Financial Results for 2Q of Fiscal Year Ending March 31, 2019

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.

MONEX GROUP

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

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I. Highlights

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III. Business Update

Appendix. Group Overview

Global Vision III

AI (artificial intelligence), blockchain and other new technologies are spreading globally at a rapid pace, with the potential to radically transform societies and economies. At the same time, the way individuals around the world are managing their money is also changing drastically. Amidst this environment, Monex Group's goal is to provide services that support a wide, global base of individuals in their economic needs.

Monex Group is now entering a new stage: our U.S. segment is performing well and profits are increasing; we are aggressively implementing new technologies; and Coincheck has joined our Group, enabling us to launch crypto asset operations backed by quality and quantity.

Monex Securities, the core of our Japan segment, is one of the top major online securities companies in Japan. TradeStation, the core of our U.S. segment, is the 6th ranking online securities company in the United States. And Coincheck, the core of our crypto asset segment, is a world-leading cryptocurrency exchange service operator. Monex Group is one of the few Japanese financial institutions that has individual customers outside of Japan on such a large scale. In addition, it is one of the few publicly listed companies in the world with a significant crypto asset business.

Global, individual, new technologies – these are the keywords that are defining a new era of finance. We at Monex Group are moving forward with a commitment to create new industries that support individuals and their efforts to manage money.

Specifically, we will incorporate such new technologies as AI primarily in our U.S. segment, and then use that as a base to expand our efforts to each of our global Group operations. In the crypto asset segment, we will firmly establish our leading position in the cryptocurrency exchange business, create new services beyond cryptocurrency exchange that utilize crypto assets, and expand globally. In Japan and the United States, we will increase our user base by developing and providing new services that appeal to millennials and other new economic players. And finally, we will expand our operations in the Asia-Pacific region, an area that will support global growth in the future.

In the Japan segment, Monex Securities, with its mature customer base, will continue to improve its existing services for experienced investors and wealthy individuals alike while introducing new services and adding client bases, such as millennials discussed above. In addition, we will work to respond to the needs of a super-aging society.

In the finance business, we are too often prone to think of products and services first, and then pushing them on to our customers. With new technologies, a diverse range of new services will become possible. But instead of thinking what we can do, we need to think what our customers want us to do. Here, the imagination and inventiveness of each and every one of us is key.

At the same time, we want to redefine finance and create and lead a new industry that supports individual economic activity. To do so, we need to possess a creative mind that will seek out what innovative-thinking individuals want and develop services befitting the coming new era.

Oki Matsumoto
Chairman & Chief Executive Officer
Monex Group, Inc.

Global Vision III – for Monex Group's next new stage

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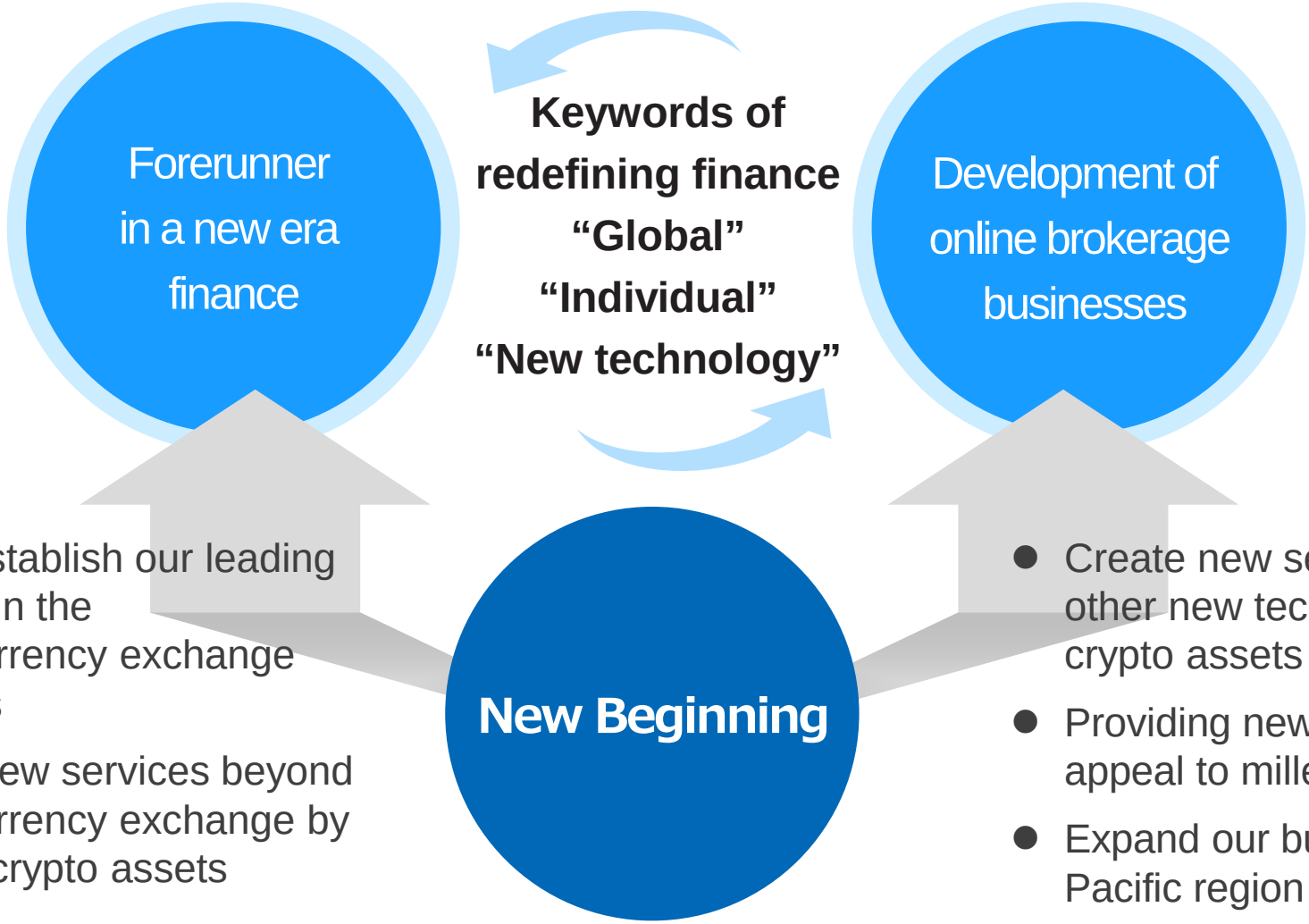
Redefine finance and create a new industry that supports individual economic activity



- Firmly establish our leading position in the cryptocurrency exchange business
- Create new services beyond cryptocurrency exchange by utilizing crypto assets

- Create new services with AI, other new technologies, and crypto assets
- Providing new services that appeal to millennials
- Expand our business in Asia Pacific region

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Successful save on expenses in Japan while revenue decreases. Steady growth in net financial income in US helps drive its segment profit* at record high

Japan

Despite an increase in FX income, a decline in market trading volume drove the brokerage commissions down. Segment profit was ¥ 0.8 B (-13% vs 1Q FYE Mar. 2019)

US

Net financial income continues to grow from rising interest rates and now makes up 31% of net revenues. This helped drive the record high segment profit of ¥ 0.4 B (+73% vs 1Q FYE Mar. 2019)

Asia Pacific

Monex Boom Securities increased its revenue (vs 1Q FYE Mar. 2019) mainly due to an active trading by a large client. Monex Securities Australia has just started its operation. Segment loss* was ¥ 6 M

* Segment profit /loss = Pre-tax profit/loss, applying the same description hereinafter

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Crypto Asset

Since the service suspension in January 2018, Coincheck only allowed existing customers to sell their cryptocurrency. This limited revenue stream resulted in segment loss of ¥ 0.6 B. Coincheck has improved in governance, internal control and internal audit, aiming for full service resumption

Investment

Recorded net financial income of ¥ 0.1 B due to valuation gains of shares owned. With only a minimal amount of SG&A, segment profit was ¥ 0.1 B

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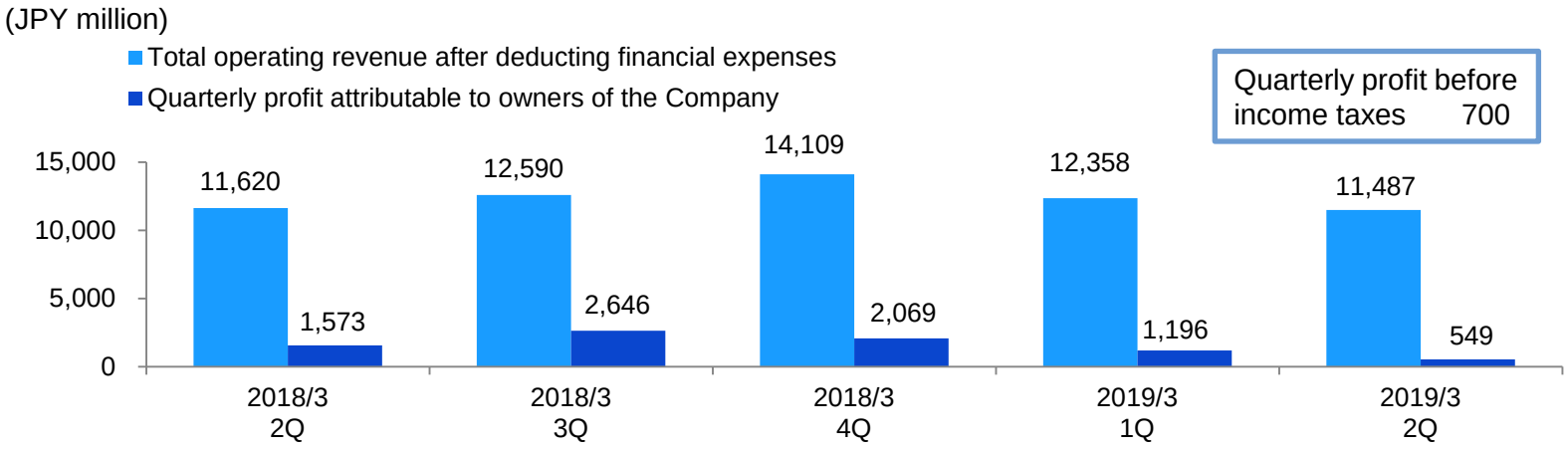
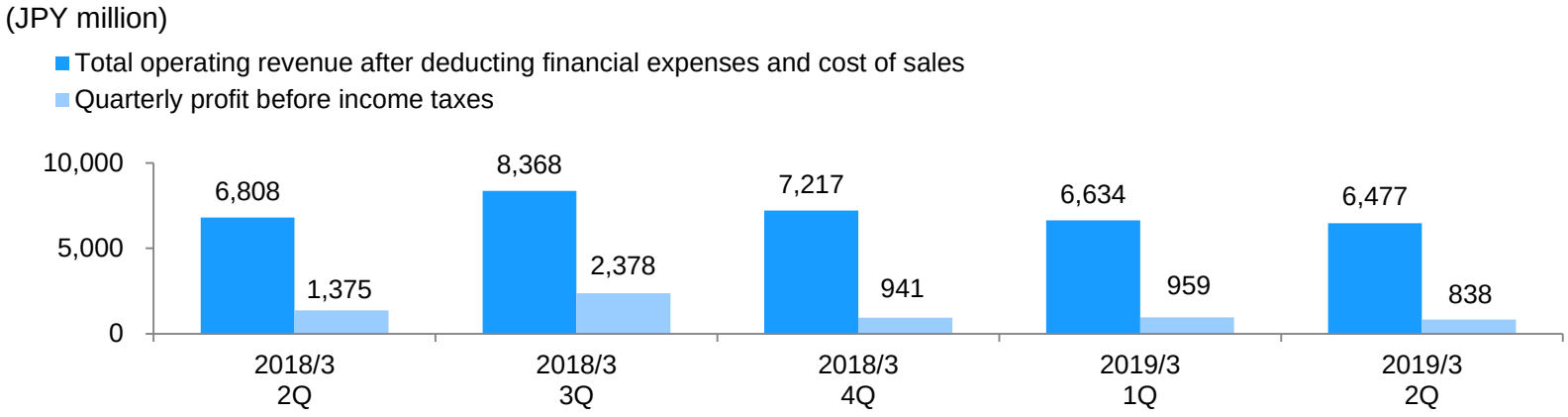
◆Total operating revenue after deducting financial expenses and quarterly profit attributable to owners of the Company

