

Financial Results for 3Q of Fiscal Year Ending March 31, 2018

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

<Forward-looking Statements>

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



Our Business Principles

Always a step ahead of the “Y” in “MONEY,”

our name MONEX symbolizes our position as a forerunner in finance.

In the face of an ever-changing future, the Monex Group utilizes state-of-the-art IT technologies and world-class financial expertise to design innovative ways of managing money and to redefine finance for a new era. We will strive to support everyone’s investment and economic needs.

To achieve this we are committed to:

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

Our Business Principles	p. 1
Table of Contents	p. 2
I. Highlights	p.3 - p.10
II. Consolidated Performance	p.11 - p.25
III. Business Update	p.26 - p.33
IV. Mid- & Long-Term Initiatives	p.34 - p.37
Appendix: Group Overview	p.38 - p.47

- I. Highlights
- II. Consolidated Performance
- III. Business Update
- IV. Mid- & Long-Term Initiatives

Appendix. Group Overview

Accomplishment of the “New Beginning”^{*} in 3Q

New Beginni ng

- Monex, Inc. and Monex Crypto Bank, Inc. (Established in Dec, 2017) are preparing to start a cryptocurrency exchange business. Also, Monex Group plans to form a business alliance with a global cryptocurrency exchange. Set up a Monex Cryptocurrency Laboratory on Jan 31, 2018, led by Nana Otsuki (Chief Analyst at Monex, Inc.), with an aim to provide up-to-date and easy-to-understand information regarding cryptocurrency
- Enhanced the investment business based on the know-how and the solid track records from the investments previously made to Fintech Firms. In addition to the principal investment with synergetic effect on our brokerage business, Monex Group operates a seed and early-stage VC fund “Edison”. An affiliated company of Monex Group founded a PE fund “J-GIA 1”(capital amount: 16.3 billion yen), aiming for growth capital and small-cap buyout

^{*} Refer to P35 for more information about “New Beginning”

Large growth in profit of Japan enabled us to apply an aggressive strategy

Japan

- Entered into a license agreement of our in-house backbone system, GALAXY, with a general brokerage firm and recorded an operating income of JPY 600M. Developing new customers for further B2B business
- Introduced a competitive commissions table for margin trading. After the introduction, margin trading volume share of Monex, Inc. in the market has increased from 3.86%*¹ to 4.64%*² by approximately 0.8%pt. A negative impact was limited: the consolidated total operating revenue temporarily decreased by about 4%*³ in December, but we aim to gain more revenue by increasing margin trading volume
- New services: “Monex stock scouter”, a tool for fundamental analysis, “MONEX AI Report” developed by AI technology, and “Trade Carte FX” jointly developed with HEROZ, Inc. that possesses the core technology of artificial intelligence that has defeated professional Shogi (Japanese chess) players

*1 The share for the period before the change in price table (Apr 2017 – Nov 2017)

*2 The share for the period after the change in price table (Jan 4, 2018 – Jan 19, 2018)

*3 Actual operating revenue of Dec 2017

US records consecutive profit in the last five quarters

US

- Customer growth accelerating from record account openings coupled with declining attrition, driven by continued strong uptake of our 1Q new pricing plan for equities and options and a futures rebranding in 3Q that included a new futures pricing plan and the launch of Bitcoin Futures Trading in December, 2017
- Client assets crossed the \$5 billion mark in 3Q, increasing by 23% YoY
- Segment profit* has been achieved for the last five consecutive quarters despite the low volatility environment

Asia Pacific

- A new online brokerage firm in Australia started its operation in January, 2018
- The online brokerage business in Hong Kong continues to be profitable with the strong market environment and IPOs
- JV in mainland China recorded consecutive profit in the last three quarters

*Segment profit (Loss) = Pre-tax profit (Loss). The same hereinafter.

Revised total shareholders distribution ratio (dividend and share buybacks combined) from 75% of the profit on a multi-year basis to 100% on a single-year basis for the periods from FYE March 2018 to FYE March 2021.

■ Points of the revision

Original (FYF Mar. 2017)	Revised (FYF Mar. 2018 to FYF Mar. 2021)
while reserving <u>necessary capital</u> as a growing company	while securing <u>investment capacity</u> for growth
<u>75% total return ratio on a multi-year basis</u>	<u>100% total return ratio on a single-year basis</u>
<u>Interim dividend is to be paid out based on net income of the first half, and year-end dividend is to be paid out based on net income of the second half</u>	
<u>annual 2% DOE (dividend on equity), whichever is higher</u>	<u>The lower limit of the dividend is annual 2% DOE (dividend on equity)</u>
<u>Share buyback is flexibly implemented by an agile management decision considering share price and an investment plan for future growth</u>	<u>The capital distribution will be made by the dividend payments and/or by the share buybacks in a timely manner determined at management's discretion</u>

Significant increase in profit due to the revenue from licensing our backbone system and increase in brokerage commissions in Japan

Japan

Segment profit increased from JPY 2B to 2.4B due to the revenue of licensing the securities backbone system and the profit from higher equity trading volume. Segment profit in 2Q of JPY 2B includes 700M of revenue related the IPO of Money Forward, Inc.

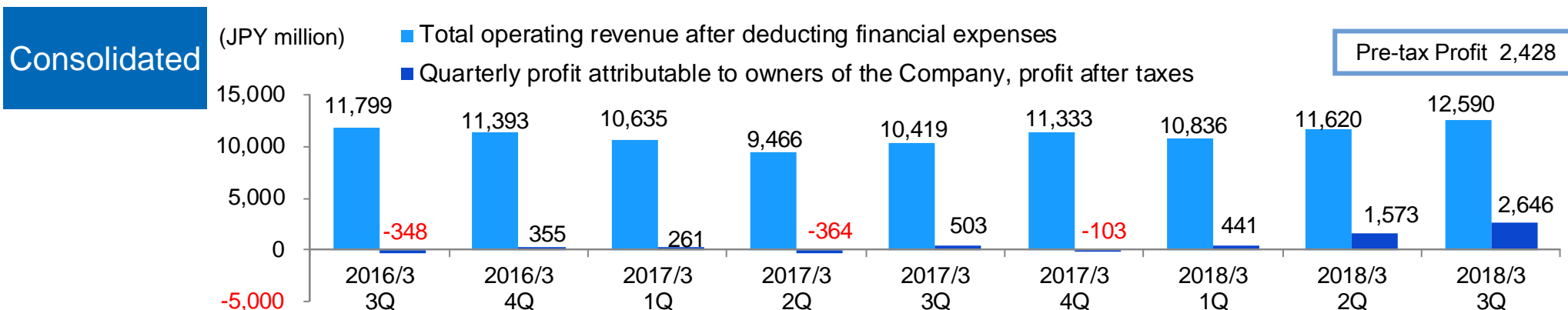
US

Five consecutive quarters of profitability despite the challenging market environment of record low volatility. Further, recognized a JPY 900M tax benefit in 3Q as a result of new US tax legislation that resulted from a re-measurement of segment's net deferred tax liability position

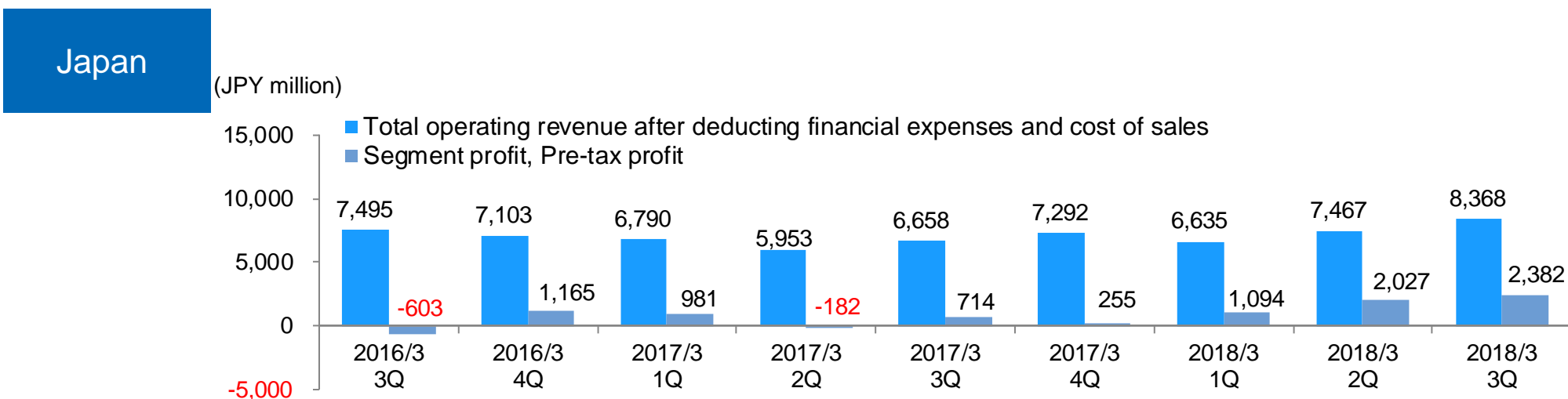
Asia Pacific

Despite the preceding cost of launching Monex Securities Australia Pty Ltd, AP segment records segment profit in two consecutive quarters due to the reduction of expense in Monex Boom Securities

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

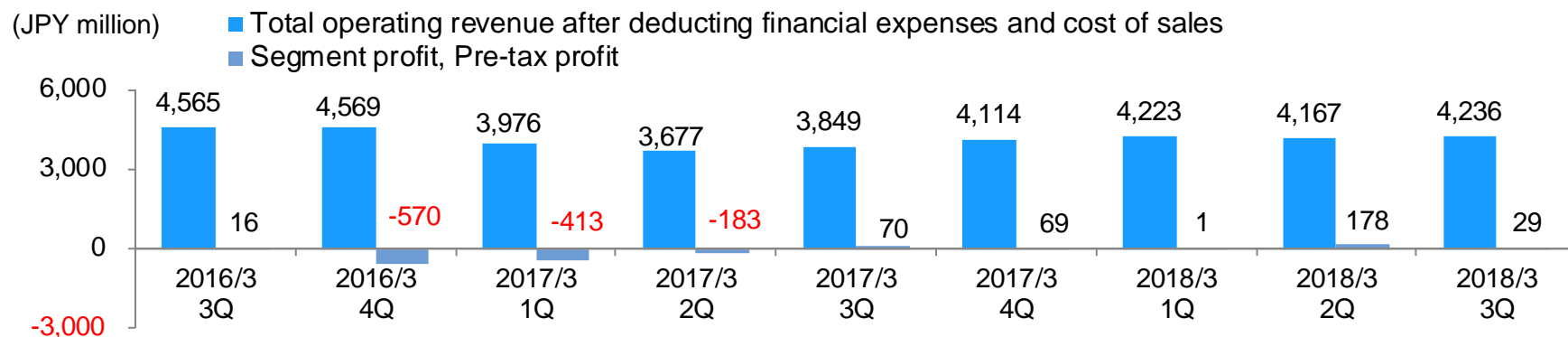


◆ Total operating revenue after deducting financial expenses and cost of sales and Segment profit

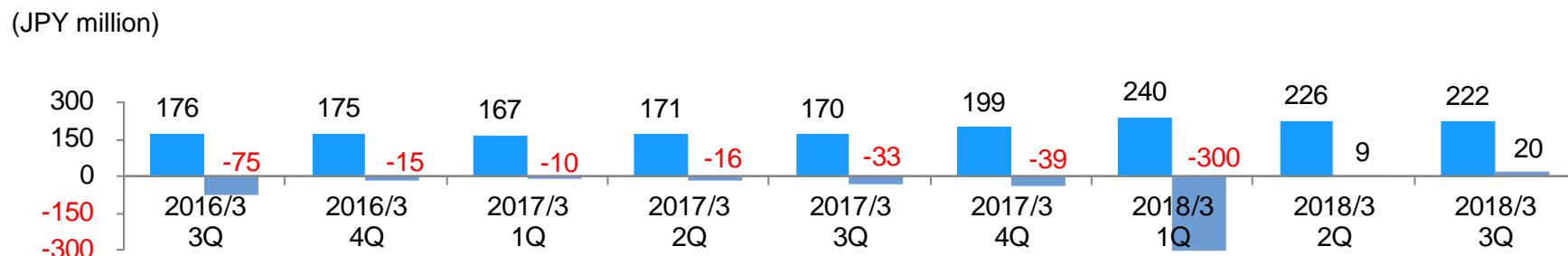


◆ Total operating revenue after deducting financial expenses and cost of sales and Segment profit

US



Asia-Pacific



- I. Highlights
- II. Consolidated Performance**
- III. Business Update
- IV. Mid- & Long-Term Initiatives

