



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRSs for the fiscal year ended March 31, 2017 (April 1, 2016 - March 31, 2017)**

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the fiscal year ended 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 fiscal year ended 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. / April 2017

## Consolidated Financial Summary

### For the fiscal year ended March 31, 2017

(Millions of Yen)	
<b>Operating results (from Apr. 1, 2016 to Mar. 31, 2017):</b>	
Total revenue.....	¥49,104
Total expenses.....	48,033
Profit before income taxes	1,071
Income tax expense.....	910
Profit	¥161
Profit attributable to :	
Owners of the Company.....	¥298
Non-controlling interests.....	(137)

(Millions of Yen)	
<b>Financial Position (as of Mar. 31, 2017):</b>	
Total assets.....	¥936,776
Equity attributable to owners of the Company.....	81,372

(Yen)	
<b>Earnings per share attributable to owners of the Company (from Apr. 1, 2016 to Mar. 31, 2017):</b>	
Basic earnings per share.....	¥1.06
Diluted earnings per share.....	1.05

Note:

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

## Consolidated Statements of Income

	(Millions of Yen)	
	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Revenue:		
Commission received .....	¥ 32,152	¥26,349
Net trading income .....	6,671	4,498
Financial income .....	14,610	14,313
Other operating income .....	839	671
Total operating revenue	54,271	45,831
Other financial income .....	639	1,667
Other income .....	32	1,606
Total revenue	54,942	49,104
Expenses:		
Financial expenses .....	4,629	3,979
Selling, general and administrative expenses.	41,395	40,578
Other financial expenses .....	843	1,655
Other expenses .....	2,906	1,722
Equity in losses of equity method investments	67	99
Total expenses	49,842	48,033
Profit before income taxes	5,100	1,071
Income tax expense.....	1,584	910
Profit	¥ 3,516	¥161
Profit attributable to :		
Owners of the Company.....	¥ 3,554	¥298
Non-controlling interests.....	(38)	(137)
Earnings per share attributable to owners of the Company:		
	(in yen)	<b>(in yen)</b>
Basic earnings per share.....	¥ 12.46	¥1.06
Diluted earnings per share.....	12.45	1.05

## Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Profit	¥ 3,516	¥161
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale financial assets .....	1,757	(980)
Changes in fair value of hedging instrument .....	499	(1,019)
Foreign currency translation adjustments in foreign operations .....	(1,779)	(296)
Share of other comprehensive income of equity method investments .....	18	(15)
Other comprehensive income after income taxes	494	(2,310)
Comprehensive income	¥ 4,010	¥(2,149)
Comprehensive income attributable to :		
Owners of the Company .....	¥ 4,048	¥(2,012)
Non-controlling interests .....	(38)	(137)

## Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of March 31, 2016	As of March 31, 2017
Assets:		
Cash and cash equivalents .....	¥ 61,902	¥77,900
Cash segregated as deposits .....	497,442	552,028
Trading securities and other .....	2,945	1,697
Derivative assets.....	19,153	13,443
Investments in securities .....	3,707	3,611
Margin transaction assets .....	149,236	147,653
Loans secured by securities.....	31,628	34,250
Other financial assets .....	64,272	49,049
Property and equipment .....	2,457	2,062
Intangible assets .....	53,053	53,751
Equity method investments .....	1,125	363
Deferred tax assets .....	8	2
Other assets .....	1,187	967
<b>Total assets</b>	<b>¥ 888,116</b>	<b>¥936,776</b>
Liabilities and Equity:		
Liabilities:		
Derivative liabilities .....	¥ 7,178	¥5,828
Margin transaction liabilities.....	33,006	40,664
Loans payable secured by securities .....	71,974	77,504
Deposits received .....	350,904	324,672
Guarantee deposits received.....	170,666	257,753
Bonds and loans payable .....	154,261	138,133
Other financial liabilities .....	5,868	6,622
Provisions .....	2,556	166
Income taxes payable .....	1,505	389
Deferred tax liabilities .....	3,161	2,401
Other liabilities .....	1,014	958
<b>Total liabilities</b>	<b>802,094</b>	<b>855,090</b>
Equity:		
Common stock .....	10,394	10,394
Additional paid-in capital.....	40,510	40,547
Retained earnings .....	22,380	20,209
Other components of equity .....	12,532	10,222
Equity attributable to owners of the Company	85,816	81,372
Non-controlling interests.....	207	315
<b>Total equity</b>	<b>86,022</b>	<b>81,687</b>
<b>Total liabilities and equity</b>	<b>¥ 888,116</b>	<b>¥936,776</b>

## Consolidated Statements of Cash Flows

	(Millions of Yen)	
	For the fiscal year ended March 31, 2016	For the fiscal year ended March 31, 2017
Cash flows from operating activities:		
Profit before income taxes.....	¥ 5,100	¥1,071
Depreciation and amortization.....	4,911	7,094
Loss on business restructuring.....	132	145
Provision of allowance for loss on cancellation of outsourcing contract.....	2,400	—
Reversal of allowance for loss on cancellation of outsourcing contract.....	—	(508)
Gain on sales of investments in associates.....	—	(247)
Financial income and financial expenses.....	(9,776)	(10,346)
Decrease/increase in derivative assets and liabilities.....	(10,039)	2,792
Decrease/increase in assets/liabilities for margin transaction.....	13,283	9,241
Decrease/increase in loans/loans payable secured by securities.....	4,412	2,873
Decrease/increase in cash segregated as deposits.....	13,099	(57,921)
Decrease/increase in deposits received and guarantee deposits received.....	(14,521)	63,160
Decrease/increase in short-term loans receivable.....	(17,148)	20,141
Other, net.....	1,155	(118)
Sub total	(6,991)	37,376
Interest and dividends income received.....	14,490	13,365
Interest expenses paid.....	(4,863)	(4,499)
Income taxes refund/paid.....	(1,869)	(2,527)
Net cash provided by (used in) operating activities	766	43,715
Cash flows from investing activities:		
Purchase of investments in securities.....	(80)	(282)
Proceeds from sales and redemption of securities.....	5,386	1,215
Purchase of property and equipment.....	(706)	(673)
Purchase of intangible assets.....	(10,051)	(8,603)
Purchase of investments in joint ventures.....	(288)	(13)
Payments for purchase of affiliates.....	(70)	—
Proceeds from sales of associates.....	—	295
Other, net.....	(124)	(240)
Net cash provided by (used in) investing activities	(5,934)	(8,301)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable.....	11,741	(1,372)
Proceeds from issuance of bonds.....	—	2,996
Purchase of redemption of bonds.....	—	(2,000)
Proceeds from long-term loans payable.....	—	27,902
Repayment of long-term loans payable.....	(7,500)	(43,800)
Purchase of treasury stock.....	(1,162)	(1,000)
Cash dividends paid.....	(3,997)	(1,468)
Proceeds from stock issuance to non-controlling interests.....	147	245
Proceeds from sales of investments in subsidiaries to non-controlling interests.....	98	—
Other, net.....	—	37
Net cash provided by (used in) financing activities	(673)	(18,462)
Net increase/decrease in cash and cash equivalents	(5,840)	16,952
Cash and cash equivalents at the beginning of period	66,337	59,756
Effect of exchange rate change on cash and cash equivalents	(741)	(151)
Cash and cash equivalents at the end of period	¥ 59,756	¥76,557