



Non-consolidated Financial Results
for the Fiscal Year Ended March 31, 2024
(Under Japanese GAAP)

April 26, 2024

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 25, 2024
Scheduled date of dividend payment: June 26, 2024
Scheduled filing date of Annual Securities Report (*Yukashoken Hokokusho*): June 26, 2024
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, 2024
(from April 1, 2023 to March 31, 2024)

(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, 2024	14,554	30.0	14,502	30.2	2,391	–	2,803	–	2,336	201.9
March 31, 2023	11,196	(18.2)	11,140	(18.3)	(268)	–	186	(90.5)	773	(44.3)

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, 2024	36.15	–	5.7	4.1	16.4
March 31, 2023	12.01	–	2.0	0.3	(2.4)

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

For the fiscal year ended March 31, 2024: – For the fiscal year ended March 31, 2023: –

(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, 2024	74,033	42,827	57.8	662.64	686.0
March 31, 2023	61,564	39,024	63.4	603.83	695.7

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

As of March 31, 2024: ¥42,827 million As of March 31, 2023: ¥39,024 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, 2024	6,920	1,041	(1,955)	28,011
March 31, 2023	(42)	(346)	(596)	21,958

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, 2023	–	2.00	–	20.00	22.00	1,432	183.2	3.6
March 31, 2024	–	10.00	–	14.00	24.00	1,562	66.4	3.8
Ending March 31, 2025 (forecast)	–	–	–	–	–		–	

Note Although we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2025, 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, 2025
(from April 1, 2024 to March 31, 2025)

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: | 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 |

(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, 2024: 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 March 31, 2024: 6,058,282 shares

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

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

Fiscal year ended March 31, 2024: 64,628,684 shares

Fiscal year ended March 31, 2023: 64,434,182 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, 2025 (from April 1, 2024 to March 31, 2025)," we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2025 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 2024 and March 2025).

Contents of Attached Materials

1. Overview of Operating Results, etc.	2
(1) Overview of operating results	2
(2) Overview of financial position	3
(3) Overview of cash flows	4
(4) Outlook	4
2. Management Policy	5
(1) Basic management policy of the company	5
(2) Progress with implementation of Medium-term Management Plan	5
(3) Medium- to long-term management strategy and target management indicators	5
(4) Issues to be addressed	6
3. Basic Policy Regarding Selection of Accounting Standards	6
4. Non-consolidated Financial Statements and Significant Notes	7
(1) Non-consolidated balance sheets	7
(2) Non-consolidated statements of income	9
(3) Non-consolidated statements of changes in net assets	10
(4) Non-consolidated statements of cash flows	11
(5) Notes to non-consolidated financial statements	13
Going concern assumption	13
Changes in presentation	13
Additional information	14
Notes to non-consolidated balance sheets	16
Notes to non-consolidated statements of changes in net assets	17
Segment information, etc.	19
Share of profit or loss of entities accounted for using equity method	20
Per-share information	20
Material subsequent events	20
5. Supplemental information	22
(1) Commission received	22
(2) Net trading income	22
(3) Stock trading volume (excluding futures trading)	23
(4) Dealing volume of underwriting offering and secondary distribution	23
(5) Capital adequacy ratio	23
(6) Number of directors, officers and employees	24
(7) Quarterly trends of operating results	24

1. Overview of Operating Results, etc.

(1) Overview of operating results

During the fiscal year ended March 31, 2024 (hereinafter the “fiscal year under review”), the Japanese economy generally remained firm. Although Japan’s gross domestic product (GDP) in the July–September 2023 quarter showed negative growth in both nominal and real, recovered in the October–December 2023, with its real GDP reaching a record high of ¥558,921 billion in the January–December period of 2023. In addition, the growth rate of in the national CPI (comprehensive, excluding fresh food and energy) gradually slowed, and the attitude indexes of both “households of two or more persons” and “single-person households” showed an improving trend in the Consumer Confidence Survey. The BSI for business confidence in Japan in Business Outlook Survey showed a favorable outlook for the business environment for large and medium-sized enterprises, with Rising exceeding Falling for all of the current conditions for January–March 2024 and outlook for April–June and July–September 2024. In the U.S. economy, the strength of the U.S. economy was noticeable, with real GDP showing positive growth for six consecutive quarters through the October–December quarter and the manufacturing PMI for March 2024 recovering to 50 for the first time since October 2022. Meanwhile, the European economy stagnated with real GDP growth in the range of -0.1% to +0.1% quarter-on-quarter for five consecutive quarters from the October–December quarter of 2022 to the October–December quarter of 2023.

During the fiscal year under review, the domestic stock market was on an upward trend until mid-June, driven by the Tokyo Stock Exchange's request for improvement for companies with low P/B ratios, a prominent U.S. investor known for his long-term investments in undervalued stocks considering additional investments in Japanese stocks, and the yen's depreciation trend. Subsequently, the market remained in the box, weighed down by the Bank of Japan (BOJ) 's decision to more flexibly manage long- and short-term interest rate at its monetary policy meeting in late July, concerns about the outlook for the Chinese economy, rising U.S. long-term interest rates, and rising crude oil prices. Entering 2024, the market rose sharply on the back of rising U.S. high-tech stocks driven by expectations of generative AI, a weaker yen, and the start of the new NISA (Nippon Individual Savings Account). The Nikkei Stock Average hit an all-time high on February 22, 2024, surpassing the high of December 29, 1989, and reached the 40,000-yen level for the first time on March 4, 2024. The outlook for an accommodative financial environment to continue for the time being after BOJ's decision to lift its negative interest rate policy on March 19, 2024, led to another upward movement. Reflecting these factors, the Nikkei average for the fiscal year under review ended at ¥40,369.44, up 44.0% from the end of March 2023.

