

Financial Results for 3Q of Fiscal Year Ending March 31, 2017

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

<Forward-looking Statements>

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



Our Business Principles

"MONEX" stands for the future of finance, one step advanced from "MONEY"

The Monex Group is aspiring to empower traders and investors worldwide with best of breed technology, education, service and financial professionalism to provide access to top financial markets globally

To achieve this we are committed to:

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

Our Business Principles	p. 1
Table of Contents	p. 2
I. Highlights	p.3 - p.7
II. Consolidated Performance	p.8 - p.22
III. Business Update	p.23 - p.29
IV. Mid- & Long-Term Strategy “Global Vision”	p.30 - p.33
Appendix. Group Overview	p.34 - p.44

- I. **Highlights**
- II. Consolidated Performance
- III. Business Update
- IV. Mid- & Long-Term Strategy “Global Vision”

Appendix. Group Overview

Migration to a new backbone system, enabling cost reductions and greater product development flexibility

[Japan]

Switch to the offensive with migration to a new backbone system

- Migration to a new backbone system in January 2017
- Improved product development flexibility with an internally developed backbone system
- From FYE March 2018, system-related cost reductions of 150 million yen per month compared with actual 3Q FYE Mar. 2017 amounts

[Japan]

Two initiatives to expand customer base

- Increased recognition of the "TradeStation" platform among active traders
- Acquiring customers with mid-long term investment horizon through Monex-Saison-Vanguard Investment Partners' wrap asset management service

[US]

Structure and environment to maintain profitability of the quarter

- From FY2Q, ongoing control of fixed costs. Back to a profitable quarter since 3Q FYE March 2016
- Expected improvement of the business environment under the Trump administration

[Consolidated]

Improved cash flow

- Completion of a large-scale investment in the new backbone system
- Expected cash flow improvement from FYE March 2018 due to a decrease in new system investments

[Consolidated]

Creation of new value to cope with external environment changes

- Further development of new business areas in recognition of rapid changes in not only the stock markets, but customers' economic environment, values and lifestyles as well.

Both Japan and US segments back to profitability

Japan segment

- JPY 480 million net profit in 3Q (3months) due to active trading by customer. Trading volume of stock and FX increased compared to the previous quarter.

US segment

- JPY 112 million net profit in 3Q (3month) due to fixed cost reduction. Expected to be profitable FYE March 2018 through efforts to expand customer base.

Asia-Pacific segment

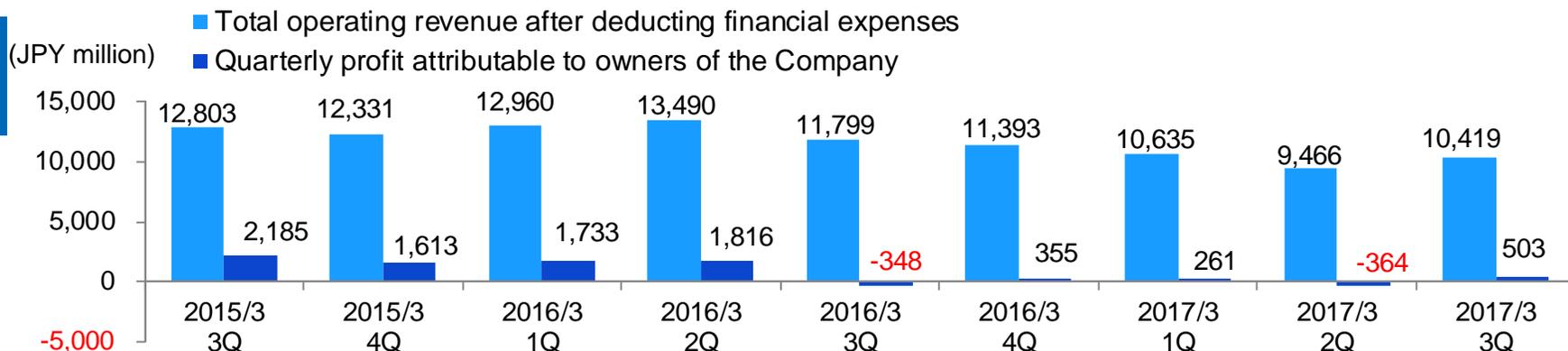
- Change in the segment name from “China” to “Asia-Pacific” from 3Q FYE Mar. 2018.
- Brokerage commission decreased by 10% (in HKD) due to lower trading volume in Monex Boom Securities. Resulted in JPY 30 million net loss.

■ Consolidated performance of 3Q FYE Mar. 2017

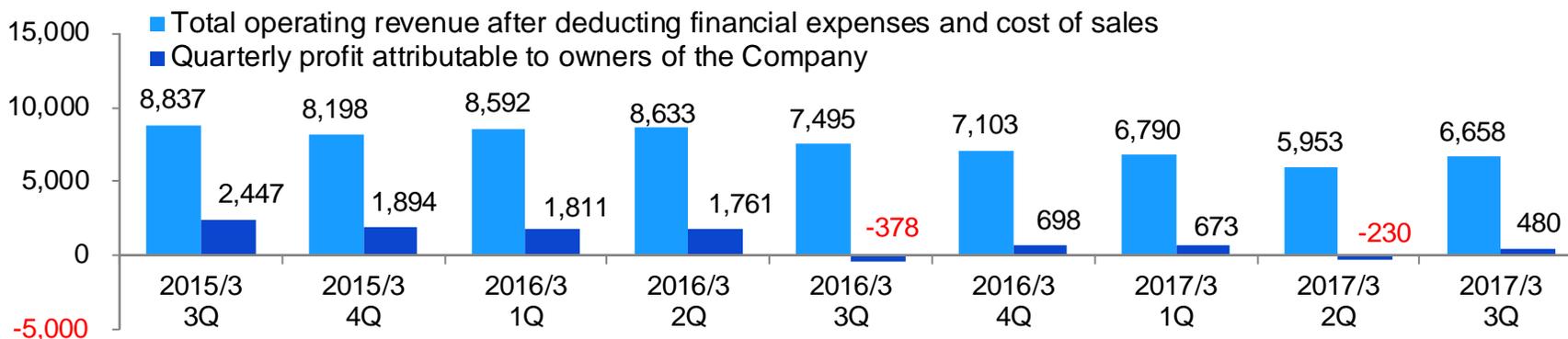
Quarterly net profit due to operating environment upbeat

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

Consolidated



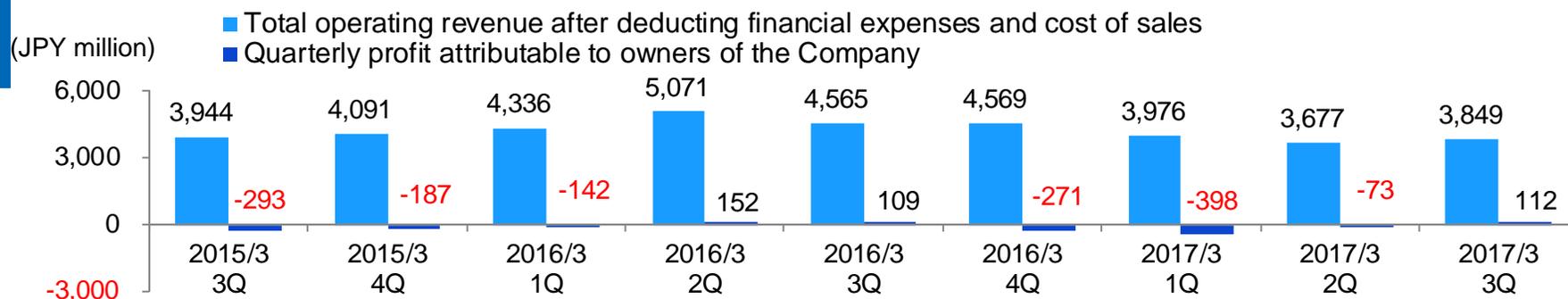
Japan



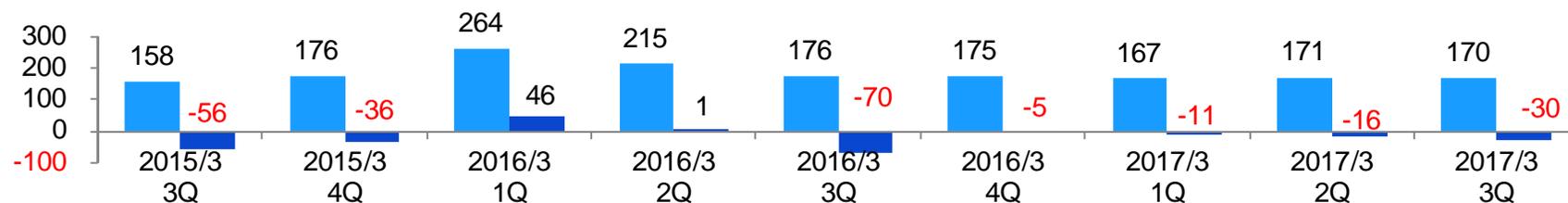
■ Consolidated performance of 3Q FYE Mar. 2017

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

US



Asia-Pacific



I. Highlights

II. Consolidated Performance

III. Business Update

IV. Mid- & Long-Term Strategy “Global Vision”

Appendix. Group Overview

YoY Comparison (9 months) Consolidated Performance

(JPY million)

	3Q FYE Mar. 2016 (Apr. 2015 - Dec. 2015)	3Q FYE Mar. 2017 (Apr. 2016 - Dec. 2016)	Variance	Change (%)	Reference
Total operating revenue after deducting financial expenses	38,249	30,519	-7,730	-20.2%	P11: Analysis of Japan segment P13: Analysis of US segment (USD)
SG&A	30,872	30,013	-859	-2.8%	P12: Analysis of Japan segment P14: Analysis of US segment (USD)
The amount equivalent to operating income	7,377	506	-6,870	-93.1%	
Other income / expenses (net)	-2,761	287	3,048	–	DATA BOOK P21: Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	4,616	793	-3,823	-82.8%	
Quarterly profit attributable to owners of the Company	3,200	401	-2,799	-87.5%	

YoY Comparison (9 months) Segment Performance

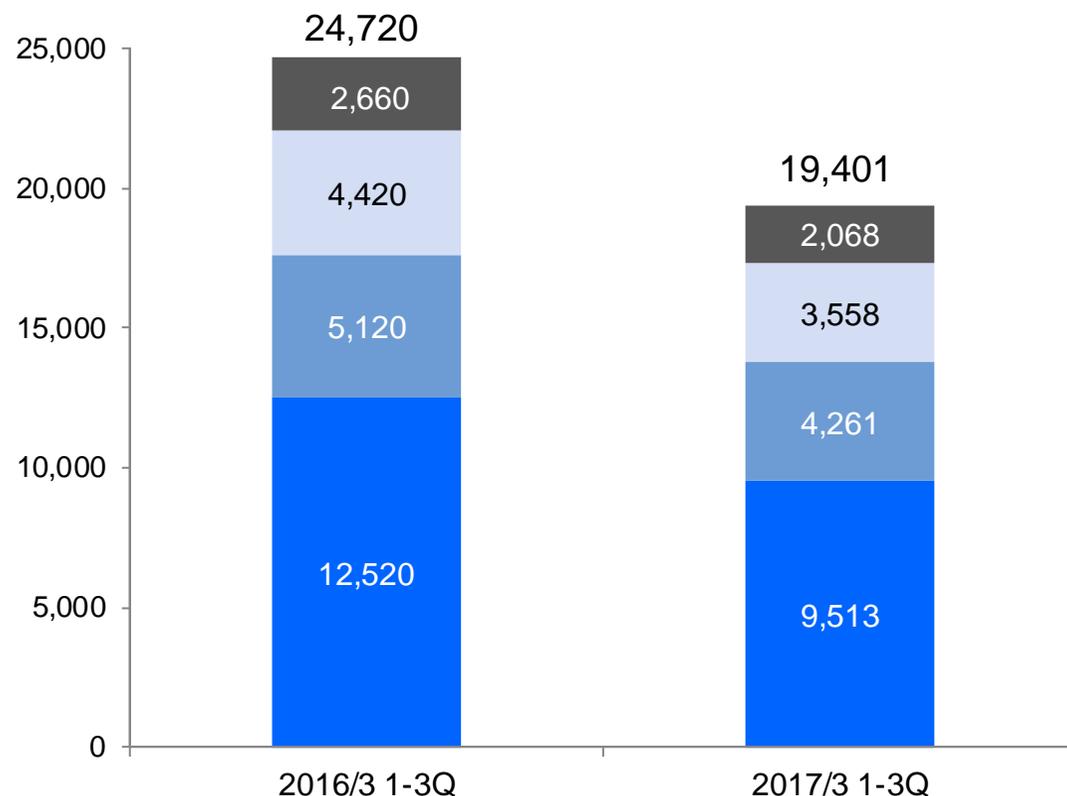
(JPY million)

