



MONEX GROUP

Monex Group, Inc.

Financial Results Briefing for the Fiscal Year Ended March 2022

April 27, 2022

Event Summary

[Company Name]	Monex Group, Inc.	
[Company ID]	8698-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Results Briefing for the Fiscal Year Ended March 2022	
[Fiscal Period]	FY2021 Annual	
[Date]	April 27, 2022	
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[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	2	
	Oki Matsumoto	CEO
	Yuko Seimei	Representative Director Co-CEO/CFO
[Analyst Names]*	Takayuki Hara	
	Matthew Henderson	SMBC Nikko Securities Inc.
	Futoshi Sasaki	JPMorgan Securities Japan Co., Ltd.
		BofA Securities Japan Co., Ltd.

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A.

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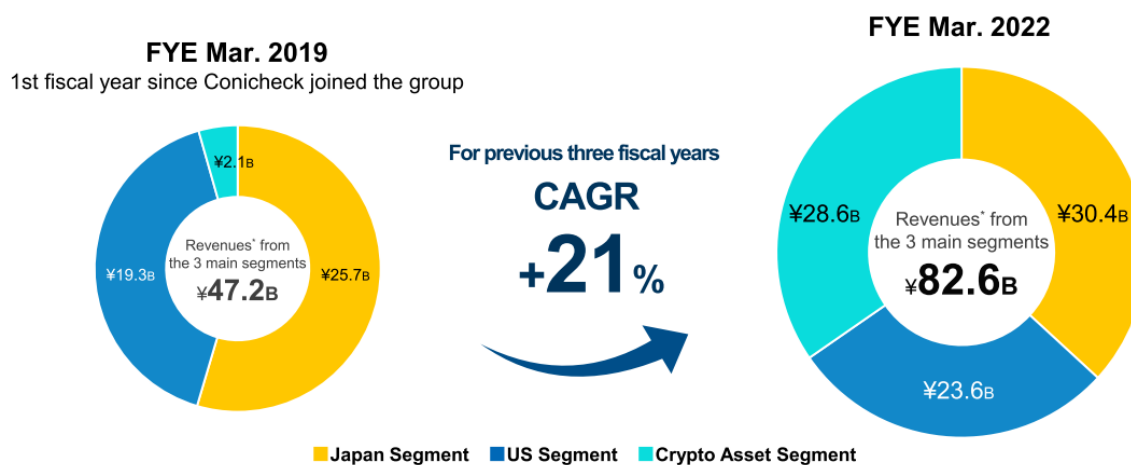
Presentation

Highlights FYE Mar. 2022 – Consolidated Operating Revenue

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Achieved **record high total operating revenue***.

Continuous growth in major segments since the start of the Crypto Asset business.



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Matsumoto: Thank you for being here today. I would like to announce the business performance for the fiscal year ending March 2022 of Monex Group, Inc. First, I will give you the highlights, and then Co-CEO and CFO Seimei will explain the business performance.

First, page four. Of our five segments, namely Japan, US, Crypto, Coincheck, as well as Investment and Asia Pacific, these three are the main segments. Japan, the US, and Crypto.

Revenue from these three segments was JPY47.2 billion over three years, and JPY82.6 billion for the current fiscal year, which represents a steady growth at a three-year compound annual growth rate (CAGR) of 21%. In addition, as you can see in the picture on the right, the distribution of revenue is also growing in a fairly balanced manner, with almost one-third each.

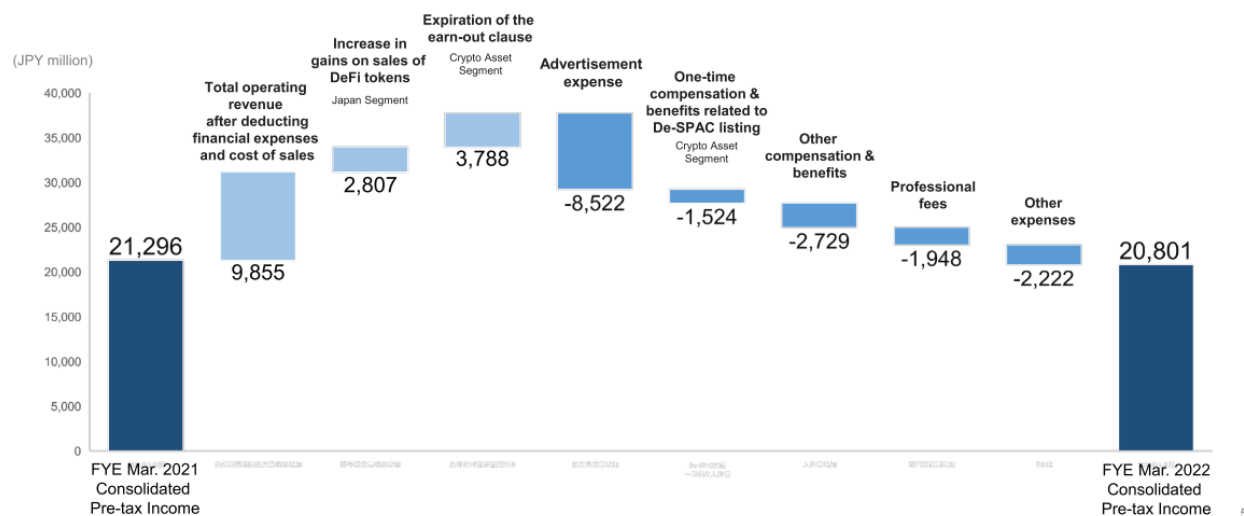
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Consolidated pretax income remained flat YoY even with **aggressive advertising** and **personnel reinforcement** aimed at **further growth**, as well as one-time expenses related to the De-SPAC listing.



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The current financial results are almost the same as the previous year in terms of pre-tax income. It was JPY21.2 billion the previous year and JPY20.8 billion this year, so pre-tax income was almost the same.

Looking at the breakdown, the left three columns in the staircase chart on the right show the growth in revenue, while the right columns show the decrease. First, JPY8.5 billion extra was spent on advertising compared to the previous year. We actually spent about JPY14 billion on advertising, which is JPY8.5 billion more than the previous year.

This was because we merged TradeStation and Coincheck with SPACs listed on the NYSE and NASDAQ, respectively, or in the case of Coincheck, by creating a holding company called Coincheck Group, and then merging it with SPAC, which is listed on NASDAQ, then listing it on the New York Stock Exchange. We have spent an extra JPY8.5 billion on advertising on a consolidated basis, based on the idea of accelerating growth by strengthening marketing while taking in capital all at once in this way.

In addition, for the De-SPAC listing, or listing by merger with SPAC, Coincheck had to restructure its capital, cancel the options it had issued in the past, and instead pay temporary personnel expenses. The one-time cost associated with this was JPY1.5 billion.

Two off to the right of that, the increase in professional fees is about JPY2 billion, which also represents about JPY2 billion in accountant and legal fees for TradeStation and Coincheck to prepare for their respective De-SPAC listings.

So, the publicity expenses used in the intention to list the two main subsidiaries in New York, the increase in personnel expenses for the capital restructuring, and the increase in professional fees, the latter two being one-time expenses, were JPY8.5 billion, JPY1.5 billion, and JPY2 billion, respectively, so the total is JPY12 billion extra. Even with the use of the JPY12 billion, consolidated pre-tax income was approximately JPY21 billion, the same as the previous year.

While the Company's overall revenue was growing significantly as you can see on the previous page, there was a strong feeling, especially in the US, that it was enough to increase the top line in the year before last or

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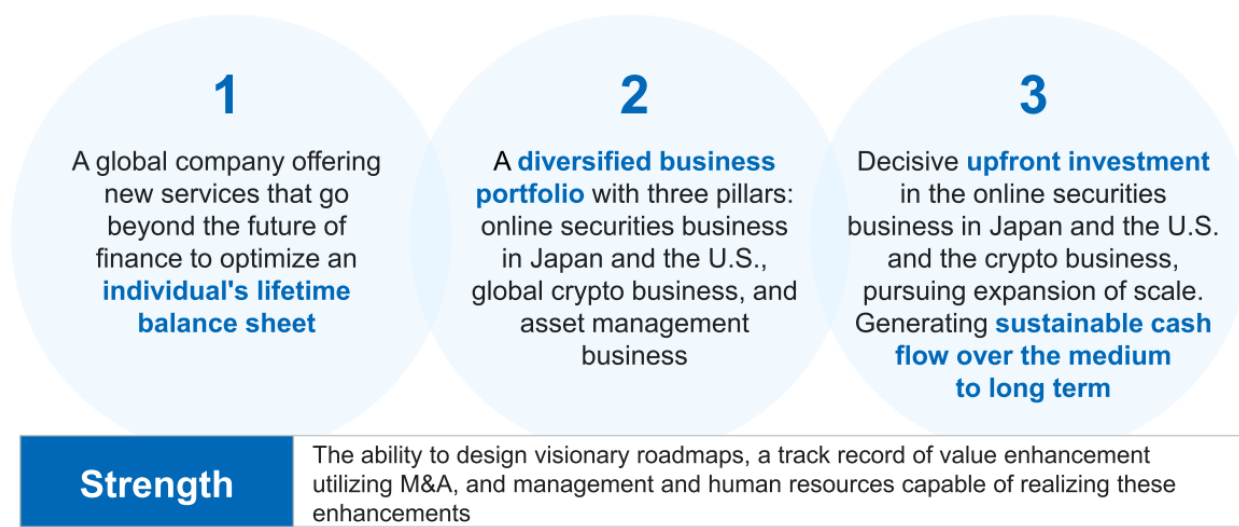
last year. However, while there has been a movement in recent months to focus on the bottom line at once, our group's policy is to grow significantly, and while the top line has actually grown significantly, we made one-time expenses, or rather, investments for growth to accompany them, to the extent that they do not reduce pre-tax income in the bottom line.

If there had not been the JPY12 billion increase in expenses that was used intentionally, the pre-tax income would have been 300, which is about 1.5 times the pre-tax income level, although it may sound like counting our chickens before they hatch.

Monex Group's Vision

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Monex Group's **Three** Goals



As you can see here, Monex Group has three goals. One is based on our idea that the purpose of finance is to improve the lives and wellbeing of individuals, without being limited to traditional finance. Our corporate mission is to improve the lifetime balance sheet of individuals. Our ideas have been modified slightly that way since a year ago.

In this context, we have a diversified business portfolio with three pillars of asset management business: the online securities business in Japan and the US, the global crypto business, and the promotion of the asset management model, which we have also been focusing on in the form of asset management.

There are companies that are pursuing growth but have upfront investments that do not result in bottom-line results. On the other hand, we are making such up-front investments, but we are generating cash flow and making a profit. We have the goal of growing the Company while doing so.

These three things are the main pillars of Monex Group.

In the US, we announced our global vision in 2010, acquired TradeStation in 2011, and in the area of blockchain and crypto assets, publicly announced our vision in 2017 as our second founding, stating that blockchain and crypto assets would change the capital market rapidly and that we would take full advantage of this change. After that, in 2018, we acquired Coincheck.

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Thus, we create a vision first, then use M&A to create such a business, and then enhance its value. We have done so, as I will now explain. We believe that the Monex Group's management and human resources capabilities to design a vision, conduct M&A, and realize value enhancement are its strengths.

Increase Enterprise Value of Subsidiaries

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Monex Group leveraged its diverse management resources to help TradeStation and Coincheck grow significantly.

