

# MONEX GROUP

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

TOKYO, October 27, 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> half 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> half of the fiscal year ending March 31, 2021 (From April 1, 2020 to September 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> half of the fiscal year ending September 30, 2020	15,142	13,291	1,503	1,503	1,116
For the 1 <sup>st</sup> half of the fiscal year ending September 30, 2019	13,142	11,456	934	946	653
Change (%)	15.2	16.0	60.8	58.9	70.8

### (2) Financial condition

(Unit: million yen)

	Total assets	Net assets
As of September 30, 2020	742,440	48,779
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 September 30, 2020
Current assets		
Cash and deposits	84,461	126,334
Cash segregated for customers and others	322,512	308,602
Money held in trust	52,924	55,414
Trading assets	18,853	18,110
Trading securities and other	3,452	4,436
Derivatives	15,400	13,674
Margin transaction assets	107,207	150,120
Loans on margin transaction	97,743	135,740
Cash collateral pledged for securities borrowing on margin transaction	9,463	14,379
Loans secured by securities	4,058	13,876
Cash paid for offering	2,657	1,768
Short-term guarantee deposits	24,245	25,653
Accrued revenue	2,833	3,274
Short-term loans receivable	11,853	10,991
Other current assets	8,005	12,528
Allowance for doubtful receivables	-15	-20
Total current assets	639,597	726,654
Non-current assets		
Property, plant and equipment	1,122	1,100
Intangible assets	13,980	13,558
Investment and others	1,608	1,127
Investment securities	474	450
Long-term guarantee deposits	403	399
Deferred tax assets	421	15
Other	431	371
Allowance for doubtful receivables	-122	-110
Total non-current assets	16,711	15,786
Total assets	656,308	742,440

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(Unit: million yen)

	As of March 31, 2020	As of September 30, 2020
Current liabilities		
Trading liabilities	4,565	4,047
Trading securities and other	15	-
Derivatives	4,549	4,047
Trade date accrual	40	673
Margin transaction liabilities	30,043	39,702
Borrowings on margin transaction	969	3,551
Cash received as collateral for securities lending on margin transaction	29,074	36,151
Loans payable secured by securities	41,255	57,626
Deposits received	189,572	181,258
Guarantee deposits received	223,253	242,412
Short-term loans payable	20,389	80,709
Current portion of long-term loans payable	10,000	30,000
Allowance for point services	166	160
Other current liabilities	3,224	2,366
Total current liabilities	522,511	638,956
Non-current liabilities		
Long-term loans payable	83,400	53,400
Other non-current liabilities	211	171
Total non-current liabilities	83,611	53,571
Statutory reserve		
Financial instruments transactions reserve	1,337	1,133
Total statutory reserve	1,337	1,133
Total liabilities	607,460	693,661
Net assets		
Common stock	12,200	12,200
Capital surplus	32,569	32,569
Retained earnings	3,167	3,144
Owners' equity	47,937	47,914
Net unrealized holding gains (losses) on securities	911	865
Accumulated other comprehensive income	911	865
Total net assets	48,848	48,779
Total liabilities and net assets	656,308	742,440

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(2)Statement of income

(Unit: million yen)

	Six months ending September 30, 2019 (From April 1, 2019 to September 30, 2019)	Six months ending September 30, 2020 (From April 1, 2020 to September 30, 2020)
Operating revenue		
Commission revenue	5,509	8,110
Brokerage commission	4,325	7,116
Underwriting and distribution	56	24
Subscription and distribution	118	3
Other commissions	1,009	965
Net gain on trading account	2,328	2,066
Financial income	5,252	4,915
Other operating revenue	51	50
Total operating revenue	13,142	15,142
Financial expenses	1,685	1,851
Net operating revenue	11,456	13,291
Selling, general and administrative expenses	10,521	11,787
Operating income	934	1,503
Non-operating income	22	29
Non-operating expenses	10	29
Ordinary income	946	1,503
Extraordinary income		
Reversal of financial instruments transactions reserve	4	203
Total extraordinary income	4	203
Extraordinary loss		
Loss on disposal of fixed assets	2	19
System migration expenses	-	140
Total extraordinary loss	2	160
Income before income taxes	948	1,546
Income taxes - current	229	4
Income taxes - deferred	65	426
Total income taxes	295	430
Profit	653	1,116

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## 2. Supplementary information

### (1) Brokerage commissions

(Unit: million yen)

	Six months ending September 30,2019 (From April 1, 2019 to September 30, 2019)	Six months ending September 30,2020 (From April 1, 2020 to September 30, 2020)
Stocks and ETFs	4,188	6,921
Options and Futures	137	195
Total brokerage commissions	4,325	7,116

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

(Unit: million yen)

	Six months ending September 30,2019 (From April 1, 2019 to September 30, 2019)	Six months ending September 30,2020 (From April 1, 2020 to September 30, 2020)
Cash	2,413,497	3,942,557
Margin	3,336,565	5,381,596
Total	5,750,063	9,324,154

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## (3) Statement of income for each quarter

(Unit: million yen)

	1Q of FYE Mar. 2020	2Q of FYE Mar. 2020	3Q of FYE Mar. 2020	4Q of FYE Mar. 2020	1Q of FYE Mar. 2021	2Q of FYE Mar. 2021
Operating revenue						
Commission revenue	2,748	2,761	3,352	3,858	4,217	3,892
Brokerage commission	2,154	2,170	2,781	3,352	3,767	3,349
Underwriting and distribution	32	23	22	26	5	18
Subscription and distribution	58	60	54	2	1	2
Other commissions	503	506	494	478	443	522
Net gain on trading account	1,103	1,224	1,194	1,506	1,038	1,028
Financial income	2,873	2,379	2,831	2,049	2,576	2,338
Other operating revenue	25	25	25	26	25	24
Total operating revenue	6,751	6,390	7,404	7,441	7,858	7,283
Financial expenses	1,048	636	1,065	528	1,084	766
Net operating revenue	5,703	5,753	6,338	6,913	6,773	6,517
Selling, general and administrative expenses	5,181	5,339	5,418	6,087	5,905	5,882
Operating income	521	413	920	825	868	635
Non-operating income	9	12	12	66	6	23
Non-operating expenses	1	9	1	109	6	23
Ordinary income	529	416	931	782	868	635
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 fixed assets	2	-	2	12	19	0
System migration expenses	-	-	-	-	-	140
Total extraordinary loss	2	-	2	232	19	140
Income before income taxes	532	416	929	544	1,052	494
Income taxes - current	62	166	135	322	117	-113
Income taxes - deferred	95	-29	156	-149	158	268
Total income taxes	158	136	292	172	275	154
Profit	373	279	636	371	777	339

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