



**Non-consolidated Financial Results**  
for the Nine Months Ended December 31, 2023  
(Under Japanese GAAP)

January 30, 2024

Company name: Mito Securities Co., Ltd. Listing: Tokyo Stock Exchange  
 Securities code: 8622 URL: <https://www.mito.co.jp/>  
 Representative: Katsunori Kobayashi, President and Representative Director  
 Contact: Masanobu Tamari, Manager, Finance Department  
 Phone: +81-3-6636-3071  
 Scheduled filing date of Quarterly Securities Report (*Shihanki Hokokusho*): February 9, 2024  
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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 nine months ended December 31, 2023**  
(from April 1, 2023 to December 31, 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 | %      |
| Nine months ended |                   |        |                       |        |                  |   |                 |        |                 |        |
| December 31, 2023 | 10,181            | 21.4   | 10,141                | 21.5   | 1,313            | – | 1,687           | 706.5  | 1,320           | 112.4  |
| December 31, 2022 | 8,386             | (23.3) | 8,343                 | (23.4) | (221)            | – | 209             | (89.9) | 621             | (57.1) |

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine months ended | Yen                      | Yen                        |
| December 31, 2023 | 20.43                    | –                          |
| December 31, 2022 | 9.66                     | –                          |

(2) Non-consolidated financial position

|                   | Total assets    | Net assets      | Capital ratio | Capital adequacy ratio |
|-------------------|-----------------|-----------------|---------------|------------------------|
| As of             | Millions of yen | Millions of yen | %             | %                      |
| December 31, 2023 | 72,264          | 39,982          | 55.3          | 744.4                  |
| March 31, 2023    | 61,564          | 39,024          | 63.4          | 695.7                  |

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

As of December 31, 2023: ¥39,982 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            | –                          | 10.00              | –                 |                 |       |
| 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 December 31, 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 December 31, 2023: 6,059,374 shares
    - As of March 31, 2023: 6,061,329 shares
  - (iii) Average number of shares of common stock during the period
    - Nine months ended December 31, 2023: 64,628,269 shares
    - Nine months ended December 31, 2022: 64,370,848 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 maintaining approximately 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, respectively).

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## 1. Overview of operating results, etc.

### (1) Quarterly overview of operating results

During the first nine months ended December 31, 2023 (hereinafter the “period under review”), the Japanese economy generally remained firm. Although real gross domestic product (GDP) in the July–September 2023 quarter showed negative growth for the first time in four quarters, CI (coincident index) of diffusion index remained firm during the same quarter and thereafter. While real disposable income of working households fell below the previous year’s level for 13 consecutive months until October 2023, the growth rate in the national CPI (composite, excluding fresh food and energy) gradually slowed down, indicating an improving environment for consumer spending. In addition, the DI for business conditions in the Bank of Japan (BOJ)’s Short-term Economic Survey of Enterprises in Japan, or Tankan survey, showed that both the manufacturing and non-manufacturing sectors of large enterprises were on track of improvement up to the December Tankan survey. In the U.S. economy, real GDP grew for five consecutive quarters through the July–September quarter with the growth rate for the July–September quarter being the highest since the October–December 2021 quarter. In addition, the pace of increase in CPI slowed down, raising expectations of a soft landing. In Europe, real GDP in the July–September quarter turned into a slight negative growth compared to the previous quarter, and M3 of money supply also fell below the previous year’s level in the July–September quarter, raising concerns about the outlook of the economy. In China, the downward trend in prices continued, with CPI showing a negative growth in October and November, and the year-on-year rate of decline in November was the largest since November 2020, indicating increasing deflationary pressure.

