



Non-consolidated Financial Results
for the Six Months Ended September 30, 2021
(Under Japanese GAAP)

October 28, 2021

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 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, 2021
(from April 1, 2021 to September 30, 2021)

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

Six months ended	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	%
September 30, 2021	7,176	(4.1)	7,148	(4.0)	1,012	(20.6)	1,250	(15.5)	911	(10.7)
September 30, 2020	7,484	40.6	7,448	40.9	1,274	–	1,479	–	1,020	–

Six months ended	Basic earnings per share	Diluted earnings per share
September 30, 2021	Yen 14.23	Yen –
September 30, 2020	15.87	–

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%	%
September 30, 2021	76,077	39,993	52.6	678.1
March 31, 2021	71,912	39,709	55.2	697.1

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

As of September 30, 2021: ¥39,993 million As of March 31, 2021: ¥39,709 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, 2021	–	6.00	–	10.00	16.00
Ending March 31, 2022	–	8.00	–	–	–
Ending March 31, 2022 (forecast)	–	–	–	–	–

(Note 1) Breakdown of fiscal year-end dividends for the fiscal year ended March 31, 2021

Ordinary dividend: ¥8.00 per share

Commemorative dividend: ¥2.00 per share (to commemorate the 100th anniversary of the Company's founding)

(Note 2) Breakdown of second quarter-end dividends for the fiscal year ending March 31, 2022

Ordinary dividend: ¥6.00 per share

Commemorative dividend: ¥2.00 per share (to commemorate the 100th anniversary of the Company's founding)

(Note 3) We have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2022. You can find the reason and other information in "Explanation on appropriate use of earnings forecast and other special notes" on the second page of this Summary Information.

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2022
(from April 1, 2021 to March 31, 2022)

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 rather adversely affect the investment decision of our shareholders and investors.

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: Yes
 - (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

Note: For more details, please see page 10 *Changes in accounting policies* of the Attached Materials.

- (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, 2021: 70,689,033 shares
 - As of March 31, 2021: 70,689,033 shares
 - (ii) Number of treasury shares at the end of the period
 - As of September 30, 2021: 6,834,335 shares
 - As of March 31, 2021: 6,390,853 shares
 - (iii) Average number of shares of common stock during the period
 - Six months ended September 30, 2021: 64,037,018 shares
 - Six months ended September 30, 2020: 64,289,145 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.

* 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 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, 2022 (from April 1, 2021 to March 31, 2022)," we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2022 due to difficulty in forecasting earnings. We will promptly disclose the forecast amount at the timing when the second quarter-end and the fiscal year-end approach (during September 2021 and March 2022).

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	5
(4) Risk information on COVID-19 infection	5
2. Quarterly non-consolidated financial statements and significant notes	6
(1) Quarterly non-consolidated balance sheets	6
(2) Quarterly non-consolidated statements of income	8
For the six months ended September 30, 2020 and 2021	8
(3) Quarterly non-consolidated statements of cash flows	9
(4) Notes to quarterly non-consolidated financial statements	10
Going concern assumption	10
Significant changes in shareholders' equity	10
Changes in accounting policies	10
3. Supplemental information	11
(1) Commission received	11
(2) Net trading income	11
(3) Stock trading volume (excluding futures trading)	12
(4) Dealing volume of underwriting, offering and secondary distribution	12
(5) Capital adequacy ratio	12
(6) Quarterly trends of operating results	13

1. Overview of operating results, etc.

(1) Quarterly overview of operating results

During the first six months ended September 30, 2021 (hereinafter the “period under review”), Japan’s economy continued to recover from the negative impact of COVID-19. Although the area covered by the declaration of a state of emergency was expanded in the summer, the composite index (CI) of leading economic indicators maintained an improving trend after topping 100 in March 2021 for the first time since June 2018. The year-on-year rate of change in the monthly number of effective job offers has also turned positive since May, so certain economic indicators pointed to a recovery track.

Meanwhile, overseas, demand recovered as economic activity has normalized with the progress in vaccine rollouts. However, prices have been on an upward trend due to supply problems including in terms of logistics, and monetary tightening has been implemented in some countries, especially in emerging countries. Globally, the number of policy rate hikes by central banks this year has outpaced the number of cuts for the first time in three years, which indicates that change is afoot for monetary policy, which has exclusively comprised loosening for some time.

