

MONEX GROUP

Financial results of Subsidiary (Monex, Inc.)

TOKYO, April 26, 2016 – 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 fiscal year ended March 31, 2016 prepared in accordance with the generally accepted accounting principles in Japan.

Financial results for the fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(1) Results of operations

(Unit: million yen)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Profit
For the year ended March 31, 2016	35,078	31,886	7,457	7,505	3,207
For the year ended March 31, 2015	32,930	29,816	8,727	8,842	5,246
Fluctuation (%)	6.5	6.9	-14.5	-15.1	-38.9

(2) Financial condition

(Unit: million yen)

	Total assets	Net assets
As of March 31, 2016	558,983	53,429
As of March 31, 2015	592,198	55,375

(Please refer to Appendix for more details)

Contact: Yumi Matsuzaki
Public Relations, CEO Office
Monex Group, Inc.
+81-3-4323-8698

Yuko Machida
Investor Relations, Financial Control Department
Monex Group, Inc.
+81-3-4323-8698

This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.

MONEX GROUP

Appendix

1. Financial Statements

(1) Balance Sheets

(Unit: million yen)

	As of March 31, 2015	As of March 31, 2016
Current assets		
Cash and deposits	47,546	46,557
Cash segregated for customers and others	246,397	222,067
Money held in trust	63,884	53,761
Trading assets	15,152	19,113
Trading securities and other	1,826	2,442
Derivatives	13,326	16,671
Securities	3,999	-
Margin transaction assets	175,637	149,235
Loans on margin transaction	165,629	145,646
Cash collateral pledged for securities borrowing on margin transaction	10,007	3,588
Loans secured by securities	-	5
Cash paid for offering	2,411	849
Short-term guarantee deposited	15,283	19,525
Accrued revenue	3,297	3,029
Short-term loans receivable	1,839	22,277
Other current assets	3,387	3,008
Allowance for doubtful receivables	-22	-1
Total current assets	578,814	539,431
Non-current assets		
Property, plant and equipment	1,017	1,028
Intangible assets	10,663	16,891
Investment and others	1,702	1,631
Investment securities	1,059	1,017
Long-term guarantee deposits	312	328
Deferred tax assets	168	193
Other	367	209
Allowance for doubtful receivables	-206	-117
Total non-current assets	13,383	19,552
Total assets	592,198	558,983

This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.

MONEX GROUP

(Unit: million yen)

	As of March 31, 2015	As of March 31, 2016
Current liabilities		
Trading liabilities	12,487	6,510
Derivatives	12,487	6,510
Trade date accrual	95	129
Margin transaction liabilities	46,124	33,006
Borrowings on margin transaction	13,860	15,178
Cash received as collateral for securities lending on margin transaction	32,263	17,827
Loans payable secured by securities	41,865	46,076
Deposits received	200,796	178,914
Guarantee money received	115,717	110,386
Short-term borrowings	16,500	37,600
Current portion of long-term loans payable	-	31,800
Commercial papers	10,000	-
Allowance for point services	135	137
Allowance for loss on cancellation of outsourcing contract	-	2,399
Deferred tax liabilities	381	22
Other current liabilities	2,805	5,367
Total current liabilities	446,909	452,350
Non-current liabilities		
Long-term debt	88,100	51,300
Negative goodwill	38	-
Other non-current liabilities	36	16
Total non-current liabilities	88,175	51,316
Statutory reserve		
Financial instruments transactions reserve	1,738	1,886
Total statutory reserve	1,738	1,886
Total liabilities	536,822	505,553
Net assets		
Common stock	12,200	12,200
Capital surplus	32,359	32,359
Retained earnings	9,690	6,627
Owners' equity	54,250	51,187
Net unrealized holding gains (losses) on securities	1,125	2,241
Accumulated other comprehensive income	1,125	2,241
Total net assets	55,375	53,429
Total liabilities and net assets	592,198	558,983

This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.

MONEX GROUP

(2)Statement of income

(Unit: million yen)

	For the fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	For the fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Operating revenue		
Commission revenue	19,041	19,478
Brokerage commission	15,889	16,149
Underwriting and distribution	99	152
Subscription and distribution	707	791
Other commissions	2,344	2,384
Net gain on trading account	3,797	5,675
Financial income	9,946	9,733
Other operating revenue	145	190
Total operating revenue	32,930	35,078
Financial expenses	3,114	3,191
Net operating revenue	29,816	31,886
Selling, general and administrative expenses	21,088	24,428
Operating income	8,727	7,457
Non-operating income	121	70
Non-operating expenses	6	22
Ordinary income	8,842	7,505
Extraordinary loss		
Provision of allowance for loss on cancellation of outsourcing contract	-	2,399
Loss on cancellation of outsourcing contract	117	51
Provision of financial instruments transactions reserve	339	148
Loss on disposal of Property, plant and equipment	1	-
Total extraordinary loss	458	2,599
Income before income taxes	8,384	4,905
Income taxes - current	2,753	2,534
Income taxes - deferred	384	-835
Total income taxes	3,137	1,698
Profit	5,246	3,207

This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.

