



Non-consolidated Financial Results
for the Six Months Ended September 30, 2022
(Under Japanese GAAP)

October 28, 2022

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

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

1. Non-consolidated financial results for the six months ended September 30, 2022
(from April 1, 2022 to September 30, 2022)

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

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended										
September 30, 2022	5,770	(19.6)	5,742	(19.7)	(34)	–	238	(81.0)	169	(81.4)
September 30, 2021	7,176	(4.1)	7,148	(4.0)	1,012	(20.6)	1,250	(15.5)	911	(10.7)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	2.64	–
September 30, 2021	14.23	–

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%	%
September 30, 2022	65,195	38,845	59.6	699.9
March 31, 2022	64,511	39,071	60.6	695.4

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

As of September 30, 2022: ¥38,845 million As of March 31, 2022: ¥39,071 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, 2022	–	8.00	–	6.00	14.00
Ending March 31, 2023	–	2.00	–	–	–
Ending March 31, 2023 (forecast)	–	–	–	–	–

(Note 1) Breakdown of 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)

(Note 2) We have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2023. 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, 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) 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, 2022: 70,689,033 shares
 - As of March 31, 2022: 70,689,033 shares
 - (ii) Number of treasury shares at the end of the period
 - As of September 30, 2022: 6,061,329 shares
 - As of March 31, 2022: 6,827,729 shares
 - (iii) Average number of shares of common stock during the period
 - Six months ended September 30, 2022: 64,241,718 shares
 - Six months ended September 30, 2021: 64,037,018 shares

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

* This financial results report is not subject to quarterly review procedures to be performed by certified public accountants or an audit firm.

* Explanation on appropriate use of earnings forecast and other special notes
(Reason for not disclosing dividend forecast, etc.)

We have adopted a basic policy of 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 year-end 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) Quarterly overview of operating results

During the first six months ended September 30, 2022 (hereinafter the “period under review”), Japan’s economy had increasingly larger variances in economic statistics with the influence of continued monetary tightening in major countries to tackle inflation. Japan’s nominal and real GDP both steadily grew for three consecutive quarters until, and including, the April–June 2022 quarter. The Business Outlook Survey also has revealed that the “rising” outlook prevailed both for BSI on “business conditions” and for BSI on “general domestic economic conditions” with respect to large enterprises for the October–December 2022 quarter and the January–March 2023 quarter. The employment situation also remained positive with the unemployment rate declining and the jobs-to-applicants ratio improved. On the other hand, data that raise concern about economic outlook have been increasing such that the composite index (CI) of leading economic indicators decreased to lower than a reference value in July 2022 for the first time since February 2021, and real disposable income of workers’ households has turned downward since April 2022 although the year-over-year CPI (overall nationwide) has continued its ascent since September 2021.

The U.S. economy had two consecutive quarters of negative growth of GDP in the January–March 2022 quarter and the April–June 2022 quarter, but maintained a positive growth of GDI for the same period. The situation is such that caution about rising prices cannot be relaxed as demonstrated by factors such as steady increases in non-farm payrolls and the average hourly rate and a declining trend of the unemployment rate as shown by employment indices, and capacity utilization rates of the mining and manufacturing industries reaching 80% this summer.

During the period under review, the domestic stock markets were significantly impacted by the monetary policies of the world’s major economies, including continued monetary tightening to combat inflation in emerging countries let alone in developed countries. The Tokyo stock market remained resilient until this summer as the U.S. inflation rate was initially expected to drop during the period from spring to summer. The U.S. inflation rate, however, remained high. Following Fed Chair Powell’s implication at the Jackson Hole conference in late August that rapid monetary tightening would be continued to give priority to inflation control, the U.S. stock prices declined in response to the Fed’s stance to accept sufferings of companies and consumers, which resulted in the Tokyo stock market being forced to make major adjustments after mid-September. Ultimately, the Nikkei Average for the period under review was 25,937.21 yen, down 6.8% from the end of March 2022.

Under these circumstances, we reported decreases in both operating revenue and net operating revenue during the period under review, with operating revenue of ¥5,770 million (down 19.6% year-on-year) and net operating revenue of ¥5,742 million (down 19.7% year-on-year), which is the amount of operating revenue less financial expenses of ¥27 million (down 1.3% year-on-year). Furthermore, selling, general and administrative expenses were ¥5,776 (down 5.9% year-on-year). As a result, we reported an operating loss of ¥34 million (compared to an operating profit of ¥1,012 million for the same period a year earlier), an ordinary profit of ¥238 million (down 81.0% year-on-year), and profit of ¥169 million (down 81.4% year-on-year) after deducting tax expenses of ¥12 million (down 96.3% year-on-year).