During the period under review, the domestic stock markets stagnated from April to June, then adjusted substantially in July in response to the spread of COVID-19. In late August, after companies announced their financial results for the April to June period, the Nikkei Stock Average hit its lowest for the year, but turned around after Fed Chair Powell’s speech at the Jackson Hole conference in the U.S. at the end of August and the announcement of Prime Minister Suga’s resignation in early September, and reached its highest level in about 31 years on September 14. Subsequently, the Nikkei Stock Average ended the second quarter at 29,452.66 yen, 0.9% higher from the end of March 2021, although the markets showed signs of adjustment toward the end of September as investors were put off by real estate problems in China and rising U.S. long-term interest rates.

Under these circumstances, we reported decreases in both operating revenue and net operating revenue during the period under review, with operating revenue of ¥7,176 million (down 4.1% year-on-year) and net operating revenue of ¥7,148 million (down 4.0% year-on-year), which is the amount of operating revenue less financial expenses of ¥27 million (down 21.6% year-on-year). Selling, general and administrative expenses were ¥6,135 million (down 0.6% year-on-year). As a result, we reported operating profit of ¥1,012 million (down 20.6% year-on-year), ordinary profit of ¥1,250 million (down 15.5% year-on-year), and profit of ¥911 million (down 10.7% year-on-year). Note that due to the application of “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”), etc., operating revenue, net operating revenue, and selling, general and administrative expenses each decreased by ¥43 million. Nevertheless, there was no impact of the application on operating profit, ordinary profit, and profit.

Overview of the operating results are as shown below.

(i) Commission received

During the period under review, total “Commission received” was ¥6,411 million (down 3.2% year-on-year). Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Commission received” decreased by ¥43 million.

(a) Brokerage commission

“Brokerage commission” was ¥3,033 million (down 19.4% year-on-year). This was mainly due to a decrease to ¥479.0 billion (down 14.1% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥3,009 million (down 18.7% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥23 million (down 62.3% year-on-year). Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Brokerage commission” decreased by ¥3 million.

(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 ¥39 million (up 20.7% year-on-year).

(c) Fees for offering, secondary distribution and solicitation for selling and others for professional investors “Fees for offering, secondary distribution and solicitation for selling and others for professional investors,” which mainly consist of investment trust sales commissions, was ¥1,494 million (up 3.4% year-on-year). This was due to strong sales of investment trusts that invest in stocks of AI-related companies across the world, sustainable growth companies in the United States, and growth companies in Japan. In addition, “Other fees received” was ¥1,844 million (up 33.7% year-on-year) mainly due to increases in agency commission for investment trusts and commission for mutual fund wraps. Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Fees for offering, secondary distribution and solicitation for selling and others for professional investors” decreased by ¥7 million and “Other fees received” decreased by ¥32 million.

(ii) Net trading income

During the period under review, “Net trading income” was ¥645 million (down 14.0% year-on-year) consisting of net trading income for stocks of ¥467 million (down 24.9% year-on-year) due to a decrease in the trading volume US stocks and that for bonds and foreign exchanges of ¥177 million (up 39.7% year-on-year).

(iii) Financial revenue and expenses

During the period under review, “Financial revenue” was ¥107 million (up 13.9% year-on-year) due to an increase in income from margin transactions, and “Financial expenses” was ¥27 million (down 21.6% year-on-year) due to a decrease in cost of margin transactions, resulting in a net profit of ¥79 million (up 35.5% year-on-year).

(iv) Selling, general and administrative expenses

During the period under review, “Selling, general and administrative expenses” were ¥6,135 million (down 0.6% year-on-year). This was mainly attributable to a decrease in “Office expenses,” which was partially offset by an increase in “Real estate expenses.” Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Selling, general and administrative expenses” decreased by ¥43 million.

(v) Extraordinary income and losses

“Extraordinary losses” for the period under review totaled ¥5 million (¥5 million for the same period a year earlier), and consisted solely of “Impairment loss.”

