

MONEX GROUP

Announcement of Subsidiary's Release

TOKYO, October 26, 2020 – Monex, Inc., a wholly owned subsidiary of Monex Group, Inc., issued the following press release today.

Attachment: Summary of Monex, Inc. press release

Stock-lending service enhanced

- Can now be used with margin trading accounts -

Contact: Akiko Kato
Corporate Communications Office
Monex Group, Inc.
+81-3-4323-8698

Yuki Nakano, Minaka Aihara
Investor Relations, Financial Control Department
Monex Group, Inc.
+81-3-4323-8698

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October 26, 2020

Monex, Inc.

Stock-lending service enhanced

~Can now be used with margin trading accounts~

TOKYO, October 26, 2020 – Monex, Inc. (headquarters: Minato-ku, Tokyo; Representative Director and President: Yuko Seimei; hereinafter, Monex) is pleased to announce that customers who have margin trading accounts will now be able to utilize stock-lending services starting Friday, November 6, 2020 (scheduled). This allows customers with margin trading accounts to use margin trading collateral stocks to earn interest from stock-lending.

■ Background

Monex was the first in the industry to begin offering stock-lending services in January 2003 and has since continued to enhance its stock-lending services with such offerings as a service where customers can automatically receive shareholder benefits and dividends, bonus interest stocks and others. However, until now, customers with margin trading accounts were not able to use stock-lending services. In response to numerous requests, Monex has enhanced its services to allow the combined use of margin trading accounts with stock-lending services for greater customer convenience.

■ Overview

Customers with margin trading accounts will now be able to use their owned shares as substitute securities for margin trades and receive stock-lending interest rates. Substitute securities used for stock lending will be assessed in the same manner as if they were not being loaned out, thereby not affecting maintenance rates. In addition, loaned shares can be sold easily without special procedures.

In conjunction with this enhancements, the following is a comparison of the stock lending services for substitute securities of the major online securities companies (*1).

	Monex	au Kabucom Securities	SBI Securities	Matsui Securities	Rakuten Securities
Substitute stocks for stock-lending service	Available	Partially Available*2	No Service Available	Available	Available

*1 As of October 26, 2020. Researched by Monex. Major online brokers include SBI Securities Co., Ltd., au Kabucom Securities Co., Ltd., Matsui Securities Co., Ltd., Rakuten Securities, Inc. and Monex, Inc.

*2 For services that use substitute securities, au Kabucom offers a service whereby it gives back a portion of the interest rate to the customer when the substitute securities are loaned out to a financial or other institution.

■ Stock-lending services

With stock-lending services, customers lend their shares to Monex, and Monex in turn pays an appropriate stock-lending interest rate. By lending their shares to Monex, customers are able to earn interest income. While customers are usually granted an interest rate of 0.1% (annual rate), some shares are considered bonus interest stocks, which are eligible for higher interest rates (up to a maximum 10% (annual rate) (as of October 5, 2020)), and Monex is constantly working to add to this list of bonus interest stocks. By making settings for the automatic receipt of dividends and shareholder benefits, stock lending is automatically suspended right before the vesting date so that customers can receive shareholder benefits and dividends without any specific procedures. Monex is also developing a service enhancement that will enable customers who own shares with continuous holding requirements to automatically receive shareholder benefits as well. Currently, these customers must specifically remove these shares from the stock-lending service to receive benefits.