



Non-consolidated Financial Results
for the Fiscal Year Ended March 31, 2022
(Under Japanese GAAP)

April 28, 2022

Company name: Mito Securities Co., Ltd. Listing: Tokyo Stock Exchange
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Scheduled date of ordinary general meeting of shareholders: June 24, 2022
Scheduled date of dividend payment: June 27, 2022
Scheduled filing date of Annual Securities Report (*Yukashoken Hokokusho*): June 27, 2022
Preparation of supplementary briefing material on financial results: Yes
Investors meeting presentation for financial results: Yes (for institutional investors and securities analysts)

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

1. Non-consolidated financial results for the fiscal year ended March 31, 2022
(from April 1, 2021 to March 31, 2022)

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

Fiscal year 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	%
March 31, 2022	13,683	(11.0)	13,630	(10.9)	1,523	(45.9)	1,961	(38.8)	1,389	(25.6)
March 31, 2021	15,366	28.6	15,294	28.8	2,817	-	3,207	626.0	1,868	136.0

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on capital	Ordinary profit to total assets	Operating profit to operating revenue
	Yen	Yen	%	%	%
March 31, 2022	21.73	-	3.5	2.9	11.1
March 31, 2021	29.05	-	4.9	4.8	18.3

Reference: Share of profit or loss of entities accounted for using equity method

For the fiscal year ended March 31, 2022: - For the fiscal year ended March 31, 2021: -

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%	Yen	%
March 31, 2022	64,511	39,071	60.6	611.82	695.4
March 31, 2021	71,912	39,709	55.2	617.58	697.1

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

As of March 31, 2022: ¥39,071 million As of March 31, 2021: ¥39,709 million

(3) Non-consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	(721)	(587)	(1,318)	22,723
March 31, 2021	2,278	(52)	(652)	25,125

2. Dividends

Fiscal year ended	Annual dividends per share					Total dividends (Annual)	Dividend payout ratio	Dividend on equity
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2021	-	6.00	-	10.00	16.00	1,041	55.1	2.7
March 31, 2022	-	8.00	-	6.00	14.00	911	64.4	2.3

(Note) 1. Breakdown of the 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)

2. Breakdown of the second quarter-end dividends for the fiscal year ended 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)

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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) 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: | Yes |
| (iv) Restatements of prior period financial statements: | None |

Note: For more details, please see page 13 *Changes in accounting policies* and *Changes in accounting estimates* of the Attached Materials.

(2) Number of shares issued (common stock)

(i) Number of shares issued at the end of the period (including treasury shares)

As of March 31, 2022:	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 March 31, 2022:	6,827,729 shares
As of March 31, 2021:	6,390,853 shares

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

Fiscal year ended March 31, 2022:	63,948,199 shares
Fiscal year ended March 31, 2021:	64,293,565 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 audit 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, 2023 (from April 1, 2022 to March 31, 2023)," we have yet to determine the dividend forecast for the fiscal year ending March 31, 2023 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 2022 and March 2023).

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1. Overview of Operating Results, etc.

(1) Overview of operating results

During the fiscal year ended March 31, 2022 (hereinafter the “fiscal year under review”), Japan’s economy was on a gradual recovery trend until December 2021. During the October–December 2021 quarter, real gross domestic product (GDP) grew 1.1% year on year for an annualized growth rate of 4.6%, the first increase in a year. In annualized terms, GDP topped 540 trillion yen for the first time since the January–March 2020 quarter, just before the impact of the COVID-19 pandemic became clear. Going into 2022, however, there was a rapid rise in new COVID infections due to the emergence of the Omicron strain, and the Economy Watchers Survey DI (diffusion index) of the current state of the economy plummeted, while the consumer sentiment index also registered a drop. Although employment data were solid, concerns about the future proliferated as resource prices climbed and the value of the yen fell in response to changes in the economic and political landscape overseas.

Looking abroad, the U.S. economy was strong, with real GDP growing by an annualized rate of 6.9% during the October–December 2021 quarter. This marked the sixth straight quarter of recovery since U.S. GDP hit bottom in the April–June 2020 quarter, when it plunged amid the COVID crisis. Although retail sales saw negative month-on-month growth in December 2021, they recovered continuously during 2022. The employment environment continued to improve, and rising hourly wages triggered worries about inflation. In the Eurozone, real GDP grew for three consecutive quarters until, and including, the October–December 2021 quarter. Entering 2022, however, the growth rate slowed down, though retail sales held firm as in the U.S. Among Western countries and Japan, the strength of the U.S. economy is what stands out, but there are concerns about the impact on the world economy of Russia’s invasion of Ukraine.

