



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the fiscal year ending March 31, 2018 (April 1, 2017 - March 31, 2018)

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the fiscal year ending March 31, 2018. 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 fiscal year ending March 31, 2018. 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. / April 2018

Consolidated Financial Summary

For the fiscal year ending March 31, 2018

(Millions of Yen)	
Operating results (from Apr. 1, 2017 to Mar. 31, 2018):	
Total revenue.....	¥54,223
Total expenses.....	45,592
Profit before income taxes	8,631
Income tax expense.....	2,052
Profit	¥6,579
Profit attributable to :	
Owners of the Company.....	¥6,730
Non-controlling interests.....	(151)

(Millions of Yen)	
Financial Position (as of Mar. 31, 2018):	
Total assets.....	¥973,520
Equity attributable to owners of the Company.....	80,329

(Yen)	
Earnings per share attributable to owners of the Company (from Apr. 1, 2017 to Mar. 31, 2018):	
Basic earnings per share.....	¥24.33
Diluted earnings per share.....	24.33

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.

Consolidated Statements of Income

	(Millions of Yen)	
	For the fiscal year ending March 31, 2017	For the fiscal year ending March 31, 2018
Revenue:		
Commission received	¥26,349	¥29,196
Net trading income	4,498	3,865
Financial income	14,313	19,349
Other operating income	671	1,225
Total operating revenue	45,831	53,635
Other financial income	1,667	298
Other income	1,606	121
Equity in profits of equity method investments	—	169
Total revenue	49,104	54,223
Expenses:		
Financial expenses	3,979	4,480
Selling, general and administrative expenses	40,578	39,853
Other financial expenses	1,655	987
Other expenses	1,722	271
Equity in losses of equity method investments	99	—
Total expenses	48,033	45,592
Profit before income taxes	1,071	8,631
Income tax expense	910	2,052
Profit	¥161	¥6,579
Profit or loss attributable to :		
Owners of the Company	¥298	¥6,730
Non-controlling interests	(137)	(151)
Earnings per share attributable to owners of the Company:		
	(in yen)	(in yen)
Basic earnings per share	¥1.06	¥24.33
Diluted earnings per share	1.05	24.33

Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	For the fiscal year ending March 31, 2017	For the fiscal year ending March 31, 2018
Profit	¥161	¥6,579
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of available-for-sale financial assets	(980)	(636)
Changes in fair value of hedging instrument	(1,019)	(165)
Foreign currency translation adjustments in foreign operations	(296)	(1,240)
Share of other comprehensive income of equity method investments	(15)	29
Other comprehensive income after income taxes	(2,310)	(2,012)
Comprehensive income	¥(2,149)	¥4,567
Comprehensive income attributable to :		
Owners of the Company	¥(2,012)	¥4,718
Non-controlling interests	(137)	(151)

Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of March 31, 2017	As of March 31, 2018
Assets:		
Cash and cash equivalents	¥77,900	¥83,884
Cash segregated as deposits	552,028	543,438
Trading securities and other	1,697	1,618
Derivative assets.....	13,443	15,424
Investments in securities	3,611	3,123
Margin transaction assets	147,653	192,224
Loans secured by securities.....	34,250	21,389
Other financial assets	49,049	58,837
Property and equipment	2,062	2,122
Intangible assets	53,751	49,851
Equity method investments	363	295
Deferred tax assets	2	13
Other assets	967	1,301
Total assets	¥936,776	¥973,520
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	¥5,828	¥5,340
Margin transaction liabilities.....	40,664	29,683
Loans payable secured by securities	77,504	78,203
Deposits received	324,672	324,256
Guarantee deposits received.....	257,753	254,647
Bonds and loans payable	138,133	191,010
Other financial liabilities	6,622	4,545
Provisions.....	166	148
Income taxes payable	389	2,386
Deferred tax liabilities.....	2,401	1,524
Other liabilities	958	1,284
Total liabilities	855,090	893,027
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,547	40,510
Treasury stock	—	(206)
Retained earnings	20,209	21,492
Other components of equity	10,222	8,139
Equity attributable to owners of the Company	81,372	80,329
Non-controlling interests.....	315	164
Total equity	81,687	80,493
Total liabilities and equity	¥936,776	¥973,520

Consolidated Statements of Cash Flows

	(Millions of Yen)	
	For the fiscal year ending March 31, 2017	For the fiscal year ending March 31, 2018
Cash flows from operating activities:		
Profit before income taxes	¥1,071	¥8,631
Depreciation and amortization.....	7,094	8,117
Loss on business restructuring.....	145	—
Reversal of allowance for loss on cancellation of outsourcing contract	(508)	—
Gain on sales of investments in associates	(247)	—
Financial income and financial expenses.....	(10,346)	(14,179)
Decrease/increase in derivative assets and liabilities.....	2,792	(2,483)
Decrease/increase in assets/liabilities for margin transaction	9,241	(55,552)
Decrease/increase in loans/loans payable secured by securities	2,873	13,342
Decrease/increase in cash segregated as deposits	(57,921)	(1,797)
Decrease/increase in deposits received and guarantee deposits received.....	63,160	7,861
Decrease/increase in short-term loans receivable	20,141	(2,514)
Other, net	(118)	(11,867)
Sub total	37,376	(50,441)
Interest and dividends income received	13,365	15,969
Interest expenses paid.....	(4,499)	(5,014)
Income taxes refund/paid.....	(2,527)	785
Net cash provided by (used in) operating activities	43,715	(38,701)
Cash flows from investing activities:		
Purchase of investments in securities	(282)	(491)
Proceeds from sales and redemption of securities	1,215	362
Purchase of property and equipment.....	(673)	(884)
Purchase of intangible assets	(8,603)	(4,969)
Purchase of investments in joint ventures.....	(13)	(10)
Proceeds from investments in joint ventures	—	4
Proceeds from sales of investments in associates	295	—
Other, net	(240)	116
Net cash provided by (used in) investing activities	(8,301)	(5,872)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable	(1,372)	47,800
Proceeds from issuance of bonds payable.....	2,996	14,483
Redemption of bonds payable.....	(2,000)	(6,000)
Proceeds from long-term loans payable.....	27,902	9,970
Repayment of long-term loans payable	(43,800)	(10,600)
Purchase of treasury stock	(1,000)	(4,030)
Cash dividends paid.....	(1,468)	(1,754)
Proceeds from stock issuance to non-controlling interests	245	—
Other, net	37	—
Net cash provided by (used in) financing activities	(18,462)	49,870
Net increase/decrease in cash and cash equivalents	16,952	5,297
Cash and cash equivalents at the beginning of period	59,756	76,557
Effect of exchange rate change on cash and cash equivalents	(151)	(398)
Cash and cash equivalents at the end of period	¥76,557	¥81,456