

Financial Results for 1Q of Fiscal Year Ending March 31, 2020

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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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.

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- I. Highlights
 - II. Consolidated Performance
 - III. Business Update

Appendix. Group Overview

Japan, the pillar of earnings long since founding, is struggling to improve its profitability under the current equity market condition. TradeStation which joined the Group under the “Global Vision”, turned into the biggest earner. Coincheck turned black for the first time after the acquisition under “New Beginning” to accelerate our transformation into a financial conglomerate of new age. Achieving a surplus in all three major segments illustrates that our new business portfolio has been established

Share Repurchase

Monex Group decided to implement a share repurchase as all three major segments achieved surplus

Objective

- Flexible capital policies corresponding to changes in the business environment
- Enhance shareholder returns through the improvement of capital efficiency

Details of share purchase

- Class of shares to be repurchased : Common stock of the Company
- Total number of shares to be repurchased : Up to 10,000,000 shares
(3.76% of the total number of shares issued and outstanding (excluding treasury stock))
- Total cost for repurchase : Up to 4,000,000,000 yen
- Repurchase Period : From July 26, 2019 to Aug 16, 2019

US

US segment turns into the biggest earner in our group. Revenue base continues to expand with steady growth in customer assets and account openings. TradeStation Crypto, Inc. is expected to launch a cryptocurrency trading offering this October

Crypto Asset

Promotes cost reduction while strengthening internal control and cyber security. Coincheck became profitable for the first time after joining our group, driven by the rapid account growth, new offering of a cryptocurrency and favorable market activity throughout the quarter

Japan

Remains profitable despite the lowest level of transaction volume by individual investors in the last seven years. Looking to leverage synergies with Coincheck and offer competitive US equities trading services to expand customer base. Keeps striving to grow other revenue source than brokerage commissions from Japanese equities

US became most profitable among the five segments while Crypto Asset significantly increased its revenue. Japan remains profitable despite the low market condition and seeks to improve its profitability

Japan

Segment profit* remained to be about ¥0.5 billion remaining profitable, while the volume of stock trading by individual investors decreased

US

EBITDA significantly increased from 1Q FYE Mar. 2019. Segment profit is ¥0.6 billion which is the largest among five segments

Crypto Asset

Trading volume increased by adding a new cryptocurrency offering, rapid account growth and favorable market condition. Segment profit is ¥0.14 billion

Asia Pacific

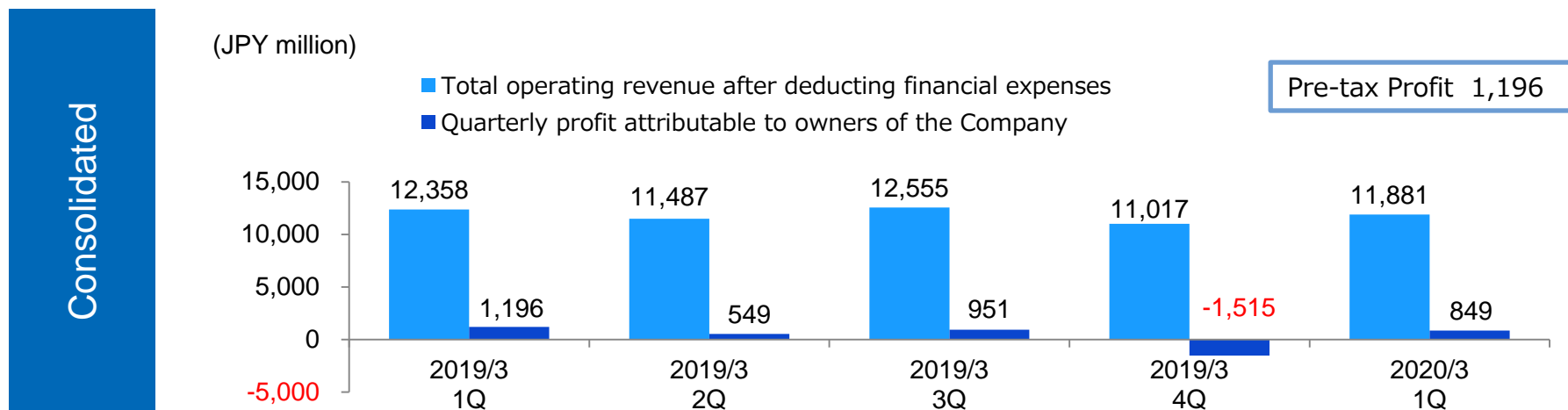
Monex Boom Securities remains profitable. Segment loss* is ¥13M due to costs preceding earnings by Monex Securities Australia

Investment

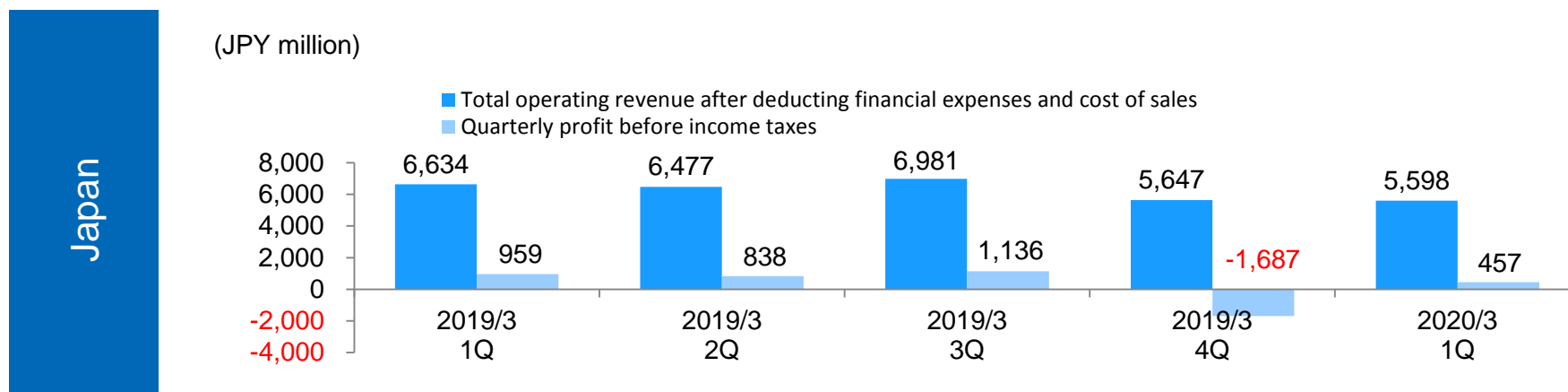
MV I Investment Limited Partnership steadily expands its portfolio

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

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



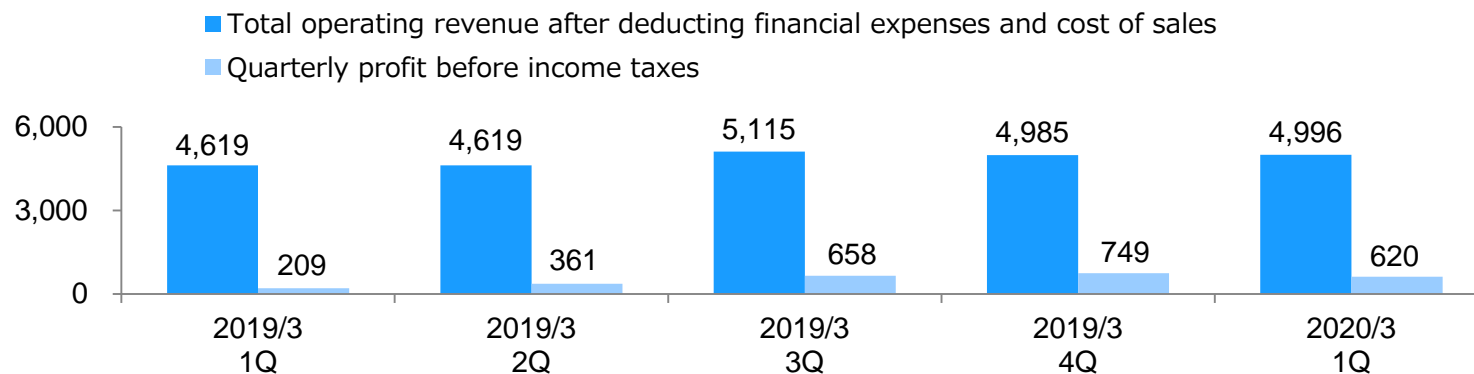
◆ Total operating revenue after deducting financial expenses and cost of sales and segment profit



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

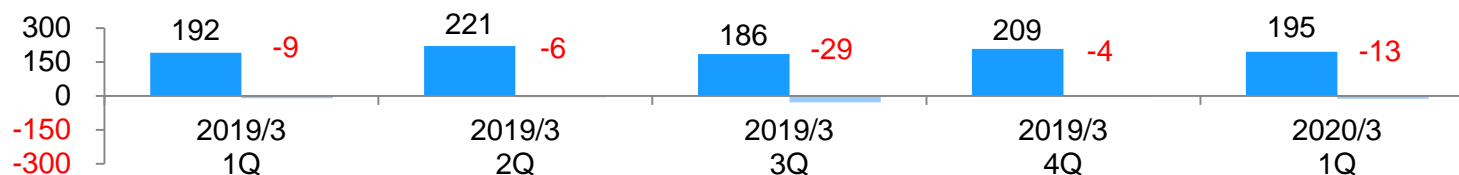
US

(JPY million)



Asia Pacific

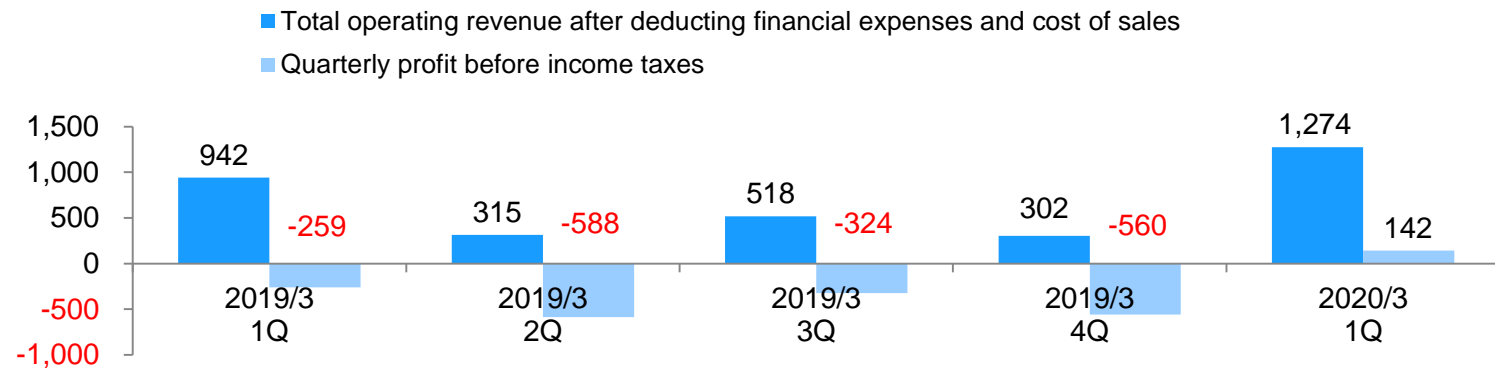
(JPY million)



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

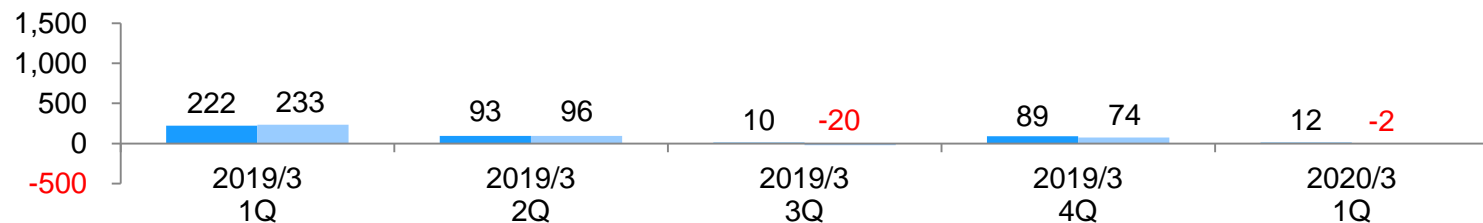
Crypto Asset

(JPY million)



Investment

(JPY million)



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Appendix. Group Overview

YoY Comparison (3 months) Consolidated Performance

(JPY million)	FYE Mar. 2019 1 Q (Apr. 2018– Jun. 2018)	FYE Mar. 2020 1 Q (Apr. 2019– Jun. 2019)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	12,358	11,881	-477	-4%	P13: Analysis of Japan segment P15: Analysis of US segment (USD) P17: Analysis of Crypto Asset segment
SG&A	11,255	10,666	-589	-5%	P14: Analysis of Japan segment P16: Analysis of US segment (USD) P18: Analysis of Crypto Asset segment
The amount equivalent to operating income	1,102	1,215	112	10%	
Other income / expenses (net)	27	-19	-47		Breakdown in DATA BOOK P20: - Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	1,130	1,196	66	6%	
Quarterly profit attributable to owners of the Company	1,196	849	-347	-29%	
EBITDA*	3,148	3,177	29	1%	

