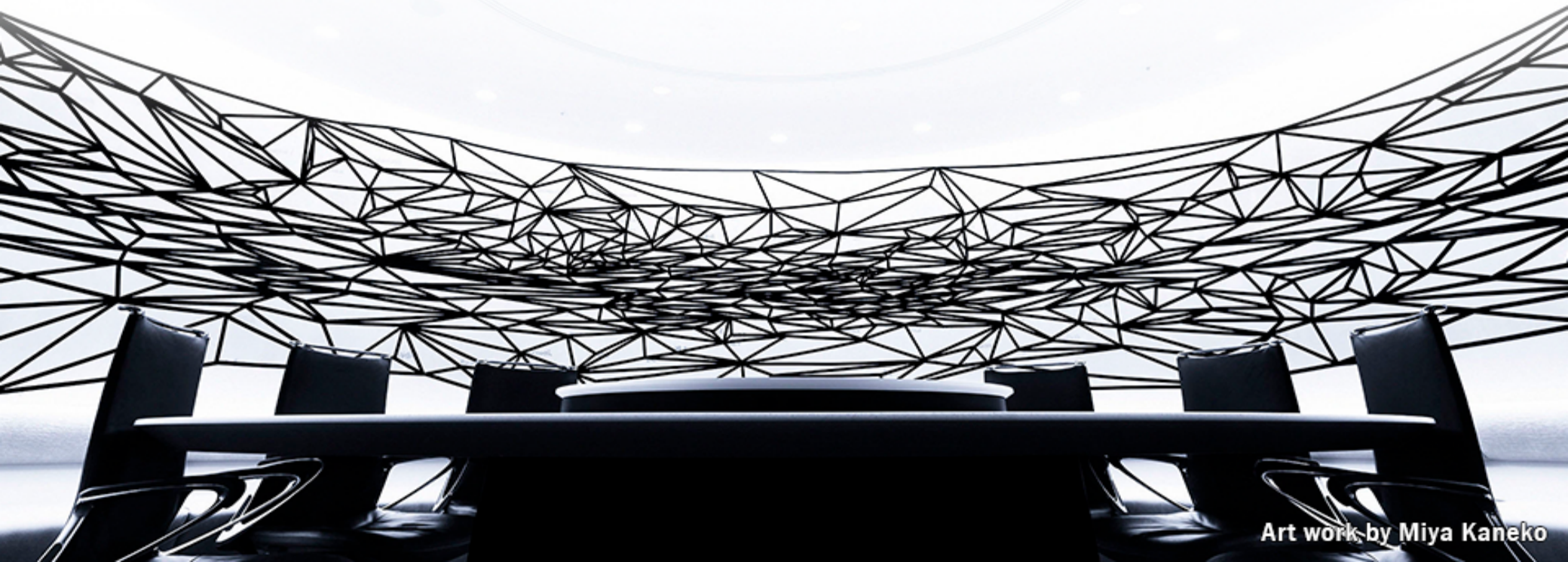
MONEX GROUP

January 31, 2022
TSE 1st Section: 8698

# Financial Results for the 3Q of the Fiscal Year Ending March 31, 2022



Our Business Principles

**Always a step ahead of the “Y” in "MONEY," our name MONEX expresses our desire to embrace all people who are engaged at the forefront of our future.**

With state-of-the-art IT technology, globally universal values and a sense of professionalism, Monex Group designs innovative ways of managing money and realizing individual self-fulfillment for an ever-changing future. Our ultimate goal is to optimize each person’s lifetime balance sheet.

Revised on April 1st, 2021

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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

# New business principles

**Realize individual self-fulfillment and optimize each person's lifetime balance sheet**

Our core business has been "asset building," an important element in the self-fulfillment of individuals, now entering into fields beyond finance, including the metaverse, to enhance well-being and optimize each person's lifetime balance sheet.

## Education

VILING.inc

Viling, Inc.

Operates classrooms to offer STEAM education

**Helps to develop a mind-set for a better life.**

## Asset

MONEX Coincheck TradeStation

Offers retail customers global access to financial markets

**Helps to increase financial assets to realize self-fulfillment.**

## Medical Healthcare

GENEX

Genex, Inc.

Develops a genome management platform

**Helps to improve well-being by using his/hers own information.**

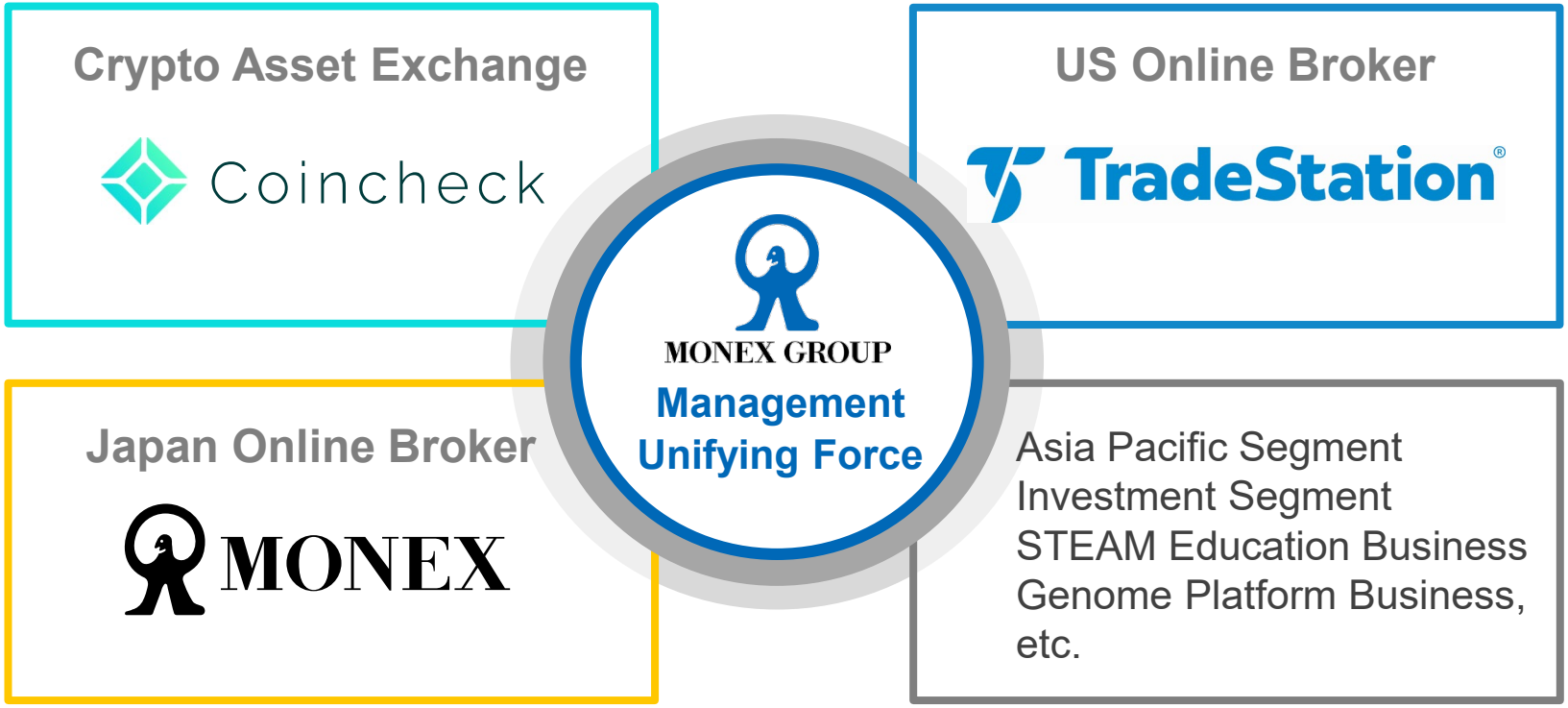
## Metaverse/NFT

Coincheck

**Oasis TOKYO + Coincheck Labs:**
**Create new verse and ecosystem.**

Promoting the growth strategy of each subsidiary to pursue scale and realize the Group's business principle.

## Monex Group

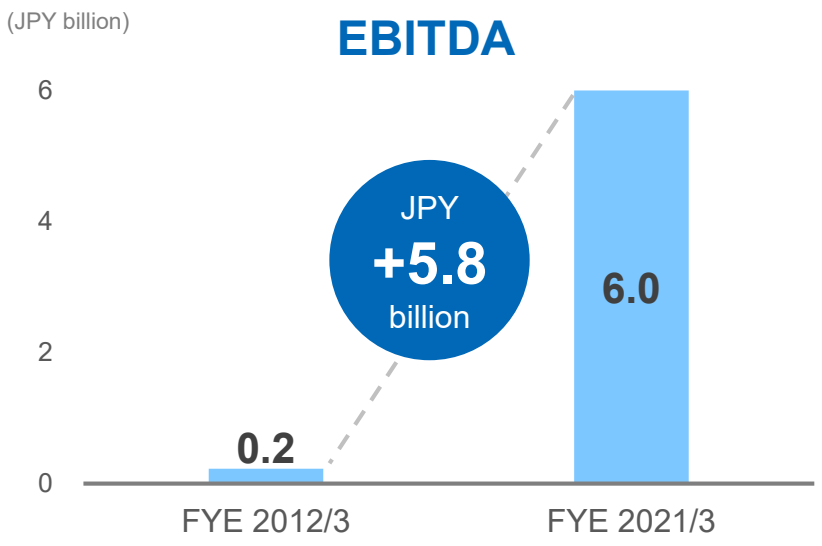



**Four Core Competencies of Monex Group ：**
Diversity, Technology, Innovation, Globalization

The value of each subsidiary successfully increased under the Group visions, “Global Vision” and “New Beginning (crypto-related business entry).”

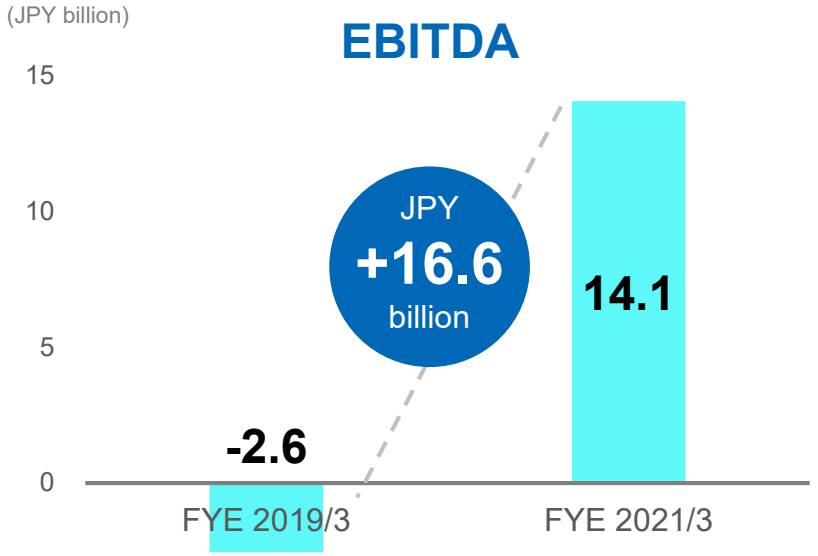
## TradeStation Group (2011-)

- EBITDA[*1] Margin : 26% (FYE Mar 2021)
- PMI[*2] Actions：Reinforce management team, rebranding, crypto-related business support.
- Group Synergy : Rebuilding in-house backbone system and improving U.S. equity trading services for the Japan segment.




## Coincheck (2018-)

- EBITDA Margin : 68% (FYE Mar 2021)
- PMI[*2] Actions : Internal control and cyber security reinforcement, registration of crypto asset exchange license, huge fixed-cost reduction.




*1 EBITDA = The amount equivalent to operating income + depreciation and amortization cost + interest expense of US segment (the same hereinafter).

*2 PMI (Post Merger Integration): Integration of the subsidiary after M&A and its growth initiative

# TradeStation aims to pursue further scale as a growth company, preparing to go public on the New York Stock Exchange, and has started making upfront investments, including marketing initiatives.

Overview

- In November 2021, TradeStation and Monex Group announced that TradeStation aims to provide its innovative trading environment to more customers and rapidly broaden its customer base, looking at the recent expansion in the United States self-directed market as a good opportunity for the next level of growth*1.
- To secure growth capital necessary for large-scale marketing initiatives and to enhance services, TradeStation has chosen a business combination with a SPAC (a “De-SPAC” transaction) to make TradeStation a publicly traded company listed on a major US stock exchange.
- Pre-money equity valuation of TradeStation of approximately US$1.3 billion (approx.JPY145.0 billion)
- As reflected in TradeStation’s results for 3-month and 9-month periods ended Dec. 31, 2021, TradeStation has already begun substantial increased investment in marketing and product enhancement initiatives*2.

*1 Press release disclosed on Nov. 4, 2021:
https://www.monexgroup.jp/en/news_release/irnews/auto_20211104424167/pdfFile.pdf
*2 Presentation materials disclosed by TradeStation:
https://www.monexgroup.jp/en/investor/main/0111/teaserItems1/0/linkList/02/link/supplementary%20material_20211105_Empowering%20Traders%20to%20Claim%20Their%20Financial%20Edge_EN.pdf

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# TradeStation filed a registration statement on Form S-4 with SEC and plans to list on the NYSE; completing a De-SPAC transaction.

## Highlights

- Given the opportunity the expansion of the US retail investor population presents for further growth, TradeStation aims to become publicly listed on the NYSE. Its SPAC partner is Quantum FinTech Acquisition Corporation (NYSE: QFTA).
- TradeStation filed a Registration Statement on Form S-4 with SEC on December 23, 2021.
- TradeStation aims to invest in marketing initiatives and product and service improvements to increase customer accounts and customer assets under custody.
- The lead PIPE investor is Galaxy Digital Holdings, one of the world's leading technology-driven financial services and investment management firms.
- TradeStation will strengthen corporate governance in becoming a publicly listed company, including establishing an audit committee consisting of three independent directors after listing.

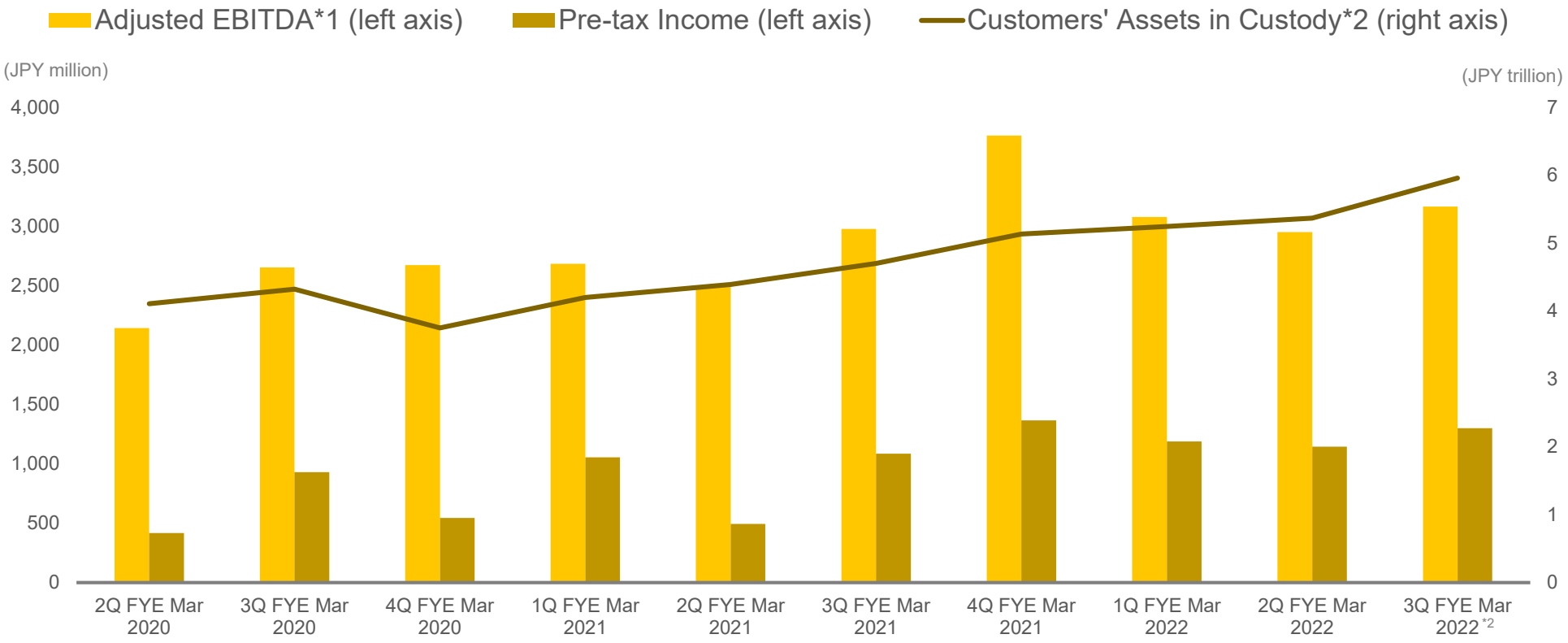
## Transaction Overview

| | | |
|---|---|---|
| **Transaction Structure** | TradeStation Newco Sub to merge with Quantum; Quantum to become a wholly-owned subsidiary of TradeStation, and TradeStation to become a publicly-traded company (NYSE: TRDE); currently expected in second calendar quarter of 2022. | |
| **Valuation** | Pre-money equity value ascribed to TradeStation is approximately $1.3B*1 | |
| **Financing Amount*2** | **Total**<br>・ Quantum FinTech<br>・ Third-party PIPE including Galaxy Digital<br>・ Monex Group PIPE | **$326M*3**<br>$201M*4<br>$75M<br>$50M |
| **Uses** | ・ Marketing & Additional Headcount<br>・ Working Capital etc. | $80-100M*5<br>$160-200M |

*1 Comprised of $1,298mm pre-money equity value and net debt as of 6/30/21 of $45mm, comprised of total debt of $228mm and cash of $118mm (and excluding $65mm of firm assets available related to the crypto lending business which are funded with Monex loans). The enterprise value is not subject to any adjustment for changes in net debt. *2 Assumes $10 per share, excluding incentive shares offered to certain PIPE investors, no post-closing change of control and does not include impact of dilution from warrants. In addition, does not include equity plans or compensation. *3 Subject to change in the future. *4 Includes 750,000 shares distributed to non-redeeming public shareholders and assumes no shareholder redemptions. *5 Represents estimated amount, when combined with projected cash from operations, needed to cover increased marketing spend and head count over the three-year period ending March 31, 2024.

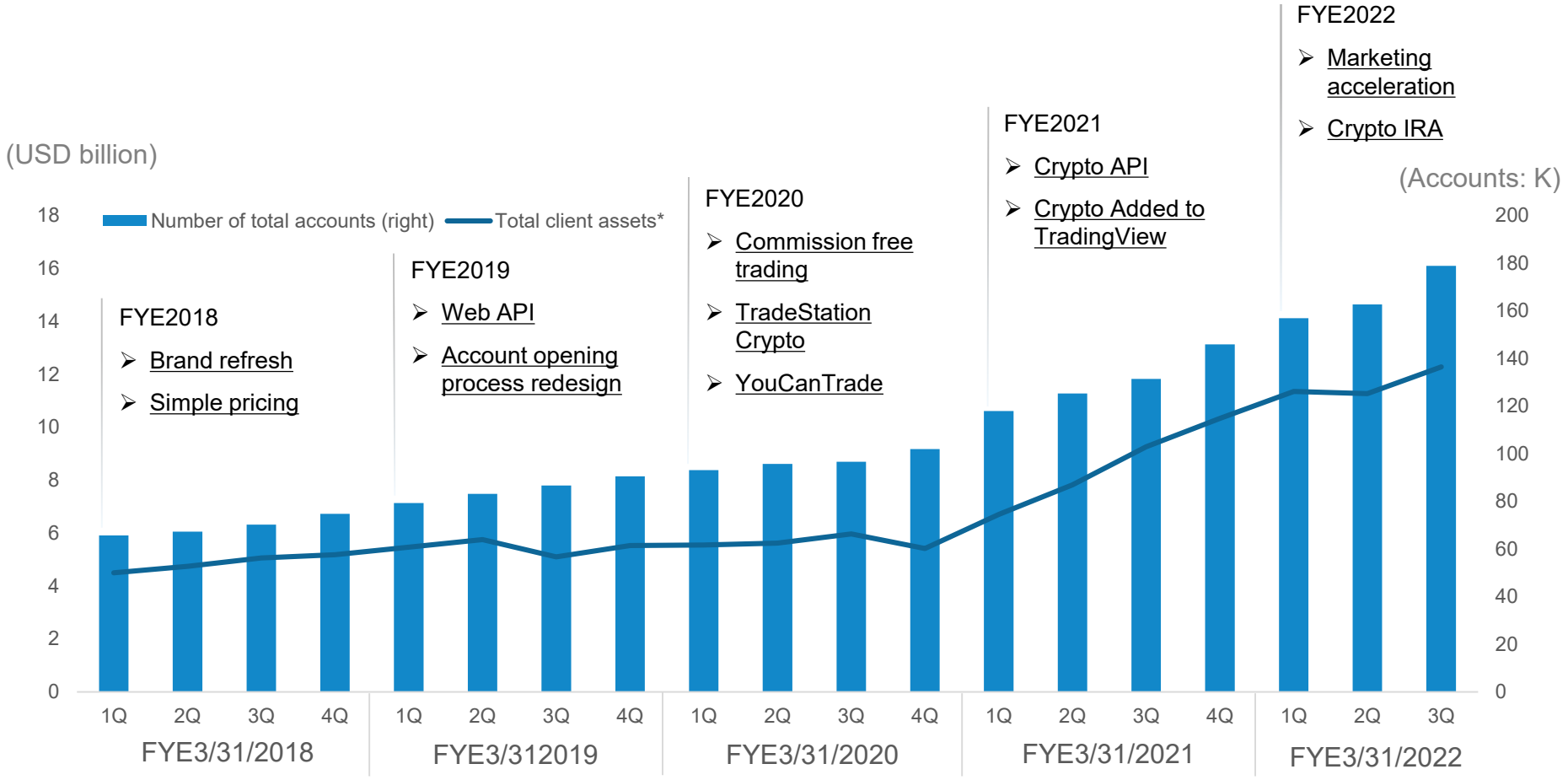
# Monex Securities is generating stable cash flow as a Japanese online securities broker. Through collaboration with other companies, customers' assets in custody reached ¥6 trillion and number of customer accounts grew to 2.15 million.

