



MONEX GROUP

Monex Group, Inc.

2Q Financial Results Briefing for the Fiscal Year Ending March 2022

October 29, 2021

Event Summary

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[Venue Size]		
[Participants]		
[Number of Speakers]	2	
	Oki Matsumoto	Representative Director and CEO
	Yuko Seimei	Representative Executive Officer, COO/CFO
[Analyst Names]*	Takayuki Hara	SMBC Nikko Securities Inc.

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

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Presentation

Matsumoto: Thank you very much for joining us today for the announcement of Monex Group's financial results for the second quarter of the fiscal year ending March 31, 2022.

First, I would like to give an overview, and then Seimei, our CFO and COO, will talk about the numbers in a little more detail. After that, I will talk again about our business, then we will have a question-and-answer session.

Overall, in terms of an overview, consolidated revenues and profits grew quite significantly. Compared to the first half of last fiscal year, our revenues and profits grew significantly, and we feel that we are entering a major growth spurt, so we would like to continue to grow going forward.

1-1 Perception of the Times



***Monex Group creates
new businesses with a vision
to stay one step ahead of the times.***

***The world and businesses
are becoming increasingly decentralized
as economies, sovereignty,
and personal values become more diverse.***

***As the holding company of
self-driven, independent subsidiaries,
Monex Group will strive to unify
and govern the Group
to add corporate value.***



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I would like to start my presentation.

First, we have added new pages regarding our Perception of the Times, and we started out with a Global Vision and a New Beginning vision, and then we acquired TradeStation and Coincheck, and those 2 businesses are now very large. We have been working on creating visions first, then creating businesses based on the visions.

It is very important to start new businesses or acquire new businesses based on these visions, but at the same time, the world's values and other things are changing from centralized to decentralized, which we can see in DeFi as a good example.

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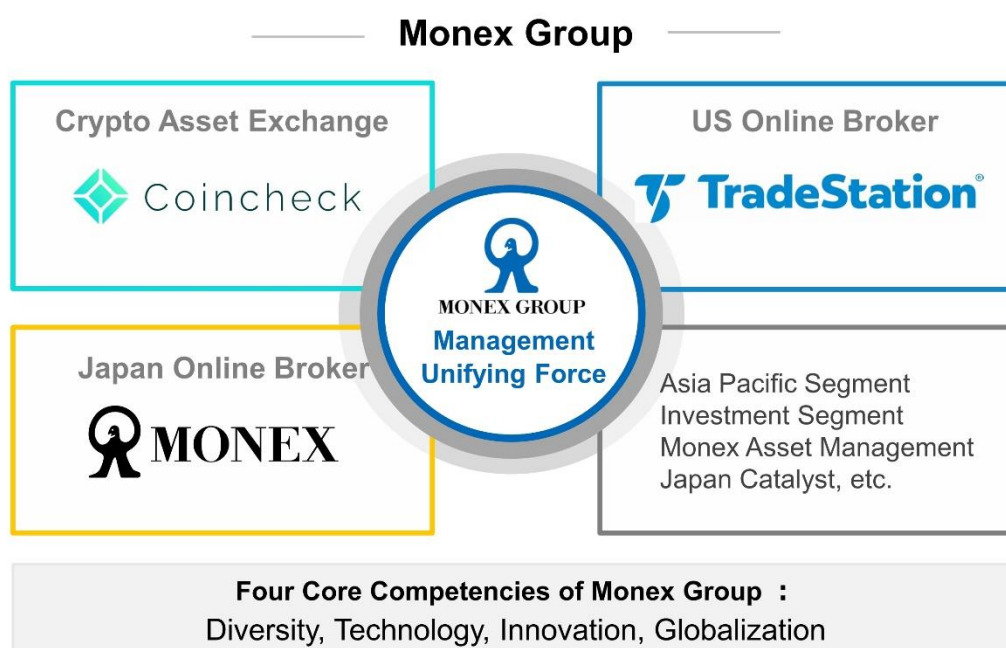
In this transition, the management and development of subsidiaries should not be done in a completely rigid manner but should be done in a way that allows each subsidiary to develop its own independence. We will create value for our shareholders by increasing the value of our subsidiaries and realizing our vision as a whole.

We believe that this type of corporate structure is more suitable for our company, and we are planning to shift to such a direction.

1-2 Who We Are



Promoting the growth strategy of each subsidiary to pursue scale and realize the Group's business principle.



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Our group includes online securities businesses in Japan, the US, Coincheck, and other investment businesses.

Monex Group as a company works to unify and grow these businesses. On top of that, as you can see below, respect for diversity, the use of technology, the pursuit of innovation, and globalization are common values and competences that run through the entire Monex Group. We would like to firmly increase the value of our group while being aware of these keywords.

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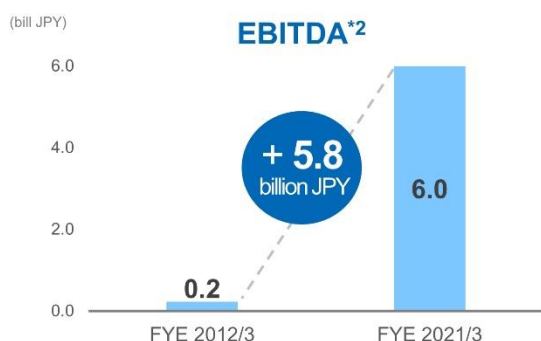
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The value of each subsidiary successfully increased under the Group visions, “Global Vision” and “New Beginning (crypto-related business entry).”

TradeStation Group (2011-)

- EBITDA^{*1} Margin : 26% (FYE Mar 2021)
- PMI^{*2} Actions : Reinforce management team, rebranding, crypto-related business support.
- Group Synergy : Rebuilding in-house backbone system and improving U.S. equity trading services for the Japan segment.

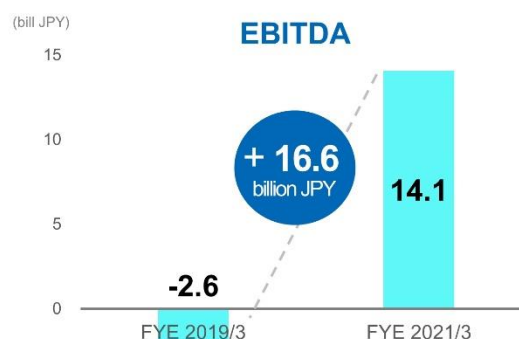


^{*1} EBITDA = The amount equivalent to operating income + depreciation and amortization cost + interest expense of US segment (the same hereinafter).

^{*2} PMI (Post Merger Integration): Integration of the subsidiary after M&A and its growth initiative

Coincheck (2018-)

- EBITDA Margin : 68% (FYE Mar 2021)
- PMI^{*2} Actions : Internal control and cyber security reinforcement, registration of crypto asset exchange license, huge fixed-cost reduction.



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The actual business investments we have made are TradeStation and Coincheck. TradeStation was acquired in 2011, and since then we have grown it from an almost flat EBITDA to an EBITDA of about JPY6 billion.

In addition, Coincheck is a company that we acquired in 2018, and its EBITDA was initially a negative JPY2.6 billion, but now it is a positive JPY14.1 billion, so EBITDA was boosted by JPY16.6 billion. We have achieved these results by integrating these companies into our Group within our visions and firmly nurturing the company and increasing its value through our centripetal force and various management capabilities.

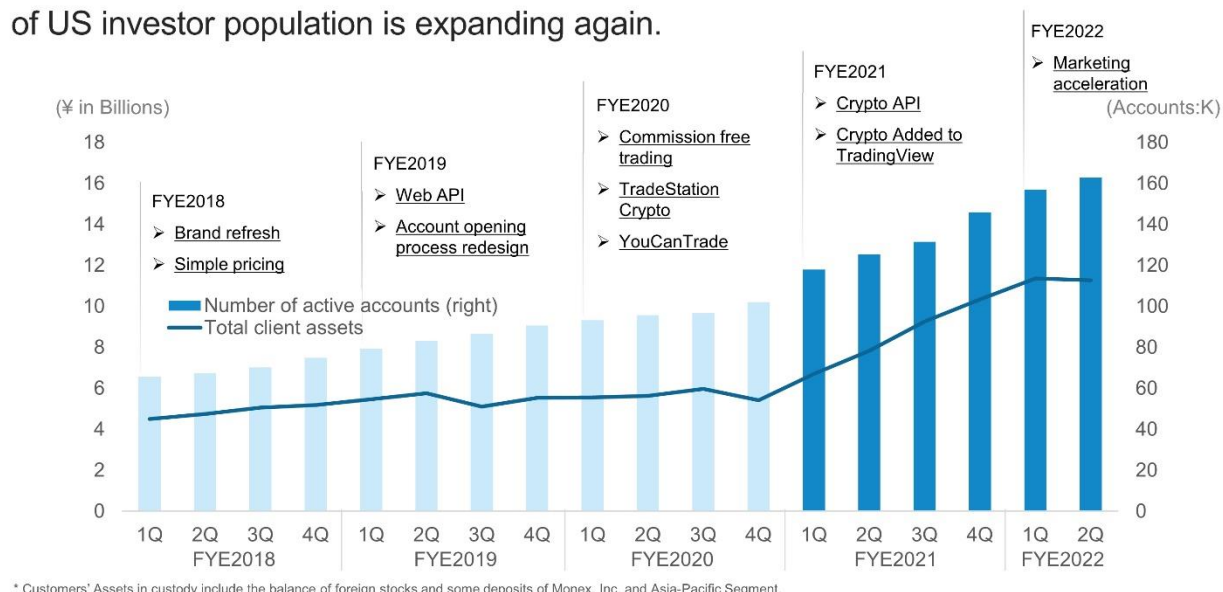
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TradeStation has expanded its customer base through a successful transformation of its business strategy over the past several years, including re-branding, commission strategy and expansion of its product initiatives. TradeStation takes a strategy to further expand its customer base in the current situation where the base of US investor population is expanding again.



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In the US, as you can see in this graph, TradeStation has been growing steadily, especially in the past 2 years.

A couple of years ago, it was a company that specialized in super active traders, but with the emergence of companies like Robinhood, we decided to reach out to a more normal customer base, so we changed our logo, changed our branding, changed our services and products, and changed our marketing approach drive its growth.

As you can see in this graph, we have been able to increase our customer base significantly despite various headwinds such as lower fees and interest rates. We are doing very precise digital marketing and other things like that, and we have established a methodology with which, if we put enough money into it, we can grow our customer base by that much.

On the other hand, stock prices in the US are at an all-time high, and there is a lot going on like meme stocks and Robinhood. In such a trend, the investor base is expanding again, our company, TradeStation, has established marketing methods and theories to grow significantly.

We believe that now is the time to change gears, invest in growth, spend on marketing for growth, and grow rapidly. We have started these initiatives from around spring of this year.

As a result, as Seimei will explain later, in the case of the TradeStation, prior investments and expenditures have been made, and this has pushed down the P&L significantly, but as you can see here, we are implementing our growth plan with the confidence that we can achieve significant growth.

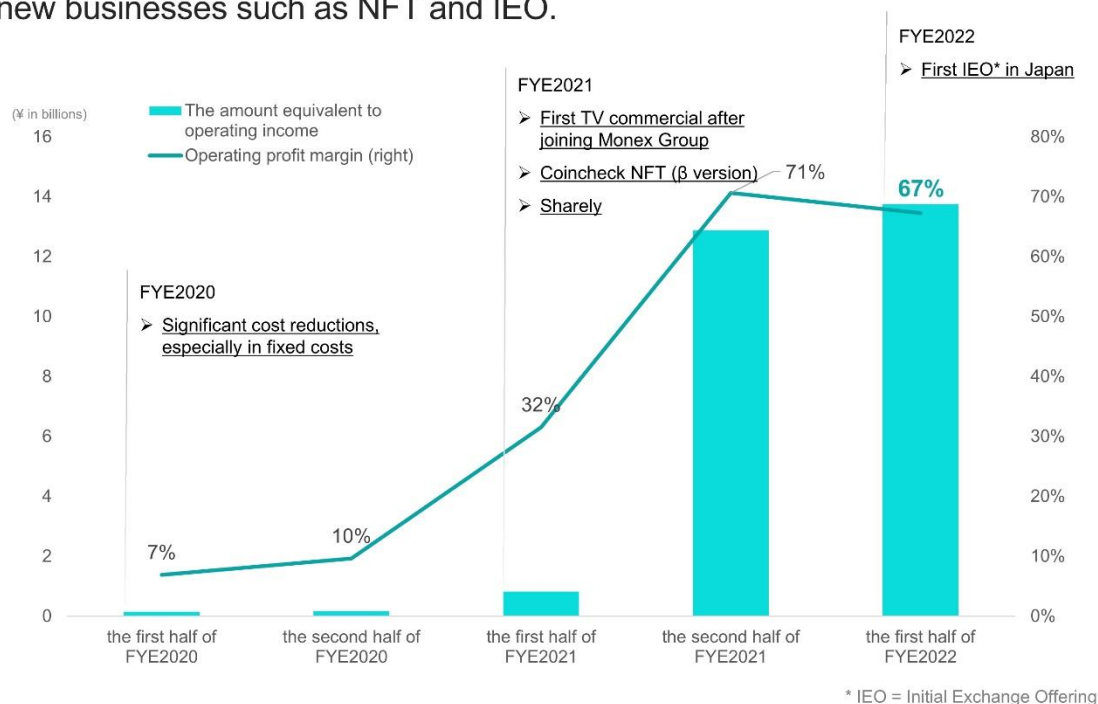
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Coincheck aims to create a “Digital Economy” by expanding crypto asset trading and new businesses such as NFT and IEO.



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As you can see here, Coincheck's profits have been increasing significantly.

On the other hand, although this is basically trading of virtual currencies, trading by customers, we are widening our business by introducing new businesses such as NFT and IEO.

Sharely, for example, has grown significantly while increasing its range, resulting in a high OP margin of about 70%.

