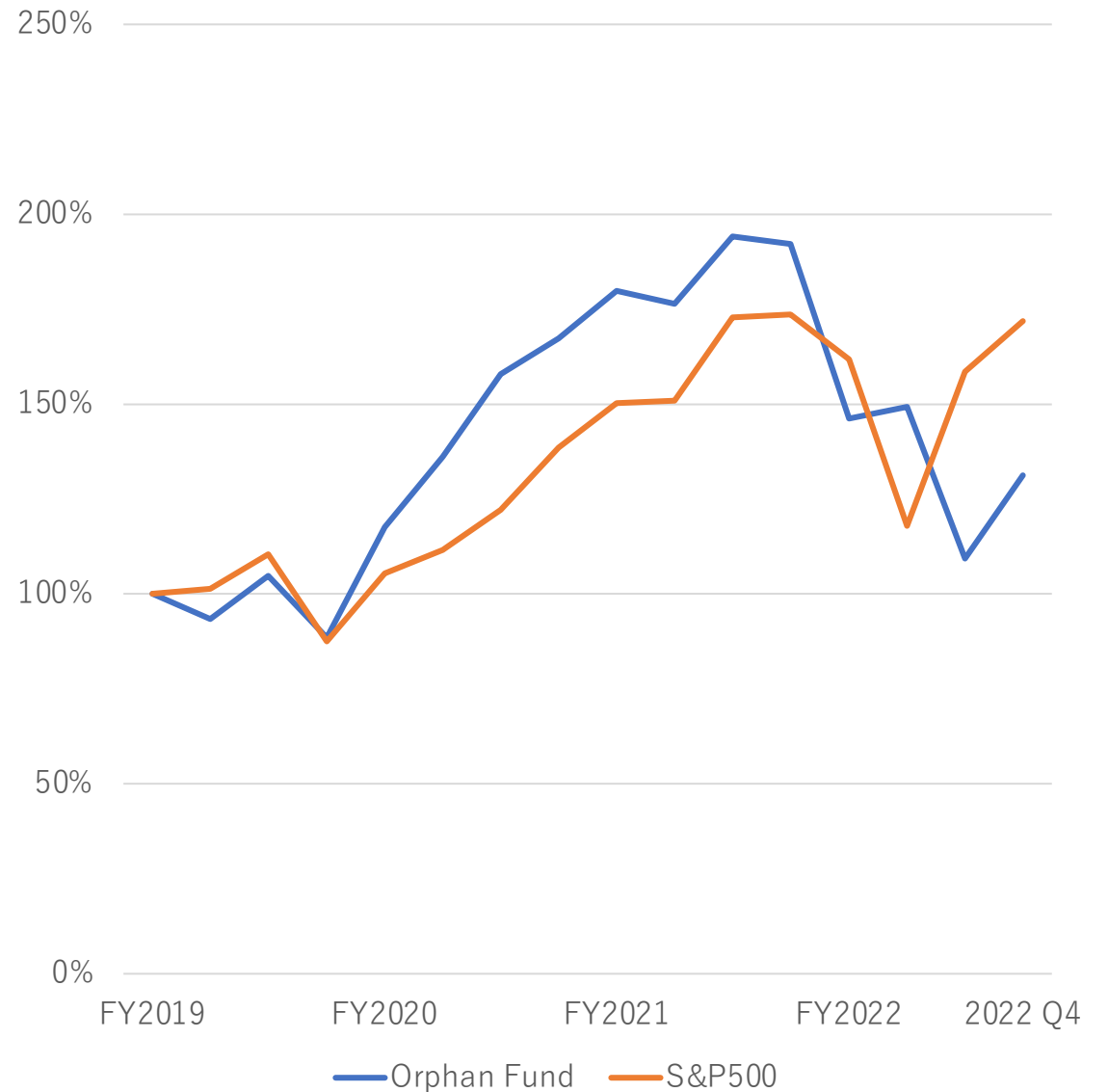
FY2022



Watanabe & Brothers' Investment

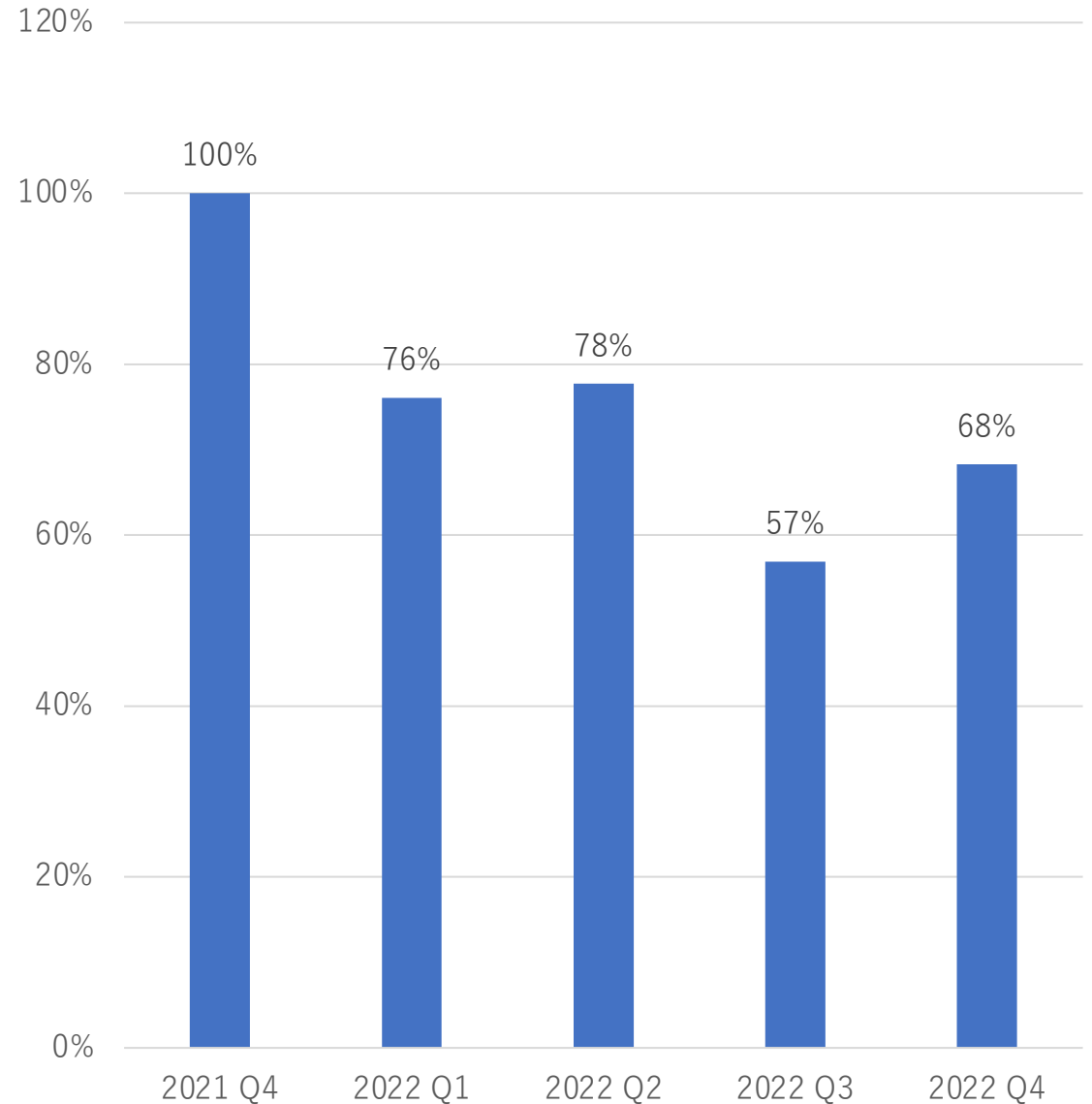
Time Course Performance of Orphan Fund

- In the last several quarters, our fund are underperforming S&P500
- Incl. ETF
- Assuming 2019 Q1 as 100%
- JPY Basis



