



ANNUAL REPORT 2008



MONEX GROUP
Monex Group, Inc.

● Our Business Principles

● PURSUING THE SPIRIT OF INNOVATION

We will constantly strive to pioneer new fields in finance and propose new approaches to managing money.

● STAYING CUSTOMER FOCUSED

We believe that the best guide to our corporate activities is the voice of our customers.

With this guide, we will continue to create financial services truly needed by individuals.

● CHALLENGING FOR THE BEST

We will continue to provide the best products and services for our customers always thinking outside the box.

Monex Group intends to support asset planning for retail investors and holds Monex, Inc. and other group companies under its holding company structure in order to originate and provide better financial products and services.



This is an English translation of Annual Report 2008 of Monex Group, Inc. ("the Company"). The descriptions herein concerning the products, services, etc. which are handled by the Company's group companies ("the Group Companies"), are made only for disclosure purposes and are given to describe matters which 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 or foreign exchange margin trading. 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.

Monex Beans Holdings, Inc. changed its name and took its first steps as Monex Group, Inc. on July 1, 2008.

Monex, Inc. and Nikko Beans, Inc., each of which was founded in 1999, established Monex Beans Holdings, Inc. as a holding company through share transfer in 2004. The Company rapidly expanded its business domains, starting with the stock brokerage as its core business to related financial businesses such as asset management of alternative products, investment education, M&A advisory services, FX business and the life insurance business. It has grown into a corporate group with nine consolidated subsidiaries and one affiliated company during these four years (as of the end of August 2008).

This business expansion is not a goal, but just a transition. The Company aims to become a *technology-based global retail financial service provider* and to foster the “Monex” brand into a leading brand not only in Japan, but also in the world. As one of the corporate actions, the Company changed its name to Monex Group, Inc. in order to produce a sense of unity as the group and enhance the synergy among group companies.

The Company’s challenge continues. Under our business principles to offer the best financial products and services to individual clients, Monex Group, Inc. and its group companies assemble to pioneer in the financial industry and to produce advanced financial businesses.

Group Vision

Investment Education

Monex University, Inc.

Investment education for all individuals

FX Business

MONEX FX

Monex FX, Inc.

FX company
(Became a subsidiary of Monex
Group through share acquisition
on April 1, 2008.)

Overseas Subsidiary

MBH America, Inc.

Research in the global financial
industry

Overseas Office

Beijing Representative Office

Developing business opportunities
in China

Letter to Shareholders and Investors

Overview by Oki Matsumoto, CEO

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Initiatives of the Year

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Financial Section

Kyoko Kudo, CFO, reviews the financial results

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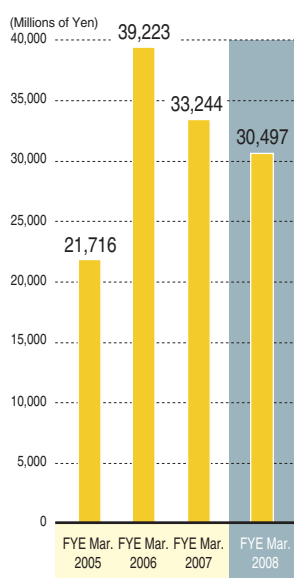
● Consolidated Financial Highlights

(Millions of Yen)

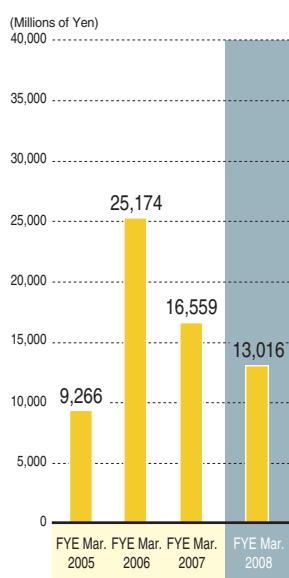
	FYE March 2005	FYE March 2006	FYE March 2007	FYE March 2008
Operating revenue	21,716	39,223	33,244	30,497
Operating income	9,266	25,174	16,559	13,016
Net income	7,079	13,617	9,534	7,206
Total assets	232,091	430,299	379,988	335,016
Net assets	29,811	41,588	47,562	45,554
EBITDA *	8,796	23,773	16,454	12,892

*Formula: Net income + Interest cost (excluding financial expenses caused by margin trading) + Corporate tax + Depreciation expenses

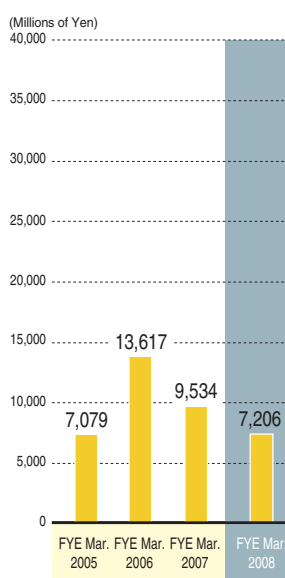
Operating revenue



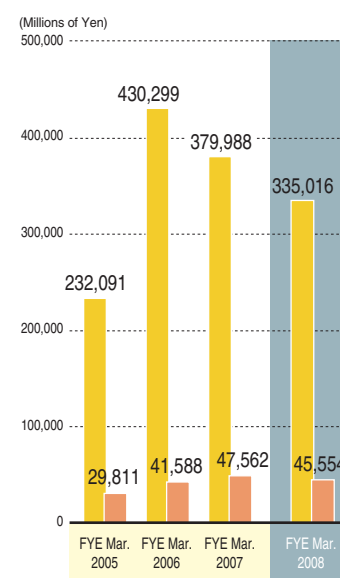
Operating income



Net income



Total assets and net assets



(Figures are rounded down to the nearest million yen.)

For future advancement, we will seize growth opportunities in domestic and overseas markets



Monex Group, Inc.
Representative Director,
President & CEO

Oki Matsumoto

Biography

- April 1987
Joined Salomon Brothers Asia, Ltd.
- April 1990
Joined Goldman Sachs (Japan) Ltd.
- November 1994
General Partner
The Goldman Sachs Group, L.P.
- April 1999 to present
President & CEO, Monex, Inc.
- August 2004 to present
President & CEO,
Monex Beans Holdings, Inc.
(Currently Monex Group, Inc.)
- April 2008
External Director of Tokyo Stock Exchange
Group, Inc., Tokyo Stock Exchange, Inc.
and Shinsei Bank, Limited.

Stock market trends in the fiscal year ended in March 2008

Looking back on the domestic stock market for the fiscal year which ended in March 2008 (April 1, 2007 to March 31, 2008), the Nikkei Stock Average began the year at the ¥17,000 level, reached the ¥18,000 level in June 2007 but started falling from August, sinking to the ¥12,000 level by the end of March 2008. Behind the downtrend were the negative effects of the U.S. subprime loan crisis, the yen's rapid appreciation against other key currencies, fears of an economic slowdown in both Japan and the United States, and an unabated surge in crude oil prices. More important for the business of the Group than day-to-day stock price movements is the investment behavior of individual investors—our mainstay customers.

In the reporting year, the sentiment of individual investors deteriorated, affected by the turmoil in the financial markets and political uncertainty. Under these circumstances, individual investors shunned active trading in stocks. However, our customers' needs for investment remained strong, and an increasing number of customers shifted their funds from stock trading to other financial products such as foreign currency-denominated bonds and FX deals. As a result, the amount of our transactions involving foreign currencies posted an all-time high during the reporting year. The latest stock market slump made us reconfirm that expanding our product line-up other than stocks is important to meet customer needs, and to secure stable revenue for the Group.

Earnings results for the year ended in March 2008

Operating revenues in the fiscal year ended in March 2008 totaled ¥30,497 million, down 8.3% from the previous year, net operating revenues ¥26,988 million, down 13.2%, operating income ¥13,016 million, down 21.4%, and net income ¥7,206 million, down 24.4%. The ratio of operating income against overall revenues, which our group regards as an important earnings indicator, came to 48.2%, down 5.0 percentage points from the preceding year. Return on equity (ROE) stood at 15.5%, down 5.9 percentage points.

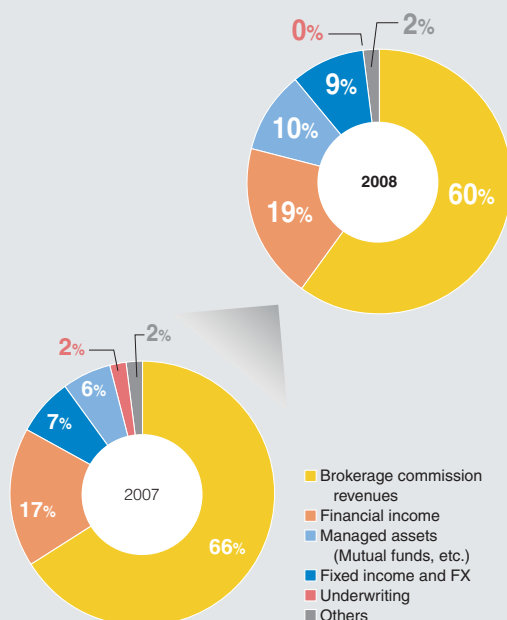
The biggest reason behind the poor performance for the reporting year was a 21.9% decline, to ¥16,104 million, in brokerage commission revenues, a primary revenue-earning source for the Company. On the other hand, underwriting and subscription commissions surged 17.7% to ¥1,074 million, aided by the strong sales of mutual funds focused on BRICs. Brokerage commissions for mutual funds soared 71.4% to ¥1,523 million, while commission revenues in the FX business increased 16.7% to ¥2,141 million. Overall revenues apparently slackened, affected by the decline in brokerage commission revenues; however, the Company's policy of diversifying earnings sources has generated the intended results.

At the end of the reporting year, the number of accounts at Monex, Inc. stood at 834,931, up 84,567 from the previous year; however, assets in custody fell by ¥375.5 billion to ¥1,752 billion due to sluggish stock prices.

Change in revenue structure

The Group has been expanding its field of business and diversifying the range of products and services it offers, to stabilize investment returns of customers and at the same time minimize the negative effects of stock-price fluctuations on

Changes in Structure of Revenues



the earnings of the Company.

For the fiscal year ended in March 2007, revenues from stock brokerage commissions and financial income accounted for 83% of the Company's total revenues. Revenues from Fixed Income and FX represented 7%. Fees from financial products such as mutual funds and alternative investment funds came to 6%. For the fiscal year ended March 2008, revenues from stock brokerage commission and financial income represented 79%, Fixed Income and FX 9%, and fees from mutual funds and alternative investment funds 10%.

If stock prices recover in the future, stock brokerage commissions may rebound, pushing up the percentage share of such revenues temporarily. However, given the expanding revenues from Fixed Income, FX, mutual funds and alternative investment funds, the ratio of revenues from stock brokerage is expected to decline gradually in the medium term. Under these circumstances, our efforts to strengthen our earnings base so as to resist the effects of external factors have been generating the desired results.

Aiming to become a comprehensive online financial institution

For the fiscal year ended in March 2008 and into the first quarter of fiscal year ending March 2009 the Group has implemented various measures with an eye toward the future.

Strengthening of group business

In September 2007, Monex Alternative Investments, Inc. (MAI), a subsidiary of our company, obtained a discretionary investment management business license. Based on the license, MAI began to offer services targeting institutional investors such as financial institutions and pension funds in addition to managing alternative investment products for individual investors. In October 2007, WR Hambrecht & Co. Japan, a joint venture with WR Hambrecht + Co., a U.S. investment bank, became a subsidiary of the Company, and upon it started fully-fledged M&A advisory services.

In March 2008, the Company decided to make Tokyo Forex, a company engaged in the FX business, a subsidiary. Tokyo Forex became the Group's subsidiary in April the same year and changed its corporate name to Monex FX, Inc. in June as part of our efforts to enhance name recognition and create synergy between group companies.

In April 2008, LIFENET INSURANCE COMPANY ("Lifenet Insurance" obtained a license for life insurance business from the Financial Services Agency (FSA)). The Company played a role in establishing Lifenet Insurance (previously named NetLife Planning Co., accounted for in the financial statements of Monex Group, Inc. by the equity method until the end of March 2008). Following the issuance of the FSA license, Lifenet Insurance began operations in May 2008. Lifenet Insurance's corporate philosophy is to conduct business in a sincere manner by returning to the basics of insurance and to provide life insurance products and services that are easier to understand, simpler, more convenient and reasonable than any other insurance company. Under this concept, Lifenet Insurance is developing a new type of insurance business, using the Internet as its marketing channel.

Thanks to these measures, the Group was able to strengthen its organizational structure and succeeded in establishing a base to become a comprehensive online financial institution with diverse financial functions.

Building an "intelligence infrastructure"

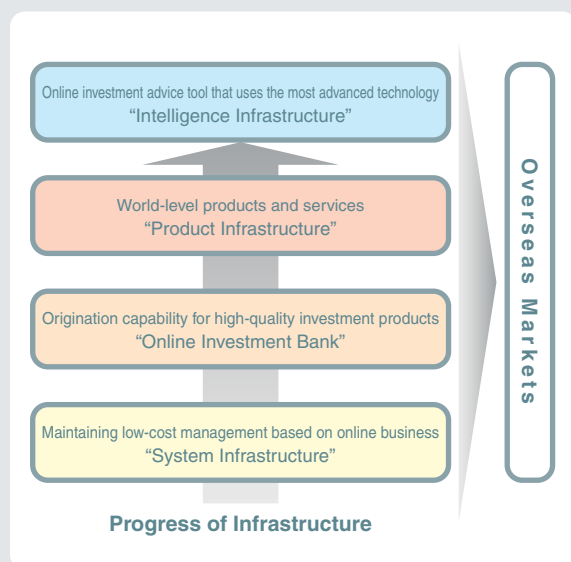
Since its foundation in 1999, Monex has endeavored to provide intelligence solutions to clients in order to enhance the financial literacy of individual investors and support their investment strategy in parallel with efforts to establish stable systems and expand the range of products and services. In recent years, alternative investment products, FX and other financial products and services, previously reserved for a handful of professional investors, have become more accessible to general individual investors, making it imperative for any financial institution to fulfill the responsibility of accurately explaining product and market information to the general public.

Under this recognition, the Group has positioned its activities for providing tools and information to improve investment return of customers as the "Intelligence Infrastructure," and is taking various measures. Among these

Our view of major areas of growth in the future



Business model to yield business opportunities for future growth



measures is providing an investment advisory tool. The group is developing an online tool which provides customers with advice so that customers can choose the optimum combination of products and services from among a wide range of diversified products in accordance with their investment goals and maximum investment risk tolerance. The tool is to be provided to customers on a commercial basis in fiscal 2008 or later.

Another important aspect of the "Intelligence Infrastructure" is to offer investment education to support customers' investment activities and provide them with investment information. The Group offers online/offline seminars, e-learning sessions and e-mail services. In addition, the Group offers investment education courses and product/market information. It actively disseminates investment information and theories that are useful for formulating investment strategies.

The Group aims to become a global online financial institution that can offer both the most advanced technologies and world-class products and services. To achieve this goal, we will do our utmost to build the "Intelligence Infrastructure" in the near future and provide full support to individual investors.

Overseas Strategy

The Group deals in a wide variety of globally marketed financial products such as mutual funds and foreign currency-denominated products. If we can establish an investment advisory capability that is useful in the international diversification of investment, financial products based on the capability should be highly regarded by investors not only in Japan but also other countries. We have recognized that it will be ever more important for the Group to undertake business operations not only in Japan but also in overseas markets with higher growth potential. This is so especially from the viewpoint of promoting the Group's long-term development and building a revenue base that is not unduly influenced by external factors.

Based on this understanding, the Company established MBH America, Inc., a U.S. subsidiary, in August 2007, and also set up a representative office in Beijing, China, in March 2008. In the United States, an advanced country in terms of individual investor's investments and where information regarding the world's most advanced financial products is accumulated, we will gather and analyze information on financial products and the financial sector in a manner that will benefit the Group in upgrading its financial products and services and applying them in different areas. Regarding business in China, the Group will consider introducing locally developed financial products. The Group will also step up efforts to study various aspects of the Chinese market, including the market's overall situation, individual investors' product preferences and online transactions. By doing so, the Group will try to launch a financial business in China in the near future. As for business in India, a country with the world's second largest population and an economy which has been growing rapidly in recent years, the Group has also begun to study the feasibility of starting business in the country.

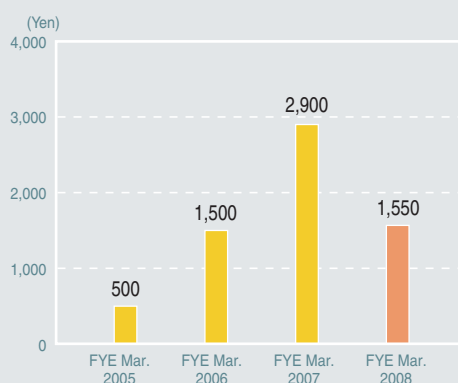
Business management vision of Monex (short-term, medium-term and long-term)

The Group aims to become a global online financial institution that provides the world's most advanced technologies and world-class products and services to individual investors. In order to achieve this goal, the group will try to change major business-enhancing measures — short-term measures (1 to 2 years), medium-term measures (5 years) and long-term measures (7 to 10 years) — and its revenue structure in a strategic manner.

Short-term measures being envisaged feature the enhancement of overall services for active traders to increase the Group's appeal to such traders. The Group will also further expand its FX business. As medium-term measures, the Group will introduce high-quality financial products from around the world in order to boost its product lineup. Furthermore, the Group will try to increase customers' assets in custody by providing investment advisory tools. As a result of taking these short-term and medium-term measures, we want to see a revenue structure in which revenues from brokerage commissions and revenues from sales commission and management fees from mutual funds are equally split.