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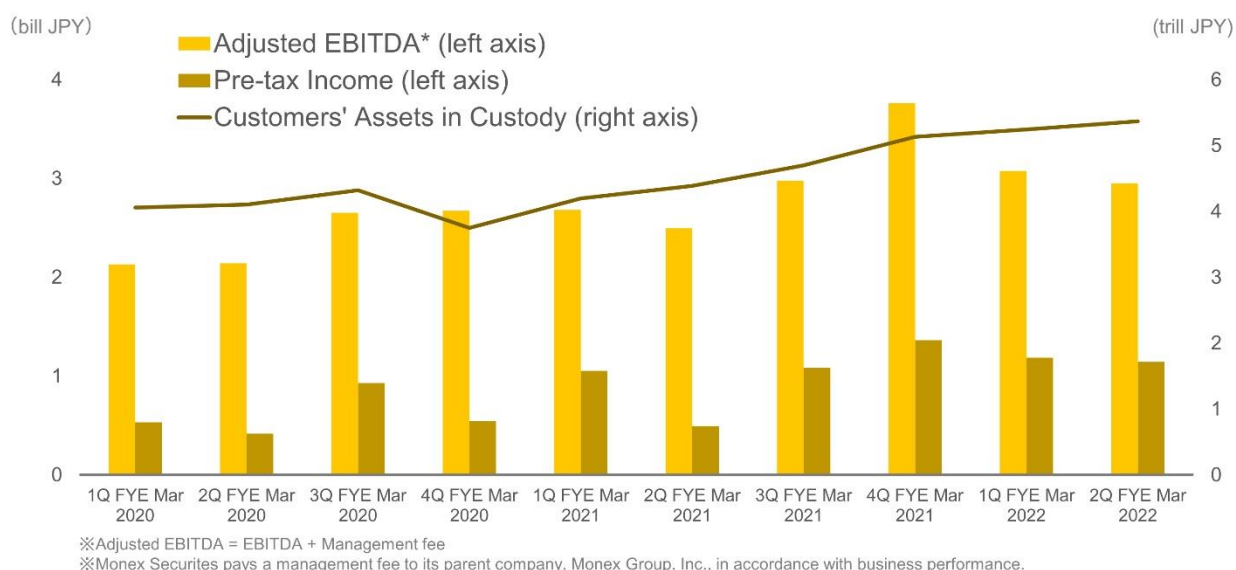
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Monex Securities to generate stable cash flow over time as a Japan online securities broker. Steady growth in customers' assets in custody and customer base enhances the asset-management model.

Operational Cash Inflow and Customers' Assets in Custody of Monex Securities



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Meanwhile, for Monex Securities, the Japan segment, this is a graph for about the past 3 years.

Adjusted EBITDA is the EBITDA of the company to which the fee that the Monex Group collects from its main subsidiaries in the form of management guidance fees is added back, as unless we add that back in, we will not know the true strength of the subsidiaries.

The yellow graph on the left shows adjusted EBITDA, which is the amount after the addition, and shows that the company earns approximately JPY2.5 billion to 3 billion in adjusted EBITDA per quarter, and therefore, JPY10 billion or more per year.

We do not envision growth in the same way as TradeStation or Coincheck in the US, but we would like to build a stable and large business by promoting the asset-management model on top of a stable and solid operating cash flow.

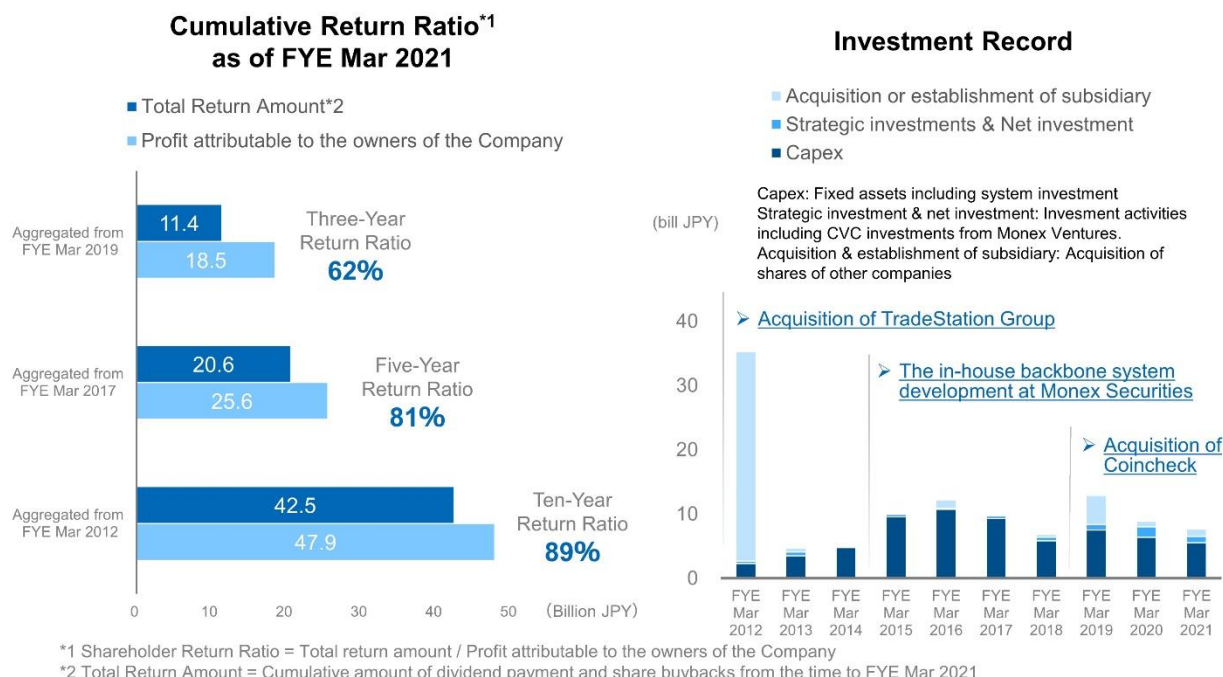
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Prioritized returning profit to shareholders as well as investing for long-term growth strategies.



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We announce that we have resolved to change our shareholder return policy.

In the past, as you can see on the left, over the past 3, 5, and 10 years, we have returned roughly 80% of our net income through dividends and share buybacks.

On the other hand, as you can see on the right, Capex has been about JPY5 billion per year, and in addition to that, if there is a good vision and there is a good opportunity in the vision, we make business investments, and there have been many acquisitions such as TradeStation and Coincheck. This is on the right side, so it is the actual cash outflow, or Capex and business investment and other expenditures.

If you look at this, you can see that the numbers do not add up, and it does make you wonder how we can invest so much when we are giving so much back.

We have been making these investments while cutting into our profits accumulated in the past, but after acquiring TradeStation and Coincheck and starting new businesses, the growth has been remarkable, and overseas shareholders and others say that Monex Group is very good at making acquisitions and business investments and expanding them.

So, we should work firmly on that. We have been receiving a lot of feedback that this would provide a greater return to our shareholders, so we have decided to change our shareholder return policy after carefully reviewing the entire situation.

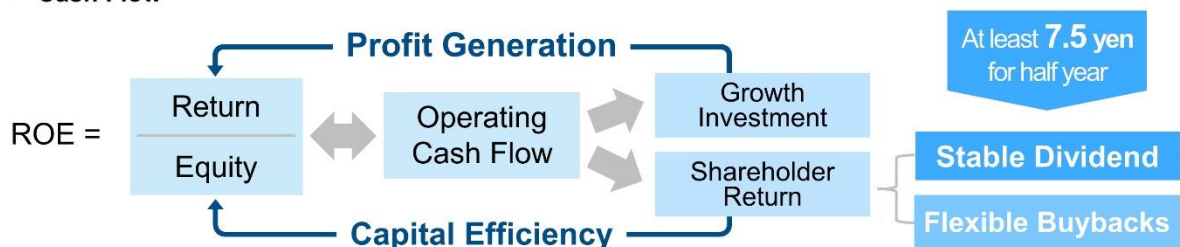
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Pursuing further growth, new policy provides for a stable dividend payment of more than 7.5 yen per share for half a year and flexible share buybacks. 7.6 yen for Sep. 2021.

■ Cash Flow



■ Change in Shareholders Return Policy

Before Change (-1Q of FYE Mar 2022)	Before Change (2Q of FYE Mar 2022-)
<p>The Company aims to provide returns to its shareholders based on business performance, while securing investment capacity for growth and targets a 75% total return ratio on a multi-year basis.</p> <p>The lower limit of the dividend is an annual 2% DOE (dividend on equity). The capital distribution will be made by dividend payments and/or share buybacks in a timely manner determined at management's discretion.</p>	<p>Our basic principle is to increase our corporate value in a sustainable way as we drive investments in the growth areas and enhancing our operating base in an aggressive yet proper manner, while keeping a right balance of returning profits to our shareholders.</p> <p>To ensure shareholder return, we will consistently offer dividend of more than 7.5 yen per share semi-annually and, from time to time, buy back the Company's stocks with discretion of the management team. The Company will aim to pursue enhanced total shareholder return*.</p>

*Total Shareholder Return = (Capital gain + Dividend payment) / Invested amount

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Specifically, for our company, investment in growth is very important in order to contribute to our shareholders.

However, on the other hand, we are aware that there are many shareholders who desire stable dividends, and in order to increase ROE, it is important to reduce the denominator in a disciplined manner. As shown here, we will pay stable dividends of at least JPY7.5 per half-year and JPY15 per full-year. At the same time, we will ensure that we invest in growth. We have changed our return policy in this way.

For your information, we have decided to pay a dividend of JPY7.6 per share for the first half of the fiscal year, although the standard dividend for the first half of the fiscal year is JPY7.5 or more.

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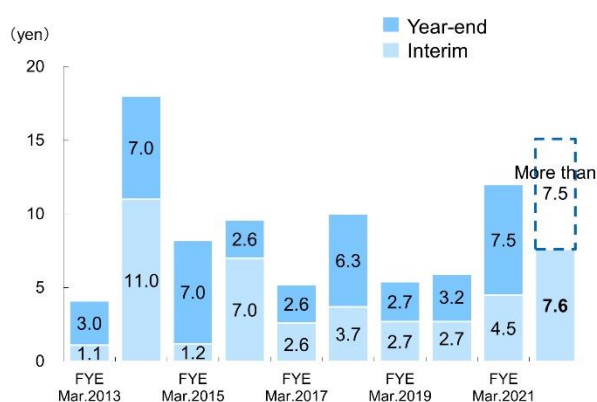
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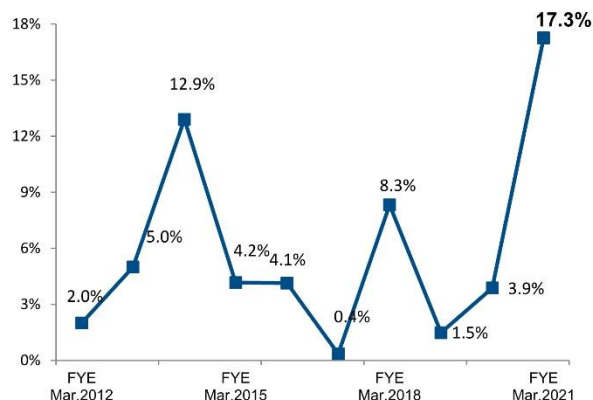
Stable dividend payments and flexible buybacks of its own shares, while investing in the long-term growth.

◆ History of dividend per share



* Refer to P58 "Dividend history" for more information of dividend per share

◆ Return on equity ratio



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As you can see on the next page, the dividend history is on the left, and this time we paid JPY7.6 for the first half of the fiscal year and for the second half, we will pay JPY7.5 or more, which means that we have paid a very good level of dividends, and will continue to do so in the future.

I am sorry, I missed to mention earlier that we will flexibly buy back our own shares based on our management's judgment, taking into account market conditions and other factors.

As for dividends, as stated here, we will pay out at least JPY15 per year, invest firmly in growth, buy back our own shares in a timely and flexible manner, and aim to improve our TSR, as stated on the bottom right of page 11. Total Shareholder Return.

Therefore, we would like to be very conscious of the management of the company in such a way that the sum of the dividend amount and the increase in the stock price will become high.

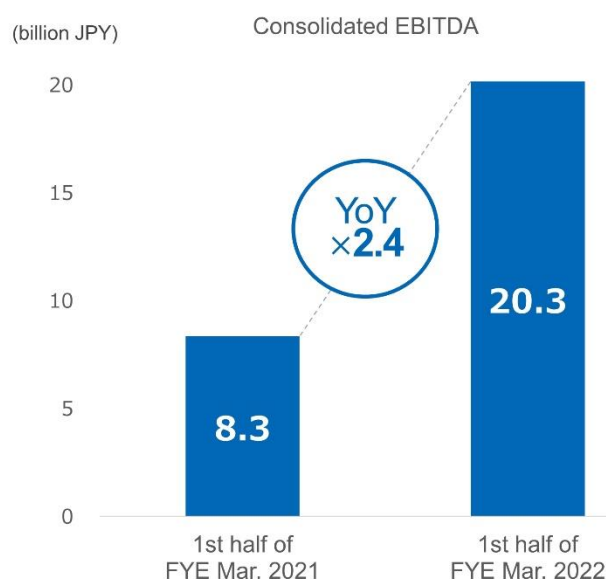
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Consolidated EBITDA for the 1st half was **¥20B**. In the 2nd half of this fiscal year, the Group will keep investing in growth of the U.S. segment, while aiming for long-term growth of the entire Group.



Highlights of Consolidated EBITDA 20.3B JPY (YoY $\times 2.4$)

Japan Segment : 5.2B yen (+0.9B)

- Increase in profit other than Japanese stock brokerage commissions

U.S. Segment : 0.1B yen (-2.4B)

- Strategic investment in marketing & headcount

Crypto Asset Segment : 13.9B yen (+12.9B)

- Favorable market and efficient marketing

Asia Pacific Segment : 0.2B yen (-0.1B)

- Steady trend of the Hong Kong market

Investment Segment : 0.1B yen (-0.2B)

- MV2 Fund in the process of investment

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Before I ask Seimei to talk about the details, I would like to briefly explain the highlights of the first half of this fiscal year, where EBITDA increased by 2.4 times, or over JPY20 billion, compared to the first half of the previous fiscal year.