Consolidated



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

Japan



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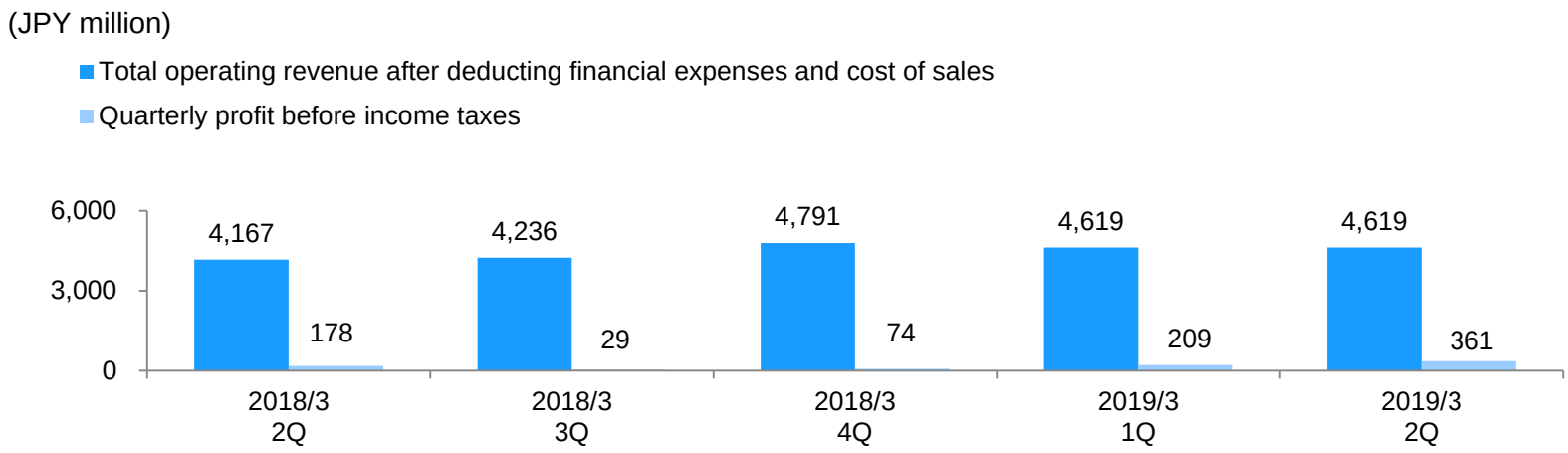
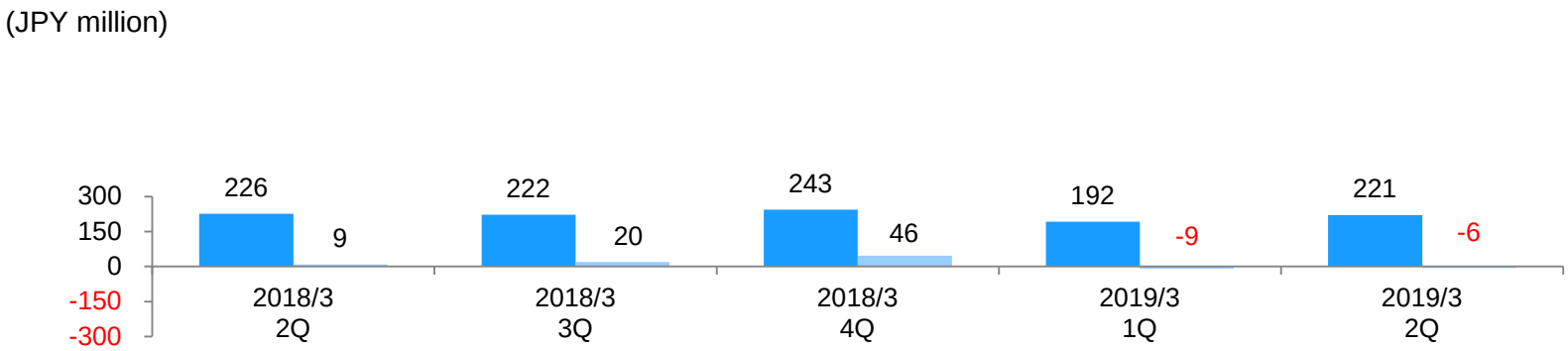
◆Total operating revenue after deducting financial expenses and cost of sales and segment profit

US



Asia Pacific



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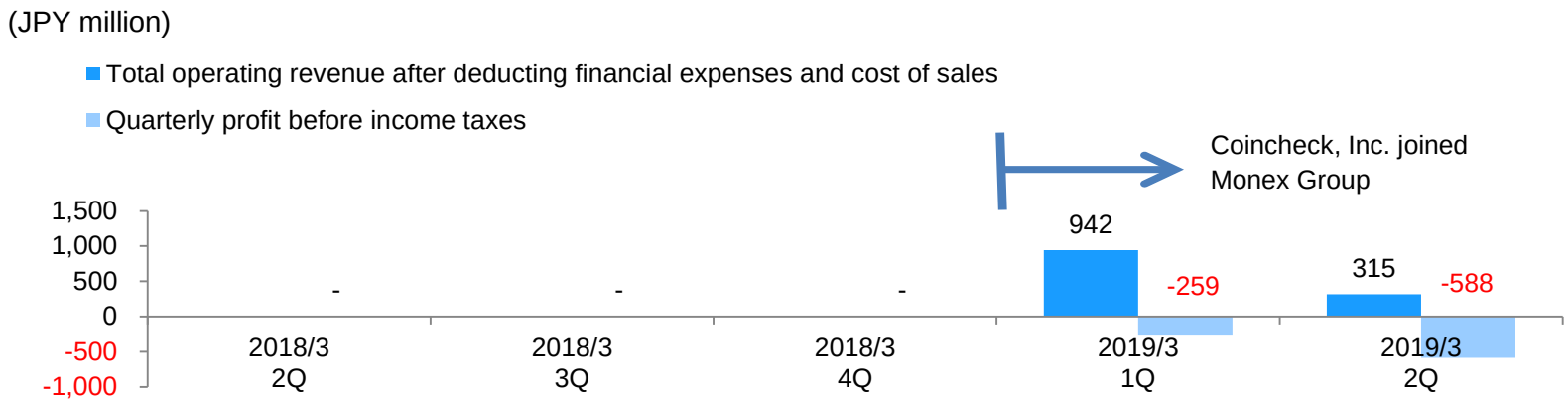
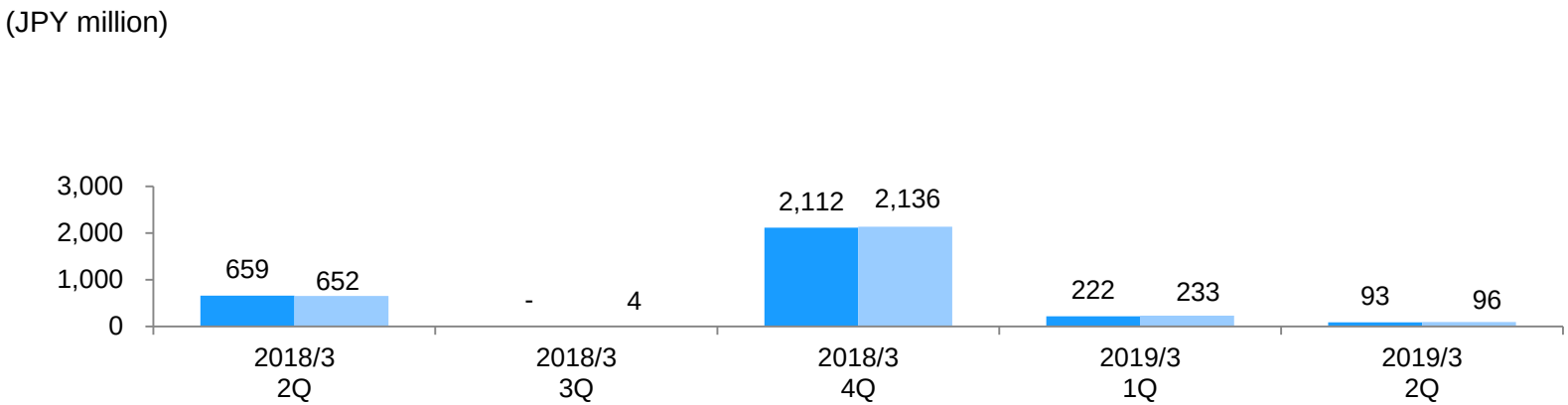
◆Total operating revenue after deducting financial expenses and cost of sales and segment profit

Crypto Asset



Investment



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YoY Comparison (6 months) Consolidated Performance

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(JPY million)

	2Q FYE Mar. 2018 (Apr. 2017 – Sep. 2017)	2Q FYE Mar. 2019 (Apr. 2018– Sep. 2018)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	22,456	23,845	1,389	6.2%	P15: Analysis of Japan segment P17: Analysis of US segment (USD)
SG&A	19,356	22,193	2,837	14.7%	P16: Analysis of Japan segment P18: Analysis of US segment (USD)
The amount equivalent to operating income	3,100	1,652	-1,448	-46.7%	
Other income / expenses (net)	-91	178	268	-	Breakdown in DATA BOOK P20: Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	3,009	1,830	-1,179	-39.2%	
Quarterly profit attributable to owners of the Company	2,014	1,745	-270	-13.4%	

YoY Comparison (6 months) Segment Performance

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(JPY million)

	Japan		US		Asia Pacific		Crypto Asset		Investment	
	2018/3 2Q	2019/3 2Q	2018/3 2Q	2019/3 2Q	2018/3 2Q	2019/3 2Q	2018/3 2Q	2019/3 2Q	2018/3 2Q	2019/3 2Q
Total operating revenue after deducting financial expenses and cost of sales	13,443	13,111	8,390	9,238	466	413	-	1,256	659	315
SG&A	11,165	11,553	8,206	8,632	484	436	-	2,244	3	4
The amount equivalent to operating income	2,277	1,558	184	606	-18	-23	-	-988	656	310
Other income / expenses (net)	202	239	-5	-36	-273	7	-	140	-14	18
Quarterly profit before income taxes	2,480	1,798	179	570	-291	-15	-	-847	642	328
Quarterly profit attributable to owners of the Company	1,694	1,631	212	444	-299	-24	-	-600	409	297
Note	See P15 “total operating revenue after deducting financial expenses and cost of sales” for more details See P16 “SG&A” for more details		See P17 “total operating revenue after deducting financial expenses and cost of sales” for more details See P18 “SG&A” for more details USD/JPY decreased by 0.9%		HKD/JPY decreased by 1.5%					

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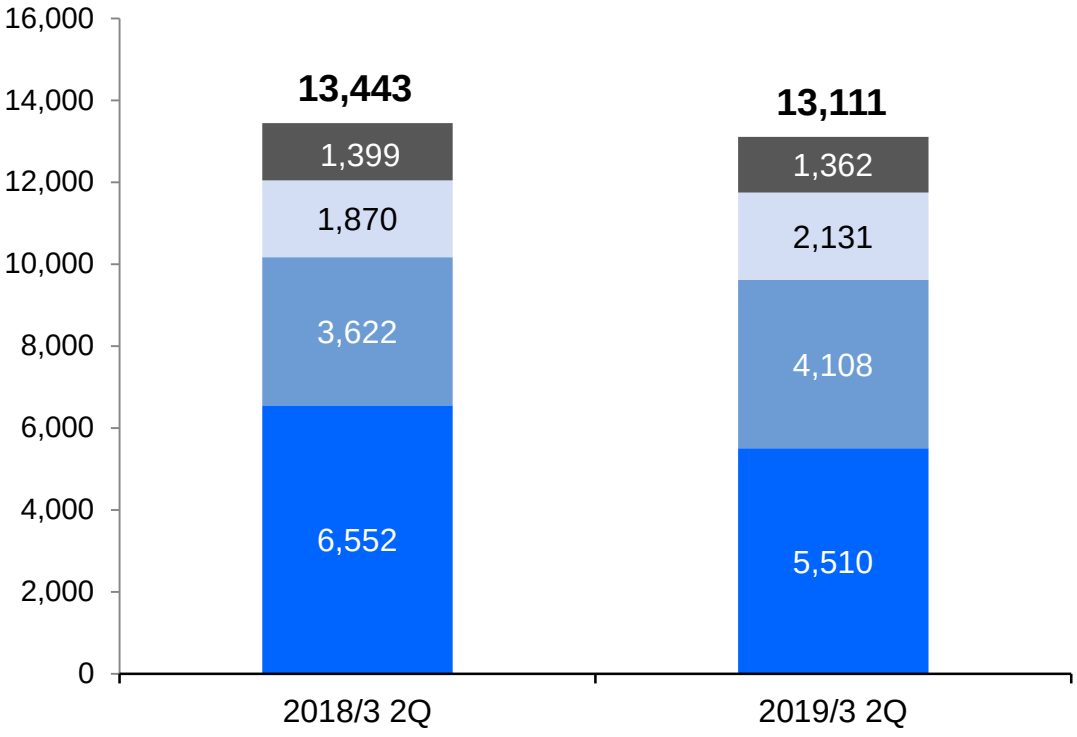
Japan : A change in the pricing for margin trading led to higher market share of trading volume and trading balance

■ Total operating revenue after deducting financial expenses and cost of sales (compared to Apr. 2017 - Sep. 2017)

(JPY million)



Total operating revenue after deducting financial expenses and cost of sales -2.5% (-331)

*figures in parenthesis is the variance from 2Q FYE Mar. 2018 (JPY million)

- Others (-37)
- FX & fixed income (+262)
- Net financial income (+486) *1
- Brokerage commissions (-1,042) *2

*1 Net financial income of margin trading balance increased +569

Margin balance	Market balance	+11%
	Monex's balance	+18% (ave.)

