

Financial Results for Fiscal Year Ended 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

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

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

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

To achieve this we are committed to:

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

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

Appendix. Group Overview

Realized technical modernization and internalization at each segment globally
Expand customer base and increase revenue and profit at every location
Develop new business areas beyond the brokerage business

JP

- Fixed-type cost will decrease by approx. JPY 2.4B and cash flow will improve by approx. JPY 8.9B for FYE Mar. 2018, following completion of cutover to new backbone systems
- Improved service/product development flexibility with the new internalized backbone system. Focus on improved UX
- Develop broader customer base leveraging new systems: “GALAXY” (new backbone system), “TradeStation” platform for Japanese equities, “TradeStation” mobile application for US equities, Monex-Saison-Vanguard Investment Partners “MSV LIFE”

US

- Continued fixed-type cost control initiatives since 2Q
- Implemented new commission structure to attract new customer base in 4Q. The number of newly-opened funded accounts in 4Q reached the record highest
- Recognized two consecutive quarters of segment profitability*, contributing to the group's enterprise value

* Segment profit / loss = Pre-tax profit / loss. (Definitions to apply throughout this material)

Profit decreased due to the costs to migrate Japan's backbone system

Japan segment

Segment profit of JPY 1,768M, which is 70% decrease YoY in FYE Mar. 2017, due to decrease in stock and FX trading volume and increase in costs for parallel operation of backbone system.

US segment

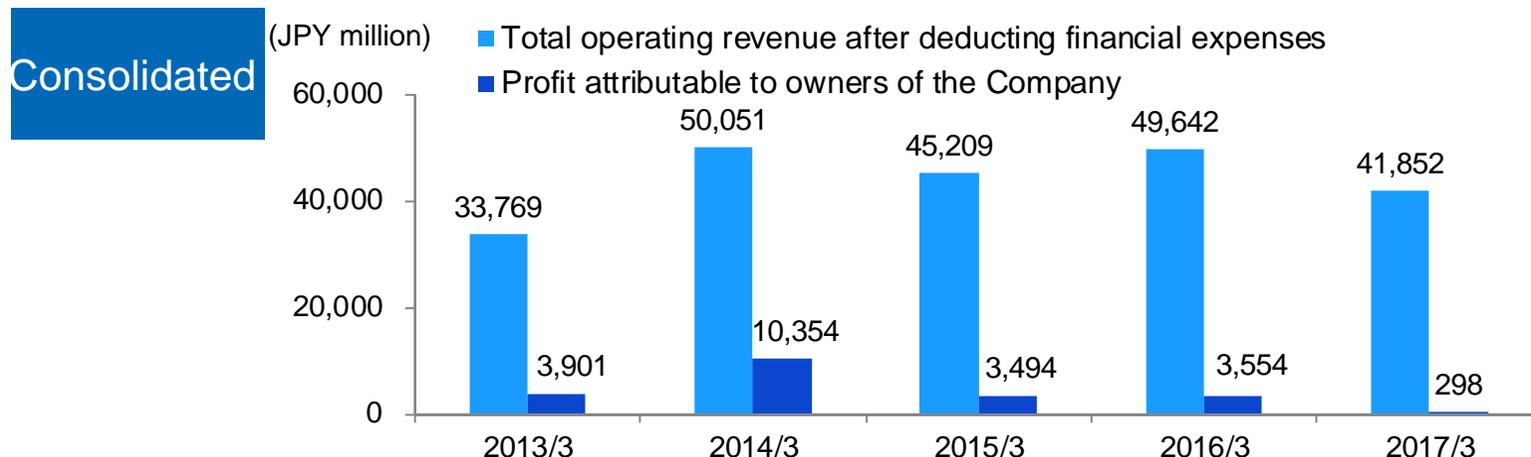
Segment profit maintained black for two consecutive quarters driven by controlling the fixed-type costs since 2Q, however, segment loss of JPY 457M was recognized due to the loss recognized up to 2Q.

Asia-Pacific segment

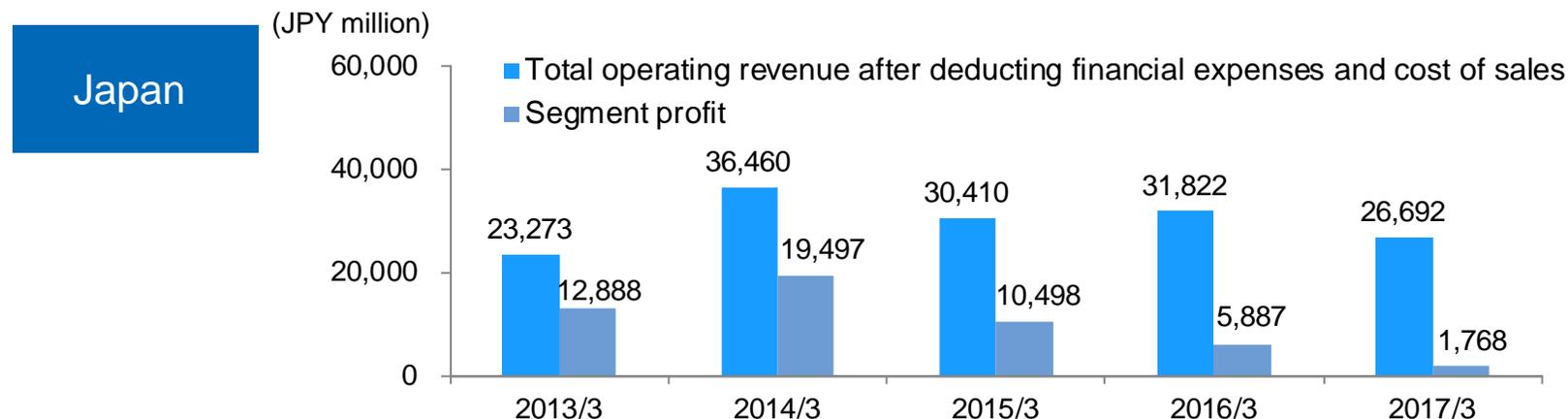
4Q turned black with increased trading volume. For overall FYE Mar. 2017, recorded segment loss of JPY 97M due to decrease in trading volume.

■ Consolidated performance of FYE Mar. 2017

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

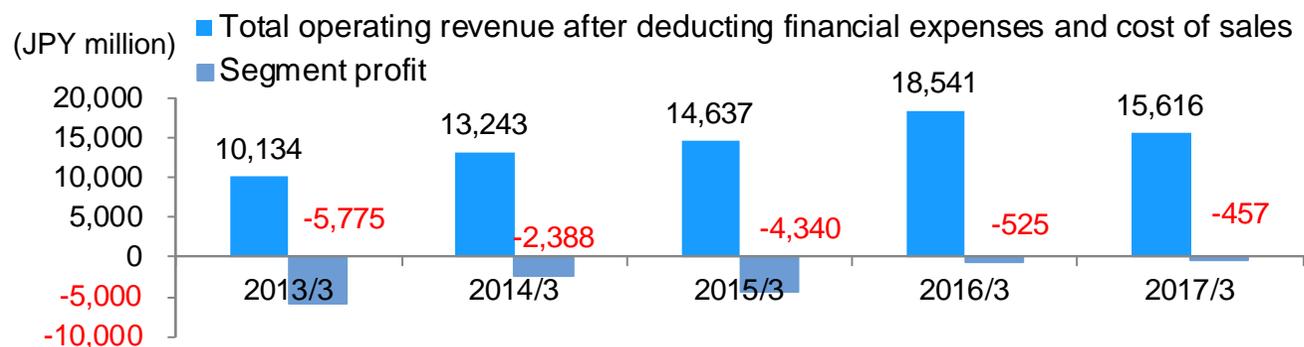


- ◆ Total operating revenue after deducting financial expenses and cost of sales, and segment profit

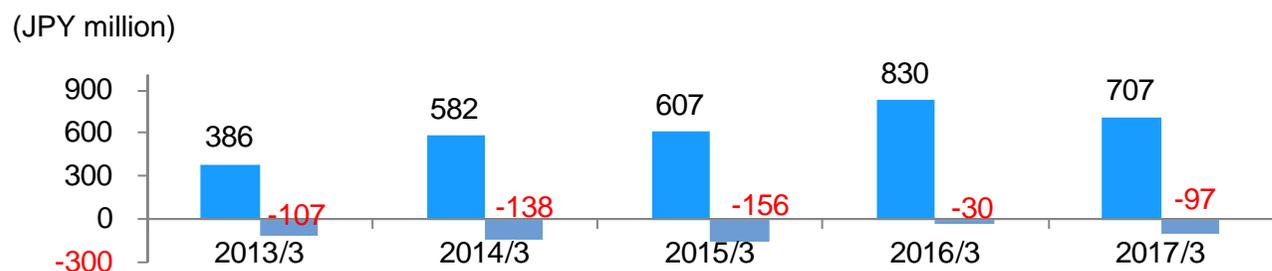


◆ Total operating revenue after deducting financial expenses and cost of sales, and segment profit

US



Asia-Pacific



Profit decreased by the costs to migrate Japan's backbone system

Japan segment

Segment profit of JPY 255M in 4Q (3 months), which is a decrease by 64% QoQ, due to the parallel operation and temporary costs regarding migration of the backbone system

US segment

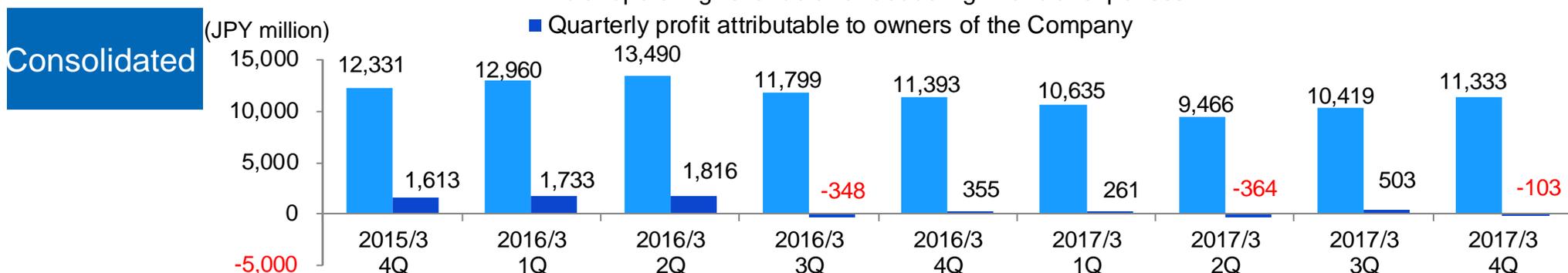
Segment profit of JPY 69M in 4Q (3 months) driven by increased equities and options trading volume, and continued improvement of net financial income

Asia-Pacific segment

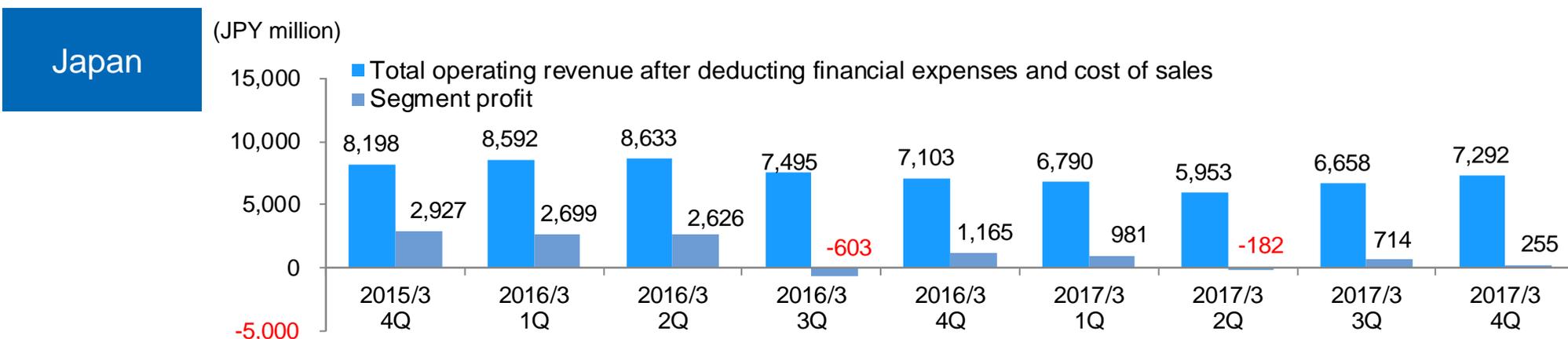
Brokerage commission increased by 27% QoQ at Monex Boom Securities (in HKD) and turned black in operating income. Segment loss of JPY 39M in 4Q (3 months) was recognized due to equity in losses of an equity method investment in a joint venture in mainland China

