

Quarterly financial results of Subsidiary (Monex, Inc.)

TOKYO, January 29, 2021 – Monex Group, Inc. (TSE 8698, Oki Matsumoto, Representative Executive Officer and CEO) reported today the following quarterly financial results of its wholly-owned subsidiary, Monex, Inc., for the 3rd quarter of the fiscal year ending March 31, 2021 prepared in accordance with the generally accepted accounting principles in Japan.

Financial results for the 3rd quarter of the fiscal year ending March 31, 2021 (From April 1, 2020 to December 31, 2020)

(1) Results of operations

(Unit: million yen)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Profit
For the 3 rd quarter of the fiscal year ending December 31, 2020	23,366	20,505	2,625	2,628	1,857
For the 3 rd quarter of the fiscal year ending December 31, 2019	20,546	17,795	1,855	1,877	1,290
Change (%)	13.7	15.2	41.5	40.0	43.9

(2) Financial condition

(Unit: million yen)

	Total assets	Net assets
As of December 31, 2020	763,679	49,489
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 December 31, 2020
Current assets		
Cash and deposits	84,461	126,177
Cash segregated for customers and others	322,512	331,141
Money held in trust	52,924	56,510
Trading assets	18,853	17,263
Trading securities and other	3,452	4,296
Derivatives	15,400	12,966
Margin transaction assets	107,207	151,543
Loans on margin transaction	97,743	138,136
Cash collateral pledged for securities borrowing on margin transaction	9,463	13,406
Loans secured by securities	4,058	3,936
Cash paid for offering	2,657	1,890
Short-term guarantee deposits	24,245	26,371
Accrued revenue	2,833	3,186
Short-term loans receivable	11,853	10,573
Other current assets	8,005	19,841
Allowance for doubtful receivables	-15	-20
Total current assets	639,597	748,414
Non-current assets		
Property, plant and equipment	1,122	1,073
Intangible assets	13,980	13,101
Investment and others	1,608	1,088
Investment securities	474	466
Long-term guarantee deposits	403	393
Deferred tax assets	421	-
Other	431	337
Allowance for doubtful receivables	-122	-108
Total non-current assets	16,711	15,264
Total assets	656,308	763,679

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(Unit: million yen)

	As of March 31, 2020	As of December 31, 2020
Current liabilities		
Trading liabilities	4,565	5,077
Trading securities and other	15	-
Derivatives	4,549	5,077
Trade date accrual	40	410
Margin transaction liabilities	30,043	38,923
Borrowings on margin transaction	969	3,188
Cash received as collateral for securities lending on margin transaction	29,074	35,735
Loans payable secured by securities	41,255	74,075
Deposits received	189,572	211,063
Guarantee deposits received	223,253	245,377
Short-term loans payable	20,389	51,709
Current portion of long-term loans payable	10,000	30,000
Allowance for point services	166	169
Other current liabilities	3,224	2,592
Total current liabilities	522,511	659,399
Non-current liabilities		
Long-term loans payable	83,400	53,400
Deferred tax liabilities	-	71
Other non-current liabilities	211	158
Total non-current liabilities	83,611	53,630
Statutory reserve		
Financial instruments transactions reserve	1,337	1,160
Total statutory reserve	1,337	1,160
Total liabilities	607,460	714,190
Net assets		
Common stock	12,200	12,200
Capital surplus	32,569	32,569
Retained earnings	3,167	3,885
Owners' equity	47,937	48,654
Net unrealized holding gains (losses) on securities	911	834
Accumulated other comprehensive income	911	834
Total net assets	48,848	49,489
Total liabilities and net assets	656,308	763,679

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(2)Statement of income

(Unit: million yen)

	Nine months ending December 31, 2019 (From April 1, 2019 to December 31, 2019)	Nine months ending December 31, 2020 (From April 1, 2020 to December 31, 2020)
Operating revenue		
Commission revenue	8,862	12,343
Brokerage commission	7,106	10,820
Underwriting and distribution	78	52
Subscription and distribution	173	5
Other commissions	1,503	1,464
Net gain on trading account	3,522	3,304
Financial income	8,084	7,643
Other operating revenue	76	75
Total operating revenue	20,546	23,366
Financial expenses	2,750	2,860
Net operating revenue	17,795	20,505
Selling, general and administrative expenses	15,940	17,879
Operating income	1,855	2,625
Non-operating income	34	35
Non-operating expenses	12	33
Ordinary income	1,877	2,628
Extraordinary income		
Reversal of financial instruments transactions reserve	4	176
Total extraordinary income	4	176
Extraordinary loss		
Loss on disposal of fixed assets	4	19
System migration expenses	-	155
Total extraordinary loss	4	174
Income before income taxes	1,877	2,630
Income taxes - current	364	246
Income taxes - deferred	222	526
Total income taxes	587	773
Profit	1,290	1,857

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2. Supplementary information

(1) Brokerage commissions

(Unit: million yen)

	Nine months ending December 31,2019 (From April 1, 2019 to December 31, 2019)	Nine months ending December 31,2020 (From April 1, 2020 to December 31, 2020)
Stocks and ETFs	6,900	10,562
Options and Futures	205	257
Total brokerage commissions	7,106	10,820

(2) Brokerage trading value of stocks and ETFs

(Unit: million yen)

	Nine months ending December 31,2019 (From April 1, 2019 to December 31, 2019)	Nine months ending December 31,2020 (From April 1, 2020 to December 31, 2020)
Cash	3,920,458	5,950,141
Margin	5,216,562	7,819,237
Total	9,137,020	13,769,378

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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	3Q of FYE Mar. 2021
Operating revenue							
Commission revenue	2,748	2,761	3,352	3,858	4,217	3,892	4,233
Brokerage commission	2,154	2,170	2,781	3,352	3,767	3,349	3,703
Underwriting and distribution	32	23	22	26	5	18	28
Subscription and distribution	58	60	54	2	1	2	1
Other commissions	503	506	494	478	443	522	499
Net gain on trading account	1,103	1,224	1,194	1,506	1,038	1,028	1,237
Financial income	2,873	2,379	2,831	2,049	2,576	2,338	2,728
Other operating revenue	25	25	25	26	25	24	24
Total operating revenue	6,751	6,390	7,404	7,441	7,858	7,283	8,223
Financial expenses	1,048	636	1,065	528	1,084	766	1,009
Net operating revenue	5,703	5,753	6,338	6,913	6,773	6,517	7,213
Selling, general and administrative expenses	5,181	5,339	5,418	6,087	5,905	5,882	6,091
Operating income	521	413	920	825	868	635	1,122
Non-operating income	9	12	12	66	6	23	6
Non-operating expenses	1	9	1	109	6	23	3
Ordinary income	529	416	931	782	868	635	1,125
Extraordinary income							
Reversal of financial instruments transactions reserve	4	-	-	-4	203	-	-26
Total extraordinary income	4	-	-	-4	203	-	-26
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	0
System migration expenses	-	-	-	-	-	140	14
Total extraordinary loss	2	-	2	232	19	140	14
Income before income taxes	532	416	929	544	1,052	494	1,083
Income taxes - current	62	166	135	322	117	-113	242
Income taxes - deferred	95	-29	156	-149	158	268	100
Total income taxes	158	136	292	172	275	154	342
Profit	373	279	636	371	777	339	740

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