During the fiscal year under review, Japan’s stock market hovered around the same level until April–August, before entering a gradual decline, and the Nikkei Stock Average marked its lowest level of the year on August 20, 2021 (26,954.81 yen). Going into September, however, developments such as Prime Minister Suga’s announcement that he would be standing down saw the Nikkei jump to its highest point in nearly 31 years less than a month later on September 14 (30,795.78 yen). After that, it fluctuated up and down in response to both positive and negative factors. These included anticipation for economic activity to normalize because of the precipitous drop in new COVID cases in Japan, the ruling party’s victory in the general election, generally favorable corporate earnings for the April–September period, Chinese real estate developers facing financial difficulties, rising U.S. long-term interest rates, and the discovery of the new Omicron variant. Entering 2022, the Nikkei Stock Average registered 24,681.74 yen, its lowest level in about one year and four months, on March 9 as equities underwent a clear adjustment as a result of concerns about the acceleration of the normalization of U.S. monetary policy, the spread of the Omicron variant in Japan, and then the invasion of Ukraine by Russia. Ultimately, the Nikkei Stock Average ended the fiscal year under review at 27,821.43 yen, 4.7% lower from the end of March 2021, after the U.S. FOMC hiked rates at its mid-March meeting and uncertainty about the future eased for a moment, and following a rally toward the end of the month on the back of expectations for improved earnings at Japanese exporters thanks to the depreciation of the yen.

Under these circumstances, we reported decreases in both operating revenue and net operating revenue during the fiscal year under review, with operating revenue of ¥13,683 million (down 11.0% year-on-year) and net operating revenue of ¥13,630 million (down 10.9% year-on-year), which is the amount of operating revenue less financial expenses of ¥52 million (down 26.9% year-on-year). Selling, general and administrative expenses were ¥12,107 million (down 3.0% year-on-year). As a result, we reported operating profit of ¥1,523 million (down 45.9% year-on-year) and ordinary profit of ¥1,961 million (down 38.8% year-on-year). Because we booked extraordinary losses of ¥5 million (compared to ¥359 million for the previous fiscal year) and income tax expenses of ¥566 million (down 42.2% year-on-year), profit was ¥1,389 million (down 25.6% year-on-year).

Overview of the operating results are as shown below.

(i) Commission received

During the fiscal year under review, total “Commission received” was ¥12,117 million (down 12.8% year-on-year).

(a) Brokerage commission

“Brokerage commission” was ¥5,463 million (down 30.4% year-on-year). This was mainly due to a decrease to ¥922.9 billion (down 21.9% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥5,413 million (down 30.2% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥49 million (down 45.5% year-on-year). Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Brokerage commission” decreased by ¥4 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 ¥101 million (up 144.1% 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, was ¥2,880 million (down 4.0% year-on-year). This was due to the fact that despite focusing on sales of investment trusts that invest in stocks of sustainable growth companies in the U.S. and AI-related companies across the world, the investment environment deteriorated and sales dropped. In addition, “Other fees received” was ¥3,672 million (up 22.3% year-on-year) mainly due to increases in commission for agency commission for investment trusts and 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 ¥12 million and “Other fees received” decreased by ¥54 million.

(ii) Net trading income
During the fiscal year under review, “Net trading income” was ¥1,332 million (up 7.5% year-on-year) consisting of net trading income for stocks of ¥981 million (up 1.0% year-on-year) and that for bonds and foreign exchanges of ¥350 million (up 31.1% year-on-year).

(iii) Financial revenue and expenses
During the fiscal year under review, “Financial revenue” was ¥207 million (up 4.6% year-on-year) due to an increase in income from margin transactions, and “Financial expenses” was ¥52 million (down 26.9% year-on-year) due to a decrease in cost of margin transactions, resulting in a net profit of ¥155 million (up 22.4% year-on-year).

(iv) Selling, general and administrative expenses
During the fiscal year under review, “Selling, general and administrative expenses” were ¥12,107 million (down 3.0% year-on-year). This was mainly attributable to a decrease in “Trading related 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 ¥71 million.

(v) Extraordinary income and losses
“Extraordinary losses” for the fiscal year under review totaled ¥5 million, and consisted solely of “Impairment loss” (compared to ¥5 million of impairment loss for the previous fiscal year).

(2) Overview of financial position

(i) Current assets

At the end of the fiscal year under review, “Current assets” amounted to ¥48,766 million, a decrease of ¥6,476 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥3,496 million in “Cash segregated as deposits,” ¥2,402 million in “Cash and deposits,” and ¥1,276 million in “Margin transaction assets,” which were partially offset by an increase of ¥246 million in “Cash paid for offering.”

(ii) Non-current assets

At the end of the fiscal year under review, “Non-current assets” amounted to ¥15,745 million, a decrease of ¥924 million from the end of the previous fiscal year. This was mainly attributable to a decrease of ¥868 million in “Investment securities.”

(iii) Current liabilities

At the end of the fiscal year under review, “Current liabilities” amounted to ¥20,390 million, a decrease of ¥6,334 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥4,472 million in “Deposits received,” ¥783 million in “Income taxes payable,” ¥679 million in “Accounts payable - other,” and ¥501 million in “Margin transaction liabilities.”

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

At the end of the fiscal year under review, “Non-current liabilities” and “Reserves under special laws” collectively amounted to ¥5,049million, a decrease of ¥428 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥274 million in “Deferred tax liabilities” and ¥166 million in “Provision for share awards for employees,” which were partially offset by an increase of ¥57 million in “Asset retirement obligations.”

(v) Net assets

At the end of the fiscal year under review, “Net assets” amounted to ¥39,071 million, a decrease of ¥637 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥1,172 million in retained earnings due to the payment of dividends, ¥720 million in “Valuation difference on available-for-sale securities,” and ¥138 million in the purchase of “Treasury shares,” which were partially offset by the recording of “Profit” of ¥1,389 million.

