



Non-consolidated Financial Results
for the Fiscal Year Ended March 31, 2023
(Under Japanese GAAP)

April 28, 2023

Company name: Mito Securities Co., Ltd. Listing: Tokyo Stock Exchange
Securities code: 8622 URL: <https://www.mito.co.jp/>
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Scheduled date of ordinary general meeting of shareholders: June 27, 2023
Scheduled date of dividend payment: June 28, 2023
Scheduled filing date of Annual Securities Report (*Yukashoken Hokokusho*): June 28, 2023
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, 2023
(from April 1, 2022 to March 31, 2023)

(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, 2023	11,196	(18.2)	11,140	(18.3)	(268)	–	186	(90.5)	773	(44.3)
March 31, 2022	13,683	(11.0)	13,630	(10.9)	1,523	(45.9)	1,961	(38.8)	1,389	(25.6)

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, 2023	12.01	–	2.0	0.3	(2.4)
March 31, 2022	21.73	–	3.5	2.9	11.1

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

For the fiscal year ended March 31, 2023: – For the fiscal year ended March 31, 2022: –

(2) Non-consolidated financial position

As of	Total assets	Net assets	Capital ratio	Net assets per share	Capital adequacy ratio
	Millions of yen	Millions of yen	%	Yen	%
March 31, 2023	61,564	39,024	63.4	603.83	695.7
March 31, 2022	64,511	39,071	60.6	611.82	695.4

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

As of March 31, 2023: ¥39,024 million As of March 31, 2022: ¥39,071 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, 2023	(42)	(346)	(596)	21,958
March 31, 2022	(721)	(587)	(1,318)	22,723

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			
March 31, 2022	–	8.00	–	6.00	14.00	911	64.4	2.3
March 31, 2023	–	2.00	–	20.00	22.00	1,432	183.2	3.6
Ending March 31, 2024 (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)

2. Although we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2024, the Company has set a minimum annual dividend of ¥20.00 from the fiscal year ended March 2023 to the fiscal year ending March 2025. Year-end dividends are scheduled to be submitted to the Ordinary General Meeting of Shareholders each fiscal year.

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2024
(from April 1, 2023 to March 31, 2024)

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

We will promptly disclose the preliminary results figures when the operating results 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: | None |
| (iv) Restatements of prior period financial statements: | None |

Note: For more details, please see page 13 *Changes in accounting policies* 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, 2023: 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 March 31, 2023: 6,061,329 shares

As of March 31, 2022: 6,827,729 shares

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

Fiscal year ended March 31, 2023: 64,434,182 shares

Fiscal year ended March 31, 2022: 63,948,199 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, 2024 (from April 1, 2023 to March 31, 2024)," we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2024 due to difficulty in forecasting earnings. However, for the three fiscal years under the Sixth Medium term Management Plan (from the fiscal year ended March 2023 to the fiscal year ending March 2025), the Company would like to express its gratitude to shareholders for their support thus far and has decided to set the minimum annual dividend per share at ¥20.00, taking into account the current state of net assets. We will promptly disclose the forecast amount at the timing when the second quarter-end and the fiscal year-end approach (during September 2023 and March 2024).

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1. Overview of Operating Results, etc.

(1) Overview of operating results

2022 quarter, after a sharp drop in the January–March 2022 quarter. From the perspective of employment environment, the effective job offer ratio increased, supported by the growth in the number of job openings. While Japan’s nominal GDP continued to recover, its real GDP, which is adjusted to take into account price changes, remained almost unchanged for nine consecutive quarters until, and including, the October–December 2022 quarter. In addition, rising prices caused real disposable income of workers’ households to decrease. The indexes of business conditions, the composite indexes (CI) showed an improving trend for the lagging indicators but a slowdown for the leading indicators, which triggered concerns about the future. Like these indicators, economic indicators showed both favorable and sluggish data.

The U.S. economy made a recovery to positive growth in real GDP for the July–September quarter and the October–December quarter, after two consecutive quarters of negative growth. While the central bank was vigilant on inflation due mainly to strong employment and upward trend in average wage levels, we are seeing the effects of interest rate hikes as CPI inflation peaked in June 2022 and continues to moderate.