Long-term measures focus on expanding overseas business operations, such as in China and India. We want these measures to change our revenue

■ Dividend Record



structure into one in which brokerage revenues, mutual funds related revenues and overseas revenues are split equally. By taking short-term, medium-term and long-term measures, we will strive to diversify revenue-earning sources as well as expanding revenues.

Returning profits to shareholders

The Monex Group understands that returning profits to shareholders has two aspects. One is to enhance corporate value, which is the ultimate purpose for any company. The other is to maintain a high dividend payout ratio.

In order to enhance our corporate value, we are taking three points into account when managing business: ensuring stability through the diversification of revenues sources, increasing growth by focusing business resources in overseas operations and segments with high growth potential, and ensuring sustainability through human resource development and the reinforcement of our organizational capability. In addition, we will try to improve our investor relations (IR) activities so that our corporate value can be accurately reflected in the company's market capitalization.

We revised the calculation standard for dividend payouts in the fiscal year ended March 2008. Under the new standard, we set the annual targeted dividend payout ratio at 50% of the consolidated net income earned in the year. We give more weight to returning part of the profits to shareholders than to building up internal reserves. In fiscal year ended March 2008, we paid a total dividend of ¥1,550 in per-share—¥900 in interim dividend and ¥650 in year-end dividend—which means that the dividend payout ratio was 50.3%. Purchases of our own shares made in the year came to ¥2,009 million, which was equal to 28% of consolidated net income earned in the year. We will continue to give the highest priority to rewarding shareholders with dividend payments.

Future Prospects

Needless to say, for a corporation, earnings results are very important. Having seen declines in revenues, income and market capitalization in the year ended in March 2008, I, as the CEO, take responsibility for the results. However, over the reporting year, the Group has taken a number of measures to ensure that we can grow in a sustainable and stable manner as a global and comprehensive online financial institution. In the current fiscal year ending in March 2009, we will continue to endeavor to strengthen the group's overall capability and diversify our sources of revenue. In the current fiscal year, we will aim to double the number of mutual transactions from the previous year. Furthermore, we will focus on expanding our FX business, M&A business and investment management business at Monex Alternative Investments, Inc. We will also give weight to putting an investment advisory tool (intellectual infrastructure) to practical use while promoting early overseas operations. We are convinced that having customers and society share part of our company's values by implementing all these measures will contribute to enhancing shareholder value further.

Monex Group, Inc. changed its corporate name from Monex Beans Holdings, Inc. on July 1, 2008. In line with the name change, the Group will redouble its efforts to spread the Monex brand further and enhance its corporate value, and will thus live up to the expectations of its shareholders and investors. Thank you for your continued support and patronage.


Monex Group, Inc.
Representative Director,
President & CEO
Oki Matsumoto

● Initiatives of the Year

2007

April 24	Capital alliance (Monex Group) and business alliance (Monex, Inc.) with eBANK Corporation	
June 23	The Third Annual General Meeting of Shareholders	
29	Monex, Inc. started to offer "Monex Short-Term Notes for Individuals" issued by Monex Group	
August 8	Monex, Inc. co-led China Boqi to list in the 1st section of Tokyo Stock Exchange	
20	Actual stock trading test of 500 million yen by top 10 Kabu-robos of Kabu-robo Contest held by Trade Science ended	page 13
23	The contact center of Monex, Inc. was awarded the highest three-star rating from Help Desk Institute Japan	
29	Establishment of MBH America, a subsidiary in the U.S.	page 9
September 3	Monex Alternative Investments obtained a discretionary investment management business license	page 11

October 5	Monex Group accepted allocation of new shares by WR Hambrecht & CO Japan (WRHJ) and made it its subsidiary. WRHJ started M&A advisory services	page 11
19	Alternative investment product "Premium Hybrid 2007" started subscription	
December 3	Published "Monex Money Seminar" as a book	page 12
26	Monex Group accepted the 2nd allocation of new shares for the third parties by Net Life Planning Co., Ltd.	

2008

January 18	Monex, Inc. signed an agreement to establish another contact center in Hachinohe City, Aomori Pref.	page 10
29	Monex University, Inc. started research of investment management theories to develop investment advice function	page 9
	Decided to change the company name from Monex Beans Holdings to Monex Group	
February 26	Monex Group acquired 1.49% of its own shares from the market	
March 5	Establishment of Beijing Representative Office (Opened April 8, 2008) (Monex Group)	page 9
12	"Sparx New Internationally Superior Japanese Stock Fund" started subscription	
21	Decided to acquire Tokyo Forex	page 10
27	Announcement to donate a course at Hachinohe University (Monex Group)	
April 1	Monex Group acquired 90% shares of Tokyo Forex (currently Monex FX)	page 10
10	LIFENET INSURANCE COMPANY (former Net Life Planning Co., Ltd.) obtained a life insurance license	page 12

● Special Features

Development of online investment advice tool

The range of financial products and services the Monex Group offers, from stocks, bonds and FX to investment trusts and alternative investment products, keeps expanding. There are, for example, many different types of investment trusts, the features and risks of which vary significantly depending on the kinds of assets they are invested in. It is not easy for individual investors to choose the financial products that best match their investment needs from among the diverse instruments available, and to combine them into an effective investment portfolio.

In order to help individual investors find the most suitable financial instruments for their needs, Monex Group, in the business year which ended in March 2008, launched a project to develop an online investment advice tool, aimed at supporting the investment decisions of individual investors. The project is intended to allow customers to access investment advice from their computers, a service in which optimum investment portfolios are proposed for individual investors taking into account each investor's investment goals and maximum risk tolerance. Such an advisory service will be based on research conducted by Monex University, Inc., on various international investment models.

Since its foundation in 1999, Monex, Inc. has undergone "the era of system infrastructure"—in which a secure online system and its stable operation were pursued - and "the era of product lineup"—in which the range of financial products and services offered was diversified. Monex has also provided investors with various information and educational support to help their investment activities. Currently, Monex manages to establish an "intelligence infrastructure" by completing a system that provides computer-based investment advice and aims to realize more highly qualified service.

Monex Group has developed various investment strategies through conducting financial research, and possesses a range of investment know-how, which it has acquired through its online financial business. Monex will use these "intelligence" resources to support the individual investors who are our core customers.

Accelerated overseas business development

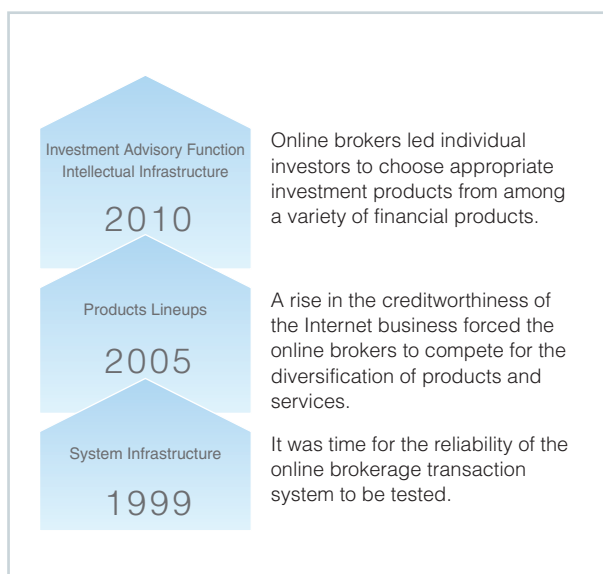
Globalization has been engulfing the financial sector. FX, alternative investment products based on overseas hedge funds and mutual funds focusing on stocks in emerging countries—all these financial products are tied to world economic conditions and international financial trends. While domestic markets are seen to have limited growth potential, in view of fears of economic slowing associated with the demographic effects of an aging society and a falling birthrate, other countries and regions in the world have significant growth potential. Launching new financial businesses in those countries and regions constitutes a necessary challenge for online financial institutions seeking further growth.

Based on the recognition of these circumstances, Monex Group, in a drastic strategic shift, adopted a policy of expanding international business operations. In August 2007, the Group established MBH America, Inc. in New York which is mainly to research and analyze the latest global financial trends. In light of the fact that the United States continues to be the most advanced country in terms of investment, we have a firm belief that it is of great importance for us to gain an understanding of the latest advances in the finance industry and to research financial trends there while having them reflected in our financial products and services. This is particularly important given the need to enhance the services we offer to our customers.

In addition, Monex Group opened a representative office in Beijing in March 2008. China has been booming economically and its relations with Japan are both geographically and historically close. The mission of the Beijing office is to introduce financial products in China for Monex Group and to launch a new financial business in the country.

Monex Group is also considering setting up business outposts in other overseas markets. In the future, the company aims to make its overseas business one of its major revenue sources.

■ Changes in client's needs of online brokers



■ Overseas Subsidiary and Office

MBH America, Inc.

The company gathers and analyzes information on the world's most advanced financial products and the financial industry to apply them to business development in Japan and overseas.



CEO and President
Takashi Oyagi

Founded: August, 2007
Capital: 400 thousand US dollars
Business: Research in the global financial industry
Head Office: 1440 Broadway, 23rd Floor New York, NY 10018, USA

Beijing Representative Office

The representative office has started full-scale research into the financial market in China, the product preferences of individual investors and the trend of online transactions.



Established: March 2008
Business: Developing business opportunities in China
Address: 1202A, Excel Centre No.6 Wudinghou St., Xicheng District Beijing, 100032, P.R. China

Launch of Monex FX

FX is a foreign-currency investment service in which a sum larger than the margin deposits can be traded by putting up deposits as collateral. Individual investors have been actively participating in the FX market, on the back of globalization and the diversification of financial products and because of the low interest rates on offer in Japan.

Monex Group inaugurated FX services in April 2003 via Monex, Inc. The number of FX accounts at the Group stood at about 70,000 as of the end of March 2008. Opening an FX account at Monex required a potential investor to establish a securities account first, which may have been seen by customers as less convenient than the FX services offered by FX specialized companies.

As a way to offer a more convenient FX service, Monex Group acquired 90% shares of Tokyo Forex, an FX specialized company, on April 1, 2008, making it a subsidiary of the company. Monex Group changed the subsidiary's name to Monex FX, Co., Ltd. in June 2008 with an aim to utilize the synergy of the Monex brand, marking a fresh start for the FX business for the Group.

Owning an FX specialized company brings numerous benefits to the Group. Among them are the ability to secure customers exclusively wishing to engage in FX dealing, an expected increase in trading revenues due to the integration of cover transactions within the Group and more flexible system enhancement by integrated in-house system development. Monex FX will try to boost business and eventually aim for the No. 1 position in the FX industry by upgrading the quality of services and providing customers with timely and useful information.

Plan to establish a new contact center in Hachinohe, Aomori Prefecture

Monex, Inc. has decided to establish a next-generation contact center in Hachinohe City, Aomori Prefecture, to provide high-grade and stable services. In January 2008, the company signed with Hachinohe City and Aomori Prefecture an agreement regarding the terms and conditions of the location for the company's new contact center.

A contact center is designed to provide direct support to customers via phone and e-mail. Such a center is increasingly important at a time when financial products and services are becoming both more diverse and more specialized. Under these circumstances, Monex has chosen the city of Hachinohe in Aomori Prefecture as the location for the planned contact center because the city has many advantages, including a mild climate, easy transportation access, excellent institutions of advanced education and a stable supply of human resources.

Most characteristic about the new contact center project is the fact that the project is being propelled under close collaboration between industry, government and academia. Monex obtains support from Hachinohe City and Aomori Prefecture in the selection of a contact center site and the hiring of staff, and also collaborates with Hachinohe University to hold a Monex-sponsored course of lectures which are also open to the general public and dispatch lecturers from Monex Group firms.

The current contact center operations will be fully transferred to Hachinohe city in 2010. The center has started recruiting staff since April 2008, with partial operations set to commence in the autumn of 2008.

The contact center will play an important supplementary role when Monex Group provides customers with the investment advisory service (intelligence infrastructure), which the Group is currently developing.

■ Group Company

Monex FX, Inc.

As an FX specialized company in the Group, Monex FX will offer new FX services to new customer base.



Representative Director and President
Kyoko Kudo

Founded: July 2004
Capital: 1,800 million yen
Business:
Financial product trading and related businesses
Head Office:
36-2 Hakozakicho Nihonbashi, Chuo-ku,
Tokyo, Japan, 103-0015

■ Contact Center



Agreement at Hachinohe

Monex, Inc. signed an agreement with Hachinohe City and Aomori Prefecture on the location of the Contact Center on January 18, 2008, through collaboration between governments and educational institutions. It has now started recruiting and education activities, aiming to complete the transfer of the Contact Center in two years.

WR Hambrecht Japan started M&A advisory service

WR Hambrecht & Co. Japan, Inc. became a subsidiary of Monex Group in October 2007. As the institution in charge of the Group's investment banking business, WR Hambrecht began offering a fully-fledged M&A advisory service. The company will provide all-out support to business managers during the entire M&A process—from planning the M&A and capital strategy, the execution of the M&A process and to the post-merger integration (PMI)—in order to help them realize a successful M&A.

In recent years, the M&A business has become increasingly complex, requiring advanced expertise and accumulated experience. WR Hambrecht & Co. Japan is staffed with professionals with outstanding M&A expertise, enabling it to meet all kinds of M&A demands from customers, not only in the area of finance but also in business strategy and personnel strategy. During the 10 months since October 2007, for example, WR Hambrecht & Co. Japan has successfully undertaken various M&A deals, including playing a supporting role in the acquisition of Tokyo Forex (now Monex FX) by Monex Beans Holdings, Inc. (now Monex Group), providing comprehensive support in the share acquisition and strategic business alliance of a manpower agency, etc.

In addition, WR Hambrecht & Co. Japan is proceeding with research on the possible introduction in Japan of OpenIPO® (trademark of WR Hambrecht + Co., LLC), which is a pricing formula based on a Dutch auction method developed to ensure transparency and fairness in the IPO market. Such research is part of a joint project between Monex Group and WR Hambrecht + Co., LLC of the United States.

MAI obtains a discretionary investment management business license

In September 2007, Monex Alternative Investments, Inc. (MAI) obtained a discretionary investment management business license. Until then, MAI had provided investment advice on alternative investment products, but with the new license, the company has become able to engage in investment management of financial products. It has also become able to provide discretionary investment management businesses to institutional investors. In October 2007, Monex Inc. began accepting subscriptions for Premium Hybrid 2007, an alternative investment product for individual investors. This is a Monex Group original fund, which is managed by MAI.

Alternative investment products are different from traditional financial instruments such as trading listed stocks and bonds. The most unique point of the products is that they aim for high returns by utilizing various management methods for investment into hedge funds, private equity funds and real estate funds. MAI was established in October 2004 to develop and manage world-standard alternative investment products that can be made available to individual investors by dividing them into small lots. Alternative investment funds had normally been reserved for institutional investors and a handful of wealthy investors. MAI has won the trust of clients by developing alternative investment funds for individual investors, such as Asia Focus, launched in 2005.

Alternative investment products will become more important for investors as it aims for high returns while moderating risks of capital markets or interest rates, etc. MAI will develop and manage high-quality alternative investment products by utilizing its networks in the global financial markets and the most advanced financial technologies.

■ Group Company

WR Hambrecht & Co Japan, Inc.

The company offers high-quality consulting and advisory services with consistent support, from the planning of M&A strategy to the post-merger integration.



Representative Director and President
Shuichi Matsusawa

Founded: September, 2005

Capital: 63 million yen

Description of Business:

Research and Investigation of OpenIPO® Business

Head Office:

1-11-1 Marunouchi, Chiyoda-ku, Tokyo, Japan 100-6219

URL: <http://www.wrhc.co.jp/>

■ Group Company

Monex Alternative Investments, Inc.

Utilizing the global financial market network and the latest financial technology, we deliver investment opportunities for high quality alternative investment products to retail investors.



Representative Director and President
Shigeo Mizuta

Founded: October 2004

Capital: 95 million yen

Description of Business:

Asset Management including fund selection advisory

Head Office:

1-11-1 Marunouchi, Chiyoda-ku, Tokyo, Japan 100-6219

URL: <http://www.monexai.com/>

Newspaper series “Monex Money Seminar” published as a book

Monex Inc. published an investment series called “Monex Money Seminar” (Money Study not Taught at School) in the Asahi Shimbun for one year from Oct. 1, 2006 to help enhance “financial literacy” among individual investors. The series covered a range of investment subjects, from the most up-to-date investment theories to practical investment methods. It contributed greatly to enhancing the name recognition of Monex among investors as well as strengthening their “financial literacy.” The content of “Monex Money Seminar” was produced by Monex University, Inc. In December 2007, this series was published as a book from Kadokawa SS Communications, Inc. containing all of the 42 articles that appeared in the newspaper for the Monex Money Seminar series. The prologue of the book, published under the same title as the name of the seminar, featured a special discussion between Monex President and CEO Oki Matsumoto and Shinobu Naito, President of Monex University. The book is likely to attract the interest not only of those who have already read the articles in the newspaper but also those who have yet to read them.

Monex University was established in November 2005 as a company which offers investment-related education to individual investors. Monex University has operated “Monex Campus,” an online education site where participants can systematically accumulate knowledge on money management and investment. It also sponsors an e-mail magazine aimed at deepening investors’ understanding of asset management as well as holding study forums and investment seminars. Monex University does more for the building of an intelligence infrastructure, including research on establishing an investment advisory function (intelligence infrastructure).



■ Group Company

Monex University, Inc.

Monex University develops a wide variety of investment education activities aimed at helping individual investors enhance their investment returns.



