



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRS for the 2Q of fiscal year ending March 31, 2015 (April 1, 2014 - September 30, 2014)**

This is an English translation of Japanese report of the consolidated financial summary under IFRS for the 2Q of fiscal year ending March 31, 2015. If there is any discrepancy between a statement in English and a statement in Japanese, the Japanese statement shall always control. All financial information presented in million yen is has been rounded to the nearest million.

#### **Forward Looking Statement**

This report contains forward-looking statements that are based on our current expectations, assumptions, estimates and projections about our industry and us. These forward-looking statements are subject to various risks and uncertainties. Generally, these forward-looking statements can be identified by the use of terms such as “may”, “will”, “expect”, “anticipate”, “estimate”, “plan” or other similar words. These statements discuss future expectations, identify strategies, contain projections of results of operations or of our financial condition or state other “forward-looking” information. Our operations are subject to risks, uncertainties and other factors that could cause our actual results to differ materially from those contained in any forward-looking statement.

#### **Accounting Principles**

The financial information included in this report is based on our un-audited consolidated financial statements for the 2Q of fiscal year ending March 31, 2015. All of those financial statements have been prepared based on IFRS.

The consolidated statement of financial position and the consolidated statement of cash flows are restated by the application of Amendments to IAS 32.

Monex Group, Inc. / October 2014

## Consolidated Financial Summary

### For the 2Q of fiscal year ending March 31, 2015

(in million yen)	
<b>Operating results (from Apr. 1, 2014 to Sep. 30, 2014):</b>	
Total revenue.....	¥ 23,038
Total expenses.....	22,725
Quarterly income before income taxes	313
Income tax expense.....	617
Quarterly net income	¥ (304)
Quarterly net income attributable to :	
Owners of Monex Group, Inc. ....	¥ (304)
Non-controlling interests.....	—
(in million yen)	
<b>Financial Position (as of Sep. 30, 2014):</b>	
Total assets.....	¥ 987,044
Equity attributable to owners of Monex Group, Inc. ....	80,242
(in yen)	
<b>Earnings per share attributable to owners of Monex Group, Inc. (from Apr. 1, 2014 to Sep. 30, 2014):</b>	
	¥ (1.06)

Notes

Quarterly net income attributable to owners per share is computed by dividing quarterly net income attributable to owners by the weighted average number of common shares outstanding for the period.

## Quarterly Consolidated Statements of Income

	(in million yen)	
	Six months ending September 30, 2013	Six months ending September 30, 2014
Revenue:		
Commission received .....	¥ 18,281	¥ 13,519
Net trading income .....	4,653	2,419
Financial revenue .....	6,045	6,586
Other operating revenue .....	305	319
Total operating revenue	29,284	22,843
Other financial revenue .....	2,300	55
Other revenue .....	9	92
Equity in earnings of affiliates .....	—	48
Total revenue	31,593	23,038
Expenses:		
Financial expenses .....	2,199	2,768
Selling, general and administrative expenses.	17,853	17,823
Other financial expenses .....	86	341
Other expenses .....	341	1,792
Equity in losses of affiliates	36	—
Total expenses	20,515	22,725
Quarterly income before income taxes	11,078	313
Income tax expense.....	4,361	617
Quarterly net income	¥ 6,717	¥ (304)
Quarterly net income attributable to :		
Owners of Monex Group, Inc. ....	¥ 6,715	¥ (304)
Non-controlling interests.....	2	—
Earnings per share attributable to owners of Monex Group, Inc. :		
	(in yen)	(in yen)
Basic earnings per share.....	¥ 23.07	¥ (1.06)
Diluted earnings per share.....	—	—

## Quarterly Consolidated Statements of Comprehensive Income

	(in million yen)	
	Six months ending September 30, 2013	Six months ending September 30, 2014
Quarterly net income	¥ 6,717	¥ (304)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustment in foreign operations.....	1,036	1,607
Valuation difference on available-for-sale financial assets.....	(2,128)	265
Changes in fair value of hedging items .....	(93)	(9)
Accumulated other comprehensive income for equity method investments .....	(3)	(4)
Other comprehensive income after income taxes	(1,188)	1,859
Quarterly comprehensive income	¥ 5,529	¥ 1,555
Quarterly comprehensive income attributable to :		
Owners of Monex Group, Inc.....	¥ 5,527	¥ 1,555
Non-controlling interests .....	2	—