During the period under review, the domestic stock market was on an upward trend until mid-June, but subsequently remained range-bound. The headwinds for stock price include concerns about the outlook for the Chinese economy, BOJ’s decision to more flexibly manage long- and short-term interest rates at its monetary policy meeting in late July, heightened expectations of an early normalization of monetary policy triggered by the comments of BOJ Governor Ueda, and the yen’s appreciation toward the end of the year, which weighed on the market. In contrast, the tailwinds include the Tokyo Stock Exchange’s request to companies with the P/B ratio (price-to-book ratio) for improvement, consideration by a prominent U.S. investor known for investing in long-term undervalued stocks to further invest in Japanese stocks, and rising U.S. stocks on expectations of a shift to lower interest rates in the United States in 2024. Reflecting these factors, the Nikkei average for the period under review ended at ¥33,464.17, up 19.3% 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 ¥10,181 million (up 21.4% year-on-year) and net operating revenue of ¥10,141 million (up 21.5% year-on-year), which is the amount of operating revenue less financial expenses of ¥39 million (down 7.1% year-on-year). Furthermore, selling, general and administrative expenses were ¥8,828 million (up 3.1% year-on-year). As a result, we reported an operating profit of ¥1,313 million (compared to an operating loss of ¥221 million for the same period a year earlier), and an ordinary profit of ¥1,687 million (up 706.5% year-on-year). After extraordinary income of ¥240 million (compared to ¥738 million for the same period a year earlier), extraordinary losses of ¥6 million (compared to ¥199 million for the same period a year earlier), and tax expenses of ¥600 million (up 372.9% year-on-year), profit stood at ¥1,320 million (up 112.4% year-on-year).

Overview of the operating results are as shown below.

#### (i) Commission received

For the period under review, total “Commission received” was ¥8,914 million (up 23.5% year-on-year).

##### (a) Brokerage commission

“Brokerage commission” was ¥3,857 million (up 35.5% year-on-year). This was mainly due to an increase to ¥733.0 billion (up 35.5% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥3,839 million (up 36.5% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥17 million (down 48.0% year-on-year).

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

“Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors” was ¥11 million (down 49.2% 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, were ¥2,120 million (up 22.0% 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 invest in stocks of sustainable growth companies in the U.S., and investment trusts that actively invest in stocks with high expected dividend yields in Japan with the goal of growing investment trust assets. In addition, “Other fees received” were ¥2,925 million (up 12.2% year-on-year) mainly due to increases in agency commission for investment trusts and commission for mutual fund wraps.

(ii) Net trading income

For the period under review, “Net trading income” was ¥1,039 million (up 3.6% year-on-year), consisting of net trading income for stocks of ¥943 million (up 22.3% year-on-year) due to an increase in the trading value of US stocks and net trading income for bonds and foreign exchange of ¥95 million (down 58.8% year-on-year).

(iii) Financial revenue and expenses

For the period under review, “Financial revenue” was ¥207 million (up 41.6% year-on-year) due to an increase in interest income, and “Financial expenses” was ¥39 million (down 7.1% year-on-year) due to a decrease in the cost of margin transactions, resulting in a net profit of ¥168 million (up 61.4% year-on-year).

(iv) Selling, general and administrative expenses

For the period under review, “Selling, general and administrative expenses” was ¥8,828 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 bonuses due to higher operating revenue.

(v) Extraordinary income and losses

For the period under review, “Extraordinary income” consisted of ¥224 million in “Gain on sale of investment securities” (compared to ¥738 million for the same period a year earlier) and ¥16 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 ¥233 million (compared to ¥539 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 ¥57,225 million, an increase of ¥8,801 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥10,092 million in “Cash and deposits” and ¥2,913 million in “Cash segregated as deposits,” which were partially offset by decreases of ¥2,010 million in “Securities,” ¥1,627 million in “Trading products,” and ¥472 million in “Margin transaction assets.”

(ii) Non-current assets

At the end of the period under review, “Non-current assets” amounted to ¥15,038 million, an increase of ¥1,898 million from the end of the previous fiscal year. This was mainly attributable to an increase of ¥2,117 million in “Investment securities,” which was partially offset by decreases of ¥156 million in “Property, plant and equipment” and ¥63 million in “Intangible assets.”

(iii) Current liabilities

At the end of the period under review, “Current liabilities” amounted to ¥27,560 million, an increase of ¥8,849 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥8,596 million in “Deposits received” and ¥480 million in “Income taxes payable,” which were partially offset by a decrease of ¥550 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 ¥4,721 million, an increase of ¥892 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥826 million in “Deferred tax liabilities” and ¥164 million in “Provision for share awards for employees,” which were partially offset by a decrease of ¥115 million in “Provision for retirement benefits.”

