

MONEX GROUP

Notice of the Conclusion of a Capital and Business Alliance Agreement with NTT DOCOMO, INC., the Establishment of an Intermediate Holding Company through a Sole Share-Transfer, the Transfer of Subsidiaries (Partial Sale of Subsidiaries' Shares, etc.) and an Expected Booking of Gain

TOKYO, October 4, 2023 – Monex Group, Inc. (headquarters: Tokyo, Japan; Representative Executive Officer and CEO: Yuko Seimei; the “Company” or “we”, “our” or “ourselves”) announces that its Board of Directors resolved today the establishment of a capital and business alliance among the Company, our subsidiary, Monex, Inc. (“Monex”), and NTT DOCOMO, INC. (“NTT DOCOMO,” and the Company, Monex and NTT DOCOMO altogether referred to as the “three companies”), and that the three companies have entered into a capital and business alliance agreement (the “Capital Business Alliance Agreement” and the alliance to be undertaken pursuant to the Capital Business Alliance Agreement is referred to as the “Capital Business Alliance”).

The outlines of the significance of the Capital Business Alliance, and what we and Monex, together with NTT DOCOMO, aim to effect through the Capital Business Alliance, are as described below. Based on the Capital Business Alliance Agreement, (i) an intermediate holding company, Monex Holdings, Inc. (*) (the “Intermediate Holding Company”), will be formed by Monex by means of a sole share-transfer (*tandoku-kabushiki-iten*) (the “Share Transfer”), and then (ii) the Company will sell some of such common shares it holds in the Intermediate Holding Company to NTT DOCOMO (the “Sale of Shares”) and (iii) the Intermediate Holding Company will newly issue additional common shares by way of a third-party allotment to NTT DOCOMO (the “Third-Party Allotment of Shares”). (See also the structure diagram in “C. Scheme of Capital Business Alliance” in “I. Outline of Capital Business Alliance” below.)

Although the voting rights ratio of the Intermediate Holding Company, the wholly-owning parent company of Monex, will be, as a result of the Sale of Shares and the Third-Party Allotment of Shares, approximately fifty-one percent (51%) for the Company and approximately forty-nine percent (49%) for NTT DOCOMO, the Intermediate Holding Company and Monex will become consolidated subsidiaries of NTT DOCOMO based on the effective control standard. As a result, the Intermediate Holding Company and Monex will no longer be the Company’s consolidated subsidiaries after the Sale of Shares and the Third-Party Allotment of Shares, and instead will become equity-method affiliates of the Company, however, the three companies have agreed to respect the independence of Monex’s management and to aim for medium- to long-term growth of Monex while maintaining Monex’s name, and protecting its corporate philosophy and brand.

Since the Share Transfer will be conducted by means of a sole share-transfer (*tandoku-kabushiki-iten*) by Monex, the disclosure items and information provided below are partially omitted, as permitted by the Timely Disclosure Rules of the Tokyo Stock Exchange.

Please see “IV. Future Outlook” below for the gain on the Sale of Shares. While we intend to utilize the proceeds from the Sale of Shares for business development purposes, such as our asset management business, we will also use them as means to drastically enhance our shareholder return, including by doubling the minimum amount of dividends per share. Please also see “Revision of Shareholder Distribution Policy” we announced today for details of our new shareholder distribution policy.

(*) The name of the Intermediate Holding Company is planned to be changed from “Monex Holdings, Inc.” to “Docomo Monex Holdings, Inc.” as of January 4, 2024, the date on which the Sale of Shares is scheduled to occur.

I. Outline of Capital Business Alliance

A. Purpose of Capital Business Alliance

Since 1999, when Monex was established with its corporate philosophy of providing the best advanced financial services to individual investors, Monex and our group companies have continued to pursue provision of services and products that contribute to human activities in the future, one step ahead. This journey continues under our current vision of “to enable individuals to achieve self-fulfillment and optimize their lifetime balance sheet”.

