



Monex Group, Inc.

Consolidated Financial Summary under IFRSs for the 3Q of the fiscal year ending March 31, 2024 (April 1, 2023 - December 31, 2023)

This is an English translation for the Japanese report of the consolidated financial summary under IFRSs for the 3Q of the fiscal year ending March 31, 2024. 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 3Q of the fiscal year ending March 31, 2024. 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. / January 2024

Consolidated Financial Summary

For the 3Q of the fiscal year ending March 31, 2024

On October 4, 2023, Monex Group, Inc. (the “Company”) entered into a capital and business alliance agreement (the “Capital Business Alliance Agreement”) among the Company, our subsidiary, Monex, Inc. (“Monex”), and NTT DOCOMO, INC. (“NTT DOCOMO”). Based on the Capital Business Alliance Agreement, On January 4, 2024, the Company transferred a portion of its shares in the intermediate holding company established through a sole share-transfer of Monex to NTT DOCOMO, and the Intermediate Holding Company completed the issuance of additional shares of common stock by way of a third-party allotment to NTT DOCOMO. Although the voting rights ratio of the Intermediate Holding Company is approximately fifty-one percent (51%) for the Company and approximately forty-nine percent (49%) for NTT DOCOMO, the Intermediate Holding Company and Monex became consolidated subsidiaries of NTT DOCOMO based on the effective control standard. As a result, the Intermediate Holding Company and Monex are no longer the Company’s consolidated subsidiaries and instead became equity-method affiliates of the Company. Accordingly, for the nine-month period ended December 31, 2023, the Company classified the results of operations of Monex as discontinued operations and restated the results of operations for the nine-month period ended December 31, 2022 in the same manner.

	(Millions of Yen)		
	Nine months ending Dec. 31, 2022	Nine months ending Dec. 31, 2023	%change
Operating results (from Apr. 1, 2023 to Dec. 31, 2023):			
Operating revenue.....	41,287	46,856	13.5%
Quarterly profit before income taxes.....	(798)	4,845	—%
Quarterly profit.....	1,853	6,529	252.4%
Quarterly profit attributable to :			
Owners of the Company.....	1,934	6,542	238.3%
Quarterly comprehensive income.....	1,494	8,813	490.0%
Earnings per share attributable to owners of the Company			
Basic earnings per share(yen)	7.27	25.45	
Diluted earnings per share(yen).....	—	—	

Note: The business of Monex has been classified as a discontinued operation from the third quarter of the current fiscal year. Due to this, operating revenue and quarterly profit before income taxes are the amounts from continuing operations from which the discontinued operation has been excluded. The amounts presented for quarterly profit and quarterly profit attributable to owners of the company are aggregates of continuing operations and discontinued operation. The businesses have been similarly reclassified in the 3Q of the fiscal year ended March 31, 2023.

	(Millions of Yen)	
	As of March 31, 2023	As of Dec 31, 2023
Financial Position		
Total assets	1,504,110	1,571,269
Total equity	100,754	105,867
Equity attributable to owners of the Company	99,641	104,651
Ratio of equity attributable to owners of the parent (%)	6.6%	6.7%

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.

(1) Quarterly Consolidated Statements of Income

(Millions of Yen)

	Nine months ending Dec. 31, 2022	Nine months ending Dec. 31, 2023
Continuing operations		
Revenue:		
Operating revenue.....	41,287	46,856
Other financial income	458	475
Other income.....	1,408	450
Equity in profits of equity method investments	36	14
Total revenue	43,189	47,795
Expenses:		
Financial expenses	5,624	5,573
Cost of sales	197	111
Selling, general and administrative expenses	36,113	36,289
Other financial expenses	83	67
Other expenses	1,970	911
Total expenses	43,987	42,951
Quarterly profit before income taxes	(798)	4,845
Income tax expense	(410)	1,069
Profit from continuing operations	(388)	3,776
Discontinued operations		
Profit from discontinued operations	2,241	2,754
Quarterly profit	1,853	6,529
Quarterly profit or loss attributable to:		
Owners of the Company.....	1,934	6,542
Non-controlling interests	(81)	(13)
Earnings per share attributable to owners of the Company:		
Basic earnings per share	(in yen)	(in yen)
Continuing operations	(1.15)	14.74
Discontinued operations	8.42	10.71
Diluted earnings per share		
Continuing operations	—	—
Discontinued operations	—	—

