

Financial Results for 2Q of Fiscal Year Ending March 31, 2017

This is an English translation of Japanese presentation materials prepared in connection with the disclosure of the financial results of Monex Group, Inc. It includes information derived from the consolidated financial statements of Monex Group, Inc. which are prepared in accordance with International Financial Reporting Standards ("IFRSs"). This material is not intended to recommend or conduct solicitation for any product or service, etc.

<Forward-looking Statements>

This presentation material contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our industry and us. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of terms such as "may" "will" "expect" "anticipate" "estimate" "plan" and other similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of our financial condition and state other "forward-looking" information. Our operations are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in any forward-looking statement.



Our Business Principles

"MONEX" stands for the future of finance, one step advanced from "MONEY"

The Monex Group is aspiring to empower traders and investors worldwide with best of breed technology, education, service and financial professionalism to provide access to top financial markets globally

To achieve this we are committed to:

- Celebrating the diversity of each and every one of our customers and employees;
- Driving the future of technology and first class financial professionalism that empowers traders and investors; and
- Creating new value to contribute to all stakeholders

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- I. Highlights
- II. Consolidated Performance
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- IV. Mid- & Long-Term Strategy “Global Vision”

Appendix. Group Overview

- ✓ Lower risk appetite of retail investors on the back of structural changes in the Japanese stock market
- ✓ Recognized necessity to rebuild the group's business portfolio in the mid- and long-term

Change in external environment for online brokerage business

- Decrease in stock trading volume in both US and Japan might have been caused by excessive monetary easing, market participation by public sector, increase in passive-type investments and various market regulations. We do not expect the unfavorable market environment to reverse in the near term.

Enhance profitability of US segment

- Headcount reduction of approximately 100, 20% of US headcount, to lower fixed cost.
- Introduce new commission scheme and services in order to build new customer base and grow revenue.

Strategic products for Japan segment

- Japanese stock trading platform "TradeStation" for active trader
- "MSV LIFE", wrap asset management service by Monex-Saison-Vanguard Investment Partners

In-house development of brokerage backbone system

- Migration to new backbone system is scheduled in early 2017. We will realize system related cost reduction.
- After the launch, development for service and function improvements will be implemented which have been postponed due to development of the backbone system.

Creation of new value

- Pursue creation of new value, leveraging the group's business resources, outside of the existing brokerage business.

- ✓ Profitability enhancement in Japan segment are expected after the launch of new backbone brokerage system
- ✓ US segment will move into the black from 3Q onward

Japan segment

- JPY 230 million net loss in 2Q (3months) due to business environment deterioration as well as the heavy cost burden arising from parallel operation of new/old backbone brokerage system.
- After completion of the parallel operation within this fiscal year, approx. 1 billion yen of system related expenses reduction per year is expected (compared to annualized figures for 1H of FYE 2017) .

US segment

- JPY 73 million net loss due to lower trading volume. However, the segment returned to profitability for the month of September.
- Expected to be profitable on a quarterly basis from 3Q onward we will get benefit from a lower fixed cost base due to headcount reduction.

China segment

- Brokerage commission increased by 22% (in HKD) in a booming Hong Kong stock market.
- JPY 16 million net loss due to the joint venture being in the red.

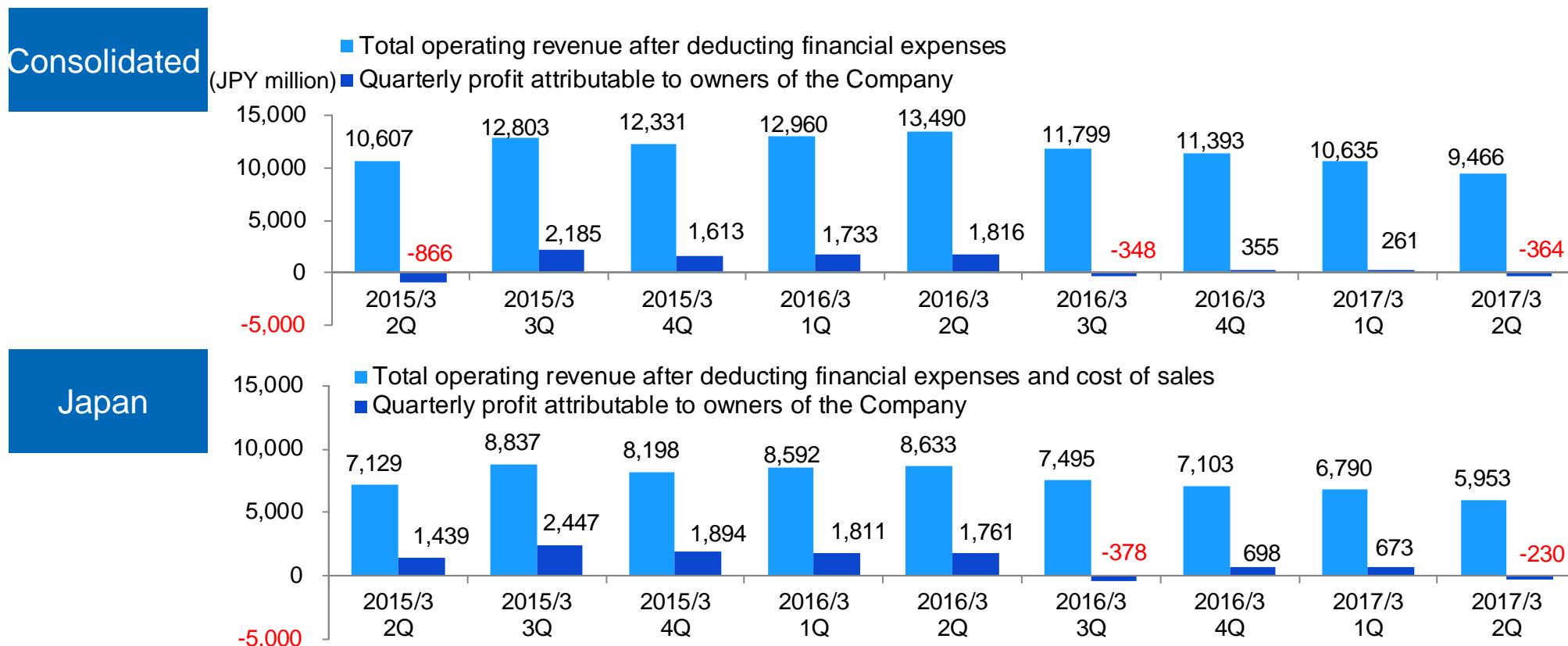
Shareholder return

- Interim dividend payment is based on annual 2% DOE (dividend on equity) according to the shareholder return policy, because of being in the red for 1H of FYE Mar. 2017.

■ Consolidated performance of 2Q FYE Mar. 2017

Quarterly net loss due to operating environment deterioration both in Japan and the US

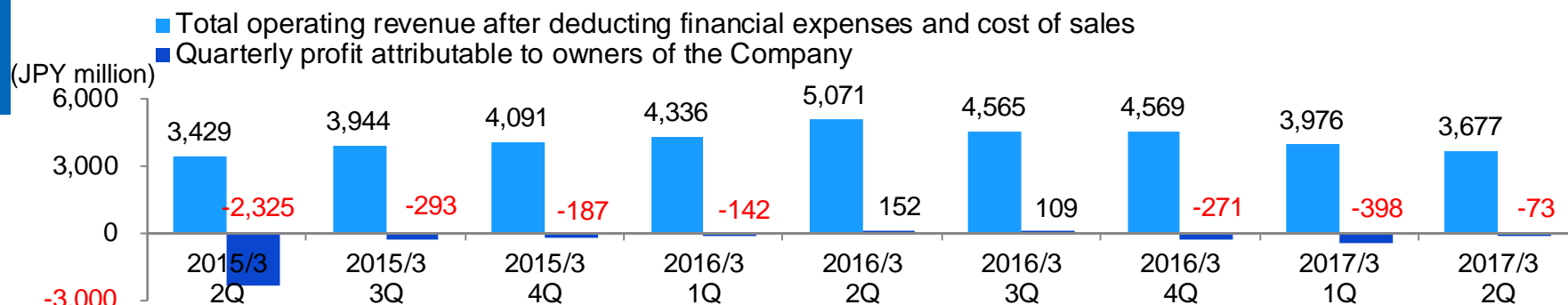
◆ Total operating revenue after deducting financial expenses and quarterly profit attributable to owners of the Company



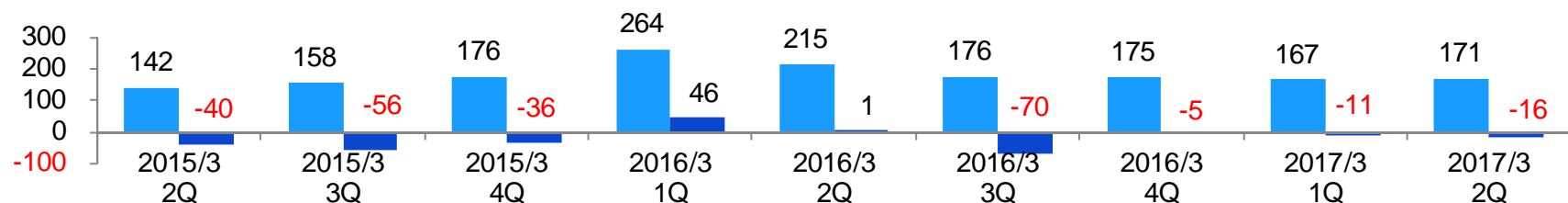
■ Consolidated performance of 2Q FYE Mar. 2017

- ◆ Total operating revenue after deducting financial expenses and cost of sales, quarterly profit attributable to owners of the Company

US



China



- I. Highlights
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YoY Comparison (6 months) Consolidated Performance

(JPY million)

	2Q FYE Mar. 2016 (Apr. 2015 - Sep. 2015)	2Q FYE Mar. 2017 (Apr. 2016 - Sep. 2016)	Variance	Change (%)	Note
Total operating revenue after deducting financial expenses	26,450	20,100	-6,350	-24.0%	Analysis of Japan segment: P11 Analysis of US segment (USD): P13
SG&A	20,794	19,973	-821	-3.9%	Analysis of Japan segment: P12 Analysis of US segment (USD): P14
The amount equivalent to operating income	5,656	127	-5,529	-97.7%	
Other income / expenses (net)	-366	-19	348	—	2017/3 Other income: JPY 428M of reversal of allowance for loss on cancellation of outsourcing contract JPY 247M of gain on sales of investments in associates Other expenses: JPY 171M of Loss on valuation of investments in securities JPY 145M of loss on FX business restructuring in US JPY 70M of loss on cancellation of outsourcing contract
Quarterly profit before income taxes	5,290	109	-5,181	-97.9%	
Quarterly profit attributable to owners of the Company	3,548	-102	-3,651	—	

YoY Comparison (6 months) Segment Performance

(JPY million)

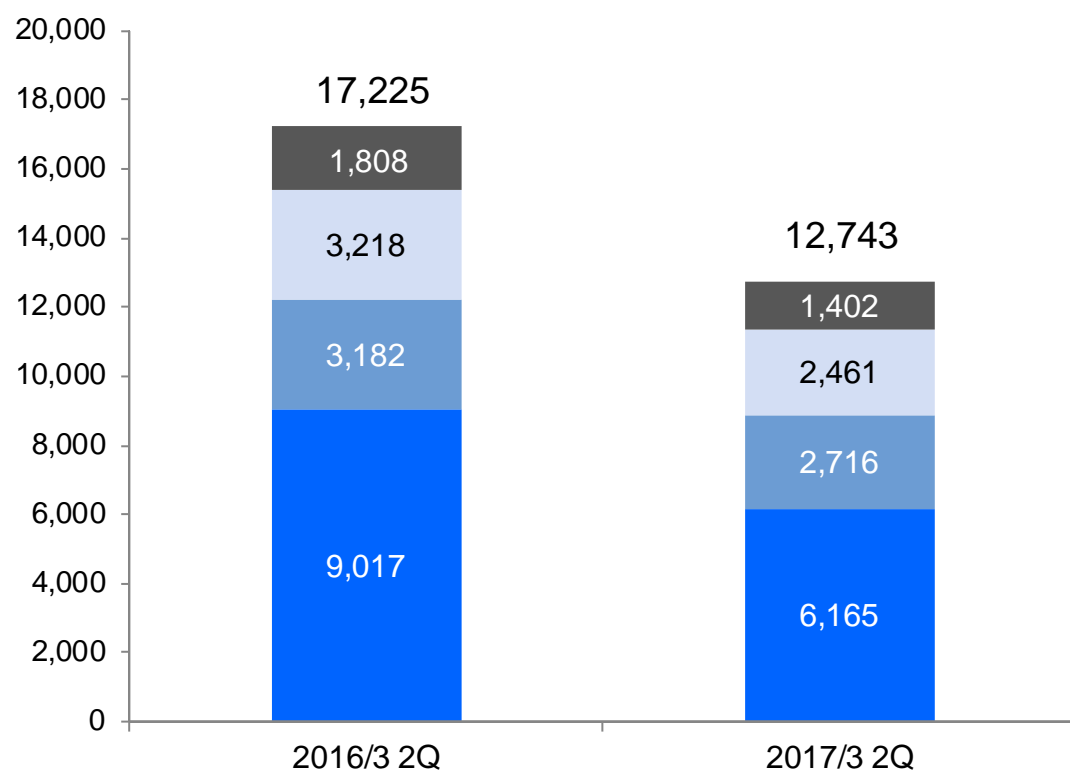
	Japan			US			China		
	2016/3 2Q	2017/3 2Q	Change (%)	2016/3 2Q	2017/3 2Q	Change (%)	2016/3 2Q	2017/3 2Q	Change (%)
Total operating revenue after deducting financial expenses and cost of sales	17,225	12,743	-26.0%	9,407	7,653	-18.6%	479	338	-29.4%
SG&A	11,623	12,159	4.6%	9,236	8,032	-13.0%	383	339	-11.5%
The amount equivalent to operating income	5,602	584	-89.6%	171	-379	—	96	-1	—
Other income / expenses (net)	-277	216	—	-141	-217	—	-36	-25	—
Quarterly profit before income taxes	5,325	799	-85.0%	30	-596	—	60	-26	—
Quarterly profit attributable to owners of the Company	3,573	443	-87.6%	10	-471	—	48	-27	—
Note	See P11 for more details of “total operating revenue after deducting financial expenses and cost of sales” See P12 for more details of “SG&A”			See P13 for more details of “total operating revenue after deducting financial expenses and cost of sales” See P14 for more details of “SG&A” USD/JPY decreased by 13%			HKD/JPY decreased by 13%		

