



Non-consolidated Financial Results
for the Three Months Ended June 30, 2024
(Under Japanese GAAP)

July 30, 2024

Company name: Mito Securities Co., Ltd. Listing: Tokyo Stock Exchange
Securities code: 8622 URL: <https://www.mito.co.jp/>
Representative: Katsunori Kobayashi, President and Representative Director
Contact: Masanobu Tamari, Manager, Finance Department
Phone: +81-3-6636-3071
Scheduled date of dividend payment: –
Preparation of supplementary briefing material on financial results: None
Holding of financial results briefing: None

Note: Amounts less than one million yen have been omitted.

1. Non-consolidated financial results for the three months ended June 30, 2024
(from April 1, 2024 to June 30, 2024)

(1) Operating results (Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended										
June 30, 2024	4,043	13.3	4,031	13.4	805	35.9	1,022	33.4	850	17.6
June 30, 2023	3,570	33.9	3,555	34.0	592	–	766	–	723	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
June 30, 2024		13.24		–
June 30, 2023		11.20		–

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	79,134	42,042	53.1	659.60
March 31, 2024	74,033	42,827	57.8	662.64

Reference: Capital (Shareholders' equity + Valuation and translation adjustments):

As of June 30, 2024: ¥42,042 million As of March 31, 2024: ¥42,827 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year	Yen				
Ended March 31, 2024	–	10.00	–	14.00	24.00
Ending March 31, 2025	–				
Ending March 31, 2025 (forecast)		–	–	–	–

Note Although we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2025, the Company has set a minimum annual dividend of ¥20.00 from the fiscal year ended March 2023 to the fiscal year ending March 2025.

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2025
(from April 1, 2024 to March 31, 2025)

Our earnings could fluctuate greatly depending on the stock market trend and other factors. We therefore do not disclose earnings forecast on concern that it could adversely affect the investment decision of our shareholders and investors.

We will promptly disclose the preliminary results figures when the operating results for each quarter are roughly estimated.

* Notes

- (1) Application of accounting methods used specifically for preparing the quarterly non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements
- | | |
|---|------|
| (i) Changes in accounting policies due to application of new or revised accounting standards: | None |
| (ii) Changes in accounting policies due to reasons other than above (i): | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Restatements of prior period financial statements: | None |
- (3) Number of shares issued (common stock)
- | | |
|--|-------------------|
| (i) Number of shares issued at the end of the period (including treasury shares) | |
| As of June 30, 2024: | 65,689,033 shares |
| As of June 30, 2023: | 70,689,033 shares |
| (ii) Number of treasury shares at the end of the period | |
| As of June 30, 2024: | 1,949,482 shares |
| As of June 30, 2023: | 6,058,282 shares |
| (iii) Average number of shares of common stock during the period | |
| Three months ended June 30, 2024: | 64,267,621 shares |
| Three months ended June 30, 2023: | 64,627,650 shares |

Notes: The number of treasury shares at the end of the period includes the shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP). In addition, the number of treasury shares, which was to be deducted from the calculation of the average number of shares of common stock during the period, includes the shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

* Semi-annual financial results reports are exempt from interim audit conducted by certified public accountants or an audit firm.

* Explanation on appropriate use of earnings forecast and other special notes

Reason for not disclosing dividend forecast, etc.

We have adopted a basic policy of approximately maintaining a 50 percent dividend payout ratio by taking into account payout consistency, net asset position, and other managerial judgments based on our corporate philosophy of striving to act in the best interest of our shareholders.

As described in "3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)," we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2025 due to difficulty in forecasting earnings. However, for the three fiscal years under the Sixth Medium term Management Plan (from the fiscal year ended March 2023 to the fiscal year ending March 2025), the Company would like to express its gratitude to shareholders for their support thus far and has decided to set the minimum annual dividend per share at ¥20.00, taking into account the current state of net assets. We will promptly disclose the forecast amount at the timing when the second quarter-end and the fiscal year-end approach (during September 2024 and March 2025).