*2 Margin trading commissions rate, margin trading volume share

2Q of FYE March, 2018	6.9bps	3.7%
2Q of FYE March, 2019	4.1bps	4.2%

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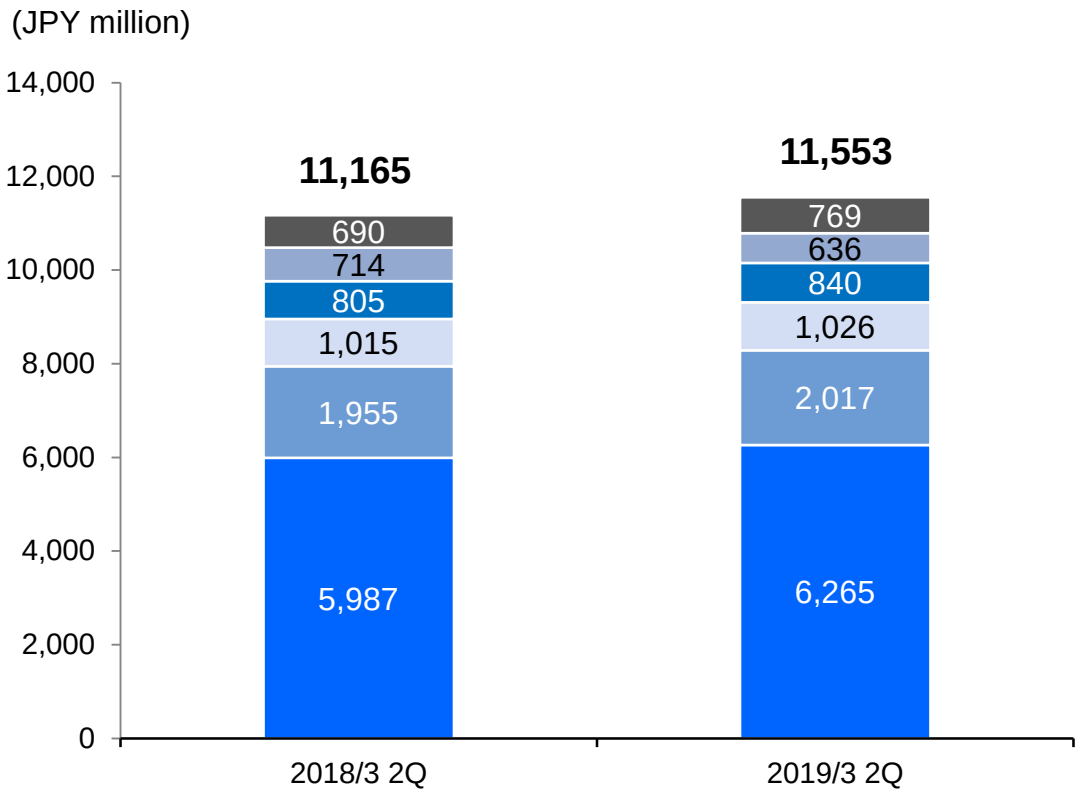
Japan : Advertising expenses declined by improving marketing efficiency. System related expenses increased primarily to reinforce the cyber security

■ SG&A (compared to Apr. 2017 – Sep. 2017)



SG&A Total +3.5% (+388)

*figures in parenthesis is the variance from 2Q FYE Mar. 2018 (JPY million)

- Others (+80)
- Advertising expenses (-79) *1
- Communication, freight and information expenses (+36)
- Commissions paid, exchange and association dues (+11)
- Compensation and benefits (+62)
- System related expenses (+278) *2

*1 New account openings +19% (accelerated by a large IPO)

*2 Rental expenses +77
Expenses to strengthen the cyber security and others +196

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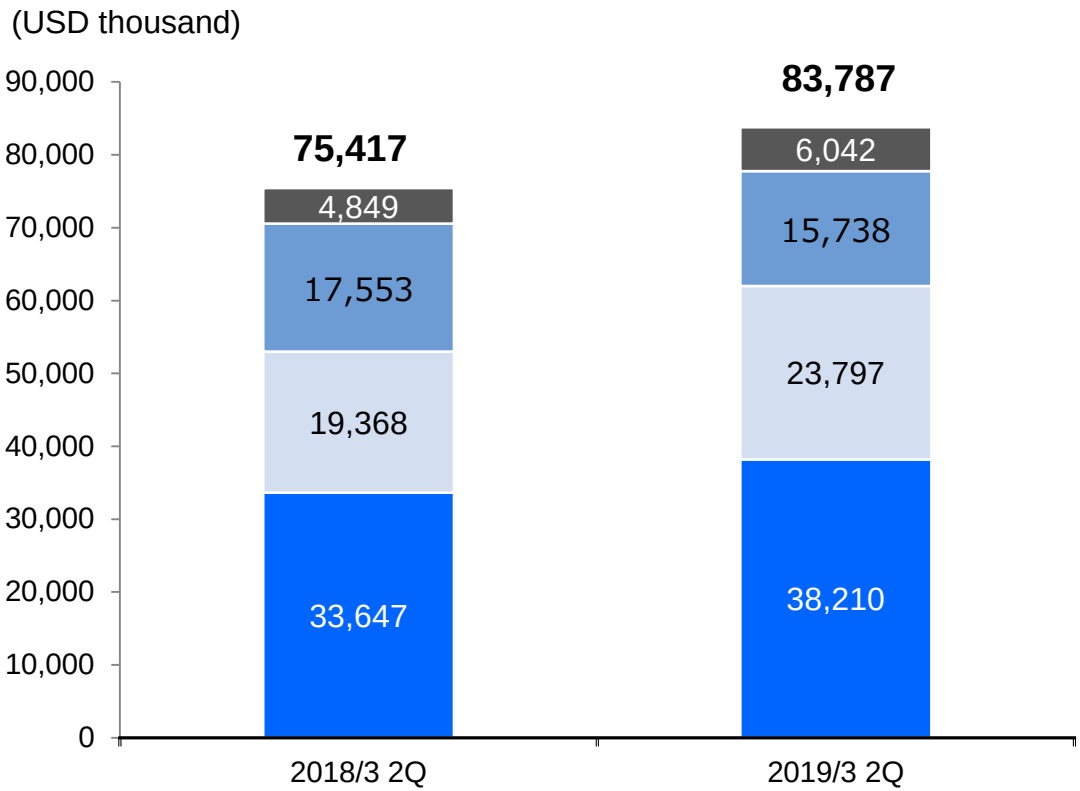
US：Net financial income increased due to rising interest rates. Growth in account openings and higher market volatility drove higher brokerage commissions

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2017 - Sep. 2017)



Total operating revenue after deducting financial expenses and cost of sales
+11.1% (+8,370)

* figures in parenthesis is the variance from 2Q FYE Mar. 2018 (USD thousand)

- Others (+1,193)
- Brokerage Fees (-1,815)
- Net financial income (+4,429)
- Brokerage commissions (+4,563)

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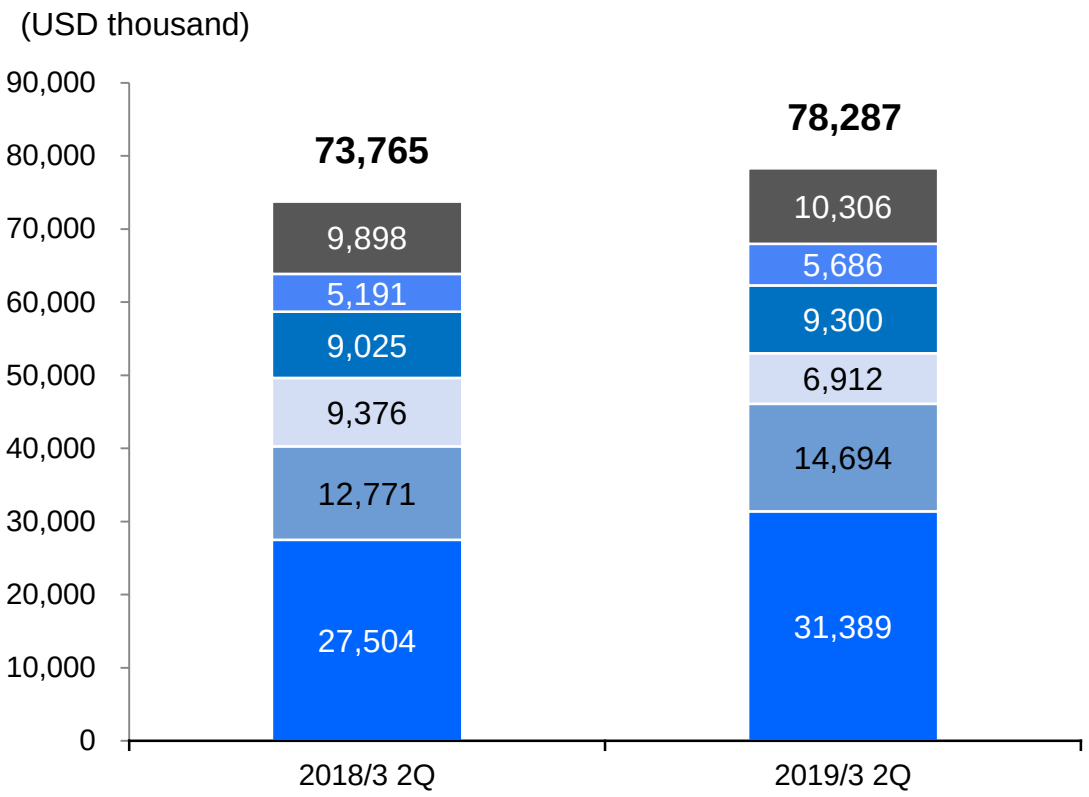
US：Compensation and benefits increased due to incentive compensation linked to the Company's stock price and an increase in human capital to support expanding customer base. An increase in trading volume drove higher commissions paid

■SG&A (compared to Apr. 2017 – Sep. 2017)



SG&A Total +6.1% (+4,522)

* figures in parenthesis is the variance from 2Q FYE Mar. 2018 (USD thousand)

- Others (+408)
- Advertising expenses （+495）
- Amortization and depreciation (+275)
- Communication, freight and information expenses (-2,464) *1
- Commissions paid and association dues (+1,923)
- Compensation and benefits (+3,885) *2

*1 $ 2.9 M one-time expense recorded in Jun, 2017

*2 - Additional expense due to an increase in average # of employees: + $ 1.5 M
473 for Mar. 2017 - Sep. 2017
498 for Mar. 2018 - Sep. 2018
- Increase in incentive compensation linked to Company's stock price and more + $ 2.0 M

QoQ Comparison (3 months) Consolidated Performance

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(JPY million)

	1Q FYE Mar. 2019 (Apr. 2018-Jun. 2018)	2Q FYE Mar. 2019 (Jul. 2018-Sep. 2018)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	12,358	11,487	-871	-7.0%	P21: Analysis of Japan segment P23: Analysis of US segment (USD)
SG&A	11,255	10,937	-318	-2.8%	P22: Analysis of Japan segment P24: Analysis of US segment (USD)
The amount equivalent to operating income	1,102	549	-553	-50.2%	
Other income / expenses (net)	27	150	123	448.2%	Breakdown in DATA BOOK P20: Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	1,130	700	-430	-38.1%	
Quarterly profit attributable to owners of the Company	1,196	549	-647	-54.1%	

QoQ Comparison (3 months) Segment Performance

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(JPY million)

	Japan		US		Asia Pacific		Crypto Asset		Investment	
	2019/3 1Q	2019/3 2Q	2019/3 1Q	2019/3 2Q	2019/3 1Q	2019/3 2Q	2019/3 1Q	2019/3 2Q	2019/3 1Q	2019/3 2Q
Total operating revenue after deducting financial expenses and cost of sales	6,634	6,477	4,619	4,619	192	221	942	315	222	93
SG&A	5,835	5,718	4,389	4,242	207	228	1,211	1,033	1	3
The amount equivalent to operating income	799	760	230	377	-16	-7	-269	-718	220	90
Other income / expenses (net)	161	79	-21	-15	6	1	10	130	12	5
Quarterly profit before income taxes	959	838	209	361	-9	-6	-259	-588	233	96
Quarterly profit attributable to owners of the Company	1,055	577	191	253	-13	-11	-190	-409	156	141
Note	See P21 “total operating revenue after deducting financial expenses and cost of sales” for more details See P22 “SG&A” for more details		See P23 “total operating revenue after deducting financial expenses and cost of sales” for more details. See P24 “SG&A” for more details.							

