



# MONEX GROUP INTEGRATED REPORT 2023

### Corporate Philosophy

Always a step ahead of the “Y” in “MONEY,” our name MONEX expresses our desire to embrace all people who are engaged at the forefront of our future.

With state-of-the-art Information Technology, globally universal values and a sense of professionalism, Monex Group designs innovative ways of managing money and realizing individual self-fulfillment for an ever-changing future. Our ultimate goal is to optimize each person’s lifetime balance sheet.



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#### Editing Policy

This report was created based on the Company's policies with due consideration of the IR Framework, released by the International Integrated Reporting Council and the Guidance for Collaborative Value Creation issued by Ministry of Economy, Trade and Industry. The report was made up to show the Group's unique business model and management strategies and to enable the reader to gain an overall perspective of the Monex Group.

#### Reporting Period

Fiscal year under review: April 1, 2022 to March 31, 2023 (including some activities that started from April 2023)

#### Organization Under Review

Monex Group, Inc. and Group Companies

#### Detailed Information on Financial Results

Refer to the Annual Financial Statements for details on the Annual Financial Statements in March 2023.

[WEB](#) For Investors | IR Library | Integrated Report / Annual Report



## Who We are?

Monex Group is transitioning to the next stage  
with a new corporate philosophy  
and a new management system

### Oki Matsumoto

Chairman of the Board and  
Representative Executive Officer  
Monex Group, Inc.

### Yuko Seimei

President,  
Representative Executive Officer  
and CEO  
Monex Group, Inc.

## Who We are?

We will continue to position realization of our corporate philosophy as our ultimate goal, and under a new management system, we will strive for sustainable growth to achieve this goal.

One of the phrases that appeared in MONEX's founding prospectus was "supremacy in realizing our philosophy."

It established that the realization of our philosophy is above economic success, that our employees (including the president) are servants of that philosophy, and that the realization of that philosophy is our ultimate mission, no matter who leads the company.

Twenty-five years on, employees number close to 1,500 globally, and the business domain of Monex Group has extended beyond the financial sector.

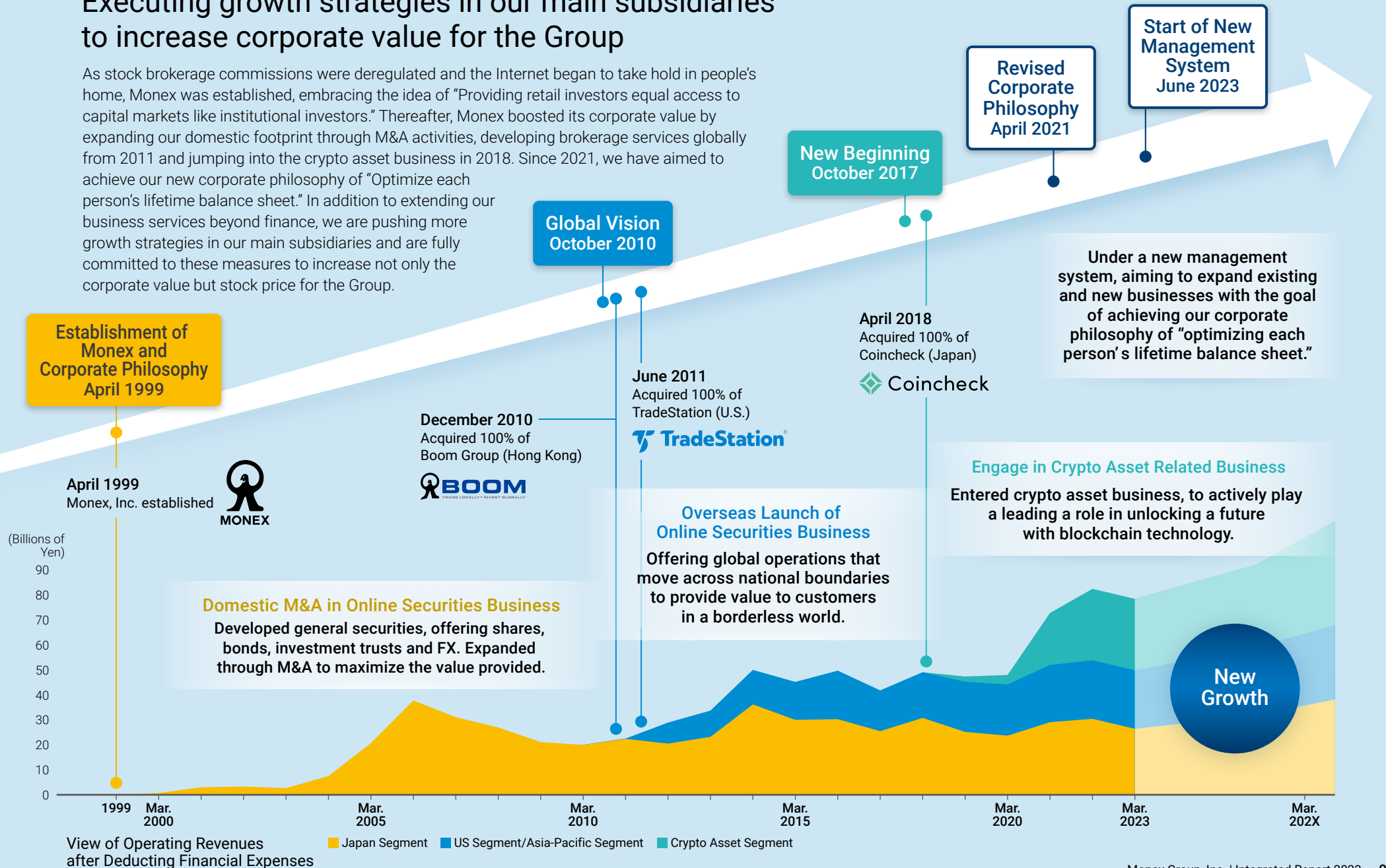
And although the position of CEO has now passed from Matsumoto to Seimei, "supremacy in realizing our philosophy" remains unchanged.

While striving to achieve our new corporate philosophy of "realizing individual self-fulfillment for an ever-changing future and optimizing each person's lifetime balance sheet," we remain united as a Group in our commitment to achieving sustainable growth by continuing to provide value that is attuned to the individual.

## History | Growth Trajectory

# Executing growth strategies in our main subsidiaries to increase corporate value for the Group

As stock brokerage commissions were deregulated and the Internet began to take hold in people's home, Monex was established, embracing the idea of "Providing retail investors equal access to capital markets like institutional investors." Thereafter, Monex boosted its corporate value by expanding our domestic footprint through M&A activities, developing brokerage services globally from 2011 and jumping into the crypto asset business in 2018. Since 2021, we have aimed to achieve our new corporate philosophy of "Optimize each person's lifetime balance sheet." In addition to extending our business services beyond finance, we are pushing more growth strategies in our main subsidiaries and are fully committed to these measures to increase not only the corporate value but stock price for the Group.

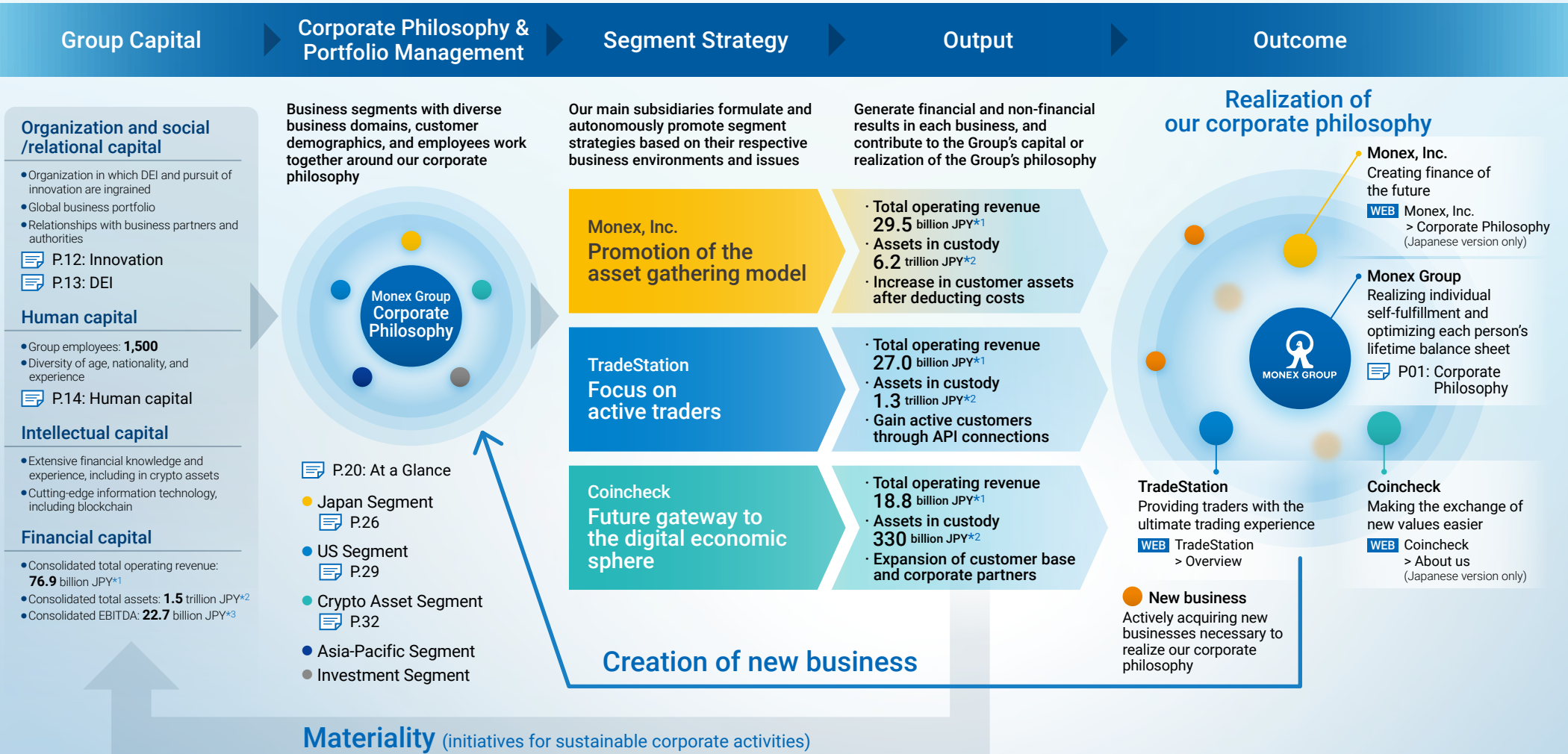




# Process of Creating Value for the Monex Group

## Sharing our corporate philosophy throughout the Group and creating new value for society

The Group has a business portfolio that spans different regions and business domains under the corporate philosophy of “realizing individual self-fulfillment and optimizing each person’s lifetime balance sheet.” Each subsidiary implements its own strategies based on independent management, with the result that the entire Group focuses on the realization of our corporate philosophy. We are also consolidating our organizational strength by incorporating new businesses into the Group that could be regarded as necessary to pursue our philosophy. In addition, outputs from our business activities are returned to our value creation process as capital that contributes to the creation of sustainable corporate value.



\*1 Average total operating revenue after deducting financial expenses and cost of sales for the three fiscal years ended March 2021, 2022, and 2023

\*2 As of March 31, 2023 \*3 Annualized for the first quarter of the fiscal year ending March 2024

## CEO Message



## Turning change into opportunity Continuing to generate innovation after innovation

In June 2023, I was appointed CEO of Monex Group. Frankly, I felt more excitement than pressure at the prospect. Since its founding by former CEO Oki Matsumoto, the Group has grown boldly yet steadily, guided by a vision based on a solid corporate philosophy. It is not every day that a founder entrusts you with a company that is still growing and you are given the opportunity to make it even bigger. And I believe that this is a fantastic opportunity not only for me, but for all employees of the Group. Change makes people grow. This change of CEO is indeed a significant move for the Group, and it is imperative that we use it as an opportunity for new growth. Though I may not be charismatic, I am confident that I can bring out the best in all employees. My goal is to ensure that the Monex that has been built up by all employees can continue growing sustainably into the future and increase its corporate value.

### Yuko Seimei

Representative Executive Officer & CEO  
Monex Group, Inc.



## CEO Message

# Set goals for everything and drive the organization to achieve them Guided by such an approach to management, we will further grow the Group

### My strengths that set me apart from founder Oki Matsumoto

When I ask founder Oki Matsumoto about why I was appointed CEO, he says, "Because you utilize your authority to the full." Looking back, I have had various responsibilities within the Group, and there were often times when I would set goals and then make decisions to achieve them, regardless of any self-interest or past precedent. One time, when I was serving as president of Monex Hambrecht (a subsidiary engaged in M&A advisory services), at age 33, I was suddenly appointed by Matsumoto as the president of the company that had constantly been in the red. I was shocked at first, but since I had accepted the position, I was determined to make the company profitable. The first goal I set was to eliminate past losses. In addition to cutting costs such as by relocating the office, I also deliberately introduced a personnel system that maximized the performance of employees who had been there longer than me by allowing them to earn more than me as president, depending on their performance. As a result, the company returned to the black in year one, and by the second year, we had eliminated all of the past deficits. At the time, I think Matsumoto saw me as someone who, having set a goal, would continue to make decisions that seemed valid given the available alternatives, even though I might make the occasional mistake. This was also the case when I was in charge of negotiations during the acquisition of Coincheck. Matsumoto and I first agreed on the framework of acceptable conditions, and then it was up to me and our negotiating team to carry out the M&A. Coincheck is now one of the Group's key businesses.

One of my strengths is setting goals within a business and using the power of the organization to achieve them. Going forward, I will leverage this strength to manage the Group. On the other hand, to maintain growth, we must constantly take on new challenges. In this respect, I hope that Matsumoto's networks and entrepreneurship will be utilized in the creation of new business, including, for example, the globalization of the crypto asset business. By moving both existing businesses and new businesses forward, we will continue to develop the Group under the new management system.

### A corporate philosophy attuned to the hearts and minds of people drives our organization toward its goals

To succeed in business, an organization needs to maximize its output. To this end, it is important to set goals and share them within the organization. Unless versatile personnel also share the same vision and goals, the organization's output will be limited. In the case of Monex Group, it is our corporate philosophy from which stems the driving force for our various subsidiaries and human resources to gather and create. Our corporate philosophy is of the highest order in our Group, and our people are driven by our philosophy. The financial industry plays a part in social infrastructure, and many companies operate on the principles of safety and security. While safety and security are already values we provide as a matter of course, our philosophy reflects our greater commitment to build a better future by creating services that are aligned to our customer's desire for self-realization through finance and which support them in that realization.

Our philosophy is attuned to the hearts and minds of people, and the Group attracts human resources and subsidiaries that are similarly aligned. Cultivation of a culture centered on this philosophy is a defining hallmark of Monex Group.

Looking at the securities industries in Japan and the U.S., stock trading is becoming commoditized, and all securities firms charge virtually the same commissions. The reason our customers still choose Monex Group is, I believe, because they are looking for a good experience in financial services, not just the financial benefits. While the primary goal in the world of asset management is to increase money, in reality, money does not necessarily mean happiness. The "why" they want to increase money and the "how" they will spend it is important for each customer. In this way, our corporate philosophy is expressed in the words, "We design ways of realizing individual self-fulfillment and our ultimate goal is to optimize each person's lifetime balance sheet." Beyond increasing assets, our hope is that Monex Group can create opportunities for our customers to think about what they want to achieve with their money.

## CEO Message

## My goal is to develop an organization that generates innovation by everyone putting forward ideas at will and putting them into practice without fear of risk

### Maximizing the capacity of 1,500 people by enhancing productivity and efficiency

While continuing to value this corporate philosophy, at the same time, I would like to make changes that only I and the current Group personnel are capable of, without worrying about precedent. For example, the Group's focus should more than ever be on productivity and efficiency. Under the leadership of our founder, who was growth-oriented, the Group grew rapidly over these 25 years into an organization with a total of 1,500 employees in Japan and overseas. Even under the current structure, I believe our organization can be more profitable depending on how it enhances its productivity and efficiency.

If we see management as deciding what to do and what not to do, then goals are necessary for making that decision. And if the goals to be achieved are well-defined, then it becomes clear what we do not need to do. If 1,500 people around the world could devote their time only to what they should be doing, then surely, we could generate tremendous value. I also believe that goals should be quantifiable. If a goal is not expressed in concrete numbers, we will not be able to align our internal mindset. The Group is very good at tackling new challenges, but I am very conscious of the fact that we are not so good at using the PDCA cycle to judge its progress or result. Sometimes we have to change our approach if trying something new does not produce results. But sometimes there are initiatives that may actually have the potential to be profitable if we take a moment to look back at them, examine them, and try them again in a different way. I also see one of my roles as bringing awareness to the importance of steady improvement based on such reflection.


Resource allocation is crucial for business growth. The Group can grow further by optimizing the overall allocation of resources—by exiting businesses deemed not worth pursuing and investing excess resources in areas with greater potential. Having experienced the winding up and withdrawal of several businesses and services in the past, I feel that my commitment to growing business and making it profitable is stronger than anyone else in the Company.

### Creating value out of differences by respecting DEI

I want to make Monex Group an organization that generates innovation after innovation leading to increased corporate value. I feel that innovation has an overblown image though—there are many cases in which society has quietly changed through a series of small improvements that are communicated to society. I believe that if all 1,500 of our personnel around the world could do this, it would result in significant innovation.

Important in achieving this is to build a culture in which everyone, regardless of position, can freely express their ideas. I will create an organization where all employees have the right to speak their mind, where they can try things without worrying about risk, and where they will not be subject to rebuke if things do not pan out. As AI and other technologies dramatically transform our society, I can well imagine a future in which the existing securities industry and exchanges will be reshaped. In such a world, initiating innovation of one's own accord will be the key to survival. It is my hope to create an environment where, if someone has an idea that should be pursued for this new world, it can be immediately assigned to them for implementation. In addition, diversity, equity, and inclusion (DEI)—a way of thinking that has been passed down continuously since the founding of our Group—is important for such an organization. New value can only be created through the mixing of differences. On the other hand, we must not become overly conscious of differences. The instant we start talking about the dichotomy of things, for example, men and women or big business and venture companies, we all end up looking for differences and discriminating between them.

The way I see it, if our employees cannot get excited about work, we will not be able to create services for our customers, and consequently, we will not earn the support of our shareholders. So, it is also my mission to transform our organization into one where each and every employee can put their ideas into action without hesitation in order to realize our corporate philosophy. I believe that if I can succeed in that mission, we will be able to give back to our stakeholders by creating a virtuous cycle of good service, stronger earnings, and higher share prices.