Interim audit of semi-annual financial results by certified public accountants or an audit firm

We will issue the quarterly non-consolidated financial results report with a review report after the review is completed. The date is scheduled for August 9, 2024.

Contents of Attached Materials

1. Overview of operating results, etc.	2
(1) Quarterly overview of operating results	2
(2) Quarterly overview of financial position	3
(3) Outlook	4
2. Quarterly non-consolidated financial statements and significant notes.....	5
(1) Quarterly non-consolidated balance sheets	5
(2) Quarterly non-consolidated statements of income.....	7
For the three months ended June 30, 2023 and 2024	7
(3) Notes to quarterly non-consolidated financial statements.....	8
Segment information, etc.	8
Significant changes in shareholders' equity.....	8
Going concern assumption	8
Non-consolidated statements of cash flow.....	8
3. Supplemental information.....	9
(1) Commission received.....	9
(2) Net trading income.....	9
(3) Stock trading volume (excluding futures trading).....	10
(4) Dealing volume of underwriting offering and secondary distribution.....	10
(5) Capital adequacy ratio.....	10
(6) Quarterly trends of operating results	11

1. Overview of operating results, etc.

(1) Overview of operating results

During the first three months ended June 30, 2024 (hereinafter the “period under review”), the Japanese economy had little sense of direction with a mix of positive and negative factors. Japan’s gross domestic product (GDP) in the January-March 2024 quarter showed negative growth in both nominal and real terms. Leading, coincident, and lagging diffusion indexes remained firm in April and the growth rate of in the national CPI (comprehensive, excluding fresh food and energy) gradually slowed until May. While real disposable income of working households was on the downturn trend until April, real consumer spending of working households went up for the first time in 13 months in March. Meanwhile, the Economy Watchers Survey DIs for both current and future economic conditions slowed down after hitting a recent peak in February.

In the U.S., the economy has been deteriorating. Although real GDP showed positive growth for seven consecutive quarters, the growth rate was sluggish in the January-March 2024 quarter. In addition, the pace of increase in core CPI has slowed down since April, compared with the January-March 2024 quarter, and the unemployment rate has been gradually increasing. In the Eurozone, real GDP returned to positive growth in the January-March 2024 quarter. The year-on-year growth rate of core CPI had been in decline until April, and the European Central Bank (ECB) cut interest rates at the Governing Council meeting in June for the first time in 57 months.

During the period under review, the domestic stock market stayed in a narrow range until late April. This was because persistent inflation dampened the expectations for an early interest rate cut in the U.S., which contributed to the sharp market rise from January to March, and there was a growing concern over the Middle East situation, including Israel’s attack on Iran. Subsequently, the Nikkei average generally remained range-bound between ¥38,000 and ¥39,000 with an eye on the long-term interest rate movements in Japan and the U.S., including a pause in the U.S. rate hike and a rise in Japanese interest rates due to observations of monetary policy normalization. Until late June, the index remained firm based on the higher stock prices due to renewed expectations for U.S. rate cut as well as the review of large value stocks. Reflecting these factors, the Nikkei average for the period under review ended at ¥39,583.08, down 1.9% from the end of March 2024.

Under these circumstances, we reported increases in both operating revenue and net operating revenue during the period under review, with operating revenue of ¥4,043 million (up 13.3% year-on-year) and net operating revenue of ¥4,031 million (up 13.4% year-on-year), which is the amount of operating revenue less financial expenses of ¥12 million (down 15.2% year-on-year). Selling, general and administrative expenses were ¥3,226 million (up 8.9% year-on-year). As a result, we reported operating profit of ¥805 million (up 35.9% year-on-year), ordinary profit of ¥1,022 million (up 33.4% year-on-year), and profit of ¥850 million (up 17.6% year-on-year).

Overview of the operating results are as shown below.

