

Financial Results of 1H of Fiscal Year Ending March 31, 2011

This is an English translation of Japanese presentation material prepared for the financial disclosure 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

This material is explanatory material on the financial results 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.

Our Business Principles

1. PURSUE A SPIRIT OF INNOVATION

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

2. STAY 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.**

3. CHALLENGE 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. Strategies

3. Businesses

4. To our Shareholders

Major Business Activities for the Second Quarter

◆ Trends of major revenue sources

- Though revenues went down influenced by severe market condition, the cost reduction related to the merger of Monex, Inc. and ORIX Securities since May 2010 contributes to net income
- Stock trading volume of Monex, Inc. of this quarter (Jul.-Sep. 2010) was JPY1.8 trillion, decreased by 40% from the previous quarter (Apr.-Jun. 2010)
- FX trading volume decreased by 39% from the previous quarter.
Trading income for this quarter amounted to JPY1.1B, decreased by 28% from the previous quarter
- Mutual fund sales amounted to JPY19.9B, decreased by 21% from the previous quarter, but its assets in custody increased by 7% (Ref: Nikkei 225 index down by 13 yen from previous quarter end)
- Consequently Operating Revenue amounted to JPY5.2B, 28.8% down from the previous quarter, and Ordinary Income amounted to JPY678M, 62.6% down from the previous quarter.

◆ Action on capital strategy

- Announced public offering of 140,000 newly issued shares and secondary offering by Citigroup Japan Holdings (480,000 shares, 16-18% shareholding) on Sep. 21, 2010. Aimed to obtain capital (approx. JPY3.16B in total) for our first substantial development of overseas business, and to improve market liquidity of Monex Group's share

◆ Progress of “Intelligence Infrastructure”, positioned as an important strategy to gather customer's assets

- Released the beta2 version of “MONEX SIGN”, the exclusive technical trading analysis tool, on July 13, 2010, and open beta version of “MONEX VISION β”, the portfolio management advice tool, to all customers on Oct. 1, 2010

◆ China business development

- Agreed to acquire BOOM Group in Hong Kong (July 2010). Plan to allocate the capital gained by financing to the investment and loans to BOOM Group for business development in Hong Kong
- CSRC approved opening a rep. office of Monex, Inc. in Beijing (Aug. 2010). Plan to set up and register by the end of Oct. 2010

Financial Overview

■ Financial Overview of 2Q(Jul.- Sep.) of FYE Mar. 31, 2011

Significant decline on operating income compared with the previous quarter due to stock markets downturn and low volatility in FX trading markets

◆ Net operating revenues	4,846 million yen	-24.7% from 1Q of FYE Mar. 31, 2011
▪ Brokerage commission (exc OSE-FX)	1,818 million yen	-34.4% from 1Q of FYE Mar. 31, 2011
▪ FX business revenue	1,297 million yen	-25.0% from 1Q of FYE Mar. 31, 2011
▪ Net financial income	1,072 million yen	-7.2% from 1Q of FYE Mar. 31, 2011
◆ SG&A	4,137 million yen	-15.4% from 1Q of FYE Mar. 31, 2011
▪ System related costs(*1)	1,901 million yen	-15.9% from 1Q of FYE Mar. 31, 2011
▪ Compensation and benefits	803 million yen	-14.2% from 1Q of FYE Mar. 31, 2011
▪ Transaction-related expenses	355 million yen	-21.3% from 1Q of FYE Mar. 31, 2011
◆ Operating income	708 million yen	-54.0% from 1Q of FYE Mar. 31, 2011
◆ Ordinary income	678million yen	-62.6% from 1Q of FYE Mar. 31, 2011
◆ Net Income	387million yen	-68.0% from 1Q of FYE Mar. 31, 2011
◆ Key performance indicators		
▪ ROE (Annualized)	2.3%	Annualized ROE in 1Q of FYE Mar. 31, 2011 was 7.3%
▪ Profit margin (Operating income / Net Operating revenues)(*2)	14.6%	-9.4 pt from 1Q of FYE Mar. 31, 2011

■ Overview of the Japanese Stock Markets (as of the end of 2Q of FYE Mar. 2011)

• Nikkei 225 Average	-0.1% from Jun. 30, 2010	-7.5% from Sep. 30, 2009
• Trading Value(*3)	-29.9% from 1Q of FYE Mar. 31, 2011	-38.6% from 2Q of Mar. 31, 2010

(*1) System related costs = Rental and maintenance + Data processing and office supplies + Amortization and depreciation

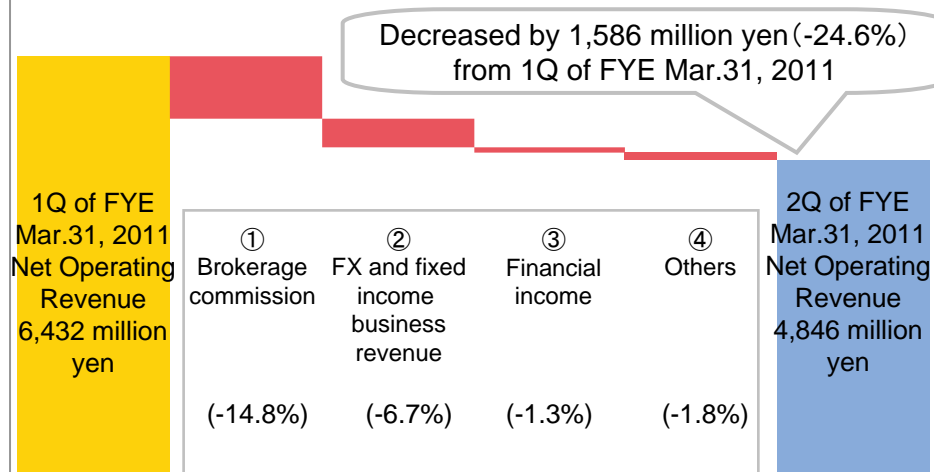
(*2) Profit margin (stated in this material) is calculated as Operating income / Net operating revenue (not operating revenue)

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

Highlights of Revenue (1) Increasing and Decreasing Factors

■ Comparison with 1Q of FYE Mar. 31, 2011

◆ Decreased due to stock markets downturn and lower volatility in FX trading markets

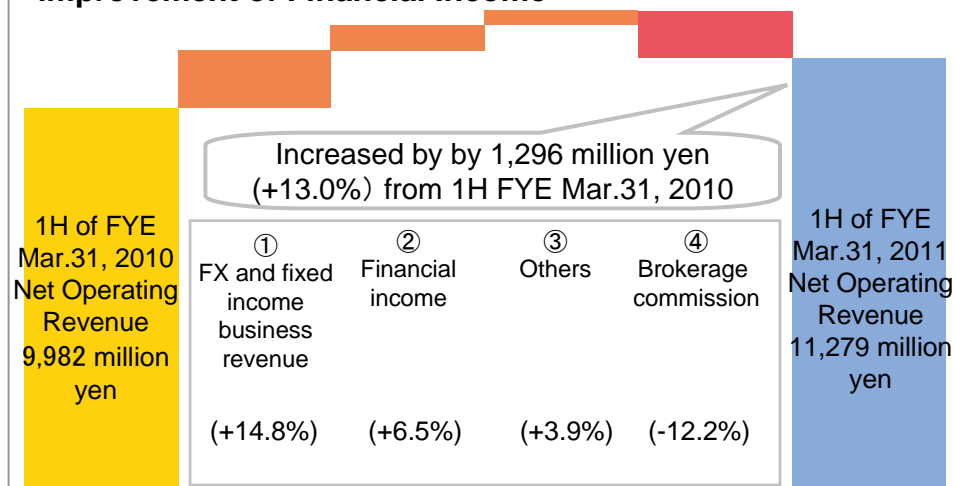


◆ Major decreasing factors

- ① Brokerage commission (excl. OSE-FX) -953 million yen
 - Equity trading values decreased
- ② FX and fixed income business revenue -431 million yen
 - FX trading values decreased
- ③ Financial Income -83 million yen
 - Margin trade outstanding decreased
- ④ Others -117 million yen
 - Revenue from M&A advisory service decreased

■ Comparison with 1H of FYE Mar.31, 2010

◆ Increased due to increase in FX trading values and improvement of Financial Income

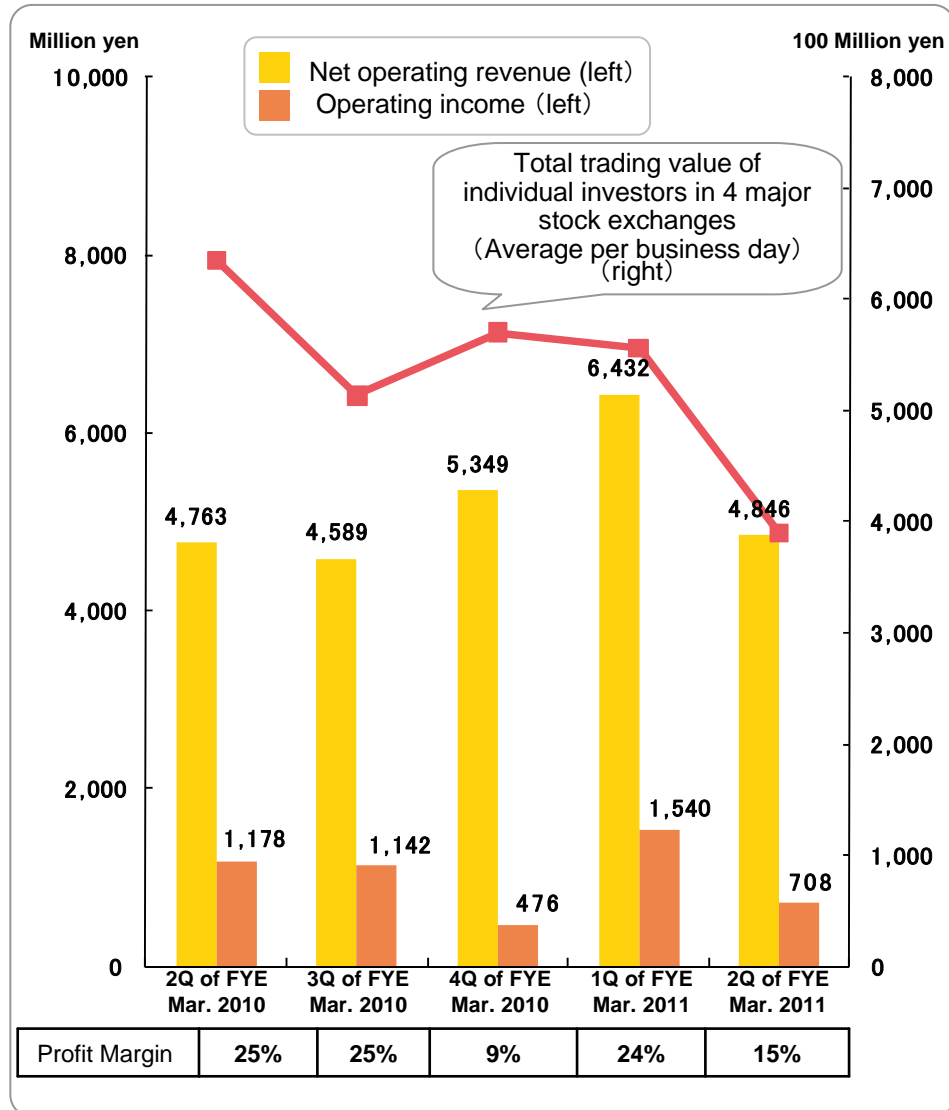


◆ Major increasing factors

- ① FX and fixed income business revenues +1,477 million yen
 - FX trading values doubled
 - ② Financial Income +651 million yen
 - Margin trade outstanding increased as a result of the merger
 - ③ Others +392 million yen
 - Revenue related with mutual fund increased
- ◆ Major decreasing factor
- ④ Brokerage commission (excl. OSE-FX) -1,224 million yen
 - Equity trading values decreased

