

Monex Group moved into
new headquarters office in July 2012



Entrance

We Will Continue to Provide World-Class Financial Services as a Full Service Online Financial Institution



MONEX GROUP
Monex Group, Inc.

The Monex Group views its mission as being to create a global full service online financial institution, unlike anything that exists in the conventional financial world, in order to provide world-class financial services to individual investors. This belief permeates the entire Group as a part of its unchanging DNA, and the distinctive Monex approach of pursuing innovation and undertaking challenges has been passed down to the present day. Moving forward, the Monex Group will continue to employ its flexible thinking and exceptional foresight to pioneer new forms of financial business.

Business Principles

“MONEX” stands for the future of finance, one step advanced from “MONEY.”

The Monex Group is aspiring to empower traders and investors worldwide with best of breed technology, education, service, and financial professionalism to provide access to top financial markets globally.

Code of Conduct

- Celebrating the diversity of each and every one of our customers and employees
- Driving the future of technology and first class financial professionalism that empowers traders and investors
- Creating new value to contribute to all stakeholders

This is an English translation of Annual Report 2012 of Monex Group, Inc. (“the Company”). The descriptions herein concerning the products, services, etc. that are handled by the Company’s group companies (“the Group Companies”), are made only for disclosure purposes and are given to describe matters that are required for providing specific explanations concerning the Company. Therefore, this material is not intended to recommend, or conduct solicitation for, any of such products, services, etc.

Any party who wishes to actually purchase products, services, etc., handled by the Group Companies may be required to take necessary advance procedures designated by the relevant group company including opening of an account, and to pay fees and/or expenses as designated by the relevant group company. Each of the traded products may suffer a loss in the invested principal due to fluctuation of price and other factors. In addition, the investors may be required to pledge a designated amount of margin deposits upon conducting margin trading, futures and option transactions, foreign exchange margin trading or exchange equity index margin contracts. There is a risk that the investor may suffer losses exceeding the amount of margin deposits (initial investment) provided for such trading.

For more details concerning important matters such as the products and services offered by the Group Companies and the fees or risks associated with each product, please refer to the website of the relevant group company.

Consolidated Financial Highlights	3
Letter to Shareholders and Investors	4
Interview with CEO	5
Special Feature 1: Global Vision	7
Special Feature 2: Roadmap	9
Topics of the Year	11
Corporate Social Responsibility at Monex	13
Corporate Governance	15
Board and Management	17
Financial Section	19
Monex History	45
Stock Information	46
Corporate Information	47



Meeting room with interpreter's booth



New press room

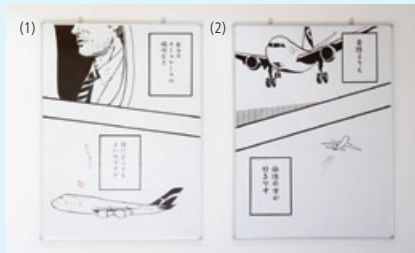
About the Cover Page



Title:
take off / landing

ART IN THE OFFICE

This year's winning art



Texts inside the balloon;
(1) It's not that big of a deal, where my suitcase is but... I wonder where?
(2) I like it when the airplane is departing, than landing

Tomoko Fukushi

Profile

Graduated from Tokyo University of the Arts Graduate School (Ph.D.) in 2005 and created abstract paintings in her earlier career. Recently, she works using white boards, permanent markers, and magnets in the style of Japanese manga. By using



words with double meanings Fukushi welcomes multiple interpretations of her works, while expressing the ambiguity of the society we live in today. Winner of the grand prize at "SICF 12" (2011) organized by the cultural facilities complex, SPIRAL. For the "Street Painting Project," exhibited work "Look, Look at me ☆ Don't Look" (2011-2012) on the temporary enclosure around the Tokyo Metropolitan Theatre. Her latest manga works "Shoujo Gacho" (Girl's Sketchbook) can be viewed via the artist's website.

The Group started the ART IN THE OFFICE program in 2008 as part of its social and cultural activities with the aim of supporting young contemporary artists. The program seeks applications from artists of works to be installed on the wall of the new press meeting room within Monex's new headquarters. This year, Tomoko Fukushi was selected from 106 applicants.

This artwork was based on the image of a space where a variety of people come from across the world to share the latest information, and then set off again to their next destination. The pieces lead the viewer to imagine an airport busy with people coming and going.



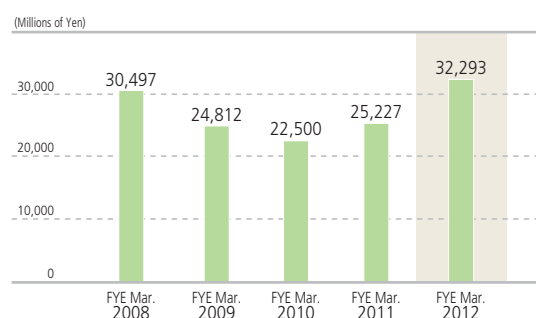
Consolidated Financial Highlights

(Millions of Yen)

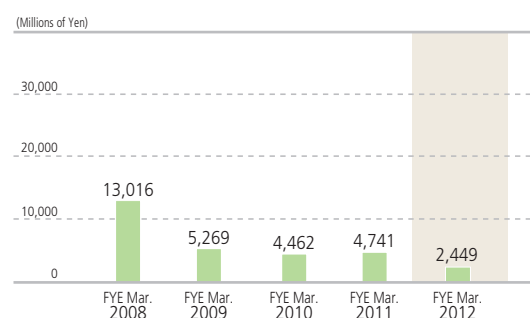
	FYE March 2008	FYE March 2009	FYE March 2010	FYE March 2011	FYE March 2012
Operating revenues	¥ 30,497	¥24,812	¥22,500	¥25,227	¥32,293
Operating income	13,016	5,269	4,462	4,741	2,449
Net income (loss)	7,206	(2,144)	3,776	1,993	1,422
Total assets	335,016	235,694	374,689	365,731	535,663
Net assets	45,554	40,066	66,310	71,026	72,460
EBITDA*	12,892	6,668	5,428	5,336	6,179
Net assets per share (yen)	19,665	17,235	22,140	22,154	24,093
Net income (loss) per share (yen)	3,081	(929)	1,527	648	467
Cash dividends per share (yen)	1,550	400	700	500	200

*Net income + interest cost (excluding financial expenses caused by margin trading) + income taxes + depreciation and amortization + devaluation loss of investment securities + disposal loss of fixed assets

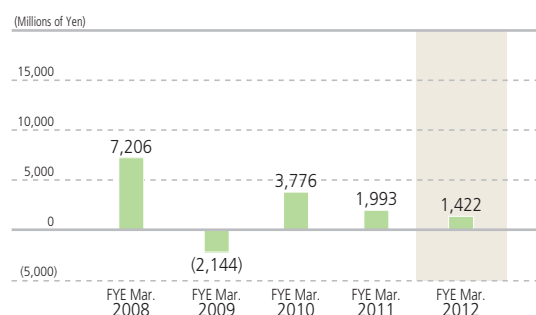
Operating revenues



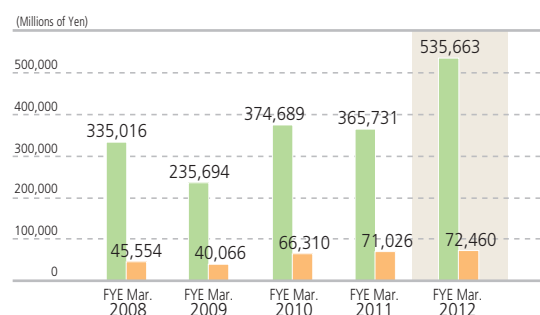
Operating income



Net income (loss)



Total assets and net assets



Letter to Shareholders and Investors

Reinforcing the Operating Base to Realize Our Global Vision

The fiscal year ended March 2012 was a noteworthy year in which the Monex Group achieved the best business results in its history. In order to realize our Global Vision, which is our medium- to long-term growth strategy, we acquired TradeStation Group, Inc., a leading U.S. online securities group, through a friendly takeover bid. With Monex, Inc. and Monex BOOM Securities, we have now established a tripolar presence globally with bases in Japan, the United States, and Hong Kong (China). In addition, IBFX, a forex company with customers in 140 countries, became a wholly owned subsidiary through acquisition by TradeStation in November 2011.

Going forward, the Monex Group will accelerate the business and geographical diversification of its revenue base and build a stronger operational framework with the aim of becoming a global online financial institution that is trusted by all its stakeholders.

Oki Matsumoto

Representative Director, Chairman and CEO
Monex Group, Inc.



Biography

- 1987 Joined Salomon Brothers Asia Limited
- 1990 Joined Goldman Sachs (Japan) Ltd.
- 1994 General Partner, the Goldman Sachs Group, L.P.
- 1999 to present President & CEO, Monex, Inc.
- 2004 to present President & CEO, Monex Beans Holdings, Inc. (Currently Monex Group, Inc.)
- 2008 to present External Director of Tokyo Stock Exchange Group, Inc., Tokyo Stock Exchange, Inc. (currently holds positions in both companies) and Shinsei Bank, Limited
- 2010 to present External Director of Kakaku.com, Inc.
- 2011 Representative Director, Chairman and CEO of Monex Group, Inc.

Interview with CEO

Q1: Please provide an overview of the business environment and consolidated performance for the fiscal year ended March 2012.

A1 We achieved the best results in the Monex Group's history.

We believe that the global economy has bottomed out, and that the sentiment of individual investors is improving. Against this background, the Monex Group is working to globalize its customer base and areas of business coverage with the aim of realizing its Global Vision.

In conjunction with the expansion of the scope of consolidation, selling, general and administrative expenses

increased, so that revenues were up and income was down compared to the previous fiscal year. However, I believe that we achieved the best results in the Monex Group's history in terms of building a foundation for future business development, as we were able to establish bases for stable, sustainable future growth.

Q2: What progress was made in realizing the medium- to long-term Global Vision?

A2 Through strategic M&A, Monex Group achieved greater geographical and business diversification of its revenue base.

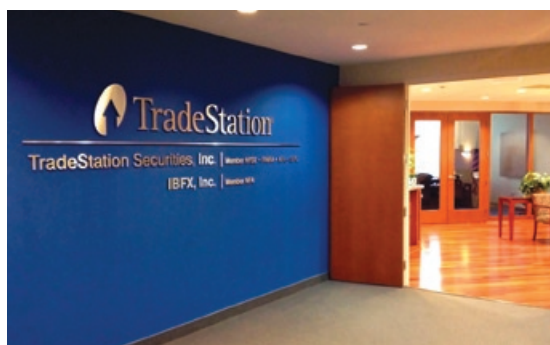
We acquired TradeStation in June 2011, and together with Monex BOOM Securities Group, an existing subsidiary, we established a tripolar global presence with bases in Japan, the United States, and Hong Kong (China), areas which account for a majority of global financial assets. Also, IBFX, a U.S. forex firm, became a wholly owned subsidiary through acquisition by TradeStation in November 2011.

With this geographical distribution of our revenue base, more than 30% of the Group's consolidated net operating revenues are now generated from overseas business, and we are becoming a truly global enterprise. In addition to geographic diversification, we accelerated the diversification of our business areas including expansion of the forex, futures, and options businesses and growth of the B to B business.

Q3: What are TradeStation's characteristics and strengths?

A3 The source of TradeStation's competitiveness is a corporate culture that understands and respects technology.

TradeStation was selected by Barron's magazine as the No. 1 online brokerage firm in the United States in 2008 and 2011, in



recognition particularly of its technological capabilities. Technology does not remain constant and rapidly becomes obsolete. TradeStation, however, has continued to receive acclaimed recognition for an extended period in the highly competitive U.S. market because of its continuous cutting-edge technological innovations and the existence of a framework to deploy them. The entire company including senior management has a culture that understands and respects technology. We believe that this is the source of TradeStation's strength. By integrating TradeStation's corporate culture with that of the Monex Group, we have established a global financial group with technology development capabilities at its core.

Oki Matsumoto
Representative Director, Chairman and CEO
Monex Group, Inc.



Q4: How has corporate governance changed as the Group becomes more globalized?

A4 We have raised the percentage of external directors to increase the separation of supervision and execution functions.

In order to effectively and efficiently operate the entire global corporate group, we are enhancing corporate governance with a focus on separating supervision and execution functions.

To begin, we have increased the number of external directors as a means to reinforce control functions. Previously, we had six internal directors and four external directors, but under the new system, we have four internal directors and five external directors.

Of the five external directors, four are independent directors. In addition, we have positioned the Global Management Committee (GMC) as a business executive division and reorganized it to bolster execution functions. The GMC examines group-wide strategies and resource allocation and plays a central role in implementing the Global Vision.

Q5: Please discuss your policies regarding the dividend for the fiscal year ended March 2012 and shareholder returns.

A5 The Monex Group will strive to meet shareholder expectations with the aim of further growth as a global financial institution.

In the fiscal year ended March 2012, we paid an interim dividend of ¥100 per share and a year-end dividend of ¥100 per share for a total dividend of ¥200 per share.

Our basic policy is to provide shareholder returns linked to business performance while maintaining the necessary internal reserves. Previously, we sought to provide shareholder returns equal to 50% of consolidated net income based on the total

payout ratio including dividends and share buybacks. However, from the fiscal year ending March 2013, we will seek to pay dividends equal to 30% of net income or a dividend-on-equity (DOE) rate of 1%, whichever is higher. With regard to share buybacks, we will take a discretionary stance based on financial conditions.

Q6: To conclude, what is your outlook for the fiscal year ending March 2013?

A6 We are positioned to progress toward realizing our Global Vision in accordance with the roadmap.

In the fiscal year ending March 2012, we firmly secured the resources necessary to realize our Global Vision. A roadmap for the medium- to long-term business plan to implement the Global Vision was released in April this year. During the fiscal year ending March 2013, we will implement the Global Vision in accordance with the roadmap.

We are a financial group with advanced technological capabilities and an in-house global platform. By implementing our Vision, we will be able to return higher value to shareholders and provide customers with better service. During the current fiscal year, we expect to achieve concrete progress in realizing our Global Vision.

The Monex Group's Global Vision is its medium to long term corporate conception aimed at maximizing shareholder value

- Strategic Objective** By building a global trading platform,
1. Mutually supply products and services across the globe and meet customers' needs
 2. Enable sharing of systems and achieve reduction of costs

About Monex's Global Vision

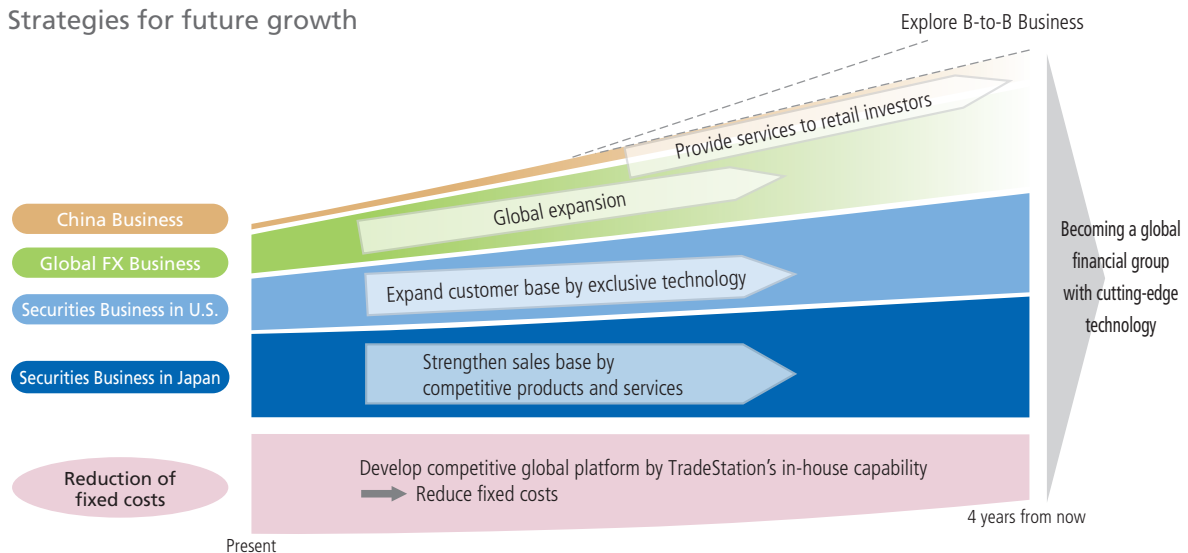
In conjunction with the development of Internet trading, individual investors in Japan have developed a strong wish to benefit from the full range of financial products and services available worldwide. Online brokerage firms must respond to these needs in order to remain competitive. Focusing on overseas financial products and services with relatively low trading values, however, will push costs up. The Monex Group is addressing these issues through implementation of its "Global Vision."

Past Global Vision achievements

In December 2010, the Group acquired the Hong Kong-based BOOM Securities Group (currently Monex BOOM Securities Group). With this acquisition we made our entry into the foreign securities business, and the preparatory step towards expanding business in mainland China. In June 2011, we also acquired the U.S. company TradeStation Group, Inc. through a friendly takeover. TradeStation has advanced technology development capabilities and is highly appreciated by active traders. By acquiring this company, the Monex Group gained a powerful tool for expanding its global business in earnest. Furthermore, through TradeStation the Group acquired full ownership in November 2011 of the U.S. forex company IBFX Holdings, LLC which possesses a customer base spanning 140 countries.

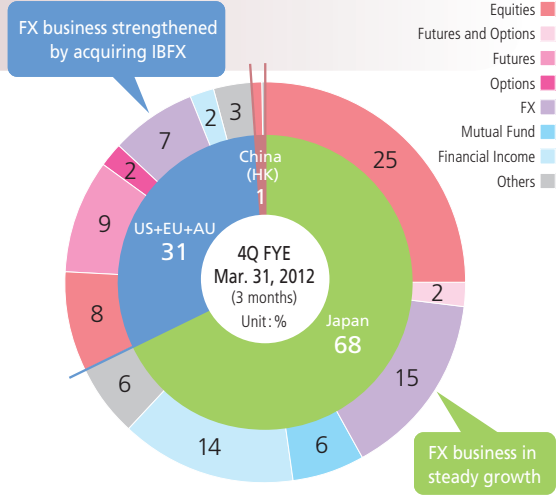
In April 2012, the Group announced a roadmap that clearly defines the steps to be taken to achieve its Global Vision and launched specific initiatives to increase revenue and integrate systems.

Strategies for future growth



A revenue base diversified by region and business

Acquiring full ownership of TradeStation meant that overseas operations grew to account for 32% of consolidated net operating revenues (financial results from the 4Q of the fiscal year ended March 31, 2012). Also, net operating revenues now have a well-balanced breakdown by business area. In the past, most business was centered on stock brokerage, but now stocks, futures, forex, mutual funds and other businesses all account for a certain proportion of net operating revenues. In the future we will push forward with expansion into the Chinese market, focus on the expansion of forex and options trading, and take steps towards further diversification and geographical distribution of our revenue base.



Distribution of consolidated net operating revenues by region and business

Creating acquisition synergies

With the acquisition of TradeStation and IBFX, the Monex Group is striving to achieve rapidly create acquisition synergies with the goal of achieving its Global Vision.

We will create new products and services by introducing TradeStation's proprietary technology in other Group companies, and strive to achieve further expansion of revenue opportunities. Also, we are working towards the reduction in system costs which is crucial to maintaining and improving competitiveness by utilizing TradeStation's development capabilities to create an in-house, global platform.

Message from CEO of TradeStation Group, Inc.

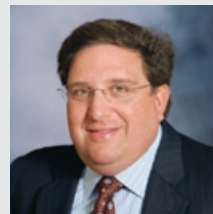
Dear fellow stakeholder,

I am very pleased to have the opportunity to address you today. It has been a little over a year since we consummated the merger between TradeStation and Monex, and today, as Chief Operating Officer and a board member of Monex Group, I feel as excited and positive about the future as I ever have.

At TradeStation, we have always led with award-winning and differentiated technology. Our ability now to export our brokerage technology success in the United States to the rest of the Monex Group companies, and the value and opportunities we believe this technology will offer the group, cannot be overstated.

I am committed to helping lead the execution of the Global Vision Oki has outlined, and look forward to seeing our companies work together to continue to innovate and differentiate all of our product and service offerings throughout the world. I believe that innovation and differentiation in technology will be the major catalyst of our growth, and what will set Monex apart—far apart—from its competitors in the

Salomon Sredni
Chief Operating Officer and Director, Monex Group, Inc.
President and Chief Executive Officer, TradeStation Group, Inc.



online brokerage industry in both Asia and the United States.

Another highlight of this focus is that we expect to generate large cost savings from now being able to have core technology developed in-house, instead of having to rely on higher-cost vendors. Over the last year-and-a-half, we have increased our development personnel to achieve this goal as fully and quickly as reasonably possible, and we look forward not only to generating these savings, but benefitting from the increased quality and value of products we believe in-house development will achieve. Keeping costs in check, while improving quality and value, is and will remain an important part of our strategy.

I look forward to continuing to share our progress as we forge ahead down this exciting road.

The Monex Group has created a roadmap that clearly defines the steps to be taken to achieve its Vision

Point 1 Measures announced to increase earnings in each region, including Japan, the United States, and China

Point 2 Policy announced of in-house construction and integration of Group systems and fixed cost reduction

Creation of roadmap

On April 26 2012, the Group announced its roadmap, which specifies the process needed to implement the plans in its Global Vision. It clarified the steps it will take to achieve increased revenue and its plans to reduce fixed costs and integrate systems.

Initiatives by business area

Group operations are managed in four segments: Japan, the United States, China, and the global FX business. We have drawn up plans to improve revenue and integrate systems in these areas.

Securities business in Japan We will introduce TradeStation's cutting-edge trading tools and platforms to Monex Inc., strive to increase the level of convenience for customers, and create a more advanced investment environment. We will also gradually implement a transition to next-generation systems.

Securities business in the U.S. Using TradeStation's advanced technology, we will work to cultivate business related to stocks, futures, and options. We will also make efforts to develop new customer segments through strategic alliances with investment education companies and focus on expanding business with institutional investors.

