



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRSs for the 2Q of the fiscal year ending March 31, 2024 (April 1, 2023 - September 30, 2023)**

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 2Q of the fiscal year ending March 31, 2024. 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 2Q of the fiscal year ending March 31, 2024. 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. / October 2023

## Consolidated Financial Summary

### For the 2Q of the fiscal year ending March 31, 2024

(Millions of Yen)

	Six months ending Sep. 30, 2022	Six months ending Sep. 30, 2023	%change
<b>Operating results (from Apr. 1, 2023 to Sep. 30, 2023):</b>			
Operating revenue	39,024	44,886	15.0%
Quarterly profit before income taxes	2,073	5,510	165.8%
Quarterly profit	1,243	4,208	238.7%
Quarterly profit attributable to :			
Owners of the Company.....	1,247	4,257	241.5%
Quarterly comprehensive income.....	4,120	5,731	39.1%
<b>Earnings per share attributable to owners of the Company</b>			
Basic earnings per share(yen).....	4.67	16.57	
Diluted earnings per share(yen).....	—	—	

(Millions of Yen)

	As of March 31,2023	As of Sep 30,2023
<b>Financial Position</b>		
Total assets	1,504,110	1,574,344
Total equity	100,754	104,607
Equity attributable to owners of the Company	99,641	103,537
Ratio of equity attributable to owners of the parent (%)	6.6%	6.6%

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.

# (1) Quarterly Consolidated Statements of Income

(Millions of Yen)

	Six months ending Sep. 30, 2022	Six months ending Sep. 30, 2023
Revenue:		
Operating revenue.....	39,024	44,886
Other financial income.....	537	446
Other income.....	2,225	116
Equity in profits of equity method investments	18	—
<b>Total revenue</b>	<b>41,805</b>	<b>45,448</b>
Expenses:		
Financial expenses.....	2,729	3,875
Cost of sales.....	85	60
Selling, general and administrative expenses	35,110	35,196
Other financial expenses.....	69	2
Other expenses.....	1,740	796
Equity in losses of equity method investments.....	—	9
<b>Total expenses</b>	<b>39,732</b>	<b>39,938</b>
Quarterly profit before income taxes	2,073	5,510
Income tax expense.....	831	1,301
<b>Quarterly profit</b>	<b>1,243</b>	<b>4,208</b>
Quarterly profit or loss attributable to:		
Owners of the Company.....	1,247	4,257
Non-controlling interests.....	(4)	(49)
Earnings per share attributable to owners of the Company:		
	<b>(in yen)</b>	<b>(in yen)</b>
Basic earnings per share.....	4.67	16.57
Diluted earnings per share.....	—	—

## (2) Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Six months ending Sep. 30, 2022	Six months ending Sep. 30, 2023
Quarterly profit	1,243	4,208
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Changes in fair value of equity instruments measured at fair value through other comprehensive income.....	(148)	(69)
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments measured at fair value through other comprehensive income.....	(1,831)	(810)
Cash flow hedges – effective portion of changes in fair value.....	—	(1,409)
Foreign currency translation adjustments in foreign operations.....	4,863	3,792
Share of other comprehensive income of equity method investments.....	(6)	18
Other comprehensive income after income taxes	2,877	1,523
Quarterly comprehensive income	4,120	5,731
Quarterly comprehensive income attributable to:		
Owners of the Company	4,124	5,780
Non-controlling interests	(4)	(49)

### (3) Quarterly Consolidated Statements of Financial Position

(Millions of Yen)

	As of Mar. 31, 2023	As of Sep. 30, 2023
<b>Assets:</b>		
Cash and cash equivalents.....	175,159	150,946
Money held in trust.....	863,834	903,489
Trading securities and other.....	5,863	9,861
Derivative assets.....	15,101	20,107
Inventories.....	18,972	19,311
Investments in securities.....	13,149	15,016
Margin transaction assets.....	182,491	208,607
Loans secured by securities.....	85,206	78,183
Other financial assets.....	87,142	107,072
Property and equipment.....	6,043	5,936
Intangible assets.....	46,918	49,394
Equity method investments.....	577	835
Deferred tax assets.....	1,119	2,309
Other assets.....	2,536	3,278
<b>Total assets</b>	<b>1,504,110</b>	<b>1,574,344</b>
<b>Liabilities and Equity:</b>		
<b>Liabilities:</b>		
Trading securities and other.....	69	620
Derivative liabilities.....	6,242	11,255
Margin transaction liabilities.....	33,949	39,668
Loans payable secured by securities.....	174,647	163,454
Deposits received.....	535,150	593,225
Guarantee deposits received.....	373,233	399,003
Bonds and loans payable.....	241,062	222,920
Other financial liabilities.....	13,877	13,847
Provisions.....	627	672
Income taxes payable.....	1,316	2,393
Deferred tax liabilities.....	836	679
Other liabilities.....	22,348	22,002
<b>Total liabilities</b>	<b>1,403,355</b>	<b>1,469,737</b>
<b>Equity:</b>		
Common stock.....	13,144	13,144
Additional paid-in capital.....	41,027	41,148
Treasury stock.....	(714)	(173)
Retained earnings.....	34,509	36,740
Other components of equity.....	11,675	12,679
Equity attributable to owners of the Company.....	99,641	103,537
Non-controlling interests.....	1,113	1,070
<b>Total equity</b>	<b>100,754</b>	<b>104,607</b>
<b>Total liabilities and equity</b>	<b>1,504,110</b>	<b>1,574,344</b>