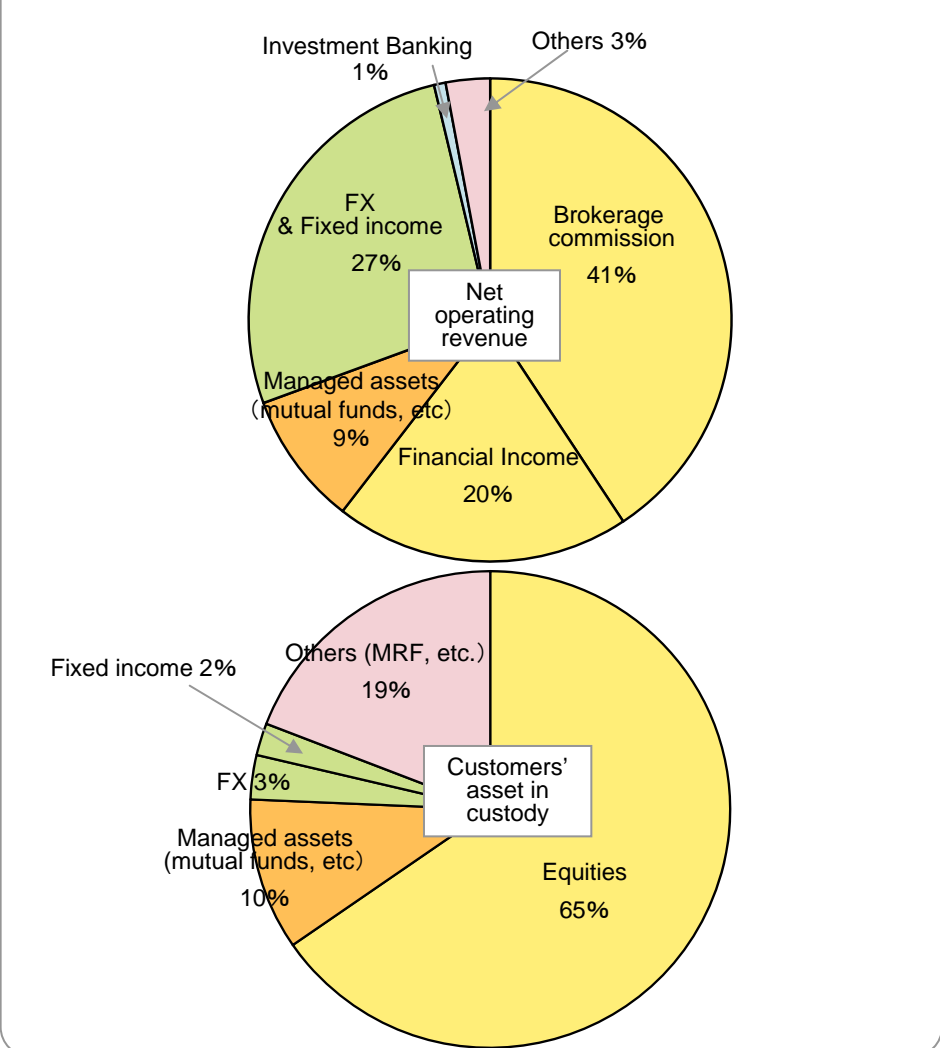
Highlights of Revenue (2) Revenue Trends and Structure

Net operating revenue and operating income



Revenue structure and dependency on brokerage

Revenue and asset in custody (1H of FYE Mar. 31, 2011)

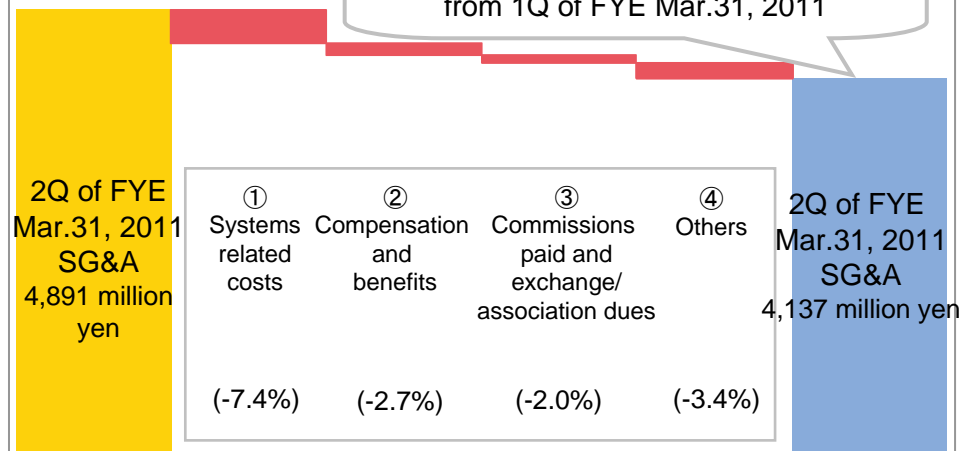


Highlights of SG&A (1) Decreasing and Increasing Factors

■ Comparison with 1Q of FYE Mar. 31, 2011

◆ System related costs decreased due to merger related cost reduction

Decreased by 754 million yen (-15.4%) from 1Q of FYE Mar.31, 2011



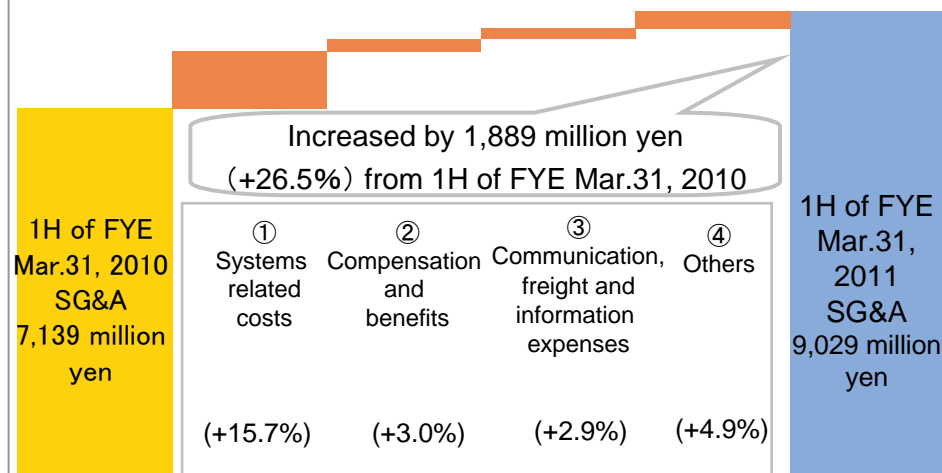
◆ Major decreasing factors

- ① Systems related costs -360 million yen
 - Decreased due to merger related cost reduction
- ② Compensation and benefits -132 million yen
 - Reduced in the number of employees after the merger
- ③ Commissions paid and exchange/association dues -96 million yen
 - Equity trading values decreased
- ④ Others -164 million yen
 - Provision for allowance for doubtful receivables reduced

■ Comparison with 1H of FYE Mar.31, 2010

◆ Systems related costs and compensation and benefits increased due to the merger

Increased by 1,889 million yen (+26.5%) from 1H of FYE Mar.31, 2010

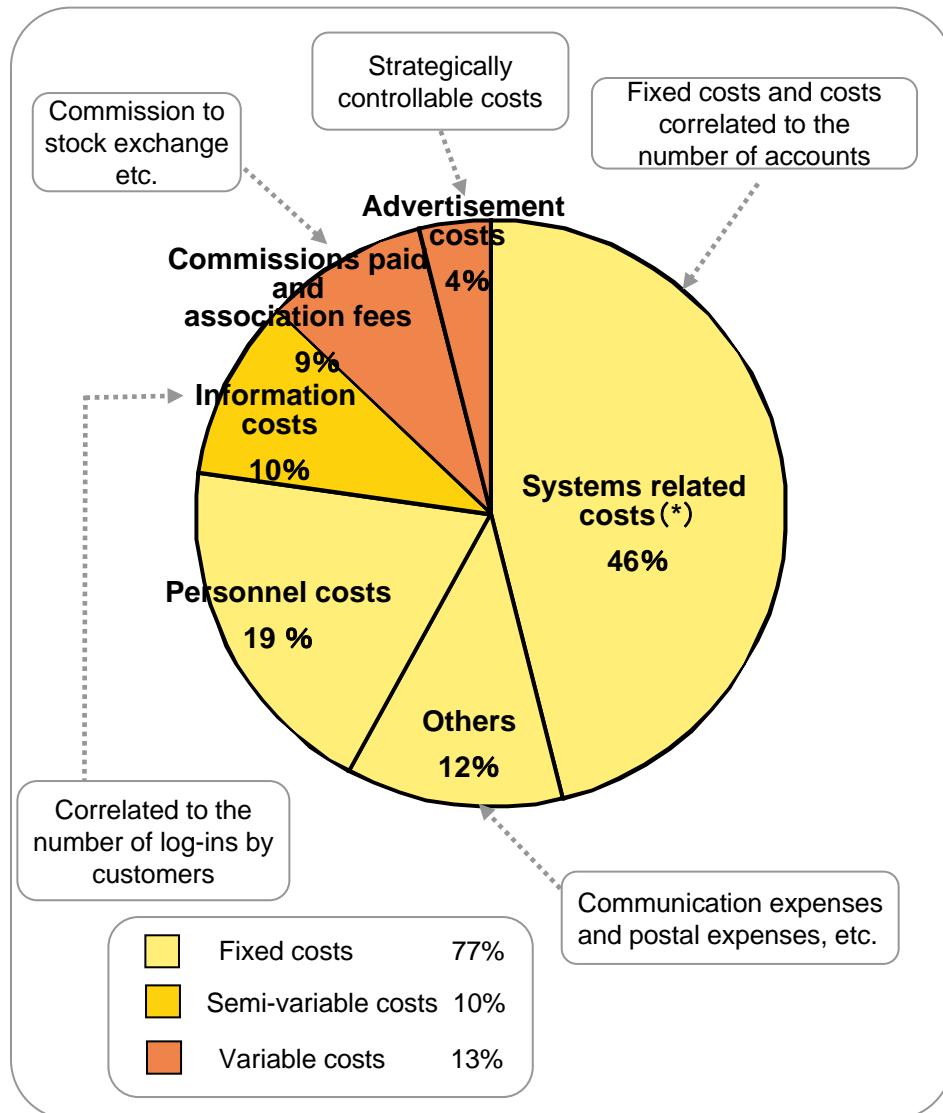


◆ Major increasing factors

- ① Systems related costs +1,119 million yen
 - Increased due to the integration
- ② Compensation and benefits +211 million yen
 - Increased due to the integration
- ③ Communication, freight and information expenses +205 million yen
 - The number of trading accounts increased due to the integration
- ④ Others +352 million yen
 - Amortization of goodwill related to ORIX Securities