During the fiscal year under review, the domestic stock markets, while being influenced by the monetary policies of the world’s major economies, were supported by moves toward the normalization of economic activity as new COVID-19 cases temporarily subsided. As monetary tightening to combat inflation continued in emerging and developed countries, the Bank of Japan made a change to its large-scale monetary easing policy at its policy meeting held in December 2022, which triggered a plunge in the Tokyo stock market. Japan lifted the quasi-emergency COVID-19 measures in March 2022 and eased entry restrictions on foreign travelers in September 2022. China also ended its zero-Covid policy in December 2022. These countries further moved toward the normalization of economic activities, which boosted the stock markets. In March 2023, the U.S. banks failed one after another, causing a great concern about the country’s banking system; however, the authorities successfully contained the spread of such a psychological anxiety by quickly responding to protect all depositors of the failed banks and providing extra funding to eligible financial institutions. This helped the stock markets that plunged to return to the levels before the bank failures toward the end of March 2023. With being affected by such circumstances, the Nikkei Stock Average ended the fiscal year under review at 28,041.48 yen, up 0.8% from the end of March 2022.

Under these circumstances, we reported decreases in both operating revenue and net operating revenue during the fiscal year under review, with operating revenue of ¥11,196 million (down 18.2% year-on-year) and net operating revenue of ¥11,140 million (down 18.3% year-on-year), which is the amount of operating revenue less financial expenses of ¥56 million (up 7.5% year-on-year). Selling, general and administrative expenses were ¥11,408 million (down 5.8% year-on-year). As a result, we reported operating loss of ¥268 million (compared to operating profit of ¥1,523 million for the previous fiscal year) and ordinary profit of ¥186 million (down 90.5% year-on-year). After extraordinary income of ¥845 million (compared to ¥– million for the previous fiscal year), extraordinary losses of ¥199 million (compared to ¥5 million for the previous fiscal year), and tax expenses of ¥58 million (down 89.6% year-on-year), profit was ¥773 million (down 44.3% 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 ¥9,587 million (down 20.9% year-on-year).

(a) Brokerage commission

“Brokerage commission” was ¥3,826 million (down 30.0% year-on-year). This was mainly due to a decrease to ¥733.8 billion (down 21.1% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥3,784 million (down 30.1% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥42 million (down 14.7% 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 ¥24 million (down 76.0% year-on-year).

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

“Fees for offering, secondary distribution and solicitation for selling and others for professional investors,”

which mainly consists of investment trust sales commissions, was ¥2,299 million (down 20.2% 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 small-cap and mid-cap stocks in Japan, the markets remained choppy and range-bound throughout the fiscal year under review, and sales dropped. In addition, “Other fees received” was ¥3,436 million (down 6.4% year-on-year) mainly due to decreases in agency commission for investment trusts and commission for mutual fund wraps.

(ii) Net trading income

During the fiscal year under review, “Net trading income” was ¥1,379 million (up 3.5% year-on-year) consisting of net trading income for stocks of ¥1,105 million (up 12.5% year-on-year) and that for bonds and foreign exchanges of ¥274 million (down 21.7% year-on-year).

(iii) Financial revenue and expenses

During the fiscal year under review, “Financial revenue” was ¥202 million (down 2.3% year-on-year) mainly due to a decrease in income from margin transactions, and “Financial expenses” was ¥56 million (up 7.5% year-on-year) mainly due to an increase in cost of margin transactions, resulting in a net profit of ¥146 million (down 5.6% year-on-year).

(iv) Selling, general and administrative expenses

During the fiscal year under review, “Selling, general and administrative expenses” was ¥11,408 million (down 5.8% year-on-year). This was mainly attributable to a decrease in “Personnel expenses” such as bonuses due to lower operating revenue.