YoY Comparison (6 months) Analysis: Japan Segment Operating Revenue

Japan : Revenues decreased due to lower market trading volumes of stocks and FX

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2015 - Sep. 2015)

(JPY million)



Within () changes from 2Q FYE Mar.2016

Total operating revenue after deducting
financial expenses and cost of sales
-26.0% (- 4,482)

- Others (- 406)
- FX & fixed income (- 757)
- Net financial income (- 466)
- Brokerage commissions (- 2,852)

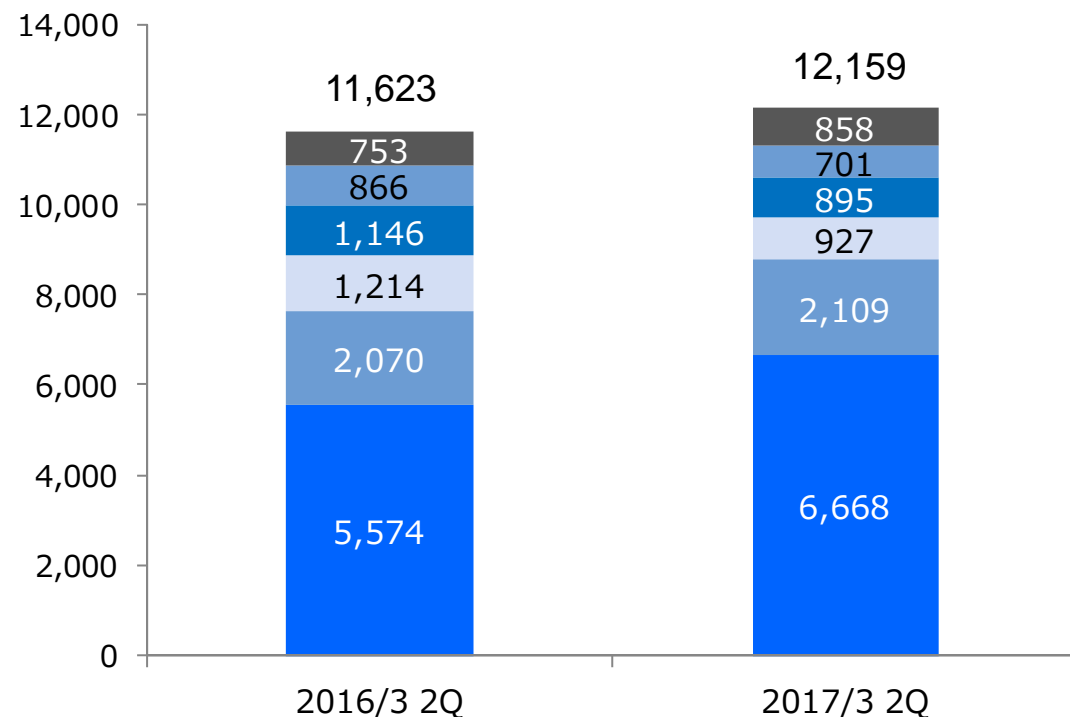
YoY Comparison (6 months) Analysis: Japan Segment SG&A

Japan : System related expenses increased due to parallel operation of new / old backbone brokerage systems

■ SG&A (compared to Apr. 2015 - Sep. 2015)

(JPY million)

Within () changes from 2Q FYE Mar.2016



SG&A Total +4.6% (+ 537)

- Others (+ 105)
- Advertising expenses (- 165)
- Communication, freight and information expenses (- 250) *1
- Commissions paid, exchange and association dues (- 286)
- Compensation and benefits (+ 39)
- System related expenses (+ 1,095) *2

*1 Decreased due to internalizing trading information service : -174

*2 Rental and maintenance: +187,
Data processing and office supplies: +124,
Amortization and depreciation: +783

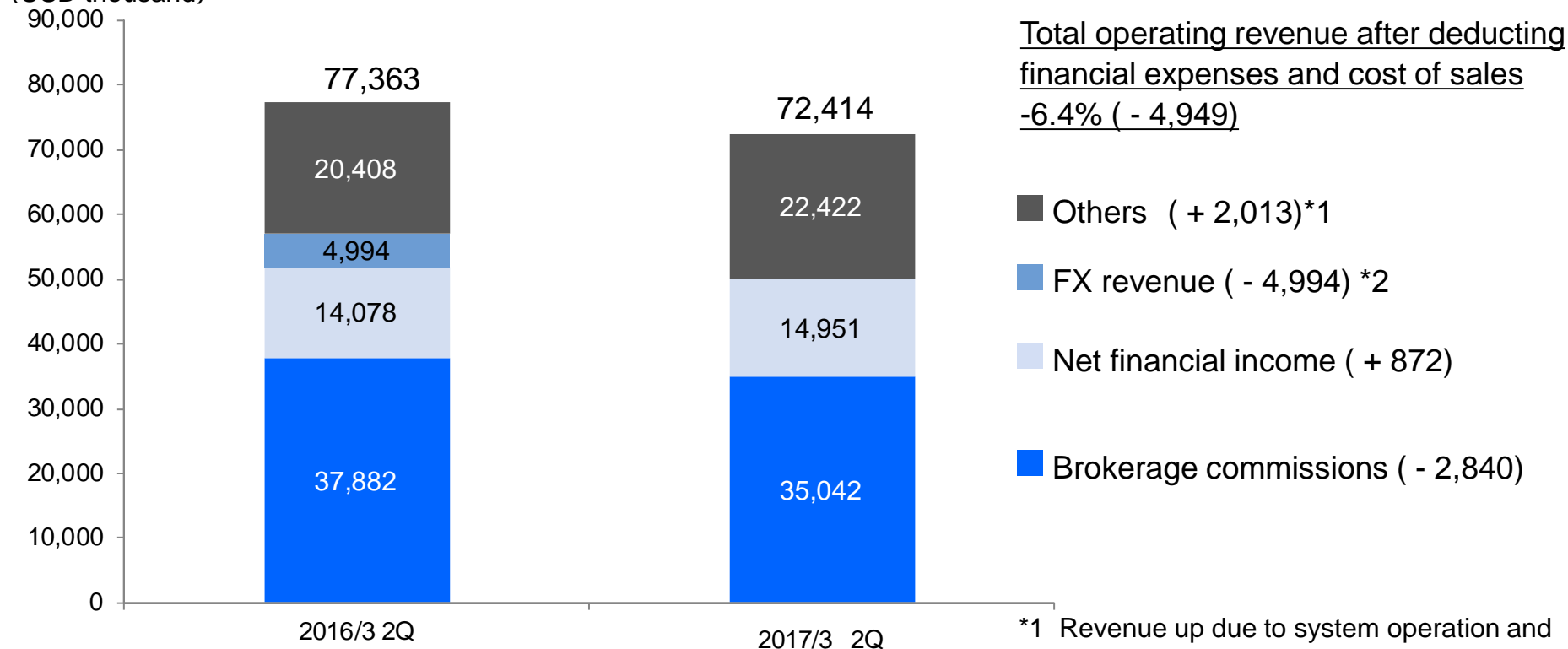
YoY Comparison (6 months) Analysis : US Segment Operating Revenue (USD)

US : Revenue remains unchanged from the previous year except for the effect of FX business sale

- Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2015 - Sep. 2015)

Within () changes from 2Q FYE Mar.2016

(USD thousand)



Total operating revenue after deducting financial expenses and cost of sales
-6.4% (- 4,949)

■ Others (+ 2,013)*1

■ FX revenue (- 4,994) *2

■ Net financial income (+ 872)

■ Brokerage commissions (- 2,840)

*1 Revenue up due to system operation and maintenance +1,950

*2 Revenue down due to the sale of FX business in March 2016

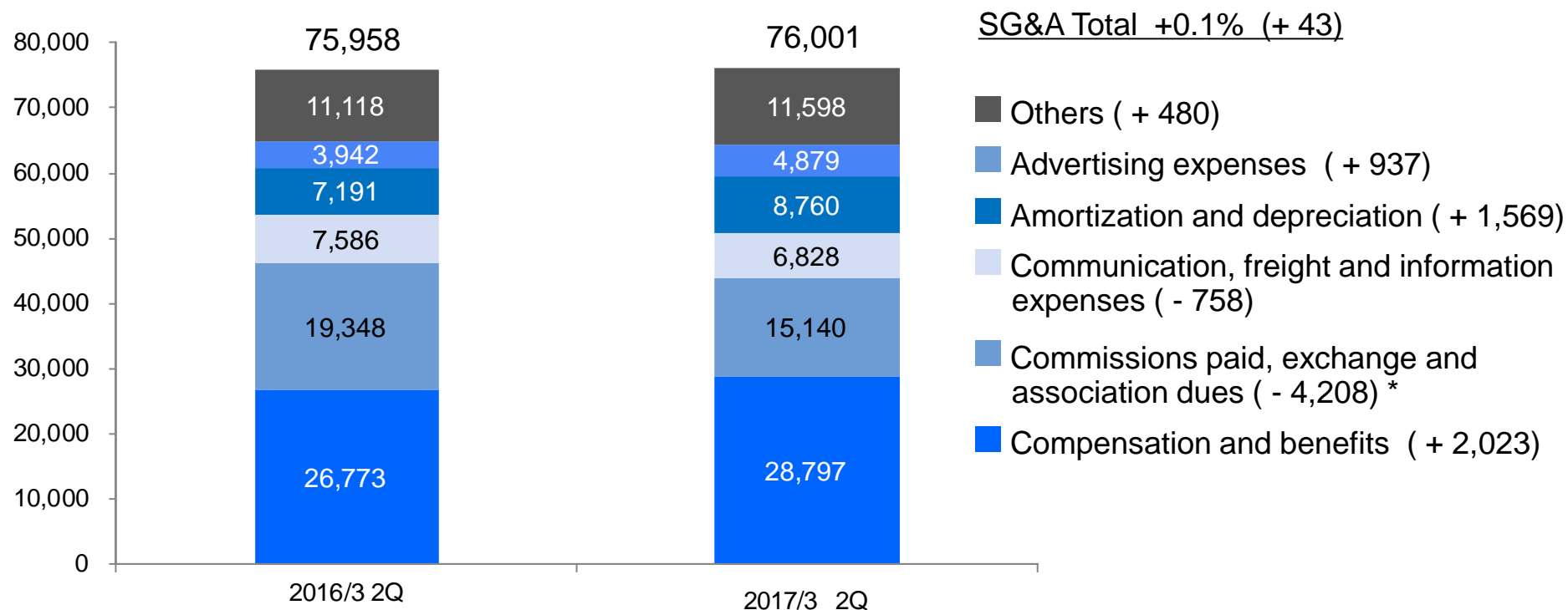
YoY Comparison (6 months) Analysis : US Segment SG&A (USD)

US : One time payment such as severance costs associated with headcounts reduction

■ SG&A (compared to Apr. 2015 - Sep. 2015)

(USD thousand)

Within () changes from 2Q FYE Mar.2016



* Decrease due to the sale of FX business and lower trading volumes of stocks, futures and options

QoQ Comparison (3 months) Consolidated Performance

(JPY million)

	1Q FYE Mar. 2017 (Apr.-Jun. 2016)	2Q FYE Mar. 2017 (Jul.-Sep. 2016)	Variance	Change (%)	Note
Total operating revenue after deducting financial expenses	10,635	9,466	-1,169	-11.0%	Analysis of Japan segment: P17 Analysis of US segment (USD): P19
SG&A	10,118	9,855	-263	-2.6%	Analysis of Japan segment: P18 Analysis of US segment (USD): P20
The amount equivalent to operating income	516	-389	-905	—	
Other income / expenses (net)	39	-58	-97	—	Other income 1Q: JPY 508M of reversal of allowance for loss on cancellation of outsourcing contract 2Q: JPY -80M of reversal of allowance for loss on cancellation of outsourcing contract JPY 247M of gain on sales of investments in associates Other expenses 1Q: JPY 145M of loss on FX business restructuring in US 2Q: JPY 171M of loss on valuation of investments in securities JPY 70M of loss on cancellation of outsourcing contract
Quarterly profit before income taxes	556	-447	-1,003	—	
Quarterly profit attributable to owners of the Company	261	-364	-625	—	