	Comparison	Valuation* ¹	# of customer accounts	Customer assets	Revenues* ²
 TradeStation Joined Monex Group in Jun. 2011	FYE 3/31/2012	At the time of the tender offer in 2011 \$411M	49k* ⁴	\$2.5B* ⁴	\$135M
	FYE 3/31/2022	De-SPAC valuation* ¹ approx. \$1.3B+EO*³	230K*⁵	\$12B	\$209M
 Coincheck Joined Monex Group in Apr. 2018	FYE 3/31/2019	At the time of the share exchange in 2018 ¥3.6B+EO(¥3.8B)* ³	830k* ⁶	¥152.2B* ⁶	¥2.1B
	FYE 3/31/2022	De-SPAC valuation* ¹ approx. ¥150B+EO*³	1,620K	¥481.0B	¥28.6B

*¹ Refers to the value of the shares based on the \$10.00 per share agreed in the relevant merger agreement. Rate = ¥125/\$ *² Total operating revenue after deducting financial expenses and cost of sales. *³ Earn-Out. *⁴ As of Jun. 30, 2011. *⁵ Total Customer Accounts at March 31, 2022 included approximately 43,600 customer crypto accounts opened and funded through a marketing promotion that began December 20, 2021 in which TradeStation made the initial account funding for the customer (Bitcoin equal to \$10.00) (the "Crypto Funding Program"), but such accounts had no further customer account activity as of March 31, 2022 (3Q FYE March 2022: approximately 4,950, 4Q FYE March 2022: approximately 38,600). *⁶ As of Mar. 31, 2018. 7

As for value enhancement, this will be 11 years for TradeStation and four years down the road for Coincheck, and its valuation grew from USD411 million to USD1,300 million, equivalent, plus earn-out. Coincheck's valuation was JPY3.6 billion plus JPY3.8 billion-equivalent earn-out and it has grown to JPY150 billion plus earn-out, or the equivalent, and has also greatly increased its stock value, or the number of accounts, customer assets, and operating revenue each many times over.

Thus, they have a vision, do M&A, and enhance value. That is what we have been doing.

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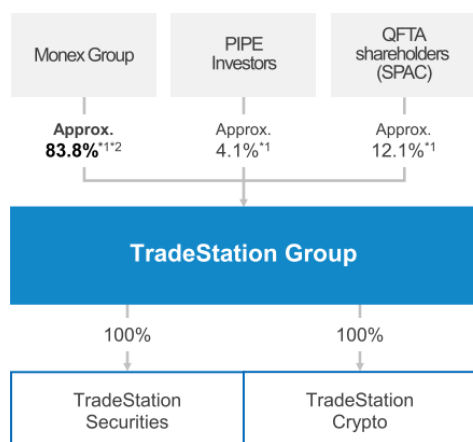
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Growth Strategy of TradeStation (US Segment)

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TradeStation Group aims to list on the New York Stock Exchange in 2022 to raise capital for its growth strategy of capturing the growing retail investor market in the U.S.



[Summary]³

- After the merger between TSG Merger Sub and a NYSE-listed SPAC, Quantum FinTech Acquisition Corporation (QFTA), TradeStation Group is planned to list on the NYSE under the ticker symbol "TRDE" in 2022.
- Provides \$201M (as of Jun. 30, 2021) in cash held by QFTA in trust to TradeStation Group before expenses, assuming no redemptions.
- \$125M anticipated proceeds through concurrent PIPE process, which includes \$50M from Monex Group, Inc.

[Growth Strategy]

- Large-scale marketing initiatives to enhance customer acquisition.

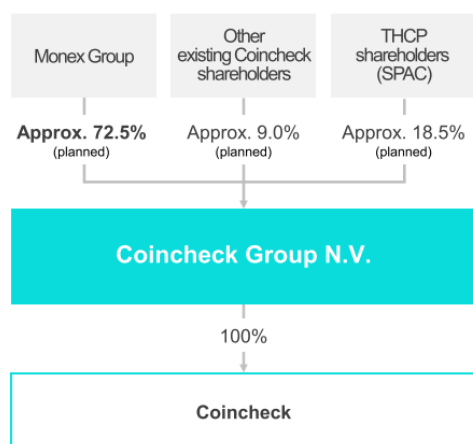
^{*1} Assuming no redemptions by the QFTA public shareholders prior to closing of the de-SPAC transaction. ^{*2} Excludes the impact of any executive shares to be issued. ^{*3} Assumes \$10 per share, excluding PIPE incentive shares, no post-closing change of control and does not include impact of dilution from warrants. In addition, does not include equity plans or compensation. Includes 750,000 shares distributed to non-redeeming public QFTA shareholders and assumes no shareholder redemptions. Does not assume any forfeiture of Earn Out Shares. Monex Group lock-up: one-third of shares until earlier of 12 months and sustained \$12.50 last reported sale price; one-third until earlier of 24 months and sustained \$15.00 last reported sale price; and one-third until earlier of 36 months and sustained \$17.50 last reported sale price. Monex's PIPE shares are not subject to this lock-up. Sponsor lock-up: until earlier of 12 months and sustained \$12.50 last reported sale price. Lock-ups subject to customary permitted transferee exceptions. With respect to any stock price, sustained means specified price (or higher) is the price for 20 out of any 30 consecutive trading days. Please see the merger agreement for further details.

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Growth Strategy of Coincheck (Crypto Asset Segment)

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With the rapid expansion of the crypto market, Coincheck Group N.V. (Coincheck Group) will be newly established to further grow the crypto business and aims to list on NASDAQ in 2022.



[Summary]

- Establishes a new company, Coincheck Group, which will be the holding company for Coincheck, Inc.
- After the proposed business combination with Nasdaq-listed SPAC, Thunder Bridge Capital Partners IV, Inc. (THCP), Coincheck Group is planned to go public on Nasdaq under the ticker symbol "CNCK."
- Provides \$237M (as of Sep. 30, 2021) in cash held by THCP in trust to Coincheck Group before expenses, assuming no redemptions.
- Gary Simanson, who is President & CEO of THCP, will become CEO and Oki Matsumoto will become Executive Chairman of Coincheck Group.

[Growth Strategy]

- This contemplated transaction will enable Coincheck to further accelerate its growth, by driving customer acquisition, accelerating innovation in digital asset solutions, and providing customers and institutions with deeper access to the global crypto economy.

* The above structure illustrates the Coincheck Group ownership ratio as of post-closing of the Merger and does not reflect dilution due to share redemption by THCP shareholders, additional funds by new THCP investors, earn-out provisions nor exercise of warrants.

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Regarding the listing of TradeStation and the Coincheck Group by the SPAC merger, which is written on page two, we are now firmly proceeding with the process. We are moving forward with the listing of the TradeStation Group and the Coincheck Group on the NYSE and NASDAQ, respectively, within this calendar year.

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Decisive upfront investment for long-term business expansion and
execution of **growth strategies** at each major subsidiary

Japan Segment	US Segment	Crypto Asset Segment
Strengthened business foundation by acquiring new accounts	Raised capital to promote account acquisition	Global expansion strategy
Reduced Japanese stock brokerage commissions	Announced NYSE listing plan with De-SPAC transaction	Announced NASDAQ listing plan with De-SPAC transaction

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Monex has three major business pillars: Japan, US, and Crypto. In Japan, we have been increasing the number of accounts and expanding our business base through various collaborations, including one with Shinsei Bank, and in March we lowered fees significantly. We will continue to expand our customer base and promote the asset management model.

In the US, we are raising capital in the US, strengthening marketing, and making proper progress now, and we will focus on expanding our sales ground. As for Crypto, Coincheck, we will create the Coincheck Group and expand globally in the form of listing on NASDAQ.

While Coincheck itself will continue to operate firmly in Japan, we will also expand overseas so that when regulations change in Japan in the future, we will be able to immediately bring the know-how and business we have gained overseas to Japan.

In this way, in Japan, we will grow its base by extending what we have done so far. In the US, we will rev up the engine and make it bigger by raising capital through a De-SPAC listing. Coincheck will go global. We are currently implementing each of these growth strategies.

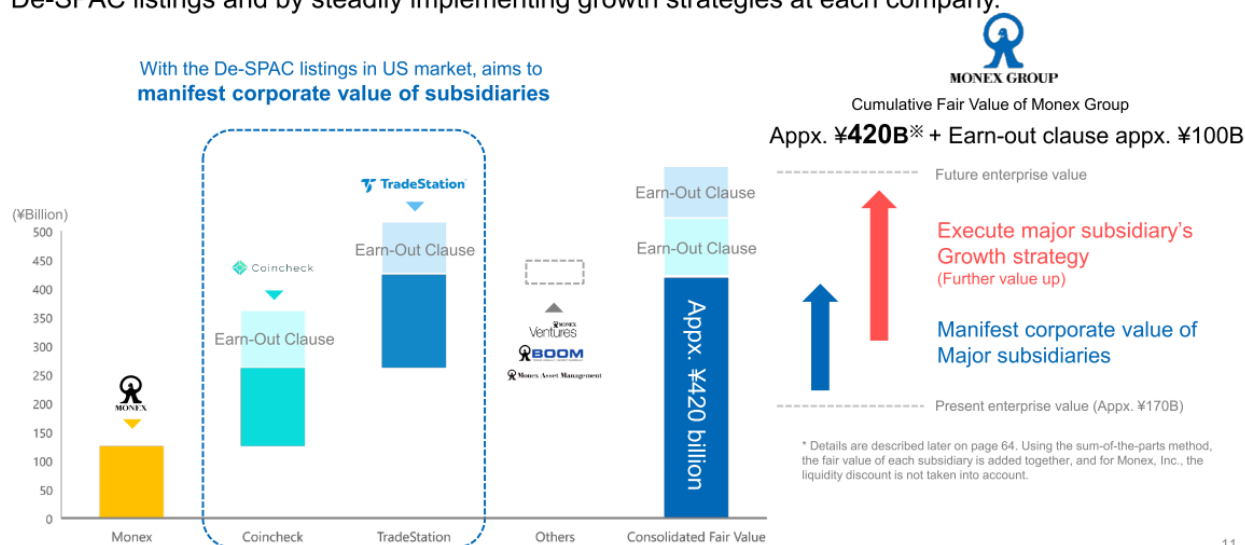
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Aim to enhance Group corporate value by manifesting the value of major subsidiaries through De-SPAC listings and by steadily implementing growth strategies at each company.



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We have been presenting our SOTP approach to the value of Monex Group's shares since about the last or previous announcement. There is the value of CoinCheck and TradeStation in relation to the value of Monex, which would have a conglomerate discount, and by listing each of them in New York, we aim first to manifest the corporate value of the main subsidiaries.

By doing so, we believe that we can aim for market capitalization in the value of Monex, written as JPY420 billion, which is the total of the valuation we are getting now from the Coincheck Group and TradeStation Group's SPAC. Furthermore, we would like to raise growth capital through this De-SPAC listing, and by doing this globalization and significant growth in the US, we would also like to get earn-out and grow our share value even more significantly.

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Growth Strategy of Monex Securities (Japan Segment)

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Reduced cash trading commissions for Japanese stocks. Aims to acquire new accounts and increase assets under custody by leveraging its superior services.



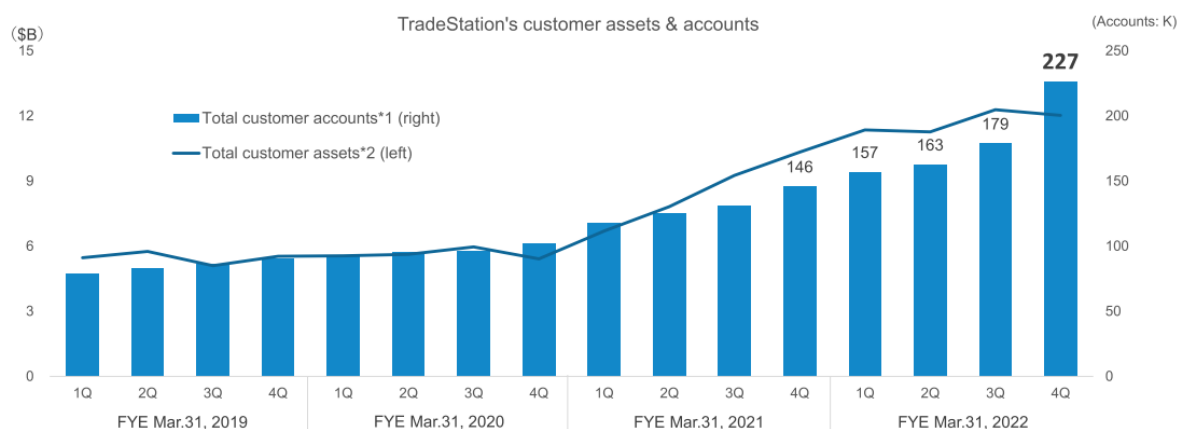
* Figures for 4Q of FYE March 2022 includes the accounts and the clients' assets transferred from Shinsei Bank.