	Japan			US			Asia Pacific		
	2016/3 3Q	2017/3 3Q	Change (%)	2016/3 3Q	2017/3 3Q	Change (%)	2016/3 3Q	2017/3 3Q	Change (%)
Total operating revenue after deducting financial expenses and cost of sales	24,720	19,401	-21.5%	13,972	11,502	-17.7%	655	509	-22.3%
SG&A	17,446	18,444	5.7%	13,651	11,829	-13.3%	588	533	-9.4%
The amount equivalent to operating income	7,273	957	-86.8%	321	-327	—	67	-25	—
Other income / expenses (net)	-2,551	556	—	-276	-199	—	-82	-34	—
Quarterly profit before income taxes	4,722	1,513	-8.0%	45	-526	—	-15	-59	—
Quarterly profit attributable to owners of the Company	3,195	922	-71.1%	119	-359	—	-22	-57	—
Note	See P11 “total operating revenue after deducting financial expenses and cost of sales” for more details See P12 “SG&A” for more details			See P13 “total operating revenue after deducting financial expenses and cost of sales” for more details See P14 “SG&A” for more details USD/JPY decreased by 11%			HKD/JPY decreased by 12%		

Japan : Revenues decreased due to lower market trading volumes of stocks

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2015 - Dec. 2015)

(JPY million)



Total operating revenue after deducting financial expenses and cost of sales

-21.5% (- 5,319) *Within () changes from 1-3Q FYE Mar.2016

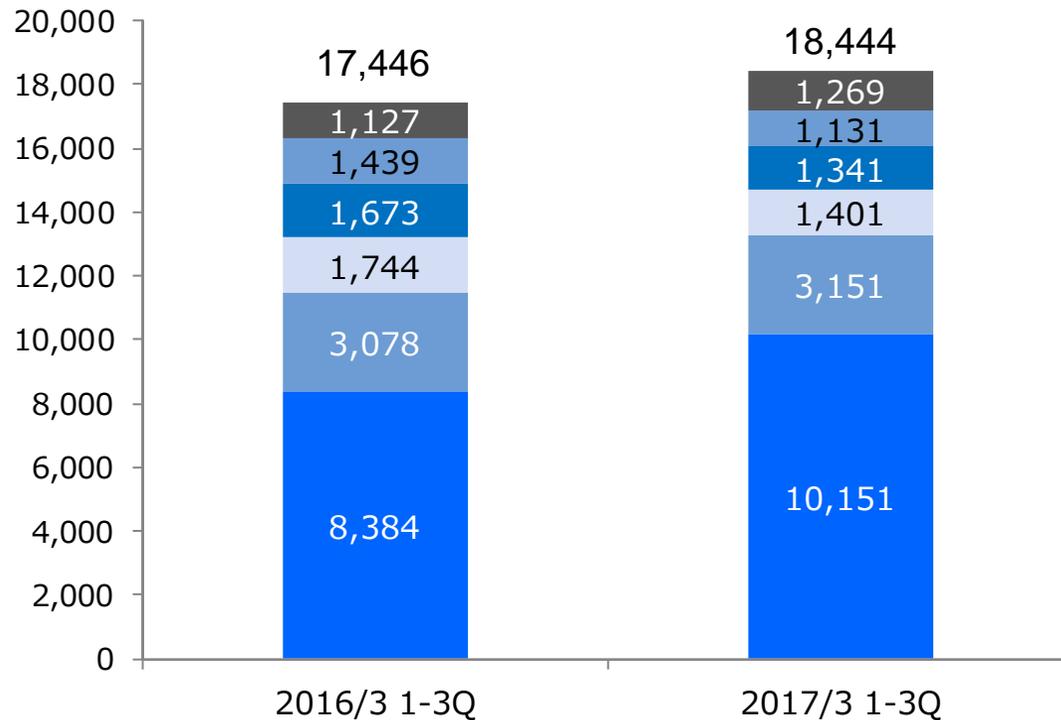
- Others (- 592)
- FX & fixed income (- 862)
- Net financial income (- 859)
- Brokerage commissions (- 3,007)



Japan : Increased system related cost due to starting amortization of Japanese equities trading platform and phased launch of new backbone system

■ SG&A (compared to Apr. 2015 - Dec. 2015)

(JPY million)



SG&A Total +5.7% (+ 997)

*Within () changes from 1-3Q FYE Mar.2016

- Others (+ 142)
- Advertising expenses (- 308)
- Communication, freight and information expenses (- 333) *1
- Commissions paid, exchange and association dues (- 343)
- Compensation and benefits (+ 73)
- System related expenses (+ 1,767) *2

*1 Decreased due to internalizing trading information service : -198

*2 Rental and maintenance:+246
Data processing and office supplies:+159
Amortization and depreciation: +1,362

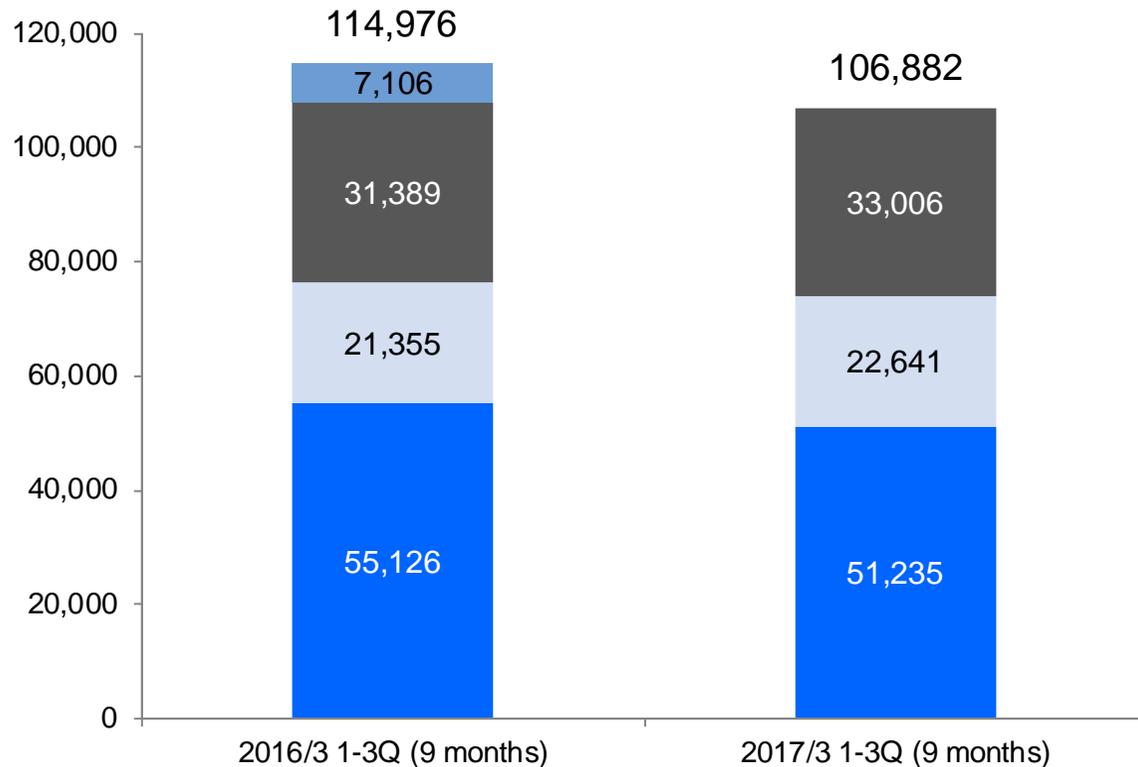


YoY Comparison (9 months) Analysis : Operating Revenue (USD)

US : Revenue excluding the sale of FX business is almost same as the previous year.
Enhancement of net financial income covers the decline in brokerage commission

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2015 - Dec. 2015)

(USD thousand)



Total operating revenue after deducting financial expenses and cost of sales

-7.0% (- 8,094) *Within () changes from 1-3Q FYE Mar.2016

■ FX revenue (- 7,106) *1

■ Others (+ 1,617)

■ Net financial income (+ 1,286)

Excluding the effect of reclassified account: +3,514 *2

■ Brokerage commissions (- 3,891)

*1 Revenue down due to the sale of FX business in March 2016

*2 Improvement of net financial income +3,514
Reclassified account from other financial expenses -2,228

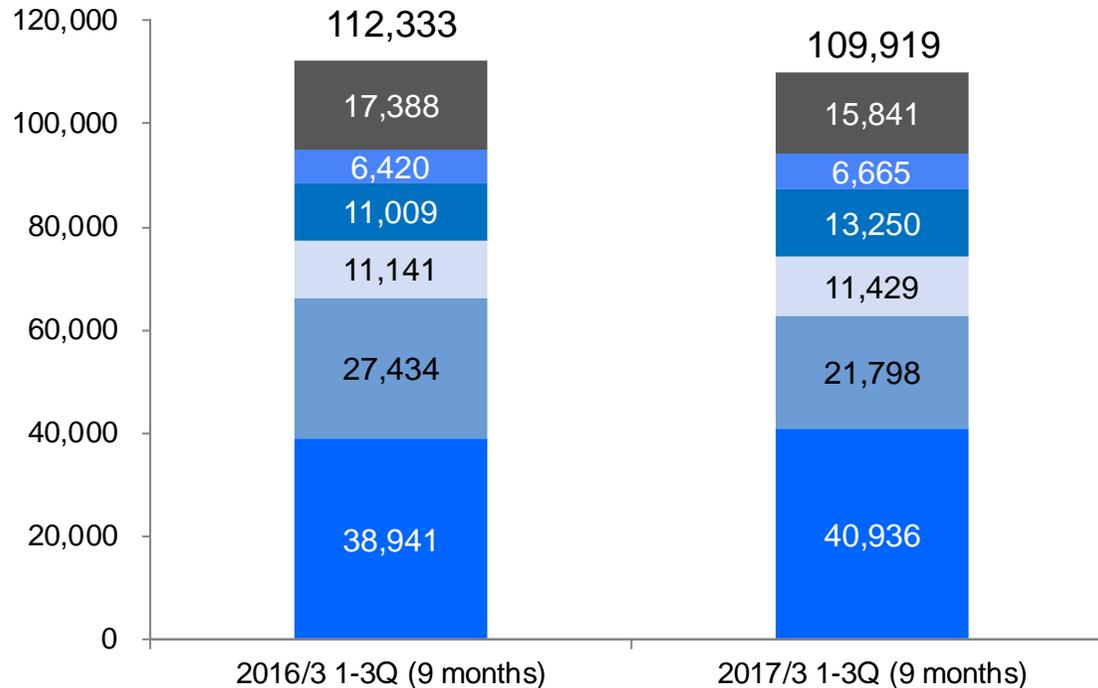


YoY Comparison (9 months) Analysis : SG&A (USD)

US : Decrease in commissions paid and other expenses due to lower market trading volume. Also decrease in compensation and benefits excluding one-time expense such as severance payment

