



MONEX GROUP

Monex Group, Inc.

Financial Announcement for 3Q of the FYE Mar 2024 - Analyst Meeting

January 31, 2024

Event Summary

[Company Name]	Monex Group, Inc.	
[Company ID]	8698-QCODE	
[Event Language]	JPN	
[Event Type]	Earnings Announcement	
[Event Name]	Financial Announcement for 3Q of the FYE Mar 2024 - Analyst Meeting	
[Fiscal Period]	FY2024 Q3	
[Date]	January 31, 2024	
[Number of Pages]	34	
[Time]	18:00 – 18:41 (Total: 41 minutes, Presentation: 24 minutes, Q&A: 17 minutes)	
[Venue]	Webcast	
[Venue Size]		
[Participants]		
[Number of Speakers]	2	
	Oki Matsumoto	Chairman of the Board & Representative Executive Officer
	Yuko Seimei	Member of the Board, Representative Executive Officer & Chief Executive Officer
[Analyst Names]*	Mia Nagasaka	Morgan Stanley MUFG Securities
	Takayuki Hara	SMBC Nikko Securities

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

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Presentation

Seimei: Good evening. I am Seimei from Monex Group, Inc.

Today, Monex Group announced its financial results for Q3 of the fiscal year ending March 31, 2024. I will give my explanation and I will answer the questions together with Matsumoto. Thank you.

First, I would like to mention three highlights of this time.

First, as I will explain later, I believe that we continued to maintain strong performance in the Japan segment and the US segment. Both revenues and profits remained stable.

The second is the crypto asset business segment. Coincheck returned to profitability in this Q3. Coincheck is profitable for the first nine months, partly due to the effects of cost reductions to date and the market recovery in the past quarter.

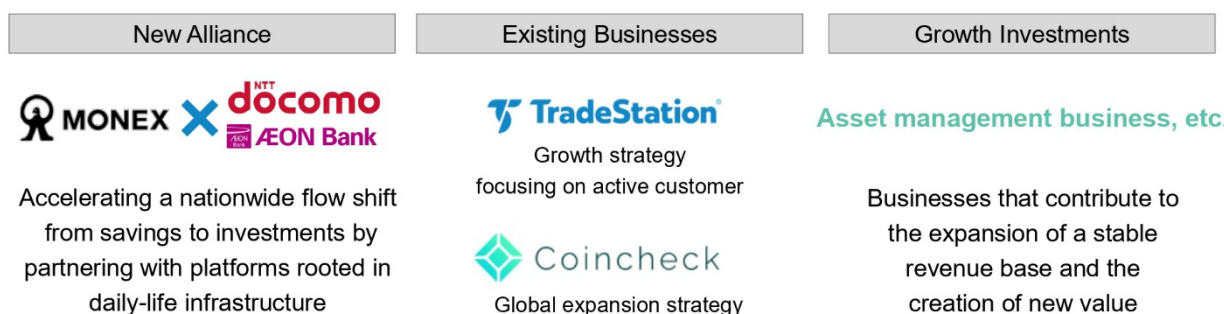
Third, Monex, Inc. started its partnership with NTT DOCOMO and AEON Bank on January 4, and the partnership is off to a good start.

I will explain in detail.

Strategy Overview of Monex Group

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Through business alliances, Monex Securities is promoting the nationwide trend of democratizing asset formation. Monex Group will foster the growth strategy of each group company and strengthen the Company's growth investments to further enhance its enterprise value.



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As I mentioned earlier, as shown on the left side, Monex, Inc. started a capital and business alliance with NTT DOCOMO and a business alliance with AEON Bank on January 4. We would like to promote the nationwide shift from savings to investment with these two companies, which are platform providers rooted in our daily lives.

Monex, Inc. has been an equity method affiliate for the Group since January 4. Although the contribution to profit will be reduced in the short term, we hope to achieve dramatic growth in the medium to long term.

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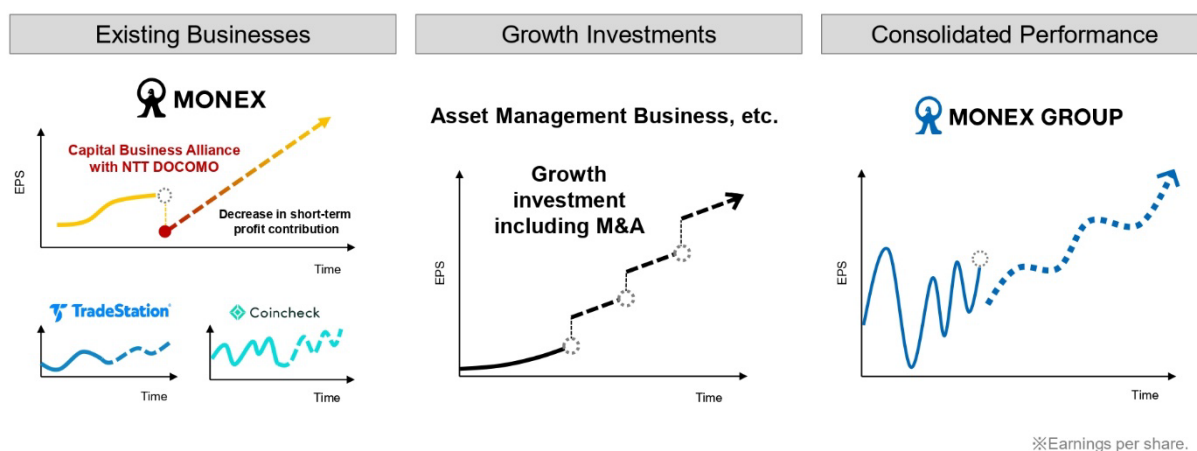
The existing business in the middle, TradeStation, continues to pursue its strategy of focusing on active traders, and Coincheck is seeking a global strategy.

In the growth investment area on the right, we will use the funds obtained from with the sale of shares to NTT DOCOMO in order to invest in growth areas, including in the asset management field.

Impact of Capital Business Alliance with NTT DOCOMO

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With the Capital Business Alliance with NTT DOCOMO, Monex Securities will acquire a drastic growth opportunity. The Company intends to use a portion of the funds obtained from the sale of shares for growth investment, aiming to achieve stable growth in EPS*.



Through them, we are trying to achieve stable growth in EPS and final profit, as shown in the figure on the right side of page five.

We intend to promote growth strategies for each of our existing businesses while at the same time utilizing M&A and other means to expand our growth investment areas, with the aim of achieving sustainable growth in EPS.

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By utilizing the funds from the partial transfer to NTT DOCOMO of shares in the intermediate holding company established through the alliance, Monex Group plans to increase enterprise value through growth investments and enhance shareholder returns

Funds acquired through the alliance and their use

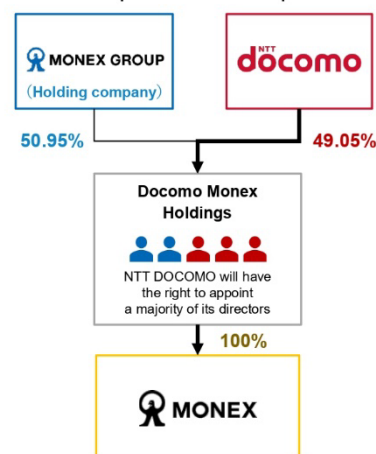
1 Terms and condition	Valuation of intermediate holding company (100%)	Appx. 97 billion JPY
	Sales amount of transfer (48.0%) (before considering tax and tax effect)	Appx. 46.6 billion JPY
	Newly issued shares of intermediate holding company have been allotted to NTT DOCOMO	Appx. 2 billion JPY
2 Use of cash	• Double the minimum amount of annual dividend per share (See P8 for more details)	
	• Accelerate investments for growth in asset management business and other strategic areas	
3 PL impact (Consolidated basis and before tax and tax effect)	• Gain on the sales of shares	Appx. 18.8 billion JPY ^{*1}
	• Valuation gain from the application of the equity method	Appx. 15.8 billion JPY ^{*1}

^{*1} To be recorded in 4Q of FYE Mar. 2024. For more details, please refer to our press release dated on Jan. 31, 2024.

^{*2} Notice regarding the Recording of a Fair Value Valuation Gains, etc. from the Application of the Equity Method

^{*3} Docomo Monex Holdings, Inc. and Monex, Inc. will become consolidated subsidiaries of NTT DOCOMO based on the effective control standard, and will become equity method affiliates of the Company.

Capital relationship^{*2}



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The sixth page shows the outline of the capital and business alliance with NTT DOCOMO, which was successfully closed on January 4, and the current corporate structure is as shown on the right.

Docomo Monex Holdings, an intermediate holding company, transferred 48% of its shares to NTT DOCOMO and issued new shares to NTT DOCOMO by way of a third-party allotment.

As a result, Monex Group currently holds 51% of the shares and NTT DOCOMO holds 49%, but as I explained earlier, Monex, Inc. and Docomo Monex Holdings became subsidiaries of NTT DOCOMO on January 4. For Monex Group, it is an equity method company.

The financial summary report was disclosed at the same time today. If you look at the summary, the first note on the cover page explains that Monex, Inc. is classified as a discontinued operation. The summary discloses the figures, excluding Monex. According to the rules of the financial report, we have done so. Therefore, all of the revenue and operating income from Monex, Inc. are excluded from these Q3 FY2024 cumulative figures in the summary, and since Monex, Inc. will be an equity method affiliate, it will take in 51% of the final profit.

As you will see later in the summary, the company is still a subsidiary of Monex Group until December, so I would like to explain the whole situation here in this document.