As I mentioned earlier, in the US, we have been consciously investing in growth, and as a result, although the P&L has been pushed down once, the business has been strong mainly in crypto-assets, and overall EBITDA has been growing significantly.

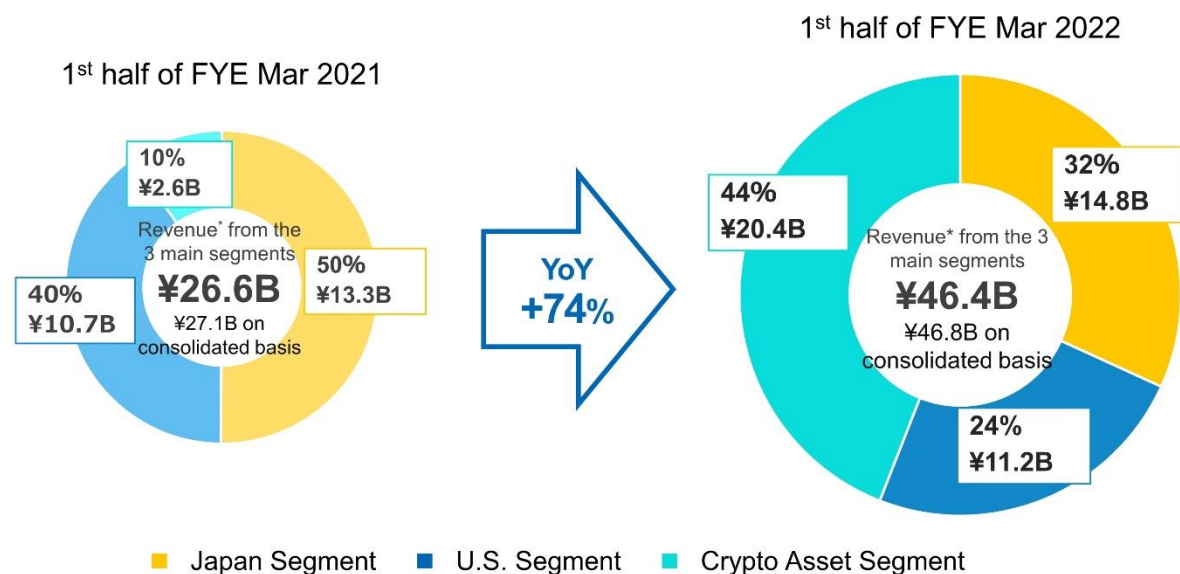
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Revenue in the 1st half of FYE Mar 2022 from the three main segments increased significantly by +74% YoY, illustrating steady growth in each business segment with different regional and business characteristics.



* Revenue = Total operating revenue after deducting financial expenses and cost of sales

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In terms of revenues, the top line, as you can see on page 14, if you compare the first half of last year with the first half of this year, the top line revenue for the three main segments has increased 1.74 times, from JPY26.6 billion to JPY46.4 billion.

Consolidated revenue was approximately JPY46.8 billion for the six-month period, which means that on an annualized basis, the top line consolidated revenue is approaching JPY100 billion, and is growing rapidly.

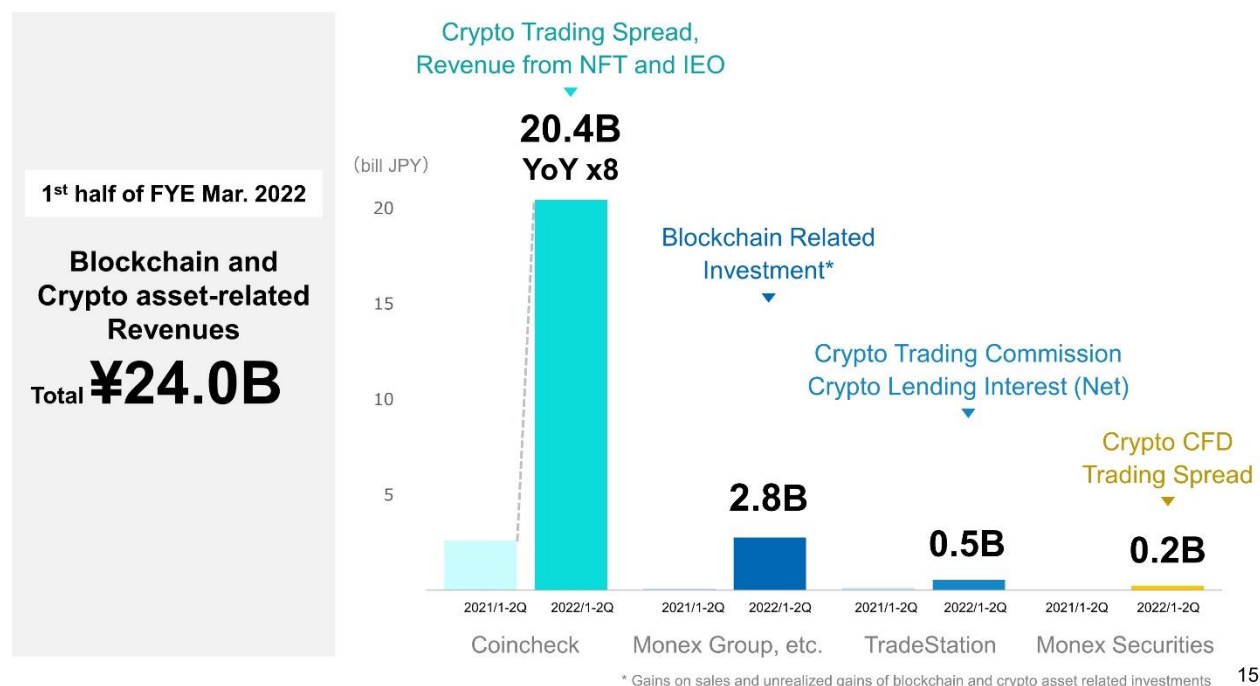
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Blockchain and crypto asset-related businesses contribute to the Group revenue as a growth driver.



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Looking at its breakdown, the Japan segment centered on Monex Securities and the US TradeStation and Coincheck are forming a good balance though not exactly one third each, so we are becoming not just Japanese online securities brokerage but a global company with a large exposure and a large business in cryptos as well as traditional capital markets. Also, we are growing very fast, with a top line growth of over 1.7x in one year. That's the kind of company we are.

Regarding cryptos, our crypto-asset business segment refers to Coincheck, but in addition to Coincheck, the entire group is making investments related to blockchain cryptos.

As a result, Monex Group, TradeStation, and Monex Securities are also generating blockchain and crypto-related revenues. The main company is Coincheck, but the group as a whole is adding about 20% more to Coincheck's revenue, so it is contributing as a growth driver.

Now, CFO and COO Seimei will talk a little bit more about the business performance.

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Pre-tax quarterly profit was ¥ 7.2 B, while promoting strategic investments for medium- and long-term growth.

Japan

Recurring revenue from mutual fund and margin trading services as well as revenues from growth products increased. Segment profit* was **¥ 3.7B** including gains on sales of DeFi project tokens ¥ 1.6B.

US

TradeStation is preparing to raise capital and funds in the US to promote its growth strategy. It increased headcount and expanded customer base through enhanced marketing initiatives. Segment loss* was **¥ 1.5B**.

Crypto Asset

The crypto asset market is recovering from the slump at the end of 1Q. Achieved the first IEO project in Japan and steady growth in new business revenue. Segment profit was **¥ 4.8B**.

Asia Pacific

Segment profit was **¥ 0.1B** despite economic uncertainty in China.

Investment

New EXIT case came out from MV1 Fund portfolio and the segment profit was **¥ 0.1B**. MV2 Fund was established in Apr. 2021 and the number of investments increased steadily.

* Segment profit / loss represents quarterly profit before income taxes

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Seimei: I am Seimei from Monex Group. I will explain the figures to you.

Earlier, Matsumoto explained the highlights for the first half of the year, whereas this page, page 17, shows the highlights for the last 3 months, the second quarter.

Overall, we achieved JPY7.2 billion in profit before income taxes. By segment, the segment profit for Japan was JPY3.7 billion, while a segment loss was posted for US at JPY1.5 billion as a result of upfront investment for growth, as we have already explained. Crypto Asset reported a segment profit of JPY4.8 billion, while Asia Pacific and the Investment segments reported profits of JPY0.1 billion each.

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(JPY million)	FYE Mar. 2021 2Q (Apr. 2020– Sep. 2020)	FYE Mar. 2022 2Q (Apr. 2021– Sep. 2021)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	27,106	46,799	+19,693	+73%	P23: Analysis of Japan segment P25: Analysis of US segment (USD) P27: Analysis of Crypto Asset segment
SG&A	22,851	30,670	+7,819	+34%	P24: Analysis of Japan segment P26: Analysis of US segment (USD) P28: Analysis of Crypto Asset segment
The amount equivalent to operating income	4,255	16,129	+11,874	+279%	
Other income / expenses (net)	-103	2,139	+2,242	-	
Quarterly profit before income Taxes	4,152	18,269	+14,117	+340%	
Quarterly profit attributable to owners of the Company	2,919	12,027	+9,108	+312%	
EBITDA	8,346	20,280	+11,934	+143%	

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Next, let me explain a little more about the figures for the first 6 months, the first half of the year.

First, in the first half of the fiscal year ending March 31, 2020, consolidated operating revenue after deducting financial expenses increased 73% YoY to JPY46,799 million. The increase was due to a significant increase in trading profit in the Crypto Asset business segment as a result of the active crypto asset market and an increase in financial income in the Japan and US segments.

Meanwhile, SG&A expenses increased by only 34%, and as a result, profit before income taxes and minority interests increased by 340% to JPY18,269 million, profit attributable to owners of the company increased by 312% to JPY12,027 million, and EBITDA increased by 143% to JPY20,280 million.

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YoY Comparison (6 months) Segment Performance



(JPY million)	Japan		US		Crypto Asset		Asia Pacific		Investment	
	2021/3 2Q	2022/3 2Q	2021/3 2Q	2022/3 2Q	2021/3 2Q	2022/3 2Q	2021/3 2Q	2022/3 2Q	2021/3 2Q	2022/3 2Q
Total operating revenue after deducting financial expenses and cost of sales	13,324	14,754	10,672	11,192	2,592	20,434	718	644	313	168
SG&A	11,644	12,116	9,539	12,760	1,775	6,686	535	511	37	43
The amount equivalent to operating income	1,680	2,637	1,133	-1,567	817	13,748	182	132	276	125
Other income / expenses (net)	32	3,204	-11	-119	11	79	34	36	-0	-0
Quarterly profit before income taxes	1,712	5,842	1,122	-1,687	828	13,826	216	168	276	125
Quarterly profit attributable to owners of the Company	1,082	3,832	836	-1,503	689	9,489	176	137	137	77
EBITDA	4,324	5,240	2,525	117	1,003	13,945	240	186	276	125
Note	See P23 "total operating revenue after deducting financial expenses" for more details See P24 "SG&A" for more details		See P25 "total operating revenue after deducting financial expenses and cost of sales" for more details See P26 "SG&A" for more details		See P27 "total operating revenue after deducting financial expenses" for more details See P28 "SG&A" for more details					

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The breakdown by segment is shown on page 22, and compared to the same period of the previous fiscal year, revenues and profits increased in Japan and the Crypto Asset business segments, with the increase in the Crypto Asset business segment being particularly significant.

In addition, the US segment posted a segment loss as a result of making upfront investments for growth.

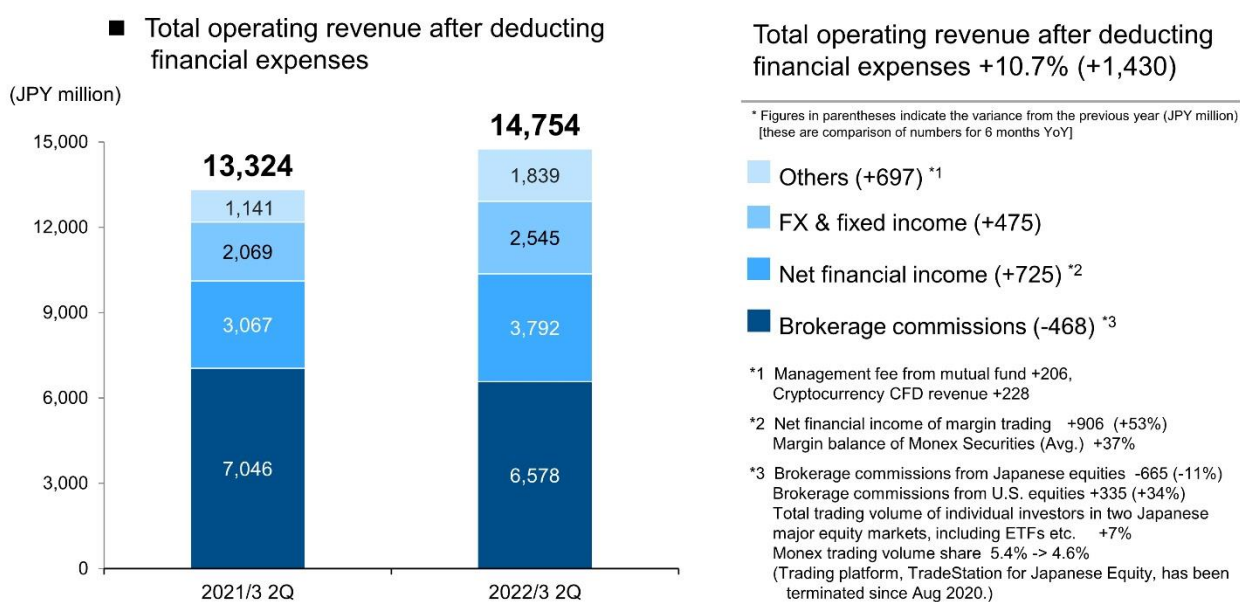
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Japan : Recurring revenue from margin trading and mutual fund increased. Revenue from growth products such as U.S. equities and crypto asset CFDs also increased, resulting in total revenue increased of approx. 11%.



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I would like to take a look at the 3 main segments for the first 6 months.

First, looking at the Japan segment, starting with the dark area at the bottom of the graph, as for brokerage commissions, although trading in US stocks was strong, brokerage commissions declined YoY due to a decrease in trading value of domestic stocks.