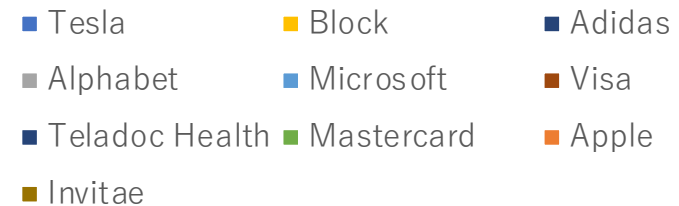
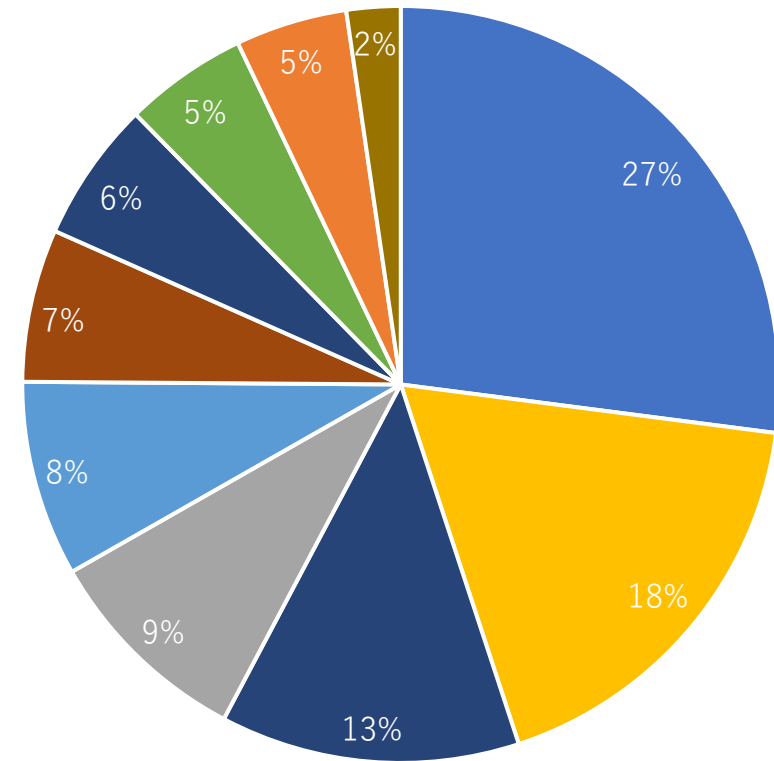
Growth of Watanabe & Brothers' Investment

- Gross assets of our fund were decreased by as much as 32% with respect to 2021 Q4
- 20% growth on QoQ basis
- Incl. ETF
- Assuming 2021 Q4 as 100%
- JPY Basis



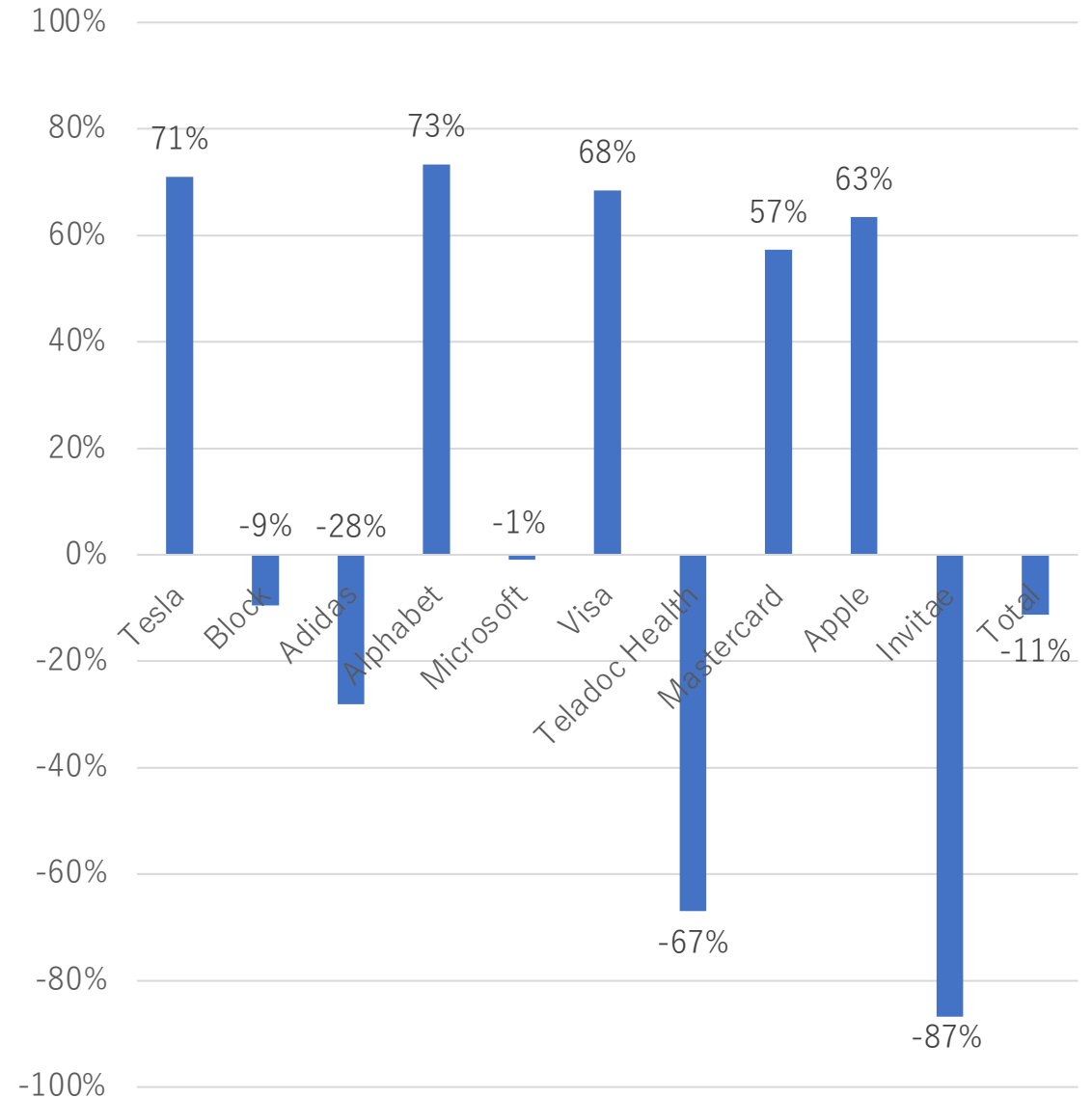
Holding Percentage of “Orphan Fund”