■ SG&A (compared to Apr. 2015 - Dec. 2015)

(USD thousand)



SG&A Total -2.1% (-2,414)

*Within () changes from 1-3Q FYE Mar.2016

- Others (-1,547)
- Advertising expenses (+ 245)
- Amortization and depreciation (+ 2,241) *1
- Communication, freight and information expenses (+ 287)
- Commissions paid, exchange and association dues (- 5,635) *2
- Compensation and benefits (+ 1,995) *3

*1 Increase in amortization costs of software for use
 *2 Decrease due to the sale of FX business and lower trading volume of stocks, futures and options
 *3 Increase due to one-time cost for headcount reduction: USD 2.3 mil

QoQ Comparison (3 months) Consolidated Performance

(JPY million)

	2Q FYE Mar. 2017 (Jul.-Sep. 2016)	3Q FYE Mar. 2017 (Oct.-Dec. 2016)	Variance	Change (%)	Reference
Total operating revenue after deducting financial expenses	9,466	10,419	953	10.1%	P17: Analysis of Japan segment P19: Analysis of US segment (USD)
SG&A	9,855	10,040	185	1.9%	P18: Analysis of Japan segment P20: Analysis of US segment (USD)
The amount equivalent to operating income	-389	379	768	—	
Other income / expenses (net)	-58	306	363	—	DATA BOOK P21: Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	-447	685	1,132	—	
Quarterly profit attributable to owners of the Company	-364	503	867	—	

QoQ Comparison (3 months) Segment Performance

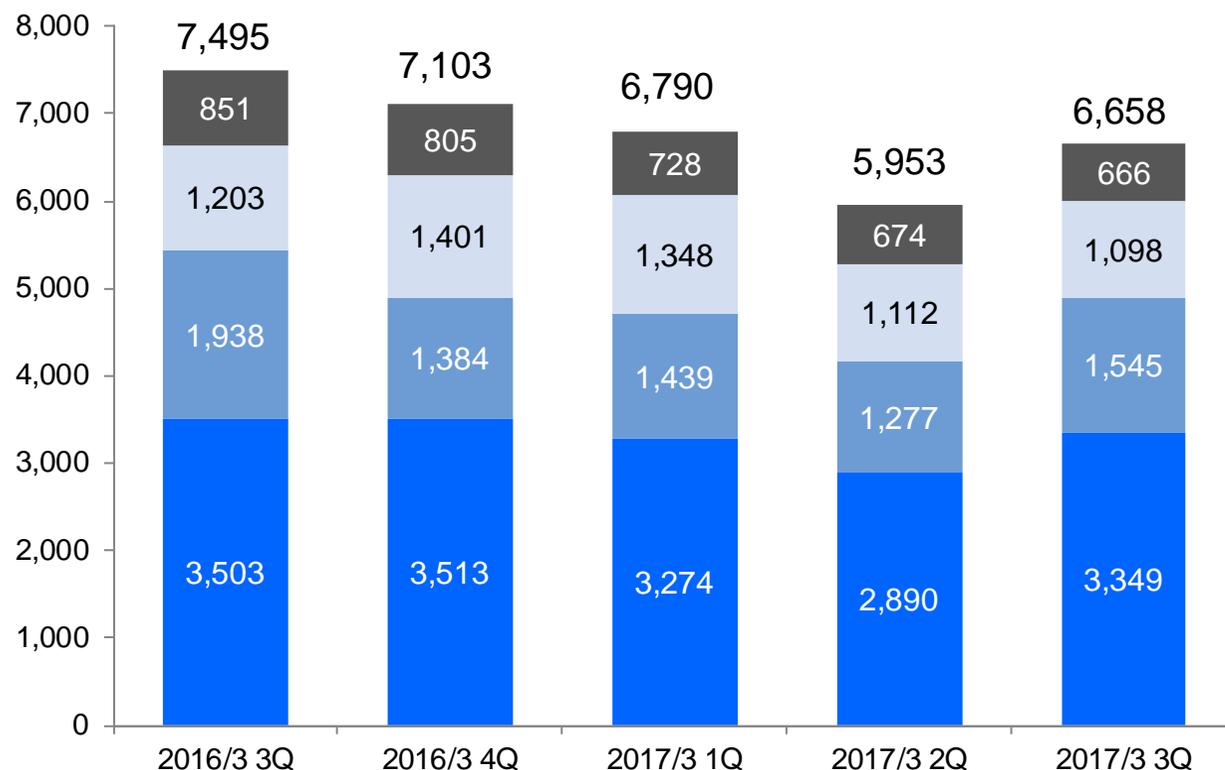
(JPY million)

	Japan			US			Asia Pacific		
	2017/3 2Q	2017/3 3Q	Change (%)	2017/3 2Q	2017/3 3Q	Change (%)	2017/3 2Q	2017/3 3Q	Change (%)
Total operating revenue after deducting financial expenses and cost of sales	5,953	6,658	11.8%	3,677	3,849	4.7%	171	170	-0.6%
SG&A	6,092	6,284	3.2%	3,841	3,797	-1.1%	172	194	13.2%
The amount equivalent to operating income	-138	374	—	-163	52	—	-0	-24	—
Other income / expenses (net)	-44	340	—	-19	17	—	-16	-9	—
Quarterly profit before income taxes	-182	714	—	-183	70	—	-16	-33	—
Quarterly profit attributable to owners of the Company	-230	480	—	-73	112	—	-16	-30	—
Note	See P17 “total operating revenue after deducting financial expenses and cost of sales” for more details See P18 “SG&A” for more details			See P19 “total operating revenue after deducting financial expenses and cost of sales” for more details See P20 “SG&A” for more details USD/JPY increased by 2%			HKD/JPY increased by 2%		

Japan : Increased market trading volume triggered by US presidential election

■ 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 +11.8% (+ 704)

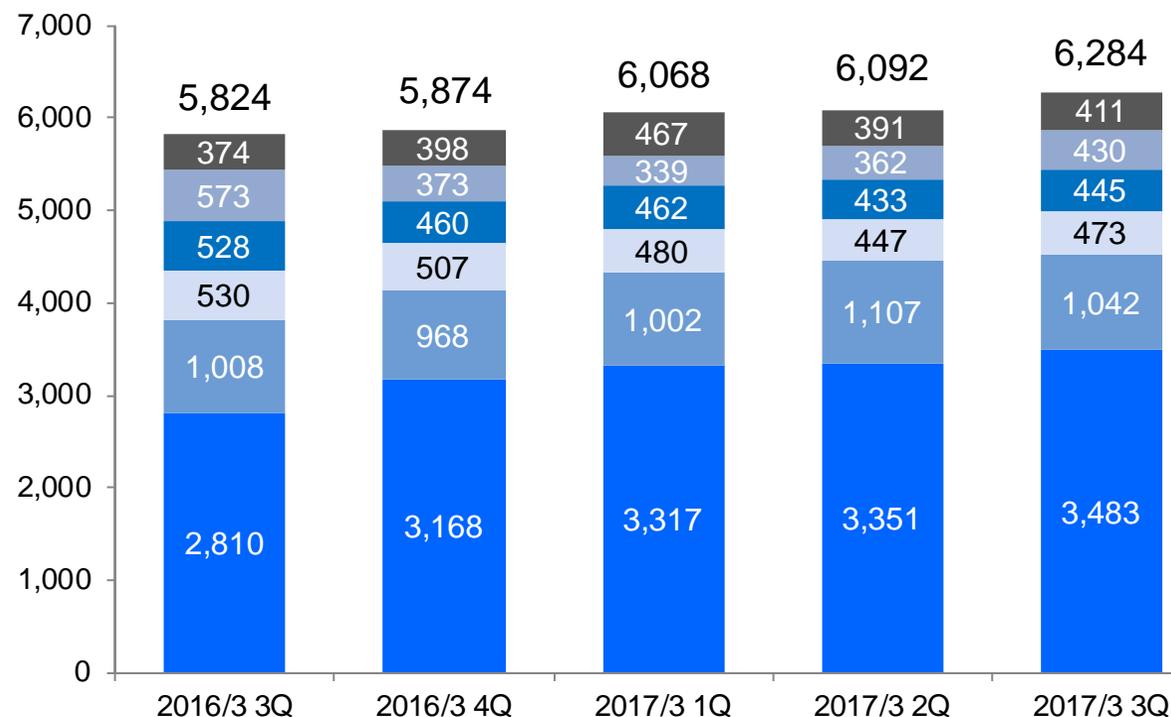
*Within () changes from previous quarter

- Others (- 7)
- FX & fixed income (- 15)
- Net financial Income (+268)
- Brokerage Commissions (+ 458)

Japan : Increased depreciation cost due to phased launch of new backbone brokerage systems

■ Quarterly SG&A

(JPY million)



SG&A Total +3.2% (+192)

*Within () changes from previous quarter

- Others (+20)
- Advertising expenses (+68) *1
- Communication, freight and information expenses (+12)
- Commissions paid, exchange and association dues (+26)
- Compensation and benefits (-65)
- System related expenses (+131) *2, 3

*1 Increase in advertising cost for trading platform *TradeStation*

*2 Rental and maintenance: +12
Data processing and office supplies: -55
Amortization and Depreciation: +175

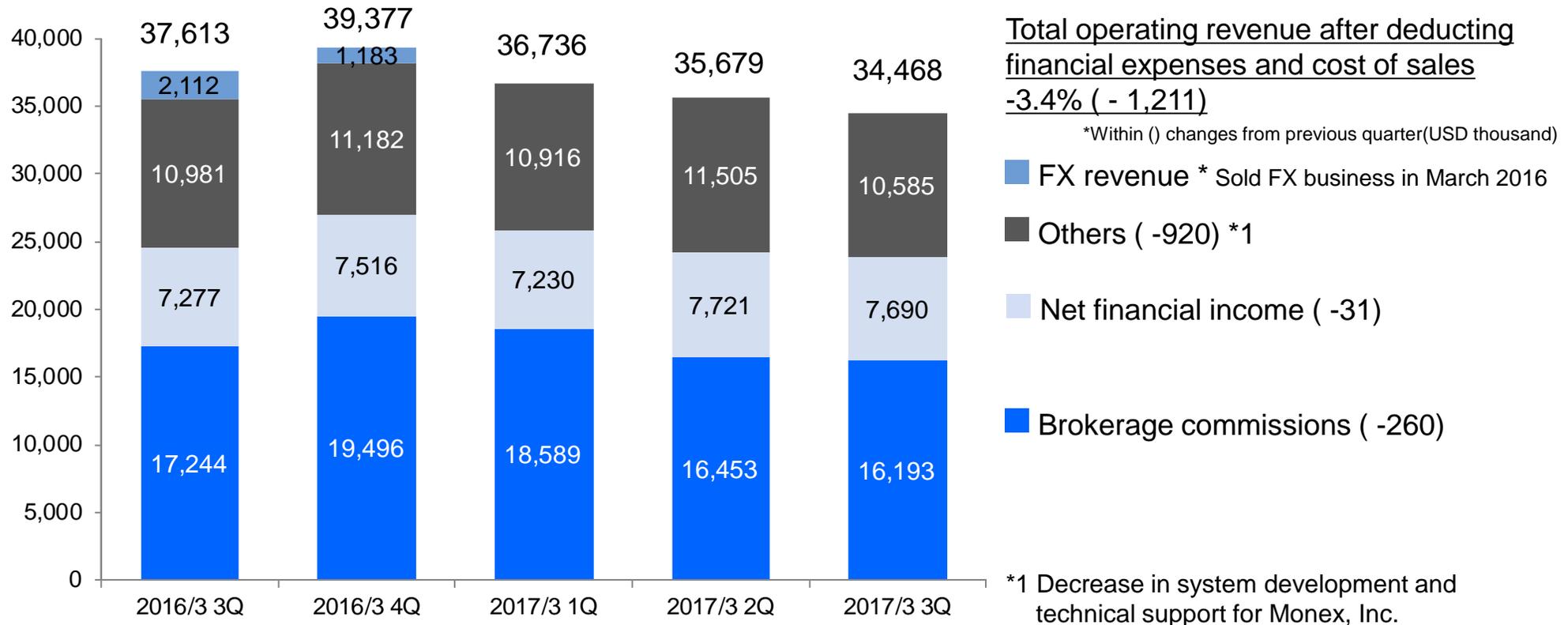
*3 See P.24 for the estimate in system related cost in 4Q and next fiscal year



