

# Financial Results of Fiscal Year Ended March 31, 2013

---

This is an English translation of Japanese presentation material prepared in connection with the disclosure of the financial results of Monex Group, Inc. It includes information derived from the consolidated financial statements of Monex Group, Inc. which are prepared in accordance with International Financial Reporting Standards ("IFRS").

**<Forward-looking Statements>**

This presentation material 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 on 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.



## Important Matters Concerning Product-related Risks

---

**This material is explanatory material on the financial results of Monex Group, Inc. (“the Company”). The descriptions herein concerning the products, services, etc. which are handled by the Company’s group companies (“the Group Companies”), are made only for disclosure purposes and are given to describe matters which are required for providing specific explanations concerning the Company. Therefore, this material is not intended to recommend, or conduct solicitation for, any of such products, services, etc.**

**Any party who wishes to actually purchase products, services, etc. handled by the Group Companies may be required to take necessary advance procedures designated by the relevant group company including opening of an account, and to pay fees and/or expenses as designated by the relevant group company. Each of the traded products may suffer a loss in the invested principal due to fluctuation of price and other factors. In addition, the investors may be required to pledge a designated amount of margin deposits upon conducting margin trading, futures and option transactions or foreign exchange margin trading. There is a risk that the investor may suffer losses exceeding the amount of margin deposits (initial investment) provided for such trading.**

**For more details concerning important matters such as the products and services offered by the Group Companies and the fees or risks associated with each product, please refer to the website of the relevant group company.**

## **Our Business Principles**

**"MONEX" stands for the future of finance, one step advanced from "MONEY"**

**The Monex Group is aspiring to empower traders and investors worldwide with best of breed technology, education, service and financial professionalism to provide access to top financial markets globally**

**To achieve this we are committed to:**

- Celebrating the diversity of each and every one of our customers and employees;**
- Driving the future of technology and first class financial professionalism that empowers traders and investors; and**
- Creating new value to contribute to all stakeholders**

## About accounting standard

We prepare consolidated financial statements for the year ended March 31, 2013 in accordance with International Financial Reporting Standards (IFRS). The numbers on this material are based on IFRS unless otherwise noted, the numbers mentioned as “JGAAP” are based on generally accepted accounting principles in Japan.

Audit reports or quarterly review reports of independent auditors include the followings.

	IFRS	JGAAP
The 1 <sup>st</sup> quarter of the fiscal year ended March 31, 2012	Out of the scope of audit and review	Quarterly review report was received
The 2 <sup>nd</sup> quarter of the fiscal year ended March 31, 2012		
The 3 <sup>rd</sup> quarter of the fiscal year ended March 31, 2012		
The fiscal year ended March 31, 2012	Under audit by independent auditors as compared period of the fiscal year ended March 31, 2013 and audit report will be received in June 2013 (*)	Audit report was received
The 1 <sup>st</sup> quarter of the fiscal year ended March 31, 2013	Under audit by independent auditors as compared period of the 1 <sup>st</sup> quarter of the fiscal year ending March 31, 2014 and quarterly review report will be received in August 2013 (*)	Quarterly review report was received
The 2 <sup>nd</sup> quarter of the fiscal year ended March 31, 2013	Under audit by independent auditors as compared period of the 2 <sup>nd</sup> quarter of the fiscal year ending March 31, 2014 and quarterly review report will be received in November 2013 (*)	
The 3 <sup>rd</sup> quarter of the fiscal year ended March 31, 2013	Under audit by independent auditors as compared period of the 3 <sup>rd</sup> quarter of the fiscal year ending March 31, 2014 and quarterly review report will be received in February 2014 (*)	
The fiscal year ended March 31, 2013	Under audit by independent auditors and audit report will be received in June 2013 (*)	Out of the scope of audit and review

(\*) Figures in this material are not confirmed

Table of Contents

---

<b>Important Matters Concerning Product-related Risks</b>	<b>p. 1</b>
<b>Our Business Principles</b>	<b>p. 2</b>
<b>About accounting standard</b>	<b>p. 3</b>
<b>Table of Contents</b>	<b>p. 4</b>
<b>I. Who we are &amp; our growth strategy</b>	<b>p. 5 ~ p. 7</b>
<b>II. Financial Results</b>	<b>p. 8 ~ p.19</b>
<b>III. Global Vision &amp; Strategies</b>	<b>p.20~ p.29</b>
<b>IV. Data</b>	<b>p.30</b>
<b>Part 1 Market Data &amp; Transaction Data</b>	<b>p.31 ~ p.39</b>
<b>Part 2 Financial Data</b>	<b>p.40~ p.46</b>
<b>Part 3 Corporate Data</b>	<b>p.47~ p.52</b>
<b>V. Adopting IFRS</b>	<b>p.53~ p.67</b>

# **I. Who we are & our growth strategy**

## II. Financial Results

## III. Global Vision & Strategies

## IV. Data

## V. Adopting IFRS

## Who we are & Our goal

### ■ Our goal

To become a truly global online financial service provider which empowers investors and traders worldwide to access global markets and best-of-breed products

### ■ Our growth strategy - “Global Vision”

### ■ Our core businesses & locations

- Online brokerage & FX service
- Japan, U.S. and China (Hong Kong)



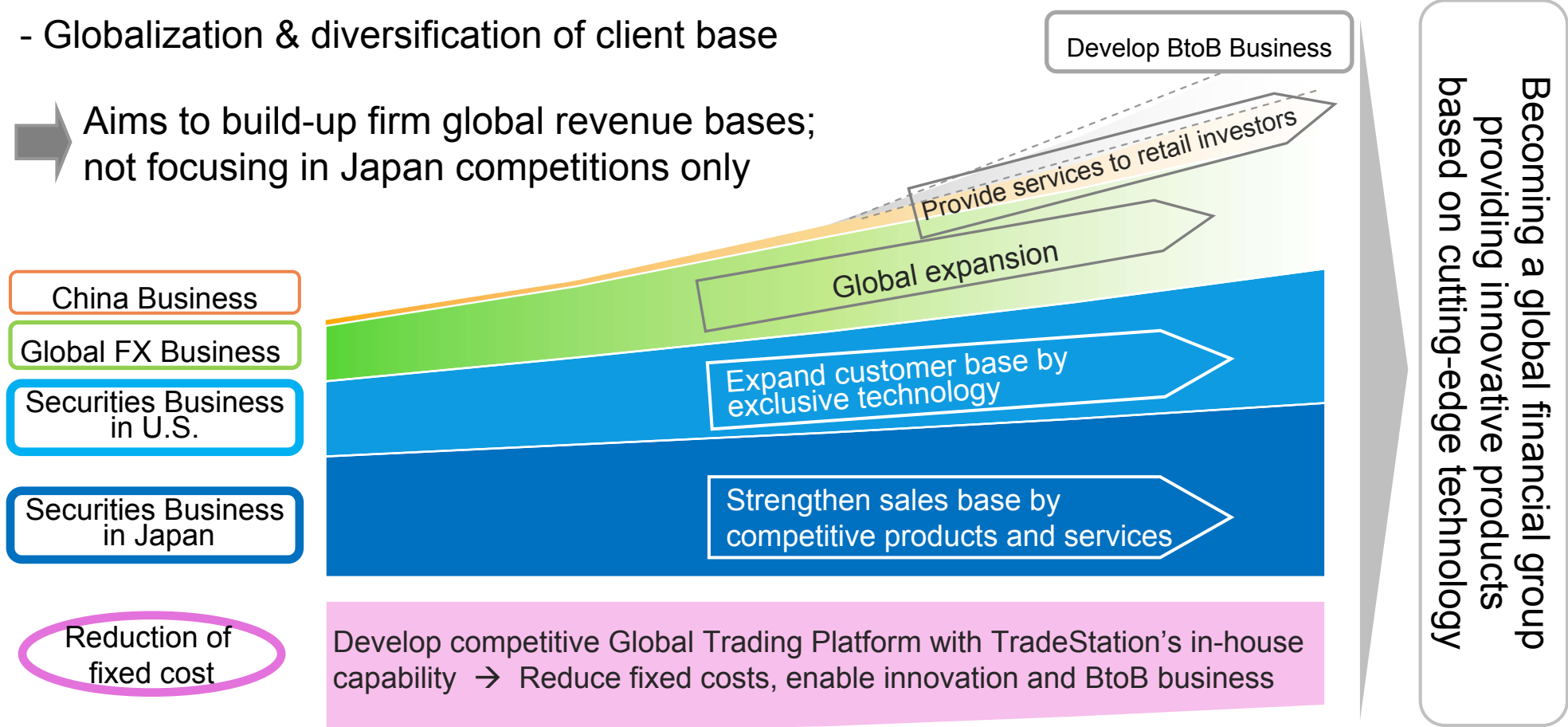
**Our growth strategy – “Global Vision”**

(Refer to “III. Global Vision & Strategies” for details)

Global Vision – Strategies for revenue growth & cost management

- Inter-group synergetic use of competitive in-house-developed Global Trading Platform
- Boost competitiveness with globalized product & service lineups
- Globalization & diversification of client base

➔ Aims to build-up firm global revenue bases; not focusing in Japan competitions only





I. Who we are & our growth strategy

**II. Financial Results**

III. Global Vision & Strategies

IV. Data

V. Adopting IFRS

## Major Business Activities this Quarter

### For the 4<sup>th</sup> quarter of the fiscal year ended March 31, 2013

#### ◆New adoption of International Financial Reporting Standards (IFRS)

Efforts from the aspects of accounting and finance toward the realization of Global Vision

#### ◆The continuing rise in equity market of Japan due to Abenomics

- Japan segment : The stock trading volume of Monex, Inc. in this quarter was about 2.7 times of those in the previous quarter  
The brokerage commissions of stocks was 223% of those in the previous quarter
- U.S. segment : The brokerage commissions of stocks for TradeStation was 123% of those in the previous quarter
- China segment : The brokerage commissions of stocks for Monex Boom Securities (H.K.) was 155% of those in the previous quarter due to the recovery of equity market in Hong Kong
- Global FX business : Trading volume and trading revenue was significantly increased due to the impact of yen depreciation  
The business in Japan and U.S. was intensified and rationalized

#### ◆Impairment loss on goodwill

Impairment loss on goodwill of 2,524 million yen that was initially recognized in acquisition of U.S. subsidiary was recognized as result of impairment test under IFRS

#### ◆Sale of investment securities

The stock of Japan Exchange Group, Inc. held by Monex, Inc. was sold and the gain on sale of investment securities was 4,604 million yen

#### ◆Status after fiscal year end

The stock of Lifenet Insurance Company was sold in April 2013 and the gain on sale of investment securities was 2,288 million yen.

Japan segment: The stock trading value in April 2013 kept increasing and was 1.5 times of that in March 2013 due to the continuing Abenomics impact and the Monex, Inc.'s customers' assets in custody as of April 30, 2013 exceeded 3 trillion yen

#### Ref: Overview of Market

•Nikkei 225 Average :	+19.3% from Dec. 31, 2012 +23.0% from Mar. 31, 2012	•VIX Avg. Close:	-19.2% from 3Q of FYE Mar. 2013 -30.9% from 4Q of FYE Mar. 2012
•Trading Value (*1) :	+157.7% from 3Q of FYE Mar. 2013 +38.4% from 4Q of FYE Mar. 2012	•NYSE Trading Value:	+0.5% from 3Q of FYE Mar. 2013 -23.0% from 4Q of FYE Mar. 2012
•FX trading volume (Japan): (*2)	+126.2% from 3Q of FYE Mar. 2013 +27.8% from 4Q of FYE Mar. 2012	•FX trading volume (Global): (*3)	+37.5% from 3Q of FYE Mar. 2013 +4.3% from 4Q of FYE Mar. 2012

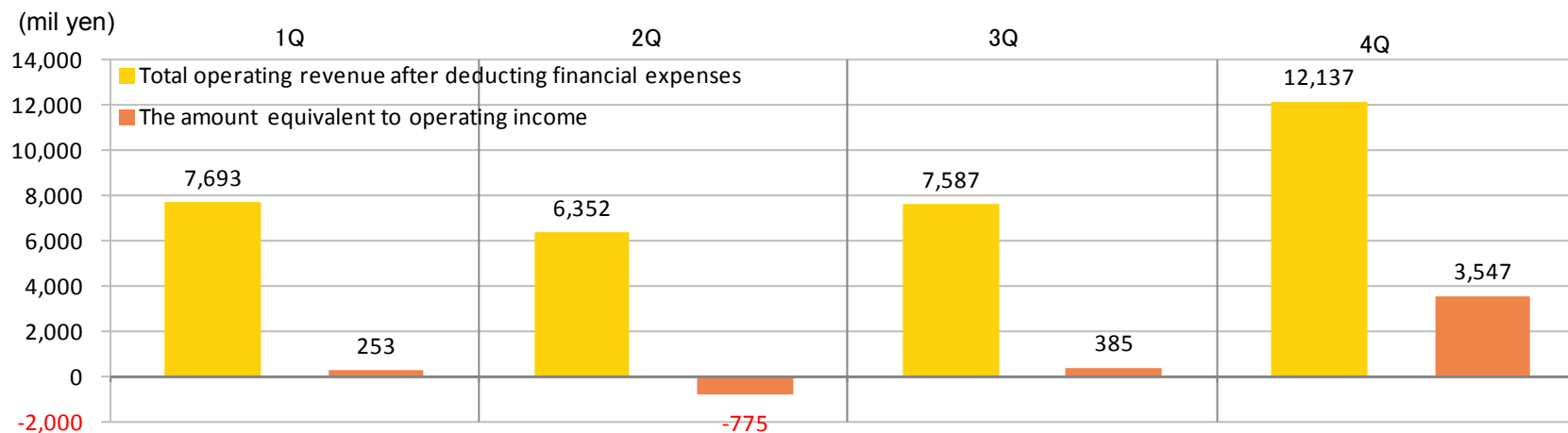
(\*1) Total trading value of individual investors in 3 Japanese major markets

(\*2) Source: Financial Futures Association of Japan

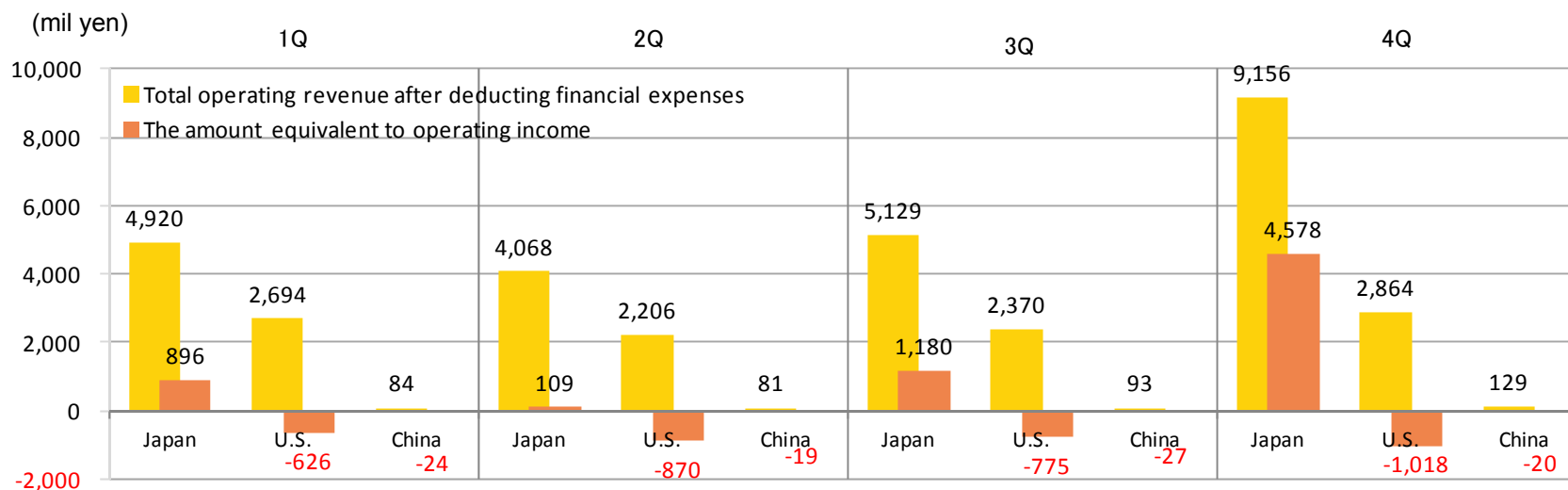
(\*3) Source: Forex Magnates

Trends of Quarterly Financial Results (FYE Mar. 31, 2013)