- TSLA accounts for 27% while SQ accounts for 18% of our fund
- Sold parts of holding shares of TSLA and SQ
- Excl. ETF
- JPY Basis



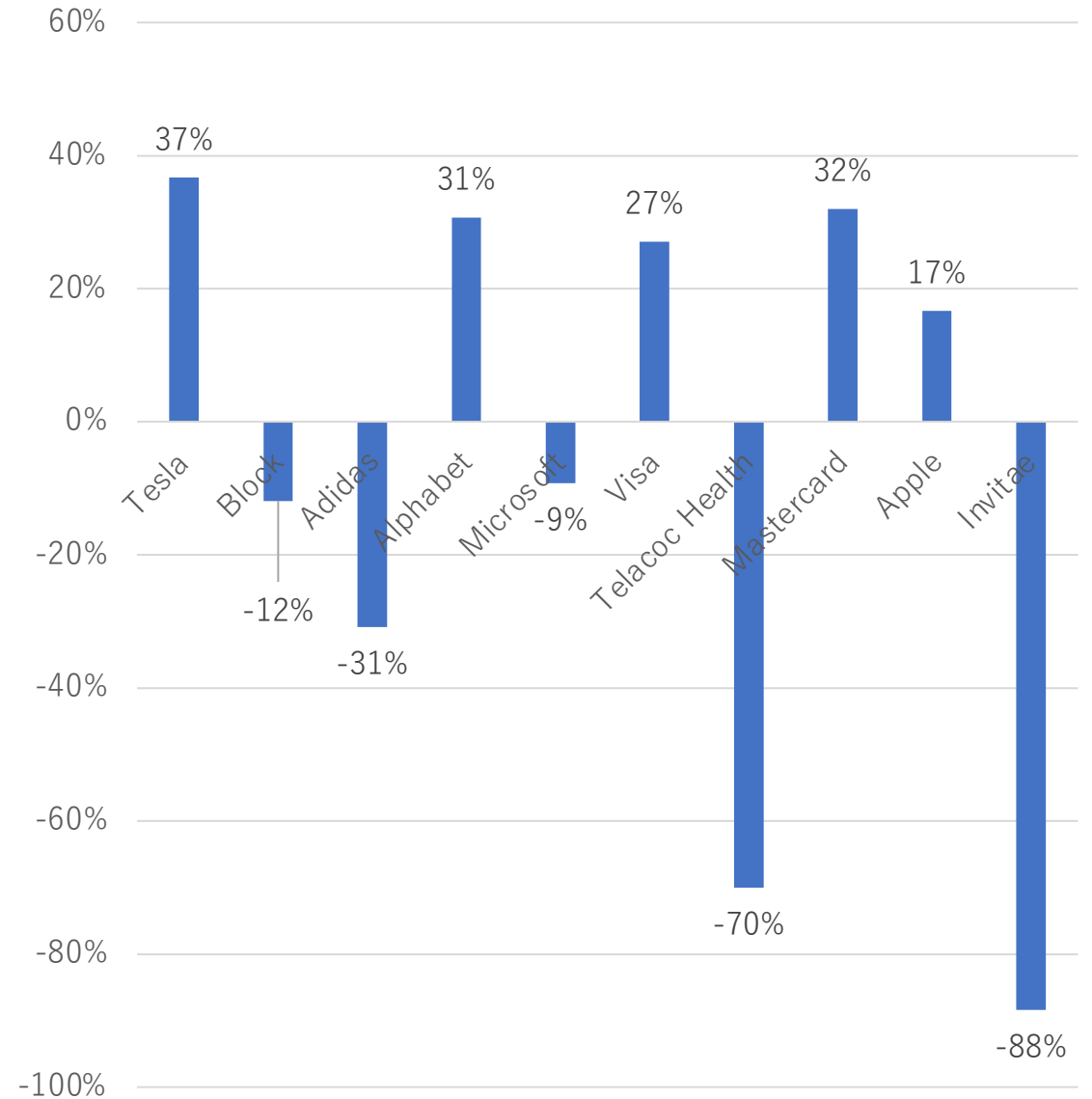
Earning Yields of Each Equity

- TSLA drastically recovered from its loss in 2022 Q4
- SQ recorded loss but reduced its amount
- ADS.DE reduced its amount of loss with respect to 2022 Q3
- Excl. ETF
- JPY Basis