US : Revenue excluding system development for Japan is almost same as the previous quarter

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

(USD thousand)

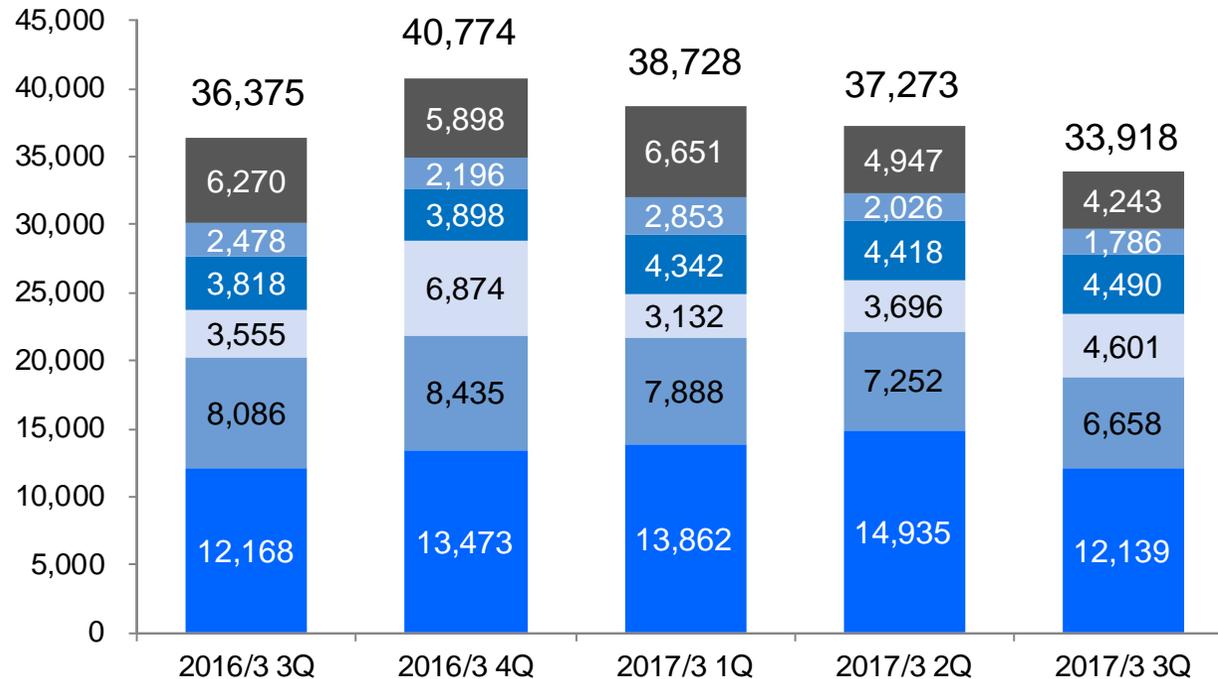




US : Headcount reduction in 1H of this fiscal year contributed to reduction of SG&A from 3Q

■ Quarterly SG&A

(USD thousand)



SG&A Total -9.0% (-3,355)

*Within () changes from previous quarter(USD thousand)

- Others (-704)
- Advertising expenses (-239)
- Amortization and depreciation (+72)
- Communication, freight and information expenses (+905) *1
- Commissions paid, exchange and association dues (-594)
- Compensation and benefits (-2,796)

*1 Temporary increase in exchange fees

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

◆ Summary of consolidated statement of financial position as of December 31, 2016

<u>Assets</u> JPY 994.7B	<u>Liabilities</u> JPY 910.6B
Major assets: Assets related to financial instruments trading business JPY 754.3B	Major liabilities: Liabilities related to financial instruments trading business JPY 900.2B
Others JPY 51.1B	Others JPY 10.4B
Cash and cash equivalents JPY 128.6B	
Non-current assets (*1) JPY 60.7B	Net capital JPY 84.1B

(*1) Non-current assets

Property and equipment	JPY	2.1B
Intangible assets (Goodwill)	JPY	17.5B (*2)
Intangible assets (Identifiable intangible assets)	JPY	13.5B (*3)
Intangible assets (Software and others)	JPY	24.6B
Equity method investments	JPY	0.4B
Available-for-sale investments in securities (Lv.3)	JPY	2.6B

(*2) Goodwill: JPY 17.5B

Japan JPY 7.6B, US JPY 9.4B, China JPY 0.5B

(*3) Identifiable intangible assets: JPY 13.5B

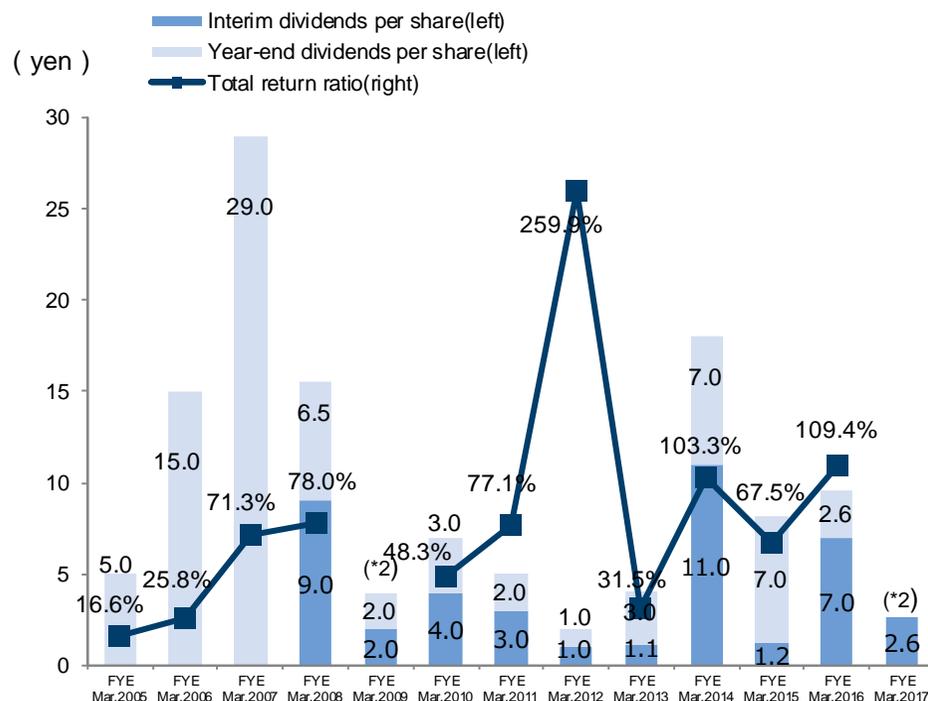
US JPY 12.8B, China JPY 0.7B

◆ The JPY 23.4B difference between Net capital (JPY 84.1B) and Non-current assets (JPY 60.7B) is the source of funds for the following:

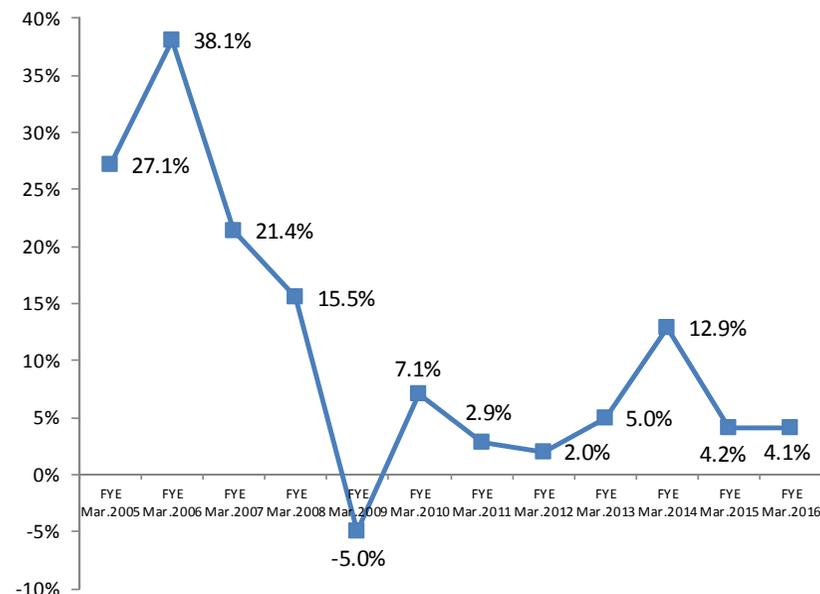
1. To comply with capital adequacy ratio regulations for securities subsidiaries in Japan and overseas
2. Internal reserve for investments in future businesses
3. Shareholders’ return (dividends + share buyback)

Aim to achieve a total return ratio ^(*1) of 75% on a multi-year basis by dividend and share buyback

◆ Dividend per share and total return ratio



◆ Return on Equity ratio



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

(*2) FYE Mar. 2009 and 1H of FYE 2017 does not have % since the result was negative

(*3) Dividend per share has been adjusted reflecting stock split

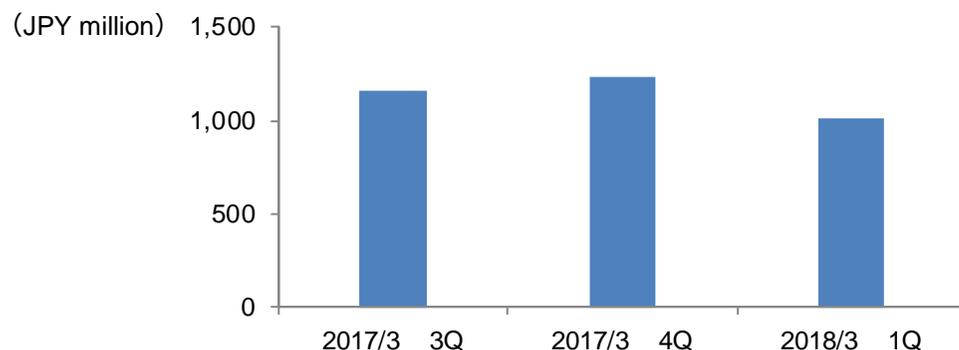
(*4) Amount of share buyback : JPY 2.0B in Feb. 2008, 3.1B in Jun. 2011, 5.5B in May 2013, 1.16B in Jul.-Aug.2015, 1.0B in May-Jun. 2016

- I. Highlights
 - II. Consolidated Performance
 - III. Business Update**
 - IV. Mid- & Long-Term Strategy “Global Vision”
- Appendix. Group Overview

Completed migration to the new backbone system. Focus on improvement and enhancement of customer usability going forward

■ Completed migration to new backbone system in January 2017

- Obtained flexibility for development and implemented website renewal aimed to enhance usability
- Terminating service contract for old backbone system in March 2017
- Estimated system related cost (Monthly average)



■ Income and expenses for backbone system migration in 3Q and 4Q

- 3Q: System migration expenses (Other expenses) 130 million yen
- 4Q: System migration expenses (Other expenses)
Lump-sum receipt due to change on delivery timing(Other income)
210 million yen will be booked as a net of above items

■ Future plans

- Enhance customer usability by agile and responsive service development and improvement
- Launch B2B business such as ASP on internally developed system



Wrap asset management service provided by Monex-Saison-Vanguard Investment Partners

- 85% of customers use monthly investment service
- In addition to marketing activity by Monex, Inc., promoting partnerships with other businesses. The number of users of the service utilized by Eikyufumetsu Points (Permanent point) of Credit Saison *1 exceeded 10,000 people in the first month *2 since its launch
- Acting as a trustee on investments for institutional investors apart from services for retail customers