(v) Net assets

At the end of the period under review, “Net assets” amounted to ¥39,982 million, an increase of ¥958 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥1,590 million in “Valuation difference on available-for-sale securities” and ¥1,320 million in “Profit,” which were partially offset by a decrease of ¥1,953 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 December 31, 2023) |
| Assets   |  |  |
| Current assets:  |  |  |
| Cash and deposits  | 21,958   | 32,050                                       |
| Cash segregated as deposits  | 11,923   | 14,837                                       |
| Trading products:  | 1,812  | 185  |
| Trading securities and other   | 1,812  | 184  |
| Derivatives  | 0  | 0  |
| Trade date accrual   | 37   | -  |
| Margin transaction assets:   | 6,904  | 6,431  |
| Margin loans   | 6,766  | 6,297  |
| Cash collateral provided for securities borrowed<br>in margin transactions | 138  | 134  |
| Deposits paid for underwritten offering, etc.                              | 1,681  | 1,827  |
| Short-term guarantee deposits  | 973  | 648  |
| Income taxes refund receivable   | 250  | -  |
| Securities   | 2,010  | -  |
| Other current assets   | 869  | 1,243  |
| Total current assets   | 48,424   | 57,225                                       |
| Non-current assets:  |  |  |
| Property, plant and equipment:   | 3,945  | 3,788  |
| Buildings  | 1,921  | 1,847  |
| Other, net   | 2,024  | 1,941  |
| Intangible assets  | 257  | 193  |
| Investments and other assets:  | 8,937  | 11,055                                       |
| Investment securities  | 8,242  | 10,360                                       |
| Long-term guarantee deposits   | 665  | 665  |
| Other  | 46   | 47   |
| Allowance for doubtful accounts  | (17)   | (17)   |
| Total non-current assets   | 13,139   | 15,038                                       |
| Total assets   | 61,564   | 72,264                                       |

(Millions of yen)

|   | Previous fiscal year<br>(As of March 31, 2023) | Current quarter<br>(As of December 31, 2023) |
|---|--|--|
| <b>Liabilities</b>  |  |  |
| Current liabilities:  |  |  |
| Trade date accrual  | –  | 1  |
| Margin transaction liabilities:                               | 860  | 930  |
| Margin borrowings   | 569  | 680  |
| Cash received for securities sold in margin transactions      | 291  | 250  |
| Borrowings secured by securities:                             | 1,942  | 1,392  |
| Cash collateral received for securities lent                  | 1,942  | 1,392  |
| Deposits received   | 11,853   | 20,450                                       |
| Guarantee deposits received                                   | 306  | 371  |
| Short-term borrowings   | 2,750  | 2,750  |
| Income taxes payable  | 26   | 507  |
| Provision for bonuses   | 408  | 272  |
| Provision for bonuses for directors (and other officers)      | –  | 38   |
| Provision for share awards for employees                      | –  | 11   |
| Asset retirement obligations                                  | –  | 12   |
| Other current liabilities                                     | 562  | 821  |
| Total current liabilities                                     | 18,710   | 27,560                                       |
| Non-current liabilities:                                      |  |  |
| Deferred tax liabilities                                      | 1,094  | 1,920  |
| Provision for retirement benefits                             | 2,137  | 2,021  |
| Provision for share awards for employees                      | 85   | 249  |
| Provision for share awards for directors (and other officers) | 15   | 20   |
| Asset retirement obligations                                  | 327  | 320  |
| Other non-current liabilities                                 | 67   | 102  |
| Total non-current liabilities                                 | 3,727  | 4,636  |
| Reserves under special laws:                                  |  |  |
| Reserve for financial instruments transaction liabilities     | 101  | 85   |
| Total reserves under special laws                             | 101  | 85   |
| Total liabilities   | 22,540   | 32,281                                       |
| <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   | 17,398                                       |
| General reserve   | 7,247  | 7,247  |
| Retained earnings brought forward                             | 10,783   | 10,150                                       |
| Total retained earnings                                       | 18,031   | 17,398                                       |
| Treasury shares   | (1,442)  | (1,441)                                      |
| Total shareholders' equity                                    | 35,126   | 34,493                                       |
| Valuation and translation adjustments:                        |  |  |
| Valuation difference on available-for-sale securities         | 3,897  | 5,488  |
| Total valuation and translation adjustments                   | 3,897  | 5,488  |
| Total net assets  | 39,024   | 39,982                                       |
| Total liabilities and net assets                              | 61,564   | 72,264                                       |



