



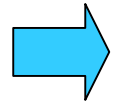
FYE 03/2004 1H Financial Results

October 17, 2003

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 first 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

II. Business Model and Future Development

FYE 03/2004 1H Financial Summary: FYE03/2003 1H vs. FYE03/2004 1H

(in million yen)

	FYE 03/2003 1H	FYE 03/2004 1H	Change
Operating Revenue	1,452	3,181	119.0%
Net Operating Revenue	1,452	3,050	110.0%
SG&A	2,285	2,281	-0.2%
Operating Income (Loss)	(833)	768	-
Ordinary Income (Loss)	(828)	773	-
Net Income (Loss)	(859)	706	-

(Apr. –Sep. 2002) (Apr. – Sep. 2003)

(in million yen)

	FYE 03/2003 1H	FYE 03/2004 1H	Change
Total Assets	11,741	45,180	284.8%
Shareholders' Equity	9,476	9,090	-4.1%
Capital Adequacy Ratio	742.0%	501.3%	-
Cash & Equiv (incl.CP)	6,999	5,894	-15.8%
Lease O/S	2,803	2,139	-23.7%

FYE 03/2004 2Q Financial Summary: 1Q vs. 2Q

(in million yen)

	FYE 03/2004 1Q	FYE 03/2004 2Q	Change
Operating Revenue	1,252	1,929	54.0%
Net Operating Revenue	1,164	1,885	62.0%
SG&A	1,101	1,180	7.2%
Operating Income	63	705	1,019.4%
Ordinary Income	66	706	962.1%
Net Income	37	668	1,676.2%

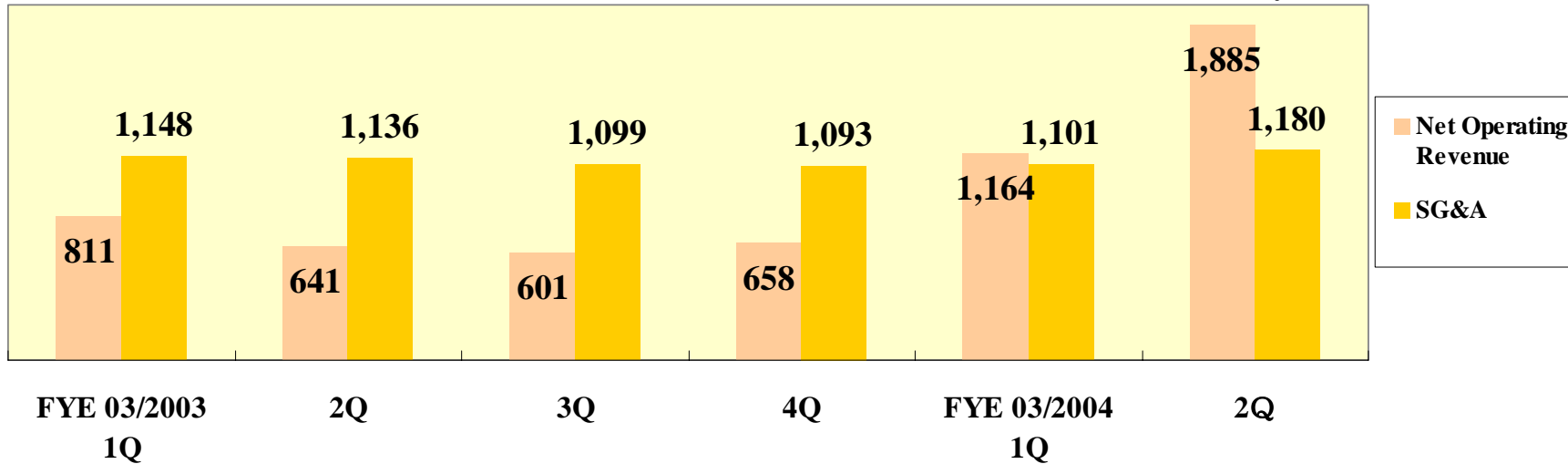
(Apr. – June 2003) (July – Sep. 2003)

(in million yen)

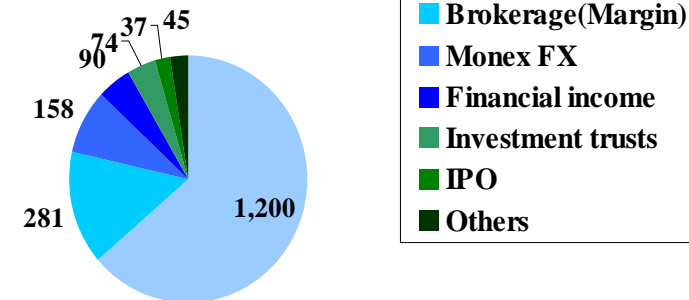
	FYE 03/2004 1Q	FYE 03/2004 2Q	Change
Total Assets	30,936	45,180	46.0%
Net Assets	8,404	9,090	8.2%
Capital Adequacy Ratio	543.8%	501.3%	-
Cash & Equiv. (incl. CP)	8,480	5,894	-30.5 %
Lease O/S	2,339	2,139	-8.5%

Net Operating Revenue vs. SG&A

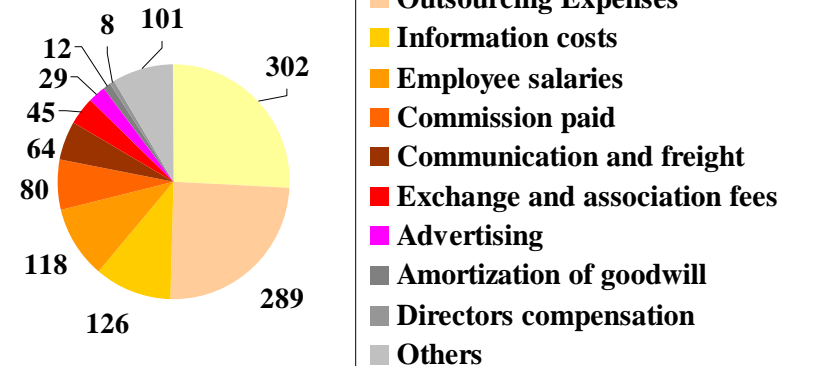
(million yen)



Net Operating Revenue Breakdown
100% = 1,885 (million yen)



SG&A Breakdown
100% = 1,180 (million yen)



Break-even Analysis Spreadsheet

1. Divide major items of SG & A into 2 categories (1) Variable (trade volume or number of accounts base) and (2) Fixed.

After excluding one-time expenses, Outsourcing Expenses are divided into three categories.

(million yen)

Major Items of SG & A	Variable / Fixed	FYE 03/2003				FYE 03/2004	
		1Q	2Q	3Q	4Q	1Q	2Q
Commision paid	Variable (based on trading volume)	44	36	34	24	53	80
Exchange and Association fees	Fixed	21	19	24	29	34	45
Communication and Freight	Variable (based on trading volume)	62	53	59	49	48	64
Information expenses	Vairable (based on number of accounts)	123	125	126	127	123	126
Advertising Expense	Fixed	6	10	22	24	28	29
Directors' compensation	Fixed	6	6	6	6	6	8
Employees salaries	Fixed	115	118	122	121	129	118
Equipment lease and maintenance	Variable (based on number of accounts)	317	307	312	343	301	302
Outsourcing Expenses (1)	Fixed (30%)	95	92	76	74	77	86
Outsourcing Expenses (2)	Variable (20%: based on trading volume)	63	61	50	49	51	57
Outsourcing Expenses (3)	Variable (50%: based on number of acco)	158	154	127	124	128	144
Outsourcing Expenses (4)	One-time Expenses	13	0	13	23	6	0
Amortization of Goodwill	Fixed	10	10	11	12	12	12
Variable Cost (based on trading volume)	(A)	170	151	145	123	153	203
Variable Cost (based on # of accounts)	(B)	612	588	566	595	554	573
Fixed Cost (+ one-time expenses)	(C)	256	257	277	292	294	301
Total major items of SG&A		1,039	997	989	1,011	1,001	1,079
Ratio to Total SG&A (total of major item of SGA / total SGA)		91%	88%	90%	92%	90%	91%

2. Brokerage Commision takes major portion in Operating Revenue

Brokerage Commision	726	551	525	551	908	1,481
Operating Revenue	811	641	601	658	1,164	1,885
Brokerage Commision/Operating Revenue	90%	86%	87%	83%	78%	79%

3. Calculate Variable cost per trade and the others

Quarterly Trading Volume ('000 trades) (D)	482	372	362	415	642	1,004
Average Commision / Trade (Yen)	1,508	1,481	1,448	1,326	1,414	1,474
Variable (based on trading volume) / Trade (A)/(D) (Yen)	354	408	400	298	238	202
Average Commision / Trade - Variable (based on trading volume) / Trade (Yen)	1,154	1,073	1,048	1,028	1,176	1,272

