

MONEX GROUP

Announcement on Disposition of Treasury Stock as Restricted Stock Remuneration

TOKYO, July 13, 2020 - Monex Group, Inc. (the “Company”) announces that it resolved at its board of directors meeting to dispose of its treasury shares as stock remuneration (the “Disposition of Treasury Stock”), as follows:

1. Outline of disposition

(1) Date of disposition	July 29, 2020
(2) Class and number of shares to be disposed of	1,705,200 shares of the common stock of the Company
(3) Disposal value	JPY 217 per share
(4) Total disposal value	JPY 370,028,400
(5) Recipients of disposed shares	Managing directors of the Company (excluding outside directors) 2 persons, 43,700 shares Executive officers of the Company (*) 5 persons, 85,100 shares Executive directors of the Company, managing directors and executive directors of the Company’s subsidiaries 29 persons, 1,576,400 shares (*) Executive officers concurrently serving as managing directors are included as managing directors.
(6) Others	The Disposition of Treasury Stock is subject to the entry into force of the Securities Registration Statement under the Financial Instruments and Exchange Act.

2. Purposes and reasons for disposition

As stated in the Announcement of Change of Remuneration System for our Group’s Management dated April 28, 2017, the Company resolved at the Remuneration Committee’s meeting held on April 28, 2017, and introduced the Restricted Stock Remuneration System (the “System”) as a new remuneration system for the Company’s managing directors, executive officers and executive directors and the managing directors and executive directors of the Company’s subsidiaries (excluding outside directors; collectively referred to as “Eligible Officers”). The aim of the System is to incentivize the Eligible Officers to contribute to the continuous enhancement of our Group’s corporate value by linking a part of their remuneration to the value of our Group’s stock and thus having them share with our shareholders not only the rise of stock prices but also the risks of declining stock prices.

To raise corporate value of the Group in a sustainable manner, the Company is working to transform the business model of its Japan and US segment online brokerage businesses. In addition, it has completed the restructuring of its Crypto Asset segment and is currently placing these operations on an mid- to long-term sustainable growth track.

A resolution to dispose of its treasury shares as stock remuneration was made to further reinforce top management’s commitment to the Group’s sustainable growth through such initiatives as securing new sources of income with the promotion of an asset management model of its asset management operations and pursuing further profit growth of its crypto asset operations.

Outline of the System

Under the System, the Eligible Officers shall pay in all of their monetary compensation claims received from the Company or any of the subsidiaries of the Company as contributions in kind, and receive the issuance or disposition of the common stock of the Company.

As regards to the individual amount of each Eligible Officer's monetary compensation claims, it was decided at the Remuneration Committee meeting held on July 11, 2020 (for the Eligible Officers who are neither directors nor executive officers of the Company, through the remuneration determining procedures established by the Company and/or its Group companies) that a total of JPY 370,028,400 as monetary compensation claims for one year is to be paid to 36 Eligible Officers.

Upon the Disposition of Treasury Stock, a restricted stock allocation agreement (the "Allocation Agreement") is to be executed between the Company and each of the Eligible Officers to whom shares of the restricted stock are allocated.

Outline of the Allocation Agreement

The Company and each of the Eligible Officers will individually enter into the Allocation Agreement, whose outline is as follows:

- (1) Transfer restriction period: From July 29, 2020 to August 1, 2023
- (2) Conditions for lifting of the transfer restrictions

The transfer restrictions shall be lifted when the transfer restriction period expires on the condition that the relevant Eligible Officer has continued to hold the position of a director, executive officer, corporate auditor, executive director or employee of the Company or any of the Company's subsidiaries. Provided, however, that upon the retirement of any Eligible Officer from any or all positions discussed above due to justifiable reasons or death (for directors or executive directors of specific subsidiaries, upon retirement of any or all positions discussed above due to death), the transfer restrictions shall be lifted immediately after the relevant event. In such case, the transfer restrictions shall be lifted for the number of shares obtained by multiplying (a) the number of months from the month of the paying-in date to and including the month of the date of his/her retirement divided by 36 (however, if the calculation result exceeds one, the value of this item (a) shall be one) by (b) the number of shares of the common stock of the Company allocated to the Eligible Officer pursuant to the Allocation Agreement (the "Allocated Shares") (however, any fraction less than one share unit (i.e. one hundred (100) shares) arising as a result of calculation shall be rounded up). On the occurrence of the relevant event, the Company will, as a matter of course, acquire them free of charge.

In addition, if a tender offer of the common stock of the Company is made as stipulated in the Financial Instruments and Exchange Act, Article 27-2 and lower, if there is a board of directors' resolution for the Company to support and recommend this tender offer to shareholders, and if an Eligible Officer requests to the Company in writing to lift the transfer restrictions in order to tender his/her shares into the offer, then the transfer restrictions shall be lifted.

- (3) Management of the shares

Throughout the transfer restriction period, the Allocated Shares will be managed in a dedicated account to be opened by each of the Eligible Officers with Mizuho Securities Co., Ltd. to ensure that no transfer, pledge or other disposition of such shares will occur during the transfer restriction period. With the view to ensuring the effectiveness of the transfer restrictions on the Allocated Shares, each of the Eligible Officers will enter into certain prescribed contracts with Mizuho Securities Co., Ltd. in relation to management of the accounts for the Allocated Shares held by him/her.

- (4) Treatment in the event of corporate restructuring

If, during the transfer restriction period, a shareholders meeting of the Company (or the board of directors of the Company (or by the entrusted relevant executive officer), if the approval of the Company's shareholders meeting is not required for the relevant corporate restructuring) approves a merger agreement under which the Company becomes a non-surviving company, an absorption-type

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company split agreement or an incorporation-type company split plan under which the Company becomes the split company (limited to the case where, as of the effective date of the company split, the Company delivers to its shareholders all or part of the consideration for the company split delivered upon the company split), a share exchange agreement or a share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other corporate restructuring-related matter as set forth in the Allocation Agreement, transfer restrictions on all the Allocated Shares held by the Eligible Officers shall be lifted immediately before the business day preceding the effective date of the relevant corporate restructuring.

3. Grounds for calculation of the paying-in amount and specific details thereof

The Disposition of Treasury Stock is implemented as the restricted stock remuneration under the System in exchange for contribution of the monetary compensation claims granted by the Company and subsidiaries of the Company. In order to eliminate arbitrariness in the disposal value, such value has been set at JPY 217, which is equivalent to the closing price of the common stock of the Company on the Tokyo Stock Exchange as of July 10, 2020 (the business day preceding the date of the board of directors' resolution). The Company believes that this value, which is the market stock price immediately prior to the date of the board of directors' resolution, is rational and not particularly favorable.

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