



Non-consolidated Financial Results
for the Six Months Ended September 30, 2023
(Under Japanese GAAP)

October 30, 2023

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 Preparation of supplementary briefing material on quarterly financial results: None
 Investors meeting presentation for quarterly financial results: None

(Note) Amounts less than one million yen have been omitted.

1. Non-consolidated financial results for the six months ended September 30, 2023
(from April 1, 2023 to September 30, 2023)

(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	%
Six months ended										
September 30, 2023	6,990	21.1	6,962	21.2	1,042	—	1,273	435.0	1,045	516.0
September 30, 2022	5,770	(19.6)	5,742	(19.7)	(34)	—	238	(81.0)	169	(81.4)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2023	16.18	—
September 30, 2022	2.64	—

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%	%
September 30, 2023	69,409	40,090	57.8	741.9
March 31, 2023	61,564	39,024	63.4	695.7

Reference: Capital (Shareholders' equity + Valuation and translation adjustments):
 As of September 30, 2023: ¥40,090 million As of March 31, 2023: ¥39,024 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year	Yen	Yen	Yen	Yen	Yen
Ended March 31, 2023	—	2.00	—	20.00	22.00
Ending March 31, 2024	—	10.00	—	—	—
Ending March 31, 2024 (forecast)	—	—	—	—	—

(Note) Although we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2024, 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, 2024
(from April 1, 2023 to March 31, 2024)

We do not disclose earnings forecast because our earnings could fluctuate greatly depending on the stock market trend and other factors.

We will promptly disclose the preliminary results figures when the operating results will be substantially finalized.

[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 September 30, 2023: 70,689,033 shares

As of March 31, 2023: 70,689,033 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2023: 6,059,892 shares

As of March 31, 2023: 6,061,329 shares

- (iii) Average number of shares of common stock during the period

Six months ended September 30, 2023: 64,627,695 shares

Six months ended September 30, 2022: 64,241,718 shares

Note: 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.

* This financial results report is not subject to quarterly review procedures to be performed 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 maintaining approximately 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, 2024 (from April 1, 2023 to March 31, 2024)," we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2024 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 2023 and March 2024).

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1. Overview of operating results, etc.

(1) Quarterly overview of operating results

During the first six months ended September 30, 2023 (hereinafter the “period under review”), Japan’s economy was on an expansionary trend, with both nominal and real gross domestic product (GDP) showing positive year-on-year growth for three consecutive quarters until, and including, the April-June period of 2023, with GDP (annualized) for the same period reaching ¥589 trillion in nominal terms and ¥558 trillion in real terms, both reaching record highs. In addition, while the consumer price index (composite, excluding fresh food and energy) has continued to rise more than 4% year-on-year since April, real disposable income of working households has remained negative year-on-year since October 2022, resulting in a situation where the overall economic trend and the actual living experience diverge. In the U.S. economy, real GDP has been on an expansionary trend with positive growth for four consecutive quarters until, and including, the April-June period of 2023, but the Federal Reserve Board (FRB) left its policy rate unchanged at the Federal Open Market Committee (FOMC) meeting in September as the pace of consumer price increases slowed. In Europe, the European Central Bank (ECB) continued to raise interest rates in response to rising prices amid two consecutive quarters of slightly positive real GDP growth in the January–March and April–June periods of 2023. However, the eurozone economic sentiment indicator remained on a downward trend and the M3 money supply dropped to a record low in August, raising concerns about a future economic slump.

During the period under review, the domestic stock market was on an upward trend until mid-June, but subsequently remained range-bound. The Tokyo Stock Exchange's request for improvement in low P/B ratios, a prominent U.S. investor known for his long-term investments in undervalued stocks who has announced his intention to make additional investments in Japanese stocks, and the yen's depreciation provided a tailwind, but the Bank of Japan’s decision to flexibly manage long- and short-term interest rates at its monetary policy meeting in late July, concerns about the outlook for the Chinese economy, rising U.S. long-term interest rates, and rising oil prices all weighed on the market. Reflecting these conditions, the Nikkei ended the period under review at ¥31,857.62, up 13.6% from the end of March 2023.