*1 The number of point service user: 13.17 million people, The balance of point: 91.4 billion yen (as of September 30, 2016)

*2 As of January 11, 2017



Japanese stock trading platform developed by TradeStation group

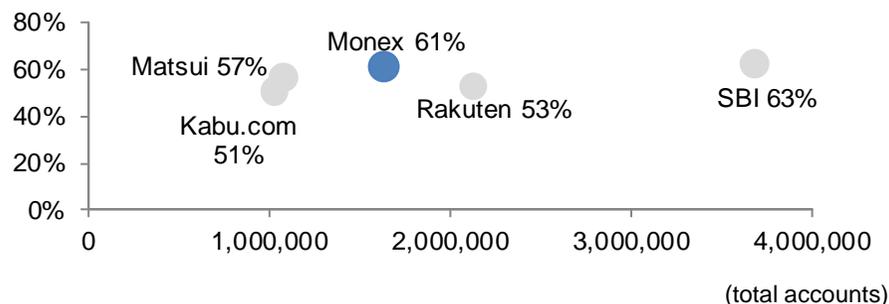
- Flexible commission plans to meet customer's trading activities. Appeal the highest order execution speed *3 among online securities firms
- The number of funded accounts increased by 4 times, the trading volume increased by 3 times (QoQ) due to gaining recognition of "TradeStation" through famous trader's word of mouth or simplified account opening process
- Aim to achieve trading volume of 800 billion yen per month and net income of 2.4 billion yen per year in medium term

*3 Order execution speed by Kabu.com Securities: median 33 millisecond (reference source: Kabu.com Securities's press release)

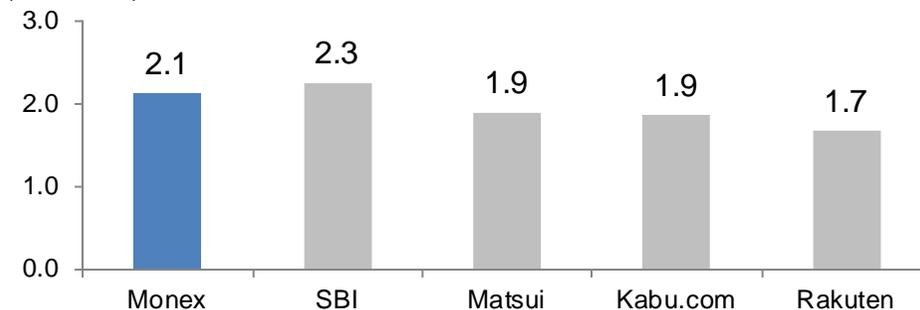
Order execution speed by "TradeStation" in Monex, Inc.: average 6.6 millisecond

Higher active accounts ratio and higher customer assets per account compared with peers
 Lower margin trading ratio and lower brokerage commission revenue compared with peers
 → Increase revenue by acquiring trader-type customers while maintaining our current customer base

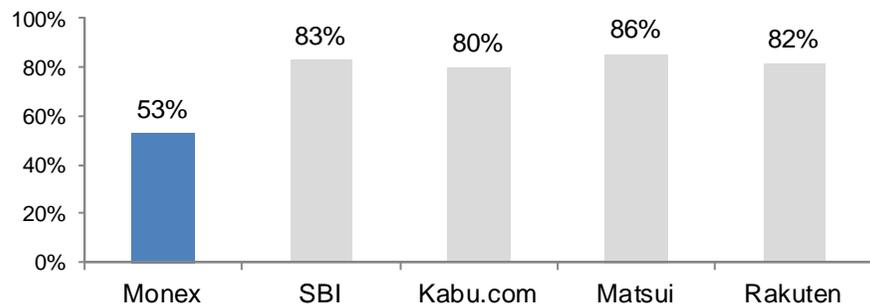
◆ Active account ratio (as of Sep. 30, 2016)
 (active account ratio)



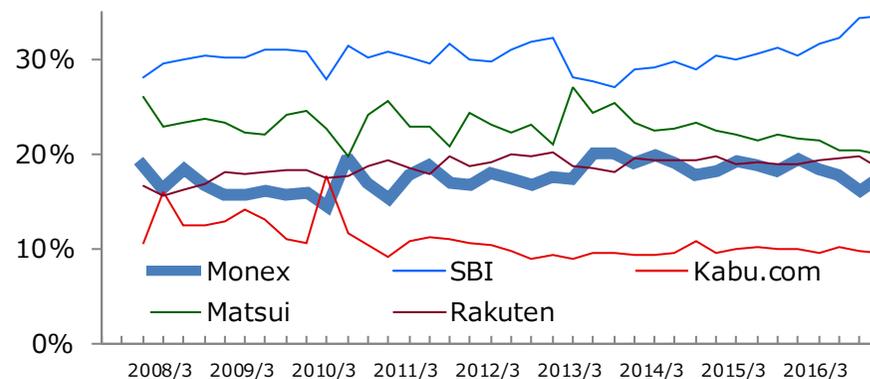
◆ Customer assets per account (as of Sep. 30, 2016)
 (JPY million)



◆ Margin trading ratio (2Q FYE Mar. 2017)



◆ Stock brokerage commission share
 (2Q FYE Mar. 2008 - 2Q FYE Mar. 2017)



Achieved quarterly profit despite low volatility in the market

■ Fixed cost reduction

- Headcount reduction in April and July 2016 contributed from 3Q. USD 1.1 million improvement per month on cash flow basis(FY 3Q compared to FYE March 2016)

■ Efforts on expanding customer base

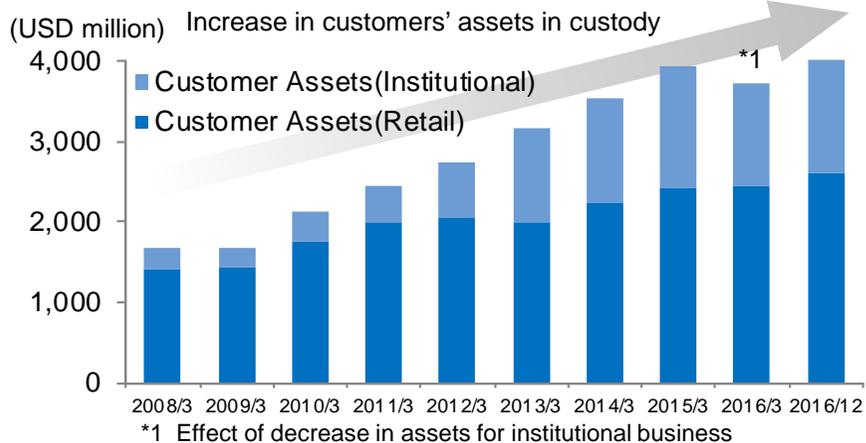
- Launch a new, simplified commission plan designed to appeal to a broader Active Trader customer base
- Streamline account opening and cash transfer process to increase new customer uptake
- Launch new services with a broad interest, including an application that provides trading strategies based on data analysis

■ Expansion of B2B business

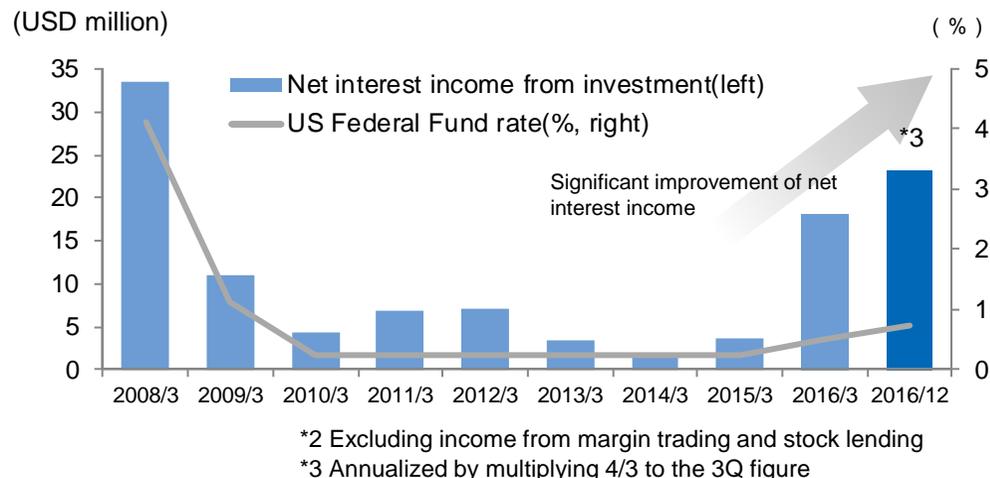
- Increase geographical distribution by licensing trading platform in non-US markets, resulting in a gradual increase in partners internationally

■ Net financial income improved

◆ Customers' assets in custody



◆ Net interest income *2 and US Federal Fund rate

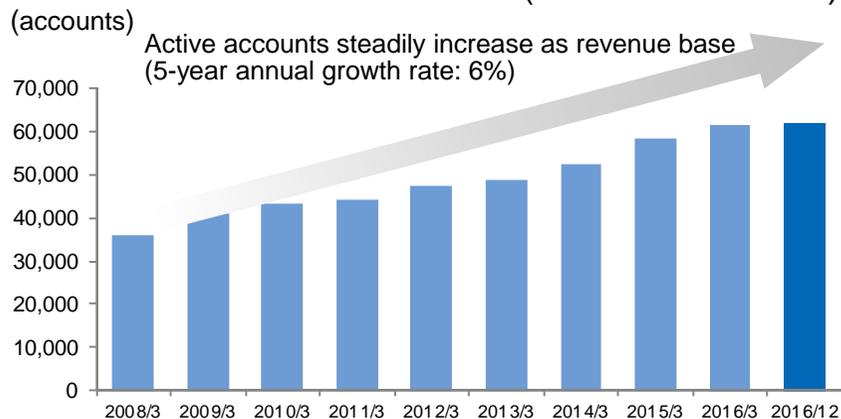


■ Increase in active accounts and volatility contribute to the revenues

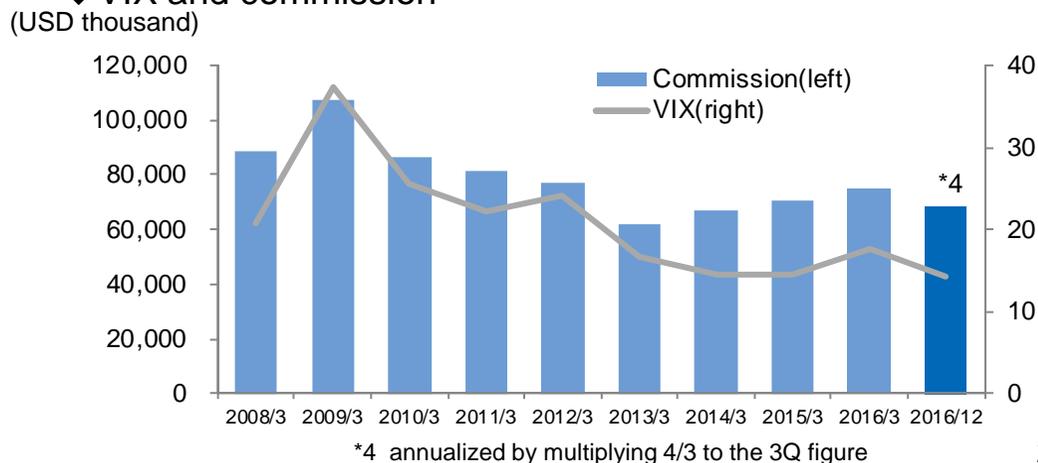
1pt increase in VIX will bring additional USD 1.7~2.9M revenue per year

(2.9M based on a regression analysis of commission data during Jan. 2009- Sep. 2016 and 1.7M based on commission data during Sep. 2011- Sep. 2016)

◆ Number of active accounts (excl. FX accounts)



◆ VIX and commission



Continuing strategy to create a business opportunity in Asia Pacific

■ Change in the segment name from “China” to “Asia Pacific”

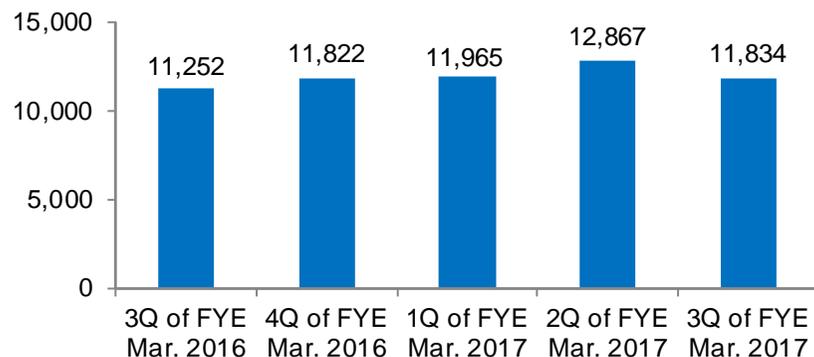
- Transition of Monex Securities Australia Pty Ltd from US segment to Asia Pacific segment in November 2016
- Supported to launch online stock and futures business in Australia planned in April 2017

■ Quarterly Financial Results of Monex Boom Securities (H.K.)