Overview of the operating results are as shown below.

(i) Commission received

During the period under review, total “Commission received” was ¥4,904 million (down 23.5% year-on-year).

(a) Brokerage commission

“Brokerage commission” was ¥1,930 million (down 36.4% year-on-year). This was mainly due to a decrease to ¥371.2 billion (down 22.5% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥1,907 million (down 36.6% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥22 million (down 4.0% year-on-year).

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

“Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors” was ¥3 million (down 90.6% year-on-year).

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

“Fees for offering, secondary distribution and solicitation for selling and others for professional investors,” which mainly consist of investment trust sales commissions, were ¥1,217 million (down 18.5% year-on-year). This was due to the fact that despite focusing on sales of investment trusts that invest in global USD-denominated equity and debt securities, stocks of sustainable growth companies in the U.S., and cybersecurity-related companies across the world, the investment environment deteriorated and sales dropped. In addition, “Other fees received” were ¥1,752 million (down 5.0% year-on-year) mainly due to decreases in commission for mutual fund wraps and agency commission for investment trusts.

(ii) Net trading income

During the period under review, “Net trading income” was ¥759 million (up 17.7% year-on-year) consisting of net trading income for stocks of ¥535 million (up 14.5% year-on-year) due to an increase in trading value of US stocks and that for bonds and foreign exchanges of ¥223 million (up 26.1% year-on-year).

(iii) Financial revenue and expenses

During the period under review, “Financial revenue” was ¥93 million (down 12.6% year-on-year) due to a decrease in income from margin transactions, and “Financial expenses” were ¥27 million (down 1.3% year-on-year) due to an increase in the cost of margin transactions, resulting in a net profit of ¥66 million (down 16.6% year-on-year).

(iv) Selling, general and administrative expenses

During the period under review, “Selling, general and administrative expenses” were ¥5,776 million (down 5.9% year-on-year). This was mainly attributable to an increase in “Depreciation expense” due to the useful life of noncurrent assets that are unlikely to be used after the relocation of the head office being shortened during the previous business year, and a decrease in “Personnel expenses” such as addition to provision for bonuses due to lower operating revenue.

(v) Extraordinary income and losses

During the period under review, “Head office relocation expenses” ¥56 million were recorded as “Extraordinary losses.”

(2) Quarterly overview of financial position

(i) Current assets

At the end of the period under review, “Current assets” amounted to ¥49,876 million, an increase of ¥1,109 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥1,408 million in “Trading products,” ¥923 million in “Cash paid for offering,” and ¥491 million in “Cash and deposits,” which were partially offset by decreases of ¥1,416 million in “Cash segregated as deposits” and ¥229 million in “Margin transaction assets.”

(ii) Non-current assets

At the end of the period under review, “Non-current assets” amounted to ¥15,319 million, a decrease of ¥425 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥323 million in “Investment securities” and ¥179 million in “Long-term guarantee deposits.”

(iii) Current liabilities

At the end of the period under review, “Current liabilities” amounted to ¥21,671 million, an increase of ¥1,281 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥887 million in “Margin transaction liabilities,” ¥674 million in “Deposits received,” and ¥279 million in “Borrowings secured by securities,” which were partially offset by decreases of ¥284 million in “Provision for share awards for employees,” ¥192 million in “Guarantee deposits received,” and ¥65 million in “Provision for bonuses.”

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

At the end of the period under review, “Non-current liabilities” and “Reserves under special laws” collectively amounted to ¥4,678 million, a decrease of ¥371 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥249 million in “Deferred tax liabilities” and ¥154 million in “Asset retirement obligations,” which were partially offset by an increase of ¥40 million in “Provision for share awards for employees.”

(v) Net assets

At the end of the period under review, “Net assets” amounted to ¥38,845 million, a decrease of ¥225 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥390 million in “Dividends of surplus,” ¥197 million in “Valuation difference on available-for-sale securities,” and ¥69 million in “Acquisition of treasury shares,” which were partially offset by increases of ¥262 million in “Disposal of treasury shares” and ¥169 million in “Profit.”

