

Monex Group, Inc.

Consolidated Financial Summary under IFRS for the 1Q of the fiscal year ending March 31, 2017 (April 1, 2016 - June 30, 2016)

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 1Q of the fiscal year ending March 31, 2017. 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 1Q of the fiscal year ending March 31, 2017. 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. 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. / July 2016

Consolidated Financial Summary For the 1Q of the fiscal year ending March 31, 2017

	(Millions of Yen)
Operating results (from Apr. 1, 2016 to Jun. 30, 2016):	
Total revenue	¥12,500
Total expenses	11,944
Quarterly profit before income taxes	556
Income tax expense	323
Quarterly profit	¥233
Quarterly profit attributable to:	
Owners of the Company	¥261
Non-controlling interests.	(28)
	(Millions of Yen)
Financial Position (as of Jun. 30, 2016):	(Millions of Yen)
Financial Position (as of Jun. 30, 2016): Total assets	(Millions of Yen) ¥865,376
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Total assets	¥865,376 82,900
Total assets Equity attributable to owners of the Company	¥865,376
Total assets	¥865,376 82,900
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Note:

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

Quarterly Consolidated Statements of Income

		(Millions of Yen)
	Three months ended June 30, 2015	Three months ended June 30, 2016
Revenue:		
Commission received	¥8,499	¥6,807
Net trading income	1,813	1,309
Financial income	3,670	3,271
Other operating income	212	237
Total operating revenue	14,194	11,624
Other financial income	77	355
Other income	26	520
Total revenue	14,297	12,500
Expenses:		
Financial expenses	1,234	990
Selling, general and administrative expenses.	10,517	10,118
Other financial expenses	30	569
Other expenses	9	253
Equity in losses of equity method investments	5	14
Total expenses	11,796	11,944
Quarterly profit before income taxes	2,501	556
Income tax expense	769	323
Quarterly profit	¥1,733	¥233
Quarterly profit attributable to:		
Owners of the Company	¥1,733	¥261
Non-controlling interests	_	(28)
Earnings per share attributable to owners of the		
Company:	(in yen)	(in yen)
Basic earnings per share	¥6.02	¥0.92
Diluted earnings per share	_	0.92

Quarterly Consolidated Statements of Comprehensive Income

	Three months ended June 30, 2015	(Millions of Yen) Three months ended June 30, 2016
Quarterly profit	¥1,733	¥233
Other comprehensive income:		
Items that may be reclassified subsequently to		
profit or loss:		
Changes in fair value of available-for-sale financial assets	19	561
Changes in fair value of hedging instrument	(119)	136
Foreign currency translation adjustments in foreign operations	529	(2,167)
Share of other comprehensive income of equity method investments	45	(3)
Other comprehensive income after income taxes	473	(1,474)
Quarterly comprehensive income	¥2,206	¥(1,241)
Quarterly comprehensive income attributable to : Owners of the Company	¥2,206	¥(1,213)
Non-controlling interests	-	(28)