(v) Extraordinary income and losses

During the fiscal year under review, “Extraordinary income” was ¥845 million (¥– million for the previous fiscal year), and consisted solely of “Gain on sale of investment securities.” “Extraordinary losses” consisted of “Head office relocation expenses” of ¥199 million (¥– million for the previous fiscal year), and “Provision of reserve for financial instruments transaction liabilities” of ¥0 million (¥– million for the previous fiscal year). As a result, net extraordinary income was ¥646 million (net losses of ¥5 million 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 ¥48,424 million, a decrease of ¥342 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥1,521 million in “Cash segregated as deposits,” ¥1,504 million in “Margin transaction assets,” and ¥764 million in “Cash and deposits,” which were partially offset by increases of ¥2,010 million in “Securities” due to the reclassification from investment securities, ¥1,187 million in “Trading products,” and ¥284 million in “Short-term guarantee deposits.”

(ii) Non-current assets

At the end of the fiscal year under review, “Non-current assets” amounted to ¥13,139 million, a decrease of ¥2,605 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥2,953 million in “Investment securities,” ¥179 million in “Long-term guarantee deposits,” ¥63 million in “Intangible assets,” and ¥11 million in “Long-term loans receivable from employees,” which were partially offset by an increase of ¥605 million in “Property, plant and equipment.”

(iii) Current liabilities

At the end of the fiscal year under review, “Current liabilities” amounted to ¥18,710 million, a decrease of ¥1,679 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥2,529 million in “Deposits received,” ¥320 million in “Guarantee deposits received,” ¥284 million in “Provision for share awards for employees,” and ¥128 million in “Provision for bonuses,” which were partially offset by increases of ¥851 million in “Borrowings secured by securities” and ¥800 million in “Short-term borrowings” due to the reclassification from long-term borrowings.

(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 ¥3,829 million, a decrease of ¥1,220 million from the end of the previous fiscal

year. This was mainly attributable to decreases of ¥800 million in “Long-term borrowings” due to the reclassification to short-term borrowings, ¥391 million in “Deferred tax liabilities,” ¥69 million in “Asset retirement obligations,” and ¥65 million in “Provision for retirement benefits,” which were partially offset by an increase of ¥85 million in “Provision for share awards for employees.”

(v) Net assets

At the end of the fiscal year under review, “Net assets” amounted to ¥39,024 million, a decrease of ¥47 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥520 million in “Dividends of surplus,” ¥493 million in “Valuation difference on available-for-sale securities,” and ¥69 million in “Purchase of treasury shares,” which were partially offset by increases of ¥773 million in “Profit” and ¥262 million in “Disposal of treasury shares.”

(3) Overview of cash flows

“Cash and cash equivalents at end of period” of the fiscal year under review decreased by ¥764 million from the end of the previous fiscal year to ¥21,958 million.

Cash flows from operating activities

“Net cash used in operating activities” for the fiscal year under review amounted to ¥42 million, an increase of ¥678 million from ¥721 million of “Net cash used in operating activities” for the previous fiscal year. This cash outflow was mainly attributable to a decrease of ¥2,850 million in “Deposits and guarantee deposits received,” a decrease of ¥1,193 million in “Trading products - assets (liabilities),” “Gain on sale of investment securities” of ¥845 million, and “Income taxes paid” of ¥388 million, which were partially offset by an increase of ¥1,618 million in “Assets/liabilities for margin transaction,” an increase of ¥1,500 million in “Cash segregated as deposits for customers,” an increase of ¥851 million in “Borrowings secured by securities,” the recording of ¥832 million in “Profit before income taxes,” and the recording of ¥443 million in “Depreciation.”

Cash flows from investing activities

“Net cash used in investing activities” for the fiscal year under review amounted to ¥346 million, an increase of ¥240 million from ¥587 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 ¥835 million, “Purchase of investment securities” of ¥207 million, “Payments of leasehold deposits” of ¥159 million, “Payments for asset retirement obligations” of ¥158 million, and “Purchase of intangible assets” of ¥59 million, which were partially offset by “Proceeds from sale of investment securities” of ¥1,065 million.

