MONEX GROUP

INTEGRATED REPORT 2024



MONEX GROUP

Corporate Philosophy

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 Information 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.

Core Values

Taking the initiative to create businesses

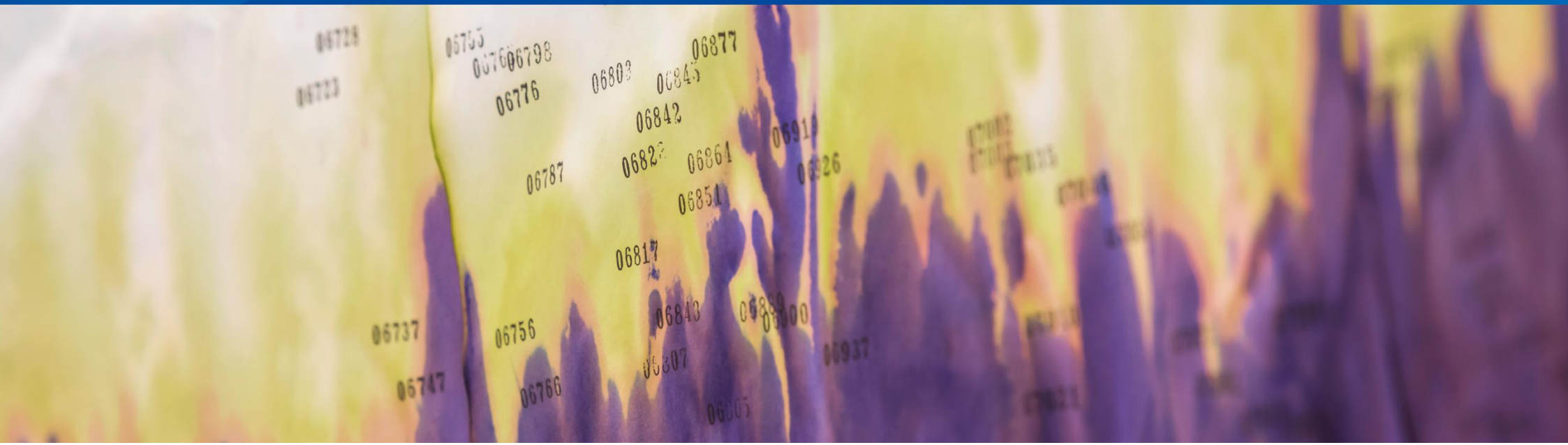
Each of us shall pursue our future ideals and business growth. With a sense of professionalism and by acquiring necessary knowledge and skills, we shall endeavor to enhance our value.

Being committed to fairness

We shall embrace and respect diverse backgrounds and ways of thinking. Building a transparent and fair team where everyone can fulfill their potential will not only enhance our corporate value but also help realize a better society.

Contributing to the realization of our Corporate Philosophy

We shall strive to create value for our stakeholders. To optimize each person’s lifetime balance sheet, we shall use our imagination to determine their needs and desires for the future. We shall have short-and long-term goals as individuals and a team.



Growing the Monex Group

From creating the future of finance To every aspect of future of human activity

Stepping ahead of the “Y” in “MONEY,” and financing the future.
It was upon such a vision that, in 1999, the Monex Group was founded.
In the 25 years since, society has undergone enormous change. The incredible advance of technology has resulted in services that exceed the norms of financing, as well as services that transform human lifestyles.
At Monex, too, we must update our raison d’être to meet the demands of this new era.
Going forward, the goal of the Monex Group is to leverage cutting-edge technologies and the inherent dynamism of DEI to ensure that every aspect of future human activity is richer and more sophisticated.

TOGETHER WE BUILD

Every employee that works at the Monex Group brings his or her own unique sensibilities and perspectives; let us respect our different values, freely express our opinions regardless of our position, and create innovations that lead to new businesses. Our Corporate Culture is rooted in the idea that the Monex Group welcomes allcomers—let us unite, and together build a new future.

MONEX GROUP









Future Festival 2023

Future Festival 2023—the general meeting of employees—was held in August 2023 to mark the 25th anniversary of our company. A total of 380 employees from various Group companies attended the festival, as executive and non-executive employees came together to discuss value creation for the future.

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Editing Policy

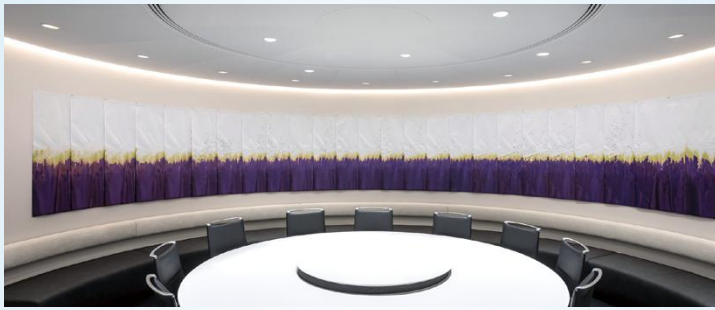
This Integrated Report is based on the Group's policies with due consideration both for the IR Framework advocated by the IFRS Foundation, and for the Guidance for Collaborative Value Creation issued by Ministry of Economy, Trade and Industry. The report was made up to show the Group's unique business model and management strategies and to enable the reader to gain an overall perspective of the Monex Group.

Reporting Period
Fiscal year under review: April 1, 2023 to March 31, 2024
(including some activities that started from April 2024)

Organization Under Review
Monex Group, Inc. and Group Companies

Detailed Information on Financial Results
Refer to the Annual Financial Statements for details on the Annual Financial Statements in March 2024.

WEB For Investors | IR Library | Integrated Report / Annual Report



Cover Artwork

Hiding in the Raindrops, Mizuki Uematsu
2024 / Copy paper, ink, nail / w 9121× h 1189 (mm), Dimensions variable

For her prize-winning entry to Art in the Office 2024, Mizuki Uematsu came up with the idea of stamping the number of breaths she took every day on a roll of paper stained with purple ink. The artist's focus on breathing and the number of breaths she took appears, at first glance, to be merely a list of inorganic numbers; yet at the same time the artwork calls to mind the most basic of human activities and the passage of time. An integral part of Hiding in the Raindrops is the bleeding of ink—and this bleeding hints exquisitely at the fact that day-to-day variations are present, in the moment. The press room is a space to and from which people come and go, and it is hoped that this artwork will imbue the room with an air of meditation and rapport.

ART IN THE OFFICE

ART IN THE OFFICE creates a chance and space for artists and business to come together, and is part of our activities for social contribution and employee education through art.

Profile of Mizuki Uematsu



Mizuki Uematsu was born in Hyogo in 1995, and now resides in Tokyo. She completed the doctoral program in sculpture at the Graduate School of Fine Arts, Tokyo University of the Arts in 2023. Uematsu creates sculptures primarily made of steel, paper, and other materials with standard specifications. In recent years, in her artistic creation process she has focused on the fact that repetitive behaviors tend to synchronize with her own breathing; she attempts to instill her artworks with "traces and change," as if to verify her own existence.

CEO Message



Everything is geared toward realizing our corporate philosophy. We will continue to build the ideal business portfolio and create businesses needed by society.

Amid a drastically changing society, how can we realize individual self-fulfillment and optimize each person's lifetime balance sheet? What Monex Group is pursuing today is precisely this very point as stated in our corporate philosophy. Since I became CEO of Monex Group in June 2023, this has always been the forefront of my mind as I have taken a series of actions for the future of the Group, such as the capital and business alliance with NTT DOCOMO at Monex, Inc. As long as it leads to the realization of our corporate philosophy and enhances the value of the Group, I am willing to boldly implement it without being bound by our existing business portfolio. Moreover, my hope is for lasting growth as a business entity that continues to create businesses that deliver new value in response to changes in society.

Yuko Seimei
President,
Representative Executive Officer and CEO
Monex Group, Inc.

CEO Message

My focus was on clarifying our growth strategies and optimizing our business portfolio



Every year in June, I develop the CEO agenda to coincide with the general meeting of shareholders, and I share with the Board of Directors what I want to work on for the next year. The agenda for 2023—my first year as CEO—was to clarify growth strategies for our key segments and to optimize our business portfolio.

Growth strategies for the Japan Segment are to pursue the asset gathering model, in which increases in customer assets leads to growth of our own business, and to further promote alliance strategies. These strategies resulted in the business alliance between Monex, Inc. and AEON Bank and the capital and business alliance with NTT DOCOMO. Since its establishment, Monex, Inc. has continued to develop high quality products and services for retail investors. However, the truth is that investing is still a high hurdle for the ordinary person. Unless we create an environment in which customers are exposed to investment products in their everyday lives by linking them to services they use regularly, asset building for individuals in Japan will not change. It was with this in mind that we decided to partner with AEON Bank and NTT DOCOMO, platform providers that are ingrained in people's daily lives. By incorporating our products and services into the businesses of both, we will reach more individual customers.

In the US Segment, we focused our target customer demographic on super active traders, and achieved record high revenue by deeply researching products and services that meet their needs. We will continue to strengthen this strategy and build a system that is supported by customers in any market and can generate stable profits without being affected by market price and interest rate fluctuations. And in the Crypto Asset Segment, efforts to manage business operations to eliminate downside risk contributed significantly to the Group's results as the crypto asset market picked up in the fourth quarter of the previous year. We will continue to develop new revenue streams from a variety of approaches, such as corporate services for the creation of digital economic spheres and services that engage with customer assets in custody, in order to reduce our dependence on trading income which is largely driven by the market.

CEO Message



These good business results are proof that our decision making is linked from the past to the future

These efforts resulted in a strong performance in the fiscal year ended March 2024. However, I think what investors are watching closely is Monex Group's future growth potential. Decisions made now will not yield results today or tomorrow, but will lead to outcomes five years or ten years from now. Last year's results are merely the fruits of our previous efforts. We must always make new decisions with an eye to the future. From this perspective, I believe that the decisions we make in the past give clarity to the medium- to long-term strategies of our main subsidiaries, and last year's subsequent improvement in business performance was a true demonstration that our decision making is connected from the past to the future.

As well as clearly defining the strategies for our key segments, we have also made a number of decisions to optimize our business portfolio. In the 25 years since its founding, Monex Group has been single-mindedly committed to growth and has greatly expanded its businesses. However, we are now at a very different stage as a company, and we cannot increase the value of the Group by remaining solely focused on the same expansionary path we have taken so far. We must be conscious of the cost of capital and allocate resources appropriately, such as by converting to cash any businesses that are losing their significance as part of Monex Group and reinvesting it into other promising business sectors. Closing a business can also be strategy for growth, and it was with this in mind that we made the decision to sell all shares of Monex Boom Securities in the Asia-Pacific Segment.

I am always telling Group employees to create their own future with their own hands and to think about what kind of business they want to leave for their younger colleagues five or ten years from now. I believe that if each and every one of us remains committed to creating a future by approaching business with the mindset that the decisions we make today will blossom five to ten years from now, Monex Group will become an extremely strong organization.

CEO Message

Go beyond the confines of finance and contribute to the well-being of people with technology at the core

Realizing our corporate philosophy is our ultimate goal. It is the basis of all our current businesses, and we are constantly refining our business model in order to realize it. However, in these times of drastic change, I believe that we can no longer realize individual self-fulfillment and contribute to the well-being of people solely within the framework of finance. Creating new businesses based on our corporate philosophy in response to the various issues that society will face in the future is the most important challenge for Monex Group.

And the key to this is technology. The arrival of the Internet led to the creation of the online securities business, and the advent of blockchain technology led to the creation of crypto assets. AI will probably change the world in the future. Rather than being a mere onlooker, I want to imagine the value that new technologies can bring to society. I want to constantly explore what kinds of businesses are possible, and I want to launch or acquire enterprises to achieve these businesses. I want Monex to be an organization with a thirst for technology that breeds innovation.

A key feature of Monex Group that distinguishes us from other financial services companies is that we own our own technology and produce our own systems in-house. This is why we can collaborate openly with various external parties. For instance, in Japan, Monex, Inc.'s in-house system played a crucial role in the smooth partnerships with AEON Bank and NTT DOCOMO, and in the U.S., we have created an environment that can easily be connected to external systems through APIs. These have led to a surging inflow of customers from third parties. By leveraging such systems that we have built ourselves, we are greatly expanding our scope of business. It is technology that is at the core of our businesses, and rather than just a financial services company, my aim is for us to be recognized by the public as a technology company that continues to create new businesses.

Exercise synergies within the Group and create new businesses to lead the next generation

My vision is for Monex Group to be a business entity where there is a constant stream of innovations that lead to the creation of new businesses. At the source of this is technology, DEI, and corporate culture. We have a large number of employees who have a thorough knowledge of the latest technologies, with 40% of the Group's current workforce being engineers. In addition, Monex Group itself has set up a dedicated department for the research and development of new technologies. This team of engineers will mix with other members within the Group with diverse professional backgrounds, and the mixing of different opinions will allow for greater creativity. Building a culture that takes such new ideas generated from a technology perspective and encourages them to be boldly tested in business will lead to innovation. In fact, Monex Group was one of the first to incorporate crypto asset technology and AI into its services, and while not all of them were hits, creating value through repeated trial and error is our style.

We are also good at pivoting—changing the direction of our products and services in sync with social trends. We live in an age where new technologies are emerging one after the other, and it is difficult to know which ones will be embraced by society. Rather than following best practices of the past, our management style favors pivoting flexibly according to circumstances, which also encourages trial and error. A culture that inspires innovation is prevalent within Monex Group and each of our main subsidiaries is on a trajectory of growth, but I believe we still have a way to go before we can create new value by connecting these companies through technology and combining their respective resources. Exercising synergies within the Group and creating businesses that will drive the next generation of Monex Group is a challenge that we must address. Although I cannot yet visualize what businesses Monex Group will be engaged in 10 years from now, I am confident that its corporate value will be much higher.

CEO Message

Monex Group's true value lies in how quickly it can convert its abundance of cash into profit



Engaging in close dialogue with the market is also an important part of my role as CEO. I want to hear honestly from many investors about what they want from us, including negative opinions, and explore the issues that need to be resolved. I also look forward to communicating with them our strategy for the future growth of Monex Group, accompanied by proper figures.

Over the next three years, we plan to regain the decline in profit contribution associated with the decrease in our equity stake in the intermediate holding company of Monex, Inc. And in terms of our shareholder return policy, in addition to a guaranteed minimum annual dividend of approximately 8 billion yen, 50% of any annual profits exceeding approximately 16 billion yen will be paid as dividends. I hope to achieve profits greater than approximately 16 billion yen within three years, and we will take bold risks as we invest for growth. Having proceeded to consolidate our business portfolio—including selling shares in Monex, Inc. and Monex Boom Securities—Monex Group has an abundance of cash. The question of how quickly we can convert this into profit is a key item on my agenda in this, my second year as CEO, and our policy of returning profits to shareholders is also based on this strong determination.

Since its foundation, Monex Group has continually updated its business portfolio both through creating its own businesses and through M&A. This is something that can only be done in a highly strategic manner. We have always been keenly aware of the importance of the cost of capital in corporate management, and in our M&A activities, we are boldly executing not only purchases but also sales in pursuit of the optimal business portfolio for the Group along a clearly defined path. I believe it is rare for a company to have such a solid understanding of the capital markets while at the same time expanding its businesses globally for retail investors. I personally feel that the essence of Monex Group is not yet fully understood, and I look forward to demonstrating over the medium to long term how we will continue to grow through an approach that others do not have. I will not hesitate to continue doing what needs to be done to achieve this.

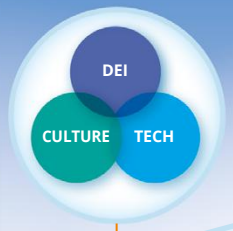
History | Growth Trajectory

Strive to improve the corporate value of the Group by promoting the growth strategies of major Group companies

Monex was founded in 1999 with the slogan "creating the future of finance." Since then, we have dynamically improved our corporate value by scaling up through domestic M&A, expanding globally, and entering into the crypto asset business. With the ultimate goal of "supporting the realization of individual self-fulfillment" as our new corporate philosophy, we will strive to create innovation based on a corporate culture that encourages employees to take on challenges, the permeation of DEI, and the relentless pursuit of technology as the source of our value creation.

Establishment of Monex and Corporate Philosophy
April 1999

Sources of Innovation



Innovation

Global Vision
October 2010

New Beginning
October 2017

Revised Corporate Philosophy
April 2021

Start of New Management System
June 2023

January 2024
Completed capital and business alliance between Monex, Inc. and NTT DOCOMO

Under a new management system, aiming to expand existing and new businesses with the goal of achieving our corporate philosophy of "optimizing each person's lifetime balance sheet."

P.12: Feature | The Evolution of the Group Towards the Realization of the Corporate Philosophy

April 1999
Monex, Inc. established
MONEX

December 2010
Acquired 100% of Boom Group (Hong Kong)
BOOM

June 2011
Acquired 100% of TradeStation (U.S.)
TradeStation

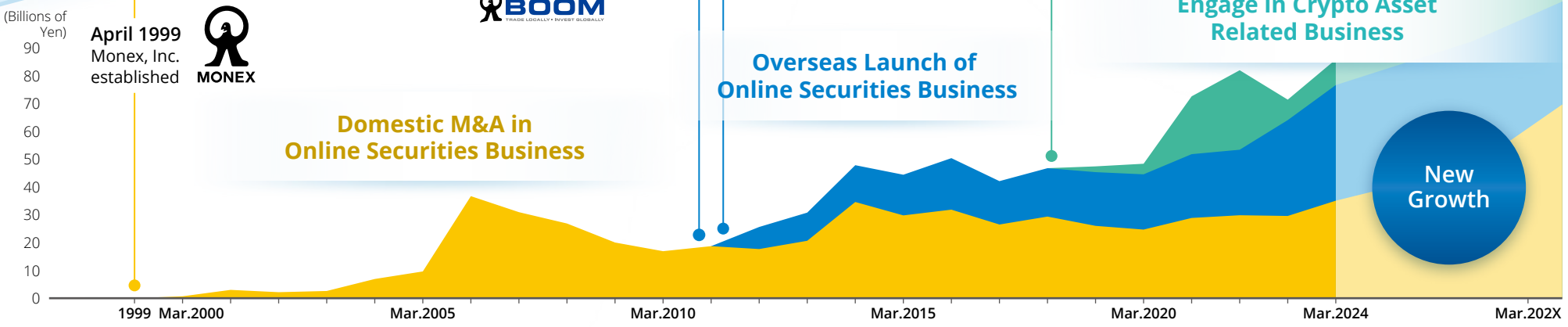
April 2018
Acquired 100% of Coincheck (Japan)
Coincheck

Domestic M&A in Online Securities Business

Overseas Launch of Online Securities Business

Engage in Crypto Asset Related Business

New Growth



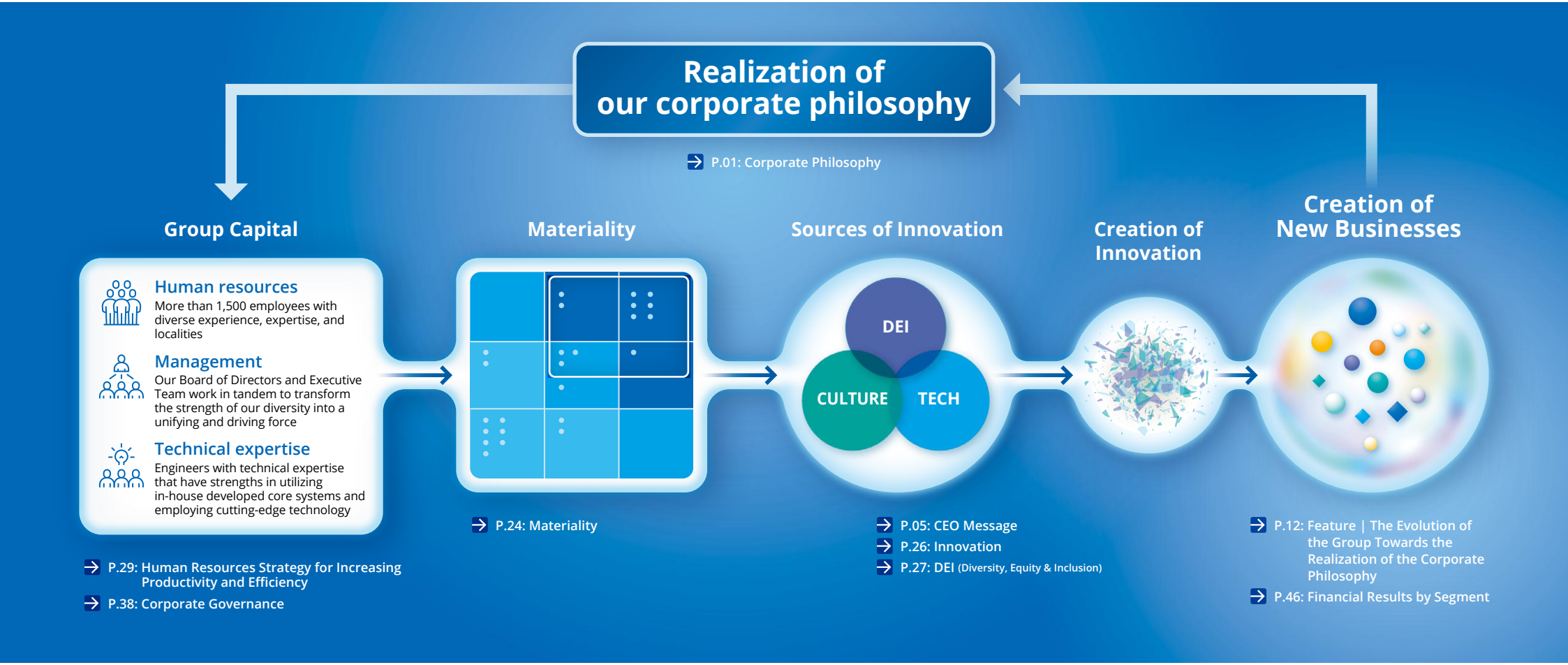
View of Operating Revenues after Deducting Financial Expenses

Monex, Inc. | TradeStation | Coincheck

Process of Creating Value for the Monex Group

Sharing our corporate philosophy throughout the Group and creating new value for society

Realization of our corporate philosophy is positioned as the Group's top priority. With the revision of our corporate philosophy in 2021, our goal went beyond finance and is now to realize individual self-fulfillment and optimize each person's lifetime balance sheet. Since its foundation, Monex Group has emphasized a culture of DEI and pursuit of innovation, and they are the two most important elements of our value creation. Going forward we will continue to work on realizing our corporate philosophy by bringing together the technical expertise of a diverse pool of people from different regions, industries, professions, and perspectives.