Under these circumstances, we reported increases in both operating revenue and net operating revenue during the period under review, with operating revenue of ¥6,990 million (up 21.1% year-on-year) and net operating revenue of ¥6,962 million (up 21.2% year-on-year), which is the amount of operating revenue less financial expenses of ¥27 million (up 1.2% year-on-year). Furthermore, selling, general and administrative expenses were ¥5,920 million (up 2.5% year-on-year). As a result, we reported an operating profit of ¥1,042 million (compared to an operating loss of ¥34 million for the same period a year earlier), and an ordinary profit of ¥1,273 million (up 435.0% year-on-year). After extraordinary income of ¥237 million (compared to ¥– million for the same period a year earlier), extraordinary losses of ¥6 million (compared to ¥56 million for the same period a year earlier), and tax expenses of ¥459 million (up 3,627.8% year-on-year), profit was ¥1,045 million (up 516.0% year-on-year).

Overview of the operating results are as shown below.

(i) Commission received

For the period under review, total “Commission received” was ¥6,004 million (up 22.4% year-on-year).

(a) Brokerage commission

“Brokerage commission” was ¥2,642 million (up 36.9% year-on-year). This was mainly due to an increase to ¥498.6 billion (up 34.3% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥2,631 million (up 38.0% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥10 million (down 54.9% 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 ¥9 million (up 154.6% 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 consist of investment trust sales commissions, were ¥1,450 million (up 19.2% year-on-year). This was due to strong sales of investment trusts that invest in mid-cap stocks listed on Indian exchanges, investment trusts that actively invest in stocks with high expected dividend yields in Japan with the goal of growing investment trust assets, and investment trusts that invest mainly in Japanese companies with advanced technology and brand power that are expected to be active globally in the future. In addition, “Other fees received” were ¥1,901 million (up 8.5% year-on-year) mainly due to increases in commission for mutual fund wraps and agency commission for investment trusts.

- (ii) Net trading income
For the period under review, “Net trading income” was ¥834 million (up 9.9% year-on-year) consisting of net trading income for stocks of ¥741 million (up 38.4% year-on-year) due to an increase in the trading volume of US stocks and net trading income for bonds and foreign exchange of ¥93 million (down 58.2% year-on-year).
- (iii) Financial revenue and expenses
For the period under review, “Financial revenue” was ¥70 million (up 58.8% year-on-year) due to an increase in interest income, and “Financial expenses” were ¥14 million (up 11.6% year-on-year) due to an increase in the cost of margin transactions, resulting in a net profit of ¥56 million (up 78.0% year-on-year).
- (iv) Selling, general and administrative expenses
For the period under review, “Selling, general and administrative expenses” were ¥2,963 million (up 3.1% year-on-year). This was mainly attributable to a decrease in “Real estate expenses” and an increase in “Personnel expenses” such as addition to provision for bonuses due to higher operating revenue.
- (v) Extraordinary income and losses
For the period under review, “Extraordinary income” consisted of ¥224 million in “Gain on sale of investment securities” (compared to ¥– million for the same period a year earlier) and ¥9 million in “Reversal of reserve for financial instruments transaction liabilities” (compared to ¥– million for the same period a year earlier). “Extraordinary losses” was ¥6 million (compared to ¥– million for the same period a year earlier), and consisted solely of “Impairment loss.” As a result, net extraordinary income was ¥227 million (net losses of ¥0 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 ¥54,363 million, an increase of ¥5,939 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥3,305 million in “Cash paid for offering,” ¥2,310 million in “Cash segregated as deposits,” and ¥1,992 million in “Cash and deposits,” which were partially offset by a decrease of ¥1,553 million in “Trading products.”
- (ii) Non-current assets
At the end of the period under review, “Non-current assets” amounted to ¥13,849 million, an increase of ¥709 million from the end of the previous fiscal year. This was mainly attributable to an increase of ¥775 million in “Investment securities.”
- (iii) Current liabilities
At the end of the period under review, “Current liabilities” amounted to ¥24,818 million, an increase of ¥6,107 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥5,454 million in “Deposits received,” ¥581 million in “Margin trading liabilities,” ¥163 million in “Income taxes payable,” and ¥112 million in “Guarantee deposits received,” which were partially offset by a decrease of ¥245 million in “Borrowings secured by securities.”
- (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 ¥4,308 million, an increase of ¥479 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥462 million in “Deferred tax liabilities” and ¥31 million in “Provision for share awards for employees.”
- (v) Net assets
At the end of the period under review, “Net assets” amounted to ¥39,085 million, an increase of ¥61 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥723 million in “Profit” and ¥640 million in “Valuation difference on available-for-sale securities,” which were partially offset by a decrease of ¥1,302 million in “Dividends of surplus.”

