



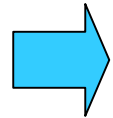
FYE 03/2004 3Q Financial Results

January 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 the third quarter of 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.



I. Financial Results and Business Overview

II. Business Model and Future Development

FYE 03/2004 3Q Financial Summary: FYE 03/2003 3Q vs. FYE 03/2004 3Q

(in million yen)

	FYE 03/2003 3Q(9 months)	FYE 03/2004 3Q(9 months)	Change
Operating Revenue	2,061	5,247	154.6%
Net Operating Revenue	2,053	5,029	144.9%
SG&A	3,384	3,545	4.7%
Operating Income (Loss)	(1,330)	1,484	-
Ordinary Income (Loss)	(1,325)	1,492	-
Net Income (Loss)	(1,369)	1,385	-

(Apr. – Dec. 2002) (Apr. – Dec. 2003)

(in million yen)

	FYE 03/2003 Dec. 31 2002	FYE 03/2004 Dec. 31 2003	Change
Total Assets	16,773	43,261	157.9%
Shareholders' Equity	9,040	9,870	9.2%
Capital Adequacy Ratio	641.5%	536.1%	-
Cash & Equiv (incl.CP)	6,367	5,159	-19.0%
Lease O/S	2,591	2,095	-19.1%

FYE 03/2004 3Q Financial Summary: 2Q vs. 3Q

(in million yen)

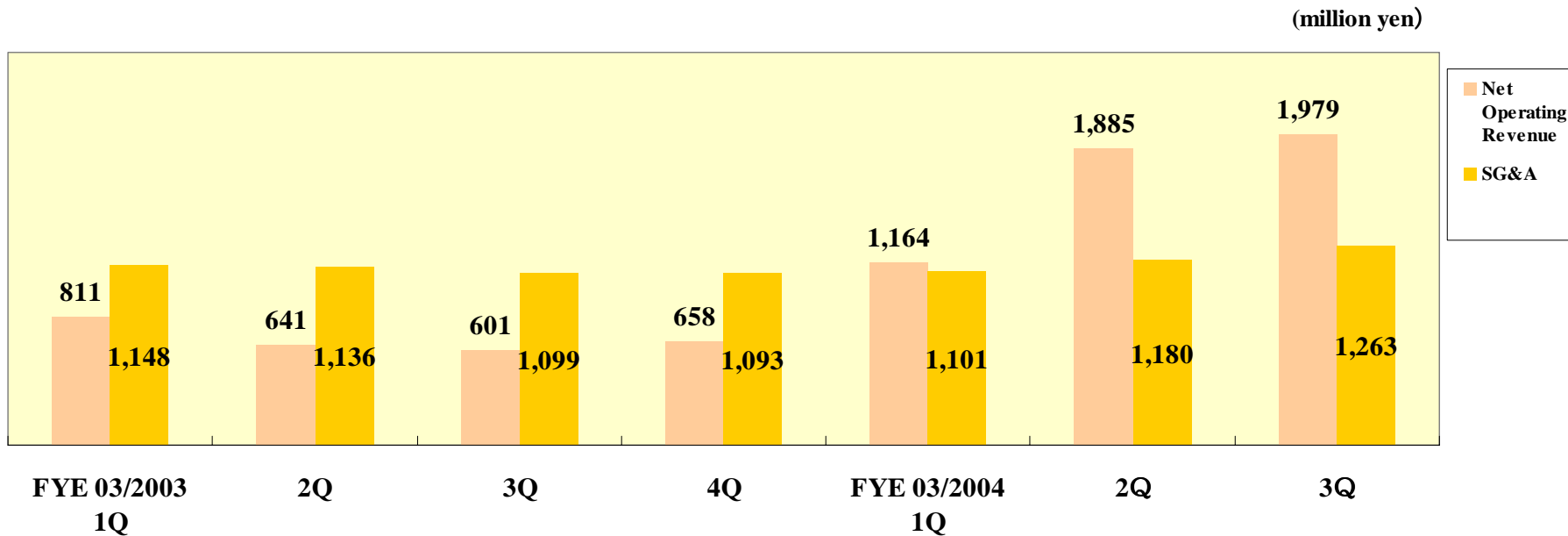
	FYE 03/2004 2Q	FYE 03/2004 3Q	Change
Operating Revenue	1,929	2,065	7.1%
Net Operating Revenue	1,885	1,979	4.9%
SG&A	1,180	1,263	7.1%
Operating Income	705	715	1.4%
Ordinary Income	706	718	1.7%
Net Income	668	679	1.6%

(July – Sept. 2003) (Oct. – Dec. 2003)

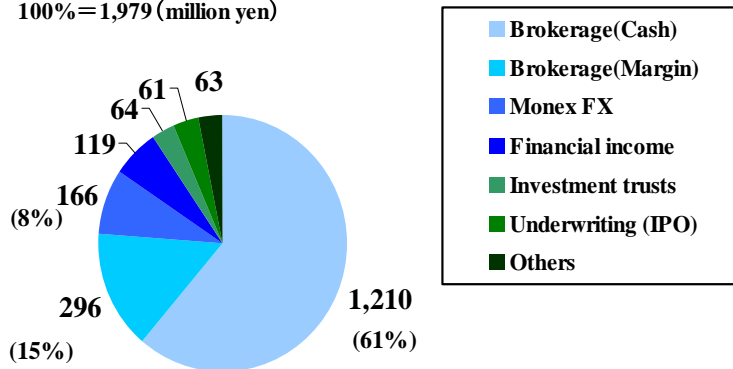
(in million yen)

	FYE 03/2004 Sep.30 2003	FYE 03/2004 Dec.31 2003	Change
Total Assets	45,180	43,261	-4.2%
Net Assets	9,090	9,870	8.6%
Capital Adequacy Ratio	501.3%	536.1%	-
Cash & Equiv. (incl. CP)	5,894	5,159	-12.5 %
Lease O/S	2,139	2,095	-2.0%

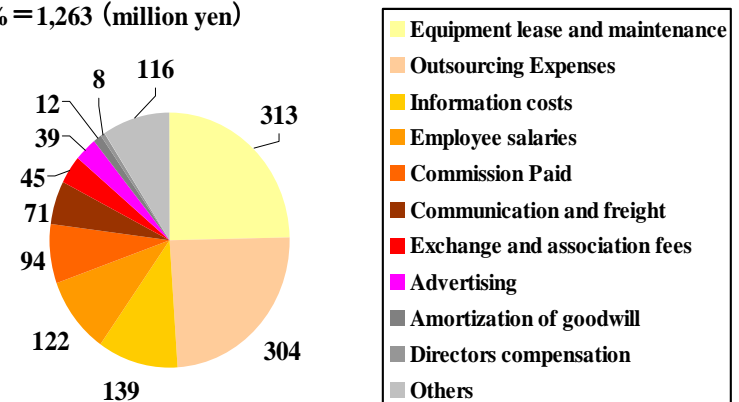
Net Operating Revenue vs. SG&A



Net Operating Revenue Breakdown
100% = 1,979 (million yen)



