

# Financial Results of 3Q of Fiscal Year Ending March 31, 2008

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## **Monex Beans Holdings, Inc.**

This is an English translation of Japanese presentation material prepared for IR conference held on the date above; it includes the information on consolidated financial summary under Japanese GAAP. If there is any discrepancy between a statement in English and a statement in Japanese, the Japanese statement is always controlling.

### **Forward-looking Statements**

Statements made at this presentation and in this material include forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our business and the industry. These forward-looking statements are subject to various risks and uncertainties. These statements discuss future expectations and plans, identify strategies, contain projections of results of operations and of our financial condition, and state other “forward-looking” information. Known and unknown risks, uncertainties and other factors could cause the actual results to differ materially from expected results contained in any forward-looking statements. Potential risks and uncertainties include, without limitation, our ability to continue to attract and retain customers and their assets; our ability to make our operations profitable; changes in the demand for brokerage services in Japan; our ability to continue to expand and maintain our computers and electronic systems and to avoid failures of these systems; and our ability to maintain our relationship with our founding shareholders. This does not correspond to US GAAP.

## Important Matters Concerning Product-related Risks

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**This material is explanatory material on financial results of Monex Beans Holdings, Inc. (“MBH”). The descriptions herein concerning the products, services, etc. which are handled by Monex, Inc. (“Monex”), which is one of the Company’s subsidiaries, 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 solicit readers to buy and sell securities, or to conduct any derivative transactions or other transactions.**

**Any party who wishes to actually commence trading of products handled by Monex must open an account in advance, and may incur designated fees and/or expenses for the relevant trading. Each of the traded products may suffer a loss to 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 the important matters such as the products and services offered by Monex and the fees or risks associated with each product, please refer to Monex’s website at <http://www.monex.co.jp/>.**

## **Our Business Principles**

### **- PURSUING 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.**

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# **1. Financial Results**

## **2. Business Strategy and Future Development**

## **3. To our Shareholders**

## **4. Appendix**

## Financial Highlights

### ■ 3Q of FYE Mar. 31, 2008 Financial Highlights

◆ Net operating revenues	6,937 million yen	-1.7% from 2Q of FYE Mar. 31, 2008
• Brokerage commissions	4,022 million yen	-3.3% from 2Q of FYE Mar. 31, 2008
• Mutual fund business revenues(*1)	631 million yen	-7.5% from 2Q of FYE Mar. 31, 2008
◆ SG&A	3,471 million yen	-2.4% from 2Q of FYE Mar. 31, 2008
• Advertising expenses	176 million yen	-33.3% from 2Q of FYE Mar. 31, 2008
• Data processing cost	950 million yen	-7.6% from 2Q of FYE Mar. 31, 2008
◆ Ordinary income and net income		
• Ordinary income	3,441 million yen	+0.2% over 2Q of FYE Mar. 31, 2008
• Net income	1,902 million yen	-2.6% from 2Q of FYE Mar. 31, 2008
◆ Key performance indicators		
• ROE (annualized)	17%	-1pt from 2Q of FYE Mar. 31, 2008
• Profit margin (Operating income / Net Operating revenues)(*2)	50%	±0pt from 2Q of FYE Mar. 31, 2008

### ■ 3Q of FYE Mar. 31, 2008 Overview of the Japanese Stock Market

- Nikkei 225 Average - 8.8% from Sep. 28, 2007
- Trading Value(\*3) - 5.6% from 2Q of Mar. 31, 2008

(\*1) Sales commissions and agency fee

(\*2) Profit margin(stated in this material) is calculated as Operating income / Net operating revenue(not operating revenue)

(\*3) Total Trading value of individual investors in 4 Japanese major markets

**Financial Summary : 2Q of FYE Mar. 31, 2008 vs. 3Q of FYE Mar. 31, 2008**

(in million yen, %)

	2Q of FYE Mar. 31, 2008 (Jul. 2007-Sep. 2007)	3Q of FYE Mar. 31, 2008 (Oct. 2007-Dec. 2007)	Change
Operating Revenues	7,716	7,979	3.4 %
Net Operating Revenues	7,059	6,937	-1.7 %
SG&A	3,558	3,471	-2.4 %
Operating Income	3,501	3,466	-1.0 %
Ordinary Income	3,433	3,441	0.2 %
Net Income	1,953	1,902	-2.6 %
EBITDA*	3,473	3,443	-0.8%

\*EBITDA : Net Income + Interests (excluding Financial expenses relating to Margin trading business) + Taxes + Depreciation + Amortization

(in million yen, %)

	2Q of FYE Mar. 31, 2008 (as of Sep. 30, 2007)	3Q of FYE Mar. 31, 2008 (as of Dec. 31, 2007)	Change
Total Assets	336,840	365,962	8.6 %
Shareholders' Equity	44,560	44,793	0.5 %

(For reference : Monex, Inc.)

Capital Adequacy Ratio	378.3 %	370.5 %	-
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## Financial Summary : 3Q of FYE Mar. 31, 2007 vs. 3Q of FYE Mar. 31, 2008 (in 9 months)

(in million yen, %)

	3Q of FYE Mar. 31, 2007 (Apr. 2006-Dec. 2006)	3Q of FYE Mar. 31, 2008 (Apr. 2007-Dec. 2007)	Change
Operating Revenues	24,587	23,725	-3.5%
Net Operating Revenues	23,120	20,869	-9.7%
SG&A	10,760	10,584	-1.6%
Operating Income	12,360	10,284	-16.8%
Ordinary Income	12,387	10,228	-17.4%
Net Income	7,125	5,758	-19.2%
EBITDA*	12,226	10,230	-16.3%

\*EBITDA : Net Income + Interests (excluding Financial expenses relating to Margin trading business) + Taxes + Depreciation + Amortization

(in million yen, %)

	3Q of FYE Mar. 31, 2007 (as of Dec. 31, 2006)	3Q of FYE Mar. 31, 2008 (as of Dec. 31, 2007)	Change
Total Assets	361,496	365,962	1.2%
Shareholders' Equity	45,000	44,793	-0.5%

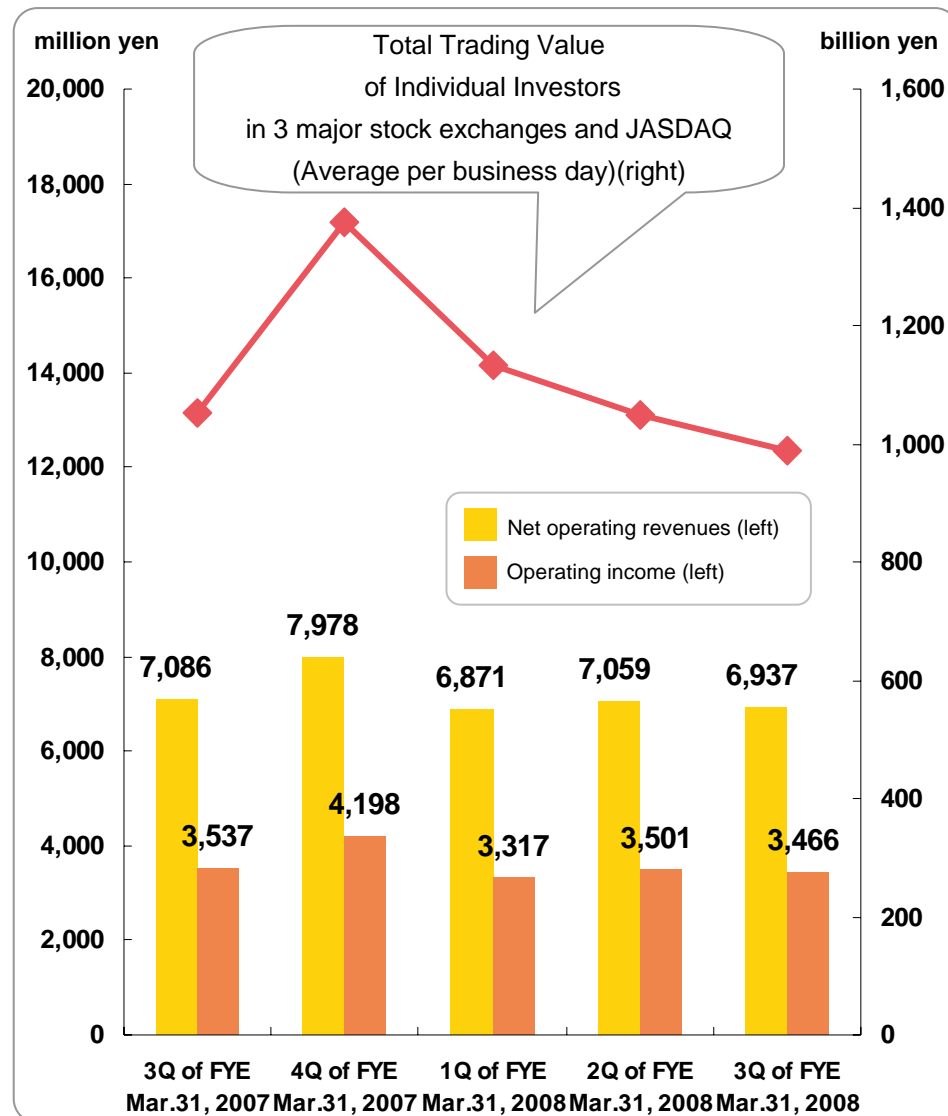
(For reference: Monex, Inc.)

Capital Adequacy Ratio	392.0%	370.5%	-
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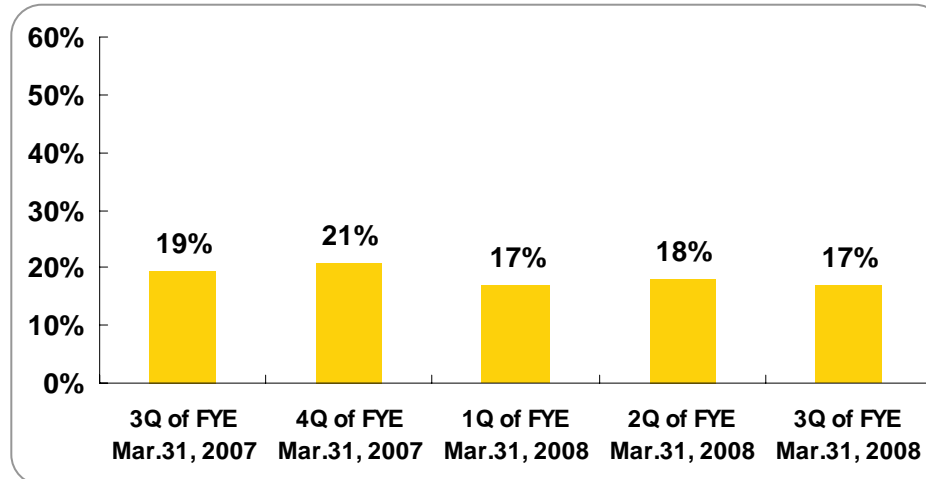


## Financial Summary: Financial Highlights (Quarterly Trend)

### Net operating revenues and Operating Income

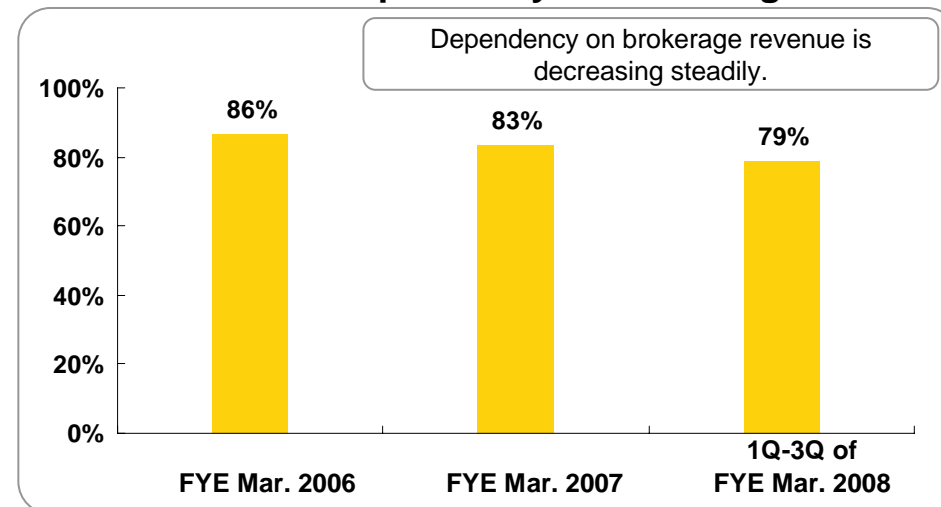


### ROE (Annualized)



$$\text{ROE} = (\text{Quarterly net income} \times 4) \div ((\text{FY beginning shareholders' equity} + \text{FY ending shareholders' equity}) \div 2) \times 100$$

### Annual Trend of Dependency on Brokerage revenue(\*)

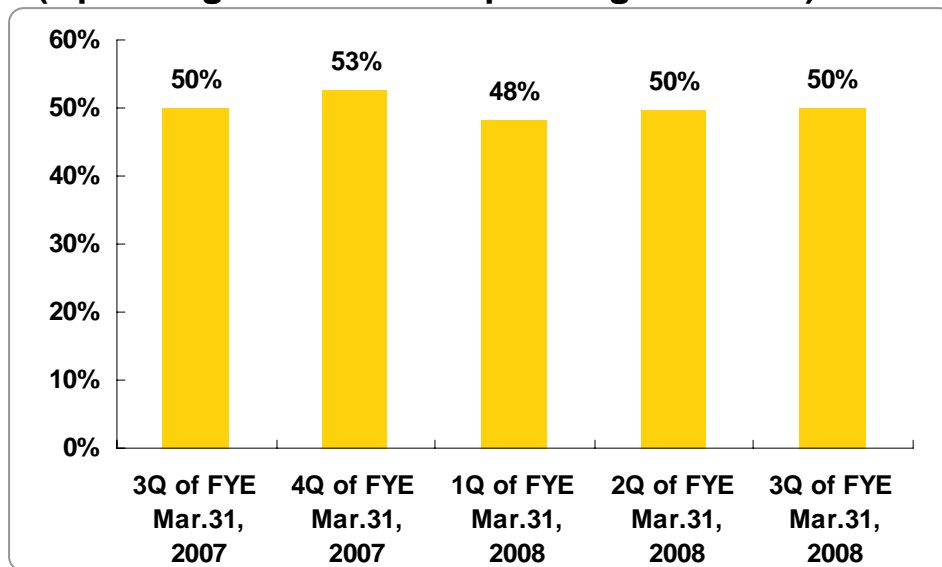


$$\text{Dependency on Brokerage revenue} = (\text{Brokerage commission} + \text{Financial Income}) / \text{Net operating revenue}$$