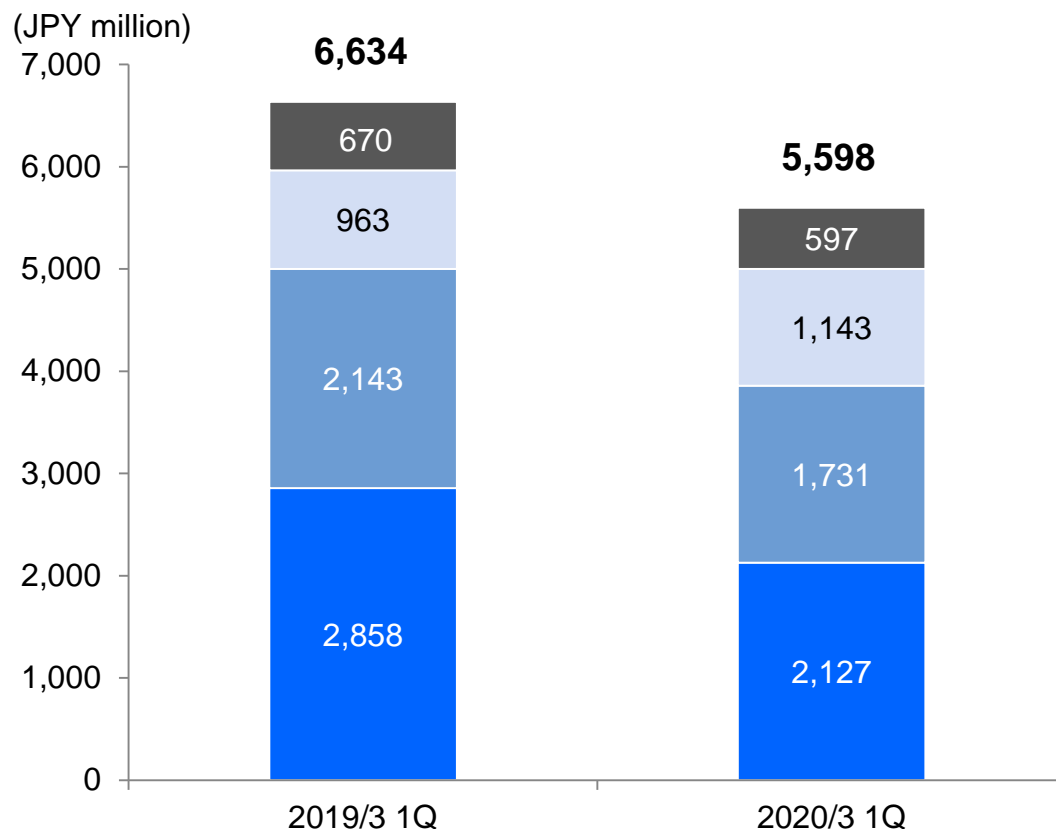
* EBITDA = The amount equivalent to operating income + depreciation and amortization cost + interest expense of US segment (the same hereinafter)

YoY Comparison (3 months) Segment Performance

	Japan		US		Asia Pacific		Crypto Asset		Investment	
(JPY million)	2019/3 1Q	2020/3 1Q	2019/3 1Q	2020/3 1Q	2019/3 1Q	2020/3 1Q	2019/3 1Q	2020/3 1Q	2019/3 1Q	2020/3 1Q
Total operating revenue after deducting financial expenses and cost of sales	6,634	5,598	4,619	4,996	192	195	942	1,274	222	12
SG&A	5,835	5,194	4,389	4,364	207	212	1,211	1,127	1	14
The amount equivalent to operating income	799	404	230	633	-16	-16	-269	147	220	-2
Other income / expenses (net)	161	53	-21	-13	6	3	10	-5	12	0
Quarterly profit before income taxes	959	457	209	620	-9	-13	-259	142	233	-2
Quarterly profit attributable to owners of the Company	1,055	313	191	464	-13	-16	-190	99	156	-4
EBITDA	2,314	1,576	861	1,425	2	13	-258	299	220	-2
Note	See P13 "total operating revenue after deducting financial expenses and cost of sales" for more details See P14 "SG&A" for more details		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			

Japan : Lower market trading volume by individual traders led to lower brokerage commissions and net financial income. Tightened spread of FX services drove a rise in market share of trading volume to the highest level

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2018 - Jun. 2018)



Total operating revenue after deducting financial expenses and cost of sales
-15.6% (-1,036)

*Figures in parenthesis is the variance from 1Q FYE Mar. 2019 (JPY million)

- Others (-74)
- FX & fixed income (+180) *1
- Net financial income (-411) *2
- Brokerage commissions (-731) *3

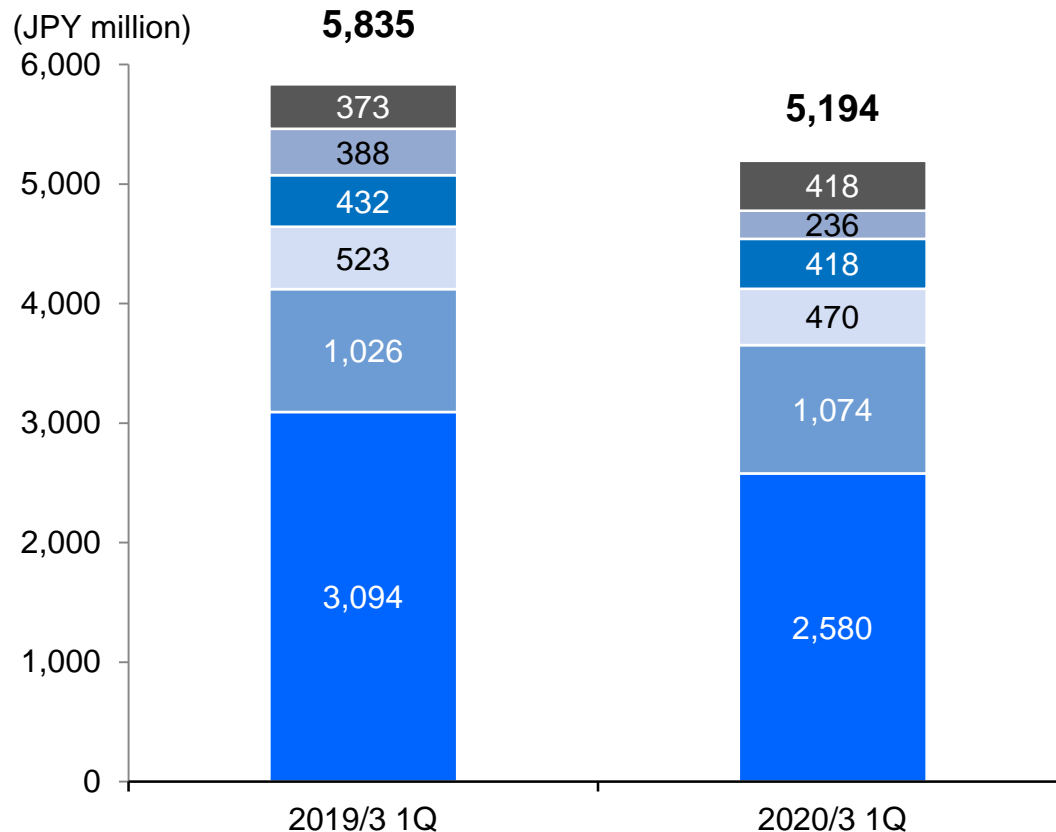
*1 Market share of FX trading volume 0.77% → 1.70%

*2 Net financial income of margin trading balance -429
 Margin balance Market balance -27%
 Monex Securities' balance -25% (ave.)

*3 Total trading volume of individual investors in two Japanese major equity markets, including ETFs etc. - 21 %

Japan : System related expenses largely decreased due to lower depreciation cost caused by the impairment in the previous quarter

■ SG&A (compared to Apr. 2018 - Jun. 2018)



SG&A Total -11.0% (-641)

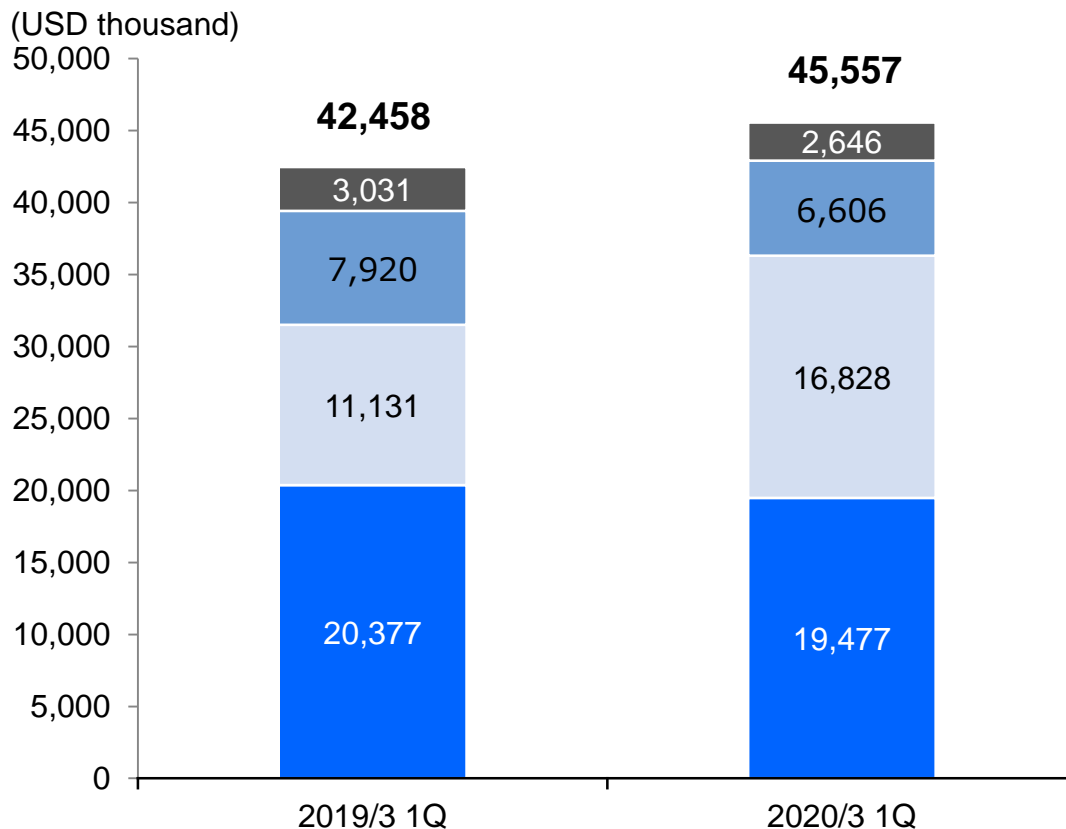
*Figures in parenthesis is the variance from 1Q FYE Mar. 2019 (JPY million)

- Others (+44)
- Advertising expenses (-152)
- Communication, freight and information expenses (-14)
- Commissions paid, exchange and association dues (-53)
- Compensation and benefits (+47)
- System related expenses (-514) *

* Rental expenses	-87
Maintenance expenses and data processing	-82
Depreciation cost	-343

US : Net financial income has increased due to higher interest rates as well as an increase in customer assets

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2018 - Jun. 2018)



Total operating revenue after deducting financial expenses and cost of sales
+7.3% (+3,099)

* Figures in parenthesis is the variance from 1Q FYE Mar. 2019 (USD thousand)

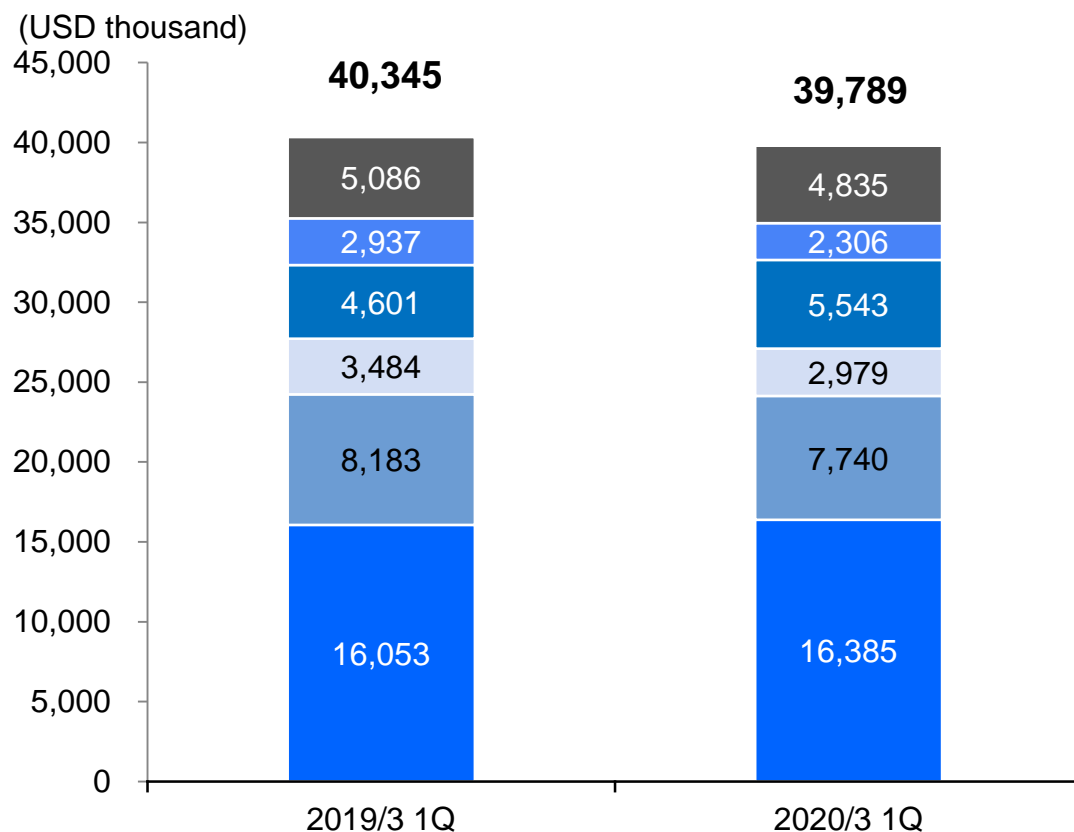
- Others (-385)
- Other commissions (-1,314)
- Net financial income (+5,697)
- Brokerage commissions (-899)

US : Discretionary spending remains efficiently controlled while variable costs increased in parallel with the increase in revenue

■ SG&A (compared to Apr. 2018 - Jun. 2018)

SG&A Total -1.4% (-556)

* Figures in parenthesis is the variance from 1Q FYE Mar. 2019 (USD thousand)



