MONEX GROUP

Genex, a Monex Company, Increased its Capital Through a Third-Party Share Allotment

TOKYO, January 29, 2021 - Genex Inc. ("Genex"), an affiliate of Monex Group, Inc. ("Monex Group") which was established with the support of the group, has increased its capital through a third-party share allotment to Kaken Pharmaceutical Co., Ltd. ("Kaken Pharmaceutical"). As a new shareholder, Kaken Pharmaceutical is committed to pushing forward Genex's business as the company accelerates the accumulation of whole genome information and other healthcare data as a unique way to contribute to the development of the healthcare industry.

1. About Genex's Business

Genex plans to establish a blockchain-enabled data platform capable of accumulating healthcare-related big data(*1). Data covered by the platform includes whole genome information and this highly value-added healthcare-related data can be applied for drug development and healthcare-related services(*2), helping to create a sustainable healthy society. The company believes that the use of such data will eventually improve people's quality of life. In addition, Genex aims to create a new ecosystem using the data platform in which the revenue of the project is returned to the data providers as compensation(*3). In the future, this ecosystem should help expand the scope of the project to cover new areas, for example, intractable diseases for which discovery and development of drugs is difficult. The ecosystem also helps patients by promoting discovery and development of drugs through their participation in the platform studies, thereby reducing their reliance on aids from national and local governments. By presenting the ecosystem to wider stakeholders, we aim to increase the value of healthcare data provided not only by patients but also by healthy people.

- (*1) The consent of the data provider will be obtained at the time of data acquisition.
- (*2) The data will be collected in compliance with the Personal Information Protection Law and related guidelines.
- (*3) No monetary payment is planned.

2. Background and purpose of capital increase

Genex has been in discussions with several companies and research institutions willing to participate in the platform mentioned above with the aim of expanding the scope of the platform to a wider range of medical and healthcare fields.

With the addition of Kaken Pharmaceutical as a new shareholder to the two existing shareholders, Sugi Pharmacy Co., Ltd, ("Sugi Pharmacy") and Monex Group, Genex now has three publicly traded shareholders on the First Section of the Tokyo Stock Exchange. Sugi Pharmacy and Kaken Pharmaceutical as well as Monex Group, with its expertise in blockchain technology, will leverage their respective strengths to drive Genex's business.

Genex's vision is to take the medical and healthcare fields to a higher level and to help achieve a healthy society. Building on this vision, Genex is committed to integrating ESG approaches to its business growth. Genex believes that, with the synergies from working with Monex Group, which has a wealth of expertise in ESG activities, the company is well positioned to increase its corporate value and to make a larger contribution to society. Furthermore, Monex Group is willing to offer its blockchain technology and expertise to Genex to help the company enhance information security, data privacy, and innovation support for the new platform.

3. Company Description

Company Name: GENEX, Inc.

Address: ARK Mori Building 25F, 1-12-32 Akasaka, Minato-ku, Tokyo 107-6025, Japan

Founded: August 14, 2019

Business Description: Planning and operation of data platforms related to genomics and healthcare Shareholders: Monex Group, Inc., Sugi Pharmacy Co., Ltd., Kaken Pharmaceutical Co., Ltd. and other

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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.

Notes to Editors:

- Genex: Headquarters; Minato-ku, Tokyo, Co-CEOs; Ken Yagi and Atsushi Iida
- Monex Group: Headquarters; Minato-ku, Tokyo, Representative Executive Officer and CEO; Oki Matsumoto
- Kaken Pharmaceutical: Head office; Bunkyo-ku, Tokyo, President and CEO; Hiroyuki Horiuchi
- Sugi Pharmacy: Head office: Obu City, Aichi Prefecture, President and Representative Director; Katsunori Sugiura

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