(vi) Cash flow status

At the end of the period under review, cash and cash equivalents amounted to ¥23,214 million, an increase of ¥491 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 ¥1,287 million, a decrease of ¥4,337 million from ¥5,624 million of “Net cash provided by operating activities” for the same period of the previous fiscal year. This cash inflow was mainly attributable to increases of ¥1,400 million in “Decrease/increase in cash segregated as deposits for customers,” ¥1,116 million in “Decrease/increase in assets/liabilities for margin transaction,” ¥482 million in “Decrease/increase in deposits and guarantee deposits received,” ¥290 million in “Decrease/increase in other assets/liabilities,” and ¥279 million in “Increase (decrease) in borrowings secured by securities,” which were partially offset by decreases of ¥1,400 million in “Decrease/increase in trading products - assets/liabilities” and ¥923 million in “Decrease/increase in cash paid for offering.”

(Cash flows from investing activities)

“Net cash used in investing activities” for the period under review amounted to ¥563 million, a decrease of ¥308 million from ¥255 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 property, plant and equipment” of ¥220 million, “Payments of leasehold deposits” of ¥154 million, and “Purchase of investment securities” of ¥114 million.

(Cash flows from financing activities)

“Net cash used in financing activities” for the period under review amounted to ¥461 million, an increase of ¥328 million from ¥790 million of “Net cash used in financing activities” for the same period of the previous fiscal year. This cash outflow was mainly attributable to “Dividends paid” of ¥389 million and “Purchase of treasury shares” of ¥69 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 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. Quarterly non-consolidated financial statements and significant notes

(1) Quarterly non-consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2022)	Current quarter (As of September 30, 2022)
Assets		
Current assets:		
Cash and deposits	22,723	23,214
Cash segregated as deposits	13,445	12,029
Trading products:	625	2,033
Trading securities and other	623	2,032
Derivatives	2	0
Trade date accrual	31	23
Margin transaction assets:	8,409	8,180
Loans on margin transactions	8,291	7,777
Cash collateral pledged for securities borrowing on margin transactions	118	402
Cash paid for offering	1,736	2,660
Short-term guarantee deposits	689	978
Income taxes refund receivable	-	29
Other current assets	1,104	726
Total current assets	48,766	49,876
Non-current assets:		
Property, plant and equipment:	3,339	3,431
Buildings	1,680	1,569
Other, net	1,658	1,861
Intangible assets	320	306
Investments and other assets:	12,084	11,581
Investment securities	11,196	10,873
Long-term guarantee deposits	845	666
Other	60	59
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	15,745	15,319
Total assets	64,511	65,195

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	Current quarter (As of September 30, 2022)
Liabilities		
Current liabilities:		
Margin transaction liabilities:	747	1,634
Borrowings on margin transactions	428	1,046
Cash received for securities lending on margin transactions	318	588
Borrowings secured by securities:	1,090	1,370
Cash received on debt credit transaction of securities	1,090	1,370
Deposits received	14,383	15,058
Guarantee deposits received	626	433
Short-term borrowings	1,950	1,950
Income taxes payable	149	87
Provision for bonuses	536	470
Provision for bonuses for directors (and other officers)	–	5
Provision for share awards for employees	284	–
Provision for share awards for directors (and other officers)	2	–
Asset retirement obligations	13	158
Other current liabilities	605	504
Total current liabilities	20,390	21,671
Non-current liabilities:		
Long-term borrowings	800	800
Deferred tax liabilities	1,485	1,235
Provision for retirement benefits	2,202	2,182
Provision for share awards for employees	–	40
Provision for share awards for directors (and other officers)	9	11
Asset retirement obligations	397	243
Other non-current liabilities	52	62
Total non-current liabilities	4,947	4,576
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	101	101
Total reserves under special laws	101	101
Total liabilities	25,439	26,349
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:	17,778	17,557
General reserve	7,247	7,247
Retained earnings brought forward	10,531	10,310
Total retained earnings	17,778	17,557
Treasury shares	(1,635)	(1,442)
Total shareholders' equity	34,680	34,652
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	4,391	4,193
Total valuation and translation adjustments	4,391	4,193
Total net assets	39,071	38,845
Total liabilities and net assets	64,511	65,195

