



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the 3Q of the fiscal year ending March 31, 2023 (April 1, 2022 - December 31, 2022)

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 3Q of the fiscal year ending March 31, 2023. 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 3Q of the fiscal year ending March 31, 2023. 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. / January 2023

Consolidated Financial Summary

For the 3Q of the fiscal year ending March 31, 2023

	(Millions of Yen)		
	Nine months ending Dec. 31, 2021	Nine months ending Dec. 31, 2022	%change
Operating results (from Apr. 1, 2022 to Dec. 31, 2022):			
Operating revenue	69,691	58,672	-15.8%
Quarterly profit before income taxes	19,279	2,458	-87.2%
Quarterly profit	12,518	1,853	-85.2%
Quarterly profit attributable to :			
Owners of the Company.	12,462	1,934	-84.5%
Quarterly comprehensive income.	13,612	1,494	-89.0%
Earnings per share attributable to owners of the Company			
Basic earnings per share(yen)	48.19	7.27	—
Diluted earnings per share(yen)	43.76	—	—

	(Millions of Yen)	
	As of March 31,2022	As of Dec 31,2022
Financial Position		
Total assets	1,607,761	1,441,304
Total equity	106,018	100,268
Equity attributable to owners of the Company	104,286	99,130
Ratio of equity attributable to owners of the parent (%)	6.5%	6.9%

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.

(1) Quarterly Consolidated Statements of Income

	(Millions of Yen)	
	Nine months ending Dec. 31, 2021	Nine months ending Dec. 31, 2022
Revenue:		
Operating revenue	69,691	58,672
Other financial income	1,686	480
Other income	2,002	1,635
Equity in profits of equity method investments	14	36
Total revenue	73,392	60,823
Expenses:		
Financial expenses	3,716	4,193
Cost of sales	37	197
Selling, general and administrative expenses	49,307	51,884
Other financial expenses.....	73	87
Other expenses.....	979	2,003
Total expenses	54,113	58,364
Quarterly profit before income taxes	19,279	2,458
Income tax expense.....	6,761	606
Quarterly profit	12,518	1,853
Quarterly profit or loss attributable to:		
Owners of the Company	12,462	1,934
Non-controlling interests	56	(81)
Earnings per share attributable to owners of the Company:		
	(in yen)	(in yen)
Basic earnings per share	48.19	7.27
Diluted earnings per share	43.76	—

(2) Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Nine months ending Dec. 31, 2021	Nine months ending Dec. 31, 2022
Quarterly profit	12,518	1,853
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Changes in fair value of equity instruments measured at fair value through other comprehensive income.....	195	(161)
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments measured at fair value through other comprehensive income.....	(130)	(2,285)
Foreign currency translation adjustments in foreign operations	1,062	2,118
Share of other comprehensive income of equity method investments.....	(34)	(32)
Other comprehensive income after income taxes	1,094	(359)
Quarterly comprehensive income	13,612	1,494
Quarterly comprehensive income attributable to:		
Owners of the Company	13,556	1,575
Non-controlling interests	56	(81)

(3) Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2022	As of Dec. 31, 2022
Assets:		
Cash and cash equivalents.....	253,458	160,912
Money held in trust	843,590	841,811
Trading securities and other	7,843	7,994
Derivative assets.....	15,335	15,538
Inventories.....	56,463	12,900
Investments in securities	12,008	12,734
Margin transaction assets	162,285	179,081
Loans secured by securities.....	91,376	59,694
Other financial assets	105,492	93,911
Property and equipment	6,564	6,232
Intangible assets	45,350	45,811
Equity method investments	344	364
Deferred tax assets	1,552	1,682
Other assets	6,100	2,639
Total assets	1,607,761	1,441,304
Liabilities and Equity:		
Liabilities:		
Trading securities and other	45	48
Derivative liabilities	8,997	8,076
Margin transaction liabilities.....	29,004	25,330
Loans payable secured by securities	159,317	136,000
Deposits received	592,373	562,469
Guarantee deposits received.....	348,569	362,184
Bonds and loans payable	262,627	213,472
Other financial liabilities.....	29,898	16,451
Provisions	463	475
Income taxes payable	4,510	617
Deferred tax liabilities.....	1,959	553
Other liabilities.....	63,981	15,362
Total liabilities	1,501,742	1,341,036
Equity:		
Common stock	13,144	13,144
Additional paid-in capital.....	41,174	41,394
Treasury stock	(383)	(2,706)
Retained earnings	39,268	37,007
Other components of equity	11,084	10,291
Equity attributable to owners of the Company.....	104,286	99,130
Non-controlling interests.....	1,732	1,138
Total equity	106,018	100,268
Total liabilities and equity	1,607,761	1,441,304