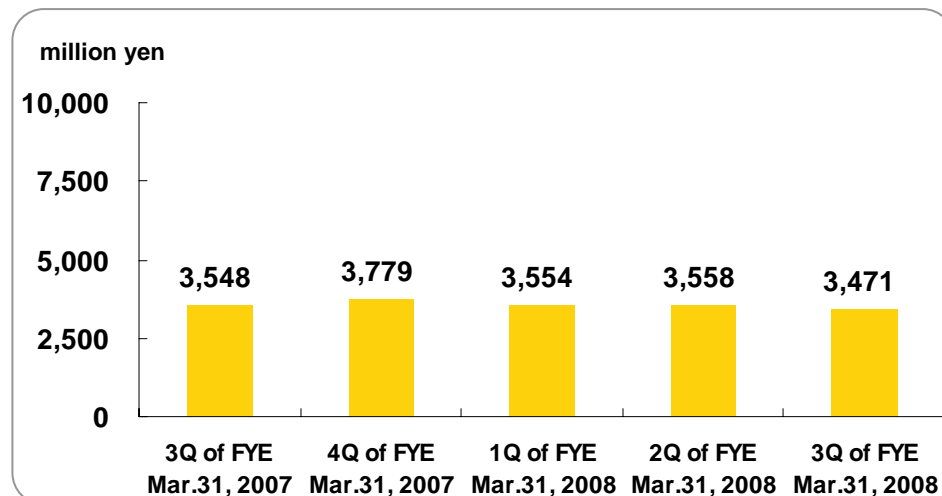
## Financial Summary: Profit Margin and Cost Structure

### Profit Margin

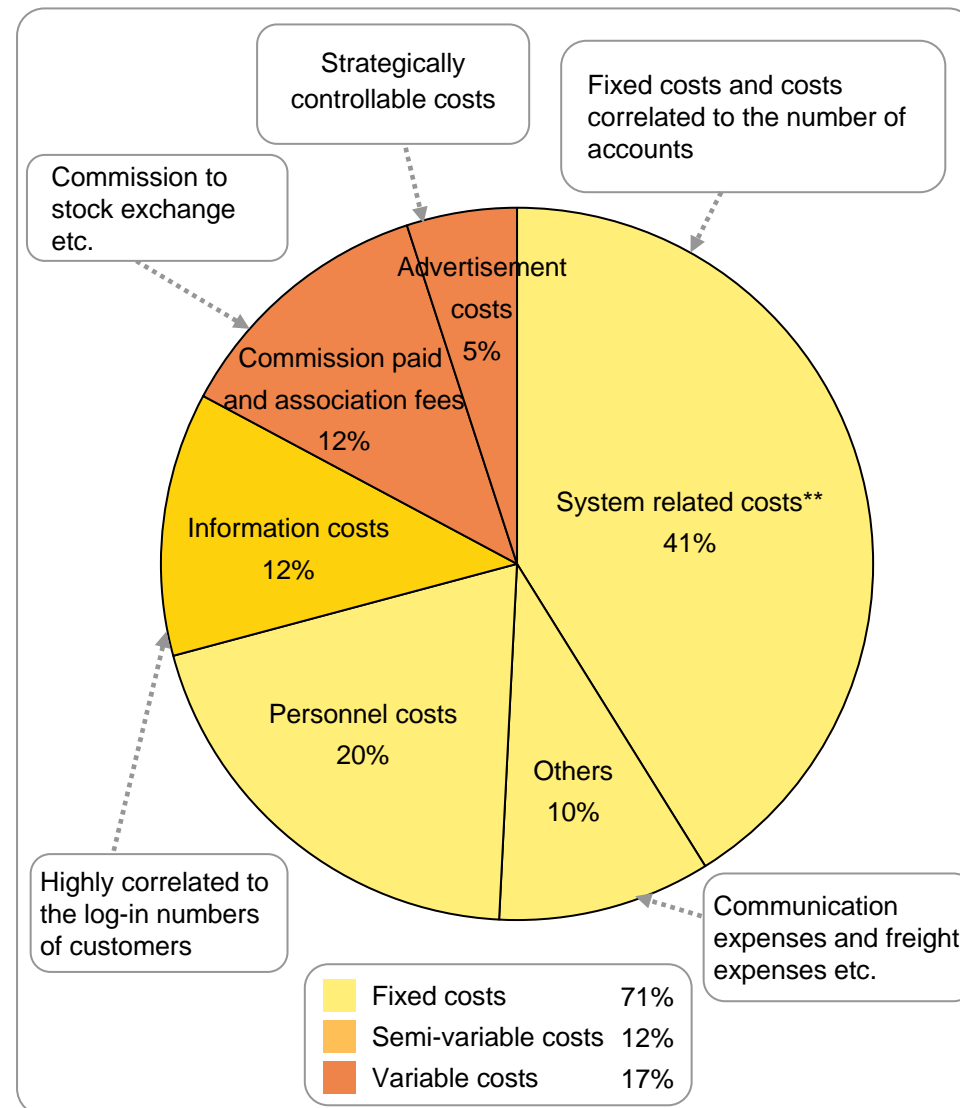
(Operating income/ Net Operating revenues)\*



### SG&A



### Cost Structure (Oct. 2007 - Dec. 2007)



\*\*System related costs = Rental and maintenance + Data processing and office supplies + Amortization and depreciation

## Financial Summary: Quarterly Trends in Income Statement

(in million yen)

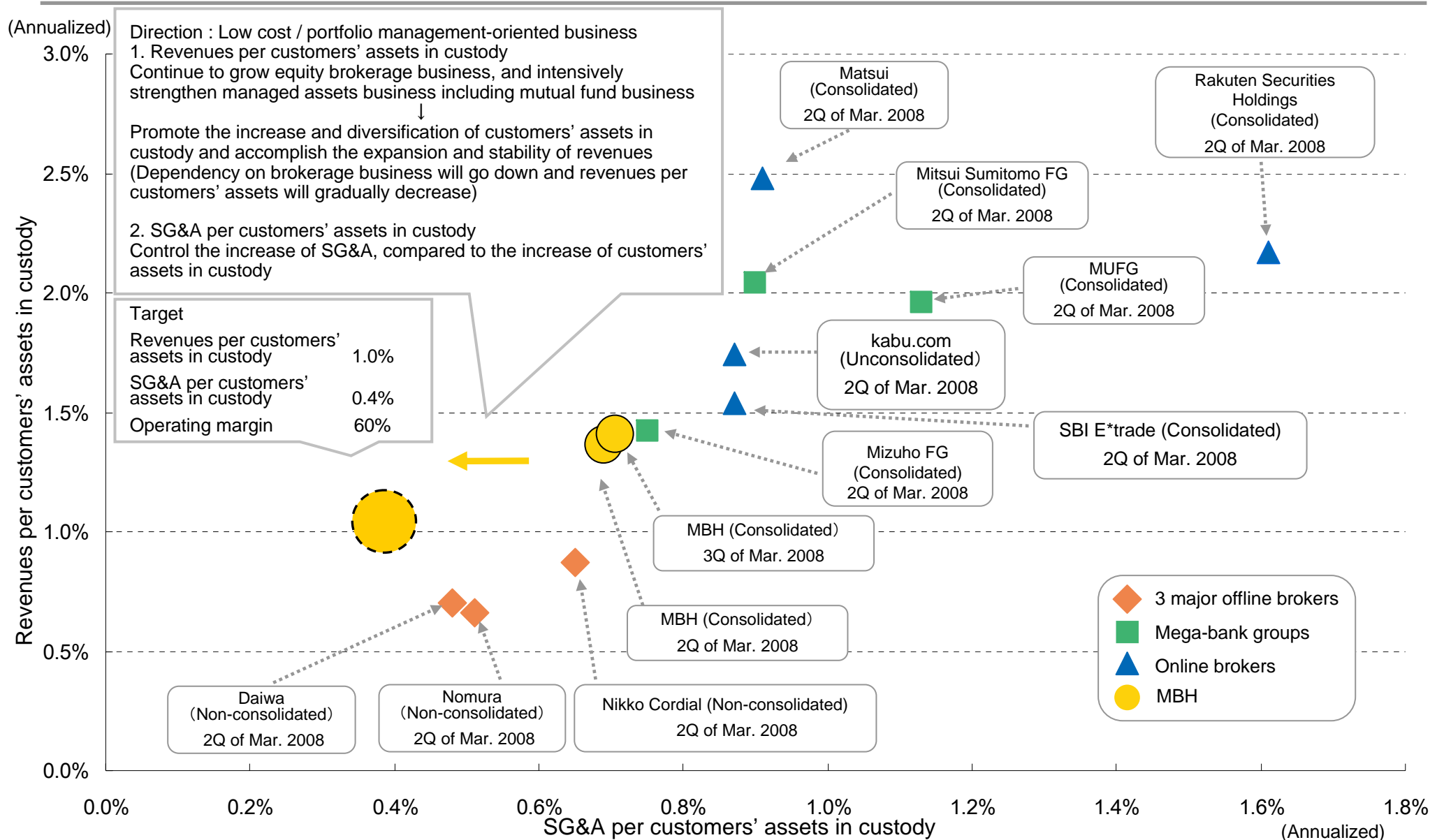
	FYE Mar.31, 2007				FYE Mar.31, 2008		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Brokerage commissions	6,023	4,687	4,504	5,395	4,228	4,160	4,022
Underwriting and distribution commissions	61	58	286	32	19	77	5
Subscription and distribution commissions	281	81	204	345	322	302	222
Other commissions	820	856	832	903	886	1,180	1,104
Margin forex trades commissions	506	475	434	417	398	631	514
Mutual funds agency commissions	154	203	234	296	353	395	414
Others	159	178	163	189	134	153	175
Net gain on trading account	21	72	- 13	40	32	9	107
Net gain on operating investments	-	-	-	-	-	- 14	- 20
Financial income	2,051	1,651	1,864	1,872	2,479	1,947	2,447
Other operating revenues	75	89	75	66	61	52	89
Operating revenues	9,335	7,496	7,755	8,657	8,029	7,716	7,979
Financial expenses	430	366	669	678	1,158	656	1,041
Net operating revenues	8,904	7,129	7,086	7,978	6,871	7,059	6,937
Selling, general and administrative expenses	3,730	3,481	3,548	3,779	3,554	3,558	3,471
Operating income	5,174	3,648	3,537	4,198	3,317	3,501	3,466
Ordinary income	5,229	3,632	3,525	4,300	3,354	3,433	3,441
Quarterly net income	2,944	2,054	2,125	2,409	1,902	1,953	1,902

## Financial Summary: Quarterly Trends in SG&A

(in million yen)

	FYE Mar.31, 2007				FYE Mar.31, 2008		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Transaction-related expenses	1,661	1,551	1,482	1,532	1,361	1,310	1,151
Commissions paid	237	219	214	217	231	248	245
Exchange and association dues	236	192	189	215	180	168	178
Communication, freight and information expenses	593	563	563	627	597	608	522
Advertising expenses	580	554	492	454	333	264	176
Others	13	21	21	17	18	21	28
Compensation and benefits	669	592	598	607	657	647	692
Rental and maintenance	191	184	236	236	262	235	371
Data processing and office supplies	916	908	953	1,051	1,007	1,075	981
Data processing	888	870	922	1,014	979	1,027	950
Office supplies	28	37	30	36	28	47	31
Amortization and depreciation	19	21	22	34	56	61	73
Taxes other than income taxes	63	54	56	71	62	60	60
Provision for allowance for doubtful receivables	47	18	- 12	85	0	1	1
Other operating expenses	160	150	211	159	146	165	138
Selling, general and administrative expenses	3,730	3,481	3,548	3,779	3,554	3,558	3,471

# Comparison Analysis : Revenues/SG&A per Customers' Assets in Custody



MUFG, Mizuho FG and SMBC : Customers' assets in custody = Total assets, Operating revenues = Gross profits, SG&A = General and administrative expenses

1. Financial Results
- 2. Business Strategy  
and Future Development**
3. To our Shareholders
4. Appendix

## Mission Statement

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- ◆ **Take position as an integrated financial service provider for individual investors, not just as an online brokerage firm**
- ◆ **Propose products and services to investors who are not active traders seeking market conditions**
- ◆ **Offer comprehensive products and services with “World Class Quality”**
- ◆ **Strengthen “Products Origination Capability”**
- ◆ **Realize an “Intelligence Infrastructure” that provides advice on investment in addition to stable system infrastructure and wide product/service lineup**
- ◆ **Pursue less operating cost and establish a portfolio management-oriented business**
- ◆ **Be ready for the deregulation such as removal of barriers on financial sectors by leveraging the holding company structure**
- ◆ **Pursue business globally, not limiting our business boundaries to Japan**
- ◆ **Empower investors education and enhance financial literacy**

The Monex Group

# MBH

## Monex Beans Holdings, Inc.

(As of January 29, 2008)



