

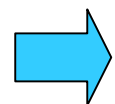


FYE03/2003 3Q Financial Results

January 22, 2003

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. Other Business

III. Business Model and Future Development

FYE 03/2003 3Q Financial Summary

(in million yen)

	FYE 03/2002 3Q (9 months)	FYE 03/2003 3Q (9 months)	Change
Operating Revenue	2,486	2,061	-17.1%
Net Operating Revenue	2,486	2,053	-17.4%
Operating Expenses	3,373	3,384	0.3%
Operating Loss	887	1,330	-
Ordinary Loss	852	1,325	-
Net Loss	921	1,369	-

(Apr-Dec 2001)

(Apr-Dec 2002)

(in million yen)

	FYE 03/2002 March 2002	FYE 03/2003 3Q December 2002	Change
Total Assets	13,124	16,773	27.8%
Shareholders`Equity	10,323	9,040	-12.4%
Capital Adequacy Ratio	860.5%	641.5%	-
Cash & Equiv (incl. CP)	8,333	6,367	-23.6%
Lease O/S	3,209	2,591	-19.3%

FYE 03/2003 3Q Financial Summary

(in million yen)

	FYE 03/2002 2Q (3 months)	FYE 03/2003 3Q (3 months)	Change
Operating Revenue	641	608	-5.1%
Net Operating Revenue	641	601	-6.2%
Operating Expenses	1,136	1,099	-3.3%
Operating Loss	495	497	-
Ordinary Loss	493	497	-
Net Loss	509	509	-

(July-Sept 2002)

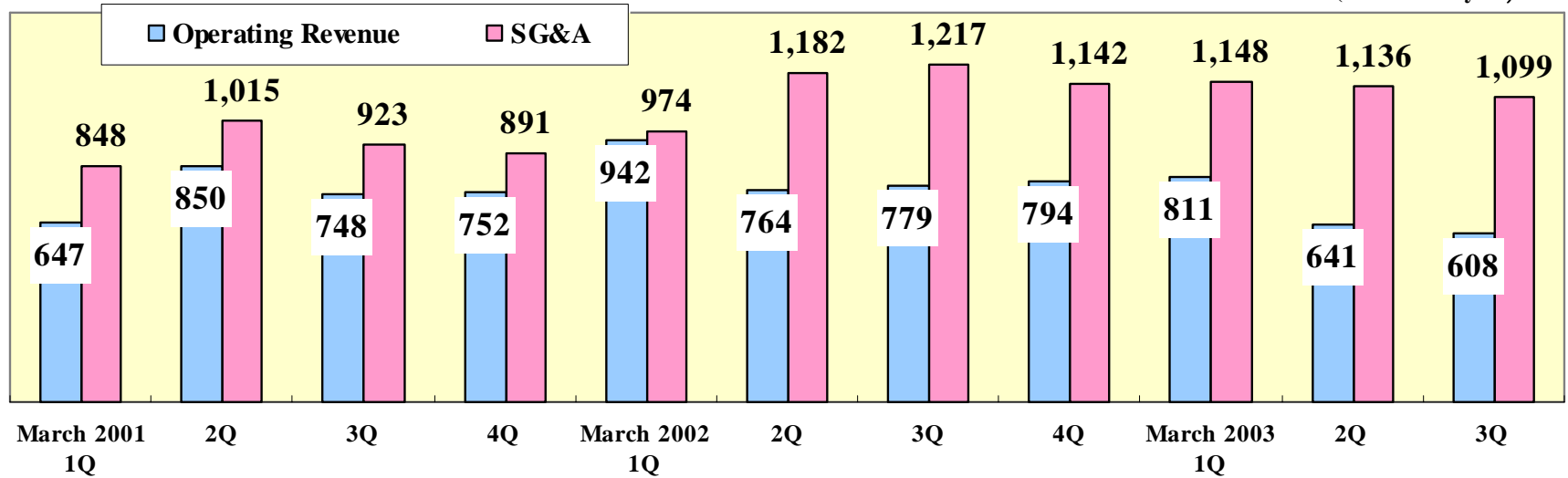
(Oct-Dec 2002)

(in million yen)

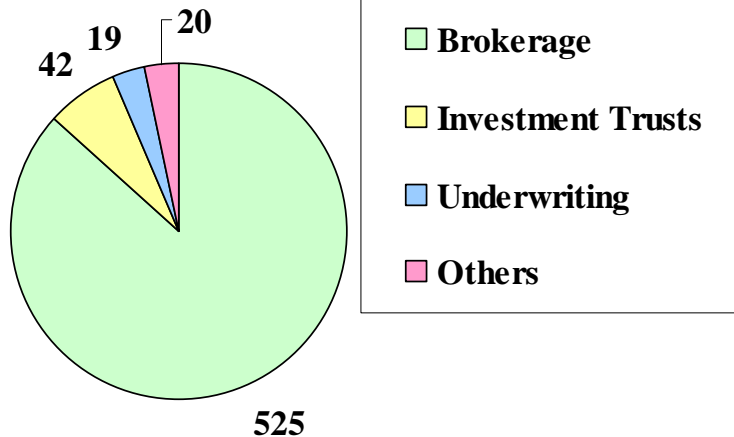
	FYE 03/2002 Sept.ember 2002	FYE 03/2003 3Q December 2002	Change
Total Assets	11,741	16,773	42.8%
Shareholders`Equity	9,476	9,040	-4.6%
Capital Adequacy Ratio	742.0%	641.5%	-
Cash & Equiv (incl. CP)	6,999	6,367	-9.0%
Lease O/S	2,803	2,591	-7.6%

Operating Revenue vs. SG&A

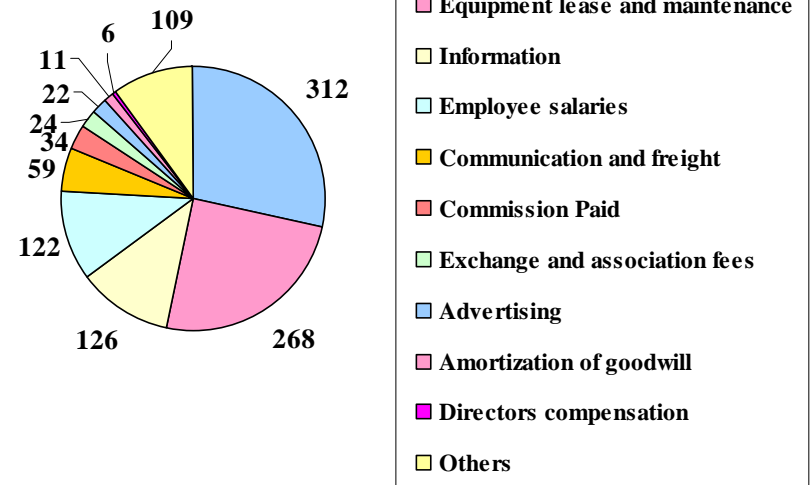
(in million yen)



Operating Revenue breakdown
100% = 608 (million Yen)



SGA Breakdown
100% = 1,099 (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.

(unit: million yen)

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

Major Items of SG and A	Variable / Fixed	FYE March 2001				FYE March 2002				FYE March 2003		
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commision paid	Variable (based on trading volume)	146	126	32	22	34	34	42	27	44	36	34
Exchange and Association fees	Fixed	12	17	22	19	24	22	22	20	21	19	24
Communication and Freight	Variable (based on trading volume)	66	76	69	59	75	79	87	66	62	53	59
Information expenses	Vairable (based on number of accounts)	57	81	67	72	78	79	122	120	123	125	126
Advertising Expense	Fixed	23	42	23	6	16	17	17	6	6	10	22
Directors' compensation	Fixed	2	7	7	7	7	7	7	7	6	6	6
Employees salaries	Fixed	95	107	109	103	93	143	141	139	115	118	122
Equipment, Furniture and Fixture	Variable (based on number of accounts)	157	200	231	250	250	285	306	327	317	307	312
Outsourcing Expense (1)	Fixed (30%)	71	78	80	82	83	97	107	100	95	92	76
Outsourcing Expense (2)	Variable (20%: based on trading volume)	47	52	53	54	56	64	71	67	63	61	50
Outsourcing Expense (3)	Variable (50%: based on number of account)	118	130	133	136	139	162	178	167	158	154	127
Outsourcing Expense (4)	One-time Expenses						79	14	5	13	0	13
Amortization of Goodwill	Fixed	10	10	10	10	10	10	10	10	10	10	11
Variable Cost (based on trading volume) (A)		259	254	154	135	165	179	201	160	170	151	145
Variable Cost (based on # of accounts) (B)		332	411	431	458	467	527	607	616	612	588	566
Fixed Cost (+ one-time cost) (C)		213	261	251	227	233	377	320	290	256	257	277
Total major items listed above		803	926	835	820	865	1,085	1,129	1,066	1,039	997	989
Ratio to Total SGA (total of major item of SGA / total SGA)		95%	91%	90%	92%	88%	92%	93%	94%	91%	88%	90%

