



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the fiscal year ended March 31, 2023 (April 1, 2022 - March 31, 2023)

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the fiscal year ended March 31, 2023. If there is any discrepancy between the statement in English and Japanese, the Japanese statement shall take precedence.

Basis of preparation of financial statements

The financial information included in this report is based on our un-audited consolidated financial statements for the fiscal year ended March 31, 2023. All of those financial statements have been prepared based on IFRSs. All financial information presented in million yen has been rounded to the nearest million.

Use of estimates and judgments

Management of Monex Group, Inc. (hereafter, “the Company”) and its subsidiaries is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses in preparation of financial statements in accordance with IFRSs. Actual results could differ from these estimates.

Accounting estimates and its underlying assumptions are continually reviewed. The impact of revisions to accounting estimates is prospectively recognized in the period when the revision is made and in subsequent periods.

Monex Group, Inc. / April 2023

Consolidated Financial Summary

For the fiscal year ended March 31, 2023

(Millions of Yen)

	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023	%change
Operating results (from Apr. 1, 2022 to Mar. 31, 2023):			
Operating revenue	88,783	79,304	-10.7%
Profit before income taxes	20,801	4,669	-77.6%
Profit	13,032	3,324	-74.5%
Profit attributable to :			
Owners of the Company.	13,017	3,392	-73.9%
Comprehensive income.	14,810	4,286	-71.1%
Earnings per share attributable to owners of the Company			
Basic earnings per share(yen)	50.00	12.85	—
Diluted earnings per share(yen)	—	—	—

(Millions of Yen)

	As of March 31,2022	As of March 31,2023
Financial Position		
Total assets	1,607,761	1,504,110
Total equity	106,018	100,754
Equity attributable to owners of the Company	104,286	99,641
Ratio of equity attributable to owners of the parent (%)	6.5%	6.6%

Note: Earnings per share attributable to owners of the Company are computed by dividing profit attributable to owners by the weighted average number of common shares outstanding for the period.

(1) Consolidated Statements of Income

	(Millions of Yen)	
	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Revenue:		
Operating revenue	88,783	79,304
Other financial income	2,401	369
Other income	5,128	1,548
Total revenue	96,311	81,221
Expenses:		
Financial expenses	5,183	5,778
Cost of sales	51	210
Selling, general and administrative expenses	68,601	68,487
Other financial expenses.....	102	98
Other expenses.....	1,560	1,970
Equity in losses of equity method investments	14	9
Total expenses	75,510	76,553
Profit before income taxes	20,801	4,669
Income tax expense.....	7,770	1,345
Profit	13,032	3,324
Profit or loss attributable to:		
Owners of the Company	13,017	3,392
Non-controlling interests	14	(68)
Earnings per share attributable to owners of the Company:	(in yen)	(in yen)
Basic earnings per share	50.00	12.85
Diluted earnings per share	—	—

(2) Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Profit	13,032	3,324
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Changes in fair value of equity instruments measured at fair value through other comprehensive income	63	(140)
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments measured at fair value through other comprehensive income	(814)	(1,334)
Foreign currency translation adjustments in foreign operations	2,526	2,434
Share of other comprehensive income of equity method investments	3	2
Other comprehensive income after income taxes	1,778	962
Comprehensive income	14,810	4,286
Comprehensive income attributable to:		
Owners of the Company	14,795	4,354
Non-controlling interests	14	(68)