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

For the nine months ended December 31, 2023

|  | (Millions of yen)  |  |
|--|--|--|
|  | For the nine months ended<br>December 31, 2022<br>(From April 1, 2022<br>to December 31, 2022) | For the nine months ended<br>December 31, 2023<br>(From April 1, 2023<br>to December 31, 2023) |
| Operating revenue  |  |  |
| Commission received:   | 7,216  | 8,914  |
| Brokerage commission   | 2,847  | 3,857  |
| Commission for underwriting, secondary distribution<br>and solicitation for selling and others for professional<br>investors | 22   | 11   |
| Fee for offering, secondary distribution and solicitation<br>for selling and others for professional investors               | 1,738  | 2,120  |
| Other commission received  | 2,607  | 2,925  |
| Net trading income   | 1,003  | 1,039  |
| Financial revenue  | 146  | 207  |
| Other  | 19   | 19   |
| Total operating revenue  | 8,386  | 10,181   |
| Financial expenses   | 42   | 39   |
| Net operating revenue  | 8,343  | 10,141   |
| Selling, general and administrative expenses:  |  |  |
| Trading related expenses   | 720  | 823  |
| Personnel expenses   | 4,722  | 5,113  |
| Real estate expenses   | 1,164  | 1,008  |
| Office expenses  | 1,281  | 1,279  |
| Depreciation   | 344  | 271  |
| Taxes and dues   | 157  | 179  |
| Other  | 175  | 151  |
| Total selling, general and administrative expenses   | 8,565  | 8,828  |
| Operating profit (loss)  | (221)  | 1,313  |
| Non-operating income:  |  |  |
| Dividend income  | 285  | 243  |
| Miscellaneous income   | 147  | 136  |
| Total non-operating income   | 432  | 380  |
| Non-operating expenses:  |  |  |
| Miscellaneous loss   | 1  | 5  |
| Total non-operating expenses   | 1  | 5  |
| Ordinary profit  | 209  | 1,687  |
| Extraordinary income:  |  |  |
| Reversal of reserve for financial instruments transaction<br>liabilities   | -  | 16   |
| Gain on sale of investment securities  | 738  | 224  |
| Total extraordinary income   | 738  | 240  |
| Extraordinary losses:  |  |  |
| Provision of reserve for financial instruments transaction<br>liabilities  | 0  | -  |
| Impairment loss  | -  | 6  |
| Head office relocation expenses  | 199  | -  |
| Total extraordinary losses   | 199  | 6  |
| Profit before income taxes   | 748  | 1,921  |
| Income taxes - current   | 16   | 497  |
| Income taxes - deferred  | 110  | 103  |
| Total income taxes   | 127  | 600  |
| Profit   | 621  | 1,320  |

### (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 nine months ended<br>December 31, 2022<br>(From April 1, 2022<br>to December 31, 2022) | For the nine months ended<br>December 31, 2023<br>(From April 1, 2023<br>to December 31, 2023) | Year-on-year<br>change (%) |
|---|--|--|----------------------------|
| Brokerage commission:   | 2,847  | 3,857  | 135.5                      |
| Stocks  | [2,813]  | [3,839]  | 136.5                      |
| Beneficiary certificates  | [34]   | [17]   | 52.0                       |
| Commission for underwriting, secondary<br>distribution and solicitation for selling<br>and others for professional investors: | 22   | 11   | 50.8                       |
| Stocks  | [6]  | [6]  | 90.8                       |
| Bonds   | [15]   | [5]  | 33.4                       |
| Fee for offering, secondary distribution<br>and solicitation for selling and others for<br>professional investors             | 1,738  | 2,120  | 122.0                      |
| Other commission received   | 2,607  | 2,925  | 112.2                      |
| Total   | 7,216  | 8,914  | 123.5                      |