(i) Commission received

For the period under review, total “Commission received” was ¥3,579 million (up 21.2% year-on-year).

(a) Brokerage commission

“Brokerage commission” was ¥1,506 million (up 10.4% year-on-year). This was mainly due to an increase to ¥297.4 billion (up 17.4% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥1,499 million (up 10.3% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥7 million (up 24.4% year-on-year).

(b) Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors

“Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors” was ¥19 million (up 256.3% year-on-year).

(c) Fees for offering, secondary distribution and solicitation for selling and others for professional investors; and other fees received

“Fees for offering, secondary distribution and solicitation for selling and others for professional investors,” which mainly consists of investment trust sales commissions, was ¥815 million (up 20.1% year-on-year). This was due to strong sales of mutual funds that invest in stocks of U.S. companies with sustainable growth, mutual funds that invest in blue-chip companies listed on the financial instruments exchanges in the U.S. and around the world, and mutual funds that make investments in semiconductor companies listed on the world’s securities exchanges, mainly in Japan. In addition, “Other fees received” was ¥1,238 million (up 37.1% year-on-year) mainly due to increases in agency commission for investment trusts and commission for mutual fund wraps.

(ii) Net trading income

For the period under review, “Net trading income” was ¥378 million (down 30.0% year-on-year) consisting of net trading income for stocks of ¥317 million (down 33.9% year-on-year) due to a decrease in the trading volume of U.S. stocks and that for bonds and foreign exchanges of ¥60 million (up 1.9% year-on-year).

(iii) Financial revenue and expenses

For the period under review, “Financial revenue” was ¥79 million (up 12.0% year-on-year) mainly due to an increase in interest income, and “Financial expenses” was ¥12 million (down 15.2% year-on-year) mainly due to a decrease in cost of margin transactions, resulting in a net profit of ¥67 million (up 18.9% year-on-year).

(iv) Selling, general and administrative expenses

For the period under review, “Selling, general and administrative expenses” was ¥3,226 million (up 8.9% year-on-year). This was mainly attributable to increases in “Personnel expenses” such as provision for bonuses due to an increase in operating revenues as well as “Real estate expenses,” “Administrative outsourcing expenses,” and others.

(v) Extraordinary income and losses

For the period under review, “Extraordinary losses” solely consisted of “Provision of reserve for financial instruments transaction liabilities” of ¥6 million (compared to ¥– million for the same period a year earlier).

(2) Quarterly overview of financial position

(i) Current assets

At the end of the period under review, “Current assets” amounted to ¥60,041 million, an increase of ¥5,595 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥2,320 million in “Cash and deposits,” ¥2,004 million in “Cash segregated as deposits,” ¥1,662 million in “Advances paid,” ¥764 million in “Margin transaction assets,” and ¥179 million in “Cash paid for offering,” which were partially offset by a decrease of ¥1,538 million in “Trading products.”

(ii) Non-current assets

At the end of the period under review, “Non-current assets” amounted to ¥19,092 million, a decrease of ¥494 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥380 million in “Investment securities,” ¥60 million in “Long-term guarantee deposits,” and ¥36 million in “Property, plant and equipment.”

(iii) Current liabilities

At the end of the period under review, “Current liabilities” amounted to ¥32,415 million, an increase of ¥6,553 million from the end of the previous fiscal year. This was mainly attributable to increases of 5,740 million in “Deposits received,” ¥2,256 million in “Borrowings secured by securities,” ¥471 million in “Provision for share awards for employees,” and ¥41 million in “Guarantee deposits received,” which were partially offset by decreases of ¥1,055 million in “Income tax payable,” ¥401 million in “Margin transaction liabilities,” ¥279 million in “Provision for bonus,” and ¥243 million in “Other current liabilities.”