(2) Quarterly non-consolidated statements of income

For the six months ended September 30, 2022

(Millions of yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Operating revenue		
Commission received:	6,411	4,904
Brokerage commission	3,033	1,930
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	39	3
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,494	1,217
Other fees received	1,844	1,752
Net trading income	645	759
Financial revenue	107	93
Other	12	13
Total operating revenue	7,176	5,770
Financial expenses	27	27
Net operating revenue	7,148	5,742
Selling, general and administrative expenses:		
Trading related expenses	564	479
Personnel expenses	3,495	3,199
Real estate expenses	771	775
Office expenses	893	870
Depreciation	181	226
Taxes and dues	126	112
Other	103	113
Total selling, general and administrative expenses	6,135	5,776
Operating profit (loss)	1,012	(34)
Non-operating income:		
Dividend income	169	184
Miscellaneous income	79	88
Total non-operating income	248	272
Non-operating expenses:		
Miscellaneous loss	11	0
Total non-operating expenses	11	0
Ordinary profit	1,250	238
Extraordinary losses:		
Provision of reserve for financial instruments transaction liabilities	–	0
Impairment loss	5	–
Head office relocation expenses	–	56
Total extraordinary losses	5	56
Profit (loss) before income taxes	1,244	182
Income taxes - current	364	12
Income taxes - deferred	(30)	0
Total income taxes	333	12
Profit	911	169

(3) Quarterly non-consolidated statements of cash flows

(Millions of yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)
Cash flows from operating activities:		
Profit before income taxes	1,244	182
Depreciation	181	226
Impairment loss	5	–
Increase (decrease) in provision for retirement benefits	(47)	(20)
Increase (decrease) in provision for bonuses	(52)	(65)
Increase (decrease) in provision for bonuses for directors (and other officers)	27	5
Increase (decrease) in provision for share-based remuneration for employees	73	(244)
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	0	(0)
Increase (decrease) in reserve for financial instruments transaction liabilities	–	0
Interest and dividend income	(277)	(279)
Interest expenses	27	27
Head office relocation expenses	–	56
Decrease (increase) in cash segregated as deposits for customers	1,300	1,400
Decrease (increase) in trading products – assets (liabilities)	(401)	(1,400)
Decrease/increase in margin transaction assets/liabilities	(523)	1,116
Decrease (increase) in short-term guarantee deposits	2	38
Decrease (increase) in cash paid for subscription	214	(923)
Increase (decrease) in borrowings secured by securities	674	279
Increase (decrease) in deposits and guarantee deposits received	4,300	482
Increase (decrease) in other assets/liabilities	(488)	290
Subtotal	6,264	1,171
Interest and dividends received	278	281
Interest paid	(27)	(26)
Head office relocation expenses paid	–	(36)
Settlement package paid	(35)	–
Income taxes paid	(854)	(102)
Net cash provided by (used in) operating activities	5,624	1,287
Cash flows from investing activities:		
Purchase of investment securities	(131)	(114)
Purchase of property, plant and equipment	(92)	(220)
Purchase of intangible assets	(36)	(58)
Payments for retirement of property, plant and equipment	(0)	(12)
Payments for asset retirement obligations	–	(11)
Loan advances	(4)	(7)
Collection of loans receivable	7	7
Payments of leasehold deposits	–	(154)
Other, net	2	8
Net cash provided by (used in) investing activities	(255)	(563)
Cash flows from financing activities:		
Purchase of treasury shares	(138)	(69)
Dividends paid	(648)	(389)
Other, net	(3)	(3)
Net cash provided by (used in) financing activities	(790)	(461)
Effect of exchange rate change on cash and cash equivalents	7	229
Net increase (decrease) in cash and cash equivalents	4,585	491
Cash and cash equivalents at beginning of period	25,125	22,723
Cash and cash equivalents at end of period	29,711	23,214

(4) Notes to quarterly non-consolidated financial statements

Going concern assumption

Not applicable.

Significant changes in shareholders' equity

Not applicable.

Changes in accounting policies

We have applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31; June 17, 2021; hereinafter the "Implementation Guidance on Accounting Standard for Fair Value Measurement") from the beginning of the first quarter of the fiscal year ending March 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, we apply the new accounting policy set forth in the Implementation Guidance on Accounting Standard for Fair Value Measurement 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, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Year-on-year change (%)
Brokerage commission:	3,033	1,930	63.6
Stocks	[3,009]	[1,907]	63.4
Beneficiary certificates	[23]	[22]	96.0
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	39	3	9.4
Stocks	[14]	[3]	20.4
Bonds	[24]	[0]	2.6
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,494	1,217	81.5
Other fees received	1,844	1,752	95.0
Total	6,411	4,904	76.5

