

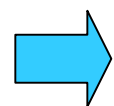


FYE03/2003 1Q Financial Results

JULY 18, 2002

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 . Newly introduced Services

IV . Management Policy

FYE 03/2003 1Q Financial Summary

(unit: Yen million)

	FYE 03/2002 1Q	FYE 03/2003 1Q	change
Operating Revenue	942	811	-13.9%
(Commission Revenue)	923	793	-14.0%
Operating expense	974	1,148	17.9%
Operating loss	31	337	-
Ordinary loss	1	334	-
Net loss	41	349	-

	FYE 03/2002 1Q	FYE 03/2003 1Q	change
Total assets	14,672	12,979	-11.5%
Shareholders' equity	11,581	9,976	-13.9%
Capital adequacy ratio	1,052.2%	790.9%	-
Cash & equiv. (incl. CP)	9,570	8,207	-14.2%
Lease O/S (over ¥3mil)	3,182	3,019	-5.1%

FYE 03/2003 1Q Financial Summary (2)

Quarter to quarter

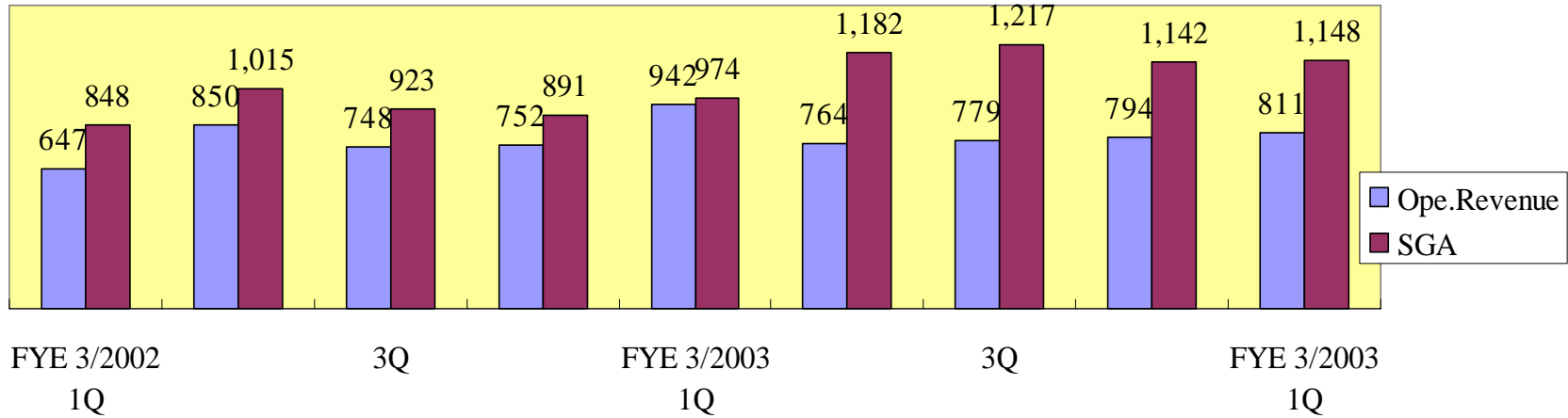
(unit: Yen million)

	FYE 03/2002 4Q	FYE 03/2003 1Q	Change
Operating Revenue	794	811	2.1%
(Commission Revenue)	780	793	1.6%
Operating expense	1,142	1,148	0.5%
Operating loss	349	337	-
Ordinary loss	348	334	-
Net loss	484	349	-

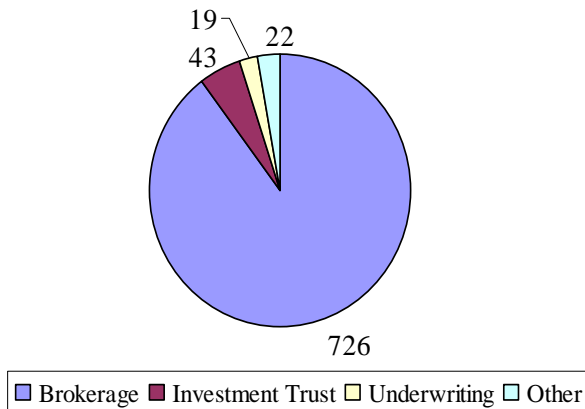
	FYE 03/2002	FYE 03/2003 1Q	change
Total assets	13,124	12,979	-1.1%
Shareholders' equity	10,323	9,976	-3.4%
Capital adequacy ratio	860.5%	790.9%	
Cash & equiv. (incl. CP)	8,333	8,207	-1.5%
Lease O/S (over ¥3mil)	3,209	3,019	-5.9%

Operating Revenue vs. SGA

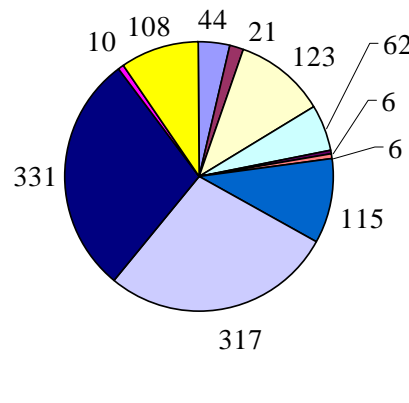
(Yen Million)



Operating Revenue Breakdown
Total : 811(Yen million)



SGA
Total: 1,148(Yen million)



- Commission Paid
- Exchange and association fees
- Information
- Communication and freight
- Advertising
- Directors compensation
- Employees salaries
- Equipment lease & maintenance
- Outsourcing expenses
- Amortization of goodwill
- Others

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 03. 2001				FYE 03. 2002				FYE 03.03
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Commision paid	Variable (based on trading volume)	146	126	32	22	34	34	42	27	44
Exchange and Association fees	Fixed	12	17	22	19	24	22	22	20	21
Communication and Freight	Variable (based on trading volume)	66	76	69	59	75	79	87	66	62
Information expenses	Vairable (based on number of accounts)	57	81	67	72	78	79	122	120	123
Advertising Expense	Fixed	23	42	23	6	16	17	17	6	6
Directors' compensation	Fixed	2	7	7	7	7	7	7	7	6
Employees salaries	Fixed	95	107	109	103	93	143	141	139	115
Equipment, Furniture and Fixture	Variable (based on number of accounts)	157	200	231	250	250	285	306	327	317
Outsourcing Expense (1)	Fixed (30%)	71	78	80	82	83	97	107	100	95
Outsourcing Expense (2)	Variable (20%: based on trading volume)	47	52	53	54	56	64	71	67	63
Outsourcing Expense (3)	Variable (50%: based on number of account)	118	130	133	136	139	162	178	167	158
Outsourcing Expense (4)	One-time Expenses						79	14	5	13
Amortization of Goodwill	Fixed	10	10	10	10	10	10	10	10	10
Variable Cost (based on trading volume) (A)		259	254	154	135	165	179	201	160	170
Variable Cost (based on # of accounts) (B)		332	411	431	458	467	527	607	616	612
Fixed Cost (+ one-time cost) (C)		213	261	251	227	233	377	320	290	256
Total major items listed above		803	926	835	820	865	1,085	1,129	1,066	1,039
Ratio to Total SGA (total of major item of SGA / total SGA)		95%	91%	90%	92%	88%	92%	93%	94%	91%

