



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the fiscal year ending March 31, 2019 (April 1, 2018 - March 31, 2019)

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the fiscal year ending March 31, 2019. 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 ending March 31, 2019. 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 2019

Consolidated Financial Summary

For the fiscal year ending March 31, 2019

(Millions of Yen)	
Operating results (from Apr. 1, 2018 to Mar. 31, 2019):	
Total revenue.....	¥53,480
Total expenses.....	51,690
Profit before income taxes	1,790
Income tax expense.....	761
Profit	¥1,029
Profit attributable to :	
Owners of the Company.....	¥1,181
Non-controlling interests.....	(153)

(Millions of Yen)	
Financial Position (as of Mar. 31, 2019):	
Total assets.....	¥1,027,849
Equity attributable to owners of the Company	78,994

(Yen)	
Earnings per share attributable to owners of the Company (from Apr. 1, 2018 to Mar. 31, 2019):	
Basic earnings per share.....	¥4.42
Diluted earnings per share	—

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 ending Mar. 31, 2018	For the fiscal year ending Mar. 31, 2019
Revenue:		
Operating revenue	53,635	52,175
Other financial income	298	1,152
Other income	121	59
Equity in profits of equity method investments	169	95
Total revenue	54,223	53,480
Expenses:		
Financial expenses	4,480	4,758
Selling, general and administrative expenses	39,853	44,690
Other financial expenses	987	174
Other expenses	271	2,069
Total expenses	45,592	51,690
Profit before income taxes	8,631	1,790
Income tax expense	2,052	761
Profit	¥6,579	¥1,029
Profit or loss attributable to :		
Owners of the Company	¥6,730	¥1,181
Non-controlling interests	(151)	(153)
Earnings per share attributable to owners of the Company:	(in yen)	(in yen)
Basic earnings per share	¥24.33	¥4.42
Diluted earnings per share	24.33	—

Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	For the fiscal year ending Mar. 31, 2018	For the fiscal year ending Mar. 31, 2019
Profit	¥6,579	¥1,029
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Changes in fair value of equity financial assets at fair value through other comprehensive income	—	135
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt financial assets at fair value through other comprehensive income	—	101
Changes in fair value of available-for-sale financial assets.....	(636)	—
Changes in fair value of hedging instrument.....	(165)	584
Foreign currency translation adjustments in foreign operations.....	(1,240)	1,057
Share of other comprehensive income of equity method investments	29	(67)
Other comprehensive income after income taxes	(2,012)	1,810
Comprehensive income	¥4,567	¥2,839
Comprehensive income attributable to :		
Owners of the Company	¥4,718	¥2,992
Non-controlling interests	(151)	(153)

Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2018	As of Mar. 31, 2019
Assets:		
Cash and cash equivalents.....	¥83,884	¥154,146
Cash segregated as deposits	543,438	566,220
Trading securities and other	1,618	2,543
Derivative assets.....	15,424	10,895
Inventories.....	—	3,056
Investments in securities	3,123	3,914
Margin transaction assets	192,224	138,836
Loans secured by securities.....	21,389	42,064
Other financial assets	58,837	54,202
Property and equipment	2,122	2,456
Intangible assets	49,851	47,698
Equity method investments	295	306
Deferred tax assets	13	289
Other assets	1,301	1,226
Total assets	¥973,520	¥1,027,849
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	¥5,340	¥4,311
Margin transaction liabilities.....	29,683	32,793
Loans payable secured by securities	78,203	101,028
Deposits received	324,256	358,176
Guarantee deposits received.....	254,647	249,544
Bonds and loans payable	191,010	190,641
Other financial liabilities	4,545	4,284
Provisions.....	148	262
Income taxes payable	2,386	266
Deferred tax liabilities.....	1,524	1,862
Other liabilities.....	1,284	4,540
Total liabilities	893,027	947,707
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,510	40,510
Treasury stock	(206)	(313)
Retained earnings	21,492	18,980
Other components of equity	8,139	9,424
Equity attributable to owners of the Company	80,329	78,994
Non-controlling interests.....	164	1,148
Total equity	80,493	80,142
Total liabilities and equity	¥973,520	¥1,027,849

Consolidated Statements of Cash Flows

	(Millions of Yen)	
	For the fiscal year ending Mar. 31, 2018	For the fiscal year ending Mar. 31, 2019
Cash flows from operating activities:		
Profit before income taxes	¥8,631	¥1,790
Depreciation and amortization.....	8,117	8,392
Impairment loss on non-financial assets	—	1,788
Financial income and financial expenses.....	(14,179)	(15,462)
Decrease/increase in derivative assets and liabilities.....	(2,483)	4,274
Decrease/increase in assets/liabilities for margin transaction	(55,552)	56,498
Decrease/increase in loans/loans payable secured by securities	13,342	2,334
Decrease/increase in cash segregated as deposits	(1,797)	(13,459)
Decrease/increase in deposits received and guarantee deposits received.....	7,861	(8,699)
Decrease/increase in short-term loans receivable	(2,514)	467
Other, net	(11,867)	7,260
Sub total	(50,441)	45,183
Interest and dividends income received	15,969	18,686
Interest expenses paid.....	(5,014)	(4,683)
Income taxes refund/paid.....	785	(5,352)
Net cash provided by (used in) operating activities	(38,701)	53,834
Cash flows from investing activities:		
Purchase of investments in securities	(491)	(419)
Proceeds from sales and redemption of securities	362	237
Purchase of property and equipment.....	(884)	(1,230)
Purchase of intangible assets	(4,969)	(6,265)
Proceeds from purchase of investments in subsidiaries	—	30,695
Proceeds from sales of investments in subsidiaries	—	4
Purchase of investments in joint ventures.....	(10)	(1)
Proceeds from sales of investments in joint ventures	4	-
Other, net	116	(258)
Net cash provided by (used in) investing activities	(5,872)	22,763
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable	47,800	(40,816)
Proceeds from issuance of bonds payable.....	14,483	28,016
Redemption of bonds payable.....	(6,000)	(26,557)
Proceeds from long-term loans payable.....	9,970	58,924
Repayment of long-term loans payable	(10,600)	(22,005)
Purchase of treasury stock	(4,030)	(2,000)
Cash dividends paid.....	(1,754)	(2,408)
Proceeds from stock issuance to non-controlling interests	—	747
Other, net	—	190
Net cash provided by (used in) financing activities	49,870	(5,909)
Net increase/decrease in cash and cash equivalents	5,297	70,688
Cash and cash equivalents at the beginning of period	76,557	81,456
Effect of exchange rate change on cash and cash equivalents	(398)	(1,218)
Cash and cash equivalents at the end of period	¥81,456	¥150,926