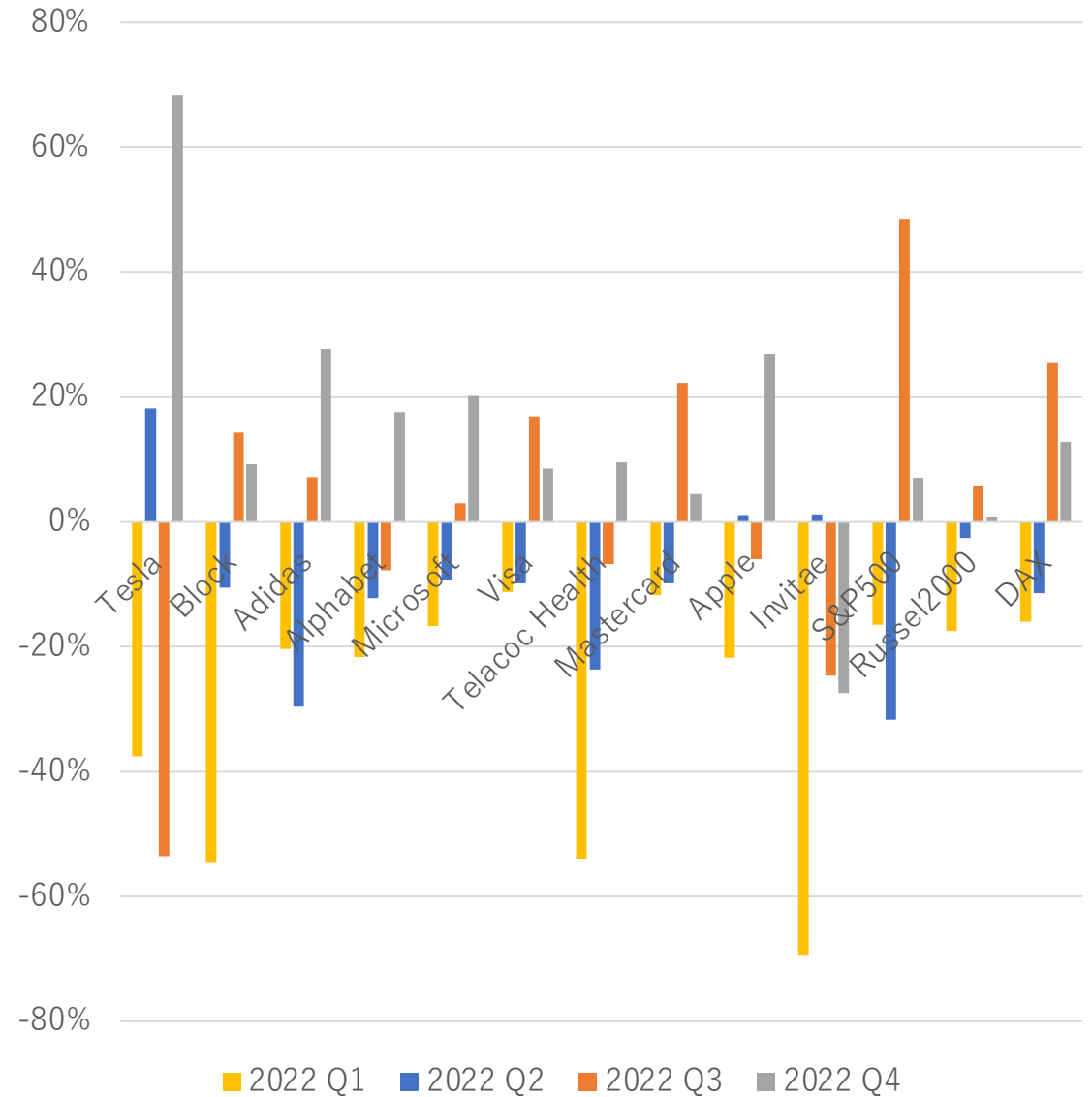
Earning Yields of Each Equity

- Performance of TDOC and NVTA are still challenging especially on USD basis