QoQ Comparison (3 months) Segment Performance

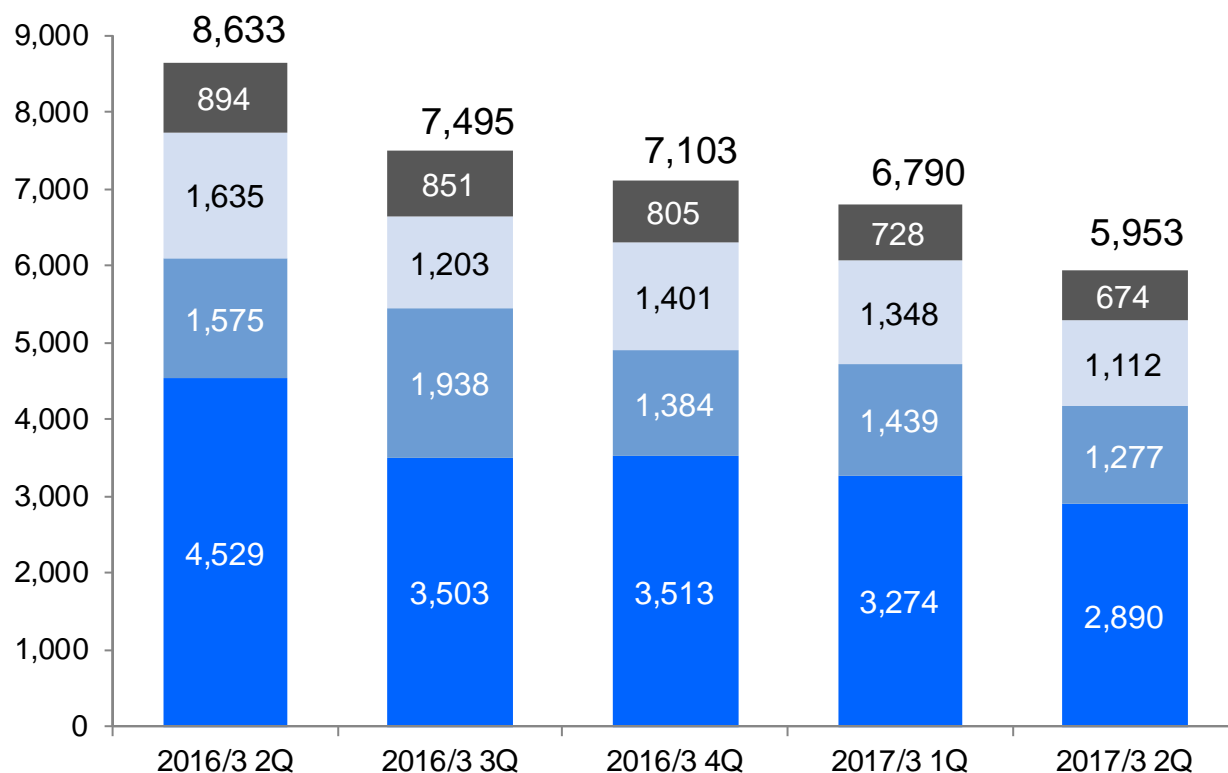
(JPY million)

	Japan			US			China		
	2017/3 1Q	2017/3 2Q	Change (%)	2017/3 1Q	2017/3 2Q	Change (%)	2017/3 1Q	2017/3 2Q	Change (%)
Total operating revenue after deducting financial expenses and cost of sales	6,790	5,953	-12.3%	3,976	3,677	-7.5%	167	171	2.7%
SG&A	6,068	6,092	0.4%	4,191	3,841	-8.4%	167	172	2.5%
The amount equivalent to operating income	722	-138	—	-216	-163	—	-1	-0	—
Other income / expenses (net)	259	-44	—	-197	-19	—	-9	-16	—
Quarterly profit before income taxes	981	-182	—	-413	-183	—	-10	-16	—
Quarterly profit attributable to owners of the Company	673	-230	—	-398	-73	—	-11	-16	—
Note	See P17 for more details of “total operating revenue after deducting financial expenses and cost of sales”. See P18 for more details of “SG&A”			See P19 for more details of “total operating revenue after deducting financial expenses and cost of sales”. See P20 for more details of “SG&A” USD/JPY decreased by 2%			HKD/JPY decreased by 2%		

Japan : Revenues decreased due to lower market trading volumes of stocks and FX

■ Quarterly total operating revenue after deducting financial expenses and cost of sales

(JPY million)



Within () changes from prev. quarter

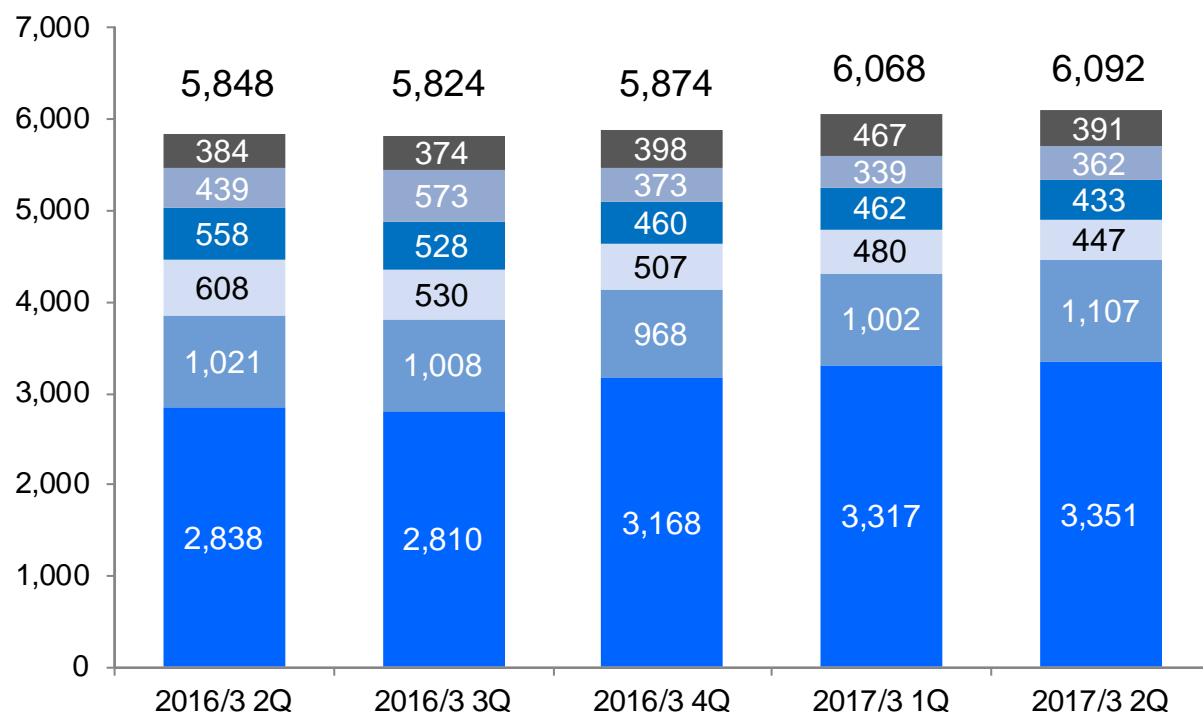
Quarterly total operating revenue after deducting financial expenses and cost of sales -12.3% (- 836)

- Others (- 55)
- FX & fixed income (- 236)
- Net financial Income (- 161)
- Brokerage Commissions (- 384)

Japan : System related expenses increased due to parallel operation of new / old backbone brokerage systems

■ Quarterly SG&A

(JPY million)



Within () changes from prev. quarter

SG&A Total +0.4% (+24)

- Others (- 76)
- Advertising expenses (+23)
- Communication, freight and information expenses (- 29)
- Commissions paid, exchange and association dues (-33)
- Compensation and benefits (+105)*1
- System related expenses (+34)*2

*1 Temporary cost increase due to change of compensation plan

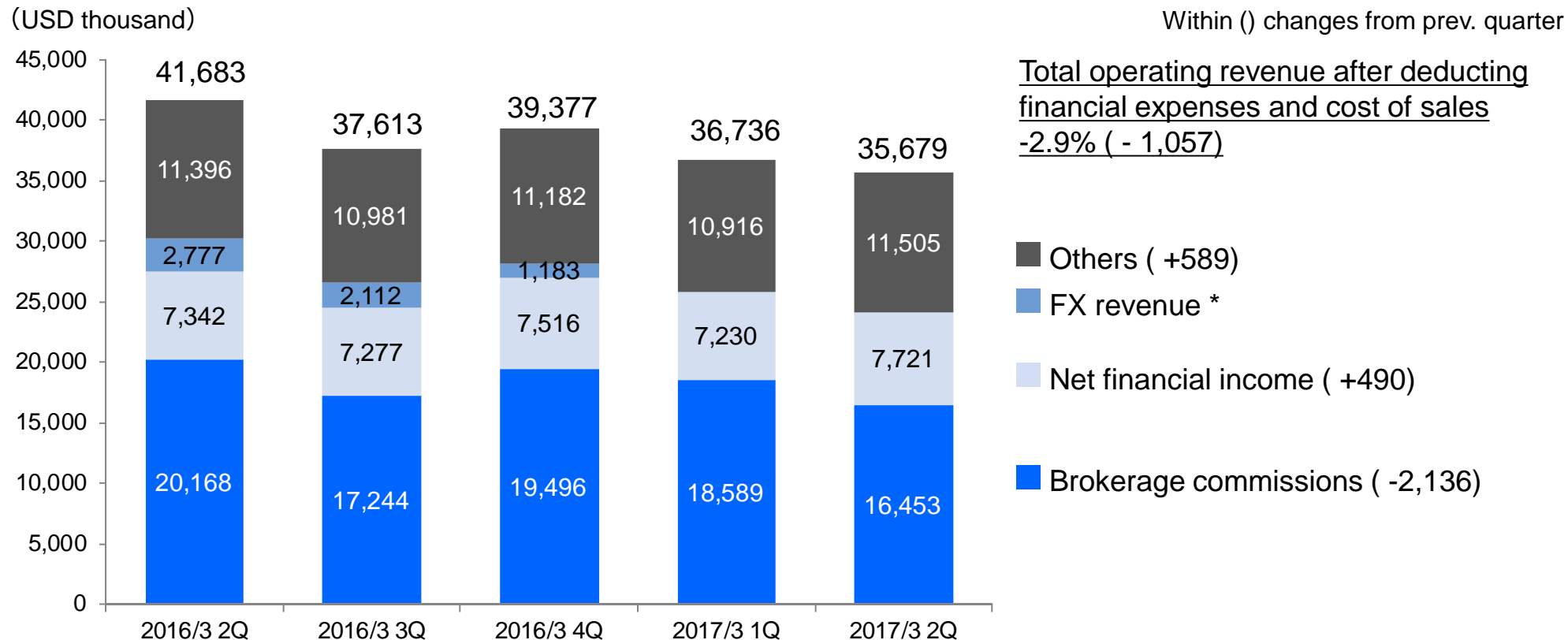
*2 Rental and maintenance:-46,
Data processing and office supplies:+36,
Amortization and Depreciation:+44



US : Revenues decreased due to lower market trading volumes of stocks, futures and options market

■ Quarterly total operating revenue after deducting financial expenses and cost of sales

(USD thousand)



* Revenue down due to the sale of FX business in March 2016

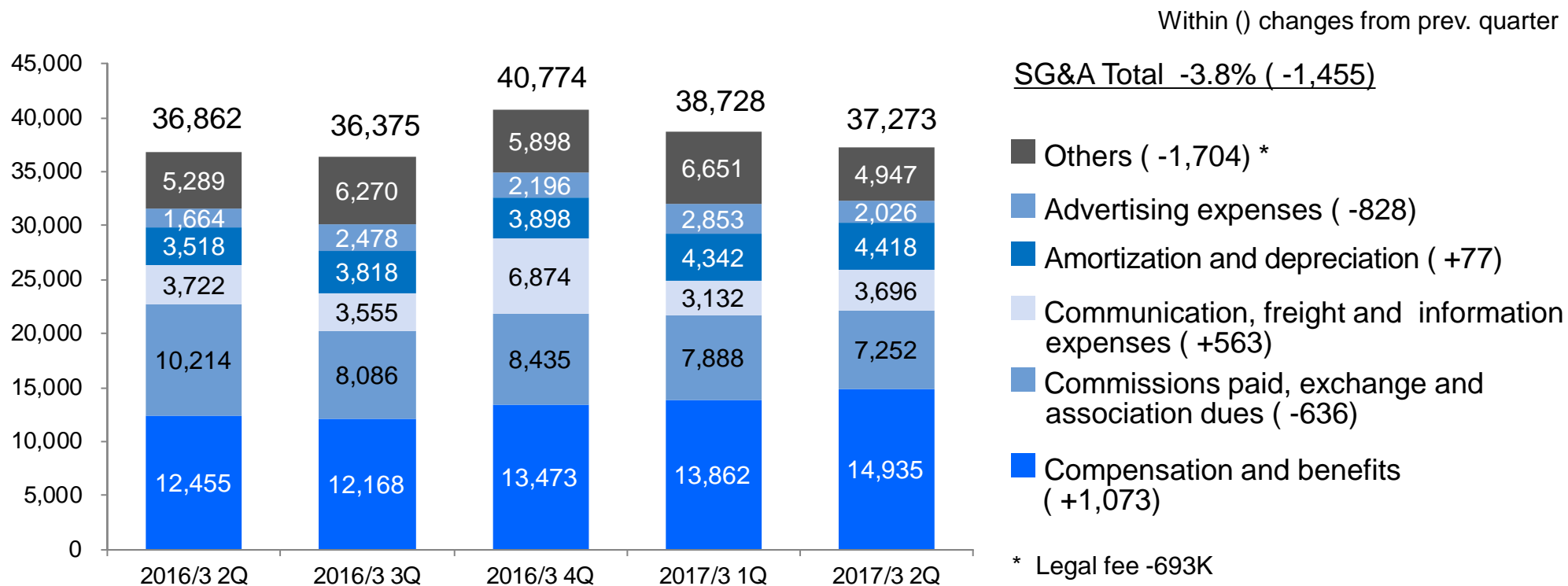


QoQ Comparison (3 months) Analysis : US Segment SG&A (USD)