##### (ii) Commission by product

(Millions of yen)

|                          | For the nine months ended<br>December 31, 2022<br>(From April 1, 2022<br>to December 31, 2022) | For the nine months ended<br>December 31, 2023<br>(From April 1, 2023<br>to December 31, 2023) | Year-on-year<br>change (%) |
|--------------------------|--|--|----------------------------|
| Stocks                   | 2,826  | 3,852  | 136.3                      |
| Bonds                    | 16   | 7  | 44.3                       |
| Beneficiary certificates | 4,344  | 5,033  | 115.9                      |
| Other                    | 28   | 21   | 75.0                       |
| Total                    | 7,216  | 8,914  | 123.5                      |

#### (2) Net trading income

(Millions of yen)

|                                | For the nine months ended<br>December 31, 2022<br>(From April 1, 2022<br>to December 31, 2022) | For the nine months ended<br>December 31, 2023<br>(From April 1, 2023<br>to December 31, 2023) | Year-on-year<br>change (%) |
|--------------------------------|--|--|----------------------------|
| Stocks, etc.                   | 771  | 943  | 122.3                      |
| Bonds, foreign exchange, etc.: | 231  | 95   | 41.2                       |
| Bonds, etc.                    | [121]  | [4]  | 3.6                        |
| Foreign exchange, etc.         | [110]  | [91]   | 82.8                       |
| Total                          | 1,003  | 1,039  | 103.6                      |

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

(Millions of shares, Millions of yen)

|   | For the nine months ended<br>December 31, 2022<br>(From April 1, 2022<br>to December 31, 2022) |           | For the nine months ended<br>December 31, 2023<br>(From April 1, 2023<br>to December 31, 2023) |           | Year-on-year change (%) |         |
|---|--|-----------|--|-----------|-------------------------|---------|
|   | Number<br>of shares  | Amount    | Number<br>of shares  | Amount    | Number<br>of shares     | Amount  |
| Total:  | 299  | 597,905   | 332  | 802,762   | 111.2                   | 134.3   |
| Brokerage   | [295]  | [540,976] | [328]  | [733,040] | [111.2]                 | [135.5] |
| Dealing   | [4]  | [56,928]  | [4]  | [69,721]  | [109.5]                 | [122.5] |
| Brokerage (%)   | 98.7   | 90.5      | 98.7   | 91.3      |                         |         |
| Exchange participation share (%)                              | 0.04   | 0.04      | 0.04   | 0.04      |                         |         |
| Brokerage commission per stock on client<br>transaction (yen) |  | 9.53      |  | 8.02      |                         |         |

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

(Thousands of shares, Millions of yen)

|   | For the nine months ended<br>December 31, 2022<br>(From April 1, 2022<br>to December 31, 2022) | For the nine months ended<br>December 31, 2023<br>(From April 1, 2023<br>to December 31, 2023) | Year-on-year change (%) |
|---|--|--|-------------------------|
| Underwriting:   |  |  |                         |
| Stock (Number of shares)                              | 167  | 85   | 51.1                    |
| Stock (Amount)  | 179  | 160  | 89.2                    |
| Bond (Face value)                                     | 1,650  | 575  | 34.8                    |
| Beneficiary certificates (Amount)                     | –  | –  | –                       |
| Commercial paper & foreign<br>securities (Face value) | –  | –  | –                       |
| Offering and secondary distribution                   |  |  |                         |
| Stock (Number of shares)                              | 163  | 68   | 41.7                    |
| Stock (Amount)  | 153  | 128  | 84.1                    |
| Bond (Face value)                                     | 1,649  | 1,185  | 71.8                    |
| Beneficiary certificates (Amount)                     | 237,742  | 273,501  | 115.0                   |
| Commercial paper & foreign<br>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 December 31, 2023) |
|---|--|--|--|
| Basic items                               | (A)  | 33,823   | 34,493                                       |
| Complementary items                       | Valuation difference on available-for-<br>sale securities    | 3,897  | 5,488  |
|   | Reserve for financial instruments<br>transaction liabilities | 101  | 85   |
|   | Total  | (B) 3,999                                      | 5,574  |
| Deductible assets                         | (C)  | 5,738  | 5,675  |
| Unfixed equity capital<br>(A) + (B) – (C) | (D)  | 32,084   | 34,392                                       |
| Risk items                                | Market risk  | 1,444  | 1,486  |
|   | Counterparty risk  | 304  | 413  |
|   | Basic risk   | 2,862  | 2,720  |
|   | Total  | (E) 4,611                                      | 4,619  |
| Capital adequacy ratio (%)                | (D) / (E) × 100  | 695.7  | 744.4  |