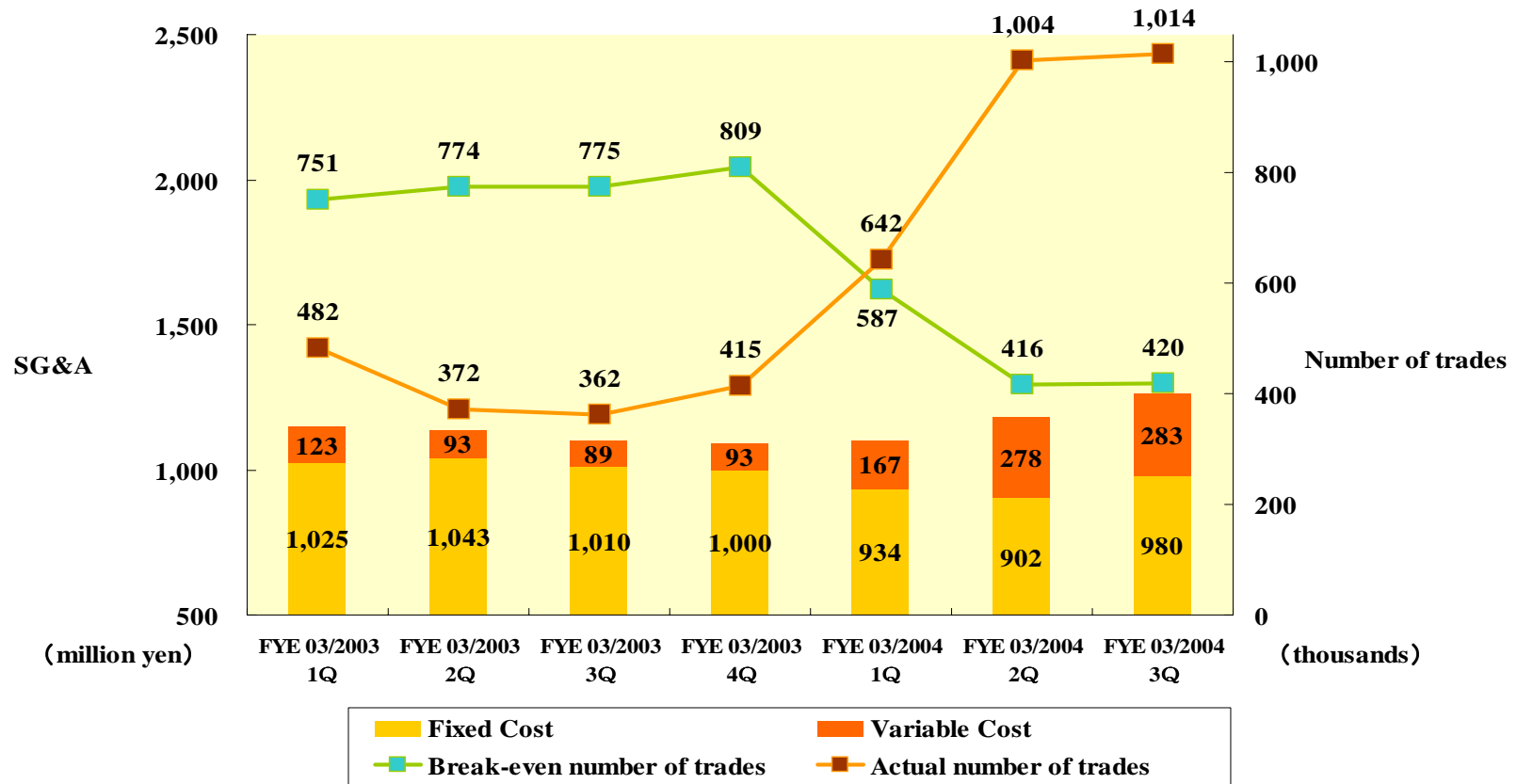
SG&A Breakdown
100% = 1,263 (million yen)



Break-even Analysis Spreadsheet

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

Break-even Analysis – Number of Trades

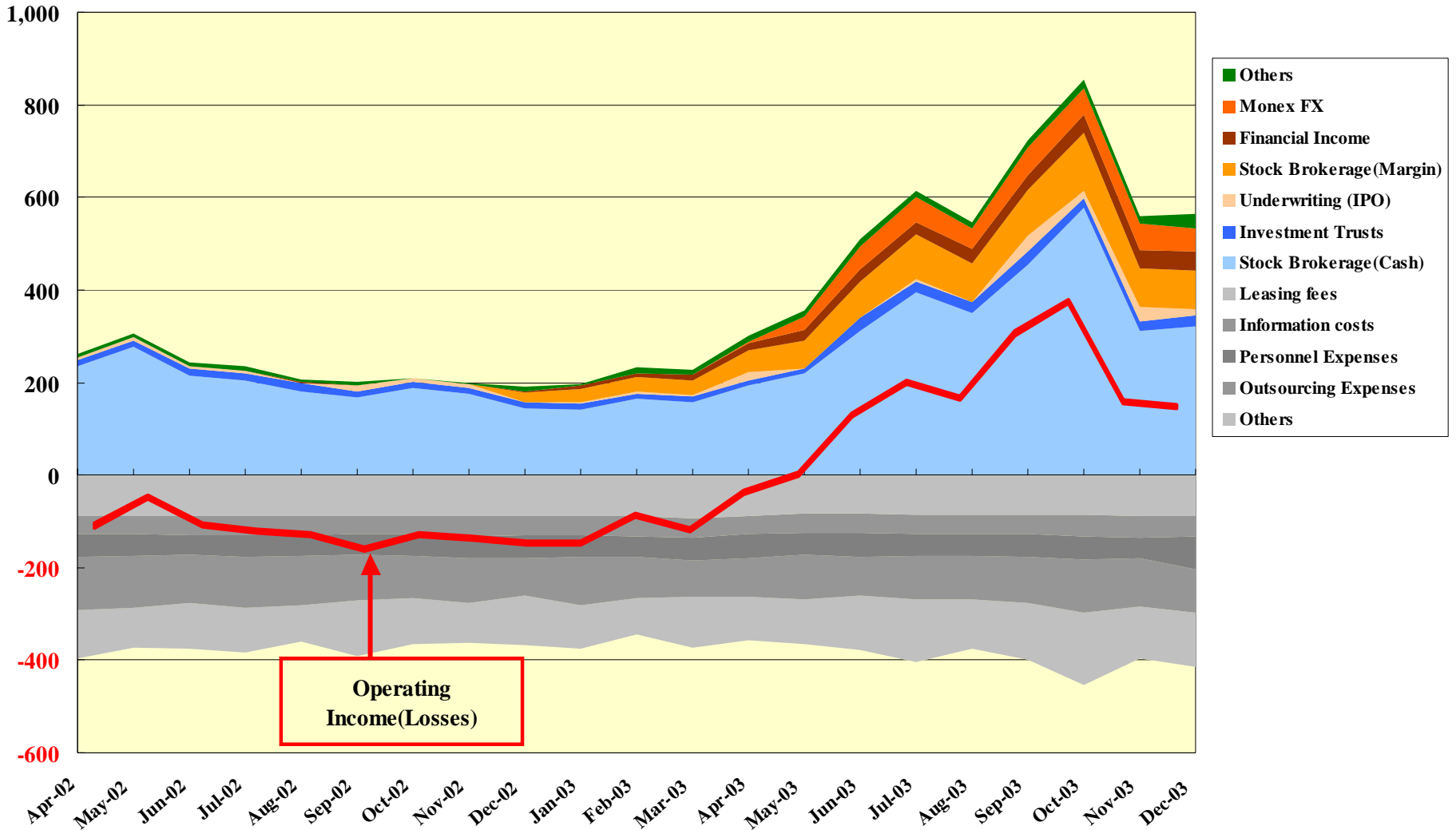


FYE 03/2004 3Q

- Number of trades has continuously increased due to the brisk transactions of individual investors.
- Low cost structure has been built by keeping good control over fixed costs.
- Brokerage commission ratio has been decreased to 76% of Net Operating Revenue. Efforts to secure stable profit-making source will continue.