Feature The Evolution of the Group Towards the Realization of the Corporate Philosophy

Becoming a corporate group that goes beyond the boundaries of finance and continues to contribute to the well-being of people worldwide

Since its founding in 1999, Monex Group has significantly evolved, guided by its corporate philosophy. Initially, the company aimed to create the future of finance: Monex, Inc. provided an environment where retail investors could access the best financial markets and products through the internet; TradeStation enabled advanced investment activities with its proprietary technology; and Coincheck pursued a new exchange of values in society through its crypto asset trading services.

In recent years, we have updated our corporate philosophy to focus on "realizing individual self-fulfillment and optimizing each person's lifetime balance sheet." Promoting the asset gathering model is one of the methods to achieve this philosophy. Furthermore, we have expanded beyond the boundaries of the securities industry. For example, Monex Life Settlement has introduced a life insurance purchasing service to support cancer patients facing financial difficulties.

Finance is not the only approach we take to achieve our corporate philosophy. We have also ventured into education and healthcare, offering services such as STEAM education and child development support through Viling and services to securely and appropriately manage individual genome information through GENEX. Monex Group will continue to evolve, creating businesses that contribute to the well-being of people.



Feature The Evolution of the Group Towards the Realization of the Corporate Philosophy

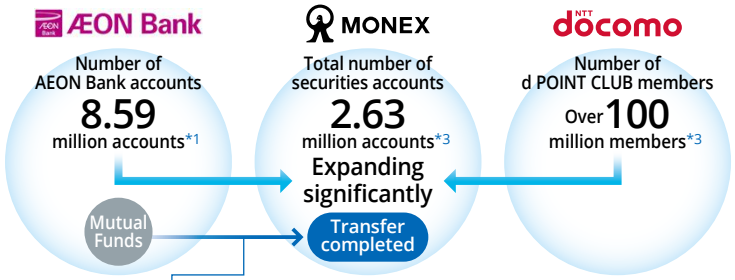
Not only for retail investors, but all individual customers

Monex Group has worked to provide services that enable all individuals to access finance, including equal investment opportunities and efforts to improve the investment environment. Going forward, following the philosophy of realizing individual self-fulfillment, we will deliver services to all customers, not just those aiming to build assets, to support lifelong self-fulfillment opportunities, such as education and insurance purposes.

Expanding asset building and investment opportunities in Japan

All individual customers seeking to build assets, including those with no investment experience

- By strengthening alliances with partner companies such as NTT DOCOMO and AEON Bank, which have a broad customer base of everyday consumers, we aim to attract a new customer demographic, such as those who have never invested before.
- By enhancing product explanations and support systems at our counters through the in-person channels of the above-mentioned partner companies, we will reach out to customers with whom we have had no previous contact in the online securities business.
- Leveraging the advantage of having an in-house backbone system, we will seamlessly integrate with other companies' systems through APIs and rapidly develop the necessary systems to improve services.



- Transfer of mutual fund accounts completed (January 4, 2024)
- Number of mutual fund accounts transferred*2 **+340,000 accounts**, NISA accounts*2 **+170,000 accounts**

*1 As of the end of February 2024
*2 As of the end of December 2023 (including duplicate accounts at AEON Bank and Monex, Inc.)
*3 As of the end of March 2024

by MONEX

Affluent customers seeking more comprehensive support than online transactions

- With branches in Tokyo, Nagoya, Fukuoka, and Osaka, professional financial advisors with experience at foreign and major domestic financial institutions provide in-person asset management support.
- We offer a wide range of products and services exclusive to private banking (PB) services, which are not available with regular online accounts.

by Monex PB

Acquiring individual and institutional active trader clients in the U.S. and abroad

Expanding the acquisition of active trader clients through in-person sales

- We aim to capture active trader clients by integrating TradeStation with third-party via APIs, such as TradingView.
- By leveraging our award-winning brand and products, we intend to attract target customers, including individual and institutional investors (hedge funds and family offices), through in-person sales activities.
- Through a concierge service, we will support customers with a highly personalized hands-on approach, leading to better product and service development and establishing a structure that can expand the number of active trader clients in the medium to long term.

by TradeStation

Actively developing individual customers by providing services to corporations

Domestic individual customers interested in the digital economy

- As a leading crypto asset exchange service provider in Japan, we have one of the largest customer bases in the country, and by leveraging the strength of our in-house marketing system, we strive to flexibly acquire new accounts in response to market conditions.
- By leveraging our extensive customer base, we will expand our partnerships with corporations to support their web3 businesses while reaching the individual customers associated with these corporations.

by Coincheck

Providing opportunities for all children to develop the thinking skills for a better life

Children developing thinking skills for the future

- The ability to think logically and creatively is the foundation for everyone in the future and supports individual self-fulfillment. Viling operates "STEMON," a classroom that practices STEAM education, as part of the education that builds such a foundation.
- In "STEMON," children learn to think logically and creatively by engaging in hands-on activities, such as assembling objects, as part of an output-driven approach.

STEMON
プログラミング&エンジニアリング［ステモン］



The STEAM education school follows a constructionism-based learning model, where students learn by making things. Through engineering-focused projects, they repeatedly engage in "learning," "creating," and "testing," thereby developing the ability to identify problems and create their own solutions.

by VILING.inc

Feature The Evolution of the Group Towards the Realization of the Corporate Philosophy

Supporting better lives for everyone, not just financial services

Since its founding, Monex Group has committed to creating “finance for the future,” delivering high-quality and unique services and investment experiences through financial ventures. With our philosophy at the core, we will continue to generate services that go beyond the boundaries of finance, aiming to optimize the balance sheets of all individuals.

Services contributing to asset growth

Asset-management-related businesses

Monex Activist Fund

A service that allows retail investors to participate in activist funds traditionally dominated by institutional investors. Rather than simply entrusting asset management to professionals, we aim to improve the capital efficiency of listed companies and revitalize the capital markets through engagement that conveys the individual voices of retail investors to the companies they invest in.



ON COMPASS

A robo-advisor service for individuals that creates personalized asset management plans. It ranked No. 1 in Sharpe Ratio and returns for the past three and five years in the “2022 Fund Wrap Performance Net of Expenses” report.

ON COMPASS

3iQ

A Canadian cryptocurrency asset management company. It was the first in North America to set up and list a Bitcoin and Ethereum ETF on the Toronto Stock Exchange. It also offers QMAP, a service for managing digital currencies. It will continue to develop services that meet the management needs of institutional investors and exchanges in the field of crypto asset management.

3iQ DIGITAL ASSET MANAGEMENT

A service that provides a new investment experience

Functional collaboration between DOCOMO and Monex

Monex, Inc., which has aimed to democratize capital markets since its founding, has initiated a capital and business alliance with NTT DOCOMO. Together, they are co-developing next-generation asset building services to further advance the democratization of investment.



Coincheck IEO

This initiative involves companies and crypto asset exchanges collaborating to issue new tokens (crypto asset). Coincheck customers who win the opportunity can purchase these tokens in advance, use them within the project, or trade them on exchanges or marketplaces.



Development of tools tailored to customer characteristics

A crypto asset trading app that anyone can use easily

Easy-to-use Coincheck app for beginners

With a user-friendly interface (UI/UX), the Coincheck app is designed for ease of use regardless of financial literacy. As a result, the Coincheck app has recorded the No.1* app download share in Japan for five consecutive years.



* Among Japanese crypto asset exchange service provider. Term: 2019-2023. Data source: AppTweak

Providing an optimal trading environment for active traders

Advanced trading platform/analysis tool

TradeStation, founded as a system development company for trading, has strengths in systems development. TradeStation’s technological capabilities in creating advanced trading platforms and analysis tools have garnered high praise with numerous awards.



Services supporting better lives for individuals

Supporting “evidence-based developmental therapy”

AI Therapist co-mii

AI Therapist co-mii is an AI therapist that supports developmental therapy in after-school daycare services and child development support centers. The AI assesses the child’s developmental characteristics, reflects the support plan in the individual support plan, and also presents daily therapeutic issues.

AI セラピスト co-mii

Helping cancer patients resolve financial concerns

Monex Insurance Purchase

Through the insurance purchase service, cancer patients considering canceling their life insurance policies can sell them for a higher amount than the surrender value. The service supports cancer patients in accessing better treatment and improving their living conditions.

マネックスの保険買取

CFO Message

Boldly investing in new growth areas, our goal is to generate corporate value that is unique to the Monex Group



The priority for the Monex Group for the fiscal year ended March 2024 was finalizing the capital and business alliance between Monex, Inc. and NTT DOCOMO. This led to a gain on sales of shares on our balance sheet—somewhat obscuring our true performance—but overall I believe that this was a strong year for our Group.
The performance of Coincheck, which is our Crypto Asset Segment, is subject to major fluctuations. However, we have succeeded in making the business leaner by reducing fixed costs and, coupled with a recovery in the market price, Coincheck has returned to profit. TradeStation, which is our US Segment, returned record profits thanks both to our strategy of narrowing our target demographic and to high interest rates. Monex Asset Management, which is part of our Japan Segment is steadily increasing its assets in custody as it charts a course to profitability. As such, all our Segments are showing signs of progress. Going forward, we intend to continue promoting Growth Strategies for each of our operating companies and, through investments in new growth areas, optimize our business portfolio and further enhance our corporate value.

Takashi Oyagi
Director, Executive Officer, and CFO
Monex Group, Inc.
Director and CSO
TradeStation Group, Inc.

CFO Message

Leveraging the capital and business alliance with NTT DOCOMO to grow the Monex Group

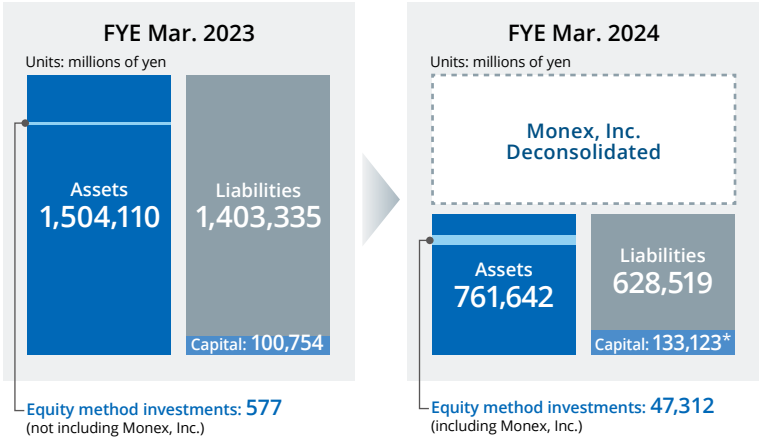
Recovering reduced profits stemming from sales of shares in Monex, Inc. as quickly as possible

We agreed a capital and business alliance with NTT DOCOMO in January 2024 for two core reasons: first, to accelerate the development of our asset gathering model in Japan by gaining access to NTT DOCOMO's massive customer base; second, to turn half of the shares of Monex, Inc. into cash, and to use this cash to make new growth investments. The capital and business alliance has had a huge impact on our own finances.

Following the transferal of shares to NTT DOCOMO and the allocation of new shares to NTT DOCOMO, Monex, Inc. has now become a consolidated subsidiary of NTT DOCOMO, and an equity method affiliate of the Monex Group. As such, the assets and liabilities of Monex, Inc. was removed from the assets and liabilities of our consolidated statement of financial position of Monex Group as of March 31, 2024; instead, Monex, Inc. was recorded as part of equity method investments. For the consolidated statement of income for the fiscal year ended March 2024, income and expenses for Monex, Inc. for the period April–December 2023 is recorded in the relevant statement items; for the period January–March 2024, 51% of the profits of Monex, Inc. is recorded as profit in Equity in income of equity method investments of the Japan Segment. In addition, we have posted a gain on sales and a valuation gain from the application of the equity method of approximately 21.7 billion yen (after tax and tax effects), too.

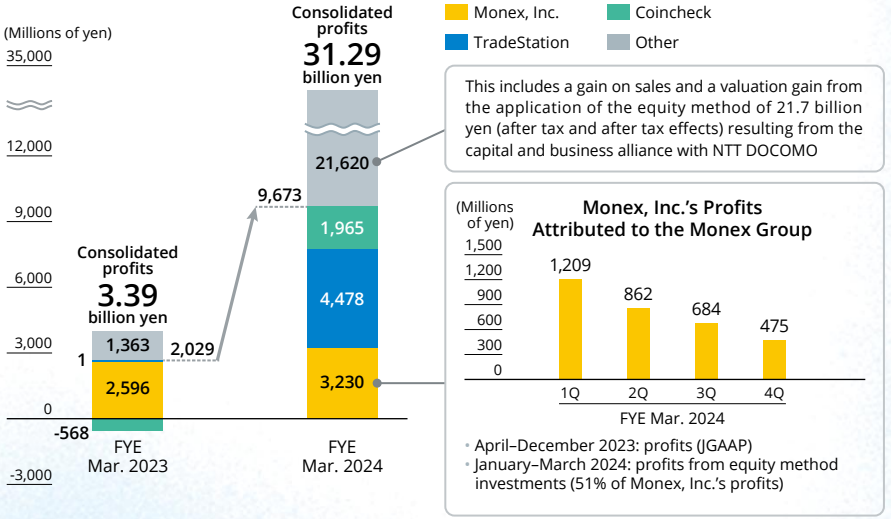
Going forward, one of our Group's priority issues is to swiftly recover the drop in profits coming from Monex, Inc. resulting from our sale of shares in Monex, Inc. As of 2024, Monex, Inc. has assets in custody totaling 8 trillion yen and a customer base of 2.5 million accounts; over the next three years, it aims to increase its assets in custody to 15 trillion yen, and to increase its customer base to 5 million accounts. In other words, over the next three years, its goal is to double its revenues. We now hold just half the amount of shares in Monex, Inc. that we did previously; but if it succeeds in its goal of doubling revenues, then we will see similar profits from Monex, Inc. as we did before our sale of shares—and this is something we wish to accomplish as soon as possible.

Consolidated balance sheet



* Primarily due to a 31.293 billion yen increase in consolidated profits for the year ended March 2024; this includes a gain on sales and a valuation gain from the application of the equity method of 21.7 billion yen (after taxes and after tax effects) resulting from the capital and business alliance with NTT DOCOMO

Consolidated profit and loss statement



CFO Message

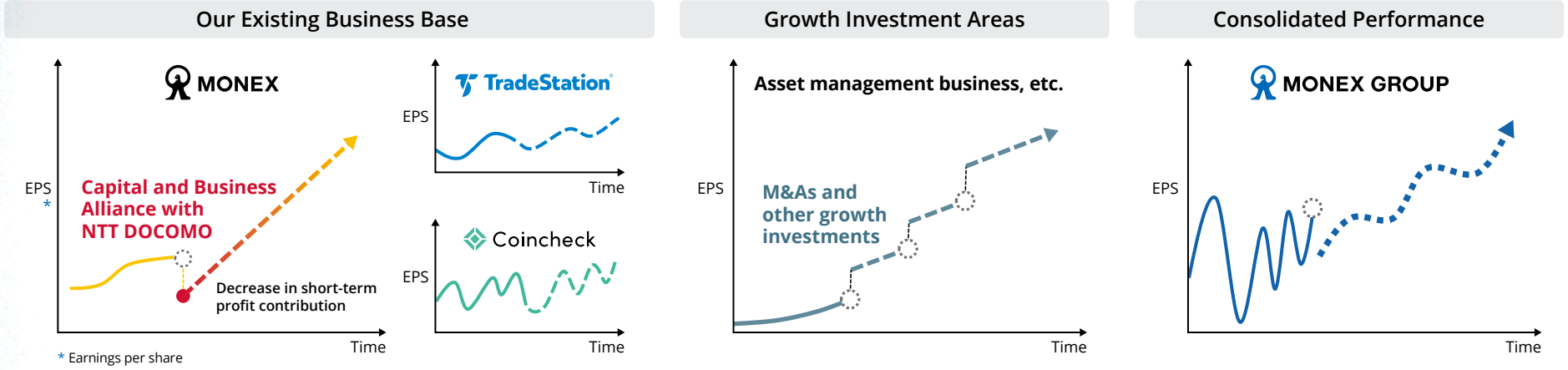
Using our capital policy to drive the creation of a portfolio capable of realizing our Corporate Philosophy

Diversifying risk by distributing our business portfolio across multiple countries and business domains

When it comes to promoting growth strategies in each of our segments, four factors have a significant influence on our performance: the prices of Japanese and U.S. shares, interest rates in Japan and the U.S., the price of our crypto assets, and the exchange rate. For the fiscal year ended March 2024, share prices were favorable both in Japan and the U.S. As inflation cools and as short-term U.S. interest rates fall, we believe that activity in stock markets will remain brisk. We believe that there is still a great deal of upside remaining when it comes to Japanese shares, too, as Japanese companies continue to promote structural reforms. The exchange rate will, we feel, settle at an appropriate level as the gap between Japanese and U.S. short-term interest rates shrinks. Our business portfolio is distributed across multiple countries and business domains; as such, when interest rates are high, we can generate high profits from our US Segment, which derives interest income from customer cash deposits; when interest rates are low, the likelihood of our Japanese Segment and Crypto Asset Segment generating strong profits increases, due to rising share prices and to rising crypto asset prices. As such, we believe that we are now reaping the rewards of ensuring our business portfolio is distributed across not only multiple countries but also multiple business domains.

Investing in companies that manage U.S. assets to strengthen our asset management business

Going forward, it behooves us to refine our business portfolio so that is capable of contributing to the realization of our Corporate Philosophy. In the wake of our capital and business alliance we have agreed with NTT DOCOMO, there is a great deal of cash on our balance sheet; our capital strategy is to increase the lower limit of our dividends two-fold, to acquire treasury stock in an agile manner, and to invest in growth areas. Since earnings from our asset management business increase in line with the value of assets entrusted to us by our customers, we must further strengthen these asset management functions. We have already established Monex Asset Management as a Japanese Group subsidiary, and it is smoothly tracing a path toward profitability. However, if we wish to strengthen our asset management business portfolio, then we must add companies to our Group that primarily deal with U.S. stocks, for which long-lasting growth can be expected. To this end, we are currently considering various options, including M&As.



CFO Message

Developing our asset management business, and optimizing our business portfolio to increase earnings power

Turning the asset management business into a future pillar of our business portfolio

We also intend to focus on smoothing the volatility of our Group's revenues. The asset management business we are promoting in our Japanese Segment is not a business category that requires heavy capital; for this reason, we believe we can further increase revenues through optimizing the business. If we can incorporate an asset management business that can be expected to generate stable revenues into our business portfolio, our Group's risk premium should in theory fall and, as a result, we will require less capital to generate the same returns. We will think carefully about the best way to utilize the extra capital we are left with, and then execute our plans accordingly.

With regard to crypto assets, too, we intend to adopt the same asset management business model to strengthen earnings power. As part of this approach, in April 2024 we acquired the Canadian crypto asset management company 3iQ. In addition to managing crypto asset ETFs, 3iQ has established QMAP, a platform that handles various investment solutions providing exposure to crypto assets , and enables distributed investments into carefully selected hedge funds; in this way, it is meeting the complex management needs of global institutional investors. Crypto asset exchanges around the world are increasingly providing users with asset management functions, and through such tie-ups we can expect to incorporate the crypto asset management needs of retail investors. We intend to maximize synergies with Coincheck, which has 1.8 million accounts in Japan, and thereby establish a crypto asset management business. In the same way, by incorporating companies that manage U.S. stocks into our Group, we intend to create a system whereby any rise in the value of U.S. assets will lead to a rise in revenues. Our strategy is therefore to roll out the asset management business model we operate in our Japan Segment both to crypto assets and to U.S. stocks.