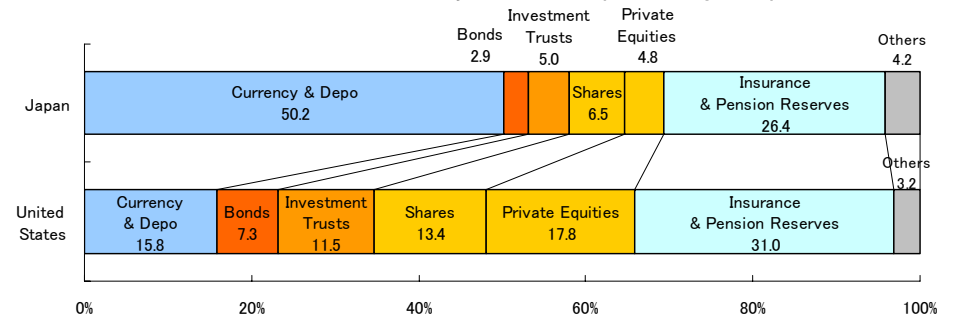


## Current Environment Recognition

### ■ Increasing Asset Management by Individuals

- ◆ With Japanese population having started to decline and economic growth slowing down, people trust less in sustainability of life security systems such as pension plans, lifetime employment, and retirement packages
- ◆ Proactive investment by individuals has gradually increased while currency & deposits have decreased  
→ Our role towards contributing is expanding

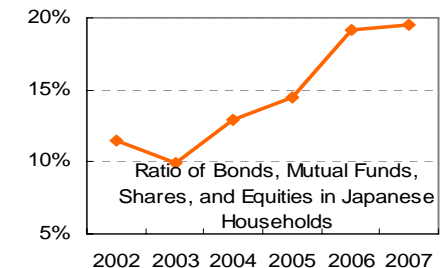
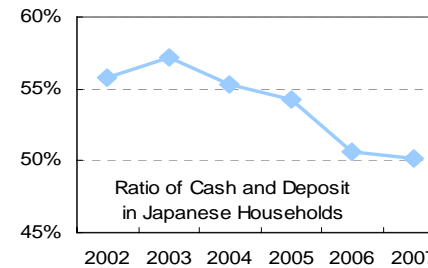
Financial Assets Held by Households (End of Sep.2007)



Source: Research and Statistics Department of Bank of Japan, The Federal Reserve Board, United States

### ■ Regulatory Changes and Increasing Competition

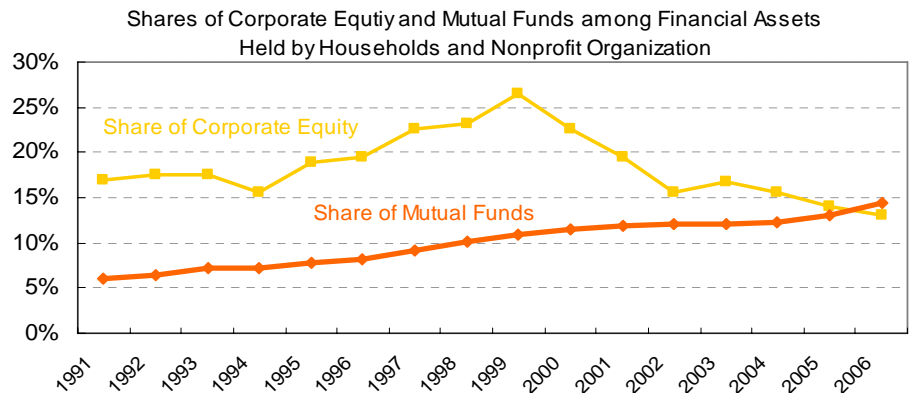
- ◆ Previously there was not much competition in the financial industry, nor much difference in services and investment return results regardless of the chosen financial institution
- ◆ Under the Financial Instruments and Exchange Law, intra-industry borders among financial institutions shall rapidly fade out and competition shall increase



### ■ Strong Needs for Investment Products and Services

Japanese households are expected to shift deposits to investment.  
American households have increased mutual fund's share and decreased corporate equity's share since 2000

Investment products such as mutual funds, SMA, and bonds shall be requisite in addition to stock brokerage services



Source: The Federal Reserve Board, United States

Note: This document is prepared for MBH's disclosure purposes only, and does not recommend or solicit the products and services of MBH's subsidiaries. Please see the end of this document for more details on the fees and risks of the products described herein.

# Monex's Business Model

- ◆ Asset management business shall be a major growth field rather than stock brokerage services
- ◆ Gain competitive advantages by not only distributing investment products online at low cost but also originating high-quality products for individual investors

➔ **Aspiring to be an Online Investment Bank**  
(an online financial service provider with investment banking functions)

Focus on building a framework and recruiting talented professionals to realize Monex's business model.

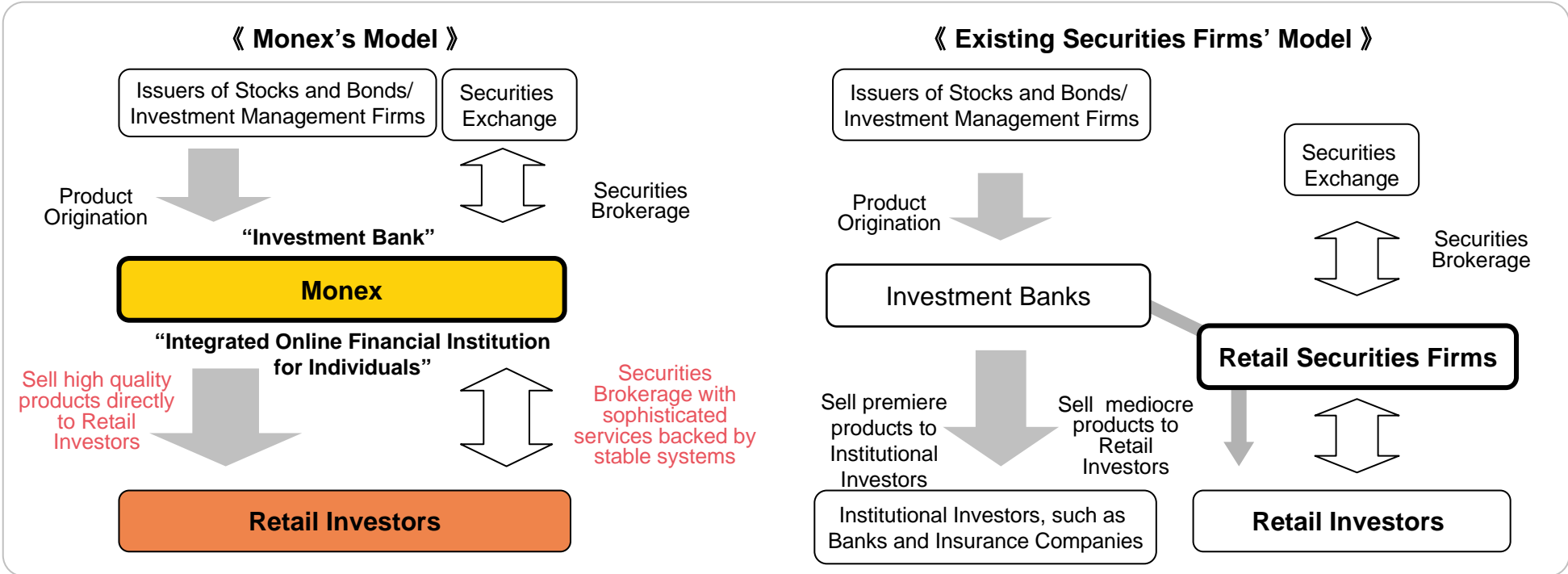
**Aspect of an Investment Bank**

Originating unique original products by highly-skilled professionals



**Aspect of a Integrated Online Financial Institution for Individuals**

Providing various products at low cost utilizing cutting edge IT

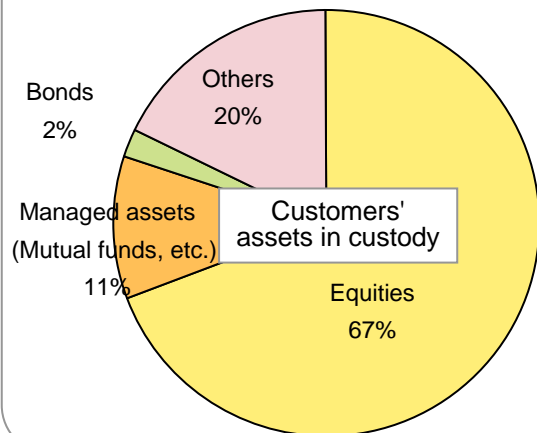
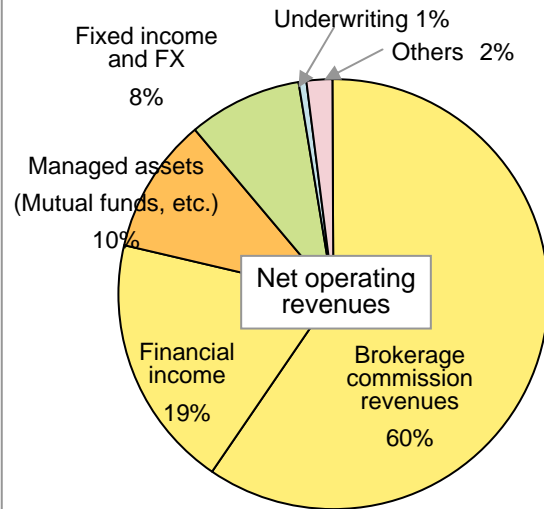


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# Current and Future Structure of Revenues and Customers' Assets by Product

■ Resetting a new mid/long-term business goal. Strengthen mutual fund business and diversify revenue sources

## 【Current Structure (1Q-3Q of FYE Mar. 2008)】 Direction of Each Business Line



### 1. Stock Brokerage Business

- Providing value-added services (Stock lending, enhanced trading tools, etc.)
- Expanding business as a main revenue source

### 2. Managed Assets Business (Mutual funds, Alternative Investments, SMA, etc.)

- Second largest revenue source
- Along with the expansion of the mutual fund market, increase market share by providing differentiated products
- Originating/providing innovative products such as alternative investments, algorithm trading-related products, etc.

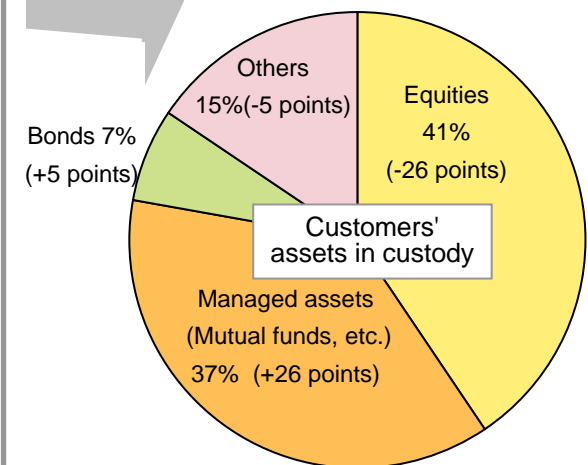
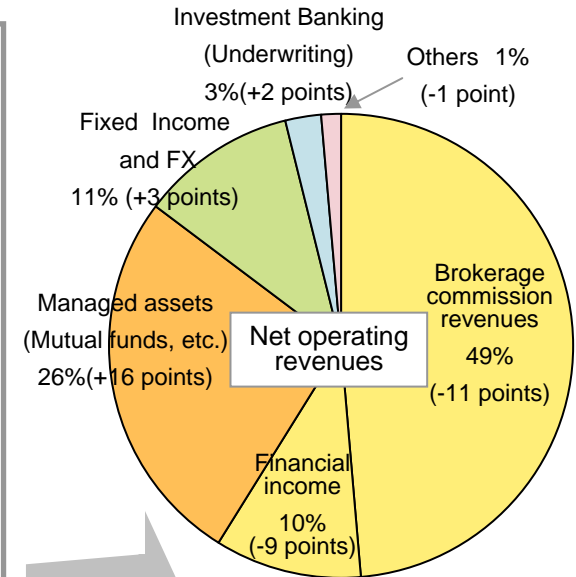
### 3. Fixed Income and FX Business

- Fixed income business  
Enhance origination capability  
Expand customer base over the long-term
- FX business  
Provide high quality service and compete with FX companies

### 4. Investment Banking Business

- Continuously obtaining lead manager mandates through reinforcement of organization
- Strengthening the revenue source of the underwriting business by entering into M&A advisory business, etc

## 【Future Structure】



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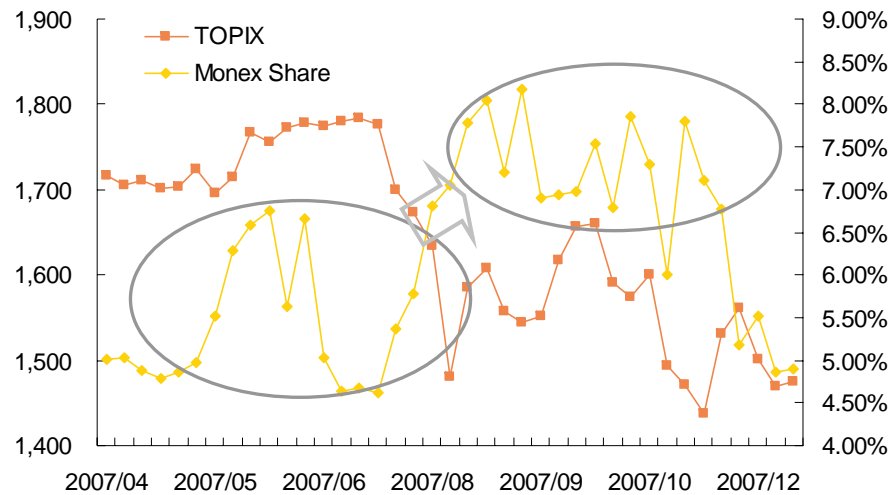
# Stock Brokerage Business: Keeping market share and expanding services