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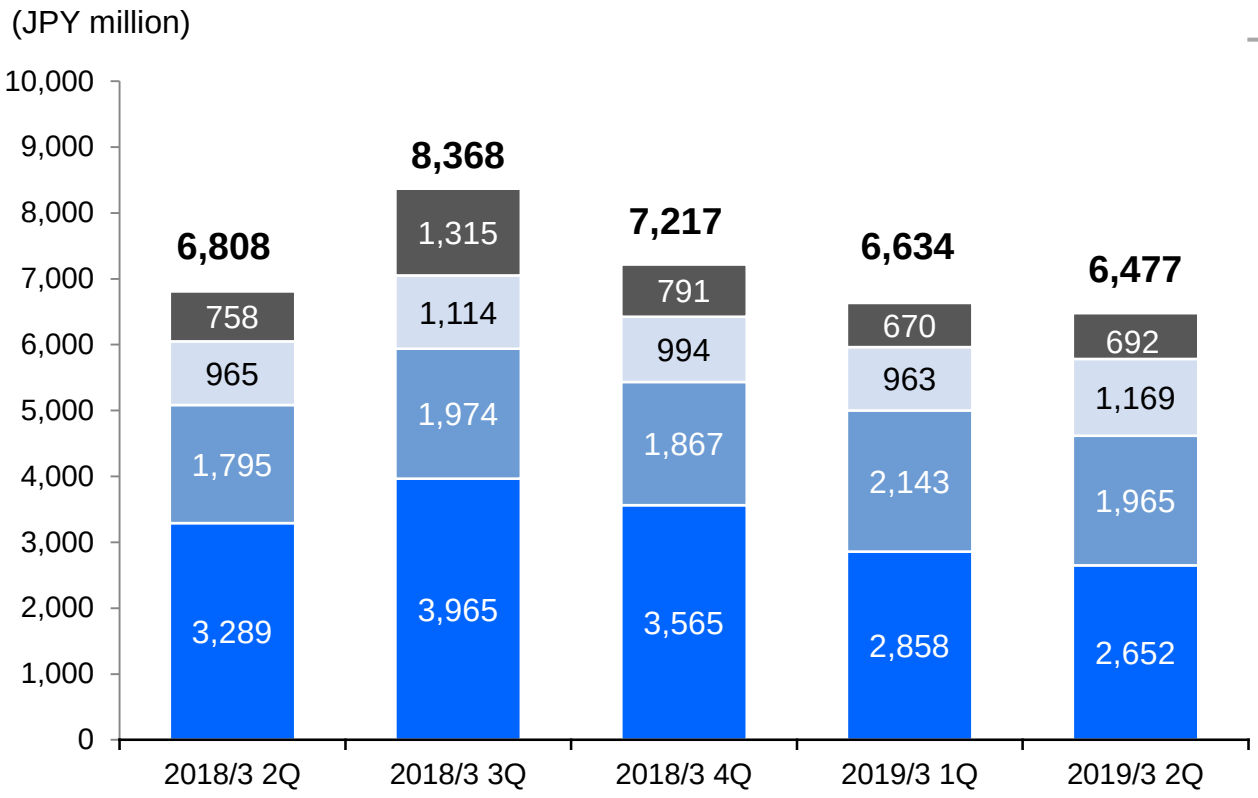
Japan : While FX income increased, brokerage commissions declined due to a decrease in market trading volume

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



Quarterly total operating revenue after deducting financial expenses and cost of sales -2.4% (-156)

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

- Others (+22)
- FX & fixed income (+206)
- Net financial income (-177)
- Brokerage commissions (-206) *

* Total trading volume of individual investors in 2 Japanese major Equities, ETFs etc., markets - 7 %

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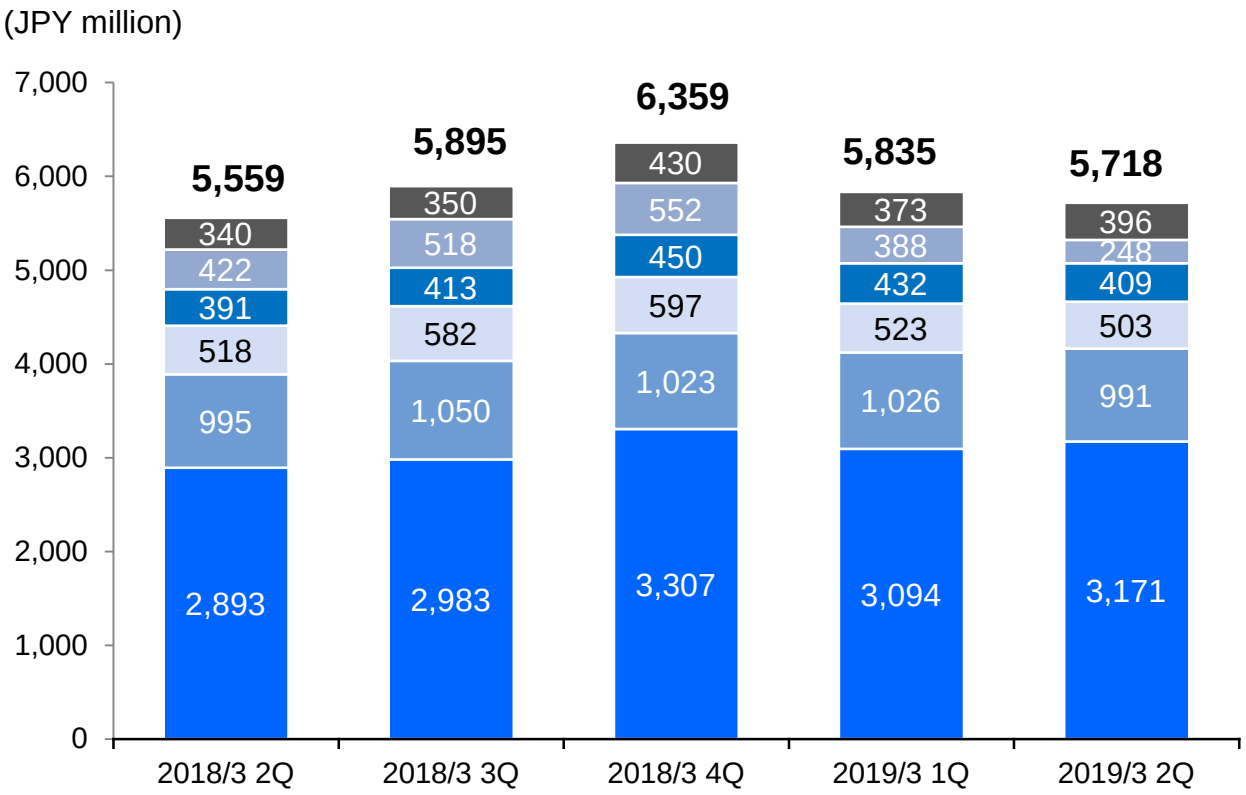
Japan : Advertising expenses declined by improving marketing efficiency. System related expenses increased primarily to reinforce the cyber security

■ Quarterly SG&A



Quarterly SG&A -2.0% (-117)

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

- Others (+23)
- Advertising expenses (-140)
- Communication, freight and information expenses (-23)
- Commissions paid, exchange and association dues (-20)
- Compensation and benefits (-35)
- System related expenses (+78)*

* Including the expenses to strengthen the cyber security

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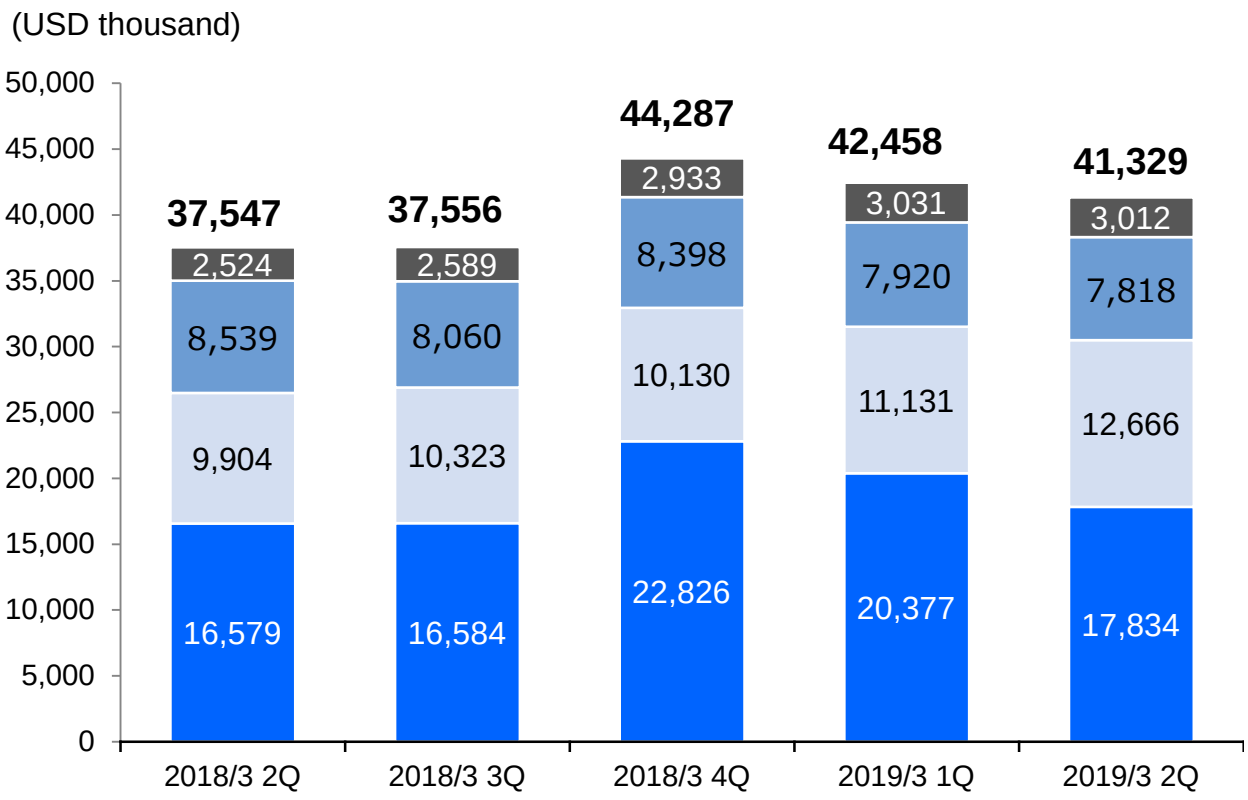
US : An increase in net financial income driven by rising interest rates for the last three consecutive quarters partially offset by lower brokerage commissions due to lower market volatility

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



Quarterly total operating revenue after deducting financial expenses and cost of sales -2.7% (-1,129)

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

- Others (-19)
- Other commission (-102)
- Net financial income (+1,535)
- Brokerage commissions (-2,543)

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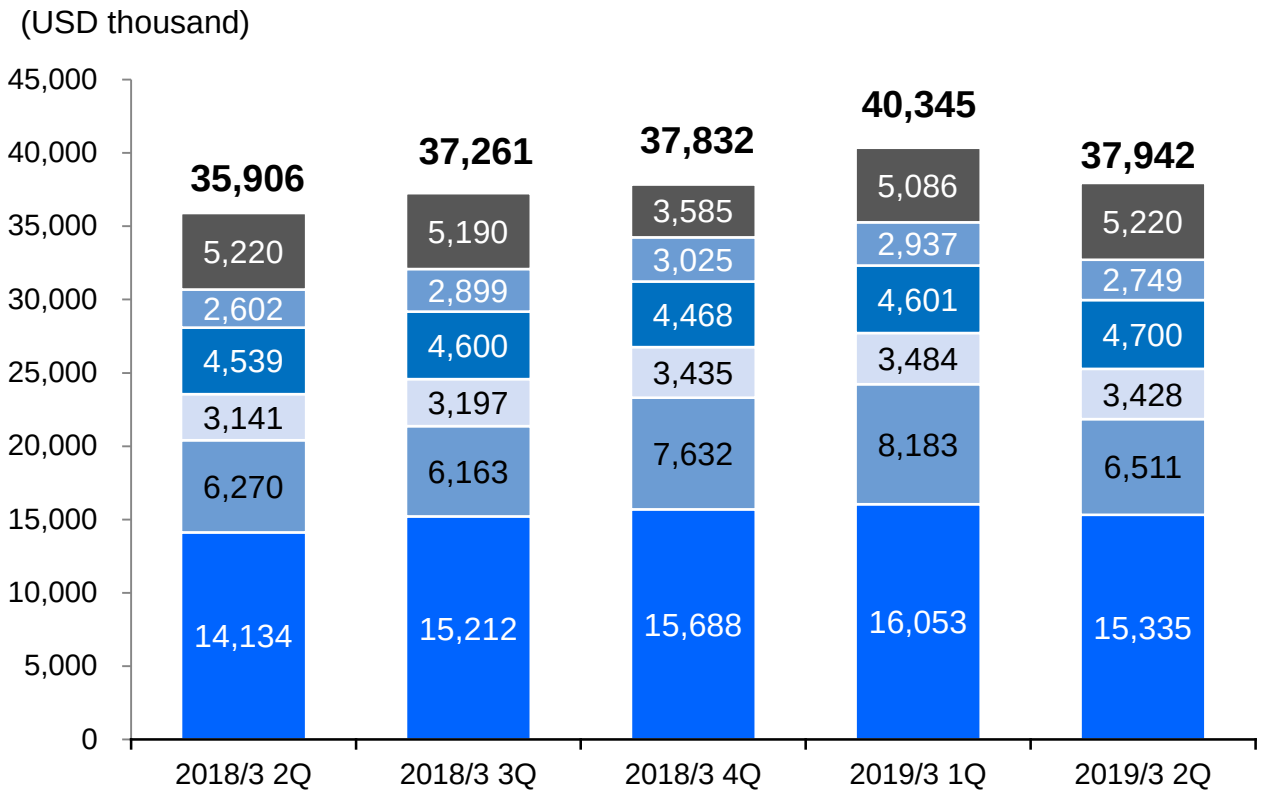
US : Commissions paid decreased due to lower trading volume and a more favorable mix of options trading which generates higher margins