2. Brokerage Commission takes major portion in Operating Revenue

Brokerage Commission	587	607	582	671	795	664	698	688	726	551	525
Operating Revenue	647	850	748	752	942	764	779	794	811	641	608
Brokerage Commission/Operating Revenue	91%	71%	78%	89%	84%	87%	90%	87%	90%	86%	86%

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
Average Commission / Trade (Yen)	1,591	1,466	1,540	1,522	1,531	1,506	1,501	1,493	1,508	1,481	1,448
Variable (based on trading volume) / Tra (A)/(D) (Yen)	702	614	407	307	317	406	432	347	354	408	400
Average Commission / 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

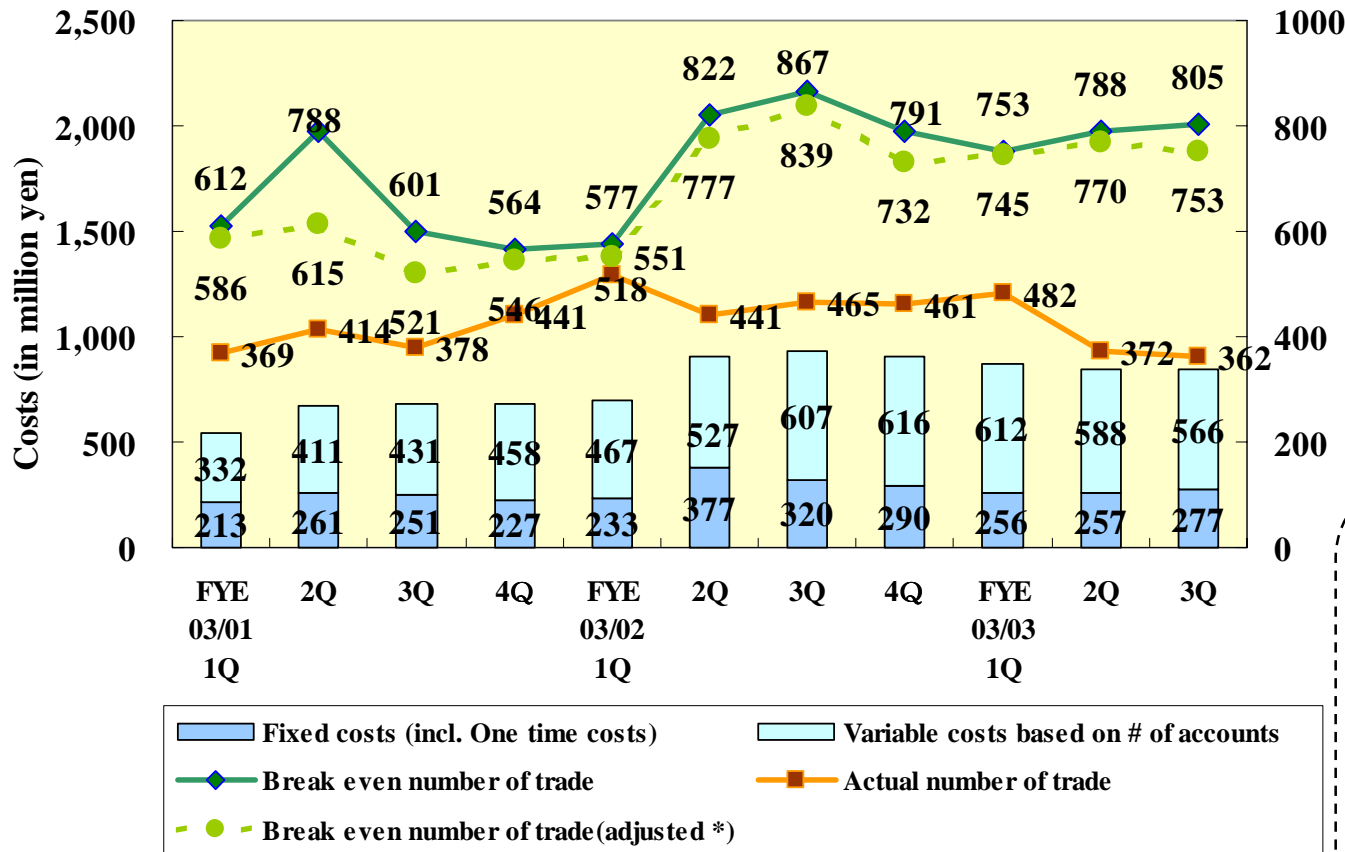
4. Calculation of estimated Break-Even point to cover both Fixed cost and Variable cost based on number of accounts

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

5. Adjust the above Break-Even points by using the ratio of "Major items of SG&A" to "total SG&A" and the ratio of "Brokerage Commission" to "Operating revenue".

Substantial Break-Even Point Estimate ('000 trades)	586	615	521	546	551	777	839	732	745	770	753
---	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Break-even Analysis – Number of Trades



FYE 03/2003 3Q

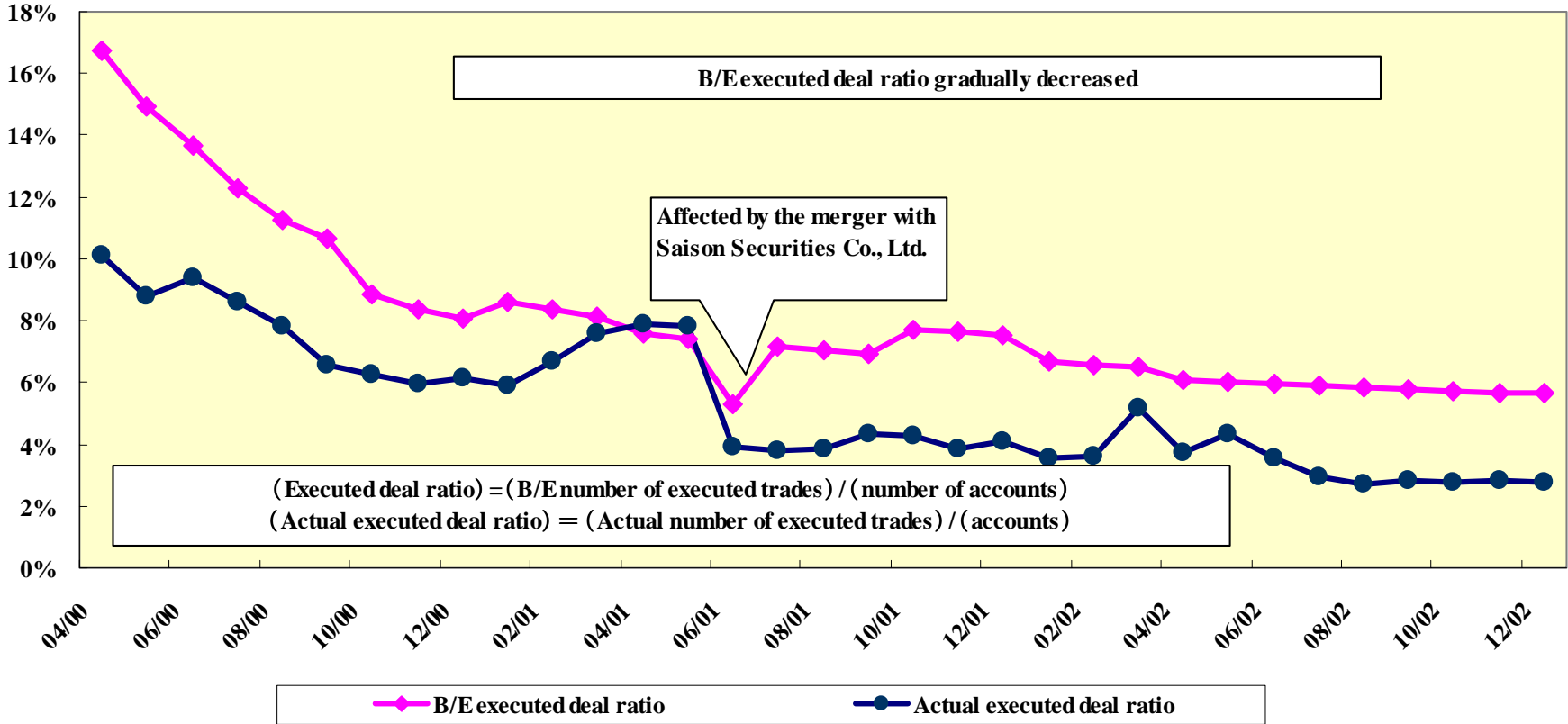
Break-Even number of trades are relatively flat, offsetting an increase in ad costs by a decrease in outsourcing expenses.

