

**Note:** *This material is an English translation of a Japanese announcement made on October 28, 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. This translation was made as a matter of record only and does not constitute an offer to sell or the solicitation of an offer to buy the securities in the U.S.*

October 28, 2004

To Investors and Customers:

Monex Beans Holdings, Inc.

Announcement of Launching New Fund “Monex Fund of Funds I”

This announcement is made to inform you that Monex Beans Holdings, Inc. (“MBH”) will enter into alternative investment business and launch a pilot fund, “Monex Fund of Funds I” (“the Fund”). The Fund form will be “Silent Partnership” (Tokumei Kumiai), and the general partner will be “Monex Capital Partners I, Inc.” (“MCPI”), a newly established subsidiary of MBH. The details are as follows:

1 . Outline of “Monex Fund of Funds I”

- (1) Form : Silent Partnership (Tokumei Kumiai)
- (2) Fund Size : About 1.5-2.0 billion yen
- (3) General Partner (Eigyō-sha) : Monex Capital Partners I, Inc.
- (4) Investment Advisor : Asuka Asset Management, Ltd.  
\*The Advisory Contract between Asuka and MCPI is scheduled to become effective on December 1, 2004.
- (5) Offering Period : November 8 to 19, 2004
- (6) Fund Term : December 1, 2004 to November 30, 2011  
\*The term may be extended up to 4 years at the discretion of the general partner.
- (7) Intermediary (Sales Agent) : Monex, Inc. (“Monex”)

2 . Objectives of the Fund

MBH has established “Monex Alternative Investments, Inc.,” (“MAI”), the first alternative investment products company established by online broker. Through MAI, MBH will offer alternative investment opportunities to individual investors extensively. The Fund was launched as the ‘Pilot Fund’ and it will be offered up to 50 limited investors. MBH plans to introduce large size funds in the next term, and seeks the possibility of introducing investment trust structure to be offered to the broad range of retail investor base in near future.

3 . Features of the Fund

- (1) Alternative Investments  
The Fund will invest in various funds such as ‘Venture Capital Funds’, ‘Distressed Funds’, and so on, based on the advice of Asuka, which is a pioneer of alternative investment managements in Japan.
- (2) Diversification  
The Fund will consist of several funds with different investment features, which bring the risk diversification of the Fund and intend to enjoy the maximum return on investment.
- (3) Pilot Fund  
This ‘Pilot Fund’ will be offered to a limited number of investors. MBH will invite around 30 retail investors and 10 semi-professional investors to the Fund.
- (4) Investment Committee  
Mamoru Taniya, CEO, Asuka Asset Management, Ltd., and Ken Shibusawa, Representative Director, Shibusawa and Company, Inc. will join the committee from outside MBH.

- End-

*(English Translation)*

<For Reference >

**(a) Outline of Monex Capital Partners I, Inc.**

- (1) Company Name : Monex Capital Partners I, Inc.
- (2) Address of Head Office : 11-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
- (3) Representative : Shinobu Naito  
(Manager, Asset Planning, Corporate Planning,  
CEO Office, Monex, Inc.)
- (4) Major Shareholders : 100% Monex Beans Holdings, Inc.  
\* It is scheduled that MCPI will become a wholly owned  
subsidiary of MAI, after the transfer of MCPI shares  
from MBH to MAI.
- (5) Capital : 10 Mil Yen
- (6) Business Purpose : Gatekeeper of 'Fund of Funds'

**(b) Outline of Asuka Asset Management, Ltd.**

- (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 Mil 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)