## ■ Keeping Market Share

### ◆ Average market share for 3Q of FYE 2008 : 7%

• 1% increase in market share compared to 1H of FYE 2008

Weekly TOPIX index and Monex Share



Market share:  
Monex Trading Value / Retail Trading Value of  
3 major stock exchanges and Jasdaq

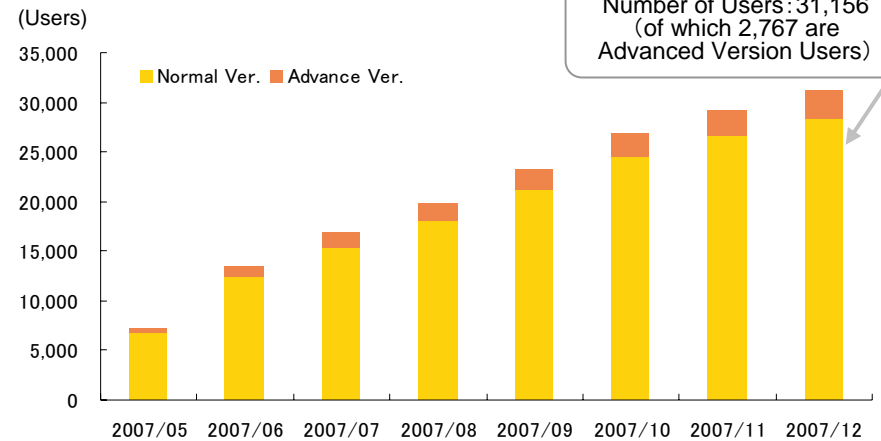
## ■ For Further Growth

- ◆ Foreign ETF trading in preparation
- ◆ Cell-phone trading application in preparation
- ◆ Improving original trading tool, “Monex Trader”

## ■ Improvement and Enhancement of Services

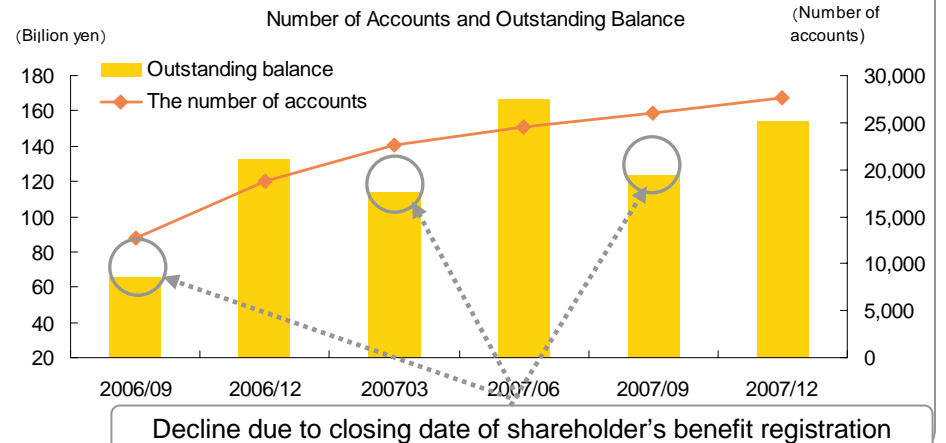
### ◆ Increase of unique trading tool “Monex Trader” users

• Tool users are shifting to “Monex Trader”



### ◆ Expansion of stock lending services

• Continuous increase in accounts



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Providing original and popular products to expand customer base

## ■ Meeting Market Trends and Customer Needs

◆ Taking initiative in origination to promote development of products that meet customer needs

◆ “Monex Short-term Notes for Individuals” Series

Continuously issuing notes

- Short-term Euro yen notes 3 Months, 1.0% [APR] (Issued 7 times, a total of 26 billion yen by the end of 2007)
- Short-term Euro yen structured notes 1-2 Months (Issued 3 times, a total of 1.5 billion yen by the end of 2007)

◆ Enhancement of note information on the website

- Information on products and current note price added

銘柄名称	発行日 償還日	利払日	利率 %/年	購入単価 購入為替 (通貨)	参考単価 参考為替 (通貨)	額面 評価額(円)
個人国債10年 1 <a href="#">詳細</a>	2003/03/10 2013/03/10	03/10 09/10	1.01	100.00 ---	100.00 ---	100,000 100,000
世界銀行 NZドル 6.36% 2008.11.10 <a href="#">詳細</a>	2006/11/09 2008/11/10	05/10 11/10	6.36	100.00 78.31 (NZD)	97.82 85.21 (NZD)	1,000 83,352
世界銀行 米ドル セカセコ 2016.7.27 <a href="#">詳細</a>	2006/07/27 2016/07/27		-	61.00 116.53 (USD)	69.17 107.78 (USD)	1,000 74,551

◆ Offering a variety of currencies

- Providing investment diversification opportunities by offering a variety of currencies

Currencies offered for 3Q of FYE 2008 :

JPY, USD, AUD, NZD, ZAR

## ■ Effects of “Monex Short-term Notes for Individuals”

◆ New money and cross-sell analysis

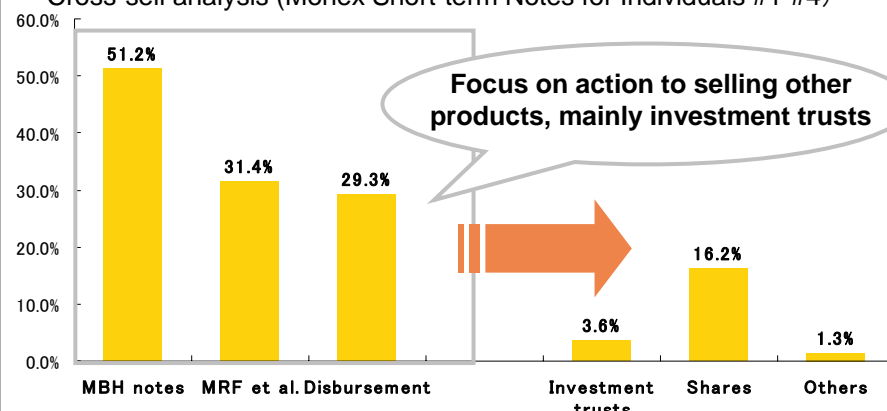
• Account activities of “Monex Short-term Notes for Individuals” #1-#4

	New cash ratio	Withdrawal ratio
Monex Short-term Notes for Individuals #1		
#2	37.3%	24.3%
#3	46.8%	31.3%
#4	54.1%	35.5%

New cash ratio : The smaller of the amount of money deposited and the amount of the notes purchased by each purchaser / the total amount of notes purchased

Withdrawal ratio : The smaller of the amount of redemption and the amount of disbursements (bank transfer and ATM withdrawals) within a week from each redemption by each holder / the total amount of the redemption

• Cross-sell analysis (Monex Short-term Notes for Individuals #1-#4)



MBH notes : Total amount of “Monex Short-term Notes for Individuals” purchased during offering period / Total redemption amount

MRF : Total amount of accounts in MRF without purchase or withdrawal 10 business days from each redemption / Total redemption amount

Disbursement : Total amount of disbursements (bank transfers and ATM withdrawals) within 10 business days from each redemption / Total redemption amount

Mutual Funds : Total amount of mutual fund purchased within 10 business days from each redemption / Total redemption amount

Stocks : Total amount of stocks purchased within 10 business days from each redemption / Total redemption amount

Others : Total amount of transfer to FX,FX-pro or margin trading within 10 business days from each redemption

※Above figures are simple sums of each item during each period, and will not sum up to 100%

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## Fixed Income Business

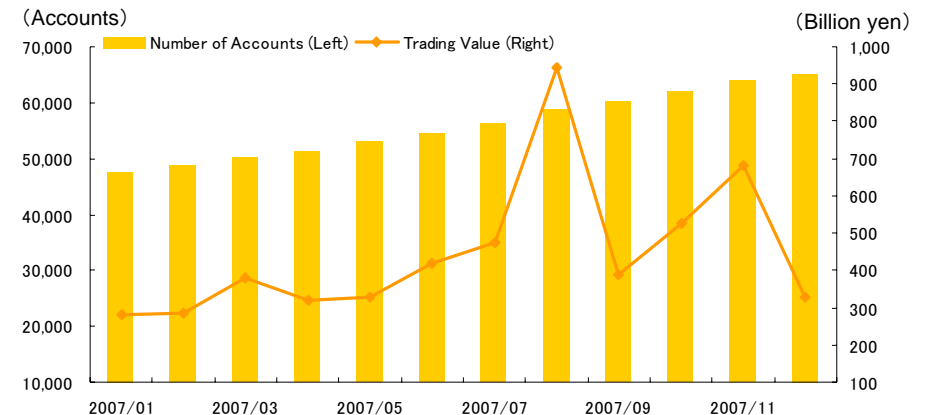
### ■ For Further Growth

- ◆ Expanding customer base by offering “Monex Short-term Notes” continuously
- ◆ Focusing on cross selling by providing information on various investment products at time of redemption
- ◆ Planning to distribute already-issued notes online to make bond investing more convenient
- ◆ Supporting customers’ continuous bond investment
  - Informing customers of services after redemption over e-mails and message boards
  - Arranging bonds in the same currency as redemption bonds
- ◆ Providing new types of structured bonds and original products
  - Expanding currency variation
  - Enhancing bond information
  - Adding bond education contents and risk explanation

## FX Business

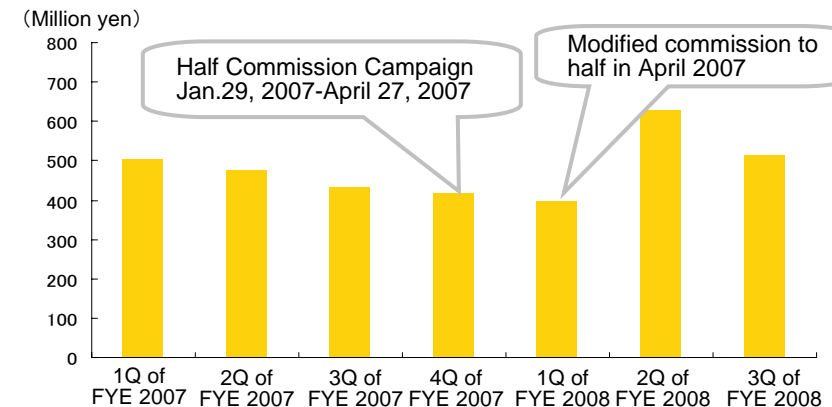
### ■ Stable Growth despite Volatile Market

#### ◆ Number of Accounts and Trading Value



- Accounts continue to increase due to commission cut in April 2007. Despite volatile market, trading value maintains increasing trend

#### ◆ Stable Revenue Income



- Revenue income remains stable despite commission cut due to increase in trading value.

Note: This document is prepared for MBH’s disclosure purposes only, and does not recommend or solicit the products and services of MBH’s subsidiaries. Please see the end of this document for more details on the fees and risks of the products described herein.

## Mutual Fund Business : No.1 online mutual fund sales

### Strengthen Product lines and Services to Expand Mutual Fund Balance

#### Sales volume and balance

Total Sales amount of equity mutual funds (Oct.- Dec.2007)  
: **approx. 81.8 billion yen**

Total Assets in custody (MRF excluded) as of Dec.2007  
: **approx. 213.9 billion yen**

⇒ Increase of approx. 44 % compared to the same period last year

#### 13 new funds to add variety to our product line

– Index-type, environment / resource-related, commodity, etc.  
Selecting funds based on our customers' needs or from attractive fields of products to support their internationally diversified investments

#### Front-end fee cash back for winter bonus campaign

### For Further Growth

◆ Realizing a diversified and comprehensive product line-up by developing original funds to meet customers' needs

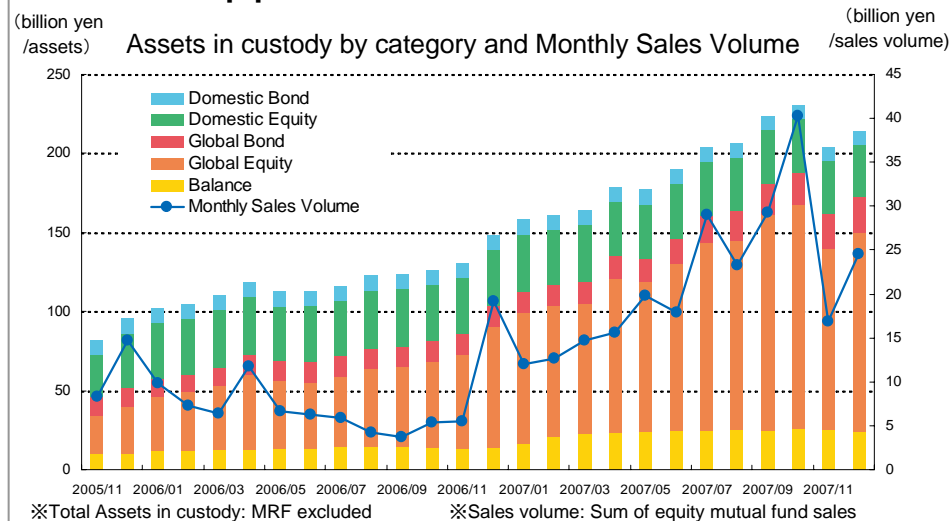
◆ Introducing contents and tools to support customers' selection of funds and portfolio analysis

◆ Developing original services by strengthening interface such as adding new order and search functions

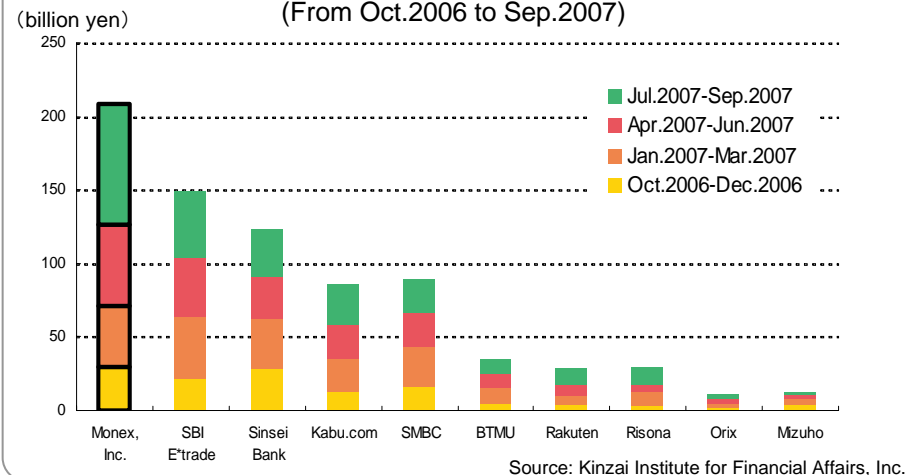
◆ Enhancing trading tools and investment information

### Top-class Online Mutual fund Sales

#### Hold the top position in online mutual fund sales



#### Online sales performance of 5 online brokers and 6 banks (From Oct.2006 to Sep.2007)



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## Alternative Investment Business: Providing well performing funds

### Expansion of Investment Management Business

#### ◆Premium Hybrid 2007

- Investment for Premium Hybrid 2007 to start on January 18, 2008
- Premium Hybrid 2007 is a second fund of the series following last year's Premium Hybrid 2006. The Premium Hybrid series is a hybrid fund of private equity funds and hedge funds with a management horizon of 10 years
- The fund plans to focus on clean-technology funds, distressed funds and emerging market funds, in addition to traditional buyout fund



Investment Manager : Monex Alternative Investments (MAI)\*  
 Investment Advisor : HFR Asset Management  
 Distributor : Monex, Inc.