## Operational Cash Inflow and Customers' Assets in Custody of Monex Securities



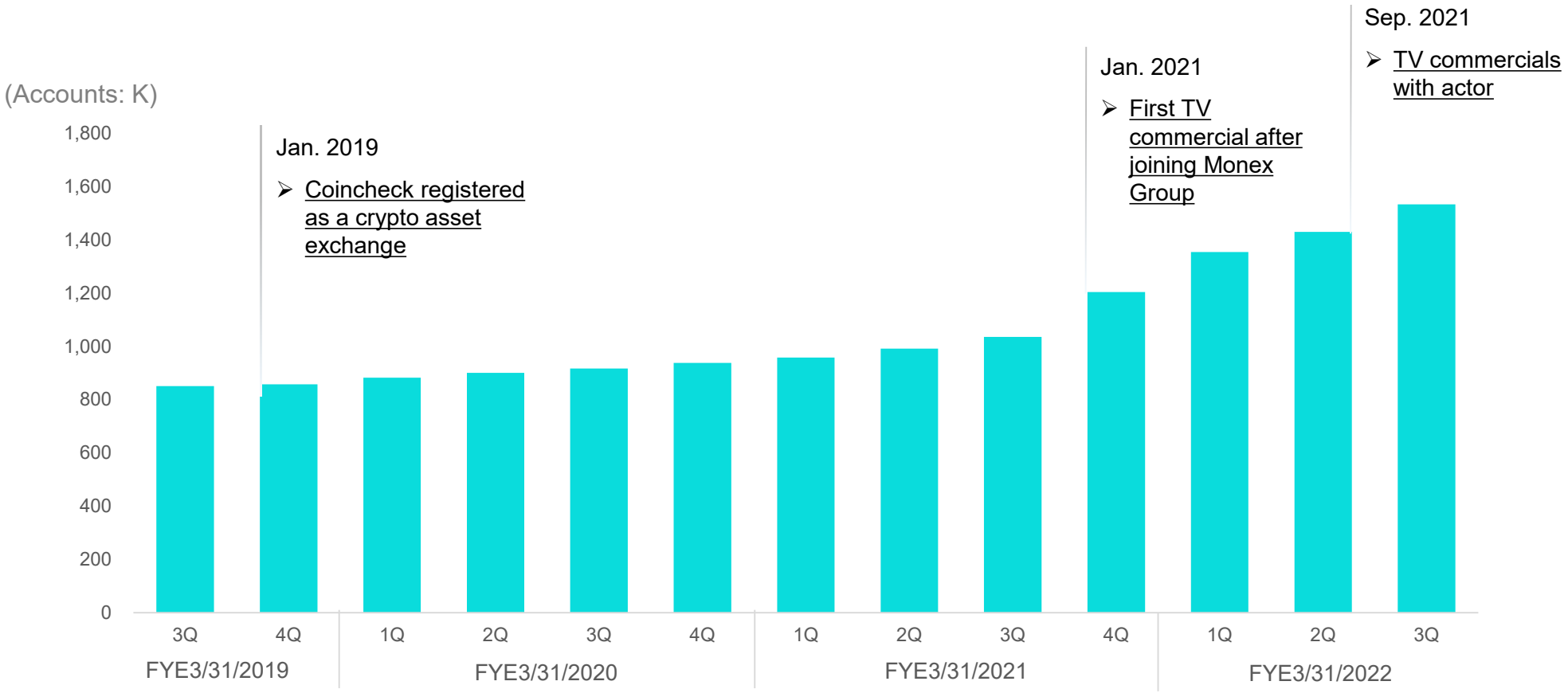

*1 Adjusted EBITDA = EBITDA + Management fee. Monex Securities pays a management fee to Monex Group, Inc., in accordance with business performance.
*2 Assets in Custody as of Jan 4. The assets in custody includes the assets (mutual funds and bonds) transferred from Shinsei Bank.

# TradeStation continues to focus on marketing and product enhancements to try to achieve growth of accounts and customer assets under custody.




*1 Included in “Accounts” for 3Q FYE 2022 are customer crypto accounts opened through a marketing promotion that began Dec. 20, 2021 in which TradeStation makes the initial account funding (BTC equal to USD $10.00).
*2 Customers’ Assets under custody include the balance of foreign stocks and some deposits of held by Monex, Inc. and Asia-Pacific Segment.

# Coincheck has been No.1[*1] in Japan for three consecutive years in terms of app downloads and has an approx. 30%[*2] share of the domestic market in terms of the # of verified accounts, buoyed by TV commercials and in-house digital marketing.




*1 Among Japanese crypto asset trading apps. Term: Jan. 2019-Dec. 2021. Data source: AppTweak
*2 Coincheck's account share of the total number of verified accounts as of the end of Nov. 2021 among 29 domestic exchanges.
Data source: https://jvcea.or.jp/about/statistics/

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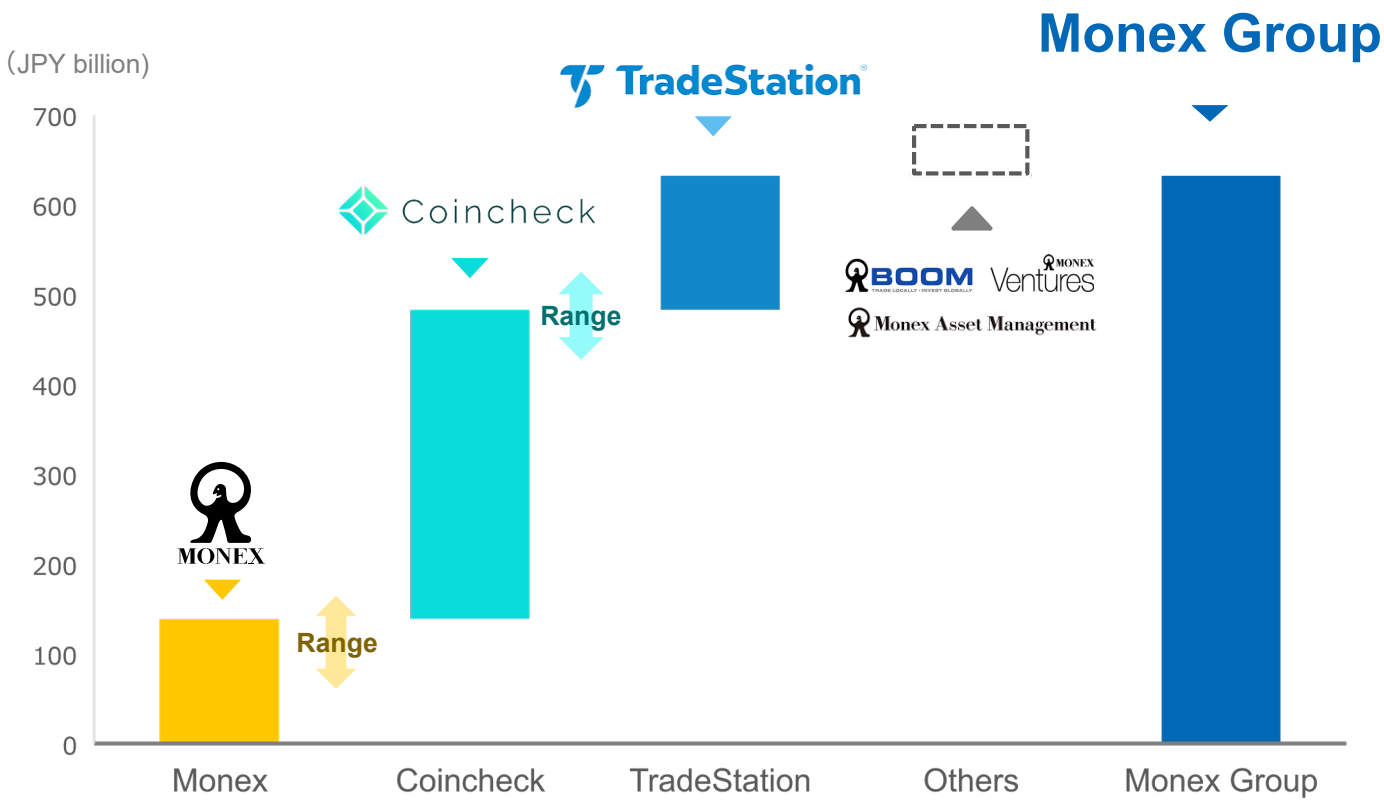
# Through M&As and subsequent value enhancement, Monex Group has created a globally unique business portfolio and leverages management resources for future growth strategies.

## Cumulative Fair Value of Monex Group




* Calculated by Monex Group. Calculated by adding up the fair value of each subsidiary using the sum-of-the-parts method. Monex Securities and Coincheck are calculated without taking liquidity discount into account.

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**Cumulative Fair Value of Monex Group**

**Appx. ¥ 630B**

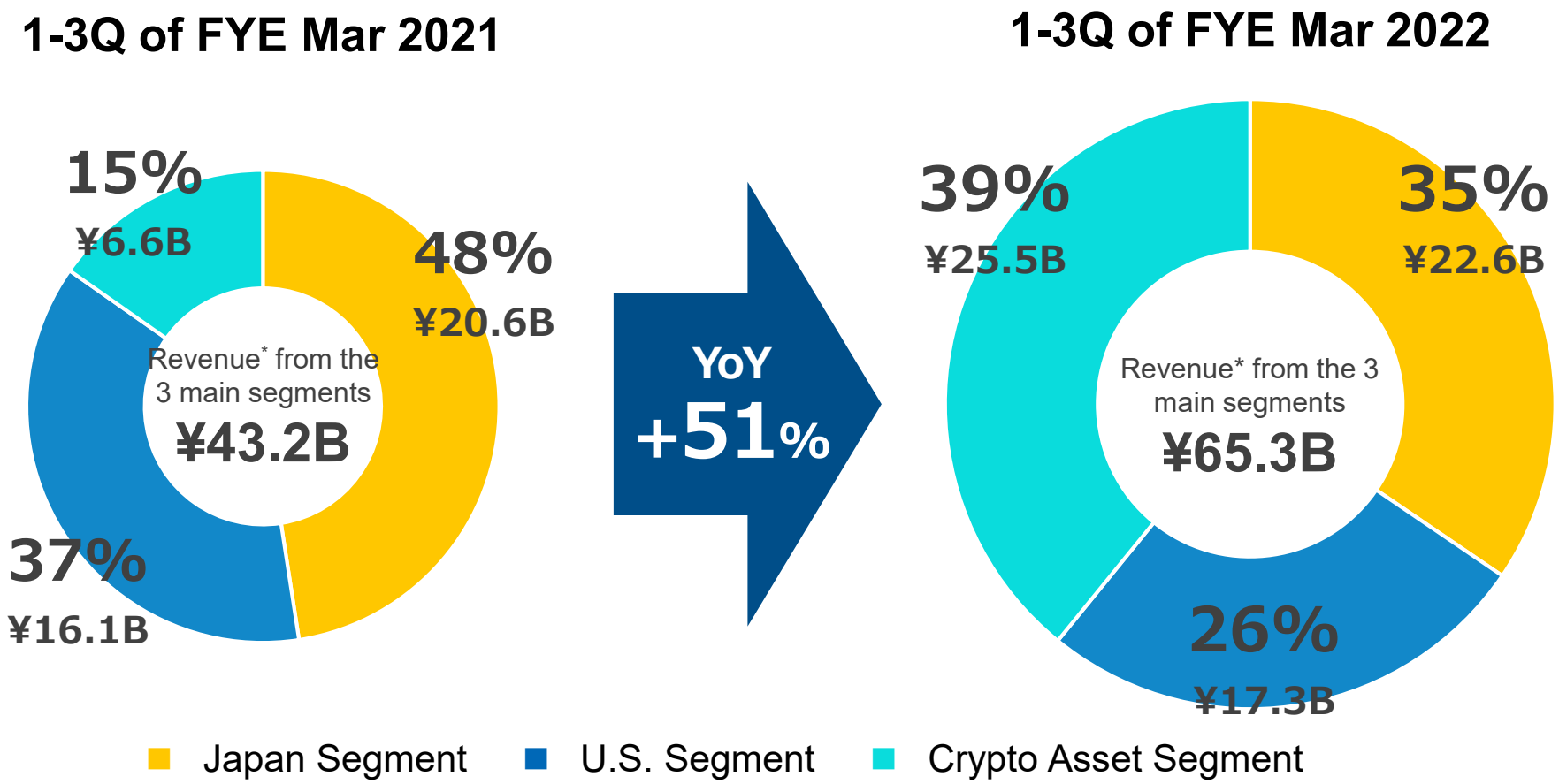
Monex Securities
- Fair Value: Appx. ¥140B
- Valuation: EV/EBITDA, PER
- Comps: Matsui Securities etc.
- Value range: ¥58B-219B

Coincheck
- Fair Value: Appx. ¥340B
- Valuation: PSR, PER
- Comps: Coinbase
- Value range: ¥322B-366B

TradeStation
- Pro-forma Equity Value of the de-SPAC transaction: $1.3B
- JPY base: Appx. ¥145B

(P62 for more information)

Revenue in the 1-3Q of FYE Mar 2022 from the three main segments increased by +51% YoY, illustrating steady growth in each business segment with different regional and business characteristics. Consolidated revenue* (¥65.9B) and profit** (¥12.5B) in the nine months hits record high.




* Revenue = Total operating revenue after deducting financial expenses and cost of sales
** Profit = Profit attributable to owners of the Company

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**Pre-tax quarterly profit was ¥1.0B**, while promoting strategic investments for medium- and long-term growth.

**Japan**

Recurring revenue from mutual fund and margin trading services as well as revenues from US equity trading increased. Customers' assets in custody favorably increased and segment profit* was **¥2.0B**.

**US**

TradeStation announced the proposed De-SPAC and began implementation of marketing initiatives and increased headcount aimed at expanding the customer base. Segment loss* was **¥2.1B**.

**Crypto Asset**

Amidst the stagnant crypto market and declining trading value, Coincheck has strengthened its marketing efforts to acquire new customers for its future revenue base. Segment profit was **¥1.1B**.

**Asia Pacific**

Segment profit was **¥2M** amidst a decrease in equity trading mainly U.S. equities trading.

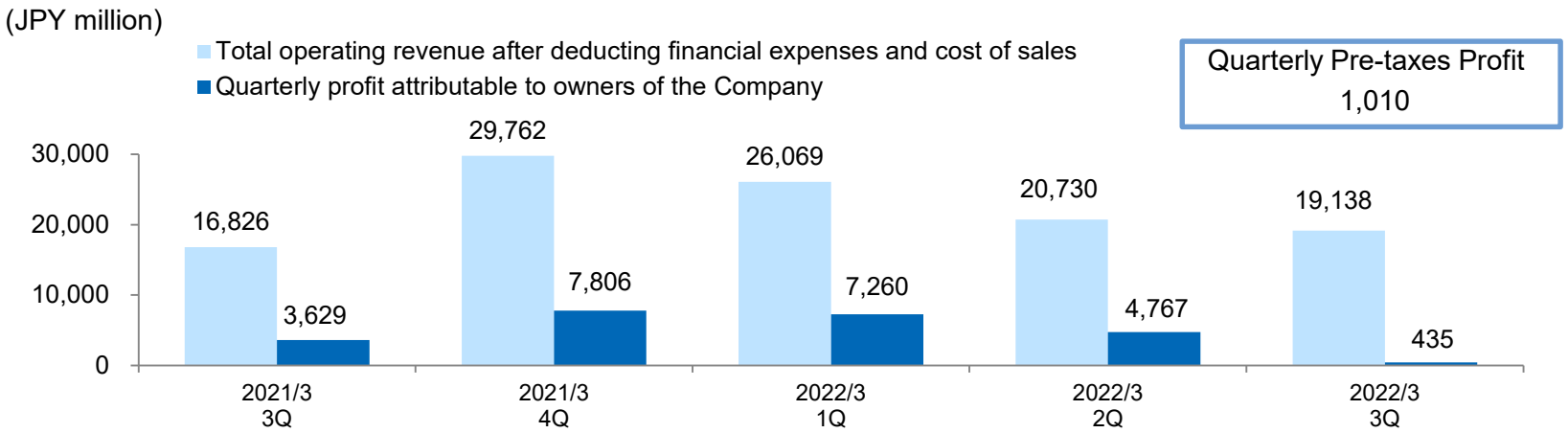
**Investment**

Segment profit was **¥50M**. MV2 Fund was established in Apr. 2021 and the number of investments increased steadily.

* Segment profit / loss represents quarterly profit before income taxes

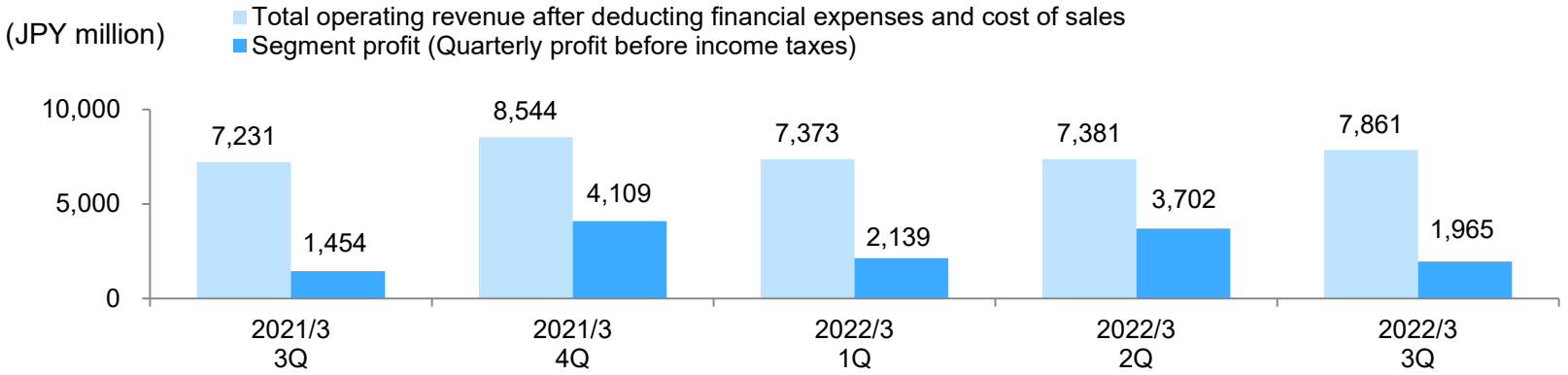
◆Total operating revenue after deducting financial expenses and cost of sales, and quarterly profit attributable to owners of the Company

Consolidated




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

Japan



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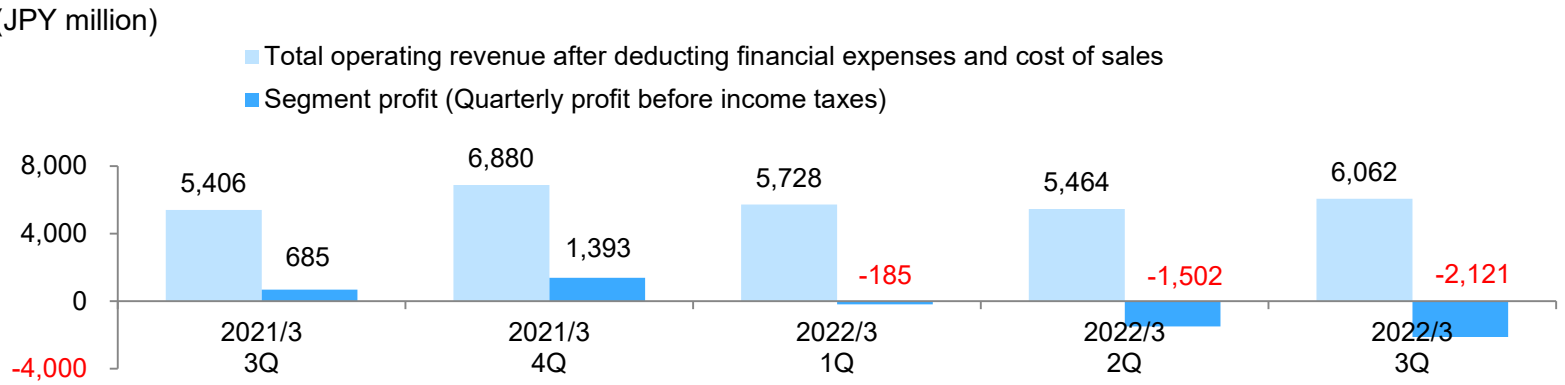
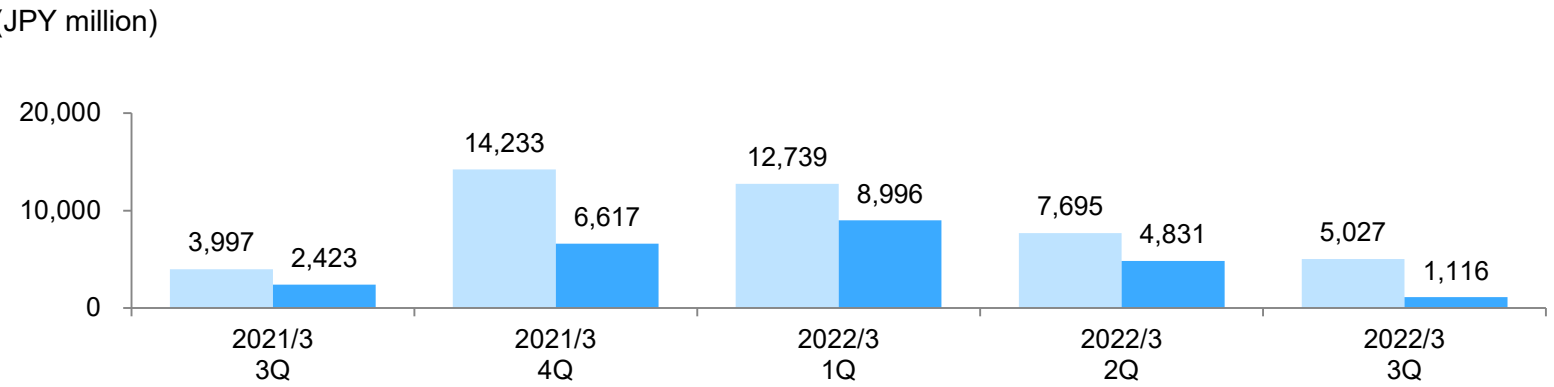
## ◆Total operating revenue after deducting financial expenses and cost of sales, and segment profit

