



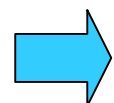
FYE 03/2004 1Q Financial Results

July 16, 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 1Q Financial Summary (1)

(in million yen)

	FYE 03/2003 1Q	FYE 03/2004 1Q	Change
Operating Revenue	811	1,252	54.3%
Net Operating Revenue	811	1,164	43.5%
SG&A	1,148	1,101	-4.1%
Operating Income (Loss)	(337)	63	-
Ordinary Income (Loss)	(334)	66	-
Net Income (Loss)	(349)	37	-

(Apr. – June 2002) (Apr. – June 2003)

(in million yen)

	FYE 03/2003 1Q	FYE 03/2004 1Q	Change
Total Assets	12,979	30,936	138.3%
Shareholders' Equity	9,976	8,404	-15.8%
Capital Adequacy Ratio	790.9%	543.8%	-
Cash & Equiv (incl.CP)	8,207	8,480	3.3%
Lease O/S	3,019	2,339	-22.5%

FYE 03/2004 1Q Financial Summary (2)

(in million yen)

	FYE 03/2003 4Q	FYE 03/2004 1Q	Change
Operating Revenue	705	1,252	77.6%
Net Operating Revenue	658	1,164	76.7%
SG&A	1,093	1,101	0.7%
Operating Income (Loss)	(434)	63	-
Ordinary Income (Loss)	(432)	66	-
Net Income (Loss)	(677)	37	-

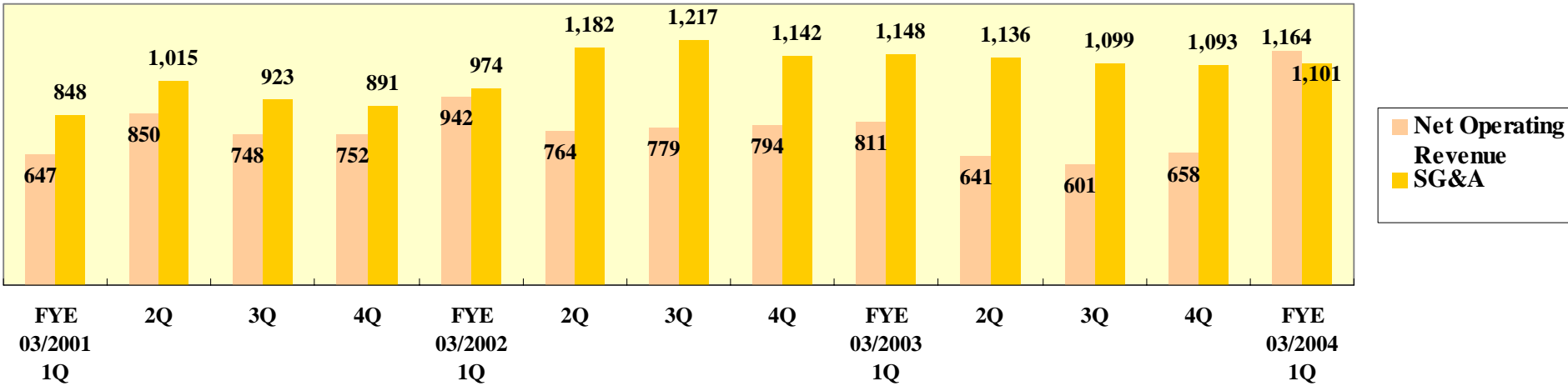
(Jan. – Mar. 2003) (Apr. – June 2003)

(in million yen)

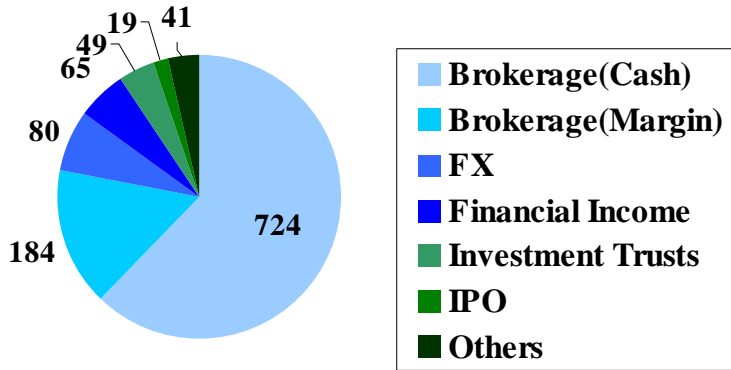
	FYE 03/2003 4Q	FYE 03/2004 1Q	Change
Total Assets	23,919	30,936	29.3%
Net Assets	8,363	8,404	0.5%
Capital Adequacy ratio	565.3%	543.8%	-
Cash & equiv. (incl. CP)	7,391	8,480	14.7%
Lease O/S	2,460	2,339	- 4.9%

Net Operating Revenue vs. SG&A

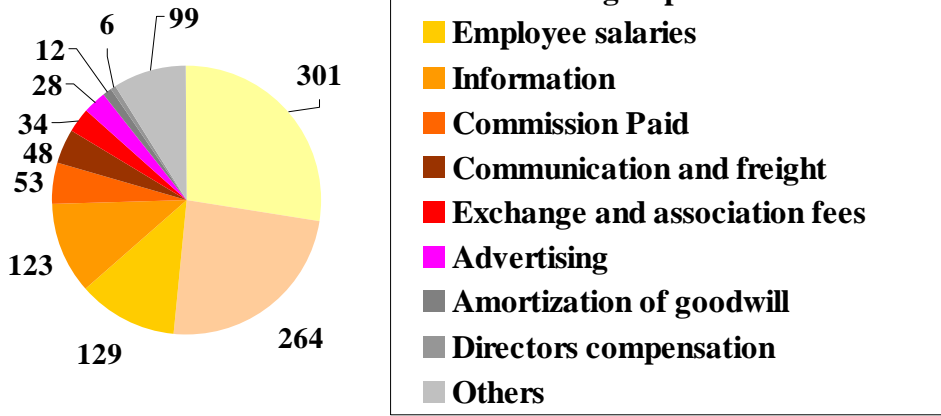
(million yen)



Net Operating Revenue Breakdown
100% = 1,164 (million yen)



SG&A Breakdown
100% = 1,101 (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 and A	Variable / Fixed	FYE 03/2002				FYE 03/2002				FYE 03/2003				FYE 03/2004
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Comission paid	Variable (based on trading volume)	146	126	32	22	34	34	42	27	44	36	34	24	53
Exchange and Association fees	Fixed	12	17	22	19	24	22	22	20	21	19	24	29	34
Communication and Freight	Variable (based on trading volume)	66	76	69	59	75	79	87	66	62	53	59	49	48
Information expenses	Vairable (based on number of accounts)	57	81	67	72	78	79	122	120	123	125	126	127	123
Advertising Expense	Fixed	23	42	23	6	16	17	17	6	6	10	22	24	28
Directors' compensation	Fixed	2	7	7	7	7	7	7	7	6	6	6	6	6
Employees salaries	Fixed	95	107	109	103	93	143	141	139	115	118	122	121	129
Equipment, Furniture and Fixture	Variable (based on number of accounts)	157	200	231	250	250	285	306	327	317	307	312	343	301
Outsourcing Expense (1)	Fixed (30%)	71	78	80	82	83	97	107	100	95	92	76	74	77
Outsourcing Expense (2)	Variable (20%: based on trading volume)	47	52	53	54	56	64	71	67	63	61	50	49	51
Outsourcing Expense (3)	Variable (50%: based on number of account	118	130	133	136	139	162	178	167	158	154	127	124	128
Outsourcing Expense (4)	One-time Expenses						79	14	5	13	0	13	23	6
Amortization of Goodwill	Fixed	10	10	10	10	10	10	10	10	10	10	11	12	12
Variable Cost (based on trading volum (A)		259	254	154	135	165	179	201	160	170	151	145	123	153
Variable Cost (based on # of accounts (B)		332	411	431	458	467	527	607	616	612	588	566	595	554
Fixed Cost (+ one-time cost) (C)		213	261	251	227	233	377	320	290	256	257	277	292	294
Total major items listed above		803	926	835	820	865	1,085	1,129	1,066	1,039	997	989	1,011	1,001
Ratio to Total SGA (total of major item of SGA / total SGA)		95%	91%	90%	92%	88%	92%	93%	94%	91%	88%	90%	92%	90%