- Stock trading value in 3Q (3 months) decreased by 8% (QoQ). Brokerage commission revenue decreased by 10% (QoQ)
- The balance of margin lending increased by 1% (QoQ). Net financial income increased by 3% (QoQ)

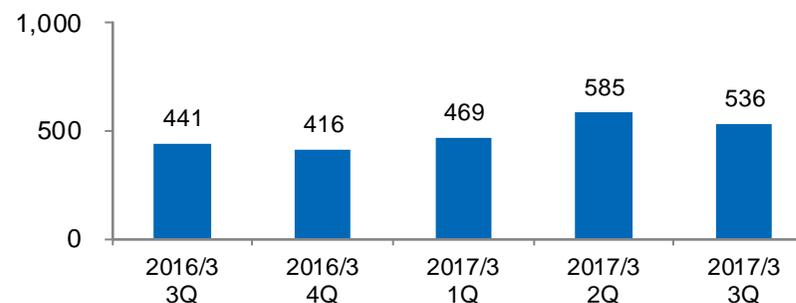
◆ Quarterly total revenue after deducting financial expenses of Monex Boom Securities Group

(HKD thousand)



◆ Quarterly stock trading value of Monex Boom Securities

(USD million)



■ Providing technology and knowledge of online brokerage through a joint venture in mainland China

■ Licensing out the trading platform to brokerage houses in China and Korea (revenue recognized in the US segment)

- I. Highlights
 - II. Consolidated Performance
 - III. Business Update
 - IV. Mid- & Long-Term Strategy “Global Vision”**
- Appendix. Group Overview

Completed migration to the new backbone system

■ Mid- and long-term revenue growth

Measures	Progress and Achievements
<p>Launching a trading platform for Japanese active traders developed by TradeStation. Aim to increase brokerage commission.</p>	<p>Launched in Mar. 2016 Full-scale marketing to be scheduled from 2Q FYE 2017 and increase in the number of accounts and trading volume</p>
<p>Expanding B2B businesses</p>	<p>Two projects have already generated revenue (recognized in U.S. segment). Pursuing B2B opportunities for in-house development of the backbone system in Japan segment</p>

■ Fixed-type cost (*1) reductions — Aim to reduce JPY 2.3B a year by FYE Mar. 2018 compared to the basis for comparison (*2)

Measures	Progress and Achievements
<p>Cost reduction by integration of trading tools in Japan segment Cost reduction of information expenses by integration of information services in Japan segment Cost reduction by FX liquidity integration and so forth</p>	<p>Achieved around JPY 1.3B (annualized) reduction in total</p>
<p>System related cost reduction by in-house system development and in-house operations of backbone brokerage system(*3)</p>	<p>Cost will be reduced from FYE Mar. 2018</p>

(*1) Fixed-type costs: the sum of (a) communication, freight & information expenses, (b) compensation & benefits, (c) rental & maintenance, (d) data processing & office supplies and (e) amortization & depreciation

(*2) Basis for comparison: (actual fixed-type cost figure of 4Q FYE Mar. 2013) multiplied by 4. Aim to reduce JPY 2.3B a year in fixed-type costs by FYE Mar. 2018 compared to the basis for comparison (JPY 24.5B, -9.4%). Fixed-type costs in or after FYE March 2014 compared to the baseline do not include those arising from projects after Apr. 2013, e.g. system improvement to comply with new regulations. Launch of a new Japanese equity trading platform is categorized in a revenue increase project and is out of the scope of the JPY 2.3B cost reduction plan

(*3) System related costs = Rent and maintenance + Data processing and Office supplies + Amortization and depreciation



Timeline of Mid- & Long-Term Strategy “Global Vision”

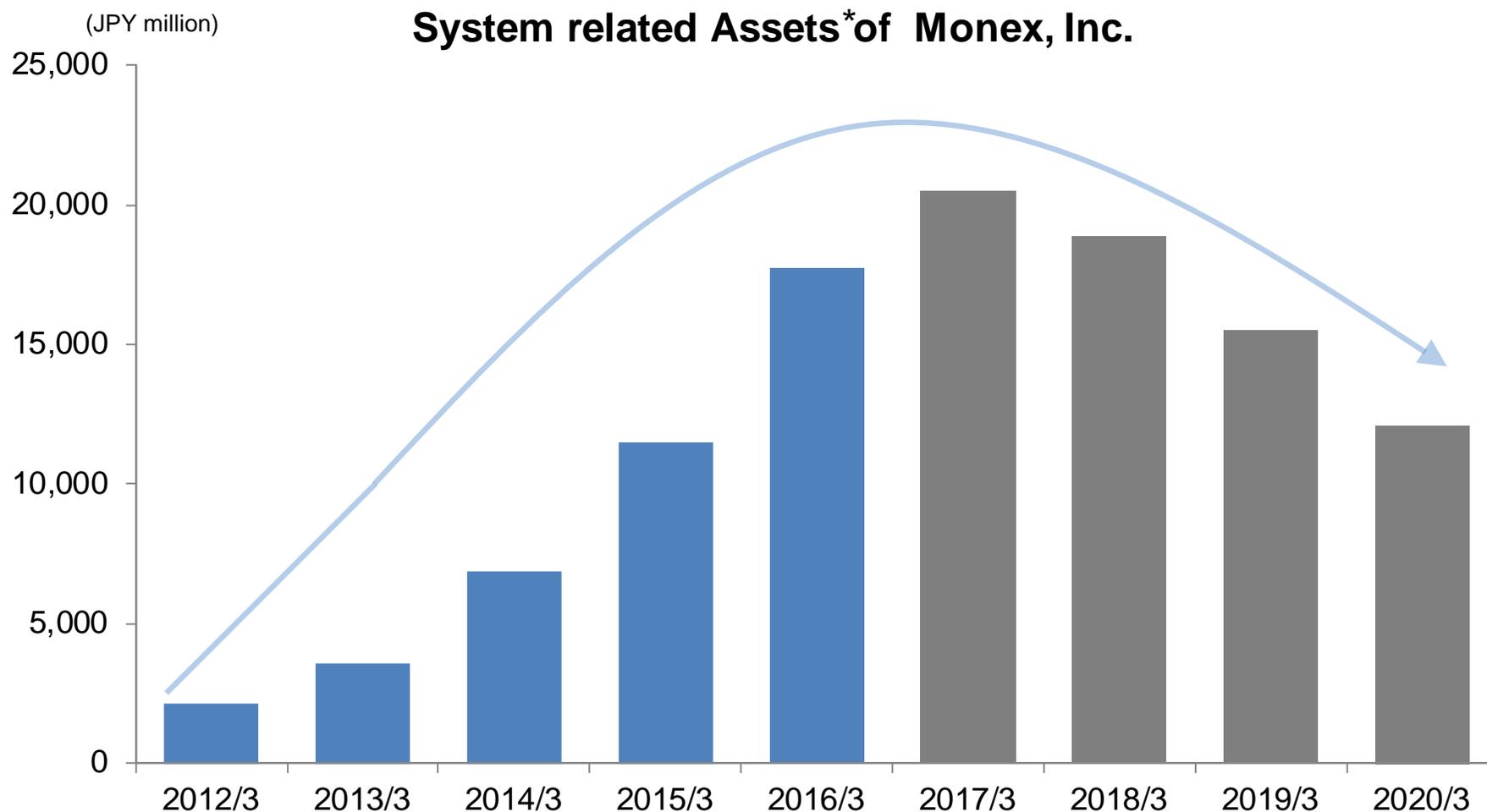
- Completed project
- Ongoing project



	FYE Mar. 2013	FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	FYE Mar. 2017	FYE Mar. 2018
Revenue Growth	<ul style="list-style-type: none"> ● Nov. 2012 Upgraded U.S. equity service for Japanese customers ● Dec. 2013 Started “Tokutei” accounts *1 for Japanese customers ● Feb. 2014 Launched US equity trading platform for Japanese customers 					
	<p style="text-align: center;"><Continuous working agendas></p> <ul style="list-style-type: none"> ● Acquire active traders in Japan ● B2B offering of trading platform ● Online brokerage business development in PRC 					
Internalize Japanese equity trading system *2			<ul style="list-style-type: none"> ● May 2014 Completed test connection of a new Japanese equity platform to the internal system 		<ul style="list-style-type: none"> ● Launched in 2016/3. Full-scale marketing to be scheduled from 2Q of FYE 2017 	
Cost Reduction	<ul style="list-style-type: none"> ● Sep. 2014 Upgraded tools ● Jul. 2015 Integrate tools 					
	<ul style="list-style-type: none"> ● May 2013 Launched MONEX INSIGHT ● Apr. 2015 Completed integration of trading information service in Japan 					
	<ul style="list-style-type: none"> ● Mar. 2013 Internalized middle & back system in US and integrated liquidity pool ● May 2014 Connected Japan’s price aggregator to IBFX (US) ● Sep. 2014 Upgraded front-end system in Japan 					
	<ul style="list-style-type: none"> ● Aug. 2012 Launched equity trading accounts “Rakuraku” with a next-generation system ● Jan. 2014 Started bond trading and NISA in an internal system ● Gradually reinforcing servers and data centers ● Jan. 2017 Migration to new system 					
	<ul style="list-style-type: none"> ● Sep. 2012 Connected HK customers to TradeStation for US equity trading ● Reduced fixed-type costs through HQ relocation, internalization of account control operation in Japan by FYE Mar. 2013 					

*1 “Tokutei” accounts: accounts that automatically calculate taxes
 *2 Japanese stock trading platform “TradeStation”

System-related assets peak out at FYE Mar. 2017 getting lower from FYE Mar. 2018.