Appendix. Group Overview

YoY Comparison (9 months) Consolidated Performance

(JPY million)

	3Q FYE Mar. 2017 (Apr. 2016 - Dec.)	3Q FYE Mar. 2018 (Apr. 2017 - Dec.)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	30,519	35,046	4,527	14.8%	P14: Analysis of Japan segment P16: Analysis of US segment (USD)
SG&A	30,013	29,439	-573	-1.9%	P15: Analysis of Japan segment P17: Analysis of US segment (USD)
The amount equivalent to operating income	506	5,607	5,100	1007.2%	
Other income / expenses (net)	287	-169	-457	-	Breakdown in DATA BOOK P20: - Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	793	5,437	4,644	585.3%	
Quarterly profit attributable to owners of the Company	401	4,661	4,260	1063.6%	

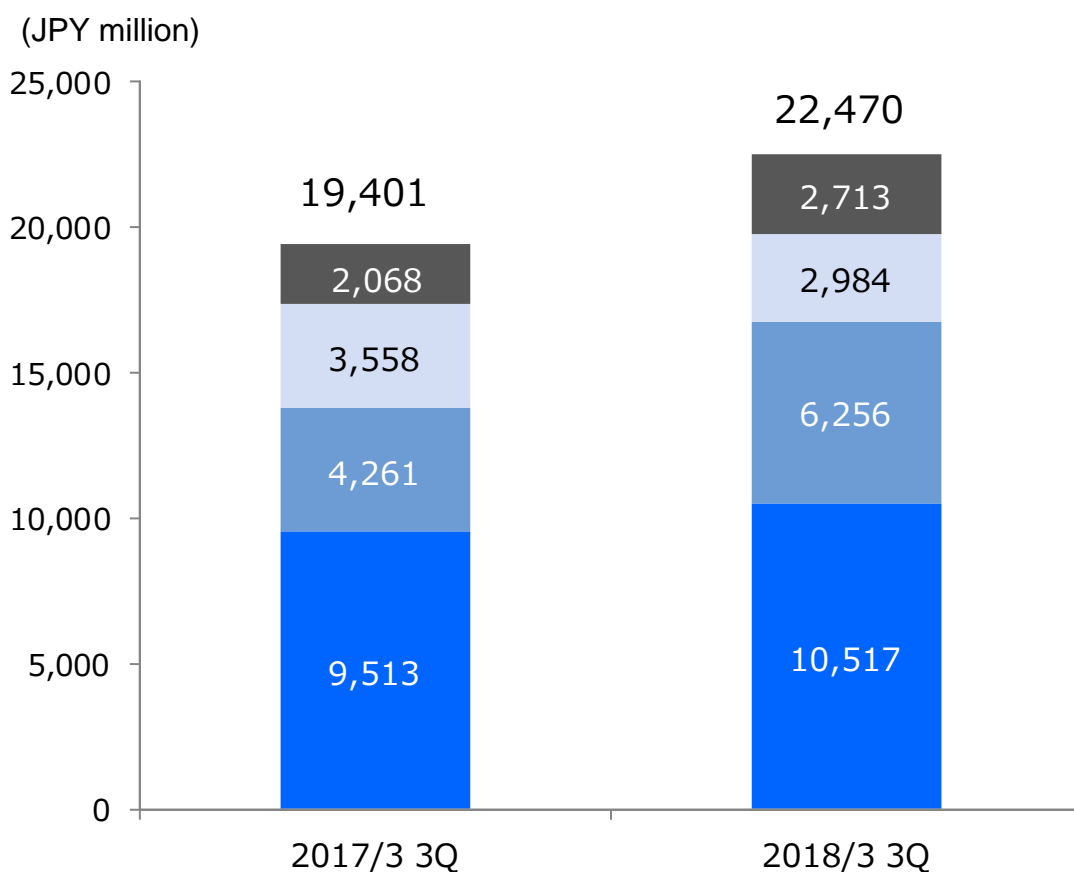
YoY Comparison (9 months) Segment Performance

(JPY million)

	Japan			US			Asia Pacific		
	2017/3 3Q	2018/3 3Q	Rate of change	2017/3 3Q	2018/3 3Q	Rate of change	2017/3 3Q	2018/3 3Q	Rate of change
Total operating revenue after deducting financial expenses and cost of sales	19,401	22,470	15.8%	11,502	12,626	9.8%	509	688	35.2%
SG&A	18,444	17,066	-7.5%	11,829	12,409	4.9%	533	701	31.5%
The amount equivalent to operating income	957	5,404	464.6%	-327	218	-	-25	-14	-
Other income / expenses (net)	556	100	-82.0%	-199	-10	-	-34	-257	-
Quarterly profit before income taxes	1,513	5,504	263.8%	-526	208	-	-59	-271	-
Quarterly profit attributable to owners of the Company	922	3,757	307.3%	-359	1,194	-	-57	-286	-
Note	See P14 “total operating revenue after deducting financial expenses and cost of sales” for more details See P15 “SG&A” for more details			See P16 “total operating revenue after deducting financial expenses and cost of sales” for more details See P17 “SG&A” for more details USD/JPY decreased by 4%			HKD/JPY decreased by 3%		

Japan: Revenue increased due to larger net financial income, increase in brokerage commissions and the license fee of our backbone system

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2016 - Dec. 2016)



Total operating revenue after deducting
financial expenses and cost of sales

15.8% (+3,069)

*figures in parenthesis is the variance
from 3Q FYE Mar. 2017 (JPY million)

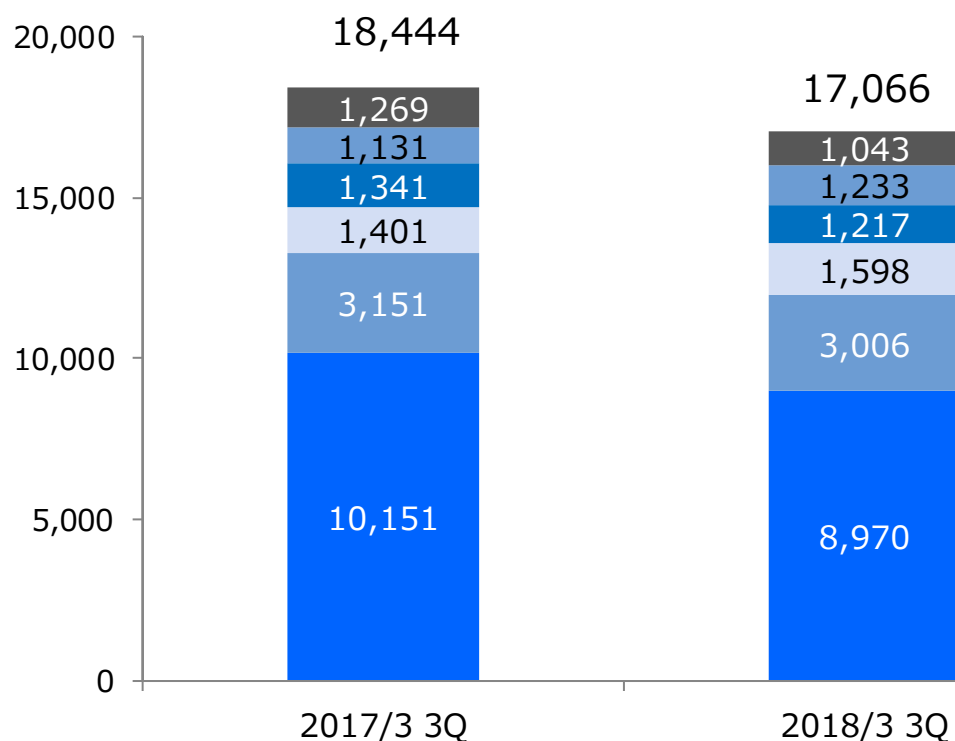
- Others (+645) *1
- FX & fixed income (-575)
- Net financial income (+1,995) *2
- Brokerage commissions (+1,003)

*1 GALAXY license offering +610
 *2 Stock lending net income +1,102
 Lending volume and profitability increased because
 of improved control over managing transactions
 Gain on sale of shares in Monex Ventures +659

Japan : System related costs decreased due to a migration to new backbone system

■ SG&A (compared to Apr. 2016 – Dec. 2016)

(JPY million)



SG&A Total -7.5% (-1,378)

*figures in parenthesis is the variance from 3Q FYE Mar. 2017 (JPY million)

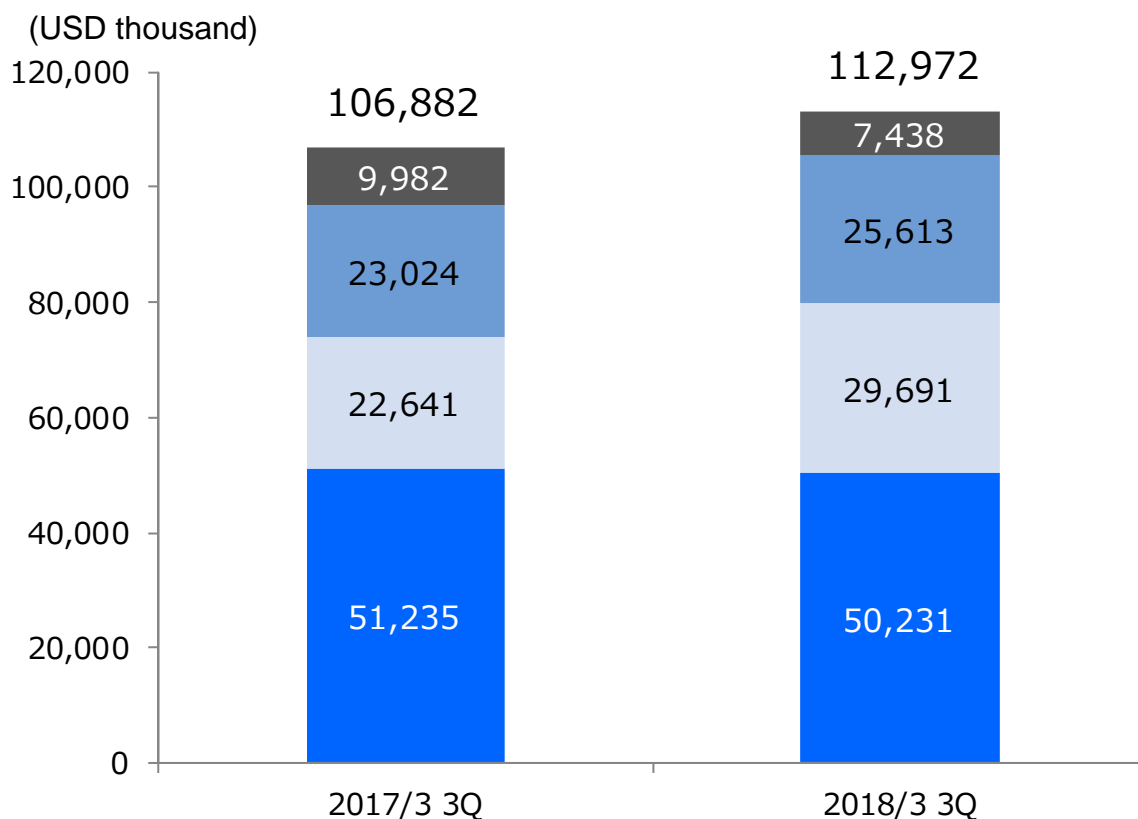
- Others (-227)
- Advertising expenses (+102)
- Communication, freight and information expenses (-124)
- Commissions paid, exchange and association dues (+197)
- Compensation and benefits (-145) *1
- System related expenses (-1,181) *2

*1 Average # of employees: 360 for Mar - Dec. 2016
321 for Mar - Dec. 2017

*2 Rental and maintenance: +207
Data processing and office supplies: -2,384
Amortization and depreciation: +996

US: Increase in net financial income due to higher yields from rate increases on growing client cash balances. Brokerage revenues overall and options trading volume were higher, while Brokerage Commissions were down slightly

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2016 - Dec. 2016)



Total operating revenue after deducting financial expenses and cost of sales 5.7% (+6,090)