*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 of total revenue

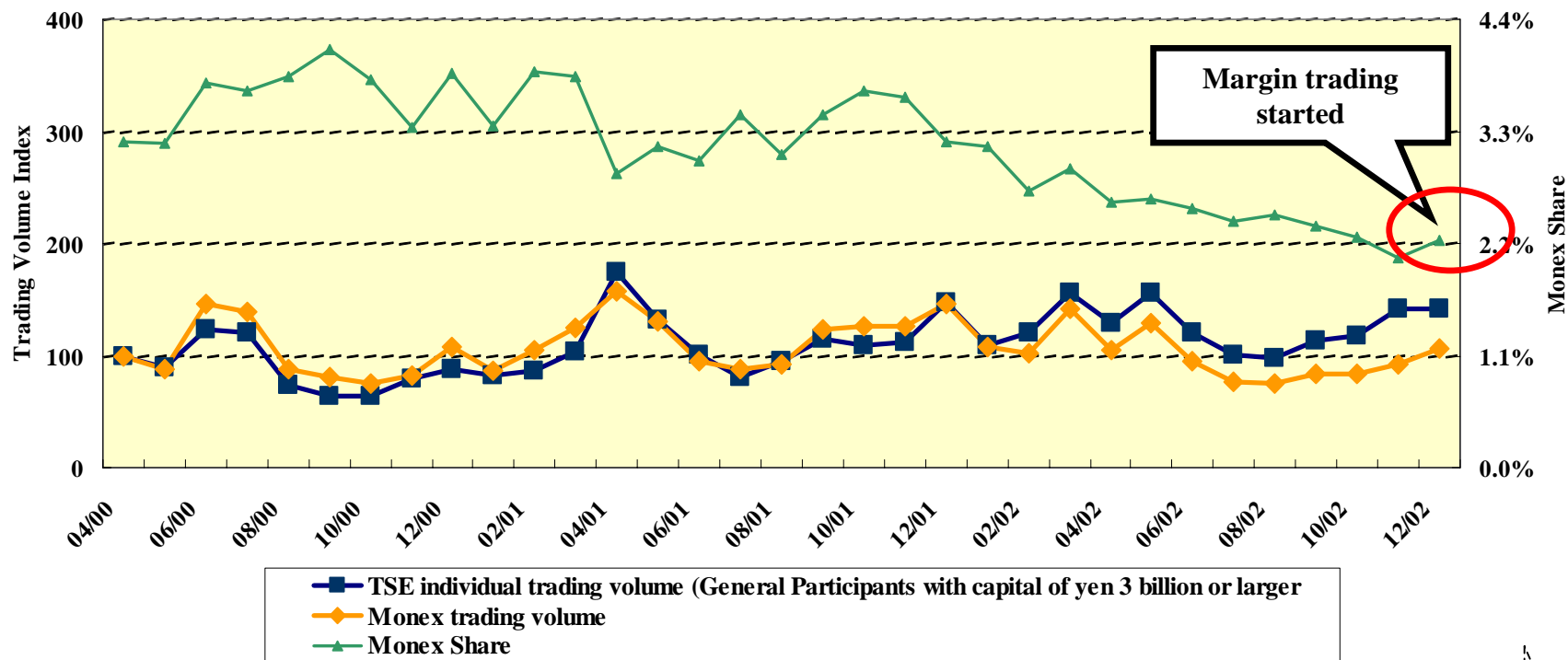
It is expected that such difference would be increased from next FY, because of a possible increase of other revenue than revenue from stock brokerage.

Break-even Analysis – Executed Deal Ratio



TSE Trading Volume vs. Monex Trading Volume

TSE individual trading volume vs. Monex trading volume (Index : as of 04/2000 = 100)



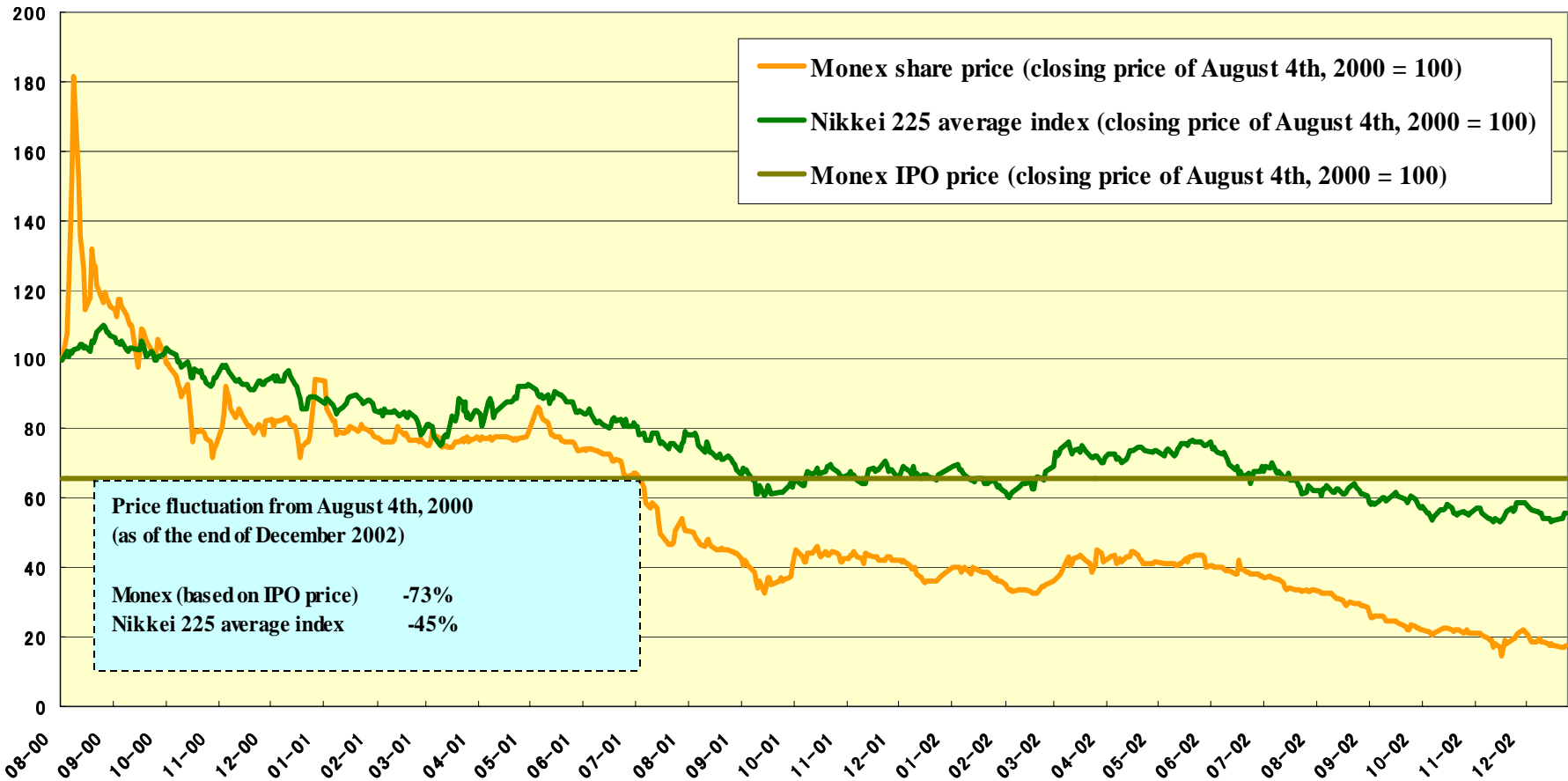
【Ratio of Margin trading volume and Cash trading volume among total internet trading volume】

	<u>Apr-Sep 00</u>	<u>Oct 00-Mar01</u>	<u>Apr-Sep 01</u>	<u>Oct 01 – Mar 02</u>	<u>Apr 02 – Sep 02</u>
<u>Margin</u>	21%	29%	36%	43%	49%
<u>Cash</u>	79	71%	64%	57%	51%

“Margin trading volume” and “Cash trading volume” has increased by 400% and Cash Trading by 40% respectively.