(3) Overview of cash flows

“Cash and cash equivalents at end of period” of the fiscal year under review decreased by ¥2,402 million from the end of the previous fiscal year to ¥22,723 million.

(Cash flows from operating activities)

“Net cash used in operating activities” for the fiscal year under review amounted to ¥721 million, a decrease of ¥3,000 million from ¥2,278 million of “Net cash provided by operating activities” for the previous fiscal year. This cash outflow was mainly attributable to a decrease of ¥4,579 million in “Deposits and guarantee deposits received,” “Income taxes paid” of ¥1,330 million, “Interest and dividend income” of ¥495 million, a decrease of ¥246 million in “Cash paid for subscription,” and a decrease of ¥203 million in “Trading products - assets (liabilities),” which were partially offset by an increase of ¥3,500 million in “Cash segregated as deposits for customers,” the recording of ¥1,955 million in “Profit before income taxes,” an increase of ¥774 million in “Assets/liabilities for margin transaction,” and the recording of ¥441 million in “Depreciation.”

(Cash flows from investing activities)

“Net cash used in investing activities” for the fiscal year under review amounted to ¥587 million, a decrease of ¥534 million from ¥52 million of “Net cash used in investing activities” for the previous fiscal year. This cash outflow was mainly attributable to “Purchase of property, plant and equipment” of ¥187 million, “Payments of leasehold deposits” of ¥155 million, “Purchase of investment securities” of ¥131 million, and “Purchase of intangible assets” of ¥79 million.

(Cash flows from financing activities)

“Net cash used in financing activities” for the fiscal year under review amounted ¥1,318 million, a decrease of ¥666 million from ¥652 million of “Net cash used in financing activities.” This cash outflow was mainly attributable to “Dividends paid” of ¥1,173 million and “Purchase of treasury shares” of ¥138 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 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.

(5) 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 been achieved despite concerns about variants, and branch offices are able to conduct sales work from home using cell phones and tablets. The Customer Center has established a system that enables it to cover duties of offices where clusters of COVID-19 infections have been confirmed. 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. Management Policy

(1) Basic management policy of the company

In order to develop as a financial services company that is trusted and chosen not only by our customers but also by our shareholders, employees and local community, we have adopted the following corporate philosophy:

“Mito Securities strives to be a company that acts in the BEST interest of its customers, shareholders, and employees.”

Based on this management philosophy, all of our officers and employees will carry out their duties with this as their code of conduct: “CHALLENGE TOGETHER: Let’s embrace the challenges of responding to change, producing results, and improving ourselves”

(2) Progress with implementation of Medium-term Management Plan

The 5th Medium-term Management Plan (covering the period from April 2019 to March 2022) concluded at the end of the fiscal year under review.

Our achievements for the 5th Medium-term Management Plan are as follows:

(Numerical targets and results for the 5th Medium-term Management Plan)

Item	(i) Percent of SG&A expenses covered by subscription-type revenue*	(ii) Mutual fund wrap assets in custody
Numerical targets	30% or more (fiscal 2021)	¥130.0 billion (Balance as of March 31, 2022)
Results	30.0%	¥124.4 billion

* The percentage of SG&A expenses covered by subscription-type revenue is calculated by the total of agency commission for investment trusts and commission for mutual fund wraps divided by selling, general and administrative expenses. It serves as an indicator of the extent to which expenses are covered by stable revenue sources.

- (i) The percentage of SG&A expenses covered by subscription-type revenue for fiscal 2021, or the fiscal year under review, was 30.0% with agency commission for investment trusts of ¥2,022 million (up 24.1% year-on-year) and commission for mutual fund wraps of ¥1,609 million (up 21.5% year-on-year) resulting from increases in the balances of mutual fund wraps and investment trusts.
- (ii) Mutual fund wrap assets in custody as of March 31, 2022 totaled ¥124.4 billion, an increase of ¥11.2 billion from the end of the previous fiscal year, which meant that we missed the target we had set forth in the 5th Medium-term Management Plan. The main reason for this is that, although we have been seeking to attract business based on portfolios comprising stocks, investment trusts, mutual fund wraps, etc., with the market environment changing, opportunities to offer investment trusts increased in relative terms.

(3) Medium- to long-term management strategy and target management indicators

We revised our corporate vision to reflect the changes in our operating environment, and also formulated the 6th Medium-term Management Plan.

With the aim of helping every one of our customers achieve their life plans, we will contribute to *increase*, *protection* and *succession* of their assets by means of investment proposal, after-service follow-up, and financial services such as inheritance support, whereby generating value through customer satisfaction. Furthermore, by facilitating business succession, providing financial education, and boosting financial literacy, we will also contribute to addressing issues in the local community.