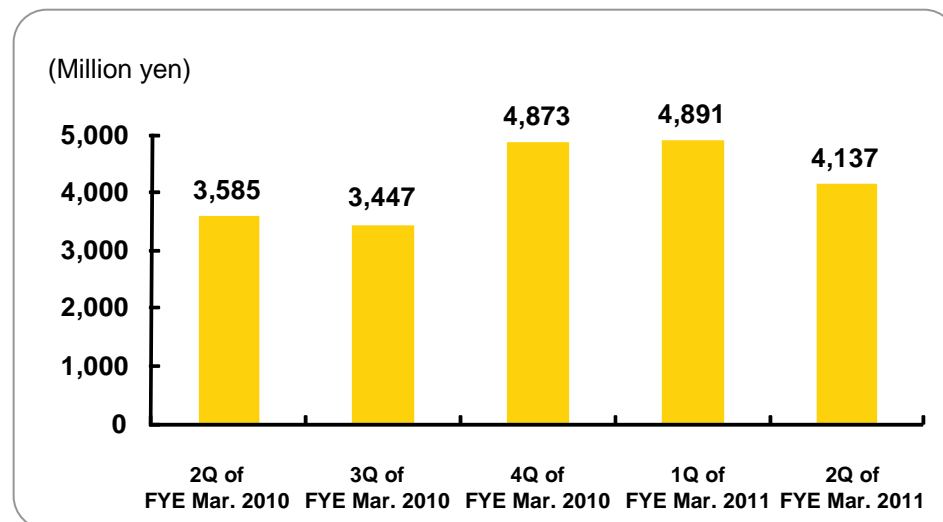
Highlights of SG&A (2) Cost Structure and Trends

■ Cost Structure (Apr. 2010 - Sep. 2010)



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

■ SG&A Quarterly trends



■ Indicators per share

(Unit: JPY)

	FYE March 2007	FYE March 2008	FYE March 2009	FYE March 2010	1H FYE March 2011
Book-value Per Share (BPS)	20,253	19,664	17,235	22,139	22,415
Earnings Per Share (EPS)	4,066	3,080	-928	1,527	1,070
Return on Equity (ROE)	21.4%	15.5%	-5.0%	7.1%	4.8%
Dividend Per Share	2,900	1,550	400	700	300 (interim)

*EPS and ROE of 1H, FYE March 2011 are multiplied by 2 of 6 month data.

Balance Sheet

■ Maintain financial strength by keeping availability of funds and liquidity and controlling risk assets

(in billion yen)		[Cash margin from customers (minimum requirement)]		(*3) Non-current assets (investment value of risk assets) (in billion yen)																																																			
[Segregated cash trust]		Monex, Inc. 144.0		Property/equipment 0.6 (Facilities, equipment, etc)																																																			
Monex FX 4.2		Monex, Inc. 133.5		Software 1.5 (Assets to provide service)																																																			
Total 148.3		Monex FX 3.7		Goodwill 7.7 (Premium of ORIX Sec, etc.)																																																			
		Total 137.3		Guarantee deposits, etc 2.0 (Real estate deposit, etc)																																																			
				Investment securities 5.9 (See (*4) below)																																																			
				Total 17.9																																																			
[Funds operation]		[Financing]		(*4) Value of main investment securities (billion yen)																																																			
Cash/Deposits 28.8		Call money 18.0		<table border="1"> <thead> <tr> <th>Name of securities</th> <th>Book value</th> <th>Estimated value(*5)</th> <th>Premium</th> </tr> </thead> <tbody> <tr> <td>(Purpose for acquisition)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>LIFENET INSURANCE</td> <td>2.0</td> <td>1.8</td> <td>-0.1</td> </tr> <tr> <td>(Incubation)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Tokyo Stock Exchange Group</td> <td>1.3</td> <td>2.0</td> <td>0.7</td> </tr> <tr> <td>Asia Focus</td> <td>1.1</td> <td>1.1</td> <td>—</td> </tr> <tr> <td>(Maintenance of products)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Triangle Partners</td> <td>0.4</td> <td>0.4</td> <td>—</td> </tr> <tr> <td>(Support of Chinese IPO)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Dot Commodity, Inc.</td> <td>0.4</td> <td>0.4</td> <td>—</td> </tr> <tr> <td>Others (*6)</td> <td>0.6</td> <td>—</td> <td>—</td> </tr> <tr> <td>Total</td> <td>5.9</td> <td></td> <td></td> </tr> </tbody> </table>				Name of securities	Book value	Estimated value(*5)	Premium	(Purpose for acquisition)				LIFENET INSURANCE	2.0	1.8	-0.1	(Incubation)				Tokyo Stock Exchange Group	1.3	2.0	0.7	Asia Focus	1.1	1.1	—	(Maintenance of products)				Triangle Partners	0.4	0.4	—	(Support of Chinese IPO)				Dot Commodity, Inc.	0.4	0.4	—	Others (*6)	0.6	—	—	Total	5.9		
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Total	5.9																																																						
Net margin assets(*1) 93.5		Bank borrowing 33.8																																																					
Call loan 17.0		Short-term notes 12.5																																																					
Total 139.3		Cash collateral from stock lending(*2) 36.9																																																					
		Total 101.3																																																					
JGB as 2.0		Total net assets 67.1																																																					
Non-current assets(*3) 17.9																																																							

(*1) Margin transaction assets – Margin transaction liabilities

(*2) Including collateral from securities finance companies

(*5) Estimated value is calculated using the market or latest net asset value

(*6) Investment per security: maximum 86 million yen

Financial Summary : 1Q of FYE Mar. 31, 2011 vs. 2Q of FYE Mar. 31, 2011 (in 3 months)

(in million yen, %)

	1Q of FYE Mar. 31, 2011 (Apr. 2010 – Jun. 2010)	2Q of FYE Mar. 31, 2011 (Jul. 2010 – Sep. 2010)	Change
Operating Revenues	7,407	5,277	-28.8%
Net Operating Revenues	6,432	4,846	-24.7%
SG&A	4,891	4,137	-15.4%
Operating Income	1,540	708	-54.0%
Ordinary Income	1,814	678	-62.6%
Net Income	1,212	387	-68.0%
EBITDA*	1,911	1,087	-43.1%

*EBITDA : Net Income + Interest (excluding financial expenses related to margin trading business) + Taxes + Depreciation and Amortization
+ Devaluation loss of investment securities + Disposal loss of fixed assets

(in million yen, %)

	1Q of FYE Mar. 31, 2011 (as of Jun. 30, 2010)	2Q of FYE Mar. 31, 2011 (as of Sep. 30, 2010)	Change
Total Assets	377,703	357,707	-5.3%
Shareholders' Equity	66,644	67,046	0.6%

(For reference : Monex, Inc.)

Capital Adequacy Ratio	411.2%	454.2%	-
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Financial Summary : 1H of FYE Mar. 31, 2010 vs. 1H of FYE Mar. 31, 2011

(in million yen, %)

	1H of FYE Mar. 31, 2010 (Apr. 2009-Sep. 2009)	1H of FYE Mar. 31, 2011 (Apr. 2010-Sep. 2010)	Change
Operating Revenues	11,380	12,685	11.5%
Net Operating Revenues	9,982	11,279	13.0%
SG&A	7,139	9,029	26.5%
Operating Income	2,842	2,249	-20.9%
Ordinary Income	2,929	2,492	-14.9%
Net Income	2,036	1,600	-21.4%
EBITDA*	3,671	2,999	-18.3%

*EBITDA : Net Income + Interest (excluding financial expenses related to margin trading business) + Taxes + Depreciation and Amortization
+ Devaluation loss of investment securities + Disposal loss of fixed assets

(in million yen, %)

	1H of FYE Mar. 31, 2010 (as of Sep. 30, 2009)	1H of FYE Mar. 31, 2011 (as of Sep. 30, 2010)	Change
Total Assets	229,847	357,707	55.6%
Shareholders' Equity	41,703	67,046	60.8%

(For reference : Monex, Inc.)

Capital Adequacy Ratio	423.7%	454.2%	-
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Financial Summary : Quarterly trends in income statement

(in million yen)