◆ Consolidated Basis



◆ By Local Segment



Financial Summary : 3Q of FYE Mar. 31, 2013 vs. 4Q of FYE Mar. 31, 2013 (in 3 months) (1)

(in million yen, %)

	3Q of FYE Mar. 31, 2013 (Oct. 2012– Dec. 2012 )	4Q of FYE Mar. 31, 2013 (Jan. 2013– Mar. 2013)	Fluctuation (%)
Total revenue	8,228	17,557	+113.4 %
Total expense	7,962	12,152	+52.6 %
Income before income taxes	265	5,405	+1,936.9 %
Income tax expense	-15	3,042	-
Quarterly net income	280	2,362	+742.6 %
Quarterly net income attributable to owners of the Company	291	2,359	+711.1 %
EBITDA (*1)	1,106	8,781	+693.9 %

Ref. Reclassified presentation of consolidated statement of income

Total operating revenue	8,217	12,885	+56.8 %
Total operating revenue after deducting financial expenses	7,587	12,137	+60.0 %
Selling, general and administrative expenses	7,202	8,591	+19.3 %
The amount equivalent to operating income (*2)	385	3,547	+820.2 %
Other revenue (*3)	11	4,672	+42,640.6 %
Other expenses (*4)	131	2,814	+2,048.5 %
Income before income taxes	265	5,405	+1,936.9 %
Income tax expense	-15	3,042	-
Quarterly net income	280	2,362	+742.6 %
Quarterly net income attributable to owners of the Company	291	2,359	+711.1 %

\*1 EBITDA: Quarterly net income attributable to owners of the Company + Interest (excluding financial expenses related to margin trading business) + Income tax expense + Depreciation and Amortization + Revaluation loss of investment securities + Disposal loss of fixed assets

\*2 The amount equivalent to operating income : Total operating revenue after deducting financial expenses - Selling, general and administrative expenses

\*3 Other revenue : Other financial revenue (including gain on sales of investment securities) + Other revenue + Equity in earnings of affiliates

\*4 Other expenses : Other financial expenses + Other expenses (including impairment loss) + Equity in losses of affiliates

Financial Summary : 3Q of FYE Mar. 31, 2013 vs. 4Q of FYE Mar. 31, 2013 (in 3 months) (2)

By each segment

(in million yen, %)

	Japan			U.S.			China		
	3Q	4Q	Fluctuation(%)	3Q	4Q	Fluctuation (%)	3Q	4Q	Fluctuation (%)
Total revenue	5,305	14,029	+164.4%	2,883	3,553	+23.2%	93	130	+39.9%
Total expense	4,238	5,083	+19.9%	3,657	7,069	+93.3%	121	149	+23.1%
Income before income taxes	1,067	8,947	+738.4%	-774	-3,515	-	-28	-18	-

Ref. Reclassified presentation of consolidated statement of income

Total operating revenue	5,288	9,386	+77.5%	2,883	3,424	+18.7%	93	129	+38.5%
Total operating revenue after deducting financial expenses	5,129	9,156	+78.5%	2,370	2,864	+20.8%	93	129	+38.4%
Selling, general and administrative expenses	3,948	4,578	+16.0%	3,145	3,882	+23.4%	120	149	+24.3%
The amount equivalent to operating income (*1)	1,180	4,578	+287.9%	-775	-1,018	-	-27	-20	-
Other revenue (*2)	17	4,643	+26,598.1%	0	130	+28,113.6%	-	1	-
Other expenses (*3)	130	275	+110.7%	-	2,627	-	1	0	-139.1%
Income before income taxes	1,067	8,947	+738.4%	-774	-3,515	-	-28	-18	-

\*1 The amount equivalent to operating income : Total operating revenue after deducting financial expenses - Selling, general and administrative expenses

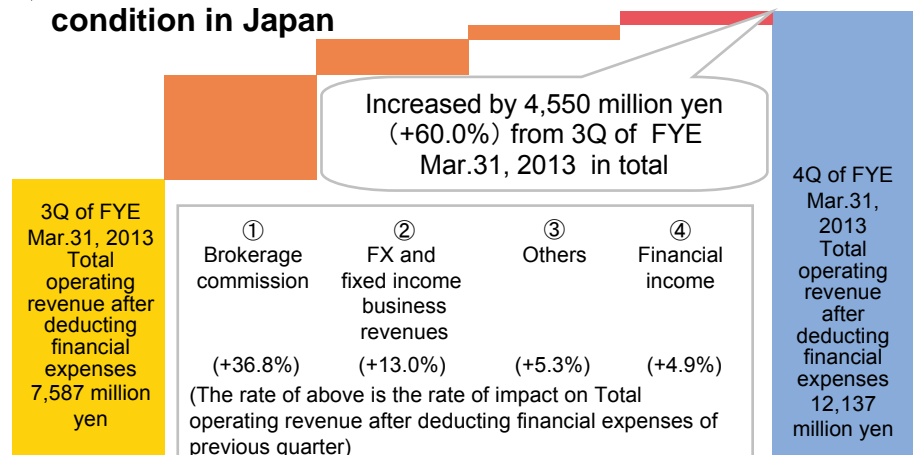
\*2 Other revenue : Other financial revenue (including gain on sales of investment securities) + Other revenue + Equity in earnings of affiliates

\*3 Other expenses : Other financial expenses + Other expenses (including impairment loss) + Equity in losses of affiliates

## Major Factors of Revenue and SG&A (Comparison with Previous Quarter)

### ■ Total operating revenue after deducting financial expenses : Comparison with 3Q of FYE Mar. 31, 2013

#### ◆ Commission increased due to the brisk market condition in Japan

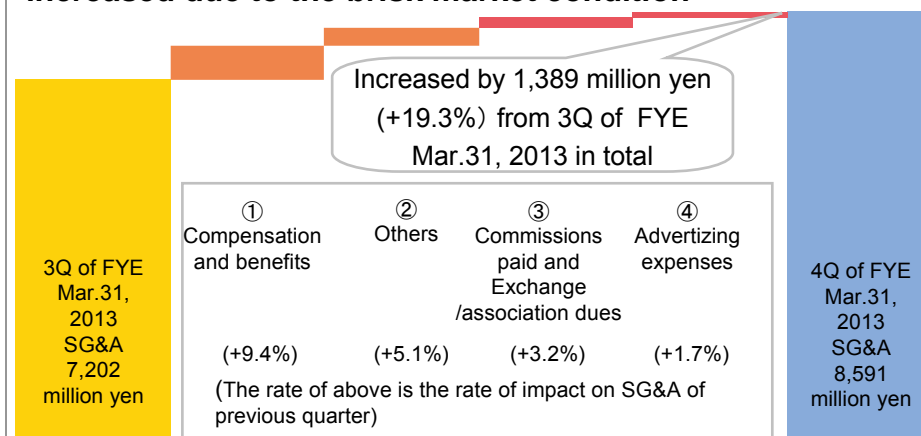


#### ◆ Major increasing factors (fluctuation compared to previous quarter)

- ① Brokerage commission (excluding OSE-FX) +2,789 million yen
  - The average share trading value per day of Monex, Inc.'s clients was 265% of that in the previous quarter
- ② FX and fixed income business revenues +988 million yen
  - Due to increase of FX revenues in Japan, etc
- ③ Others +404 million yen
  - Due to increase in mutual funds sales, etc.
- ④ Financial Income +370 million yen
  - Due to increase of the margin transaction in Japan, etc.

### ■ SG&A : Comparison with 3Q of FYE Mar. 31, 2013

#### ◆ Variable cost such as Transaction-related expenses increased due to the brisk market condition



#### ◆ Major increasing factors (fluctuation compared to previous quarter)

- ① Compensation and benefits +675 million yen
  - Increase in stock-price-linked bonus of Japan and U.S. due to the uptick stock price of the Company (368 million yen), increase in personnel expenses and benefits of U.S. (132million yen), and increase in bonus including temporary bonus in Japan (125 million yen), etc.
- ② Others +365 million yen
  - Increase in system related costs (\*), etc.
- ③ Commissions paid and Exchange/association dues +230 million yen
  - Increase due to the brisk market (167 million yen) , etc.
- ④ Advertizing expenses +119 million yen
  - Increase in affiliate costs due to increase in requests of materials for new account opening, etc.

\* System related costs = Rental and maintenance + Data processing and office supplies + Amortization and depreciation

Financial Summary : FYE Mar. 31, 2012 vs. FYE Mar. 31, 2013 (in 12 months) (1)

(in million yen, %)

	FYE Mar. 31, 2012 (Apr. 2011– Mar. 2012)	FYE Mar. 31, 2013 (Apr. 2012– Mar. 2013)	Fluctuation (%)
Total revenue	31,375	42,740	+36.2%
Total expense	28,707	35,742	+24.5%
Income before income taxes	2,668	6,998	+162.3%
Income tax expense	1,574	3,091	+96.4%
Net income	1,094	3,907	+257.2%
Net income attributable to owners of the Company	1,028	3,901	+279.3%
EBITDA (*1)	5,046	12,715	+152.0%

Ref. Reclassified presentation of consolidated statement of income

Total operating revenue	30,569	36,090	+18.1%
Total operating revenue after deducting financial expenses	28,888	33,769	+16.9%
Selling, general and administrative expenses	26,060	30,359	+16.5%
The amount equivalent to operating income (*2)	2,827	3,410	+20.6%
Other revenue (*3)	805	6,650	+725.7%
Other expenses (*4)	965	3,062	+217.4%
Income before income taxes	2,668	6,998	+162.3%
Income tax expense	1,574	3,091	+96.4%
Net income	1,094	3,907	+257.2%
Net income attributable to owners of the Company	1,028	3,901	+279.3%

\*1 EBITDA: Quarterly net income attributable to owners of the Company + Interest (excluding financial expenses related to margin trading business)  
+ Income tax expense + Depreciation and Amortization + Revaluation loss of investment securities + Disposal loss of fixed assets

\*2 The amount equivalent to operating income : Total operating revenue after deducting financial expenses - Selling, general and administrative expenses

\*3 Other revenue : Other financial revenue (including gain on sales of investment securities) + Other revenue + Equity in earnings of affiliates

\*4 Other expenses : Other financial expenses + Other expenses (including impairment loss) + Equity in losses of affiliates

Financial Summary : FYE Mar. 31, 2012 vs. FYE Mar. 31, 2013 (in 12 months) (2)

By each segment

(in million yen, %)

	Japan			U.S.			China		
	Prior Year	Current Year	Fluctuation(%)	Prior Year	Current Year	Fluctuation(%)	Prior Year	Current Year	Fluctuation(%)
Total revenue	22,343	30,791	+37.8%	8,675	11,856	+36.7%	454	388	-14.6%
Total expense	18,697	17,904	-4.2%	9,668	17,631	+82.4%	440	495	+12.5%
Income before income taxes	3,646	12,888	+253.4%	-993	-5,775	-	14	-107	-

Ref. Reclassified presentation of consolidated statement of income

Total operating revenue	21,567	24,151	+12.0%	8,644	11,727	+35.7%	454	387	-14.9%
Total operating revenue after deducting financial expenses	20,582	23,273	+13.1%	7,950	10,134	+27.5%	451	386	-14.6%
Selling, general and administrative expenses	16,742	16,510	-1.4%	8,884	13,423	+51.1%	437	475	+8.8%
The amount equivalent to operating income (*1)	3,840	6,763	+76.1%	-934	-3,289	-	15	-89	-
Other revenue (*2)	776	6,640	+755.5%	31	130	+312.1%	-	1	-
Other expenses (*3)	970	516	-46.8%	90	2,615	+2,799.6%	0	19	+10,728.6%
Income before income taxes	3,646	12,888	+253.4%	-993	-5,775	-	14	-107	-

\*1 The amount equivalent to operating income : Total operating revenue after deducting financial expenses - Selling, general and administrative expenses

\*2 Other revenue : Other financial revenue (including gain on sales of investment securities) + Other revenue + Equity in earnings of affiliates

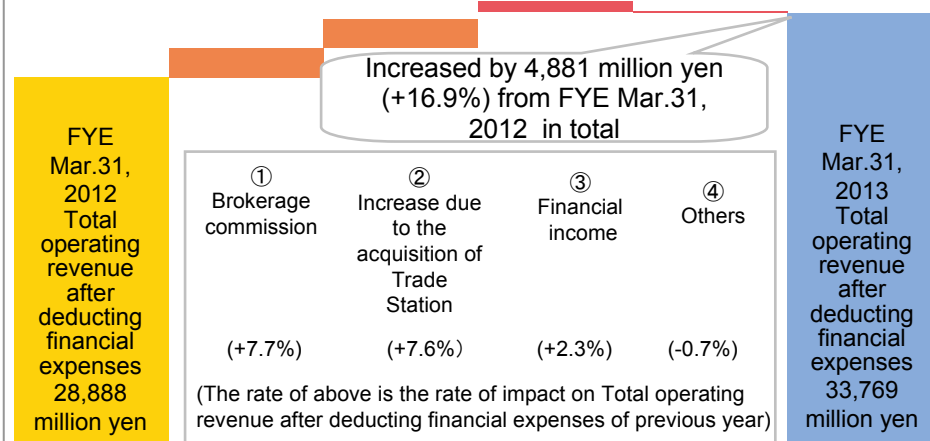
\*3 Other expenses : Other financial expenses + Other expenses (including impairment loss) + Equity in losses of affiliates



## Major Factors of Revenue and SG&A (Comparison with Last Fiscal Year)

### Revenue: Comparison with FYE Mar. 31, 2012

#### ◆ Commission increased due to the brisk market condition in Japan



#### ◆ Major increasing factors (fluctuation compared to previous quarter)

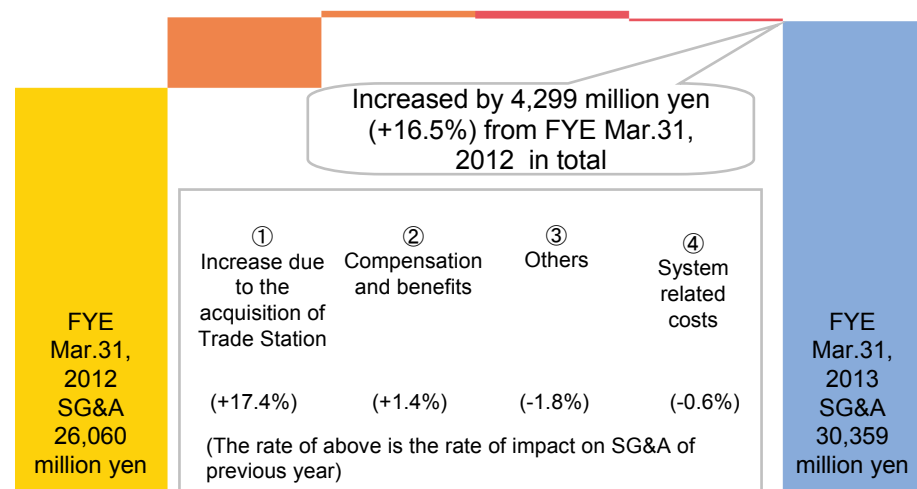
- ① Brokerage commission +2,223 million yen
  - The average share trading value per day of Monex, Inc.'s clients was 139% of that in the previous year
- ② The acquisition of Trade Station +2,184 million yen
  - The revenue for previous year includes only 9 months
- ③ Financial income +670 million yen
  - Gain on valuation of call option included in convertible bonds of Akatsuki FG (339 million yen), etc.

#### ◆ Major decreasing factors

- ④ Others -194 million yen
  - Decrease in FX and fixed income business revenue, etc.