Reorganizing Group companies and reinvesting in growth areas

Our policy for promoting our asset management business is to focus not only on online securities but also on face-to-face sales. Since we wish to provide our customers with the services that they themselves find easiest to use, it is only natural that we increase in-person and other offline sales channels. Indeed, if we intend to acquire assets from a broad customer base, then it is vital that we engage in face-to-face transactions. As such, we intend to expand our range of offline channels and establish a sales system that provides proper in-person solutions. As part of this strategy, we have established a new subsidiary called Monex PB, which specializes in the provision of private banking services that focus on high-value customers. Our goal is to carefully expand such channels, too. Strengthening functions capable of contributing to our asset management business is a pressing material issue, and our strategy is to invest in specialized asset management companies like 3iQ.

In order to optimize our business portfolio, we are also planning to carry out a bold reorganization of our Group companies. In June 2024, we announced the sale of our Hong Kong subsidiary Monex Boom Securities. We concluded that even if we invested further resources in the company, it would be difficult to accelerate growth—and that it would be better to sell the company, and reinvest the resources in new growth areas. The completion of the sale will mark the end of our Asia-Pacific Segment. However, Asia-Pacific markets other than China, namely Southeast Asian and Indian markets, are extremely attractive and, as such, we intend to invest some money, taking a long-term approach to uncovering optimal businesses. With our Japanese Group companies, too, we will strengthen our involvement in the management of promising businesses, but sever ties with companies that generate only weak synergies and sell them to partners capable of further increasing their value.

CFO Message

We have clarified our growth strategies: now let us use our abundance of cash to fill in the missing pieces of the puzzle

Making good on our promises and achieving results

Personally, I believe that the Monex Group's value on the stock markets is very much discounted, and as CFO I desperately wish to alter this state of affairs. In order to do so, however, our Group must not only communicate to investors how we intend to grow, but also demonstrate that we are steadily improving our performance. There are still a number of missing pieces before we can create a business portfolio that is truly attractive to investors. But because we have formulated a clear growth strategy, starting this fiscal year we have entered a phase of slowly filling in these missing pieces, making good on our promises, and steadily achieving results.

I am aware that the markets have a strong interest in how we utilize the cash generated from our capital and business alliance with NTT DOCOMO. Our basic policy is to use this cash to invest in growth; but in the short term, we also wish to support our share price by returning profits to shareholders. To this end, we intend to pay dividends that either meet or exceed that lower limit we committed to and, when we feel our share price is low, to expeditiously buy back shares. As CFO, one of my key roles is to ensure that dividend payouts and share buybacks are done at the appropriate time and on an appropriate scale.

By remaining in dialogue with the markets, we intend to ensure the Monex Group is able to demonstrate its true corporate value and achieve significant growth. Looking ahead five or 10 years into the future, our goal is to create businesses that empower people to "realize individual self-fulfillment and to optimize their lifetime balance sheet," and to create a business portfolio that draws on the Monex Group's unique qualities. The Monex Group's goal is to become a 100-year-old company. We can achieve our 100-year goal by breaking it down into 10-year segments, and by ensuring that there is continuity between them. The world is changing at an increasing rate, and we must respond to these changes. It may be that in 10 years' time we are overseeing a completely different business. We will take up the challenge of developing new technologies that contribute to the progress of humankind with great sensitivity; we will carefully consider what impact these technologies will have on our industry and business, and evaluate which pieces of the puzzle we ought to add, and which we ought to remove. I will continue to assess the optimal make-up of our business portfolio as I spearhead the management of the Monex Group.



ESG Dialogue

Linking the culture of DEI to further corporate value

Monex Group believes that diversity, equity, and inclusion (DEI) is important capital that has a significant impact on the value creation process as it seeks to create innovation for society and realize its corporate philosophy. What perspectives and actions are required to further reflect this sentiment for DEI in corporate value? Hiroharu Ryoke—an expert on sustainable investment who is passionate about engaging with companies on their intangible assets, particularly their human capital—was invited to exchange views on this topic with CEO Yuko Seimei.



Hiroharu Ryoke
Senior Research Officer
Engagement Group
MUFG AM Sustainable Investment

Yuko Seimei
President,
Representative Executive Officer and CEO
Monex Group, Inc.

Hiroharu Ryoke

Profile: Previously worked as a domestic stock analyst and foreign stock fund manager (FM), before engaging in asset management of long-term funds, such as pension funds, as a domestic stock FM. After working in research for governance consulting, since December 2019, he has been working as a responsible investment specialist, disseminating information internally and externally on current ESG issues and speaking at client seminars. Assumed current position in April 2023.

ESG Dialogue



There is no innovation without DEI That is our firm conviction

Generating future growth DEI is what enhances human capital

Seimei: As CEO, I strive to communicate with investors to emphasize the corporate value of Monex Group. What they are interested in, though, is financial figures such as profit and cash flow. No one ever asked me questions about human capital. Then, at an IR meeting, you asked me about human capital, in other words, about a value that is not shown in the financial figures, and I remember being deeply impressed.

Ryoke: In recent years, the value of intangible assets as a percentage of market capitalization has been the focus of much attention, and in the U.S., the relative importance of intangible assets has drastically increased over tangible assets over the past few years. In Japan, on the other hand, intangible assets are unfortunately still not valued, and I see the underutilization of human capital (a typical example of intangible assets) as a major challenge. Conversely, however, the potential for Japanese companies is tremendous. If human capital can be valued as an intangible asset, there is great potential for them to increase their corporate value. It is on this basis that I asked you about Monex Group's commitment to human capital.

Seimei: I think the expression "human capital" is an apt way of putting it. Human resources are not assets, but capital. What is important is the kind of assets that we create with this capital. And in this sense, the secret to Monex Group's human capital is DEI. The reason for this is that bringing together diverse people through DEI will generate innovation and provide new value, which will lead to future profits. Stock prices are not a figure of the present, but a reflection of future growth potential. It is therefore important to know what kind of capital you have in order to show your future growth potential. DEI is what drives that capital and creates innovation. I had felt a sense of regret that these sentiments are not easily conveyed to investors, but the impact of the moment when you first asked me what underlying values would enable Monex Group to grow remains with me to this day.

Strengthen engagement with the external labor market based on your corporate philosophy

Ryoke: This is my personal opinion, but I think the disparity in efforts for DEI is the difference in innovation between Japanese companies and Western companies, which leads to differences in profitability. Western companies are promoting DEI in order to strengthen their businesses. With Japanese companies, though, DEI is superficial, and in most cases, it is not linked to business. The DEI that investors expect is deeper, more genuine, such as diversity in experience and values. The reason for this emphasis is—as you just described—because it is all connected to innovation.

Seimei: In my view, innovation will never happen without DEI. Having a group of people who can only express the same opinion when they see the same thing is futile. Innovation can only occur in an organization where disparate thoughts collide,

ESG Dialogue

causing chemical reactions to occur, from which a stream of new challenges spontaneously arises. That is why it is important to have a varied mix of people, each with different ideas based on diverse values, regardless of whether those ideas are good or bad, and it is why we are working to create such a portfolio of human resources.

Ryoke: We investors place greater importance on a company's human resources portfolio five to ten years from now than on its current portfolio. We want to know how the company will build a human resources portfolio that will enhance its corporate value into the future. In this respect, I believe that it will become increasingly important for Japanese companies to engage not only with their employees, but also with the external labor market, that is, to strengthen their ability to recruit. This goes for Monex Group too. I would like to see you do more to promote your strengths and enhance your ability to recruit human resources. Your corporate website and integrated report strongly suggest that Monex Group is centered on its corporate philosophy. I think that one effective way would be to promote human capital based on your corporate philosophy by focusing on your corporate philosophy during recruitment interviews and explaining how your turnover rate is so low because you only recruit people who share the same philosophy and how your M&A record is so successful because you share the same corporate philosophy as your partner companies.

Better promote Monex Group's unique aspirations for human resources

Seimei: As you suggest, our corporate philosophy is the basis of Monex Group, and the culture of DEI is designed to pursue that philosophy. I see our corporate philosophy and culture as a set. No matter how fantastic a philosophy is, it is meaningless without a culture that pursues it. Monex Group is also constantly looking for growth. In order to grow, we must create new value, and creating value requires risk-taking. In order to foster a culture in which everyone can take on challenges without hesitation, we place utmost importance on each individual expressing their own values and pursuing what they want to do without denying the values of others. Incidentally, the most loathed phrases at Monex Group are: "This is how it was in the past" and "There is no precedent." We are always looking to the future, so people who try to create new value by thinking beyond traditional frameworks are welcome, regardless of the past, precedents, when they joined, gender or other factors. It is based on such a culture that I was appointed to the top position! This culture based on our corporate philosophy is a key feature of Monex Group, and I hope to make it more evident and link it to our ability to recruit.

Ryoke: As you just mentioned, the Monex Group corporate philosophy is clearly linked to all of your corporate activities. You should promote the vision and management policies derived from it and the CEO's firm commitment to them. As for human capital, you should communicate to the market that your recruitment and development of human resources and your HR policies lead to engagement and are properly governed. That series of actions will translate into productivity improvement and innovation creation, which will lead to the increases

Create a new market by fully leveraging the non-financial synergies that DEI provides



ESG Dialogue



in market capitalization and corporate value that we investors expect. Often seen in Japanese companies today is a division between management strategies and sustainability strategies based on corporate philosophy. All companies claim that human resources are important, but most of the time, they position human resources at the bottom right of their materiality matrix. However, at Monex Group, you have positioned human capital at the very top right of your materiality matrix. This is really great! I think the reason why it is plotted here is probably because Monex Group clearly recognizes its employees as stakeholders. Many Japanese companies have a strong vertical relationship between the company securing employees and employees relying on the company, but I get the impression that Monex Group has already broken away from this mold.

A new era of non-financial synergies leading to higher corporate value

Seimei: Based on the firm belief that innovation is not possible without people, we recognize that our employees are, by nature, an important stakeholder. None of our business would be possible without human resources, which is why low human resource productivity can have an enormous impact on our finances. And it is for this reason we also surveyed our employees, including those at our global locations, and plotted human capital in the top right of the matrix. It is not for appearances, but the result of serious consideration of the materiality matrix for the purpose of improving corporate value. We treat our stakeholders with sincerity, and we are keenly aware of how to connect materiality to actual business. Our goal is to realize our corporate philosophy, and everything is connected to this. I truly believe that both our employees and shareholders will only be happy if we fulfill our corporate philosophy. With regard to group management, the capital alliance with NTT DOCOMO is a prime example of this. We will pursue the ideal form of group management without being bound by conventional structures. Our goal is to enable individuals to realize self-fulfillment, and in order to create a new future in which that can happen, I want to steer the Group's businesses without being bound by the past or precedents.

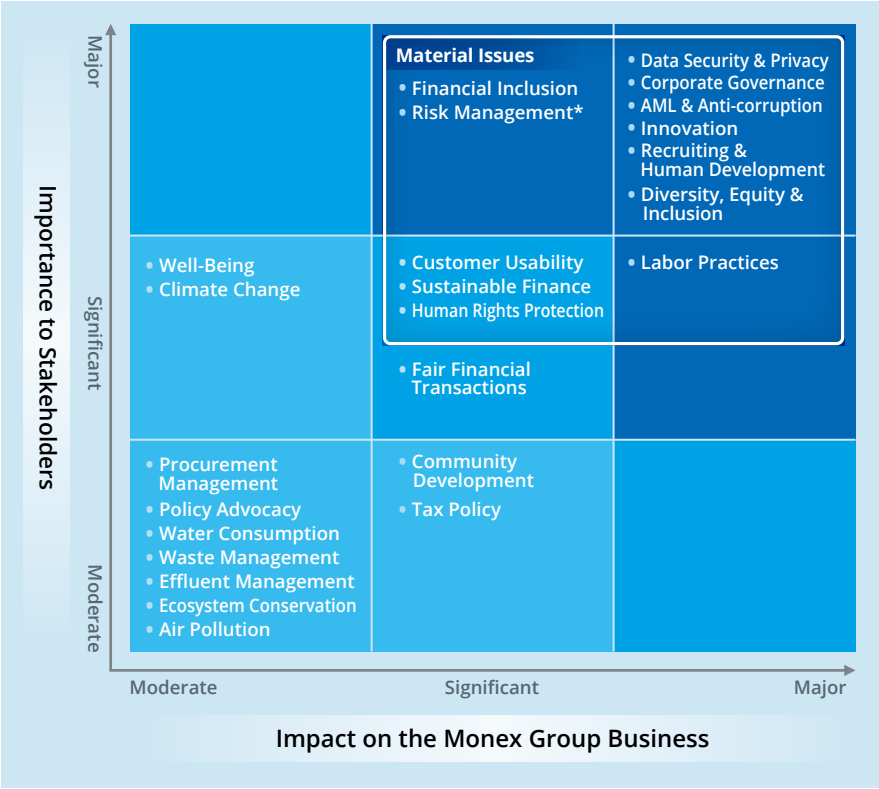
Ryoke: Monex Group is also diversifying its business portfolio, right? Investors generally tend to dislike business diversification because it causes a conglomerate discount, but I do not necessarily hold this view. With intangible assets now accounting for a larger percentage of corporate value than tangible assets, the key to improving corporate value will be how to create not only financial synergies, but also non-financial synergies. In this respect, since the source of non-financial synergies for Monex Group is its corporate philosophy, if people from completely different industries and business categories can come together to pool their wisdom and create new businesses with this philosophy at the core, it may be possible for Monex Group to generate a conglomerate premium. I would very much like to see Monex Group take full advantage of the non-financial synergies provided by DEI to uncover new social issues that society is not yet aware of, and create new markets by resolving those issues. This is the very definition of innovation, and I believe it will lead to sustainable growth for Monex Group by returning the outcomes of innovation to us investors as well as to employees and customers.

Seimei: Mr. Ryoke, once again, I am most grateful to you for the key insights you have given us. Thank you very much for your time today.



Materiality

At the Monex Group, we have created the Materiality Matrix to help us both resolve societal issues through our business, and work toward the realization of our Corporate Philosophy. The vertical axis of the matrix indicates the "Importance to Stakeholders," which we confirmed via a questionnaire given to clients, employees, and shareholders, while the horizontal axis indicates the "Impact on the Monex Group Business," which is based on a quantitative and qualitative analysis of our current operations. The resulting matrix visualizes the level of priority that ought to be given to each material issue. To ensure that each materiality issue is properly plotted, we periodically review the matrix in the context of changes both to external conditions and to our Group's operations.



* Risk Management includes risk control and management of the impact from climate change

Note: at present, our response to climate change is focused on Scope 1 (direct) and Scope 2 (indirect) in regard to GHG emissions. The Monex Group also strives to save energy in its crypto related businesses and does not operate any mining business at the moment.

Materiality Matrix Identification Process

STEP1 Identification of Material Issues

Referring to the survey items of ESG evaluation organizations and frameworks such as SASB and GRI guidelines, we quantified the priorities for the material issues that we had previously set forth.

STEP2 Evaluation of Importance

Vertical axis: Questionnaires were sent to customers, shareholders, and employees (total number of responses: approximately 4,500) regarding the issues identified as a high priority in STEP1.
Horizontal axis: We measured and evaluated the financial impact (from a quantitative perspective) and the impact on the realization of our corporate philosophy (from a qualitative perspective) of our efforts on each item.

Number of Respondents to the Materiality Review Questionnaire, Issued in Spring 2024

- Clients: 1,944*
- Retail shareholders: 2,234
- Employees: 332*

* Clients and employees of Monex, Inc., Securities, Coincheck, TradeStation, and other companies

STEP3 Identification of Materiality

Based on the results of STEP2, the internal task force of the company held discussions and developed a new materiality matrix divided into 9 quadrants. Both the vertical and horizontal axes are expressed in three levels: "Moderate," "Significant," and "Major." In each quadrant, material issues are listed in order of their level of importance; the issues enclosed inside the white box are new material issues that ought to be given the greatest priority.

STEP4 Discussion and Decision by the Board

The decision was made after explanations and hearings with the person in charge of each material issue, as well as consulting with the CEO and other executive officers, and reporting and discussion at the Board of Directors meeting.

Periodic Reviews of Materiality

In our 2024 annual review of the Materiality Matrix, we implemented several important changes. First, we have now designated "respect for human rights" as a material issue, reflecting both its growing impact on stakeholders, and our own increased social responsibility. To this end, we have appointed a new Executive Officer in Charge of Human Rights to strengthen our advocacy of human rights. Second, the "Optimize lifetime balance sheet" has now been divided into the "STEAM Education Project" and the "Intractable Disease Genome Detection Project"; we changed the name of the STEAM Education Project to "Well-being" and plotted it on the matrix as a standalone issue, while we integrated the Intractable Disease Genome Detection Project into "Innovation." Third, in light of the responses to a questionnaire we issued to our stakeholders, we have updated the level of importance given both to "Diversity, Equity & Inclusion" and to "Improving access to financial service."

Materiality

Priority Item	Risk	Opportunity	Main Measure	WEB
Data Security & Privacy	System failure or error causes loss of customer confidence, and mishandling of personal information adversely affects brand reputation and/or causes economic loss	Establish an advanced governance system and a Group-wide risk management system not only to facilitate the management of latent risk, but also to enable the strengths of our business to be reflected directly in our corporate value	Strengthen password management, and revise our Security Policy in line with amendments to the Act on the Protection of Personal Information	
Corporate Governance	Success probability of management's strategy drops due to execution, checks and balances and/or monitoring functions not being appropriately implemented		Set up 60% of Board with outside, independent directors, assign a lead independent outside director* and select Board members based on skill matrix and diversity	
AML & Anti-corruption	Losses due to an undeveloped or non-existent anti-money laundering system regulated by the relevant authorities and/or system meant to curtail excessive entertainment and entertainment requests from outside parties		Regularly carry out Group-wide monitoring of risks and compliance related to AML/CFT; standardize AML/CFT training; formulate rules to manage gift-giving; establish internal reporting systems; establish other anti-bribery systems	
Risk Management	Poor risk management system causes an accident, or its inability to mitigate loss leads to degradation of corporate value		Identify in a timely manner the amount of risk using a Group VaR (Value at Risk), and be informed of the risk control status using a Group RCM (Risk Control Matrix)	
Recruiting & Human Development	A drop in competitiveness due to an inability to secure talented personnel	Invest in human resources to achieve sustainable growth for our corporate value	Carry out multiple engagement surveys every year; implement management training; introduce one-on-one meetings; promote support systems for acquiring qualifications and other forms of autonomous learning	
Diversity, Equity & Inclusion	A fall in corporate value and competitiveness due to insufficient promotion of DEI	Secure a competitive edge in human resources for creating innovation, improve our ability to recruit, and enhance our brand value	Implement DEI training first for executives and then for management employees; expand information disclosed on our website; reflect DEI in management position reviews (in some subsidiaries)	
Labor Practices	Increase in turnover rate and a drop in work productivity due to no improvement in work environment (working style)	Retain high-quality human resources by improving the working environment	Promote telecommuting systems and flex-style systems; encourage the use of paid leave, and the use of parenting leave for both mothers and fathers	
Human Rights Protection	A tarnished reputation and a lack of workforce stability stemming from a deterioration in the work environment and decreased productivity due to human rights' infringements or suffering within the Group	Improve brand value and competitiveness by creating an open corporate culture that empowers employees to work with enthusiasm	Appoint and maintain human rights liaison officers (at Japanese business bases); ensure key subsidiaries carry out training and due diligence on human rights in their supply chains; host lectures at internal town hall meetings	
Innovation	A loss of opportunities to maintain and expand our customer base and our business foundations; a fall in brand value due to a delayed response to demands from society and/or the relevant authorities	Provide completely new and innovative service to create new customer demographics and gain opportunities for revenue	Document case studies of how innovation in the four elements of foresights, risk-taking, value enhancement, and corporate culture, have successfully led to corporate growth	
Financial Inclusion		Broaden our customer base by improving accessibility to financial services	Monex, Inc. will advance its alliance strategy, and broaden its customer base; Coincheck will leverage its cryptocurrency exchange business to grow its corporate client base; establish an IEO industry in Japan as a method of using tokens to raise new corporate funds, and become the Japanese market leader in terms of number of offerings	
Customer Usability		Create new customer experiences and improve customer satisfaction by utilizing customer opinions and feedback	Establish feedback cycles at Group companies, and implement regular small-scale interview sessions; in New York, open in-person dialogue sessions between the TradeStation management team and important clients	
Sustainable Finance		Create revenue opportunities by providing asset management services aimed at realizing a sustainable society	Launch and manage the Tokyo Wellness Impact Fund, Monex Activist Fund, and Monex Climate Impact Fund	

Target
Creating an advanced business foundation to support sustainable growth In order to realize the sustainable growth of our corporate value, we will establish an advanced business foundation capable of comprehensively supporting all aspects of the value creation process, from allocating capital to providing value to society.
Creating equitable work conditions for diversified personnel to promote autonomous activity We endeavor to make a fair and equitable working environment for diversified personnel and their different working styles, and ensure the well-being of "personnel," our most valuable asset, in order to achieve our corporate philosophy.
Creating value to facilitate individual self-fulfillment In addition to pursuing innovation in our main business, the financial domain, and acquiring new customer demographics, we are striving to create business that falls in line with our new corporate philosophy "realizing individual self-fulfillment and optimizing each person's lifetime balance sheet."

