



**Non-consolidated Financial Results**  
for the Three Months Ended June 30, 2023  
(Under Japanese GAAP)

July 28, 2023

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 Scheduled filing date of Quarterly Securities Report (*Shihanki Hokokusho*): August 10, 2023  
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 Investors meeting presentation for quarterly financial results: None

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

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

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

|                    | Operating revenue |        | Net operating revenue |        | Operating profit |   | Ordinary profit |   | Profit          |        |
|--------------------|-------------------|--------|-----------------------|--------|------------------|---|-----------------|---|-----------------|--------|
|                    | Millions of yen   | %      | Millions of yen       | %      | Millions of yen  | % | Millions of yen | % | Millions of yen | %      |
| Three months ended |                   |        |                       |        |                  |   |                 |   |                 |        |
| June 30, 2023      | 3,570             | 33.9   | 3,555                 | 34.0   | 592              | – | 766             | – | 723             | –      |
| June 30, 2022      | 2,666             | (24.1) | 2,653                 | (24.2) | (221)            | – | (4)             | – | 42              | (90.5) |

|                    | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
|                    | Yen                      | Yen                        |
| Three months ended |                          |                            |
| June 30, 2023      | 11.20                    | –                          |
| June 30, 2022      | 0.67                     | –                          |

(2) Non-consolidated financial position

|                | Total assets    | Net assets      | Capital ratio | Capital adequacy ratio |
|----------------|-----------------|-----------------|---------------|------------------------|
| As of          | Millions of yen | Millions of yen | %             | %                      |
| June 30, 2023  | 68,213          | 39,085          | 57.3          | 751.1                  |
| March 31, 2023 | 61,564          | 39,024          | 63.4          | 695.7                  |

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

As of June 30, 2023: ¥39,085 million As of March 31, 2023: ¥39,024 million

2. Dividends

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

(Note) Although we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2024, the Company has set a minimum annual dividend of ¥20.00 from the fiscal year ended March 2023 to the fiscal year ending March 2025.

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

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

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

[Notes]

- (1) Application of accounting methods used specifically for preparing the quarterly non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements
- (i) Changes in accounting policies due to application of new or revised accounting standards: None
  - (ii) Changes in accounting policies due to reasons other than above (i): None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatements of prior period financial statements: None

(3) Number of shares issued (common stock)

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

As of June 30, 2023: 70,689,033 shares

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

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

As of June 30, 2023: 6,061,462 shares

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

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

Three months ended June 30, 2023: 64,627,650 shares

Three months ended June 30, 2022: 63,853,495 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, 2024 (from April 1, 2023 to March 31, 2024)," we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2024 due to difficulty in forecasting earnings. However, for the three fiscal years under the Sixth Medium term Management Plan (from the fiscal year ended March 2023 to the fiscal year ending March 2025), the Company would like to express its gratitude to shareholders for their support thus far and has decided to set the minimum annual dividend per share at ¥20.00, taking into account the current state of net assets. We will promptly disclose the forecast amount at the timing when the second quarter-end and the fiscal year-end approach (during September 2023 and March 2024).

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## 1. Overview of operating results, etc.

### (1) Quarterly overview of operating results

During the first three months ended June 30, 2023 (hereinafter the “period under review”), Japan’s economy remained strong, with both nominal and real GDP maintaining positive growth in the October–December 2022 and January–March 2023 quarters, and the real growth rate in the January–March 2023 quarter reaching the highest level since the April–June 2022 quarter. The year-on-year growth rate of the consumer price index “All items, less fresh food and energy” continued to expand through May, and the year-on-year negative growth rate of real disposable income of working households became the norm. Meanwhile, the Economy Watchers Survey DIs for both current and future economic conditions exceeded their reference point of 50 in February, and remained above 50 for five consecutive months through June, resulting in the DI for current conditions and the DI for future conditions exceeding it in consecutive months for the first time since May 2017–January 2018 (nine consecutive months) and since May 2017–June 2018 (14 consecutive months) respectively.