Quarterly Consolidated Statements of Financial Position

As ets. As of March 31, 2016 As of June 30, 2016 Assets. West. 184,924 Cash and cash equivalents. 491,402 475,799 Trading securities and other 2,945 2,977 Derivative assets. 19,153 21,292 Investments in securities 3,707 3,710 Margin transaction assets 149,236 136,239 Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,035 Equity thool investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,566 Total assets \$25,000 \$25,000 Liabilities and Equity: *** *** Liabilities and Equity	_		(Millions of Yen)
Assets: Y61,902 Y84,924 Cash and cash equivalents. 497,442 475,799 Trading securities and other 2,945 2,977 Derivative assets. 19,153 21,292 Investments in securities 3,707 3,710 Margin transaction assets 149,236 136,239 Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets \$88,116 \$865,376 Liabilities \$7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and			
Cash and cash equivalents ¥61,902 ¥84,924 Cash segregated as deposits 497,442 475,799 Trading securities and other 2,945 2,977 Derivative assets. 19,153 21,292 Investments in securities 3,707 3,710 Margin transaction assets 149,236 136,239 Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets Y= ¥13 Liabilities and Equity: 1 1,187 1,561 Total assets Y= ¥13 Derivative liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049		March 31, 2016	June 30, 2016
Cash segregated as deposits 497,442 475,799 Trading securities and other 2,945 2,977 Derivative assets 19,153 21,292 Investments in securities 3,707 3,710 Margin transaction assets 149,236 136,239 Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets 8 46 Other assets 1,187 1,561 Total assets 7,178 4,786 Liabilities 7,178 4,786 Margin transaction liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received <	Assets:		
Trading securities and other 2,945 2,977 Derivative assets. 19,153 21,292 Investments in securities 3,707 3,710 Margin transaction assets 149,236 136,239 Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Obeferred tax assets 8 46 Other assets 1,187 1,561 Total assets ** ** Liabilities and Equity: ** ** Liabilities and Equity: ** ** Liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable	Cash and cash equivalents	¥61,902	¥84,924
Derivative assets 19,153 21,292 Investments in securities 3,707 3,710 Margin transaction assets 149,236 136,239 Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets *** *** Liabilities and Equity: *** *** Liabilities and Equity: *** *** Liabilities and Equity: *** *** Liabilities: 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable	Cash segregated as deposits	497,442	475,799
Investments in securities 3,707 3,710 Margin transaction assets 149,236 136,239 Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets **888,116 **865,376 Liabilities and Equity: *** *** Liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 35,994 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payabl	Trading securities and other	2,945	2,977
Margin transaction assets 149,236 136,239 Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets \$88,116 \$865,376 Liabilities and Equity: Liabilities and Equity: \$1 \$1 Trading securities and other \$4 \$4,766 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions	Derivative assets	19,153	21,292
Loans secured by securities 31,628 39,636 Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets **888,116 **865,376 Liabilities *** *** Trading securities and other *** *** Trading securities and other *** *** Trading securities and other *** *** Tading securities and other *** *** Trading securities and other *** *** *** Including securities and other *** <td< td=""><td>Investments in securities</td><td>3,707</td><td>3,710</td></td<>	Investments in securities	3,707	3,710
Other financial assets 64,272 44,849 Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets \$88,116 \$865,376 Liabilities and Equity: Liabilities and Equity: \$7,178 4,786 Margin transaction liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 3,161	Margin transaction assets	149,236	136,239
Property and equipment 2,457 2,224 Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets \$88,116 \$865,376 Liabilities and Equity: Liabilities and Equity: Usage of the property of the p	Loans secured by securities	31,628	39,636
Intangible assets 53,053 51,033 Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets ¥888,116 ¥865,376 Liabilities and Equity: Liabilities: Trading securities and other \$\frac{\text{Y}}{\text{-Tading securities and other}}\$ \$\frac	Other financial assets	64,272	44,849
Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets ¥888,116 ¥865,376 Liabilities and Equity: Liabilities and Equity: Liabilities: Trading securities and other F \$13 Derivative liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 30,094 782,052 Equity: 10,14 911 Total liabilities 10,394 40,510	Property and equipment	2,457	2,224
Equity method investments 1,125 1,086 Deferred tax assets 8 46 Other assets 1,187 1,561 Total assets ¥888,116 ¥865,376 Liabilities and Equity: Liabilities and Equity: Liabilities: Trading securities and other F \$13 Derivative liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 30,094 782,052 Equity: 10,14 911 Total liabilities 10,394 40,510	Intangible assets	53,053	51,033
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Total assets ¥888,116 ¥865,376 Liabilities and Equity: Image: Common stock and other and other and other assets are storaged and other are storaged and storaged and other are storaged and		8	46
Liabilities and Equity: Liabilities: Y ¥13 Derivative liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 3,161 3,539 Other liabilities 802,094 782,052 Equity: Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling int	Other assets	1,187	1,561
Liabilities: ¥— ¥13 Derivative liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 3,161 3,539 Other liabilities 802,094 782,052 Equity: Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock — (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424	Total assets	¥888,116	¥865,376
Liabilities: ¥— ¥13 Derivative liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 3,161 3,539 Other liabilities 802,094 782,052 Equity: Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock — (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424	-		
Trading securities and other ¥— ¥13 Derivative liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 3,161 3,539 Other liabilities 10,394 782,052 Equity: 2 2 Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock — (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 N	Liabilities and Equity:		
Derivative liabilities 7,178 4,786 Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324	Liabilities:		
Margin transaction liabilities 33,006 24,701 Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324	Trading securities and other	¥-	¥13
Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: - (1,000) Retained earnings 20,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		7,178	4,786
Loans payable secured by securities 71,974 87,049 Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: - (1,000) Retained earnings 20,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324	Margin transaction liabilities	33,006	24,701
Deposits received 350,904 353,239 Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: 2 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		71,974	87,049
Guarantee deposits received 170,666 165,148 Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock — (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		350,904	353,239
Bonds and loans payable 154,261 134,677 Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		170,666	165,148
Other financial liabilities 5,868 5,717 Provisions 2,556 2,072 Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		154,261	134,677
Provisions			5,717
Income taxes payable 1,505 200 Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324	Provisions	· ·	•
Deferred tax liabilities 3,161 3,539 Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity:		· ·	
Other liabilities 1,014 911 Total liabilities 802,094 782,052 Equity: Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		-	3,539
Total liabilities 802,094 782,052 Equity:	Other liabilities		
Common stock 10,394 10,394 Additional paid-in capital 40,510 40,547 Treasury stock - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324	Total liabilities		
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Additional paid-in capital 40,510 40,547 Treasury stock - (1,000) Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		10.204	10.004
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Retained earnings 22,380 21,902 Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		40,510	· ·
Other components of equity 12,532 11,058 Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324		_	
Equity attributable to owners of the Company 85,816 82,900 Non-controlling interests 207 424 Total equity 86,022 83,324	Retained earnings	-	-
Non-controlling interests 207 424 Total equity 86,022 83,324			
Total equity 86,022 83,324	^ ·	-	
<u> </u>			
Total liabilities and equity \qquad \qquad \qquad \qquad \qquad \qquad \qquad \qquad \qquad \qqqqq \qqqqq \qqqqq \qqqqq \qqqqqqq \qqqqq \qqqqqq	Total equity	86,022	83,324
	Total liabilities and equity	¥888,116	¥865,376