On the other hand, financial income and expenses increased due to the increase in credit balance, bond income from the IFA business started last fiscal year increased, and other income increased due to the recognition of income related to mutual funds including Monex Activist Fund and crypto asset CFD. As a result, operating revenue increased by approximately 11% to JPY14,754 million.

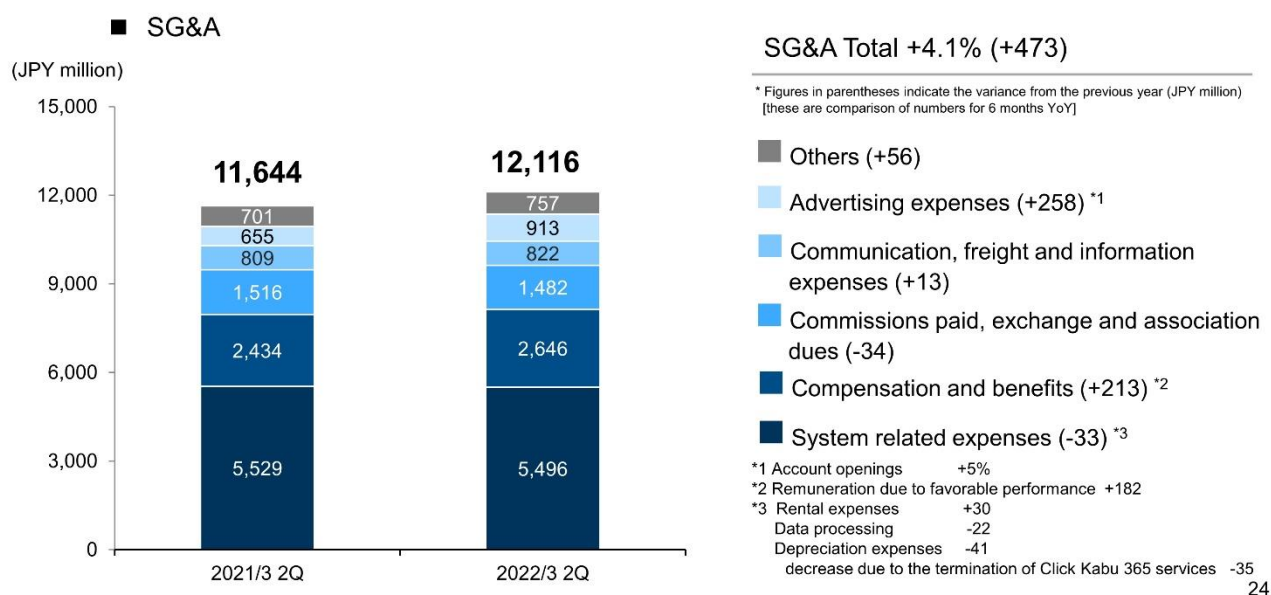
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Japan : Fixed costs reduced such as system-related expenses to streamline its cost structure in the long-run.



The expenses for the first half of the fiscal year for the Japan segment are shown on page 24.

As you can see, although advertising expenses increased in line with the increase in the number of new accounts opened, system-related expenses decreased, and compared to the growth in revenue, SG&A expenses increased only 4.1%.

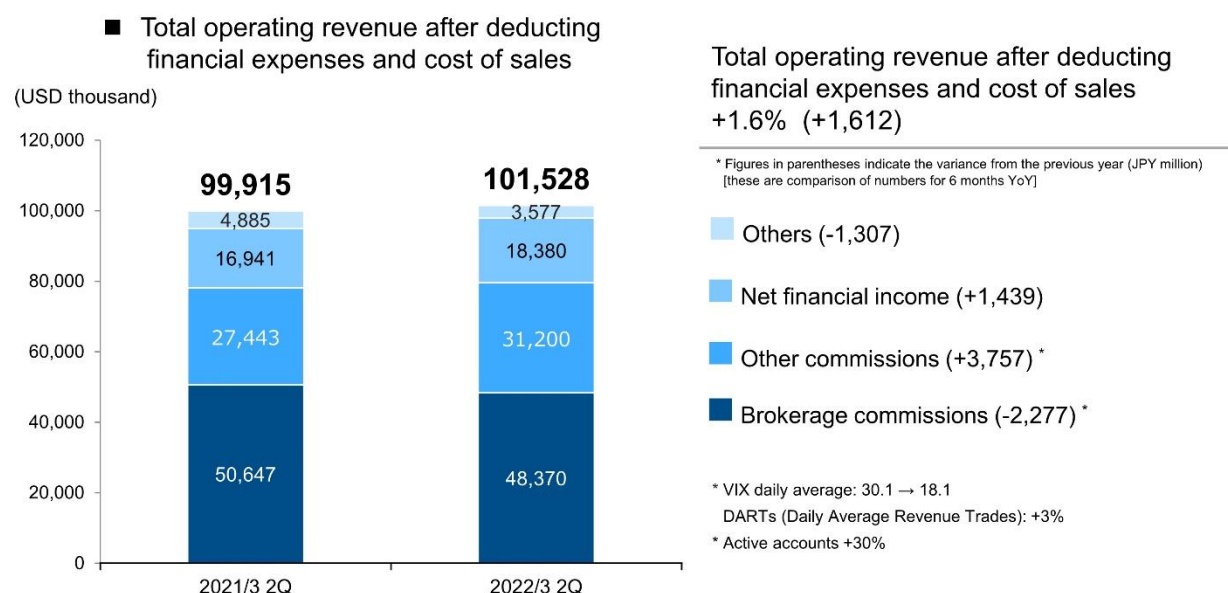
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US : Total revenue increased YoY due to a slight increase in commissions revenue due to account growth, despite a significant YoY drop in volatility (VIX), higher net interest income driven by increased margin, securities lending and crypto lending.



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Next is the first half of the year for the US segment.

In October 2019, we introduced commission-free plans at TradeStation in the US, and since then, we have been strengthening our branding and marketing efforts to broaden our customer base from super active traders to the general investor base of millennials and younger. As a result, the number of accounts has been growing steadily with a 30% increase compared to the same period last year, as you can see in the small notes on the bottom right.

As a result, trading volume and DARTs increased despite a significant decrease in volatility and VIX compared to the same period last year. As a result, the number of users of the commission-free plans has increased, and as a result, brokerage commissions have decreased, as you can see at the bottom of the graph, but other commissions have increased due to the increase in revenue generated by the increase in trading volume.

In addition, the financial account balance increased by USD1.44 million due to an increase in interest income as a result of strong performance in crypto asset lending, margin trading, and securities lending.

As a result, overall operating revenue increased by 1.6% to USD101.53 million.

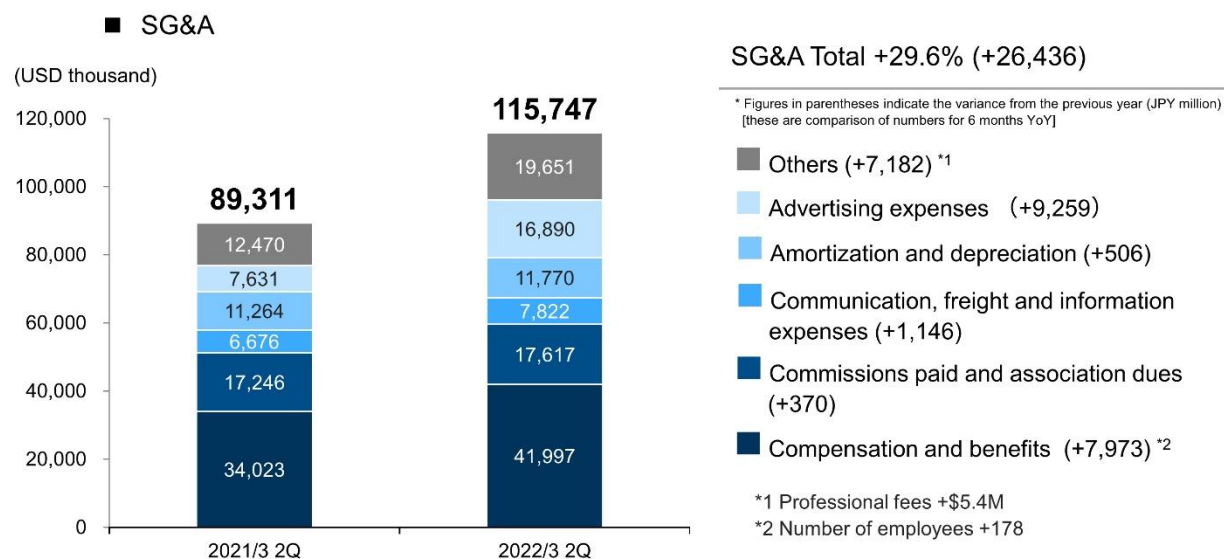
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 **SCRIPTS**
 Asia's Meetings, Globally

US : Advertising and compensation and benefits increased YoY, as expected, due to execution of account growth strategy and product initiatives. Professional fees increased due to preparing to raise capital and funds in the US.



26

In terms of expenses, advertising expenses have increased due to aggressive marketing efforts to further accelerate the steady acquisition of new accounts, and personnel expenses have also increased due to efforts to increase the number of employees to realize our growth strategy.

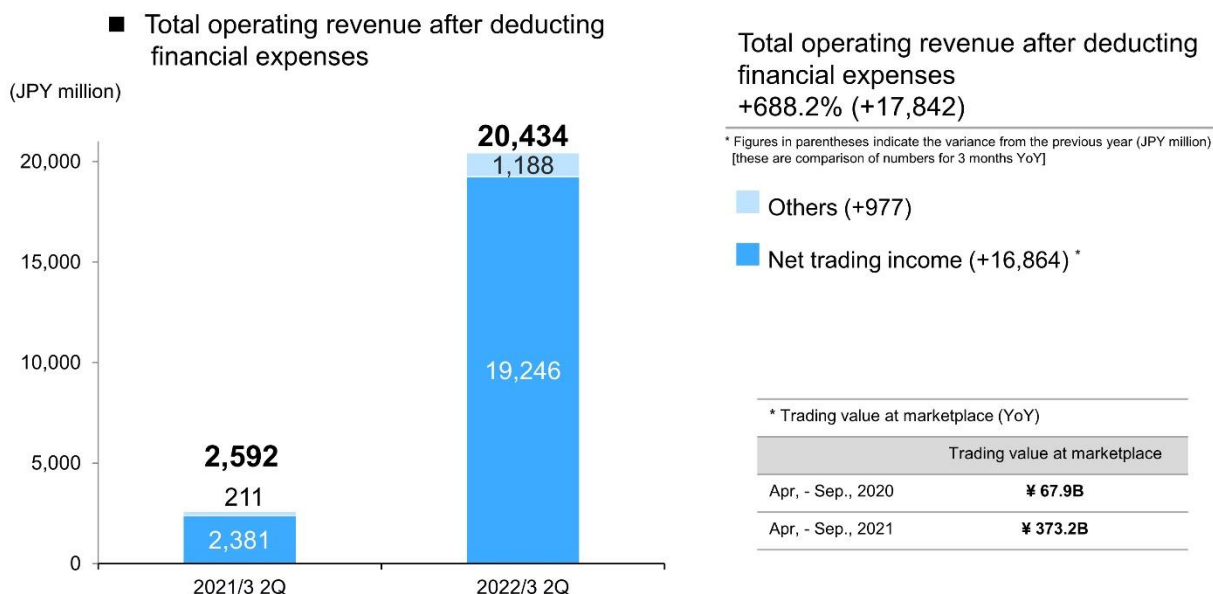
In addition, in the US, we are currently preparing to raise capital, so we have included professional fees in other expenses.

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Crypto : Total revenue increased by 8 times YoY. Coincheck's trading volume at the market place increased significantly due to the booming market, the addition of altcoin offering, and a significant account growth, which TV commercials help. In addition, new businesses also went well.



27

Next, the first half of the Crypto Asset business segment is shown on page 27.

As a result, operating revenue increased 8 times YoY to JPY20,434 million. This was due to the continued brisk trading of crypto assets on the exchange as well as a significant increase in the number of accounts as a result of TV commercials.

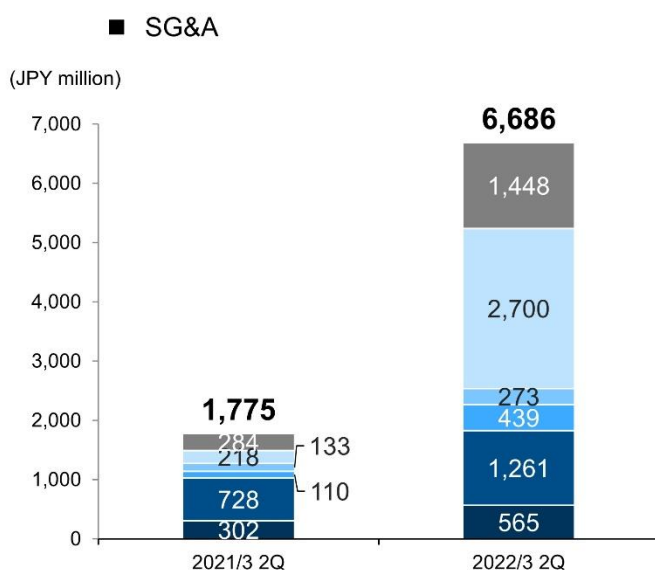
In addition, new businesses such as NFT and IEO, which are included in the Others section, have also been launched successfully.

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Crypto : Advertising expenses increased due to proactive marketing efforts such as TV commercials and web marketing initiatives to acquire new accounts.



SG&A Total +276.6% (+4,911)

* Figures in parentheses indicate the variance from the previous year (JPY million)
 [these are comparison of numbers for 3 months YoY]

- Others (+1,163) *1
- Advertising expenses (+2,482) *2
- Communication, freight and information expenses (+140)
- Commissions paid, exchange and association dues (+328)
- Compensation and benefits (+534)
- System related expenses (+263)

*1 Includes Management Fee to Monex Group, Inc.