2. Brokerage Commision takes major portion in Operating Revenue

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

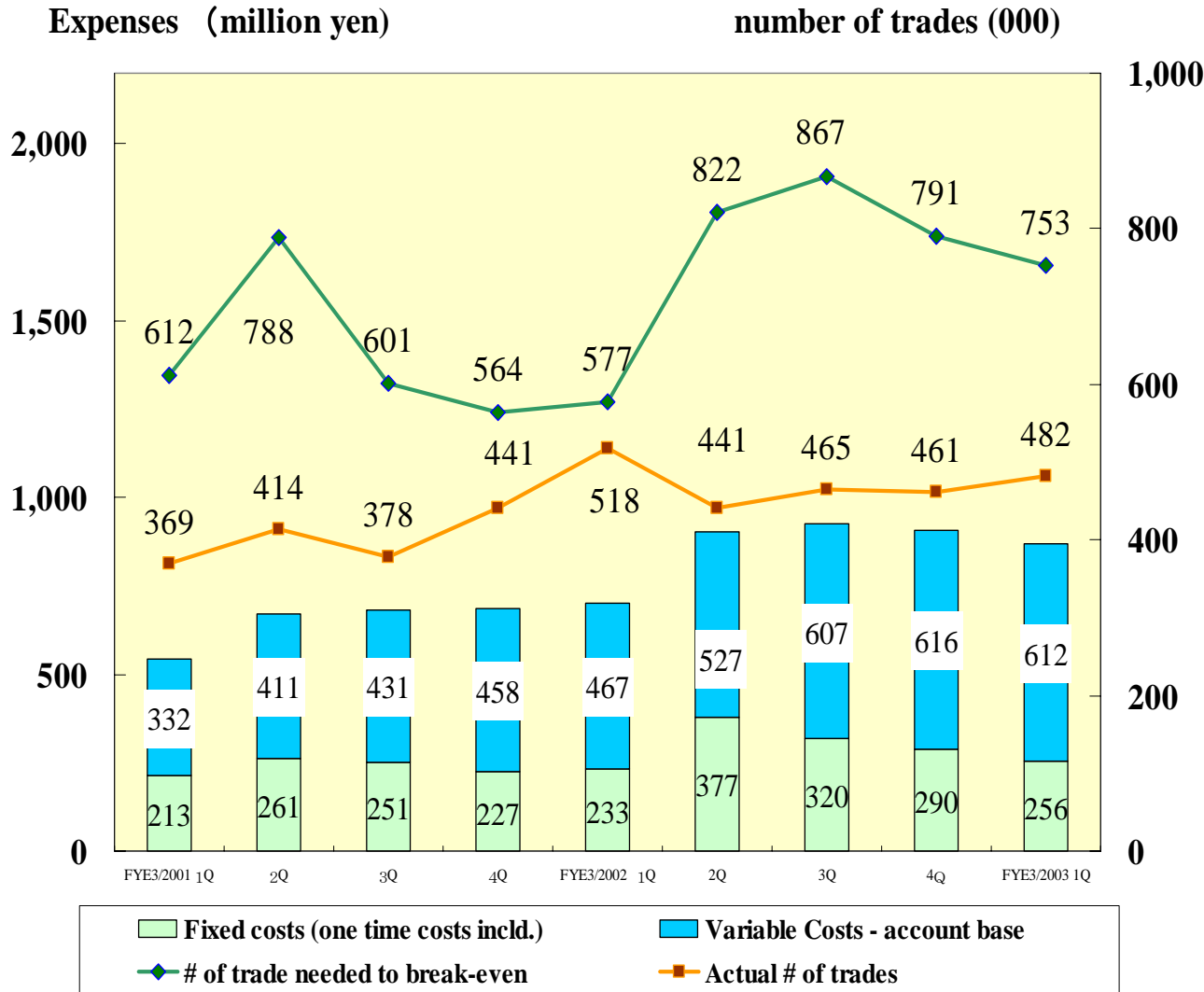
3. Calculate Variable cost per trade and the others

Quarterly Trading Volume ('000 trades) (D)	369	414	378	441	518	441	465	461	482
Average Commision / Trade (Yen)	1,591	1,466	1,540	1,522	1,531	1,506	1,501	1,493	1,508
Variable (based on trading volume) / Tra (A)/(D) (Yen)	702	614	407	307	317	406	432	347	354
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

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
Break-even Point Estimate (Monthly) ('000 trades)	204	263	200	188	195	274	289	264	251

Break-Even Analysis – Number of Trade



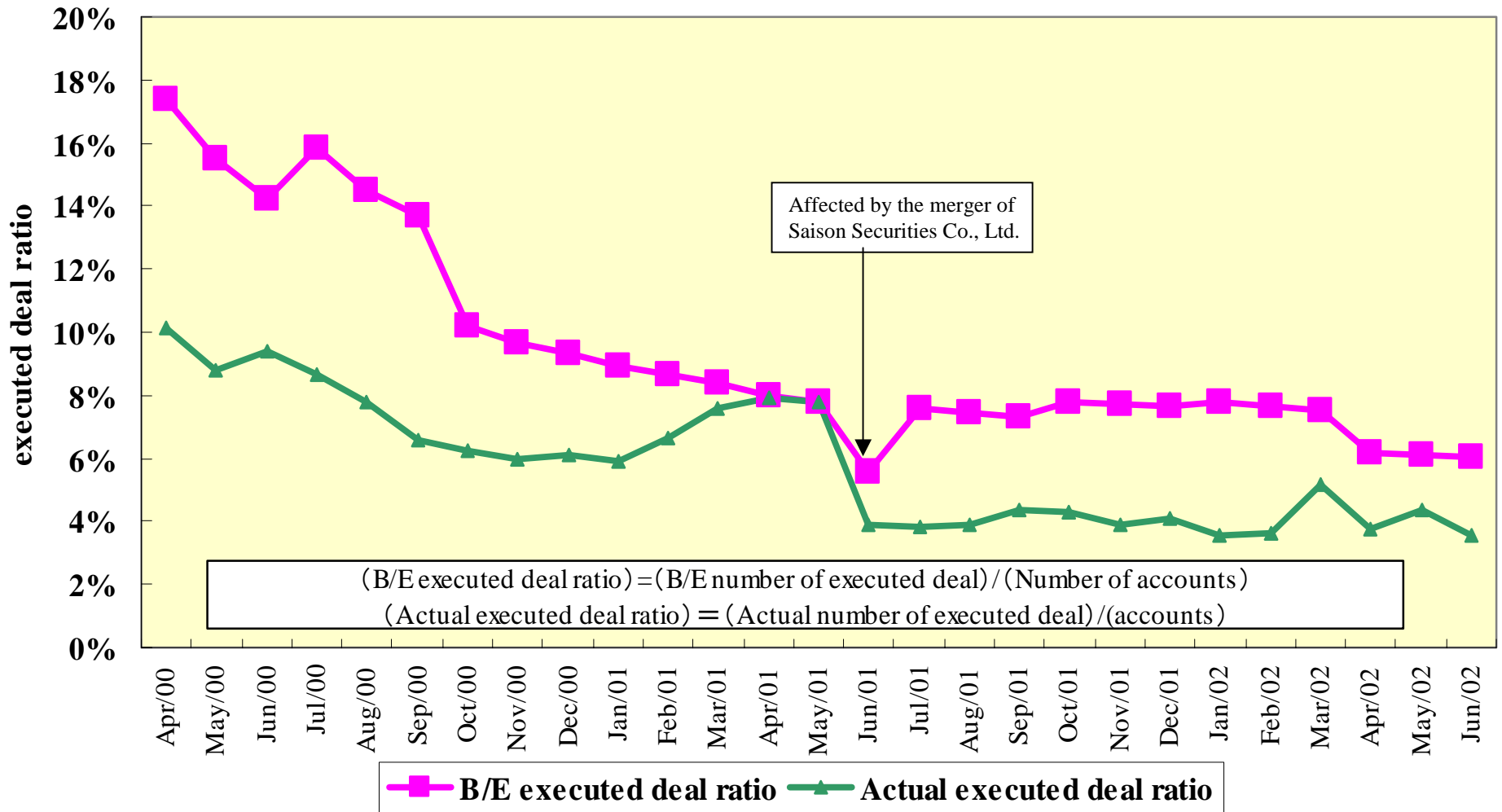
FYE 2002/3
 Necessary infrastructure has been established by intensive investment in 2Q.

