

## **Monex Group, Inc.**

### **Consolidated Financial Summary under Japanese GAAP for the third quarter of the fiscal year ending March 31, 2013 (April 1, 2012- March 31, 2013)**

This is an English translation of Japanese report of the consolidated financial summary under Japanese GAAP for the third quarter of the fiscal year ending March 31, 2013. If there is any discrepancy between a statement in English and a statement in Japanese, the Japanese statement shall always control.

#### **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 third quarter of the fiscal year ending March 31, 2013. All of those financial statements have been prepared based on accounting principles generally accepted in Japan. Please note there are significant differences between Japanese GAAP and U.S. GAAP and we have not prepared a reconciliation to show what our results or financial position would be under U.S. GAAP.

Monex Group, Inc. / January 2013

# Consolidated Financial Summary

## For the third quarter of the fiscal year ending March 31, 2013

|   | Million Yen |
|---|-------------|
| <b>Operating results (from Apr. 1, 2012 to Dec. 31, 2012):</b>  |             |
| Operating revenues .....  | ¥ 24,583    |
| Net operating revenues .....  | 21,600      |
| Selling, general and administrative expenses .....  | 22,638      |
| Operating loss .....  | (1,038)     |
| Other incomes, net .....  | 1,037       |
| Loss before income taxes and minority interests prior<br>to distribution of loss in silent partnership..... | (1)         |
| Distribution of gain in silent partnership .....  | 8           |
| Income before income taxes and minority interests.....  | 7           |
| Income taxes .....  | (20)        |
| Income before minority interests .....  | 27          |
| Minority interests .....  | 3           |
| Net Income.....   | ¥ 24        |

|  | Million Yen |
|--|-------------|
| <b>Financial Position (as of Dec. 31, 2012):</b> |             |
| Total assets .....                               | ¥ 575,332   |
| Net assets .....                                 | 71,167      |

|  | Yen       |
|--|-----------|
| <b>Per share amounts (from Apr. 1, 2012 to Dec. 31, 2012):</b> |           |
| Net income .....   | ¥ 8.08    |
| Net assets .....   | 23,737.33 |

Notes

Net income per share is computed by dividing net income by the weighted average number of common shares outstanding for the term and net assets per share is computed by dividing net assets by the number of common shares outstanding at the end of the term.

## Consolidated Balance Sheet As of December 31, 2012

| Assets  | Million Yen      | %            |
|---|------------------|--------------|
| Current assets:                               |                  |              |
| Cash and deposits .....                       | ¥ 46,261         |              |
| Cash segregated for customers and others..... | 264,038          |              |
| Money held in trust.....                      | 45,668           |              |
| Trading assets .....                          | 13,231           |              |
| Securities .....                              | 11,502           |              |
| Operating investment securities.....          | 23               |              |
| Margin transaction assets.....                | 94,200           |              |
| Loans receivable secured by securities.....   | 32,001           |              |
| Payments on securities subscribed .....       | 757              |              |
| Short-term guarantee money deposited .....    | 8,668            |              |
| Short-term loans receivables .....            | 5,904            |              |
| Accrued revenues .....                        | 2,964            |              |
| Deferred tax assets.....                      | 787              |              |
| Other .....                                   | 2,893            |              |
| Allowance for doubtful receivables.....       | (16)             |              |
|   | 528,881          | 91.9         |
| Property and equipment, at cost:              |                  |              |
| Buildings .....                               | 465              |              |
| Furniture and fixtures .....                  | 5,249            |              |
| Accumulated depreciation .....                | (4,534)          |              |
|   | 1,180            | 0.2          |
| Intangible assets, net of amortization:       |                  |              |
| Software.....                                 | 4,254            |              |
| Goodwill.....                                 | 17,928           |              |
| Other .....                                   | 14,505           |              |
|   | 36,687           | 6.4          |
| Investment and others:                        |                  |              |
| Investment securities .....                   | 7,796            |              |
| Long-term guarantee deposits .....            | 423              |              |
| Other .....                                   | 760              |              |
| Allowance for doubtful receivables.....       | (395)            |              |
|   | 8,584            | 1.5          |
| <b>Total assets</b>                           | <b>¥ 575,332</b> | <b>100.0</b> |