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Growth Strategy of TradeStation (US Segment)

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TradeStation continues to focus on marketing and product enhancements to aim to grow total customer accounts and total customer assets.



*1 Total Customer Accounts at March 31, 2022 included approximately 43,600 customer crypto accounts opened and funded through a marketing promotion that began December 20, 2021 in which TradeStation made the initial account funding for the customer (Bitcoin equal to \$10.00) (the "Crypto Funding Program"), but such accounts had no further customer account activity as of March 31, 2022 (3Q FYE March 2022: approximately 4,950, 4Q FYE March 2022: approximately 38,600).

*2 Total Customer Assets includes deposits of customer assets held by Monex, Inc. and its Asia-Pacific Segment.

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Coincheck focuses on attracting new customers and acquiring new accounts to support its long-term growth strategy, while continuing to lead in Japan.



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As shown in the graphs for Japan, US, and Crypto, customer assets and the number of accounts have been growing steadily. While the three main segments are steadily growing, we are now trying to accelerate the growth even further.

Now, Seimei will explain our business performance.

Highlights FYE Mar. 2022 (12 months)

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Each segment continued to grow, with operating revenue*¹ reaching a record high. Even with decisive upfront investment for mid- to long-term growth, consolidated pre-tax income was **¥20.8B**.

Japan

Recurring revenues from mutual funds and margin interest, as well as revenues from U.S. equities, continued to grow. Segment profit*² was **¥12.0B** due to a steady increase in assets under custody.

US

Aggressive marketing investments were made, spending ¥6.5B on advertising to acquire new accounts. Segment loss was **¥5.6B**.

Crypto Asset

Total revenue*¹ was ¥28.6B, the highest ever since joining the group. Coincheck spent ¥5.7B on advertising to acquire new accounts with a view to increase revenues over the mid-to-long term. Segment profit was **¥13.9B**.

Asia Pacific

Despite the sluggish market environment, segment profit remained in the black, at **¥0.2B**.

Investment

Successfully exited several portfolio companies, steadily building a track record. MV2 Fund, established in April 2021, also continuously increased the number of investments. Segment profit was **¥0.4B**.

*¹ Total operating revenue after deducting financial expenses and cost of sales. *² Segment profit/loss = Pre-tax profit/loss. The same hereinafter.

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Seimei: Hello everyone. I am Seimei, Co-CEO and CFO of Monex Group. I would like to explain our consolidated business performance.

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First, performance highlights. As shown in the annual highlights, each segment has continued to grow, and as Matsumoto mentioned earlier, operating revenue has reached a record high, while pre-tax income was JPY20.8 billion, the same level as the previous year, even though we made upfront investments for mid- to long-term growth.

As I will explain in detail later, the Japan segment was stable, with segment profit of JPY12 billion. The US segment posted a segment loss of JPY5.6 billion while spending JPY6.5 billion on advertising. For the Crypto Asset segment, we spent JPY5.7 billion on advertising, but segment profit was still JPY13.9 billion. The Asia Pacific and Investment segments remained profitable.

YoY Comparison (12 months) Consolidated Performance

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(JPY million)	FYE Mar. 2021 (Apr. 2020– Mar. 2021)	FYE Mar. 2022 (Apr. 2021– Mar. 2022)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses and cost of sales	73,695	Record High 83,549	+9,855	+13%	P19: Analysis of Japan segment P21: Analysis of US segment (USD) P23: Analysis of Crypto Asset segment
SG&A	49,861	68,601	+18,739	+38%	P20: Analysis of Japan segment P22: Analysis of US segment (USD) P24: Analysis of Crypto Asset segment
Advertisement expenses	5,598	14,121	+8,522	+152%	
The amount equivalent to operating income	23,833	14,949	-8,884	-37%	
Other income / expenses (net)	-2,537	5,852	+8,390	-	
Profit before income taxes	21,296	20,801	-495	-2%	
Profit attributable to owners of the Company	14,354	13,017	-1,337	-9%	
EBITDA*	31,982	23,367	-8,615	-27%	

* EBITDA = The amount equivalent to operating income + depreciation and amortization cost + interest expense of US segment (the same hereinafter).

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Here is the overall figure, operating revenue after deducting financial expenses. As we have mentioned earlier, the total revenue was JPY83,549 million, representing an increase of 13% from the previous fiscal year and a record high.

As we also have explained, we are aggressively marketing for medium- and long-term growth, and as shown in the breakdown under SG&A expenses, advertisement expenses are shown in the third line from the top. Advertising expenses alone totaled JPY14.1 billion, an increase of JPY8.5 billion from the previous year.

Personnel expenses have also increased due to the strengthening of the workforce to support growth, resulting in a 38% increase in SG&A expenses compared to the previous year. In addition, the Japan segment includes a gain of approximately JPY4 billion from the sale of tokens from the DeFi project in the Other income and expenses section. As a result, profit before income taxes decreased 2% from the previous year to JPY20,801 million.

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YoY Comparison (12 months) Segment Performance

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(JPY million)	Japan		US		Crypto Asset		Asia Pacific		Investment	
	2021/3	2022/3	2021/3	2022/3	2021/3	2022/3	2021/3	2022/3	2021/3	2022/3
Total operating revenue after deducting financial expenses and cost of sales	29,099	30,438	22,958	23,579	20,822	28,621	1,604	1,222	509	465
SG&A	24,136	25,250	19,771	29,587	7,129	14,909	1,145	1,083	71	89
Advertisement Expenses	1,570	1,725	1,849	6,509	2,055	5,745	135	163	0	1
The amount equivalent to operating income	4,962	5,188	3,187	-6,008	13,693	13,712	459	139	438	376
Other income / expenses (net)	2,313	6,777	13	451	-3,825	157	59	32	-0	-0
Profit before income Taxes	7,276	11,965	3,200	-5,557	9,868	13,870	519	171	438	376
Profit attributable to owners of the Company	4,754	8,000	2,523	-5,024	6,469	9,707	417	131	193	227
EBITDA	10,197	10,294	5,997	-2,364	14,061	14,313	576	246	438	376
Note	See P19 "total operating revenue after deducting financial expenses" for more details See P20 "SG&A" for more details		See P21 "total operating revenue after deducting financial expenses and cost of sales" for more details See P22 "SG&A" for more details		See P23 "total operating revenue after deducting financial expenses" for more details See P24 "SG&A" for more details					

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A breakdown by segment is on page 18. Operating revenues increased in Japan, US, and the Crypto Asset business. The figures here are in Japanese yen, so the US revenue is shown to have increased, but the depreciation of the yen also had an effect, so revenue in US dollar terms decreased while revenue in yen terms increased.

The largest increase in revenue was in the Crypto Asset business segment. Compared to the previous year, trading gains and losses were higher due to the booming crypto asset market. As mentioned above, in the US segment, we are making upfront investments for growth, which resulted in a segment loss for the fiscal year.

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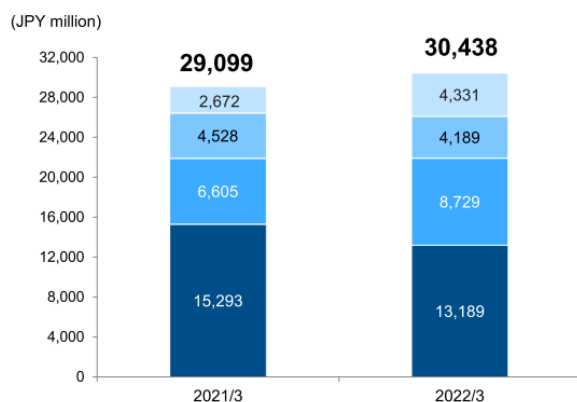
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Japan: Revenue increased by approximately 5% with an increase in recurring revenue from margin income and mutual funds, offsetting a decline in Japanese equities brokerage commissions due to a decrease in equity trading volume.

■ Total operating revenue after deducting financial expenses and cost of sales



Total operating revenue after deducting financial expenses and cost of sales +4.6% (+1,339)

* Figures in parentheses indicate the variance from the previous year (JPY million)
[reflects comparison of results for 12 months ended Mar 31 YoY]

Others (+1,660)^{*1}

FX & fixed income (-339)^{*2}

Net financial income (+2,123)^{*3}

Brokerage commissions (-2,105)^{*4}

^{*1} Trust fee from mutual fund +753, Cryptocurrency CFD +351
Management fee and success fee from Monex Activist Fund +200

^{*2} Increase in bond-related revenues driven by IFA/PB business and led by the transferred customers from Shinsei Bank in Jan 2022 +541
Exchange fluctuation of U.S. dollar-denominated loans and others is recorded in both of the following accounts: FX & fixed income -1,139 / Net financial income +1,049

^{*3} Net financial income of margin trading +1,414 (+33%)
Margin balance of Monex Securities (Avg.) +22%

^{*4} Brokerage commissions from Japanese equities -2,212 (-18%)
Brokerage commissions from U.S. equities +118 (+4%)
Total trading volume of individual investors in two Japanese major equity markets, including ETFs etc. +7%

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I would like to explain a little bit about the revenue and expenses regarding the three main segments and their business performance for the fiscal year. First, let us look at the revenue for the Japan segment. Although brokerage commissions decreased YoY, stock income such as net financial income including margin transactions and trust fees from mutual funds increased, resulting in a 25% increase in revenue excluding brokerage commissions.

The decrease in brokerage commission revenue is due to the fact that US stocks performed well and Japanese stocks did not perform as well. Also, there is note two, see asterisk two. As you can see in the lower right-hand corner, there are loans in US dollars between group companies and foreign exchange transactions between group companies, which are shown in the account entries as a decrease of approximately JPY1.1 billion in FX3 bond-related income and an increase in net financial income. As a result of the above, overall operating revenues increased 4.6% YoY to JPY30,438 million.

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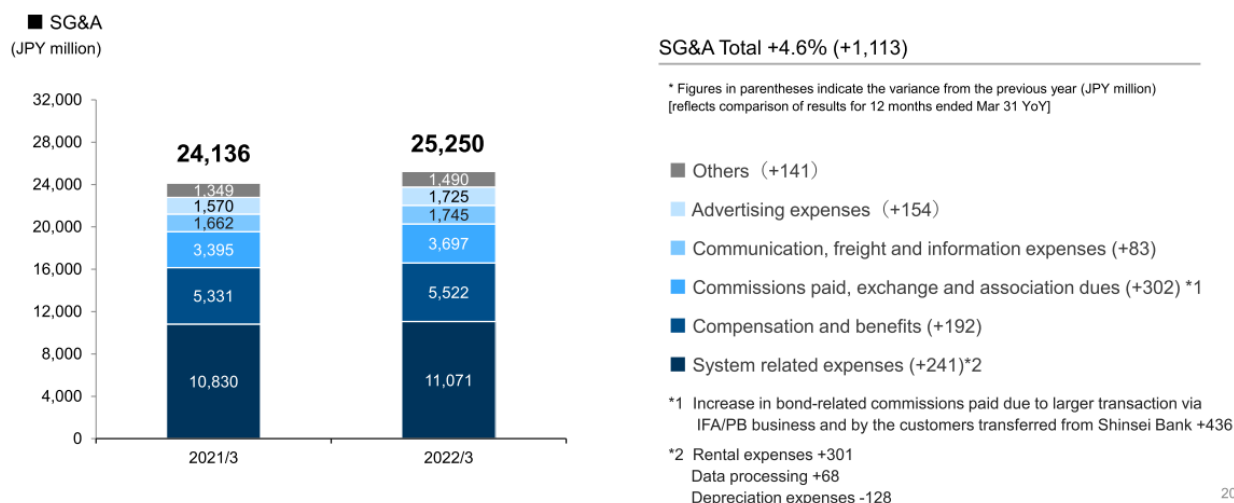
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YoY Comparison (12 months) Analysis: SG&A

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Japan: System related expenses and commissions paid increased due to the enhancement of U.S. equity services and the operation of accounts transferred from Shinsei Bank.