2. Brokerage Commision takes major portion in Operating Revenue

Brokerage Commision	587	607	582	671	795	664	698	688	726	551	525	551	908
Operating Revenue	647	850	748	752	942	764	779	794	811	641	601	658	1,164
Brokerage Commision/Operating Revenue	91%	71%	78%	89%	84%	87%	90%	87%	90%	86%	87%	83%	78%

3. Calculate Variable cost per trade and the others

Quarterly Trading Volume ('000 trades) (D)	369	414	378	441	518	441	465	461	482	372	362	415	642
Average Commision / Trade (Yen)	1,591	1,466	1,540	1,522	1,531	1,506	1,501	1,493	1,508	1,481	1,448	1,326	1,414
Variable (based on trading volume) / \uparrow (A)/(D) (Yen)	702	614	407	307	317	406	432	347	354	408	400	298	238
Average Commision / Trade - Variable (based on trading volume) / Trade (Yen)	889	853	1,132	1,215	1,214	1,100	1,069	1,146	1,154	1,073	1,048	1,028	1,176

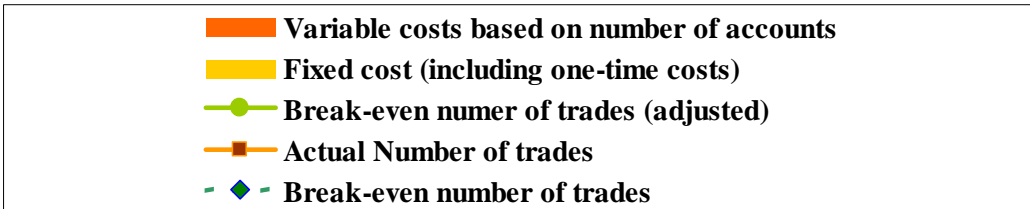
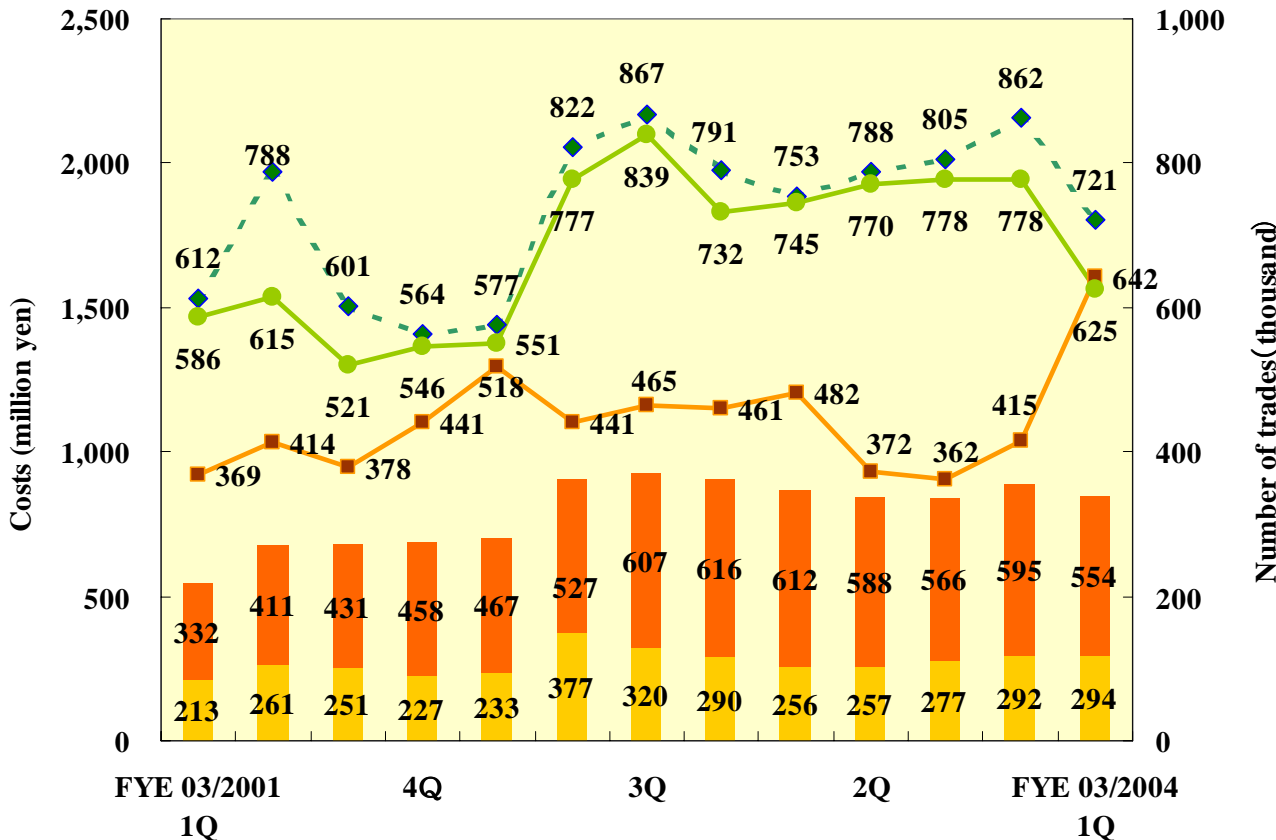
4. Calculation of estimated Break-Even point to cover both Fixed cost and Variable cost based on number of accounts

Break-even Point Estimate (Quarterly) ('000 trades)	612	788	601	564	577	822	867	791	753	788	805	862	721
Break-even Point Estimate (Monthly) ('000 trades)	204	263	200	188	195	274	289	264	251	262	268	287	240

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

	586	615	521	546	551	777	839	732	745	770	778	778	625
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Break-even Analysis – Number of Trades



FYE 03/2004 1Q

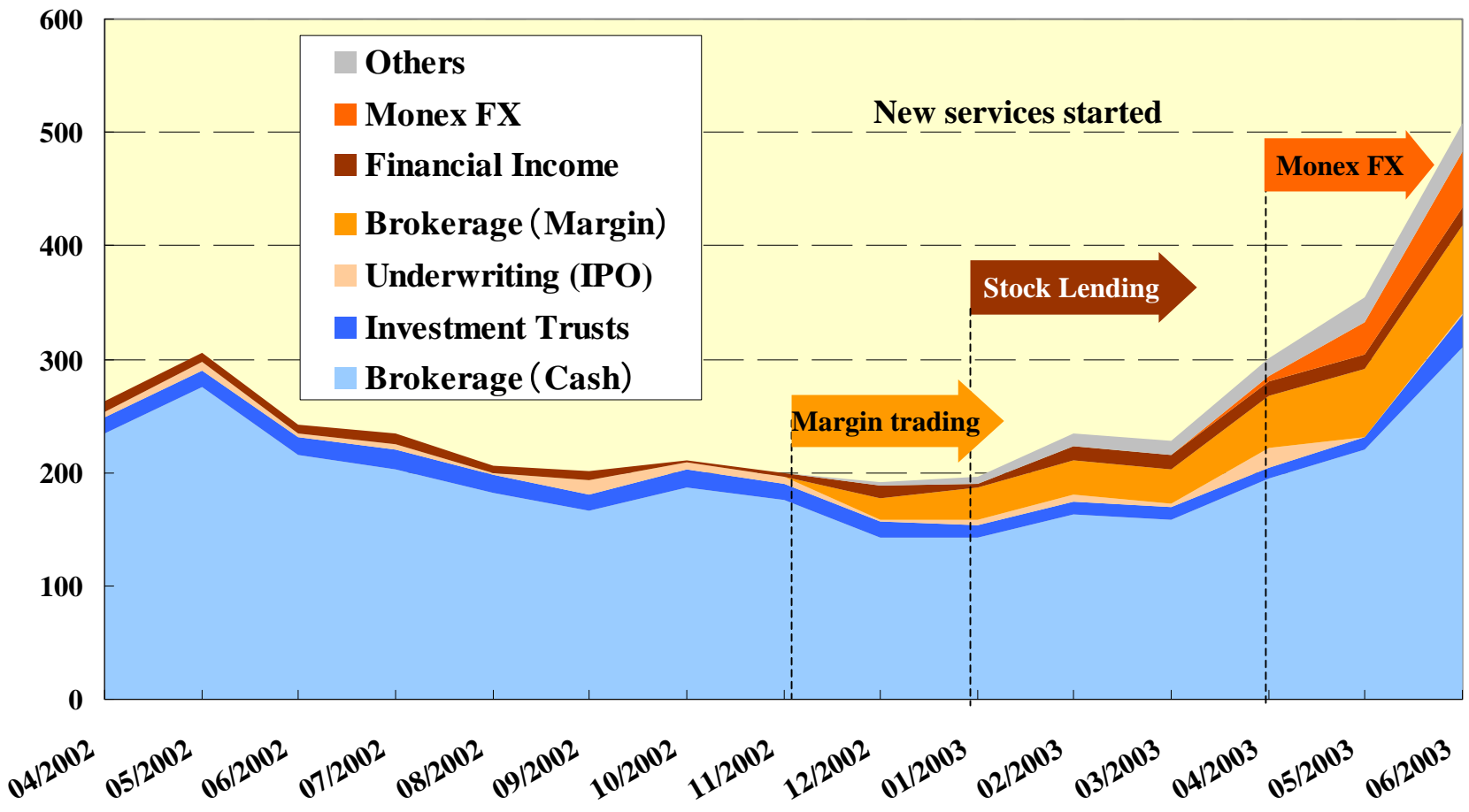
- Number of trades has largely increased due to the vigorous stock market.
- Brokerage commission per trade has increased partly because of the termination of discount campaign, and fixed costs were well controlled. In result, the B/E number of trades decreased. (862⇒721 -16%)
- Revenue from other than stock brokerage has increased. e.g. financial income and FX commissions contributed to the increase of overall revenue. It lead to further decrease of adjusted B/E number of trades. (721⇒625 -13%)
- In total, B/E points went down by 27%. (862⇒625 -27%)
(1-.16)*(1-.13) = (1-.27)