## Consolidated Balance Sheet (Continued)

### As of December 31, 2012

| Liabilities and Net Assets                     | Million Yen      | %            |
|--|------------------|--------------|
| Current liabilities:                           |                  |              |
| Trading liabilities.....                       | ¥ 7,501          |              |
| Margin transaction liabilities.....            | 26,840           |              |
| Loans payable secured by securities.....       | 50,849           |              |
| Deposits received.....                         | 207,160          |              |
| Guarantee money received.....                  | 132,892          |              |
| Short-term borrowings.....                     | 52,500           |              |
| Current portion of long-term debt.....         | 2,500            |              |
| Income taxes payables.....                     | 95               |              |
| Accrued employees' bonuses.....                | 297              |              |
| Accrued directors' bonuses.....                | 10               |              |
| Allowance for point services.....              | 175              |              |
| Other.....                                     | 3,051            |              |
|  | 483,870          | 84.1         |
| Non-current liabilities:                       |                  |              |
| Long-term debt.....                            | 14,000           |              |
| Accrued employees' bonuses.....                | 221              |              |
| Accrued directors' bonuses.....                | 7                |              |
| Deferred tax liabilities.....                  | 5,220            |              |
|  | 19,448           | 3.4          |
| Statutory reserves:                            |                  |              |
| Financial instruments transactions reserve.... | 847              |              |
|  | 847              | 0.1          |
| Net assets:                                    |                  |              |
| Owners' equity                                 |                  |              |
| Common stock.....                              | 10,394           | 1.8          |
| Authorized - 8,800,000 shares                  |                  |              |
| Issued - 2,996,805 shares                      |                  |              |
| Capital surplus.....                           | 40,593           | 7.1          |
| Retained earnings.....                         | 16,754           | 2.9          |
|  | 67,741           | 11.8         |
| Accumulated other comprehensive income...      | 3,395            | 0.6          |
| Minority interests.....                        | 31               | 0.0          |
|  | 71,167           | 12.4         |
| <b>Total liabilities and net assets</b>        | <b>¥ 575,332</b> | <b>100.0</b> |

## Consolidated Statements of Income

### For the third quarter of the fiscal year ending March 31, 2013

|   | Million Yen | %     |
|---|-------------|-------|
| Operating revenues:   |             |       |
| Commission revenues.....  | ¥ 12,663    |       |
| Net gain on trading account.....  | 4,487       |       |
| Net loss on operating investments .....   | (6)         |       |
| Financial income .....  | 7,025       |       |
| Other operating revenues.....   | 414         |       |
|   | 24,583      | 100.0 |
| Financial expenses.....   | 2,983       | 12.1  |
| Net operating revenues  | 21,600      | 87.9  |
| Selling, general and administrative expenses  | 22,638      | 92.1  |
| Operating loss  | (1,038)     | (4.2) |
| Other income (expenses):  |             |       |
| Reversal of financial instruments<br>transactions reserve .....   | 290         |       |
| Other, net .....  | 747         |       |
|   | 1,037       | 4.2   |
| Loss before income taxes and minority<br>interests prior to distribution of loss in silent<br>partnership ..... | (1)         | 0.0   |
| Distribution of gain in silent partnership  | 8           | 0.0   |
| Income before income taxes and minority<br>interests.....   | 7           | 0.0   |
| Income taxes:   |             |       |
| Current.....  | 152         | 0.6   |
| Deferred.....   | (172)       | (0.7) |
| Net income before minority interests .....  | 27          | 0.1   |
| Minority interests.....   | 3           | 0.0   |
| Net income .....  | ¥ 24        | 0.1   |
| Per share amounts   |             |       |
|   | Yen         |       |
| Net income .....  | ¥ 8.08      |       |