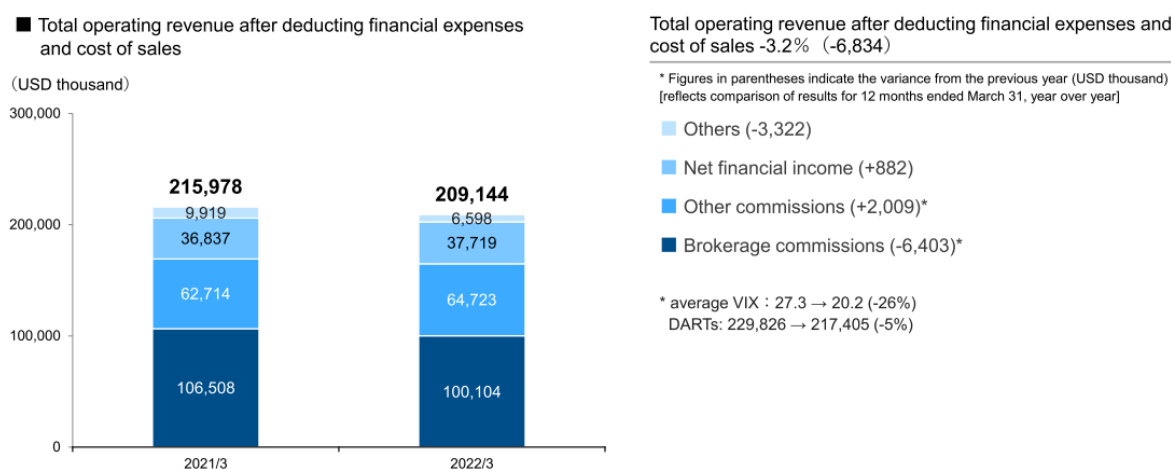
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SG&A expenses increased by 4.6% to JPY25,250 million, mainly due to the completion of the account transfers from Shinsei Bank on January 4, an increase in payment fees resulting from the operation of the transferred account, and an increase in system-related expenses due to the enhancement of the US equity service.

YoY Comparison (12 months) Analysis: Operating Revenue (USD)

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US: Lower brokerage commissions and other revenue partially offset by higher other commissions and net financial income, while VIX declined 26% YoY.



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This is the fiscal year for the US segment. As you can see here in the lower right, volatility or VIX declined significantly over the year, but despite this, as for the volume of transactions, DARTs, the decrease was only 5%.

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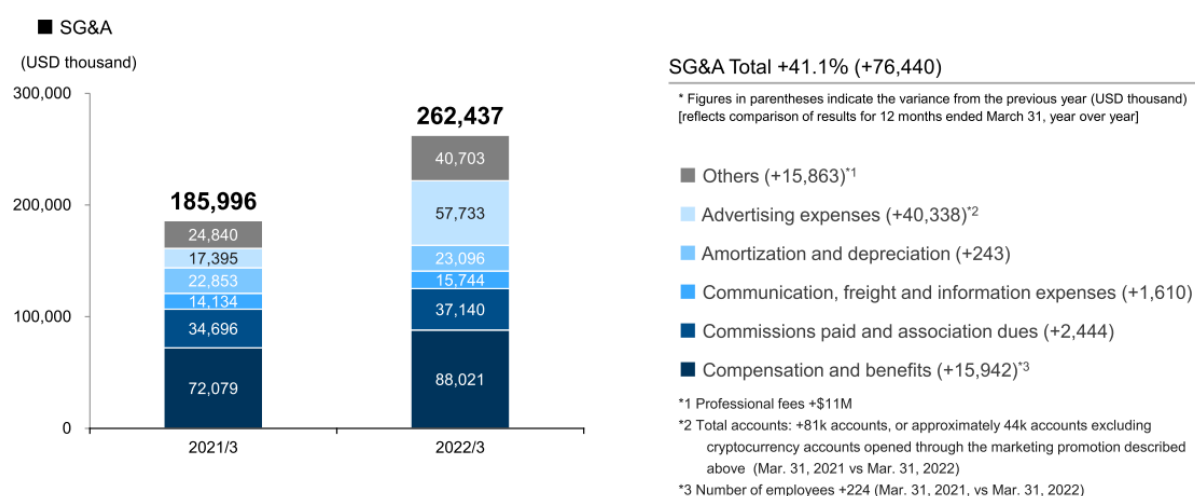
Although the trading volume of equities and futures declined due to the decline in VIX, volatility, the number of accounts grew steadily as a result of aggressive marketing in the US segment, and options and crypto asset trading have increased due to the operation of these accounts. This offset the decline in the trading volume of equities and futures and helped to limit the decline in trading volume. As a result, brokerage commissions on equity and futures transactions decreased, while other commissions received increased due to an increase in options transactions.

In addition, net financial income increased by USD8.88 million due to strong stock lending, resulting in a 3.2% decrease in overall operating revenue to USD209.14 million.

YoY Comparison (12 months) Analysis: SG&A (USD)

MONEX GROUP

US: Advertising expenses and compensation and benefits increased significantly as account growth strategy and product initiatives were launched during the year ended 3/31/2022.



22

As you can see, advertising expenses increased by USD40 million due to aggressive marketing to further accelerate the acquisition of new accounts, and personnel expenses also increased as a result of increasing the number of staff to strengthen services. In addition, professional fees for the preparation of the De-SPAC listing in the US were recorded under "Other" in the current period, resulting in an overall increase of 41.1% YoY.

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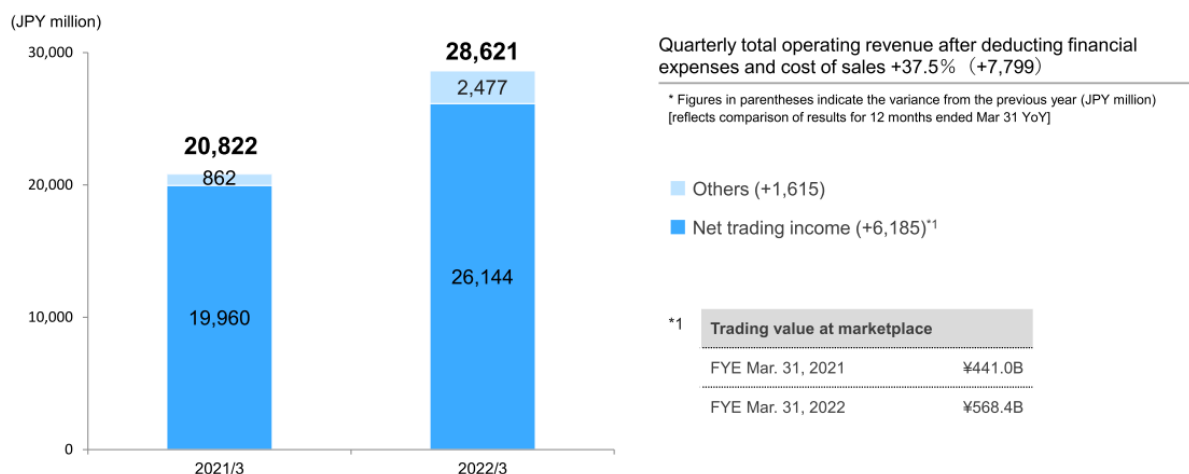
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YoY Comparison (12 months) Analysis: Operating Revenue

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Crypto: Net trading income increased due to higher trading value driven by account growth. Others increased due to an expansion of new businesses such as NFTs.



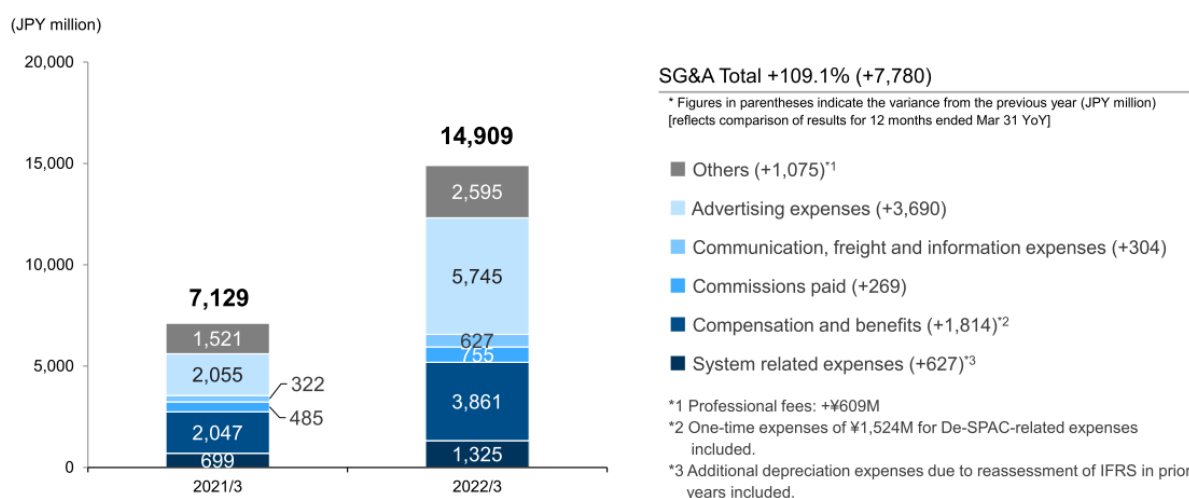
23

This is the fiscal year of the Crypto Asset segment. Compared to the same period last year, especially in the first half, the market for crypto assets was booming, resulting in a large volume of exchange-traded transactions and an increase in the number of accounts due to the effects of TV commercials and the like. As a result, operating revenue increased 37.5% YoY to JPY28,621 million, which is the highest ever. In addition, earnings from new businesses such as NFTs and Japan's first IEO are growing steadily.

YoY Comparison (12 months) Analysis: SG&A

MONEX GROUP

Crypto: Advertising expenses significantly increased due to proactive marketing efforts, such as TV commercials for new account acquisition.



24

This is the expenses in the Crypto Asset segment. Here, too, advertising expenses increased by approximately JPY3.7 billion due to aggressive marketing aimed at raising awareness and acquiring new accounts, such as with TV commercials and web advertising. In addition, there were one-time personnel expenses related to

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preparation for De-SPAC listing, approximately JPY1.5 billion. This was recorded in the fourth quarter, and SG&A expenses totaled JPY14,909 million.

Highlights 4Q of FYE Mar. 2022 (3 months)

MONEX GROUP

Promoted upfront investments for further growth in major segments. Preparing the De-SPAC listings of subsidiaries, consolidated pre-tax income was **¥1.5B**.

Japan	Completed account transfer from Shinsei Bank. Posted a gain on sales of DeFi tokens, resulting in a segment profit of ¥4.2B .
US	Continued to spend on marketing to acquire new accounts (¥2.1B). Segment loss improved QoQ to ¥1.8B due to reduced advertising expenses while continuing to focus on account growth.
Crypto Asset	Total revenue decreased amidst a slower crypto market, though account growth remained strong. Coincheck announced plans to list on NASDAQ for further growth. It had one-time personnel expenses of ¥1.5B related to the De-SPAC, resulting in ¥1.1B in segment loss.
Asia Pacific	Despite a decrease in transaction volume, segment profit remained in black, at ¥1M .
Investment	Segment profit was ¥0.2B , mainly due to a valuation gain on the sale of a portfolio company's listing on the Tokyo Stock Exchange's Mothers market (now Growth Market).

25

Next, I would like to explain the figures for the three months of the fourth quarter. As you can see in the summary, we continued to promote upfront investments aimed at further growth in our major segments during the fiscal year. We are also preparing for the De-SPAC listing of our subsidiaries, and as a result, pre-tax income was JPY1.5 billion.

As for Japan, a gain on the sale of DeFi tokens was recorded in the fourth quarter, resulting in a segment profit of JPY4.2 billion.

In the US, we spent JPY2.1 billion on advertising, resulting in a continued loss of JPY1.8 billion, but segment P&L improved from the previous quarter.

In the Crypto Asset segment, we continue to aim for growth, and for the fiscal year under review, the segment loss was JPY1.1 billion due to the one-time personnel expenses of JPY1.5 billion related to the De-SPAC listing, as I mentioned earlier.