\*Financial Instruments Firms: Director General of the Kanto Local Financial Bureau Registration Number 1078  
 A Member of Japan Securities Investment Advisors Association

#### ◆Marketing to New Client Base

- Started marketing institutional investors such as pension funds for mandate in discretionary investment management business, in addition to the alternative investment business for individual investors

### Alternative Investment Products

#### ◆Asia Focus (AUM 9.7 billion yen as of Dec.2007)

- Provides absolute return with rigorous risk management by diversifying investment into HF of Japan and Asia from JPY100,000 (approx. \$900)
- 5.6% YTD (Jan-Nov) return for 2007, Sharpe Ratio 1.18

Investment Manager: Fullerton Fund Management Co. Ltd.  
 Investment Advisor: MAI

#### ◆China Focus (AUM 6.4 billion yen as of Dec. 2007)

- Provides access to the restricted RMB based China A shares through QFII and diversifies investment into Mainland China, Hong Kong and Taiwan from JPY100,000 (approx. \$900)
- 37.6% Return for 2007, Sharpe Ratio 2.87

Investment Manager: Fullerton Fund Management Co. Ltd.  
 Investment Advisor: MAI

#### ◆Premium Hybrid 2006

- Enabled diversified investment into world-class private equity funds and hedge funds from JPY500,000 (approx. \$4,600)

##### Private Equity Funds Subscribed by PH2006

Thomas H. Lee Equity Fund VI, L. P.

J.C. FLOWERS II L. P.

Carlyle Japan Partners II L. P.

Blackstone Capital Partners V L.P.

J-STAR No.1 Investment Limited Partnership

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## Investment Banking Business :

M&A advisory services started and synergy with IPO underwriting business expected

### ■ IPO Underwriting Business

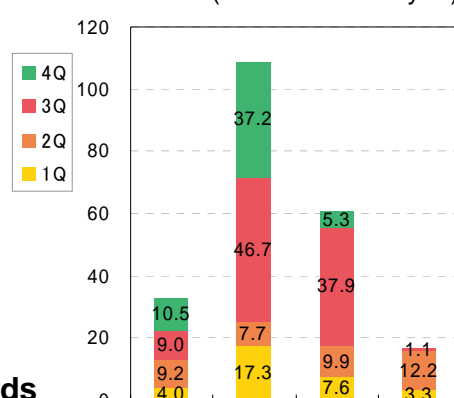
#### IPO League Table

(3Q of FYE March 2008 )

Rank	Name	Deals
1	Nomura	44
1	Daiwa SMBC	44
1	Mitsubishi UFJ	44
1	SBI E*TRADE	44
5	Shinko	42
6	Monex	29
6	Mizuho Investors	29
8	Takagi	28
9	Nikko Citigroup	26
10	Ichiyoshi	25
10	Okasan	25

#### Value of IPO Deals

(hundred million yen)



#### ◆ Improving IPO track records

- 37.6% in participation of all IPOs
- IPO underwriting amount : 1.6 billion yen (13<sup>th</sup> place among all securities companies)
- Continuous efforts as an online investment bank such as early stage approach towards pre-IPO companies and proposals on how to make quality individual shareholders to increase existence in major deals

#### ◆ Activities by the China Capital Market Department

- Research on unlisted Chinese companies aiming for listing on the Japanese markets and supporting their IPO
- Support post-IPO Chinese companies' Investor Relation (IR) activities through seminars and online events targeting individual investors
- Aiming to acquire Chinese and other Asian M&A deals in cooperation with WR Hambrecht & Co Japan, Inc.

### ■ M&A Advisory Business

#### WR HAMBRECHT & CO JAPAN <http://www.wrhc.co.jp/>

#### ◆ Starting M&A advisory services

As part of the reinforcement of the investment banking function of MBH, WRH Japan starts the M&A advisory business. WRH Japan will cover all M&A processes and will provide advisory services ranging from planning, execution, and post merger integration.

#### ◆ Synergy with the IPO underwriting business

WRH Japan will provide M&A advisory services for pre-IPO companies as well as post merger management in collaboration with the Investment Banking Division of Monex, Inc.

#### ◆ Continuous research to implement OpenIPO®

WRH Japan will also continue the research and study of OpenIPO®, a price-setting mechanism for IPOs using the Dutch auction method, with the view of implementing it in Japan.

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## Other Financial Businesses, etc.

### ■ Life Insurance Business

**NetLife**

<http://www.netseiho.com/>

◆ **In December 2007, Net Life Planning Co., Ltd. issued new shares to third parties, totaling 5.98 billion yen**

< Shareholders after capital increase (Capital: 4 billion yen) >

- Monex Beans Holdings, Inc. 24.95%
- Asuka DBJ Investment LPS 24.95%
- Mitsui Corporation 19.16%
- Shinsei Bank, Ltd. 12.97%
- Seven & I Holdings Co., Ltd. 12.97%
- RECRUIT Co., Ltd. (new shareholder) 5.00%

◆ **Consulting with FSA on life insurance license**

◆ **Planning to establish a life insurance company and begin services in Spring 2008**

- Planning to develop simple and easy-to-understand products to meet consumers' needs
- Developing unique web site with simulation tools
- Developing open channels in alliance with price comparison site

### ■ Alliance with eBANK

◆ **Promoting financial instruments intermediary**

**September 2007**

- Started financial instruments intermediary business  
Introducing stocks, IPO/PO stocks on eBANK financial entertainment website "efantasia"
- Started "eBANK easy deposit service"

**October 2007**

- Started offering of mutual funds and Japanese government bonds for individual investors
- Started "eBANK easy deposit service" on mobile

**November 2007**

- Extended account opening campaign until February 2008



◆ **For Further Growth**

- Aiming to develop a more convenient settlement function
- Planning to provide instant withdrawal service
- Planning a new service that enables clients to purchase foreign bond using the balance of foreign currency deposit, and vice versa

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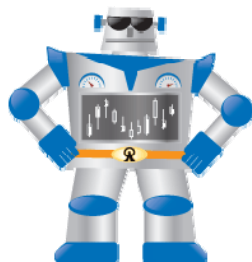
## Topics

### ■ “Kabu-Robo” Project

**trade-science** <http://www.kaburobo.jp/>

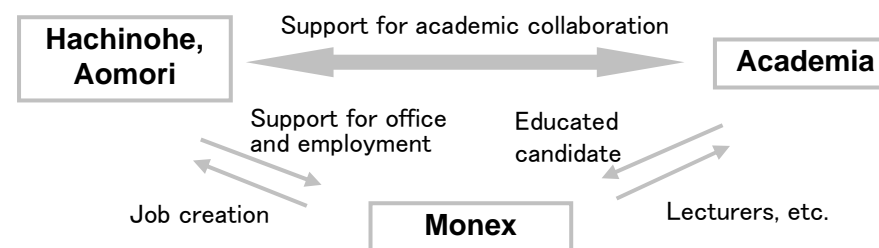
“Kabu-robot” (Automated stock trading program) Project  
Investment services by “cyber fund managers”

- ◆ Result of actual stock trading test of 500 million yen by 10 Kabu-Robos who won the Kabu-Robo contest held by Trade Science (from Feb.20, 2007 to Aug.20, 2007)  
: **TOPIX +3.56%**
- ◆ Simulation of Kabu-Robo contest continues
  - Participants exceeded 17,000 in total
  - Cooperating with related academic societies in Japan
  - New “cyber fund manager” candidates being selected
- ◆ Introducing products and services using Kabu-Robos in preparation
  - Trading signal delivery service
  - SMA/Wrap account and mutual funds



### ■ Contact Center (Monex, Inc.)

- ◆ **Monex, Inc. to open a Contact Center in Hachinohe City, Aomori Prefecture**
  - Spring 2008: Initial employment of approx. 20 people
  - Autumn 2008: Start transferring the contact center function from Tokyo
  - In approx. 2 years: Complete the overall shift of the contact center to Hachinohe City
- ◆ **Industry-Academia-Government Collaboration**
  - Preparing to offer a course at Hachinohe University
  - Office and employment will be supported by Hachinohe City and Aomori Prefecture
- ◆ **Developing a high quality and next generation contact center featuring advice engine**
  - Foster human resources upon industry-academia-government collaboration
  - Aim to establish a sustainable hiring system through education collaboration



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## Overseas Business: Extending business to other growing markets overseas

### ■ Establishment of Beijing Representative Office

#### ◆ Objectives

- Research on Chinese financial market and financial trends
- Investigation on start-up of financial related businesses in China
- Investigation on introduction of Chinese financial products to Japan

#### ◆ Background

- The Monex Group has a good track record in China related business such as supporting of Chinese companies to go public in Japanese markets.
- Under the rapid globalization of financial businesses, MBH has considered to expand its business to growing markets outside Japan. Consequently, MBH has decided to open a local office in Beijing aiming to develop business opportunities in China, which is close to Japan geographically with historical relationship and whose economic growth is remarkable.

#### ◆ Future Plan

- MBH intends an early start-up of business in China based in Beijing

### ■ Businesses of MBH America (our U.S. subsidiary)

#### ◆ Research into the most advanced financial products and the global financial industry

- With a view to improving risk adjusted returns for the customers at Monex, MBH America (“MBHA”) gathers information on ever-evolving financial products in the U.S. and the world. It also conducts research into advanced practices to continuously improve services for Monex customers.
- MBHA gathers managerial information to support the development of a long-term sustainable growth model of our group.
- MBHA also follows short- and mid-term movements in the financial markets and industry.

#### ◆ Feasibility study on securities brokerage business in the U.S.

#### ◆ Quality Control of financial products provided by Monex

- MBHA will conduct internal qualitative and quantitative analyses on the financial products provided to customers by Monex in order to improve their quality.

#### ◆ Role as an acquisition center of talented human resources

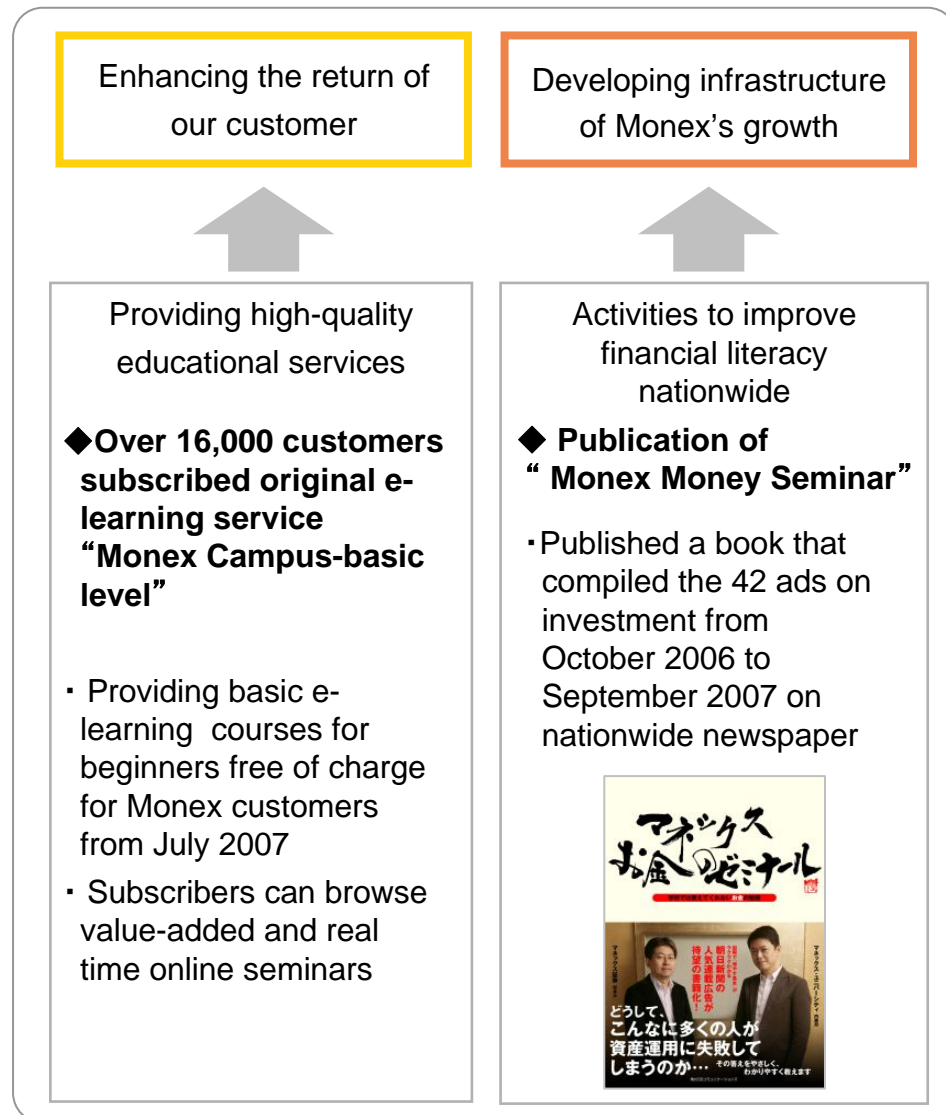
- MBHA will increase activities for hiring and retaining talented people, the core resources for the management of financial institutions.