 P.15: Dialogue between the CEO and Outside Directors



## CEO Message

## Monex Group has tremendous potential My primary mission is to pass it on to the next generation

### Focusing all my energy on making management decisions for the next five to ten years

I believe that the future is very bright for Monex Group. With the start of the new NISA (Nippon Individual Savings Account) program, favorable winds are blowing for Japan's securities market. As the importance of asset management through investment continues to grow amid concerns about inflation, Japanese remain passive about investing. Consequently, there is still a very large market to be developed if we can reach customers who are currently on the outside of the securities industry.

Furthermore, if, for example, listed stocks become tradeable as security tokens in the future, the investment world will also surely change. Digital securitization will allow us to issue and offer securities tailored to the various needs of different investors. Or perhaps even an entirely new crypto economy could be formed. Even in a future world where finance is peer-to-peer\* using blockchain technology, I believe Coincheck will be able to lead the transformation of our Group and adapt to that social change. As we transition from the real world to the digital world, having a large pool of human resources who are familiar with this area will be a tremendous asset for us in the future too. In addition, we will also be able to keep abreast of financial and investment trends in the U.S. through our U.S. subsidiary, TradeStation. We have the structures in place to create new value, and globally we have the people and business units for this, so we are positive about changes for the future.

It is very important that we also present the intrinsic corporate value of the Group in the capital markets, and in this regard, I see it as my responsibility to communicate closely with the markets. To gain market recognition, we need to reduce earnings volatility in relative terms. If we can shore up our business foundation and establish the asset gathering model that generates higher earnings by gathering and increasing customers' assets, I believe that our sum-of-the-parts (SOTP) equity value will also be reflected in the market valuation.

\* Peer-to-peer: A communication technology that allows files to be shared and data sent between various devices (individuals) connected to the Internet without going through a server

Finally, as CEO, it is my duty to ensure that this company, which we have inherited from its founder, Matsumoto, is passed on to the next generation. If the Company is recognized as being able to continue to grow over the long term by building a strong organization, I believe our stock price will also rise. The business decisions that I make today are for five to ten years from now. My primary goal and mission and the basis for my decisions is for my future colleagues at Monex Group to be glad that I made this decision in the past. I will do everything I can for this purpose and lay the foundations for Monex Group to become a 100-year-old company.



# Aiming to Sustainably Increase Corporate Value

Monex Group has established materiality issues to be addressed in order to sustainably increase its corporate value. This section introduces Pursuit of Innovation, Diversity, Equity & Inclusion (DEI), and Strengthening Human Capital, as well as dialogue between the CEO and outside directors on comprehensive, company-wide initiatives and perspectives.

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## 15 Dialogue between the CEO and Outside Directors Innovation needed by Monex Group to achieve sustainable growth

Yuko Seimei (CEO, Monex Group) Sachiko Kuno (Outside Director)

## 18 ART IN THE OFFICE

Social Contribution and Educational Activities Through Art





## Monex Sustainability

# INNOVATION

Pursuit of Innovation

[See website for initiatives on innovation](#)

## Monex Group's innovation, explained in four elements

In order to realize its corporate philosophy, it is essential for Monex Group to provide new value to society through innovation. Our history of pursuing innovation is founded on four elements which have become the important capital of the Group as we continue to grow. We believe that we will be able to continue achieving innovation even under our new corporate philosophy, by continually strengthening this capital.

### 1. Foresights

#### Research function for grasping social changes

We maintain an accurate grasp of cutting-edge technologies and social trends, and examine business opportunities for the Group by working backwards from a vision of society one step into the future. As well as peripheral information in the existing businesses of our Group companies, in its surveys and research, for example, the Monex Zero Office identifies business opportunities by measuring the impact of the latest technologies on society and our business. Based on these identified business opportunities, we also occasionally update our corporate philosophy and vision, and gather information on possible M&As to help us realize them.

#### Main research topics of the Monex Zero Office

- UI/UX changes associated with the widespread adoption of IoT
- Private data management and the empowerment of individuals through AI
- Changes in economic activity driven by AI
- Decentralization of the world order and the rise of distributed value layers
- Financial functions suited to unstable times of rapid change and liquidity

### 2. Risk-taking

#### Management system for properly assessing risk and making swift decisions when the opportunity presents

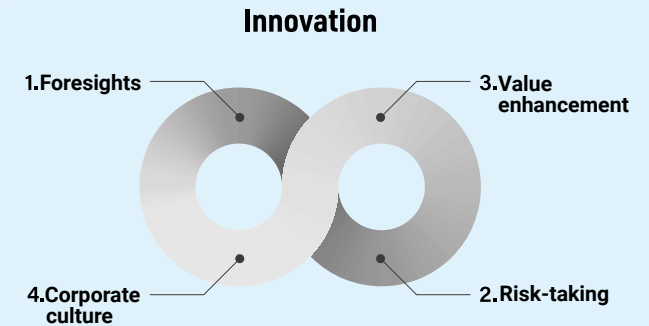
In addition to managing operational risks in our business, we have also built a management system that enables the Board of Directors to properly identify risks and make swift decisions without letting opportunities slip when it comes to major management decisions, such as using M&As to drive business expansion.

#### Looking back on the Coincheck M&A

We might have thought twice about this proposal if risk was the only consideration. However, following discussion, it was concluded that Coincheck does in fact have an impressive engine, as not many venture companies would be able to compensate for the roughly 50 billion yen siphoned away. The board was quick to convene, and after a short period of very productive discussions, a decision was reached in about a month.

Jun Makihara, Outside Director (Independent)

[PDF](#) For details, see "Three-way Discussion Between Outside Directors" on p. 44 of the Integrated Report 2021



### 3. Value enhancement

#### Enhancing value by investing resources after M&A

In business expansion through M&A, we integrate management and enhance value once the merging company has joined the Group, and we make concerted efforts to improve the corporate value of each subsidiary for the whole Group. Examples of past M&A include TradeStation, which has roughly quadrupled its number of accounts since joining the Group, and Coincheck, which has nearly doubled its accounts, through the strengthening of management systems, support for regulatory compliance, and the exchange of human capital.



#### Crosstalk on the future of the Group

Leaders of Group companies talk about their impressions of Monex Group when viewed from the outside and about collaboration between Group companies.

[WEB](#) Group Company Crosstalk

### 4. Corporate culture

#### Corporate culture instilled with a commitment to the pursuit of innovation

To realize its corporate philosophy, the Group has expanded its business domain and grown its business, mainly through M&A, while at the same time incorporating a variety of values and cultures. Moreover, the increase in diversity that has accompanied our business expansion through M&A has served as a source of business growth since the founding of Monex Group. The companies that join our Group through M&A are essential to us realizing our corporate philosophy, and their individuality and respective corporate cultures are respected to make sure their virtues are not compromised. The Monex Group corporate culture of having each subsidiary grow while maintaining its individuality and values and exchanging their values and knowledge with other Group companies to create foresights is one of the most important assets in driving innovation for the Group.

## Monex Sustainability

### DEI - Diversity, Equity & Inclusion

#### Further Growth through Implementing DEI

See website for initiatives on DEI

#### Basic thinking

To fulfill its corporate philosophy, Monex Group established a medium- to long-term vision, and has expanded its business through the M&A of companies that can share its philosophy and vision. We believe that the corporate atmosphere that has existed since our founding—which allows employees to speak freely and openly regardless of their background, position, or nationality—has allowed for different corporate cultures and created places where employees with various different views can play an active part.

As a result of having delegated discretionary duties to employees from early in their career and promoted talented personnel with an emphasis on ability (regardless of gender and nationality), we have an increased number of female employees and non-Japanese employees, as well as female managers and managers in their 20s. Being output-based means that both male and female employees can feel comfortable in taking childcare leave, and the percentage of eligible male employees who take childcare leave is 77%.

In the modern era of rapid technological evolution and cross-border entry of new services and products, building an organization solely with people having homogenous backgrounds and mindsets is a risk. We believe that creating a corporate culture where people with various views and ways of thinking can speak freely and openly is key to producing new waves and forming an organization with the capacity to overcome any difficulties that may come.

## DEI, the source of Monex Group's competitiveness

Based on the belief that an organization that instills diversity, equity, and inclusion will sustainably generate innovation, Monex Group is focused on promoting DEI for further growth.

#### Understanding of DEI within Monex Group

In an employee survey conducted in the summer of 2023 as part of our periodical review of the Materiality Matrix (to measure our impact on our stakeholders, namely, shareholders, customers, and employees), 86% of employees believed that DEI is an essential element for Monex Group, and 88% viewed DEI as essential for innovation.

Our management team is committed to promoting understanding for DEI, and at a training session held this spring for our locations in Japan, top management asserted the importance of being a non-homogenous organization to the nearly 400 participants in the Japan and Crypto Asset Segments.

#### Continue to place importance on DEI



WEB Monex Group's New Core Values and Corporate Culture

In an interview between the CEO and young recipients of our internal award, the conversation included how the internal environment allows even young employees to be given discretion and work independently, how subsidiaries are also eligible for the award program that celebrates those working hard in the background, and how innovation happens when you have members with different ways of thinking.

#### An environment where everyone can aspire to be a leader



WEB Women in Leadership

An internal panel session with women leaders was held at TradeStation's Costa Rica office. Discussion included how mentors have provided mindset advice and training to women in their career paths, and about the need in the finance and technology industries to nurture potential leaders of the next generation from the younger cohort.

#### Initiatives for the pursuit of DEI

##### Japan and Crypto Asset Segments

Events to promote internal communication are held with the involvement of all Group companies in Japan. In 2023, a general meeting of employees was held to celebrate our 25th anniversary, bringing together a total of 360 real and virtual participants from eight companies. Participants heard directly from top



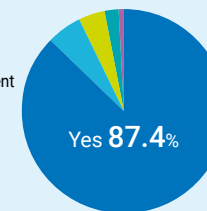
Discussion by Group company management

management about the management policy, and exchanged opinions and deepened their understanding about the Group's corporate philosophy, in sessions that also served as an opportunity for exchange between Group companies. The meeting fostered a diverse yet united atmosphere, centered on an understanding of our corporate philosophy.

##### US Segment

Through the promotion of DEI, TradeStation aims to build an internal environment where employees can provide better products and services to customers. Training and mentorship programs are run to improve the mental and emotional health of all employees while increasing a sense of belonging and organizational contribution for employees who work remotely. TradeStation has also established the DEI Council, comprised of management and employees from different divisions and locations, to foster a DEI culture and reinforce its organizational capabilities by sharpening the focus on DEI within the company and taking responsibility for promoting each initiative.

- Neither 5.4%
- Needs improvement 4.3%
- No 2.1%
- Other 0.8%



In an effort to improve the internal environment, TradeStation conducts an internal DEI survey of employees, including on the fairness of benefits and on whether the current recruitment process incorporates DEI considerations. The graph on the left shows responses to the question: Was the internal training effective in promoting DEI?



## Monex Sustainability

# HUMAN CAPITAL

Strengthening Human Capital

See website for initiatives on human capital

### Approach to strengthening human capital

In order to achieve our corporate philosophy of “realizing individual self-fulfillment for an ever-changing future and optimizing each person’s lifetime balance sheet,” the Group is striving to develop an internal environment that nurtures independent personnel and which takes full advantage of the diversity of its human resources.

### Performance and analysis of current situation

The Group has concentrated on creating an organization where people of different nationalities, ages, genders, and values can respect each other and, together, can pursue innovation in line with our corporate philosophy. As a consequence, individuals have been assessed on their performance, regardless of age or gender. According to an engagement survey conducted in the Japan Segment, the overall score in 2023 was 67. It showed that there is room for improvement in scores related to each employee’s own sense of growth, such as “satisfaction” and “sense of achievement,” as well as those related to organizational structure, such as “challenging culture” and “recognition of achievement.” Moving forward, we believe it is important to work on developing an organization that aims to become a “100-year-old company,” by improving our training systems and working environment to support our employees to take on challenges and grow.

#### Results of engagement survey (2023)

Score evaluation	Main survey items
<b>Good</b> (score: 70 or higher)	<ul style="list-style-type: none"> <li>Empathy with corporate philosophy / strategy</li> <li>Trust in management team</li> <li>Support from company in times of difficulty</li> </ul>
<b>Need for improvement</b> (score: 64 or lower)	<ul style="list-style-type: none"> <li>Satisfaction / sense of achievement / growth opportunities</li> <li>Recognition of growth</li> <li>Challenging culture</li> </ul>

## Create systems to maximize human capital in pursuit of becoming a 100-year-old company

Human resources are the most important management resource for Monex Group. We believe that constantly maximizing the potential of human resources who pursue our corporate philosophy will lead to sustainable growth, and we have identified strengthening human capital as one of our key management issues.

### Future initiatives for strengthening human capital

While maintaining its previous commitment to the pursuit of innovation and DEI, under its new management system and corporate philosophy, the Group is also working on the following three priorities based on such current management issues as improving each employee’s own sense of growth and creating a highly productive organization.

#### 1. Become an organization that encourages employees to take on challenges

Key initiatives	Foster a culture that applauds a challenging spirit	×	Design systems that evaluate processes fairly
Outcomes	Create a psychologically safe internal environment where people with diverse backgrounds can freely express their opinions and ideas without being constrained by past precedent or past practice, and where the challenges and processes for bringing those ideas to reality are evaluated fairly.		
Expected KPIs	Improve related engagement scores Provide a challenging culture and career opportunities, etc.		

#### 2. Become an organization where employees can feel satisfaction and a sense of achievement

Key initiatives	Design a nurturing environment that emphasizes experiential learning	×	Design an environment for evaluation through dialogue
Outcomes	Improve the process of recognizing achievement and foster a sense of growth, including satisfaction and a sense of achievement, by supporting employees in spontaneous learning and applying that in their work areas, and by evaluating that process fairly through daily dialogue.		
Expected KPIs	Improve related engagement scores Satisfaction, sense of achievement, pride in business and service, etc.		

#### 3. Become an organization where employees can demonstrate their own ability and excel

Key initiatives	Instill communication that starts with affirmation	×	Design flexible work environments capable of accommodating people with diverse backgrounds
Outcomes	Enhance not only superficial diversity but also in-depth diversity in terms of knowledge, abilities, experience, values, and working styles, and create an internal environment where everyone can contribute to corporate value while demonstrating their own individuality.		
Expected KPIs	Improve engagement scores related to the internal environment		

### Specific Initiatives Strengthen human capital

#### 1. Improve evaluation standards and environment to encourage employees to take on challenges

We will foster a culture that views failure as an opportunity for growth and applauds people who take on challenges—something that is essential for an organization that generates innovation. In addition to evaluation standards based on contribution to corporate value, we will improve the operation of the evaluation system to be based on standards that place more emphasis on the trial-and-error process and the attitude of taking on challenges to achieve objectives, not just work outcomes.

#### 2. Improve the human resources development environment so that employees feel a sense of growth

We will design an environment of experiential learning and achievement recognition where “learning” is sublimated into a sense of growth, by developing an environment where people can learn spontaneously at any time, by getting employees to constantly put the knowledge and skills they acquire through off-the-job training and self-improvement into practice through on-the-job training, and by evaluating those outcomes and processes fairly. To enhance satisfaction and a sense of achievement, we will create a human resources development environment in which superiors are actively involved in the development of their subordinates.

#### 3. Maintain and improve an environment where employees can flexibly choose their working style

By embedding support systems within the company, we will maintain and improve the internal environment where all employees can flexibly choose their working style and work in a way they can demonstrate their individuality. This includes expanding systems for major life events, in addition to the flexible work schedule and telecommuting systems that allow employees to work anywhere and at any time.

### Specific Initiatives Strengthen productivity

#### 1. Manage quantitative goals and performance to promote selection and concentration

In parallel with strengthening human capital, we will begin to build mechanisms to increase productivity. We will build a foundation that encourages selection and concentration in both the work of the organization and the work of individuals, by reviewing business processes and creating mechanisms and systems to quantitatively identify and evaluate various organizations (divisions, projects, meetings, etc.) and activities (everyday business operations).



**Yuko Seimei**

Representative executive officer & CEO  
Monex Group, Inc.

## Dialogue between the CEO and Outside Directors

### Innovation needed by Monex Group to achieve sustainable growth

In 2023, Monex Group renewed its management system and appointed Yuko Seimei as CEO to replace company founder, Oki Matsumoto. In an effort to further strengthen management, we have also appointed a new outside director, Sachiko Kuno, a scientist who has successfully developed two new drugs and a serial entrepreneur who has successfully completed IPOs both in the US and in Japan. These two individuals, who bring a new style to management, discuss the ideal Monex Group to achieve sustainable growth.

**Sachiko Kuno**

Outside Director (Independent)





## Dialogue between the CEO and Outside Directors

### Important for innovation is an organization where everyone can “leap” without fear of failure

**Seimei:** We see innovation as the source of improving corporate value within the Group, and have made it a priority issue in our materiality matrix as we aim to build a system that enables us to pursue innovation continuously. In this context, I want to mold Monex Group into an organization that attracts people who have excellent ideas that lead to innovation and who are willing to tackle the challenge of turning those ideas into reality. Based on your own experience, how do you think we can realize such an organization?

**Kuno:** It will be important to establish a place where creative people can feel comfortable discussing their ideas and where independence and psychological safety can be maintained. On the other hand, an idea is merely a hypothesis: it only becomes innovation when society subsequently changes. In this sense, a person with an idea needs to make a “leap” in order to turn their idea into innovation. Making this leap takes courage, yet certain

people do so because they can see the other side that others cannot. So, I think it is important to create an organization where those with vision are given every opportunity to make a leap, and are encouraged and supported so that others may follow their example.

**Seimei:** In my younger days, I was made president of one of our smaller Group companies. It was unusual for a woman in her early 30s to be heading a company in the financial industry. I was not sure what I was getting myself into, but I was willing to give management a go. I encountered many difficulties and received criticism each time, but I think my effort to keep going is what got me to where I am today.

**Kuno:** I would say that what you experienced back then was leaping. Important in being able to make a leap is training yourself over and over again to jump over smaller hurdles and also seeing leaps made by others close up. Also, when someone makes a leap, it is important to be quick to praise them and to not haul them over the coals if it ends in failure. Even if they give themselves a score of 60 or so, how about getting them to leap first and then praise their action?

**Seimei:** I certainly felt that I could make the leap in taking over from Matsumoto as long as everyone was with me. It is important to let those who can, leap away, and to spread awareness within the organization that it is OK to take leaps and it is OK to mess up a bit.

