

MONEX GROUP

[Update] Announcement of numerical updates on the Financial Results for Fiscal Year Ending March 31, 2019

TOKYO, April 26, 2019 - Monex Group, Inc. (the Company) is updating some numerical in “Financial Results for Fiscal Year Ending March 31, 2019” disclosed on April 25, 2019. The latest financial announcement is attached below.

1. Reason for the update

The Company showed EBITDA of other online brokers, Kabu.com Securities Co., Ltd. and Matsui Securities Co., Ltd., on page 5 in the document dated April 25 based on the figures calculated by multiplying 4/3 to each respective company’s accumulated figures during 1-3Q of Fiscal Year Ending March 2019. As Kabu.com Securities Co. and Matsui Securities Co., Ltd. have disclosed the financial results of the Fiscal Year Ending March 31, 2019 to date, the Company updated the numbers based on their latest announcements.

2. Section updated

EBITDA of other online brokers for the fiscal year ending March 2019 (Page 5)

Kabu.com Securities Co., Ltd.

Previous number: ¥ 9.1 B

Updated number: ¥ 7.6 B

Matsui Securities Co., Ltd.

Previous number: ¥ 16.7 B

Updated number: ¥ 15.1 B

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This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.

Financial Results for Fiscal Year Ending March 31, 2019

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

Our Business Principles	p. 1	
Table of Contents	p. 2	
I. Highlights	p.3 -	p.14
II. Consolidated Performance	p.15 -	p.29
III. Business Update	p.30 -	p.44
Appendix: Group Overview	p.45 -	p.54

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.

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

Appendix. Group Overview

Successfully improved the profitability in US segment. Promoting collaboration between each segment, our group companies strive to improve the profitability and growth potential

Japan

Over 1.8 M accounts with over ¥ 4 T assets in custody, driven by number of M&A. Promoting the structure reform, Monex Securities aims to recover its profitability and growth potential

US

Steady account growth and the effect of streamlining business operation largely lifted its profitability. US segment turned into the biggest earner in our group companies

Crypto Asset

While cryptocurrency markets remain stagnant, collaboration with other group companies will improve the segment profitability


2019/3EBITDA* ¥ 8.8 B

Japan

Launch of short trade in general margin trading will improve profitability. Activist Forum aims to stimulate the investment appetite of individual traders

Crypto Asset

Finance in a New Age

Explore new businesses with Blockchain technology on top of cryptocurrency exchange.

2019/3EBITDA* ¥ 4.8 B

US

Steady account growth and internal restructuring led to the most profitable segment in our group companies

Investment

Drive Innovation

Established a flagship fund. Startup investment in the financial infrastructure business sector

2019/3EBITDA* ¥ 0 B

HK

Monex Boom Securities remains profitable for the last nine consecutive quarters

Asia Pacific

Global Business Expansion

Regional expansion, JV in mainland China and Monex Securities Australia

Consolidated

**FYE Mar. 2019
EBITDA*
¥ 11.1 B**
**Market Cap
(Mar. 29, 2019)
¥ 102 B**

Other Online Brokers	2019/3 EBITDA*	Market Cap (March 29, 2019)
Kabu.com Securities Co., Ltd.	¥ 7.6 B	¥ 188.3 B
Matsui Securities Co., Ltd.	¥ 15.1 B	¥ 270.2 B

Investigated by Monex, Inc.

* EBITDA = The amount equivalent to operating income + depreciation and amortization cost + interest expense of US segment

Revenue decreased due to low trading volume in Japan. A continuation of increased net financial income in US pushed up its segment profit* to a record high

Japan

Low trading volume in equity market caused a decrease in revenue. Segment profit* was ¥ 1.2 B

US

Net financial income increased due to a hike in interest rate and brokerage commissions increase driven by higher trading volume. Segment profit* was ¥ 2 B at record high

Asia Pacific

Revenue decreased due to a decline in trading volume in Hong Kong market. Segment loss* was ¥ 50 M

Crypto Asset

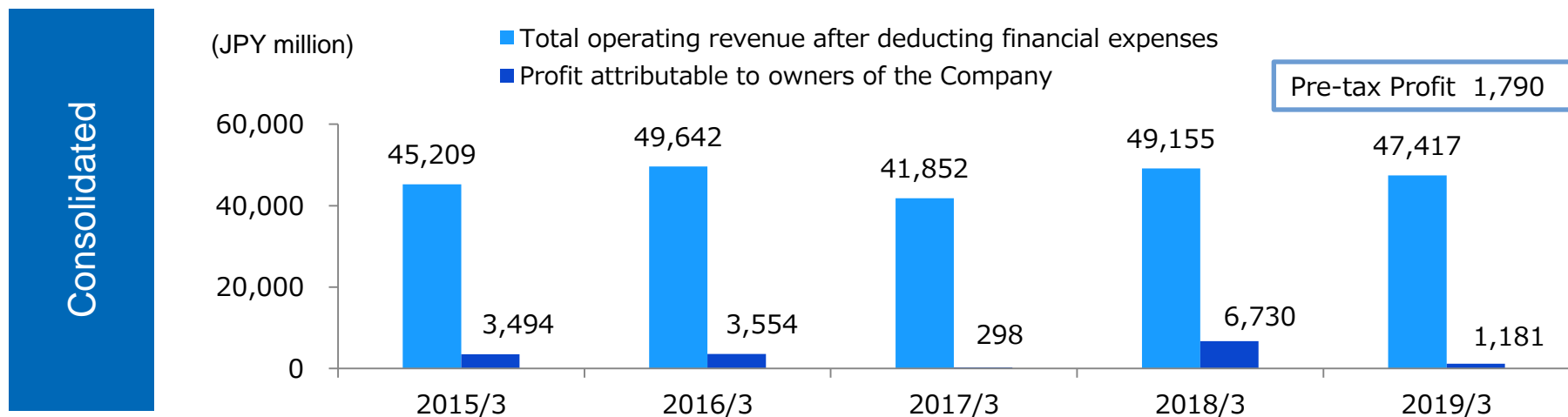
Unfavorable market trading volume. An increase in expense to strengthen internal control led to a segment loss* of ¥1.7 B

Investment

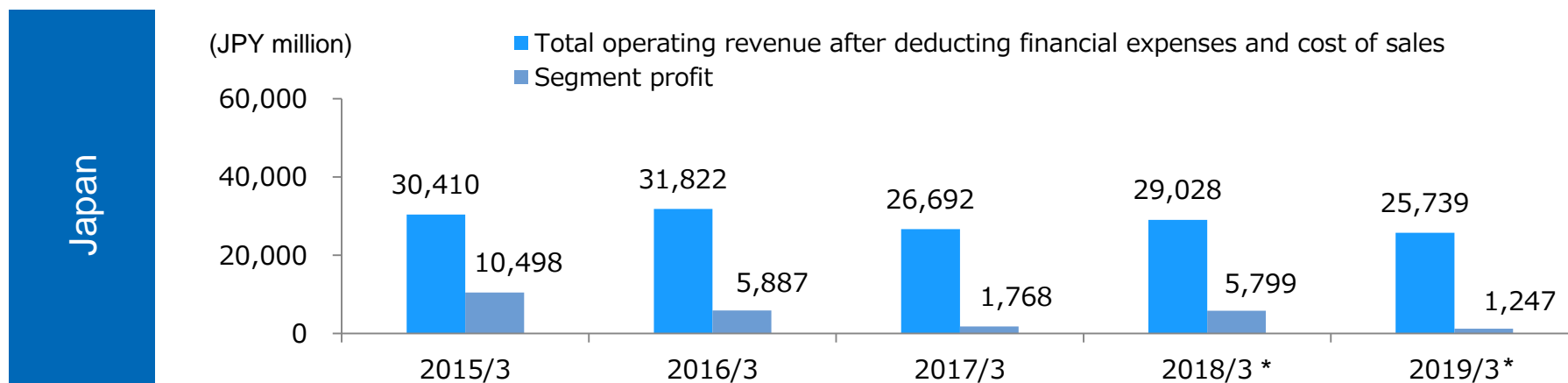
Recorded ¥ 0.4 B as valuation gains and gains on sales of shares owned. With a minimal amount of SG&A, segment profit* was ¥ 0.4 B

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

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

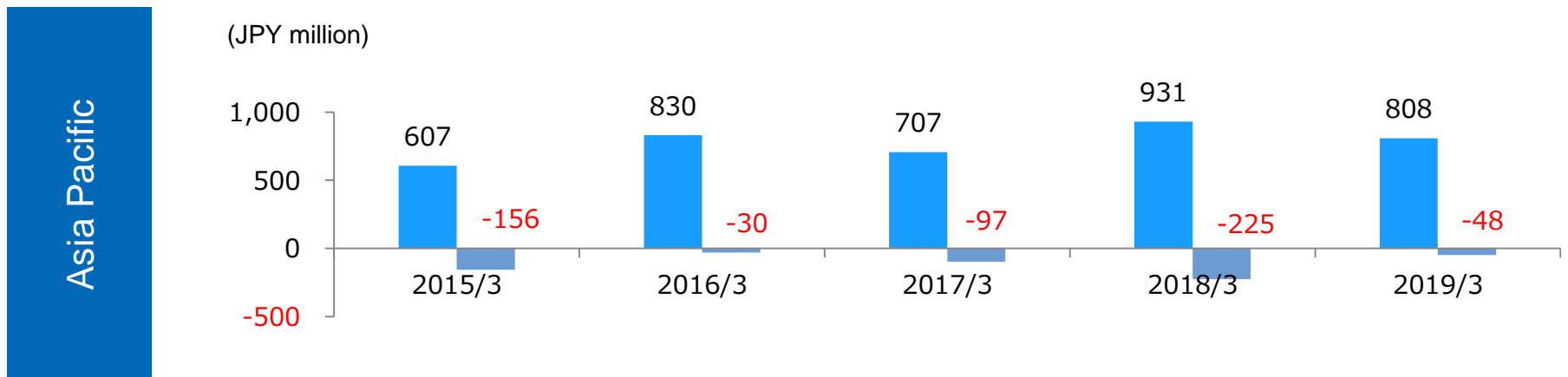
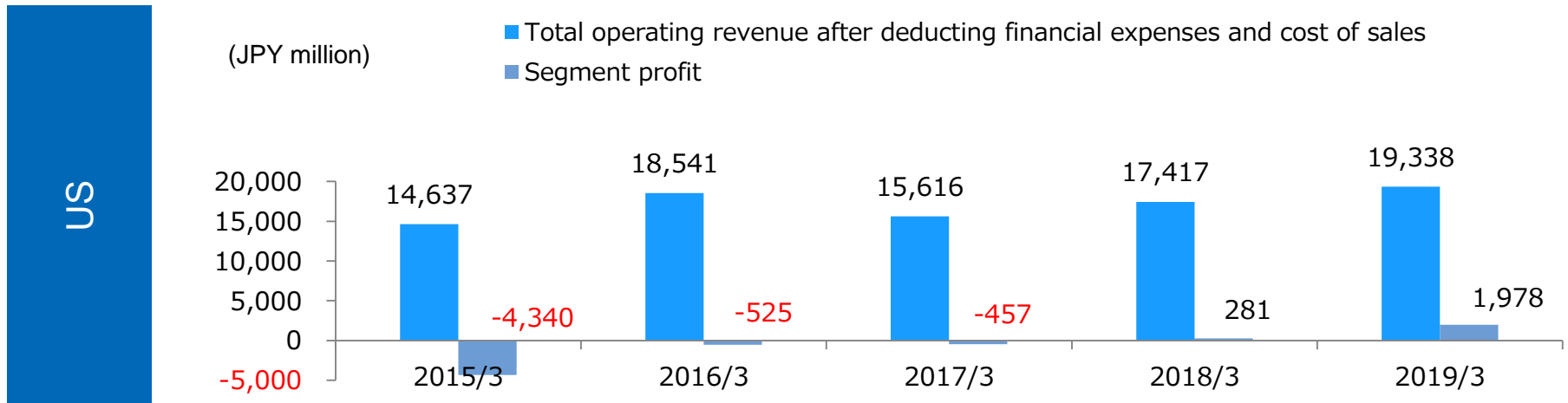


◆ Total operating revenue after deducting financial expenses and cost of sales and segment profit



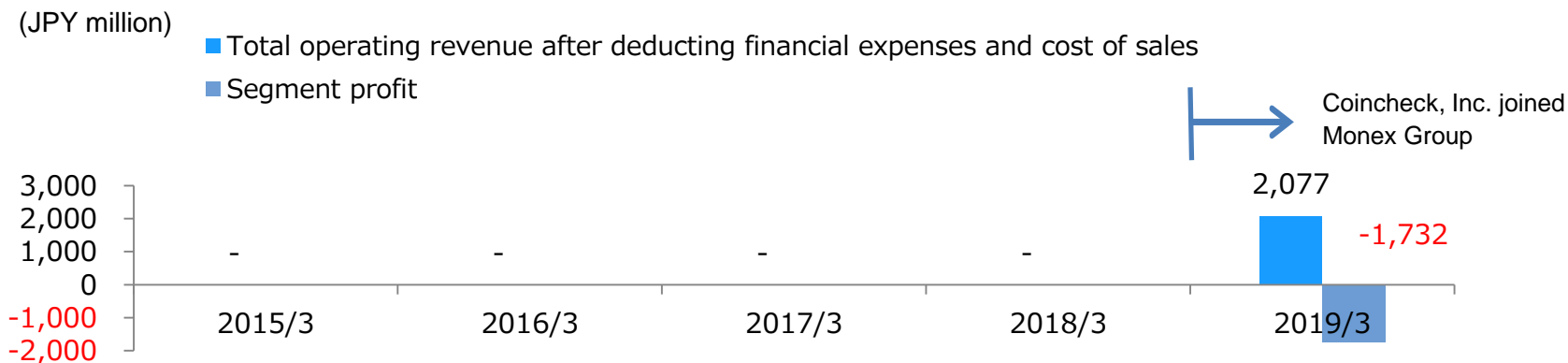
* Investment segment was curved out from Japan segment from FYE Mar. 2018

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

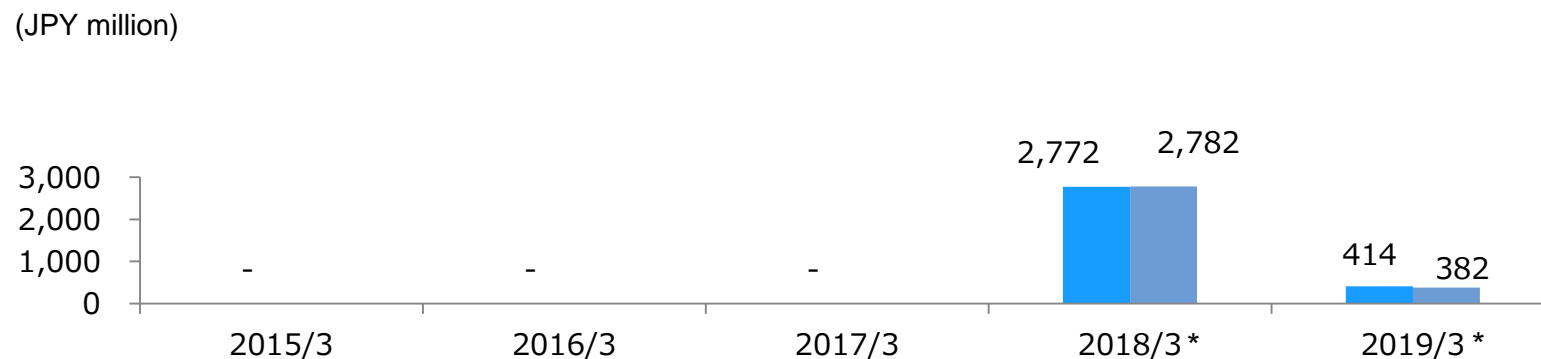


◆ Total operating revenue after deducting financial expenses and cost of sales and segment profit

