

Monex Group, Inc.

Consolidated Financial Summary under IFRS for the fiscal year ending March 31, 2014 (April 1, 2013 - March 31, 2014)

This is an English translation of Japanese report of the consolidated financial summary under IFRS for the fiscal year ending March 31, 2014. 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 fiscal year ending March 31, 2014. All of those financial statements have been prepared based on IFRS.

Monex Group, Inc. / April 2014

Consolidated Financial Summary

For the fiscal year ending March 31, 2014

(in million yen)	
Operating results (from Apr. 1, 2013 to Mar. 31, 2014):	
Total revenue.....	¥ 57,086
Total expenses.....	40,191
Income before income taxes	16,895
Income tax expense.....	6,539
Net income	¥10,356
Net income attributable to :	
Owners of Monex Group, Inc.	¥10,354
Non-controlling interests.....	2

(in million yen)	
Financial Position (as of Mar. 31, 2014):	
Total assets	¥ 929,431
Equity attributable to owners of Monex Group, Inc.	80,701

(in yen)	
Earnings per share attributable to owners of Monex Group, Inc. (from Apr. 1, 2013 to Mar. 31, 2014):	
	¥ 35.76

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.

Consolidated Statements of Income

	(in million yen)	
	For the fiscal year ending March 31, 2013	For the fiscal year ending March 31, 2014
Revenue:		
Commission received	¥ 20,367	¥ 33,542
Net trading income	6,974	8,011
Financial revenue	8,195	12,583
Other operating revenue	554	587
Total operating revenue	36,090	54,722
Other financial revenue	4,855	2,305
Other revenue	1,759	59
Equity in earnings of affiliates	36	0
Total revenue	42,740	57,086
Expenses:		
Financial expenses	2,320	4,672
Selling, general and administrative expenses.	30,359	34,981
Other financial expenses	46	99
Other expenses	3,016	439
Total expenses	35,742	40,191
Income before income taxes	6,998	16,895
Income tax expense.....	3,091	6,539
Net income	¥ 3,907	¥ 10,356
Net income attributable to :		
Owners of Monex Group, Inc.	¥ 3,901	¥ 10,354
Non-controlling interests.....	6	2
Earnings per share attributable to owners of Monex Group, Inc. :		
		(in yen)
Basic earnings per share.....	¥ 13.02	¥ 35.76
Diluted earnings per share.....	—	—

Consolidated Statements of Comprehensive Income

	(in million yen)	
	For the fiscal year ending March 31, 2013	For the fiscal year ending March 31, 2014
Net income	¥ 3,907	¥ 10,356
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustment in foreign operations	3,305	2,349
Valuation difference on available-for-sale financial assets	(2,519)	(1,960)
Changes in fair value of hedging items	—	(143)
Accumulated other comprehensive income for equity method investments	51	23
Other comprehensive income after income taxes	837	268
Total comprehensive income	¥ 4,744	¥ 10,624
Total comprehensive income attributable to :		
Owners of Monex Group, Inc	¥ 4,738	¥ 10,622
Non-controlling interests	6	2

Consolidated Statements of Financial Position

	(in million yen)	
	As of March 31,2013	As of March 31,2014
Assets:		
Cash and cash equivalents.....	¥ 51,193	¥ 85,442
Cash segregated as deposits	349,837	426,719
Trading securities and other	4,078	2,458
Derivative assets.....	753	1,613
Investments in securities	18,551	8,390
Margin transaction assets	149,487	178,230
Loans secured by securities.....	44,583	152,382
Other financial assets	22,950	28,864
Property and equipment	1,485	1,579
Intangible assets	37,394	41,558
Equity method investments	826	861
Deferred tax assets	61	247
Other assets	995	1,089
Total assets	682,193	929,431
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	7,604	7,378
Margin transaction liabilities.....	39,745	36,308
Loans payables secured by securities.....	67,661	183,765
Deposits received	231,164	287,385
Guarantee deposits received.....	131,535	158,869
Bonds and loans payables	113,381	159,125
Other financial liabilities.....	2,099	4,280
Provisions	88	156
Income tax payables.....	2,072	5,629
Deferred tax liabilities.....	5,418	3,810
Other liabilities.....	1,726	2,026
Total liabilities	602,492	848,731
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,521	40,510
Retained earnings	22,079	22,856
Other components of equity	6,673	6,941
Equity attributable to owners of Monex Group, Inc.	79,667	80,701
Non-controlling interests.....	35	—
Total equity	79,702	80,701
Total liabilities and equity	¥ 682,193	¥ 929,431

Consolidated Statements of Cash Flows

	(in million yen)	
	For the fiscal year ending March 31, 2013	For the fiscal year ending March 31, 2014
Cash flows from operating activities:		
Income before income taxes	¥ 6,998	¥ 16,895
Depreciation and amortization.....	3,116	3,441
Impairment loss on non-financial assets	2,524	—
Gain on bargain purchase	(1,231)	—
Financial revenue and financial expenses.....	(10,683)	(10,117)
Decrease/increase in derivative assets and liabilities.....	5,688	(1,482)
Decrease/increase in assets/liabilities for margin transaction.....	(46,234)	(32,180)
Decrease/increase in loans/loans payables secured by securities.....	14,605	8,886
Decrease/increase in cash segregated as deposits	(36,934)	(62,900)
Decrease/increase in deposits received and guarantee deposits received.....	36,034	67,582
Decrease/increase in short-term loans receivable	354	(1,032)
Other, net	(640)	(1,119)
Sub total	(26,404)	(12,026)
Interest and dividends income received	8,174	11,928
Interest expenses paid	(2,231)	(4,069)
Income taxes paid	(50)	(4,088)
Net cash provided by (used in) operating activities	(20,510)	(8,256)
Cash flows from investing activities:		
Payments into time deposits	(100)	—
Proceeds from withdrawal of time deposits.....	400	100
Purchase of investments in securities	(20,342)	(12,771)
Proceeds from sales and redemption of securities	25,038	23,458
Purchase of property and equipment.....	(517)	(765)
Purchase of intangible assets	(2,958)	(4,026)
Payments for purchase of subsidiaries.....	(905)	—
Proceeds from sales of subsidiaries	46	—
Payments for purchase of affiliates.....	(259)	—
Other, net	(2)	(36)
Net cash provided by (used in) investing activities	401	5,960
Cash flows from financing activities:		
Net increase/decrease in short-term loans payables.....	23,834	(14,403)
Proceeds from long-term loans payables	9,986	87,516
Repayment and redemption of long-term loans payables	(2,772)	(27,500)
Repayment of equity.....	16	—
Purchase of non-controlling interests.....	—	(47)
Purchase of treasury stock	—	(5,514)
Cash dividends paid.....	(629)	(4,053)
Cash dividends paid to non-controlling interests	(41)	—
Net cash provided by (used in) financing activities	(30,395)	35,998
Net increase/decrease in cash and cash equivalents	10,286	33,703
Cash and cash equivalents at the beginning of period	38,674	50,140
Effect of exchange rate change on cash and cash equivalents	1,181	1,021
Cash and cash equivalents at the end of period	¥ 50,140	¥ 84,855