### DEI is also very important. The intersection of different values is a source of innovation.

**Seimei:** Whereas founder Oki Matsumoto has a talent for conceiving a new business or market from scratch, I think my strength lies in shaping an organization that can grow from 1 to 10 or from 10 to 100. I believe that we can



improve Monex Group further by optimizing the allocation of the Group’s resources and by managing the current organization more efficiently and productively. On the other hand, I believe we can keep the organization evolving by creating an environment where diverse people can work together under our corporate philosophy, and by creating places where motivated, ambitious people can gather and take on challenges without hesitation.

**Kuno:** Diversity, equity, and inclusion (DEI) is absolutely necessary for innovation, right? Interaction among diverse people and intersections of different cultures and values are sources of innovation. I get a clear impression that Monex Group places more emphasis on mutual development than on competition, and from a perspective of DEI, people promote each other’s growth and learning. I would say that there are actually not many companies that can maintain this situation. This is why I feel that Monex Group’s future growth potential is so great.

**Seimei:** Human resources are an important asset for Monex Group, and Matsumoto’s influence has helped attract a truly diverse pool of talent. If the current workforce of 1,500 can work more dynamically and share their ideas as they move forward, they will likely be a



## Dialogue between the CEO and Outside Directors

stronger force than Matsumoto's leadership alone.

**Kuno:** Ms. Seimei, you want to further amplify the impact of the Monex Group philosophy through the power of the organization, right? DEI is not something that can be achieved by establishing various rules and procedures. Rather, I think it is important to foster a culture where, for example, the failures of others are accepted with composure.

**Seimei:** Monex Group has long had a strong awareness of and commitment to the DEI way of thinking. Much of our growth has come from mergers and acquisitions (M&A), and I believe that DEI was at the root of our successful M&A of TradeStation and Coincheck.

### CEOs will need to share their vision with stakeholders even more in the future

**Kuno:** In my opinion, the economic impact of a company accounts for about a quarter of the value it provides to society. The other three quarters are social impact, such as rectifying inequality through business, environmental impact, such as contributing to measures tackling climate change, and cultural and artistic impact, which may or may not be immediately useful, but which is necessary for humanity. Of these, it is economic impact that attracts market attention, but it is the other three that truly lead to human happiness. I think that CEOs of the future will be expected to explain to society and stakeholders just how much value they are generating through business.

**Seimei:** Recognizing the impacts you just described, Monex Group also revised its corporate philosophy and went through a restructure in 2021. I hope that we can demonstrate to the world that we are taking on more important challenges than simply providing economic value.

**Kuno:** This is why communicating with investors is so important. A company belongs to its shareholders, so we need to share our vision with investors. Moving forward, if we set out a vision for the future, promote how we will demonstrate its realization as we inch toward it, and if we can gain their understanding and empathy, investors will support us, both philosophically and financially. We would be offering the same products and services, but with greater profits and impact. I think that moving forward together with investors, customers, and team members who endorse the vision is the new style of CEO.

### Become a company that can realize its vision and solve the issues facing capitalism

**Seimei:** People's expectations of companies are going through great change. It is because we live in such an era that I want to enhance the value of Monex Group by working together with various people with an even more open mind and making our organization one in which the voices of many different people can be heard. Management is about manifesting results 5 to 10 years from now—not today or tomorrow. My mission is to make decisions that will lead to prosperity for the next generation, decisions that will make the next generation glad that these decisions were made at the time.

**Kuno:** My hope is that Monex Group will eliminate the negative aspects of capitalism. Capitalism is a wonderful system, but at the same time, it also leads to disparity, which is largely due to accessibility. Monex Group has been working to narrow the gap between institutional investors and retail investors in capital markets, and I think this is very close to the thinking behind blockchain. Blockchain aims to democratize finance and to guarantee universal accessibility to finance. This is an

extension of the vision that Mr. Matsumoto established when he founded the company. Realizing that vision requires the involvement of many more people, and I feel that you have stepped up to the mound to fulfill that role.

**Seimei:** Providing accessibility to all is the essence of DEI, and is also included in our materiality matrix under "financial inclusion." This is also what society wants, so if Monex Group can lead the world to where it needs to be, then I think our employees will also be proud to work here.

**Kuno:** Only with both certainty of vision and strong conviction can this be possible. While difficulties will surely arise, since the world depicted in this vision is truly wonderful, the effort in realizing it should not feel like a struggle. I hope that Monex Group achieves sustainable growth by sharing the joy of realizing this vision with a diverse group of people and helping them to achieve self-fulfillment.





# ART IN THE OFFICE

Social Contribution and Employee Education Through Art



Artist at work

## Cover Artwork

### Liminal space / Liisa

2023 / Permanent ink on sheet, acrylic paints, screentone / Dimensions variable

The aim of this work was to create a liminal space (an in-between space) beyond the conference room—like an extension of the horizon—where objectivity mixes with subjectivity and feelings of immersion and estrangement can be felt at the same time. It presents a story of displacement caused by the “join” (*musubi*) created by adding something a little different next to a landscape regarded as part of the everyday world. The artist’s expression— independent of language—is based on her own background of living in diverse cultures and languages, and is an attempt to present diverse interpretations and new stories in the press room, where communication is paramount.

## ART IN THE OFFICE

ART IN THE OFFICE creates a chance and space for artists and business to come together, and is part of our activities for social contribution and employee education through art. It targets up-and-coming artists and is open to public entries that are presented on the wall of Monex Group’s press room. We hope that new value can be created from this synergy produced from art and the office.



## Liisa

### PROFILE

Born in Hungary in 1999 (Chinese nationality), moved to Italy in 2001, and came to Japan in 2018; graduated from Kyoto Seika University, Faculty of Manga, Comic Art Course in 2023; enrolled in Tokyo University of the Arts, Master’s Program in Design (Studio 8 Draw) from 2023. Liisa explores immersive expressions using manga techniques based on the themes of memory attributable to everyday objects and places and discomfort and displacement caused by deviations from the original context. At university, she conducts research on spaces and their experiences through the use of illustration. Major exhibitions to date include the solo exhibition “Prayer” (2022, Shoyeido Incense, Kunjyukan, Kyoto) and “Turner Acrylic Gouache meets Manga Artist” (2022, Turner Gallery, Tokyo). Nominated as a finalist in the “TOKYO MIDTOWN AWARD 2023” art competition, to be exhibited at Tokyo Midtown from October 5, 2023. Additionally, a solo exhibition is scheduled to be held at “HIGURE17-15cas” (Tokyo) in October 2024.

# SEGMENT STRATEGY

Implement "medium- to long-term" growth strategy using strengths from each segment to "sustainably" elevate the value across the entire Monex Group.

Monex Group's five business segments—the securities segments in Japan, the US, and the Asia-Pacific, plus the Crypto Asset Segment and the Investment Segment—each drive their respective growth strategies independently. This globally decentralized portfolio management is designed to improve the value of the entire Group.

Along with an overview of Monex Group's businesses, this section includes messages from representatives regarding our finances and the strategies of our three main segments.

## 20 At a Glance

## 22 CFO Message

Takashi Oyagi  
(Chief Financial Officer, Monex Group)

## 25 Messages from Representatives of the Three Main Segments

Yuko Seimei  
Representative Director & President  
Monex, Inc

John Bartleman  
President and Chief Executive Officer,  
and Member of the Board of Directors  
TradeStation Group, Inc.

Satoshi Hasuo  
Representative Director & President  
Coincheck, Inc.

This section summarizes the strategies of Monex Group's five business segments in terms of business environment (opportunities and risks), segment strengths, and medium- to long-term strategies.

## 26 Japan Segment

Promote the "asset gathering model" to help build assets, aiming to increase assets in custody and transform our revenue structure



 Monex Asset Management

## 29 US Segment

Providing an optimal trading environment for active traders and aiming to strengthen our customer base and revenue stream over the medium to long term



## 32 Crypto Asset Segment

Expanding business by leveraging the marketplace/exchange customer base in order to diversify revenue and create a new digital economic sphere



## 35 Asia-Pacific Segment

Stable online securities business in Hong Kong  
Looking for new business domains in regions including South China



## 36 Investment Segment

Aiming to diversify revenue opportunities and secure realized gains through investment in and support for startups in a variety of areas





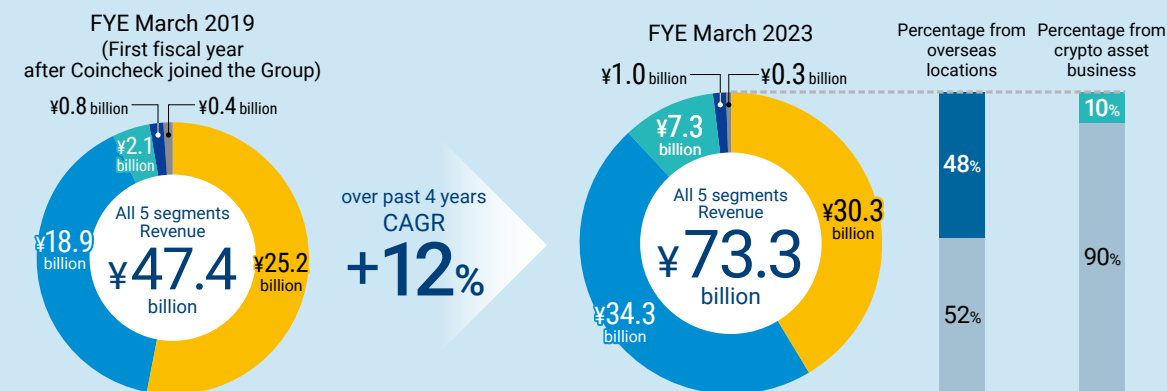
## Segment Strategy

### At a Glance

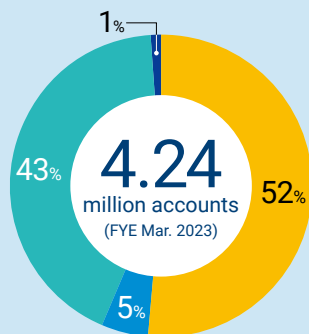
The Monex Group is made up of 5 segments. They include a domestic online securities business that offers a stable revenue stream, a U.S. based online securities business that is backed up by an army of engineers, a crypto asset business that will help propel growth globally, an Asia-Pacific Segment and an Investment Segment. Our three main segments: Japan, the U.S. and the Crypto Asset, in particular, have continued to grow steadily, supporting the consolidated revenue of the Group to grow by +12% annually on average over the last 4 years.

■ Japan Segment 
 ■ US Segment 
 ■ Crypto Asset Segment 
 ■ Asia-Pacific Segment 
 ■ Investment Segment

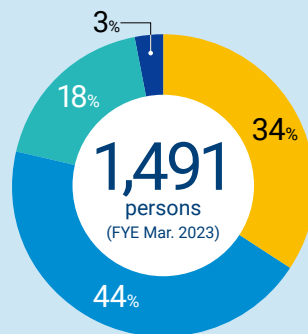
### Total Operating Revenue After Deducting Financial Expenses and Cost of Sales



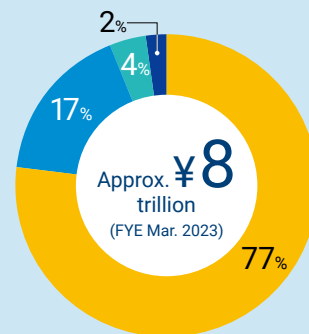
#### Number of Customers



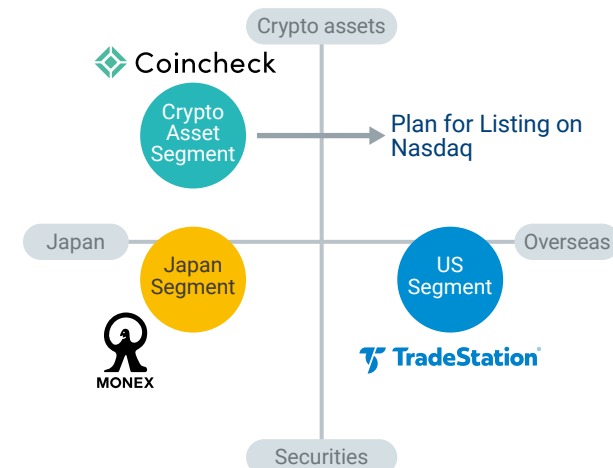
#### Number of Employees



#### Assets in Custody



### Business Services and Localities of Our Three Main Segments



Since the establishment of Monex Inc., a domestic online securities company, we have expanded our business base by launching overseas businesses and entering the crypto asset business.

### Third-Party Evaluations

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)



**JPX-NIKKEI 400**

**JPX-NIKKEI Mid Small**

MORNINGSTAR GenDi J  
Japan ex-REIT Gender Diversity Tilt Index



**FTSE Blossom Japan Index**



**FTSE Blossom Japan Sector Relative Index**

## Segment Strategy

### At a Glance

#### Japan Segment

**Main Business** Financial instruments business in Japan

Monex, Inc. established in 1999 is one of five major online securities businesses, which currently make up 90% of the value traded by Japanese retail investors. Our goal is to increase revenue apart from the Japanese equity commission fees by promoting the asset gathering model.



P.26: Segment Strategy | Japan Segment

Development of unique tools using the in-house system



Robo-advisor service "ON COMPASS" No.1 in investment performance



#### Crypto Asset Segment

**Main Business** Cryptocurrency exchange business in Japan

Coincheck joined the Monex Group in 2018 and offers services as a Cryptocurrency Exchange Agency to as many as two million customers that are primarily younger customers. The Coincheck trading app has the highest number of downloads in Japan. Coincheck is currently pushing ahead with the procedures for listing on the US Nasdaq stock market.



P.32: Segment Strategy | Crypto Asset Segment

No.1 market share in Japan in terms of app downloads for four consecutive years



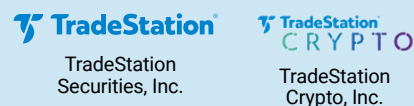
Largest number of IEOs in Japan



#### US Segment

**Main Business** Financial instruments business in the U.S.

The TradeStation Group was first founded as a trading systems company in 1982. Later after transitioning to an online securities business, the TradeStation Group joined the Monex Group in 2011. In 2022, we shifted our strategy to offering services to active traders, with the aim of increasing revenue.



P.29: Segment Strategy | US Segment

Providing a platform that is rated highly by external parties



#### Asia-Pacific Segment

**Main Business** Financial instruments business in Hong Kong

Hong Kong-based Monex Boom Securities merged with the Monex Group in 2010 and has developed an online securities business with access to stock from 16 different markets.

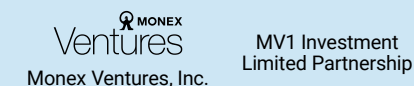


P.35: Segment Strategy | Asia-Pacific Segment

#### Investment Segment

**Main Business** Corporate venture capital business

Monex Ventures' principal VC investment business is supported by three investment arms. In addition to the active investments and support for the companies we invest in through the MV1 Investment Limited Partnership and the MV2 Investment Limited Partnership, Monex Ventures is now promoting investment through the new Tokyo Wellness Impact Investment Limited Partnership.



P.36: Segment Strategy | Investment Segment



## Segment Strategy

### CFO Message

## Lower earnings volatility and create a business portfolio capable of sustainable growth

Monex Group is proceeding to transform its business model in each segment by developing market-specific strategies. For instance, in the Japan Segment, we are promoting an asset gathering model to help customers build their assets. In the US Segment, we are expanding services for active traders—an area in which we have a natural advantage. And in the Crypto Asset Segment, we are moving more into the B2B2C space and stabilizing revenue. For Monex Group to grow sustainably, it is important that we build a business portfolio with diverse revenue streams and lower earnings volatility. All of our current measures are conducive to this. As CFO, I will do all I can to create growth drivers that generate stable earnings in each segment, pursue a higher level of ROE for the Group as a whole, attain a fair market valuation, and share profits with stakeholders.

### Takashi Oyagi

Director, Executive Officer, and CFO  
Monex Group, Inc.  
Director and CSO  
TradeStation Group, Inc.



## Segment Strategy

### CFO Message

## Continue to transform business models in our main segments to diversify revenue streams and lower volatility

### Aiming for renewed growth in the US Segment by getting back to our roots

Looking back on our performance in the fiscal year ended March 2023, the most notable topic was the major strategic shift at TradeStation, where I serve as a member of the board. During the first half of the year, TradeStation invested significant resources in the pursuit of greater scale. Although this resulted in an increase in new customers, the slowdown in the market made it difficult to translate this into increased revenue. The slump in the IPO market was also a factor in our decision to call off the De-SPAC listing, which had been planned for the purpose of funding. In the second half of the year, we made a significant change in our management policy and set about cutting back on marketing expenses and downsizing our organization.

Following the announcement of our strategy shift, we returned to our approach of listening to customers and creating services that they truly need, and for about three months, we carefully interviewed and surveyed them to re-clarify their needs. TradeStation is a brokerage firm that originally grew by being recognized for its trading platform for active traders, and this shift in strategy is a return to those roots. Today, TradeStation is constantly improving its services by leveraging its advanced technical expertise and agile development culture to take one action after another to meet newly identified customer needs, and by seeing how customers respond to those actions. Having established a goal of what services to provide what customers, a sense of unity has also formed among employees in the US Segment. Although it has been less than a year since we sowed seeds for this strategic shift, buds are starting to appear and I strongly feel that it was the correct course of action.

In the future, I want to broaden TradeStation's user base by connecting its brokerage system to external services via APIs to reach customers who have never used TradeStation. Since it is no longer feasible for services that meet our diverse customer needs to be created entirely in-house, I believe that this policy of partnering with excellent external services is an extremely effective option. At present, about 30% of our existing customers access TradeStation from external services via these APIs. As we implement the new strategy, we will continue to steadily solidify our business base and increase earning power.

### Pursuing a platform-based model capable of generating stable revenue

In the Japan Segment, we are promoting the asset gathering model which helps customers build their assets, and in my view, this is by far the correct strategy. The wave of zero commissions which swept across the U.S. is descending on the shores of Japan. The asset gathering model, which earns us profit from the growth of our customers' assets, is a platform-based business model capable of generating stable revenue and stable growth.

However, since building and expanding our asset management business portfolio will take a great deal of time, I believe we should consider a growth strategy that includes inorganic acquisitions. Also, the need for face-to-face communication with customers in addition to online communication has grown in recent years. As assets increase to a certain degree, the sense of trust in whether customers can entrust their valuable money is becoming more important than the level of commissions, and I believe that, in the Japan Segment, we need to build a business portfolio that takes this into account.