Crypto Asset



Investment



* Investment segment was carved out from Japan segment from FYE Mar. 2018

Japan segment is in the middle of restructuring. A continuous increase in net financial income in US helped with its highest quarterly segment profits

Japan

Revenue decreased due to lower equities trading volume. ¥1.8 B of impairment loss on fixed assets related to Japanese Equities trading tool “TradeStation” was recorded, which resulted in ¥ 1.7 B of net loss due to reevaluation of book value based on the actual performance, while the service continues to be provided. The impairment and the revision of future amortization for other fixed assets will result in a decrease in depreciation and amortization cost in FYE Mar. 2020 by ¥ 1.6 B per year

US

Net financial income, benefiting from the expiration of the interest rate swap, increased for the last five consecutive quarters and now comprises 30% of revenue in US. Segment profit increased to a record high ¥ 0.7 B

Asia Pacific

Larger trading volume in Hong Kong drove up revenue higher. Segment loss was ¥ 4 M due to an increase in advertising expenses

Stagnation of cryptocurrency market caused a loss in Crypto Asset segment

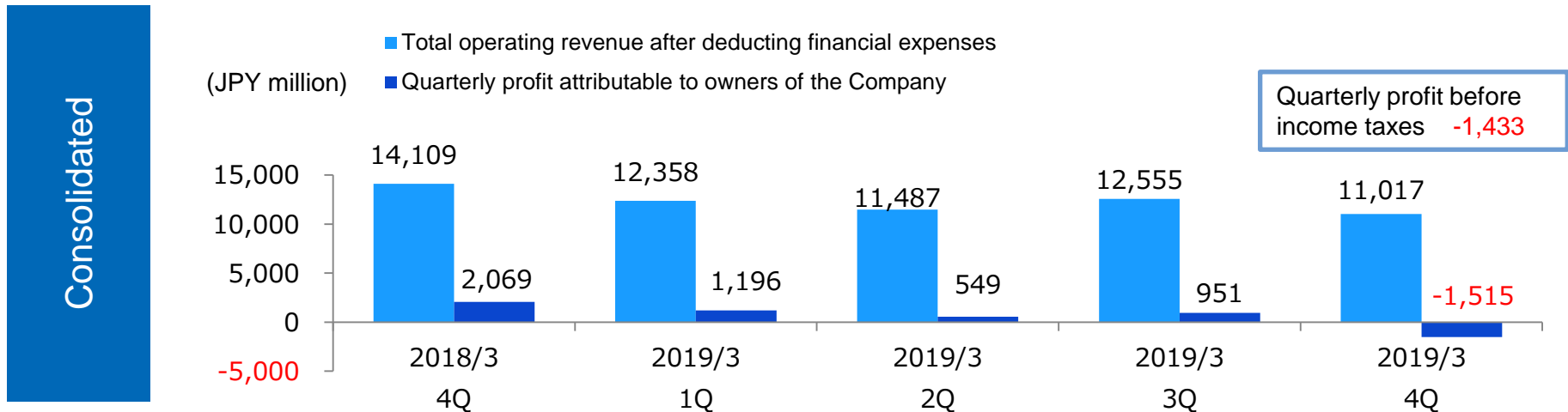
Crypto Asset

An increase in expense for continuing enhancement of internal control and lower market trading volume led to a segment loss of ¥ 0.6 B

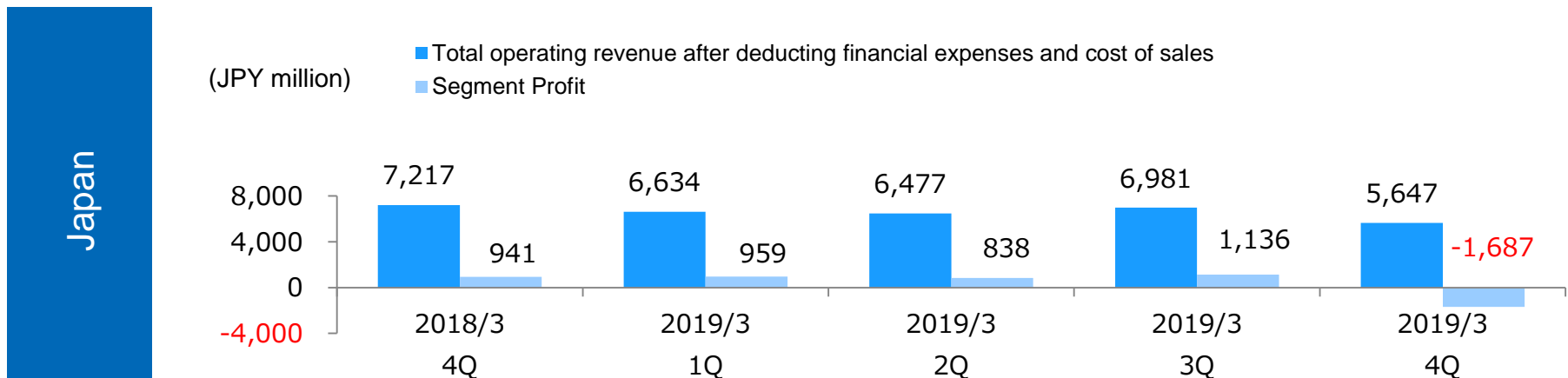
Investment

Recorded ¥ 90 M as valuation gains of shares owned. With only a minimal amount of SG&A, segment profit was ¥ 70 M. “MV I Investment Limited Partnership” has made some investments for a short period of time

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

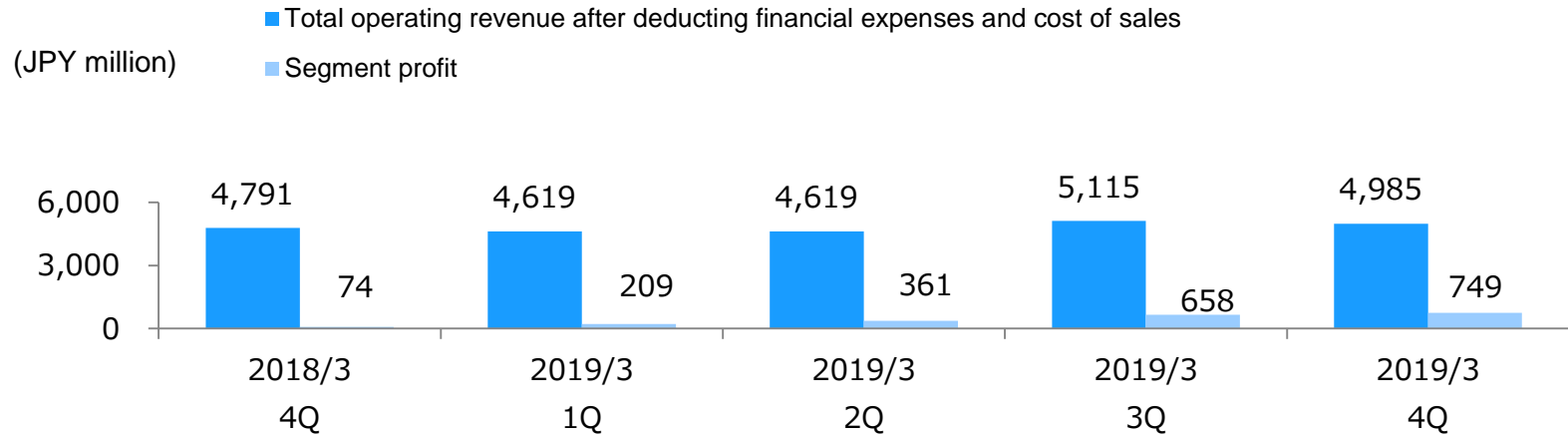


◆ Total operating revenue after deducting financial expenses and cost of sales and segment profit

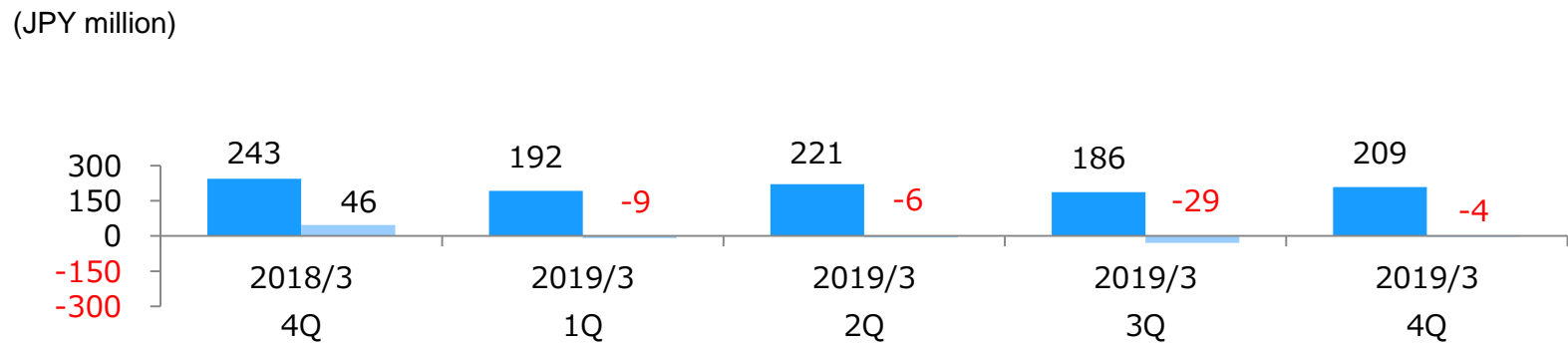


◆ Total operating revenue after deducting financial expenses and cost of sales and segment profit

US

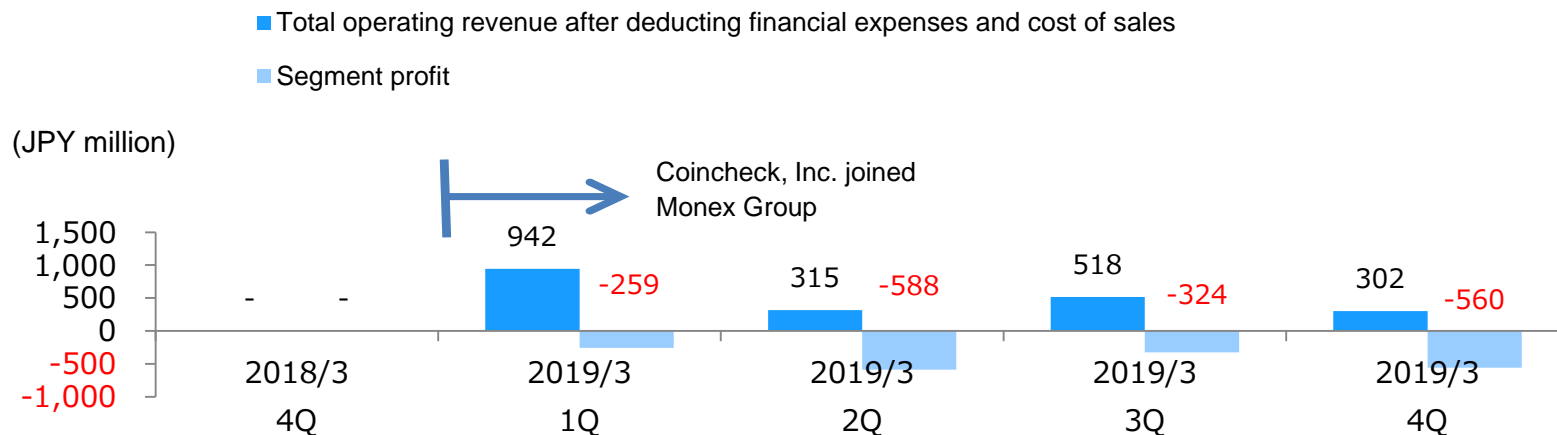


Asia Pacific

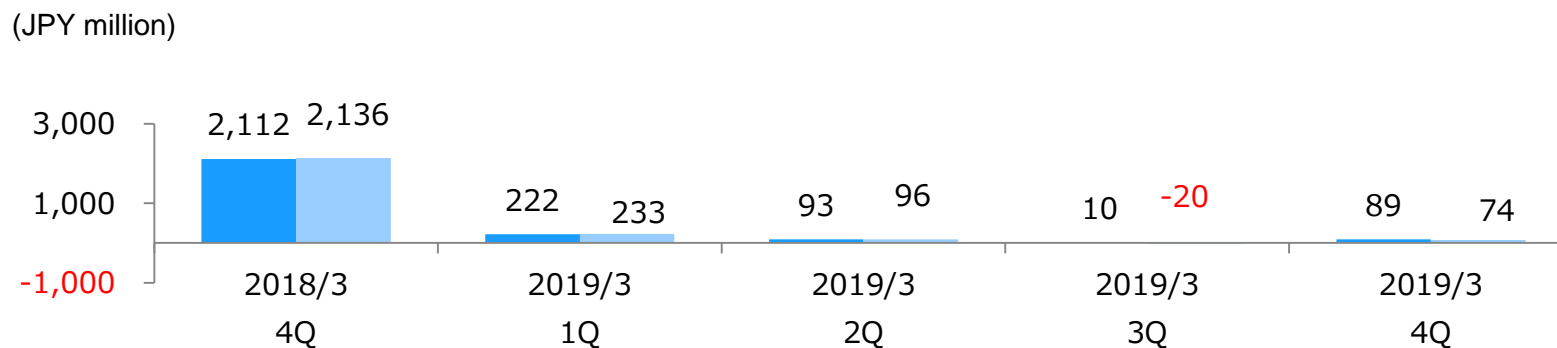


◆ Total operating revenue after deducting financial expenses and cost of sales and segment profit

Crypto Asset



Investment



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

Appendix. Group Overview

YoY Comparison (12 months) Consolidated Performance

(JPY million)

	FYE Mar. 2018 (Apr. 2017 – Mar. 2018)	FYE Mar. 2019 (Apr. 2018– Mar. 2019)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	49,155	47,417	-1,738	-4%	P18: Analysis of Japan segment P20: Analysis of US segment (USD)
SG&A	39,853	44,690	4,836	12%	P19: Analysis of Japan segment P21: Analysis of US segment (USD)
The amount equivalent to operating income	9,302	2,727	-6,574	-71%	
Other income / expenses (net)	-671	-937	-267		Breakdown in DATA BOOK P20: - Quarterly consolidated financial results (Other income and other expenses)
Profit before income taxes	8,631	1,790	-6,841	-79%	
Profit attributable to owners of the Company	6,730	1,181	-5,549	-82%	