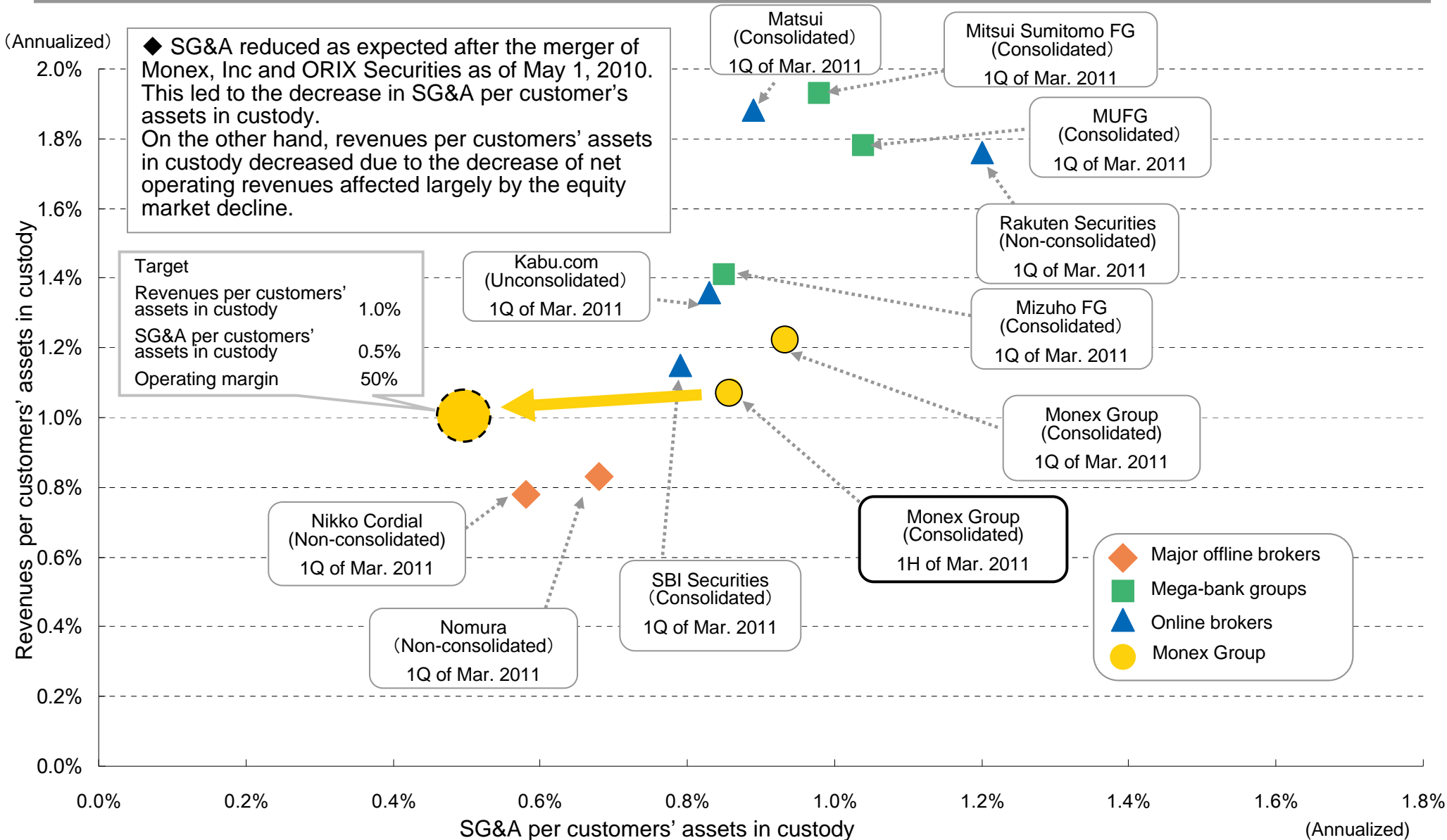
	FYE Mar.31, 2009				FYE Mar. 31, 2010				FYE Mar. 31, 2011	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Brokerage commissions	3,505	2,612	2,911	2,342	3,145	2,670	2,073	2,604	2,772	1,904
Underwriting and distribution commissions	1	0	1	2	1	3	3	14	1	1
Subscription and distribution commissions	113	57	88	75	136	125	129	147	209	114
Other commissions	945	875	807	560	543	471	363	584	723	602
Margin forex trades commissions	438	388	476	286	238	30	0	130	201	107
Mutual funds agency commissions	369	341	229	176	215	247	264	290	311	307
Others	137	145	101	97	89	193	98	163	210	188
Net gain on trading account	195	155	295	454	558	715	1,051	1,089	1,526	1,103
Net gain on operating investments	9	0	-27	21	-45	-0	-0	-70	9	12
Financial income	2,542	2,834	1,805	1,429	1,758	1,216	1,658	1,374	2,130	1,504
Other operating revenues	56	45	50	42	38	40	37	-56	33	34
Operating revenues	7,370	6,581	5,932	4,927	6,138	5,242	5,317	5,801	7,407	5,277
Financial expenses	1,382	722	1,085	568	919	478	728	451	974	431
Net operating revenues	5,987	5,859	4,847	4,359	5,218	4,763	4,589	5,349	6,432	4,846
Selling, general and administrative expenses	3,933	3,915	4,032	3,902	3,554	3,585	3,447	4,873	4,891	4,137
Operating income	2,054	1,944	814	456	1,663	1,178	1,142	476	1,540	708
Ordinary income	2,125	1,887	799	419	1,808	1,120	1,137	412	1,814	678
Quarterly net income	2,152	-1,908	443	-2,832	1,413	622	803	936	1,212	387

Financial Summary: Quarterly trends in SG&A

(in million yen)

	FYE Mar.31, 2009				FYE Mar. 31, 2010				FYE Mar. 31, 2011	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	1Q
Transaction-related expenses	1,182	1,172	1,188	1,095	979	1,044	948	1,247	1,267	1,118
Commissions paid	238	214	240	190	196	263	181	194	246	217
Exchange and association dues	157	111	109	92	128	117	100	176	205	138
Communication, freight and information expenses	519	513	522	526	494	480	484	598	608	572
Advertizing expenses	243	299	292	268	145	161	161	258	181	168
Others	24	33	23	16	14	21	19	19	25	21
Compensation and benefits	766	698	744	698	777	751	744	995	936	803
Rental and maintenance	441	489	457	489	395	438	406	488	531	466
Data processing and office supplies	1,073	1,057	1,092	1,037	962	952	958	1,336	1,300	1,153
Data processing	1,045	1,029	1,064	1,016	946	935	942	1,313	1,279	1,116
Office supplies	27	28	27	20	15	17	15	23	20	36
Amortization and depreciation	95	106	150	152	143	150	151	522	430	281
Taxes other than income taxes	64	57	48	66	54	38	44	67	69	48
Provision for allowance for doubtful receivables	4	-4	-	-	-	-	-	-	83	-19
Other operating expenses	305	337	350	362	241	208	194	215	272	284
Selling, general and administrative expenses	3,933	3,915	4,032	3,902	3,554	3,585	3,447	4,873	4,891	4,137

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



Source : Each company's IR data
 MUFG, Mizuho FG and Mitsui Sumitomo FG : Customers' assets in custody = Total assets, Operating revenues = Gross profits, SG&A = General and administrative expenses

1. Financial Results

2. Strategies

3. Businesses

4. To our Shareholders

Mission Statement

- ◆ **Take the position as an online integrated financial service provider for individual investors**
- ◆ **Provide individual investors with institutional investor level investment opportunities**
- ◆ **Offer comprehensive products and services with “world class quality”**
- ◆ **Empower investors education and enhance financial literacy**
- ◆ **Realize an “Intelligence Infrastructure” that provides advice on investments in order to improve customer’s investment return**
- ◆ **Strengthen “Products Origination Capability”**
- ◆ **Pursue less operating costs and establish a portfolio management-oriented business**
- ◆ **Be ready for deregulations such as removal of barriers on financial sectors by leveraging the holding company structure**
- ◆ **Pursue business globally, not limiting our business boundaries to Japan**

The Monex Group

Holding Company

Monex Group, Inc.

(As of October 26, 2010)

[Financial products and services for individual investors]

Securities Company



Monex, Inc.
Premium online financial institution
(Investment Ratio) Monex G: 100%

FX Business



Monex FX, Inc.
Specialized for FX trading
(Investment Ratio) Monex G: 100%

[Overseas subsidiary and office]

Overseas Businesses

Beijing Representative Office
(Monex Group)

BaiFor Investment Advisory Ltd.
Financial training JV in Beijing
(Investment Ratio) Monex G: 49%
SEEC Investment: 51%

MBH America, Inc.
Research in the global financial industry
(Investment Ratio)
Monex G: 100%

(planned)

Beijing Representative Office
(Monex, Inc.)

Monex International Limited (tent.)
Asia business base in Hong Kong

BOOM Securities Group
Online securities group in Hong Kong

[Business development for exclusive products and services]

Investment Education



Monex University, Inc.
Investor education for all individuals
(Investment Ratio)
Monex G: 100%

Asset Management



Monex Alternative Investments, Inc.
Providing the best alternative investment products to individual investors
(Investment Ratio) Monex G: 55%
Asuka Asset Management: 45%

M&A Advisory



M&A advisory service
Aspiring to introduce a new IPO
(Investment Ratio) Monex G: 78.6%
ZenShin Capital Partners II: 7.9%
Hambrecht Partners Holdings: 5.5%
Development Bank of Japan: 5.5%

R&D of Program Trading



Trade Science Corporation
Next generation asset management utilizing artificial intelligence
(Investment Ratio) Monex G: 100%

Business Incubation



Monex Business Incubation, Inc.
Discovery and incubation of new businesses
(Investment Ratio) Monex G: 100%

[Incubation]



LIFENET INSURANCE COMPANY
New type of life insurance service through the internet
(Investment Ratio) Monex G: 18.5%

Roadmap

■ Aim for overseas business to contribute 1/3 of the total revenue

◆ Our goal is to become a GLOBAL TECHNOLOGY-BASED RETAIL financial services provider

◆ Moved up overseas revenue contribution by business development in Hong Kong

◆ Strategies for future growth

Short-term:
Online trading

- Expand active trader customer segment
- Strengthen FX business segment

Mid-term:
International markets

- Revenue contribution by overseas businesses in such countries as China

Mid/long-term: Asset management business

- Offer full global product line-up
- Acquire customer assets through offering investment advisory tools

(Achievements)

Short-term:

- Acquired Monex FX
- Shifted FX revenue structure
- Strengthen active customer base by merging ORIX Sec.

Mid-term:

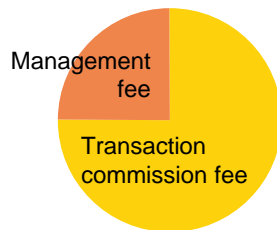
- Opened a rep. office in Beijing
- Established JV with SEEC HD
- Acquire BOOM Group in HK

Mid/long-term

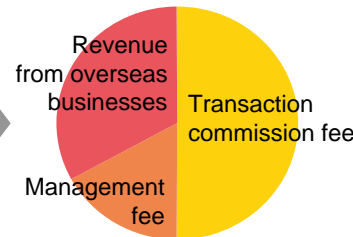
- Product line-up expansion
- Released advice tool beta versions

◆ Image of revenue contribution

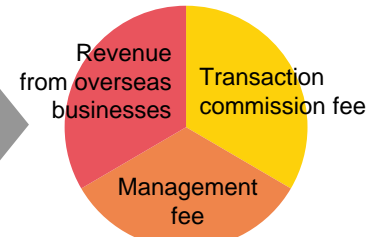
Short-term (Present)



Mid-term (3yrs time span)



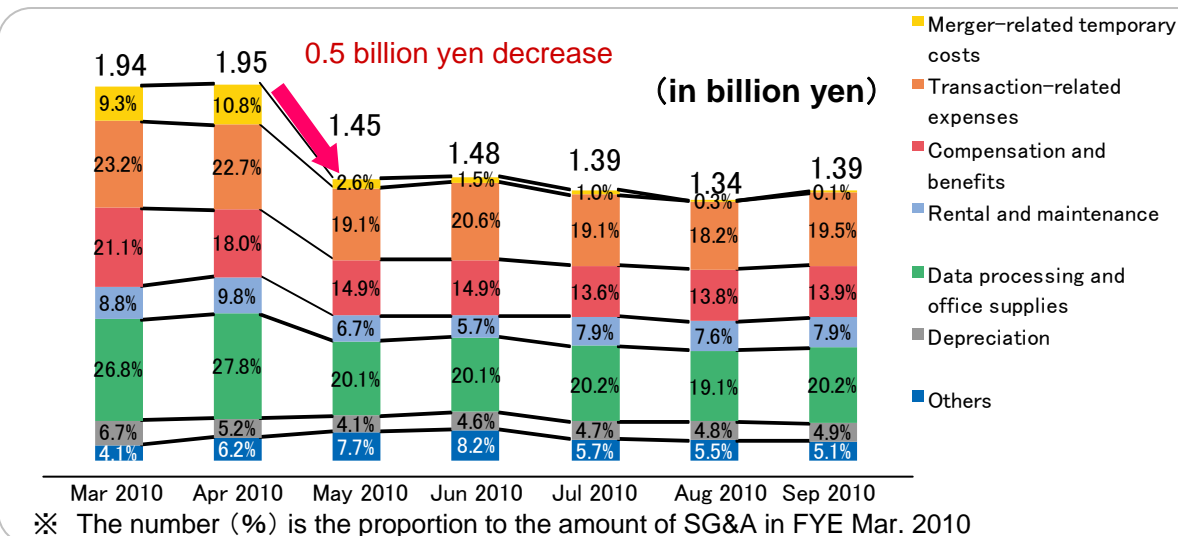
Mid/long-term (5yrs time span)



Moved up overseas business revenue contribution, positioned as mid-term strategy

Short-term Strategy: Cost Reduction and P/L Impact after the Merger

Monthly Trend of Cost Reduction (SG&A)



- ◆ The total amount of Compensation and benefits and system related costs in May 2010 reduced approximately 0.29 billion yen from that of April 2010 due to the merger of Monex, Inc. and ORIX Securities as of May 1, 2010
- ◆ 3.5 billion yen of running costs is expected to be reduced in total on an annual basis after the merger
- ◆ Others include amortization of goodwill related to the integration

Temporal Costs due to integration

	1H of FYE Mar. 2011(actuals)	In and after 3Q of FYE Mar. 2011(forecast)
SG&A	320 million yen • Depreciation of Systems of Ex-ORIX Securities (Ex-OS) • Office rental expense of Ex-OS • Marketing Expense for the integration campaign	30 million yen • Account integration cost of Ex-OS
Extraordinary loss	1,140 million yen • Data transfer expense of Ex-OS • Delivery cost of ID, password, and terms & conditions at the merger • Contingency system back-up expense of Ex-OS • Pension related cost of Ex-OS • System cancellation cost of Ex-OS • Office restoration expense of Ex-OS	

- ◆ 30 million yen of the merger-related temporary SG&A and 20 million of merger related extraordinary loss is included in the 2Q of FYE March 2011.
- ◆ 30 million yen of the merger-related temporary costs is forecasted in and after 3Q of FYE March 2011. Total temporal costs is forecasted to be 1.49 billion yen in FYE March 2011.