■ Consolidated performance of 4Q FYE Mar. 2017

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



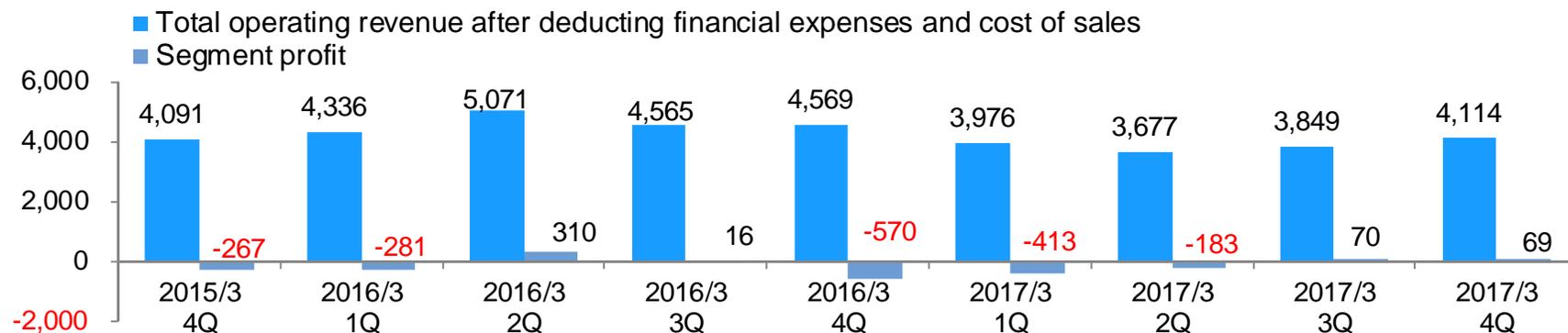
- ◆ Total operating revenue after deducting financial expenses and cost of sales and segment profit



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

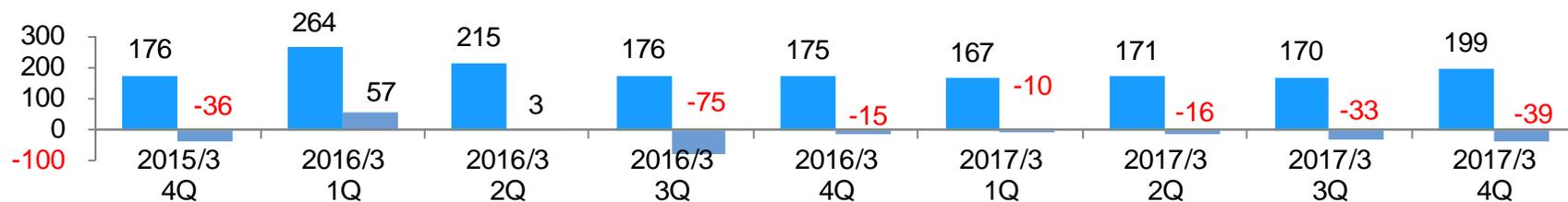
US

(JPY million)



Asia-Pacific

(JPY million)



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Appendix. Group Overview

YoY Comparison (12 months) Consolidated Performance

(JPY million)

	FYE Mar. 2016 (Apr. 2015 - Mar. 2016)	FYE Mar. 2017 (Apr. 2016 - Mar. 2017)	Variance	Change (%)	Reference
Total operating revenue after deducting financial expenses	49,642	41,852	-7,790	-15.7%	P14: Analysis of Japan segment P16: Analysis of US segment (USD)
SG&A	41,395	40,578	-817	-2.0%	P15: Analysis of Japan segment P17: Analysis of US segment (USD)
The amount equivalent to operating income	8,247	1,274	-6,972	-84.6%	
Other income / expenses (net)	-3,146	-203	—	—	Breakdown in DATA BOOK P21: Quarterly consolidated financial results (Other income and other expenses)
Profit before income taxes	5,100	1,071	-4,029	-79.0%	
Profit attributable to owners of the Company	3,554	298	-3,257	-91.6%	

YoY Comparison (12 months) Segment Performance

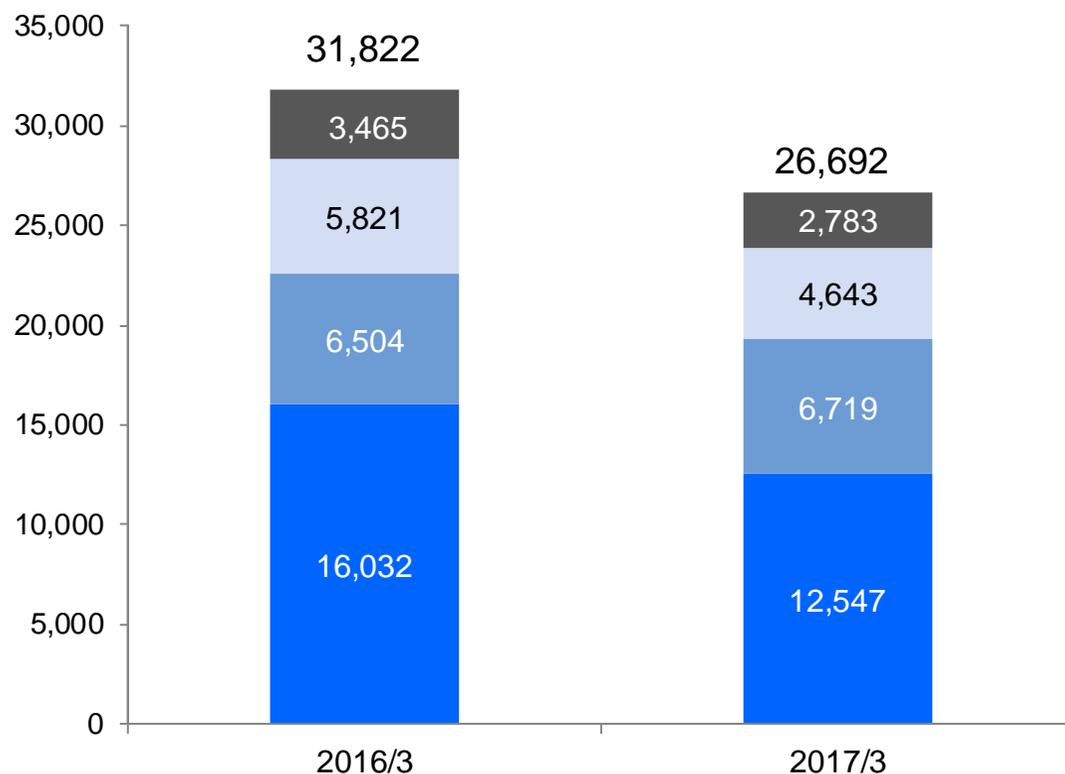
(JPY million)

	Japan			US			Asia Pacific		
	2016/3	2017/3	Change (%)	2016/3	2017/3	Change (%)	2016/3	2017/3	Change (%)
Total operating revenue after deducting financial expenses and cost of sales	31,822	26,692	-16.1%	18,541	15,616	-15.8%	830	707	-14.8%
SG&A	23,320	25,050	7.4%	18,392	15,858	-13.8%	759	731	-3.7%
The amount equivalent to operating income	8,502	1,642	-80.7%	150	-242	—	71	-24	—
Other income / expenses (net)	-2,615	126	—	-675	-215	—	-101	-74	—
Profit before income taxes	5,887	1,768	-70.0%	-525	-457	—	-30	-97	—
Profit attributable to owners of the Company	3,893	1,003	-74.2%	-152	-497	—	-27	-96	—
Note	See P14 “total operating revenue after deducting financial expenses and cost of sales” for more details See P15 “SG&A” for more details			See P16 “total operating revenue after deducting financial expenses and cost of sales” for more details See P17 “SG&A” for more details USD/JPY decreased by 9.5%			HKD/JPY decreased by 9.5%		

Japan : Revenue decreased due to lower trading volume of stocks and FX

- Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2015 - Mar. 2016)

(JPY million)



Total operating revenue after deducting financial expenses and cost of sales

-16.1% (- 5,130)

* figures in parenthesis is the variance from FYE Mar.2016 (JPY million)

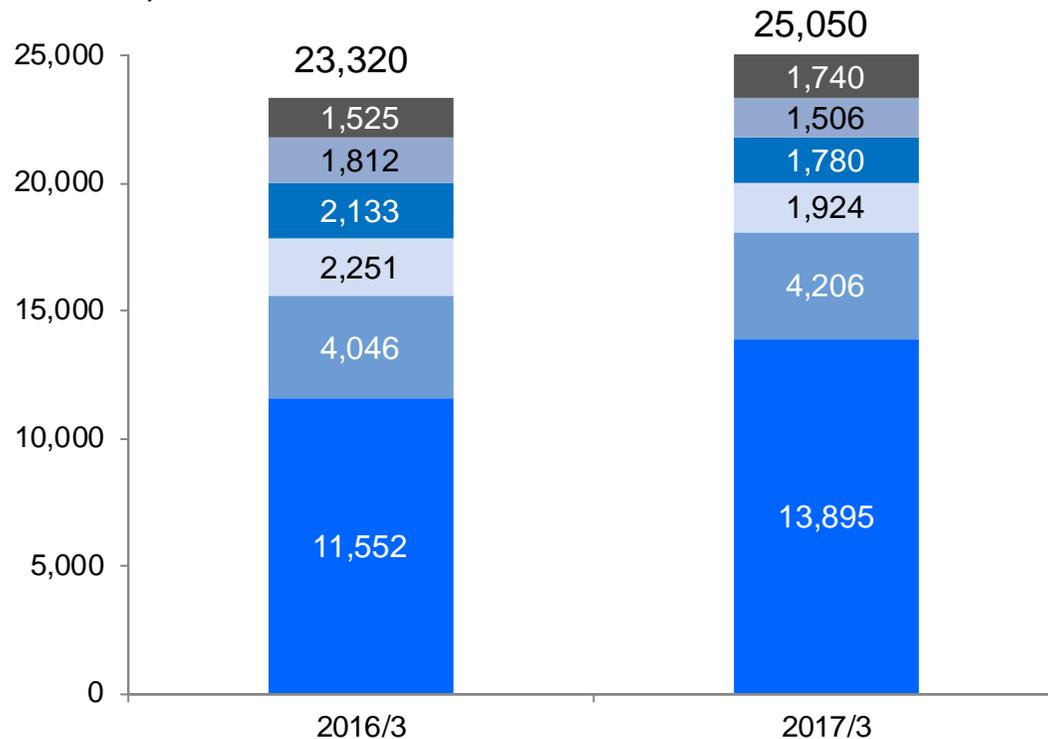
- Others (- 682)
- FX & fixed income (- 1,178)
- Net financial income (+ 216)
- Brokerage commissions (- 3,485)



Japan : System related costs increased because amortization started of Japanese equities trading platform and old/new backbone systems operated in parallel

■ SG&A (compared to Apr. 2015 - Mar. 2016)

(JPY million)



SG&A Total +7.4% (+ 1,730)

* figures in parenthesis is the variance from FYE Mar.2016 (JPY million)

