

Monex, Inc.

Non-consolidated Financial Summary under Japanese GAAP for the first quarter of the Fiscal Year ending March 31, 2005 (April 1, 2004 – June 30, 2004)

This is an English translation of Japanese report of the non-consolidated financial summary under Japanese GAAP for 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 non-consolidated financial statements for the fiscal year ending March 31, 2005 and our audited non-consolidated financial statements for the fiscal year ended 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, Inc./ July 2004



+July 16, 2004

Financial Summary of the First Quarter for the Fiscal Year Ending March 31, 2005

Listed Company Name: Monex, Inc.

(URL <http://www.monex.co.jp/>)(Security Code No: 8626 Tokyo Stock
Exchange Mothers)

Representative: Oki Matsumoto, Chief Executive Officer

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1. Business Results

(1) Business results for the first quarter of fiscal year ending March 31, 2005 (April 1, 2004 - June 30, 2004)

1) Operating Results

(Rounded off below million Yen)

	1Q of FYE 03/2004 (Previous Quarter)	1Q of FYE 03/2005 (Current Quarter)	Change	Previous Fiscal Year (Full year)
Operating revenue	1,252 Million Yen	3,081 Million Yen	146.1%	7,800 Million Yen
Net operating revenue	1,164 Million Yen	2,896 Million Yen	148.7%	7,519 Million Yen
Operating income	63 Million Yen	1,370 Million Yen	2,073.2%	2,597 Million Yen
Ordinary income	66 Million Yen	1,381 Million Yen	1,975.6%	2,604 Million Yen
Net income	37 Million Yen	1,328 Million Yen	3,429.0%	2,218 Million Yen
Net income per share	24.42 Yen	848.18 Yen	-	1,431.76 Yen
Net income per share/diluted	24.11 Yen	-	-	1,429.73 Yen

2) Financial Position

	1Q of FYE 03/2004 (Previous Quarter)	1Q of FYE 03/2005 (Current Quarter)	Change	Previous Fiscal Year (Full year)
Total assets	30,936 Million Yen	73,503 Million Yen	137.6%	61,767 Million Yen
Shareholders' equity	8,404 Million Yen	12,304 Million Yen	46.4%	10,779 Million Yen
Equity ratio	27.2%	16.7%	-	17.5%
Shareholders' equity per share	5,450.44 Yen	7,812.83 Yen	-	6,870.88 Yen
Capital adequacy ratio (note)	543.8%	504.8%	-	500.4%

(Note) These figures are calculated based on the "Ministerial Order on the Capital Adequacy Rule for Securities Companies" in accordance with the provisions of the Securities Exchange Law.

3) Cash Flow

	1Q of FYE 03/2004 (Previous Quarter)	1Q of FYE 03/2005 (Current Quarter)	Previous Fiscal Year (Full year)
Cash flow from operating activities	1,086 Million Yen	255 Million Yen	-715 Million Yen
Cash flow from investing activities	1,499 Million Yen	10 Million Yen	1,403 Million Yen
Cash flow from financing activities	2 Million Yen	195 Million Yen	196 Million Yen
Cash and cash equivalents at end of the quarter	8,480 Million Yen	7,238 Million Yen	6,777 Million Yen

(2) Breakdown of Commission Revenues
1Q of FYE 03/ 2004 (Previous Quarter)

(Unit: Million Yen)

Classification	Equities	Bonds	Beneficiary Certificate	Others	Total	%
Brokerage	906	0	2	-	908	84.1
Underwriting and distribution	19	-	-	-	19	1.8
Subscription and distribution	-	0	25	-	25	2.4
Other	10	0	24	91	126	11.7
Total	935	0	52	91	1,079	100.0

1Q of FYE 03/ 2005 (Current Quarter)

(Unit: Million Yen)

Classification	Equities	Bonds	Beneficiary Certificate	Others	Total	%
Brokerage	2,186	0	5	-	2,192	82.5
Underwriting and distribution	30	-	-	-	30	1.1
Subscription and distribution	-	2	49	-	51	2.0
Other	43	0	39	300	384	14.5
Total	2,260	2	95	300	2,658	100.0

Previous Fiscal Year (Full year)

(Unit: Million Yen)

Classification	Equities	Bonds	Beneficiary Certificate	Others	Total	%
Brokerage	5,649	0	15	-	5,664	80.6
Underwriting and distribution	261	-	-	-	261	3.7
Subscription and distribution	1	5	176	-	183	2.6
Other	97	0	120	699	917	13.1
Total	6,009	6	311	699	7,027	100.0

Procedures for Accounting Auditor

Regarding the financial statement for the current quarter, an audit is being conducted by Azusa & Co. based on the provisions of "Standards for Auditor's Opinions Regarding Quarterly Financial Statement" as stipulated in the attachment entitled "Regulations for Timely Reporting of Corporate Information Concerning Issuers of Listed Securities" released by the Tokyo Stock Exchange.

2. Business Performance (April 1, 2004 – June 30, 2004)

(1) Business Performance

The Japanese stock market was buoyant during the quarter, with the daily trading volume on the Tokyo Stock Exchange often exceeding one billion shares. The Nikkei Stock Average rose temporarily to ¥12,000-level in April and remained in the firm tone throughout the quarter. Stock trade executions at the Company continued to grow during the quarter.

At the end of the quarter, the number of customer accounts stood at 264,457, an increase of 14,442 over the previous period. Of these, 8,403 were margin accounts, which was an increase of 1,178 over the previous period. The value of customer assets in custody also showed an increase, rising by ¥73.0 billion over the previous period to ¥847.3 billion. ¥639.8 billion of this total was in equities, up by ¥57.9 billion over the previous period.

(Commission Revenues)

Commission revenue totaled ¥2,658 million in the first three quarters, up 146.2% compared with the same period last year (¥1,079 million). The following is a breakdown commissions revenues.

1) Brokerage

The stock brokerage business during the quarter benefited from favorable stock market, and the overall numbers of both orders and trades were increased.

Thanks to such a brisk stock market, brokerage commissions surged to ¥2,192 million, up 141.3% from ¥908 million in the corresponding quarter of the preceding term.

Of the total stock brokerage commissions of ¥2,186 million, ¥447 million, or 20.5% of the total, was accounted for by commission income from margin accounts.

2) Underwriting and Distribution

The Company was involved with the underwriting of 9 initial public offerings and distribution of 2 listed companies during the current quarter. This resulted in ¥30 million in commissions from underwriting and distribution, an increase of 58.5% from ¥19 million in the corresponding quarter of the preceding term.

3) Subscription and Distribution

During the quarter, commissions from distribution of “HSBC China Open,” Chinese equity investment trust, grew favorably. As a result, subscription and distribution commissions rose to ¥51 million, up 102.3% from ¥25 million in the corresponding quarter of the preceding term.

4) Other Commission Revenues

¥384 million was posted for other commission revenues, an increase of 203.5% from the figure of ¥126 million for the same period last year. Of this, ¥286 million came from commissions generated from foreign exchange margin trading, and ¥35 million came from commission revenue related to investment trusts.

(Financial Income)

As the volume of margin transactions remained at high levels, financial income surged to ¥388 million, up 153.3% from ¥153 million in the corresponding quarter of the preceding term. Of the total financial income, ¥254 million were from margin accounts. After deducting financing expenses, net financial income posted at ¥202 million.

As a result, Operating revenue posted at ¥3,081 million. This represents an increase of 146.1% from the same period last year (¥1,252 million).

Also, Net operating revenue after deducting financing expenses posted at ¥2,896 million, up by 148.7% from the same period last year (¥1,164 million).

(Selling, general and administrative expenses)

Commissions paid expanded to ¥140 million from the year-ago level of ¥53 million and administrative expense increased 34.6% to ¥355 million from the year-ago level of ¥264 million, as shares were actively traded. Information expenses climbed to ¥160 million, up 29.6% from the year-ago level of ¥123 million, due to the increase of customers. A total of ¥15 million was posted for local tax on gross business earnings, which was implemented in April 2004.

As a result of the above, selling, general and administrative expenses posted at ¥1,525 million, up by 38.6% from the same period last year (¥1,101 million).

Taken together, operating income of ¥1,370 million was posted for the first quarter (¥63 million for the same period last year), and an ordinary income of ¥1,381 million was posted (¥66 million for the same period last year), up substantially from the year-ago levels.

For extraordinary losses, ¥51 million was posted for the provision for reserve of securities transactions, ¥1,329 million was posted for net income before tax (¥38 million for the same period last year), and ¥1,328 million was posted for the net income (¥37 million for the same period last year).

(2) Cash Flows

In the quarter, the Company generated ¥255 million in operating activities, ¥10 million in investing activities and ¥195 million in financing activities. The result was an increase in cash and cash equivalents of ¥461 million from the end of the previous period to ¥7,238 million.

The following is a detailed breakdown of cash flows for the quarter.

(Net Cash Provided by Operating Activities)

Funds generated in operating activities for the quarter was ¥255 million. Net income before tax for the quarter was ¥1,329 million, ¥3,372 million was posted as an increase in margin trading liabilities, ¥2,191 million was posted as an increase in deposit received, and ¥5,585 million of was posted as an increased in received margin. Conversely, however, major items of cash used in operating activities were increases of ¥1,100 million in cash required to be segregated and ¥9,647 million in margin transaction assets.

(Net Cash Flow Provided by Investing Activities)

Funds generated in investing activities for the quarter was ¥10 million. A total of ¥49 million was received from client investors as long-term deposits for margin transactions and a total of ¥39 million was pledged to securities finance corporations as collateral.

(Net Cash Flow Provided by Financing Activities)

Funds in the amount of ¥195 million were provided by financing activities for the quarter. This came as a result of equity issuance through the exercise of stock options.