(2) Quarterly overview of financial position

(i) Current assets

At the end of the period under review, “Current assets” amounted to ¥59,162 million, an increase of ¥3,919 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥4,585 million in “Cash and deposits,” ¥403 million in “Margin transaction assets,” and ¥379 million in “Trading products,” which were partially offset by decreases of ¥1,301 million in “Cash segregated as deposits” and ¥214 million in “Cash paid for offering.”

(ii) Non-current assets

At the end of the period under review, “Non-current assets” amounted to ¥16,915 million, an increase of ¥245 million from the end of the previous fiscal year. This was mainly attributable to an increase of ¥384 million in “Investment securities,” which was partially offset by decreases of ¥80 million in “Property, plant and equipment,” and ¥40 million in “Long-term guarantee deposits.”

(iii) Current liabilities

At the end of the period under review, “Current liabilities” amounted to ¥30,772 million, an increase of ¥4,047 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥4,495 million in “Deposits received,” ¥674 million in “Borrowings secured by securities,” and ¥240 million in “Provision for share awards for employees,” which were partially offset by decreases of ¥506 million in “Income taxes payable” and ¥194 million in “Guarantee deposits received.”

(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 ¥5,311 million, a decrease of ¥166 million from the end of the previous fiscal year. This was mainly attributable to a decrease of ¥166 million in “Provision for share awards for employees” due to the reclassification to current liabilities and a decrease of ¥47 million in “Provision for retirement benefits,” which were partially offset by an increase of ¥75 million of “Deferred tax liabilities.”

(v) Net assets

At the end of the period under review, “Net assets” amounted to ¥39,993 million, an increase of ¥283 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥911 million due to the recording of “Profit” and ¥159 million in “Valuation difference on available-for-sale securities,” which were partially offset by decreases of ¥651 million due to the payment of “Dividends of surplus,” and ¥138 million in “Purchase of treasury shares.”

(vi) Cash flow status

At the end of the period under review, cash and cash equivalents amounted to ¥29,711 million, an increase of ¥4,585 million from the end of the previous fiscal year.

(Cash flows from operating activities)

“Net cash provided by operating activities” for the period under review amounted to ¥5,624 million, an increase of ¥1,867 million from ¥3,756 million of “Net cash provided by operating activities” for the same period of the previous fiscal year. This cash inflow was mainly attributable to the positive factors of “Increase (decrease) in deposits and guarantee deposits received” of ¥4,300 million, “Decrease (increase) in cash segregated as deposits for customers” of ¥1,300 million, and the recording of “Profit before income taxes” of ¥1,244 million, which were partially offset by the negative factors of “Income taxes paid” of ¥854 million, “Decrease/increase in margin transaction assets/liabilities” of ¥523 million, and “Decrease (increase) in trading products – assets (liabilities)” of ¥401 million.

(Cash flows from investing activities)

“Net cash used in investing activities” for the period under review amounted to ¥255 million, an increase of ¥90 million from ¥165 million of “Net cash used in investing activities” for the same period of the previous fiscal year. This cash outflow was mainly attributable to “Purchase of investment securities” of ¥131 million and “Purchase of property, plant and equipment” of ¥92 million.

(Cash flows from financing activities)

“Net cash used in investing activities” for the period under review amounted to ¥790 million, an increase of ¥530 million from ¥260 million of “Net cash used in investing activities” for the same period of the previous fiscal year. This cash outflow was mainly attributable to “Dividends paid” of ¥648 million and “Purchase of treasury shares” of ¥138 million.

(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 on concern that they could rather adversely affect the investment decision of our shareholders and investors.

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) Risk information on COVID-19 infection

If large-scale COVID-19 outbreaks were to occur at numerous branch offices or the head office, severely restricting sales operations and head office operations, it could have an impact on operating results.

However, we believe that the possibility of this risk materializing is low. Widespread vaccination has helped to prevent the spread of infection, and branch offices are able to conduct sales work from home using cell phones and tablets. In addition, at the head office, we have taken measures to prevent the suspension of critical operations by assigning personnel who perform the same work to different floors.

