

Monex Group to Transfer MAI Shares to ASTMAX and to Acquire 15% of ASTMAX Shares with Business Alliance

TOKYO, June 26, 2012 - Monex Group, Inc. (TSE:8698, Oki Matsumoto Representative Director, Chairman and CEO, “the Company”) today announced that the Company has agreed to transfer its shares of the asset management subsidiary, Monex Alternative Investments, Inc. (“MAI”), to ASTMAX Co., Ltd. (JASDAQ: 8734, Hiroaki Honda, President & CEO, “ASTMAX”). Aiming to contribute to the corporate value of ASTMAX, the Company has also entered into the business alliance and share purchase agreements with ASTMAX. The Company will acquire 15% of ASTMAX shares, and as the result of this transaction ASTMAX is expected to become an “Equity method affiliated company” of the Company.

1. Background and purpose

(About transferring MAI shares to ASTMAX)

The Company and its main subsidiary, Monex, Inc., one of the major online brokerage firms in Japan, have been offering not only traditional investment products like stock brokerage service and fixed income products but also alternative investment products of world class quality which are exclusively originated by MAI with its advanced asset management techniques. Though MAI was established initially for the purpose of originating alternative investment products for retail clients of Monex, Inc., these products and its track records have been highly evaluated by institutional investors and MAI has come to be awarded the asset manager for pension fund clients of a certain trust bank.

In the meanwhile, the environment of asset management business has become competitive and MAI, as an asset management company, will have to correspond to the forthcoming environmental changes. Considering the situation, the Company comes to the conclusion that it will be the best to integrate MAI into ASTMAX and achieve a scale merit by transferring its stake in MAI to ASTMAX, in order to continuously offer better products to retail investors and pension funds and to maximize values for stakeholders. Other shareholders of MAI will also transfer their shareholdings to ASTMAX and MAI is planned to be a wholly owned subsidiary of ASTMAX.

(About acquiring ASTMAX shares and business alliance)

The Company and ASTMAX entered into the business alliance and will acquire 15% of ASTMAX shares in order to strengthen and enlarge the alternative asset management business base integrating MAI and ASTMAX. Material issues of the business alliance are:

- 1) to maintain and improve product managements and other supplementary services which are currently provided by MAI to Monex, Inc.
- 2) to collaborate in the expected asset management business between ASTMAX and the Company group
- 3) to dispatch one person from the Company to become an external board director of ASTMAX in order to make good use of business alliance

2. Overview of MAI (As of March 31, 2012)

(1)	Company name	Monex alternative Investments, Inc.		
(2)	Office location	1-3-3, Uchisaiwaicho, Chiyoda-ku, Tokyo, JAPAN		
(3)	Representative	Shinichiro Shiraki, CEO and CIO		
(4)	Business description	Discretionary investment management business Investment advisory business Commodity trading advisory business, etc.		
(5)	Capital	95 million yen		
(6)	Establishment	October 22, 2004		
(7)	Major shareholders and their percentage of holdings	Monex Group, Inc.	45.04%	
		Asuka Aseet Management Co., Ltd.	31.15%	
		Individual shareholders	23.81%	
(8)	Financial performances for the last 3 years (in million yen)			
	Fiscal year ended	March 2010	March 2011	March 2012*
	Net assets	99	284	396
	Total assets	101	291	409
	Operating revenues	94	168	341
	Operating income	(35)	13	111
	Ordinary income	(35)	13	112
	Net income	(35)	12	112

*MAI paid out 73.76 million yen of retained earnings for existing shareholders including the Company as of June 25, 2012. The numbers in this table express the ones as of the end of March 2012, before paying out dividends.

3. Overview of ASTMAX (As of March 31, 2012)

(1)	Company name	ASTMAX Co., Ltd. (JASDAQ:8734)		
(2)	Headquarters	2-10-2 Higashigotanda, Shinagawa-ku, Tokyo, Japan		
(3)	Representative	Hiroaki Honda, President & CEO		
(4)	Business description	Commodity futures trading business, discretionary investment management business and investment advisory business		
(5)	Capital	1,720 million yen		
(6)	Establishment	September 14, 1992		
(7)	Major shareholders and their percentage of holdings	Daiwa Securities Group Inc.	17.66%	
		Keisyo Kikaku, Ltd.	13.84%	
		Hideaki Ushijima	7.22%	
(8)	Existing relationship between ASTMAX and the Company	Shareholding	None	
		Personnel	None	
		Business	None	
(9)	Financial performances for the last 3 years (Consolidated, in million yen except per share data)			

Fiscal year ended	March 2010	March 2011	March 2012
Net assets	4,130	3,893	3,880
Total assets	5,540	4,840	4,545
Operating revenues	2,798	1,698	1,611
Operating income	172	(214)	10
Ordinary income	170	(95)	(10)
Net income	(96)	(185)	5
Net income per share (yen)	(798.25)	(1,566.34)	49.73
Dividends per share (yen)	250	—	100

4. Outline of share acquisition (planned)

Shares to be acquired	Common shares of ASTMAX
Date of Acquisition	August 1, 2012
Number of shares to be acquired	19,530 shares (Shareholding ratio after the third party allotment scheduled on August 1, 2012: 15%)
Acquisition price per share	12,093 yen
Ways of Acquisition	2,202 newly issued shares by the third-party allotment 10,758 treasury shares by the third-party allotment 6,570 shares from the existing shareholders
Total acquisition value	236 million yen

5. Time Schedule

June 26, 2012	Execution of the business alliance and share purchase agreements
August 1, 2012	MAI shares to be transferred from the Company to ASTMAX
August 1, 2012	The Company to acquire ASTMAX shares

6. Prospect after these transactions

With acquisition of 15% of ASTMAX shares, the Company is expected to become the second largest shareholder of ASTMAX, and ASTMAX will become an “Equity method affiliated company” of the Company after the Company dispatches one board director to ASTMAX.

After these transactions, the Company is expected to appropriate approximately 400 million yen as the total amount of non-operating income and extraordinary income in the second quarter of the fiscal year ending March 2013. (The amount will be determined by the net asset of ASTMAX and its breakdown will be determined by the share price of ASTMAX.)

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