US : One time payment such as severance costs associated with headcounts reduction

■ Quarterly SG&A

(USD thousand)



The difference between “Net capital” and “Non-current assets” is the source of funds for investments and shareholders’ return

◆ Summary of consolidated statement of financial position as of September 30, 2016

<u>Assets</u> JPY 852.0B	<u>Liabilities</u> JPY 770.3B
Major assets: Assets related to financial instruments trading business JPY 674.7B	Major liabilities: Liabilities related to financial instruments trading business JPY 757.8B
Others JPY 43.0B	Others JPY 12.5B
Cash and cash equivalents JPY 77.7B	
Non-current assets (*1) JPY 56.6B	Net capital JPY 81.7B

(*1) Non-current assets

Property and equipment	JPY	2.1B
Intangible assets (Goodwill)	JPY	16.2B (*2)
Intangible assets (Identifiable intangible assets)	JPY	12.0B (*3)
Intangible assets (Software and others)	JPY	23.7B
Equity method investments	JPY	0.4B
Available-for-sale investments in securities (Lv.3)	JPY	2.2B

(*2) Goodwill: JPY 16.2B

Japan JPY 7.6B, US JPY 8.2B, China JPY 0.4B

(*3) Identifiable intangible assets: JPY 12.0B

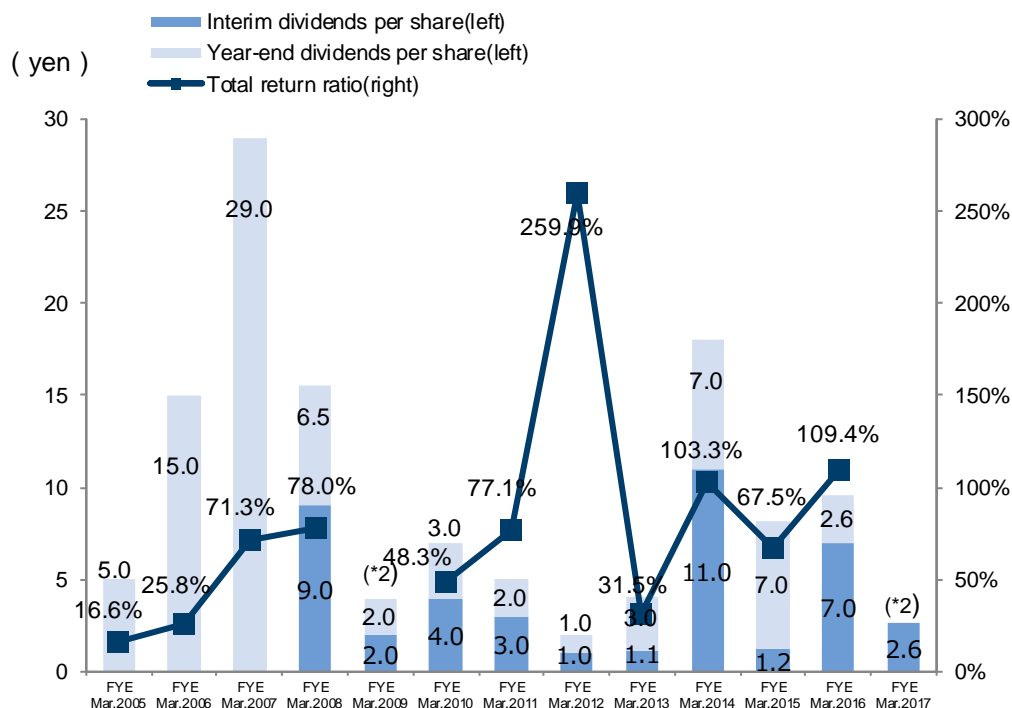
US JPY 11.3B, China JPY 0.6B

◆ The JPY 25.1B difference between Net capital (JPY 81.7B) and Non-current assets (JPY 56.6B) is the source of funds for the following:

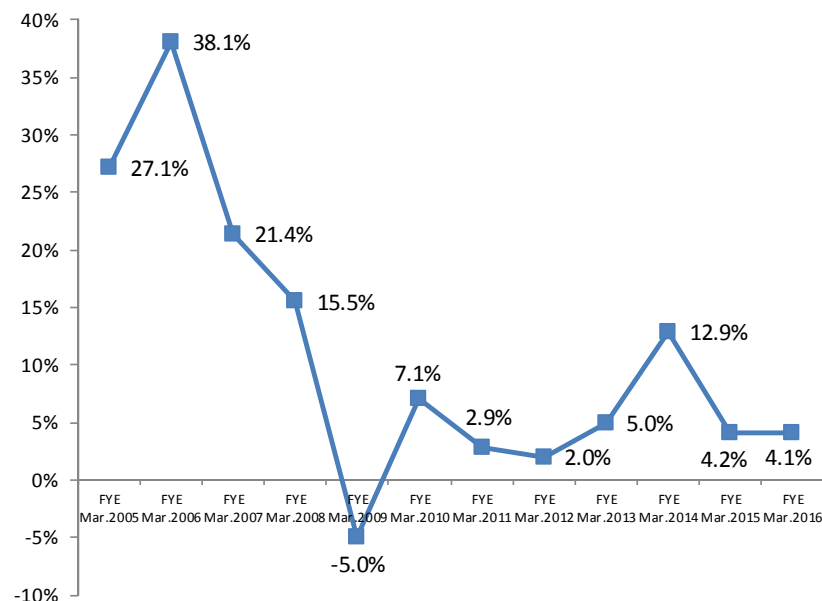
1. To comply with capital adequacy ratio regulations for securities subsidiaries in Japan and overseas
2. Internal reserve for investments in future businesses
3. Shareholders’ return (dividends + share buyback)

Aim to achieve a total return ratio ^{(*)1} of 75% on a multi-year basis and an ROE 15% over the mid- and long-term

◆Dividend per share and total return ratio



◆Return on Equity ratio



(*)1 Total return ratio = (dividend paid + amount of share buyback) / profit attributable to owners of the Company

(*)2 FYE Mar. 2009 and 1H of FYE 2017 does not have % since the result was negative

(*)3 Dividend per share has been adjusted reflecting stock split

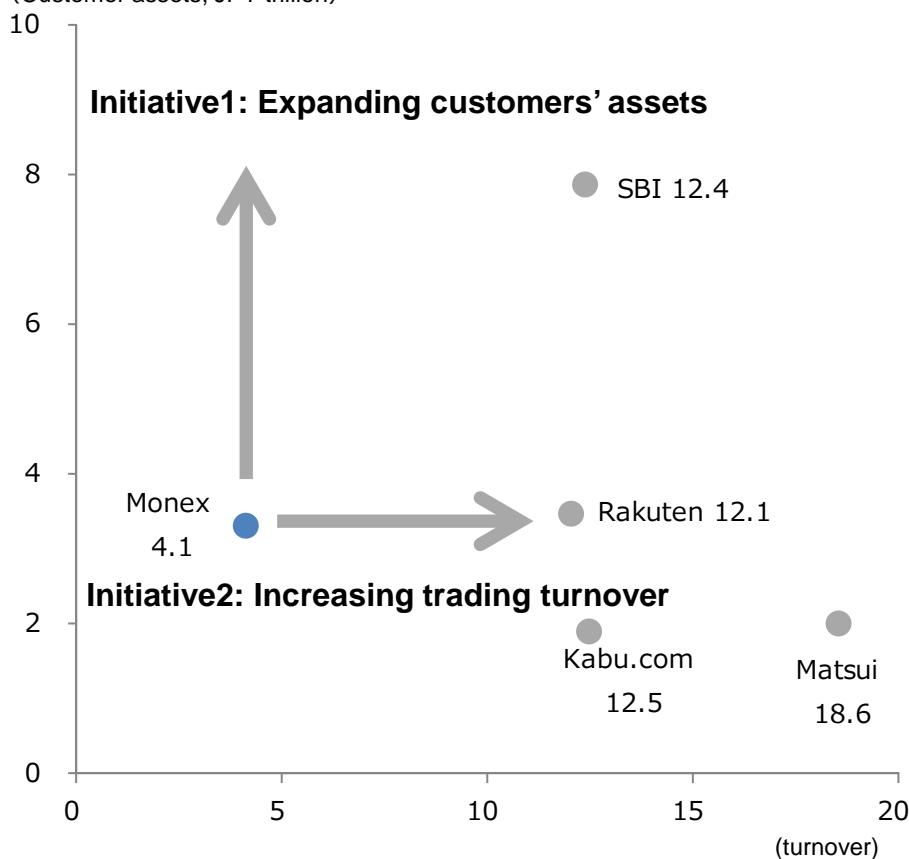
(*)4 Acquired own shares: JPY 2.0B in Feb. 2008, 3.1B in Jun. 2011, 5.5B in May 2013, 1.16B in Jul.-Aug. 2015, 1.0B in May-Jun. 2016

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Aim to expand the customers' assets and commission share by two initiatives

◆ Customers' assets and trading turnover* of major online brokers** (FYE Mar. 2017 / as of Jun. 30, 2016)

(Customer assets, JPY trillion)



Initiative1[Long term]: Expanding customers' assets

- Offering wrap asset management service MSV LIFE of Monex-Saison-Vanguard Investment Partners, in order to acquire inexperienced investors such as those who are to build personal assets mainly through bank deposits

Initiative2 [short- and mid-term]: Improving trading turnover

- Acquiring active traders in Japan with the Japanese stock trading platform "TradeStation"

* Stock trading value / customer asset

** Major online brokers refer to SBI Securities, Kabu.com Securities, Matsui Securities, Rakuten Securities and Monex, Inc.

Online discretionary investment service provided by Monex-Saison-Vanguard Investment Partners



LIFE stands for “Long-term Investment For Everyone”

3 courses of long-term investment;

“Asset-Building course”

“Asset-Utilization course”

“Asset-Management course”

■ About Monex-Saison-Vanguard Investment Partners

Vanguard Group, one of the world’s largest and most respected in investment management companies (investment ratio 4.99%), Credit Saison (44.0%), with 35million client base and Monex Group (51.1%) jointly established a discretionary investment management company

■ 4 features of MSV LIFE

- Financial planning: Support each customer’s financial planning and management from designing the plan to goal achievement.
- Diversified investment in small amounts with low cost : JPY 10K minimum investment value and total cost of less than 1%(tax included).
- Utilizing knowledge in Vanguard: Fully utilize Vanguard’s know-how and knowledge to MSV’s service operations and investment management.
- Life-connected financial service: Offering MSV LIFE in association with various financial institutions across Japan.

■ Marketing activities in Monex, Inc.

- Aim to enhance the recognition of “MSV LIFE” by conducting seminars in-person and online, campaign activities and securities brokerage business by Credit Saison Co., Ltd.

Japanese stock trading platform “TradeStation” went into full-scale operation



- Our goal is to acquire 10% of the active trader market which accounts for 40% of total individual investor daily trade value*1

Target share of active traders trading volume and net income in Monex, Inc.

Acquiring share for trading value of active traders in JPN	Trading value*2 (per day)	Estimate of net income (per year)
20%	JPY 80 billion	JPY 6.2 billion
10%	JPY 40 billion	JPY 2.4 billion
5%	JPY 20 billion	JPY 0.48 billion

*1 Estimated by Monex, Inc.

