

## **Monex Beans Holdings, Inc.**

### **Consolidated Financial Summary under Japanese GAAP for the first half of the fiscal year ending March 31, 2005 (April 1, 2004 – September 30, 2004)**

This is an English translation of Japanese report of the consolidated financial summary under Japanese GAAP for the first half 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 first half 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. / October 2004

# Consolidated Financial Highlights

## For the first half ended September 30, 2004

	Million Yen
<b>Operating Results (from Apr. 1, 2004 to Sep. 30, 2004):</b>	
Operating Revenues .....	¥ 10,295
Net Operating Revenues .....	9,752
Selling, general and administrative expenses .....	5,698
Operating Income.....	4,054
Other Income .....	18
Other Expenses .....	363
Income Before Income Taxes.....	3,708
Income Taxes and Adjustments.....	(571)
Net Income.....	¥ 4,280
<hr/>	
	Million Yen
<b>Financial Position (as of Sep. 30, 2004):</b>	
Total assets .....	¥ 197,755
Shareholders' equity.....	26,959
<hr/>	
	Yen
<b>Per Share Amounts (from Apr. 1, 2004 to Sep. 30, 2004):</b>	
Net income .....	¥ 1,827.92
Shareholders' equity.....	11,498.27

### 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 September 30, 2004**

Assets	Million Yen	%
Current assets:		
Cash and deposits .....	¥ 38,566	
Cash segregated for customers and others.....	46,631	
Trading assets: .....	306	
Trading securities and others .....	305	
Derivative assets .....	0	
Receivables related to margin transactions:	100,748	
Loans receivable from customers for margin transactions.....	98,572	
Cash deposits as collateral for securities borrowed from securities finance company: .....	2,176	
Receivables on collateralized securities transactions: .....	142	
Cash deposits as collateral for securities borrowed.....	142	
Cash paid for subscription .....	80	
Short-term guarantee money deposited .....	7,711	
Accrued income.....	914	
Deferred tax assets.....	497	
Others .....	985	
Allowance for doubtful receivables.....	(177)	
	196,405	99.3
Non-current assets		
Tangible fixed assets.....	122	
Intangible fixed assets .....	227	
Investments and others: .....	1,000	
Investment securities .....	499	
Long-term guarantee deposits .....	320	
Deferred tax assets.....	78	
Others investments .....	138	
Allowance for doubtful accounts.....	(35)	
	1,350	0.7
	¥ 197,755	100.0

Liabilities and Shareholders' Equity	Million Yen	%
<b>Current Liabilities:</b>		
Trading liabilities:.....	¥ 83	
Trading securities and others .....	83	
Trading payables.....	102	
Payables related to margin transactions: .....	78,975	
Loans from securities finance companies for margin transactions	70,121	
Proceeds of securities sold for margin transactions	8,854	
Payables on collateralized securities transactions: .....	11,170	
Cash deposits as collateral for securities loaned .....	11,170	
Deposits received.....	19,854	
Cash deposits received from customers.....	42,717	
Short-term borrowings.....	15,300	
Income tax payable.....	53	
Accrued bonuses.....	81	
Other current liabilities.....	1,540	
	169,880	85.9
<b>Non-current liabilities</b>		
Accrued retirement benefits .....	102	
	102	0.1
<b>Statutory Reserve:</b>		
Reserve for securities transactions .....	809	
Reserve for commodities transactions.....	2	
	812	0.4
	170,796	86.4
<b>Shareholders' Equity:</b>		
Common stock.....	8,800	4.4
Capital surplus.....	15,154	7.7
Earned surplus .....	3,005	1.5
Treasury stock .....	(0)	(0.0)
	26,959	13.6
	¥ 197,755	100.0

# Consolidated Statements of Operations

## For the first half ended September 30, 2004

	Million Yen	%
<b>Operating Revenues:</b>		
Commission revenues.....	¥ 8,572	
Brokerage commissions.....	7,422	
Underwriting & selling commissions.....	71	
Subscription & distribution commissions..	117	
Other commissions .....	959	
Net gain on trading assets.....	74	
Financial income .....	1,578	
Other service revenues .....	70	
	10,295	100.0
Financial expenses.....	542	
Net Operating Revenue	9,752	94.7
Selling, general and administrative expenses	5,698	55.3
Operating Income	4,054	39.4
Other Incomes:	18	0.2
Other Expenses:	363	3.5
Inauguration expenses .....	87	
Provision for directors' retirement benefits ...	72	
Provision for securities transactions.....	199	
Provision for commodities transactions .....	2	
Other expenses.....	1	
Income before income taxes and adjustments ...	3,708	36.0
Income taxes.....	4	0.0
Income taxes adjustments.....	(575)	(5.6)
Net Income	¥ 4,280	41.6
 <b>Per share amounts</b>		
	<b>Thousands of Yen</b>	
Net Income .....	¥ 1,827.92	

## Consolidated Statements of Retained Earnings

### For the first half ended September 30, 2004

	Million Yen
<b>Capital surplus</b>	
Balance at March 31, 2004 .....	¥ 10,011
Increase in capital surplus	
Stock option exercised .....	123
Due to share transfer .....	5,020
Balance at September 30, 2004 .....	15,154
 <b>Earned surplus</b>	
Balance at March 31, 2004 .....	(¥ 1,215)
Increase in earned surplus:	
Net income .....	4,280
Decrease in earned surplus:	
Bonuses to directors .....	(60)
Balance at September 30, 2004 .....	3,005

# Consolidated Statements of Cash Flows

## For the first half ended September 30, 2004

	Million Yen
Cash flows from operating activities:	
Income before income taxes and others .....	¥ 3,708
Depreciation .....	40
Amortization of goodwill .....	35
Stock issuance costs .....	1
Provision for doubtful accounts .....	177
Provision for employees' bonuses .....	(231)
Provision for retirement benefits .....	10
Interest income and dividends received.....	(1,587)
Interest expense .....	542
Increase in trading assets .....	(26)
Increase (decrease) in margin transaction assets and liabilities .....	(11,785)
Increase (decrease) in loans receivable secured by securities and in loans payable secured by securities.....	5,902
Increase in short term guarantee.....	(4,145)
Increase in deposits received from customers .....	4,806
Increase in received margins .....	10,086
Payment for directors' bonuses	(60)
Others .....	(1,145)
Sub total.....	6,329
Interest and dividend received.....	1,330
Interest paid .....	(575)
Income taxes paid.....	42
Net cash provided by operating activities .....	7,126
Cash flows from investing activities:	
Purchases of tangible fixed assets .....	(29)
Purchases of intangible fixed assets .....	(17)
Payment for long term guarantee.....	(138)
Proceeds from long term guarantee .....	95
Others .....	1
Net cash used in investing activities.....	(89)
Cash flows from financing activities:	
Increase in short-term borrowings.....	15,300
Proceeds from common stock issuance.....	245
Net cash provided by financing activities.....	15,545
Effect of exchange rate changes on cash and cash equivalents	-
Net increase (decrease) in cash and cash equivalents.....	22,581
Cash and cash equivalents at beginning of term.....	15,984
Cash and cash equivalents at end of term.....	¥ 38,566