Investment phase under Global Vision

Revenue and profit growth phase

* Software, Software in progress and equipment and fixtures

- I. Highlights
- II. Consolidated Performance
- III. Business Update
- IV. Mid- & Long-Term Strategy “Global Vision”

Appendix. Group Overview

Brand

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

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

Global Operations

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

- Offer global financial products online to retail investors
- Have 12 business bases mainly in North America and Asia. 50% of 857 employees worldwide are based in the US

Technology

Create new customer experience and value based on technology

- TradeStation’s technology creates competitive products and services, which leads to B2B business and diversifies its revenue stream
- Realize products and services with financial engineering, along with early involvement in research and development of FinTech

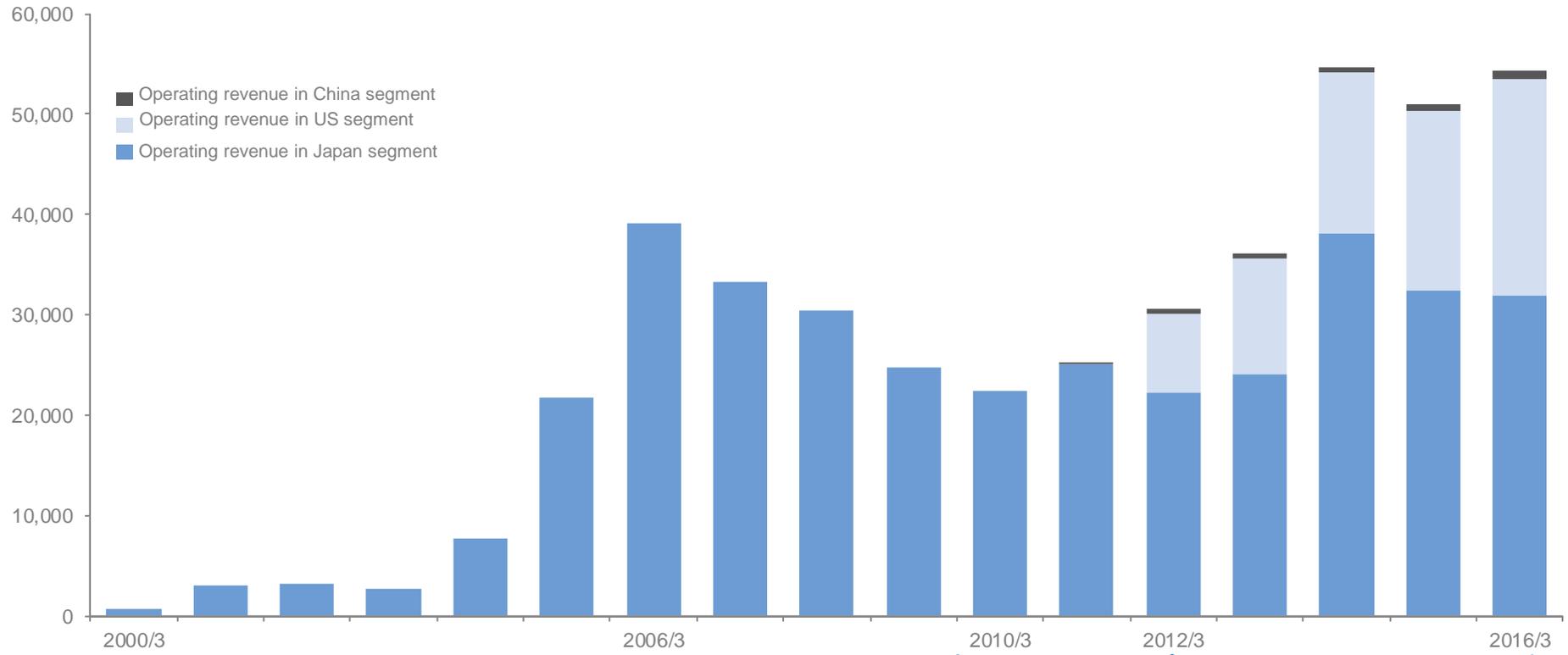


Group Overview – Continuous growth over 15 years

- ✓ Japan: 1.68M accounts, US: 79K accounts, HK: 11K accounts. Monex has a global customer base
- ✓ Make efforts to continuously grow, with the online brokerage business for retail investors as our core business

◆ Consolidated Operating Revenue

(JPY million)



Expanded through M&As inside Japan

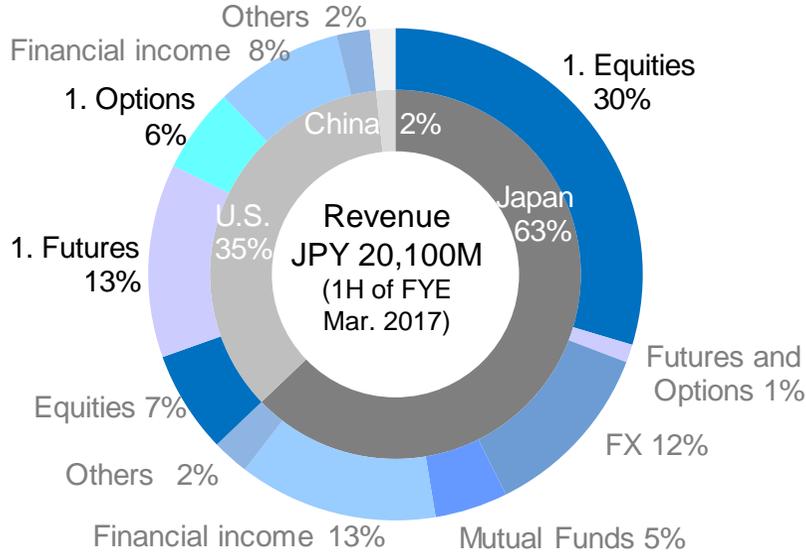
Expanded globally

Globalization & system internalization

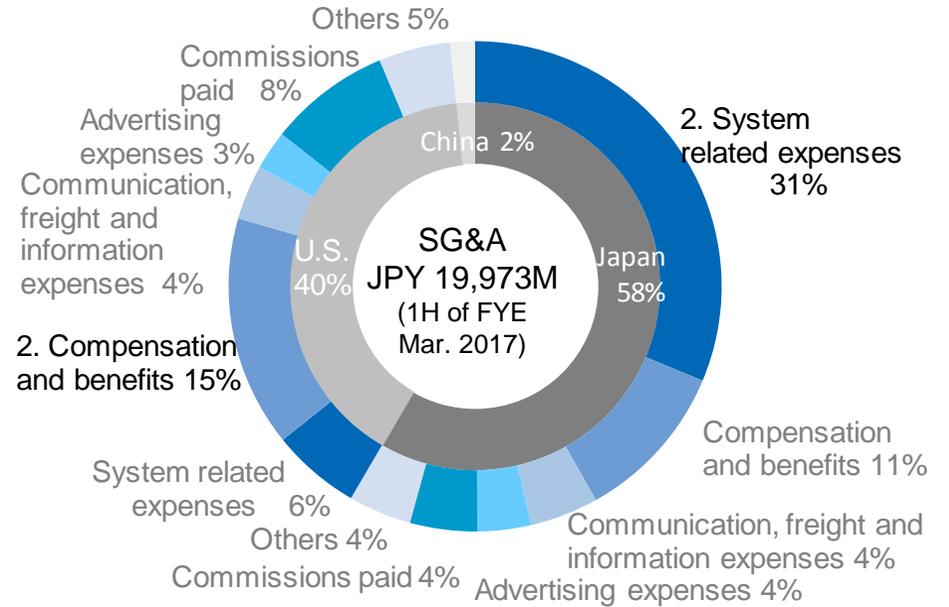


Group Overview — Revenues: 60% from Japan, 40% from US; Employees: 40% in Japan, 60% in US or China

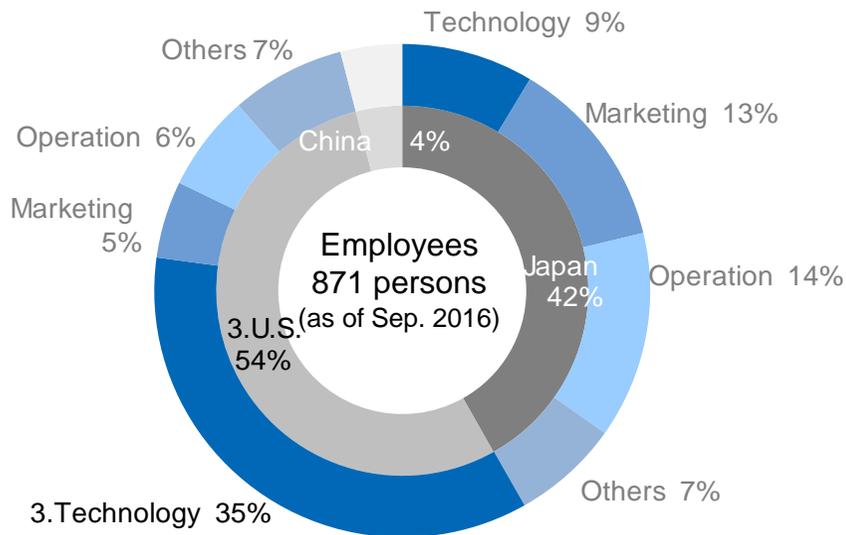
◆ **Total operating revenue after deducting financial expenses by region and by business**