*2

Quarterly increase in # of verified accounts (6 months)	
2021/3 2Q	+54K
2022/3 2Q	+226K

28

In the first half, SG&A expenses in the Crypto Asset business segment also increased due to aggressive marketing efforts such as TV commercials to acquire new accounts, but the increase in SG&A expenses was limited due to the continued ability to operate the business with low fixed costs.

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(JPY million)

	1Q FYE Mar. 2022 (Apr. 2021- Jun. 2021)	2Q FYE Mar. 2022 (Jul. 2021- Sep. 2021)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	26,069	20,730	-5,338	-20%	P31: Analysis of Japan segment P33: Analysis of US segment (USD) P35: Analysis of Crypto Asset segment
SG&A	15,148	15,521	+373	+2%	P32: Analysis of Japan segment P34: Analysis of US segment (USD) P36: Analysis of Crypto Asset segment
The amount equivalent to operating income	10,920	5,209	-5,711	-52%	
Other income / expenses (net)	187	1,952	+1,765	+943%	
Quarterly profit before income taxes	11,107	7,161	-3,946	-36%	
Quarterly profit attributable to owners of the Company	7,260	4,767	-2,492	-34%	
EBITDA	13,014	7,267	-5,747	-44%	

29

Next, I will explain the comparison between the second quarter with the previous quarter, April to June. Compared to the previous quarter, overall revenue and profit decreased, and operating revenue after deducting financial expenses decreased by 20% QoQ to JPY20,730 million. Quarterly profit attributable to owners of the parent company also fell 34% to JPY4,767 million. In addition, EBITDA decreased by 44% to JPY7,267 million.

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QoQ Comparison (3 months) Segment Performance



	Japan		US		Crypto Asset		Asia Pacific		Investment	
(JPY million)	2022/3 1Q	2022/3 2Q	2022/3 1Q	2022/3 2Q	2022/3 1Q	2022/3 2Q	2022/3 1Q	2022/3 2Q	2022/3 1Q	2022/3 2Q
Total operating revenue after deducting financial expenses and cost of sales	7,373	7,381	5,728	5,464	12,739	7,695	323	321	101	67
SG&A	6,036	6,081	5,925	6,835	3,752	2,934	248	263	25	18
The amount equivalent to operating income	1,337	1,300	-197	-1,371	8,987	4,761	74	58	76	49
Other income / expenses (net)	802	2,402	12	-131	9	70	12	24	-0	-0
Quarterly profit before income taxes	2,139	3,702	-185	-1,502	8,996	4,831	86	82	76	49
Quarterly profit attributable to owners of the Company	1,374	2,458	-350	-1,153	6,148	3,341	69	68	23	54
EBITDA	2,653	2,587	602	-485	9,083	4,861	102	84	76	49
Note	See P31 "total operating revenue after deducting financial expenses and cost of sales" for more details See P32 "SG&A" for more details		See P33 "total operating revenue after deducting financial expenses and cost of sales" for more details. See P34 "SG&A" for more details.		See P35 "total operating revenue after deducting financial expenses and cost of sales" for more details. See P36 "SG&A" for more details.					

30

This is the breakdown by segment, and while the Japan segment saw a slight increase in revenue, the other 4 segments were affected by the market environment and other factors, resulting in a decrease in revenue compared to the previous quarter.

In the middle of the Japan segment, in Other income / expenses, we recorded a gain of approximately JPY1,600 million on the sale of tokens from the DeFi project. It is recorded as other income.

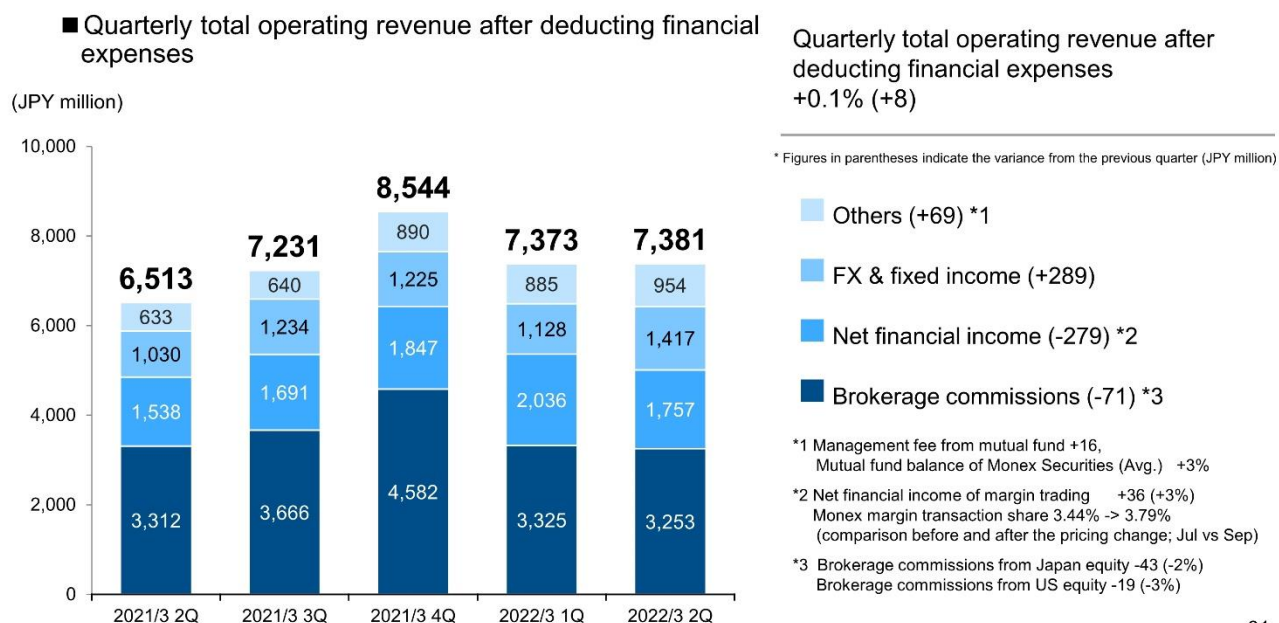
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Japan : Recurring revenue from mutual funds and margin trading and revenue from growth products increased. Margin trading share is on an upward trend after the pricing change for margin commissions in August.



31

Looking at the 3 main segments, first, the Japan segment's revenue as a whole was flat to slightly higher than the previous quarter.

This is due to a decrease in stock brokerage commissions as a result of a QoQ decline in equity transactions in Japan and the US, as well as a decrease in financial income due to a decline in the profitability of securities lending, but this was offset by an increase in FX income and bond income via IFAs, as well as an increase in mutual fund income as included in the Others section. Overall, we saw an increase of 0.1% to JPY7,381 million.

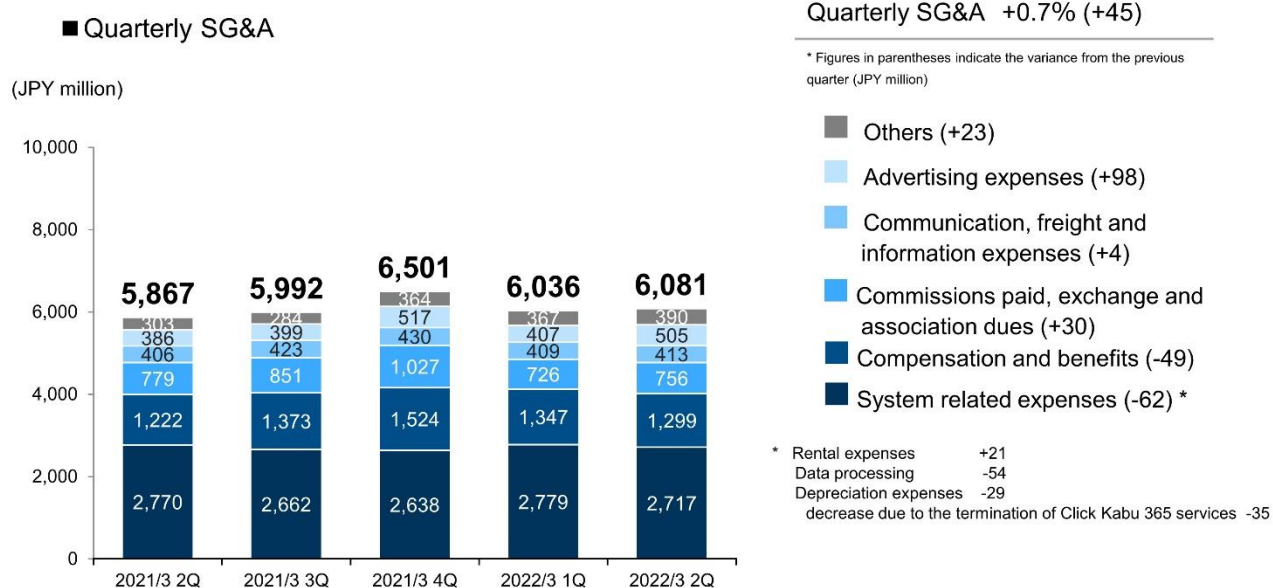
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Japan : Marketing expenses increased due to the favorable account openings.
 Fixed costs decreased such as system-related expenses to streamline its cost structure.



32

Expenses for the 3 months in the Japan segment increased by 0.7% from the previous quarter to JPY6,081 million. Although advertising expenses to acquire new accounts increased, as mentioned earlier, system-related expenses decreased, and we will continue to streamline our cost structure.

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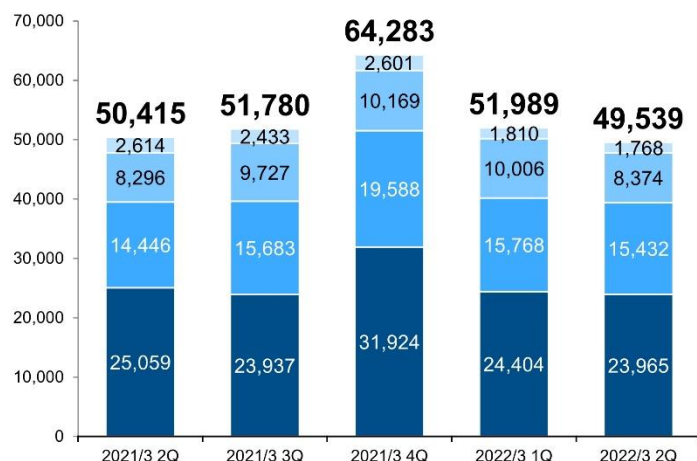
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US : Total revenue declined QoQ principally on lower net crypto lending income due to market environment.

■ Quarterly 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 -4.7% (-2,450)

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

- Others (-42)
- Net financial income (-1,632)
- Other commissions (-337) *
- Brokerage commissions (-439) *

* VIX Daily Average: 18.0 → 18.3
DARTs -5%

33

This is the 3-month revenue of the US segment.

Here, operating revenue decreased by 4.7% QoQ to USD49,539. Volatility and the VIX were flat, but brokerage commissions and other incoming fees declined due to lower trading volume in equities and crypto assets.

In addition, during the quarter under review, the crypto asset lending revenue declined due to the calm crypto asset market, resulting in a decrease in financial income and expenses.

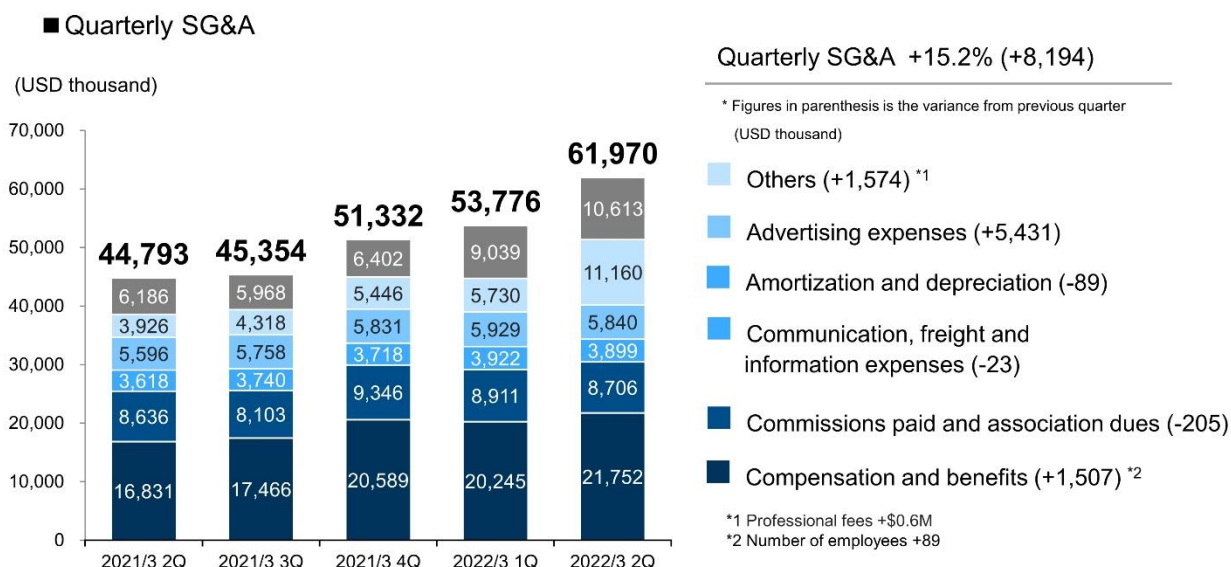
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US : Timing of advertising expenses accelerated in 2Q, as marketing program expanded to build awareness. TradeStation continued to increase headcount to support product development.



34

Expenses for the 3 months in the US segment.

As I mentioned earlier, advertising expenses have increased due to aggressive marketing efforts to further expand our customer base, and personnel expenses have also increased as we have increased our workforce to realize our growth strategy and strengthen our products and services.