To further pursue our vision, and to seek to create a social impact and contribute to individuals’ well-being by providing financial services that make asset building services a part of their daily lives as a matter of course, the Company and Monex agreed to form the Capital Business Alliance with NTT DOCOMO, one of whose values is “One Step Ahead” under the brand slogan “Changing worlds with you.”

NTT DOCOMO accounts for 36.1% (*1) of the number of mobile subscribers in Japan, has customer contact points through approximately 2,160 “docomo Shop” stores (*2) and has approximately a ninety-six million account membership base (*3) through the marketing platform called “d POINT CLUB.” By implementing the Capital Business Alliance and by combining Monex’s customer and business bases that it has cultivated thus far with NTT DOCOMO’s customer and business bases, Monex, while it continues to have its strong desire to assist individuals and contribute to their asset building, will be seeking to create next-generation asset building services that are the most chosen by customers, and further to generate a social impact that will greatly advance individuals’ asset building in Japan through investments.

In addition, the Capital Business Alliance will not only enable Monex’s business to develop significantly through collaboration with NTT DOCOMO, but will also promote the Company’s transformation into an optimal business structure to pursue designing innovative ways of managing money, through the reorganization of its consolidated subsidiaries. Our group has developed by having online securities business in Japan and the United States as its core business. In recent years, we have expanded our business to include crypto-asset business, asset management business, and education business. Utilizing the cash from the Sale of Shares, we plan to further strengthen our asset management business, which we consider to be an important growth business, and to strengthen the business portfolio of our entire group. In order to meet the expectations of investors and customers, we will continue to pursue the best business structure for the ever-changing future, constantly striving to further develop and expand our capabilities.

Monex’s name will remain unchanged, and Yuko Seimei, the current Representative Director and President, will continue to serve as the President of Monex on and after January 4, 2024, the date Monex will become an NTT DOCOMO’s consolidated subsidiary.

As stated above at the beginning, the Capital Business Alliance will be implemented in a manner that respects the independence of Monex’s management and its corporate philosophy and brand. Oki Matsumoto, the Representative Executive Officer & Chairman of the Company, will serve as Chairman of the Board of Directors of the Intermediate Holding Company, and, together with Yuko Seimei who will also serve as director of the Intermediate Holding Company, will continue to be involved in the growth of Monex, which will become a consolidated subsidiary of the Intermediate Holding Company. Please rest assured that Monex and we will sustain the relationships with the existing customers, vendors and business partners of Monex after the Capital Business Alliance as current.

(*1) As of the end of December 2022. Source: “Trends in the Telecommunications Market” (dated April 25, 2023) published by Ministry of Internal Affairs and Communications in Japan.

(*2) As of the end of June 2023. Source: Published data from NTT DOCOMO.

(*3) As of the end of April 2023. Source: Published data from NTT DOCOMO.

B. Description of Capital Business Alliance

1. Description of Business Alliance

The outline of the business alliance that we, Monex and NTT DOCOMO have agreed to under the Capital Business Alliance Agreement are as described below. The three companies will discuss the further details of and the methods for implementing the business alliance.