### US




### Crypto Asset



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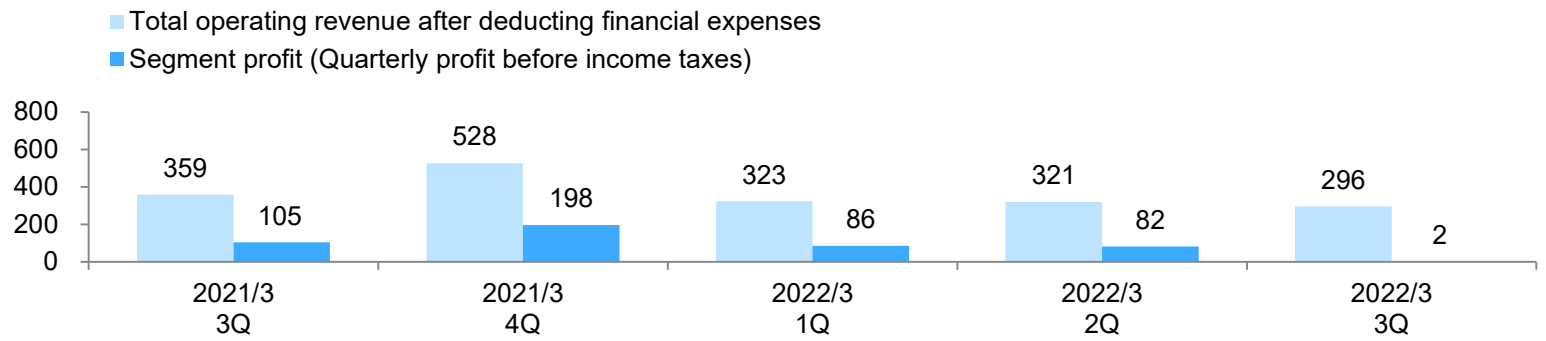
## ◆Total operating revenue after deducting financial expenses and segment profit

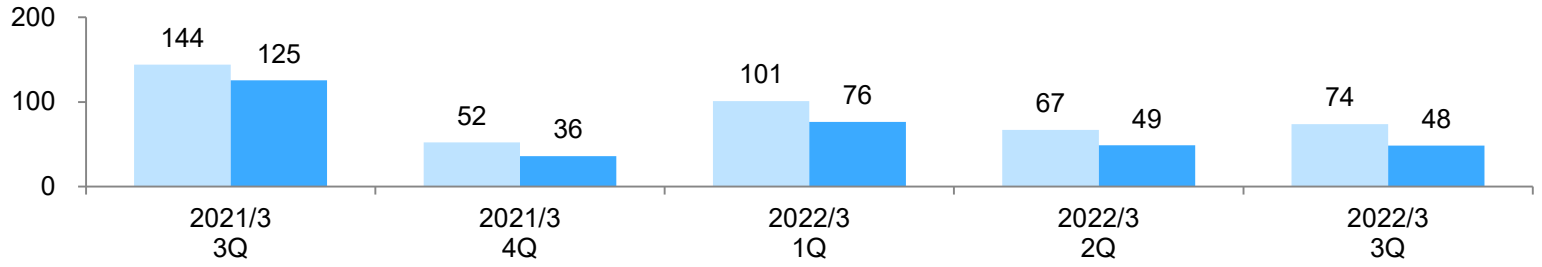
### Asia Pacific

(JPY million)




### Investment

(JPY million)



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| (JPY million) | FYE Mar. 2021 3Q (Apr. 2020– Dec. 2020) | FYE Mar. 2022 3Q (Apr. 2021– Dec. 2021) | Variance | Rate of change | Reference |
|---|---|---|---|---|---|
| Total operating revenue after deducting financial expenses and cost of sales | 43,932 | Record High 65,937 | +22,005 | +50% | P21: Analysis of Japan segment<br>P23: Analysis of US segment (USD)<br>P25: Analysis of Crypto Asset segment |
| SG&A | 34,676 | 49,307 | +14,632 | +42% | P22: Analysis of Japan segment<br>P24: Analysis of US segment (USD)<br>P26: Analysis of Crypto Asset segment |
| The amount equivalent to operating income | 9,257 | 16,630 | +7,373 | +80% | |
| Other income / expenses (net) | -313 | 2,649 | +2,962 | - | |
| Profit before income taxes | 8,944 | Record High 19,279 | +10,335 | +116% | |
| Profit attributable to owners of the Company | 6,548 | Record High 12,462 | +5,914 | +90% | |
| EBITDA | 15,355 | 22,812 | +7,457 | +49% | |

# YoY Comparison (9 months) Segment Performance

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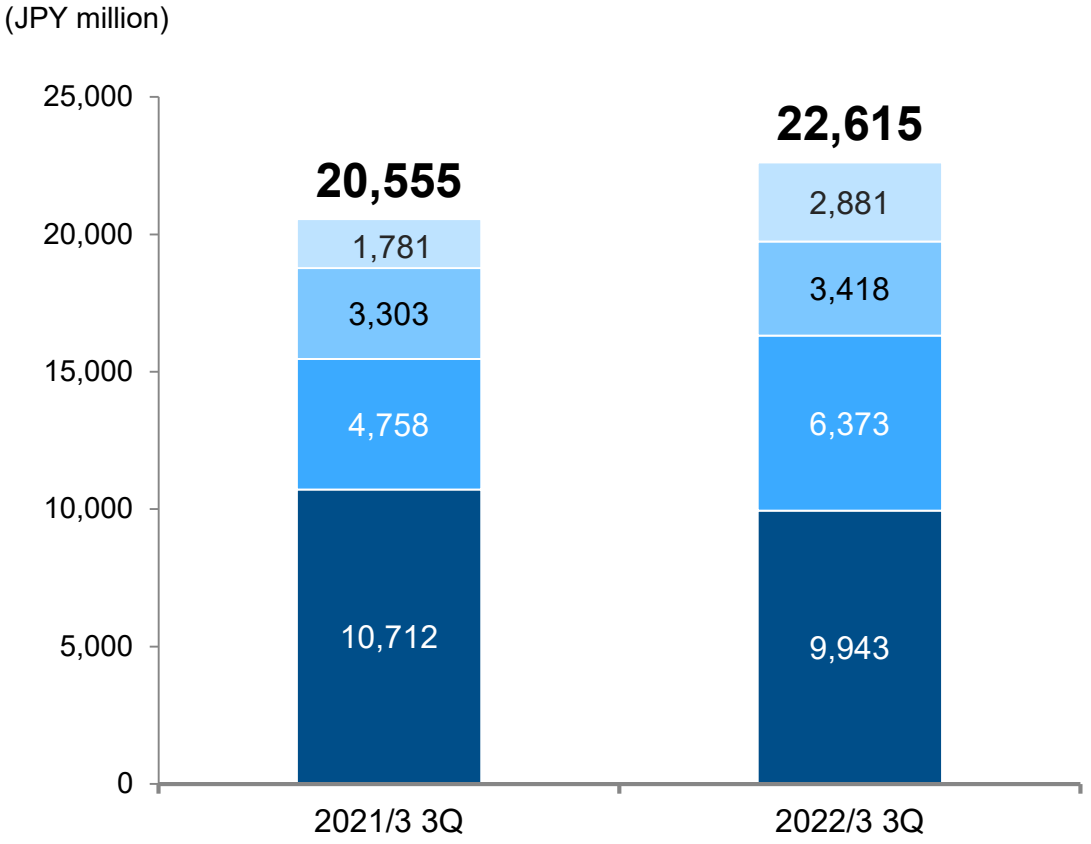
| (JPY million) | Japan | | US | | Crypto Asset | | Asia Pacific | | Investment | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2021/3 3Q | 2022/3 3Q | 2021/3 3Q | 2022/3 3Q | 2021/3 3Q | 2022/3 3Q | 2021/3 3Q | 2022/3 3Q | 2021/3 3Q | 2022/3 3Q |
| Total operating revenue after deducting financial expenses and cost of sales | 20,555 | 22,615 | 16,078 | 17,254 | 6,589 | 25,461 | 1,076 | 940 | 457 | 242 |
| SG&A | 17,636 | 18,458 | 14,273 | 21,325 | 3,124 | 10,596 | 796 | 784 | 55 | 68 |
| The amount equivalent to operating income | 2,919 | 4,156 | 1,805 | -4,071 | 3,465 | 14,865 | 280 | 156 | 402 | 174 |
| Other income / expenses (net) | 247 | 3,650 | 2 | 263 | -215 | 77 | 41 | 14 | -0 | -0 |
| Profit before income Taxes | 3,166 | 7,807 | 1,807 | -3,808 | 3,251 | 14,942 | 321 | 170 | 402 | 173 |
| Profit attributable to owners of the Company | 2,090 | 5,124 | 1,335 | -3,144 | 2,673 | 10,251 | 261 | 127 | 193 | 110 |
| EBITDA | 6,857 | 8,041 | 3,887 | -1,461 | 3,736 | 15,165 | 367 | 236 | 402 | 174 |
| Note | See P21 “total operating revenue after deducting financial expenses” for more details<br>See P22 “SG&A” for more details | | See P23 “total operating revenue after deducting financial expenses and cost of sales” for more details<br>See P24“SG&A” for more details | | See P25 “total operating revenue after deducting financial expenses” for more details<br>See P26 “SG&A” for more details | | | | | |

# Japan : Revenue other than brokerage fees increased by approximately 30% due to an increase in financial income from margin trading and mutual fund trust fees. Steady growth in U.S. equities also contributed to earnings.

■ Total operating revenue after deducting financial expenses and cost of sales




## Total operating revenue after deducting financial expenses and cost of sales +10.0% (+2,060)

* Figures in parentheses indicate the variance from the previous year (JPY million) [reflects comparison of results for 9 months ended Dec 31 YoY]

- Others (+1,100) *1
- FX & fixed income (+115)
- Net financial income (+1,615) *2
- Brokerage commissions (-769) *3

*1 Trust fee from mutual fund +301,
Cryptocurrency CFD revenue +331
Management fee and success fee from Monex Activist Fund +271

*2 Net financial income of margin trading +1,300 (+42%)
Margin balance of Monex Securities (Avg.) +29%

*3 Brokerage commissions from Japanese equities -998 (-11%)
Brokerage commissions from U.S. equities +368 (+22%)
Total trading volume of individual investors in two Japanese major equity markets, including ETFs etc. +9%
Monex trading volume share 5.3% -> 4.6%
(Trading platform, TradeStation for Japanese Equity, has been terminated since Aug 2020.)

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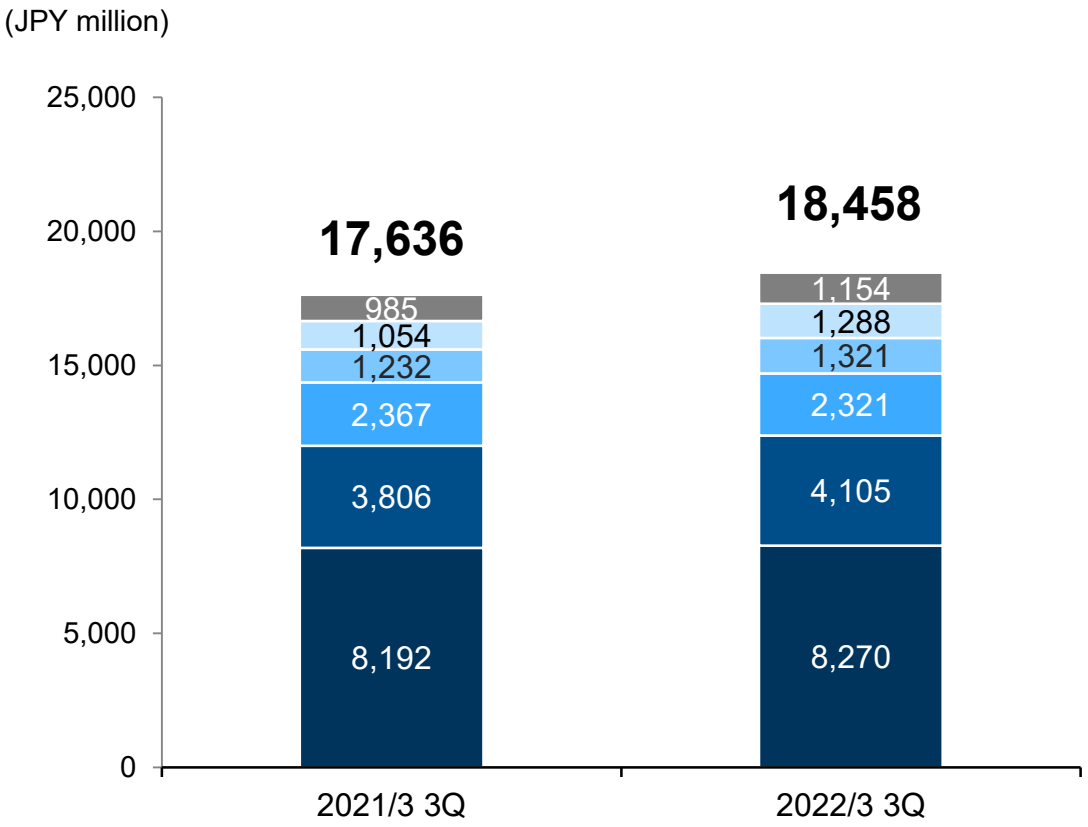
# Japan : Fixed costs has been well controlled such as system-related expenses to streamline its cost, which resulted in a small SG&A increase of 4.7%.

■ SG&A




## SG&A Total +4.7% (+823)

* Figures in parentheses indicate the variance from the previous year (JPY million)
[reflects comparison of results for 9 months ended Dec 31 YoY]

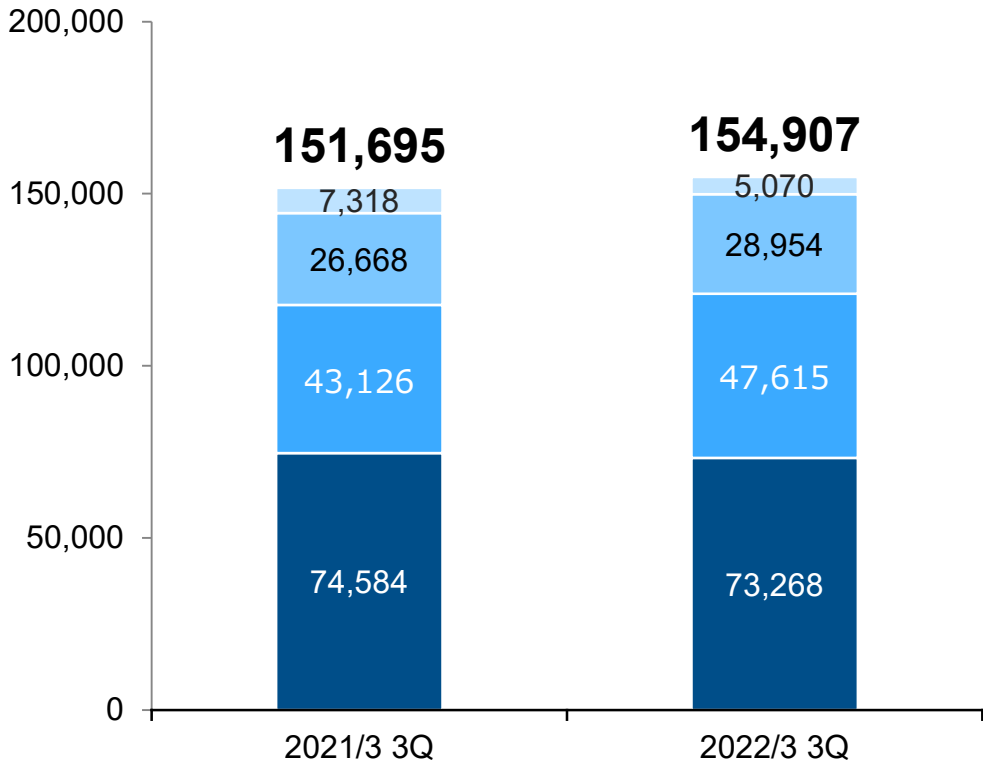
- Others (+169)
- Advertising expenses (+234)
- Communication, freight and information expenses (+90)
- Commissions paid, exchange and association dues (-47)
- Compensation and benefits (+299)
- System related expenses (+78) *

* Rental expenses +100
Data processing +30
Depreciation expenses -53
decrease due to the termination of Click Kabu 365 services

US : Total operating revenue increased YoY due to a slight increase in commissions revenue driven by account growth, despite a significant YoY drop in volatility (VIX), and higher net interest income, driven by securities lending and crypto lending.

■ Total operating revenue after deducting financial expenses and cost of sales

(USD thousand)




Total operating revenue after deducting financial expenses and cost of sales
+2.1% (+3,212)

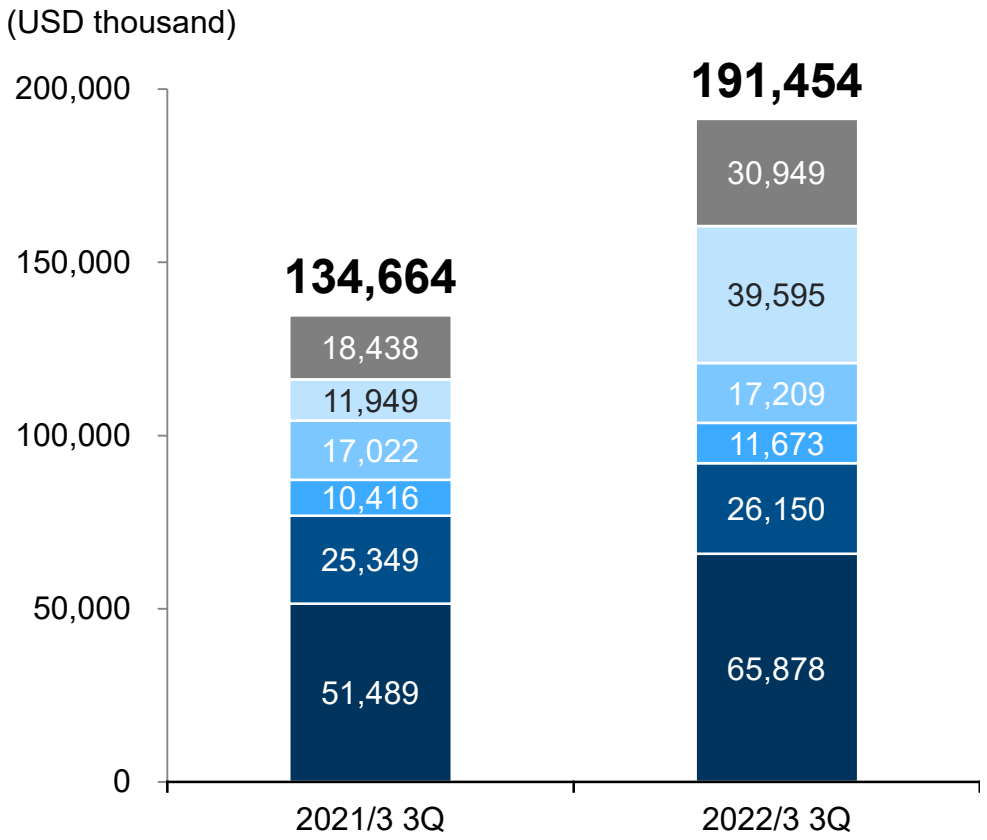
* Figures in parentheses indicate the variance from the previous year (USD thousand) [reflects comparison of results for 9 months ended Dec 31 YoY]

- Others (-2,248)
- Net financial income (+2,286)
- Other commissions (+4,489) *1
- Brokerage commissions (-1,316) *1

*1 VIX daily average YoY: 28.6 → 18.5
DARTs (Daily Average Revenue Trades): -2%
Total accounts: 131K → 179K (+36%)

US : Advertising and compensation & benefits increased YoY due to implementation of account growth strategy and product initiatives. Professional fees increased in connection with the De-SPAC.

