

MONEX GROUP

Announcement on Disposition of Treasury Stock as Restricted Stock Remuneration

TOKYO, July 8, 2024 - Monex Group, Inc. (the “Company”) announces that it resolved at its board of directors meeting to dispose of its treasury stocks as stock remuneration (the “Disposition of Treasury Stock”), as follows:

1. Outline of disposition

(1) Date of disposition	July 26, 2024
(2) Class and number of shares to be disposed of	321,200 shares of the common stock of the Company
(3) Disposal value	JPY 713 per share
(4) Total disposal value	JPY 229,015,600
(5) Recipients of disposed shares	Members of the board of the Company 9 persons, 64,400 shares Executive officers of the Company (*) 4 persons, 16,100 shares Expert directors and executive directors of the Company, and members of the board (excluding outside directors), expert directors and executive directors of the Company’s subsidiaries 17 persons, 240,700 shares (*) Executive officers concurrently serving as members of the board are included as members of the board.
(6) Others	The Disposition of Treasury Stock is subject to the entry into force of the Securities Registration Statement under the Financial Instruments and Exchange Act.

2. Purposes and reasons for disposition

As stated in the Announcement of Change of Remuneration System for our Group’s Management dated April 28, 2017, the Company resolved at the Remuneration Committee’s meeting held on April 28, 2017, and introduced the Restricted Stock Remuneration System (the “System”) as a new remuneration system for the members of the board, executive officers, expert directors and executive directors of the Company and the members of the board (excluding outside directors), expert director and executive directors of the Company’s subsidiaries (collectively referred to as the “Eligible Officers”). The aim of the System is to incentivize the Eligible Officers to contribute to the continuous enhancement of our Group’s corporate value by linking a part of their remuneration to the value of our Group’s stock and thus having them share with our shareholders not only the rise of stock prices but also the risks of declining stock prices.

To continuously enhance the Group’s corporate value, a resolution to dispose of its treasury stocks as restricted stock remuneration was made to further reinforce top management’s commitment to the Group’s sustainable growth.

The System also applies to the Company's outside directors as they supervise the Company’s management for the interests of shareholders and the Company considers it appropriate to grant them some remuneration linked to the Company's stock price.

The Company will aim to build and maintain a sound and transparent management structure that is more in line with the shareholders’ interests. The outline of the System is as follows:

Outline of the System

Under the System, the Eligible Officers shall pay in all of their monetary compensation claims received from the Company or any of the subsidiaries of the Company as contributions in kind, and receive the issuance or disposition of the common stock of the Company.

As regards to the individual amount of each Eligible Officer's monetary compensation claims, it was decided at the Remuneration Committee meeting held on July 6, 2024 (for the Eligible Officers who are neither members of the board nor executive officers of the Company, through the remuneration determining procedures established by the Company and/or its Group companies) that a total of JPY 229,015,600 as monetary compensation claims is to be paid to 30 Eligible Officers.

Upon the Disposition of Treasury Stock, a restricted stock allocation agreement (the "Allocation Agreement") is to be executed between the Company and each of the Eligible Officers to whom shares of the restricted stock are allocated.

Outline of the Allocation Agreement

The Company and each of the Eligible Officers will individually enter into the Allocation Agreement, the outline of which is as follows:

(1) Transfer restriction periods:

From July 26, 2024 to August 1, 2025 (for outside directors of the Company)

From July 26, 2024 to August 2, 2027 (for other Eligible Officers)

(2) Conditions for lifting of the transfer restrictions:

The transfer restriction shall be lifted with respect to an Eligible Officer when the transfer restriction period for such Eligible Officer expires on the condition that such Eligible Officer has continued to hold the position of a member of the board, executive officer, corporate auditor, expert director, executive director or employee of the Company or any of the Company's subsidiaries throughout the transfer restriction period. Provided, however, that upon the retirement of any Eligible Officer from any or all positions described above due to justifiable reasons satisfactory to the Company or death, the transfer restriction shall be lifted immediately after the relevant event. In such case, the Company will, as a matter of course, acquire at no cost the number of shares obtained by subtracting (x) (a) the number of shares of common stock of the Company allocated to such Eligible Officer pursuant to the Allocation Agreement (the "Allocated Shares") multiplied by (b) the number of months from the month of the paying-in date to and including the month of the date of his/her retirement divided by (i) 12 for outside directors of the Company, or (ii) 36 for other Eligible Officers (however, if the calculation result exceeds one, the value of this item (a) shall be one, and further, however, any fraction less than one share unit (i.e., one hundred (100) shares) arising as a result of calculation shall be rounded up to the nearest hundred) from (y) the number of the Allocated Shares.

In addition, if a tender offer of the common stock of the Company is made as stipulated in the Financial Instruments and Exchange Act, Article 27-2 and the following provisions, if there is a board of directors' resolution for the Company to support and recommend such tender offer to shareholders, and if an Eligible Officer requests to the Company in writing to lift the transfer restriction in order to tender his/her shares into the offer, then the transfer restriction against such Eligible Officer shall be lifted.

(3) Management of the Allocated Shares:

Throughout the transfer restriction period, the Allocated Shares will be managed in a dedicated account to be opened by each of the Eligible Officers with Mizuho Securities Co., Ltd. to ensure that no transfer, pledge or other disposition of such shares will occur during the transfer restriction period. With the view of ensuring the effectiveness of the transfer restrictions on the Allocated Shares, each of the Eligible Officers will enter into certain prescribed contracts with Mizuho Securities Co., Ltd. in relation to management of the accounts for the Allocated Shares held by him/her.

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(4) Claw-back:

If, within three years following the removal of the restriction on transfer of restricted stock remuneration awarded to the Executive Officers of the Company, it has been found that a significant accounting error or misconduct, etc. in the Company group has occurred, the Company, after deliberation, may require that the Executive Officers who have committed or have been involved in such actions return all or a part of the restricted stock remuneration without any consideration.

(5) Treatment in the event of corporate restructuring:

If, during the transfer restriction period, a shareholders meeting of the Company (or the board of directors of the Company (or by the entrusted relevant executive officer), if the approval of the Company's shareholders meeting is not required for the relevant corporate restructuring) approves a merger agreement under which the Company becomes a non-surviving company, an absorption-type company split agreement or an incorporation-type company split plan under which the Company becomes the split company (limited to the case where, as of the effective date of the company split, the Company delivers to its shareholders all or part of the consideration for the company split delivered upon the company split), a share exchange agreement or a share transfer plan under which the Company becomes a wholly owned subsidiary, or any other corporate restructuring-related matter as set forth in the Allocation Agreement, the transfer restrictions on all the Allocated Shares held by the Eligible Officers shall be lifted immediately before the business day preceding the effective date of the relevant corporate restructuring.

3. Grounds for calculation of the paying-in amount and specific details thereof

The Disposition of Treasury Stock is implemented as the restricted stock remuneration under the System in exchange for contribution of the monetary compensation claims granted by the Company and subsidiaries of the Company. In order to eliminate arbitrariness in the disposal value, such value has been set at JPY 713, which is equivalent to the closing price of the common stock of the Company on the Tokyo Stock Exchange as of July 5, 2024 (the business day preceding the date of the board of directors' resolution). The Company believes that this value, which is the market stock price immediately prior to the date of the board of directors' resolution, is rational and not particularly favorable.

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