(3) Quarterly overview of cash flows

“Cash and cash equivalents at end of period” of the period under review increased by ¥5,355 million from the end of the previous fiscal year to ¥27,313 million.

Cash flows from operating activities

“Net cash provided by operating activities” for the period under review amounted to ¥5,834 million, an increase of ¥4,547 million from ¥1,287 of “Net cash provided by operating activities” for the previous fiscal year. This cash inflow was mainly attributable to an increase of ¥5,583 million in “Deposits and guarantee deposits received,” an increase of ¥1,611 million in “Trading products - assets (liabilities),” and the recording of ¥1,505 million in “Profit before income taxes,” which were partly offset by a decrease of ¥1,300 million in “Cash segregated as deposits for customers,” a decrease of ¥1,175 million in “Margin transaction assets/liabilities,” and a decrease of ¥462 million in “Deposits paid for underwritten offering, etc.”

Cash flows from investing activities

“Net cash provided by investing activities” for the period under review amounted to ¥726 million, an increase of ¥1,290 million from ¥563 million of “Net cash used in investing activities” for the previous fiscal year. This cash inflow was mainly attributable to “Proceeds from sale of investment securities” of ¥449 million and “Proceeds from refund of leasehold deposits” of ¥333 million, which were partly offset by “Purchase of property, plant and equipment” of ¥44 million.

Cash flows from financing activities

“Net cash used in financing activities” for the period under review amounted to ¥1,299 million, a decrease of ¥837 million from ¥461 million of “Net cash used in financing activities” for the previous fiscal year. This cash outflow was mainly attributable to “Dividends paid” of ¥1,295 million.

(4) 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.

Instead, every quarter, we will disclose preliminary forecast figures as soon as the operating results are finalized. The disclosure of such preliminary figures is scheduled at the end of each quarter or the middle of the month immediately following the end of each fiscal year.

4. Quarterly non-consolidated financial statements and significant notes

(1) Quarterly non-consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2023)	Current quarter (As of September 30, 2023)
Assets		
Current assets:		
Cash and deposits	21,958	27,313
Cash segregated as deposits	11,923	13,234
Trading products:	1,812	243
Trading securities and other	1,812	242
Derivatives	0	0
Trade date accrual	37	-
Margin transaction assets:	6,904	8,208
Margin loans	6,766	7,935
Cash collateral provided for securities borrowed in margin transactions	138	273
Deposits paid for underwritten offering, etc.	1,681	2,144
Short-term guarantee deposits	973	650
Income taxes refund receivable	250	0
Securities	2,010	2,003
Other current assets	869	921
Total current assets	48,424	54,719
Non-current assets:		
Property, plant and equipment:	3,945	3,839
Buildings	1,921	1,874
Other, net	2,024	1,964
Intangible assets	257	215
Investments and other assets:	8,937	10,634
Investment securities	8,242	9,937
Long-term guarantee deposits	665	666
Other	46	48
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	13,139	14,689
Total assets	61,564	69,409

