



FYE 03/2004 Financial Results

April 21, 2004

This is an English translation of Japanese presentation material prepared for IR conference held on the above date; it includes the information on non-consolidated financial summary under Japanese GAAP for FYE March 2004. 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.

 **1. Financial Results and Business**

Overview

2. Business Model and Future

Development

Financial Summary FYE 03/2003 vs. FYE 03/2004

(in million yen, %)

	FYE 03/2003	FYE 03/2004	Change
Operating Revenue	2,766	7,800	182.0%
Net Operating Revenue	2,712	7,519	177.2%
SG&A	4,477	4,921	9.9%
Operating Income (Loss)	△ 1,765	2,597	-
Ordinary Income (Loss)	△ 1,758	2,604	-
Net Income (Loss)	△ 2,046	2,218	-

(04/2002 – 03/2003) (04/2003 – 03/2004)

(in million yen, %)

	FYE 03/2003	FYE 03/2004	Change
Total Assets	23,919	61,767	158.2%
Shareholders' Equity	8,363	10,779	28.9%
Capital Adequacy Ratio	565.3%	500.4%	-
Cash & Equivalent	7,391	6,777	△ 8.3%
Lease O/S	2,460	1,907	△ 22.5%

(03/31/2003)

(03/31/2004)

Financial Summary FYE 03/2004 3Q vs. FYE 03/2004 4Q

(in million yen, %)

	FYE 03/2004 3Q	FYE 03/2004 4Q	Change
Operating Revenue	2,065	2,552	23.6%
Net Operating Revenue	1,979	2,490	25.8%
SG&A	1,263	1,376	8.9%
Operating Income	715	1,113	55.7%
Ordinary Income	718	1,112	54.7%
Net Income	679	833	22.7%

(10/2003 – 12/2003) (01/2004 – 03/2004)

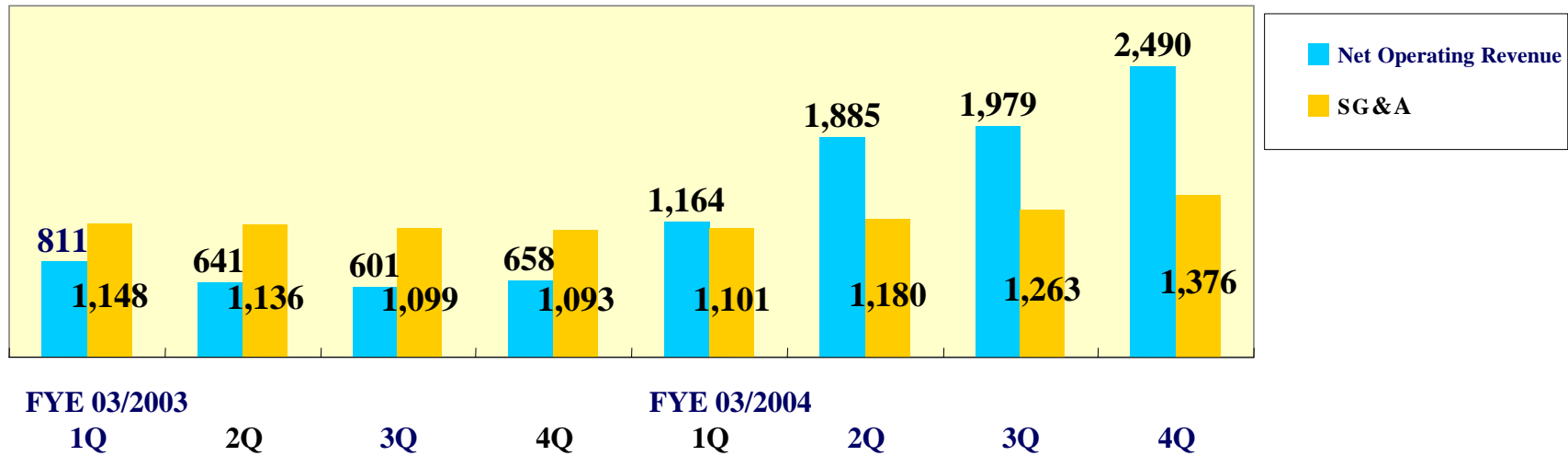
(in million yen, %)

	FYE 03/2004 3Q	FYE 03/2004 4Q	Change
Total Assets	43,261	61,767	42.8%
Shareholders' Equity	9,870	10,779	9.2%
Capital Adequacy Ratio	536.1%	500.4%	-
Cash & Equivalent	5,159	6,777	31.4%
Lease O/S	2,095	1,907	△ 9.0%

(12/31/2003) (03/31/2004)

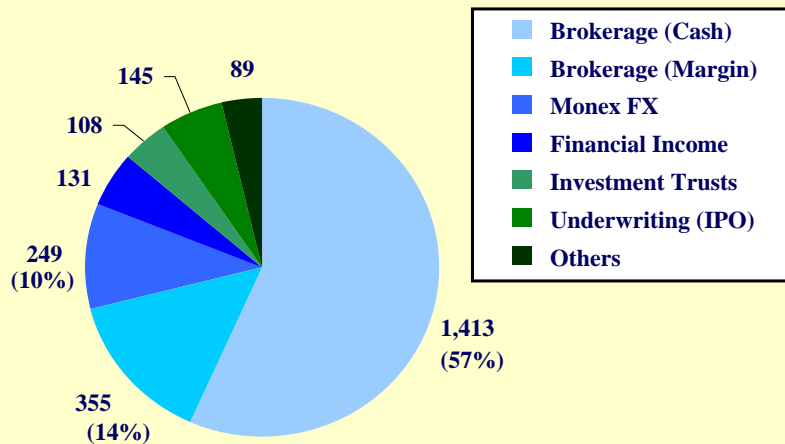
Net Operating Revenue vs. SG&A

(in million yen)



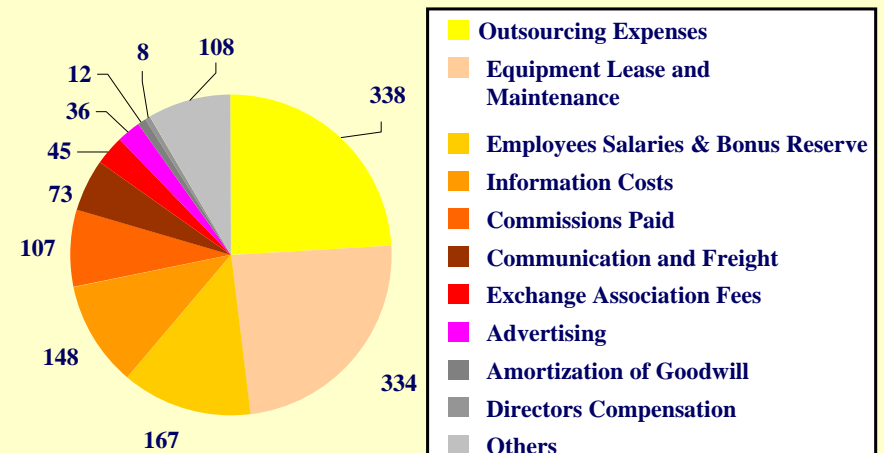
Net Operating Revenue Breakdown (in million yen)

100% = 2,490



SG&A Breakdown (in million yen)