### SG&A: Comparison with FYE Mar. 31, 2012

#### ◆ Increased due to the acquisition of TradeStation



#### ◆ Major increasing factors (fluctuation compared to previous quarter)

- ① The consolidation of TradeStation +4,541 million yen
  - The expenses for previous year includes only 9 months. Increase in compensation and benefits of TradeStation due to increase of employees and increase in stock-price-linked bonus due to the uptick stock price of the Company
- ② Compensation and benefits +369 million yen
  - Increase in bonus of Japan (206 million yen) and increase in cost due to in-house development in Japan

#### ◆ Major decreasing factors

- ③ Others -463 million yen
  - FYE March 31, 2012, acquisition related costs are included as temporary factor of the acquisition of TradeStation (507 million yen)
- ④ System related cost (\*) -147 million yen
  - Decrease in data processing fee due to in-house development

\* System related costs = Rental and maintenance + Data processing and office supplies + Amortization and depreciation

## Summary of statement of financial position

### ◆ Summary of statement of financial position as of March 31, 2013

<u>Assets</u>	<u>Liabilities</u>
<b>JPY682.2 bn</b>	<b>JPY602.5 bn</b>
<b>Major assets: related to financial instruments trading business</b>	<b>Major liabilities: related to financial instruments trading Business</b>
Cash segregated as deposits <b>JPY 349.8 bn</b> Trading securities and other <b>JPY 4.1 bn</b> Derivative assets <b>JPY 0.8 bn</b> Margin transaction assets <b>JPY 149.5 bn</b> Loans secured by securities <b>JPY 44.6 bn</b>	Derivative liabilities <b>JPY 7.6 bn</b> Margin transaction liabilities <b>JPY 39.7 bn</b> Deposits received <b>JPY 231.2 bn</b> Guarantee deposits received <b>JPY 131.5 bn</b> Loans payable secured by securities <b>JPY 67.7 bn</b>
(*1) Non-current type assets <b>JPY 39.7 bn</b>	<b>Net Capital</b> <b>JPY 79.7 bn</b>

#### (\*1) Non-current type assets (investment value of risk assets)

Property, plant and equipment	JPY 1.5 bn
Intangible assets (Goodwill)	17.1 bn (*2)
Intangible assets (Identifiable intangible assets)	14.9 bn (*3)
Intangible assets (Other)	5.3 bn
Equity method investments	0.8 bn

(\*2) Goodwill JPY 17.1 bn

Japan 7.6 bn, U.S. 9.1 bn, China 0.4 bn

(\*3) Identifiable intangible assets JPY 14.9 bn  
 U.S. 14.2 bn, China 0.7 bn

Non-current type assets are within the scope of net capital and sufficient capital is kept by the following facilities

Bank loan facility : JPY 137.3 bn (JPY73.9 bn not used)

Corporate bond(MTN) issuing facility : JPY40bn (JPY 30 bn not used)

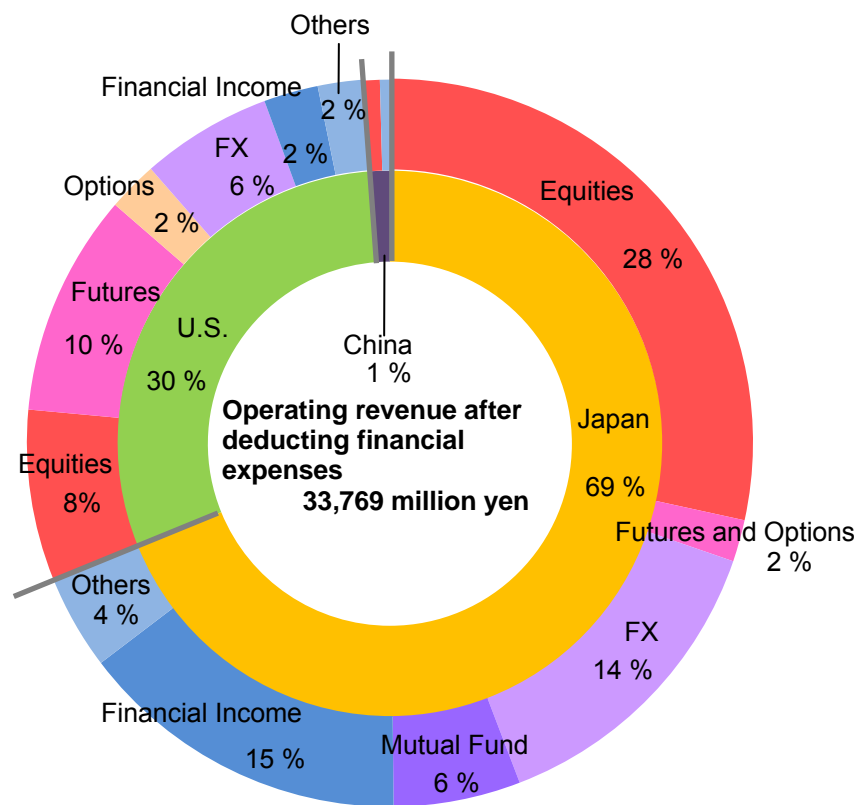
Commercial paper issuing facility : JPY30bn

Lending related to standardized margin trading (Available for borrowing from securities finance companies) : 57.4 bn

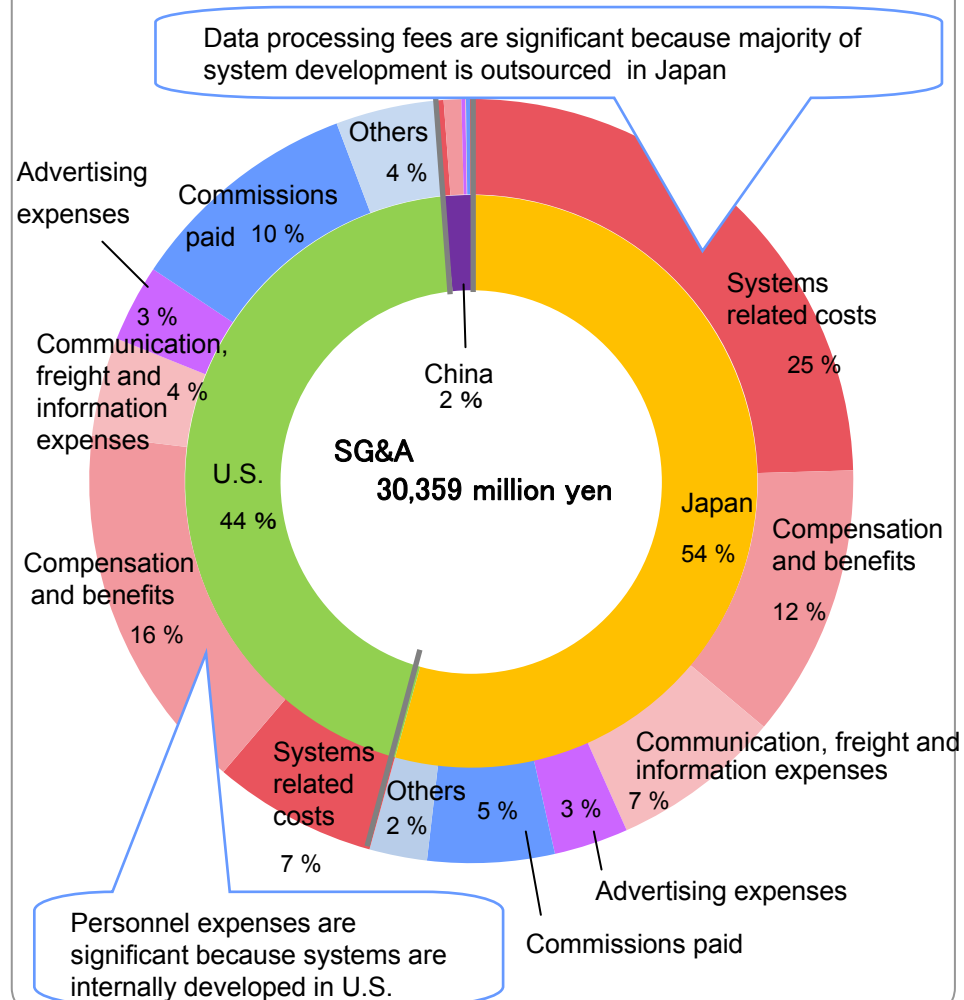
## Distribution of Revenue and SG&A by Regions & Items

■ FYE March 31, 2013 (12 months)

### ◆ Distribution of Operating revenue after deducting financial expenses

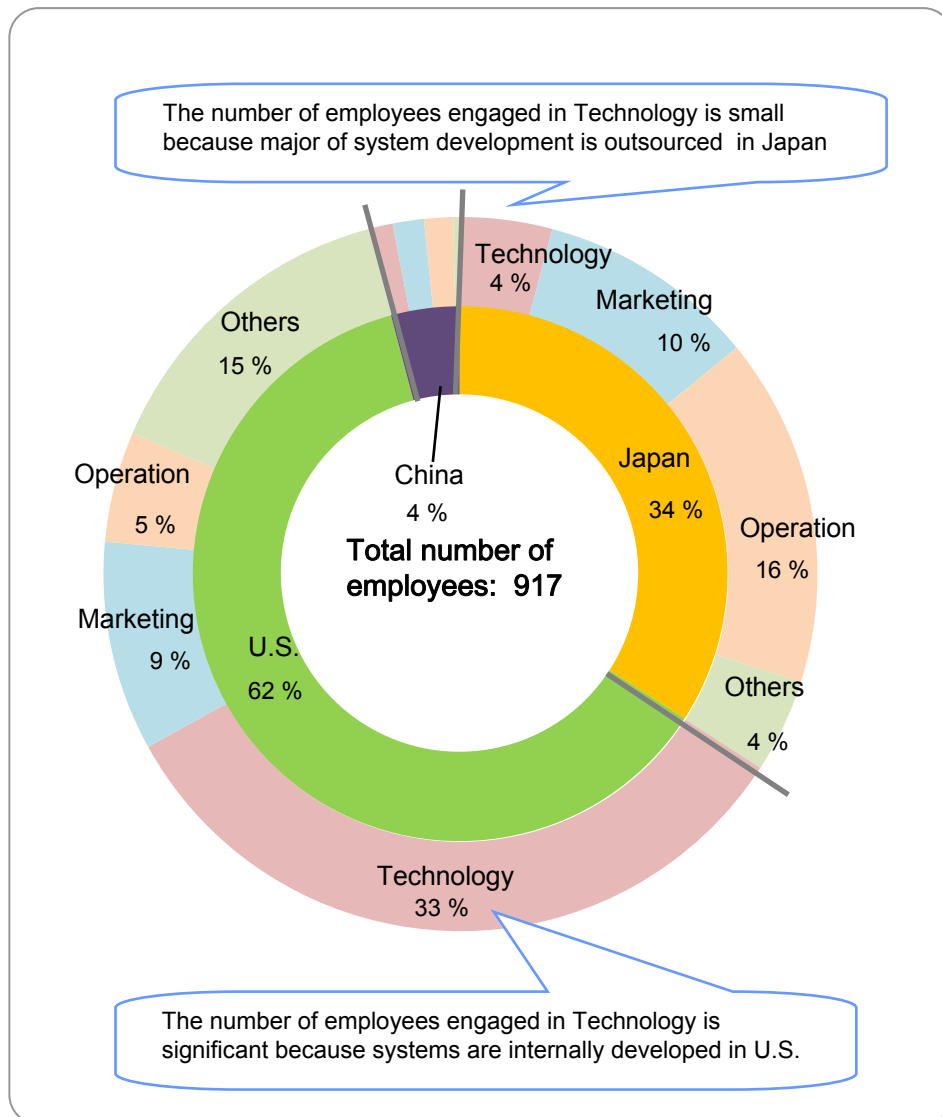


### ◆ Distribution of SG&A



## Distribution of Consolidated Personnel by Regions and Jobs

■ As the end of March 31, 2013



(unit : person)

	Japan segment	U.S. segment	China segment
Technology	38	301	10
Marketing	91	87	13
Operation	145	46	12
Others	39	132	3
Total	313	566	38

I. Who we are & our growth strategy

II. Financial Results

**III. Global Vision & Strategies**

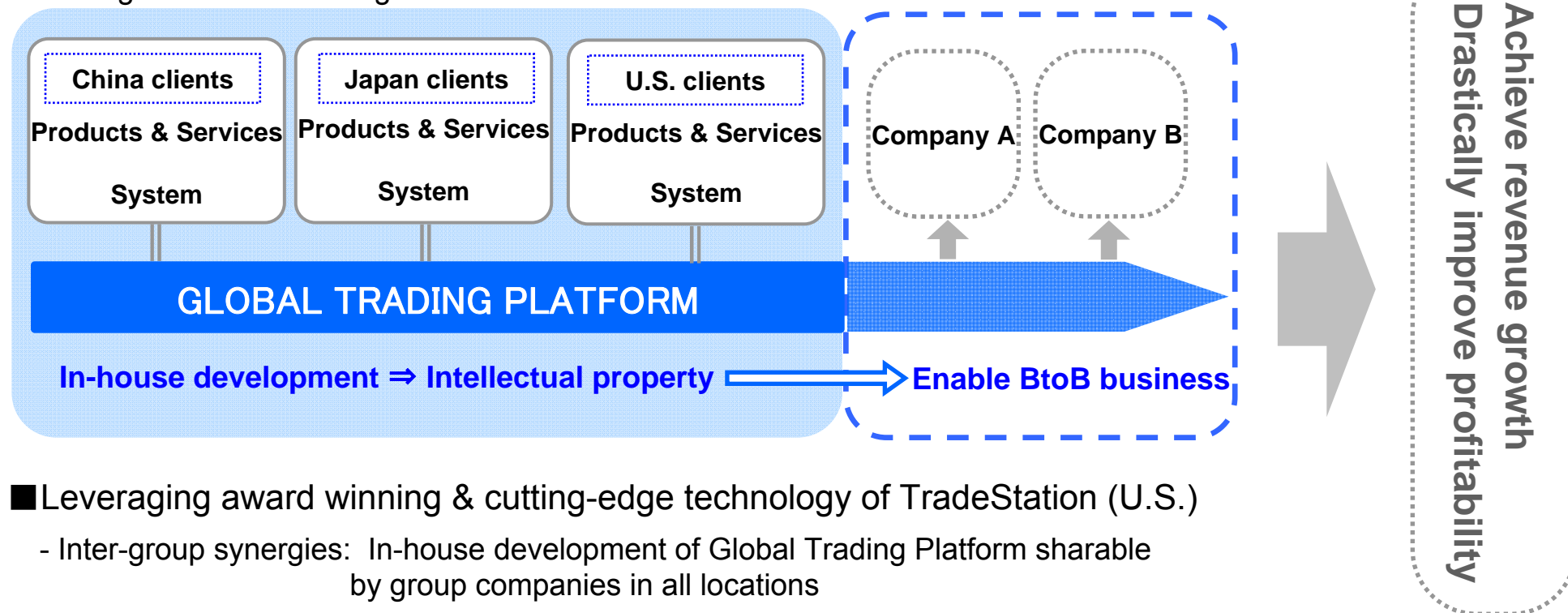
IV. Data

V. Adopting IFRS

“Global Vision” – Ideal business model for growth

■ “Global Vision” – In-house development of Global Trading Platform

An Image of Global Trading Platform



■ Leveraging award winning & cutting-edge technology of TradeStation (U.S.)