- Others (+ 214)
- Advertising expenses (- 306)
- Communication, freight and information expenses (- 353) *1
- Commissions paid, exchange and association dues (- 328)
- Compensation and benefits (+ 160)
- System related expenses (+ 2,343) *2

*1 Decreased due to internalizing trading information service : -224

*2 Rental and maintenance:+469
Data processing and office supplies:-171
Amortization and depreciation: +2,045

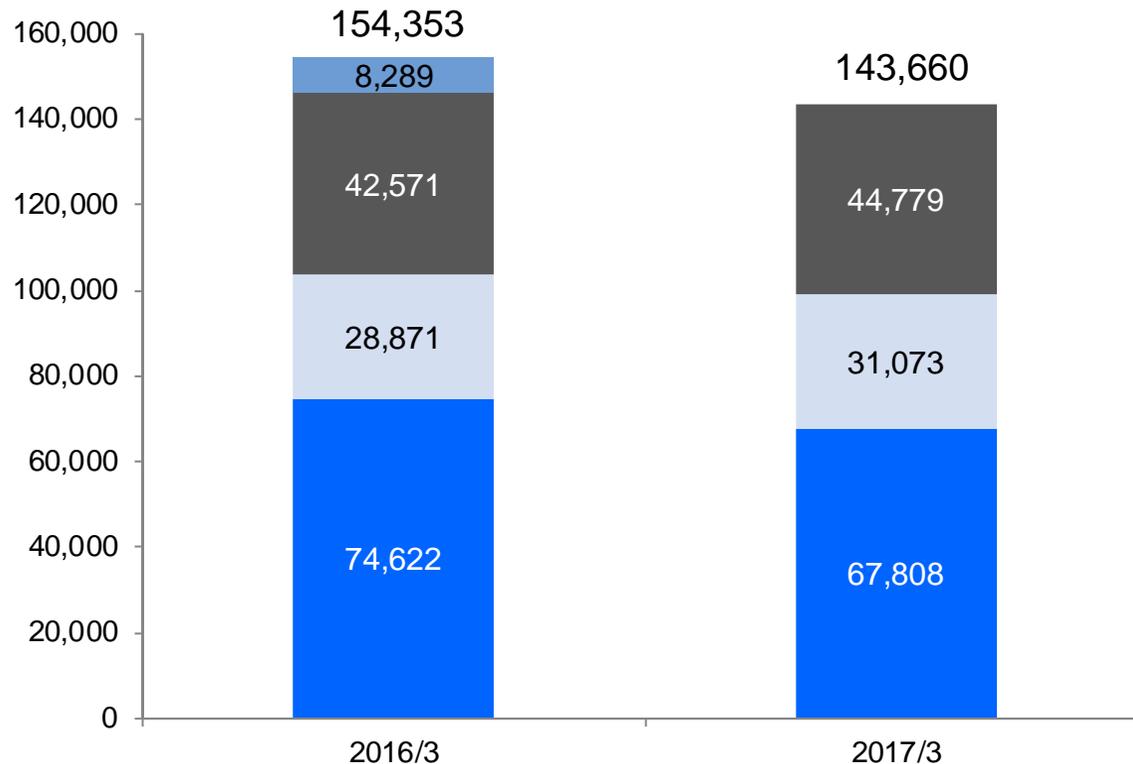


YoY Comparison (12 months) Analysis : Operating Revenue (USD)

US : Revenue excluding the sale of FX business remains unchanged from 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 - Mar. 2016)

(USD thousand)



Total operating revenue after deducting financial expenses and cost of sales

-6.9% (-10,693)

* figures in parenthesis is the variance from FYE Mar.2016 (USD thousand)

■ FX revenue (-8,289) *1

■ Others (+ 2,208)

■ Net financial income (+ 2,202)

Excluding the effect of reclassifying accounts: +5,155 *2

■ Brokerage commissions (- 6,815)

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

*2 Improvement of net financial income +5,155
Reclassified account from other financial expenses -2,953

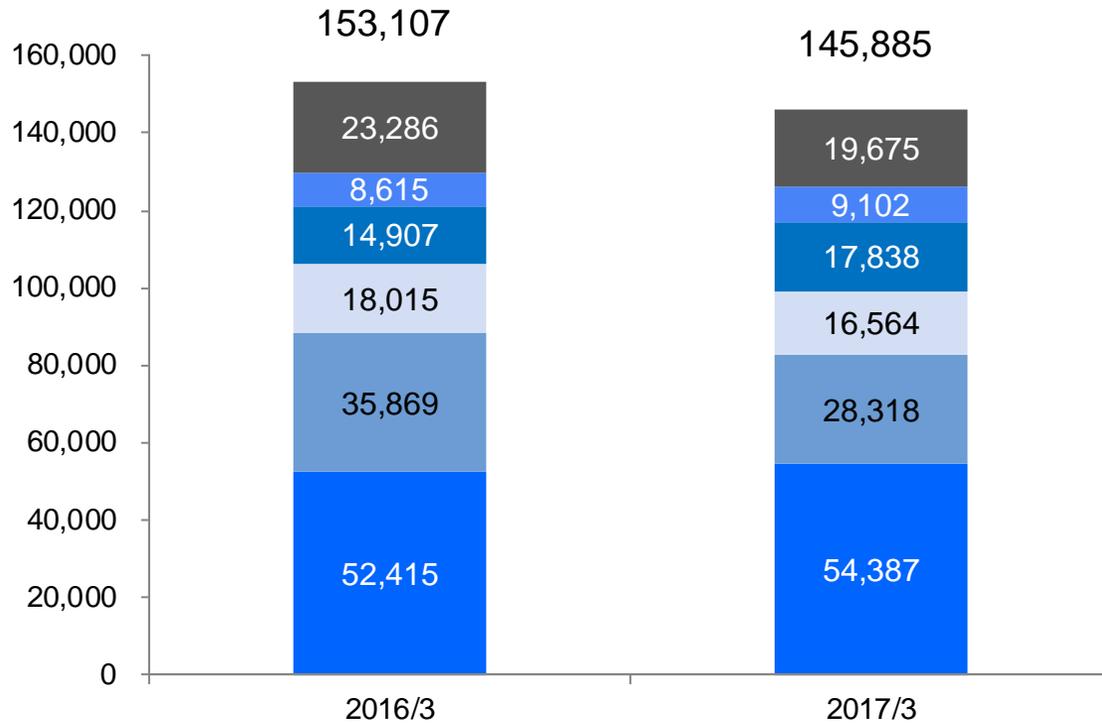


YoY Comparison (12 months) Analysis : SG&A (USD)

US : Commissions paid and other expenses decreased due to lower trading volume. Also compensation and benefits decreased excluding one-time expense such as severance payment

■ SG&A (compared to Apr. 2015 - Mar. 2016)

(USD thousand)



SG&A Total -4.7% (-7,221)

* figures in parenthesis is the variance from FYE Mar.2016 (USD thousand)

- Others (-3,611)
- Advertising expenses (+ 487)
- Amortization and depreciation (+ 2,931) *1
- Communication, freight and information expenses (-1,451)
- Commissions paid, exchange and association dues (- 7,551) *2
- Compensation and benefits (+1,973) *3

*1 Increase in amortization as self-clearing system of the futures operates

*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: # of employees: 581 as of Mar. 2016, 467 as of Mar. 2017

QoQ Comparison (3 months) Consolidated Performance

(JPY million)

	3Q FYE Mar. 2017 (Oct.-Dec. 2016)	4Q FYE Mar. 2017 (Jan.-Mar. 2017)	Variance	Change (%)	Reference
Total operating revenue after deducting financial expenses	10,419	11,333	914	8.8%	P20: Analysis of Japan segment P22: Analysis of US segment (USD)
SG&A	10,040	10,565	525	5.2%	P21: Analysis of Japan segment P23: Analysis of US segment (USD)
The amount equivalent to operating income	379	768	389	102.5%	
Other income / expenses (net)	306	-490	-796	—	Breakdown in DATA BOOK P21: Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	685	277	-407	-59.5%	
Quarterly profit attributable to owners of the Company	503	-103	-606	—	

QoQ Comparison (3 months) Segment Performance

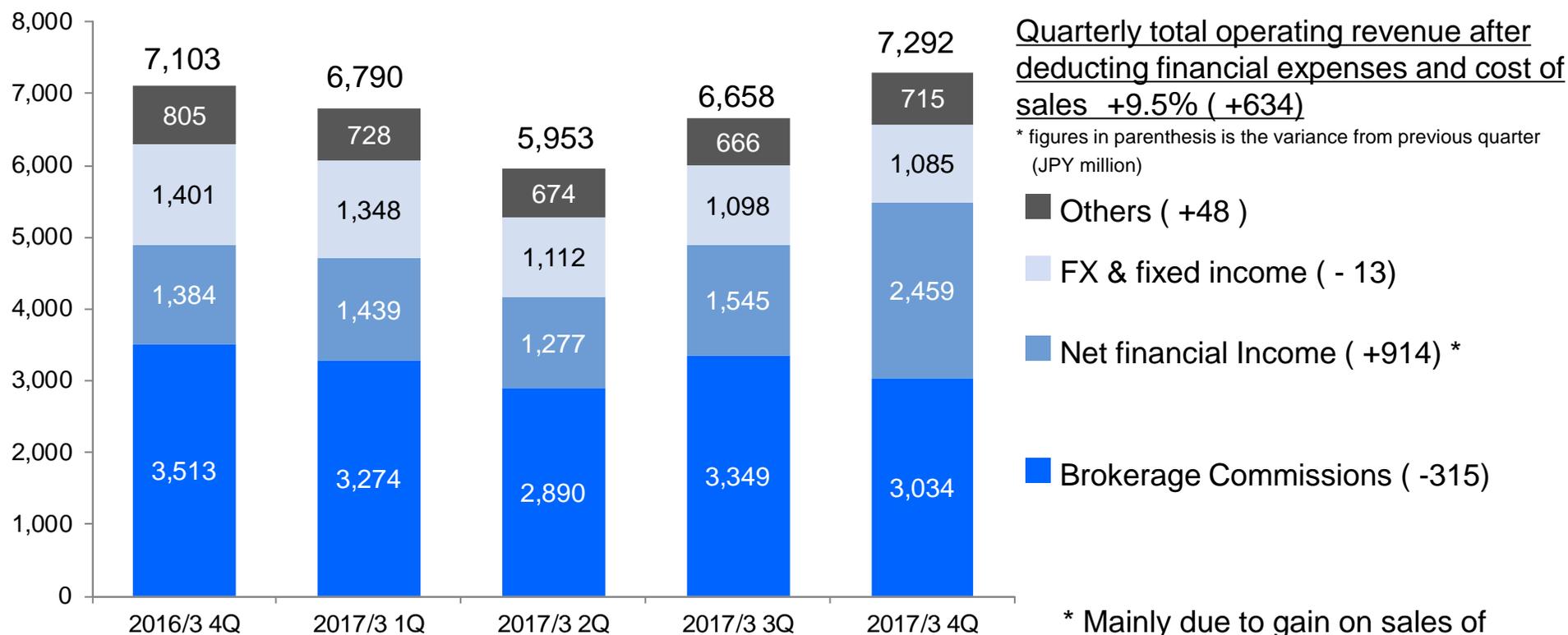
(JPY million)

	Japan			US			Asia Pacific		
	2017/3 3Q	2017/3 4Q	Change (%)	2017/3 3Q	2017/3 4Q	Change (%)	2017/3 3Q	2017/3 4Q	Change (%)
Total operating revenue after deducting financial expenses and cost of sales	6,658	7,292	9.5%	3,849	4,114	6.9%	170	199	16.7%
SG&A	6,284	6,607	5.1%	3,797	4,029	6.1%	194	198	1.9%
The amount equivalent to operating income	374	685	83.4%	52	85	62.6%	-24	1	—
Other income / expenses (net)	340	-430	—	17	-16	—	-9	-39	—
Quarterly profit before income taxes	714	255	-64.2%	70	69	-1.2%	-33	-39	—
Quarterly profit attributable to owners of the Company	480	81	-83.2%	112	-138	—	-30	-40	—
Note	See P20 “total operating revenue after deducting financial expenses and cost of sales” for more details See P21 “SG&A” for more details			See P22 “total operating revenue after deducting financial expenses and cost of sales” for more details See P23 “SG&A” for more details USD/JPY increased by 1%			HKD/JPY increased by 1%		