3. Outlook on This Year (April 1, 2004 to March 31, 2005)

The Company will integrate its management function with that of Nikko Beans, Inc. by establishing a holding company jointly with the latter on August 2, 2004. The Company will become capable of not only furnishing high-quality, sophisticated financial products and services but also strengthening its cost competitiveness through expanding its business scale in the future. The management integration will make it easier for the Company to deliver financial services at more reasonable prices to client investors. The Company is scheduled to merge with Nikko Beans, Inc. in May 2005.

New financial services to be launched in the current term are as follows:

- Nikkei 225 futures and options trading services
The Company launched Nikkei 225 futures and options trading service in July 2004.
- “Surfing Trading” services
The Company is planning to launch “Surfing Trading”(Swing Trading) service in the summer of 2004. This service is expected to increase the number of trades of customers with high turnover rates.
- Underwriting business
The Company expects the trading volume and amount will remain firm amidst the continuing recovery in the stock market. The Company strives to enhance its position and market share by expanding the coverage of new issues and by winning mandates as a lead-manager.

In cooperation with Nikko Beans, Inc., the Company will tie up with Mizuho Securities in the stock brokerage business in an attempt to increase offerings of IPO issues.

- Consideration of new businesses

We are pursuing a variety of possible revenue bases through new business proposals, constructions, and valuations of those businesses. These include establishing universal accounts offering financial services necessary for individuals, including loans; as well as a new strategic business models within our investment banking business.

4. Quarterly Balance Sheets, Income Statement and Cash Flows Statement

Preparation of Financial Statements

The Company's first quarter financial statements were prepared in accordance with "Regulations on Terminology, Forms, and Preparation Methods for Interim Financial Statement" (Ministry of Finance Ordinance No.38 of 1977, hereinafter referred to as the "Interim Financial Statement Regulations") and its provisions of Article 38 and 57, conforming to the "Cabinet Office Ordinance Regarding Securities Companies" (Prime Minister's Office and Ministry of Finance Ordinance No.32 of 1998) and "Uniform Accounting Standards for Securities Operations" (Securities Dealers Associations of Japan, November 14, 1974).

(1) Quarterly Balance Sheet

Account	Note #	Previous 1Q Period (As of 6/30/2003)		Current 1Q Period (As of 6/30/2004)		Previous FY Summary B/S (As of 3/31/2004)		
		Amount (Thousand Yen)	%	Amount (Thousand Yen)	%	Amount (Thousand Yen)	%	
(ASSETS)								
I Current assets								
1. Cash and deposit			8,480,283		7,238,422		6,777,307	
2. Cash required to be segregated			7,669,060		16,769,060		15,669,060	
3. Securities			8,998		9,947		9,924	
4. Trading assets								
(1) Securities owned etc.	*2	114,914		325,776		237,278		
(2) Derivative transactions		3,917	118,831	134	325,910	695	237,973	
5. Net payable arising from recognizing trading on trade date			6,721		-		-	
6. Margin transaction assets								
(1) Loan receivable from customers		11,592,750		41,228,839		31,016,270		
(2) Cash deposited as collateral for securities finance companies		602,114	12,194,865	1,128,309	42,357,149	1,693,003	32,709,274	
7. Securities secured loan								
(1) Cash collateral for borrowed securities		208,110	208,110	20,056	20,056	117,301	117,301	
8. Payment on securities subscribed			216,859		163,393		217,965	
9. Prepaid expenses			115,445		125,846		147,626	
10. Accrued revenue			256,830		401,679		368,828	
11. Others	*7		869,549		5,255,929		4,694,099	
Total current assets			30,145,556	97.4	72,667,394	98.9	60,949,360	98.7
II Fixed assets								
1. Tangible fixed assets	*1		40,831	0.1	32,693	0.0	34,385	0.1
2. Intangible fixed assets			158,519	0.5	98,466	0.1	113,843	0.2
3. Investments and other assets	*2,5		591,522	1.9	705,177	1.0	669,578	1.0
Total fixed assets			790,873	2.6	836,338	1.1	817,806	1.3
Total assets			30,936,429	100.0	73,503,732	100.0	61,767,167	100.0

Account	Note #	Previous 1Q Period (As of 6/30/2003)		Current 1Q Period (As of 6/30/2004)		Previous Year Summary Balance Sheet (As of 3/31/2004)		
		Amount (Thousand Yen)		Amount (Thousand Yen)		Amount (Thousand Yen)		
			%		%		%	
(LIABILITIES)								
I Current liabilities								
1. Trading liabilities								
(1) Securities owned etc.		78,666		116,373		93,850		
(2) Derivative transactions		244	78,910	134	116,507	391	94,242	
2. Net payable arising from recognizing trading on trade date			-		122,472		19,916	
3. Margin Transaction liabilities								
(1) Loan from securities finance companies		6,972,654		21,544,110		17,302,932		
(2) Proceeds of securities sold for customers' accounts		3,129,358	10,102,012	4,550,619	26,094,730	5,419,562	22,722,495	
4. Loans payable secured by securities								
(1) Money received for loan transaction of securities		1,064,532	1,064,532	4,246,116	4,246,116	5,242,232	5,242,232	
5. Deposit received			2,772,372		6,181,786		3,989,912	
6. Received margin			7,954,962		22,905,131		17,319,731	
7. Securities etc. receivable			-		7,959		554	
8. Accrued expenses			339,975		416,694		348,701	
9. Income tax payable			405		16,052		4,210	
10. Other investing activities	*7		7,065		653,720		908,596	
Total current liabilities			22,320,236	72.1	60,761,169	82.7	50,650,592	82.0
II Fixed Liabilities								
1. Long-term deposits for margin transactions			-		49,671		-	
Total fixed liabilities			-		49,671	0.1	-	
III Statutory reserves								
1. Reserve for securities transaction	*6		211,977		388,312		336,622	
Total statutory reserves			211,977	0.7	388,312	0.5	336,622	0.5
Total liabilities			22,532,213	72.8	61,199,152	83.3	50,987,215	82.6
(SHAREHOLDERS' EQUITY)								
I Common stocks								
II Capital surplus			6,199,609	20.0	6,395,133	8.7	6,296,991	10.2
1. Additional paid in capital			7,267,093		7,462,589		7,364,450	
Total of capital surplus			7,267,093	23.5	7,462,589	10.2	7,364,450	11.9
III Earned surplus								
1. Accumulated deficit			5,062,444		1,552,815		2,881,282	
Total earned surplus			-5,062,444	-16.4	-1,552,815	-2.1	-2,881,282	-4.7
IV Treasury stock								
			-42	-0.0	-327	-0.0	-207	-0.0
Total shareholder's equity			8,404,215	27.2	12,304,580	16.7	10,779,951	17.5
Total liabilities & shareholders' equity			30,936,429	100.0	73,503,732	100.0	61,767,167	100.0

(2) Quarterly Income Statement

Account	Note #	Previous 1Q Period (April 1, 2003 to June 30, 2003)		Current 1Q Period (April 1, 2004 to June 30, 2004)		Previous FY Summary Income Statement (April 1, 2003 to March 31, 2004)				
		Amount (Thousand Yen)	%	Amount (Thousand Yen)	%	Amount (Thousand Yen)	%			
I Operating revenues										
1. Commission revenues										
(1) Brokerage		908,467		2,192,117		5,664,684				
(2) Underwriting and distribution		19,086		30,242		261,871				
(3) Subscription and distribution		25,699		51,995		183,372				
(4) Other		126,585	1,079,839	384,143	2,658,498	917,337	7,027,265			
2. Net gain and loss on trading	*1		12,147		15,380		40,879			
3. Financial income	*2		153,310		388,274		685,424			
4. Other services revenues			7,212		19,704		46,824			
Total operating revenues			1,252,510	100.0	3,081,857	100.0	7,800,394	100.0		
1. Financial expense	*3		88,230		185,811		280,827			
Net operating revenue			1,164,279	93.0	2,896,045	94.0	7,519,567	96.4		
II Selling, general and administrative expenses	*5		1,101,233	87.9	1,525,904	49.5	4,921,642	63.1		
Operating Income			63,046	5.0	1,370,141	44.5	2,597,924	33.3		
III Other income										
1. Interest income and dividend received		2,010		8,479		2,231				
2. Miscellaneous income		1,535	3,545	0.3	3,731	12,210	0.4	9,178	11,410	0.1
IV Other expenses										
1. Stock issuance costs		33		1,096		681				
2. Miscellaneous expenses		13	47	0.0	47	1,143	0.0	4,143	4,824	0.1
Ordinary Income			66,543	5.3	1,381,208	44.8	2,604,510	33.4		
V Extraordinary losses										
1. Provision for reserve of securities transactions		28,494		51,689		153,140				
2. Loss on lease cancellation		-		-		25,401				
3. Provision for the management integration		-	28,494	2.3	-	51,689	1.7	202,951	381,494	4.9
Net income before income taxes			38,049	3.0	1,329,518	43.1	2,223,016	28.5		
Corporate tax, resident tax and business tax			405	0.0	1,052	0.0	4,210	0.1		
Net income			37,644	3.0	1,328,466	43.1	2,218,806	28.4		
Loss carry forward			5,100,088		2,881,282		5,100,088			
Accumulated deficit			5,062,444		1,552,815		2,881,282			

