

MONEX GROUP

Monex, Inc. and Sony Bank Securities Entered into a Merger Agreement

TOKYO, November 19, 2012 - Monex Group, Inc. (“the Company” - Oki Matsumoto /Representative Director, President & CEO, TSE: 8698) today announced that Monex, Inc. (“Monex”) and Sony Bank Securities Inc. (“Sony Bank Securities”), both the Company’s wholly-owned subsidiaries, have entered into a merger agreement.

1. Purpose of the Merger

The Company has made Sony Bank Securities a wholly-owned subsidiary through a cash transaction effective August 1, 2012. Through this transaction, the Company has intended to merge Monex and Sony Bank Securities and also to strengthen the business alliance between Monex and Sony Bank Inc. (“Sony Bank” - Shigeru Ishii, President, Representative Director) focused on financial instruments introducing brokerage. The business alliance is aiming to enrich products and services of Monex to offer for Sony Bank customers, to expand Monex’s customer base, and to build up a closer connection with Sony Bank’s banking function and Monex client accounts.

Pursuant to this plan, both companies have decided to merge effective January 12, 2013 (scheduled).

2. Executive Summary of the Merger

1) Merger Schedule

November 19, 2012:	Each of the subsidiaries held a board meeting to approve the merger agreement
November 19, 2012:	Execution of the merger agreement
November 21, 2012 (scheduled):	Sony Bank Securities to hold a general meeting of shareholders to approve the merger agreement
January 12, 2013 (scheduled):	Effective date of the merger

*An approval of the merger agreement by a general meeting of shareholders of Monex is not required as Monex will adopt a simplified merger (*kan-i-gappei*) method stipulated under Article 796, Paragraph 3 of the Companies Act)

2) Merger Method

This transaction will be effected as an absorption-type merger (*kyushu-gappei-hoshiki*) under

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which Sony Bank Securities will be merged into the surviving company, Monex, and be dissolved.

3) Allotment as a Result of the Merger

There will be no allotment nor other arrangement of shares made as a result of the merger because Monex and Sony Bank Securities are the wholly-owned subsidiaries of the Company. No new shares will be issued and no money will be delivered in connection with the merger.

3. Outlines of the Surviving Company and Dissolving Company

(As of November 19, 2012)

	Surviving Company	Dissolving Company
(1) Company name	Monex, Inc.	Sony Bank Securities Inc.
(2) Business	Financial instruments business	Financial instruments business
(3) Incorporation date	May 20, 1999	June 19, 2007
(4) Location of head office	4-1, Kojimachi 2-chome Chiyoda-ku, Tokyo, Japan	3-26, Kanda-nishikicho Chuo-ku, Tokyo, Japan
(5) Name and title of representative	Okii Matsumoto Representative Director, President and CEO	Takuya Yamanaka President and Representative Director
(6) Capital	7,425 million yen	2,500 million yen
(7) No. of issued shares	226,400 shares	50,000 shares
(8) Fiscal year end	March 31	March 31
(9) Major shareholder and holding ratio	100% held by Monex Group, Inc.	

4. Status of Surviving Company after the Merger

- 1) Company name: Monex, Inc.
- 2) Business: Financial instruments business
- 3) Location of head office: 4-1, Kojimachi 2-chome, Chiyoda-ku, Tokyo
- 4) Name and title of representative: Okii Matsumoto, Representative Director, President and CEO
- 5) Capital: 7,425 million yen (there will be no increase in capital as a result of the merger)
- 6) Fiscal year end: March 31

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5. Outlook

As a consequence of the merger, the Company will improve management efficiency by reducing the costs and expenses currently incurred by Sony Bank Securities, and will strengthen the business alliance between Sony Bank and Monex. The Company is expected to recognize 0.1 billion yen of integration costs and minus 0.9 billion yen of income tax adjustment (positive impact to the net income) in the fourth quarter of this fiscal year (January-March 2013) as announced in the press release dated September 21, 2012 “Additional Disclosure about Extraordinary Income, etc. Related to Acquisition of Sony Bank Securities and its Merger with Monex, Inc.”

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