The Asia Pacific and Investment segments ended the year slightly in the black.

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QoQ Comparison (3 months) Consolidated Performance

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(JPY million)	FYE Mar. 2022 3Q (Oct. 2021– Dec. 2021)	FYE Mar. 2022 4Q (Jan. 2022– Mar. 2022)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses and cost of sales	19,138	17,612	-1,526	-8%	P28: Analysis of Japan segment P30: Analysis of US segment (USD) P32: Analysis of Crypto Asset segment
SG&A	18,638	19,293	+655	+4%	P29: Analysis of Japan segment P31: Analysis of US segment (USD) P33: Analysis of Crypto Asset segment
Advertisement expenses	4,952	3,637	-1,315	-27%	
The amount equivalent to operating income	500	-1,681	-2,181	-	
Other income / expenses (net)	509	3,204	+2,694	+529%	
Quarterly profit before income taxes	1,010	1,523	+513	+51%	
Quarterly profit attributable to owners of the Company	435	556	+120	+28%	
EBITDA	2,531	555	-1,976	-78%	

26

Here are the overall numbers. On a consolidated basis, both revenue and income decreased. After deducting financial expenses, operating revenue declined 8% QoQ to JPY17,612 million. On the other hand, quarterly profit attributable to owners of the Company increased 28% to JPY556 million.

QoQ Comparison (3 months) Segment Performance

MONEX GROUP

(JPY million)	Japan		US		Crypto Asset		Asia Pacific		Investment	
	2022/3 3Q	2022/3 4Q	2022/3 3Q	2022/3 4Q	2022/3 3Q	2022/3 4Q	2022/3 3Q	2022/3 4Q	2022/3 3Q	2022/3 4Q
Total operating revenue after deducting financial expenses and cost of sales	7,861	7,823	6,062	6,325	5,027	3,160	296	282	74	223
SG&A	6,342	6,792	8,565	8,262	3,910	4,313	273	299	25	21
Advertisement Expenses	375	437	2,548	2,099	1,992	1,053	42	56	1	-
The amount equivalent to operating income	1,519	1,031	-2,503	-1,938	1,118	-1,153	23	-17	49	202
Other income / expenses (net)	446	3,127	382	188	-2	81	-22	18	-0	0
Quarterly profit before income Taxes	1,965	4,158	-2,121	-1,750	1,116	-1,072	2	1	48	202
Quarterly profit attributable to owners of the Company	1,292	2,876	-1,641	-1,880	762	-544	-10	4	33	117
EBITDA	2,802	2,253	-1,578	-903	1,220	-853	50	10	49	202
Note	See P28 "total operating revenue after deducting financial expenses" for more details See P29 "SG&A" for more details		See P30 "total operating revenue after deducting financial expenses and cost of sales" for more details See P31 "SG&A" for more details		See P32 "total operating revenue after deducting financial expenses" for more details See P33 "SG&A" for more details					

27

Breakdown by segment is shown on page 27. The main reason for the decrease on the revenue side is the Crypto Asset business segment. Look in the middle. Revenue decreased from the previous quarter due to the quiet crypto asset market.

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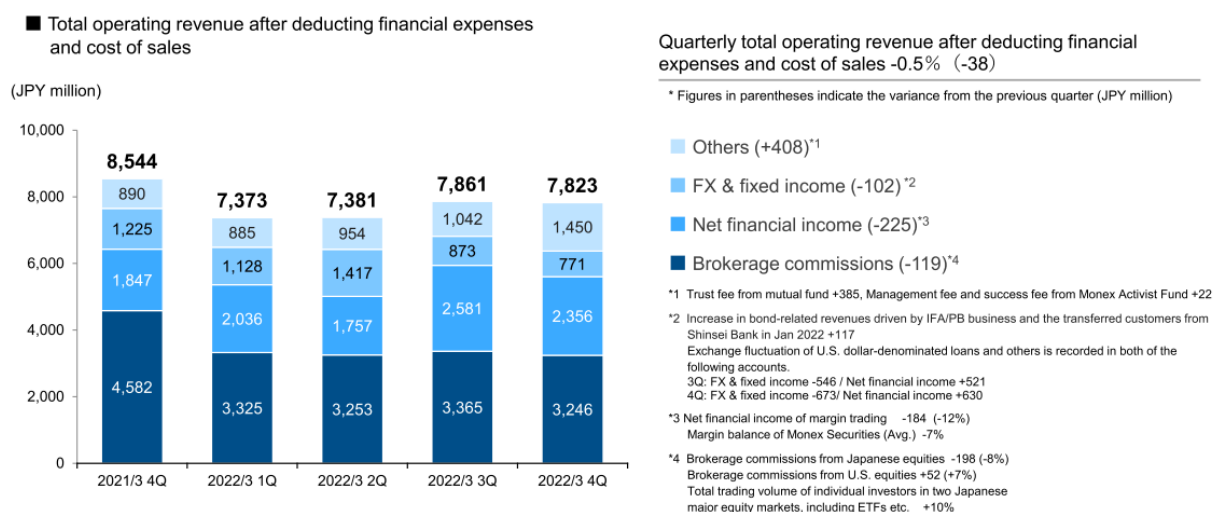


In the last fiscal year the Japan segment's pre-tax income increased significantly due to a gain of approximately JPY2.3 billion on the sale of tokens from the DeFi project, which is included in the "Other income/expenses" section of the Japan segment.

QoQ Comparison (3 months) Analysis: Operating Revenue

MONEX GROUP

Japan: Trust fees from mutual funds increased after account transfers from Shinsei Bank.
Revenue from U.S. stock services also expanded steadily.



28

Let us take a look at a few revenue and expense items for each of the three main segments.

Here is the revenue in the Japan segment for the past three months. In Japan, the account transfers from Shinsei Bank were completed on January 4, 2022. Overall, revenue was JPY7,823 million. This figure is on par with the previous quarter. Brokerage commissions for US stocks increased, but those for Japanese stocks decreased, resulting in an overall decrease.

In addition, financial income of margin trading and securities lending decreased, resulting in a decrease in net financial income. However, as mentioned earlier, the transfer of accounts from Shinsei Bank has been completed, and these accounts are now in operation, which led to an increase in trust fees from mutual funds, resulting in an increase in Others.

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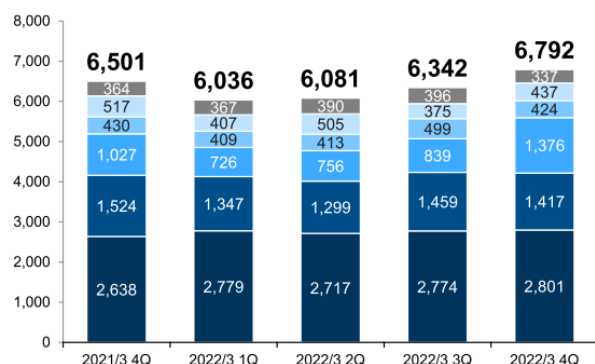
QoQ Comparison (3 months) Analysis: SG&A

MONEX GROUP

Japan: Commissions paid increased in line with higher transaction volume following the transfer of accounts from Shinsei Bank. Advertising expenses increased along with the rise in the number of accounts opened.

■ SG&A

(JPY million)



Quarterly SG&A Total +7.1% (+450)

* Figures in parentheses indicate the variance from the previous year (JPY million) [reflects comparison of results for 12 months ended Mar 31 YoY]

- Others (-60)
- Advertising expenses (+62)
- Communication, freight and information expenses (-75)
- Commissions paid, exchange and association dues (+538) *1
- Compensation and benefits (-41)
- System related expenses (+27) *2

*1 Increase in bond-related commissions paid due to larger transaction via IFA/PB business and by the customers transferred from Shinsei Bank +140

*2 Rental expenses +89
Data processing -2
Depreciation expenses -61

29

Next, the three-month expenses for Japan increased by 7.1% to JPY6,792 million. The increase in transaction volume due to the transfer of accounts from Shinsei Bank led to an increase in commissions paid, and the increase in account openings also led to an increase in advertising expenses.

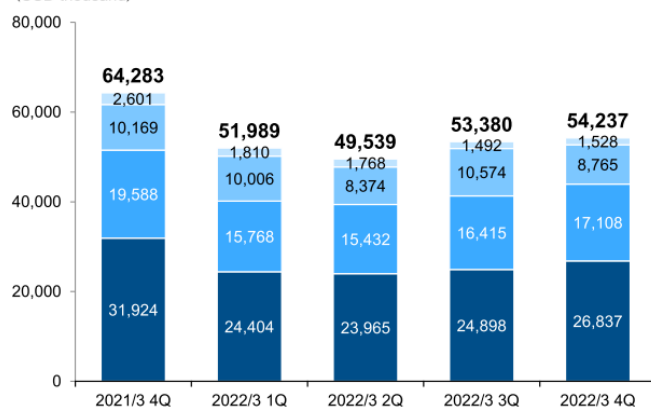
QoQ Comparison (3 months) Analysis: Operating Revenue (USD)

MONEX GROUP

US: Decrease in net financial income due to lower securities lending was offset by higher brokerage commissions, driven by futures commissions and other commissions.

■ Total operating revenue after deducting financial expenses and cost of sales

(USD thousand)



Quarterly total operating revenue after deducting financial expenses and cost of sales +1.6% (+857)

*Figures in parenthesis reflect the variance from previous quarter (USD thousand)

- Others (+36)
- Net financial income (-1,809)
- Other commissions (+692)*
- Brokerage commissions (+1,938)*

* average VIX QoQ : 19.3 → 25.4 (+32%)
DARTs QoQ: 214,690 → 237,693 (+11%)

30

This is the fourth quarter of the US segment. In dollar terms, this figure was an increase of JPY54.24 million or 1.6%. As you can see in the lower right-hand corner, both brokerage commissions and other commissions have increased as a result of higher volatility or VIX, as well as increased trading volume in stocks, futures, and options due to an increase in the number of accounts. On the other hand, financial income decreased from

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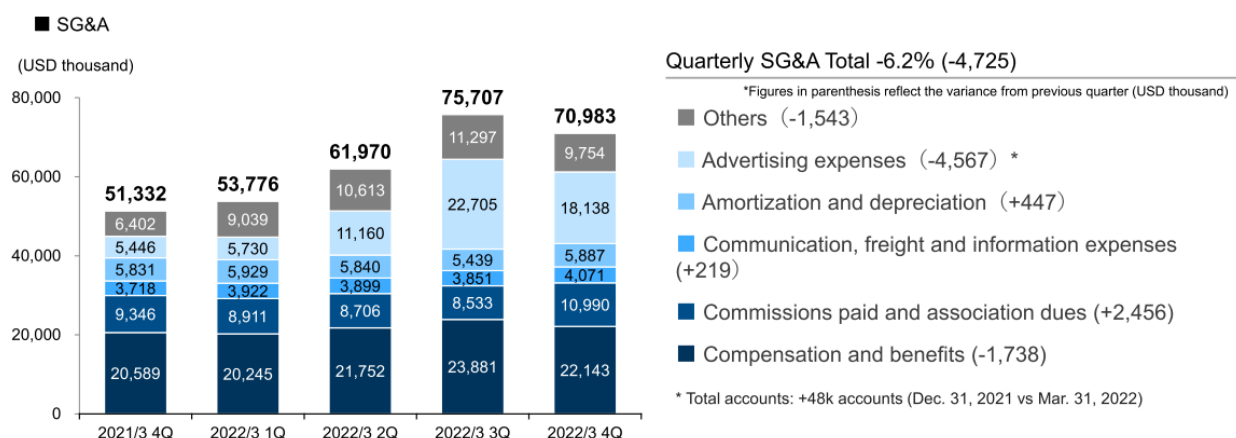
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the previous quarter as securities lending transactions and crypto asset lending transactions were on par with the second quarter.

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

MONEX GROUP

US: SG&A decreased due to adjustments in marketing spend to improve account acquisition efficiencies and to better align headcount with development initiatives and account support needs.



31

This shows the expenses in the US. Although we continue to market aggressively, advertising expenses decreased due to adjustments in our marketing efforts. On the other hand, transactions increased, resulting in an increase in commissions paid. Personnel expenses decreased due to adjustment in personnel assignments and a decrease in performance-linked bonuses.