#### (4) Quarterly Consolidated Statement of Changes in Equity

	Equity attributable to owners of the Company								
	Common stock	Additional paid—in capital	Treasury stock	Retained earnings	Other components of equity				
					Changes in fair value of equity instruments measured at fair value through other comprehensive income	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Hedging reserve	Foreign currency translation adjustments in foreign operations	Share—based payments
Balance as of April 1, 2022	¥13,144	¥41,174	¥(383)	¥39,268	¥780	¥(159)	—	¥10,679	¥(242)
Profit	—	—	—	1,247	—	—	—	—	—
Other comprehensive income	—	—	—	—	(148)	(1,831)	—	4,863	—
Total comprehensive income	—	—	—	1,247	(148)	(1,831)	—	4,863	—
Transactions with owners:									
Dividends paid	—	—	—	(2,050)	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—
Disposition of treasury stock	—	257	382	—	—	—	—	—	(639)
Recognition of share—based payments	—	—	—	(59)	—	—	—	—	143
Changes of interests in subsidiaries without losing control	—	(37)	—	—	—	—	—	—	—
Total of transactions with owners	—	221	382	(2,109)	—	—	—	—	(496)
Balance as of September 30, 2022	¥13,144	¥41,394	¥(2)	¥38,405	¥632	¥(1,990)	—	¥15,542	¥(739)

	Equity attributable to owners of the Company			Non—controlling interests	Total equity
	Other components of equity		Total		
	Share of other comprehensive income of equity method investments	Sub—total			
Balance as of April 1, 2022	26	¥11,084	¥104,286	¥1,732	¥106,018
Profit	—	—	1,247	(4)	1,243
Other comprehensive income	(6)	2,877	2,877	—	2,877
Total comprehensive income	(6)	2,877	4,124	(4)	4,120
Transactions with owners:					
Dividends paid	—	—	(2,050)	—	(2,050)
Dividends to non-controlling interests	—	—	—	(550)	(550)
Disposition of treasury stock	—	(639)	—	—	—
Recognition of share—based payments	—	143	84	—	84
Changes of interests in subsidiaries without losing control	—	—	(37)	37	—
Total of transactions with owners	—	(496)	(2,003)	(514)	(2,517)
Balance as of September 30, 2022	¥20	¥13,465	¥106,407	¥1,215	¥107,621

	Equity attributable to owners of the Company								
	Common stock	Additional paid—in capital	Treasury stock	Retained earnings	Other components of equity				
					Changes in fair value of equity instruments measured at fair value through other comprehensive Income	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Hedging reserve	Foreign currency translation adjustments in foreign operations	Share—based payments
Balance as of April 1, 2023	¥13,144	¥41,027	¥(714)	¥34,509	¥640	¥(1,493)	—	¥13,113	¥(614)
Profit	—	—	—	4,257	—	—	—	—	—
Other comprehensive income	—	—	—	—	(69)	(810)	(1,409)	3,792	—
Total comprehensive income	—	—	—	4,257	(69)	(810)	(1,409)	3,792	—
Transactions with owners:									
Dividends paid	—	—	—	(2,025)	—	—	—	—	—
Disposition of treasury stock	—	126	541	—	—	—	—	—	(667)
Recognition of share—based payments	—	—	—	(2)	—	—	—	—	149
Changes of interests in subsidiaries without losing control	—	(5)	—	—	—	—	—	—	—
Total of transactions with owners	—	121	541	(2,027)	—	—	—	—	(519)
Balance as of September 30, 2023	¥13,144	¥41,148	¥(173)	¥36,740	¥571	¥(2,303)	¥(1,409)	¥16,905	¥(1,132)