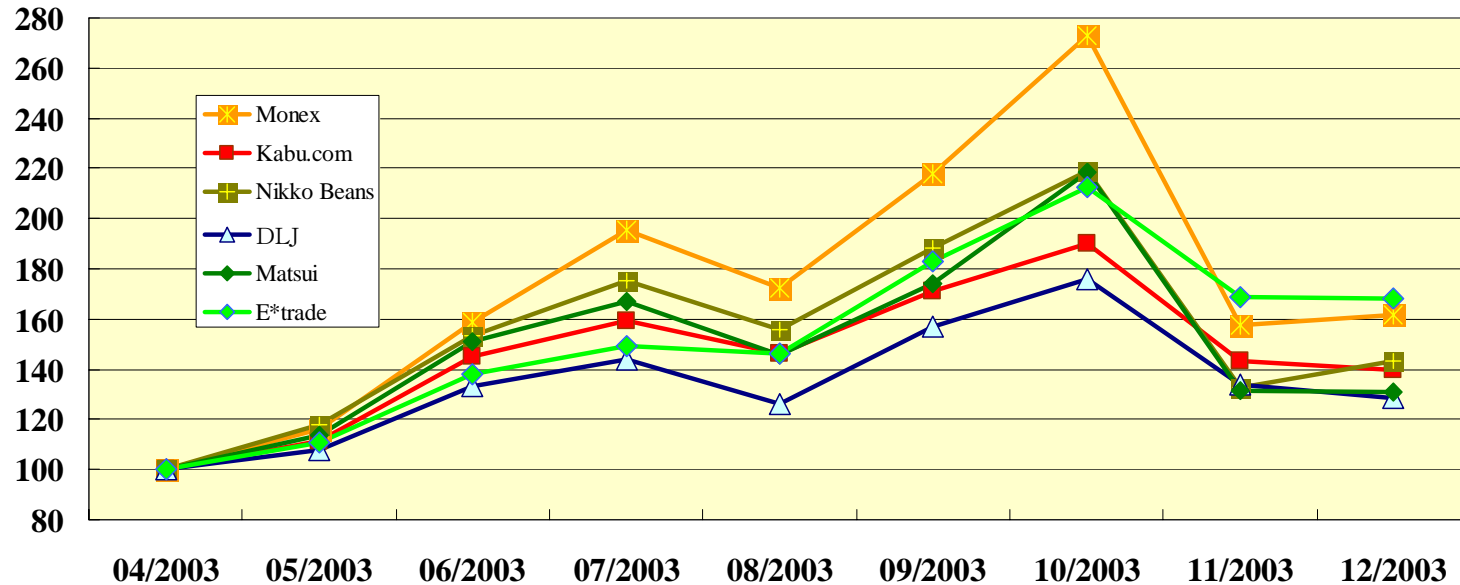
Revenue Diversification

(million yen)



Stock brokerage growth in number of trades

(Index: Number of trades as of April 2003 = 100)



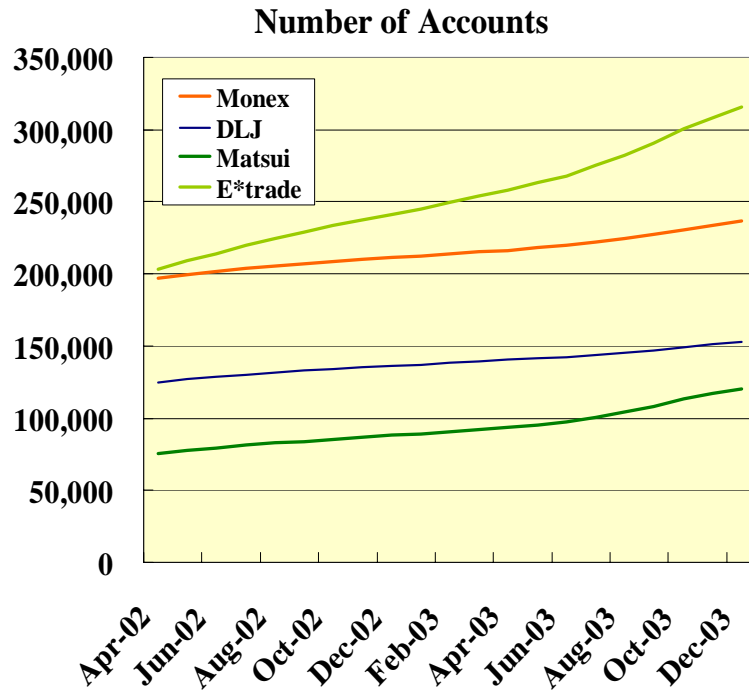
Source: Company data on HP

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

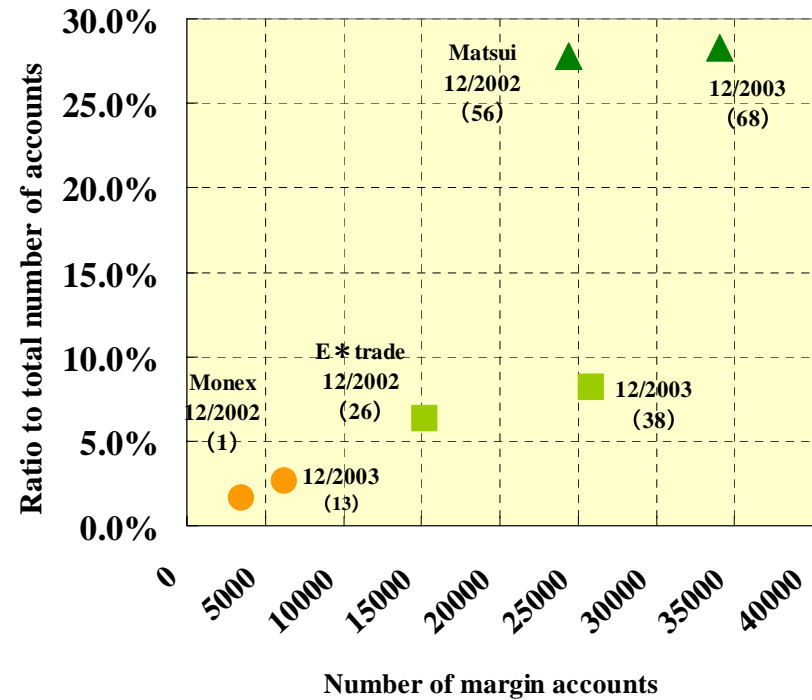


We provided better tools to individual investors during this recovery stage of stock markets

