

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Monex Group, Inc. (security code: 8698)

<Affirmation>

Long-term Issuer Rating: BBB+
Outlook: Stable

Monex Finance Corporation (security code: -)

<Affirmation>

EMTN Program: BBB+
CP: J-2

Rationale

- (1) The Monex Group (the "Group") is a financial group having US online securities firm TradeStation Group, Inc. ("TS"), crypto-asset exchange service provider Coincheck, Inc. ("CC") and other subsidiaries under its umbrella. Monex, Inc. ("MI"), which previously was a consolidated subsidiary wholly owned by holding company Monex Group, Inc. ("MG"), became a consolidated subsidiary of NTT DOCOMO, INC. ("DOCOMO") and equity-method affiliate of MG in January 2024. In December 2024, CC's intermediate holding company Coincheck Group N.V. ("CCG") went public on the Nasdaq Global Market in the U.S. JCR deems the Group's creditworthiness to be the equivalent of BBB+ in light of diverse business bases, a certain level of competitive advantage, sufficient capital level relative to risks and so forth. JCR will watch whether the Group can control volatility while raising the profit level.
- (2) TS, which is responsible for the U.S. segment, has a certain customer base of active traders, albeit a low market share. The number of active trader customers is stable, and assets under management are on the increase. CC, which is responsible for the crypto-asset business segment, has one of the largest customer bases in the crypto-asset industry in Japan, and the number of accounts is on the rise, especially among younger customers. Even after the deconsolidation, MI continues to contribute to the expansion of the Group's business base through its partnership DOCOMO. It is seeing a constant increase in assets under management, helped by the external environment including the penetration of the new NISA program and the brisk stock market, as well as customer acquisition through DOCOMO's channels and customer referral from AEON Bank, Ltd. with which it has a comprehensive business alliance.
- (3) The Group has diverse earnings sources. While CC's performance fluctuates widely, depending on market trends, TS's relatively stable earnings support the Group's profits. Consolidated quarterly profit for the nine months ended December 2024 showed year-on-year growth, when excluding one-time expenses associated with CCG's NASDAQ listing. TS saw strong investment income on US dollar deposits from customers. It also achieved growth in commissions on stock transactions and rebates received from forwarding customer orders to market makers and others (PFOF revenue), thanks to the buoyant stock market. Given stable investment income on US dollar deposits and revenue from active traders' transactions, its profits will likely stay steady for a while longer. CC achieved a sharp increase in profits excluding one-time expenses, with revenue growth thanks to market recovery. As it strictly controls costs and is able to secure stable revenues from the newly launched staking service, it faces a low risk of posting a large loss. Moreover, it receives equity in earnings, business support fees, etc. from MI, which account for a reasonably high percentage of the Group's pretax income. Taking the above factors into consideration, JCR views that the Group can maintain a certain level of profits going forward, too. In the meantime, whether MI can raise its profit level by leveraging DOCOMO's huge customer base to ultimately increase equity in earnings will be watched.
- (4) The Group's consolidated capital at December 31, 2024 was 127.3 billion yen, which is sufficient against risks. Risks associated with CC's crypt-asset transactions are controlled through cover transactions, etc. TS contains risks fairly well as its operations center on retailing. Although it may incur losses in margin, futures, option and other transactions, such losses are not likely to be large.

Issuer: Monex Group, Inc.

MG is the Group's holding company. Its issuer rating is deemed to be at the same level as the Group's creditworthiness. Double leverage ratio, which JCR considers important when determining the degree of structural subordination, remains low. The Group has a policy of investing in growth areas such as asset management to achieve profit growth. Even if this ratio rises due to M&A, etc., JCR considers that it will still remain at a decent level, given the Group's financial management policy, etc.

Issuer: Monex Finance Corporation

Monex Finance Corporation ("MFC") is MG's wholly owned subsidiary responsible for financing and fund provision to other group companies. As TS has a smaller financing size than MI and MI is no longer the Group's financier, financing needs through MFC are declining. MFC secures sufficient credit lines from banks, and thus there are little concerns about liquidity. As MFC's EMTN and CP programs are guaranteed by MG, the ratings reflect MG's issuer rating.

Kengo Sakaguchi, Akira Minamisawa, Naoki Shimura

Rating

Issuer: Monex Group, Inc.