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                             |   |   |
|--|---|---|---|---|---|
|  | 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) | 2nd quarter<br>(Jul. 1, 2023–<br>Sep. 30, 2023) | 3rd quarter<br>(Oct. 1, 2023–<br>Dec. 31, 2023) |
| Operating revenue:   |   |   |   |   |   |
| Commission received  | 2,311   | 2,371   | 2,952   | 3,051   | 2,910   |
| Net trading income   | 244   | 376   | 539   | 294   | 204   |
| Financial revenue  | 52  | 56  | 70  | 68  | 68  |
| Other  | 6   | 6   | 6   | 6   | 6   |
| Total operating revenue  | 2,615   | 2,810   | 3,570   | 3,420   | 3,190   |
| Financial expenses   | 14  | 13  | 14  | 13  | 11  |
| Net operating revenue  | 2,600   | 2,796   | 3,555   | 3,406   | 3,178   |
| Selling, general and administrative expenses:                          |   |   |   |   |   |
| Trading related expenses   | 240   | 277   | 266   | 273   | 283   |
| Personnel expenses   | 1,523   | 1,589   | 1,721   | 1,733   | 1,658   |
| Real estate expenses   | 389   | 353   | 307   | 350   | 350   |
| Office expenses  | 411   | 444   | 438   | 414   | 425   |
| Depreciation   | 117   | 99  | 89  | 90  | 91  |
| Taxes and dues   | 44  | 41  | 85  | 46  | 47  |
| Other  | 61  | 36  | 52  | 48  | 50  |
| Total selling, general and administrative expenses                     | 2,788   | 2,843   | 2,963   | 2,957   | 2,908   |
| Operating profit (loss)  | (187)   | (46)  | 592   | 449   | 270   |
| Non-operating income   | 160   | 45  | 175   | 59  | 144   |
| Non-operating expenses   | 1   | 22  | 2   | 1   | 1   |
| Ordinary profit (loss)   | (28)  | (23)  | 766   | 507   | 413   |
| Extraordinary income:  |   |   |   |   |   |
| Reversal of reserve for financial instruments transaction liabilities  | –   | –   | 9   | 3   | 2   |
| Gain on sale of investment securities                                  | 738   | 106   | 224   | –   | –   |
| Total extraordinary income   | 738   | 106   | 233   | 3   | 2   |
| Extraordinary losses:  |   |   |   |   |   |
| Provision of reserve for financial instruments transaction liabilities | (0)   | (0)   | –   | –   | –   |
| Head office relocation expenses  | 143   | 0   | –   | –   | –   |
| Impairment loss  | –   | –   | 6   | –   | –   |
| Total extraordinary losses   | 143   | 0   | 6   | –   | –   |
| Profit before income taxes   | 566   | 83  | 993   | 511   | 416   |
| Income taxes - current   | 4   | 10  | 165   | 307   | 24  |
| Income taxes - deferred  | 110   | (78)  | 104   | (118)   | 117   |
| Total income taxes   | 114   | (68)  | 270   | 189   | 141   |
| Profit   | 451   | 152   | 723   | 322   | 274   |