YoY Comparison (12 months) Segment Performance

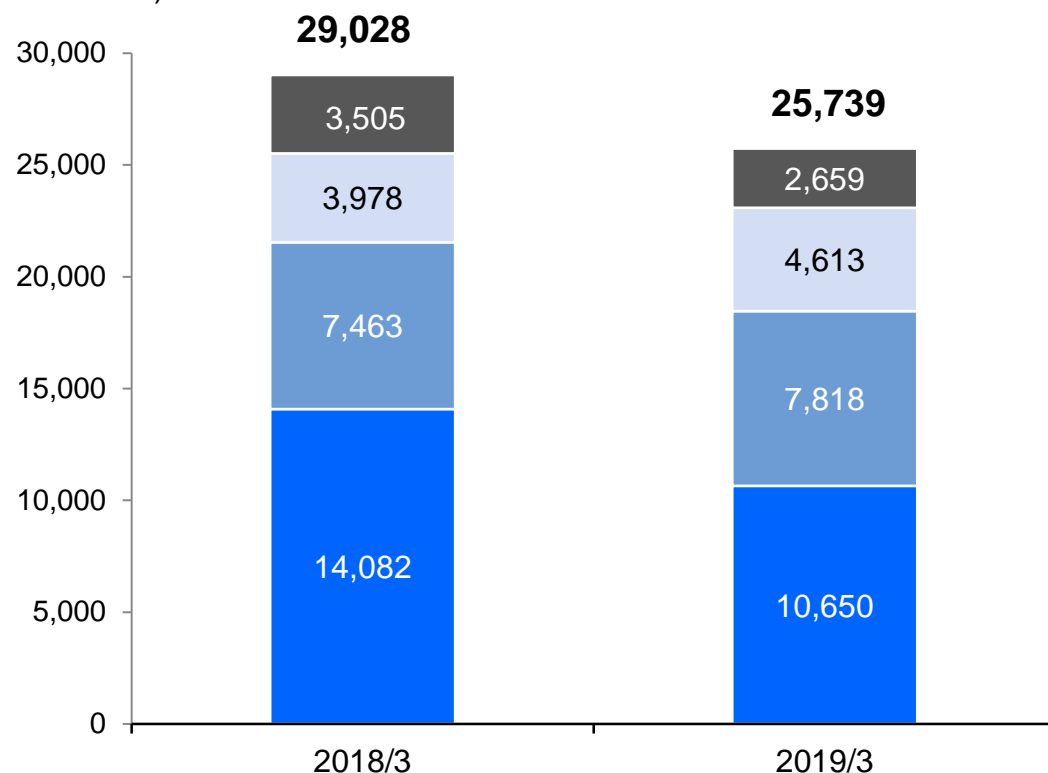
(JPY million)

	Japan		US		Asia Pacific		Crypto Asset		Investment	
	2018/3	2019/3	2018/3	2019/3	2018/3	2019/3	2018/3	2019/3	2018/3	2019/3
Total operating revenue after deducting financial expenses and cost of sales	29,028	25,739	17,417	19,338	931	808	-	2,077	2,772	414
SG&A	23,420	23,013	16,487	17,250	922	883	-	4,766	15	23
The amount equivalent to operating income	5,608	2,726	931	2,088	9	-75	-	-2,689	2,757	391
Other income / expenses (net)	191	-1,479	-649	-111	-234	26	-	957	25	-9
Profit before income taxes	5,799	1,247	281	1,978	-225	-48	-	-1,732	2,782	382
Profit attributable to owners of the Company	3,958	1,284	1,274	1,439	-246	-13	-	-1,826	1,751	326
Note	See P18 "total operating revenue after deducting financial expenses and cost of sales" for more details See P19 "SG&A" for more details		See P20 "total operating revenue after deducting financial expenses and cost of sales" for more details See P21 "SG&A" for more details							

Japan : Lower market trading volume. Pricing change for margin trading in Nov. 2017 led to higher market share and margin balance share. Tightened spread of FX services drove a rise in market share of trading volume

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2017 - Mar. 2018)

(JPY million)



Total operating revenue after deducting financial expenses and cost of sales
-11.3% (-3,289)

*Figures in parenthesis is the variance from FYE Mar. 2018 (JPY million)

■ Others (-846)

■ FX & fixed income (+635)

■ Net financial income (+355) *1

■ Brokerage commissions (-3,432) *2

*1 Net financial income of margin trading balance +367
 Margin balance Market balance - 1%
 Monex Securities' balance + 3% (ave.)

*2 Margin trading commissions rate, margin trading volume share

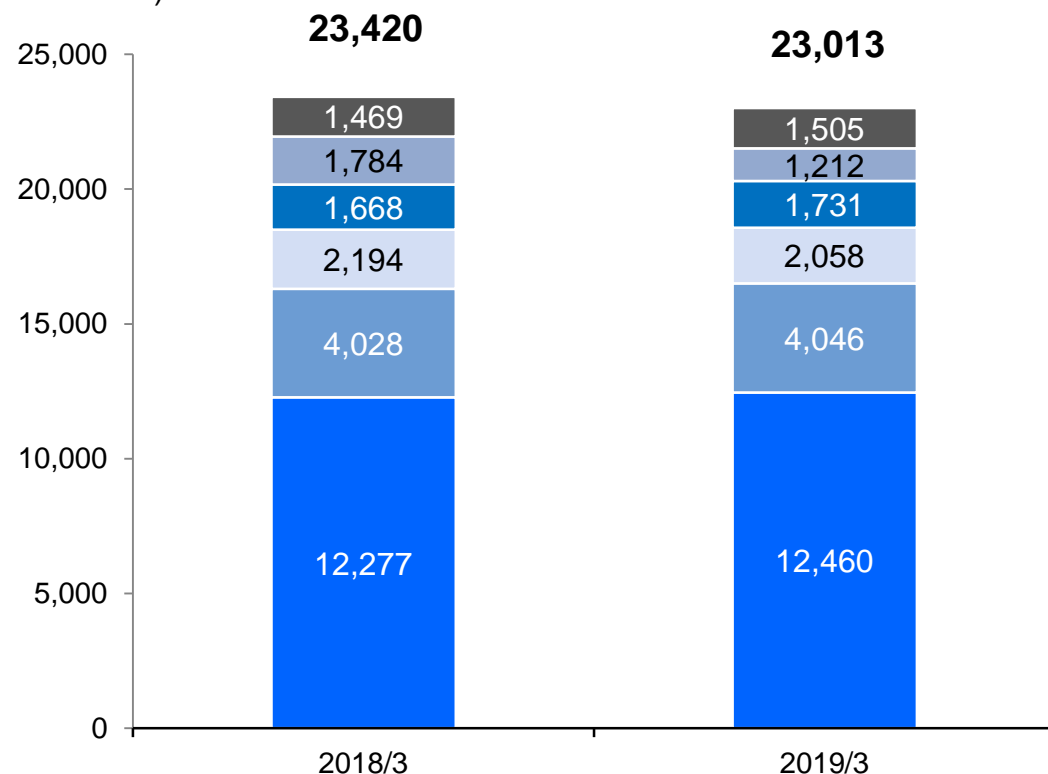
	Commissions rate	Volume share
FYE March, 2018	5.6bps	3.9%
FYE March, 2019	4.1bps	4.2%

Total trading volume of individual investors in two Japanese major equity markets, including ETFs etc.
- 14 %

Japan : Advertising expenses declined by 30% with efficient marketing practice while the number of account openings remained the same level. System related expenses increased primarily to enhance cyber security

■ SG&A (compared to Apr. 2017 – Mar. 2018)

(JPY million)



SG&A Total -1.7% (-407)

*Figures in parenthesis is the variance from FYE Mar. 2018 (JPY million)

- Others (+36)
- Advertising expenses (-572) *1
- Communication, freight and information expenses (+64)
- Commissions paid, exchange and association dues (-136)
- Compensation and benefits (+18)
- System related expenses (+183) *2

*1 The number of account openings -3%

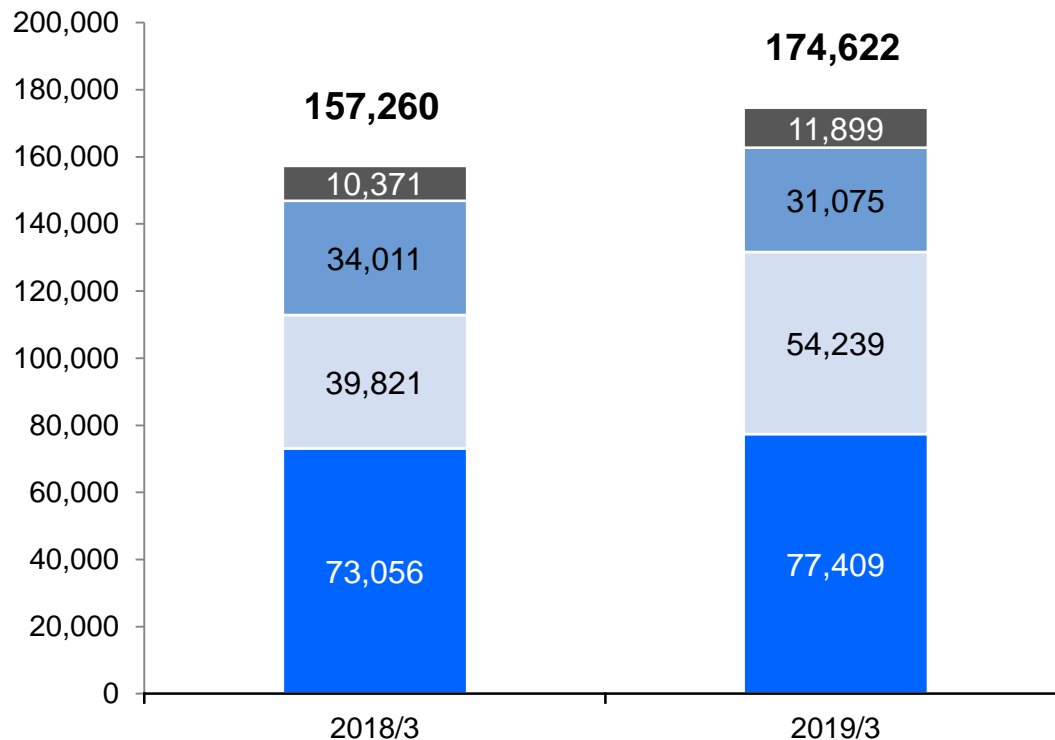
*2 Rental expenses -121

Maintenance expenses and data processing +244
 (Expenses to strengthen cyber security and others)
 Depreciation cost +61

US : Net financial income increased due to rising interest rates. Account growth and higher market volatility drove an increase in brokerage commissions

■ Total operating revenue after deducting financial expenses and cost of sales
(compared to Apr. 2017 - Mar. 2018)

(USD thousand)



Total operating revenue after deducting financial expenses and cost of sales
+11.0% (+17,362)

* Figures in parenthesis is the variance from FYE Mar. 2018 (USD thousand)

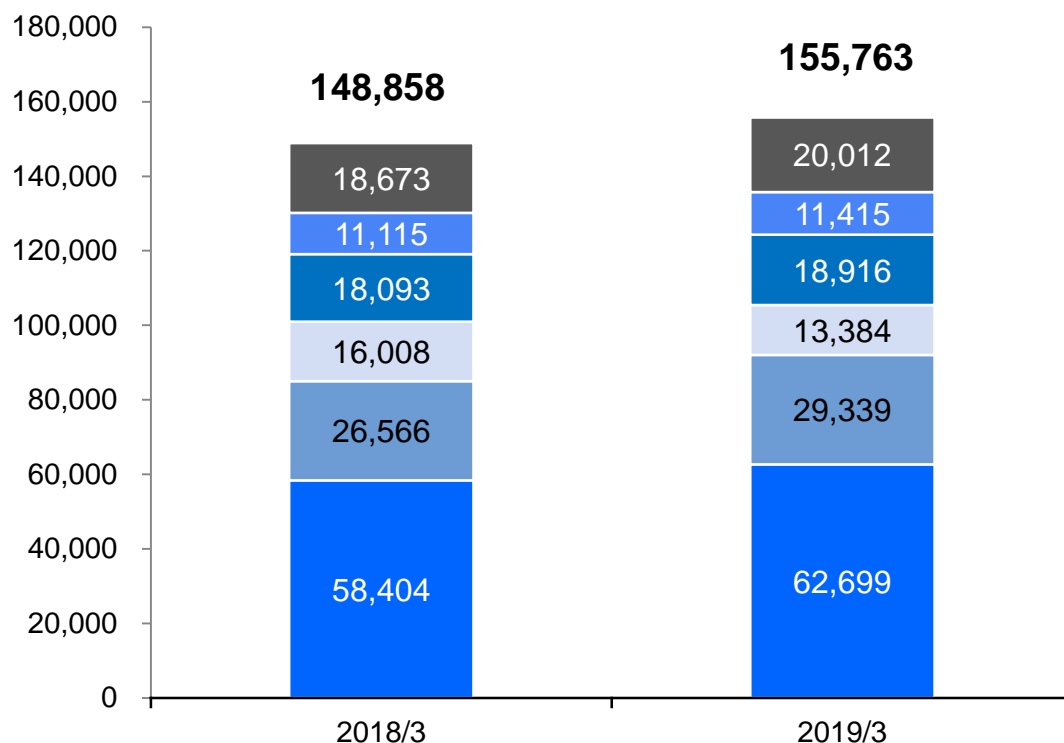
- Others (+1,529)
- Other commissions (-2,936)
- Net financial income (+14,417)
- Brokerage commissions (+4,352)

US : SG&A increased due to growing headcounts to support business expansion, and an increase in operating income including higher commissions paid by larger trading volume, and an increase in incentive compensation linked to the favorable company performance

SG&A Total +4.6% (+6,905)

■ SG&A (compared to Apr. 2017 - Mar. 2018)

(USD thousand)



* Figures in parenthesis is the variance from FYE Mar. 2018 (USD thousand)

- Others (+1,339)
- Advertising expenses (+300)
- Amortization and depreciation (+823)
- Communication, freight and information expenses (-2,624) *1
- Commissions paid and association dues (+2,773)
- Compensation and benefits (+4,295) *2

*1 \$ 2.9 M one-time expense recorded in Jun, 2017
\$ 1.2 M reversal of expense recorded in Oct, 2018

*2 Additional expense due to an increase in average number of employees: + \$ 1.5 M
479 for Mar 2017 - Mar 2018
504 for Mar 2018 - Mar 2019

Increase in incentive compensation linked to the Company's stock price and financial performance

+ \$ 2.5 M

(JPY million)

	3Q FYE Mar. 2019 (Oct. 2018- Dec. 2018)	4Q FYE Mar. 2019 (Jan. 2019- Mar. 2019)	Variance	Rate of change	Reference
Total operating revenue after deducting financial expenses	12,555	11,017	-1,538	-12%	P24: Analysis of Japan segment P26: Analysis of US segment (USD)
SG&A	11,207	11,290	83	1%	P25: Analysis of Japan segment P27: Analysis of US segment (USD)
The amount equivalent to operating income	1,349	-273	-1,621	-	
Other income / expenses (net)	45	-1,160	-1,205		Breakdown in DATA BOOK P20: - Quarterly consolidated financial results (Other income and other expenses)
Quarterly profit before income taxes	1,393	-1,433	-2,826	-	
Quarterly profit attributable to owners of the Company	951	-1,515	-2,466	-	

QoQ Comparison (3 months) Segment Performance

(JPY million)

	Japan		US		Asia Pacific		Crypto Asset		Investment	
	2019/3 3Q	2019/3 4Q	2019/3 3Q	2019/3 4Q	2019/3 3Q	2019/3 4Q	2019/3 3Q	2019/3 4Q	2019/3 3Q	2019/3 4Q
Total operating revenue after deducting financial expenses and cost of sales	6,981	5,647	5,115	4,985	186	209	518	302	10	89
SG&A	5,762	5,698	4,388	4,231	219	228	1,149	1,373	3	17
The amount equivalent to operating income	1,219	-51	728	754	-33	-19	-631	-1,071	8	73
Other income / expenses (net)	-83	-1,636	-69	-5	4	15	306	511	-28	1
Quarterly profit before income taxes	1,136	-1,687	658	749	-29	-4	-324	-560	-20	74
Quarterly profit attributable to owners of the Company	791	-1,139	467	528	-31	41	-237	-989	-18	47