Representative Director and President
Shinobu Naito

Founded: November, 2005

Capital: 40 million yen

Description of Business:

Creating investment educational contents
Planning and management of investment education related events
Planning of investment education related books/DVDs and others

Head Office:

1-11-1 Marunouchi, Chiyoda-ku, Tokyo, Japan 100-6219

URL: <http://www.monexuniv.co.jp/>

LIFENET INSURANCE CO. begins operations

On May 18, 2008, LIFENET INSURANCE CO. (“LIFENET”) a new type of insurance company using the Internet as its main marketing channel, began operations.

In October 2006, Net Life Planning Co. was established as a joint venture company between Monex Group and Asuka DBJ Investment LPS. After making preparations to launch an insurance business, Net Life Planning changed its corporate name to LIFENET INSURANCE CO. as the Financial Services Agency (FSA) finished preliminary screening in March 2008. In April 2008, the company obtained a license for life insurance business from the FSA. The new corporate name, LIFENET, reflects the company’s desire to become a “safety net” by using the Internet.

LIFENET’s corporate philosophy is to conduct business in a sincere manner by returning to the basics of the insurance business and to provide high-quality life insurance products that are convenient and easy to understand for general consumers. As a result of having discontinued the sale of policies with complicated special option contracts, the company has only two mainline insurance products: a fixed-term life insurance policy aimed at protecting family members and a life-long medical insurance policy for protecting the insured. Applications for these insurance products can be accepted around the clock due to the use of the Internet as the primary marketing channel. Thanks to all-out efforts to curtail sales and administrative costs, premiums for life insurance charged by LIFENET (for those aged 20 to 40) have dropped to the lowest in Japan.

LIFENET’s sole contact with consumers is via the Internet. Through the Net, LIFENET explains details of its insurance products and calculates a minimum amount of insurance money that needs to be paid out in the event of the insured’s death by taking into account his or her life stage. It also offers simulated reviews of existing policies. Customers who have questions about their policies, etc. are referred to the contact center, which is ready to provide support to them via phone or e-mail.

LIFENET INSURANCE COMPANY

Making important things for life easy to understand.

With the philosophy of faithful management, LIFENET INSURANCE offers insurance products that are easy to understand, low in cost and convenient to clients.



Representative Director and President
Haruaki Deguchi

Founded: October 2006

Capital: 6,600 million yen

Description of Business: Life insurance

Head Office:

2-14-2 Kojimachi Chiyoda-ku, Tokyo 102-0083

URL: <http://www.lifenet-seimei.co.jp/>

From the year ending March 2009, LIFENET INSURANCE will not be an equity-method affiliate of Monex Group, Inc., since Monex’s equity ratio decreased due to LIFENET’s capital increase as of March 31, 2008.

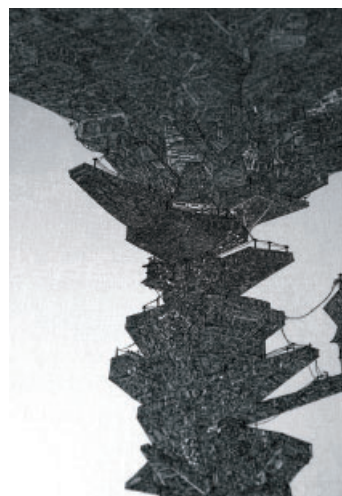
Kabu-robot Project

Trade Science Corp. held the first Super Kabu-robot Contest in the autumn of 2006 online under the sponsorship of Monex Inc. Kabu-robot is a robot system incorporating an automatic stock trading program for which any applicants can participate in the development. The algorithm system, built based on market movements and fundamentals, is programmed to automatically make trading decisions and execute stock-trading orders. A trial investment operation was conducted between February 2007 to August 2007, using 10 robots selected in the first contest. The 10 robots together engaged in trading worth 500 million yen, yielding a 3.56% gain over TOPIX.

Trade Science was created in April 2006 as a joint venture between Monex Beans Holdings Inc. (now Monex Group) and WIT Corp. Its main business mission is to provide program-based investment consulting and asset-management services. After the first Super Kabu-robot Contest, simulation operation contests have continued. At the end of fiscal 2007, the cumulative number of participants (Kabu-robot developers) in the contest topped 17,800. In the fiscal 2007 contest, an excellent algorithm award was given to 35 Kabu-robots.

Trade Science is planning to launch Kabu-robot-based financial products and services. Among such financial products are investment trusts for private placement and for public offering. Using Kabu-robot, the company is also considering offering trading-signal distribution services and investment trusts, both via Monex Inc.

Monex Group acquired all remaining shares of Trade Science as of July 2008 and made it a fully owned subsidiary, in order to develop Kabu-robot-based financial products and services together as a group.



■ Group Company

Trade Science Corporation

The company continues research and development to offer new products and services through "Kabu-robot" (automated stock trading program).



Representative Director and President
Koichi Kato

Founded: April, 2006

Capital: 91 million yen

Description of Business:

Research and Investment Advisory Company utilizing system trading

Head Office:

513 Waseda Tsurumaki-cho, Shinjuku-ku, Tokyo, Japan 162-0041

URL: <http://www.trade-sc.jp/>



● Introduction of Monex, Inc.'s website (www.monex.co.jp)

The company aims to create a user-friendly website that all customers, from first time visitors to frequent users, find easy to navigate and use.

About our products and services

This section is to introduce products and services Monex, Inc. offers. It shows a line-up at first glance.

What's new at Monex, Inc.

News releases about new products and services, campaigns, special correspondences by Monex for customers, etc. are listed in this section to update visitors.

For first time visitors

Catchy links to "Monex's Advantages" page especially for first time visitors and beginners to help understand our features and advantages.

For more convenience for our customers

Considering accessibility for frequent traders, we list direct log-in buttons for trading accounts on the top page for immediate trading.



Monex Ranked First in the "Usability" Category in an Independent Rating Agency's Survey

In the "Online Brokers Ranking" conducted in October 2006 by Gomez Consulting Co., Ltd., a provider of website-related services including evaluation, advice and creation of websites, Monex, Inc. scored the second highest total points among 27 brokers surveyed and took first place in the ranking of "Usability" and "Convenient Functions & Services." For online brokers, the website is the important window to entice clients to use their online service, equivalent to the "Face" of the company. Management understands that winning first place in the ranking of "Usability" is clear proof of the Monex Group's "customer-first" philosophy.

Continuous Improvement of Website

The Web Management Department, which is responsible for the operation of the Monex, Inc. website, makes renewals and updates information daily. The Web Management Department aims to create a website that even first visitors can navigate and use without difficulty. The department strives to improve the operability and visibility of its website by reviewing added functions, layout and design in detail on the basis of feedback from the "Orientation Committee," a company-organized focus group that invites customers to come and give their opinions on the company's products and services, and customer feedback given to its Contact Center and other analysis.

Monex, Inc. continues to be the top online broker regarding "Usability."

● Products and Services

● Stock Brokerage Business

■ Domestic Stocks

Cash Transactions/Margin Transactions

Monex, Inc. has decisive advantages over its competitors in the stock brokerage business, providing clients with various services, trading platforms supporting transactions and functions such as stop limit orders or the automatic placing of sell orders after the execution of purchase orders (consecutive orders). There are a variety of order methods available. Clients can trade not only through personal computers but also through mobile phones, PDAs and the call center. Clients can also trade stocks on margin, if they open a separate account.

(Example of Commission Calculation)

			Transaction value *1		
			100 thousands yen	1 million yen	2 million yen
Commission per transaction	Personal computer	At market	0.105% of principal (Minimum commission: 1,050 yen)		
		Limit order	0.1575% of principal (Minimum commission: 1,575 yen)		
	Mobile phone	At market Limit order	0.105% of principal (Minimum commission: 105 yen)		
Flat rate per day *2			2,625 yen regardless of the number of trades per day (Every 3 million yen of transaction value)		

*1. The principal in the example of commission per contract calculation is the principal value per transaction.

*2. The commission rate is calculated after combining the transaction value of an order through personal computer and mobile phone.

* Clients can choose between the commission per transaction scheme or the flat rate scheme every month.

Small-lot Stock Trading Scheme (small-lot stocks)

The unit stock system is used for the standard trading of shares (a basic lot). The small-lot stock trading scheme (small-lot stocks) enables clients to trade stocks at one-tenth the regular unit, allowing them not only to purchase high-priced stocks otherwise unavailable to them, but also to diversify investment risks by holding a variety of shares with small amounts of money. Clients can trade about 600 stocks under the Monex Small-lot Stock Trading Scheme. Monex's 500 yen flat rate (tax-included) per contract is the lowest among major online brokers.

"Monex Night-time Trading" (evening trading)

"Monex Night-time Trading," the company's original proprietary trading system, where the company's customers can trade stocks in the evening (17:30 to 23:59), has received a favorable reception from businessmen or housewives who are busy during the day. Customers can trade around 4,000 stocks at a single price based on the closing prices on the stock exchange. When a qualified institutional investor requests Monex, Inc. to trade a stock at a special price, the company sets it as "chance stock" that can be traded at up to a 7% discount to the market closing price (at the maximum). The commission is 500 yen per transaction (tax-included) regardless of the number of shares. Customers can trade through personal computer or mobile phone.

Initial Public Offering Shares (IPO Shares)

Monex, Inc. has focused on the underwriting business so that it can provide individual investors with initial public offering (IPO) shares and public offering shares. The company has established a system that feeds back information on market trends and investor needs to companies, and has

strengthened its auditing function at the same time, aiming to become a lead manager of new offerings.

T O P I C S

China Boqi Environmental Solutions Technology (Holding) Co., Ltd. (China Boqi)

China Boqi, an environment protection solutions provider, is based in Beijing, China, and is engaged in projects such as exhaust gas desulfurization, denitrification systems and water treatment systems mainly for coal-fired power plants, throughout the country. On August 8, 2007, the company was the first Chinese company listed on the First Section of the Tokyo Stock Exchange. Monex, Inc. supported the listing of China Boqi as one of the underwriters.

Off-Market Transactions

Off-market transactions are the offering of shares held by large shareholders outside of normal trading hours. It enables sellers not only to avoid the share price fall which usually occurs with the sale of a large block of shares, but also increases the number of individual shareholders and the liquidity of the shares. The purchasing price is usually set at a 3 to 5% discount to the closing price which is announced on the evening of the business day prior to the date of an off-market transaction. No commission is charged for shares purchase thorough off-market transactions.

■ Overseas Stocks

United States Stocks

Clients can trade U.S. ETFs (54 ETFs) and individual shares (30 stocks) from August 2008. ETF is an abbreviation of Exchange Traded Fund, an investment trust that is designed to track specific indexes such as the Nikkei Stock Average (Nikkei 225) or the Tokyo Stock Price Index (TOPIX) in Japan. The introduction of U.S. ETFs, which use a variety of indexes as a benchmark and hold various types of assets such as bond indexes, commodity indexes and emerging market indexes, etc. enables individual investors to select products that are best suited to their needs. The 30 U.S. individual shares offered are well-known global companies. Monex, Inc.'s commission for trading U.S. stocks is the lowest among major Japanese online brokers.

Chinese Stocks

China, whose economy is still enjoying high growth, has established a solid position as a global economic power. Customers can trade almost all Chinese stocks listed on the Hong Kong Stock Exchange, such as China National Petroleum Corporation and Hutchison Whampoa Limited in real time.

● Stock Related Business

Stock Lending Service

The stock lending service is a scheme in which customers lend out their stocks to Monex, Inc. in exchange for an appropriate interest rate. The company made this service available by enabling individual investors indirectly join the "the stock loan market," a short-term financial market, where institutional investors who want to lend out their stocks (mainly life insurance companies and trust banks) and those who want to borrow stocks (mainly foreign-affiliated securities firms and hedge funds) participate. The first-ever introduction of this

service has allowed individual investors to indirectly manage their assets on the stock loan market.

“Monex Trader” “Monex Trader Pro α ”

(Trading platforms)

“Monex Trader” (free of charge) is a real time trading platform that is comparable with the investment environment of a professional trader. It features cutting-edge functions including a “Double Click Order,” a new ordering function, and “Chart Folio,” a stock search engine that scans stocks of a certain chart pattern one chooses. “Monex Trader Pro α ” (fee charged) is fully equipped with Japan’s first system trade (automatic trading) function to satisfy customers’ advanced needs.

● Mutual Funds

Monex, Inc. boasts the industry’s leading product line-up and online sales force as a pioneer of online mutual fund sales. The company offers various types of mutual funds to meet a variety of client needs, including the “Monex Asset Planning Fund” that makes diversified investment in six different assets in the world, and Alternative Investment Products, Monex, Inc.’s original mutual funds that invests in hedge funds, private equities and real estate utilizing professional investment methods to maximize returns.

“Monex Asset Planning Fund”

This fund makes diversified investment in six different asset classes throughout the world (stocks, bonds and real estate in Japan and overseas), aiming for capital appreciation and stable income. The basic asset allocation percentage is determined based on a portfolio investment theory by estimating returns and risks by asset class. The fund is available in two types: a “bi-monthly dividend payment type” that regularly distributes dividends to investors and a “re-investment type” that reinvests dividends to aim for the growth of assets.

“Select Funds” carefully selected by Monex

Monex, Inc. carefully selects a list of mutual funds from its wide range of mutual funds through original analysis based on quantitative and qualitative evaluation and introduces it as its “Select Funds.”

Monthly Purchase Program

Monex, Inc. offers a monthly purchase program, in which customers can invest in a mutual fund from 10,000 yen each month. Customers do not need to worry about the daily price movements of a fund, since they can fix their investment amount and investment date when they make their applications. Investing “fixed amounts” at regular intervals can save on the total purchase costs compared to purchasing a “fixed quantity,” since as the price of a fund falls, more units are purchased, and as the price rises, fewer units are purchased.

Foreign-Currency-Denominated MMFs

MMF is an abbreviation of Money Market Fund, a fund that invests in foreign-currency-denominated financial products. The fund aims for higher returns by investing investors’ money in foreign-currency-denominated public and corporate bonds

and in short-term financial products that pay higher interest rates than the domestic financial products. Monex, Inc. offers a US dollar MMF, an Australian Dollar MMF and a Euro MMF. The minimum investment is 10,000 yen, in increments of 1 yen. Even novice investors can purchase easily.

■ Alternative Investment Products

Alternative investment is a generic term used to refer to investing in hedge funds, private equities, commodities and real estate, making full use of various investment strategies. In the Monex Group, Monex Alternative Investments, Inc. (MAI) manages alternative investment products. The Group divides high-quality alternative investment products, which have traditionally been offered only to institutional investors and the wealthy, into small lots and offers them to individual investors as a financial product for a new age.

“Asia Focus”

Asia Focus is an alternative investment product whose performance is linked to that of a fund of funds that makes diversified investment in Japanese and Asian hedge funds. The net assets amounted to about 9,100 million yen, with a 10.22% annualized return since inception (as of the end of March 2008).

“China Focus”

China Focus is a long-short fund that makes diversified investment in three Chinese markets: Mainland China, Hong Kong and Taiwan. The fund enables customers to invest in China A-shares, which is limited to foreign investors. The net assets amounted to about 4,500 million yen, with a hefty 42.51% annualized return since inception (as of the end of March 2008).

“Premium Hybrid 2007”

Premium Hybrid 2007 is a fund of funds that invests in globally well-known private equity funds and hedge funds. The net assets amounted to about 2,200 million yen (as of the end of March 2008). The fund is an epoch-making product that enables individual investors to make diversified investments in private equity funds and redeem them after a certain period. Private equity funds have traditionally been limited to wealthy investors and difficult to redeem before maturity. “Premium Hybrid 2007” acquired a good reputation among customers just as “Premium Hybrid 2006” did. (Applications for subscription closed on January 9, 2008.)

● Bonds

Bonds are a lower risk financial product that pay regular interest and are redeemed at the face value on the maturity date. Investors can diversify investment risks by allocating a certain portion of investment money to bond investment. Monex offers various types of bonds such as Japanese government bonds for individuals, “Monex Short-term Notes for Individuals,” foreign-currency-denominated bonds, and also provides its original financial products and services including “Monex World Bank Notes Market,” a subscription system in which issuance terms of a World Bank Note are fixed according to the subscription demand.

■ Domestic Bonds

Japanese Government Bonds for Individuals

Japanese government bonds (JGBs) for individuals are issued by the Japanese Government and can be purchased by any individual. JGBs are a safe investment instrument, since the Japanese Government pays the principal and interest. The *JGBs for individuals* are popular since the minimum purchase unit is 10,000 yen where as regular JGBs are 50,000 yen. There are two types of *JGBs for individuals* available: the “10-year floating-rate government bond” with interest rates reviewed every six months and the “5-year fixed-rate government bond” with fixed interest rates.

■ Overseas Bonds

Monex Short-term Notes for Individuals Series (denominated in yen)

Monex Short-term Notes are short-term yen notes targeting individual investors issued by Monex Group, Inc. (former Monex Beans Holdings, Inc.). The short-term yen-denominated notes are 3 month notes with annualized interest rates of 1.00—1.04% (before tax). The Company first issued the notes in June 2007 and there were 11 issues to the end of March 2008. The structured notes are yen-denominated 1—2 month notes with foreign currency redemption terms at maturity. The Company first issued the notes in October 2007 and there were four issues to the end of March 2008. Monex developed these financial products to meet the growing needs of short-term investments of individual investors.

World Bank Notes (denominated in foreign currency)

The **World Bank Note** is a bond issued by the International Bank for Reconstruction and Development (World Bank). The Bank has maintained its triple-A rating since 1959. The World Bank lends the funds it raises to developing and emerging economies, aiming at “creating a world without poverty.” The Bank issues its bonds with high coupon rates in a currency with high interest rates and zero coupon bonds (discounted bonds).