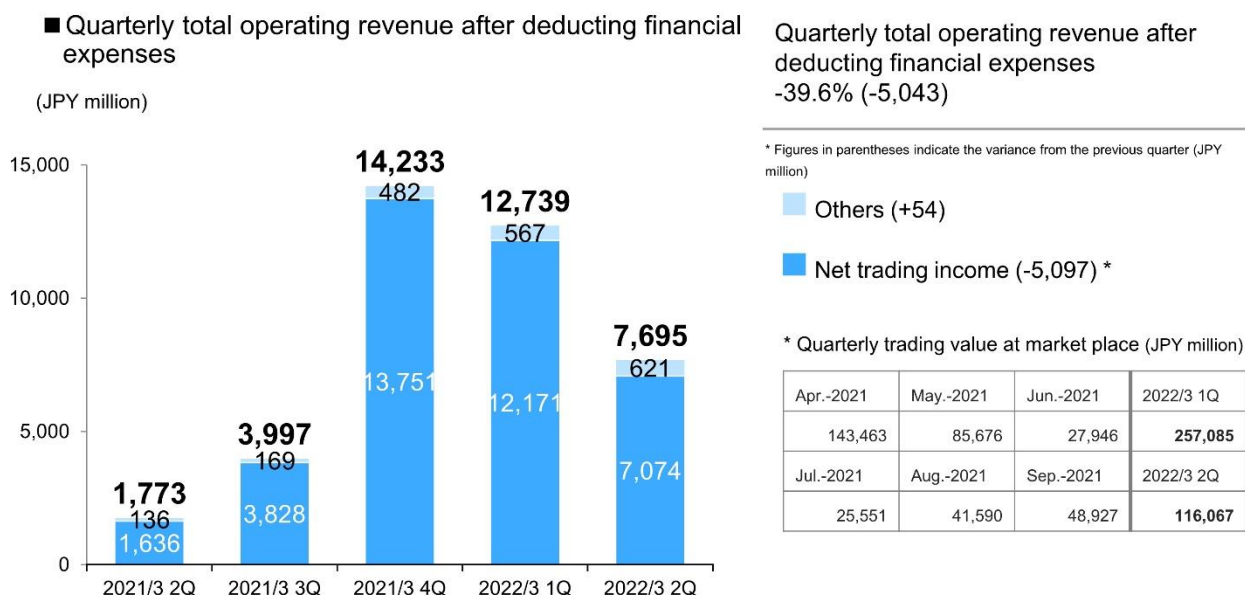
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Crypto : Net trading income decreased due to calm trading volume in the crypto asset market. Other revenues from new businesses have grown steadily.



35

Lastly, in the Crypto Asset business segment, revenue decreased by 40% QoQ to JPY7,695 million, but we believe that we are still able to maintain a high level.

In addition, new businesses such as NFT and IEO, which are included in Others, have been growing steadily.

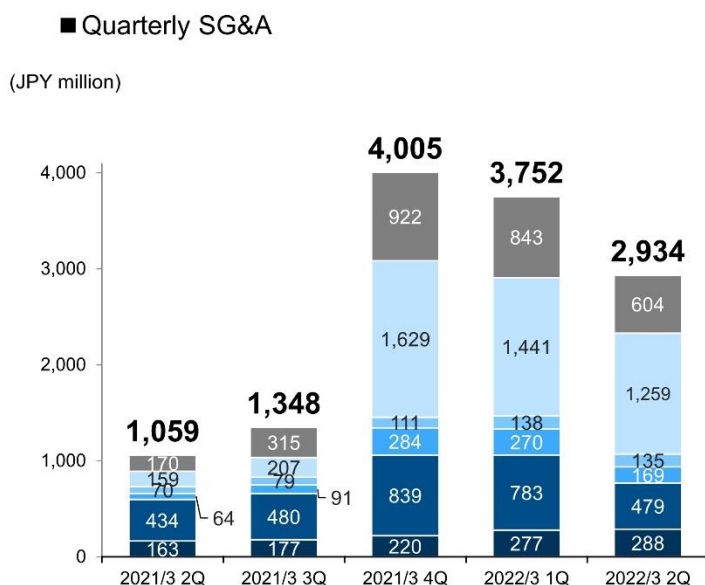
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Crypto : Bonus and management consulting fee decreased due to a lower revenue, resulting in over 20% decrease of the total expense.



Quarterly SG&A -21.8% (-818)

* Figures in parentheses indicate the variance from the previous quarter (JPY million)

- Others (-239)*1
- Advertising expenses (-181)*2
- Communication, freight and information expenses (-3)
- Commissions paid, exchange and association dues (-101)
- Compensation and benefits (-304)
- System related expenses (+11)

*1 Includes Management Fee to Monex Group, Inc.

*2

	Quarterly increase in # of verified accounts
2021/3 1Q	+150K
2022/3 2Q	+75K

36

Finally, the expenses in the Crypto Asset business segment.

We have been implementing marketing measures to acquire new customers in the past quarter, and advertising expenses have increased, but in this region, we are striving to manage ROI and conduct advertising at the right time while monitoring the market environment.

This segment continues to have a cost structure that allows it to operate with low fixed costs, and as a result, the operating profit margin for the quarter was approximately 62%, maintaining a high profit margin.

This concludes my explanation on consolidated business performance.

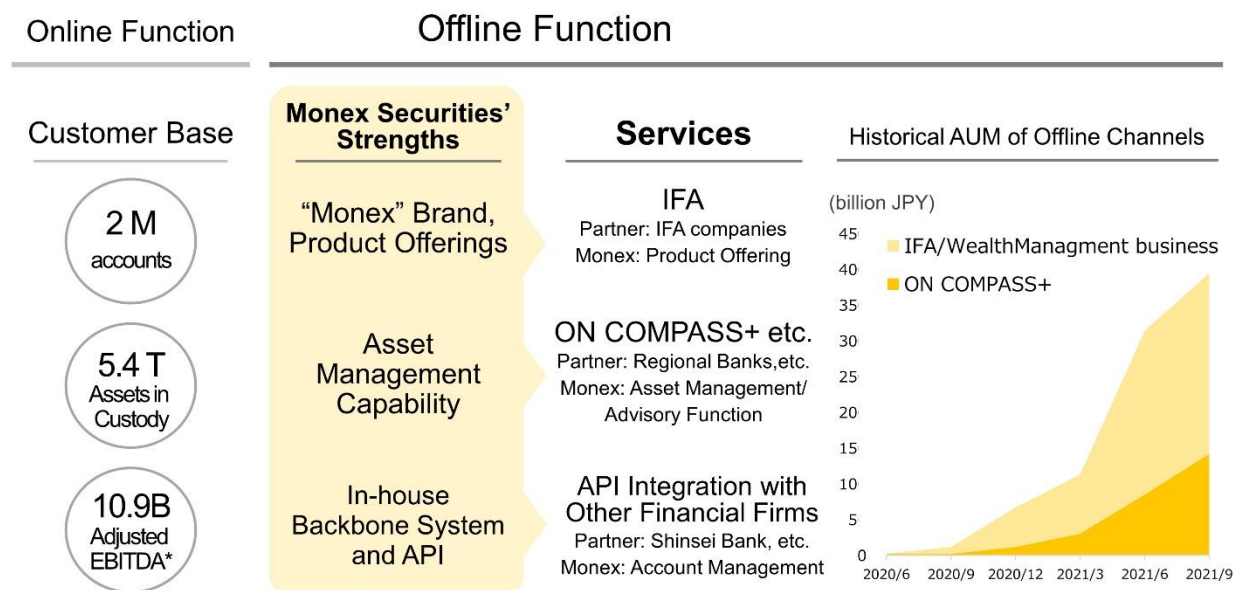
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Reaching out using offline channels to acquire new customer segments.

Leverage the Competence of Monex Securities to Drive “Asset Management Model”



* Ave. of Adjusted EBITDA from FYE Mar 2019 to 2021. Please refer to P9 for explanation for Adjusted EBITDA

38

Matsumoto: Now, I would like to give you a brief business update with some highlights of each business.

First, the Japan segment. While it is centered on Monex Securities, we are also focusing on the IFA business and wealth management business in order to strengthen our face-to-face channel.

As you can see on the right, AUM is also increasing at a rapid pace for face-to-face businesses, while ON COMPASS+ is face-to-face and hybrid wrap.

As you can see on the left, the business originally had a stable platform of 2 million accounts, JPY5.4 trillion in assets under custody, and JPY10.9 billion in adjusted EBITDA. Although face-to-face is not completely face-to-face, we are starting to provide our wealth management solutions.

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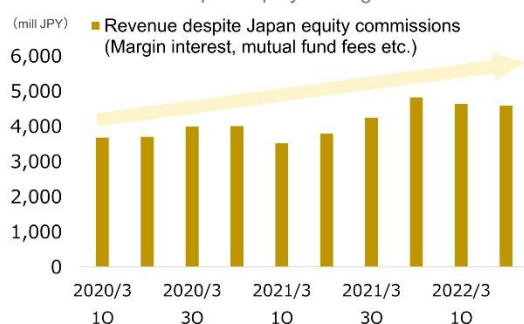
 **SCRIPTS**
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Continued focus on revenues other than Japan equity commissions, including recurring revenues and U.S. stock trading revenues.

Growth in the Base of Recurring Revenue

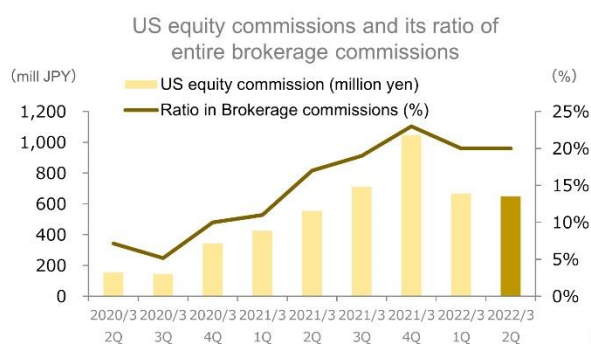
- To reduce dependence on Japan equity brokerage commissions, strengthening the recurring revenue model linked to assets under custody and developing new businesses.
- Gradual growth in existing recurring revenue (margin interest and mutual fund fees) to mitigate dependence on Japan equity brokerage fees.

Revenue from Japan equity trading commissions



U.S. Equity Trading

- TradeStation enables Monex to offer the best U.S. equity trading environment in Japan, the ratio of U.S. equity revenues to total brokerage commissions at Monex remains strong at 20%.
- OTC trading was newly launched in mid-September, making it possible to trade U.S. stocks even during the Japan daytime (17 hours a day in total).



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In addition, as we move forward with the asset management model, stock revenue is growing steadily, and mutual fund fees and margin interest are also growing steadily.

In addition, US equity accounts for about 20% of Monex's equity [inaudible] commissions, and we are proud of our service content, which is overwhelming compared to other companies. Now, we make US equity trading available for 17 hours out of 24 hours.

I believe that US equity will become even more important in the future, and since we are the only securities company that has a fully licensed securities company in the US, TradeStation, in the group, we want to make sure that we strengthen this advantage.

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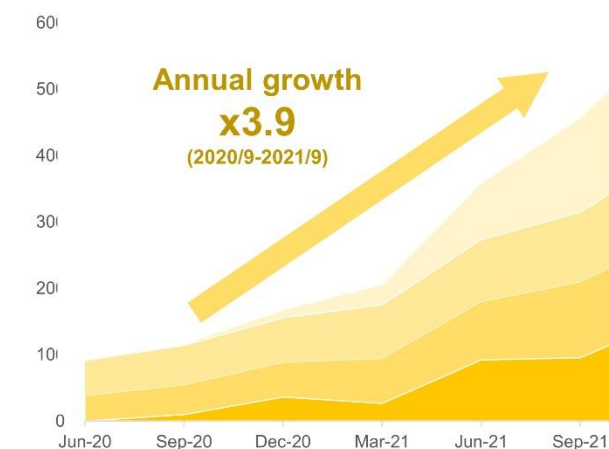
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Monex Asset Management has quadrupled its AUM within a year, reaching 50 billion JPY in total.

Assets Under Management Grow Strongly

Monex Asset Management
Total Asset Under Management



Total AUM
50B+ JPY*
(Quadrupled within a year)

* As of October 22, 2021

Product Suites

- Discretionary Investment ON COMPASS+
- Discretionary Investment ON COMPASS
- Activist Fund (public and private)
- Management of institutional money

40

Monex Asset Management.

WealthNavi and Money Design are more prominent here, but Monex Asset Management has also exceeded JPY50 billion in total assets under management, quadrupling from JPY12.6 billion at the end of September a year ago. Products are wraps, activist funds, and private placements for institutional investors.

In this way, the asset management business, which is the core of our asset management model, is growing steadily.

In comparison with WealthNavi, WealthNavi is of course much larger, but our AUM is also growing very fast, so I hope you will pay attention to it in the future.

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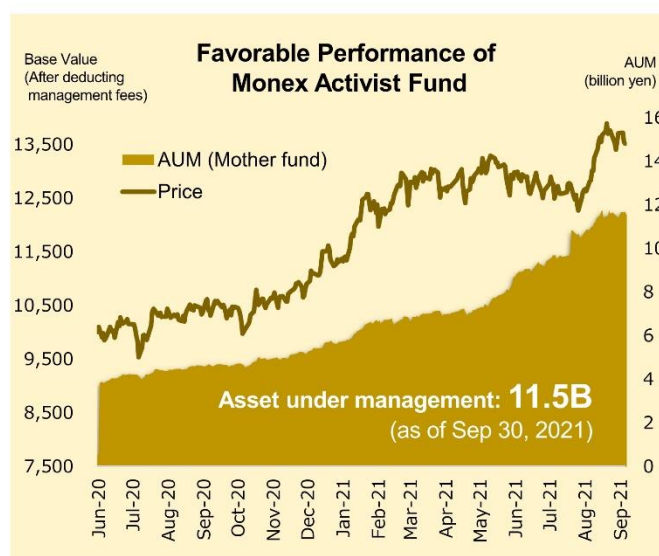
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Monex Activist Fund has AUM* of 11.5 billion yen including domestic private placement.

Engagement Activities Further Revitalized

- AUM has reached 11.5 billion yen* due to consecutive engagement activities.
- In addition to public offerings through five online securities companies in Japan, Shinsei Bank also handles the sales network. Investment advisory for overseas private placements started in August 2021.
- To protect the interests of minority shareholders, released a public statement regarding the tender offer for NIPPO Corporation.
- Increased media exposure to raise social recognition as a domestic activist.



* AUM is the amount of the mother fund for Monex Activist Fund

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Monex Activist Fund management is also doing well, and AUM is growing.

We are also having a very deep, broad and strong engagement, which is a good situation.