FYE 2003/3 1Q
 ■ Fixed costs: Maintained low by the salaries cut.
 ■ V.C. – account base Maintained stable, despite of increase in accounts, (partially due to write-off of leased assets)
 ■ V.C. – trade base Maintained low because of electronic delivery of statements

Break-Even Analysis – Executed Deal Ratio

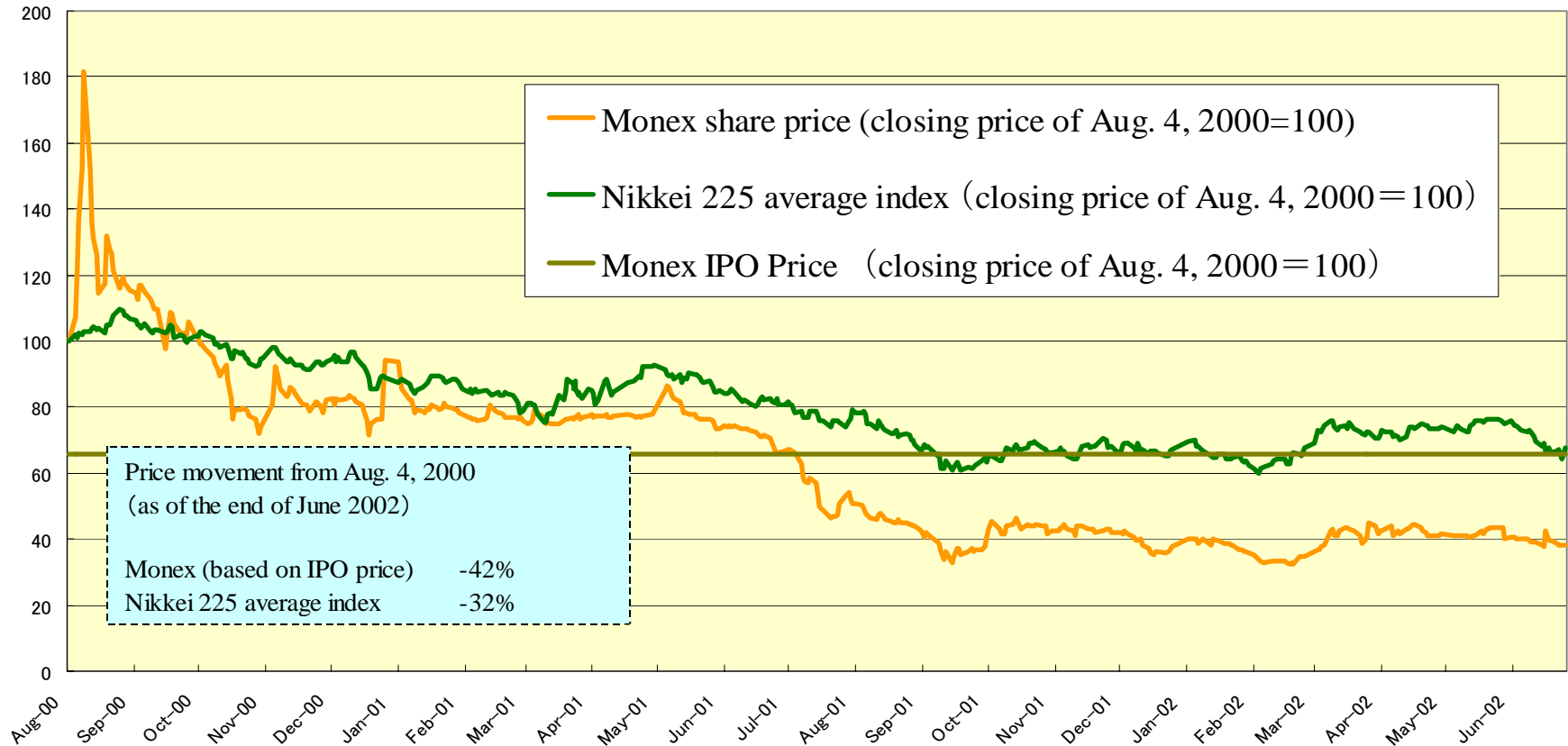


B/E and actual executed deal ratio

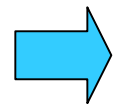


Stock Price

Monex vs. Nikkei 25 average Index (based on August 4, 2000)