Stock Price

Monex vs. Nikkei 225 average Index (based on August 4th, 2000)

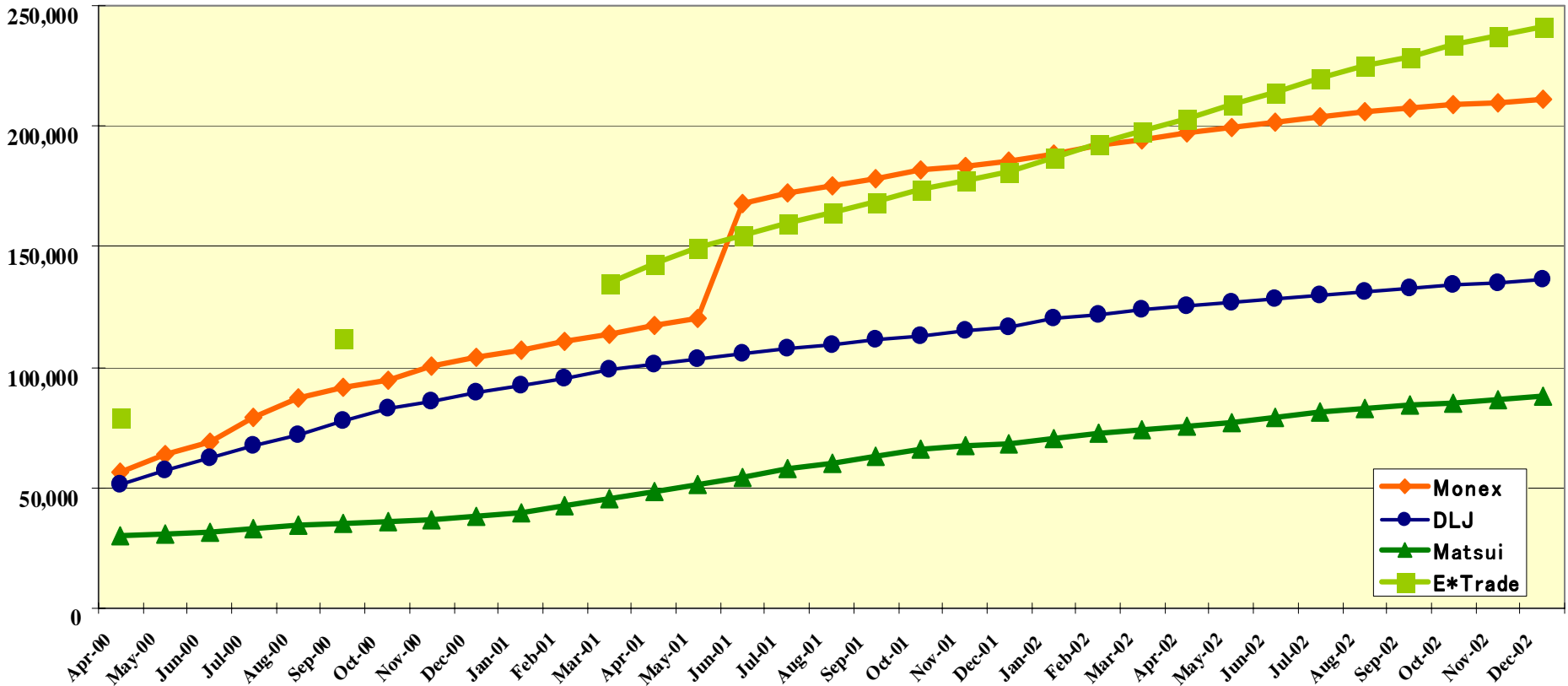


I. Financial Results

 **II. Other Business**

III. Business Model and Future
Development

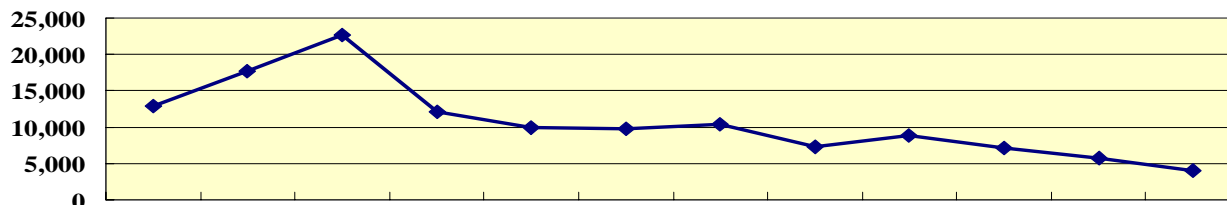
Number of Customers' Accounts



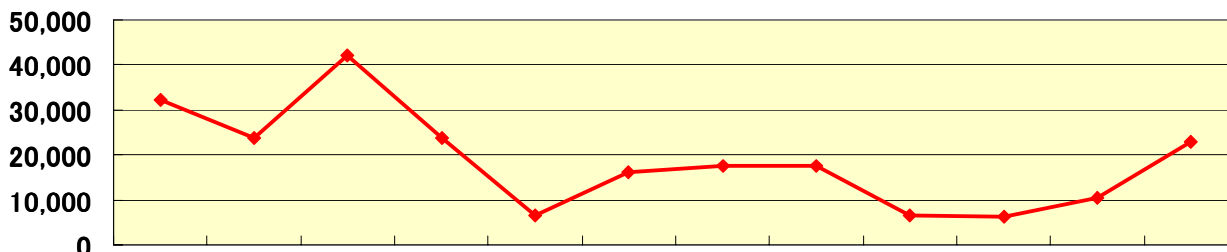
Source: each company's IR Data

Account Acquiring Costs

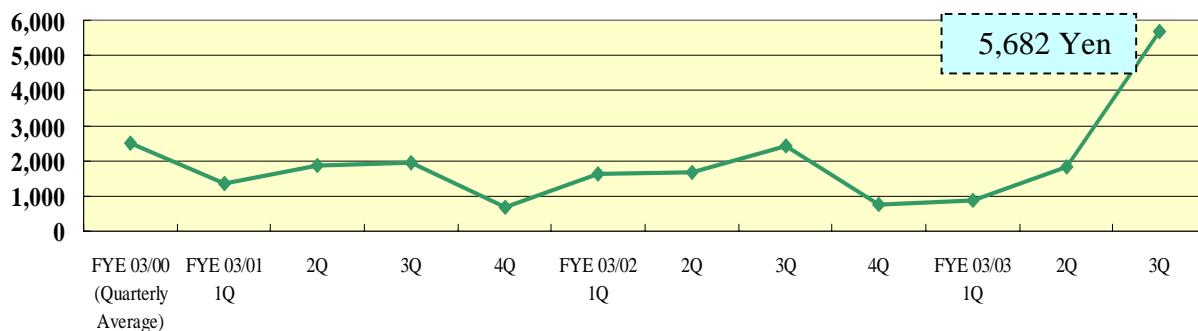
Newly acquired accounts



Advertising costs (Yen thousand)



Account acquiring costs per account (Yen)



FYE 3/2003 3Q

• Number of newly acquired account has decreased due to the unfavorable stock market ; effective marketing plans are required

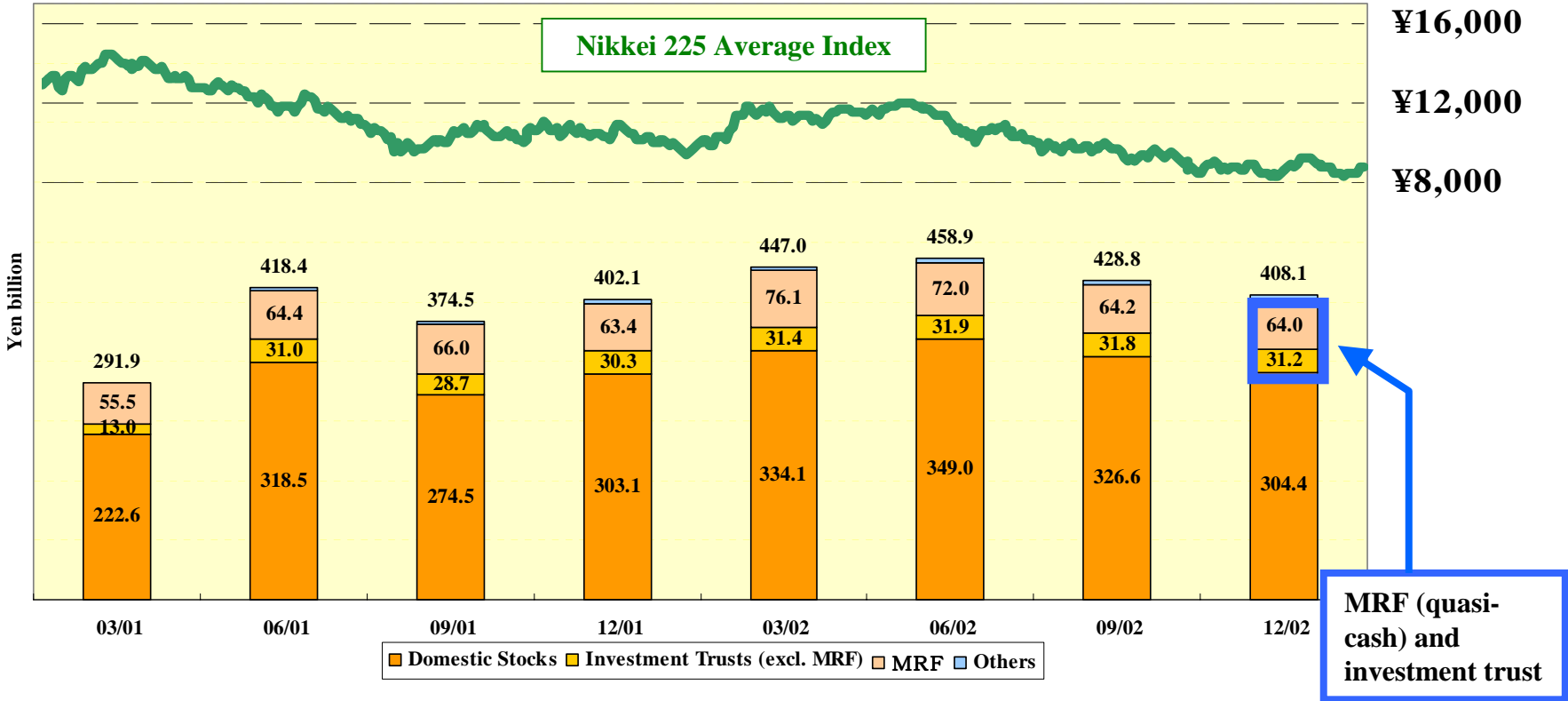
• For starting the margin trading/stock lending service, ad expenses have risen in a short run, however, AA costs are still being kept relatively low