**(c) Profile of Investment Committee Members**

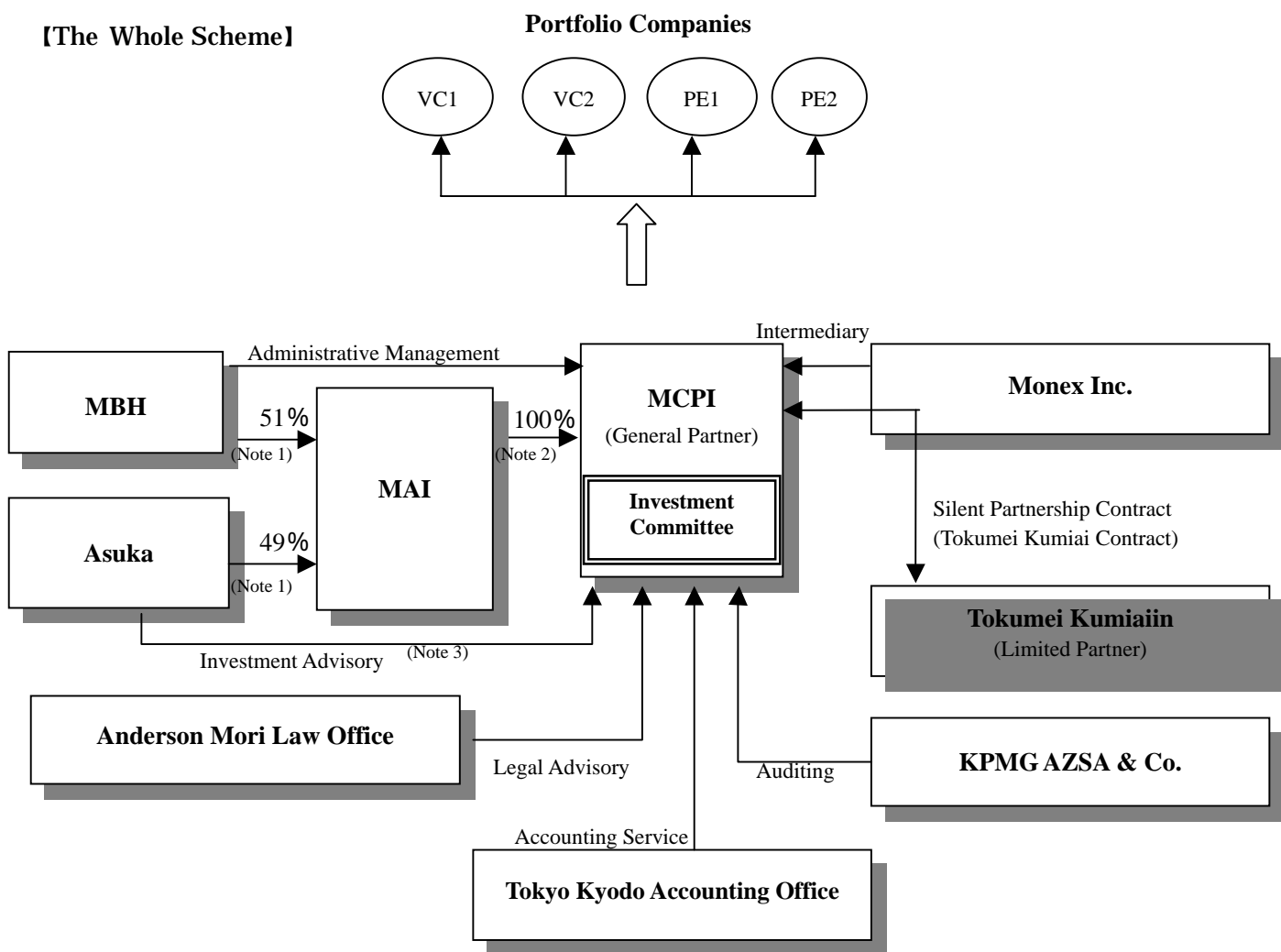
**Mamoru Taniya** : Chief Executive Officer, Asuka Asset Management, Ltd.

In Salomon Smith Barneys Securities (1987-1998), he was a managing director and joint heads of proprietary trading division, which are 'Volatility Trading Desk', the desk for interest rates and equity derivatives, and 'Convertible Bonds and Warrant Arbitrage Desk'. After leaving Salomon, he participated in setting up Tokyo branch for Tudor Investment Corporation, and established a private equity business as a portfolio director in Tudor Capital Japan (1992-2002).

**Ken Shibusawa** : Chief Executive Officer, Shibusawa and Company, Inc.

He runs Shibusawa and Company, Inc., founded in 2001, a consulting firm specializing in alternative investments. Prior to his present position, he was Managing Director Tokyo Office for Moor Capital Management, a leading hedge fund management company, for five years. He also has extensive experience in Japanese equity and fixed income as well as currency options at US investment banks such as Goldman Sachs and JP Morgan. He is also on the Board of Directors at the Shibusawa Eiichi Memorial Foundation, Director of Keizai Doyukai (Japan Association of Corporate Executives), and Visiting Professor of Bunkyo Gakuin University.

**[The Whole Scheme]**



**Note 1 :** As of October 28, 2004, MAI is a wholly owned subsidiary of MBH. MBH will transfer 49% of its shares of MAI to Asuka, soon after.

**Note 2 :** As of October 28, 2004, MCPI is a 100% subsidiary of MBH. After the transfer mentioned above, MBH will transfer all shares of MCPI to MAI, and MCPI will be a 100% subsidiary of MAI.

**Note 3 :** The investment advisory contract between MCPI and Asuka will be effective on December 1, 2004.