



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRS for the 2Q of the fiscal year ending March 31, 2016 (April 1, 2015 - September 30, 2015)**

This is an English translation for the Japanese report of the consolidated financial summary under IFRS for the 2Q 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 2Q of the fiscal year ending March 31, 2016. All of those financial statements have been prepared based on IFRS. 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. / October 2015

## Consolidated Financial Summary

### For the 2Q of the fiscal year ending March 31, 2016

(Millions of Yen)	
<b>Operating results (from Apr. 1, 2015 to Sep. 30, 2015):</b>	
Total revenue.....	¥ 29,016
Total expenses.....	23,726
Quarterly profit before income taxes	5,290
Income tax expense.....	1,745
Quarterly profit	¥ 3,545
Quarterly profit attributable to :	
Owners of the Company.....	¥ 3,548
Non-controlling interests.....	(3)

(Millions of Yen)	
<b>Financial Position (as of Sep. 30, 2015):</b>	
Total assets.....	¥998,406
Equity attributable to owners of the Company.....	88,395

(Yen)	
<b>Basic earnings per share attributable to owners of the Company (from Apr. 1, 2015 to Sep. 30, 2015):</b>	
	¥ 12.39

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)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
<b>Revenue:</b>		
Commission received.....	¥ 13,519	¥ 17,372
Net trading income .....	2,419	3,747
Financial income.....	6,586	7,423
Other operating income .....	319	425
Total operating revenue	22,843	28,967
Other financial income.....	55	27
Other income .....	92	22
Equity in profits of equity method investments	48	—
Total revenue	23,038	29,016
<b>Expenses:</b>		
Financial expenses.....	2,768	2,517
Selling, general and administrative expenses	17,823	20,794
Other financial expenses.....	341	153
Other expenses.....	1,792	243
Equity in losses of equity method investments	—	20
Total expenses	22,725	23,726
Quarterly profit before income taxes	313	5,290
Income tax expense .....	617	1,745
Quarterly profit	¥ (304)	¥ 3,545
<b>Quarterly profit attributable to :</b>		
Owners of the Company .....	¥ (304)	¥ 3,548
Non-controlling interests. ....	—	(3)
<b>Earnings per share attributable to owners of the Company:</b>		
	<b>(in yen)</b>	<b>(in yen)</b>
Basic earnings per share .....	¥ (1.06)	¥ 12.39
Diluted earnings per share .....	—	12.39

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Quarterly profit	¥ (304)	¥ 3,545
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale financial assets .....	265	837
Changes in fair value of hedging instrument .....	(9)	293
Foreign currency translation adjustments in foreign operations .....	1,607	(73)
Share of other comprehensive income of equity method investments .....	(4)	34
Other comprehensive income after income taxes	1,859	1,090
Quarterly comprehensive income	¥ 1,555	¥ 4,635
Quarterly comprehensive income attributable to :		
Owners of the Company .....	¥ 1,555	¥ 4,638
Non-controlling interests .....	—	(3)

## Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of March 31, 2015	As of September 30, 2015
<b>Assets:</b>		
Cash and cash equivalents.....	¥ 68,540	¥ 70,324
Cash segregated as deposits .....	525,567	522,419
Trading securities and other .....	4,148	3,580
Derivative assets.....	13,432	17,722
Investments in securities .....	8,176	3,839
Margin transaction assets .....	175,637	177,214
Loans secured by securities.....	159,969	95,063
Other financial assets .....	46,003	51,982
Property and equipment .....	2,408	2,359
Intangible assets .....	48,807	51,367
Equity method investments .....	1,136	1,144
Deferred tax assets .....	20	20
Other assets .....	1,398	1,373
<b>Total assets</b>	<b>¥ 1,055,242</b>	<b>¥ 998,406</b>
<b>Liabilities and Equity:</b>		
<b>Liabilities:</b>		
Derivative liabilities .....	¥ 12,159	¥ 9,192
Margin transaction liabilities.....	46,125	27,178
Loans payable secured by securities .....	195,521	141,311
Deposits received .....	368,656	383,988
Guarantee deposits received.....	184,850	186,440
Bonds and loans payable .....	150,418	149,513
Other financial liabilities .....	4,958	4,605
Provisions .....	158	174
Income taxes payable .....	230	2,066
Deferred tax liabilities .....	3,732	4,008
Other liabilities .....	1,504	1,441
<b>Total liabilities</b>	<b>968,310</b>	<b>909,917</b>
<b>Equity:</b>		
Common stock .....	10,394	10,394
Additional paid-in capital.....	40,510	40,510
Treasury stock .....	—	(1,162)
Retained earnings .....	23,991	25,525
Other components of equity .....	12,038	13,128
<b>Equity attributable to owners of the Company</b>	<b>86,932</b>	<b>88,395</b>
Non-controlling interests	—	95
<b>Total equity</b>	<b>86,932</b>	<b>88,490</b>
<b>Total liabilities and equity</b>	<b>¥ 1,055,242</b>	<b>¥ 998,406</b>

## Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities:		
Quarterly profit before income taxes .....	¥313	¥ 5,290
Depreciation and amortization.....	1,902	2,364
Loss on business restructuring.....	1,581	—
Financial income and financial expenses.....	(3,531)	(4,781)
Decrease/increase in derivative assets and liabilities.....	2,314	(6,891)
Decrease/increase in assets/liabilities for margin transaction .....	16,611	(20,523)
Decrease/increase in loans/loans payable secured by securities .....	8,032	10,753
Decrease/increase in cash segregated as deposits .....	(31,044)	1,176
Decrease/increase in deposits received and guarantee deposits received.....	38,657	19,453
Decrease/increase in short-term loans receivable .....	(9,465)	2,699
Other, net .....	(4,278)	(8,802)
Sub total .....	21,092	737
Interest and dividends income received .....	6,181	7,042
Interest expenses paid .....	(2,472)	(2,361)
Income taxes paid .....	(5,257)	367
Net cash provided by (used in) operating activities .....	19,544	5,786
Cash flows from investing activities:		
Purchase of investments in securities .....	(6,120)	(9)
Proceeds from sales and redemption of securities .....	5,847	5,384
Purchase of property and equipment.....	(855)	(228)
Purchase of intangible assets .....	(3,311)	(4,916)
Purchase of joint ventures .....	—	(288)
Other, net .....	(172)	18
Net cash provided by (used in) investing activities .....	(4,611)	(39)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable .....	(43,301)	389
Proceeds from long-term loans payable.....	32,221	—
Repayment and redemption of long-term loans payable.....	(1,250)	(1,250)
Purchase of treasury stock .....	—	(1,162)
Cash dividends paid.....	(2,011)	(2,010)
Proceeds from sales of investments in subsidiaries to non-controlling interests.....	—	98
Net cash provided by (used in) financing activities .....	(14,341)	(3,936)
Net increase/decrease in cash and cash equivalents .....	592	1,811
Cash and cash equivalents at the beginning of period .....	84,855	66,337
Effect of exchange rate change on cash and cash equivalents .....	845	(91)
Cash and cash equivalents at the end of period .....	¥ 86,293	¥ 68,056