

MONEX GROUP

(Update) Financial results of Subsidiary (Monex, Inc.)

TOKYO, April 30, 2014 – Monex Group, Inc. (TSE 8698, Oki Matsumoto, Representative Executive Officer and CEO) reported additionally today the following Financial condition and Balance sheets of its wholly owned subsidiary, Monex, Inc., as of March 31, 2014 prepared in accordance with the generally accepted accounting principles in Japan.

However, there is no change in the Results of operations, Statement of income and Supplementary information which were reported on April 22, 2014.

Financial results for the fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(1) Results of operations

(Unit: million yen)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
For the year ended March 31, 2014	37,513	34,640	14,273	14,333	8,323
For the year ended March 31, 2013	22,894	20,678	4,877	4,984	7,563

(2) Financial condition

(Unit: million yen)

	Total assets	Net assets
As of March 31, 2014	531,551	51,118
As of March 31, 2013	424,146	41,660

(Please refer to Appendix for more details)

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Appendix

1. Financial statements

(1) Balance Sheets

(Unit: million yen)

	As of March 31, 2013	As of March 31, 2014
Current assets		
Cash and deposits	33,296	53,193
Cash segregated for customers and others	151,559	192,897
Money held in trust	46,062	53,830
Trading assets	16,514	18,831
Trading securities and other	2,355	1,832
Derivatives	14,158	16,998
Securities	4,098	5,099
Margin transaction assets	149,487	178,229
Loans on margin transaction	145,276	176,203
Cash collateral pledged for securities borrowing on margin transaction	4,210	2,026
Cash paid for offering	1,936	783
Short-term guarantee deposited	11,298	13,183
Accrued revenue	2,914	2,960
Short-term loans receivable	43	52
Deferred tax assets	—	86
Other current assets	1,741	3,765
Allowance for doubtful receivables	-21	-25
Total current assets	418,931	522,886
Non-current assets		
Property, plant and equipment	296	390
Intangible assets	3,424	6,656
Investment and others	1,492	1,617
Investment securities	985	1,030
Long-term guarantee deposits	209	254
Deferred tax assets	289	217
Other	310	410
Allowance for doubtful receivables	-301	-295
Total non-current assets	5,214	8,664
Total assets	424,146	531,551

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(Unit: million yen)

	As of March 31, 2013	As of March 31, 2014
Current liabilities		
Trading liabilities	14,145	17,008
Derivatives	14,145	17,008
Trade date accrual	209	32
Margin transaction liabilities	39,744	36,307
Borrowings on margin transaction	14,847	22,607
Cash received as collateral for securities lending on margin transaction	24,897	13,700
Loans payable secured by securities	30,553	35,523
Deposits received	111,669	150,641
Guarantee money received	85,320	107,463
Short-term borrowings	96,000	63,600
Commercial papers	—	5,000
Allowance for point services	171	130
Deferred tax liabilities	126	—
Other current liabilities	3,443	7,393
Total current liabilities	381,384	423,102
Non-current liabilities		
Long-term debt	—	55,800
Negative goodwill	116	77
Other non-current liabilities	56	53
Total non-current liabilities	173	55,931
Statutory reserve		
Financial instruments transactions reserve	927	1,399
Total statutory reserve	927	1,399
Total liabilities	382,485	480,433
Net assets		
Common stock	7,425	12,200
Capital surplus	26,848	29,872
Retained earnings	6,589	8,324
Owners' equity	40,863	50,397
Net unrealized holding gains (losses) on securities	797	721
Accumulated other comprehensive income	797	721
Total net assets	41,660	51,118
Total liabilities and net assets	424,146	531,551

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(2)Statement of income

(Unit: million yen)