Note

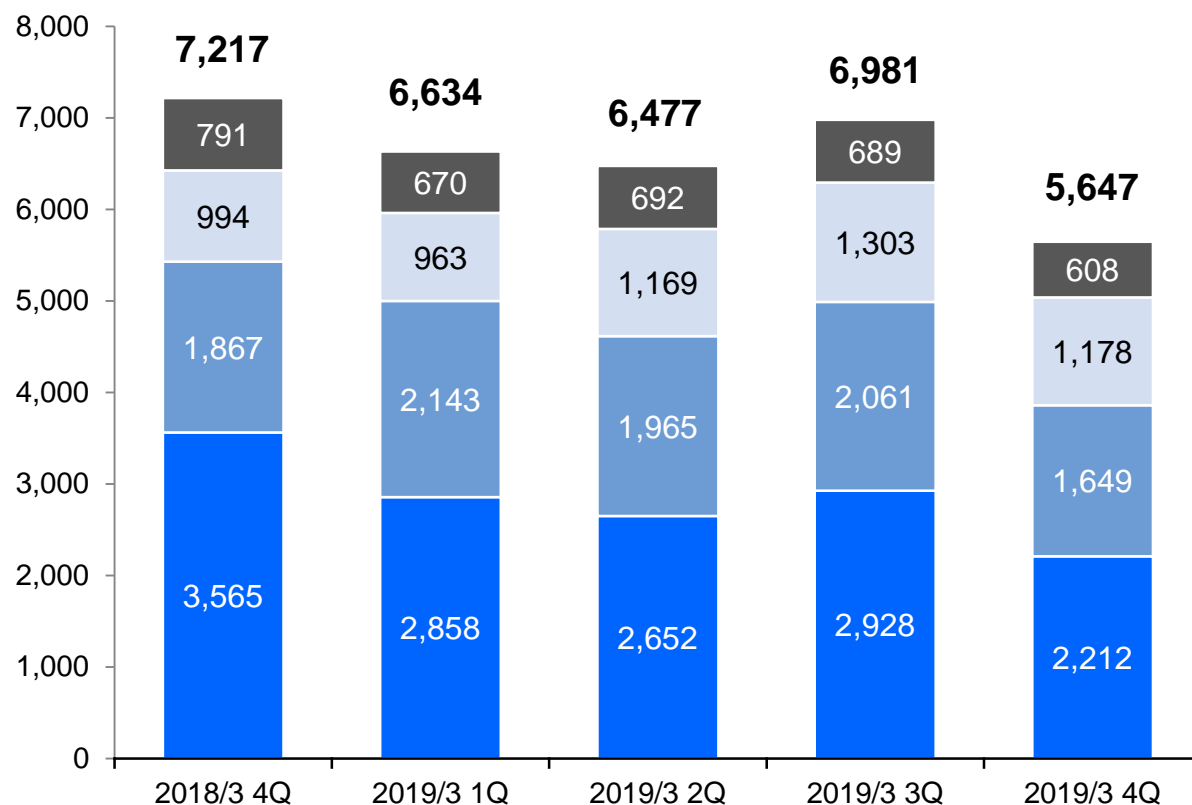
See P24 "total operating revenue after deducting financial expenses and cost of sales" for more details
See P25 "SG&A" for more details

See P26 "total operating revenue after deducting financial expenses and cost of sales" for more details. See P27 "SG&A" for more details.

Japan : Revenue decreased due to lower equities market trading volume and margin balance driven by lower trading of individual traders

■ 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 -19.1% (-1,334)

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

- Others (-80)
- FX & fixed income (-125)
- Net financial income (-412) *1
- Brokerage commissions (-717) *2

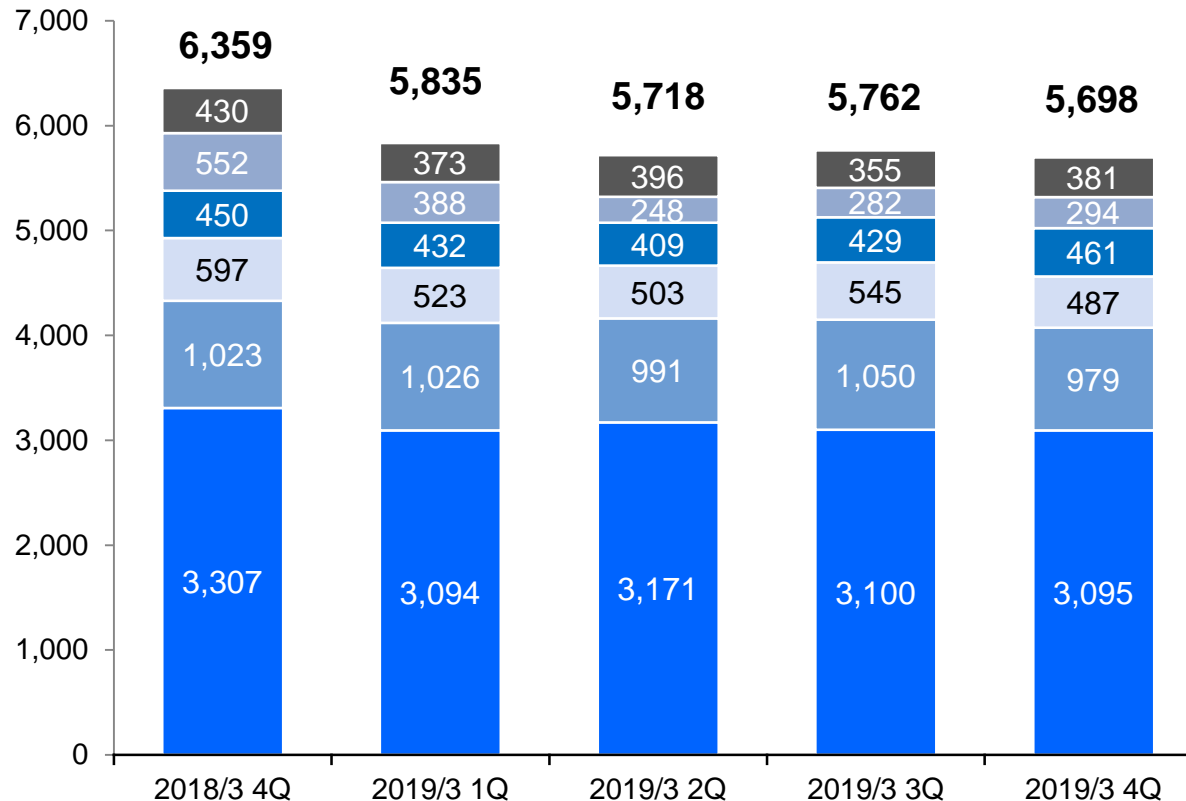
*1 Market margin balance -12%

*2 Total trading volume of individual investors in two Japanese major equity markets, including ETFs etc. -15 %

Japan : Commissions paid decreased due to lower market trading volume.
 Compensation and benefits decreased due to lower incentive
 compensation linked to the company performance

■ Quarterly SG&A

(JPY million)



Quarterly SG&A -1.1% (-64)

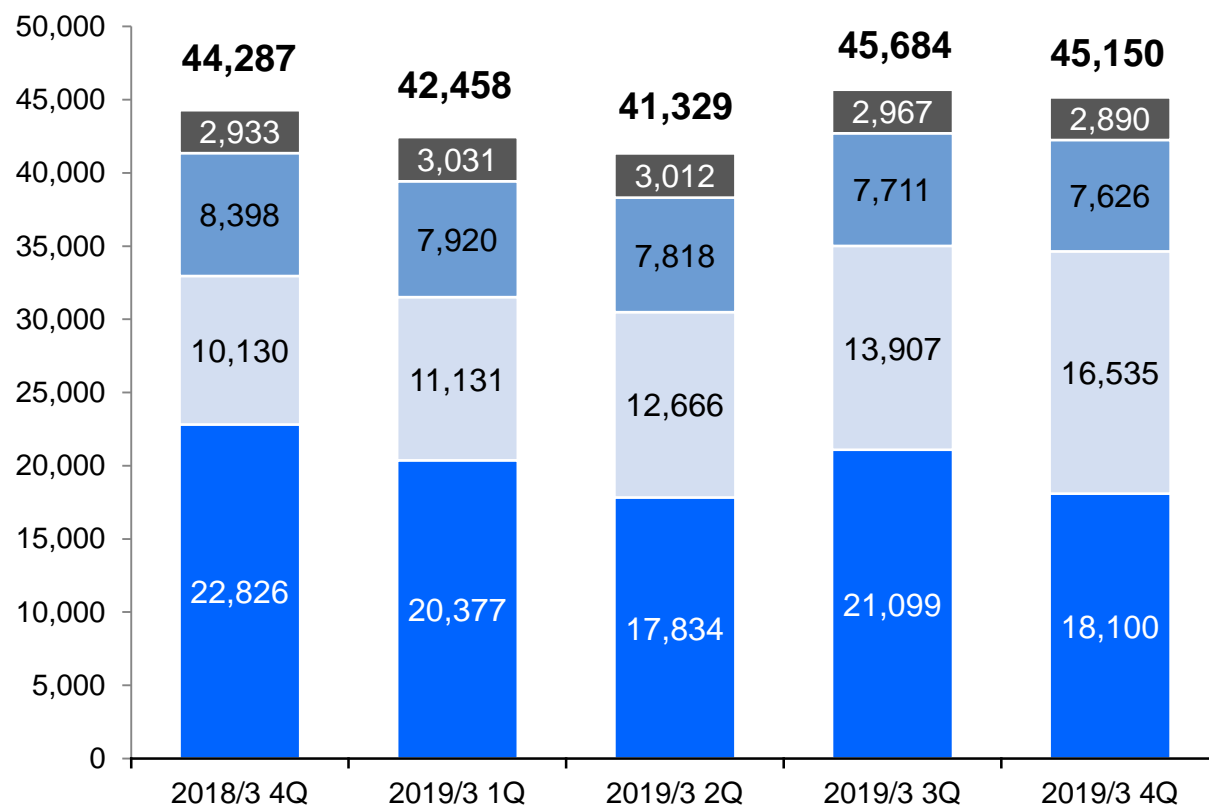
*Figures in parenthesis is the variance from previous quarter (JPY million)

- Others (+26)
- Advertising expenses (+12)
- Communication, freight and information expenses (+32)
- Commissions paid, exchange and association dues (-58)
- Compensation and benefits (-72)
- System related expenses (-5)

US : Net financial income increased for the last five consecutive quarters, driven by constant increase in net interest income, compensating the brokerage commissions decrease due to lower market volatility

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

(USD thousand)



Quarterly total operating revenue after deducting financial expenses and cost of sales -1.2% (-534)

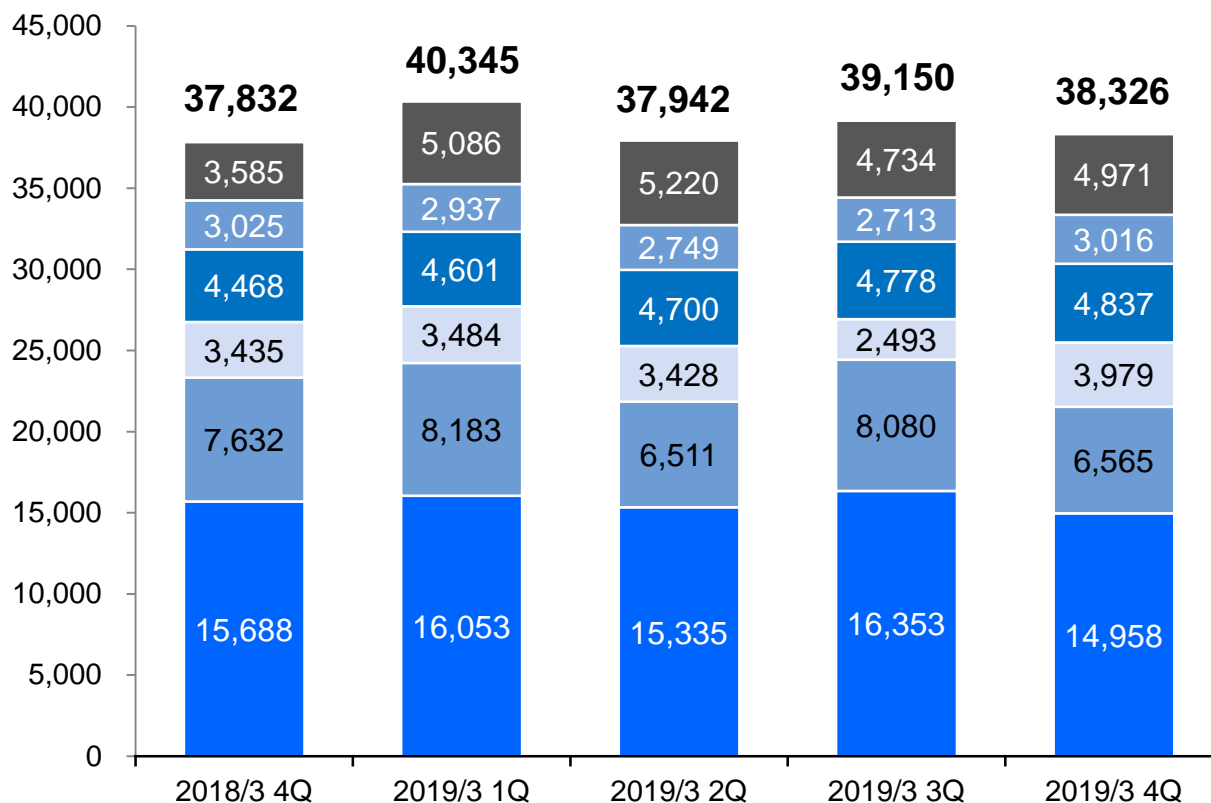
*Figures in parenthesis is the variance from previous quarter (USD thousand)

- Others (-78)
- Other commission (-85)
- Net financial income (+2,628)
- Brokerage commissions (-2,999)

US : Commissions paid decreased due to lower trading volumes

■ Quarterly SG&A

(USD thousand)



Quarterly SG&A -2.1% (-824)

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

- Others (+237)
- Advertising expenses (+303)
- Amortization and depreciation (+59)
- Communication, freight and information expenses (+1,486)*
- Commissions paid and association dues (-1,515)
- Compensation and benefits (-1,395)

* \$ 1.2 M reversal of expense recorded in Oct, 2018

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

◆ Summary of consolidated statement of financial position as of March 31, 2019

<u>Assets</u> JPY 1,027.9B	<u>Liabilities</u> JPY 947.7B
Major assets: Assets related to financial instruments trading business JPY 764.1B	Major liabilities: Liabilities related to financial instruments trading business JPY 940.0B
Others JPY 55.7B	Others JPY 7.7B
Cash and cash equivalents JPY 154.1B	
Non-current assets (*1) JPY 53.9B	Net capital JPY 80.1B

(*1) Non-current assets

Property and equipment	JPY	2.5B
Intangible assets (Goodwill)	JPY	17.0B (*2)
Intangible assets (Identifiable intangible assets)	JPY	10.5B (*3)
Intangible assets (Software and others)	JPY	20.2B
Equity method investments	JPY	0.3B
Available-for-sale investments in securities (Lv.3)	JPY	3.4B