I . Financial Results



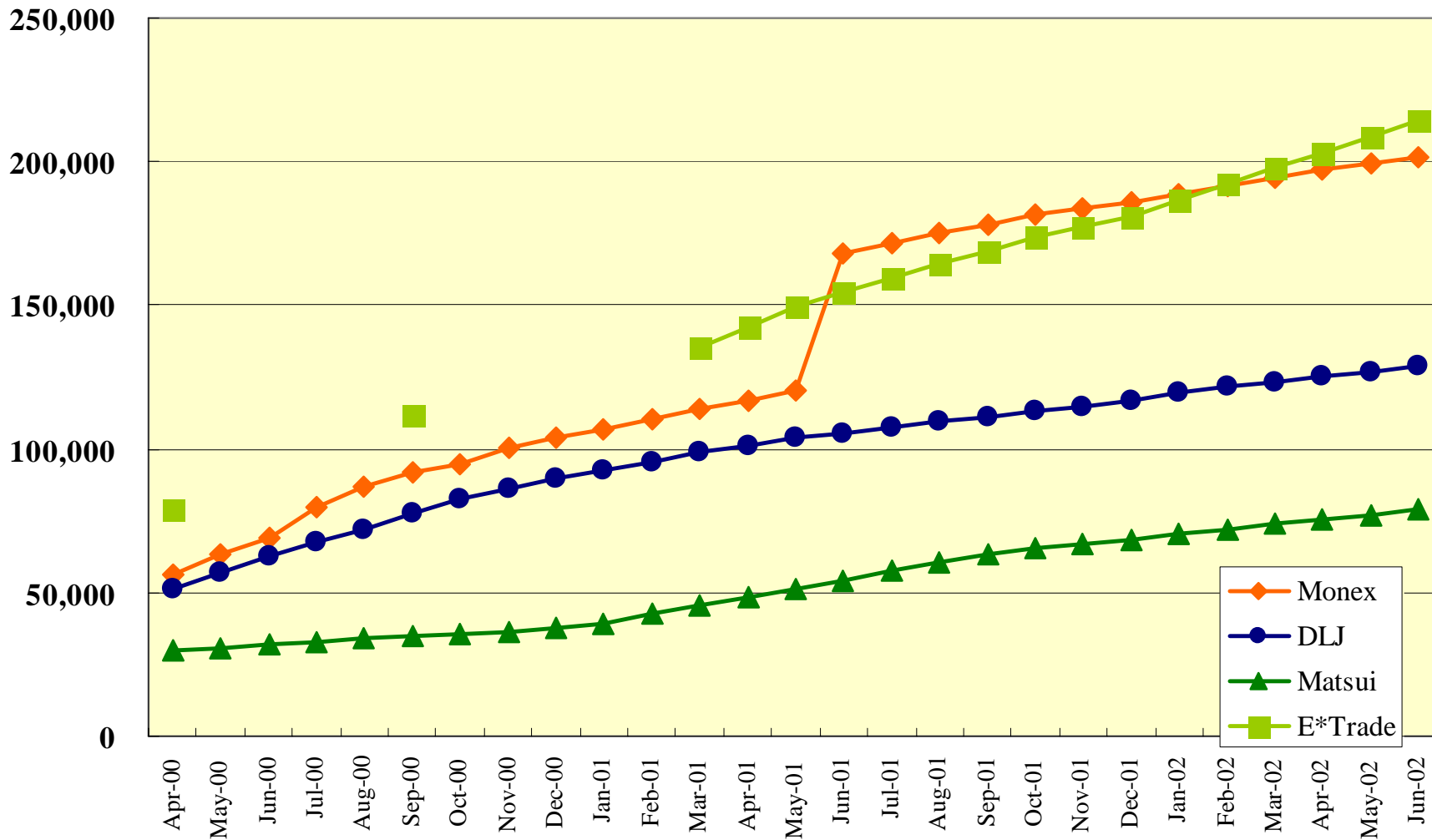
II . Other Business

III . Newly introduced Services

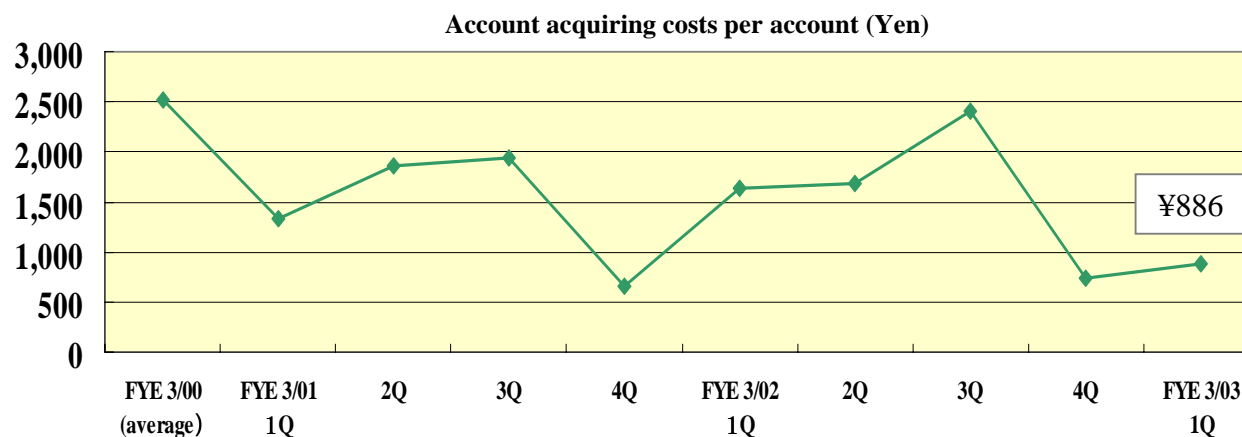
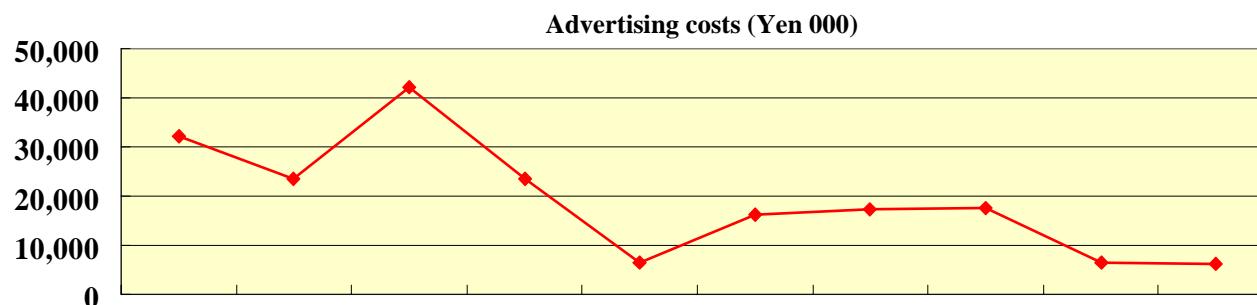
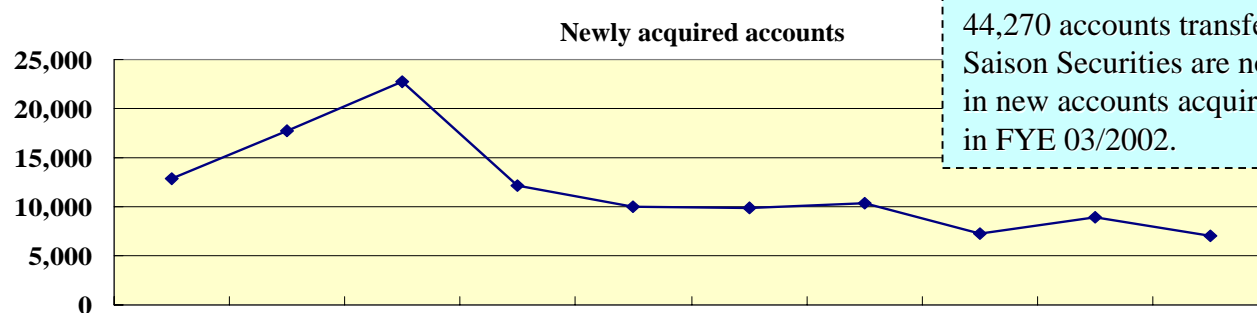
IV . Management Policy

Number of customers' accounts

Number of accounts



Account acquiring costs



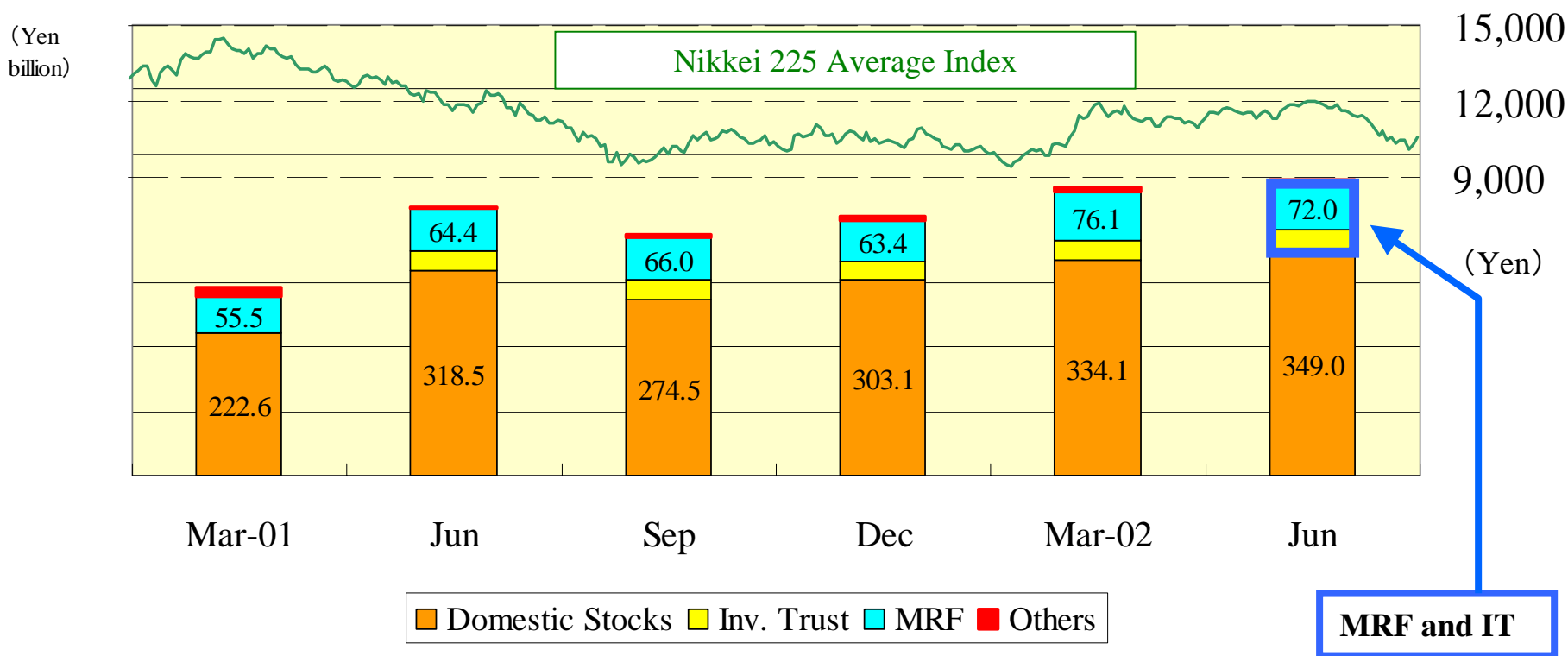
Major costs :

