

# MONEX GROUP

## **Financial results of Subsidiary (Monex, Inc.)**

TOKYO, April 24, 2015 – 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 ending March 31, 2015 prepared in accordance with the generally accepted accounting principles in Japan.

Financial results for the fiscal year ending March 31, 2015 (From April 1, 2014 to March 31, 2015)

### (1) Results of operations

(Unit: million yen)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Net income
For the year ending March 31, 2015	32,930	29,816	8,727	8,842	5,246
For the year ending March 31, 2014	37,513	34,640	14,273	14,333	8,323
Fluctuation(%)	-12.2	-13.9	-38.9	-38.3	-37.0

### (2) Financial condition

(Unit: million yen)

	Total assets	Net assets
As of March 31, 2015	592,198	55,375
As of March 31, 2014	531,551	51,118

(Please refer to Appendix for more details)

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## Appendix

### 1 . Financial Statements

#### (1) Balance Sheet

(Unit: million yen)

	As of March 31, 2014	As of March 31, 2015
Current assets		
Cash and deposits	53,193	47,546
Cash segregated for customers and others	192,897	246,397
Money held in trust	53,830	63,884
Trading assets	18,831	15,152
Trading securities and other	1,832	1,826
Derivatives	16,998	13,326
Securities	5,099	3,999
Margin transaction assets	178,229	175,637
Loans on margin transaction	176,203	165,629
Cash collateral pledged for securities borrowing on margin transaction	2,026	10,007
Cash paid for offering	783	2,411
Short-term guarantee deposited	13,183	15,283
Accrued revenue	2,960	3,297
Short-term loans receivable	52	1,839
Deferred tax assets	86	—
Other current assets	3,765	3,387
Allowance for doubtful receivables	-25	-22
Total current assets	522,886	578,814
Non-current assets		
Property, plant and equipment	390	1,017
Intangible assets	6,656	10,663
Investment and others	1,617	1,702
Investment securities	1,030	1,059
Long-term guarantee deposits	254	312
Deferred tax assets	217	168
Other	410	367
Allowance for doubtful receivables	-295	-206
Total non-current assets	8,664	13,383
Total assets	531,551	592,198

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(Unit: million yen)

	As of March 31, 2014	As of March 31, 2015
Current liabilities		
Trading liabilities	17,008	12,487
Derivatives	17,008	12,487
Trade date accrual	32	95
Margin transaction liabilities	36,307	46,124
Borrowings on margin transaction	22,607	13,860
Cash received as collateral for securities lending on margin transaction	13,700	32,263
Loans payable secured by securities	35,523	41,865
Deposits received	150,641	200,796
Guarantee money received	107,463	115,717
Short-term borrowings	63,600	16,500
Commercial papers	5,000	10,000
Allowance for point services	130	135
Deferred tax liabilities	-	381
Other current liabilities	7,393	2,805
Total current liabilities	423,102	446,909
Non-current liabilities		
Long-term debt	55,800	88,100
Negative goodwill	77	38
Other non-current liabilities	53	36
Total non-current liabilities	55,931	88,175
Statutory reserve		
Financial instruments transactions reserve	1,399	1,738
Total statutory reserve	1,399	1,738
Total liabilities	480,433	536,822
Net assets		
Common stock	12,200	12,200
Capital surplus	29,872	32,359
Retained earnings	8,324	9,690
Owners' equity	50,397	54,250
Net unrealized holding gains (losses) on securities	721	1,125
Accumulated other comprehensive income	721	1,125
Total net assets	51,118	55,375
Total liabilities and net assets	531,551	592,198

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## (2)Statement of income

(Unit: million yen)