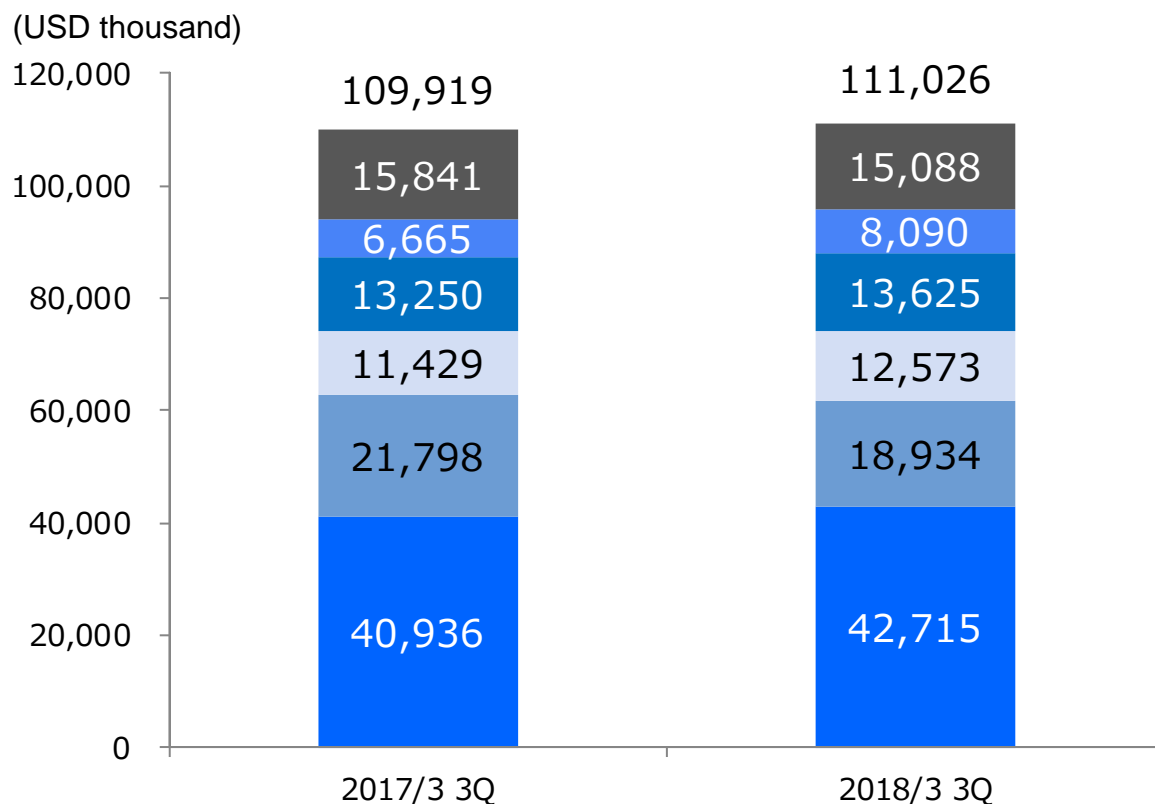
*figures in parenthesis is the variance from 3Q FYE Mar. 2017
(USD thousand)

- Others (-2,544)
- Brokerage Fees *1 (+2,589)
- Net financial income (+7,050)
- Brokerage commissions (-1,004)

*1 Payment for Order Flow (the compensation and benefit that a brokerage receives by connecting orders to different parties to be executed) increased +2,683

US: SG&A decreased by 2% excluding one-time expense of USD 2.9M in 1Q

■ SG&A (compared to Apr. 2016 – Dec. 2016)



SG&A Total 1.0% (+1,106)

*figures in parenthesis is the variance from 3Q FYE Mar. 2017
(USD thousand)

- Others (-753)
- Advertising expenses (+1,425)
- Amortization and depreciation (+375)
- Communication, freight and information expenses (+1,145) *1
- Commissions paid and association dues (-2,865) *2
- Compensation and benefits (+1,779) *3

*1 Reserved USD 2,900K as allowance for additional possible expenses (one-time cost in 1Q)

*2 Reclassification USD -2,029K

*3 Reclassification USD +2,029K

QoQ Comparison (3 months) Consolidated Performance

(JPY million)

	2Q FYE Mar. 2018 (Jul.- Sep. 2017)	3Q FYE Mar. 2018 (Oct.- Dec. 2017)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	11,620	12,590	971	8.4%	P20: Analysis of Japan segment P22: Analysis of US segment (USD)
SG&A	9,540	10,083	543	5.7%	P21: Analysis of Japan segment P23: Analysis of US segment (USD)
The amount equivalent to operating income	2,080	2,507	427	20.5%	
Other income / expenses (net)	134	-79	-213	-	Breakdown in DATA BOOK P20: Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	2,214	2,428	215	9.7%	
Quarterly profit attributable to owners of the Company	1,573	2,646	1,073	68.2%	

QoQ Comparison (3 months) Segment Performance

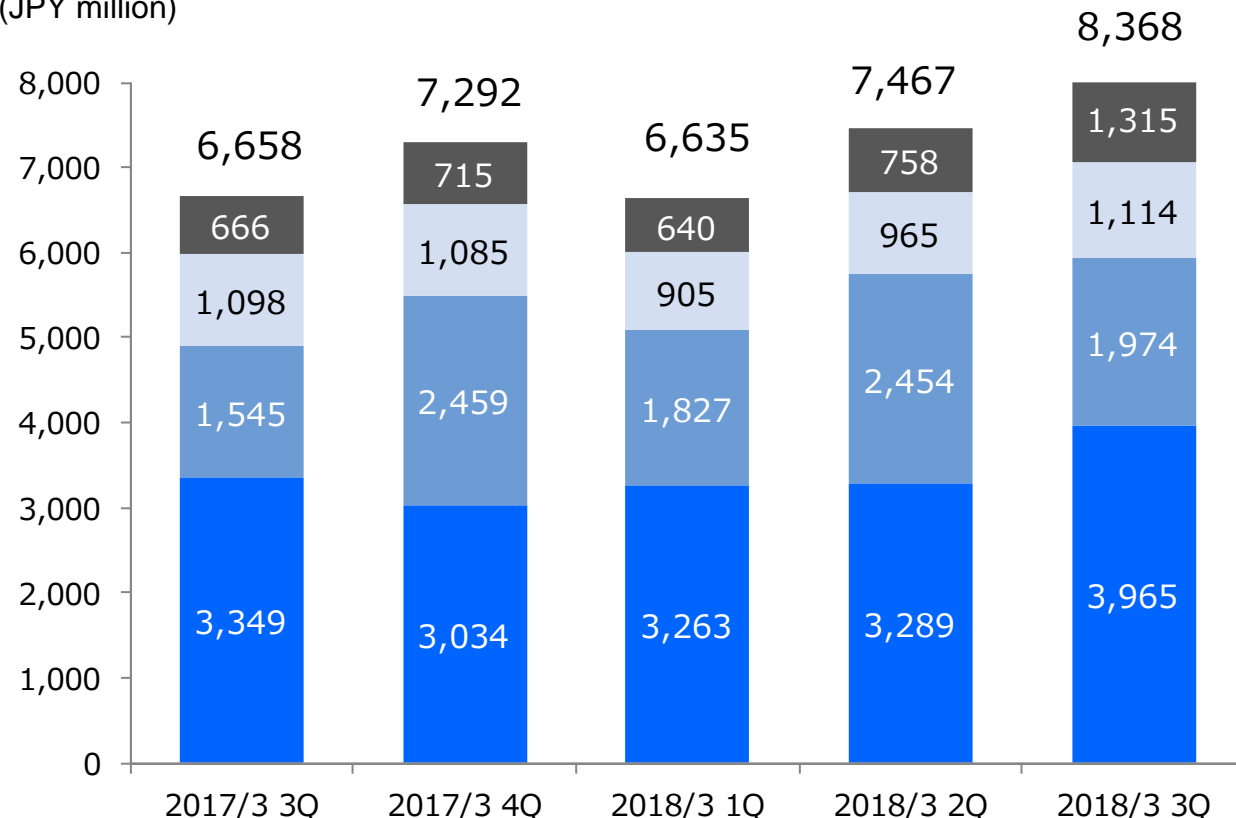
(JPY million)

	Japan			US			Asia Pacific		
	2018/3 2Q	2018/3 3Q	Rate of change	2018/3 2Q	2018/3 3Q	Rate of change	2018/3 2Q	2018/3 3Q	Rate of change
Total operating revenue after deducting financial expenses and cost of sales	7,467	8,368	12.1%	4,167	4,236	1.7%	226	222	-1.7%
SG&A	5,560	5,897	6.1%	3,984	4,202	5.5%	235	217	-7.7%
The amount equivalent to operating income	1,907	2,471	29.5%	183	34	-81.5%	-10	5	-
Other income / expenses (net)	120	-88	-	-4	-5	-	18	15	-17.5%
Quarterly profit before income taxes	2,027	2,382	17.5%	178	29	-84.0%	9	20	124.2%
Quarterly profit attributable to owners of the Company	1,359	1,654	21.7%	211	982	365.5%	4	14	259.0%
Note	See P20 “total operating revenue after deducting financial expenses and cost of sales” for more details See P21 “SG&A” for more details			See P22 “total operating revenue after deducting financial expenses and cost of sales” for more details See P23 “SG&A” for more details					

Japan : Revenue increased due to the license fee of our backbone system and increase in brokerage commissions

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

(JPY million)



Quarterly total operating revenue after deducting financial expenses and cost of sales 12.1% (+901)

*figures in parenthesis is the variance from previous quarter (JPY million)

- Others (+556) *1
- FX & fixed income (+150)
- Net financial income (-480) *2
- Brokerage commissions (+ 675)

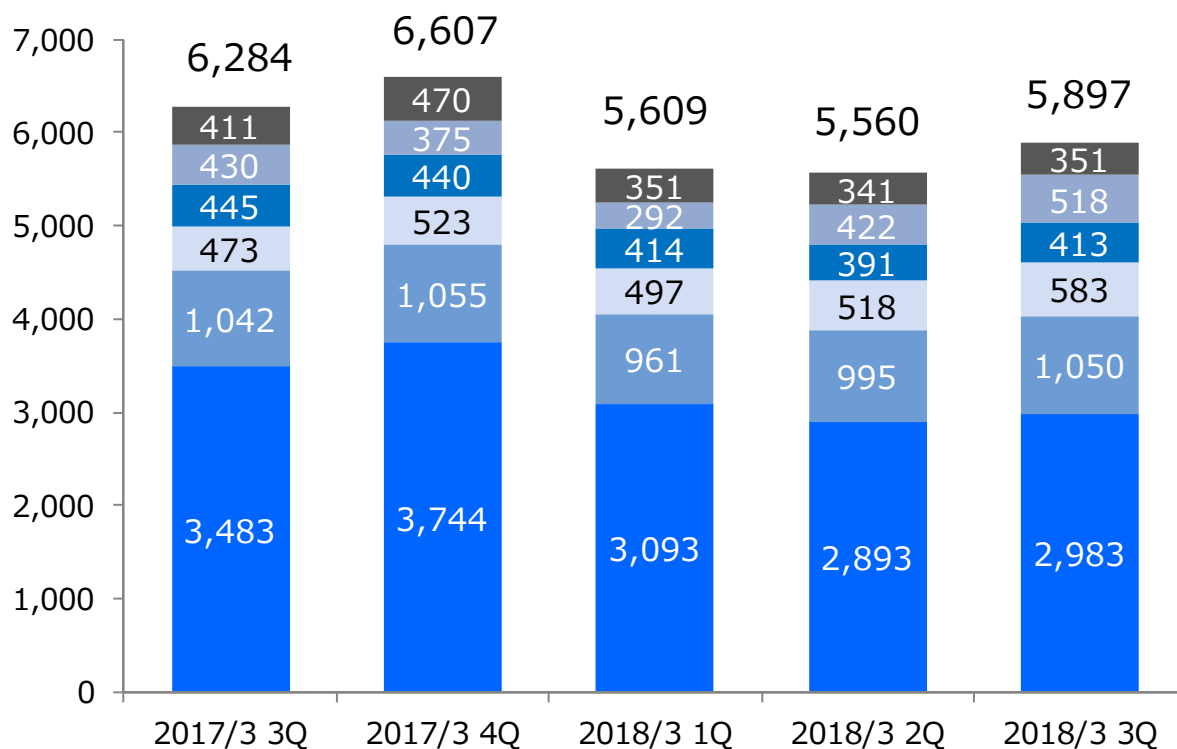
*1 GALAXY license offering +610

*2 Sales Gain in 2Q on sale of investment securities by Monex Ventures -659

Japan : Advertising expenses increased to aim for expanding customer base and SG&A increased by larger equity trading volume

■ Quarterly SG&A

(JPY million)



Quarterly SG&A 6.1% (+338)