Mid-term Strategy: Overseas Business Development

■ Achievements and future plans for overseas business development

◆ Acquiring BOOM Group in Hong Kong, Asia's global financial center



- **Announcement of the Acquisition Agreement**
We announced the signing of the acquisition agreement of BOOM Group, Hong Kong based on-line brokerage company group, on July 27th.
- **BOOM Group Overview**
Boom Group offers stock trading in 12 markets, margin trading in 5 markets such as HK and US. The group has 11,000 accounts with balance and USD 719 million assets in custody as of September end.
- **Deal Closing**
The acquisition is expected to complete by the end of this year after HK SFC's approval.
- **Business Plan**
We plan to increase the capital of the group using funds from the public offering this month in order to expand margin trading and strengthen trading system and hiring.
- **Target Customers**
BOOM Group's business is global - more than half of the customers are from outside of Hong Kong. We aim to bring in new customers globally, especially from Asia.
- **Synergy with Monex, Inc.**
Hong Kong is rapidly growing as the offshore market of RMB. We will develop RMB related products for the customers of Monex Inc. We also consider internalization of trade executions at Japan and HK markets.
- **Business Expansion in the Future**
We will explore the feasibility of adding FX trading and underwriting business in Hong Kong in the future.

◆ Achievements in mainland China

▪ Opening Beijing Rep. Office of Monex, Inc.

CSRC approved the set up of Monex, Inc. Beijing Rep. Office on August 24th. We are processing registration application to SAIC (State Administration for Industry & Commerce). We plan to start Japan-Hong Kong-Beijing operation within this year.

We plan to offer high return China-related financial products/Hong Kong market products to customers both in Japan and Hong Kong.

Beijing Rep. Office of Monex, Inc., as the only representative office of retail on-line brokers in the world, we hope to contribute the development of on-line brokerage business in China.

We aim to develop securities business in mainland China eventually.

▪ Building Collaboration with Big Chinese Securities Firm

We plan to offer analyst reports from one of leading Chinese securities firms, China Securities Co., Ltd. to customers of Monex, Inc.

▪ JV in Beijing: BaiFor (百富睿通投資顧問有限公司) – Financial Education (Training) Services in China



Development of online training system platform and related software, etc. for the launch of services in progress.

Mid/Long-term Strategy: Intelligence Infrastructure

■ “Intelligence Infrastructure”

Creating a new value by financial intelligence & IT

Give market information and education to customers

- Chief Economist N.MURAKAMI, Monex, Inc.
- Chief Strategist T.HIROKI, Monex, Inc.
- Market Analyst T.KANAYAMA, Monex, Inc.
- Financial Education: S.NAITO, Monex University

Provide advice tools based on the latest financial technology

- Providing suitable advice to customers with various goals and properties through online tools



Intelligence Infrastructure to strengthen revenue base

- Advice to improve investment return and risk management
- Advantage in gathering asset and strengthen trading

■ Market visualizer “MONEX Industry Map”



Function: Visual view of the whole market and the market value of each stocks, and the fluctuation of the market graphically. It can be the best tool for you to analyze and capture the behaviors of the stock market.

released on Aug. 27, 2010

- ⇒ Offering investment advisory to the customers who don't have accounts on Monex, Inc. for popularity

■ Portfolio management advice tool “MONEX VISION”



released on Oct. 1, 2010

Function:

- 1) Classifies your assets into eleven classes and provides analysis and some advice.
- 2) Evaluate your assets compared with target portfolio. Also possible to reflect Monex's market view on the target portfolio.
- 3) Advices them the best asset class or mutual fund, when buying additional assets.

Status: Beta versions released in Jan. and March 2010. Improved by feedbacks among about 1,400 monitors.

Monex, Inc.'s customers can use this tool free of charge. The number of users exceeded 10,000 in only one week.

- ⇒ Enabled to input assets deposited outside. By this function, Monex will take measures for marketing to gather external assets.

■ Technical trading analysis tool “MONEX SIGN”

Function: Technical analysis, buying/selling trend analysis

Status: Following beta versions in April and August 2010, we are developing next version based on feedbacks by users.

- ⇒ To create more investing opportunities for customers, and to contribute to activate the market

Capital Strategy: Strengthening for Overseas Business Development

■ Public offering of new shares and secondary offering by a major shareholder

◆ Offering Overview (announced on Sep 21, 2010)

- Issue price of this offering: 23,745 yen per share (Price determined on Oct 4, 2010)
- Public offering: Issued 140,000 new shares (4.7% dilution) Total amount paid to Monex Group: 3.16 billion yen
- Secondary offering by Citigroup Japan Holdings Corp. (“CJH”): 480,000 shares; about 16% share holding before this transaction (In addition, up to 69,750 shares may be sold by way of over-allotment.)

◆ Offering Result

- Strong demands from domestic retail and institutional investors and overseas institutional investors (excluding US and Canada)

■ Purposing aggressive overseas business expansion by this financing

◆ Use of the raised capital

- Mainly to be used for investment and loans to Boom Group
Boom Group plans to spend for system investment to enlarge margin trading business and for its working capital.
- Financing by public offering, positioning the current stage as the first substantial development of our overseas business.

◆ Policy of capital strategy and shareholders return

- Aim aggressive shareholders’ return from the earnings from this investment.
- Aim to avoid dilution for existing shareholders in this size of capital needs

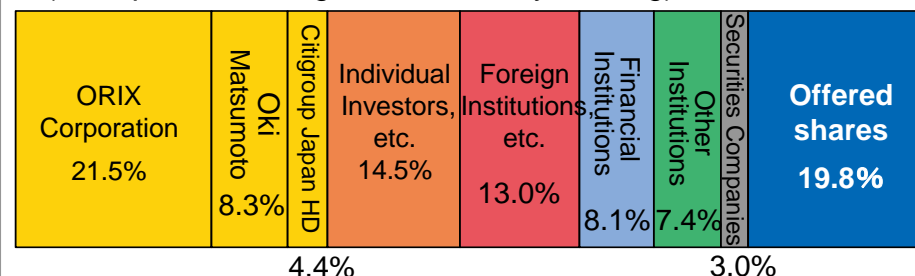
■ Secondary offering by CJH

◆ Back ground of secondary offering

- Percentage of voting rights held by CJH will be 4.4-2.1%, which will be fixed after the syndicate cover transaction, Nov 5, 2010.
- Citibank Japan Ltd., a member of CJH’s group, and the Monex Group keep discussing collaboration possibility in the retail financial services
- Expecting to improve liquidity of the share of Monex Group

◆ Major shareholders and share distribution

Total number of issued shares as of Oct 13, 2010
(After public offering and secondary offering): 3,131,120 shares



*Added shares of public offering and secondary offering of this transaction to the shareholder’s allocation registered as of the end of Sep.

1. Financial Results

2. Strategies

3. Businesses

4. To our Shareholders

Breakdown of Net Operating Revenues

■ 1H of FYE Mar. 31, 2011 (6 months: from Apr. 2010 to Sep. 2010)

(in million yen)

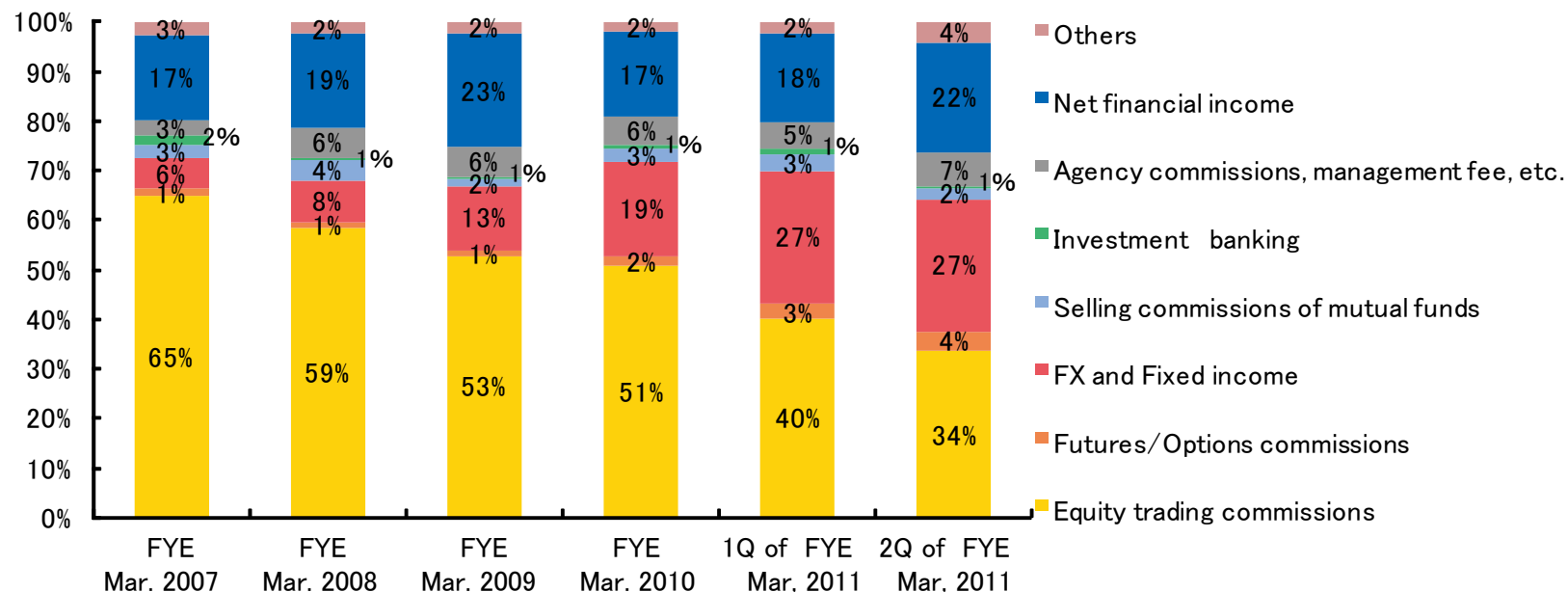
Business category	Revenues from “stock”	Revenues from “flow”	Total	%	Refer to
Equity	Net financial income 2,228	Cash trading commissions 2,396 Margin trading commissions 1,706 Others 117	6,449	57%	p.28
Derivatives		Futures/Options commissions 370	370	3%	p.29
FX business	—	Net trading gain 2,816 FX trading commissions 395	2,816	25%	p.30
Managed asset	686 (Agency commissions, management fee, etc.)	322 (Selling commissions of mutual funds)	1,009	9%	pp. 31・32
Fixed income	—	209	209	2%	p.33
Investment banking	—	87	87	1%	p.33
Total	2,915	8,027	10,943	97%	
Others			335	3%	
Net Operating Revenues			11,279	100%	

