

## Financial results of Subsidiary (Monex, Inc.)

TOKYO, July 29, 2020 – Monex Group, Inc. (TSE 8698, Oki Matsumoto, Representative Executive Officer and CEO) reported today the following financial results of its wholly-owned subsidiary, Monex, Inc., for the 1<sup>st</sup> quarter of the fiscal year ending March 31, 2021 prepared in accordance with the generally accepted accounting principles in Japan.

Financial results for the 1<sup>st</sup> quarter of the fiscal year ending March 31, 2021 (From April 1, 2020 to June 30, 2020)

### (1) Results of operations

(Unit: million yen)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Profit
For the 1 <sup>st</sup> quarter of the fiscal year ending June 30, 2020	7,858	6,773	868	868	777
For the 1 <sup>st</sup> quarter of the fiscal year ending June 30, 2019	6,751	5,703	521	529	373
Change (%)	16.4	18.8	66.7	64.1	107.9

### (2) Financial condition

(Unit: million yen)

	Total assets	Net assets
As of June 30, 2020	727,562	48,453
As of March 31, 2020	656,308	48,848

(Please refer to Appendix for more details)

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## Appendix

### 1. Quarterly Financial Statements

#### (1) Balance Sheets

	(Unit: million yen)	
	As of March 31, 2020	As of June 30, 2020
<b>Current assets</b>		
Cash and deposits	84,461	98,883
Cash segregated for customers and others	322,512	343,035
Money held in trust	52,924	52,915
Trading assets	18,853	17,745
Trading securities and other	3,452	4,092
Derivatives	15,400	13,652
Margin transaction assets	107,207	146,413
Loans on margin transaction	97,743	130,536
Cash collateral pledged for securities borrowing on margin transaction	9,463	15,877
Loans secured by securities	4,058	4,448
Cash paid for offering	2,657	2,210
Short-term guarantee deposits	24,245	24,696
Accrued revenue	2,833	3,013
Short-term loans receivable	11,853	9,414
Other current assets	8,005	8,291
Allowance for doubtful receivables	-15	-19
<b>Total current assets</b>	<b>639,597</b>	<b>711,050</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,122	1,151
Intangible assets	13,980	13,944
Investment and others	1,608	1,416
Investment securities	474	471
Long-term guarantee deposits	403	396
Deferred tax assets	421	277
Other	431	393
Allowance for doubtful receivables	-122	-122
<b>Total non-current assets</b>	<b>16,711</b>	<b>16,511</b>
<b>Total assets</b>	<b>656,308</b>	<b>727,562</b>

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(Unit: million yen)

	As of March 31, 2020	As of June 30, 2020
<b>Current liabilities</b>		
Trading liabilities	4,565	4,978
Trading securities and other	15	-
Derivatives	4,549	4,978
Trade date accrual	40	716
Margin transaction liabilities	30,043	41,759
Borrowings on margin transaction	969	3,258
Cash received as collateral for securities lending on margin transaction	29,074	38,500
Loans payable secured by securities	41,255	60,792
Deposits received	189,572	212,450
Guarantee deposits received	223,253	231,138
Short-term loans payable	20,389	29,709
Current portion of long-term loans payable	10,000	40,000
Allowance for point services	166	169
Other current liabilities	3,224	2,675
<b>Total current liabilities</b>	<b>522,511</b>	<b>624,389</b>
<b>Non-current liabilities</b>		
Long-term loans payable	83,400	53,400
Other non-current liabilities	211	185
<b>Total non-current liabilities</b>	<b>83,611</b>	<b>53,585</b>
<b>Statutory reserve</b>		
Financial instruments transactions reserve	1,337	1,133
<b>Total statutory reserve</b>	<b>1,337</b>	<b>1,133</b>
<b>Total liabilities</b>	<b>607,460</b>	<b>679,108</b>
<b>Net assets</b>		
Common stock	12,200	12,200
Capital surplus	32,569	32,569
Retained earnings	3,167	2,805
Owners' equity	47,937	47,574
Net unrealized holding gains (losses) on securities	911	878
Accumulated other comprehensive income	911	878
<b>Total net assets</b>	<b>48,848</b>	<b>48,453</b>
<b>Total liabilities and net assets</b>	<b>656,308</b>	<b>727,562</b>

