

First Japanese Brokerage Company for Dealing Russian Securities Traded in Russia.

ARUJI GATE SECURITIES Inc.



Demand to Russian Equity Love with Japan

**ARUJI GATE SECURITIES Inc.
CEO
Satoshi Konagaya**

Company Profile

First Japanese Brokerage Company registered by FSA of Japan for dealing Russian securities traded in Russia;

Offers brokerage services for trading Russian stocks directly from Russian stock exchanges;

Provides for high level of client services by operating through reliable Japanese and Russian partners;

Uses operational opportunities of Russian stock market in the best interests of Japanese clients;

Main facts:

Registered:

February 2006

Capital: 600 mln. JPY

Activity: Brokerage services

Currency exchange operations

Investment consulting

Investment Funds

Registered by Japanese Financial Services Agency (FSA):

February 2007

Membership of Japanese Securities Dealers Association (JSDA):

February 2007

Licensed activities:

Brokerage, Agent, Intermediary of Securities

Products and Services

Trading Russian Securities in MICEX, RTS and OTC markets:

- Voice trading to Individual Clients
(Online Trading to Individual Clients – coming soon!);
- Online trading to Institutional Clients;

News and Research Support:

- Daily news and analyses of Russian economy, Industries and Companies;
- Daily Russian stock market summary;
- News and research on more than 117 major Russian companies;
- Investment recommendations and consensus forecasts based on research of major Russian and International brokers;

Currency exchange of client funds based on interbank foreign exchange rates;

Trading Russian Exchange traded Mutual Funds (ETFs)

- coming very soon!

Major Russian and Japanese Partners

Japanese banks:

- **Tokyo Mitsubishi UFJ, JSF Trust and Banking**

Japanese Securities Companies:

- **New-S Securities, Ando Securities**

Russian Banks:

- **VTB bank, Solid bank,
Bank of Tokyo-Mitsubishi UFJ (Eurasia)**

Russian Financial Companies

- **SOLID, FINAM, Aruji Management**

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Why Russian companies should pay more attention to Japanese Financial Market?

1. Huge potential of Financial market

Very large amounts of Deposits in commercial banks at virtually no interest

(end of March 2007, *bln. Japanese Yen*)

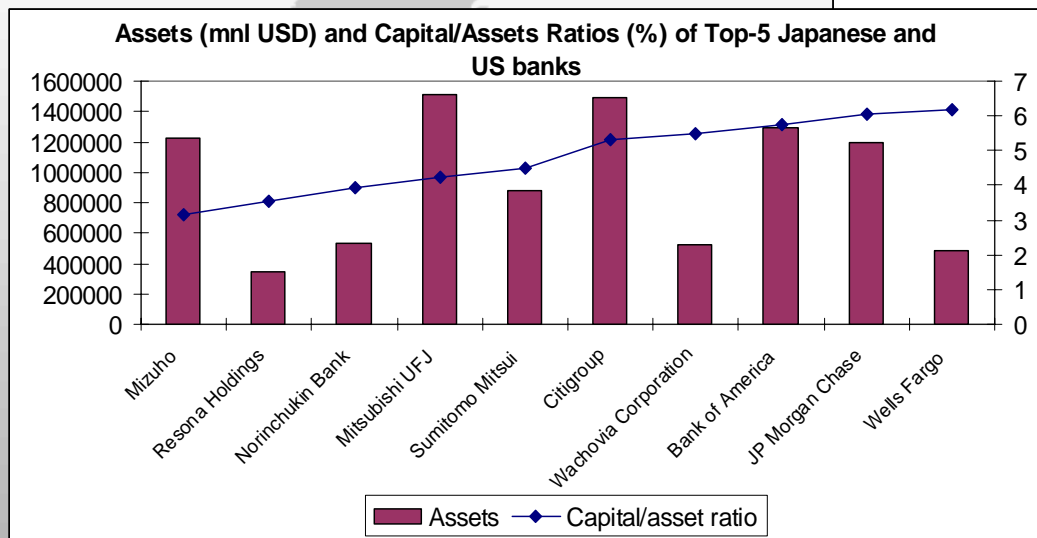
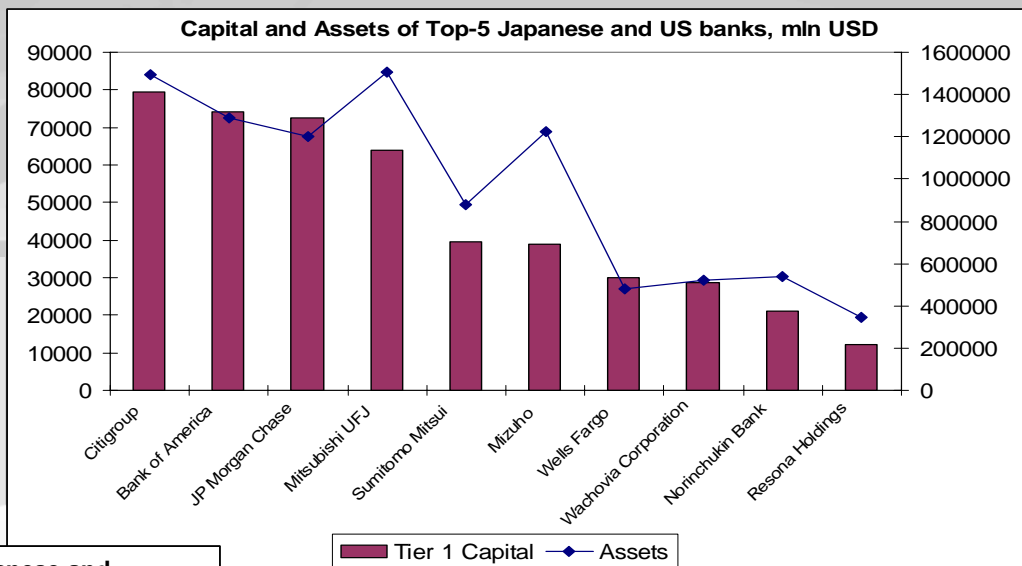
	Demand Deposits	Time and savings deposits	Foreign currency deposits	Total
Total	296,785.3	226,876.4	11,066.5	535,945.6
Including				
Corporations	115,564.9	43,029.1	3,756.6	159,114.9
Individuals	166,826.0	175,133.0	225.7	345,017.9
Public organizations-government	10,691.8	4,907.0	0	18,988.3
Financial institutions	7,701.4	3,806.8	227.2	12,824.2

