



Monex Group, Inc.

Consolidated Financial Summary under IFRS for the fiscal year ended March 31, 2016 (April 1, 2015 - March 31, 2016)

This is an English translation for the Japanese report of the consolidated financial summary under IFRS for fiscal year ended March 31, 2016. 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, 2016. 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 2016

Consolidated Financial Summary

For the fiscal year ended March 31, 2016

(Millions of Yen)	
Operating results (from Apr. 1, 2015 to Mar. 31, 2016):	
Total revenue.....	¥ 54,942
Total expenses.....	49,842
Profit before income taxes	5,100
Income tax expense.....	1,584
Profit	¥ 3,516
Profit attributable to :	
Owners of the Company.....	¥ 3,554
Non-controlling interests.....	(38)

(Millions of Yen)	
Financial Position (as of Mar. 31, 2016):	
Total assets.....	¥888,116
Equity attributable to owners of the Company.....	85,816

(Yen)	
Earnings per share attributable to owners of the Company (from Apr. 1, 2015 to Mar. 31, 2016):	
Basic earnings per share.....	¥ 12.46
Diluted earnings per share.....	¥ 12.45

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, 2015	For the fiscal year ended March 31, 2016
Revenue:		
Commission received.....	¥ 30,079	¥ 32,152
Net trading income	6,242	6,671
Financial income.....	13,987	14,610
Other operating income	667	839
Total operating revenue	50,975	54,271
Other financial income.....	82	639
Other income	210	32
Total revenue	51,267	54,942
Expenses:		
Financial expenses.....	5,766	4,629
Selling, general and administrative expenses	37,143	41,395
Other financial expenses.....	272	843
Other expenses.....	1,970	2,906
Equity in losses of equity method investments	2	67
Total expenses	45,152	49,842
Profit before income taxes	6,115	5,100
Income tax expense	2,621	1,584
Profit	¥ 3,494	¥ 3,516
Profit attributable to :		
Owners of the Company	¥ 3,494	¥ 3,554
Non-controlling interests.	—	(38)
Earnings per share attributable to owners of the Company:	(in yen)	(in yen)
Basic earnings per share	¥ 12.15	¥ 12.46
Diluted earnings per share	—	12.45

Consolidated Statements of Comprehensive Income

(Millions of Yen)

Profit	¥ 3,494	¥ 3,516
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale financial assets.....	740	1,757
Changes in fair value of hedging instrument.....	245	499
Foreign currency translation adjustments in foreign operations.....	4,117	(1,779)
Share of other comprehensive income of equity method investments.....	(5)	18
Other comprehensive income after income taxes	5,097	494
Comprehensive income	¥ 8,591	¥ 4,010
Comprehensive income attributable to :		
Owners of the Company	¥ 8,591	¥ 4,048
Non-controlling interests	—	(38)

Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of March 31, 2015	As of March 31, 2016
Assets:		
Cash and cash equivalents.....	¥ 68,540	¥ 61,902
Cash segregated as deposits	525,567	497,442
Trading securities and other	4,148	2,945
Derivative assets.....	13,432	19,153
Investments in securities	8,176	3,707
Margin transaction assets	175,637	149,236
Loans secured by securities.....	159,969	31,628
Other financial assets	46,003	64,272
Property and equipment	2,408	2,457
Intangible assets	48,807	53,053
Equity method investments	1,136	1,125
Deferred tax assets	20	8
Other assets	1,398	1,187
Total assets	¥ 1,055,242	¥ 888,116
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	¥ 12,159	¥ 7,178
Margin transaction liabilities.....	46,125	33,006
Loans payable secured by securities	195,521	71,974
Deposits received	368,656	350,904
Guarantee deposits received.....	184,850	170,666
Bonds and loans payable	150,418	154,261
Other financial liabilities.....	4,958	5,868
Provisions.....	158	2,556
Income taxes payable	230	1,505
Deferred tax liabilities.....	3,732	3,161
Other liabilities	1,504	1,014
Total liabilities	968,310	802,094
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,510	40,510
Retained earnings	23,991	22,380
Other components of equity	12,038	12,532
Equity attributable to owners of the Company	86,932	85,816
Non-controlling interests	—	207
Total equity	86,932	86,022
Total liabilities and equity	¥ 1,055,242	¥ 888,116

Consolidated Statements of Cash Flows

	(Millions of Yen)	
	For the fiscal year ended March 31, 2015	For the fiscal year ended March 31, 2016
Cash flows from operating activities:		
Profit before income taxes.....	¥ 6,115	¥ 5,100
Depreciation and amortization.....	3,942	4,911
Provision of allowance for loss on cancellation of outsourcing contract.....	—	2,400
Loss on business restructuring.....	1,702	132
Gain on sales on investments in subsidiaries	(100)	—
Financial income and financial expenses.....	(8,031)	(9,776)
Decrease/increase in derivative assets and liabilities.....	1,311	(10,039)
Decrease/increase in assets/liabilities for margin transaction.....	12,410	13,283
Decrease/increase in loans/loans payable secured by securities.....	4,987	4,412
Decrease/increase in cash segregated as deposits.....	(68,275)	13,099
Decrease/increase in deposits received and guarantee deposits received.....	66,080	(14,521)
Decrease/increase in short-term loans receivable.....	(2,720)	(17,148)
Other, net.....	(16,945)	1,155
Sub total	475	(6,991)
Interest and dividends income received.....	13,864	14,490
Interest expenses paid.....	(5,459)	(4,863)
Income taxes paid.....	(9,129)	(1,869)
Net cash provided by (used in) operating activities	(249)	766
Cash flows from investing activities:		
Purchase of investments in securities.....	(6,235)	(80)
Proceeds from sales and redemption of securities.....	7,159	5,386
Purchase of property and equipment.....	(1,233)	(706)
Purchase of intangible assets.....	(8,301)	(10,051)
Purchase of joint ventures.....	—	(288)
Payments for purchase of affiliates	—	(70)
Proceeds from sales of subsidiaries	249	—
Other, net.....	(241)	(124)
Net cash provided by (used in) investing activities	(8,602)	(5,934)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable.....	(39,331)	11,741
Proceeds from long-term loans payable.....	32,221	—
Repayment and redemption of long-term loans payable.....	(2,500)	(7,500)
Purchase of treasury stock.....	—	(1,162)
Cash dividends paid.....	(2,358)	(3,997)
Proceeds from stock issuance to non-controlling interests.....	—	147
Proceeds from sales of investments in subsidiaries to non-controlling interests.....	—	98
Net cash provided by (used in) financing activities	(11,968)	(673)
Net increase/decrease in cash and cash equivalents	(20,819)	(5,840)
Cash and cash equivalents at the beginning of period	84,855	66,337
Effect of exchange rate change on cash and cash equivalents	2,300	(741)
Cash and cash equivalents at the end of period	66,337	59,756