(*2) Goodwill: JPY 17.0B

Japan JPY 7.6B, US JPY 8.9B, Asia Pacific JPY 0.4B

(*3) Identifiable intangible assets: JPY 10.5B

US JPY 10.0B, AP JPY 0.5B

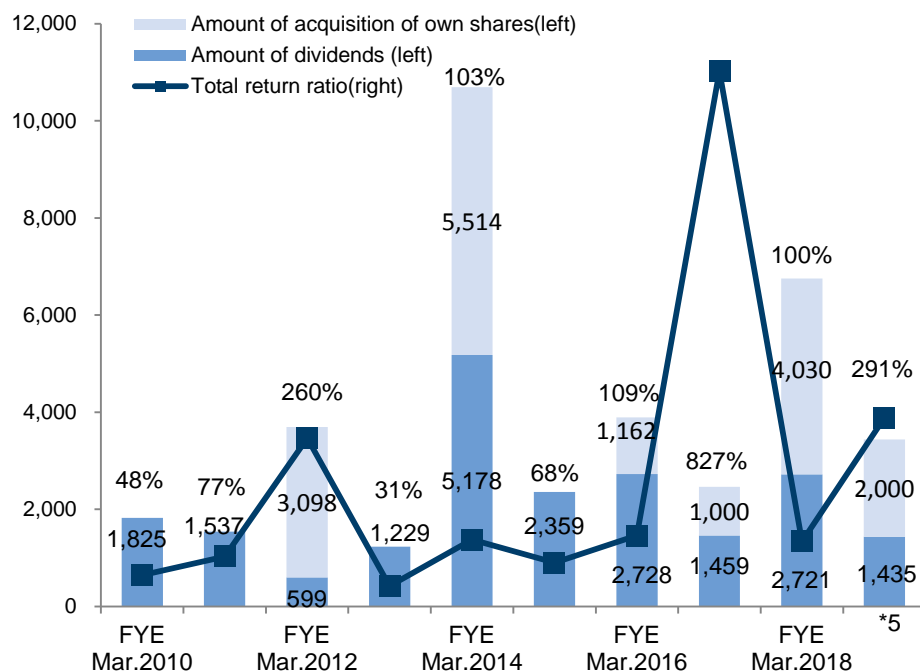
◆ The JPY 26.3B difference between Net capital (JPY 80.1B) and Non-current assets (JPY 53.9B) is the source of funds for the following:

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 distribution (dividends + share buyback)

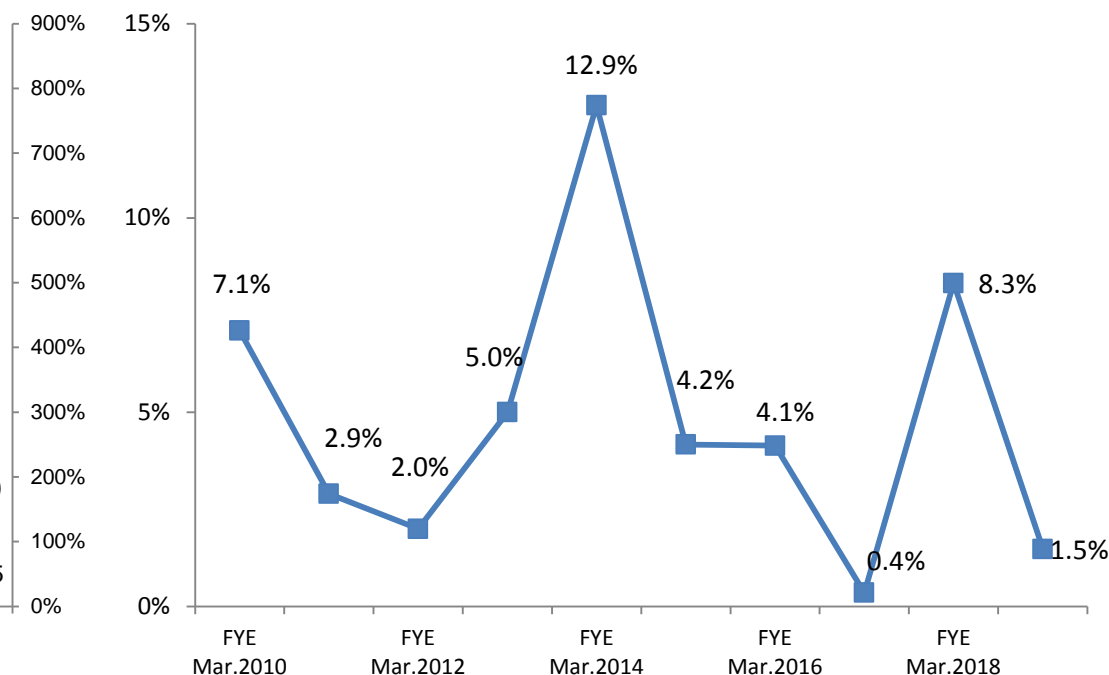
Total return ratio (*1) is 75% on a multi-year basis. The Company has calculated its forecast of year-end dividends based on the lower limit, 2% of annual DOE

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

(million yen)



◆ Return on Equity ratio



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

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

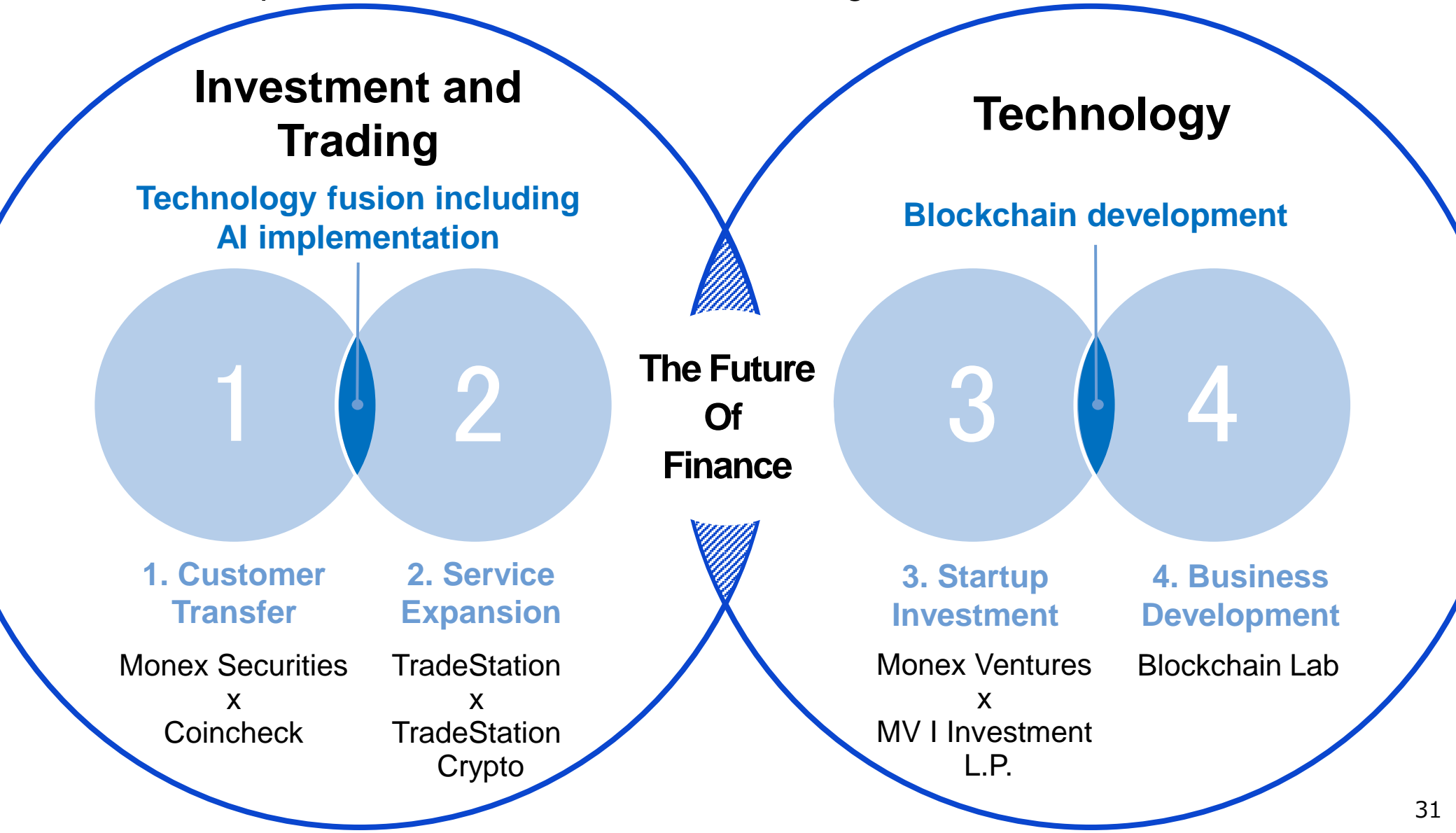
(*3) Refer to P54 "Dividend history" for more information of dividend per share

(*4) Amount of share buyback : JPY 3.1B in Jun. 2011, 5.5B in May 2013, 1.2B in Jul.-Aug.2015, 1.0B in May-Jun. 2016, 1.0B in May 2017, 3.0B in Feb.-Mar. 2018, 2.0B in Aug. 2018

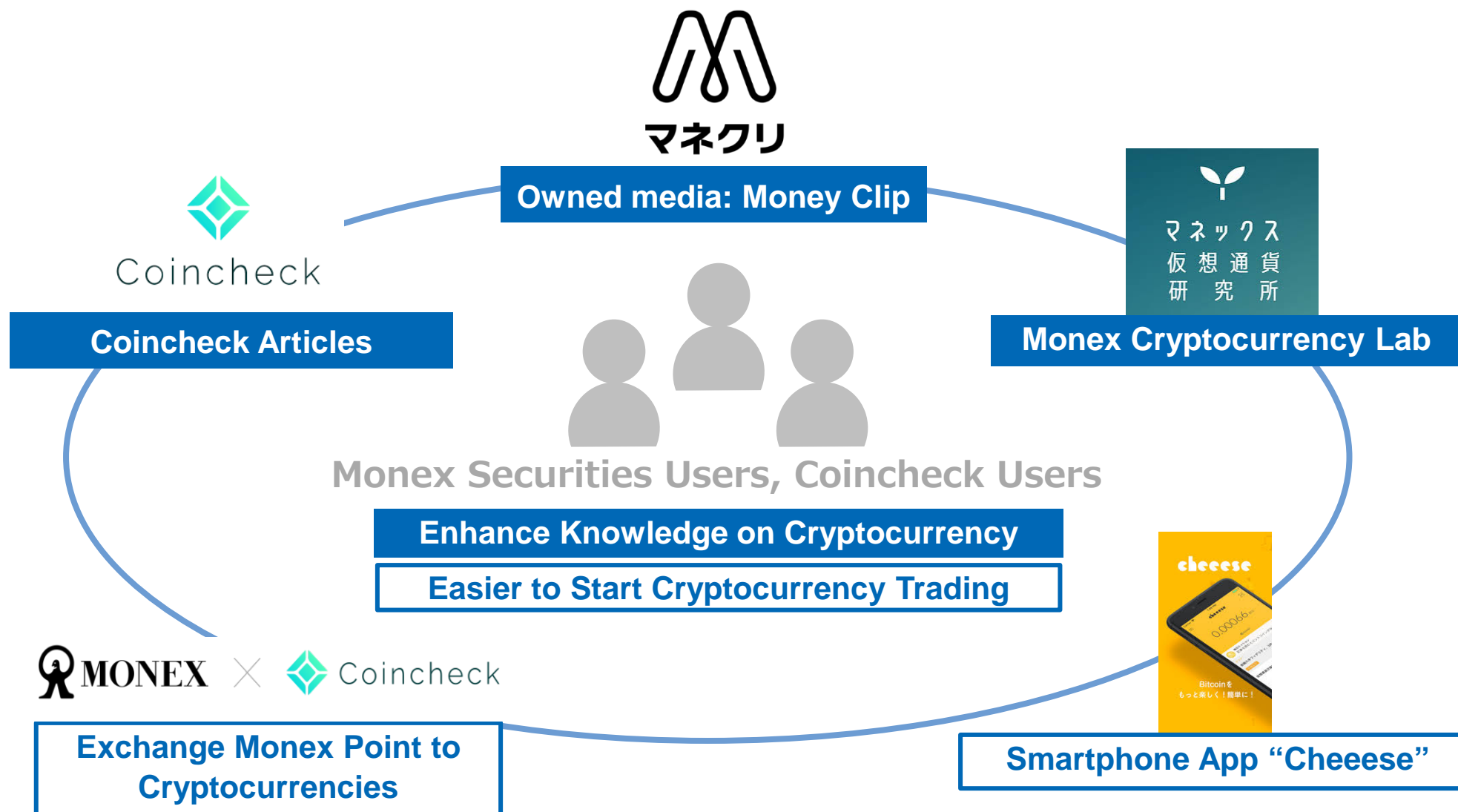
(*5) The forecast of dividend payment of FYE March 2019 is JPY 1,435 M.

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- I. Highlights
 - II. Consolidated Performance
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Promote cooperation between each business segment to realize Global Vision III



Set multiple customer intersection between Monex Securities and Coincheck



Market share of FX trading increased. Revenue from US equity trading decreased due to the market condition

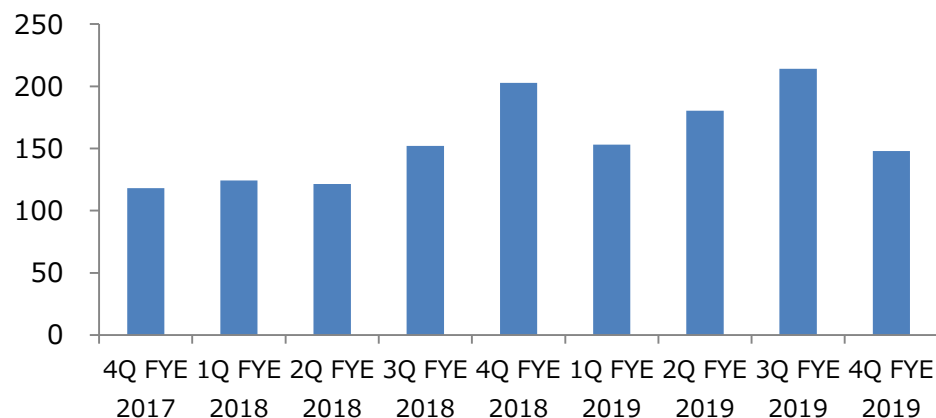
US Equity Trading



- Number of trade through the smartphone app reached 30% at record high
- Transaction volume decreased since Japanese investors could not catch up with the rise in market prices
- Quarterly revenue was ¥ 150 M (-30% vs 3Q FYE 2019)

◆ US equities revenue

(JPY million)

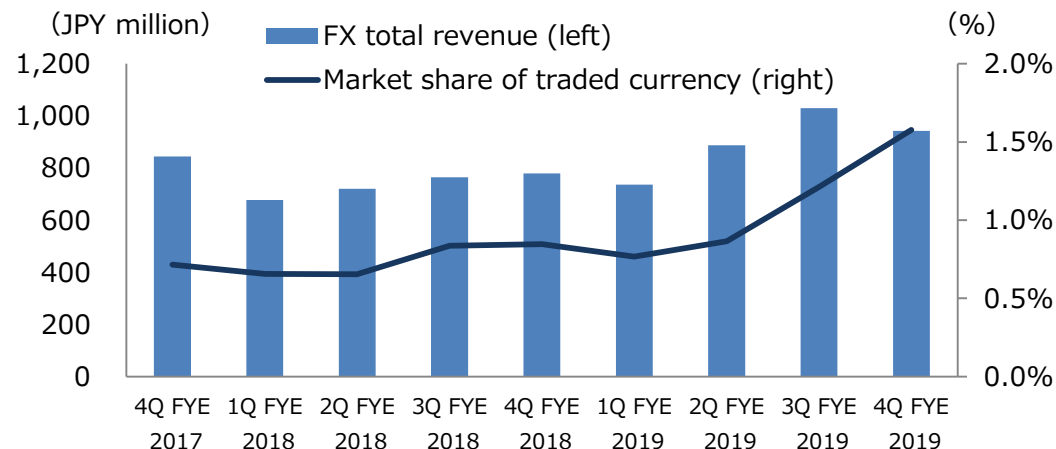


FX Trading



- The spread of the Monex Securities' FX service "FX PLUS" was tightened in Nov 2018. Market share of FX trading volume has largely increased
- Market share of traded currency in FX trading reached to 1.6%, twice as large as 4Q FYE 2017

◆ Total FX revenue and market share



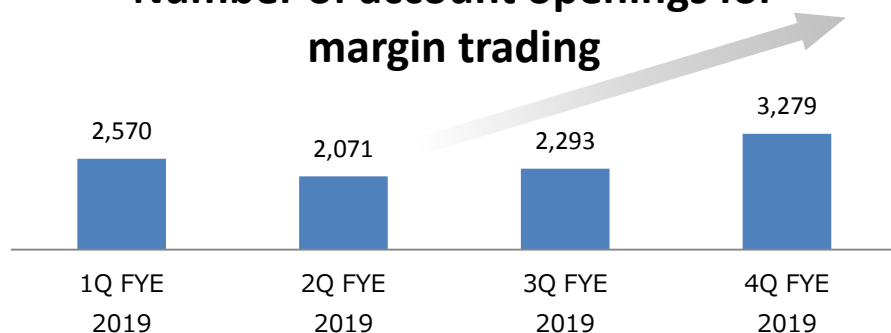
Expanded margin trading service and enriched the financial instruments intermediary service with other financial institutions

Margin trading

Enabled investors to make short trades in general margin trading dated Mar. 23

- Customers are able to make short trades with an indefinite repayment period
- Number of account openings increased by 43% (vs 3Q FYE 2019)
- Share of margin trading in overall trading volume in Monex Securities healthily increased to 57% this quarter

Number of account openings for margin trading



Intermediary Service with Financial Institutes



Monex-Saison-Vanguard Investment Partners, Inc.