Recognizing that high revenue volatility is a significant challenge for the Crypto Asset Segment, we are focusing on expanding revenue outside of crypto asset exchanges in order to mitigate this. At the same time as contributing to the stable accumulation of revenue, support for funding via IEOs and the NFT marketplace also help strengthen our customer base in B2B2C by involving other business entities. During the recent banking crisis in the U.S., the price of bitcoin increased, suggesting it could be a replacement for gold. As an element of a diversified portfolio, which is integral for investment, holding bitcoin is very effective, and we will work steadily to communicate its significance to society. In addition, Coincheck has outstanding in-house marketing capability and has built a solid customer base in Japan. By providing these customers with superior global service, we will grow the business as a gateway connecting existing economic perspectives, including legal tender, with crypto.



## Segment Strategy

### CFO Message

## Pursue an even higher ROE and realize our true corporate value, by creating a business portfolio with a high expected rate of return

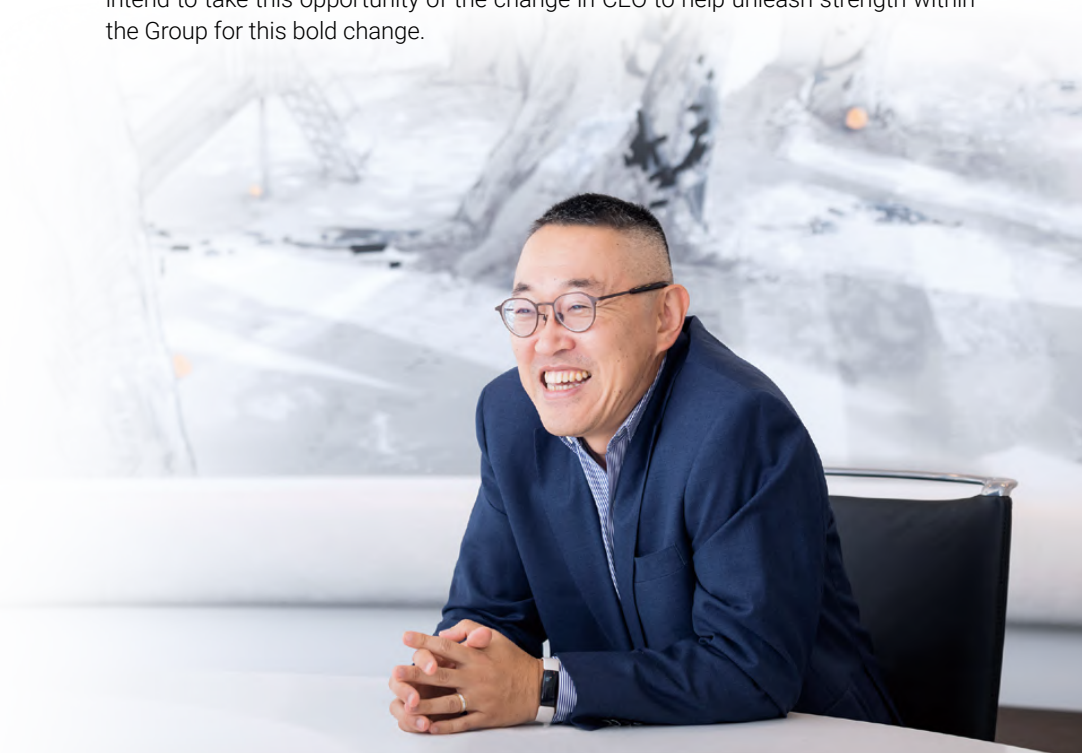
### Achieve steady results leading to greater earnings

I think that the business portfolio that Monex Group should aim for is actually consistent with the asset gathering model advocated for the Japan Segment. Important in the asset gathering model is that the expected rate of return on invested assets be somewhat high. Take, for example, the case of Japanese stocks and U.S. stocks held equally, the U.S. stocks have historically produced much higher returns. This is not surprising, because the U.S. population is growing and technological innovation occurs more frequently there. In this way, my hope is to realize a model in which the business grows together with the assets targeted for investment. If we can establish a system that allows global financial assets with high expected returns to be accessed from Japan, and if we can generate stable earnings through asset management, the volatility of overall earnings will be considerably reduced. If volatility can be lowered, the added premium on stock prices will fall, which in turn will keep the discount down on the same cash flow, theoretically increasing the present value of stocks and raising their prices. Although markets suggest that the Monex Group stock price reflects a conglomerate discount, personally, I feel that the stock price is undervalued. In order to drive the stock price to a reasonable level—while pretty basic—we will focus on building a business portfolio that generates stable revenue and on increasing the earning power of each segment.

As for shareholder returns, in my view, the direction of the current shareholder distribution policy is correct given Monex Group's current situation, as it is important to provide stable dividends while at the same time investing in growth. We are committed to achieving a ROE in excess of 10%, and we expect to achieve this if current trends are maintained. I expect that earnings will stabilize further, and achieving a ROE of 14%–15%—which is comparable with global industry leaders—is well within our grasp. Our stock price should rise significantly simply on the confidence of higher expectations of improved ROE in the future and a corresponding fall in the beta value. I believe that working backward from what needs to be accomplished, setting individual goals, and achieving steady results—

that is, persistently accumulating hits rather than going for home runs—is the most solid way for us to improve our corporate value, even though it may be a slow and steady process

All business models become obsolete after about 10 years. It may even be quicker nowadays. Monex Group was founded 25 years ago as an online broker and has grown significantly by pioneering an environment that allows individual customers to trade easily over the Internet. However, 25 years on, this model is also in need of reform, and we must be courageous in our efforts to change it. As CFO, I intend to take this opportunity of the change in CEO to help unleash strength within the Group for this bold change.



## Segment Strategy

## Messages from Representatives of the Three Main Segments

## Japan Segment



Yuko Seimei

Representative Director & President  
Monex, Inc.



### Evolving into a company where we grow along with our customers' valuable assets

We engage in our day-to-day business with the asset gathering model as our management policy. We will further pursue a business model in which, through our products and services, we increase the assets entrusted to us by our customers and our earnings increase as we accrue more customer assets. Furthermore, utilizing the backbone brokerage system that we developed in-house, we will also offer our services more broadly to the customers of other financial institutions.

We will also contribute to our customers' asset growth in various ways by strengthening our asset management business, including the Robo-Advisor service and the Monex Activist Fund.

## US Segment

John Bartleman 

President and Chief Executive Officer,  
and Member of the Board of Directors  
TradeStation Group, Inc.

### Expanding our services to better support the unique needs of sophisticated traders while providing value to our clientele.

In our mission to deliver the ultimate trading experience, we built a comprehensive plan to speak more directly to our target customers: advanced, high-value traders.

We are introducing a new program that will offer exclusive white-glove support and personalized solutions to valued customers while boosting brand loyalty. An innovative evolution of our trading platform will improve our offerings significantly, and soon our customers will have a new client portal that will provide easy access to valuable information on our platforms' capabilities.

Looking forward, these strategic goals help us go above and beyond in servicing sophisticated traders, while enhancing support within our existing customer base.

## Crypto Asset Segment

Satoshi Hasuo 

Representative Director & President  
Coincheck, Inc.

### Pursuing innovation through advanced technology and creating a society in which everyone has access to the exchange of new values

Based on our mission of "making the exchange of new values easier," we aim to create a society in which everyone has access to the exchange of new values. As a service that is easy for anyone to use, regardless of financial literacy, the "Coincheck" crypto asset trading service provides many customers with the opportunity to become familiar with the "exchange of new values." Moving forward, we will expand our partnerships with corporations and open Coincheck's functions up to partner companies to provide more people with the opportunity to experience the exchange of new values. In this way, we will continue to create better services so that all users can become familiar with the "exchange of new values" created by crypto assets and blockchain technology as well as with the transformation realized by new emerging technologies.

Segment Strategy

Japan Segment



Promote the “asset gathering model” to help build assets, aiming to increase assets in custody and transform our revenue structure

**Business environment (opportunities and risks)**

Japan’s online securities industry flourished with the opening up of a new segment of retail investors on the back of the deregulation of stock brokerage commissions and the spread of the Internet in the late 1990s. With face-to-face securities trading and trading by institutional investors dominating the stock market at the time, online securities brokerage firms had only a small share of the market, but that share has grown to the extent that, today, they handle the majority of equity trading by individuals. On the other hand, banks and face-to-face securities companies still command a considerable share of trading in some securities, such as mutual funds, suggesting that there is still room for the online securities industry to grow.

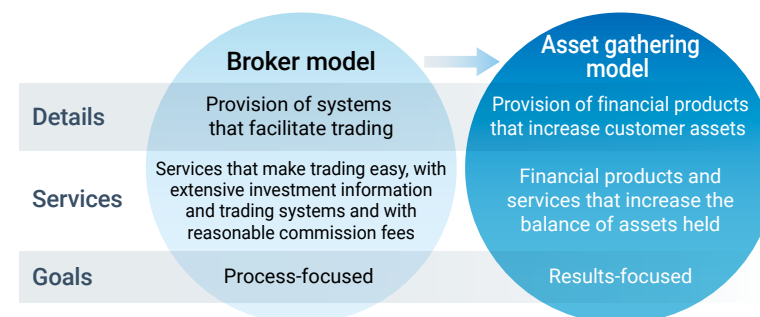
Progress has also been made in the global commoditization of the securities intermediary function—for instance, fee-free stock trading has been introduced by online securities brokerage firms since 2021—and existing online securities brokerage firms are urged to provide new value to society.

**Strengths of the Japan Segment**

Monex, Inc. moved its backbone brokerage system in-house in 2017, giving it the flexibility to develop the systems needed to improve its services. Currently, we are also strengthening our collaboration with other companies using API technology, enabling us to expand our BtoBtoC customer base such as by transferring the customer accounts of other financial institutions to Monex. We also offer a number of excellent services, including robo-advisor services by Monex Asset Management within the Japan Segment and US equity services provided in collaboration with TradeStation in the US Segment.

**Medium- to long-term strategy**

In the Japan Segment, having adopted the asset gathering model to help build assets as our management policy since 2020, we are committed to “increasing client assets after deducting commissions, etc.” By promoting this increase in customer assets in custody, such as through the provision of distinctive products and services, we are striving to expand revenue streams linked to assets in custody and to diversify our overall revenue. By transforming our revenue structure, which had been dependent on brokerage commissions for Japanese equities linked to the volume of customer transactions, and by increasing revenue in line with the growth in assets of retail investors who use our services and strengthening revenue linked to assets in custody, we aim to achieve stable business growth and lower revenue volatility and to provide the value of new experiences to customers.





## Segment Strategy

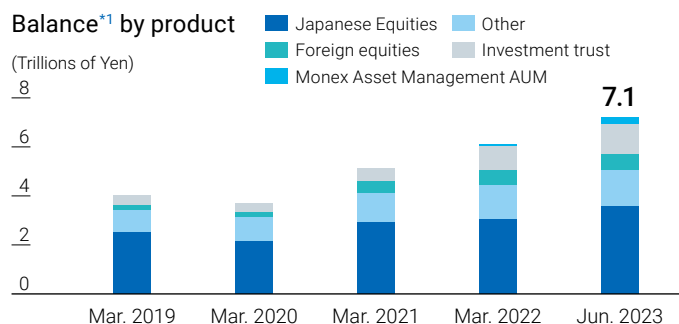
### Japan Segment

#### Key points of medium- to long-term strategy

##### Increase in assets in custody

As of July 2023, customer assets in custody at Monex Inc. exceeded 7 trillion JPY, having grown by about 80% in the roughly three-year period since the asset gathering model was announced in 2020. In January 2021, we entered into a comprehensive business partnership with Shinsei Bank (currently SBI Shinsei Bank), and 12 months later, its mutual funds and bond accounts were transferred to Monex, Inc. We also have plans to start a similar comprehensive business partnership with AEON Bank in January 2024 (scheduled). Through collaboration leveraging Monex Inc.'s in-house backbone brokerage system and associated APIs, customers of the partner banks will be able to access securities such as Japanese and US equities, and partner banks will be able to reduce their account management costs. The business partnership will also enable Monex, Inc. to achieve a considerable increase in assets in custody, while at the same time, capturing a new customer demographic.

Group subsidiary, Monex Asset Management, has shown steady growth, increasing its assets under management by 200 billion JPY over the past year to 320 billion JPY (as of July 31, 2023). As well as a significant increase in the amount of private placements managed by regional banks, there was also solid growth in the balance of ON COMPASS and ON COMPASS+ robo-advisor services and in the balance of the Monex Activist Fund, an engagement fund for which a Group subsidiary provides investment advice.



\*1 Monex, Inc.'s assets in custody plus Monex Asset Management's assets under management, less the balance of ON COMPASS held by Monex, Inc. customers

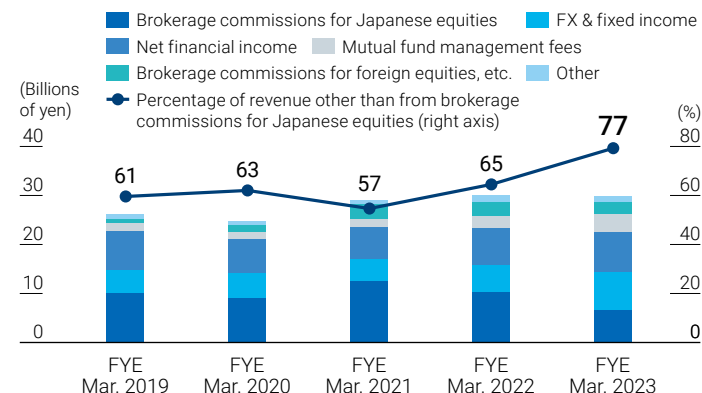
##### Diversification of revenue streams

Under the asset gathering model, which is committed to increasing client assets after deducting commissions, etc., Monex, Inc. has worked hard to propose portfolios and to provide products and services that contribute to better returns on investment. Specifically, we are focused on strengthening our US equity services, which help globally diversify our customers' investment portfolios, as well as our periodic investment services, which diversify the timing of investments. As for our discretionary management services ON COMPASS and ON COMPASS+, we have achieved the best\*2 performance of domestic fund wrap services as published by the Financial Services Agency. As a result, as shown in the graph below, we were able to diversify our revenue streams and achieve steady growth in revenue other than brokerage commissions for Japanese equities, and in March 2022, Monex, Inc. managed to significantly reduce its brokerage commissions for Japanese equity transactions.

In January 2024 (scheduled), the comprehensive business partnership with AEON Bank will come fully into effect, and the balance of AEON Bank's mutual funds (approximately 183 billion JPY as of March 2022) will be transferred to Monex, Inc.

\*2 Source: (4) Fund Wraps at End of 2022, Measurement of Representative Key Performance Indicators (KPI) of Investment Performance of Domestic Asset Management Firms and Analysis of Various Points of Discussion Regarding Domestic Publicly Offered Investment Trusts, Japanese Financial Services Agency

##### Operating revenue\*3 of Monex Inc.



\*3 Total operating revenue after deducting financial expenses and cost of sales

## Segment Strategy

### Japan Segment

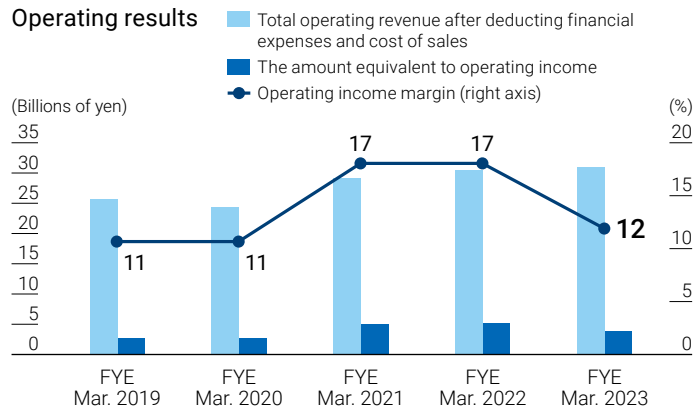
#### Future cash flow

#### Operating income and outlook

For the fiscal year ended March 2023, total operating revenue after deducting financial expenses and cost of sales came to 30.9 billion JPY. Despite the impact of lower revenue from brokerage commissions for Japanese equities due to the March 2022 revision of Japanese equity commission fees, total revenue increased compared to the fiscal year ended March 2022—the year before the revision of Japanese equity commission fees—reflecting the booming FX market on the back of a weaker yen and stronger dollar, as well as growth in services related to the asset gathering model, such as mutual fund agency fees. Selling, general and administrative expenses for the fiscal year ended March 2023 increased from the previous year to 27.1 billion JPY partly as a result of an increase in commission fees paid for IFA services and financial products intermediation. The amount equivalent to operating income was 3.8 billion JPY.

In January 2024, we plan to start a collaboration for financial intermediation with AEON Bank. This is expected to strengthen our business base similar to the transfer of accounts from Shinsei Bank (currently SBI Shinsei Bank) in January 2022, and to further increase our customer assets in custody. In addition, by leveraging the boost from the new NISA system, we intend to further strengthen our sales measures aimed at improving customer returns on investment by enabling a new customer demographic, including customers via AEON Bank, to trade a variety of financial products through Monex, Inc.

#### Operating results



#### Growth investments

#### Business investments

##### Software assets, etc.

Every year, Monex Inc. sets an annual system investment budget, prioritizes development items planned for the fiscal year, and controls system investment amounts in a way that the total amount of investment takes into account the overall cash flow. In 2017, our backbone brokerage system was moved in-house, creating a structure that allows us to develop new services and respond to institutional requirements in a flexible manner.

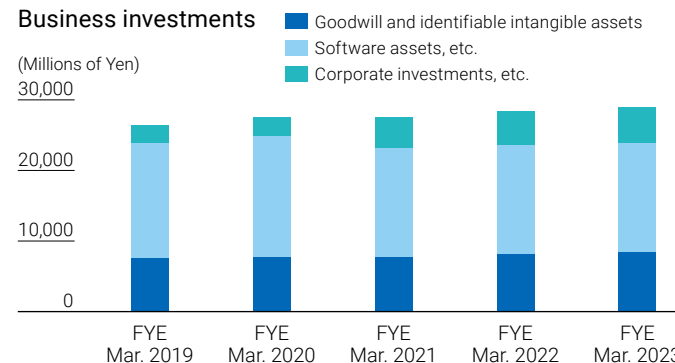
##### Goodwill and identifiable intangible assets

Since its establishment, Monex Inc. has expanded its scale of business through mergers and acquisitions (M&As) of rival domestic companies such as Nikko Beans and ORIX Securities. As a consequence, we have recorded a large amount of goodwill and identifiable intangible assets in the Japan Segment. We will continue to flexibly examine and promote M&As in line with our management policy as we strive to promote the asset gathering model at Monex, Inc.

