



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRSs for the 1Q of the fiscal year ending March 31, 2019 (April 1, 2018 - June 30, 2018)**

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 1Q of the fiscal year ending March 31, 2019. 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 1Q of the fiscal year ending March 31, 2019. 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. / July 2018

## Consolidated Financial Summary

### For the 1Q of the fiscal year ending March 31, 2019

(Millions of Yen)	
<b>Operating results (from Apr. 1, 2018 to Jun. 30, 2018):</b>	
Total revenue.....	¥ 13,793
Total expenses.....	12,663
Quarterly profit before income taxes	1,130
Income tax expense.....	(36)
Quarterly profit	¥1,166
Quarterly profit attributable to :	
Owners of the Company.....	¥1,196
Non-controlling interests.....	(31)

(Millions of Yen)	
<b>Financial Position (as of Jun. 30, 2018):</b>	
Total assets.....	¥ 1,050,282
Equity attributable to owners of the Company .....	81,151

(Yen)	
<b>Earnings per share attributable to owners of the Company (from Apr. 1, 2018 to Jun. 30, 2018):</b>	
Basic earnings per share.....	¥4.44
Diluted earnings per share .....	—

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)	
	Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2018
Revenue:		
Operating revenue .....	11,845	13,612
Other financial income .....	336	140
Other income .....	68	21
Equity in profits of equity method investments	123	21
Total revenue	12,371	13,793
Expenses:		
Financial expenses .....	1,009	1,254
Selling, general and administrative expenses	9,816	11,255
Other financial expenses .....	583	39
Other expenses .....	168	115
Total expenses	11,576	12,663
Quarterly profit before income taxes	795	1,130
Income tax expense .....	386	(36)
Quarterly profit	¥410	¥1,166
Quarterly profit or loss attributable to :		
Owners of the Company .....	¥441	¥1,196
Non-controlling interests .....	(31)	(31)
Earnings per share attributable to owners of the Company:		
Basic earnings per share .....	(in yen) ¥1.58	(in yen) ¥4.44
Diluted earnings per share .....	1.58	—

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2018
Quarterly profit	¥410	¥1,166
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 .....	—	114
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	—	14
Changes in fair value of available-for-sale financial assets.....	73	—
Changes in fair value of hedging instrument.....	9	137
Foreign currency translation adjustments in foreign operations.....	212	1,044
Share of other comprehensive income of equity method investments .....	(34)	5
Other comprehensive income after income taxes	261	1,314
Quarterly comprehensive income	¥670	¥2,480
Quarterly comprehensive income attributable to :		
Owners of the Company .....	¥702	¥2,510
Non-controlling interests .....	(31)	(31)

## Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2018	As of Jun. 30, 2018
<b>Assets:</b>		
Cash and cash equivalents.....	¥83,884	¥129,784
Cash segregated as deposits .....	543,438	567,834
Trading securities and other .....	1,618	2,004
Derivative assets.....	15,424	12,981
Inventories.....	—	3,349
Investments in securities .....	3,123	3,702
Margin transaction assets .....	192,224	185,585
Loans secured by securities.....	21,389	34,097
Other financial assets .....	58,837	56,564
Property and equipment .....	2,122	2,299
Intangible assets .....	49,851	50,027
Equity method investments .....	295	333
Deferred tax assets .....	13	487
Other assets .....	1,301	1,235
<b>Total assets</b>	<b>¥973,520</b>	<b>¥1,050,282</b>
<b>Liabilities and Equity:</b>		
<b>Liabilities:</b>		
Derivative liabilities .....	¥5,340	¥5,466
Margin transaction liabilities.....	29,683	36,188
Loans payable secured by securities .....	78,203	69,430
Deposits received .....	324,256	363,902
Guarantee deposits received.....	254,647	268,851
Bonds and loans payable .....	191,010	211,866
Other financial liabilities.....	4,545	6,404
Provisions.....	148	148
Income taxes payable .....	2,386	165
Deferred tax liabilities.....	1,524	1,919
Other liabilities.....	1,284	4,283
<b>Total liabilities</b>	<b>893,027</b>	<b>968,623</b>
<b>Equity:</b>		
Common stock .....	10,394	10,394
Additional paid-in capital.....	40,510	40,510
Treasury stock .....	(206)	(206)
Retained earnings .....	21,492	21,387
Other components of equity .....	8,139	9,067
<b>Equity attributable to owners of the Company</b>	<b>80,329</b>	<b>81,151</b>
Non-controlling interests.....	164	508
<b>Total equity</b>	<b>80,493</b>	<b>81,659</b>
<b>Total liabilities and equity</b>	<b>¥973,520</b>	<b>¥ 1,050,282</b>

## Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Three months ended Jun. 30, 2017	Three months ended Jun. 30, 2018
Cash flows from operating activities:		
Quarterly profit before income taxes .....	¥795	¥1,130
Depreciation and amortization.....	2,054	2,046
Financial income and financial expenses.....	(2,695)	(3,736)
Decrease/increase in derivative assets and liabilities.....	2,841	2,752
Decrease/increase in assets/liabilities for margin transaction .....	8,563	13,144
Decrease/increase in loans/loans payable secured by securities .....	32,029	(21,287)
Decrease/increase in cash segregated as deposits .....	(10,161)	(15,946)
Decrease/increase in deposits received and guarantee deposits received.....	27,519	16,564
Decrease/increase in short-term loans receivable .....	(2,861)	734
Other, net .....	(4,560)	1,779
Sub total	53,524	(2,821)
Interest and dividends income received .....	3,912	5,111
Interest expenses paid .....	(1,067)	(1,204)
Income taxes paid .....	(617)	(4,545)
Net cash provided by (used in) operating activities	55,753	(3,459)
Cash flows from investing activities:		
Purchase of investments in securities .....	(1)	(114)
Proceeds from sales and redemption of securities .....	9	13
Purchase of property and equipment.....	(510)	(189)
Purchase of intangible assets .....	(1,318)	(1,393)
Proceeds from purchase of investments in subsidiaries.....	—	30,695
Proceeds from sales of investments in subsidiaries .....	—	4
Purchase of investments in joint ventures.....	(5)	—
Other, net .....	(21)	(25)
Net cash provided by (used in) investing activities	(1,845)	28,990
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable .....	(6,474)	8,261
Proceeds from issuance of bonds payable.....	2,996	1,199
Redemption of bonds payable.....	(3,000)	—
Proceeds from long-term loans payable.....	—	29,910
Repayment of long-term loans payable .....	(1,000)	(18,501)
Purchase of treasury stock .....	(1,030)	—
Cash dividends paid.....	(713)	(1,671)
Net cash provided by (used in) financing activities	(9,221)	19,198
Net increase/decrease in cash and cash equivalents	44,686	44,730
Cash and cash equivalents at the beginning of period	76,557	81,456
Effect of exchange rate change on cash and cash equivalents	61	312
Cash and cash equivalents at the end of period	¥121,304	¥126,498