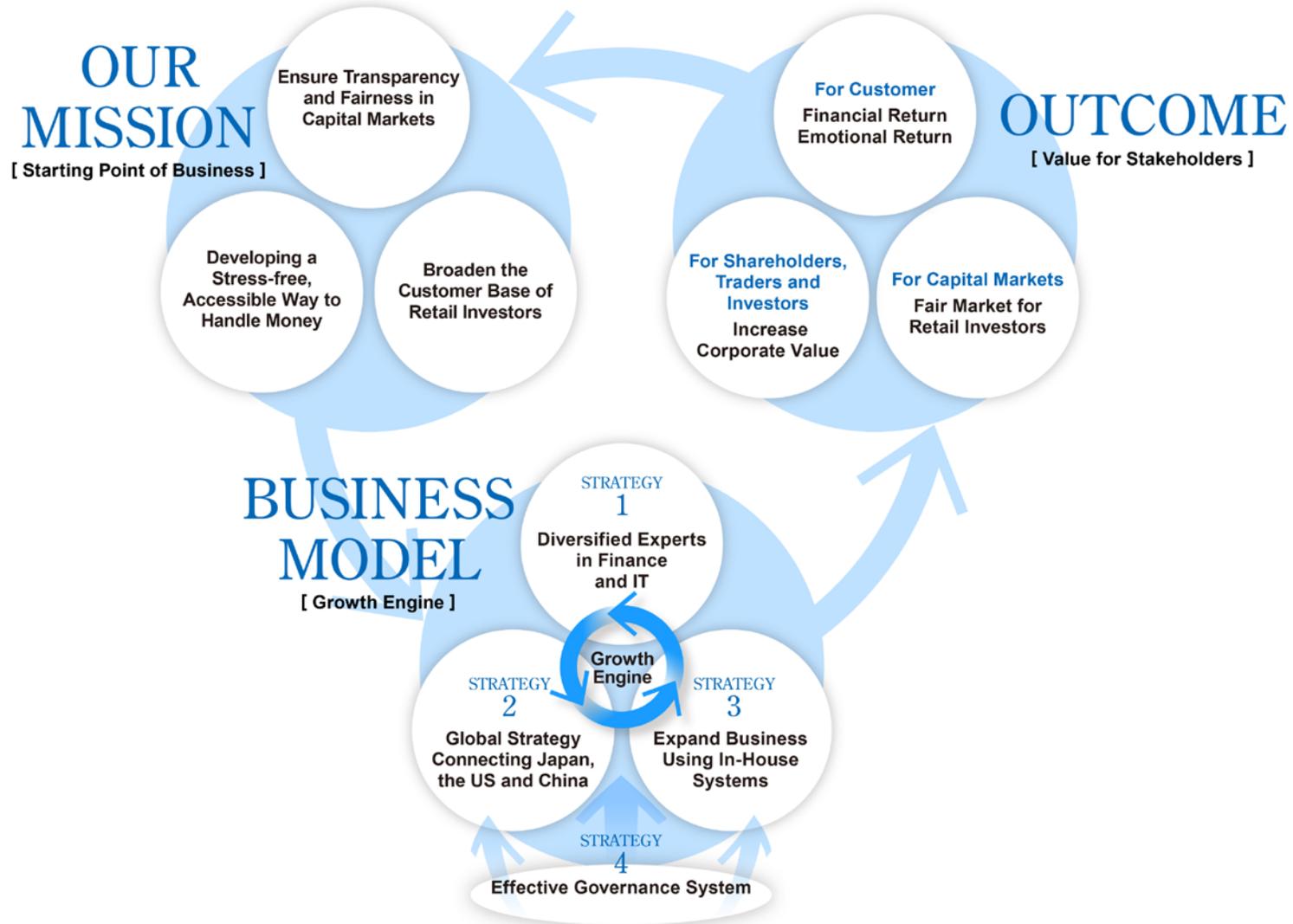
◆ **SG&A by segment and by cost items**



◆ **Employees by segment and by department**

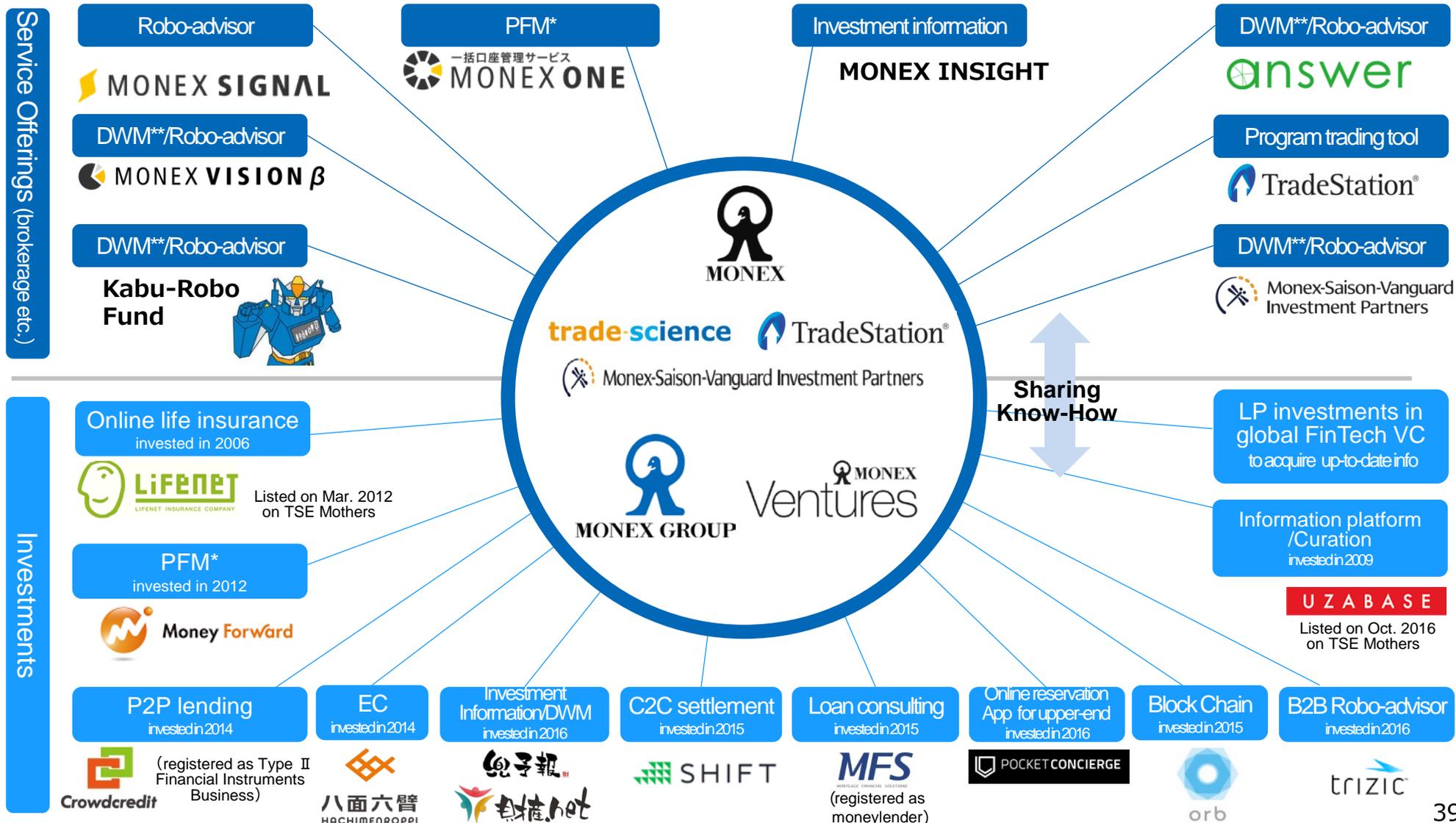


1. Total operating revenue after deducting financial expenses : US accounts for 1/3. Revenue in Japan primarily from equities while revenue in the US primarily from futures and options
2. Total SG&A : Japan accounts for 60% and US and China accounts for 40%. However, half of the Japanese portion is made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



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

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



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

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

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

Directors with various backgrounds

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

Fair disclosure and dialogue for retail/institutional investors

- Timely and fair information disclosure both in Japanese and English
- Active dialogue with shareholders: CEO holds quarterly presentation sessions for retail shareholders
- Annual general meeting of shareholders is held on weekend so that retail shareholders can attend the meeting (Reference)
 - 12th ordinary general meeting of shareholders (June 25, 2016)
 - Attendance of shareholders: 830 (record-high)

Listed Holding Company



MONEX GROUP

Monex Group, Inc.

(As of January 31, 2017)

[Japan]

Online Securities Company



Monex, Inc.

Comprehensive investment service provider

M&A Advisory

Program Trading

MONEX HAMBRECHT, INC. trade-science

Monex Hambrecht, Inc.

M&A advisory service
Aspiring to introduce new IPOs

Trade Science Corporation

Next-generation asset management
utilizing artificial intelligence

Corporate Venture Capital

Asset Management



Monex Ventures, Inc.

Financial × IT × global
Venture investment



Monex-Saison-Vanguard
Investment Partners, Inc.

Small-lot and low-cost discretionary
investment management
(wrap account) service

(Investment Ratio) Monex G: 51%

[US/Europe]



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

Online Securities Company

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

Technology

TradeStation Technologies, Inc.
(US)

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

EU Base

TradeStation International Limited
Introduce customers in Europe (UK)

[Asia Pacific]

Monex International Limited
Holding Company in Hong Kong

Online Securities Company



Monex BOOM Group
Online securities group in Hong Kong

Beijing Representative Office
(Monex, Inc.)

Monex Securities
Australia Pty Ltd

Technology support

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

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

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

■ Monex, Inc. (Tokyo, Japan)

One of the major online brokerage firms in Japan

- Chairman & CEO: Oki Matsumoto
- Founded in 1999
- Aims to provide retail investors the level of creative products & services offered to institutional investors
- First in the Japanese industry to offer unique services & products for retail investors (Examples): PTS/ECN (in 2001), stock lending (in 2003), lead manager in an IPO as an online broker (in 2005), RMB bonds (in 2011), No.1 U.S. equity service in Japan (in 2012; the largest number of stock names available, the longest trading hours & the lowest commissions), offering the largest-class private equity fund in the world (in 2013)
- Products & services: Equities (Japan, U.S., Hong Kong), futures & options, FX, mutual funds, bonds, investment education, etc.
- # of total accounts: 1,679,863
- # of active accounts: 1,016,439
(“Active accounts”: accounts with balance or with at least one trade or transaction a year.)
- Customers’ assets in custody: JPY 3.7984 trillion

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

Online securities group with award-winning trading technology development capabilities

- President: John Bartleman
- Founded in 1982
- Joined Monex Group in June 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
- Offers “TradeStation 9.5” to Shinhan Investment Corp., one of Korea’s major financial institutions (2014) and Guosen Securities, China’s 5th largest broker (2015)
- Products & services: Equities (U.S.), options and futures
- # of active accounts: 61,886
- Customers’ assets in custody: JPY 480,057million

■ Monex Boom Securities Group (Hong Kong)

Offers access to over 12 markets

- COO: Nick Tang
- Founded in 1997
- Joined Monex Group in December 2010
- First online stockbroker for retail investors in Asia Pacific
- Products & services: Equities (12 markets such as Hong Kong, U.S., Japan, etc.) Trades available in 6 different currencies in a single trading account
- # of accounts with balance: 11,231
- Customers’ assets in custody: JPY 124,299 million

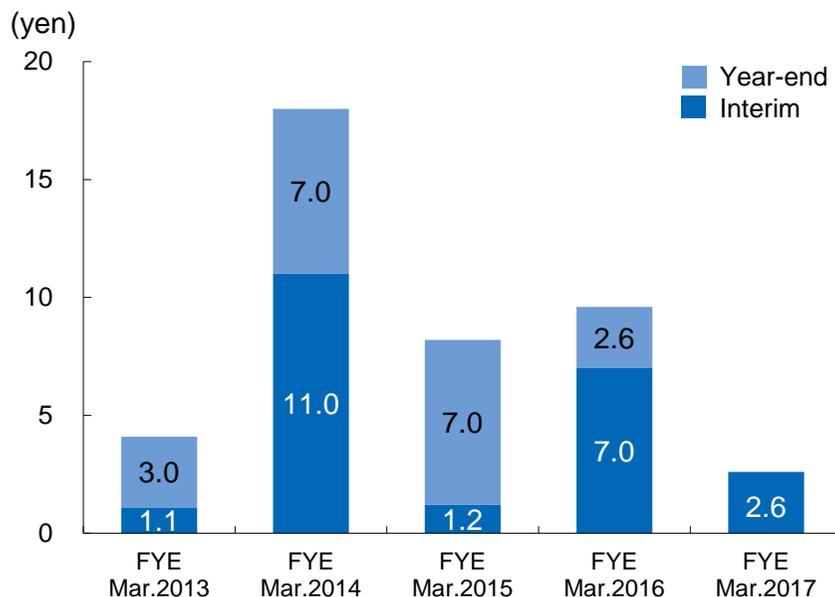
	Japan	U.S.	Asia Pacific
1982		- TradeStation Technologies, Inc. is formed as Omega Research, Inc.	
1997		- TradeStation stock lists on NASDAQ	- Boom Securities (H.K.) Limited is founded (now Monex Boom Securities (H.K.) Limited), becoming the first in Asia Pacific to launch Internet stock trading for 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		
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)		
2014			
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
2016			

■ Pursue returns to shareholders through ROE improvement

◆ Our basic policy for shareholders' return

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

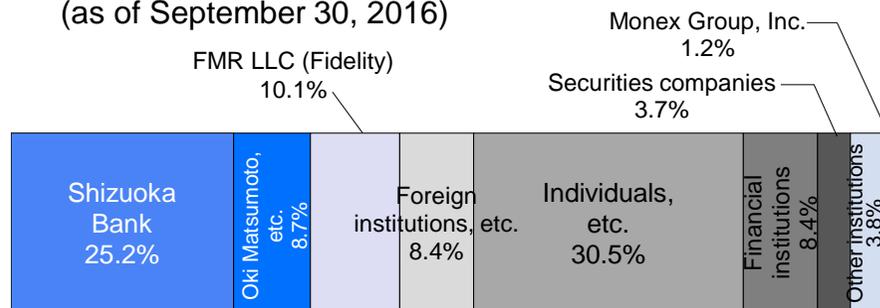
◆ Dividend history



Stock split was implemented on Oct. 1, 2013 and the above figures are adjusted retroactively since FYE Mar. 2012

■ Shareholders & indicators per share

◆ Major shareholders and shareholder breakdown (as of September 30, 2016)



The graph made by Monex based on shareholders' list as of Sep. 30, 2016 and the Large shareholding report .

◆ Indicators per share

	FYE Mar. 2013	FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	3Q FYE Mar. 2017
IFRSs					
Equity attributable to owners of the Company per share (BPS)	265.84 yen	280.52 yen	302.18 yen	302.03 Yen	298.33 Yen
Earnings per share attributable to owners of the Company (EPS)	13.02 yen	35.76 yen	12.15yen	12.46yen	1.90yen *1
Rate of Return on Equity(ROE)	5.0%	12.9%	4.2%	4.1%	0.6% *1
Dividends per share	4.1yen	18.0yen	8.2yen	9.6yen	2.6yen (Interim)

*1 EPS and ROE for 3Q FYE Mar. 2017 show annualized figures obtained by multiplying 4/3 to the actual figures for 3Q (9 months) of FYE Mar. 2017.

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