



Monex Group, Inc.

Consolidated Financial Summary under IFRS for the 3Q of the fiscal year ending March 31, 2016 (April 1, 2015 - December 31, 2015)

This is an English translation for the Japanese report of the consolidated financial summary under IFRS for the 3Q of the fiscal year ending 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 3Q of the fiscal year ending 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. / January 2016

Consolidated Financial Summary

For the 3Q of the fiscal year ending March 31, 2016

(Millions of Yen)	
Operating results (from Apr. 1, 2015 to Dec. 31, 2015):	
Total revenue.....	¥ 41,905
Total expenses.....	38,326
Quarterly profit before income taxes	4,616
Income tax expense.....	1,434
Quarterly profit	¥ 3,182
Quarterly profit attributable to :	
Owners of the Company.....	¥ 3,200
Non-controlling interests.....	(18)

(Millions of Yen)	
Financial Position (as of Dec. 31, 2015):	
Total assets.....	¥977,351
Equity attributable to owners of the Company	85,419

(Yen)	
Earnings per share attributable to owners of the Company (from Apr. 1, 2015 to Dec. 31, 2015):	
Basic earnings per share.....	¥ 11.20
Diluted earnings per share	¥ 11.20

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)	
	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Revenue:		
Commission received.....	¥ 21,837	¥ 24,717
Net trading income	4,388	5,179
Financial income.....	10,259	11,373
Other operating income	493	636
Total operating revenue	36,977	41,905
Other financial income.....	75	1,007
Other income	105	30
Equity in profits of equity method investments	65	—
Total revenue	37,222	42,942
Expenses:		
Financial expenses.....	4,099	3,656
Selling, general and administrative expenses	27,413	30,872
Other financial expenses.....	353	1,065
Other expenses.....	1,855	2,680
Equity in losses of equity method investments	—	52
Total expenses	33,718	38,326
Quarterly profit before income taxes	3,503	4,616
Income tax expense	1,622	1,434
Quarterly profit	¥ 1,881	¥ 3,182
Quarterly profit attributable to :		
Owners of the Company	¥ 1,881	¥ 3,200
Non-controlling interests.	—	(18)
Earnings per share attributable to owners of the Company:		
	(in yen)	(in yen)
Basic earnings per share	¥ 6.54	¥ 11.20
Diluted earnings per share	—	11.20

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Quarterly profit	¥ 1,881	¥ 3,182
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale financial assets	831	749
Changes in fair value of hedging instrument	(186)	(384)
Foreign currency translation adjustments in foreign operations	4,172	27
Share of other comprehensive income of equity method investments	(8)	59
Other comprehensive income after income taxes	4,809	452
Quarterly comprehensive income	¥ 6,690	¥ 3,634
Quarterly comprehensive income attributable to :		
Owners of the Company	¥ 6,690	¥ 3,652
Non-controlling interests	—	(18)

Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of March 31, 2015	As of December 31, 2015
Assets:		
Cash and cash equivalents.....	¥ 68,540	¥ 83,692
Cash segregated as deposits	525,567	523,936
Trading securities and other	4,148	3,574
Derivative assets.....	13,432	14,198
Investments in securities	8,176	3,596
Margin transaction assets	175,637	176,964
Loans secured by securities.....	159,969	63,306
Other financial assets	46,003	49,393
Property and equipment	2,408	2,463
Intangible assets	48,807	53,083
Equity method investments	1,136	1,151
Deferred tax assets	20	155
Other assets	1,398	1,839
Total assets	¥ 1,055,242	¥ 977,351
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	¥ 12,159	¥ 9,815
Margin transaction liabilities.....	46,125	28,260
Loans payable secured by securities	195,521	114,066
Deposits received	368,656	395,529
Guarantee deposits received.....	184,850	183,904
Bonds and loans payable	150,418	146,853
Other financial liabilities	4,958	5,266
Provisions	158	2,535
Income taxes payable	230	1,056
Deferred tax liabilities	3,732	2,917
Other liabilities	1,504	1,402
Total liabilities	968,310	891,704
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,510	40,510
Treasury stock	—	(1,162)
Retained earnings	23,991	23,188
Other components of equity	12,038	12,490
Equity attributable to owners of the Company	86,932	85,419
Non-controlling interests	—	227
Total equity	86,932	85,646
Total liabilities and equity	¥ 1,055,242	¥ 977,351

Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Cash flows from operating activities:		
Quarterly profit before income taxes.....	¥3,503	¥ 4,616
Depreciation and amortization.....	2,879	3,580
Loss on business restructuring.....	1,655	—
Provision of allowance for loss on cancellation of outsourcing contract.....	—	2,361
Financial income and financial expenses.....	(5,882)	(7,658)
Decrease/increase in derivative assets and liabilities.....	4,969	(3,818)
Decrease/increase in assets/liabilities for margin transaction.....	10,300	(19,191)
Decrease/increase in loans/loans payable secured by securities.....	12,247	15,254
Decrease/increase in cash segregated as deposits.....	(53,418)	714
Decrease/increase in deposits received and guarantee deposits received.....	64,249	27,507
Decrease/increase in short-term loans receivable.....	(20,592)	1,718
Other, net.....	(17,142)	(5,251)
Sub total	2,767	19,833
Interest and dividends income received.....	9,783	10,900
Interest expenses paid.....	(4,076)	(3,971)
Income taxes paid.....	(8,316)	(1,045)
Net cash provided by (used in) operating activities	157	25,717
Cash flows from investing activities:		
Purchase of investments in securities.....	(6,171)	(69)
Proceeds from sales and redemption of securities.....	6,020	5,390
Purchase of property and equipment.....	(1,165)	(553)
Purchase of intangible assets.....	(5,994)	(6,908)
Purchase of joint ventures.....	—	(288)
Other, net.....	(221)	49
Net cash provided by (used in) investing activities	(7,531)	(2,380)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable.....	(39,763)	(912)
Proceeds from long-term loans payable.....	32,221	—
Repayment and redemption of long-term loans payable.....	(2,500)	(2,500)
Purchase of treasury stock.....	—	(1,162)
Cash dividends paid.....	(2,354)	(3,985)
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	(12,396)	(8,315)
Net increase/decrease in cash and cash equivalents	(19,770)	15,022
Cash and cash equivalents at the beginning of period	84,855	66,337
Effect of exchange rate change on cash and cash equivalents	2,073	(86)
Cash and cash equivalents at the end of period	¥ 67,159	¥ 81,272