Revenues ratio from “stock” and “flow” are 26% and 71% respectively

We aim to increase the ratio of revenues from “stock”, as revenues from “flow” are largely affected by market conditions

Change of Revenue Structure

Change of revenue structure by business category (Net Operating Revenues)



◆ Lower dependency on equity trading related business (*1)

Down to 60% on 2Q of FYE Mar. 2011 from 83% on FYE Mar. 2007

◆ Enhancement of FX business

Boosted customer services and provided stable trading environment. As a result of acquiring Monex FX, FX trading related profit was successfully taken within the Monex Group.

The profit structure got more diversified, as profit from FX increased to 25% on 2Q of FYE Mar. 2011 as opposed to 6% on FYE Mar. 2007

◆ Proportion of the profit from “stock”(*2) increased

Even though the profit from “flow” decreased due to the stock markets downturn, the profit ratio from “stock” gradually increased to 29% on 2Q of FYE Mar. 2011

(*1) equity trading related business: Equity trading commissions + Futures/Options commissions + net financial income

(*2) profit from “stock”: Agency commissions, management fee, etc + net financial income

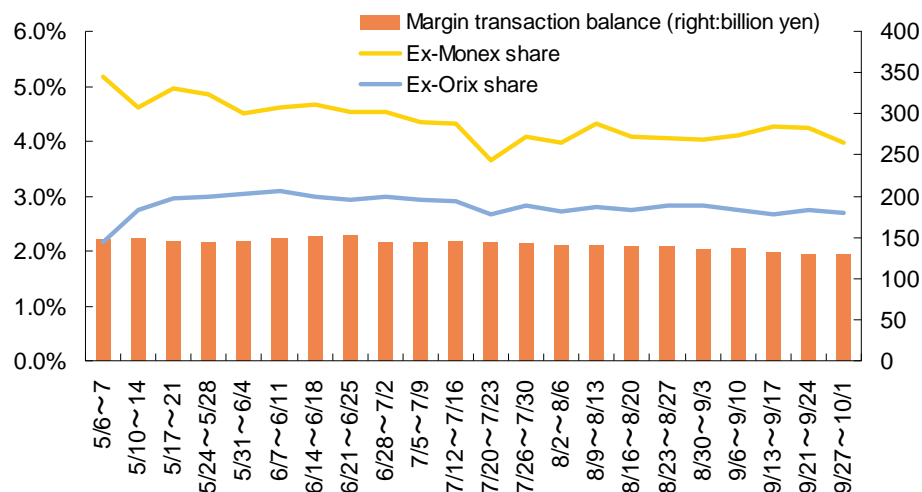
Equity Business

Stock

◆ Keeping margin trading customer base

- Keeping customer base of Orix Sec. (OS)
- Enhanced campaigns and investment supporting information.

Market share of Ex-Monex account and the Ex-Orix account after the merger
(2010/5/6~10/1: Weekly)



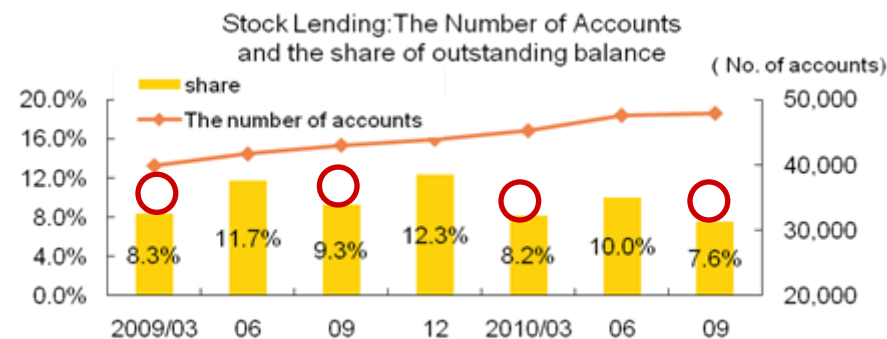
◆ Supporting investment with reports and tools

- Offering substantial types of reports. (Macro economic analysis, industry & corporate analysis, investment strategies, etc.)
- Inducing customers to login and trade, by approaching with reports of their stocks via website and emails.
- Upgraded trading tool "Monex Trader" in Aug., 2010.
- Released original investment tools "MONEX VISION β" and "MONEX SIGN β".

Stock Lending Service

◆ Aim to increase accounts by service improvement

- Number of the accounts constantly increasing.
- Outstanding balance from ex-OS accounts rose from 3.5% (Jun., 2010) to 5.0% (Sep., 2010).
- Introduce new service in November.



○ Decline due to closing date of shareholders' benefit registration

Future Plan

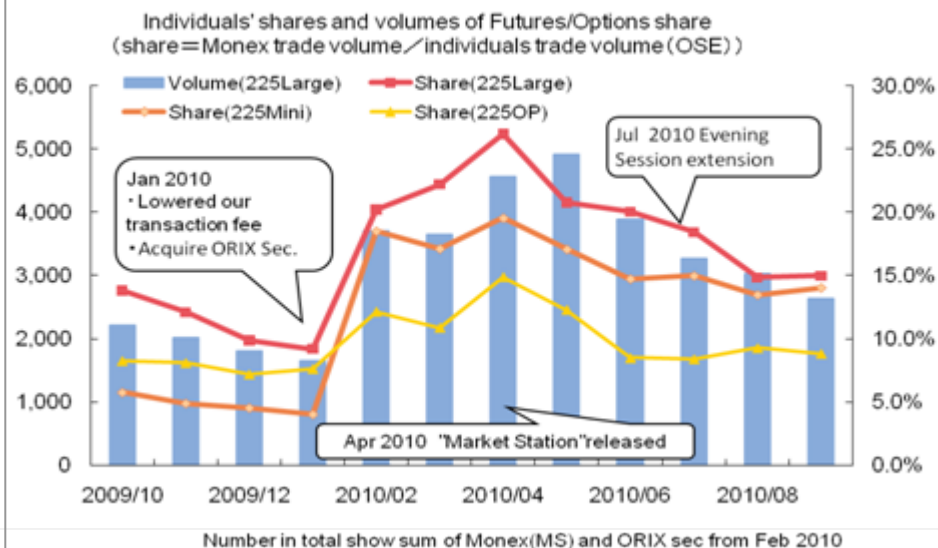
- Start "Co-Location" Service in November 2010. "Co-Location" service will enable Monex to receive market quotes from TSE quicker by locating our devices at TSE data center.
- Introduce our products to clients more efficiently via website and emails.
- Application for iPhone will be released in February 2011, Android app in March, 2011.

Derivative Business

■ Futures/Options

◆ Lowest commission level in the industry, but market share decreased due to intensified competitiveness

- Continue to provide lowest trading fee within the industry.
- To enhance campaigns and to improve trading tools.



◆ Expand customer base by extending evening session

- Trading volume during the evening session increased more than 50% by our continuous effort to promote “evening session” via campaigns and seminars.
- Expanded our customer base to those who cannot trade in the daytime

■ Exchange (listed) CFDs

◆ The first major online broker to provide “Click kabu 365”

- The first major online broker to provide exchange equity index margin contracts “Click kabu 365” on the day it is to be listed at Tokyo Financial Exchange on Nov., 2010
- CFD for Nikkei 225 index will be traded at the Tokyo Financial Exchange for almost 24 hours.

■ Future Plan

◆ Improving trading tool

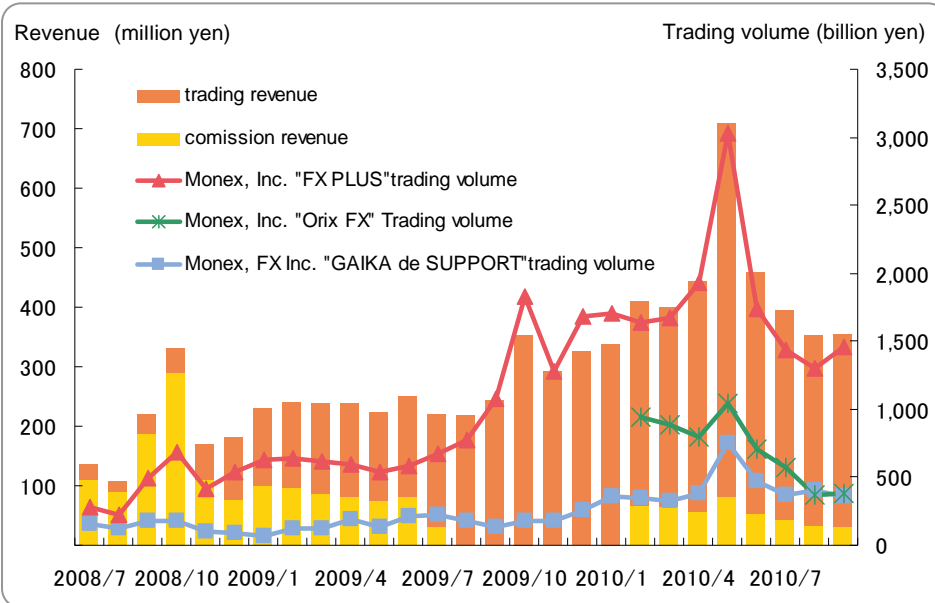
- Future trading function of “Market Station”
 - Made free of charge constantly
 - The repayment order can be done more easily (Oct., 2010)
 - Speed improvement on the order. (Oct., 2010)
- Mobile trading devices
 - Continuously upgrading mobile trading devices

◆ Increase more “active” traders

- Increased upper order limit from July, 2010.
- Requirements for opening Futures/Options account has been eased from September, 2010.
- Carry out a fee cashback campaign from October 2010 to new customers of Futures / Option.