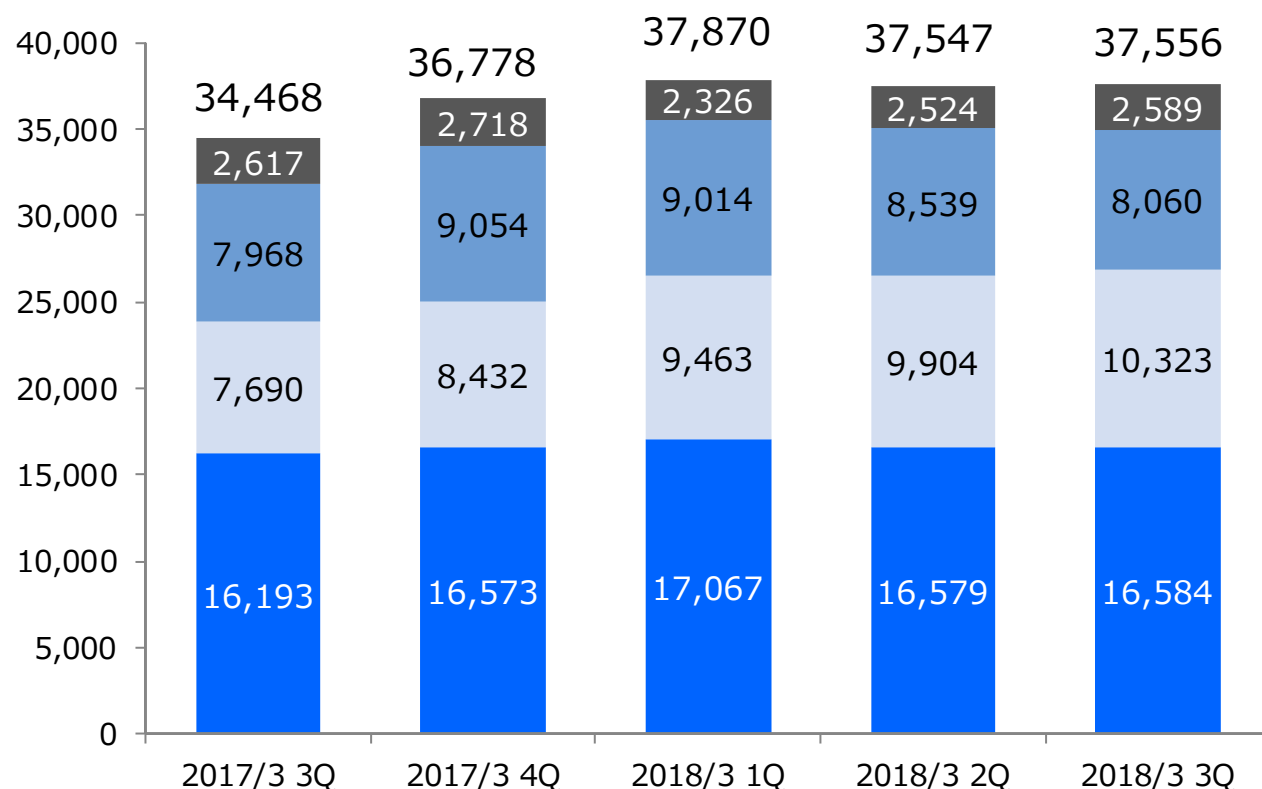
*figures in parenthesis is the variance from previous quarter (JPY million)

- Others (+10)
- Advertising expenses (+97)
- Communication, freight and information expenses (+22)
- Commissions paid, exchange and association dues (+65)
- Compensation and benefits (+55)
- System related expenses (+89)

US : Brokerage Commissions remained flat vs previous quarter despite further declining market volatility

■ 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 0.0% (+9)

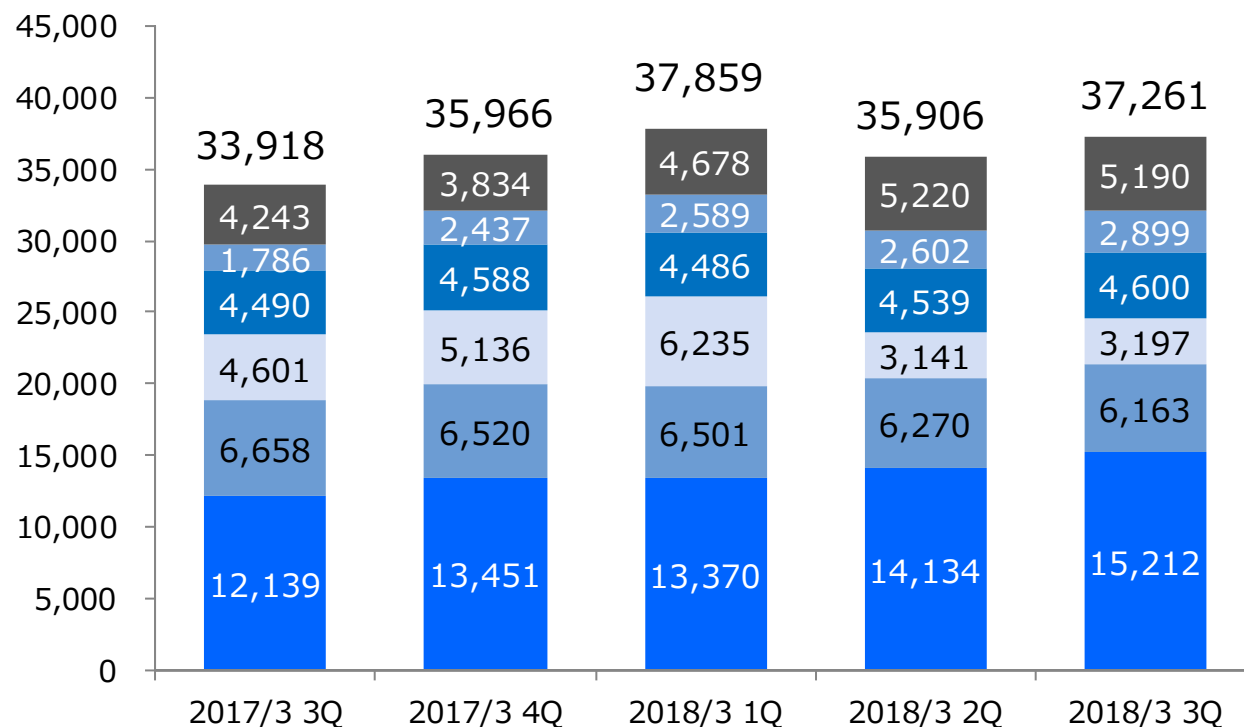
*figures in parenthesis is the variance from previous quarter (USD thousands)

- Others (+65)
- Other commission (-479)
- Net financial income (+419)
- Brokerage commissions (+4)

US : Compensation and benefits temporarily increased due to the revaluation of allowance of Paid-Time-Off. Increased advertising expenses to broaden the customer base

■ Quarterly SG&A

(USD thousand)



Quarterly SG&A 3.8% (+1,355)

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

- Others (-30)
- Advertising expenses (+297)
- Amortization and depreciation (+61)
- Communication, freight and information expenses (+56)
- Commissions paid and association dues (-107)
- Compensation and benefits (+1,078) *

* Revaluation of allowance of PTO +656

Increase in expense by lower ratio of capitalized compensation and benefit +646

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

◆ Summary of consolidated statement of financial position as of December 31, 2017

<u>Assets</u> JPY 1,009.9B	<u>Liabilities</u> JPY 925.8B
Major assets: Assets related to financial instruments trading business JPY 799.3B	Major liabilities: Liabilities related to financial instruments trading business JPY 916.9B
Others JPY 55.7B	Others JPY 8.9B
Cash and cash equivalents JPY 98.1B	
Non-current assets (*1) JPY 56.9B	Net capital JPY 84.1B

(*1) Non-current assets

Property and equipment	JPY	2.2B
Intangible assets (Goodwill)	JPY	17.1B (*2)
Intangible assets (Identifiable intangible assets)	JPY	12.0B (*3)
Intangible assets (Software and others)	JPY	22.8B
Equity method investments	JPY	0.6B
Available-for-sale investments in securities (Lv.3)	JPY	2.0B

(*2) Goodwill: JPY 17.1B

Japan JPY 7.6B, US JPY 9.1B, China JPY 0.4B

(*3) Identifiable intangible assets: JPY 12.0B

US JPY 11.4B, China JPY 0.6B

◆ The JPY 27.3B difference between Net capital (JPY 84.1B) and Non-current assets (JPY 56.9B) is the source of funds for the following:

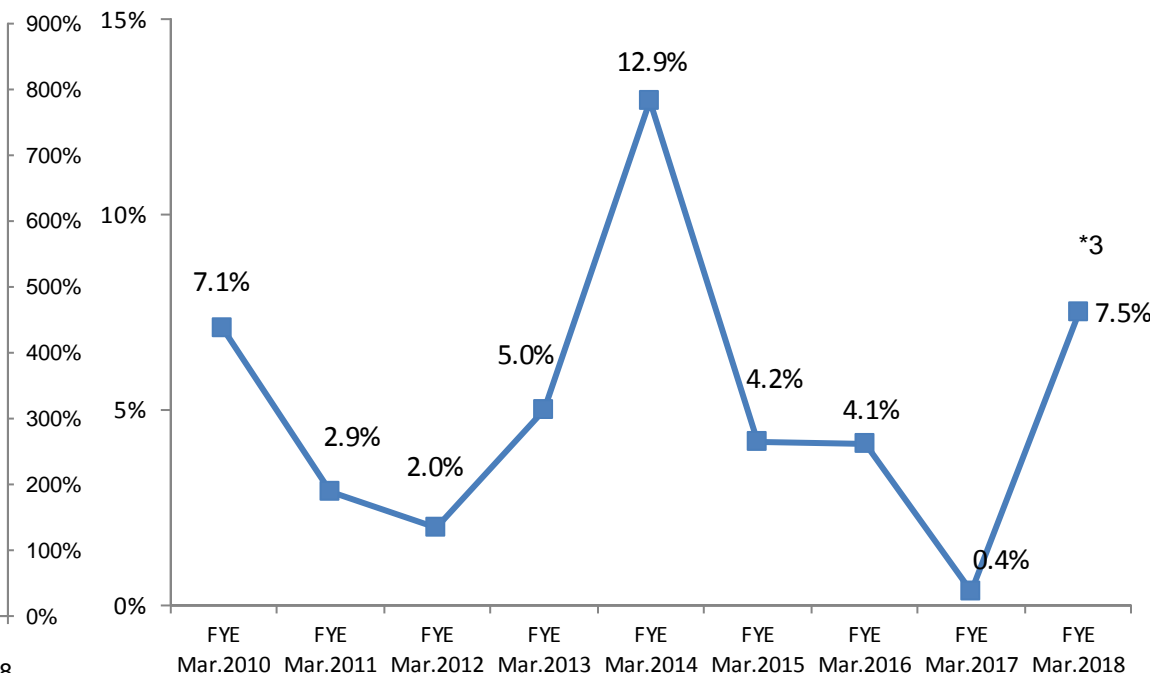
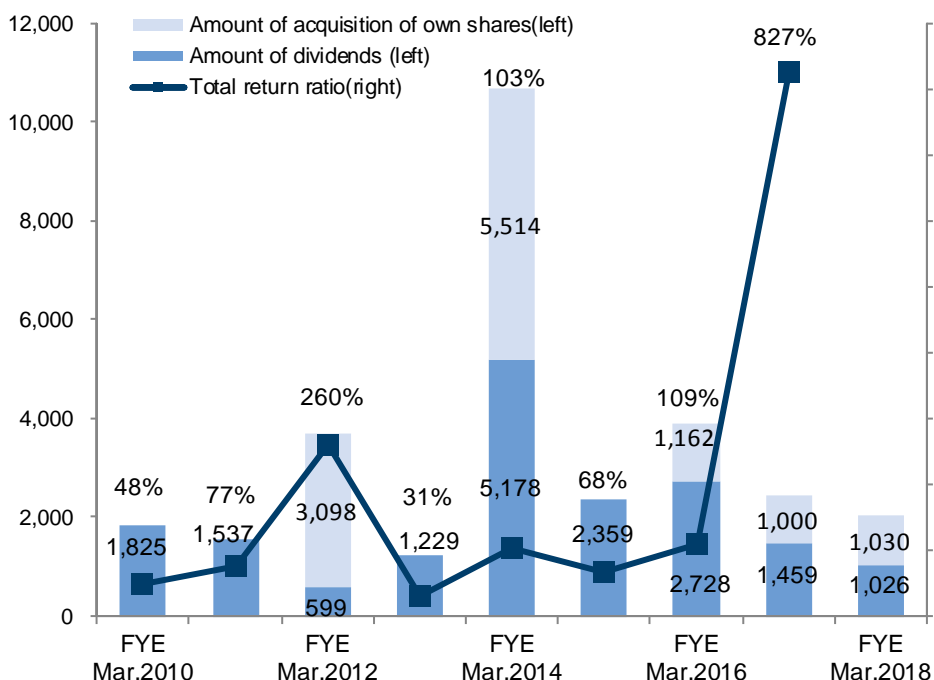
1. To comply with capital adequacy ratio regulations for securities subsidiaries in Japan and overseas
2. Internal reserve for investments in future businesses
3. Shareholders distribution (dividends + share buyback)