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

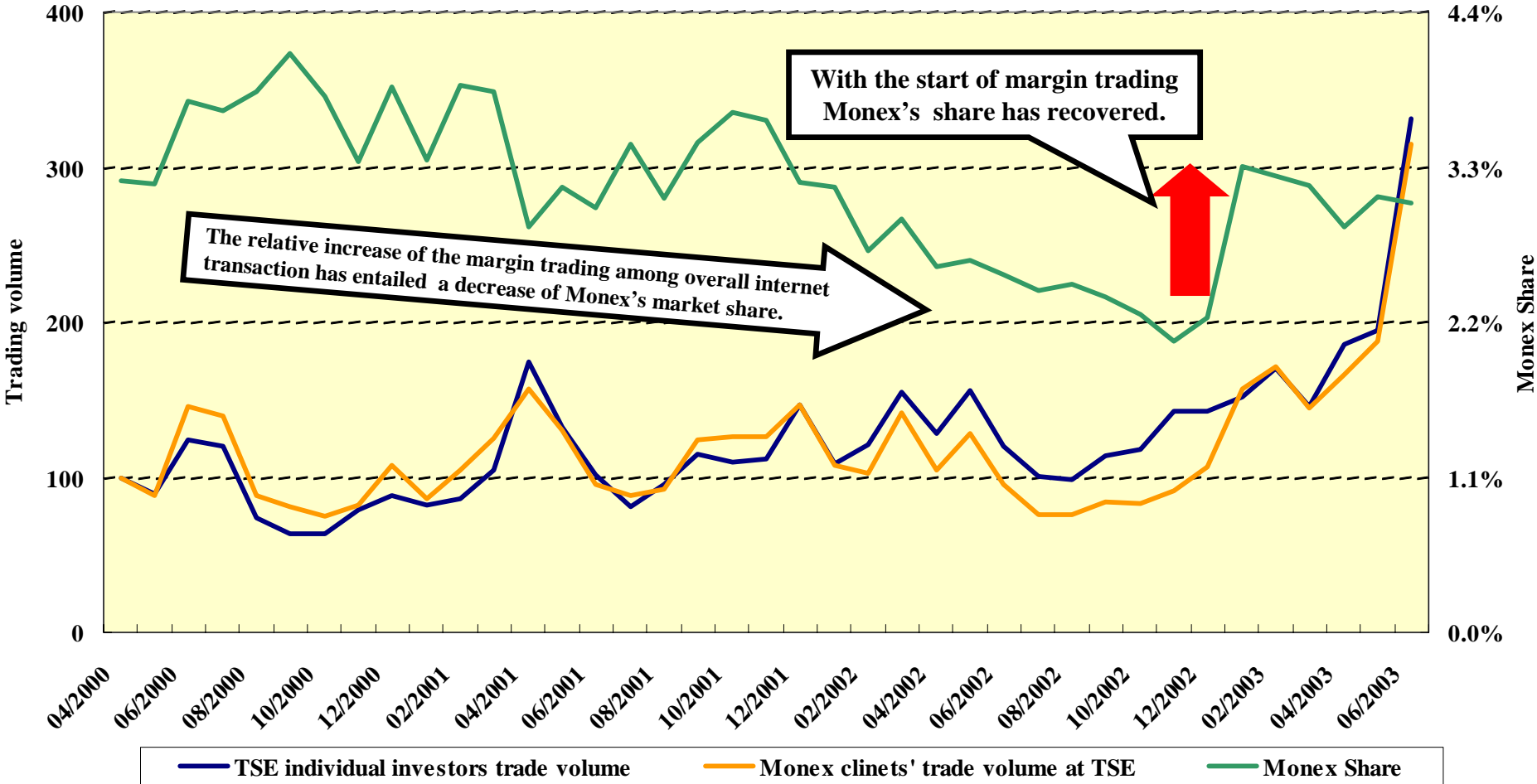
Revenue Diversification

(million yen)



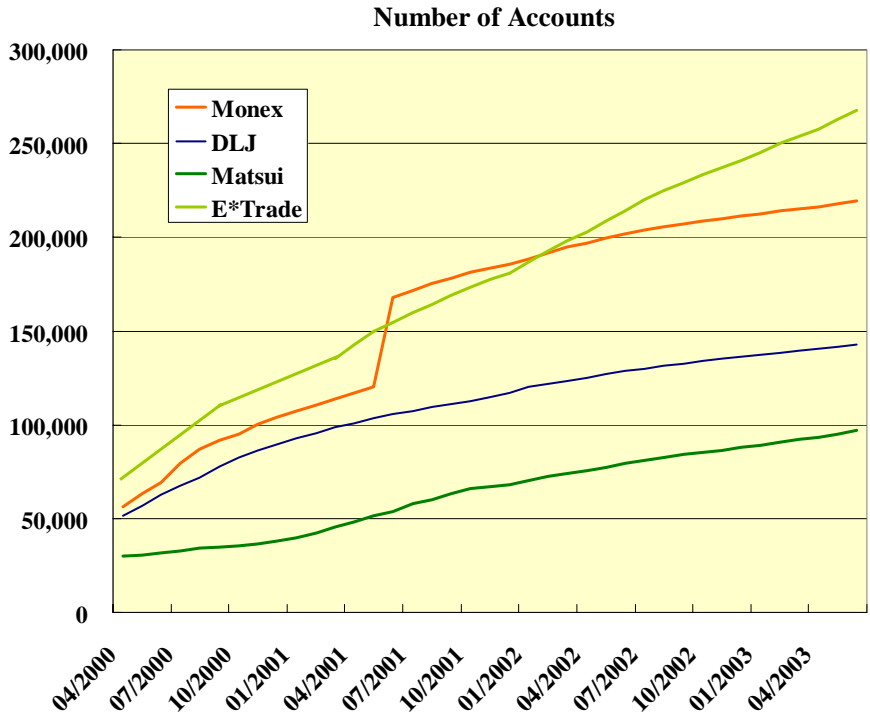
TSE Individual Trading Volume vs. Monex Trading Volume

TSE individual investors trading volume vs. Monex clients' trading volume at TSE
(Index: 04/2002 = 100)