Number of Accounts



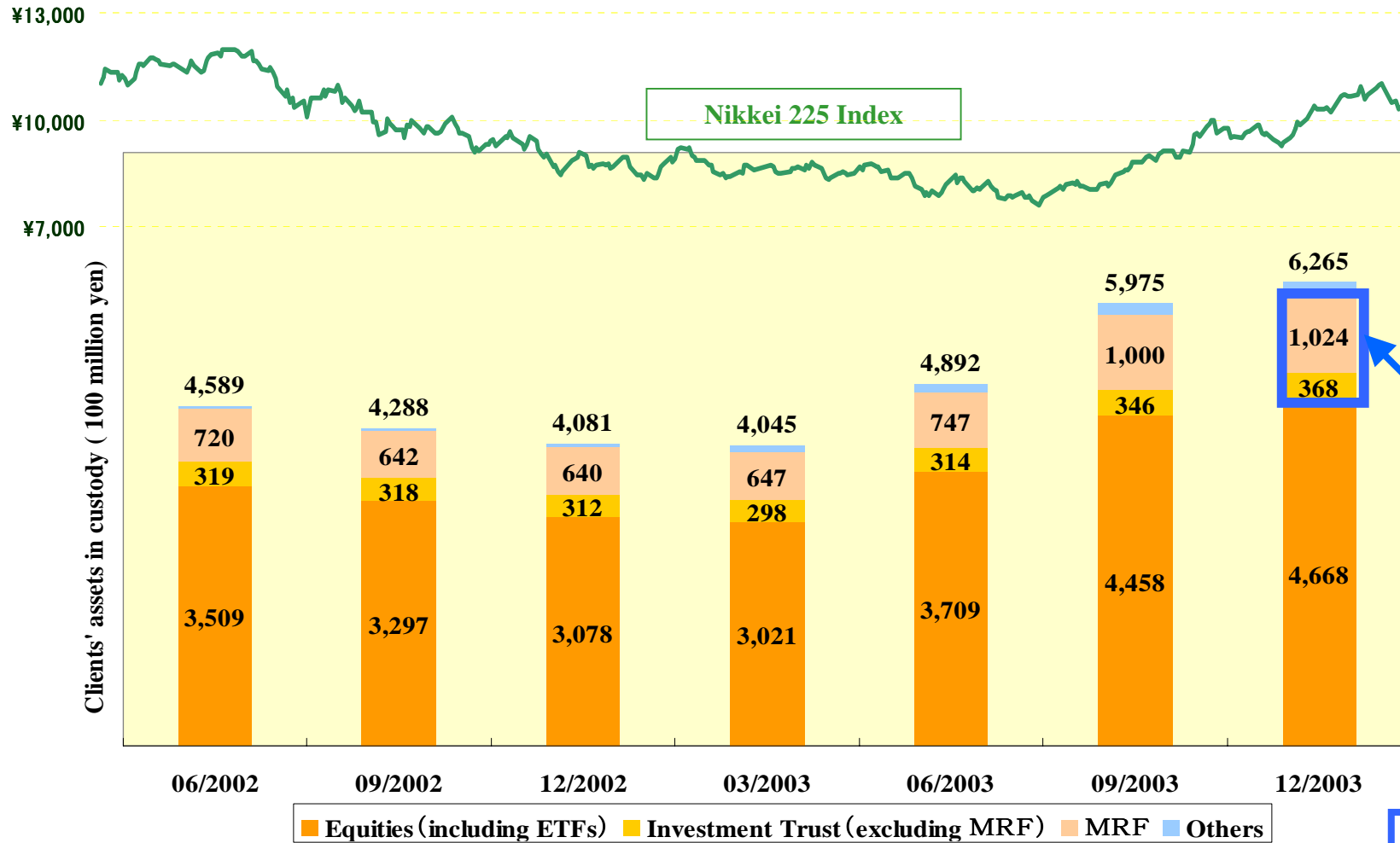
Number of margin accounts and its ratio to total number of accounts



• Numbers in () represents months from the initiation of margin trading

• The number in () of Matsui represents months since when Matsui converted itself to a pure online broker.

Customers' Assets in Custody

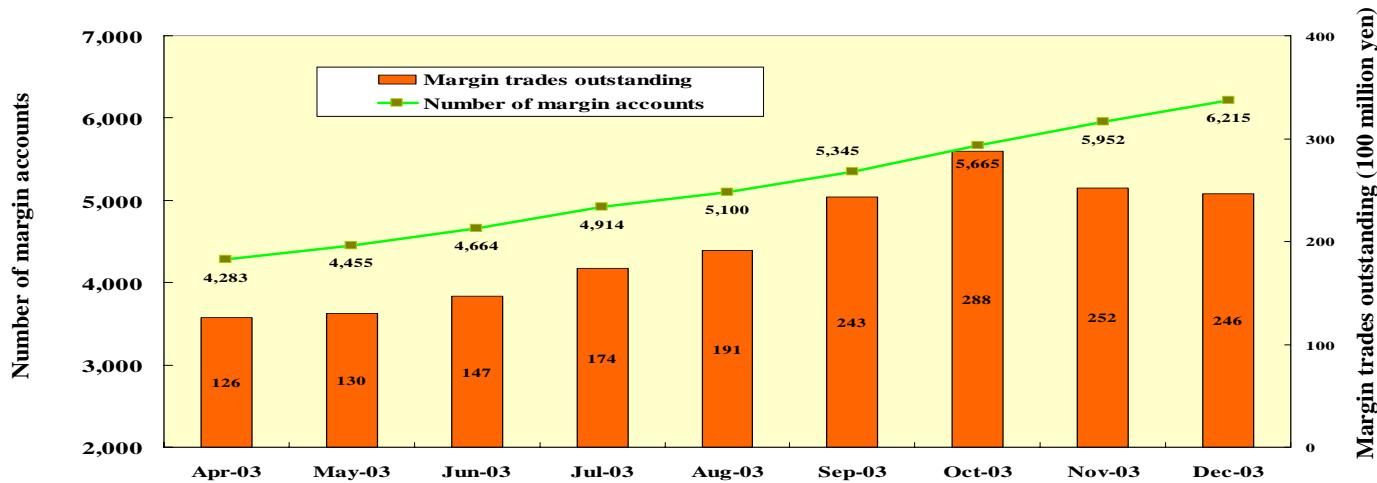


MRF and Investment trusts

- MRF outstanding (as of December 2003) 102.4 billion yen
- End of September 2003→End of December 2003 Nikkei 225: + 4.5%, Monex Clients' assets in custody: + 4.9%