(3) Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2022	As of Mar. 31, 2023
Assets:		
Cash and cash equivalents	253,458	175,159
Money held in trust	843,590	863,834
Trading securities and other	7,843	5,863
Derivative assets	15,335	15,101
Inventories	56,463	18,972
Investments in securities	12,008	13,149
Margin transaction assets	162,285	182,491
Loans secured by securities	91,376	85,206
Other financial assets	105,492	87,142
Property and equipment	6,564	6,043
Intangible assets	45,350	46,918
Equity method investments	344	577
Deferred tax assets	1,552	1,119
Other assets	6,100	2,536
Total assets	1,607,761	1,504,110
Liabilities and Equity:		
Liabilities:		
Trading securities and other	45	69
Derivative liabilities	8,997	6,242
Margin transaction liabilities	29,004	33,949
Loans payable secured by securities	159,317	174,647
Deposits received	592,373	535,150
Guarantee deposits received	348,569	373,233
Bonds and loans payable	262,627	241,062
Other financial liabilities	29,898	13,877
Provisions	463	627
Income taxes payable	4,510	1,316
Deferred tax liabilities	1,959	836
Other liabilities	63,981	22,348
Total liabilities	1,501,742	1,403,355
Equity:		
Common stock	13,144	13,144
Additional paid-in capital	41,174	41,027
Treasury stock	(383)	(714)
Retained earnings	39,268	34,509
Other components of equity	11,084	11,675
Equity attributable to owners of the Company	104,286	99,641
Non-controlling interests	1,732	1,113
Total equity	106,018	100,754
Total liabilities and equity	1,607,761	1,504,110

(4) Consolidated Statement of Changes in Equity

	Equity attributable to owners of the Company								
	Common stock	Additional paid-in capital	Treasury stock	Retained earnings	Other components of equity				
					Total				
				Changes in fair value of equity instruments measured at fair value through other comprehensive income	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Foreign currency translation adjustments in foreign operations	Share-based payments	Share of other comprehensive income of equity method investments	
Balance as of April 1, 2021	¥10,394	¥40,253	¥(446)	¥30,148	¥717	¥656	¥8,153	¥(324)	¥23
Profit	—	—	—	13,017	—	—	—	—	—
Other comprehensive income	—	—	—	—	63	(814)	2,526	—	3
Total comprehensive income	—	—	—	13,017	63	(814)	2,526	—	3
Transactions with owners:									
Issuance of new shares	2,750	2,750	—	—	—	—	—	—	—
Dividends paid	—	—	—	(3,892)	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—
Disposition of treasury stock	—	75	63	—	—	—	(138)	—	—
Recognition of share-based payments	—	—	—	(6)	—	—	—	219	—
Recognition of share acquisition rights	—	—	—	—	—	—	—	—	—
Changes of interests in subsidiaries without losing control	—	(1,904)	—	—	—	—	—	—	—
Total of transactions with owners	2,750	921	63	(3,897)	—	—	—	81	—
Balance as of March 31, 2022	¥13,144	¥41,174	¥(383)	¥39,268	¥780	¥(159)	¥10,679	¥(242)	¥26

	Equity attributable to owners of the Company		Non-controlling interests	Total equity
	Other components of equity	Total		
	Sub—total			
Balance as of April 1, 2021	¥9,225	¥89,573	¥952	¥90,524
Profit	—	13,017	14	13,032
Other comprehensive income	1,778	1,778	—	1,778
Total comprehensive income	1,778	14,795	14	14,810
Transactions with owners:				
Issuance of new shares	—	5,500	—	5,500
Dividends paid	—	(3,892)	—	(3,892)
Dividends to non-controlling interests	—	—	(32)	(32)
Disposition of treasury stock	(138)	—	—	—
Recognition of share-based payments	219	214	—	214
Recognition of share acquisition rights	—	—	60	60
Changes of interests in subsidiaries without losing control	—	(1,904)	738	(1,166)
Total of transactions with owners	81	(82)	766	684
Balance as of March 31, 2022	¥11,084	¥104,286	¥1,732	¥106,018

