

# MONEX GROUP

## Announcement of Subsidiary's Release

TOKYO, March 12, 2019 – Monex, Inc., a fully owned subsidiary of Monex Group, Inc., issued the following press release today.

Attachment: Summary of Monex, Inc. press release

Monex expands general margin trading services (indefinite period) by enabling investors to make short trades

- Offering stock lending rate of 1.50% for the first six months -

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This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.

## Monex expands general margin trading services (indefinite period)

### by enabling investors to make short trades

#### - Offering stock lending rate of 1.50% for the first six months -

TOKYO, March 12, 2019 - Monex, Inc. (Headquarters: Minato-ku, Tokyo; Representative Director: Oki Matsumoto) announced today its plan to enable investors to make short trades with an indefinite repayment period tentatively starting the evening of Saturday, March 23, 2019, as part of the company's general margin trading services.

#### ■ Background

Monex, Inc. has only offered long trades so far as part of its general margin trading (indefinite period), but the company has decided to offer short trading in response to requests from customers. In addition, Monex, Inc. will offer a stock lending rate of 1.50%, one of the lowest among the major online brokers<sup>1</sup>, for six months from the start of the services until trades that are delivered on Friday, September 27 (date tentative).

#### ■ Features

##### (1) Short trades with no repayment period

Under the system margin trading terms, the repayment period is set for a maximum of six months, but short trades under the general margin trading scheme do not have such a repayment period<sup>2</sup>. Therefore, investors are able to trade without worrying about their open positions being forced into settlement because of the repayment period<sup>3</sup>.

##### (2) No cost of negative interest per diem

The system margin trading terms sometimes generates additional costs, called "negative interest per diem," when there are increased needs for short trading as a result of news headlines and earnings announcements. The general margin trading, however, does not generate negative interest per diem because investors lend stocks without using securities finance companies. Investors do not need to worry about additional costs to hold stocks for longer-term or to necessitate hedge selling.

##### (3) Approximately 280 stocks available for short trades

At the start of the new service, which is currently planned to be implemented the evening of Saturday, March 23, 2019, approximately 280 stocks will be available for short trades.

#### Overview of the margin trading<sup>4</sup>

Long/Short	System Margin Trading		General Margin Trading	
	Long	Short	Long	Short
Repayment Period	Six months		Indefinite	
Stocks covered	Trading is possible only after each exchange selects a particular stock as a "system margin trading stock."		In principle, the trading is possible from the first day of the stock getting listed. (Short trades will be possible	

			after Monex, Inc. selects stocks to be covered.)	
Margin	2.80%	-	3.47%	-
Stock lending rate	-	1.15%	-	1.50 <sup>5</sup> %
Negative interest per Diem	Need to receive	Need to pay	Not applicable	
Fee	Minimum 95 yen (excluding tax), depending on the trading course			
Maximum open position (total amount)	In principle, 1 billion yen at first <sup>6</sup>			

Notes:

1. Major online brokerages include SBI Securities, Kabu.com Securities, Matsui Securities, Rakuten Securities and Monex, Inc. (As of March 12, 2019)
2. Investors need to be aware that Monex, Inc. may make forced repayment of the short trade open positions held by investors after the next business day for the reasons attributable to the company.
3. Investors need to be aware that Monex, Inc. may set the forced repayment period in events including delisting, share consolidation, merger, share exchange, share transfer and etc.
4. Additional costs may be incurred that are not described in the overview of the services.
5. The rate is applied to trades that are delivered by Friday, September 27 (tentative). The stock lending rate of 2.00% will be charged on margin trade delivered after September 30.
6. Different maximum amounts are applied for corporate clients and customers who use “Start Margin Trading” services.

As outlined in “[For Creative Minds](#),” a brand statement announced by Monex Group in November 2018, Monex, Inc. is committed to proposing innovative, “future finance,” with a creative mindset, leveraging new ideas and perspectives that go beyond the traditional framework.

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