(ii) Commission by product

(Millions of yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Year-on-year change (%)
Stocks	3,030	1,915	63.2
Bonds	26	1	4.5
Beneficiary certificates	3,342	2,967	88.8
Other	12	19	157.6
Total	6,411	4,904	76.5

(2) Net trading income

(Millions of yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)	For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Year-on-year change (%)
Stocks, etc.	467	535	114.5
Bonds, foreign exchange, etc.:	177	223	126.1
Bonds, etc.	[105]	[194]	183.7
Foreign exchange, etc.	[71]	[28]	40.5
Total	645	759	117.7

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)		For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	232	516,602	198	409,813	85.6	79.3
Brokerage	[230]	[479,055]	[196]	[371,259]	[85.5]	[77.5]
Dealing	[1]	[37,547]	[1]	[38,554]	[96.8]	[102.7]
Brokerage (%)	99.1	92.7	99.0	90.6	-	
Exchange participation share (%)	0.06	0.05	0.05	0.04		
Brokerage commission per stock on client transaction (yen)	13.08		9.70			

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

(Thousands of shares, Millions of yen)

	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)		For the six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)		Year-on-year change (%)
Underwriting:					
Stock (Number of shares)		163		88	54.0
Stock (Amount)		415		55	13.3
Bond (Face value)		2,150		150	7.0
Beneficiary certificates (Amount)		-		-	-
Commercial paper & foreign securities (Face value)		-		-	-
Offering and secondary distribution					
Stock (Number of shares)		113		93	82.5
Stock (Amount)		252		57	22.9
Bond (Face value)		2,010		139	6.9
Beneficiary certificates (Amount)		188,228		156,213	83.0
Commercial paper & foreign securities (Face value)		-		-	-

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

(5) Capital adequacy ratio

(Millions of yen unless otherwise indicated)

		Previous fiscal year (As of March 31, 2022)	Current quarter (As of September 30, 2022)
Basic items	(A)	34,289	34,522
Complementary items	Valuation difference on available-for- sale securities	4,391	4,193
	Reserve for financial instruments transaction liabilities	101	101
	Total	(B) 4,493	4,295
Deductible assets	(C)	5,375	5,238
Unfixed equity capital (A) + (B) - (C)	(D)	33,406	33,579
Risk items	Market risk	1,359	1,541
	Counterparty risk	432	357
	Basic risk	3,011	2,898
	Total	(E) 4,803	4,797
Capital adequacy ratio (%)	(D) / (E) × 100	695.4	699.9

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

(6) Quarterly trends of operating results

(Millions of yen)

	Previous fiscal year			Current fiscal year	
	2nd quarter (Jul. 1, 2021 - Sep. 30, 2021)	3rd quarter (Oct. 1, 2021 - Dec. 31, 2021)	4th quarter (Jan. 1, 2022 - Mar. 31, 2022)	1st quarter (Apr. 1, 2022 - Jun. 30, 2022)	2nd quarter (Jul. 1, 2021 - Sep. 30, 2022)
Operating revenue:					
Commission received	3,233	3,263	2,442	2,322	2,581
Net trading income	365	438	248	292	466
Financial revenue	55	52	48	44	49
Other	6	6	6	6	6
Total operating revenue	3,661	3,760	2,746	2,666	3,104
Financial expenses	13	12	12	12	14
Net operating revenue	3,647	3,748	2,734	2,653	3,089
Selling, general and administrative expenses:					
Trading related expenses	276	265	250	228	251
Personnel expenses	1,740	1,734	1,546	1,549	1,649
Real estate expenses	358	395	408	407	368
Office expenses	438	459	457	462	407
Depreciation	94	122	137	112	113
Taxes and dues	49	49	39	66	46
Other	53	44	58	46	66
Total selling, general and administrative expenses	3,011	3,072	2,899	2,874	2,902
Operating profit (loss)	636	676	(165)	(221)	186
Non-operating income	43	146	56	219	53
Non-operating expenses	11	1	1	2	(2)
Ordinary profit (loss)		821	(110)	(4)	242
Extraordinary losses:					
Provision of reserve for financial instruments transaction liabilities	-	-	-	0	0
Impairment loss	-	-	-	-	56
Total extraordinary losses		-	-	0	56
Profit (loss) before income taxes	668	821	(110)	(4)	186
Income taxes - current	360	155	56	6	5
Income taxes - deferred	(155)	129	(108)	(53)	53
Total income taxes	204	284	(51)	(47)	59
Profit (loss)	463	537	(58)	42	127