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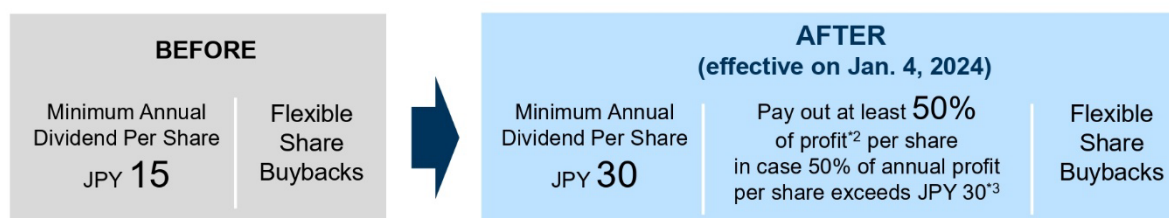
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Change in Shareholder Distribution Policy on and after Jan. 4, 2024*¹.

While continuing to pay stable dividends to shareholders, the Company will accelerate its growth strategy.

- Double the minimum amount of annual dividend per share from JPY15 to JPY30.
- Launch share buyback program flexibly based on the management discretion.
- Accelerate investments for growth in asset management business and other strategic areas, while optimizing the Company's business portfolio in light of investment profitability and capital efficiency.
- Enhance asset gathering model and business expansion, aiming to achieve a leap in profit growth in the mid- to long-term.
- Commit to pay out at least 50% of the profit*², in case 50% of profit exceeds the total minimum dividend payment*³.
- Continue to improve TSR (Total Shareholder Return) through stable dividend distribution and growth investments.



*¹ Closing date when the alliance with NTT DOCOMO became effective. *² Profit attributable to owners of the Company

*³ In calculating profit attributable to owners of the Company per share, the profit from selling the shares in the intermediate holding company to NTT DOCOMO will be excluded.

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Effective January 4, the minimum dividend of JPY15 per share will double to JPY30 per share for the year.

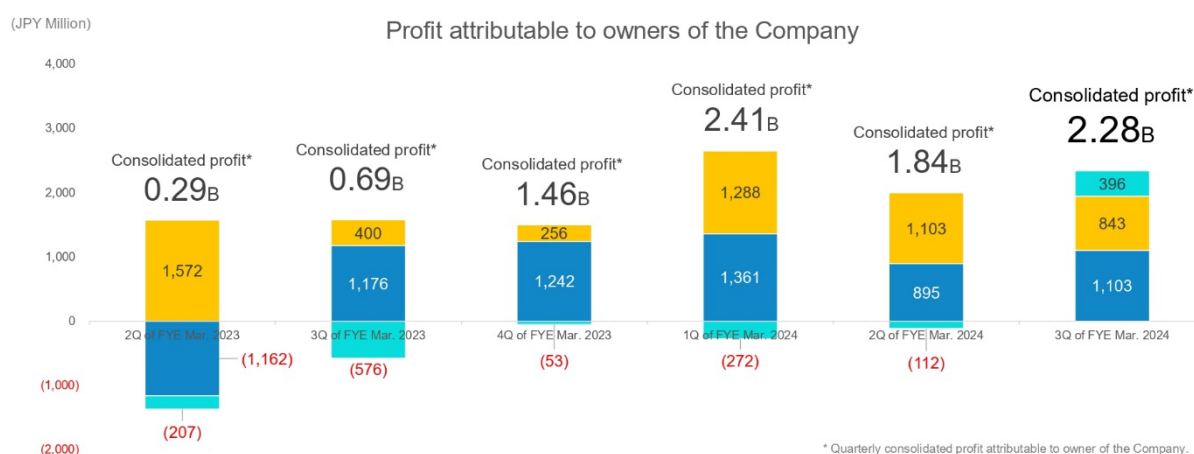
As for the upside, if 50% of net income per share for the year exceeds JPY30, the lower limit will be 50% of net income per share and profit after tax.

As a result, the return policy of adding a floor and an upside has changed since January 4.

In addition, we have already explained and announced that the proceeds from the sale of shares to NTT DOCOMO and valuation gains will be excluded from the calculation above.

Consolidated and Segment Profit Attributable to Owners of the Company

Stable business foundation of the Japan segment, strong performance of the US segment, and a return to profitability of the Crypto Asset segment resulted in significant growth in the consolidated quarterly profit attributable to owners of the Company.



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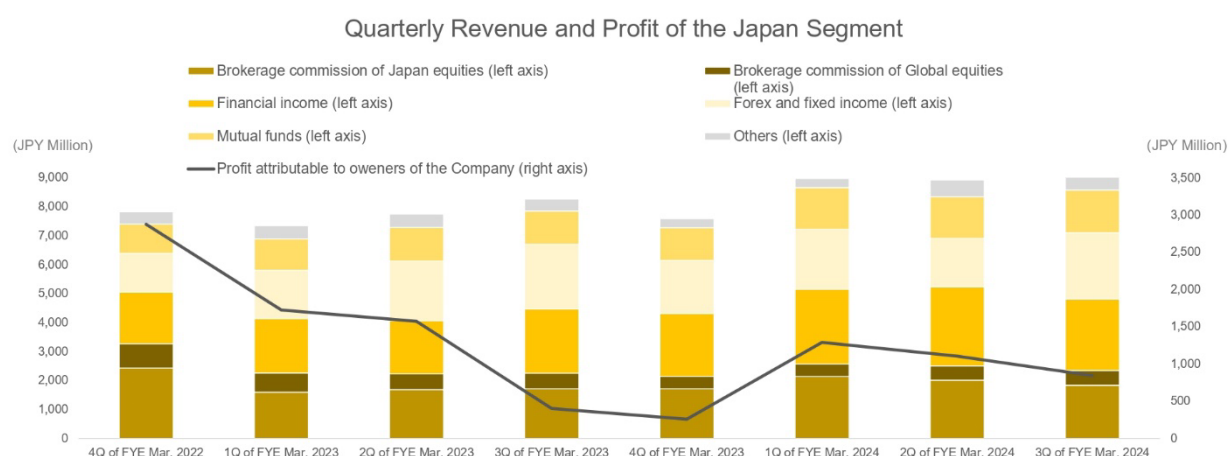
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As you can see in the graph, the US segment in blue shows stable after-tax income, the Japan segment in yellow is also stable, and most significantly, the crypto asset business segment is in the black, resulting in an after-tax income of JPY2.28 billion.

Business Performance of the Japan Segment

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Steady growth in net financial income and mutual fund related revenues that is linked to client deposits. Diverse product offerings generate complementary revenues and stable profits even in various market environments.



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Page nine shows revenue for the Japan segment and the line graph shows profit after tax. We are going to communicate all of this in after-tax profit as well, so it is after-tax profit. The situation is stable.

The net financial income and mutual fund-related income, which are linked to the balance of the customers' assets, have been increasing and are steadily growing.

In addition, commissions on Japanese stocks have also been relatively strong. Other companies have reduced their fees to zero, but we did not follow the path so the Japan equities commission revenue remains stable on our P&L.

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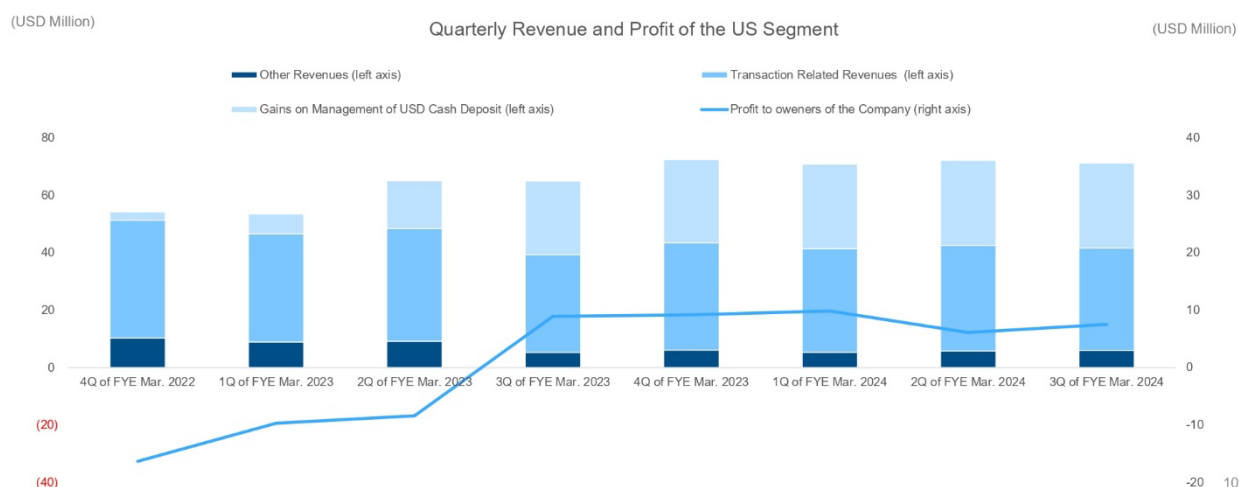
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Business Performance of the US Segment

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Segment profit remained strong due to the steady trading from active traders, who are the main focus of TradeStation, and the favorable gains on management of cash deposits driven by higher rates.

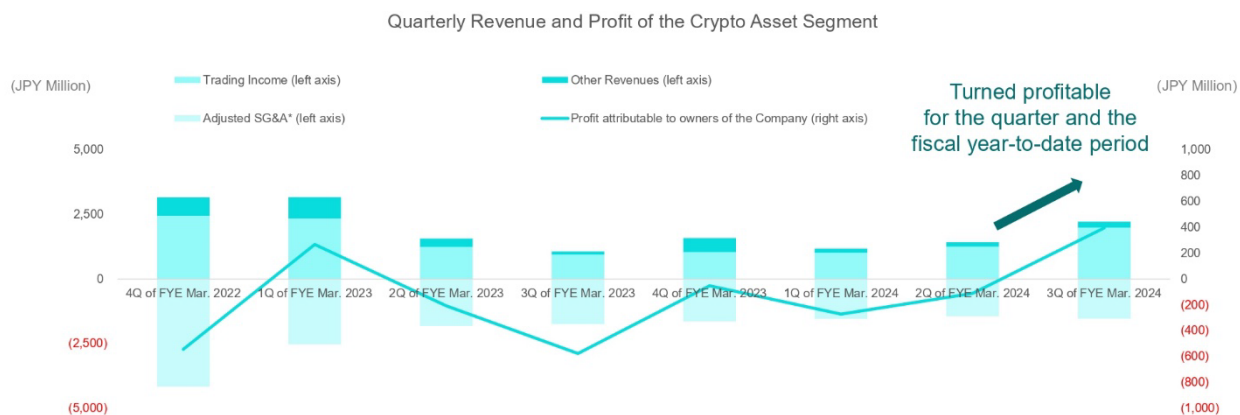


As for the US segment, interest rates have remained high, so the light color of investment gains of deposits in the US dollar has remained at a high level, and commission income from customer transactions has remained stable.