## Quarterly Consolidated Statements of Financial Position

	(in million yen)	
	As of March 31, 2014	As of September 30, 2014
Assets:		
Cash and cash equivalents .....	¥ 85,442	¥ 87,199
Cash segregated as deposits .....	426,719	469,469
Trading securities and other .....	2,458	3,558
Derivative assets .....	11,326	11,170
Investments in securities .....	8,390	8,867
Margin transaction assets .....	178,230	164,275
Loans secured by securities .....	152,382	154,565
Other financial assets .....	28,990	40,692
Property and equipment .....	1,579	2,168
Intangible assets .....	41,558	42,839
Equity method investments .....	861	903
Deferred tax assets .....	247	39
Other assets .....	1,089	1,300
Total assets	939,270	987,044
Liabilities and Equity:		
Liabilities:		
Derivative liabilities .....	9,047	11,302
Margin transaction liabilities .....	36,308	38,964
Loans payables secured by securities .....	183,765	193,595
Deposits received .....	287,385	337,072
Guarantee deposits received .....	167,039	168,324
Bonds and loans payables .....	159,125	147,158
Other financial liabilities .....	4,280	4,159
Provisions .....	156	157
Income tax payables .....	5,629	1,060
Deferred tax liabilities .....	3,810	3,513
Other liabilities .....	2,026	1,498
Total liabilities	858,569	906,802
Equity:		
Common stock .....	10,394	10,394
Additional paid-in capital .....	40,510	40,510
Retained earnings .....	22,856	20,538
Other components of equity .....	6,941	8,800
Equity attributable to owners of Monex Group, Inc.	80,701	80,242
Total equity	80,701	80,242
Total liabilities and equity	¥ 939,270	¥ 987,044

## Quarterly Consolidated Statements of Cash Flows

	(in million yen)	
	Six months ending September 30, 2013	Six months ending September 30, 2014
Cash flows from operating activities:		
Quarterly income before income taxes .....	¥ 11,078	¥313
Depreciation and amortization.....	1,696	1,902
Loss on business restructuring.....	—	1,581
Financial revenue and financial expenses.....	(6,059)	(3,531)
Decrease/increase in derivative assets and liabilities.....	(4,233)	2,314
Decrease/increase in assets/liabilities for margin transaction.....	(17,913)	16,611
Decrease/increase in loans/loans payables secured by securities.....	4,533	8,032
Decrease/increase in cash segregated as deposits.....	(47,598)	(31,044)
Decrease/increase in deposits received and guarantee deposits received.....	67,583	38,657
Decrease/increase in short-term loans receivable .....	(704)	(9,465)
Other, net .....	(4,418)	(4,278)
Sub total .....	3,965	21,092
Interest and dividends income received .....	5,607	6,181
Interest expenses paid.....	(1,926)	(2,472)
Income taxes paid .....	(1,673)	(5,257)
Net cash provided by (used in) operating activities .....	5,974	19,544
Cash flows from investing activities:		
Proceeds from withdrawal of time deposits .....	100	—
Purchase of investments in securities .....	(12,353)	(6,120)
Proceeds from sales and redemption of securities .....	22,836	5,847
Purchase of property and equipment.....	(496)	(855)
Purchase of intangible assets .....	(1,300)	(3,311)
Other, net .....	(76)	(172)
Net cash provided by (used in) investing activities .....	8,711	(4,611)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payables.....	(30,631)	(43,301)
Proceeds from long-term loans payables .....	55,146	32,221
Repayment and redemption of long-term loans payables .....	(1,250)	(1,250)
Purchase of non-controlling interests.....	(47)	—
Purchase of treasury stock .....	(5,514)	—
Cash dividends paid.....	(897)	(2,011)
Net cash provided by (used in) financing activities .....	16,807	(14,341)
Net increase/decrease in cash and cash equivalents .....	31,492	592
Cash and cash equivalents at the beginning of period .....	50,140	84,855
Effect of exchange rate change on cash and cash equivalents .....	375	845
Cash and cash equivalents at the end of period .....	¥ 82,007	¥ 86,293