Cash flows from financing activities

“Net cash used in financing activities” for the fiscal year under review amounted to ¥596 million, an increase of ¥721 million from ¥1,318 million of “Net cash used in financing activities” for the previous year. This cash outflow was mainly attributable to “Dividends paid” of ¥520 million and “Purchase of treasury shares” of ¥69 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 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. Although there are still concerns about variants, more people have been vaccinated, and we have taken measures to prevent the suspension of critical operations by enabling workers at branch offices to conduct sales work from home using cell phones and tablets, and establishing a system at the Customer Center so it can cover the work of offices where a COVID-19 cluster was confirmed.

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

We started the 6th Medium-term Management Plan (covering the period from April 2022 to March 2025) in April 2022, aiming to achieve our corporate vision.

Our achievements during the fiscal year under review, the first fiscal year of the 6th Medium-term Management Plan, are as follows:

Numerical targets and results for the 6th Medium-term Management Plan

Item	(i) ROE	(ii) Percent of SG&A expenses covered by subscription-type revenue*
Numerical targets	5.0% (in each fiscal year of the plan period)	33.0% or more (in fiscal 2024)
Results	2.0%	29.7%

* 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) ROE for fiscal 2022, or the fiscal year under review, was 2.0% against the target of 5.0%. This was attributable to decreases mainly in brokerage commission on stocks and investment trust offering commissions due to weakness in the stock markets of Japan and the U.S., although we booked extraordinary income resulting from the sale of investment securities.
- (ii) The percentage of SG&A expenses covered by subscription-type revenue for fiscal 2022, or the fiscal year under review, was 29.7% against the target of 33.0% or more. This was attributable to agency commission for investment trusts of ¥1,909 million (down 5.6% year-on-year) resulting from a decrease in the balance of investment trusts and to commission for mutual fund wraps of ¥1,479 million (down 8.1% year-on-year) resulting from a decrease in performance fees despite an increase in the balance of mutual fund wraps, although SG&A expenses decreased due to a decrease in personnel expenses such as bonuses.

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

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, 2022)	Current fiscal year (As of March 31, 2023)
Assets		
Current assets:		
Cash and deposits	22,723	21,958
Cash segregated as deposits	13,445	11,923
Trading products:	625	1,812
Trading securities and other	623	1,812
Derivatives	2	0
Trade date accrual	31	37
Margin transaction assets:	8,409	6,904
Loans on margin transactions	8,291	6,766
Cash collateral pledged for securities borrowing on margin transactions	118	138
Advances paid	420	16
Cash paid for offering	1,736	1,681
Short-term guarantee deposits	689	973
Short-term loans receivable	20	21
Securities	-	2,010
Advance payments	40	-
Prepaid expenses	103	114
Accounts receivable - other	15	193
Income taxes refund receivable	-	250
Accrued income	505	524
Total current assets	48,766	48,424
Non-current assets:		
Property, plant and equipment:	3,339	3,945
Buildings	1,680	1,921
Structures, net	34	32
Equipment	295	434
Land	1,307	1,535
Leased assets, net	21	21
Intangible assets	320	257
Telephone subscription right	51	47
Software	268	210
Investments and other assets:	12,084	8,937
Investment securities	11,196	8,242
Investments in capital	5	5
Long-term loans receivable from employees	20	9
Long-term guarantee deposits	845	665
Long-term prepaid expenses	6	4
Other	27	28
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	15,745	13,139
Total assets	64,511	61,564