Japan : Net financial Income improved

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

(JPY million)



* Mainly due to gain on sales of investments in securities



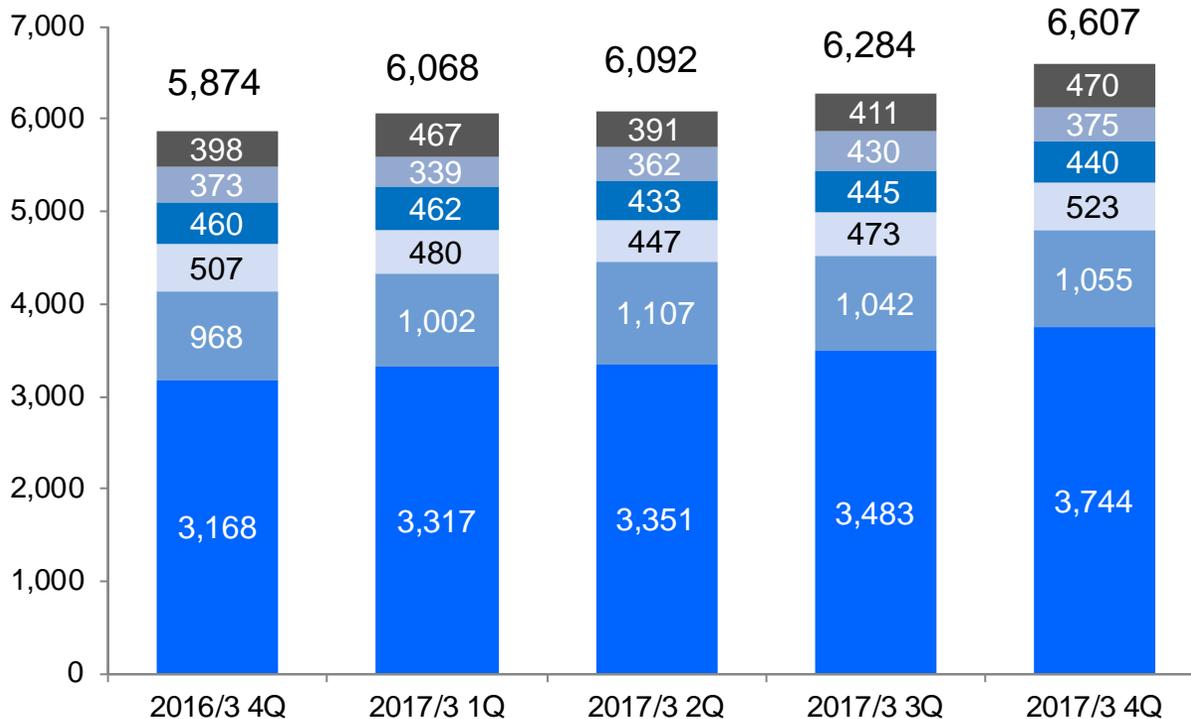
QoQ Comparison (3 months) Analysis: SG&A

Japan : System related expenses increased due to the parallel operation of old/new backbone systems throughout 4Q (3 months). SG&A from April 2017 will decrease to the amount in 4Q FYE Mar. 2016

See P27 for details of the future fixed-type costs

■ Quarterly SG&A

(JPY million)



SG&A Total +5.1% (+323)

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

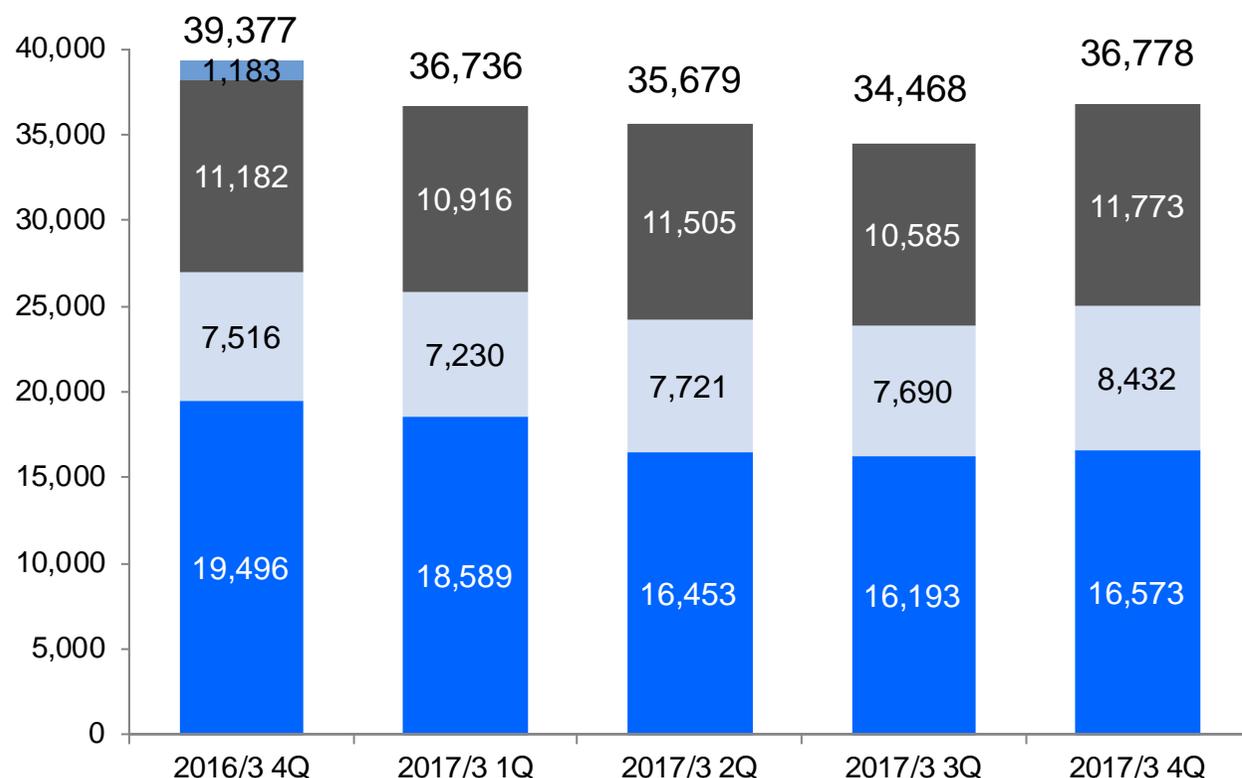
- Others (+59)
- Advertising expenses (-55)
- Communication, freight and information expenses (-6)
- Commissions paid, exchange and association dues (+50)
- Compensation and benefits (+13)
- System related expenses (+261) *

* Rental and maintenance: +164
 Data processing and office supplies: -134
 Amortization and Depreciation: +231

US : Net financial income improved and Revenue from PFOF*1 increased

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

(USD thousand)



Total operating revenue after deducting financial expenses and cost of sales
+6.7% (+2,310)

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

■ FX revenue * Sold FX business in March 2016

■ Others (+1,188) *2

■ Net financial income (+742)

■ Brokerage commissions (+380)

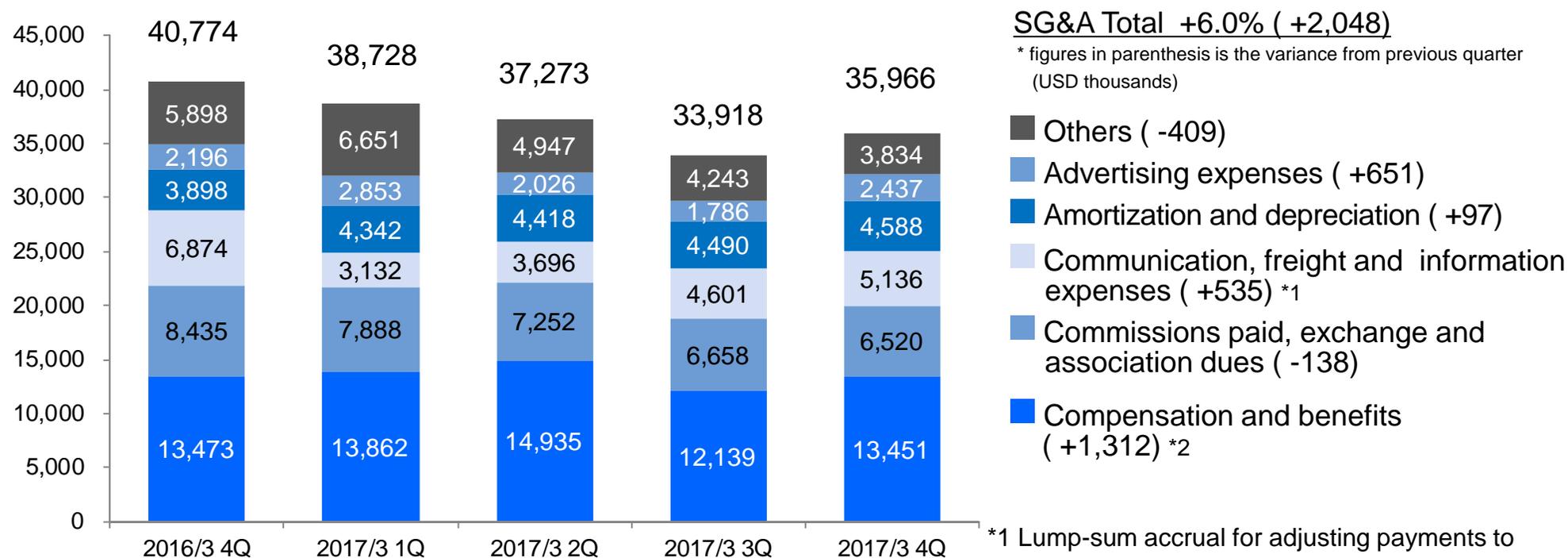
*1 A payment order flow (PFOF) is the income a brokerage firm receives by directing orders to different stock exchanges or markets maker to be executed.