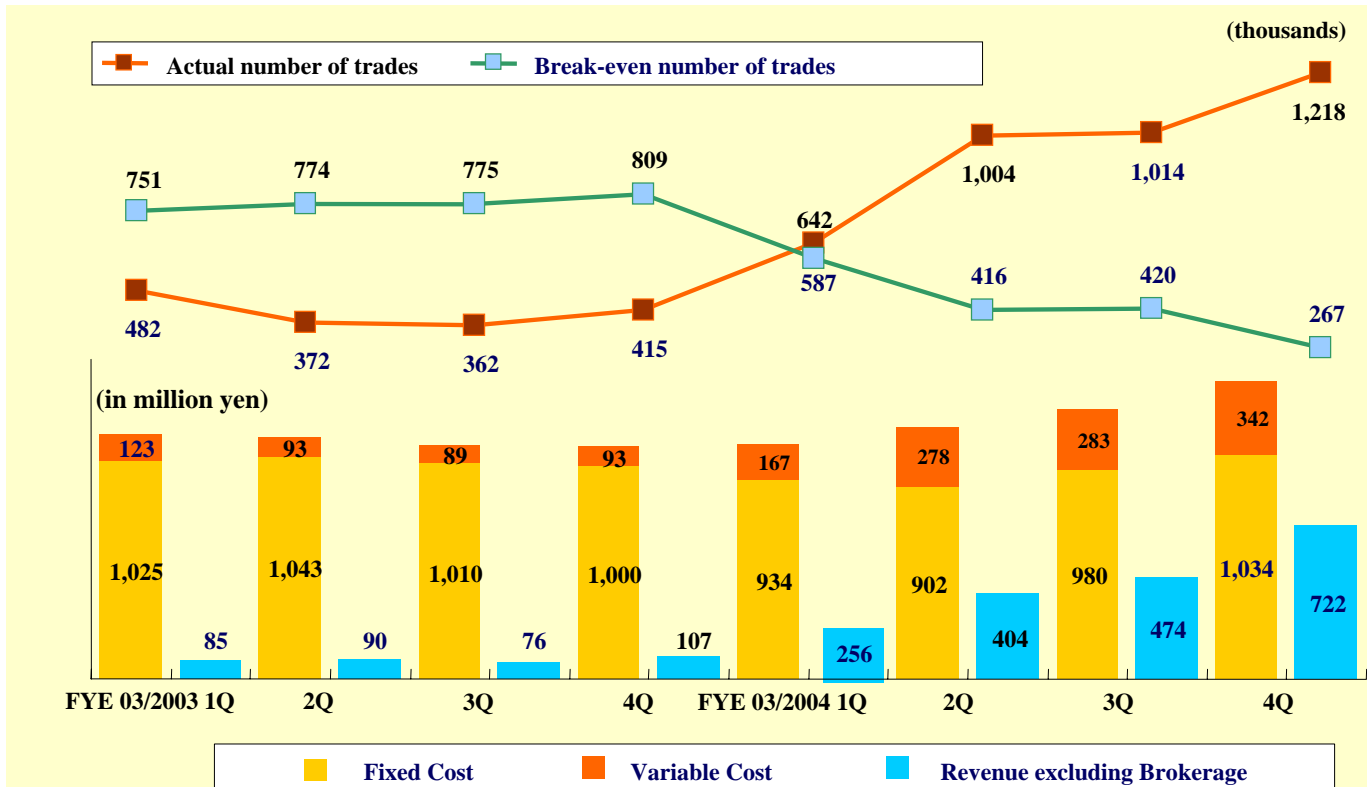
100% = 1,376



Break-even Analysis Spreadsheet

	FYE 03/2003				FYE 03/2004			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
1. Net Operating Revenue Breakdown (in million yen)								
Brokerage	726	551	525	551	908	1,481	1,505	1,768
Monex FX Revenue	0	0	0	0	80	158	165	249
Underwriting (IPO) Revenue	14	19	16	11	19	36	61	145
Financial Income(*), Trading Income and Other Service Revenues	17	10	11	41	84	97	144	166
Others (including Investment Trusts Sales and Agency Commissions)	54	61	49	55	73	113	104	162
Net Operating Revenue	811	641	601	658	1,164	1,885	1,979	2,490
2. SG&A Breakdown (in million yen)								
Variable Cost (Brokerage Revenue + Monex FX)×0.17 (approximation)	123	93	89	93	167	278	283	342
Fixed Cost	1,025	1,043	1,010	1,000	934	902	980	1,034
SG&A	1,148	1,136	1,099	1,093	1,101	1,180	1,263	1,376
3. Ordinary Income (Actual basis)								
Ordinary Income (in million yen)	-334	-493	-497	-432	66	706	718	1,112
4. Revenue Ratio of Monex FX								
Trade Amount (100 million yen)	0	0	0	0	1,210	2,202	2,276	3,516
Monex FX Revenue / Trade Amount (%)					0.0661	0.0717	0.0725	0.0708
5. Brokerage Commission per trade								
Quarterly Trading Volume (number of trades per day × number of business days) (thousands)	482	372	362	415	642	1,004	1,014	1,218
Average Commission per trade (yen)	1,506	1,481	1,450	1,328	1,414	1,475	1,484	1,451
Variable Cost per trade (yen)	255	250	246	224	260	277	279	281
Marginal Income per trade (yen)	1,251	1,231	1,204	1,104	1,154	1,198	1,205	1,171
6. Break-even Point Analysis								
Fixed Cost (million yen)=A	1,025	1,043	1,010	1,000	934	902	980	1,034
Net Operating Revenue other than Brokerage (million yen)=B	85	90	76	107	256	404	474	722
A-B (million yen)	940	953	934	893	678	498	506	312
Break-even Point Estimate (Quarterly) (thousands)	751	774	775	809	587	416	420	267
Break-even Point Estimate (Monthly) (thousands)	250	258	258	270	196	139	140	89
Break-even Point Estimate (per business day)	11,927	12,287	12,309	12,844	9,324	6,597	6,667	4,230
(*)For your reference (in billion yen)								
Average Balance of Margin Trading at the end of each quarter	0	0	0	87	127	188	257	305

Break-even Analysis – Number of Trades



Revenue excluding brokerage commission reached to **70%** of fixed cost.

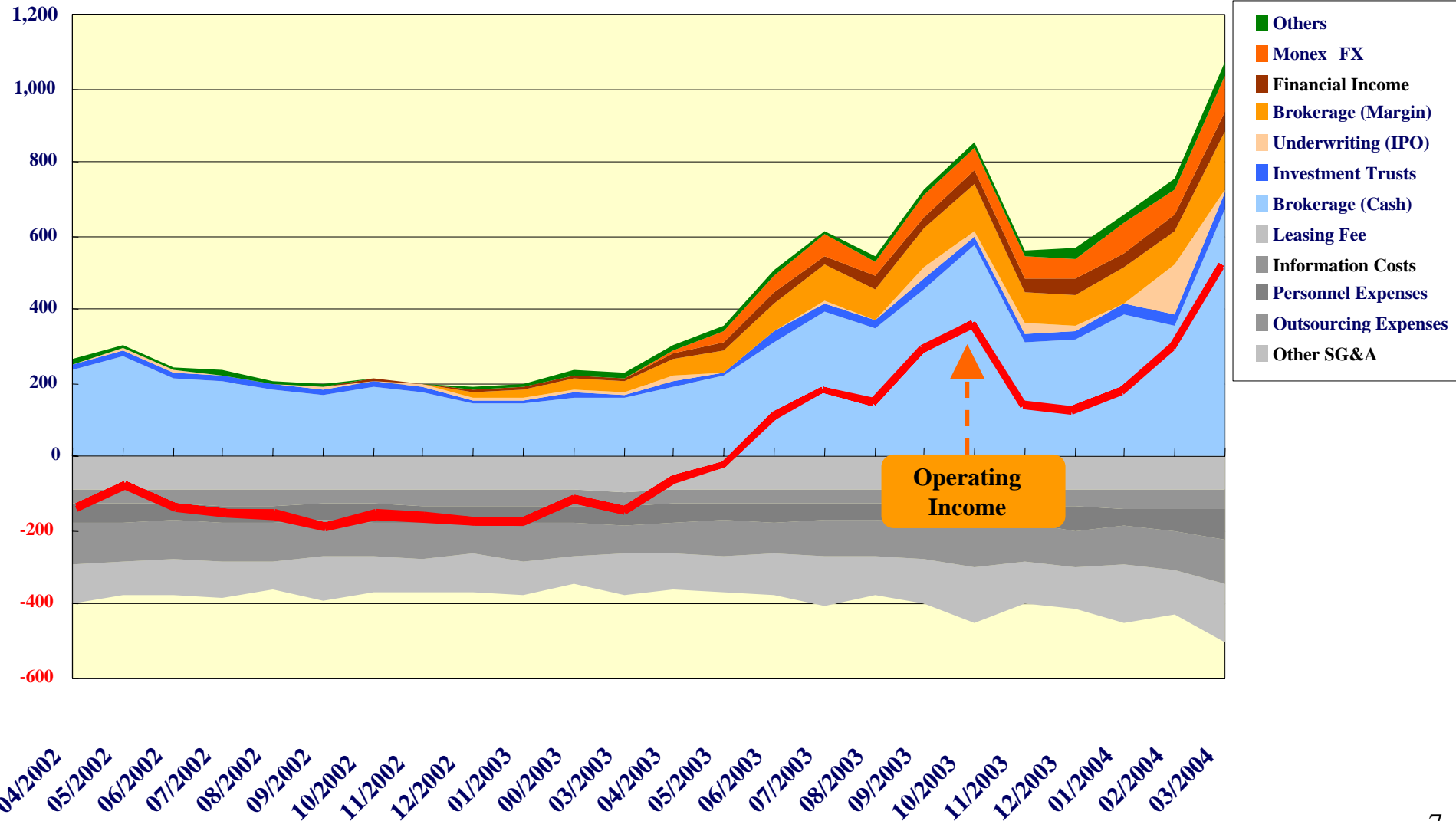
FYE 03/2004 4Q

- Individual investors trading affected by the strong stock market continued to be brisk, and the quarterly number of executed stock orders exceeded the previous quarter for five consecutive quarters.
- The ratio of brokerage commission over net operating revenue has been decreased to 71%, and the break-even point also has been substantially improved.

⇒ Our developed structure allows us to obtain stable revenue even in an unfavorable market, and to acquire the opportunities to expand revenue in a favorable market.