■ SG&A




SG&A Total +42.2% (+56,790)

* Figures in parentheses indicate the variance from the previous year (USD thousand) [reflects comparison of results for 9 months ended Dec 31 YoY]

- Others (+12,511) *1
- Advertising expenses (+27,646)
- Amortization and depreciation (+187)
- Communication, freight and information expenses (+1,258)
- Commissions paid and association dues (+801)
- Compensation and benefits (+14,388) *2

*1 Professional fees +$8.6M
*2 Number of employees +203
(Dec 31, 2020 vs Dec 31, 2021)

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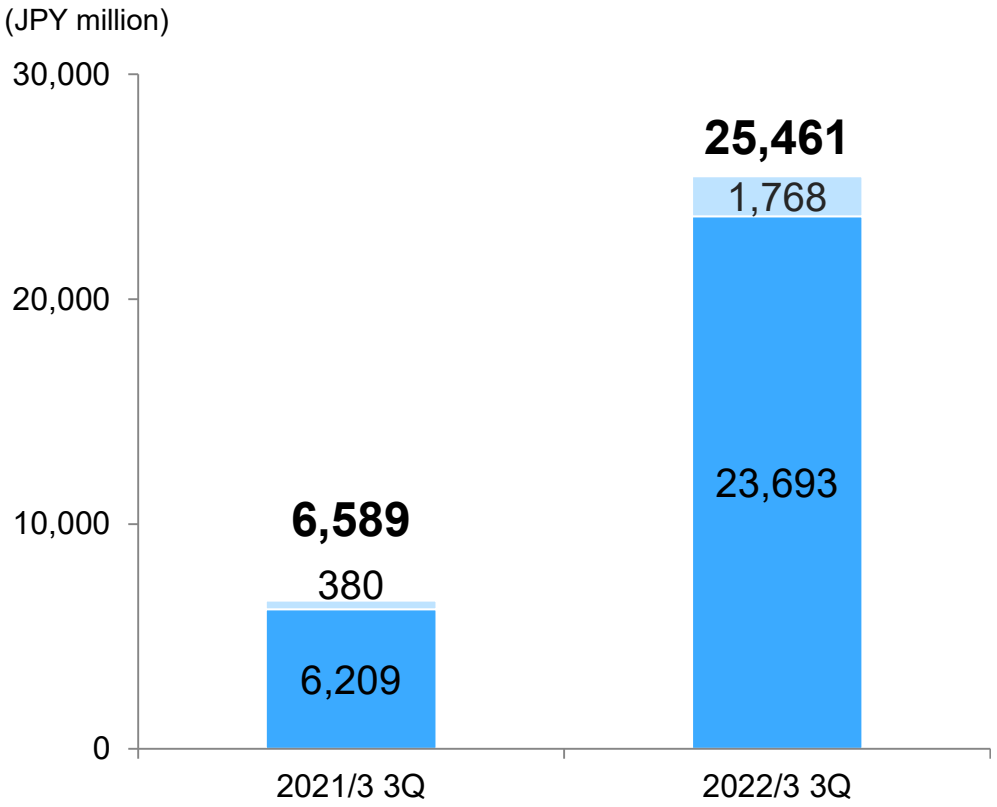
# Crypto : Total revenue increased by approx. 4 times YoY. Trading value at marketplace increased significantly due to the booming market, the addition of altcoin offering, and a significant account growth.

■ Total operating revenue after deducting financial expenses and cost of sales




Total operating revenue after deducting financial expenses and cost of sales
+286.4% (+18,872)

* Figures in parentheses indicate the variance from the previous year (JPY million)
[reflects comparison of results for 9 months ended Dec 31 YoY]

- Others (+1,388)
- Net trading income (+17,484) *1

*1 Trading value*2 at marketplace (YoY)

| | Trading value at marketplace |
|---|---|
| Apr. - Dec., 2020 | **¥ 157.0B** |
| Apr. – Dec., 2021 | **¥ 501.9B** |

*2 Coincheck, Inc. reviewed and changed its calculation method of trading value to better reflect the actual business performance. Previously disclosed figures in the table are modified based on the new method accordingly.

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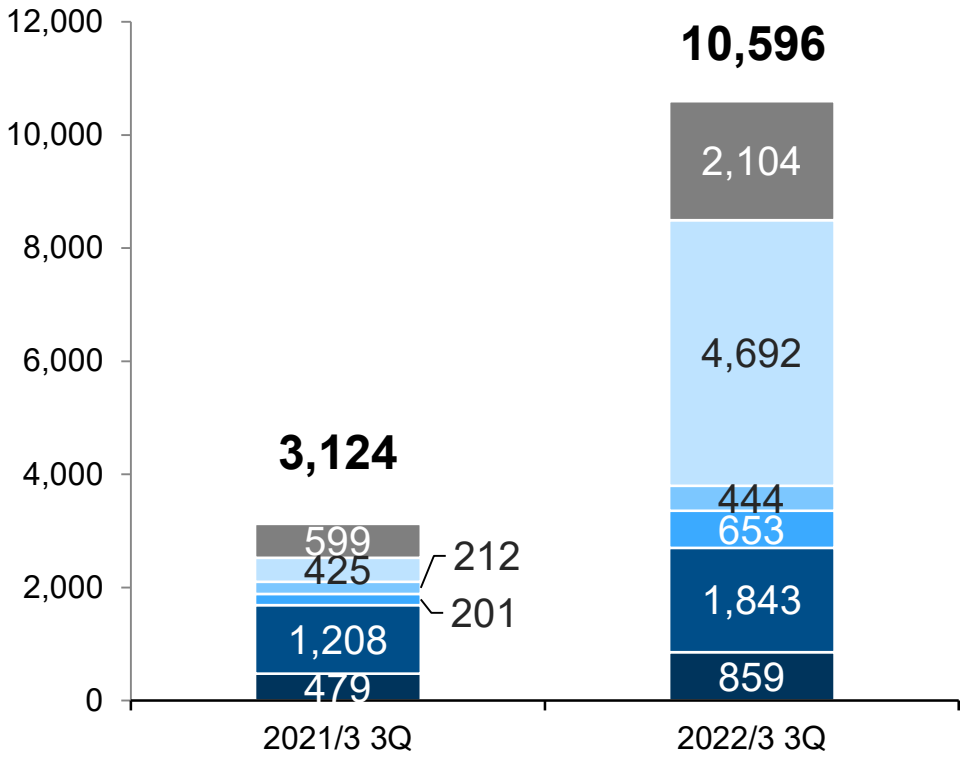
# Crypto : Advertising expenses increased due to proactive marketing efforts such as TV commercials and web marketing initiatives to acquire new accounts.

■ SG&A

(JPY million)




## SG&A Total +239.2% (+7,472)

* Figures in parentheses indicate the variance from the previous year (JPY million)
[reflects comparison of results for 9 months ended Dec 31 YoY]

- Others (+1,506) *1
- Advertising expenses (+4,267) *2
- Communication, freight and information expenses (+232)
- Commissions paid (+452)
- Compensation and benefits (+635)
- System related expenses (+380)

*1 Includes Management Fee to Monex Group, Inc.

*2

| | Quarterly increase in # of verified accounts (9 months) |
|---|---|
| 2021/3 3Q | **+97K** |
| 2022/3 3Q | **+330K** |

(JPY million)

| (JPY million) | 2Q FYE Mar. 2022 (Jul. 2021- Sep. 2021) | 3Q FYE Mar. 2022 (Oct. 2021- Dec. 2021) | Variance | Rate of change | Reference |
|---|---|---|---|---|---|
| Total operating revenue after deducting financial expenses and cost of sales | 20,730 | 19,138 | -1,592 | -8% | P29: Analysis of Japan segment<br>P31: Analysis of US segment (USD)<br>P33: Analysis of Crypto Asset segment |
| SG&A | 15,521 | 18,638 | +3,117 | +20% | P30: Analysis of Japan segment<br>P32: Analysis of US segment (USD)<br>P34: Analysis of Crypto Asset segment |
| The amount equivalent to operating income | 5,209 | 500 | -4,709 | -90% | |
| Other income / expenses (net) | 1,952 | 509 | -1,443 | -74% | |
| Quarterly profit before income taxes | 7,161 | 1,010 | -6,152 | -86% | |
| Quarterly profit attributable to owners of the Company | 4,767 | 435 | -4,332 | -91% | |
| EBITDA | 7,267 | 2,531 | -4,736 | -65% | |

# QoQ Comparison (3 months) Segment Performance

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| (JPY million) | Japan | | US | | Crypto Asset | | Asia Pacific | | Investment | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022/3 2Q | 2022/3 3Q | 2022/3 2Q | 2022/3 3Q | 2022/3 2Q | 2022/3 3Q | 2022/3 2Q | 2022/3 3Q | 2022/3 2Q | 2022/3 3Q |
| Total operating revenue after deducting financial expenses and cost of sales | 7,381 | 7,861 | 5,464 | 6,062 | 7,695 | 5,027 | 321 | 296 | 67 | 74 |
| SG&A | 6,081 | 6,342 | 6,835 | 8,565 | 2,934 | 3,910 | 263 | 273 | 18 | 25 |
| The amount equivalent to operating income | 1,300 | 1,519 | -1,371 | -2,503 | 4,761 | 1,118 | 58 | 23 | 49 | 49 |
| Other income / expenses (net) | 2,402 | 446 | -131 | 382 | 70 | -2 | 24 | -22 | -0 | -0 |
| Quarterly profit before income taxes | 3,702 | 1,965 | -1,502 | -2,121 | 4,831 | 1,116 | 82 | 2 | 49 | 48 |
| Quarterly profit attributable to owners of the Company | 2,458 | 1,292 | -1,153 | -1,641 | 3,341 | 762 | 68 | -10 | 54 | 33 |
| EBITDA | 2,587 | 2,802 | -485 | -1,578 | 4,861 | 1,220 | 84 | 50 | 49 | 49 |
| Note | See P29 “total operating revenue after deducting financial expenses and cost of sales” for more details<br>See P30 “SG&A” for more details | | See P31 “total operating revenue after deducting financial expenses and cost of sales” for more details. See P32 “SG&A” for more details. | | See P33 “total operating revenue after deducting financial expenses and cost of sales” for more details. See P34 “SG&A” for more details. | | | | | |

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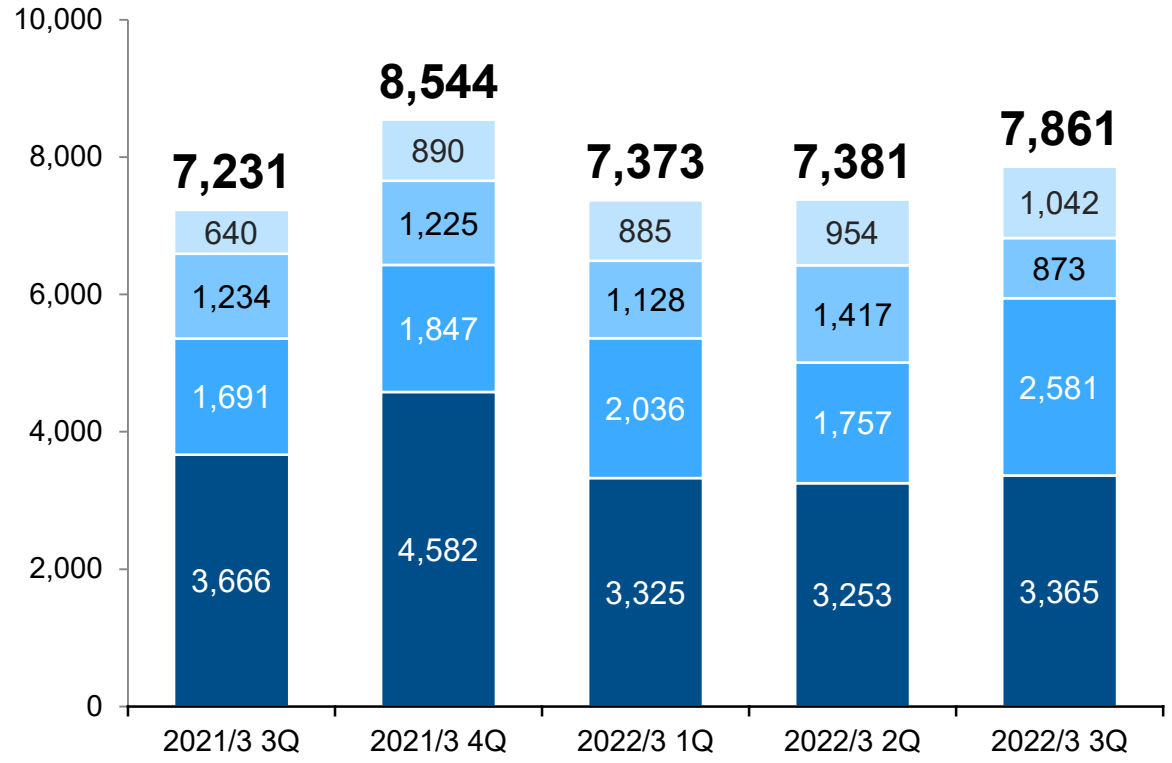
# Japan : Revenue increased due to steady growth in non Japan equity brokerage commissions, including financial income from stock lending and margin trading, and U.S. equity commissions.

■ 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 +6.5 % (+480)

* Figures in parentheses indicate the variance from the previous quarter (JPY million)

- Others (+88) *1
- FX & fixed income (-544)
- Net financial income (+824) *2
- Brokerage commissions (+111) *3

*1 Management fee from mutual fund +19,
Mutual fund balance of Monex Securities (Avg.) +9%

*2 Stock lending +76 (+2%)
Net financial income of margin trading +59 (+4%)
Inter-company transaction generated foreign exchange gain (+625) in net financial income, offset by currency SWAP of -639 which is included in FX & fixed income,

*3 Brokerage commissions from Japan equity -4 (-0%)
Brokerage commissions from US equity +95 (+15%)

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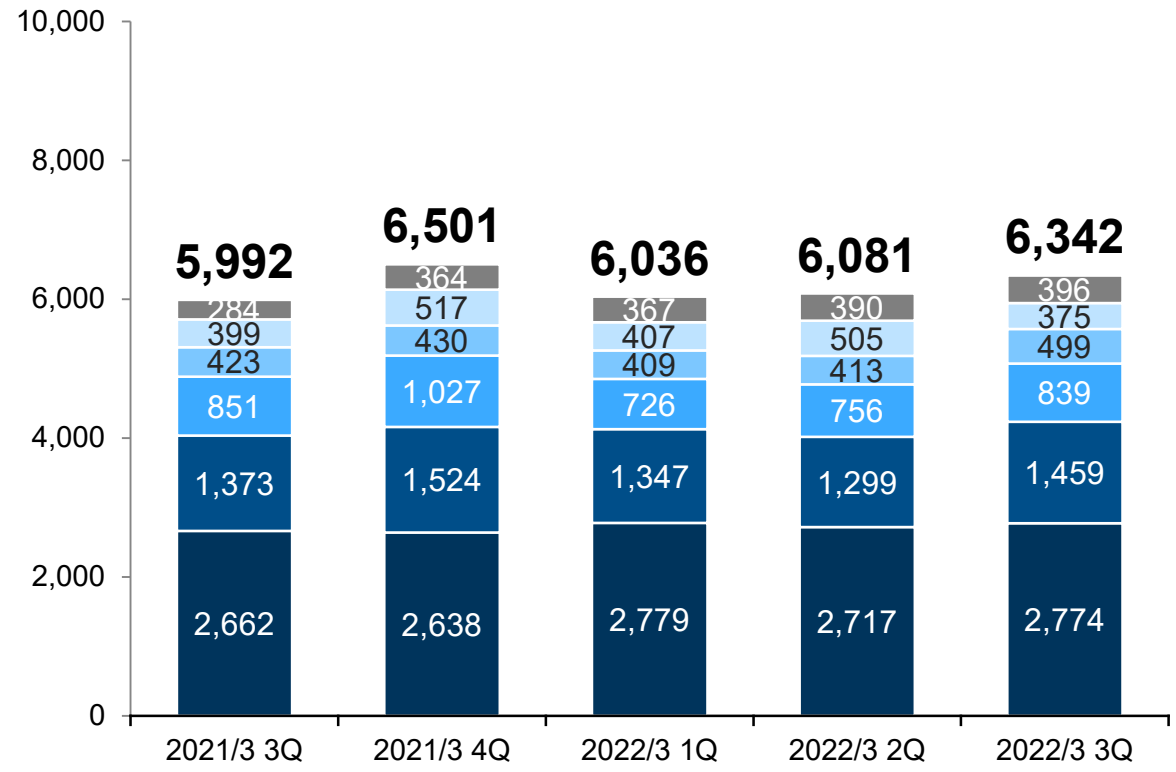
Japan : Controlled fixed costs while striving to maintain and improve services.
Communication costs included one-time costs associated with the start of collaboration with Shinsei Bank Group.

■ Quarterly SG&A

(JPY million)




Quarterly SG&A +4.3% (+261)

* Figures in parentheses indicate the variance from the previous quarter (JPY million)

- Others (+6)
- Advertising expenses (-130)
- Communication, freight and information expenses (+86)
- Commissions paid, exchange and association dues (+82)
- Compensation and benefits (+160)
- System related expenses (+57) *

* Rental expenses +20
Data processing +42
Depreciation expenses -5

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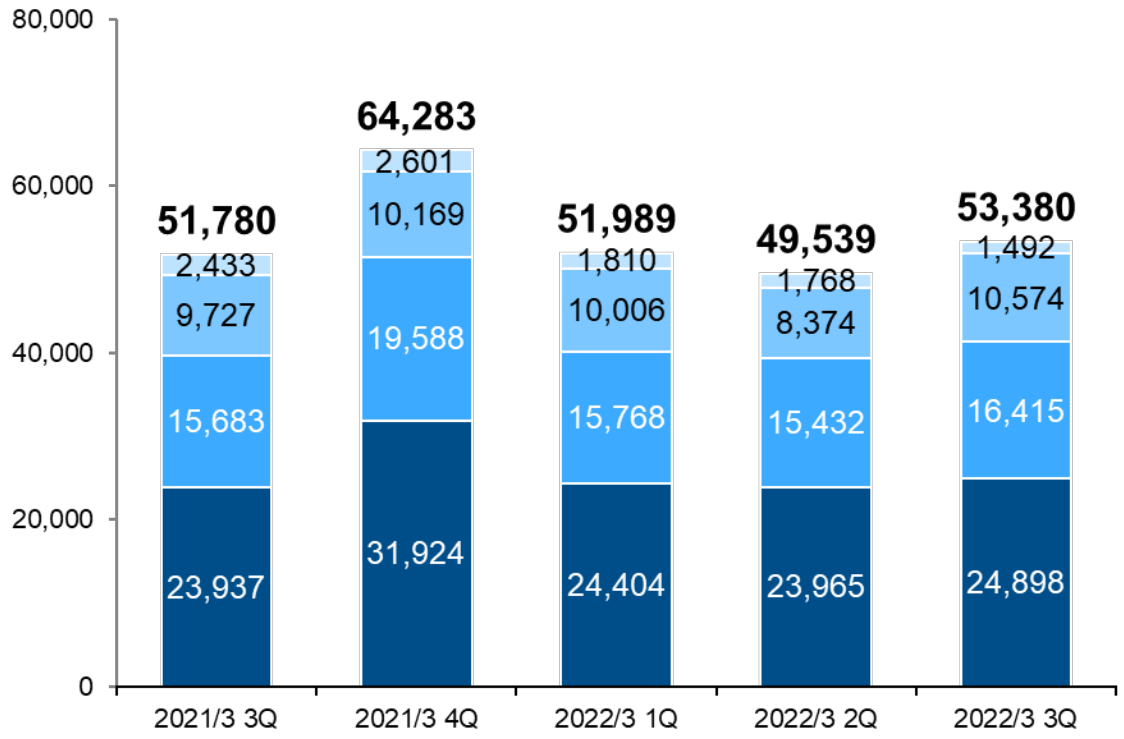
# US : Net financial income increased by 26% driven by securities lending and crypto lending. Commissions revenue increased due to higher VIX and account growth.

■ 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　+7.8%（+3,841）

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

- Others (-275)
- Net financial income (+2,200)
- Other commissions (+983) *1
- Brokerage commissions (+933) *1

*1 VIX Daily Average QoQ: 18.3 → 19.3
DARTs +6%

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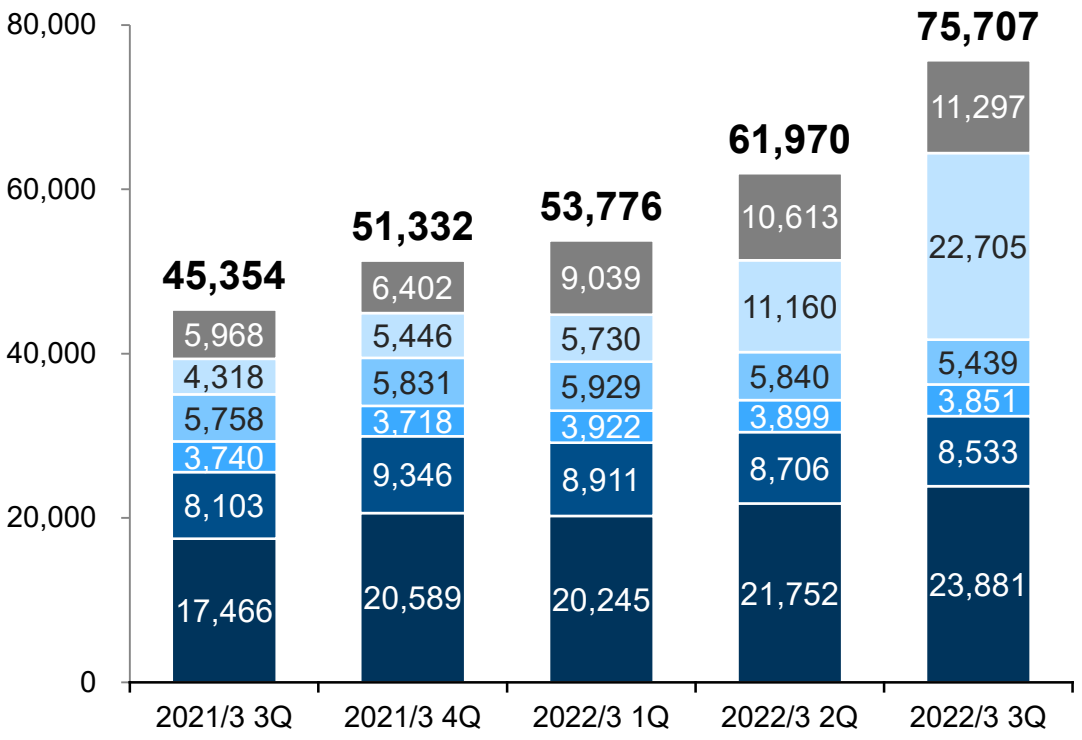
US : Advertising expenses increased due to increased marketing to acquire new accounts. Compensation and benefits increased due to an increase in headcount to support marketing and product development.