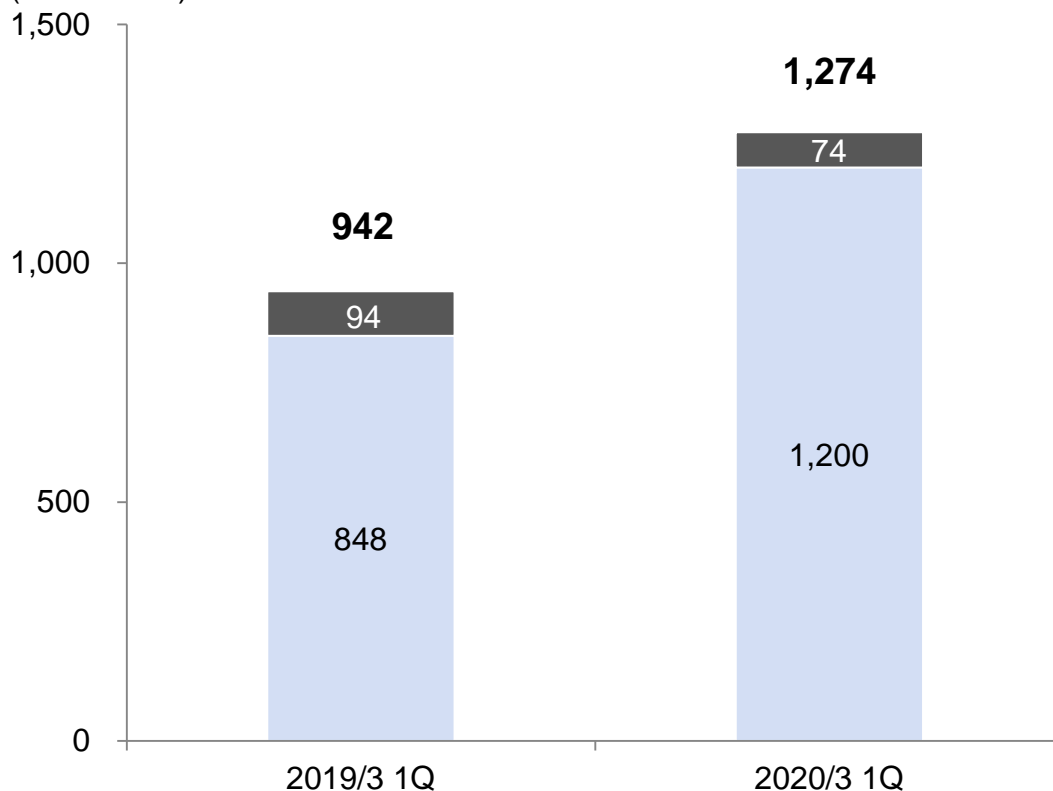
- Others (-251) *
- Advertising expenses (-631)
- Amortization and depreciation (+942) *
- Communication, freight and information expenses (-505)
- Commissions paid and association dues (-443)
- Compensation and benefits (+332)

* Reclassification by applying IFRS16

Crypto : Coincheck sequentially resumed its services since October 2018. Favorable market condition of this quarter drove higher trading income

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2018 - Jun. 2018)

(JPY million)



Total operating revenue after deducting financial expenses and cost of sales
+35.3% (+332)

*Figures in parenthesis is the variance from 1Q FYE Mar. 2019 (JPY million)

- Others (-20)
- Trading income (+352) *

* Service comparison

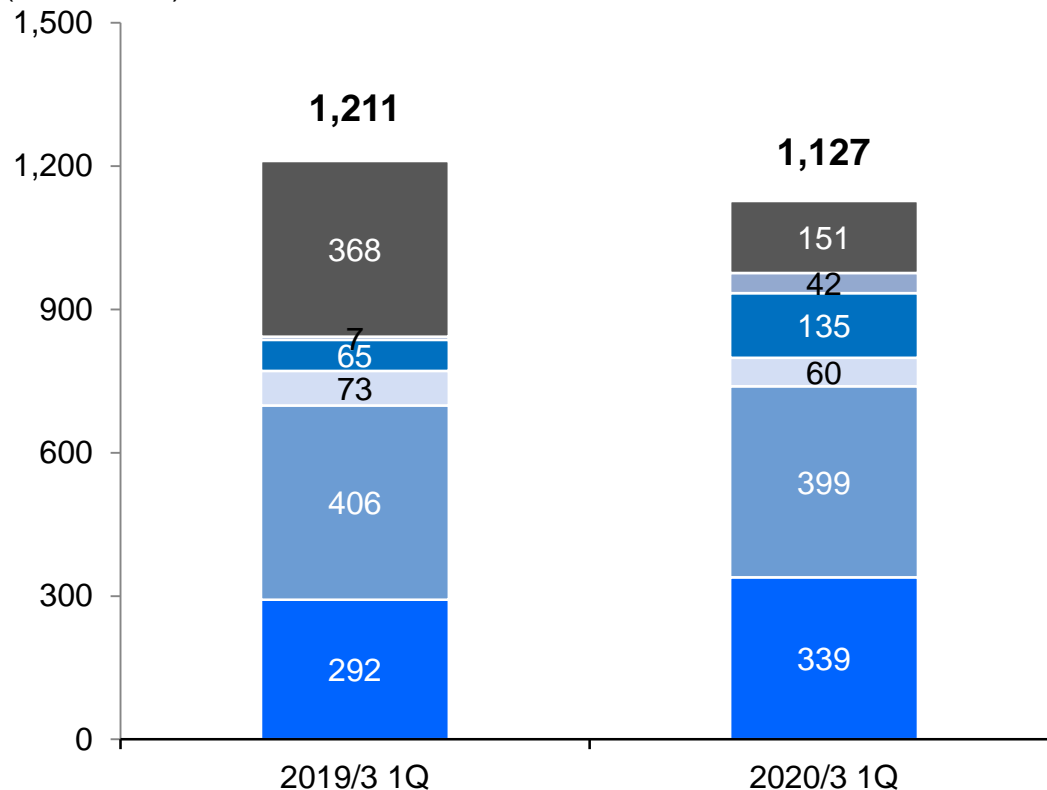
In 1Q FYE Mar. 2019, new account openings, purchasing and depositing services of all the altcoins were under suspension. Four cryptocurrencies out of 13 available cryptocurrencies offered then has been delisted from the Coicheck services since June 2018

In 1Q FYE Mar. 2020, all the services are available and Coincheck started offering a new cryptocurrency, Monacoin, from the beginning of June 2019

Crypto : SG&A declined due to decreased professional fees

■ SG&A (compared to Apr. 2018 - Jun. 2018)

(JPY million)



SG&A Total -6.9% (-84)

*Figures in parenthesis is the variance from 1Q FYE Mar. 2019 (JPY million)

- Others (-217) *
- Advertising expenses (+36)
- Communication, freight and information expenses (+70)
- Commissions paid, exchange and association dues (-13)
- Compensation and benefits (-7)
- System related expenses (+47)

* Professional fees decreased after the registration of Coincheck as a cryptocurrency exchange agency

(JPY million)	4Q FYE Mar. 2019 (Jan. 2019-Mar. 2019)	1Q FYE Mar. 2020 (Apr. 2019- Jun. 2019)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	11,017	11,881	864	8%	P21: Analysis of Japan segment P23: Analysis of US segment (USD) P25: Analysis of Crypto Asset segment
SG&A	11,290	10,666	-624	-6%	P22: Analysis of Japan segment P24: Analysis of US segment (USD) P26: Analysis of Crypto Asset segment
The amount equivalent to operating income	-273	1,215	1,488	-	
Other income / expenses (net)	-1,160	-19	1,141	-	Breakdown in DATA BOOK P20: - Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	-1,433	1,196	2,628	-	
Quarterly profit attributable to owners of the Company	-1,515	849	2,364	-	
EBITDA	1,877	3,177	1,300	69%	

QoQ Comparison (3 months) Segment Performance

	Japan		US		Asia Pacific		Crypto Asset		Investment	
(JPY million)	2019/3 4Q	2020/3 1Q	2019/3 4Q	2020/3 1Q	2019/3 4Q	2020/3 1Q	2019/3 4Q	2020/3 1Q	2019/3 4Q	2020/3 1Q
Total operating revenue after deducting financial expenses and cost of sales	5,647	5,598	4,985	4,996	209	195	302	1,274	89	12
SG&A	5,698	5,194	4,231	4,364	228	212	1,373	1,127	17	14
The amount equivalent to operating income	-51	404	754	633	-19	-16	-1,071	147	73	-2
Other income / expenses (net)	-1,636	53	-5	-13	15	3	511	-5	1	0
Quarterly profit before income taxes	-1,687	457	749	620	-4	-13	-560	142	74	-2
Quarterly profit attributable to owners of the Company	-1,139	313	528	464	41	-16	-989	99	47	-4
EBITDA	1,472	1,576	1,459	1,425	-2	13	-997	299	73	-2

Note

See P21 “total operating revenue after deducting financial expenses and cost of sales” for more details
See P22 “SG&A” for more details

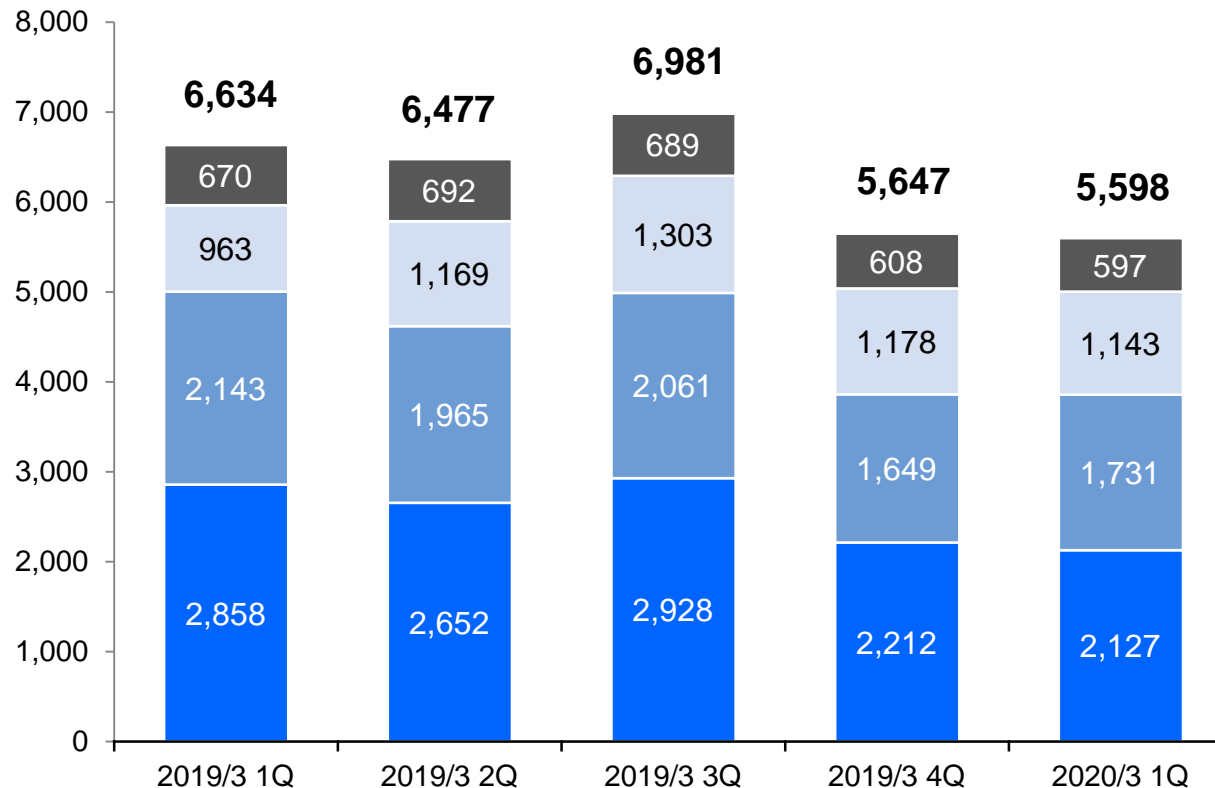
See P23 “total operating revenue after deducting financial expenses and cost of sales” for more details. See P24 “SG&A” for more details.

See P25 “total operating revenue after deducting financial expenses and cost of sales” for more details. See P26 “SG&A” for more details.

Japan : Brokerage commissions decreased due to the lowest trading volume by individual traders in about seven years

■ 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 -0.9% (-49)

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

- Others (-12)
- FX & fixed income (-35)
- Net financial income (+82) *1
- Brokerage commissions (-85) *2

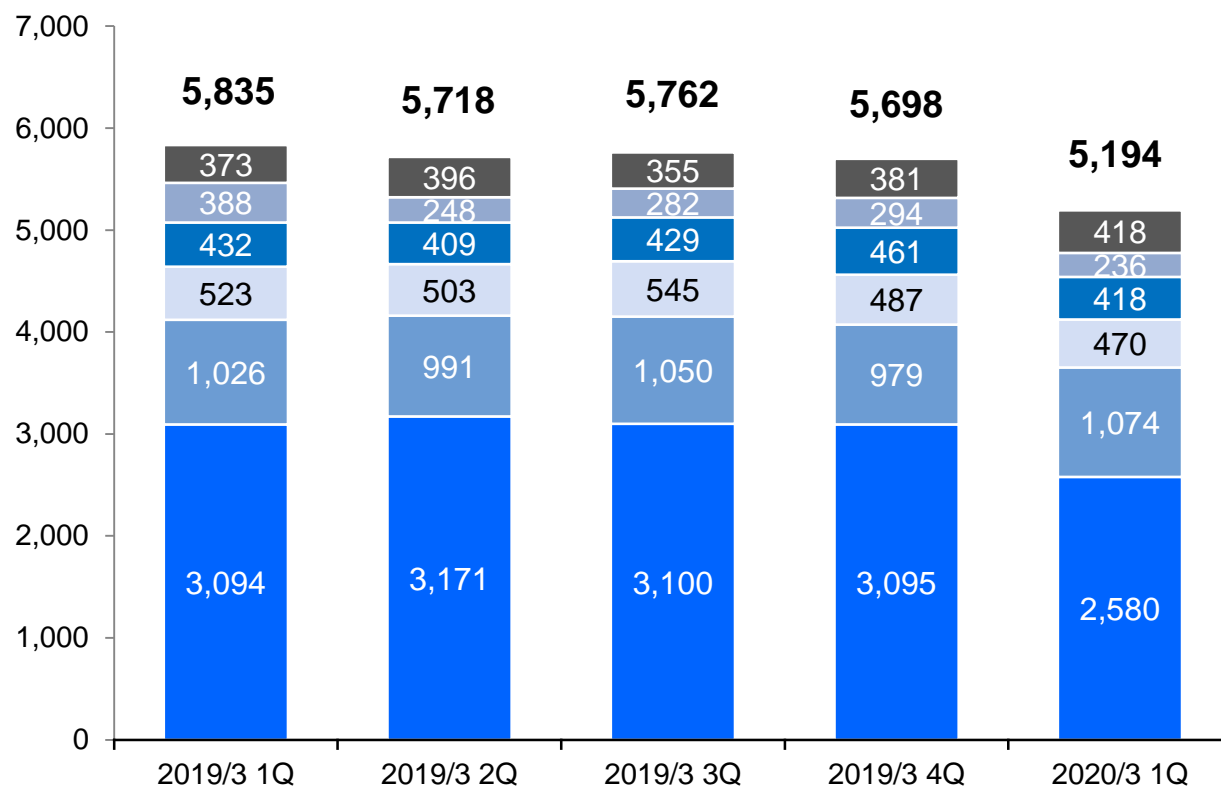
*1 Market margin balance -6%
Monex margin balance -3%