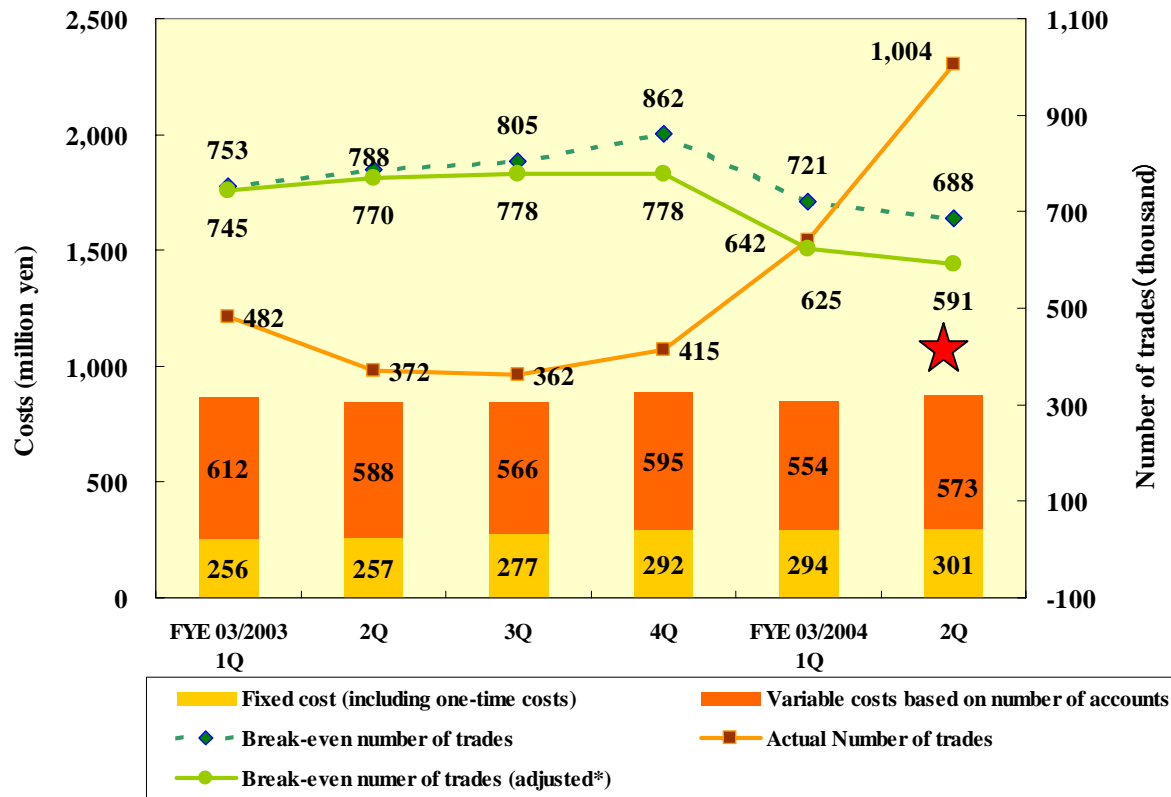
4. Calculation of estimated Break-even point to cover both Fixed cost and Variable cost based on number of accounts

Break-even Point Estimate (Quarterly) (E) ('000 trades)	753	788	805	862	721	688
Break-even Point Estimate (Monthly) ('000 trades)	251	262	268	287	240	229

5. Adjust the Break-even Points by multiplying the ratio of revenue from brokerage to total net operating revenue

Adjusted Breakeven Point estimate (Quarterly) (E) x (*2)/(*1)	745	770	778	778	625	591
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Break-even Analysis – Number of Trades



FYE 03/2004 2Q

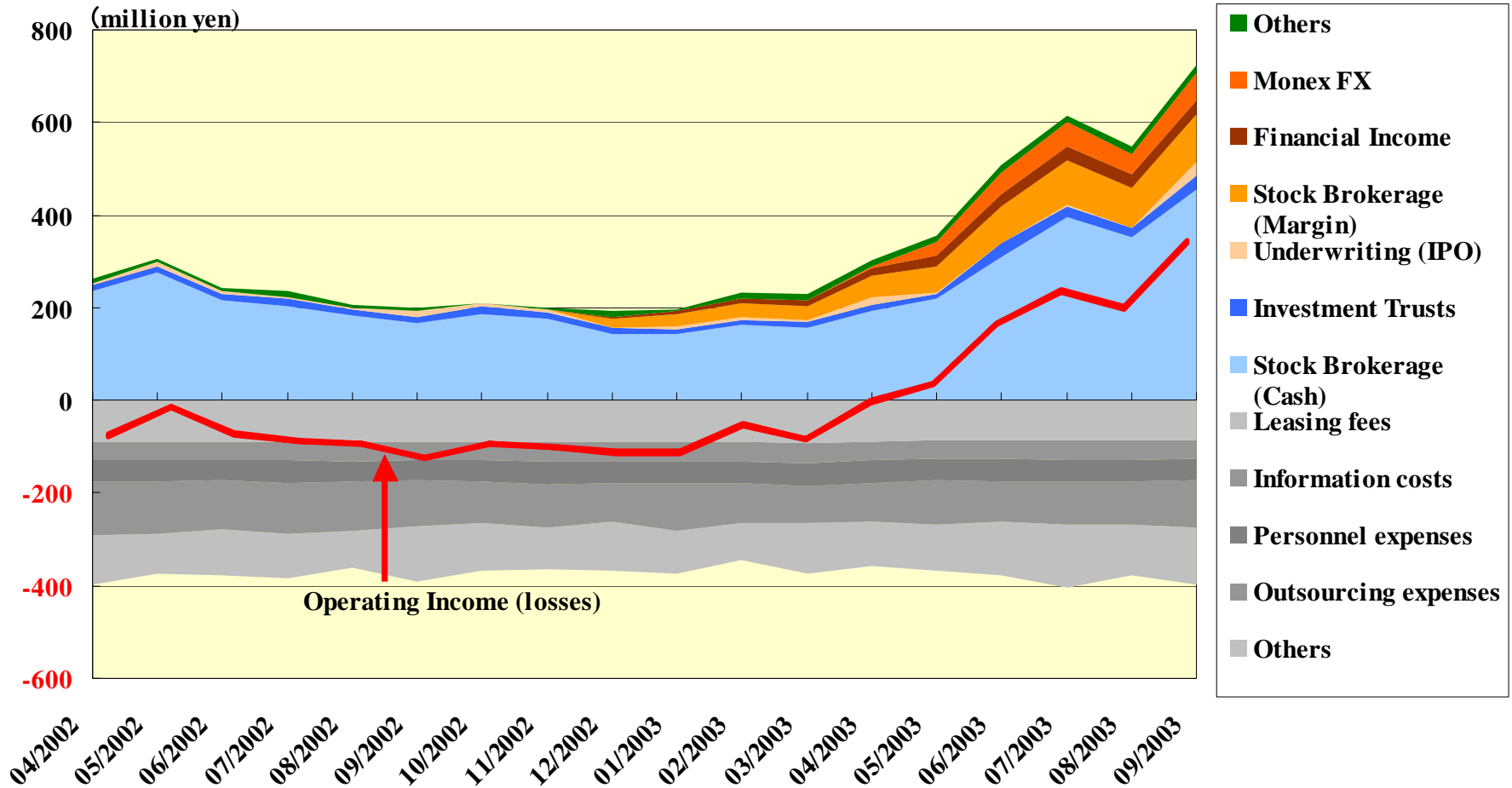
- Number of trades has continuously increased due to the vigorous domestic stock market.
- Fixed type of costs are well controlled.
- Absolute value of Revenue from other than stock brokerage has increased.

It led to further decrease of real Break-even number of trades compared to the calculation used in the left graph.