(3) Quarterly Cash flows

		Previous 1Q Period (April 1, 2003 to June 30, 2003)	Current 1Q Period (April 1, 2004 to June 30, 2004)	Previous FY Summary Cash Flow Statement (April 1, 2003 to March 31, 2004)
Account	Note #	Amount (Thousand Yen)	Amount (Thousand Yen)	Amount (Thousand Yen)
I Cash flows from operating activities				
1. Net income before income taxes		38,049	1,329,518	2,223,016
2. Provision for reserve of securities transactions		28,494	51,689	153,140
3. Depreciation		9,885	8,546	40,067
4. Amortization of goodwill		12,649	12,649	50,598
5. Stock issuance costs		33	1,096	681
6. Interest income and dividend received		-155,320	-396,777	-687,754
7. Interest expense		88,230	185,811	280,827
8. Increase (decrease) in cash required to be segregated		-2,400,000	-1,100,000	-10,400,000
9. Increase (decrease) in trading assets		-10,803	36,883	-87,976
10. Increase in margin transaction assets		-2,637,647	-9,647,875	-23,152,056
11. Increase (decrease) in loans receivable secured by securities		-195,424	97,245	-104,615
12. Increase (decrease) in payment on securities subscribed		-196,864	54,572	-197,970
13. Increase (decrease) in prepaid expense		30,271	21,780	-1,908
14. Increase (decrease) in account receivables		-90,153	342,471	-1,829,309
15. Increase (decrease) in accrued revenues		-143,331	18,377	-211,085
16. Increase in short-term guarantee money		-355,000	-865,216	-2,410,000
17. Increase in margin transaction liabilities		1,255,232	3,372,234	13,875,714
18. Increase (decrease) in loans payable secured by securities		644,945	-996,116	4,822,645
19. Increase in deposit		1,225,428	2,191,873	2,442,968
20. Increase in received margin		3,904,204	5,585,399	13,268,973
21. Increase in accrued expenses		80,978	81,529	139,667
22. Increase (decrease) in accrued liabilities		-222,531	-229,668	578,560
23. Other operating activities		59,769	-36,141	135,626
Sub total		971,095	119,886	-1,070,188
24. Interest and dividends received		153,205	345,525	641,324
25. Interest paid		-33,843	-199,348	-276,402
26. Income taxes paid		-4,403	-10,106	-9,862
Cash flow from operating activities		1,086,054	255,955	-715,129
II Cash flows from investing activities				
1. Cash withdrawn from time deposit		1,500,000	-	1,500,000
2. Purchases of tangible fixed assets		-	-	-524
3. Purchases of intangible fixed assets		-578	-	-2,946
4. Redemption of investment securities		-	-	9,000
5. Payment for investment on equity		-	-	-100,000
6. Payment for long-term guarantee money		-	-39,727	-
7. Income due to the reception of long-term deposits for margin transactions		-	49,671	-
8. Other investing activities		160	150	-1,665
Cash flow from investing activities		1,499,582	10,094	1,403,864
III Cash flows from financing activities				
1. Purchase of treasury stock		-	-120	-165
2. Proceeds from common stock issuance		2,974	195,185	197,065
Cash flow from financing activities		2,974	195,065	196,899
IV Effect of changes in exchange rates on cash and cash equivalents		-	-	-
V Net increase in cash and cash equivalents		2,588,610	461,115	885,634
VI Cash and cash equivalents at beginning of year		5,891,672	6,777,307	5,891,672
VII Cash and cash equivalents at end of quarter (fiscal year)	*1	8,480,283	7,238,422	6,777,307

Basis of Quarterly Financial Statement

Previous 1Q Period (April 1, 2003 to June 30, 2003)	Current 1Q Period (April 1, 2004 to June 30, 2004)	Previous Fiscal Year (April 1, 2003 to March 31, 2004)
<p>1. Bases and Method of Valuation of Assets</p> <p>The Company prescribes “trading” to be the conduct of transactions for the purpose of receiving profit by taking advantage of fluctuations in market prices and differentials between markets as well as reducing losses from that. It excludes trading for capital operation purposes such as with securities exercised in one’s own account, products which are treated as securities, derivatives trading, cash credits, currency trading and other transactions.</p> <p>(1) Valuation standard of securities held for trading purposes and method of valuation: Based on the market value method.</p> <p>(2) Valuation standard of securities held for other than trading purposes and method of valuation:</p> <p>1) Bonds held to maturity Based on the amortized cost method (interest method)</p> <p>2) Other securities (i) Securities without market value Based on the cost method on moving average method.</p>	<p>1. Bases and Method of Valuation of Assets</p> <p>The Company prescribes “trading” to be the conduct of transactions for the purpose of receiving profit by taking advantage of fluctuations in market prices and differentials between markets as well as reducing losses from that. It excludes trading for capital operation purposes such as with securities exercised in one’s own account, products which are treated as securities, derivatives trading, cash credits, currency trading and other transactions.</p> <p>(1) Valuation standard of securities held for trading purposes and method of valuation: Based on the market value method.</p> <p>(2) Valuation standard of securities held for other than trading purposes and method of valuation:</p> <p>1) Bonds held to maturity Based on the amortized cost method (interest method)</p> <p>2) Other securities (i) Securities without market value Based on the cost method on moving average method.</p>	<p>1. Bases and Method of Valuation of Assets</p> <p>The Company prescribes “trading” to be the conduct of transactions for the purpose of receiving profit by taking advantage of fluctuations in market prices and differentials between markets as well as reducing losses from that. It excludes trading for capital operation purposes such as with securities exercised in one’s own account, products which are treated as securities, derivatives trading, cash credits, currency trading and other transactions.</p> <p>(1) Valuation standard of securities held for trading purposes and method of valuation: Based on the market value method.</p> <p>(2) Valuation standard of securities held for other than trading purposes and method of valuation:</p> <p>1) Bonds held to maturity Based on the amortized cost method (interest method)</p> <p>2) Other securities (i) Securities without market value Based on the cost method on moving average method.</p>
<p>2. Depreciation and Amortization of Non-Current Assets</p> <p>(1) Tangible fixed assets Facilities affixed to buildings, and equipment rental and maintenance costs are calculated by the fixed-rate method. Please note that number of years of use and residual value are calculated in accordance with the method prescribed in the Corporation Tax Law and similar standards.</p> <p>(2) Intangible fixed assets Goodwill is amortized on the straight-line method over the maximum period (five years) in accordance with the Commercial Code of Japan. Expenditure on software for internal use is capitalized and amortized on the straight-line method over the estimated useful lives (five years).</p> <p>(3) Investments and other assets Long-term pre-paid costs are calculated with the straight-line method. Depreciation periods are calculated in accordance with the method prescribed in the Corporation Tax Law and similar standards.</p>	<p>2. Depreciation and Amortization of Non-Current Assets</p> <p>(1) Tangible fixed assets Facilities affixed to buildings, and equipment rental and maintenance costs are calculated by the fixed-rate method. Please note that number of years of use and residual value are calculated in accordance with the method prescribed in the Corporation Tax Law and similar standards.</p> <p>(2) Intangible fixed assets Goodwill is amortized on the straight-line method over the maximum period (five years) in accordance with the Commercial Code of Japan. Expenditure on software for internal use is capitalized and amortized on the straight-line method over the estimated useful lives (five years).</p> <p>(3) Investments and other assets Long-term pre-paid costs are calculated with the straight-line method. Depreciation periods are calculated in accordance with the method prescribed in the Corporation Tax Law and similar standards.</p>	<p>2. Depreciation and Amortization of Non-Current Assets</p> <p>(1) Tangible fixed assets Facilities affixed to buildings, and equipment rental and maintenance costs are calculated by the fixed-rate method. Please note that number of years of use and residual value are calculated in accordance with the method prescribed in the Corporation Tax Law and similar standards.</p> <p>(2) Intangible fixed assets Goodwill is amortized on the straight-line method over the maximum period (five years) in accordance with the Commercial Code of Japan. Expenditure on software for internal use is capitalized and amortized on the straight-line method over the estimated useful lives (five years).</p> <p>(3) Long-term pre-paid costs Based on the equal-depreciation method. Depreciation periods are calculated in accordance with the method prescribed in the Corporation Tax Law and similar standards.</p>

Previous 1Q Period (April 1, 2003 to June 30, 2003)	Current 1Q Period (April 1, 2004 to June 30, 2004)	Previous Fiscal Year (April 1, 2003 to March 31, 2004)
<p>3. Account Processing of Deferred Assets Stock issuance costs are processed as expenses in full amount when incurred.</p>	<p>3. Account Processing of Deferred Assets Stock issuance costs are processed as expenses in full amount when incurred.</p>	<p>3. Account Processing of Deferred Assets Stock issuance costs are processed as expenses in full amount when incurred.</p>
<p>4. Accounting Standard of Allowance The bad debt allowance is to provide for contingent losses arising from bad debts. The amount likely to be recovered is recorded using the bad debt rate for general debt and the possibility of recovery for specific debt such as doubtful debt is separately considered.</p>	<p>4. Accounting Standard of Allowance The bad debt allowance is to provide for contingent losses arising from bad debts. The amount likely to be recovered is recorded using the bad debt rate for general debt and the possibility of recovery for specific debt such as doubtful debt is separately considered.</p>	<p>4. Accounting Standard of Allowance (1) The bad debt allowance The bad debt allowance is to provide for contingent losses arising from bad debts. The amount likely to be recovered is recorded using the bad debt rate for general debt and the possibility of recovery for specific debt such as doubtful debt is separately considered. (2) Employee bonus allowance The Company has appropriated an amount to be paid out for employee bonuses. However, because the amount was confirmed at the end of this period, it has been included in unpaid amounts.</p>
<p>5. Statutory Reserves To provide for contingent losses from securities-related accidents, statutory reserves are accounted for in accordance with the Article 35 of the "Order related to Securities Companies" which is based on the provisions of Article 51 of the Securities Exchange Law.</p>	<p>5. Statutory Reserves To provide for contingent losses from securities-related accidents, statutory reserves are accounted for in accordance with the Article 35 of the "Order related to Securities Companies" which is based on the provisions of Article 51 of the Securities Exchange Law.</p>	<p>5. Statutory Reserves To provide for contingent losses from securities-related accidents, statutory reserves are accounted for in accordance with the Article 35 of the "Order related to Securities Companies" which is based on the provisions of Article 51 of the Securities Exchange Law.</p>
<p>6. Lease Transactions Finance leases that do not transfer ownership to lessees are accounted for in the same manner as operating leases.</p>	<p>6. Lease Transactions Finance leases that do not transfer ownership to lessees are accounted for in the same manner as operating leases.</p>	<p>6. Lease Transactions Finance leases that do not transfer ownership to lessees are accounted for in the same manner as operating leases.</p>
<p>7. Cash and cash equivalents Cash and cash equivalents consist of cash on hand, demand deposits, and readily-marketable short-term investments bearing low risk of price fluctuation with maturities not exceeding three months.</p>	<p>7. Cash and cash equivalents Cash and cash equivalents consist of cash on hand, demand deposits, and readily-marketable short-term investments bearing low risk of price fluctuation with maturities not exceeding three months.</p>	<p>7. Cash and Cash Equivalents Cash and cash equivalents consist of cash on hand, demand deposits, and readily-marketable short-term investments bearing low risk of price fluctuation with maturities not exceeding three months.</p>
<p>8. Other significant matters in preparing quarterly financial statements. Accounting for consumption taxes Consumption taxes are accounted for based on tax exclusion method.</p>	<p>8. Other significant matters in preparing quarterly financial statements. Accounting for consumption taxes Consumption taxes are accounted for based on tax exclusion method.</p>	<p>8. Other Significant Matters in Preparing Quarterly Financial Statements. Accounting for consumption taxes Consumption taxes are accounted for based on tax exclusion method.</p>