##### Corporate investments, etc.

Investments in securities and other financial assets by Monex Group, the holding company, through its balance sheet are also recorded as assets in the Japan Segment. We will continue to examine strategic investments that help improve our corporate value.

#### Business investments





## Segment Strategy

## US Segment



## Providing an optimal trading environment for active traders and aiming to strengthen our customer base and revenue stream over the medium- to long-term

### Business environment (opportunities and risks)

Following the deregulation of stock brokerage commissions in the mid-1970s, discount brokers emerged in the U.S. online securities industry and grew in strength as the Internet rose in popularity. From 2000 to 2010, as competition for lower stock brokerage commissions intensified, online securities firms shifted from relying on stock brokerage commissions to increasing their scale of business and strengthening their fee businesses, such as comprehensive asset management combined with face-to-face advice. This resulted in a series of alliances and affiliations.

Amid such a competitive environment, securities firms specializing in options trading have emerged, as have those with strengths in trading platforms and algorithmic trading. Nowadays, competition in the U.S. online securities industry is fierce, with each firm leveraging its own distinctive character.

Another practice in the U.S. that is generating revenue for securities firms is Payment for Order Flow (PFOF), in which a securities firm sends client orders to a market maker, such as a high-frequency trading (HFT) firm, in exchange for a rebate.

### Strengths of the US Segment

Founded in 1982 as a company dedicated to developing software for traders, TradeStation, which is responsible for the US Segment, transitioned to the online securities business in the early 2000s. With strengths in systems development, TradeStation's technological capabilities in creating advanced trading platforms and analysis tools have garnered high praise in the online securities industry with numerous awards.

### Medium- to long-term strategy

Up until the beginning of the fiscal year ended March 2023, TradeStation had been implementing extensive marketing measures and aggressive systems investment for better services in order to expand its customer base to include a broader range of customers beyond just active investors. From August 2022, though, in response to changes in the market environment, we shifted our strategy to focus on active traders in order to attract customers. Moving forward, we aim to capture active traders and improve profitability and Life Time Value (LTV) through collaboration with TradingView and other similar third parties (API connections, etc.).

Furthermore, in an environment of high interest rates, TradeStation expects to continue earning interest income from customer USD cash deposits.

## Segment Strategy

### US Segment

#### Key points of medium- to long-term strategy

##### Acquisition of target customers

While there are various different types of investors in the market, TradeStation targets active traders. There are an estimated 6 million active traders currently in the U.S., a number that has been on the rise and is expected to continue growing in the future. As of the end of March 2023, TradeStation had approximately 200,000 accounts. With still plenty of scope for expansion, we will continue to further grow our customer base.

Leveraging its strengths in superior trading platforms and analysis tools, TradeStation is working with third parties to acquire customers. Third parties include, for example, TradingView, a provider of analysis tools to traders worldwide. TradeStation also aims to capture customers from these third parties through API connections.

Through such efforts, TradeStation will continue to steadily acquire main target customers.



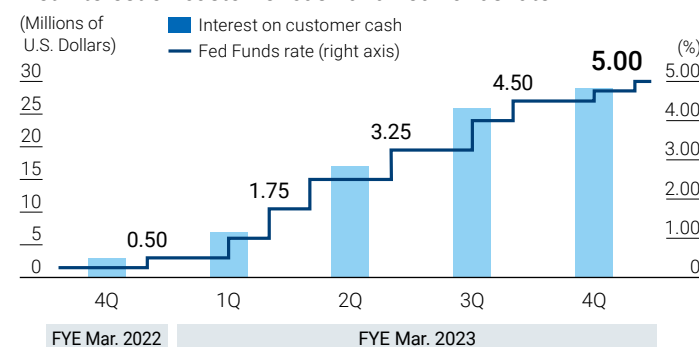
##### Stable net financial income through management of customer cash deposits

As of the end of March 2023, TradeStation had 2.8 billion USD in deposits received. Gains on the management of those deposits are attributed to TradeStation. If customer cash deposits remain stable and U.S. interest rates rise, gains on the management of those deposits will also increase accordingly. In recent years, low interest rates had kept net financial income stagnant, but in the fiscal year ended March 2023, the high interest rate environment helped boost net financial income considerably to approximately 92 million USD.

Furthermore, by appropriately controlling the proportion of floating rates and fixed rates in the management of customer cash deposits, we are able to secure stable revenue even during periods of declining interest rates.

Moving forward, we will expand TradeStation's revenue stream even more robustly by proceeding to broaden its customer base centered around active traders and increasing the customer cash deposits it manages as the customer base expands.

##### Net interest on customer cash and Fed Funds rate



## Segment Strategy

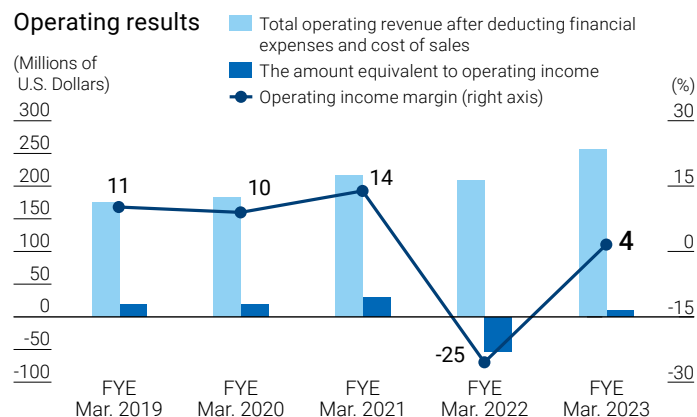
### US Segment

#### Future cash flow

#### Operating income and outlook

For the fiscal year ended March 2023, total operating revenue after deducting financial expenses and cost of sales came to 256.14 million USD, an increase over the previous year and the highest ever recorded. Although brokerage commissions and other commissions decreased year on year, net financial income increased significantly during the year on the back of an increase in gains on the management of customer cash deposits due to rising interest rates in the U.S. Selling, general and administrative expenses decreased year on year to 246.29 million USD. The main factor in this was a significant decrease in advertising expenses from the second quarter following a shift in strategy in August 2022 from an aim of quantitative expansion of our customer base to a focus on active traders.

Moving forward, in addition to increasing revenue from trading commissions as we steadily expand our target customer base of active traders, we will expand our revenue stream by also increasing financial income centered on gains on the management of customer cash deposits.



#### Growth investments

#### Business investments

##### Software assets, etc.

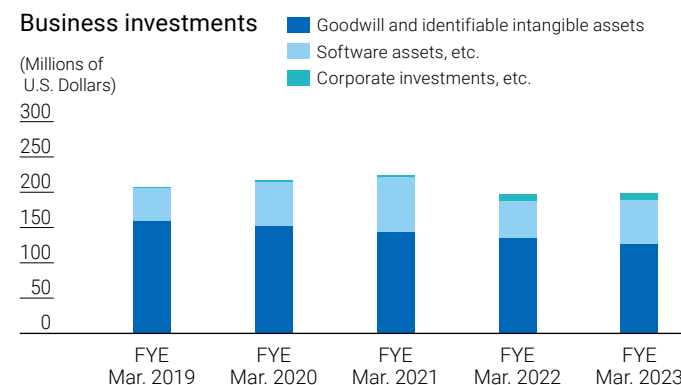
TradeStation offers trading in equities, ETFs, stock market index options, commodities and futures, futures and options as well as crypto assets. Trading platforms for these have been developed for desktop, online and mobile devices and can also be accessed via APIs from third-party platforms. TradeStation is involved in systems development for these platforms, which is primarily recorded as software and others.

##### Goodwill and identifiable intangible assets

TradeStation joined Monex Group in June 2011 through M&A. Goodwill and identifiable intangible assets have been recorded based on the market valuation of assets and liabilities at that time.

##### Corporate investments, etc.

In the US Segment, investments are made for research and development (R&D). We will continue to consider investments in companies that develop state-of-the-art technology.





## Segment Strategy

## Crypto Asset Segment



## Expanding business by leveraging the marketplace/exchange customer base in order to diversify revenue and create a new digital economic sphere

### Business environment (opportunities and risks)

The crypto asset industry has grown and changed at a rapid pace since the advent of Bitcoin. Initially, crypto assets were only traded among a few users, but as prices rose, they became more widely recognized even among the general public, and the number of marketplaces and exchanges where crypto assets could be traded increased. Furthermore, in addition to major crypto assets such as Bitcoin and Ethereum, many altcoins have also emerged. While the circulation of crypto assets continues to thrive, the impact of the collapse of TerraUSD and the bankruptcy of the FTX Group—one of the largest crypto exchanges—has led to increasing moves around the world toward regulating crypto assets.

Meanwhile, Japan has led the world in establishing strict regulations for crypto asset marketplaces and exchanges. Businesses such as crypto exchanges are required to register with the Japanese Financial Services Agency (FSA) as crypto asset exchange service providers, and the segregation of user assets and risk management systems are more stringent than in other countries.

### Strengths of the Crypto Asset Segment

Regulated by the FSA and the self-regulatory organization, Coincheck is the leading crypto asset exchange in Japan and has one of the largest customer bases in Japan. Leveraging the strength of our in-house marketing system, we are flexibly acquiring new accounts in response to market conditions. As of March 31, 2023, the number of verified customer accounts had reached 1.8 million, and we ranked number one in Japan in terms of app downloads for the fourth consecutive year. By building systems in-house, we were also first in Japan to offer new services such as Initial Exchange Offerings (IEOs) and Non Fungible Tokens (NFTs).

### Medium- to long-term strategy

Coincheck will continue to acquire new accounts and expand its customer base as a crypto asset exchange in Japan.

We will also leverage that customer base to expand partnerships with corporations. By opening up Coincheck's functions to our partner companies, we will provide more people with the opportunity to experience the "exchange of new values" that is created by crypto assets and blockchain technology.

As we promote the creation of this unique digital economic sphere, we are also preparing to list on the US Nasdaq stock market through a merger with Thunder Bridge Capital Partners IV, Inc.(TCHP), with the aim of creating value over the medium to long term.

## Segment Strategy

### Crypto Asset Segment

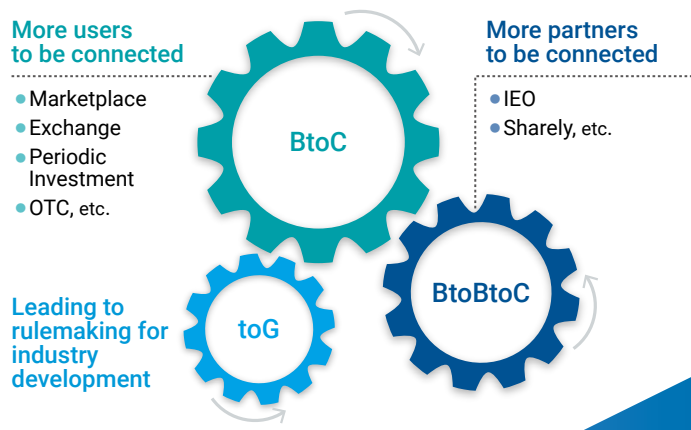
#### Key points of medium- to long-term strategy

##### Initiatives for diversifying revenue

Coincheck is continuing to diversify its revenue, backed by its solid customer base as a crypto asset exchange in Japan.

Following on from Japan's first IEO in 2021, Coincheck successfully completed its second IEO for fund procurement, FINANCIe Tokens (FNCT), in March 2023. Coincheck has also announced the conclusion of an agreement with COLOPL Group's Brilliantcrypto for a third IEO, aiming to create a new gaming experience that combines gaming and finance as well as markets for GameFi and blockchain games.

We have also launched Coincheck for Business, a service for corporate customers, and established a contact point for corporate customers to propose solutions tailored to their needs, including the purchase and sale of crypto assets and NFTs, accounting, and IEO considerations. We plan to expand our partnerships with corporations and open up Coincheck's functions to our partner companies in the future.



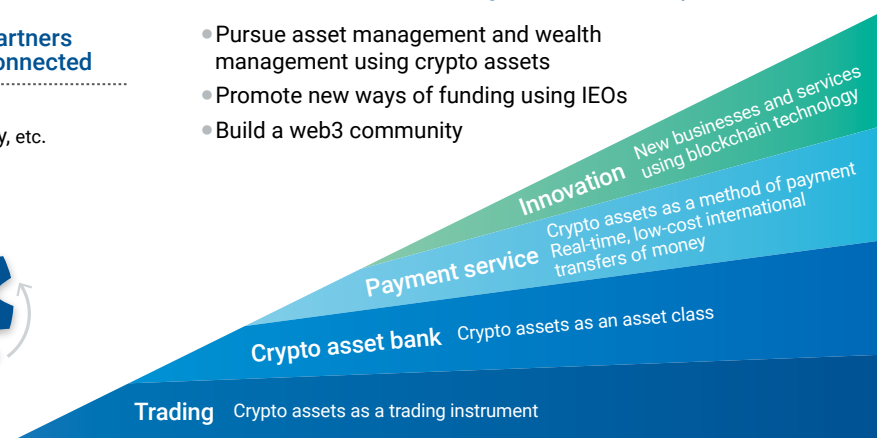
##### Coincheck Group to list on Nasdaq

Coincheck has expanded its business in the fields of blockchains and crypto assets in Japan, but for even greater growth, it is imperative to press forward with a global strategy and globalization in these fields. Based on this decision, we established Coincheck Group B.V. (CCG) to become the holding company of Coincheck, and through a merger with the US SPAC company THCP, we aim to list CCG onto the US Nasdaq stock market.

By listing on Nasdaq in collaboration with THCP, CCG will gain access to global investors. And since Nasdaq-listed shares are a globally effective currency for recruiting global talent and acquiring companies, utilizing them will enable our crypto asset business to expand even further.

##### De-SPAC listing on US Nasdaq will lead to globalization and creation of a new digital economic sphere

- Pursue asset management and wealth management using crypto assets
- Promote new ways of funding using IEOs
- Build a web3 community



## Segment Strategy

### Crypto Asset Segment

#### Future cash flow

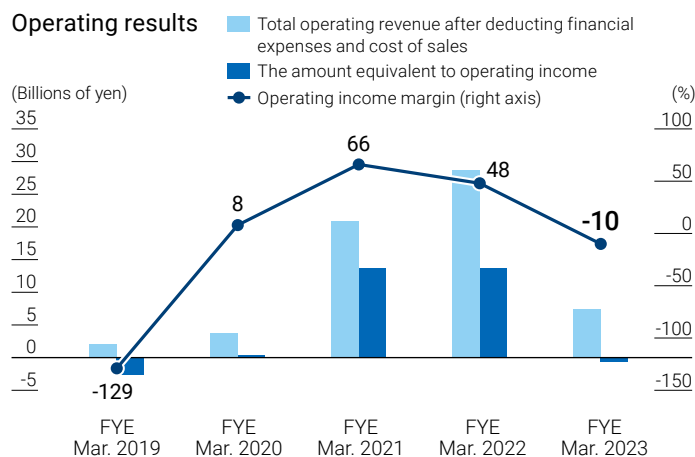
##### Operating income and outlook

For the fiscal year ended March 2023, total operating revenue after deducting financial expenses and cost of sales decreased from the previous fiscal year to 7.369 billion JPY. This was primarily due to a significant decrease in net trading income on the back of a slump in the crypto asset market. Nevertheless, our customer base continues to grow, with the number of verified customer accounts at Coincheck increasing by 11% and the number of units of bitcoins held by customers increasing by 22% from the end of the previous fiscal year.

Selling, general and administrative expenses decreased 47% year on year to 8.09 billion JPY. Despite recording professional fees associated with preparations for the De-SPAC listing, we have managed to dynamically control overall expenses in line with market conditions by significantly reducing advertising expenses.

Going forward, we will continue to expand our customer base in the cryptocurrency exchange business while appropriately controlling costs, and by leveraging our solid customer base, we will continue to diversify our revenue, including from IEOs and services for corporate customers.

##### Operating results



#### Growth investments

##### Business investments

###### Software assets, etc.

Equipped with a development system that enables the in-house production of crypto asset trading systems, Coincheck has the flexibility to provide services, including UI/UX, that make crypto asset trading easy even for inexperienced investors. Another feature is that it can conduct business with smaller system investments than in the securities business. System development related to these business activities is mostly recorded as software assets, etc.

We have also invested for research and development (R&D) purposes, and will continue to consider investments from an R&D perspective.

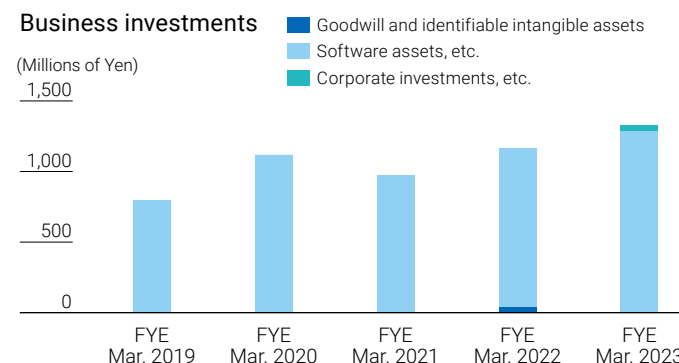
###### Goodwill and identifiable intangible assets

In pursuit of its global strategy and globalization, Coincheck will continue to expand its business through corporate acquisitions and other means.

###### Corporate investment (incubation)

Coincheck runs a program called Coincheck Labs which encourages the blockchain and web3 ecosystem in Japan to thrive by supporting entrepreneurs, startups, and communities related to crypto assets and NFTs.

##### Business investments





## Segment Strategy

### Asia-Pacific Segment



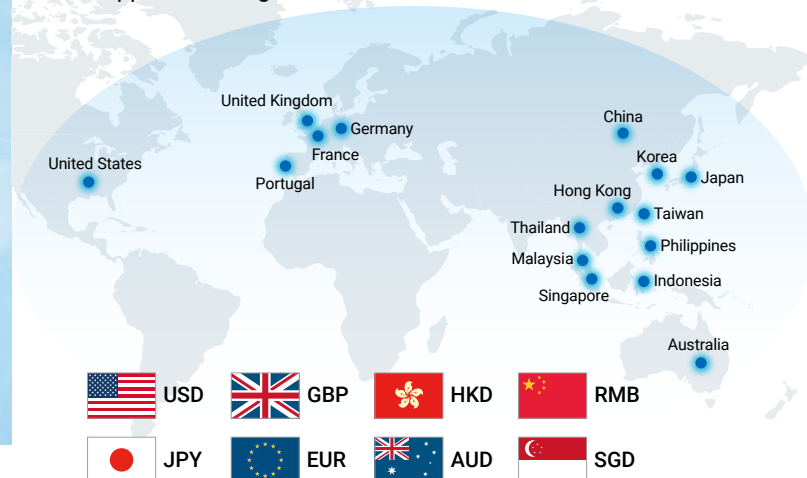
## Stable online securities business in Hong Kong Looking for new business domains in regions including South China

### Medium- to long-term strategy

Established as the first online brokerage for retail investors in the Asia-Pacific region, Monex Boom Securities now offers trading services in securities and futures with access to 16 regional stock markets across the globe and settlement in eight currencies. Monex Securities Australia had been providing securities services based in Australia, but transferred its customer accounts to another firm and terminated its business in light of business profitability.