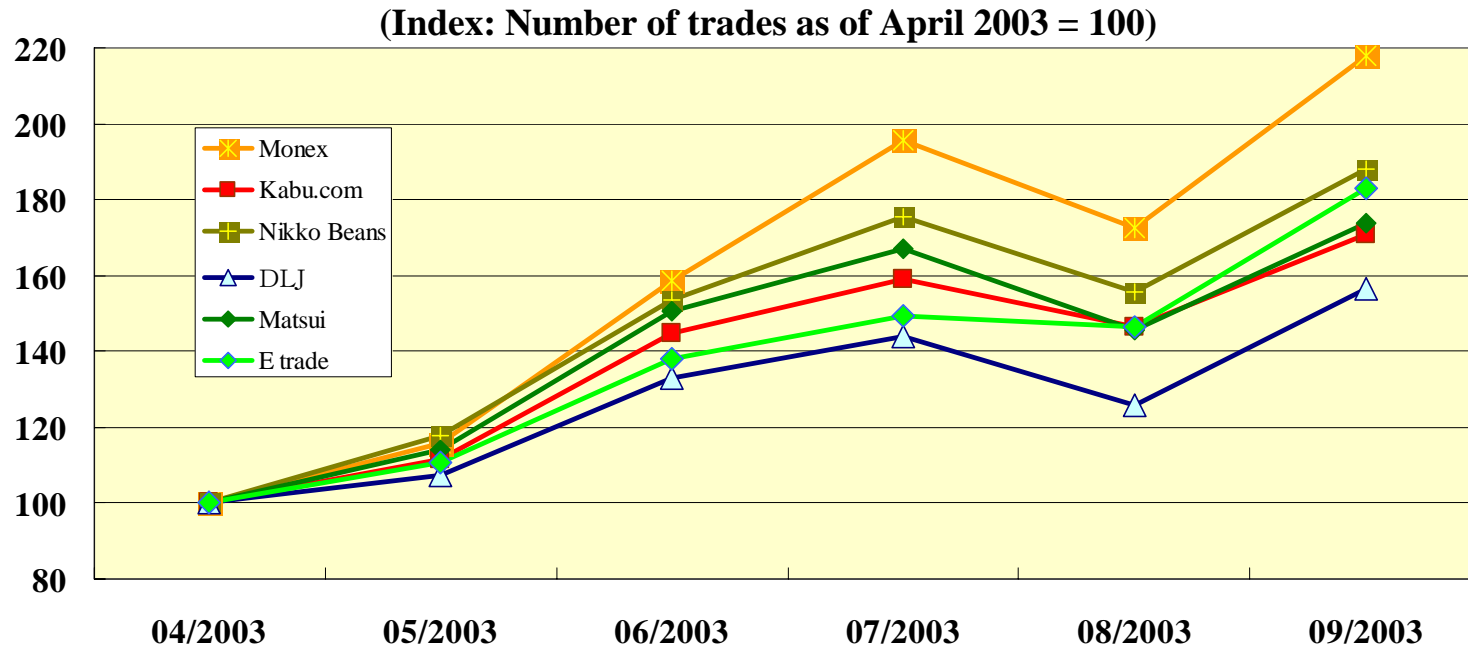
★ shows the actual B/E point.

- (*) Adjusted by a difference between
- 1) the ratio of “Major items of SGA” to “total SGA”, and
 - 2) the ratio of revenue from Stock brokerage to Net Operating Revenue

Revenue Diversification and constant expenses



Stock brokerage growth in number of trades



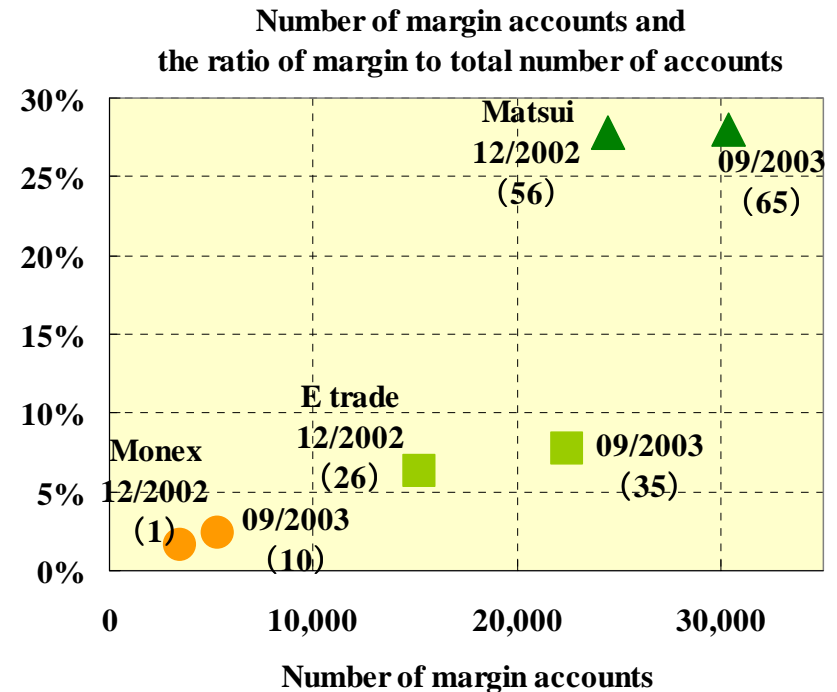
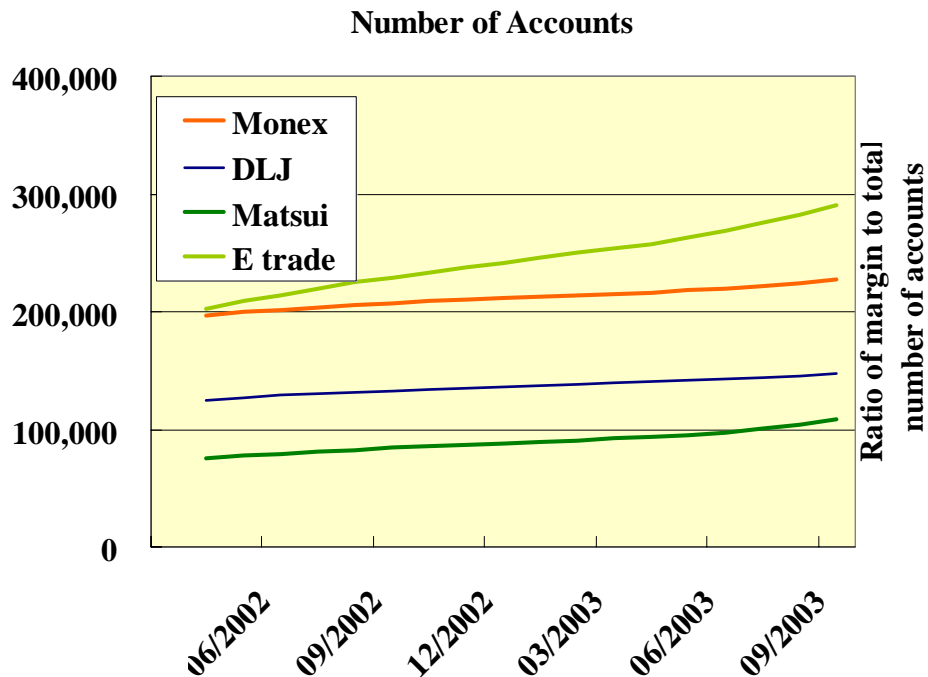
Source: Company data on HP

Monex has a larger growth rate than the other competitors during the first half of FYE 03/2004.

It is analyzed that the reasons for this growth could be the following:

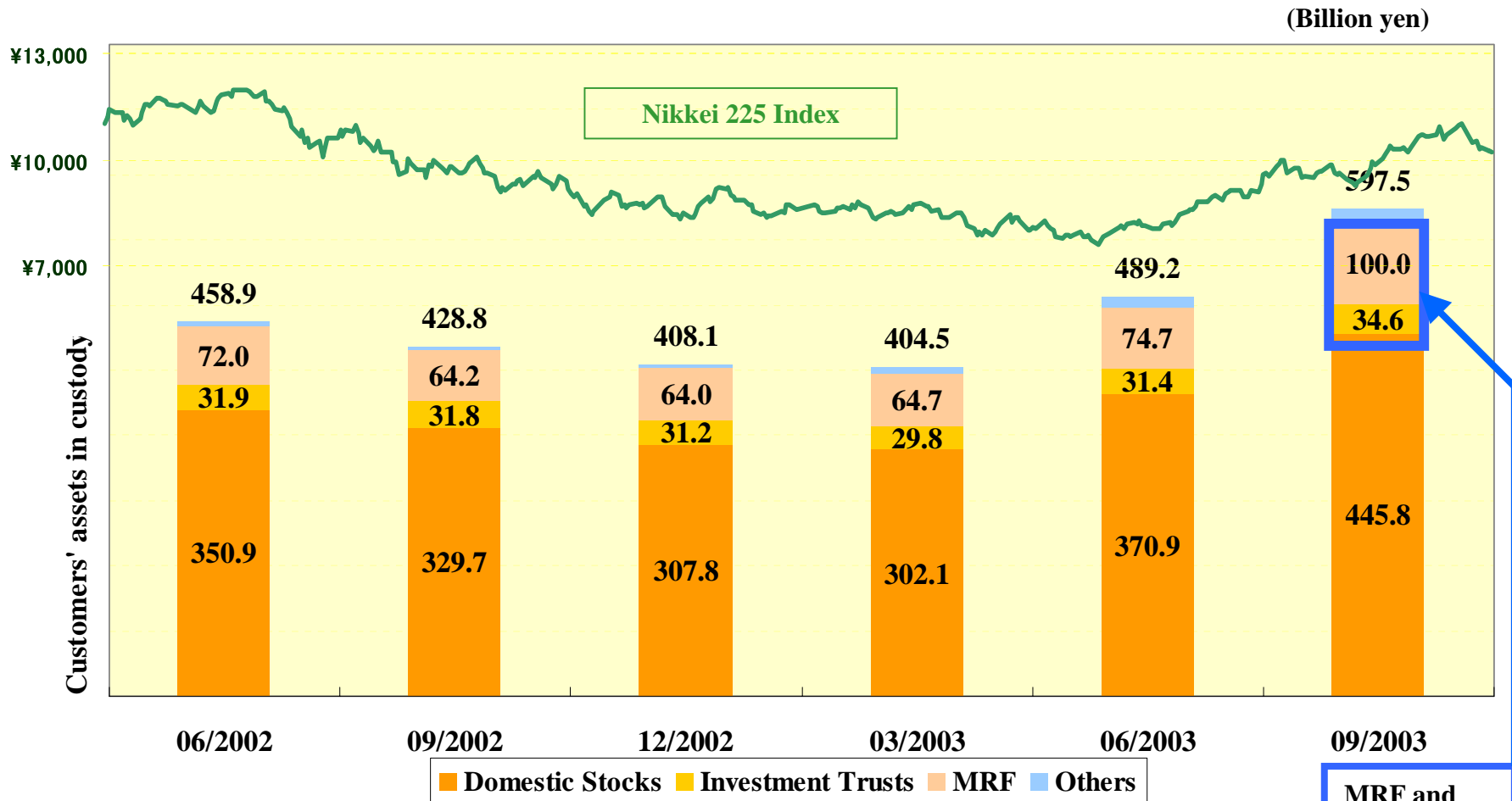
- (1) Difference in Customers; cash trade customers may have a larger potential for growth compared to margin trade customers during such recovering stock market.
- (2) Stable trading systems; Monex has maintained a sufficient system capacity even when a large number of retail customers rush to the stock market; some customers from other competitors may have moved to Monex.