Business Performance of the Crypto Asset Segment

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Returned to profitability for the 3 months (Oct. 2023- Dec. 2023) and the 9 months (Apr. 2023- Dec. 2023) due to the cost controls implemented by Management and the recovery of the crypto asset market.



* Adjusted SG&A and adjusted operating income equivalent contains the adjustment of inter-segment transactions. 11

As I have been saying for some time now, we are profitable for this quarter and year-to-date.

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Announced the acquisition of a Canadian crypto asset management company, 3iQ Digital Holdings Inc. Aims to capture the crypto asset management needs of institutional investors and exchanges around the world, which are expected to grow in the future.

3iQ Digital Holdings Inc.

Pioneer in crypto asset management with a license as a crypto asset manager in Ontario, Canada.

■ Business Overview

- BTC※¹ & ETH※¹ ETFs listed on the Toronto Stock Exchange
- Also provides an investment platform that allows for diversification into crypto asset funds
- C\$854 million (USD 644M) under management as of Dec. 31, 2023

■ Synergy among group

- The Company plans to leverage 3iQ's crypto-asset related product creation capabilities to maximize synergies among its group companies

※¹ BTC = Bitcoin, ETH = Ethereum

■ Products

Legacy
Products

QBTC : The Bitcoin Fund※²

QETH : The Ethereum Fund※²

QGCF : The Global Crypto Asset Fund

BTCQ : 3iQ Bitcoin ETF

ETHQ : 3iQ Ethereum ETF

For
Institutional
Investors

QMAP : 3iQ Managed Account Platform

※² Listed on Toronto Stock Exchange 12

3iQ, a Canadian crypto asset management company, will become our subsidiary. The closing will be subject to approval by the Canadian authorities, so we expect to close in the next quarter. We just announced that we have signed a contract.

3iQ is a Canadian corporation that manages Bitcoin and ETF funds. As of the end of December 2023, AUM was CAD854 million, or USD644 million.

This is the asset management company, which means that the revenue generated is revenue on the balance, the so-called enhancement that we want to do.

The final product is a crypto, so there is a crypto aspect and an asset management aspect, and we would like to achieve group synergies from these two perspectives.

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The Japan segment generated stable revenue due to a growth in recurring revenues and the US segment continued to perform well. The Crypto Asset segment returned to profitability, resulting in a consolidated quarterly profit* of **¥2.3B**.

Japan	Revenue increased due to strong growth in margin interest and stock lending revenues. Quarterly profit* was ¥0.8B , despite higher advertising expenses driven by strengthened digital marketing.
US	In addition to favorable transaction-related revenues, gains on customer cash deposit investments remained strong due to high interest rates. Expenses decreased QoQ, resulting in a quarterly profit* of ¥1.1B .
Crypto Asset	The crypto asset market recovered, and trading volume picked up due to growing expectations for Bitcoin ETF approval in the US. Quarterly profit* was ¥0.4B . Coincheck also achieved a profit for the current year-to-date period.
Asia Pacific	Subdued transaction volume mainly in Hong Kong and US equities. Quarterly loss* was ¥35M .
Investment	Quarterly loss* was ¥14M primarily due to valuation loss of portfolio companies.

* Quarterly profit / loss = quarterly profit / loss attributable to owners of the Company 14

The results for the three-month period, as I briefly explain, we just reported an after-tax profit of JPY2.28 billion, or about JPY2.3 billion.

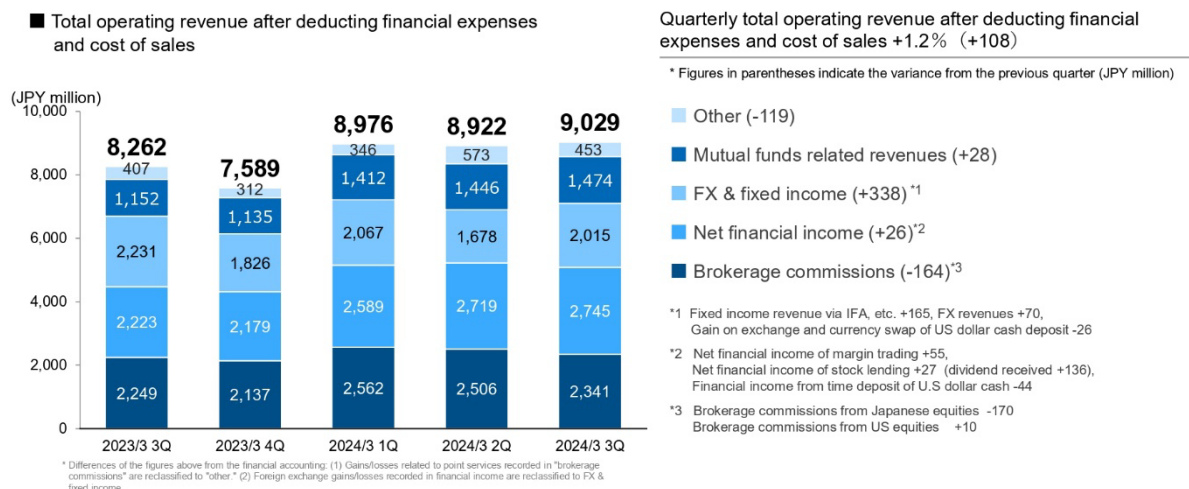
Japan segment is stable at JPY0.8 billion, the US segment is also stable at JPY1.1 billion, the crypto asset business is posting a profit of JPY0.4 billion due in part to higher market prices, and Asia Pacific and investments are slightly in the negative.

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Japan: Recurring revenues, such as margin interest, stock lending revenue and mutual fund related revenues, increased. Fixed income revenues via IFAs and FX revenue were also brisk, leading to growth in total revenues.



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I will now explain the revenue and expense of the three major segments. First the revenue side of Japan segment is on page 17.

As you can see, the amount of operating revenue has remained stable at around JPY 9 billion, and the Company is generating solid earnings from each of its products and services in a well-balanced manner.

In particular, in Q3, net financial income, such as net interest income of margin trading and stock lending, increased, and mutual fund-related revenue also increased. Looking at the flow, we saw a slight increase in revenue due to strong performance in bond transactions via IFA, FX,

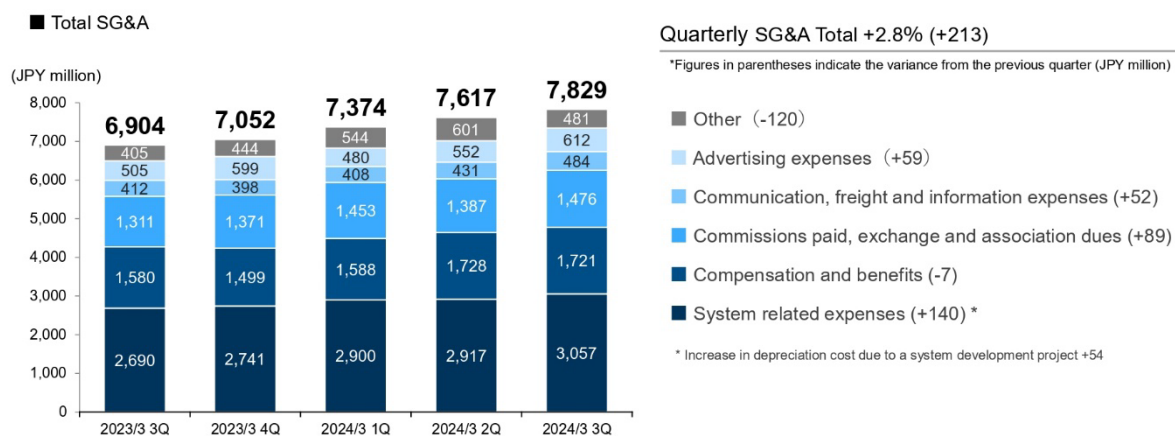
Commissions for Japanese stocks were down slightly in Q3 due to the brisk business during the period from June to September, but commissions for US stocks increased slightly.

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Japan: System-related expenses increased, partially driven by higher depreciation costs due to an ongoing system development project. Advertising expenses rose due to the strengthening of digital marketing.



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On the cost side, Japan has seen a slight increase in costs. There are several reasons for this.

Of course, variable costs have increased due to an increase in transactions, but system-related expenses have also increased because depreciation cost increased due to the progress of projects involving system development. We are also increasing our advertising expenses through digital advertising to raise awareness of our products and services.

I think you might have a question about NISA, and I would like to obtain such a NISA account, and I spent a little more cost on advertising.