(2) Quarterly Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ending Dec. 31, 2022	Nine months ending Dec. 31, 2023
Quarterly profit	1,853	6,529
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Changes in fair value of equity instruments measured at fair value through other comprehensive income.....	(161)	(40)
Items that may be reclassified subsequently to profit or loss:		
Changes in fair value of debt instruments measured at fair value through other comprehensive income.....	(2,285)	84
Cash flow hedges – effective portion of changes in fair value	—	429
Foreign currency translation adjustments in foreign operations	2,118	1,802
Share of other comprehensive income of equity method investments	(32)	8
Other comprehensive income after income taxes	(359)	2,283
Quarterly comprehensive income	1,494	8,813
Quarterly comprehensive income attributable to:		
Owners of the Company	1,575	8,825
Non-controlling interests.....	(81)	(13)

(3) Quarterly Consolidated Statements of Financial Position

(Millions of Yen)

	As of Mar. 31, 2023	As of Dec. 31, 2023
Assets:		
Cash and cash equivalents	175,159	59,097
Money held in trust.....	863,834	404,239
Trading securities and other	5,863	—
Derivative assets.....	15,101	1,184
Inventories	18,972	25,974
Investments in securities.....	13,149	13,641
Margin transaction assets	182,491	—
Loans secured by securities	85,206	42,404
Other financial assets	87,142	39,360
Property and equipment	6,043	6,579
Intangible assets	46,918	28,364
Equity method investments.....	577	830
Deferred tax assets	1,119	915
Other assets.....	2,536	2,436
Assets held for sale.....	—	946,247
Total assets	1,504,110	1,571,269
Liabilities and Equity:		
Liabilities:		
Trading securities and other	69	—
Derivative liabilities	6,242	313
Margin transaction liabilities	33,949	—
Loans payable secured by securities	174,647	38,833
Deposits received	535,150	314,964
Guarantee deposits received	373,233	128,205
Bonds and loans payable	241,062	50,471
Other financial liabilities	13,877	12,625
Provisions	627	570
Income taxes payable.....	1,316	735
Deferred tax liabilities	836	1,556
Other liabilities	22,348	28,636
Liabilities directly associated with assets held for sale...	—	888,493
Total liabilities	1,403,355	1,465,402
Equity:		
Common stock	13,144	13,144
Additional paid-in capital	41,027	41,193
Treasury stock	(714)	(173)
Retained earnings	34,509	36,963
Other components of equity	11,675	13,524
Equity attributable to owners of the Company.....	99,641	104,651
Non-controlling interests	1,113	1,216
Total equity	100,754	105,867
Total liabilities and equity	1,504,110	1,571,269

(4) Quarterly Consolidated Statement of Changes in Equity

(Millions of Yen)

	Equity attributable to owners of the Company								
	Common stock	Additional paid-in capital	Treasury stock	Retained earnings	Other components of equity				
					Changes in fair value of equity instruments measured at fair value through other comprehensive income	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Hedging reserve	Foreign currency translation adjustments in foreign operations	Share—based payments
Balance as of April 1, 2022	¥13,144	¥41,174	¥(383)	¥39,268	¥780	¥(159)	—	¥10,679	¥(242)
Profit	—	—	—	1,934	—	—	—	—	—
Other comprehensive income	—	—	—	—	(161)	(2,285)	—	2,118	—
Total comprehensive income	—	—	—	1,934	(161)	(2,285)	—	2,118	—
Transactions with owners:									
Dividends paid	—	—	—	(4,136)	—	—	—	—	—
Dividends to non-controlling interests	—	—	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	(2,704)	—	—	—	—	—	—
Disposition of treasury stock	—	257	382	—	—	—	—	—	(639)
Recognition of share—based payments	—	—	—	(59)	—	—	—	—	205
Changes of interests in subsidiaries without losing control	—	(37)	—	—	—	—	—	—	—
Total of transactions with owners	—	221	(2,323)	(4,195)	—	—	—	—	(434)
Balance as of December 31, 2022	¥13,144	¥41,394	¥(2,706)	¥37,007	¥620	¥(2,443)	—	¥12,797	¥(676)