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.

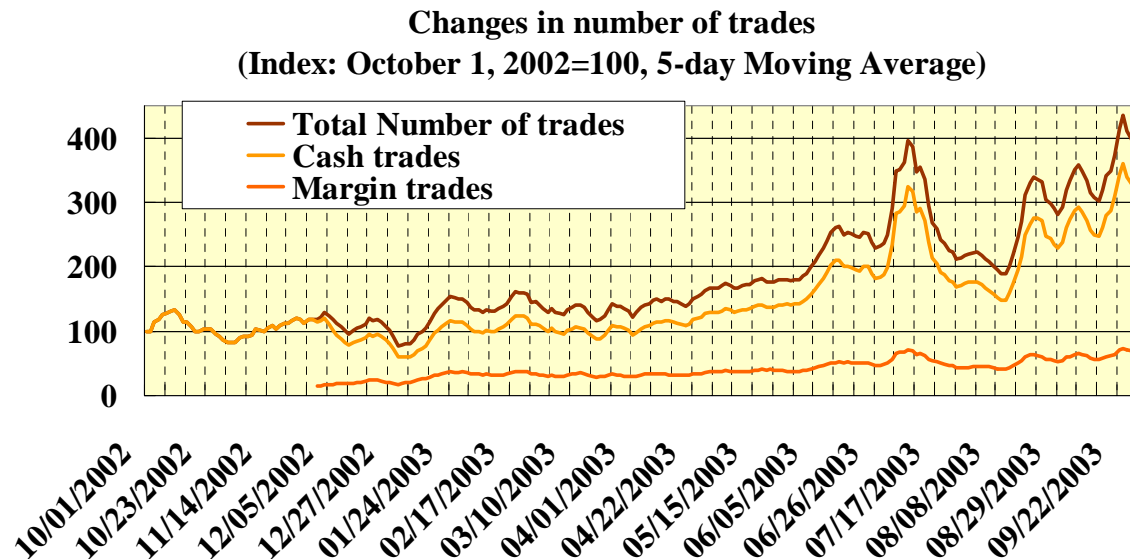
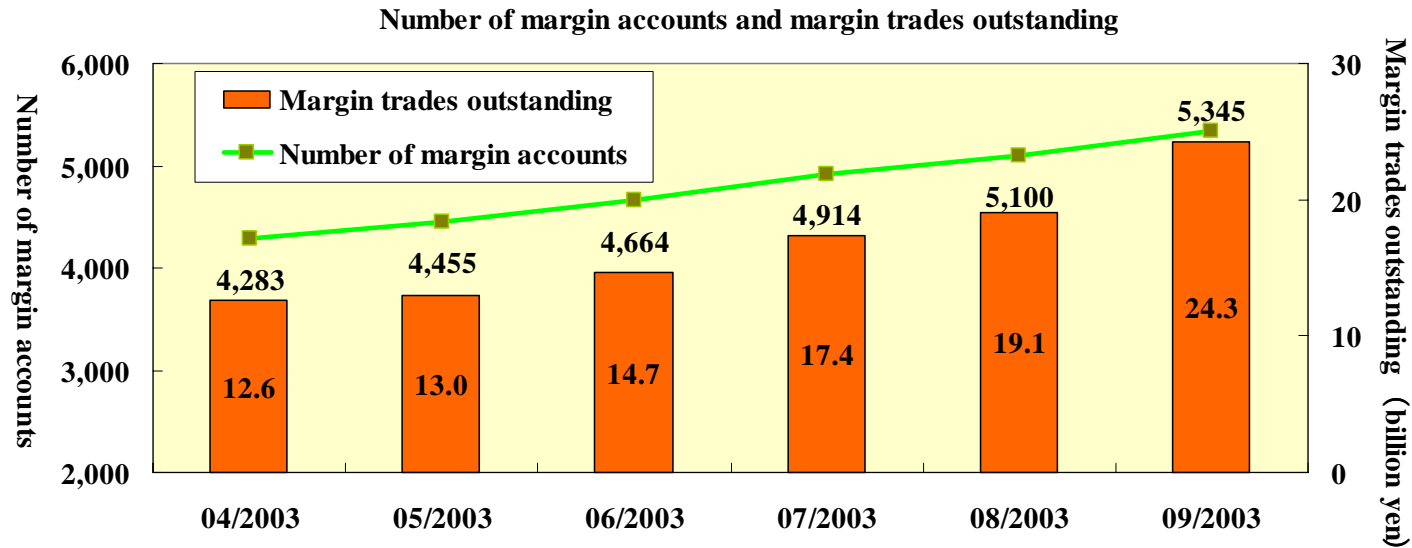
Customers' Assets in Custody



- MRF outstanding (as of September 2003) 100 billion yen
- June 2003→Sept. 2003 Nikkei 225: + 12.5%, Monex Clients' assets in custody: + 22.1%

MRF and Investment trusts

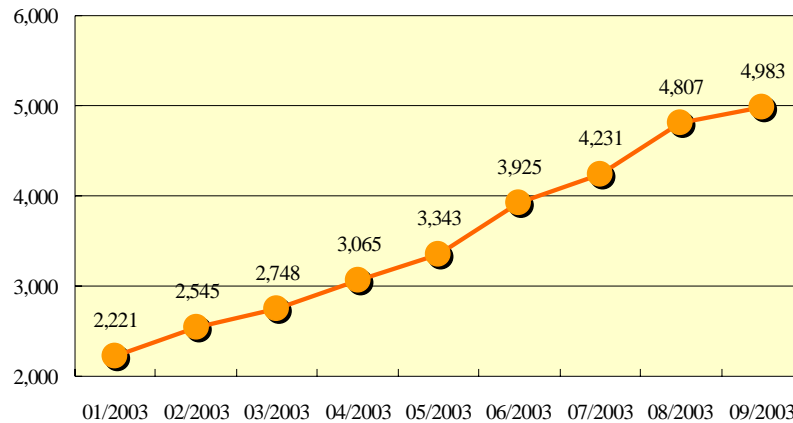
Margin trades



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

Our unique service “Stock Lending” has been steadily growing.