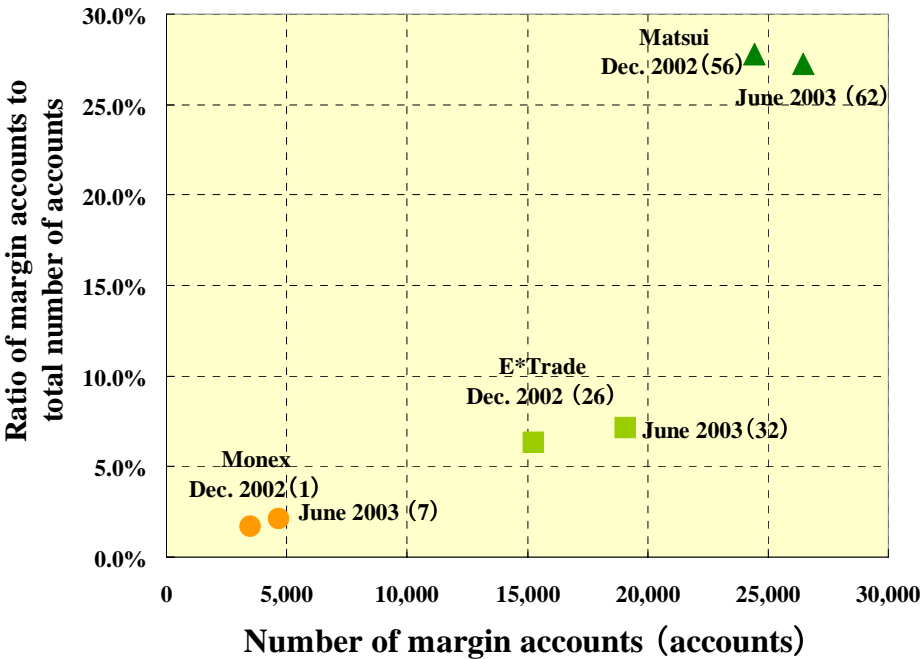


Source: TSE HP

Number of Accounts



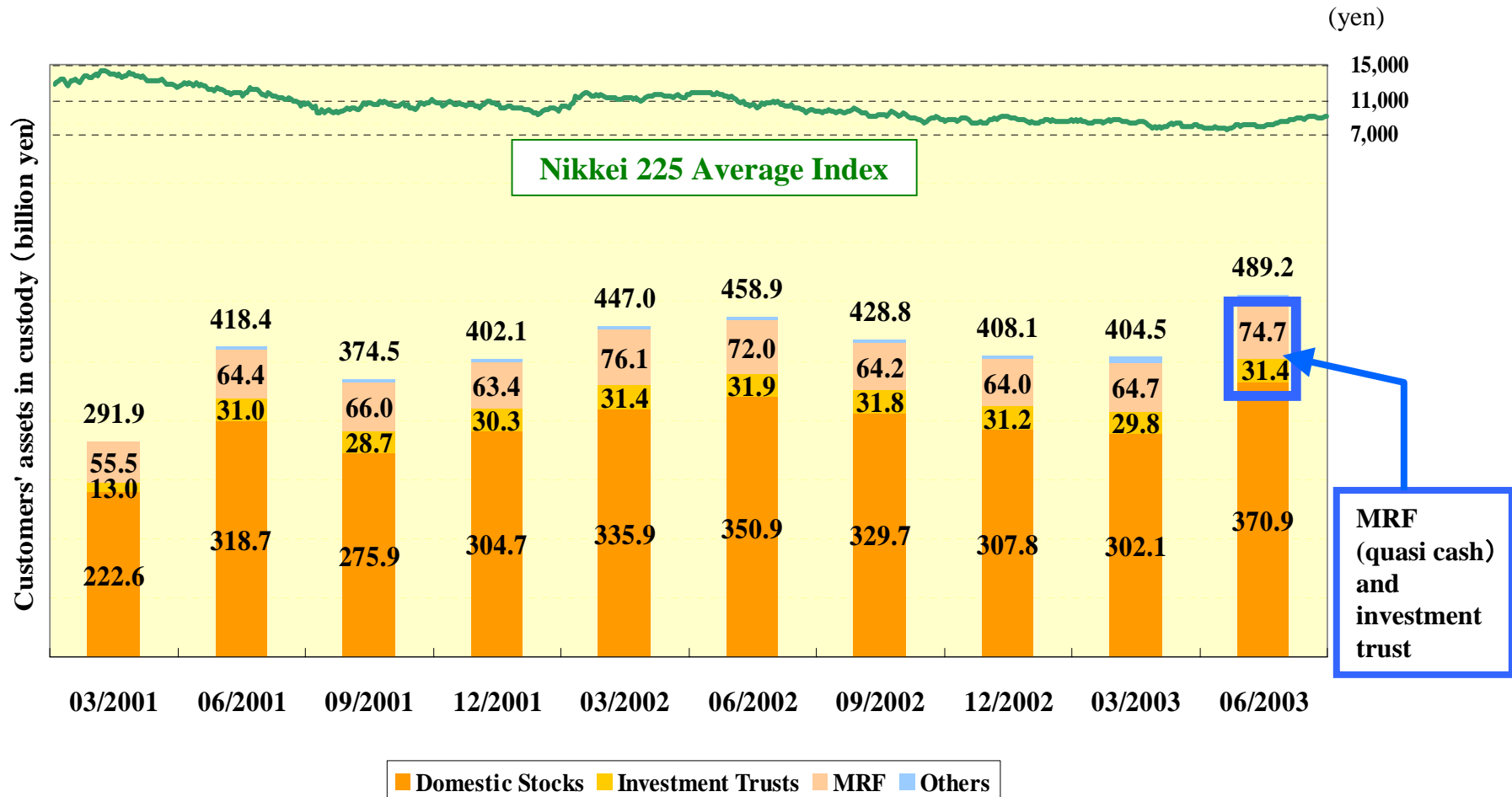
Number of margin accounts and Ratio of margin accounts to total number of accounts



- 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.