*2 Daily trade value of individual investors = 1 trillion yen

Daily trade value of active traders which accounts for 40% of total individual investors =400 B yen

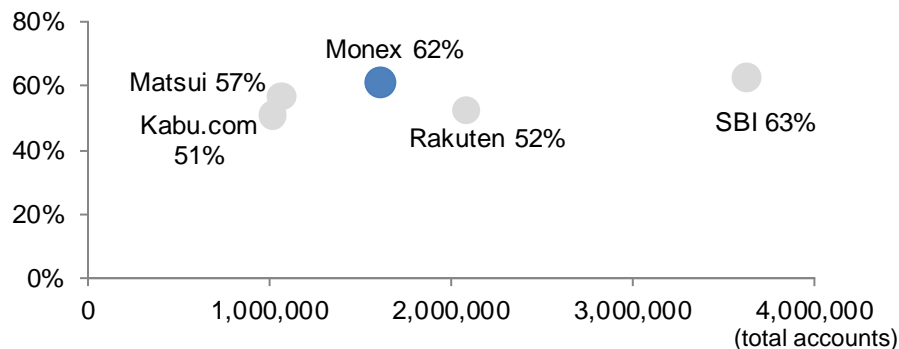
Trading value which Monex Inc. is to acquire with “TradeStation” = 40 B yen

■ Strong points of Japanese stock trading platform “TradeStation”

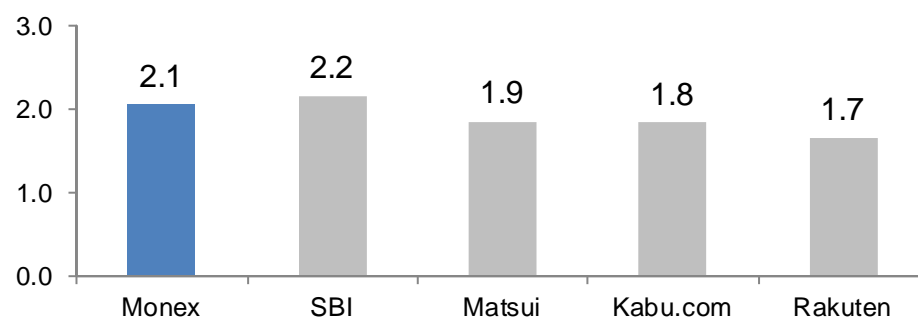
- A trading platform available for system tradings with analysis based on historical data and risk management
- A wealth of historical data for various analysis
 - display of large number of stock information (2,000 shares)
 - display 30 indicators out of 200 options
 - other functions such as ranking, targeting and screening
- Competitive commission fees
- Full-scale marketing activity started in August 2016 with web ad, TV commercial, customer events and magazine ads. This resulted in increased call volume, opening accounts and number of transactions.

Higher active accounts ratio and higher customer assets per account compared with peers
 Lower margin trading ratio and lower brokerage commission revenue compared with peers
 → Increase revenue by acquiring trader-type customers while retaining our current customer base

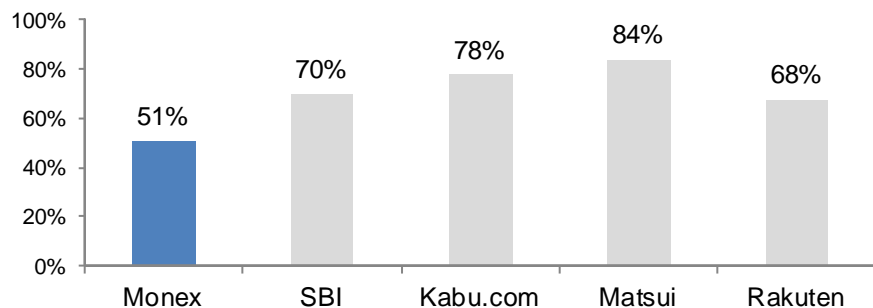
◆ Active account ratio (as of Jun. 30, 2016)
 (active account ratio)



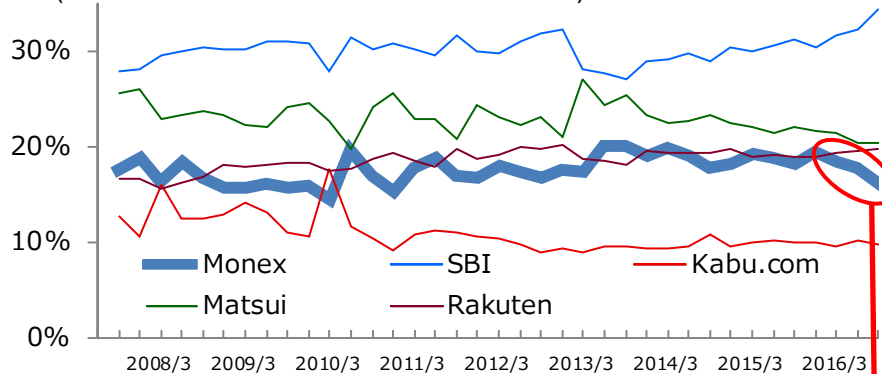
◆ Customer assets per account (as of Jun. 30, 2016)
 (JPY million)



◆ Margin trading ratio (1Q FYE Mar. 2017)



◆ Stock brokerage commission share
 (1Q FYE Mar. 2008 - 1Q FYE Mar. 2017)



Decreased commission share due to mid- long term investors of mainly Monex's customer base pull back on trading in stalled market

Focus on profitability enhancement despite lower interest rate and lower trading volume in the market

■ Cost reduction

- Headcount reduction of approximately 100 in April and July 2016.
- Recognized income in September 2016 despite tough operating environment.
- Cash saving and cost reductions are expected from October 2016 onward.

(USD million)

	Before cost reduction (Apr.2015-Mar.2016) Monthly basis	After cost reduction (Oct.2016-Mar.2017) Monthly basis (planned)	Decrease (monthly)	Decrease (annualized)
Compensation and benefits related (cash)	6.3	5.2	1.1	13.2
Of Compensation and benefits related (Expense)	4.9	4.5	0.4	4.5
Of Compensation and benefits related (Capitalized)	1.4	0.7	0.7	8.7

■ Enhancing capability of technology

- Continuous focus on strengthening technology of TradeStation

■ Approach to new customer base development

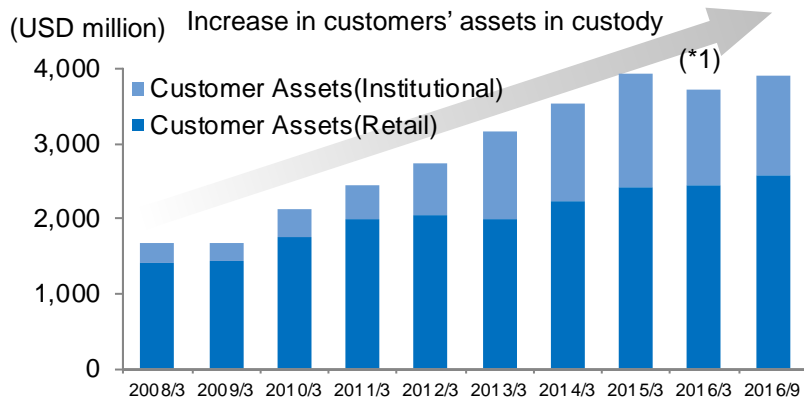
- Planning a new commissions structure and services in order to increase the number of accounts and customer assets in custody, which can appeal to a broader customer base than the current day-trader customer base.

■ B2B business

- Preparing to license stock and future trading platform
- Currently licenses trading platform "TradeStation" to Shinhan Investment Corp. and Guosen Securities.

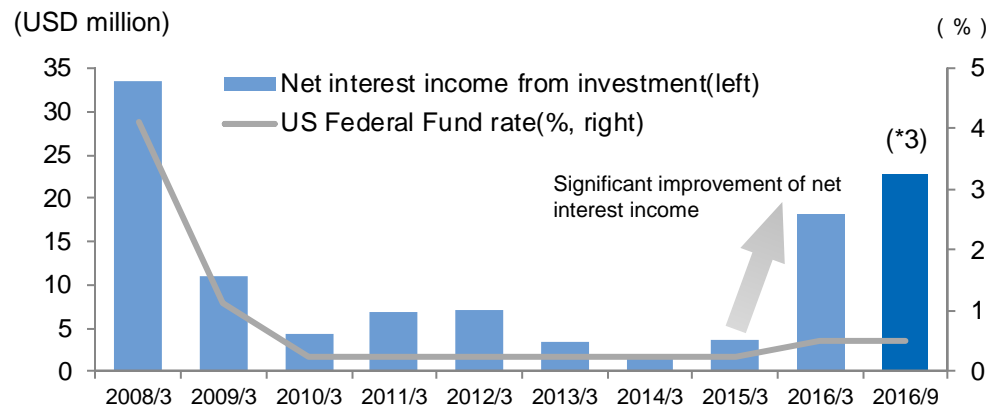
■ Net financial income improved by interest swap and reallocation of customers' deposit

◆ Customers' assets in custody



(*1) effect of decrease in assets for institutional business

◆ Net interest income (*2) and US Federal Fund rate



(*2) excluding income from margin trading and stock lending

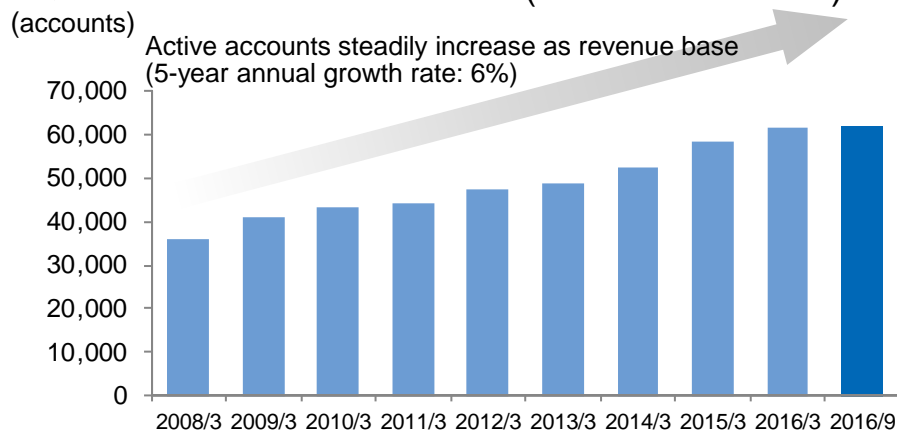
(*3) annualized by multiplying 2 to the 1H figure

■ Increase in active accounts and volatility contribute to the revenues

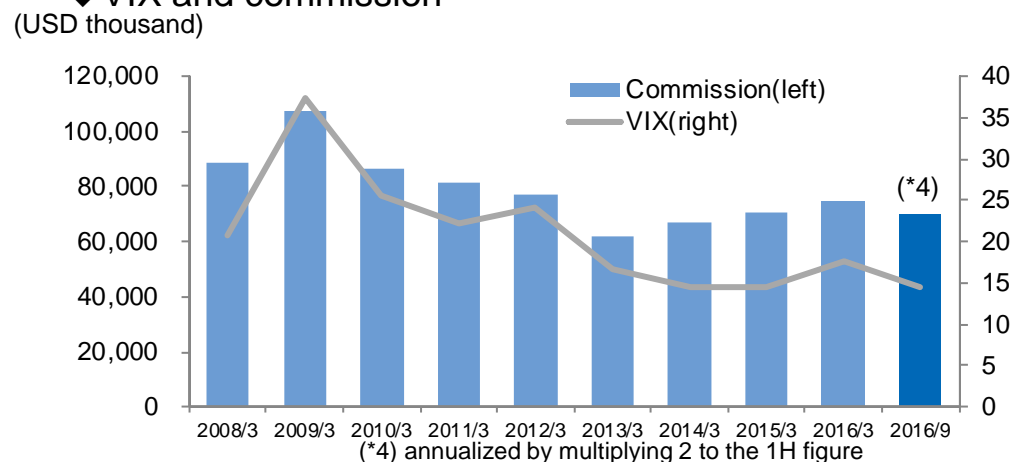
1pt increase in VIX will bring additional USD 1.7~2.9M revenue per year

(2.9M based on a regression analysis of commission data during Jan. 2009- Sep. 2016 and 1.7M based on commission data during Sep. 2011- Sep. 2016)

◆ Number of active accounts (excl. FX accounts)



◆ VIX and commission



(*4) annualized by multiplying 2 to the 1H figure

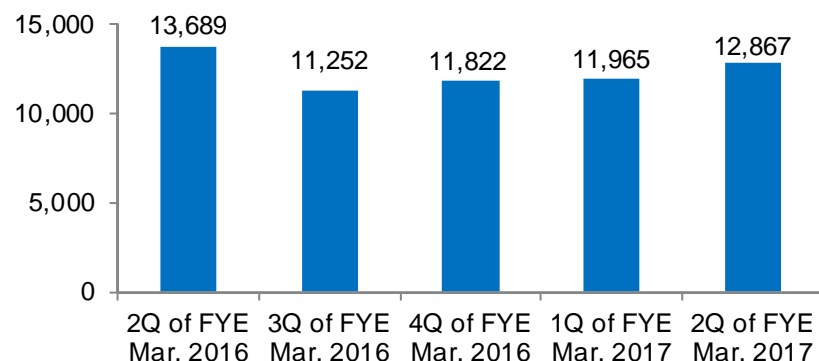
Continuing the strategy to create a business opportunity in China

■ Quarterly Financial Results of Monex Boom Securities (H.K.) :increased income due to recovery of trading value in H.K.