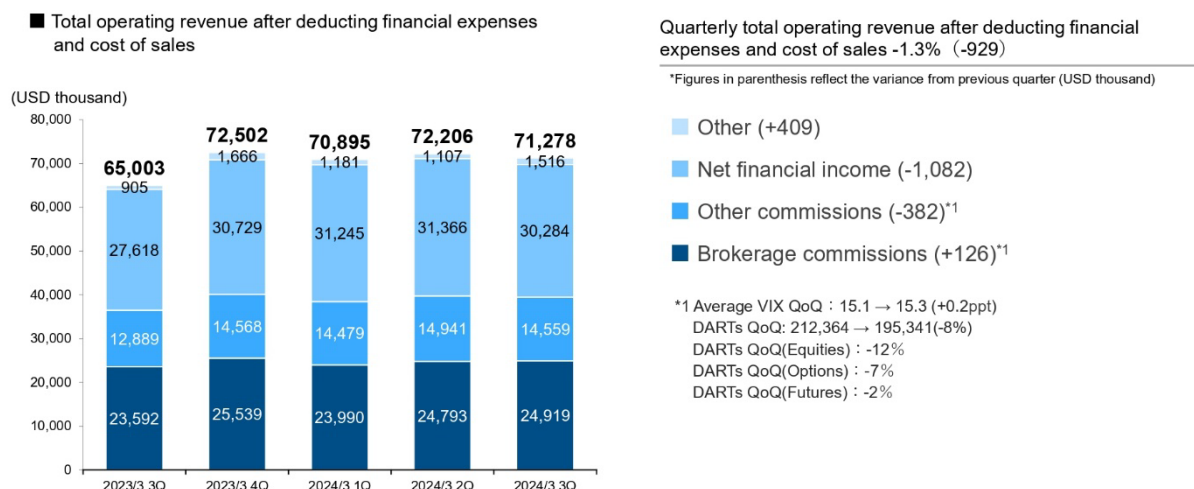
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US: Total revenue declined slightly from the previous quarter. Commissions remained steady and net financial income on client cash was strong as US interest rates stayed at elevated levels, though down from the previous quarter due to weaker demand for securities lending.



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For the US, the revenue side is stated in US dollars.

As you can see, the VIX and volatility did not change much during this period. Volatility was not that high, but we were able to maintain trading volume.

The reason for the increase in brokerage commissions despite the decrease in the number of transactions is that there were transactions with large customers, and brokerage commissions, specifically futures, have increased.

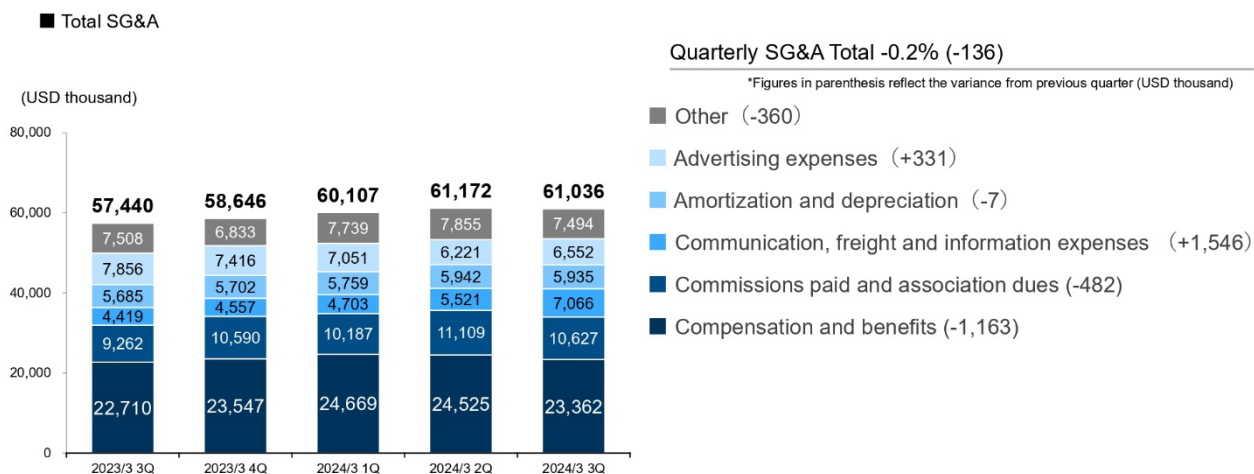
As for the net financial income, although there was an increase in income from investment of US dollar deposits, the market environment caused a decrease in the transaction of stock lending, and as a result, the net financial income decreased.

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US: Total expenses decreased QoQ due to a decline in bonus expense, despite an increase in communication expenses from one-time market data fees paid to NYSE.



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On the other hand, SG&A expenses were slightly decreased, and TradeStation successfully control SG&A expenses.

In fact, communication costs have increased in this period, because information expense has increased due to the one-time cost of posting market data expenses for prior years to NYSE.

On the other hand, the decrease in performance-linked bonuses and other factors resulted in a slight decrease in the total.

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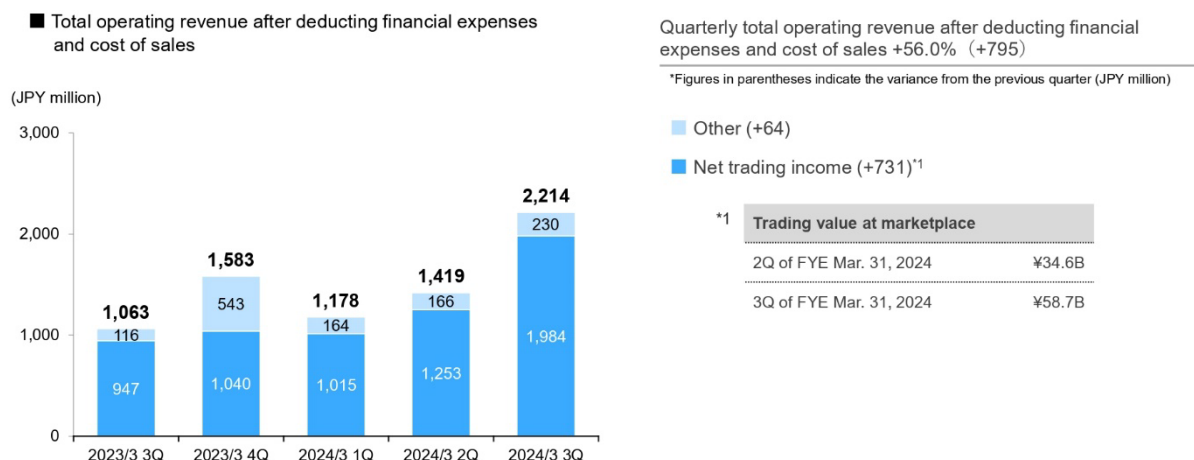
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QoQ Comparison (3 months) Analysis: Operating Revenue

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Crypto: Higher crypto asset values driving an increase in volume and net trading income.



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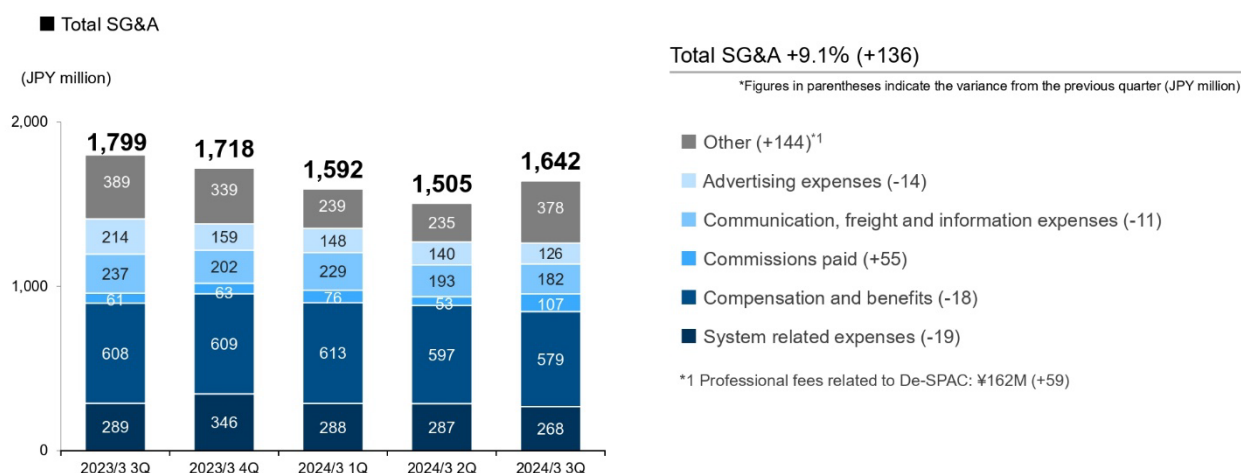
The crypto asset segment saw a significant increase in trading income.

There is also something like an expectation of approval of a crypto asset ETF in the US, so the trading volume has increased. The trading value at market place has simply increased partly because the price has also risen. It is multiplied by the spread against that, so the revenue has increased.

QoQ Comparison (3 months) Analysis: SG&A

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Crypto: Continued SG&A cost discipline through the reduction of the fixed cost base.



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As for expenses, management guidance fees for Monex Group are included in this as revenues increase.

There has been a slight increase in other expenses, but relatively speaking, as you can see, advertising expenses have been further reduced to what I think is the limit. Costs are very low, mainly fixed costs.

That said, we have been trying to reduce costs all along. The market has been showing a slight upturn in this area, and the Company has turned profitable. Not only domestically, but also globally, I believe it is rare for a cryptocurrency firm to turn a profit in this period.