- (1) System related costs
- (2) Information related costs
- (3) Account acquiring costs

It is important to maintain (3) as low as possible in order to differentiate from other competitors

■ Co-marketing with Credit Saison and continuous PR , we have successfully maintained account acquiring costs far below the industry average.

Customers' assets in Custody

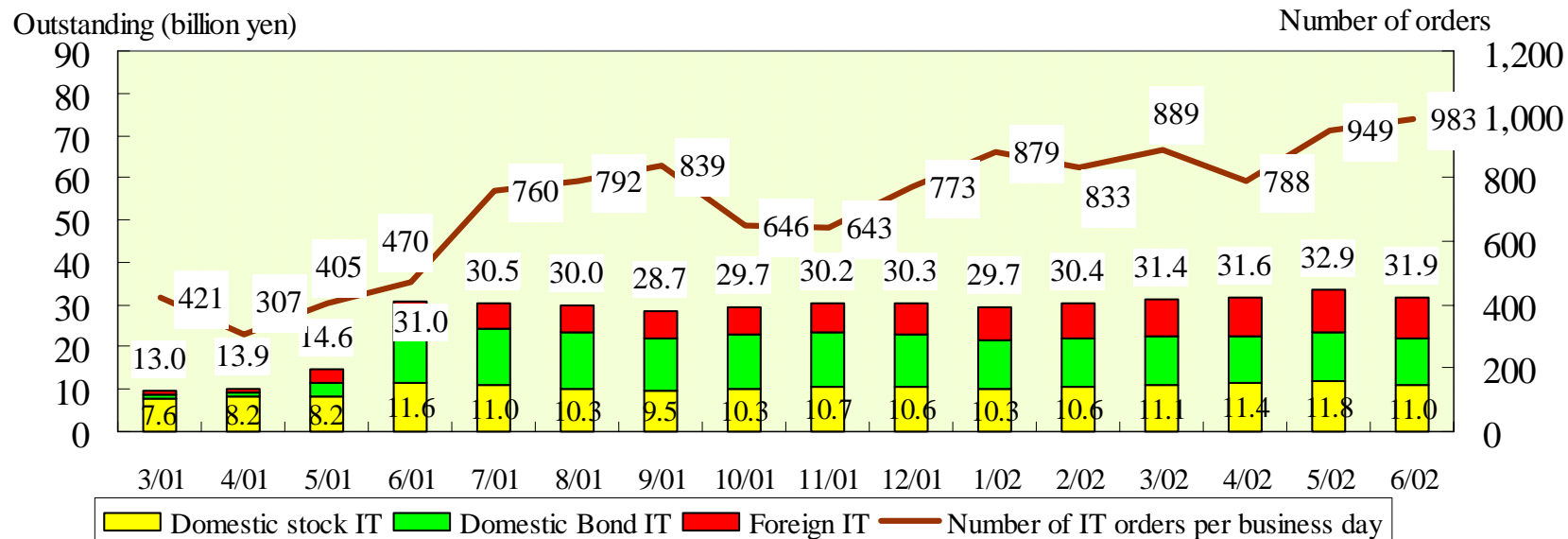


Transfer from Saison Securities (June 30, 2001) 91.4 billion Yen (Stocks 65 billion Yen)

MRF Outstanding (June 30, 2002) 72.0 billion Yen

Cash inflow from customers has always exceeded outflow since the first day of business (excluding only 4 days.)

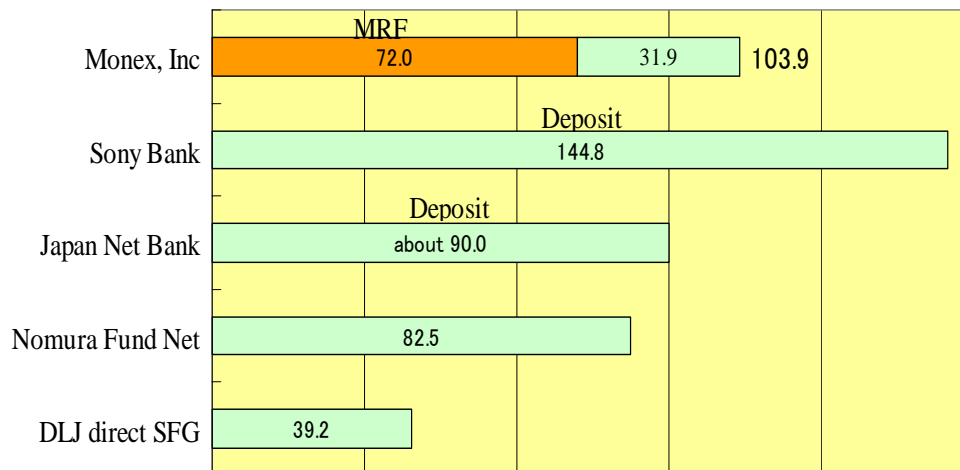
Investment Trust Business



Cash and IT outstanding (Yen billion)

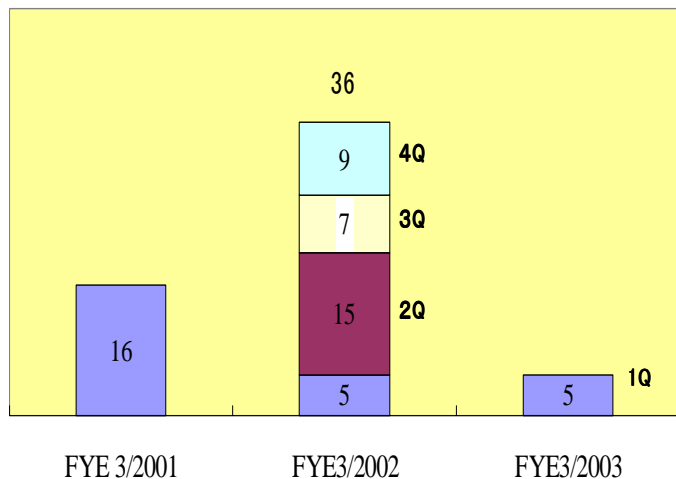
Monthly Fixed amount Purchase(as of 6/2002)	Number of orders	Monthly Purchase Amount
Teigaku Tsumitate (Direct withdrawal from MRF)	3,141	63 mil yen
Card de JIDO Tsumitate (Withdrawal from bank account)	5,442	115 mil yen