- Stock trading value in 2Q (3 months) increased by 51% (QoQ /in H.K. market). Brokerage commission revenue of H.K. stock increased by 39% (QoQ)
- The balance of margin lending decreased by 9% (QoQ). Net financial income decreased by 7% (QoQ)

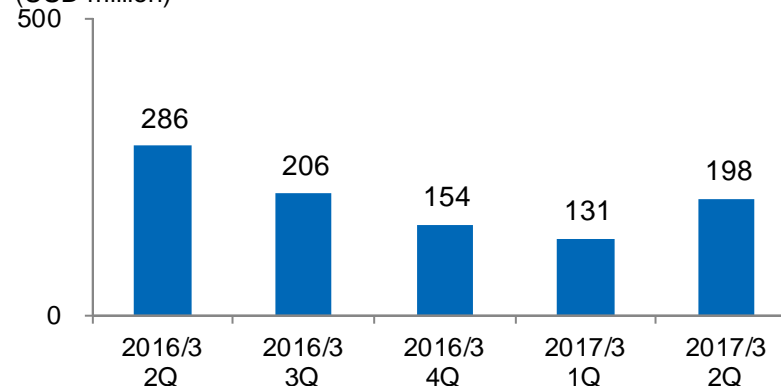
◆ Quarterly total revenue after deducting financial expenses of Monex Boom Securities Group

(HKD thousand)



◆ Quarterly stock trading value of Monex Boom Securities (in Hong Kong Stock Exchange)

(USD million)



■ Providing technology and knowledge of online brokerage for Joint venture in mainland China

- Company name: Cherry Technology Co., Ltd in Hangzhou, PRC
- Date of the incorporation : Feb. 2015
- Approx. JPY 300 M investment

■ Continuous license service of “TradeStation” to Guosen Securities, a major PRC brokerage firm

- Started on Sep. 2014, revenue recognized in the US segment

- I. Highlights
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- Appendix. Group Overview

“Mid- and long-term revenue growth” and “Fixed-type cost reduction” by shifting system developments from outsourcing to in-house

■ Mid- and long-term revenue growth

Measures	Progress and Achievements
Launching a trading platform for Japanese active traders developed by TradeStation. Aim to increase brokerage commission.	Launched in Mar. 2016 Full-scale marketing to be scheduled from 2Q FYE 2017
Expanding B2B businesses	Two projects have already generated revenue (recognized in U.S. segment). Pursuing B2B opportunities for in-house development of the backbone system in Japan segment

■ Fixed-type cost (*1) reductions — Aim to reduce JPY 2.3B a year by FYE Mar. 2018 compared to the basis for comparison (*2)

Measures	Progress and Achievements
Cost reduction by integration of trading tools in Japan segment Cost reduction of information expenses by integration of information services in Japan segment Cost reduction by FX liquidity integration and so forth	Achieved around JPY 1.3B (annualized) reduction in total
System related cost reduction by in-house system development and in-house operations of backbone brokerage system(*3)	Cost will be reduced from FYE Mar. 2018

(*1) Fixed-type costs: the sum of (a) communication, freight & information expenses, (b) compensation & benefits, (c) rental & maintenance, (d) data processing & office supplies and (e) amortization & depreciation

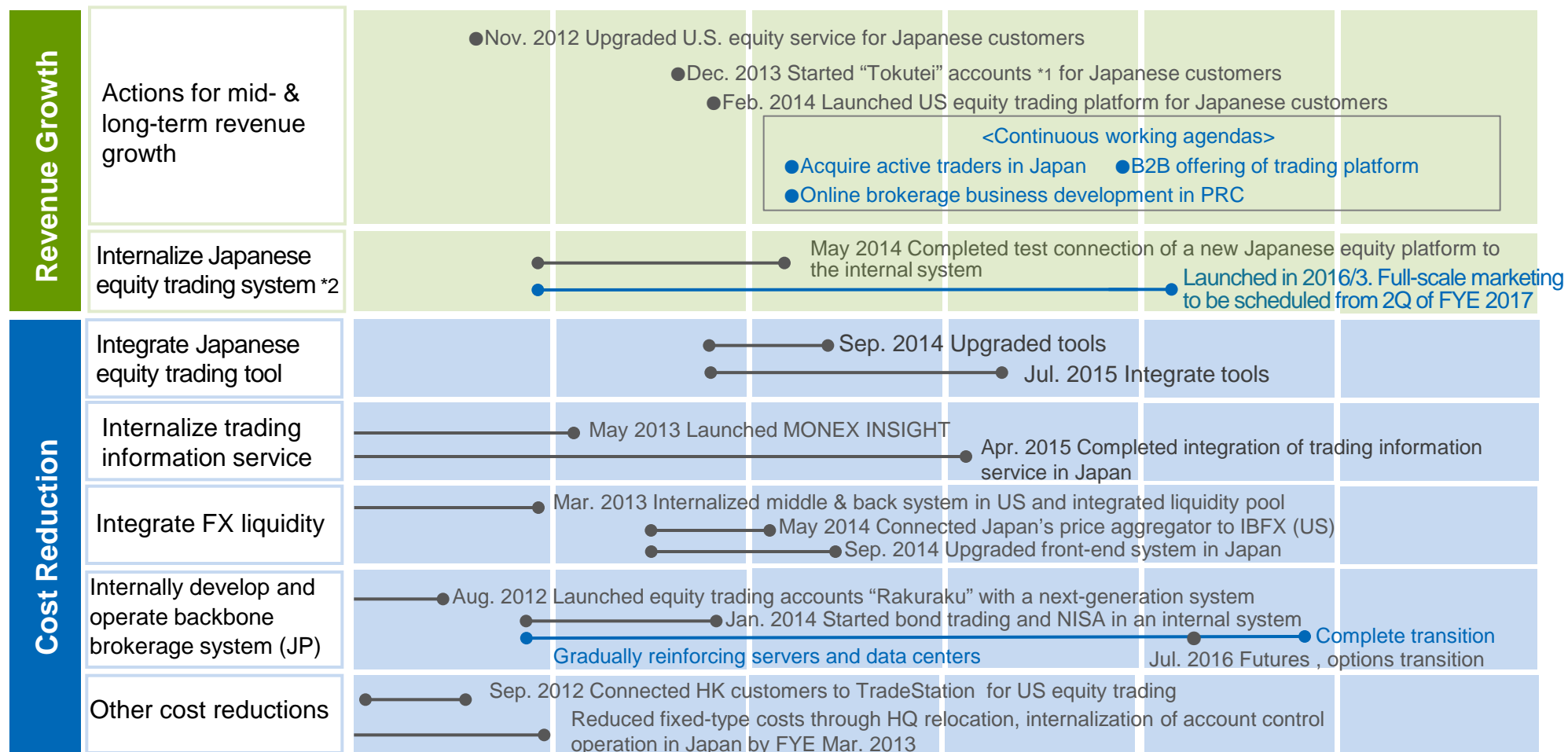
(*2) Basis for comparison: (actual fixed-type cost figure of 4Q FYE Mar. 2013) multiplied by 4. Aim to reduce JPY 2.3B a year in fixed-type costs by FYE Mar. 2018 compared to the basis for comparison (JPY 24.5B, -9.4%). Fixed-type costs in or after FYE March 2014 compared to the baseline do not include those arising from projects after Apr. 2013, e.g. system improvement to comply with new regulations. Launch of a new Japanese equity trading platform is categorized in a revenue increase project and is out of the scope of the JPY 2.3B cost reduction plan

(*3) System related costs = Rent and maintenance + Data processing and Office supplies + Amortization and depreciation

Timeline of Mid- & Long-Term Strategy “Global Vision”

- Completed project
- Ongoing project

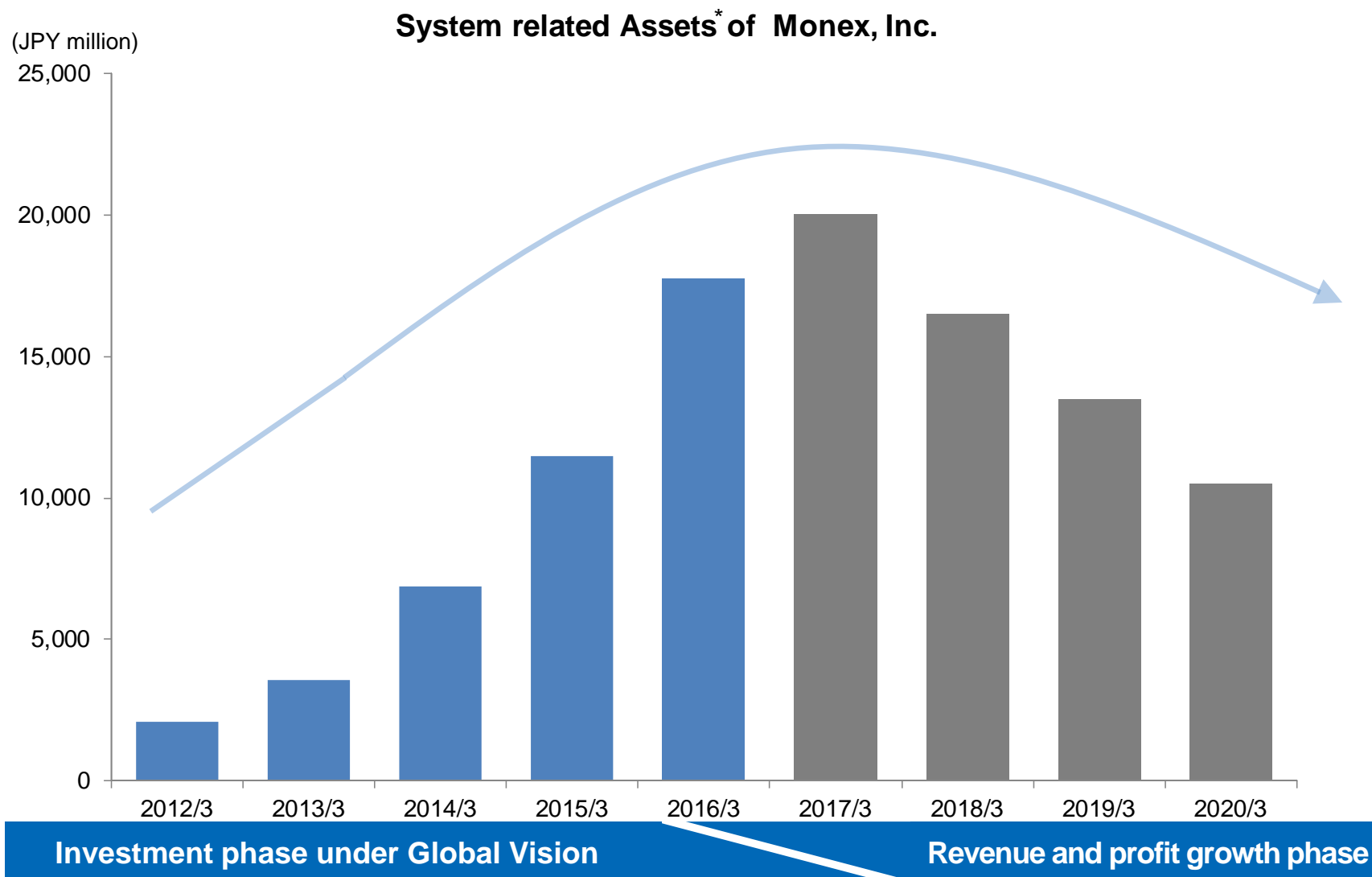
FYE Mar. 2013 FYE Mar. 2014 FYE Mar. 2015 FYE Mar. 2016 FYE Mar. 2017 FYE Mar. 2018



*1 “Tokutei” accounts: accounts that automatically calculate taxes

*2 Japanese stock trading platform “TradeStation”

System-related assets peak out at FYE Mar. 2017 getting lower from FYE Mar. 2018.



* Software, Software in progress and equipment and fixtures

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Appendix. Group Overview

Brand

Three retail brands: “Monex”, “TradeStation”, and “BOOM”

- Oki Matsumoto, a former partner at Goldman Sachs, established Monex and led the online brokerage industry as a pioneer in Japan
- Japan: “Monex” promotes long & diversified investment and is supported by “investors”
 - US : “TradeStation” started as a systems company and its technology is appreciated by “traders”
 - HK : “BOOM” offers multi-currency and multi-market trading and has the longest history as an online broker in Asia

Global Operations

Business bases in Japan, US, and China. Products, customers and human resources are global

- Offer global financial products online to retail investors
- Have 12 business bases mainly in North America and Asia. 50% of approx. 870 employees worldwide are based in the USA

Technology

Create new customer experience and value based on technology

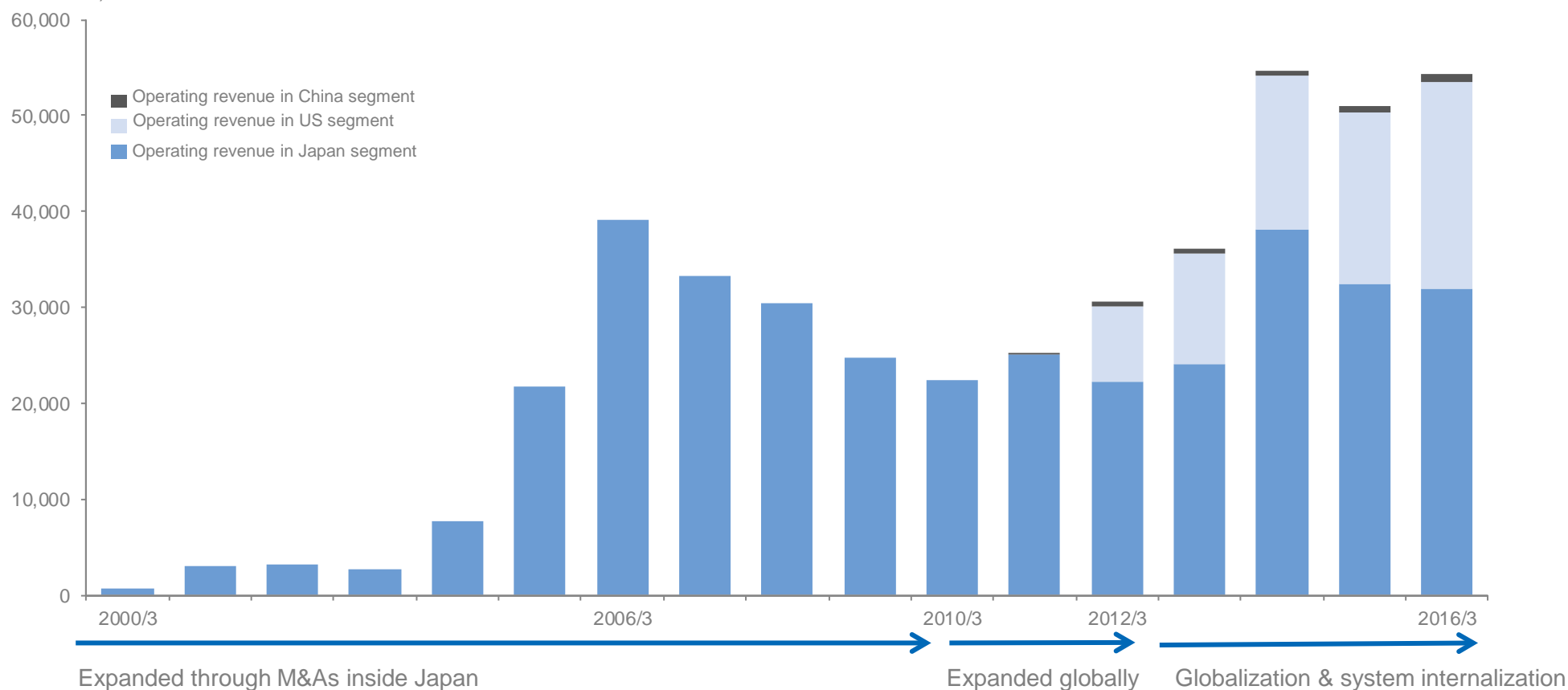
- TradeStation’s technology creates competitive products and services, which leads to B2B business and diversifies its revenue stream
- Realize products and services with financial engineering, along with early involvement in research and development of FinTech