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Liabilities		
Current liabilities:		
Margin transaction liabilities:	747	860
Borrowings on margin transactions	428	569
Cash received for securities lending on margin transactions	318	291
Borrowings secured by securities:	1,090	1,942
Cash received on debt credit transaction of securities	1,090	1,942
Deposits received:	14,383	11,853
Deposits from customers	12,770	10,777
Deposits received for underwritten offering, etc.	5	–
Other deposits received	1,606	1,075
Guarantee deposits received	626	306
Short-term borrowings	1,950	2,750
Unearned revenue	2	2
Lease obligations	7	7
Accounts payable - other	96	106
Accrued expenses	454	446
Income taxes payable	149	26
Provision for bonuses	536	408
Provision for share awards for employees	284	–
Provision for share awards for directors (and other officers)	2	–
Asset retirement obligations	13	–
Other current liabilities	44	–
Total current liabilities	20,390	18,710
Non-current liabilities:		
Long-term borrowings	800	–
Lease obligations	16	16
Deferred tax liabilities	1,485	1,094
Provision for retirement benefits	2,202	2,137
Provision for share awards for employees	–	85
Provision for share awards for directors (and other officers)	9	15
Asset retirement obligations	397	327
Other non-current liabilities	36	50
Total non-current liabilities	4,947	3,727
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	101	101
Total reserves under special laws	101	101
Total liabilities	25,439	22,540
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	18,031
General reserve	7,247	7,247
Retained earnings brought forward	10,531	10,783
Total retained earnings	17,778	18,031
Treasury shares	(1,635)	(1,442)
Total shareholders' equity	34,680	35,126
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	4,391	3,897
Total valuation and translation adjustments	4,391	3,897
Total net assets	39,071	39,024
Total liabilities and net assets	64,511	61,564

(2) Non-consolidated statements of income

(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Operating revenue		
Commission received:	12,117	9,587
Brokerage commission	5,463	3,826
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	101	24
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	2,880	2,299
Other fees received	3,672	3,436
Net trading income	1,332	1,379
Financial revenue	207	202
Other	25	26
Total operating revenue	13,683	11,196
Financial expenses	52	56
Net operating revenue	13,630	11,140
Selling, general and administrative expenses:		
Trading related expenses	1,081	997
Personnel expenses	6,776	6,311
Real estate expenses	1,575	1,518
Office expenses	1,810	1,725
Depreciation	441	443
Taxes and dues	215	199
Other	205	211
Total selling, general and administrative expenses	12,107	11,408
Operating profit (loss)	1,523	(268)
Non-operating income:		
Dividend income	271	289
Miscellaneous income	180	188
Total non-operating income	451	478
Non-operating expenses:		
Miscellaneous loss	14	23
Total non-operating expenses	14	23
Ordinary profit	1,961	186
Extraordinary income:		
Gain on sale of investment securities	–	845
Total extraordinary income	–	845
Extraordinary losses:		
Provision of reserve for financial instruments transaction liabilities	–	0
Impairment loss	5	–
Head office relocation expenses	–	199
Total extraordinary losses	5	199
Profit before income taxes	1,955	832
Income taxes - current	575	26
Income taxes - deferred	(9)	31
Total income taxes	566	58
Profit	1,389	773

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

Previous 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

Current fiscal year (from April 1, 2022 to March 31, 2023)

(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	10,531	17,778	(1,635)	34,680	4,391	4,391	39,071
Changes during period:												
Dividends of surplus						(520)	(520)		(520)			(520)
Profit						773	773		773			773
Purchase of treasury shares								(69)	(69)			(69)
Disposal of treasury shares								262	262			262
Net changes in items other than shareholders' equity										(493)	(493)	(493)
Total changes during period	-	-	-	-	-	252	252	193	445	(493)	(493)	(47)
Balance at end of period	12,272	4,294	1,969	6,264	7,247	10,783	18,031	(1,442)	35,126	3,897	3,897	39,024