*2 Total trading volume of individual investors in two Japanese major equity markets, including ETFs etc. -8 %

Japan : System related expenses largely decreased due to lower depreciation cost caused by the impairment in the previous quarter

■ Quarterly SG&A

(JPY million)



Quarterly SG&A -8.8% (-504)

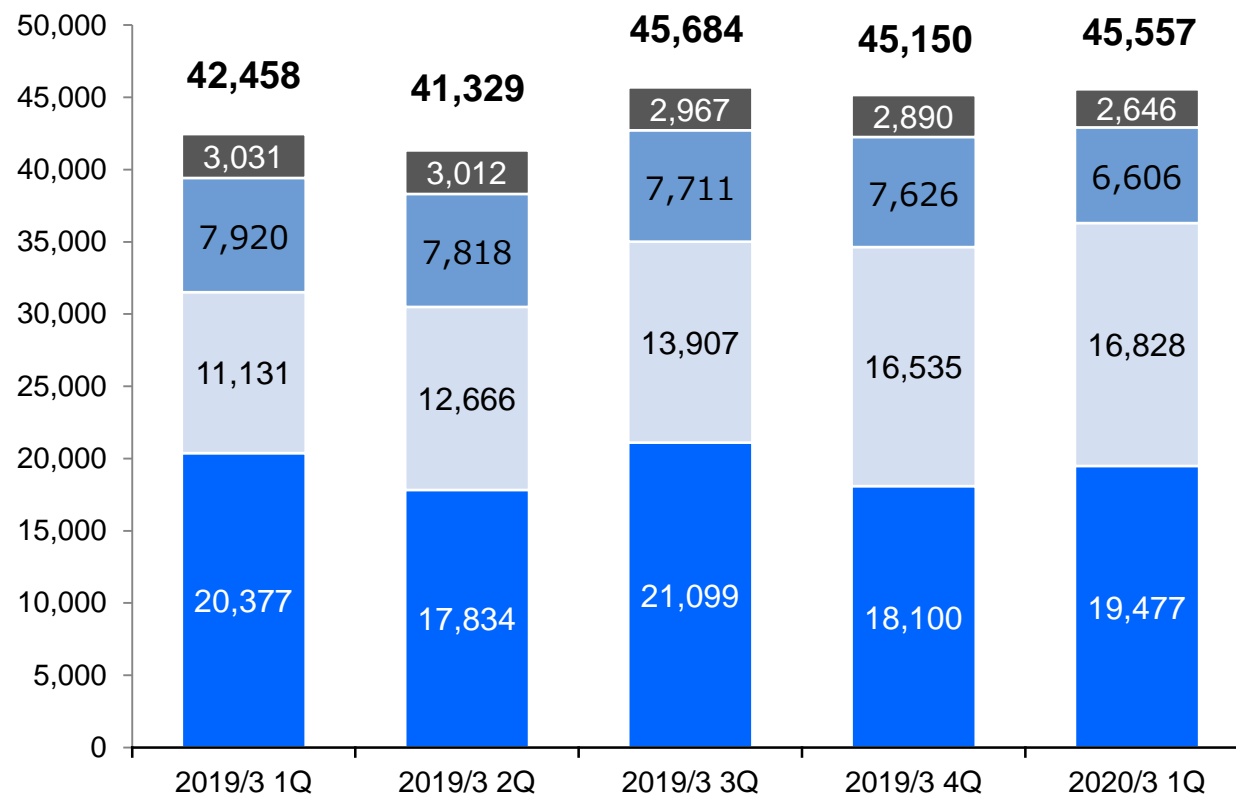
*Figures in parenthesis is the variance from previous quarter (JPY million)

- Others (+37)
- Advertising expenses (-58)
- Communication, freight and information expenses (-44)
- Commissions paid, exchange and association dues (-18)
- Compensation and benefits (+95)
- System related expenses (-515)

US : Revenue remains solid, keeping the increase in net interest income for 6 quarters in a row. Brokerage commissions increased driven by larger futures trading volume from an increase in intraday 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 +0.9% (+406)

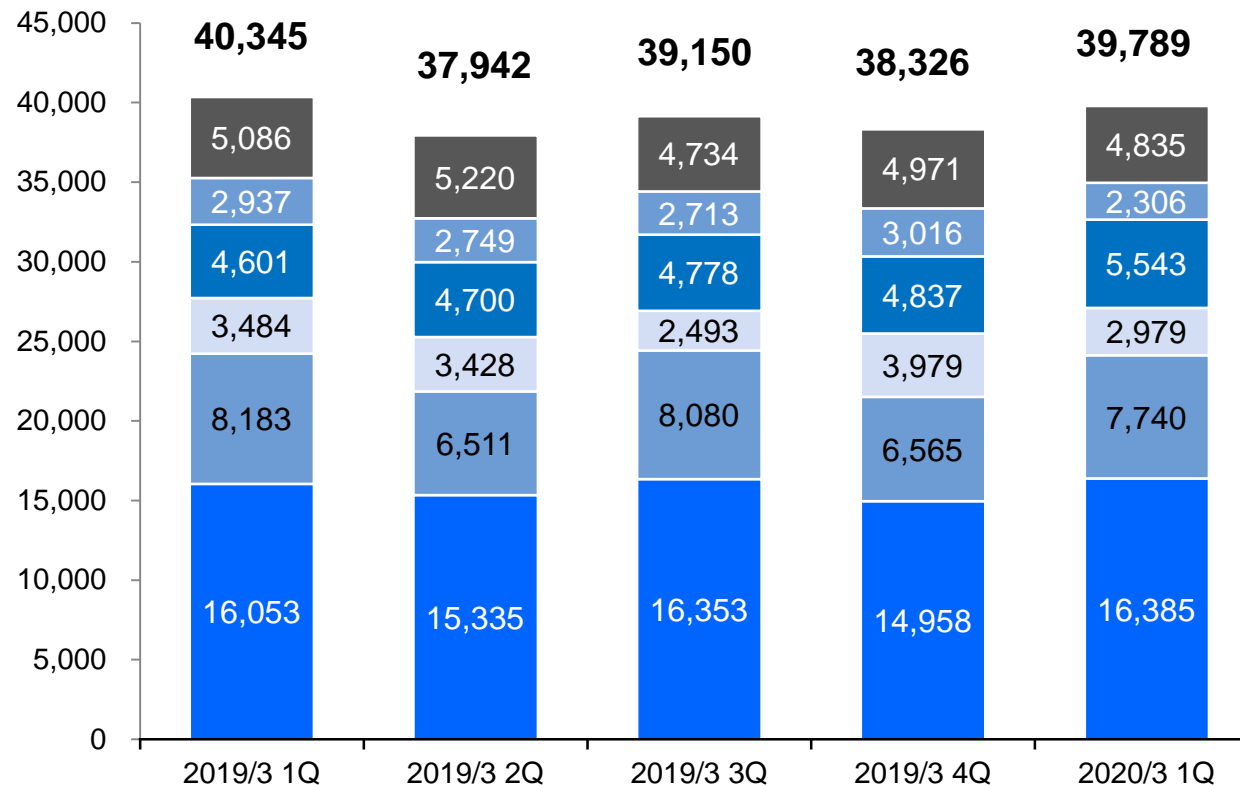
*Figures in parenthesis is the variance from previous quarter (USD thousand)

- Others (-244)
- Other commission (-1,021)
- Net financial income (+293)
- Brokerage commissions (+1,378)

US : Commissions paid increased due to larger futures trading volumes

■ Quarterly SG&A

(USD thousand)



Quarterly SG&A +3.8% (+1,462)

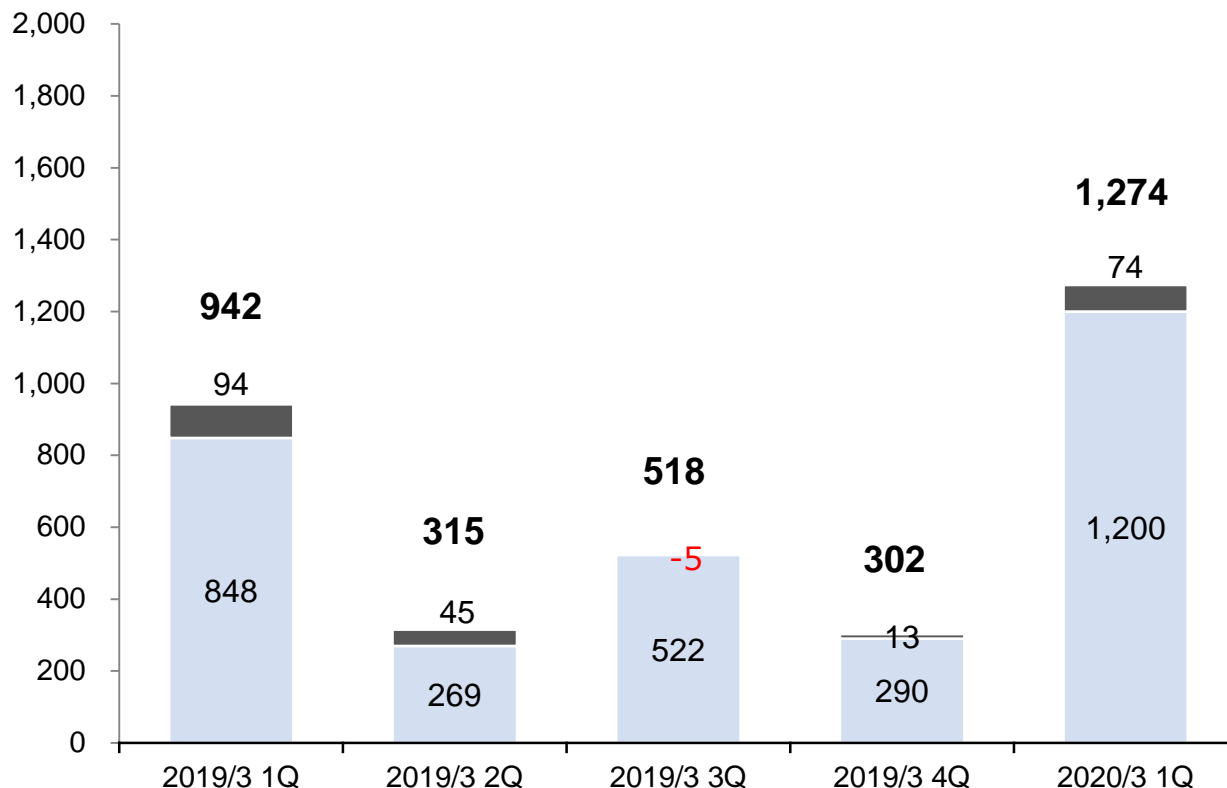
*Figures in parenthesis is the variance from previous quarter
(USD thousand)

- Others (-136)
- Advertising expenses (-710)
- Amortization and depreciation (+705)
- Communication, freight and information expenses (-999)
- Commissions paid and association dues (+1,175)
- Compensation and benefits (+1,427)

Crypto : Revenue increased approximately 4 times while the monthly market transaction(*) in Japan increased 2.4 times from the previous quarter

■ 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 +321.3% (+972)

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

■ Others (+61)
■ Trading income (+911)

* Monthly trading volume in cash trading of Bitcoin in Japan (excluding DMM Bitcoin)

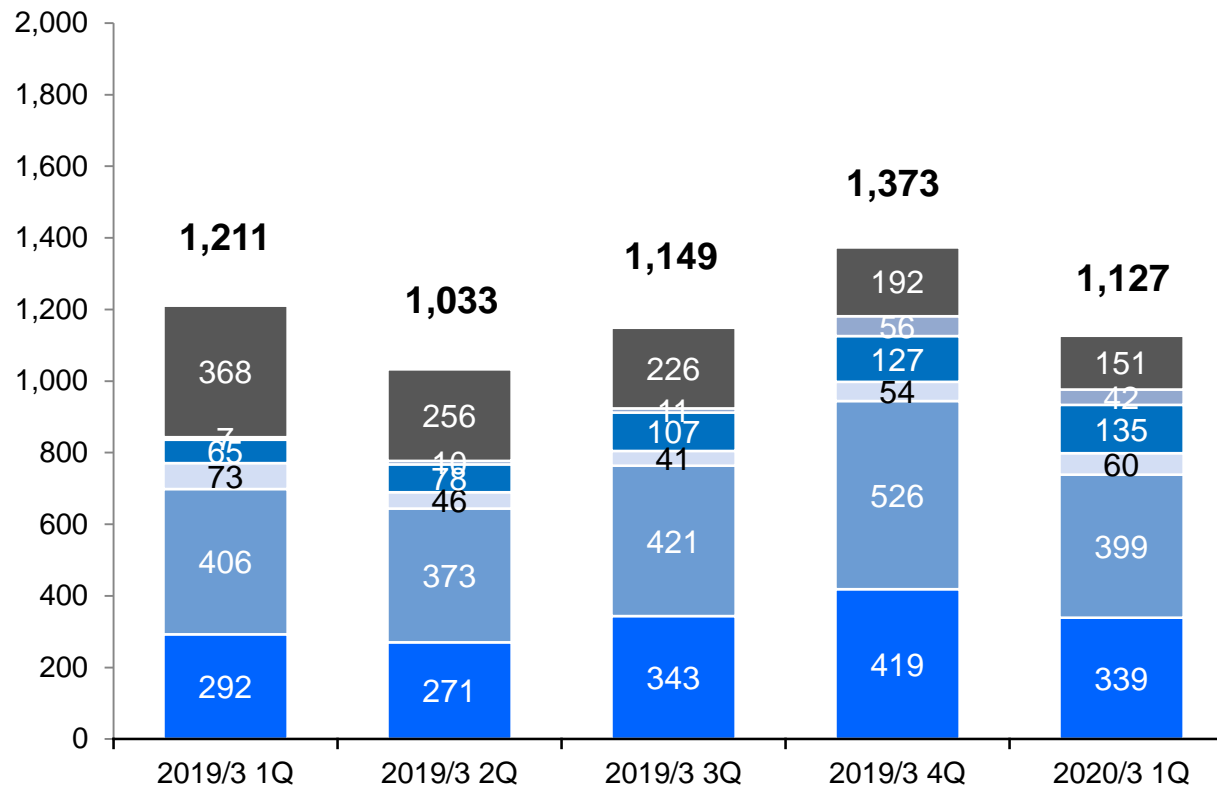
Average transaction Jan.-Mar. ¥ 474.5 B
Average transaction Apr.-Jun. ¥ 1,146.5 B
(QoQ +140%)