- a. The Company will provide Monex with brand licensing and human resources and general affairs management services.
- b. The three companies will create new value by each providing know-how and engineering service. The three companies will also cooperate in personnel exchange and recruiting assistance.
- c. The three companies to jointly develop and promote asset building services which will be mainly provided by Monex by utilizing customer bases, management resources, know-hows, and engineering abilities of NTT DOCOMO.
 - (i) Providing asset building services that are ‘easy and simple’ even for beginners
We will provide asset building services for beginners with the d-Barai app. While utilizing an easy-to-use user interface (UI) and user experience (UX) as the foundation, we will support our customers to build their assets steadily by continuously providing information and products that are personalized based on user needs, especially for novice investors. We will also consider strengthening the linkage between services of NTT DOCOMO, such as d POINT, d-Barai and d ACCOUNT, and brokerage services of Monex. This includes awarding d POINT rewards based on brokerage transactions, balances and account openings, as well as deposits and withdrawals through d-Barai, and enabling periodic investment plans with d-Barai and d CARD.
 - (ii) Offering the best products for each individual by utilizing database of NTT DOCOMO and Monex
We will cooperate in promoting customer relationship management (CRM) for financial services so as to attain visualization of customer needs and realization of personalized communication by combing, with customers’ consent, if necessary, the NTT DOCOMO’s 96 million-member database with the data that has been accumulated by Monex.
 - (iii) Provision of investment information and financial educational services
We will provide a variety of educational contents and hold seminars for everyone from a beginner to a person who is familiar with investing to enhance our customers’ investment knowledge and financial literacy.
 - (iv) Customer support services by AI
We will utilize AI to assist each customer in solving concerns relating to investment.
 - (v) Adding next-generation financial products such as STO (Security Token Offering)
We will consider development and sale of pioneering financial products in order to meet the diverse needs of investors that are changing along with social trends.

(Note) “d-Barai,” “d CARD” and “d ACCOUNT” are trademarks of NTT DOCOMO.

2. Description of Capital Alliance

For the specifics of the capital alliance, please refer to “C. Scheme of Capital Business Alliance” in “I. Outline of Capital Business Alliance” below.