	Equity attributable to owners of the Company			Non—controlling interests	Total equity
	Other components of equity		Total		
	Share of other comprehensive income of equity method investments	Sub—total			
Balance as of April 1, 2023	28	¥11,675	¥99,641	¥1,113	¥100,754
Profit	—	—	4,257	(49)	4,208
Other comprehensive income	18	1,523	1,523	—	1,523
Total comprehensive income	18	1,523	5,780	(49)	5,731
Transactions with owners:					
Dividends paid	—	—	(2,025)	—	(2,025)
Disposition of treasury stock	—	(667)	—	—	—
Recognition of share—based payments	—	149	147	—	147
Changes of interests in subsidiaries without losing control	—	—	(5)	5	—
Total of transactions with owners	—	(519)	(1,884)	5	(1,879)
Balance as of September 30, 2023	¥46	¥12,679	¥103,537	¥1,070	¥104,607

## (5) Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	Six months ending Sep. 30, 2022	Six months ending Sep. 30, 2023
Cash flows from operating activities:		
Quarterly profit before income taxes.....	2,073	5,510
Depreciation and amortization.....	4,269	4,545
Impairment loss on non-financial assets.....	334	—
Financial income and financial expenses.....	(11,540)	(16,319)
Decrease/increase in derivative assets and liabilities.....	(1,518)	(1,858)
Decrease/increase in assets/liabilities for margin transaction.....	(28,276)	(20,397)
Decrease/increase in loans/loans payable secured by securities...	3,341	( 4,116)
Decrease/increase in cash segregated as deposits.....	(42,585)	205
Decrease/increase in deposits received and guarantee deposits received.....	3,644	40,192
Decrease/increase in short-term loans receivable.....	(57)	(3,769)
Decrease/increase in short-term guarantee deposits.....	12,607	(14,416)
Other, net.....	(605)	(11,406)
Sub total	(58,311)	(21,828)
Interest and dividends income received.....	11,781	19,162
Interest expenses paid.....	(2,645)	(3,769)
Income taxes refund/paid.....	(4,451)	695
Net cash provided by (used in) operating activities	(53,626)	(5,739)
Cash flows from investing activities:		
Payments into time deposits.....	(13,035)	(6,960)
Proceeds from withdrawal of time deposits.....	—	9,909
Purchase of investments in securities.....	(295)	(388)
Proceeds from sales and redemption of securities.....	319	43
Purchase of property and equipment.....	(835)	(416)
Purchase of intangible assets.....	(3,512)	(3,068)
Payments for acquisition of subsidiaries.....	(144)	—
Payments for acquisition of associates.....	—	(200)
Payments for acquisition of joint ventures.....	—	(10)
Other, net.....	(235)	524
Net cash provided by (used in) investing activities	(17,737)	(566)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable.....	(52,668)	(23,162)
Proceeds from issuance of bonds payable.....	5,196	3,499
Redemption of bonds payable.....	(5,700)	(3,500)
Proceeds from long-term loans payable.....	—	10,289
Repayment of long-term loans payable.....	(5)	(8,005)
Repayments of lease liabilities.....	(574)	(601)
Cash dividends paid.....	(2,048)	(2,022)
Dividends paid to non-controlling interests.....	(550)	—
Other, net.....	(31)	(60)
Net cash provided by (used in) financing activities	(56,379)	(23,562)
Net increase/decrease in cash and cash equivalents	(127,742)	(29,868)
Cash and cash equivalents at the beginning of period	253,458	175,159



	<b>Six months ending Sep. 30, 2022</b>	<b>Six months ending Sep. 30, 2023</b>
Effect of exchange rate change on cash and cash equivalents	11,513	5,654
Cash and cash equivalents at the end of period	137,229	150,946

## (6) Going Concern Assumption

Not applicable.

## (7) Changes in accounting policies

The material accounting policies applied in the condensed quarterly consolidated financial statements are the same as those applied in the consolidated financial statements for the prior fiscal year, except for the following.

Standards		New/revised requirements
IAS 1	Presentation of Financial Statements	Revised to require disclosure of material accounting policies rather than significant accounting policies
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Clarify the distinction between accounting policies and accounting estimates
IAS 12	Income tax	Clarify accounting for deferred taxes on leases and disposal obligations

There is no significant impact in the consolidated cumulative second quarter.