*2 Including revenue from PFOF

US : Temporary expenses excluded, SG&A remains almost unchanged from the previous quarter

■ Quarterly SG&A

(USD thousand)



SG&A Total +6.0% (+2,048)

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

- Others (-409)
- Advertising expenses (+651)
- Amortization and depreciation (+97)
- Communication, freight and information expenses (+535) *1
- Commissions paid, exchange and association dues (-138)
- Compensation and benefits (+1,312) *2

*1 Lump-sum accrual for adjusting payments to exchanges in the past years on data usage fee
3Q \$1.3M, 4Q \$2.0M

*2 Temporary increase due to bonus +\$1.0M

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 March 31, 2017

<u>Assets</u> JPY 936.8B	<u>Liabilities</u> JPY 855.1B
Major assets: Assets related to financial instruments trading business JPY 750.0B	Major liabilities: Liabilities related to financial instruments trading business JPY 844.6B
Others JPY 50.0B	Others JPY 10.5B
Cash and cash equivalents JPY 77.9B	
Non-current assets (*1) JPY 58.9B	Net capital JPY 81.7B

(*1) Non-current assets

Property and equipment	JPY	2.1B
Intangible assets (Goodwill)	JPY	17.0B (*2)
Intangible assets (Identifiable intangible assets)	JPY	12.6B (*3)
Intangible assets (Software and others)	JPY	24.1B
Equity method investments	JPY	0.4B
Available-for-sale investments in securities (Lv.3)	JPY	2.7B

(*2) Goodwill: JPY 17.0B

Japan JPY 7.6B, US JPY 9.0B, China JPY 0.4B

(*3) Identifiable intangible assets: JPY 12.6B

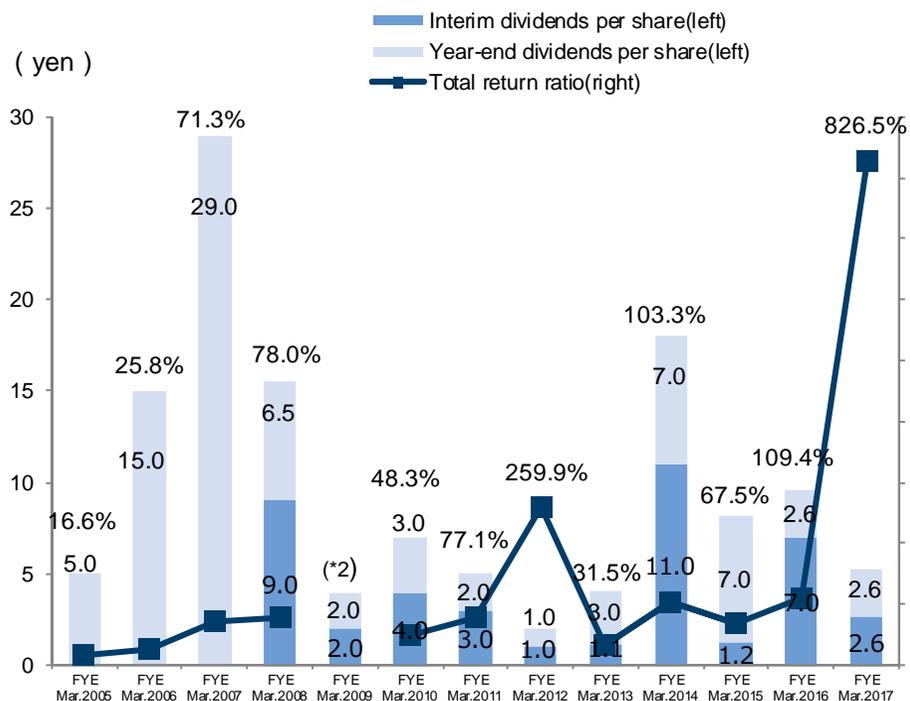
US JPY 12.0B, China JPY 0.6B

◆ The JPY 22.8B difference between Net capital (JPY 81.7B) and Non-current assets (JPY 58.9B) is the source of funds for the following:

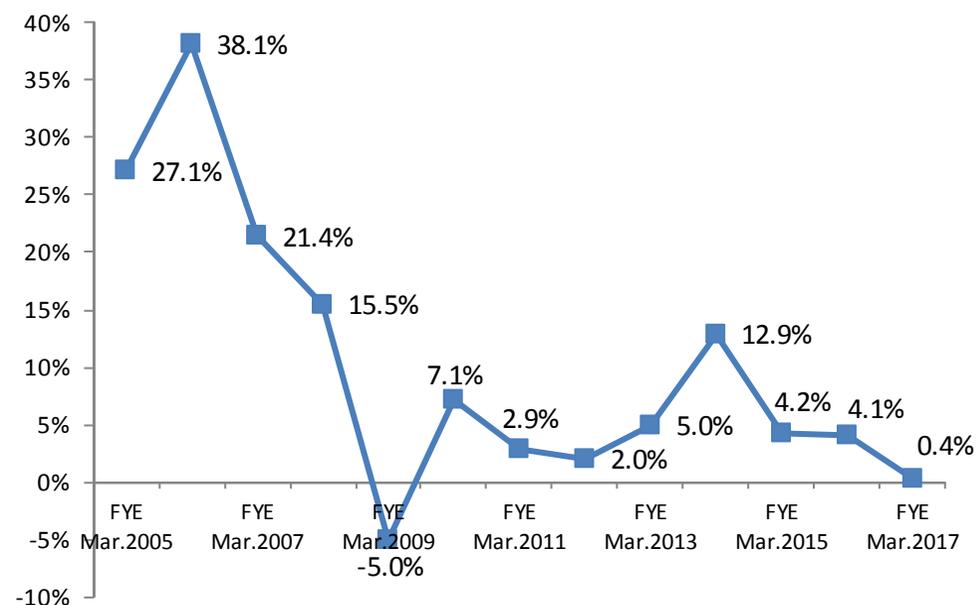
1. To comply with capital adequacy ratio regulations for securities subsidiaries in Japan and overseas
2. Internal reserve for investments in future businesses
3. Shareholders’ return (dividends + share buyback)

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 does not have % since the result was negative

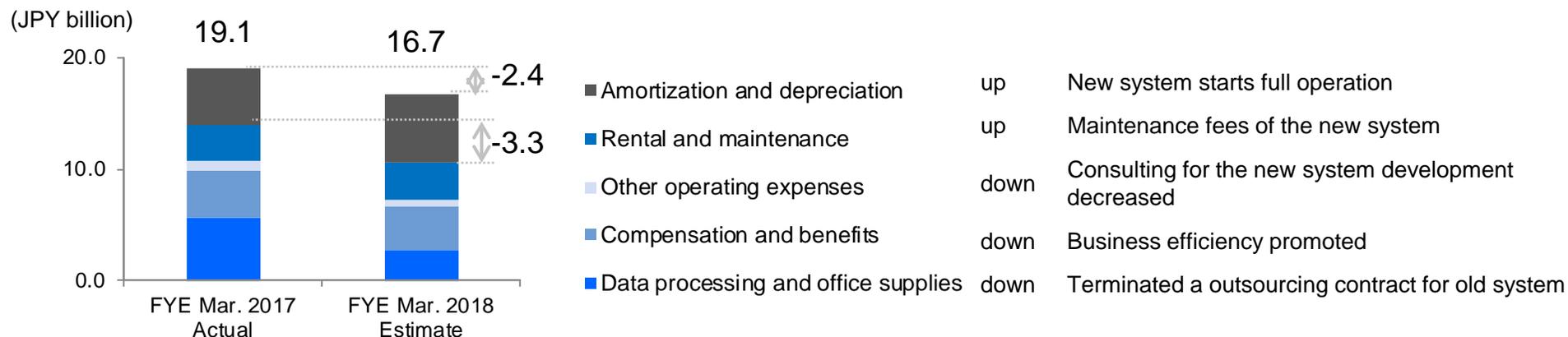
(*3) Dividend per share has been adjusted reflecting stock split

(*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

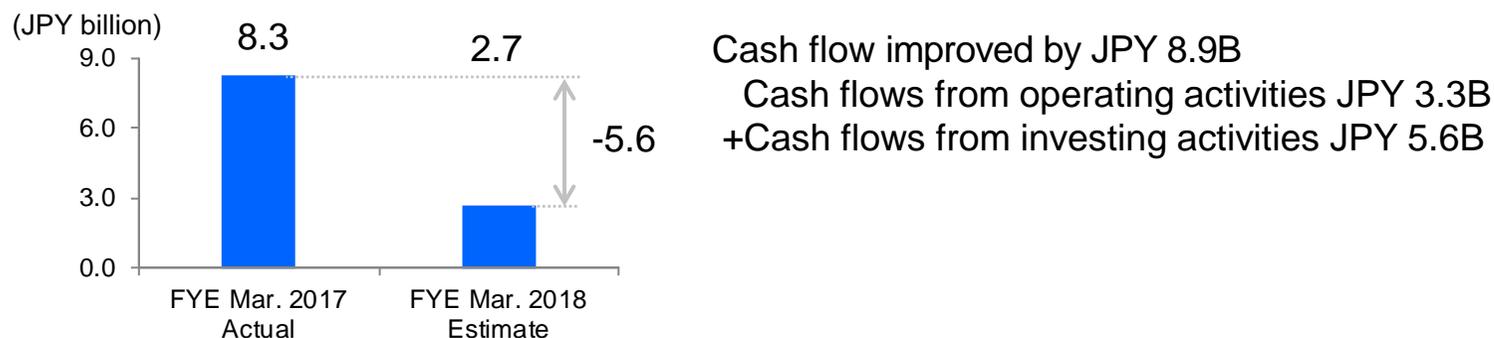
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Fixed-type costs decreased by JPY 2.4B and cash flow improved by JPY 8.9B, driven by the termination of parallel operation of old/new backbone system

■ Fixed-type costs (Costs decreased by JPY 2.4B, Cash flows from operating activities improved by JPY 3.3B)



■ Purchase of intangible assets - Cash flows from investing activities improved by JPY 5.6B



Unique products and services appeal to a wide customer base

For all traders

Backbone system, GALAXY

- Foundation to expand customer base
- Completed migration from old to new system.
Aim to further improve usability and services

For all traders



- TradeStation mobile application for US Equities
- First smartphone app for US equity trading among large online brokers
 - Equipped with various order functions and sophisticated charts with about 50 years of historical data, which put customers at ease in trading US equities

For active traders



Japanese stock trading platform, TradeStation

- Exceptional features that fulfill active traders' needs, e.g. highest order execution speed among online brokers *1
- New deposit ratio / newly account opening and trading value up QoQ

*1 Order execution speed of Kabu.com Securities: median 33 milliseconds (source: Kabu.com Securities' press release), of "TradeStation" in Monex, Inc.: average 6.6 milliseconds

Discretionary investment management



- AUM JPY 11.4B *2
Provide wrap account service for retail investors, MSV LIFE, and manage funds from institutional investors
- 88% of the customers of MSV LIFE use monthly investment service

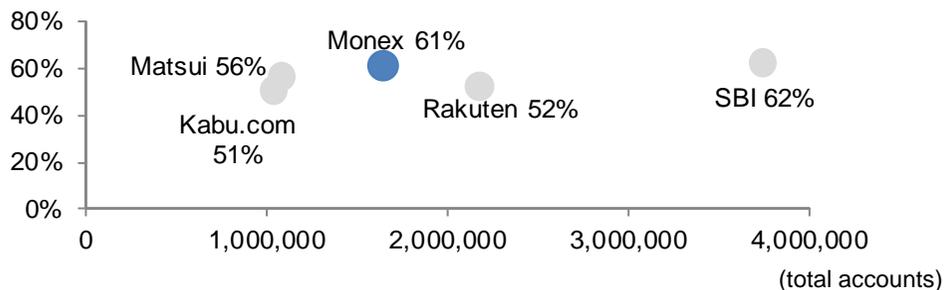
*2 as of April 17, 2017

Higher active accounts ratio and higher customer assets per account compared with peers
 Margin trading ratio and brokerage commission revenue are promising area

→ Increase revenue by acquiring trader-type customers while retaining our current customer base

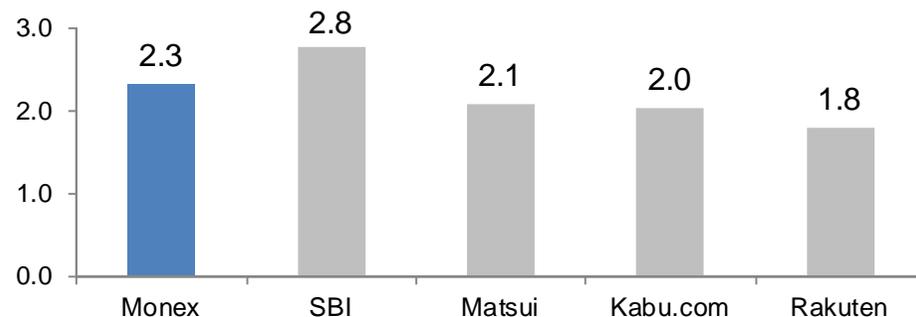
◆ Active account ratio (as of Dec. 31, 2016)

(active account ratio)