Monthly Fixed amount Purchase(as of 3/2002)	Number of orders	Monthly Purchase Amount
Teigaku Tsumitate (Direct withdrawal from MRF)	2,754	55 mil yen
Card de JIDO Tsumitate (Withdrawal from bank account)	4,981	93 mil yen

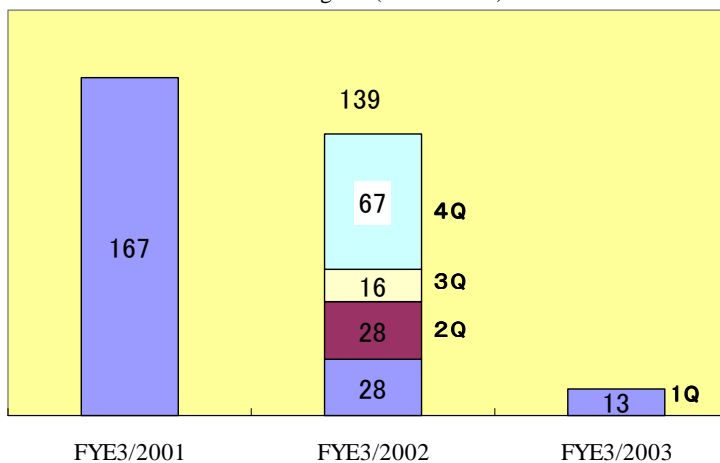


Underwriting business

Number of deals



Underwriting fee (Yen million)

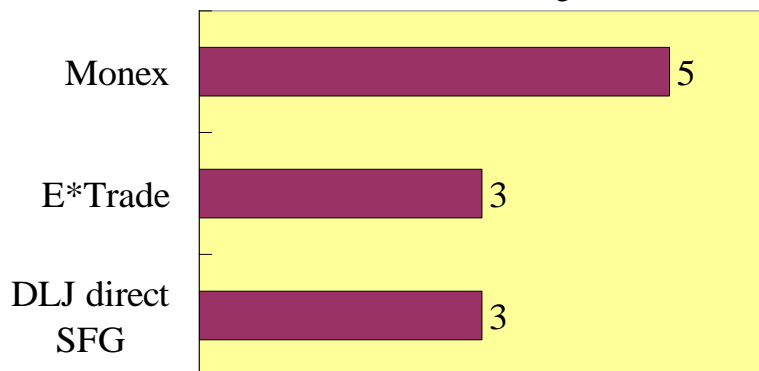


- We underwrote: (share)
- Quin Land Co., Ltd.(4%)
- TYO Production Inc. (5%)
- Takachiho Electric Co., Ltd. (6%)
- Dawn Corporation (3%)
- EC-One, Inc (2%)
- Underwriting share has been steadily growing. (average: 4%)
- Underwrote REIT.

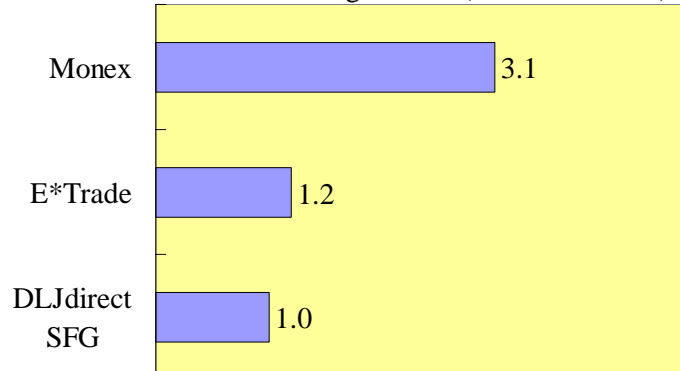
※excluding issues only involved in Sales, ie. Monex inc. (8626)

Comparison with the others (FYE 3/2003 1Q)

Number of underwritings



Underwriting amount (Yen 000 million)



Source:Tokyo IPO

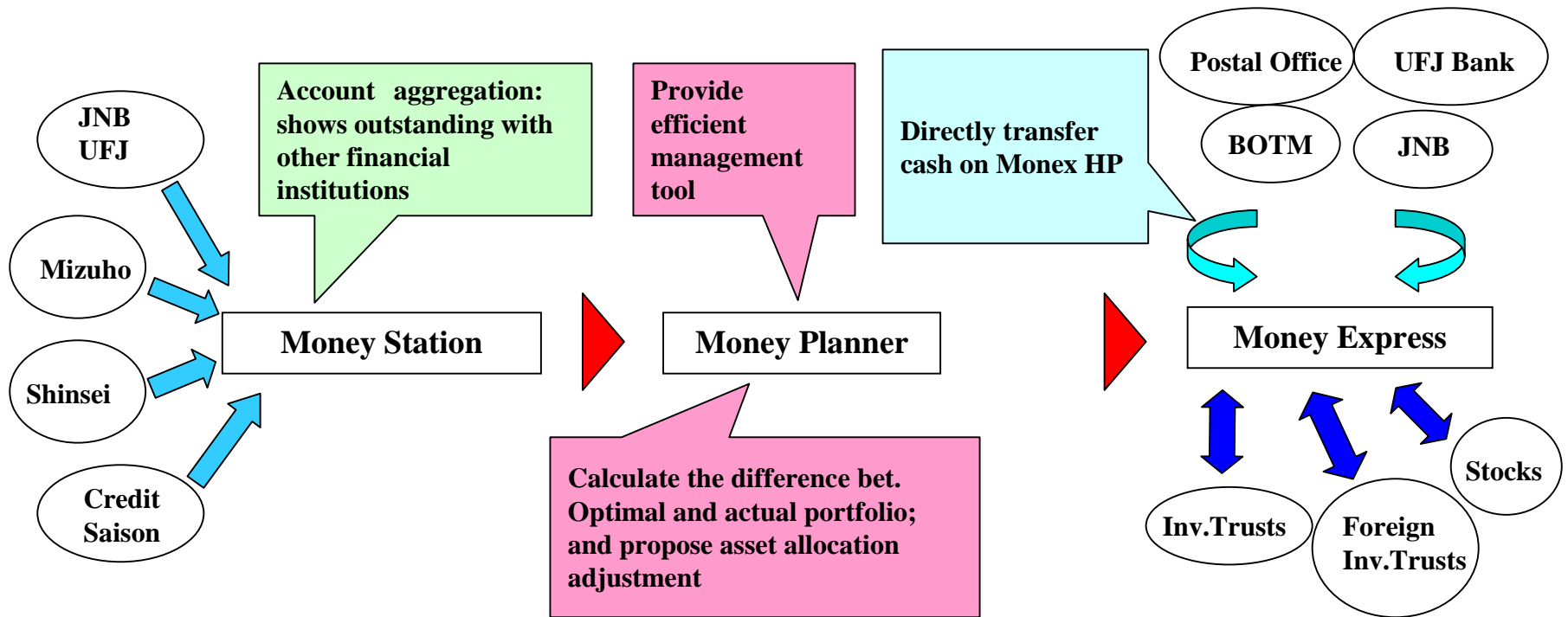
I . Financial Results

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		Management			
		Marketing	Retention	Revenue	
Customers' needs	Investment	Monex Nighter	Money Express	Alert Mail	
		Unique Inv. Trusts	Mizuho Super Debit	Monex Speed	
			Analyst Report	Stock News	
		Deposit from Post Office "PA·RU·RU"		Market News	
		Net IPO			
		Monthly Fixed Amount Purchase Plan			
	Administration	Margin Trading			
		L-mode, T-mode	Money Station	IR Gate	
		Mini-stocks	Tax filing support		Investment Trust
		Stocks custody	Tax filing account		
		Monex Mail			
		Electronic delivery of statements			
	Consumption	Money Planner (business patent applied)			
		Monex ATM		Advertisement	
		Postal Office ATM CD			
Credit Saison CD ATM					
Monex《Saison》Card					



