



Monex Group to Acquire Boom Group in Hong Kong

TOKYO, July 27, 2010 - Monex Group, Inc. (“MG”– Tokyo, Oki Matsumoto/Representative Director, President & CEO, TSE: 8698) announces that a meeting of the Board of Directors held today resolved that MG would acquire Boom Securities (HK) Limited, Boom.com Limited, Baby Boom Limited, and Boom Solutions Limited (collectively, “Boom Group”), Hong Kong based on-line brokerage company group, from AEX ENTERPRISE LIMITED (“AEX”– British Virgin Islands, Robert Eu/Representative) (“Acquisition”), and signed an agreement for the Acquisition (“Agreement”) with AEX.

1. Purpose of the Acquisition

Positioning overseas business development as one of its high business priority, MG has been launching financial-related businesses in a rapidly growing market, the People’s Republic of China (“PRC”). Though MG, as a group, has been aiming to expand on-line securities business in the Mainland China, it has decided to locate a securities business base in Hong Kong, where it is perceived as an off-shore market of PRC and as a global financial center where the money, information and human resources gather. Boom Group is the first company group to launch internet stock trading in Asia and Pacific region, providing services to retail investors. With the acquisition of Boom Group, MG further focuses on expanding on-line securities business to retail investors.

Vast majority of stakes in AEX, the holding company of Boom Group, is currently held by the Hambrecht Family in the United States of America. WR Hambrecht + Co, a financial services firm founded by William Hambrecht, and MG have jointly established Monex Hambrecht, Inc., providing advisory services for M&A, exploring the introduction of the OpenIPO[®] auction system for initial public offerings.

2. Details of the proposed Acquisition

1) Acquisition / Merger Method

According to the Agreement, AEX will set up an SPC in Hong Kong (“HKSPC”) as its wholly-owned subsidiary and transfer 100% shares of Boom Group to HKSPC. Also, AEX will set up an SPC in Japan (tentative name: “BOOM Group Merger Preparation Godo Kaisha” (“JPSPC”) as its wholly-owned subsidiary and transfer 100% shares of HKSPC to

Contact: Corporate Communications, CEO Office
Michiyo Kubota
+81-3-6212-3750

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JPSPC. After obtaining an approval from Hong Kong Securities and Futures Commission (“SFC”), MG will enter into the merger agreement with JPSPC to conduct an absorption-type merger (*Kyushu-gappei*) under which MG, the surviving company, will merge with JPSPC, the dissolving company (“Merger”). As a result, HKSPC will become a wholly-owned subsidiary of MG and Boom Group will become a wholly-owned sub-subsidiary of MG.

2) Details of Allotment of Shares in relation to the merger

Upon the Merger, MG will allot 65,685 ordinary shares to a partner of JPSPC (equivalent to shareholder of a stock company) in exchange for each of its holding interest in JPSPC.

(Note: AEX will be a sole partner of JPSPC and hold 100% of interest in JPSPC.)

3) Schedule of Acquisition

July 27, 2010	Board meeting held to approve the Agreement
July 27, 2010	Signing of the Agreement
October, 2010 (plan)	SFC approval
October, 2010 (plan)	Board meeting held to approve the merger agreement
October, 2010 (plan)	Signing of the merger agreement
November, 2010 (plan)	Effective date of the Merger

Note: In accordance with the main text of Article 796, Paragraph 3 of the Companies Act, MG will conduct the Merger through the simplified procedures, by which resolutions of the shareholders meeting will not be made.

4) Treatment of Share Acquisition Rights and / or Bonds with Share Acquisition Rights of Dissolving Company

Not applicable

5) Rationale for the Merger Ratio

i) Calculation Basis

To ensure fairness and appropriateness, MG requested independent third-party advisors to perform a calculation of the rationale for the merger ratio (a ratio of per one (1) JPSPC interest to per one (1) MG share value assumed as 1). MG has retained Deutsche Securities Inc. (“Deutsche”) to carry out the respective independent calculations.

Deutsche performed its analysis based on the Market Price Method for MG share as it is

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listed, in order to review the value of MG per share, which is the basis for the merger ratio. Deutsche also performed analysis based on the Comparables Valuation Method and the Discounted Cash Flow Method in order to derive the value of JPSPC per interest and the result of these analyses was submitted to MG for consideration. According to the comprehensive merger ratio analyses conducted by Deutsche, the merger ratio agreed between MG and AEX (per value of interest in JPSPC is equal to 65,685 for per share value in MG share assumed as 1) is considered to be at a fair range to MG's shareholders from a financial point of view. The result indicates the number of MG common shares to be allocated per one (1) JPSPC interest.

In addition, Deutsche has analyzed the stock price (market value) of MG and its comparable companies, which is the basis for the valuation, by calculating the volume weighted average price during the one-year, six-month, three-month and one-month periods that ended on the reference date of July 22, 2010, as well as the volume weighted average price of the reference date.

