



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRSs for the 2Q of the fiscal year ending March 31, 2021 (April 1, 2020 - September 30, 2020)**

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, 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 2Q 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. / October 2020

## Consolidated Financial Summary

### For the 2Q of the fiscal year ending March 31, 2021

(Millions of Yen)	
<b>Operating results (from Apr. 1, 2020 to Sep. 30, 2020):</b>	
Total revenue.....	29,529
Total expenses.....	25,376
Quarterly profit before income taxes	4,152
Income tax expense.....	1,238
Quarterly profit	2,914
Quarterly profit attributable to :	
Owners of the Company.....	2,919
Non-controlling interests.....	(5)

(Millions of Yen)	
<b>Financial Position (as of Sep. 30, 2020):</b>	
Total assets.....	1,149,909
Equity attributable to owners of the Company.....	77,889

(Yen)	
<b>Earnings per share attributable to owners of the Company (from Apr. 1, 2020 to Sep. 30, 2020):</b>	
Basic earnings per share.....	11.37
Diluted earnings per share.....	11.23

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, 2019	Six months ending Sep. 30, 2020
Revenue:		
Operating revenue .....	26,034	29,317
Other financial income .....	90	114
Other income .....	26	58
Equity in profits of equity method investments	17	40
Total revenue	26,166	29,529
Expenses:		
Financial expenses .....	2,756	2,211
Selling, general and administrative expenses	21,112	22,851
Other financial expenses .....	29	83
Other expenses .....	73	232
Total expenses	23,971	25,376
Quarterly profit before income taxes	2,195	4,152
Income tax expense .....	607	1,238
Quarterly profit	1,588	2,914
Quarterly profit or loss attributable to :		
Owners of the Company .....	1,679	2,919
Non-controlling interests .....	(91)	(5)
Earnings per share attributable to owners of the Company:		
	(in yen)	(in yen)
Basic earnings per share .....	6.39	11.37
Diluted earnings per share .....	6.36	11.23

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Six months ending Sep. 30, 2019	Six months ending Sep. 30, 2020
Quarterly profit	1,588	2,914
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 .....	111	169
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	70	(115)
Foreign currency translation adjustments in foreign operations .....	(704)	(538)
Share of other comprehensive income of equity method investments .....	(14)	7
Other comprehensive income after income taxes	(538)	(477)
Quarterly comprehensive income	1,051	2,437
Quarterly comprehensive income attributable to :		
Owners of the Company .....	1,142	2,441
Non-controlling interests .....	(91)	(5)

## Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2020	As of Sep. 30, 2020
<b>Assets:</b>		
Cash and cash equivalents.....	132,561	153,716
Cash segregated as deposits .....	620,222	648,936
Trading securities and other .....	4,516	6,335
Derivative assets.....	14,380	12,975
Inventories.....	2,932	6,854
Investments in securities .....	5,447	8,196
Margin transaction assets .....	107,207	150,120
Loans secured by securities.....	32,748	36,841
Other financial assets .....	47,943	74,121
Property and equipment .....	4,921	4,327
Intangible assets .....	46,006	44,925
Equity method investments .....	276	319
Deferred tax assets .....	370	297
Other assets .....	3,404	1,947
<b>Total assets</b>	<b>1,022,934</b>	<b>1,149,909</b>
<b>Liabilities and Equity:</b>		
<b>Liabilities:</b>		
Trading securities and other .....	16	—
Derivative liabilities .....	3,256	3,280
Margin transaction liabilities.....	30,044	39,702
Loans payable secured by securities .....	72,349	87,872
Deposits received .....	393,344	401,206
Guarantee deposits received.....	282,006	315,452
Bonds and loans payable .....	147,941	202,846
Other financial liabilities .....	8,068	7,947
Provisions .....	208	208
Income taxes payable .....	556	573
Deferred tax liabilities.....	2,188	2,948
Other liabilities .....	5,933	9,168
<b>Total liabilities</b>	<b>945,909</b>	<b>1,071,202</b>
<b>Equity:</b>		
Common stock.....	10,394	10,394
Additional paid-in capital.....	40,291	40,258
Treasury stock .....	(1,032)	(446)
Retained earnings .....	18,011	19,893
Other components of equity .....	8,547	7,791
<b>Equity attributable to owners of the Company</b>	<b>76,210</b>	<b>77,889</b>
Non-controlling interests.....	815	817
<b>Total equity</b>	<b>77,024</b>	<b>78,707</b>
<b>Total liabilities and equity</b>	<b>1,022,934</b>	<b>1,149,909</b>

## Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Six months ending Sep. 30, 2019	Six months ending Sep. 30, 2020
Cash flows from operating activities:		
Quarterly profit before income taxes .....	2,195	4,152
Depreciation and amortization .....	4,047	4,091
Financial income and financial expenses .....	(7,254)	(5,306)
Decrease/increase in derivative assets and liabilities .....	(2,937)	1,429
Decrease/increase in assets/liabilities for margin transaction .....	9,941	(33,255)
Decrease/increase in loans/loans payable secured by securities .....	(6,607)	11,540
Decrease/increase in cash segregated as deposits .....	(11,583)	(33,035)
Decrease/increase in deposits received and guarantee deposits received .....	49,511	46,531
Decrease/increase in short-term loans receivable .....	1,856	(14,273)
Other, net .....	1,530	(12,025)
Sub total	40,698	(30,150)
Interest and dividends income received .....	9,314	5,877
Interest expenses paid .....	(2,450)	(2,133)
Income taxes refund/paid .....	701	(468)
Net cash provided by (used in) operating activities	48,262	(26,874)
Cash flows from investing activities:		
Purchase of investments in securities .....	(221)	(1,635)
Proceeds from sales and redemption of securities .....	0	47
Purchase of property and equipment .....	(311)	(248)
Purchase of intangible assets .....	(2,589)	(2,894)
Payments for acquisition of subsidiaries .....	(335)	—
Proceeds from sale of investments in associates .....	20	—
Other, net .....	(9)	(15)
Net cash provided by (used in) investing activities	(3,445)	(4,744)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable .....	2,361	59,174
Proceeds from issuance of bonds payable .....	14,193	10,310
Redemption of bonds payable .....	(9,200)	(4,000)
Proceeds from long-term loans payable .....	6,937	—
Repayment of long-term loans payable .....	(30,702)	(10,002)
Purchase of treasury shares .....	(3,389)	—
Repayments of lease liabilities .....	(573)	(566)
Cash dividends paid .....	(716)	(818)
Payments for acquisition of interests in subsidiaries from non-controlling interests .....	—	(46)
Net cash provided by (used in) financing activities	(21,090)	54,052
Net increase/decrease in cash and cash equivalents	23,727	22,434
Cash and cash equivalents at the beginning of period	150,926	127,832
Effect of exchange rate change on cash and cash equivalents	(2,818)	326
Cash and cash equivalents at the end of period	171,835	150,593