Breakdown of ad expenses of ¥22 mil:

- Newspaper ad ¥10 mill.
- Magazine ad ¥4 mil
- Others including various seminars ¥8 million

Although account acquiring costs transitorily rose, our basic policy still remains unchanged; to remain account acquiring costs low

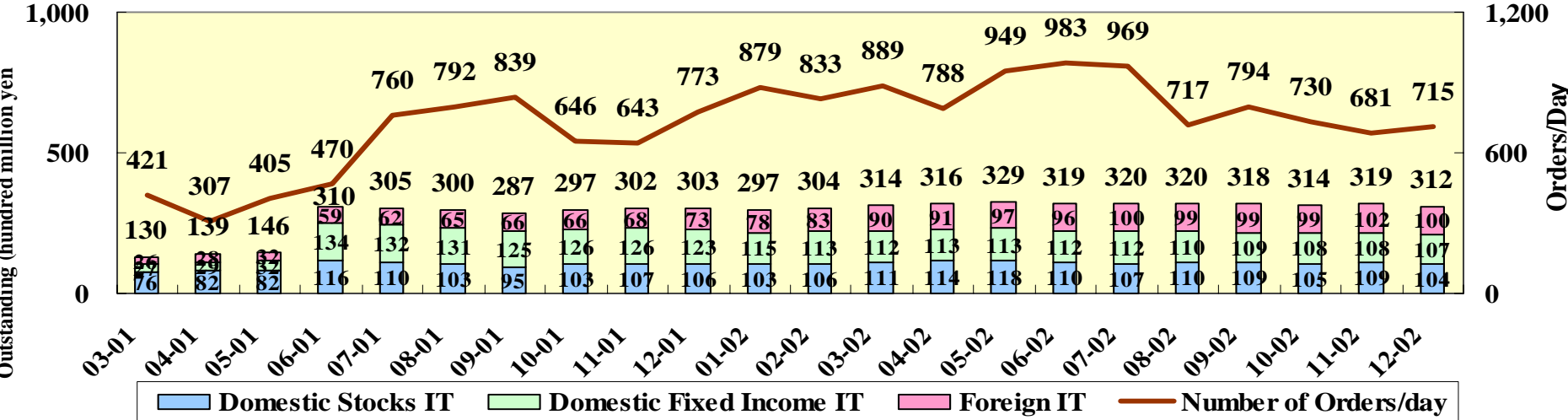
Customers' Assets in Custody



- MRF Outstanding (as of Dec 31 , 2002) 64 billion Yen
- Cash inflow from customers has normally exceeded outflow since the first day of business (excluding only 9 business days)
- Sep 2002 → Dec 2002 Nikkei 225 :-10.8%、Monex Clients' Assets in Custody :-6.0%

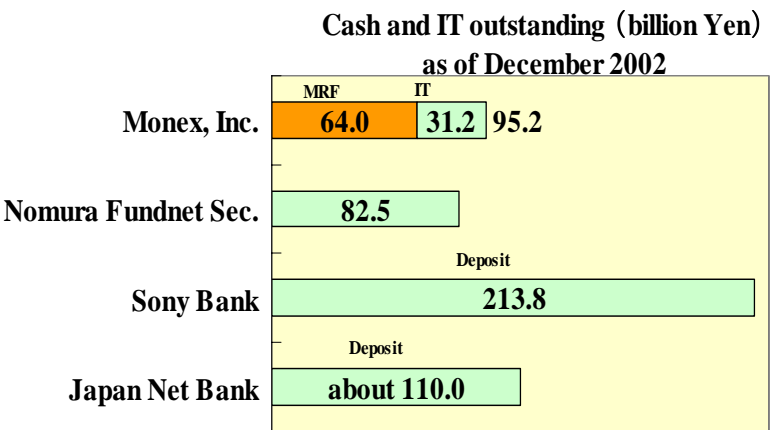
Investment Trusts Business

Investment Trusts Outstanding and Number of Order/Day



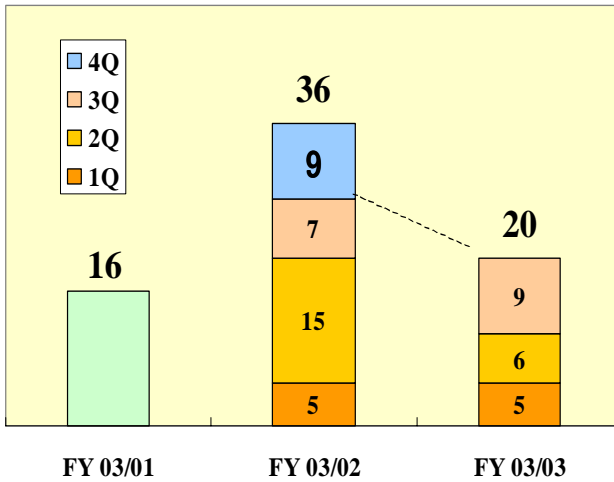
Monthly Fixed amount Purchase (as of Dec 2002)	Number of orders	Monthly Purchase Amount
Teigaku Tsumitate (Direct withdrawal from MRF)	3,134	60 million Yen
Card de JIDO Tsumitate (Direct withdrawal from MRF)	5,757	143 million Yen

Monthly Fixed amount Purchase (as of Sep 2002)	Number of orders	Monthly Purchase Amount
Teigaku Tsumitate (Direct withdrawal from MRF)	3,154	61 million Yen
Card de JIDO Tsumitate (Direct withdrawal from MRF)	5,952	124 million Yen

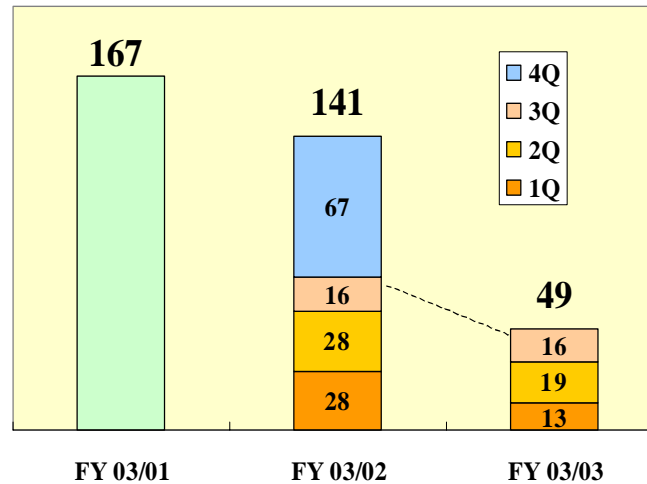


Underwriting business

Underwriting: number of issues



Underwriting fee (Yen million)



•In the 3rd Quarter we underwrote the following:

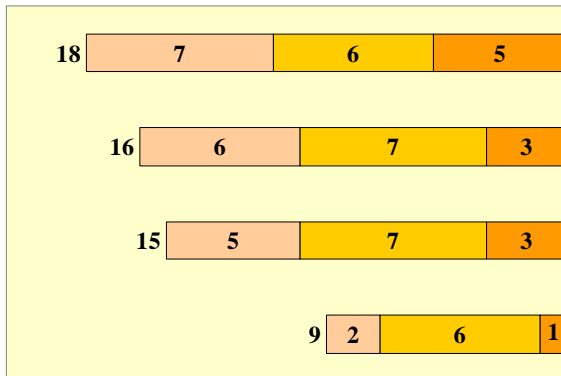
System Technology-i Co., Ltd.	10.0%
Hoosiers Corporation	8.0%
Marvelous Entertainment Inc.	6.0%
ABC- Mart	4.0%
For-side.com Co., Ltd.	2.0%
Trans Genic INC.	2.0%
NORTH CORPORATION	1.0%
SOHGO SECURITY SERVICES CO., LTD. ※	0.5%
DENTSU INC. ※	0.1%

※ Second offering of already listed companies

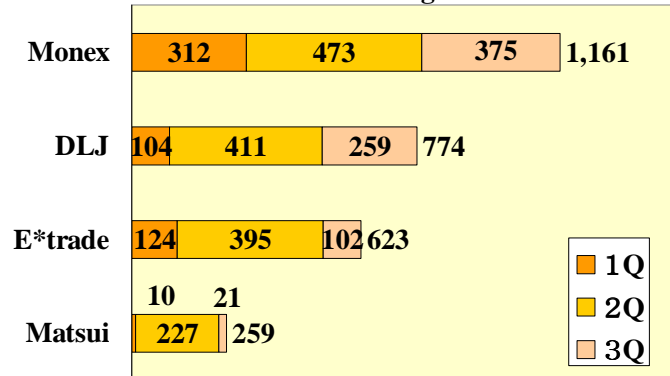
■ Excluding issues which Monex only involved in Sales.

■ Second offering issues (DENTSU INC., ABC-Mart incl.) are included.

Underwriting: number of issues



Underwriting: amount



Compared to the same period of last FY (April-December), IPO market has shrank by 71% in term of IPO amount and 34% in terms of number of issues*: under such environment, Monex made relatively good performance. (*excluding impact of Daido Life Insurance)

IPO of Hoosiers Corporation Monex took place as co- manager

Started sales of secondary offering (Dentsu, ABC-Mart)

■ Over allotment amount is included both in number of underwriting issues, and underwriting amount

■ Second offering issues are excluded.

I. Financial Results

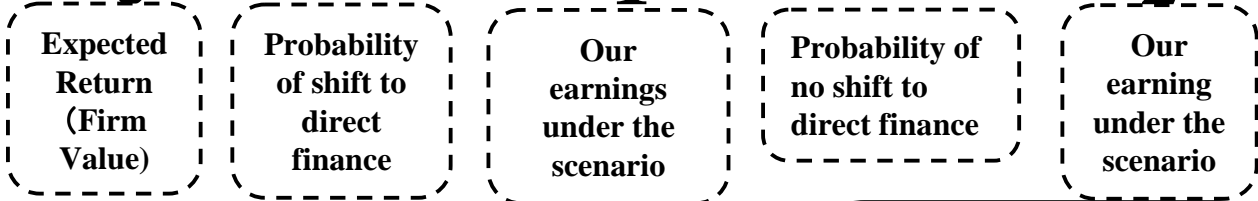
II. Other Business

 **III. Business Model and Future
Development**

Business Model

Focus on the increase in E2 under the severe market conditions.

$$R_e = P \times E_1 + P \times E_2 - Expenses$$



Basic Policy

- No major change in the basic business model.
- Being well aware that shift to direct finance is delayed and severe circumstances continues
- Strengthen the strategy which will increase E2

E1 Strategy
【Improve functions as a daily life account】

- Continue efforts to increase the E 1,
- Improve Money Series
- Promote Monex (Saison) Card
- Promote Monthly Fixed amount purchase plan to increase IT outstanding

E2 Strategy
【Margin trading started】

- Increase number of trades
- Offer opportunities to seek profit under the downward market by seeking relative value of individual stocks.

【Acquisition of active customers】

- Offer services to attract active investors.

【Introduction of Stock Lending Service】

- Relatively low dependent on stock market, new revenue source
- The customers enjoy the stock lending fee

【Provides customers with opportunities to improve financial literacy】

- Introduce various investment method under the stagnant market
- Continuously hold various seminars
- Improve Contents of Monex mail

Expenses

【Continuous efforts to control costs】

Continuously efforts to decrease System-related costs and outsourcing expenses

Major investments has been already completed: Continuously effort to improve daily life account functions without large amount of investment.

【Monex Services】

【Daily Life account・Money withdrawal/deposit】
Comprehensive account; credit card settlement,
The nationwide ATM network of 25,000 Postal Offices -
“Money Express”-instant cash transfer service from the bank

【Professional-style Investment Information Service】
JP Morgan's Analyst reports, various charts etc.

■ 銀行

UFJ銀行

- 利用中銀行のUFJ銀行の口座をMONEXに追加して利用可能
- 銀行振替、ATM利用、現金入金、お金の移動が簡単
- 銀行のサービスもそのまま利用可能

■ 東京三菱銀行

東京三菱銀行

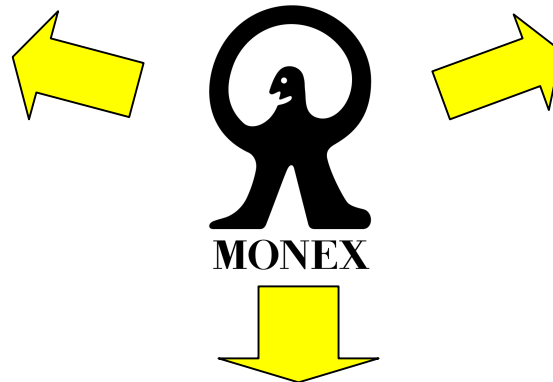
- 利用中銀行の東京三菱銀行の口座をMONEXに追加して利用可能
- 銀行振替、ATM利用、現金入金、お金の移動が簡単
- 銀行のサービスもそのまま利用可能

■ 郵便貯金

郵便貯金

- 利用中銀行の郵便貯金の口座をMONEXに追加して利用可能
- 郵便貯金のサービスもそのまま利用可能
- 郵便貯金のサービスもそのまま利用可能

Copyright © 2002 MONEX, Inc. All rights reserved.



【Unique portfolio management tool】
Account Aggregation Service
“Money Station”
Cyber financial Planner
“Money Planner”

資産項目	残高	元金	元金	元金	元金
現金	100	100	0	0	0
債券	0	0	0	0	0
株式	0	0	0	0	0
不動産	0	0	0	0	0
その他	0	0	0	0	0
合計	100	100	0	0	0

クレジットゾン (8253) カバー開始 Neutral
カバー開始: 会員数依存からの脱却は可能か

時価総額 4,400 億円

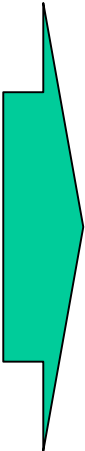
カード会員数は1,340万人を越え、2001年度には7%近く増進している。セブングループの浸透してきた。

数値や個人の信用状況に依存し、市場環境の変化に応じて変動する。カバーアップは1銘柄程度であり、一度は慎重であると考えられる。

【JGB floating coupon for individual investors】
This is to attract the people who mainly invest in bank deposits and/or postal savings, and MRF.

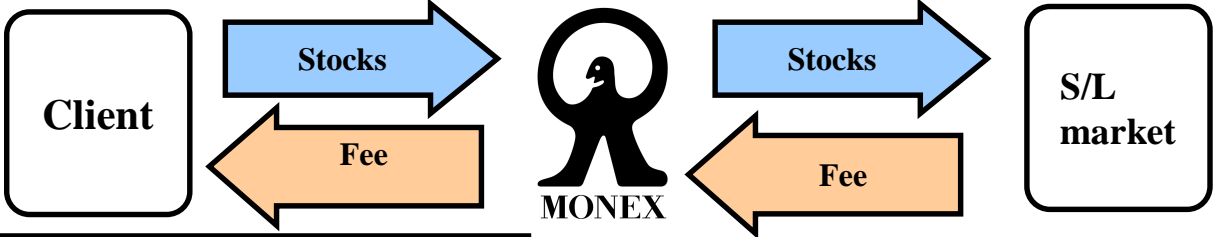
December 2002 adding Postal savings to Money Station

Pursue the strategy to reach breakeven point under the harsh environment where shift to direct finance should be delayed and the stagnant stock market conditions continues.