Deutsche has not assumed responsibility for the independent verification of, and has not independently verified, any information, whether publicly available or furnished to it, concerning MG or JPSPC, including, without limitation, any financial information, forecasts or projections considered in connection with the rendering of its opinion. Moreover, Deutsche has assumed that no undisclosed facts exist that could materially affect the calculation of the merger ratio. Deutsche has not conducted physical inspection of any of the properties or assets, and has not prepared or obtained any independent evaluation or appraisal of any of the assets or liabilities (including contingency liabilities) of MG or JPSPC. With respect to the financial forecasts and projections, including the analyses and forecasts of certain cost savings, operating efficiencies and revenue effects expected by MG and JPSPC to be achieved as a result of the Acquisition, made available to Deutsche and used in its analyses, Deutsche has assumed that they have been reasonably prepared based on the best currently available estimates and judgments of the management of MG or JPSPC, as the case may be, as to the matters covered thereby.

Deutsche's analyses are based upon economic, market and other conditions as in effect on, and the information made available to it as of July 26, 2010. The merger ratio calculation is provided for the use and benefit of, the Board of Directors of MG in determining the merger ratio and is not a recommendation to the shareholders of MG or JPSPC's partner to approve the Acquisition.

MG took the financial conditions and forecasts of Boom Group, the financial forecasts of HKSPC and JPSPC and all possible factors including market trends and financial

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conditions and forecasts of MG and the respective companies into consideration, and went through thorough inspections, negotiations, and discussions with AEX as well as carefully considered the merger ratio analyses provided by the above third-party advisors to MG. As a result, MG concluded that the said merger ratio is fair and appropriate and the contemplated transaction would be beneficial for shareholders of MG. Accordingly, MG held a meeting of the board of directors on July 27, 2010 and approved the Acquisition through the Merger using the merger ratio, and the companies executed the Agreement on the same day.

ii) Relationship with Third Party Appraisers

Deutsche, retained by MG as its financial advisor (third-party appraiser), is independent with respect to MG and JPSPC, is not considered a related party to either MG or JPSPC, and does not hold an interest in reporting on the Merger.

6) Other Terms

In the event of any substantial material change in the financial condition or business performance of the other party, any material breach of any warranties as given by the other party under the Agreement, or any material breach by the other party of its obligations under the Agreement, prior to the Effective Date of the Merger, either MG or AEX may terminate the Agreement, and either MG or JPSPC may terminate the merger agreement. In such case, MG and AEX may amend the terms and conditions of the Agreement, and MG and JPSPC may amend the merger agreement, upon mutual agreement between the relevant parties.

3. Outline of the Surviving Company and Dissolving Company

	Surviving Company As of June 30, 2010	Dissolving Company (To be established in August 2010)
(1) Company name	Monex Group, Inc.	BOOM Group Merger Preparation Godo Kaisha (JPSPC)
(2) Description of business	Holding company of financial instruments business firms	Holding company of financial instruments business firms
(3) Establishment	August 2, 2004	August 2010 (planned)
(4) Head office	1-11-1 Marunouchi, Chiyoda-ku Tokyo	Undetermined
(5) Representative	Oki Matsumoto / Representative Director, President and CEO	Undetermined

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(6)	Capital	8,800 million yen		Undetermined	
(7)	Total number of shares issued	2,991,120		-	
(8)	Net assets	66,737 million yen (Consolidated)		Undetermined	
(9)	Total assets	377,703 million yen (Consolidated)		Undetermined	
(10)	Fiscal year end	March 31		Undetermined	
(11)	Number of employees	292 (Consolidated)		Undetermined	
(12)	Major shareholders and their percentage of holdings (major partner and percentage of interest for JPSPC)	ORIX Corporation	22.5%	AEX ENTERPRISE LIMITED	100%
		Citigroup Japan Holdings Corporation	20.6%	-	-
		Oki Matsumoto	8.7%	-	-
(13)	Main financing banks	Mizuho Corporate Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	
(14)	Main business partners	Monex, Inc.		-	
(15)	Existing relationship of relevant parties involved	Shareholding	None		
		Personnel	None		
		Business	None		
		Applicability of related parties	JPSPC is not regarded as a relevant party of MG. In addition, stakeholders and affiliates of JPSPC is not regarded as a relevant party of MG		

(16) Financial performance for the past three year results

(JPY millions)	Monex Group, Inc.		
	FYE Mar. 2008	FYE Mar. 2009	FYE Mar. 2010
Net assets	45,554	40,066	66,310
Total assets	335,016	235,694	374,688
Book value per share (JPY)	19,664	17,235	22,139
Operating revenues	30,497	24,812	22,499
Net operating revenues	26,988	21,053	19,921
Operating income	13,016	5,269	4,461
Ordinary income	12,811	5,231	4,479
Net income	7,206	(2,144)	3,776

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Net income per share (JPY)	3,080	(928)	1,527
Dividend per share (JPY)	1,550	400	700

	Boom Group		
(HKD thousands)	FYE Jun. 2007	FYE Jun. 2008	FYE Dec. 2009*
Net assets (Liabilities)	(14,630)	15,769	40,619
Total assets	637,376	725,970	902,591
Total revenue	47,226	66,642	75,191
Net profit before tax	11,070	24,607	25,817
Profit after tax	11,373	30,400	24,850