Change in Indication Method

Previous 1Q Period (April 1, 2003 to June 30, 2003)	Current 1Q Period (April 1, 2004 to June 30, 2004)	Previous Fiscal Year (April 1, 2003 to March 31, 2004)
		(Profit/Loss Statement) 1. "Advertising Income" (¥7.093 million) had previously been a separate category within "Other service revenue", but has declined in importance. It is now shown as part of "Other service revenue."

Note

(Notes to Quarterly Balance Sheet)

Previous IQ Period (As of 6/30/2003)	Current IQ Period (As of 6/30/2004)	Previous Fiscal Year (As of 3/31/2004)
*1 Accumulated depreciation of tangible fixed assets 28,152 thousand Yen	*1 Accumulated depreciation of tangible fixed assets 35,672 thousand Yen	*1 Accumulated depreciation of tangible fixed assets 33,981 thousand Yen
*2 Trading securities valued at 24,439 thousand yen, investment securities at 9,854 thousand yen and securities placed as collateral by customers valued at 4,066,885 thousand yen have been posted as collateral with securities finance companies as security for lending transactions. Investment securities valued at 313,810 thousand yen have been received from securities lending companies as security for loans for lending transactions. However, there is no outstanding balance as of the end of the current quarter.	*2 Share certificates received in exchange for financing from the Company's own capital (3,623,750 thousand yen) and collateral securities accepted as substitutes for the required margin money (5,159,441 thousand yen) have been pledged to securities finance corporations for margin transactions. Investment securities valued at 313,810 thousand yen have been received from securities lending companies as security for loans for lending transactions. However, there is no outstanding balance as of the end of the current quarter.	*2 Share certificates received in exchange for financing from the Company's own capital 1,923,000 thousand yen} and collateral securities accepted as substitutes for the required margin money 5,676,570 thousand yen) have been pledged to securities finance corporations for margin transactions. Investment securities valued at 313,810 thousand yen have been received from securities lending companies as security for loans for lending transactions. However, there is no outstanding debt as of the period.
3 The market value of securities placed as collateral (excluding the securities of *2 above) is as follows: Securities lent for margin transaction: 3,528,228 thousand Yen Securities Collateralized for Margin transaction Loans: 7,172,762 thousand Yen Securities lent under securities lending agreements: 1,827,968 thousand Yen	3 The market value of securities placed as collateral (excluding the securities of *2 above) is as follows: Securities lent for margin transaction: 4,865,887 thousand Yen Securities Collateralized for Margin transaction Loans: 22,275,156 thousand Yen Securities lent under securities lending agreements: 5,909,638 thousand Yen	3 The market value of securities placed as collateral (excluding the securities of *2 above) is as follows: Securities lent for margin transaction: 6,085,712 thousand Yen Securities Collateralized for Margin transaction Loans: 17,662,296 thousand Yen Securities lent under securities lending agreements: 5,968,902 thousand Yen
4 The market value of securities received as collateral is as follows: Securities borrowed for margin transaction: 11,971,575 thousand Yen Securities Borrowed Under Consumer Lending Agreements: 542,345 thousand Yen Securities borrowed under Securities Lending Agreements: 14,529,384 thousand Yen Securities Received as Security: 13,982,471 thousand Yen	4 The market value of securities received as collateral is as follows: Securities borrowed for margin transaction: 40,884,385 thousand Yen Securities Borrowed Under Consumer Lending Agreements: 1,141,747 thousand Yen Securities borrowed under Securities Lending Agreements: 30,365,759 thousand Yen Securities Received as Security: 48,275,109 thousand Yen	4 The market value of securities received as collateral is as follows: Securities borrowed for margin transaction: 32,862,532 thousand Yen Securities Borrowed Under Consumer Lending Agreements: 1,683,467 thousand Yen Securities borrowed under Securities Lending Agreements: 22,131,211 thousand Yen Securities Received as Security: 38,379,586 thousand Yen
*5 Allowance for bad debt included in investment etc. 36,475 thousand Yen	*5 Allowance for bad debt included in investment etc. 35,850 thousand Yen	*5 Allowance for bad debt included in investment etc. 36,000 thousand Yen
*6 Reserve for securities transaction is recorded in accordance with Article 51 of the Securities Exchange Law.	*6 Reserve for securities transaction is recorded in accordance with Article 51 of the Securities Exchange Law.	*6 Reserve for securities transaction is recorded in accordance with Article 51 of the Securities Exchange Law.
*7 After temporary payment and receipt of consumption tax etc. are offset, they are accounted for in "Other" of current liabilities.	*7 After temporary payment and receipt of consumption tax etc. are offset, they are accounted for in "Other" of current liabilities.	

(Notes to Quarterly Income Statement)

Previous 1Q Period (April 1, 2003 June 30, 2003)		Current 1Q Period (April 1, 2004 June 30, 2004)		Previous FY Summary Income Statement (April 1, 2003 to March 31, 2004)	
*1	Breakdown of net gain on trading (Thousand Yen) Equities, etc	*1	Breakdown of net gain on trading (Thousand Yen) Equities, etc	*1	Breakdown of net gain on trading (Thousand Yen) Equities, etc
	Realized gain/loss 6,004		Realized gain/loss -5,353		Realized gain/loss 7,504
	Unrealized gain/loss -6,653		Unrealized gain/loss 3,669		Unrealized gain/loss -5,514
	<u>Total</u> -648		<u>Total</u> -1,683		<u>Total</u> 1,990
	Bonds, etc		Bonds, etc		Bonds, etc
	Realized gain/loss 5,040		Realized gain/loss 6,855		Realized gain/loss 12,185
	Unrealized gain/loss -160		Unrealized gain/loss -265		Unrealized gain/loss -848
	<u>Total</u> 4,880		<u>Total</u> 6,590		<u>Total</u> 11,336
	Forex, etc		Forex, etc		Forex, etc
	Realized gain/loss 4,242		Realized gain/loss 13,070		Realized gain/loss 23,959
	Unrealized gain/loss 3,673		Unrealized gain/loss -2,597		Unrealized gain/loss 3,594
	<u>Total</u> 7,915		<u>Total</u> 10,473		<u>Total</u> 27,553
	Total		Total		Total
	Realized gain/loss 15,288		Realized gain/loss 14,573		Realized gain/loss 43,649
	Unrealized gain/loss -3,140		Unrealized gain/loss 807		Unrealized gain/loss -2,769
	<u>Total</u> 12,147		<u>Total</u> 15,380		<u>Total</u> 40,879
*2	Details of income from financing activity (Thousand Yen)	*2	Details of income from financing activity (Thousand Yen)	*2	Details of income from financing activity (Thousand Yen)
	Income from Margin transaction 74,834		Income from Margin transaction 254,758		Income from Margin transaction 489,397
	Income from securities lending transactions 11,443		Income from securities lending transactions 42,661		Income from securities lending transactions 61,135
	Income from dividends 66,512		Income from dividends 88,995		Income from dividends 129,605
	Income from interest on bonds 206		Income from interest on bonds 1,025		Income from interest on bonds 3,123
	Interest income 313		Interest income 833		Interest income 2,162
	<u>Total</u> 153,310		<u>Total</u> 388,274		<u>Total</u> 685,424
*3	Details of expenses of financing activity (Thousand Yen)	*3	Details of expenses of financing activity (Thousand Yen)	*3	Details of expenses of financing activity (Thousand Yen)
	Costs for margin transaction 21,685		Costs for margin transaction 71,402		Costs for margin transaction 119,078
	Costs of securities lending transactions 66,544		Costs of securities lending transactions 114,409		Costs of securities lending transactions 161,745
	<u>Total</u> 88,230		<u>Total</u> 185,811		<u>Interests paid</u> 2
					<u>Total</u> 280,827

