

Note: *This material is an English translation of a Japanese announcement made on October 21, 2004. Although the Companies intended to faithfully translate the Japanese document into English, the accurateness and correctness of this English translation are not guaranteed and thus you are encouraged to refer to the original Japanese document. The announcement was made as a matter of record only.*

October 21, 2004

To Investors and Customers:

Monex Beans Holdings, Inc.
Asuka Asset Management, Ltd.

Announcement of Establishment of New Company
For Alternative Investment Product Planning and Management

This announcement is made to inform you that today Monex beans Holdings, Inc. (MBH) and Asuka Asset Management, Ltd. (Asuka) have agreed to jointly establish a new company named "Monex Alternative Investments, Inc." (MAI) which will run alternative investment product planning and management.

In recent years, with the expansion of global capital markets and the development of new financial technologies, more attractive risk-return profile investment instruments other than traditional investment products have been introduced. Under these circumstances, alternative investments, especially known as a hedge fund, became more widely available and expanded their market sharing, but so far they are mostly offered to institutional investors. However, due to a) termination of governmental guarantee of saving deposits, b) scheduled pension system reformation and planned revision of tax laws on retirements benefits, and c) lower yield rate of interests and so on, we believe that investment needs of individuals to be offered of alternative investments is more and more increasing. This newly established company, MAI, will plan and manage alternative investments and offer them to individual investors extensively.

Through MAI, MBH's practical skills to supply investment services and products for individual investors, and Asuka's global high standard investment expertise will be integrated to provide wholly new investment services and products for individual investors. By offering alternative investments to all investors continuously, MBH group will realize its differentiated services against our competitors and will place its alternative investment business as a new source of revenues, in addition to stock brokerage commission business. Asuka will take a leading position in the Japanese investment management business by promoting services and products of the alternative investments for various investors.

Outline of New Company

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| (1) Company Name | : Monex Alternative Investments, Inc. |
| (2) Representative | : Shinobu Naito (Manager, Asset Planning, Corporate Planning, CEO Office, Monex, Inc.) |
| (3) Address of Head Office | : 11-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo |
| (4) Shareholders | : Monex Beans Holdings, Inc. (51%) : Asuka Asset Management, Ltd. (49%) |
| (5) Capital | : 40 Million Yen |
| (6) Business Purpose | : Planning and Managing Alternative Investments Products |

(English Translation)

<For Reference >

(a) Outline of Monex Beans Holding, Inc.

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| (1) | Company Name | : Monex Beans Holdings, Inc. |
| (2) | Address of Head Office | : 11-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo |
| (3) | Representative | : Representative Director, CEO - Oki Matsumoto |
| (4) | Capital | : 8,800 Million Yen |
| (5) | Major Shareholders | : Sony Corporation Nikko Cordial Corporation Oki Matsumoto |
| (6) | Total Customers' assets in custodies of two subsidiaries (Monex and Nikko Beans) | : 1,318 Billion Yen (as of September 30, 2004) |

(b) Outline of Asuka Asset Management, Ltd.

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| (1) | Company Name | : Asuka Asset Management, Ltd. |
| (2) | Address of Head Office | : British Virgin Islands |
| | Address of Japanese Branch | : 3-4, Akasaka 2-chome, Minato-ku, Tokyo |
| (3) | Representative | : CEO - Mamoru Taniya |
| (4) | Capital Brought into Japan | : 810 Million Yen |
| (5) | Shareholders | : Mamoru Taniya, and other 3 shareholders |
| (6) | Business Purpose | : Investment advisory and discretionary asset management |
| (7) | Asset Under Management | : 59.3 Billion Yen (as of October 1, 2004) |