■ Quarterly SG&A



Quarterly SG&A -6.0% (-2,402)

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

- Others (+134)
- Advertising expenses (-188)
- Amortization and depreciation (+99)
- Communication, freight and information expenses (-57)
- Commissions paid and association dues (-1,673)
- Compensation and benefits (-718)

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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 September 30, 2018

Assets
JPY 1,066.9B

Major assets:
Assets related to financial instruments trading business JPY 774.4B

Others JPY 59.1B

Cash and cash equivalents
JPY 177.4B

Non-current assets (*1)
JPY 56.0B

Liabilities
JPY 985.1B

Major liabilities:
Liabilities related to financial instruments trading business
JPY 975.9B

Others JPY 9.3B

Net capital
JPY 81.8B

(*1) Non-current assets

Property and equipment	JPY	2.6B	
Intangible assets (Goodwill)	JPY	17.2B	(*2)
Intangible assets (Identifiable intangible assets)	JPY	11.3B	(*3)
Intangible assets (Software and others)	JPY	21.7B	
Equity method investments	JPY	0.3B	
Available-for-sale investments in securities (Lv.3)	JPY	2.9B	

(*2) Goodwill: JPY 17.2B
Japan JPY 7.6B, US JPY 9.2B, Asia Pacific JPY 0.4B

(*3) Identifiable intangible assets: JPY 11.3B
US JPY 10.7B, AP JPY 0.6B

◆The JPY 25.8B difference between Net capital (JPY 81.8B) and Non-current assets (JPY 56.0B) 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)

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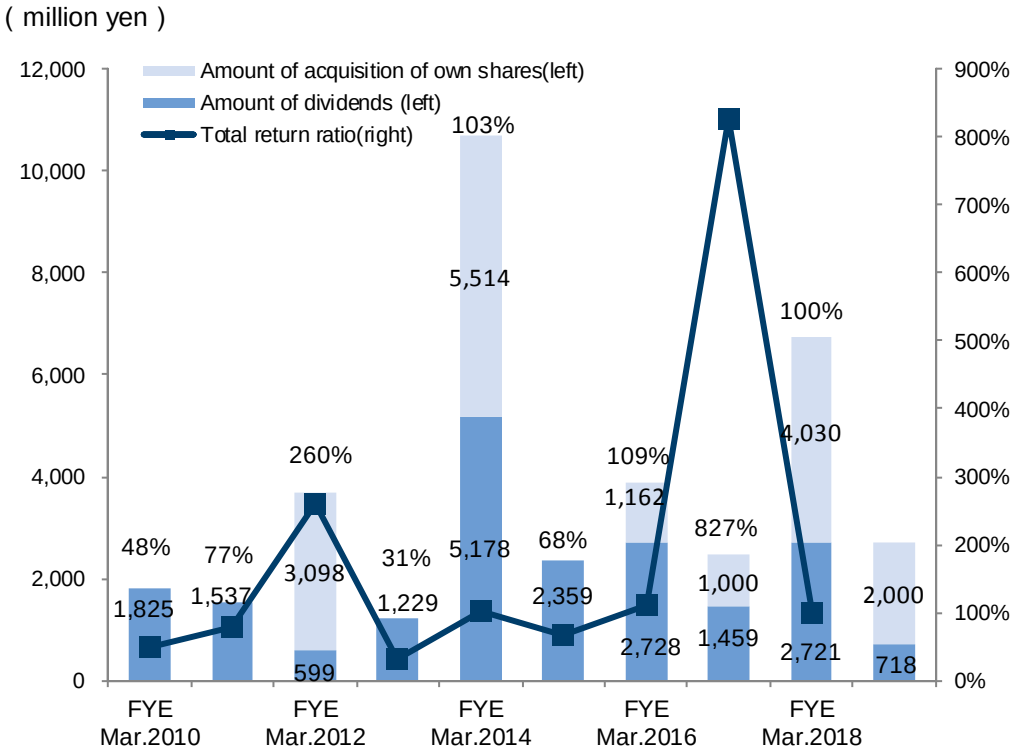
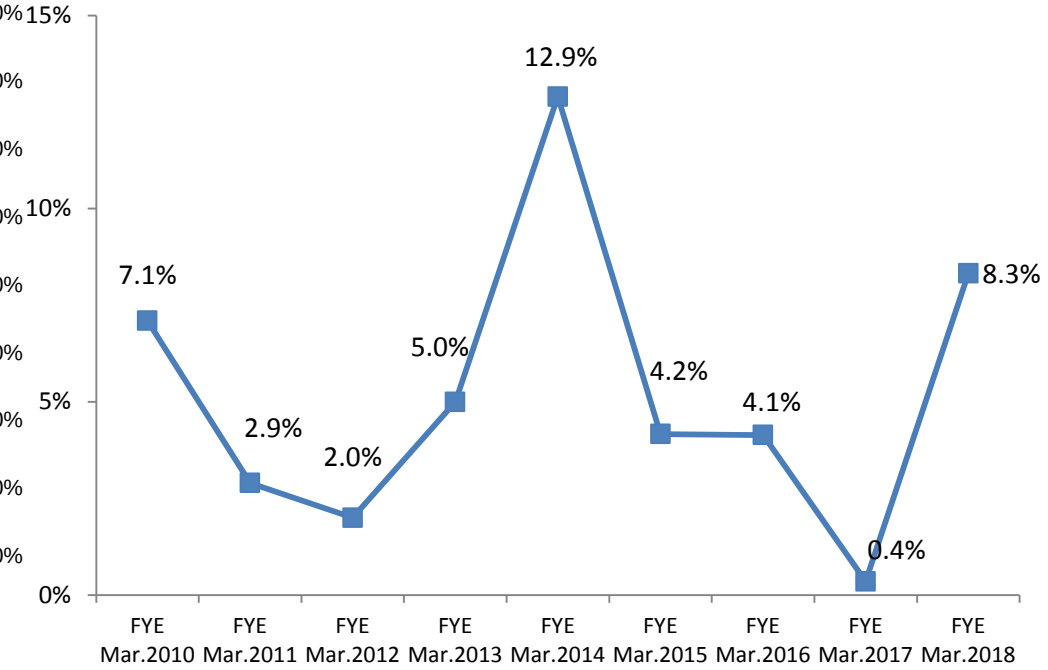
Total return ratio (*1) is 75% on a multi-year basis

◆Total return amount(*2) and total return ratio



◆Return on Equity ratio



(*1) Total return ratio = (dividend paid*3 + amount of share buyback*4) /profit attributable to owners of the Company
(*2) Total return amount = dividend paid + amount of share buyback
(*3) Refer to P51 "Dividend history" for more information of dividend per share
(*4) 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, 3.0B in Feb.-Mar. 2018, 2.0B in Aug. 2018

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Expanded customer base by using technology, product development and competitive price advantages

Active Trading

- Over 14,000 account openings. Number of funded accounts and active accounts both increased by +10% (vs 1Q FYE Mar. 2019). The trading volume share of TradeStation via Monex Securities declined from 5.5% in 1Q FYE Mar. 2019 to 4.9% this quarter, but total revenue from “TradeStation” including net financial income increased by 25% (vs 1Q FYE Mar. 2019)

US Equity Trading

- Number of transactions increased by 45% and number of active accounts increased by 26% (vs 2Q FYE 2018)
- Number of tradable US stocks are the best among the major online brokers (*). The most traded US stock in Monex Securities is sometimes our unique stock offering
- Quarterly revenue reached ¥ 180 M (+48% vs 2Q FYE Mar. 2018)

FX Trading

- The spreads of 16 currency pairs in the Monex FX service "FX PLUS" will be reduced from Nov 1, 2018, aiming to increase our client base and trading volumes
- The spreads of 12 in 16 currency pairs are at the narrowest level among the major online brokers (*)

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

MONEX GROUP
Monex Group, Inc.

Monex for wealth creation services and investment supporting tool with various product lineup

Wealth Creation

Monex-Saison-Vanguard Investment Partners

- Investment balance is about ¥ 40.8 B (※) including a wrap service (MSV LIFE) for individuals and investment entrusted by institutional investors
- Shizuoka Bank Group started offering MSV LIFE to the bank's customer (Aug 2018)

Monex Adviser

- Investment balance is about ¥ 1.2 B (※)
- Robot adviser service where customers can determine their own investment policy and easily manage their assets with a support of professional advice

* As of Sep 30, 2018

Investment Supporting Tools

Monex Stock Scouter

- Various functions directly helping the investment judgement; "Corporate performance for 10 years" and "Graphic PER and PBR for 5 years". Earns good reputation among retail investors. More than 230 thousand users for this quarter

Trade Carte FX

- AI provides a diagnosis and prescription based on the user's trading activity to support improvement in their trading techniques

Launched an investment information media “Money Clip”

URL: https://media.monex.co.jp/

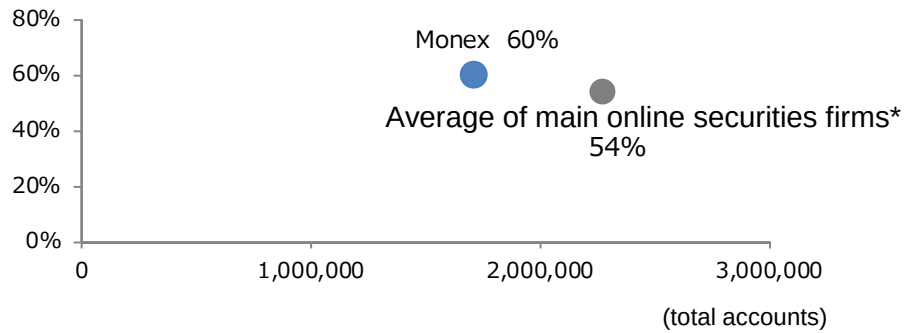
■Overview

- Monex Securities launched a new owned media that is available anytime, anywhere with a mobile-friendly design
- Integrate various investment information offered by the company such as the latest market trends and the articles for trading beginners
- Create articles and new channel targeted millennials. Aim for improving the recognition of Monex Securities among the trading beginners

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

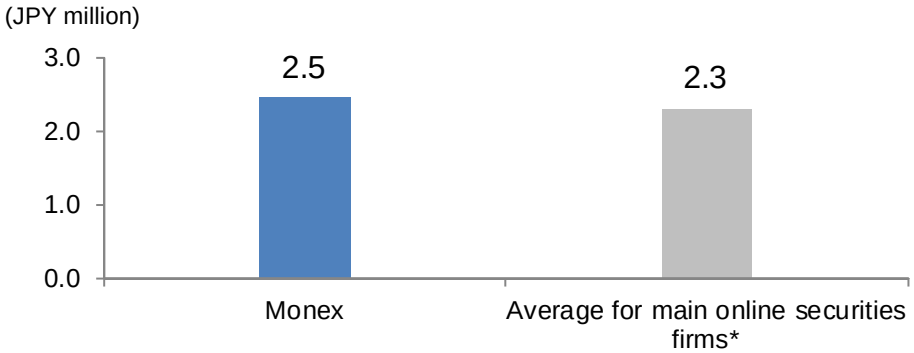
Higher ratio than the average of the main online securities firms = Good quality customer base

◆Active account ratio (as of Jun 30, 2018)



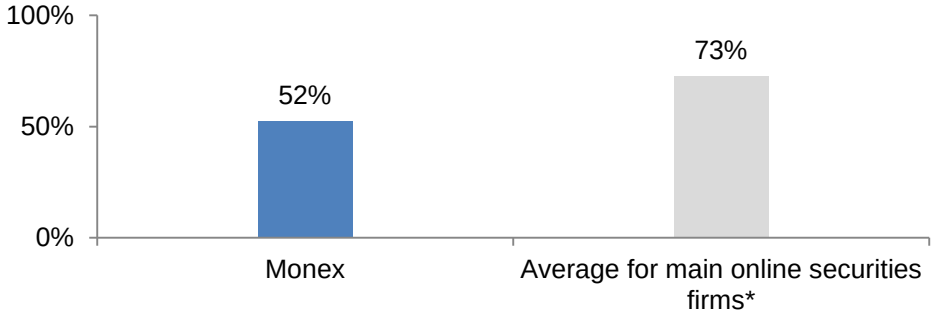
Larger than the average of the main online securities firms = Good quality customer base

◆Customer assets per account (as of Jun 30, 2018)



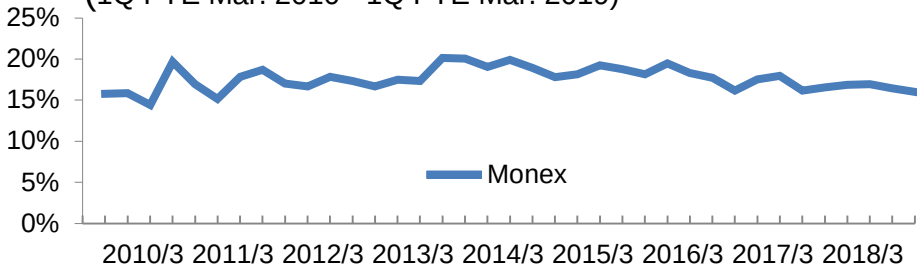
Margin trading shows room for growth

◆Margin trading ratio (1Q FYE Mar. 2019)



Stable commissions share despite severe market condition

◆Stock brokerage commission share
(1Q FYE Mar. 2010 - 1Q FYE Mar. 2019)



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

(Source) Kinzai Institute for Financial Affairs, Inc.