- Investment balance is about ¥ 41.1 B (*). Changed its logo for its brand extension
- “MSV LIFE” is offered at Monex Securities, Shizuoka Bank and Credit Saison. Enabled to use specified account at Monex Securities
- An asset management service “MSV COMPASS+”, combined face-to-face support with online self-directed services, started to be offered at Akatsuki Securities, Inc.

* As of Apr 15, 2019. Balance including a wrap service for individuals and investment entrusted by institutional investors

Financial Instruments Intermediary Service

- Shizuoka Bank and FIDEA Holdings Co., Ltd. (Shonai Bank and Hokuto Bank) offers financial instruments intermediary service with Monex Securities

Monex Securities launched a new initiative “Monex Activist Forum”

An initiative called “Monex Activist Forum” began by Monex Securities to help individual traders execute shareholders’ rights in a well-thought manner

- Objective

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

- Activist Forum on May 19

The Activist Forum will be organized inviting 800 individual investors on May 19. Active managers, activist fund managers, and experts dedicated to improve corporate value to get together and to discuss how shareholders should communicate with companies

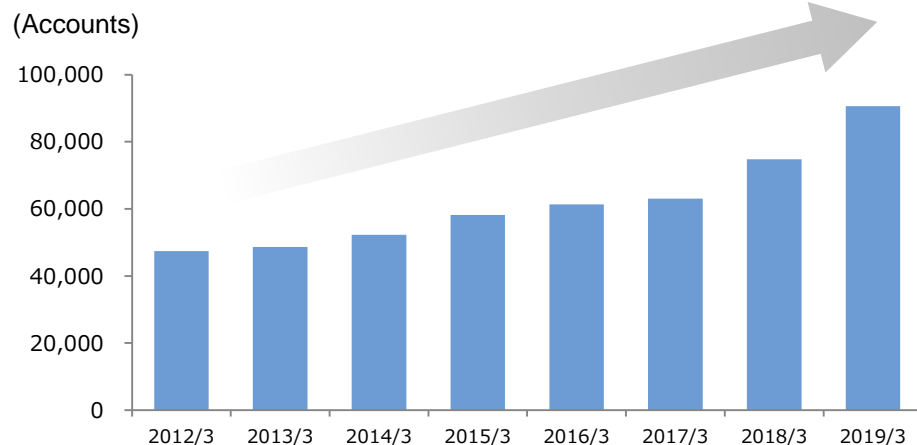
Activists who is attending Monex Activist Forum on May 19

- OASIS Management Company Ltd. (confirmed)
- TAIYO PACIFIC PARTNERS LP (confirmed)
- King Street Capital Management, L.P. (invited), etc.

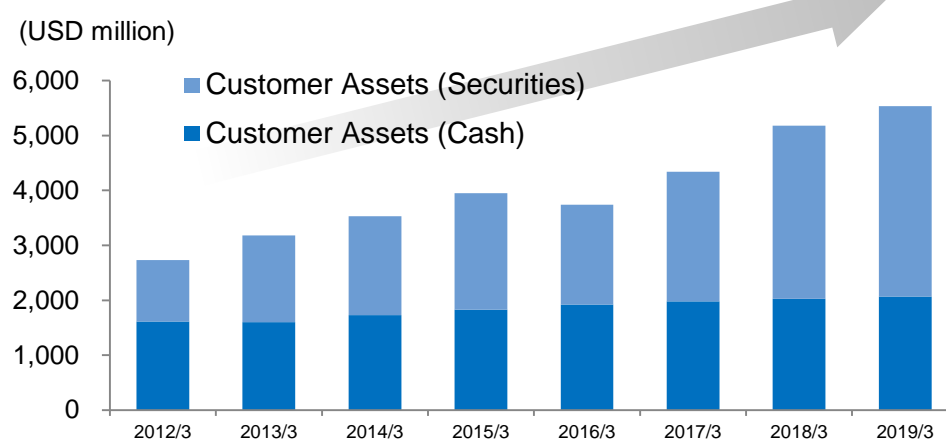
Segment profit increased for the last five consecutive quarters and generated the highest quarterly profit among five business segments in Monex Group

- Segment profit of this quarter was \$ 7 M, the highest among the five segments in Monex Group
- New branding and simplified offerings successfully attracting casual traders/millennials to expand customer base
- Number of active accounts continues to grow, while total client assets increased, consistent with the overall market rise
- Chosen for “America’s Top 5 Online Brokers Overall” by Investopedia. Rated “#1 Platform Technology” by StockBrokers.com for the last seven consecutive years
- TradeStation Crypto, Inc. is preparing a U.S. cryptocurrency trading offering

◆ Account growth



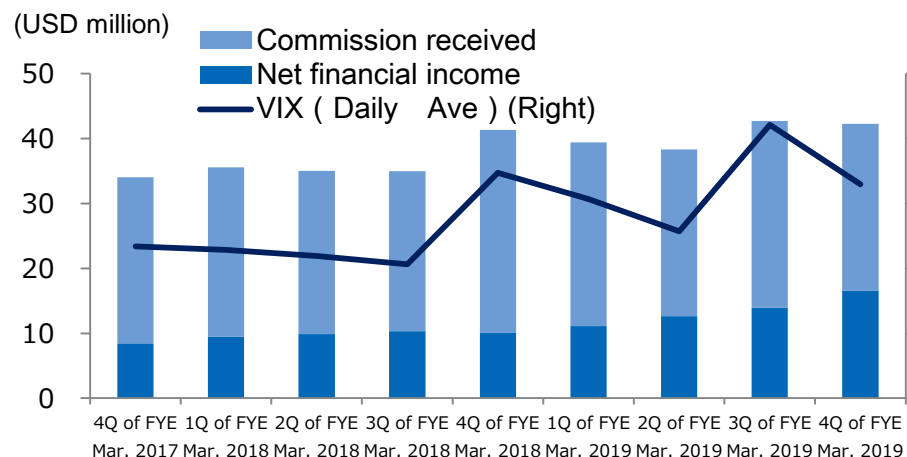
◆ Assets in custody



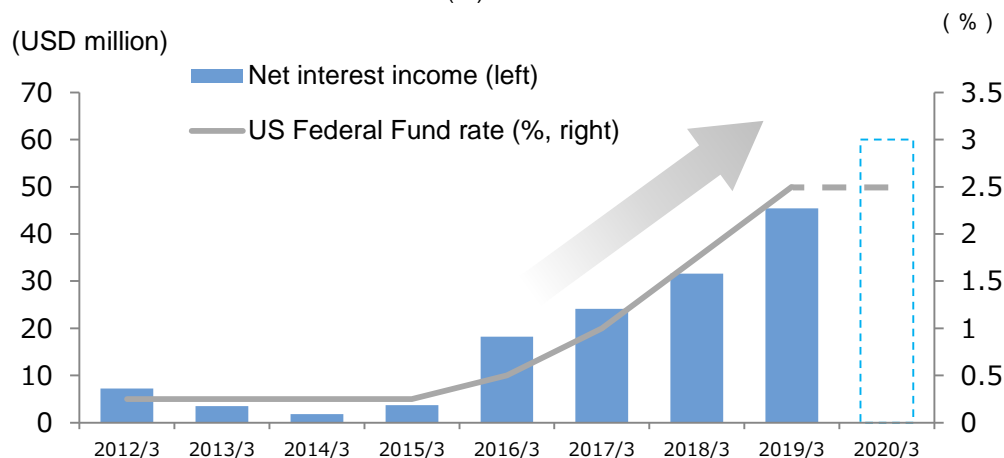
Net financial income is forecasted to largely increase in FYE March 2020, driven by larger net interest income

- Commission received plus net financial income decreased by 1% from previous quarter
- Market volatility declined in 4Q and quarterly DARTs average decreased by 13% (vs 3Q FYE Mar. 2019)
- Though commission received declined by 11% from previous quarter, a large increase in financial income provided diversification to its volatility-dependent earning structure
- \$ 1 B of customers' assets in custody started to generate a higher interest income after the expiration of interest rate swap last November. Net interest income^(*1) reached \$ 15 M this quarter

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



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



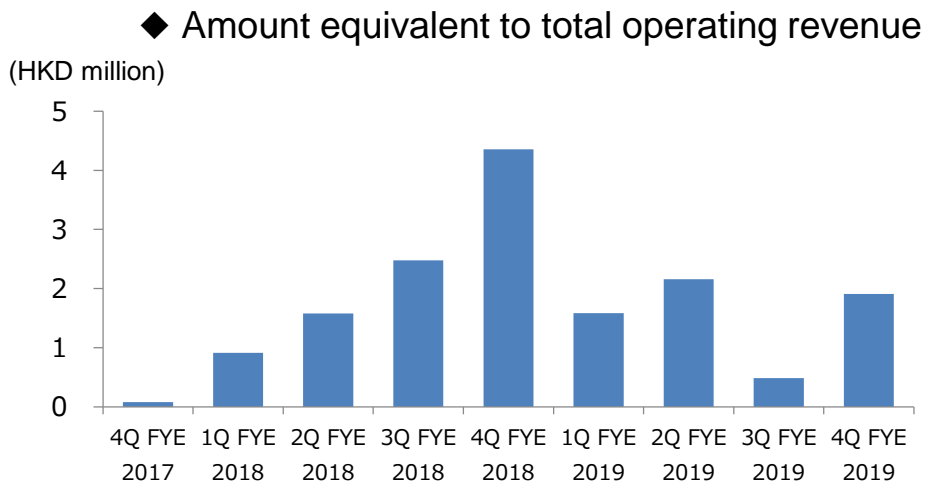
*1 Excluding income from margin trading and stock lending

*2 Daily average

Monex Boom Securities remains profitable for the last nine consecutive quarters

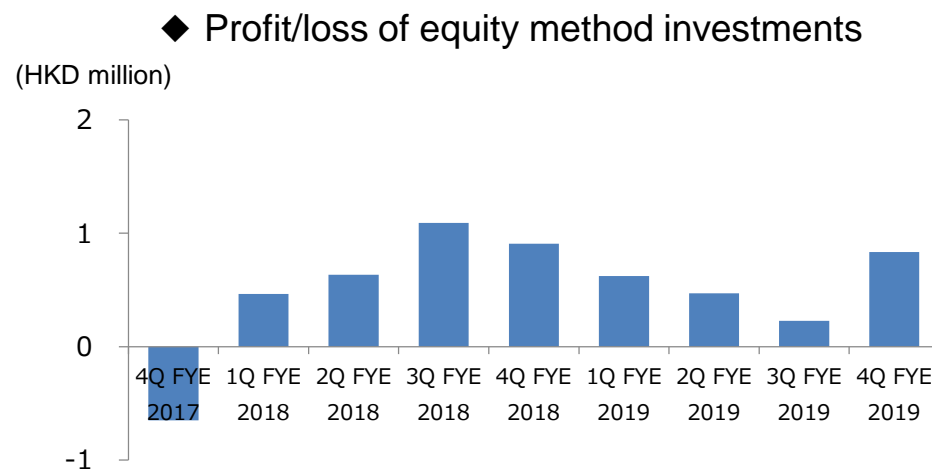
Monex Boom Securities (HK)

- Recorded the amount equivalent to operating income for the last nine consecutive quarters due to an increase in net financial income, despite lower market activity



Cherry Technology Co., Ltd (China)

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



Monex Securities Australia Pty Ltd (Australia)

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

Segment loss increased by a revenue decrease, due to lower market transaction of cryptocurrency, and an increase in expenses for strengthening internal control and security. Implement controls over expense going forward

4Q FYE March 2019 (Crypto Asset Segment)

(Billion yen)	3Q FYE March 2019 (3 months)	4Q FYE March 2019 (3 months)
Total operating revenue after deducting financial expenses and cost of sales	0.5	0.3
Selling, general and administrative expenses	1.1	1.4
The amount equivalent to operating income	-0.6	-1.1
Profit before income taxes	-0.3	-0.6*

* Recorded other financial income of ¥ 0.53 B as the reversal of accounts payable due to a decrease in fair value of contingent consideration (accounts payable). No other reversal income will be recorded as the fair value in Mar. 2019 is zero

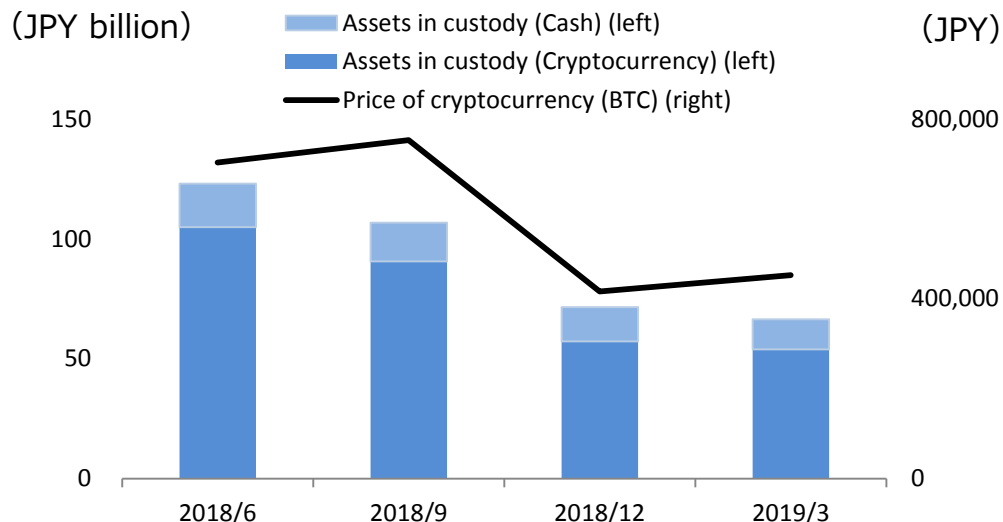
As of today, the lawsuits filed against Coincheck have had only a minor impact on the financial status of the Company