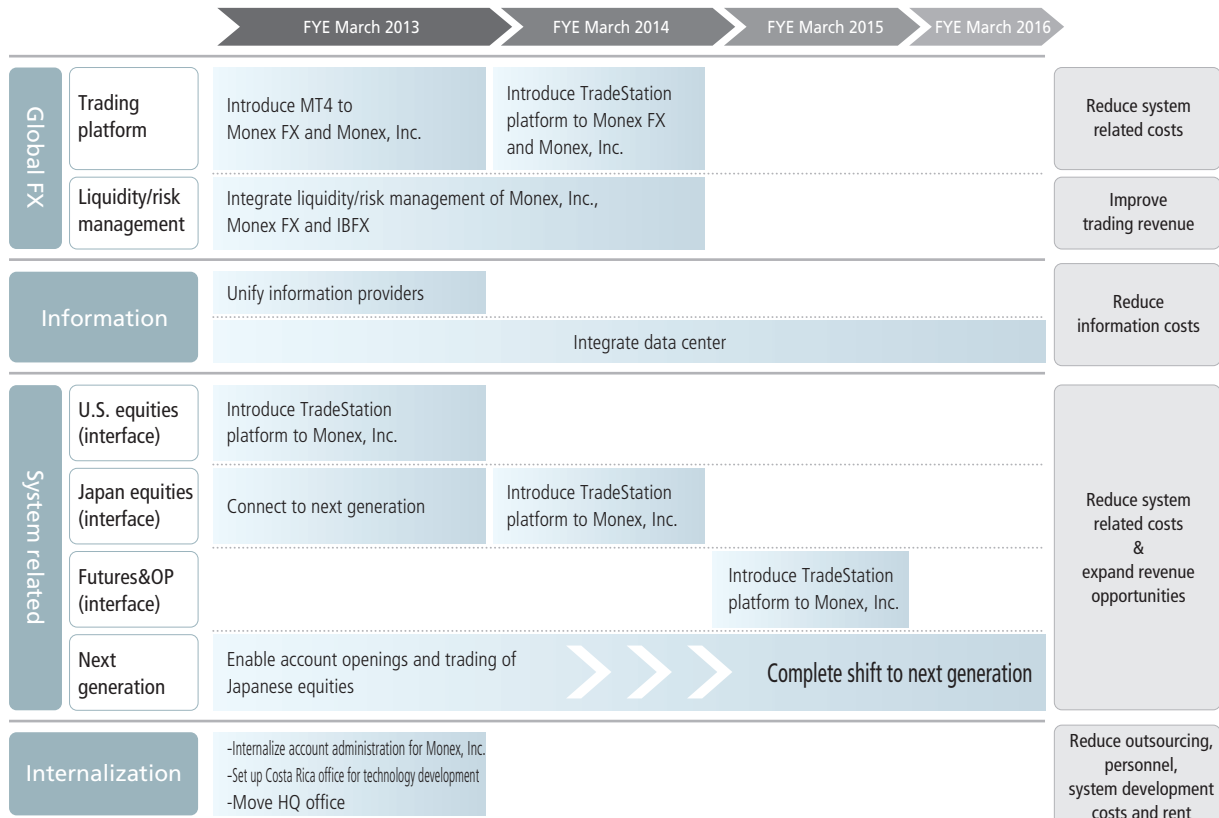
Business in China With the aim of achieving full-scale development of the securities business in mainland China, we are considering multiple development strategies, including deployment of TradeStation's technology, strategic alliances with local securities firms, and the utilization of the Monex Inc. Beijing Representative Office.

Global FX business We are accelerating our global expansion of the forex business centered on IBFX, Inc. (renamed from TradeStation Forex, Inc.). By centralizing covering transactions between IBFX, Monex FX, and Monex Inc., and by using a shared trading platform, we will achieve greater operational efficiency and enhanced profitability.

Measures to increase revenue

Japan	Offer original services (trade signal, TradeStation platform, etc.)	
	Attract active traders from competitors by offering special commission package	
	Provide the best U.S. equity service in Japan	
	Increase product line-up of funds (over 1,000), develop and offer original mutual funds	
U.S.	Expand product and pricing offerings to expand base as web app is available	
	Strategic alliance with education providers to attract active traders	
	Exploit options trading opportunity	
	Continue to grow prime brokerage services	
China	Promote retail financial business, including possibility of strategic alliance	
Global FX	Japan	Obtain active traders
	U.S.	Initiate institutional FX
		Promote social trading
	Rest of the world	Expand white label business
		Develop global FX brand leveraging AU, HK, and UK bases
	Manage FX risk dynamically to maximize profitability	

Measures to internalize and integrate systems, and control costs



Topics of the Year

Evolution of the Monex Group in the fiscal year ended March 31, 2012

In the fiscal year ended March 31, 2012, Monex Group companies implemented a variety of measures aimed at maximizing shareholder value and achieving sustained growth. Here we will introduce some of the events and themes of the fiscal year for the Group's three main companies: the core company Monex Inc.; the U.S.-based TradeStation, which has strong technological capabilities; and the Hong Kong company Monex BOOM Securities.

Monex, Inc.

Monex Inc. is the online securities company at the core of the Monex Group.

Since its establishment in 1999, the company has offered a broad lineup of innovative investment products and services, and has provided education on investment based on the concept of "providing the same kinds of products and services to individual investors as are provided to institutional investors." By doing this, Monex Inc. has provided support for individual investors as they build their assets. The company has developed many unique products and services, such as the Kaburobo Fund, which is operated by an automated stock trading program.

Release of the new service "Mimamoru-kun" (Mr. Watcher) contributes to risk management in margin transactions

In November 2011, Monex began offering its Automated Stop-Loss Order Service for Margin Accounts (nicknamed Mimamoru-kun). When the loss rate of outstanding margin positions reaches the stop-loss rate set by the customer, this service issues an automatic stop-loss order. By automating orders to cut losses—a decision that is psychologically difficult to make—we support our customers' management of risk. This is the first automated stop-loss order service for outstanding margin positions offered by any Japanese securities company. *

* As of November 16, 2011; source: Monex, Inc.

TradeStation Group, Inc.

TradeStation is an online securities group with advanced technology development capabilities based in Florida in the United States. With its fee structure that is competitive even within the industry, the company is highly appreciated by active traders for its advanced trading and analysis tools that it developed in-house.

In November 2011, TradeStation acquired the U.S. forex company IBFX, Inc.

TradeStation launches new options trading and analysis platform

In November 2011, TradeStation launched its all-new OptionStation Pro options trading platform, coinciding with the release of *TradeStation 9.1*, the latest and most advanced version of the company's industry-leading trading platform.

Designed with the help of active options traders, OptionStation Pro's sophisticated new features include advanced options charting with interactive 3-D position graphs; advanced order-entry technology to trade options spread strategies; configurable spread-specific options chain views; dynamic options pricing and Greek calculations; the ability to build, evaluate and track any options position; and spread-recognition logic that enables traders to easily transform existing positions and create hypothetical ones. OptionStation Pro is seamlessly integrated with TradeStation's wide array of analysis and decision-support tools.

Monex BOOM Securities (H.K.) Ltd.

Monex BOOM Securities is the Monex Group's operational base for its securities business in Hong Kong. It was established in Hong Kong in 1997 and was the first online securities brokerage firm in the Asia-Pacific region. The company handles stocks from 12 countries and regions and offers convenient international investment services including the ability to perform settlements in six major currencies under a single account.

Offering face-to-face investment seminars for Japanese customers in Hong Kong

In February 2012, we launched face-to-face investment seminars for Japanese people living in Hong Kong. The seminars are held regularly and are aimed at helping individual investors build up their assets for the medium and long term. They offer information on investment methods including, of course, the utilization of the Monex BOOM Securities platform that is the company's selling point and which allows customers to invest in stocks or ETFs from 17 markets in 12 countries. They also offer information on investing by combining the insurance products and funds that the participants are able to invest in due to

MONEX VISION β wins 2011 Good Design Award

In October 2011, MONEX VISION β—an original tool provided by Monex, Inc. that offers advice on asset planning free of charge to account holders—won the 2011 Good Design Award, which is given by the Japan Institute of Design Promotion. MONEX VISION β is an original application that provides analysis by comparing the current state of customers' portfolios with their goals, and provides appropriate advice from the perspective of long-term diversified investing. It deploys creative features such as animations and buttons so that customers can operate the application intuitively.

In the selection process for the award, MONEX VISION β was evaluated as being “a well-designed and high-quality web service that provides a variety of information in a compact form.”



TradeStation wins highest ranking in online securities from U.S. financial magazine *Barron's*

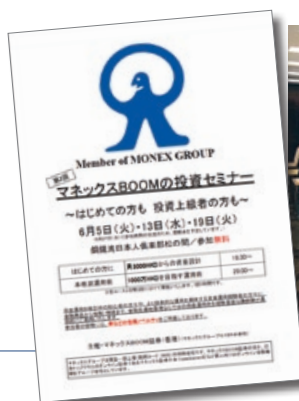
In its annual review of the online securities sector in March 2012, *Barron's*—a U.S. financial magazine for investors—awarded TradeStation its highest ranking of four and a half stars in its overall evaluation. By category, TradeStation was ranked “Best for Frequent Traders,” and won four and a half stars in the categories of “Trading Experience and Technology” and “International Traders.” In the selection process, the advanced and varied features of TradeStation’s platform and its extensive analytical tools were evaluated highly.



- **BEST for Frequent Traders**
- **BEST for International Traders**
- **BEST for Trading Experience and Technology**

the fact that they live in the international financial center of Hong Kong.

The seminars have received a high evaluation from participants, and many participants come on recommendation from previous participants. They also contribute to business activities in Hong Kong by, for example, having customers open accounts with Monex BOOM Securities after the seminar concludes.

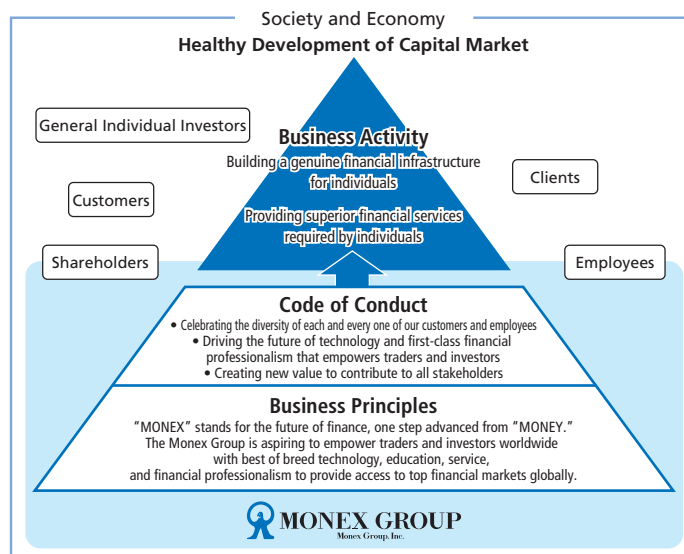


Corporate Social Responsibility at Monex

The Group seek to fulfill our responsibilities as a corporate group by contributing to society through our business operations, based on the business principles and code of conduct of the Group.

We believe that, as a member of society, it is an important challenge and responsibility for our Group to establish a trustworthy financial infrastructure for individuals, and to provide the superior financial services that individuals require, thereby contributing to the healthy development of the capital market.

We will continue to focus on our operations as a financial group, through which we seek to contribute to the sustainable development of society as a whole.



Highly Original Group Initiatives

Initiatives for Developing Capital Markets

▶ Offering Financial Products and Services to Individual Investors at the Same Levels Available to Institutional Investors

The Group believes that offering financial products, services and investment opportunities to individuals at the same level as provided to institutional investors will support the asset management of individual investors and lead to the formation of fair capital markets. Based on this belief, we have been at the forefront of the development and provision of high-quality, advanced products and services.

“Stock Lending Service”

Stock lending, previously made available only to institutional investors and major shareholders, was offered to individual investors for the first time in Japan in January 2003.

Initial Public Offering (IPO)

An IPO underwriting department was created to enhance the provision of IPO shares to individual investors, with Monex becoming the first online brokerage to serve as the sole lead manager for an IPO in June 2005.

Alternative Mutual Funds

The Group originated alternative mutual funds that invest in private equity funds and hedge funds which were previously only available to institutional investors and a very select group of wealth investors. The Group made it possible for individual investors to invest by making the minimum investment sum much smaller.

RMB related products and services

Monex, Inc. was the first Japanese financial firm to offer RMB-denominated Chinese government bonds, Japanese corporate bonds and an RMB settlement service to individual investors in 2011.

▶ Investment Education

Since its establishment, Monex, Inc. has made a concerted effort in the area of investment education to provide information on various investment theories and financial products to investors in formats that even novices can grasp. It offers a wide range of seminars to its customers and the general public, including online seminars.

“Kabu-no-Gakko” (School of Stocks)

Seminars offering fun ways to learn about stock trading and investment diversification are held for elementary and junior high school students in a real classroom, in addition to those offered at resorts and other locations for retiring baby boomers.



“Monex Money Seminar”

A newspaper-based seminar presented in 42 parts over the course of a year (from October 2006 to September 2007), using the *Asahi Shimbun*. Any advertisement and publicity themes were removed.



Social Initiatives

► Social and Cultural Activities

Monex, Inc. started the ART IN THE OFFICE program in 2008 as part of its social and cultural activities with the aim of supporting young contemporary artists. Under this program, Monex, Inc. chooses one artist from an open application to provide an exhibition space inside the company's press room for a certain period of time, as well as a cash award and production expenses.

↓ See below for past winning arts

► Donated Courses at University

Hachinohe University, located in Hachinohe City in Aomori Prefecture, the site of the Monex Contact Center, organized a business theory course in 2008 and 2009 for which we dispatched financial experts from the Group. The course was made available to both Hachinohe University students and members of the local community.

Relationships with Stakeholders

► Initiatives to Enhance Customer Satisfaction: Orientation Committee

Every three months since its establishment, Monex, Inc. has been holding its Orientation Committee meetings, attended by the president, and a cross-section of employees from different divisions, as an opportunity to directly hear feedback from customers. As of July 2012, the Orientation Committee has met 50 times. Many of the ideas expressed at the meetings have been used to improve our products and services.



► Creating a Good Working Environment

- The Group established the Beans Scholarship to support employees pursuing MBAs and other degrees at foreign universities as one aspect of its measures to nurture young employees, a source of vitality for the Group. Through this scholarship, one employee completed an MBA course at a distinguished university in the United States in 2011.
- The Group works to put in place a workplace environment and programs that make it easier for female employees to return to work after childbirth. All female employees who have taken maternity leave thus far have returned (20 cases in total so far).

ART IN THE OFFICE PROGRAM



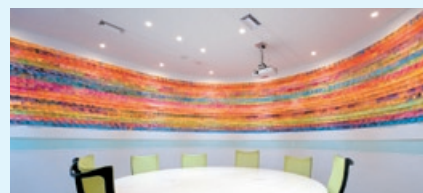
The past winning arts

2008



Mr. Kyohei Sakaguchi
Dig-ital City

2009



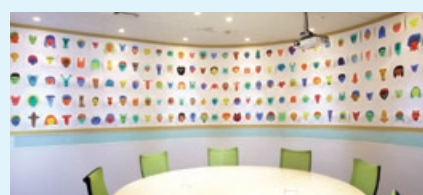
Mr. Chikara Matsumoto
Mimeguri Animation: A Movie Nobody Knows

2010



Mr. Shusaku Nakata
1000s (Thousands)

2011



Mr. Toshifumi Watanabe
CHARACTERS

Corporate Governance

The corporate governance system in decision-making, execution, and oversight in the management of the Group

1 Basic Concept of Corporate Governance

Monex Group, Inc. believes that, as a basis for establishing a group-wide corporate governance structure, corporate governance rules should first be established and thoroughly implemented within each group company. We also consider that monitoring the management execution of the Group through promotion of information disclosure and a system for hearing broad-ranging and varied opinions leads to balanced business judgment, which is crucial for effective corporate governance.

2 Basic Policy regarding Internal Control System

Based on the perception that the establishment and operation of an appropriate internal control system is an important management issue, the Group determines basic policies regarding the operation of the internal control system, and at the same time develops relevant internal regulations. Monex, Inc. also determines basic policies for its internal control system in a similar manner.

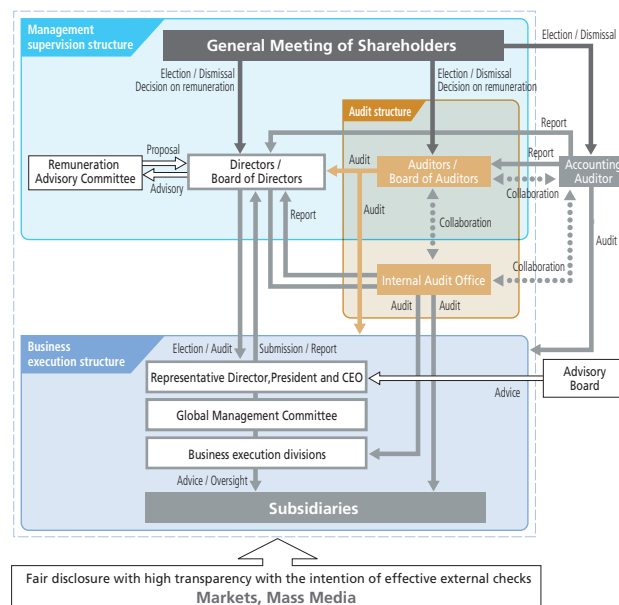
To verify whether the internal control system is operating as intended, the Board of Directors and the auditors conduct regular checks. In addition, the Group is able to obtain advice as necessary from an attorney who acts as advisor on issues regarding the establishment and enforcement of internal discipline and the control system, as well as external risk management.

The Company's basic policy on its internal control system is disclosed on its website (<http://www.monexgroup.jp/en/company/governance/index>).

3 Board of Directors and Board of Statutory Auditors

As of June 25, 2012, the Board of Directors comprises nine directors, of whom five are external directors (four are also independent). Four full-time directors (one of whom is the CEO) are engaged in the supervision of business execution as decided by the Board. A Global Management Committee consisting of corporate officers meets regularly twice monthly for the purpose of executing business. In addition, the Board of Directors meeting is held at least once a month to ensure effective management control.

The Company has adopted the board of statutory auditors system. As of June 25, 2012, its Board of Auditors comprises four members, including two external and independent auditors and one statutory auditor.



4 Proactive Disclosure

The Group considers appropriate disclosure as extremely important, and seeks to provide disclosure in a continuous and easy-to-understand manner. We therefore disclose our monthly operating revenues and net operating revenues. Monex, Inc. also undertakes monthly disclosure of customer account figures, etc. Such disclosures are made in compliance with our Disclosure Policy, which is designed to remove any vague or arbitrary methods.

5 Establishing a Corporate Culture of Thorough Compliance

It is crucial that not only the management, but also each individual working for a company in the Group recognizes the importance of compliance and acts accordingly. Based on this perception, we disclose the Group's Corporate Ethics Compliance Policy and present briefings by the relevant departments on compliance-related issues at monthly corporate-wide meetings, as well as at various forums provided within our corporate network. We seek to establish a corporate culture that calls for strict compliance, with a commitment from both our directors and our employees.

6 Ongoing Disclosure and Declarations of Management's Perceptions and Thoughts on Current Status

The Company confirms the importance, from the point of view of corporate governance, of the ongoing disclosure and declaration of its management's perceptions and thoughts on current status; that disclosure functions as, in effect, a restraint on management from outside the Company and from within. Under this concept, the Company shares management's assessment of the current situation and ideas with the Group employees by holding a monthly gathering of Group employees,

sharing Q&As after quarterly financial disclosures through the intranet, etc. The CEO of Monex, Inc. expresses his perceptions and opinions in each issue of Monex Mail, an e-mail magazine that Monex, Inc., has published every business day without fail since its first issue.

7 ▶ Advisory Board

In order to obtain balanced, multidisciplinary, objective opinions and advice from a broader perspective, we have established an Advisory Board, consisting of a group of specialists. A regular quarterly meeting is held to gather broad-ranging advice that will contribute to the business operations of our Group.

8 ▶ About Remuneration for Board Directors

The total amount of board directors' remuneration is within the limit resolved at the General Meeting of Shareholders (*) and the content of the remuneration consists of a fixed portion and a share-price-linked portion that fluctuates depending on the company's share price. The Company has established a Remuneration Committee consisting of external and independent board directors in order to discuss specific content. External directors receive only a fixed amount of remuneration because of the importance of their having a position independent from business execution in their supervisory functions.

(*) The limit of the remuneration for board directors resolved at the Annual General Meeting of Shareholders held on June 24, 2006 is the total amount of the fixed portion of ¥300 million per annum plus a performance-linked portion equivalent to no more than 3% of the consolidated net income in the fiscal year previous to the payment date.

Communication with Shareholders and Investors

Measures to Invigorate General Shareholders Meetings

The Company holds the Annual General Meeting of Shareholders on a Saturday to facilitate attendance by individual shareholders.

In addition, the convocation notice on the general shareholders meeting is sent out to customers and posted on our website three weeks prior to the event to encourage investors to exercise their voting rights. We have adopted an electronic voting website to allow shareholders to vote via the Internet or mobile phone, and we also adopted an electronic voting platform for institutional investors operated by ICJ, Inc., a joint venture formed between the Tokyo Stock Exchange, Inc. and other companies. In 2009, we also began disclosing the results of voting to the public.

Investor Relations

We hold a meeting to explain our financial results to individual investors on the day of, or the next business day after, the announcement of our quarterly financial results as a way to enhance communication with shareholders and investors. Telephone conferences for institutional investors are conducted in Japanese and English on the day on which quarterly financial results are announced. We visit Europe and the United States twice a year and regularly hold direct meetings with overseas institutional investors. At all of these meetings, the Company's CEO directs the proceedings and answers questions. We also actively participate in conferences convened by securities companies and work to create a wide range of opportunities to explain our business strategies.