(4) Non-consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities:		
Profit before income taxes	1,955	832
Depreciation	441	443
Impairment loss	5	-
Increase (decrease) in provision for retirement benefits	(29)	(65)
Increase (decrease) in provision for bonuses	(145)	(128)
Increase (decrease) in provision for share-based remuneration for employees	118	(199)
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	2	3
Increase (decrease) in reserve for financial instruments transaction liabilities	-	0
Interest and dividend income	(495)	(503)
Interest expenses	52	56
Loss (gain) on sale of investment securities	-	(845)
Head office relocation expenses	-	199
Decrease (increase) in cash segregated as deposits for customers	3,500	1,500
Decrease (increase) in trading products - assets (liabilities)	(203)	(1,193)
Decrease/increase in assets/liabilities for margin transaction	774	1,618
Decrease (increase) in short-term guarantee deposits	1	43
Decrease (increase) in cash paid for subscription	(246)	55
Increase (decrease) in borrowings secured by securities	63	851
Increase (decrease) in deposits and guarantee deposits received	(4,579)	(2,850)
Decrease (increase) in advances paid	(199)	404
Increase/decrease in other assets/liabilities	(815)	(132)
Subtotal	200	89
Interest and dividends received	497	512
Interest paid	(52)	(56)
Payments of head office relocation expenses	-	(199)
Settlement paid	(36)	(0)
Income taxes paid	(1,330)	(388)
Net cash provided by (used in) operating activities	(721)	(42)
Cash flows from investing activities:		
Purchase of investment securities	(131)	(207)
Proceeds from sale of investment securities	-	1,065
Purchase of property, plant and equipment	(187)	(835)
Purchase of intangible assets	(79)	(59)
Payments for retirement of property, plant and equipment	(3)	(15)
Payments for asset retirement obligations	-	(158)
Loan advances	(20)	(8)
Collection of loans receivable	15	15
Payments of leasehold deposits	(155)	(159)
Other, net	(23)	15
Net cash provided by (used in) investing activities	(587)	(346)
Cash flows from financing activities:		
Purchase of treasury shares	(138)	(69)
Dividends paid	(1,173)	(520)
Other, net	(7)	(7)
Net cash provided by (used in) financing activities	(1,318)	(596)
Effect of exchange rate change on cash and cash equivalents	225	221
Net increase (decrease) in cash and cash equivalents	(2,402)	(764)
Cash and cash equivalents at beginning of period	25,125	22,723
Cash and cash equivalents at end of period	22,723	21,958

(5) Notes to non-consolidated financial statements

Going concern assumption

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 fiscal year under review. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, we prospectively apply the new accounting policy set forth in the Implementation Guidance on Accounting Standard for Fair Value Measurement. This has no impact on the non-consolidated financial statements.

Changes in presentation

Non-consolidated statements of cash flows

“Decrease (increase) in advances paid,” which was included in “Increase/decrease in other assets/liabilities” under “Cash flows from operating activities” for the previous fiscal year, has been presented as a separate line item from the fiscal year under review due to the increased materiality of the amount. To reflect this change in presentation, the non-consolidated financial statements for the previous fiscal year have been reclassified.

As a result, an increase of ¥199 million, which was included in the amount of “Increase/decrease in other assets/liabilities” under “Cash flows from operating activities” in the non-consolidated statement of cash flows for the previous fiscal year, has been reclassified as an increase of ¥199 million in “Decrease (increase) in advances paid.”

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). Afterwards, as the Act Partially Amending the Companies Act (Act No. 70 of 2019) was enforced on March 1, 2021, the Company has reestablished the remuneration limit under the Plan after obtaining approval at the 76th Ordinary General Meeting of Shareholders held on June 24, 2021. This does not increase the actual remuneration limit from the limit determined by the resolution made at the 71st Ordinary General Meeting of Shareholders. Furthermore, as the transition to a company with an Audit and Supervisory Committee was approved at the 77th Ordinary General Meeting of Shareholders held on June 24, 2022, the Company has abolished the remuneration limit under the Plan reestablished by the resolution made at the 76th Ordinary General Meeting of Shareholders, and obtained approval for the remuneration limit under the Plan for directors (excluding directors who are audit and supervisory committee members and outside directors; the same applies hereinafter) of the Company. The contents of the actual remuneration limit under the Plan are the same as those determined by the resolution made at the 76th Ordinary General Meeting of Shareholders.