Net Operating Revenue Diversification

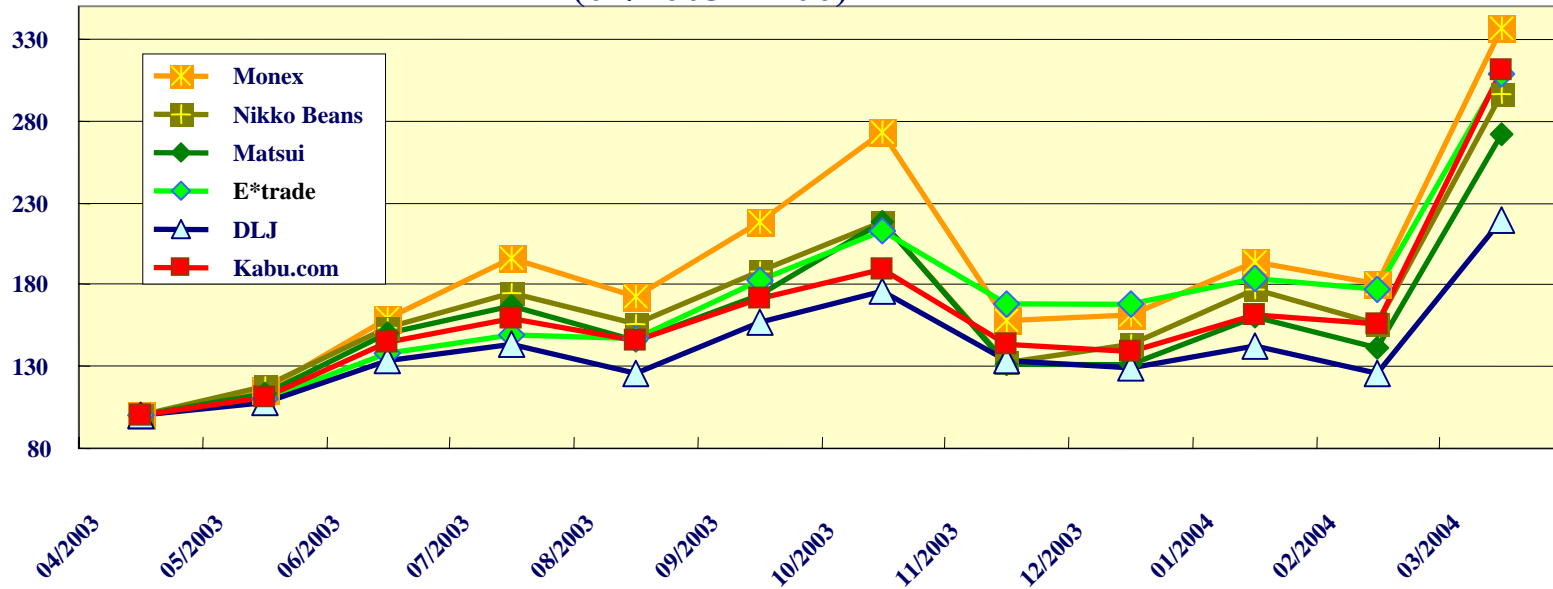
(in million yen)



Comparison with other online brokerage firms: Number of Executed Trades

Stock brokerage growth in number of trades

(04/2003 = 100)



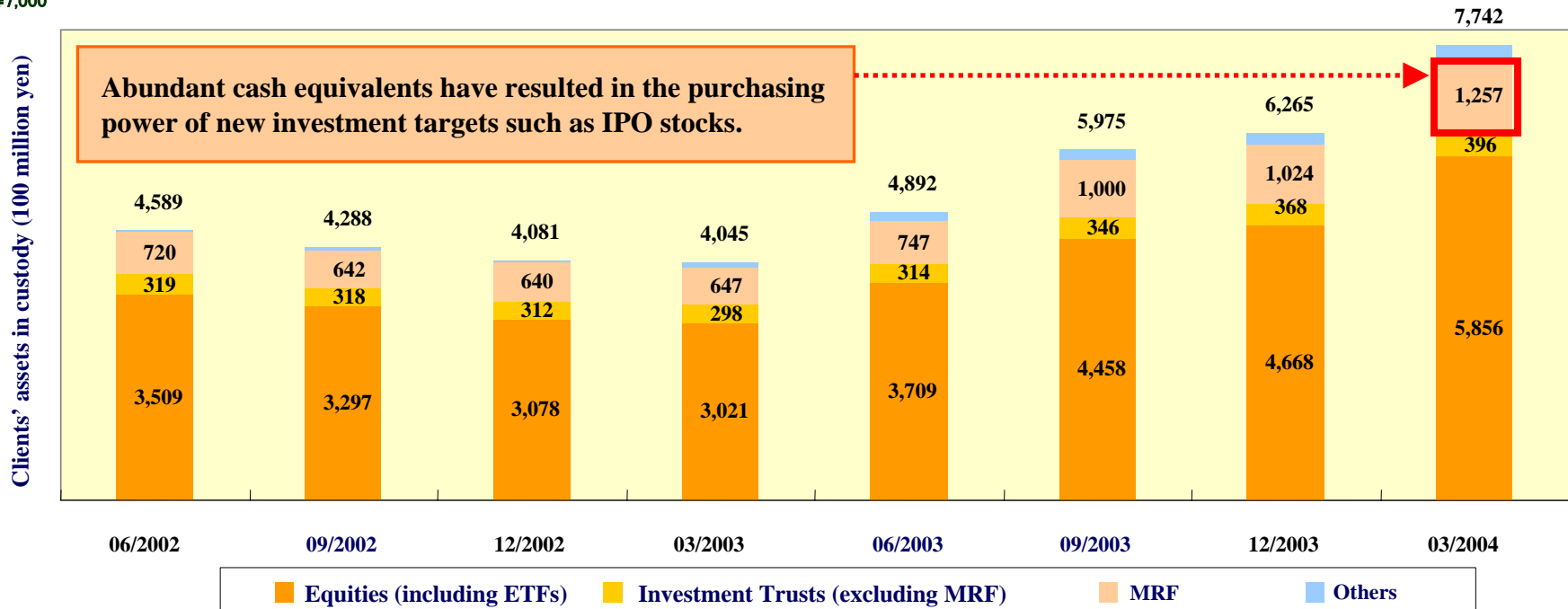
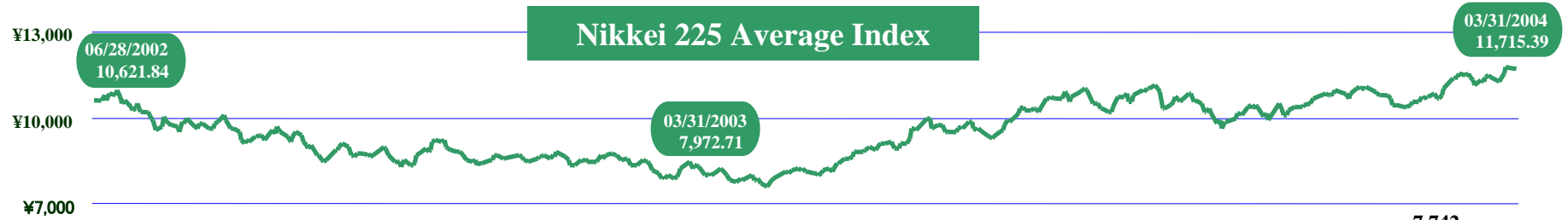
Source: IR pages of Companies'

- Rise in stock markets generated customers' desire to invest
- Stability of trading system led to the fosterage of satisfaction
- Our variety of services stretched the range of utilization



We provided better tools to individual investors during this recovery stage of stock markets