Group Overview – Continuous growth over 15 years

- ✓ Japan: 1.66M accounts, US: 78K accounts, HK: 11K accounts. Monex has a global customer base
- ✓ Make efforts to continuously grow, with the online brokerage business for retail investors as our core business

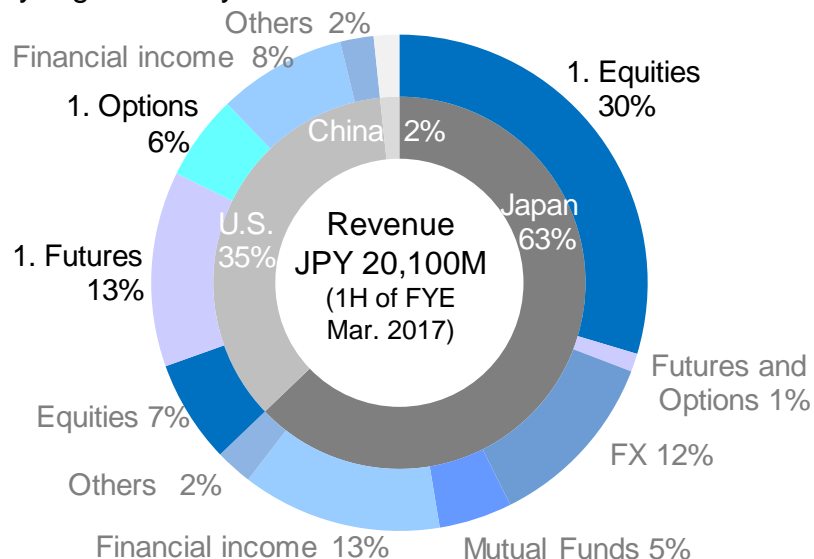
◆ Consolidated Operating Revenue

(JPY million)

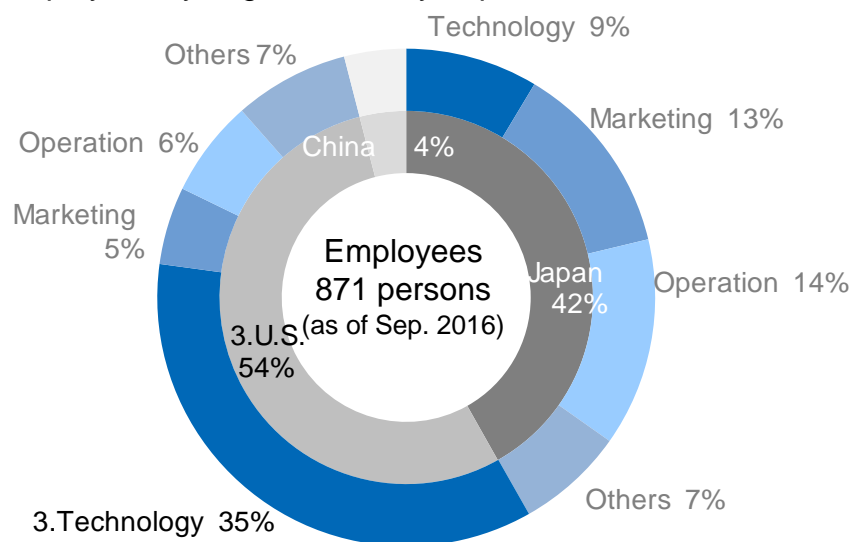


Group Overview — Revenues: 60% from Japan, 40% from US; Employees: 40% in Japan, 60% in US or China

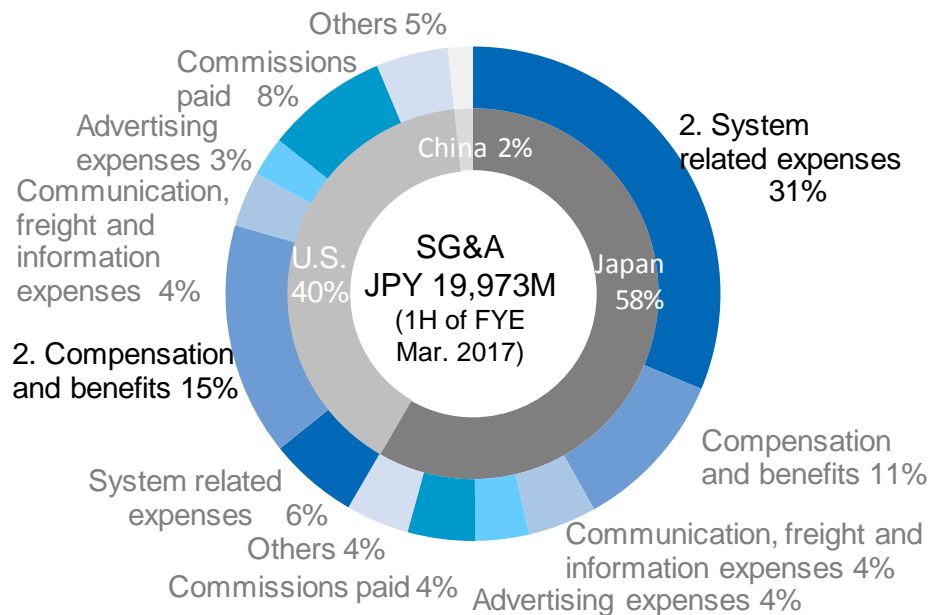
◆ Total operating revenue after deducting financial expenses by region and by business



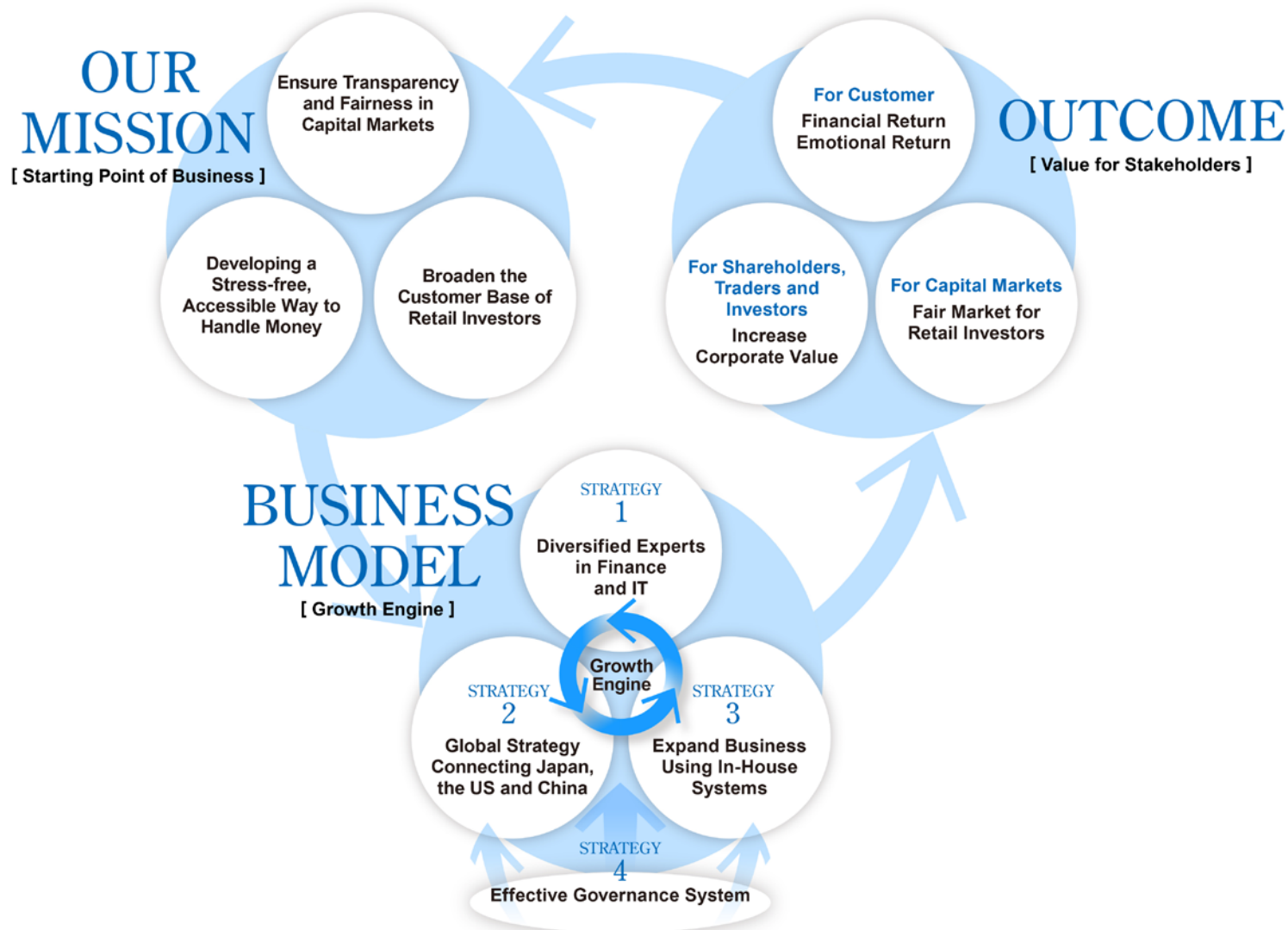
◆ Employees by segment and by department



◆ SG&A by segment and by cost items

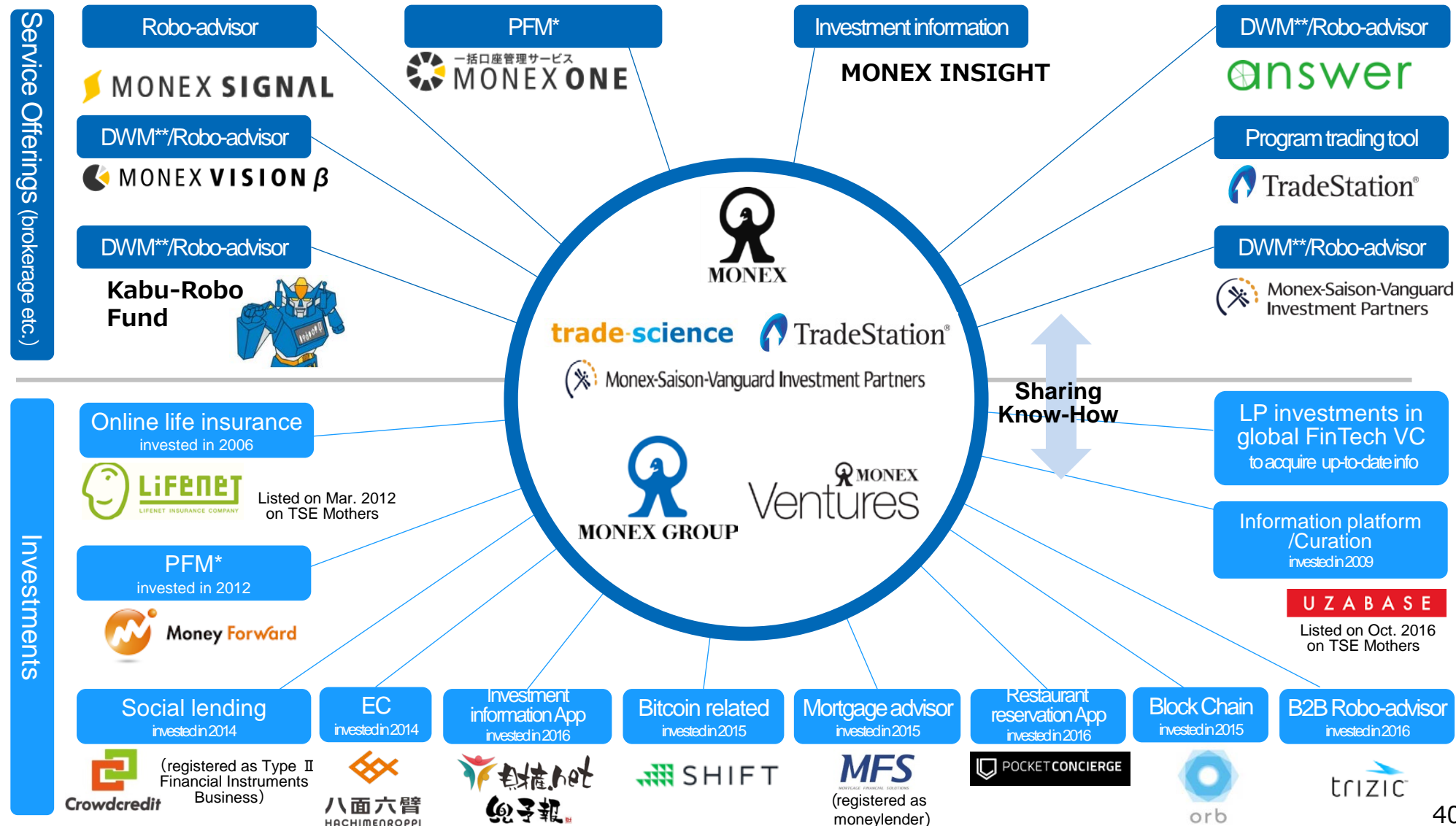


1. Total operating revenue after deducting financial expenses : US accounts for 1/3. Revenue in Japan primarily from equities while revenue in the US primarily from futures and options
2. Total SG&A : Japan accounts for 60% and US and China accounts for 40%. However, half of the Japanese portion is made up of system related costs, whereas the largest percentage of the US total is from compensation and benefits costs.
3. Employees: US and China account for 60%. US has a larger number of technology-related employees as it internally develops its system