Recently, the TOB of NIPPO by ENEOS and Goldman Sachs was announced, and we have submitted an open letter or rather a public opinion, saying that the price of the TOB is too low. In order to protect the interests of minority shareholders, we are going to fight for them as an activist.

As the Prime market starts, the number of delisting of parent-subsidary listings will probably increase, but in that case, the price at which the parent purchases the subsidiary should not be too low, and the interests of the minority shareholders of the subsidiary should not be neglected.

This would be a major negative for the development of Japan's capital markets and, more importantly, a major negative for investors. In order to prevent such a situation from happening, we are expressing our opinions firmly on this NIPPO matter.

This has attracted a lot of attention, especially from overseas institutional investors. After Japan Catalyst expressed its opinion, Silchester, Oasis, and Orbis also expressed their support, although I think it is very rare for Silchester to come out this way, this has been the situation. That is how much attention is paid to the protection of minority shareholders' interests in Japan.

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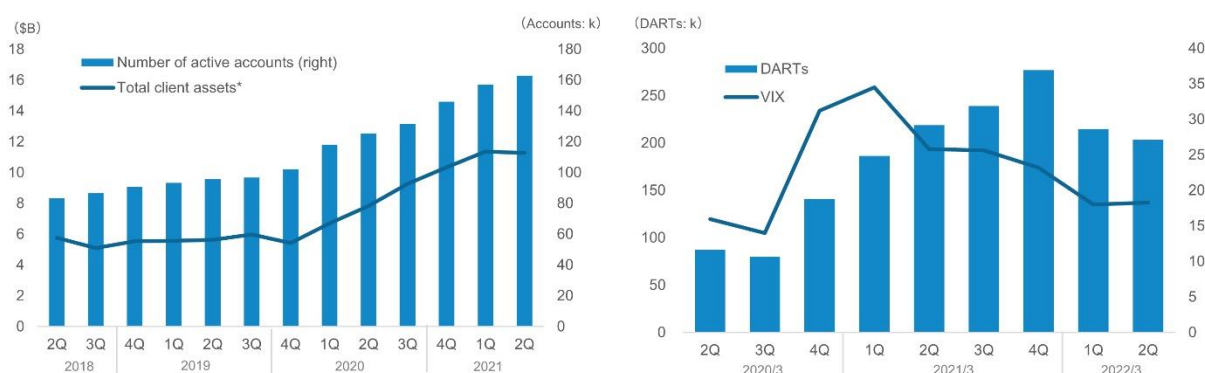
TradeStation's trading and learning platform appears to support increased interest in self-directed investment among Millennials and Gen-Z.

Account Additions & Client Assets

- # of active accounts: **160k (+30% YoY)**
- Total client assets*: **\$11.3B (+44% YoY)**
- TradeStation has expanded its customer base by targeted performance-based marketing.

Trading Volumes and VIX

- TradeStation's trading volume has become less correlated to volatility. DARTs declined by -7% YoY vs. -29% for VIX.
- TradeStation is attracting a new generation of traders. Investors aged 40 and younger represent 14% of mix as of Sep. 30, 2021, up from 5% at Mar. 31, 2019.



* Customers' Assets in custody include the balance of foreign stocks and some deposits of Monex, Inc. and Asia-Pacific Segment.

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In the US, as you can see on the left, the number of accounts and assets under custody are both growing very fast, and as you can see on the right, by expanding the customer base, we are creating a structure where income will not decrease even if volatility decreases.

As I mentioned earlier, we would like to firmly establish a new method of growth in this way and accelerate it in the future.

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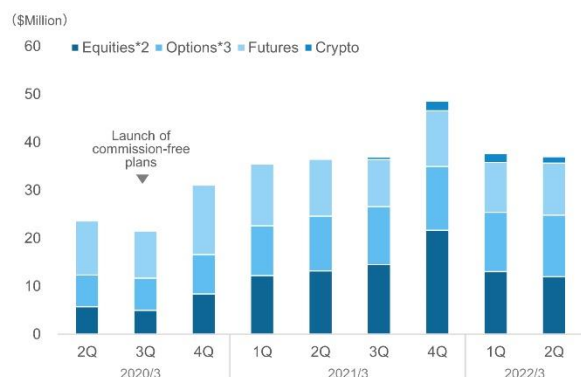
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Growth of cryptocurrency trading reflects TradeStation multi-asset brokerage positioning and platform versatility

Commission Revenue

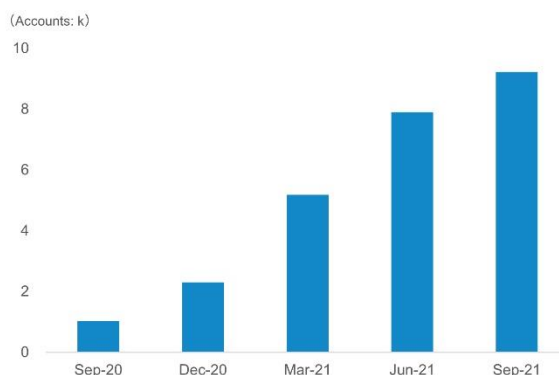
- Brokerage revenue*¹ in total was \$37M in 2Q.
- TradeStation aims to increase revenue from equities and options by acquiring new accounts.



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

TradeStation Crypto (TCI)

- TCI promotional marketing is attracting new accounts and crypto brokerage commissions. Account growth has been strong since inception.
- The number of active TCI accounts is over 9,000 as of Sep. 30, 2021.



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Looking at the trend of fee income here, there are some shifts in and out, but even with interest rates falling to zero, commissions falling to zero, and volatility not rising that much, we have a structure that can generate profits. As you can see in the chart on the right, the TCI and crypto businesses are also growing steadily.

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TradeStation is building on its technology and operations strength to re-launch as a growth company appealing to an expanding market of self-directed investors.

Strengths of TradeStation

Well-Defined Growth and Product Strategy

Marketing

- Investments in brand awareness and performance marketing channels should drive efficient account acquisition engine

Product Initiatives

- Enhance user experience
- Advance Crypto offering
- Expand API as B2B and B2C Opportunity

Expanding Customer Base of Experienced and New Traders

- Expanded customer base from original core of experienced traders, to include self-directed investors



Award-Winning Suite of Trader and Investor Products

- TradeStation Rated two #1 Rankings in StockBrokers.com's 2021 Online Broker Review

Differentiated Positioning in the Market

- Multi-asset platform for Equities, Options, Futures and Crypto trading
- Self-clearing online brokerage
- Education & Social Community
- Adaptive technology accessible on desktop, Web and mobile
- Advanced API Technology

44

As you can see on page 44, TradeStation has a very high level of support from active traders, and we are able to provide these services and products to a wide range of customers, providing a platform that is truly professional and very different from other Japanese securities companies.

We are now shifting gears and investing in growth and marketing to make these products available to more people, and are working to expand them significantly.

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Coincheck maintains approx. 30% of the domestic account share in the growing crypto asset industry.

Strengths of Coincheck

Coincheck (crypto trading service)

- # of app downloads **4.42MDLs (+43% YoY)**
No.1 for 2 years in a row

- # of verified accounts **1.43M (+44% YoY)**

- # of supported coins **17** coins

No.1 in number of coins offered among domestic crypto exchanges

Domestic account share 28%^{*2}



^{*1} Among Japanese crypto asset exchange apps. Term: Jan.1, 2019 to Sep. 30, 2021. ^{*2} Coincheck's account share of the total number of verified accounts as of the end of Aug. 2021 among 28 domestic exchanges.

^{*3} Source: Monthly crypto asset trading status table of Japan Virtual and Crypto assets Exchange Association (JVCEA) as of Aug. 31, 2021.

^{*4} au Kabucom Securities, SBI Securities, SBI NEO MOBILE SECURITIES, SBI Neotrade Securities, Matsui Securities, Rakuten Securities and Monex, Inc (as of Jun.30, 2021)

Growth Opportunity

The crypto industry as a whole is still growing. The number of domestic crypto asset accounts is still small compared to domestic major online securities, where the number of accounts is growing every year, and the crypto asset industry still has a lot of room for growth.

Accounts of domestic crypto asset exchanges^{*3}

Approx.
5M
accounts

X 3.6

Accounts of domestic major online securities^{*4}

Approx.
18M
accounts

45

Coincheck is number one in terms of the number of app downloads, accounts, etc., and in terms of the number of crypto assets handled. Looking at various indicators in Japan, I think it can be said that Coincheck is the number one or one of the top services in the crypto asset business in Japan.

As you can see on the right, the number of crypto asset accounts in Japan is 5 million, and the number of major online brokerage accounts is 18 million, representing a difference of more than 3 times, almost 4 times. We want to grow while maintaining our position at the top.

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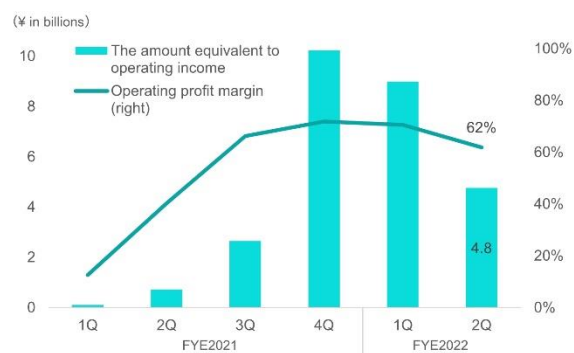
Coincheck maintains a high operating profit margin while focusing on new account acquisition with marketing.

Marketing

- By conducting in-house web marketing instead of outsourcing to an advertising agency, Coincheck cut advertising costs significantly.
- Due to the high volatility of the crypto asset market, Coincheck has thoroughly managed ROI and conducted advertising at the right time.
- Now that the crypto asset market is booming again, Coincheck is accelerating its advertising efforts in order to raise awareness and establish a strong position in the crypto asset industry.
- A new TV commercial was launched in Sep. 2021, and outdoor advertisements were placed around Shibuya station in early Oct. to enhance the effectiveness of the TV commercial.

Operating Profit Margin

- The operating profit margin for the quarter was **62%**.
- The high profit margin was achieved by reducing fixed costs and in-house systems and web marketing.



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As you can see on the left, we are also actively involved in TV commercials, such as the one featuring Shota Matsuda, and the advertisement itself is located behind Hachiko in Shibuya Station.

In the US, the US Bank has started a custodian for crypto assets, or Bitcoin futures ETFs have been launched, and the trading value on the first day exceeded USD1 billion, which is a record high, excluding contributions. The crypto asset business is in a period of growth right now.

In this context, we are making investments for growth in Japan, which is probably one of the top 3 countries in the world in terms of the crypto asset community, in order to solidify our position as the number one in Japan. While making investments in growth such as TV commercials, the operating profit margin has been over 60%.

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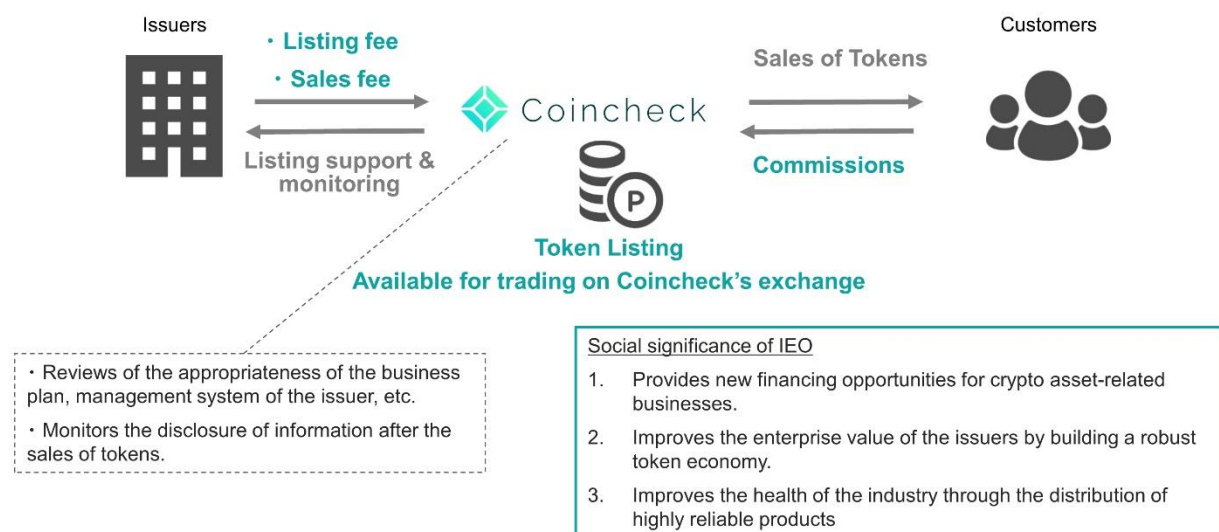
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Achieved the first IEO in Japan, with applications exceeding ¥22.4 billion for a funding target of over ¥0.9 billion.

Japan's First IEO

Coincheck is responsible for screening of issuers and token, listing, and even the exchange of the tokens after listing.



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We also did IEO.

We underwrote pallet tokens, and for the fundraising target of JPY0.9 billion, applications of over JPY20 billion in real demand in yen were received, and [inaudible] was over 25 times higher.

We screen and underwrite the tokens issued by issuers, sell them to users, and then the issuers could raise funds in the form of tokens, as a means of financing in the new age. I think this is really the IPO of the new era.

Instead of underwriting and selling for a company going public on the TSE, we will screen the company and the tokens, sell the tokens to users, and then list the tokens on our Coincheck exchange. We are creating this ecosystem of IPO in the new era, and the future is very bright. It is also an exciting business in the sense of the capital market.