■ Quarterly SG&A

(USD thousand)




Quarterly SG&A +22.2% (+13,737)

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

- Others (+685)
- Advertising expenses (+11,544)
- Amortization and depreciation (-401)
- Communication, freight and information expenses (-48)
- Commissions paid and association dues (-172)
- Compensation and benefits (+2,129) *1

*1 Number of employees +41

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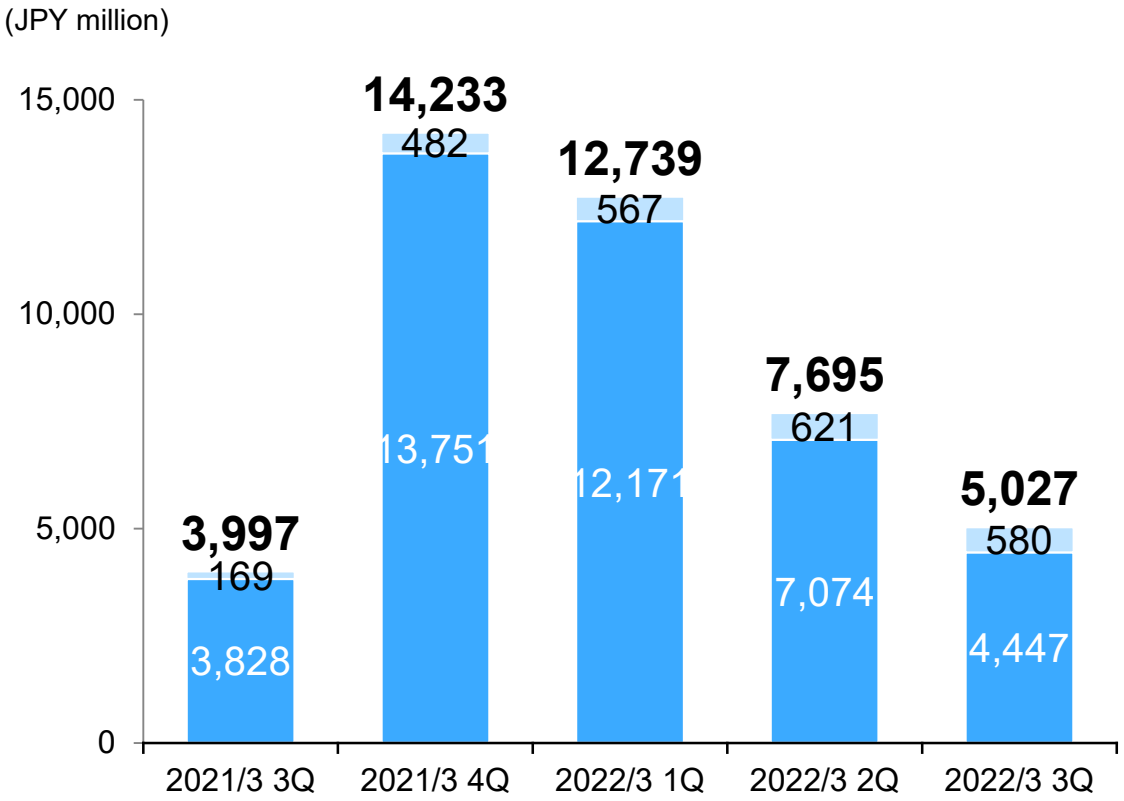
# Crypto : Revenue declined QoQ due to a drop in trading value as the crypto asset market slowed down.

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




Quarterly total operating revenue after deducting financial expenses and cost of sales -34.7% (-2,668)

* Figures in parentheses indicate the variance from the previous quarter (JPY million)

Others (-41)

Net trading income (-2,627) *1

*1 Quarterly trading value*2 at market place (JPY million)

| Jul. 2021 | Aug. 2021 | Sep. 2021 | 2022/3 2Q |
|---|---|---|---|
| 21,912 | 38,017 | 54,511 | **114,441** |
| Oct. 2021 | Nov. 2021 | Dec. 2021 | 2022/3 3Q |
| 40,573 | 45,579 | 28,536 | **114,688** |

*2 Coincheck, Inc. reviewed and changed its calculation method of trading value to better reflect the actual business performance. Previously disclosed figures in the table are modified based on the new method accordingly.

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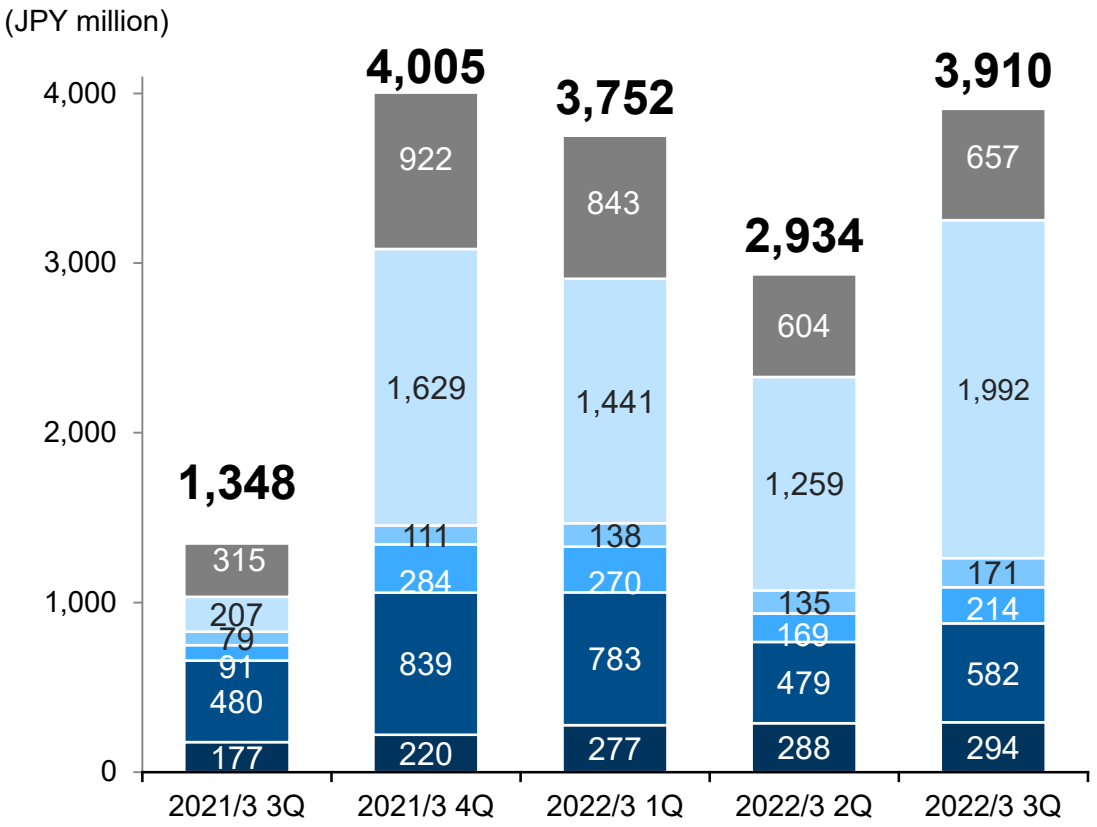
# Crypto : Aggressive marketing to acquire new customers, resulting in a large increase in advertising expenses.

■ Quarterly SG&A




## Quarterly SG&A +33.2% (+975)

* Figures in parentheses indicate the variance from the previous quarter (JPY million)

- Others (+52)*1
- Advertising expenses (+732) *2
- Communication, freight and information expenses (+36)
- Commissions paid (+45)
- Compensation and benefits (+103)
- System related expenses (+7)

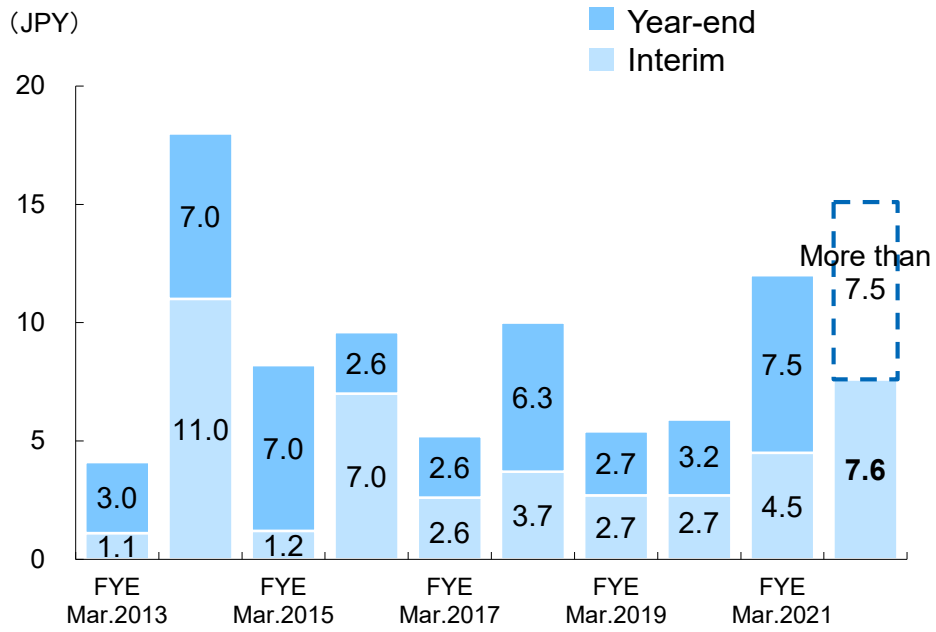
*1 Includes Management Fee to Monex Group, Inc.

*2

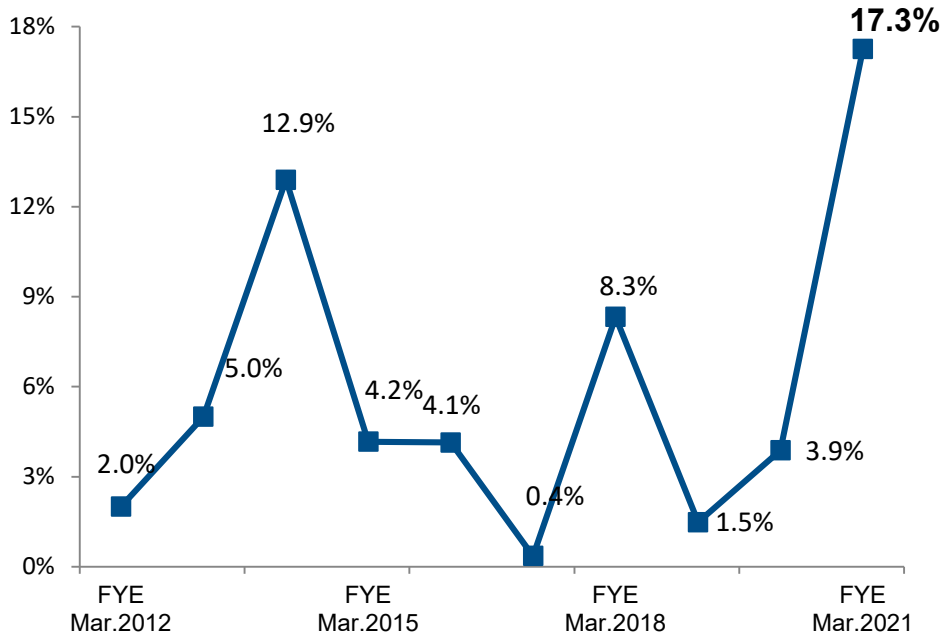
| | Quarterly increase in # of verified accounts |
|---|---|
| 2022/3 2Q | **+75K** |
| 2022/3 3Q | **+104K** |

# Stable dividend payments and flexible buybacks of its own shares, while investing in the long-term growth.

◆ History of dividend per share




◆ Return on equity ratio




* Refer to P61 "Dividend history" for more information of dividend per share

I. Highlights

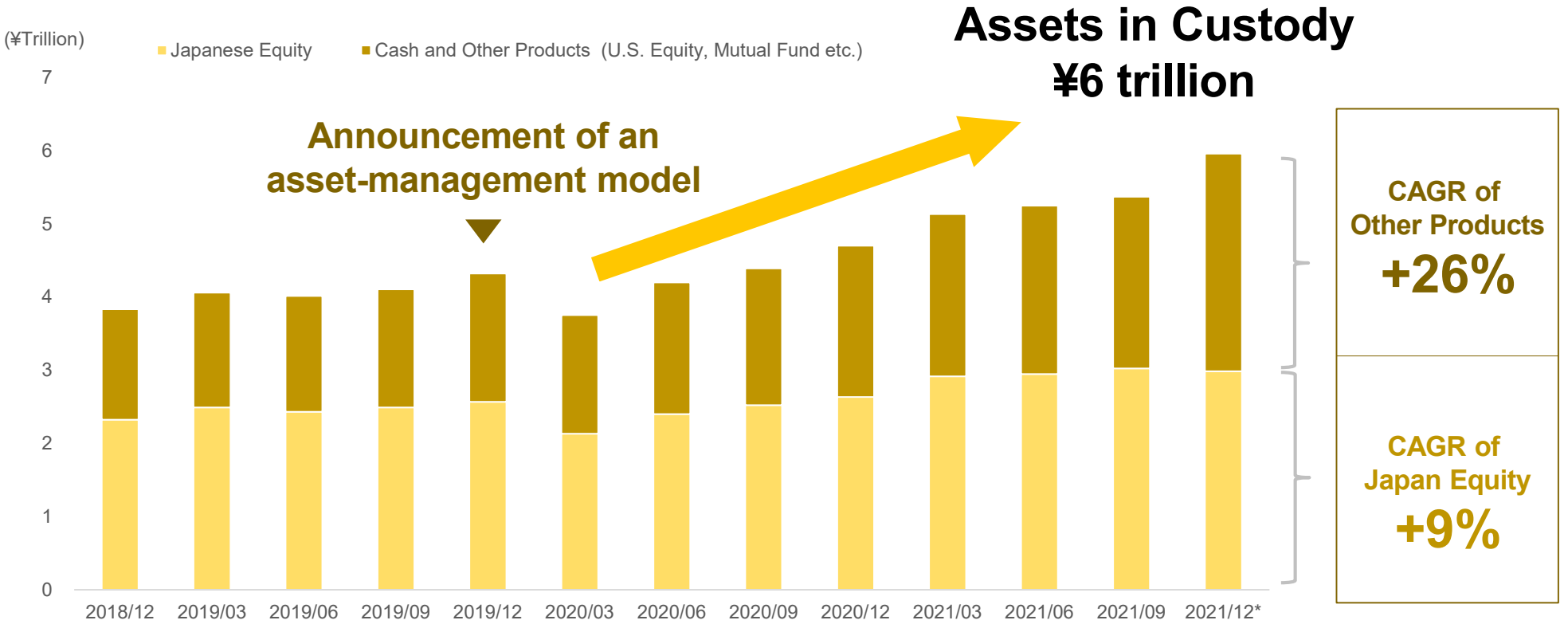
II. Consolidated Performance

III. Business Update

Appendix. Group Overview

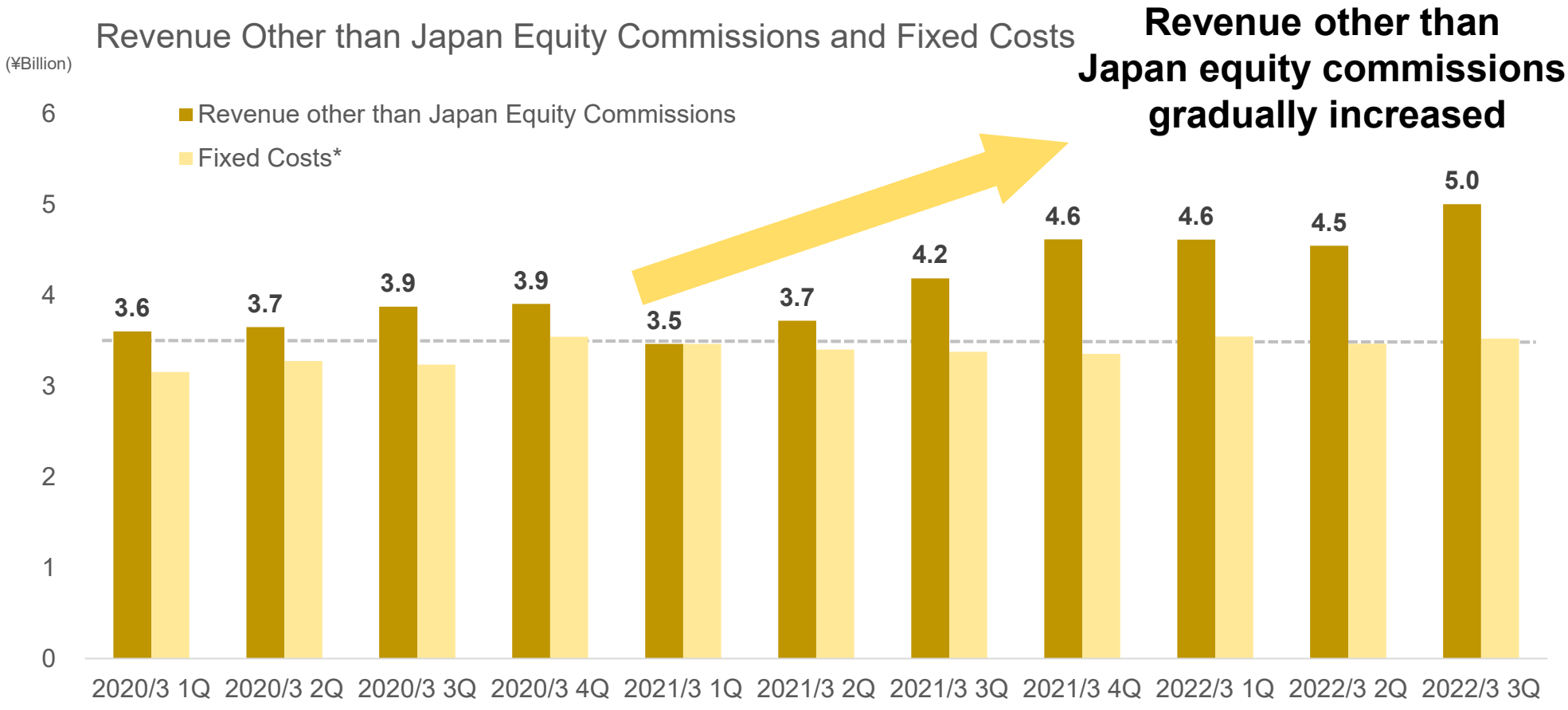
# After announcing an asset-management model transformation, total assets in custody grew 1.4 times in two years, reaching to ¥6 trillion. U.S. equity and mutual funds contribute to the growth in assets in custody.

## Monex Securities Assets Under Custody by Product




* As of Jan 4. The figures for 2021/12 includes that of accounts transferred from Shinsei Bank (Mutual funds and bonds)

# Revenues other than Japanese equity commissions surpassed fixed costs to help build a stable revenue base. Accelerating the asset-management model in which revenues increase along with assets under custody.




* Figures of Monex Securities. Fixed costs consists of rental expense + data processing fee + depreciation cost + remuneration fee (excluding bonuses linked with performance )

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# To promote the asset-management model, Monex is striving to increase assets in custody by utilizing offline channels.

