

Monex Beans Holdings, Inc.

Consolidated Financial Summary under Japanese GAAP for the third quarter of the fiscal year ending March 31, 2005 (April 1, 2004–December 31, 2004)

This is an English translation of Japanese report of the consolidated financial summary under Japanese GAAP for the third quarter of the fiscal year ending March 31, 2005. If there is any discrepancy between a statement in English and a statement in Japanese, the Japanese statement shall always control.

Forward Looking Statement

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our industry and us. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of terms such as “may”, “will”, “expect”, “anticipate”, “estimate”, “plan” or other similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of our financial condition or state other “forward-looking” information. Our operations are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in any forward-looking statement.

Accounting Principles

The financial information included in this report is based on our un-audited consolidated financial statements for the third quarter of the fiscal year ending March 31, 2005. All of those financial statements have been prepared based on accounting principles generally accepted in Japan. Please note there are significant differences between Japanese GAAP and U.S. GAAP and we have not prepared a reconciliation to show what our results or financial position would be under U.S. GAAP.

Monex Beans Holdings, Inc. / January 2005

Consolidated Financial Highlights

For the third quarter ended December 31, 2004

	Million Yen
Operating Results (from Apr. 1, 2004 to Dec. 31, 2004):	
Operating Revenues	¥ 15,183
Net Operating Revenues	14,349
Selling, general and administrative expenses	8,419
Operating Income.....	5,929
Other Income	21
Other Expenses	476
Income Before Income Taxes.....	5,474
Income Taxes and Adjustments.....	180
Minority interests	(0)
Net Income.....	¥ 5,295
Financial Position (as of Dec. 31, 2004):	
Total assets	¥ 184,837
Shareholders' equity.....	28,014
Per Share Amounts (from Apr. 1, 2004 to Dec. 31, 2004):	
Net income	¥ 2,260.32
Shareholders' equity.....	11,948.02

Notes

Net income per share is computed by dividing net income by the weighted average number of common shares outstanding for the term and shareholders' equity per share is calculated by dividing shareholders' equity by the number of common shares outstanding at the end of the term.

Consolidated Balance Sheets As of December 31, 2004

Assets	Million Yen	%
Current assets:		
Cash and deposits	¥ 27,665	
Cash segregated for customers and others.....	51,483	
Trading assets:	227	
Trading securities and others	227	
Derivative assets	0	
Receivables related to margin transactions:	94,108	
Loans receivable from customers for margin transactions.....	89,272	
Cash deposits as collateral for securities borrowed from securities finance company:	4,836	
Cash paid for subscription	217	
Short-term guarantee money deposited	5,554	
Accrued income	898	
Deferred tax assets.....	244	
Others	3,134	
Allowance for doubtful receivables.....	(177)	
	183,357	99.2
Non-current assets		
Tangible fixed assets.....	114	
Intangible fixed assets	216	
Investments and others:	1,149	
Investment securities	646	
Long-term guarantee deposits	326	
Deferred tax assets.....	75	
Others investments	137	
Allowance for doubtful accounts.....	(35)	
	1,480	0.8
	¥ 184,837	100.0

Liabilities and Shareholders' Equity	Million Yen	%
Current Liabilities:		
Trading liabilities:.....	¥ 86	
Trading securities and others	86	
Derivative liabilities	0	
Trading payables.....	39	
Payables related to margin transactions:	48,948	
Loans from securities finance companies for margin transactions	32,856	
Proceeds of securities sold for margin transactions	16,092	
Payables on collateralized securities transactions:	5,871	
Cash deposits as collateral for securities loaned	5,871	
Deposits received.....	24,903	
Cash deposits received from customers.....	51,411	
Short-term borrowings.....	22,000	
Income tax payable.....	576	
Accrued bonuses.....	117	
Other current liabilities.....	1,815	
	155,770	84.3
Non-current liabilities		
Accrued retirement benefits	101	
Deferred tax liabilities	14	
	116	0.1
Statutory Reserve:		
Reserve for securities transactions	912	
Reserve for commodities transactions.....	5	
	917	0.5
	156,804	84.8
Minority Interests:		
Minority Interests	19	0.0
Shareholders' Equity:		
Common stock.....	8,800	4.8
Capital surplus.....	15,154	8.2
Earned surplus	4,019	2.2
Net unrealized gain (loss) on investments.....	39	0.0
Treasury stock	(0)	(0.0)
	28,014	15.2
	¥ 184,837	100.0