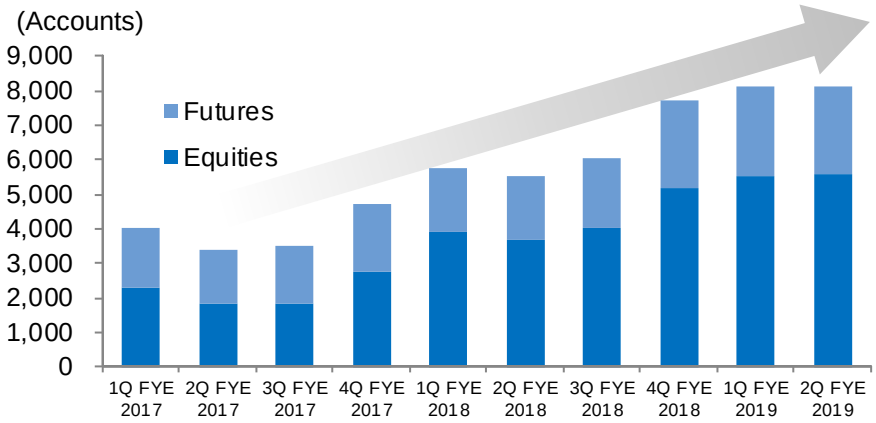
MONEX GROUP
Monex Group, Inc.

Account growth continues at record levels driven by our simplified pricing structure and our newly streamlined onboarding and cashiering processes

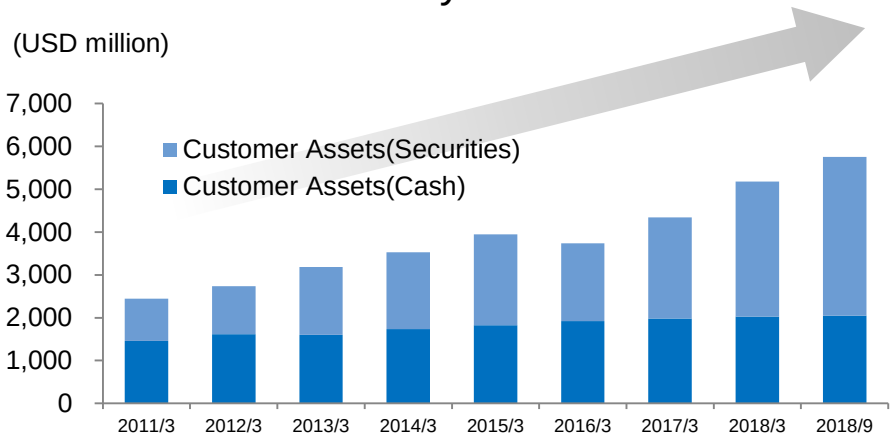
■ Expanded services and customer base

- Record number of active accounts driving increased client assets totaling $ 5.8 B in 2Q.
- Contribution margin generated from options trading highest among all asset classes
- New branding and simplified offerings successfully attracting casual traders/millennials to expand customer base
- Launched Fully Paid Stock Lending Program which enables us to lend out the clients' fully paid stocks and give back a part of the income to the clients
- Progressing to provide a U.S. cryptocurrency trading offering

◆Account Growth



◆Assets in Custody



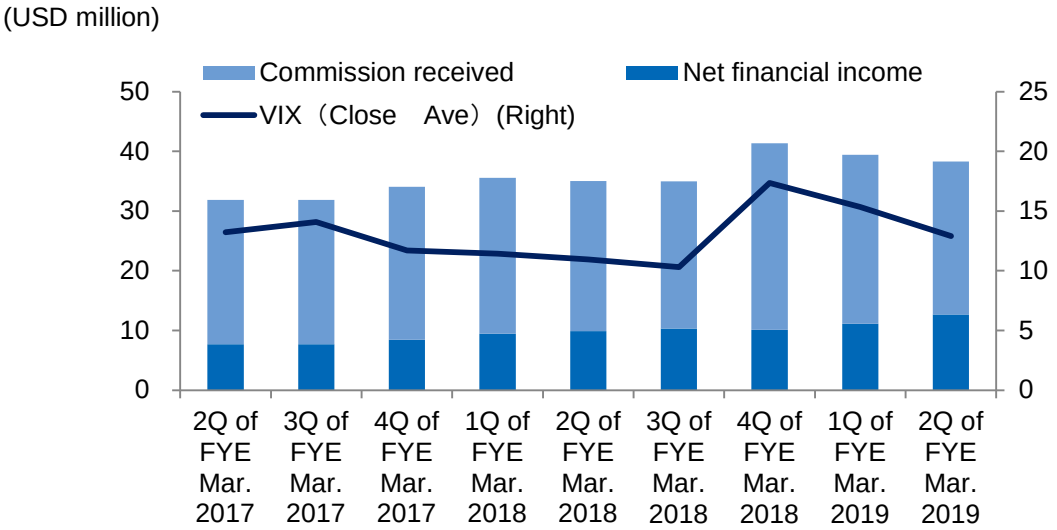
MONEX GROUP
Monex Group, Inc.

■ Strong account growth and favorable interest rates provide a steady profit structure

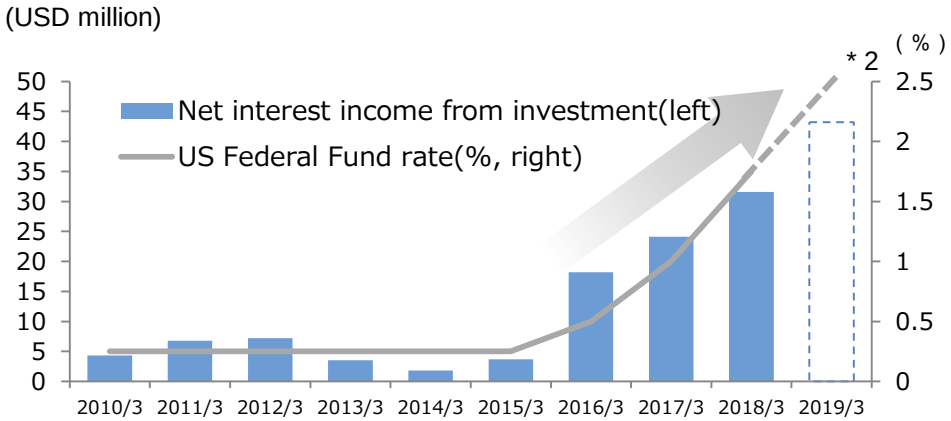
- Strong growth in active accounts and a hike in interest rate drove higher net financial income
- Commission received + net financial income decreased by 3% from previous quarter as market volatility dropped in 2Q from its spike in 1Q (12.9* vs 15.3* in 1Q FYE Mar. 2019)
- The US Federal Fund rate was raised by 25 bps in June and September, respectively. In November 2018, $ 1 B of customers' assets in custody will start to generate a higher interest income after the expiration of interest rate swap. Assuming the US Federal Fund rate is raised 25 bps in December 2018, net interest income in FYE Mar. 2019 would increase by $ 15 M (vs FYE Mar. 2018)

* Daily average

◆VIX and commission received + net financial income



◆Net interest income (*1) and US Federal Fund rate



*1 Excluding income from margin trading and stock lending

*2 Assuming the rate will be raised 25bps in December 2018

MONEX GROUP
Monex Group, Inc.

Explore business opportunities in Asia Pacific area

■ Online securities business in Australia

- Monex Securities Australia started the online securities business in Jan. 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
- Continuously strengthen various marketing initiative for customer acquisition
- Establish a business model in Australia, leading to business expansion in other regions

■ Financial results of Monex Boom Securities (HK)

- Amount equivalent to operating income increased (+47% vs 1Q FYE Mar. 2019), despite lower market volatility, due to an increase in total operating revenue after deducting financial expenses (+14% vs 1Q FYE Mar. 2019) affected by active transaction of a large client and an increase in net financial income
- Various promotions and PR activities to expand customer base

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

MONEX GROUP
Monex Group, Inc.

Since the service suspension in Jan. 2018, Coincheck basically allowed existing customers only to sell their cryptocurrency. Segment loss was ¥ 0.6 B in 2Q

2Q FYE March 2019（Crypto Asset Segment）

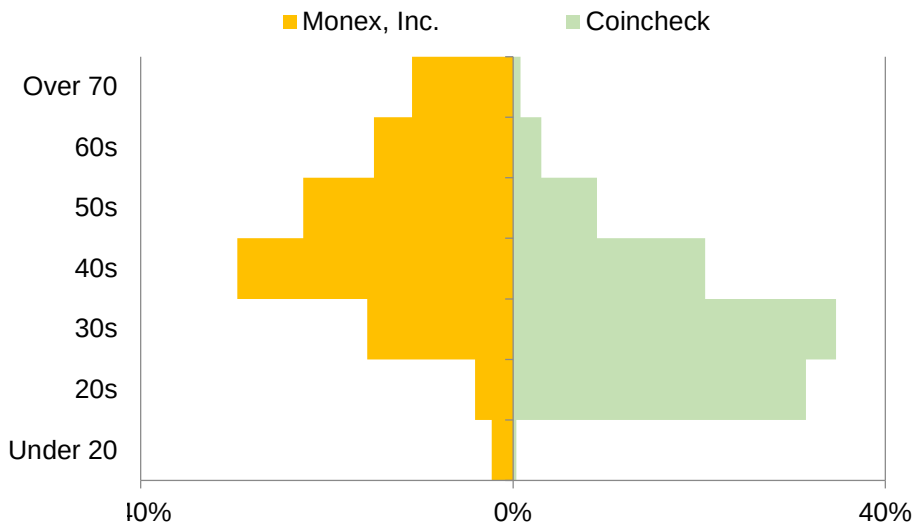
（Billion yen）	1Q FYE March 2019 （3 months）	2Q FYE March 2019 （3 months）
Total operating revenue after deducting financial expenses and cost of sales	0.9	0.3
Selling, general and administrative expenses	1.2	1.0
The amount equivalent to operating income	-0.3	-0.7
Quarterly profit before income taxes	-0.3	-0.6*

* Recorded other financial income of ¥ 0.13 B due to a decrease in fair value of contingent consideration (accounts payable)

As of today, the lawsuits filed against Coincheck have had only a minor impact on the financial status of the Company

■ Potential for Growth

- Coincheck has approximately 1.7 million users, a majority in the young generations. Customers' financial assets and transactions per user are likely to increase over time
- Due to its different age group of customers compared with Monex Securities, there is synergy among mutual customers, and the customer base of the group is expected to expand



■ Profitability

Coincheck has built sophisticated internal controls, including a high-standard security management system, which has recently become expected for registered cryptocurrency exchanges. Going forward, Coincheck will advance as a highly technology-driven company with a cutting-edge security control system and the know-how to secure profitability appropriate of its true value.

MONEX GROUP
Monex Group, Inc.

Improvements in governance, internal control and internal audit in response to the business improvement order (Mar 8, 2018)

	Business Improvement Order	Major Improvements
Governance	Drastically reform management system	Redefined the Board of Directors' functions to focus mainly on supervising executives. Fortified supervision functions by having outside directors as the Board members
	Review business strategy in terms of thorough customer protection	Prioritized resource allocation to enhance internal control and system risk control. Introduced cold wallet custody for all cryptocurrencies offered
	Enhance various controls by Board	Developed various rules for enhancing governance and invited outside experts to committees for compliance and system risk
Internal Control	Assess various risks of each cryptocurrency offering	Changed criteria for offering cryptocurrency. Stopped offering 4 cryptocurrencies with anonymity
	Enhance AML/CFT measures	Made ID confirmation process stricter. Implemented various measures for identifying, evaluating, and lowering risks based on FSA guidelines
Internal Audit	Ensure various controls and Effectiveness before reopening suspended services and AOP	Reinforced controls for system risk and AML/CFT risk, and upgraded risk control across the company. Increased staff for internal audit

MONEX GROUP
Monex Group, Inc.