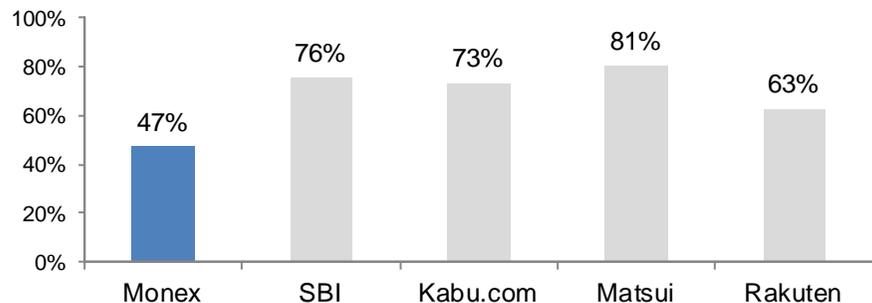


◆ Customer assets per account (as of Dec. 31, 2016)

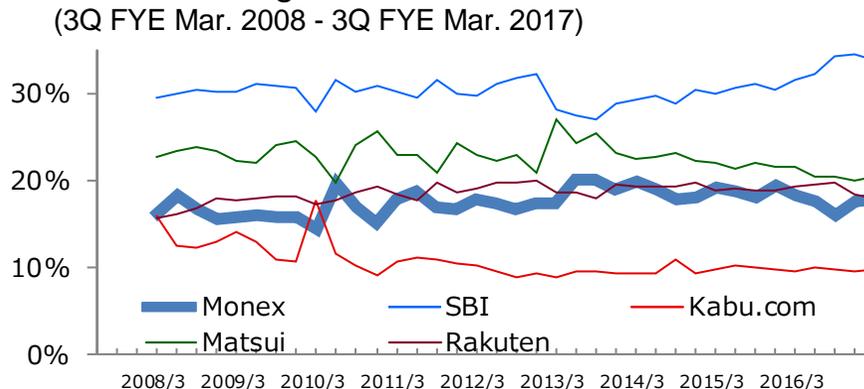
(JPY million)



◆ Margin trading ratio (3Q FYE Mar. 2017)



◆ Stock brokerage commission share (3Q FYE Mar. 2008 - 3Q FYE Mar. 2017)



Achieved segment profit in two consecutive quarters despite the low volatility. Aim to expand customer base

- Recognize segment profit despite the historically low VIX
 - Controlling fixed costs since 2Q
 - Increase in Payment for Order Flow (record high in 4Q)
 - Increase in interest income following the rise of US short-term interest

- Expand customer base
 - Introduced simpler and competitive commission structure
 - The number of newly-opened funded accounts in 4Q reached the record highest* (up 35% QoQ)
 - Preparing to launch new services with a broad interest, including an application that provides trading strategies based on data analysis

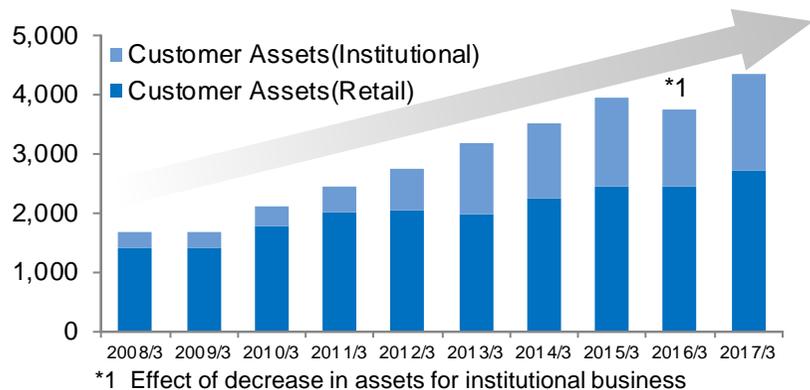
- * Excluding FX accounts

- Expand B2B business (trading platform)
 - B2B customers in China: Promote marketing to increase B2B customers. Negotiations are currently ongoing with additional prospective brokers

■ Net financial income improved

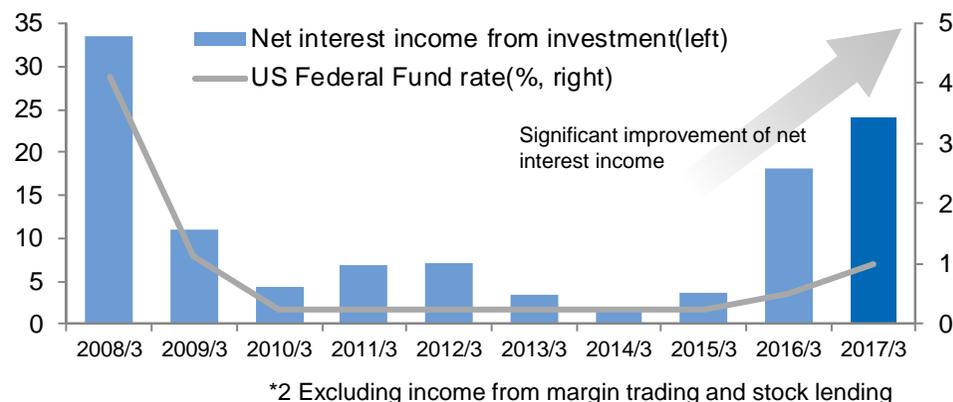
◆ Customers' assets in custody

(USD million) Increase in customers' assets in custody



◆ Net interest income *2 and US Federal Fund rate

(USD million) (%)



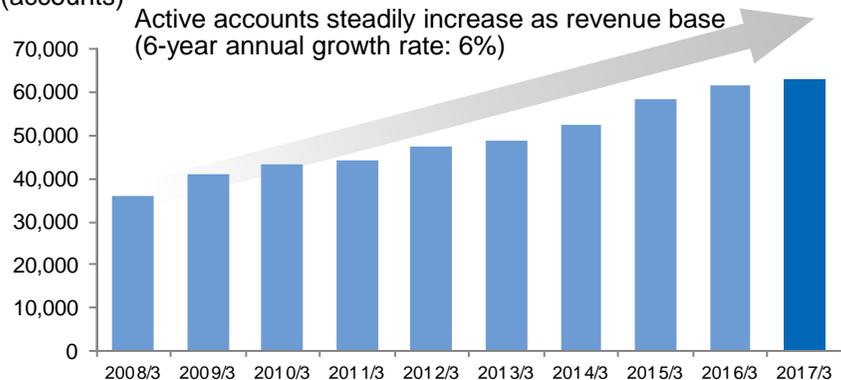
■ Increase in active accounts and volatility contributes to the revenues

1pt increase in VIX will bring additional USD 1.9~3.0M revenue per year

(3.0M based on a regression analysis of commission data during Jan. 2009- Mar. 2017 and 1.9M based on commission data during Jul. 2011- Mar. 2017)

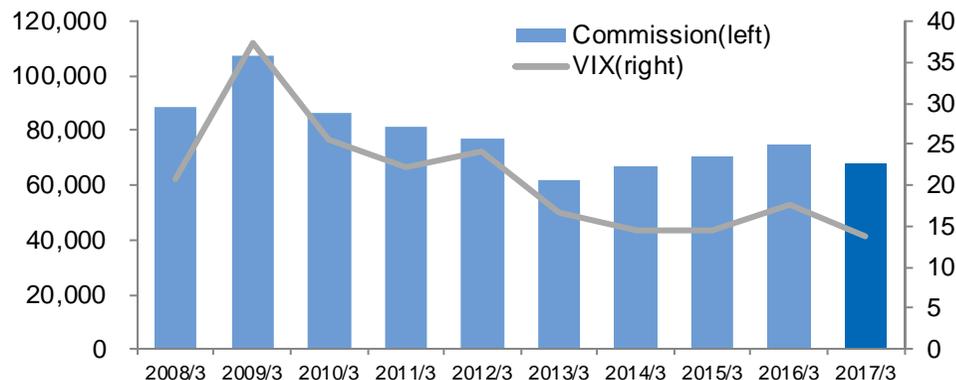
◆ Number of active accounts (excl. FX accounts)

(accounts)



◆ VIX and commission

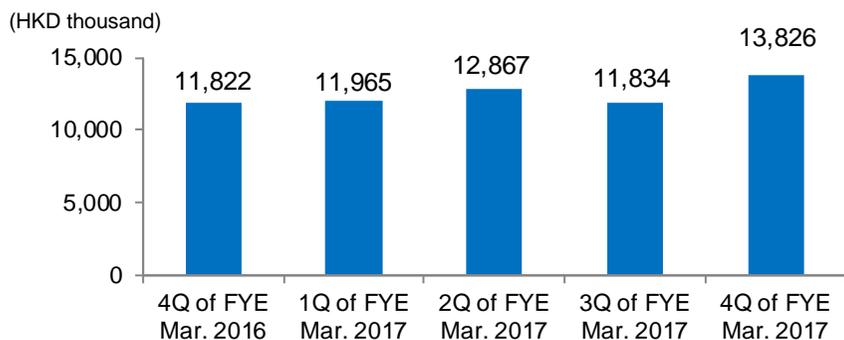
(USD thousand)



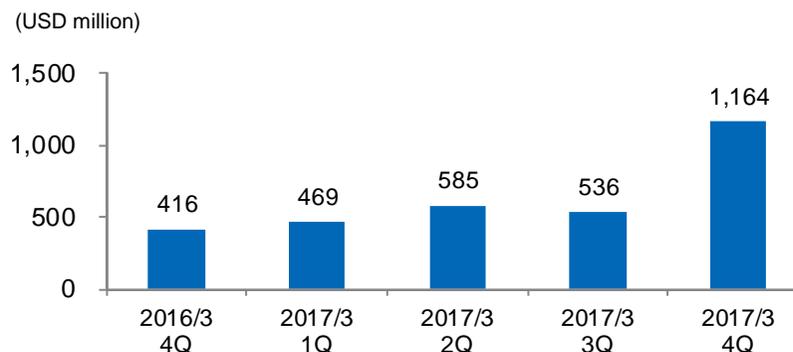
Keep seeking for business opportunities in Asia Pacific area

- Will launch online securities business operation in Australia
 - Monex Securities Australia Pty Ltd will start its operation in the first half of FYE Mar. 2018
- Quarterly financial results of Monex Boom Securities (H.K.)
 - Stock trading value in 4Q (3 months) increased by 117% QoQ. Brokerage commission revenue increased by 27% QoQ, following by the increase in active traders' trading volume
 - Balance of margin lending decreased by 21% QoQ. Net financial income decreased by 2% QoQ

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



◆ Quarterly stock trading value of Monex Boom Securities



- Providing technology and knowledge of online brokerage through a joint venture in mainland China
 - Online brokerage business in mainland China has been growing. Will recognize equity in profit of equity method investments since FYE Mar. 2018.

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

Completed development and internal use of the new backbone system which was the first prioritized project. Realized internalization and modernization of the system at each location globally.

