

Monex Group, Inc.

Consolidated Financial Summary under IFRS for the 1st quarter of the fiscal year ending March 31, 2014 (April 1, 2013- June 30, 2013)

This is an English translation of Japanese report of the consolidated financial summary under IFRS for the 1st quarter of 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 1st quarter of the fiscal year ending March 31, 2014. All of those financial statements have been prepared based on IFRS.

Monex Group, Inc. / July 2013

Consolidated Financial Summary

For the 1st quarter of the fiscal year ending March 31, 2014

(in million yen)	
Operating results (from Apr. 1, 2013 to Jun. 30, 2013):	
Total revenue.....	¥ 19,171
Total expenses.....	10,765
Quarterly income before income taxes	8,407
Income tax expense.....	3,261
Quarterly net income	¥ 5,146
Quarterly net income attributable to :	
Owners of Monex Group, Inc.	¥ 5,144
Non-controlling interests.....	2

(in million yen)	
Financial Position (as of Jun. 30, 2013):	
Total assets.....	¥ 812,562
Equity attributable to owners of Monex Group, Inc.	77,249

(in yen)	
Per share amounts (from Apr. 1, 2013 to Jun. 30, 2013):	
Quarterly net income attributable to owners of Monex Group, Inc.	¥ 1,751.61
Equity attributable to owners of Monex Group, Inc.	26,852.36

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. Total shareholders' equity per share is computed by dividing total shareholders' equity by the number of common shares outstanding at the end of the period.

Quarterly Consolidated Statements of Income

	(in million yen)	
	Three months ending June 30, 2012	Three months ending June 30, 2013
Revenue:		
Commission received	¥ 4,178	¥ 10,763
Net trading income	1,651	2,821
Financial revenue	2,142	3,126
Other operating revenue	144	155
Total operating revenue	8,114	16,866
Other financial revenue	57	2,296
Other revenue	51	10
Total revenue	8,223	19,171
Expenses:		
Financial expenses	422	1,197
Selling, general and administrative expenses.	7,440	9,315
Other financial expenses	4	0
Other expenses	76	239
Equity in losses of affiliates	8	14
Total expenses	7,950	10,765
Quarterly income before income taxes	273	8,407
Income tax expense.....	88	3,261
Quarterly net income	¥ 185	¥ 5,146
Quarterly net income attributable to :		
Owners of Monex Group, Inc.	¥ 171	¥ 5,144
Non-controlling interests.....	14	2
Earnings per share:		
	(in yen)	
Basic earnings per share.....	¥ 57.01	¥ 1,751.61
Diluted earnings per share.....	—	—

Quarterly Consolidated Statements of Comprehensive Income

	(in million yen)	
	Three months ending June 30, 2012	Three months ending June 30, 2013
Quarterly net income	¥ 185	¥ 5,146
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustment	(816)	1,273
Valuation difference on available-for-sale financial assets	(536)	(2,381)
Changes in fair value of hedging items	—	(28)
Accumulated other comprehensive income for equity method investments	3	(3)
Other comprehensive income of income tax	(1,349)	(1,138)
Quarterly comprehensive income	¥ (1,164)	¥ 4,008
Quarterly comprehensive income attributable to :		
Owners of Monex Group, Inc	¥ (1,178)	¥ 4,006
Non-controlling interests	14	2

Quarterly Consolidated Statements of Financial Position

(in million yen)

	As of March 31, 2013	As of June 30, 2013
Assets:		
Cash and cash equivalents	¥ 51,193	¥ 83,409
Cash segregated as deposits	349,837	389,844
Trading securities and other	4,078	3,630
Derivative assets	753	2,058
Investments in securities	18,551	14,999
Margin transaction assets	149,487	178,196
Loans secured by securities	44,583	73,329
Other financial assets	22,950	24,451
Property and equipment	1,485	1,569
Intangible assets	37,394	38,499
Equity method investments	826	808
Deferred tax assets	61	114
Other assets	995	1,656
Total assets	682,193	812,562
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	7,604	4,942
Margin transaction liabilities	39,745	37,148
Loans payables secured by securities	67,661	113,259
Deposits received	231,164	272,688
Guarantee deposits received	131,535	153,470
Bonds and loans payables	113,381	140,826
Other financial liabilities	2,099	3,370
Provisions	88	155
Income tax payables	2,072	3,297
Deferred tax liabilities	5,418	4,154
Other liabilities	1,726	2,003
Total liabilities	602,492	735,313
Equity:		
Common stock	10,394	10,394
Additional paid-in capital	40,521	40,510
Retained earnings	22,079	20,810
Other components of equity	6,673	5,535
Equity attributable to owners of Monex Group, Inc.	79,667	77,249
Non-controlling interests	35	—
Total equity	79,702	77,249
Total liabilities and equity	¥ 682,193	¥ 812,562

Quarterly Consolidated Statements of Cash Flows

	(in million yen)	
	Three months ending June 30, 2012	Three months ending June 30, 2013
Net cash provided by (used in) operating activities:		
Quarterly income before income taxes	¥ 273	¥ 8,407
Depreciation and amortization	727	859
Financial revenue and financial expenses	(1,774)	(4,225)
Decrease/increase in derivative assets and liabilities	(2,099)	(4,022)
Decrease/increase in assets/liabilities for margin transaction	(24,908)	(31,305)
Decrease/increase in loans/loans payables secured by securities	14,945	17,185
Decrease/increase in cash segregated as deposits	15,318	(33,341)
Decrease/increase in deposits received and guarantee deposits received	(8,180)	55,436
Decrease in short-term loans receivable	1,562	984
Other, net	3,187	(4,390)
Sub total	(948)	5,588
Interest and dividends income received	1,342	3,171
Interest expenses paid	(379)	(1,068)
Income taxes paid	(836)	(2,121)
Net cash provided by (used in) operating activities	(820)	5,571
Cash flows provided by (used in) investing activities:		
Proceeds from withdrawal of time deposits	—	100
Purchase of investments in securities	(1,796)	(7,560)
Proceeds from sales and redemption of securities	505	10,892
Purchase of property and equipment	(171)	(203)
Purchase of intangible assets	(645)	(577)
Other, net	(92)	(14)
Net cash provided by (used in) investing activities	(2,199)	2,638
Cash flows provided by financing activities:		
Net increase/decrease in short-term loans payables	2,500	(18,032)
Proceeds from long-term loans payables	—	46,653
Repayment and redemption of long-term loans payables	(1,250)	(1,250)
Repayment of equity	16	—
Purchase of non-controlling interests	—	(47)
Purchase of treasury stock	—	(5,514)
Cash dividends paid	(277)	(834)
Cash dividends paid to non-controlling interests	(41)	—
Net cash provided by financing activities	948	20,976
Net increase/decrease in cash and cash equivalents	(2,071)	29,184
Cash and cash equivalents at the beginning of period	38,674	50,140
Effect of exchange rate change on cash and cash equivalents	(207)	484
Cash and cash equivalents at the end of period	¥ 36,395	¥ 79,808