(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 ¥74 million for 312 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 ¥238 million for 940 thousand shares and ¥46 million for 181 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, 2022)	Current fiscal year (As of March 31, 2023)
Buildings	4,140	3,906
Structures, net	74	77
Equipment	1,007	592
Leased assets, net	10	17
Total	5,232	4,592

Non-consolidated statement of changes in net assets

Previous 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

Factors of the increase of 451,261 shares are 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 28, 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 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, 2022	Common stock	Retained earnings	390	6.0	March 31, 2022	June 27, 2022

Note: 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.

Current fiscal year (from April 1, 2022 to March 31, 2023)

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)	6,827,729	250,000	1,016,400	6,061,329

Notes 1. The number of treasury shares at the beginning of the period and at the end of the period includes 1,259,900 shares and 493,500 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 250,000 shares is as follows:

Increase due to ownership as trust assets for J-ESOP: 250,000 shares

Factors of the decrease of 1,016,400 shares are as follows:

Decrease due to provision of shares for J-ESOP: 1,008,800 shares

Decrease due to provision of shares for BBT: 7,600 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, 2022	Common stock	390	6.0	March 31, 2022	June 27, 2022
Board of Directors' meeting held on October 28, 2022	Common stock	130	2.0	September 30, 2022	December 2, 2022

Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on June 24, 2022 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.

2. The total amount of dividends paid based on the resolution at the Board of Directors' meeting held on October 28, 2022 includes dividends of ¥0 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 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 27, 2023	Common stock	Retained earnings	1,302	20.0	March 31, 2023	June 28, 2023

Note: The total amount of dividends to be paid includes dividends of ¥9 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, 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
Fees 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 we have no property, plant and equipment located outside of Japan.

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, 2022 to March 31, 2023)

1. Information by services

(Millions of yen)

Item	Stocks	Bonds	Beneficiary certificates	Other	Total
Brokerage commission	3,784	–	42	–	3,826
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8	15	–	–	24
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	0	0	2,299	–	2,299
Other fees received	9	1	3,389	34	3,436
Total	3,802	17	5,731	34	9,587

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 we have no property, plant and equipment located outside of Japan.

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, 2021 to March 31, 2022)

Not applicable

Current fiscal year (from April 1, 2022 to March 31, 2023)

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, 2022)	Current fiscal year (As of March 31, 2023)
(1) Net assets per share (Yen)	611.82	603.83
Basis of calculation		
Total net assets on balance sheets (Millions of yen)	39,071	39,024
Net assets attributable to common stocks (Millions of yen)	39,071	39,024
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)	6,827	6,061
Number of common stock used for calculating per-share net assets (Thousands of share)	63,861	64,627

Item	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)
(2) Basic earnings per share (Yen)	21.73	12.01
Basis of calculation		
Profit on statements of income (Millions of yen)	1,389	773
Profit not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to common stocks (Millions of yen)	1,389	773
Average number of shares of common stock during the fiscal year (Thousands of share)	63,948	64,434

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 1,259 thousand shares in the previous fiscal year and 493 thousand 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 1,173 thousand shares for the previous fiscal year and 687 thousand 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, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)	Year-on-year change (%)
Brokerage commission:	5,463	3,826	70.0
Stocks	[5,413]	[3,784]	69.9
Bonds	[-]	[-]	-
Beneficiary certificates	[49]	[42]	85.3
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	101	24	24.0
Stocks	[38]	[8]	22.1
Bonds	[63]	[15]	25.1
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	2,880	2,299	79.8
Other fees received	3,672	3,436	93.6
Total	12,117	9,587	79.1

(ii) Commission by product

(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)	Year-on-year change (%)
Stocks	5,462	3,802	69.6
Bonds	66	17	26.7
Beneficiary certificates	6,560	5,731	87.4
Other	27	34	126.2
Total	12,117	9,587	79.1

(2) Net trading income

(Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)	Current fiscal year (From April 1, 2022 to March 31, 2023)	Year-on-year change (%)
Stocks, etc.	981	1,105	112.5
Bonds, foreign exchange, etc.:	350	274	78.3
Bonds, etc.	[208]	[166]	79.5
Foreign exchange, etc.	[141]	[108]	76.5
Total	1,332	1,379	103.5

