

# MONEX GROUP

## **Notice regarding accrual of reserves based on its subsidiary's decision to terminate an outsourcing contract regarding data system operation**

- Showing progress in our fixed-type cost reduction plan -

TOKYO, November 20, 2015- Monex Group, Inc. announces that Monex, Inc., its wholly owned subsidiary, has decided to terminate an outsourcing contract regarding data system operation for the purpose of replacing its backbone brokerage system. It also announces that expenses are expected to be incurred as a reflection of the decision to terminate the outsourcing contract.

### 1. Reason for terminating the outsourcing contract

Monex, Inc. has been developing a new backbone brokerage system in order to reduce its fixed-type costs. Monex, Inc. decided to terminate an outsourcing contract to operate data systems for trading financial instruments effective as of September 30, 2016.

### 2. Impact on the business performance

It is expected that, in the third quarter of the fiscal year ending March 31, 2016, approximately 2.4 billion yen will be reserved as expenses for terminating the outsourcing contract.

### 3. Prospect

Among the overall data processing expenses incurred in the Japan segment for the first half of the fiscal year ending March 31, 2016, which was 2,787 million yen in total, the cost arising from this outsourcing contract accounted for about 60% of the amount. Thus, the termination of this outsourcing contract will result in reducing the amount of data processing expenses on and after October 2016.

The expected amount to be invested in a new backbone brokerage system during the period from the present time to September 2016, including the amount which was already invested but yet to start amortization, is approximately 11.4 billion yen. Those parts of the new brokerage system to be invested as described above will start their operations in sequence during the period from December 2015 to September 2016 and the amount invested in developing each of such parts will start its amortization from the time during that period in accordance with the timing of commencement of its operation.

As such, our fixed-type cost reduction efforts are in progress as planned.

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