Previous 1Q Period (April 1, 2003 June 30, 2003)	Current 1Q Period (April 1, 2004 June 30, 2004)	Previous FY Summary Income Statement (April 1, 2003 to March 31, 2004)
<p>4 Depreciation expenses are as follows: Tangible fixed assets: 2,219 thousand Yen Intangible fixed assets: 15,603 thousand Yen Investment and other assets: 4,711 thousand Yen</p>	<p>4 Depreciation expenses are as follows: Tangible fixed assets: 1,691 thousand Yen Intangible fixed assets: 15,377 thousand Yen Investment and other assets: 4,127 thousand Yen</p>	<p>4 Depreciation expenses are as follows: Tangible fixed assets: 8,917 thousand Yen Intangible fixed assets: 62,647 thousand Yen Investment and other assets: 19,100 thousand Yen</p>
<p>*5 Following is a breakdown of main selling and general administrative costs: Commissions paid 53,035 thousand Yen Exchange and association fees 34,130 thousand Yen Communication and freight 48,623 thousand Yen Information expenses 123,489 thousand Yen Advertising expenses 28,361 thousand Yen Directors' compensation 6,090 thousand Yen Employees salaries 129,271 thousand Yen Equipment rental and maintenance 301,854 thousand Yen Outsourcing expenses 264,188 thousand Yen Amortization of goodwill 12,649 thousand Yen</p>	<p>*5 Following is a breakdown of main selling and general administrative costs: Commissions paid 140,343 thousand Yen Exchange and association fees 52,927 thousand Yen Communication and freight 75,939 thousand Yen Information expenses 160,032 thousand Yen Advertising expenses 42,614 thousand Yen Directors' compensation 8,470 thousand Yen Employees salaries 138,507 thousand Yen Equipment rental and maintenance 326,715 thousand Yen Outsourcing expenses 355,646 thousand Yen Amortization of goodwill 12,649 thousand Yen</p>	<p>*5 Following is a breakdown of main selling and general administrative costs: Commissions paid 335,511 thousand Yen Exchange and association fees 168,989 thousand Yen Communication and freight 258,009 thousand Yen Information expenses 536,777 thousand Yen Advertising expenses 133,151 thousand Yen Directors' compensation 31,777 thousand Yen Employees salaries 553,504 thousand Yen Equipment rental and maintenance 1,241,996 thousand Yen Outsourcing expenses 1,204,437 thousand Yen Amortization of goodwill 50,598 thousand Yen</p>

(Notes to Quarterly Cash Flow Statement)

Previous 1Q period (April 1, 2003 to June 30, 2003)	Current 1Q period (April 1, 2004 to June 30, 2004)	Previous FY Summary Cash flow statement (April 1, 2003 to March 31, 2004)												
<p>*1 Relation between “cash and cash equivalents” at the end of quarter on cash flow statement and “cash and deposits” on the balance sheet</p> <p style="text-align: right;">(Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and deposits account</td> <td style="text-align: right; border-bottom: 1px solid black;">8,480,283</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right; border-bottom: 3px double black;">8,480,283</td> </tr> </table>	Cash and deposits account	8,480,283	Cash and cash equivalents	8,480,283	<p>*1 Relation between “cash and cash equivalents” at the end of quarter on cash flow statement and “cash and deposits” on the balance sheet</p> <p style="text-align: right;">(Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and deposits account</td> <td style="text-align: right; border-bottom: 1px solid black;">7,238,422</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right; border-bottom: 3px double black;">7,238,422</td> </tr> </table>	Cash and deposits account	7,238,422	Cash and cash equivalents	7,238,422	<p>*1 Relation between “cash and cash equivalents” at the end of the fiscal year on cash flow statement and “cash and deposits” on the balance sheet</p> <p style="text-align: right;">(Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and deposits account</td> <td style="text-align: right; border-bottom: 1px solid black;">6,777,307</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right; border-bottom: 3px double black;">6,777,307</td> </tr> </table>	Cash and deposits account	6,777,307	Cash and cash equivalents	6,777,307
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Notes to Lease Transactions

Previous 1Q Period (April 1, 2003 to June 30, 2003)	Current 1Q Period (April 1, 2004 to June 30, 2004)	Previous Fiscal Year (April 1, 2003 to March 31, 2004)																																																																																										
<p>Finance leases that do not transfer ownership to lessees</p> <p>1 Acquisition cost, accumulated depreciation, and net balance of the leased property at the quarter end are as follows: (Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">Equipment</td> </tr> <tr> <td>Acquisition cost</td> <td style="text-align: right;">2,951,445</td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">1,745,836</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Net balance at end of the quarter</td> <td style="text-align: right;">1,205,609</td> </tr> <tr> <td colspan="2" style="text-align: center;">Software</td> </tr> <tr> <td>Acquisition cost</td> <td style="text-align: right;">1,585,062</td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">537,309</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Net balance at end of the quarter</td> <td style="text-align: right;">1,047,753</td> </tr> <tr> <td colspan="2" style="text-align: center;">Total</td> </tr> <tr> <td>Acquisition cost</td> <td style="text-align: right;">4,536,508</td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">2,283,145</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Net balance at end of the quarter</td> <td style="text-align: right;">2,253,363</td> </tr> </table>	Equipment		Acquisition cost	2,951,445	Accumulated depreciation	1,745,836	<hr/>		Net balance at end of the quarter	1,205,609	Software		Acquisition cost	1,585,062	Accumulated depreciation	537,309	<hr/>		Net balance at end of the quarter	1,047,753	Total		Acquisition cost	4,536,508	Accumulated depreciation	2,283,145	<hr/>		Net balance at end of the quarter	2,253,363	<p>Finance leases that do not transfer ownership to lessees</p> <p>1 Acquisition cost, accumulated depreciation, and net balance of the leased property at the quarter end are as follows: (Thousand Yen)</p> <table style="width: 100%; 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Net balance at end of the quarter	1,682,225																																																																																											
Equipment																																																																																												
Acquisition cost	3,034,853																																																																																											
Accumulated depreciation	2,163,863																																																																																											
<hr/>																																																																																												
Net balance at year end	870,989																																																																																											
Software																																																																																												
Acquisition cost	1,736,020																																																																																											
Accumulated depreciation	773,545																																																																																											
<hr/>																																																																																												
Net balance at year end	962,475																																																																																											
Total																																																																																												
Acquisition cost	4,770,873																																																																																											
Accumulated depreciation	2,937,408																																																																																											
<hr/>																																																																																												
Net balance at year end	1,833,465																																																																																											
<p>2 Balance of lease obligations at end of the quarter (Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Due within one year</td> <td style="text-align: right;">928,935</td> </tr> <tr> <td>Due after 1 years</td> <td style="text-align: right;">1,410,371</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">2,339,306</td> </tr> </table>	Due within one year	928,935	Due after 1 years	1,410,371	<hr/>		Total	2,339,306	<p>2 Balance of lease obligations at end of the quarter (Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Due within one year</td> <td style="text-align: right;">839,262</td> </tr> <tr> <td>Due after 1 years</td> <td style="text-align: right;">909,064</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1,748,326</td> </tr> </table>	Due within one year	839,262	Due after 1 years	909,064	<hr/>		Total	1,748,326	<p>2 Balance of lease obligations at fiscal year end (Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Due within one year</td> <td style="text-align: right;">893,485</td> </tr> <tr> <td>Due after 1 years</td> <td style="text-align: right;">1,013,672</td> </tr> <tr> <td colspan="2"><hr/></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1,907,158</td> </tr> </table>	Due within one year	893,485	Due after 1 years	1,013,672	<hr/>		Total	1,907,158																																																																		
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Total	1,907,158																																																																																											
<p>3 Lease payments, depreciation, and interest expense (Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Lease payments</td> <td style="text-align: right;">248,155</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">223,566</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">20,455</td> </tr> </table>	Lease payments	248,155	Depreciation	223,566	Interest expense	20,455	<p>3 Lease payments, depreciation, and interest expense (Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Lease payments</td> <td style="text-align: right;">263,135</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">240,191</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">15,352</td> </tr> </table>	Lease payments	263,135	Depreciation	240,191	Interest expense	15,352	<p>3 Lease payments, depreciation, and interest expense (Thousand Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td>Lease payments</td> <td style="text-align: right;">1,011,082</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">908,660</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">72,883</td> </tr> </table>	Lease payments	1,011,082	Depreciation	908,660	Interest expense	72,883																																																																								
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<p>4 Calculation method of depreciation</p> <p>Depreciation is calculated using the straight-line method over the useful lives of the respective leased assets with zero residual value.</p>	<p>4 Calculation method of depreciation</p> <p>Depreciation is calculated using the straight-line method over the useful lives of the respective leased assets with zero residual value.</p>	<p>4 Calculation method of depreciation</p> <p>Depreciation is calculated using the straight-line method over the useful lives of the respective leased assets with zero residual value.</p>																																																																																										
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Notes to Securities

Previous 1Q period (as of June 30, 2003)

I. Transaction Related to Trading

1. Trading securities and others (securities for buying and selling)

Type	Assets		Liabilities	
	Book Value on the Quarterly B/S (Thousand Yen)	UGL (Thousand Yen)	Book Value on the Quarterly B/S (Thousand Yen)	UGL (Thousand Yen)
Stock	77,855	4,311	-	-
Bonds	26,992	-160	-	-
Beneficiary certificate	10,065	-597	78,666	10,366
Total	114,914	3,553	78,666	10,366

II. Transaction not Related to Trading

1. Bonds, which evaluated with market value and held to maturity

Type	Book Value on the 1Q B/S (Thousand Yen)	Market Value (Thousand Yen)	UGL (Thousand Yen)
JGB and municipal bonds, etc.	18,853	18,990	136

2. Details of securities without market value and book value on B/S

Type	Book Value on the 1Q B/S (Thousand Yen)	Abstract
(1) Other securities Unlisted stocks (excluding OTC stocks)	479,190	

Current 1Q period (as of June 30, 2004)

I. Transaction related to trading

1. Trading securities and others (securities for buying and selling)

Type	Assets		Liabilities	
	Book Value on the Quarterly B/S (Thousand Yen)	UGL (Thousand Yen)	Book Value on the Quarterly B/S (Thousand Yen)	UGL (Thousand Yen)
Stock	208,280	1,174	15,719	-349
Bonds	111,210	-265	-	-
Beneficiary certificate	6,286	-156	100,654	3,001
Total	325,776	753	116,373	2,651

II. Transaction not related to trading

1. Bonds, which evaluated with market value and held to maturity

Type	Book Value on the 1Q B/S (Thousand Yen)	Market Value (Thousand Yen)	UGL (Thousand Yen)
JGB and municipal bonds, etc.	9,947	9,999	51

2. Details of securities without market value and book value on B/S

Type	Book Value on the 1Q B/S (Thousand Yen)	Abstract
(1) Other securities Unlisted stocks (excluding OTC stocks)	479,190	

Previous Fiscal Year (March 31, 2004)

I. Transaction Related to Trading

1. Trading securities and others (securities for buying and selling)

Type	Assets		Liabilities	
	Book Value on the Quarterly B/S (Thousand Yen)	UGL (Thousand Yen)	Book Value on the Quarterly B/S (Thousand Yen)	UGL (Thousand Yen)
Stock	109,060	4,757	-	-
Bonds	119,679	-848	-	-
Beneficiary certificate	8,538	149	93,850	-10,421
Total	237,278	4,057	93,850	-10,421

II. Transaction not Related to Trading

1. Bonds, which evaluated with market value and held to maturity

Type	Book Value on the B/S (Thousand Yen)	Market Value (Thousand Yen)	UGL (Thousand Yen)
JGB and municipal bonds, etc.	9,924	9,998	73

2. Details of securities without market value and book value on B/S

	Book Value on the B/S (Thousand Yen)	Abstract
(1) Other securities Unlisted stocks (excluding OTC stocks)	479,190	

Notes to Derivatives

Previous 1Q Period (as of June 30, 2003)

I. Transaction related to trading

Type	Assets		Liabilities	
	Contractual Value (Thousand yen)	Market value (Thousand yen)	Contractual Value (Thousand yen)	Market value (Thousand yen)
Forward exchange contract	939,767	3,917	61,939	244

A deemed settlement gains/losses are stated on the market value.

