

MONEX GROUP

Safeguarding Crypto-Related Customer Assets by Our Group Companies through Strict Segregation of Customer Assets

TOKYO, November 14, 2022 - Safeguarding Customer Assets such as Crypto Assets by Our Group Companies through Strict Segregation of Customer Assets

Our group provides trading services related to crypto assets to its customers through Coincheck, Inc. ("Coincheck"), TradeStation Crypto, Inc. ("TradeStation Crypto") and Monex, Inc. ("Monex"). Each of the above companies, under the supervision of the Financial Services Agency and self-regulatory organization in Japan, for Coincheck and Monex, and the Treasury Department and state authorities in the U.S., for TradeStation Crypto, strictly segregate and safeguard customer assets in accordance with applicable laws and regulations of each country as follows, so that customers can trade with peace of mind:

- Coincheck segregates legal tender and crypto assets entrusted to us by our customers from the assets belonging to Coincheck. Japanese yen is segregated at a trust bank, and crypto assets are stored in so-called "cold wallets" that are not connected to the Internet at any time. The physical security of the cold wallet is ensured and access to the cold wallet is strictly limited. There are also a number of logical security measures in place to move crypto assets from the cold wallet, ensuring that customers' assets are kept safe,

- TradeStation Crypto, although the size of the crypto business is limited, segregates its customers' crypto assets at a trusted wallet provider, and

- Monex offers a contract for differences (CFD) trading of crypto assets, which is not trading of the crypto assets themselves, but trading in which the difference between the purchase and sale prices linked to the price of the crypto assets is the profit/loss (i.e., a cash settlement transaction). It is an Over-the-counter (OTC) derivative transaction similar to foreign exchange margin trading (FX trading), which is conducted within a securities account. The customers' cash collaterals for the crypto asset CFD trading are segregated from Monex's assets and managed in trust at a trust bank.

As a publicly listed corporate group, we will continue to maintain and further improve its internal controls and practice comprehensive risk management (Enterprise Risk Management).

Contact:	Akiko Kato	Yuki Nakano, Minaka Aihara
	Corporate Communications Office	Investor Relations, Financial Control Department
	Monex Group, Inc.	Monex Group, Inc.
	+81-3-4323-8698	+81-3-4323-8698

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