[Corporate vision]

Create value and contribute to making the future of our customer's local community a prosperous one through financial services

1. Support customers in building their assets and help them achieve their life plans
2. Contribute to the development of the local community
3. Enable employees to work with pride and achieve self-fulfillment
4. Continuously take on the challenge of transforming our business structure

[6th Medium-term Management Plan]

- Period
Fiscal 2022–2024 (April 2022–March 2025)
- Target management indicators

ROE	5% or more (in each fiscal year of the plan period)
Percentage of SG&A expenses covered by subscription-type revenue	33% or more (in fiscal 2024)
- Key measures
 - Put together a structure for delivering financial services that help customers achieve their life plans
 - Build an even more stable revenue base
 - Take steps to coexist with the local community
 - Develop employees' capabilities and provide them with support
 - Optimally allocate resources to raise our value as an enterprise and achieve sustainable growth

(4) Issues to be addressed

As we implement the measures of the 6th Medium-term Management Plan, we regard as key tasks for management the delivery of financial services that are optimized for customers' life plans, the development of personnel and improvement of structures to achieve that, and the establishment of a stable revenue base through an expansion of subscription-type revenue driven by investment trusts and mutual fund wraps.

3. Basic Policy Regarding Selection of Accounting Standards

The Company has adopted Japanese GAAP and will carefully assess whether IFRS (International Financial Reporting Standards) should be adopted in consideration of providing comparability for investors.

4. Non-consolidated Financial Statements and Significant Notes

(1) Non-consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Assets		
Current assets:		
Cash and deposits	25,125	22,723
Cash segregated as deposits	16,942	13,445
Trading products:	460	625
Trading securities and other	460	623
Derivatives	0	2
Trade date accrual	-	31
Margin transaction assets:	9,685	8,409
Loans on margin transactions	9,097	8,291
Cash collateral pledged for securities borrowing on margin transactions	588	118
Advances paid	221	420
Cash paid for offering	1,490	1,736
Short-term guarantee deposits	648	689
Short-term loans receivable	21	20
Advance payments	-	40
Prepaid expenses	142	103
Accounts receivable - other	0	15
Accrued income	503	505
Total current assets	55,243	48,766
Non-current assets:		
Property, plant and equipment:	3,508	3,339
Buildings	1,746	1,680
Structures, net	37	34
Equipment	390	295
Land	1,313	1,307
Leased assets, net	21	21
Intangible assets	321	320
Telephone subscription right	51	51
Software	269	268
Investments and other assets:	12,839	12,084
Investment securities	12,065	11,196
Investments in capital	5	5
Long-term loans receivable from employees	15	20
Long-term guarantee deposits	739	845
Long-term prepaid expenses	3	6
Other	27	27
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	16,669	15,745
Total assets	71,912	64,511

(Millions of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Liabilities		
Current liabilities:		
Trade date accrual	7	–
Margin transaction liabilities:	1,248	747
Borrowings on margin transactions	426	428
Cash received for securities lending on margin transactions	822	318
Borrowings secured by securities:	1,027	1,090
Cash received on debt credit transaction of securities	1,027	1,090
Deposits received:	18,856	14,383
Deposits from customers	15,452	12,770
Deposits received for underwritten offering, etc.	7	5
Other deposits received	3,396	1,606
Guarantee deposits received	733	626
Short-term borrowings	1,950	1,950
Unearned revenue	2	2
Lease obligations	6	7
Accounts payable - other	776	96
Accrued expenses	496	454
Income taxes payable	932	149
Provision for bonuses	681	536
Provision for share awards for employees	–	284
Provision for share awards for directors (and other officers)	–	2
Asset retirement obligations	–	13
Other current liabilities	6	44
Total current liabilities	26,725	20,390
Non-current liabilities:		
Long-term borrowings	800	800
Lease obligations	17	16
Deferred tax liabilities	1,760	1,485
Provision for retirement benefits	2,232	2,202
Provision for share awards for employees	166	–
Provision for share awards for directors (and other officers)	9	9
Asset retirement obligations	340	397
Other non-current liabilities	48	36
Total non-current liabilities	5,376	4,947
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	101	101
Total reserves under special laws	101	101
Total liabilities	32,203	25,439
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:	17,561	17,778
General reserve	7,247	7,247
Retained earnings brought forward	10,313	10,531
Total retained earnings	17,561	17,778
Treasury shares	(1,500)	(1,635)
Total shareholders' equity	34,597	34,680
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	5,111	4,391
Total valuation and translation adjustments	5,111	4,391
Total net assets	39,709	39,071
Total liabilities and net assets	71,912	64,511

(2) Non-consolidated statements of income

(Millions of yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Operating revenue		
Commission received:	13,891	12,117
Brokerage commission	7,845	5,463
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	41	101
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	3,001	2,880
Other fees received	3,002	3,672
Net trading income	1,239	1,332
Financial revenue	198	207
Other	36	25
Total operating revenue	15,366	13,683
Financial expenses	71	52
Net operating revenue	15,294	13,630
Selling, general and administrative expenses:		
Trading related expenses	1,330	1,081
Personnel expenses	6,956	6,776
Real estate expenses	1,471	1,575
Office expenses	1,905	1,810
Depreciation	380	441
Taxes and dues	230	215
Other	203	205
Total selling, general and administrative expenses	12,477	12,107
Operating profit	2,817	1,523
Non-operating income:		
Dividend income	231	271
Miscellaneous income	172	180
Total non-operating income	404	451
Non-operating expenses:		
Miscellaneous loss	13	14
Total non-operating expenses	13	14
Ordinary profit	3,207	1,961
Extraordinary losses:		
Provision of reserve for financial instruments transaction liabilities	3	–
Loss on sales of investment securities	73	–
Loss on valuation of investment securities	244	–
Impairment loss	5	5
Settlement package	32	–
Total extraordinary losses	359	5
Profit before income taxes	2,847	1,955
Income taxes - current	965	575
Income taxes - deferred	13	(9)
Total income taxes	979	566
Profit	1,868	1,389