(4) Quarterly Consolidated Statement of Changes in Equity

	Equity attributable to owners of the Company								
	Common stock	Additional paid-in capital	Treasury stock	Retained earnings	Other components of equity				
					Total				
				Changes in fair value of equity instruments measured at fair value through other comprehensive income	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Foreign currency translation adjustments in foreign operations	Share-based payments	Share of other comprehensive income of equity method investments	
Balance as of April 1, 2021	¥10,394	¥40,253	¥(446)	¥30,148	¥717	¥656	¥8,153	¥(324)	¥23
Profit	—	—	—	12,462	—	—	—	—	—
Other comprehensive income	—	—	—	—	195	(130)	1,062	—	(34)
Total comprehensive income	—	—	—	12,462	195	(130)	1,062	—	(34)
Transactions with owners:									
Issuance of new shares	2,750	2,750	—	—	—	—	—	—	—
Dividends paid	—	—	—	(3,892)	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—
Disposition of treasury stock	—	75	63	—	—	—	(138)	—	—
Recognition of share-based payments	—	—	—	(6)	—	—	—	166	—
Recognition of share acquisition rights	—	—	—	—	—	—	—	—	—
Changes of interests in subsidiaries without losing control	—	(802)	—	—	—	—	—	—	—
Total of transactions with owners	2,750	2,022	63	(3,897)	—	—	—	28	—
Balance as of December 31, 2021	¥13,144	¥42,275	¥(383)	¥38,712	¥912	¥526	¥9,216	¥(296)	¥(11)

	Equity attributable to owners of the Company		Non-controlling interests	Total equity
	Other components of equity	Total		
	Sub-total			
Balance as of April 1, 2021	¥9,225	¥89,573	¥952	¥90,524
Profit	—	12,462	56	12,518
Other comprehensive income	1,094	1,094	—	1,094
Total comprehensive income	1,094	13,556	56	13,612
Transactions with owners:				
Issuance of new shares	—	5,500	—	5,500
Dividends paid	—	(3,892)	—	(3,892)
Dividends to non-controlling interests	—	—	(32)	(32)
Disposition of treasury stock	(138)	—	—	—
Recognition of share-based payments	166	160	—	160
Recognition of share acquisition rights	—	—	33	33
Changes of interests in subsidiaries without losing control	—	(802)	450	(352)
Total of transactions with owners	28	966	451	1,417
Balance as of December 31, 2021	¥10,346	¥104,094	¥1,459	¥105,554

	Equity attributable to owners of the Company								
	Common stock	Additional paid-in capital	Treasury stock	Retained earnings	Other components of equity				
					Total				
				Changes in fair value of equity instruments measured at fair value through other comprehensive income	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Foreign currency translation adjustments in foreign operations	Share-based payments	Share of other comprehensive income of equity method investments	
Balance as of April 1, 2022	¥13,144	¥41,174	¥(383)	¥39,268	¥780	¥(159)	¥10,679	¥(242)	¥26
Profit	—	—	—	1,934	—	—	—	—	—
Other comprehensive income	—	—	—	—	(161)	(2,285)	2,118	—	(32)
Total comprehensive income	—	—	—	1,934	(161)	(2,285)	2,118	—	(32)
Transactions with owners:									
Dividends paid	—	—	—	(4,136)	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	(2,704)	—	—	—	—	—	—
Disposition of treasury stock	—	257	382	—	—	—	—	(639)	—
Recognition of share-based payments	—	—	—	(59)	—	—	—	205	—
Changes of interests in subsidiaries without losing control	—	(37)	—	—	—	—	—	—	—
Total of transactions with owners	—	221	(2,323)	(4,195)	—	—	—	(434)	—
Balance as of December 31, 2022	¥13,144	¥41,394	¥(2,706)	¥37,007	¥620	¥(2,443)	¥12,797	¥(676)	¥(6)

	Equity attributable to owners of the Company		Non-controlling interests	Total equity
	Other components of equity			
	Sub-total	Total		
Balance as of April 1, 2022	¥11,084	¥104,286	¥1,732	¥106,018
Profit	—	1,934	(81)	1,853
Other comprehensive income	(359)	(359)	—	(359)
Total comprehensive income	(359)	1,575	(81)	1,494
Transactions with owners:				
Dividends paid	—	(4,136)	—	(4,136)
Dividends to non-controlling interests	—	—	(550)	(550)
Purchase of treasury shares	—	(2,704)	—	(2,704)
Disposition of treasury stock	(639)	—	—	—
Recognition of share-based payments	205	146	—	146
Changes of interests in subsidiaries without losing control	—	(37)	37	—
Total of transactions with owners	(434)	(6,731)	(514)	(7,244)
Balance as of December 31, 2022	¥10,291	¥99,130	¥1,138	¥100,268