Monex World Bank Notes Market

Monex World Bank Notes Market is the company's proprietary system in which a treasury to be issued is selected from several World Bank notes according to the subscription situation. During the selection period, customers place their order with the name of the desired issue, desired interest rate and purchase amount. About a week after the selection period starts, the company designates the most ordered issue as “Issue of the Month” and fixes issuance terms at the same time. After the designation of “Issue of the Month,” only subscriptions for the relevant issue will be accepted.

Other Overseas Bonds

Monex offers corporate bonds denominated both in foreign currency and in yen.

The company provides a variety of financial products including foreign-currency-denominated straight bonds with coupon rates higher than domestic interest rates, *Step-up Bonds* that pay a higher coupon rate at regular intervals and structured bonds such as *Dual Currency bonds* whose redemption terms change according to the foreign exchange rate at maturity.

Foreign Exchange Settlement Service

Customers can park their interest income and redemption money instead of converting them back to yen at the time of redemption. They can purchase new bonds denominated in the same currency or seek for the right timing to convert to yen. For the US dollar, Euro, and Australian dollar, MMFs in each currency are available. For the New Zealand dollar, South African rand and Turkish lira, customers can use deposit accounts to park their money. With these MMFs and deposit accounts, customers can purchase new bond issues denominated in foreign currency by using money parked in foreign-currency-denominated MMFs or deposits.

● Margin Forex Trading (FX)

In the Monex Group, Monex, Inc. has offered a margin forex trading service (FX) since April 2003. Monex Group, Inc. has consolidated Tokyo Forex Co., Ltd., a specialist in forex trading, as a subsidiary in April 2008. Tokyo Forex Co., Ltd. changed its name to “Monex FX, Inc.” (Monex FX) in June 2008. Having a specialist in forex trading in the Group allows clients to use FX services without first opening a securities account. The Monex Group will take advantage of the establishment of Monex FX, aiming to become the leading company in the FX industry. Margin forex trading (FX) is the trading of large amounts of currency on margin, with a relatively small deposit. For example, a client with a 10,000 yen deposit can trade up to 1,000 US dollars. In a case where 1 dollar is traded at 110 yen, 1,000 US dollars are equivalent to 110,000 yen. This means that the customer can trade assets worth more than 10 times the deposit. The bigger the risk becomes, the bigger the profit potential becomes. Since foreign currencies in general offer a higher interest rate compared to low-interest yen, customers can not only earn higher interest income but also offset a decrease in asset value denominated in Japanese yen, if the yen depreciates against other currencies.

■ Monex, Inc.

Monex, Inc. offers the margin forex trading (FX) service as a part of its integrated financial services. One of Monex, Inc.'s advantages is that its trading fees are reasonable:

100 yen per 1,000 currency units for currency trading volume from 1,000 to 9,000.

50 yen per 1,000 currency units for currency trading volume from 10,000 to 1,000,000.

Customers can also use “Market Walker FX,” that offers a variety of order methods including “Stop limit” orders and investment information that are free of charge, currency rates and news in real time. Trading through mobile phones is also accepted, making it possible for customers to choose the order method most convenient for them.

■ Monex FX, Inc.

Monex FX has established a secure and reliable trading system with complete surveillance, while the FX customer desk, which consists of professional staff experienced in forex trading, responds to customers' inquiries by phone and e-mail around the clock. In addition, the desk offers every possible support to customers, including competitive prices and swap

points in the industry, complete investment information and original seminars.

Let's Trade

Let's Trade is an active investment product. In the exchange market that fluctuates second-by-second, the product allows customers to trade large amounts of currency, approximately 50 times the deposit, on margin with a small deposit to earn profits from the fluctuation of currencies. (Leverage for South African rand/Japanese yen and Hong Kong dollars/Japanese yen is limited to approximately 20 times the deposit.)

Let's Trade MAX

Let's Trade MAX, a new product introduced in July 2008, allows customers to trade assets worth up to approximately 210 times the deposit. Compared to *Let's Trade*, customers can trade more efficiently. *Let's Trade MAX* adopts a flat-rate system for the required margin. The required margin for major currency pairs, such as US dollar/Japanese yen, Euro/Japanese yen and British pound/Japanese yen is 10,000 yen per 10,000 currency units. Since the flat-rate system is adopted for the required margin to all currency pairs, customers can easily calculate the base amount for the automatic loss cut (the automatic loss cut level is set at 80% of the required margin).

Let's Begin

Let's Begin is a risk-controlled product that allows clients to trade assets worth up to approximately 5 times the deposit.

Smart Foreign Currency

Smart Foreign Currency is a product that allows customers to trade assets at 1 times the deposit, making it closer to foreign-currency-denominated deposits. However, unlike foreign-currency-denominated deposits, it has no maturity date, allowing customers to make redemptions at any time.

● Investment Education

Monex, Inc. had been providing various content such as distributing emails on investment information, organizing events and seminars, and providing investment know-how through DVDs to enhance the investment return of individual investors. In 2005, Monex Group, Inc. (then Monex Beans Holdings, Inc.) established Monex University, Inc. (MU) to provide investment theory and actual investment know-how. MU helps to provide contents on the basics of how to manage money both online and offline.

Monex Campus

Monex Campus is an online learning space, where people can gain knowledge and know-how related to money and investment systematically and comprehensively. With a broadband connection, people can receive an education program at any time and from anywhere. Furthermore, people can complete a course at their own pace. Level 1 of the course teaches fundamental knowledge of investment and Level 2 teaches more specific and advanced knowledge of investment.

Level 1 is designed to give people a balanced knowledge of personal finance through 6 courses. It includes contents to

clear the purpose of investment and goals through life planning, how to start and continue investing, and basic knowledge major financial products. People who have an account with Monex, Inc. can receive Level 1 of the course free of charge. Level 2 is designed to help students who complete Level 1 to acquire a more advanced knowledge of investment by learning keywords such as "Increase of assets" and "Preparation for risks" through another 6 courses.

Study Groups and Seminars

The Group has regularly held seminars for individual investors since 2002. The Group holds numerous offline seminars in which students can receive face-to-face lectures and online seminars in which students can receive lectures on their personal computers, making use of know-how accumulated over six years and feedback from participants. For Fiscal 2008, the Group held nearly 500 seminars, with more than 70,000 participants in total.

<Seminars held by Monex, Inc. in FYE2008>

	Number of seminars	Total number of participants
Offline Seminars	106	10,298
Online Seminars	381	60,557

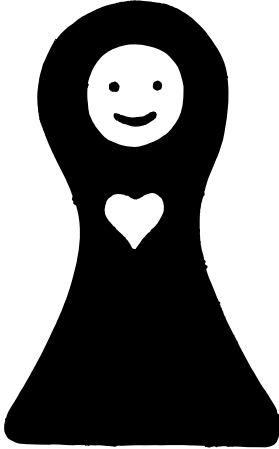
Services for Corporate Clients

Monex University can dispatch lecturers for seminars or group studies to be held in banks or stock exchanges.


●Corporate Message in Public

マネックスのつぶやき

アメリカでは、
子供の誕生日に
遊園地や
ハンバーガー会社の株を
一株プレゼントすると
聞いています。
それは、とても
楽しいと思います。



マネックスは自分のことを、
ただいま青春真っ盛りと
思っております。悩みも多い。
けれど、それ以上に挑戦し
たい夢がたくさん。例えば、
世界の新しいことを日本に
導入し、日本の良いことを
世界へ伝えることがあります。
す。なににせよ、証券とか、
日本とか限られたフィール
ドのみではなく世界的視野
で進めたいと、考え
ています。達成の道程に
あわせず Think outside
the box の姿勢を貫いて
行きたいと考えています。



MONEX

2007年度上期の、マネックス・ビーンズ・ホールディングス株式会社および子会社の主要業績と実績をご報告いたします。

●「マネックス・ビーンズ・ホールディングス株式会社」：*関連会社としてMBH America, Inc.を設立 ●ネットライズ企業株式会社の子会社として第三支店開設引当
●「マネックス証券株式会社」：*イーバンク銀行と包括的業務提携 ●「マネックス・オルタナティブ・インベストメント・インフラ株式会社」：*投資一任業務の認可取得
MBH (連結)業績概況(6ヶ月)：営業収益157億円(前年同期比+6.5%)、経常利益67億円(前年同期比+23.4%)、純利益38億円(前年同期比+22.9%)、ROE16.8%(年率換算)

マネックス・ビーンズ・ホールディングス株式会社 www.monexbeans.net (東京証券取引所第一部 証券コード: 6698)

[Translation] Monex's Monologue

We hear that in the United States some parents give their children stocks of the children's favorite theme park or hamburger shop. We think this is very amusing.

If Monex were a human being, it would be a teenager right now. It has tons of things to worry about, but at the same time, it has so many dreams and challenges it wants to achieve. For example, introducing fun and exciting things around the world to Japan. Vice versa, introducing Japanese specialties to the world, not limiting itself to boundaries of countries nor business fields. It loves to think outside the box and hopes to stay that way.

(Published in Nihon Keizai Shimbun dated October 26, 2007)

Monex Group, Inc. publishes its corporate messages as well as quarterly financial results in the Nihon Keizai Shimbun (Nikkei Newspaper), representing its current views and thinking. In 2006, we were awarded a prize for outstanding investor relations advertising at the 55th Nikkei Advertising Awards. Here we introduce the advertisements about our business performance published during the fiscal year ended March 31, 2008.

(January 31, 2008)





(April 30, 2008)

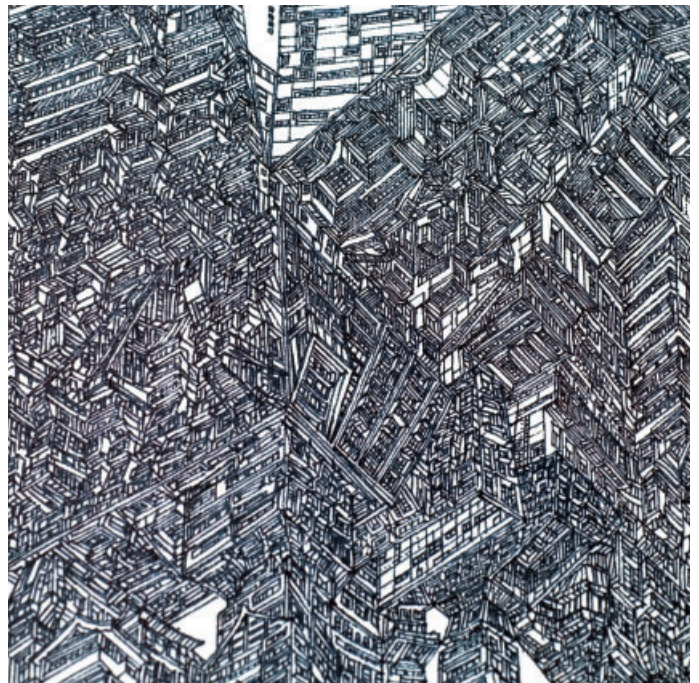
● About the Cover Page



About the work Title: Dig-Ital City
Description: An imaginary city created by marker pens on canvas



Above/Entire
Right/Partial



About Mr. Kyohei Sakaguchi

Mr. Sakaguchi was born in Kumamoto Prefecture in 1978 and graduated from the Department of Architecture, School of Science and Engineering at Waseda University. His research on homeless people's "houses" for his graduation thesis was published as a photo collection book titled *O Yen House* in 2004. The photo book has been published in numerous countries and took him to exhibitions in Belgium and Mexico. In 2006, he held his first solo exhibition at the Vancouver Art Gallery, Canada. In 2007, he joined exhibitions in Nairobi, Kenya and Saint Nazaire, France. In January 2008, he published *Tokyo O Yen House O Yen Life*, a book which describes the lifestyles of homeless people living along the Sumida River and in April 2008, he also published his first novel, *Edison of the River Sumida*.

Monex Group, Inc. has started the *ART IN THE OFFICE* program as part of its social and cultural activities with an aim to support young contemporary artists. Under the program, Monex Group, Inc. chooses one artist from an open invitation to provide space within the Company as well as expenses to display his/her artwork for a certain period. This time, Mr. Kyohei Sakaguchi was chosen from a number of applicants.

● Corporate Governance

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

1. Basic Concept of Corporate Governance

The Monex Group has put in place a corporate governance system in each Group company; based on that system, each company will implement a full program of corporate governance as a fundamental frame work; further, promotion of disclosure and mechanisms for taking in a wide variety of opinions will function as checks on group management and lead to balanced decision-making; they are thus regarded as important in making corporate governance function effectively.

2. Basic Policy on Internal Control Systems

Monex Group, Inc. (the Company) and Monex, Inc. regards building and implementing appropriate internal control systems as a critical management issue. Thus, both have set their fundamental policies for building a system of internal controls as decided at the meeting of the board of directors. Furthermore, as a system for verifying the status of those internal controls, in addition to checking by the board of directors and board of statutory auditors, both have systems for receiving the advice of outside counsel on internal controls and risk management, as appropriate. The Company's basic policy on its internal control system is disclosed on its website (<http://www.monexgroup.jp/investor/index.htm>).

3. Board of Directors and Board of Statutory Auditors

The Company has adopted the board of statutory auditors system. As of June 23, 2008, its board of directors comprises nine directors including three external directors. The board of directors meets at least once a month for effective monitoring of operations. The four members of its board of statutory auditors include two external auditors.

4. Proactive Disclosure

The Company regards disclosure as of great importance and works to ensure ongoing disclosure in an easy-to-understand manner. It discloses operating revenues, net operating revenues, and operating income monthly.

Monex, Inc., also implements proactive disclosure such as weekly and monthly disclosures including its customers' account numbers, etc.

Disclosure is based on the Group disclosure policy, which has been set up to eliminate any arbitrariness, and the disclosure policy itself is disclosed on the Company website.

5. Establishing a Corporate Culture of Thorough Compliance

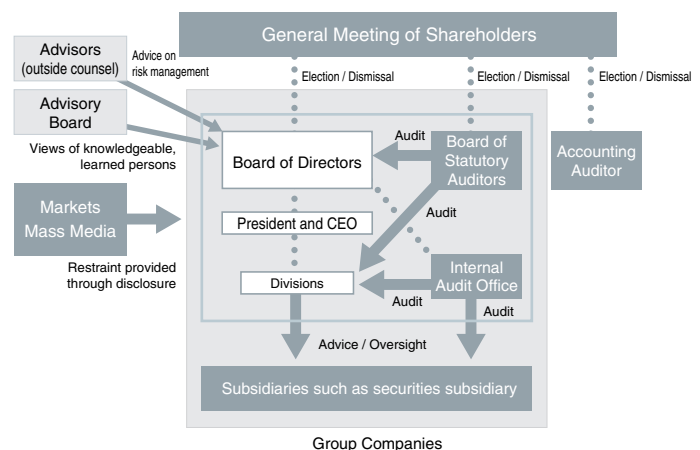
The Company regards awareness and implementation of ethical compliance as important not only for the management team but also for every employee of every company in the Group. It thus discloses the Compliance Policy on the Company website. Furthermore, through company-wide meetings and in-house networks works to establish a corporate culture in which compliance underlies the thinking of every officer and employee in the Group.

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. The CEO of Monex, Inc. expresses his perceptions and opinions in each issue of Monex Mail, an e-mail magazine that Monex, Inc., publishes every business day without fail since its first issue.

7. Advisory Board

This board consists of intellectuals to secure balanced, neutral, multifaceted views and advice from a broad perspective. The board meets quarterly and provides valuable, broad-ranging advice on the management of the group as a whole.



Financial Section

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Key Indicators

	FYE2005	FYE2006	FYE2007	FYE2008
Operating revenues (Million yen)	21,716	39,223	33,244	30,497
Net operating revenues (Million yen)	20,690	37,811	31,099	26,988
Operating income (Million yen)	9,266	25,174	16,559	13,016
Profit margin* (%)	44.8	66.6	53.2	48.2
Ordinary income (Million yen)	9,180	24,938	16,688	12,811
Income before income taxes and minority interests (Million yen)	8,634	23,695	16,350	12,620
Net income	7,079	13,617	9,534	7,206
Net assets per share (yen)	12,695	17,607	20,253	19,665
Net income per share (yen)	3,001	5,677	4,066	3,081
Dividend per share (yen)	500	1,500	2,900	1,550
ROE (%)	27.1	38.1	21.4	15.5
ROA (%)	—	4.11	2.35	2.02
Equity ratio (%)	12.8	9.7	12.5	13.6
Number of employee (person)	96	118	145	163

*Profit margin = Operating income/Net operating revenues
(Figures are rounded down to the nearest million yen.)

● Financial Review

“Business and Financial Review”

Business Environment

The outlook for the Japanese economy remained uncertain in the fiscal year ended March 31, 2008 since there were growing concerns over an economic slowdown due to the subprime loan problem in the United States and soaring crude oil prices.

In the domestic stock market, the Nikkei 225 Stock Average climbed to the ¥18,000 level in June 2007 from a ¥17,000 level in April 2007, but it declined from August 2007 and fell to the ¥12,000 level at the end of March 2008, due to fears of a recession in the United States and concerns over deteriorating corporate earnings. The average daily turnover on the four stock markets, Tokyo, Osaka, Nagoya and JASDAQ, during the year, was between ¥1,000 billion and ¥1,200 billion from April to August 2007, but the trend turned downward in September 2007 and fell to around ¥740 billion in March 2008.

The company is striving to decrease the percentage of net operating revenues made up of stock brokerage commissions and net financial income to 59% over the next three to five years through the diversification and stabilization of revenues. However, the percentage still remained at around 79% in the fiscal year ended March 31, 2008. Consequently, the decline in individual investors' appetite for Japanese shares due to depressed stock markets became a major factor in the decrease in earnings of the Monex Group represented by Monex, Inc.