Growth potential in customer base where the millennials are the majority

Assets in Custody

Correlating with the Bitcoin prices, assets in custody at Coincheck has gradually decreased

◆ BTC price and assets in custody at Coincheck



Customer Transfer within Monex Group

1.75 Million

Number of downloads
of Coincheck app

0.9 Million

Number of users with
personnel identity confirmed



1.82 Million

Number of accounts at
Monex Securities

Marketing initiatives in preparation

- Execute promotion initiatives to improve financial literacy among customers
- Improve onboarding process from download to first trade
- Collaboration with group companies

Expand the potential growth of Crypto Asset segment by strengthening investors protection, resumption and launch of services at Coincheck as well as new business development utilizing Blockchain technology

Coincheck Projects/Initiatives

- Coincheck compensated users for BitcoinSV, generated from a hard-fork chain split of Bitcoin Cash, in Japanese yen for the first time in Japan
- Run “Blockchain Lab (BCLab)” with an aim to provide Blockchain or cryptocurrency technology solution to various companies (eg. Blockchain application to customer management and loyalty management)
- Launched “OTC trading service for large customers” (Bitcoin, Ethereum, Ripple)
- Resumed “Coincheck Denki” service enabling users to pay electric bills with Bitcoin
- Resumed “JPY depositing at convenience stores” and “JPY quick depositing (Pay-easy)” services

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

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

QR Link to Cheeese App



iOS QR code



Android QR code

Description of Cheeese

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



Established a flagship fund “MV I Investment Limited Partnership” in a total committed capital of ¥ 2.5 B

Entity and scope of investment

Monex Ventures, Inc.	: Principle investment with a focus on Fintech companies
MONEX EDISON Investment Limited Partnership	: Leveraging track-record of investments in Fintech companies, its investment scope is expanding further to include non-financial start-ups in seed- and early-stages
Japan Growth Investments Alliance, Inc. (J-GIA)	: PE investment specializing in growth capital and small-cap buyout of small and medium-sized enterprises with a potential for growth
MV I Investment Limited Partnership	: Investment to new financial infrastructure or its application providers as well as companies in other area specializing in cutting edge technology (Three investments have been executed)

Listed/Sold investments record

Online life insurance
invested in 2006



Listed in Mar. 2012
on TSE Mothers (sold)

PFM*
/Crowd Accounting
invested in 2012



Listed in Sep. 2017
on TSE Mothers (sold)

Information platform
/Curation
invested in 2009

U Z A B A S E

Listed in Oct. 2016
on TSE Mothers (sold)

Online reservation
App for upper-end
invested in 2016



Sold all shares in Dec. 2018

R&D purpose investment**

IoT
Invested in 2018



Keychain

Blockchain
Invested in 2018

loyyal

Blockchain
Invested in 2018

globaliD

Blockchain
Invested in 2018



Cryptocurrency
Invested in 2018

Terra

Cryptocurrency
Invested in 2018



Cryptocurrency
Invested in 2018

ErisX

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

Business Update Investment Segment

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

Expand investments mainly to Fintech companies, to which Monex Securities will propose IPO lead arranger

P2P lending



(registered as Type 2 Financial Instruments Business)

EC



Payment



DLT*



Mortgage loan consulting



(registered as moneylender)

AI/Big Data



B2B Robo-advisor



AI/Big Data



Custom-designed Investment platform



(registered as Type 1 Financial Instruments Business)

Stock Investment type Crowd funding



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

Crypto asset related business



Web media



Vertical EC



AI/Big Data



Robot Advisor



Crypto-asset related business



LOGICA

Photo EC



AI/Big Data



VR



Vacation Rental



Interactive Advertisement



Online hair salon reservation platform



Sales management tool in Africa



P2P transaction of hotel bookings



IoT



IoT



Gift EC



Mental Health Care



Sleep improvement service



E-money platform



Car dealing platform



iROBOTICS

Invested in 2014

Invested in 2015

Invested in 2016

Invested in 2017

Invested in 2018

Invested in 2019

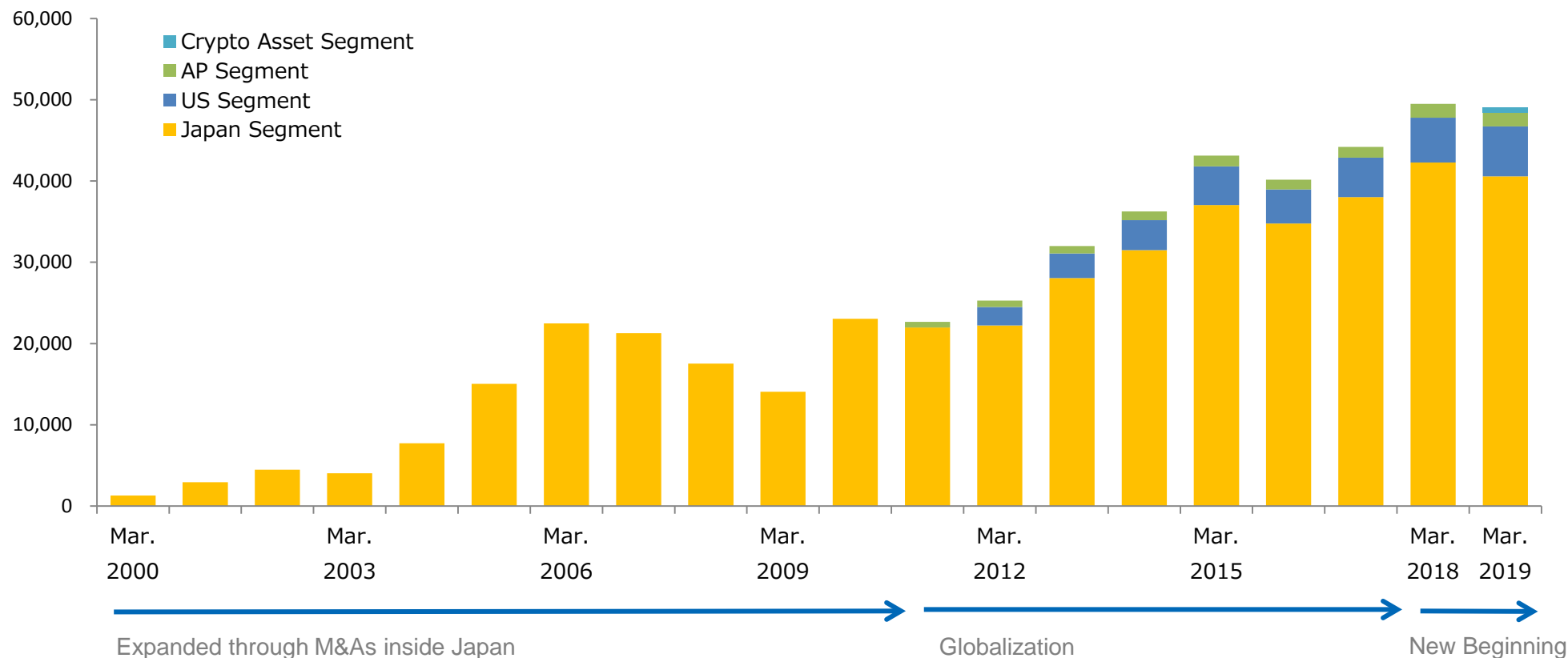
* DLT=Distributed Ledger Technology

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

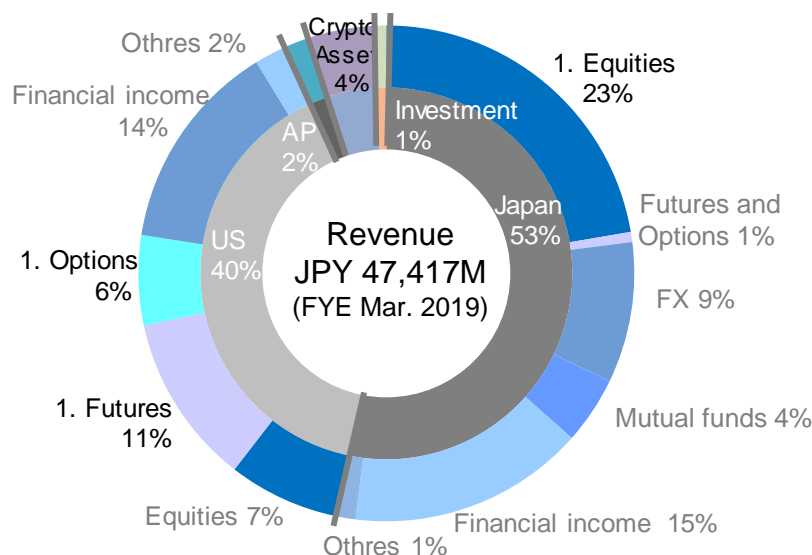
Appendix. Group Overview

- ✓ Japan: 1.82M accounts, Crypto Asset: 1.75M users, US: 110K accounts, AP: 13K accounts.
Global customer base as a group
- ✓ Aim for continuous growth in the online brokerage business and enhancement of crypto asset business for retail investors as our core business

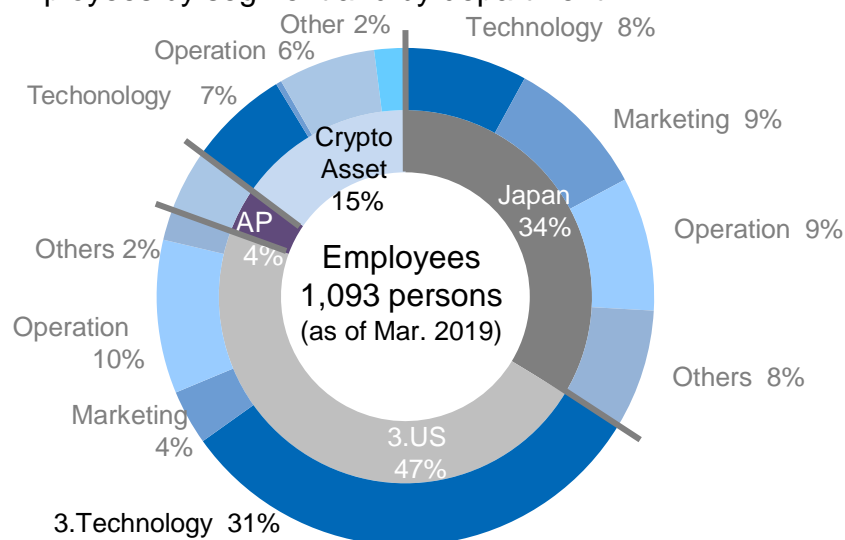
(JPY 100 million) ◆ Consolidated Assets in Custody



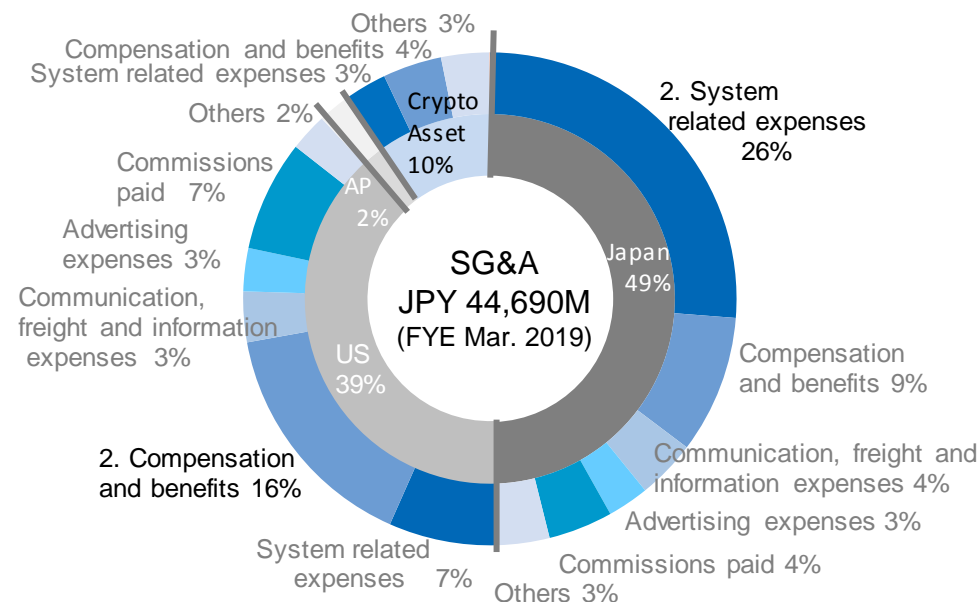
◆ Total operating revenue after deducting financial expenses by region and by business



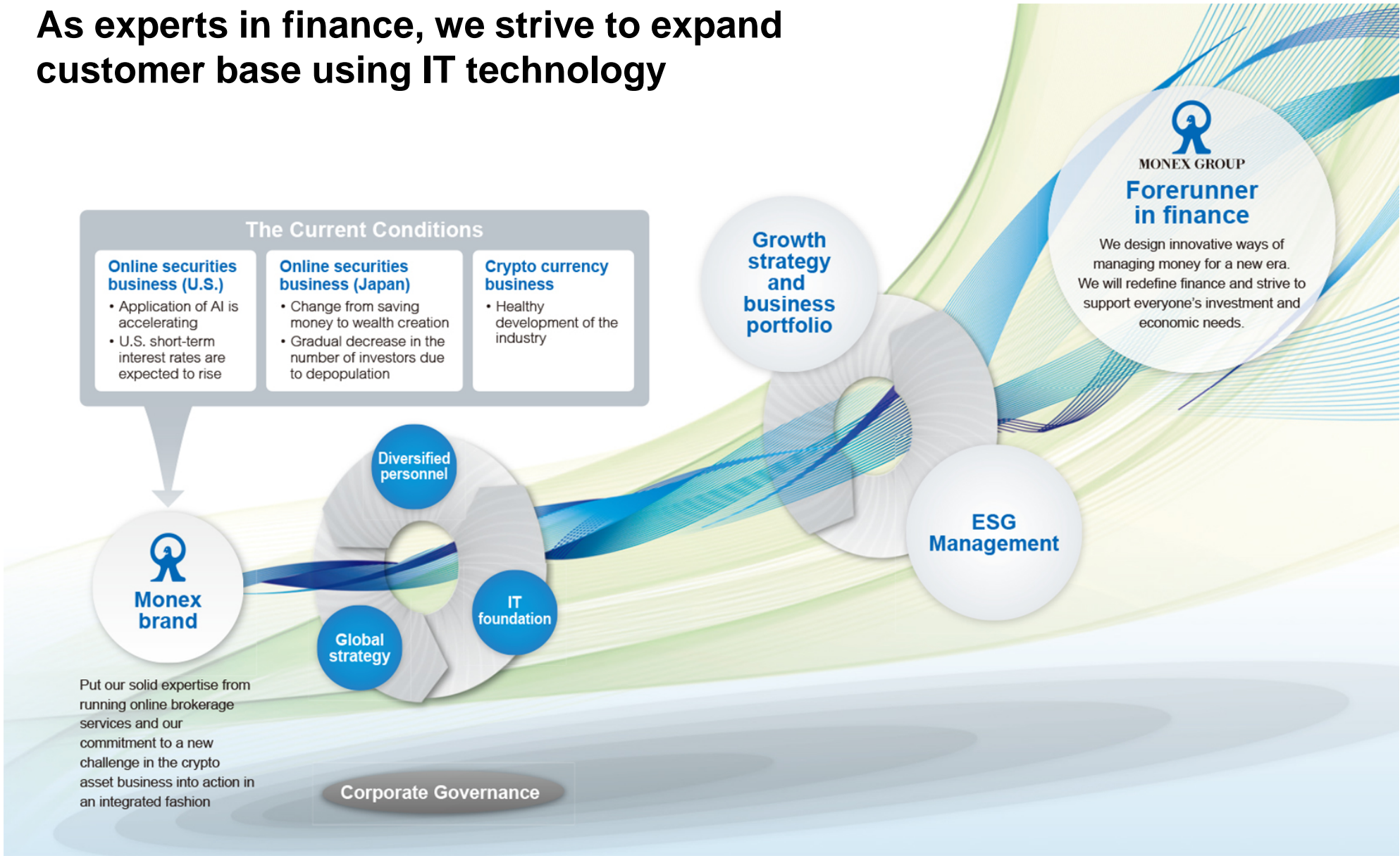
◆ Employees by segment and by department