2. Transaction not related to trading

N/A

Current 1Q Period (as of June 30, 2004)

I. Transaction related to trading

Type	Assets		Liabilities	
	Contractual Value (Thousand yen)	Market value (Thousand yen)	Contractual Value (Thousand yen)	Market value (Thousand yen)
Forward exchange contract	15,941	134	33,561	134

A deemed settlement gains/losses are stated on the market value.

2. Transaction not related to trading

N/A

Previous Fiscal Year (March 31, 2004)

1. Transaction related to trading

Type	Assets		Liabilities	
	Contractual Value (Thousand yen)	Market value (Thousand yen)	Contractual Value (Thousand yen)	Market value (Thousand yen)
Forward exchange contract	113,739	695	90,688	391

A deemed settlement gains/losses are stated on the market value.

2. Transaction not related to trading

N/A

(Notes to Gains and Losses on Equity Method)

Previous 1Q Period (April 1, 2003 to June 30, 2003)

N/A

Current 1Q Period (April 1, 2004 to June 30, 2004)

N/A

Previous Fiscal Year (April 1, 2003 to March 31, 2004)

N/A

(Per Share Information)

Previous 1Q Period (April 1, 2003 to June 30, 2003)		Current 1Q Period (April 1, 2004 to June 30, 2004)		Previous Fiscal Year (April 1, 2003 to March 31, 2004)	
Net assets per share	5,450.44 Yen	Net assets per share	7,812.83 Yen	Net assets per share	6,870.88 Yen
Earnings per share	24.42 Yen	Earnings per share	848.18 Yen	Net loss per share	1,431.76 Yen
Diluted earnings per share	24.11 Yen			Net earnings per share on the fully diluted basis	1,429.73 Yen
		The fully-diluted earnings per share is not available since the Company has no potential shares to dilute the net earnings per share.			

(Note) The basis for computing the net earnings and the fully diluted earnings per share for the current quarter is as follows:

	Previous 1Q Period (April 1, 2003 to June 30, 2003)	Current 1Q Period (April 1, 2004 to June 30, 2004)	Previous Fiscal Year (April 1, 2003 to March 31, 2003)
Net income per share for the current period			
Net income for the current period (Thousand Yen)	37,644	1,328,466	2,218,806
Amount not belonging to ordinary shareholders (thousand yen)	-	-	-
Net income for the current period for common stock (Thousand Yen)	37,644	1,328,466	2,218,806
Average number of shares during the accounting period (shares)	1,541,521	1,572,277	1,549,706
Diluted earnings per share			
Adjusted net income (thousand yen)	-	-	-
Increase in common stock (shares)	19,708	-	2,197
Summary of potential shares not included in calculation of quarterly (current) net earnings per share after adjustment to eliminate any effects of dilution	3 types of stock options based on old Art. 280-19, Section 2 of the former Commercial Code (total of 29,478 shares)	-	3 types of stock options based on old Art. 280-19, Section 2 of the former Commercial Code (total of 18,887 shares)

Subsequent Events

Previous 1Q Period (April 1, 2003 to June 30, 2003)	Current 1Q Period (April 1, 2004 to June 30, 2004)	Previous Fiscal Year (April 1, 2003 to March 31, 2004)
N/A	N/A	<p>As specialized online securities firms, the Company and Nikko Beans, Inc. (the “both companies”) have been striving to deliver the most-advanced and best-of-class financial services to client investors. Both companies will establish “Monex Beans Holdings” as an important step to attain this ideal, by the way of share transfer in accordance with Article 364 of the Commercial Code of Japan, and integrate the management functions. It was resolved by the Company at the board of directors meeting on April 21, 2004 that the Company will become a wholly-owned subsidiary of the holding company. On April 22, 2004 the Company entered the agreement on the share transfer. On June 26, 2004 this was approved by the Company’s annual meeting of shareholders.</p> <p>The outline of the share transfer is as follows:</p> <p>(1) Shareholders of both companies (including de facto shareholders) shall be entitled to receive common shares of the holding company. The allotment ratios are as follows:</p> <ul style="list-style-type: none"> - Shareholders of the Company shall be entitled to receive one common share of the holding company for one common share of the Company. - Shareholders of Nikko Beans, Inc. shall be entitled to receive 3.4 common shares of the holding company for one common share of Nikko Beans, Inc. <p>(2) Share capital and capital reserve of the holding company</p> <ul style="list-style-type: none"> - Share capital: ¥8.8 billion - Capital reserve: The remaining amount on the share transfer day after subtracting the above-stated amount from the combined total of the net asset values of both companies <p>(3) Share transfer grant Share transfer grant will not be paid to shareholders.</p> <p>(4) Date of the share transfer August 2, 2004</p>

Previous 1Q Period (April 1, 2003 to June 30, 2003)	Current 1Q Period (April 1, 2004 to June 30, 2004)	Previous Fiscal Year (April 1, 2003 to March 31, 2004)
		<p>(5) Matters related to the joint establishment</p> <p>The Company will establish a holding company, Monex Beans Holdings, jointly with Nikko Beans, Inc.</p> <p>Outline of Nikko Beans, Inc. (As of March 31, 2004)</p> <p>Name: Nikko Beans, Inc. Headquarters office: 28-38, Shinkawa 1-chome, Chuo-ku, Tokyo Date of incorporation: May 20, 1999 Share capital: ¥7.4 billion Business lines: Securities brokerage, securities-related services, and other businesses Representative: Noriyuki Ogasawara, Representative Director Employees: 42</p>

Additional Information for the 1Q of the Year Ending March 2005

Previous 1Q: (April 1, 2003 to June 30, 2003, for 3 months)

Current 1Q: (April 1, 2004 to June 30, 2004, for 3 months)

Previous Fiscal Year: Year Ended March 31, 2004 (April 1, 2003 to March 31, 2004, for 12 months)

(1) Securities Transactions and Others

1) Amount of Domestic Stock Consignment

(Unit: Million Yen)

	Previous 1Q	Current 1Q	Previous FY
Internet transactions (Margin transaction)	497,912(99.4%) 164,021[32.9%]	1,677,195(99.6%) 551,884[32.9%]	3,735,990(99.5%) 1,198,784[32.1%]
Telephone transactions (Margin transaction)	3,127(0.6%) 273[8.7%]	6,130(0.4%) 238[3.9%]	18,414(0.5%) 1,294[7.0%]
On line account total (Margin transaction)	501,039(100.0%) 164,294[32.8%]	1,683,325(100.0%) 552,122[32.8%]	3,754,405(100.0%) 1,200,079[32.1%]
Non-On line account (Margin transaction)	41(0.0%) - [- %]	705(0.0%) - [- %]	1,009(0.0%) - [- %]
Total (Margin transaction)	501,081(100.0%) 164,294[32.8%]	1,684,031(100.0%) 552,122[32.8%]	3,755,414(100.0%) 1,200,079[32.0%]

(Notes) 1. Figures in () show the proportion against total.

2. Figures in [] are percentage related to margin transactions [margin transactions / (cash transactions + margin transactions)].

3. Includes the depository of listed investment trusts, senior securities and investment securities.

2) Amount of Foreign Investment Trusts Consignment (excluding foreign currency denominated MMFs)

(Unit: Million Yen)

	Previous 1Q	Current 1Q	Previous FY
Foreign investment trusts	386	489	2,119

(2) Underwriting of Securities and Others

1) Stocks

(Unit: Million Yen)

	Previous 1Q	Current 1Q	Previous FY
Underwriting amount	342	741	6,289
Distribution amount	286	629	5,245
Subscription amount	-	8	109
Distribution handled	-	-	536

(Note) Includes investment securities.

2) Bonds

(Unit: Million Yen)

	Previous 1Q	Current 1Q	Previous FY
Underwriting amount	-	-	-
Distribution amount	443	492	-
Subscription amount	31	430	1,168
Distribution handled	-	-	-

3) Beneficiary Certificates (excluding MRFs, MMFs, and Mid-term Government Bond Funds)

(Unit: Million Yen)

		Previous 1Q	Current 1Q	Previous FY
Subscription amount	Stock investment trust	1,942	4,445	13,369
	Fixed Income investment trust	160	116	576
	Total	2,103	4,562	13,945

(3) Customers' Assets in Custody

(Unit: 100 Million Yen)

		Previous 1Q Period	Current 1Q Period	End of Previous FY	
Domestic securities	Equities	3,673	6,397	5,817	
	Bonds	23	28	26	
	Beneficiary certificate	Listed investment trust	34	45	38
		Stock investment trust	111	204	193
		Fixed Income investment trust	849	1,424	1,353
Foreign securities	Equities	1	1	1	
	Bonds	0	15	10	
	Beneficiary certificate	100	107	106	
Deposits received from customers		98	249	194	
Total		4,892	8,473	7,742	

(Note) Equities include senior securities and investment securities.