(5) Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Nine months ending Dec. 31, 2021	Nine months ending Dec. 31, 2022
Cash flows from operating activities:		
Quarterly profit before income taxes	19,279	2,458
Depreciation and amortization.....	6,182	6,385
Impairment loss on non-financial assets	663	372
Financial income and financial expenses.....	(11,623)	(17,252)
Decrease/increase in derivative assets and liabilities.....	557	(1,124)
Decrease/increase in assets/liabilities for margin transaction	(18,310)	(20,470)
Decrease/increase in loans/loans payable secured by securities	2,327	8,249
Decrease/increase in cash segregated as deposits	(14,216)	24,295
Decrease/increase in deposits received and guarantee deposits received.....	46,340	(45,948)
Decrease/increase in short-term loans receivable	4,221	3,349
Decrease/increase in short-term guarantee deposits	12,444	5,874
Other, net	(6,489)	3,244
Sub total	41,374	(30,569)
Interest and dividends income received.....	12,011	18,143
Interest expenses paid.....	(3,597)	(4,013)
Income taxes refund/paid.....	(10,822)	(5,548)
Net cash provided by (used in) operating activities	38,967	(21,988)
Cash flows from investing activities:		
Payments into time deposits	—	(13,035)
Purchase of investments in securities	(509)	(555)
Proceeds from sales and redemption of securities	1,708	444
Purchase of property and equipment.....	(209)	(783)
Purchase of intangible assets	(4,232)	(4,976)
Payments for acquisition of non-controlling interests	(361)	(227)
Other, net	(53)	(274)
Net cash provided by (used in) investing activities	(3,656)	(19,405)
Cash flows from financing activities:		
Proceeds from issuance of shares	5,475	—
Net increase/decrease in short-term loans payable	45,121	(49,985)
Proceeds from issuance of bonds payable.....	10,068	5,196
Redemption of bonds payable.....	(17,300)	(5,700)
Proceeds from long-term loans payable.....	14,656	—
Repayment of long-term loans payable	(30,004)	(7)
Purchase of treasury stock	—	(2,704)
Repayments of lease liabilities	(697)	(889)
Cash dividends paid.....	(3,876)	(4,121)
Capital contribution from non-controlling interests.....	23	—
Payments for acquisition of non-controlling interests	(375)	—
Dividends paid to non-controlling interests	(32)	(550)
Other, net	370	(35)
Net cash provided by (used in) financing activities	23,428	(58,796)
Net increase/decrease in cash and cash equivalents	58,739	(100,189)
Cash and cash equivalents at the beginning of period	186,683	253,458
Effect of exchange rate change on cash and cash equivalents	2,221	7,643
Cash and cash equivalents at the end of period	247,643	160,912

(6) Going Concern Assumption

Not applicable.

(7) Changes in accounting policies

The significant accounting policies applied in the condensed quarterly consolidated financial statements are the same as those applied in the consolidated financial statements for the prior fiscal year, except for the following.

Standards		Mandatory adoption (Annual period beginning on or after)	The Group's adoption period (For the fiscal year)	New/revised requirements
IAS 16	Property, plant and equipment	January 1, 2022	March 31, 2023	Prohibits the deduction of income before intended use from the cost of property, plant and equipment
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022	March 31, 2023	Specifies which costs an entity should include when assessing whether a contract is loss-producing
IFRS 3	Business Combinations	January 1, 2022	March 31, 2023	Updated references to the Conceptual Framework for Financial Reporting in IFRS 3
IFRS 9	Financial Instruments	January 1, 2022	March 31, 2023	Clarify fees to be included in the 10% test for derecognition of financial liabilities

There is no significant impact in the consolidated cumulative third quarter.

(8) Changes in the method of presentation

“Decrease/increase in short-term guarantee deposits,” which was included in “Other, net” of “Cash flow from operating activities” in the prior third quarter fiscal period, is presented separately in the current third quarter fiscal period due to its increased importance in terms of amount.

To reflect this change in the method of presentation, the condensed quarterly consolidated statements of cash flows for the prior third quarter fiscal period have been reclassified.

As a result, “Other, net” of “Cash flow from operating activities” ¥5,955 million, which was presented in the condensed quarterly consolidated statements of cash flows for the prior third quarter fiscal period, have been reclassified to “Decrease/increase in short-term guarantee deposits” ¥12,444 and “Other, net” ¥(6,489).

(9) Summary Quarterly Consolidated Financial Statements Note

1. Segment Information

The main businesses of the Group are the financial instruments business, cryptocurrency exchange service provider and investment business of securities. The disclosed segments are the 5 segments of "Japan," "U.S.," "Crypto Asset," "Asia-Pacific," and "Investment."