Message to Stakeholders from an External Director

Yuko Kawamoto
Director (External and Part-time)

My role as an external director includes participating in the monthly Board of Directors meetings, which usually run about three hours, where I express my opinions and make proposals. In conjunction with this, I periodically meet with the Company's executives and other external directors, and communicate via telephone or e-mail to discuss crucial corporate matters. These are the most obvious aspects of my activities as an external director, related to management oversight. I agree with the Company's executive officers that our aim is to enhance corporate value, but my activities are characterized by work that represents the interests of individual shareholders and governance-related activities that take place outside the Company.

The CEO and other executives are intimately acquainted with the operations of the Company; whereas our job as external directors comes down to helping

them manage the Company properly by asking "good questions" that make them aware of relevant issues.

Asking good questions requires an objective understanding of the Group's customers and the competitive environment, as well as the ability to focus on the future from an objective standpoint while considering how management views the current situation. I continually seek to better understand management's view of the current situation and the basis for decision-making; and I believe that my contribution to Monex's development is to help prevent management from falling into the trap of making decisions from a short-term perspective when grappling with complex situations.

Monex is a young and vigorous company with a flexible corporate structure that is sensitive to the opinions of shareholders, customers and employees. I hope to use the experience I have gained from my career working for a consulting company and as an external director for several companies, as well as knowledge acquired from graduate school, in order to contribute to Monex by asking good questions.

Board and Management

Board of Directors

Oki Matsumoto

Chairman
and Chief Executive Officer



After graduating from the University of Tokyo's Faculty of Law in 1987, Oki Matsumoto began his career at Salomon Brothers Asia Limited. He then joined Goldman Sachs Japan Co., Ltd., where he was responsible for FX and fixed income products and related risk management as a General Partner and Co-head of FX/fixed income business at the Tokyo Branch. It was in April 1999 that Matsumoto jointly established (the former) Monex, Inc. with Sony Corporation. Monex, Inc. integrated its management with Nikko Beans, Inc. in August 2004, forming Monex Beans Holdings, Inc. (currently Monex Group, Inc.), of which Matsumoto is the Representative Director, Chairman and CEO.

In addition, Matsumoto currently serves as an External Director for the Tokyo Stock Exchange Group, Inc., Tokyo Stock Exchange, Inc. and Kakaku.com, Inc.

Shoji Kuwashima

Managing Director,
Vice Chairman
(Member of the Board)



Graduated from the Faculty of Engineering at Tokyo Institute of Technology in 1977. Joined Nikko Securities Co., Ltd., and was appointed executive officer in 1999. Became Director of Nikko Cordial Corporation in October, 2001, and directed the group's technology department. Was promoted to Representative Director, President and CEO in December 2006, and after holding the post of Co-Chairman, retired as its Director in December 2008. Participated in Monex's management from June, 2006 to December of the same year as an outside Member of the Board, and assumed the position of Managing Director in June 2009. He assumed his current position in February 2011.

Takashi Oyagi

Managing Director
(Member of the Board)



Takashi Oyagi graduated from the University of Tokyo's Faculty of Law in 1991 and then joined the Bank of Japan. After obtaining an MBA from the University of Chicago's Graduate School of Business, he entered Goldman Sachs (Japan) Ltd. In 1999 he joined Monex, Inc. as a founding member of the company. Oyagi moved to the United States and joined Deutsche Bank Securities, Inc. in New York in 2004. In August 2007, he assumed the position of CEO and President of MBH America, Inc., a subsidiary of Monex Group, Inc. He was appointed Executive Director of Monex Group, Inc. in July 2009 and was responsible for business development in Beijing and Hong Kong. He assumed his current position as Chief Strategic Officer in February 2011 and became a Member of the Board in June 2011. Oyagi currently serves as Chief Strategic Officer for TradeStation Group, Inc.

Salomon Sredni

Managing Director
(Member of the Board)



After graduation from Pennsylvania State University, Mr. Sredni joined Arthur Andersen LLP, an international accounting firm until 1994, when he left as a senior manager and joined IVAX Corporation, a publicly held pharmaceutical company, as Vice President of Accounting and Corporate Controller. In December 1996, Mr. Sredni joined TradeStation Group, Inc. as its Vice President of Operations and Chief Financial Officer and was named Treasurer and a director of the Company in July 1997. In September 1999, he was named President and Chief Operating Officer, and became Chief Executive Officer and President in February 2007, and has held this post since then. In June 2009, Mr. Sredni was elected Chairman of the Board and held this position until the Company was acquired by Monex Group, Inc. in June 2011. Mr. Sredni is a member of the American Institute of Certified Public Accountants and the Florida Institute of Certified Public Accountants.

In Monex Group, Mr. Sredni became Chief Operating Officer in November 2011, and assumed the post of Managing Director in June 2012.

Yuko Kawamoto

Director
(External, Member of the Board)

Professor, Graduate School of
Finance, Accounting and Law,
Waseda University

Yuko Kawamoto graduated from the University of Tokyo's Faculty of Letters in 1982 and then joined the Bank of Tokyo (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.). After completing her postgraduate study at the University of Oxford, Kawamoto joined the Tokyo office of McKinsey & Company. There she participated in capital market projects at the company's research institute and also worked at the Paris office, after which she was named Senior Expert at the Tokyo office. While working at McKinsey, Kawamoto also served as a commissioner/advisor on various governmental councils, including the Financial System Council and Task Force of the Financial Services Agency. Kawamoto became a professor at the Waseda University Graduate School of Finance, Accounting and Law in April 2004, and assumed her current position with Monex Group, Inc. in June 2006.

In addition, Kawamoto currently serves as an External Director of the Osaka Securities Exchange Co., Ltd., Yamaha Motor Co., Ltd., and ITOCHU Corporation and is a Corporate Auditor of Tokio Marine Holdings, Inc.

Jun Makihara

Director
(External, Member of the Board)

Neoteny Co., Ltd., Chairman

Jun Makihara obtained an MBA from Harvard Business School in 1981. He then entered Goldman Sachs Co., Ltd. and was named a General Partner of Goldman Sachs & Co. in December 1992. He was co-head of investment banking, and then the co-branch manager and co-head of Equity Business at the Tokyo Branch before he was nominated as Chairman of Neoteny Co., Ltd. in July 2000. Makihara assumed his current position at Monex Group, Inc. in June 2006.

Besides the aforementioned positions, Makihara currently serves as an External Director for RHJ International and Shinsei Bank, Limited.

Takeo Kato

Director
(External, Member of the Board)

Former Chairman of Fuji Electric
Co., Ltd.

Graduated from Tokyo University, Faculty of Law in 1961. Entered Fuji Electric Manufacturing Co., Ltd. (currently Fuji Electric Co., Ltd.) and was appointed Executive Managing Director in June, 1989, after working as head of the Planning Department and head of the Human Resources Department. He has subsequently held the positions of Executive Vice President (and Representative Director) and Chairman and Director. While participating in corporate management, he has held keys posts such as President of the Pension Fund Association, Co-Chairman of Nippon Keidanren's Committee on Labor-Management Relations, Employer Members Representative of the Central Labour Relations Commission, and Chairman of the Board and Principal of Kaisei Academy. He has held his current position in Monex Group since June 2009.

Haruyuki Urata

Director
(External, Member of the Board)

Director, Representative Executive Officer, Deputy President and Chief Financial Officer, ORIX Corporation

After graduating from Kyoto University's Faculty of Economics in 1977, Haruyuki Urata joined Orient Leasing Co., Ltd. (currently ORIX Corporation) in the same year. After serving as the Deputy Head of the Risk Management Headquarters, he was made Executive Officer in February 2005. He also served subsequently as the Deputy Head of the Human Resources & Corporate Administration Headquarters and Head of the Office of the President. In August 2006 he was promoted to Corporate Senior Vice President as well as being in charge of the Corporate Planning Office, and was appointed Director in June 2007. Urata was named Deputy President in January 2008, became the Chief Financial Officer in January 2009 and was named Representative Executive Officer in January 2011. He has held his current position at Monex Group, Inc. since June 2010.

Kaoru Hayashi

Director
(External, Member of the Board)

Representative Director, President and Group CEO, Digital Garage, Inc.

After graduating from the university in 1983, Kaoru Hayashi established From Garage, Inc. In August 1995, inheriting the philosophy of From Garage, he established Digital Garage, Inc. and became Representative Director, (President and) CEO. Since November 2004, he has held the position of Representative Director, President and Group CEO. He assumed his current position at Monex Group, Inc. in June 2012.

Besides the aforementioned positions, Mr. Hayashi currently serves as the Chairman of the Board of Kakaku.com, Inc., Representative Director and President of CGM Marketing, Inc., Representative Director and Chairman of the Board of DG Incubation, Inc., Representative Director and Chairman of Open Network Lab, Inc., Representative Director and Chairman of the Board of VeriTrans Inc. etc.

Auditors

Takeshi Tamaki

Full-time Member
of the Board of Auditors
(External)



Takeshi Tamaki graduated from the University of Tokyo's Faculty of Economics in 1964, and entered the Bank of Tokyo (currently The Bank of Tokyo-Mitsubishi UFJ). He developed his expertise in the commercial loan business and served in a variety of positions, including Deputy Director of the Sales Department at the Head Office and Head of the Yaesu Branch. In June 1993, Tamaki was promoted to Director and headed the Human Resources Department as well as the Corporate Business Department. In January 1996, he was appointed Managing Director. In 1997, he became the Senior Managing Director of BOT LEASE CO., LTD., and subsequently assumed positions as Executive Deputy President and Full-time Corporate Auditor of the company. Tamaki was appointed to his current position at Monex Group, Inc. in June 2007.

Takehiko Moriyama

Member of the Board of
Auditors

After graduating from Waseda University's First School of Political Science and Economics in 1970, Takehiko Moriyama worked for The Sanko Steamship Co., Ltd. as Director of the First Accounting Division within the Accounting Department. Subsequently he joined Nikko Securities Co., Ltd., and took charge of accounting for more than 20 years as Director of the Accounting and Operation Department of Nikko Securities Co., (Europe) Ltd., and Director of the Administration Department of Nikko Bank (Switzerland) Ltd. When Nikko Online (currently Monex, Inc.) was established in May 1999, Moriyama was nominated as Representative Director, and subsequently became a full-time member of the company's Board of Auditors. He was appointed to his current position at Monex Group, Inc. in August 2004, at the time of the Company's establishment.

Tetsuo Ozawa

Member of the Board of
Auditors (External)

Attorney at Law, Partner of
Tokyo Fuji Law Office

After leaving the University of Tokyo's Faculty of Law in 1971, Tetsuo Ozawa was registered as a lawyer at Daini Tokyo Bar Association in 1973 and subsequently joined Tokyo Fuji Law Office. He became a partner in 1978. Ozawa covers a wide range of corporate legal matters and has engaged in a number of cases regarding corporate/management responsibility, such as class actions and investigation as a member of a corporate internal investigation team. He also serves as a compliance committee member for various companies and as an outside contact for help lines. Ozawa assumed his current position at Monex Group, Inc. in August 2004.

Besides the aforementioned positions, Ozawa serves as a member of the Board of Auditors or Corporate Auditor for LAWSON, INC. and CEMEDINE CO., LTD.

Masakazu Sasaki

Member of the Board of Auditors
Certified Public Accountant, Office of
Sasaki Certified Public Accountant

Masakazu Sasaki obtained his postgraduate degree at Yokohama National University's Graduate School of Business Administration in 1988. After working for Asahi Shinwa & Co. (currently KPMG AZSA LLC), he established the Office of Sasaki Certified Public Accountant in August 1997. Sasaki was appointed as a member of the Board of Auditors of (the former) Monex, Inc. in April 1999. He was also appointed Director of Monex Group, Inc. in August 2004, at the time the Company was established. Sasaki also served as a member of the Board of Auditors of Monex Group, Inc. and went on to assume his current position in June 2009.

Management Team (Members of Global Management Committee)

President, CEO	Okii Matsumoto	CAO*1	Hisashi Tanaami	CSO*3	Takashi Oyagi
COO	Salomon Sredni	CQO*2	Shoji Kuwashima	COO of Monex, Inc.	Kiminori Kaneko
CFO	Masaki Ueda	*1 Chief Administrative Officer *2 Chief Quality Officer		*3 Chief Strategic Officer	

Advisory Board Members (As of the end of March 2012)

Nobuyuki Idei Founder & CEO, Quantum Leaps Corporation

Joichi Ito Director, MIT Media Lab

Ken Kusunoki Professor, Hitotsubashi University Graduate School of International Corporate Strategy

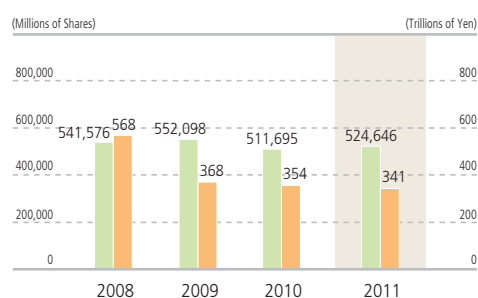
Charles D. Lake II Chairman Representative in Japan, Aflac Japan

Financial Section

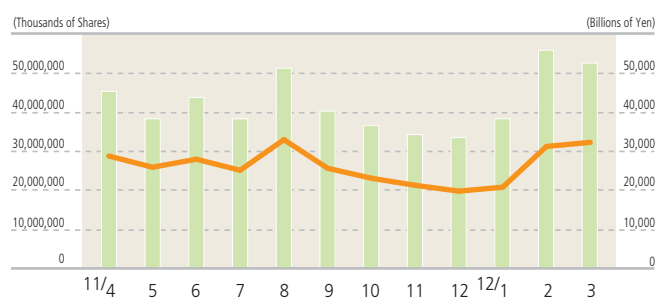
19	Market Information
20	Financial Indicators
21	Financial Review
23	Financial Review / Business Situation
26	Consolidated Financial Statements
26	Consolidated Balance Sheets
28	Consolidated Statements of Income / Consolidated Statements of Comprehensive Income
29	Consolidated Statements of Changes in Net Assets
30	Consolidated Statements of Cash Flows
31	Notes to Consolidated Financial Statements
44	Independent Auditor's Report

Market Information

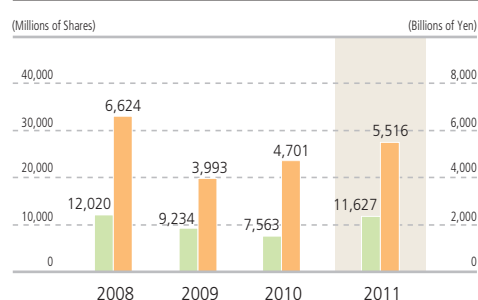
TSE 1st Section Trading volume Trading value



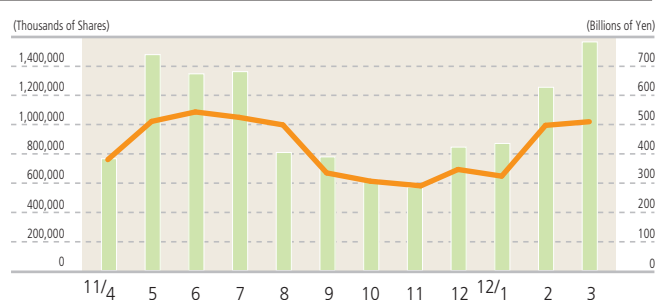
TSE 1st Section Trading volume Trading value



JASDAQ Trading volume Trading value



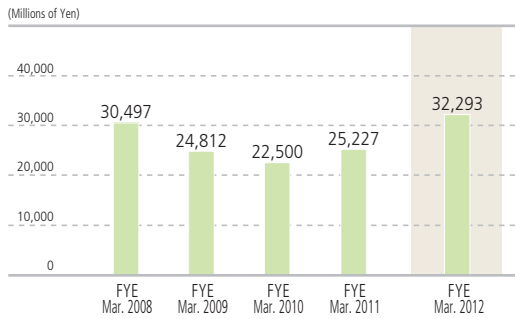
JASDAQ Trading volume Trading value



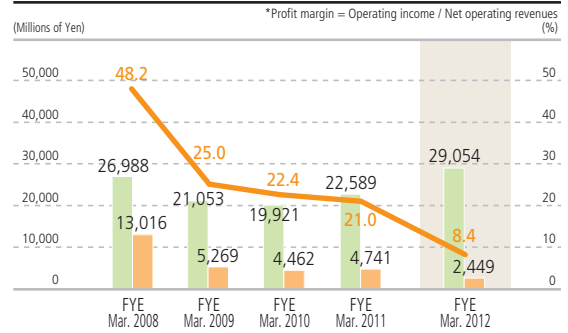
Nippon New Market (HerCules), JASDAQ and NEO were merged in October 2010. Above statistics are based on the calculation after the merger.

Financial Indicators

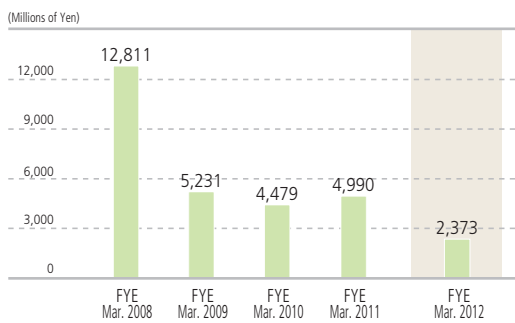
Operating revenues



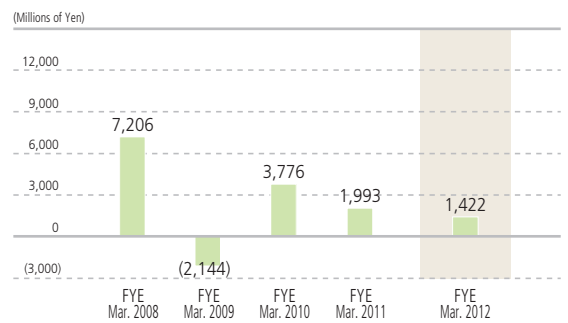
Net operating revenues, Operating income, Profit margin



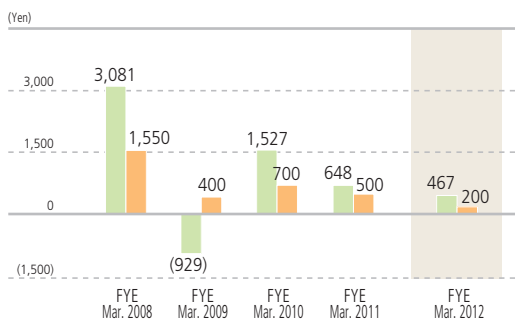
Ordinary income



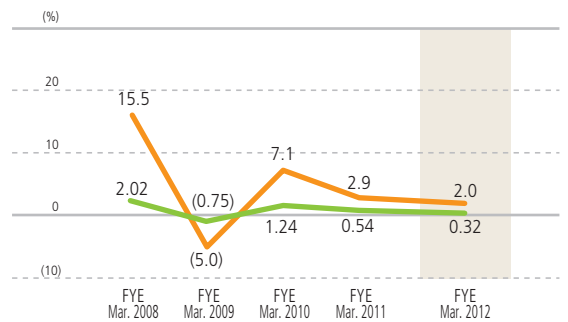
Net income (loss)



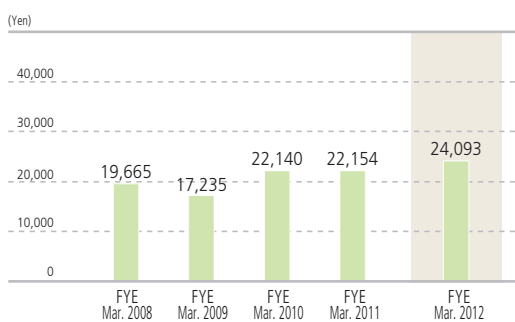
Net income (loss) per share, Cash dividends per share



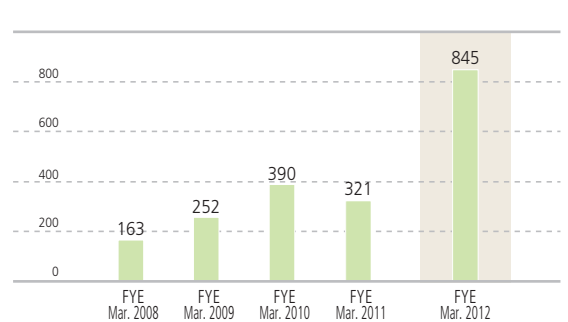
ROE, ROA



Net assets per share



Number of employees



Financial Review



Masaki Ueda
CFO
Monex Group, Inc.

We are working to improve profitability and strengthen our financial base with the Global Vision in mind.

Q1: Please provide an overview of the business environment and consolidated financial performance during the fiscal year ended March 31, 2012.

A1: In fiscal 2011, Japan's domestic stock market remained sluggish. The average one-day trading value by individual investors on the Tokyo, Osaka, and Nagoya stock exchanges dropped 14.7% from the previous year to approximately ¥450 billion. In addition, in June 2011 the Group acquired full ownership of TradeStation Inc., a company listed on the U.S. NASDAQ, through a friendly takeover bid in order to geographically diversify its revenue base. The goodwill created in the consolidation was ¥11.0 billion.