YoY Comparison (9 months) Segment Performance

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(JPY million)	Japan		US		Crypto Asset		Asia Pacific		Investment	
	2023/3 3Q	2024/3 3Q	2023/3 3Q	2024/3 3Q	2023/3 3Q	2024/3 3Q	2023/3 3Q	2024/3 3Q	2023/3 3Q	2024/3 3Q
Total operating revenue after deducting financial expenses and cost of sales	23,351	26,927	24,828	30,674	5,787	4,811	805	676	100	130
SG&A	20,093	22,819	25,370	26,086	6,372	4,739	913	777	71	80
Advertisement Expenses	1,263	1,644	4,164	2,836	1,187	415	135	41	0	5
The amount equivalent to operating income	3,258	4,107	-542	4,588	-585	72	-108	-102	29	50
Other income / expenses (net)	2,118	602	-1,547	-547	-139	-40	-20	26	0	43
Quarterly profit before income taxes	5,376	4,709	-2,089	4,041	-724	33	-128	-75	29	93
Quarterly profit attributable to owners of the Company	3,697	3,234	-1,241	3,360	-516	12	-130	-71	130	67
EBITDA	6,331	7,275	3,221	9,889	41	741	-12	-9	29	50
Note	See P25 "total operating revenue after deducting financial expenses" for more details See P26 "SG&A" for more details		See P27 "total operating revenue after deducting financial expenses and cost of sales" for more details See P28 "SG&A" for more details		See P29 "total operating revenue after deducting financial expenses" for more details See P30 "SG&A" for more details					

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It is understandable if you look at the data of nine months. If you look at the data of nine months on page 24, the crypto asset business segment, both on an operating income basis and on an after-tax income basis, is profitable.

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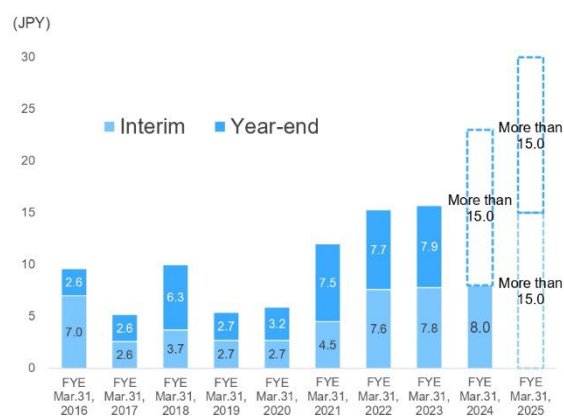
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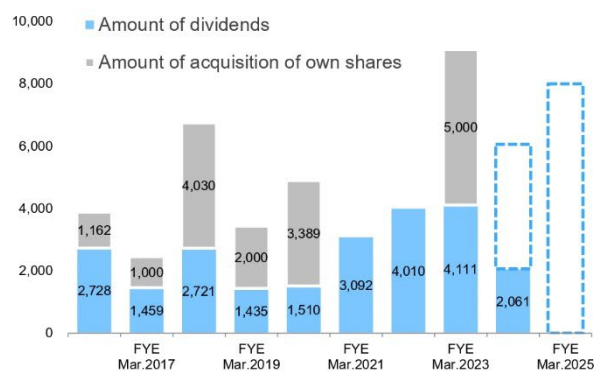
The interim dividend for this fiscal year was 8.0 yen per share.

New Shareholder Distribution Policy became effective on Jan. 4, 2024.

◆ History of dividend per share



◆ Return on equity ratio



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As for the shareholder return policy, the interim dividend was paid in December, and it was JPY8.

We have been increasing the dividend by JPY0.1 each half year to JPY8, and from this point on, the minimum annual dividend will be JPY30, as we have adopted a new shareholder return policy and a new dividend policy.

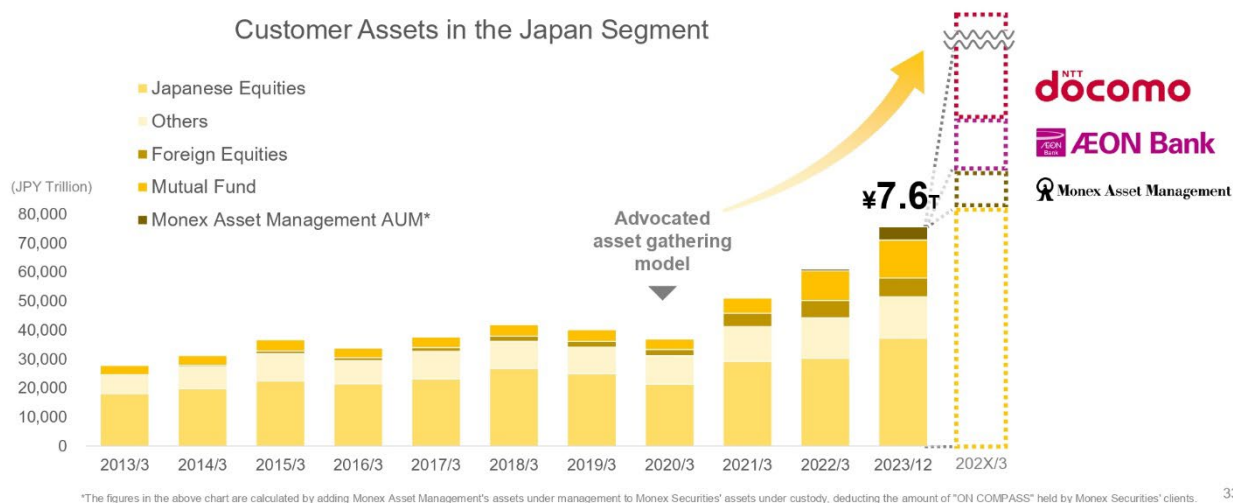
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The alliance with nationwide partners and the reinforced asset management business drive rapid growth in the customer assets and steady progress of the asset gathering model.



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Business update, let me just explain briefly.

On page 33, in the Japan segment, we have announced a shift to the asset management model since 2020.

In order to increase our balance, we are focusing on mutual funds, stock lending, and margin interest, as well as US stocks and investment gains from US dollar deposits.

The assets under custody have steadily grown to JPY7.6 trillion as of the end of December, which includes the assets under custody of Monex, Inc. and the assets under management of Monex Asset Management, Inc.

From here, we have now started a partnership between AEON Bank and NTT DOCOMO, which is exactly why the number of NISA customers is increasing but at the foot of the market. We would like to increase our balances.

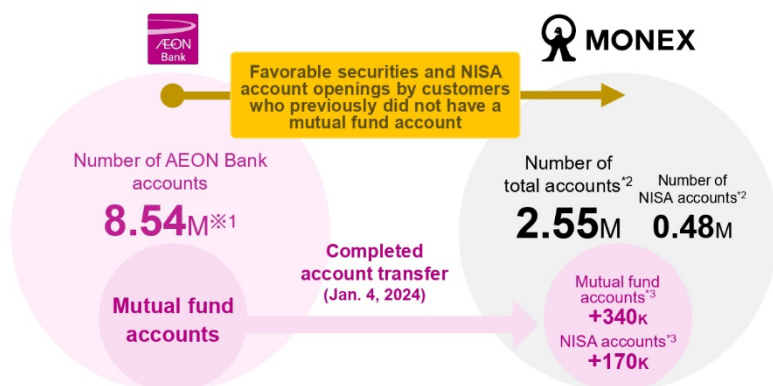
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The transfer of mutual fund accounts from AEON Bank has been completed. Since Jan. 2024, there has been strong performance in terms of the openings of general securities accounts and NISA accounts by AEON Bank customers who previously did not have a mutual account.



Website image of AEON Bank customers



- New NISA account opening campaign underway
- Seminars by Monex lecturers also held at AEON Bank branches

*1 As of Nov. 30, 2023. *2 As of Jan. 4, 2024. *3 As of Dec.31, 2023

Our partnership with AEON Bank began on January 4.

First of all, AEON Bank transferred all of its mutual fund accounts and their balances to Monex, Inc. on January 4. After that, AEON Bank will leave the system and operations to Monex, and AEON Bank will handle the front desk, the account opening process, and the sales side.

The number of accounts transferred was 340,000. Of these, 170,000 were NISA accounts. The total number of NISA accounts is 480,000 at Monex, Inc..

Actually, since January 4, we have been receiving applications to open an account from AEON Bank on a daily basis, and there have been many people who really want to apply for a NISA account at the same time.

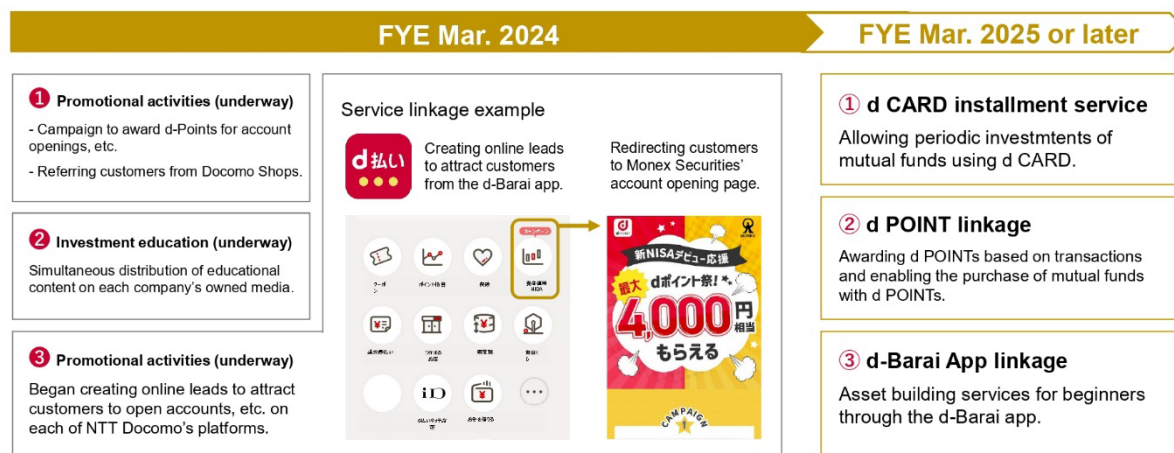
We have different types of customers from the original Monex customers. In addition, many of our customers have signed up to accumulate mutual funds, and the number of NISA customers is also increasing, both of which are signs of good start of the partnership.

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Aiming to make investment a part of people's daily lives by combining NTT DOCOMO's service platforms and customer base with Monex Securities' product and services.