## Leveraging the Competence of Monex Securities to Drive "Asset Management Model"

### Customer Base

- 2.15M accounts*1
- ¥6.0T Assets in Custody*1
- ¥10.9B Adjusted EBITDA*

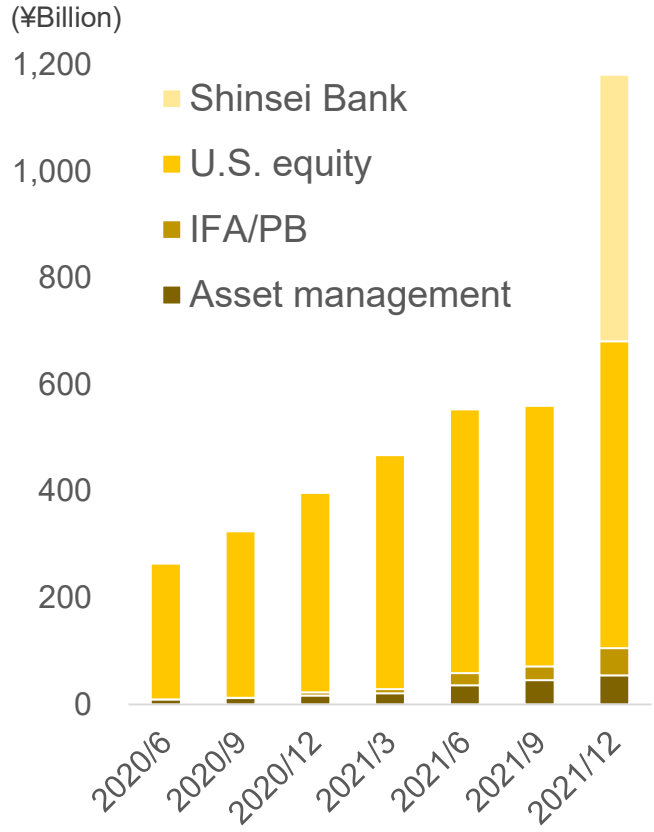
### Monex Securities' Strengths

- "Monex" Brand, Product Offerings
- Asset Management Capability
- In-house Backbone System and API
- Collaboration with TradeStation Group

### Services

- IFA/ Wealth-management (Private banking)
- Asset management business (Monex Activist Funds, COMPASS+ etc.)
- API Integration with Other Firms such as Shinsei Bank Group
- U.S. Equity Trading Service

### Assets Under Custody



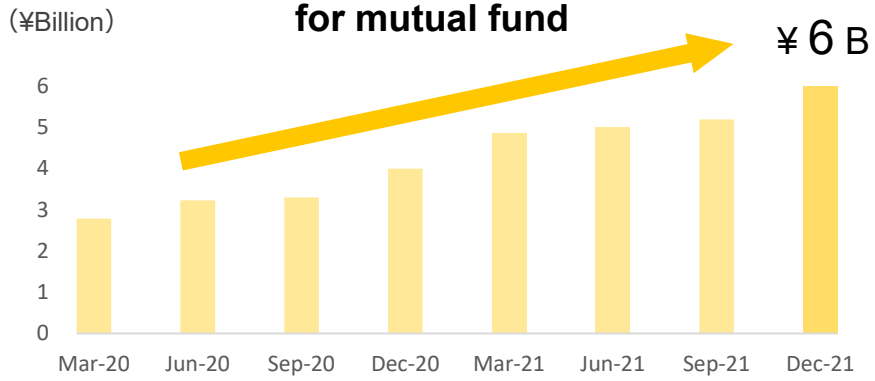

*1 As of Jan 4. The figures for 2021/12 includes that of accounts transferred from Shinsei Bank (Mutual funds and bonds)
*2 Ave. of Adjusted EBITDA from FYE Mar 2019 to 2021. Please refer to P9 for explanation for Adjusted EBITDA.

# Continued focus on revenues other than Japan equity commissions, including mutual fund trust fees and U.S. equity trading revenues.

## Mutual Fund

- Number of applications for Monex Card increased. Service to enable automatic periodic purchase of mutual funds is scheduled to launch in Feb 2022, aiming for additional growth in the mutual funds balance.
- Started a business partnership with Shinsei Bank Group in Jan. Transferred Shinsei Bank's mutual fund balance to Monex Securities, the latest mutual fund balance is 980 billion yen.

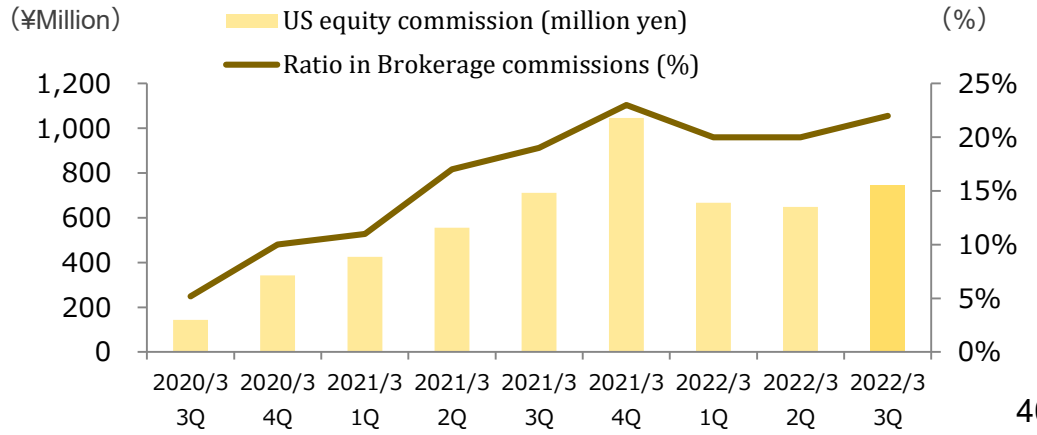
**The amount of periodic purchase plan for mutual fund**




## U.S. Equity Trading

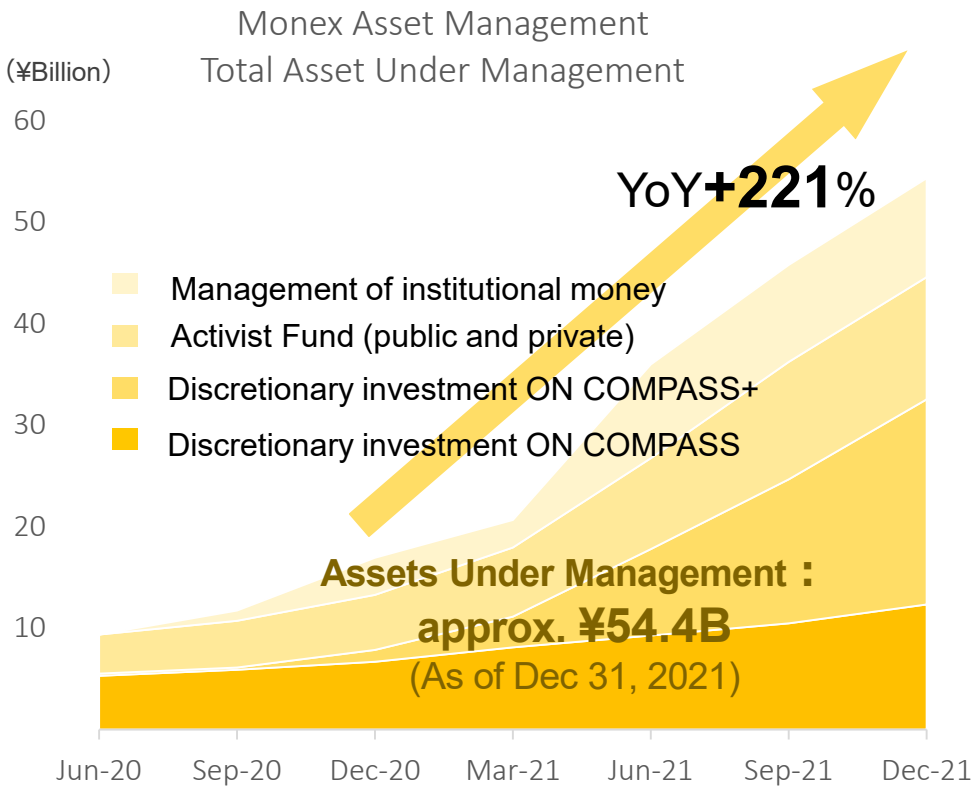
- U.S. equity commissions account for 22% of entire brokerage commissions. Number of unique users of U.S. equity trading increased, which contributes significantly to revenues when the market is active.
- Plan to launch U.S. equity margin trading from July 2022.
- With the launch of over-the-counter (OTC) trading last September, customers can trade U.S. stocks for a total of 17 hours, including during the day in Japan.

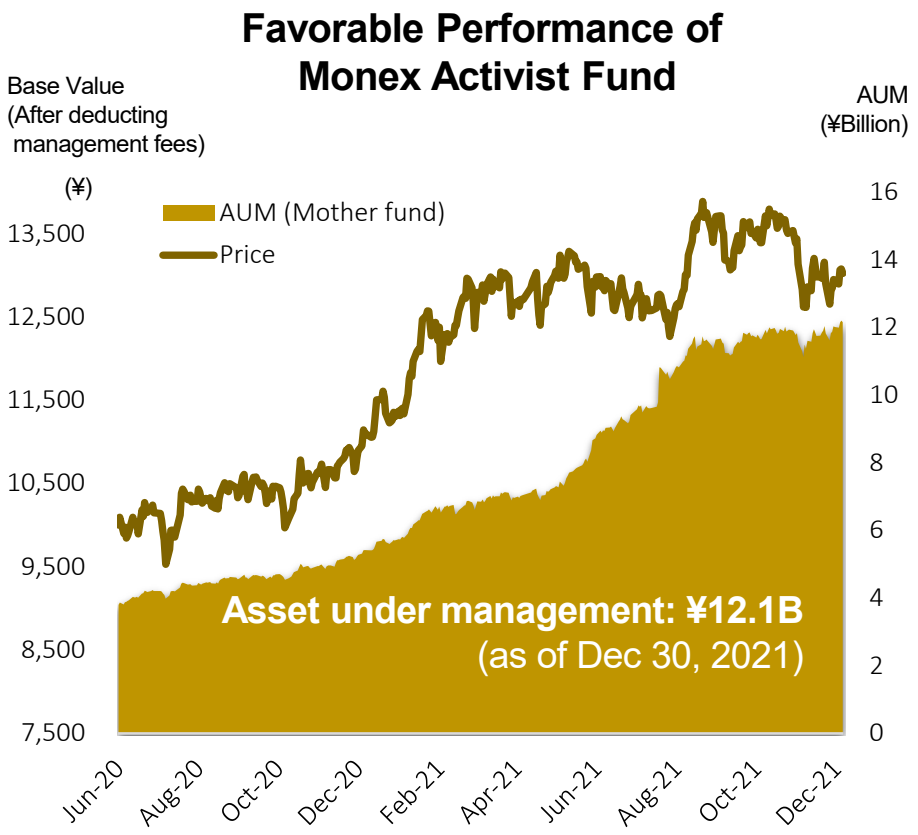
**U.S. equity commission and its ratio in total brokerage revenue**



# Total assets under management (AUM) of Monex Asset Management, the asset management company within the group, grew by 3.2 times YoY to reach a total of ¥54.4 billion.

## Assets Under Management Grow Strongly



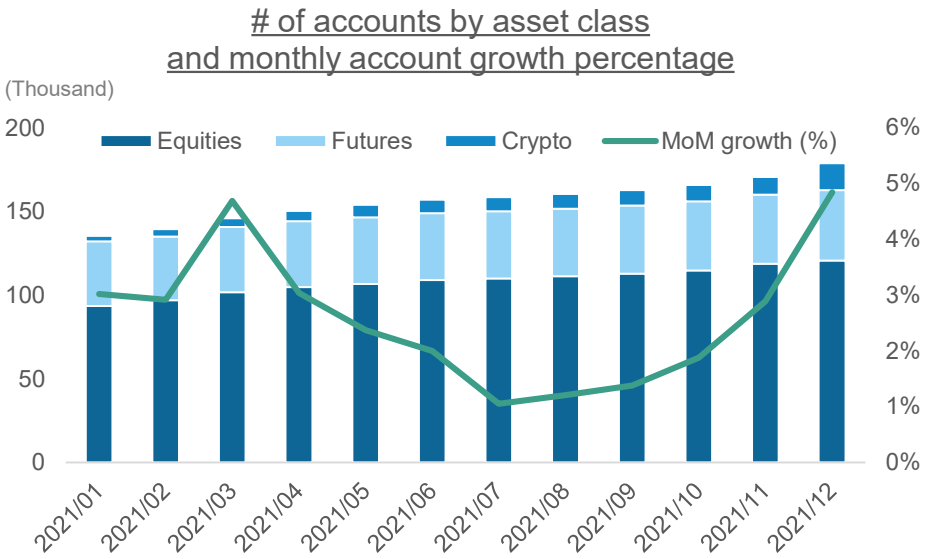
# Strong year-over-year growth in total accounts and customer assets under custody.

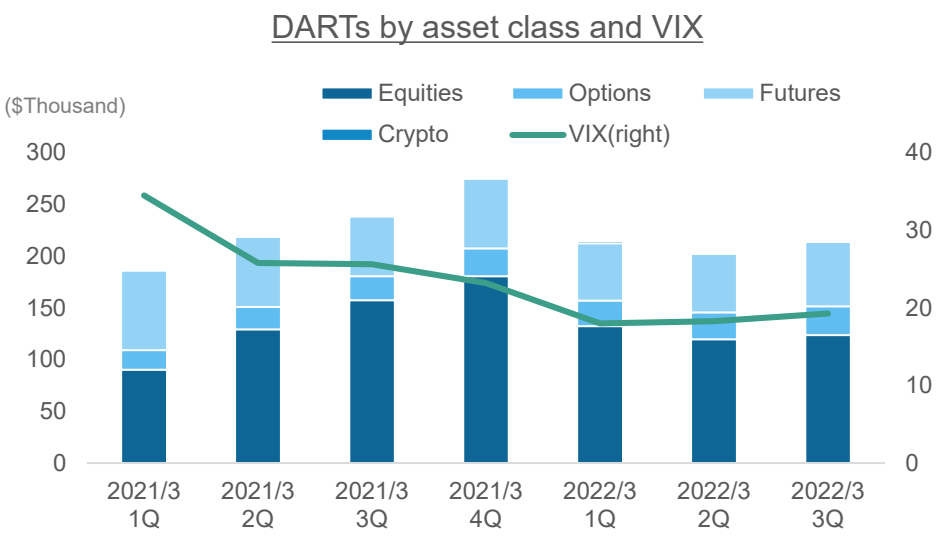
## Account Additions & Client Assets

- Total accounts*1: **179k** (**+36%** YoY)
- Total customer assets*2: **$12.3B** (**+33%** YoY)
- Crypto accounts have grown to 9% of total accounts at Dec 31, 2021 from less than 2% at Dec 31, 2020

## DARTs and VIX

- DARTs declined YoY due to COVID-driven elevated trading of the prior year, but increased by 6% sequentially
- VIX closing average for fiscal third quarter declined by 35% from prior year and increased by 5% sequentially.
- Mix of DARTs shifted YoY with higher futures and options trading, as a percent of total, and lower equities




*1 Included in "total accounts" for Dec. 2021 are customer crypto accounts opened through a marketing promotion that began Dec. 20, 2021 in which TradeStation makes the initial account funding (BTC equal to USD $10.00). Crypto accounts opened under this promotion were 4,950, or 87%, of the total crypto accounts opened in Dec. 2021.
*2 Customers' Assets under custody include the balance of foreign stocks and some deposits of held by Monex, Inc. and Asia-Pacific Segment.

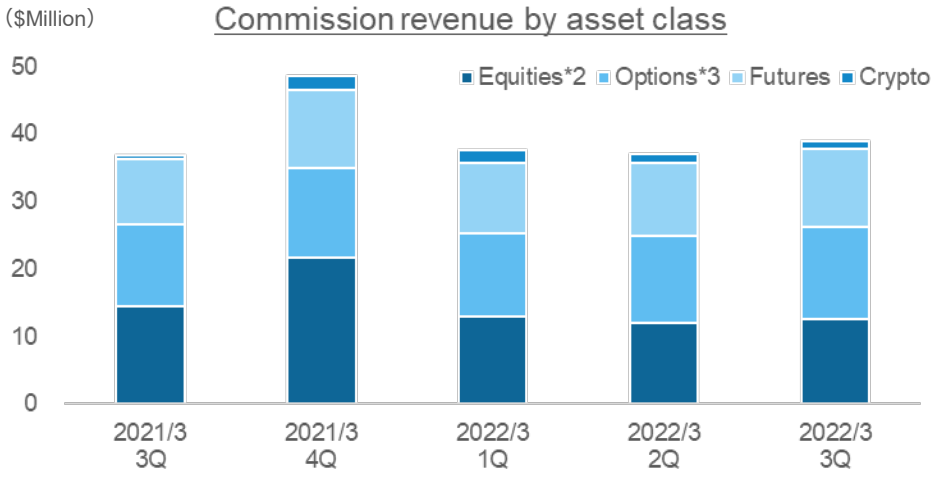
# Commission revenue growth reflects TradeStation's account growth.

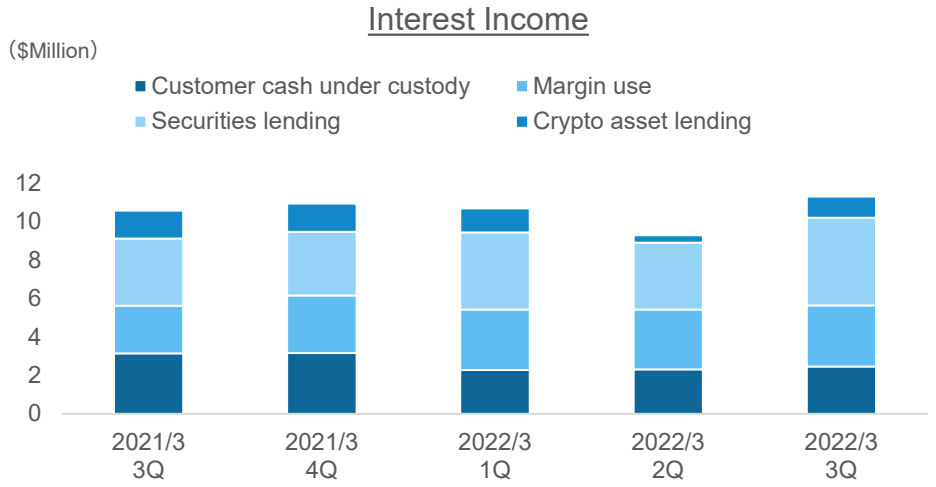
## Commission Revenue

- Total brokerage revenue*1 was $38.9M in 3Q.
- Brokerage commission revenue growth YoY was driven by higher futures and options revenue.

## Interest Income

- Growth of total customer assets expands interest income through margin lending, securities and crypto asset lending, and interest earned on customer cash under custody.
- Interest income is strongly correlated to short-term interest rates. If the federal funds target rate increases over the 2022 calendar year as many are anticipating, TradeStation expects increased net interest income with respect to the investment of customer cash.

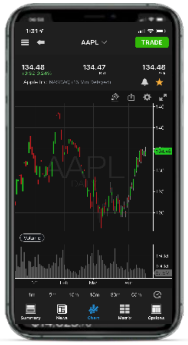



*1 Brokerage revenue includes payment-for-order-flow (PFOF). *2 Equities revenue includes commissions and fees received for equities and mutual fund transactions, which includes PFOF received for customer equities trades. *3 Options revenue includes commissions and fees received for options transactions, which includes PFOF received for customer options trades.

# TradeStation positions itself to attract an expanding market of self-directed investors.

## TradeStation's Pillars for Growth



### Award-Winning Suite of Trader and Investor Products

- TradeStation Rated #1 or "Best in Class" six times in StockBrokers.com's 2022 Online Broker Review for:
  - Platform & Tools
  - Active Trading
  - Options Trading
  - Futures Trading
  - Crypto Technology
  - Commissions & Fees
- 2022 Best Online Broker for Stock Trading Platform and Research in Nerd Wallet's 2022 Best-of Awards

### Expanding Customer Base of Experienced and New Traders

- Demographic wave of Millennials and Gen-Z investors, coupled with increased interest in self-directed investing, is leading to an expanding addressable market

### Differentiated Positioning in the Market

- Multi-asset platform for Equities, Options, Futures and Crypto trading
- Self-clearing online brokerage
- Education & Social Community
- Adaptive technology accessible on desktop, Web and mobile
- Advanced API Technology

### Well-Defined Marketing and Product Strategy

**Marketing**

- Investments in brand awareness and performance marketing channels designed to drive efficient account acquisition

**Product Initiatives**

- Enhance user experience
- Advance Crypto offering
- Expand API as B2B and B2C Opportunity

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# To broaden its appeal, TradeStation seeks to enhance its extensive suite of products by leveraging its advanced technology and deep operational expertise.

## Recent Product Releases

### Crypto Individual Retirement Account (IRA)

- Starting in December 2021, U.S. customers can trade cryptocurrencies in tax-advantaged accounts

### Micro ETH Futures

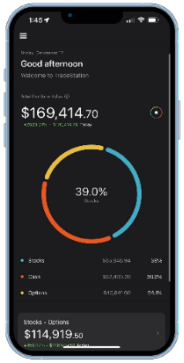
- Introduced CME's Micro Ether futures contracts, which create lower capital entry points for customers seeking access to cryptocurrency futures markets

### Crypto FIX API

- Allows businesses to connect with TradeStation Crypto through the Financial Information eXchange (FIX) protocol

### Simplified Portfolio & Balances View

- Extensive customer input, research and testing led to simplified presentation with supporting information icons to help investors understand terminology




## Expected Enhancements

### Brokerage

- Further Simplify User Experience
- Integrate More Education Content to Support Customer Engagement
- Enhance Peer-to-Peer Community

### Crypto

- Native Integration with TradeStation Apps
- New Cryptocurrencies

### Strategic Alliances

- Account Opening API
- Account Funding API

# The global crypto asset and NFT markets are growing rapidly.

## Crypto Asset Market

・With the entry of institutional investors overseas and with the market capitalization of BTC growing 81%*1 in one year, the global crypto asset market has expanded.