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, 2021)	Current quarter (As of September 30, 2021)
Assets		
Current assets:		
Cash and deposits	25,125	29,711
Cash segregated as deposits	16,942	15,640
Trading products:	460	840
Trading securities and other	460	837
Derivatives	0	2
Trade date accrual	-	15
Margin transaction assets:	9,685	10,089
Loans on margin transactions	9,097	9,956
Cash collateral pledged for securities borrowing on margin transactions	588	132
Cash paid for offering	1,490	1,275
Short-term guarantee deposits	648	687
Other current assets	890	902
Total current assets	55,243	59,162
Non-current assets:		
Property, plant and equipment:	3,508	3,427
Buildings	1,746	1,701
Other, net	1,762	1,726
Intangible assets	321	302
Investments and other assets:	12,839	13,184
Investment securities	12,065	12,449
Long-term guarantee deposits	739	699
Other	52	54
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	16,669	16,915
Total assets	71,912	76,077

(Millions of yen)

	Previous fiscal year (As of March 31, 2021)	Current quarter (As of September 30, 2021)
Liabilities		
Current liabilities:		
Trade date accrual	7	—
Margin transaction liabilities:	1,248	1,129
Borrowings on margin transactions	426	720
Cash received for securities lending on margin transactions	822	408
Borrowings secured by securities:	1,027	1,701
Cash received on debt credit transaction of securities	1,027	1,701
Deposits received	18,856	23,351
Guarantee deposits received	733	538
Short-term borrowings	1,950	1,950
Income taxes payable	932	426
Provision for bonuses	681	629
Provision for bonuses for directors (and other officers)	—	27
Provision for share awards for employees	—	240
Asset retirement obligations	—	13
Other current liabilities	1,287	764
Total current liabilities	26,725	30,772
Non-current liabilities:		
Long-term borrowings	800	800
Deferred tax liabilities	1,760	1,835
Provision for retirement benefits	2,232	2,185
Provision for share awards for employees	166	—
Provision for share awards for directors (and other officers)	9	10
Asset retirement obligations	340	330
Other non-current liabilities	66	47
Total non-current liabilities	5,376	5,209
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	101	101
Total reserves under special laws	101	101
Total liabilities	32,203	36,084
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:		
General reserve	7,247	7,247
Retained earnings brought forward	10,313	10,573
Total retained earnings	17,561	17,821
Treasury shares	(1,500)	(1,637)
Total shareholders' equity	34,597	34,721
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	5,111	5,271
Total valuation and translation adjustments	5,111	5,271
Total net assets	39,709	39,993
Total liabilities and net assets	71,912	76,077

(2) Quarterly non-consolidated statements of income

For the six months ended September 30, 2021

(Millions of yen)

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Operating revenue		
Commission received:	6,621	6,411
Brokerage commission	3,763	3,033
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	32	39
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,445	1,494
Other fees received	1,379	1,844
Net trading income	750	645
Financial revenue	94	107
Other	18	12
Total operating revenue	7,484	7,176
Financial expenses	35	27
Net operating revenue	7,448	7,148
Selling, general and administrative expenses:		
Trading related expenses	584	564
Personnel expenses	3,489	3,495
Real estate expenses	734	771
Office expenses	947	893
Depreciation	186	181
Taxes and dues	131	126
Other	97	103
Total selling, general and administrative expenses	6,173	6,135
Operating profit	1,274	1,012
Non-operating income:		
Dividend income	127	169
Miscellaneous income	76	79
Total non-operating income	204	248
Non-operating expenses:		
Miscellaneous loss	0	11
Total non-operating expenses	0	11
Ordinary profit	1,479	1,250
Extraordinary income:		
Reversal of reserve for financial instruments transaction liabilities	0	–
Total extraordinary income	0	–
Extraordinary losses:		
Loss on valuation of investment securities	2	–
Impairment loss	5	5
Total extraordinary losses	8	5
Profit before income taxes	1,471	1,244
Income taxes - current	415	364
Income taxes - deferred	35	(30)
Total income taxes	451	333
Profit	1,020	911

(3) Quarterly non-consolidated statements of cash flows

(Millions of yen)