- Inter-group synergies: In-house development of Global Trading Platform sharable by group companies in all locations
- Business-to-business service development: Licensing Global Trading Platform worldwide

TradeStation (U.S.) consistently awarded Barron’s Magazine #1 ratings  
 TradeStation was rated “Best for Frequent Traders”, “Best Trading Experience and Technology” and given highest star rating for “International Traders” in 2013

Roadmap to achieve “Global Vision”

■ Roadmap for in-house development of Global Trading Platform and revenue increase & cost management

	FYE March 2013 (Achievements)	FYE March 2014	FYE March 2015	FYE March 2016
■ Equities trading platform developments: Reduce IT related costs & expand revenue opportunities				
JAPAN	US equities	- Introduced TradeStation's US equities trading platform (Nov. 2012)	- Offer thick client application trading tool	
	Japan equities			- Offer new trading tools
	Futures & options			- Offer new trading tools
	Next generation system	- Started system parallel run (Sep. 2012)		
■ Integration of market information services: Reduce market information related costs				
JAPAN	New market information service "MONEX INSIGHT"		- Joint development between Japan/USA; launched beta version (Apr. 2013)	
	Build own data center	- Built Tokyo data center (Mar. 2013)		
■ Global FX: Increase trading revenues & reduce system related costs				
Global:	Integrate liquidity/risk management	- Integrated US FX liquidity/risk management operations (Mar. 2013)	- Globally integrate FX liquidity/risk management	
JAPAN:	FX new trading platform		- Offer IBFX's trading tool "MT4" - Introduce new FX trading platform developed by TradeStation	
■ Other measures to reduce/manage fixed-cost type expenditures				
JAPAN		- Internalize securities account opening operations (Apr. 2012) - Relocated head office (Jul. 2012)		
U.S.		- Started operating Costa Rica development center (Oct. 2012)	- Expand Costa Rica development center	

in-house development utilizing TradeStation technologies

Roadmap to achieve “Global Vision”

■ **Plans to reduce fixed-type costs** (JPY, show cost decrease by – [minus] and increase by + [plus])

(i) 4 times the actual figures for 4Q of FYE March 2012 and (ii) 4 times the actual figures for 4Q of FYE March 2013 were used as the comparison base amounts to calculate decreases/increases in (i) FYE March 2013 plan and (ii) FYE March 2014 and afterwards, respectively (in million yen)

		FYE March 2013		FYE March 2014	FYE March 2015	FYE March 2016	FYE March 2017
		Plan	Results				
■ Equities trading platform developments: Reduce IT related costs & expand revenue opportunities							
JAPAN	TradeStation'S US equities trading platform	+ 0	+10	-	-	-	-
	Japan equities; futures & options	-	-	-	+170	+230	-110
	Next generation system	+370	+360	-90	+20	+160	-1,300
■ Integration of market information services: Reduce market information related costs							
JPN	New market information service "MONEX INSIGHT"	-	-	-180	-290	-290	-290
■ Global FX: Increase trading revenues & reduce system related costs							
	Integration of liquidity/risk management & FX new trading platform	—	—	-10	-450	-600	-600
■ Other measures to reduce/manage fixed-cost type expenditures							
JAPAN	Internalize securities account opening operations	-180	-190	-50	-50	-50	-50
	Relocation of head office	-80	-80	-	-	-	-
	Others	-10	-10	-320	-320	-320	-320
US	Others	-40	-80	-30	-30	-30	-30
<b>Total</b>		<b>+60</b>	<b>+10</b>	<b>-680</b>	<b>-940</b>	<b>-880</b>	<b>-2,690</b>
System retirement costs		+50	+10	+440	+310	+2,910	-

Additional cost cut by improving operation conducted from 3Q of FYE Mar. 31, 2013

Japan: Restructured FX business; improved brokerage business operations

U.S.: Restructured FX business; internalized FX back office operation; reduced marketing expenses and reviewed data fees

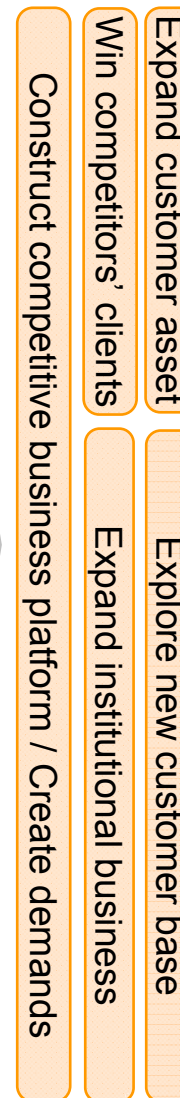
Note: IFRS adoption related cost reductions (1.28 billion yen per year due to no goodwill amortization) are not shown above as IFRS based financial results already reflect the effect of such cost reductions



Roadmap to achieve “Global Vision”

■ Roadmap for boosting revenues

	FYE March 2013 (Achievements)	Future Plans
JAPAN	US equities	- Introduced TradeStation US equities trading platform, become the No.1 US equities trading service provider in Japan - Offer trade signal service - Offer thick client trading application - Attract active traders with special commission package
	Japan equities	- Started offering trade signal service “Monex Signal” - Offer brand new market information service “MONEX INSIGHT” (beta version started in April 2013) - Introduce new trading tool developed by TradeStation
	Futures & options	- Offer trade signal service - Offer new trading tool developed by TradeStation
	Mutual funds & bonds	- Expanded product lineups of mutual funds - Develop and offer pension-type products and unique mutual funds offering - Grow bond & notes lineups
	Investment banking	- Build up track records on M&A advisory - Strengthen M&A advisory business
U.S.	For retail investors	- Improved apps for mobile device - Continue improving apps for mobile device - Strengthen marketing efforts to attract wider client base - Grow strategic alliance with investment education providers - Expand option-trader client base
	Institutional service	- Initiated business-to-business marketing - Start and grow business-to-business service
CHINA	Hong Kong	- Started white-label business for a regional financial institution - Offer new products & services (futures, etc.) - Enhance marketing activities - Strengthen white-label business
	Mainland	- Continue exploring online brokerage business opportunities
Global FX	Japan	- Offer IBFX’s trading tool “MT4”
	U.S.	- Integrated liquidity/risk management operation



Achievements toward realization of “Global Vision”

US equities trading platform (Monex, Inc.)

- In-house-development of Global Trading Platform and globalization of product & service line-ups

Renewal of US Equities Trading Platform (Japan)

In Nov. 2012, Monex, Inc. started offering US equities trading service using TradeStation’s in-house developed platform

--> No.1 tradable issues (approx. 2,800), the lowest commission level and the longest trading hours (trades in pre/post sessions available) for clients in Japan



In-house development of Market Information Service (Japan)

Beta launched “MONEX INSIGHT”, new market information service through joint development between Japan & U.S. in April 2013

“MONEX INSIGHT” (beta) (Monex, Inc.)



- Expansion of client base  
Monex Boom (H.K.) initiated a white label project to provide its trading system to a bank

Japan Segment (Monex, Inc. – online brokerage business)

---

- “Abenomics” and money market relaxation by Bank of Japan backed up the booming market; gave a big boost to trades by retail investors and increased number of online/offline seminar participants

April 2013:       - Customers’ assets in custody exceeded 3 trillion yen (as of April 30, 2013)  
                       - Continued to establish the record high on the average number of trades per business day (194 thousand)  
                       - 23.2 billion yen recorded as the highest monthly sales value of mutual fund  
                       - Started offering “Monex Signal for Futures” service  
                       - Launched beta version of new market information service “MONEX INSIGHT”

March 2013:     - Started accepting applicants for “Monex Signal for US Equities” trial use  
                       - Started preparatory service for “Japan ISA (Individual Savings Account, called as NISA)” (new tax policy for retail investors)  
                       - 4 straight nights webinars on Japan equities – gathered total of 12,000 investors

Feb. 2013:       - “Customer Appreciation Day” event attracted 1,810 participants

Jan. 2013:       - Merged Sony Bank Securities, Inc.  
                       - Corresponded to deregulated margin trading rule

Nov. 2012:       - Renewed US equities trading platform

July 2012:       - Reinforced business tie-up with Sony Bank  
                           --> Jan. 2013: Started real-time money transfer service

- Continued implementing cost reduction measures (by self-operation, service reorganization, etc.)

## U.S. Segment (TradeStation group)

---

- DARTs (Daily Average Revenue Trades) changed its trend to pick up slowly though low volatility and interest rates in the US market continued
- Achievements
  - April 2013: - Started offering new trading app for iPad
    - Launched beta version of new market information service “MONEX INSIGHT” for Monex, Inc. (Japan)
  - March 2013:- Awarded Barron’s Magazine #1 ratings – won “Best for Frequent Traders”, “Best Trading Experience and Technology” and given highest star rating for “International Traders”
  - Nov. 2012: - Launched new US equities trading platform and service for Monex, Inc. (Japan)
  - Oct. 2012: - Opened software development center in Costa Rica
  - Sep. 2012: - Started clearing and settlement service on US equities trades for Monex Boom Securities (H.K.)
- Newly hired more than 100 IT engineers during FYE March 2013, enhancing development capability to realize “Global Vision”
- Pursuing business-to-business opportunities through licensing of in-house developed trading platform

## China Segment

---

### ■ Mainland China

Cultivating business opportunities through Beijing Representative Office of Monex, Inc.; seeking for possible collaborations with Chinese brokerage firms & exploiting introduction of trading software and technologies of TradeStation (U.S.) into China

### ■ Hong Kong

Trading volume and commission revenue of Monex Boom Securities (H.K.) increased as Hong Kong stock market revived

#### Results of Monex Boom Securities (H.K.)

##### Jan.-Mar. 2013

- Upgraded order entry interface
- Initiated a white label project for providing Boom's trading system to a bank

##### Apr.-Dec. 2012

- Switched US equities service connection to TradeStation (U.S.)
- Launched Premier Multi-market Watchlist service

Global FX Business

---

- Japan FX Business (Monex, Inc. & Monex FX, Inc.)
  - Trading volume and revenue surged partly due to depreciation of yen and higher volatility
  - Achieved cost reduction by integrating forex operations in Japan; customer accounts and services at Monex FX, Inc. have been transferred to Monex, Inc. since April 1, 2013 and Monex FX, Inc. focuses entirely on forex trading
  - Will become the first to introduce in Japan a next-generation FX trading platform developed by tradable ApS, a Danish company, featuring flexible applications for trading tools which traders can freely dock and undock on their platform to their taste
  
- US FX Business (IBFX, Inc.)
  - Increased revenue per lot traded and eliminated payments to outside vendors by integrating forex liquidity pools between TradeStation and IBFX and by internalization of FX management operation system
  - Achieved cost reduction by rationalizing forex back-office operations in the U.S.
  - Will launch "MT4" trading platform that is customized for Monex, Inc.'s Japan customers

I. Who we are & our growth strategy

II. Financial Results

III. Global Vision & Strategies

**IV. Data**

V. Adopting IFRS

## IV. DATA

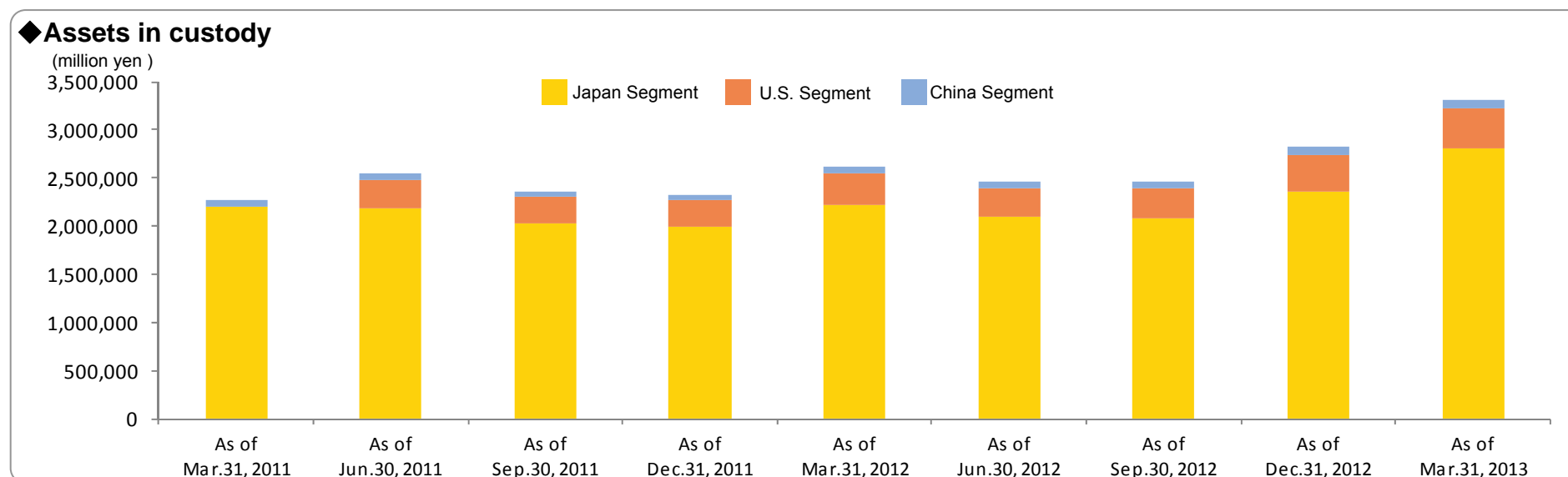
Part 1 Market and Transaction Data

Part 2 Financial Data

Part 3 Corporate Data



Market and Transaction Data (1)

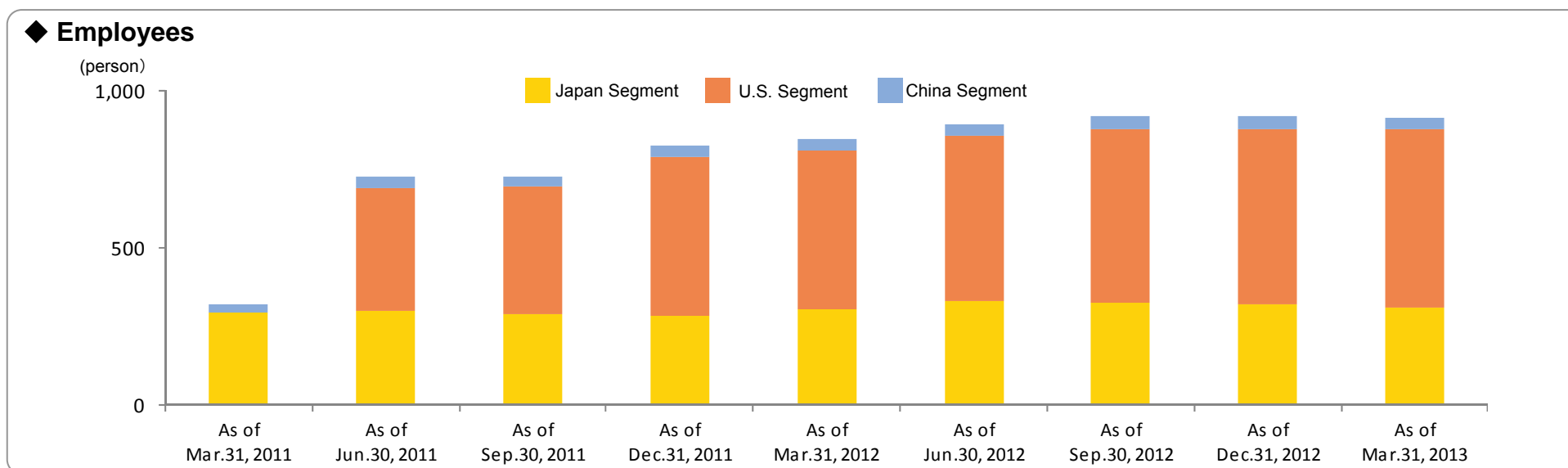


(Unit: million yen)

	FYE Mar. 2011	FYE Mar. 2012				FYE Mar. 2013			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan Segment	2,196,263	2,184,186	2,025,522	1,985,291	2,224,227	2,096,503	2,079,642	2,354,621	2,806,181
Monex, Inc.	2,176,911	2,157,779	1,992,416	1,954,870	2,204,857	2,072,888	2,026,576	2,304,354	2,789,573
Equities	1,428,327	1,415,415	1,306,902	1,267,104	1,445,795	1,356,895	1,290,853	1,432,887	1,808,352
Bonds	47,328	51,029	49,661	51,734	54,917	58,198	62,056	66,653	73,149
Mutual Funds	525,706	518,125	462,930	469,132	529,622	488,019	503,953	616,701	699,830
Others	175,550	173,210	172,923	166,899	174,523	169,776	169,713	188,113	208,242
U.S. Segment – TradeStation (※)	-	288,711	271,240	285,868	320,445	300,816	311,067	381,147	412,736
China Segment – Monex Boom	71,360	67,866	53,342	53,698	76,561	66,148	68,517	81,327	89,704

(※) U.S. Segment includes numbers after the acquisition date of TradeStation in June 2011

Market and Transaction Data (2)