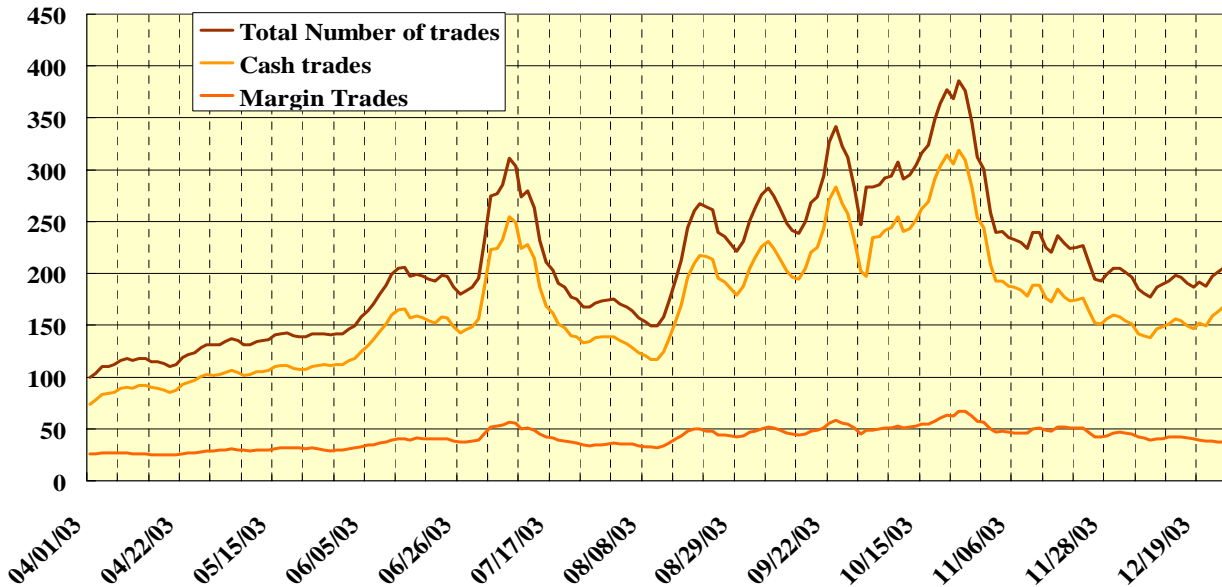
Margin trades

Number of margin accounts and margin trades outstanding



Number of margin trades is increasing constantly, but the number is still low by comparison with other competing companies.

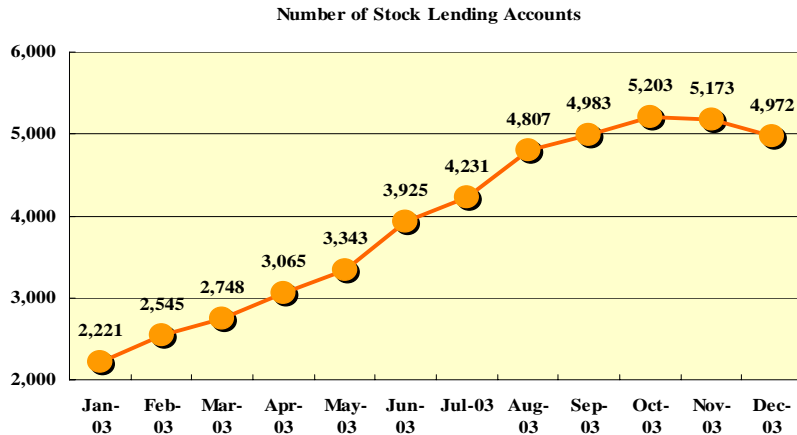
Changes in number of trades (Index: April 1, 2003 = 100, 5-day Moving average)



Number of margin trades are relatively stable despite of a large fluctuation of the stock market.

Stock Lending

Our unique service “Stock Lending” has expanded the range of choice for individual investors



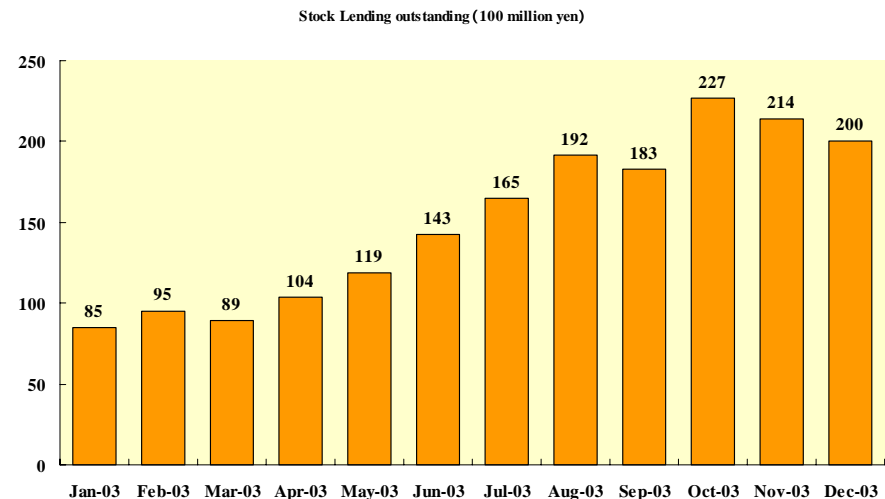
● The number of accounts had surpassed 5,000. But recently the application of TOKUTEI account service and margin trade service resulted in the decrease of stock lending account number.



To gain the recognition of this service among our customers, we plan to:

- utilize campaigns
- make clear-cut explanations on this service
- improve the service

- New Service name for Stock Lending Service “Hataraku-kabusan(Working Stocks)” (Trademark application Pending)
- Customers earn 0.13% average interest per annum from April to December 2003



Monex FX – Margin FOREX Trades

Monex FX has little correlation with stock markets and attracted our customers

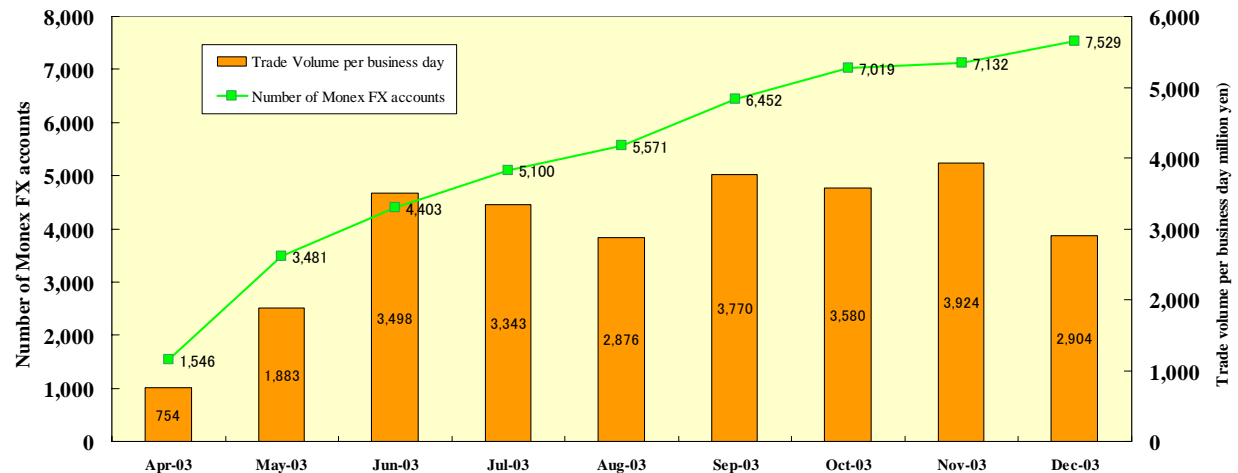
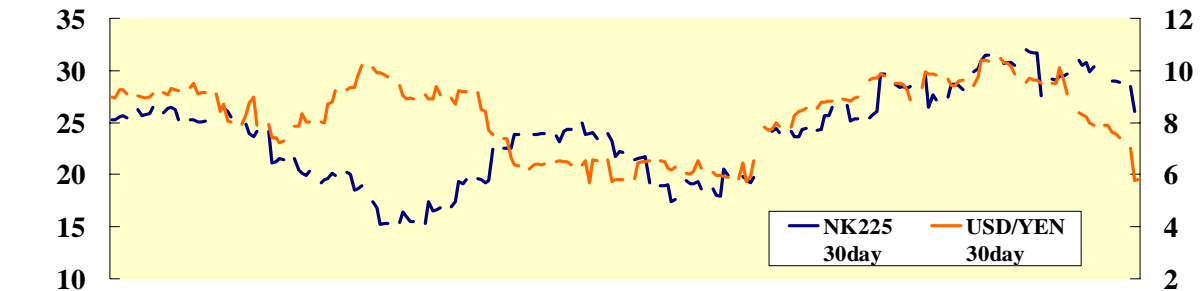
Correlation between volatility and trade volume