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Cash flows from operating activities:		
Profit before income taxes	1,471	1,244
Depreciation	186	181
Impairment loss	5	5
Increase (decrease) in provision for retirement benefits	(5)	(47)
Increase (decrease) in provision for bonuses	134	(52)
Increase (decrease) in provision for bonuses for directors (and other officers)	31	27
Increase (decrease) in provision for share-based remuneration for employees	52	73
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	(4)	0
Increase (decrease) in reserve for financial instruments transaction liabilities	(0)	–
Interest and dividend income	(222)	(277)
Interest expenses	35	27
Loss (gain) on valuation of investment securities	2	–
Decrease (increase) in cash segregated as deposits for customers	(2,299)	1,300
Decrease (increase) in trading products - assets (liabilities)	(927)	(401)
Decrease/increase in margin transaction assets/liabilities	(2,122)	(523)
Decrease (increase) in short-term guarantee deposits	(0)	2
Decrease (increase) in cash paid for subscription	19	214
Increase (decrease) in borrowings secured by securities	2,752	674
Increase (decrease) in deposits and guarantee deposits received	4,605	4,300
Increase/decrease in other assets/liabilities	39	(488)
Subtotal	3,754	6,264
Interest and dividends received	210	278
Interest paid	(35)	(27)
Settlement package paid	–	(35)
Income taxes paid	(172)	(854)
Net cash provided by (used in) operating activities	3,756	5,624
Cash flows from investing activities:		
Purchase of investment securities	(50)	(131)
Purchase of property, plant and equipment	(104)	(92)
Purchase of intangible assets	(5)	(36)
Payments for retirement of property, plant and equipment	(4)	(0)
Payments for asset retirement obligations	(23)	–
Loan advances	(3)	(4)
Collection of loans receivable	5	7
Other, net	20	2
Net cash provided by (used in) investing activities	(165)	(255)
Cash flows from financing activities:		
Purchase of treasury shares	–	(138)
Dividends paid	(259)	(648)
Other, net	(1)	(3)
Net cash provided by (used in) financing activities	(260)	(790)
Effect of exchange rate change on cash and cash equivalents	(43)	7
Net increase (decrease) in cash and cash equivalents	3,287	4,585
Cash and cash equivalents at beginning of period	23,434	25,125
Cash and cash equivalents at end of period	26,722	29,711

(4) Notes to quarterly non-consolidated financial statements

Going concern assumption

Not applicable.

Significant changes in shareholders' equity

Not applicable.

Changes in accounting policies

1) Application of the Accounting Standard for Revenue Recognition, etc.

We have applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter the "Accounting Standard for Revenue Recognition"), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022. When control of a promised good or service is transferred to a customer, we recognize revenue at the amount expected to be received in exchange for the good or service. As a result, rebates and other consideration to be paid to a customer were previously accounted for as selling, general and administrative expenses, but the accounting method has been changed to the one that deducts them from the transaction price.

The application of the Accounting Standard for Revenue Recognition, etc. is pursuant to the transitional treatment set forth in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retroactive application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022, was added to or subtracted from the beginning balance of retained earnings of the first quarter of the fiscal year ending March 31, 2022, and thus the new accounting policy was applied from such beginning balance.

As a result, operating revenue, net operating revenue, and selling, general and administrative expenses decreased by ¥43 million. There was no impact of the change on operating profit, ordinary profit, profit before income taxes, or the beginning balance of retained earnings of the fiscal year ending March 31, 2022.

2) Application of the Accounting Standard for Fair Value Measurement, etc.

We have applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30; July 4, 2019; hereinafter the "Accounting Standard for Fair Value Measurement"), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022. In accordance with the transitional treatment set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019), we apply the new accounting policy set forth in the Accounting Standard for Fair Value Measurement, etc. for future periods. This has no impact on the consolidated financial statements.

3. Supplemental information

(1) Commission received

(i) Commission by line item

(Millions of yen)

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Year-on-year change (%)
Brokerage commission:	3,763	3,033	80.6
Stocks	[3,700]	[3,009]	81.3
Bonds	[0]	[-]	-
Beneficiary certificates	[63]	[23]	37.7
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	32	39	120.7
Stocks	[32]	[14]	46.4
Bonds	[0]	[24]	8,100.0
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,445	1,494	103.4
Other fees received	1,379	1,844	133.7
Total	6,621	6,411	96.8

(ii) Commission by product

(Millions of yen)

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Year-on-year change (%)
Stocks	3,737	3,030	81.1
Bonds	0	26	3,036.3
Beneficiary certificates	2,862	3,342	116.8
Other	20	12	60.3
Total	6,621	6,411	96.8