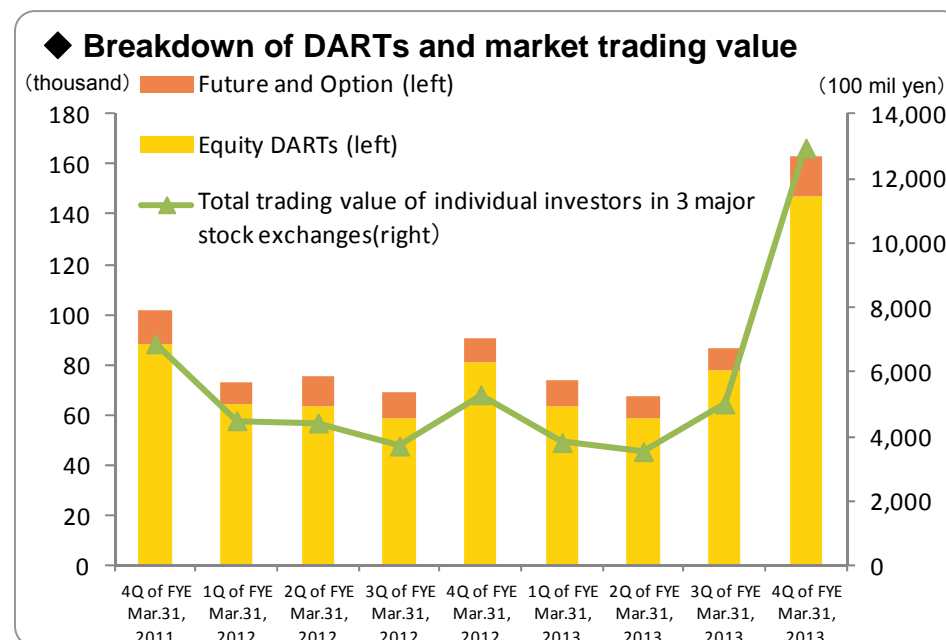
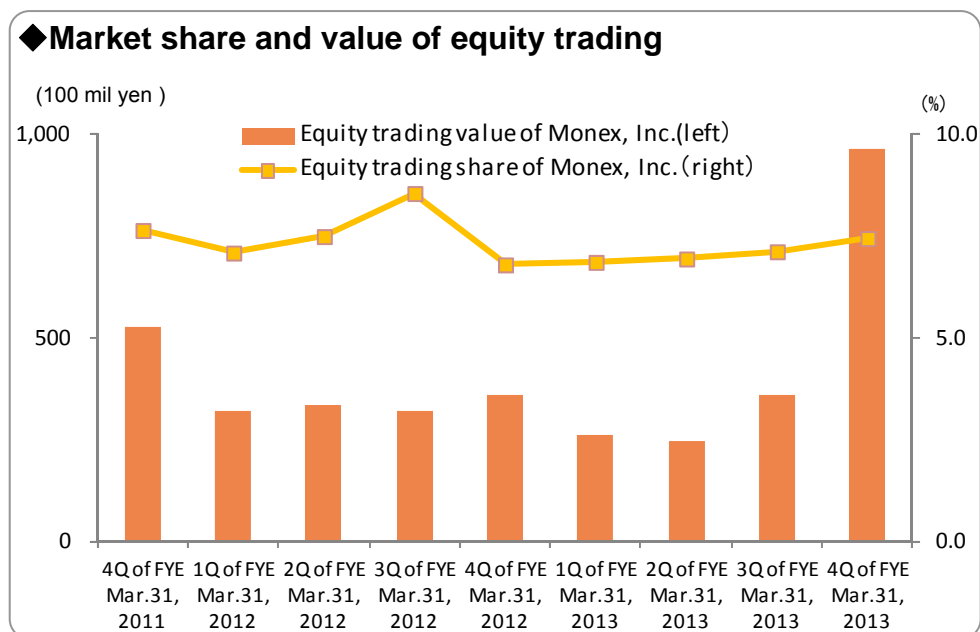


(Unit: person)

	FYE Mar. 2011	FYE Mar. 2012				FYE Mar. 2013			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Japan Segment	297	300	292	286	305	333	328	323	313
Monex Group, Inc	38	35	33	31	29	28	27	27	28
Monex, Inc.	195	211	209	206	226	255	249	247	246
Monex FX, Inc	35	35	34	31	31	32	33	33	32
Others	29	19	16	18	19	18	19	16	7
U.S. Segment – TradeStation (※)	-	393	402	505	506	525	553	556	566
China Segment– Monex Boom	26	32	33	34	34	34	39	40	38
<b>Total</b>	<b>323</b>	<b>725</b>	<b>727</b>	<b>825</b>	<b>845</b>	<b>892</b>	<b>920</b>	<b>919</b>	<b>917</b>

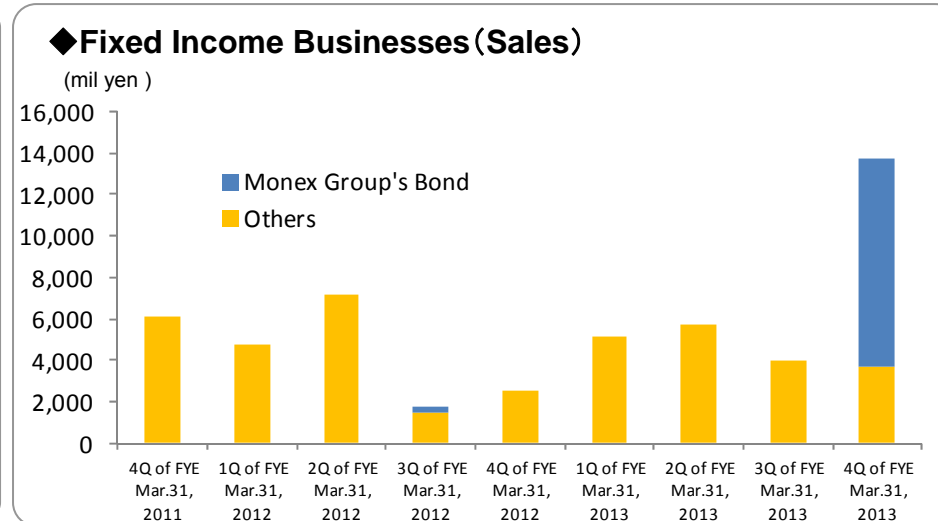
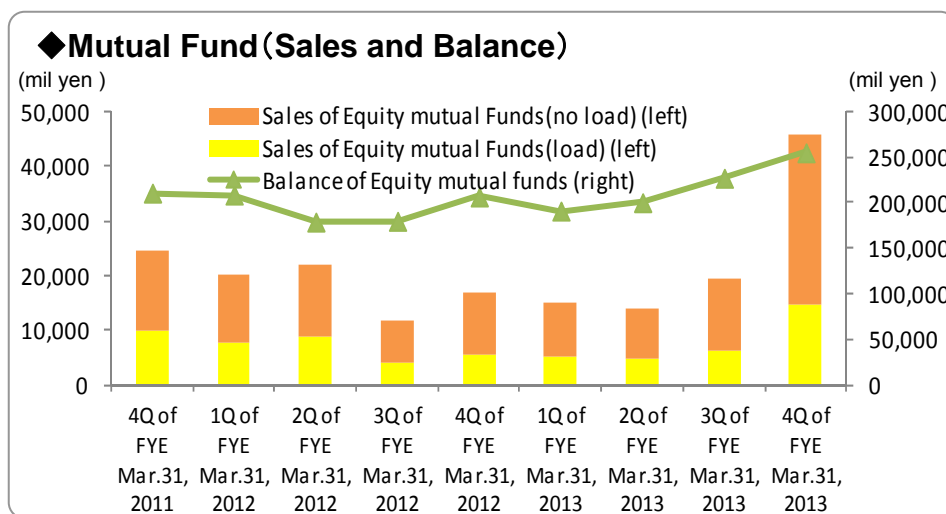
(※) U.S. Segment includes numbers after the acquisition date of TradeStation in June 2011.

Market and Transaction Data (3) Japan Segment - Monex, Inc.



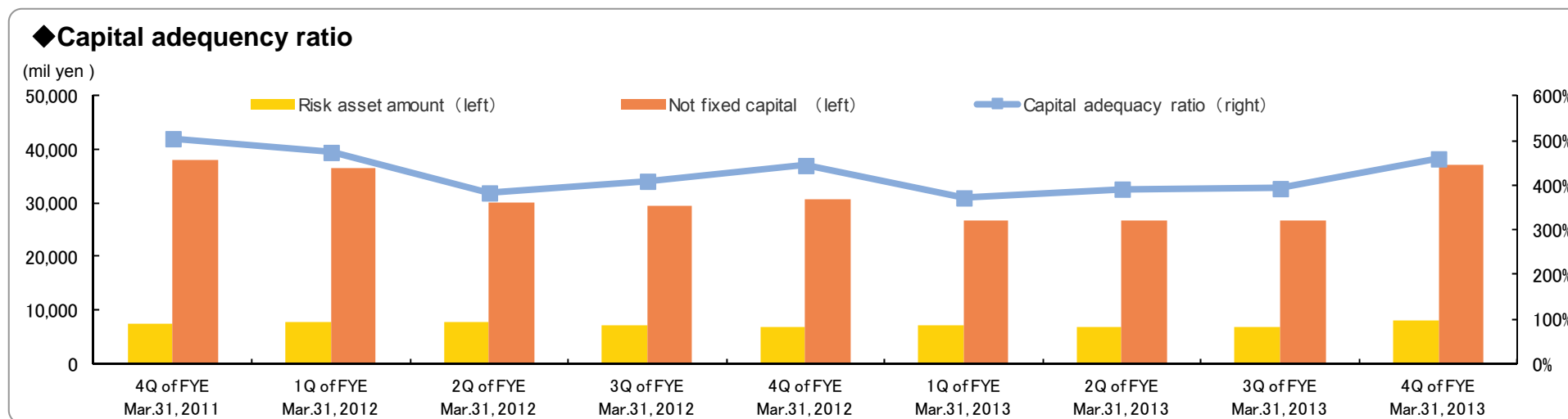
		FYE Mar. 2011	FYE Mar. 2012				FYE Mar. 2013			
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
S t o c k	Total trading volume of individual investors in 3 Japanese major markets (100 mil yen/day)	6,893	4,506	4,437	3,724	5,309	3,831	3,548	5,025	12,950
	Equity trading share of Monex, Inc. (%)	7.64	7.08	7.49	8.55	6.79	6.86	6.94	7.12	7.44
	Equity trading value of Monex, Inc. (100mil yen/day)	535	319	327	318	361	263	246	358	964
D A R T s	Total (Including Stocks and ETF) (Average number of trades per business day)	88,210	64,094	63,352	58,809	81,064	63,584	58,867	78,071	147,498
	Cash	53,176	38,946	39,391	35,644	49,868	38,724	35,512	47,267	91,387
	Margin	35,033	25,148	23,960	23,164	31,196	24,859	23,355	30,803	56,111
	Option and Future (Average number of trades per business day)	13,454	8,800	11,741	10,519	9,350	9,995	8,255	8,884	15,460

Market and Transaction Data (4) Japan Segment - Monex, Inc.



(mil yen)			FYE Mar. 2011		FYE Mar. 2012				FYE Mar. 2013			
			4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Stocks Mutual Fund	Sales	Load	10,040	7,692	8,794	4,005	5,643	5,028	4,870	6,299	14,601	
		No load	14,404	12,556	13,257	7,845	11,081	10,104	9,232	13,018	31,165	
		Total	24,444	20,247	22,051	11,849	16,724	15,132	14,102	19,316	45,767	
	Balance (As of the end of the quarter)	Load	101,493	98,482	79,847	77,542	89,332	79,958	85,287	96,113	103,737	
		No load	109,354	110,202	99,204	102,363	117,192	111,077	115,019	130,939	151,232	
		Total	210,848	208,684	179,050	179,905	206,524	191,035	200,307	227,052	254,969	
Bond	Sales	Monex Group's bond	-	-	-	262	-	-	-	-	10,000	
		Others	6,128	4,759	7,121	1,482	2,569	5,160	5,730	3,974	3,706	
		Total	6,128	4,759	7,121	1,744	2,569	5,160	5,730	3,974	13,706	

Market and Transaction Data (5) Japan Segment - Monex, Inc.



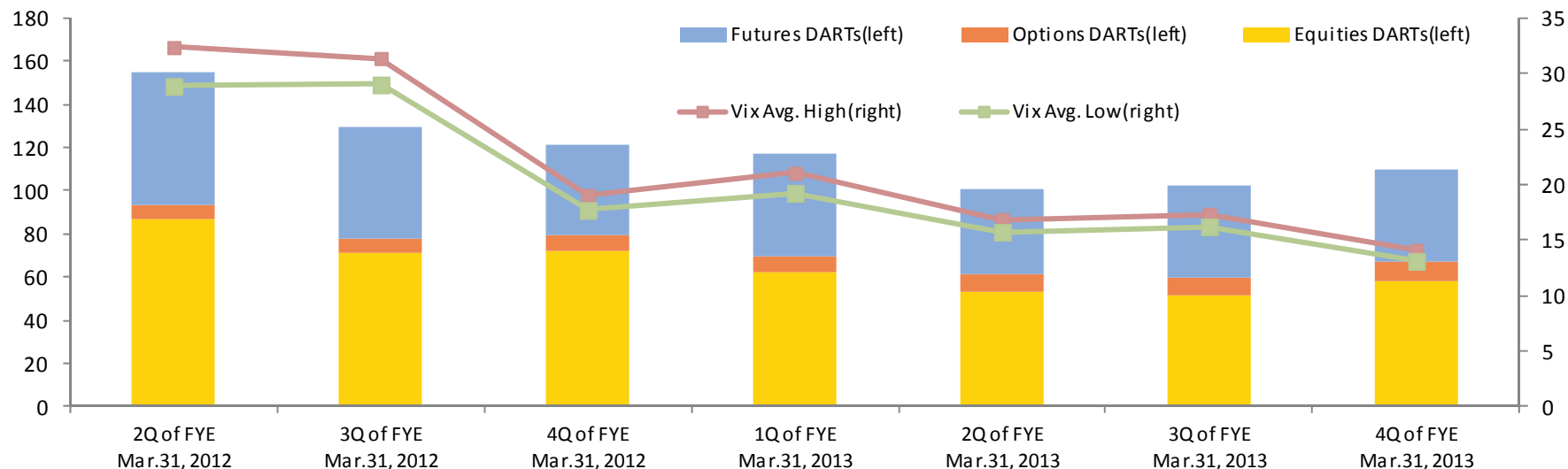
	FYE Mar. 2011	FYE Mar. 2012				FYE Mar. 2013			
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Not fixed capital (mil yen)	37,869	36,446	30,029	29,513	30,771	26,774	26,735	26,585	37,192
Risk asset amount (mil yen)	7,502	7,694	7,837	7,210	6,923	7,196	6,829	6,771	8,096
Capital adequacy ratio	504.7%	473.7%	383.1%	409.2%	444.4%	372.0%	391.4%	392.6%	459.3%

Note: Numbers above are calculated based on the Financial Instruments and Exchange Act in Japan

Market and Transaction Data (6) U.S. Segment - TradeStation group

◆ Breakdown of TradeStation DARTs and correlation with VIX(\*)

(thousand)

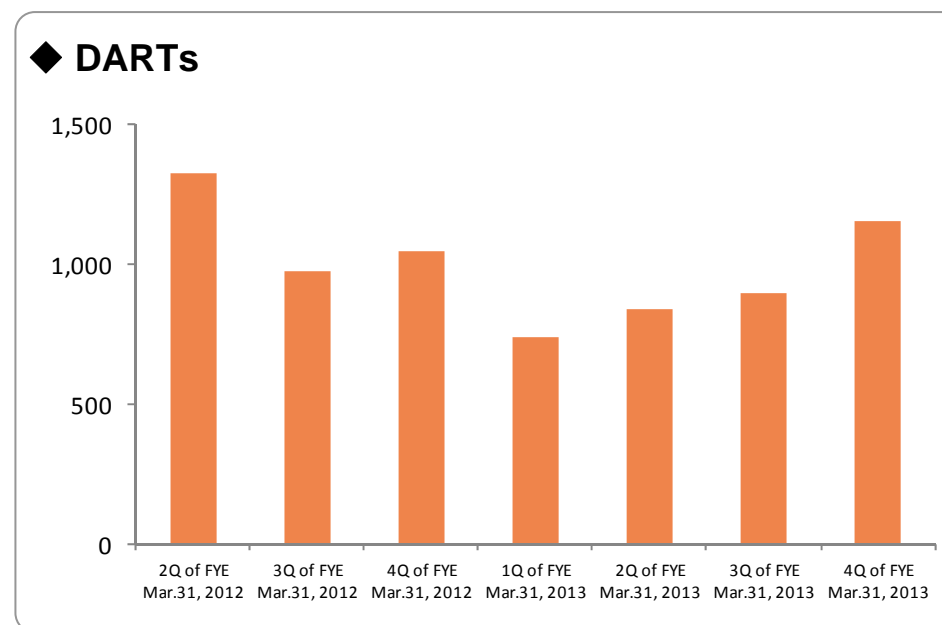
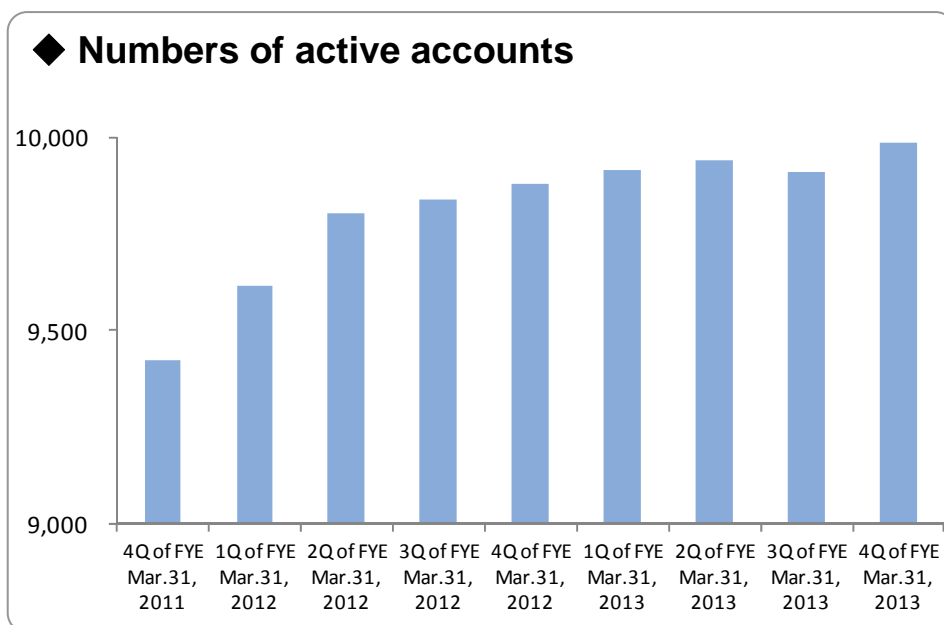