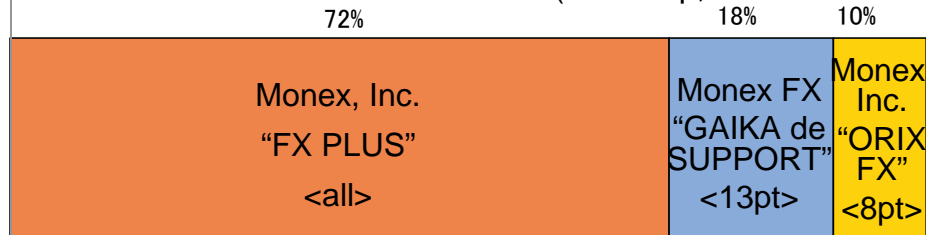
FX Business: Expanding profit on a growing market

Expanding trading profit at a good rate



Ratio of revenue from orders of leverage rate 1:25

◆ Ratio of revenue from FX business (Jul – Sep, 2010)



※ <Revenue from leverage rate 1:25 or lower>
 Over 90 percent of total FX business revenue is generating from leverage rate 1:25 or lower, assuming impact from leverage regulatory is going to be limited

Monex, Inc

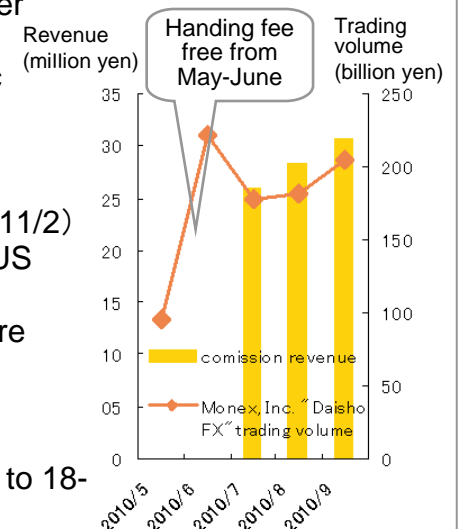
◆ Monex, Inc. "FX PLUS"

- Planning to add new type of order "trailing order" (2010/11)
- Schedule to introduce high-spec trading software "Monex Joo (tentative name)" (2010/12)
- Planning to release trading application for Smartphone (2011/2)
- Integrate ORIX FX on to FX PLUS (2011/2)
- 3rd enhancement of infrastructure (2011/3)

◆ Monex, Inc. "OSE FX"

- Number of account has been increased, order volume reached to 18-26 percent of total OSE order

OSE FX: Trading volume



Monex FX, Inc

◆ Monex FX, Inc. "GAIKA de SUPPORT"

- Held "FX appli demo trading contest" in collaboration with Diamond ZAI, more than 2,000 participants (2010/10)
- Planning to add new automated order tool "Sys-tre maker" on to "Monex Joo" (2010/11)
- Planning to release trading application for Smartphone (2011/2)



Mutual Fund Business

Strengthen product lines and services to expand mutual fund asset

- ◆ Increase in sales of foreign currency MMF due to sales campaign with commission cash back (Jul.-Sep. 2010)
Total amount of foreign currency MMF sold: 5.5billion yen (86.4% up from 2Q FYE2010)
Total outstanding of foreign currency MMF: 32.9billion yen (22.5% up from end of Sep.2009)
Total outstanding of mutual funds: 248.6billion yen (27.3% up from end of Sep.2009) (*Outstandings are as of end of Sep.2010)

- ◆ Expanding products in different categories
Added 23 funds, including Indonesian, South African and Japanese domestic bonds. (261 funds in total as of Sep 2010)

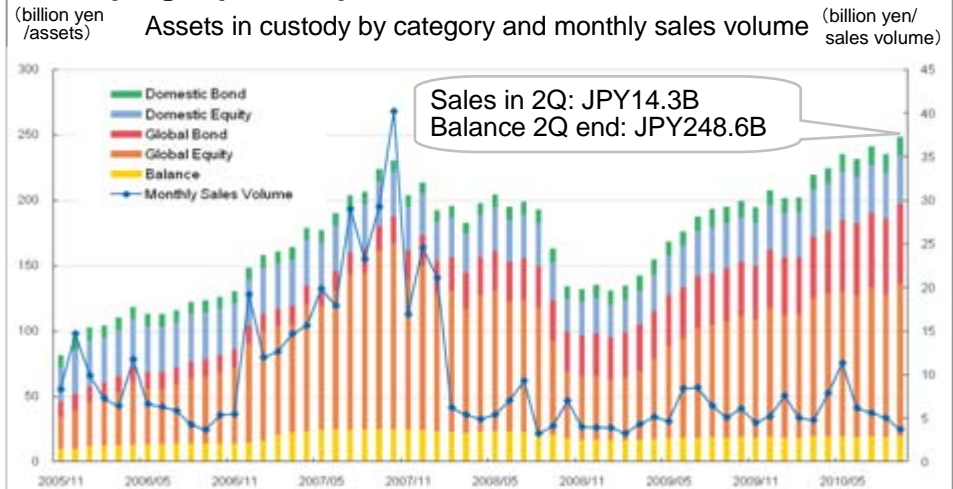
- ◆ Improving automatic reserving service via bank account
 - Customers are able to apply via website “instantly”.
 - Plan to add Mitsubishi Tokyo UFJ Bank, Sumitomo Mitsui Banking Corporation in addition to Mizuho Bank and Rakuten Bank by early December.

Future measure

- ◆ Enable our customers to create better portfolios through “MONEX VISION” so that we could promote fund transfers from other online brokers.
- ◆ Increase in sales of our funds by further introducing new products in different categories.

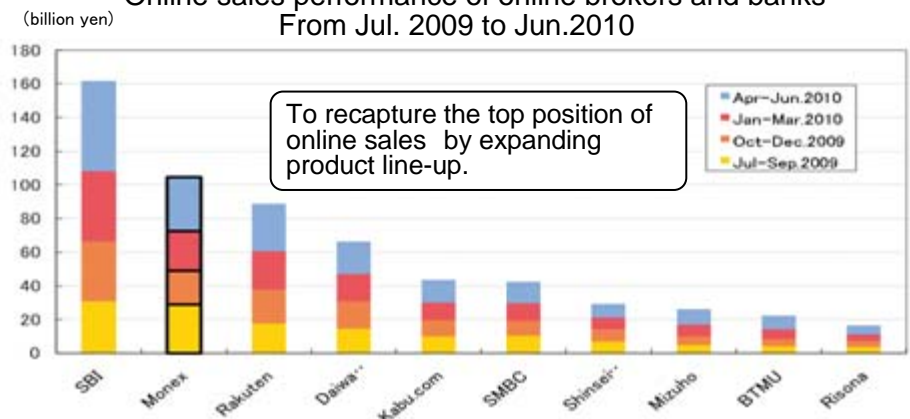
Top-class online mutual fund sales

Keeping top-class position in online mutual fund sales



※Total Assets in custody: MRF excluded ※Sales volume: Sum of equity mutual fund sales

Online sales performance of online brokers and banks From Jul. 2009 to Jun.2010



※Sales volume: Sum of mutual fund sales including MMF
Source: Kinzai Institute for Financial Affairs, Inc.

Alternative Investment Business

■ Institutional mandates exceed JPY 5 billion

MAI Monex Alternative Investments, Inc.
 URL: <http://www.monexai.com>

◆ **MAI has been awarded milestone repatriation mandates**

- Mizuho Trust Bank distributes MAI Global FOF to pension funds
- Pension funds, who have been outsourcing alternative investments out of Japan, now repatriate back to MAI FOF : Fund of Funds

■ Performance of individual product is on track

◆ **Multiples of PE Investments in PH 2007 are recovering**

- Multiples of two PE (Oaktree & Carlyle Asia) are above 1.0
- Added two distressed HF (Wexford & Fortelus)
- Aim faster recovery through investment in distressed assets

Fund name	Type	Strategy	Area
1. Carlyle Asia Growth Partners IV	PE	growth	Asia
2. Partners Group Secondary 2008	PE	secondary	Global
3. Robeco Clean Tech PE II	PE	clean tech	Global
4. Oaktree European Principal II	PE	distressed	Europe
5. Wexford	HF	distressed	Global
6. Fortelus	HF	distressed	Europe

PE : Private Equity Funds, HF : Hedge Funds

■ Twin engines; individual and institutional

◆ **Global FOF: Institution trust MAI records of individual**

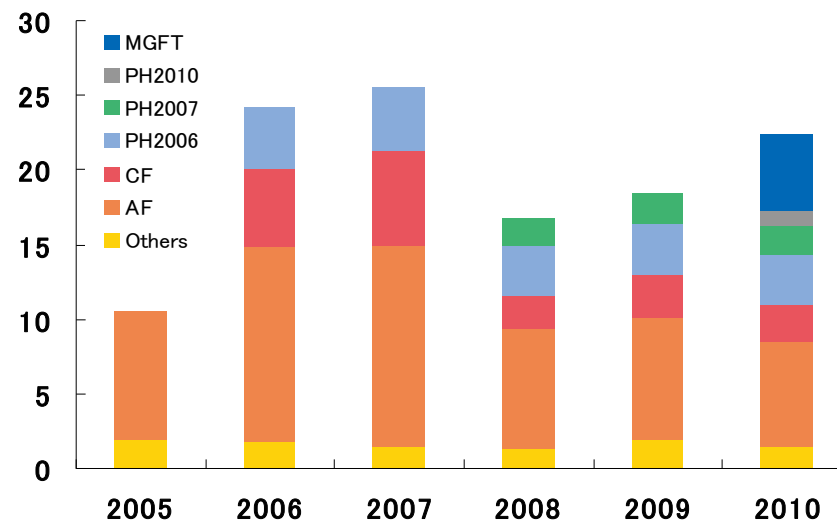
Investor	Fund nickname	Portfolio assets	AUM
Individual	Asia Focus	HF of Japan and Asia	¥6.0billion ¹
	China Focus	China A, HK & Taiwan share	¥2.5billion ¹
	PH2006	Global FOF and PE	¥3.4billion ¹
	PH2007	Global FOF, PE and HF	¥1.8billion ²
	PH2010	Global FOF and HF	¥1.0billion ²
Institution	MGFT	Global FOF	¥5.1billion ³

PH : Premium Hybrid, MGFT : Monex Global FOF Trust

Note 1 : as of September 30, 2010, 2 : August 31, 3 : October 1

◆ **Institutional engine has begun to generate power**

¥ billion



AF : Asia Focus, CF : China Focus, 2010 figure is as of October 1

Fixed Income/R&D /Investment Banking Business

■ Fixed income Business

◆ Expansion of products & services to meet investor needs

Succeeded in facilitate the inflow of the redemption money to:

- New issue bonds
- Sold SRI topical bond
 - e.g. “Clean Energy Bond”(issued by Asian Dev. Bank)
- Sold structured bonds for investors seeking return on proportionate risk – “Nikkei linked note”
- Stable sales of “Monex Short-term Notes” to 25th series
 - Total sales amounted to 97.4 billion yen since June 2007
- Services for issued bonds
 - Various type of currencies and terms to maturity
 - Promotion of investors’ rolling over of redemption money for another bond

■ R&D by Trade Science Corporation (TS)

◆ R&D of the Algorithm-based asset management service

- Has hosted an open platform of a trading algorithm (*Kabu-robo* Contest), and provides investment advisory service for the mutual fund, using highly performing *Kabu-robos* which has continuously been improved by research activities.