## (8) Summary Quarterly Consolidated Financial Statements Note

### 1. Segment Information

The main businesses of the Group are the financial instruments business, cryptocurrency exchange service provider and investment business of securities. The disclosed segments are the 5 segments of “Japan,” “U.S.,” “Crypto Asset,” “Asia-Pacific,” and “Investment.”

Segment	Main business	Main company
Japan	Financial instruments business in Japan	Monex, Inc. Monex Asset Management, Inc.
U.S.	Financial instruments business in U.S.	TradeStation Securities, Inc.
Crypto Asset	Crypto currency exchange service	Coincheck, Inc.
Asia-Pacific	Financial instruments business in Hong-Kong	Monex Boom Securities(H.K.) Limited
Investment	Investment business of securities	Monex Ventures, Inc. MV I Investment Limited Partnership MV II Investment Limited Partnership TOKYO Wellness Impact Investment Limited Partnership

Notes: Each entity is an independent management unit that establishes comprehensive strategies and conducts business activities

### The Group’s operating results by reporting segment

For the six months ended September 30, 2022

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Operating revenue from external customers	¥15,663	¥17,469	¥4,796	¥547	¥549	¥39,024	¥—	¥—	¥39,024
Internal operating revenue or transferred amount between segments	284	443	14	4	—	745	4,450	(5,196)	—
<b>Total</b>	<b>15,947</b>	<b>17,912</b>	<b>4,810</b>	<b>552</b>	<b>549</b>	<b>39,770</b>	<b>4,450</b>	<b>(5,196)</b>	<b>39,024</b>
Financial expenses	(858)	(2,056)	(1)	(1)	(136)	(3,053)	—	324	(2,729)
Cost of sales	—	(25)	(85)	—	—	(110)	—	25	(85)
Depreciation and amortization	(2,316)	(1,670)	(219)	(65)	—	(4,269)	—	—	(4,269)
Other selling, general and administrative expenses	(10,874)	(15,704)	(4,353)	(555)	(46)	(31,532)	—	692	(30,841)
Other income and expenses (net amount)	2,916	(1,529)	(127)	(6)	(0)	1,253	—	(299)	954
Equity in profits or losses of equity method investments	—	—	—	18	—	18	—	—	18
<b>Segment profit or loss (profit before income taxes)</b>	<b>¥4,815</b>	<b>¥(3,073)</b>	<b>¥25</b>	<b>¥(57)</b>	<b>¥368</b>	<b>¥2,077</b>	<b>¥4,450</b>	<b>¥(4,454)</b>	<b>¥2,073</b>

The following financial income and sales revenue are included in the operating revenue.

Millions of Yen

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Financial income	¥6,900	¥6,538	¥—	¥69	¥549	¥14,056	¥4,450	¥(4,707)	¥13,800
Sales revenue	—	29	809	—	—	838	—	(30)	808

Notes: (\*1) Others are dividends from reporting segment to the Company.

(\*2) Adjustment refers to elimination between segments.

(\*3) Transactions between segments are made by arm's length price.

(\*4) Segment profit or loss is profit or loss before income taxes.

For the six months ended September 30, 2023

	Reporting segment						Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total		
Operating revenue from external customers	¥18,488	¥22,792	¥2,646	¥526	¥434	¥44,886	¥—	¥44,886
Internal operating revenue or transferred amount between segments	415	672	12	7	—	1,107	(1,107)	—
Total	18,904	23,464	2,658	533	434	45,993	(1,107)	44,886
Financial expenses	(1,006)	(2,963)	(1)	(65)	(266)	(4,301)	426	(3,875)
Cost of sales	—	(264)	(60)	—	—	(324)	264	(60)
Depreciation and amortization	(2,514)	(1,655)	(317)	(59)	—	(4,545)	—	(4,545)
Other selling, general and administrative expenses	(12,476)	(15,496)	(2,780)	(471)	(50)	(31,274)	622	(30,651)
Other income and expenses (net amount)	491	(457)	(56)	26	18	22	(258)	(236)
Equity in profits or losses of equity method investments	—	—	—	(0)	(9)	(9)	—	(9)
Segment profit or loss (profit before income taxes)	¥3,398	¥2,629	¥(556)	¥(37)	¥127	¥5,561	¥(51)	¥5,510

The following financial income and sales revenue are included in the operating revenue.

Millions of Yen

	Reporting segment						Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total		
Financial income	¥7,759	¥11,817	¥—	¥167	¥434	¥20,177	¥(426)	¥19,750
Sales revenue	—	303	147	—	—	451	(305)	146

Notes: (\*1) Adjustment refers to elimination between segments.

(\*2) Transactions between segments are made by arm's length price.