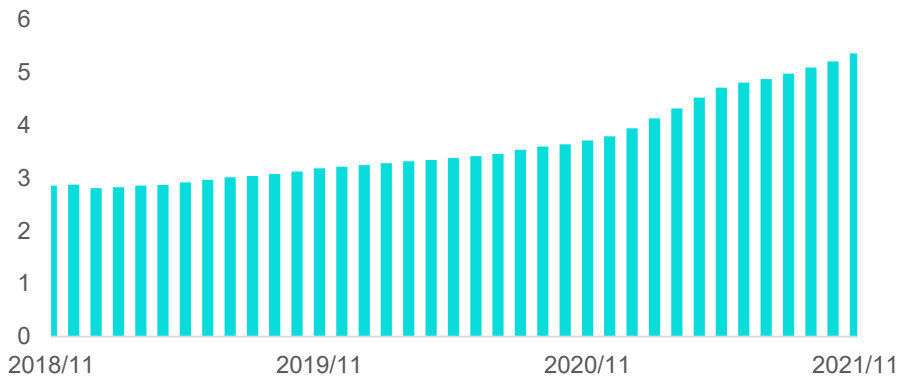
・The total number of crypto asset accounts in Japan increased by **45%**[*2] YoY as individual investors began to invest in crypto assets, although Japanese institutional investors have not yet entered the market in earnest.

## NFT Market[*3]

- The blockchain industry is rapidly expanding not only in the crypto asset market but also in the NFT market.
- Coincheck launched "Coincheck NFT (β version)" in Mar. 2021. Various industries including major internet companies, financial institutions, advertising agencies have entered the NFT business in Japan.

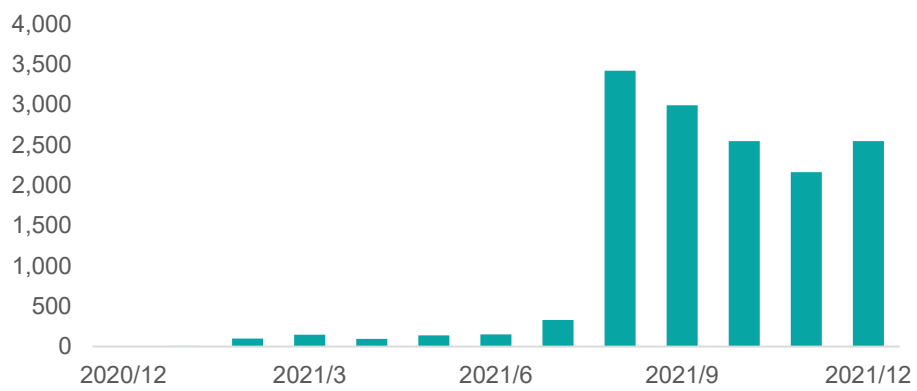
(Accounts: M)

# of crypto asset accounts in Japan[*2]




(USD million)

OpenSea monthly volumes (Ethereum)




*1 Dec. 31, 2020 vs. Dec. 31, 2021. Data source: https://coinmarketcap.com/
*2 Monthly crypto asset trading status table of JVCEA. Data source: https://jvcea.or.jp/about/statistics/
*3 Data source: https://dune.xyz/rchen8/opensea

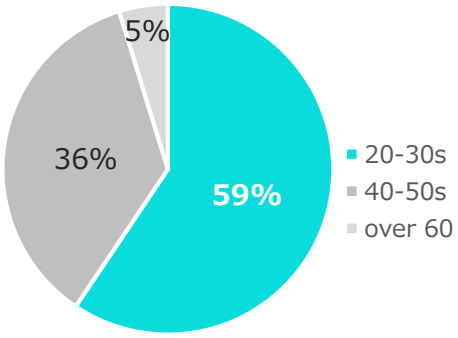
# Coincheck app wins No.1 app downloads in Japan for three consecutive years, and continues to be highly popular among younger generation.

## Strengths of Coincheck

Coincheck (crypto trading service)

- # of app downloads **4.76MDLs** (**+46%** YoY)
  **No.1 for 3 years in a row**
- # of verified accounts **1.53M** (**+48%** YoY)
- # of supported coins **17** coins
- Main customer target With strong support among younger generations, **60% of the customers are in their 20-30s.**

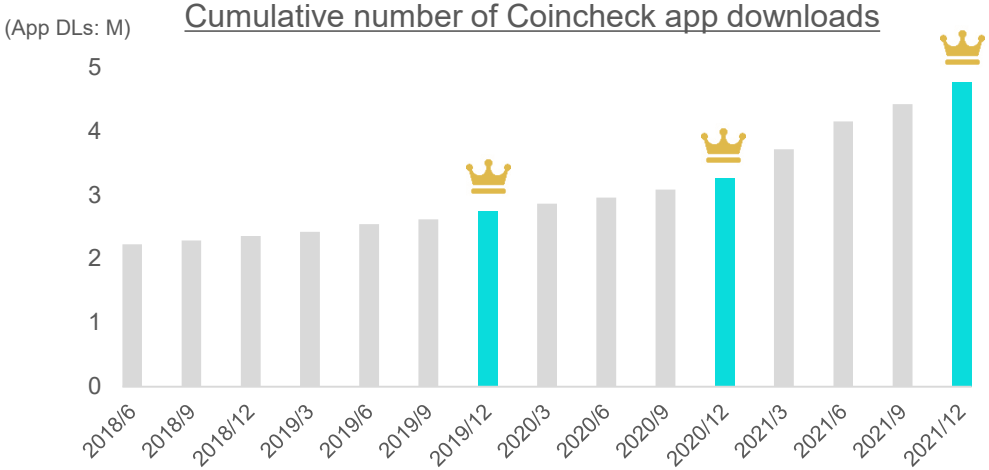
Age distribution of verified accounts




## No.1 App Downloads in Japan for 3 years in a row

- The Coincheck app features a UI/UX that is easy to use, even for beginners, under the corporate mission of "making the new exchange of new values more accessible."
- The # of app downloads for Coincheck this fiscal year was 2.6 times that of the same period of the previous year*2, due to increased awareness from TV commercials and the expansion of new services such as Coincheck NFT (β version) and Coincheck IEO.

Cumulative number of Coincheck app downloads




*1 Among Japanese crypto asset exchange apps. Term: Jan. 2019 to Dec. 2021. *2 Apr. - Dec. 2020 vs Apr.- Dec. 2021

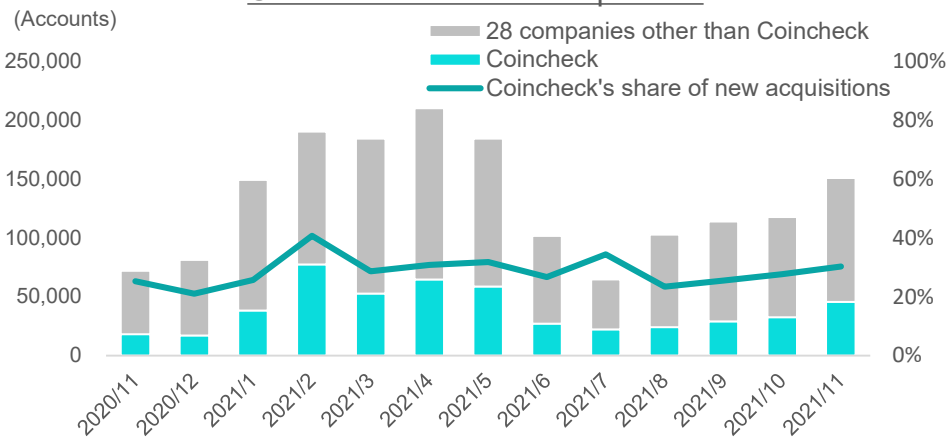
# Coincheck has been able to implement highly agile measures and achieve overwhelming acquisition share with unique in-house marketing.

## Strengths of Coincheck

Coincheck's customer acquisition

- # of new accounts in 9 months (net increase) **+330k** (Apr.-Dec. 2021)
- Share of new accounts acquired in 8 months **29%**[*1] (Apr.-Nov. 2021)
- While crypto asset exchange companies have started mass marketing through TV commercials, etc., Coincheck maintained a high share of new customer acquisitions.

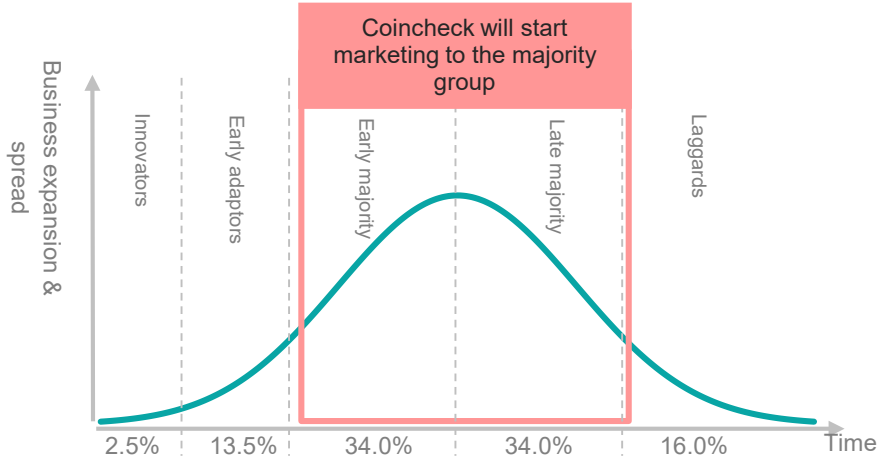
Market size of new account acquisition and Coincheck's share of acquisition




## Marketing

- Coincheck has been aggressively marketing to maintain the No.1 position in Japan while the entire crypto asset market is growing and the investor base is expanding.
- Coincheck captures the movement of the crypto asset market on a timely basis and controls ROI to conduct marketing that will capture a larger majority of the target population.

The total # of crypto asset accounts in Japan is approx. 17% of the total # of securities accounts in Japan, or approx. 5 million accounts※1, compared to approx. 29 million accounts in Japan※2. Assuming that the # of securities accounts is the upper limit, and based on the cascade theory, Coincheck will acquire customers from the majority group.




*1 Monthly crypto asset trading status table of JVCEA. Data source: https://jvcea.or.jp/about/statistics/

*2 Japan securities dealers association main accounts of members and number of customer accounts. Data source: https://www.jsda.or.jp/shiryoshitsu/toukei/kanjyo/index.html

# Coincheck creates and expands the digital econmy with an eye on Web 3.0 through its NFT/Metaverse initiatives.

## New business leveraging customer base

**Expansion of new businesses utilizing the customer base of Coincheck, a crypto asset exchange**

Coincheck

Verified accounts：1,530k

Customer assets in custody：¥441.4 billion

Coincheck leverages its customer base to handle the globally popular NFT and realize the first IEO in Japan.

Coincheck NFT（β version)

LAND … Land in the virtual space of the blockchain game, “The Sandbox.“

→ **Sold out 8 min. from the start of sales, and 4 additional sales.**

Coincheck IEO

Palette Token（PLT）… First IEO in Japan

→ **Within 6 min. of the start of applications, the target amount of ¥930 million was surpassed. The total subscription amount was ¥22.4 billion.**

## New Projects

### Oasis TOKYO

- Coincheck and The Sandbox started a project to build “Oasis TOKYO,” a year 2035 near-future city, on “LAND” owned by Coincheck.
- “Oasis TOKYO” is **a community platform of metaverse and NFT**, and aims to offer a forum for artists from different fields and their fans to connect while various companies are encouraged to develop their own communities.

### Coincheck Labs Launched

- Coincheck launched “Coincheck Labs” aimed at assisting start-ups who are to lead the Web 3.0 era.
- Coincheck supports entrepreneurs, start-ups, and communities who are focused on developing crypto asset-native and NFT-native products with its knowledge and support **the growth of Japan’s blockchain and Web3.0 ecosystem**. Coincheck Labs aims to expand and revitalize the entire crypto asset market..

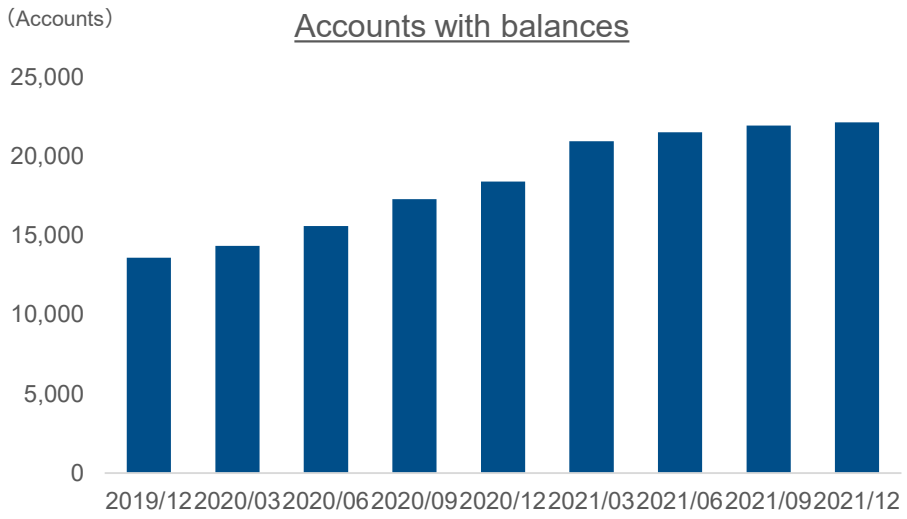
# Margin lending increased. Asia Pacific segment is preparing for future business development.

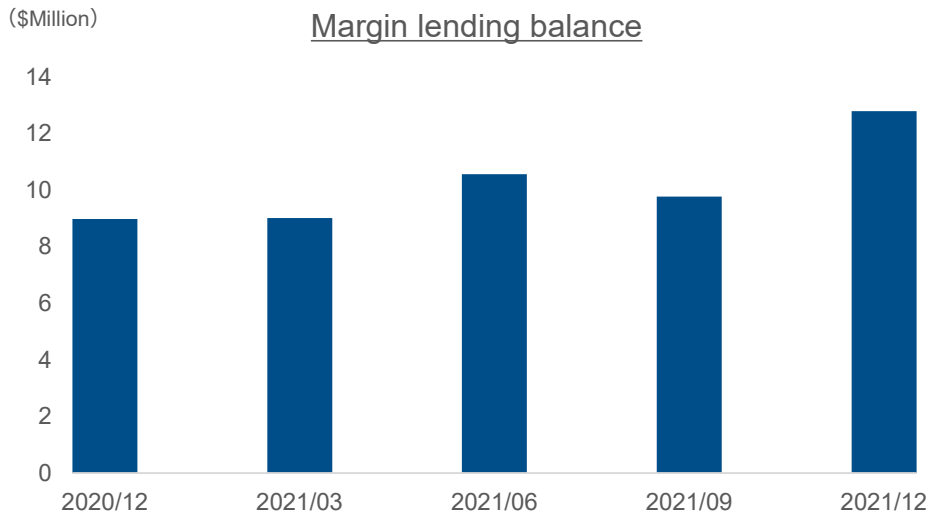
## Monex Boom / Monex Australia

- Accounts with balance is 22k (YoY +20%)
- U.S. stock trading connected to TradeStation continues to be popular, with U.S. stocks accounting for about half of Monex Boom Securities' trading volume.
- Monex Boom Securities is preparing to expand business not only in Hong Kong but also in mainland China.

## Margin Lending

- Margin lending balance is USD 13 million (YoY **+42%**)



# Continued to expand investment portfolio with the establishment of the MV2 fund following MV1.

## Investment Entity

### MV1 fund to shift to incubation phase

| | |
|---|---|
| Investment Size | 2.65 billion yen (Founded in Jan. 2019) |
| Investment Record | Completed investment phase with 58 companies, accumulating track records and EXIT cases. |

### Established MV2 fund

| | |
|---|---|
| Established | Apr. 2021 |
| Investment Record | Invested in 26 start-ups as of today |

**New investment of MV2 fund**

Prop Tech: Giver Take All

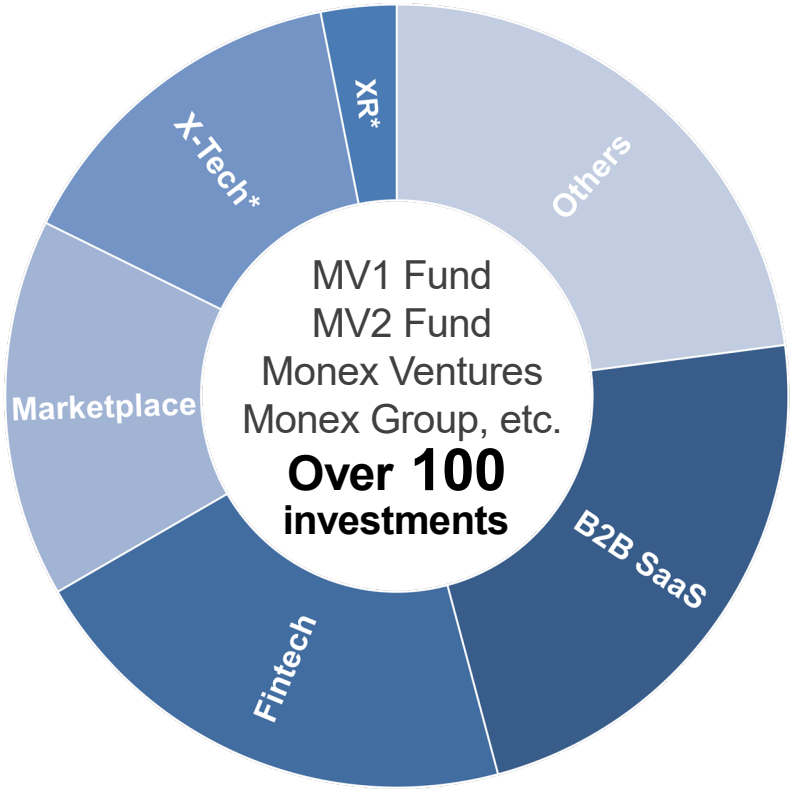
FinTech: WISE EGG

e-Sports: GauG

HR Tech: tokuty

## Investment Portfolio

### Investment Category Chart



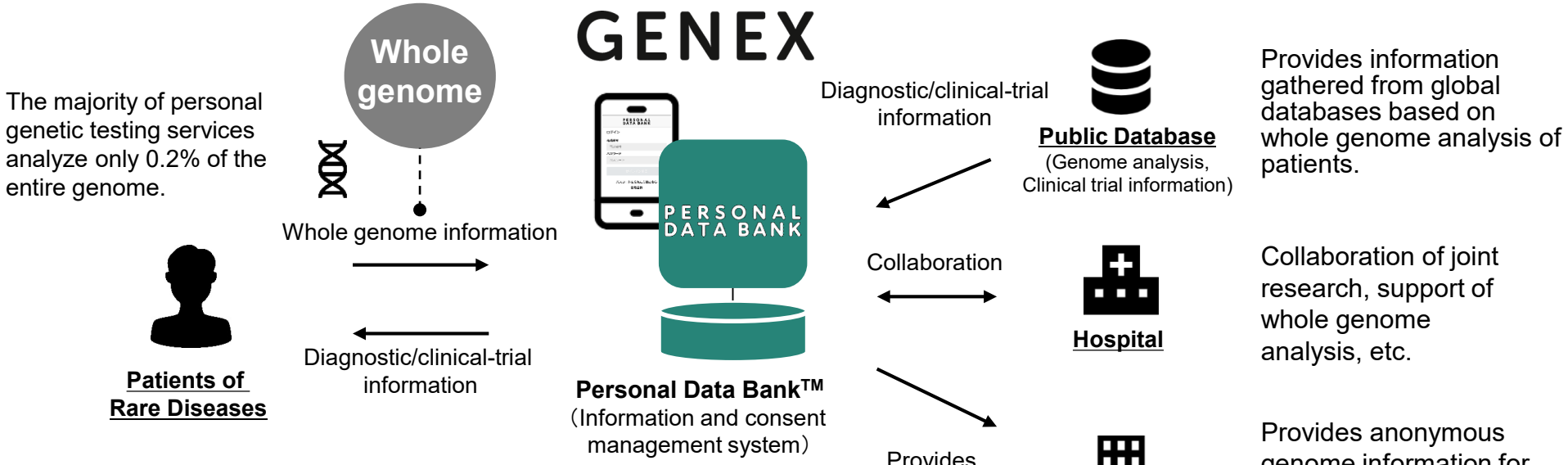

* XR is the representation technology such as VR, AR and MR. X-Tech is the convergence of existing fields and technologies such as Agritech Legaltech

# The new company, Genex, envisions a future in which individuals will be able to manage “with whom”, “when/how” their entire genome information is used.

## Business Description

**Social Impact of the Project**

While the average time to confirm the diagnosis of rare diseases is 5-7 years, “whole genome analysis” is expected to speed up the diagnosis and lead to clinical trials and therapies.




**Personal Data Bank**

Realized the securely protected management system of entrusted whole genome information, based on a certified system, such as obtaining certification for the handling of personal information and safety management standards under the "Information Bank" certification scheme promoted by the government.

Viling provides educational services that nurture "the ability to play an active role in AI society" and "human richness" under the corporate philosophy of "creating a society full of enthusiasm.

## Business Description

### STEAM Education Business

STEMON

120School

STEAM education with a method of “construct to play”

### Developmental Disabilities Support Program

すてむ STEM ON

ぽっくす

135School

Programming education for children with developmental disabilities at after-school day-services

文章題専門算数 よみとき

12 School

Materials to train reading comprehension of math problems and express them in pictures

### Private Nursery School

スイッチスクール 送迎付き民間学童 スイッチスクール

5 School

After-school program where children can receive pick up/drop off, STEAM education and inquiry learning

# DEI* initiatives widely recognized. M&A and new services to realize the business principle. Management team committed to increasing third-party ESG ratings.