Revised total distribution ratio ^(*1) from 75% on a multi-year basis to 100 % on a single-year basis

◆Dividend per share(*2) and total distribution ratio

◆Return on Equity ratio

(million yen)



(*1) Total return ratio = (dividend paid*4 + amount of share buyback*5) / profit attributable to owners of the Company

(*2) Total return amount = dividend paid + amount of share buyback

(*3) Annualized by multiplying 4/3 to the 3Q figure

(*4) Refer to P47 "Dividend history" for more information of dividend per share

(*5) Amount of share buyback : JPY 3.1B in Jun. 2011, 5.5B in May 2013, 1.2B in Jul.-Aug.2015, 1.0B in May-Jun. 2016, 1.0B in May 2017

- I. Highlights
- II. Consolidated Performance
- III. Business Update**
- IV. Mid- & Long-Term Initiatives

- Appendix. Group Overview

New services utilizing AI and our unique technology

AI technology

Trade Carte FX (Launched Jan 2018)

- AI provides a diagnosis and prescription based on the user's trading activity to support enhance their trading techniques
- Developed in a collaboration with HEROZ, Inc. who possesses a core machine learning technology such as a famous AI that has defeated professional *Shogi* (Japanese chess) player

MONEX AI Report (Launched Apr 2017)

- Provides easily understandable analytical report with a visualization of global market outlook by utilizing AI

Account registration change with AI technology (Launched Nov 2017)

- Seamless account registration change with advanced image recognition technology by AI generated OCR (optical character recognition) such as verification of identification documents

Stock Analytic Tool of New Age

Monex Stock Scouter (Launched Oct 2017)

- Various functions directly helping the investment judgement; "Corporate performance for 10 years" and "Graphic PER and PBR for 5 years". Good reputation from retail investors and achieved about 2 million access per month

Developed customer base with our advanced technology

For all traders

In-house Backbone System “GALAXY”

- In-house system with high flexibility in development that enables quick response to customer needs
- Operating income of JPY 610M by licensing GALAXY to a general securities firm as B2B business

For active traders



Japanese equities trading platform tool “TradeStation”

- High performance tool designed for active traders. Flat-rate plans at the lowest price level in the industry
- The trading volume share of “TradeStation” in Monex, Inc. steadily growing and reached to about 4%

For US equity traders



TradeStation mobile application for US Equities

- First mobile app for US equities among major online securities with ample ordering functions and charts of nearly past 50 years
- More than 15,000 downloads. 20% of active accounts trade through this app

Monex for Wealth Creation Services with various product lineup

Wealth Creation Service

Monex-Saison-Vanguard Investment Partners

- Investment balance is about ¥28B(*) including a wrap service (MSV LIFE) for individuals and investment entrusted by institutional investors
- Concluded a license agreement with Shizuoka Bank on Nov 2017 to start over-the-counter service of MSV LIFE

* As of January 16, 2018

Monex Adviser

- Investment balance is about JPY 660 M (as of January 29, 2018)
- Robot adviser service where customers can determine their own investment policy and easily manage their assets with a support of professional advice

iDeCo

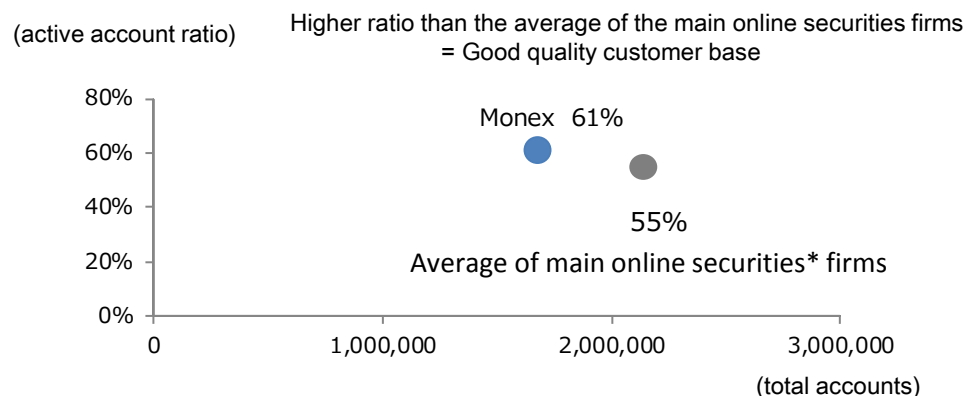
- Launched in Sep 2017. The number of applicants is about 3,900 (as of December 31, 2017)
- Take advantage of the position as a follower. Taking our pride in the commissions fee, product lineup, and a generous support with the industry's highest quality

Funded NISA

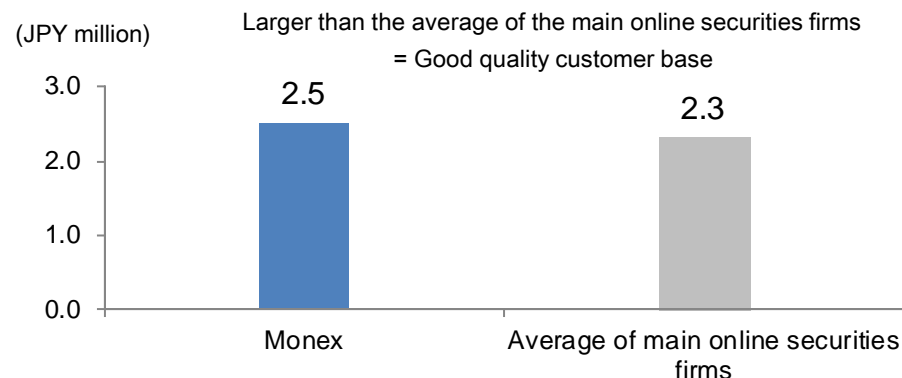
- Launched in Jan 2018. The number of pre-registers is more than 3,000 (as of December 31, 2017)
- Professionally chosen investment trusts are available for long-term periodic investments from a small amount

Aiming to double equities commissions through acquisitions of active traders as well as investors, Monex's main customer base

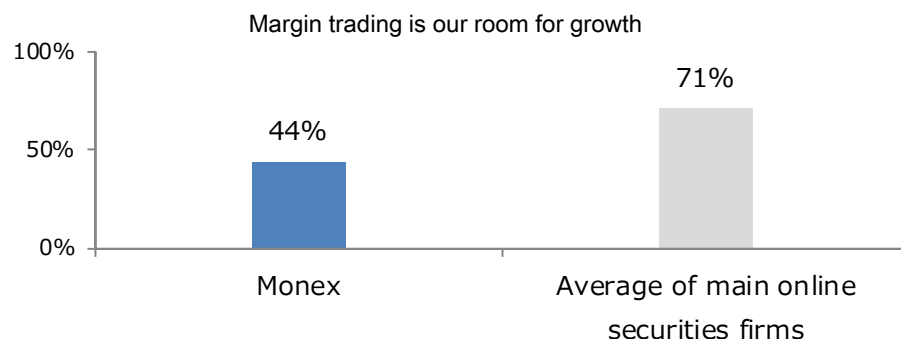
◆Active account ratio (as of September 30, 2017)



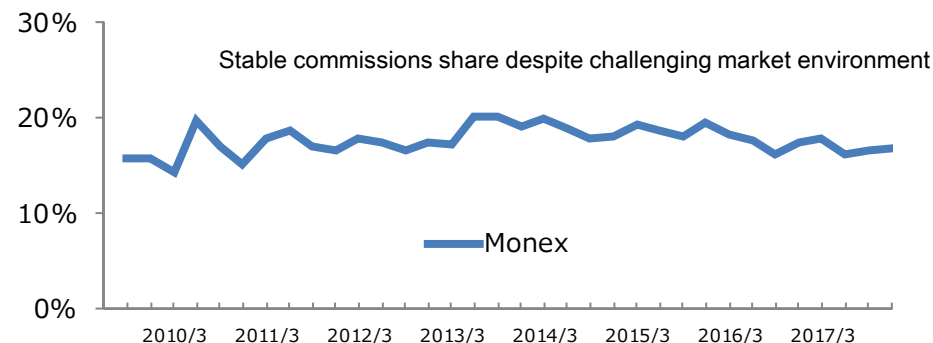
◆Customer assets per account (as of September 30, 2017)



◆Margin trading ratio (2Q FYE Mar. 2018)



◆Stock brokerage commission share (1Q FYE Mar. 2010 - 2Q FYE Mar. 2018)



(*) SBI SECURITIES CO., Ltd., kabu.com Securities CO., Ltd., Matsui Securities Co.Ltd., Rakuten Securities, Inc.

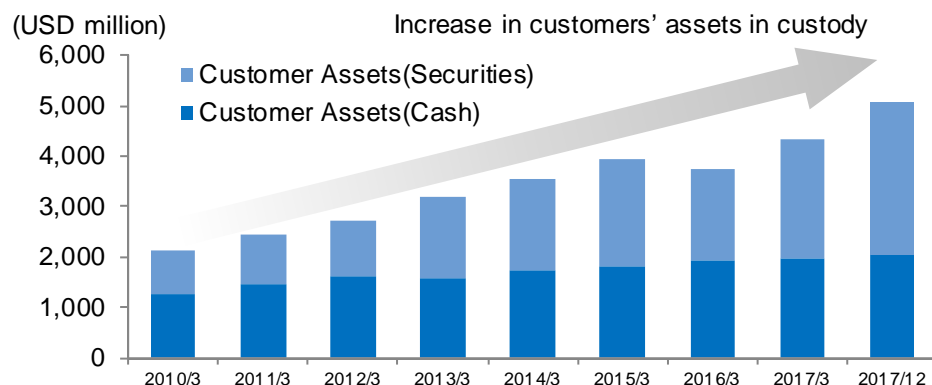
(Source) Kinzai Institute for Financial Affairs, Inc.

Increase in new account openings and assets in custody. Consistently achieving profitability

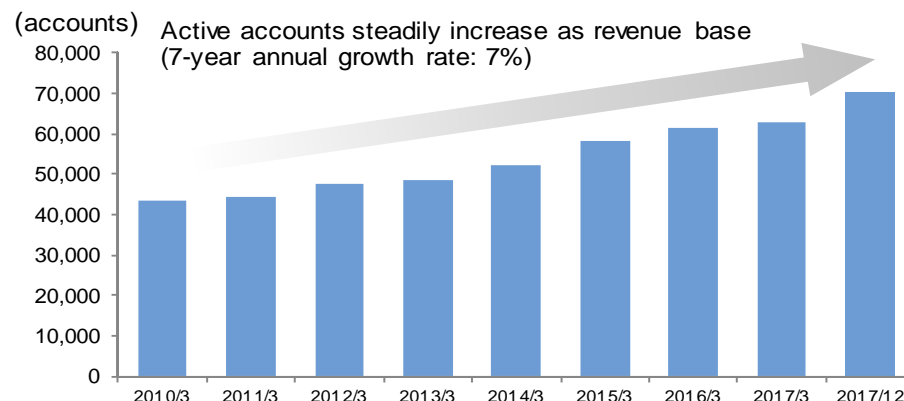
■ Expanded customer base

- Record number of accounts and client assets at the end of 3Q. Client assets exceeded USD 5 billion dollars
- Launched Bitcoin futures. Achieved approximately 12% of the CFE's total volume of Bitcoin futures in the first trading session
- Chosen as one of America's Top 5 Online Brokers by Investor's Business Daily
- Offered a new interest sharing program to expand the customer base
- Launched TradeStation Global in January 2018 to allow customers to use the TradeStation trading and analysis platform in combination with a single universal account at Interactive Brokers (U.K.) Limited to execute trades in multiple assets classes across the global markets

◆ Customers' assets in custody



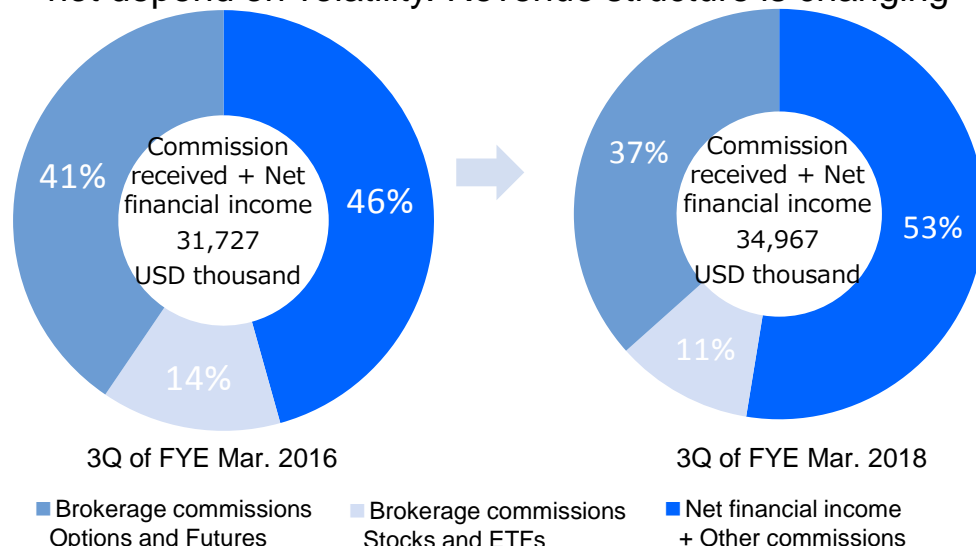
◆ Number of active accounts (excl. FX accounts)