With a view to the future, Monex Boom Securities is preparing securities services for retail investors in China. In addition, with the Hong Kong government building a framework of laws and regulations to become a center of the web3 domain in Asia, Monex Boom Securities is also considering businesses related to crypto assets by leveraging its securities license.

### Support covering 16 markets and 8 different currencies

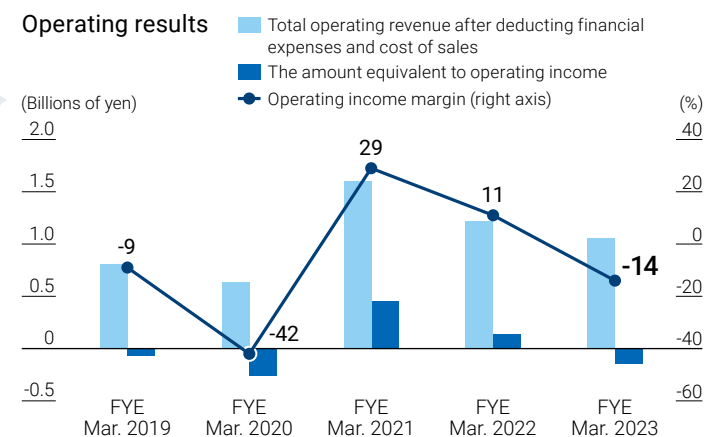


### Operating income and outlook

For the fiscal year ended March 2023, total operating revenue after deducting financial expenses and cost of sales decreased from the previous year to 1,053 million JPY. While net financial income increased from the previous year due to higher interest rates, brokerage commissions at Monex Boom Securities decreased. Selling, general and administrative expenses increased year on year to 1,205 million JPY. This is primarily due to having recorded expenses related to the closure of business at Monex Securities Australia.

Moving forward, we will work hard to expand our customer base through the acquisition of accounts so that we can earn consistently stable profits, especially at Monex Boom Securities, and we will also work on new areas such as business in mainland China and the crypto asset business.

### Operating results



## Segment Strategy

### Investment Segment



## Aiming to diversify revenue opportunities and secure realized gains through investment in and support for startups in a variety of areas

### Medium- to long-term strategy

In the Investment Segment, we invest in startups, leveraging our expertise built from a wealth of investment experience. We invest in seed companies and early-stage companies, while mitigating risk by limiting our funding in any single investment, and our investment portfolio spans a diverse range of sectors, not just FinTech companies. In addition, Monex Ventures has been selected to manage the Social Impact Investment Fund under the “Global Financial City: Tokyo” Vision 2.0 being promoted by the Tokyo Metropolitan Government, and is working on social impact investments through this fund, mainly in the wellness area.

We are also proceeding with preparations to launch an investment fund for FinTech startups in Africa in 2023–24.

### Main past investments

#### Companies listed on Tokyo Stock Exchange that Monex Ventures invested in

LIFENET INSURANCE COMPANY (March 15, 2012)

Uzabase, Inc. (October 21, 2016)

Money Forward, Inc. (September 29, 2017)

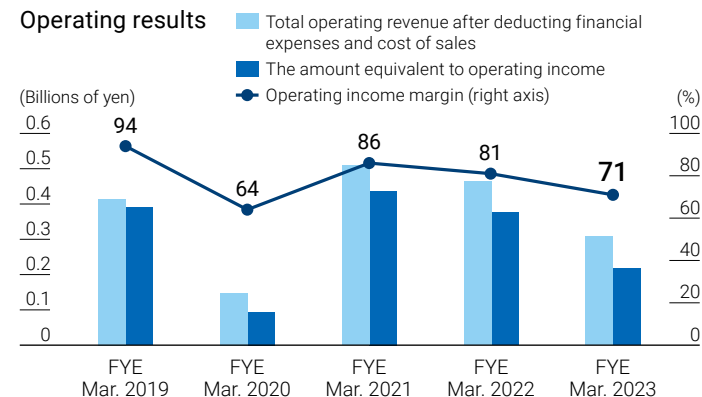
Mental Health Technologies Co., Ltd. (March 28, 2022)

### Operating income and outlook

For the fiscal year ended March 2023, total operating revenue after deducting financial expenses and cost of sales decreased from the previous year to 308 million JPY. This is mainly due to gains (losses) on valuation from increases (decreases) in the value of holdings being recorded as financial income. Selling, general and administrative expenses remained almost unchanged from the previous year at 91 million JPY.

We will continue to diversify opportunities for revenue by strengthening our investment capabilities and expanding our investment areas, and we will aim to secure realized gains from the sale of our holdings, such as IPOs and M&A, by providing ongoing support for growth to our existing investments.

### Operating results

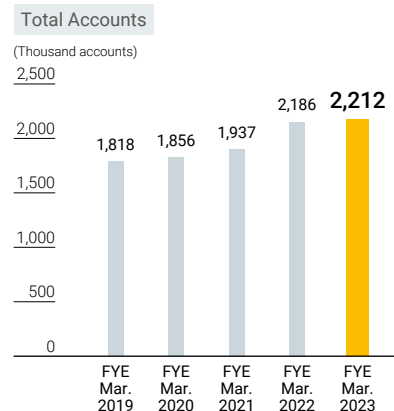


## Business KPIs

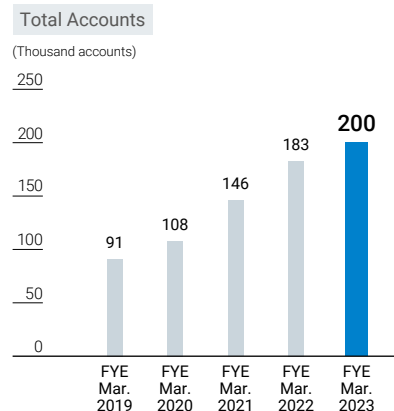
### Total Accounts / Number of Verified Accounts / Accounts with Balances

The total number of accounts (Japan and U.S.), verified accounts (Crypto Asset) and accounts with balances (Asia-Pacific) represent the number of our customers who trade (or can trade) or have assets in custody. This is one key indicator of our customer base that drives growth in our securities and crypto asset businesses.

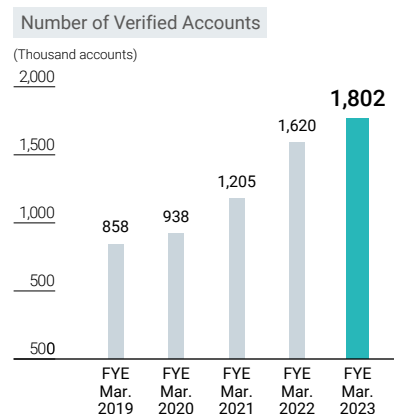
#### Japan Segment



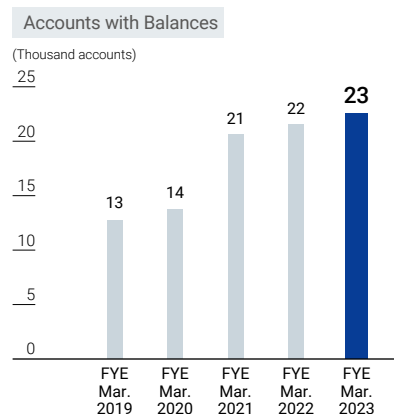
#### US Segment



#### Crypto Asset Segment



#### Asia-Pacific Segment

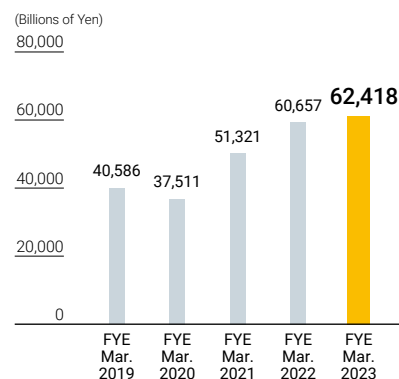


The number of accounts in each of our three main segments—Japan, US, and Crypto Asset—grew due to the success of each company’s measures to acquire new accounts. In the US Segment, we expanded our customer base through marketing measures that have been focused on active traders since our strategy shift in August 2022. In the Crypto Asset Segment, despite the low level of crypto asset trading in the market, we significantly expanded our customer base through agile marketing measures based on our in-house marketing system.

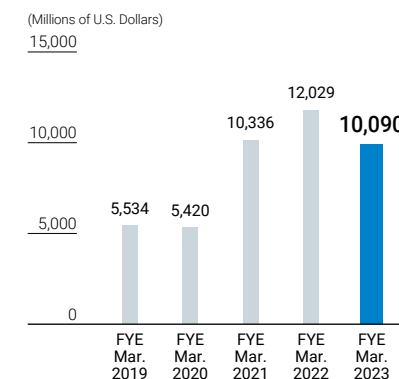
### Assets in Custody

The assets in custody are one key indicator of our customer base that drives growth in our securities and crypto asset business.

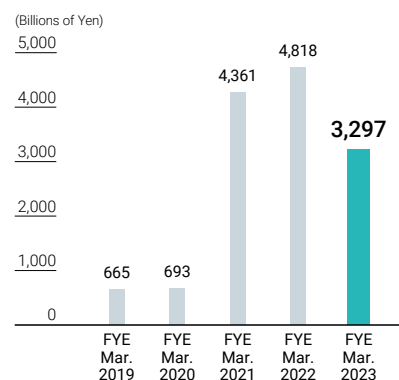
#### Japan Segment



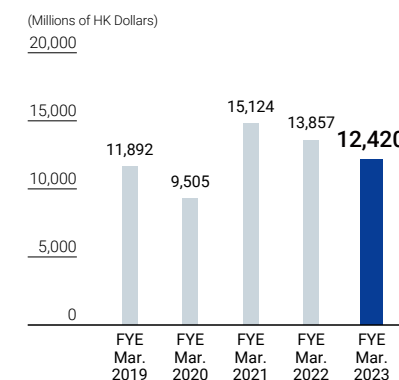
#### US Segment



#### Crypto Asset Segment\*



#### Asia-Pacific Segment



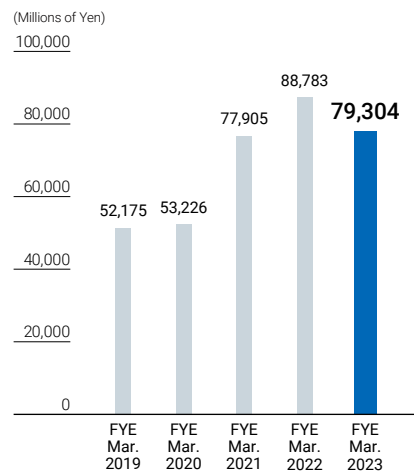
Assets in custody increased in the Japan Segment, but decreased in both the US and Crypto Asset Segments. The increase in the Japan Segment, was helped by the expansion of our installment service for mutual fund investment under the “asset gathering model” business model. In the Crypto Asset Segment, assets in custody decreased as a result of a fall in crypto asset prices, but the customer base grew as the volume of bitcoins held by customers increased year on year.

\* Data from the 4Q of the fiscal year ended March 2021 onward have been adjusted retroactively.

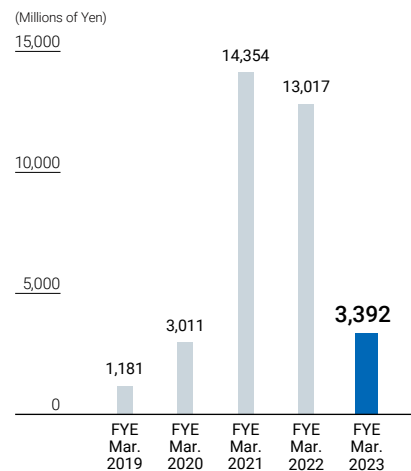


## Business KPIs

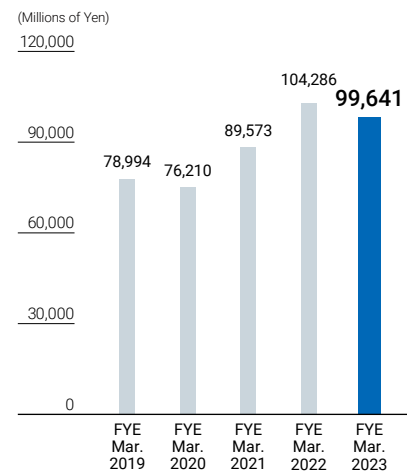
### Total Operating Revenue



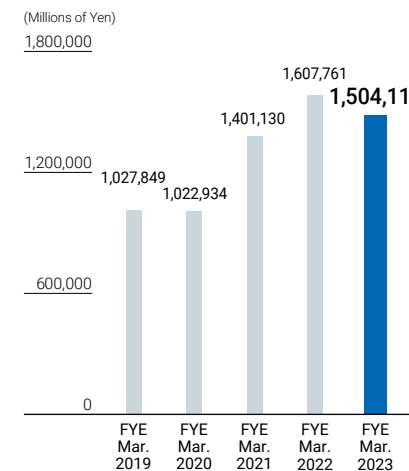
### Profit Attributable to Owners of the Company



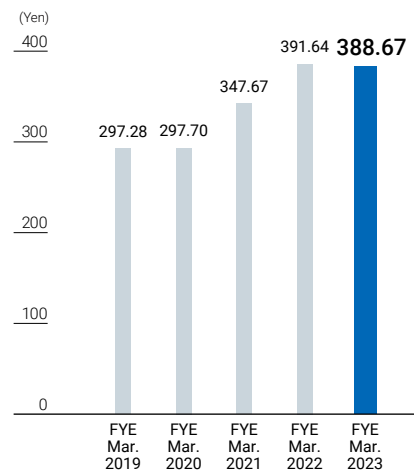
### Equity Attributable to Owners of the Company



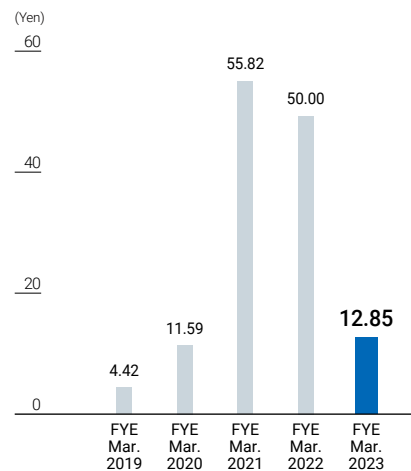
### Total Assets



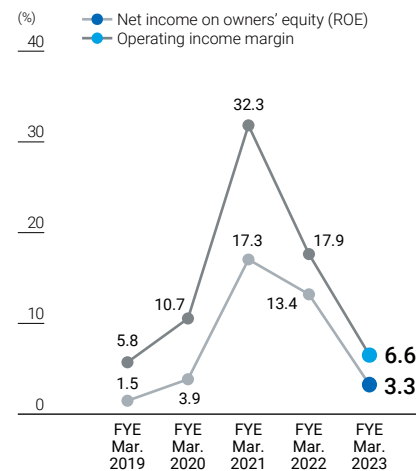
### Equity per Share Attributable to Owners of the Company (BPS)



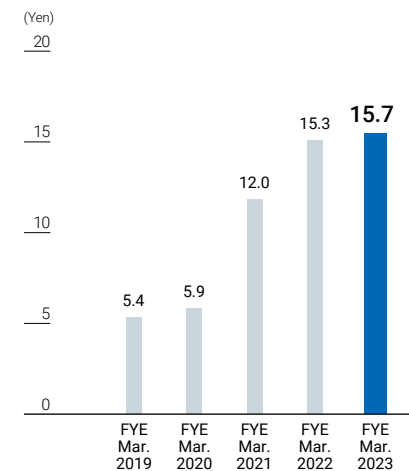
### Earnings per Share Attributable to Owners of the Company (EPS)



### Return on Equity (ROE) / Operating Income Margin



### Dividends per Share



# Corporate Governance

## Overview of Corporate Governance

### Features of Corporate Governance

Based on the fact that capital markets are global, Monex Group actively incorporates systems attuned to global standards, realizes a Board composition that has diversity in terms of region, generation, gender, and knowledge, and actively engages in substantive discussion at Board meetings, thereby enhancing the effectiveness of corporate governance.

#### 1 Early introduction of the progressive committee structure with nominating committee, etc.

We have always appointed several outside directors since our founding, and in 2013, we adopted a committee structure with nominating committee, etc.

#### 2 Realization of Board membership premised on diversity

We are constantly mindful of diversity in our Board composition based on knowledge, experience, region, generation, gender, and so on to improve the effectiveness of discussion.

#### 3 Steadfast adherence to a corporate governance policy based on global thinking

We aim to achieve world-class corporate governance by embracing expertise from global capital markets.

### Changes in Corporate Governance (since the founding of Monex, Inc.)

	*	2000	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Institutional design	Structure with board of company auditors		Committee structure with nominating committee, etc.										
Total board members	6	10	11	11	11	11	9	9	9	11	10	11	
Outside directors	3	5	6	6	7	6	6	6	6	7	6	7	
Percent of outside directors on board	50	50	55	55	64	55	67	67	67	64	60	64	
Advisory committees, etc.	Advisory Board		Adopted Corporate Governance Code										
			Global Management Committee										
			Appointed lead independent director										
Board diversity (foreign nationals, women)	1	1	3	3	2	2	2	2	2	3	3	4	
Percent of foreign nationals and women	17	10	27	27	18	18	22	22	22	27	30	36	
Total executives	—	6	6	6	11	12	11	10	9	9	9	9	

\* Shows annual data from the end of June after the General Meeting of Shareholders.

### Message from the Chairman of the Board



#### Increase effectiveness of the Board of Directors with diversity and global standards

**Oki Matsumoto**  
Chairman of the Board

The greatest feature of our corporate governance is that our Board of Directors discusses management issues candidly, actively, without reserve, and loudly. As the founder of Monex, I participated in Board meetings in my capacity as Representative Executive Officer and CEO until June this year. If anything, this could have led to none of the Board members being able to speak out against the founding CEO with a strong sense of ownership. But our Board of Directors is different. All Board members, including Lead Independent Director Jun Makihara, readily speak out against the CEO's explanations and opinions, voice contrary opinions, and actively participate in Board discussions.