(iv) Non-current liabilities and reserves under special laws

At the end of the period under review, “Non-current liabilities” and “Reserves under special laws” collectively amounted to ¥4,676 million, a decrease of ¥668 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥373 million in “Provision for share awards for employees” due to a transfer to current liabilities, ¥141 million in “Deferred tax liabilities,” ¥106 million in “Provision for retirement benefits,” and ¥56 million in “Other non-current liabilities,” which was partially offset by an increase of ¥6 million in “Reserve for financial instruments transaction liabilities.”

(v) Net assets

At the end of the period under review, “Net assets” amounted to ¥42,042 million, a decrease of ¥784 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥1,287 million in “Other capital surplus,” ¥911 million in “Dividends of surplus,” and ¥248 million in “Valuation difference on available-for-sale securities,” which were partially offset by increases of ¥850 million in “Profit,” and ¥811 million in “Treasury shares.”

(3) Outlook

We are engaged in the financial instruments business, and thus, its earnings could fluctuate greatly depending on the stock market performance and other factors. We therefore do not disclose earnings forecasts.

We will promptly disclose the preliminary results figures when the operating results for each quarter are roughly estimated.

2. Quarterly non-consolidated financial statements and significant notes

(1) Quarterly non-consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2024)	Current quarter (As of June 30, 2024)
Assets		
Current assets:		
Cash and deposits	28,011	30,332
Cash segregated as deposits	14,433	16,438
Trading products:	1,827	288
Trading securities and other	1,825	286
Derivatives	1	1
Trade date accrual	6	1
Margin transaction assets:	7,020	7,784
Loans on margin transactions	6,862	7,701
Cash collateral pledged for securities borrowing on margin transactions	157	83
Advances paid	0	1,662
Cash paid for offering	1,692	1,872
Short-term guarantee deposits	651	722
Other current assets	802	939
Total current assets	54,446	60,041
Non-current assets:		
Property, plant and equipment:	3,742	3,706
Buildings	1,824	1,815
Other, net	1,917	1,891
Intangible assets	187	169
Investments and other assets:	15,656	15,215
Investment securities	14,950	14,569
Long-term guarantee deposits	678	617
Other	45	46
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	19,586	19,092
Total assets	74,033	79,134

(Millions of yen)

	Previous fiscal year (As of March 31, 2024)	Current quarter (As of June 30, 2024)
Liabilities		
Current liabilities:		
Margin transaction liabilities:	1,013	612
Borrowings on margin transactions	717	395
Cash received for securities lending on margin transactions	296	216
Borrowings secured by securities:	856	3,112
Cash received on debt credit transaction of securities	856	3,112
Deposits received:	17,758	23,498
Guarantee deposits received	417	459
Short-term borrowings	2,750	2,750
Income taxes payable	1,243	188
Provision for bonuses	659	379
Provision for bonuses for directors (and other officers)	–	23
Provision for share awards for employees	23	494
Provision for share awards for directors (and other officers)	7	7
Asset retirement obligations	39	40
Other current liabilities	1,092	849
Total current liabilities	25,861	32,415
Non-current liabilities:		
Deferred tax liabilities	2,493	2,352
Provision for retirement benefits	1,937	1,831
Provision for share awards for employees	373	–
Provision for share awards for directors (and other officers)	21	23
Asset retirement obligations	305	306
Other non-current liabilities	117	60
Total non-current liabilities	5,249	4,575
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	94	101
Total reserves under special laws	94	101
Total liabilities	31,205	37,091
Net assets		
Shareholders' equity:		
Share capital	12,272	12,272
Capital surplus:		
Legal capital surplus	4,294	4,294
Other capital surplus	1,969	682
Total capital surplus	6,264	4,977
Retained earnings:		
Other retained earnings:	18,413	18,352
General reserve	7,247	7,247
Retained earnings brought forward	11,166	11,105
Total retained earnings	18,413	18,352
Treasury shares	(1,441)	(630)
Total shareholders' equity	35,509	34,972
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	7,317	7,069
Total valuation and translation adjustments	7,317	7,069
Total net assets	42,827	42,042
Total liabilities and net assets	74,033	79,134