As you can see in the graph here, expenses had been rising steadily for a long time, but in the fourth quarter, expenses were reduced.

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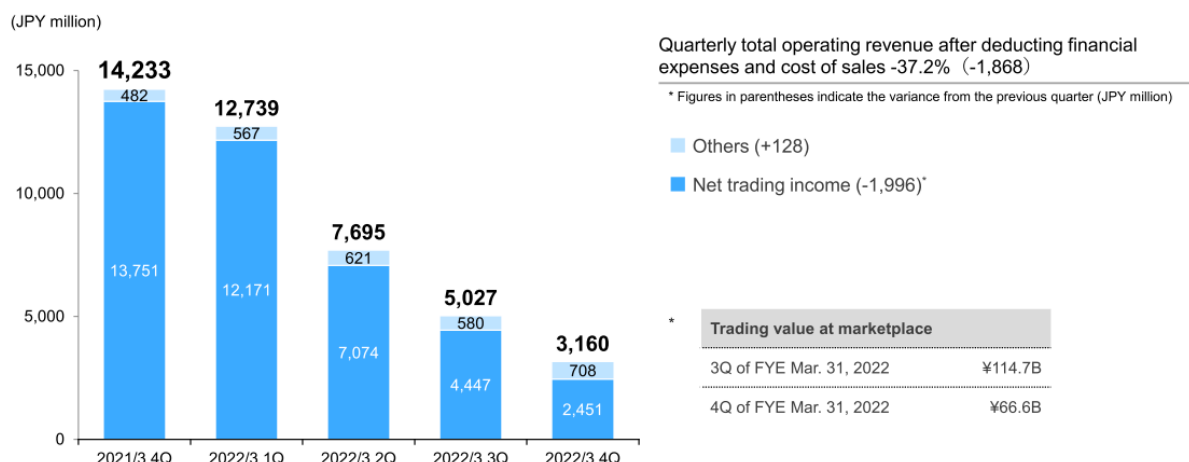
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QoQ Comparison (3 months) Analysis: Operating Revenue

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Crypto: Net trading income decreased due to lower trading volumes amidst a slower crypto market. On the other hand, others increased due to new businesses, such as NFTs.



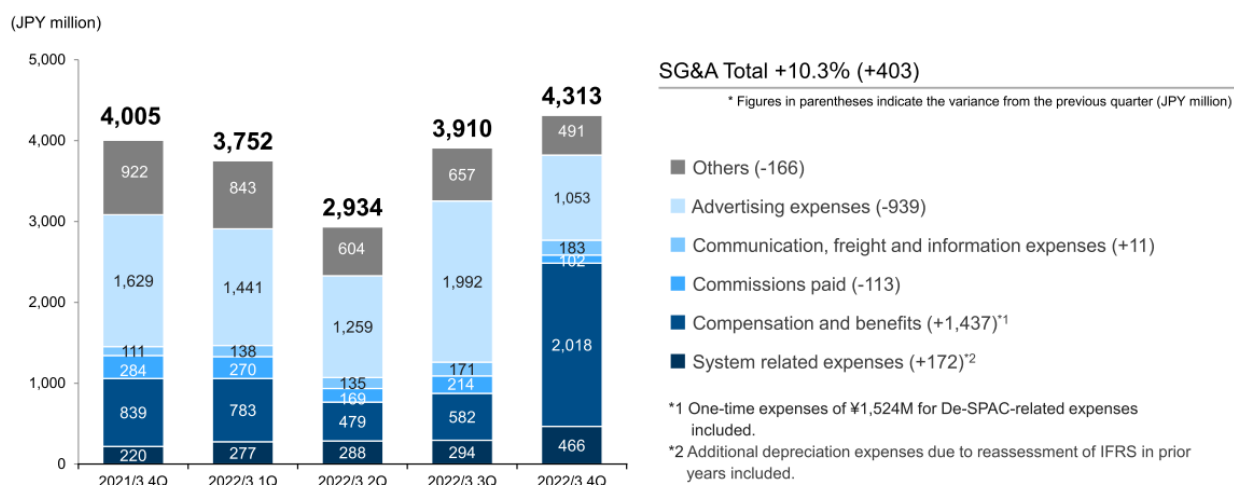
32

In the Crypto Asset business segment, operating revenue declined 37.2% from the previous quarter to JPY3,160 million due to a slowdown in the trading volume at crypto asset exchanges in the fourth quarter. On the other hand, due to new businesses such as NFTs, income other than net trading income, in Others, steadily increased.

QoQ Comparison (3 months) Analysis: SG&A

MONEX GROUP

Crypto: Compensation and benefits increased due to one-time expenses related to De-SPAC. Advertising expenses have decreased and are in line with current market conditions.



33

In the Crypto Asset business segment, we curbed advertising expenses in line with the weak market conditions, as you can see in the graph. On the other hand, transient and one-time personnel expenses of approximately JPY1.5 billion were recorded in the period under review in preparation for the De-SPAC listing, resulting in a

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10.3% increase in overall expenses from the previous quarter to JPY4,313 million. Fixed costs, excluding these personnel and one-time expenses, continued to remain at low levels.

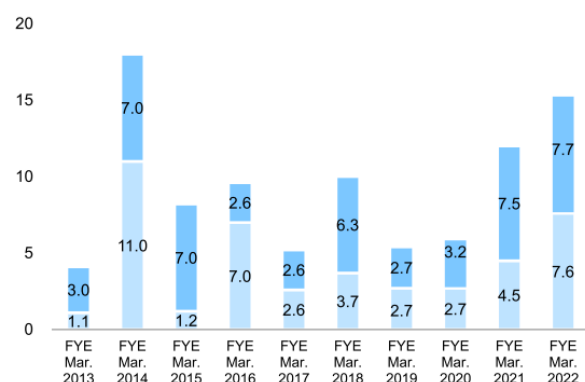
History of Shareholders' Distribution

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Shareholder Return Policy: Stable dividend payments and flexible buybacks of its own shares, while investing in the long-term growth.

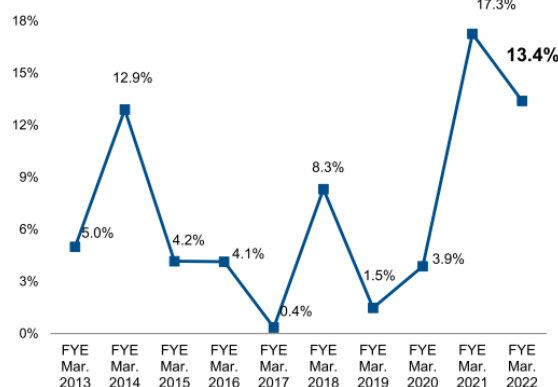
◆ History of dividend per share

(JPY)



* Refer to P35 "Shareholders distribution" for more information of dividend per share.

◆ Return on equity ratio



34

In light of the above, we announced today a period-end dividend of JPY7.7 per share as a form of shareholder return, or JPY15.3 per year.

This concludes my presentation of the figures.

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Monex Cards offering led to an increase in the number of accounts under contract with periodic purchase of mutual funds. U.S. stocks were also strong.

Mutual Funds

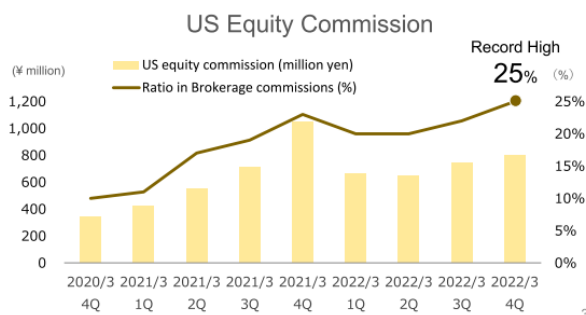
- Over ¥1T of total mutual funds AUM^{*1}.
- Monthly purchase amount^{*1} under the periodic purchase plan: YoY +54%.
- # of accounts with periodic purchase plan^{*2} of mutual funds: YoY +61%.



^{*1} The monthly purchasing amount is subject to Japanese mutual funds (excluding money reserve funds), foreign mutual fund products (excluding money market funds), Individual Defined Contribution Pension ("iDeCo"), and ON COMPASS.
^{*2} Number of accounts in Monex Securities with periodic purchase plan (Does not include iDeCo or ON COMPASS transaction).

US Equities

- A large number of stocks handled, rapid addition of stocks, extended-hours trading, and wide range of order functions.
- The number of unique users has been growing steadily with the introduction of a periodic purchase program.



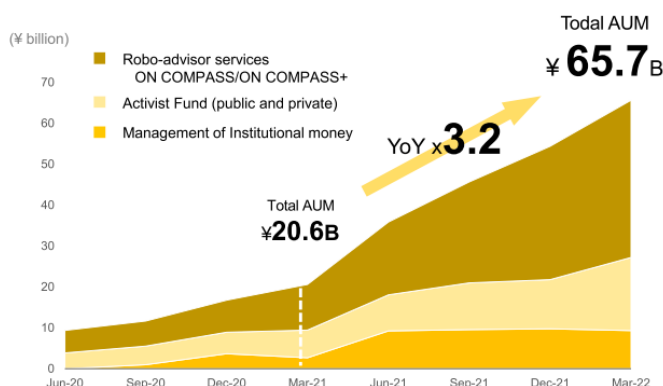
Matsumoto: Then, let's move to this business update, although it's not of so much interest for everyone. I think it would be better to answer questions, so I would like to be brief.

For the Japan segment, as you can see on page 39 here, the first thing to note is that the total mutual funds AUM has surpassed JPY1 trillion. The amount under the plan is now JPY8.5 billion per month. I think the fact that the ratio of US equity commissions to brokerage commissions is now up to 25% is also important.

Position the asset management business as a growth area with great potential.

Robo-advisor AUM rapidly grew 3.5 times YoY.

Asset Under Management



Robo-advisor service AUM

¥38.4B (YoY x 3.5)

Advantages of the "ON COMPASS" series, robo-advisor service.

- Operation based on proprietary algorithms
- Goal-based approach
- Long-term wealth creation tailored to each customer's lifestyle
- Low cost
- Partnership model with financial institutions

40

Also, there is Monex Asset Management's Monex Activist Fund, as well as robo-advisor services. In the area of robo-advisor services, the ON COMPASS series has grown particularly strongly, with AUM of JPY65.7 billion

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at the end of March 2022, compared to a forecast of JPY20.6 billion a year ago. As you can see, AUM is growing steadily and smoothly in a SaaS-like manner.

In the process of promoting the asset management model, we would like to have Monex's clients purchase assets managed by Monex Asset Management as much as possible, or, in the future, Monex Asset Management will provide investment advice to Monex's clients and receive a fee from them. We would like to proceed in such a way in the future, and I think it is very encouraging to see such a large growth in AUM.

Business Update US Segment 1/4

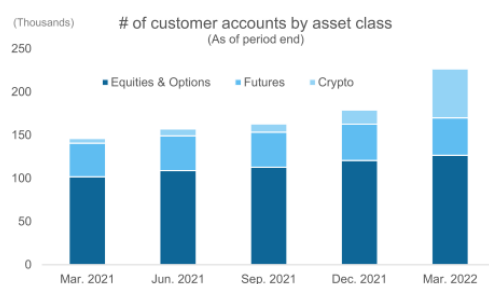
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Total customer accounts increased by 55%^{*1} YoY. Trading in Futures and Options increased.

Customer Assets and Accounts

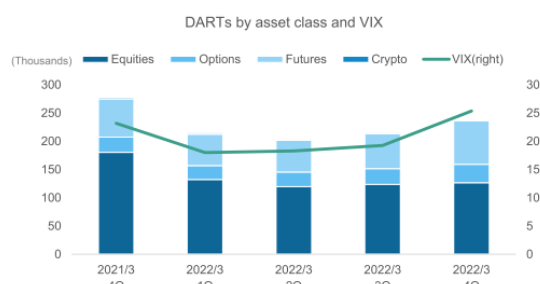
Total Customer Accounts^{*1}: **227K** accounts (+55% YoY)

Total customer assets^{*2}: **\$12.0B** (+16% YoY)



DARTs and VIX

Trading has normalized, with DARTs +11% QoQ.