- Excl. ETF
- Local Currency Basis



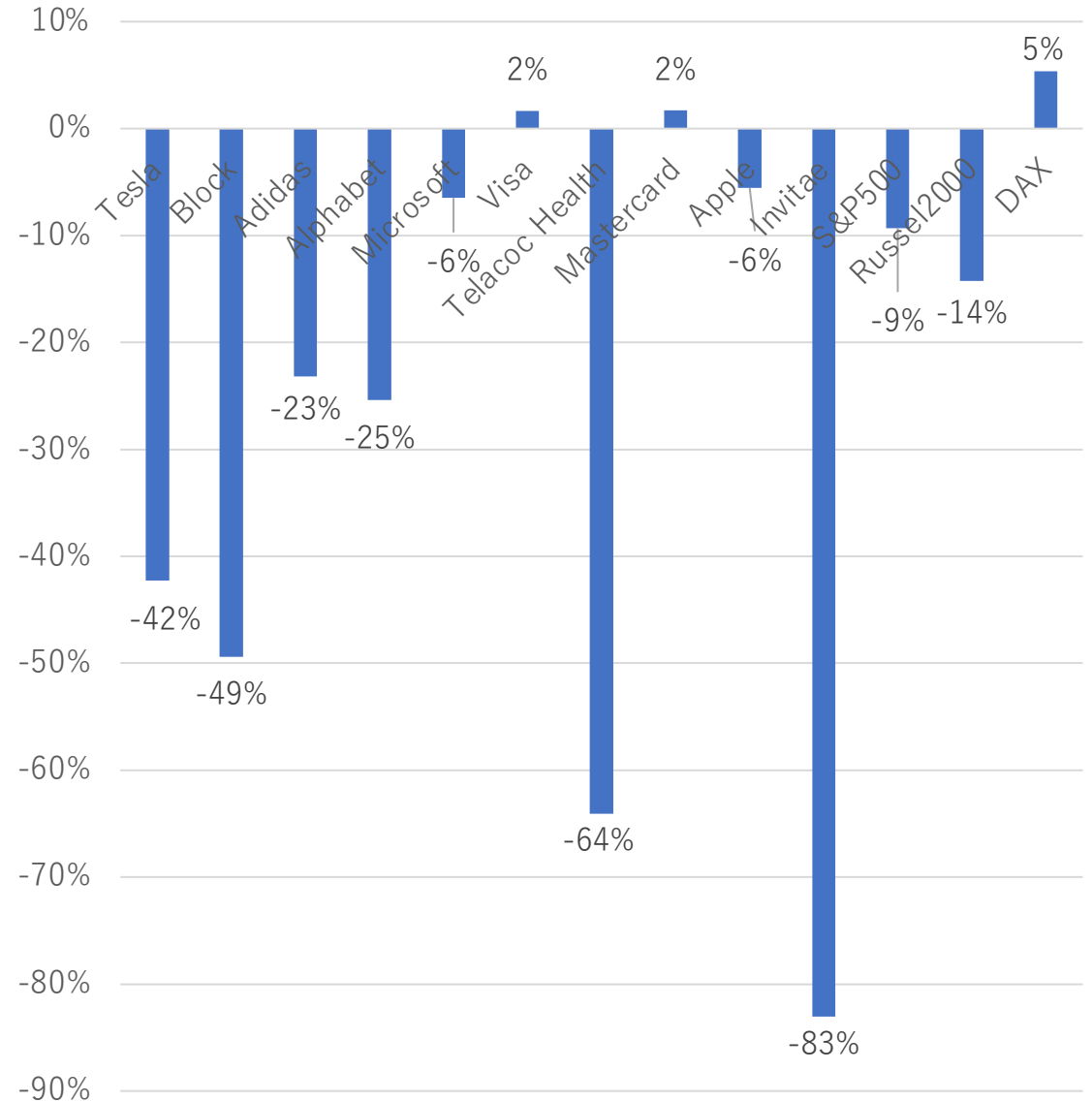
Quarterly Growth of Stock Price & Indexes