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	442	1,007,893	407	815,124	92.3	80.9
Brokerage Dealing	[438] [3]	[929,971] [77,921]	[401] [6]	[733,893] [81,231]	[91.7] [160.1]	[78.9] [104.2]
Brokerage (%)	99.1	92.3	98.5	90.0		
Exchange participation share (%)	0.05	0.05	0.05	0.04		
Brokerage commission per stock on client transaction (Yen)		12.35		9.42		

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

(Thousands of shares, Millions of yen)

	Previous fiscal year (From April 1, 2021 to March 31, 2022)		Current fiscal year (From April 1, 2022 to March 31, 2023)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Underwriting:						
Stock (Number of shares)		1,896		184		9.7
Stock (Amount)		2,096		209		10.0
Bond (Face value)		5,150		1,650		32.0
Beneficiary certificates (Amount)		–		–		–
Commercial paper & foreign securities (Face value)		–		–		–
Offering and secondary distribution						
Stock (Number of shares)		1,765		181		10.3
Stock (Amount)		1,803		182		10.1
Bond (Face value)		5,036		1,649		32.8
Beneficiary certificates (Amount)		355,754		310,067		87.2
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, 2022)	Current fiscal year (As of March 31, 2023)
Basic items (A)		34,289	33,823
Complementary items	Valuation difference on available-for- sale securities	4,391	3,897
	Reserve for financial instruments transaction liabilities	101	101
	Total (B)	4,493	3,999
Deductible assets (C)		5,375	5,738
Unfixed equity capital (A) + (B) – (C) (D)		33,406	32,084
Risk items	Market risk	1,359	1,444
	Counterparty risk	432	304
	Basic risk	3,011	2,862
	Total (E)	4,803	4,611
Capital adequacy ratio (%) (D) / (E) × 100		695.4	695.7

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

(6) Number of directors, officers and employees

(persons)

	Previous fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Directors and officers	12	10
Employees	751	737

(7) Quarterly trends of operating results

(Millions of yen)

	1st quarter (Apr. 1, 2022– Jun. 30, 2022)	2nd quarter (Jul. 1, 2022– Sep. 30, 2022)	3rd quarter (Oct. 1, 2022– Dec. 31, 2022)	4th quarter (Jan. 1, 2023– Mar. 31, 2023)	Current fiscal year (Apr. 1, 2022– Mar. 31, 2023)
Operating revenue:					
Commission received	2,322	2,581	2,311	2,371	9,587
Net trading income	292	466	244	376	1,379
Financial revenue	44	49	52	56	202
Other	6	6	6	6	26
Total operating revenue	2,666	3,104	2,615	2,810	11,196
Financial expenses	12	14	14	13	56
Net operating revenue	2,653	3,089	2,600	2,796	11,140
Selling, general and administrative expenses:					
Trading related expenses	228	251	240	277	997
Personnel expenses	1,549	1,649	1,523	1,589	6,311
Real estate expenses	407	368	389	353	1,518
Office expenses	462	407	411	444	1,725
Depreciation	112	113	117	99	443
Taxes and dues	66	46	44	41	199
Other	46	66	61	36	211
Total selling, general and administrative expenses	2,874	2,902	2,788	2,843	11,408
Operating profit (loss)	(221)	186	(187)	(46)	(268)
Non-operating income	219	53	160	45	478
Non-operating expenses	2	(2)	1	22	23
Ordinary profit (loss)	(4)	242	(28)	(23)	186
Extraordinary income:					
Gain on sale of investment securities	–	–	738	106	845
Total extraordinary income	–	–	738	106	845
Extraordinary losses:					
Provision of reserve for financial instruments transaction liabilities	0	0	(0)	(0)	0
Head office relocation expenses	–	56	143	0	199
Total extraordinary losses	0	56	143	0	199
Profit (loss) before income taxes	(4)	186	566	83	832
Income taxes - current	6	5	4	10	26
Income taxes - deferred	(53)	53	110	(78)	31
Total income taxes	(47)	59	114	(68)	58
Profit (loss)	42	127	451	152	773