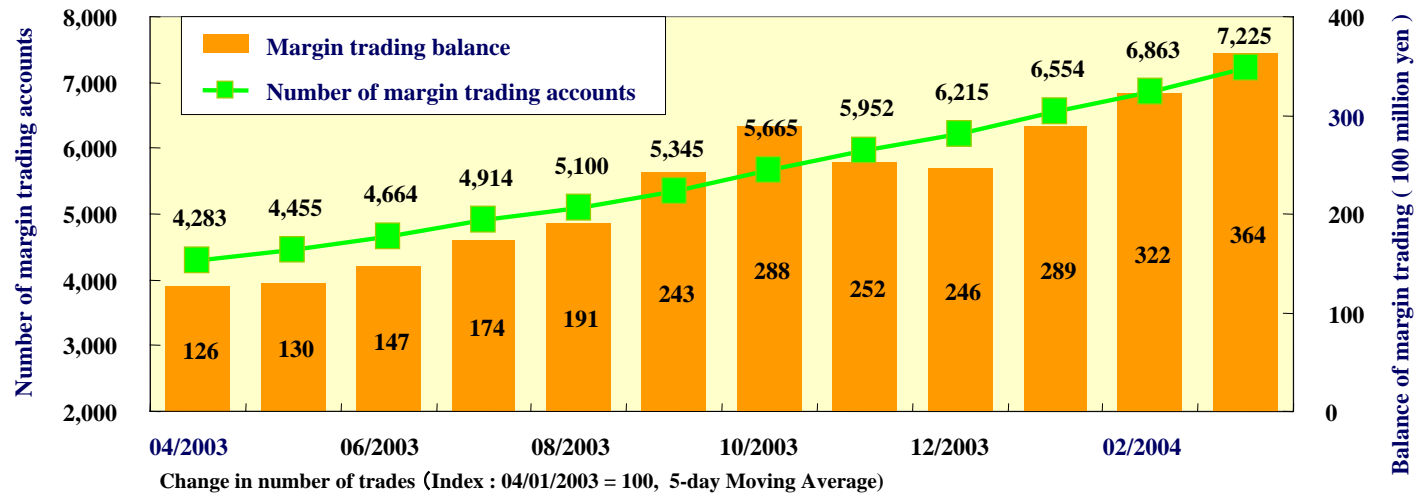
Customers' assets in custody



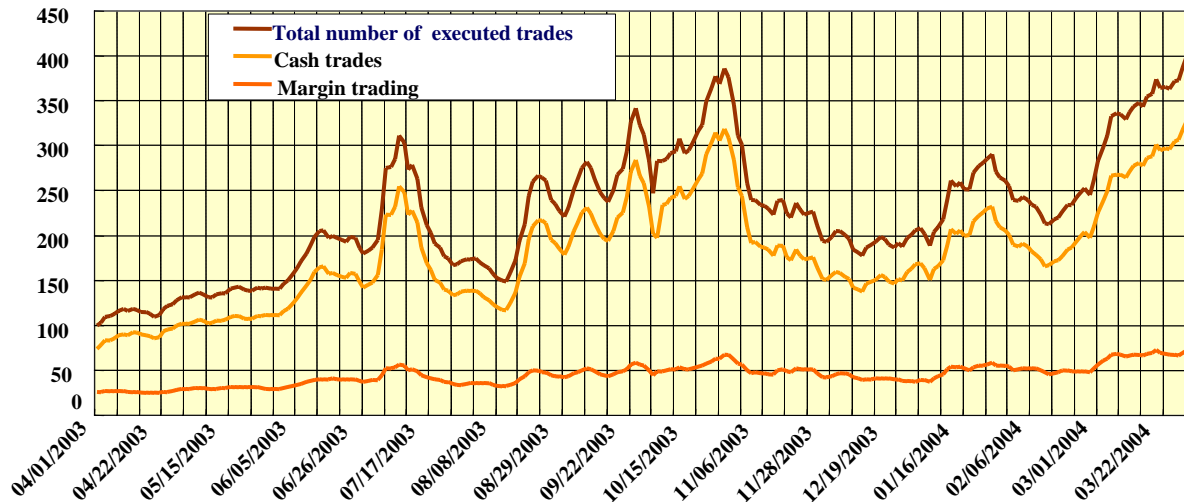
- MRF Outstanding (as of the end of March 2004) : 125.7 billion yen
- End of March 2003 → End of March 2004
Nikkei 25 Index: + 46.9 %, Monex Customers' assets in custody: + 91.4%
- The growth rate of our customers' assets in custody skyrocketed over the growth rate of Nikkei 225

Margin Trading

Number of executed trades and outstanding balance have increased smoothly.
We expect this favorable movement to continue.



Change in number of trades (Index : 04/01/2003 = 100, 5-day Moving Average)



- Opportunities of Margin trading**
- Increase the ratio of margin trading among all
 - Launch margin trading service of JASDAQ Stocks (04/19/2004)
 - Analyze the entrance into in-house margin trading, “Ippan Shinyo” business

Stock Lending Service

This unique service contributes to multiplying financial income, and prevailed as a value-added service.

■ Number of accounts :
6,000 (approximated)
Portfolio : over 29 billion yen
(as of 04/16/2004)

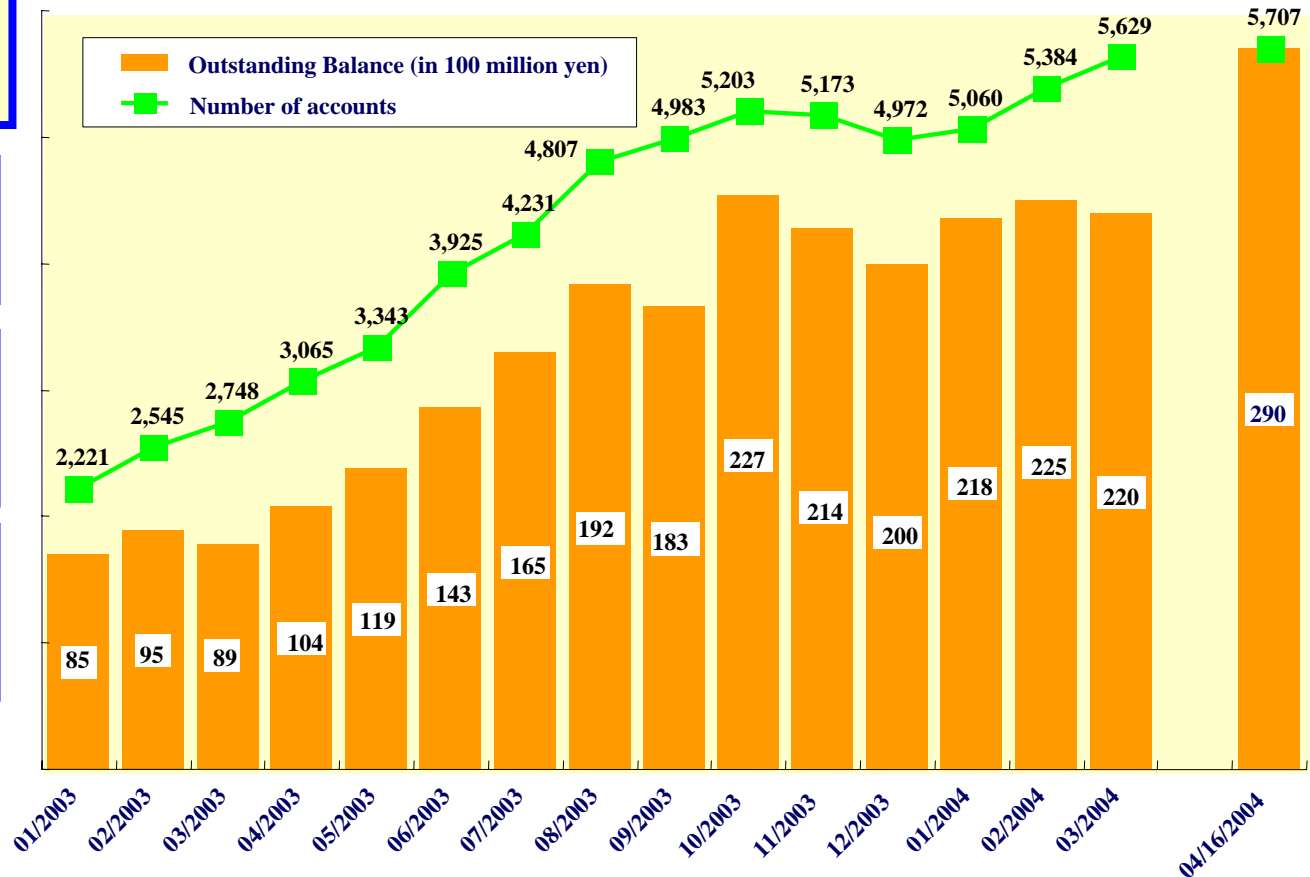
■ Average interest per annum : 0.14%
(04/2003–03/2004)
Maximum interest per annum : 2.00%
(09/30/2003)

■ Individual investors can gain new opportunity for stock investments

- Capital Gain
- Dividend Income
- Interest Income from lending

Opportunities of Stock Lending Service

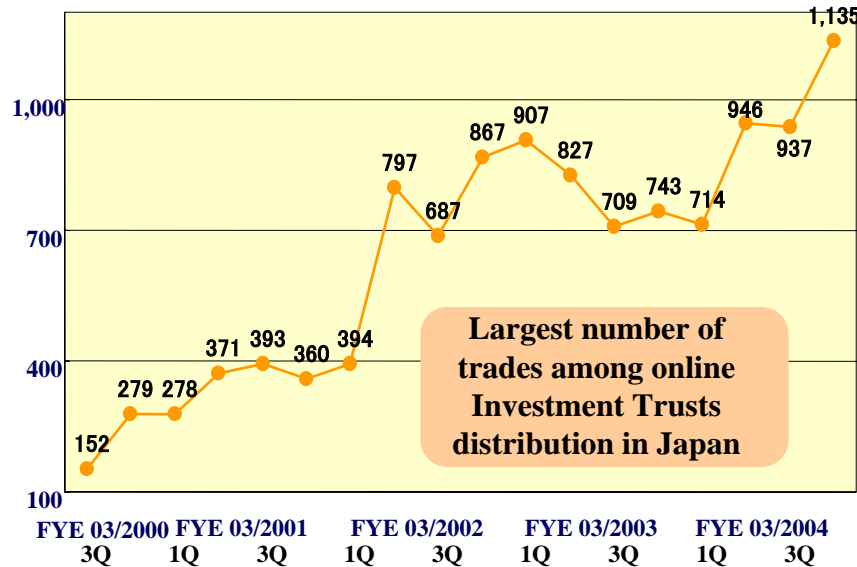
- Gain the recognition among customers
- Clarify the contents of service
- Enhancement of new services



Investment Trusts Business

A wide range of products and services suitable for our various clients led to the steady growth.