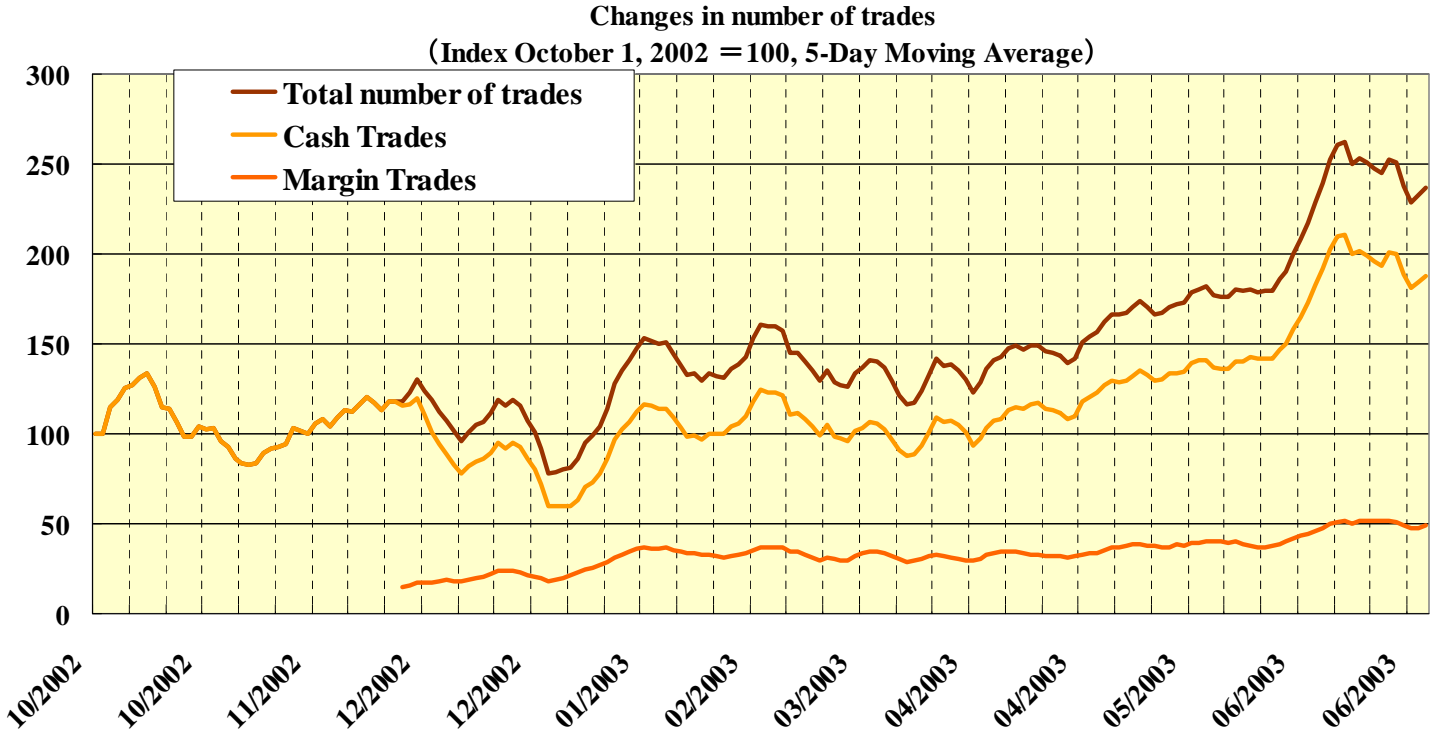
Source: Company data on HP

Customers' Assets in Custody

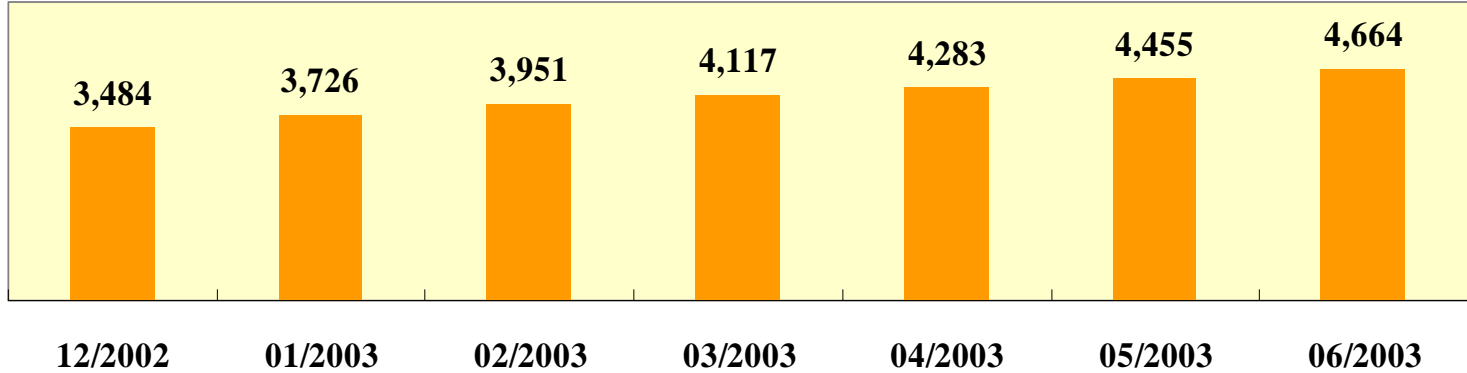


- MRF outstanding (as of June 2003) 74.7 billion yen
- Mar. 2003→June 2003 Nikkei 225: +13.9 %, Monex Clients' assets in custody: + 20.9%

Margin Trades



Growth of Margin Accounts



Stock Lending

The clients could gain earnings on their stock portfolio by lending stocks to Monex.

Growth of S/L portfolio

of S/L accounts : 3,925 accounts (as of 06/2003)

S/L should be widely announced ; Strengthen marketing

A new function was added in June 2003; now issues / amounts could be selected by each client.

About 15% of S/L clients are users of this new function..

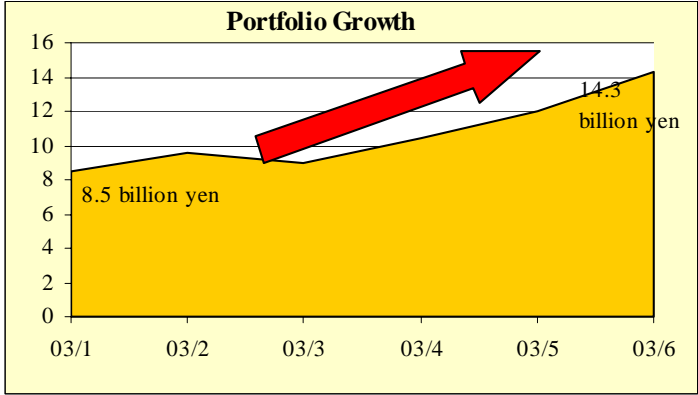
Stock Lending

Currently contracts with 11 dealers and brokers

Borrowers and lending limits are set according to internal guideline

Receive cash collateral when lending stocks; it happens to result in effective funding

Some 2,300 issues are available for lending;
JASDAQ about 450 issues
MM about 150 issues



Comparison to other products

Products	%p.a.	Annual Return on Yen 10 million (Note 4)
Monex S/L (Note 1)	0.124%	12,400yen
Bank time deposit (Note 2)	0.030%	3,000yen
Postal Saving T/D	0.030%	3,000yen
Postal Saving	0.005%	500yen
Bank deposit (Note 2)	0.001%	100yen

Note 1: Amounts equivalent to dividends would be added to the clients' income.

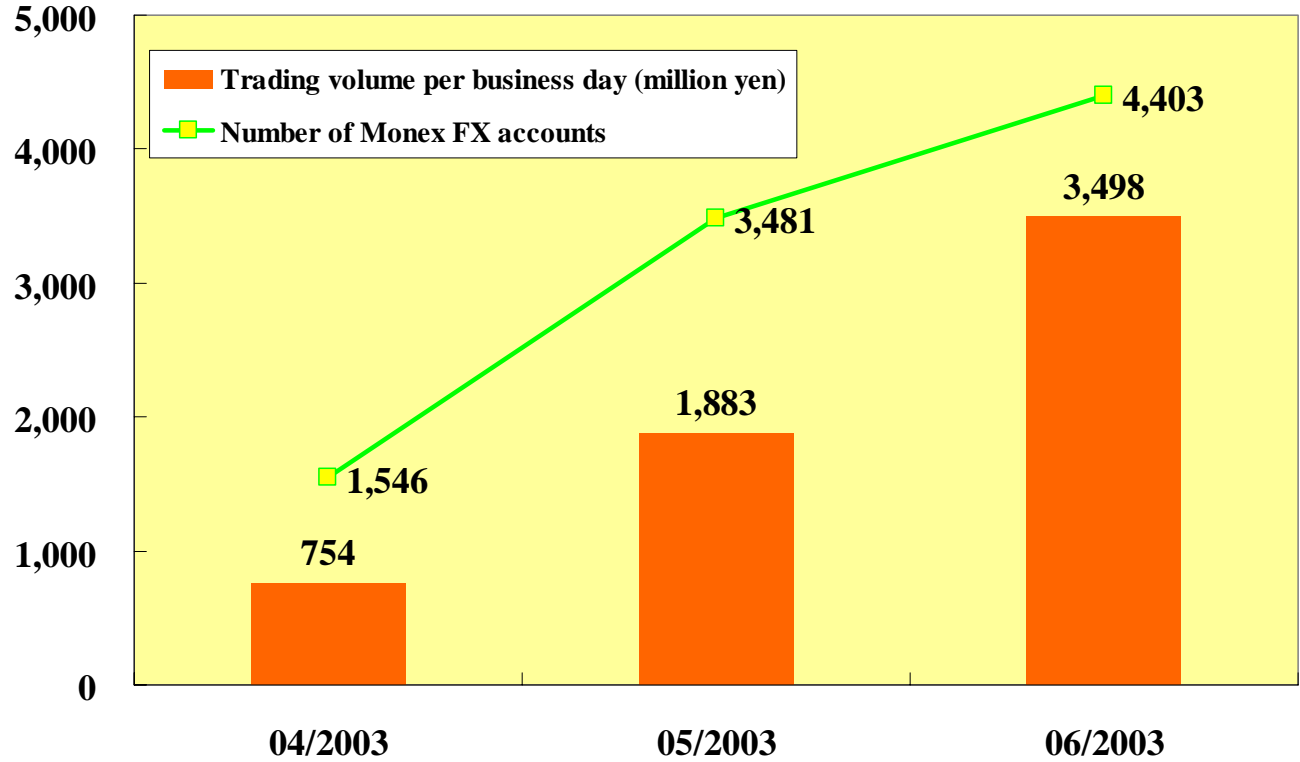
Note 2: Interest rates are 4 Big Banks in Japan.

Note 3: The rates on the above are based on those as of April 1, 2003 except Monex S/L (Apr.-June 2003)

Note 4: Taxes are not considered.