(2) Quarterly non-consolidated statements of income

For the three months ended June 30, 2023 and 2024

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Operating revenue		
Commission received:	2,952	3,579
Brokerage commission	1,365	1,506
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	5	19
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	678	815
Other fees received	903	1,238
Net trading income	539	378
Financial revenue	70	79
Other	6	6
Total operating revenue	3,570	4,043
Financial expenses	14	12
Net operating revenue	3,555	4,031
Selling, general and administrative expenses:		
Trading related expenses	266	282
Personnel expenses	1,721	1,890
Real estate expenses	307	359
Office expenses	438	461
Depreciation	89	90
Taxes and dues	85	87
Other	52	54
Total selling, general and administrative expenses	2,963	3,226
Operating profit	592	805
Non-operating income:		
Dividend income	125	187
Miscellaneous income	49	38
Total non-operating income	175	226
Non-operating expenses:		
Miscellaneous loss	2	9
Total non-operating expenses	2	9
Ordinary profit	766	1,022
Extraordinary income:		
Reversal of reserve for financial instruments transaction liabilities	9	–
Gain on sale of investment securities	224	–
Total extraordinary income	233	–
Extraordinary losses:		
Provision of reserve for financial instruments transaction liabilities	–	6
Impairment loss	6	–
Total extraordinary losses	6	6
Profit before income taxes	993	1,015
Income taxes - current	165	170
Income taxes - deferred	104	(5)
Total income taxes	270	164
Profit	723	850

(3) Notes to non-consolidated financial statements

The quarterly non-consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc. and accounting principles generally accepted in Japan for quarterly financial statements, applying the provisions for reduced disclosures as set forth in Article 4, Paragraph 2 of the Standards.

Segment information, etc.

The Company does not provide segment information because it has only a single business segment, which is the investment and financial services business.

Significant changes in shareholders' equity

Based on the resolution at the Board of Directors' meeting held on April 26, 2024, we acquired 897,600 shares of treasury stock and cancelled 5,000,000 shares as of May 24, 2024.

As a result, treasury stock was ¥630 million at the end of the period under review, with an increase by ¥477 million due to acquisition, partially offset by a decrease by ¥1,287 million due to cancellation. In addition, capital surplus was ¥4,977 million at the end the period under review, decreasing by ¥1,287 million during the period.

Going concern assumption

Not applicable

Non-consolidated statements of cash flow

Quarterly non-consolidated statements of cash flow for the period under review are not available. See below for the information on depreciation (including amortization on intangible assets) for the period under review.

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Depreciation	¥89 million	¥90 million

3. Supplemental information

(1) Commission received

(i) Commission by line item

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Year-on-year change (%)
Brokerage commission:	1,365	1,506	110.4
Stocks	[1,359]	[1,499]	110.3
Beneficiary certificates	[5]	[7]	124.4
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	5	19	356.3
Stocks	[1]	[1]	154.5
Bonds	[4]	[17]	402.8
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	678	815	120.1
Other fees received	903	1,238	137.1
Total	2,952	3,579	121.2

(ii) Commission by product

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Year-on-year change (%)
Stocks	1,362	1,502	110.3
Bonds	4	19	410.5
Beneficiary certificates	1,576	2,053	130.2
Other	9	4	53.3
Total	2,952	3,579	121.2

(2) Net trading income

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Year-on-year change (%)
Stocks, etc.	480	317	66.1
Bonds, foreign exchange, etc.:	59	60	101.9
Bonds, etc.	[(9)]	[(3)]	—
Foreign exchange, etc.	[69]	[63]	91.8
Total	539	378	70.0

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)		For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	114	288,242	118	321,983	103.5	111.7
Brokerage	[111]	[253,254]	[118]	[297,426]	[105.8]	[117.4]
Dealing	[3]	[34,987]	[0]	[24,557]	[21.7]	[70.2]
Brokerage (%)	97.3	87.9	99.4	92.4		
Exchange participation share (%)	0.05	0.04	0.04	0.03		
Brokerage commission per stock on client transaction (Yen)		12.16		12.68		