	Equity attributable to owners of the Company								
	Common stock	Additional paid—in capital	Treasury stock	Retained earnings	Other components of equity				
					Total				
				Changes in fair value of equity instruments measured at fair value through other comprehensive income	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Foreign currency translation adjustments in foreign operations	Share—based payments	Share of other comprehensive income of equity method investments	
Balance as of April 1, 2022	¥13,144	¥41,174	¥(383)	¥39,268	¥780	¥(159)	¥10,679	¥(242)	¥26
Profit	—	—	—	3,392	—	—	—	—	—
Other comprehensive income	—	—	—	—	(140)	(1,334)	2,434	—	2
Total comprehensive income	—	—	—	3,392	(140)	(1,334)	2,434	—	2
Transactions with owners:									
Dividends paid	—	—	—	(4,136)	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	(5,073)	—	—	—	—	—	—
Disposition of treasury stock	—	257	382	—	—	—	—	(639)	—
Cancellation of treasury shares	—	(4,360)	4,360	—	—	—	—	—	—
Transfer from retained earnings to capital surplus	—	3,956	—	(3,956)	—	—	—	—	—
Recognition of share—based payments	—	—	—	(59)	—	—	—	268	—
Changes of interests in subsidiaries without losing control	—	1	—	—	—	—	—	—	—
Total of transactions with owners	—	(147)	(331)	(8,150)	—	—	—	(371)	—
Balance as of March 31, 2023	¥13,144	¥41,027	¥(714)	¥34,509	¥640	¥(1,493)	¥13,113	¥(614)	¥28

	Equity attributable to owners of the Company		Non—controlling interests	Total equity
	Other components of equity			
	Sub—total	Total		
Balance as of April 1, 2022	¥11,084	¥104,286	¥1,732	¥106,018
Profit	—	3,392	(68)	3,324
Other comprehensive income	962	962	—	962
Total comprehensive income	962	4,354	(68)	4,286
Transactions with owners:				
Dividends paid	—	(4,136)	—	(4,136)
Dividends to non-controlling interests	—	—	(550)	(550)
Purchase of treasury shares	—	(5,073)	—	(5,073)
Disposition of treasury stock	(639)	—	—	—
Cancellation of treasury shares	—	—	—	—
Transfer from retained earnings to capital surplus	—	—	—	—
Recognition of share—based payments	268	209	—	209
Changes of interests in subsidiaries without losing control	—	1	(1)	—
Total of transactions with owners	(371)	(8,999)	(551)	(9,550)
Balance as of March 31, 2023	¥11,675	¥99,641	¥1,113	¥100,754

(5) Consolidated Statements of Cash Flows

	(Millions of Yen)	
	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Cash flows from operating activities:		
Profit before income taxes	20,801	4,669
Depreciation and amortization.....	8,418	8,542
Impairment loss on non-financial assets	671	370
Financial income and financial expenses.....	(16,002)	(23,906)
Decrease/increase in derivative assets and liabilities.....	107	(2,520)
Decrease/increase in assets/liabilities for margin transaction	11,099	(15,262)
Decrease/increase in loans/loans payable secured by securities	(6,994)	21,399
Decrease/increase in money held in trust.....	(63,684)	7,738
Decrease/increase in deposits received and guarantee deposits received.....	81,132	(66,721)
Decrease/increase in short-term loans receivable	7,711	2,262
Decrease/increase in short-term guarantee deposits	17,854	14,908
Other, net	(9,515)	2,670
Sub total	51,598	(45,851)
Interest and dividends income received	16,382	26,487
Interest expenses paid.....	(4,984)	(5,475)
Income taxes refund/paid.....	(11,295)	(6,139)
Net cash provided by (used in) operating activities	51,701	(30,977)
Cash flows from investing activities:		
Payments into time deposits	—	(13,035)
Purchase of investments in securities	(703)	(696)
Proceeds from sales and redemption of securities	1,719	495
Purchase of property and equipment.....	(646)	(889)
Purchase of intangible assets	(5,964)	(6,919)
Payments for acquisition of subsidiaries	(361)	(227)
Payments for acquisition of non-controlling interests.....	—	(200)
Payments for acquisition of joint ventures.....	—	(15)
Other, net	(71)	(388)
Net cash provided by (used in) investing activities	(6,026)	(21,873)
Cash flows from financing activities:		
Proceeds from issuance of shares	5,470	—
Net increase/decrease in short-term loans payable	38,181	(25,665)
Proceeds from short-term loans payable	—	200
Repayment of short-term loans payable.....	—	(200)
Proceeds from issuance of bonds payable.....	10,667	5,196
Redemption of bonds payable.....	(20,800)	(5,700)
Proceeds from long-term loans payable.....	24,610	3,000
Repayment of long-term loans payable	(38,857)	(15)
Purchase of treasury stock	—	(5,073)
Cash dividends paid.....	(3,884)	(4,130)
Capital contribution from non-controlling interests.....	392	—
Payments for acquisition of non-controlling interests.....	(1,343)	—
Dividends paid to non-controlling interests	(32)	(550)
Repayments of lease obligations.....	(1,056)	(1,185)
Other, net	416	(35)
Net cash provided by (used in) financing activities	13,763	(34,156)
Net increase/decrease in cash and cash equivalents	59,438	(87,006)
Cash and cash equivalents at the beginning of period	186,683	253,458
Effect of exchange rate change on cash and cash equivalents	7,337	8,707
Cash and cash equivalents at the end of period	253,458	175,159