Realization of our corporate philosophy

* A lead independent outside director will be appointed from among our Group's outside directors and independent directors

Innovation

Monex Group's innovation, explained in four elements

In order to realize its corporate philosophy, it is essential for Monex Group to provide new value to society through innovation.
Our history of pursing innovation is founded on four elements which have become the important capital of the Group as we continue to grow.
We believe that we will be able to continue achieving innovation by continually strengthening this capital.

1. Foresights

Research function for grasping social changes

We maintain an accurate grasp of cutting-edge technologies and social trends, and examine business opportunities for the Group by working backwards from a vision of society one step into the future. As well as peripheral information in the existing businesses of our Group companies, in its surveys and research, for example, the Monex Zero Office identifies business opportunities by measuring the impact of the latest technologies on society and our business. We update our Corporate Philosophy and vision as appropriate based on the business opportunities we have identified, and also gather information on M&As that might contribute to the realization of our updated philosophy and vision.

Main research topics of the Monex Zero Office

- UI/UX changes associated with the widespread adoption of IoT
- Private data management and the empowerment of individuals through AI
- Changes in economic activity driven by AI
- Decentralization of the world order and the rise of distributed value layers
- Financial functions suited to unstable times of rapid change and liquidity

2. Risk-taking

Management system for properly assessing risk and making swift decisions when the opportunity presents

In addition to managing operational risks in our business, we have also built a management system that enables the Board of Directors to properly identify risks and make swift decisions without letting opportunities slip when it comes to major management decisions, such as using M&As to drive business expansion.

The Group acquires the major Canadian crypto asset management company 3iQ (April 2024)

Our Group has designated the asset management business as one of its focus areas. Since an increase in the value of target assets is likely to contribute significantly to the growth of assets in custody, we made the decision to acquire a crypto asset management company, confident that the value of crypto assets will increase sharply. In addition, 3iQ's diverse line-up of crypto asset products will help strengthen the Group's existing businesses, including Coincheck's corporate business; in addition, the Group will be in a position to create asset management products when, in the future, diverse assets are managed via blockchain.

3. Value enhancement

Systems that support the growth of Group companies, and that maximize the results of innovation

Both for existing Group companies and for newly acquired companies, we invest resources and encourage business partnerships as a way of generating growth opportunities that these companies would not have access to if acting independently. In this way, we are actively engaged in improving the value of the entire Group.

Looking back at the capital and business alliance with NTT DOCOMO (January 2024 onward)

As part of our capital and business alliance with NTT DOCOMO, we transferred a portion of our shares in the intermediate holding company of Monex, Inc., our Group's original business. In the short term, Monex, Inc. will contribute less profit to our Group—and this is a risk; however, we are confident that the alliance will provide opportunities for drastic growth that is different in kind to the growth curve previously offered by Monex, Inc, alone. Going forward, we intend to work together with NTT DOCOMO to ensure that the value of Monex, Inc. increases significantly.

Yuko Seimei
President, Representative Executive Officer and CEO

4. Corporate culture

Corporate culture instilled with a commitment to the pursuit of innovation

Our Group has leant heavily on M&As both to expand its business portfolio and to realize its Corporate Philosophy. When pursuing M&As, our most important criterion is whether the target company understands and agrees with our Corporate Philosophy; after acquiring a company, we actively welcome the various values and cultures it holds, and work to ensure it increases the diversity of our Group as a whole. Indeed, when it comes to encouraging innovation, the ideas generated through interactions between diverse Group companies—and the associated exchanges of values and knowledge—are one of our Group's most important cultural assets.



GLOBAL IDEI AWARD

The GLOBAL IDEI AWARD is an internal commendation system that recognizes individuals and groups who have come up with innovative ideas and initiatives; the award is open to individuals and groups from all our global bases.

DEI (Diversity, Equity & Inclusion)

Promoting DEI to increase competitiveness

Innovation is crucial for the realization of our Corporate Philosophy, and the Group's approach to and practice of DEI is the foundation upon which our innovation is built. Our corporate culture places a high value on diversity; as we work toward the execution of our forward-looking vision, this culture is the foundation for wide-ranging inputs to inductive approaches, and for maintaining the individuality and corporate culture of our Group companies as well as enhancing their value. As such, it is an indispensable element for promoting innovation.

Our Basic Approach to DEI

Our Group has expanded the scope of its business by establishing a medium- and long-term vision, and by integrating companies that share its Corporate Philosophy and vision by acquisition and other means. Since our founding, we have established work environments in which employees from diverse backgrounds and with diverse ways of thinking can fairly voice their opinions and flourish, and we have cultivated a corporate culture that enables diverse cultures and approaches to coexist.

Today, technological advances are being made at breakneck speed, and new global services and products are being launched one after the other. Against such a backdrop, a corporate culture that allows human resources with diverse ideas and ways of thinking to express themselves freely will encourage innovation, and will lay the foundations for a robust and flexible organizational structure capable of overcoming the uncertainties of the future.

Group-wide DEI Initiatives and Systems

In 2021, our Group established the cross-organizational DEI Global Steering Group, which is made up of representatives from the human resources and DEI promotion departments in each of our four core segments. The Steering Group meets online twice a year, and verifies that DEI is a key criterion in discussions pertaining both to the Group's Core Values and to the Monex Sustainability Statement, which the Board has committed to. It also serves to share quantitative and qualitative information regarding the state of DEI at each Group company.



DEI Global Steering Group

With the rise of diverse human resources and work styles, the goal of the DEI Global Steering Group is to accumulate expertise and promote DEI in our Group companies, by deepening ties and interactions between them, and sharing initiatives aimed at establishing inclusive work environments.

Impartial Performance Reviews and Eliminating Pay Gaps

In their employee performance reviews, the personnel systems of the Monex Group and its Group companies regard contributions to corporate value to be the single most important assessment criterion, regardless of an employee's gender, age, nationality, or other status. Ensuring employees are treated solely according to this criterion is crucial to establishing an organizational system that embraces diversity.

With regard to pay gaps, our Group does not operate different compensation systems for male and female employees. Accordingly, while differences in pay may arise due to differences in individual levels of contribution, competence, occupation type, and other factors, differences in pay do not arise due to differences in gender. Moreover, to quantify the level of diversity in our Group, we measure the percentage of female employees in management positions as well as male-female pay gaps from the perspective of performance reviews and compensation.

	Employee Category	Male	Female	Comment
Male-female ratio	All employees	76%	24%	We intend to increase the number of female employees in our Group so that our own male-female ratio approaches the male-female ratio of the global population.
	Management employees	78%	22%	We believe that all employees ought to be treated according to their level of contribution; as such, we have set no fixed goals
Pay gap	All employees	100%	86%	Since we do not have separate pay systems for men and women, in principle differences in pay should not arise between male and female employees; the differences in pay shown in this table are due to differences in the occupation types of our male and female employees.
	Non-management employees	100%	81%	
	Management employees	100%	102%	

* Statistics for the Monex Group, TradeStation, Coincheck

Our Approach to Post-merger Integrations

When it acquires a new company, our Group invests the resources necessary to resolve any management issues, and works both to promote its growth strategies and to improve its corporate value. However, we do not use acquisitions as an opportunity to change a company's name or to carry out a large-scale replacement of its management team; instead, we focus on respecting its existing strengths and cultures. While all members of our Group share the same ultimate goal of realizing our Corporate Philosophy, we try to guarantee the independence and diversity of each member company. We also endeavor to foment a culture of DEI that encourages the innovation required for the realization of our Corporate Philosophy.

DEI (Diversity, Equity & Inclusion)

DEI and Group Synergy

We believe that our DEI, which is aimed at creating innovation, is not only about instilling the concept in employees or practicing it on a team level but also about coexistence and learning from each other in a larger organizational unit. In addition to the diversification effects that group companies create in terms of business domains and localities in our business portfolio, we believe non-financial synergies from the exchange of human resources and technology between group companies will ultimately lead to the creation of financial synergies.

MONEX GROUP

1 Business outline 2 Strong assets 3 Enhancement through synergy

Coincheck — Coincheck

1. Crypto asset exchange service provider in Japan
2. Leading position in the cryptocurrency exchange business in Japan, digital marketing capability, and engineers that handle new technology
3. Fostering social credibility, responding smoothly to regulatory authorities, strengthening internal control systems and cyber security, and taking on the challenge of starting a global business



The marketing teams of both companies collaborated on Coincheck's booth at the Customer Thanksgiving Day event held by Monex, Inc., the exchange program between crypto assets and Monex points, and other activities.
(Photo: Marketing members of Monex, Inc. and Coincheck)

Exchange of human resources ⟷ Technological knowledge sharing ⟷ Sharing marketing expertise, etc.

MONEX — Monex, Inc.

1. Online securities firm in Japan
2. In-house developed backbone system, alliances with NTT DOCOMO and AEON Bank, and over 20 years of experience as a financial operator
3. Introducing cutting-edge digital marketing, strengthening the domestic competitiveness of U.S. equity services, flexible system development capabilities, and launch of cryptocurrency CFD service



I was seconded from Monex, Inc. to Coincheck's marketing division. I am currently back at Monex, where I am responsible for acquiring customers from NTT DOCOMO using cutting-edge digital marketing.

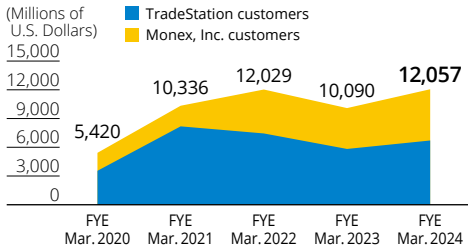
Yushi Tanabe, Monex, Inc.

Exchange of human resources ⟷ Technological knowledge sharing ⟷ Development support related to U.S. equity trading

TradeStation — TradeStation

1. Online securities firm in the U.S.
2. System development capabilities, customer base specialized in active traders, robust and cutting-edge systems, and abundant APIs
3. Expanding the U.S. equity brokerage business, gaining crypto asset expertise, strengthening human resource support and management system

Customer assets in U.S. dollars held at TradeStation



TradeStation is a broker for Monex, Inc.'s U.S. stock trading orders. In the future, they intend to develop this trading and are considering the possibility of a stock lending business utilizing the U.S. stock certificates held by customers of Monex, Inc.

Human Resources Strategy for Increasing Productivity and Efficiency Japan

Strengthening Human Capital

Relationship Between Corporate Philosophy and Human Capital Measures

The Monex Group revised its corporate philosophy in 2021, and in 2023, updated its core values to promote its realization. The new core values articulate the qualities of personnel that contribute to the pursuit of the corporate philosophy and establish a stance on fostering an organizational culture that accepts diversity. Both Monex Group, Inc. and Monex, Inc. have redesigned their personnel evaluation systems in line with the new core values, leading to the development of personnel capable of embodying the corporate philosophy.

Engagement Surveys

Monex Group, Inc. and Monex, Inc. regularly conduct engagement surveys. In the engagement survey conducted for the fiscal year ended March 2024, scores measuring the degree of workplace communication, such as “support” and “relationships,” were on par with the benchmark. However, there were deviations in several items related to fostering a sense of belonging to the company, and we recognized room for future improvement particularly in the scores for “growth opportunities” and “satisfaction.”

Implementation of Improvement Measures (from the fiscal year ended March 2024)

1. Supporting Autonomous Growth Through Dialogue

In addition to evaluation interviews, we have introduced 1-on-1 meetings focused on individual employee growth and career support. These meetings not only involve department and group heads, but also employees in non-management positions who have been appointed as newly established “trainers” to support the development of their subordinates. This creates opportunities for more detailed communication as well as expands the base of employees involved in management, further promoting the development of the next generation of managers.

2. Revision of Human Resource Evaluation Standards

By incorporating the core values, which are based on the corporate philosophy, into the evaluation standards, the activities of each employee aimed at achieving their goals ultimately contribute to the realization of the corporate philosophy. Specifically, new evaluation items such as “challenge,” “professionalism,” and “providing new value” have been established.

3. Clarification of Grade Requirements

We have revised the personnel requirements for each grade (internal rank) by making the descriptions of competency levels and responsibilities more specific. By clarifying the personnel requirements for each grade, we facilitate goal setting for employees and foster a sense of fairness and acceptance regarding evaluation results through the use of common evaluation criteria.

DEI Initiatives

Basic Approach

We believe that for our Japanese business locations to provide services widely accepted by society, it is essential to build a diverse organization in terms of nationality, age, and experience, while fostering a corporate culture where officers and employees respect one another. As a result of having delegated discretionary duties to employees from early in their career and promoted talented personnel with an emphasis on ability (regardless of gender and nationality), we now have several managers and managers in their 20s.

Implementation of DEI Training

Since the fiscal year ended March 2022, the Group has regularly conducted DEI training for all employees at its Japanese locations, where many employees learn about the concept of DEI and what they should be aware of and how they should act in their daily activities.

DEI training results (fiscal year 2023)

Training Name	Content	Participants
CEO-sponsored training on code of conduct and DEI	The significance of DEI	380
General meeting of employees	Promoting understanding of management policies and the corporate philosophy	360
OTD workshop	Promoting understanding of DEI for officers and above at Japan business locations	50

* Target: 8 Japanese business locations

MONEX DAY Held

Monex Group, Inc., Monex, Inc., and Monex Asset Management hold in-house events inviting employees’ families to their offices. On MONEX DAY, held in August 2024, employees from each Group company invited their families, and a total of 76 people gathered. This provided the family members a valuable opportunity to understand the working environment of employees through a business card exchange event and financial program for children.



Human Resources Strategy for Increasing Productivity and Efficiency U.S.

Strengthening Human Capital

Basic Approach

Strengthening human capital is an important factor in promoting economic growth, innovation, and overall societal development. To this end, long-term investments in training programs and professional ability development to enhance employees' skills are necessary. TradeStation recognizes that by prioritizing human resource development we can foster an organization with competent and experienced talents who are productive, competitive, and capable of adapting to technological advances and solving complex problems.

Ability Development/Human Resource Development Programs

TradeStation is aware that ability development/human resources development programs are indispensable to attracting employees and helping to build a more cohesive corporate culture. As evidenced by its high employee retention rate compared to the industry average, TradeStation prioritizes human resource development and internal promotion, in addition to placing emphasis on leadership development. These training programs help align leadership and strategic goals, promoting leadership development and better communication.

Understanding the Current Situation Through the Engagement Survey and Taking Improvement Measures

TradeStation's overall eNPS* score of 50 indicated that it was highly evaluated for its positive work environment and corporate culture, strong sense of community, learning and growth opportunities, and other factors. On the other hand, it was found that a higher level of performance was required in terms of "accountability" and "clarity of scope of responsibilities."

In response to the survey results, TradeStation has worked to improve its credibility by enhancing communication from the management team and ensuring clear and consistent messaging. In addition to quarterly meetings, it holds monthly lunchtime Q&A sessions with the management team to allow time for employees to ask questions, while also focusing on specific divisions and initiatives. Furthermore, in addition to providing leadership training and coaching to clarify the scope of responsibilities, TradeSatation is actively striving to improve employee satisfaction, such as by launching an in-depth career advancement and ability development survey for employees.

* eNPS scores range from 0 to 100. In general, scores between 10 and 30 are considered "good" and 50 or above "excellent."

DEI Initiatives

Personnel System Based on a Policy of Equal Employment Opportunities

TradeStation welcomes the unique experiences and backgrounds of each employee to provide top-quality products and services to customers. Employees recognize each other and respect their differences while providing excellent services and helping each other pursue change for the better. TradeStation has also established an internal DEI Council and are committed to working with the management team, employees, and specific communities to advocate for and support diversity in the organization, encourage and promote equal opportunities for minority groups, and create an environment that fosters growth, understanding, and success for all employees.

Introduction of Hybrid or Remote Working

TradeStation is actively introducing remote or hybrid working to accommodate the diverse work styles of its employees, including engineers. Additionally, to improve the psychological safety of employees who work remotely, trainings and mentorship programs are run to increase a sense of belonging and organizational contribution for all employees. TradeStation supports Employee Resource Groups (ERGs) to deepen connections among employees who work remotely or at different locations. Examples include an ERG that aims to foster a sense of belonging and strategic thinking through chess and an ERG that aims toto empower women in the fintech industry.

Participation in NDC (National Diversity Council)

TradeStation fosters inclusivity through various programs. In collaboration with the National Diversity Council (NDC) and the marketing team, TradeStation has developed a training program to promote DEI and supports knowledge sharing and career development through a mentorship program. TradeSatation also supports employee-led grassroots initiatives and are coordinating with TradeStation's DEI Council members to receive support from the NDC Partnership to strengthen its efforts. The progress of these DEI initiatives is continuously reported to the Board.

Human Resources Strategy for Increasing Productivity and Efficiency Coincheck

Strengthening Human Capital

Human Resources Basic Policy

Coincheck is developing its internal environment in line with Coincheck's unique action guideline, "MOST," while keeping in mind the Monex Group's approach to strengthening human capital. While many employees of various backgrounds have joined Coincheck and it has grown by incorporating diverse values as the business expands, through formulating and introducing "MOST," its unique set of values allows it to develop an internal environment that clarifies the judgement and evaluation criteria for employees and the organization.

MOST		
	M : Maximize team results	S : Surpass expectations
	O : Own your work	T : Think integrity

Engagement Survey

Since 2023, Coincheck has built an ISO 30414-compliant dashboard and, in parallel, conducted an engagement survey using Gallup's Q12 + eNPS for all employees. By analyzing the survey results and human capital data trends, Coincheck maintains its internal environment and sound organizational management with measurable effectiveness.

Enhanced Recruitment and Ability Development

Coincheck is undertaking several initiatives to recruit excellent talents, such as securing recruitment channels, participating in communities of engineers specializing in blockchain and crypto assets, and strengthening its recruitment capabilities through office relocation. In addition, Coincheck is working to build an environment that encourages voluntary learning opportunities for employees while providing skill development support, such as a positive learning system that can be used to purchase books, attend study sessions and seminars, and subsidize online learning.

DEI Initiatives

DEI Policy of Coincheck

Under the mission of "Making the exchange of new values easier," Coincheck is taking on challenges to provide innovative value to society.

To promote the provision of new values to society, it is important to accept members with diverse backgrounds and personalities and create products while ensuring different strengths and multifaceted perspectives. Meanwhile, various organizational support is required to enable members with diverse backgrounds and personalities to collaborate and maximize team performance.

Under the DEI Policy, Coincheck will further motivate talents with diverse backgrounds and personalities and foster a culture that enables sustainable growth to achieve its mission.

Performance Review of Executive Officers

With people from a wide range of backgrounds, Coincheck is an organization that brings together people of diversity in terms of nationality, gender, age, education, and experience. In the individual evaluations of general managers and executive officers of each organization at Coincheck, the company incorporates DEI items and promotes the operation of each organization in line with the DEI Policy.

Comfortable Work Environment

At Coincheck, the rate of female employees who return to work after taking childcare leave is 100%, and the rate of male employees who take childcare leave is as high as 83%. Although the rate of male employees taking childcare leave is rising in society, the number of days taken is few, which has become a social issue. However, at Coincheck, the average number of days taken by male employees is 107 days, with many employees taking leave for one year. This is because they have created a system that facilitates smooth onboarding when employees return to work after taking leave. It involves visualizing work using a task management tool and converting manuals and guidelines into text format.

Climate Change

Monex Group recognizes the importance of climate-related financial disclosures and is not only on board with the TCFD (Task Force on Climate-related Financial Disclosures) but provides climate change-related information to CDP, an international non-governmental organization, in the form of responses to questionnaires. It is committed to expanding the disclosure of information based on this.

Governance and Risk Control

Monex Group is fully engaged in ESG activities, spearheaded by the ESG/Sustainability Task Force, which is a cross-functional team within the company. The ESG/Sustainability Task Force reviews and identifies overall sustainability issues, including environmental issues (E) such as climate change, and social issues (S) such as innovation and human capital resources. The ESG initiatives are regularly reported to the Board of Directors for approval and the Task Force engages all group companies to work on resolving issues and advocates for information disclosure. In addition, the risk assessment related to climate change is carried out in the risk control system in each Group company along with the other risks and reports those findings regularly to the Board.

Strategy (Scenario Analysis)

We have identified major risks and business opportunities from climate crisis, and analyzed the impact on our business as of 2030. Based on the scenarios published by the IPCC and the IEA, two scenarios were analyzed: the 4°C scenario, in which the average temperature rises 4°C by 2100 compared to the average temperature before the Industrial Revolution; and the 1.5°C scenario, in which the average temperature rise is controlled to less than 1.5°C through carbon neutral initiatives.

In the 4°C scenario, we have confirmed the expansion of physical risks such as floods and storm surges due to the intensification of abnormal weather. In the 1.5°C scenario, with the background of potential demands in capital markets of products which responds to climate change, such as ESG funds, and innovations in the renewable energy business, we expect increased business opportunities within the group. As a result, we believe our responses to climate change reduce the turnover rate of our employees, which leads to decreased costs for recruitment. However, it is expected that the cost of companies will increase due to the introduction of policy regulations such as new tax systems such as electricity prices and carbon tax.

