



## **Monex Group, Inc.**

### **Consolidated Financial Summary under IFRSs for the 2Q of the fiscal year ending March 31, 2019 (April 1, 2018 - September 30, 2018)**

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 2Q 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 2Q 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. / October 2018

## Consolidated Financial Summary

### For the 2Q of the fiscal year ending March 31, 2019

(Millions of Yen)	
<b>Operating results (from Apr. 1, 2018 to Sep. 30, 2018):</b>	
Total revenue.....	¥ 26,791
Total expenses.....	24,962
Quarterly profit before income taxes	1,830
Income tax expense.....	153
Quarterly profit	¥1,677
Quarterly profit attributable to :	
Owners of the Company.....	¥1,745
Non-controlling interests.....	(68)

(Millions of Yen)	
<b>Financial Position (as of Sep. 30, 2018):</b>	
Total assets.....	¥ 1,066,897
Equity attributable to owners of the Company.....	80,552

(Yen)	
<b>Earnings per share attributable to owners of the Company (from Apr. 1, 2018 to Sep. 30, 2018):</b>	
Basic earnings per share.....	¥6.51
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)	
	Six months ended Sep. 30, 2017	Six months ended Sep. 30, 2018
Revenue:		
Operating revenue .....	24,608	26,400
Other financial income .....	275	327
Other income .....	92	31
Equity in profits of equity method investments	133	33
Total revenue	25,108	26,791
Expenses:		
Financial expenses .....	2,152	2,555
Selling, general and administrative expenses	19,356	22,193
Other financial expenses .....	373	62
Other expenses .....	218	152
Total expenses	22,099	24,962
Quarterly profit before income taxes	3,009	1,830
Income tax expense.....	1,074	153
Quarterly profit	¥ 1,935	¥1,677
Quarterly profit or loss attributable to :		
Owners of the Company.....	¥ 2,014	¥1,745
Non-controlling interests.....	(80)	(68)
Earnings per share attributable to owners of the Company:	(in yen)	(in yen)
Basic earnings per share.....	¥ 7.24	¥6.51
Diluted earnings per share.....	7.24	—

## Quarterly Consolidated Statements of Comprehensive Income

	(Millions of Yen)	
	Six months ended Sep. 30, 2017	Six months ended Sep. 30, 2018
Quarterly profit	¥ 1,935	¥ 1,677
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 .....	—	119
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	—	(157)
Changes in fair value of available-for-sale financial assets.....	352	—
Changes in fair value of hedging instrument.....	32	400
Foreign currency translation adjustments in foreign operations.....	228	1,777
Share of other comprehensive income of equity method investments .....	(1)	(0)
Other comprehensive income after income taxes	612	2,139
Quarterly comprehensive income	¥ 2,547	¥ 3,816
Quarterly comprehensive income attributable to :		
Owners of the Company .....	¥ 2,626	¥ 3,884
Non-controlling interests .....	(80)	(68)

# Quarterly Consolidated Statements of Financial Position

	(Millions of Yen)	
	As of Mar. 31, 2018	As of Sep. 30, 2018
<b>Assets:</b>		
Cash and cash equivalents.....	¥83,884	¥ 177,404
Cash segregated as deposits .....	543,438	571,323
Trading securities and other .....	1,618	3,010
Derivative assets.....	15,424	13,214
Inventories.....	—	3,537
Investments in securities .....	3,123	3,450
Margin transaction assets .....	192,224	158,691
Loans secured by securities.....	21,389	24,032
Other financial assets .....	58,837	57,070
Property and equipment .....	2,122	2,557
Intangible assets .....	49,851	50,201
Equity method investments .....	295	347
Deferred tax assets .....	13	632
Other assets .....	1,301	1,428
<b>Total assets</b>	<b>¥973,520</b>	<b>¥1,066,897</b>
<b>Liabilities and Equity:</b>		
<b>Liabilities:</b>		
Derivative liabilities .....	¥5,340	¥6,223
Margin transaction liabilities.....	29,683	31,229
Loans payable secured by securities .....	78,203	94,818
Deposits received .....	324,256	376,290
Guarantee deposits received.....	254,647	273,837
Bonds and loans payable .....	191,010	189,939
Other financial liabilities.....	4,545	5,494
Provisions.....	148	148
Income taxes payable .....	2,386	610
Deferred tax liabilities.....	1,524	1,909
Other liabilities.....	1,284	4,628
<b>Total liabilities</b>	<b>893,027</b>	<b>985,124</b>
<b>Equity:</b>		
Common stock .....	10,394	10,394
Additional paid-in capital.....	40,510	40,613
Treasury stock .....	(206)	(2,081)
Retained earnings .....	21,492	21,935
Other components of equity .....	8,139	9,690
<b>Equity attributable to owners of the Company</b>	<b>80,329</b>	<b>80,552</b>
Non-controlling interests.....	164	1,221
<b>Total equity</b>	<b>80,493</b>	<b>81,772</b>
<b>Total liabilities and equity</b>	<b>¥973,520</b>	<b>¥1,066,897</b>

## Quarterly Consolidated Statements of Cash Flows

	(Millions of Yen)	
	Six months ended Sep. 30, 2017	Six months ended Sep. 30, 2018
Cash flows from operating activities:		
Quarterly profit before income taxes .....	¥3,009	¥1,830
Depreciation and amortization.....	4,087	4,143
Financial income and financial expenses.....	(6,454)	(7,443)
Decrease/increase in derivative assets and liabilities.....	2,611	3,624
Decrease/increase in assets/liabilities for margin transaction .....	10,364	35,079
Decrease/increase in loans/loans payable secured by securities .....	(5,071)	14,301
Decrease/increase in cash segregated as deposits .....	(30,510)	(13,301)
Decrease/increase in deposits received and guarantee deposits received.....	45,160	27,287
Decrease/increase in short-term loans receivable .....	(1,413)	232
Other, net .....	(5,795)	2,912
Sub total	15,987	68,664
Interest and dividends income received .....	7,760	9,774
Interest expenses paid .....	(2,046)	(2,457)
Income taxes refund/paid.....	1,250	(3,941)
Net cash provided by (used in) operating activities	22,950	72,040
Cash flows from investing activities:		
Purchase of investments in securities .....	(189)	(160)
Proceeds from sales and redemption of securities .....	282	134
Purchase of property and equipment.....	(725)	(679)
Purchase of intangible assets .....	(3,002)	(2,827)
Proceeds from purchase of investments in subsidiaries.....	—	30,695
Proceeds from sales of investments in subsidiaries .....	—	4
Purchase of investments in joint ventures.....	(5)	(0)
Other, net .....	(168)	(212)
Net cash provided by (used in) investing activities	(3,807)	26,954
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable .....	(5,301)	(28,597)
Proceeds from issuance of bonds payable.....	4,493	17,482
Redemption of bonds payable.....	(3,000)	(11,500)
Proceeds from long-term loans payable.....	10,000	37,812
Repayment of long-term loans payable .....	(10,600)	(19,002)
Purchase of treasury stock .....	(1,030)	(2,000)
Cash dividends paid.....	(729)	(1,693)
Proceeds from stock issuance to non-controlling interests .....	—	747
Net cash provided by (used in) financing activities	(6,166)	(6,751)
Net increase/decrease in cash and cash equivalents	12,977	92,244
Cash and cash equivalents at the beginning of period	76,557	81,456
Effect of exchange rate change on cash and cash equivalents	38	500
Cash and cash equivalents at the end of period	¥89,572	¥174,200