- 
- **Provide services focusing on “medium to highly active trade customers”**
 - ① **Started margin trading**
 - ② **Offer innovative services for individual investors such as stock lending service**
 - ③ **Review fee schedule**
Introduce fixed fee system in order to attract “medium to highly active”
 - ④ **Hold various seminars**
Comply with the customers’ needs, in order to stimulate activities
 - **Margin trading seminar**
 - **New taxation system seminar**
 - **Others**

Stock Lending

S/L service started on January 15th, 2003; and it is continuously developing.



Application accepted / Portfolio Size
December 13th 2002: Approx. 1,660 accounts
About 7.0 billion yen
January 21, 2003: Approx. 1,940 accounts
Approx. 8.0 billion Yen

Cautious management

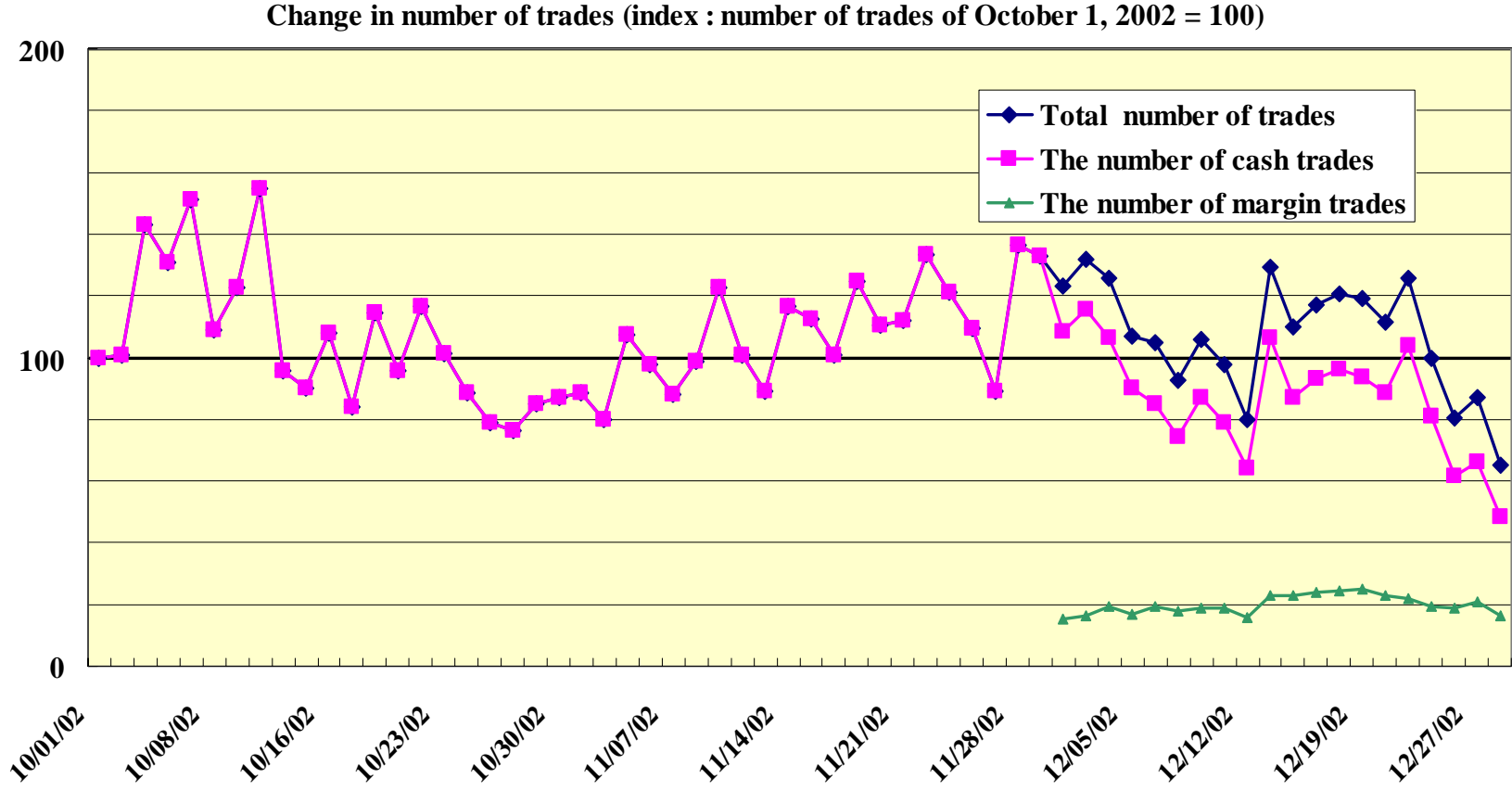
- Select borrowers in accordance with the internal guideline.
- Receive collateral such as cash and/or L/G and mark to market every business day.
- Manage cash collateral in accordance with the internal guideline; decide investment term considering the nature of S/L term(open end)

Future Development

- **Increase number of borrowers :**
 To enlarge the revenue opportunity, diversify borrowers' credit risk, and stabilize the
- **Add functions by which our customers could select the stocks to be lend / not to be lend**
 Customers could mark stocks among their own stock portfolio, to be lend /not to be lend in order to keep their various shareholders' benefits; toward the increase of the number of customers and the acquisition of the further profit opportunity with portfolio enlargement, (scheduled to be in during the first half of next fiscal year)

Margin trading - Impact on number of trades (1)

On Dec. 2, 2002, margin trading started; it has contributed to the increase in number of trades.



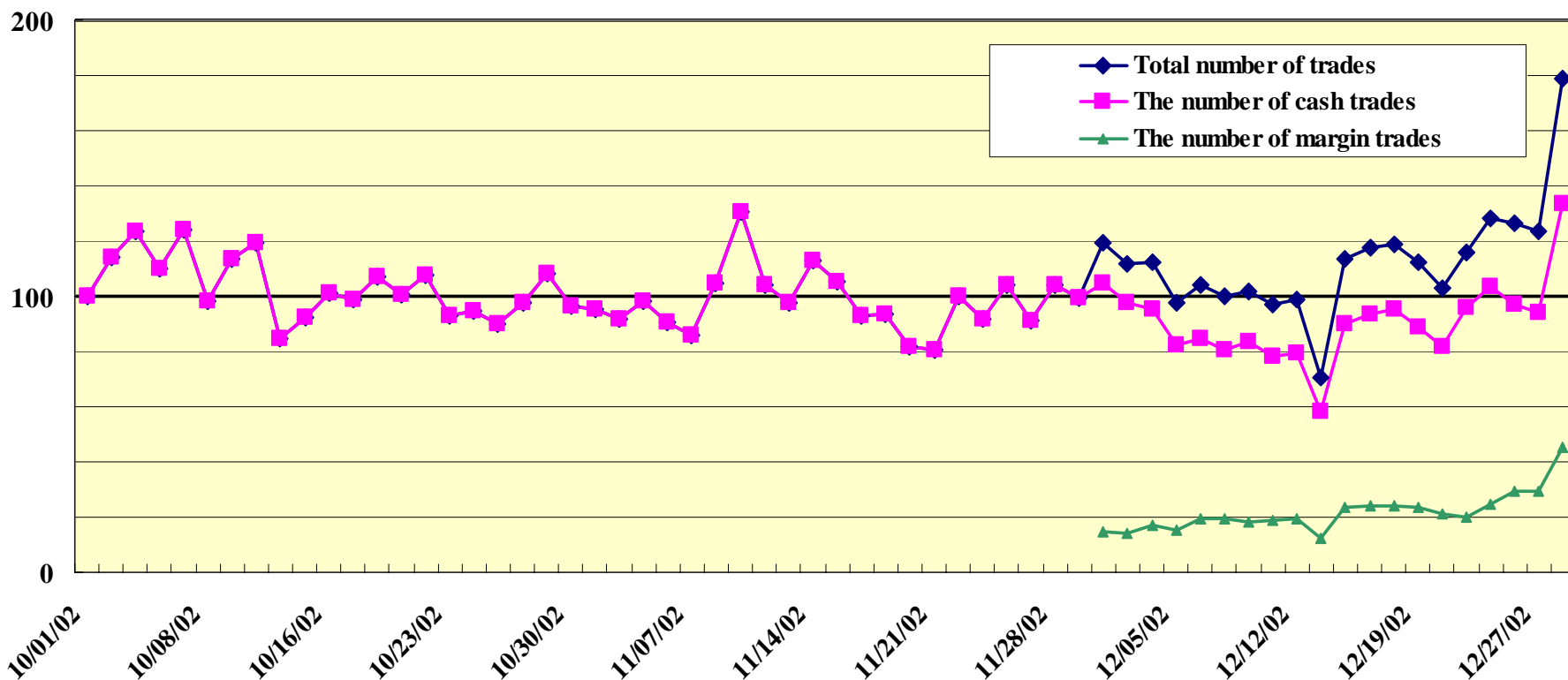
•The number of margin accounts (as of the end of Dec, 2002) **3,484 accounts**