(4) Capital Adequacy Ratio

(Unit: Thousand Yen)

		Previous 1Q Period	Current 1Q Period	End of Previous Fiscal Year
Basic items	Total shareholder's equity (A)	8,404,215	12,304,579	10,779,951
Supplementary items	Difference from valuation	136	51	73
	Reserve for securities	211,977	388,312	336,622
	Total (B)	212,113	388,363	336,696
Deduction (C)		975,576	1,032,067	1,036,239
Net capital (A)+(B)-(C) (D)		7,640,753	11,660,875	10,080,408
Total risk	Market risk	5,164	18,194	18,581
	Credit risk	303,381	986,610	789,645
	Basic risk	1,096,487	1,304,824	1,206,143
	Total (E)	1,405,034	2,309,629	2,014,371
Capital adequacy ratio (D)/(E)*100		543.8%	504.8%	500.4 %

(Note) The above figures are calculated based on the "Ministerial Order on the Capital Adequacy Rule for Securities Companies" in accordance with the provisions of the Securities Exchange Law.

(5) Number of Employees

(Unit: No. of person)

	Previous 1Q Period	Current 1Q Period	End of Previous Fiscal Year
Headquarters	42	51	47
Monex Dial (call center)	2	3	3
Total	44	54	50
Temporary staff at Monex Dial, not included in above	18	19	19

Reference Data

(1) Trends in the Number of Issued Common Stocks and Others

April 1, 2003 to June 30, 2004

Date	Gross Increase (decrease) of Shares Issued (shares)	Gross Balance of Shares Issued (shares)	Increase (decrease) of Common Stocks (Thousand Yen)	Balance of Common Stocks (Thousand Yen)	Increase (decrease) of Paid in Capital (Thousand Yen)	Balance of Paid in Capital (Thousand Yen)
April 1, 2003 to June 30, 2003 (Note 1)	550	1,541,935	1,504	6,199,609	1,503	7,267,093
July 1, 2003 to September 30, 2003 (Note 1)	3,270	1,545,205	8,943	6,208,552	8,940	7,276,033
October 1, 2003 to December 31, 2003 (Note 1, 2 & 3)	12,092	1,557,297	50,298	6,258,851	50,287	7,326,321
January 1, 2004 to March 31, 2004 (Note 1.2)	11,642	1,568,939	38,139	6,296,991	38,128	7,364,450
(April 1, 2004 to June 30, 2004) (Note 1, 2 & 3)	5,980	1,574,927	98,142	6,395,133	98,139	7,462,589

(Notes) 1. Result of exercise of stock options

Issue price ¥5,469

Recapitalization ¥2,735

2. Result of exercise of stock options.

Issue price ¥39,064

Recapitalization ¥19,532

3. Result of exercise of stock options.

Issue price ¥56,700

Recapitalization ¥28,350

(2) Situation with Regard to Exercise of Stock Options

N/A

(3) Quarterly Trends in Income Statement

	1Q Previous FY (April 1, 2003 to June 30, 2003)	2Q Previous FY (July 1, 2003 to September 30, 2003)	3Q Previous FY (October 1, 2003 to December 31, 2003)	4Q Previous FY (January 1, 2004 to March 31, 2004)	1Q Current FY (April 1, 2004 to June 30, 2004)
Classification	Amount (Thousand Yen)	Amount (Thousand Yen)	Amount (Thousand Yen)	Amount (Thousand Yen)	Amount (Thousand Yen)
I Operating revenues					
1. Commission revenues	1,079,839	1,788,354	1,834,583	2,324,488	2,658,498
(1) Brokerage	908,467	1,481,551	1,505,864	1,768,800	2,192,117
(2) Underwriting and distribution	19,086	36,325	61,100	145,359	30,242
(3) Subscription and distribution	25,699	49,384	34,314	73,972	51,995
(4) Other	126,585	221,092	233,304	336,355	384,143
2. Net gain and loss on trading	12,147	5,177	8,722	14,832	15,380
3. Financial income	153,310	133,614	205,192	193,306	388,274
4. Other services revenues	7,212	2,216	17,037	20,361	19,704
Total operating revenues	1,252,510	1,929,362	2,065,533	2,552,988	3,081,857
1. Financial expense	88,230	43,609	86,460	62,526	185,811
Net operating revenue	1,164,279	1,885,753	1,979,072	2,490,462	2,896,045
II Selling, general and administrative expenses	1,101,233	1,180,022	1,263,803	1,376,584	1,525,904
Operating Income	63,046	705,730	715,269	1,113,878	1,370,141
III Other income	3,545	1,143	3,918	2,802	12,210
1. Interest income and dividend received	2,010	82	106	32	8,479
2. Miscellaneous income	1,535	1,060	3,811	2,770	3,731
IV Other expenses	47	134	348	4,293	1,143
1. Stock issuance costs	33	111	333	203	1,096
2. Miscellaneous expenses	13	23	15	4,090	47
Ordinary Income	66,543	706,739	718,840	1,112,387	1,381,208
V Extraordinary losses	28,494	37,698	37,225	278,075	51,689
1. Provision for reserve of securities transactions	28,494	37,698	37,225	49,722	51,689
2. Loss on lease cancellation	-	-	-	25,401	-
3. Provision for management integration	-	-	-	202,951	-
Income before income taxes	38,049	669,040	681,614	834,312	1,329,518
Corporate tax, resident tax and business tax	405	405	2,347	1,052	1,052
Net income	37,644	668,635	679,267	833,259	1,328,466

(4) Quarterly Trends in Major Items of Selling, General and Administrative Expenses

	1Q Previous FY (April 1, 2003 to June 30, 2003)	2Q Previous FY (July 1, 2003 to September 30, 2003)	3Q Previous FY (October 1, 2003 to December 31, 2003)	4Q Previous FY (January 1, 2004 to March 31, 2004)	1Q Current FY (April 1, 2004 to June 30, 2004)
Classification	Amount (Thousand Yen)	Amount (Thousand Yen)	Amount (Thousand Yen)	Amount (Thousand Yen)	Amount (Thousand Yen)
Commissions paid	53,035	80,875	94,353	107,246	140,343
Exchange and association fees	34,130	45,163	44,794	44,901	52,927
Communication and freight	48,623	64,686	71,398	73,300	75,939
Information expenses	123,489	126,790	138,964	147,532	160,032
Advertising expenses	28,361	29,810	39,442	35,536	42,614
Director's compensation	6,090	8,562	8,562	8,562	8,470
Provisions for employees salaries and bonus allowances	129,771	119,487	137,293	166,951	160,307
Equipment, rental and maintenance	301,854	302,083	303,784	334,273	326,715
Outsourcing expenses	264,188	289,406	312,795	338,046	355,646
Amortization of goodwill	12,649	12,649	12,649	12,649	12,649
Others	99,036	100,506	99,763	107,582	190,256
Total	1,101,233	1,180,022	1,263,803	1,376,584	1,525,904

(5) Breakdown of Commission Revenues (Quarterly trend)

1Q of Previous Year (April 1, 2003 to June 30, 2003)

(Unit: Million Yen)

Classification	Equities	Bonds	Beneficiary Certificate	Others	Total	%
Brokerage	906	0	2	-	908	84.1
Underwriting and distribution	19	-	-	-	19	1.8
Subscription and distribution	-	0	25	-	25	2.4
Other	10	0	24	91	126	11.7
Total	935	0	52	91	1,079	100.0

2Q of Previous Year (July 1, 2003 to September 30, 2003)

(Unit: Million Yen)

Classification	Equities	Bonds	Beneficiary Certificate	Others	Total	%
Brokerage	1,477	0	4	-	1,481	82.9
Underwriting and distribution	36	-	-	-	36	2.0
Subscription and distribution	0	2	46	-	49	2.8
Other	21	0	27	171	221	12.4
Total	1,536	2	78	171	1,788	100.0

3Q of Previous Year (October 1, 2003 to December 31, 2003)

(Unit: Million Yen)

Classification	Equities	Bonds	Beneficiary Certificate	Others	Total	%
Brokerage	1,501	0	3	-	1,505	82.1
Underwriting and distribution	61	-	-	-	61	3.3
Subscription and distribution	0	1	31	-	34	1.9
Other	28	0	32	172	233	12.7
Total	1,591	2	68	172	1,834	100.0

4Q of Previous Year (January 1, 2004 to March 31, 2004)

(Unit: Million Yen)

Classification	Equities	Bonds	Beneficiary Certificate	Others	Total	%
Brokerage	1,764	0	4	-	1,768	76.1
Underwriting and distribution	145	-	-	-	145	6.3
Subscription and distribution	-	1	72	-	73	3.2
Other	36	0	35	263	336	14.5
Total	1,946	1	112	263	2,324	100.0

1Q of Current Year (April 1, 2004 to June 30, 2004)

(Unit: Million Yen)

Classification	Equities	Bonds	Beneficiary Certificate	Others	Total	%
Brokerage	2,186	0	5	-	2,192	82.5
Underwriting and distribution	30	-	-	-	30	1.1
Subscription and distribution	-	2	49	-	51	2.0
Other	43	0	39	300	384	14.5
Total	2,260	2	95	300	2,658	100.0

(6) Securities Transaction, etc. (Quarterly trend)

1) Amount of Domestic Stock consignment

(Unit: Million Yen)

	1Q Previous FY	2Q Previous FY	3Q Previous FY	4Q Previous FY	1Q Current FY
Internet transactions (Margin transaction)	497,912(99.4%) 164,021[32.9%]	950,316(99.4%) 286,588[30.2%]	1,037,929(99.5%) 333,306[32.1%]	1,249,832(99.6%) 414,868[33.2%]	1,677,195(99.6%) 551,884[32.9%]
Telephone transactions (Margin transaction)	3,034(0.6%) 273[8.7%]	5,601(0.6%) 706[12.5%]	4,789(0.5%) 154[3.2%]	4,989(0.4%) 160[3.2%]	6,130(0.4%) 238[3.9%]
On line account total (Margin transaction)	500,946(100.0%) 164,294[32.8%]	955,917(100.0%) 287,294[30.1%]	1,042,719(100.0%) 333,461[32.0%]	1,254,822(100.0%) 415,029[33.1%]	1,683,325(100.0%) 552,122[32.8%]
Non-On line account (Margin transaction)	134(0.0%) - [- %]	109(0.0%) - [- %]	298(0.0%) - [- %]	466(0.0%) - [- %]	705(0.0%) - [- %]
Total (Margin transaction)	501,081(100.0%) 164,294[32.8%]	956,027(100.0%) 287,294[30.1%]	1,043,017(100.0%) 333,461[32.0%]	1,255,288(100.0%) 415,029[40.6%]	1,684,031(100.0%) 552,122[32.8%]

(Notes) 1. Figures in () show the proportion against total.