The U.S. economy continued to perform well, with real GDP growing positively for three consecutive quarters through the January–March 2023 quarter, amid rising consumer prices. However, the Eurozone experienced a slight but consecutive negative growth in real GDP in the October–December 2022 and January–March 2023 quarters. As for the monetary policies of world’s major economies, Japan maintained its monetary easing policy, while the U.S. decided to leave its policy rate unchanged for the first time in about 18 months at the Federal Open Market Committee (FOMC) meeting in June. Many countries continued to tighten monetary policy: the European Central Bank (ECB) raised interest rates at eight consecutive meetings through June; the U.K. raised interest rates at 13 consecutive meetings; and Canada and Australia resume interest rate hikes that had been suspended.

During the period under review, the domestic stock markets rose sharply. Specifically, the Nikkei Stock Average rose for six consecutive months through June to its highest level in about 33 years. This was due to factors such as the Tokyo Stock Exchange’s request for improvement for companies with low P/B ratios, consideration of additional investment in Japanese stocks by prominent U.S. investors known for their long-term investments in undervalued stocks, the Bank of Japan’s continued monetary easing and the weak yen, as well as announcement of solid forecasts by many companies in their earnings results for the fiscal year ended March 2023 from late April to mid-May and the resolution of the U.S. federal debt problem, all contributing to providing relief to investors. Reflecting these conditions, the Nikkei ended the period under review at ¥33,189.04, up 18.4% from the end of March 2023.

Under these circumstances, we reported increases in both operating revenue and net operating revenue during the period under review, with operating revenue of ¥3,570 million (up 33.9% year-on-year) and net operating revenue of ¥3,555 million (up 34.0% year-on-year), which is the amount of operating revenue less financial expenses of ¥14 million (up 11.6% year-on-year). Selling, general and administrative expenses were ¥2,963 million (up 3.1% year-on-year). As a result, we reported operating profit of ¥592 million (compared to operating loss of ¥221 million for the same period a year earlier) and ordinary profit of ¥766 million (compared to ordinary loss of ¥4 million for the same period a year earlier). After extraordinary income of ¥233 million (compared to ¥– million for the same period a year earlier), extraordinary losses of ¥6 million (compared to ¥0 million for the same period a year earlier), and tax expenses of ¥270 million (compared to –¥47 million for the same period a year earlier), profit was ¥723 million (up 1,594.2% year-on-year).

Overview of the operating results are as shown below.

#### (i) Commission received

During the period under review, total “Commission received” was ¥2,952 million (up 27.1% year-on-year).

##### (a) Brokerage commission

“Brokerage commission” was ¥1,365 million (up 51.7% year-on-year). This was mainly due to an increase to ¥253.2 billion (up 44.2% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥1,359 million (up 52.9% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥5 million (down 45.8% 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 ¥5 million (up 91.5% 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 ¥678 million (up 22.2% year-on-year). This was due to strong sales of investment trusts that invest in mid-cap stocks listed on Indian exchanges, investment trusts that actively invest in stocks with high expected dividend yields in Japan with the goal of growing investment trust assets, and investment trusts that, among stocks listed worldwide, invest in stocks of companies with high growth potential through the evolution and application of AI (artificial intelligence). In addition, “Other fees received” were ¥903 million (up 4.5% year-on-year) mainly due to increases in agency commission for investment trusts and commission for mutual fund wraps.

(ii) Net trading income

During the period under review, “Net trading income” was ¥539 million (up 84.7% year-on-year) consisting of net trading income for stocks of ¥480 million (up 154.6% year-on-year) due to an increase in the trading volume of US stocks and that for bonds and foreign exchange of ¥59 million (down 42.7% year-on-year).

(iii) Financial revenue and expenses

During the period under review, “Financial revenue” was ¥70 million (up 58.8% year-on-year) due to an increase in interest income, and “Financial expenses” were ¥14 million (up 11.6% year-on-year) due to an increase in the cost of margin transactions, resulting in a net profit of ¥56 million (up 78.0% year-on-year).