- Most of stock prices and indexes are rebounding in the last two quarters
- DAX recorded the stronger rebound partially thanks to the stronger EUR level
- USD Basis



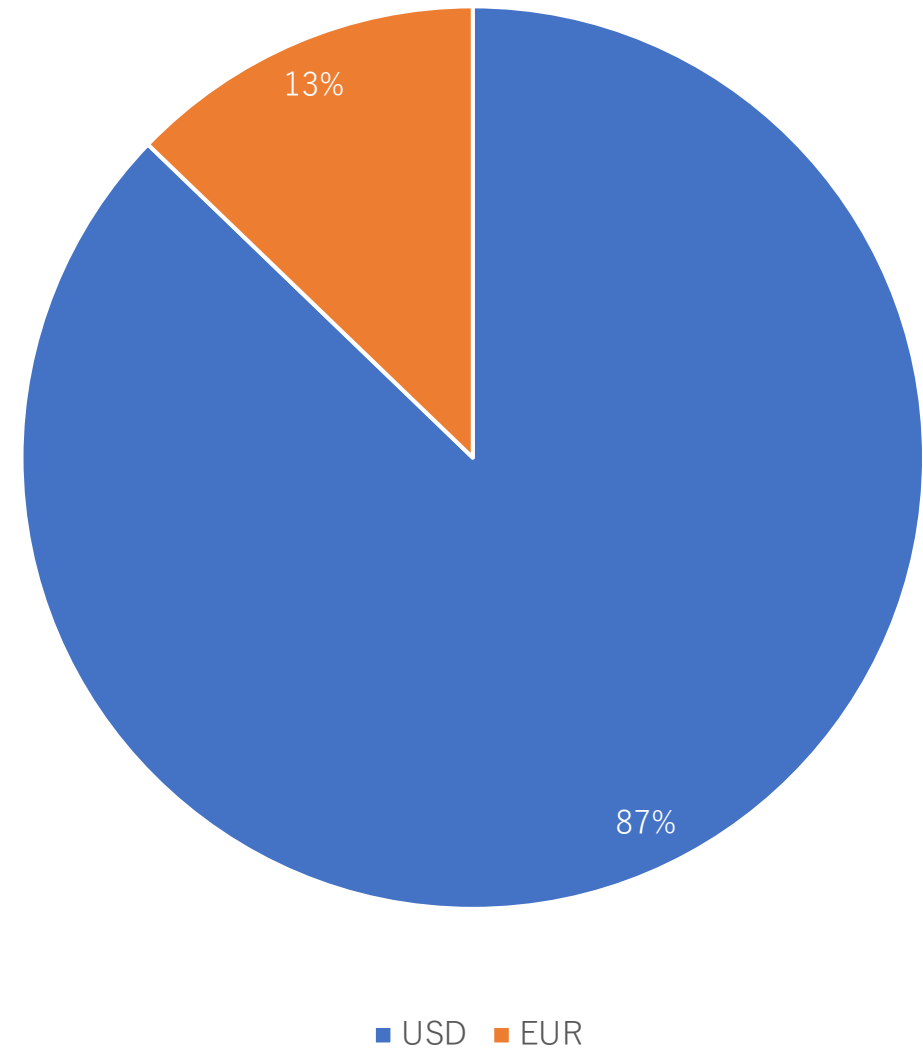
Year-over-Year Growth of Stock Price & Indexes

- Most stocks recorded negative yearning yields on YoY basis
- Losses of the higher PER stocks tend to be higher than those of the lower PER stocks
- With respect to 2021 Q4
- USD Basis