(Millions of yen)

	Previous fiscal year (As of March 31, 2023)	Current quarter (As of September 30, 2023)
Liabilities		
Current liabilities:		
Trade date accrual	–	4
Margin transaction liabilities:	860	988
Margin borrowings	569	526
Cash received for securities sold in margin transactions	291	461
Borrowings secured by securities:	1,942	1,515
Cash collateral received for securities lent	1,942	1,515
Deposits received	11,853	17,360
Guarantee deposits received	306	382
Short-term borrowings	2,750	2,750
Income taxes payable	26	535
Provision for bonuses	408	613
Provision for bonuses for directors (and other officers)	–	28
Other current liabilities	562	705
Total current liabilities	18,710	24,884
Non-current liabilities:		
Deferred tax liabilities	1,094	1,670
Provision for retirement benefits	2,137	2,050
Provision for share awards for employees	85	188
Provision for share awards for directors (and other officers)	15	17
Asset retirement obligations	327	330
Other non-current liabilities	67	89
Total non-current liabilities	3,727	4,346
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	101	88
Total reserves under special laws	101	88
Total liabilities	22,540	29,319
Net assets		
Shareholders' equity:		
Share capital	12,272	12,272
Capital surplus:		
Legal capital surplus	4,294	4,294
Other capital surplus	1,969	1,969
Total capital surplus	6,264	6,264
Retained earnings:		
Other retained earnings:	18,031	17,774
General reserve	7,247	7,247
Retained earnings brought forward	10,783	10,527
Total retained earnings	18,031	17,774
Treasury shares	(1,442)	(1,442)
Total shareholders' equity	35,126	34,869
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	3,897	5,220
Total valuation and translation adjustments	3,897	5,220
Total net assets	39,024	40,090
Total liabilities and net assets	61,564	69,409

(2) Quarterly non-consolidated statements of income

For the six months ended September 30, 2023

	(Millions of yen)	
	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Operating revenue		
Commission received:	4,904	6,004
Brokerage commission	1,930	2,642
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	3	9
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,217	1,450
Other commission received	1,752	1,901
Net trading income	759	834
Financial revenue	93	139
Other	13	12
Total operating revenue	5,770	6,990
Financial expenses	27	27
Net operating revenue	5,742	6,962
Selling, general and administrative expenses:		
Trading related expenses	479	540
Personnel expenses	3,199	3,455
Real estate expenses	775	657
Office expenses	870	853
Depreciation	226	180
Taxes and dues	112	132
Other	113	101
Total selling, general and administrative expenses	5,776	5,920
Operating profit (loss)	(34)	1,042
Non-operating income:		
Dividend income	184	137
Miscellaneous income	88	98
Total non-operating income	272	235
Non-operating expenses:		
Miscellaneous loss	0	4
Total non-operating expenses	0	4
Ordinary profit	238	1,273
Extraordinary income:		
Reversal of reserve for financial instruments transaction liabilities	-	13
Gain on sale of investment securities	-	224
Total extraordinary income	-	237
Extraordinary losses:		
Provision of reserve for financial instruments transaction liabilities	0	-
Impairment loss	-	6
Head office relocation expenses	56	-
Total extraordinary losses	56	6
Profit before income taxes	182	1,505
Income taxes - current	12	473
Income taxes - deferred	0	(14)
Total income taxes	12	459
Profit	169	1,045

(3) Quarterly non-consolidated statements of cash flows

(Millions of yen)