Representative Director,
Deputy President and CFO
Monex Group, Inc.

Kyoko Kudo

Profit and Loss Situation

Operating Revenues

Commission revenues decreased 15.1% year on year to ¥21,544 million in the fiscal year ended March 31, 2008. Agency commissions related to investment trusts increased 71.4% year on year to ¥1,523 million. Commissions from margin forex trading grew 16.7% year on year to ¥2,141 million. Commissions from subscription and distribution were up 17.7% year on year to ¥1,074 million. Stock brokerage commissions fell sharply by 21.9% year on year to ¥16,104 million, due to a decline in the average daily turnover. Underwriting and distribution commissions also plunged 74.5% year on year to ¥111 million, due to a fall in the number of initial public offerings.

Net trading gains increased 18.2% year on year to ¥143 million, with a major contribution coming from the sales of foreign currency-denominated bonds. Financial income was up 15.3% year on year to ¥8,576 million, thanks to an increase in financial income related to margin account trading. However, net financial income, financial income minus financial expenses, fell 4.3% year on year to ¥5,067 million, since financial expenses related to margin account trading increased.

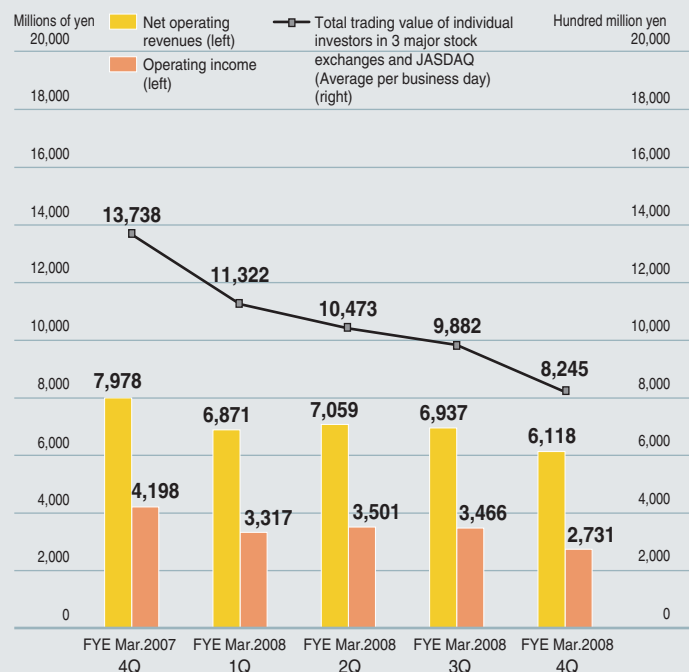
As a result, operating revenues decreased 8.3% year on year to ¥30,497 million and net operating revenues, operating revenues minus financial expenses, declined 13.2% year on year to ¥26,988 million.

Selling, General and Administrative Expenses

Since the average daily turnover decreased, commissions paid and exchange and association dues fell 6.0% year on year to ¥1,619 million, and advertising expenses plunged 54.1% year on year to ¥954 million due to the reduction of newspaper advertisements. Outsourcing expenses for back office work were up 5.4% year on year to ¥3,898 million due to the introduction of new financial products. Consequently, selling, general and administrative expenses decreased 3.9% year on year to ¥13,971 million in the fiscal year ended March 31, 2008.

In the company's cost structure for the year, system-related costs accounted for 40% of the total, personnel costs for 19%, information costs for 12%, commissions paid to stock exchanges, etc., for 12%, advertising costs for 7% and others for 11%. Among these costs, advertising

■ Net operating revenues and Operating income



■ Accounts/Customer's Asset in Custody

FYE March 2007					
	Equity securities	Bonds	Investment trusts	Others	Total
Brokerage	20,404	0	135	70	20,610
Underwriting and distribution	438	—	—	—	438
Subscription and distribution	23	18	871	—	913
Other commissions	387	0	916	2,108	3,412
Total	21,254	18	1,923	2,178	25,376

FYE March 2008					
	Equity securities	Bonds	Investment trusts	Others	Total
Brokerage	15,834	0	173	96	16,104
Underwriting and distribution	111	—	—	—	111
Subscription and distribution	8	20	1,045	—	1,074
Other commissions	309	0	1,551	2,392	4,254
Total	16,264	20	2,770	2,488	21,544

expenses, which are strategically controllable, drastically decreased, since management cut spending based on the judgment that advertising could not achieve the expected cost-benefit performance in flagging stock markets.

Operating Income, Ordinary Income and Net Income

Operating income declined 21.4% year on year to ¥13,016 million and ordinary income fell 23.2% year on year to ¥12,811 million. Income before income taxes and minority interests decreased 22.8% year on year to ¥12,620 million and net income fell 24.4% year on year to ¥7,206 million in the fiscal year ended March 31, 2008, since there was an extraordinary loss of ¥336 million (a decrease of 11.0% year on year) including a reserve for losses from securities transactions.

Review of Major Businesses

Stock Brokerage

The Group's stock brokerage business was affected by flagging stock markets. Brokerage commissions fell 21.9% year on year to ¥16,104 million, since the total turnover decreased 21% year on year to ¥15,091.4 billion. The total turnover (both sales and purchases are counted) of "Monex Night-time Trading," the company's original night-time trading service, decreased ¥65,400 million year on year to ¥105,400 million. In contrast, the company's stock lending service grew steadily with the total number of accounts increasing 7,000 year on year to 30,000 as of the end of March 2008.

Net operating revenues of the stock brokerage business declined 18% year on year to ¥21.1 billion in the fiscal year ended March 31, 2008.

Underwriting Business

With sluggish stock market conditions, the total number of initial public offerings declined. Consequently, the number of IPOs underwritten by the Group dropped to 34, 53 less than the total of 87 in the previous year. The underwriting amount fell ¥4,200 million year on year to ¥1,800 million. As a result, net operating revenues of the company's underwriting business plunged 69% year on year to ¥163 million.

Investment Trust and Alternative Investment Business

In the investment trust business, total sales of investment trusts grew 130% year on year to ¥249,400 million in the fiscal year ended March 31, 2008, and the total outstanding of investment trusts, excluding MRF, increased 12% year on year to ¥183,000 million as of the end of March 2008. This was due to management's efforts to raise the attractiveness of products and strengthen sales promotion. The Group experienced a substantial contribution from Monex's original financial products such as the "Monex Asset Planning Fund" and "Premium Hybrid 2007," investment trusts investing in stocks in emerging countries with high growth potential and no-load funds.

In the alternative investment business, the net assets of the four products the Group has launched so far reached ¥19,800 million as of the end of March 2008. The net assets of "Premium Hybrid 2007," launched during the year under review, amounted to ¥2,200 million as of the end of March 2008.

As a result, the net operating revenues of the investment trust and alternative Investment business rose 47% year on year to ¥2.7 billion.

Fixed Income and Margin Forex Trading (FX) Business

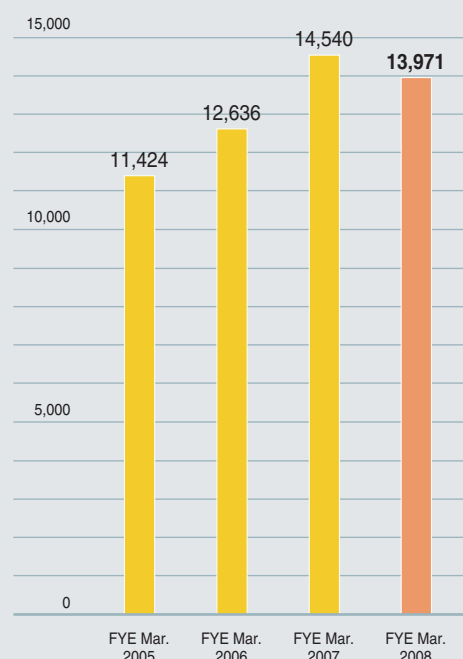
The Group's fixed income business continued to expand on the back of the growing need of individual investors to diversify their investment. The number of customers who purchased foreign bonds increased by 19,000 year on year to 35,000, as of the end of March 2008. In addition, accumulated sales of the "Monex Notes for Individuals" series, a short-term yen denominated bond (including structured bonds), amounted to ¥40,500 million at the end of March 2008.

The margin forex trading (FX) business also grew steadily. The number of margin forex trading accounts grew 21,000 year on year to 71,000 as of the end of March 2008, and the float of security deposits increased by 23% year on year to ¥29,300 million. Commission income rose 17% year on year to ¥2,100 million in the fiscal year ended March 31, 2008.

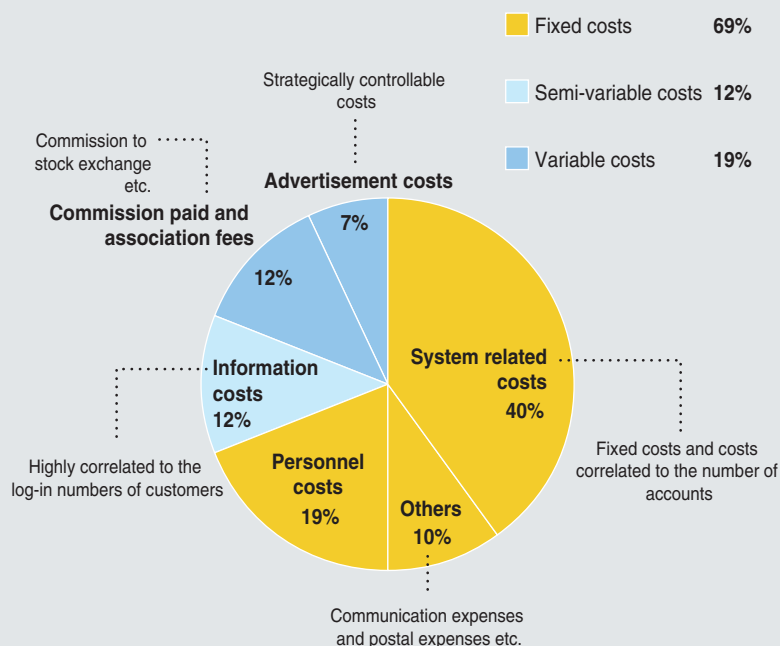
As a result, net operating revenues of the fixed income and margin forex trading (FX) business grew 12% year on year to ¥2.3 billion.

■ Selling, General and Administrative Expenses

(Millions of yen)



■ Cost Structure



Financial Conditions

Assets, Liabilities and Net Asset

The Group's assets decreased ¥44,972 million year on year to ¥335,016 million as of the end of March 2008. This was due to the decrease in margin transaction assets despite the increase in investment securities. Liabilities decreased ¥42,964 million year on year to ¥289,462 million due to the decrease in margin transaction liabilities. Net assets declined ¥2,007 million year on year to ¥45,554 million. The capital adequacy ratio improved 1.1 percentage points year on year to 13.6%.

Cash Flow

Net cash generated from operating activities amounted to ¥27,369 million, an increase of ¥1,838 million from the previous fiscal year. This was the result of income before income taxes and minority interests of ¥12,620 million, a decrease in segregated custody deposits of ¥24,530 million and an increase in money held in trust of ¥35,000 million.

Net cash used in investing activities was ¥11,240 million, an increase of ¥9,988 million from the previous fiscal year. This was the result of proceeds from the redemption of securities of ¥10,199 million, expenditures for the acquisition of securities of ¥12,388 million and the acquisition of investment securities of ¥6,165 million.

Net cash used in financing activities was ¥6,597 million, a decrease of ¥27,609 million from the previous fiscal year. This was the result of proceeds from corporate bonds of ¥40,937 million, the repayment of corporate bonds of ¥28,000 million, dividend payments of ¥8,875 million and a net decrease in short-term borrowings of ¥8,650 million.

In addition, net cash and cash equivalents due to additional consolidation of subsidiaries totaled ¥447 million. Consequently, cash and cash equivalents amounted to ¥47,106 million, an increase of ¥9,974 million from the previous fiscal year.

Basic Policy on Profit Distribution and Dividend for the Current Fiscal Year

The Company considers the return of profit to the Company's shareholders as one of the most important tasks for management, making

it a basic policy to pay adequate and sufficient dividends linked to business performance. Management aims to return around 50% of the company's consolidated net income as dividends. The company paid an annual dividend of ¥1,550 per share, an interim dividend of ¥900 and a final dividend of ¥650, for the year ended March 31, 2008 (consolidated pay-out ratio: 50.3%).

Management also completed a purchase of the company's own shares in February 2008. The total number of shares purchased was 35,000, equivalent to 1.49% of total shares issued and outstanding. The total amount paid was ¥2,009 million, equivalent to 28% of the net income for the current fiscal year.

Regarding internal reserves, the company ensures that it has sufficient funds used for investment in systems, but it will raise funds for temporary expenditures that may arise in the future, such as a major investment opportunity, with careful consideration of shareholders' interests in each case.

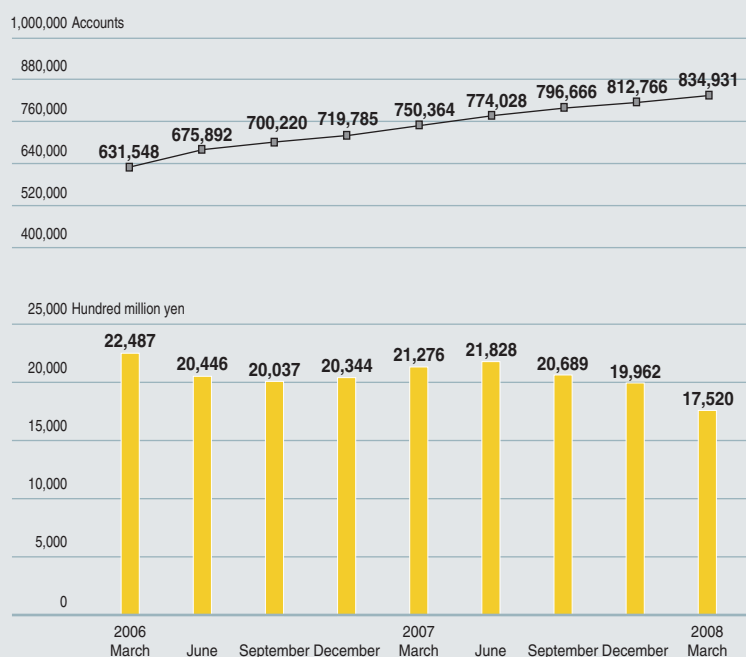
Financial Strategy

Change of Revenue Structure

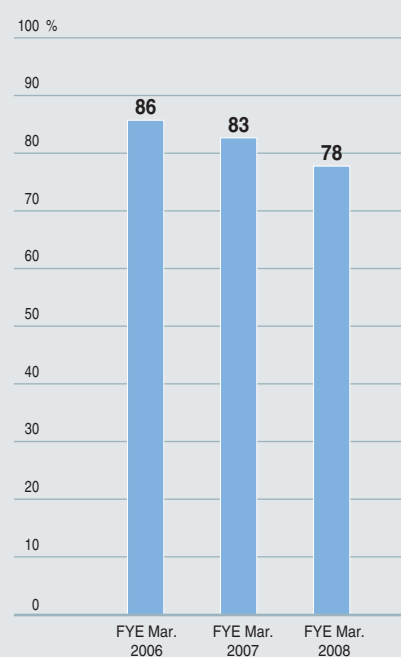
The Group's revenue structure is heavily reliant on brokerage commissions and net financial income. They accounted for 79% of net operating revenues, while managed assets (investment trusts etc.) accounted for 10% and fixed income and FX for 9%. The current revenue structure is vulnerable to fluctuations in the stock market, so a deterioration of individual investors' sentiment could cause a sharp decline in earnings. The Monex Group continually expands its line-up of financial products and services and conducts educational campaigns on the importance of diversified investment in order to provide stable returns to clients. Through these efforts, management aims to stabilize revenues by changing the Group's revenue structure over the medium-term as follows: brokerage commission and financial income to account for 59%, managed products (investment trusts etc.) for 26% and fixed income and FX for 12%.

The Group also strives to expand overseas business. During the fiscal year ended March 31, 2008, it established an overseas subsidiary, MBH America, Inc., in the United States, and a representative office in Beijing,

■ Accounts/Customer's Assets in Custody



■ Dependency on Brokerage revenue



China. For the moment, they are mainly engaged in research on financial markets and the overseas financial industry trends, but management plans to launch businesses in overseas markets and develop them into an important revenue stream over the medium to long-term.

Fund Raising

The Group's major capital demands comes from loans on margin transactions. Outstanding loans amounted to around ¥91,000 million as of the end of March 2008. The Company manages to broaden its fund-raising sources and hold down fund-raising costs in order to meet capital demands. It raises funds through several methods such as the "Monex Notes for Individuals" series, collateral from "stock lending," syndicated loans from banks and corporate bonds.

Among these methods, the Company issued the "Monex Notes for Individuals" series, 3-month yen-denominated bonds and 1 to 2-month structured bonds, 14 times in total by the end of March 2008. Since annualized interest rates for the short-term yen-denominated bonds (ranging from 1.0% to 1.04%) exceed those of bank time deposits by a big margin, "Monex Notes for Individuals" series have received a favorable reception from customers as a safe financial product. "Stock lending" is another of the Company's fund-raising sources, but it is also an advantageous financial product at the same time, since clients who lend shares to the Company can earn interest.

Targeted Management Benchmarks

The Monex Group continues to develop a low cost asset management business model in order to contribute to customers' long-term wealth building. Management views "customers' assets in custody" "Revenues per customers' assets in custody" and "Expenses per customers' assets in custody" as important management benchmarks in order to measure how close the Company comes to its targets.