Number of trades per business day (excluding MRF)
(Quarterly Average)

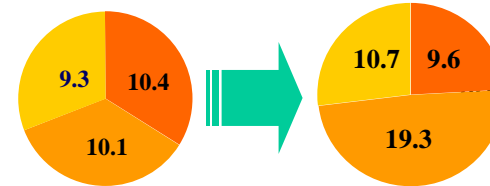


Largest number of trades among online Investment Trusts distribution in Japan

Outstanding Balance of Investment Trusts (excluding MRF)

As of 03/31/2003
100% = 29.8 billion yen

As of 03/31/2004
100% = 39.6 billion yen



- Onshore Bond Funds
- Domestic-registered Equity Fund
- Foreign-registered Equity Fund

Outstanding Balance has been increased by 10 billion yen

Diversification of timing

Source of Funds	As of 03/31/2003		As of 03/31/2004	
	Number	Amount	Number	Amount
Direct withdrawal from MRF	3,127	57 million yen	5,821	113 million yen
Direct withdrawal From Bank Accounts	4,762	87 million yen	5,630	102 million yen

Products and services to promote long term diversified investments

	Equity	Bond
Onshore	Passive Active	MMF, MRF, Public Bond JGB for individual investors
Offshore	Global, United States, Europe, Emerging	US MMF, Euro MMF Offshore Bond Fund
Others	Hybrid	

Products for short-term needs

Onshore Equity	Bull / Bear Fund	-Correlating with Nikkei 225 -Switching is available
Onshore Bond	Fixed Income Bear Fund	-Adverse correlation with price change of long term JGB
Monex FX	Monex FX	-8 pairs of currencies -Two way-rate

Monex FX – Margin FOREX Trades

Number of accounts broke through the barrier of 10,000 (on April 2, 2004). This number is surpassing as a securities company.

(Strength of Monex)

■ Features of Customers

- Our customers utilize this service to practice diversified investments.
- Many of our customers are familiar with FX transactions in their jobs.

■ Differentiated Information and Service

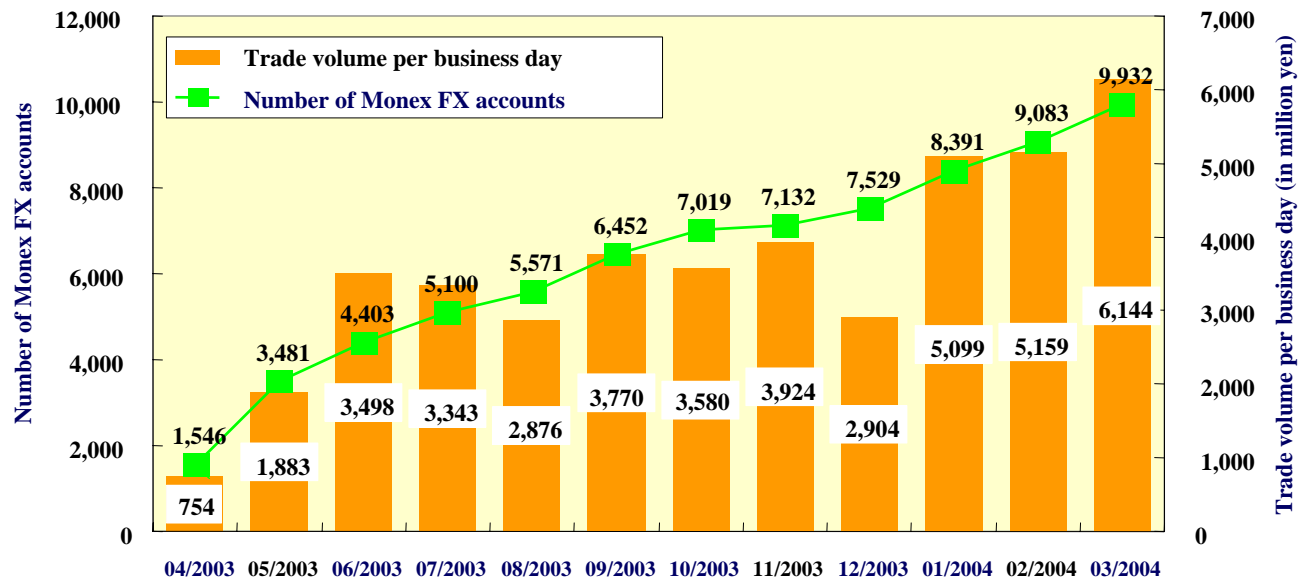
- Providing information about this service through our seminars
- Plain but well-explained website, and immediate transfer of deposits

■ Effective Marketing

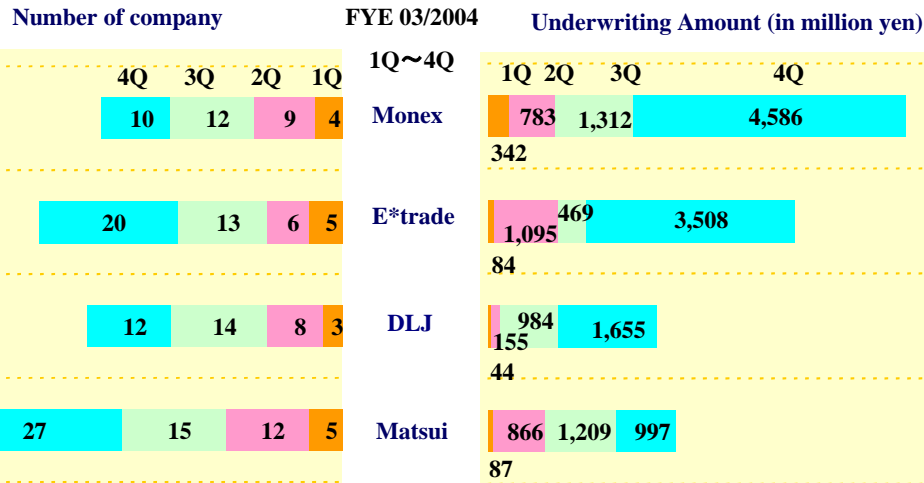
- A variety of communication such as emails and leaflets to our customers
- Precise explanation about differences from other FX-related products

Eight pairs of currencies:

USD/JPY, EUR/JPY
 EUR/USD, AUD/JPY
 GBP/JPY, CHF/JPY
 CAD/JPY, NZD/JPY



Underwriting (IPO) Business

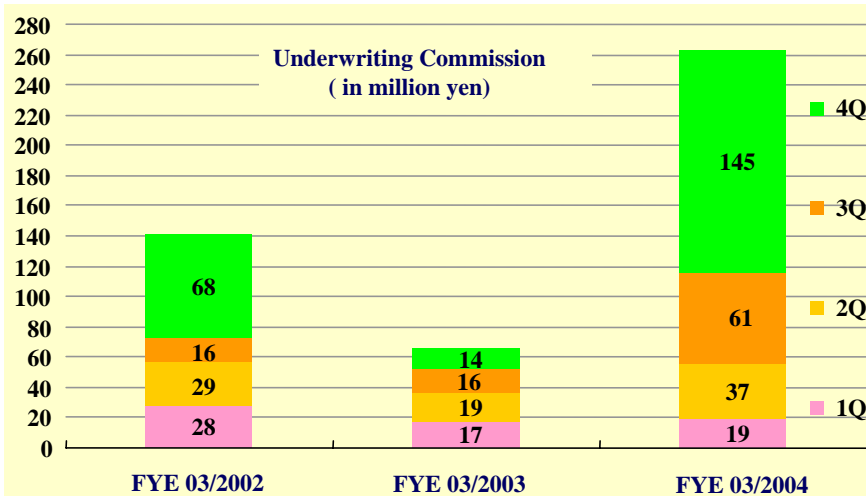


FYE 03/2004

Company Name	IPO Date	Share
OPT, Inc.	02/13	7.0%
Shinsei Bank, Limited	02/19	3.0%
HIGASHINIHON GAS CORPORATION	02/25	1.0%
TOSEI CORPORATION	02/27	1.0%
IDU Co.	03/03	1.0%
JIMOS CO.,LTD.	03/05	1.0%
BOOKOFF CORPORATION	03/16	1.0%
ARDEPRO Co., Ltd	03/18	2.0%
Golf Digest Online Inc.	04/01	2.0%
Sogo Clinical Pharmacology Co., Ltd	04/08	0.5%

■ contract date base and Over Allotment included

Data: Tokyo IPO



(Note) Underwriting commission includes the commission from secondary offering.
Other data are based on IPO underwriting

- We put the priority on manager status as an underwriter during FYE 03/2004 4Q. This strategy obtained good results. The underwriting commission in this quarter is 145 million yen, increased by about 900% compared to the same period of the last FY. Total underwriting commission in FYE 03/2004 was 263 million yen, increased by about 300% compared to the last FY

- We were selected as co-managers four times.
1Q:Wacom(25%), 2Q:From(6%), 3Q:Kakaku.com(10%) and Nihon Aim(8%).