(iv) Selling, general and administrative expenses

During the period under review, “Selling, general and administrative expenses” were ¥2,963 million (up 3.1% year-on-year). This was mainly attributable to a decrease in “Real estate expenses” and an increase in “Personnel expenses” such as addition to provision for bonuses due to higher operating revenue.

(v) Extraordinary income and losses

During the period under review, “Extraordinary income” consisted of ¥224 million in “Gain on sale of investment securities” (compared to ¥– million for the same period a year earlier) and ¥9 million in “Reversal of reserve for financial instruments transaction liabilities” (compared to ¥– million for the same period a year earlier). “Extraordinary losses” was ¥6 million (compared to ¥– million for the same period a year earlier), and consisted solely of “Impairment loss.” As a result, net extraordinary income was ¥227 million (net losses of ¥0 million for the same period a year earlier).

(2) Quarterly overview of financial position

(i) Current assets

At the end of the period under review, “Current assets” amounted to ¥54,363 million, an increase of ¥5,939 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥3,305 million in “Cash paid for offering,” ¥2,310 million in “Cash segregated as deposits,” and ¥1,992 million in “Cash and deposits,” which were partially offset by a decrease of ¥1,553 million in “Trading products.”

(ii) Non-current assets

At the end of the period under review, “Non-current assets” amounted to ¥13,849 million, an increase of ¥709 million from the end of the previous fiscal year. This was mainly attributable to an increase of ¥775 million in “Investment securities.”

(iii) Current liabilities

At the end of the period under review, “Current liabilities” amounted to ¥24,818 million, an increase of ¥6,107 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥5,454 million in “Deposits received,” ¥581 million in “Margin trading liabilities,” ¥163 million in “Income taxes payable,” and ¥112 million in “Guarantee deposits received,” which were partially offset by a decrease of ¥245 million in “Borrowings secured by securities.”

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

At the end of the period under review, “Non-current liabilities” and “Reserves under special laws” collectively amounted to ¥4,308 million, an increase of ¥479 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥462 million in “Deferred tax liabilities” and ¥31 million in “Provision for share awards for employees.”

(v) Net assets

At the end of the period under review, “Net assets” amounted to ¥39,085 million, an increase of ¥61 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥723 million in “Profit” and ¥640 million in “Valuation difference on available-for-sale securities,” which were partially offset by a decrease of ¥1,302 million in “Dividends of surplus.”

(3) Outlook

We are engaged in the financial instruments business, and thus, its earnings could fluctuate greatly depending on the stock market performance and other factors. We therefore do not disclose earnings forecasts.

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

## 2. Quarterly non-consolidated financial statements and significant notes

### (1) Quarterly non-consolidated balance sheets

|   | (Millions of yen)                              |  |
|---|--|--|
|   | Previous fiscal year<br>(As of March 31, 2023) | Current quarter<br>(As of June 30, 2023) |
| Assets  |  |  |
| Current assets:   |  |  |
| Cash and deposits   | 21,958   | 23,951                                   |
| Cash segregated as deposits   | 11,923   | 14,234                                   |
| Trading products:   | 1,812  | 259                                      |
| Trading securities and other  | 1,812  | 256                                      |
| Derivatives   | 0  | 2  |
| Trade date accrual  | 37   | -  |
| Margin transaction assets:  | 6,904  | 6,883                                    |
| Loans on margin transactions  | 6,766  | 6,414                                    |
| Cash collateral pledged for securities borrowing on margin transactions | 138  | 469                                      |
| Cash paid for offering  | 1,681  | 4,986                                    |
| Short-term guarantee deposits   | 973  | 648                                      |
| Income taxes refund receivable  | 250  | 300                                      |
| Securities  | 2,010  | 2,007                                    |
| Other current assets  | 869  | 1,092                                    |
| Total current assets  | 48,424   | 54,363                                   |
| Non-current assets:   |  |  |
| Property, plant and equipment:  | 3,945  | 3,895                                    |
| Buildings   | 1,921  | 1,904                                    |
| Other, net  | 2,024  | 1,990                                    |
| Intangible assets   | 257  | 236                                      |
| Investments and other assets:   | 8,937  | 9,717                                    |
| Investment securities   | 8,242  | 9,018                                    |
| Long-term guarantee deposits  | 665  | 667                                      |
| Other   | 46   | 50                                       |
| Allowance for doubtful accounts   | (17)   | (17)                                     |
| Total non-current assets  | 13,139   | 13,849                                   |
| Total assets  | 61,564   | 68,213                                   |