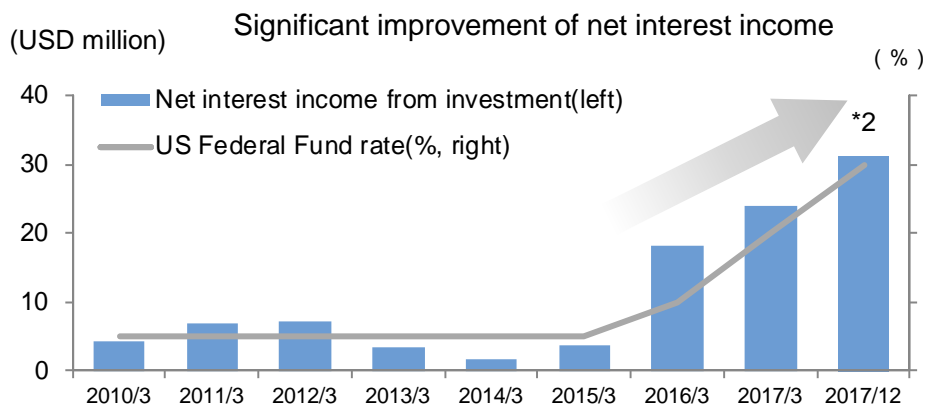
■ Secured a profitable structure despite low volatility, supported by interest income

- Higher interest rates along with growth in client cash balances from a broadening of the customer base drove an increase in net income
- Stabilized profitability despite a difficult market environment of ongoing low volatility
- Continued to hold down the discretionary costs

◆ Increased the percentage of the revenue which does not depend on volatility. Revenue structure is changing



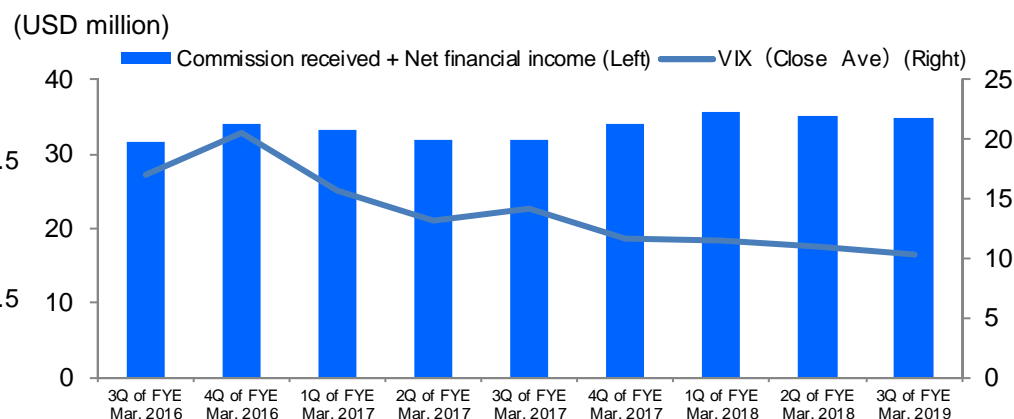
◆ Net interest income *1 and US Federal Fund rate



*1 Excluding income from margin trading and stock lending

*2 Annualized by multiplying 4/3 to the 3Q figure

◆ VIX and commission received + net financial income



Keep seeking for business opportunities in Asia Pacific area

■ Launched online securities business operation in Australia

- Monex Securities Australia Pty Ltd launched online securities business, enabling an access to 12 countries and regions including Shanghai A shares and Shenzhen A share through the stock connect of Hong Kong Stock Exchange in January 2018
- The company makes use of the system of the HK-based brokerage subsidiary in order to lighten the infrastructure and offer cost-competitive services
- Establish a business model in Australia, leading to business expansion in other regions

■ Quarterly financial results of Monex Boom Securities (HK)

- Provide same access to 12 countries and regions as Monex Securities Australia Pty Ltd
- Amount equivalent to operating income increases 58% from 2Q due to the lower expenses
- Promotion to expand customer base commemorating company's 20th anniversary
- Plan to start futures trading service in early February

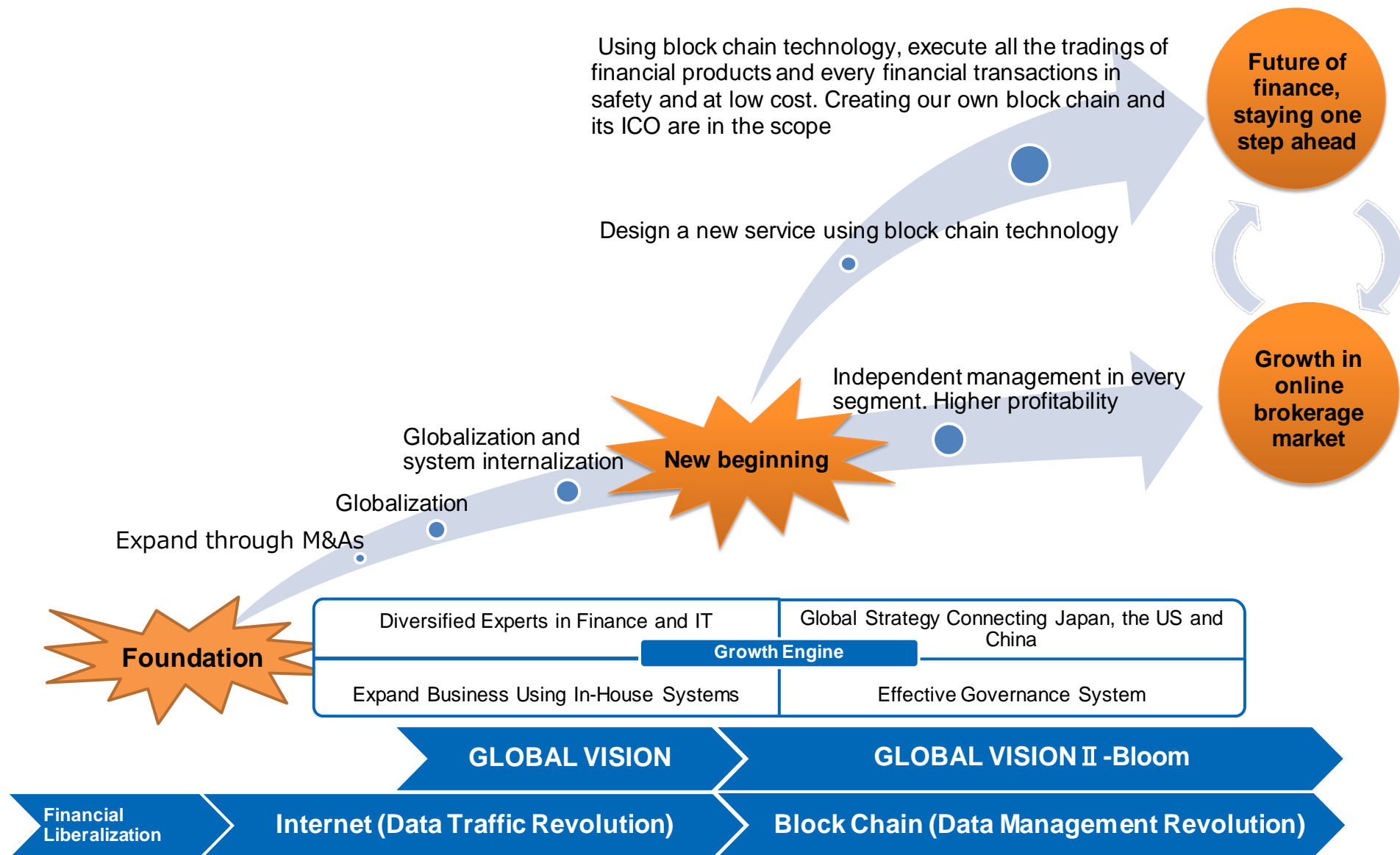
■ Providing technology and knowledge of online brokerage business through a joint venture in PRC

- The joint venture achieved record quarterly profit in 3Q

- I. Highlights
- II. Consolidated Performance
- III. Business Update
- IV. Mid- & Long-Term Initiatives**

Appendix. Group Overview

Redefine finance for a new era. Support everyone's investment and economic needs



Aim to improve margin to achieve business growth and a consolidated operating profit margin of 30%



Listed Holding Company

Monex Group will enhance its ability to oversee each region and segment to ensure the implementation of optimal business strategies, the effective allocation of management resources and the promotion of mutually beneficial cooperation and collaboration across segments so that synergies can be created and maximized across the entire Group.



US Segment

US segment will broaden its customer base



Japan Segment

Japan segment will reduce costs and increase revenues with our world-class financial expertise and the in-house backbone system, which enables to develop systems flexibly, quickly and inexpensively

Also Japan segment will use block chain technology for the aim of execute all the trading of financial products and every financial transactions in safety and at low cost. Creating our own block chain and its ICO are in the scope



Asia- Pacific Segment

Asia Pacific segment aims to expand the business size

Strengthen the management structure that all the group companies establish an independent management system with a sufficient profitability and contribute to the profit and the corporate value of the Monex Group

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

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

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

Directors with various backgrounds

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

Fair disclosure and dialogue for retail/institutional investors

- Timely and fair information disclosure both in Japanese and English
- Active dialogue with shareholders: CEO holds quarterly presentation sessions for retail shareholders
- Annual general meeting of shareholders is held on weekend so that retail shareholders can attend the meeting (Reference)

13th ordinary general meeting of shareholders (June 24, 2017)

Attendance of shareholders: 685

- I. Highlights
- II. Consolidated Performance
- III. Business Update
- IV. Mid- & Long-Term Initiatives

Appendix. Group Overview

Brand

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

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

Global Operations

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

- Offer global financial products online to retail investors
- Have 12 business bases mainly in North America and Asia. More than half of about 800 employees worldwide are based in the US

Technology

Create new customer experience and value based on technology

- TradeStation’s technology creates competitive products and services, which leads to B2B business and diversifies its revenue stream
- Realize products and services with financial engineering, along with early involvement in research and development of FinTech. Will use resources to take advantage of new technologies such as block chain