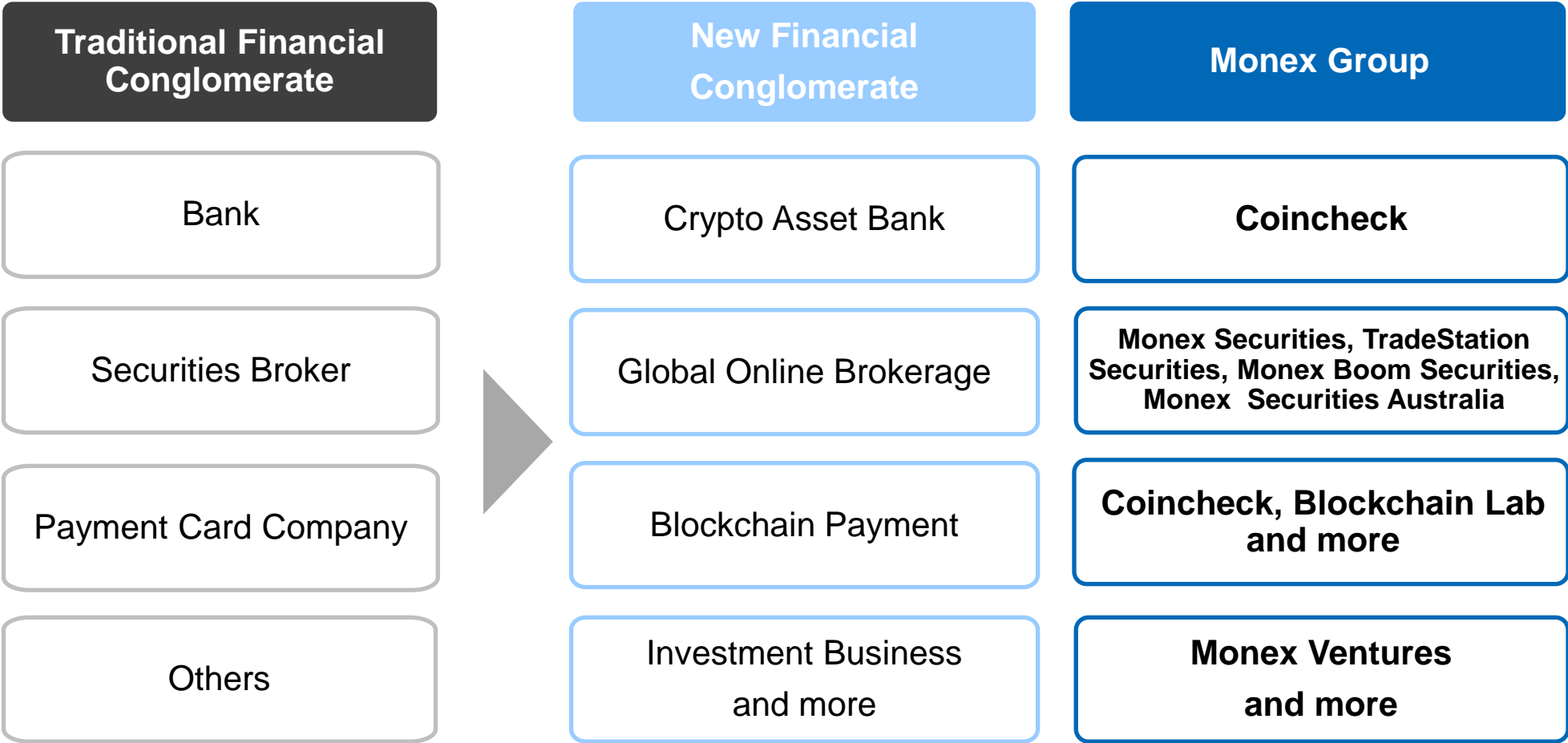
◆ SG&A by segment and by cost items



- *1. Total operating revenue after deducting financial expenses : Japan accounts for 1/2. Revenue in Japan primarily from equities while revenue in the US primarily from futures and options
- *2. Total SG&A : Japan accounts for 50% and US accounts for 40%. However, half of the Japanese portion is made up of system related costs, whereas the largest percentage of the US total is from compensation and benefits costs
- *3. Employees: US accounts for 50%. US has a larger number of technology-related employees as it internally develops its system



New financial conglomerate in a new age



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

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

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

Directors with various backgrounds

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

Fair disclosure and dialogue for retail/institutional investors

- Timely and fair information disclosure both in Japanese and English
- Active dialogue with shareholders: CEO holds quarterly presentation sessions for retail shareholders
- Annual general meeting of shareholders is held on weekend so that retail shareholders can attend the meeting

(Reference)

14th ordinary general meeting of shareholders (June 23, 2018)

Attendance of shareholders: 468



MONEX GROUP

Monex Group, Inc.

(As of March 31, 2019)

Listed Holding Company

[Japan]

Online Securities Company



MONEX

Monex, Inc.
Comprehensive investment
service provider

Cryptocurrency exchange
service provider



Coincheck

Coincheck, Inc.
Cryptocurrency exchange platform
"Coincheck"

Corporate Venture Capital



Monex Ventures, Inc.
Venture capital business

Monex Finance Corporation

Finance company for the group companies
of Monex Group

Asset Management



Monex-Saison-Vanguard Investment Partners, Inc.

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

Cryptocurrency

Monex Crypto Bank, Inc.

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

[US/Europe]



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

Online Securities Company

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

Technology

TradeStation Technologies, Inc.
(US)

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

EU Base

TradeStation International Limited
Introducing international customers

[Asia Pacific]

Monex International Limited
Holding Company in Hong Kong

Online Securities Company



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

Beijing Representative Office
(Monex, Inc.)

Online Securities Company



Monex Securities Australia Pty Ltd
(Australia)

Technology support

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

■ Monex, Inc. (Tokyo, Japan)

One of the major online brokerage firms in Japan

- President : Oki Matsumoto
- Founded in 1999
- Aims to provide retail investors the level of creative products & services offered to institutional investors
- First in the Japanese industry to offer unique services & products for retail investors (Examples): PTS/ECN, stock lending, lead manager in an IPO as an online broker, RMB bonds, No.1 U.S. equity service in Japan (the largest number of stock names available, the longest trading hours & the lowest commissions), offering the largest-class private equity fund in the world, First smartphone app for US equity as major online broker
- Products & services: Equities (Japan, U.S., Hong Kong), futures & options, FX, mutual funds, bonds, investment education, etc.
- # of total accounts: 1.8 million
- # of active accounts: 1.1million
- ("Active accounts": accounts with balance or with at least one trade or transaction a year.)
- Customer assets held in custody: JPY 4.1 trillion

■ Coincheck, Inc. (Tokyo, Japan)

- President : Toshihiko Katsuya
- Founded in 2012, joined Monex Group in April. 2018
- Offers cryptocurrency exchange service for 1.7 million users
- Number of accounts which identity is confirmed: 0.9 million

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

Online securities group with award-winning trading technology development capabilities

- President: John Bartleman
- Founded in 1982, joined Monex Group in Jun. 2011
- An award-winning TradeStation platform recognized and highly regarded by active traders; a multi-asset platform with a robust algorithm trading language (EasyLanguage®) that enables sophisticated analysis capabilities and back-testing ability
- Licenses "TradeStation" platform as a technology provider to brokers in Japan, China and Korea
- Products & services: Equities (U.S.), options and futures
- # of active accounts: 90,578
- Customer assets held in custody: JPY 613 billion

■ Monex Boom Securities (H.K.) Limited

- Offers access to over 12 markets
- COO: Ivan Law
- Founded in 1997, joined Monex Group in Dec. 2010
- First online stockbroker for retail investors in Asia Pacific
- Products & services: Equities (12 markets such as Hong Kong, US, Japan, etc.) Trades available in 6 currencies in a single trading account
- # of accounts with balance: 12,918
- Customer assets held in custody: JPY 167,900 million

■ Monex Securities Australia Pty Ltd (Australia)

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

	Japan	U.S.	Asia Pacific
1982		- TradeStation Technologies, Inc. is formed as Omega Research, Inc.	
1997		- TradeStation stock lists on NASDAQ	- Boom Securities (H.K.) Limited is founded (now Monex Boom Securities (H.K.) Limited), becoming the first in Asia Pacific to launch Internet stock trading for retail investors
1999	- Monex, Inc. is co-founded by Oki Matsumoto and Sony Corporation - Begins offering online brokerage service upon complete liberalization of stock brokerage commissions in Japan		
2000	- Monex, Inc. stock is listed on the Tokyo Stock Exchange "Mothers" Market	- TradeStation acquires Online Trading.com, a direct-access securities brokerage firm	
2004	- Monex Beans Holdings, Inc. (now Monex Group, Inc.) is established through a business integration of Monex, Inc. and Nikko Beans, Inc. - Monex Group, Inc. stock is listed on the Tokyo Stock Exchange "Mothers" Market in exchange for the delisting of Monex, Inc. stock		
2005	- Monex, Inc. and Nikko Beans, Inc. merge to become Monex, Inc. (former name: Monex Beans, Inc.) - Monex Group, Inc. stock changes its listing from the "Mothers" Market to the First Section of the Tokyo Stock Exchange - Monex Business Incubation, Inc. (now Monex Group, Inc.) is established		
2006		- TradeStation Europe Limited receives approval from the FSA (UK) as an introducing broker	
2008	- Acquisition of 90% shares of Tokyo Forex (absorbed in absorption-type merger by Monex, Inc. in 2015)		- Monex Group, Inc. opens a Beijing Representative Office (closed in 2012 after opening Monex, Inc.'s Beijing Representative Office)
2010	- Monex Group, Inc. completes a share exchange to acquire Orix Securities Corporation - Monex, Inc. merges with Orix Securities Corporation		- Monex, Inc. opens a Beijing Representative Office - Boom group companies (now Monex Boom group companies) become wholly-owned subsidiaries of Monex Group, Inc.
2011		- TradeStation becomes a wholly-owned subsidiary of Monex Group, Inc. and its stock delisted from NASDAQ - TradeStation Group, Inc. acquires IBFX Holdings, LLC	
2012	- Monex Group, Inc. acquires Sony Bank Securities Inc.	- TradeStation Global Services, S.A. (Costa Rica) is established	
2013	- Monex, Inc. merges with Sony Bank Securities Inc. - Monex Group, Inc. becomes a Company with Committees - Monex Group, Inc. implements a stock split (1:100)		
2015	- Monex, Inc. merges with Monex FX, Inc. - Monex-Saison-Vanguard Investment Partners, Inc. is established		- Cherry Technology Co., Ltd, which provides technical support in PRC, is established
2017	- Monex Finance, Inc. is established - Monex Crypto Bank, Inc. is established		
2018	- Monex Cryptocurrency Lab is set up - Coincheck, Inc. joined Monex Group	- TradeStation Crypto, Inc. is established	- Monex Securities Australia Pty Ltd launched new online brokerage firm for individual investors in Australia

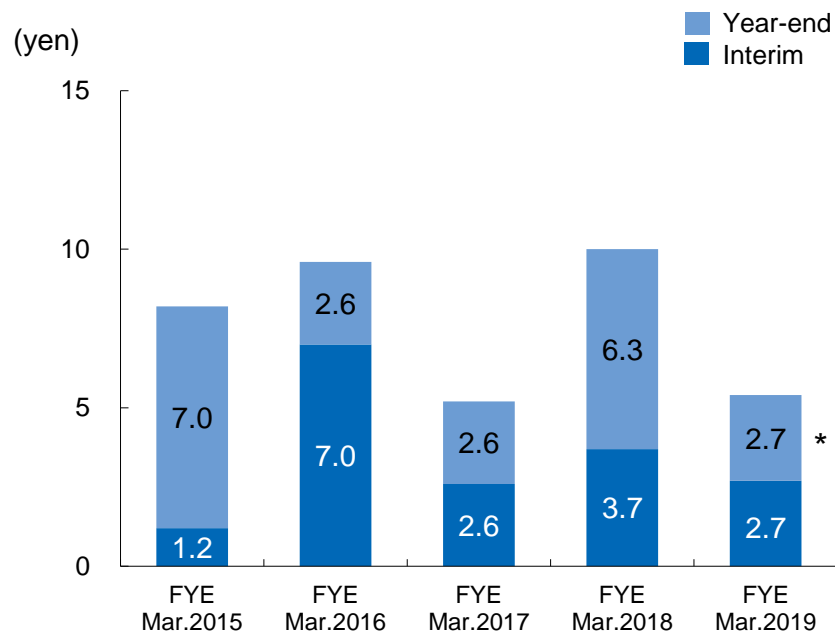
As of March 31, 2019

■ Shareholders distribution

◆ Our basic policy for shareholders distribution

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

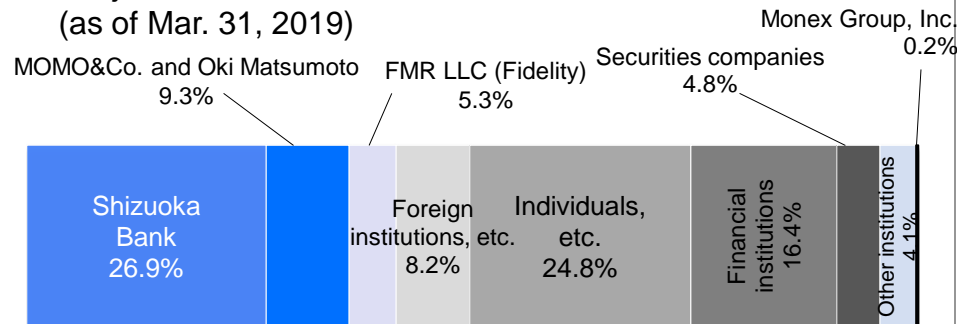
◆ Dividend history



(*) The forecast of year-end dividends for FYE March 2019 is 2.7 yen

■ Shareholders & indicators per share

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



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

◆ Indicators per share

	FYE Mar. 2015	FYE Mar. 2016	FYE Mar. 2017	FYE Mar. 2018	FYE Mar. 2019
Equity attributable to owners of the Company per share (BPS)	302.18 yen	302.03 yen	290.00 Yen	298.50 Yen	297.28 Yen
Earnings per share attributable to owners of the Company (EPS)	12.15yen	12.46yen	1.06yen	24.33yen	4.42yen
Rate of Return on Equity(ROE)	4.2%	4.1%	0.4%	8.3%	1.5%
Dividends per share	8.2yen	9.6yen	5.2yen	10.0yen	5.4 yen