Number of Stock Lending accounts



Stock lending accounts are now over 5,000 (Oct. 2003)

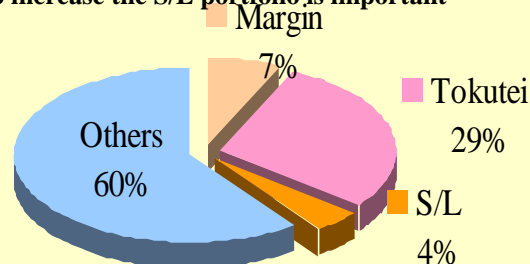
Stock lending Portfolio is now over 20 billion yen (Oct. 2003)

Customers earned 0.134%p.a. average during Apr.-Sep. 2003

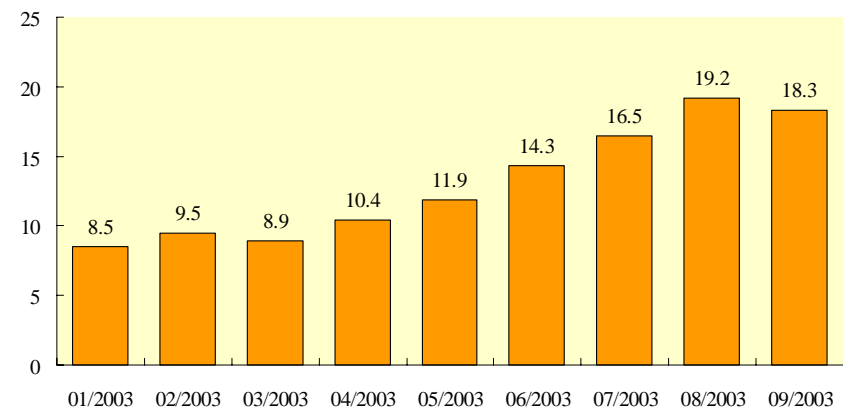
Better than deposit rates at other financial institutions

Breakdown of Stocks in custody (as of Sep. 30, 2003)

- 4% of the stocks in custody : for Stock Lending
- 7% of the stocks in custody excluding TOKUTEI and Margin accounts for Stock Lending.
- Further efforts to increase the S/L portfolio is important

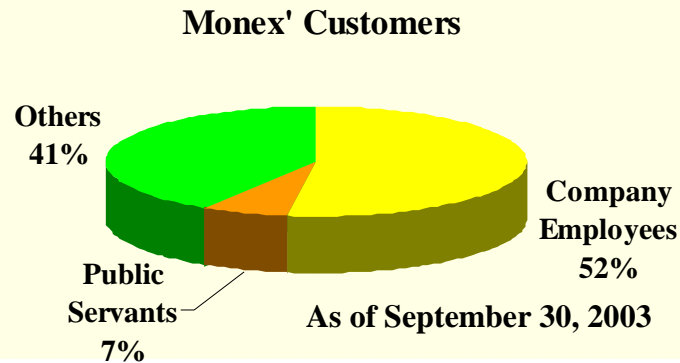


Stock Lending outstanding (billion yen)



Monex FX – Margin FOREX Trades

FX trades fits to our client base; both accounts and volume has grown rapidly

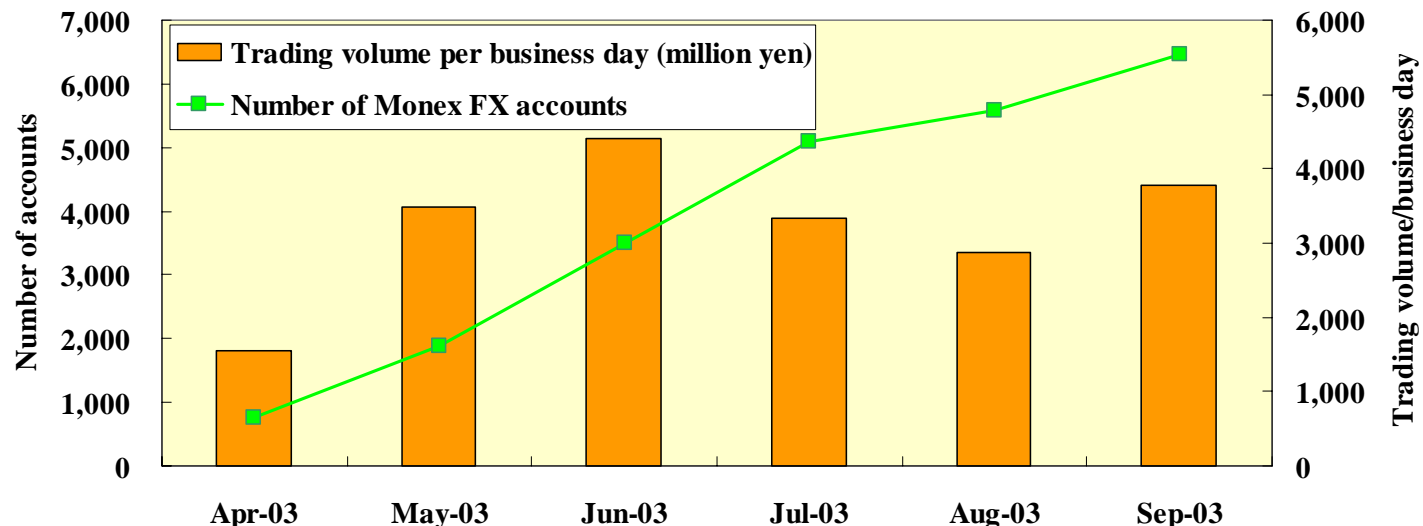


Company employees & Public servants:

- are familiar with foreign exchange transactions.
- would prefer trading during night time rather than during working at the office.

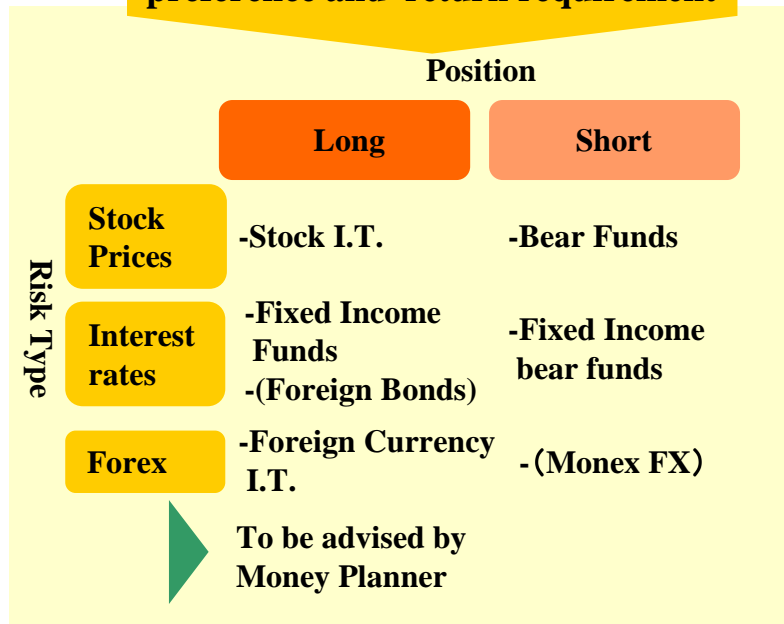
—Margin FX trading started on April 21; since then both accounts and trading volume has grown steadily. Revenue from Monex FX was 239 million yen during 1H.

—It continues to be considered as one of major revenue source.



Investment Trusts

A wide range of investment trusts for customers with various risk preference and return requirement



Attractive investment trusts

HSBC China Open

Potential economic growth in the emerging stock market ; the fund was selected by focusing on research capabilities and past performance

Toyota Assets Vanguard: Foreign Stock Funds

Monthly purchase plan is available
Funds of funds investing in global growth type stock funds
No-load type domestic investment trusts

DKA Fixed Income Bear Open

Domestic investment trusts which increases in value when the fixed income securities decrease in value.

The average number of transactions of investment trusts (excluding MRF) effected on each business day during September 2003 is 1,210.

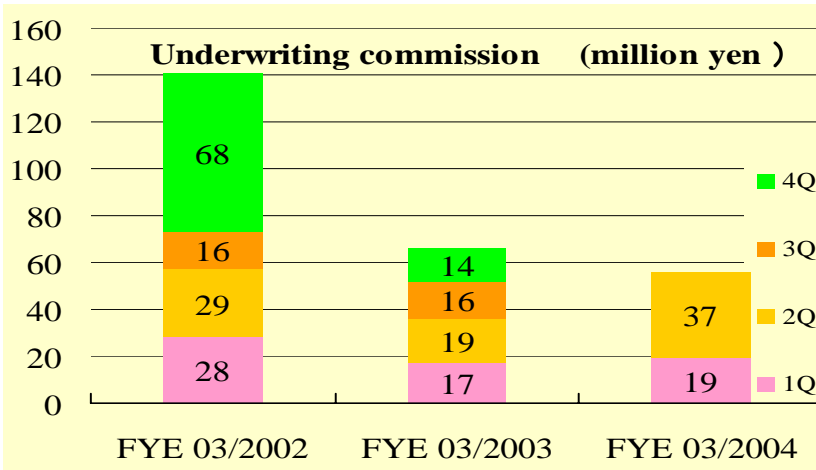
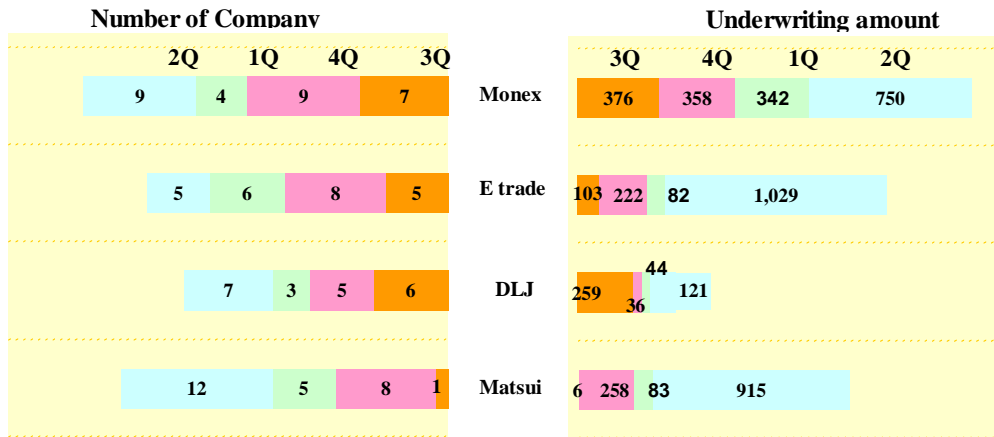
Investment trusts outstanding as of Sept. 30, 2003
100%=34.6 billion yen