\* VIX: Index indicating how the market views for the next 30 days

		FYE Mar. 2011	FYE Mar. 2012				FYE Mar. 2013			
		4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
DARTs	Equities	-	-	86,424	71,582	71,930	62,405	53,514	51,734	58,067
	Options	-	-	6,715	6,489	7,315	7,267	7,784	8,260	8,846
	Futures	-	-	61,765	51,708	41,728	47,078	39,051	42,291	43,142
VIX	VIX Average High	-	-	32.34	31.35	19.04	21.03	16.86	17.34	14.09
	VIX Average Low	-	-	28.84	28.98	17.69	19.23	15.72	16.20	13.09

Note: Numbers above include those after the acquisition of TradeStation in June 30, 2011

Market and Transaction Data (7) China Segment - Monex Boom group

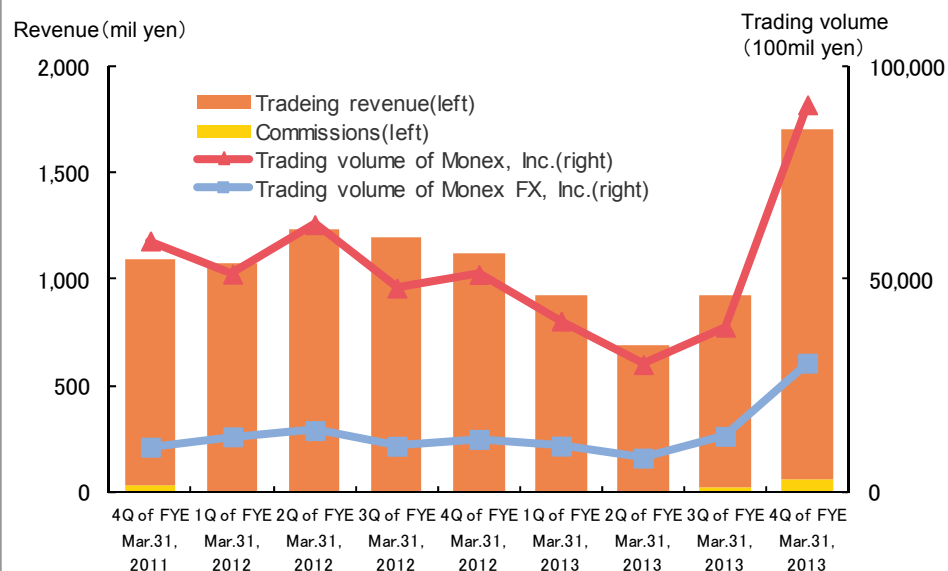


	FYE Mar. 2011	FYE Mar. 2012				FYE Mar. 2013			
	4Q (*)	1Q (*)	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Active accounts	9,424	9,614	9,803	9,839	9,880	9,915	9,938	9,910	9,984
Equities DARTs	-	-	1,329	978	1,047	739	841	900	1,153

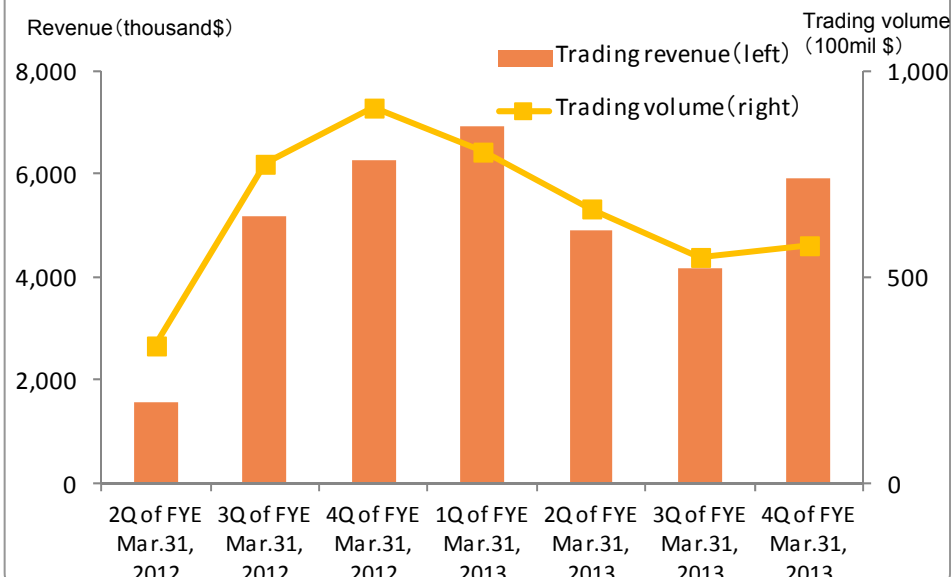
(\*) Equities DARTs include numbers since 2Q of FYE Mar. 2012 when we changed the calculation method of DARTs

Market and Transaction Data (8) Global FX

◆OTC business in Japan (Monex, Inc. and Monex FX, Inc.)



◆OTC business in U.S. (TradeStation)



		FYE Mar. 2011		FYE Mar. 2012				FYE Mar. 2013			
		4Q	1Q	2Q	3Q(*2)	4Q	1Q	2Q	3Q	4Q	
J a p a n	Trading revenue (mil yen) (excluding swap)	1,014	1,026	1,174	1,126	1,120	920	690	898	1,651	
	Commission (mil yen)	33	1	1	0	0	0	0	24	55	
	Trading volume of Monex, Inc. (100mil yen)	59,104	51,292	62,957	48,027	51,210	39,829	29,862	39,686	91,164	
	Trading volume of Monex FX, Inc. (100mil yen)	10,540	12,989	14,478	10,783	12,378	10,809	7,967	13,094	30,346	
U S	Trading revenue (thousand \$) (*1)	-	-	1,569	5,190	6,278	6,916	4,905	4,186	5,917	
	Trading volume (100mil \$) (*1)	-	-	334	775	911	804	666	548	711	

(\*1) U.S. Segment includes numbers after the acquisition of TradeStation in June 30, 2011

(\*2) TradeStation expanded its FX business by the acquisition of IBFX Holding, LLC in November 2011



## IV. DATA

Part 1 Market and Transaction Data

Part 2 Financial Data

Part 3 Corporate Data

**Financial summary: Quarterly Breakdown of Consolidated Statement of income**

Reclassified presentation of consolidated statement of income

(in million yen)

	FYE March 31, 2012	FYE March 31, 2013				
		1Q	2Q	3Q	4Q	Total
Brokerage commissions	13,047	3,109	2,794	3,485	6,288	15,676
Stocks and ETFs	9,094	1,979	1,857	2,440	5,028	11,303
Options and Futures	3,478	1,068	901	1,010	1,211	4,189
OSE-FX	475	62	37	36	50	184
Underwriting and distribution commissions	60	1	6	14	26	47
Subscription and distribution commissions	456	87	79	102	226	494
Other commissions	3,467	982	1,018	928	1,221	4,149
Margin forex trades commissions (OTC)	3	0	0	19	53	73
Mutual funds agency commissions	1,214	294	297	318	364	1,273
Others	2,251	687	721	591	804	2,803
Net trading income	6,200	1,651	1,290	1,547	2,486	6,974
Financial revenue	6,812	2,142	1,556	2,005	2,492	8,195
Other operating revenue	528	144	130	136	145	554
Total operating revenue	30,569	8,114	6,874	8,217	12,885	36,090
Financial expenses	1,682	422	522	629	747	2,320
Total operating revenue after deducting financial expenses	28,888	7,693	6,352	7,587	12,137	33,769
SG&A	26,060	7,440	7,127	7,202	8,591	30,359
The amount equivalent to operating income	2,827	253	-775	385	3,547	3,410
Other revenue	805	100	1,867	11	4,672	6,650
Other expenses	965	80	37	131	2,814	3,062
Income before income taxes	2,668	273	1,055	265	5,405	6,998
Income taxes	1,574	89	-24	-15	3,042	3,091
Net income (Quarterly net income)	1,094	185	1,080	280	2,362	3,907
Net income attributable to owners of the Company (Quarterly net income)	1,028	171	1,080	291	2,359	3,901

**Financial summary: Quarterly Breakdown of Consolidated SG&A**

The details of SG&A in consolidated statement of income

(in million yen)

	FYE March 31, 2012	FYE March 31, 2013				
		1Q	2Q	3Q	4Q	Total
Transaction-related expenses	8,787	2,605	2,364	2,409	2,846	10,223
Commissions paid	3,244	959	867	948	1,045	3,819
Exchange and association dues	757	186	160	190	324	860
Communication, freight and information expenses	3,058	879	865	841	933	3,518
Advertising expenses	1,637	558	455	413	532	1,958
Others	91	24	16	16	12	68
Compensation and benefits	6,163	1,928	1,882	2,009	2,684	8,503
Rental and maintenance	1,789	518	528	396	391	1,833
Rental expenses	942	306	311	183	193	994
Maintenance expenses	846	212	217	212	198	839
Data processing and office supplies	4,877	1,134	1,145	1,202	1,271	4,752
Data processing	4,824	1,123	1,134	1,189	1,253	4,699
Office supplies	54	11	11	13	18	53
Amortization and depreciation	2,406	727	749	794	846	3,116
Taxes other than income taxes	207	65	45	51	96	257
Other operating expenses	1,830	464	414	341	457	1,676
Total selling, general and administrative expenses	26,060	7,440	7,127	7,202	8,591	30,359

Financial Results : Quarterly Breakdown by Local Segments (Statement of income)

Reclassified presentation of consolidated statement of income

(in million yen)

	FYE March 31, 2012			FYE March 31, 2013											
				1Q			2Q			3Q			4Q		
	Japan	U.S.	China	Japan	U.S.	China	Japan	U.S.	China	Japan	U.S.	China	Japan	U.S.	China
Brokerage commissions	8,291	4,467	289	1,726	1,339	48	1,618	1,132	47	2,187	1,247	55	4,767	1,447	85
Stocks and ETFs	7,276	1,529	289	1,515	420	48	1,454	359	47	2,017	372	55	4,497	457	85
Options and Futures	540	2,939	-	149	919	-	128	773	-	135	875	-	220	990	-
OSE-FX	475	-	-	62	-	-	37	-	-	36	-	-	50	-	-
Underwriting and distribution commissions	59	-	-	1	-	-	6	-	-	14	-	-	26	-	-
Subscription and distribution commissions	456	-	-	87	-	-	79	-	-	102	-	-	226	-	-
Other commissions	2,122	1,341	5	493	489	0	522	496	0	446	482	0	680	541	0
Margin forex trades commissions (OTC)	3	-	-	0	-	-	0	-	-	19	-	-	53	-	-
Mutual funds agency commissions	1,214	-	-	294	-	-	297	-	-	318	-	-	364	-	-
Others	905	1,341	5	198	489	0	225	496	0	109	482	0	263	541	0
Net trading income	5,106	1,098	-4	1,095	556	-0	926	363	0	1,197	350	-0	1,952	535	-0
Financial revenue	5,403	1,435	69	1,703	454	14	1,157	422	14	1,312	721	15	1,706	813	17
Other operating revenue	130	302	96	32	89	22	30	80	20	30	83	23	30	88	27
Total operating revenue	21,567	8,644	454	5,137	2,927	84	4,340	2,492	81	5,288	2,883	93	9,386	3,424	129
Financial expenses	986	693	3	217	233	0	272	287	0	159	513	0	230	560	0
Total operating revenue after deducting financial expenses	20,582	7,950	451	4,920	2,694	84	4,068	2,206	81	5,129	2,370	93	9,156	2,864	129
SG&A (*)	16,742	8,884	437	4,023	3,320	107	3,960	3,076	100	3,948	3,145	120	4,578	3,882	149
The amount equivalent to operating income	3,840	-934	15	896	-626	-24	109	- 870	-19	1,180	- 775	-27	4,578	- 1,018	-20
Other revenue	776	31	-	106	3	-	1,874	8	-	17	0	-	4,643	130	1
Other expenses	970	90	0	67	-	17	43	-	2	130	-	1	275	2,627	0
Income before income taxes	3,646	-993	14	935	-622	-40	1,939	- 863	-21	1,067	- 774	-28	8,947	-3,515	-18
Income taxes	1,930	-354	-1	321	-231	-2	293	- 312	-5	334	- 346	-3	3,439	-398	1
Net income (Quarterly net income)	1,717	-639	16	614	-391	-39	1,646	- 551	-16	733	- 428	-25	5,508	-3,118	-20
Net income attributable to owners of the Company (Quarterly net income)	1,652	-639	16	600	-391	-39	1,642	- 551	-11	734	- 428	-15	5,502	-3,118	-17

(\*) The SG&A for U.S. and China includes amortization of identifiable intangible assets acquired by acquisitions of TradeStation and Monex Boom Securities

## Financial Results: Quarterly Breakdown by Local Segments (SG&A)

The details of SG&A in consolidated statement of income

(in million yen)

	FYE March 31, 2012			FYE March 31, 2013											
				1Q			2Q			3Q			4Q		
	Japan	U.S.	China	Japan	U.S.	China	Japan	U.S.	China	Japan	U.S.	China	Japan	U.S.	China
Transaction-related expenses	4,747	3,930	113	1,193	1,396	27	1,105	1,245	23	1,126	1,246	29	1,427	1,397	32
Commissions paid	833	2,358	56	203	754	12	205	662	9	225	701	15	264	777	15
Exchange and association dues	662	94	0	152	33	-	131	29	-	162	29	-	290	34	0
Communication, freight and information expenses	2,148	861	49	530	336	12	534	319	12	537	292	12	594	324	14
Advertising expenses	1,015	616	6	284	272	2	218	235	2	187	224	2	268	261	3
Others	88	0	3	23	0	1	16	0	0	16	0	0	12	0	1
Compensation and benefits	3,165	2,791	207	833	1,044	52	797	1,037	48	852	1,102	55	1,033	1,580	72
Rental and maintenance	1,591	173	25	422	89	6	437	82	8	307	79	9	289	86	16
Rental expenses	757	163	22	215	85	6	224	78	8	99	76	8	96	82	15
Maintenance expenses	834	10	3	207	4	1	213	4	1	208	3	1	193	4	1
Data processing and office supplies	4,868	1	9	1,132	0	2	1,143	0	2	1,199	0	3	1,266	0	5
Data processing	4,815	1	7	1,121	0	2	1,132	0	2	1,186	0	2	1,249	0	4
Office supplies	53	-	1	11	-	0	11	-	0	13	-	1	17	-	1
Amortization and depreciation (*)	1,181	1,162	64	269	441	17	306	427	16	337	438	19	358	467	21
Taxes other than income taxes	193	14	-	58	7	-	40	4	0	46	5	0	91	5	0
Other operating expenses	997	814	19	117	343	4	131	281	2	81	274	5	114	347	3
Total selling, general and administrative expenses	16,742	8,884	437	4,023	3,320	107	3,960	3,076	100	3,948	3,145	120	4,578	3,882	149

(\*) The SG&A for U.S. and China includes amortization of identifiable intangible assets acquired by acquisitions of TradeStation and Monex Boom Securities

Financial summary: Quarterly Breakdown of Consolidated Statement of income (JGAAP)

(in million yen)

	FYE March 31, 2012				FYE March 31, 2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Brokerage commissions	2,120	3,941	3,387	3,675	3,128	2,809	3,506	6,329
Stocks and ETFs	1,882	2,526	2,166	2,595	1,999	1,872	2,460	5,068
Options and Futures	102	1,277	1,119	978	1,067	900	1,010	1,210
OSE-FX	135	136	101	101	61	36	35	50
Underwriting and distribution commissions	0	0	5	52	1	6	13	25
Subscription and distribution commissions	126	142	78	107	86	79	102	225
Other commissions	511	1,089	786	1,079	981	1,018	928	1,221
Margin forex trades commissions (OTC)	0	124	(*) -123	0	0	0	19	53
Mutual funds agency commissions	326	304	281	300	294	297	317	363
Others	183	659	628	778	687	720	591	804
Net trading income	1,231	1,360	(*)1,747	1,860	1,650	1,289	1,546	2,486
Net gain on trading of investment securities for sale	-21	-4	-0	87	-5	-	-	-3
Financial revenue	2,015	1,949	2,530	1,886	2,842	1,692	2,490	2,367
Other operating revenue	71	161	153	154	143	130	139	154
Total operating revenue	6,057	8,640	8,690	8,905	8,829	7,026	8,726	12,806
Financial expenses	977	611	1,089	559	1,089	613	1,280	849
Net operating revenue	5,080	8,028	7,600	8,345	7,740	6,413	7,446	11,956
Selling, general and administrative expenses	4,350	7,036	7,396	7,822	7,630	7,428	7,578	8,852
Operating income	730	991	204	522	110	-1,015	-132	3,104
Ordinary income	815	944	149	462	144	-891	-179	3,162
Quarterly net income	528	435	- 31	490	206	32	-215	5,723