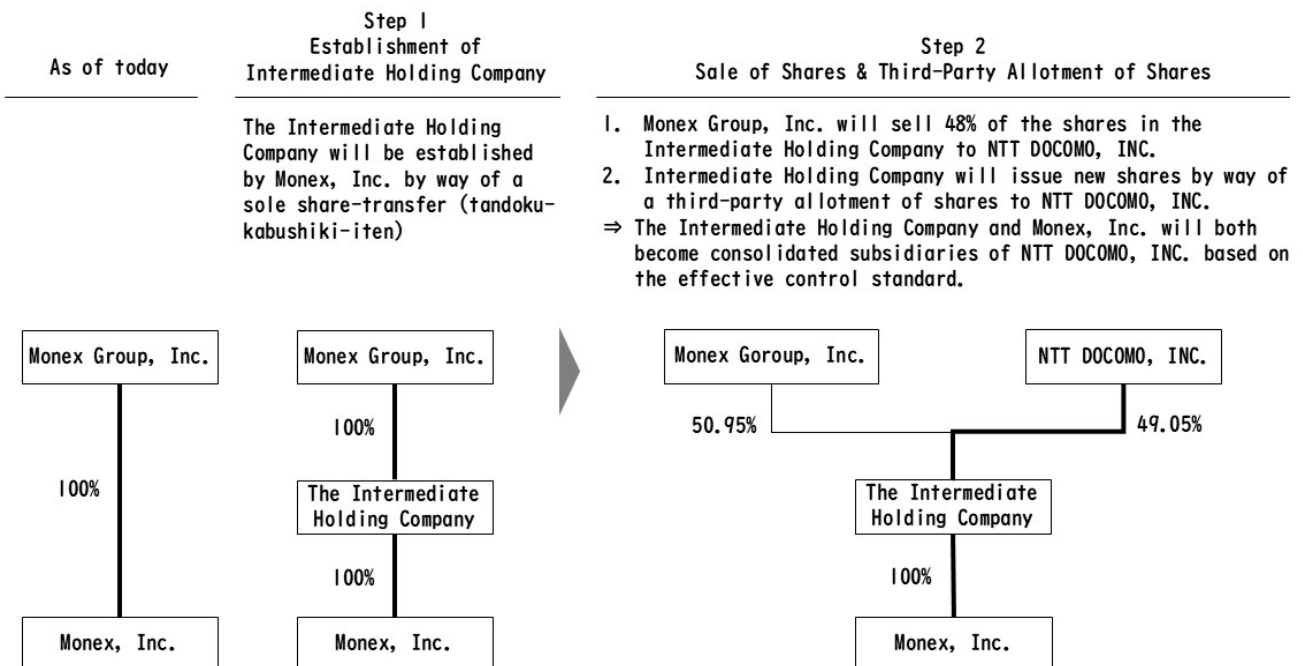
MONEX GROUP

C. Scheme of Capital Business Alliance

1. The Capital Business Alliance will be effected in the following manner.

- a. Through the Share Transfer procedure, Monex will establish the Intermediate Holding Company and all of the issued and outstanding common shares of Monex will be contributed to the Intermediate Holding Company.
- b. In the Sale of Shares, we will sell to NTT DOCOMO 109,440 common shares of the Intermediate Holding Company. Simultaneously with the Sale of Shares, the Intermediate Holding Company will newly issue 4,702 of its common shares, all of which will be allotted to NTT DOCOMO, and all of which will be subscribed for by NTT DOCOMO.
- c. As a result of steps described in a. and b. above, approximately 51% of the voting rights of the Intermediate Holding Company will be held by the Company and approximately 49% of the voting rights of the same will be held by NTT DOCOMO. After completing the Sale of Shares and the Third-Party Allotment of Shares, the Company and NTT DOCOMO will cooperate in the management of the Intermediate Holding Company. The Intermediate Holding Company and Monex, which will then be a wholly owned subsidiary of the Intermediate Holding Company upon the Share Transfer, neither the Intermediate Holding Company nor Monex will be the Company's consolidated subsidiary and each will become a consolidated subsidiary of NTT DOCOMO upon completion of the Sale of Shares and the Third-Party Allotment of Shares based on the effective control standard, as the Capital Business Alliance Agreement provides that NTT DOCOMO shall have the right to appoint a majority of Intermediate Holding Company's directors, etc.

<Scheme of the Capital Business Alliance>



For an overview of the Intermediate Holding Company, please refer to “F. Outline of the Intermediate Holding Company to be newly established through the Share Transfer (Wholly Owning Parent Company in Share Transfer) [As of the date of establishment; scheduled]” in “II. Summary of Share Transfer” below, and for an overview of NTT DOCOMO, please refer to “E. Outline of the Capital Business Alliance Partner” below in this section.

MONEX GROUP

2. Outline of the Sale of Shares

(1) Number of shares held by the Company before the Sale of Shares	228,000 shares (100% of voting rights)
(2) Number of shares sold in the Sale of Shares	109,440 shares
(3) Aggregate sale price	46,560,044,160 yen
(4) The date of the sale	January 4, 2024
(5) Number of shares held by the Company after the Sale of Shares and the Third-Party Allotment of Shares	118,560 shares (approx. 51% of voting rights)

3. Outline of the Third-Party Allotment of Shares

(1) Number of shares to be issued	4,702 shares
(2) Total issuance amount	2,000,414,178 yen
(3) Number of shares issued after capital increase	232,702 shares
(4) The date of payment	January 4, 2024
(5) Number of shares held by the Company after the Sale of Shares and the Third-Party Allotment of Shares	118,560 shares (approx. 51% of voting rights)

D. Schedule

Conclusion of the Capital Business Alliance Agreement (the Company, NTT DOCOMO, and Monex)	October 4, 2023 (today)
Monex Board of Directors meeting approving the plan for the Share Transfer	October 4, 2023 (today)
Extraordinary general meeting of Monex shareholders approving the Share Transfer	October 31, 2023 (Scheduled)
Effective date of the Share Transfer	December 6, 2023 (Scheduled)
The date of the Sale of Shares and the payment of the Third-Party Allotment of Shares	January 4, 2024 (Scheduled)

(Note) The Share Transfer, the Sale of Shares, and the Third-Party Allotment of Shares shall be implemented on the condition that the necessary clearances, approvals and other authorizations are obtained in accordance with applicable law and regulation.