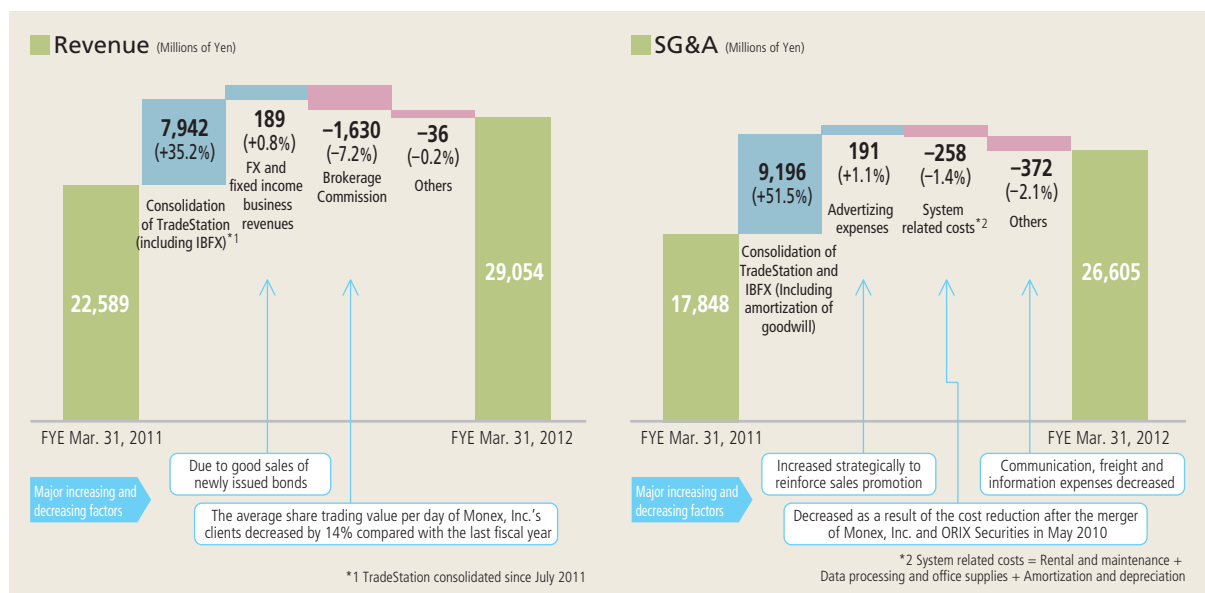
While the environment led to a reduction in revenue, we were able to secure a consolidated ordinary income of ¥2,373 million for the fiscal year due to our increased scope of consolidation and firm performance in the forex business. This is also proof that the measures to cut costs related to systems, which were introduced in earnest after the integration of ORIX Securities and Monex in May 2010, have had a certain amount of success.

Q2: What effects has progress towards realizing the Group's Global Vision had on revenue?

A2: Due to the expansion of our customer base and product line-up after the acquisition of TradeStation and IBFX, net operating revenue increased 28.6% from the previous fiscal year to ¥29,054 million. While continuing the global expansion of our forex business, a business area that is naturally "borderless," we are also making efforts in the U.S. market to expand the futures and options business and increase revenue. In China, with its strongly developing financial and capital markets, we will pursue new business opportunities using Monex BOOM Securities in Hong Kong as our foothold.

We also must not overlook the cost-reduction benefits from sharing business infrastructure. Over the next four years, we plan to integrate and internalize our systems by utilizing the technological prowess of TradeStation, and ultimately achieve annual cost reductions of several billion yen.

Major factors of revenue and SG&A Comparison with FYE Mar. 31, 2011



Q3: What are the financial indicators that you focus on as CFO?

A3: I think that return on equity (ROE) is the most important financial indicator. The ROE indicates how efficiently profit is obtained from the amount invested by a shareholder.

In addition to building a business model up till now in which we do not hold a large amount of net assets, the Group has also been working to improve ROE through acquiring and retiring its own stock. There will be no change to this basic policy in the future. Activities such as margin trading in Japan require some amount of capital, but we think that it is crucial to keep net assets low and ensure our own financial strength, which will increase our ability to procure external funds.

Q4: Please explain your policy on returning profits to shareholders.

A4: In the past, the Group has set the benchmark for total returns including dividends and share buybacks to 50% of consolidated net income. However, using this method creates a drawback in that it is difficult to grasp how much to pay in dividends if own-stock purchases are conducted. With this in mind, from the fiscal year ending March 31, 2013 we will implement a stable dividend payment system by selecting the higher of either 30% of consolidated net income or 1% of dividends on equity (DOE). Meanwhile, we

have changed our policy so that we will be able to flexibly implement share buybacks after taking into consideration our business performance and financial conditions, and I feel that with this change we have made our stance of stressing shareholder interests even clearer.

Q5: Please explain your financial strategies for the future.

A5: More than ten years have passed since the deregulation of stock brokerage commissions in 1999. I believe that the fiscal year ended March 31, 2012 was a memorable year in that it marked a major development in the history of the Group with the acquisition of TradeStation. We accomplished regional diversification of our profit structure, and launched efforts to create acquisition synergies in order to achieve cost reductions. Also, in order to establish a financial and accounting system suitable for a global company, we decided to implement the International Financial Reporting Standards (IFRS) from March 2013, and are currently making preparations for this.

The Monex Group will focus on strengthening profitability by making steady progress towards realizing its Global Vision, and will work towards achieving further financial strength by promoting the global optimization of fund procurement and management operations.

Financial Review / Business Situation

Business and Financial Review

1. Business Results

During the consolidated fiscal year under review (April 1, 2011 to March 31, 2012), the Japanese economy saw progress in recovery from the effects of the Great East Japan Earthquake, but stock prices weakened through December 2011 as a result of the financial crisis in Europe and the high value of the yen. Since early 2012, slightly positive signs have been seen with an upturn in stock prices accompanying a decline in the yen's value.

The Nikkei Stock Average fell from the ¥9,700-¥9,800 range at the beginning of the fiscal year to the ¥8,100-¥8,200 range in November, but rose continuously from the start of 2012, recovering to 10,000 at the end of March 2012.

For the entire consolidated fiscal year, the total average daily trading value of individual investors on the Tokyo, Osaka, and Nagoya markets was approximately ¥450 billion, a decrease of 14.7% relative to the previous consolidated fiscal year.

The performance of newly consolidated subsidiaries and affiliates was included for the following periods:

- TradeStation Group, Inc., an online brokerage business in the United States, and its subsidiaries (below: "TradeStation"): Nine months from July 1, 2011 to March 31, 2012
- IBFX Holdings, LLC, which engages in the FX business in the United States and other countries, and its subsidiaries (below: "IBFX Group"): Approximately four-and-a-half months from November 15, 2011 to March 31, 2012

For the consolidated fiscal year, stock brokerage commissions, the Group's main income source, stayed stagnant. However, operating revenues at ¥32,293 million (up 28.0% from the previous fiscal year) and net operating revenues at ¥29,054 million (up 28.6%) grew due to the widening of the consolidated business base and strong performance in the FX business.

Selling, general, and administrative expenses also increased substantially to ¥26,605 million (up 49.1%) due to the widening of the consolidated business base. As a result, operating income fell by 48.3% to ¥2,449 million and ordinary income by 52.4% to ¥2,373 million.

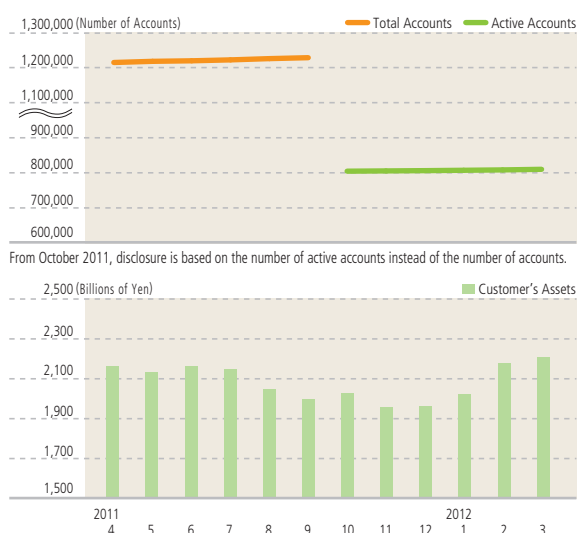
Extraordinary income of ¥691 million was reported, including ¥345 million in capital gains from a secondary offering of stocks that had been held in Lifenet Insurance Company due to over-allotment following that firm's listing, and ¥221 million in profit from the sale of shares in the former Group affiliate Dot Commodity, Inc. In addition, extraordinary losses of ¥411 million were reported including ¥213 million in outsourcing contract cancellation losses and ¥141 million in valuation losses on investment securities.

As a result of the above developments, income before income taxes and minority interests was ¥2,585 million, down 20.9% from the previous fiscal year, and net income was ¥1,422 million, down 28.6%.

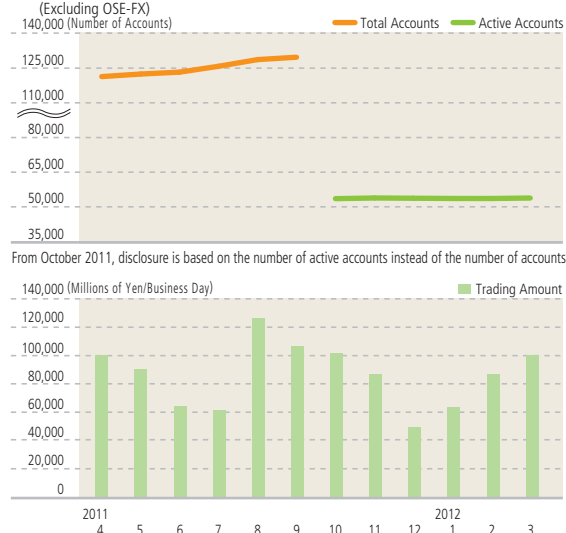
Segment Overview

From the current consolidated fiscal year, the reporting segments are divided into three groups: "Japan," "the United States, Europe and Australia" and "Hong Kong," as the Group's overseas business has become more important.

● Accounts / Customers' assets in custody (Monex, Inc.)



● Number of FX margin trading accounts / FX margin trading amount (Monex, Inc.)



(1) Japan

Due to the decrease in the value of trading by individual investors, commissions were ¥11,005 million (down 15.7%), while net trading gains increased to ¥5,106 million (up 8.1%) due to firm performance in the FX business. As a result, operating revenues were ¥23,300 million (down 7.1%) and net operating revenues were ¥20,757 million (down 7.5%).

The Group was able to limit selling, general and administrative expenses to ¥16,942 million (down 4.4%) thanks to reduced costs relative to the previous fiscal year. However, this did not fully offset the decrease in net operating revenues, and operating income for the segment declined 19.1% to ¥3,815 million.

(2) United States, Europe, and Australia

Commissions were ¥5,808 million and net trading gains from the FX and other businesses were ¥1,097 million, resulting in net operating revenues of ¥7,942 million.

Amortization of goodwill was ¥459 million, and selling, general and administrative expenses were ¥9,196 million including ¥580 million in amortization of identifiable intangible assets. This resulted in a segment operating loss of ¥1,254 million.

(3) Hong Kong

Monex Boom Securities (H.K.) Limited (below: "Monex Boom Securities"), an online brokerage firm, engages in the securities business in Hong Kong. Net operating revenues were ¥452 million, amortization of goodwill was ¥33 million, and selling, general and administrative expenses including ¥38 million in amortization of identifiable intangible assets were ¥469 million. These made for a segment operating loss of ¥17 million.

► Specific Measures Taken by the Group during the Consolidated Fiscal Year

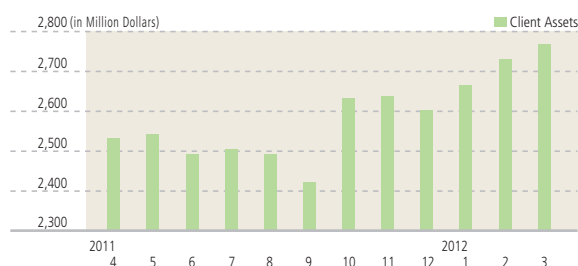
(1) Global Vision and Development of Overseas Business Base

Monex Group aims to globalize its customer base and business in addition to enhancing its global product line and services. This is key given its current business environment: the change in global financial infrastructure, namely the increasing cross-border tie-ups among the world's major financial exchanges, and the growing needs for global investment opportunities of individual investors. Specifically, in recent years, Monex Group has progressed in its expansion effort into China by acquiring BOOM Securities (HK) Limited (now Monex Boom Securities) and its group companies in Hong Kong. As a core element of the further expansion and globalization of its business, the Group completed acquisition of TradeStation Group, Inc., a U.S. online securities group, through a friendly tender offer process, making it a wholly owned subsidiary in June 2011. In addition, the Group acquired U.S.-based IBFX Holdings, LLC, a FX trading firm, through a purchase by TradeStation Group, Inc. in November 2011 and combined their businesses. In addition to further expanding our footprints in Japan, the United States, and Hong Kong, our mid-term strategy is to promote the global expansion of the FX business and to leverage the No.1 U.S. award-winning technology of TradeStation. Implementing these strategies will create cost synergies and generate new revenue, increasing shareholder value.

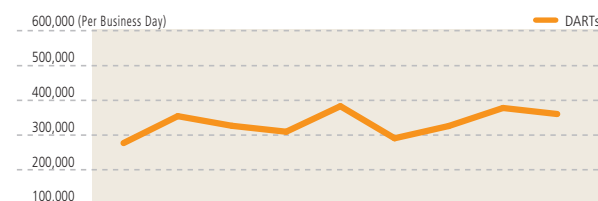
● DARTs / Total client assets (TradeStation Group, Inc.)



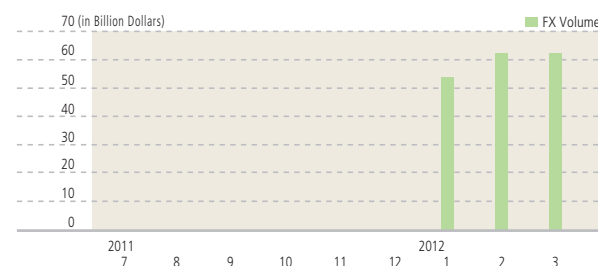
DARTs of TradeStation Group, Inc. include its subsidiary securities company and FX companies of the daily average revenue trades of stocks, futures, options and forex.



● Global DARTs / Global FX volume



Global DARTs include the DARTs of Monex, Inc., Monex FX, Inc., TradeStation Group, Inc. and Monex Boom Securities (H.K.) Limited.



Global FX Volume includes the trading value of Monex, Inc., Monex FX, Inc. and TradeStation Group, Inc.

(2) Business in Japan

• Stock and FX Trading Businesses

To provide the latest investment data for stock trading, in February 2012, Monex, Inc. launched "Monex Signal," a daily e-mail alert service that distributes investment rating information based on multiple investment analysis algorithms. In March, a Chinese trading order intermediary firm was switched over to Monex Boom Securities, a Hong Kong-based Group company, and systems were updated to be able to cater to Japan's "tokutei koza" brokerage account system. With respect to FX trading, the Group implemented a variety of measures to encourage trading such as holding seminars, reducing spreads, and conducting cash-back campaigns.

• Investment Banking Business

When Lifenet Insurance Company, which engages in the online life insurance business, went public on the Tokyo Stock Exchange's Mothers market, Monex, Inc. was involved in the underwriting of new and secondary stock offerings in an underwriting syndicate capacity.

• Alternative Investment Business

Monex Alternative Investments, Inc., a consolidated subsidiary, provides pension fund management services in cooperation with Mizuho Trust and Banking Co., Ltd., with related assets under management reaching ¥8.8 billion at the end of the consolidated fiscal year.

(3) Overseas Business

- U.S.-based TradeStation expanded the use of in-house developed technologies to various services including "Portfolio Maestro," a portfolio management tool released in February 2012, and Chart Trading, a new application that allows traders to manage their positions and place orders by clicking and dragging on stock price charts.
- The IBFX Group, which TradeStation acquired in November 2011, continued to provide its existing brand to its customers, and carried out various marketing activities such as that for social trading, which is an original service that allows traders to use and share their own trading system and conditions.

(4) Roadmap Adopted

The Group drew up a medium- to long-term policy and plan (corporate roadmap) to generate synergies and expand global business by leveraging overseas subsidiaries. The roadmap sets forth specific policies and a timeline for system consolidation and business expansion aimed at cost reduction and increasing profitability. The Group is united in its commitment to implementing activities and strategies in accordance with the roadmap.

2. Cash Flow

During the consolidated fiscal year, net cash provided by operating activities was ¥5,696 million (compared to ¥4,289 million in the previous fiscal year), net cash used in investing activities was ¥26,839 million (compared to ¥2,087 million), and net cash provided by financing activities was ¥26,281 million (compared to ¥2,232 million). As a result, cash and cash equivalents at the end of the consolidated fiscal year amounted to ¥39,186 million, up ¥5,421 million from the previous year.

Details of each cash flow category, including key determining factors, are described below.

▶ Cash flows from operating activities

Net cash provided by operating activities was ¥5,696 million for the consolidated fiscal year.

Inflows included a decrease of ¥9,452 million in short-term loans receivable and a decrease of ¥8,431 million in cash segregated for customers and others. Outflows included a net ¥11,475 million effect from changes in the balance of loans receivable secured by securities and loans payable secured by securities and an increase of ¥7,354 million in money held in trust.

▶ Cash flows from investing activities

Net cash used in investing activities was ¥26,839 million for the consolidated fiscal year.

Inflows included ¥3,333 million in income stemming from acquiring stock in subsidiaries to widen the consolidated base and ¥10,160 million in proceeds from sales and redemption of investment securities. Outflows included ¥30,506 million in purchase of stock in subsidiaries in conjunction with the widening of the consolidated base.

▶ Cash flows from financing activities

Net cash provided by financing activities was ¥26,281 million for the consolidated fiscal year.

Inflows included a ¥34,000 million increase in long-term debt and a ¥18,200 million increase in short-term borrowings, while outflows included ¥15,000 million in repayment of long-term loans and ¥5,000 million in bond redemptions.

Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Assets			
Current assets:			
Cash and deposits (Notes 6 and 28)	¥ 40,382	¥ 34,950	\$ 492,884
Cash segregated for customers and others	247,746	138,627	3,023,873
Money held in trust	44,154	36,575	538,923
Trading assets (Notes 8 and 10)	12,658	9,504	154,498
Securities (Notes 6 and 9)	9,765	6,208	119,187
Operating investment securities (Note 9)	522	971	6,371
Margin transaction assets (Note 5)	90,795	96,602	1,108,202
Payments on securities subscribed	786	634	9,594
Short-term guarantee money deposited	12,424	6,435	151,642
Accrued revenues	2,890	2,423	35,274
Deferred tax assets (Note 13)	1,015	1,978	12,389
Short-term loans receivable	6,698	10,738	81,753
Loans receivable secured by securities	15,339	—	187,221
Other	2,637	1,499	32,186
Allowance for doubtful receivables	(94)	(97)	(1,147)
	487,717	347,047	5,952,850
Property and equipment, at cost:			
Buildings	478	338	5,834
Furniture and fixtures	4,915	1,259	59,991
Accumulated depreciation	(4,076)	(860)	(49,750)
	1,317	737	16,075
Intangible assets, net of amortization:			
Goodwill	18,319	8,049	223,593
Technology assets	8,964	—	109,410
Customer relationships	3,504	848	42,768
Software	2,221	1,792	27,109
Other	2,606	225	31,808
	35,614	10,914	434,688
Investment and others:			
Investment securities (Notes 7 and 9)	10,236	6,007	124,936
Long-term guarantee deposits	289	591	3,527
Long-term receivable for customers (Note 2)	437	1,052	5,334
Deferred tax assets (Note 13)	412	350	5,029
Other (Note 7)	78	85	952
Allowance for doubtful receivables	(437)	(1,052)	(5,334)
	11,015	7,033	134,444
Total assets	¥535,663	¥365,731	\$6,538,057

The accompanying notes are an integral part of the financial statements.

Consolidated Balance Sheets

As of March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Liabilities			
Current liabilities:			
Trading liabilities (Notes 8 and 10)	¥ 5,285	¥ 3,321	\$ 64,506
Margin transaction liabilities (Note 5)	27,826	31,638	339,630
Loans payable secured by securities	24,776	26,603	302,404
Deposits received	185,797	93,857	2,267,753
Guarantee money received	125,582	85,012	1,532,796
Short-term borrowings (Note 15)	63,000	39,800	768,949
Current portion of long-term debt (Note 13)	2,500	5,000	30,514
Bonds (Note 15)	281	5,000	3,430
Income taxes payable (Note 13)	391	582	4,772
Accrued employees' bonuses	268	23	3,271
Accrued directors' bonuses	11	8	134
Allowance for point services	146	161	1,782
Other	2,138	1,150	26,098
	438,001	292,155	5,346,039
Non-current liabilities:			
Long-term debt (Note 15)	16,500	—	201,391
Long-term deposits received	1,028	1,153	12,547
Deferred tax liabilities (Note 13)	6,544	143	79,874
	24,072	1,296	293,812
Statutory reserves (Note 16):			
Financial instruments transactions reserve	1,130	1,254	13,792
	1,130	1,254	13,792
Total liabilities	¥463,203	¥294,705	\$5,653,643
Commitments (Note 17)			
Net assets			
Owners' equity			
Common stock:	¥ 10,394	¥ 10,394	\$ 126,864
Authorized – 8,800,000 shares			
Issued – 2,996,805 shares as of March 31, 2012 and 3,196,805 shares as of March 31, 2011			
Capital surplus	40,593	42,163	495,460
Retained earnings	17,359	18,404	211,876
	68,346	70,961	834,200
Accumulated other comprehensive income			
Net unrealized holding gains (losses) on securities, net of taxes	3,621	(144)	44,196
Foreign currency translations adjustments	236	6	2,880
	3,857	(138)	47,076
Minority interests	257	203	3,138
Total net assets	72,460	71,026	884,414
Total liabilities and net assets	¥535,663	¥365,731	\$6,538,057

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Income

For the fiscal years ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Operating revenues:			
Commission revenues (Note 24)	¥17,108	¥13,158	\$208,813
Net gain on trading account	6,200	4,725	75,674
Net gain on operating investments	61	26	745
Financial income (Note 25)	8,383	7,155	102,319
Other operating revenues	541	163	6,603
	32,293	25,227	394,154
Financial expenses (Note 25)	3,239	2,638	39,534
Net operating revenues	29,054	22,589	354,620
Selling, general and administrative expenses (Note 26)	26,605	17,848	324,729
Operating income	2,449	4,741	29,891
Other incomes (expenses):			
Equity in earnings	(49)	(8)	(598)
Gain on sales of investment securities	345	99	4,211
Reversal of Financial instruments transactions reserve	124	629	1,513
Dividend income	52	246	635
Disposal loss on fixed assets (Note 27)	(9)	(116)	(110)
Adjustment of prior years' expenses (Note 27)	—	(66)	—
Cancellation loss of outsourcing contracts	(213)	(89)	(2,600)
Valuation loss on investment securities	(141)	—	(1,721)
Business integration cost (Note 27)	—	(1,152)	—
Provision for allowance for doubtful receivables (Note 27)	—	(1,006)	—
Other, net	96	(4)	1,172
	205	(1,467)	2,502
Income before income taxes and minority interests prior to distribution of gain in silent partnership	2,654	3,274	32,393
Distribution of gain in silent partnership	69	6	842
Income before income taxes and minority interests	2,585	3,268	31,551
Income taxes (Note 13):			
Current	842	565	10,277
Deferred	258	708	3,149
	1,100	1,273	13,426
Net income before minority interests	1,485	1,995	18,125
Minority interests	63	2	769
Net income	¥ 1,422	¥ 1,993	\$ 17,356