Such broad-minded discussion is possible because we have a Board composition that is keenly aware of diversity, which has been the source of our thinking since the time of our founding, and an approach to corporate governance that is strongly aware of global standards, based on the premise that capital markets are global. As for management succession, following years of discussion by the Nominating Committee and the Board of Directors, we were able to select a successor we felt confident was right for the job. We will continue to achieve sustainable medium- and long-term growth by discussing and working to resolve our management issues, led by our Board of Directors, which is capable of substantive discussion and decisions—one of our strengths.

## Corporate Governance

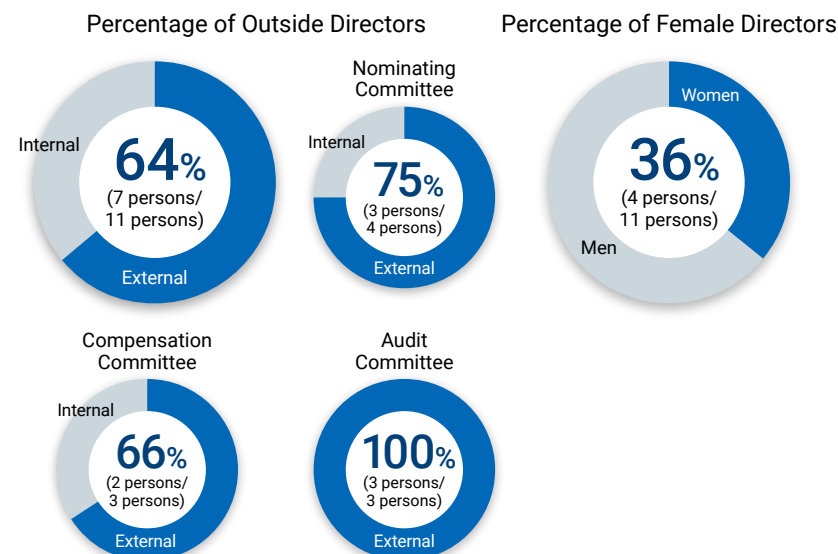


**WEB** ESG Information | Corporate Governance | Corporate Governance Structure

### Committee Structure with Nominating Committee

Unlike the corporate governance system of a company with a board of company auditors, which many companies in Japan used for a long time, the committee structure with nominating committee, etc. is based on the U.S. corporate governance system and separates the executive function from the management roles of the board of directors, establishing two functions: the board of directors, which makes important decisions such as on management policy, and executive officers, who execute actual business operations. Specifically, committees with a majority of outside directors (nominating committee, compensation committee, and audit committee) are established within the board of directors. The board of directors oversees management, while business execution is delegated to executive officers. The aim is to speed up executive management and rationalize and optimize management decisions. In June 2013, Monex Group adopted the committee structure (currently the committee structure with nominating committee, etc.) with the aim of establishing a corporate governance system based on global standards.

The Company's Board of Directors is structured with global standards in mind, with outside directors accounting for about two-thirds of the Board as of June 2023. A key feature of our Board of Directors is that it is acutely aware of its function both as a monitoring board that leverages the high degree of independence, expertise, and diversity of outside directors in overseeing Business Execution Divisions and as a strategic board that discusses growth strategies from a broad perspective based on the diverse knowledge of the outside directors.



### Setting Up a Lead Independent Director

The *Corporate Governance Code* established by the Tokyo Stock Exchange states in supplementary principle 4.8.2: Independent directors should endeavor to establish a framework for communicating with the management and for cooperating with *kansayaku* or the *kansayaku* board by, for example, appointing the lead independent director from among themselves. In 2015, Monex Group appointed a lead independent director. The lead independent director has since demonstrated leadership in listening to and summarizing the opinions of the outside independent directors and then communicating his candid and sometimes harsh input to the executive team. In fact, at Board meetings, the lead independent director has not hesitated in expressing his frank and candid opinions to the CEO, which has helped to stimulate substantive discussions at Board meetings and strengthen the effectiveness of the Board. In addition, he has been instrumental in strengthening the Company's governance as a key member of the monitoring board by organizing meetings attended only by outside directors and the Chairman of the Board or only by outside directors.



## Corporate Governance

### Approach to Determining Officer Remuneration

Since Monex Group has a committee structure with nominating committee, etc., under the Companies Act, the Compensation Committee establishes policies regarding the compensation of Board members and executive officers (hereafter referred to as “officers”) and determines the specific compensation for each officer. The Compensation Committee is made up of three directors (two of whom are outside directors). Regarding officer remuneration, in addition to fixed basic remuneration, we have introduced performance-linked remuneration, which is based on the Group’s performance for a single fiscal year, as well as the Restricted Stock Remuneration System (RS), which is linked to the Company’s stock price. Our basic approach to the breakdown of remuneration and other payments distributed to officers, excluding outside directors, is that fixed basic remuneration accounts for 70% and the total of variable performance-linked remuneration and RS accounts for 30%.<sup>\*1</sup>

In June 2023, Monex Group appointed a new CEO. For more than 20 years, founder and major shareholder Oki Matsumoto led the executive management of the Company as CEO. In selecting Yuko Seimei as his successor, the Compensation Committee decided that, in order for Yuko Seimei to assume the same heavy responsibility for management as Oki Matsumoto and to reflect the trust of shareholders, the concept of CEO compensation in global companies needed to be adopted, and variable compensation of a magnitude appropriate for the CEO of Monex Group needed to be provided. Therefore, in July 2022 and again in July 2023, the Company granted Yuko Seimei variable compensation primarily in the form of RS subject to a 10-year restriction

on transfers. This is an incentive for the new CEO, Yuko Seimei, to accept the management responsibility of improving corporate value sustainably over a decade-long period.

Moving forward, we will increase variable compensation, especially the proportion of RS, in the remuneration paid to officers, excluding outside directors. This will further strengthen our commitment to improve corporate value through sustainable growth, and result in officers sharing the same awareness for stock price as our shareholders.

In April 2023, in order to ensure sound and fair management, we introduced a claw-back policy<sup>\*2</sup> enabling the recoupment of remuneration paid to executive officers in the event of misconduct. The policy was initially introduced for Monex Group executive officers, and will eventually be expanded to include Board members (excluding outside directors), executive directors, and expert directors at Group companies.

<sup>\*1</sup> Given that the Group’s performance can vary greatly depending on the economic climate, market volatility, and other factors, the breakdown of basic remuneration and performance-linked remuneration may be determined based on an assessment that deviates from our basic approach to the breakdown of payments as a result of discussions by the Compensation Committee from the perspective of the Company’s medium- and long-term sustainability.

<sup>\*2</sup> In the event of a material accounting error, a subsequent correction of financial statements due to fraud, or a significant misconduct in the Group, we may, at the discretion of the Compensation Committee, require that the executive officer who committed such actions return all or part of their performance-linked bonuses and forfeit and/or retroactively return all or part of their RS.

[PDF](#) Securities Report, Fiscal Year Ended March 2023, pp. 58–60 (Japanese version only)

### Breakdown of Remuneration, etc. (Fiscal Year Ended March 2023)

	Basic Remuneration	Short-Term Incentive Remuneration	Medium-and-Long Term Incentive Remuneration <sup>*3</sup>
Executive Officer holding a dual position as a director	¥103 million	¥6 million	¥60 million <sup>*4</sup>
Executive Officer not holding a dual position as a director	¥76 million	¥6 million	¥8 million <sup>*4</sup>
Outside Director	¥59 million	–	¥27 million <sup>*4</sup>

<sup>\*3</sup> In lieu of allocating shares restricted on transfer to directors who reside outside of Japan, phantom stock shall also be allocated, and the amount paid shall be calculated from the standard stock price of the Company.

<sup>\*4</sup> All medium- and long-term incentive remuneration here is non-monetary (restricted stock).

## Corporate Governance

## Skill Matrix of the Board Members

	Name	Experience and Expertise									Attendance Record for FYE March 2023	
		Finance	Marketing	Technology	Management of a listed company	Finance and accounting	Internal control	Risk management	Global experience	Sustainability	Board of Directors	Committee
Inside	Okii Matsumoto	●			●				●	●	9/9	Meetings of the Nominating Committee: 3/3 Meetings of the Compensation Committee: 5/5
	Yuko Seimei	●			●	●		●		●	9/9	—
	Takashi Oyagi	●				●		●	●	●	9/9	—
	Naofumi Yamada			●	●					●	9/9	—
Outside	Jun Makihara	●				●			●	●	9/9	Meetings of the Nominating Committee: 3/3 Meetings of the Compensation Committee: 5/5
	Fujiyo Ishiguro		●	●	●				●	●	9/9	Meetings of the Nominating Committee: 3/3
	Nobuo Domae		●	●	●				●	●	9/9	Meetings of the Nominating Committee: 3/3 Meetings of the Audit Committee: 3/3* Meetings of the Compensation Committee: 5/5
	Masaaki Koizumi					●	●	●		●	9/9	Meetings of the Audit Committee: 10/10
	Shiho Konno						●	●		●	9/9	Meetings of the Audit Committee: 10/10
	Ungyong Shu	●				●	●		●	●	7/7*	Meetings of the Audit Committee: 7/7*
	Sachiko Kuno			●	●			●	●	●	—	—

\* Attendance while serving as a board member or committee member

## Major revision of skill matrix, aiming for a Board composition suited to our management strategies










Responding to ever-changing external conditions, Monex Group flexibly revises the management strategies of each business and continuously reviews the skill matrix of Board members to ensure it matches those management strategies. This year, we redefined the following two points in order to strike an appropriate balance between the monitoring board (mindful of monitoring functions) and strategic board (mindful of strategy promotion functions). First, in order to enhance awareness of the monitoring board, we divided last year's accounting and internal controls into three categories: finance and accounting, internal control, and risk management. Next, we added the new categories of global experience and sustainability, which are needed to promote our management strategies for sustainable growth. By clarifying the qualities of Board members in this way, following on from the earlier succession of executive management, we were able to set up a structure to facilitate succession in the Board of Directors too, that is, for the smooth turnover between existing officers and new officers. As for sustainability, we have instituted and announced the Monex Sustainability Statement as a commitment of our Board of Directors to contribute to the realization of a sustainable society. All members of our Board are constantly mindful of acquiring knowledge and taking action for sustainability.

**(Note) Experience and Expertise are defined as below.**

- **Finance:** Experience and expertise of financial and capital markets
- **Marketing:** Experience and expertise related to marketing
- **Technology:** Experience and expertise related to technology
- **Management of a listed company:** Experience as a founder or a representative of a listed company
- **Finance and accounting:** Experience and expertise related to finance and accounting as well as M&A
- **Internal control:** Specialized experience and expertise for internal control
- **Risk management:** Experience and expertise related to compliance and other risk management
- **Global experience:** Experience working globally
- **Sustainability:** Experience and expertise related to ESG and sustainability

## Corporate Governance

## Management Team As of August 31, 2023 (term of office as of June 24, 2023; number of shares owned as of March 31, 2023)

	<p><b>Oki Matsumoto</b> Chairman of the Board, Member of the Nominating Committee, Chairman and Representative Executive Officer</p> <ul style="list-style-type: none"> <li>• Term of office: 18 years</li> <li>• Number of shares owned: 7,582,000 shares</li> </ul>		<p><b>Yuko Seimei</b> Member of the Board, Member of the Compensation Committee, Representative Executive Officer, President and Chief Executive Officer</p> <ul style="list-style-type: none"> <li>• Term of office: 2 years</li> <li>• Number of shares owned: 1,232,000 shares</li> </ul>		<p><b>Takashi Oyagi</b> Member of the Board, Executive Chief Financial Officer</p> <ul style="list-style-type: none"> <li>• Term of office: 12 years</li> <li>• Number of shares owned: 510,600 shares</li> </ul>
<p><b>Important concurrent positions at other organizations</b> Chairman of the Board of Directors, TradeStation Group, Inc.*1 Chairman, Managing Director and Executive Director, Coincheck, Inc.*2 Chairman, Japan Catalyst, Inc.*1 Outside Director, Mastercard Incorporated</p>		<p><b>Important concurrent positions at other organizations</b> Representative Director and President, Monex, Inc.*1 Director, TradeStation Group, Inc.*1</p>		<p><b>Important concurrent positions at other organizations</b> Director and Chief Strategic Officer, TradeStation Group, Inc.*1</p>	
	<p><b>Naofumi Yamada</b> Member of the Board, Executive Officer</p> <ul style="list-style-type: none"> <li>• Term of office: 2 years</li> <li>• Number of shares owned: 30,100 shares</li> </ul>		<p><b>Jun Makiyama</b> Outside Director, Member of the Nominating Committee, Member (Chair) of the Compensation Committee, Lead Independent Director</p> <ul style="list-style-type: none"> <li>• Term of office: 17 years</li> <li>• Number of shares owned: 20,000 shares</li> </ul> <p>Lead Independent Director</p>		<p><b>Fujiyo Ishiguro</b> Outside Director, Member of the Nominating Committee</p> <ul style="list-style-type: none"> <li>• Term of office: 9 years</li> <li>• Number of shares owned: 28,500 shares</li> </ul> <p>Independent outside director</p>
<p><b>Important concurrent positions at other organizations</b> Expert Director, Coincheck, Inc.*2 Patent Attorney, Socidea Intellectual Property Office</p>		<p><b>Important concurrent positions at other organizations</b> Director, TradeStation Group, Inc.*1 (Outside Director in substance) Outside Director, Philip Morris International Inc.</p>		<p><b>Important concurrent positions at other organizations</b> Director, Chief Evangelist, Netyear Group Corporation Director of the Board (External), SEGA SAMMY HOLDINGS INC. Outside Director, The Shoko Chukin Bank, Ltd. External Director, Mitsui &amp; Co., Ltd.</p>	
	<p><b>Nobuo Domae</b> Outside Director, Member (Chair) of the Nominating Committee, Member of the Compensation Committee</p> <ul style="list-style-type: none"> <li>• Term of office: 7 years</li> <li>• Number of shares owned: 45,100 shares</li> </ul> <p>Independent outside director</p>		<p><b>Masaaki Koizumi</b> Outside Director, Member (Chair) of the Audit Committee</p> <ul style="list-style-type: none"> <li>• Term of office: 5 years</li> <li>• Number of shares owned: 18,500 shares</li> </ul> <p>Independent outside director</p>		<p><b>Shiho Konno</b> Outside Director, Member of the Audit Committee</p> <ul style="list-style-type: none"> <li>• Term of office: 5 years</li> <li>• Number of shares owned: 18,500 shares</li> </ul> <p>Independent outside director</p>
<p><b>Important concurrent positions at other organizations</b> President &amp; Representative Director, Ryohin Keikaku Co., Ltd.</p>		<p><b>Important concurrent positions at other organizations</b> Certified Public Accountant, KOIZUMI C.P.A. OFFICE Outside Statutory Auditor, K.R.S. Corporation Outside Director, FAN Communications, Inc. Auditor, TSUKUI CAPITAL CORPORATION</p>		<p><b>Important concurrent positions at other organizations</b> Attorney-at-law, Shiho Konno Habataki Law Office Outside Director, LIXIL Corporation</p>	
	<p><b>Ungyong Shu</b> Outside Director, Member of the Audit Committee</p> <ul style="list-style-type: none"> <li>• Term of office: 1 year</li> <li>• Number of shares owned: 11,600 shares</li> </ul> <p>Independent outside director</p>		<p><b>Sachiko Kuno</b> Outside Director, Member of the Nominating Committee</p> <ul style="list-style-type: none"> <li>• Term of office: New appointment</li> <li>• Number of shares owned: 0 shares</li> </ul> <p>Independent outside director</p>		
<p><b>Important concurrent positions at other organizations</b> Representative Director, Core Value Management, Co., Ltd. Outside Director, Dai-ichi Life Holdings, Inc. Outside Director, Sojitz Corporation</p>		<p><b>Important concurrent positions at other organizations</b> Director, Phoenixi Co., Ltd. Outside Director, DeNA Co., Ltd. President and CEO, S&amp;R Foundation Director, VLP Therapeutics, Inc.</p>			

\*1 The Company's wholly owned subsidiary

\*2 The Company's subsidiary



## Corporate Governance

### Stakeholder Engagement

#### Engaging Traders & Investors Q&A

Monex Group is committed to engaging with all stakeholders who are participants in the capital markets. On this page, we introduce a selection of representative questions fielded during discussions with institutional investors regarding proposals presented at the General Meeting of Shareholders, along with our responses to those questions.

#### Q What was your intention with the proposal for electing director candidates at the Ordinary General Meeting of Shareholders in June 2023?

**A** Conscious of ensuring appropriate turnover on the Board of Directors, every year, we select candidates for the Board based on their qualities (skill matrix). Last year, we appointed Ungyong Shu as a new outside director given his wealth of experience and expertise in M&A and other aspects of global financial markets. The appointment of Ungyong Shu in addition to Jun Makihara, an outside director with a similar skill set, means that our management structure is now capable of looking for action in global financial markets in a more proactive and multilayered fashion. This year, we also appointed Sachiko Kuno as an outside director. She is a scientist in new drug research and a serial entrepreneur with experience in IPOs both in Japan and in the U.S. With strengths in areas that will drive our growth, such as innovation and entrepreneurship, Dr. Kuno is expected to contribute significantly to our business decisions.

#### Q Explain the policy about the term length of a director.

**A** The longest serving current director is Makihara with 18 terms.\* In recent years, it has been pointed out that directors have been serving on the Board for too long. According to the approach followed by global standards in the U.S. and other countries, as outside directors are assessed mainly on character and ability, it could be considered that their term length is not a factor. With respect to personnel that are hard to find, such as those with outside directorial experience in a U.S. listed company, we believe that reflecting the global knowledge of the Board of Directors in Board decisions management strategies is more important for improving corporate value than any question of term length. On the other hand, given the earlier succession of executive management this year, we also believe that the healthy turnover of Board members is necessary. Therefore, we will proceed with the selection and succession of director candidates based on the newly revised director credentials.

\* Including the period following the holding of the General Meeting of Shareholders in June 2023

#### Q What is your approach to succession of the management team?

**A** Monex Group has a committee structure with nominating committee, etc., and our management team is comprised of two functions: directors and executive officers. We are currently in a transition period in the executive management succession, and it is also an overlap period for new directors to learn more while the current directors are still serving. With this in mind, we began on the executive side with the CEO succession from Oki Matsumoto to Yuko Seimei. Moving forward, with a view to the next-generation management structure, we will proceed with the turnover of outside directors along with the development of next-generation management personnel at the executive officer and executive director levels within the Company.