- We acquired 10% share of VeriSign Japan deal.
Our status of Shinsei bank deal was one of the first group among all domestic underwriters and this status was second to a lead manager status.

- Average demand we created per deal during FYE 03/2004 4Q was about 8 billion yen. We regard this business as important one and a key to gather new money.

- We acknowledge that we have the best underwriting team, but we continue to enhance our quality to foster a deal as a lead manager and improve the market share of deal.

Differentiated Services intended to gain Customers' Royalty

Nonprice competition by providing value-added contents

■ E-mail

- “Monex Mail”(pro bono service)
 - sent each business day after the stock market is closed
 - more than 200,000 enrollments (from 08/10/1999)
- “Monex Asaichiban”(pro bono service)
 - sent only to cell. phones' e-mail address every morning on business days
 - about 16,000 enrollments (from 03/15/2004)

■ Commercialization of plentiful contents Serving all our customers to improve financial literacy

- Starting to sell videos and DVDs of our seminars from 03/03/2004
Actual total sales : 3,081 videos & DVDs (as of AM 9:00 04/19/2004)
- Books (exchanged with Monex Points)
Investment-related books Total : 10,783 books

■ Off-line service

Seminar (01/2004 - 03/2004)

- Theme:Our products and service
3 sessions 225 participants
- Theme:Investment Analysis
12 sessions 1,305 participants

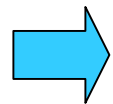
Total number of participants is 1,530 during three months.

Schedule and Contents (01/2004 – 03/2004)

01/13/2004	Investment Research on individual company
01/15/2004	Investment advice for workingwoman (cooperated with Tokyo Stock Exchange)
01/26/2004	Margin trading (cooperated with NPO's study group)
01/28/2004	Method for gathering and analyzing investment information (cooperated with NPO's study group)
02/01/2004	FX trading (Monex FX)
02/01/2004	Method for gathering and analyzing investment information
02/12/2004	Technical Analysis
02/16/2004	Seminar with Investment analysts
02/17/2004	Technical Analysis
02/19/2004	Method for gathering and analyzing investment information
03/03/2004	Technical Analysis
03/16/2004	Method for gathering and analyzing investment information
03/18/2004	Investment Research on individual company
03/21/2004	Method for gathering and analyzing investment information
03/21/2004	FX trading (Monex FX)

1. Financial Results and Business

Overview



2. Business Model and Future

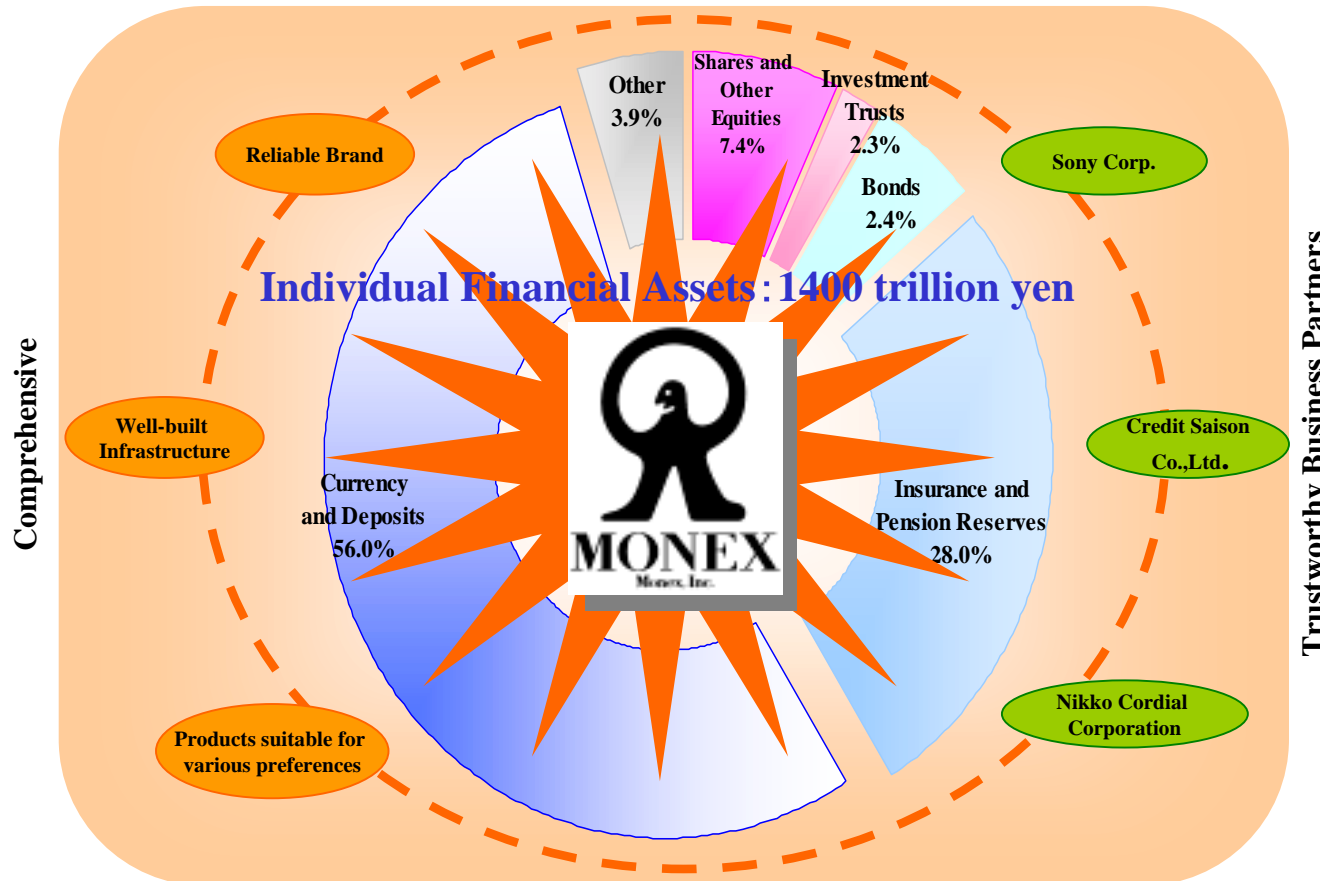
Development

Position of Monex

(Our Target)

Shift the letter “Y” of “MONEY” to the next letter “X”

- MONEX will propose the “MONEY ” of the next era and become the financial interface for all people -



Conditions for our target

[Necessary Conditions]

- Evolve consistently customer-oriented services
- Accomplish sweeping low-cost business structure

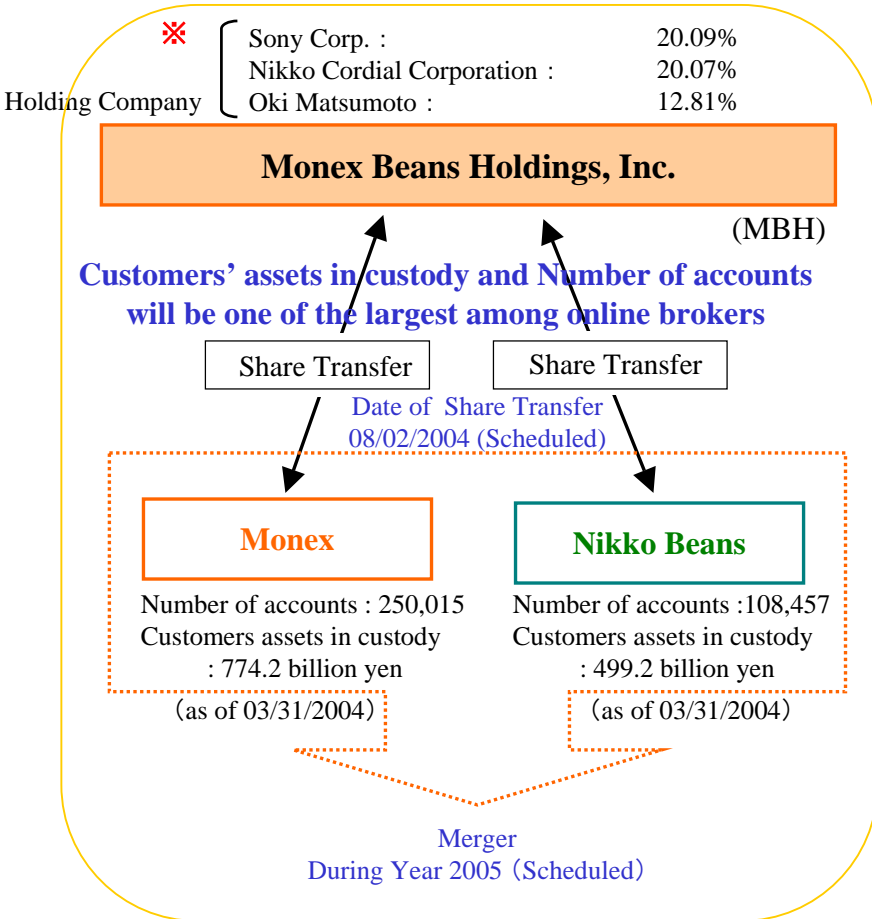
[Sufficient Conditions]