	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Cash flows from operating activities:		
Profit before income taxes	182	1,505
Depreciation	226	180
Impairment loss	–	6
Increase (decrease) in provision for retirement benefits	(20)	(87)
Increase (decrease) in provision for bonuses	(65)	205
Increase (decrease) in provision for bonuses for directors (and other officers)	5	28
Increase (decrease) in provision for share-based remuneration for employees	(244)	103
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	(0)	2
Increase (decrease) in reserve for financial instruments transaction liabilities	0	(13)
Interest and dividend income	(279)	(279)
Interest expenses	27	27
Loss (gain) on sale of investment securities	–	(224)
Head office relocation expenses	56	–
Decrease (increase) in cash segregated as deposits for customers	1,400	(1,300)
Decrease (increase) in trading products - assets (liabilities)	(1,400)	1,611
Decrease/increase in margin transaction assets/liabilities	1,116	(1,175)
Decrease (increase) in short-term guarantee deposits	38	(3)
Decrease (increase) in deposits paid for underwritten offering, etc.	(923)	(462)
Increase (decrease) in borrowings secured by securities	279	(426)
Increase (decrease) in deposits and guarantee deposits received	482	5,583
Decrease (increase) in advance paid	307	(178)
Increase/decrease in other assets/liabilities	(16)	234
Subtotal	1,171	5,334
Interest and dividends received	281	266
Interest paid	(26)	(27)
Head office relocation expenses paid	(36)	–
Income taxes paid	(102)	(39)
Income taxes refund	–	300
Net cash provided by (used in) operating activities	1,287	5,834
Cash flows from investing activities:		
Purchase of investment securities	(114)	–
Proceeds from sale of investment securities	–	449
Purchase of property, plant and equipment	(220)	(44)
Purchase of intangible assets	(58)	(2)
Payments for retirement of property, plant and equipment	(12)	(2)
Payments for asset retirement obligations	(11)	–
Loan advances	(7)	(1)
Proceeds from collection of loans receivable	7	4
Proceeds from refund of leasehold deposits	6	333
Payments of leasehold deposits	(154)	(6)
Other, net	2	(2)
Net cash provided by (used in) investing activities	(563)	726

	(Millions of yen)	
	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Cash flows from financing activities:		
Purchase of treasury shares	(69)	(0)
Dividends paid	(389)	(1,295)
Other, net	(3)	(3)
Net cash provided by (used in) financing activities	(461)	(1,299)
Effect of exchange rate change on cash and cash equivalents	229	93
Net increase (decrease) in cash and cash equivalents	491	5,355
Cash and cash equivalents at beginning of period	22,723	21,958
Cash and cash equivalents at end of period	23,214	27,313

(4) Notes to quarterly non-consolidated financial statements

Going concern assumption

Not applicable.

Significant changes in shareholders' equity

Not applicable.

5. Supplemental information

(1) Commission received

(i) Commission by line item

(Millions of yen)

	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Year-on-year change (%)
Brokerage commission:	1,930	2,642	136.9
Stocks	[1,907]	[2,631]	138.0
Beneficiary certificates	[22]	[10]	45.1
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	3	9	254.6
Stocks	[3]	[4]	140.3
Bonds	[0]	[5]	812.4
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,217	1,450	119.2
Other commission received	1,752	1,901	108.5
Total	4,904	6,004	122.4

(ii) Commission by product

(Millions of yen)

	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Year-on-year change (%)
Stocks	1,915	2,641	137.9
Bonds	1	5	473.4
Beneficiary certificates	2,967	3,340	112.6
Other	19	16	81.2
Total	4,904	6,004	122.4

(2) Net trading income

(Millions of yen)

	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Year-on-year change (%)
Stocks, etc.	535	741	138.4
Bonds, foreign exchange, etc.:	223	93	41.8
Bonds, etc.	[194]	[(3)]	–
Foreign exchange, etc.	[28]	[97]	336.3
Total	759	834	109.9