**To realize the principle “optimizing people’s lifetime balance sheet”**

## Award for Monex DEI initiatives

Monex Group and Monex Securities awarded:
- “Gold” of PRIDE in 3 consecutive years
- “Best Workplace” of D&I Award 2021

Coincheck received:
- “White Company Award (Welfare Category)”

To optimize individual’s lifetime balance sheet, our employees, a valuable resource, must be diverse so that we can offer services to customers with different values.
DEI initiatives are on ongoing challenge.

※DEI = Diversity, Equity & Inclusion

## Optimize lifetime balance sheet

Acquired 100% share of Viling, Inc. which offers STEAM education in Japan, contributing to the development of children’s ability to think logically.

**Stock management service to prepare for dementia and inheritance:**
Developed a trust service for the coming of a super-aged society. Received the Nikkei Veritas Award.

**Management commitment to ESG ratings**
Articulating material ESG issues, management team will commit to increasing ESG rating score.

I. Highlights

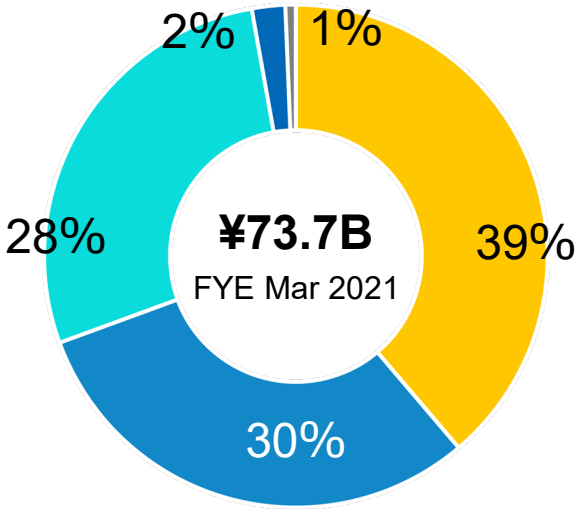
II. Consolidated Performance

III. Business Update

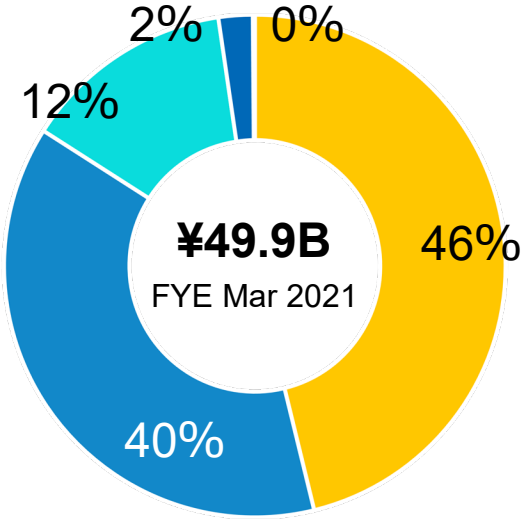
# Appendix. Group Overview

MONEX GROUP
Monex Group, Inc.

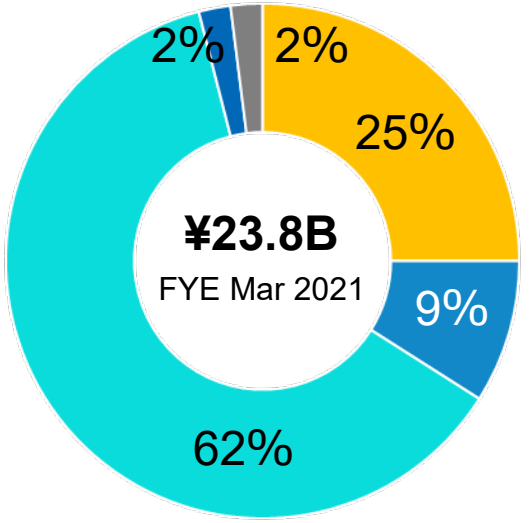
## Total operating revenue after deducting financial expenses



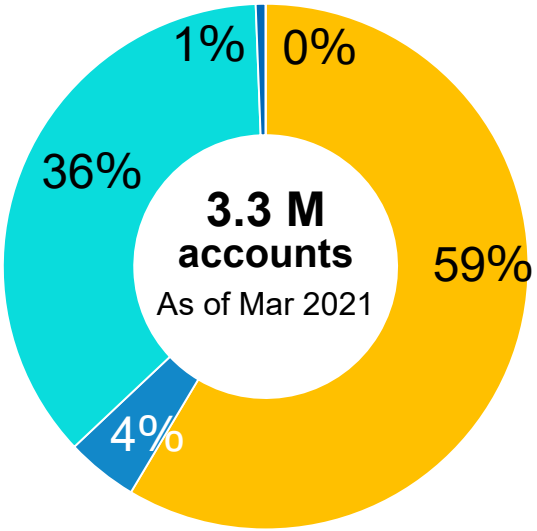

## Selling, general and administrative expenses



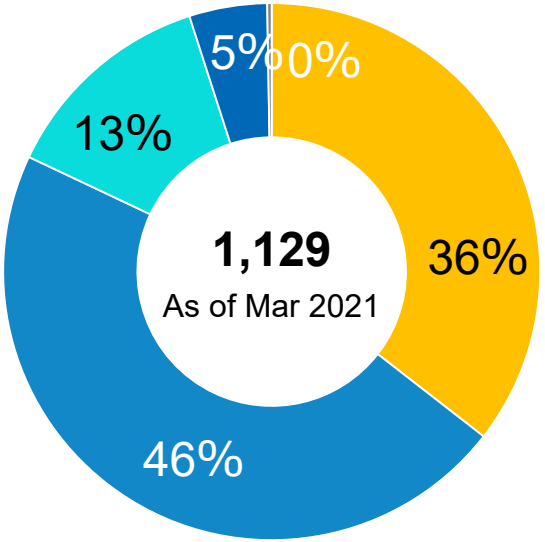

## The amount equivalent to operating income




## Number of Accounts*




## Number of Employees




- Japan Segment
- US Segment
- Crypto Asset Segment
- Asia Pacific Segment
- Investment Segment

*Refer to the Databook for FYE Mar 2021

# Established global-standard corporate governance practices and emphasis on dialogue with retail/institutional investors. Monex Group will shift to the new listing category of Tokyo Stock Exchange, "Prime Market" on Apr. 4, 2022.

## 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 and outside director.

## Directors with various backgrounds

- Independent and outside directors accounts for about two third of the board of directors.
- Appointed a lead outside director. Actively exchanges opinions at meetings led by the lead outside director and composed mainly by independent and outside directors.
- Various backgrounds: Management experience (current/former CEOs of listed companies or global companies), expertise (lawyer, CPA, patent attorney), business experience (finance, IT, global business), culture and society (gender, country of residence, age).

## 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, also we stopped to ask the questioner to make a statement of his/her name or the shareholder number at its Q&A session.

(As of December 31, 2021)

Listed Holding Company

MONEX GROUP
Monex Group, Inc.

## [Japan]

### Online Securities Company

MONEX

Monex, Inc.
Comprehensive investment service provider

### Crypto asset exchange service provider

Coincheck

Coincheck, Inc.
Crypto asset exchange "Coincheck"
Our investment ratio: 94.2%

### Asset Management

Monex Asset Management
Small-lot and low-cost discretionary investment management wrap service

Japan Catalyst, Inc.
Investment Advisory and Agency Business

### Corporate Venture Capital

MONEX Ventures
Monex Ventures, Inc.
Venture capital business

### Custodial trust business

**Monex SP Trust, Inc.**
A custodial trust service provider which manages and disposes trust properties such as securities and cash under instructions from the settlor
Our investment ratio: 94.9%

## [US/Europe]

TradeStation
Member of Monex Group

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

### Online Securities Company

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

### Trading Community

YouCanTrade, Inc.
(US)

### Crypto Asset

TradeStation Crypto, Inc.
(US)

### Technology

TradeStation Technologies, Inc.
(US)

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

## [Asia Pacific]

Monex International Limited
Holding Company in Hong Kong

### Online Securities Company

BOOM
TRADE LOCALLY · INVEST GLOBALLY

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

Beijing Representative Office
(Monex, Inc.)

### Online Securities Company

MONEX
A world of difference

Monex Securities Australia Pty Ltd
(Australia)

### Technology support

Cherry Technology Co., Ltd
[Equity method affiliates]
Our Investment Ratio : 49%

* Companies with no reference to investment ratio are wholly-owned subsidiaries of Monex Group, Inc.

■ Monex, Inc. (Tokyo, Japan)
One of the major online brokerage firms in Japan
- President : Yuko Seimei
- Founded in 1999
- Aims to provide retail investors the level of creative products and services offered to institutional investors
- Products and services: Equities (Japan, U.S., China), futures and options, FX, mutual funds, bonds, cryptocurrency CFD, etc.
- # of total accounts*: 2.15 million
- Customer assets held in custody*: JPY 6.0 trillion
  *As of Jan4. Transferred account from Shinsei Bank included.

■ TradeStation Group, Inc. (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. Licenses “TradeStation” platform for US equities as a technology provider to group's securities companies
- Products and services: Equities, options, futures and crypto asset, etc.
- # of active accounts: 178,863
- Customer assets held in custody: USD 12.286 billion

■ Monex Ventures, Inc. (Tokyo, Japan)
Venture capital
- President: Seiichiro Wada
- Founded in 2005
- Investment size of a flagship fund “MV I Investment Limited Partnership”: JPY 2.65 billion

■ Coincheck, Inc. (Tokyo, Japan)
Crypto asset Exchange/Marketplace agency
- President: Satoshi Hasuo
- Founded in 2012, joined Monex Group in Apr. 2018
- Cryptocurrencies available: Bitcoin (BTC), Ethereum (ETH), Ethereum Classic (ETC), Ripple (XRP), NEM (XEM), etc.
- # of verified users: 1.53 million
- Customer assets held in custody: JPY 441.4 billion

■ Monex Boom Securities (H.K.) Limited (Hong Kong)
First online stockbroker for retail investors in Asia Pacific
- Offers access to over 12 markets
- COO: Ivan Law
- Founded in 1997, joined Monex Group in Dec. 2010
- Products and services: Equities (12 markets such as Hong Kong, US, Japan, etc.), Futures, and Trades available in 6 currencies in a single trading account
- # of accounts with balance: 22,138
- Customer assets held in custody: JPY 220.4 billion

■ Monex Asset Management, Inc.
Investment management service
- Utilized the system and operating structure of Monex Boom Securities Group
- President: Tomoshige Nakamura
- Founded in 2015

■ Japan Catalyst, Inc.
Investment Advisory Business
- President: Taro Hirano
- Founded in 2019

The numbers above are as of December 31, 2021

# 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) |
| 1999 | - Monex, Inc. is co-founded by Oki Matsumoto and Sony Corporation<br>- 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.<br>- 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.)<br>- Monex Group, Inc. stock changes its listing from the "Mothers" Market to the First Section of the Tokyo Stock Exchange<br>- 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<br>- Monex, Inc. merges with Orix Securities Corporation | | - Monex, Inc. opens a Beijing Representative Office<br>- 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<br>- 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.<br>- Monex Group, Inc. becomes a Company with Committees<br>- Monex Group, Inc. implements a stock split (1:100) | | |
| 2015 | - Monex, Inc. merges with Monex FX, Inc.<br>- 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<br>- Monex Crypto Bank, Inc. is established | | |
| 2018 | - Monex Cryptocurrency Lab is set up<br>- 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 |
| 2019 | - Acquired Shiawase Partners Trust Co., Ltd and renamed its brand as Monex SP Trust, Inc. | | |
| 2020 | - Japan Catalyst, Inc. is established<br>- Monex-Saison-Vanguard Investment is renamed as Monex Asset Management, Inc. | | |
| 2021 | - Acquisition of shares of GENEX, Inc.<br>- Acquisition of 100% shares of VILING Inc. | | |

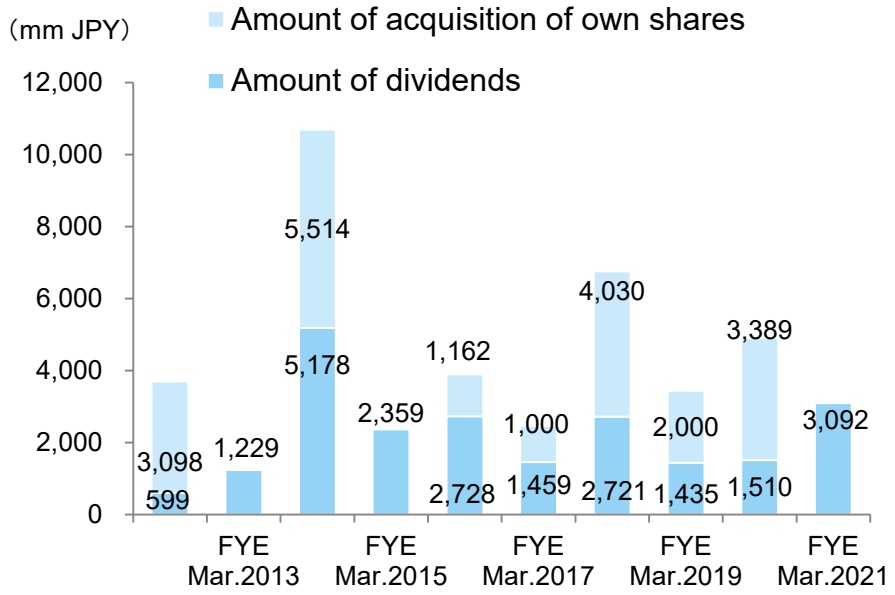
# ■ Shareholders distribution

## ◆ Our basic policy for shareholders distribution

Monex Group aims to To ensure shareholder return, we will consistently offer dividend of more than 7.5 yen per share semi-annually and, from time to time, buy back the Company's stocks with discretion of the management team. The Company will aim to pursue enhanced total shareholder return*.

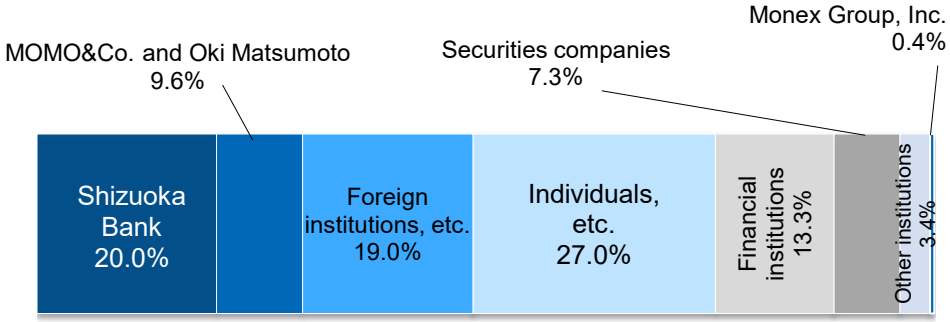
* Total shareholder return = (total capital gain + total dividends paid) /invested amount

## ◆ Shareholder return history




# ■ Shareholders & indicators per share

## ◆ Major shareholders and shareholder breakdown (as of September 30, 2021)




The graph made by Monex based on shareholders' list as of September 30, 2021 and the Large shareholding report. The number of outstanding shares is 258,998,600 shares as of September 30, 2021.

## ◆Indicators per share

| | FYE Mar. 2018 | FYE Mar. 2019 | FYE Mar. 2020 | FYE Mar. 2021 | 3Q FYE Mar. 2022 |
|---|---|---|---|---|---|
| Equity attributable to owners of the Company per share (BPS) | 298.50 yen | 297.28 yen | 297.70 yen | 347.67 yen | 390.92 yen |
| Earnings per share attributable to owners of the Company (EPS) | 24.33yen | 4.42yen | 11.59yen | 55.82yen | 64.25yen* |
| Rate of Return on Equity(ROE) | 8.3% | 1.5% | 3.9% | 17.3% | 17.2%* |
| Dividends per share | 10.0yen | 5.4yen | 5.9yen | 12.0yen | 7.6yen (Interim) |

* EPS and ROE for 3Q FYE Mar. 2022 show annualized figures obtained by multiplying 4/3 to actual figures for the quarter

# Data for the valuation of fair value based on the Sum-of-the-Parts method

Calculated by adding up the fair value of the subsidiaries using the sum-of-the-parts method. Target subsidiaries are Monex, Inc., Coincheck, TradeStation Group, Monex Asset Management, Monex Ventures and Boom Securities HK.

Monex, Inc. (“Monex”) Fair Value ¥139B (¥58.6-219.2B)
Multiples: EV/EBITDA and PER
Comps: Okasan Securities Co., Ltd. (8609), Marusan Securities Co., Ltd. (8613), Tokai-Tokyo Financial Holdings, Inc. (8616), Matsui Securities Co., Ltd. (8628, “Matsui”), all listed in TSE.
Comps data: Year Ended Sep 2021
Monex data: Year Ended Dec 2021
Stock price: Daily average in Dec 2021

| | Adjusted EBITDA*1 | Adjusted Profit*1 |
|---|---|---|
| Monex | ¥13.0B | ¥5.4B |
| | × EV/EBITDA | × PER |
| Comps excluding Marusan | 20.7 | - |
| Comps excluding Tokai Tokyo | - | 10.8 |

Monex Asset Management, Inc.
Fair Value: ¥7.6B
Multiple: EV/AUM
Comps: WealthNavi, Inc. (TSE: 7342)
Data: As of Sep 2021
Stock price: Daily average in Dec 2021

| | AUM*3 |
|---|---|
| Monex Asset Management | ¥45.8B |
| | × EV/AUM |
| Wealth Navi | 0.18 |

Coincheck, Inc. (“Coincheck”) Fair Value ¥34.4B (¥32.2-36.6B)
Multiple: PSR and PER
Comps: Coinbase Global, Inc.（NASDAQ: COIN, “Coinbase”）
Coinbase data: Year Ended Sep 2021
Coincheck data: Year Ended Dec 2021
Stock price: Daily average from Dec 27, 2021 to Jan 26, 2022
Rate: JPY/USD 115

| | Operating Revenue*2 | Adjusted Profit*1 |
|---|---|---|
| Coincheck | ¥39.7B | ¥19.3B |
| Coinbase | ¥617.0B | ¥340.6B |
| | × PSR | × PER |
| Coinbase | 9.2 | 16.7 |

Monex Ventures, Inc.
Equity Value: ¥5.3B
Method: Book value of net assets

Monex Boom Securities (H.K.) Limited
Equity Value: ¥4.7B
Method: Book value of net assets

*1 EBITDA + Management Fee for the parent company
*2 Operating revenue after deducting financial cost and cost of sales
*3 Asset under management

MONEX GROUP
Monex Group, Inc.

## ◆ Monex Ventures, Inc.

| P2P lending | EC | Settlement | Prop Tech | Online lending | AI/Big Data |
|---|---|---|---|---|---|
| CROWD CREDIT (Registered as Type 2 Financial Instruments Business) | 八面六臂 HACHIMENROPPI | APTO | MFS | EMERADA | Alpaca |
| **Thematic Investment** | **AI/Big Data** | **Vacation Rental** | **B2B SaaS** | **E-market place** | **IoT** |
| folio (Registered as Type 1 Financial Instruments Business) | HARMONIA | zens | Afri-Inc | cansell | Latona - Microfinance Platform for Emerging Economies - |
| **Security** | **EC** | **Settlement** | **Health Care** | **Health Care** | **Drone** |
| Keychain | GRACIA | pocket change | MentalHealth Technologies | | iROBOTICS |

## ◆ MONEX EDISON Investment Limited Partnership

| Web media | EC | AI/Big Data | Insure Tech | EC | Ad Tech |
|---|---|---|---|---|---|
| strainer | anecle | cinnamon | | aMi | PARONYM |

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◆ **MV I Investment Limited Partnership**

| | | | | | |
|---|---|---|---|---|---|
| B2B SaaS | E-market place | B2B SaaS | Logistics | B2B Saas | EC |
| RICHKA | azoop | Alterbooth | Airporter | STUDIO | GRACIA |
| Asset Management | EC | E-market place | Ad Tech | B2B Saas | B2B SaaS |
| NariPla | TRICERA | vivid garden | a, inc | FRAIM | ChatBook |
| B2B SaaS | B2B SaaS | Agri-Tech | B2B Saas | Insure Tech | KYC / Big Data |
| REHASAKU | ロミクラ | 農業技術の集会所 AGRIS | Rehab for Japan | エール少額短期保険 | KYCC |
| B2B SaaS | Robotics | Marketplace | AI / Sports-tech | Drone | Blockchain |
| LEGAL TECHNOLOGY | LE-bo | SHARE DINE | Sportip | Trajectory | FRAME00 |
| HR-Tech | B2B SaaS | Live Concert | Insur Tech | Gaming | |
| Compass | mazrica | ZAIKO | | Haballel | |

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## ◆ MV I Investment Limited Partnership

| B2B SaaS | EC | EC | VR | Elderly Care | B2B SaaS |
|---|---|---|---|---|---|
| えぶりPLUS EVERY PLUS | Quick Get | TEAM LIKE | CB | LINK | PR Table |
| **Audio Content** | **Marketing** | **VR** | **Healthcare** | | |
| Radiotalk | Natee | MyDearest | nnf no new folk studio | | |

## ◆ MV II Investment Limited Partnership

| Pet-tech | HR Marketplace | B2B SaaS | X-Tech | FinTech | B2B SaaS |
|---|---|---|---|---|---|
| ANIPOS | JOINS | coco | Deats | GarageBank | Minitt |
| **Prop Tech** | **FinTech** | **e-Sports** | **HR Tech** | | |
| Giver Take All | WISE EGG | GauG | tokuty | | |