(3) Non-consolidated statement of changes in net assets

Previous fiscal year (from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity									Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings					
					General reserve	Retained earnings brought forward						
Balance at beginning of period	12,272	4,294	1,969	6,264	7,247	9,096	16,344	(1,503)	33,377	3,157	3,157	36,535
Changes during period:												
Dividends of surplus						(651)	(651)		(651)			(651)
Profit						1,868	1,868		1,868			1,868
Purchase of treasury shares								(0)	(0)			(0)
Disposal of treasury shares								3	3			3
Net changes in items other than shareholders' equity										1,954	1,954	1,954
Total changes during period	-	-	-	-	-	1,216	1,216	3	1,220	1,954	1,954	3,174
Balance at end of period	12,272	4,294	1,969	6,264	7,247	10,313	17,561	(1,500)	34,597	5,111	5,111	39,709

Current fiscal year (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity									Valuation and translation adjustments		Total net assets
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings					
					General reserve	Retained earnings brought forward						
Balance at beginning of period	12,272	4,294	1,969	6,264	7,247	10,313	17,561	(1,500)	34,597	5,111	5,111	39,709
Changes during period:												
Dividends of surplus						(1,172)	(1,172)		(1,172)			(1,172)
Profit						1,389	1,389		1,389			1,389
Purchase of treasury shares								(138)	(138)			(138)
Disposal of treasury shares			0	0				3	3			3
Net changes in items other than shareholders' equity										(720)	(720)	(720)
Total changes during period	-	-	0	0	-	217	217	(134)	82	(720)	(720)	(637)
Balance at end of period	12,272	4,294	1,969	6,264	7,247	10,531	17,778	(1,635)	34,680	4,391	4,391	39,071

(4) Non-consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
Cash flows from operating activities:		
Profit before income taxes	2,847	1,955
Depreciation	380	441
Impairment loss	5	5
Increase (decrease) in provision for retirement benefits	(34)	(29)
Increase (decrease) in provision for bonuses	159	(145)
Increase (decrease) in provision for share-based remuneration for employees	128	118
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	(0)	2
Increase (decrease) in reserve for financial instruments transaction liabilities	3	–
Interest and dividend income	(448)	(495)
Interest expenses	71	52
Loss (gain) on sales and valuation of investment securities	318	–
Settlement package	32	–
Decrease (increase) in cash segregated as deposits for customers	(3,899)	3,500
Decrease (increase) in trading products - assets (liabilities)	37	(203)
Decrease/increase in assets/liabilities for margin transaction	(4,249)	774
Decrease (increase) in short-term guarantee deposits	(1)	1
Decrease (increase) in cash paid for subscription	1,390	(246)
Increase (decrease) in borrowings secured by securities	544	63
Increase (decrease) in deposits and guarantee deposits received	4,842	(4,579)
Increase/decrease in other assets/liabilities	71	(1,014)
Subtotal	2,201	200
Interest and dividends received	433	497
Interest paid	(72)	(52)
Settlement paid	–	(36)
Income taxes paid	(283)	(1,330)
Net cash provided by (used in) operating activities	2,278	(721)
Cash flows from investing activities:		
Purchase of investment securities	(50)	(131)
Proceeds from sales of investment securities	212	–
Purchase of property, plant and equipment	(150)	(187)
Purchase of intangible assets	(69)	(79)
Payments for retirement of property, plant and equipment	(5)	(3)
Payments for asset retirement obligations	(23)	–
Loan advances	(13)	(20)
Collection of loans receivable	11	15
Payments of leasehold deposits	(12)	(155)
Other, net	48	(23)
Net cash provided by (used in) investing activities	(52)	(587)
Cash flows from financing activities:		
Purchase of treasury shares	(0)	(138)
Dividends paid	(649)	(1,173)
Other, net	(2)	(7)
Net cash provided by (used in) financing activities	(652)	(1,318)
Effect of exchange rate change on cash and cash equivalents	117	225
Net increase (decrease) in cash and cash equivalents	1,690	(2,402)
Cash and cash equivalents at beginning of period	23,434	25,125
Cash and cash equivalents at end of period	25,125	22,723

(5) Notes to non-consolidated financial statements

Going concern assumption

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 fiscal year ended 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 fiscal year ended March 31, 2022, was added to or subtracted from the beginning balance of retained earnings of the fiscal year ended 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 each decreased by ¥71 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 ended 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 fiscal year ended 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.

Changes in accounting estimates

During the period under review, we have decided to relocate the head office primarily for the purposes of expanding and improving its functions, streamlining operations, and cutting expenses. Accordingly, we have shortened the useful lives of non-current assets that are unlikely to be used after the relocation, and changed the estimates of asset retirement obligations for restoring the assets to their original state.