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)		For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	198	409,813	228	552,591	115.3	134.8
Brokerage	[196]	[371,259]	[225]	[498,679]	[114.5]	[134.3]
Dealing	[1]	[38,554]	[3]	[53,912]	[198.4]	[139.8]
Brokerage (%)	99.0	90.6	98.3	90.2		
Exchange participation share (%)	0.05	0.04	0.04	0.04		
Brokerage commission per stock on client transaction (yen)		9.70		11.69		

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

(Thousands of shares, Millions of yen)

	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	Year-on-year change (%)
Underwriting:			
Stock (Number of shares)	88	59	67.4
Stock (Amount)	55	121	219.6
Bond (Face value)	150	525	350.0
Beneficiary certificates (Amount)	–	–	–
Commercial paper & foreign securities (Face value)	–	–	–
Offering and secondary distribution			
Stock (Number of shares)	93	46	49.0
Stock (Amount)	57	95	165.4
Bond (Face value)	139	508	364.2
Beneficiary certificates (Amount)	156,213	191,869	122.8
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 unless otherwise indicated)

		Previous fiscal year (As of March 31, 2023)	Current quarter (As of September 30, 2023)
Basic items (A)		33,823	34,218
Complementary items	Valuation difference on available-for-sale securities	3,897	5,220
	Reserve for financial instruments transaction liabilities	101	88
	Total (B)	3,999	5,308
Deductible assets (C)		5,738	5,662
Unfixed equity capital (A) + (B) – (C) (D)		32,084	33,864
Risk items	Market risk	1,444	1,446
	Counterparty risk	304	386
	Basic risk	2,862	2,731
	Total (E)	4,611	4,564
Capital adequacy ratio (%) (D) / (E) × 100		695.7	741.9

Note: The number of treasury shares, which was to be deducted from the calculation of basic items, 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.

(6) Quarterly trends of operating results

(Millions of yen)

	Previous fiscal year			Current fiscal year	
	2nd quarter (Jul. 1, 2022– Sep. 30, 2022)	3rd quarter (Oct. 1, 2022– Dec. 31, 2022)	4th quarter (Jan. 1, 2023– Mar. 31, 2023)	1st quarter (Apr. 1, 2023– Jun. 30, 2023)	2nd quarter (Jul. 1, 2023– Sep. 30, 2023)
Operating revenue:					
Commission received	2,581	2,311	2,371	2,952	3,051
Net trading income	466	244	376	539	294
Financial revenue	49	52	56	70	68
Other	6	6	6	6	6
Total operating revenue	3,104	2,615	2,810	3,570	3,420
Financial expenses	14	14	13	14	13
Net operating revenue	3,089	2,600	2,796	3,555	3,406
Selling, general and administrative expenses:					
Trading related expenses	251	240	277	266	273
Personnel expenses	1,649	1,523	1,589	1,721	1,733
Real estate expenses	368	389	353	307	350
Office expenses	407	411	444	438	414
Depreciation	113	117	99	89	90
Taxes and dues	46	44	41	85	46
Other	66	61	36	52	48
Total selling, general and administrative expenses	2,902	2,788	2,843	2,963	2,957
Operating profit (loss)	186	(187)	(46)	592	449
Non-operating income	53	160	45	175	59
Non-operating expenses	(2)	1	22	2	1
Ordinary profit (loss)	242	(28)	(23)	766	507
Extraordinary income:					
Reversal of reserve for financial instruments transaction liabilities	–	–	–	9	3
Gain on sale of investment securities	–	738	106	224	–
Total extraordinary income	–	738	106	233	3
Extraordinary losses:					
Provision of reserve for financial instruments transaction liabilities	0	(0)	(0)	–	–
Head office relocation expenses	56	143	0	–	–
Impairment loss	–	–	–	6	–
Total extraordinary losses	56	143	0	6	–
Profit before income taxes	186	566	83	993	511
Income taxes - current	5	4	10	165	307
Income taxes - deferred	53	110	(78)	104	(118)
Total income taxes	59	114	(68)	270	189
Profit	127	451	152	723	322