Source: Bitcoin Website in Japanese
(<https://jpbitcoin.com/>)

Crypto : Coincheck saved outsourcing expenses as a part of cost reduction efforts

■ Quarterly SG&A

(JPY million)



Quarterly SG&A -18.0% (-247)

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

- Others (-42)
- Advertising expenses (-14)
- Communication, freight and information expenses (+8)
- Commissions paid, exchange and association dues (+6)
- Compensation and benefits (-127)
- System related expenses (-79)

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 June 30, 2019

<u>Assets</u> JPY 1,034.8B	<u>Liabilities</u> JPY 955.1B
Major assets: Assets related to financial instruments trading business JPY 762.3B	Major liabilities: Liabilities related to financial instruments trading business JPY 937.8B
Others JPY 55.2B	Others JPY 17.3B
Cash and cash equivalents JPY 161.1B	
Non-current assets (*1) JPY 56.1B	Net capital JPY 79.7B

(*1) Non-current assets

Property and equipment	JPY	5.3B
Intangible assets (Goodwill)	JPY	16.7B (*2)
Intangible assets (Identifiable intangible assets)	JPY	10.0B (*3)
Intangible assets (Software and others)	JPY	20.0B
Equity method investments	JPY	0.3B
Available-for-sale investments in securities (Lv.3)	JPY	3.8B

(*2) Goodwill: JPY 16.7B

Japan JPY 7.6B, US JPY 8.7B, Asia Pacific JPY 0.4B

(*3) Identifiable intangible assets: JPY 10.0B

US JPY 9.5B, AP JPY 0.5B

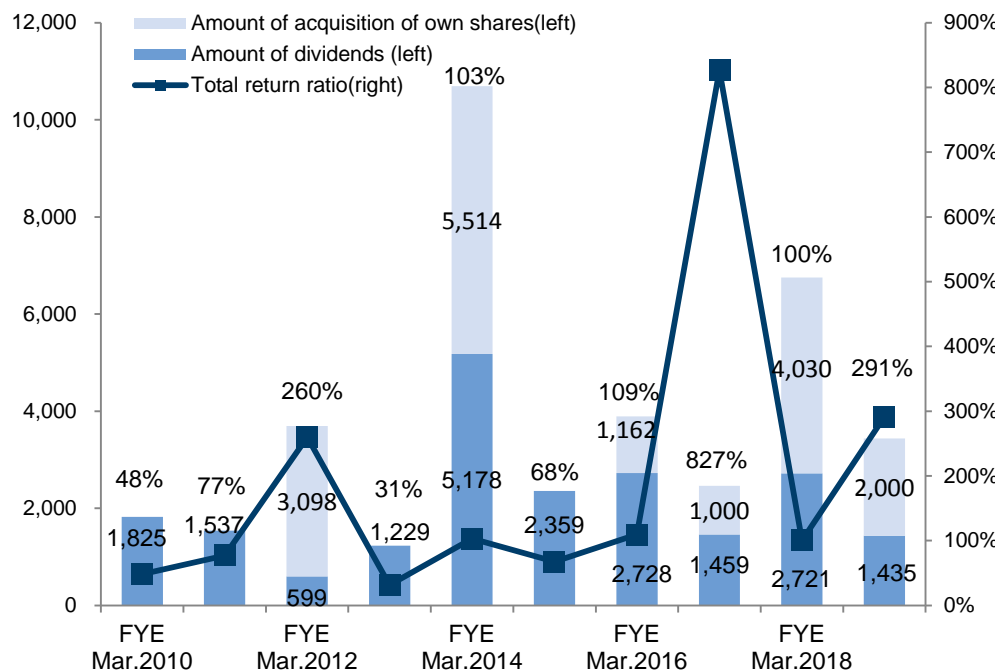
◆ The JPY 26.5B difference between Net capital (JPY 79.7B) and Non-current assets (JPY 56.1B) is the source of funds for the following:

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)

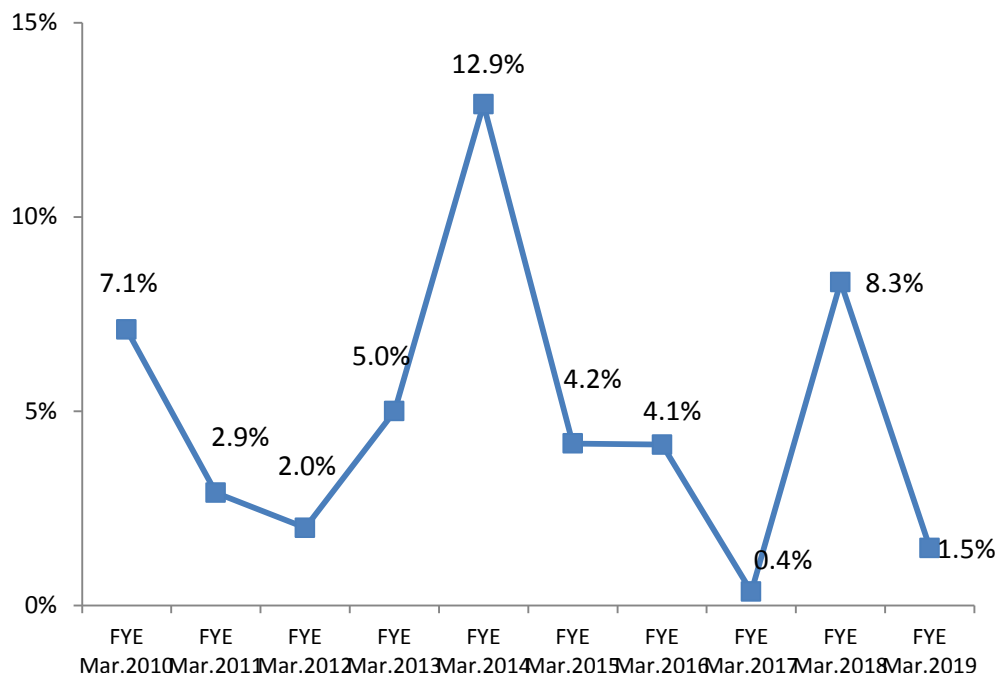
Total return ratio (*1) is 75% on a multi-year basis

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

(million yen)



◆ Return on Equity ratio



(*1) Total return ratio = (dividend paid*3 + amount of share buyback*4) /profit attributable to owners of the Company

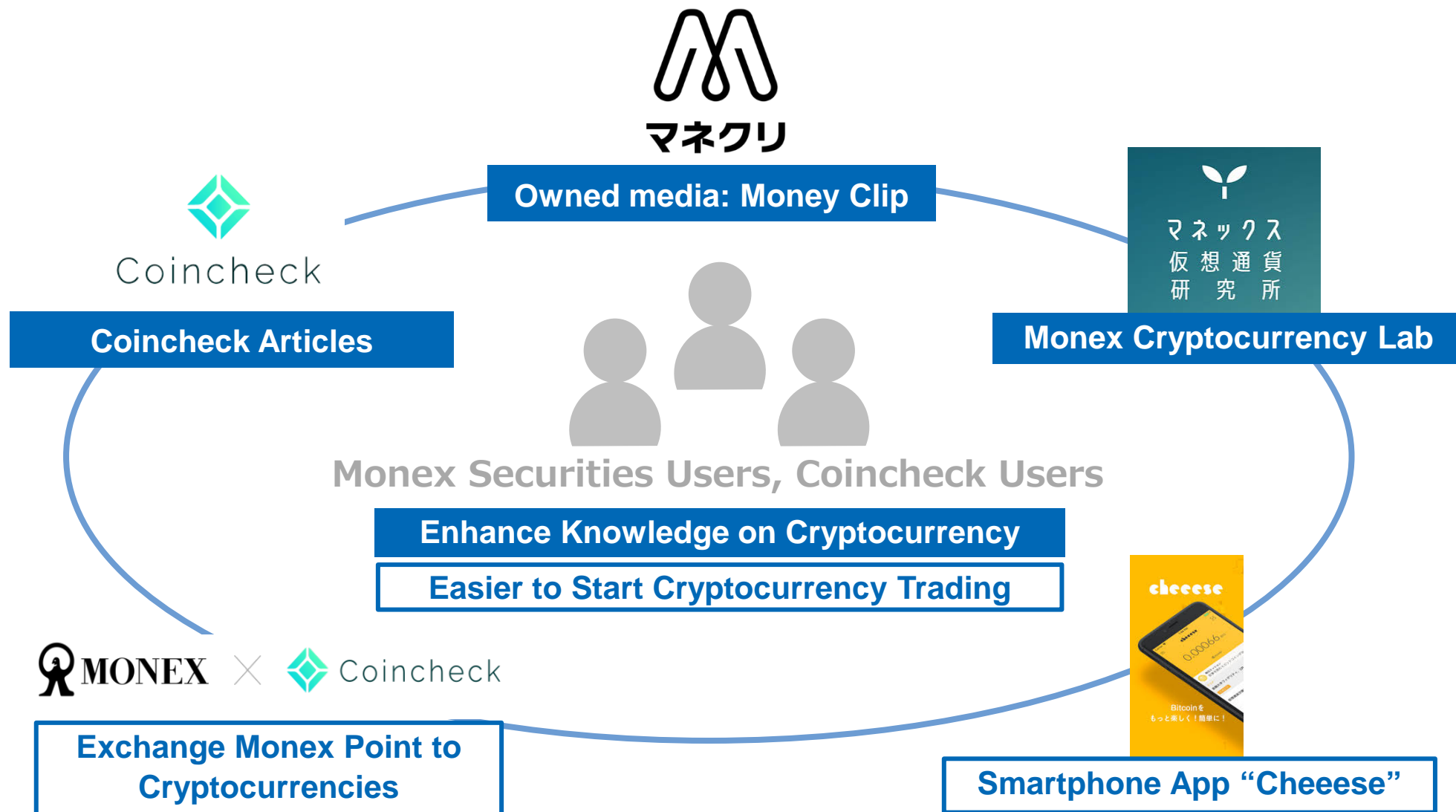
(*2) Total return amount = dividend paid + amount of share buyback

(*3) Refer to P54 "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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Set multiple customer intersections between Monex Securities and Coincheck



Lowered the pricing table for US equities trading. Market share of FX trading increased to the highest level

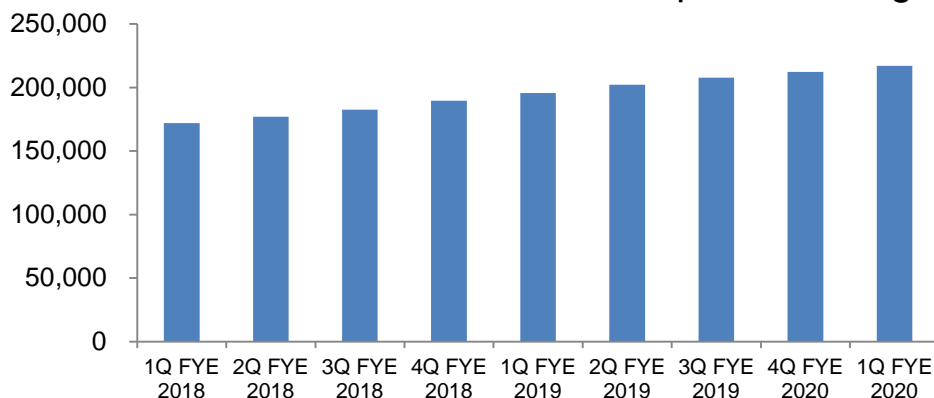
US Equity Trading



- The minimum trading fee for US equities trading was abolished from July 10
- Number of tradable US stocks are the best among the major online brokers (*)
- Unique offerings such as smartphone app for US equities trading and off-hour trading
- Number of active accounts steadily increased by 22% (vs 4Q FYE 2019)

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

◆ Number of account of US equities trading

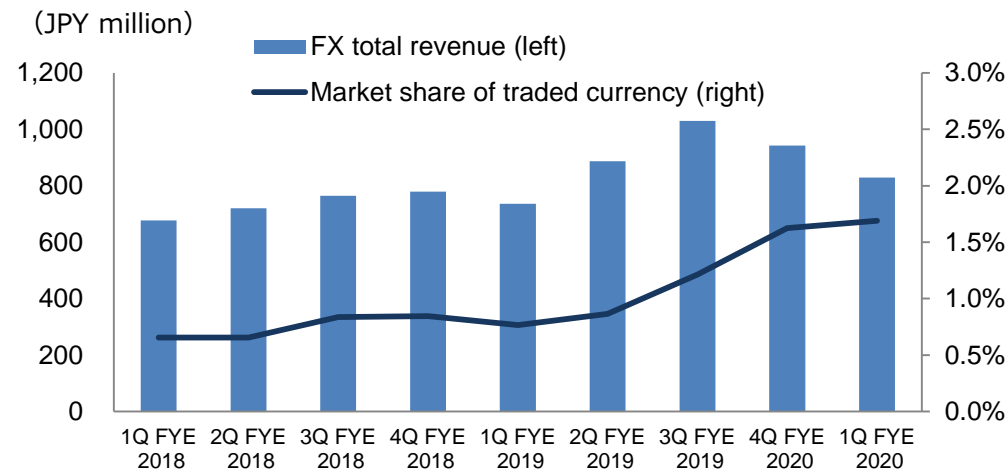


FX Trading



- The spread of the Monex Securities' FX service "FX PLUS" was tightened in Nov 2018. Market share of FX trading volume has largely increased
- Market share of traded currency in FX trading reached to 1.7%, twice as large as 1Q FYE 2018

◆ Total FX revenue and market share



Strengthened margin trading and TradeStation for Japanese equities trading. A trust company joined our group with an aim of contributing to the super-aged society

Active traders / Super-aged society of Japan

Monex Stock Scouter

- Various functions helping the investment judgement; “Corporate performance for 10 years” and “Graphic PER and PBR for 5 years”. More than 70K monthly users on the average

Margin trading initiatives & TradeStation for Japanese equities trading

- Launched short trading service with an indefinite repayment period. TradeStation tool takes stable operation as its top priority and aims to acquire more active traders

Monex SP Trust, Inc.

- Acquired Shiawase Partners Trust Co., Ltd and renamed it as Monex SP Trust, Inc. expecting to create services that contribute to the resolution of super-aged society in Japan

Intermediary Service with Financial Institutes



Monex-Saison-Vanguard Investment Partners, Inc.