Monex FX – Margin FOREX Trades

FX trades fits to our client base; both accounts and volume are growing rapidly



- **Monex clients base – major clients are company employees and public servants:**

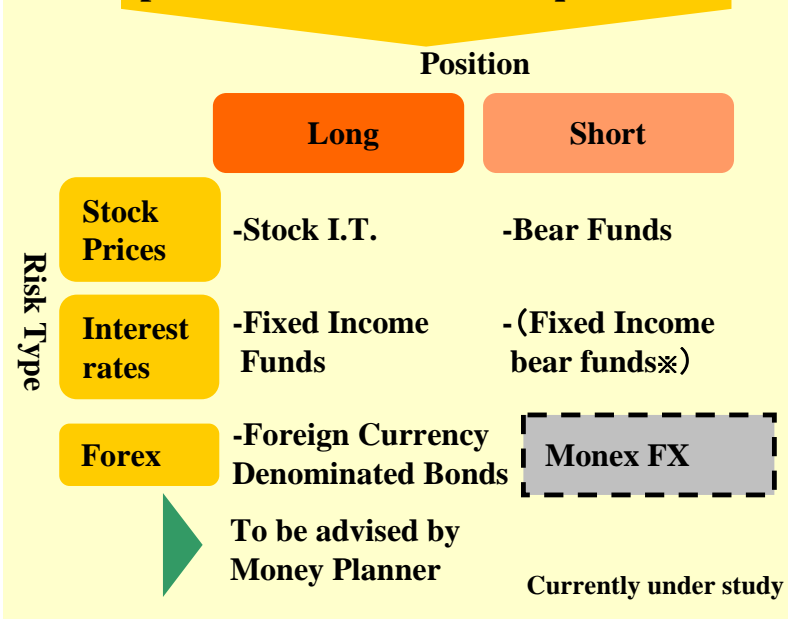
It is considered that they have been relatively familiar with FX transactions; and they were large interested in FX margin trading.

- **Since April 21, 2003 when Monex FX started, the number of Monex FX accounts and trading volume have been growing rapidly: in this Quarter, Monex recorded 80 million yen revenue from this business.**

- **Monex FX continues to be one of major revenue sources.**

Investment Trusts

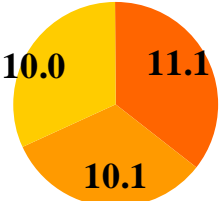
A wide range of investment trusts for customers with various risk preference and return requirement



Attractive investment trusts

- Goldman Sachs • Euro MMF**
 In addition to US\$ MMF, Euro MMF was recently added as a new investment tool in foreign currency
- 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

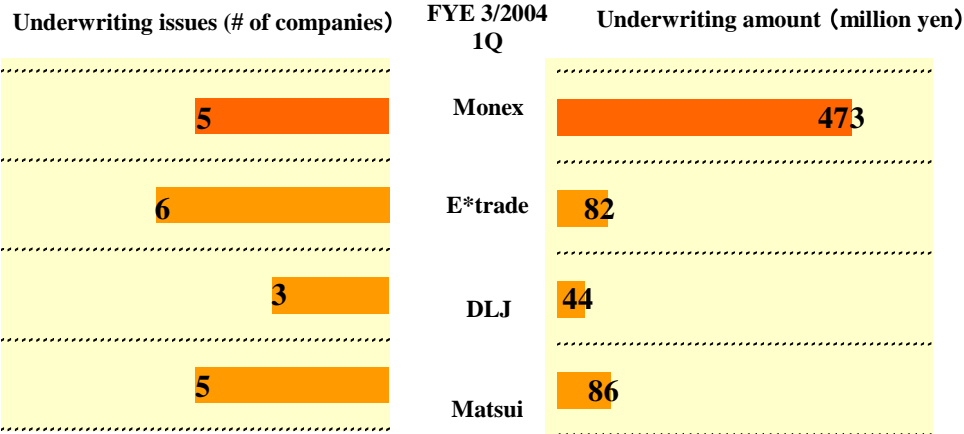
Investment trusts outstanding as of June 30, 2003
 100%=31.2 billion yen



- Domestic Stock Fund
- Domestic Fixed Income Funds
- Foreign Funds

Monthly fixed amount purchase June 2003	Number of Orders	Monthly Purchase Amount
Teigaku Tsumitate (Direct withdrawal from MRF)	3,636	65 million yen
Card de Tsumitate (Direct withdrawal from bank account)	5,430	127 million yen

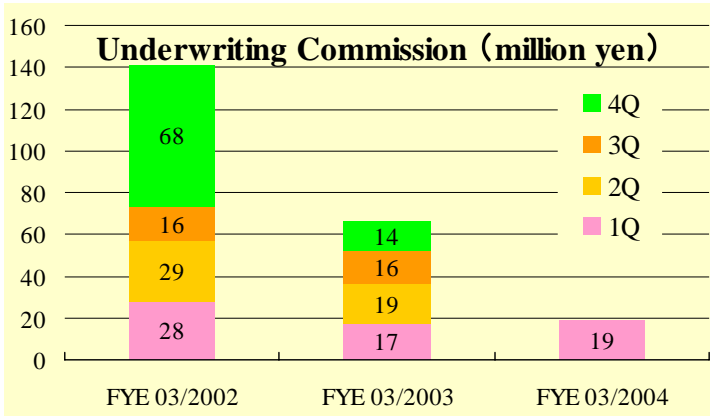
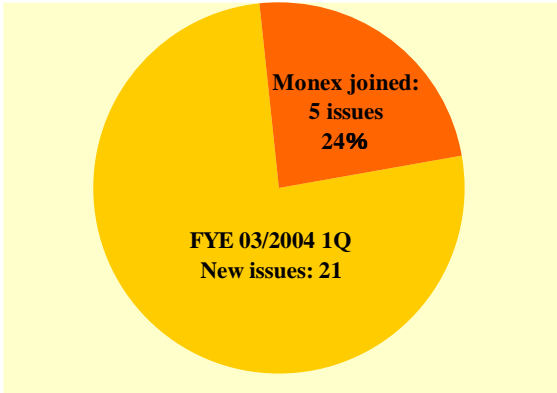
Underwriting (IPO)



Note) All figures in the above are based on listing date

1Q Results

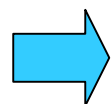
Name of issuer	Date	Share
Taiyo Life Insurance	04/01/2003	0.2%
WACOM	04/24/2003	25.0%
Information Planning	05/30/2003	3.0%
NETMARKS	06/12/2003	2.0%
Ichitaka	06/20/2003	5.0%



- While IPO amount in the emerging stock markets declined by 56%; the commission received at Monex from underwriting business in 1Q increased by 12% (compared to the 1Q of last FY)
- Monex beat any other online brokers in underwriting amount; which was largely contributed by underwriting of WACOM's IPO..
- Monex does not foresee the IPO amounts grow largely; its target is to gain larger share rather than larger number of issues.

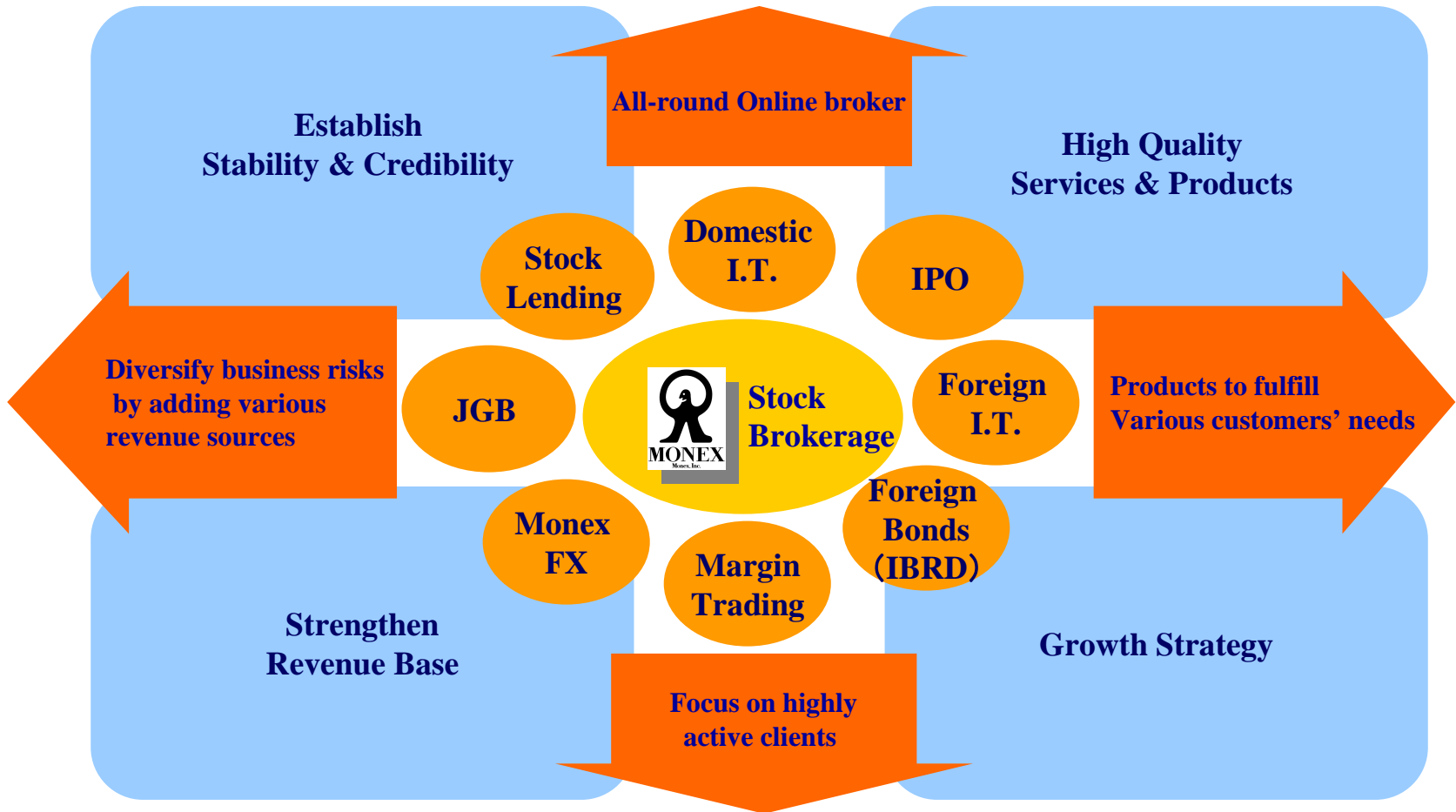
Name of issuer	Status	%	Date
Wacom Co., Ltd.	Co-mgr	25%	04/2003
Open Loop Inc.	Co-mgr	18%	03/2001
Konami Entertainment Japan, Inc.	Co-mgr	10%	02/2002
GignoSystem Japan Inc.	Co-mgr	10%	03/2002
Hoosiers Corporation	Co-mgr	8%	10/2002
V Technology Co., Ltd.	Co-mgr	6%	12/2000