	For the fiscal year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)	For the fiscal year ending March 31, 2015 (From April 1, 2014 to March 31, 2015)
Operating revenue		
Commission revenue	23,913	19,041
Brokerage commission	20,655	15,889
Underwriting and distribution	120	99
Subscription and distribution	917	707
Other commissions	2,220	2,344
Net gain on trading account	4,035	3,797
Financial income	9,272	9,946
Other operating revenue	292	145
Total operating revenue	37,513	32,930
Financial expenses	2,872	3,114
Net operating revenue	34,640	29,816
Selling, general and administrative expenses	20,367	21,088
Operating income	14,273	8,727
Non-operating income	72	121
Non-operating expenses	13	6
Ordinary income	14,333	8,842
Extraordinary loss		
Provision of financial instruments transactions reserve	471	339
Cancellation loss of outsourcing contracts	57	117
Loss on disposal of Property, plant and equipment	20	1
Total extraordinary loss	549	458
Income before income taxes	13,784	8,384
Income taxes - current	5,560	2,753
Income taxes - deferred	99	384
Total income taxes	5,460	3,137
Net income	8,323	5,246

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## 2. Supplementary information

### (1) Brokerage commissions

(Unit: million yen)

	For the fiscal year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)	For the fiscal year ending March 31, 2015 (From April 1, 2014 to March 31, 2015)
Stocks and ETFs	19,772	15,300
Options and Futures	751	567
OSE-FX	130	21
Bond and Others	0	—
Total brokerage commissions	20,655	15,889

### (2) Trading value of stocks and ETFs

(Unit: million yen)

	For the fiscal year ending March 31, 2014 (From April 1, 2013 to March 31, 2014)	For the fiscal year ending March 31, 2015 (From April 1, 2014 to March 31, 2015)
Cash	10,854,847	8,633,936
Margin	13,000,453	8,459,895
Total	23,855,300	17,093,831

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## (3) Statement of income for each quarter

(Unit: million yen)

	1Q of FYE Mar. 2014	2Q of FYE Mar. 2014	3Q of FYE Mar. 2014	4Q of FYE Mar. 2014	1Q of FYE Mar. 2015	2Q of FYE Mar. 2015	3Q of FYE Mar. 2015	4Q of FYE Mar. 2015
Operating revenue								
Commission revenue	8,261	5,291	5,579	4,781	3,933	4,668	5,323	5,116
Brokerage commission	7,363	4,507	4,786	3,997	3,240	3,932	4,468	4,249
Underwriting and distribution	16	13	51	39	32	16	30	19
Subscription and distribution	335	199	205	176	135	122	232	216
Other commissions	546	569	537	567	525	596	591	630
Net gain on trading account	1,481	846	897	810	577	682	1,195	1,342
Financial income	2,708	1,990	2,594	1,979	2,671	2,285	2,737	2,252
Other operating revenue	75	75	71	70	45	31	31	36
Total operating revenue	12,525	8,203	9,142	7,642	7,228	7,667	9,287	8,747
Financial expenses	992	503	999	376	1,006	573	940	593
Net operating revenue	11,533	7,699	8,143	7,265	6,221	7,093	8,346	8,154
Selling, general and administrative expenses	5,457	4,870	5,025	5,013	4,898	5,153	5,395	5,641
Operating income	6,076	2,828	3,117	2,251	1,323	1,940	2,951	2,512
Non-operating income	16	17	16	22	35	17	42	26
Non-operating expenses	4	1	1	4	1	2	1	1
Ordinary income	6,087	2,844	3,132	2,269	1,357	1,955	2,991	2,537
Extraordinary income								
Reversal of financial instruments transactions reserve	9	-9	-	-	-	-	-	-
Total extraordinary income	9	-9	-	-	-	-	-	-
Extraordinary loss								
Provision of financial instruments transactions reserve	-	205	180	85	73	85	93	86
Cancellation loss of outsourcing contracts	-	57	-	-	-	114	-	2
Loss on disposal of Property, plant and equipment	20	-	-	-	-	-	1	-
Total extraordinary loss	20	262	180	85	73	200	95	89
Income before income taxes	6,076	2,572	2,951	2,183	1,283	1,755	2,896	2,448
Income taxes - current	2,310	1,121	1,167	962	122	716	920	995
Income taxes - deferred	4	-67	23	-59	372	-80	153	-60
Total income taxes	2,314	1,053	1,190	902	494	635	1,073	934
Net income	3,761	1,518	1,761	1,280	789	1,119	1,823	1,513

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