- “MSV LIFE” is in the process of comprehensively improving its UX/UI
- Several financial institutes plan to introduce its asset management service “MSV COMPASS+” by the end of this fiscal year

Financial Instruments Intermediary Service

- Shizuoka Bank, FIDEA Holdings Co., Ltd. (Shonai Bank and Hokuto Bank), and TOMONY Holdings, Inc. (Tokushima Bank and Kagawa Bank) offer financial instruments intermediary service in partnership with Monex Securities

“Monex Activist Forum” was well-received among retail and institutional investors

“Monex Activist Forum” aims to facilitate communication between individual investors and companies, and enhance the value of Japanese equities. Monex Securities will deepen individual investors’ understanding of shareholders’ rights and encourage them to exercise their rights properly as activist investors

“Monex Activist Forum” organized on May 19 (Over 600 participants and 500 live viewers)

The Activist Forum was hosted inviting individual investors. Fund managers, activist fund managers, and experts dedicated to improve corporate value got together and discussed how shareholders should communicate with companies

- Majority of the participants at the forum had experiences in exercising voting rights, which illustrates the rise in engagement sentiment by individual investors
- More than 90% of the respondents answered that they “became more confident to exercise their voting rights” and “felt positive toward the activist forum”
- Going forward, continuous effort will be made to enhance in-depth engagement between individual investor and corporate to contribute to the development of the Japanese stock market

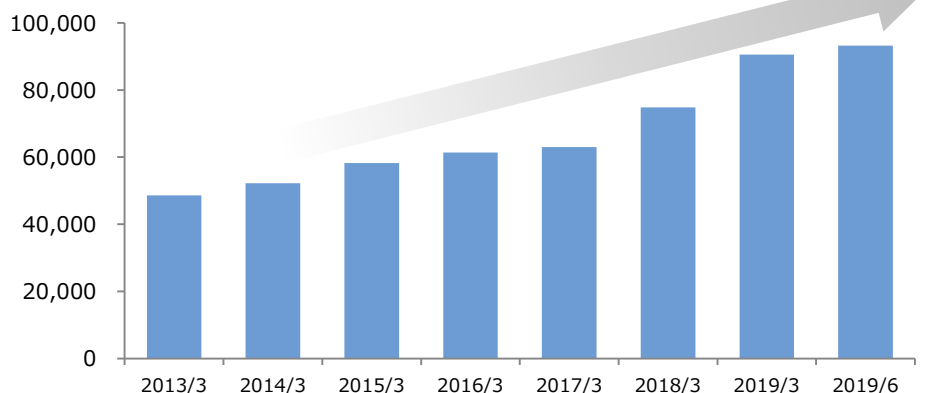
(Monex Securities periodically reports the expert interviews and organizes online seminars)

Number of active accounts continues to grow and total client assets increased, consistent with overall market rise

- Account growth remains steady as new branding and simplified offerings continue to successfully attract casual traders/millennials that expand customer base
- Launched free trade campaign to drive account growth during the coming summer season
- Went live with new futures options offering in partnership with Trading Technologies
- TradeStation Crypto, Inc. is preparing to launch a U.S. cryptocurrency trading offering this fall

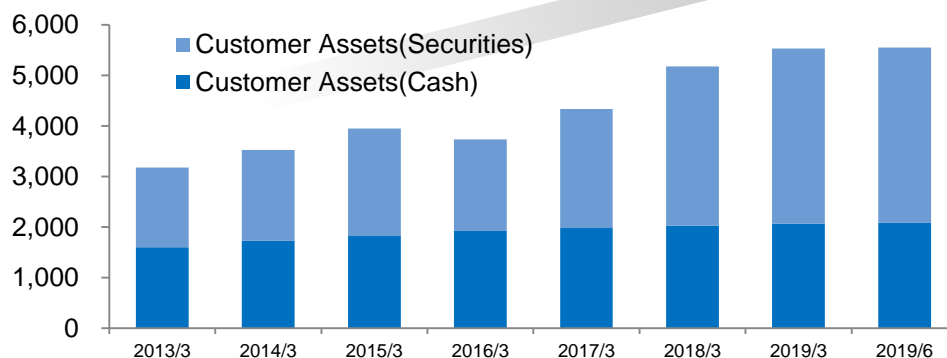
◆ Account growth

(Accounts)



◆ Assets in custody

(USD million)

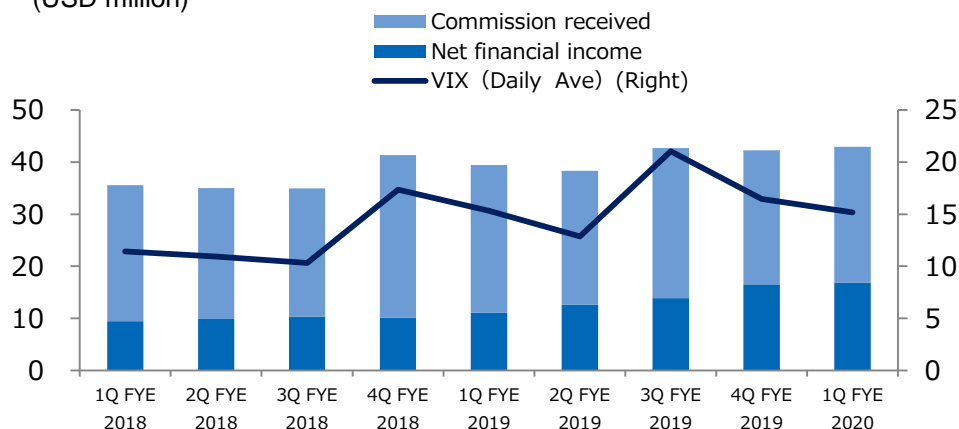


Net financial income is forecasted to increase in FYE March 2020, driven by larger net interest income

- Commission received plus net financial income increased by 1.5% from previous quarter
- Commission received increased by approximately 1% under higher volatility from the influence of US-China trade war
- Net interest income in 1Q reached approximately \$15M
- Net interest income in FYE March 2020 will be approximately \$52M with rates pressure expected during latter part of year (Net interest income in FYE March 2019 was approximately \$45M)

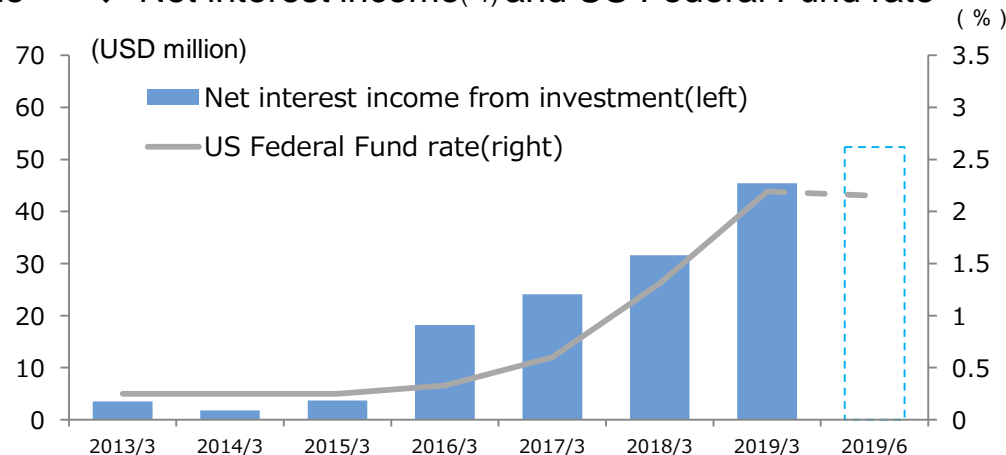
◆ VIX(*2) and commission received + net financial income

(USD million)



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

(USD million)



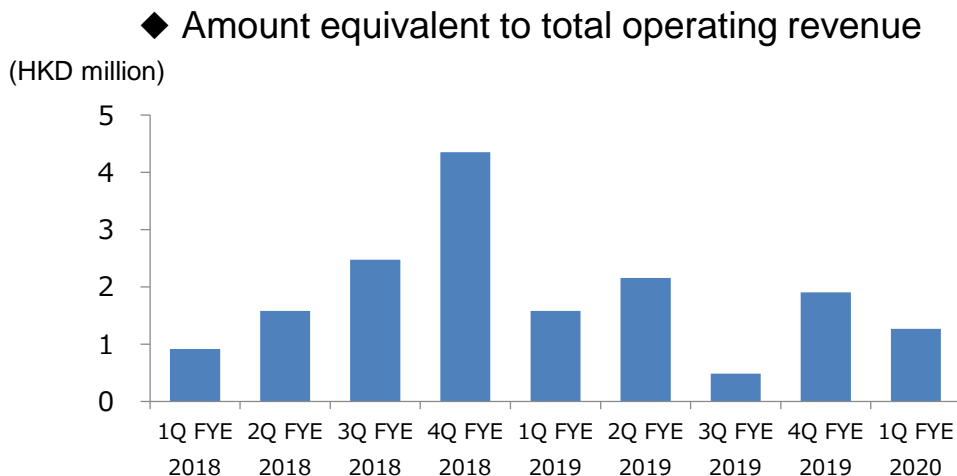
*1 Excluding income from margin trading and stock lending

*2 Daily average

Monex Boom Securities remains profitable for the last ten consecutive quarters

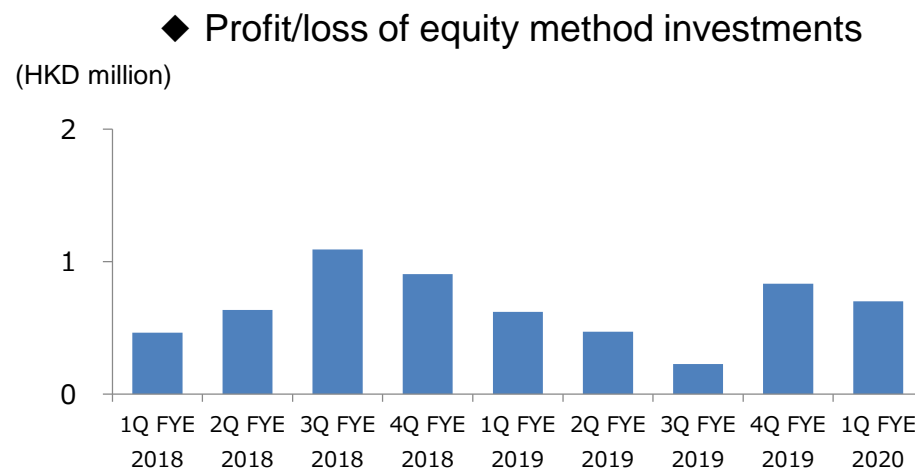
Monex Boom Securities (HK)

- Recorded the amount equivalent to operating income for the last ten consecutive quarters despite low market activity



Cherry Technology Co., Ltd (China)

- Providing technology and knowledge of online brokerage business through a joint venture in PRC
- Recorded profit of equity method investments for the last nine consecutive quarters



Monex Securities Australia Pty Ltd (Australia)

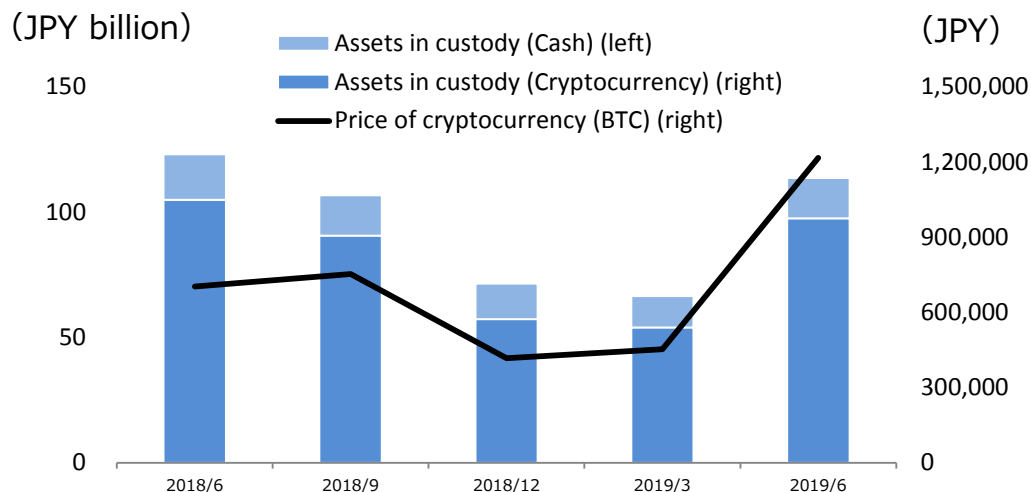
- Utilizes the system of Monex Boom Securities in order to offer cost-competitive services in Australia lighten the infrastructure development

Assets in custody and the number of users with personnel identity confirmed increased due to favorable market condition

Assets in Custody

Correlating with cryptocurrency prices, customers' assets in custody at Coincheck has steadily increased

◆ BTC price and assets in custody of Coincheck at the end of each quarter



Registered / ID-confirmed users

Number of app downloads

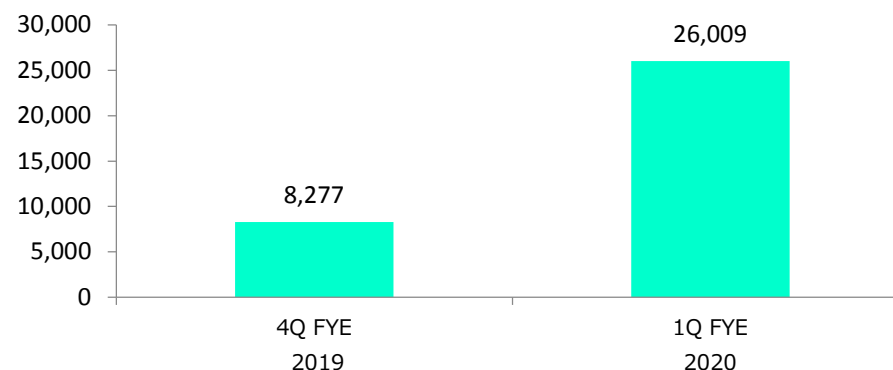
2.5M

Number of registered users of app Number of users with personnel identification confirmed

1.88M

0.90M(*)

◆ Number of new users with ID confirmed



* Changed the definition of number of users with personnel identification confirmed. Number of users confirmed in 4Q of FYE March 2019 was 0.87 million