- Cater solution tools suitable for a various financial literacy level
- Provide plentiful investment products and services

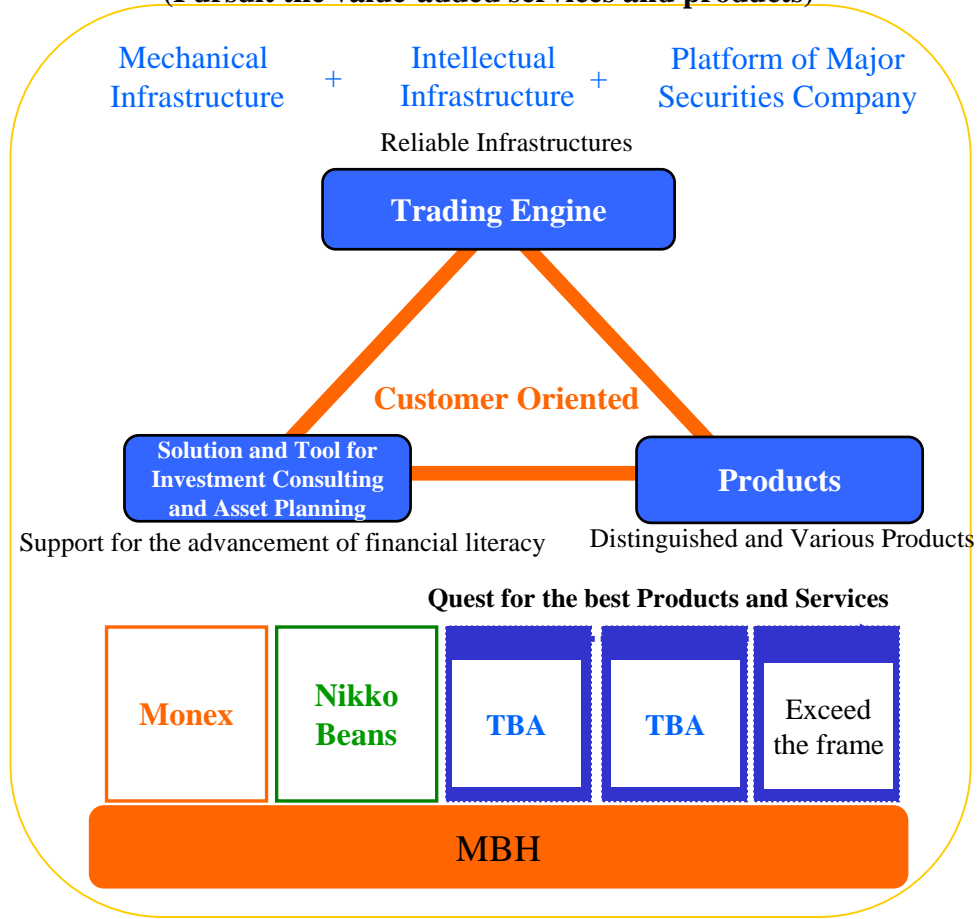
⇒ With prospect of the change of Securities Exchange Law §65

Business Integration with Nikko Beans

Business Integration Scheme

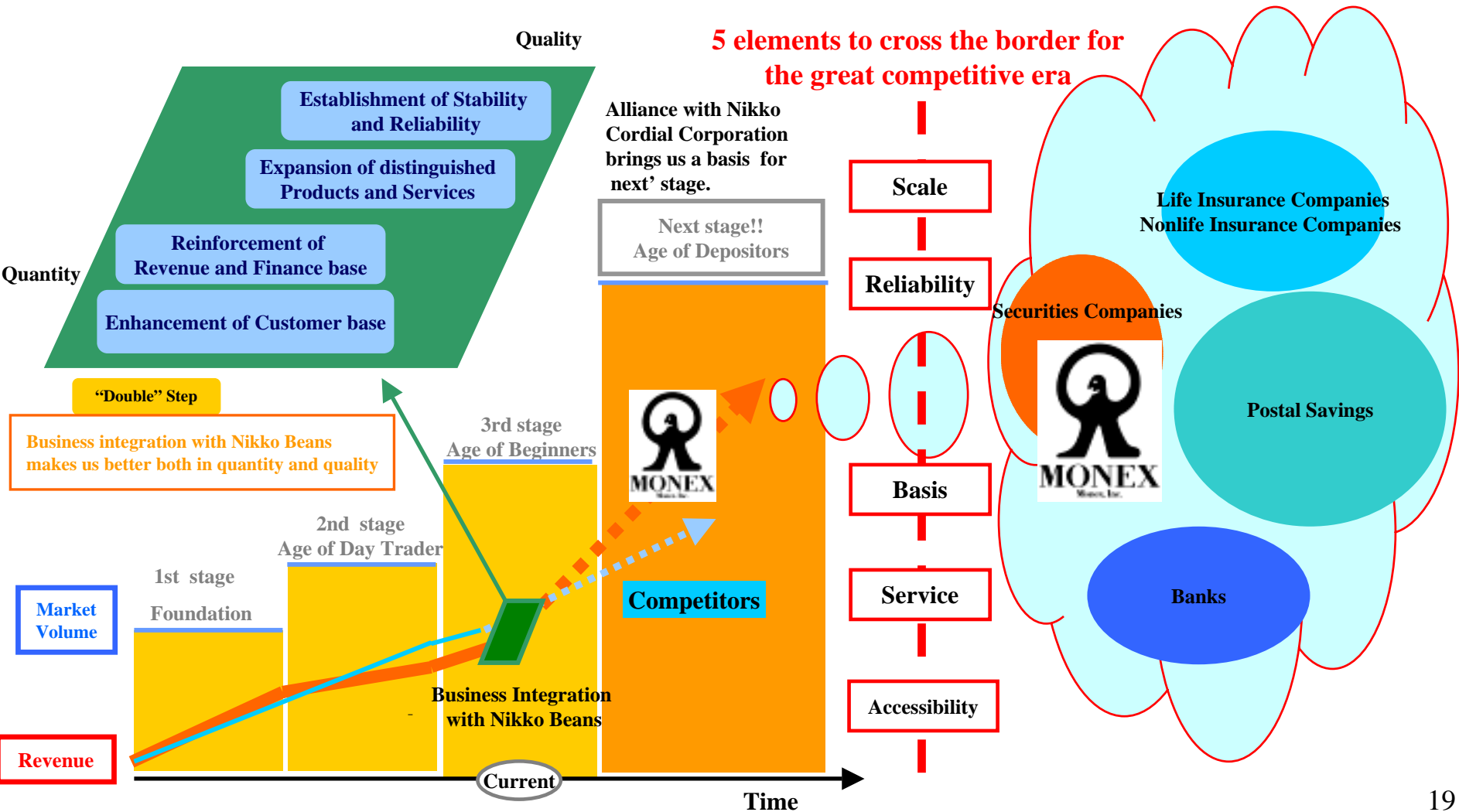


Intent of Business Integration
(Pursuit the value-added services and products)