Monthly fixed amount purchase Sept. 2003	Number of Orders	Monthly Purchase Amount
Teigaku Tsumitate (Direct withdrawal from MRF)	4,412	80 million yen
Card de Tsumitate (Direct withdrawal from bank account)	5,893	126 million yen

Underwriting (IPO) Business

FYE 03/2003 3Q~FYE 03/2004 2Q (million yen)











- Underwriting commission of the first half of this FY is 56 million yen, increased by 56% from the last first half.
- Manager status for Wacom, I'rom, Kakaku.com
- Continuing efforts to increase the share

FYE 03/2004 2Q

Company Name	IPO Date	Share
DWANGO Co., Ltd.	17/7	4.0%
Artist House, Inc	8/8	1.0%
AKINDOSUSHIRO CO., LTD	18/9	1.0%
CENTURY LEASING SYSTEM	18/9	0.5%
MediBIC	18/9	2.0%
Mag Garden Corporation	22/9	1.0%
eAccess Ltd.	3/10	1.5%
MEDINET Co., Ltd.	8/10	1.0%
I'rom Co., Ltd.	10/10	6.0%

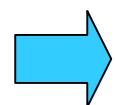
IPO – manager status

*contract date base

Company Name	IPO Month/Year*	Share
Kakaku.com 	10/03	10%
I'rom Co., Ltd 	10/03	6%
Wacom 	4/03	25%
Hooseiers Corporation 	10/02	8%
GignoSystem Japan 	3/02	10%
Konami Entertainment Japan 	2/02	10%
Open Loop 	1/03	18%
V Technology 	10/00	6%

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

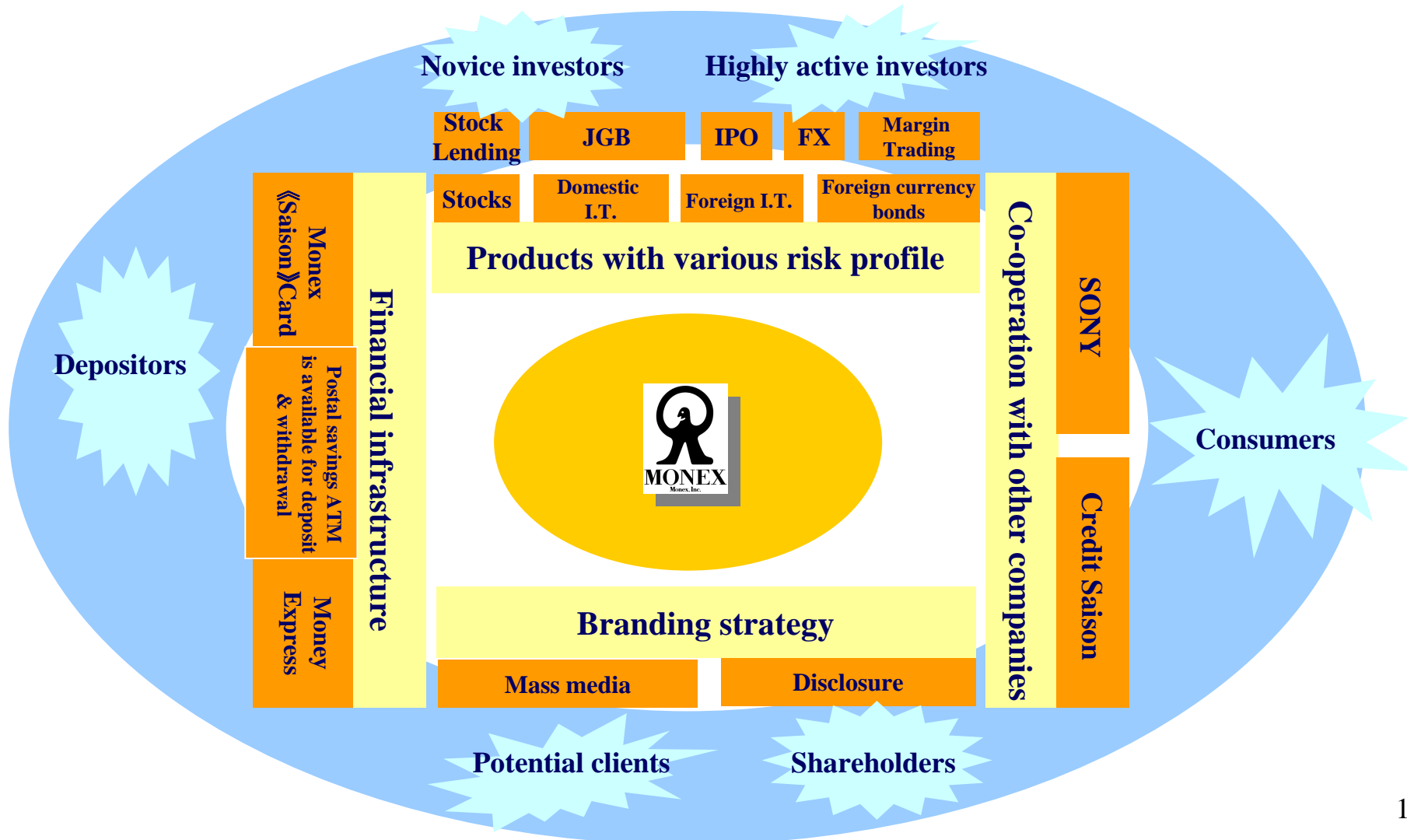
I. Financial Results



II. Business Model and Future Development

Concept for Growth

Prepare for further progress with well planned strategy.