Cryptocurrency market is in the process of leading to the healthy development, with the introduction of transparent regulations and the entry of a global company, where Coincheck expands its business maintaining a competitive advantage

Initiatives

- Enhanced the investment opportunity by adding new tradable cryptocurrencies which started with the new offering of Monacoin in June
- Reduce the cyber security risk by limiting the maximum amount of assets stored in hot wallet to ¥ 2.5 billion
- Made Monex Point issued by Monex Securities exchangeable to cryptocurrency at Coincheck and organized cryptocurrency seminars with Monex Securities to reach out to the stock traders
- “Blockchain Lab” sought collaboration with several companies with an aim to develop services other than cryptocurrency exchange

Revenue base / competitiveness

- In addition to the BTC exchange/market place, market place of 9 Altcoin is operated in Japan (10 currencies in total)
- Easy-to-use UX for beginners, reaching young people with little investment experience
- Periodic price review secures competitive price difference

Familiarize individuals with cryptocurrency by utilizing a smart-phone app “Cheeese” and a web-based news media “Monex Cryptocurrency Lab”

- A smart-phone application “Cheeese” to give away small amount of Bitcoin by answering simple questionnaires and read the articles published by Monex Cryptocurrency Lab
- Monex Cryptocurrency Lab offers unique information such as cryptocurrency’s market projection and industry trend studied by Nana Otsuki, known as an analyst of financial sector, and Lab writers
- Otsuki recently coauthored a paper on Bitcoin performance and published in the leading American scientific journal “*Applied Economics*”

QR Link to Cheeese App



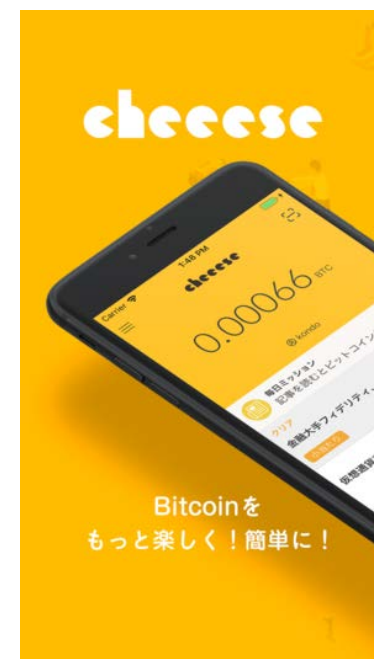
iOS QR code



Android QR code

Description of Cheeese

- Users can earn Bitcoin by answering simple questionnaires or read cryptocurrency related articles through “Cheeese” app
- This makes individual traders and investors more familiar with cryptocurrency and cryptocurrency trading







The flagship fund “MV I Investment Limited Partnership” has successfully made several investments

Entity and scope of investment

Monex Ventures, Inc.	: Principle investment with a focus on Fintech companies
MONEX EDISON Investment Limited Partnership	: 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
MV I Investment Limited Partnership	: Investment to new financial infrastructure or its application providers as well as companies in other area specializing in cutting edge technology (Seven investments have been executed)

Listed/Sold investments record

Online life insurance invested in 2006	Information platform /Curation invested in 2009
 Lifenet Insurance Company	
Listed in Mar. 2012 on TSE Mothers (sold)	Listed in Oct. 2016 on TSE Mothers (sold)
PFM* /Crowd Accounting invested in 2012	Online reservation App for upper-end invested in 2016
 Money Forward	
Listed in Sep. 2017 on TSE Mothers (sold)	Sold all shares in Dec. 2018

R&D purpose investment**

IoT Invested in 2018	Blockchain Invested in 2018	Cryptocurrency Invested in 2018
 Keychain	 Curvegrid	 CURV
Blockchain Invested in 2018	Cryptocurrency Invested in 2018	Cryptocurrency Invested in 2018
 loyyal	 Terra	 ErisX
Blockchain Invested in 2018		
 globaliD		

* PFM=Personal Financial Management
** Including the investments aside from other than Investment Segment

Business Update Investment Segment

(Portfolio of Monex Ventures, Inc., MONEX EDISON Investment Limited Partnership and MV I Investment Limited Partnership)

Expanded investments mainly to Fintech companies, to which Monex Securities can propose to be IPO lead arranger

P2P lending



(registered as Type 2 Financial Instruments Business)

B2B Robo-advisor



Vertical EC



VR



IoT



Car dealing platform



EC



HACHIMENROPPU

AI/Big Data



AI/Big Data



cinnamon

Vacation Rental



IoT



Keychain

Drone



iROBOTICS

Payment



Custom-designed Investment platform



(registered as Type 1 Financial Instruments Business)

Robot Advisor



Interactive Advertisement

PARONYM

Gift EC



SaaS



Alterbath

DLT*



Stock Investment type Crowd funding



(registered as Type I Small Amount Electronic Public Offering Service Provider)

Crypto-asset related business



LOGICA

Online hair salon reservation platform



Mental Health Care



Logistics



Airporter

Mortgage loan consulting



(registered as moneylender)

Crypto asset related business



Photo EC



Sales management tool in Africa



Sleep improvement service



SaaS



STUDIO

AI/Big Data



Web media



AI/Big Data



P2P transaction of hotel bookings



E-money platform



-
- I. Highlights
 - II. Consolidated Performance
 - III. Business Update

Appendix. Group Overview

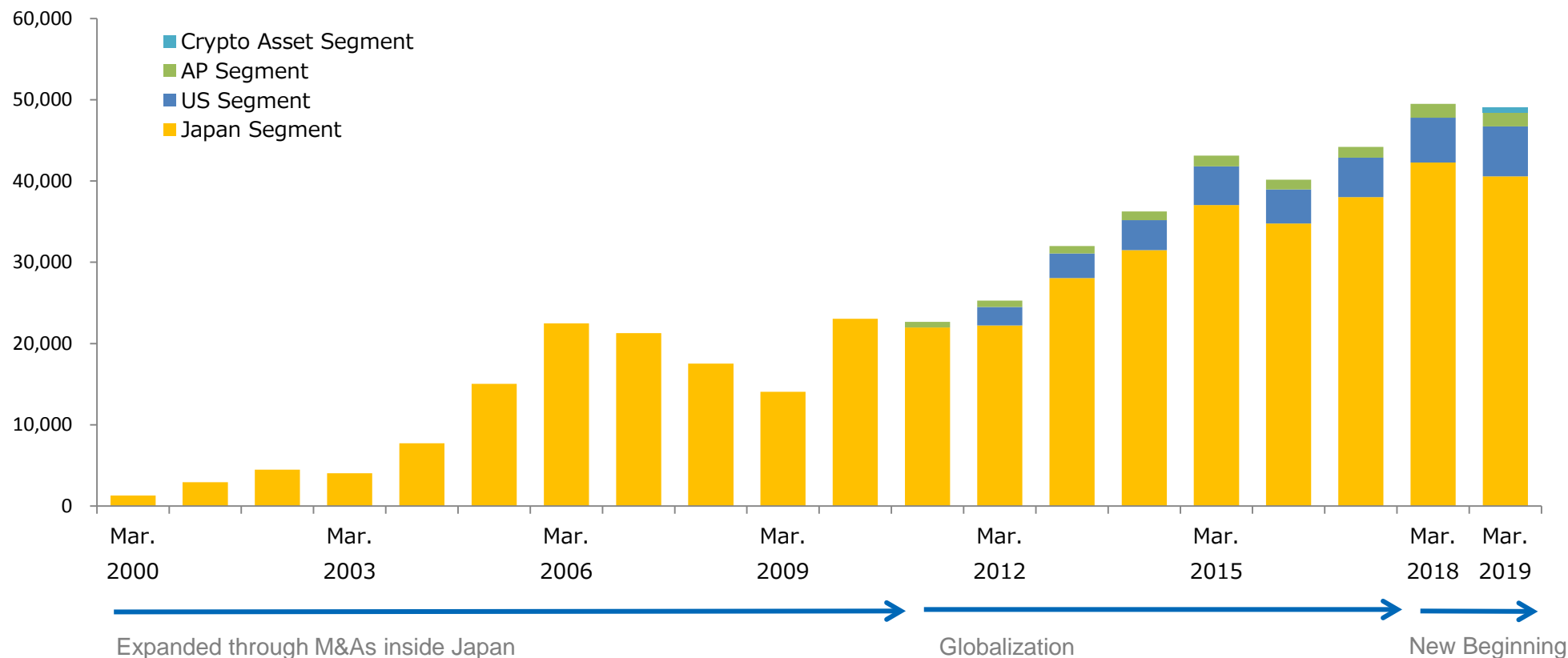
Enhance corporate value driven by the steady growth of online brokerage businesses and the mid-to-long term growth drivers



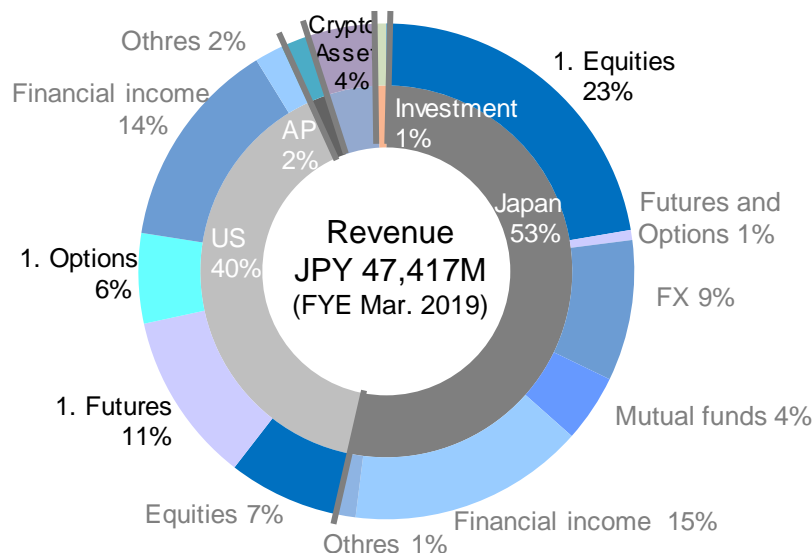
Japan	2019/6 EBITDA ¥ 1.6 B Collaborate with Coincheck	Crypto Asset	Finance in a New Age Explore new businesses with Blockchain technology on top of cryptocurrency exchange.	Consolidated	1Q of FYE Mar. 2019 EBITDA ¥ 3.2 B Market Cap (June 30, 2019) ¥ 101.2 B
US	2019/6 EBITDA ¥ 1.4 B Number of active account is steadily growing	Investment	Drive Innovation Established a flagship fund. Startup investment in the financial infrastructure business sector		
HK	2019/6 EBITDA ¥ 0 B One of the oldest online brokers in Asia-Pacific region	Asia Pacific	Global Business Expansion Regional expansion, JV in mainland China and Monex Securities Australia		

- ✓ Japan: 1.83M accounts, Crypto Asset: 1.88M users, US: 110K accounts, AP: 13K accounts.
Established 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

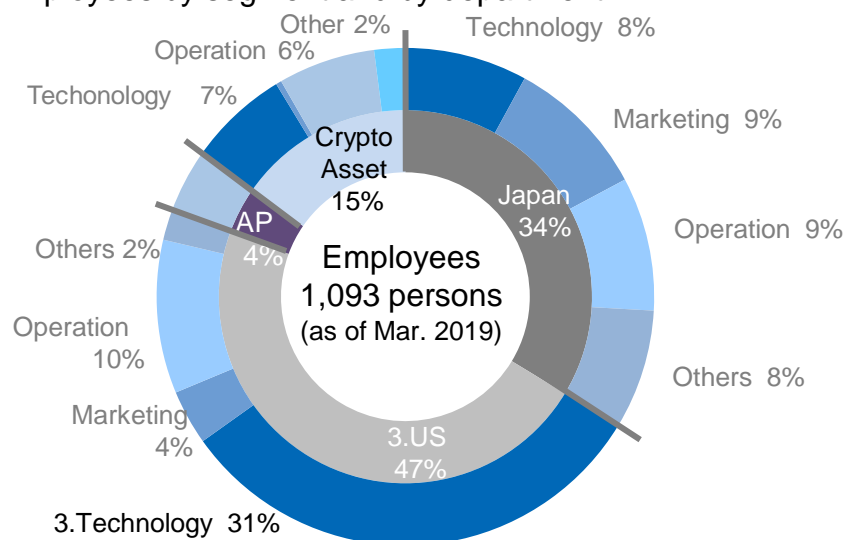
(JPY 100 million) ◆ Consolidated Assets in Custody



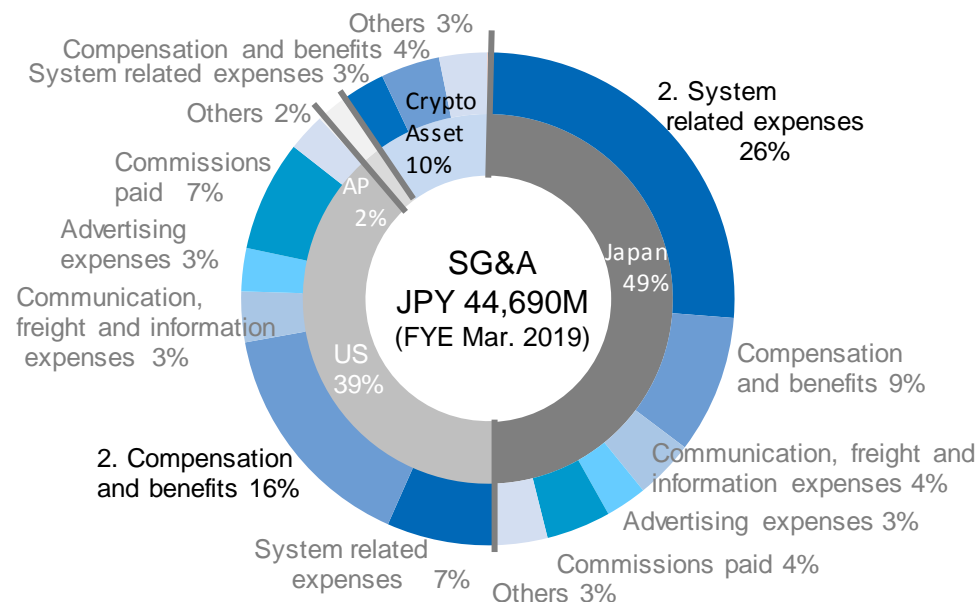
◆ Total operating revenue after deducting financial expenses by region and by business