Customers' assets in custody decreased 17.7% year on year to ¥1,752,000 million in the fiscal year ended March 31, 2008, due to a decline in the domestic stock market. Currently, equities account for 67% of customers' assets in custody, managed assets (investment trusts etc.) for 10% and fixed income for 3%. In three to five years' time, management aims to change the makeup of assets as follows: equities to account for

43%, managed assets (investment trusts, etc.) for 38% and fixed income for 6%. The ratio of revenues to customers' assets in custody (net operating revenues divided by customers' assets in custody) was 1.5% in the fiscal year ended March 31, 2008. Management aims for 1.0%. The ratio of expenses to customers' assets in custody (selling and general administrative expenses divided by customers' assets in custody) was 0.8%. Management aims for 0.5%.

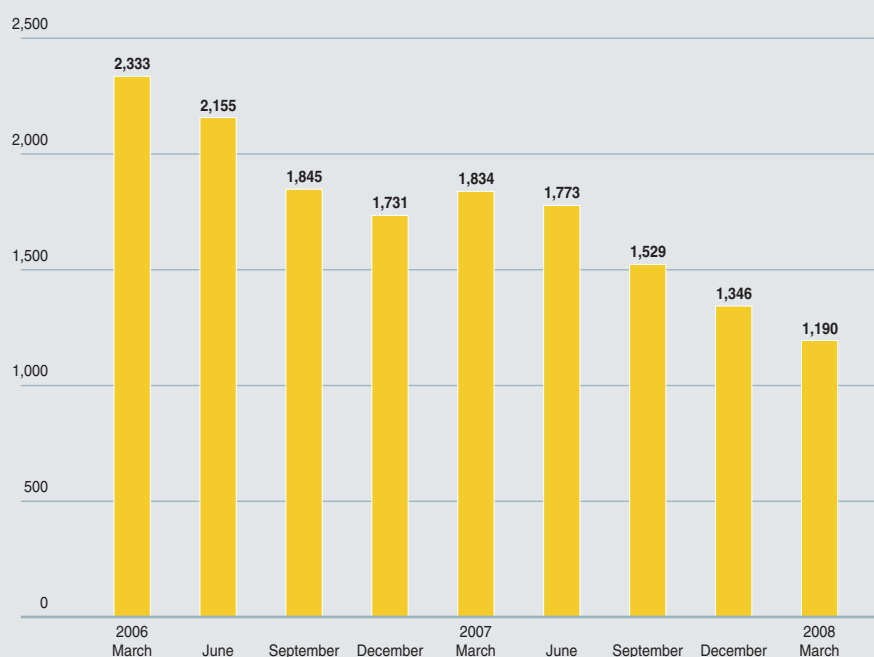
The Monex Group also views "Operating income ratio" and "ROE" (Return on equity) as important management benchmarks in order to maintain high profitability, utilize capital efficiently and keep the dividend payout ratio high. Operating income ratio was down 5.0 percentage points year on year to 48.2% in the fiscal year ended March 31, 2008, which was slightly below the target of 50%. ROE was 15.5% (a deterioration of 5.9 percentage points year on year).

Business Outlook for Fiscal Ending March 2009

For the fiscal year ending March 2009, the outlook for the global economy is expected to remain uncertain due to soaring crude oil prices and lingering concerns over an economic slowdown in the United States. Under such a situation, the Monex Group will diversify the line-up of its financial products and services by placing more emphasis on investment trusts, alternative investment products, fixed income and margin forex trading (FX) so that it can develop a revenue structure able to cope with possible fluctuations in the stock market in the future. As a part of its diversification, the Company acquired 90% of the outstanding common stock of Tokyo Forex Co., Ltd., a specialist in forex trading, and consolidated it as a subsidiary on April 1, 2008. (Tokyo Forex Co., Ltd. changed its name to Monex FX, Inc. in June 2008.) In addition, the Monex Group will strive to secure a stable revenue stream over the long period, with future business development in fast growing overseas markets in mind.

* Monex Group, Inc. does not release any business forecasts, since the stock brokerage business, a main business of the Group, is largely affected by the fluctuation of the stock market and it is difficult to predict the future.

■ **Margin Balance** (Hundred million yen)



● Consolidated Financial Statements

Consolidated Balance Sheets

As of March 31, 2008 and 2007

Assets	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Current assets:			
Cash and deposits (Notes 4 and 23)	¥ 47,156	¥ 61,663	\$ 470,666
Cash segregated for customers and others	74,354	94,061	742,130
Money held in trust	35,403	—	353,359
Trading assets (Notes 6 and 8)	10,341	4,377	103,214
Securities (Note 4)	2,190	—	21,858
Operating investment securities (Note 5)	1,162	—	11,598
Margin transaction assets (Note 3)	100,167	170,085	999,770
Payments on securities subscribed	491	1,022	4,901
Short-term guarantee money deposited	3,270	6,169	32,638
Accrued revenues	2,422	2,289	24,174
Deferred tax assets (Note 11)	28	636	279
Short-term loans receivable	35,026	30,030	349,596
Other	8,542	3,852	85,258
Allowance for doubtful receivables	(58)	(97)	(579)
	320,494	374,087	3,198,862
Property and equipment, at cost:			
Buildings	290	164	2,894
Furniture and fixtures	130	48	1,298
Accumulated depreciation	(104)	(56)	(1,038)
	316	156	3,154
Intangible assets, net of amortization:			
Goodwill	21	42	210
Software	799	789	7,975
Other	53	10	529
	873	841	8,714
Investment and others:			
Investment securities (Notes 5 and 7)	12,623	4,467	125,990
Long-term guarantee deposits	697	382	6,957
Deferred tax assets (Note 11)	6	—	60
Other	65	143	649
Allowance for doubtful receivables	(57)	(87)	(569)
	13,334	4,905	133,087
Total assets	¥ 335,017	¥ 379,989	\$ 3,343,817

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

Liabilities	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Current liabilities:			
Trading liabilities (Notes 6 and 8)	¥ 3,194	¥ 4,155	\$ 31,879
Margin transaction liabilities (Note 3)	28,931	69,761	288,761
Loans payable secured by securities	54,888	52,949	547,839
Deposits received	42,080	48,740	420,002
Guarantee money received	75,152	76,188	750,095
Short-term borrowings (Note 13)	21,100	29,750	210,600
Current portion of long-term debt (Note13)	42,000	—	419,204
Bonds (Note13)	13,000	—	129,754
Income taxes payable (Note 11)	2,426	3,204	24,214
Accrued employees' bonuses	70	104	699
Accrued directors' bonuses	152	189	1,517
Deferred tax liabilities (Note11)	402	—	4,012
Allowance for point services	221	707	2,206
Other	1,145	1,843	11,428
	284,761	287,590	2,842,210
Non-current liabilities:			
Long-term debt (Note 13)	500	42,500	4,990
Long-term Deposits received	1,284	—	12,816
Deferred tax liabilities (Note 11)	420	128	4,192
	2,204	42,628	21,998
Statutory reserves (Note 14):			
Reserve for securities transactions	2,488	2,182	24,833
Reserve for commodities transactions	10	27	100
	2,498	2,209	24,933
Total liabilities	289,463	332,427	2,889,141
Commitments (Note 15):			
Net Assets			
Net assets:			
Owners' equity			
Common stock:			
Authorized — 8,800,000 shares	8,800	8,800	87,833
Issued — 2,344,687 shares			
Capital surplus	15,155	15,155	151,263
Retained earnings	21,767	23,310	217,257
Treasury stock	(2,010)	—	(20,062)
	43,712	47,265	436,291
Valuation and translation adjustments			
Net unrealized holding gains on securities, net of taxes	1,712	223	17,088
Foreign currency translation adjustments	(5)	—	(50)
	1,707	223	17,038
Minority interests	135	74	1,347
Total net assets	45,554	47,562	454,676
Total liabilities and net assets	¥ 335,017	¥ 379,989	\$ 3,343,817

Consolidated Statements of Income

For the fiscal years ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Operating revenues:			
Commission revenues (Note 20)	¥ 21,545	¥ 25,376	\$ 215,041
Net gain on trading account	143	122	1,427
Net gain on operating investments	(38)	—	(379)
Financial income (Note 21)	8,576	7,440	85,598
Other operating revenues	271	307	2,705
	30,497	33,245	304,392
Financial expenses (Note 21)	3,509	2,146	35,024
Net operating revenues	26,988	31,099	269,368
Selling, general and administrative expenses (Note 22)	13,972	14,540	139,455
Operating income	13,016	16,559	129,913
Other incomes (expenses):			
Gain on sales of investment securities	—	40	—
Equity in earnings	(181)	—	(1,807)
Loss on sales of investment securities	(24)	—	(240)
Provision for securities transactions (Note 14)	(305)	(372)	(3,044)
Provision for commodities transactions (Note 14)	—	(5)	—
Dividend income	47	164	469
Other, net	(20)	(35)	(199)
	(483)	(208)	(4,821)
Income before income taxes and minority interests prior to distribution of gain in silent partnership	12,533	16,351	125,092
Distribution of gain in silent partnership	87	—	869
Income before income taxes and minority interests	12,620	16,351	125,961
Income taxes (Note 11):			
Current	5,127	6,301	51,173
Deferred	275	520	2,745
	5,402	6,821	53,918
Minority interests	12	(5)	120
Net income	¥ 7,206	¥ 9,535	\$ 71,923

	Yen		U.S. Dollars
Per share amounts	2008	2007	2008
Net income	¥ 3,080.54	¥ 4,066.46	\$ 30.75
Cash dividends per share applicable to the year	1,550.00	2,900.00	15.47

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, 2008 and 2007

	Millions of Yen									
	Owner's Equity					Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity	Net Unrealized Holding Gains on Securities, Net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance at March 31, 2006	¥ 8,800	¥ 15,155	¥ 17,598	¥ —	¥ 41,553	¥ 35	¥ —	¥ 35	¥ 30	¥ 41,618
Net income	—	—	9,535	—	9,535	—	—	—	—	9,535
Cash dividends paid	—	—	(3,517)	—	(3,517)	—	—	—	—	(3,517)
Bonuses paid to directors	—	—	(306)	—	(306)	—	—	—	—	(306)
Increase in net unrealized holding gains on securities	—	—	—	—	—	188	—	188	—	188
Increase in minority interests	—	—	—	—	—	—	—	—	44	44
Balance at March 31, 2007	8,800	15,155	23,310	—	47,265	223	—	223	74	47,562
Net income	—	—	7,206	—	7,206	—	—	—	—	7,206
Cash dividends paid	—	—	(8,910)	—	(8,910)	—	—	—	—	(8,910)
Acquisition of treasury stocks	—	—	—	(2,010)	(2,010)	—	—	—	—	(2,010)
Change in scope of consolidation	—	—	6	—	6	—	—	—	—	6
Change in scope of the equity method	—	—	155	—	155	—	—	—	—	155
Increase in net unrealized holding gains on securities	—	—	—	—	—	1,489	—	1,489	—	1,489
Net increase in foreign currency adjustments	—	—	—	—	—	—	(5)	(5)	—	(5)
Increase in minority interests	—	—	—	—	—	—	—	—	61	61
Balance at March 31, 2008	¥ 8,800	¥ 15,155	¥ 21,767	¥ (2,010)	¥ 43,712	¥ 1,712	¥ (5)	¥ 1,707	¥ 135	¥ 45,554

	Thousands of U.S. Dollars									
	Owner's Equity					Valuation and Translation Adjustments			Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Owners' Equity	Net Unrealized Holding Gains on Securities, Net of Taxes	Foreign Currency Translation Adjustments	Total Valuation and Translation Adjustments		
Balance at March 31, 2007	\$ 87,833	\$ 151,263	\$ 232,658	\$ —	\$ 471,754	\$ 2,226	\$ —	\$ 2,226	\$ 738	\$ 474,718
Net income	—	—	71,923	—	71,923	—	—	—	—	71,923
Cash dividends paid	—	—	(88,931)	—	(88,931)	—	—	—	—	(88,931)
Acquisition of treasury stocks	—	—	—	(20,062)	(20,062)	—	—	—	—	(20,062)
Change in scope of consolidation	—	—	60	—	60	—	—	—	—	60
Change in scope of the equity method	—	—	1,547	—	1,547	—	—	—	—	1,547
Increase in net unrealized holding gains on securities	—	—	—	—	—	14,862	—	14,862	—	14,862
Net increase in foreign currency adjustments	—	—	—	—	—	—	(50)	(50)	—	(50)
Increase in minority interests	—	—	—	—	—	—	—	—	609	609
Balance at March 31, 2008	\$ 87,833	\$ 151,263	\$ 217,257	\$ (20,062)	\$ 436,291	\$ 17,088	\$ (50)	\$ 17,038	\$ 1,347	\$ 454,676

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

Consolidated Statements of Cash Flows

For the fiscal years ended March 31, 2008 and 2007

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Cash flows from operating activities:			
Income before income taxes and minority interests	¥ 12,620	¥ 16,351	\$ 125,961
Depreciation	270	99	2,695
Decrease in allowance for doubtful receivables	(69)	(215)	(689)
Increase (decrease) in allowance for point services	(486)	116	(4,851)
Gain on sales of investment securities	—	(40)	—
Loss on sales of investment securities	24	—	240
Decrease in accrued employees' bonuses	(33)	(102)	(329)
Increase (decrease) in accrued directors' bonuses	(37)	189	(369)
Interest income and dividend income	(8,650)	(7,608)	(86,336)
Interest expense	3,509	2,145	35,023
Decrease in cash segregated for customers and others	21,046	15,705	210,061
Increase in money held in trust	(35,000)	—	(349,336)
(Increase) decrease in segregated cash included in cash and deposits	24,531	(2,510)	244,844
(Increase) decrease in trading assets	(6,811)	133	(67,981)
Decrease in operating investment securities	19	—	190
Decrease in time deposit as a collateral	20	—	200
Decrease in margin transaction assets, net of increase in margin transaction liabilities	29,088	35,455	290,328
Increase (decrease) in loans payable secured by securities and in loans receivable secured by securities	(4,159)	7,373	(41,511)
Decrease in payments on securities subscribed	532	—	5,310
Increase in short-term loans	(4,996)	(18,993)	(49,865)
(Increase) decrease in short-term guarantee money deposits	2,899	(326)	28,935
Decrease in deposits received	(6,660)	(14,449)	(66,474)
Decrease in guarantee money received	(1,035)	(1,812)	(10,330)
Increase (decrease) in consumption taxes payable	19	(553)	189
Payment for directors' bonuses	—	(306)	—
Other, net	1,203	3,698	12,007
Sub total	27,844	34,350	277,912
Interest and dividend received	8,513	7,186	84,968
Interest paid	(3,464)	(1,995)	(34,574)
Income taxes paid	(5,524)	(14,009)	(55,135)
Net cash provided by operating activities	27,369	25,532	273,171
Cash flows from investing activities:			
Purchases of securities	(12,389)	—	(123,655)
Redemption of securities	10,200	—	101,807
Purchases of property and equipment	(225)	(154)	(2,246)
Purchases of intangible assets	(919)	(746)	(9,173)
Purchases of investment securities	(6,165)	(936)	(61,533)
Proceeds from sales and redemption of investment securities	420	548	4,192
Payment for purchase of investments in affiliates	(1,950)	(50)	(19,463)
Payments for long-term guarantee deposits	(315)	(60)	(3,144)
Proceeds from long-term guarantee deposits	—	97	—
Acquisition of controlling interests in subsidiary	34	—	339
Other, net	69	48	689
Net cash used in investing activities	(11,240)	(1,253)	(112,187)
Cash flows from financing activities:			
Decrease due to the acquisition of treasury stock	(2,010)	—	(20,062)
Decrease in short-term borrowings	(8,650)	(28,750)	(86,336)
Decrease in commercial paper	—	(2,500)	—
Increase in bonds	40,938	—	408,604
Decrease in bonds	(28,000)	—	(279,469)
Increase in long-term debt	—	500	—
Proceeds from minority shareholders due to issuance of shares	—	48	—
Dividends paid	(8,876)	(3,505)	(88,592)
Net cash used in financing activities	(6,598)	(34,207)	(65,855)
Foreign currency translation adjustments on cash and cash equivalents	(5)	—	(50)
Net increase (decrease) in cash and cash equivalents	9,526	(9,928)	95,079
Cash and cash equivalents of newly consolidated subsidiaries	448	—	4,472
Cash and cash equivalents at beginning of year	37,132	47,060	370,616
Cash and cash equivalents at end of year (Note 23)	¥ 47,106	¥ 37,132	\$ 470,167

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

1. Basis of Presenting Consolidated Financial Statements

The accompanying consolidated financial statements of Monex Beans Holdings, Inc. (the "Company") have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law 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 accompanying consolidated financial statements have been restructured 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 Law 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, 2008, which was ¥100.19 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 four of its subsidiaries for the year ended March 31, 2007 and seven of its subsidiaries for the year ended March 31, 2008. The Company's consolidated subsidiaries as of March 31 2008 are Monex, Inc., Monex Alternative Investments, Inc., Monex University, Inc., Monex Business Incubation, Inc., Monex Capital Partners I, Inc., MBH America, Inc., and WR Hambrecht & Co Japan, Inc. There are no companies which are not consolidated as of March 31, 2008.

(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, which were four companies for the fiscal year ended March 31, 2007 and two companies for the year ended March 31, 2008, 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 market prices and differentials between markets as well as reducing losses from them, using securities exercised in one’s own account, products which are treated as 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 for based on a trade date basis at market value or fair value.

b) Derivative Contracts in the Trading Account

Derivative contracts in the trading account are accounted for based on a trade date basis at market value or 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 the trading account and “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”), 2. Equity securities issued by unconsolidated subsidiaries and affiliated companies and 3. All other securities that are not classified in any of the above categories (hereafter, “available-for-sale securities”).