(6) Going Concern Assumption

Not applicable.

(7) Notes to the Consolidated Financial Statements

1. Changes in accounting policies

The Group has adopted the following standards from the current fiscal period.

Standards		New/revised requirements
IAS 16	Property, plant and equipment	Prohibits the deduction of income before intended use from the cost of property, plant and equipment
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Specifies which costs an entity should include when assessing whether a contract is loss-producing
IFRS 3	Business Combinations	Updated references to the Conceptual Framework for Financial Reporting in IFRS 3
IFRS 9	Financial Instruments	Clarify fees to be included in the 10% test for derecognition of financial liabilities

There was no material impact in the current fiscal year.

2. Changes in the method of presentation

“Decrease/increase in short-term guarantee deposits,” which was included in “Other, net” of “Cash flow from operating activities” in the prior fiscal period, is presented separately in the current fiscal period due to its increased importance in terms of amount.

To reflect this change in the method of presentation, the consolidated statements of cash flows for the prior fiscal period have been reclassified.

As a result, “Other, net” of “Cash flow from operating activities” ¥8,339 million, which was presented in the consolidated statements of cash flows for the prior fiscal period, have been reclassified to “Decrease/increase in short-term guarantee deposits” ¥17,854 million and “Other, net” ¥(9,515) million.

3. Segment Information

(1) Operating segment

The main businesses of the Group are the financial instruments business, cryptocurrency exchange service provider and investment business of securities. The disclosed segments are the 5 segments of "Japan," "U.S.," "Crypto Asset," "Asia-Pacific," and "Investment."

Segment	Main business	Main company
Japan	Financial instruments business in Japan	Monex, Inc. Monex Asset Management, Inc.
U.S.	Financial instruments business in U.S.	TradeStation Securities, Inc.
Crypto Asset	Crypto currency exchange service	Coincheck, Inc.
Asia-Pacific	Financial instruments business in Hong-Kong and Australia	Monex Boom Securities(H.K.) Limited Monex Securities Australia Pty Ltd
Investment	Investment business of securities	Monex Ventures, Inc. MV I Investment Limited Partnership MV II Investment Limited Partnership

Notes: Each entity is an independent management unit that establishes comprehensive strategies and conducts business activities