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## Investor Education:

Providing high quality investment educational opportunities for more people

### ■ 2 reasons why we provide investor education



### ■ Activities

#### ◆ Continuously holding seminars

- From April to December 2007
  - Off-line educational seminars  
76 seminars, 8,563 participants  
85% of the participants answered that they were satisfied with the seminar
  - Online educational seminars  
295 seminars, 44,214 participants

#### ◆ Money Certification Test

- 2<sup>nd</sup> collaboration event with a well-known Japanese money magazine following the 1<sup>st</sup> event in March 2007
- Expanding test channel to online
- 88.3% of the participants answered that they hope for a similar test in the future on financial knowledge

#### ◆ “Monex Campus” and mail magazine

- 16,145 customers subscribed Monex Campus – basic level (as of January 11, 2008)
- 18,904 customers subscribed Monex University Mail Magazine (as of January 11, 2008)

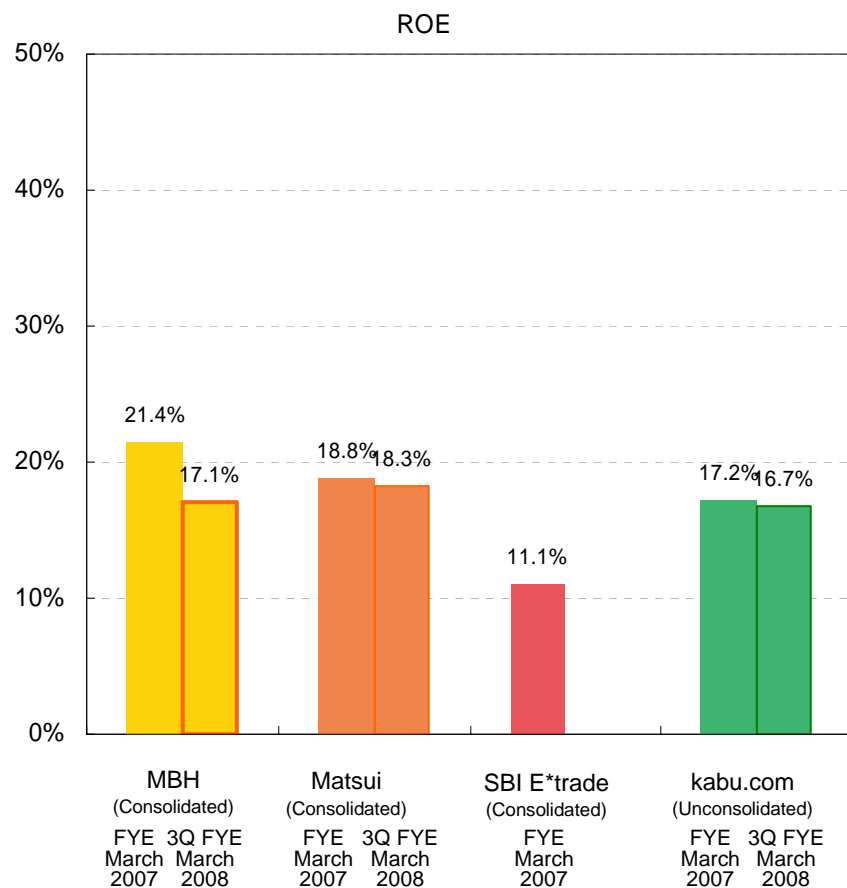
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1. Financial Results
2. Business Strategy  
and Future Development
- 3. To our Shareholders**
4. Appendix

## ROE and Dividend

### ■ Pursuing Investment Return to Our Shareholders

#### ◆ ROE



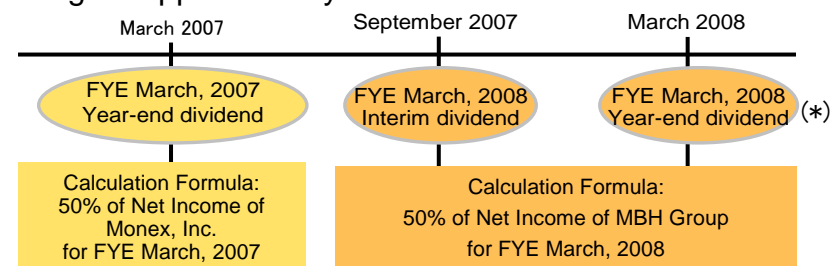
\*Data from company IR data

#### ◆ Dividend Payout Policy

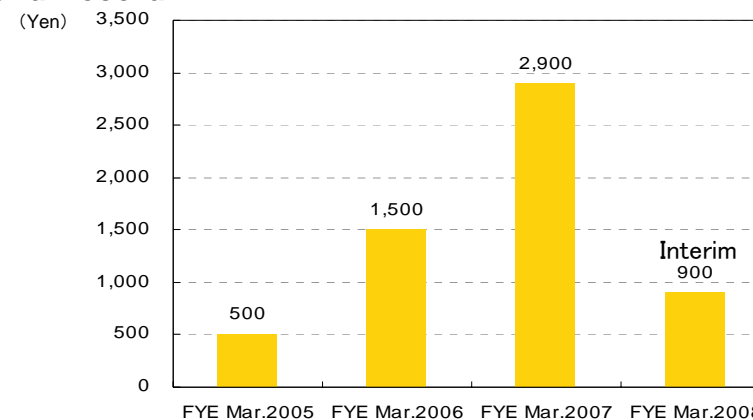
- Calculation formula (from FYE March, 2008)  
Consolidated net income of MBH's current fiscal year
- Interim dividends to be paid out as of current fiscal term

#### ◆ Dividend Payout Ratio

- Aiming for approximately 50% of consolidated net income



#### ◆ Dividend Record

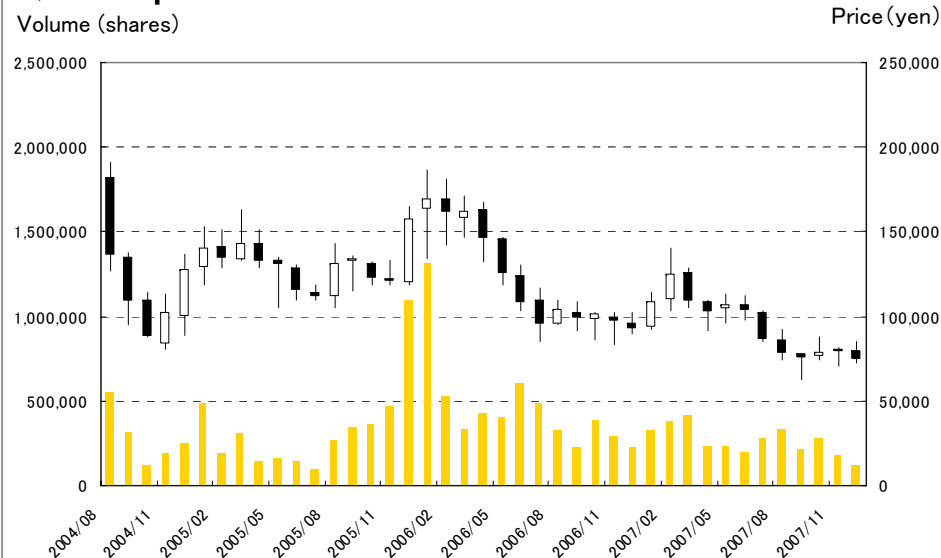


\*The payment of the year end dividend will be the balance of the amount calculated based on 50% of the annual net income of MBH and the paid out interim dividend

# Investors' Guide

## Stock Information

### Share price and volume



### Indicators per share

	FYE March 2005	FYE March 2006	FYE March 2007	3Q, FYE March 2008
Book-value Per Share (BPS)	JPY 12,694	JPY 17,606	JPY 20,253	JPY 19,104
Earnings Per Share (EPS)	JPY 3,001	JPY 5,677	JPY 4,066	JPY 3,274
Return On Equity (ROE)	27.1%	38.1%	21.4%	17.1%
Dividend per share	JPY 500	JPY 1,500	JPY 2,900	JPY 900 (Interim)

• EPS and ROE of 3Q, FYE March 2008 are multiplied by 12/9 of 9 month data.

### Major shareholders and share distribution

(Recorded as of the end of September 2007)

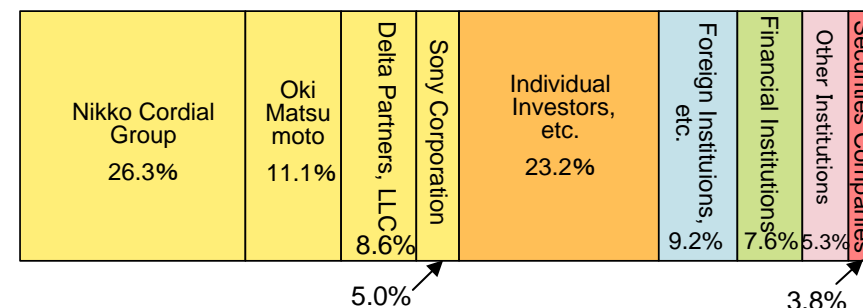
Major shareholders	Top 3 shareholders		
Financial Institutions	7.59%	Nikko Cordial Group	26.29%
Securities Companies	3.78%	Oki Matsumoto	11.10%
Other Institutions	36.57%	Sony Corporation	5.00%
Foreign Institutions, etc.	17.79%		
Individual Investors, etc.	34.28%		

• Except custodians, etc.

\*The Large Shareholdings Report to the Ministry of Finance submitted until above indicates shareholding as below

• January 15, 2007: Delta Partners LLC and others .....8.55%

### Share Distribution based on MBH's Recognition



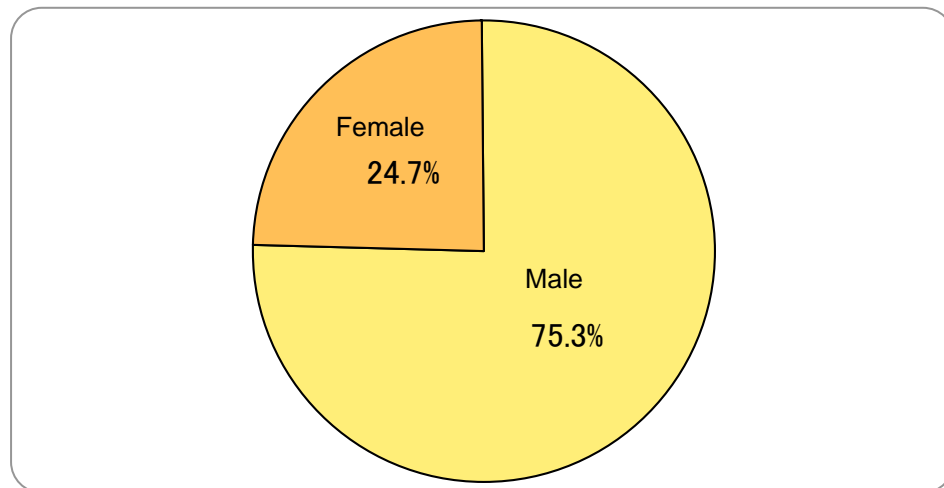
• Please note that the above chart has been made based on reports made to the finance ministry that MBH acknowledges. Since there is a time lag between these reports, the chart above is an estimate.



