



Company Name: Morningstar Japan K.K.

(Security Code: 4765)

(Company shares are listed and traded on the JASDAQ Market of the Tokyo Stock Exchange)

Company Representative: Tomoya Asakura, Representative Director & President,

Information-Disclosure Officer: Kazuhisa Ogawa, Administration Director

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## **Commencement of the Investment Advisory Service using the ‘Robo Advisors’ tool for Members of Defined Contribution-type Pension Plans**

Morningstar Japan K.K. (Head office: Minato-ku, Tokyo, Company Representative: Tomoya Asakura; hereinafter referred to as ‘MJKK’), the provider of financial services principally with a particular focus on research and rating information about mutual funds, is pleased to announce that MJKK is set to launch a new type of investment advisory service via its wholly owned subsidiary, Morningstar Asset Management Co., Ltd. (Head office: Minato-ku, Tokyo, Company Representative: Tomoya Asakura; Morningstar Asset Management Co., Ltd. is licensed to engage in the financial instrument business by the Director General of Kanto Local Finance Bureau, license No. 1106). MJKK will operate the advisory service using ‘robo-advisors’, the automated, algorithm-based portfolio management tool, for members of defined contribution-type pension plans (hereinafter referred to as ‘the pension plan’). The tool is designed to provide effective advice on the member-specific portfolio structuring and investment product selection both their pension contributions and reserves.

For the latest years, there has been growing attention to ‘Fintech’, a combination term of ‘Finance’ and ‘IT’, a trend in financial services drawing fully upon the strength of information technology. The ‘robo-advisor’-based fund management consultation is one of the main Fintech services, but the application of the technology for servicing members of the pension plan will be the first ever case in Japan.

A few financial institutions engaged in mutual fund sales in Japan have already adopted MJKK’s ‘robo-advisors’-based fund management tool. MJKK will make necessary adjustments to the tool to meet the needs of individual members of the pension plan.

For businesses that have already adopted the corporate-type pension plan, MJKK has provided various types of services, such as investment product range appraisals, educational seminars for members of the corporate-type pension plan and presentations of investment product analysis and evaluation information. Therefore, the new investment advisory service using the ‘robo-advisors’ tool is expected to further enhance MJKK’s ability to contribute to, from different angles, the

formulation of assets for employees, who are members of the pension plan.

Since its introduction, the number of companies that have adopted the corporate-type pension plan amounted to 21,403 by the end of January 2016 and the membership as at the end of December 2015 stood at 5,473 (data by the Ministry of Health, Labour and Welfare). In the U.S., an advanced country in terms of penetration of the pension plan, Morningstar Inc. holds a dominant position in the domain of investment education and advice for members of the pension plan.

Looking ahead, it is expected that more businesses will adopt the corporate-type pension plan, and the regulations for the personal-type pension plan will be amended. In light of this, MJKK is planning to provide comprehensive investment education and advice services in the personal-type pension plan market that has the potential of substantial membership growth.

The launch of the robo-advisors tool service is forecast to have little impact on the consolidated operating results for the year ending March 31, 2016. Meanwhile, its impact on the financial performance of MJKK Group for the next and subsequent fiscal years has not yet been estimated, however MJKK believes that the service may exhibit substantial growth.

Thank you.

\* \* For inquiries about this announcement, please contact - \* \* \* \* \*  
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