1. Held-to-maturity Debt Securities

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

2. Equity Securities Issued by Unconsolidated Subsidiaries and Affiliated Companies

Equity securities issued by unconsolidated subsidiaries and affiliated companies that are not accounted for by equity method are stated at cost.

3. Available-for-sale Securities

(Securities with a Readily Ascertainable Market Value)

Available-for-sale securities which include in cash segregated for customers and others and money held in trust 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 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 values based on 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 is computed using the declining-balance method over the estimated useful lives.

Effective from the year ended March 31, 2008, in accordance with the taxation reform for the fiscal year 2007, property and equipment acquired on and after April 1, 2007 are depreciated using the method under the revised Corporate Tax Law. This change did not materially impact on the consolidated financial statements.

b) Intangible Assets

Goodwill related to the acquisition of the Company’s memberships on the Tokyo Stock Exchange and Osaka Securities Exchange is recorded at cost and amortized using the straight-line method over a five-year period. 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) Lease Transactions

Finance lease transactions, other than those wherein ownership of the lease property is regarded as being transferred to the lessee, are accounted for in the same manner as operating leases.

(8) Hedge Accounting

The Company applies hedge accounting to forward foreign exchange contracts for the purpose of reducing risk of foreign exchange fluctuations of foreign currency denominated securities that is classified as available-for-sale securities. The Company applies accrual-basis hedge accounting to interest rate swaps to avoid interest rate risk with bond issuance.

The effectiveness of the hedge is assessed by comparing the cumulative amount of valuations in the forward foreign exchange contracts and the cumulative amount of valuations in the hedged securities. The Company does not evaluate the effectiveness of interest swaps under accrual-basis hedge method.

(9) 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.

(10) Consumption Taxes

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

(11) 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.

(12) 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.

3. Margin Transactions

Margin transactions as of March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Assets:			
Loans receivable from customers	¥ 91,019	¥ 168,634	\$ 908,464
Cash deposits as collateral for securities borrowed from securities finance companies:	9,148	1,451	91,306
	¥ 100,167	¥ 170,085	\$ 999,770
	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Liabilities:			
Loans from securities finance companies	¥ 857	¥ 54,994	\$ 8,554
Proceeds of securities sold for customers' accounts	28,074	14,767	280,208
	¥ 28,931	¥ 69,761	\$ 288,762

4. Pledged Assets

Collateral for loan transactions with securities finance companies as of March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Cash deposits as collateral for foreign exchange trades with financial institutions	¥ 50	¥ —	\$ 499
Securities as collateral for borrowing with securities financial firms	199	—	1,986
Securities as collateral for settlement with financial products settlement firms	1,990	—	19,862
Securities deposited by customers as collateral for margin transactions	15,494	35,745	154,646
	¥ 17,733	¥ 35,745	\$ 176,993

Total fair value of the securities deposited as collateral as of March 31, 2008 and 2007 consisted of the following (excluding securities mentioned above):

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Securities lending for margin transactions	¥ 27,396	¥ 15,687	\$ 273,440
Securities pledged for borrowings from securities financial companies or securities exchange brokers	842	54,668	8,404
Securities loaned	52,059	53,415	519,603
Other securities pledged	1,753	2,330	17,497
	¥ 82,050	¥ 126,100	\$ 818,944

Total fair value of the securities received as collateral as of March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Securities in custody for loans receivable from customers	¥ 70,664	¥ 154,200	\$ 705,300
Securities borrowed from securities finance companies	8,919	1,449	89,021
Securities borrowed	98,142	114,594	979,559
Securities received as guarantee for margin transactions	113,239	181,095	1,130,243
	¥ 290,964	¥ 451,338	\$ 2,904,123

5. Investments in Non-consolidated Subsidiary and Affiliates

Investments in non-consolidated subsidiary and affiliates included in investment securities as of March 31, 2008 and 2007 had carrying amounts of ¥1,324 million (\$13,215 thousand) and ¥724 million, respectively.

6. Trading Assets and Liabilities

Trading assets as of March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Equity securities	¥ 110	¥ 474	\$ 1,098
Investment trusts	2	—	20
Bonds	1,086	725	10,839
Forward foreign exchange contracts	9,143	3,178	91,257
	¥ 10,341	¥ 4,377	\$ 103,214

Trading liabilities as of March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Equity securities	¥ —	¥ 18	\$ —
Investment trusts	121	172	1,208
Forward foreign exchange contracts	3,073	3,965	30,671
	¥ 3,194	¥ 4,155	\$ 31,879

7. Investment Securities

The book values and market value of held-to-maturity debt securities with a readily ascertainable market value as of March 31, 2008 consisted of the following:

	Thousands of U.S. Dollars		
	2008		
	Book Value	Market Value	Difference
Government bonds	\$ 21,858	\$ 21,858	\$ —

	Millions of Yen		
	2008		
	Book Value	Market Value	Difference
Government bonds	¥ 2,190	¥ 2,190	¥ —

The acquisition cost and book value of available-for-sale securities with a readily ascertainable market value as of March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		
	2008		
	Acquisition Cost	Book Value	Difference
Bonds	¥ 73,833	¥ 75,574	¥ 1,742
Investment trusts	11,221	11,331	109
Total	¥ 85,054	¥ 86,905	¥ 1,851

	Millions of Yen		
	2007		
	Acquisition Cost	Book Value	Difference
Investment trusts	¥ 1,221	¥ 1,308	¥ 87

	Thousands of U.S. Dollars		
	2008		
	Acquisition Cost	Book Value	Difference
Investment trusts	\$ 736,930	\$ 754,307	\$ 17,387
Bonds	111,997	113,085	1,088
Total	\$ 848,927	\$ 867,402	\$ 18,475

Available-for-sale securities sold for the fiscal year ended March 31, 2008 and 2007:

	Millions of Yen		
	2008		
	Sales Amount	Gains on Sales	Losses on Sales
Available-for-sale securities	¥ 575	¥ 14	¥ 43

	Millions of Yen		
	2007		
	Sales Amount	Gains on Sales	Losses on Sales
Available-for-sale securities	¥ 496	¥ 40	¥ —

	Thousands of U.S. Dollars		
	2008		
	Sales Amount	Gains on Sales	Losses on Sales
Available-for-sale securities	\$ 5,739	\$ 140	\$ 429

Investment securities without a readily ascertainable market value as of March 31, 2008 and 2007 were mainly consisted of the following;

	Millions of Yen
	2008
Operating investment securities	¥ 1,162
Unlisted companies stocks	9,620
Investment in limited partnership	348
Total	¥ 11,130

	Millions of Yen
	2007
Unlisted companies stocks	¥ 1,791
Investment in limited partnership	644
Total	¥ 2,435

	Thousands of U.S. Dollars
	2008
Operating investment securities	\$ 11,598
Unlisted company stocks	96,018
Investment in limited partnership	3,473
Total	\$ 111,089

Redemption schedule of bonds classified as held-to-maturity debt securities as of March 31, 2008 was as follows;

	Millions of Yen			
	2008			
	1 year or less	More than 1 year but less than 5 years	More than 5 year but less than 10 years	More than 10 year
Government bonds	¥ 2,190	¥ —	¥ —	¥ —
Total	2,190	—	—	—

	Thousands of U.S. Dollars			
	2008			
	1 year or less	More than 1 year but less than 5 years	More than 5 year but less than 10 years	More than 10 year
Government bonds	\$ 21,858	\$ —	\$ —	\$ —
Total	21,858	—	—	—

8. Derivatives

(1) Type of Derivative Transactions Used

The Company and its consolidated subsidiary use forward foreign exchange contracts, foreign exchange options and interest rate swaps.

(2) Basic Policy for Derivative Transactions

The Company and its consolidated subsidiary use derivative transactions in order to hedge currency fluctuation or interest rate risk. In foreign exchange margin trading business, the company's consolidated subsidiary receives guarantee money from customers and does not take a high degree of risk.

(3) Purpose of Derivative Transactions

The Company and its consolidated subsidiary use forward foreign exchange contracts to minimize currency fluctuation risks of the foreign currency denominated securities. And also, the Company and its consolidated subsidiary use foreign exchange options and interest rate swaps to avoid foreign exchange fluctuation risk and interest rate risk with bond issuance.

(4) Risks Involved in Derivative Transactions

Forward foreign exchange contracts and foreign exchange options have risk of foreign exchange fluctuations. Interest rate swaps have risk of interest rate fluctuations.

Foreign exchange margin trading business involves currency fluctuation risks, but the company's consolidated subsidiary is sure to receives guarantee money from customers. In addition, the company's consolidated subsidiary can terminate trading based on specific "Loss-cut rules" when unrealized loss of customers are large.

The Company and its consolidated subsidiary have these contracts only with the financial institutions that are considered of good credit standing.

(5) Internal Control for Derivative Transactions

Execution and management of derivatives transactions are managed as per internal regulations. The responsible departments calculate the necessary amount of forward foreign exchange contracts, and confirm whether such transactions are based on actual demands.

In accordance with internal rules on risk management, coefficients for arithmetic risk management are calculated on the basis of the Cabinet Office ordinance regarding the capital adequacy rule for securities companies. The responsible department verifies the coefficients and makes reports to the board of directors.

Derivative contracts for trading purposes of March 31, 2008 and 2007 were as follows:

	Millions of Yen			
	2008			
	Assets		Liabilities	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Forward Currency Contracts	¥ 310,486	¥ 9,143	¥ 221,074	¥ 3,073

	Millions of Yen			
	2007			
	Assets		Liabilities	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Forward Currency Contracts	¥ 285,503	¥ 3,178	¥ 180,014	¥ 3,965

	Thousands of U.S. Dollars			
	2008			
	Assets		Liabilities	
	Contract Amount	Fair Value	Contract Amount	Fair Value
Forward Currency Contracts	\$ 3,098,972	\$ 91,257	\$ 2,206,548	\$ 30,671

Market value information of derivative transactions for non-trading purposes as of March 31, 2008 and 2007 is not disclosed because hedge accounting has been applied to all transactions.

9. Leases

Information as to 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, 2008 and 2007 is as follows:

Acquisition costs and accumulated depreciation:

	Millions of Yen		
	2008		
	Acquisition Costs	Accumulated Depreciation	Net Balance at Year End
Furniture and fixtures	¥ 634	¥ 248	¥ 386
Software	324	120	204
Total	¥ 958	¥ 368	¥ 590

	Millions of Yen		
	2007		
	Acquisition Costs	Accumulated Depreciation	Net Balance at Year End
Furniture and fixtures	¥ 648	¥ 135	¥ 513
Software	340	68	272
Total	¥ 988	¥ 203	¥ 785

	Thousands of U.S. Dollars		
	2008		
	Acquisition Costs	Accumulated Depreciation	Net Balance at Year End
Furniture and fixtures	\$ 6,328	\$ 2,475	\$ 3,853
Software	3,234	1,198	2,036
Total	\$ 9,562	\$ 3,673	\$ 5,889

Future lease payments under finance leases:

	Millions of Yen	Thousands of U.S. Dollars	
	2008	2007	2008
Within one year	¥ 180	¥ 131	\$ 1,797
Over one year	422	662	4,212
Total	¥ 602	¥ 793	\$ 6,009

Lease payments, depreciation and interest expense:

	Millions of Yen	Thousands of U.S. Dollars	
	2008	2007	2008
Lease payments	¥ 205	¥ 173	\$ 2,046
Depreciation	189	158	1,886
Interest expense	11	15	110

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.

10. Stock Option Plan

WR Hambrecht & Co Japan, Inc. which is a subsidiary of the Company has stock option plan. Its stock option outstanding as of March 31, 2008 was as follows;

Date of resolution	January 31, 2008
Persons granted	2 directors of its 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

11. 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 2008 and 2007. And the effective tax payout ratio after adopting deferred tax accounting was 42.8% for 2008 due to permanent differences and valuation allowance.

The tax effects of significant temporary differences that result in deferred tax assets and liabilities at March 31, 2008 and 2007 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Deferred tax assets (Current)			
Enterprise tax payable	¥ 211	¥ 255	\$ 2,106
Allowance for point services	90	288	898
Accrued employees' bonuses	29	42	289
Other	72	63	719
Sub total	402	648	4,012
Valuation allowance	(43)	(12)	(429)
Total	359	636	3,583
Deferred tax liabilities (Current)			
Retained earnings of subsidiaries	(24)	—	(240)
Net unrealized holding gains on securities.	(709)	—	(7,076)
Total	(733)	—	(7,316)
Net deferred tax assets (liabilities) (Current)	(374)	636	(3,733)
Deferred tax assets (Non-current)			
Reserve for securities transactions	1,012	888	10,101
Reserve for commodities transactions	4	11	40
Allowance for doubtful receivables	23	36	230
Other	25	25	249
Sub total	1,064	960	10,620
Valuation allowance	(1,013)	(935)	(10,101)
Total	52	25	519
Deferred tax liabilities (Non-current)			
Net unrealized holding gains on securities	(466)	(153)	(4,651)
Total	(466)	(153)	(4,651)
Net deferred tax assets (liabilities) (Non-current)	(414)	(128)	(4,132)
Net deferred tax assets (liabilities)	¥ (788)	¥ 508	\$ (7,865)

12. Severance and Retirement Benefits

Severance and retirement benefit expenses included in the consolidated statement of income for the years ended March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Service costs	¥ 15	¥ 14	\$ 150

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

Short-term borrowings at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Short-term borrowings : average interest rate 1.11%	¥ 21,100	¥ 29,750	\$ 210,600

Bonds at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Bonds : interest rate 1.00-1.04%	¥ 13,000	¥ —	\$ 129,753

The repayment schedule for the next five years and thereafter for Bonds as of March 31, 2008 is as follows:

	Millions of Yen	Thousands of U.S. Dollars
2009	¥ 13,000	\$ 129,753
2010	¥ —	\$ —
2011	¥ —	\$ —
2012	¥ —	\$ —
2013 and thereafter	¥ —	\$ —

Long-term debt at March 31, 2008 and 2007 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Borrowings from banks : average interest rate 1.40%	¥ 42,500	¥ 42,500	\$ 424,194

The repayment schedule for the next five years and thereafter for long-term debts as of March 31, 2008 is as follows:

	Millions of Yen	Thousands of U.S. Dollars
2009	¥ 42,000	\$ 419,204
2010	¥ 500	\$ 4,991
2011	¥ —	\$ —
2012	¥ —	\$ —
2013 and thereafter	¥ —	\$ —

14. Statutory Reserves

Statutory reserves at March 31, 2008 and 2007 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Reserve for securities transactions	¥ 2,488	¥ 2,182	\$ 24,833
Reserve for commodities transactions	10	27	100

The reserve for securities transactions is recorded in accordance with supplementary provision article 40 of the Financial Instruments and Exchange Law of Japan and Article 51 of the Securities and Exchange Law of Japan, which require a securities company to set aside a reserve in proportion to the volume of its securities transactions and other related trading to cover possible customer losses incurred by default of the securities company on securities transactions.

Reserve for commodities transactions is recorded in accordance with Article 221 of the Commodity Exchange Law, which requires a company to set aside a reserve in proportion to the volume of its commodities transactions and other related trading to cover possible customer losses incurred by default of the company on commodities transactions.

15. Commitments

Commitment lines for lending by the Company and its consolidated subsidiary as of March 31, 2008 and 2007 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Commitment lines for lending	¥ 2,500	¥ 2,500	\$ 24,953
Less amount executed	(—)	(—)	(—)
Unused amount	¥ 2,500	¥ 2,500	\$ 24,953

Commitment lines of credit and overdraft for borrowings by the Company and its consolidated subsidiary as of March 31, 2008 and 2007 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Commitment lines of credit and overdraft	¥ 113,500	¥ 113,500	\$ 1,132,848
Less amount executed	(21,100)	(29,750)	(210,600)
Unused amount	¥ 92,400	¥ 83,750	\$ 922,248

16. Net Assets

Under Japanese laws and regulations, 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 one-half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, 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 Code, companies were required to set aside an amount equal to at least 10% of the aggregate amount of cash dividends and other cash appropriations as legal earnings reserve until the total of legal earnings reserve and additional paid-in capital equaled 25% of common stock.

Under the Code, 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. Under the Law, both of these appropriations generally require a resolution of the shareholders' meeting.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Code, 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. Under the Law, all additional paid-in-capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

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.

17. Share Issued and Treasury Stock

	As of March 31, 2007	Increase	Decrease	As of March 31, 2008
Share Issued				
Common Stock	2,344,687	—	—	2,344,687
Treasury Stock				
Common Stock	1	35,001	—	35,002

18. Capital Adequacy Requirements

In Japan, a securities company is subject to risk-based capital adequacy rules established and administered by the Financial Services Agency ("FSA"). Monex, Inc. reports its capital adequacy ratio as defined pursuant to these rules.

The capital adequacy rules require a securities company to report to the FSA if the ratio falls to 140% or below, and the securities company must report its capital adequacy ratio to the FSA on a daily basis while its ratio is 120% or below. As of March 31, 2008, capital adequacy ratio of Monex, Inc. was 429.9% (unaudited).

19. Segment Information

(1) Industry Segment

Industry segment information for the years ended March 31, 2008 and 2007 is not disclosed because operating revenues, operating income and assets related to securities brokerage and securities-related services all account for more than 90% of the Company's consolidated operating revenues, operating income and consolidated assets, respectively.

(2) Geographic Segment

Geographic segment information for the years ended March 31, 2008 and 2007 is not disclosed because operating revenues and assets in Japan account for more than 90% of the company's consolidated operating revenues and consolidated assets, respectively.

(3) Overseas Sales

Information for overseas sales is not disclosed because overseas sales for the years ended March 31, 2008 and 2007 are less than 10% of the Company's consolidated operating revenues.