(2) Net trading income

(Millions of yen)

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	Year-on-year change (%)
Stocks, etc.	623	467	75.1
Bonds, foreign exchange, etc.:	126	177	139.7
Bonds, etc.	[72]	[105]	145.5
Foreign exchange, etc.	[54]	[71]	132.0
Total	750	645	86.0

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)		For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	330	608,979	232	516,602	70.2	84.8
Brokerage	[326]	[557,694]	[230]	[479,055]	[70.4]	[85.9]
Dealing	[3]	[51,285]	[1]	[37,547]	[50.5]	[73.2]
Brokerage (%)	98.8	91.6	99.1	92.7	-	
Exchange participation share (%)	0.07	0.06	0.06	0.05		
Brokerage commission per stock on client transaction (yen)	11.32		13.08			

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

(Thousands of shares, Millions of yen)

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)		For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)		Year-on-year change (%)
Underwriting:					
Stock (Number of shares)		1,566		163	10.4
Stock (Amount)		1,873		415	22.2
Bond (Face value)		150		2,150	1,433.3
Beneficiary certificates (Amount)		-		-	-
Commercial paper & foreign securities (Face value)		-		-	-
Offering and secondary distribution					
Stock (Number of shares)		1,810		113	6.3
Stock (Amount)		2,170		252	11.6
Bond (Face value)		45		2,010	4,466.7
Beneficiary certificates (Amount)		203,845		188,228	92.3
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, 2021)	Current quarter (As of September 30, 2021)
Basic items	(A)	33,946	34,200
Complementary items	Valuation difference on available-for-sale securities	5,111	5,271
	Reserve for financial instruments transaction liabilities	101	101
	Total	(B)	5,373
Deductible assets	(C)	5,342	5,250
Unfixed equity capital (A) + (B) - (C)	(D)	33,817	34,323
Risk items	Market risk	1,531	1,587
	Counterparty risk	413	431
	Basic risk	2,905	3,042
	Total	(E)	5,061
Capital adequacy ratio (%)	(D) / (E) × 100	697.1	678.1

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, 2020 - Sep. 30, 2020)	3rd quarter (Oct. 1, 2020 - Dec. 31, 2020)	4th quarter (Jan. 1, 2021 - Mar. 31, 2021)	1st quarter (Apr. 1, 2021 - Jun. 30, 2021)	2nd quarter (Jul. 1, 2021 - Sep. 30, 2021)
Operating revenue:					
Commission received	3,544	3,603	3,666	3,177	3,233
Net trading income	400	214	275	279	365
Financial revenue	55	53	51	52	55
Other	9	9	9	6	6
Total operating revenue	4,009	3,880	4,001	3,514	3,661
Financial expenses	20	20	15	14	13
Net operating revenue	3,989	3,860	3,985	3,500	3,647
Selling, general and administrative expenses:					
Trading related expenses	308	346	399	287	276
Personnel expenses	1,803	1,746	1,720	1,754	1,740
Real estate expenses	350	367	369	412	358
Office expenses	464	466	492	455	438
Depreciation	92	95	97	86	94
Taxes and dues	53	50	48	77	49
Other	45	45	60	49	53
Total selling, general and administrative expenses	3,118	3,116	3,187	3,124	3,011
Operating Profit	870	743	798	376	636
Non-operating income	41	148	50	205	43
Non-operating expenses	0	1	12	0	11
Ordinary profit	911	891	836	581	668
Extraordinary income:					
Reversal of reserve for financial instruments transaction liabilities	(4)	(0)	–	–	–
Total extraordinary income	(4)	(0)	–	–	–
Extraordinary losses:					
Provision of reserve for financial instruments transaction liabilities	–	1	1	–	–
Loss on sale of investment securities	–	1	72	–	–
Loss on valuation of investment securities	–	–	241	–	–
Impairment loss	–	–	–	5	–
Settlement package	–	–	32	–	–
Total extraordinary losses	–	2	348	5	–
Profit before income taxes	907	887	487	576	668
Income taxes - current	334	170	379	3	360
Income taxes - deferred	(55)	115	(136)	125	(155)
Total income taxes	278	285	242	128	204
Profit	628	602	245	447	463