As a result of this change, operating profit, ordinary profit, and profit before income taxes for the period under review each decreased by ¥59 million compared with those calculated under the previous method.

Additional information

Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP)

1. Board Benefit Trust (BBT)

With approval from the 71st Ordinary General Meeting of Shareholders held on June 24, 2016, the Company has introduced a Board Benefit Trust (BBT) performance-linked share-based remuneration plan (the "Plan") for directors (excluding outside directors; the same applies hereinafter).

(1) Purpose and overview of the Plan

The Plan more clearly links the remuneration of directors to the Company's share value, and leads directors to aim for better performances over a medium- to long-term period and more contributions to increasing corporate value.

The Plan is a performance-linked share-based remuneration plan in which the trust will acquire the Company's shares using money contributed by the Company as the source of funds and directors are provided with the Company's shares and cash equivalent to the market value of the Company's shares (the "Company's Shares, etc.") through the trust in accordance with the performance-linked share-based remuneration system established by the Board of Directors. As a general rule, the time for directors to receive the Company's Shares, etc. shall be at the time of retirement.

(2) The Company's shares remaining in the trust

Shares held by the trust are presented as treasury shares in the net assets section in the non-consolidated balance sheet at their carrying amount in the trust. The carrying amount and the number of treasury shares at the end of the previous fiscal year and at the end of the current fiscal year are ¥76 million for 319 thousand shares and ¥76 million for 319 thousand shares, respectively.

2. Employee Stock Ownership Plan (J-ESOP)

At the Board of Directors' meeting held on February 17, 2017, the Company resolved the introduction of an Employee Stock Ownership Plan (the "Plan"), an incentive plan to provide its shares to employees.

(1) Purpose and overview of the Plan

The Plan is a program in which the Company's shares are provided to employees who fulfill the certain requirements for eligible beneficiaries in accordance with the Stock Benefit Rules established by the Company.

The Plan is a share-based remuneration plan in which the trust will acquire the Company's shares using money contributed by the Company as the source of funds and employees are granted points according to their individual contributions and other factors and provided with the Company's shares equivalent to the granted points and cash equivalent to the market value of the Company's shares through the trust when the employees fulfill the certain requirements and obtain the right to receive such benefits.

By introducing the Plan, the Company aims to increase the employees' interest in improving its share value and business performance and make them more motivated to work than ever before.

(2) The Company's shares remaining in the trust

Shares held by the trust are presented as treasury shares in the net assets section in the non-consolidated balance sheet at their carrying amount in the trust. The carrying amount and the number of treasury shares at the end of the previous fiscal year and at the end of the current fiscal year are ¥103 million for 503 thousand shares and ¥238 million for 940 thousand shares, respectively.

Notes to non-consolidated balance sheets

Accumulated depreciation deducted from property, plant and equipment

(Millions of yen)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Buildings	4,012	4,140
Structures, net	71	74
Equipment	962	1,007
Leased assets, net	6	10
Total	5,052	5,232

Non-consolidated statement of changes in net assets

Previous fiscal year (from April 1, 2020 to March 31, 2021)

1. Issued shares

Class of shares	At beginning of period	Increase	Decrease	At end of period
Common stock (shares)	70,689,033	–	–	70,689,033

2. Treasury shares

Class of shares	At beginning of period	Increase	Decrease	At end of period
Common stock (shares)	6,405,097	56	14,300	6,390,853

Notes 1. The number of treasury shares at the beginning of the period and at the end of the period includes 837,500 shares and 823,200 shares of the Company's stock, respectively, held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP

2. Overview of reasons for change

Factor of the increase of 56 shares is as follows:

Increase due to purchase of shares less than one unit:

56 shares

Factors of the decrease of 14,300 shares are as follows:

Decrease due to provision of shares for BBT:

11,700 shares

Decrease due to provision of shares for J-ESOP:

2,600 shares

3. Share acquisition rights and treasury share acquisition rights

Not applicable

4. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 24, 2020	Common stock	260	4.0	March 31, 2020	June 25, 2020
Board of Directors meeting held on October 29, 2020	Common stock	390	6.0	September 30, 2020	December 2, 2020

Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on June 24, 2020 includes dividends of ¥3 million paid to the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

2. The total amount of dividends paid based on the resolution at the Board of Directors' meeting held on October 28, 2020 includes dividends of ¥4 million paid to the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

(2) Dividends with a record date in the previous fiscal year, but an effective date in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 24, 2021	Common stock	Retained earnings	651	10.0	March 31, 2021	June 25, 2021

Notes 1. The total amount of dividends paid includes dividends of ¥8 million paid to the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

2. Dividend paid per share of 10.0 yen includes that of 2.0 yen to commemorate the 100th anniversary of the Company's founding.