20. Commission Revenues

Details of commission revenues for the years ended March 31, 2008 and 2007 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Brokerage:			
Equity securities	¥ 15,834	¥ 20,405	\$ 158,040
Investment trusts	174	136	1,737
Other	96	70	958
Underwriting and distribution:			
Equity securities	112	439	1,118
Subscription and distribution:			
Equity securities	9	24	90
Bonds	20	19	200
Investment trusts	1,046	871	10,440
Other commissions:			
Equity securities	310	387	3,094
Bonds	1	—	10
Investment trusts	1,551	917	15,840
Other	2,392	2,108	23,874
	¥ 21,545	¥ 25,376	\$ 215,041

21. Financial Income and Financial Expenses

Details of financial income for the years ended March 31, 2008 and 2007 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Income from margin transactions	¥ 5,393	¥ 6,034	\$ 53,828
Income from securities lending	1,241	819	12,387
Dividends received	1,026	399	10,240
Interest on bonds	468	19	4,671
Other interest income	448	169	4,472
	¥ 8,576	¥ 7,440	\$ 85,598

Details of financial expenses for the years ended March 31, 2008 and 2007 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Expenses for margin transactions	¥ 364	¥ 545	\$ 3,633
Expenses for securities borrowing	2,317	1,108	23,126
Interest expenses	735	493	7,336
Bond interest	93	—	929
	¥ 3,509	¥ 2,146	\$ 35,024

22. Selling, General and Administrative Expenses

The major components of selling, general and administrative expenses for the years ended March 31, 2008 and 2007 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Commissions paid	¥ 959	¥ 889	\$ 9,572
Exchange and association dues	661	834	6,597
Communication, freight and information expenses	2,260	2,348	22,557
Advertising expenses	955	2,082	9,532
Directors' compensation	361	228	3,603
Employees salaries	2,052	1,933	20,481
Provision for accrued directors' bonuses	152	189	1,517
Provision for accrued employees' bonuses	70	103	699
Severance and retirement benefit expenses	15	14	150
Equipment rental and maintenance	787	517	7,855
Outsourcing expenses	3,897	3,697	38,896
Provision for allowance for doubtful receivables	—	139	—
Amortization and depreciation	285	99	2,845
Other operating expenses	1,518	1,468	15,151
	¥ 13,972	¥ 14,540	\$ 139,455

23. Supplemental Information for Statement of Cash Flows

(1) Cash and Cash Equivalents

	Millions of Yen		Thousands of U.S. Dollars
	2008	2007	2008
Cash and deposits	¥ 47,156	¥ 61,663	\$ 470,666
Segregated cash included in cash and deposits	(50)	(24,531)	(499)
Cash and cash equivalents	¥ 47,106	¥ 37,132	\$ 470,167

(2) Newly Consolidated Subsidiary

For the year ended March 31, 2008, reconciliation of assets, liabilities and cash flows related to the acquisition of WR Hambrecht & Co Japan, Inc. as the newly consolidated subsidiary was as follows:

WR Hambrecht & Co Japan, Inc.

	Millions of Yen	Thousands of U.S. Dollars
Assets		
Current assets	¥ 102	\$ 1,018
Software	1	10
Goodwill	14	140
Liabilities		
Minority interests	(44)	(439)
Subtotal	73	729
Losses accumulated by the equity method	(5)	(50)
Purchase price of additional common stock	68	679
Cash and cash equivalents of WR Hambrecht & Co Japan, Inc.	102	1,018
Net cash provided by the purchase of WR Hambrecht & Co Japan, Inc.	¥ 34	\$ 339

24. Subsequent Events

The following appropriation of retained earnings at March 31, 2008 was approved at the annual meeting of shareholders held on June 21, 2008.

	Millions of Yen	Thousands of U.S. Dollars
	2008	2008
Unappropriated retained earnings	¥ 12,822	\$ 127,977
Appropriations:		
Year-end cash dividends	1,501	14,982
Retained earnings carried forward	¥ 11,321	\$ 112,995



Independent Auditors' Report

To the Board of Directors of Monex Beans Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of Monex Beans Holdings, Inc. (a Japanese corporation) and consolidated subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of income for the years then ended, the consolidated statement of changes in net assets for the year ended March 31, 2008 and 2007 and the consolidated statements of cash flows for the years ended March 31, 2008 and 2007, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Monex Beans Holdings, Inc. and subsidiaries as of March 31, 2008 and 2007, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

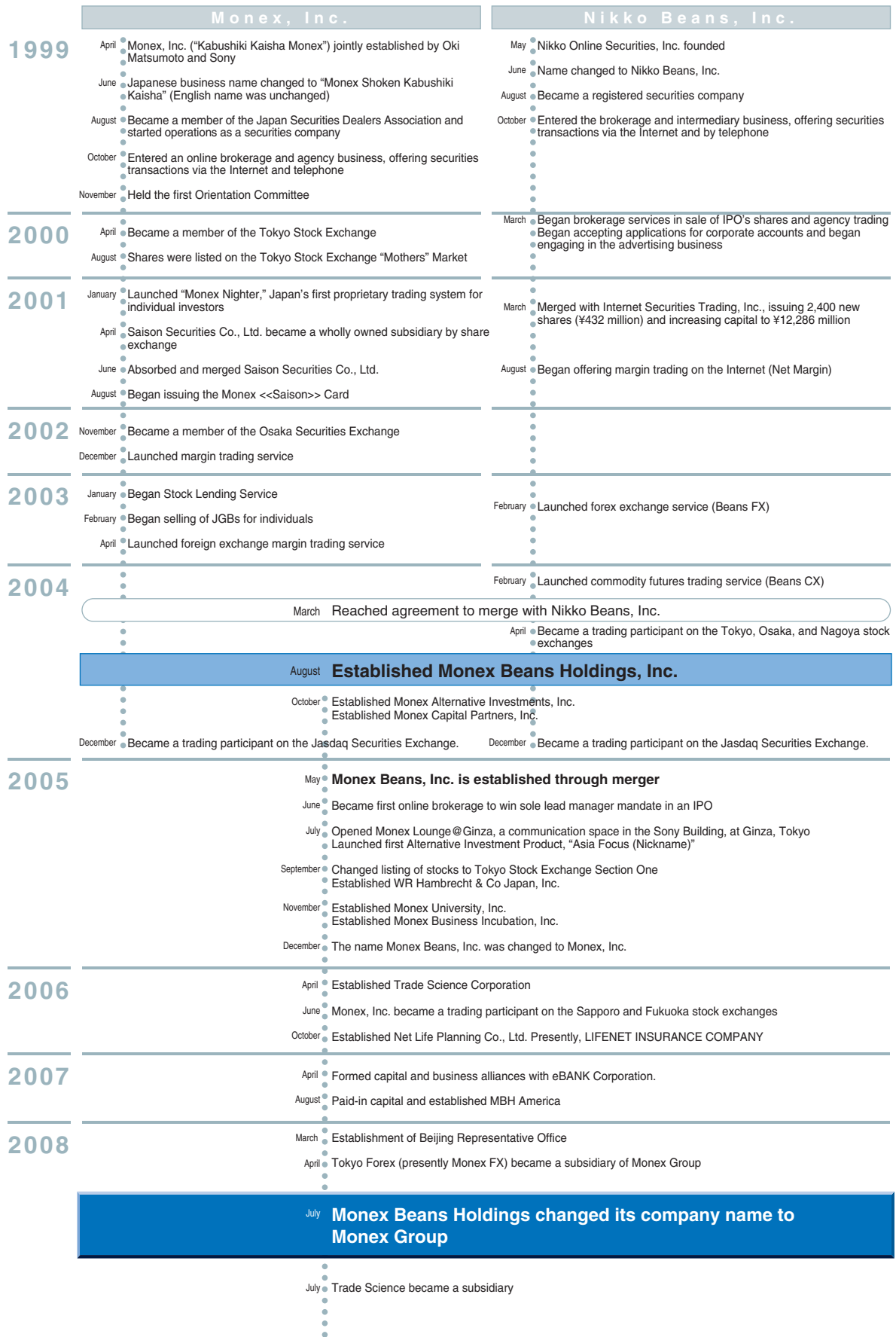
The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan
June 21, 2008

KPMG AZSA & Co., an audit corporation incorporated under the Japanese Certified Public Accountants Law, is the Japan member firm of KPMG International, a Swiss cooperative.

● MONEX History

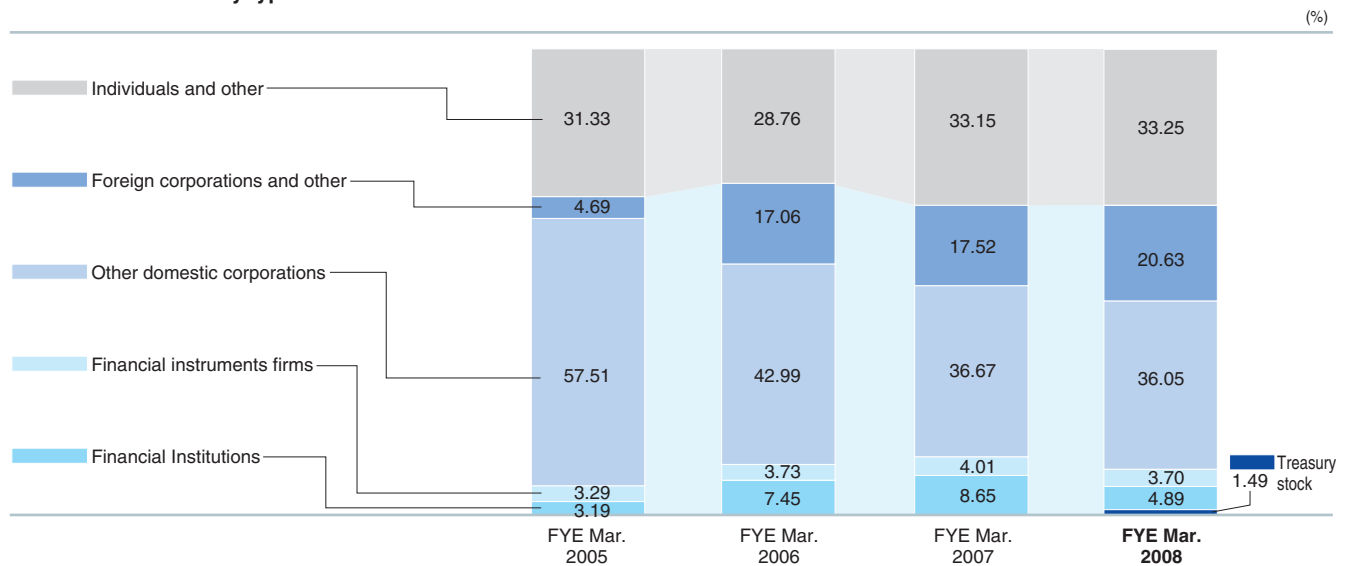


● Stock Information (As of March 31, 2008)

Stock listing	First section of Tokyo Stock Exchange	Major shareholders		
Security code	8698	Name	No. of shares held (shares)	Percentage of shares held (%)
Name of Company	Monex Beans Holdings, Inc. (Currently, Monex Group, Inc.)	Nikko Cordial Corporation	616,419	26.29
No. of issued stocks	2,344,687	Oki Matsumoto	260,480	11.10
Trading unit	1 Stock	UBS A.G. London Account IPB Segregated Client Account	204,486	8.72
No. of shareholders	46,713	Sony Corporation	117,235	5.00
Administrator for shareholders' register	Mitsubishi UFJ Trust and Banking Corporation	Mizuho Securities	71,121	3.03
Fiscal year	From April 1 of each year to March 31 of the following year	DBJ Value Up Fund	68,415	2.91
Record date for year-end dividends	March 31	Recruit Co., Ltd.	57,200	2.43
Record date for interim dividends	September 30	Morgan Stanley & Co., Inc.	52,655	2.24
Ordinary shareholders' meeting	June each year	CREDIT SAISON CO., Ltd.	37,122	1.58
		Japan Trustee Services Bank, Ltd. (Trust Account)	34,746	1.48

Nikko Cordial Corporation merged into Citigroup Japan Holdings, Ltd. and became Nikko Citi Holdings, Inc. Monex Beans Holding (currently Monex Group) owns 35,002 shares (1.49%) of treasury stocks.

■ Stock distribution by type of shareholders



■ Share price and volume



■ Indicators per share

		FYE Mar. 2005	FYE Mar. 2006	FYE Mar. 2007	FYE Mar. 2008
Book-value per share (BPS)	(yen)	12,695	17,607	20,253	19,665
Earning per share (EPS)	(yen)	3,001	5,677	4,066	3,081
Return on Equity (ROE)	(%)	27.1	38.1	21.4	15.5
Dividend per share	(yen)	500	1,500	2,900	1,550

● Corporate Profile (As of August 31, 2008)

Monex Group, Inc.

(Changed its corporate name from Monex Beans Holdings, Inc.)

Founded: August 2004

Capital: 8,800 million yen

Description of Business: Holding Company

Head Office: Pacific Century Place Marunouchi

1-11-1, Marunouchi, Chiyoda-ku

Tokyo, 100-6219 Japan

TEL : +81-3-6212-3750

URL: <http://www.monexgroup.jp/eng/index.htm>

Directors & Auditors

Representative Director, President & CEO	Oki Matsumoto
Representative Director, Deputy President & CFO	Kyoko Kudo
Representative Director, Senior Managing Director	Tomoshige Nakamura
Managing Director	Tsutomu Nakajima
Managing Director	Hisashi Tanaami
Director (Non-executive)	Masakazu Sasaki
Director (External & Non-executive)	Yuko Kawamoto
Director (External & Non-executive)	Jun Makiyama
Director (External & Non-executive)	Mamoru Taniya
Member of the Board of Auditors	Tadasu Kawai
Member of the Board of Auditors	Takehiko Moriyama
Member of the Board of Auditors (External)	Tetsuo Ozawa
Member of the Board of Auditors (External)	Takeshi Tamaki

● Group Company Profile (As of August 31, 2008)

Monex, Inc.

Founded: May 1999

Representative: Oki Matsumoto

Capital: 7,425 million yen

Description of Business:

Securities business, accompanying business, other services

Head Office:

1-11-1 Marunouchi Chiyoda-ku, Tokyo, 100-6219 Japan

URL: <http://www.monex.co.jp/>

- Registration No.
Financial instrument firm, Director General of Kanto Local Finance Bureau (Kinsho) No. 165
- Membership of investor protection fund:
Japan Investor Protection Fund
- Industry organization membership
Japan Securities Dealers Association (JSDA) &
The Financial Futures Association of Japan (FFAJ)

Monex Alternative Investments, Inc.

Founded: October 2004

Representative: Shigeo Mizuta

Capital: 95 million yen

Description of Business:

Discretionary investment management business
Investment advisory business

Head Office:

1-11-1 Marunouchi, Chiyoda-ku, Tokyo, 100-6220 Japan

Certificate: Chief of Kanto Regional Financial Bureau No. 1370

URL: <http://www.monexai.com/english.php>

- Registration No.
Financial instrument firm, Director General of Kanto Local Finance Bureau (Kinsho) No. 1078
- Industry organization membership
Japan Securities Investment Advisors Association

WR Hambrecht & Co Japan, Inc.

Founded: September 2005

Representative: Shuichi Matsuzawa

Capital: 63 million yen

Description of Business:

M&A advisory services
Research and investigation for OpenIPO® business

Head Office:

1-11-1 Marunouchi, Chiyoda-ku, Tokyo, 100-6220 Japan

URL: <http://www.wrh.co.jp/e/>

Trade Science Corporation

Founded: April 2006

Representative: Koichi Kato

Capital: 91 million yen

Description of Business:

Investment advisory service utilizing program investment management method and R&D for its system

Head Office:

513 Waseda Tsurumaki-cho, Shinjuku-ku, Tokyo, 162-0041 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

Monex Business Incubation, Inc.

Founded: November 2005

Representative: Toshihiko Katsuya

Capital: 350 million yen

Description of Business:

Discovery and incubation of new businesses
Investment by program trading

Head Office:

1-11-1 Marunouchi, Chiyoda-ku, Tokyo, 100-6219 Japan

Monex University, Inc.

Founded: November 2005

Representative: Shinobu Naito

Capital: 40 million yen

Description of Business:

Creating investment educational contents
Planning and management of investment education related events
Planning of investment education related books/DVDs and others

Head Office:

1-11-1 Marunouchi, Chiyoda-ku, Tokyo, 100-6219 Japan

URL: <http://www.monexuniv.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)

MBH America, Inc.

Founded: August 2007

Representative: Takashi Oyagi

Capital: 400 thousand US dollars

Description of Business:

Research in the global financial industry

Head Office:

1440 Broadway, 23rd Floor

New York, NY 10018, USA

Monex FX, Inc.

(Changed its corporate name from Tokyo Forex Co., Ltd.)

Founded: July 2004

Representative: Kyoko Kudo

Capital: 1,800 million yen

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)

LIFENET INSURANCE COMPANY

(Changed its corporate name from Net Life Planning Co., Ltd.)

Founded: October 2006

Representative: Haruaki Deguchi

Capital: 6,600 million yen

Description of Business: Life insurance

Head Office:

2-14-2 Kojimachi Chiyoda-ku, 102-0083 Tokyo

URL: <http://www.lifenet-seimei.co.jp/>

From the year ending March 2009, LIFENET INSURANCE will not be an equity-method affiliate of Monex Group, Inc., since Monex's equity ratio decreased due to LIFENET's capital increase as of March 31, 2008.



Monex Group, Inc.

Pacific Century Place Marunouchi, 1-11-1 Marunouchi, Chiyoda-ku, Tokyo 100-6219, Japan

TEL: +81-3-6212-3750

<http://www.monexgroup.jp>