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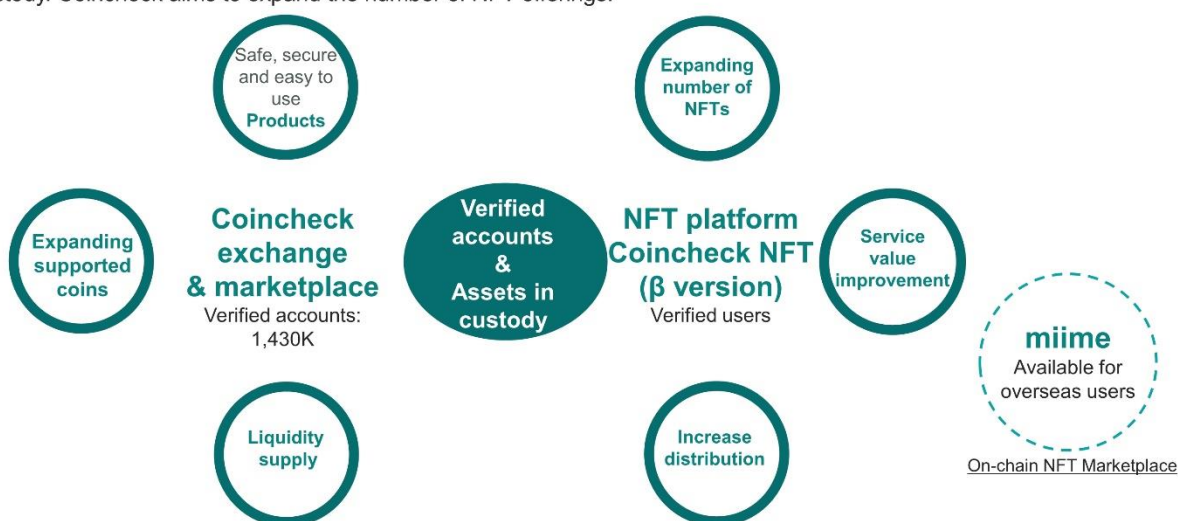
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Expanding the NFT business on the strength of its customer base and safety as an FSA-registered firm.

NFT business

Against a backdrop of an expanding NFT market with the entry of various companies and the possibility of the introduction of regulations, Coincheck is steadily expanding its operations leveraging its steady increase in verified users and assets in custody. Coincheck aims to expand the number of NFT offerings.



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The NFT market is growing at a rapid pace both in Japan and around the world, and a variety of vendors have emerged.

Coincheck is a legal crypto-asset exchange, and has many accounts that have been KYC-verified, and it also does NFT there, which is very rare in the world. We are in the business of distributing NFTs to KYC customers whose identities have been verified within the framework of the law.

There is also an on-chain service called miime for non-KYC customers, but we provide NFT off-chain to KYC-verified customers, which is a very rigid NFT business.

Considering the global situation, NFT in a regulatory compliant form is probably very valuable, and we would like to expand it.

While we will continue to grow on-chain, non-KYC miime, but as our feature, we will grow off-chain, KYC-verified business.

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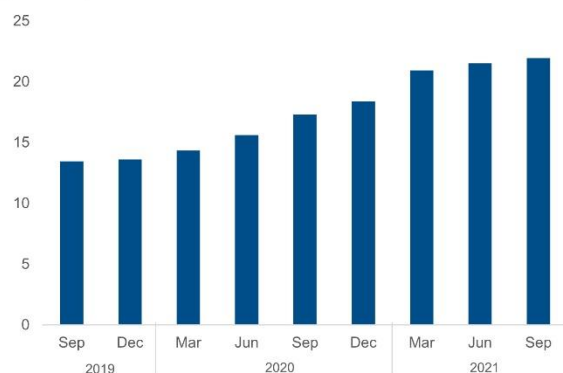
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Business in Asia Pacific segment was strong despite economic uncertainty in China.

Monex Boom / Monex Australia

Accounts with balance: 22K (+27% YoY)

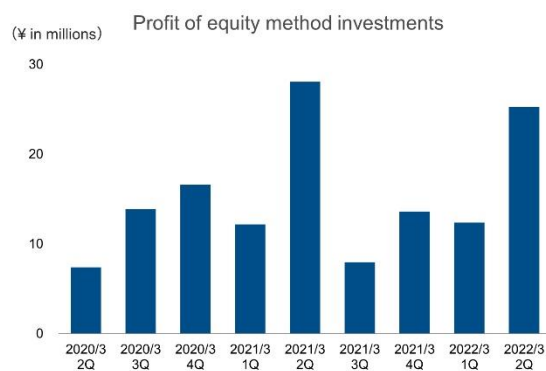
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Cherry Technology Co., Ltd (China)

Profit of equity method investments recovered significantly from the previous quarter to 25 million yen (+104% QoQ).

(¥ in millions)



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In the Asia-Pacific segment, there is not much to comment about, but we have been able to extend our business to a certain extent and maintain profitability, though small. That is the situation.

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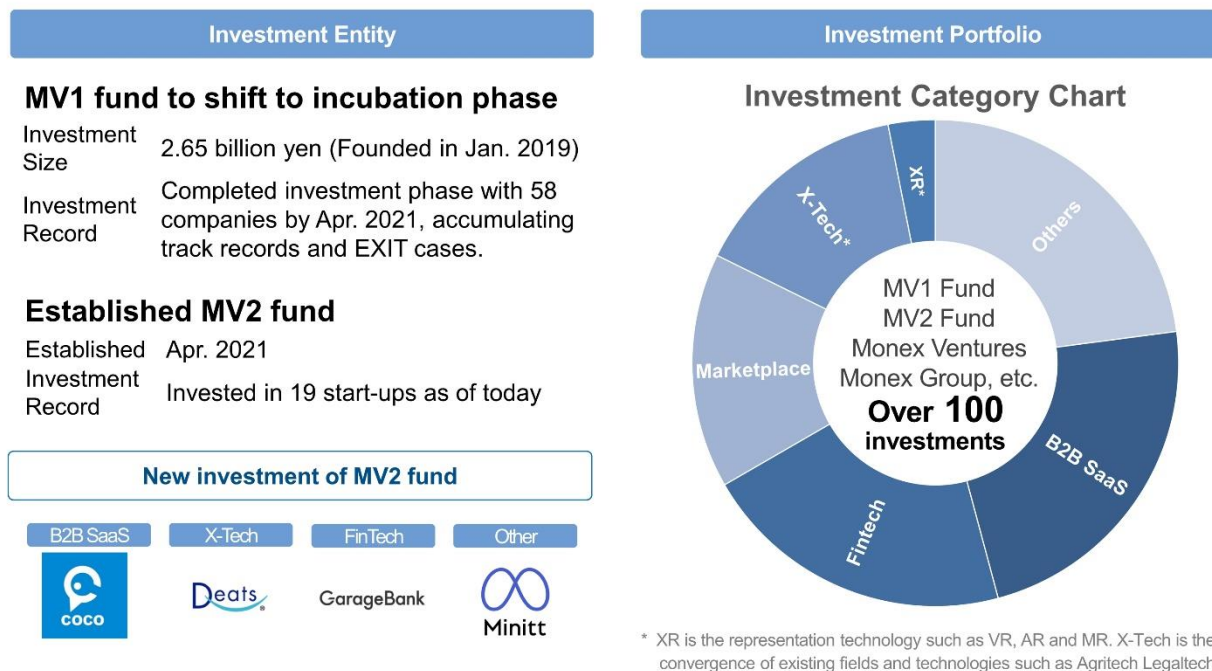
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Continued to expand investment portfolio with the establishment of the MV2 fund following MV1.



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As for the investment business of Monex Ventures, MV1 is currently in the support and recovery phase, and the second fund is currently underway. As you can see on the right, we are making diversified investments especially in many new fields such as blockchain.

I believe that these factors have entered to Monex's IPO pipeline and also to led to R&D outside the Monex Group as a whole.

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Question & Answer

Matsumoto: Now, I would like to finish my explanation and answer your questions one by one.

First of all, I have 3 questions from Mr. Hara of SMBC Nikko. The first one is, what is the reason for the last-minute change in the results announcement schedule this time?

We had originally announced that the announcement would be made on the 28th, but SBI put their announcement on that date, so we thought that it would be difficult for everyone if the announcement was made on the same day, since SBI would be making a 200-page announcement. So, we decided to avoid that date.

We thought it would not be a good idea to make the presentation on the same day in terms of logistics, so we decided shift it a day.

Second. Does the preparation for raising capital in the US mean that you will manage your business without depending on the Group in the future?

That's not what I meant. There was actually an important message here at the beginning, for example, TradeStation is growing very fast right now, and we are investing in growth. How will we finance this growth?

There are 2 answers: either Monex Group will raise the money in some way and pass it on to TradeStation, or TradeStation will raise the money in the US capital market. Unfortunately, the US capital markets are much deeper, more dynamic, and have more valuation and appreciation for the growth story.

Rather than Monex Group raising funds in Japan and other countries and then handing them over to TradeStation, TradeStation could use the world's largest capital market in the US to raise capital through equity and loans. It makes more sense.

This makes more sense since the capital market is dynamically developing. In addition, since TradeStation is dealing with American customers in a variety of ways, this is a positive factor when it comes to gaining recognition and increasing business partners in the US.

It is not that it is leaving the group, but that is exactly what it says here, the centripetal force of MG group.

We also provide various types of management support, but for example, we believe that it is better to procure capital and funds at the most efficient place, rather than having the parent company do everything.

Also, in this age where values and other things are becoming more decentralized, it would be better to create various types of management or evaluation at the subsidiary level to increase the vitality or output of the entire group.

The phrase diversification and concentration might sound old-fashioned, but I believe that while using a well-diversified vitality, Monex Group as a company with the vision and management power will be the centripetal force that unites them together. That is the image I have.

Third, the NFT market has been explosively growing since August, but the revenue contribution from Coincheck does not seem to be significant. What are the challenges? How do you plan to tackle them in the future?

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Even though it is growing explosively, one thing I can say is that I think NFT is very interesting. NFT is very interesting, and Amou, an executive officer of Coincheck of our group, recently published a book titled *NFT no Kyokasho* which is now a bestseller on Amazon's business and IT books category. It is probably number one or something.

However, though we are making much effort on NFT and it has been contributing, considering the scalability of NFT, while you have mentioned that the NFT market is growing explosively growing, the profit generated by NFT companies worldwide is not that much, while it is difficult to find out.

Rather, providing a platform for trading crypto assets is bringing much greater revenue and profit to the industry.

The first thing to note is that while NFT is growing, there is not much revenue at Coincheck, which is normal and is the case all over the world.

I believe that NFT is not only for trading, but also something very important that will be a part of our lives in the new era, amid changes in lifestyles and values.

In this sense, Coincheck is not just a trading platform or an auction platform, and although it is mainly a virtual currency trading platform at the moment, we also offer services and values for the new era using blockchain such as Payment and Seikatsu dane. In this sense, I believe that NFT is very important.

Therefore, I believe it will still take some time.

Any other questions? From Mr. Hara again.

You mentioned a stable dividend payment of about JPY4 billion per year, but what is the image of a flexible share buyback, will it be triggered by the share price or will it be carried out on a case-by-case basis as capital becomes [inaudible]?

I think we use our money in 3 ways. It could be paying dividends, buying a business, or buying shares in your own company. Buy cash, buy our own shares, or buy shares in other companies, speaking in a really very rough way.

It may be rough to say shares in other companies, but we can use the money to buy other companies or businesses, you can use it to buy your own shares, or you can pay dividends. Of course, there is also the Capex and other expenditures that are necessary for normal growth and business operations.

In this context, a certain amount of Capex is naturally necessary for us. Excluding that, dividends, business, or share buyback. We have decided to pay an annual dividend of at least JPY15. Then, the only thing left to decide is between share buyback or business. Which one is better for us to buy? Which would be more beneficial to our corporate value? We make a decision as to which is more beneficial to our shareholders.

It is not just a question of whether or not there is a surplus of capital, and if there is a surplus of capital, it is more than possible to decide that it would be better to buy a growing business. Even if the price of the company's own shares is low, if there is a business that can be bought opportunistically, it would be better to buy that. Therefore, I do not think it is simply the share price or the surplus of capital that will be the trigger.

That is why, as I explained earlier, we have been giving back very well, but as you can see on the right, we have also been making large investments from time to time while spending on Capex, and this has led to significant growth. An example of this would be TradeStation and Coincheck, which are mentioned here.

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Therefore, I think we have to keep an eye on such opportunities and make a decision each time whether it is better to buy our own shares or to invest in our business, which will lead to an increase in our corporate value and, by extension, the value of the shares held by our shareholders.

One more question from Mr. Hara.

In the US, I believe that you are taking a more aggressive approach to the casual market. From that perspective, does TradeStation have any strengths over Charles Schwab or Robin Hood?

This is also the case in Japan with the casual investors, for example, when commissions were liberalized on October 1, 1999, and online securities including our company entered the market. Since it is convenient, it rapidly gained popularity, and the number of investors has suddenly increased.

However, there are some people who have been trading casually for a long time, but soon they are not satisfied with that, and they want to do margin trading or do various other things. In response, we have been providing more and more services, and this industry has been growing by that.

Then, even if we approach casual investors, there are people who gradually outgrow that and become heavier and heavier. It is very important to have a platform that can accommodate such people. Otherwise, the good customers who have grown up will start to leave you.

In this sense, the services and products of TradeStation that I mentioned earlier are outstanding. You cannot compare it to Robinhood at all.

The stability of the system, the analytic tools, and the services we offer are completely different, like a Ferrari and a light 4-wheel, if you like. We are a company that can provide such things as well. That is our strength. The system is infinitely more stable.

Even during the meme stock uproar, we were the only company that continued to operate without any problems. Robinhood also stopped. The major online brokers, like TD Ameritrade, also stopped. Even Interactive Brokers stopped.

I believe that the strength of TradeStation is its stability, such as the fact that it has been working properly for a long time, as well as its analysis tools and other such things.

And one more thing, TradeStation is self-clearing for all equity and futures. There is not much like that either. Robinhood, for example, does not do that.

As a matter of fact, Monex Securities also has all of its systems in-house, and Monex Securities uses TradeStation within the group for all of its US equity trading, so in that sense, the Monex Group, Monex Securities, and TradeStation all have systems in-house. Even in the US, TradeStation's clearing is all done in-house, and this is not the case everywhere. It is limited.

Since we are doing such things, we believe that TradeStation is competent because it has all these self-clearing features, strong analysis tools, and a stable system.

I would like to conclude now, as we are almost at the end of our time, and I think that in general we have had very good results. If you have any additional questions, please feel free to contact the company.

Thank you very much for your time today.

Seimei: Thank you very much.

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