



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRSs for the 1Q of the fiscal year ending March 31, 2021 (April 1, 2020 - June 30, 2020)**

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 1Q of the fiscal year ending March 31, 2021. 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 1Q of the fiscal year ending March 31, 2021. 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. / July 2020

## Consolidated Financial Summary

### For the 1Q of the fiscal year ending March 31, 2021

(Millions of Yen)	
<b>Operating results (from Apr. 1, 2020 to Jun. 30, 2020):</b>	
Total revenue.....	¥14,383
Total expenses.....	12,392
Quarterly profit before income taxes	1,991
Income tax expense.....	572
Quarterly profit	¥1,419
Quarterly profit attributable to :	
Owners of the Company.....	¥1,425
Non-controlling interests.....	(6)
(Millions of Yen)	
<b>Financial Position (as of Jun. 30, 2020):</b>	
Total assets.....	¥1,102,619
Equity attributable to owners of the Company.....	77,012
(Yen)	
<b>Earnings per share attributable to owners of the Company (from Apr. 1, 2020 to Jun. 30, 2020):</b>	
Basic earnings per share.....	¥5.57
Diluted earnings per share.....	5.55

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)	
	Three months ending Jun. 30, 2019	Three months ending Jun. 30, 2020
Revenue:		
Operating revenue .....	13,153	14,267
Other financial income .....	30	83
Other income .....	10	21
Equity in profits of equity method investments	10	12
Total revenue	13,202	14,383
Expenses:		
Financial expenses .....	1,272	1,059
Selling, general and administrative expenses	10,666	11,264
Other financial expenses .....	24	2
Other expenses .....	44	67
Total expenses	12,006	12,392
Quarterly profit before income taxes	1,196	1,991
Income tax expense .....	392	572
Quarterly profit	¥804	¥1,419
Quarterly profit or loss attributable to :		
Owners of the Company .....	¥849	¥1,425
Non-controlling interests .....	(45)	(6)
Earnings per share attributable to owners of the Company:	(in yen)	(in yen)
Basic earnings per share .....	¥3.20	¥5.57
Diluted earnings per share .....	3.17	5.55

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Three months ending Jun. 30, 2019	Three months ending Jun. 30, 2020
Quarterly profit	¥804	¥1,419
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 .....	102	164
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	52	(105)
Foreign currency translation adjustments in foreign operations .....	(725)	130
Share of other comprehensive income of equity method investments .....	(7)	4
Other comprehensive income after income taxes	(577)	193
Quarterly comprehensive income	¥226	¥1,612
Quarterly comprehensive income attributable to :		
Owners of the Company .....	¥272	¥1,618
Non-controlling interests .....	(45)	(6)

## Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2020	As of Jun. 30, 2020
Assets:		
Cash and cash equivalents.....	¥132,561	¥125,699
Cash segregated as deposits .....	620,222	672,245
Trading securities and other .....	4,516	3,986
Derivative assets.....	14,380	12,248
Inventories.....	2,932	4,248
Investments in securities .....	5,447	7,841
Margin transaction assets .....	107,207	146,413
Loans secured by securities.....	32,748	22,213
Other financial assets .....	47,943	53,325
Property and equipment .....	4,921	4,701
Intangible assets .....	46,006	45,909
Equity method investments .....	276	294
Deferred tax assets .....	370	318
Other assets .....	3,404	3,180
<b>Total assets</b>	<b>¥1,022,934</b>	<b>¥1,102,619</b>
Liabilities and Equity:		
Liabilities:		
Trading securities and other	¥16	—
Derivative liabilities .....	3,256	¥3,469
Margin transaction liabilities.....	30,044	41,759
Loans payable secured by securities .....	72,349	81,973
Deposits received .....	393,344	428,663
Guarantee deposits received.....	282,006	295,051
Bonds and loans payable .....	147,941	157,158
Other financial liabilities.....	8,068	8,453
Provisions .....	208	208
Income taxes payable .....	556	249
Deferred tax liabilities.....	2,188	2,563
Other liabilities.....	5,933	5,257
<b>Total liabilities</b>	<b>945,909</b>	<b>1,024,803</b>
Equity:		
Common stock .....	10,394	10,394
Additional paid-in capital.....	40,291	40,262
Treasury stock .....	(1,032)	(1,032)
Retained earnings .....	18,011	18,615
Other components of equity .....	8,547	8,774
<b>Equity attributable to owners of the Company</b>	<b>76,210</b>	<b>77,012</b>
Non-controlling interests.....	815	804
<b>Total equity</b>	<b>77,024</b>	<b>77,815</b>
<b>Total liabilities and equity</b>	<b>¥1,022,934</b>	<b>¥1,102,619</b>

## Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Three months ending Jun. 30, 2019	Three months ending Jun. 30, 2020
Cash flows from operating activities:		
Quarterly profit before income taxes .....	¥1,196	1,991
Depreciation and amortization .....	1,962	2,025
Financial income and financial expenses .....	(3,664)	(2,757)
Decrease/increase in derivative assets and liabilities .....	(1,971)	2,345
Decrease/increase in assets/liabilities for margin transaction .....	832	(27,491)
Decrease/increase in loans/loans payable secured by securities .....	(25,636)	20,145
Decrease/increase in cash segregated as deposits .....	(3,171)	(50,229)
Decrease/increase in deposits received and guarantee deposits received .....	31,726	47,353
Decrease/increase in short-term loans receivable .....	(21)	(4,632)
Other, net .....	959	(935)
Sub total	2,212	(12,186)
Interest and dividends income received .....	4,583	2,618
Interest expenses paid .....	(1,112)	(992)
Income taxes refund/paid .....	(303)	(673)
Net cash provided by (used in) operating activities	5,381	(11,233)
Cash flows from investing activities:		
Purchase of investments in securities .....	(105)	(1,511)
Proceeds from sales and redemption of securities .....	0	22
Purchase of property and equipment .....	(127)	(108)
Purchase of intangible assets .....	(1,362)	(1,666)
Proceeds from sales of investments in joint ventures	20	—
Other, net .....	(4)	(4)
Net cash provided by (used in) investing activities	(1,577)	(3,267)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable .....	(104)	2,900
Proceeds from issuance of bonds payable .....	6,679	7,311
Redemption of bonds payable .....	(1,200)	(1,000)
Repayment of long-term loans payable .....	(501)	(1)
Repayments of lease liabilities .....	(288)	(292)
Cash dividends paid .....	(706)	(802)
Payments for acquisition of interests in subsidiaries from non-controlling interests .....	—	(46)
Net cash provided by (used in) financing activities	3,880	8,071
Net increase/decrease in cash and cash equivalents	7,684	(6,429)
Cash and cash equivalents at the beginning of period	150,926	127,832
Effect of exchange rate change on cash and cash equivalents	(1,116)	863
Cash and cash equivalents at the end of period	¥157,494	122,266