#### Q What has been on the agenda at Board meetings?

**A** Having a committee structure with nominating committee, etc., considerable authority has been delegated to executive officers. For this reason, most resolution items at Board meetings relate to important management strategies. For example, in recent years, the De-SPAC listing of TradeStation Group in the US Segment and Coincheck in the Crypto Asset Segment were extremely important management issues, so a considerable amount of time was spent discussing these issues before making a decision. For a list of agenda items taken up for discussion at Board meetings during the fiscal year ended March 2023, see the table below.

#### Main agenda items at Board meetings (distribution)

Management strategies, sustainability, governance	51
Accounting, finance	17
Audit Committee, accounting auditors	7
Risk management, internal control, compliance	25
Personnel	4
Individual matters	2

## Past 11 Years

Category	Accounting item, sub-item and title display	Unit	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE
			Mar. 2013	Mar. 2014	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023
			IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Consolidated	<b>Total operating revenue</b>	Millions of Yen	36,090	54,722	50,975	54,271	45,831	53,635	52,175	53,226	77,905	88,783	<b>79,304</b>
	Commission received	Millions of Yen	20,367	33,542	30,079	32,152	26,349	29,196	25,741	25,375	36,864	37,361	<b>36,953</b>
	Net trading income	Millions of Yen	6,974	8,011	6,242	6,671	4,498	3,865	6,461	8,550	24,504	30,477	<b>10,788</b>
	Financial income	Millions of Yen	8,195	12,583	13,987	14,610	14,313	19,349	19,242	18,579	15,394	18,886	<b>29,413</b>
	Sales	Millions of Yen	–	–	–	–	–	–	–	–	–	950	<b>960</b>
	Other operating income	Millions of Yen	554	587	667	839	671	1,225	731	722	1,144	1,109	<b>1,190</b>
	<b>Financial expenses</b>	Millions of Yen	2,320	4,672	5,766	4,629	3,979	4,480	4,758	5,236	4,211	5,183	<b>5,778</b>
	<b>Total operating revenue after deducting financial expenses/Net operating revenue</b>	Millions of Yen	33,769	50,051	45,209	49,642	41,852	49,155	47,417	47,990	73,695	83,549	<b>73,316</b>
	<b>Selling, general and administrative expenses</b>	Millions of Yen	30,359	34,981	37,143	41,395	40,578	39,853	44,690	42,835	49,861	68,601	<b>68,487</b>
	Transaction-related expenses	Millions of Yen	10,223	12,235	13,236	13,862	11,281	11,963	12,051	11,975	15,986	26,742	<b>24,262</b>
	Compensation and benefits	Millions of Yen	8,503	9,613	9,538	10,651	10,393	10,854	13,111	13,413	15,614	19,866	<b>21,727</b>
	System related expenses *1	Millions of Yen	9,701	10,779	11,659	13,343	15,685	14,742	16,437	14,794	15,039	16,441	<b>17,193</b>
	Other	Millions of Yen	1,933	2,355	2,710	3,539	3,218	2,294	3,091	2,653	3,222	5,551	<b>5,305</b>
	<b>The amount equivalent to operating income/Operating income</b>	Millions of Yen	3,410	15,069	8,066	8,247	1,274	9,302	2,727	5,155	23,833	14,949	<b>4,829</b>
	<b>Other income/Expenses (net)</b>	Millions of Yen	3,588	1,825	△ 1,951	△ 3,146	△ 203	△ 671	△ 937	△ 1,025	△ 2,537	5,852	△ 160
	<b>Profit before income taxes/Income before income taxes and minority interests</b>	Millions of Yen	6,998	16,895	6,115	5,100	1,071	8,631	1,790	4,131	21,296	20,801	<b>4,669</b>
	<b>Profit/Income before minority interests</b>	Millions of Yen	3,907	10,356	3,494	3,516	161	6,579	1,029	2,820	14,385	13,032	<b>3,324</b>
	<b>Profit attributable to owners of the company/Net income</b>	Millions of Yen	3,901	10,354	3,494	3,554	298	6,730	1,181	3,011	14,354	13,017	<b>3,392</b>
	<b>Total assets</b>	Millions of Yen	682,193	939,270	1,055,242	888,116	936,776	973,520	1,027,849	1,022,934	1,401,130	1,607,761	<b>1,504,110</b>
	<b>Total equity</b>	Millions of Yen	79,667	80,701	86,932	86,022	81,687	80,493	80,142	77,024	90,524	106,018	<b>100,754</b>
	<b>Operating income margin</b>	%	10.1	30.1	17.8	16.6	3.0	18.9	5.8	10.7	32.3	17.9	<b>6.6</b>
	<b>The difference between "Total equity" and "Fixed-type assets" *2</b>	Millions of Yen	37,697	34,608	30,887	23,934	20,133	23,819	22,840	15,777	25,824	43,033	<b>35,346</b>
	<b>Return on equity (ROE)</b>	%	5.0	12.9	4.2	4.1	0.4	8.3	1.5	3.9	17.3	13.4	<b>3.3</b>
	<b>Earnings per share attributable to owners of the company/Earnings per share (EPS) *3</b>	Yen	1,301.73	35.76	12.15	12.46	1.06	24.33	4.42	11.59	55.82	50.00	<b>12.85</b>
	<b>Equity per share attributable to owners of the company/Book-value per share (BPS) *3</b>	Yen	26,583.96	280.52	302.18	302.03	290.00	298.50	297.28	297.70	347.67	391.64	<b>388.67</b>
	<b>Dividend per share *3,4</b>	Yen	410.00	18.00	8.20	9.60	5.20	10.00	5.40	5.90	12.00	15.30	<b>15.70</b>
	<b>Total return ratio</b>	%	31	103	68	109	827	100	291	163	22	31	<b>269</b>

\*1 System related expenses: Rental and maintenance + Data processing and office supplies + Amortization and depreciation

\*2 Earmarked to fund the regulatory compliance and business investments of each Group company, as well as returns to Monex Group shareholders. Fixed-type assets are the sum of property and equipment, intangible fixed assets, equity method investments, and level 3 investments in securities (non-listed shares, etc.).

\*3 Stock split was carried out. 100 shares are defined as 1 share unit on Oct. 1, 2013.

\*4 Stock split was carried out. 100 shares are defined as 1 share unit and the above figures were adjusted retroactively for the beginning of FYE Mar. 2014.

## Past 11 Years

Category	Accounting item, sub-item and title display	Unit	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE	FYE
			Mar. 2013	Mar. 2014	Mar. 2015	Mar. 2016	Mar. 2017	Mar. 2018	Mar. 2019	Mar. 2020	Mar. 2021	Mar. 2022	Mar. 2023
			IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Monex, Inc.	Capital adequacy ratio <sup>*5</sup>	%	459.3	394.9	422.7	335.3	297.8	310.4	340.6	384.8	304.1	327.8	<b>325.5</b>
TradeStation Securities, Inc.	Excess net capital <sup>*6</sup>	Thousands of U.S. Dollars	44,721	52,163	49,074	62,441	71,782	84,379	115,554	129,057	136,500	132,700	<b>157,000</b>
Consolidated	Number of employees	Persons	917	992	951	971	830	853	1,093	1,108	1,129	1,480	<b>1,491</b>
Monex Group, Inc. <sup>*7</sup>	Number of board members	Persons	10	11	11	11	11	9	9	9	11	11	<b>11</b>
	Independent director	Persons	5	6	6	7	6	6	6	6	7	7	<b>7</b>
Japan <sup>*8</sup>	Percentage of women	%	50	49	47	45	44	40	39	37	37	39	<b>37</b>
	Percentage of women in management positions	%	23	23	22	19	19	20	21	20	28	31	<b>28</b>
US	Percentage of women	%	30	29	31	25	24	22	22	22	25	25	<b>24</b>
	Percentage of women in management positions	%	16	19	24	21	18	27	21	20	27	25	<b>25</b>
Crypto Asset	Percentage of women	%	—	—	—	—	—	—	19	19	22	19	<b>24</b>
	Percentage of women in management positions	%	—	—	—	—	—	—	0	0	0	13	<b>12</b>
Asia-Pacific <sup>*9</sup>	Percentage of women	%	44	41	50	50	45	45	45	44	41	42	<b>35</b>
	Percentage of women in management positions	%	45	36	36	45	42	42	42	38	31	31	<b>31</b>

<sup>\*5</sup> This index measures the stability of securities companies in Japan, and it is based on the Financial Instruments and Exchange Act and the Cabinet Office Ordinance on Financial Instruments businesses.

<sup>\*6</sup> Based on the laws and regulations established by the U.S. Securities and Exchange Commission (SEC) and self-regulating organizations, U.S. financial companies are required to maintain a minimum net capital (equity capital calculated based on SEC regulations).

<sup>\*7</sup> Total number of persons after the General Meeting of Shareholders, based on the year-end reference

<sup>\*8</sup> Applies to Monex Group, Inc. & Monex, Inc.

<sup>\*9</sup> Applies to Monex Boom Securities Group



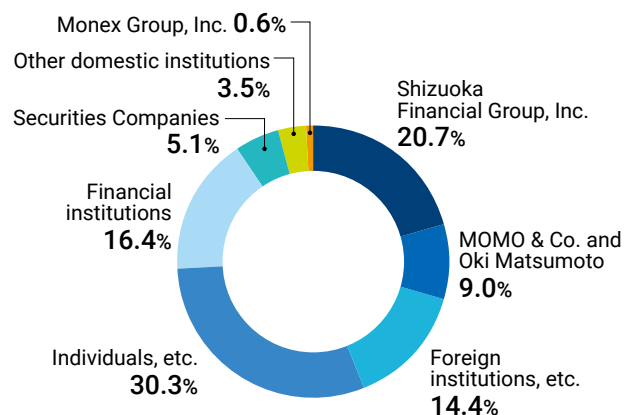
## Stock Information

As of March 31, 2023

### Investor Information

Stock listing	Prime Market of the Tokyo Stock Exchange
Security code	8698
Name of company	Monex Group, Inc.
No. of outstanding shares	257,947,100 Shares
Trading unit	100
No. of shareholders	63,198
Administrator for shareholders' register	Mizuho Trust & Banking, Co., Ltd.
Fiscal year	From April 1 of each year to March 31 of the following year
Record date for year-end dividends	March 31
Record date for interim dividends	September 30
Ordinary shareholders' meeting	Every June

### Major Shareholders and Shareholder Breakdown



\* The graph made by Monex based on shareholders' list as of Mar. 31, 2023 and the Large shareholding report

### Major Shareholders

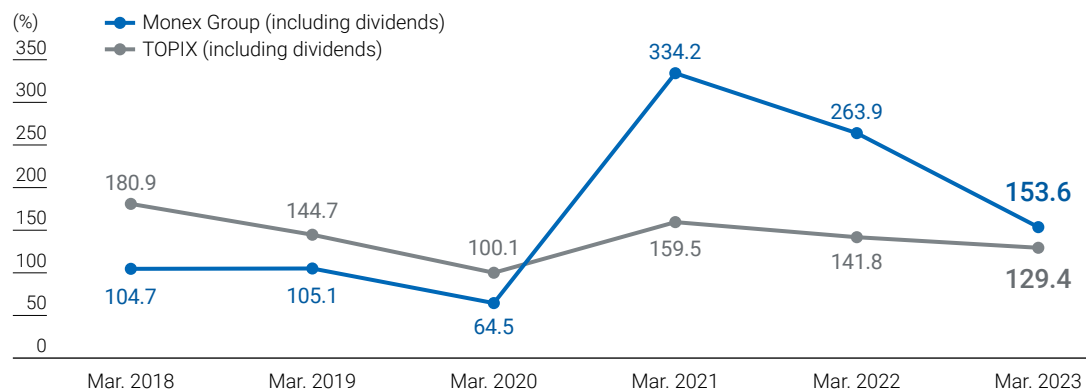
Name	No. of shares held (unit 1,000shares)	Percentage of shares held (%)
Shizuoka Financial Group, Inc.	53,491	20.86
The Master Trust Bank of Japan, Ltd. (trust account)	29,532	11.51
MOMO & Co.	15,588	6.08
Custody Bank of Japan, Ltd. (trust account)	8,408	3.27
Oki Matsumoto	7,582	2.95
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	6,246	2.43
Recruit Holdings Co., Ltd.	5,720	2.23
JPMorgan Securities Japan Co., Ltd.	4,023	1.56
J.P. MORGAN BANK LUXEMBOURG S.A. 385598	3,500	1.36
Kyoko Kudo	3,455	1.34

\*1 Figures for the number of shares held are rounded down to the nearest one thousand and the figures for the percentage of shares held are rounded down to the nearest second decimal place.

\*2 Treasury stock of 1,581,964 shares is excluded for calculating the percentage of the above list of major shareholders.

\*3 The Report on the Transfer of Shares Allocated by Third-Party Allotment, which was made available for public inspection on September 26, 2022, states that Galaxy Digital LP had transferred 8,448,500 shares of Monex Group Inc. to Galaxy Digital Trading HK Limited as of September 26, 2022. However, their holdings are not reflected in the major shareholders above since the Company was unable to confirm the number of shares actually owned as of March 31, 2023.

### TSR (Over 5 Years)



\* Total shareholder return (TSR) for the previous 5 years shown above is calculated using the closing price value for the last day of each respective term.

## Overview of Group Companies

### Monex Group, Inc.

<b>Established</b>	August 2004	<b>Business Description</b>	Securities business and accompanying businesses
<b>Representative</b>	Yuko Seimei	<b>Location</b>	ARK Mori Building 25F 1-12-32 Akasaka, Minato-ku, Tokyo 107-6025, Japan

### Japan Segment

<h4>Monex, Inc.</h4> <p><b>Established</b> May 1999 <b>Representative</b> Yuko Seimei <b>Business Description</b> Securities business and accompanying businesses <b>Location</b> Minato-ku, Tokyo, Japan</p>	<h4>Monex Private Bank, Inc.</h4> <p><b>Established</b> July 2021 <b>Representative</b> Satoru Adachi <b>Business Description</b> Private banking services for high net worth clients <b>Location</b> Minato-ku, Tokyo, Japan</p>
<h4>Monex Asset Management, Inc.</h4> <p><b>Established</b> August 2015 <b>Representative</b> Katsuki Mandai <b>Business Description</b> Asset building and management services <b>Location</b> Minato-ku, Tokyo, Japan</p>	<h4>Japan Catalyst, Inc.</h4> <p><b>Established</b> September 2019 <b>Representative</b> Taro Hirano <b>Business Description</b> Investment Advisory and Agency Business <b>Location</b> Minato-ku, Tokyo, Japan</p>
<h4>Monex Finance Corporation</h4> <p><b>Established</b> March 2017 <b>Representative</b> Akira Inoue <b>Business Description</b> Finance and supply the funding needs of Monex group businesses <b>Location</b> Minato-ku, Tokyo, Japan</p>	<h4>Genex, Inc.</h4> <p><b>Established</b> August 2019 <b>Representative</b> Ken Yagi <b>Business Description</b> Providing services for the secure management and utilization of genomic, medical and healthcare data <b>Location</b> Minato-ku, Tokyo, Japan</p>
<h4>Monex Crypto Bank, Inc.</h4> <p><b>Established</b> December 2017 <b>Representative</b> Atsushi Mandai <b>Business Description</b> Researching, planning, studying, developing and consulting regarding crypto asset services <b>Location</b> Minato-ku, Tokyo, Japan</p>	<h4>Crafter Co. Ltd.</h4> <p><b>Established</b> September 2016 <b>Representative</b> Maiko Kojima <b>Business Description</b> Development and operation of marketing SaaS "CraftChat" <b>Location</b> Minato-ku, Tokyo, Japan</p>
<h4>Monex SP Trust, Inc.</h4> <p><b>Established</b> August 2017 <b>Representative</b> Yuki Yada <b>Business Description</b> Custodial trust business <b>Location</b> Minato-ku, Tokyo, Japan</p>	<h4>Viling, Inc.</h4> <p><b>Established</b> October 2012 <b>Representative</b> Kazuaki Nakamura <b>Business Description</b> Education and childcare businesses <b>Location</b> Suginami-ku, Tokyo, Japan</p>

### US Segment

<h4>TradeStation Group, Inc.</h4> <p><b>Established</b> January 2000 <b>Representative</b> John Bartleman <b>Business Description</b> Immediate holding company in the U.S. <b>Location</b> Florida, United States of America</p>
<h4>TradeStation Securities, Inc.</h4> <p><b>Established</b> September 1995 <b>Representative</b> Peter Korotkiy <b>Business Description</b> Financial instruments business <b>Location</b> Florida, United States of America</p>
<h4>TradeStation Crypto, Inc.</h4> <p><b>Established</b> June 2018 <b>Representative</b> John Bartleman <b>Business Description</b> Crypto asset trading business <b>Location</b> Florida, United States of America</p>

### Crypto Asset Segment

<h4>Coincheck Group B.V.</h4> <p><b>Established</b> February 2022 <b>Representative</b> Akira Inoue <b>Business Description</b> Holding company <b>Location</b> Amsterdam, the Netherlands</p>
<h4>Coincheck, Inc.</h4> <p><b>Established</b> August 2012 <b>Representative</b> Satoshi Hasuo <b>Business Description</b> Crypto asset exchange and R&amp;D on new financial services <b>Location</b> Shibuya-ku, Tokyo, Japan</p>

### Asia-Pacific Segment

<h4>Monex International Limited</h4> <p><b>Established</b> August 2010 <b>Representative</b> Keiji Okamoto <b>Business Description</b> Immediate holding company in Hong Kong <b>Location</b> Hong Kong Special Administrative Region of the People's Republic of China</p>
<h4>Monex Boom Securities (H.K.) Limited</h4> <p><b>Established</b> March 1997 <b>Representative</b> Ivan Law <b>Business Description</b> Financial instruments business <b>Location</b> Hong Kong Special Administrative Region of the People's Republic of China</p>

### Investment Segment

<h4>Monex Ventures, Inc.</h4> <p><b>Established</b> November 2005 <b>Representative</b> Seiichiro Wada <b>Business Description</b> Venture capital business <b>Location</b> Minato-ku, Tokyo, Japan</p>
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This is the Annual Report issued by Monex Group, Inc. ("the Company"). The descriptions for products, services, etc., that are handled by the Monex Group companies, are made only for disclosure purposes and are required for providing specific explanations about the Company. This presentation material contains forward-looking statements based on current expectations, assumptions, estimates and projections about our industry and the Company. Please note that these statements are based on current information but the actual performance results are subject to various risks and uncertainties, and therefore may be different than the material presented.

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**MONEX GROUP**

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