	Yen		U.S. Dollars
	2012	2011	2012
Per share amounts			
Net income	¥467.45	¥647.82	\$5.71
Cash dividends per share applicable to the year	200.00	500.00	2.44

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Comprehensive Income

For the fiscal years ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Net income before minority interests	¥1,485	¥1,995	\$18,125
Other comprehensive income			
Unrealized gain (loss) on available-for-sale securities	3,772	(369)	46,039
Foreign currency translation adjustments	230	24	2,807
Share of other comprehensive loss in affiliates	(7)	(10)	(85)
Total other comprehensive income (loss)	3,995	(355)	48,761
Total comprehensive income	5,480	1,640	66,886
Comprehensive income attributed to:			
Shareholders of the Company	¥5,417	¥1,638	\$66,117
Minority interest	63	2	769

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Changes in Net Assets

For the fiscal years ended March 31, 2012 and 2011

	Millions of Yen									
	Owner's Equity					Accumulated Other Comprehensive Income			Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity	Net Unrealized Holding Gains (Losses) on Securities, Net of Taxes	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Income		
Balance at March 31, 2010	¥ 8,800	¥38,999	¥18,206	¥ —	¥66,005	¥ 225	¥ (8)	¥ 217	¥ 88	¥66,310
Net income	—	—	1,993	—	1,993	—	—	—	—	1,993
Cash dividends paid	—	—	(1,795)	—	(1,795)	—	—	—	—	(1,795)
Issuance of new stocks	1,594	1,594	—	—	3,188	—	—	—	—	3,188
Issuance of new stocks by merger	—	1,570	—	—	1,570	—	—	—	—	1,570
Increase in minority interests	—	—	—	—	—	—	—	—	115	115
Others	—	—	—	—	—	(369)	14	(355)	—	(355)
Balance at March 31, 2011	10,394	42,163	18,404	—	70,961	(144)	6	(138)	203	71,026
Net income	—	—	1,422	—	1,422	—	—	—	—	1,422
Cash dividends paid	—	—	(939)	—	(939)	—	—	—	—	(939)
Acquisition of treasury stocks	—	—	—	(3,098)	(3,098)	—	—	—	—	(3,098)
Retirement of treasury stocks	—	(3,098)	—	3,098	—	—	—	—	—	—
Transfer to capital surplus from retained earnings	—	1,528	(1,528)	—	—	—	—	—	—	—
Increase in minority interests	—	—	—	—	—	—	—	—	54	54
Others	—	—	—	—	—	3,765	230	3,995	—	3,995
Balance at March 31, 2012	¥10,394	¥40,593	¥17,359	¥ —	¥68,346	¥3,621	¥236	¥3,857	¥257	¥72,460

	Thousands of U.S. Dollars									
	Owner's Equity					Accumulated Other Comprehensive Income			Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity	Net Unrealized Holding Gains (Losses) on Securities, Net of Taxes	Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive Income		
Balance at March 31, 2011	\$126,864	\$514,623	\$224,631	\$ —	\$866,118	\$(1,758)	\$ 73	\$(1,685)	\$2,479	\$866,912
Net income	—	—	17,356	—	17,356	—	—	—	—	17,356
Cash dividends paid	—	—	(11,461)	—	(11,461)	—	—	—	—	(11,461)
Acquisition of treasury stocks	—	—	—	(37,813)	(37,813)	—	—	—	—	(37,813)
Retirement of treasury stocks	—	(37,813)	—	37,813	—	—	—	—	—	—
Transfer to capital surplus from retained earnings	—	18,650	(18,650)	—	—	—	—	—	—	—
Increase in minority interests	—	—	—	—	—	—	—	—	659	659
Others	—	—	—	—	—	45,954	2,807	48,761	—	48,761
Balance at March 31, 2012	\$126,864	\$495,460	\$211,876	\$ —	\$834,200	\$44,196	\$2,880	\$47,076	\$3,138	\$884,414

The accompanying notes are an integral part of the financial statements.

Consolidated Statements of Cash Flows

For the fiscal years ended March 31, 2012 and 2011

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 2,585	¥ 3,268	\$ 31,551
Reversal of financial instruments transactions reserve	(124)	(629)	(1,513)
Depreciation	2,376	1,320	29,000
Amortization of goodwill	1,131	635	13,804
Disposal loss on fixed assets	9	116	110
(Decrease) increase in allowance for doubtful receivables	(628)	1,047	(7,665)
Decrease in allowance for point services	(14)	(35)	(171)
Gain on sales of investment securities	(345)	(99)	(4,211)
Gain on sales of investments in affiliates	(222)	—	(2,710)
Loss on redemption of investment securities	141	—	1,721
Increase (decrease) in accrued employees' bonuses	156	(162)	1,904
Increase (decrease) in accrued directors' bonuses	3	(32)	37
Interest income and dividend income	(8,467)	(7,402)	(103,344)
Interest expense	3,239	2,638	39,534
Decrease (increase) in cash segregated for customers and others	8,431	(2,103)	102,905
Increase in money held in trust	(7,354)	(2,100)	(89,760)
Increase in trading assets	(972)	(878)	(11,864)
Decrease in operating investment securities	450	114	5,492
Decrease in margin transaction assets, net of increase in margin transaction liabilities	1,996	7,285	24,362
Decrease in loans payable secured by securities and increase in loans receivable secured by securities, net	(11,475)	(8,319)	(140,059)
(Increase) decrease in payments on securities subscribed	(153)	52	(1,867)
Decrease in short-term loans receivable	9,452	7,878	115,367
(Increase) decrease in short-term guarantee money deposits	(1,447)	2,279	(17,661)
Decrease in deposits received	3,420	13,918	41,743
Decrease in guarantee money received	(2,043)	(16,325)	(24,936)
Decrease (increase) in long-term receivable for customers	656	(1,134)	8,007
Decrease in consumption taxes payable	(10)	(37)	(122)
Other, net	1,504	(1,752)	18,358
Sub total	2,295	(457)	28,012
Interest and dividend received	7,896	7,032	96,374
Interest paid	(3,296)	(2,629)	(40,229)
Income taxes paid	(1,199)	343	(14,634)
Net cash provided by operating activities	5,696	4,289	69,523
Cash flows from investing activities:			
Purchases of securities	(8,689)	(4,095)	(106,054)
Sales and redemption of securities	10,160	2,197	124,008
Purchases of property and equipment	(524)	(603)	(6,396)
Purchases of intangible assets	(1,801)	(1,207)	(21,982)
Purchases of investment securities	(527)	(47)	(6,432)
Proceeds from sales and redemption of investment securities	1,045	1,662	12,755
Proceeds from sales of investments in subsidiaries	—	25	—
Proceeds from investments in subsidiaries	—	7	—
Payments for long-term guarantee deposits	(54)	(513)	(659)
Proceeds from long-term guarantee deposits	8	537	98
Purchases of acquisition of controlling interests in subsidiary	(30,506)	—	(372,343)
Proceeds from acquisition of controlling interests in subsidiary	3,333	34	40,681
Proceeds from sales of investments in affiliates	716	—	8,739
Other, net	—	(84)	—
Net cash used in investing activities	(26,839)	(2,087)	(327,585)
Cash flows from financing activities:			
Decrease due to the acquisition of treasury stock	(3,098)	—	(37,813)
Increase in short-term borrowings	18,200	5,373	222,142
Increase in bonds	259	4,992	3,161
Decrease in bonds	(5,000)	(9,500)	(61,028)
Increase in long-term debt	34,000	—	414,988
Decrease in long-term debt	(15,000)	—	(183,083)
Dividends paid	(938)	(1,793)	(11,449)
Issuance of new stocks	—	3,160	—
Return of equity interest	(2,142)	—	(26,144)
Net cash provided by financing activities	26,281	2,232	320,774
Foreign currency translation adjustments on cash and cash equivalents	283	25	3,454
Net increase in cash and cash equivalents	5,421	4,459	66,166
Cash and cash equivalents at beginning of year	33,765	29,306	412,120
Cash and cash equivalents at end of year (Note 28)	¥39,186	¥33,765	\$478,286

The accompanying notes are an integral part of the financial statements.

Notes to Consolidated Financial Statements

For the fiscal years ended March 31, 2012 and 2011

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Monex Group, Inc. (the "Company") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act of Japan and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different from International Financial Reporting Standards with respect to certain application and disclosure requirements. The accounts of overseas consolidated subsidiaries are maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile. The accounts of overseas consolidated subsidiaries for the year ended March 31, 2012 are prepared in conformity with generally accepted accounting principles and practices prevailing in the countries, and adjusted for the differences in accounting policies from Japanese GAAP, if any.

The accompanying consolidated financial statements have been reformed and translated into English (with some expanded descriptions) from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Act of Japan. Some supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translations of the Japanese yen amounts into U.S. dollars are included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2012, which was ¥81.93 to U.S. \$1. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. Summary of Significant Accounting Policies

(1) Principles of Consolidation

The consolidated financial statements are required to include the accounts of the Company and significant companies that are controlled by the Company through substantial ownership of more than 50% of the voting rights or through ownership of a high percentage of the voting rights, even if it is equal to or less than 50%, and existence of certain conditions evidencing control by the Company of decision-making bodies of such companies.

The accompanying consolidated financial statements include the accounts of the Company and fourteen of its subsidiaries for the year ended March 31, 2011 and twenty-two of its subsidiaries for the year ended March 31, 2012. The Company's consolidated subsidiaries as of March 31, 2012 are Monex, Inc., Monex FX, Inc., Monex Alternative Investments, Inc., Monex University, Inc., Monex Hambrecht, Inc., Trade Science Corporation, TradeStation Group, Inc., TradeStation Securities, Inc., TradeStation Forex, Inc., TradeStation Technologies, Inc., Monex International Limited, Monex Boom Securities (H.K.) Limited and others. There is one company which is not consolidated as of March 31, 2012 in terms of financial materiality.

(2) Application of Equity Method

Investments in significant affiliates, of which the Company has ownership of 20% or more but less than or equal to 50%, and of 15% or more and less than 20% and can exercise significant influences over operating financial policies of investees, have been accounted for by the equity method.

Investments in all of significant affiliates, comprising three companies for the fiscal year ended March 31, 2011 and two companies for the year ended March 31, 2012, were accounted for by using the equity method.

(3) Trading Account

The Company prescribes "trading" to be the conduct of transactions for the purpose of earning profit by taking advantage of fluctuations in the

market prices and differentials between markets as well as reducing losses from them, by performing proprietary trading on such products which are treated according to securities, derivatives trading, money claims, currency trading and other transactions.

a) Securities in the Trading Account

Securities classified as the trading account (trading assets) are accounted by a trade date basis at fair value.

b) Derivative Contracts in the Trading Account

Derivative contracts in the trading account are accounted for at fair value. Accordingly, realized gains and losses on foreign-currency transactions are included in "net gain on trading account". Deemed settlement gains and losses on these transactions are recorded in "net gain on trading account".

(4) Accounting for Financial Instruments not Classified in the Trading Account

a) Securities

Based on the intent of the Company and its consolidated subsidiaries, these securities are classified as 1. debt securities intended to be held to maturity ("held-to-maturity debt securities") and 2. all other securities that are not classified in the above category (hereafter, "available-for-sale securities").

(i) Held-to-maturity Debt Securities

Held-to-maturity debt securities are stated at amortized cost.

(ii) Available-for-sale Securities

(Securities with a Readily Ascertainable Market Value)

Available-for-sale securities with a readily ascertainable market value are stated at fair market value as of balance sheet dates. Unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on sale of such securities are computed using the moving-average method.

Securities in cash segregated for customers and others and money held in trust are treated the same as above.

(Securities without a Readily Ascertainable Market Value)

Available-for-sale securities without a readily ascertainable market value are stated at cost, using the moving average method. Investment in limited partnership is recorded at net asset value based on the most recent financial statements of partnership corresponding to the Company's share.

b) Derivatives

Derivative contracts are stated at fair value.

(5) Depreciation and Amortization of Non-current Assets

a) Property and Equipment

Depreciation of property and equipment of the Company and its domestic consolidated subsidiaries are computed using the declining-balance method. For the overseas consolidated subsidiaries, the straight-line method over the estimated useful lives is used.

The estimated useful lives for major property and equipment as of March 31, 2012 and 2011 were as follows:

	2012	2011
Buildings	3 to 18 years	3 to 18 years
Furniture and fixtures	4 to 7 years	4 to 6 years

b) Intangible Assets

Amortization of intangible assets are computed using the straight-line method over the estimated useful lives.

The estimated useful lives for major intangible Assets as of March 31, 2012 and 2011 were as follows:

	2012	2011
Technologies-related	18 years	—
Customer relationships-related	18 years	—

Software for internal use is capitalized and amortized using the straight-line method over the estimated useful life (five years).

(6) Basis of Computation of Allowance

a) Allowance for Doubtful Receivables

An allowance for doubtful receivables is provided in an amount considered to be sufficient to cover estimated losses. Uncollectible amounts are calculated by estimating amounts for certain identified doubtful accounts and applying a percentage based on the rate of actual losses in the past for other accounts.

b) Accrued Employees' Bonuses

Accrued employees' bonuses are provided for estimated amounts to be paid in the subsequent period.

c) Accrued Directors' Bonuses

Accrued directors' bonuses are provided for estimated amounts to be paid in the subsequent period.

d) Allowance for Point Services

An allowance for point services is provided for the future reduction of commission revenues for granted and outstanding incentive points to be used after the end of the current fiscal year, using an estimated usage rate based on records of usage.

(7) Income Taxes

Deferred income taxes are recorded to reflect the effect of temporary differences between the carrying amounts of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences. A valuation allowance is provided if it is anticipated that some or all of deferred tax assets may not be realized.

(8) Consumption Taxes

Consumption taxes are accounted for based on the tax exclusion method.

(9) Amortization of Goodwill and Negative Goodwill

Goodwill and negative goodwill are amortized using the straight-line method over the period they are expected to be effective.

(10) Per Share Amounts

The computation of net income per share is based on the weighted average number of shares of common stock outstanding during the year. Diluted net income is not presented since securities with dilutive effect have not been issued. Dividend is presented by accrual basis, and it includes the planned payment of dividend.

(11) Cash and Cash Equivalents

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits, and readily marketable short-term investments bearing low risk of price fluctuation with maturities not exceeding three months.

(12) Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on the previously reported results of operations or retained earnings.

3. Changes in Presentation

On the consolidated balance sheet as of March 31, 2011, "Customer relationships" were included in "other" of "Intangible assets, net of amortization". As the importance of "Customer relationships" increased, they are reported as a separate item on the consolidated balance sheet as of March 31, 2011 and the consolidated balance sheet as of March 31, 2011 has been restated. "Other" of "Intangible assets, net of amortization" reported as ¥1,073 million on the consolidated balance sheet for the previous year has been restated to ¥848 million of "Customer relationship" and ¥225 million of "other" of "intangible assets, net of amortization".

4. Additional Information

The Company has applied "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and

"Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) to accounting changes and corrections of errors from the beginning of the current consolidated fiscal year.

5. Margin Transactions

Margin transactions as of March 31, 2012 and 2011 consisted of the following:

Assets	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Loans receivable from customers	¥85,567	¥93,659	\$1,044,391
Cash deposits as collateral for securities borrowed from securities finance companies:	5,228	2,943	63,811
	¥90,795	¥96,602	\$1,108,202

Liabilities	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Loans from securities finance companies	¥ 2,757	¥11,694	\$ 33,650
Proceeds of securities sold for customers' accounts	25,069	19,944	305,980
	¥27,826	¥31,638	\$339,630

6. Pledged Assets

Collateral for loan transactions with securities finance companies as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Cash deposits as collateral for foreign exchange trades with financial institutions	¥ 1,269	¥ 3,296	\$ 15,489
Securities as collateral for borrowing with securities financial firms	100	100	1,221
Securities as collateral for settlement with financial products settlement firms	6,299	3,997	76,883
Securities deposited by customers as collateral for margin transactions	9,772	10,295	119,272
	¥17,440	¥17,688	\$212,865

Total fair value of the securities deposited as collateral as of March 31, 2012 and 2011 consisted of the following (excluding securities mentioned above):

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Securities lending for margin transactions	¥27,537	¥20,309	\$336,104
Securities pledged for borrowings from securities finance companies or securities exchange brokers	2,801	11,944	34,188
Securities loaned	35,917	26,712	438,386
Other securities pledged	651	296	7,946
	¥66,906	¥59,261	\$816,624

Total fair value of the securities received as collateral as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Securities in custody for loans receivable from customers	¥ 79,231	¥ 82,866	\$ 967,057
Securities borrowed from securities finance companies	5,207	2,896	63,554
Securities borrowed	99,290	92,318	1,211,888
Securities received as guarantee for margin transactions	191,951	182,921	2,342,866
Securities pledged by stock options	2	—	25
	¥375,681	¥361,001	\$4,585,390

7. Investments in Affiliates

Investments in affiliates included in investment securities and other as of March 31, 2012 and 2011 had carrying amounts of ¥283 million (\$3,454 thousand) and ¥889 million, respectively.

8. Trading Assets and Liabilities

Trading assets as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Bonds	¥ 1,645	¥1,234	\$ 20,078
Forward foreign exchange contracts	11,013	8,270	134,420
	¥12,658	¥9,504	\$154,498

Trading liabilities as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Equity options	¥ —	¥ 1	\$ —
Forward foreign exchange contracts	5,285	3,320	64,506
	¥5,285	¥3,321	\$64,506

9. Securities

The book values and market value of held-to-maturity debt securities with a readily ascertainable market value as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		
	2012		
	Book Value	Market Value	Difference
Government bonds	¥4,098	¥4,098	¥ —

	Millions of Yen		
	2011		
	Book Value	Market Value	Difference
Government bonds	¥4,096	¥4,096	¥ —

	Thousands of U.S. Dollars		
	2012		
	Book Value	Market Value	Difference
Government bonds	\$50,018	\$50,018	\$ —

The acquisition cost and book value of available-for-sale securities with a readily ascertainable market value as of March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		
	2012		
	Acquisition Cost	Book Value	Difference
Stocks	¥ 1,821	¥ 7,118	¥5,297
Bonds	217,136	217,651	515
Investment trusts	814	812	(2)
Total	¥219,771	¥225,581	¥5,810

	Millions of Yen		
	2011		
	Acquisition Cost	Book Value	Difference
Stocks	¥ 2	¥ 2	¥ —
Bonds	101,380	101,279	(101)
Investment trusts	1,221	1,244	23
Total	¥102,603	¥102,525	¥ (78)

	Thousands of U.S. Dollars		
	2012		
	Acquisition Cost	Book Value	Difference
Stocks	\$ 22,227	\$ 86,879	\$64,652
Bonds	2,650,262	2,656,548	6,286
Investment trusts	9,935	9,911	(24)
Total	\$2,682,424	\$2,753,338	\$70,914

Available-for-sale securities sold for the fiscal year ended March 31, 2012 and 2011:

	Millions of Yen		
	2012		
	Sales Amount	Gains on Sales	Losses on Sales
Available-for-sale securities	¥52,021	¥963	¥93

	Millions of Yen		
	2011		
	Sales Amount	Gains on Sales	Losses on Sales
Available-for-sale securities	¥11,242	¥262	¥ —

	Thousands of U.S. Dollars		
	2012		
	Sales Amount	Gains on Sales	Losses on Sales
Available-for-sale securities	\$634,944	\$11,754	\$ 1,135

Devaluation of Securities

In the fiscal year ended March 31, 2012, the Group recorded impairment loss of ¥141 million on stocks classified available-for-sale securities. The devaluation of these stocks was made to the extent recognized as necessary taking into account the chances of their recovery in value and other factors. The acquisition cost for these stocks represents their book value after the devaluation.

Investment securities without a readily ascertainable market value as of March 31, 2012 and 2011 mainly consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Securities	¥ 72	¥2,111	\$ 879
Operating investment securities	522	971	6,372
Unlisted companies stocks	2,264	3,648	27,633
Investment in limited partnership	255	302	3,112
Total	¥3,113	¥7,032	\$37,996

Redemption schedule of bonds classified as held-to-maturity debt securities as of March 31, 2011 was as follows:

	Millions of Yen			
	2012			
	1 year or less	More than 1 year but 5 years or less	More than 5 years but 10 years or less	More than 10 years
Government bonds	¥129,264	¥57,164	¥30,000	¥ —
Other bonds	—	—	—	467
Total	¥129,264	¥57,164	¥30,000	¥467

	Millions of Yen			
	2011			
	1 year or less	More than 1 year but 5 years or less	More than 5 years but 10 years or less	More than 10 years
Government bonds	¥15,597	¥84,500	¥ —	¥ —

	Thousands of U.S. Dollars			
	2012			
	1 year or less	More than 1 year but 5 years or less	More than 5 years but 10 years or less	More than 10 years
Government bonds	\$1,577,737	\$697,718	\$366,166	\$ —
Other bonds	—	—	—	5,700
Total	\$1,577,737	\$697,718	\$366,166	\$5,700

10. Derivatives

The Company and its consolidated subsidiaries use forward foreign exchange contracts and interest rate swap contracts.