(\*3) Segment profit or loss is profit or loss before income taxes.

## 2. Earnings per Share

The basis for calculating basic earnings per share and diluted earnings per share for the current fiscal year is as follows

	Six months ending Sep. 30, 2022	Six months ending Sep. 30, 2023
Earnings per share attributable to owners of the Company (Millions of Yen)	¥1,247	¥4,257
Weighted average number of shares (Thousands of Share)	266,759	256,878
Basic earnings per share (Yen)	4.67	16.57

Note: Diluted earnings per share is not stated as there are no potential ordinary shares.

## (9) Events after the Reporting Period

### (Notice of the Conclusion of a Capital and Business Alliance Agreement)

TOKYO, October 4, 2023 – Monex Group, Inc. (headquarters: Tokyo, Japan; Representative Executive Officer and CEO: Yuko Seimei; the “Company” or “we”, “our” or “ourselves”) announced that its Board of Directors resolved the establishment of a capital and business alliance among the Company, our subsidiary, Monex, Inc. (“Monex”), and NTT DOCOMO, INC. (“NTT DOCOMO,” and the Company, Monex and NTT DOCOMO altogether referred to as the “three companies”), and that the three companies have entered into a capital and business alliance agreement (the “Capital Business Alliance Agreement” and the alliance to be undertaken pursuant to the Capital Business Alliance Agreement is referred to as the “Capital Business Alliance”).

Based on the Capital Business Alliance Agreement, (i) an intermediate holding company will be formed by Monex by means of a sole share-transfer (tandoku-kabushiki-iten) (the “Share Transfer”), and then (ii) the Company will sell some of such common shares it holds in the Intermediate Holding Company to NTT DOCOMO (the “Sale of Shares”) and (iii) the Intermediate Holding Company will newly issue additional common shares by way of a third-party allotment to NTT DOCOMO (the “Third-Party Allotment of Shares”).

Although the voting rights ratio of the Intermediate Holding Company, the wholly-owning parent company of Monex, will be, as a result of the Sale of Shares and the Third-Party Allotment of Shares, approximately fifty-one percent (51%) for the Company and approximately forty-nine percent (49%) for NTT DOCOMO, the Intermediate Holding Company and Monex will become consolidated subsidiaries of NTT DOCOMO based on the effective control standard. As a result, the Intermediate Holding Company and Monex will no longer be the Company’s consolidated subsidiaries after the Sale of Shares and the Third-Party Allotment of Shares, and instead will become equity-method affiliates of the Company. We expect to record income as gain on the Sale of Shares and recognize a gain on fair value remeasurements on the application of the equity method in the consolidated statements of income but those amounts are yet to be confirmed.

### 1. Outline of Capital Business Alliance

Description of Allotment Relating to Share Transfer

	Monex	Intermediate Holding Company
Share Transfer Ratio	1	1

(Note 1) Share Transfer Ratio:

One (1) common share of the Intermediate Holding Company will be allotted to one (1) common share of Monex.

(Note 2) The number of new common shares to be issued by the Intermediate Holding Company through the Share Transfer to the Company (Scheduled):

228,000 common shares

Outline of the Sale of Shares

(1) Number of shares held by the Company before the Sale of Shares	228,000 shares (100% of voting rights)
(2) Number of shares sold in the Sale of Shares	109,440 shares
(3) Aggregate sale price	46,560,044,160 yen
(4) The date of the sale	January 4, 2024
(5) Number of shares held by the Company after the Sale of Shares and the Third-Party Allotment of Shares	118,560 shares (approx. 51% of voting rights)

Outline of the Third-Party Allotment of Shares

(1) Number of shares to be issued	4,702 shares
(2) Total issuance amount	2,000,414,178 yen
(3) Number of shares issued after capital increase	232,702 shares
(4) The date of payment	January 4, 2024
(5) Number of shares held by the Company after the Sale of Shares and the Third-Party Allotment of Shares	118,560 shares (approx. 51% of voting rights)

## **2. Purpose of Capital Business Alliance**

The Capital Business Alliance will not only develop Monex's business significantly through collaboration with NTT DOCOMO, but will also promote the Company's transformation into an optimal business structure to pursue designing innovative ways of managing money, through the reorganization of its consolidated subsidiaries. Our group has developed by having online securities business in Japan and the United States as its core business. In recent years, we have expanded our business to include crypto-asset business, asset management business, and education business. Utilizing the cash from the Sale of Shares, we plan to further strengthen our asset management business, which we consider to be an important growth business, and to strengthen the business portfolio of our entire group.