^{*1} Total Customer Accounts at March 31, 2022 included approximately 43,600 customer crypto accounts opened and funded through a marketing promotion that began December 20, 2021 in which TradeStation made the initial account funding for the customer (Bitcoin equal to \$10.00) (the "Crypto Funding Program"), but such accounts had no further customer account activity as of March 31, 2022 (3Q FYE March 2022: approximately 4,950, 4Q FYE March 2022: approximately 38,600). YoY customer account growth would have been 25% without such accounts.
^{*2} Total Customer Assets includes deposits of customer assets held by Monex, Inc. and its Asia-Pacific Segment.

41

In the US, as shown on the left, customer assets are growing steadily.

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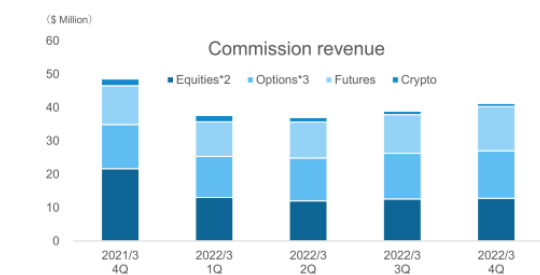
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Self-clearing positions TradeStation to benefit from rising interest-rate environment.

Commission Revenue

- Brokerage revenue^{*1} totaled \$41.1M in 4Q.
- Brokerage commission decreased YoY as trading volume has normalized after elevated activities in prior year.



*1 Brokerage revenue includes payment-for-order-flow (PFOF). *2 Equities revenue includes commissions and fees received for equities and mutual fund transactions, which includes PFOF received for customer equities trades. *3 Options revenue includes commissions and fees received for options transactions, which includes PFOF received for customer options trades.

Interest Income

- Total Customer Cash of \$2.9B at March 31, 2022, grew by 4% YoY.
- Anticipated U.S. fed fund rate hikes are expected to lead to increased interest earned on customer cash balances.
 - **Multiple rate hikes anticipated through FYE 3/31/2023.**
 - Each 25bp increase to fed funds rates could increase interest income earned by TradeStation on customer cash balances by as **approximately \$7.0 to \$7.5M annualized.**



42

As a major point, if you look at the bottom half of the description on the right side of page 42, short-term interest rates in the US are now starting to rise. As you know.

So, for every 25 basis point increase in the Federal Funds rate, the annual income increases. In an American brokerage firm, especially if they have a lot of day trading customers, like TradeStation, interest income would belong to them. They first start trading at the beginning of the day with the money they have in the firm, and by the end of the day, they close the position. If you look at it from close-of-business to close-of-business, money remains on-balance in TradeStation, but you invest this money in deposits, etc.

This is a characteristic of American brokerage firms in general. Broker-dealers, retail broker-dealers in the US, for example, have the characteristic that when short-term interest rates rise, their financial balance improves significantly, and in the case of TradeStation, for every 25 basis point increase in this Federal Funds rate, the annual income increases by about USD7 to USD7.5 million, as an approximate increase in the income.

This is about JPY900 million, in terms of yen. For every 25 base points. We are now talking about the possibility of the Federal Funds rate going up 50 basis points per month, and a 1% increase would improve almost all of TradeStation and would lead to an improvement in net financial income of an annualized JPY3.6 billion. This is a little factor that is particular to this market, thanks to interest rates, but that is the kind of business we are in.

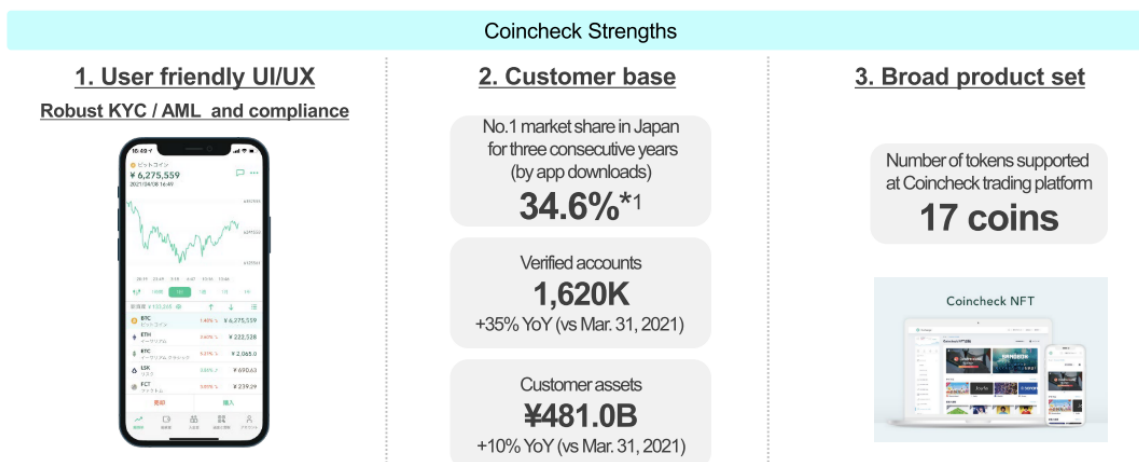
If this short-term interest rate goes up, it has the potential to increase the net income by that much greater amount, with a tailwind. That was an example for TradeStation.

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Coincheck maintains a leading position in the crypto asset industry in Japan.



*1 Among Japanese crypto asset exchange apps. Term: Apr. 2021 to Mar. 2022. Data source: AppTweak

45

Also, as shown on page 45, Coincheck has kept the number one market share in Japan by app downloads for three consecutive years, with a 34.6% share. We continue to have a strong market share.

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Coincheck leads Japan's leading position in NFTs as well as crypto trading.

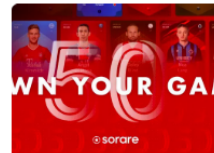
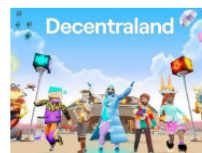
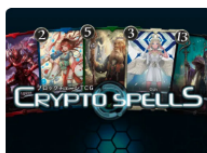
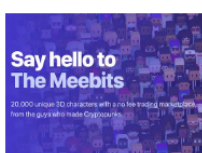
NFT

Coincheck NFT (β version)

- First regulated Japanese exchange dedicated to NFTs.
- Coincheck NFT (β version) is integrated with Coincheck, a crypto asset trading exchange, and can be used by users who have verified their identity with Coincheck.
- It offers a variety of NFTs, including gaming and sports, without focusing on a specific field.

miime

- miime is an on-chain NFT platform and overseas users are also available.
- miime sold ESTATE (NFT), a land on the metaverse of The Sandbox, which is also popular on Coincheck NFT (β version) this quarter.



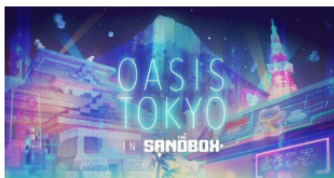
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Coincheck intends to create and expand its digital economic sphere with an eye on Web 3.0 through its NFT/Metaverse initiatives.

Metaverse/Web3.0

Oasis TOKYO・Oasis Kyoto

- Launched a project to create a year 2035 near-future cities, "Oasis TOKYO" and "Oasis KYOTO" on land in the metaverse owned by Coincheck.
- The project aims to provide opportunities to experience activities on the metaverse and community activities and will be open to the public.
- By collaborating with attractive creators and artists, the project will create revenue opportunities while growing the user base of Coincheck NFT (β version).



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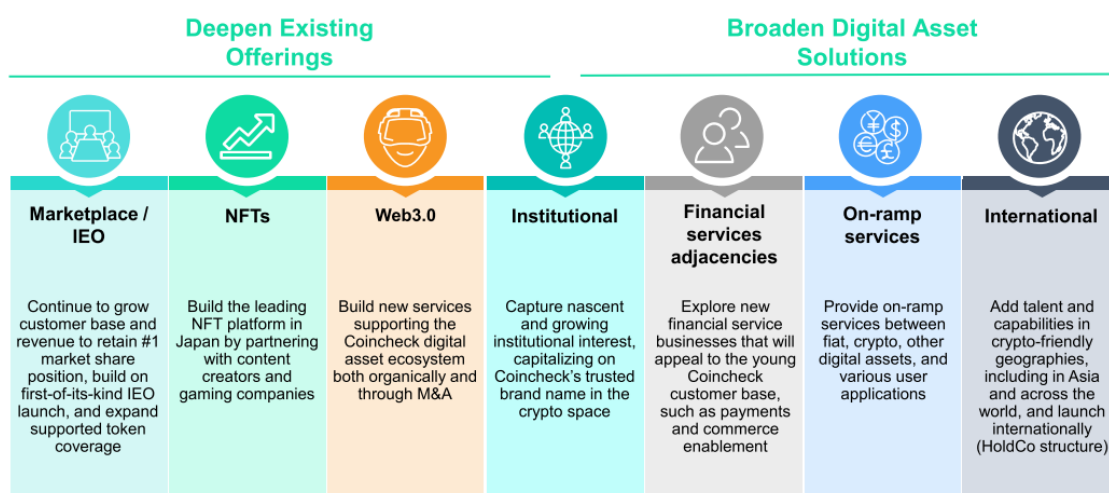
In addition to the trading platform for virtual currency crypto assets, we are also focusing on NFTs and Metaverse, which will be a very fruitful business in the future.

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Coincheck has identified numerous large growth opportunities that can be pursued organically and accelerated through M&A or partnerships.



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Eventually, through the De-SPAC listings, we hope to extend our growth globally and into various areas, as described on page 48.

Promoting clarification of policies and additional disclosure of data to address ESG issues.

New ESG/Sustainability Disclosures

- Environmental Policy: Establishing a system to respond to climate change
- Client-Oriented Products and Services Policy: Initiatives to enhance customer value
- Privacy Policy: Reviewed in accordance with the revised personal information protection law
- Percentage of ESG index-linked funds: Responsible investment, ESG investment

Link to Monex Group ESG Website
URL : <https://www.monexgroup.jp/en/esg.html>

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I would like to skip a little bit from here and go on, but on page 51, you will see our ESG initiatives, and our policy is clear.

First of all, our business, which is centered on online securities, has always been a company with low CO2 emissions. We have made our goal of raising our ESG score very clear as a company, and we have been working on a number of measures to raise our score in the eyes of the evaluation organizations, such as setting up an

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environmental policy, a policy on providing customer-oriented products and services, and a privacy policy. We did these within the fiscal year.

Of course, we are a company that is making great progress in addressing fundamental ESG issues such as diversity in various ways, but more than that, we strongly focused on raising our score from external evaluation organizations for the fiscal year.

There is a lot more information in the Appendix, so please take a look.

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Question & Answer

Matsumoto [A]: Now, we would like to conclude our explanation, and we would like to take your questions and answer them.

First of all, Mr. Hara of SMBC Nikko Securities Inc. has asked a question, so I would like to answer this first. There are three questions. First, the listing of TradeStation had previously been communicated as early as February or March and as late as the end of June, but the current presentation material has been revised downward and later, to the end of 2010. What is causing the schedule delays?

This is a situation that is well known in the US, if you are familiar with the situation in the US, but at the end of March, the SEC issued SAB 121, a request, in essence, for companies that are in the crypto business or crypto asset business, to recognize the crypto assets entrusted to them by their customers as liabilities. This was issued at the end of March.

To give some background, banks say deposits, but of course, from the bank's point of view, this is a liability. In a brokerage firm, the customer's securities are kept in custody, but this is segregated as not a liability. This had been the clear idea previously. However, the SEC has ordered that crypto assets be understood more like in banks than in securities firms.

Fundamentally, there are arguments about how this should be done theoretically, but for the time being, the SEC, which is an organization that closely monitors disclosures, requires us to make the disclosures that the SEC requires. We have almost completed the process, but there is still work to be done, such as re-filing.

In the meantime, the fiscal year ending March 31, 2022 is the last day of the accounting period for our group, but when a domestic company goes public, it is required to file an audit financial statement for the fiscal year ending March 31, 2022 after 45 days from the end of the fiscal year. This has been a rule for a long time. This also caused a little delay in the schedule.