Current fiscal year (from April 1, 2021 to March 31, 2022)

1. Issued shares

Class of shares	At beginning of period	Increase	Decrease	At end of period
Common stock (shares)	70,689,033	–	–	70,689,033

2. Treasury shares

Class of shares	At beginning of period	Increase	Decrease	At end of period
Common stock (shares)	6,390,853	451,261	14,385	6,827,729

Notes 1. The number of treasury shares at the beginning of the period and at the end of the period includes 823,200 shares and 1,259,900 shares of the Company's stock, respectively, held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

2. Overview of reasons for change

Factor of the increase of 451,261 shares is as follows:

Increase due to ownership as trust assets for J-ESOP: 451,000 shares

Increase due to purchase of shares less than one unit: 261 shares

Factors of the decrease of 14,385 shares are as follows:

Decrease due to provision of shares for J-ESOP: 14,300 shares

Decrease due to request for additional purchase of treasury shares: 85 shares

3. Share acquisition rights and treasury share acquisition rights

Not applicable

4. Dividends

(1) Amount of dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 24, 2021	Common stock	651	10.0	March 31, 2021	June 25, 2021
Board of Directors' meeting held on October 28, 2021	Common stock	520	8.0	September 30, 2021	December 2, 2021

Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on June 24, 2021 includes dividends of ¥8 million paid to the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP. Additionally, dividend paid per share of 10.0 yen includes that of 2.0 yen to commemorate the 100th anniversary of the Company's founding.

2. The total amount of dividends paid based on the resolution at the Board of Directors' meeting held on October 29, 2021 includes dividends of ¥10 million paid to the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP. Additionally, dividend paid per share of 8.0 yen includes that of 2.0 yen to commemorate the 100th anniversary of the Company's founding.

(2) Dividends with a record date in the current fiscal year, but an effective date in the following fiscal year

Resolution to be made	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 24, 2022	Common stock	Retained earnings	390	6.0	March 31, 2022	June 27, 2022

Notes The total amount of dividends paid includes dividends of ¥7 million paid to the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

Segment information, etc.

(Segment information)

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

(Related information)

Previous fiscal year (from April 1, 2020 to March 31, 2021)

1. Information by services

(Millions of yen)

Item	Stocks	Bonds	Beneficiary certificates	Other	Total
Brokerage commission	7,754	0	91	–	7,845
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	37	4	–	–	41
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1	0	2,999	–	3,001
Other fees received	10	0	2,956	34	3,002
Total	7,803	5	6,047	34	13,891

2. Information by area

The Company does not provide information by area because the operating revenue in Japan exceeds 90% of its total operating revenue, and the value of property, plant and equipment in Japan exceeds 90% of its total value of property, plant and equipment.

3. Information by main customers

The Company does not provide information by main customers because there is no customer who accounts for more than 10% of operating revenue.

Current fiscal year (from April 1, 2021 to March 31, 2022)

1. Information by services

(Millions of yen)

Item	Stocks	Bonds	Beneficiary certificates	Other	Total
Brokerage commission	5,413	–	49	–	5,463
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	38	63	–	–	101
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	2	2,878	–	2,880
Other fees received	10	0	3,632	27	3,672
Total	5,462	66	6,560	27	12,117

2. Information by area

The Company does not provide information by area because the operating revenue in Japan exceeds 90% of its total operating revenue, and the value of property, plant and equipment in Japan exceeds 90% of its total value of property, plant and equipment.

3. Information by main customers

The Company does not provide information by main customers because there is no customer who accounts for more than 10% of operating revenue.

Share of profit or loss of entities accounted for using equity method

Previous fiscal year (from April 1, 2020 to March 31, 2021)
Not applicable

Current fiscal year (from April 1, 2021 to March 31, 2022)
Not applicable

Per-share information

The basis of calculating the net assets per share and the basis of calculating the basic earnings per share are as follows.

Item	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
(1) Net assets per share (Yen)	617.58	611.82
Basis of calculation		
Total net assets on balance sheets (Millions of yen)	39,709	39,071
Net assets attributable to common stocks (Millions of yen)	39,709	39,071
Major components of difference (Millions of yen)	–	–
Number of shares of common stock issued (Thousands of share)	70,689	70,689
Number of treasury shares of common stock (Thousands of share)	6,390	6,827
Number of common stock used for calculating per-share net assets (Thousands of share)	64,298	63,861

Item	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)
(2) Basic earnings per share (Yen)	29.05	21.73
Basis of calculation		
Profit on statements of income (Millions of yen)	1,868	1,389
Profit not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to common stocks (Millions of yen)	1,868	1,389
Average number of shares of common stock during the fiscal year (Thousands of share)	64,293	63,948

Notes: 1. Diluted earnings per share are not presented because there are no potentially dilutive shares.

2. For the purpose of calculating the amounts of net assets per share, the number of shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) was included in the number of treasury shares, which was to be deducted from the number of shares issued at the end of the fiscal year. For the purpose of calculating basic earnings per share, the number of shares of the Company held by the Trust was included in 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.
For the purpose of calculating the amounts of net assets per share, the number of treasury shares included in the number of treasury shares deducted at the end of the fiscal year was 823,200 shares in the previous fiscal year and 1,259,900 shares in the current fiscal year. For the purpose of calculating basic earnings per share, the number of treasury shares included in the average number of treasury shares deducted during the period was 827,866 shares for the previous fiscal year and 1,173,092 shares for the current fiscal year.

Material subsequent events

Not applicable.