(1) Currency Derivatives

Currency derivative contracts of March 31, 2012 and 2011 were as follows:

	Millions of Yen			
	2012			
	Assets		Liabilities	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Forward currency contracts	¥624,384	¥11,013	¥444,635	¥5,317

	Millions of Yen			
	2011			
	Assets		Liabilities	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Forward currency contracts	¥400,410	¥8,269	¥271,272	¥3,321

	Thousands of U.S. Dollars			
	2012			
	Assets		Liabilities	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Forward currency contracts	\$7,620,945	\$134,420	\$5,427,011	\$64,897

(2) Interest Rate Derivatives

Interest rate derivative contracts of March 31, 2012 were as follows:

	Millions of Yen			
	2012			
	Contract Amount	Contract Amount with Maturity of more than 1 year	Fair Value	Gains or Losses on Measurement
Interest rate swap transactions	¥164	¥164	¥—	¥—

	Thousands of U.S. Dollars			
	2012			
	Contract Amount	Contract Amount with Maturity of more than 1 year	Fair Value	Gains or Losses on Measurement
Interest rate swap transactions	\$2,002	\$2,002	\$—	\$—

Interest rate derivative contracts of March 31, 2011: Not applicable

(3) Derivatives for Hedging Purpose

There were no derivative contracts held for hedging purpose as at March 31, 2012 and 2011.

11. Leases

(1) Finance Lease

Finance leases other than those that do not transfer ownership of leased property, which commenced in the fiscal years beginning before April 1, 2008 are accounted for as operating leases. Information for leases and leased property such as pro-forma acquisition costs, accumulated depreciation, obligations under finance leases, depreciation expense and imputed interest expense of finance leases that do not transfer ownership of leased property and were accounted for as operating leases for the fiscal years ended March 31, 2012 and 2011 were as follows:

Acquisition costs and accumulated depreciation:

	Millions of Yen		
	2012		
	Acquisition Costs	Accumulated Depreciation	Net Balance at Year End
Furniture and fixtures	¥68	¥55	¥13

	Millions of Yen		
	2011		
	Acquisition Costs	Accumulated Depreciation	Net Balance at Year End
Furniture and fixtures	¥ 805	¥ 752	¥53
Software	441	404	37
Total	¥1,246	¥1,156	¥90

	Thousands of U.S. Dollars		
	2012		
	Acquisition Costs	Accumulated Depreciation	Net Balance at Year End
Furniture and fixtures	\$830	\$671	\$159

Future lease payments under finance leases:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Within one year	¥ 8	¥81	\$ 98
Over one year	7	15	85
Total	¥15	¥96	\$183

Lease payments, depreciation and interest expense:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Lease payments	¥82	¥269	\$1,001
Depreciation	77	251	940
Interest expense	1	7	12

Depreciation of leased properties is calculated using the straight-line method over the estimated useful lives of the respective leased properties with zero residual value. The difference between total lease payments and acquisition cost of leased assets is calculated as interest expense, which is allocated to relevant accounting periods based on the interest method.

(2) Operating Lease

Future minimum lease payments related to non-cancellable operating leases:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Within one year	¥ 230	¥—	\$ 2,807
Over one year	1,186	—	14,476
Total	¥1,416	¥—	\$17,283

12. Stock Option Plan

Monex Hambrecht, Inc. which is a subsidiary of the Company has a stock option plan. Its stock option outstanding as of March 31, 2012 was as follows:

Date of resolution	January 31, 2008
Persons granted	2 directors of the subsidiary
Date of grant	January 31, 2008
Number of granted shares	54 shares
Exercise price	¥150,000
Exercise period	From January 31, 2010 to January 31, 2018

This incentive plan is only for Monex Hambrecht, Inc. and respective amounts are unchanged from the year ended March 31, 2011 to 2012.

13. Income Taxes

The normal statutory income tax rate in Japan arising out of the aggregation of corporate, enterprise and inhabitants taxes was approximately 40.7% for the fiscal year ended March 31, 2012 and 2011. And the effective tax ratio after adopting deferred tax accounting for the fiscal year ended March 31, 2012 and 2011 were 42.5% for 2012 and 38.9% for 2011, respectively.

(1) The significant differences between the statutory income tax rates and the effective income tax rates for the fiscal years ended March 31, 2012 and 2011 were as follows:

	2012	2011
Statutory income tax rates	40.7%	40.7%
Permanent differences including entertainment expenses	0.2%	0.8%
Valuation allowance	(24.2%)	(8.7%)
Amortization of goodwill	17.7%	7.9%
Per capita basis inhabitant taxes	0.7%	0.4%
Equity in earnings	0.8%	0.1%
Tax reform	6.4%	—
Others	0.2%	(2.3%)
Effective income tax rates	42.5%	38.9%

(2) Correction of amounts for deferred tax assets and deferred tax liabilities as a result of modification of income tax rates

The Act to Revise Income Taxes, Etc. to Construct a System Addressing Changes in Socio-Economic Structures (Law No. 114 of 2011) and the Act on Special Measures for Securing Financial Resources Necessary for Reconstruction from the Great East Japan Earthquake (Law No. 117 of 2011) were promulgated on December 2, 2011, and as a result, corporate tax rates have been reduced and a special corporate tax for reconstruction purposes imposed for fiscal years beginning on or after April 1, 2012. As a result of this change, the statutory effective tax rate to be used for calculating deferred tax assets and deferred tax liabilities has been reduced from the previous 40.7% to 38.0% for a temporary difference which is expected to be reversed during the period beginning from the fiscal year beginning on April 1, 2012 to that starting April 1, 2014, and to 35.6% for a temporary difference which is expected to be reversed in the period of the fiscal years beginning on or after April 1, 2015.

As a result of the changes in tax rates, deferred tax assets (net of deferred tax liabilities) decreased by ¥172 million, deferred income taxes increased by ¥111 million, and net unrealized holding gains (losses) on securities, net of taxes increased by ¥283 million.

Also, the above tax reform set a new limitation under which tax losses carrying forward can be deducted to the extent up 80% of taxable income in a year effective from the fiscal year beginning April 1, 2012, and as a result deferred tax assets decreased by ¥54 million and deferred income taxes increased by the same amount.

(3) The tax effects of significant temporary differences that result in deferred tax assets and liabilities at March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Deferred tax assets –Current			
Enterprise tax payable	¥ 40	¥ 49	\$ 488
Allowance for point services	56	65	684
Accrued employees' bonuses	69	—	842
Accumulated deficits	857	1,662	10,460
Allowance for doubtful receivables	32	39	391
Net unrealized holding losses on securities	—	41	—
Losses on termination of outsource contract	—	62	—
Expenses payable	102	—	1,245
Other	38	61	463
Sub total	1,194	1,979	14,573
Valuation allowance	—	(1)	—
Total	1,194	1,978	14,573
Deferred tax liabilities –Current			
Net unrealized holding gains on securities	(179)	—	(2,184)
Total	(179)	—	(2,184)
Net deferred tax assets –Current	1,015	1,978	12,389
Deferred tax assets –Non-current			
Financial instruments transactions reserve	403	510	4,920
Allowance for doubtful receivables	143	429	1,746
Depreciation	183	63	2,235
Accumulated deficits	232	623	2,833
Deferred assets	39	56	477
Net unrealized holding losses on securities	63	39	769
Goodwill	223	241	2,723
Loss of termination of outsource contract	54	—	652
Other	134	75	1,636
Sub total	1,474	2,036	17,991
Valuation allowance	(765)	(1,649)	(9,337)
Total	709	387	8,654

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Deferred tax liabilities –Non-current			
Net unrealized holding gains on securities	(1,890)	(37)	(23,068)
Valuation on intangible assets	(4,926)	(142)	(60,124)
Other	(25)	(1)	(306)
Total	(6,841)	(180)	(83,498)
Net deferred tax assets –Non-current	(6,132)	207	(74,844)
Net deferred tax assets	¥(5,117)	¥2,185	\$(62,455)

14. Severance and Retirement Benefits

Severance and retirement benefit expenses included in the consolidated statement of income for the years ended March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Contributions to a defined contribution plan	¥38	¥17	\$464

For the years ended March 31, 2012 and 2011, the Group applied a defined contribution plan only.

15. Short-term Borrowings, Bonds and Long-term Debt

Short-term borrowings at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Short-term borrowings from banks: average interest rate 0.38%	¥63,000	¥39,800	\$768,949

Bonds at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Bonds: interest rate 4.10%	¥281	¥5,000	\$3,430

The repayment schedule for the next five years and thereafter for Bonds as of March 31, 2012 is as follows:

	Millions of Yen	Thousands of U.S. Dollars
2012	¥281	\$3,430

Long-term debt at March 31, 2012 and 2011 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Current (Borrowings from banks: average interest rate 0.78%)	¥ 2,500	¥5,000	\$ 30,514
Non current (Borrowings from banks: average interest rate 0.79%)	16,500	—	201,391

The repayment schedule for the next five years and thereafter for long-term debt as of March 31, 2012 is as follows:

	Millions of Yen	Thousands of U.S. Dollars
2013	¥ 2,500	\$ 30,514
2014	2,500	30,514
2015	2,500	30,514
2016	9,000	109,850
2017 and thereafter	—	—

16. Statutory Reserves

Statutory reserves at March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Financial instruments transactions reserve	¥1,130	¥1,254	\$13,792

The Financial Instruments transaction reserve is recorded in accordance with Article 46-5 of the Financial Instruments and Exchange Act and Article 175 of the Cabinet Office Ordinances Concerning Financial Service

Providers which require a securities company to set aside a reserve in proportion to the values of its securities transactions and other related trading to cover possible customer losses incurred by default of the securities company on securities transactions.

17. Commitments

Commitment lines for lending by the Company and its consolidated subsidiaries as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Commitment lines for lending	¥2,500	¥2,600	\$30,514
Less amount executed	—	—	—
Unused amount	¥2,500	¥2,600	\$30,514

Commitment lines of credit and overdraft for borrowings by the Company and its consolidated subsidiaries as of March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Commitment lines of credit and overdraft	¥118,328	¥109,100	\$1,444,257
Less amount executed	(32,000)	(23,800)	(390,577)
Unused amount	¥ 86,328	¥ 85,300	\$1,053,680

18. Net Assets

Under the Companies Act, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding half of the amount of the contribution as additional paid-in-capital, which is included in capital surplus.

Under the Act, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in-capital and legal earnings reserve must be set aside as additional paid-in-capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Act, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit by a resolution of the shareholders' meeting or could be capitalized by a resolution of the Board of Directors. Additional paid-in-capital and legal earnings reserve may not be distributed as dividends. Under the Act, however, on condition that the total amount of legal earnings reserve and additional paid-in-capital remained equal to or exceeded 25% of common stock, they were available for distribution by resolution of the shareholders' meeting.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

19. Share Issued and Treasury Stock

Share issued and treasury stock for the year ended March 31, 2012 and 2011 were as follows:

	As of March 31, 2011	Increase	Decrease	As of March 31, 2012
Share Issued				
Common Stock	3,196,805	—	(200,000)	2,996,805
Treasury Stock				
Common Stock	—	200,000	(200,000)	—

	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Share Issued				
Common Stock	2,991,120	205,685	—	3,196,805
Treasury Stock				
Common Stock	—	—	—	—

20. Business Combinations

The business combinations for the year ended March 31, 2012 were as follows:

(1) Acquisition of TradeStation Group, Inc.

As a result of a tender offer for shares of TradeStation Group, Inc., the holding company of a U.S. online securities group, and its merger with a subsidiary, TradeStation Group, Inc. became a wholly-owned subsidiary of the Company on June 8, 2011. The details are set forth below.

a) Summary of the business combination

(i) Name of the acquiree and description of its business

Name of the acquiree: TradeStation Group, Inc. and four other companies
Description of business: Financial instruments trading and other businesses

(ii) Main reason for implementing the business combination

The Company made TradeStation Group, Inc. into a wholly-owned subsidiary to realize its Global Vision, the Company's business strategy for creating a new global online financial institution and providing value to all stakeholders.

(iii) Date of the business combination: June 8, 2011

(iv) Legal basis of the business combination and name of the merged entity

Legal basis of the business combination: Share acquisition for cash consideration

Name of the merged entity: No changes of name took place.

(v) Percentage of voting rights acquired: 100%

(vi) Basis for determination of the acquirer

Felix 2011 Acquisition Sub, Inc., an American subsidiary of the Company established for the purpose of acquisition, acquired shares of TradeStation Group, Inc. for cash consideration.

b) Period for which the business results of the acquiree are included in the consolidated financial statements of the Company

From July 1, 2011 to March 31, 2012

c) Breakdown of the acquisition cost of the acquirer

		Millions of Yen	Thousands of U.S. Dollars
Consideration for acquisition	Payment of cash consideration	¥32,711	\$399,255
Costs incurred directly in acquisition	Advisory costs, etc.	506	6,176
Acquisition cost		¥33,217	\$405,431

d) Amount of goodwill generated, basis for goodwill, and method and period of amortization

(i) Amount of goodwill generated: ¥11,002 million

The net value of assets acquired and liabilities assumed was converted at the exchange rate effective at the time control was acquired (US\$ 1 / ¥80.18).

(ii) Basis for goodwill

The amount of the acquisition price exceeding the net acquisition value that was derived by subtracting the liabilities undertaken from the assets acquired, was posted as goodwill.

(iii) Method and period of amortization

Straight-line amortization over 18 years

e) Amount of intangible assets other than goodwill, breakdown by major asset type, and weighted average amortization periods overall and by major asset type

	Millions of Yen	Thousands of U.S. Dollars	Amortization Period
Technology-related assets	¥ 8,419	\$102,759	18 Years
Customer-related assets	2,887	35,237	18 Years
Trademarks	1,363	16,636	18 Years
Software	80	976	3 Years
Total	¥12,749	\$155,608	

f) Breakdown of assets acquired and liabilities assumed on the date of the business combination

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥147,926	\$1,805,517
Non-current assets	27,563	336,421
Total assets	175,489	2,141,938
Current liabilities	137,474	1,677,945
Non-current liabilities	4,798	58,562
Total liabilities	¥142,272	\$1,736,507

g) Estimate of the effects on the consolidated statements of income for the fiscal year ended March 31, 2012 if the business combination had been completed at the beginning of the fiscal year, and method of calculation

	Millions of Yen	Thousands of U.S. Dollars
Operating revenues	¥2,950	\$36,006
Net operating revenues	2,774	33,858
Operating income	(513)	(6,261)
Ordinary income	(513)	(6,261)
Income before income taxes and minority interests	(513)	(6,261)
Net income	¥ (278)	\$ (3,393)

Method of calculating the estimated amounts

The differences between estimates of operating revenues, net operating revenues, and income and loss information if the business combination had been completed at the beginning of the fiscal year and the sales revenues and income and loss information reported on the consolidated statements of income of the acquirer were used to estimate the effects.

An audit certificate has not been received for these estimations.

(2) Acquisition of IBFX Holdings, LLC

TradeStation Group, Inc., a U.S. subsidiary of the Company, acquired IBFX Holdings, LLC, which engages in the foreign exchange trading business, and its subsidiaries on November 15, 2011 and made IBFX Holdings, LLC, and its subsidiaries ("IBFX Group") into a wholly-owned subsidiary. The details are set forth below.

a) Summary of the business combination

(i) Name of the acquiree and description of its business

Name of the acquiree: IBFX Holdings, LLC, and six other companies
Description of business: Foreign exchange trading business

(ii) Main reason for conducting the business combination

The business combination was conducted to acquire IBFX Group's (a) FX trading system, (b) customer base and turnover, and (c) FX trading sites in the United States and Australia and to rapidly globalize the Group's FX trading business and accelerate the expansion of earnings.

(iii) Date of the business combination: November 15, 2011

(iv) Legal basis of the business combination and name of the merged entity

Legal basis of the business combination: Share acquisition for cash consideration
Name of the merged entity: No changes of name took place.

(v) Percentage of voting rights acquired: 100%

(vi) Basis for determination of the acquirer

TradeStation Group, Inc., a consolidated subsidiary of the Company, acquired IBFX Holdings' equity for cash consideration.

b) Period for which the business results of the acquiree are included in the consolidated financial statements of the Company

From November 15, 2011 to March 31, 2012

c) Breakdown of the acquisition cost of the acquirer

	Millions of Yen	Thousands of U.S. Dollars
Consideration for acquisition	¥1,258	\$15,354
Costs incurred directly in acquisition	37	452
Acquisition cost	¥1,295	\$15,806

d) Amount of goodwill generated, basis for goodwill, and method and period of amortization

(i) Amount of goodwill generated: ¥138 million

The net value of assets acquired and liabilities assumed was converted at the exchange rate effective at the time control was acquired (US\$ 1 / ¥77.13).

(ii) Basis for goodwill

The amount of the acquisition price exceeding the net acquisition value that was derived by subtracting the liabilities undertaken from the assets acquired, was posted as goodwill.

(iii) Method and period of amortization

Straight-line amortization over 5 years

e) Amount of intangible assets other than goodwill, breakdown by major asset type, and weighted average amortization periods overall and by major asset type

	Millions of Yen	Thousands of U.S. Dollars	Amortization Period
Technology-related assets	¥733	\$ 8,946	5 Years
Trademarks	73	891	10 Years
Non-competition agreements	23	281	2 Years
Total	¥829	\$10,118	

f) Breakdown of assets acquired and liabilities assumed on the date of the business combination

	Millions of Yen	Thousands of U.S. Dollars
Current assets	¥8,306	\$101,379
Non-current assets	1,256	15,330
Total assets	9,562	116,709
Current liabilities	8,267	100,903
Total liabilities	¥8,267	\$100,903

g) Estimate of the effects on the consolidated statements of income for the fiscal year ended March 31, 2012 if the business combination had been completed at the beginning of the fiscal year, and method of calculation

	Millions of Yen	Thousands of U.S. Dollars
Operating revenues	¥1,486	\$18,137
Net operating revenues	1,486	18,137
Operating income	(178)	(2,173)
Ordinary income	(178)	(2,173)
Income before income taxes and minority interests	(178)	(2,173)
Net income	¥ (178)	\$(2,173)

Method of calculating the estimated amounts

The differences between estimates of operating revenues, net operating revenues, and income and loss information if the business combination had been completed at the beginning of the fiscal year and the sales revenues and income and loss information reported on the consolidated statements of income of the acquiree were used to estimate the effects.

An audit certificate has not been received for these estimations.

21. Financial Instruments

The financial instruments for the years ended March 31, 2012 and 2011 were as follows:

(1) Financial Instruments

a) Basic policy for financial instruments

The Group procures necessary funds according to the business plan, primarily by borrowing from financial institutions and by issuing corporate bonds. Temporary surplus funds are mostly invested in highly liquid financial assets, and in accordance with the Financial Instruments and Exchange Act, cash segregated for customers and others are established for customer deposits and guarantee money received.

b) Details of financial instruments and associated risks

Short-term guarantee money deposited and margin transaction assets are exposed to the credit risk of customers. Trade receivables in foreign currency are also exposed to the risk of currency fluctuations, but in principle, their net position is hedged by forward exchange contracts. Securities and investment securities are primarily held-to-maturity debt securities and net investments necessary for conducting a financial transactions business, and they are exposed to the risk of market price fluctuations.

Almost all guarantee money received and margin transaction liabilities will mature within one year. Although those denominated in foreign currencies are exposed to the risk of currency fluctuations, this risk is being managed appropriately.

Loans and corporate bonds are primarily for the purpose of procuring funds needed to provide margin transactions. As for derivative transactions, forward foreign exchange contracts are used for the purpose of avoiding the risk of foreign exchange fluctuations in margin foreign exchange trading and in foreign currency denominated securities.

c) Risk management systems for financial instruments

In order to keep the risks that affect business management within a permissible level, the Group properly identifies, analyzes and assesses risks, and it has developed an appropriate management system suited to each type of risk, including: a) market-related risk, b) credit risk, and c) liquidity risk. The Group also manages financial instruments business operator properly, calculating their capital adequacy ratios in accordance with the Financial Instruments and Exchange Act.

The interest risk is defined as primal risk for the Group, which may affect on cash segregated for customers and others and money held in trust, and the result of quantitative analysis is reported to the Board. Cash segregated and managed for customers are invested in government bonds, bank deposits and call loans, and basically its purpose is to acquire interest income to maturity. Government bonds are exposed to the market-related risk, bank deposits are to the credit risk. As of end of March 2012, 99.5 billion yen of government bond are held in domestic subsidiaries, and the amount of value against to interest rate change is 40 million of yen by the sensitivity of 1bp.

(2) Fair Value of Financial Instruments

The value of financial instruments recorded on the consolidated balance sheets as of March 31, 2012, their fair value, and the difference between these two are as follows. Any financial instruments, for which determination of fair value is deemed extremely difficult, have not been included in the following table.

2012	Millions of Yen			Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Difference	Carrying Amount	Fair Value	Difference
(1) Cash and deposits	¥ 40,382	¥ 40,382	¥ —	\$ 492,884	\$ 492,884	\$ —
(2) Cash segregated for customers and others, and money held in trust	291,900	291,900	—	3,562,796	3,562,796	—
(3) Securities and investment securities	30,067	30,067	—	366,984	366,984	—
a) Trading securities	1,645	1,645	—	20,078	20,078	—
b) Derivative transactions	11,013	11,013	—	134,420	134,420	—
c) Held-to-maturity debt securities	4,098	4,098	—	50,018	50,018	—
d) Available-for-sale securities	13,311	13,311	—	162,468	162,468	—
(4) Margin transaction assets	90,795	90,795	—	1,108,202	1,108,202	—
(5) Short-term guarantee money deposited and short-term loans receivable	19,122	19,122	—	233,395	233,395	—
(6) Loans receivable secured by securities	15,339	15,339	—	187,221	187,221	—
Total assets	¥487,605	¥487,605	¥ —	\$5,951,482	\$5,951,482	\$ —
(1) Margin transaction liabilities	¥ 27,826	¥ 27,826	¥ —	\$ 339,630	\$ 339,630	\$ —
(2) Loans payable secured by securities	24,776	24,776	—	302,404	302,404	—
(3) Deposits received	185,797	185,797	—	2,267,753	2,267,753	—
(4) Guarantee money received and short-term borrowings	188,582	188,582	—	2,301,745	2,301,745	—
(5) Current portion of bonds	281	281	—	3,430	3,430	—
(6) Long-term debt (Included current portion long-term debt)	19,000	19,000	—	231,905	231,905	—
(7) Derivative transactions	5,285	5,285	—	64,506	64,506	—
Total liabilities	¥451,547	¥451,547	¥ —	\$5,511,373	\$5,511,373	\$ —

2011	Millions of Yen		
	Carrying Amount	Fair Value	Difference
(1) Cash and deposits	¥ 34,950	¥ 34,950	¥ —
(2) Cash segregated for customers and others, and money held in trust	175,202	175,202	—
(3) Securities and investment securities	14,847	14,846	(1)
a) Trading securities	1,234	1,234	—
b) Derivative transactions	8,270	8,270	—
c) Held-to-maturity debt securities	4,097	4,096	(1)
d) Available-for-sale securities	1,246	1,246	—
(4) Margin transaction assets	96,602	96,602	—
(5) Short-term guarantee money deposited and short-term loans receivable	17,173	17,173	—
Total assets	¥338,774	¥338,773	¥ (1)
(1) Margin transaction liabilities	¥ 31,638	¥ 31,638	¥ —
(2) Loans payable secured by securities	26,603	26,603	—
(3) Deposits received	93,857	93,857	—
(4) Guarantee money received and short-term borrowings	124,812	124,812	—
(5) Current portion of bonds	5,000	5,000	—
(6) Long-term debt and current portion of long-term debt	5,000	5,000	—
(7) Derivative transactions	3,321	3,321	—
Total liabilities	¥290,231	¥290,231	¥ —

Note 1. Calculation of the fair value of financial instruments and notes on securities and derivative transactions

(Assets)

(1) Cash and deposits, (5) Short-term guarantee money deposited and short-term loans receivable, (6) Loans receivable secured by securities

Given that these are settled in a short period of time, their book values closely approximate their fair value. Therefore they have been stated at their respective book values.

