



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the 2Q of the fiscal year ending March 31, 2020 (April 1, 2019 - September 30, 2019)

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, 2020. 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, 2020. 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 2019

Consolidated Financial Summary

For the 2Q of the fiscal year ending March 31, 2020

(Millions of Yen)	
Operating results (from Apr. 1, 2019 to Sep. 30, 2019):	
Total revenue.....	¥26,166
Total expenses.....	23,971
Quarterly profit before income taxes	2,195
Income tax expense.....	607
Quarterly profit	¥1,588
Quarterly profit attributable to :	
Owners of the Company.....	¥1,679
Non-controlling interests.....	(91)

(Millions of Yen)	
Financial Position (as of Sep. 30, 2019):	
Total assets.....	¥1,063,020
Equity attributable to owners of the Company.....	76,089

(Yen)	
Earnings per share attributable to owners of the Company (from Apr. 1, 2019 to Sep. 30, 2019):	
Basic earnings per share.....	¥6.39
Diluted earnings per share.....	6.36

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)	
	Six months ending Sep. 30, 2018	Six months ending Sep. 30, 2019
Revenue:		
Operating revenue	26,400	26,034
Other financial income	327	90
Other income	31	26
Equity in profits of equity method investments	33	17
Total revenue	26,791	26,166
Expenses:		
Financial expenses	2,555	2,756
Selling, general and administrative expenses	22,193	21,112
Other financial expenses	62	29
Other expenses	152	73
Total expenses	24,962	23,971
Quarterly profit before income taxes	1,830	2,195
Income tax expense	153	607
Quarterly profit	¥1,677	¥1,588
Quarterly profit or loss attributable to :		
Owners of the Company	¥1,745	¥1,679
Non-controlling interests	(68)	(91)
Earnings per share attributable to owners of the Company:	(in yen)	(in yen)
Basic earnings per share	¥6.51	¥6.39
Diluted earnings per share	—	6.36

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Six months ending Sep. 30, 2018	Six months ending Sep. 30, 2019
Quarterly profit	¥1,677	¥1,588
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	119	111
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	(157)	70
Changes in fair value of hedging instrument.....	400	—
Foreign currency translation adjustments in foreign operations	1,777	(704)
Share of other comprehensive income of equity method investments	(0)	(14)
Other comprehensive income after income taxes	2,139	(538)
Quarterly comprehensive income	¥3,816	¥1,051
Quarterly comprehensive income attributable to :		
Owners of the Company	¥3,884	¥1,142
Non-controlling interests	(68)	(91)

Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2019	As of Sep. 30, 2019
Assets:		
Cash and cash equivalents.....	¥154,146	¥174,120
Cash segregated as deposits	566,220	572,575
Trading securities and other	2,543	2,917
Derivative assets.....	10,895	13,342
Inventories.....	3,056	3,569
Investments in securities	3,914	4,905
Margin transaction assets	138,836	133,564
Loans secured by securities.....	42,064	52,719
Other financial assets	54,202	51,749
Property and equipment	2,456	4,915
Intangible assets	47,698	46,707
Equity method investments	306	251
Deferred tax assets	289	279
Other assets	1,226	1,410
Total assets	¥1,027,849	¥1,063,020
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	¥4,311	¥3,821
Margin transaction liabilities.....	32,793	37,461
Loans payable secured by securities	101,028	105,221
Deposits received	358,176	369,953
Guarantee deposits received.....	249,544	281,169
Bonds and loans payable	190,641	173,856
Other financial liabilities.....	4,284	6,586
Provisions.....	262	215
Income taxes payable	266	392
Deferred tax liabilities.....	1,862	2,151
Other liabilities.....	4,540	5,026
Total liabilities	947,707	985,850
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,510	40,510
Treasury stock	(313)	(3,552)
Retained earnings	18,980	19,891
Other components of equity	9,424	8,846
Equity attributable to owners of the Company	78,994	76,089
Non-controlling interests.....	1,148	1,080
Total equity	80,142	77,169
Total liabilities and equity	¥1,027,849	¥1,063,020

Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Six months ending Sep. 30, 2018	Six months ending Sep. 30, 2019
Cash flows from operating activities:		
Quarterly profit before income taxes	¥1,830	¥2,195
Depreciation and amortization.....	4,143	4,047
Financial income and financial expenses.....	(7,443)	(7,254)
Decrease/increase in derivative assets and liabilities.....	3,624	(2,937)
Decrease/increase in assets/liabilities for margin transaction	35,079	9,941
Decrease/increase in loans/loans payable secured by securities	14,301	(6,607)
Decrease/increase in cash segregated as deposits	(13,301)	(11,583)
Decrease/increase in deposits received and guarantee deposits received.....	27,287	49,511
Decrease/increase in short-term loans receivable	232	1,856
Other, net	2,912	1,530
Sub total	68,664	40,698
Interest and dividends income received	9,774	9,314
Interest expenses paid	(2,457)	(2,450)
Income taxes refund/paid.....	(3,941)	701
Net cash provided by (used in) operating activities	72,040	48,262
Cash flows from investing activities:		
Purchase of investments in securities	(160)	(221)
Proceeds from sales and redemption of securities	134	0
Purchase of property and equipment.....	(679)	(311)
Purchase of intangible assets	(2,827)	(2,589)
Proceeds from purchase of investments in subsidiaries.....	30,695	—
Payments for acquisition of subsidiaries	—	(335)
Proceeds from sales of investments in subsidiaries	4	—
Proceeds from sale of investments in associates	—	20
Proceeds from purchase of investments in joint ventures	(0)	—
Other, net	(212)	(9)
Net cash provided by (used in) investing activities	26,954	(3,445)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable	(28,597)	2,361
Proceeds from issuance of bonds payable.....	17,482	14,193
Redemption of bonds payable.....	(11,500)	(9,200)
Proceeds from long-term loans payable.....	37,812	6,937
Repayment of long-term loans payable	(19,002)	(30,702)
Purchase of treasury shares	(2,000)	(3,389)
Repayments of lease liabilities.....	—	(573)
Cash dividends paid.....	(1,693)	(716)
Capital contribution from non-controlling interests	747	—
Net cash provided by (used in) financing activities	(6,751)	(21,090)
Net increase/decrease in cash and cash equivalents	92,244	23,727
Cash and cash equivalents at the beginning of period	81,456	150,926
Effect of exchange rate change on cash and cash equivalents	500	(2,818)
Cash and cash equivalents at the end of period	¥174,200	¥171,835