5 Supplemental information

(1) Commission received

(i) Commission by line item

(Millions of yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)	Year-on-year change (%)
Brokerage commission:	7,845	5,463	69.6
Stocks	[7,754]	[5,413]	69.8
Bonds	[0]	[-]	-
Beneficiary certificates	[91]	[49]	54.5
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	41	101	244.1
Stocks	[37]	[38]	101.7
Bonds	[4]	[63]	1,503.0
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	3,001	2,880	96.0
Other fees received	3,002	3,672	122.3
Total	13,891	12,117	87.2

(ii) Commission by product

(Millions of yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)	Year-on-year change (%)
Stocks	7,803	5,462	70.0
Bonds	5	66	1,219.0
Beneficiary certificates	6,047	6,560	108.5
Other	34	27	79.3
Total	13,891	12,117	87.2

(2) Net trading income

(Millions of yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)	Current fiscal year (From April 1, 2021 to March 31, 2022)	Year-on-year change (%)
Stocks, etc.	972	981	101.0
Bonds, foreign exchange, etc.:	267	350	131.1
Bonds, etc.	[142]	[208]	146.5
Foreign exchange, etc.	[124]	[141]	113.5
Total	1,239	1,332	107.5

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)		Current fiscal year (From April 1, 2021 to March 31, 2022)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	635	1,271,708	442	1,007,893	69.6	79.3
Brokerage	[628]	[1,190,444]	[438]	[929,971]	[69.8]	[78.1]
Dealing	[6]	[81,263]	[3]	[77,921]	[55.4]	[95.9]
Brokerage (%)	98.9	93.6	99.1	92.3		
Exchange participation share (%)	0.07	0.06	0.05	0.05		
Brokerage commission per stock on client transaction (Yen)		12.34		12.35		

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

(Thousands of shares, Millions of yen)

	Previous fiscal year (From April 1, 2020 to March 31, 2021)		Current fiscal year (From April 1, 2021 to March 31, 2022)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Underwriting:						
Stock (Number of shares)		1,678		1,896		113.0
Stock (Amount)		2,024		2,096		103.5
Bond (Face value)		250		5,150		2,060.0
Beneficiary certificates (Amount)		–		–		–
Commercial paper & foreign securities (Face value)		–		–		–
Offering and secondary distribution						
Stock (Number of shares)		1,884		1,765		93.7
Stock (Amount)		2,287		1,803		78.8
Bond (Face value)		165		5,036		3,052.1
Beneficiary certificates (Amount)		422,386		355,754		84.2
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 fiscal year (As of March 31, 2022)
Basic items (A)		33,946	34,289
Complementary items	Valuation difference on available-for-sale securities	5,111	4,391
	Reserve for financial instruments transaction liabilities	101	101
	Total (B)	5,213	4,493
Deductible assets (C)		5,342	5,375
Unfixed equity capital (A) + (B) – (C) (D)		33,817	33,406
Risk items	Market risk	1,531	1,359
	Counterparty risk	413	432
	Basic risk	2,905	3,011
	Total (E)	4,850	4,803
Capital adequacy ratio (%) (D) / (E) × 100		697.1	695.4

(6) Number of directors, officers and employees

(persons)

	Previous fiscal year (As of March 31, 2021)	Current fiscal year (As of March 31, 2022)
Directors and officers	12	12
Employees	723	751

(7) Quarterly trends of operating results

(Millions of yen)

	Previous fiscal year				Current fiscal year (Apr. 1, 2021– Mar. 31, 2022)
	1st quarter (Apr. 1, 2021– Jun. 30, 2021)	2nd quarter (Jul. 1, 2021– Sep. 30, 2021)	3rd quarter (Oct. 1, 2021– Dec. 31, 2021)	4th quarter (Jan. 1, 2022– Mar. 31, 2022)	
Operating revenue:					
Commission received	3,177	3,233	3,263	2,442	12,117
Net trading income	279	365	438	248	1,332
Financial revenue	52	55	52	48	207
Other	6	6	6	6	25
Total operating revenue	3,514	3,661	3,760	2,746	13,683
Financial expenses	14	13	12	12	52
Net operating revenue	3,500	3,647	3,748	2,734	13,630
Selling, general and administrative expenses:					
Trading related expenses	287	276	265	250	1,081
Personnel expenses	1,754	1,740	1,734	1,546	6,776
Real estate expenses	412	358	395	408	1,575
Office expenses	455	438	459	457	1,810
Depreciation	86	94	122	137	441
Taxes and dues	77	49	49	39	215
Other	49	53	44	58	205
Total selling, general and administrative expenses	3,124	3,011	3,072	2,899	12,107
Operating profit (loss)	376	636	676	(165)	1,523
Non-operating income	205	43	146	56	451
Non-operating expenses	0	11	1	1	14
Ordinary profit (loss)	581	668	821	(110)	1,961
Extraordinary losses:					
Impairment loss	5	–	–	–	5
Total extraordinary losses	5	–	–	–	5
Profit (loss) before income taxes	576	668	821	(110)	1,955
Income taxes - current	3	360	155	56	575
Income taxes - deferred	125	(155)	129	(108)	(9)
Total income taxes	128	204	284	(51)	566
Profit (loss)	447	463	537	(58)	1,389