(Millions of yen)

|   | Previous fiscal year<br>(As of March 31, 2023) | Current quarter<br>(As of June 30, 2023) |
|---|--|--|
| <b>Liabilities</b>  |  |  |
| Current liabilities:  |  |  |
| Trade date accrual  | –  | 1  |
| Margin transaction liabilities:                               | 860  | 1,441                                    |
| Borrowings on margin transactions                             | 569  | 695                                      |
| Cash received for securities lending on margin transactions   | 291  | 746                                      |
| Borrowings secured by securities:                             | 1,942  | 1,696                                    |
| Cash received on debt credit transaction of securities        | 1,942  | 1,696                                    |
| Deposits received   | 11,853   | 17,307                                   |
| Guarantee deposits received                                   | 306  | 418                                      |
| Short-term borrowings   | 2,750  | 2,750                                    |
| Income taxes payable  | 26   | 190                                      |
| Provision for bonuses   | 408  | 313                                      |
| Provision for bonuses for directors (and other officers)      | –  | 16                                       |
| Other current liabilities                                     | 562  | 682                                      |
| Total current liabilities                                     | 18,710   | 24,818                                   |
| Non-current liabilities:                                      |  |  |
| Deferred tax liabilities                                      | 1,094  | 1,556                                    |
| Provision for retirement benefits                             | 2,137  | 2,116                                    |
| Provision for share awards for employees                      | 85   | 116                                      |
| Provision for share awards for directors (and other officers) | 15   | 16                                       |
| Asset retirement obligations                                  | 327  | 328                                      |
| Other non-current liabilities                                 | 67   | 80                                       |
| Total non-current liabilities                                 | 3,727  | 4,216                                    |
| Reserves under special laws:                                  |  |  |
| Reserve for financial instruments transaction liabilities     | 101  | 92                                       |
| Total reserves under special laws                             | 101  | 92                                       |
| Total liabilities   | 22,540   | 29,127                                   |
| <b>Net assets</b>   |  |  |
| Shareholders' equity:   |  |  |
| Share capital   | 12,272   | 12,272                                   |
| Capital surplus:  |  |  |
| Legal capital surplus   | 4,294  | 4,294                                    |
| Other capital surplus   | 1,969  | 1,969                                    |
| Total capital surplus   | 6,264  | 6,264                                    |
| Retained earnings:  |  |  |
| Other retained earnings:                                      | 18,031   | 17,452                                   |
| General reserve   | 7,247  | 7,247                                    |
| Retained earnings brought forward                             | 10,783   | 10,205                                   |
| Total retained earnings                                       | 18,031   | 17,452                                   |
| Treasury shares   | (1,442)  | (1,442)                                  |
| Total shareholders' equity                                    | 35,126   | 34,547                                   |
| Valuation and translation adjustments:                        |  |  |
| Valuation difference on available-for-sale securities         | 3,897  | 4,538                                    |
| Total valuation and translation adjustments                   | 3,897  | 4,538                                    |
| Total net assets  | 39,024   | 39,085                                   |
| Total liabilities and net assets                              | 61,564   | 68,213                                   |