■ Mid- and long-term revenue growth

Measures	Progress and Achievements
Launching a trading platform for Japanese active traders developed by TradeStation. Aim to increase brokerage commissions.	Launched in Mar. 2016 Full-scale marketing to be scheduled from 2Q FYE 2017 and increase in the number of accounts and trading volume
Expanding B2B businesses	Two B2B projects have been ongoing. Pursuing further B2B opportunities in Japan and U.S. segment

■ Fixed-type cost (*1) reductions

Measures	Progress and Achievements
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	Achieved around JPY 1.3B (annualized) reduction in total
System related cost reduction by in-house system development and in-house operations of backbone brokerage system(*2)	2.4B of fixed-type costs will be reduced (YoY) from FYE Mar. 2018. 8.9B of cash flow is expected to improve

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

Global Vision Moves on to a New Stage: Global Vision II - Bloom



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

	FYE Mar. 2013	FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	FYE Mar. 2017	Progress
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 					Completed
	<ul style="list-style-type: none"> ● May 2014 Completed test connection of a new Japanese equity platform to the internal system ● Launched in 2016/3. Full-scale marketing to be scheduled from 2Q of FYE 2017 					Completed
Cost Reduction	<ul style="list-style-type: none"> ● Sep. 2014 Upgraded tools ● Jul. 2015 Integrate tools 					Completed
	<ul style="list-style-type: none"> ● May 2013 Launched MONEX INSIGHT ● Apr. 2015 Completed integration of trading information service in Japan 					Completed
	<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 					Completed
	<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 ● Jan. 2017 Migration to new system ● Terminating service contract for old backbone system 					Completed
	<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 					Completed
						Completed

*1 “Tokutei” accounts: accounts that automatically calculate taxes

*2 Japanese stock trading platform “TradeStation”

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Appendix. Group Overview

Brand

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

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

Global Operations

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

- Offer global financial products online to retail investors
- Have 12 business bases mainly in North America and Asia. More than half of 830 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

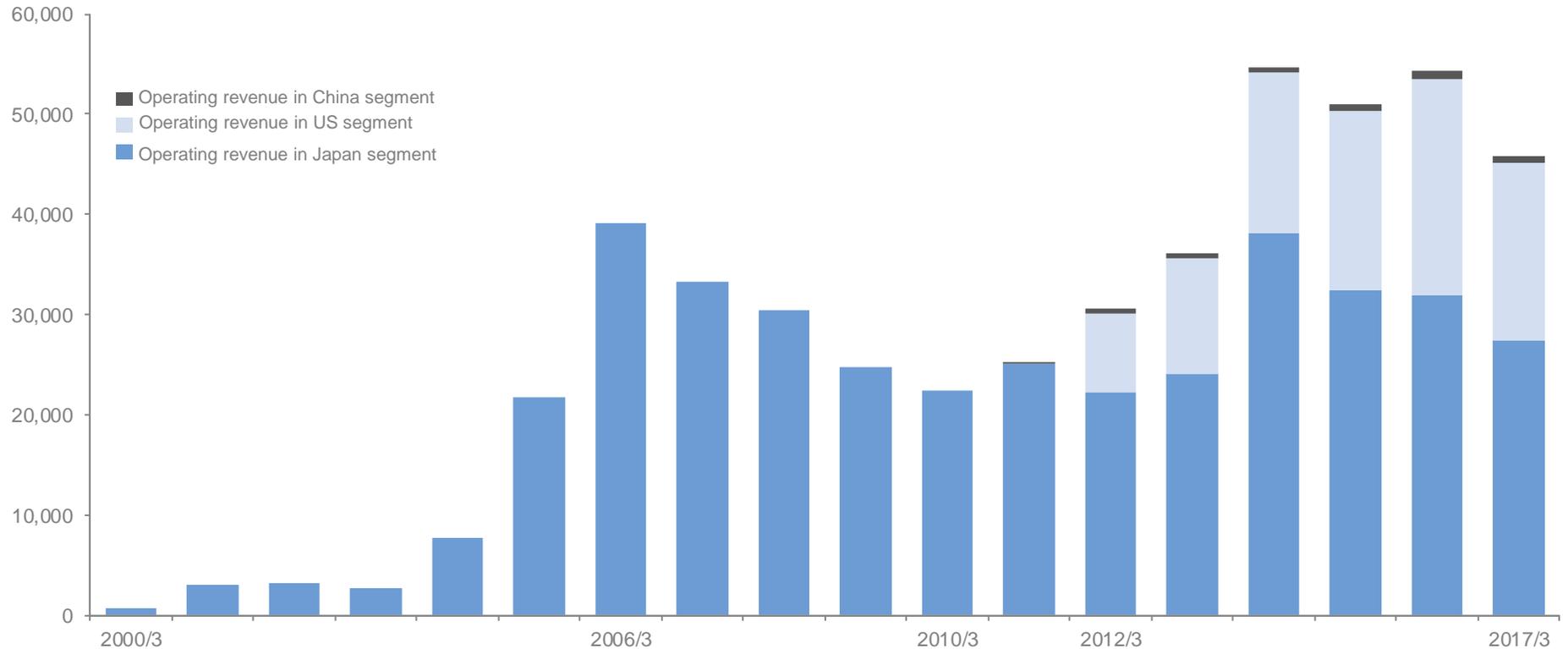


Group Overview – Continuous growth over 15 years

- ✓ Japan: 1.70M accounts, US: 80K accounts, HK: 10K 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

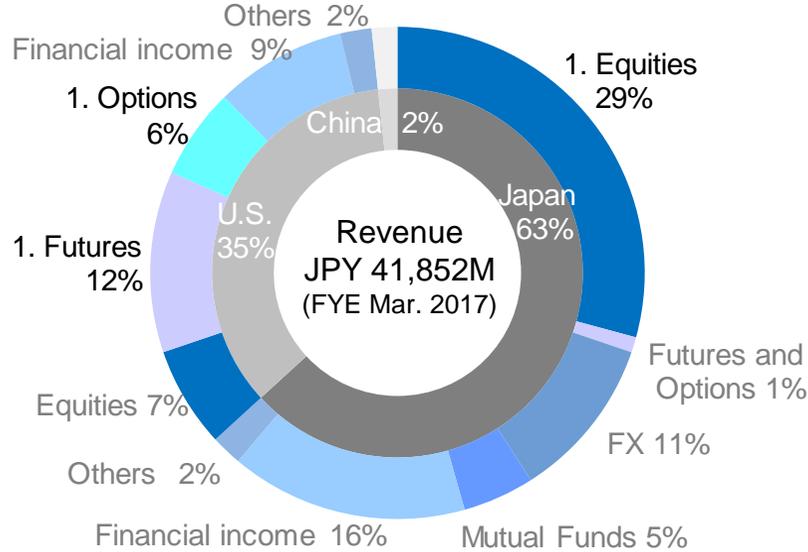
Expanded globally

Globalization & system internalization

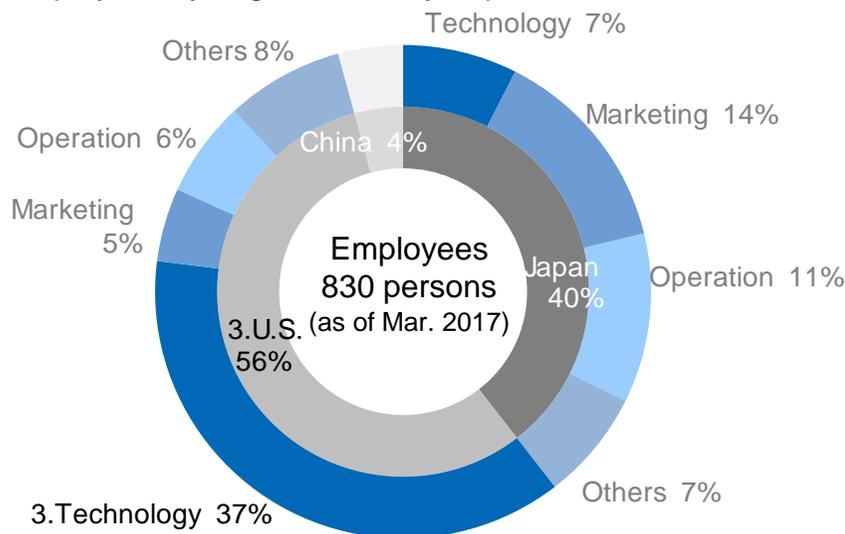


Group Overview — Revenues,Costs: 60% from Japan, 40% from US; Employees: 40% in Japan, 60% in US or China

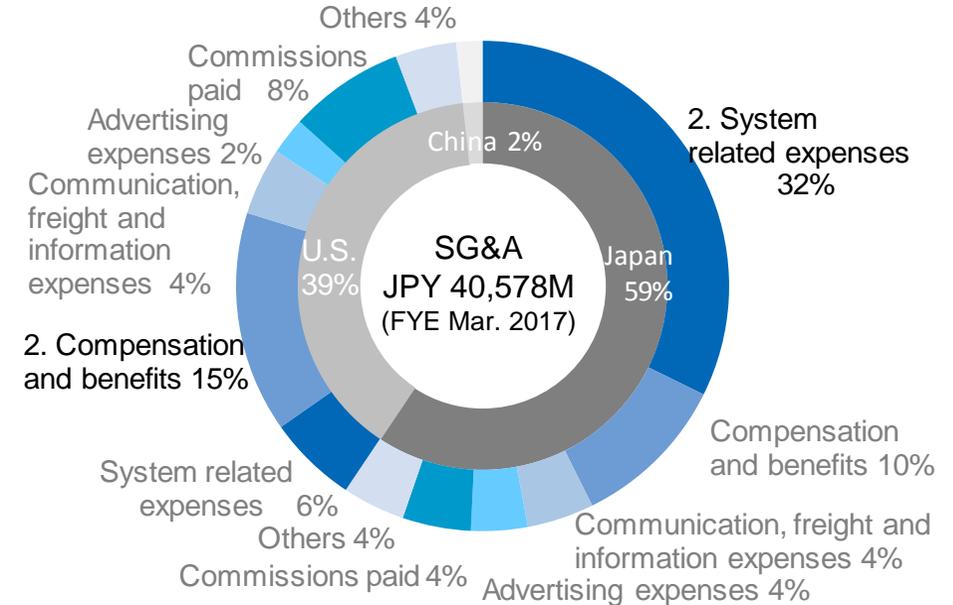
◆ Total operating revenue after deducting financial expenses by region and by business



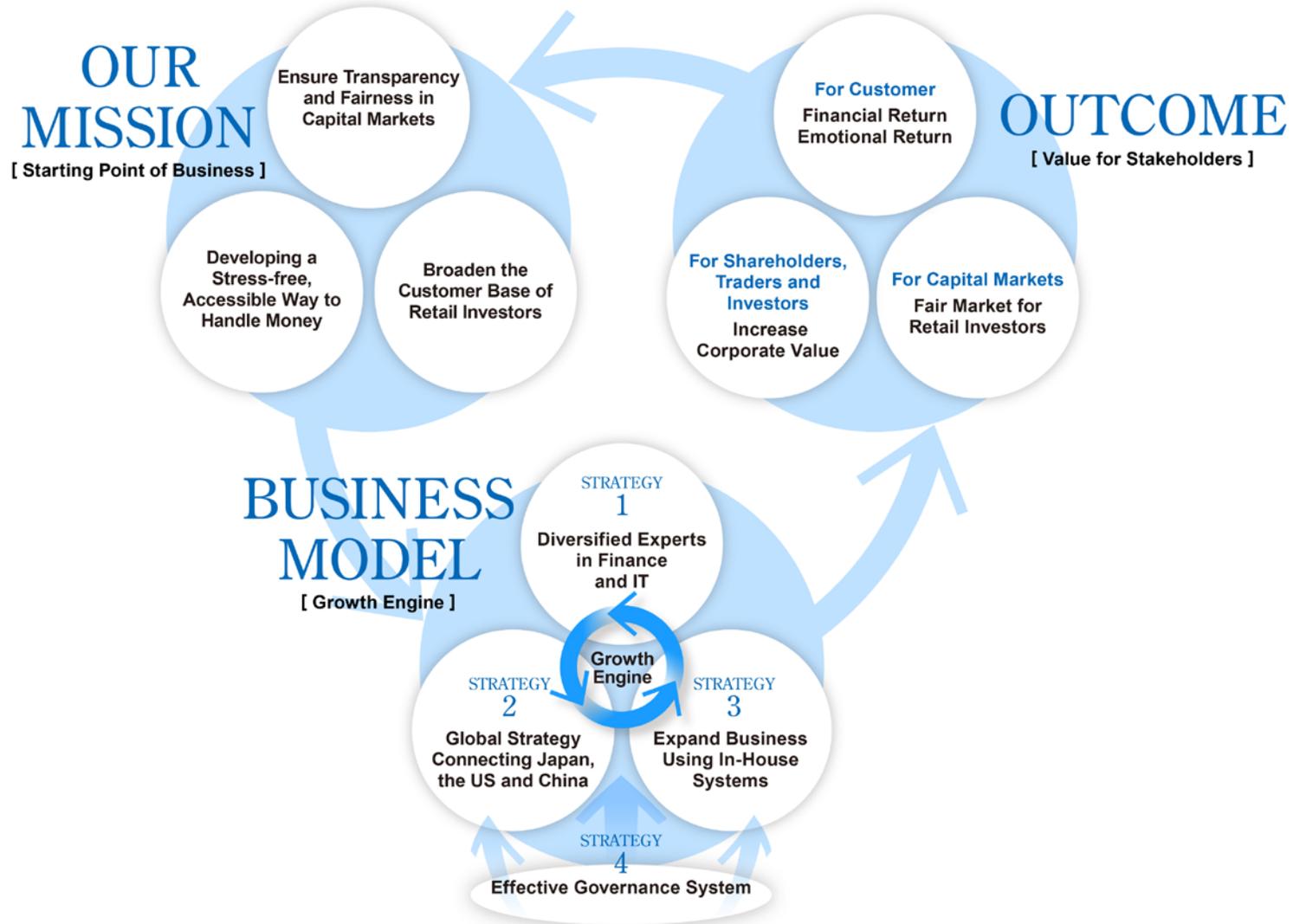
◆ Employees by segment and by department