Direction and Strategy

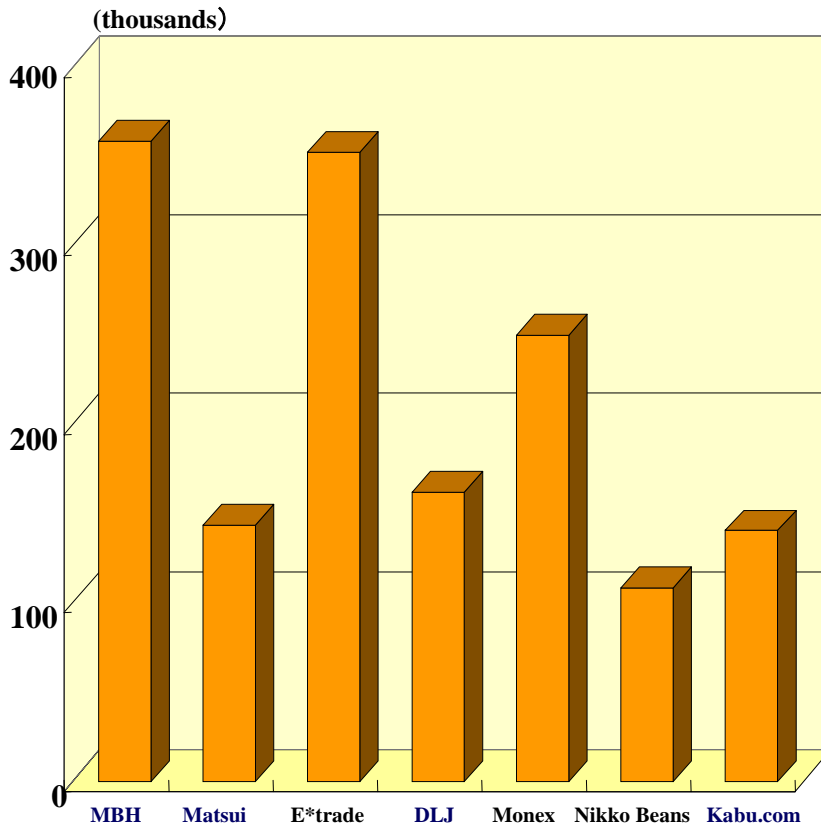
Hop, "Double" Step and Jump



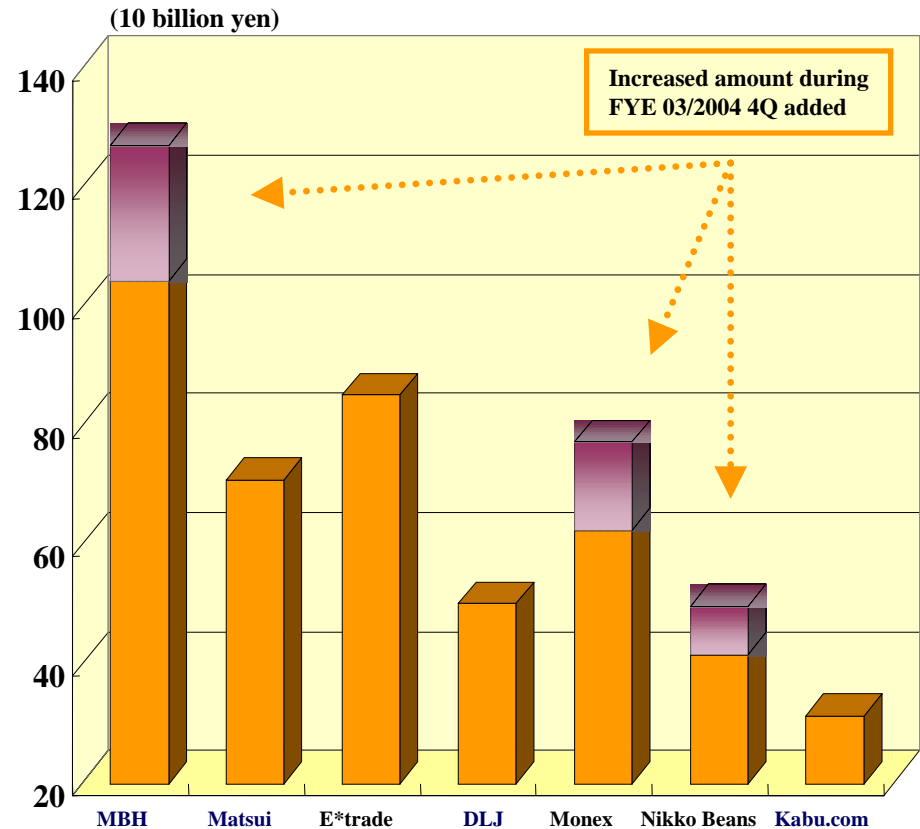
Comparison with Other Companies : Number of accounts, and Customers' assets in custody

Number of accounts (as of the end of 03/2004)

※Please note that the number of MBH is the simple sum of the numbers of two companies.



Customers' assets in custody (as of the end of 12/2003)

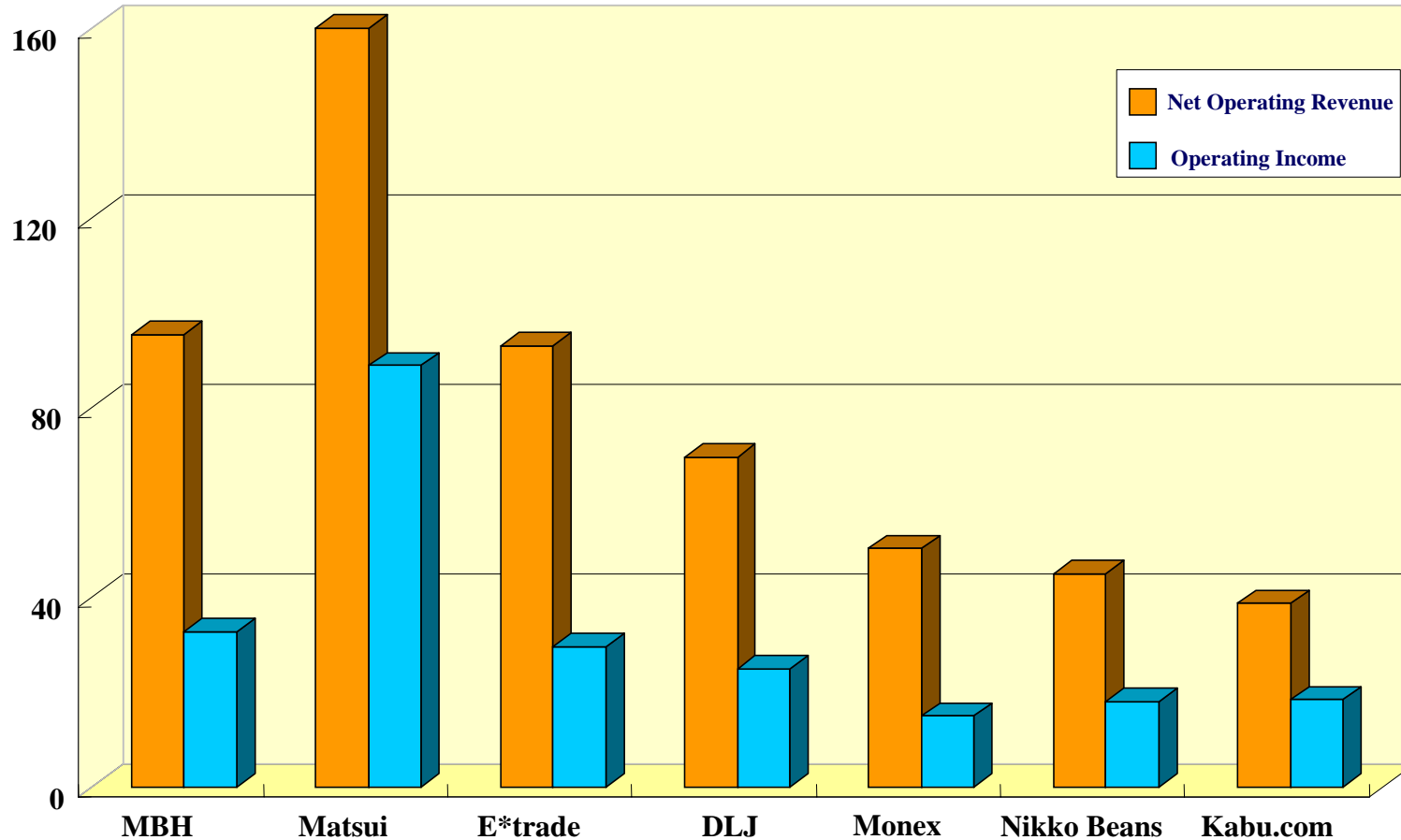


Sources : IR pages of Companies' web

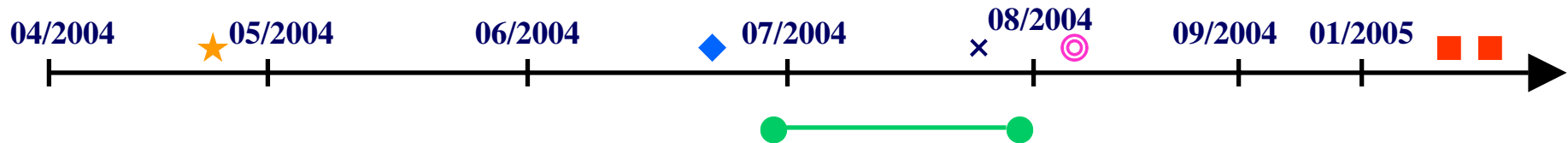
Comparison with Other Companies : Net Operating Revenue and Ordinary Income

04/2003 – 12/2003 (9 months)

(in 100 million yen)



Schedule for Integration



- ★ April 21, 2004 Board of Directors Meeting of Monex, Inc. to resolve the Share Transfer
- ★ April 22, 2004 (Scheduled) Board of Directors Meeting of Nikko Beans, Inc. to resolve the Share Transfer
- ◆ June 23, 2004 (Scheduled) General Shareholders' Meeting of Nikko Beans, Inc. to approve the Share Transfer
- ◆ June 26, 2004 (Scheduled) General Shareholders' Meeting of Monex, Inc. to approve the Share Transfer
- ◆ June 27, 2004 (Scheduled) Public Announcement on stock certificate submission resulting from the Share Transfer
- × July 27, 2004 (Scheduled) Delisting of Stocks of Monex, Inc. from Tokyo Stock Exchange Mothers Market
- July 30, 2004 (Scheduled) Stock certificate submission due
- ⊙ August 2, 2004 (Scheduled) Occurrence of the Share Transfer & Establishment of Monex Beans Holdings, Inc.
- ⊙ August 2, 2004 (Scheduled) Listing of stocks of Monex Beans Holdings, Inc. to Tokyo Stock Exchange Mothers Market
- Year 2005 (Targeted) Merger of Monex, Inc. and Nikko Beans, Inc.
- Year 2005 (Targeted) Application for listing stocks of Monex Beans Holdings, Inc. to the first section of Tokyo Stock Exchange



MONEX

<http://www.monex.co.jp/>