## (2) Quarterly non-consolidated statements of income

For the three months ended June 30, 2022

(Millions of yen)

|  | For the three months ended<br>June 30, 2022<br>(From April 1, 2022<br>to June 30, 2022) | For the three months ended<br>June 30, 2023<br>(From April 1, 2023<br>to June 30, 2023) |
|--|---|---|
| Operating revenue  |   |   |
| Commission received:   | 2,322   | 2,952   |
| Brokerage commission   | 899   | 1,365   |
| Commission for underwriting, secondary distribution<br>and solicitation for selling and others for professional<br>investors | 2   | 5   |
| Fee for offering, secondary distribution and solicitation<br>for selling and others for professional investors               | 555   | 678   |
| Other fees received  | 864   | 903   |
| Net trading income   | 292   | 539   |
| Financial revenue  | 44  | 70  |
| Other  | 6   | 6   |
| Total operating revenue  | 2,666   | 3,570   |
| Financial expenses   | 12  | 14  |
| Net operating revenue  | 2,653   | 3,555   |
| Selling, general and administrative expenses:  |   |   |
| Trading related expenses   | 228   | 266   |
| Personnel expenses   | 1,549   | 1,721   |
| Real estate expenses   | 407   | 307   |
| Office expenses  | 462   | 438   |
| Depreciation   | 112   | 89  |
| Taxes and dues   | 66  | 85  |
| Other  | 46  | 52  |
| Total selling, general and administrative expenses   | 2,874   | 2,963   |
| Operating profit (loss)  | (221)   | 592   |
| Non-operating income:  |   |   |
| Dividend income  | 179   | 125   |
| Miscellaneous income   | 39  | 49  |
| Total non-operating income   | 219   | 175   |
| Non-operating expenses:  |   |   |
| Miscellaneous loss   | 2   | 2   |
| Total non-operating expenses   | 2   | 2   |
| Ordinary profit (loss)   | (4)   | 766   |
| Extraordinary income:  |   |   |
| Reversal of reserve for financial instruments transaction<br>liabilities   | –   | 9   |
| Gain on sale of investment securities  | –   | 224   |
| Total extraordinary income   | –   | 233   |
| Extraordinary losses:  |   |   |
| Provision of reserve for financial instruments transaction<br>liabilities  | 0   | –   |
| Impairment loss  | –   | 6   |
| Total extraordinary losses   | 0   | 6   |
| Profit (loss) before income taxes  | (4)   | 993   |
| Income taxes - current   | 6   | 165   |
| Income taxes - deferred  | (53)  | 104   |
| Total income taxes   | (47)  | 270   |
| Profit   | 42  | 723   |

(3) Notes to quarterly non-consolidated financial statements

*Going concern assumption*

Not applicable.

*Significant changes in shareholders' equity*

Not applicable.

### 3. Supplemental information

#### (1) Commission received

##### (i) Commission by line item

(Millions of yen)

|   | For the three months ended<br>June 30, 2022<br>(From April 1, 2022<br>to June 30, 2022) | For the three months ended<br>June 30, 2023<br>(From April 1, 2023<br>to June 30, 2023) | Year-on-year<br>change (%) |
|---|---|---|----------------------------|
| Brokerage commission:   | 899   | 1,365   | 151.7                      |
| Stocks  | [888]   | [1,359]   | 152.9                      |
| Beneficiary certificates  | [10]  | [5]   | 54.2                       |
| Commission for underwriting, secondary<br>distribution and solicitation for selling<br>and others for professional investors: | 2   | 5   | 191.5                      |
| Stocks  | [2]   | [1]   | 40.5                       |
| Bonds   | [0]   | [4]   | 1,354.6                    |
| Fee for offering, secondary distribution<br>and solicitation for selling and others for<br>professional investors             | 555   | 678   | 122.2                      |
| Other fees received   | 864   | 903   | 104.5                      |
| <b>Total</b>  | <b>2,322</b>  | <b>2,952</b>  | <b>127.1</b>               |

##### (ii) Commission by product

(Millions of yen)

|                          | For the three months ended<br>June 30, 2022<br>(From April 1, 2022<br>to June 30, 2022) | For the three months ended<br>June 30, 2023<br>(From April 1, 2023<br>to June 30, 2023) | Year-on-year<br>change (%) |
|--------------------------|---|---|----------------------------|
| Stocks                   | 893   | 1,362   | 152.5                      |
| Bonds                    | 0   | 4   | 791.3                      |
| Beneficiary certificates | 1,419   | 1,576   | 111.1                      |
| Other                    | 9   | 9   | 95.4                       |
| <b>Total</b>             | <b>2,322</b>  | <b>2,952</b>  | <b>127.1</b>               |