	Equity attributable to owners of the Company				Non—controlling interests	Total equity
	Other components of equity		Total			
	Share of other comprehensive income of equity method investments	Sub—total				
Balance as of April 1, 2022	¥26	¥11,084	¥104,286	¥1,732	¥106,018	
Profit	—	—	1,934	(81)	1,853	
Other comprehensive income	(32)	(359)	(359)	—	(359)	
Total comprehensive income	(32)	(359)	1,575	(81)	1,494	
Transactions with owners:						
Dividends paid	—	—	(4,136)	—	(4,136)	
Dividends to non-controlling interests	—	—	—	(550)	(550)	
Purchase of treasury shares	—	—	(2,704)	—	(2,704)	
Disposition of treasury stock	—	(639)	—	—	—	
Recognition of share—based payments	—	205	146	—	146	
Changes of interests in subsidiaries without losing control	—	—	(37)	37	—	
Total of transactions with owners	—	(434)	(6,731)	(514)	(7,244)	
Balance as of December 31, 2022	¥(6)	¥10,291	¥99,130	¥1,138	¥100,268	

(Millions of Yen)

	Equity attributable to owners of the Company								
	Common stock	Additional paid—in capital	Treasury stock	Retained earnings	Other components of equity				
					Changes in fair value of equity instruments measured at fair value through other comprehensive income	Changes in fair value of debt instruments measured at fair value through other comprehensive income	Hedging reserve	Foreign currency translation adjustments in foreign operations	Share—based payments
Balance as of April 1, 2023	¥13,144	¥41,027	¥(714)	¥34,509	¥640	¥(1,493)	—	¥13,113	¥(614)
Profit	—	—	—	6,542	—	—	—	—	—
Other comprehensive income	—	—	—	—	(40)	84	429	1,802	—
Total comprehensive income	—	—	—	6,542	(40)	84	429	1,802	—
Transactions with owners:									
Dividends paid	—	—	—	(4,086)	—	—	—	—	—
Purchase of treasury stock	—	—	(0)	—	—	—	—	—	—
Disposition of treasury stock	—	126	541	—	—	—	—	—	(667)
Recognition of share—based payments	—	—	—	(2)	—	—	—	—	233
Changes of interests in subsidiaries without losing control	—	39	—	—	—	—	—	—	—
Transfer to Other capital components associated with the disposal group held for sale	—	—	—	—	(488)	757	—	—	—
Total of transactions with owners	—	165	541	(4,088)	(488)	757	—	—	(434)
Balance as of December 31, 2023	¥13,144	¥41,193	¥(173)	¥36,963	¥112	¥(652)	¥429	¥14,915	¥(1,048)

	Equity attributable to owners of the Company				Non—controlling interests	Total equity
	Other components of equity			Total		
	Share of other comprehensive income of equity method investments	Accumulated other comprehensive income relating to disposal group classified as held for sale	Sub—total			
Balance as of April 1, 2023	28	—	¥11,675	¥99,641	¥1,113	¥100,754
Profit	—	—	—	6,542	(13)	6,529
Other comprehensive income	8	—	2,283	2,283	—	2,283
Total comprehensive income	8	—	2,283	8,825	(13)	8,813
Transactions with owners:						
Dividends paid	—	—	—	(4,086)	—	(4,086)
Purchase of treasury stock	—	—	—	—	—	—
Disposition of treasury stock	—	—	(667)	—	—	—
Recognition of share—based payments	—	—	233	231	—	231
Changes of interests in subsidiaries without losing control	—	—	—	39	116	155
Transfer to accumulated other comprehensive income relating to disposal group classified as held for sale	—	(269)	—	—	—	—
Total of transactions with owners	—	(269)	(434)	(3,815)	116	(3,700)
Balance as of December 31, 2023	¥36	¥(269)	¥13,524	¥104,651	¥1,216	¥105,867