Causes	Risk Impacts	4°C Scenario	1.5°C Scenario	Countermeasures
		Impact Level		
Intensified abnormal weather	Damages to the equipment or business operation suspension due to the intensification of abnormal weather	Medium	Small	Formulation of business continuity plan and preliminary examination of emergency response measures
Introduction of carbon pricing	Increased operating costs due to introduction of carbon tax and emissions trading transactions for the transition to a carbon-free society	Small	Medium	Efforts to reduce GHG emissions, including setting reduction targets and introducing renewable energy to the group companies
Changes in energy costs due to growing demand for renewable energy and energy conservation	Increased operating costs due to increased energy costs from main power companies	Small	Medium	Introduction of renewable energy
Changes in recruitment costs associated with lower turnover due to environmental initiatives	Reducing recruitment costs as the company's efforts toward the environmental initiatives lowers employee turnover	–	Medium	Group-wide ongoing efforts to address climate change

Note) Impact level High: More than 100 million JPY Medium: Between 10 million and 100 million JPY
Small: Less than 10 million JPY

WEB Sustainability Information | Environment | Energy consumption

CDP Responses and Score

We respond to environmental questionnaires by CDP, a British international environmental NGO that aims to improve engagement in global environmental issues. In FY2023, we responded to the climate change questionnaire and received a C score.

'Monex Forest' Tree-Planting Activity

As part of our efforts to decarbonize the world, we planted trees in Shinano-machi, Nagano Prefecture, using part of the sales commission from yen-denominated corporate bonds issued by Monex Finance, Inc. and sold by Monex, Inc. Land that is not planted can cause landslides, etc. It is very important to plant trees that are expected to be used in the future and to nurture them while thinning the trees appropriately. Together with our customers, we are working to protect forests, secure precious water resources, and maintain biodiversity in the future.



Planting date: May 24, 2024
Plantation area: Shinano-machi, Nagano Pref.
Tree name: Larch
No. of trees planted: 125 (of which about 60% are expected to grow)
Cost: 298,100 yen (bond sales commission will be allocated)

Risk Management

Risk Control System

Keeping risk that affects our management within a permissible range helps us achieve our business goals. Based on this approach, we appropriately identify, analyze, and evaluate the risks established in the “Rules of integrated risk control” and have devised appropriate control systems for the different risks that confront the Monex Group and the group companies.



*1 The executive officer overseeing a segment decides on the specific control method and control system of the subsidiaries related to each risk

*2 When a risk develops or the risk’s probability is deemed high, the executive officer overseeing a segment reports this to the risk control manager and to the executive officer(s) responsible for that risk(s)

Risk Control Method

1 Quantitative Risk Management for Group VaR

Monex Group calculates the Group VaR every month and performs quantitative risk management in order to monitor whether the amount of risk across the entire Group is within the permissible range. Market risk is the maximum loss that can be sustained for a given probability (99% one-sided confidence interval) within a set time period (risk held for 2 weeks). The credit and operational risks are the maximum possible losses that are calculated per the conditions noted above. That total value, which is the amount of risk across the entire Group, is compared to the permissible range (half the amount after deducting fixed-type assets from consolidated shareholders’ equity). This comparison shows the company’s risk exposure, which is reported and checked by the directors every month in the Board meetings.

Market VaR

We identify market risk as the potential losses sustained due to the price fluctuations in assets (stocks, interest rates, exchange rates, crypto assets, etc.) held by Monex Group. The amount of risk is calculated by multiplying the balance of assets at a base point in time by the rate of price volatility for each financial instrument. In the Group, most of the revenue reported is from brokerage operations. Yet, only a small portion of those transactions is held for trading and reported as revenue, thereby limiting the market risk exposure.

Credit VaR

The credit risk is calculated based on the risk of the business partners and of clients, specifically on the bad debts risk involving the transactions of financial instruments and crypto assets with each partner and client. The risk associated with business partners is based on the deposit balance in the corresponding financial institutions as well as the balance of guarantee deposits and margin deposits made from trading financial instruments. The amount of the risk is calculated by multiplying the balances by the default rate that is tied to the rating from an external rating organization that is issued to each financial institution. The amount of the risk associated with clients is calculated by multiplying the balance of the corresponding transactions by the default rate, based on the history of bad debts incurred from financial transactions in each company where credit was granted. The amount of risk is also calculated against the range of daily returns based on previous returns.

Operation VaR

We identify operational risk as a cyber security risk, that is, the possible losses that could occur due to a cyber attack or similar event. The amount of the risk is calculated by multiplying the wallet balance of the assets in custody for crypto asset trading by the risk probability of illegal money transfers (set for each cold wallet and hot wallet). Besides the operational risk noted above, we also calculate the amount of risk by multiplying a set percentage by the annual operating revenue after deducting financial expenses in each segment.

2 Qualitative Risk Management for Group RCM & Main Measures

In addition to the quantitative risk management for the Group VaR, qualitative risk management is performed for the Group by comprehensively calculating the residual risk (Level of impact across group × Rate of occurrence / Control measures) and reporting that RCM (Risk control matrix) that is assessed to the Board.*3

Running an online financial instruments business and service, Monex Group considers the most important risk, cyber security risk. To handle this, we have a global system in place headed by Monex Group CSIRT (Computer Security Incident Response Team) that works in conjunction with the CSIRT offices stationed at each subsidiary. At the same time, for the wallet management at Coincheck and TradeStation Crypto Inc. both of which run a crypto asset trade business, we are also mitigating risk with the adequate management system to battle illegal money transfers at each subsidiary.

*3 WEB Sustainability Information | Governance | Risk Management | Risk Definitions and Main Measures

Cyber Security

Cyber Security Measures

The Monex Group, as a leader in the online securities and crypto asset businesses, considers cyber security as one of its most important issues. The Group recognizes the necessity to take stronger measures than ever before to address increasingly serious cyber threats.

With global business operations, the Group is striving to protect customers' information and customers' assets from increasingly serious cyber security threats and enable customers to securely conduct transactions. It is enhancing comprehensive cyber security measures by referring to supervisory guidance established by the Japanese Financial Services Agency for financial instruments business operators and the US National Institute of Science and Technology (NIST) SP 800 series of publications.

Monex Group's subsidiaries conduct risk-based assessments to take appropriate information security measures in accordance with risks, develop countermeasures for discovered risks, and conduct continuous improvement activities. These activities include audits conducted at least once a year. In addition, we plan to invest in minimizing business risks as a continuous effort to strengthen our system, such as applying vulnerability diagnoses, Red Team testing, and external evaluations in response to recent changes in the risk environment.

Cyber Security System

We are creating a global system for responding to events and reducing damage arising due to cyberattacks throughout the entire Monex Group. Centered on the Monex Group CSIRT established within the Monex Group, CSIRTs have also been established in Monex, Inc. and Monex Group companies. Through cooperation between the Monex Group CSIRT and the CSIRTs in group companies, we are strengthening governance and CSIRTs in each company perform the functions for protecting the operations, information assets and systems of as we promote cyber security measures along the four axes of organizational operation, system response, human response and external collaboration.

Main Measures to Ensure Cyber Security

Information security and preventing unauthorized access

We are continuously striving to strengthen day-to-day information security measures by utilizing intelligence from external specialist institutions and monitoring cyber security. In addition, we are performing analysis and taking steps to minimize damage and quickly recover from damage. CSIRTs play a central role in the acquisition of information on dangerous threats and the analysis of causes, the minimization of damage and responses for rapid recovery in the event of an "emergency" when a cyberattack is detected.

We implement measures in multiple stages (multi-layer defense) such as implementing multiple mechanisms for detecting and defending against unauthorized access and malicious programs such as computer viruses. In addition, these measures are reviewed as appropriate to address the occurrence of new threats.

As a crypto asset exchange service provider, Coincheck constantly works to reinforce security. We ensure the customers' crypto assets are safe and secure by managing all amounts with cold wallets. We prevent fraud by guarding customer access with a two-factor authentication and using a system that monitors the sending of crypto assets. Furthermore, our wallet management technology and unauthorized access countermeasures have been cultivated in our role as a crypto asset exchange service provider, and have helped strengthen the security of NFTs. We shall continue to ensure the customer feels comfortable and safe when using the marketplace.

Cyber security training and partnering with relevant parties

As we are devoted to improving our information security, and in accordance with the "Monex Group Information Security Basic Policy," we hold ongoing training seminars on the required measures and on trending threats related to the information security for all employees and positions. Specifically, we carry out internal activities for all employees, such as providing e-learning and training to assess their response capabilities as well as issuing warnings and reminders related to information security. At the same time, we are prepared for threats and emergencies through our participation in training and cyber seminars hosted by the Financial Services Agency and Financials ISAC (Information Sharing and Analysis Center) Japan.

In addition, Monex Group has constructed a system to collect and share information related to vulnerabilities and threats, which we gather from our collaboration with information network organization in the finance industry Financials ISAC, from our participation in the Nippon CSIRT Association as well as from our relationship with computer security related groups such as JPCERT/CC (Japan Computer Emergency Response Team/Coordination Center).

Human Rights

Basic Approach

The Group recognizes respect for human rights as an important issue in its business activities and has formulated the "Monex Group Human Rights Policy", which was approved by the Board of Directors on January 24, 2023. In conducting our business, we also respect the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Children's Rights and Business Principles. In addition, the Code of Conduct stipulates respect for human rights and diversity in Section 4, and we make the Code of Conduct known and thoroughly understood through newsletters that are issued regularly and distributed to all Group employees.

System for Respect of Human Rights

The Board of Directors oversees the progress of the Group's respect for human rights, and Oki Matsumoto, the Chairman of the Board and Representative Executive Officer, is appointed and in charge of reviewing and promoting measures related to respect for human rights.

Revising the Importance in the Materiality Matrix

During the review of the Materiality Matrix conducted this year, the impact of the sustainability item "Respect for Human Rights" on Monex Group's business was reaffirmed. As a result, it has been newly added as one of the top priority items in our Materiality Matrix. This fiscal year, the Company has strengthened initiatives to respect human rights and will continue to promote measures related to human rights both internally and externally, striving for sustainable corporate value enhancement.

Initiatives to Respect Human Rights

To prevent harassment in the workplace, Monex Group and its group companies regularly conduct bullying and harassment training for all officers and employees, including managers. By providing employees with opportunities to learn through education on the definition of harassment, case studies, prevention measures, and what to do in the event of an incident, we aim to prevent workplace harassment, including sexual harassment, power harassment, and harassment related to pregnancy, childbirth, childcare leave, and nursing care leave, as well as to promote mutual respect and recognition and to encourage employees to work actively and demonstrate their abilities.

In addition, in order to listen to the concerns and perceptions of executives and employees in a diverse workplace and to create a workplace where everyone can work with peace of mind for a long period of time, a new "Harassment, Human Rights, and Pain Consultation Desk" has been established for group companies located in Japan. The consultation service has been designed to facilitate consultation through a person whom executives and employees can easily talk to, including about their distress, and also to allow them to select a consultation service provider from inside and outside the company.

To further promote the emphasis on human rights across society, Monex Group and its subsidiaries are conducting human rights due diligence with their suppliers. We aim to establish a framework to identify, prevent, and mitigate human rights impacts by analyzing where risks exist, their impact on our business, and clearly stating the Group's human rights policy to communicate effectively with suppliers. The Monex Group Executive Officer responsible for Human Rights, along with representatives from each group company, engages in dialogue and consultation with relevant stakeholders to identify human rights issues within their business activities and reports the status of these discussions to the Board of Directors. Currently, supplier risks are analyzed every six months, and this dialogue is ongoing.

Human Rights Training

Monex Group and its group companies with business locations in Japan conducted internal human rights training, inviting the Japan representative of Human Rights Watch as a lecturer. At the beginning of the training, Oki Matsumoto, the executive officer in charge of human rights, emphasized the significance of human rights by stating, "Human rights are fundamental rights and the dignity of human beings. In today's world, where business plays a significant role in society, it is important for society as a whole to consider human rights within companies."



The training covered fundamental human rights, the relationship between human rights and business, as well as considerations for the supplier value chain

Compliance

Thinking Behind Ethics and Compliance

For the Monex Group to gain long-term stable trust from shareholders, customers of group companies, and other various stakeholders, it is essential for all group companies and their executives and employees to pursue ethical behavior and maintain and reinforce the compliance system.

Based on this perspective, the Group has established the "Ethics and Compliance Code of Conduct," a set of specific behavioral guidelines that everyone involved in the Monex Group must adhere to. These guidelines are distributed to executives and employees of group companies worldwide.

Corporate Ethics and Compliance Management System

The Company has implemented a system to ensure legal compliance across all group companies. Specifically, compliance officers are appointed at each group company, with dedicated teams set up at major group companies. These compliance officers and teams lead activities based on annual plans they formulate, coordinating with executives from their respective companies and the Company's responsible executive officers. The responsible executive officer regularly reports these activities to the Board of Directors.

The Company has established a whistleblower system, which will help us achieve early detections and prevent such acts that may damage the Group's corporate value, including compliance violations and violations of workers' human rights and other labor issues. This system is accessible to all executives and employees worldwide, ensuring continuous improvement and enhancement of the system.

Results in FY2023

- Number of incidents due to non-compliance with Monex Group Human Rights Policy: None
- Number of incidents due to non-compliance with laws, regulations or other internal policies: 3 reports
- Total number of whistleblowing reports: 3 reports

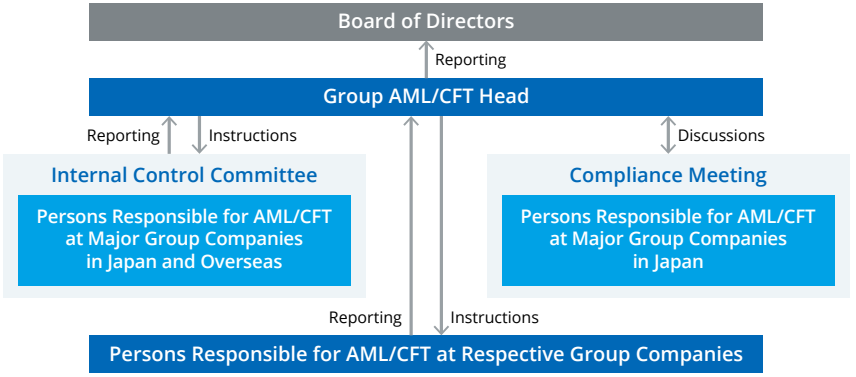
* Target companies: Monex Group, Inc., Monex Inc., Coincheck Inc., TradeStation Group companies (Covers over 90% of the group's employees)

Prevention of Corruption and Bribery

To prevent corruption and bribery, the Company has enacted the Gift and Donation Management Guidelines, which are action guidelines regarding gift giving based on the Ethics and Compliance Code of Conduct stipulated for all Group executives and employees. Compliance training on the prohibition of corrupt practices is regularly conducted for all executives and employees of the group companies.

Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT) Policy

To help maintain a healthy financial system, Monex Group has established the Monex Group Anti-Money Laundering and Counter Financing of Terrorism Regulations and Compliance Policy on Anti-Money Laundering and Combating Financing of Terrorism. The Group is implementing measures according to the figure outlined below and conducts regular compliance training on anti-money laundering and counter-terrorism financing for executives and employees of key group companies.



Results in FY2023

- Total amount of political contributions made: None
- Number of incidents due to non-compliance with anti-corruption policy/policies: None
- Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies: None
- Cost of fines, penalties or settlements in relation to corruption: JPY0

Customer Usability

Monex Group - Group Policy and Basic Thinking

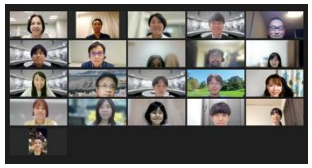
Monex Group offers its products and services with an aim of improving individual's well-being under its corporate principle of "designing innovative ways of managing money in a new era so that customers can realize individual self-fulfillment and optimize their lifetime balance sheet"

PDF Responsible Products and Services Offering Policy

MONEX Monex, Inc.'s Initiatives

Monex, Inc. has established a "Customer-Oriented Business Conduct Policy" and strives to provide products and services based on the PDCA management of the key performance indicators (KPIs) such as customer satisfaction indicator through its services. In addition, the management team plays a central role in improving customer-oriented business operations by proactively creating a mechanism to collect feedback from customers and implementing a PDCA cycle to utilize such feedback in the daily product and service offerings.

In addition to accepting feedback and requests from customers via call centers and email, Monex, Inc. actively gathers feedback on its products and services through regular customer listening sessions and online seminars where the management team directly communicates with customers. The Customer Center compiles this feedback, and response policies are formulated as needed through concentrated discussions with relevant departments. These policies are shared with all officers and employees and, in some cases, disclosed on the website.



Orientation Committee

Since November 1999, at the time of its founding, Monex, Inc. has held a quarterly "Orientation Committee," where business representatives conduct direct hearings with customers. Feedback on services and products gathered during these sessions is reviewed by the business department, and some engagement details are disclosed on the website.

PDF Customer-Oriented Business Conduct Policy

WEB Monthly Reporting on Customer Requests (Japanese version only)

TradeStation TradeStation Initiatives

TradeStation aims to continuously improve the quality of the trading experience at TradeStation, with the goal of delivering superior products and services to its clients, while allowing its employees to work within a high-performance culture. In addition, TradeStation offers a variety of opportunities for clients to provide feedback on its products and services. In 2024, TradeStation management held a closed meeting with its select clients to gather more in-depth feedback and also gave them a high-level roadmap of the next steps on TradeStation's future.

Furthermore, in 2022, TradeStation introduced the measurement of customer satisfaction through the Net Promoter Score (NPS), which is leveraged along with other channels through which customers can provide feedback.



Closed Meeting

In the spring of 2024, TradeStation management held a closed meeting with its select clients to gather more in-depth feedback. Additionally, sessions were arranged where the management explained TradeStation's future development plans to clients, aiming for mutual understanding through customer engagement.

Coincheck Coincheck's Initiatives

Coincheck accepts a wide range of customer requests and inquiries and is working to build an operational structure that can respond to them promptly. In addition, in order to proactively collect feedback from customers on their service experience, we conduct weekly "user interviews," in which not only the marketing team but also the designers and business team can freely participate, thereby ensuring that customer requests are shared and permeated across team boundaries. Furthermore, the insights gained from these interviews are reflected in the improvement of each service, with marketing and product business promotion members taking the initiative in incorporating them into the product development process.

Corporate Governance

Features of Corporate Governance

Based on the fact that capital markets are global, Monex Group actively incorporates systems attuned to global standards, realizes a Board composition that has diversity in terms of region, generation, gender, and knowledge, and actively engages in substantive discussion at Board meetings, thereby enhancing the effectiveness of corporate governance.

1 Early introduction of the progressive committee structure with nominating committee, etc.
We have always appointed several outside directors since our founding, and in 2013, we adopted a committee structure with nominating committee, etc.

2 Realization of Board membership premised on diversity
We are constantly mindful of diversity in our Board composition based on knowledge, experience, region, generation, gender, and so on to improve the effectiveness of discussion.

3 Steadfast adherence to a corporate governance policy based on global thinking
We aim to achieve world-class corporate governance by embracing expertise from global capital markets.

Changes in Corporate Governance (since the founding of Monex, Inc.)

*1	2000	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Institutional design	Structure with board of company auditors	Committee structure with nominating committee, etc. *2									
Total board members	6	11	11	11	9	9	9	11	10	11	11
Outside directors	3	6	7	6	6	6	6	7	6	7	7
Percent of outside directors on board	50	55	64	55	67	67	67	64	60	64	64
Advisory committees, etc.	Advisory Board *3	Adopted Corporate Governance Code									
		Global Management Committee									
		Appointed lead independent director									
Board diversity (foreign nationals, women)	1	3	2	2	2	2	2	3	3	4	4
Percent of foreign nationals and women	17	27	18	18	22	22	22	27	30	36	36
Total executives	—	6	11	12	11	10	9	9	9	9	10

*1 Shows annual data from the end of June after the General Meeting of Shareholders. *2 Committee structure is 2013-2014
*3 1999 to 2013; discontinued after shifting to committee structure

Message from the Chairman of the Board

Enhancing the Effectiveness of the Board of Directors Through "Diversity" and "Global Standards"



Oki Matsumoto
Chairman of the Board

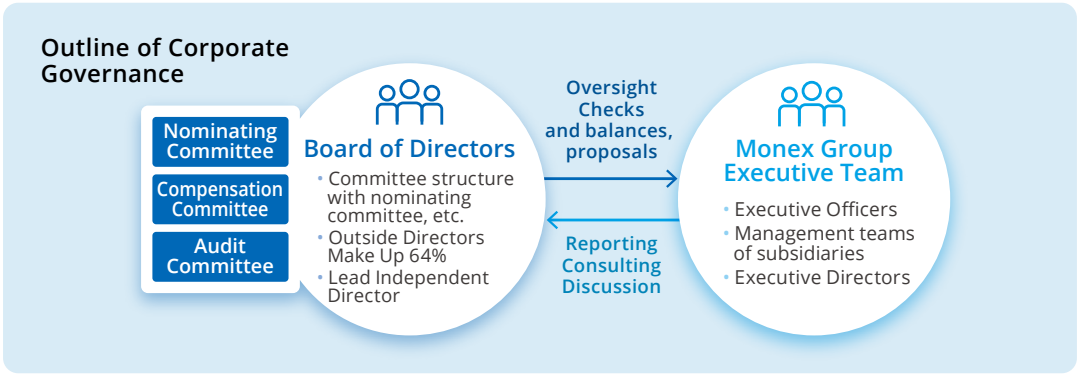
The foundation of the Company's corporate governance lies in the diversity of the Board of Directors and the qualities of the individual directors. During board meetings, each director offers opinions and questions from diverse perspectives on management challenges and important issues, engaging in open discussions without hesitation towards the management leadership. This approach ensures the dual functions of monitoring and advisory are fulfilled, thus maintaining the effectiveness of the board.