#### (2) Net trading income

(Millions of yen)

|                                | For the three months ended<br>June 30, 2022<br>(From April 1, 2022<br>to June 30, 2022) | For the three months ended<br>June 30, 2023<br>(From April 1, 2023<br>to June 30, 2023) | Year-on-year<br>change (%) |
|--------------------------------|---|---|----------------------------|
| Stocks, etc.                   | 188   | 480   | 254.6                      |
| Bonds, foreign exchange, etc.: | 103   | 59  | 57.3                       |
| Bonds, etc.                    | [51]  | [(9)]   | –                          |
| Foreign exchange, etc.         | [51]  | [69]  | 134.3                      |
| <b>Total</b>                   | <b>292</b>  | <b>539</b>  | <b>184.7</b>               |

## (3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

|  | For the three months ended<br>June 30, 2022<br>(From April 1, 2022<br>to June 30, 2022) |           | For the three months ended<br>June 30, 2023<br>(From April 1, 2023<br>to June 30, 2023) |           | Year-on-year change (%) |         |
|--|---|-----------|---|-----------|-------------------------|---------|
|  | Number<br>of shares   | Amount    | Number<br>of shares   | Amount    | Number<br>of shares     | Amount  |
| Total:   | 89  | 189,244   | 114   | 288,242   | 128.8                   | 152.3   |
| Brokerage  | [88]  | [175,590] | [111]   | [253,254] | [126.1]                 | [144.2] |
| Dealing  | [0]   | [13,653]  | [3]   | [34,987]  | [524.6]                 | [256.3] |
| Brokerage (%)  | 99.3  | 92.8      | 97.3  | 87.9      | -                       |         |
| Exchange participation share (%)                           | 0.04  | 0.04      | 0.05  | 0.04      |                         |         |
| Brokerage commission per stock on client transaction (yen) | 10.03   |           | 12.16   |           |                         |         |

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

(Thousands of shares, Millions of yen)

|  | For the three months ended<br>June 30, 2022<br>(From April 1, 2022<br>to June 30, 2022) |        | For the three months ended<br>June 30, 2023<br>(From April 1, 2023<br>to June 30, 2023) |        | Year-on-year change (%) |
|--|---|--------|---|--------|-------------------------|
|  | Number of shares  | Amount | Number of shares  | Amount |                         |
| Underwriting:                                      |   |        |   |        |                         |
| Stock (Number of shares)                           | 82  |        | 17  |        | 21.5                    |
| Stock (Amount)                                     | 45  |        | 20  |        | 45.7                    |
| Bond (Face value)                                  | -   |        | 375   |        | -                       |
| Beneficiary certificates (Amount)                  | -   |        | -   |        | -                       |
| Commercial paper & foreign securities (Face value) | -   |        | -   |        | -                       |
| Offering and secondary distribution                |   |        |   |        |                         |
| Stock (Number of shares)                           | 87  |        | 16  |        | 18.3                    |
| Stock (Amount)                                     | 46  |        | 18  |        | 39.4                    |
| Bond (Face value)                                  | 41  |        | 375   |        | 914.6                   |
| Beneficiary certificates (Amount)                  | 75,124  |        | 106,368   |        | 141.6                   |
| 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<br>(As of March 31, 2023) | Current quarter<br>(As of June 30, 2023) |
|--|---|--|--|
| Basic items (A)                            |   | 33,823   | 34,547                                   |
| Complementary items                        | Valuation difference on available-for-sale securities     | 3,897  | 4,538                                    |
|  | Reserve for financial instruments transaction liabilities | 101  | 92                                       |
|  | Total (B)   | 3,999  | 4,630                                    |
| Deductible assets (C)                      |   | 5,738  | 5,751                                    |
| Unfixed equity capital (A) + (B) - (C) (D) |   | 32,084   | 33,426                                   |
| Risk items                                 | Market risk   | 1,444  | 1,307                                    |
|  | Counterparty risk   | 304  | 397                                      |
|  | Basic risk  | 2,862  | 2,745                                    |
|  | Total (E)   | 4,611  | 4,450                                    |
| Capital adequacy ratio (%) (D) / (E) × 100 |   | 695.7  | 751.1                                    |

