

Monex Group Acquires Sony Bank Securities to Merge with Monex, Inc. and Monex, Inc. Strengthens Business Alliance with Sony Bank

TOKYO, July 17, 2012 - Monex Group, Inc. (TSE:8698, Oki Matsumoto, Representative Director, Chairman and CEO, “the Company”) today announced that the Company has agreed to acquire all shares of Sony Bank Securities Inc. (Yasuhiro Sugiura, President, Representative Director, “SBS”), a wholly-owned subsidiary of Sony Bank Inc. (Shigeru Ishii President, Representative Director, “Sony Bank”) as of August 1, 2012, and has also agreed to strengthen the business alliance between Sony Bank and Monex, Inc. (Oki Matsumoto, Representative Director, President and CEO, “MI”), a wholly-owned subsidiary of the Company.

After the acquisition, SBS will become a wholly-owned subsidiary of the Company and is planned to be merged with MI by the end of March 2013.

1. Background and purpose

MI has been in a business alliance with Sony Bank for financial instruments introducing brokerage since December 2005 and MI has provided various investment products and services such as stocks, fixed income assets, etc. to Sony Bank customers in addition to deposit and mutual fund services of the bank. While Sony Bank separately owns SBS and has been running the online securities business through SBS so far, at this time Sony Bank agreed to sell SBS to the Company.

In addition to this transaction, the Company and Sony Bank agreed to strengthen the business alliance between Sony Bank and MI aiming to enrich products and services of MI to offer for Sony Bank customers, to expand MI’s customer base, and to build up a closer connection with Sony Bank’s banking function and MI client accounts.

Major products and services which are planned to be enhanced through strengthening the business alliance after the merger of MI and SBS are as follows:

Products	Japanese stocks, Japanese ETF, Japanese REIT, non-Japanese stocks, non-Japanese ETF, non-Japanese bonds, etc.
Services	<ul style="list-style-type: none"> • Sony Bank to promote and introduce its clients to open accounts at MI • Auto login service from Sony Bank’s online account to MI’s online account • Convenient cash transfer function from ordinary deposit at Sony Bank to security account at MI etc.

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

(1) Company name	Sony Bank Securities Inc
(2) Headquarters	3-26, Kanda-nishikicho, Chiyoda-ku, Tokyo, Japan

(3) Representative	Yasuhiro Sugiura, President, Representative Director		
(4) Business description	Financial products and exchange business		
(5) Capital	2,500 million yen		
(6) Establishment	June 19, 2007		
(7) Share Ownership	Sony Bank Inc.	100%	
(8) Existing relationship between SBS and the Company	Shareholding	None	
	Personnel	None	
	Business	None	
(9) Number of accounts	About 57,000		
(10) Customers' assets in custody	30.1 billion yen		
(11) Financial performances for the last 3 years (in thousand yen)			
Fiscal year ended	March 2010	March 2011	March 2012
Net assets	1,649,184	3,177,657	2,626,419
Total assets	2,958,991	4,662,939	4,227,532
Operating revenues	113,452	127,438	99,172
Operating loss	731,731	709,789	530,881
Ordinary loss	505,661	466,511	297,977
Net loss	519,030	471,526	551,238
Net loss per share	17	10	11
Net assets per share	54	63	52

3. Overview of Sony Bank (As of March 31, 2012)

(1) Company name	Sony Bank Inc.		
(2) Headquarters	3-26, Kanda-nishikicho, Chiyoda-ku, Tokyo, Japan		
(3) Representative	Shigeru Ishii, President, Representative Director		
(4) Business description	Banking business		
(5) Capital	31,000 million yen		
(6) Establishment	April 2, 2001		
(7) Share Ownership	Sony Financial Holdings Inc.	100%	
(8) Existing relationship between Sony Bank and the Company	Shareholding	None	
	Personnel	None	
	Business	None However, Sony Bank provides financial instruments introducing brokerage service to the Company's wholly-owned subsidiary, MI	
(9) Number of accounts	About 899,000		
(10) Customers' assets in custody	1,846.3 billion yen		

4. Overview of share acquisitions

(1) Number of shares owned before transfer	0 shares (Shareholding ratio: 0%)
(2) Number of shares to be acquired	50,000 shares (Acquisition price: about 2,255 million yen*)
(3) Number of shares to be owned after transfer	50,000 shares (Shareholding ratio: 100%)

*About acquisition price

The acquisition price was calculated considering that SBS holds about 2,650 million yen of cash and cash equivalent ([the sum of Cash and deposits, Cash segregated for customers and Margin transaction assets] minus [the sum of Deposits received, Guarantee money received and Margin transaction liabilities]) as of FYE March 2012, business valuation of SBS and estimation of one-time cost concerning system and client account integration to merge SBS into MI.

5. Time Schedule (planned)

July 17, 2012	Resolution of the Board of Directors
	Signing of the business alliance and share purchase agreements
August 1, 2012	Share acquisition
By the end of March 2012	Merge SBS into MI

6. Prospect after the transaction

After the share acquisition, SBS will become a wholly-owned subsidiary of the Company and the Company will send 2 people to SBS to become the Representative Director and a Director. SBS is planned to be merged into MI by the end of this fiscal year (March 31, 2013).

Strengthening business alliance between Sony Bank and MI will commence upon this merger.

By the above mentioned share acquisition and planned integration, The Company expects to recognize 0.9-1 billion yen of negative goodwill as an extraordinary income in the second quarter of this fiscal year (July-September, 2012). The detail will be disclosed once fixed.

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