The Group's operating results by reporting segment

For the fiscal year ended March 31, 2022

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Operating revenue from external customers	¥31,565	¥26,271	¥28,656	¥1,213	¥1,079	¥88,783	¥-	¥-	¥88,783
Internal operating revenue or transferred amount between segments	300	944	18	12	-	1,273	9,583	(10,856)	-
Total	31,865	27,214	28,673	1,225	1,079	90,056	9,583	(10,856)	88,783
Financial expenses	(1,427)	(3,520)	(1)	(3)	(614)	(5,565)	-	382	(5,183)
Cost of sales	-	(115)	(51)	-	-	(166)	-	115	(51)
Depreciation and amortization	(5,107)	(2,604)	(600)	(107)	-	(8,418)	-	-	(8,418)
Other selling, general and administrative expenses	(20,143)	(26,984)	(14,309)	(976)	(89)	(62,500)	-	2,317	(60,183)
Other income and expenses (net amount)	6,819	451	157	5	(0)	7,432	-	(1,565)	5,867
Equity in profits or losses of equity method investments	(42)	-	-	27	-	(14)	-	-	(14)
Segment profit or loss (profit before income taxes)	¥11,965	¥(5,557)	¥13,870	¥171	¥376	¥20,825	¥9,583	¥(9,607)	¥20,801

The following financial income and sales revenue are included in the operating revenue.

Millions of Yen

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Financial income	¥10,156	¥7,773	-	¥131	¥1,079	¥19,137	¥9,583	¥(9,835)	¥18,886
Sales revenue	-	132	950	-	-	1,082	-	(132)	950

Notes: (*1) Others are dividends from reporting segment to the Company

(*2) Adjustment refers to elimination between segments.

(*3) Transactions between segments are made by arm's length price.

(*4) Segment profit or loss is profit or loss before income taxes.

For the fiscal year ended March 31, 2023

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Operating revenue from external customers	¥31,968	¥37,979	¥7,559	¥1,094	¥705	¥79,304	¥-	¥-	¥79,304
Internal operating revenue or transferred amount between segments	667	1,297	24	10	-	1,998	4,450	(6,448)	-
Total	32,635	39,276	7,583	1,103	705	81,302	4,450	(6,448)	79,304
Financial expenses	(1,695)	(4,309)	(3)	(50)	(397)	(6,454)	-	676	(5,778)
Cost of sales	-	(464)	(210)	-	-	(674)	-	464	(210)
Depreciation and amortization	(4,713)	(3,219)	(483)	(127)	-	(8,542)	-	-	(8,542)
Other selling, general and administrative expenses	(22,432)	(29,957)	(7,607)	(1,078)	(91)	(61,165)	-	1,220	(59,945)
Other income and expenses (net amount)	2,028	(1,554)	(155)	(45)	4	278	-	(428)	(150)
Equity in profits or losses of equity method investments	(42)	-	-	38	(5)	(9)	-	-	(9)
Segment profit or loss (profit before income taxes)	¥5,781	¥(227)	¥(876)	¥(158)	¥216	¥4,735	¥4,450	¥(4,517)	¥4,669

The following financial income and sales revenue are included in the operating revenue.

Millions of Yen

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Financial income	¥12,412	¥16,693	—	¥212	¥705	¥30,022	¥4,450	¥(5,059)	¥29,413
Sales revenue	—	534	962	—	—	1,495	—	(535)	960

Notes: (*1) Others are dividends from reporting segment to the Company.

(*2) Adjustment refers to elimination between segments.

(*3) Transactions between segments are made by arm's length price.

(*4) Segment profit or loss is profit or loss before income taxes.

(2) Non-current assets (other than financial assets and deferred tax assets) by segment

As of March 31, 2022 and 2023

	Millions of Yen	
	2022	2023
Japan	¥24,879	¥25,195
U.S.	26,170	27,096
Asia-Pacific	987	979
Total	¥52,036	¥53,269

4. Earnings per Share

The basis for calculating basic earnings per share and diluted earnings per share for the current fiscal year is as follows

	Millions of Yen	
	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Earnings per share attributable to owners of the Company		
Basic	¥13,017	¥3,392
Adjustment(*1)	—	—
Diluted	¥13,017	¥3,392

	Thousands of Share	
	For the fiscal year ended Mar. 31, 2022	For the fiscal year ended Mar. 31, 2023
Weighted average number of shares		
Basic	260,369	264,018
Adjustment (*1)	—	—
Diluted	260,369	264,018

(8) Events after the Reporting Period

Not applicable