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

## (6) Quarterly trends of operating results

(Millions of yen)

|  | Previous fiscal year                             |  |  |  | Current fiscal year                              |
|--|--|--|--|--|--|
|  | 1st quarter<br>(Apr. 1, 2022 -<br>Jun. 30, 2022) | 2nd quarter<br>(Jul. 1, 2022 -<br>Sep. 30, 2022) | 3rd quarter<br>(Oct. 1, 2022 -<br>Dec. 31, 2022) | 4th quarter<br>(Jan. 1, 2023 -<br>Mar. 31, 2023) | 1st quarter<br>(Apr. 1, 2023 -<br>Jun. 30, 2023) |
| Operating revenue:   |  |  |  |  |  |
| Commission received  | 2,322  | 2,581  | 2,311  | 2,371  | 2,952  |
| Net trading income   | 292  | 466  | 244  | 376  | 539  |
| Financial revenue  | 44   | 49   | 52   | 56   | 70   |
| Other  | 6  | 6  | 6  | 6  | 6  |
| Total operating revenue  | 2,666  | 3,104  | 2,615  | 2,810  | 3,570  |
| Financial expenses   | 12   | 14   | 14   | 13   | 14   |
| Net operating revenue  | 2,653  | 3,089  | 2,600  | 2,796  | 3,555  |
| Selling, general and administrative expenses:                          |  |  |  |  |  |
| Trading related expenses   | 228  | 251  | 240  | 277  | 266  |
| Personnel expenses   | 1,549  | 1,649  | 1,523  | 1,589  | 1,721  |
| Real estate expenses   | 407  | 368  | 389  | 353  | 307  |
| Office expenses  | 462  | 407  | 411  | 444  | 438  |
| Depreciation   | 112  | 113  | 117  | 99   | 89   |
| Taxes and dues   | 66   | 46   | 44   | 41   | 85   |
| Other  | 46   | 66   | 61   | 36   | 52   |
| Total selling, general and administrative expenses                     | 2,874  | 2,902  | 2,788  | 2,843  | 2,963  |
| Operating profit (loss)  | (221)  | 186  | (187)  | (46)   | 592  |
| Non-operating income   | 219  | 53   | 160  | 45   | 175  |
| Non-operating expenses   | 2  | (2)  | 1  | 22   | 2  |
| Ordinary profit (loss)   | (4)  | 242  | (28)   | (23)   | 766  |
| Extraordinary income:  |  |  |  |  |  |
| Reversal of reserve for financial instruments transaction liabilities  | –  | –  | –  | –  | 9  |
| Gain on sale of investment securities                                  | –  | –  | 738  | 106  | 224  |
| Total extraordinary income   | –  | –  | 738  | 106  | 233  |
| Extraordinary losses:  |  |  |  |  |  |
| Provision of reserve for financial instruments transaction liabilities | 0  | 0  | (0)  | (0)  | –  |
| Head office relocation expenses  | –  | 56   | 143  | 0  | –  |
| Impairment loss  | –  | –  | –  | –  | 6  |
| Total extraordinary losses   | 0  | 56   | 143  | 0  | 6  |
| Profit (loss) before income taxes                                      | (4)  | 186  | 566  | 83   | 993  |
| Income taxes - current   | 6  | 5  | 4  | 10   | 165  |
| Income taxes - deferred  | (53)   | 53   | 110  | (78)   | 104  |
| Total income taxes   | (47)   | 59   | 114  | (68)   | 270  |
| Profit   | 42   | 127  | 451  | 152  | 723  |