•Ratio of the margin trades to the total trades **Number of trades base: 18.6%**
Amount base: 31.1%

Margin trading - Impact on number of trades (2)

When influence of market fluctuation is deducted, number of cash transactions somewhat shifted to margin trading, but there is favorably an increase tendency as a whole

Change of number of trades / Tokyo Stock Exchange trade volume (Index: October 1, 2002= 100)

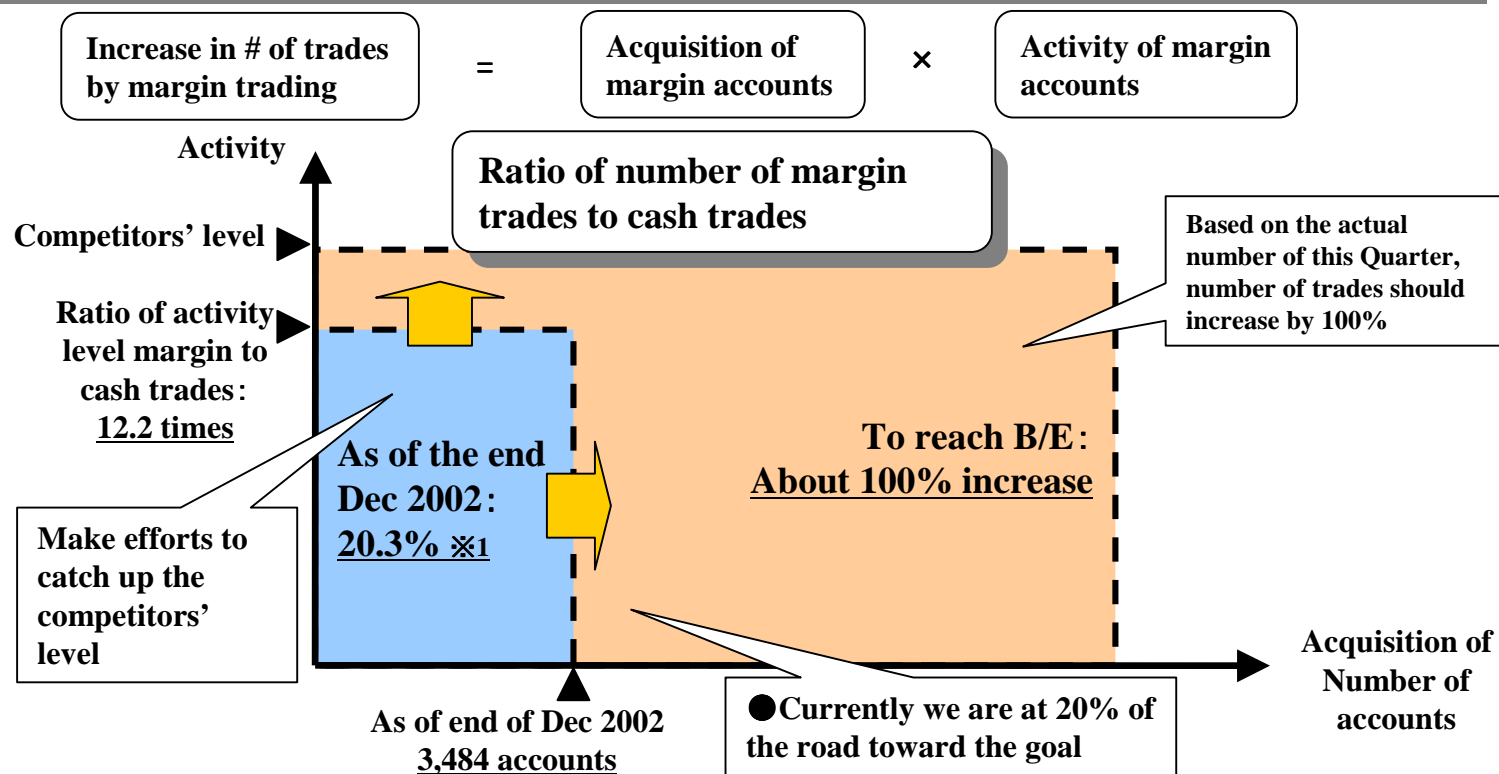


*Please refer to the Page 8 in regard to the share in trading volume among general participants of Tokyo Stock Exchange

** On the last business day of December, TSE had only half-day session.

Margin trading (3)– current position toward our goal

Completed 20% of our road toward Break-even point. May have to focus on efforts to continuously and aggressively acquire margin accounts



※1: Calculated based on average number of trades/business day during Oct-Dec excluding an influence of TSE individual investors trading volume.

※2: Calculated based on the ratio of B/E number of trades to actual number of trades during 3Q of FYE . (cf: P8)

※3: Assumed that other things than expenses and revenue from stock brokerage should be equal.

Expenses

Costs related to new services have added; however, expenses/ account are relatively stable partly because of its efforts to reduce outsourcing expenses.

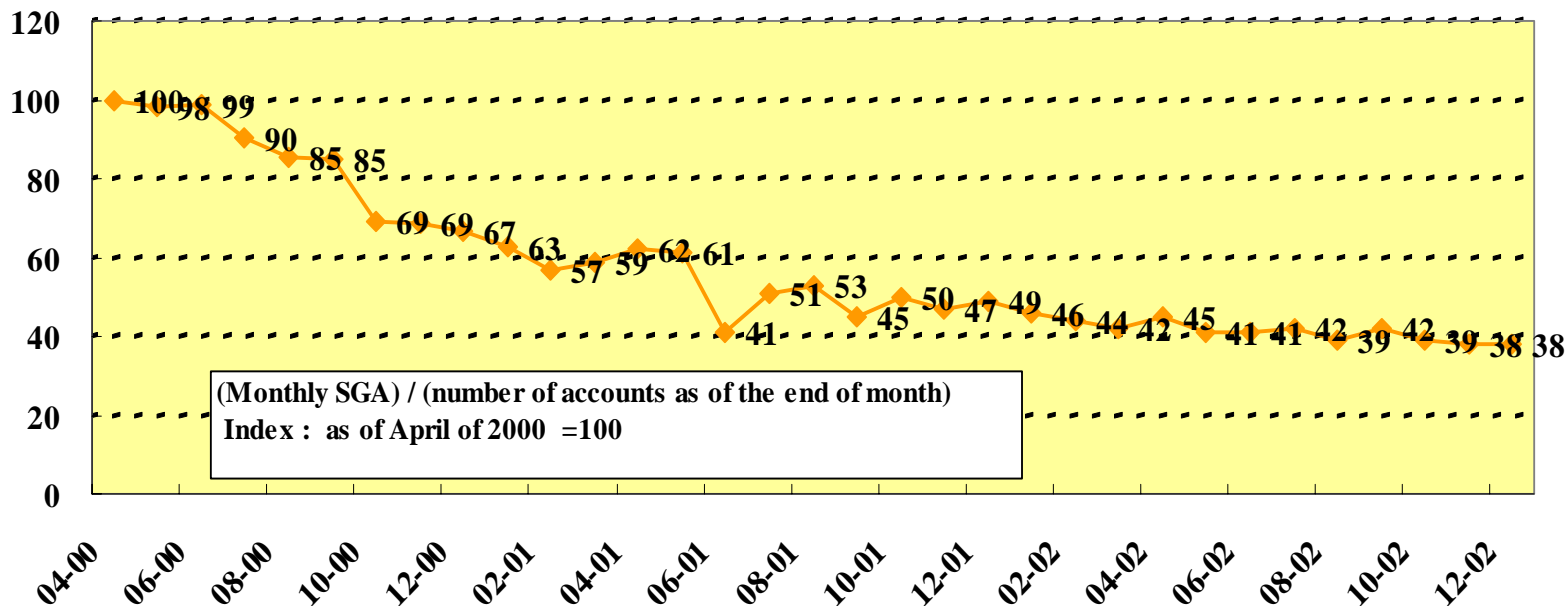
【Increase in costs related to new services】

1. Permanent costs
 - Labor cost: a few new employees joined
 - OSE : became a General Participant of OSE(Osaka).
 - Leasing expenses: related to Cap. investment
2. Transitory costs
 - Ad expenses and other promotion expenses

【Continuous efforts to reduce costs】

- Outsourcing expenses : reduced by 13.6% from 2Q to 3Q
- Continuously make efforts to reduce various costs

Changes in expenses per account





MONEX

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