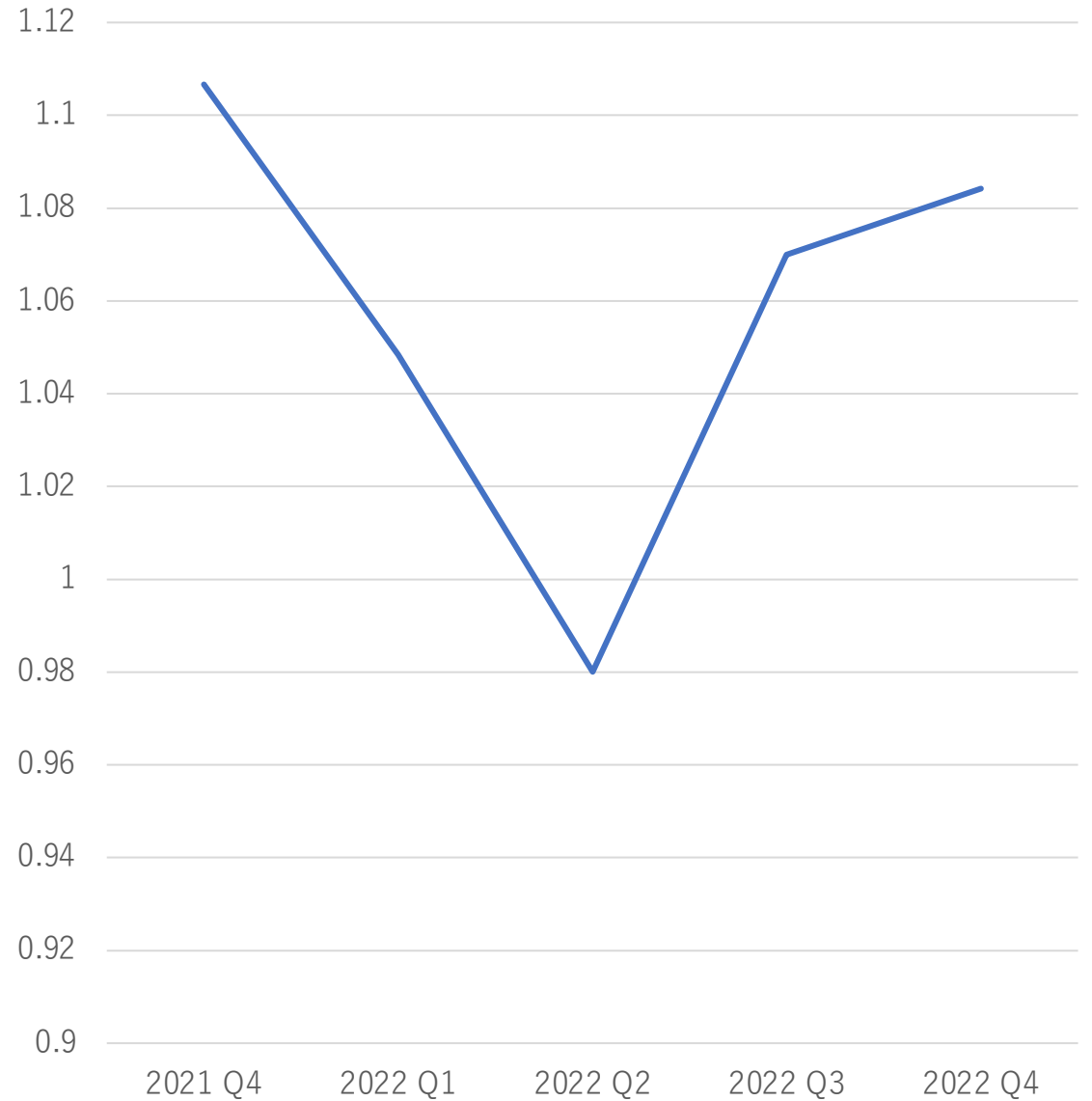
Currencies' Dominance in Our Assets

- Dominance of EUR-based asset was recovered to 13% partially due to the stronger EUR
- Excl. ETF
- USD basis



EUR/USD Exchange Rate

- In the last two quarters, EUR are rebounding with respect to USD



Summary

- Gross assets of our fund were decreased by as much as 32% with respect to 2021 Q4
- Losses of the higher PER stocks tend to be higher than those of the lower PER stocks
- EUR are rebounding with respect to USD
- Sold of parts of holding shares of TSLA and SQ