Eight pairs of currencies:
 USD/YEN, EUR/YEN
 EUR/USD, AUD/YEN
 GBP/YEN, CHF/YEN
 CAD/YEN, NZD/YEN

Trade volume is affected by volatility of currency exchange market, more than by stock market.

Historical Volatility of NK225 (%)

Historical Volatility of USD/YEN (%)



A wide range of products and services led to the growth of this business through the fosterage of customer satisfaction

Products and services to promote long term diversified investments

■ Diversification of investment target

	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	

■ Diversification of timing

	number	amount
Direct withdrawal from MRF	5,048(a)	95 million yen
Direct withdrawal from Bank Accounts	5,137(b)	106 million yen

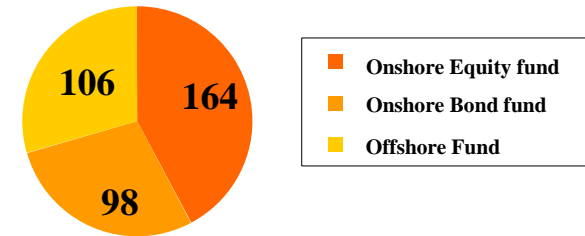
(a)Actual application amount as of 01/09/2004

(b)Actual withdrawal amount during 12/2003

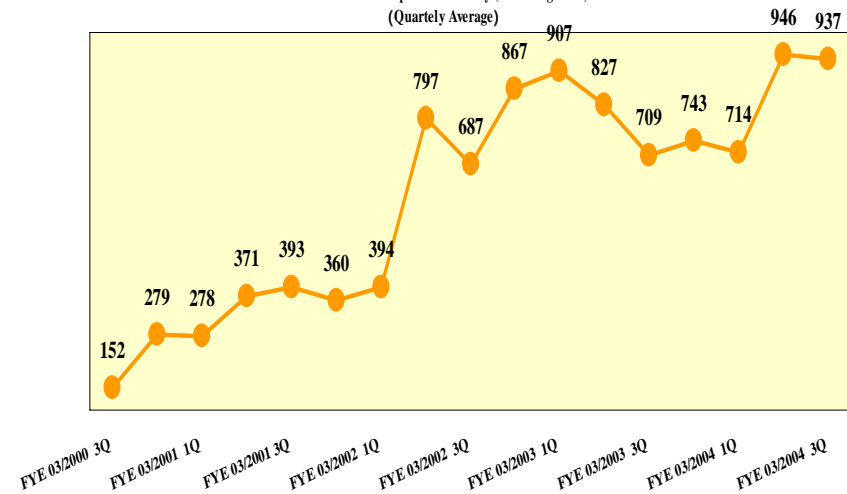
Onshore Equity	Bull/Bear Fund	Correlating with Nikkei 225 Switching is available
Onshore Bond	Fixed Income Bear Fund	Adverse correlation with price change of long term JGB
FX	Monex FX	8 pairs of currencies Two way-rate

Products fitting for the short-term needs

Investment Trust outstanding (excluding MRF)
100%=36.8 billion yen

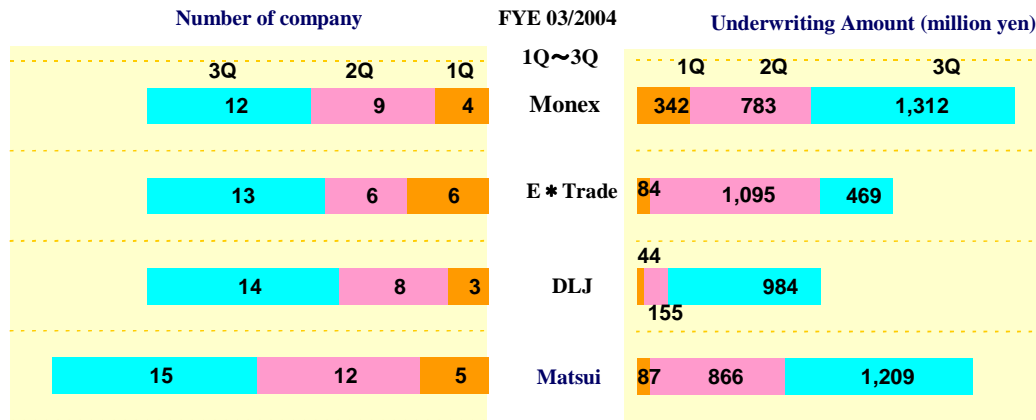


Number of orders per business day (excluding MRF)
(Quarterly Average)



Underwriting(IPO) Business

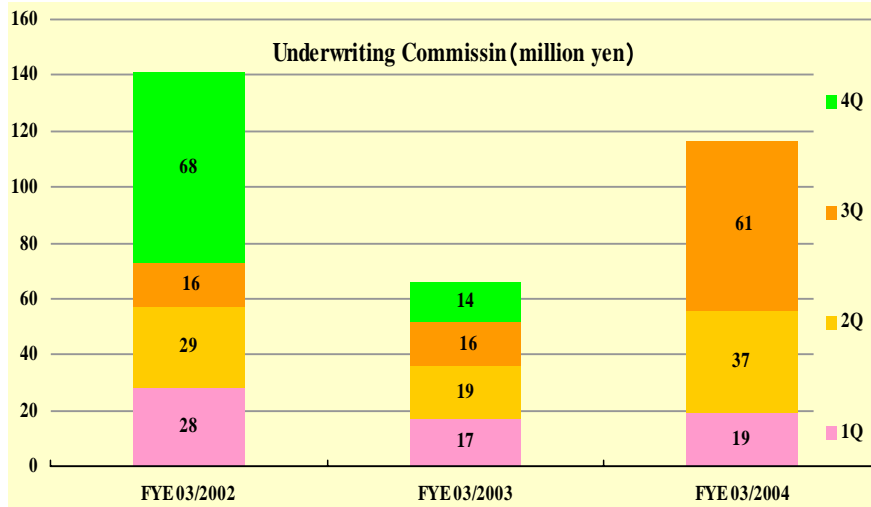
Overwhelming share of IPO business among online brokers
We were selected as a manager status by 4 companies (This 3Q : 2 companies)