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## (2)Statement of income

(Unit: million yen)

	Three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)
Operating revenue		
Commission revenue	2,748	4,217
Brokerage commission	2,154	3,767
Underwriting and distribution	32	5
Subscription and distribution	58	1
Other commissions	503	443
Net gain on trading account	1,103	1,038
Financial income	2,873	2,576
Other operating revenue	25	25
Total operating revenue	<u>6,751</u>	<u>7,858</u>
Financial expenses	<u>1,048</u>	<u>1,084</u>
Net operating revenue	<u>5,703</u>	<u>6,773</u>
Selling, general and administrative expenses	<u>5,181</u>	<u>5,905</u>
Operating income	<u>521</u>	<u>868</u>
Non-operating income	9	6
Non-operating expenses	1	6
Ordinary income	<u>529</u>	<u>868</u>
Extraordinary income		
Reversal of financial instruments transactions reserve	4	203
Total extraordinary income	<u>4</u>	<u>203</u>
Extraordinary loss		
Loss on disposal of fixed assets	2	19
Total extraordinary loss	<u>2</u>	<u>19</u>
Income before income taxes	<u>532</u>	<u>1,052</u>
Income taxes - current	62	117
Income taxes - deferred	95	158
Total income taxes	<u>158</u>	<u>275</u>
Profit	<u>373</u>	<u>777</u>

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## 2. Supplementary information

### (1) Brokerage commissions

(Unit: million yen)

	Three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)
Stocks and ETFs	2,088	3,639
Options and Futures	66	128
Total brokerage commissions	2,154	3,767

### (2) Brokerage trading value of stocks and ETFs

(Unit: million yen)

	Three months ended June 30, 2019 (From April 1, 2019 to June 30, 2019)	Three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)
Cash	1,211,316	2,153,767
Margin	1,677,035	2,998,166
Total	2,888,351	5,151,934

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## (3) Statement of income for each quarter

(Unit: million yen)

	1Q of FYE	2Q of FYE	3Q of FYE	4Q of FYE	1Q of FYE
	Mar. 2020	Mar. 2020	Mar. 2020	Mar. 2020	Mar. 2021
Operating revenue					
Commission revenue	2,748	2,761	3,352	3,858	4,217
Brokerage commission	2,154	2,170	2,781	3,352	3,767
Underwriting and distribution	32	23	22	26	5
Subscription and distribution	58	60	54	2	1
Other commissions	503	506	494	478	443
Net gain on trading account	1,103	1,224	1,194	1,506	1,038
Financial income	2,873	2,379	2,831	2,049	2,576
Other operating revenue	25	25	25	26	25
Total operating revenue	6,751	6,390	7,404	7,441	7,858
Financial expenses	1,048	636	1,065	528	1,084
Net operating revenue	5,703	5,753	6,338	6,913	6,773
Selling, general and administrative expenses	5,181	5,339	5,418	6,087	5,905
Operating income	521	413	920	825	868
Non-operating income	9	12	12	66	6
Non-operating expenses	1	9	1	109	6
Ordinary income	529	416	931	782	868
Extraordinary income					
Reversal of financial instruments transactions reserve	4	-	-	-4	203
Total extraordinary income	4	-	-	-4	203
Extraordinary loss					
Impairment loss on non-financial assets	-	-	-	218	-
Provision of financial instruments transactions reserve	-	-	-	1	-
Loss on disposal of Property, plant and equipment	2	-	2	12	19
Total extraordinary loss	2	-	2	232	19
Income or loss before income taxes	532	416	929	544	1,052
Income taxes - current	62	166	135	322	117
Income taxes - deferred	95	-29	156	-149	158
Total income taxes	158	136	292	172	275
Profit or loss	373	279	636	371	777

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