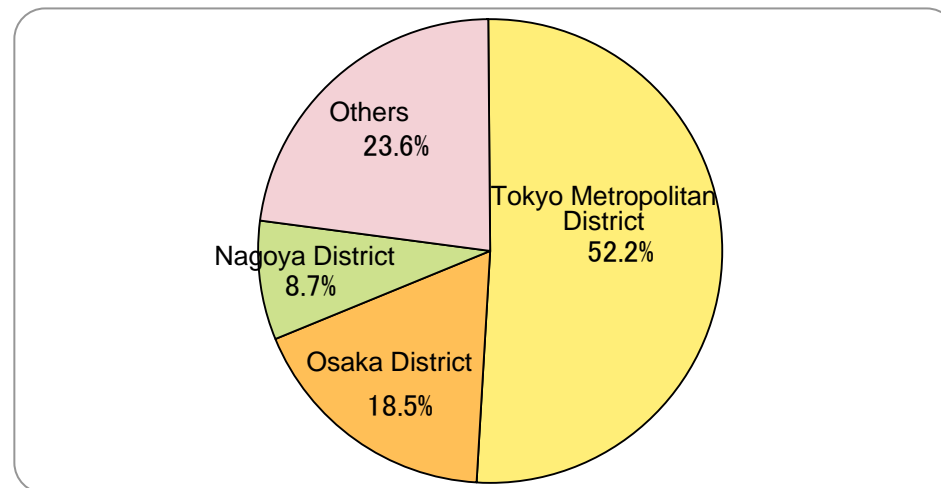
1. Financial Results
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## Customer Portfolio (as of December 31, 2007)

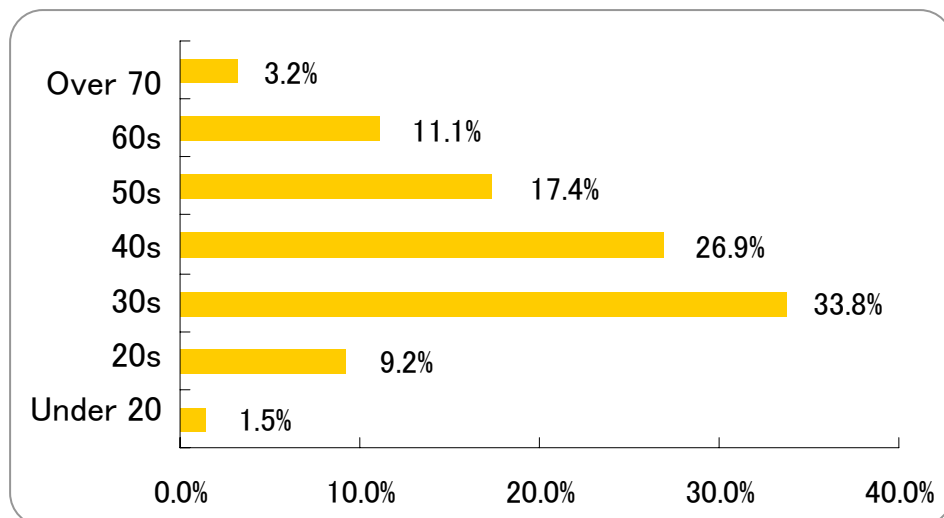
### ■ Sex



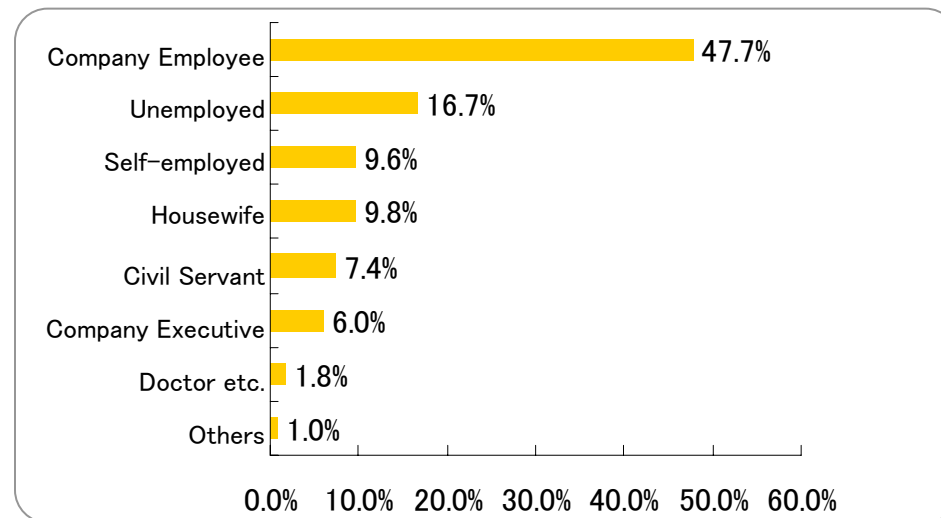
### ■ Location



### ■ Age



### ■ Occupation



**Competitive Services and Products:** For all customers' satisfaction

(As of January 25, 2008)

	Equity						Stock Lending	Fixed Income		Mutual Funds			Others
	Stop Loss Order	Chinese Stocks	U.S Stocks	Night Time Trading (PTS)	Small Unit Trading (MINI KABU)	Program Trading Tool		JGB/ Foreign Bonds	Auction	Monthly Purchase Plan	Original Funds	Alternative Investments	Credit Settlement through MRF
<b>Monex</b>	✓	✓		✓	✓	✓✓	✓✓	✓	✓✓	✓	✓	✓	✓
SBI E*TRADE	✓	✓	✓	✓	✓			✓		✓	✓	✓	✓
Matsui	✓	✓											
Rakuten	✓	✓	✓					✓			✓	✓	
Kabu.com	✓			✓	✓					✓			
Joinvest					✓					✓		✓	

Source: Corporate IR information, etc.

✓✓: Available only at Monex among 6 brokers above    ✓: Available    Blank : Not Available

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# **(Additional Materials)**

## Establishment of “Intelligence Infrastructure” by Research on Investment Theories

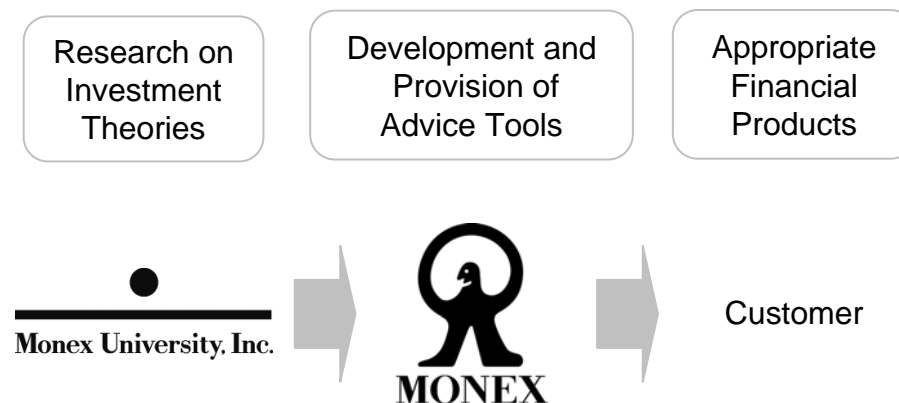
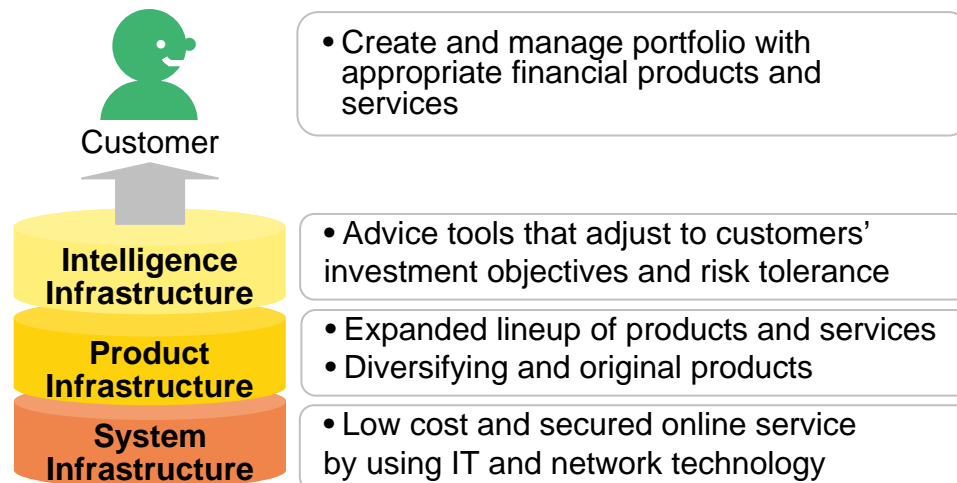
### ■ Advice Tools that Adjust to Customers’ Investment Objective and Risk Tolerance

#### ◆ “Intelligence Infrastructure”

- The Monex Group has offered enhanced system infrastructure and expanded lineup of products and services to individual investors as an integrated online financial institution. In addition to the wide product lineup, we consider it indispensable to provide an “Intelligence Infrastructure”.
- The “Intelligence Infrastructure” tool will enable customers to select and combine the most appropriate products and services from a wide lineup depending on the investment objective or risk tolerance of respective investors.

#### ◆ Research on Investment Management Theory

- Monex University (MU) has been providing an e-learning system for customers to learn about asset management and life planning. For the development of the “Intelligence Infrastructure”, MU will carry out research on the latest investment management theories such as international asset allocation and/or equilibrium model.
- Research outcome will be applied to an advice engine to create and manage asset portfolio for customers of Monex, Inc.



## Monex Beans Holdings to Change Company Name

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(Quoted from company press release issued on January 29, 2008)

Monex Beans Holdings, Inc. (“MBH”) announces that it has decided to change its company name, subject to shareholder approval at the forthcoming 4th Annual General Meeting to be held in June 2008.

New Company Name: **Monex Group, Inc.**

Effective: July 1, 2008 (subject to shareholder approval at AGM in June 2008)

### Background:

MBH was incorporated through stock exchange by Monex, Inc. and Nikko Beans, Inc. both of which had been founded in 1999. Since its incorporation, MBH has aggressively developed its business aiming to establish “Total Financial Provider for Individuals” and has become a holding company with subsidiaries and affiliates in the group. The group intends to further expand its business and MBH has concluded to change its company name for its group brand recognition.

The new company name “Monex Group, Inc.” is intended to produce a sense of unity with its core subsidiary “Monex, Inc.” which has been familiar to customers since its foundation.

Meanwhile, considering the origin of a part of the current corporate name “Beans”, the Company plans to establish a “Beans Scholarship” to enhance development of human resources such as supporting group employees to obtain MBA degrees abroad.

## Risks and Fees Related to Monex’s Products Described Herein

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Details of Monex, Inc. (our subsidiary)

Company name (trade name):	Monex, Inc. Financial instrument firm
Registration number:	Director of Kanto Local Finance Bureau ( <i>Kinsho</i> ) No. 165
Industry organization membership:	Japan Securities Dealers Association (JSDA) The Financial Futures Association of Japan (FFAJ)

\*“The Company” refers to “Monex, Inc.” in “Risks and Fees Related to Monex’s Products Described Herein” section

### Important Matters concerning Share Transactions

#### • Risks

Price fluctuation risk: A loss of the invested principal (loss of invested principal) may be incurred due to fluctuation in stock price that is caused by demand and other various factors (generally speaking, low liquidity shares and IPO shares are exposed to greater stock price fluctuation risks).

Credit risk: A loss of the invested principal (loss of invested principal) may be incurred due to fluctuation in stock price based on changes in the management and financial condition of the issuer of shares, and changes in the assessment by outside entities concerning such changes in the issuer.

#### • Fees and Expenses

The investors are to pay the following share transactions fees for conducting any share transactions (including ETFs and REITs): (i) in the case of fees per transaction, the amount equivalent to 0.105% - 0.42% of the trade amount (subject to a minimum amount of 105 yen); or (ii) in the case of daily fixed fees, 2,625 yen per three (3) million yen worth of trade amount. A transaction fee amounting to 500 yen per transaction will be charged for the [Stock Mini-Investment] (“Mini-Stock”) and night transactions (“*Monex Nighter*” (night-time)). There are no purchase fees for IPO shares, shares under offering or secondary public offering, or off-floor trading distribution.

#### • Others

Please refer to the Offering Memorandum when subscribing for or purchasing any IPO shares, or shares under offering or secondary public offering.

## Risks and Fees Related to Monex’s Products Described Herein

### Important Matters concerning Stock Lending Services

#### • Risks

Credit risk: Since the investors execute unsecured loan agreement for the stock lending services, the investors will be exposed to credit risk of the Company and the Company’s borrowers.

#### • Fees

No fees will be charged for the stock lending services.

#### • Others

An investor who is using these stock lending services will not be entitled to receive any dividend even if such investor is a holder of shares as of the vesting day. Instead, the Company will pay the amount equivalent to the dividend, net of withdrawing tax. For tax purposes, the amount equivalent to dividend will be categorized as other income and will not be considered a dividend income. Therefore, it would not be subject to deduction for dividends.

No investors using these stock lending services will be entitled to benefit from shareholder special benefit plan or obtain any voting rights to be exercised at shareholders’ meetings.

The stocks under loan are not segregated custody assets as provided for in the Financial Instruments and Exchange Law. If Monex becomes bankrupt, the relevant stocks will not be able to gain protection from the investor protection fund.

will be charged for depositing the yen-denominated bonds subject to foreign currency redemption terms in our account.

### Important Matters concerning Chinese Shares

#### • Risks

Price fluctuation risk: A loss of the initial investment (loss of invested principal) may be incurred due to fluctuation in stock price caused by demand and other various factors (generally speaking, low liquidity stocks and stocks sold under IPOs are exposed to larger stock price fluctuation risks).

Foreign exchange risk: Due to fluctuation in foreign exchange rates, even if the foreign currency denominated value of the profit to be received exceeds the invested principal, the value thereof converted to yen may fall below the invested principal and result in a loss (loss of invested principal).

#### • Fees and Expenses (all including taxes)

Domestic transaction fees:	0.2999% of the trade amount (minimum fee: 73.5 HKD)
Other various expenses:	taxes, stock exchange commission, CCASS settlement expense
Expenses associated with acquisition of rights:	Fees for dividend collection, on-the-spot handling expense, share split, etc. related acquisition fee, expenses for acquisition of right for payment of paid-in capital increase, and expenses of other right acquisition-related expenses.
Expenses related to company privatizations:	Fees related to compulsory acquisition



## Risks and Fees Related to Monex’s Products Described Herein

### Important Matters concerning Investment Trust

#### • Risks

The base value of the investment trust may rise or fall since the investment trust substantially invests in securities with fluctuating prices. Therefore, the invested principal and interest are not guaranteed. The investment trust is subject to a number of risks depending on the type of product, and the following only describes the general risks. For more details, please refer to the Offering Memorandum upon conducting any buying transactions.

Price fluctuation risk: A loss of invested principal may be incurred due to a fall of base price caused by price fluctuation of the incorporated shares, bonds and instruments (if the incorporated products of the fund is denominated in a foreign currency, then it will also be subject to exchange rate fluctuation risk).

Foreign exchange risk: The amount paid to investors of foreign currency denominated investment trusts (foreign currency denominated MMF, etc.) is subject to change by fluctuation in foreign exchange rate. The amount converted to yen may fall below the invested principal and result in a loss (loss of invested principal), even if the foreign currency denominated amount exceeds the invested principal.

#### • Fees and Expenses

The investors will be charged for the following fees, etc. for conducting investment fund transactions.