E. Outline of the Capital Business Alliance Partner

(1) Name	NTT DOCOMO, INC.	
(2) Location	11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo, Japan	
(3) Name and title of representative	Motoyuki Ii, President and Chief Executive Officer, Representative Member of the Board of Directors	
(4) Business Description	Telecommunications business, Smart-life business and other business	
(5) Amount of stated capital	949,679 million yen (As of March 31, 2023)	
(6) Date of establishment	July 1, 1992	
(7) Major shareholders and shareholding ratio	NIPPON TELEGRAPH AND TELEPHONE CORPORATION 100%	
(8) Relationship between the Company and the party mentioned	Capital relationship	No relationship to be stated.
	Personal relationship	No relationship to be stated.

MONEX GROUP

	Business relationship	No relationship between the Company and the party mentioned to be stated. Monex, the Company's subsidiary, conducts transactions related to reward point exchange services with the party mentioned.	
	Status as related parties	There is no related-party relationship with the party mentioned or any of its related parties or affiliates.	
(9) Operating results and financial conditions of the latest three fiscal years (in millions of yen, except as otherwise noted)			
Fiscal Year	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net worth	5,368,597	6,509,417	6,294,359
Total assets	7,603,182	9,318,193	9,367,638
Net assets per share (yen)	1,662.82	2,016.17	1,949.56
Amount of sales	4,683,629	4,466,745	4,704,709
Operating income	805,545	772,316	787,712
Ordinary profit	872,981	867,344	986,670
Net income	636,214	633,624	777,306
Net income per share (yen)	197.05	196.25	240.75
Dividend per share (yen)	-	-	-

II. Summary of Share Transfer

A. Purpose and Method of Share Transfer

This is a sole share-transfer (*tandoku-kabushiki-iten*) by Monex, our subsidiary. For the purpose of the Share Transfer, refer to "A. Purpose of Capital Business Alliance" and "C. Scheme of Capital Business Alliance" in "I. Outline of Capital Business Alliance" above.

B. Description of Allotment Relating to Share Transfer

	Monex	Intermediate Holding Company
Share Transfer Ratio	1	1

(Note 1) Share Transfer Ratio:

One (1) common share of the Intermediate Holding Company will be allotted to one (1) common share of Monex.

(Note 2) The number of new common shares to be issued by the Intermediate Holding Company through the Share Transfer to the Company (Scheduled):

228,000 common shares

C. Grounds and Reasons for the Terms of Allotment Relating to Share Transfer

The Share Transfer is intended to establish a newly formed parent company of Monex by the sole share-transfer (*tandoku-kabushiki-iten*) of Monex, our subsidiary. Since the shareholder composition of Monex immediately before the effective date of the Share Transfer and the shareholder composition of the Intermediate Holding Company upon completion of the Share Transfer remains unchanged, we decided to allot at a ratio of one (1) common share of the Intermediate Holding Company to one (1) common share of Monex held by the Company, after comprehensively considering the transfer described in "C. Scheme of Capital Business Alliance" of "I. Outline of Capital Business Alliance" above and the number of common shares held by us after the Third-Party Allotment of Shares.

MONEX GROUP

D. Schedule

Please refer to “D. Schedule” in “I. Outline of Capital Business Alliance” above.

E. Outline of Monex (Wholly Owned Subsidiary Company in Share Transfer)

(1) Name	Monex, Inc.
(2) Location	1-12-32 Akasaka, Minato-ku, Tokyo, Japan
(3) Name and title of representative	Yuko Seimei, Representative Director & President
(4) Business description	Securities business and accompanying businesses
(5) Capital stock	12,200 million yen
(6) Date of establishment	May 1999
(7) Number of shares issued	228,000 shares
(8) Fiscal year-end	March 31
(9) Major shareholders and shareholding ratio	Monex Group, Inc. 100% (As of October 4, 2023)
(10) Financial position and results of operations for the immediately preceding fiscal year (in millions of yen, except as otherwise noted)	
Fiscal year-end	Fiscal year ended March 31, 2023
Net Assets	48,740
Total assets	893,102
Net Assets per Share (yen)	213,774.82
Operating revenues	31,000
Net operating revenue	29,611
Ordinary income	3,294
Net income	2,596
Net income per share (yen)	11,387.77
Cash dividends per share (yen)	11,500