A pioneer of the FinTech community in Japan since the company's establishment

* PFM=Personal Financial Management
**DWM=Digital Wealth Management



Establish global-standard corporate governance practices and emphasis on dialogue with retail/institutional investors

Adoption of “company with three committees” structure - Highly effective executive management monitoring system

- Adopted “company with committees” structure in June 2013
- Each of the three committees is chaired by an independent & outside director

Directors with various backgrounds

- Seven out of eleven directors qualify as “independent & outside” directors and all independent & outside directors have managed companies
- Appointed a lead outside director. Actively exchanges opinions at meetings led by the lead outside director and composed mainly by independent & outside directors
- Various backgrounds: Management experience (current/former CEOs of listed companies or global companies), Expertise (CPA, lawyer), Business experience (finance, IT, global business), Culture & society (gender, country of residence, nationality)

Fair disclosure and dialogue for retail/institutional investors

- Timely and fair information disclosure both in Japanese and English
- Active dialogue with shareholders: CEO holds quarterly presentation sessions for retail shareholders
- Annual general meeting of shareholders is held on weekend so that retail shareholders can attend the meeting (Reference)
 - 12th ordinary general meeting of shareholders (June 25, 2016)
 - Attendance of shareholders: 830 (record-high)



MONEX GROUP

Monex Group, Inc.

(As of October 28, 2016)

Listed Holding Company

[Japan]

Online Securities Company



MONEX

Monex, Inc.

Comprehensive investment service provider

M&A Advisory

Program Trading

MONEX HAMBRECHT, INC. trade-science

Monex Hambrecht, Inc.

M&A advisory service
Aspiring to introduce new IPOs

Trade Science Corporation

Next-generation asset management
utilizing artificial intelligence

Corporate Venture Capital

Asset Management



Monex Ventures, Inc.

Financial × IT × global
Venture investment



Monex-Saison-Vanguard
Investment Partners

**Monex-Saison-Vanguard
Investment Partners, Inc.**

Small-lot and low-cost discretionary
investment management
(wrap account) service

(Investment Ratio) Monex G: 51%

[US/Europe]



TradeStation Group, Inc.

Holding Company in the U.S.

Online Securities Company

TradeStation Securities, Inc.

Appreciated mainly by active traders (US)

Technology

TradeStation Technologies, Inc.
(US)

TradeStation Global Services, S.A.
(Costa Rica)

EU Base

TradeStation Europe Limited
Introduce customers in Europe (UK)

[China]

Monex International Limited
Holding Company in Hong Kong

Online Securities Company



Monex BOOM Group
Online securities group in Hong Kong

Beijing Representative Office
(Monex, Inc.)

Technology support

Cherry Technology Co., Ltd
[Equity method affiliates]
(Investment Ratio) Monex G: 49%

■ Monex Group, Inc. (Tokyo, Japan) TSE 1st Sec. Code: 8698

- Chairman, Representative Executive Officer, CEO: Oki Matsumoto
- Established in 2004
- Financial holding company with major online brokerage firm subsidiaries in Japan, US and China (Hong Kong)

■ Monex, Inc. (Tokyo, Japan)

One of the major online brokerage firms in Japan

- Chairman & CEO: Oki Matsumoto
- Founded in 1999
- Aims to provide retail investors the level of creative products & services offered to institutional investors
- First in the Japanese industry to offer unique services & products for retail investors (Examples): PTS/ECN (in 2001), stock lending (in 2003), lead manager in an IPO as an online broker (in 2005), RMB bonds (in 2011), No.1 U.S. equity service in Japan (in 2012; the largest number of stock names available, the longest trading hours & the lowest commissions), offering the largest-class private equity fund in the world (in 2013)
- Products & services: Equities (Japan, U.S., Hong Kong), futures & options, FX, mutual funds, bonds, investment education, etc.
- # of total accounts: 1,663,648
- # of active accounts: 1,009,346
("Active accounts": accounts with balance or with at least one trade or transaction a year.)
- Customers' assets in custody: JPY 3.4518 trillion

■ TradeStation Group (HQ in Florida, U.S.)

Online securities group with award-winning trading technology development capabilities

- President: John Bartleman (effective April 1, 2016)
- Founded in 1982
- Joined Monex Group in June 2011
- An award-winning TradeStation platform recognized and highly regarded by active traders; a multi-asset platform with a robust algorithm trading language (EasyLanguage®) that enables sophisticated analysis capabilities and back-testing ability
- Offers "TradeStation 9.5" to Shinhan Investment Corp., one of Korea's major financial institutions (2014) and Guosen Securities, China's 5th largest broker (2015)
- Products & services: Equities (U.S.), options and futures
- # of active accounts: 61,815
- Customers' assets in custody: JPY 397,174 million

■ Monex Boom Securities Group (Hong Kong)

Offers access to over 12 markets

- COO: Nick Tang
- Founded in 1997
- Joined Monex Group in December 2010
- First online stockbroker for retail investors in Asia Pacific
- Products & services: Equities (12 markets such as Hong Kong, U.S., Japan, etc.) Trades available in 6 different currencies in a single trading account
- # of accounts with balance: 11,194
- Customers' assets in custody: JPY 110,641 million

History of Monex Group

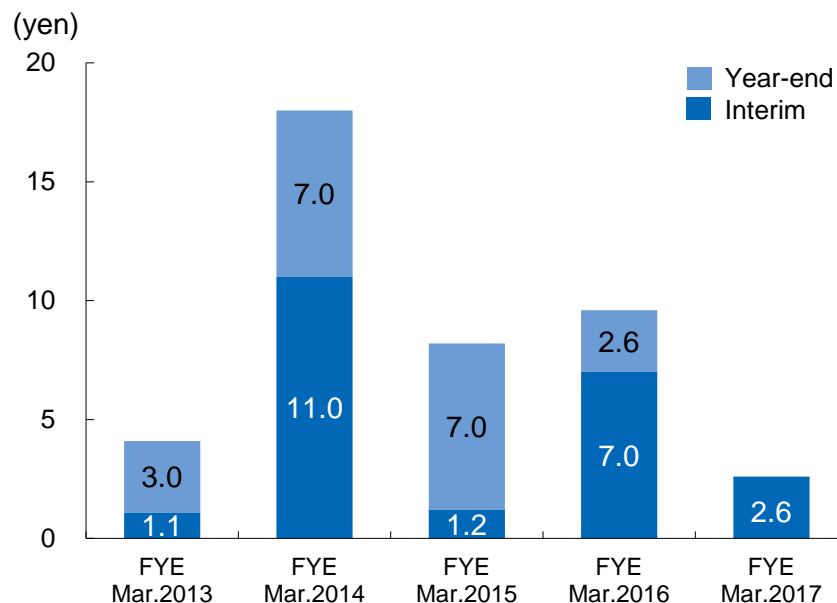
	Japan	U.S.	China (Hong Kong)
1982		- TradeStation Technologies, Inc. is formed as Omega Research, Inc.	
1997		- TradeStation stock lists on NASDAQ	- Boom Securities (H.K.) Limited is founded (now Monex Boom Securities (H.K.) Limited), becoming the first in Asia Pacific to launch Internet stock trading for retail investors
1999	- Monex, Inc. is co-founded by Oki Matsumoto and Sony Corporation - Begins offering online brokerage service upon complete liberalization of stock brokerage commissions in Japan		
2000	- Monex, Inc. stock is listed on the Tokyo Stock Exchange "Mothers" Market	- TradeStation acquires Online Trading.com, a direct-access securities brokerage firm	
2004	- Monex Beans Holdings, Inc. (now Monex Group, Inc.) is established through a business integration of Monex, Inc. and Nikko Beans, Inc. - Monex Group, Inc. stock is listed on the Tokyo Stock Exchange "Mothers" Market in exchange for the delisting of Monex, Inc. stock		
2005	- Monex, Inc. and Nikko Beans, Inc. merge to become Monex, Inc. (former name: Monex Beans, Inc.) - Monex Group, Inc. stock changes its listing from the "Mothers" Market to the First Section of the Tokyo Stock Exchange		
2006		- TradeStation Europe Limited receives approval from the FSA (UK) as an introducing broker	
2008	- Acquisition of 90% shares of Tokyo Forex (absorbed in absorption-type merger by Monex, Inc. in 2015)		- Monex Group, Inc. opens a Beijing Representative Office (closed in 2012 after opening Monex, Inc.'s Beijing Representative Office)
2010	- Monex Group, Inc. completes a share exchange to acquire Orix Securities Corporation - Monex, Inc. merges with Orix Securities Corporation		- Monex, Inc. opens a Beijing Representative Office - Boom group companies (now Monex Boom group companies) become wholly-owned subsidiaries of Monex Group, Inc.
2011		- TradeStation becomes a wholly-owned subsidiary of Monex Group, Inc. and its stock delisted from NASDAQ - TradeStation Group, Inc. acquires IBFX Holdings, LLC	
2012	- Monex Group, Inc. acquires Sony Bank Securities Inc.	- TradeStation Global Services, S.A. (Costa Rica) is established	
2013	- Monex, Inc. merges with Sony Bank Securities Inc. - Monex Group, Inc. becomes a Company with Committees - Monex Group, Inc. implements a stock split (1:100)		
2014			
2015	- Monex, Inc. merges with Monex FX, Inc. - Monex-Saison-Vanguard Investment Partners, Inc. is established		- Cherry Technology Co., Ltd, which provides technical support in PRC, is established
2016			

■ Pursue returns to shareholders through ROE improvement

◆ Our basic policy for shareholders' return

To provide returns to shareholders based on our business performance, while reserving necessary capital as a growing company

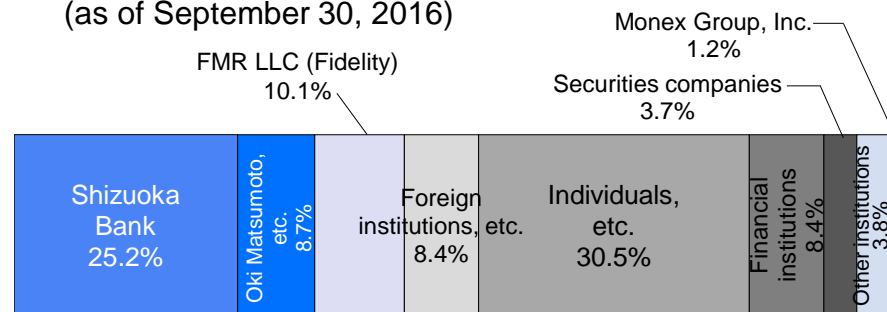
◆ Dividend history



Stock split was implemented on Oct. 1, 2013 and the above figures are adjusted retroactively since FYE Mar. 2012

■ Shareholders & indicators per share

◆ Major shareholders and shareholder breakdown (as of September 30, 2016)



The graph made by Monex based on shareholders' list as of Sep. 30, 2016 and the Large shareholding report .

◆ Indicators per share

	FYE Mar. 2013	FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	2Q FYE Mar. 2017
Equity attributable to owners of the Company per share (BPS)	265.84 yen	280.52 yen	302.18 yen	302.03 Yen	289.73 Yen
Earnings per share attributable to owners of the Company (EPS)	13.02 yen	35.76 yen	12.15yen	12.46yen	-0.73yen (*1)
Rate of Return on Equity(ROE)	5.0%	12.9%	4.2%	4.1%	-0.2% (*1)
Dividends per share	4.1yen	18.0yen	8.2yen	9.6yen	2.6yen (Interim)

(*1) EPS and ROE for 1H FYE Mar. 2017 show annualized figures obtained by multiplying 2 to the actual figures for the quarter

(*2) Stock split was implemented on Oct. 1, 2013 and the above figures are adjusted retroactively since FYE Mar. 2013