(5) Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine months ending Dec. 31, 2022	Nine months ending Dec. 31, 2023
Cash flows from operating activities:		
Quarterly profit before income taxes.....	(798)	4,845
Profit from discontinued operations.....	3,256	3,896
Depreciation and amortization	6,385	6,855
Impairment loss on non-financial assets.....	372	—
Financial income and financial expenses	(17,252)	(22,792)
Decrease/increase in derivative assets and liabilities.....	(1,124)	878
Decrease/increase in assets/liabilities for margin transaction ...	(20,470)	(6,489)
Decrease/increase in loans/loans payable secured by securities...	8,249	(33,383)
Decrease/increase in cash segregated as deposits	24,295	(18,855)
Decrease/increase in deposits received and guarantee deposits received	(45,948)	72,296
Decrease/increase in short-term loans receivable	3,349	(533)
Decrease/increase in short-term guarantee deposits	5,874	(6,191)
Other, net	3,244	(6,681)
Sub total	(30,569)	(6,154)
Interest and dividends income received.....	18,143	26,602
Interest expenses paid	(4,013)	(5,314)
Income taxes refund/paid	(5,548)	(61)
Net cash provided by (used in) operating activities	(21,988)	15,073
Cash flows from investing activities:		
Payments into time deposits	(13,035)	(6,960)
Proceeds from withdrawal of time deposits	—	9,909
Purchase of investments in securities.....	(555)	(405)
Proceeds from sales and redemption of securities.....	444	51
Purchase of property and equipment.....	(783)	(483)
Purchase of intangible assets.....	(4,976)	(4,591)
Payments for acquisition of subsidiaries	(227)	—
Payments for acquisition of associates	—	(200)
Payments for acquisition of joint ventures.....	—	(10)
Other, net	(274)	479
Net cash provided by (used in) investing activities	(19,405)	(2,209)
Cash flows from financing activities:		
Net increase/decrease in short-term loans payable.....	(49,985)	(10,715)
Proceeds from issuance of bonds payable	5,196	7,788
Redemption of bonds payable	(5,700)	(8,500)
Proceeds from long-term loans payable.....	—	28,160
Repayment of long-term loans payable	(7)	(20,358)
Purchase of treasury stock	(2,704)	—
Repayments of lease liabilities	(889)	(883)
Cash dividends paid	(4,121)	(4,072)
Dividends paid to non-controlling interests	(550)	—
Capital contribution from non-controlling interests	—	170
Other, net	(35)	(75)

	Nine months ending Dec. 31, 2022	Nine months ending Dec. 31, 2023
Net cash provided by (used in) financing activities	(58,796)	(8,485)
Net increase/decrease in cash and cash equivalents	(100,189)	4,379
Cash and cash equivalents at the beginning of period	253,458	175,159
Effect of exchange rate change on cash and cash equivalents	7,643	3,458
Cash and cash equivalents at the end of period	160,912	182,996

(6) Going Concern Assumption

Not applicable.

(7) Changes in accounting policies

The material accounting policies applied in the condensed quarterly consolidated financial statements are the same as those applied in the consolidated financial statements for the prior fiscal year, except for the following.

Standards		New/revised requirements
IAS 1	Presentation of Financial Statements	Revised to require disclosure of material accounting policies rather than significant accounting policies
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Clarify the distinction between accounting policies and accounting estimates
IAS 12	Income tax	Clarify accounting for deferred taxes on leases and disposal obligations

There is no significant impact in the consolidated cumulative third quarter.

(8) Summary Quarterly Consolidated Financial Statements Note

1. Segment Information

The main businesses of the Group are the financial instruments business, cryptocurrency exchange service provider and investment business of securities. The disclosed segments are the 5 segments of “Japan,” “U.S.,” “Crypto Asset,” “Asia-Pacific,” and “Investment.”

