



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the 1Q of the fiscal year ending March 31, 2020 (April 1, 2019 - June 30, 2020)

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 1Q of the fiscal year ending March 31, 2020. 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 1Q of the fiscal year ending March 31, 2020. 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. / July 2019

Consolidated Financial Summary

For the 1Q of the fiscal year ending March 31, 2020

(Millions of Yen)	
Operating results (from Apr. 1, 2019 to Jun. 30, 2019):	
Total revenue.....	¥13,202
Total expenses.....	12,006
Quarterly profit before income taxes	1,196
Income tax expense.....	392
Quarterly profit	¥804
Quarterly profit attributable to :	
Owners of the Company.....	¥849
Non-controlling interests.....	(45)
(Millions of Yen)	
Financial Position (as of Jun. 30, 2019):	
Total assets.....	¥1,034,754
Equity attributable to owners of the Company.....	78,574
(Yen)	
Earnings per share attributable to owners of the Company (from Apr. 1, 2019 to Jun. 30, 2019):	
Basic earnings per share.....	¥3.20
Diluted earnings per share.....	3.17

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.

Quarterly Consolidated Statements of Income

	(Millions of Yen)	
	Three months ending Jun. 30, 2018	Three months ending Jun. 30, 2019
Revenue:		
Operating revenue	13,612	13,153
Other financial income	140	30
Other income	21	10
Equity in profits of equity method investments	21	10
Total revenue	13,793	13,202
Expenses:		
Financial expenses	1,254	1,272
Selling, general and administrative expenses	11,255	10,666
Other financial expenses	39	24
Other expenses	115	44
Total expenses	12,663	12,006
Quarterly profit before income taxes	1,130	1,196
Income tax expense	(36)	392
Quarterly profit	¥1,166	¥804
Quarterly profit or loss attributable to :		
Owners of the Company	¥1,196	¥849
Non-controlling interests	(31)	(45)
Earnings per share attributable to owners of the Company:	(in yen)	(in yen)
Basic earnings per share	¥4.44	¥3.20
Diluted earnings per share	—	3.17

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Three months ending Jun. 30, 2018	Three months ending Jun. 30, 2019
Quarterly profit	¥1,166	¥804
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	114	102
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	14	52
Changes in fair value of hedging instrument.....	137	—
Foreign currency translation adjustments in foreign operations	1,044	(725)
Share of other comprehensive income of equity method investments	5	(7)
Other comprehensive income after income taxes	1,314	(577)
Quarterly comprehensive income	¥2,480	¥226
Quarterly comprehensive income attributable to :		
Owners of the Company	¥2,510	¥272
Non-controlling interests	(31)	(45)

Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2019	As of Jun. 30, 2019
Assets:		
Cash and cash equivalents.....	¥154,146	¥161,071
Cash segregated as deposits	566,220	563,762
Trading securities and other	2,543	2,607
Derivative assets.....	10,895	12,376
Inventories.....	3,056	5,880
Investments in securities	3,914	4,322
Margin transaction assets	138,836	135,744
Loans secured by securities.....	42,064	41,416
Other financial assets	54,202	53,412
Property and equipment	2,456	5,315
Intangible assets	47,698	46,769
Equity method investments	306	252
Deferred tax assets	289	286
Other assets	1,226	1,541
Total assets	¥1,027,849	¥1,034,754
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	¥4,311	¥3,822
Margin transaction liabilities.....	32,793	30,533
Loans payable secured by securities	101,028	74,931
Deposits received	358,176	367,185
Guarantee deposits received.....	249,544	265,880
Bonds and loans payable	190,641	195,424
Other financial liabilities.....	4,284	7,794
Provisions.....	262	262
Income taxes payable	266	127
Deferred tax liabilities.....	1,862	2,127
Other liabilities.....	4,540	6,987
Total liabilities	947,707	955,072
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,510	40,510
Treasury stock	(313)	(313)
Retained earnings	18,980	19,107
Other components of equity	9,424	8,876
Equity attributable to owners of the Company	78,994	78,574
Non-controlling interests.....	1,148	1,109
Total equity	80,142	79,682
Total liabilities and equity	¥1,027,849	¥1,034,754

Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Three months ending Jun. 30, 2018	Three months ending Jun. 30, 2019
Cash flows from operating activities:		
Quarterly profit before income taxes	¥1,130	¥1,196
Depreciation and amortization	2,046	1,962
Financial income and financial expenses	(3,736)	(3,664)
Decrease/increase in derivative assets and liabilities	2,752	(1,971)
Decrease/increase in assets/liabilities for margin transaction	13,144	832
Decrease/increase in loans/loans payable secured by securities	(21,287)	(25,636)
Decrease/increase in cash segregated as deposits	(15,946)	(3,171)
Decrease/increase in deposits received and guarantee deposits received	16,564	31,726
Decrease/increase in short-term loans receivable	734	(21)
Other, net	1,779	959
Sub total	(2,821)	2,212
Interest and dividends income received	5,111	4,583
Interest expenses paid	(1,204)	(1,112)
Income taxes refund/paid	(4,545)	(303)
Net cash provided by (used in) operating activities	(3,459)	5,381
Cash flows from investing activities:		
Purchase of investments in securities	(114)	(105)
Proceeds from sales and redemption of securities	13	0
Purchase of property and equipment	(189)	(127)
Purchase of intangible assets	(1,393)	(1,362)
Proceeds from purchase of investments in subsidiaries	30,695	—
Proceeds from sales of investments in subsidiaries	4	—
Proceeds from sales of investments in joint ventures	—	20
Other, net	(25)	(4)
Net cash provided by (used in) investing activities	28,990	(1,577)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable	8,261	(104)
Proceeds from issuance of bonds payable	1,199	6,679
Redemption of bonds payable	—	(1,200)
Proceeds from long-term loans payable	29,910	—
Repayment of long-term loans payable	(18,501)	(501)
Repayments of lease liabilities	—	(288)
Cash dividends paid	(1,671)	(706)
Net cash provided by (used in) financing activities	19,198	3,880
Net increase/decrease in cash and cash equivalents	44,730	7,684
Cash and cash equivalents at the beginning of period	81,456	150,926
Effect of exchange rate change on cash and cash equivalents	312	(1,116)
Cash and cash equivalents at the end of period	¥126,498	¥157,494