(\*) Income for FX trading of TradeStation included in "other commissions" for 2Q of FYE Mar. 2012 was reclassified as "net trading income" from 3Q of FYE Mar. 2012

**Financial summary: Quarterly Breakdown of Consolidated SG&A (JGAAP)**

(in million yen)

	FYE March 31, 2012				FYE March 31, 2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Transaction-related expenses	1,224	2,439	2,521	2,679	2,625	2,379	2,429	2,887
Commissions paid	238	1,038	1,034	933	958	867	948	1,045
Exchange and association dues	163	209	184	199	185	159	190	323
Communication, freight and information expenses	567	777	837	874	878	865	840	932
Advertising expenses	232	398	440	642	578	470	434	573
Others	21	15	25	28	23	15	16	12
Compensation and benefits	913	1,604	1,679	1,855	1,895	1,873	2,042	2,564
Rental and maintenance	437	482	438	459	506	522	395	387
Data processing and office supplies	1,181	1,221	1,243	1,232	1,134	1,145	1,202	1,271
Data processing	1,166	1,209	1,233	1,216	1,123	1,134	1,188	1,253
Office supplies	14	11	10	16	10	11	13	17
Amortization and depreciation	288	474	844	769	691	717	772	824
Taxes other than income taxes	65	43	50	47	65	45	51	95
Provision for allowance for doubtful receivables	10	-2	-5	-1	-	-	-	-
Amortization of goodwill	170	432	219	308	326	321	328	347
Other operating expenses	59	342	403	470	385	424	356	474
Total selling, general and administrative expenses	4,350	7,036	7,396	7,822	7,630	7,428	7,578	8,852

## IV. DATA

Part 1 Market and Transaction Data

Part 2 Financial Data

Part 3 Corporate Data



The Monex Group

Holding Company

# Monex Group, Inc.

(As of May 9, 2013)

[ China ]

**Monex International Limited**  
Holding Company in Hong Kong

Online Securities Company



**Monex BOOM Group**  
Online securities group in Hong Kong

**Beijing Representative Office**  
(Monex, Inc.)

[ Japan ]

Online Securities & FX Service Provider



**Monex, Inc.**  
Comprehensive investment service provider

M&A Advisory

**MONEX HAMBRECHT, INC.**  
M&A advisory service  
Aspiring to introduce a new IPO  
(Investment Ratio) Monex G: 84%

R&D of Program Trading

**trade-science**  
Trade Science Corporation  
Next generation asset management  
utilizing artificial intelligence

[ US/EU ]



**TradeStation Group, Inc.**  
Holding company in U.S.

Online Securities Company

**TradeStation Securities, Inc.**  
(in U.S.)

Technology

**TradeStation Technologies, Inc.**  
(in U.S.)

TradeStation Global Services, S.A.  
(in Costa Rica)

EU Base

**TradeStation Europe Limited**  
(in UK)

[Affiliated company]



**ASTMAX Co., Ltd.**  
(Investment Ratio) Monex G: 15%

[ Global FX ]

(Japan)

**MONEX FX**  
Monex FX, Inc.

(Australia)

**IBFX Australia Pty. Ltd.**

(U.S.)

**IBFX, Inc.**

\*Companies with no reference to investment ratio are wholly-owned subsidiaries of Monex Group, Inc.

## Introduction of Monex Group and main subsidiary companies

---

- **Monex Group, Inc.** (Tokyo, Japan) TSE 1st Sec. Code: 8698
  - Chairman & CEO: Oki Matsumoto
  - Established in 2004
  - Financial holding company having its major subsidiaries, online brokerage firms, in Japan, U.S. and China (Hong Kong)
  
- **Monex, Inc.** (Tokyo, Japan)
 

One of the major online brokerage firms in Japan

  - President & CEO: Oki Matsumoto
  - Founded in 1999
  - Aims to provide retail investors with access to products/services that have been primarily offered to institutional investors
  - First in the Japanese industry to offer unique services & products for retail investors (examples):
    - PTS/ECN (in 2001), stock lending (in 2003), lead manager in an IPO as an online broker (in 2005), RMB bonds (in 2011), No.1 US equity service in Japan (in 2012; the largest number of stock names available, the longest trading hours & the lowest level commission)
  - Products & services:
    - Equities (Japan, US, Hong Kong), futures & options, FX, mutual funds, bonds, investment education, etc.
  - # of active accounts: 857,983 accounts (as of April 30, 2013)
    - ("Active accounts": accounts with balance or with at least one trade or transaction made within a year.)
  - Customers' assets in custody:
    - Over 3 trillion yen (as of April 30, 2013)

- **TradeStation Group** (major locations: Florida, Texas & Utah in USA)
 

Online securities group with award winning trading technology development capabilities

  - CEO: Salomon Sredni
  - Founded in 1982
  - Joined Monex group in June 2011; acquired IBFX group companies in November 2011
  - An award winning TradeStation platform recognized and highly appreciated by active traders; a multi-asset platform with a robust algorithm trading language (EasyLanguage®) that enables sophisticated analysis capabilities and back-test ability
  - Products & services:
    - Equities (US), options, futures, FX, etc.
  - # of accounts with assets:
    - 87,717 accounts (as of March 31, 2013)
  - Customers' assets in custody:
    - 412,736 million yen (as of March 31, 2013)
  
- **Monex Boom Group** (Hong Kong)
 

Offers access to 17 stock markets in 12 countries & regions

  - COO: Agatha Lo
  - Founded in 1997
  - Joined Monex group in December 2010
  - First online stockbroker for retail investors in Asia Pacific
  - Offers multi-market stock trading in Asia Pacific & USA markets and multi-currency settlement service (i.e., stock trades available in 6 different currencies in a single trading account)
  - # of accounts with assets:
    - 9,984 accounts (as of March 31, 2013)
  - Customers' assets in custody:
    - 89,704 million yen (as of March 31, 2013)

## History of Monex Group

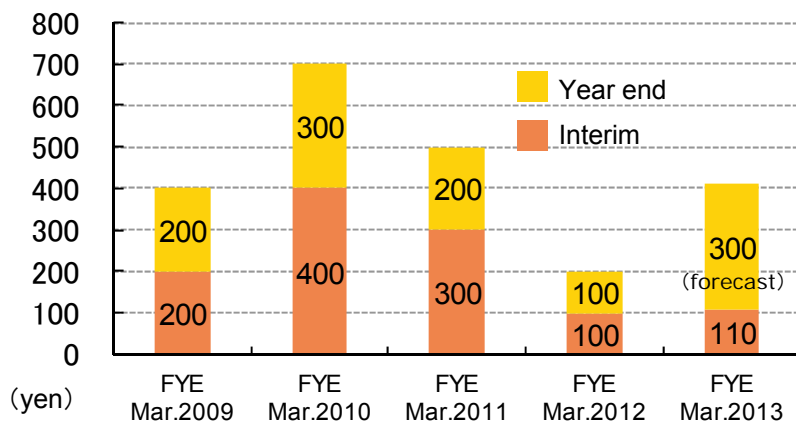
	Japan	U.S.	China/Hong Kong
1982		- TradeStation Technologies, Inc. formed as Omega Research, Inc.	
1997		- TradeStation stock listed on NASDAQ	- Monex Boom Securities (H.K.) Limited was founded as Boom Securities (H.K.) Limited, being the first in Asia Pacific to launch Internet stock trading for retail investors
1999	- Monex, Inc. was co-founded by Oki Matsumoto & Sony Corporation - Started offering online brokerage service upon complete liberalization of stock brokerage commissions in Japan		
2000	- Monex, Inc. stock listed on the Tokyo Stock Exchange "Mothers" Market	- TradeStation acquired Online Trading.com, a direct-access securities brokerage firm	
2004	- Monex Group, Inc. was established as Monex Beans Holdings, Inc. through business integration of Monex, Inc. and Nikko Beans, Inc. - Monex Group, Inc. stock listed on the Tokyo Stock Exchange "Mothers" Market in exchange of delisting of Monex, Inc. stock		
2005	- Monex, Inc. and Nikko Beans, Inc. merged to become Monex, Inc. (former name: Monex Beans, Inc.) - Monex Group, Inc. stock changed its listing from "Mothers" Market to First Section of the Tokyo Stock Exchange		
2008			- Monex Group, Inc. opened Beijing Representative Office (closed in 2012 after opening of Monex, Inc.'s Beijing Representative Office)
2010	- Monex Group, Inc. completed share exchange to acquire Orix Securities Corporation - Monex, Inc. merged with Orix Securities Corporation		- Monex, Inc. opened Beijing Representative Office, the only representative office of online brokerage firm existing in PRC - Boom group companies became wholly-owned subsidiaries of Monex Group, Inc.
2011		- TradeStation became wholly-owned subsidiaries of Monex Group, Inc. and its stock delisted from NASDAQ - TradeStation Group, Inc. acquired IBFX Holdings, LLC	
2012	- Monex Group, Inc. acquired Sony Bank Securities Inc.		
2013	- Monex, Inc. merged with Sony Bank Securities Inc.		

## Investors' Guide (1)

### ■ Efforts to pursue for shareholders' return

- ◆ Basic policy for shareholders' return:  
 "To provide return to shareholders based upon its business performance, while reserving necessary capital as a growing company"
- Dividend payout amount: To be determined based on the higher of 30% of "profit attributable to owners of the parent" for the current fiscal year or DOE (dividend on equity\*) ratio for the current fiscal year being 1%
  - \* "Equity" means the sum of "common stock", "additional paid-in capital", "treasury stock" and "retained earnings" under IFRS
- Will make interim dividend payouts
- Stock buyback: To be flexibly considered by the management by comprehensively examining the Company's financial condition

### ◆ Dividend history



### ■ Shareholders & indicators per share

#### ◆ Major shareholders and shareholder breakdown (as of March 31, 2013)

Total number of issued shares: 2,996,805

Shareholder	Percentage
ORIX Corporation	22.5%
Oki Matsumoto, etc.	8.7%
FMR LLC	13.0%
Foreign institutions, etc.	12.7%
Individual investors, etc.	20.9%
Financial institutions	10.0%
Other Institutions	7.4%
Securities Companies	4.8%

Number of shares held by FMR LLC (Fidelity Management and Research) based on the Fund's Reports it submitted to the Ministry of Finance dated May 8, 2013: 174,682 shares (5.8%)

#### ◆ Index per share

	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Mar 2013	
J G A P	Net asset per share (BPS)	17,235 yen	22,139 yen	22,154 yen	24,093 yen	-
	Net earnings per share (EPS)	-928 yen	1,527 yen	647 yen	467 yen	-
	Return of equity (ROE)	-5.0 %	7.1 %	2.9 %	2.0%	-
I F R S	Net income attributable to owners of Monex Group per share	-	-	-	25,212 yen	26,583 yen
	Profit to equity attributable to owners of Monex Group ratio	-	-	-	1.4%	5.0%
	Dividends per share	400 yen	700 yen	500 yen	200 yen	410 yen (forecast)

## Investors' Guide (2)

### ■ Transition to a "Company with Committees"

Plans to transit from a "Company with Board of Auditors" to a "Company with Committees"

#### ◆ Purpose of Transition

- Strengthen corporate governance system
- Expediting decision making process

#### ◆ Timing of Transition

After obtaining approval of necessary amendments to articles of incorporation at the Annual General Meeting of Shareholders scheduled on June 22, 2013

#### ◆ Director Candidates (10 candidates out of which 5 names with underlines are "outside director & independent director")

Oki Matsumoto, Shoji Kuwashima, Takashi Oyagi, Salomon Sredni, Masakazu Sasaki, Jun Makihara, Kaoru Hayashi, Nobuyuki Idei, Koji Kotaka and Takeshi Tamaki

#### ◆ 3 Committees & Committee Members

Nominating Committee: Idei, Makihara & Matsumoto

Compensation Committee: Makihara, Idei & Matsumoto

Audit Committee: Tamaki, Kotaka & Sasaki

### ■ Stock Split & Adoption of Share Unit System (Effective on October 1, 2013)

Purpose of stock split and adoption of share unit system:

To conform to the "Action Plan for the Consolidation of Trading Units" announced by Japanese stock exchanges in Nov. 2007

(These will not result in any substantial change to the investment unit)

#### ◆ Stock split

100-for-1 stock split will be made to common shares of the Company held by those registered as shareholders as of Sep. 30, 2013

Aggregate number of shares outstanding prior to the stock split: 2,996,805 shares

Aggregate number of shares outstanding following the stock split: 299,680,500 shares

#### ◆ Adoption of share unit system

The Company will adopt share unit system and define 100 shares as 1 share unit, effective for trades of Company shares at stock exchange on and after Sep. 26, 2013

The transition to a "Company with Committees", the stock split and the adoption of share unit system described above will be proposed to the Annual General Meeting of Shareholders scheduled on June 22, 2013 as the "Partial Amendment to the Articles of Incorporation"

I. Who we are & our growth strategy

II. Financial Results

III. Global Vision & Strategies

IV. Data

**V. Adopting IFRS**

## Voluntary adoption of IFRS

---

■ Consolidated financial statements for the year ended March 31, 2013 in accordance with IFRS

• We decided to voluntarily adopt IFRS to improve the international comparability of financial information, while we engage in business activities with a focus of 3 major locations of Japan, U.S. and China for the establishment of global financial group providing online service

■ Comparison of consolidated statement of income with Japanese GAAP for the year ended March 31, 2013

Net income attributable to owners of the Company -1,846 million yen

• Adjustment of goodwill amortization +1,324 million yen

Goodwill is not amortized under IFRS

In principle, annual impairment test is required

• Impairment loss on goodwill -2,524 million yen (30,355 thousand dollars)

Recognition of impairment loss on goodwill of 12,001 million yen (127,549 thousand dollars) that was initially recognized in acquisition of U.S. subsidiary identifiable intangible assets that was also initially recognized in acquisition of the U.S. subsidiary continue to be amortized. Additional impairment loss was not recognized for the identifiable intangible assets

• Reversal of reserve for financial products transaction liabilities -209 million yen

Reversal of reserve for financial products transaction liabilities are not recorded, because reserve for financial products transaction liabilities is not recognized as liabilities

• Collectability of deferred tax assets -394 million yen

Difference in judgments

■ Comparison of consolidated statement of financial position with Japanese GAAP as of March 31, 2013

Total assets -11,031 million yen

• Offsetting of receivables and payables related to derivative transactions -8,947 million yen

ex.) Offsetting of derivative assets (gain on valuation of derivatives) with Guarantee deposits received

• Reserve for financial products transaction liabilities -928 million yen

Reserve for financial products transaction liabilities is not recognized as liabilities

Consolidated statement of income for FYE March 31, 2012 and FYE March 31, 2013

(in million yen)

	FYE March 31, 2012	FYE March 31, 2013
Commission received	17,030	20,367
Net trading income	6,200	6,974
Financial revenue	6,812	8,195
Other operating revenue	528	554
Total operating revenue	30,569	36,090
Other financial revenue	482	4,855
Gain on sales of investment securities	345	4,781
Dividends income	52	43
Other	85	31
Other revenue	323	1,759
Gain on bargain purchase	—	1,231
Gain on sales of subsidiaries' stocks	—	317
Gain on sales of affiliates' stocks	222	—
Other	101	211
Equity in earnings of affiliates	—	36
Total revenue	31,375	42,740

	FYE March 31, 2012	FYE March 31, 2013
Financial expenses	1,682	2,320
Selling, general and administrative expenses	26,060	30,359
Other financial expenses	27	46
Other Expenses	876	3,016
Impairment loss on goodwill	—	2,524
Acquisition related costs for business combination	—	270
Special retirement expenses	47	65
Loss on cancellation of operations consignment contracts	213	15
Foreign exchange losses	513	—
Other	103	142
Equity in losses of affiliates	62	—
Total expenses	28,707	35,742
Income before income taxes	2,668	6,998
Income tax expense	1,574	3,091
Net income	1,094	3,907
Net income attributable to :		
Owners of the Company	1,028	3,901
Non-controlling interests	65	6



