



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the 3Q of the fiscal year ending March 31, 2021 (April 1, 2020 - December 31, 2020)

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 3Q of the fiscal year ending March 31, 2021. 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, 2021. 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 2021

Consolidated Financial Summary

For the 3Q of the fiscal year ending March 31, 2021

(Millions of Yen)	
Operating results (from Apr. 1, 2020 to Dec. 31, 2020):	
Total revenue.....	47,624
Total expenses.....	38,680
Quarterly profit before income taxes	8,944
Income tax expense.....	2,394
Quarterly profit	6,550
Quarterly profit attributable to :	
Owners of the Company.....	6,548
Non-controlling interests.....	2

(Millions of Yen)	
Financial Position (as of Dec. 31, 2020):	
Total assets.....	1,213,671
Equity attributable to owners of the Company.....	79,794

(Yen)	
Earnings per share attributable to owners of the Company (from Apr. 1, 2020 to Dec. 31, 2020):	
Basic earnings per share.....	25.48
Diluted earnings per share.....	24.63

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)	
	Nine months ending Dec. 31, 2019	Nine months ending Dec. 31, 2020
Revenue:		
Operating revenue	38,575	47,265
Other financial income	113	235
Other income	29	76
Equity in profits of equity method investments	31	48
Total revenue	38,749	47,624
Expenses:		
Financial expenses	4,142	3,332
Selling, general and administrative expenses	31,383	34,676
Other financial expenses	24	397
Other expenses	136	275
Total expenses	35,685	38,680
Quarterly profit before income taxes	3,064	8,944
Income tax expense	950	2,394
Quarterly profit	2,115	6,550
Quarterly profit or loss attributable to :		
Owners of the Company	2,252	6,548
Non-controlling interests	(138)	2
Earnings per share attributable to owners of the Company:		
	(in yen)	(in yen)
Basic earnings per share	8.63	25.48
Diluted earnings per share	—	24.63

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Nine months ending Dec. 31, 2019	Nine months ending Dec. 31, 2020
Quarterly profit	2,115	6,550
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	105	212
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	(166)	(146)
Foreign currency translation adjustments in foreign operations	(462)	(1,147)
Share of other comprehensive income of equity method investments	(6)	(13)
Other comprehensive income after income taxes	(530)	(1,094)
Quarterly comprehensive income	1,585	5,456
Quarterly comprehensive income attributable to :		
Owners of the Company	1,723	5,454
Non-controlling interests	(138)	2

Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2020	As of Dec. 31, 2020
Assets:		
Cash and cash equivalents.....	132,561	165,294
Cash segregated as deposits	620,222	693,045
Trading securities and other	4,516	3,642
Derivative assets.....	14,380	12,204
Inventories.....	2,932	14,873
Investments in securities	5,447	8,321
Margin transaction assets	107,207	151,543
Loans secured by securities.....	32,748	24,756
Other financial assets	47,943	88,547
Property and equipment	4,921	5,100
Intangible assets	46,006	43,774
Equity method investments	276	291
Deferred tax assets	370	276
Other assets	3,404	2,003
Total assets	1,022,934	1,213,671
Liabilities and Equity:		
Liabilities:		
Trading securities and other	16	—
Derivative liabilities	3,256	4,195
Margin transaction liabilities.....	30,044	38,923
Loans payable secured by securities	72,349	106,936
Deposits received	393,344	455,826
Guarantee deposits received.....	282,006	323,826
Bonds and loans payable	147,941	171,621
Other financial liabilities.....	8,068	10,093
Provisions	208	208
Income taxes payable	556	1,080
Deferred tax liabilities.....	2,188	3,074
Other liabilities.....	5,933	17,254
Total liabilities	945,909	1,133,037
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,291	40,253
Treasury stock	(1,032)	(446)
Retained earnings	18,011	22,359
Other components of equity	8,547	7,234
Equity attributable to owners of the Company	76,210	79,794
Non-controlling interests.....	815	841
Total equity	77,024	80,634
Total liabilities and equity	1,022,934	1,213,671

Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Nine months ending Dec. 31, 2019	Nine months ending Dec. 31, 2020
Cash flows from operating activities:		
Quarterly profit before income taxes	3,064	8,944
Depreciation and amortization	6,047	6,099
Financial income and financial expenses	(10,534)	(7,992)
Decrease/increase in derivative assets and liabilities	160	3,115
Decrease/increase in assets/liabilities for margin transaction	10,439	(35,457)
Decrease/increase in loans/loans payable secured by securities	(12,370)	42,936
Decrease/increase in cash segregated as deposits	(38,955)	(82,889)
Decrease/increase in deposits received and guarantee deposits received	65,656	115,617
Decrease/increase in short-term loans receivable	901	(12,825)
Other, net	(1,697)	(24,814)
Sub total	22,713	12,734
Interest and dividends income received	13,953	9,425
Interest expenses paid	(3,698)	(3,219)
Income taxes refund/paid	243	(889)
Net cash provided by (used in) operating activities	33,210	18,050
Cash flows from investing activities:		
Purchase of investments in securities	(323)	(1,680)
Proceeds from sales and redemption of securities	36	83
Purchase of property and equipment	(431)	(455)
Purchase of intangible assets	(4,053)	(3,888)
Payments for acquisition of subsidiaries	(335)	—
Proceeds from sale of investments in associates	20	0
Other, net	(70)	(42)
Net cash provided by (used in) investing activities	(5,156)	(5,981)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable	(30,803)	28,080
Proceeds from issuance of bonds payable	15,495	10,310
Redemption of bonds payable	(9,205)	(4,000)
Proceeds from long-term loans payable	14,105	—
Repayment of long-term loans payable	(30,704)	(10,003)
Purchase of treasury shares	(3,389)	—
Repayments of lease liabilities	(859)	(821)
Cash dividends paid	(1,403)	(1,968)
Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(46)
Capital contribution from non-controlling interests	1	0
Net cash provided by (used in) financing activities	(46,762)	21,552
Net increase/decrease in cash and cash equivalents	(18,708)	33,620
Cash and cash equivalents at the beginning of period	150,926	127,832
Effect of exchange rate change on cash and cash equivalents	(1,468)	580
Cash and cash equivalents at the end of period	130,751	162,033