In June 2024, the Company reviewed the composition of the board of directors to align with the current business environment and the direction of future growth strategies. The Nominating Committee discussed the suitability of new director candidates and carried out the replacement of three members. The newly appointed directors are all women: Ryoko Shimokawa, who brings extensive experience in business execution global business companies and financial institutions; Rami Suzuki, who has a strong background in global technology; and Sachiko Habu, who offers a consumer perspective shaped by her experience in mass media, extending beyond traditional capital markets. Their active participation and willingness to speak up in board meetings have already brought a fresh dynamic, further stimulating discussions.

Looking ahead, the Company will continue to enhance the board's composition with a strong emphasis on the founding philosophy of "diversity" and uphold corporate governance aligned with global standards.

Corporate Governance

Outline of Corporate Governance



WEB Sustainability Information | Governance | Corporate Governance | Corporate Governance Structure

Committee Structure with Nominating Committee, etc.

Unlike the corporate governance system of a company with a board of company auditors, which many companies in Japan use, the committee structure with nominating committee, etc. is based on the U.S. corporate governance system and separates the executive function from the management roles of the board of directors, establishing two functions: the board of directors, which makes important decisions such as on management policy, and executive officers, who execute actual business operations. Specifically, committees with a majority of outside directors (nominating committee, compensation committee, and audit committee) are established within the board of directors. The board of directors oversees management, while business execution is delegated to executive officers. The aim is to speed up executive management and rationalize and optimize management decisions.
In June 2013, we adopted the committee structure (currently the committee structure with nominating committee, etc.) with the aim of establishing a corporate governance system based on global standards. This system has allowed for appropriate delegation of authority to the management execution team, enabling the board to dedicate time to discussing broad, medium- to long-term management issues and strategies.

Appointment of a Lead Independent Outside Director

The Corporate Governance Code established by the Tokyo Stock Exchange states in supplementary principle 4.8.2: Independent directors should endeavor to establish a framework for communicating with the management and for cooperating with *kansayaku* or the *kansayaku* board by, for example, appointing the lead independent director from among themselves. In 2015, Monex Group appointed a lead independent director, with Director Makihara currently serving in this role. As the lead, Makihara exercises leadership by consolidating the opinions of the outside directors and delivering candid and critical feedback to the executive management team.

Committee Activities

Nominating Committee

The Company's Nominating Committee comprises five members: four outside directors and one internal director, with Outside Director Domae serving as the chair. To ensure the board's composition aligns with the Company's evolving strategies and challenges while maintaining diversity, the committee reviews the board's composition periodically. This involves utilizing the networks of committee members to identify director candidates, create a long list, and review the director skill matrix. Annually, the committee finalizes the content of director election proposals to be presented at the shareholders' meeting.

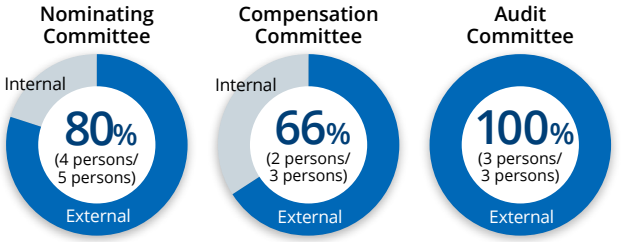
Compensation Committee

The Compensation Committee consists of three members: two outside directors and one internal director, chaired by Outside Director Makihara. It deliberates on executive remuneration, including bonuses and restricted stock awards, based on evaluations of management performance. These discussions take into account differences in conditions between Japan, the U.S., and other countries to determine the appropriate compensation structure for directors, executive officers, and other executives within the Group.

Audit Committee

The Audit Committee is entirely composed of three outside directors, with Outside Director Koizumi acting as the chair. The committee's auditing activities involve monitoring the Company and its group companies by engaging in dialogues with executive officers, auditors, and external accountants. Additionally, the committee conducts on-site inspections of the Company and its related companies as needed, thus ensuring the effectiveness of corporate governance.

Percentage of Outside Directors



Corporate Governance

Regarding the Content of the Board of Directors' Meetings

As a company with a committee structure with nominating committee, etc., the board prioritizes substantive and strategic discussions over the frequency of meetings. However, when significant deals arise, such as capital alliances with NTT DOCOMO or other important M&A transactions, the board convenes emergency meetings to ensure thorough deliberation, often consulting with external advisors.

In fiscal 2023, we held 12 board meetings in person, including ad hoc board meetings. The key points of the agenda discussed at these board meetings are as follows:

Regarding the capital alliance with NTT DOCOMO

- Industry environment surrounding online securities and economic trends
- Advantages and disadvantages of the alliance
- Way of thinking regarding management rights, philosophy, and corporate culture after Monex, Inc. no longer being a subsidiary
- Valuation of the sale price
- Synergy effects such as customer data analysis and human resources

Regarding Coincheck Global's De-SPAC

- Benefits of becoming a global listed company
- Regulatory and capital market evaluation of the crypto asset industry
- Valuation at the time of listing

Regarding cash flow allocation

- Balancing growth strategies and shareholder returns

Regarding M&A transactions

- Deal valuation
- Evaluation of the target's management team

Others

- About the skill matrix of Board members
- About the Sustainability Statement
- About the AP segment exit
- About group risk management
- Establishment of a hotline for harassment and human rights violations

Analysis and Evaluation of the Board's Effectiveness

The Board of Directors and the Nominating Committee analyze and evaluate the effectiveness of the entire Board of Directors based on the results of an evaluation questionnaire distributed to each director.

WEB Sustainability Information | Governance | Corporate Governance | Officers | Evaluating Effectiveness of Board Meetings

Summary of Our Analysis and Evaluation Related to the Board's Overall Effectiveness

Evaluation Details

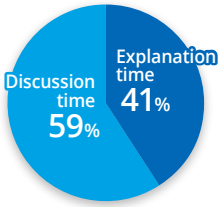
A questionnaire was distributed to each director between September 2021 and October 2021 to evaluate the Board of Directors. Based on the questionnaire's results, the effectiveness of the entire Board was analyzed and evaluated by the Nominating Committee and the Board of Directors in October 2021.

Analysis and Evaluation Results

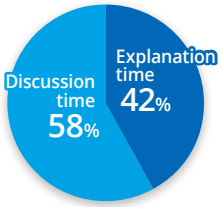
No issues were identified regarding the effectiveness of the Board of Directors or the composition and effectiveness of the various committees. Regarding the size of the Board of Directors and the balance between internal and external members (11 members, of which 7 are independent outside directors), discussions in past Board meetings and the Nomination Committee indicate that the current limit of 11 members set forth in the Articles of Incorporation is desirable. There is also an opinion that the ratio of outside directors should be increased in the future. In terms of the diversity of knowledge, experience, and generational perspectives among the directors, it was recognized that there is a need for expertise in technology and finance, innovative insights as innovators, specialized knowledge related to sustainability including human capital and diversity, as well as global experience, taking into account the skill matrix of the current directors. Furthermore, from the perspective of the composition of the Board of Directors and the succession plan for directors—critical issues in corporate governance—there is a view that as social conditions and business environments change, and the difficulty of management decisions increases, there is a need for a renewal of perspectives and adaptability to changes. It is deemed desirable to replace directors with the most suitable human resources at any given time.

Time Allocation in the Board of Directors Meetings

Fiscal year 2022



Fiscal year 2023



Regarding time allocation in the board of directors meetings, efforts are being made to reduce the time spent on explanations from the executive team during meetings and instead focus more on discussions with external directors. This is achieved by providing information in advance via email or other means to decrease the explanation time on the day of the meeting and enhance effectiveness.

Corporate Governance

Skill Matrix of the Board Members

	Name	Experience and Expertise								Attendance Record for FYE March 2024	
		Capital market	Technology	Management of a listed company	Finance and accounting	Risk management	Global experience	Non-financial business company	Sustainability promotion	Board of Directors	Committee
Inside	Oki Matsumoto	●		●			●		●	12/12	Meetings of the Nominating Committee: 5/5 Meetings of the Compensation Committee: 2/2*
	Yuko Seimei	●		●	●				●	12/12	Meetings of the Compensation Committee: 3/3*
	Takashi Oyagi	●			●	●	●			12/12	—
	Naofumi Yamada		●	●				●		12/12	—
Outside	Jun Makihara	●			●		●			12/12	Meetings of the Nominating Committee: 5/5 Meetings of the Compensation Committee: 5/5
	Nobuo Domae		●	●			●	●		12/12	Meetings of the Nominating Committee: 5/5 Meetings of the Compensation Committee: 5/5
	Masaaki Koizumi				●	●				12/12	Meetings of the Audit Committee: 9/9
	Ungyong Shu	●			●	●	●			12/12	Meetings of the Audit Committee: 9/9
	Sachiko Habu					●		●	●	—	—
	Rami Suzuki		●				●	●		—	—
	Ryoko Shimokawa	●			●		●	●	●	—	—

* Attendance while serving as a committee member

Major Revision of Skill Matrix, Aiming for a Board Composition Suited to Our Management Strategies

Responding to ever-changing external conditions, Monex Group flexibly revises the management strategies of each business and continuously reviews the skill matrix of Board members to ensure it matches those management strategies. In the fiscal year 2024, we redefined the following three points in order to strike an appropriate balance between the monitoring board (mindful of monitoring functions) and strategic board (mindful of strategy promotion functions). The first point involves increasing awareness of sustainability, a necessary element for promoting our management strategy aimed at sustainable growth. We have reviewed the definitions of human capital, the environment, and DE&I, and combined them into a single item titled "Sustainability Promotion," which includes knowledge and experience in promoting sustainability. The second point is the establishment of a new item titled "Business Company" to emphasize non-financial qualities, as we aim to implement measures that go beyond financial frameworks in realizing our management philosophy. The third point involves changing "Finance" to "Capital Markets" to emphasize knowledge related to our current core products and services, such as stocks, bonds, and mutual funds.

(Note) Experience and Expertise are defined as below.

- **Capital market:** Experience and expertise of capital markets
- **Technology:** Experience and expertise related to technology
- **Management of a listed company:** Experience as a founder or a representative of a listed company
- **Finance and accounting:** Experience and expertise related to finance and accounting as well as M&A
- **Risk management:** Experience and expertise related to internal control and risk management
- **Global experience:** Experience working globally
- **Non-financial business company:** Experience working at non-financial business companies
- **Sustainability promotion:** Expertise and experience in promoting activities related to human capital, environment, and DE&I

Corporate Governance

Regarding Executive Compensation

Basic Approach to Executive Compensation

Since Monex Group has a committee structure with nominating committee, etc., under the Companies Act, the Compensation Committee establishes policies regarding the compensation of Board members and executive officers (hereafter referred to as "officers") and determines the specific compensation for each officer. The Compensation Committee is made up of three directors (two of whom are outside directors).

Regarding officer remuneration, in addition to fixed basic remuneration, we have introduced performance-linked remuneration, which is based on the Group's performance for a single fiscal year, as well as the Restricted Stock Remuneration System (RS), which is linked to the Company's stock price. Our basic approach to the breakdown of remuneration and other payments distributed to officers, excluding outside directors, is that fixed basic remuneration accounts for 70% and the total of variable performance-linked remuneration and RS accounts for 30%.*

Moving forward, we will increase variable compensation, especially the proportion of RS, in the remuneration paid to officers, excluding outside directors. This will further strengthen our commitment to improve corporate value through sustainable growth, and result in officers sharing the same awareness for stock price as our shareholders.

* Given that the Group's performance can vary greatly depending on the economic climate, market volatility, and other factors, the breakdown of basic remuneration and performance-linked remuneration may be determined based on an assessment that deviates from our basic approach to the breakdown of payments as a result of discussions by the Compensation Committee from the perspective of the Company's medium- and long-term sustainability.

Approach to Executive Compensation for Current CEO

In June 2023, Monex Group appointed a new CEO. For more than 20 years, founder and major shareholder Oki Matsumoto led the executive management of the Company as CEO. In selecting Yuko Seimei as his successor, the Compensation Committee decided that, in order for Yuko Seimei to assume the same heavy responsibility for management as Oki Matsumoto and to reflect the trust of shareholders, the concept of CEO compensation in global companies needed to be adopted, and variable compensation of a magnitude appropriate for the CEO of Monex Group needed to be provided. Therefore, in July 2022 and again in July 2023, the Company granted Yuko Seimei variable compensation primarily in the form of RS subject to a 10-year restriction on transfers. This is an incentive for the new CEO, Yuko Seimei, to accept the management responsibility of improving corporate value sustainably over a decade-long period.

Clawback Policy

In April 2023, in order to further implement sound and fair management, we introduced a clawback policy* enabling the recoupment of remuneration paid to executive officers in the event of misconduct. The policy was initially introduced for Monex Group executive officers, and will eventually be expanded to include Board members (excluding outside directors), executive directors, and expert directors at Group companies.

* In the event of a material accounting error, a subsequent correction of financial statements due to fraud, or a significant misconduct in the Group, we may, at the discretion of the Compensation Committee, require that the executive officer who committed such actions return all or part of their performance-linked bonuses and forfeit and/or retroactively return all or part of their RS.

PDF Securities Report, Fiscal Year Ended March 2024, pp. 64–66 (Japanese version only)

Breakdown of Remuneration, etc. (Fiscal Year Ended March 2024)

	Basic Remuneration	Short-Term Incentive Remuneration	Medium-and-Long Term Incentive Remuneration*1
Executive Officer holding a dual position as a director	¥106 million	¥9 million	¥186 million*2
Executive Officer not holding a dual position as a director	¥89 million	¥12 million	¥12 million*2
Outside Director	¥68 million	—	¥21 million*2

*1 In lieu of allocating shares restricted on transfer to directors who reside outside of Japan, phantom stock shall also be allocated, and the amount paid shall be calculated from the standard stock price of the Company

*2 All medium- and long-term incentive remuneration here is non-monetary (restricted stock)

Messages from Newly Appointed Outside Directors



Sachiko Habu

Leveraging experience in editing and communication to contribute to bold and meticulous future-oriented management

Over 25 years, I have gained extensive experience as an editing and communication professional. I assisted in creating publications using optimal methods tailored to clients wishing to share information in fields including literature, science, finance, digital technology, and working women. Also, I have made policy recommendations to national and local government on how Japan can overcome the issues of population decline and diversity management. We live in an age when values and lifestyles are evolving rapidly. What should businesses tackle, and what transformation will this bring for individuals? These challenges cannot be met without capability in information gathering and communication, along with teamwork by diverse human resources. I will do my utmost to be able to contribute to the bold and meticulous future-oriented management of Monex Group.



Rami Suzuki

Toward the realization of solid growth and excellent governance Striving in supervision and control of execution

Each day, all employees engage in their work earnestly, based on the Corporate Philosophy. Continuation of solid growth requires a structure that does not overlook important matters. Excellent governance eliminates suspicions through transparency and appropriate risk management, producing a rewarding work environment. Up to now, I have strived as an executive manager to expand innovation globally. While applying effort to maintaining forward momentum, I will not forget my role as a member of society. In my appointment as a new outside director of Monex Group, I will leverage the knowledge I have garnered to date, and strive in supervision and control of execution. I will apply myself to honestly and frankly expressing my opinions, while listening carefully to the opinions of those around me.



Ryoko Shimokawa

Making a positive impact in the world for the advancement of society

For the first half of my career, I was a highly specialized professional in the finance industry. After shifting to an operating company in the latter half of my career, I have gained a wide range of experiences, primarily in BtoC company management, through working in organizations with different cultures in various positions with divergent fields of responsibility and specialty. In whatever work I do, I am conscious of making a positive impact in the world for the advancement of society. I believe that management discussions from multifaceted perspectives and swift decision-making are necessary for Monex Group to continue its sustainable growth. As a member of the management team, I will leverage my experiences to-date, striving in supervision and control of execution that contributes to increasing corporate value.

Management Team

As of August 31, 2024 (term of office as of June 22, 2024; number of shares owned as of March 31, 2024)



Oki Matsumoto

Member of the Board, Chairman of the Board, Member of the Nominating Committee, Chairman and Representative Executive Officer

- Term of office: 19 years
- Number of shares owned: 1,103,500 shares

MESSAGE

I started working at a foreign financial institution with no experience in an English-speaking environment, engaged in derivatives trading, which did not yet exist in Japan, started Japan's first distressed debt purchasing business, and founded Monex. Inc. upon the deregulation of stock commission fees. Since then, I have consistently established Japan's first-ever services and business. The essence that drives me forward is entrepreneurship, entrepreneurial spirit, and the passion and execution to take on new challenges. Going forward, I will continue to support Monex's discontinuous growth.

Important concurrent positions at other organizations

Chairman of the Board of Director, TradeStation Group, Inc.*1
Managing Director, Coincheck, Inc.*2
Chairman, Japan Catalyst, Inc.*1
Chairman of the Board of Directors, Docomo Monex Holdings, Inc.*3
Outside Director, Mastercard Incorporated



Yuko Seimei

Member of the Board, Member of the Compensation Committee, Representative Executive Officer, President and Chief Executive Officer

- Term of office: 3 years
- Number of shares owned: 2,135,000 shares

MESSAGE

"Only you can design your life" was the family teaching in my early childhood, which allowed me to naturally develop "decision-making" skills and "grit for success." Since starting my career, I was often called the "first woman" and "the only woman" to do something. I have felt pride and joy in building a team with various values, and am working toward goals to deliver results. I aim for management that enable us shape the future together where each and every one can work with vigor and vitality.

Important concurrent positions at other organizations

Director, TradeStation Group, Inc.*1
Member of the Board, Docomo Monex Holdings, Inc.*3
President, Member of the Board, Executive Director, Monex, Inc.*3



Takashi Oyagi

Member of the Board, Executive Chief Financial Officer

- Term of office: 13 years
- Number of shares owned: 510,600 shares

MESSAGE

I joined Monex as a founding member 25 years ago, and 21 years have passed since moving to the U.S. During those years, I engaged in the global development of the Monex Group including the acquisitions of online securities firms in the U.S. and Hong Kong, and a crypto asset manager in Canada. Our priority is to build the Group's business portfolio for the next 25 years with a global perspective.

Important concurrent positions at other organizations

Director and Chief Strategic Officer, TradeStation Group, Inc.*1
Managing Director, Monex Asset Management, Inc.*1
Chairman of the Board, 3iQ Digital Holdings Inc.*2



Naofumi Yamada

Member of the Board, Executive Officer

- Term of office: 3 years
- Number of shares owned: 40,000 shares

MESSAGE

I am 35 years old. My career has evolved with the growth of deep learning and generative AI, and I have witnessed their impact on the society. I also navigated from a start-up to an IPO, and am happy to use such insights for management. With a dream debut as a novelist this year, I literally realized my own self-fulfillment and optimized my lifetime balance sheet. We will strive to achieve our corporate philosophy for customers and everyone related to Monex.

Important concurrent positions at other organizations

Patent Attorney, Socidea Intellectual Property Office



Jun Makihara

Outside Director, Member of the Nominating Committee, Member (Chair) of the Compensation Committee, Lead Independent Director

- Term of office: 18 years
- Number of shares owned: 20,000 shares

Lead Independent Director

MESSAGE

I grew up mostly overseas in the U.K. and U.S. My experience in Japan is 2 years since birth, 3 years at elementary school, and 6 years of work. There were few Japanese around me (living 55 years abroad!), and in a way, I slightly felt like a minority (especially when I was small.) At the same time, I learned the benefit of being surrounded by all sorts of people. Diversity at work is not all about the gender ratio but also about the strengths when various types of people (by age, experience, race, disability, etc.) join together. I worked with subordinates and supervisors, each having different a philosophy, which has trained me to make a better judgement. Monex is also such a company and I hope the same for Japan.

Important concurrent positions at other organizations

Director, TradeStation Group, Inc.*1 (Outside Director in substance)



Nobuo Domae

Outside Director, Member (Chair) of the Nominating Committee, Member of the Compensation Committee

- Term of office: 8 years
- Number of shares owned: 54,100 shares

Independent Outside Director

MESSAGE

Appreciating the beauty in "Being a person for others" is what I gained as a student. I have participated in various social activities, other than work, hoping to contribute to the sound development of the society for a better future. The Monex Group is a cutting-edge group that envisions the future through financial services. I will strive as an Outside Director to continue making a positive impact on society.

Important concurrent positions at other organizations

President & Representative Director, Ryohin Keikaku Co., Ltd.

*1 The Company's wholly owned subsidiary
*2 The Company's subsidiary
*3 The Company's affiliated companies

Management Team



Masaaki Koizumi

Outside Director, Member (Chair) of the Audit Committee

- Term of office: 6 years
- Number of shares owned: 27,500 shares

Independent Outside Director

MESSAGE

Since starting my career as a certified public accountant, I have been involved in various projects such as assisting ventures, overseas finance, and overseas expansion of domestic companies, building an internal control framework; corporate acquisition and reorganization, in addition to auditing services of domestic and overseas companies. I am honored to utilize my experience through my involvement in the Group's management. I will continue contributing to the ongoing challenges of the Group.