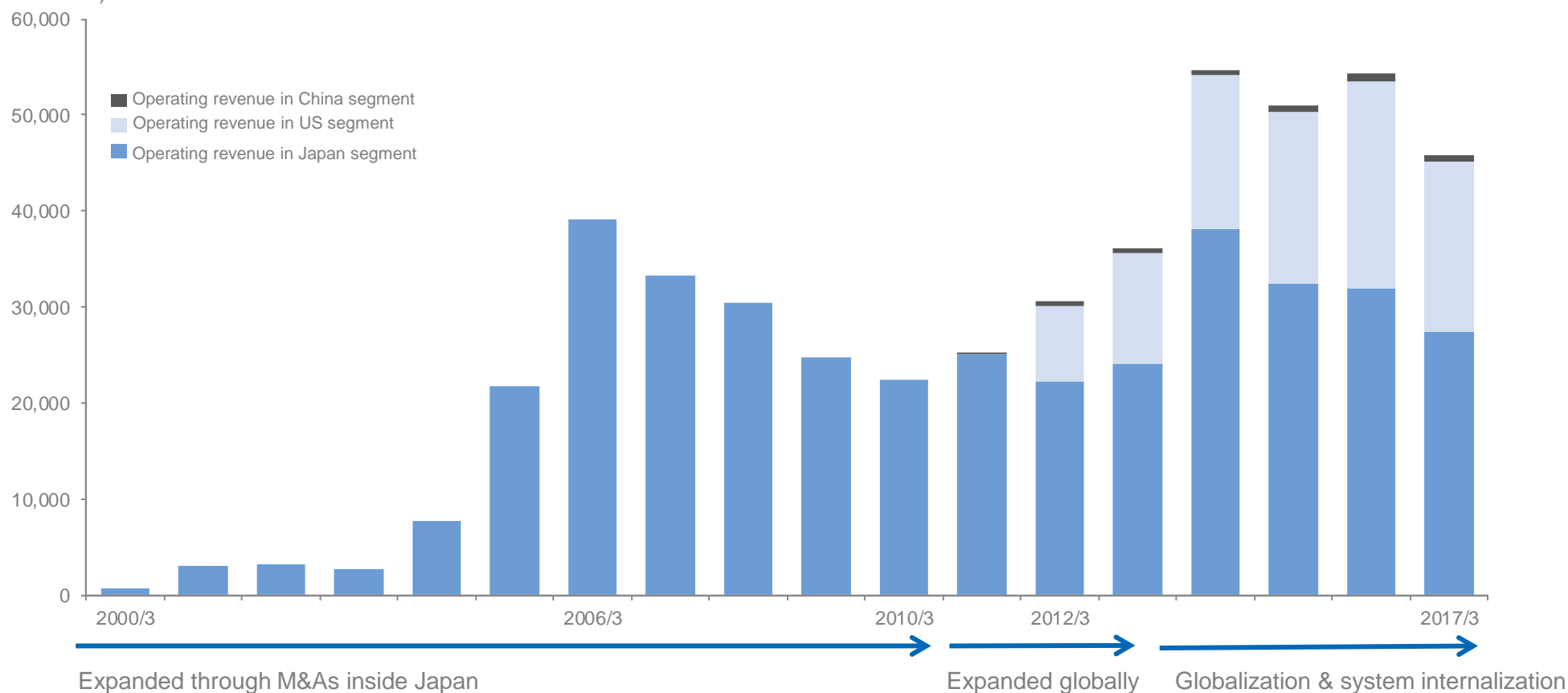


Group Overview – Continuous growth over 17 years

- ✓ Japan: 1.74M accounts, US: 89K accounts, HK: 10K accounts. Monex has a global customer base
- ✓ Aim for continuous growth in the online brokerage business for retail investors as our core business

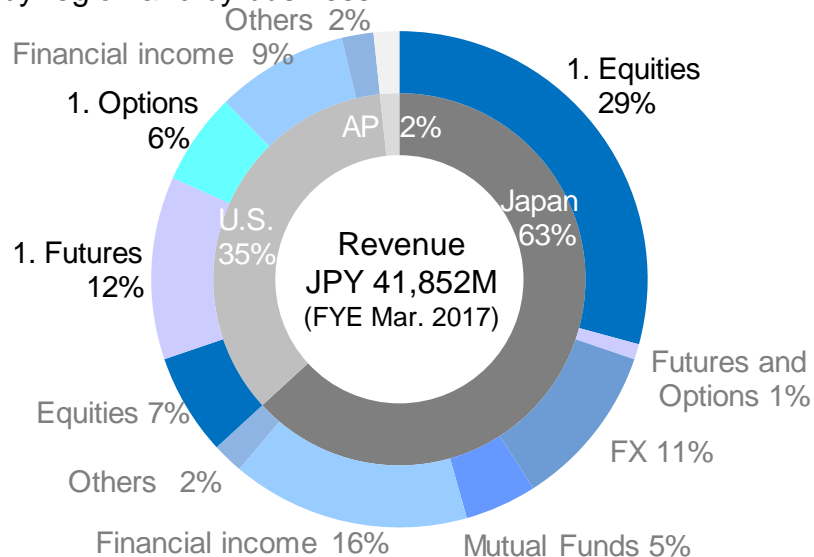
◆ Consolidated Operating Revenue

(JPY million)

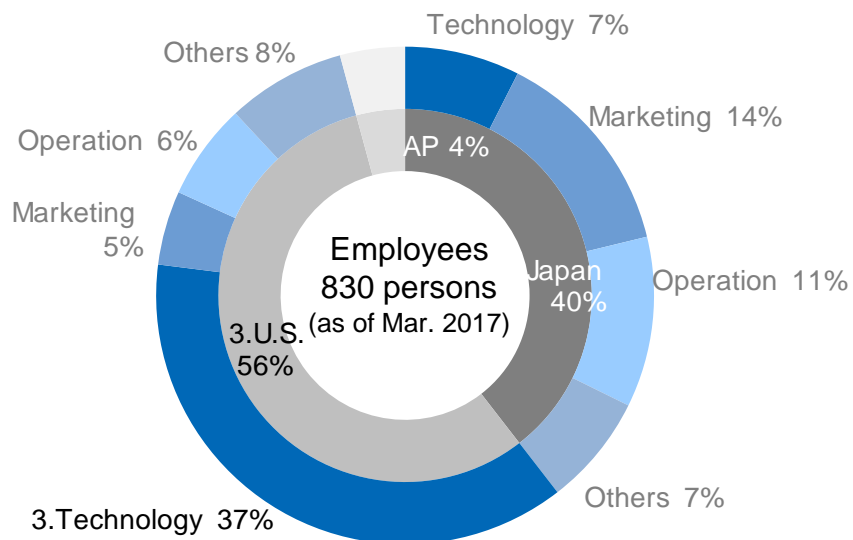


Group Overview — Revenues, Costs: 60% from Japan, 40% from US; Employees: 40% in Japan, 60% in US or China

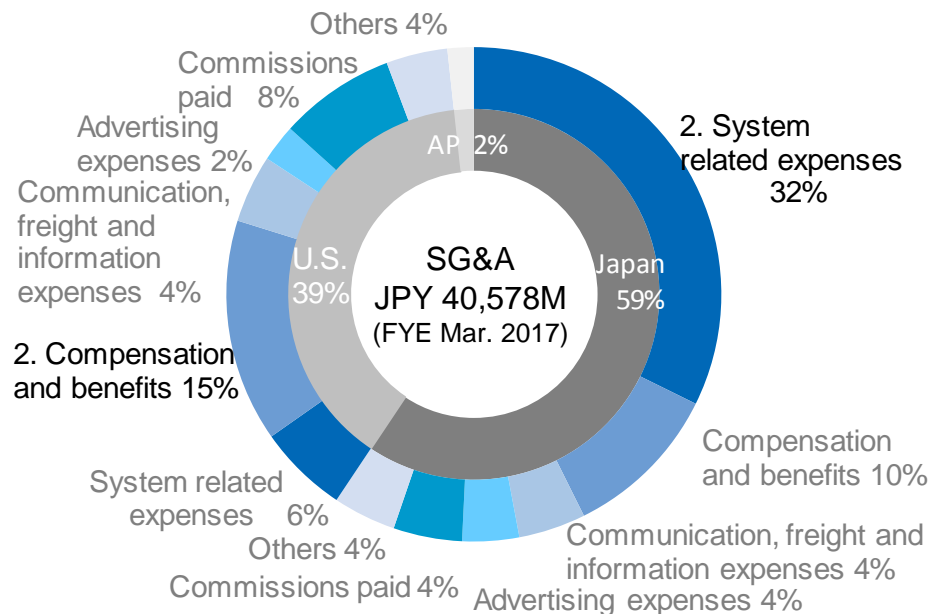
◆ Total operating revenue after deducting financial expenses by region and by business