Monex, Inc. was previously included in the Japan segment, but as a result of its classification as a discontinued operation beginning in the third quarter of the current fiscal year and the resulting restatement of the third quarter of the previous fiscal year, Monex, Inc. is no longer included in the Japan segment.

Segment	Main business	Main company
Japan	Financial instruments business in Japan	Monex Group, Inc. Monex Asset Management, Inc.
U.S.	Financial instruments business in U.S.	TradeStation Securities, Inc.
Crypto Asset	Crypto currency exchange service	Coincheck, Inc.
Asia-Pacific	Financial instruments business in Hong-Kong	Monex Boom Securities(H.K.) Limited
Investment	Investment business of securities	Monex Ventures, Inc. MV I Investment Limited Partnership MV II Investment Limited Partnership TOKYO Wellness Impact Investment Limited Partnership

Notes: Each entity is an independent management unit that establishes comprehensive strategies and conducts business activities

The Group’s operating results by reporting segment

For the nine months ended December 31, 2022

Millions of Yen

	Reporting segment						Total	Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment					
Operating revenue from external customers	¥6,171	¥27,969	¥5,984	¥827	¥336	¥41,287	¥—	¥—	¥41,287	
Internal operating revenue or transferred amount between segments	448	55	1	—	—	504	4,450	(4,954)	—	
Total	6,619	28,024	5,986	827	336	41,791	4,450	(4,954)	41,287	
Financial expenses	(2,686)	(3,157)	(2)	(22)	(236)	(6,104)	—	480	(5,624)	
Cost of sales	—	(39)	(197)	—	—	(235)	—	39	(197)	
Depreciation and amortization	(499)	(2,460)	(341)	(96)	—	(3,397)	—	—	(3,397)	
Other selling, general and administrative expenses	(3,221)	(22,909)	(6,030)	(817)	(71)	(33,048)	—	331	(32,717)	
Other income and expenses (net amount)	1,906	(1,547)	(139)	(56)	0	165	—	(352)	(187)	
Equity in profits or losses of equity method investments	—	—	—	36	—	36	—	—	36	
Segment profit or loss (profit before income taxes)	¥2,119	¥(2,089)	¥(724)	¥(128)	¥29	¥(792)	¥4,450	¥(4,456)	¥(798)	

The following financial income and sales revenue are included in the operating revenue.

Millions of Yen

	Reporting segment						Total	Others	Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment					
Financial income	¥2,868	¥11,432	—	¥140	¥336	¥14,776	¥4,450	¥(4,863)	¥14,362	
Sales revenue	—	45	877	—	—	922	—	(46)	876	

Notes: (*1) Others are dividends from reporting segment to the Company.

(*2) Adjustment refers to elimination between segments.

(*3) Transactions between segments are made by arm's length price.

(*4) Segment profit or loss is profit or loss before income taxes.

For the nine months ended December 31, 2023

Millions of Yen

	Reporting segment						Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total		
Operating revenue from external customers	¥5,601	¥35,180	¥4,922	¥775	¥377	¥46,856	¥—	¥46,856
Internal operating revenue or transferred amount between segments	914	368	2	—	—	1,283	(1,283)	—
Total	6,515	35,548	4,924	775	377	48,139	(1,283)	46,856
Financial expenses	(1,340)	(4,559)	(2)	(99)	(247)	(6,248)	674	(5,573)
Cost of sales	—	(314)	(111)	—	—	(425)	314	(111)
Depreciation and amortization	(527)	(2,523)	(431)	(92)	—	(3,574)	—	(3,574)
Other selling, general and administrative expenses	(4,329)	(23,563)	(4,308)	(685)	(80)	(32,966)	251	(32,715)
Other income and expenses (net amount)	495	(547)	(40)	29	27	(37)	(15)	(52)
Equity in profits or losses of equity method investments	—	—	—	(2)	16	14	—	14
Segment profit or loss (profit before income taxes)	¥813	¥4,041	¥33	¥(75)	¥93	¥4,904	¥(59)	¥4,845

The following financial income and sales revenue are included in the operating revenue.