Quarterly Consolidated Statements of Cash Flows

<u>-</u>	Three months ended June 30, 2015	(Millions of Yen) Three months ended June 30, 2016
Cash flows from operating activities:		
Quarterly profit before income taxes	¥2,501	¥556
Depreciation and amortization	1,154	1,580
Loss on business restructuring	_	145
Reversal of allowance for loss on cancellation of outsourcing contract	_	(508)
Financial income and financial expenses	(2,483)	(2,068)
Decrease/increase in derivative assets and liabilities	(134)	(4,312)
Decrease/increase in assets/liabilities for margin transaction	(10,449)	4,691
Decrease/increase in loans/loans payable secured by securities	5,476	6,564
Decrease/increase in cash segregated as deposits	(33,641)	4,130
Decrease/increase in deposits received and guarantee deposits received	56,521	16,245
Decrease/increase in short-term loans receivable	(8,988)	18,928
Other, net	(864)	673
Sub total	9,094	46,623
Interest and dividends income received	3,525	3,394
Interest expenses paid	(1,308)	(1,267)
Income taxes paid		(1,945)
Net cash provided by (used in) operating activities	10,585	46,805
Cash flows from investing activities:		
Purchase of investments in securities	(2)	_
Proceeds from sales and redemption of securities	4,396	8
Purchase of property and equipment	(88)	(254)
Purchase of intangible assets	(2,741)	(2,008)
Purchase of investments in joint ventures	(288)	(12)
Other, net	19	9
Net cash provided by (used in) investing activities	1,297	(2,257)
Cash flows from financing activities:		_
Net increase/decrease in short-term loans payable	(593)	171
Proceeds from issuance of bonds	_	2,996
Repayment of long-term loans payable	(1,250)	(22,300)
Purchase of treasury stock	_	(1,000)
Cash dividends paid	(1,872)	(692)
Proceeds from stock issuance to non-controlling interests	· -	245
Other, net	_	37
Net cash provided by (used in) financing activities	(3,714)	(20,544)
Net increase/decrease in cash and cash equivalents	8,167	24,004
Cash and cash equivalents at the beginning of period	66,337	59,756
Effect of exchange rate change on cash and cash equivalents	290	(947)
Cash and cash equivalents at the end of period	¥74,794	¥82,813