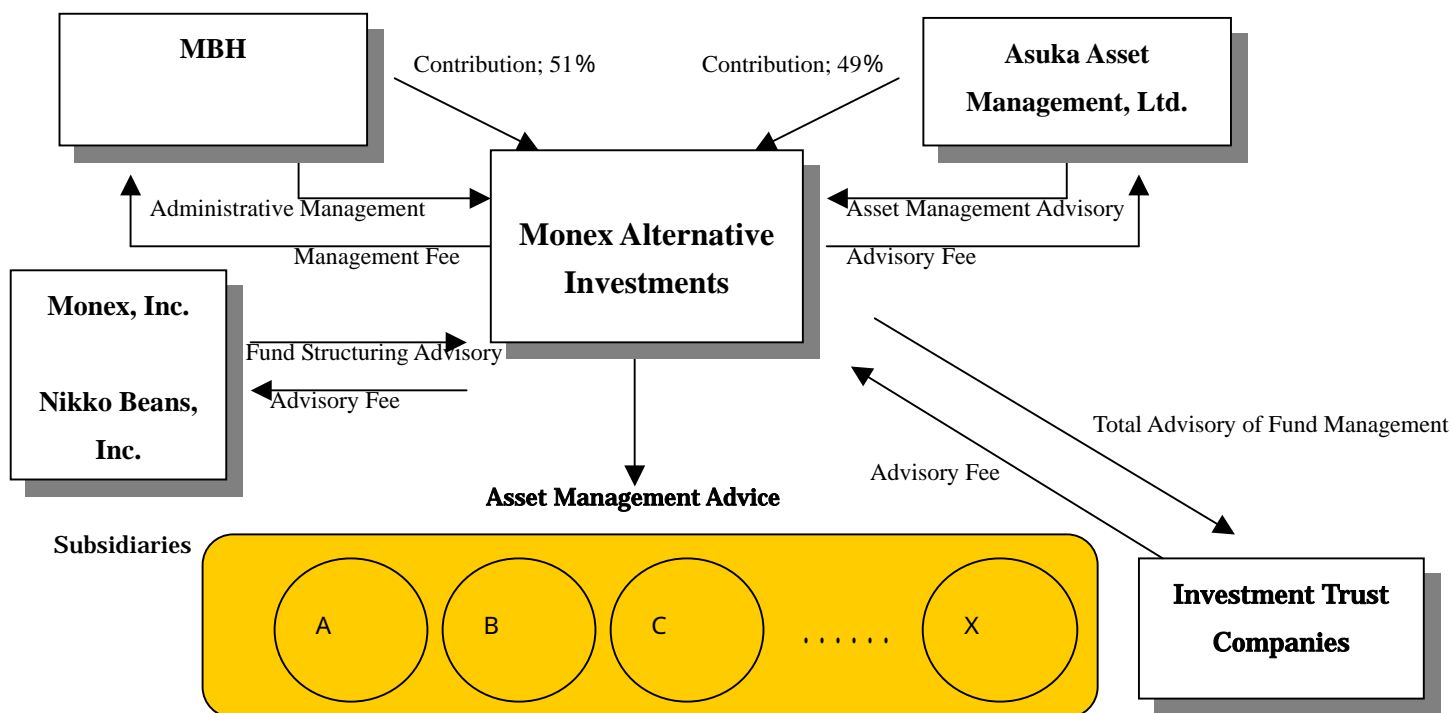
[Asuka Reference]

The former of Asuka had been a core office in Japan for Tudor Investment Corporation (Tudor), known as a U.S. mega hedge fund, until business partners of Asuka made management buy-out and renamed it Asuka Asset Management, Ltd. in July 2002. As an investment advisory and discretionary asset management business, "Asuka Japanese Equity Long Short Fund" and "Asuka Opportunities Fund" started in September and October 2002, respectively. Asuka's managements were heading both for equity and fixed income proprietary trading division in Salomon Smith Barney Securities Tokyo Branch (1997-1998). After leaving Salomon, they participated in setting up Tudor Japan and ran alternative investment operation for two and half years (1999-2002). Through those highly distinguished experiences in both of traditional and alternative investment, Asuka management is endowed with a) highly sophisticated information sourcing and analytical capabilities based on Japan, and b) global networks based on its achievements of investment banking business and hedge fund business.

[Alternative Investments]

This means investment with technical skills, including 'Venture Capital (VC)', 'Hedge Fund', 'Private Equity (PE)', 'Real Estate Fund' and so on, those are different from traditional methods of stock and bond investments. In the United States, alternative investments have been offered to institutional investors and wealthy classes extensively, after 80's. With the advancement of investing infrastructure in 90's, they increased explosively. Also in Japan, they were introduced as a new investment product, especially a hedge fund from overseas, in the latter of 90's. On and after 2000, a lot of 'Japanese Hedge Fund', 'PE' and 'Real Estate Fund' have been offered in Japan. In the point of global market, 7,000 and more hedge funds have been set up, and even in Japan it has reached up to 3-4 trillion yen due to 1) Rapid increase of 'PE' and 'Real Estate Fund', and 2) Revival of 'VC' with an economic recovery in Japan.

Supplemental Explanation



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