*18 months for this fiscal year

4. Corporate information post merger

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|-----|-----------------------------|--|
| (1) | Company name | Monex Group, Inc. |
| (2) | Description of business | Holding company of financial instruments firm |
| (3) | Head office | 1-11-1 Marunouchi, Chiyoda-ku, Tokyo |
| (4) | Representative | Oki Matsumoto / Representative Director, President & CEO |
| (5) | Capital | 8,800 million yen |
| (6) | Net assets (Consolidated) | Undetermined |
| (7) | Total assets (Consolidated) | Undetermined |
| (8) | Fiscal year end | March 31 |

5. Reporting policy

According to the Accounting Standard for Business Combinations, this transaction will be categorized as a purchase (Purchase method to be applied)

The goodwill amount and the amortization method associated with this transaction are yet to be determined. Fixed amount amortization method will be employed with the appropriate term.

6. Outlook

The effect of the Merger on the MG's consolidated business performance will be limited.

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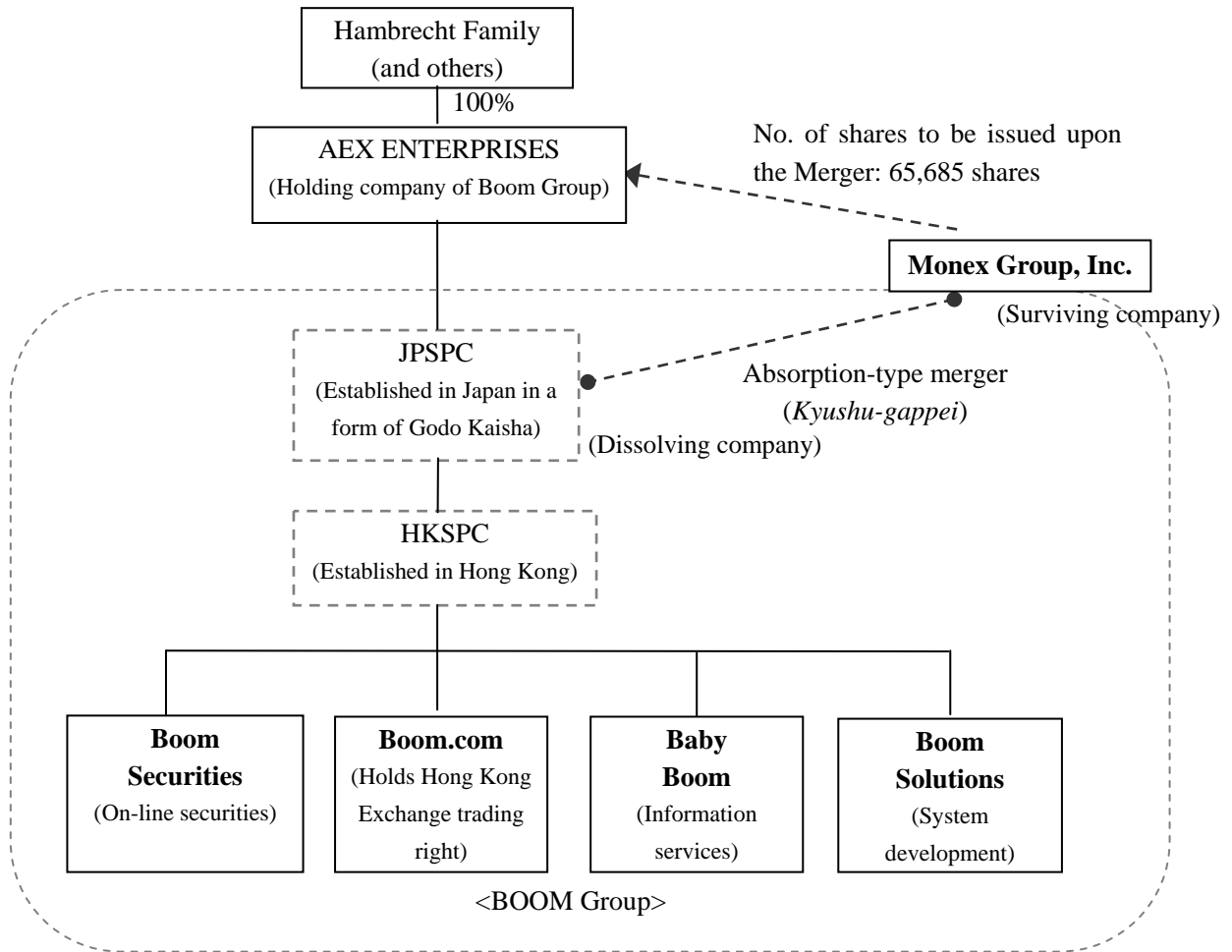
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<Reference>

Acquisition of a controlling stake in Boom Group



Note: Entities in dotted line are to be established
 SPCs are expected to be established in August 2010
 Merger Agreement is expected in October 2010
 The merger and the issuance of shares related to the Acquisition are expected to be effective in November 2010

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