FYE 03/2004 3Q

Company Name	IPO Date	Share
Kakaku.com, Inc.	9-Oct	10.0%
ThreePro Inc.	5-Nov	4.0%
Verisign Japan K.K.	19-Nov	10.0%
SHINOZAKIYA, INC.	28-Nov	2.0%
Nihon Falcom Corporation	2-Dec	1.0%
Veriserve Corporation	3-Dec	1.0%
Onco Therapy Science, Inc.	8-Dec	2.0%
BANDAI NETWORKS CO.,LTD.	12-Dec	3.0%
NihonAim CO.,LTD.	12-Dec	8.0%
Site Support Institute Co.,Ltd.	18-Dec	1.0%
TOCALO CO.,LTD.	19-Dec	1.0%
LAND Co.,LTD.	19-Dec	4.0%

*contract date base

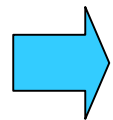


- Underwriting commission of this quarter is 61 million yen, increased by about 280% compared to the same period of the last FY,
- We were selected as a manager four times.
 1Q:Wacom(25%), 2Q:Prom(6%), 3Q:Kakaku.com(10%) and Nihon Aim(8%).In addition we acquired 10% share of VeriSign Japan deal.

- We reorganized Underwriting Dept into Capital Markets Dept and Corporate Finance Dept on November 1, 2003.
- We acknowledge we have the best underwriting team among online brokers, but we continue to enhance our quality to obtain a lead manager status and expand our business toward investment banking field.

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

I. Financial Results and Business
overview



**II. Business Model and Future
Development**

【Our view on business category】

- Online brokers can't survive any longer by simply catering inexpensive and prompt services.
- Improving clients' knowledge of financing and investments and supporting clients' gaining high returns are inevitable

【Our View on market】

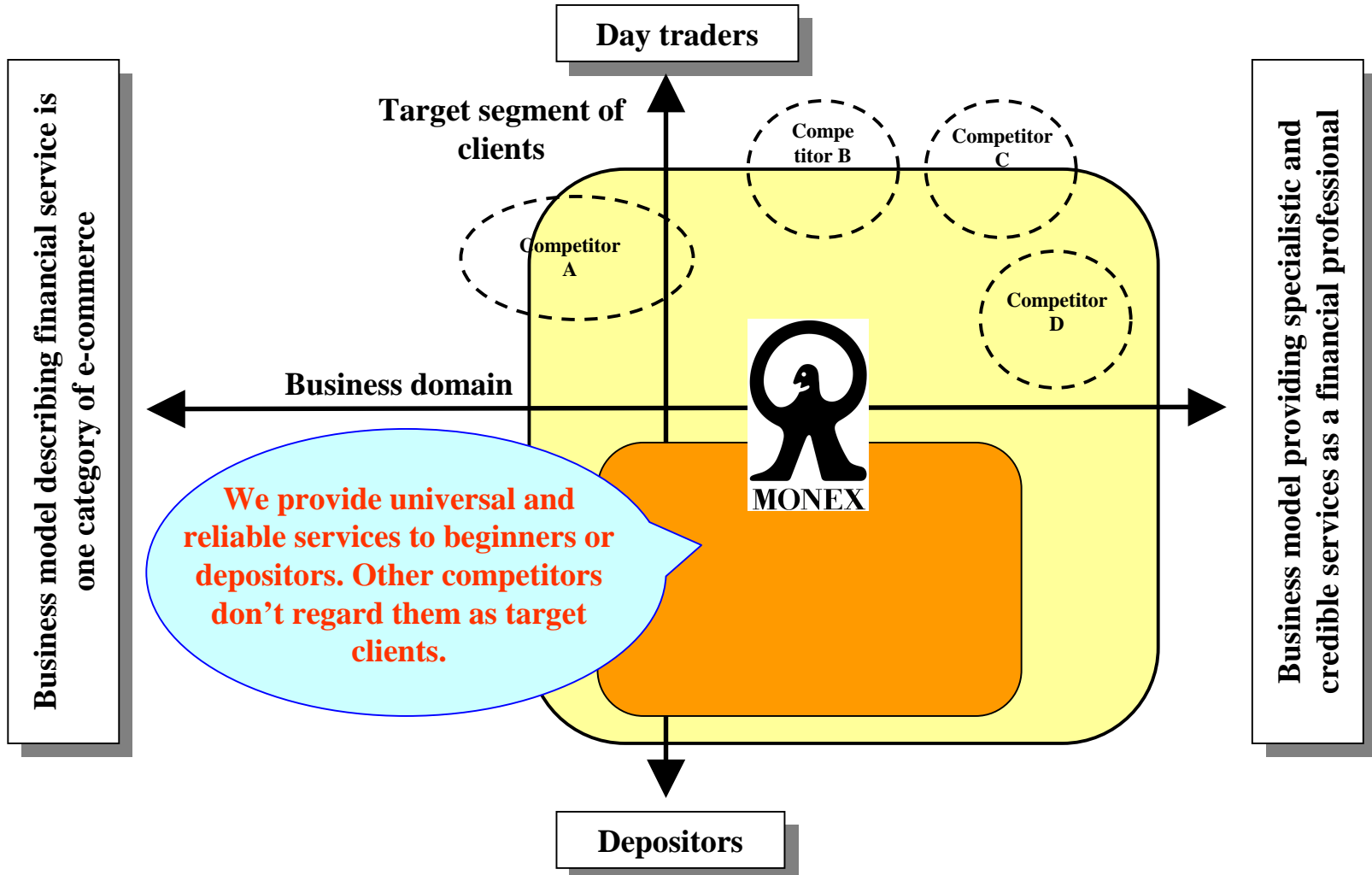
- Stock market is keeping good trend and online trading is growing increasingly, so the business environment is still good.
- Shift from the bank-centered indirect financial system to the market function-centered direct financial system is a kind of national policy and pushes our business toward further progress

