

# MONEX GROUP

## Quarterly financial results of Subsidiary (Monex, Inc.)

TOKYO, July 27, 2015 – Monex Group, Inc. (TSE 8698, Oki Matsumoto, Representative Executive Officer and CEO) reported today the following quarterly financial results of its wholly-owned subsidiary, Monex, Inc., for the 1<sup>st</sup> quarter of the fiscal year ending March 31, 2016 prepared in accordance with the generally accepted accounting principles in Japan.

Financial results for the 1<sup>st</sup> quarter of the fiscal year ending March 31, 2016 (From April 1, 2015 to June 30, 2015)

### (1) Results of operations

(Unit: million yen)

	Operating revenue	Net operating revenue	Operating income	Ordinary income	Profit
For the quarter ending June 30, 2015	9,774	8,645	2,530	2,552	1,617
For the quarter ending June 30, 2014	7,228	6,221	1,323	1,357	789
Fluctuation (%)	35.2	39.0	91.2	88.1	104.9

### (2) Financial condition

(Unit: million yen)

	Total assets	Net assets
As of June 30, 2015	640,496	54,692
As of March 31, 2015	592,198	55,375

(Please refer to Appendix for more details)

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## Appendix

### 1. Quarterly Financial Statements

#### (1) Balance Sheets

(Unit: million yen)

	As of March 31, 2015	As of June 30, 2015
Current assets		
Cash and deposits	47,546	56,343
Cash segregated for customers and others	246,397	264,352
Money held in trust	63,884	65,906
Trading assets	15,152	17,508
Trading securities and other	1,826	3,638
Derivatives	13,326	13,870
Securities	3,999	—
Margin transaction assets	175,637	184,044
Loans on margin transaction	165,629	172,295
Cash collateral pledged for securities borrowing on margin transaction	10,007	11,749
Cash paid for offering	2,411	3,080
Short-term guarantee deposited	15,283	14,669
Accrued revenue	3,297	3,311
Short-term loans receivable	1,839	11,886
Other current assets	3,387	5,001
Allowance for doubtful receivables	-22	-1
Total current assets	578,814	626,100
Non-current assets		
Property, plant and equipment	1,017	993
Intangible assets	10,663	11,666
Investment and others	1,702	1,735
Investment securities	1,059	1,089
Long-term guarantee deposits	312	311
Deferred tax assets	168	192
Other	367	344
Allowance for doubtful receivables	-206	-202
Total non-current assets	13,383	14,395
Total assets	592,198	640,496

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(Unit: million yen)

	As of March 31, 2015	As of June 30, 2015
Current liabilities		
Trading liabilities	12,487	13,174
Derivatives	12,487	13,174
Trade date accrual	95	1,726
Margin transaction liabilities	46,124	44,083
Borrowings on margin transaction	13,860	9,681
Cash received as collateral for securities lending on margin transaction	32,263	34,401
Loans payable secured by securities	41,865	45,753
Deposits received	200,796	235,877
Guarantee money received	115,717	125,799
Short-term borrowings	16,500	15,300
Current portion of long-term loans payable	—	13,300
Commercial papers	10,000	10,000
Allowance for point services	135	147
Deferred tax liabilities	381	330
Other current liabilities	2,805	3,619
Total current liabilities	446,909	509,111
Non-current liabilities		
Long-term debt	88,100	74,800
Negative goodwill	38	29
Other non-current liabilities	36	26
Total non-current liabilities	88,175	74,855
Statutory reserve		
Financial instruments transactions reserve	1,738	1,836
Total statutory reserve	1,738	1,836
Total liabilities	536,822	585,804
Net assets		
Common stock	12,200	12,200
Capital surplus	32,359	32,359
Retained earnings	9,690	9,028
Owners' equity	54,250	53,588
Net unrealized holding gains (losses) on securities	1,125	1,104
Accumulated other comprehensive income	1,125	1,104
Total net assets	55,375	54,692
Total liabilities and net assets	592,198	640,496

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## (2)Statement of income

(Unit: million yen)

	Three months ending June 30, 2014 (From April 1, 2014 to June 30, 2014)	Three months ending June 30, 2015 (From April 1, 2015 to June 30, 2015)
Operating revenue		
Commission revenue	3,933	5,365
Brokerage commission	3,240	4,512
Underwriting and distribution	32	19
Subscription and distribution	135	224
Other commissions	525	609
Net gain on trading account	577	1,543
Financial income	2,671	2,824
Other operating revenue	45	40
Total operating revenue	7,228	9,774
Financial expenses	1,006	1,128
Net operating revenue	6,221	8,645
Selling, general and administrative expenses	4,898	6,115
Operating income	1,323	2,530
Non-operating income	35	24
Non-operating expenses	1	1
Ordinary income	1,357	2,552
Extraordinary loss		
Provision of financial instruments transactions reserve	73	98
Total extraordinary loss	73	98
Income before income taxes	1,283	2,454
Income taxes - current	122	901
Income taxes - deferred	372	-64
Total income taxes	494	836
Profit	789	1,617

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## 2. Supplementary information

### (1) Brokerage commissions

(Unit: million yen)

	Three months ending June 30, 2014 (From April 1, 2014 to June 30, 2014)	Three months ending June 30, 2015 (From April 1, 2015 to June 30, 2015)
Stocks and ETFs	3,116	4,341
Options and Futures	113	171
OSE-FX	10	—
Total brokerage commissions	3,240	4,512

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

(Unit: million yen)

	Three months ending June 30, 2014 (From April 1, 2014 to June 30, 2014)	Three months ending June 30, 2015 (From April 1, 2015 to June 30, 2015)
Cash	1,672,539	2,497,180
Margin	2,004,890	2,374,894
Total	3,677,430	4,872,074

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## (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
Operating revenue					
Commission revenue	3,933	4,668	5,323	5,116	5,365
Brokerage commission	3,240	3,932	4,468	4,249	4,512
Underwriting and distribution	32	16	30	19	19
Subscription and distribution	135	122	232	216	224
Other commissions	525	596	591	630	609
Net gain on trading account	577	682	1,195	1,342	1,543
Financial income	2,671	2,285	2,737	2,252	2,824
Other operating revenue	45	31	31	36	40
Total operating revenue	7,228	7,667	9,287	8,747	9,774
Financial expenses	1,006	573	940	593	1,128
Net operating revenue	6,221	7,093	8,346	8,154	8,645
Selling, general and administrative expenses	4,898	5,153	5,395	5,641	6,115
Operating income	1,323	1,940	2,951	2,512	2,530
Non-operating income	35	17	42	26	24
Non-operating expenses	1	2	1	1	1
Ordinary income	1,357	1,955	2,991	2,537	2,552
Extraordinary loss					
Provision of financial instruments transactions reserve	73	85	93	86	98
Cancellation loss of outsourcing contracts	-	114	-	2	-
Loss on disposal of Property, plant and equipment	-	-	1	-	-
Total extraordinary loss	73	200	95	89	98
Income before income taxes	1,283	1,755	2,896	2,448	2,454
Income taxes - current	122	716	920	995	901
Income taxes - deferred	372	-80	153	-60	-64
Total income taxes	494	635	1,073	934	836
Profit	789	1,119	1,823	1,513	1,617

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