



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the 3Q of the fiscal year ending March 31, 2020 (April 1, 2019 - December 31, 2019)

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, 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 3Q 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. / January 2020

Consolidated Financial Summary

For the 3Q of the fiscal year ending March 31, 2020

(Millions of Yen)	
Operating results (from Apr. 1, 2019 to Dec. 31, 2019):	
Total revenue.....	¥38,749
Total expenses.....	35,685
Quarterly profit before income taxes	3,064
Income tax expense.....	950
Quarterly profit	¥2,115
Quarterly profit attributable to :	
Owners of the Company.....	¥2,252
Non-controlling interests.....	(138)
(Millions of Yen)	
Financial Position (as of Dec. 31, 2019):	
Total assets.....	¥1,040,546
Equity attributable to owners of the Company.....	76,011
(Yen)	
Earnings per share attributable to owners of the Company (from Apr. 1, 2019 to Dec. 31, 2019):	
Basic earnings per share.....	¥8.63
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, 2018	Nine months ending Dec. 31, 2019
Revenue:		
Operating revenue	40,116	38,575
Other financial income	611	113
Other income	43	29
Equity in profits of equity method investments	10	31
Total revenue	40,778	38,749
Expenses:		
Financial expenses	3,716	4,142
Selling, general and administrative expenses	33,400	31,383
Other financial expenses	195	24
Other expenses	246	136
Total expenses	37,556	35,685
Quarterly profit before income taxes	3,223	3,064
Income tax expense	632	950
Quarterly profit	¥2,591	¥2,115
Quarterly profit or loss attributable to :		
Owners of the Company	¥2,696	¥2,252
Non-controlling interests	(105)	(138)
Earnings per share attributable to owners of the Company:		
	(in yen)	(in yen)
Basic earnings per share	¥10.08	¥8.63
Diluted earnings per share	—	—

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Nine months ending Dec. 31, 2018	Nine months ending Dec. 31, 2019
Quarterly profit	¥2,591	¥2,115
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	105
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)	(166)
Changes in fair value of hedging instrument.....	584	—
Foreign currency translation adjustments in foreign operations	936	(462)
Share of other comprehensive income of equity method investments	(8)	(6)
Other comprehensive income after income taxes	1,635	(530)
Quarterly comprehensive income	¥4,226	¥1,585
Quarterly comprehensive income attributable to :		
Owners of the Company	¥4,331	¥1,723
Non-controlling interests	(105)	(138)

Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2019	As of Dec. 31, 2019
Assets:		
Cash and cash equivalents.....	¥154,146	¥135,720
Cash segregated as deposits	566,220	601,569
Trading securities and other	2,543	2,155
Derivative assets.....	10,895	10,573
Inventories.....	3,056	2,802
Investments in securities	3,914	5,396
Margin transaction assets	138,836	137,755
Loans secured by securities.....	42,064	37,954
Other financial assets	54,202	53,054
Property and equipment	2,456	4,717
Intangible assets	47,698	46,826
Equity method investments	306	278
Deferred tax assets	289	279
Other assets	1,226	1,468
Total assets	¥1,027,849	¥1,040,546
Liabilities and Equity:		
Liabilities:		
Derivative liabilities	¥4,311	¥4,150
Margin transaction liabilities.....	32,793	42,151
Loans payable secured by securities	101,028	84,674
Deposits received	358,176	387,962
Guarantee deposits received.....	249,544	281,226
Bonds and loans payable	190,641	149,189
Other financial liabilities.....	4,284	7,311
Provisions.....	262	215
Income taxes payable	266	229
Deferred tax liabilities.....	1,862	2,222
Other liabilities.....	4,540	4,166
Total liabilities	947,707	963,495
Equity:		
Common stock	10,394	10,394
Additional paid-in capital.....	40,510	40,510
Treasury stock	(313)	(3,552)
Retained earnings	18,980	19,773
Other components of equity	9,424	8,886
Equity attributable to owners of the Company	78,994	76,011
Non-controlling interests.....	1,148	1,041
Total equity	80,142	77,051
Total liabilities and equity	¥1,027,849	¥1,040,546

Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Nine months ending Dec. 31, 2018	Nine months ending Dec. 31, 2019
Cash flows from operating activities:		
Quarterly profit before income taxes	¥3,223	¥3,064
Depreciation and amortization	6,243	6,047
Financial income and financial expenses	(11,262)	(10,534)
Decrease/increase in derivative assets and liabilities	3,055	160
Decrease/increase in assets/liabilities for margin transaction	31,996	10,439
Decrease/increase in loans/loans payable secured by securities	36,625	(12,370)
Decrease/increase in cash segregated as deposits	(2,747)	(38,955)
Decrease/increase in deposits received and guarantee deposits received	12,247	65,656
Decrease/increase in short-term loans receivable	441	901
Other, net	(6,334)	(1,697)
Sub total	73,487	22,713
Interest and dividends income received	14,385	13,953
Interest expenses paid	(3,674)	(3,698)
Income taxes refund/paid	(4,730)	243
Net cash provided by (used in) operating activities	79,468	33,210
Cash flows from investing activities:		
Purchase of investments in securities	(338)	(323)
Proceeds from sales and redemption of securities	208	36
Purchase of property and equipment	(921)	(431)
Purchase of intangible assets	(4,012)	(4,053)
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	(269)	(70)
Net cash provided by (used in) investing activities	25,366	(5,156)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable	(68,848)	(30,803)
Proceeds from issuance of bonds payable	22,521	15,495
Redemption of bonds payable	(26,557)	(9,205)
Proceeds from long-term loans payable	50,100	14,105
Repayment of long-term loans payable	(19,004)	(30,704)
Purchase of treasury shares	(2,000)	(3,389)
Repayments of lease liabilities	—	(859)
Cash dividends paid	(2,404)	(1,403)
Capital contribution from non-controlling interests	747	1
Net cash provided by (used in) financing activities	(45,444)	(46,762)
Net increase/decrease in cash and cash equivalents	59,389	(18,727)
Cash and cash equivalents at the beginning of period	81,456	150,926
Effect of exchange rate change on cash and cash equivalents	259	(1,468)
Cash and cash equivalents at the end of period	¥141,105	¥130,751