Monex Cryptocurrency Lab offers up-to-date information relating to cryptocurrencies to individual traders

- Monex Cryptocurrency Lab offers information of cryptocurrency's market projection and industry trend studied by Nana Otsuki, known as an analyst of financial sector
- Otsuki currently writes a professional report of cryptocurrency, presents her study on various media and executes academic research on the price trend

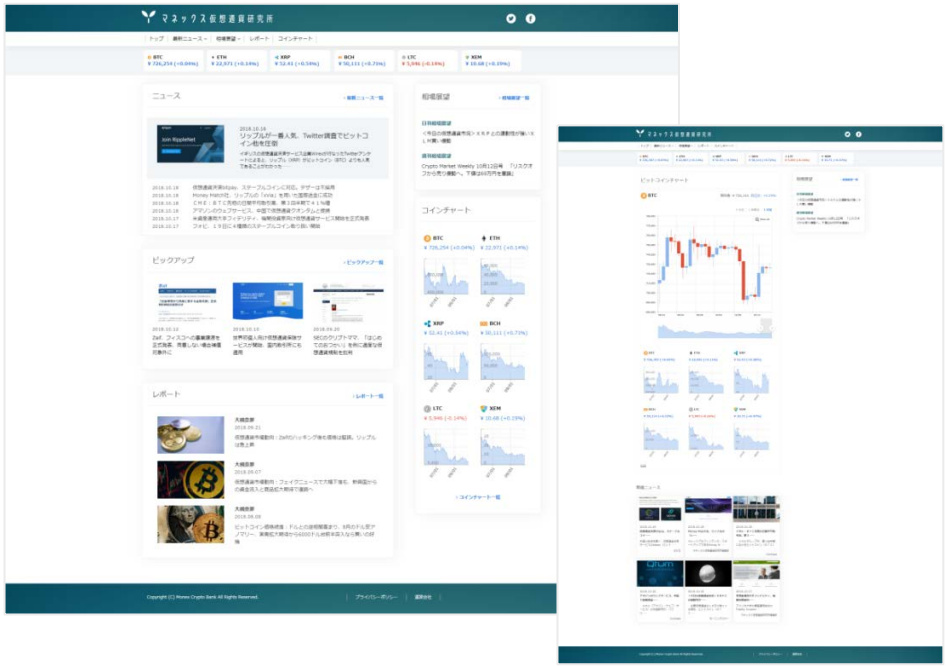
Series of Articles & Functions

- Head of the Lab:
  Nana Otsuki Report
- Latest News
- Daily/Weekly Market Trends
- Charts of Cryptocurrency
- Terminology, Specials (tentative)

Twitter

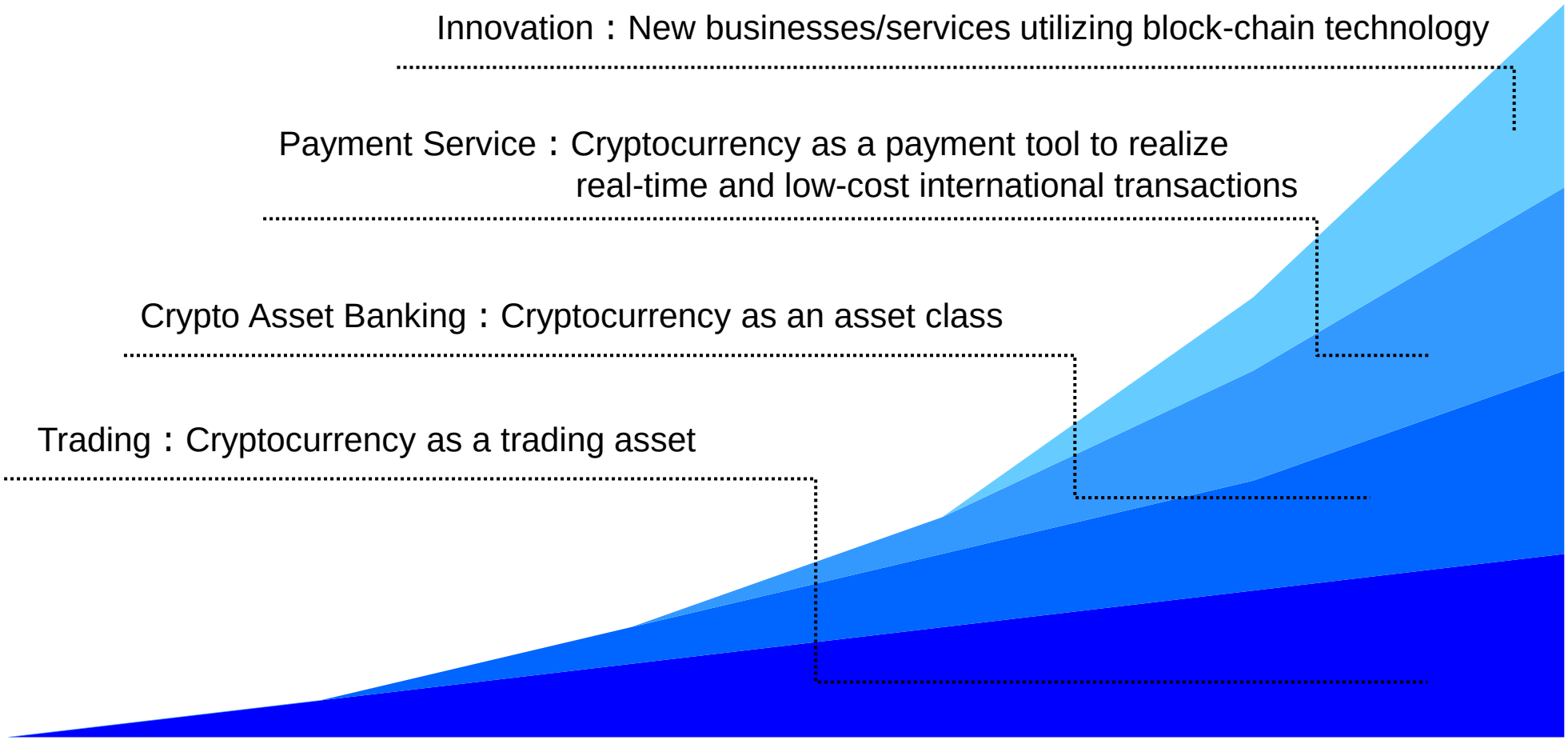
Web

"Monex Cryptocurrency Lab"
Website Renewed in October



MONEX GROUP
Monex Group, Inc.

Four potentials: Fusion with traditional finance. New financial conglomerate in a new age



MONEX GROUP
Monex Group, Inc.

Investment Segment was curved out from Japan Segment since April 2018

■ Current scope of investment

- Monex Ventures, Inc. (a wholly-owned subsidiary of Monex Group, Inc.)
  - Principle investment with a focus on Fintech companies
- MONEX EDISON Investment Limited Partnership (A fund of Monex Ventures, Inc.)
  - Leveraging track-record of investments in Fintech companies, its investment scope is expanding further to include non-financial start-ups in seed- and early-stages
- Japan Growth Investments Alliance, Inc. （J-GIA）(Affiliated company of Monex Group, Inc.)
  - PE investment specializing in growth capital and small-cap buyout of small and medium-sized enterprises with a potential for growth

■ List of companies that went to public

Online life insurance invested in 2006	Information platform /Curation invested in 2009	PFM*/Crowd Accounting invested in 2012
LIFENET INSURANCE COMPANY	UZABASE	Money Forward
Listed in Mar. 2012 on TSE Mothers	Listed in Oct. 2016 on TSE Mothers	Listed in Sep. 2017 on TSE Mothers

* PFM=Personal Financial Management

MONEX GROUP
Monex Group, Inc.

Expanding investments in Fintech companies

P2P lending invested in 2014
CROWD CREDIT
(registered as Type Ⅱ Financial Instruments Business)

EC invested in 2014
八面六臂 HACHIMENROPPI

Payment invested in 2015
SHIFT

DLT* invested in 2015
orb

Mortgage loan consulting invested in 2015
MFS
(registered as moneylender)

Online reservation App for upper-end invested in 2016
POCKET CONCIERGE

AI/Big Data invested in 2016
兎子報
熱情ホット

B2B Robo-advisor invested in 2016
trizic

AI/Big Data Invested in 2017
Alpaca

Custom-designed Investment platform invested in 2017
folio
(registered as Type Ⅰ Financial Instruments Business)

Stock Investment type Crowd funding Invested in 2017
EMERADA
(registered as Type Ⅰ Small Amount Electronic Public Offering Service Provider)

Crypto asset related business Invested in 2017
Popshoot

Web media Invested in 2017
Stockclip

Vertical EC Invested in 2018
anecle

AI/Big Data Invested in 2018
cinnamon

Robot Advisor Invested in 2018

Crypto-asset related business Invested in 2018
LOGICA

Photo EC Invested in 2018
aMi

AI/Big Data Invested in 2018
SORA

VR Invested in 2018
IQ Copy
10UP Incorporated

Vacation Rental Invested in 2018
zens

Interactive Advertisement Invested in 2018
PARONYM

Online hair salon reservation platform Invested in 2018
requpo

Sales management tool in Africa Invested in 2018
Afri-Inc

P2P transaction of hotel bookings Invested in 2018
cansell

IoT Invested in 2018
- Microfinance Platform for Emerging Economies -
Latona

IoT Invested in 2018
Keychain
Decentralized Authentication Platform Blockchain 2.0

* DLT=Distributed Ledger Technology

I. Highlights

II. Consolidated Performance

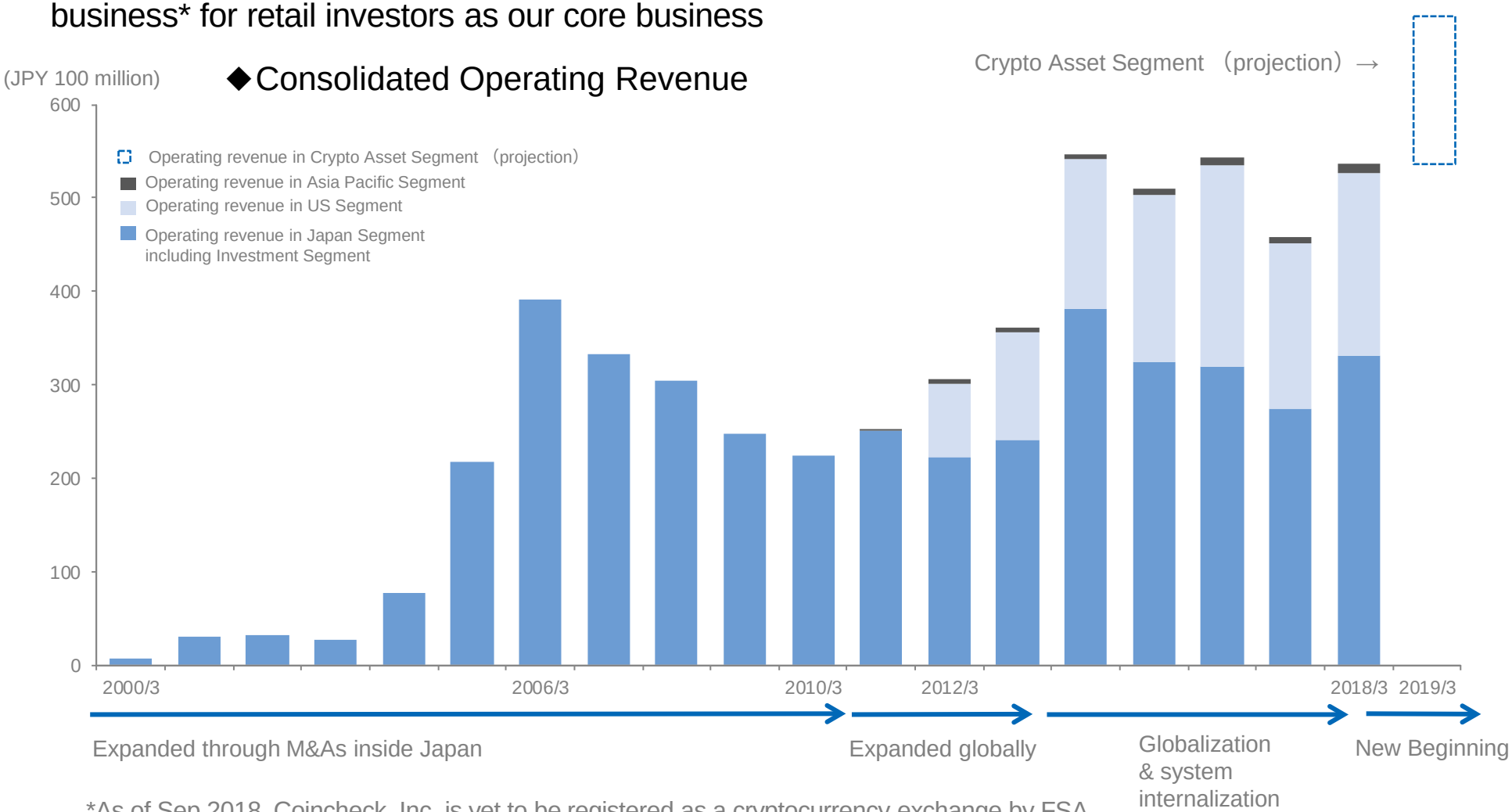
III. Business Update

Appendix. Group Overview

MONEX GROUP
Monex Group, Inc.