<Affirmation>

Long-term Issuer Rating: BBB+ Outlook: Stable

Issuer: Monex Finance Corporation

<Affirmation>

Program Name: Euro Medium Term Note Programme
Maximum Issuable Amount: Equivalent of JPY 60 billion
Date of Program Established: September 28, 2017
Status: Unsecured and unsubordinated debts ranking pari passu with other unsecured and unsubordinated debts
Credit Enhancement: Guaranteed by Monex Group, Inc.
Covenants: Negative Pledge and Cross Default Clauses
Rating: BBB+
CP (Guaranteed by Monex Group, Inc.): J-2
Maximum: JPY 6 billion

Rating Assignment Date: February 26, 2025

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (October 1, 2024), "Securities" (May 8, 2014) and "Rating Methodology for Financial Groups' Holding Companies and Group Companies" (September 1, 2022) in Information about JCR Ratings on JCR's website (<https://www.jcr.co.jp/en/>).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

A program rating is assigned to evaluate the creditworthiness of a program. The credit standing of an individual note issued under the program may be regarded as the same as that of the rated program. However, JCR does not consider the credit standing of the individual note as the same as that of the program, in the cases where the principal and interest payments of the individual note rely on the credit standing of a third party rather than the issuer of the program and notes (e.g. credit linked notes and exchangeable notes). JCR usually does not assign a rating to the individual note issued under the program, unless the issuer solicits a rating.

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JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)



INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Monex Group, Inc.
Issuer:	Monex Finance Corporation
Rating Publication Date:	March 3, 2025

1

The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2

The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

- Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3

The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

- The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.
- The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule 17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.
 - A) Audited financial statements presented by the rating stakeholders
 - B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(I) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12

Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

<https://www.jcr.co.jp/en/service/company/regu/nrsro/>

13

Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch,

as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14

Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

- The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

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The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Monex Group, Inc.	Issuer(Long-term)	December 1, 2005	BBB+	Stable
Monex Group, Inc.	Issuer(Long-term)	July 5, 2006	BBB+	Stable
Monex Group, Inc.	Issuer(Long-term)	June 12, 2007	BBB+	Stable
Monex Group, Inc.	Issuer(Long-term)	July 11, 2008	BBB+	Stable
Monex Group, Inc.	Issuer(Long-term)	February 12, 2009	BBB+	Negative
Monex Group, Inc.	Issuer(Long-term)	November 30, 2009	BBB+	Negative
Monex Group, Inc.	Issuer(Long-term)	December 9, 2010	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	April 21, 2011	#BBB	Negative
Monex Group, Inc.	Issuer(Long-term)	November 25, 2011	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	December 25, 2012	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	December 20, 2013	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	December 29, 2014	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	December 28, 2015	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	January 16, 2017	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	March 13, 2018	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	July 16, 2019	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	October 23, 2020	BBB	Stable
Monex Group, Inc.	Issuer(Long-term)	December 21, 2021	BBB+	Stable
Monex Group, Inc.	Issuer(Long-term)	January 13, 2023	BBB+	Stable
Monex Group, Inc.	Issuer(Long-term)	March 1, 2024	BBB+	Stable

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Monex Finance Corporation	CP	September 30, 2021	J-2	
Monex Finance Corporation	CP	December 21, 2021	J-2	
Monex Finance Corporation	CP	January 13, 2023	J-2	
Monex Finance Corporation	CP	March 1, 2024	J-2	
Monex Finance Corporation	Euro Medium Term Note	September 28, 2017	BBB	
Monex Finance Corporation	Euro Medium Term Note	March 13, 2018	BBB	
Monex Finance Corporation	Euro Medium Term Note	July 16, 2019	BBB	
Monex Finance Corporation	Euro Medium Term Note	October 1, 2019	BBB	
Monex Finance Corporation	Euro Medium Term Note	August 24, 2020	BBB	
Monex Finance Corporation	Euro Medium Term Note	October 23, 2020	BBB	
Monex Finance Corporation	Euro Medium Term Note	September 1, 2021	BBB	
Monex Finance Corporation	Euro Medium Term Note	December 21, 2021	BBB+	
Monex Finance Corporation	Euro Medium Term Note	January 13, 2023	BBB+	
Monex Finance Corporation	Euro Medium Term Note	March 1, 2024	BBB+	

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Tomohiro Miyao, have responsibility to this Rating Action and to the best of my knowledge:

- A) No part of the credit rating was influenced by any other business activities.
- B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.
- C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

宮尾 知浩

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