(2) Cash segregated for customers and others, and money held in trust

Given that these are mostly trust assets and marked to market, their book values closely approximate their fair value, and so they have been stated at their respective book values.

(3) Securities and investment securities

The fair value of shares has been stated using the prices at exchange. The fair value of bonds has been stated using either the prices at exchange or the prices offered by correspondent financial institutions. The fair value of derivative transactions has been stated using the prices offered by correspondent financial institutions and so forth.

(4) Margin transaction assets

Margin transaction assets with prescribed terms of contract have short terms, their book values closely approximate their fair value, and so they have been stated at their respective book values. Margin transaction assets with no prescribed terms of contract can be regarded as fair value using the amount of the payment (book value) if an offsetting transaction was conducted at the time fair value was assessed, they have been stated at their respective book values.

(Liabilities)

(1) Margin transaction liabilities

Margin transaction liabilities with prescribed terms of contract have short terms, their book values closely approximate their fair value, and so they have been stated at their respective book values.

(2) Loans payable secured by securities (3) Deposits received (4) Guarantee money received and short-term borrowings

Given that these are settled in a short period of time, their book values closely approximate their fair value, and so they have been stated at their respective book values.

(5) Current portion of bonds

Given that these are corporate bonds redeemed in a short period of time, their book values closely approximate their fair value, and so they have been stated at their respective book values.

(6) Long-term debt (Including current of portion long-term debt)

Given that interest rates are floating rate which is reflective of the market and no significant decline in the credit worthiness of the Company, their book values closely approximate the fair value, and so they have been stated at their respective book values.

(7) Derivative transactions

The fair value has been stated using the prices offered by correspondent financial institutions and so forth.

Note 2. Financial instruments, for which determination of fair value is deemed extremely difficult

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
	Carrying Amount	Carrying Amount	Carrying Amount
Unlisted companies stocks ^{*1}	¥1,668	¥4,385	\$ 20,359
Unlisted convertible bonds ^{*1}	500	—	6,103
Investment trusts ^{*2}	73	2,437	891
Investments in limited partnerships ^{*2}	872	1,021	10,643

*1. Given that unlisted companies stocks and convertible bonds have no market price and determining their fair value is deemed extremely difficult, they have not been included in "(3) Securities and investment securities."

*2. Given that investment trusts and investments in limited partnerships are included in operating investment securities, securities and investment securities comprising assets such as unlisted companies stocks, for which determination of fair value is deemed extremely difficult, have not been included in "(3) Securities and investment securities."

Note 3. Redemption schedule after March 31, 2012, for monetary claims and for securities with maturity

Almost all monetary claims and held-to-maturity debt securities are scheduled to be redeemed within one year. The redemption schedule for those available-for-sale securities with terms to maturity is as follows:

	Millions of Yen			
	1 year or less	More than 1 year but 5 years or less	More than 5 years but 10 years or less	More than 10 years
Government bonds and municipal bonds	¥129,264	¥57,164	¥30,000	¥ —
Others	—	—	—	467

	Thousands of U.S. Dollars			
	1 year or less	More than 1 year but 5 years or less	More than 5 years but 10 years or less	More than 10 years
Government bonds and municipal bonds	\$1,577,737	\$697,718	\$366,166	\$ —
Others	—	—	—	5,700

For the year ended March 31, 2011 as follows:

	Millions of Yen		
	1 year or less	More than 1 year but 5 years or less	More than 5 years but 10 years or less
Government bonds and municipal bonds	¥11,500	¥84,500	¥ —

Note 4. Repayment schedule after March 31, 2012, for corporate bonds and long-term debt

	Millions of Yen				
	2012				
	1 year or less	More than 1 year but 2 years or less	More than 2 years but 3 years or less	More than 3 years but 4 years or less	More than 4 years but 5 years or less
Bonds	¥ 281	¥ —	¥ —	¥ —	¥ —
Long-term debt	2,500	2,500	2,500	2,500	9,000
Total	¥2,781	¥2,500	¥2,500	¥2,500	¥9,000

	Thousands of U.S. Dollars				
	2012				
	1 year or less	More than 1 year but 2 years or less	More than 2 years but 3 years or less	More than 3 years but 4 years or less	More than 4 years but 5 years or less
Bonds	\$ 3,430	\$ —	\$ —	\$ —	\$ —
Long-term debt	30,514	30,514	30,514	30,514	109,849
Total	\$33,944	\$30,514	\$30,514	\$30,514	\$109,849

For the year ended March 31, 2011 as follows:

	Millions of Yen	
	1 year or less	More than 1 year
Bonds	¥ 5,000	¥ —
Long-term debt	5,000	—
Total	¥10,000	¥ —

22. Capital Adequacy Requirements

In Japan, financial instruments business operator is subject to risk-based capital adequacy rules established and administered by the Financial Services Agency ("FSA"). Monex, Inc. and Monex FX, Inc. report their capital adequacy ratio as defined pursuant to these rules.

The capital adequacy rules require financial instruments business operator to report to the FSA if the ratio falls to 140% or below, and the financial instruments business operator must report its capital adequacy ratio to the FSA on a daily basis while its ratio is 140% or below. As of March 31, 2012, capital adequacy ratio of Monex, Inc. was 444.4% (unaudited) and that of Monex FX, Inc. was 686.6% (unaudited).

23. Segment Information

(1) Outline of Reporting Segments

The Company's reporting segments are those constituent parts of the

company which discrete financial information is available for and periodically reviewed by management to make decisions about resources allocation and assess performance of the business results.

The Group's business is a uniform business consisting of financial product trading in Japan and financial business in other countries. In Japan, Monex, Inc. is the main entity, while business in the United States, Europe, and Australia is handled by TradeStation Group, Inc. and its subsidiaries, and Monex International Limited and its subsidiaries are responsible for business in Hong Kong. Each corporate entity is an independent management unit that proposes comprehensive strategies and conducts business activities in its respective territories.

Accordingly, the Group comprises different geographic segments based on the financial products trading business and financial business, and we report data for three segments: Japan; the United States, Europe and Australia; and Hong Kong.

Starting from the fiscal year ended March 2012, the importance of our overseas business increased with the acquisition of TradeStation Group, Inc. shares, and the reporting segments were modified.

(2) Calculation of Sales, Profit and Losses, Assets, Liabilities and Other Data for Reporting Segments

The accounting method of reported business segments is the same as that indicated in the Basis of Presenting Consolidated Financial Statements. Reported segment income is a figure based on operating income. Inter-segment revenues are based on arm's-length transaction prices.

(3) Sales, Profit and Losses, Assets, Liabilities and Other Data for Reporting Segments

Consolidated fiscal year (from April 1, 2011 to March 31, 2012)

	Millions of Yen					
	Reporting Segment				Adjustment Amount (See Notes)	Amount Reported on Consolidated Financial Statements
	Japan	U.S., EU, AU	HK	Total		
Net operating revenues						
Net operating revenues from external customers	¥ 20,660	¥ 7,942	¥ 452	¥ 29,054	¥ —	¥ 29,054
Internal net operating revenues or amounts of transfers between segments	97	—	1	98	(98)	—
Total	20,757	7,942	453	29,152	(98)	29,054
Segment income (Operating income)	3,815	(1,254)	(17)	2,544	(95)	2,449
Segment assets	374,318	183,574	14,206	572,098	(36,435)	535,663
Other items						
Depreciation	1,151	1,162	63	2,376	—	2,376
Goodwill depreciation	639	459	33	1,131	—	1,131
Amount of investment in equity-method affiliates	283	—	—	283	—	283
Increase in tangible fixed assets and intangible fixed assets	1,455	448	13	1,916	—	1,916

	Thousands of U.S. Dollars					
	Reporting Segment				Adjustment Amount (See Notes)	Amount Reported on Consolidated Financial Statements
	Japan	U.S., EU, AU	HK	Total		
Net operating revenues						
Net operating revenues from external customers	\$ 252,166	\$ 96,937	\$ 5,517	\$ 354,620	\$ —	\$ 354,620
Internal net operating revenues or amounts of transfers between segments	1,184	—	12	1,196	(1,196)	—
Total	253,350	96,937	5,529	355,816	(1,196)	354,620

	Thousands of U.S. Dollars					
	Reporting Segment				Adjustment Amount (See Notes)	Amount Reported on Consolidated Financial Statements
	Japan	U.S., EU, AU	HK	Total		
Segment income (Operating income)	46,564	(15,306)	(207)	31,051	(1,160)	29,891
Segment assets	4,568,754	2,240,620	173,392	6,982,766	(444,709)	6,538,057
Other items						
Depreciation	14,049	14,183	769	29,001	—	29,001
Goodwill depreciation	7,799	5,602	403	13,804	—	13,804
Amount of investment in equity-method affiliates	3,454	—	—	3,454	—	3,454
Increase in tangible fixed assets and intangible fixed assets	17,759	5,468	159	23,386	—	23,386

Note: Adjustments are as indicated below.

- (1) The ¥(95) million in segment income adjustments is subtraction of inter-segment transactions.
- (2) The ¥(36,435) million in segment asset adjustments includes ¥(27,577) million for subtracting inter-segment investment and capital flows and ¥(8,857) million for subtracting inter-segment borrowing and lending activities.

Consolidated fiscal year (from April 1, 2010 to March 31, 2011)

	Millions of Yen					
	Reporting Segment				Adjustment Amount (See Notes)	Amount Reported on Consolidated Financial Statements
	Japan	U.S., EU, AU	HK	Total		
Net operating revenues						
Net operating revenues from external customers	¥ 22,450	¥ —	¥ 139	¥ 22,589	¥ —	¥ 22,589
Internal net operating revenues or amounts of transfers between segments	2	3	—	5	(5)	—
Total	22,452	3	139	22,594	(5)	22,589
Segment income (Operating income)	4,718	—	24	4,742	(1)	4,741
Segment assets	355,811	37	12,350	368,198	(2,467)	365,731
Other items						
Depreciation	1,302	—	18	1,320	—	1,320
Goodwill depreciation	629	—	6	635	—	635
Amount of investment in equity-method affiliates	931	—	—	931	—	931
Increase in tangible fixed assets and intangible fixed assets	1,624	—	18	1,642	—	1,642

Note: Adjustments are as indicated below.

- (1) The ¥(5) million in segment income adjustments is subtraction of inter-segment transactions.
- (2) The ¥(2,467) million in segment asset adjustments includes ¥(1,811) million for subtracting inter-segment investment and capital flows and ¥(656) million for subtracting inter-segment borrowing and lending activities.

Related information

1. Individual products and services

This information is not presented, as financial products trading and related services for external clients account for over 90% of Operating revenues in the Consolidated Statements of Income.

2. Geographic area-specific data

(1) Net operating revenues

Consolidated fiscal year (from April 1, 2011 to March 31, 2012)

	Millions of Yen			
	Japan	U.S., EU, AU	HK	Total
Net operating revenues from external customers	¥20,660	¥7,942	¥452	¥29,054

	Thousands of U.S. Dollars			
	Japan	U.S., EU, AU	HK	Total
Net operating revenues from external customers	\$252,166	\$96,937	\$5,517	\$354,620
Consolidated fiscal year (from April 1, 2010 to March 31, 2011)				
	Millions of Yen			
	Japan	U.S., EU, AU	HK	Total
Net operating revenues from external customers	¥22,450	¥—	¥139	¥22,589

Note: Net operating revenues are based on the location of the customer and are categorized by country or territory.

(2) Property and equipment, at cost

Consolidated fiscal year (from April 1, 2011 to March 31, 2012)

	Millions of Yen			
	Japan	U.S., EU, AU	HK	Total
Property and equipment, at cost	¥467	¥821	¥29	¥1,317

	Thousands of U.S. Dollars			
	Japan	U.S., EU, AU	HK	Total
Property and equipment, at cost	\$5,700	\$10,021	\$354	\$16,075

Consolidated fiscal year (from April 1, 2010 to March 31, 2011)

	Millions of Yen			
	Japan	U.S., EU, AU	HK	Total
Property and equipment, at cost	¥704	¥—	¥33	¥737

3. Data for major clients

Data for major individual clients is not presented as it was below 10% of Operating revenues in the Consolidated Statements of Income.

Impairments losses on property and equipment by reporting segment

Consolidated fiscal year (from April 1, 2011 to March 31, 2012)

Not applicable

Amortization expense and unamortized balance of goodwill by reporting segment

Consolidated fiscal year (from April 1 2011 to March 31, 2012)

	Millions of Yen			
	Japan	U.S., EU, AU	HK	Total
(Goodwill)				
Amortization of goodwill	¥ 639	¥ 459	¥ 33	¥ 1,131
Balance	7,045	10,907	523	18,475
(Negative goodwill)				
Amortization of negative goodwill	39	—	—	39
Balance	(156)	—	—	(156)

	Thousands of U.S. Dollars			
	Japan	U.S., EU, AU	HK	Total
(Goodwill)				
Amortization of goodwill	\$ 7,799	\$ 5,602	\$ 403	\$ 13,804
Balance	85,988	133,126	6,383	225,497
(Negative goodwill)				
Amortization of negative goodwill	476	—	—	476
Balance	(1,904)	—	—	(1,904)

Consolidated fiscal year (from April 1 2010 to March 31, 2011)

	Millions of Yen			
	Japan	U.S., EU, AU	HK	Total
(Goodwill)				
Amortization of goodwill	¥ 629	¥ —	¥ 6	¥ 635
Balance	7,683	—	561	8,244
(Negative goodwill)				
Amortization of negative goodwill	39	—	—	39
Balance	(195)	—	—	(195)

Note: Goodwill and negative goodwill reported on the consolidated balance sheets are offset against each other.

Gain on negative goodwill for individual reporting segments

Consolidated fiscal year (from April 1, 2011 to March 31, 2012)

Not applicable

24. Commission Revenues

Details of commission revenues for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Brokerage:			
Equity securities	¥12,242	¥ 9,574	\$149,420
Bonds	3	—	37
Investment trusts	404	232	4,931
Other	475	297	5,798
Underwriting and distribution:			
Equity securities	59	14	720
Subscription and distribution:			
Equity securities	1	5	12
Bonds	30	3	366
Investment trusts	425	637	5,187
Other commissions:			
Equity securities	1,044	417	12,742
Bonds	—	2	—
Investment trusts	1,233	1,283	15,050
Other	1,192	694	14,550
	¥17,108	¥13,158	\$208,813

25. Financial Income and Financial Expenses

Details of financial income for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Income from margin transactions	¥3,607	¥4,336	\$ 44,025
Income from securities lending	1,177	937	14,366
Dividends received	1,417	1,005	17,295
Interest on bonds	660	585	8,056
Other interest income	1,386	290	16,917
Other financial income	136	2	1,660
	¥8,383	¥7,155	\$102,319

Details of financial expenses for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Expenses for margin transactions	¥ 282	¥ 370	\$ 3,442
Expenses for securities borrowing	2,547	1,844	31,088
Interest expenses	393	300	4,797
Bond interest	17	124	207
	¥3,239	¥2,638	\$39,534

26. Selling, General and Administrative Expenses

The major components of selling, general and administrative expenses for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Commissions paid	¥ 3,245	¥ 922	\$ 39,607
Exchange and association dues	757	719	9,239
Communication, freight and information expenses	3,058	2,369	37,325
Advertising expenses	1,715	907	20,933
Directors' compensation	401	411	4,894
Employees salaries	4,546	2,466	55,486
Provision for accrued directors' bonuses	9	8	110
Provision for accrued employees' bonuses	258	39	3,150
Severance and retirement benefit expenses	17	17	207
Equipment rental and maintenance	929	1,063	11,339
Outsourcing expenses	4,826	4,740	58,904
Provision for allowance for doubtful receivables	—	46	—
Amortization and depreciation	3,507	1,955	42,805
Other operating expenses	3,337	2,186	40,730
	¥26,605	¥17,848	\$324,729

27. Other Expenses

(1) The breakdowns of disposal loss on fixed assets for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Buildings	¥ —	¥ 14	\$ —
Software	9	102	110
Furniture and fixtures	—	—	—
Total	¥ 9	¥116	\$110

(2) Business integration cost is a temporary expense which arose as a consequence of preparations for the merger between Monex, Inc. and ORIX Securities. The breakdowns of major costs for the years ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Costs related to voluntary retirements	¥ —	¥ 4	\$ —
System related costs	—	885	—
Other	—	263	—
Total	¥ —	¥1,152	\$ —

(3) Provision for doubtful receivables of the previous fiscal year is presented by the settlement loss in futures and options accounts of the customers due to the market decline influenced by the Great East Japan Earthquake.

(4) Adjustment of prior years' expenses for the years ended March 31, 2011 is prior years' charge with regard to market information service.

28. Supplemental Information for Consolidated Statements of Cash Flows

(1) Cash and Cash Equivalents

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
Cash and deposits	¥40,382	¥34,950	\$492,884
Segregated cash included in cash and deposits	(1,269)	(3,296)	(15,489)
Marketable securities including MMFs	73	2,111	891
Cash and cash equivalents	¥39,186	¥33,765	\$478,286

(2) Newly Consolidated Subsidiaries

For the year ended March 31, 2012, reconciliation of assets, liabilities and cash flows related to the acquisition of TradeStation Group and IBFX Group as the newly consolidated subsidiaries were as follows:

TradeStation Group

	Millions of Yen	Thousands of U.S. Dollars
Assets		
Current assets	¥ 147,926	\$ 1,805,517
Non-current assets	16,563	202,160
Goodwill	11,002	134,285
Liabilities		
Current liabilities	(137,474)	(1,677,944)
Non-current liabilities	(4,798)	(58,562)
Subtotal	33,219	405,456
Cash and cash equivalents of TradeStation Group	2,713	33,113
Net cash proceeded in the purchase of TradeStation Group	¥ (30,506)	\$ (372,343)

IBFX Group

	Millions of Yen	Thousands of U.S. Dollars
Assets		
Current assets	¥ 8,306	\$ 101,379
Non-current assets	1,118	13,646
Goodwill	138	1,684
Liabilities		
Current liabilities	(8,267)	(100,903)
Subtotal	1,295	15,806
Cash and cash equivalents of IBFX Group	4,628	56,487
Net cash proceeded in the purchase of IBFX Group	¥ 3,333	\$ 40,681

For the year ended March 31, 2011, reconciliation of assets, liabilities and cash flows related to the acquisition of BOOM Securities Group as the newly consolidated subsidiaries were as follows:

BOOM Securities Group

	Millions of Yen
Assets	
Current assets	¥10,426
Non-current assets	836
Goodwill	558
Liabilities	
Current liabilities	(9,876)
Non-current liabilities	(134)
Subtotal	1,810
Issuance of new stocks	1,570
Cash and cash equivalents of BOOM Securities Group	274
Net cash proceeded in the purchase of BOOM Securities Group	¥ 34

29. Asset Retirement Obligations

Overview of asset retirement obligations on the consolidated balance sheets as of March 31, 2012 is shown below.

(1) Overview of Asset Retirement Obligations

The Company's real estate leasing agreements on office buildings involve obligations to return facilities to their original condition. The obligation is accounted for by reducing the amount of guarantee deposits.

(2) Method of Calculating Asset Retirement Obligation Amounts

The amount of security deposit related to real estate leasing agreements which is not expected to be collectible is reasonably estimated. The portion attributed to the current fiscal year is accounted for as an expense.

As a result of change in estimates of restoration cost during the current fiscal year, 74 million yen of asset retirement obligation has been additionally recognized.

(3) Changes in total asset retirement obligations during the year ended March 31, 2012 and 2011 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2012	2011	2012
The balance at the beginning of the year ^{*1}	¥ 50	¥49	\$ 610
Elapsed time adjustment	1	1	12
Increase due to changes in estimates	74	—	903
The balance at the end of the year	¥125	¥50	\$1,525

*1. The balance at the beginning of the year ended March 31, 2011 reflects the initial year application of the "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008).

30. Subsequent Events

(1) Dividends

The following appropriation of retained earnings at March 31, 2012 was approved at the annual meeting of shareholders held on June 23, 2012 and paid out by June 25, 2012.

	Millions of Yen		Thousands of U.S. Dollars
	2012	2012	2012
Unappropriated retained earnings	¥17,359		\$211,876
Appropriations:			
Year-end cash dividends	300		3,662
Retained earnings carried forward	¥17,059		\$208,214

(2) Business Divestiture

a) Summary of the business divestiture

(i) Name of parties who succeed the divested business: ASTMAX Co., Ltd. ("ASTMAX")

(ii) Nature of the divested business: Monex Alternative Investments, Inc. ("MAI", Discretionary investment management business) and its subsidiary

(iii) Aim of the business divestiture

The Company believes it will be the best to integrate MAI into ASTMAX and take advantage of scale in order to continuously offer better products to retail investors and pension funds and to maximize values for stakeholders. The Company entered into an agreement for the business divestiture on June 26, 2012 and transferred its stake in MAI to ASTMAX. Other shareholders of MAI have also transferred their shareholdings to ASTMAX and MAI became a wholly owned subsidiary of ASTMAX.