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As for the alliance with NTT DOCOMO, we are still in the process of promotion, and specific embedded services will be available from now on, starting in the fiscal year ending March 31, 2025.

Current promotions include, for example, campaigns offering d POINTS, giving away d POINTS when you open an account.

Also, does everyone have the d payment app? When you open the d-payment application, there is a button on the upper right that says "asset formation" or "asset management NISA." If you press this, it will go to the website of Monex, Inc., which started last week or so, and the inflow from here is increasing very much now.

We will not only simply send customers, but also actually link our services so that mainly beginners can use NISA accounts and other DOCOMO customers can use asset building services. We are currently working on a concrete project to launch in the next fiscal year or later, such as the granting of d POINTS in accordance with customer transactions, the purchase of mutual funds using d POINTS, and the seamless integration of Monex, Inc.'s asset formation services within the d payment application.

We have only started simple promotions, and the linkage with the d payment app started last week, so the current inflow from AEON Bank is very large. We would like to strengthen our services with DOCOMO at a pace that will exceed that number.

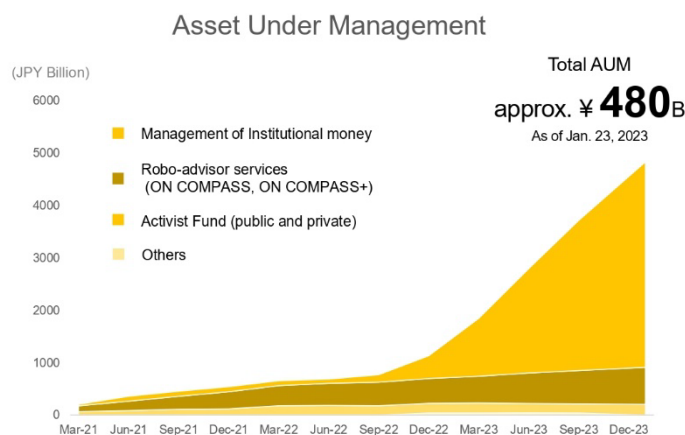
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Asset under management (AUM) of Monex Asset Management exceeded ¥480B.

Robo-advisor service series, ON COMPASS+, become available under the new NISA program



Robo-advisor services

ON COMPASS

Ranked No.1 in Sharpe Ratio and returns for the past three and five years in the "2022 Fund Wrap Performance Net of Expenses" report*. "ON COMPASS" will become available under the NISA program soon.

ON COMPASS+

ON COMPASS+, a hybrid face-to-face investment service, ranked No.2 in investment performance net of expenses for the past three years in terms of sharpe ratio and return. Note that ON COMPASS+ has been in service for three years.

Management of Institutional Money

Monex Asset Management collects and manages institutional money from regional banks and other institutional investors. Rapid growth in AUM of private mutual fund balance.

* Data source: Japan Financial Service Agency <https://www.fsa.go.jp/common/about/research/20230421.html> 36

Monex Asset Management's balance under management has exceeded JPY480 billion.

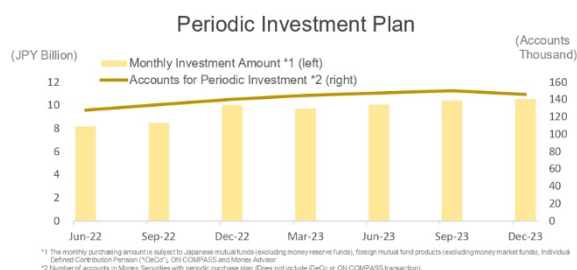
The ON COMPASS series is also NISA-compliant, especially the first hybrid type called ON COMPASS+, so I think we can expect more growth in the future.

Mutual fund balances expanded by the completion of accounts transfer from AEON Bank.

Independent Financial Advisors (IFA) and wealth management (WM) businesses are steadily growing.

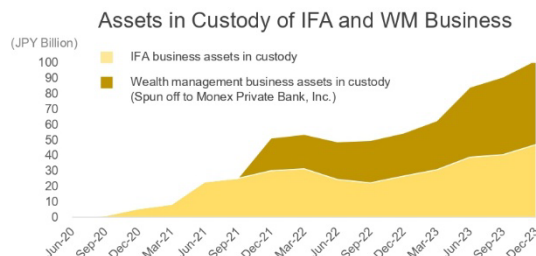
Mutual Funds

- Mutual fund balance surpassed ¥1.5T driven by account and asset transfers from AEON Bank. With many new account openings from AEON Bank customers, the Company will aim to further enhance the alliance to acquire more mutual fund accounts.
- Plan to offer a mutual fund periodic investment service using d CARD in the next fiscal year.



IFA / WM Business

- Launched an IFA business in 2020 and a wealth management business in 2021. Total assets in custody of both businesses have increased to approx. ¥100B.
- Monex Private Bank, Inc. opened offices in Nagoya, Osaka, and Fukuoka.



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Mutual funds, IFAs, and wealth management balances are also growing steadily.

The balance of mutual fund has reached JPY1.5 trillion as a result of the transfer of AEON Bank accounts and the transfer of mutual fund balances.

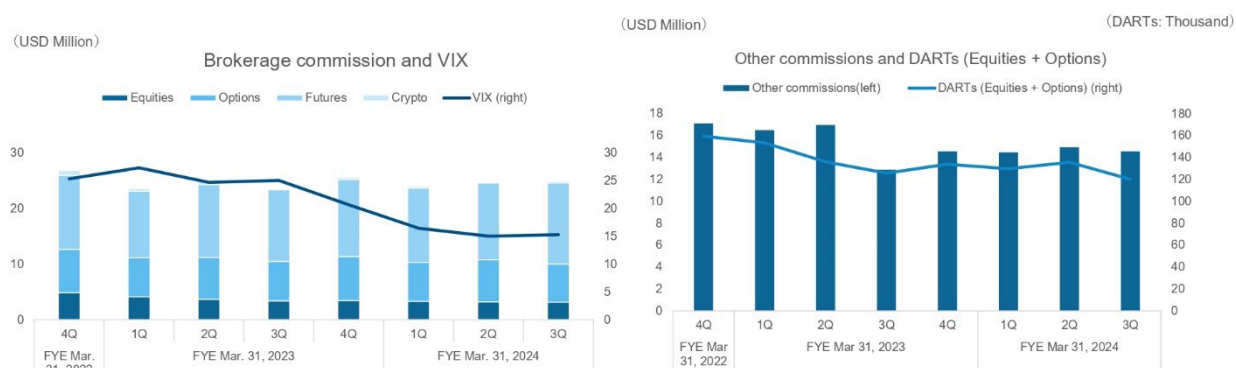
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Commissions stayed strong as trading from active customers remained steady.

Brokerage commissions and other commissions



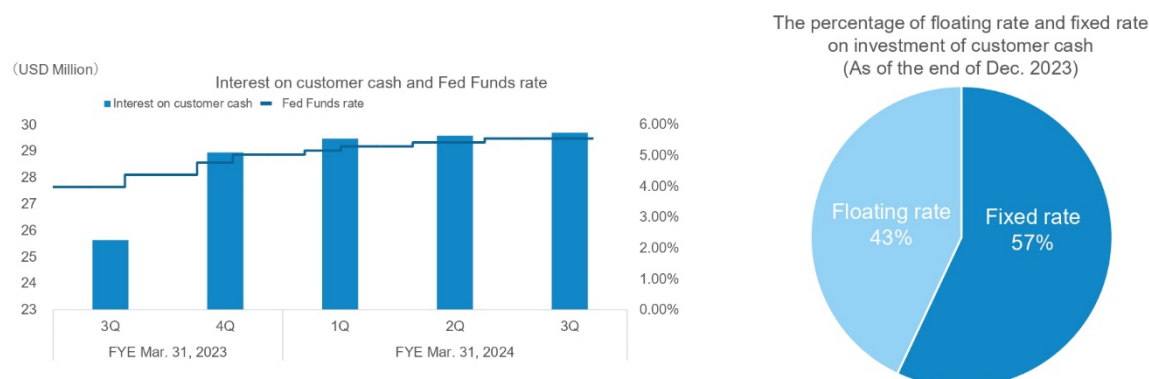
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In the US, trading has remained stable even as the VIX has declined, and the situation with regard to the US dollar deposits and the investment of customers' deposits is also stable because interest rates have remained high.

Net interest income from customer deposits increased as US interest rates continued to climb.

Interest on customer cash

Interest income from customer cash deposits (\$2.7 B as of the end of Dec. 2023) belongs to TradeStation and is recorded as net financial income. About 50% of customer cash invested at fixed rates to prepare for potential decline in US interest rates in the future.



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Fixed interest rate management has recently exceeded 50% and reached 57%.

Our portfolio management is designed to maintain stable cash flow even when interest rates are on the downside.

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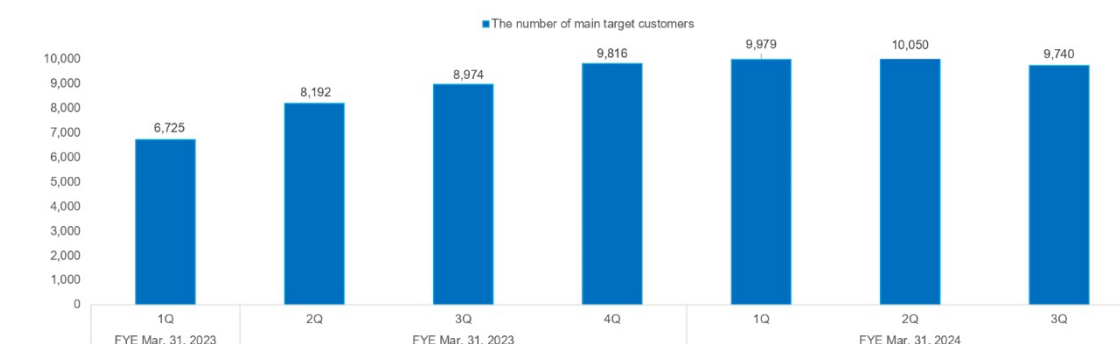
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The number of target customers* continues to be closely monitored, although it is declined QoQ due to seasonality.