• Subscription fee	Maximum of 3.675% of the subscription amount (including taxes)
• Trust asset reserves (direct expense payable at realization)	Maximum of 2.0% of the base price as of the trade date or the immediately following business day
• Trust fee (indirect expense accrued during the holding period)	Maximum of 2.10% of the aggregate net asset value (including taxes)

\* There are cases where the investors will indirectly pay any performance fees or other fees/expenses in accordance with the performance results.

### Important Matters concerning [Premium Hybrid 2006] and [Premium Hybrid 2007]

Please note that the offering of these Funds has ended.

#### • Risks

Price fluctuation risk: The Fund invests in domestic and foreign shares, bonds, exchanges, futures, derivatives and other instruments via investments in Private Equity Funds and Hedge Funds. Therefore, the aggregate net asset value may decrease due to unexpected changes in economic environment, fluctuation in market price, bankruptcy or deterioration of financial conditions of the issuer or other related companies of incorporated shares or bonds, and as a result, the investor may lose all or a part of the investment in the Fund. The major investment risks of the Fund include price fluctuation risk, realization risk, liquidity risk and foreign exchange fluctuation risk. \* For more details, please refer to “(Investment) Risk of the Fund” described in the investment trust explanatory statement (offering memorandum).

## Risks and Fees Related to Monex's Products Described Herein

### Important Matters Concerning "Asia Focus"

#### ▪ Risks

- The base value of the Fund is subject to fluctuation since the Fund will mainly invest in securities exposed to price movement such as corporate and government bonds. Therefore, the invested principal or a certain favorable investment results are not guaranteed, and the investors may suffer losses due to decline in the base value.
- Upon subscription and request for termination of the Fund, a period of one (1) month or more is required following the investor's order until the base value (trade price) is determined. Therefore, the base value as of the time of order and the actual base value applicable to the subscription and termination request of the investor may vary significantly. Moreover, please note that the termination consideration will be paid after one (1) month or more from the time when the investor placed an order to terminate.
- Euroyen bonds which the Fund invests in are subject to price fluctuation, which is linked to the price of the interlocking funds, and furthermore, the relevant interlocking funds are subject to price fluctuation due to fluctuation in the price of each hedge fund incorporated into the interlocking funds. While the day-to-day base value of the Fund is calculated based on the day-to-day indicative price of Euroyen bonds, there are cases where it takes several days to calculate the base value of any individual hedge fund which the interlocking funds of Euroyen bonds invest in or the relevant base value of the individual hedge fund is not calculated on each business day. Accordingly, the base value of the Fund may not immediately reflect price fluctuation in the market. Generally speaking, it takes approximately twenty (20) days for the month-end base value (NAV) of an individual hedge fund to be fixed, and the timing differs for each hedge fund.
- The value of the purchase or termination of the Fund as of a specified date will be the value which is calculated after reflecting the base value of the interlocking funds (that was calculated based on the base value of the individual hedge fund as of the preceding month-end) on Euroyen bonds.
- The factors which cause the base value of the Fund to fluctuate include, but are not limited to, price fluctuation risk, risk concerning non-linkage of value with the price fluctuation in interlocking funds and credit risk.
- For more details, please refer to "Investment Risks" in the guide to investment trust (offering memorandum).

#### ▪ Fees and Expenses

Investors will be charged the following fees, etc. for conducting investment fund transactions.

Subscription fee:	2.1%-0.525% of the subscription amount (including taxes)
Trust asset reserves:	0.5% of the base value as of the business day immediately following the trade date
Trust fee:	1.1025% per annum of the aggregate net asset value (including taxes)

In addition to the above fees, the following expenses will be charged. These expenses will indirectly be borne by the investors during the holding period, and will be payable from the trust assets in principle. We are unable to present in advance the amount (and maximum amount, etc.) concerning the expenses without any description of their maximum amount herein, since different criterial terms and conditions apply on a case-by-case basis:

- Expenses concerning securities transactions - Taxes on trust assets - Interest on borrowings and interest on advance money
- Expenses required for trust administrative duties (audit costs, etc.) - Expenses related to trust deeds, offering memorandums, management reports and other similar documents
- Fullerton Fund Management Co., Ltd. will receive as investment advisory fees the amount equivalent to 0.05% per annum of the daily aggregate net asset value, which is payable from the manager's fees;
- Other substantial expenses such as sales charges of the incorporated securities of the Fund are as follows. These expenses will be reflected on the price of Euroyen bonds which the Fund invests in:
- Euroyen bonds (issue cost: 0.5% or less of the issue price per annum), interlocking funds (base fee: 0.75% per annum of the aggregate net asset value/performance fee: 15% of any excessive profit in case where the base value of the interlocking funds exceeds the High Water Mark/operation and maintenance fees and other fees), incorporated hedge funds (base fee: generally, 1%-2% per annum of the aggregate net asset value/performance fee: generally, 10%-20% of any excessive profit in case where the basic value of the individual hedge fund exceeds the High Water Mark/operation and maintenance fees and other fees).

\* For more details, please refer to "Charges and Expenses" in the guide to investment trust (offering memorandum).

## Risks and Fees Related to Monex's Products Described Herein

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### Important Matters concerning "China Focus"

#### ▪ Risks

- The base value of the Fund is subject to fluctuation since the Fund will mainly invest in securities exposed to price movement, such as equities (the Fund will be exposed to foreign exchange risks in a case where it invests in foreign currency-denominated assets), and will actively engage in futures trading and other similar trading. Therefore, the invested principal or a certain favorable investment results are not guaranteed, and the investors may suffer losses due to decline in the base value.
- Factors which cause the base value of the Fund to fluctuate include, but are not limited to, price fluctuation risk, foreign exchange risk, inherent risk on investment in Chinese securities market, liquidity risk, interest rate risk, credit risk and country risk.
- For more details, please refer to "Investment Risks" in the guide to investment trust (offering memorandum).

#### ▪ Fees and Expenses

The investors will be charged for the following fees, etc. for conducting investment fund transactions.

Subscription fee: 2.1%-0.525% of the subscription amount (including taxes)

Trust asset reserves: 0.3% of the base value as of the business day immediately following the trade date

Trust fee: 1.890% per annum of the aggregate net asset value (including taxes)

In addition to the above fees, the following expenses will be charged. These expenses will indirectly be borne by the investors during the holding period, and will be payable from the trust assets in principle. We are unable to present in advance the amount (and maximum amount, etc.) concerning the expenses without any description of their maximum amount herein, since different criterial terms and conditions apply on a case-by-case basis:

- Expenses concerning securities transactions
- Taxes on trust assets
- Interest on borrowings and interest on advance money
- Expenses required for trust administrative duties (audit costs, etc.)
- Expenses related to trust deed, offering memorandum, management report and other similar documents
- Performance fee (to be paid in a case where the profit exceeds a predetermined High Water Mark, which will be the amount calculated by multiplying 0.15% of the relevant excessive profit with the total number of units as of the calculation record date);
- Fullerton Fund Management Co., Ltd. will receive the performance fee and also an amount equivalent to 0.6% per annum of the daily aggregate net asset value as the service fees under the service agreement, which are payable from the manager's fees;
- Monex Alternative Investments, Inc. will receive the investment advisory fees from the manager's fees.

\* For more details, please refer to "Charges and Expenses" in the guide to investment trust (offering memorandum).

## Risks and Fees Related to Monex's Products Described Herein

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### Important Matters concerning Bond Trading

#### • Risks

- In a case where bonds are sold before maturity, a loss of original investment (loss of invested principal) may be incurred from a lower sales price compared to purchase price due to changing bond market conditions at the time of sales, such as fall in the bond price derived from rising interest rates. Additionally, if the purchase price exceeds the par value, a loss on redemption may arise at the time of redemption which may result in a loss of original investment (loss of invested principal).
- A loss of original investment (loss of invested principal) may be incurred due to a change in interest or principal solvency (credibility) of the issuer that is caused by changes in the issuer's business or financial condition and changes in the third-party assessment towards such business or financial condition.
- The amount which the investors receive for trading in foreign bonds which are denominated in foreign currencies is subject to change due to fluctuation in foreign exchange rates. Accordingly, even if the foreign currency denominated value to be received exceeds the invested principal, the value of bonds converted to yen may fall below the original investment and result in a loss (loss of invested principal). Moreover, since the exchange rate of any foreign currencies other than major currencies may drastically fluctuate, even if such non-major foreign currency denominated value to be received exceeds the invested principal, the value of bonds converted to yen may fall significantly below the original investment and result in a loss (loss of invested principal) in the case of any drastic appreciation of the yen.

#### • Fees and Expenses

- The investors are only required to pay the purchase price upon conducting bond trading and no trading commissions will be charged.
- The investors are required to pay a specified exchange fees for trading in foreign bonds denominated in foreign currencies (no such exchange fees will be charged if the investors directly purchase the bonds from MMF denominated in the foreign currency).

#### • Other Matters

- With respect to Japanese Government Bonds (JGBs) for individual investors, the investors are not eligible to realize 10-year Floating Rate JGBs and 5-year Fixed Rate JGBs before the elapse of a period of one (1) year and two (2) years from purchase, respectively, except for a case of the death of the holder, and other such specified circumstances. Since investors will be charged with an amount equivalent to the two (2) immediately preceding payments of interest (before tax) for Floating Rate JGBs, or an amount equivalent to the four (4) immediately preceding payments of interest (before tax) for Fixed Rate JGBs, if JGBs are realized before maturity, the amount which the investors receive may fall below the invested principal.
- For more details concerning the bonds for which offering memorandums are issued, the investors should refer to the relevant offering memorandum upon subscription or purchase.

## Risks and Fees Related to Monex's Products Described Herein

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### Important Matters concerning [Monex Bonds for Individual Investors (Type: Structured Notes)]

#### • Risks

Basically, the market price of yen-denominated bonds fluctuates in accordance with the changes in the base interest rate of the market. The price of bonds will fall if interest rates rise while the price of bonds will rise if interest rates fall. Accordingly, if the bonds are realized before the redemption date, the bonds will be sold at the market price which means that a loss exceeding the original investment may be incurred (loss of invested principal). Furthermore, if the liquidity deteriorates significantly due to changes in the market environment, the sales price of the bonds may be adversely affected since the bonds may become unsaleable.

#### • Fees

The investors are only liable to pay the purchase price when purchasing the yen-denominated bonds by subscriptions for offering or secondary public offering or by negotiation transaction with the Company, and no transaction fees will be charged. No account management commission will be charged for depositing the yen-denominated bonds in our account.

### Important Matters concerning [Monex Bonds for Individual Investors (Type: Yen fixed Rate Notes)]

#### • Risks

Price fluctuation risk: Basically, the market price of yen-denominated bonds subject to foreign currency redemption terms fluctuates in accordance with the changes in the base interest rate of the market or the base exchange rate. The price of bonds will fall if interest rates rise and the price of bonds will rise if interest rates fall. In addition, the price of bonds will fall if the yen becomes stronger (weak foreign currency), and the price of bonds will rise if the yen becomes weaker (strong foreign currency). The yen-denominated bonds subject to foreign currency redemption terms is a type of bond whose redemption amount at maturity will be paid in a foreign currency converted at the initial exchange rate if the value of yen becomes higher and the redemption determination rates exceeds the initial exchange rate. Since the characteristics of derivative trading is included in this bond assuming that the bonds will be held until maturity, the price of bond will fluctuate depending on the volatility of the exchange rates. Accordingly, if the bonds are realized before the redemption date, the bonds will be sold at the market price which may result in a loss of invested principal. The consideration for any sales of bonds before maturity will only be paid in yen. There is no guarantee for the liquidity and marketability of the yen-denominated bonds subject to foreign currency redemption terms, and no definite trading market exists therefor. This means that realization before maturity may be difficult which may adversely affect the sales price of the relevant bonds.

Foreign exchange risk: The full redemption amount payable at the maturity of yen-denominated bonds subject to foreign currency redemption terms will be affected by the exchange rate between yen and foreign currencies, and it may be paid in foreign currency. If the bonds are redeemed in a foreign currency, the yen equivalent of such redemption amount will differ depending on the exchange rate between the yen and foreign currencies effective at the time of redemption. Accordingly, a loss (loss of invested principal) may be incurred due to inability to collect the initial amount of investment which was denominated in yen.

#### • Fees

The investors are only liable to pay the purchase price when conducting transactions in the yen-denominated bonds subject to foreign currency redemption terms, and no transaction fees will be charged. The exchange rate which is determined by the Company after taking into account the foreign exchange market trends will apply for any exchanges made between yen and foreign currencies when the foreign currency-denominated redemption is made for the yen-denominated bonds subject to foreign currency redemption terms. No account management commission will be charged for depositing the yen-denominated bonds subject to foreign currency redemption terms in our account.

## Risks and Fees Related to Monex’s Products Described Herein

### Important Matters concerning “FX”

#### • Risks

Price fluctuation risk: If the foreign exchange rate fluctuates in a direction that is reverse to the investor's anticipation due to fluctuation in the price of the traded currency (exchange rate) and other factors, a loss exceeding the amount of deposit (initial principal) may be incurred.

Interest rate fluctuation risk: Since the payment and reception of swap points of buying currencies and selling currencies are made in foreign exchange margin trading, a loss (loss of invested principal) may be incurred due to payment of swap points. Since swap points reflect the market interest rate of the traded currency, the swap points will fluctuate upon fluctuation of market interest rate.

#### • Fees

• Monex FX:	For currency trading volume from 1,000 to 9,000: 100 yen per 1,000 currencies For currency trading volume from 10,000 to 1,000,000: 50 yen per 1,000 currencies
• Monex FX pro:	Trade amount (currency trading volume x trading exchange rate x yen conversion rate) x 0.001

#### • Deposit (margin)

• Monex FX:	Margin within the range of JPY 5,000 - 20,000 is required per 1,000 currencies depending on the exchange rate of the traded currency
• Monex FX pro:	Trading volume x TTM (middle rate of TTB and TTS) x 0.05