Consolidated statement of financial position as of March 31, 2012 and 2013 (1)

■ Assets

(in million yen)

	As of March 31, 2012	As of March 31, 2013
Cash and deposits	39,788	51,193
Cash segregated as deposits	291,899	349,837
Trading securities and other	2,430	4,078
Derivative assets	1,133	753
Investments in securities	22,144	18,551
Margin transaction assets	90,795	149,487
Loans on margin transactions	85,567	145,277
Cash collateral pledged for securities borrowing on margin transactions	5,228	4,210
Loans secured by securities	15,339	44,583
Cash collateral pledged for securities borrowed	15,339	44,583
Other financial assets	23,654	22,950
Guarantee deposits	12,615	11,734
Accrued income	2,890	3,027
Short-term loans receivable	6,698	7,285
Allowance for doubtful accounts	-446	-314
Other	1,897	1,218

	As of March 31, 2012	As of March 31, 2013
Property, plant and equipment	1,759	1,485
Intangible assets	35,916	37,394
Goodwill	18,453	17,138
Identifiable intangible assets	13,898	14,912
Other	3,566	5,344
Equity method investments	257	826
Deferred tax assets	105	61
Other assets	1,510	995
Total assets	526,729	682,193

Consolidated statement of financial position as of March 31, 2012 and 2013 (2)

■ Liabilities

	As of March 31, 2012	As of March 31, 2013
Derivative liabilities	2,599	7,604
Margin transaction liabilities	27,826	39,745
Borrowings on margin transactions	2,757	14,847
Cash received for securities lending on margin transactions	25,069	24,897
Loans payable secured by securities	24,776	67,661
Cash received on debt credit transaction of securities	24,776	67,661
Deposits received	185,797	231,164
Guarantee deposits received	118,058	131,535
Bonds and loans payable	82,200	113,381
Short-term loans payable	65,485	89,426
Bonds payable	261	9,986
Long-term loans payable	16,454	13,969
Other financial liabilities	1,794	2,099
Provision	122	88
Income taxes payable	391	2,072
Deferred tax liabilities	6,351	5,418
Other liabilities	1,009	1,726
<b>Total liabilities</b>	<b>450,923</b>	<b>602,492</b>

■ Equity

(in million yen)

	As of March 31, 2012	As of March 31, 2013
Capital stock	10,394	10,394
Capital surplus	40,521	40,521
Retained earnings	18,808	22,079
Accumulated other comprehensive income	5,836	6,673
Valuation difference on available-for-sale securities	5,351	2,833
Foreign currency translation adjustment	485	3,789
Accumulated other comprehensive income for equity method investments	0	51
<b>Total shareholders' equity</b>	<b>75,558</b>	<b>79,667</b>
Non-controlling interests	248	35
<b>Total equity</b>	<b>75,806</b>	<b>79,702</b>

Consolidated statement of financial position as of March 31, 2012 and 2013 (3)

■ Investments in securities

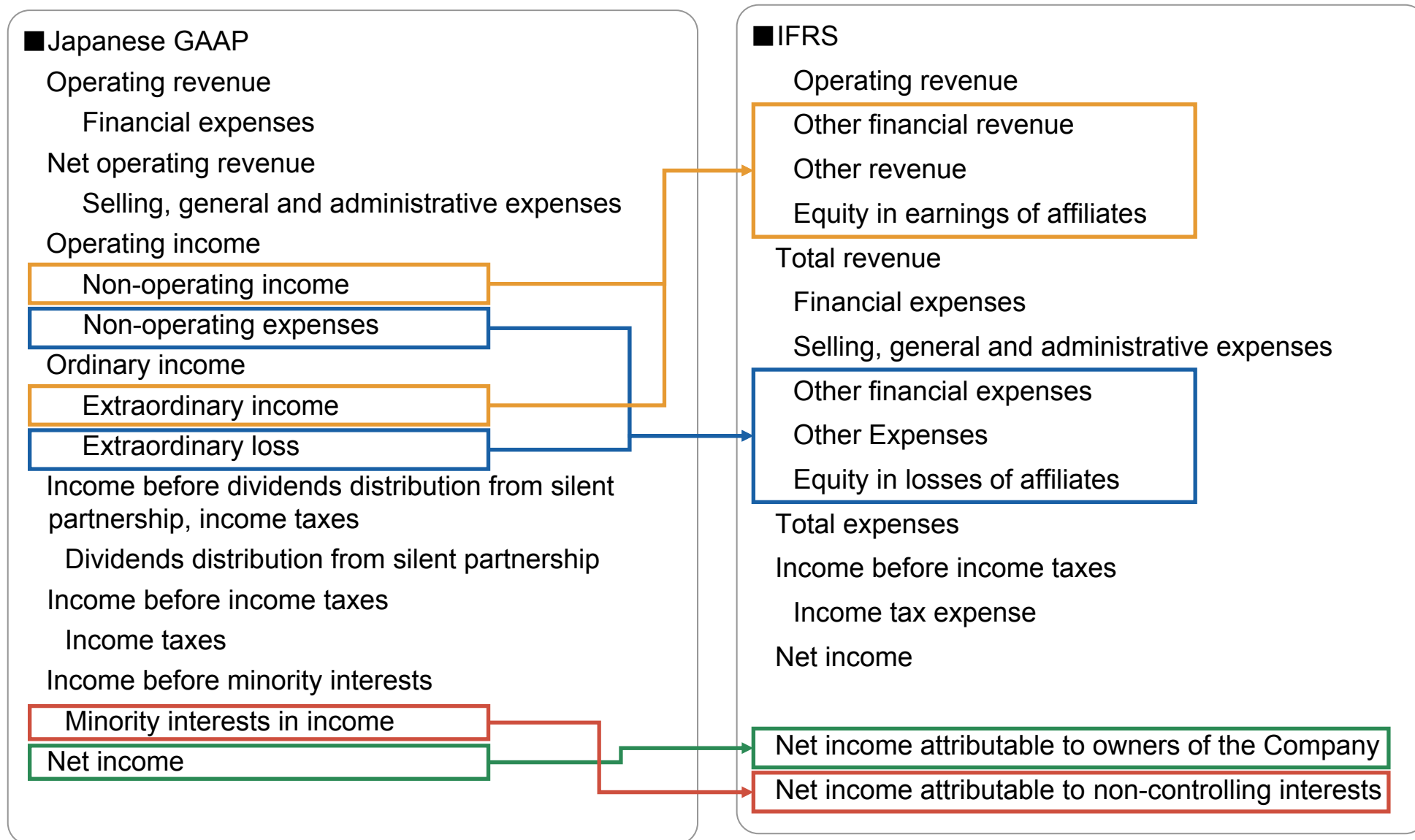
(in million yen)

	As of March 31, 2012	As of March 31, 2013	Fair value measurement	Description
Investments in securities	<b>22,144</b>	<b>18,551</b>		
Available-for-sale securities				
Level 1	<b>12,917</b>	<b>12,802</b>	Quoted prices (unadjusted) in active markets for identical assets or liabilities	ex. Listed securities
Level 2	<b>467</b>	—	Other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly	
Level 3	<b>4,662</b>	<b>1,150</b>	Unobservable inputs for the asset or liability	ex. Investment partnership
Held-to-maturity securities	<b>4,098</b>	<b>4,599</b>		

Details of Available-for-sale securities Level 1

	As of March 31, 2012	As of March 31, 2013	Description
MMF	<b>73</b>	<b>154</b>	
U.S. corporate bonds held by U.S. subsidiary	<b>4,914</b>	<b>7,338</b>	Equivalent to the amount of assets in custody of IBFX, Inc.
Equity securities of Lifenet life insurance company	<b>7,116</b>	<b>4,689</b>	As of March 31, 2013, the acquisition cost is 1,819 million yen and unrealized gain on valuation is 2,870 million yen. In April 2013, gain of 2,288 million yen was realized due to the sales of the security.
Asia FOF linked investment trust	<b>599</b>	<b>620</b>	
Other	<b>215</b>	<b>1</b>	
Total	<b>12,917</b>	<b>12,802</b>	

Reclassification of Consolidated statement of income (from Japanese GAAP to IFRS)



Comparison of consolidated statement of income with JGAAP for FYE March 31, 2013

■ Japanese GAAP		(in million yen)
Consolidated statements of income	FYE March 31, 2013	
Operating revenue		<b>37,390</b>
Financial expenses		<b>3,832</b>
Net operating revenue		<b>33,557</b>
Selling, general and administrative expenses		<b>31,490</b>
Operating income		<b>2,067</b>
Non-operating income		<b>291</b>
Non-operating expenses		<b>123</b>
Ordinary income		<b>2,236</b>
Extraordinary income		<b>5,484</b>
Extraordinary loss		<b>266</b>
Income before dividends distribution from silent partnership, income taxes		<b>7,454</b>
Dividends distribution from silent partnership		<b>9</b>
Income before income taxes		<b>7,463</b>
Income taxes		<b>1,710</b>
Income before minority interests		<b>5,753</b>
Minority interests in income		<b>6</b>
Net income		<b>5,747</b>
<hr/>		
Consolidated balance sheets	As of March 31, 2013	
Total assets		<b>693,224</b>
Net assets		<b>79,989</b>

■ IFRS		(in million yen)
Consolidated statements of income	FYE March 31, 2013	
Operating revenue		<b>36,090</b>
Other financial revenue		<b>4,855</b>
Other revenue		<b>1,759</b>
Equity in earnings of affiliates		<b>36</b>
Total revenue		<b>42,740</b>
Financial expenses		<b>2,320</b>
Selling, general and administrative expenses		<b>30,359</b>
Other financial expenses		<b>46</b>
Other Expenses		<b>3,016</b>
Total expenses		<b>35,742</b>
Income before income taxes		<b>6,998</b>
Income tax expense		<b>3,091</b>
Net income		<b>3,907</b>
Net income attributable to owners of the Company		<b>3,901</b>
Net income attributable to non-controlling interests		<b>6</b>
<hr/>		
Consolidated statement of financial position	As of March 31, 2013	
Total assets		<b>682,193</b>
Net assets		<b>79,702</b>

Reconciliation of net income on consolidated statement of income for FYE March 31, 2013

(in million yen)

	J GAAP	Reclassification	IFRS adoption	IFRS	
Commission received	20,465	—	-98	20,367	Commission received
Net trading income	6,974	—	—	6,974	Net trading income
Net gain on trading of investment securities for sale	-9	9			
Financial revenue	9,393	4	-1,202	8,195	Financial revenue
Other operating revenue	568	-14	—	554	Other operating revenue
Financial expenses	3,832	—	-1,512	2,320	Financial expenses
Selling, general and administrative expenses	31,490	—	-1,131	30,359	Selling, general and administrative expenses
		4,826	29	4,855	Other financial revenue
		28	18	46	Other financial expenses
		949	810	1,759	Other revenue
		341	2,675	3,016	Other Expenses
		-19	55	36	Equity in earnings of affiliates
Non-operating income	291	-291			
Non-operating expenses	123	-123			
Extraordinary income	5,484	-5,484			
Extraordinary loss	266	-266			
Dividends distribution from silent partnership	9	—	-9		
Income before income taxes	7,463	—	-464	6,998	Income before income taxes
Income taxes	1,710	—	1,382	3,091	Income tax expense
Income before minority interests	5,753	—	-1,846	3,907	Net income
Minority interests in income	6	-6	—		
Net income	5,747	—	-1,846	3,901	Net income attributable to owners of the Company
		6	—	6	Net income attributable to non-controlling interests

**Differences between JGAAP and IFRS for FYE March 2013  
(Operating revenue, Financial expenses)**

(in million yen)

<b>Operating revenue (JGAAP)</b>	<b>37,390</b>
GAAP differences	
Exchange of goods using of Monex points (deduction of commission received)	<b>-98</b>
Offsetting of dividends paid and dividends received for stock borrowing and lending transaction	<b>-1,548</b>
Separation of convertible bonds Gain on valuation of derivatives	<b>317</b>
Interest on debt securities measured at amortized cost	<b>32</b>
Reclassification of gain on valuation of securities held by U.S. subsidiary to other comprehensive income	<b>-8</b>
Other	<b>5</b>
<b>Operating revenue (IFRS)</b>	<b>36,090</b>
<b>Financial expenses (JGAAP)</b>	<b>3,832</b>
GAAP differences	
Transaction cost on bonds and long-term loans payable	<b>35</b>
Offsetting of dividends paid and dividends received for stock borrowing and lending transaction	<b>-1,548</b>
<b>Financial expenses (IFRS)</b>	<b>2,320</b>

**Differences between JGAAP and IFRS for FYE March 2013  
(Selling, general and administrative expenses)**

(in million yen)

<b>Selling, general and administrative expenses (JGAAP)</b>	<b>31,490</b>
GAAP differences	
Exchange of goods using of Monex points (reclassification from advertisement costs to deduction of commission received)	<b>-98</b>
Reversal of goodwill amortization	<b>-1,324</b>
Depreciation on fixed assets	<b>111</b>
Reversal of deferred expense for stock option settlement for U.S. subsidiary	<b>118</b>
Recognition criteria of Allowance for doubtful accounts	<b>64</b>
Other	<b>-2</b>
<b>Selling, general and administrative expenses (IFRS)</b>	<b>30,359</b>



**Differences between JGAAP and IFRS for FYE March 2013  
(Other financial revenue, other revenue)**

(in million yen)

<b>(JGAAP)</b>	<b>—</b>
GAAP differences	
Interest income on Long –term Guarantee deposits	<b>29</b>
Reclassification	
Dividends income and interest income (Non-operating income)	<b>46</b>
Sales on investment securities (Extraordinary income)	<b>4,781</b>
<b>Other financial revenue (IFRS)</b>	<b>4,855</b>

<b>(JGAAP)</b>	<b>—</b>
GAAP differences	
Book value of subsidiary sold	<b>-21</b>
Gain on bargain purchase for acquisition of subsidiary	<b>1,075</b>
Other	<b>-35</b>
Reclassification	
Gain on change in equity (Extraordinary income)	<b>338</b>
Gain on bargain purchase (Extraordinary income)	<b>156</b>
Other (Non-operating income)	<b>246</b>
<b>Other revenue (IFRS)</b>	<b>1,759</b>

## Differences between JGAAP and IFRS for FYE March 2013 (Other financial expenses, other expenses)

Monex Group, Inc.

(JGAAP)	—	(in million yen)
GAAP differences		
Loss on valuation of investments in securities	17	
Other	1	
Reclassification		
Loss on sales of investment securities (Extraordinary loss)	25	
Loss on valuation of investment securities (Extraordinary loss)	3	
<b>Other financial expenses (IFRS)</b>	<b>46</b>	
<b>(JGAAP)</b>	<b>—</b>	
GAAP differences		
Impairment loss on goodwill	2,524	
Acquisition related costs for business combination	159	
Other	-8	
Reclassification		
Acquisition related costs (Extraordinary loss)	111	
Special retirement expenses (Extraordinary loss)	65	
Loss on cancellation of operations consignment contracts (Extraordinary loss)	15	
Other (Non-operating expenses 104 million yen, Extraordinary loss 46million yen)	150	
<b>Other expenses (IFRS)</b>	<b>3,016</b>	

## Differences between JGAAP and IFRS for FYE March 2013 (Income before income taxes, income taxes)

Monex Group, Inc.

		(in million yen)
<b>Income before income taxes (JGAAP)</b>		<b>7,463</b>
GAAP differences		
Operating revenue		-1,300
Financial expenses		1,512
Selling, general and administrative expenses		1,131
Equity in earnings of affiliates		55
Other financial revenue, and other revenue		839
Other financial expenses, and other expenses		-2,692
Dividends distribution from silent partnership		-9
<b>Income before income taxes (IFRS)</b>		<b>6,998</b>
<b>Income taxes (JGAAP)</b>		<b>1,710</b>
GAAP differences		
Deferred income taxes for separation of convertible bonds		124
Collectability of deferred tax assets		394
Reversal of deferred tax assets of acquired subsidiary		909
Other		-46
<b>Income tax expense (IFRS)</b>		<b>3,091</b>

**Differences between JGAAP and IFRS for FYE March 2013 (Net income attributable to owners)**

<b>Net income (JGAAP)</b>	<b>5,747</b>
GAAP differences	
Income before income taxes	<b>-464</b>
Income tax expense	<b>-1,382</b>
<b>Net income attributable to owners of the Company (IFRS)</b>	<b>3,901</b>

(in million yen)