In addition, since in the US, July and August are summer vacation months, and as a result mainly of the SEC's new request, which was issued at the end of March, the schedule has been delayed.

However, the schedule has been delayed, or rather, pushed a bit, but we are now moving forward firmly with this schedule.

The second question is, with Robinhood planning restructuring and other companies cutting costs in response to the market environment, what is TradeStation's investment policy going forward? We have seen a reduction in advertising expenses. Please tell us whether this was the result of adjustment from the beginning of the fourth quarter or from the middle of the period.

As I mentioned in the second water drop chart from the beginning, in the SPAC market, two years ago or one year ago, the emphasis was on the top line, but now, in the De-SPAC market, it is not only the top line, but the bottom line as well. That kind of shift is just now happening in the US stock market.

Under these circumstances, as I mentioned earlier, the Group as a whole is investing in growth and marketing for growth while the top line is growing on a consolidated basis, and we are trying not to reduce profits. However, this is the case on a consolidated base, and if we look at the US alone, it may seem that we are making upfront investments ahead of performance.

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However, although we have not announced our forecast for the future, we have carefully calculated when it will return to black on a non-consolidated basis if we continue with the current approach, and we are dynamically controlling the situation while keeping an eye on such factors and the world situation.

Therefore, we will continue to control the use of advertising expenses in a very dynamic manner, keeping an eye on both the results within TradeStation and from the market's viewpoint. Control does not always mean lowering costs. If there is an example of growth exceeding costs by a certain period of time, and if we can confirm that it would be better to do so, then we will use advertising expenses. If there is a strong voice that says, "No, no, let's be more careful," then we will spend less.

That is how we would like to control things. One big factor is that, as I mentioned earlier, there is a situation at TradeStation where a 1% increase in short-term interest rates would increase the net financial income by about JPY4 billion. Therefore, I think this will take the form of us adjusting various things while watching how short-term interest rates actually rise in the US in the future.

The third question is, what is the impact of the reduction in Japanese cash trading commissions since the first quarter? Also, given the scale of your company's profits, we believe that this would have a large impact. Please tell us the background of such a management decision.

Ms. Seimei, would you like to speak?

Seimei [A]: I am sorry that I am speaking from the side and it is only my voice. I have long been aware of the issue of cash trading commissions for Japanese stocks. Two years ago, in the fall of 2019, the zero-commission wave came from the US, and we were told that it was still high among online securities, so we were aware of the issue and have been gradually responding to it through margin transactions and others.

At that time, we announced that we would promote the asset management model, and we were working to increase customer assets and to expand our US equity and mutual fund businesses. We have an internal roadmap, and in the past two years, we have made steady progress with our asset management model in the way we had originally envisioned, so we decided to make a management decision at that time.

I understand that there is a question of doing it all at once or gradually, but since it would be done at some point, we decided to do it at that time since our new accounts and market share were becoming weak because our commissions were higher than others.

I would like to refrain from discussing the impact on the figures here, but I believe that if we simply eliminate the commissions, it will not be a small figure, but we would like to cover it by increasing the number of new accounts, increasing our market share, and strengthening our US equity and other services.

Monex, Inc. also provides US equity services and has a considerable amount of US dollar deposits, which can be positively affected by higher interest rates. We are considering the possibility of reducing, or spreading, the impact on our business performance.

Matsumoto [M]: Yes. Was the answer okay? Do you have any other questions?

Sasaki [Q]: I am Sasaki from the Bank of America Corporation. I have three questions. First of all, regarding the De-SPAC listing, the SEC has recently issued various regulatory proposals regarding valuations, and I would like to know if the valuations that you have presented now are likely to change in the future or not. Can you tell us about this point?

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Matsumoto [A]: I can't really answer that question because of the SEC's restrictions, but I can say that the SEC is saying that it is not good for a paper company, or a power-point company, to do a rosy projection while it has no substance.

However, both TradeStation and Coincheck are companies with solid businesses, cash flow, and profits to begin with. Since we are preparing De-SPAC listings for them, what the SEC is doing this time is basically irrelevant to us.

However, as for TradeStation, while the market is a little less active, as I mentioned earlier, the interest rate income has been rising significantly. I can't give you a clear answer to this one, because it might increase and fall again, or something like that.

Basically, TradeStation and Coincheck are not directly involved in this SEC matter, and as I said, we are not currently talking about that in terms of overall valuation and particular agencies. However, even if we were to consider such issues of valuations now, we do not think it would have that great an impact.

Sasaki [Q]: I see. Second, regarding the NFT business of Coincheck, if possible, could you tell us how much the GMV is, and how you are collecting the contents now? What kind of things are being issued or traded? May I ask you to tell us about that?

Matsumoto [A]: We have not disclosed much about NFTs yet, but we have "Coincheck NFT", for off-chain platform with KYC-compliant customers and "miime" an on-chain platform with customers around the world who are not KYC-compliant.

Along with the creation of this metaverse, we have also been working hard to purchase and sell LAND token (from "Sandbox"), purchase and sell various collectives, and collaborate with various artists and creators to present their works on a weekly basis at Oasis TOKYO and Oasis KYOTO.

I think the figures are included in Others, as was mentioned earlier in Seimei's explanation. This light blue area is mainly NFTs and the like, and as you can see, they are increasing, but there is a long way to go.

There is a long way to go, but to use a slightly different analogy, for example, the land in Shibuya after World War II was probably a shabby place where not even a strand of grass would grow, and it was very inexpensive. After that, people like Mr. Goto bought it, a lot of development was done, and now the property values in Shibuya are immense.

This land on the metaverse, or this NFT, is thought to have the same atmosphere as such postwar land in Shibuya, which is still cheap and not yet developed. However, as development progresses in the future, it will become a great asset and a great business.

We believe that the NFT has the potential for significant growth in the future, although the current figures are still small, and we are making efforts in various ways in the off-chain, on-chain, and metaverse.

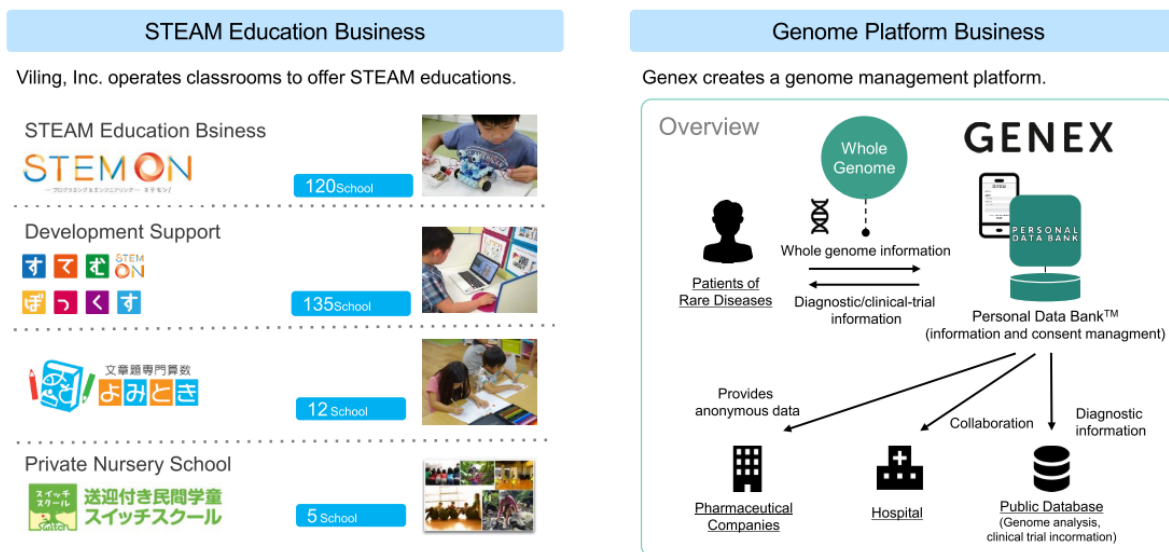
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Asia's Meetings, Globally

Acquired a STEAM education business and a genome platform business.



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Sasaki [Q]: I see. Lastly, on page 50, you have shown two new businesses, and I would like to know whether these are so-called start-up investments, meaning pure investments, or whether they are businesses that your company intends to engage in.

Also, if this is to be done as a business, may I ask what the implications are for your company?

Matsumoto [A]: This is not a start-up investment, but a serious business for us.

We have rewritten our corporate mission as of April 1 of last year, and our ultimate goal is to help individuals achieve self-fulfillment, not just to do the work in the capital markets. Our corporate mission is to improve the lifetime balance sheet of individuals, which includes such things as having more free time, being in good health, having the ability to earn money, and using money in a better way.

In this context, STEAM education is very important for individuals to acquire a logical way of thinking so that they can increase their lifetime income and spend money in the right way. Or, when you have a disease, it wastes or consumes a tremendous amount of time, and your lifetime balance sheet deteriorates. Therefore, we are also working on a project to help patients, especially those with intractable diseases, to have a better life by using whole genome information analysis.

There is a bit of a deficit for both at this moment, though, as at this moment, PL is almost nonexistent. STEAM Education would be a profitable business if it were not for the coronavirus and other such issues. At this point, either way, PL is very small, but we are considering the growth of PL's earnings and profits to a scale that we should be able to properly introduce them to the public as a business.

In addition, as we move toward a worldview of Web3 and the like, we believe that this type of service, which improves the lifetime balance sheet of each client, will be very effective in firmly retaining, attracting, and developing clients in our core business of capital market services.

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In the Web3 era, I think it is a very important concept to capture customers not only with the products at the center of our fields, but also in other areas. We believe that they will become a very important part of our core business.

Sasaki [M]: I understand. Thank you very much.

Matsumoto [A]: Next, Mr. Henderson from JPMorgan Securities Japan Co., Ltd. has asked a question. Please tell us about the DeFi revenue recorded in the fourth quarter. Can we expect DeFi earnings in the future?

This is a DeFi project that we invested in four years ago now. When you invest in that project, you receive tokens. That token, that DeFi project itself, has been so successful and spread out that the price of the token has gone up. So we sold the tokens for profit-taking. We were actually selling little by little over a year and a half ago, though.

We have been investing in various DeFi-related areas since about four years ago, including blockchain, DeFi blockchain, and Monex Ventures around them, or actually, mainly in this blockchain as on-balance sheet items of Monex Group.

Four years ago, in October 2017, we launched our vision of a second founding, where we believed that blockchain and crypto assets would become very important, and as a result, a few months later, we acquired Coincheck. Since that time, we have invested in several blockchain and DeFi projects.

Not necessarily in Japan. There are some in Japan, but more often overseas. Our company is known in that area, surprisingly, and we have been investing in startups to a considerable extent, such as blockchain, DeFi, and other Web3 related projects of that type. We invest a small amount of money, but it can be multiplied by a factor of 100 or so, so it is profitable.

So, I can't promise that we will continue to take the fruits of such blockchain and Web3-based investments, not only in DeFi, but I believe that it will occur from time to time.

Do you have any other questions? Is this answer okay?

We believe that the world is likely to change drastically. The Web3 world, or rather the Internet, was born and we thought it was liberal, but there will still be some centralization as seen in GAFA, or decentralization of the centralized banking system which has always been powerful, as represented by the term Web3.

In such a situation, there is a great opportunity for us. So, we are planning to create Coincheck Global on top of Coincheck, aiming to be listed on NASDAQ, and expand globally, or for TradeStation, a very good transaction engine, we also intend to introduce a crypto business and now we are trying to grow it.

In this way, the entire Monex Group, while keeping a close eye on the top and bottom lines, is making a major shift to growth and to become more diversified in terms of content. Although decentralized things are not always profitable, the worldview of the Company is to make money while maintaining a decentralized orientation.

In this worldview, we are trying to raise capital, human resources, and technology by listing our subsidiaries on the capital markets in a way that it makes the most sense. We are a group that is changing direction towards growth in this way. We hope that you will continue to look at us in this light.

If you have any additional questions, please contact the IR team and we will be happy to answer them. Thank you very much for your time today.

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