Consolidated Statements of Operations

For the third quarter ended December 31, 2004

	Million Yen	%
Operating Revenues:		
Commission revenues.....	¥ 12,477	
Brokerage commissions.....	10,734	
Underwriting & selling commissions.....	121	
Subscription & distribution commissions..	187	
Other commissions	1,434	
Net gain on trading assets.....	104	
Financial income	2,483	
Other service revenues	117	
	15,183	100.0
Financial expenses.....	833	
Net Operating Revenue	14,349	94.5
Selling, general and administrative expenses	8,419	55.5
Operating Income	5,929	39.0
Other Incomes:	21	0.1
Other Expenses:	476	3.1
Inauguration expenses	87	
Provision for directors' retirement benefits ...	72	
Loss on disposal of fixed assets.....	3	
Provision for securities transactions	302	
Provision for commodities transactions	4	
Other expenses.....	6	
Income before income taxes and adjustments ...	5,474	36.1
Income taxes.....	513	3.4
Income taxes adjustments.....	(332)	(2.2)
Minority interests.....	(0)	(0.0)
Net Income	¥ 5,295	34.9
 Per share amounts		
	Thousands of Yen	
Net Income	¥ 2,260.32	

Consolidated Statements of Retained Earnings For the third quarter ended December 31, 2004

	Million Yen
Capital surplus	
Balance at March 31, 2004	¥ 10,011
Increase in capital surplus	
Stock option exercised	123
Due to share transfer	5,020
Balance at December 31, 2004	15,154
 Earned surplus	
Balance at March 31, 2004	(¥ 1,215)
Increase in earned surplus:	
Net income	5,295
Decrease in earned surplus:	
Bonuses to directors	(60)
Balance at December 31, 2004	¥ 4,019

Consolidated Statements of Cash Flows

For the third quarter ended December 31, 2004

Million Yen

Cash flows from operating activities:	
Income before income taxes and others	¥ 5,474
Depreciation	83
Amortization of goodwill	53
Stock issuance costs	1
Provision for doubtful accounts	177
Provision for employees' bonuses	(195)
Provision for retirement benefits	9
Interest income and dividends received.....	(2,492)
Interest expense	834
Increase in cash segregated for customers and others .	(7,406)
Increase (decrease) in trading assets.....	(7)
Increase (decrease) in margin transaction assets and liabilities	(35,173)
Increase (decrease) in loans receivable secured by securities and in loans payable secured by securities...	746
Increase in short term guarantee.....	(1,988)
Increase in deposits received from customers	9,855
Increase in received margins	18,780
Payment for directors' bonuses	(60)
Others	(523)
Sub total.....	<u>(11,833)</u>
Interest and dividend received.....	2,329
Interest paid	(832)
Income taxes paid.....	<u>(8)</u>
Net cash provided by operating activities	<u>(10,343)</u>
Cash flows from investing activities:	
Purchases of tangible fixed assets	(35)
Purchases of intangible fixed assets	(76)
Purchases of investment securities	(80)
Payment for long term guarantee.....	(145)
Proceeds from long term guarantee	96
Others	1
Net cash used in investing activities.....	<u>(239)</u>
Cash flows from financing activities:	
Increase in short-term borrowings.....	22,000
Proceeds from minority shareholders.....	19
Proceeds from common stock issuance	<u>245</u>
Net cash provided by financing activities.....	<u>22,264</u>
Effect of exchange rate changes on cash and cash equivalents	-
Net increase (decrease) in cash and cash equivalents.....	11,681
Cash and cash equivalents at beginning of term.....	<u>15,984</u>
Cash and cash equivalents at end of term	<u>¥ 27,665</u>