I. Financial Results



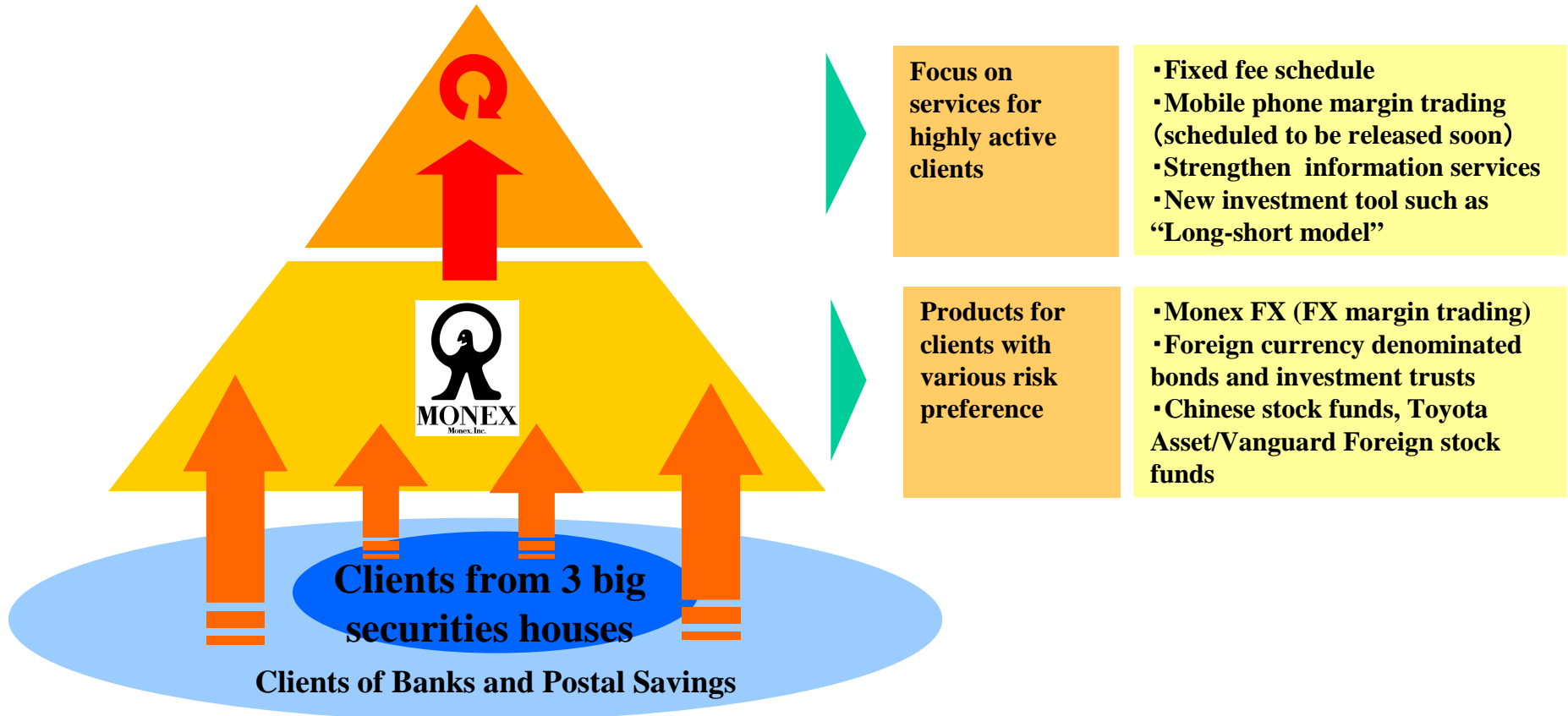
II. Business Model and Future Development

Stock Brokerage as core product; and other unique products & services are provided



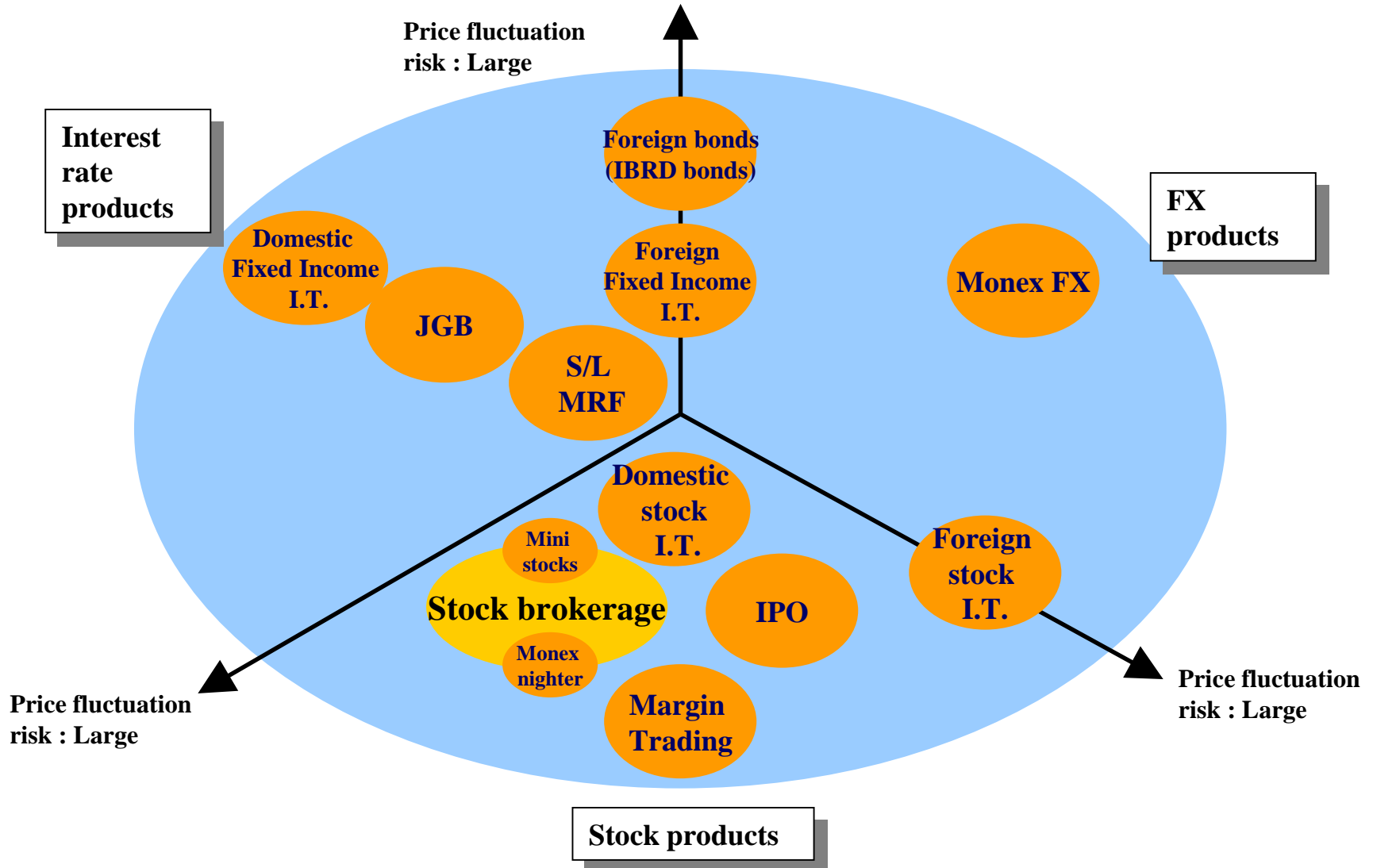
Growth Strategy

Focus on highly active clients to increase revenue while attracting a wide range of new clients