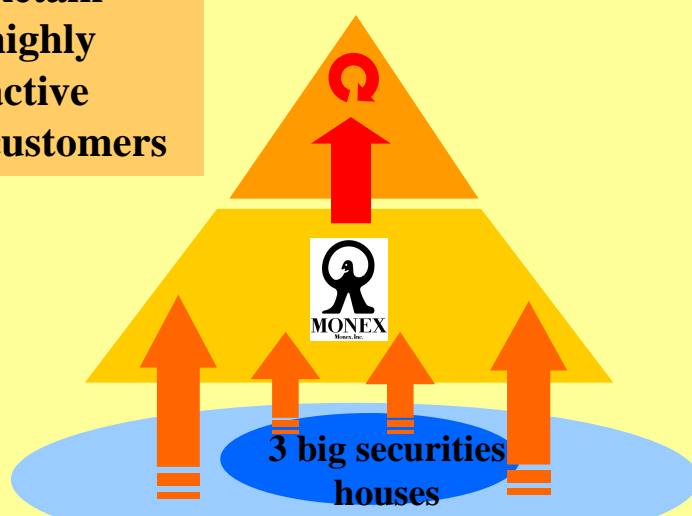
All-round Internet Securities House

Continuously make efforts to be all-round net securities house

Continuous efforts to provide better products & services

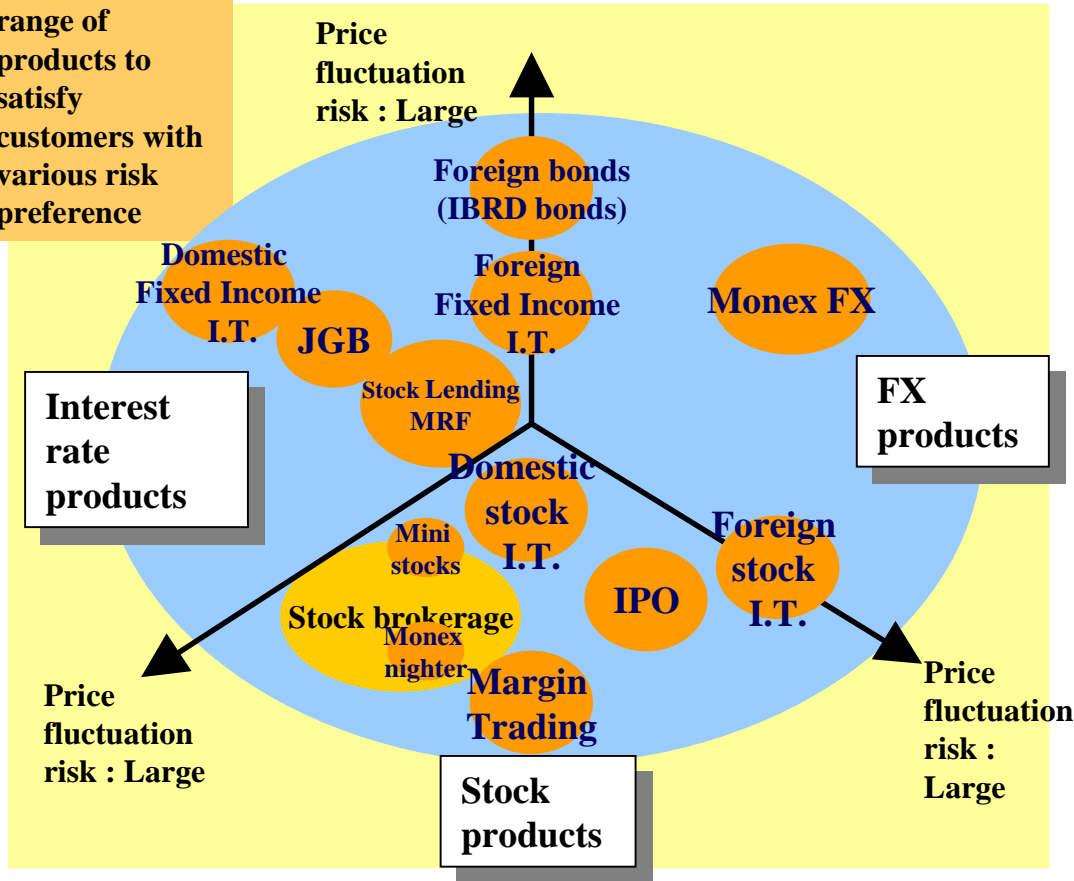
Retain highly active customers

Provide a wide range of products to satisfy customers with various risk preference



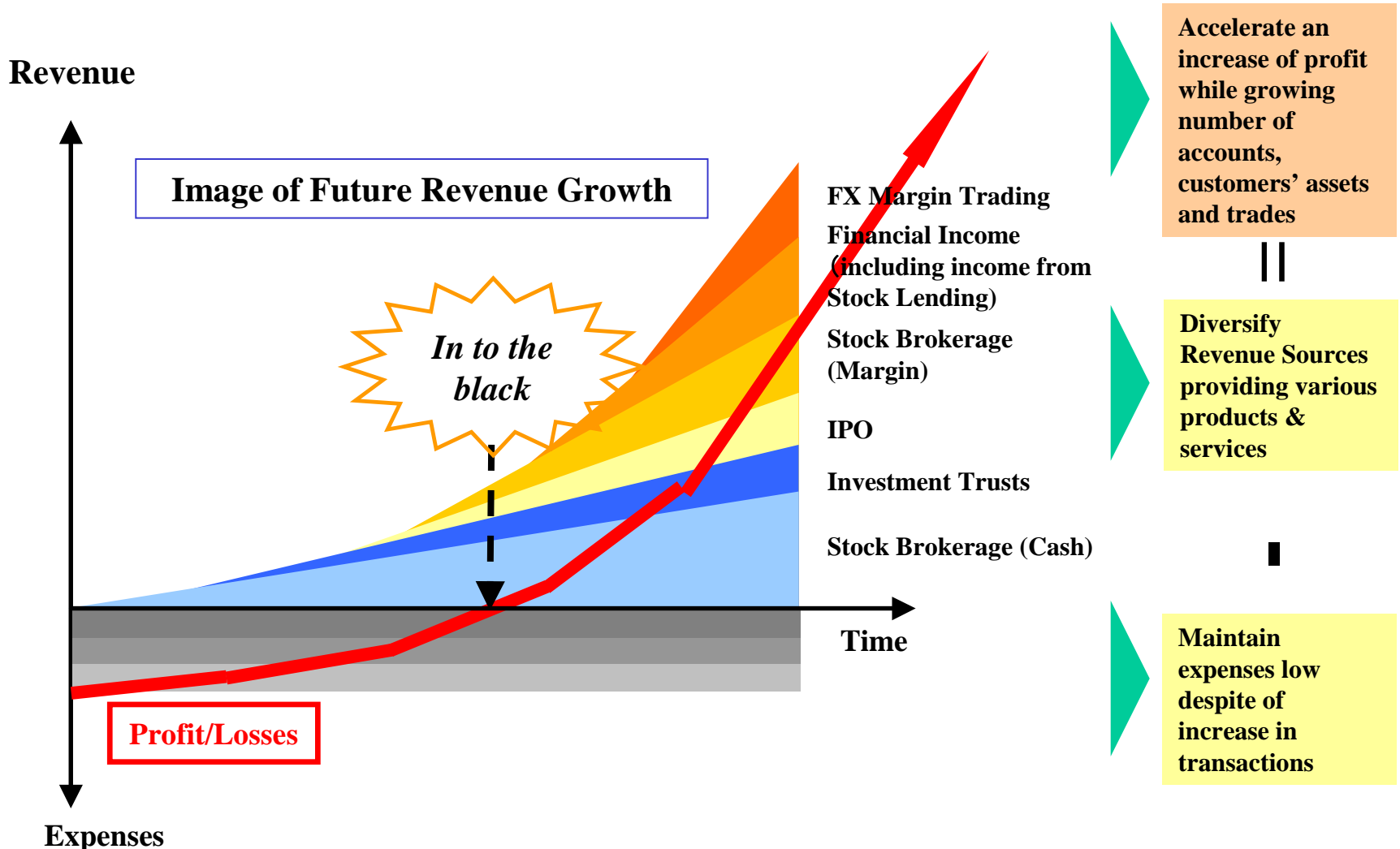
Clients of Banks and Postal Savings

- Fixed fee schedule
- Margin trading through Mobile phone
- New Information Service
- Long-short model