- Automatically show the current portfolio by asset class
- Answering 9 questions lead proposal for better asset allocation
- Propose selling and/or buying investment trusts (mutual funds) based on the difference between optimal and actual portfolio
- Simulate future asset growth and show expected asset amount as long as 40 years (applied for business model patent)

“TOKUTEI KOUZA”

■ New Japanese Tax Law related to securities investments

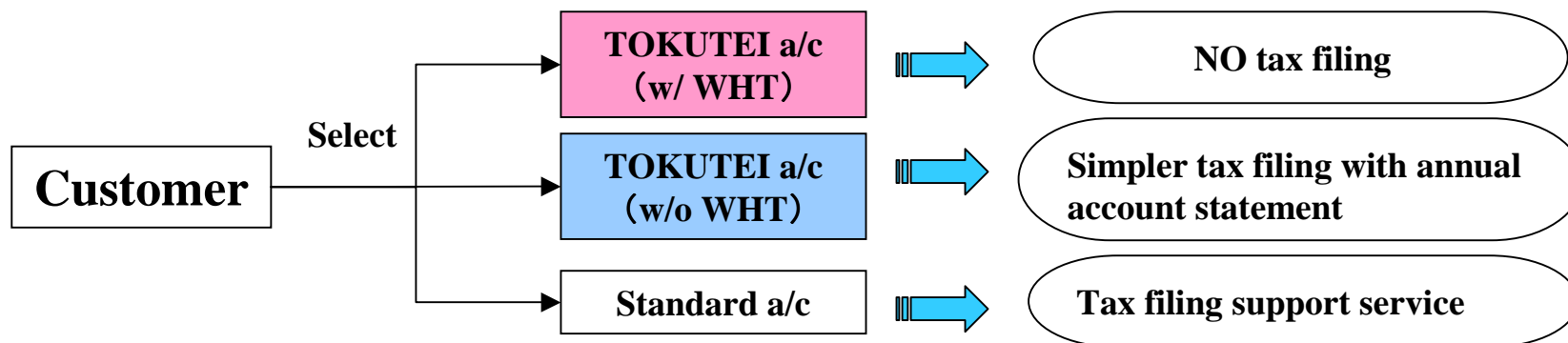
From January, 2003, a new Japanese tax law will be applied for tax filing related to capital gain/loss on securities investment. A retail investor will be able to open an account so called “TOKUTEI KOUZA” at securities houses which provide the service. Once having such type of account, the tax filing procedure will be unnecessary or dramatically easier. Monex is now preparing to start new services within this year.

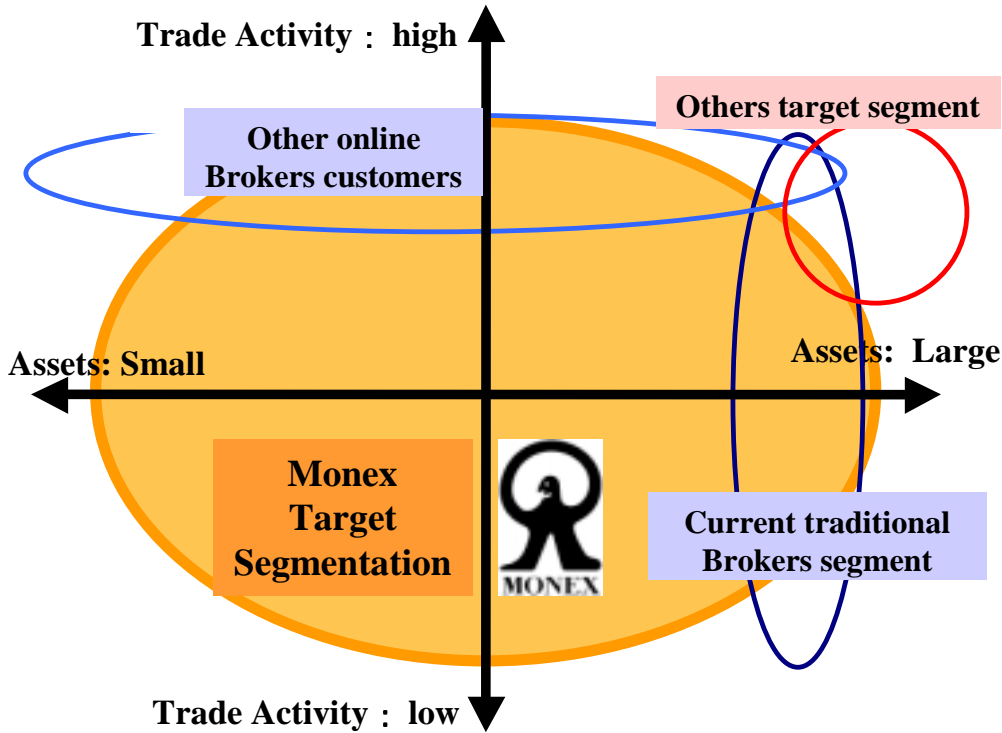
■ Monex’ services for tax filing

① Tax filing support service (started in February 2001)

When trading at Monex, the details of transactions is automatically made for tax filing.

② TOKUTEI KOUZA (Application for an account will be accepted within this year.)





< 2 Types of expected customers >

① Experienced customers (2-4%)
Full range of services for experienced customers

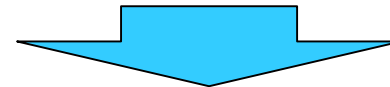


High (intense) profitability: active clients

② Monex Clients: Beginners (10-25%)
Explore a new market of margin trading by providing information of risk/return in margin trading



Larger customer base



Our Customers Survey on Margin Trading

No experienced	92%
Want to deal at Monex	38%
Have knowledge about M.Trading	15%
(the company's survey in June 2002)	

Maximize expected return (firm value) by cultivating new type of customers base.

Margin Trading Impact

(FYE 03/2003 1Q)

	Monex	DLJ direct SFG		
Average number of accounts	199,370	129,526		
Average number of orders/B. day	27,536	27,283		
Average number of trades/B.day	7,758	16,176	Spot	10,199
	(9,077)※1		Margin	5,977
Average number of trades in a year / account ※2	9.5	Spot		19.3
	(11.2)※1	Margin		161.5※3

※ All figures are monthly average during 1Q: Average numbers of accounts are based on those of monthly end.

※ All figures of DLJ direct SFG are the disclosed data on their HP.

※1 The figures in () are numbers of trades based on “tickets of partial fill” by calculating based on our actual ratio (1:1.17)

※2 Assumed 245 business days in a year.

※3 Assumed that the ratio of margin accounts/total accounts at DLJ direct SFG is 7.0%; which was calculated by using their actual March-end 2002 numbers. (8,600/123,558); (Source; quarterly report issued by KINZAI – Institute for Financial Affairs, Inc.)

