



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRSs for the 3Q of the fiscal year ending March 31, 2019 (April 1, 2018 - December 31, 2018)**

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 3Q of the fiscal year ending March 31, 2019. 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 3Q of the fiscal year ending March 31, 2019. 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. / January 2019

## Consolidated Financial Summary

### For the 3Q of the fiscal year ending March 31, 2019

(Millions of Yen)	
<b>Operating results (from Apr. 1, 2018 to Dec. 31, 2018):</b>	
Total revenue.....	¥40,778
Total expenses.....	37,556
Quarterly profit before income taxes	3,223
Income tax expense.....	632
Quarterly profit	¥2,591
Quarterly profit attributable to :	
Owners of the Company.....	¥2,696
Non-controlling interests.....	(105)

(Millions of Yen)	
<b>Financial Position (as of Dec. 31, 2018):</b>	
Total assets.....	¥1,011,162
Equity attributable to owners of the Company.....	80,309

(Yen)	
<b>Earnings per share attributable to owners of the Company (from Apr. 1, 2018 to Dec. 31, 2018):</b>	
Basic earnings per share.....	¥10.08
Diluted earnings per share.....	—

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.

## Quarterly Consolidated Statements of Income

	(Millions of Yen)	
	Nine months ending Dec. 31, 2017	Nine months ending Dec. 31, 2018
Revenue:		
Operating revenue .....	38,377	40,116
Other financial income .....	251	611
Other income .....	105	43
Equity in profits of equity method investments	161	10
Total revenue	38,894	40,778
Expenses:		
Financial expenses .....	3,331	3,716
Selling, general and administrative expenses	29,439	33,400
Other financial expenses .....	342	195
Other expenses .....	345	246
Total expenses	33,457	37,556
Quarterly profit before income taxes	5,437	3,223
Income tax expense .....	888	632
Quarterly profit	¥4,549	¥2,591
Quarterly profit or loss attributable to :		
Owners of the Company .....	¥4,661	¥2,696
Non-controlling interests .....	(112)	(105)
Earnings per share attributable to owners of the Company:	(in yen)	(in yen)
Basic earnings per share .....	¥16.78	¥10.08
Diluted earnings per share .....	16.77	—

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Nine months ending Dec. 31, 2017	Nine months ending Dec. 31, 2018
Quarterly profit	¥4,549	¥2,591
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Changes in fair value of equity financial assets at fair value through other comprehensive income .....	—	143
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt financial assets at fair value through other comprehensive income	—	(19)
Changes in fair value of available-for-sale financial assets.....	430	—
Changes in fair value of hedging instrument.....	(157)	584
Foreign currency translation adjustments in foreign operations.....	284	936
Share of other comprehensive income of equity method investments .....	84	(8)
Other comprehensive income after income taxes	640	1,635
Quarterly comprehensive income	¥5,189	¥4,226
Quarterly comprehensive income attributable to :		
Owners of the Company .....	¥5,301	¥4,331
Non-controlling interests .....	(112)	(105)

## Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2018	As of Dec. 31, 2018
<b>Assets:</b>		
Cash and cash equivalents.....	¥83,884	¥145,345
Cash segregated as deposits .....	543,438	554,117
Trading securities and other .....	1,618	2,692
Derivative assets.....	15,424	13,208
Inventories.....	—	2,642
Investments in securities .....	3,123	3,637
Margin transaction assets .....	192,224	147,552
Loans secured by securities.....	21,389	23,996
Other financial assets .....	58,837	64,278
Property and equipment .....	2,122	2,501
Intangible assets .....	49,851	49,038
Equity method investments .....	295	306
Deferred tax assets .....	13	715
Other assets .....	1,301	1,135
<b>Total assets</b>	<b>¥973,520</b>	<b>¥1,011,162</b>
<b>Liabilities and Equity:</b>		
<b>Liabilities:</b>		
Derivative liabilities .....	¥5,340	¥5,406
Margin transaction liabilities.....	29,683	17,007
Loans payable secured by securities .....	78,203	117,269
Deposits received .....	324,256	362,855
Guarantee deposits received.....	254,647	264,723
Bonds and loans payable .....	191,010	151,126
Other financial liabilities.....	4,545	4,850
Provisions.....	148	148
Income taxes payable .....	2,386	282
Deferred tax liabilities.....	1,524	2,110
Other liabilities.....	1,284	3,887
<b>Total liabilities</b>	<b>893,027</b>	<b>929,662</b>
<b>Equity:</b>		
Common stock .....	10,394	10,394
Additional paid-in capital.....	40,510	40,613
Treasury stock .....	(206)	(2,081)
Retained earnings .....	21,492	22,169
Other components of equity .....	8,139	9,214
<b>Equity attributable to owners of the Company</b>	<b>80,329</b>	<b>80,309</b>
Non-controlling interests.....	164	1,191
<b>Total equity</b>	<b>80,493</b>	<b>81,500</b>
<b>Total liabilities and equity</b>	<b>¥973,520</b>	<b>¥1,011,162</b>

## Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Nine months ending Dec. 31, 2017	Nine months ending Dec. 31, 2018
Cash flows from operating activities:		
Quarterly profit before income taxes .....	¥5,437	¥3,223
Depreciation and amortization .....	6,117	6,243
Financial income and financial expenses .....	(9,652)	(11,262)
Decrease/increase in derivative assets and liabilities .....	4,012	3,055
Decrease/increase in assets/liabilities for margin transaction .....	(15,825)	31,996
Decrease/increase in loans/loans payable secured by securities .....	(5,254)	36,625
Decrease/increase in cash segregated as deposits .....	(42,504)	(2,747)
Decrease/increase in deposits received and guarantee deposits received .....	70,960	12,247
Decrease/increase in short-term loans receivable .....	(2,024)	441
Other, net .....	(8,033)	(6,334)
Sub total	3,234	73,487
Interest and dividends income received .....	12,099	14,385
Interest expenses paid .....	(3,370)	(3,674)
Income taxes refund/paid .....	1,069	(4,730)
Net cash provided by (used in) operating activities	13,032	79,468
Cash flows from investing activities:		
Purchase of investments in securities .....	(380)	(338)
Proceeds from sales and redemption of securities .....	299	208
Purchase of property and equipment .....	(798)	(921)
Purchase of intangible assets .....	(4,084)	(4,012)
Proceeds from purchase of investments in subsidiaries .....	—	30,695
Proceeds from sales of investments in subsidiaries .....	—	4
Purchase of investments in joint ventures .....	(10)	(0)
Proceeds from sales of investments in joint ventures	4	-
Other, net .....	(171)	(269)
Net cash provided by (used in) investing activities	(5,140)	25,366
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable .....	16,554	(68,848)
Proceeds from issuance of bonds payable .....	4,493	22,521
Redemption of bonds payable .....	(6,000)	(26,557)
Proceeds from long-term loans payable .....	10,000	50,100
Repayment of long-term loans payable .....	(10,600)	(19,004)
Purchase of treasury stock .....	(1,030)	(2,000)
Cash dividends paid .....	(1,749)	(2,404)
Proceeds from stock issuance to non-controlling interests .....	—	747
Net cash provided by (used in) financing activities	11,668	(45,444)
Net increase/decrease in cash and cash equivalents	19,560	59,389
Cash and cash equivalents at the beginning of period	76,557	81,456
Effect of exchange rate change on cash and cash equivalents	103	259
Cash and cash equivalents at the end of period	¥96,221	¥141,105