With acquisition of 15% of ASTMAX shares, ASTMAX became an equity method affiliated company of the Company.

(iv) Date of the business divestiture: August 1, 2012

(v) Outline of the transaction including description of legal basis:

The Company transferred its shares in MAI and acquired shares in ASTMAX through the following transactions.

- Transfer of all of the Company's shares in MAI to ASTMAX with cash consideration
- Allocation of newly issued shares and treasury shares of ASTMAX to the Company with cash consideration (The Company acquired 10% of the outstanding shares of ASTMAX)
- Purchase of shares of ASTMAX from existing shareholders and the market with cash consideration (The Company acquired 5% of the outstanding shares of ASTMAX)

b) Outline of the planned accounting treatment:

In order to apply equity method of accounting to ASTMAX, the company plans to account for the transaction in accordance with section 45 of "Accounting Standard for Business Divestitures" (ASBJ Statement No.7, December 26, 2008), which specifies accounting treatments of shareholders of an acquirer.

The amount of gains or losses generated by the sale of shares in MAI or the purchase of shares in ASTMAX, and the carrying amount of assets and liabilities of the divested business has not been determined at this time.

c) The reporting segment in which the divested business had been include:

Japan segment

(3) Business Combination

The Company entered into an agreement on July 17, 2012 and acquired all shares of Sony Bank Securities Inc. ("SBS"), a wholly-owned subsidiary of Sony Bank Inc. ("Sony Bank") as of August 1, 2012, and has also agreed on July 17, 2012 to strengthen the business alliance between Sony Bank and Monex, Inc. ("MI"), a wholly-owned subsidiary of the Company.

a) Summary of the business combination

(i) Name of the acquiree and description of its business

Name of the acquiree: Sony Bank Securities Inc.

Description of business: Financial instruments businesses

(ii) Main reason for implementing the business combination

The Company and Sony Bank agreed to strengthen the business alliance between Sony Bank and MI aiming to enrich products and services of MI to offer to customers of Sony Bank, to expand MI's customer base, and to build up a closer connection with Sony Bank's banking function and MI client accounts.

(iii) Date of the business combination: August 1, 2012

(iv) Legal basis of the business combination and name of the merged entity

Legal basis of the business combination: Share acquisition for cash consideration

Name of the merged entity: No changes of name took place.

(v) Percentage of voting rights acquired: 100%

(vi) Basis for selecting the acquirer

The Company acquired all shares on SBS shareholdings.

b) Breakdown of the acquisition cost of the acquirer

Not established at this time.

c) Amount of goodwill generated, basis for goodwill, and method and period of amortization

Not established at this time.



Independent Auditor's Report

To the Board of Directors of Monex Group, Inc.:

We have audited the accompanying consolidated financial statements of Monex Group, Inc. and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2012 and 2011, and the consolidated statements of income and comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Monex Group, Inc. and its consolidated subsidiaries as at March 31, 2012 and 2011, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following.

- (1) As discussed in Note 30 to the consolidated financial statements, Monex Group, Inc. has completed business divestiture of Monex Alternative Investments, Inc. and its subsidiary on August 1, 2012. Monex Group, Inc. has transferred all shares in Monex Alternative Investments, Inc. to ASTMAX Co., Ltd and acquired 15% of shares in ASTMAX Co., Ltd. As a result, ASTMAX Co., Ltd became an affiliated company of Monex Group, Inc.
- (2) As discussed in Note 30 to the consolidated financial statements, Monex Group, Inc. has completed acquisition of Sony Bank Securities Inc. on August 1, 2012 and it became a wholly-owned subsidiary of Monex Group, Inc.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2012 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

September 20, 2012
Tokyo, Japan

KPMG AZSA LLC, a limited liability audit corporation incorporated under the Japanese Certified Public Accountants Law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Monex History

	Monex, Inc.	Nikko Beans, Inc.
1999	April	Monex, Inc. ("Kabushiki Kaisha Monex") jointly established by Oki Matsumoto and Sony
	June	Japanese business name changed to "Monex Shoken Kabushiki Kaisha" (English name was unchanged)
	July	Became a member of the Japan Securities Dealers Association and started operations as a securities company
	October	Entered an online brokerage and agency business, offering securities transactions via the Internet and telephone
	November	Held the first Orientation Committee
2000	April	Became a member of the Tokyo Stock Exchange
	August	Shares were listed on the Tokyo Stock Exchange "Mothers" Market
2001	January	Launched "Monex Night Time Trading," Japan's first proprietary trading system for individual investors
	April	Saison Securities Co., Ltd. became a wholly owned subsidiary by share exchange
	June	Absorbed and merged Saison Securities Co., Ltd. Began issuing the Monex <<Saison>> Card
2002	November	Became a member of the Osaka Securities Exchange
	December	Launched margin trading service
2003	January	Began stock lending service
	February	Began selling of JGBs for individuals
	April	Launched foreign exchange margin trading service
2004		
	March	Reached an agreement to merge with Nikko Beans, Inc.
	August	Established Monex Beans Holdings, Inc.
	October	Established Monex Alternative Investments, Inc.
2005	December	Became a trading participant on the JASDAQ Securities Exchange
	May	Monex Beans, Inc. was established through merger
	June	Became first online brokerage to win sole lead manager mandate in an IPO
	July	Launched first alternative investment product, "Asia Focus"
	September	Changed listing of stocks to Tokyo Stock Exchange First Section
		Establishment of WR Hambrecht & Co Japan, Inc. (name changed to Monex Hambrecht, Inc.)
	November	Established Monex University, Inc.
		Established Monex Business Incubation, Inc.
	December	The name Monex Beans, Inc. was changed to Monex, Inc.
	2006	April
June		Monex, Inc. became a trading participant on the Sapporo and Fukuoka stock exchanges
October		Establishment of Net Life Planning Co., Ltd. (currently LIFENET INSURANCE COMPANY)
2007	August	Established MBH America, Inc.
2008	March	Establishment of Beijing Representative Office
	April	Tokyo Forex Co., Ltd. (currently Monex FX, Inc.) became a subsidiary
	July	Monex Beans Holdings changed its company name to Monex Group
	July	Trade Science became a subsidiary
2009	May	Made Monex FX a wholly owned subsidiary
2010	January	Acquisition of 100% of shares of ORIX Securities Corporation
	February	Established BaiFor Investment Advisory Ltd., a joint venture in Beijing
	May	Merger of Monex, Inc. and ORIX Securities
	October	Monex, Inc. opened a Beijing Representative Office
	December	BOOM Group, a Hong Kong-based online brokerage company group, became a wholly owned subsidiary
2011	June	Acquisition of TradeStation Group, a U.S. online securities group
	November	Acquisition of IBFX Holdings, LLC by TradeStation Group, Inc.

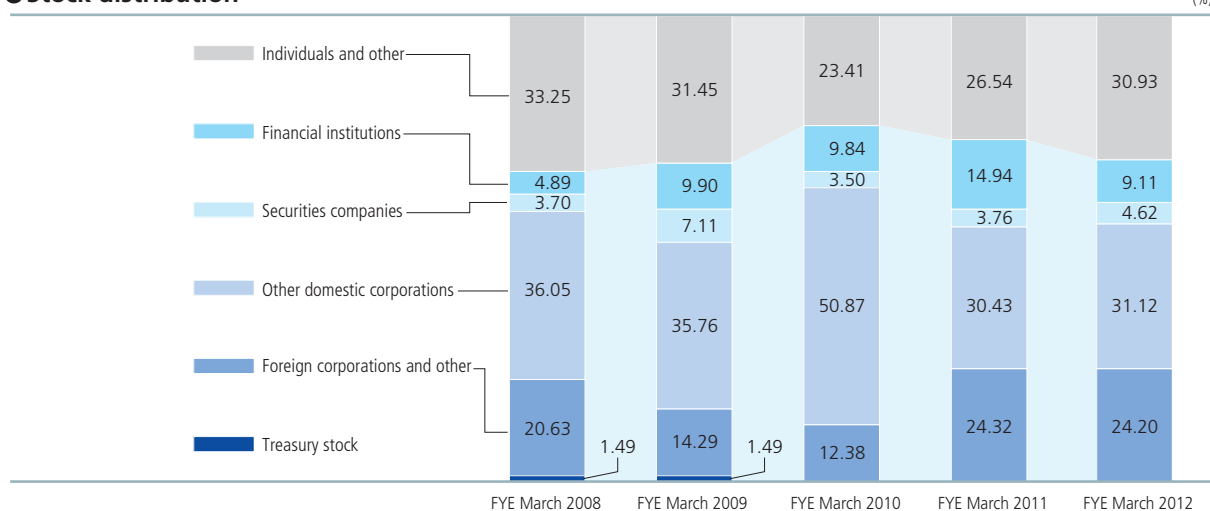
Stock Information (As of March 31, 2012)

Stock listing	First Section of Tokyo Stock Exchange
Security code	8698
Name of company	Monex Group, Inc.
Issued stock	2,996,805 shares
Trading unit	1 share
No. of shareholders	44,302
Administrator for shareholders' register	Mizuho Trust & Banking, Co., Ltd.
Fiscal year	From April 1 of each year to March 31 of the following year
Record date for year-end dividends	March 31
Record date for interim dividends	September 30
Ordinary shareholders' meeting	June each year

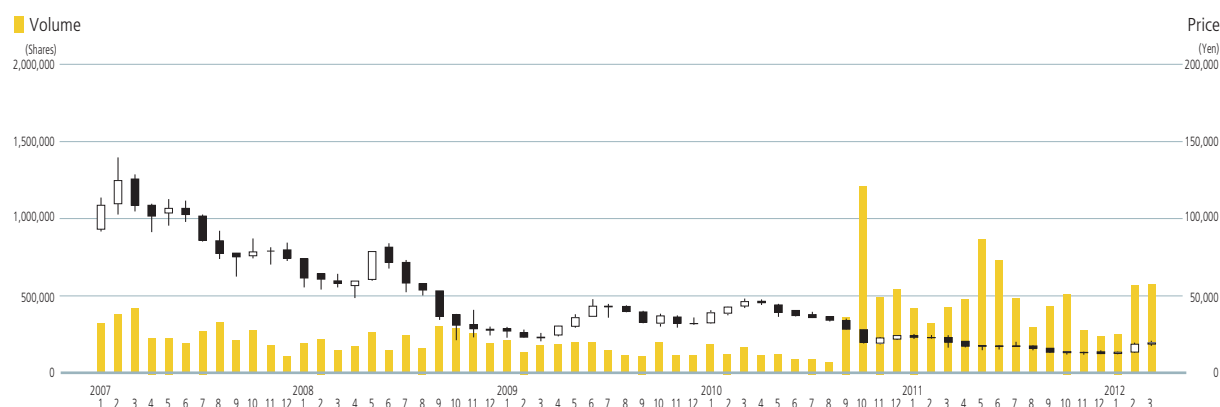
Major shareholders

Name	No. of shares held (shares)	Percentage of shares held (%)
ORIX Corporation	673,002	22.45
Oki Matsumoto	260,480	8.69
Sony Corporation	117,235	3.91
STATE STREET BANK AND TRUST COMPANY	91,481	3.05
Mizuho Securities Co., Ltd.	90,605	3.02
CBNY - FIDELITY SMALL CAP VALUE FUND	90,157	3.00
The Master Trust Bank of Japan, Ltd. (Trust Account)	83,541	2.78
THE CHASE MANHATTAN BANK 385036	65,769	2.19
SCB SG A/C HLBBGSG (CONSO)	65,685	2.19
MELLON BANK, N.A. TREATY CLIENT OMNIBUS	58,371	1.94

Stock distribution



Share price and volume



Indicators per share

		FYE March 2008	FYE March 2009	FYE March 2010	FYE March 2011	FYE March 2012
Net assets per share	(Yen)	19,665	17,235	22,140	22,154	24,093
Net income (loss) per share	(Yen)	3,081	(929)	1,527	648	467
Return on equity (ROE)	(%)	15.5	(5.0)	7.1	2.9	2.0
Cash dividends per share	(Yen)	1,550	400	700	500	200

Corporate Information (As of August 31, 2012)

● Corporate Profile

Monex Group, Inc.					
Founded:	August 2004	Directors & Auditors	Chairman and Chief Executive officer Oki Matsumoto	Director (External & Part-time) Yuko Kawamoto	Full-time Member of the Board of Auditors (External) Takeshi Tamaki
Representative:	Oki Matsumoto		Managing Director, Vice Chairman (Member of the Board) Shoji Kuwashima	Director (External & Part-time) Jun Makihara	Member of the Board of Auditors Takehiko Moriyama
Capital:	¥10,393 million		Managing Director (Member of the Board) Takashi Oyagi	Director (External & Part-time) Takeo Kato	Member of the Board of Auditors (External) Tetsuo Ozawa
Description of Business:	Holding company		Managing Director (Member of the Board) Salomon Sredni	Director (External & Part-time) Haruyuki Urata	Member of the Board of Auditors Masakazu Sasaki
Head Office:	Kojimachi Odori Bldg. 2-4-1, Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan			Director (External & Part-time) Kaoru Hayashi	
URL:	http://www.monexgroup.jp/en/				

London

● Group Company Profile

Domestic

Monex, Inc.

Founded: May 1999
Representative: Oki Matsumoto
Capital: ¥7,425 million
Description of Business: Securities business, accompanying business, other services
Head Office: Kojimachi Odori Bldg.
 2-4-1, Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan
URL: <http://www.monex.co.jp/>

- **Registration No.**
 Financial instrument firm, Director General of Kanto Local Finance Bureau (Kinsho) No. 165
 Money lending business, Governor of Tokyo (1) No. 31319
 Commodity futures trading brokerage
 Ministry of Agriculture and Ministry of Economy, Trade and Industry
 (Commodity futures trading brokerage) No.3
- **Membership of investor protection fund:**
 Japan Investor Protection Fund
- **Industry organization membership**
 Japan Securities Dealers Association (JSDA)
 The Financial Futures Association of Japan (FFAJ)
 Japan Securities Investment Advisors Association

Monex FX, Inc.

Founded: July 2004
Representative: Toshihiko Katsuya
Capital: ¥1,800 million
Description of Business: Financial product trading and related businesses
Head Office: 36-2 Hakozaicho Nihonbashi, Chuo-ku,
 Tokyo 103-0015, Japan
URL: <http://www.monexfx.co.jp/>

- **Registration No.**
 Financial instrument firm, Director General of Kanto Local Finance Bureau (Kinsho) No. 283
- **Industry organization membership**
 The Financial Futures Association of Japan (FFAJ)

Monex Hambrecht, Inc.

Founded: September 2005
Representative: Yuko Seimei
Capital: ¥113 million
Description of Business: M&A advisory services
 Research and investigation for OpenIPO® business
Head Office: 4-1-9 Toranomon, Minato-ku, Tokyo 105-0001, Japan
URL: <http://www.mhinc.jp/e/>

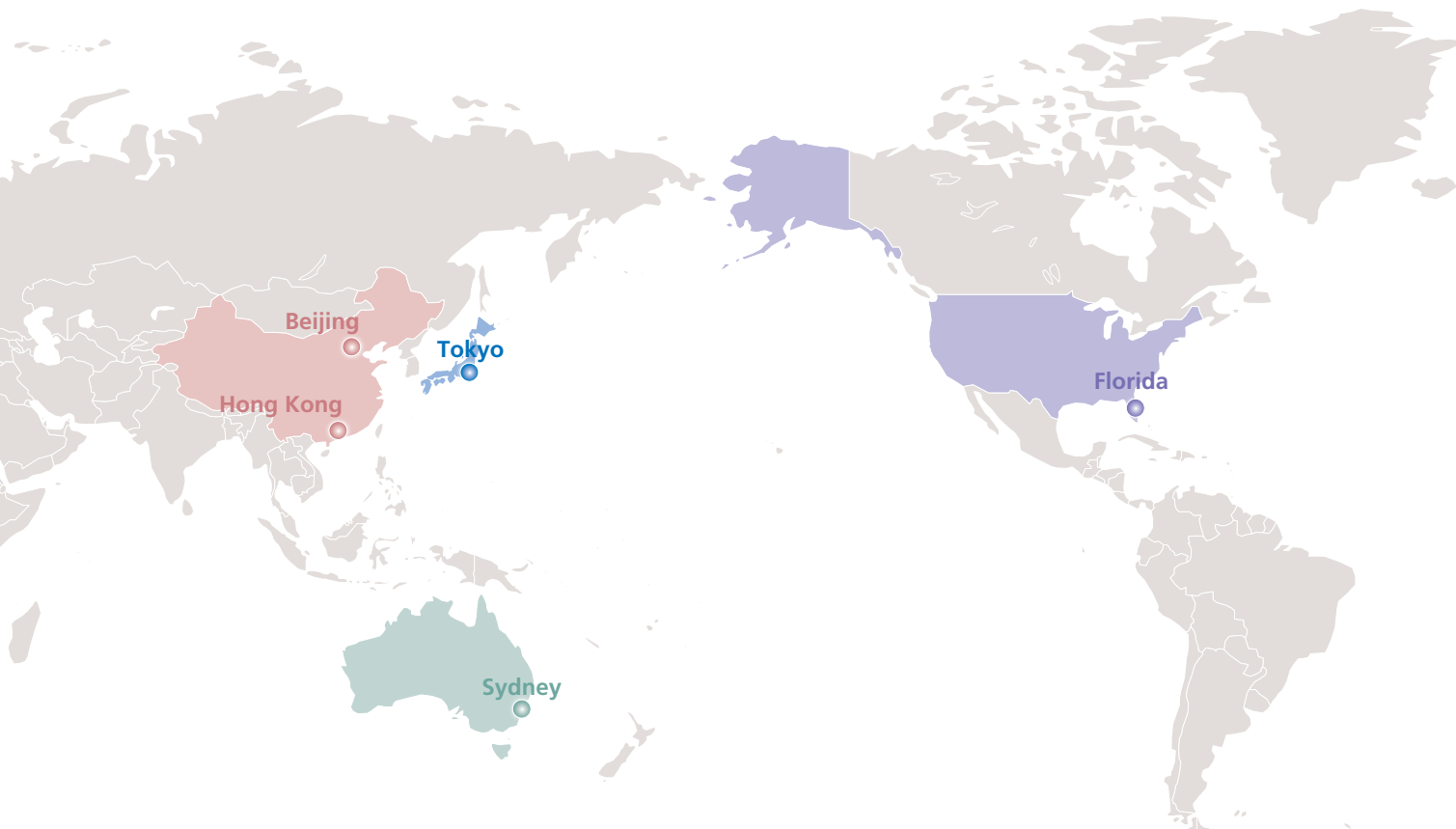
Monex University, Inc.

Founded: November 2005
Representative: Naoki Murakami
Capital: ¥2 million
Description of Business: Creating investment educational content
 Planning and management of investment education
 related events
 Planning of investment education-related books/DVDs
 and others
Head Office: Kojimachi Odori Bldg.
 2-4-1, Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan
URL: <http://www.monexuniv.co.jp/>

Trade Science Corporation

Founded: April 2006
Representative: Kazuhiro Kunisada
Capital: ¥91 million
Description of Business: Investment advisory service utilizing program investment
 management methods and related R&D
Head Office: Hanzomon MK Bldg. 1-8-1, Kojimachi,
 Chiyoda-ku, Tokyo 102-0083, Japan
URL: <http://www.trade-sc.jp/english.html>

- **Registration No.**
 Financial instrument firm, Director General of Kanto Local Finance Bureau (Kinsho) No. 909
- **Industry organization membership**
 Japan Securities Investment Advisors Association



Overseas offices

TradeStation Group, Inc.

Founded: January 2000
 Representative: Salomon Sredni
 Capital: US\$515,000
 Description of Business: Holding company in the United States
 Head Office: TradeStation Building
 8050 S.W. 10th Street,
 Plantation, Florida 33324-9843
 United States

TradeStation Securities, Inc.

Founded: September 1995
 Representative: William Cahill
 Description of Business: Online brokerage
 Head Office: TradeStation Building
 8050 S.W. 10th Street,
 Plantation, Florida 33324-9843
 United States

IBFX, Inc. (Trade name changed from TradeStation Forex, Inc.)

Founded: June 2010
 Representative: Gary Weiss
 Description of Business: FX business
 Head Office: TradeStation Building
 8050 S.W. 10th Street,
 Plantation, Florida 33324-9843
 United States

TradeStation Technologies, Inc.

Founded: September 1982
 Representative: Salomon Sredni
 Description of Business: Technology development
 Head Office: TradeStation Building
 8050 S.W. 10th Street,
 Plantation, Florida 33324-9843
 United States

TradeStation Europe Limited

Founded: June 2005
 Representative: Jeremy Davies
 Description of Business: Securities business
 Head Office: 16 Old Queen Street,
 London
 SW1H 9HP
 United Kingdom

IBFX Australia Pty. Ltd.

Founded: November 2002
 Representative: Gary Weiss
 Description of Business: FX, CFD business
 Head Office: Level 10, 68 Pitt Street
 Sydney NSW 2000, Australia

Monex International Limited

Founded: August 2010
 Representative: Takashi Oyagi
 Capital: US\$10 million
 Description of Business: Holding company in Hong Kong
 Head Office: 25/F, AIA Tower, 183 Electric
 Road, North Point, Hong Kong

Monex Boom Securities (H.K.) Limited
 (Monex BOOM Securities)

Founded: March 1997
 Representative: Agatha Lo
 Capital: HK\$80 million
 Description of Business: Online brokerage
 Head Office: 25/F, AIA Tower, 183 Electric
 Road, North Point, Hong Kong

Beijing Representative Office
 (Monex Inc.)

Established: October 2010
 Business: Developing business opportunities
 in China
 Address: 8007, Chang Fu Gong Office Building, Jia 26
 JianGuoMenWai Street,
 Chao Yang District, 100022, P.R. China

Monex Group, Inc.

Kojimachi Odori Bldg.
2-4-1, Kojimachi, Chiyoda-ku, Tokyo 102-0083, Japan
www.monexgroup.jp/en/