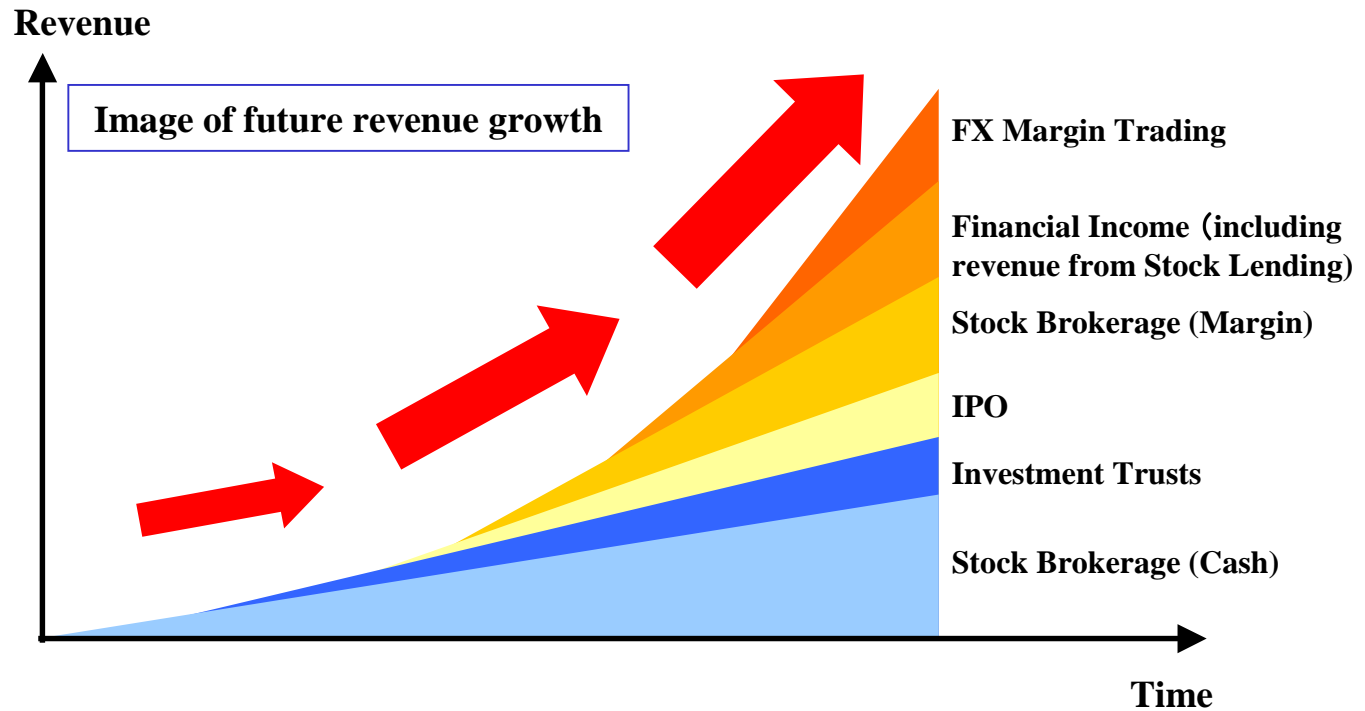
High Quality Products & Services

Become “All-round Online Broker” by providing various products for customers having various risk preference



Revenue Base Diversification

Efforts to increase total revenue by diversifying revenue sources



Control expenses while diversifying revenue sources

Stability and Credibility

The most important key is to establish credibility and stability to sustain growth as a financial institution.

Maintain sound financial structure

- Improve profit & :losses by increasing revenue while controlling expenses

Disclosure

- Transparent and timely disclosure
- The past data and news releases have been on the HP continuously.

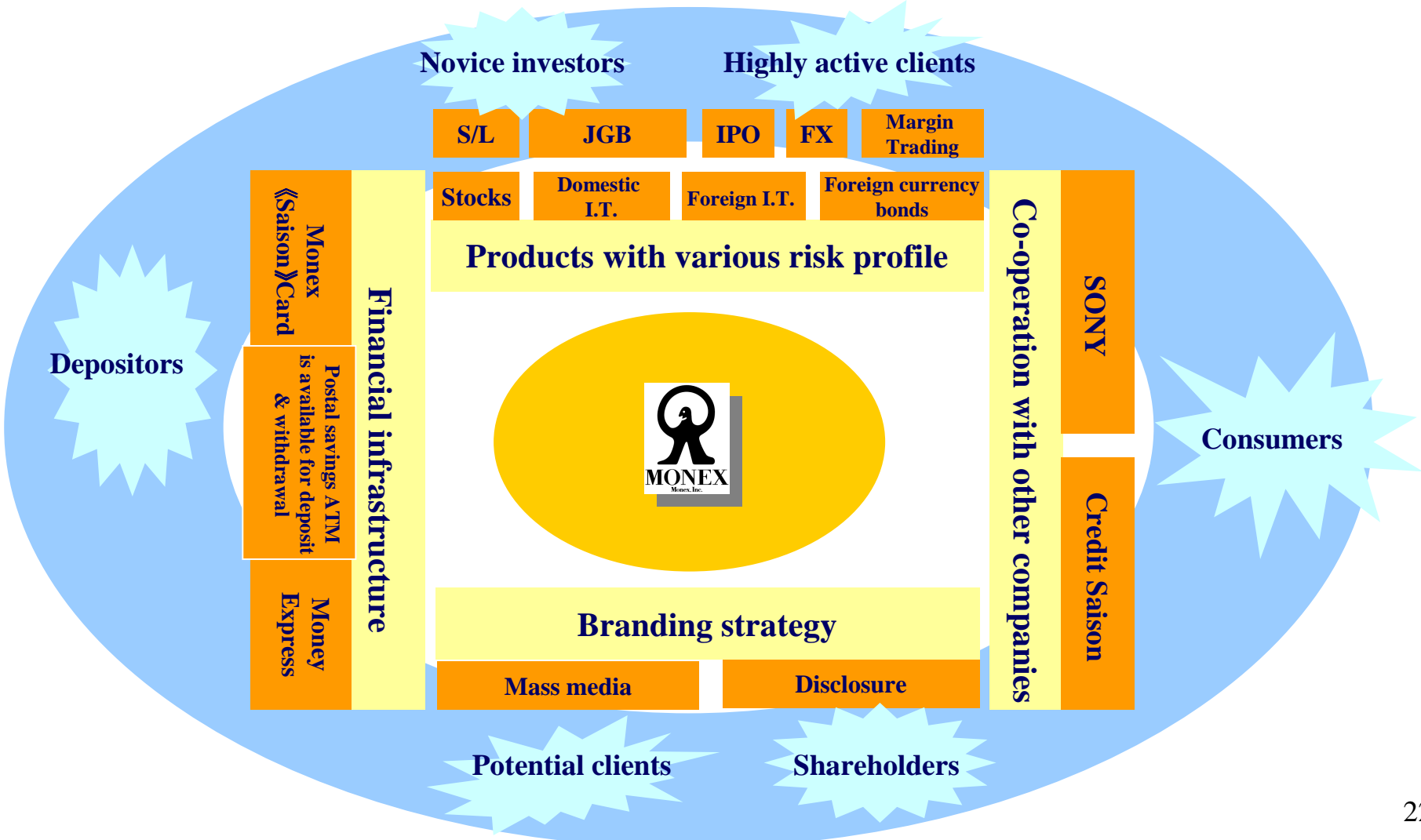


Stability of Internet Trading System

- Sufficient system capacity for recent rapid increase in trades.
- Forecasting further demands for capacity, will increase capacities if needed.

Monex in Progress

Prepare for further progress with well planned strategy.





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