

# MONEX GROUP

## Announcement on Disposition of Treasury Stock as Restricted Stock Remuneration

TOKYO, July 12, 2021 - 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 28, 2021
(2) Class and number of shares to be disposed of	192,400 shares of the common stock of the Company
(3) Disposal value	JPY 717 per share
(4) Total disposal value	JPY 137,950,800
(5) Recipients of disposed shares	Members of the board of the Company 9 persons, 97,700 shares Executive officers of the Company (*) 4 persons, 19,200 shares Expert directors and executive directors of the Company, members of the board (excluding outside directors), expert directors and executive directors of the Company’s subsidiaries 22 persons, 75,500 shares  (* ) Executive officers concurrently serving as members of the board are included as members of the board.
(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 members of the board, executive officers, expert directors and executive directors of the Company and the members of the board (excluding outside directors), expert directors and executive directors of the Company’s subsidiaries (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 continuously enhance the Group’s corporate value, the Company is working to transform business models and implement growth strategies in each business segment. A resolution to dispose of its treasury shares as restricted stock remuneration was made to further reinforce top management’s commitment to the Group’s sustainable growth through such initiatives.

The Company's outside directors supervise the Company’s management with the interests of shareholders in mind and it is appropriate to grant them remuneration linked to the Company's stock price, thus the Company has decided to shift part of the remuneration for the outside directors to this System. The Company will aim to build and maintain a sound and transparent management structure that is more in line with the shareholders’ interest. The outline of the System is as follows.

## 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 9, 2021 (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 137,950,800 as monetary compensation claims for one year is to be paid to 35 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 28, 2021 to August 1, 2024 (excluding outside directors)  
From July 28, 2021 to August 1, 2022 (outside directors)

(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 member of the board, executive officer, corporate auditor, expert director and 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, 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 for the other Eligible Officers than outside directors or by 12 for outside directors (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 retirement, 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 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 717, which is equivalent to the closing price of the common stock of the Company on the Tokyo Stock Exchange as of July 9, 2021 (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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