Segment	Main business	Main company
Japan	Financial instruments business in Japan	Monex, Inc. Monex Asset Management, Inc.
U.S.	Financial instruments business in U.S.	TradeStation Securities, Inc.
Crypto Asset	Crypto currency exchange service	Coincheck, Inc.
Asia-Pacific	Financial instruments business in Hong-Kong and Australia	Monex Boom Securities(H.K.) Limited Monex Securities Australia Pty Ltd
Investment	Investment business of securities	Monex Ventures, Inc. MV I Investment Limited Partnership MV II Investment Limited Partnership

Notes: Each entity is an independent management unit that establishes comprehensive strategies and conducts business activities

The Group's operating results by reporting segment

For the nine months ended December 31, 2021

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Operating revenue from external customers	¥23,506	¥19,201	¥25,490	¥933	¥562	¥69,691	¥—	¥—	¥69,691
Internal operating revenue or transferred amount between segments	213	633	12	9	—	867	9,583	(10,451)	—
Total	23,719	19,834	25,502	942	562	70,558	9,583	(10,451)	69,691
Financial expenses	(1,104)	(2,540)	(3)	(2)	(320)	(3,969)	—	253	(3,716)
Cost of sales	—	(40)	(37)	—	—	(77)	—	40	(37)
Depreciation and amortization	(3,885)	(1,917)	(300)	(80)	—	(6,182)	—	—	(6,182)
Other selling, general and administrative expenses	(14,573)	(19,408)	(10,296)	(704)	(68)	(45,049)	—	1,924	(43,126)
Other income and expenses (net amount)	3,650	263	77	1	(0)	3,990	—	(1,355)	2,635
Equity in profits or losses of equity method investments	—	—	—	14	—	14	—	—	14
Segment profit or loss (profit before income taxes)	¥7,807	¥(3,808)	¥14,942	¥170	¥173	¥19,285	¥9,583	¥(9,589)	¥19,279

The following financial income and sales revenue are included in the operating revenue.

Millions of Yen

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Financial income	¥7,477	¥5,765	—	¥99	¥562	¥13,903	¥9,583	¥(9,759)	¥13,727
Sales revenue	—	45	369	—	—	415	—	(45)	369

Notes: (*1) Others are dividends from reporting segment to the Company

(*2) Adjustment refers to elimination between segments.

(*3) Transactions between segments are made by arm's length price.

(*4) Segment profit or loss is profit or loss before income taxes.

For the nine months ended December 31, 2022

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Operating revenue from external customers	¥24,151	¥27,398	¥5,967	¥820	¥336	¥58,672	¥—	¥—	¥58,672
Internal operating revenue or transferred amount between segments	455	626	19	7	—	1,107	4,450	(5,557)	—
Total	24,606	28,024	5,986	827	336	59,779	4,450	(5,557)	58,672
Financial expenses	(1,255)	(3,157)	(2)	(22)	(236)	(4,673)	—	480	(4,193)
Cost of sales	—	(39)	(197)	—	—	(235)	—	39	(197)
Depreciation and amortization	(3,487)	(2,460)	(341)	(96)	—	(6,385)	—	—	(6,385)
Other selling, general and administrative expenses	(16,606)	(22,909)	(6,030)	(817)	(71)	(46,433)	—	934	(45,499)
Other income and expenses (net amount)	2,118	(1,547)	(139)	(56)	0	377	—	(353)	24
Equity in profits or losses of equity method investments	—	—	—	36	—	36	—	—	36
Segment profit or loss (profit before income taxes)	¥5,376	¥(2,089)	¥(724)	¥(128)	¥29	¥2,465	¥4,450	¥(4,456)	¥2,458

The following financial income and sales revenue are included in the operating revenue.

Millions of Yen

	Reporting segment						Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total			
Financial income	¥9,558	¥11,432	¥—	¥140	¥336	¥21,466	¥4,450	¥(4,863)	¥21,052
Sales revenue	—	45	877	—	—	922	—	(46)	876

Notes: (*1) Others are dividends from reporting segment to the Company.

(*2) Adjustment refers to elimination between segments.

(*3) Transactions between segments are made by arm's length price.

(*4) Segment profit or loss is profit or loss before income taxes.

2. Earnings per Share

The basis for calculating basic earnings per share and diluted earnings per share for the current fiscal year is as follows

Millions of Yen

	Nine months ending Dec 31, 2021	Nine months ending Dec. 31, 2022
Earnings per share attributable to owners of the Company		
Basic	¥12,462	¥1,934
Adjustment(*1)	(1,145)	—
Diluted	¥11,317	¥1,934

Thousands of Share

	Nine months ending Dec. 31, 2021	Nine months ending Dec. 31, 2022
Weighted average number of shares		
Basic	258,600	266,096
Adjustment (*1)	—	—
Diluted	258,600	266,096

Note: (*1) Financial instrument with a dilutive effect is for the purchase of stock options issued by a subsidiary.

(10) Events after the Reporting Period

Not applicable