Important concurrent positions at other organizations

Certified Public Accountant, KOIZUMI C.P.A. OFFICE
Outside Director, FAN Communications, Inc.
Auditor, TSUKUI CAPITAL CORPORATION



Sachiko Habu

Outside Director, Member of the Nominating Committee

- Term of office: New appointment
- Number of shares owned: 0 shares

Independent Outside Director

MESSAGE

The source of my growth power is the voices of the minority. At university, I transferred from the Agriculture Department to the Literary Theory, started from unemployed in my 20s., while happily walking the off the beaten path. A person I admire is "somewhat unique but a specialized expert." I think Monex embraces many such mavericks and breakthrough performers which is very exciting to me. In private life, I am a mother of two children as a hardworking dual-income couple. My personal interests are swimming, playing the piano, cooking, and working out sometimes.

Important concurrent positions at other organizations

CEO, HABU Production CO., LTD.



Ryoko Shimokawa

Outside Director, Member of the Audit Committee

- Term of office: New appointment
- Number of shares owned: 0 shares

Independent Outside Director

MESSAGE

I am blessed with a variety of opportunities and experiences due to communications, curiosity, and the motto of "If you have to work, enjoy it." I am always happy to achieve things in a team. I am very interested in people, especially their own stories. While concurrently serving as an Outside Director at another listed company, I will contribute to strengthening the corporate governance while taking on such challenge and demonstrating a diverse career path.

Important concurrent positions at other organizations

Group Chief Sustainability Officer, Senior Vice President and Executive Officer, SOMPO Holdings, Inc.



Ungyong Shu

Outside Director, Member of the Audit Committee

- Term of office: 2 years
- Number of shares owned: 20,600 shares

Independent Outside Director

MESSAGE

Having engaged in the advisory business for nearly 40 years and serving as an outside director at several companies, I have assisted corporate reorganization and transformation, and often have been surprised by Monex's dynamic and speedy decision-making. Our management team is in the second founding phase, and navigating through the next 10 and 20 years remains challenging. I will be fully involved as a member of the Board to ensure our leadership meets the expectations of shareholders.

Important concurrent positions at other organizations

Representative Director, Core Value Management, Co., Ltd.
Outside Director, Sojitz Corporation



Rami Suzuki

Outside Director, Member of the Nominating Committee

- Term of office: New appointment
- Number of shares owned: 0 shares

Independent Outside Director

MESSAGE

Two of my friends in university were diagnosed with cancer, which made me devote my life to curing cancer. Cancer treatment has made steady progress, though still halfway through. I believe we can achieve what is beyond imagination if we keep on doing what makes sense. My dream is to work toward full cancer recovery with comrades around the world and optimize the balance sheet of humanity. My personal interest is horseback riding (now practicing a Japanese traditional archery, "Yabusame.") I am a mother of 3 children and a big dog.

Important concurrent positions at other organizations

CEO and Representative Director, ARC Therapies Inc.
Managing Director, ARCHIMED Group
Auditor, Hepalys Pharma, Inc.
Outside Director, SPERA PHARMA, Inc.

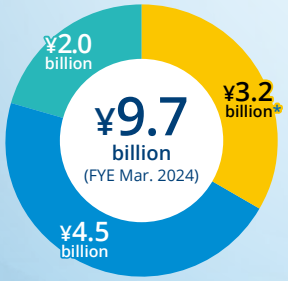
Financial Results by Segment

At a Glance

The Monex Group is made up of 5 segments. They include a domestic online securities business that offers a stable revenue stream, a U.S. based online securities business that is backed up by an army of engineers, a crypto asset business that will help propel growth globally, an Asia-Pacific Segment and an Investment Segment. In particular, the major three companies of Monex, Inc., TradeStation and Coincheck grew steadily and the total profit attributable to owners of the Company of the three companies were 9.7 billion yen. (For the fiscal year ended March 31, 2024)

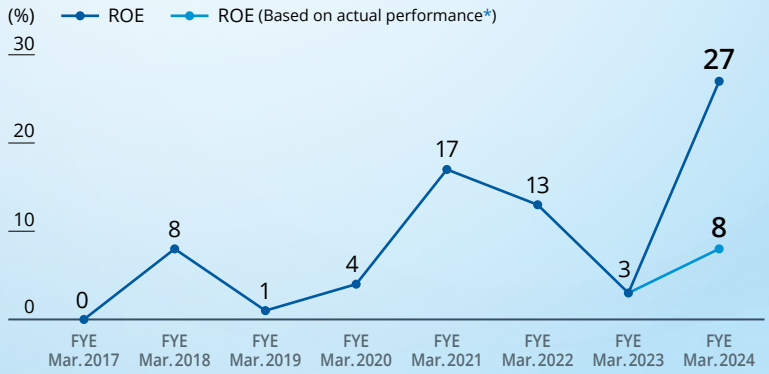
Monex, Inc. TradeStation Coincheck

Profit attributable to the Company



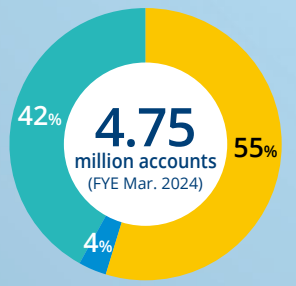
* Monex, Inc. : The period from April to December 2023 shows the profits (JGAAP) and the period from January to March 2024 shows the profits of equity method investment in Monex, Inc.

ROE (Return on equity)

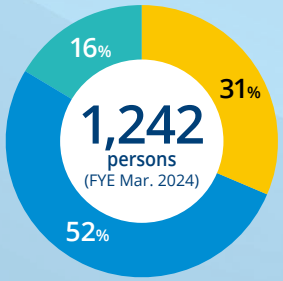


* The profit from the sale and valuation of the shares in Docomo Monex Holdings was excluded

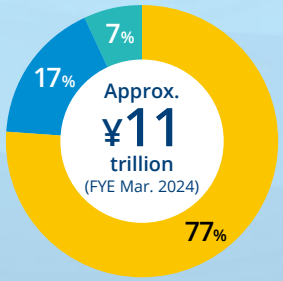
Number of Customers (Accounts)



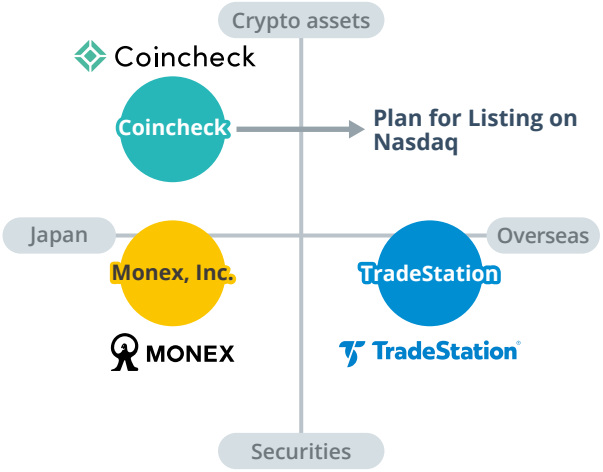
Number of Employees



Assets in Custody



Business Services and Localities of Our Three Main Companies



Since the establishment of Monex Inc., a domestic online securities company, we have expanded our business base by launching overseas businesses and entering the crypto asset business.

Third-Party Evaluations

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index

MORNINGSTAR GenDi J
Japan ex-REIT Gender Diversity Tilt Index

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

Financial Results by Segment

Messages from the Presidents of the Three Main Companies



MONEX
Monex, Inc.

Yuko Seimei

President, Member of the Board, Executive Director
Monex, Inc.

Broadening the base of the investment and asset building population in Japan by strengthening partnerships with partner companies

We have adopted the “Asset Gathering Model” as our management policy and will further pursue a business model in which, through our products and services, we increase the assets entrusted to us by our customers and our earnings increase as we accrue more customer assets. Furthermore, we have long been working on an alliance strategy utilizing the backbone brokerage system that we developed in-house.

As part of these efforts, we will further advance our capital and business alliance with NTT DOCOMO, which began in January 2024. Through new services, we will reach out to customer demographics that we have not accessed before, aiming to expand the base of investment and building assets population in Japan and strengthen our business foundation further.



TradeStation
TradeStation

John Bartleman

President and Chief Executive Officer, and Member of the Board of Directors
TradeStation Group, Inc.

Providing an optimal trading experience for sophisticated traders

To gain more support from customers seeking the ultimate trading experience, we are currently focusing on strategies that target specific customer demographics. We will widely communicate the unique value that only we can offer to “active traders,” showcasing that our powerful tools, excellent concierge services, and customization features are essential solutions.

Our purpose at TradeStation is to unlock the potential of active traders. The growth story we envision will be realized through the release of a newly designed, user-friendly client portal and ongoing investment in developing institutional-grade tools.



Coincheck
Coincheck

Tomoyuki Isaka

Executive Director & President
Coincheck, Inc.

Adapting quickly to environmental changes and shaping the future of the crypto asset market

Based on the mission of “making the exchange of new values easier,” we aim to create a society in which everyone has access to the exchange of new values in the form of crypto assets. While adapting to rapidly changing social dynamics, we will continue to develop innovative and user-friendly products and expand our service lineup. We will also strengthen partnerships with partner companies to provide more opportunities for the exchange of new values.

Crypto assets have the potential to be utilized across various industries. We believe in this potential and will pursue further growth and innovation to establish a dominant position.

Financial Results by Segment

Japan Segment

MONEX

Segment Overview

Monex, Inc., the original business of our group, currently operates as an online securities company in Japan, with approximately 2.6 million accounts. It offers a wide range of products, including Japanese and U.S. stocks, foreign exchange (FX), and crypto asset CFDs, with total assets in custody amounting to approximately 8.7 trillion yen, making it the third largest in Japan (as of the end of March 2024). Other online securities companies in Japan began offering free trading commissions for Japanese stocks in taxable accounts from around autumn 2023, and Monex, Inc. has made all trading commissions free for NISA accounts. Additionally, it is one of the few domestic securities companies to have an in-house developed securities backbone system (completed in 2017), which enables a flexible development environment and alliance strategies with partner companies using APIs.

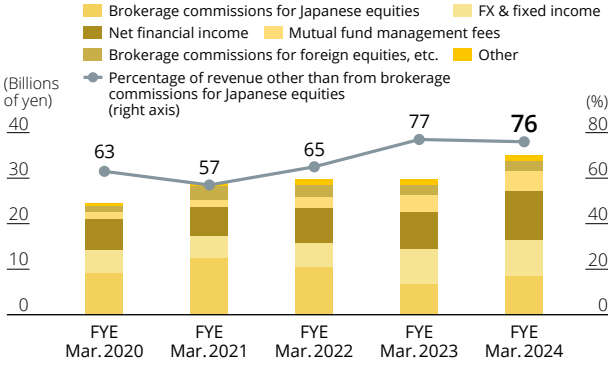
Promote the "asset gathering model" to help build assets, aiming to increase assets in custody and transform our revenue structure

Performance and Business Highlights

For the fiscal year ending March 2024, the Japan Segment saw an increase in profit due to the strong performance of the main group company, Monex, Inc. In January 2024, Monex, Inc. began offering financial product intermediary services in collaboration with AEON Bank. In addition to the transfer of rights and obligations related to mutual fund custody accounts to Monex, AEON Bank is now able to provide a wider range of mutual fund products and other financial services to customers who previously held mutual fund accounts with AEON Bank. This partnership leverages the strength of Monex, Inc.'s in-house developed securities backbone system and API to create business synergies.

Furthermore, in January 2024, Monex, Inc. entered a capital and business alliance with NTT DOCOMO, becoming a consolidated subsidiary of NTT DOCOMO and an equity-method affiliate for our company. With a 51% equity stake following the alliance, Monex, Inc.'s future performance will be recorded as equity method investment profit or loss in the Japan Segment. The new Japan Segment now includes Monex Asset Management in Japan and 3iQ, which joined the group in April 2024.

Operating revenue* of Monex Inc.



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

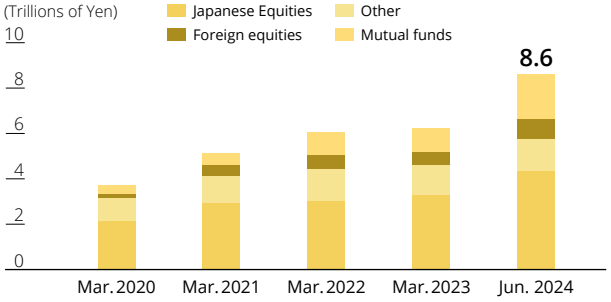
Key points of medium- to long-term strategy

Based on the "Asset Gathering Model Strategy" announced in 2020, Monex, Inc. has been working on a structural transformation from a revenue model reliant on brokerage commissions tied to client trading volume to one that expands revenue in line with the growth of customer assets. While maintaining its competitiveness in the Japanese stock trading service, it is also expanding U.S. stock services through collaboration with TradeStation, a group company. Additionally, Monex, Inc. is enhancing its lineup of mutual fund products, including the robo-advisor service "ON COMPASS" and the "Monex Activist Fund," both managed by Monex Asset Management, another group company.

Since January 2024, Monex, Inc. has been in a capital and business alliance with NTT DOCOMO, giving it access to DOCOMO's unique economic ecosystem, which includes d POINT (approx. 100 million accounts*), d CARD® (approx. 18 million cards*), and the d PAYMENT app (approx. 60 million users*). Monex, Inc. has already launched credit card mutual fund accumulation using d CARD®, as well as integrated d POINT loyalty programs. Monex, Inc. aims to continue creating synergies by leveraging the customer base and service lineups of its partner companies.

* As of the end of June 2024

Balance by product



Financial Results by Segment

US Segment

TradeStation®

Segment Overview

Founded in 1982 as a company dedicated to developing software for traders, TradeStation, which is responsible for the US Segment, transitioned to the online securities business in the early 2000s. The U.S. online brokerage industry experienced intense competition over lowering stock brokerage commissions between 2000 and 2010, with the repeated forming and separating of alliances leading to the introduction of zero commissions for stock trading in 2019. In this environment, TradeStation pursued aggressive marketing strategies to broaden its customer base up until the beginning of the fiscal year ending March 2023. However, since August 2022, TradeStation has shifted its focus to acquiring clients who are active traders.

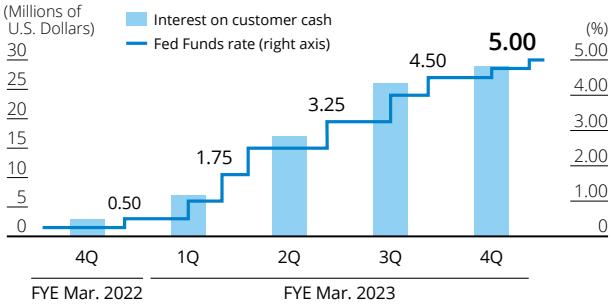
Providing an optimal trading environment for active traders and aiming to strengthen our customer base and revenue stream

Performance and Business Highlights

TradeStation's revenue sources primarily consist of two categories: trading-related commissions and financial income. Trading-related revenue includes "brokerage commissions" from clients based on stock, futures, and options trading, and "Payment for Order Flow (PFOF)," in which client orders are routed to market makers such as high-frequency trading (HFT) firms in exchange for rebates. Financial income is derived from interest earned on clients' margin trading and securities lending, as well as income from the management of client-held U.S. dollar deposits, which fluctuate with changes in the U.S. interest rate environment.

For the fiscal year ending March 2024, TradeStation's performance saw significant growth. The strategic shift in August 2022 to focus on active traders proved successful, resulting in strong trading activity regardless of varying market conditions, thereby greatly increasing revenue from trading-related commission fees and contributing to our performance. Additionally, the high-interest-rate environment resulted in strong gains from the management of customer deposits, leading to a substantial year-over-year increase in financial income. At the same time, by appropriately controlling expenses, TradeStation achieved record highs in both total operating revenue and net profit for the fiscal year ending March 2024.

Net interest on customer cash and Fed Funds rate



Key points of medium- to long-term strategy

Up until the beginning of the fiscal year ended March 2023, TradeStation had been implementing extensive marketing measures and aggressive systems investment for better services in order to expand its customer demographic to include a broader range of customers beyond just active traders. From August 2022, though, in response to changes in the market environment, TradeStation shifted its strategy to focus on active traders in order to attract customers.

Going forward, TradeStation aims to expand its active trader customer base, both individual and institutional, through collaboration with third parties such as TradingView (API connections, etc.) and face-to-face sales efforts. Customized support services for each customer will be provided through concierge services to improve profitability and increase customer Life Time Value (LTV). While TradeStation can enjoy interest income from managing customers' U.S. dollar deposits under a higher interest rate environment, it plans to hedge against future interest rate declines by managing approximately 50% of these funds at fixed rates, ensuring stable long-term revenue.

TradeStation's value creation cycle



Financial Results by Segment

Crypto Asset Segment

Coincheck

Expanding institutional businesses by leveraging the customer base with a leading position in the domestic crypto asset exchange business in Japan

Segment Overview

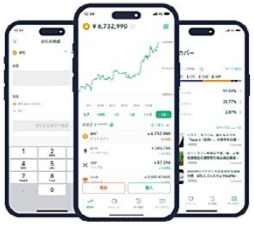
The crypto asset industry has grown rapidly since the advent of Bitcoin, with the number of crypto asset exchanges and brokers increasing significantly. However, following major events such as the bankruptcy of the large crypto asset exchange FTX Group in 2022, there has been a global push towards stricter crypto asset regulations. In this environment, Coincheck, which handles the Crypto Asset Segment for our company, operates under the regulations of the Japanese Financial Services Agency and a self-regulatory organization, making it a leading cryptocurrency exchange operator in Japan with one of the largest customer bases in the country. As of the end of March 2024, the number of verified customer accounts had reached 1.98 million, and Coincheck ranked number one in Japan in terms of app downloads for the fifth consecutive year.

Performance and Business Highlights

Coincheck's primary source of revenue is the spread income (trading profit) from customers' crypto asset transactions at its brokerage. For the fiscal year ending March 2024, total operating revenue after deducting financial expenses and cost of sales increased by 25% year-over-year to 9.231 billion yen. This growth was driven by a recovery in crypto asset prices starting at the end of 2023, which led to trading volumes exceeding the previous year's levels. Selling, general, and administrative expenses were reduced by 16% from the prior year to 6.758 billion yen through cost-cutting measures and flexible control of advertising expenses in line with market conditions. The expenses included professional fees related to Coincheck's efforts to go public on NASDAQ via a merger with a Special Purpose Acquisition Company (SPAC). Coincheck has managed to establish a cost structure that allows for profitability even in challenging market conditions. With increased revenue and reduced costs year-over-year, Coincheck saw a significant rise in profits.

Going forward, we will continue to expand our customer base in the cryptocurrency exchange business while appropriately controlling costs, and by leveraging our solid customer base, we will continue to diversify our revenue sources, including from services for corporate customers such as Initial Exchange Offerings (IEO) support.

App Downloads
No.1 domestic market share for 5 consecutive years[*1]
6.30 M DLs[*2]

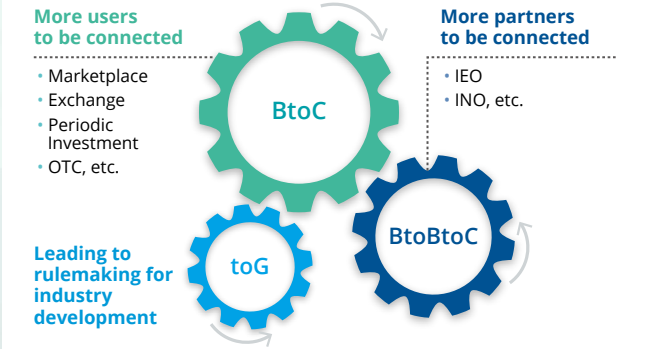


*1 Among Japanese crypto asset exchange service provider
Term: 2019-2023. Data source: AppTweak
*2 As of June. 30, 2024

Key points of medium- to long-term strategy

Coincheck is the leading crypto asset exchange service provider in Japan and has one of the largest customer bases in the country. Leveraging the strength of our in-house marketing system, we are flexibly acquiring new accounts in response to market conditions and continuing to grow our customer base. We will also leverage that customer base to expand partnerships with corporations and are focusing on business services such as Initial Exchange Offerings (IEO), a method for companies to raise funds using crypto assets. By building on our existing individual customer base, we seek to extend our partnerships with corporations, offering more people opportunities to experience the "exchange of new values" that is created by crypto assets and blockchain technology.

Additionally, Coincheck has established the Coincheck Group and is working towards a NASDAQ listing through a merger with a SPAC that is already listed on NASDAQ. A NASDAQ listing would facilitate global talent acquisition and enable the use of NASDAQ-listed shares as an internationally recognized currency for acquisitions. This move aims to globalize Coincheck's crypto asset business and drive further expansion.