- ✓ Japan: 1.79M accounts, Crypto Asset: 1.7M users, US: 100K accounts, AP: 13K accounts. Global customer base as a group
- ✓ Aim for continuous growth in the online brokerage business and enhancement of crypto asset business* for retail investors as our core business

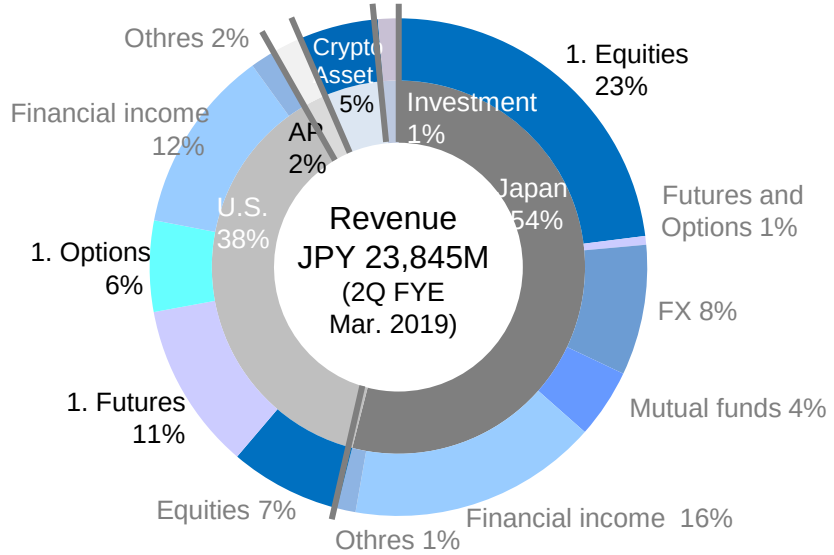
◆Consolidated Operating Revenue



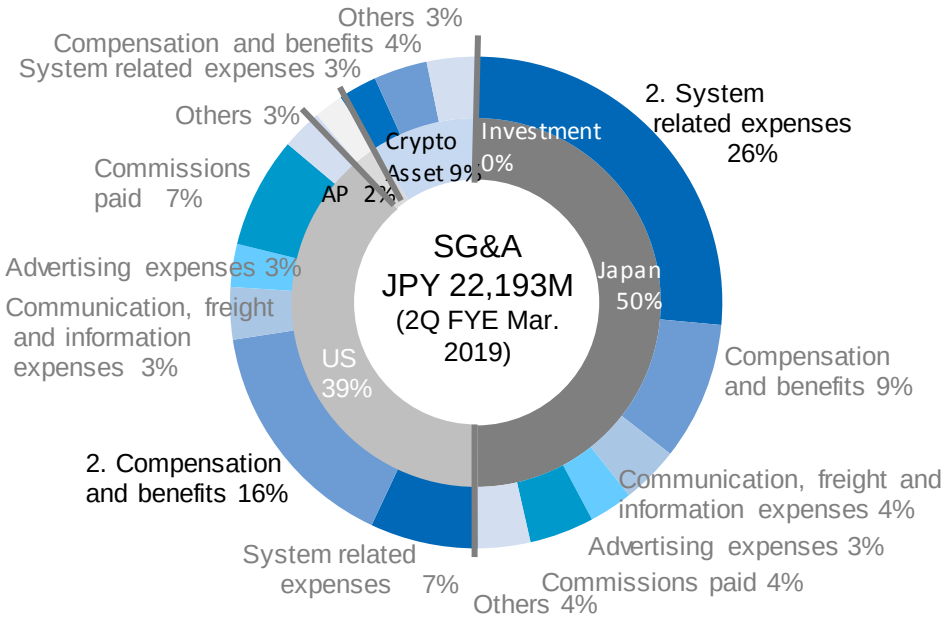
*As of Sep 2018, Coincheck, Inc. is yet to be registered as a cryptocurrency exchange by FSA

MONEX GROUP
Monex Group, Inc.

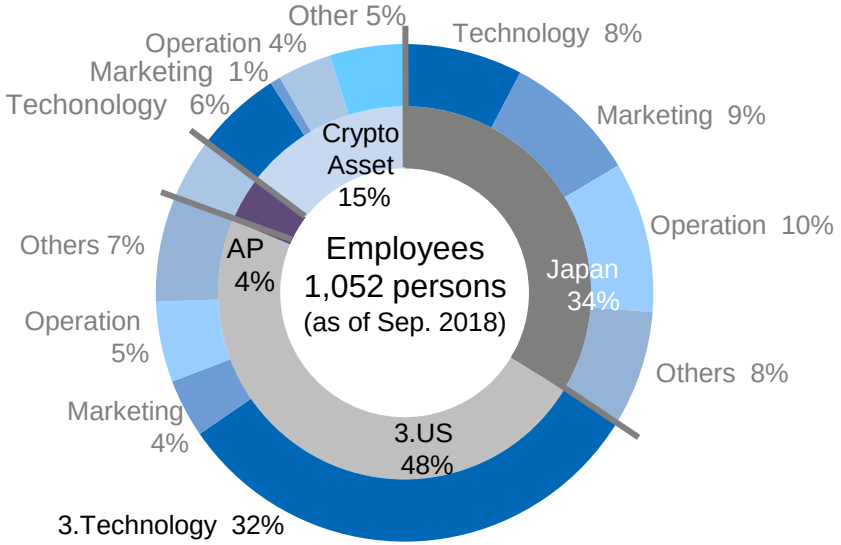
◆Total operating revenue after deducting financial expenses by region and by business



◆SG&A by segment and by cost items



◆Employees by segment and by department



*1. Total operating revenue after deducting financial expenses : Japan accounts for 1/2. Revenue in Japan primarily from equities while revenue in the US primarily from futures and options

*2. Total SG&A : Japan accounts for 50% and US 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 accounts for 50%. US has a larger number of technology-related employees as it internally develops its system

MONEX GROUP
Monex Group, Inc.

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

The Current Conditions

Online securities business (U.S.)
- Application of AI is accelerating
- U.S. short-term interest rates are expected to rise

Online securities business (Japan)
- Change from saving money to wealth creation
- Gradual decrease in the number of investors due to depopulation

Crypto currency business
- Healthy development of the industry

Monex brand

Put our solid expertise from running online brokerage services and our commitment to a new challenge in the crypto asset business into action in an integrated fashion

Diversified personnel

IT foundation

Global strategy

Growth strategy and business portfolio

ESG Management

MONEX GROUP

Forerunner in finance

We design innovative ways of managing money for a new era. We will redefine finance and strive to support everyone's investment and economic needs.

Corporate Governance

As of October 2018

MONEX GROUP
Monex Group, Inc.

New financial conglomerate in a new age

Traditional Financial Conglomerate	New Financial Conglomerate	Monex Group
Bank	Crypto Asset Bank	**Coincheck**
Securities Broker	Global Online Brokerage	**Monex Securities, TradeStation Securities, Monex Boom Securities, Monex Securities Australia**
Payment Card Company	Blockchain Payment	**Coincheck and more**
Others	Investment Business and more	**Monex Ventures and more**

MONEX GROUP
Monex Group, Inc.

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 nine directors qualify as “independent & outside” directors and four out of six 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, CPA), 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)
14th ordinary general meeting of shareholders (June 23, 2018)
Attendance of shareholders: 468

MONEX GROUP
Monex Group, Inc.

(As of September 30, 2018)

Listed Holding Company

MONEX GROUP
Monex Group, Inc.

[Japan]

Online Securities Company

MONEX
Monex, Inc.
Comprehensive investment service provider

Cryptocurrency exchange service provider

Coincheck
Coincheck, Inc.
Cryptocurrency exchange platform "Coincheck"

Corporate Venture Capital

MONEX Ventures
Monex Ventures, Inc.
Venture capital business

Finance Company

Monex Finance Corporation
Finance company for the group companies of Monex Group

Asset Management

Monex-Saison-Vanguard Investment Partners
Small-lot and low-cost discretionary investment management wrap service
(Investment Ratio) Monex G: 51%

Fund's Constitution

JGIA
Japan Growth Investments Alliance, Inc.
Fund's constitution and practical use
[Equity method affiliates]
(Investment Ratio) Monex G: 40%

[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 Securities (H.K.) Limited
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%

* Business registration as a cryptocurrency exchange by FSA is still pending.
** Companies with no reference to investment ratio are wholly-owned subsidiaries of Monex Group, Inc.

Overview of Monex Group and Main Subsidiary Companies

MONEX GROUP
Monex Group, Inc.

■ 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: 1,793,072
- # of active accounts: 1,057,534
- ("Active accounts": accounts with balance or with at least one trade or transaction a year.)
- Customers' assets in custody: JPY 4.4 trillion

■ Coincheck, Inc. (Tokyo, Japan)

- President : Toshihiko Katsuya
- Founded in 2012, joined Monex Group in April. 2018
- Offers cryptocurrency exchange service for 1.7 million users

■ TradeStation Group, Inc. (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 Jun. 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: 83,139
- Customers' assets in custody: JPY 654,800 million

■ Monex Boom Securities (H.K.) Limited

- Offers access to over 12 markets
- COO: Ivan Law
- Founded in 1997, joined Monex Group in Dec. 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: 12,787
- Customers' assets in custody: JPY 181,700 million

■ Monex Securities Australia Pty Ltd (Australia)

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

The numbers above are as of Septemeber 30, 2018.

History of Monex Group

	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 Lab is set up - Coincheck, Inc. joined Monex Group		- Monex Securities Australia Pty Ltd launched new online brokerage firm for individual investors in Australia

As of September 2018

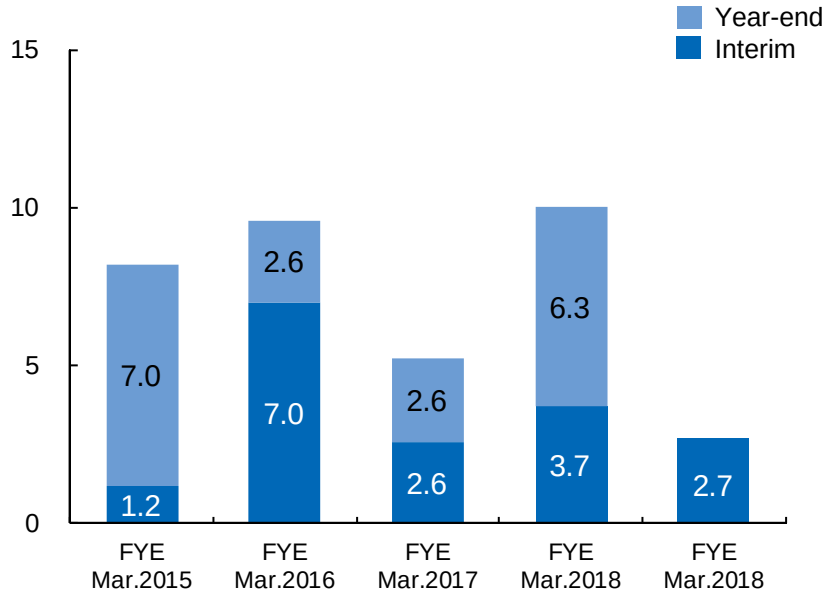
■ Shareholders distribution

◆ Our basic policy for shareholders distribution

Monex Group aims to provide returns to its shareholders based on the business performance, while securing investment capacity for growth, and targets at a 75% total return ratio on a multi-year basis.

◆ Dividend history

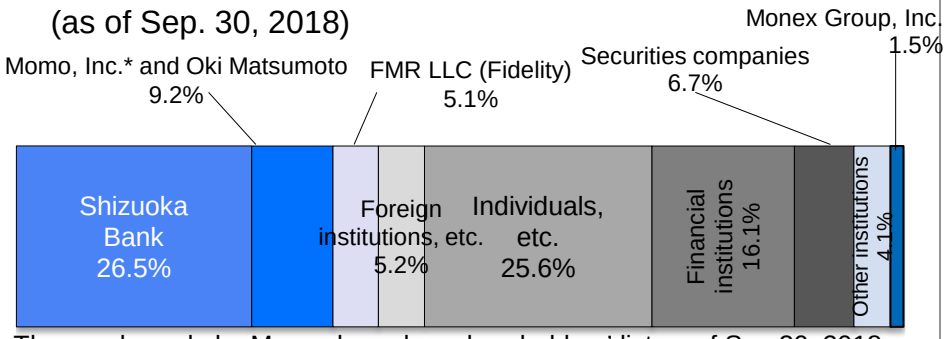
(yen)



■ Shareholders & indicators per share

◆ Major shareholders and shareholder breakdown

(as of Sep. 30, 2018)



The graph made by Monex based on shareholders' list as of Sep 30, 2018 and the Large shareholding report .

* Formerly known as Oki Matsumoto, Inc.

◆Indicators per share

	FYE Mar. 2015	FYE Mar. 2016	FYE Mar. 2017	FYE Mar. 2018	2Q FYE Mar. 2019
Equity attributable to owners of the Company per share (BPS)	302.18 yen	302.03 yen	290.00 Yen	298.50 Yen	303.12 Yen
Earnings per share attributable to owners of the Company (EPS)	12.15yen	12.46yen	1.06yen	24.33yen	13.01yen *
Rate of Return on Equity(ROE)	4.2%	4.1%	0.4%	8.3%	4.3% *
Dividends per share	8.2yen	9.6yen	5.2yen	10.0yen	2.7yen (Interim)

* EPS and ROE for 2Q FYE Mar. 2019 show annualized figures obtained by multiplying 2 by actual figures for the quarter