

MONEX GROUP

Announcement of Subsidiary's Release

TOKYO, January 31, 2019 – Monex, Inc., a fully owned subsidiary of Monex Group, Inc., issued the following press release today.

Attachment: Summary of Monex, Inc. press release

Launch of the Monex Activist Forum

- Monex, Inc. to promote the market activist investors change -

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Launch of the Monex Activist Forum

- Monex, Inc. to promote the market individual activist investors change –

TOKYO, January 31, 2019 - Monex, Inc. (head office: Minato-ku, Tokyo; president: Oki Matsumoto) is pleased to launch an initiative called Monex Activist Forum in an aim to facilitate communication between individual traders and Japanese companies.

■ Background to the launch

Due in part to increased earnings levels of Japanese companies since the end of 2012, Japanese stock prices had been rising. However, the Japanese stock market has begun showing signs of change. In 2018, the yearly Nikkei Stock Average fell for the first time since 2012; net selling of Japanese stocks by foreign investors hit the highest since the same time. Stock market indexes such as PER and PBR have slipped to all-time lows as well.

Many Japanese stocks are held by individual investors and those directly owned alone account for 17% of the total. If individual investors take action, they could have the potential to change the Japanese stock market. Currently, however, they do not exercise their shareholders' rights nor understand the rights to fullest extent. For this reason, passive investment has become widespread where individual investors do not need to face companies proactively but invest in the stock indexes instead of individual stocks,.

Monex believes that if communication between individual investors and Japanese companies improves, the Japanese market can be activated and stock prices could rise. With increased attention to individual investor's view by Japanese companies and increased understanding of Japanese companies by individual investors, individual investors can directly invest in individual companies with confidence.

■ Objective

Under this initiative, Monex will improve communication between individual investors and Japanese companies to prompt companies to review shareholder returns and individual traders to understand Japanese companies better, thereby enhancing Japanese stocks' evaluation. It will strive to deepen individual traders' understanding of shareholders' rights and companies and encourage them to exercise their rights properly.

Specifically, we will promote activities to educate individual traders, including our customers, on shareholders' rights and encourage them to serve as activists. Moreover, it will organize a large-scale event targeting individual investors before the annual shareholders meeting season in June 2019 and propose particular voting rights be exercised.

This initiative has obtained buy-in from experts with a wealth of experience in terms of the relationship between financial markets, Japanese companies and individual investors. As of today, the advocates are as given below. We will continue to join hands with funds and companies that share the philosophy.

■ Schedule for activities

February 2019	Provision of seminars/content targeting individual traders on shareholders' rights and the relationship between Japanese companies and shareholders
	Launch of a new website
March 2019	Proposal for the exercise of voting rights at companies with the fiscal year ending March 31, 2019 in cooperation with activists both at home

and abroad and individual investors
May 2019 Holding of a large-scale event targeting individual traders, where we
propose voting rights be exercised

These will be followed by activities that can realize individual investors' profits, better capital markets and better ways of individual traders' dealing with money.

Moving forward, Monex will continue to offer "the Future of Money" with creativity that are based on new ideas and perspectives beyond the traditional framework as stated in the Monex Group's brand statement "[For Creative Minds](#)" launched in November 2018, the new "money future" We will always propose.

■ **Advocates (as of January 31, 2019, the syllabary order in Japanese)**

SPARX Group Co., Ltd., CEO, Shuhei Abe

WisdomTree Asset Management, Senior Adviser, Jesper Koll

Commons Asset Management Inc., Chairman, Ken Shibusawa

Rheos Capital Works Inc., CEO, Hideto Fujino

Waseda University Graduate School of Accountancy, Visiting Lecturer, Ph.D. of Economics, Ryohei Yanagi

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