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... Even compared to US

Japanese banks attract more assets per capital compared to US banks

Although top-5 Japanese banks have lower Tier 1 Capital, they manage comparable level of assets ...



leading to much lower Capital/Assets ratios.

2. Japanese investors invest and trade substantial amounts of foreign securities

Assets of public open-end equity funds

(June 2007, bln. Japanese Yen)

Type	Assets	Number of funds	Average amount of assets in 1 fund
Japanese securities funds	7,759.7	666	11.6
Foreign securities funds	8,608.4	392	22.0
Balanced funds	22,017.4	724	30.4
Convertible bonds funds	164.4	13	12.6
Index funds	8,059.9	131	61.5
Industry index funds	70.9	59	1.2
Derivative Funds	309.7	60	5.2
Limited open funds	68.2	10	6.8
Fund of Funds	18,999.7	351	54.1
Total	66,058.4	2,406	27.5

Purchases and Sales of Foreign Securities by Residents of Japan are increasing

(Weekly; based on reports from designated major investors; Unit: 100 mil Yen)

	Equity Securities			Bonds and Notes			Total Net
	Sales	Purchases	Net	Sales	Purchases	Net	
2005	142,871	157,808	-14,936	1,044,542	1,203,064	-158,522	-173,458
2006	164,387	179,418	-15,032	969,348	1,021,127	-51,779	-66,811
June 2007	25,306	24,426	880	114,523	106,483	8,040	8,919
July 2007	24,126	21,393	2,733	120,989	114,391	6,598	9,332
August 2007	21,688	22,223	-535	166,322	159,418	6,904	6,369
September 2007	20,313	21,054	-741	117,982	151,016	-33,034	-33,034

Source: Ministry of Finance, Japan

Increasing Demand to Eastern European and Russian Equities

- Increasing number of the inquiry of Russian Equity information from Japanese individual investors
- Over the last 2.5 years 14 Investment Funds for investing into Russian and Eastern European Equities accumulated about 300 bln. JPY of Japanese investments.
- Among them 3 funds investing only into Russian stocks accumulated over 60 bln. JPY. (7 funds that have “Russia” in their name accumulated 239 bln. JPY.)

What we offer to Russian financial institutions

- Trilingual professional staff (Japanese, Russian and English) that understands peculiarities of both Russian and Japanese financial system and regulations;
- Operation and settlement system on the level required by Japanese regulations and adapted to specifics of Russian financial market;
- Ability to deal with wide range of Japanese financial institutions on the same “language”;
- And most of all, an aspiration to introduce Russia, Russian culture and Russian financial products to Japanese people.

Contact information

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