	For the fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)	For the fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)
Operating revenue		
Commission revenue	12,719	23,913
Brokerage commission	10,349	20,655
Underwriting and distribution	47	120
Subscription and distribution	493	917
Other commissions	1,828	2,220
Net gain on trading account	3,122	4,035
Financial income	6,896	9,272
Other operating revenue	156	292
Total operating revenue	22,894	37,513
Financial expenses	2,215	2,872
Net operating revenue	20,678	34,640
Selling, general and administrative expenses	15,801	20,367
Operating income	4,877	14,273
Non-operating income	132	72
Non-operating expenses	24	13
Ordinary income	4,984	14,333
Extraordinary income		
Gain on sale of investment securities	5,042	—
Reversal of financial instruments transactions reserve	209	—
Total extraordinary income	5,252	—
Extraordinary loss		
Provision of financial instruments transactions reserve	—	471
Cancellation loss of outsourcing contracts	14	57
Loss on disposal of Property, plant and equipment	28	20
Business combination related costs	111	—
Impairment loss on investment securities	3	—
Loss on sales of golf club memberships	1	—
Total extraordinary loss	159	549
Income before income taxes	10,077	13,784
Income taxes - current	1,975	5,560
Income taxes - deferred	538	-99
Total income taxes	2,513	5,460
Net income	7,563	8,323

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2. Supplementary information

(1) Brokerage commissions

(Unit: million yen)

	For the fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)	For the fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)
Stocks and ETFs	9,535	19,772
Options and Futures	631	751
OSE-FX	182	130
Bond and Others	0	0
Total brokerage commissions	10,349	20,655

(2) Trading value of stocks and ETFs

(Unit: million yen)

	For the fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)	For the fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)
Cash	4,594,441	10,854,847
Margin	6,391,268	13,000,453
Total	10,985,709	23,855,300

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(3) Statement of income for each quarter

(Unit: million yen)

	1Q of FYE Mar. 2013	2Q of FYE Mar. 2013	3Q of FYE Mar. 2013	4Q of FYE Mar. 2013	1Q of FYE Mar. 2014	2Q of FYE Mar. 2014	3Q of FYE Mar. 2014	4Q of FYE Mar. 2014
Operating revenue								
Commission revenue	2,230	2,140	2,726	5,621	8,261	5,291	5,579	4,781
Brokerage commission	1,745	1,620	2,181	4,802	7,363	4,507	4,786	3,997
Underwriting and distribution	1	6	13	25	16	13	51	39
Subscription and distribution	86	79	102	225	335	199	205	176
Other commissions	397	435	428	566	546	569	537	567
Net gain on trading account	581	517	750	1,272	1,481	846	897	810
Financial income	2,366	1,253	1,734	1,541	2,708	1,990	2,594	1,979
Other operating revenue	42	39	37	37	75	75	71	70
Total operating revenue	5,221	3,951	5,247	8,472	12,525	8,203	9,142	7,642
Financial expenses	847	318	754	294	992	503	999	376
Net operating revenue	4,374	3,633	4,493	8,178	11,533	7,699	8,143	7,265
Selling, general and administrative expenses	3,736	3,652	3,800	4,612	5,457	4,870	5,025	5,013
Operating income	637	-19	692	3,566	6,076	2,828	3,117	2,251
Non-operating income	77	14	14	26	16	17	16	22
Non-operating expenses	0	7	11	5	4	1	1	4
Ordinary income	714	-12	695	3,587	6,087	2,844	3,132	2,269
Extraordinary income								
Gain on sales of investment securities	-	159	16	4,866	-	-	-	-
Reversal of financial instruments transactions reserve	290	-	-	-81	9	-9	-	-
Total extraordinary income	290	159	16	4,785	9	-9	-	-
Extraordinary loss								
Provision of financial instruments transactions reserve	-	-	-	-	-	205	180	85
Cancellation loss of outsourcing contracts	-	-	17	-3	-	57	-	-
Loss on disposal of Property, plant and equipment	5	-	23	-	20	-	-	-
Business combination related costs	-	-	-	111	-	-	-	-
Impairment loss on investment securities	3	-	-	-	-	-	-	-
Loss on sales of golf memberships	-	-	1	-	-	-	-	-
Total extraordinary loss	8	-	42	108	20	262	180	85
Income before income taxes	996	147	668	8,264	6,076	2,572	2,951	2,183
Income taxes - current	49	-7	47	1,886	2,310	1,121	1,167	962
Income taxes - deferred	212	10	90	225	4	-67	23	-59
Total income taxes	261	3	137	2,111	2,314	1,053	1,190	902
Net income	734	144	530	6,153	3,761	1,518	1,761	1,280

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