

Revision of Shareholder Distribution Policy

TOKYO, October 4, 2023 - Monex Group, Inc. (“the Company”) announces that it resolved today at its board of directors meeting to revise its shareholder distribution policy as follows, beginning January 4, 2024 (scheduled).

1. Overview of the Revision

The Company, our subsidiary, Monex, Inc. (“Monex”), and NTT DOCOMO, INC. (“NTT DOCOMO”) have entered into a capital and business alliance agreement today (the alliance to be undertaken pursuant to the capital business alliance agreement is referred to as the “Capital Business Alliance”). Based on the agreement, Monex will form an intermediate holding company by means of a sole share-transfer (*tandoku-kabushiki-iten*) and, afterwards, the Company will sell some of such common shares it holds in the intermediate holding company to NTT DOCOMO on January 4, 2024 (the “Sale of Shares”) (*1). Taking this opportunity of implementing the Capital Business Alliance, the Company determined to revise its shareholder distribution policy as described below in “3. Revised Shareholder Distribution Policy” effective upon completion of the Sale of Shares.

Under the new shareholder distribution policy, the minimum dividend per share will be doubled from 15 yen to 30 yen per share per year. The cash obtained from the Sale of Shares and profits from future business activities will be used to aggressively promote growth investments, including the asset management business, in order to enhance the Company’s enterprise value, while at the same time to significantly increase dividends, a tangible form of shareholder return. In addition, in accordance with an increase in profits, the Company will change the minimum dividend from a fixed amount per share to a minimum amount linked to its profits. Moreover, the Company will consider flexible share buybacks and dispositions of treasury shares in response to capital market conditions. Eventually, the Company will aim to pursue enhanced total shareholder return (*2).

*1 Please refer to the press release dated October 4, 2023; “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 (the “Press Release Regarding the Alliance”).”

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

2. Reason for the Revision

The primary reason for this revision in the shareholder distribution policy is that the Capital Business Alliance has set the stage for a drastic advance in the Company’s growth strategy.

First, as a result of the Capital Business Alliance, the Company will transfer approximately forty-nine percent (49%) of its equity interest in Monex, but as stated in the Press Release Regarding the Alliance, the collaboration with NTT DOCOMO will enable us to grow discontinuously, far beyond the conventional growth curve and its current profit level.

Furthermore, the Company will use the funds obtained from the Sale of Shares to aggressively invest in growth and further evolve the asset gathering model, thereby dramatically increasing the enterprise value of the entire group.

Through this Capital Business Alliance, the Company aims to achieve sustainable growth over the medium to long term. At the same time, the Company will change its shareholder distribution policy, taking into account the fact that it will temporarily obtain a large amount of proceeds as a result of the Sale of Shares, and that it may take time to realize growth, since not all the results of the measures will materialize in the short term and some businesses, such as the asset gathering model, should steadily grow in line with growths of the balance of assets. In light of the considerations above, the Company determined to largely increase the ordinary dividend amount rather than to distribute special dividends over a limited time period, and revised its shareholder distribution policy to double the annual dividend from 15 yen to 30 yen per share and make a strong commitment to improving the Company’s TSR.

Furthermore, this Capital Business Alliance is a major pillar of the Company’s growth strategy, and it is determined to implement management measures so that, over the medium term, 50% of profit attributable to owners of the Company per share on a consolidated basis will exceed 30 yen per share per year. And if it is exceeded, the minimum dividend per share will become 50% of profit attributable to owners of the Company per share. Since the share

MONEX GROUP

distribution policy of setting the minimum dividend amount linked to profit is based on the assumption that profit will increase through the implementation of management measures for medium-term growth, the profit from the Sale of Shares, which will be a one-time profit, will be excluded from the calculation of the profit attributable to owners of the parent company per share.

While the Company will aggressively pursue investment opportunities, it will emphasize investment discipline in making growth investments commensurate with investment profitability, and will not make unreasonable investments simply to fulfill its investment plans. When a surplus of funds arises, the Company will make flexible management decisions, including shareholder returns such as share buybacks and dispositions of the treasury shares.

3. Revised Shareholder Distribution Policy

Details of the revisions are as follows.

(Original)

Our basic principle is to increase our corporate value in a sustainable way as we drive investments in the growth areas and enhancing our operating base in an aggressive yet proper manner, while keeping a right balance of returning profits to our shareholders.

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

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

(Revised) Effective January 4, 2024 (scheduled)

Our basic principle is to increase our corporate value in a sustainable way as we drive investments in the growth areas and enhancing our operating base in an aggressive yet proper manner, while keeping a right balance of returning profits to our shareholders. Therefore, shareholder returns shall be as follows. The Company will aim to pursue enhanced total shareholder return*¹.

1. The Company pays the minimum annual dividend of 30 yen per share.
2. In addition, if 50% of profit attributable to owners of the Company per share exceeds the minimum amount stated in 1. above, then the minimum dividend payment shall be 50% of profit attributable to owners of the Company per share*².
3. The Company conducts share buyback in response to circumstances.

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

*2 In calculating profit attributable to owners of the Company per share, the profit from the Sale of Shares will be excluded.

The new shareholder distribution policy will become effective upon completion of the Sales of Shares, which is scheduled for January 4, 2024. Therefore, when considering the interim dividend for the fiscal year ending March 31, 2024, the Company will make a decision based on the original shareholder distribution policy.

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