F. Outline of the Intermediate Holding Company to be newly established through the Share Transfer (Wholly Owning Parent Company in Share Transfer) [As of the date of establishment; scheduled]

(1) Name	Monex Holdings, Inc. (Note: The name to be changed to “Docomo Monex Holdings, Inc.” as of January 4, 2024)
(2) Location	1-12-32 Akasaka, Minato-ku, Tokyo
(3) Name and title of representative	Yuko Seimei, Representative Director
(4) Business description	Management and administration of subsidiaries, etc. and all incidental or related operations.
(5) Capital stock	TBD
(6) Date of establishment	December 6, 2023
(7) Fiscal year-end	March 31
(8) Shareholders	Monex Group, Inc. 100%

MONEX GROUP

III. Outline of Sale of Shares and Third-Party Allotment of Shares

A. Reasons and Methods for Sale of Shares and Third-Party Allotment of Shares

Please refer to “A. Purpose of Capital Business Alliance” and “C. Scheme of Capital Business Alliance” in “I. Outline of Capital Business Alliance” above.

B. Outline of Subsidiary Transferring

Please refer to “F. Outline of the Intermediate Holding Company to be newly established through the Share Transfer (Wholly Owning Parent Company in Share Transfer)” in “II. Summary of Share Transfer” above.

C. Outline of Sub-Subsidiary Transferring

Please refer to “E. Outline of Monex (Wholly Owned Subsidiary Company in Share Transfer) [As of the date of establishment; scheduled]” in “II. Summary of Share Transfer” above.

D. Outline of the Counterparty of Sale of Shares

Please refer to “E. Outline of the Capital Business Alliance Partner” in “I. Outline of Capital Business Alliance” above.

E. Number of Shares Transferred, Amount of Transfer, Status of Shares Held Before and After Transfer, and Other Outlines of the Sale of Shares and the Third-Party Allotment of Shares

Please refer to “2. Outline of the Sale of Shares” and “3. Outline of the Third-Party Allotment of Shares” in “C. Scheme of Capital Business Alliance” in “I. Outline of Capital Business Alliance” above.

F. Schedule

Please refer to “D. Schedule” in “I. Outline of Capital Business Alliance” above.

IV. Future Outlook

Upon completion of the processes of the Capital Business Alliance as described in “C. Scheme of Capital Business Alliance” in “I. Outline of Capital Business Alliance,” the Intermediate Holding Company and Monex will be consolidated subsidiaries of NTT DOCOMO and an equity-method affiliate of the Company. We expect to record income of 21.1 billion yen (before considering tax and tax effects, the same applies below) in our stand-alone statements of income (J-GAAP) and income of 18.2 billion yen in the consolidated statements of income (IFRS), as gain on the Sale of Shares, but those numbers may be different from final results although they are predicted based on the financial results as of June 30, 2023. We also expect to recognize a valuation gain from the application of the equity method in the consolidated statements of income (IFRS) but the amount is yet to be confirmed. The Company plans to disclose promptly once the valuation gain is confirmed or if any other event that require additional disclosure occurs.

V. Others

We have appointed JP Morgan Securities Japan Co., Ltd. as its financial advisor, TMI Associates as its legal advisor, and Ernst & Young Tax Co. as its accounting and tax advisors, for the Capital Business Alliance. Based on various perspectives derived from the knowledge and experience of our business operations to date, as well as advice from each advisor and discussions with JP Morgan Securities Japan Co., Ltd., our Board of Directors has carefully deliberated the importance and future prospects of the Capital Business Alliance, discussed its scheme, including the methods and the sale price, and decided to enter into the Capital Business Alliance Agreement.

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

This material is an English translation of a Japanese announcement made on the date above. Although Monex Group, Inc. intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.