

## **Announcement of Subsidiary's Release**

TOKYO, October 1, 2019 – Monex, Inc., a fully owned subsidiary of Monex Group, Inc., issued the following press release today.

Attachment: Summary of Monex, Inc. press release

The Japan Security Token Offering Association Established

---

Contact:	Akiko Kato Corporate Communications Office Monex Group, Inc. +81-3-4323-8698	Atsushi Demoto, Yuki Nakano Investor Relations, Financial Control Department Monex Group, Inc. +81-3-4323-8698
----------	---	---

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.

## **The Japan Security Token Offering Association Established**

TOKYO, October 1, 2019 - Monex, Inc. (Headquarters: Minato-ku, Tokyo; Representative Director and President: Yuko Seimei, hereinafter “Monex”) announced that, together with five other securities companies including SBI Securities Co. Ltd., kabu.com Securities Co. Ltd., Daiwa Securities Co. Ltd., Nomura Securities Co. Ltd., and Rakuten Securities, Inc., it has established the Japan Security Token Offering Association, a General Incorporated Association, (Headquarters: Minato-ku, Tokyo; Chairman: Yoshitaka Kitao; hereinafter “the Japan STO Association”) effective, October 1, 2019. As a General Incorporated Association, the Japan STO Association primarily works to develop self-regulations regarding security token offerings (“STO”), a form of digital financing methodology, with an aim of the healthy development of STO fund-raising model.

In financing through an STO model, issuers offer investors security tokens, securities issued through digital means such as blockchain, instead of issuing equities and other securities as in a traditional financing model. Unlike initial coin offerings (“ICO”), which has experienced some fraudulent cases, issuance and trading of security tokens are legally recognized and prescribed. STOs have been gaining popularity in the U.S. and other countries as a new methodology of financing. Japan is also following the trend and is ensuring that sufficient conditions are in place for STOs to become widely used. For example, in May 2019, “Amendments to the Payment Services Act, etc. in response to diversification of financial transactions associated with the development of information communication technology” was enacted in which "Rights to Transfer Electronically-Recorded Claims" is prescribed.

The Japan STO Association intends to consolidate expertise on securities businesses from among securities companies and other entities so that the STO business opportunities can be explored and developed in Japan. The association also strives to ensure compliance of laws and regulations as well as investor protection, while preventing illegal activities including unfair trading and money laundering. To this end, the association is planning to obtain certification as an Authorized Financial Instruments Firms Association based on the Financial Instruments and Exchange Act and to fully leverage its capabilities as a self-regulatory organization.

The Japan STO Association is committed to the development of STOs in Japan which it believes will contribute to a more active capital market and development of the real economy.

■ **Overview of the Japan STO Association**

Name	Japan Security Token Offering Association
Location	1-6-1 Roppongi, Minato-ku, Tokyo
Date of establishment	October 1, 2019
Founding membership	Daiwa Securities Group Inc., kabu.com Securities Co., Ltd., Monex, Inc., Nomura Securities Co., Ltd., Rakuten Securities, Inc., SBI SECURITIES Co., Ltd. (Alphabetical order)

■ **Board of Directors**

Chairman	Yoshitaka Kitao, Representative Director and Chairman of SBI SECURITIES Co., Ltd.
Director	Atsushi Itaya, Senior Managing Director of Daiwa Securities Group Inc.
Director	Yuji Kusunoki, Representative Director and President of Rakuten Securities, Inc.
Director	Masakatsu Saito, Director, President and CEO of kabu.com Securities Co., Ltd.
Director	Taro Sato, Former Chairman of Japan Security Token Association (JSTA)
Director	Yuko Seimei, Representative Director & President, Monex, Inc.
Director	Chuzaburo Yagi, Senior Managing Director of Nomura Holdings, Inc.
Auditor	So Saito, Partner at So & Sato Law Offices

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.

---

Contacts: Maho Tsugawa  
Public Relations Office, Monex, Inc.  
+81-3-4323-3981

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 outside Japan.