【Our Business policy】

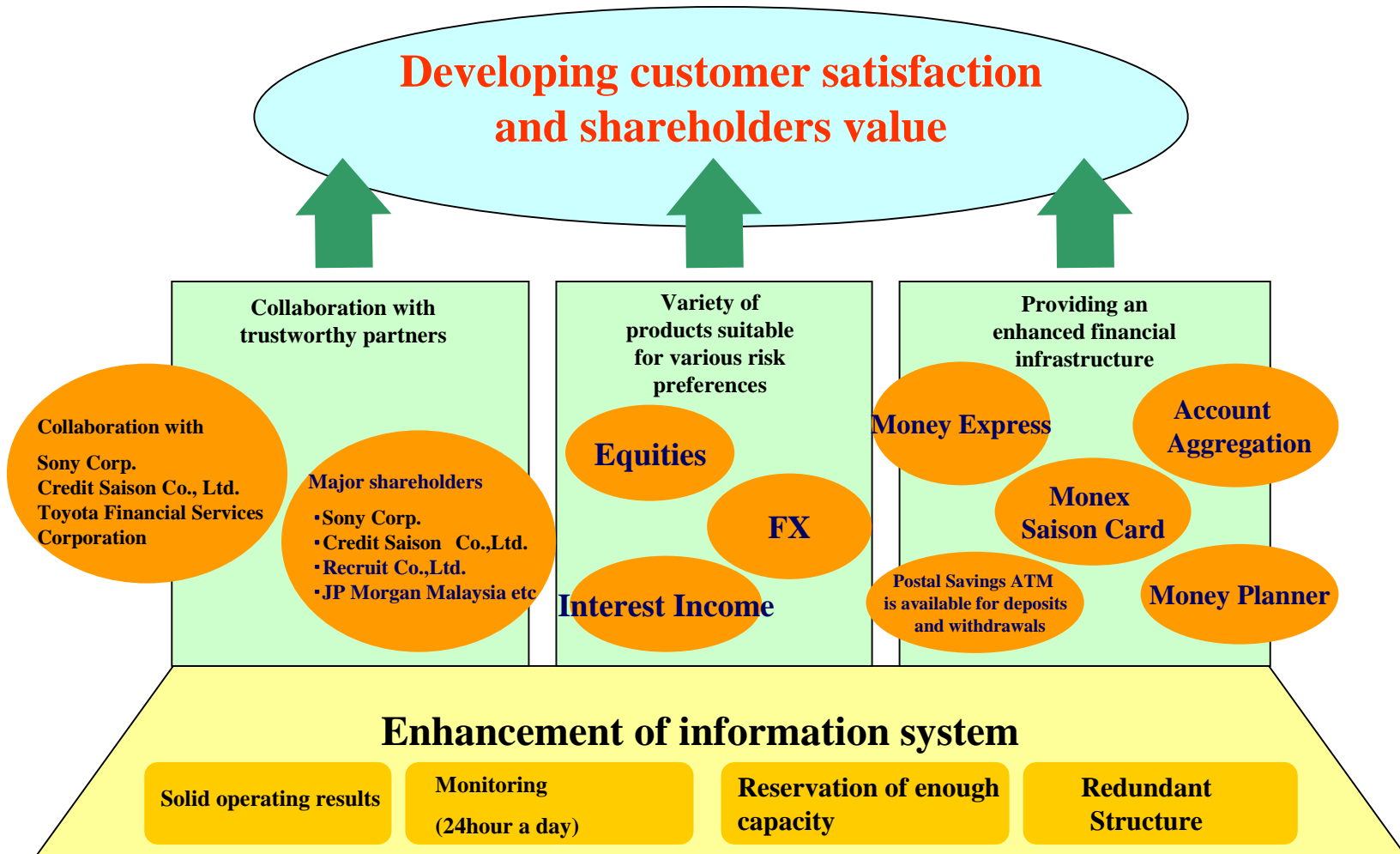
- We intend to become a reliable financial institution, keep putting top priority on customer satisfaction, and heighten our shareholders' value.
- We accomplished setting up profitable business structure, and moved to the second phase. We will definitely pursue our business policy.

Business domain and Target Customers

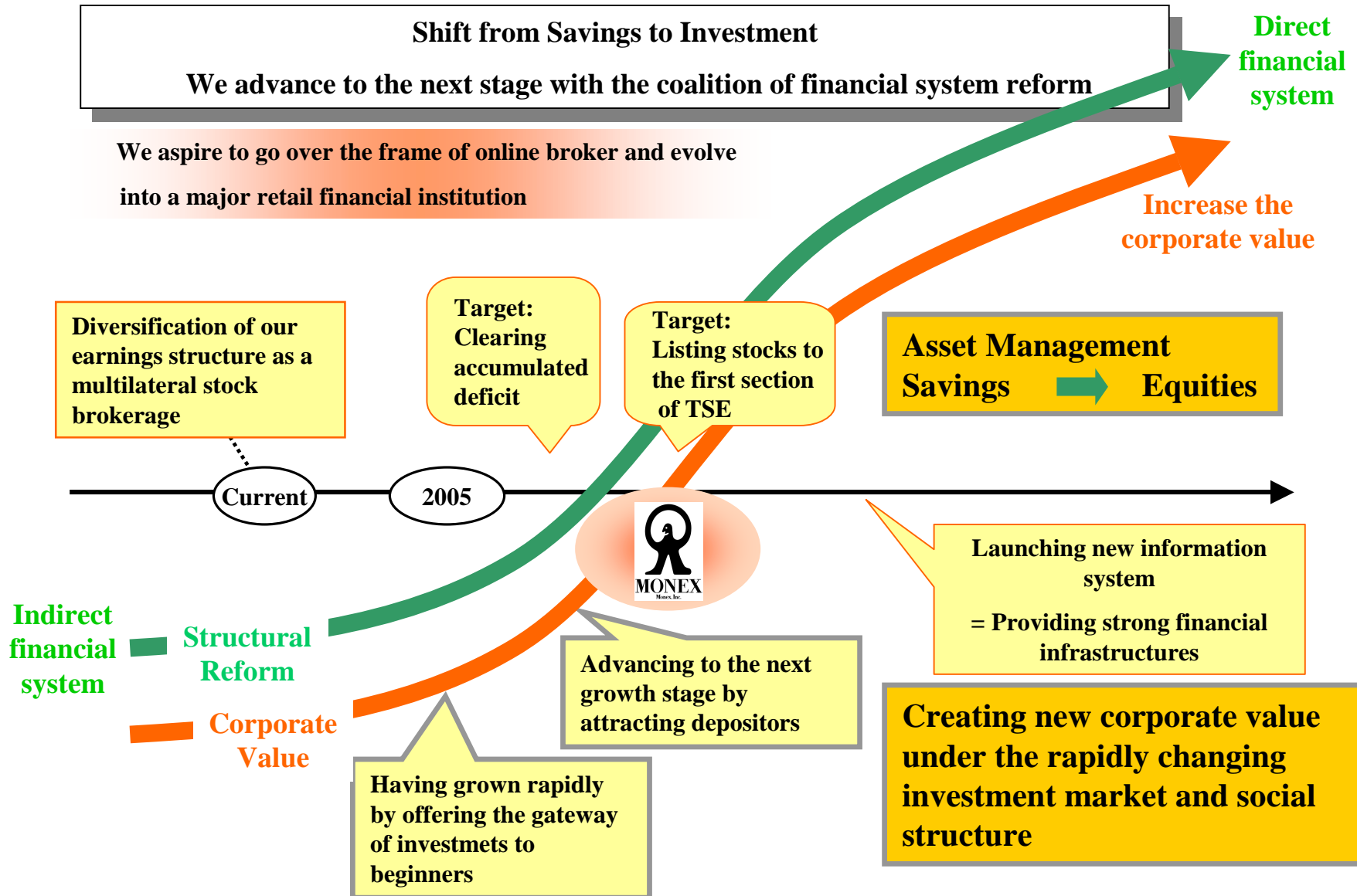
Our business domain and target segment of clients for future development



Making a giant leap ascribing to three factors and enhanced information system



Growth Path





MONEX

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