The number of target customers

Continuing to increase the target customers by growing them by 9% from the same quarter previous year.

Target customers



* Sophisticated and active customers whose monthly revenue is \$500 or more

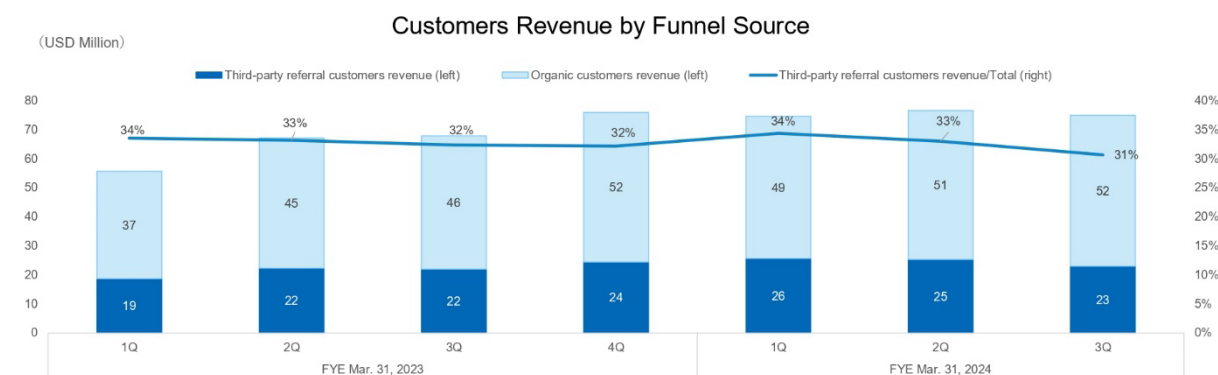
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The target customer trend was also somewhat seasonal, as activity in the US declines after Thanksgiving in the latter half of November and December, but it was relatively maintained.

TradeStation captures active traders through organic marketing and third-party referral partners.

Customers Revenue* by Funnel Source

- Revenues from both organic customers and third-party referral customers have remained steady despite an extended period of low volatility.
- Third-party referral customers revenue as a percentage of total revenue approximates 31%.



*Financial income including interest on customer cash is included.

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We are also acquiring customers through API collaboration with partner companies, and transactions have been stable at around 30%.

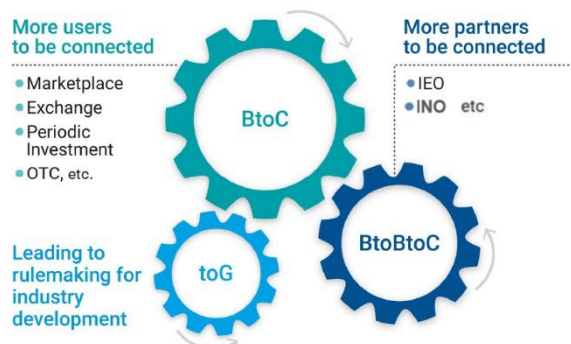
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Expanding the institutional business through leveraging the strong retail customer base.

More users will be connected to Coincheck with a growing institutional business



Exchange/Marketplace

Possess a solid industry position and a large retail customer base as a leading crypto assets trading platform.

Coincheck IEO^{*1} & Coincheck for Business

- Announced the third IEO plan handled by Coincheck, which has the largest number of IEO achievements in Japan.
- Opened a dedicated consulting service for corporate clients in response to their various crypto related needs (e.g. purchasing/selling crypto asset and NFTs, accounting, IEO, etc.)
- Decided to sell the business of its virtual shareholders' meeting support service "Sharely", in order to focus more on the expansion of crypto-asset related business^{*2}

Coincheck NFT^{*3}

Continued to leverage the customer base of Coincheck and offer a wide range of NFTs.

^{*1} Initial Exchange Offering ^{*2} For more details, please refer to our press release dated Jan. 30, 2024: https://www.monexgroup.jp/en/news_release/rnews/auto_20240130521693/pdfFile.pdf ^{*3} Non Fungible Token 42

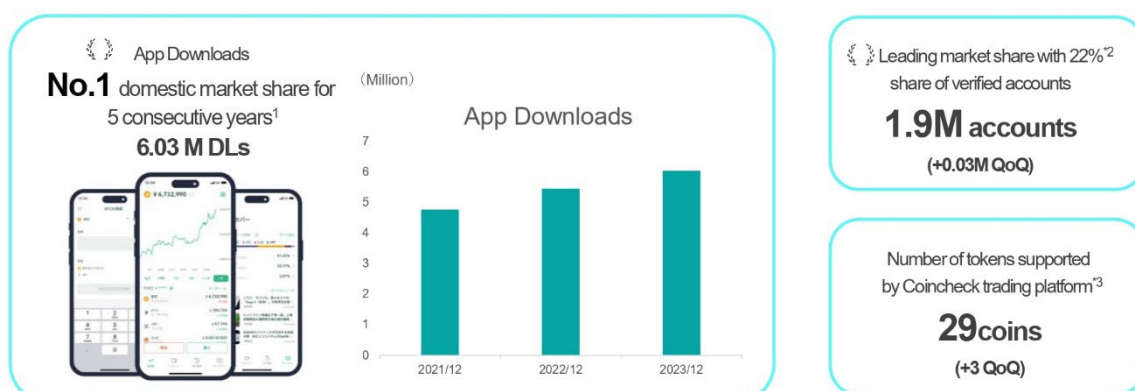
Coincheck continues to have a strong position and customer base as a leading crypto asset provider in Japan.

Coincheck has been trying to reduce costs, reform its business structure, and focus on its core businesses in the current unfavorable market environment over the past year. As a result, we have decided to transfer the business of Sharely, a virtual shareholder meeting support service, as announced yesterday.

Coincheck has always wanted to be more involved in the crypto asset exchange business and crypto-related business, and we would like to strengthen IEO and INO by combining the largest individual customer base in Japan with corporate, such as community services.

Coincheck is Japan's premier and most trusted crypto assets trading platform.

Crypto asset exchange and marketplace



¹ Among Japanese crypto asset exchange apps. Term: 2019-2023. Data source: AppTweek
² Monthly crypto asset trading status table of JVCEA. As of Nov. 30, 2023. Data source: <https://jvcea.or.jp/about/statistics/>
³ As of Jan. 31, 2024

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As an indicator of our position as the leading company with the largest customer base, we have been ranked number one in terms of app download share for five consecutive years, as was announced the other day.

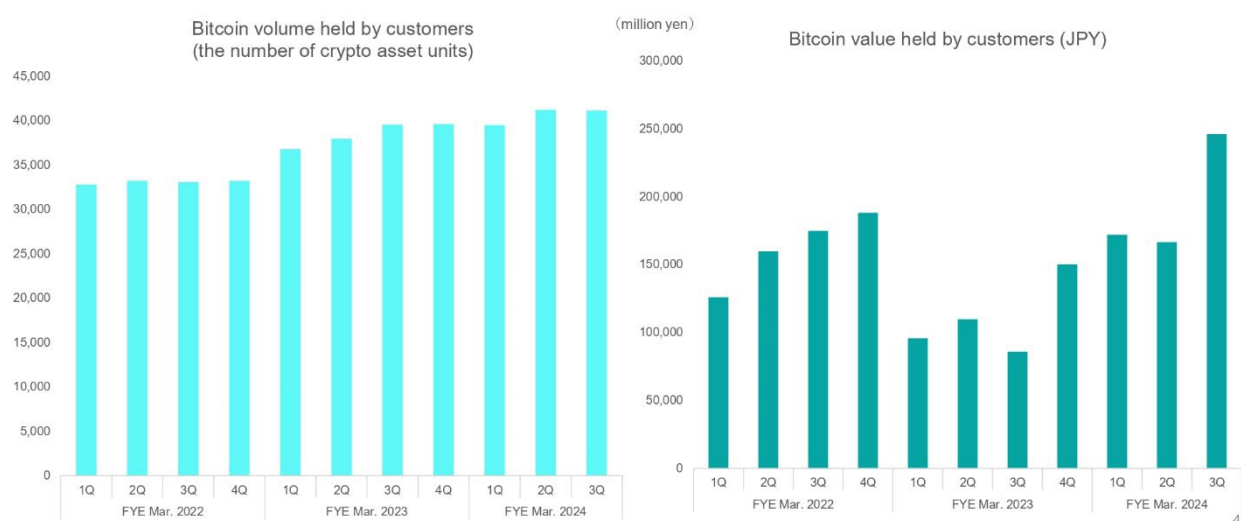
I believe that we have been able to efficiently maintain a very solid customer base because we have been able to acquire accounts no matter what the market conditions are, even with very low advertising costs, and we have been number one in app downloads for a long time.

Business Update Crypto Asset Segment 3/6

MONEX GROUP

Bitcoin prices rose on rising expectations for Bitcoin ETF approval in the US.

Bitcoin held by Coincheck customers increased in both the number of crypto asset units and value



As another indicator of the solidity of our customer base, the figure on the left shows the number of crypto asset units of Bitcoins held by our customers in Coincheck.

As you can see here, the market was not booming during this period, but the volume has not only been maintained, but has increased slightly and has been increasing for a long time.

Here, the price of Bitcoin has been increasing as well as the value, since the price of Bitcoin has been rising in the recent past.

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Diversifying earnings into new products through our strong reputation and large customer base.

Coincheck Initial Exchange Offering (IEO)

Coincheck is the leading player in the Japanese IEO market, completing the largest number of IEOs. Progress has been made in IEO regulations, such as taxation clarity and approach for auditing of IEO issuers.