MONEX GROUP

2. Supplementary information

(1) Brokerage commissions

(Unit: million yen)

	For the fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	For the fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Stocks and ETFs	15,300	15,421
Options and Futures	567	727
OSE-FX	21	-
Total brokerage commissions	15,889	16,149

(2) Trading value of stocks and ETFs

(Unit: million yen)

	For the fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	For the fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Cash	8,634,410	8,627,655
Margin	8,459,885	8,426,498
Total	17,094,295	17,054,153

This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.

MONEX GROUP

(3) Statement of income for each quarter

(Unit: million yen)

	1Q of FYE Mar.2015	2Q of FYE Mar.2015	3Q of FYE Mar. 2015	4Q of FYE Mar. 2015	1Q of FYE Mar. 2016	2Q of FYE Mar. 2016	3Q of FYE Mar. 2016	4Q of FYE Mar. 2016
Operating revenue								
Commission revenue	3,933	4,668	5,323	5,116	5,365	5,433	4,349	4,329
Brokerage commission	3,240	3,932	4,468	4,249	4,512	4,553	3,533	3,549
Underwriting and distribution	32	16	30	19	19	10	102	19
Subscription and distribution	135	122	232	216	224	236	139	191
Other commissions	525	596	591	630	609	632	573	568
Net gain on trading account	577	682	1,195	1,342	1,543	1,596	1,175	1,359
Financial income	2,671	2,285	2,737	2,252	2,824	2,270	2,660	1,978
Other operating revenue	45	31	31	36	40	42	51	55
Total operating revenue	<u>7,228</u>	<u>7,667</u>	<u>9,287</u>	<u>8,747</u>	<u>9,774</u>	<u>9,342</u>	<u>8,238</u>	<u>7,723</u>
Financial expenses	<u>1,006</u>	<u>573</u>	<u>940</u>	<u>593</u>	<u>1,128</u>	<u>568</u>	<u>963</u>	<u>530</u>
Net operating revenue	<u>6,221</u>	<u>7,093</u>	<u>8,346</u>	<u>8,154</u>	<u>8,645</u>	<u>8,773</u>	<u>7,274</u>	<u>7,192</u>
Selling, general and administrative expenses	<u>4,898</u>	<u>5,153</u>	<u>5,395</u>	<u>5,641</u>	<u>6,115</u>	<u>6,187</u>	<u>6,072</u>	<u>6,053</u>
Operating income	<u>1,323</u>	<u>1,940</u>	<u>2,951</u>	<u>2,512</u>	<u>2,530</u>	<u>2,586</u>	<u>1,202</u>	<u>1,138</u>
Non-operating income	35	17	42	26	24	12	17	16
Non-operating expenses	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>8</u>	<u>1</u>	<u>10</u>
Ordinary income	<u>1,357</u>	<u>1,955</u>	<u>2,991</u>	<u>2,537</u>	<u>2,552</u>	<u>2,590</u>	<u>1,217</u>	<u>1,144</u>
Extraordinary loss								
Provision of allowance for loss on cancellation of outsourcing contract	-	-	-	-	-	-	2,360	39
Loss on cancellation of outsourcing contract	-	114	-	2	-	43	-	8
Provision of financial instruments transactions reserve	73	85	93	86	98	39	-	10
Loss on disposal of Property, plant and equipment	-	-	1	-	-	-	-	-
Total extraordinary loss	<u>73</u>	<u>200</u>	<u>95</u>	<u>89</u>	<u>98</u>	<u>82</u>	<u>2,360</u>	<u>58</u>
Income or loss before income taxes	<u>1,283</u>	<u>1,755</u>	<u>2,896</u>	<u>2,448</u>	<u>2,454</u>	<u>2,507</u>	<u>-1,142</u>	<u>1,086</u>
Income taxes - current	122	716	920	995	901	902	291	440
Income taxes - deferred	<u>372</u>	<u>-80</u>	<u>153</u>	<u>-60</u>	<u>-64</u>	<u>-66</u>	<u>-690</u>	<u>-14</u>
Total income taxes	<u>494</u>	<u>635</u>	<u>1,073</u>	<u>934</u>	<u>836</u>	<u>835</u>	<u>-399</u>	<u>425</u>
Profit or loss	<u>789</u>	<u>1,119</u>	<u>1,823</u>	<u>1,513</u>	<u>1,617</u>	<u>1,672</u>	<u>-743</u>	<u>660</u>

This material is an English translation of a Japanese announcement made on the date above. Although the Company intended to faithfully translate the Japanese document into English, the accuracy and correctness of this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document. This translation was made as a matter of record only and does not constitute an offer to sell or to solicit an offer to buy securities in the U.S.