■ Impact of margin trading

	Number of trades in a year/account	Increase rate in # of trades when 1% of customers start margin trading※3	Margin trading ratio (assumption)	Increase rate in # of trades
①Active customers similar to those of DLJ direct SFG	161.5※1	14.5%	50% of DLJ direct SFG: 3.5%	51%
②Newly starting customers with moderate activities	36※2	3.2%	50% of our clients showing interest: 19%	61%

※1 Please see note ※3 in the above

※2 Assumed 3 trades (based on tickets of partial trades) in a month / account

※3 Calculated by (aveg. # of accounts) x 1% x (aveg. # of trades in a year / account) / 245 B.day / (aveg. # of trades/B.day)

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Monex Return Model: $R_e = (P E_1 + \bar{P} E_2) - Expenses$

R_e : Expected return

P: Probability of our scenario

\bar{P} : Probability of the other scenario ($P + \bar{P} = 1$)

E_1 : Earnings under our scenario

E_2 : Earnings under the other scenario

P: Direct Finance Era is coming

E_1 : Prepared for E_1 maximization

By maximizing E_1 , Monex shall become a new type of “major financial institution”.

Strong financials : (Steady capital policy by IPO of August 2000)

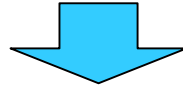
- Liquidity sufficient for sustaining our business : no debt; yen 8.2billion cash on hand
- Net Assets: Yen 9.9 billion
- Capital adequacy ratio enough for expanding our business : 790 %

Branding strategy :

- It is the most significant to establish good “branding image” for venture business as well as financial institutions
- We have been establishing by being supported by major shareholders such as SONY, Credit Saison etc., our sustaining PR strategy and providing customers with services along with our business principles.
- Thanks to our branding strategy, we have achieved lower acquiring costs, customers’ loyalty, steadily growing customers’ assets in custody

Business Assumption

Structural changes, Pay-off(bank deposit insurance coverage limit is released), Fiscal Deficit, Corporations and Government Balance Sheet Problems



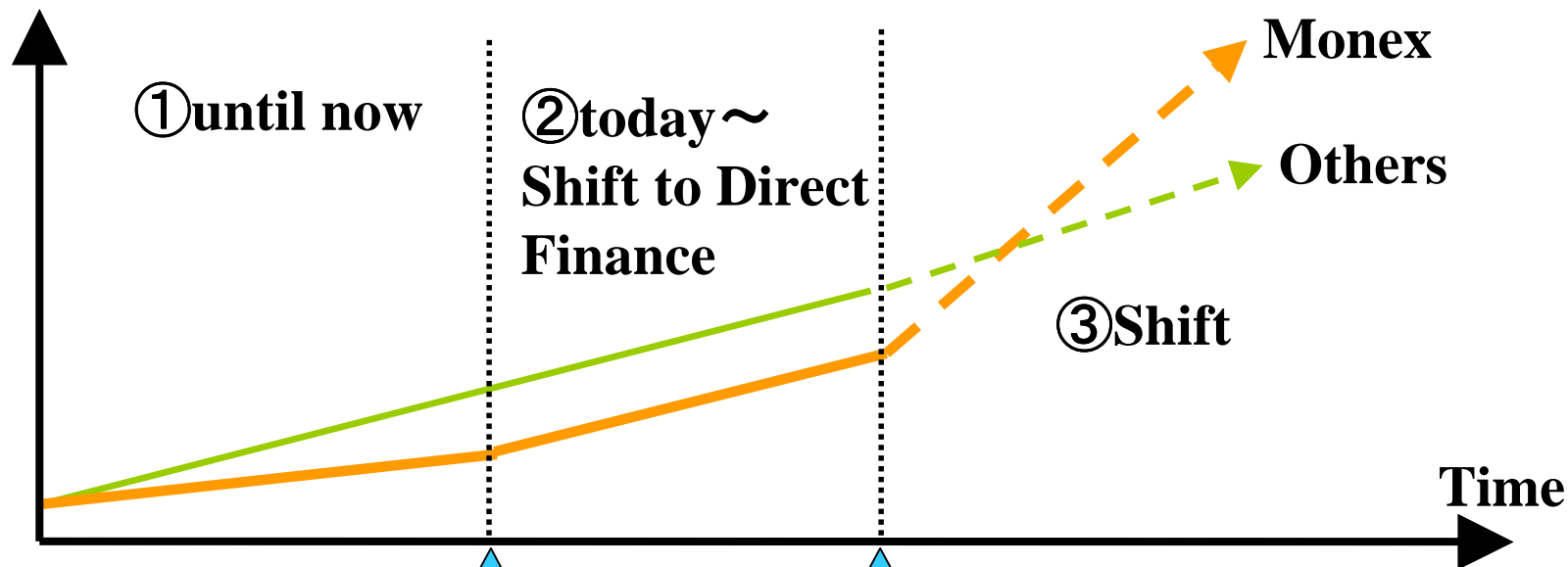
Shift from indirect to direct financing/more responsibility to manage own assets

Adjustment to our business strategy

Recognizing that the shift from indirect to direct financing is behind the schedule, we aim for increase in revenue until such shift begins, by minimizing our business risk.

Monex strategy over the time horizon

Profitability

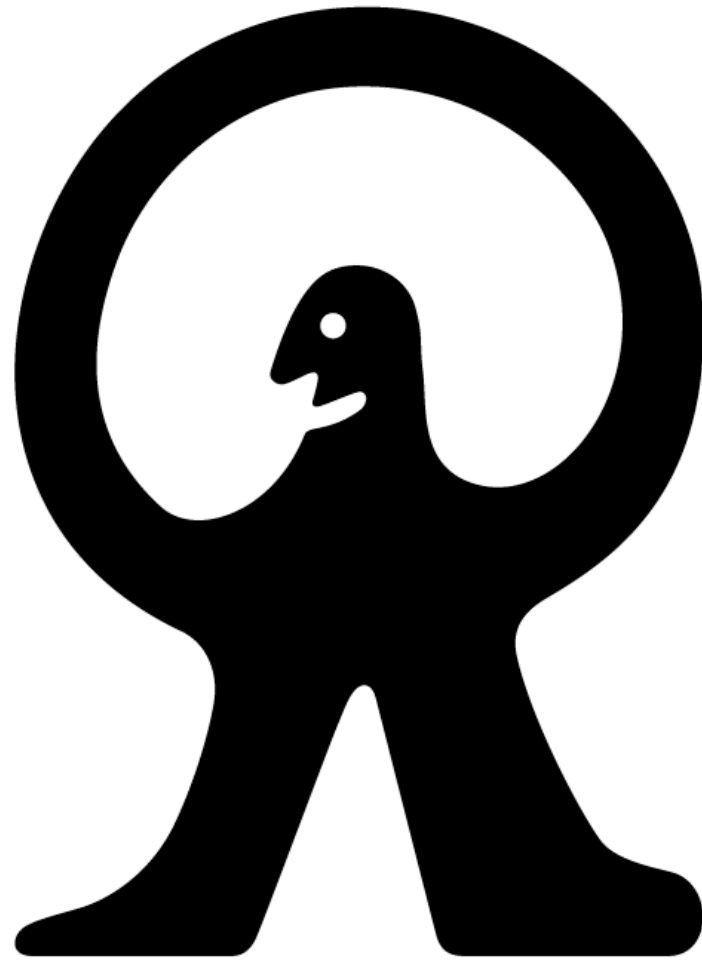


today Shift to Direct finance

- Gained Brand Recognition
- Established Credibility
- Acquired 200K customers
- Prepared for maximization of E_1 by increasing services closed to daily life

- Maximize E_1
- Improve profitability by combining pursuit of E_2

Monex will gain a large profitability over any others .



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