Millions of Yen

	Reporting segment						Adjustment	Consolidated
	Japan	U.S.	Crypto Asset	Asia-Pacific	Investment	Total		
Financial income	¥1,287	¥17,851	¥—	¥264	¥377	¥19,779	¥(625)	¥19,154
Sales revenue	—	361	231	—	—	592	(363)	229

Notes: (*1) Adjustment refers to elimination between segments.

(*2) Transactions between segments are made by arm's length price.

(*3) Segment profit or loss is profit or loss before income taxes.

2. Earnings per Share

The basis for calculating basic earnings per share and diluted earnings per share for the current fiscal year is as follows

	Nine months ending Dec. 31, 2022	Nine months ending Dec. 31, 2023
Earnings per share attributable to owners of the Company (Millions of Yen)	¥1,934	¥6,542
Continuing operations	(307)	3,788
Discontinued operations	2,241	2,754
Weighted average number of shares (Thousands of Share)	266,096	257,084
Basic earnings per share (Yen)	7.27	25.45
Continuing operations	(1.15)	14.74
Discontinued operations	8.42	10.71

Note: Diluted earnings per share is not stated as there are no potential ordinary shares with dilutive effects.

3. Discontinued operations

(1) Outline of Discontinued Operations

On October 4, 2023, pursuant to a resolution of its Board of Directors, the Company entered into the Capital Business Alliance Agreement among the Company, our subsidiary, Monex, and NTT DOCOMO. Due to this, the business of Monex has been classified as a discontinued operation from the third quarter of the current fiscal year. On January 4, 2024, the transfer of the Intermediate Holding Company shares was completed.

(2) Results of Discontinued Operations

	(Millions of Yen)	
	Nine months ending Dec. 31, 2022	Nine months ending Dec. 31, 2023
Discontinued operations		
Revenue:	23,869	26,734
Expenses	(20,613)	(22,837)
Profit before income taxes from discontinued operations	3,256	3,896
Income tax expense	(1,015)	(1,143)
Profit from discontinued operations	2,241	2,754

Note: Although we offset all intragroup transactions in consolidation, we have selected not to offset transactions with discontinued operations made by the continuing operations prior to the stock transfer in continuing operations because we believe this will provide useful information to users of the financial statements and because we expect the transactions with the discontinued operations to continue after the stock transfer.

(3) Cash flows of discontinued operations

	(Millions of Yen)	
	Nine months ending Dec. 31, 2022	Nine months ending Dec. 31, 2023
Cash flows of discontinued operations		
Cash flows from operating activities	(22,993)	1,856
Cash flows from investing activities	(15,768)	247
Cash flows from financing activities	(37,634)	(7,009)
Total	(76,396)	(4,905)

(9) Events after the Reporting Period

(Notice of the Conclusion of a Capital and Business Alliance Agreement)

On October 4, 2023, the Company entered into the Capital Business Alliance Agreement among the Company, our subsidiary, Monex, and NTT DOCOMO. Based on it, On January 4, 2024, the Company transferred a portion of its shares in the intermediate holding company established through a sole share-transfer of Monex to NTT DOCOMO, and the Intermediate Holding Company completed the issuance of additional shares of common stock by way of a third-party allotment to NTT DOCOMO. Although the voting rights ratio of the Intermediate Holding Company is approximately fifty-one percent (51%) for the Company and approximately forty-nine percent (49%) for NTT DOCOMO, the Intermediate Holding Company and Monex became consolidated subsidiaries of NTT DOCOMO based on the effective control standard. As a result, the Intermediate Holding Company and Monex are no longer the Company's consolidated subsidiaries and instead became equity-method affiliates of the Company.

We expect to record income as gain on the Sale of Shares and recognize a gain on fair value remeasurements on the application of the equity method in the consolidated statements of income but those amounts are yet to be confirmed.