◆ SG&A by segment and by cost items

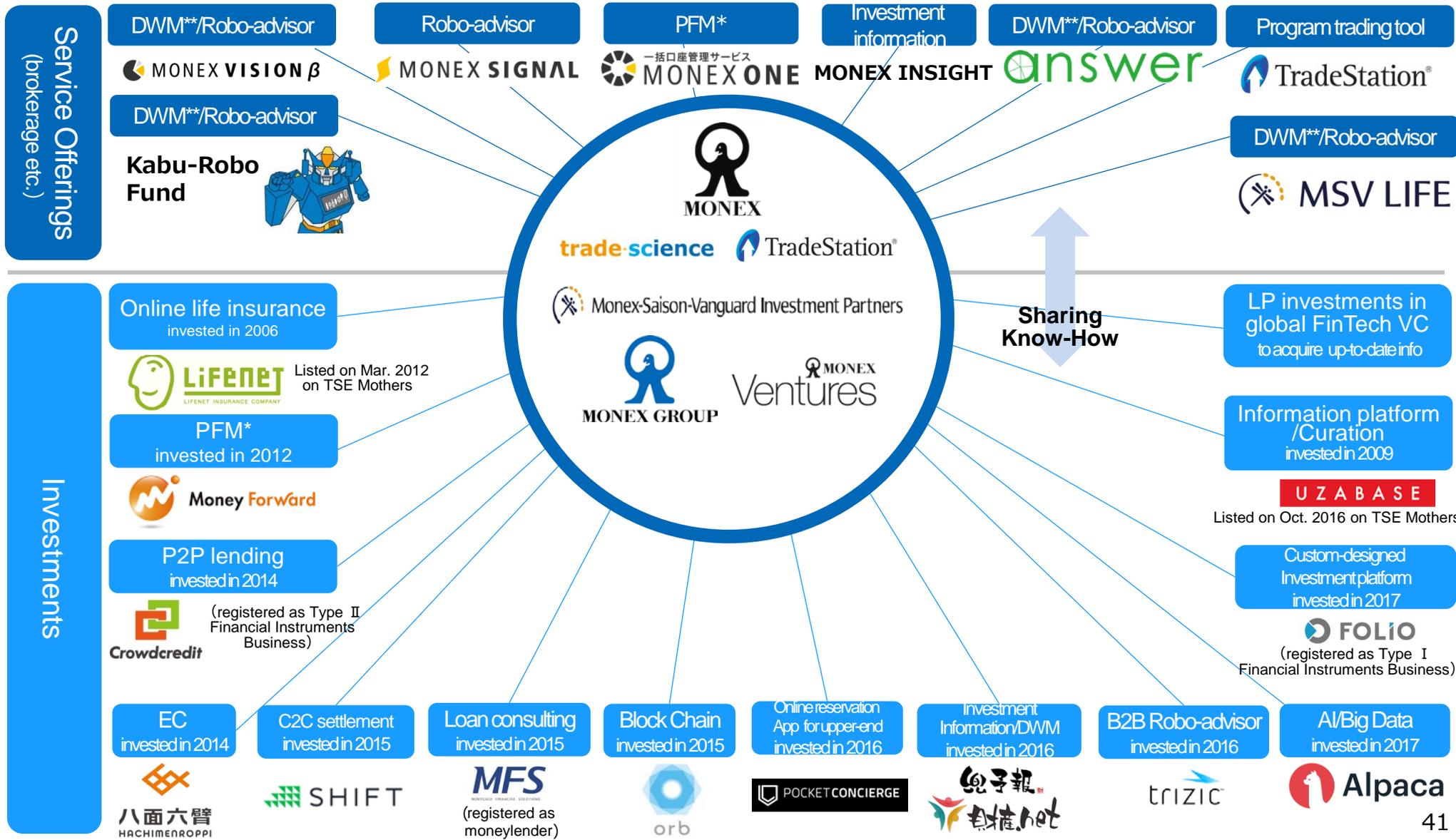


1. Total operating revenue after deducting financial expenses : US accounts for 1/3. Revenue in Japan primarily from equities while revenue in the US primarily from futures and options
2. Total SG&A : Japan accounts for 60% and US and China accounts for 40%. However, half of the Japanese portion is made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



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

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

Fair disclosure and dialogue for retail/institutional investors

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

* Being approved at the ordinary general shareholders meetings in June, 2017

Listed Holding Company



MONEX GROUP

Monex Group, Inc.

(As of April 28, 2017)

[Japan]

Online Securities Company



Monex, Inc.

Comprehensive investment service provider

M&A Advisory

Program Trading

MONEX HAMBRECHT, INC. **trade-science**

Monex Hambrecht, Inc.

Trade Science Corporation

M&A advisory service
Aspiring to introduce new IPOs

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

- President : Toshihiko Katsuya
- 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), First smartphone app for US equity as major online broker
- Products & services: Equities (Japan, U.S., Hong Kong), futures & options, FX, mutual funds, bonds, investment education, etc.
- # of total accounts: 1,696,123
- # of active accounts: 1,023,369
("Active accounts": accounts with balance or with at least one trade or transaction a year.)
- Customers' assets in custody: JPY 3.8032 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: 63,024
- Customers' assets in custody: JPY 483,439 million

■ 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: 11,246
- Customers' assets in custody: JPY 134,399 million

History of Monex Group



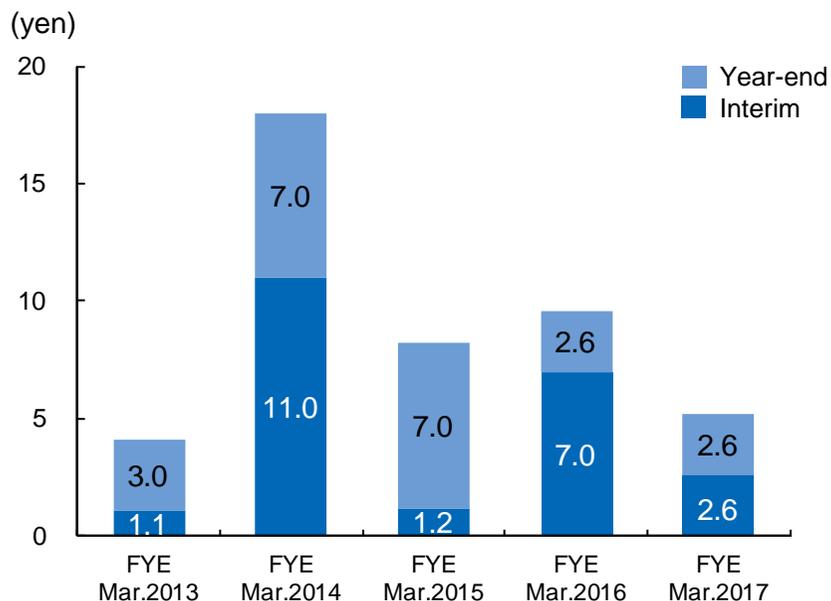
	Japan	U.S.	Asia Pacific
1982		- TradeStation Technologies, Inc. is formed as Omega Research, Inc.	
1997		- TradeStation stock lists on NASDAQ	- Boom Securities (H.K.) Limited is founded (now Monex Boom Securities (H.K.) Limited), becoming the first in Asia Pacific to launch Internet stock trading for retail investors
1999	- Monex, Inc. is co-founded by Oki Matsumoto and Sony Corporation - Begins offering online brokerage service upon complete liberalization of stock brokerage commissions in Japan		
2000	- Monex, Inc. stock is listed on the Tokyo Stock Exchange "Mothers" Market	- TradeStation acquires Online Trading.com, a direct-access securities brokerage firm	
2004	- Monex Beans Holdings, Inc. (now Monex Group, Inc.) is established through a business integration of Monex, Inc. and Nikko Beans, Inc. - Monex Group, Inc. stock is listed on the Tokyo Stock Exchange "Mothers" Market in exchange for the delisting of Monex, Inc. stock		
2005	- Monex, Inc. and Nikko Beans, Inc. merge to become Monex, Inc. (former name: Monex Beans, Inc.) - Monex Group, Inc. stock changes its listing from the "Mothers" Market to the First Section of the Tokyo Stock Exchange		
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			
2017			

■ 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

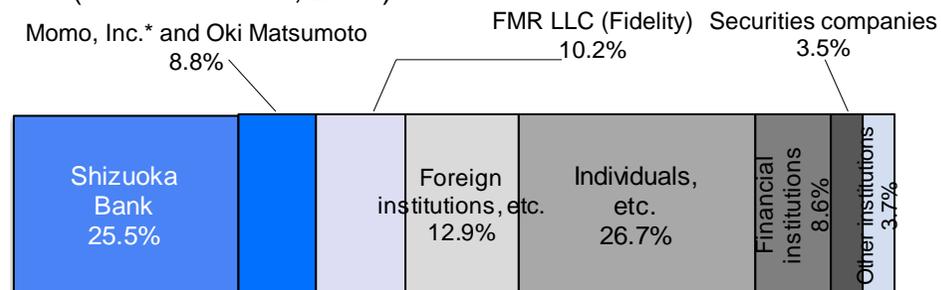
◆ Dividend history



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 March 31, 2017)



The graph made by Monex based on shareholders' list as of Mar. 31, 2017 and the Large shareholding report .

* Formerly known as Oki Matsumoto, Inc.

◆ Indicators per share

	FYE Mar. 2013	FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	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	290.00 Yen
	Earnings per share attributable to owners of the Company (EPS)	13.02 yen	35.76 yen	12.15yen	12.46yen	1.06 yen
	Rate of Return on Equity(ROE)	5.0%	12.9%	4.2%	4.1%	0.4%
	Dividends per share	4.1yen	18.0yen	8.2yen	9.6yen	5.2yen

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

Changes of a Remuneration System

【Overview】

- A remuneration system for our Group's management has been changed and restricted stock remuneration system has been introduced. Share grant will be after June 2017.

【System of restricted stock】

- Grant stocks of the Group with restriction on transfer for a certain period as a remuneration
- Promote managements' commitment to the enhancement of the enterprise value by holding the Group's stocks for medium-and-long term

【Remuneration system】

Base Remuneration	Fixed remuneration	Approx. 70% of total remuneration
Short-Term Incentive Remuneration	Remuneration linked to each year's performance	Approx. 30% of total remuneration
Medium-and-Long Term Incentive Remuneration	Restricted stock linked to the price of the Group's stock	

【Others】

- Stock options with charge granted to management and employees are expected to lapse in June 2017.

Acquiring own shares

【Purpose】

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

【Outline】

- Common shares of the Group: up to 4,000,000 shares
- 1.43% of the total number of shares issued and outstanding (excluding treasury stock)

【Method】

- Through an off-auction own share repurchase trading (ToSTNeT-3)
- Repurchase at 8:45am on May 1 with the closing price of April 28, 2017