Business KPIs

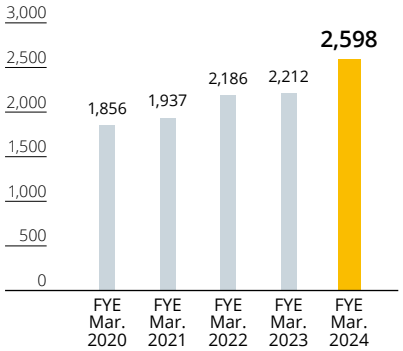
Total Accounts / Number of Verified Accounts / Accounts with Balances

The total number of accounts (Monex, Inc. and TradeStation), verified accounts (Coincheck), and accounts with balances (Monex Boom Securities) represent the number of our customers who trade (or can trade) or have assets in custody. This is one key indicator of our customer base that drives growth in our securities and crypto asset businesses.

Monex, Inc.

Total Accounts

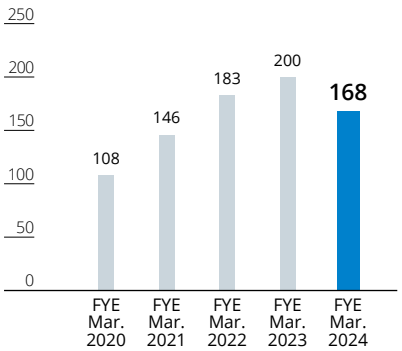
(Thousand accounts)



TradeStation

Total Accounts

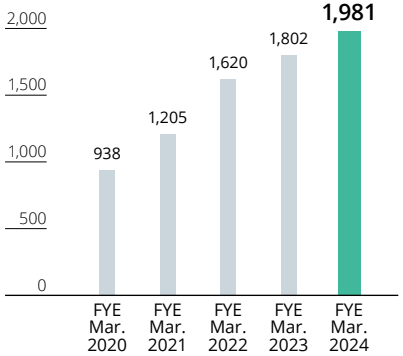
(Thousand accounts)



Coincheck

Number of Verified Accounts

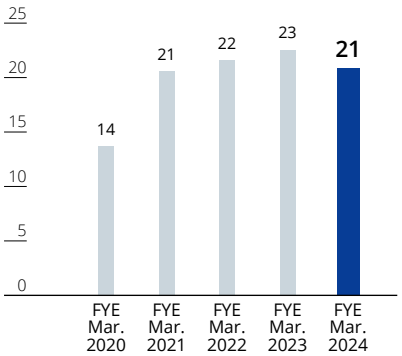
(Thousand accounts)



Monex Boom Securities

Accounts with Balances

(Thousand accounts)



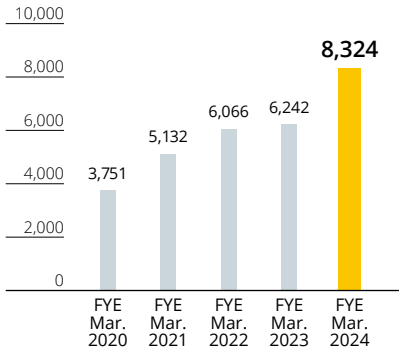
In January 2024, Monex, Inc. took over mutual fund accounts from AEON Bank and also initiated a capital and business alliance with NTT DOCOMO. TradeStation has introduced an inactivity fee for dormant accounts to increase revenue per account, thereby streamlining dormant accounts and creating an environment focused on providing value to the customer demographics that contribute significantly to revenue. Coincheck maintained its leading position among domestic crypto asset exchange service providers, achieving the highest number of mobile app downloads for the fifth consecutive year.

Assets in Custody

The assets in custody are one key indicator of our customer base that drives growth in our securities and crypto asset business.

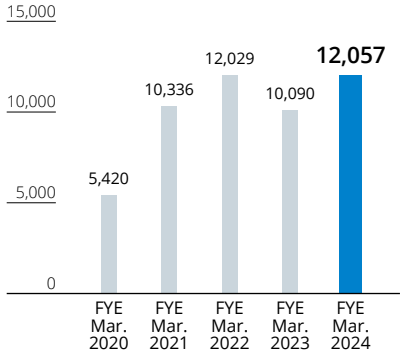
Monex, Inc.

(Billions of Yen)



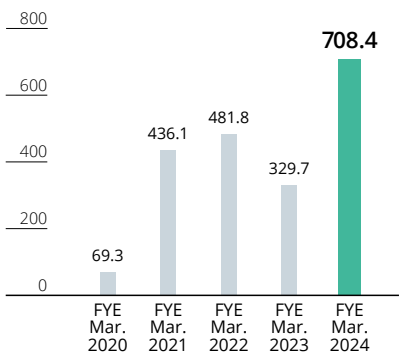
TradeStation

(Millions of U.S. Dollars)



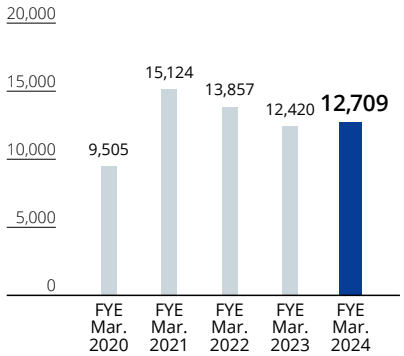
Coincheck

(Billions of Yen)



Monex Boom Securities

(Millions of HK Dollars)



Assets in custody at Monex, Inc. have increased significantly due to collaboration with partner companies and market influences. At TradeStation, assets in custody reached an all-time high due to an increase in assets among active traders, driven by their vigorous trading activity. Coincheck has seen a recovery in customer transactions, supported by the resurgence of the crypto asset market following the end of the crypto winter. Its customer assets have also increased with the recovery of crypto asset prices.

Past 11 Years

Category	Accounting item, sub-item and title display	Unit	FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	FYE Mar. 2017	FYE Mar. 2018	FYE Mar. 2019	FYE Mar. 2020	FYE Mar. 2021	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024*1
			IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Consolidated	**Total operating revenue**	Millions of Yen	54,722	50,975	54,271	45,831	53,635	52,175	53,226	77,905	88,783	79,304	**66,796**
	Commission received	Millions of Yen	33,542	30,079	32,152	26,349	29,196	25,741	25,375	36,864	37,361	36,953	**27,159**
	Net trading income	Millions of Yen	8,011	6,242	6,671	4,498	3,865	6,461	8,550	24,504	30,477	10,788	**8,380**
	Financial income	Millions of Yen	12,583	13,987	14,610	14,313	19,349	19,242	18,579	15,394	18,886	29,413	**26,182**
	Sales	Millions of Yen	—	—	—	—	—	—	—	—	950	960	**253**
	Other operating income	Millions of Yen	587	667	839	671	1,225	731	722	1,144	1,109	1,190	**4,823**
	Financial expenses	Millions of Yen	4,672	5,766	4,629	3,979	4,480	4,758	5,236	4,211	5,183	5,778	**8,056**
	Total operating revenue after deducting financial expenses/Net operating revenue	Millions of Yen	50,051	45,209	49,642	41,852	49,155	47,417	47,990	73,695	83,549	73,316	**79,756**
	Selling, general and administrative expenses	Millions of Yen	34,981	37,143	41,395	40,578	39,853	44,690	42,835	49,861	68,601	68,487	**50,303**
	Transaction-related expenses	Millions of Yen	12,235	13,236	13,862	11,281	11,963	12,051	11,975	15,986	26,742	24,262	**16,627**
	Compensation and benefits	Millions of Yen	9,613	9,538	10,651	10,393	10,854	13,111	13,413	15,614	19,866	21,727	**19,925**
	System related expenses *2	Millions of Yen	10,779	11,659	13,343	15,685	14,742	16,437	14,794	15,039	16,441	17,193	**16,178**
	Other	Millions of Yen	2,355	2,710	3,539	3,218	2,294	3,091	2,653	3,222	5,551	5,305	**5,528**
	The amount equivalent to operating income/ Operating income	Millions of Yen	15,069	8,066	8,247	1,274	9,302	2,727	5,155	23,833	14,949	4,829	**2,330**
	Other income/Expenses (net)	Millions of Yen	1,825	△ 1,951	△ 3,146	△ 203	△ 671	△ 937	△1,025	△2,537	5,852	△160	**16,454**
	Profit before income taxes/Income before income taxes and minority interests	Millions of Yen	16,895	6,115	5,100	1,071	8,631	1,790	4,131	21,296	20,801	4,669	**25,237**
	Profit/Income before minority interests	Millions of Yen	10,356	3,494	3,516	161	6,579	1,029	2,820	14,385	13,032	3,324	**31,475**
	Profit attributable to owners of the company/ Net income	Millions of Yen	10,354	3,494	3,554	298	6,730	1,181	3,011	14,354	13,017	3,392	**31,293**
	Total assets	Millions of Yen	939,270	1,055,242	888,116	936,776	973,520	1,027,849	1,022,934	1,401,130	1,607,761	1,504,110	**761,642**
	Total equity	Millions of Yen	80,701	86,932	86,022	81,687	80,493	80,142	77,024	90,524	106,018	100,754	**133,123**
	Operating income margin	%	30.1	17.8	16.6	3.0	18.9	5.8	10.7	32.3	17.9	6.6	**15.2**
	The difference between "Total equity" and "Fixed-type assets" *3	Millions of Yen	34,608	30,887	23,934	20,133	23,819	22,840	15,777	25,824	43,033	35,346	**37,433**
	Return on equity (ROE)	%	12.9	4.2	4.1	0.4	8.3	1.5	3.9	17.3	13.4	3.3	**27.1**
	Earnings per share attributable to owners of the company/Earnings per share (EPS) *4	Yen	35.76	12.15	12.46	1.06	24.33	4.42	11.59	55.82	50.00	12.85	**121.67**
	Equity per share attributable to owners of the company/Book-value per share (BPS) *4	Yen	280.52	302.18	302.03	290.00	298.50	297.28	297.70	347.67	391.64	388.67	**426.18**
	Dividend per share *4, 5	Yen	18.00	8.20	9.60	5.20	10.00	5.40	5.90	12.00	15.30	15.70	**23.00**
	Total return ratio	%	103	68	109	827	100	291	163	22	31	269	**269**

*1 Starting from the fiscal year ending March 2024, the business of Monex, Inc. has been classified as discontinued operations. As a result, operating revenue and profits before tax reflect amounts for continuing operations only, while total profit attributable to owners of the parent includes the total for both continuing and discontinued business.
*2 System related expenses: Rental and maintenance + Data processing and office supplies + Amortization and depreciation
*3 Earmarked to fund the regulatory compliance and business investments of each Group company, as well as returns to Monex Group shareholders. Fixed-type assets are the sum of property and equipment, intangible fixed assets, equity method investments, and level 3 investments in securities (non-listed shares, etc.).
*4 Stock split was carried out. 100 shares are defined as 1 share unit on Oct. 1, 2013.
*5 Stock split was carried out. 100 shares are defined as 1 share unit and the above figures were adjusted retroactively for the beginning of FYE Mar. 2014.

Past 11 Years

Category	Accounting item, sub-item and title display	Unit	FYE Mar. 2014	FYE Mar. 2015	FYE Mar. 2016	FYE Mar. 2017	FYE Mar. 2018	FYE Mar. 2019	FYE Mar. 2020	FYE Mar. 2021	FYE Mar. 2022	FYE Mar. 2023	FYE Mar. 2024
			IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
Monex, Inc.	Capital adequacy ratio *6	%	394.9	422.7	335.3	297.8	310.4	340.6	384.8	304.1	327.8	325.5	310.6
TradeStation Securities, Inc.	Excess net capital *7	Thousands of U.S. Dollars	52,163	49,074	62,441	71,782	84,379	115,554	129,057	136,500	132,700	157,000	204,600
Consolidated	Number of employees	Persons	992	951	971	830	853	1,093	1,108	1,129	1,480	1,491	1,052
Monex Group, Inc. *8	Number of board members	Persons	11	11	11	11	9	9	9	11	11	11	11
	Independent director	Persons	6	6	7	6	6	6	6	7	7	7	7
Japan *9	Percentage of women	%	49	47	45	44	40	39	37	37	39	37	41
	Percentage of women in management positions	%	23	22	19	19	20	21	20	28	31	28	—
US	Percentage of women	%	29	31	25	24	22	22	22	25	25	24	24
	Percentage of women in management positions	%	19	24	21	18	27	21	20	27	25	25	26
Crypto Asset	Percentage of women	%	—	—	—	—	—	19	19	22	19	24	20
	Percentage of women in management positions	%	—	—	—	—	—	0	0	0	13	12	—
Asia-Pacific *10	Percentage of women	%	41	50	50	45	45	45	44	41	42	35	—
	Percentage of women in management positions	%	36	36	45	42	42	42	38	31	31	31	—

*6 This index measures the stability of securities companies in Japan, and it is based on the Financial Instruments and Exchange Act and the Cabinet Office Ordinance on Financial Instruments businesses.
*7 Based on the laws and regulations established by the U.S. Securities and Exchange Commission (SEC) and self-regulating organizations, U.S. financial companies are required to maintain a minimum net capital (equity capital calculated based on SEC regulations).
*8 Total number of persons after the General Meeting of Shareholders, based on the year-end reference
*9 The figures include those of Monex Group, Inc. and Monex, Inc. However, for FYE Mar. 2024, the figures shown represent only those of Monex Group, Inc., as Monex, Inc. is no longer a consolidated subsidiary of the Company
*10 The figures include that of Monex Boom Securities. However, for FYE Mar. 2024, its data is not subject to disclosure

Stock Information As of March 31, 2024

Investor Information

Stock listing	Prime Market of the Tokyo Stock Exchange
Security code	8698
Name of company	Monex Group, Inc.
No. of outstanding shares	257,947,100 Shares
Trading unit	100
No. of shareholders	57,273
Administrator for shareholders' register	Mizuho Trust & Banking, Co., Ltd.
Fiscal year	From April 1 of each year to March 31 of the following year
Record date for year-end dividends	March 31
Record date for interim dividends	September 30
Ordinary shareholders' meeting	Every June

Major Shareholders

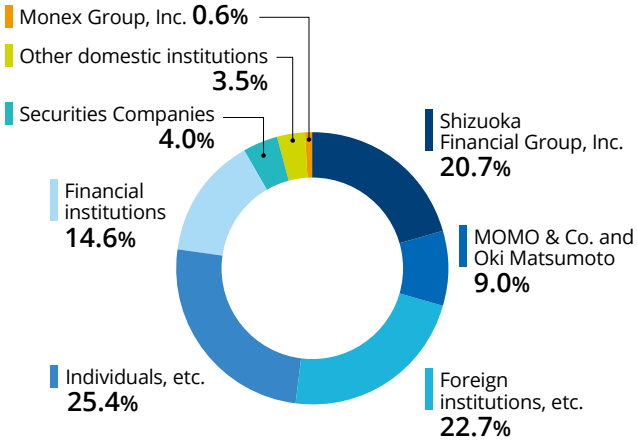
Name	No. of shares held (unit 1,000shares)	Percentage of shares held (%)
Shizuoka Financial Group, Inc.	53,491	20.76
The Master Trust Bank of Japan, Ltd. (trust account)	25,513	9.90
MOMO & Co.	22,080	8.57
Custody Bank of Japan, Ltd. (trust account)	8,450	3.28
Recruit Holdings Co., Ltd.	5,720	2.22
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	4,808	1.86
STATE STREET BANK AND TRUST COMPANY 505103	3,634	1.41
JPMorgan Securities Japan Co., Ltd.	3,479	1.35
Kyoko Kudo	3,455	1.34
GOLDMAN, SACHS & CO. REG	3,282	1.27

*1 Figures for the number of shares held are rounded down to the nearest one thousand and the figures for the percentage of shares held are rounded down to the nearest second decimal place.

*2 Treasury stock of 1,581,964 shares is excluded for calculating the percentage of the above list of major shareholders.

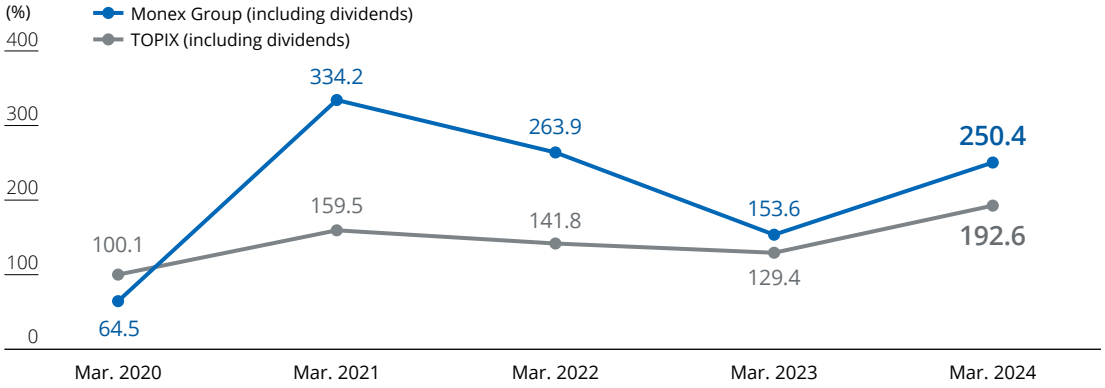
*3 MOMO & Co. is an asset management company in which 100% of the issued shares are owned by Mr. Oki Matsumoto, the Chairman of the Board and Representative Executive Officer of the Company. As already disclosed in the change report (large shareholding report) dated March 15, 2024, approximately 6.49 million of the shares of the Company held by Mr. Oki Matsumoto have been transferred to MOMO & Co.

Major Shareholders and Shareholder Breakdown



* The graph made by Monex based on shareholders' list as of Mar. 31, 2024 and the Large shareholding report

TSR (Over 5 Years)



* Total shareholder return (TSR) for the previous 5 years shown above is calculated using the closing price value for the last day of each respective term.

Overview of Group Companies

As of September 30, 2024

Monex Group, Inc.

Established	August 2004
Representative	Yuko Seimei
Business Description	Securities business and accompanying businesses
Location	ARK Mori Building 25F 1-12-32 Akasaka, Minato-ku, Tokyo 107-6025, Japan

Japan Segment

Monex, Inc.

Established	May 1999
Representative	Tsutomu Tahara, Hiroshi Aikawa
Business Description	Securities business and accompanying businesses
Location	Minato-ku, Tokyo, Japan

Monex Asset Management, Inc.

Established	August 2015
Representative	Katsuki Mandai
Business Description	Asset building and management services
Location	Minato-ku, Tokyo, Japan

3iQ Digital Holdings Inc.

Established	June 2021
Representative	Pascal St-Jean
Business Description	Holdings of shares in companies engaged in the management of crypto assets, etc.
Location	Ontario, Canada

Monex Crypto Bank, Inc.

Established	December 2017
Representative	Atsushi Mandai
Business Description	Researching, planning, studying, developing and consulting regarding crypto asset services
Location	Minato-ku, Tokyo, Japan

Monex SP Trust, Inc.

Established	August 2017
Representative	Yuki Yada
Business Description	Custodial trust business
Location	Minato-ku, Tokyo, Japan

Monex Private Bank, Inc.

Established	July 2021
Representative	Satoru Adachi
Business Description	Private banking services for high net worth clients
Location	Minato-ku, Tokyo, Japan

Japan Catalyst, Inc.

Established	September 2019
Representative	Taro Hirano
Business Description	Investment Advisory and Agency Business
Location	Minato-ku, Tokyo, Japan

Genex, Inc.

Established	August 2019
Representative	Ken Yagi
Business Description	Providing services for the secure management and utilization of genomic, medical and healthcare data
Location	Minato-ku, Tokyo, Japan

Crafter Co. Ltd.

Established	September 2016
Representative	Maiko Kojima
Business Description	Development and operation of marketing SaaS “CraftChat”
Location	Minato-ku, Tokyo, Japan

Viling, Inc.

Established	October 2012
Representative	Kazuaki Nakamura
Business Description	Education, childcare and human resource development businesses
Location	Suginami-ku, Tokyo, Japan

US Segment

TradeStation Group, Inc.

Established	January 2000
Representative	John Bartleman
Business Description	Immediate holding company in the U.S.
Location	Florida, United States of America

TradeStation Securities, Inc.

Established	September 1995
Representative	Peter Korotkiy
Business Description	Financial instruments business
Location	Florida, United States of America

Asia-Pacific Segment

Monex International Limited

Established	August 2010
Representative	Keiji Okamoto
Business Description	Immediate holding company in Hong Kong
Location	Hong Kong Special Administrative Region of the People’s Republic of China

Monex Boom Securities (H.K.) Limited

Established	March 1997
Representative	Ivan Law
Business Description	Financial instruments business
Location	Hong Kong Special Administrative Region of the People’s Republic of China

Crypto Asset Segment

Coincheck, Inc.

Established	August 2012
Representative	Satoshi Hasuo
Business Description	Crypto asset exchange and R&D on new financial services
Location	Shibuya-ku, Tokyo, Japan

Investment Segment

Monex Ventures, Inc.

Established	November 2005
Representative	Seiichiro Wada
Business Description	Venture capital business
Location	Minato-ku, Tokyo, Japan

This is the Annual Report issued by Monex Group, Inc. (“the Company”). The descriptions for products, services, etc., that are handled by the Monex Group companies, are made only for disclosure purposes and are required for providing specific explanations about the Company. This presentation material contains forward-looking statements based on current expectations, assumptions, estimates and projections about our industry and the Company. Please note that these statements are based on current information but the actual performance results are subject to various risks and uncertainties, and therefore may be different than the material presented.

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