1st IEO - PLT



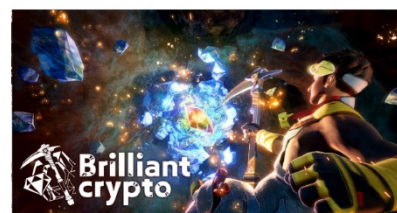
Achieved 1st IEO in Japan.

2nd IEO - FNCT



The 2nd IEO ultimately created demand of +20 billion yen, ~19x the target of 1.1 billion yen.

3rd IEO (scheduled)



- Coincheck and COLOPL Group's Brilliantcrypto entered into an agreement for an IEO
- This partnership aims to create a new gaming experience in the blockchain gaming markets.

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As for IEO, we are working on the 3rd project, now.

Coincheck is supporting the blockchain community through the introduction of Coincheck INO.

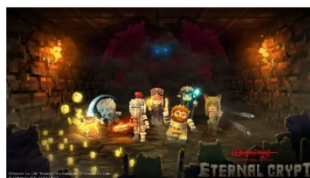
INO (NFT to be sold for the first time)

Coincheck started "Coincheck INO" in which NFT collections are to be sold for the first time. Coincheck handled the 2nd INO "CEREZO OSAKA SUPPORTERS NFT" as the official club NFT coming from the professional soccer club "CEREZO OSAKA." NFT started to be used as a tool for supporters to support professional soccer clubs.

Coincheck INO



1st INO "Adventurer Genesis Collection"



2nd INO "CEREZO OSAKA SUPPORTERS NFT"



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As for INO, we did a second project for Cerezo Osaka.

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Coincheck Group (CCG)*¹ is proceeding with listing procedures.

We plan to be listed on Nasdaq to secure global talent and business opportunities.

- After the proposed business combination with Nasdaq-listed SPAC, Thunder Bridge Capital Partners IV, Inc. (THCP), CCG will be a public company listed on the Nasdaq exchange in the US (Extended*² the termination date of Business Combination Agreement*³ to Jul. 2, 2024 following the approval at the special meeting of stockholders of THCP.)
- Working together with THCP, CCG aims to become a public company on the US Nasdaq to gain exposure to global investors and utilize Nasdaq-listed shares as global and effective currency to recruit global talent and acquire companies, thereby further expanding its crypto asset business.

*¹ Coincheck Group will be the holding company for Coincheck, Inc.

*² Extension of the termination date of Business Combination Agreement : https://www.monexgroup.jp/en/news_release/news/auto_20230623509260/pdfFile.pdf

*³ Business Combination Agreement : https://www.monexgroup.jp/en/news_release/news/auto_20220309503075/pdfFile.pdf

This means that the Coincheck Group is still pursuing the procedures for listing.

I'll skip the rest.

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Question & Answer

Seimei [M]: I would like to call Matsumoto from here to answer your questions.

So, I will start with a question I received from Ms. Nagasaka of Morgan Stanley MUFG Securities.

Nagasaka [Q]: Could you tell us, about the acquisition of a majority stake in 3iQ, a Canadian crypto asset management company, and the expected impact on the Group's asset management business quantitatively and qualitatively, to the extent possible?

Seimei [A]: As I showed you the balance of AUM, we would like to increase the balance because we are an asset management company, so the revenue will increase in relation to the balance. We would like to increase the balance, and since AUM is linked to the price of Bitcoin and Ethereum, we think it is important to increase the price and to properly market to those who invest in such crypto assets, including corporate clients.

Matsumoto [A]: 3iQ is a company with a well-established P&L, and when the number of Bitcoin ETFs and other such products gradually increases among institutional investors, pension funds, etc., and Japanese institutional investors want tailor-made crypto currency financial products and funds, 3iQ can be used for various purposes.

At present, such a big impact is not estimated firmly.

Nagasaka [Q]: The second one is also crypto-related. When the Bitcoin ETF approved by the US and SEC, it is my understanding that this case does not currently have a significant direct impact on Japanese players. I would appreciate if you could share your idea about it.

Matsumoto [A]: Under the Investment Trust Law, Bitcoin is not a specified asset.

Seimei [A]: Bitcoin is not included in a specified asset.

That's why it's not allowed to be provided, so there is no direct impact.

Seimei [A]: US ETFs cannot be handled by Monex Securities, etc., unless they are notified to the Financial Services Agency, so we are now in a situation where US Bitcoin ETFs cannot be handled either.

Nagasaka [Q]: The NTT DOCOMO and AEON Bank collaboration started in January of this year, what was the initial response?

Seimei [A]: This is more than I expected, as I mentioned earlier about AEON Bank as for the new account opening. Most customers who apply to open an account at AEON Bank also apply for NISA at the same time.

Matsumoto [A]: The account that came from the AEON Bank had a great NISA rate to begin with, which is 170,000 out of 340,000, which is about 50%. And this rate is very high, and also, the new accounts coming through AEON now are about the same as the normal number of new accounts Monex acquires.

Seimei [A]: In terms of the overall number of accounts, yes.

Matsumoto [A]: So, the number of new accounts has doubled since AEON joined the market, and many of those who came through AEON wanted to open a NISA at the same time.

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Seimei [A]: That number is extremely large.

Matsumoto [A]: There are so many customers like that. The number of customers is more than 170,000 out of the 340,000, and we expect that DOCOMO will be involved in various ways in the future.

Nagasaka [Q]: Number four, expenses. Please show us how to spend future advertising costs for each of the US and crypto.

Seimei [A]: Basically, this will not change. In the US as well, there is no factor that would increase fixed costs in any way.

As for the US segment, we will focus on active traders in the United States, so I think it is hard to imagine that there will be anything more. As for the crypto asset segment, of course, there are times when it is better to decide to use advertising expense depending on the market price. As for the composition ratio, I would like to use more variable cost when the market price is good and we can get customer, but the fixed costs will not increase.

Regarding how we spend our advertising cost, in that sense, we do the same for the US. Crypto will depend on the market and may be strengthened by customer trends.

Matsumoto [M]: Let's move on to the next question from Mr. Hara of SMBC Nikko Securities.

Hara [Q]: First of all, in terms of Japanese stocks, how much of the total is accounted for the new NISA purchases?

Matsumoto [A]: In terms of stocks, there are very few. Most of NISA transactions are mutual fund.

Seimei [A]: So, the mutual fund balance has already become very large since January.

Hara [Q]: I understand that you have reduced costs, but what is your future cost control policy in light of the current market environment?

Matsumoto [A]: The idea is to drop fixed costs firmly anyway, and as Seimei just explained, adjust variable costs, such as advertising expenses, dynamically based on the market conditions. This is how we will continue to keep fixed costs under control while adjusting variable costs according to the environment.

Hara [Q]: Regarding the acquisition of 3iQ, the sale of Sharely business, the reasons for each, and the impact on performance.

Seimei [A]: Originally, we were pursuing both crypto as an area of growth potential, and then the asset management business. 3iQ has both, and for that reason, we thought it would be good to cross them.

Matsumoto [A]: The management team at 3iQ is very professional in that sense, having originally been involved in the investment management business for a long time at Fidelity and other firms, and there is a sense of stability and security.

On the other hand, while we are naturally doing very innovative things, we are not only innovative, but we have a solid backbone, and we are not too big and not in the red. I think the main point is that the contents were very reasonable.

Sharely's business transfer, I think we explained it earlier.

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Seimei [A]: I haven't disclosed how much Sharely business cost for development and operation, but it did not cost any money, so that's a plus.

Matsumoto [A]: Selection and concentration.

Sasaki [Q]: Although the SPAC listing rules have changed, is it correct to understand that Coincheck's SPAC listing will not be affected? Are they subject to the new regulations on earnings forecast disclosure?

Matsumoto [A]: In relation to the listing by the merger with SPAC, I heard this week or last week that the SEC, I think they call it the board members, passed a 3:2 vote to change the SPAC rules.

However, the details had already been announced last spring, so about a year ago, and we knew from that time on that it would probably pass by a vote of 3:2. Therefore, Coincheck's listing on NASDAQ through de-SPAC, which we have been working on since last spring, is completely within our expectations. This will not affect our current listing of Coincheck on NASDAQ through SPAC.

Hara [Q]: In light of the 3iQ, what is your future policy for M&A?

Seimei [A]: I don't see anything that will change because of the 3iQ case, and I think the area of greatest focus is to continue to look at the asset management business on a global basis. The asset management business is meaningless if people don't stay, so it's not necessarily about insisting on 100% acquisitions, for example. However, we intend to invest in growth in a way that will have a positive effect on the consolidated P&L.

Matsumoto [A]: We are also working with AEON and DOCOMO, and our idea is to make Monex, Inc. more like a national infrastructure company. Then, we will foster the shift from savings to investment there, or rather, especially in the midst of inflation and a weakening yen, asset building for a wide range of people is necessary to withstand global inflation, and that is what we will do.

M&A, of course, is opportunistic, so if there are other opportunities, we will do it, but the main focus is to make asset management strong and large.

Hara [Q]: Why is it taking so long to launch services in cooperation with DOCOMO, such as d CARD investment trust accumulation, point linkage, and application linkage?

Seimei [A]: This is because it requires system development at both companies. Also, we can only start development and such after January 4.

Matsumoto [A]: Because of the gun-jumping issue and so on, we are working firmly and concretely on all of them after January 4 basically, so it means it will take a little bit of time.

Seimei [M]: If any, please contact to IR.

Matsumoto [M]: Japan and the US are stable, Coincheck is profitable and growing, and with the cooperation of AEON and DOCOMO, the platform in Japan seems to be getting bigger and bigger. We are getting a good sense and feeling of that, and it also means that dividends will double from here on out.

Thank you. Thank you very much for your time today.

Seimei [M]: Thank you very much.

[END]

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