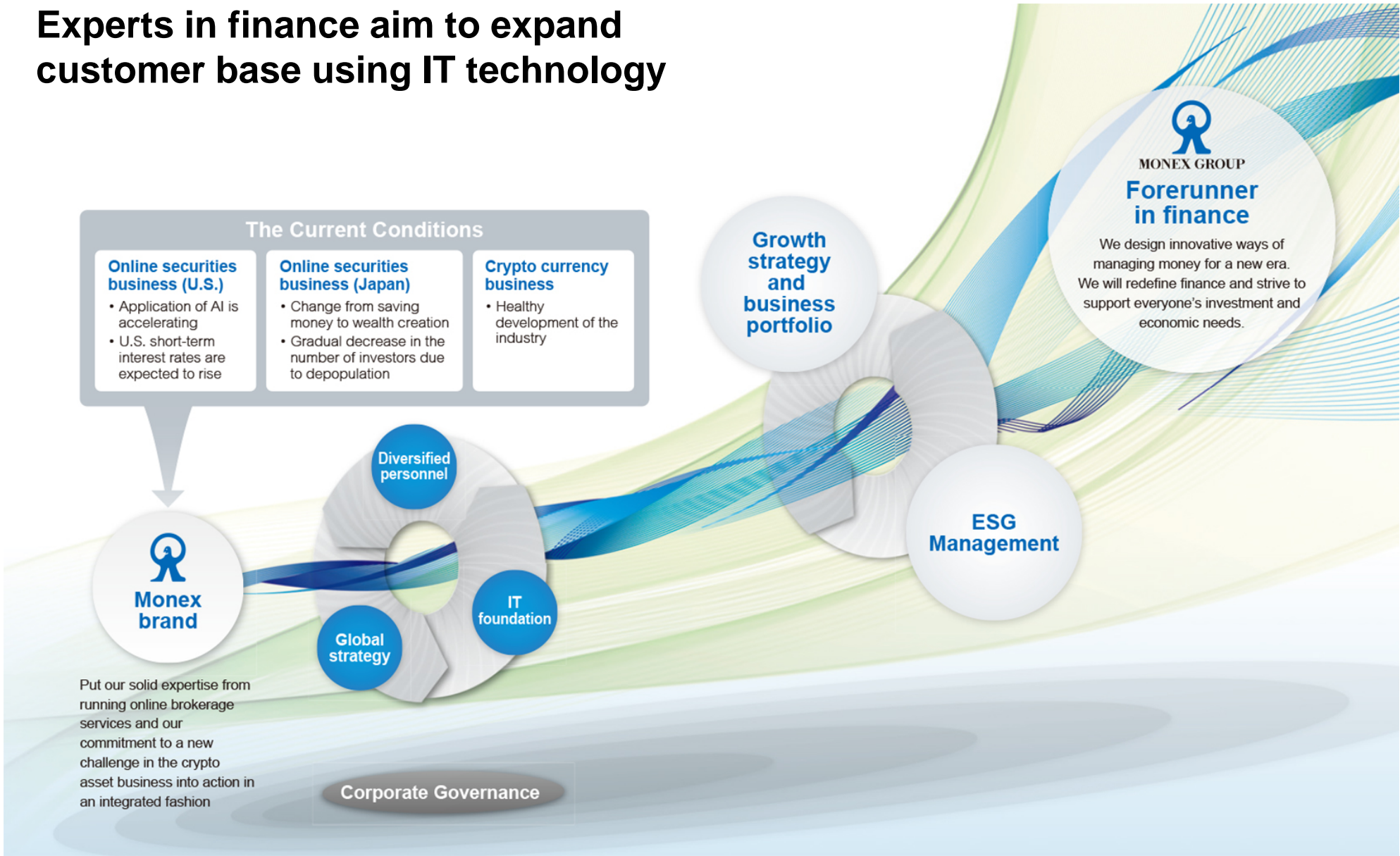
◆ Employees by segment and by department



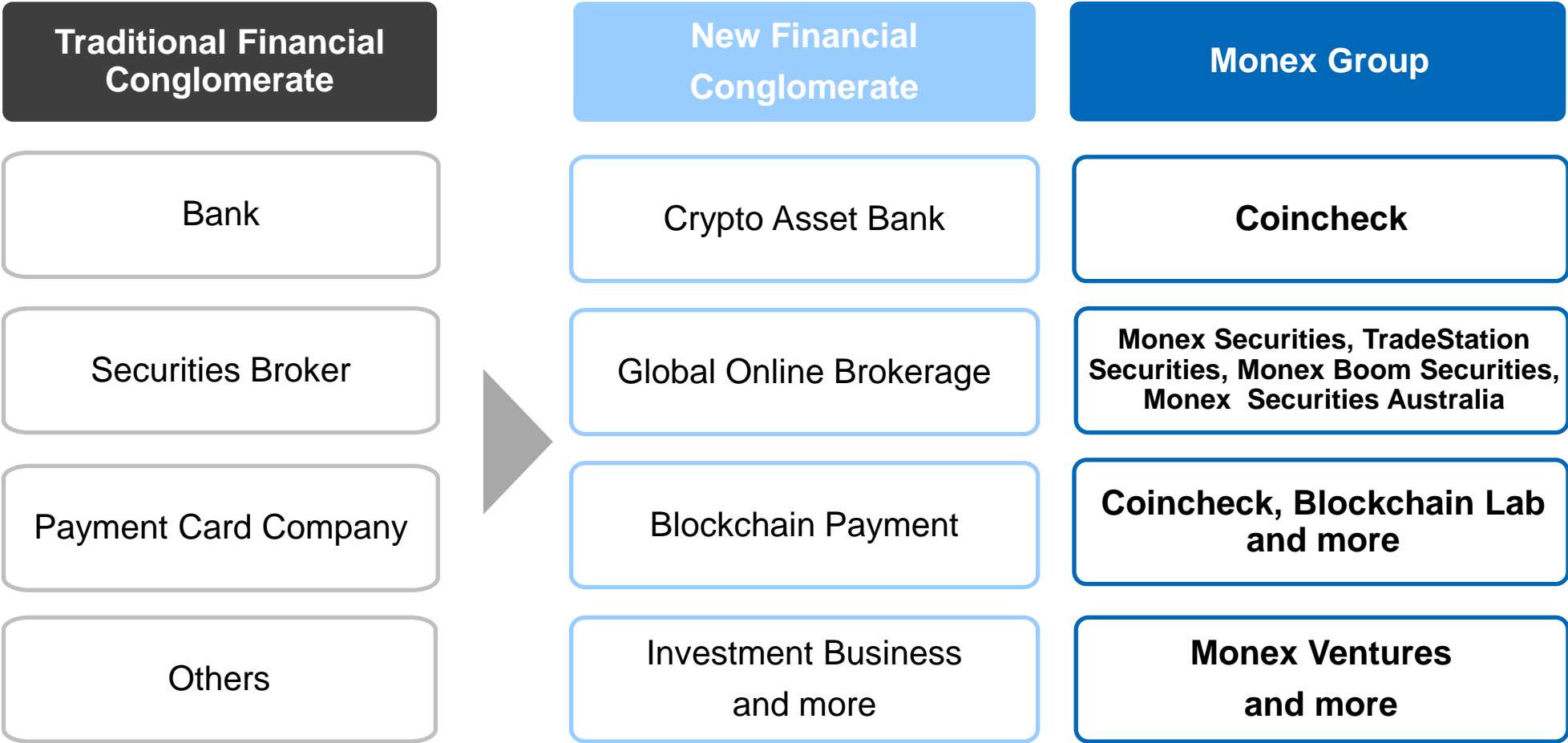
◆ SG&A by segment and by cost items



- *1. Total operating revenue after deducting financial expenses : 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



New financial conglomerate in a new age



Established 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, also we stopped to ask the questioner to make a statement of his/her name or the shareholder number at its Q&A session

(Reference)

15th ordinary general meeting of shareholders (June 22, 2019); Attendance of shareholders: 529



MONEX GROUP

Monex Group, Inc.

(As of June 30, 2019)

Listed Holding Company

[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, Inc.
Venture capital business

Monex Finance Corporation

Finance company for the group companies
of Monex Group

Asset Management



Monex-Saison-Vanguard Investment Partners, Inc.

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

Cryptocurrency

Monex Crypto Bank, Inc.

Management of a web media, Monex Cryptocurrency Lab.
Research, study, plan, development and consulting of
cryptocurrency related services

[US/Europe]



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

Online Securities Company

TradeStation Securities, Inc.
Service appealing to active traders (US)

Technology

TradeStation Technologies, Inc.
(US)

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

EU Base

TradeStation International Limited
Introducing international customers

[Asia Pacific]

Monex International Limited
Holding Company in Hong Kong

Online Securities Company



Monex Boom Securities (H.K.) Limited
Online securities group in Hong Kong

Beijing Representative Office
(Monex, Inc.)

Online Securities Company



Monex Securities Australia Pty Ltd
(Australia)

Technology support

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

* Companies with no reference to investment ratio are wholly-owned subsidiaries of Monex Group, Inc.

■ Monex, Inc. (Tokyo, Japan)

One of the major online brokerage firms in Japan

- President : Yuko Seimei
- 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: 1.8 million
- # of active accounts: 1.1million
- ("Active accounts": accounts with balance or with at least one trade or transaction a year.)
- Customer assets held in custody: JPY 4.0 trillion

■ Coincheck, Inc. (Tokyo, Japan)

- President : Toshihiko Katsuya
- Founded in 2012, joined Monex Group in April. 2018
- Offers cryptocurrency exchange service for 1.9 million users
- Number of accounts which identity is confirmed: 0.9 million
- Customer assets held in custody: JPY 113.6 billion

■ TradeStation Group, Inc. (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: 93,185
- Customer assets held in custody: JPY 596.6 billion

■ 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: 13,262
- Customer assets held in custody: JPY 150,411 million

■ Monex Securities Australia Pty Ltd (Australia)

- Utilized the system and operating structure of Monex Boom Securities Group
- Managing Director: Alex Douglas
- Established in 2010, joined Monex Group in Jun. 2011

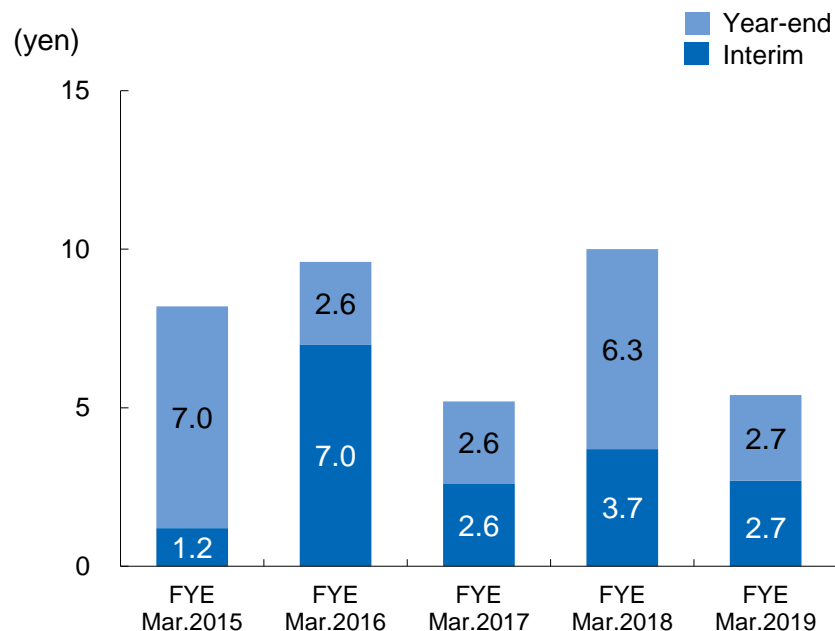
	Japan	U.S.	Asia Pacific
1982		- TradeStation Technologies, Inc. is formed as Omega Research, Inc.	
1997		- TradeStation stock lists on NASDAQ	- Boom Securities (H.K.) Limited is founded (now Monex Boom Securities (H.K.) Limited), becoming the first in Asia Pacific to launch Internet stock trading for 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	- TradeStation Crypto, Inc. is established	- Monex Securities Australia Pty Ltd launched new online brokerage firm for individual investors in Australia
2019	- Acquired Shiawase Partners Trust Co., Ltd and renamed its brand as Monex SP Trust, Inc.		

■ Shareholders distribution

◆ Our basic policy for shareholders distribution

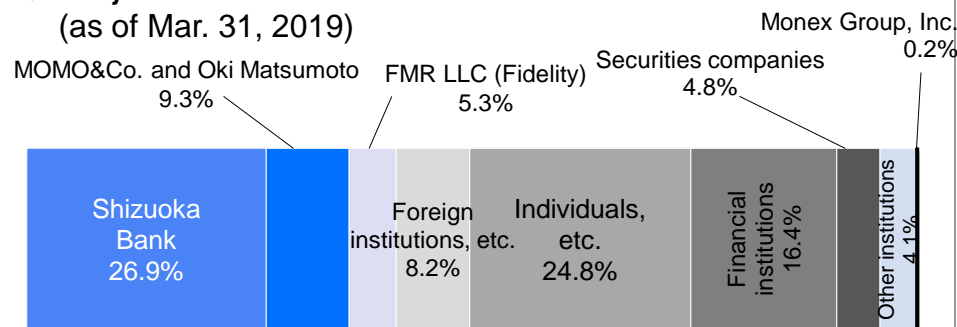
Monex Group aims to provide returns to its shareholders based on the business performance, while securing investment capacity for growth, and targets at a 75% total return ratio on a multi-year basis.

◆ Dividend history



■ Shareholders & indicators per share

◆ Major shareholders and shareholder breakdown (as of Mar. 31, 2019)



The graph made by Monex based on shareholders' list as of Mar 30, 2019 and the Large shareholding report.

◆ Indicators per share

	FYE Mar. 2016	FYE Mar. 2017	FYE Mar. 2018	FYE Mar. 2019	1Q of FYE Mar. 2020
Equity attributable to owners of the Company per share (BPS)	302.03 Yen	290.00 Yen	298.50 Yen	297.28 Yen	295.71 Yen
Earnings per share attributable to owners of the Company (EPS)	12.46yen	1.06yen	24.33yen	4.42yen	12.78yen *
Rate of Return on Equity(ROE)	4.1%	0.4%	8.3%	1.5%	4.3% *
Dividends per share	9.6yen	5.2yen	10.0yen	5.4 yen	TBA

* EPS and ROE for 1Q FYE Mar. 2020 show annualized figures obtained by multiplying 4 to actual figures for the quarter