2. Figures in [] are percentage related to margin transactions [margin transactions / (cash transactions + margin transactions)].

3. Includes the depository of listed investment trusts, senior securities and investment securities.

2) Amount of Foreign Investment Trusts Consignment

(Unit: Million Yen)

(excluding foreign currency denominated MMFs)

	1Q Previous FY	2Q Previous FY	3Q Previous FY	4Q Previous FY	1Q Current FY
Foreign investment trusts	386	628	506	598	489

(7) Securities Underwriting, etc. (Quarterly trend)

1) Stocks

(Unit: Million Yen)

	1Q Previous FY	2Q Previous FY	3Q Previous FY	4Q Previous FY	1Q Current FY
Underwriting amount	342	709	1,211	4,026	741
Distribution amount	275	301	1,390	3,277	629
Subscription amount	-	96	13	-	8
Distribution handled	10	12	54	459	-

(Note) Includes investment securities.

2) Bonds

(Unit: Million Yen)

	1Q Previous FY	2Q Previous FY	3Q Previous FY	4Q Previous FY	1Q Current FY
Underwriting amount	-	-	-	-	-
Distribution amount	443	202	161	168	492
Subscription amount	31	437	392	306	430
Distribution handled	-	-	-	-	-

3) Beneficiary Certificates (excluding MRFs, MMFs, and Mid-term Government Bond Funds)

(Unit: Million Yen)

		1Q Previous FY	2Q Previous FY	3Q Previous FY	4Q Previous FY	1Q Current FY
Subscription amount	Stock investment trust	1,942	4,359	2,774	4,293	4,445
	Fixed Income investment trust	160	162	118	134	1160
	Total	2,103	4,521	2,892	4,427	4,562

(8) Assets on Deposit (Quarterly trends)

(Unit: 100 Million Yen)

		End of Previous 1Q	End of Previous 2Q	End of Previous 3Q	End of Previous 4Q	End of Current 1Q	
Domestic securities	Equities	3,673	4,422	4,629	5,817	6,397	
	Bonds	23	21	25	26	28	
	Beneficiary certificate	Listed investment trust	34	34	37	38	45
		Stock investment trust	111	145	164	193	204
		Fixed Income investment trust	849	1,100	1,122	1,353	1,424
Foreign securities	Equities	1	1	1	1	1	
	Bonds	0	5	7	10	15	
	Beneficiary certificate	100	101	106	106	107	
Deposits received from customers		98	143	170	194	249	
Total		4,892	5,975	6,265	7,742	8,473	

Note: Equities include senior securities and investment securities.

(9) Number of Employees (Quarterly trends)

(Unit: No. of person)

	End of Previous 1Q	End of Previous 2Q	End of Previous 3Q	End of Previous 4Q	End of Current 1Q
Headquarters	42	41	44	47	51
Monex Dial (call center)	2	2	3	3	3
Total	44	43	47	50	54
Temporary staff at Monex Dial, not included in above	18	16	16	19	19

(10) Trends in the Number of Customers' Accounts

After April 2003

Item		(Unit)	April 2003	May 2003	June 2003	July 2003	August 2003	September 2003	
Accounts	Number of customers' accounts [end of month]	Accounts	216,461	217,993	219,644	222,159	224,374	227,334	
	Number of margin transaction [end of month]	Accounts	4,283	4,455	4,664	4,914	5,100	5,345	
	Customers' assets in custody [end of month]	100 million Yen	4,089	4,384	4,892	5,197	5,619	5,975	
Stock	Number of stock orders	Cash transactions	Transaction per business day	19,090	22,694	29,205	34,314	32,728	39,467
		Margin transactions		3,843	4,561	5,432	5,850	5,723	6,407
		Total		22,933	27,255	34,638	40,165	38,452	45,874
	Number of stock executed trades	Cash transactions	Transaction per business day	6,372	7,429	10,385	12,364	11,373	15,413
		Margin transactions		1,788	2,022	2,576	2,880	2,708	3,270
		Total		8,161	9,452	12,961	15,244	14,081	18,684
	Average trade value per stock transaction	Cash transactions	Thousand Yen per transaction	614	653	697	770	802	865
		Margin transactions		1,203	1,177	1,276	1,500	1,439	1,686
		Total		743	765	812	908	924	1,009
	Margin trading balance (total of posted selling and posted buying) [end of month]		100 million Yen	126	130	147	174	191	243
Investment trust	Number of transactions (excluding MRF)	Transaction per business day	645	762	734	791	838	1,210	
Stock lending Service	Number of customers' accounts [end of month]	Accounts	3,065	3,343	3,925	4,231	4,807	4,983	
	Outstanding balance [end of month]	100 million Yen	104	119	143	165	192	183	
Foreign exchange margin trading	Number of customers' accounts [end of month]	Accounts	1,546	3,481	4,403	5,100	5,571	6,452	
	Transaction amount	Million yen per business day	754	1,883	3,498	3,343	2,876	3,770	

Item		(Unit)	October 2003	November 2003	December 2003	January 2004	February 2004	March 2004	
Accounts	Number of customers' accounts [end of month]	Accounts	230,842	233,614	236,431	240,756	244,858	250,015	
	Number of margin transaction [end of month]	Accounts	5,665	5,952	6,215	6,554	6,863	7,225	
	Customers' assets in custody [end of month]	100 million Yen	6,489	6,177	6,265	6,596	6,928	7,742	
Stock	Number of stock orders	Cash transactions	Transaction per business day	43,994	31,756	30,485	40,998	38,042	51,401
		Margin transactions		6,992	6,059	5,496	7,094	6,861	8,705
		Total		50,987	37,816	35,981	48,093	44,903	60,107
	Number of stock executed trades	Cash transactions	Transaction per business day	17,598	11,841	10,473	13,965	12,916	20,495
		Margin transactions		3,664	3,172	2,703	3,522	3,332	4,596
		Total		21,263	15,013	13,177	17,488	16,248	25,091
	Average trade value per stock transaction	Cash transactions	Thousand Yen per transaction	889	852	828	825	836	879
		Margin transactions		1,842	1,596	1,650	1,688	1,649	1,869
		Total		1,054	1,009	997	999	1,002	1,061
	Margin trading balance (total of posted selling and posted buying) [end of month]		100 million Yen	288	252	246	289	322	364
Investment trust	Number of transactions (excluding MRF)	Transaction per business day	998	918	895	1,122	1,071	1,213	

Item		(Unit)	October 2003	November 2003	December 2003	January 2004	February 2004	March 2004
Stock lending Service	Number of customers' accounts [end of month]	Accounts	5,203	5,173	4,972	5,060	5,384	5,629
	Outstanding balance [end of month]	100 million Yen	227	214	200	218	225	220
Foreign exchange margin trading	Number of customers' accounts [end of month]	Accounts	7,019	7,132	7,529	8,391	9,083	9,932
	Transaction amount	Million yen per business day	3,580	3,924	2,904	5,099	5,159	6,144

Item		(Unit)	April 2004	May 2004	June 2004	
Accounts	Number of customers' accounts [end of month]	Accounts	255,890	260,729	264,457	
	Number of margin transaction [end of month]	Accounts	7,650	8,108	8,403	
	Customers' assets in custody [end of month]	100 million Yen	8,328	7,953	8,473	
Stock	Number of stock orders	Cash transactions	Transaction per business day	61,739	42,506	46,146
		Margin transactions		9,895	8,643	8,850
		Total		71,635	51,150	54,996
	Number of stock executed trades	Cash transactions	Transaction per business day	25,459	17,339	16,111
		Margin transactions		5,237	4,781	4,355
		Total		30,696	22,120	20,467
	Average trade value per stock transaction	Cash transactions	Thousand Yen per transaction	951	909	950
		Margin transactions		2,036	1,758	1,844
		Total		1,136	1,092	1,141
	Margin trading balance (total of posted selling and posted buying) [end of month]		100 million Yen	447	429	457
Investment trust	Number of transactions (excluding MRF)	Transaction per business day	1,270	1,254	944	
Stock lending Service	Number of customers' accounts [end of month]	Accounts	5,949	6,091	6,174	
	Outstanding balance [end of month]	100 million Yen	299	296	303	
Foreign exchange margin trading	Number of customers' accounts [end of month]	Accounts	10,593	11,006	11,367	
	Transaction amount	Million yen per business day	5,611	6,942	5,862	

(Notes) 1. Stock includes listed investment trust, senior securities and investment securities.

2. Customers' assets in custody include the amounts of stocks lent to Monex, Inc. by the customers through stock lending service.

3. The numbers are of on-line accounts excluding client's assets.