



Monex Alternative Investments Signs LOI for Merger

TOKYO, October 26, 2010 – Monex Group, Inc. announces that its subsidiary, Monex Alternative Investments, Inc. (President: Shigeo Mizuta, “MAI”), and Asuka Commodity Investments Co., Ltd. (CEO: Shoichiro Ishibashi, “ACI”) have signed the Letter of Intent (LOI) to form a merger. Based on the LOI, MAI and ACI will integrate their businesses and organizations by way of the absorption-type merger under which MAI will absorb ACI in January 2011.

1. Overview of this Merger

MAI intends to expand its business by acquiring independent alternative asset management firm, ACI, which runs commodity trading advisory business. The goal of the merger is to pursue further growth in its alternative asset management business and to become the leading asset management firm in Japan with dedication in alternative investments products, such as fund of hedge funds, private equity funds and commodity investments.

Both companies will work closely to enter into the merger agreement by the end of November 2010 and make the merger effective in January 2011.

2. Outline of the Surviving Company and Absorbed Company (As of September 30, 2010)

	Surviving company	Absorbed company
Name of Company	Monex Alternative Investments, Inc.	Asuka Commodity Investments Co., Ltd.
Description of Business	Discretionary investment management business Investment advisory business	Commodity trading advisory business
Establishment	October 22, 2004	October 17, 2005
Head Office	1-3-3 Uchisaiwaicho, Chiyoda-ku Tokyo, Japan	1-3-3 Uchisaiwaicho, Chiyoda-ku Tokyo, Japan
Representative	Shigeo Mizuta, President	Shoichiro Ishibashi, CEO
Capital	95 million yen	250 million yen
Directors and Employees	11	7

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Major Shareholders and their percentage of holdings	Monex Group, Inc.	55%	Asuka Asset Management Co., Ltd.	40%
	Asuka Asset Management Co., Ltd.	45%	Others (Individual Investors)	60%
Financial business license Registration No.	Financial instrument firm, Director General of Kanto Local Finance Bureau (Kinsho) No.1078		CTA Business Operator, Minister of Agriculture, Forestry and Fisheries; Minister of Economy, Trade and Industry (1) #16	
Asset Under Management (TBC)	20.7 billion yen		7.5 billion yen	

3. Condition after the Merger (scheduled)

Name of Company	Monex Alternative Investments, Inc.		
Description of Business	Discretionary investment management business Investment advisory business Commodity trading advisory business (under the condition of approvals by METI and MAFF and of notification to FSA)		
Head Office	1-3-3 Uchisaiwaicho, Chiyoda-ku, Tokyo		
Representative	Undetermined		
Capital	Undetermined		
Major Shareholders and their percentage of holdings (voting rights)	Monex Group, Inc.	51%	
	Asuka Asset Management Co., Ltd.	26%	
	Others (Individual Investors)	23%	

*Prospected percentage of voting rights after this transaction, excluding non-voting shares to be issued to individual investors.

4. Perspective

Financial impact by this transaction is limited.

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