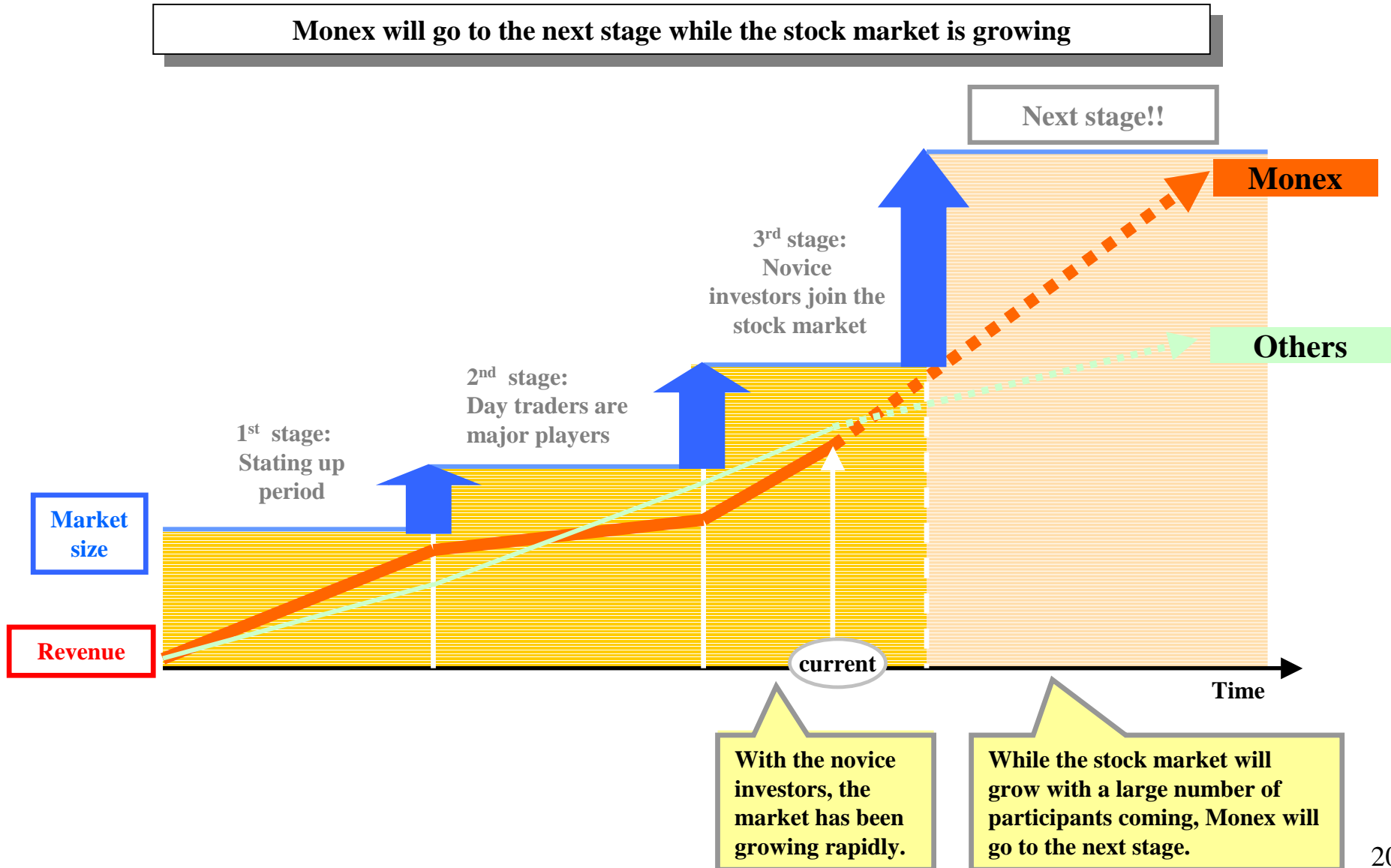


Revenue Diversification

Diversify and expand revenue source while controlling expenses

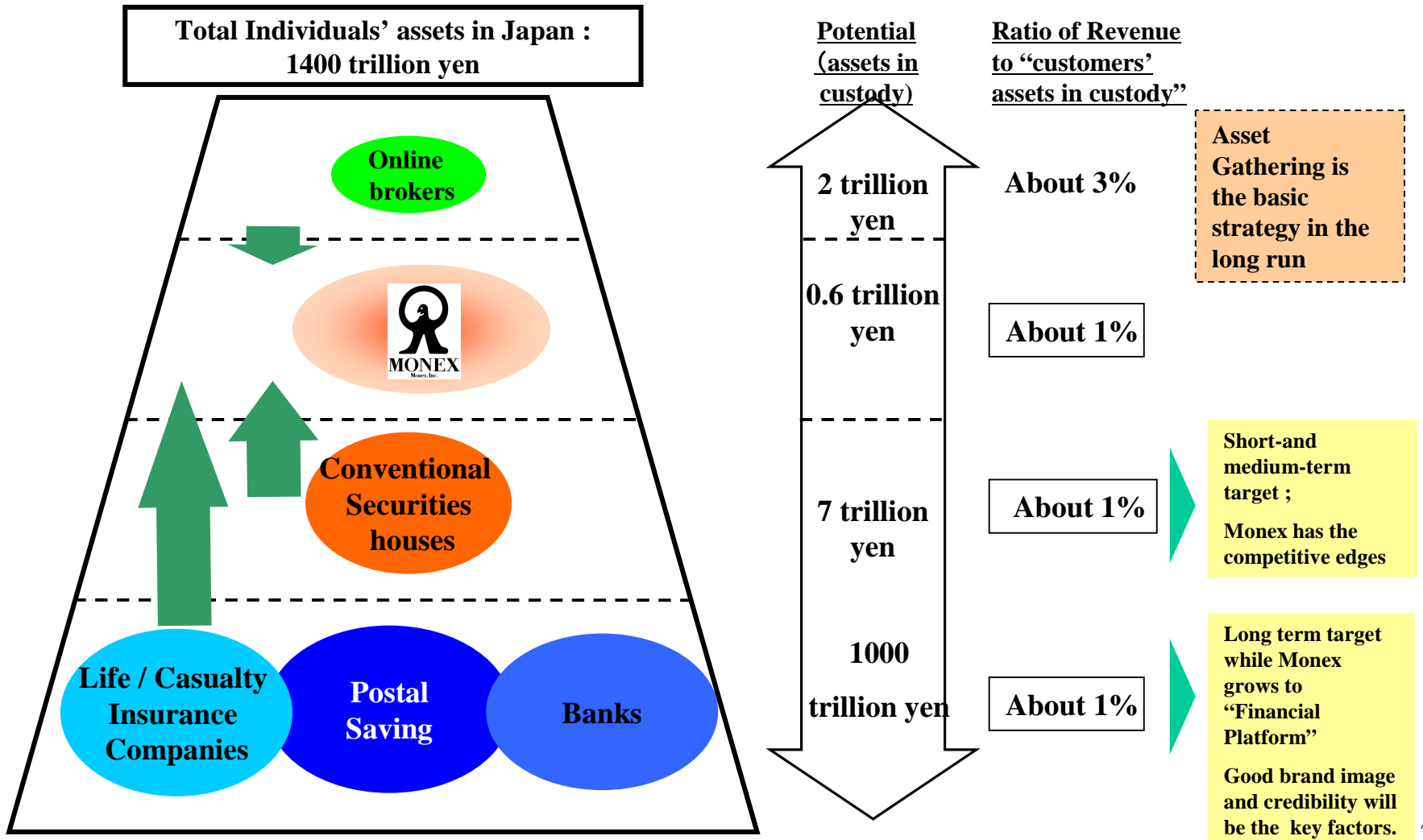


Growth stages



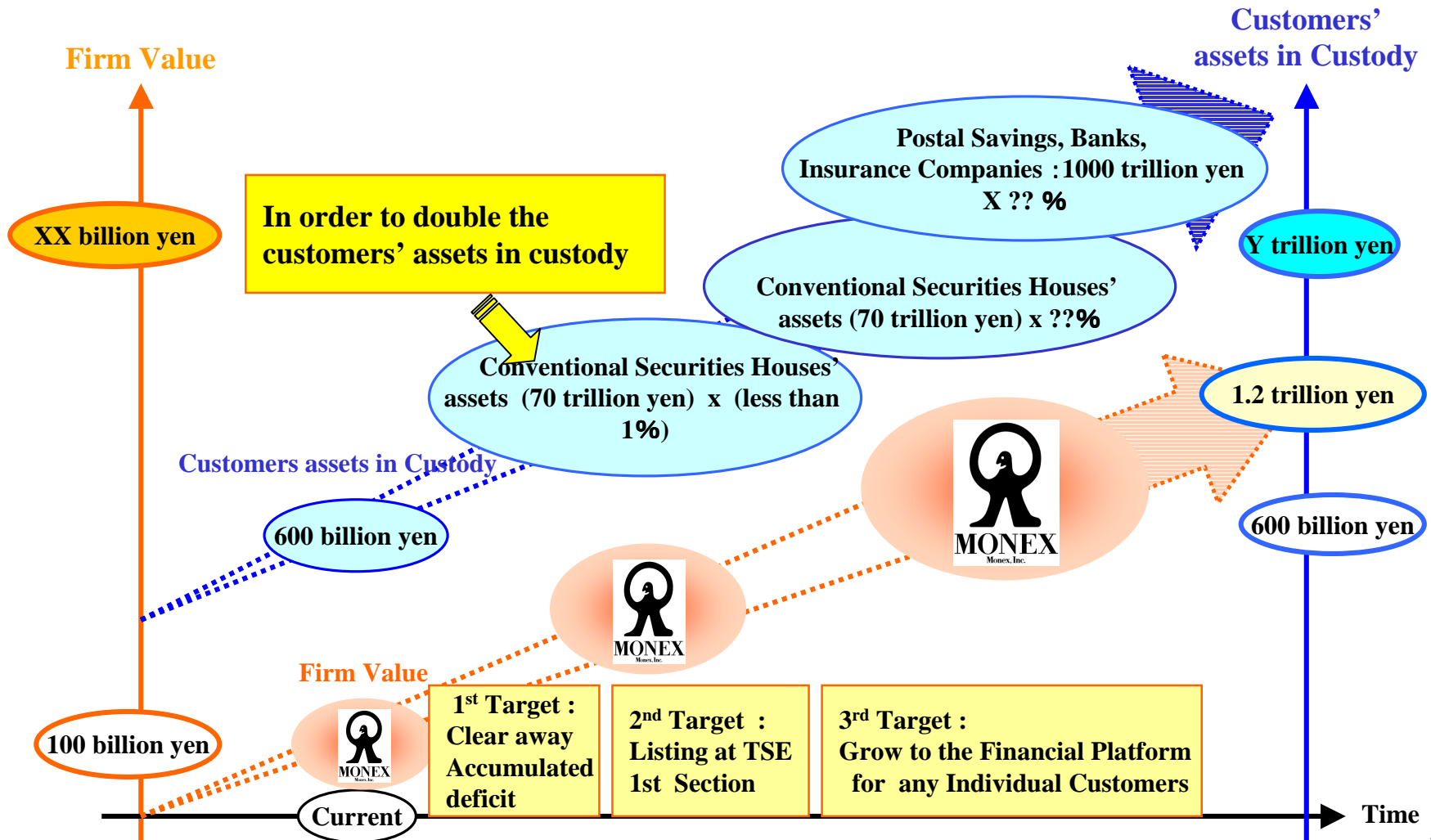
Potential for Growth

All the individuals' assets at other securities houses, banks and postal savings etc. are our potential for growth



Increase “Firm Value”

To increase “assets in custody” is the key.





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