(4) Dealing volume of underwriting, public offering and secondary distribution

(Thousands of shares, Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)		For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Underwriting:						
Stock (Number of shares)		17		91		513.6
Stock (Amount)		20		73		354.3
Bond (Face value)		375		2,050		546.7
Beneficiary certificates (Amount)		–		–		–
Commercial paper & foreign securities (Face value)		–		–		–
Offering and secondary distribution						
Stock (Number of shares)		16		50		315.4
Stock (Amount)		18		34		186.2
Bond (Face value)		375		2,096		558.9
Beneficiary certificates (Amount)		106,368		114,295		107.5
Commercial paper & foreign securities (Face value)		–		–		–

Note: The dealing volume of offering and secondary distribution includes the amount of secondary distribution and the dealing volume of private offering.

(5) Capital adequacy ratio

(Millions of yen)

		Previous fiscal year (As of March 31, 2024)	Current quarter (As of June 30, 2024)
Basic items (A)		34,597	34,972
Complementary items	Valuation difference on available-for-sale securities	7,317	7,069
	Reserve for financial instruments transaction liabilities	94	101
	Total (B)	7,412	7,170
Deductible assets (C)		5,687	5,571
Unfixed equity capital (A) + (B) – (C) (D)		36,322	36,571
Risk items	Market risk	2,243	1,946
	Counterparty risk	315	799
	Basic risk	2,735	2,966
	Total (E)	5,294	5,711
Capital adequacy ratio (%) (D) / (E) × 100		686.0	640.2

Note: Treasury shares, which were to be deducted from the calculation of the basic items, include the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

(6) Quarterly trends of operating results

(Millions of yen)

	Previous fiscal year				Current fiscal year
	1st quarter (Apr. 1, 2023– Jun. 30, 2023)	2nd quarter (Jul. 1, 2023– Sep. 30, 2023)	3rd quarter (Oct. 1, 2023– Dec. 31, 2023)	4th quarter (Jan. 1, 2024– Mar. 31, 2024)	1st quarter (Apr. 1, 2024– Jun. 30, 2024)
Operating revenue:					
Commission received	2,952	3,051	2,910	3,860	3,579
Net trading income	539	294	204	431	378
Financial revenue	70	68	68	74	79
Other	6	6	6	6	6
Total operating revenue	3,570	3,420	3,190	4,373	4,043
Financial expenses	14	13	11	12	12
Net operating revenue	3,555	3,406	3,178	4,361	4,031
Selling, general and administrative expenses:					
Trading related expenses	266	273	283	311	282
Personnel expenses	1,721	1,733	1,658	1,929	1,890
Real estate expenses	307	350	350	370	359
Office expenses	438	414	425	460	461
Depreciation	89	90	91	93	90
Taxes and dues	85	46	47	59	87
Other	52	48	50	57	54
Total selling, general and administrative expenses	2,963	2,957	2,908	3,282	3,226
Operating profit	592	449	270	1,078	805
Non-operating income	175	59	144	46	226
Non-operating expenses	2	1	1	8	9
Ordinary profit	766	507	413	1,116	1,022
Extraordinary income:					
Reversal of reserve for financial instruments transaction liabilities	9	3	2	(9)	–
Gain on sale of investment securities	224	–	–	404	–
Total extraordinary income	233	3	2	395	–
Extraordinary losses:					
Provision of reserve for financial instruments transaction liabilities	–	–	–	–	6
Impairment loss	6	–	–	–	–
Total extraordinary losses	6	–	–	–	6
Profit before income taxes	993	511	416	1,511	1,015
Income taxes - current	165	307	24	685	170
Income taxes - deferred	104	(118)	117	(189)	(5)
Total income taxes	270	189	141	496	164
Profit	723	322	274	1,015	850