◆ R&D of the investment tools

- Developed advanced FX trading tool “Monex Joo” for Monex FX a year ago, and to increase the exposure by introducing it to Monex, Inc. by the end of this year.
- Planning to launch the new service that enables the retail FX customers to auto-trade based on the buy/sell signals

■ Investment Banking Business

(Monex, Inc.)

◆ Domestic IPO Underwriting, Financing and IR

- In 2Q, participated in 2 IPOs and as a result we participated in 4 IPOs out of 9 in this FY. Also, participated in PO of Mizuho Financial Group.
- Online IR service is strengthened

◆ Global IPO and cross-border investment banking

- Plan to make alliance with Boom Securities to realize IPO of Japanese companies to Hong Kong or other Asian markets.
- Also plan to underwrite global bond issuance in multi currencies including Chinese RMB.

◆ M&A (Monex, Inc./Monex Hambrecht, Inc. (MH))

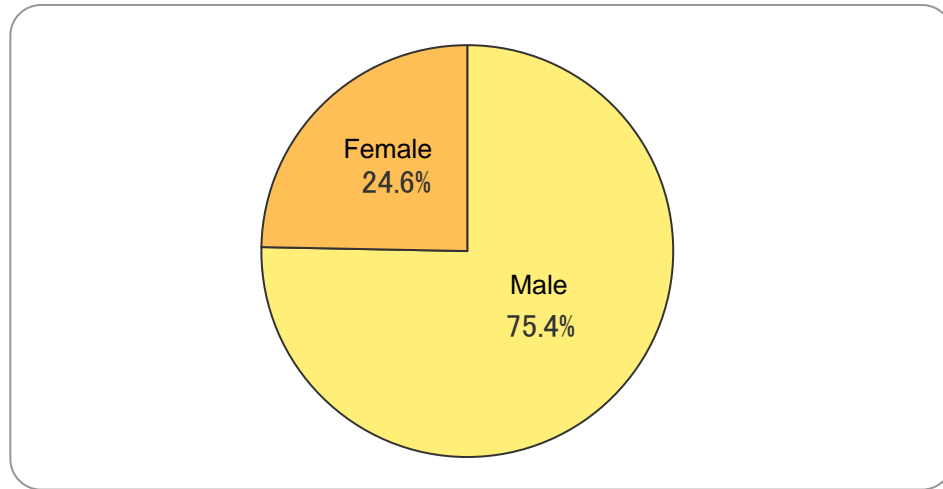
- Won mandate of multiple additional deals and execution processes are going on for those deals.
- Information technology, healthcare sector deals are increasing. Cross-border deals between US, Japan, China are also increasing.

◆ Efforts for implementation of Open IPO®(MH)

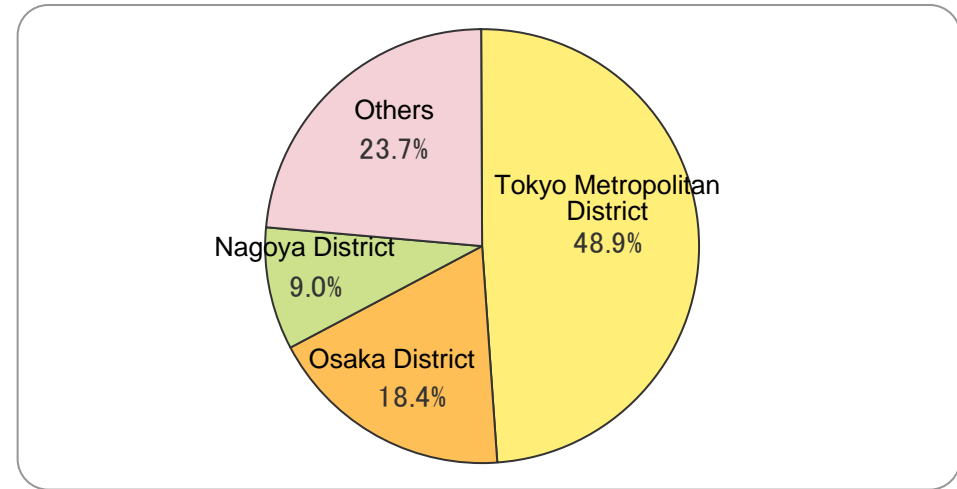
- Inquiry from capital market people are increasing, thanks to the discussion paper and newspaper articles.
- Cooperating with WR Hambrecht +Co and proposing OpenIPO® for privatization in Japan.

Customer Portfolio of Monex, Inc. (1,283,440 accounts as of the end of Sep., 2010*)

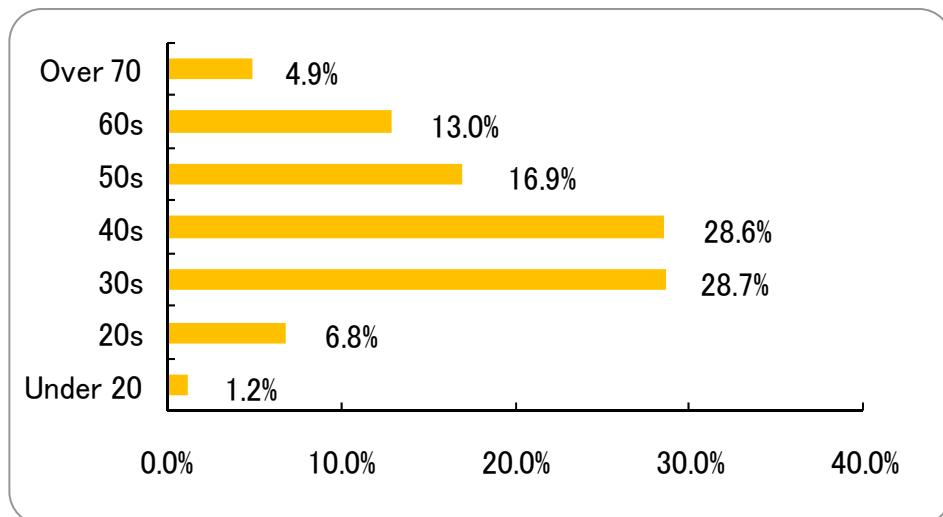
■ Sex



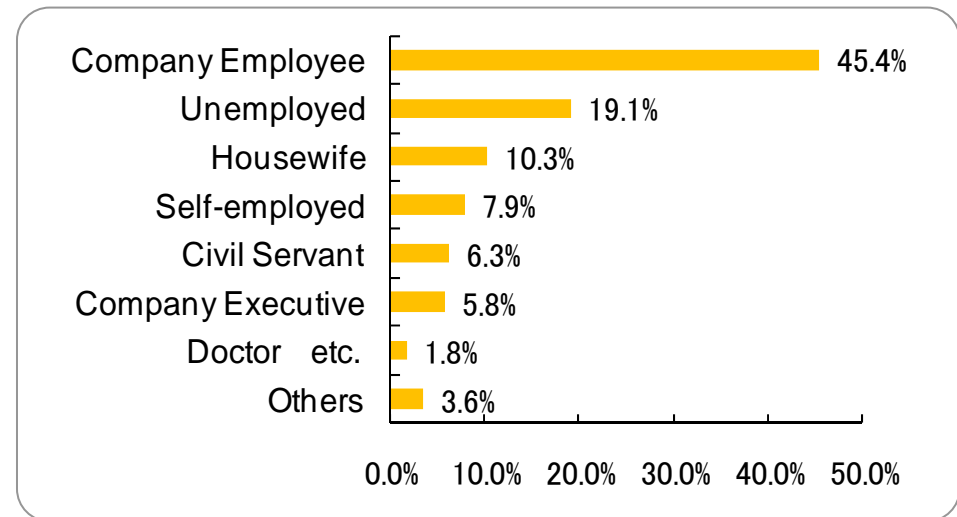
■ District



■ Age



■ Occupation



*This number is the sum of Monex, Inc.'s. and ex-ORIX Securities, including approximately 100,000 duplicate accounts as of Sep. 30th

1. Financial Results

2. Strategies

3. Businesses

4. To our Shareholders

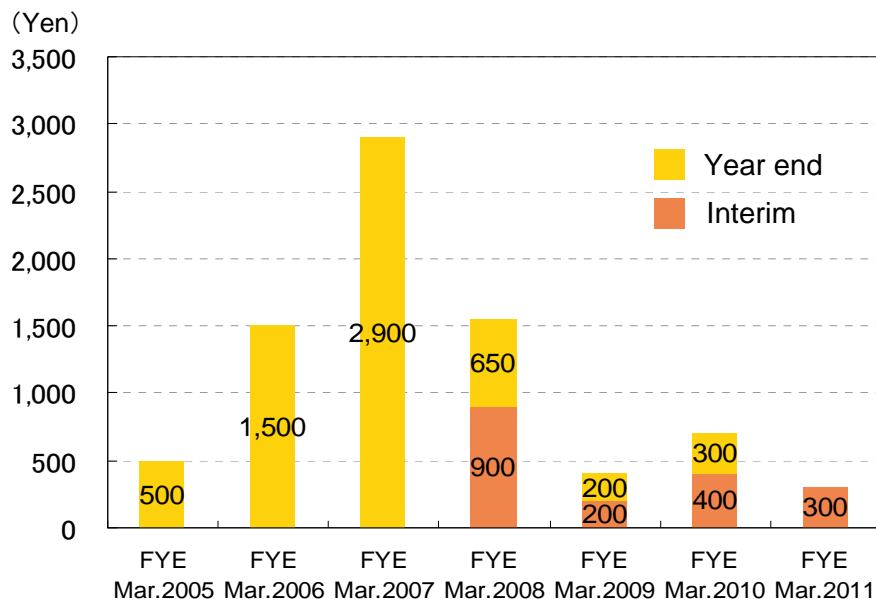
Investors' Guide

■ Pursuing investment returns for our shareholders

◆ Basic policy for shareholder's return

- The Company's policy for shareholder's return is to pay the dividends based on the business performance. The payout ratio is generally targeted at 50% of consolidated net income of current fiscal year
- Interim dividends to be paid out
- In case the Company has a net loss, the management will consider to pay out a certain amount as dividend, comprehensively examining internal reserves, financial condition, business environment and business plan

◆ Dividend record



◆ Major shareholders and share distribution

Total number of issued shares as of end of Sep. 2010: 2,991,120 shares

ORIX Corporation 22.5%	Citigroup Japan Holdings Inc. 20.6%	Matsumoto Oki 8.7%	Individual Investors, etc. 15.2%	Foreign Institutions, etc. 13.6%	Financial Institutions 8.5%	Other Institutions 7.8%	Securities Companies 3.2%
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*Refer to p.24 regarding share distribution image after financing in Oct. 2010

◆ Corporate Governance

Secured 5 independent directors and auditors out of 14 board directors and auditors

- 4 independent directors (3 external) out of 10 board directors
- 2 independent auditors (2 external) out of 4 auditors

Disclosure about Remuneration for Board Directors

The total amount of board directors' remuneration is within the limit resolved at the General Meeting of Shareholders and the contents of the remuneration consists of a fixed portion and a performance-linked portion which fluctuates depending on the consolidated net income. The Company established Remuneration Committee consisting of external and independent board directors in order to discuss its substantial contents. External directors receive only a fixed amount of remuneration because of the importance of their having a position independent from business execution in their supervisory functions.