◆ Employees by segment and by department

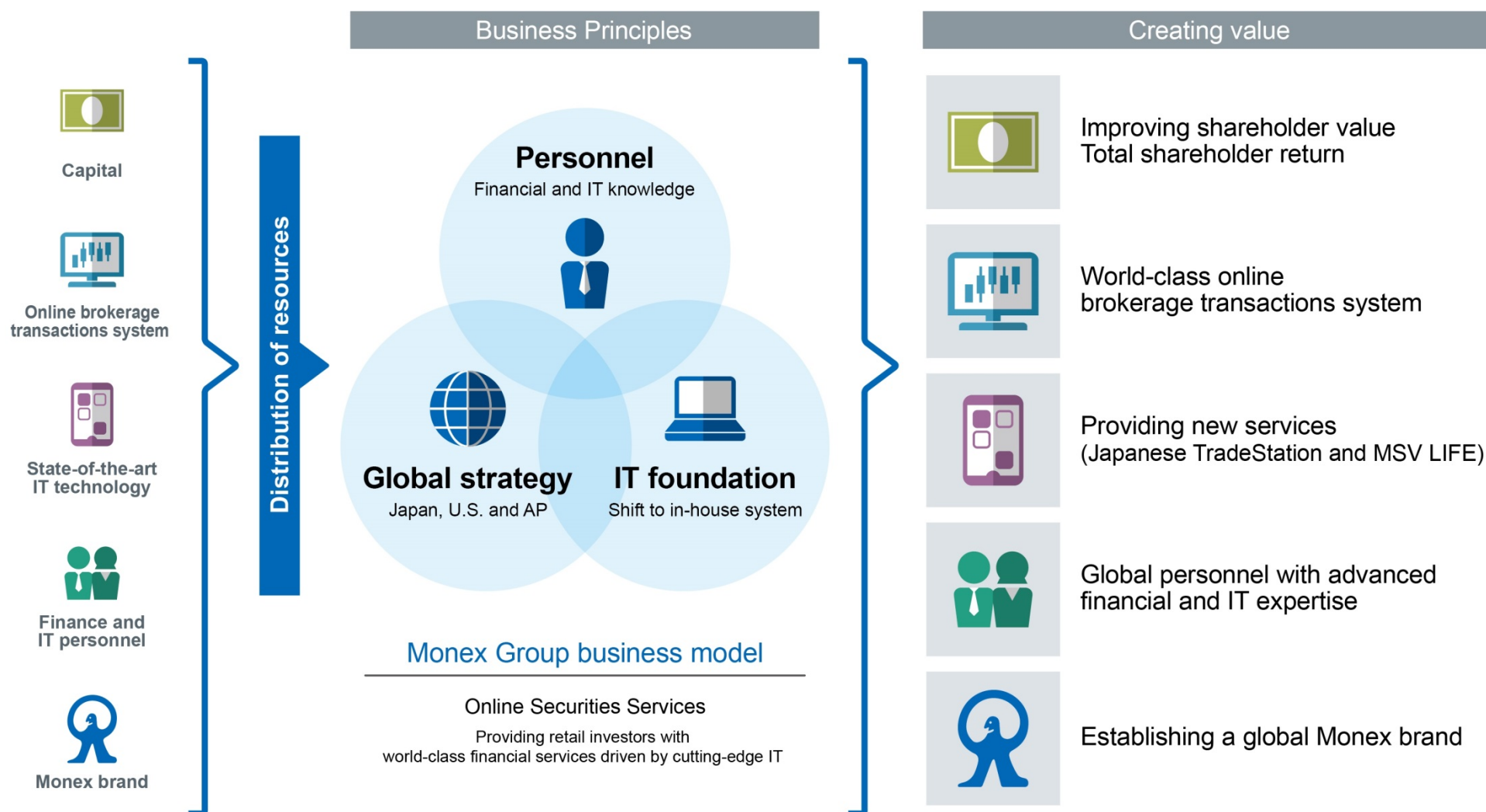


◆ SG&A by segment and by cost items



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

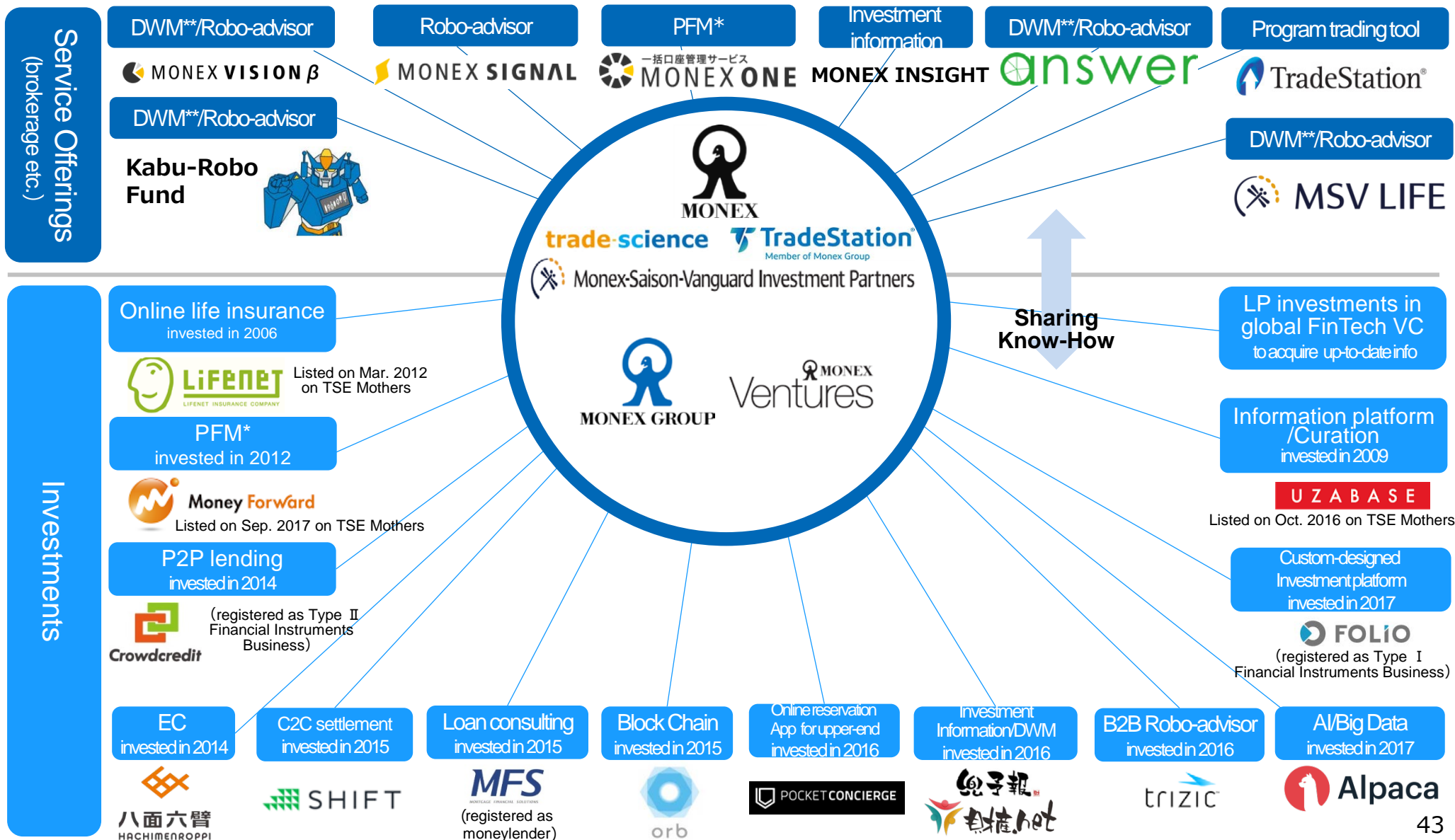
As experts in finance, our personnel strive to expand customer base using IT technology



Continuing to create value from the viewpoint of Finance × IT × Retail Service

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

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





MONEX GROUP

Monex Group, Inc.

(As of January 31, 2018)

Listed Holding Company

[Japan]

Online Securities Company



MONEX
Monex, Inc.

Comprehensive investment service provider

Program Trading

trade-science

Trade Science Corporation

Research and development of methods
of investment for marketable securities;

Corporate Venture Capital

MONEX
Ventures

Monex Ventures, Inc.

Financial × IT × global
Venture investment

Asset Management



Monex-Saison-Vanguard Investment Partners

Small-lot and low-cost discretionary investment management
wrap service

(Investment Ratio) Monex G: 51%

Finance Company

Monex Finance Corporation

Finance company for the group companies of Monex Group

[US/Europe]

TradeStation
Member of Monex Group

TradeStation Group, Inc.
Holding Company in the U.S.

Online Securities Company

TradeStation Securities, Inc.
Appreciated mainly by active traders (US)

Technology

TradeStation Technologies, Inc.
(US)

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

EU Base

TradeStation International Limited
introduce international customers

[Asia Pacific]

Monex International Limited
Holding Company in Hong Kong

Online Securities Company

BOOM
TRADE LOCALLY · INVEST GLOBALLY

Monex BOOM Group
Online securities group in Hong Kong

Beijing Representative Office
(Monex, Inc.)

Online Securities Company

MONEX
A world of difference

Monex Securities Australia Pty Ltd
(Australia)

Technology support

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

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

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

■ Monex, Inc. (Tokyo, Japan)

One of the major online brokerage firms in Japan

- President : Oki Matsumoto
- Founded in 1999
- Aims to provide retail investors the level of creative products & services offered to institutional investors
- First in the Japanese industry to offer unique services & products for retail investors (Examples): PTS/ECN, stock lending, lead manager in an IPO as an online broker, RMB bonds, No.1 U.S. equity service in Japan (the largest number of stock names available, the longest trading hours & the lowest commissions), offering the largest-class private equity fund in the world, First smartphone app for US equity as major online broker
- Products & services: Equities (Japan, U.S., Hong Kong), futures & options, FX, mutual funds, bonds, investment education, etc.
- # of total accounts: 1,742,307
- # of active accounts: 1,039,370
- ("Active accounts": accounts with balance or with at least one trade or transaction a year.)
- Customers' assets in custody: JPY 4.3275 trillion

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

Online securities group with award-winning trading technology development capabilities

- President: John Bartleman
- Founded in 1982, joined Monex Group in 2011
- An award-winning TradeStation platform recognized and highly regarded by active traders; a multi-asset platform with a robust algorithm trading language (EasyLanguage®) that enables sophisticated analysis capabilities and back-testing ability
- Licenses "TradeStation" platform as a technology provider to brokers in Japan, China and Korea
- Products & services: Equities (U.S.), options and futures
- # of active accounts: 70,216
- Customers' assets in custody: JPY 570,138 million

■ Monex Boom Securities Group (Hong Kong)

Offers access to over 12 markets

- COO: Ivan Law
- Founded in 1997, joined Monex Group in 2010
- First online stockbroker for retail investors in Asia Pacific
- Products & services: Equities (12 markets such as Hong Kong, US, Japan, etc.) Trades available in 6 currencies in a single trading account
- # of accounts with balance: 11,841
- Customers' assets in custody: JPY 171,343 million

■ Monex Securities Australia Pty Ltd (Australia)

- By utilizing the system and operating structure of Monex Boom Securities Group
- Managing Director: Alex Douglas
- Founded in 2010, joined Monex Group in 2011

The numbers above are as of Dec 31, 2017. Other information is as of Jan 31, 2018

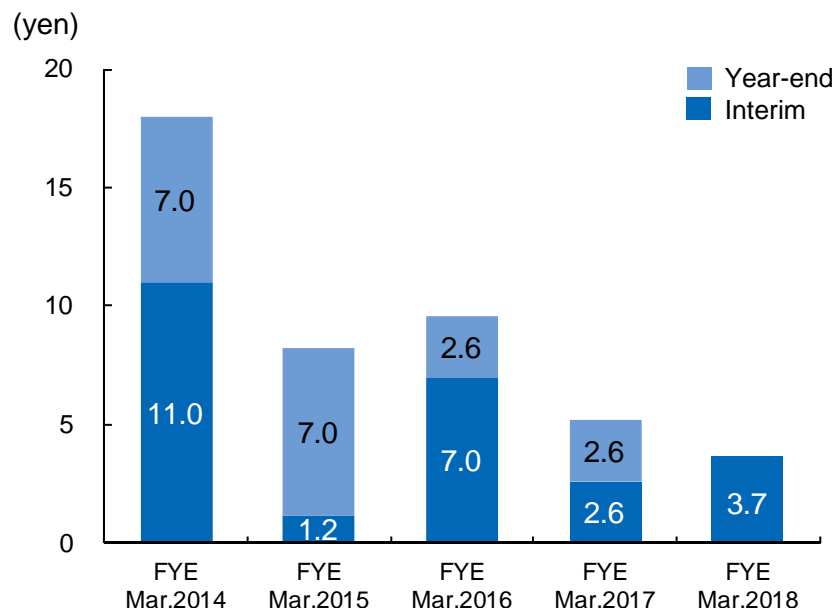
	Japan	U.S.	Asia Pacific
1982		- TradeStation Technologies, Inc. is formed as Omega Research, Inc.	
1997		- TradeStation stock lists on NASDAQ	- Boom Securities (H.K.) Limited is founded (now Monex Boom Securities (H.K.) Limited), becoming the first in Asia Pacific to launch Internet stock trading for retail investors
1999	- Monex, Inc. is co-founded by Oki Matsumoto and Sony Corporation - Begins offering online brokerage service upon complete liberalization of stock brokerage commissions in Japan		
2000	- Monex, Inc. stock is listed on the Tokyo Stock Exchange "Mothers" Market	- TradeStation acquires Online Trading.com, a direct-access securities brokerage firm	
2004	- Monex Beans Holdings, Inc. (now Monex Group, Inc.) is established through a business integration of Monex, Inc. and Nikko Beans, Inc. - Monex Group, Inc. stock is listed on the Tokyo Stock Exchange "Mothers" Market in exchange for the delisting of Monex, Inc. stock		
2005	- Monex, Inc. and Nikko Beans, Inc. merge to become Monex, Inc. (former name: Monex Beans, Inc.) - Monex Group, Inc. stock changes its listing from the "Mothers" Market to the First Section of the Tokyo Stock Exchange - Monex Business Incubation, Inc. (now Monex Group, Inc.) is established		
2006		- TradeStation Europe Limited receives approval from the FSA (UK) as an introducing broker	
2008	- Acquisition of 90% shares of Tokyo Forex (absorbed in absorption-type merger by Monex, Inc. in 2015)		- Monex Group, Inc. opens a Beijing Representative Office (closed in 2012 after opening Monex, Inc.'s Beijing Representative Office)
2010	- Monex Group, Inc. completes a share exchange to acquire Orix Securities Corporation - Monex, Inc. merges with Orix Securities Corporation		- Monex, Inc. opens a Beijing Representative Office - Boom group companies (now Monex Boom group companies) become wholly-owned subsidiaries of Monex Group, Inc.
2011		- TradeStation becomes a wholly-owned subsidiary of Monex Group, Inc. and its stock delisted from NASDAQ - TradeStation Group, Inc. acquires IBFX Holdings, LLC	
2012	- Monex Group, Inc. acquires Sony Bank Securities Inc.	- TradeStation Global Services, S.A. (Costa Rica) is established	
2013	- Monex, Inc. merges with Sony Bank Securities Inc. - Monex Group, Inc. becomes a Company with Committees - Monex Group, Inc. implements a stock split (1:100)		
2015	- Monex, Inc. merges with Monex FX, Inc. - Monex-Saison-Vanguard Investment Partners, Inc. is established		- Cherry Technology Co., Ltd, which provides technical support in PRC, is established
2017	- Monex Finance, Inc. is established - Monex Crypto Bank, Inc. is established		
2018	- Monex Cryptocurrency Laboratory is set up		- Monex Securities Australia Pty Ltd is launched new online brokerage firm for individual investors in Australia

■ Pursue returns to shareholders through ROE improvement

◆ Our basic policy for shareholders distribution

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

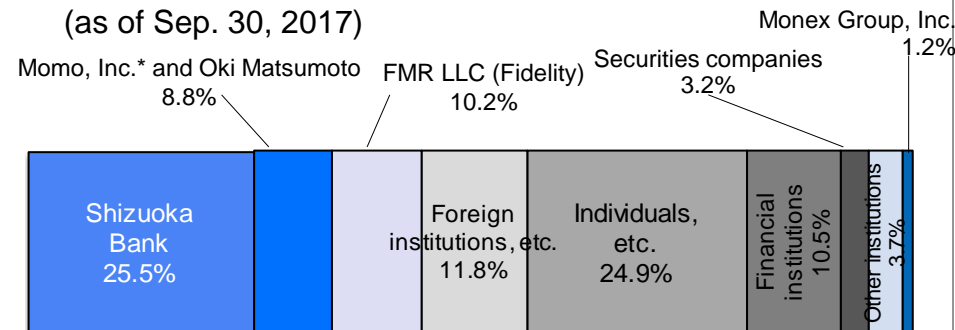
◆ Dividend history



Stock split was implemented on Oct. 1, 2013 and the above figures are adjusted retroactively since FYE Mar. 2014

■ Shareholders & indicators per share

◆ Major shareholders and shareholder breakdown (as of Sep. 30, 2017)



The graph made by Monex based on shareholders' list as of Sep. 30, 2017 and the Large shareholding report .

* Formerly known as Oki Matsumoto, Inc.

◆ Indicators per share

		FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	FYE Mar. 2017	3Q FYE Mar. 2018
IFRSs	Equity attributable to owners of the Company per share (BPS)	280.52 yen	302.18 yen	302.03 yen	290.00 Yen	302.67 Yen
	Earnings per share attributable to owners of the Company (EPS)	35.76 yen	12.15yen	12.46yen	1.06yen	16.78yen *
	Rate of Return on Equity(ROE)	12.9%	4.2%	4.1%	0.4%	7.5% *
	Dividends per share	18.0yen	8.2yen	9.6yen	5.2yen	3.7yen (Interim)

* EPS and ROE for 3Q FYE Mar. 2018 show annualized figures obtained by multiplying 4/3 to the actual figures for 3Q (9 months) of FYE Mar. 2018

Stock split was implemented on Oct. 1, 2013 and the above figures are adjusted retroactively since FYE Mar. 2014