Under these circumstances, we reported increases in both operating revenue and net operating revenue during the fiscal year under review, with operating revenue of ¥14,554 million (up 30.0% year-on-year) and net operating revenue of ¥14,502 million (up 30.2% year-on-year), which is the amount of operating revenue less financial expenses of ¥51 million (down 8.3% year-on-year). Selling, general and administrative expenses were ¥12,111 million (up 6.2% year-on-year). As a result, we reported operating profit of ¥2,391 million (compared to operating loss of ¥268 million for the previous fiscal year) and ordinary profit of ¥2,803 million (up 1,405.8% year-on-year). After extraordinary income of ¥635 million (compared to ¥845 million for the previous fiscal year), extraordinary losses of ¥6 million (compared to ¥199 million for the previous fiscal year), and tax expenses of ¥1,096 million (up 1,768.6% year-on-year), profit was ¥2,336 million (up 201.9% year-on-year).

Overview of the operating results are as shown below.

(i) Commission received

During the fiscal year under review, total “Commission received” was ¥12,775 million (up 33.3% year-on-year).

(a) Brokerage commission

“Brokerage commission” was ¥5,704 million (up 49.1% year-on-year). This was mainly due to an increase to ¥1,086.8 billion (up 48.1% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥5,679 million (up 50.1% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥25 million (down 40.6% 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 ¥31 million (up 27.9% 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 ¥2,969 million (up 29.1% year-on-year). This was due to strong sales of mutual funds that invest in stocks of U.S. companies with sustainable growth, mutual funds that invest in medium-sized stocks listed on Indian exchanges, etc., and mutual funds that make selective investments in companies that are expected to improve their performance due to their strong U.S. business model. In addition, “Other fees received” was ¥4,070 million (up 18.5% 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 fiscal year under review, “Net trading income” was ¥1,470 million (up 6.6% year-on-year) consisting of net trading income for stocks of ¥1,313 million (up 18.9% year-on-year) and that for bonds and foreign exchanges of ¥156 million (down 42.8% year-on-year).

(iii) Financial revenue and expenses

During the fiscal year under review, “Financial revenue” was ¥282 million (up 39.2% year-on-year) mainly due to an increase in interest income, and “Financial expenses” was ¥51 million (down 8.3% year-on-year) mainly due to a decrease in cost of margin transactions, resulting in a net profit of ¥230 million (up 57.4% year-on-year).

(iv) Selling, general and administrative expenses

During the fiscal year under review, “Selling, general and administrative expenses” was ¥12,111 million (up 6.2% 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 an increase in operating revenues.

(v) Extraordinary income and losses

During the fiscal year under review, “Extraordinary income” consisted of “Gain on sale of investment securities” of ¥628 million (¥845 million for the previous fiscal year), and “Reversal of reserve for financial instruments transaction liabilities” of ¥6 million (¥– million for the previous fiscal year). “Extraordinary losses” solely consisted of “Impairment loss” of ¥6 million (¥– million for the previous fiscal year). As a result, net extraordinary income was ¥629 million (net income of ¥646 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 ¥54,446 million, an increase of ¥6,022 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥6,052 million in “Cash and deposits,” ¥2,509 million in “Cash segregated as deposits,” ¥115 million in “Accrued income,” and ¥115 million in “Margin transaction assets,” which were partially offset by decreases of ¥2,010 million in “Securities,” ¥322 million in “Short-term guarantee deposits,” ¥250 million in “Income taxes refund receivable - other,” and ¥192 million in “Accounts receivable - other.”

(ii) Non-current assets

At the end of the fiscal year under review, “Non-current assets” amounted to ¥19,586 million, an increase of ¥6,446 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥6,708 million in “Investment securities,” and ¥12 million in “Long-term guarantee deposits,” which were partially offset by a decrease of ¥203 million in “Property, plant and equipment” and ¥69 million in “Intangible assets.”

(iii) Current liabilities

At the end of the fiscal year under review, “Current liabilities” amounted to ¥25,861 million, an increase of ¥7,150 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥5,904 million in “Deposits received” and ¥1,216 million in “Income taxes payable.”

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

At the end of the fiscal year under review, “Non-current liabilities” and “Reserves under special laws” collectively amounted to ¥5,344 million, an increase of ¥1,515 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥1,399 million in “Deferred tax liabilities,” ¥288 million in “Provision for share awards for employees,” and ¥56 million in “Other non-current liabilities,” which were partially offset by a decrease of ¥199 million in “Provision for retirement benefits.”

(v) Net assets

At the end of the fiscal year under review, “Net assets” amounted to ¥42,827 million, an increase of ¥3,803 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥3,420 million in “Valuation difference on available-for-sale securities,” and ¥2,336 million in “Profit,” which were partially offset by a decrease of ¥1,953 million in “Dividends of surplus.”

(3) Overview of cash flows

“Cash and cash equivalents at end of period” of the fiscal year under review increased by ¥6,052 million from the end of the previous fiscal year to ¥28,011 million.

Cash flows from operating activities

“Net cash provided by operating activities” for the fiscal year under review amounted to ¥6,920 million, an increase of ¥6,962 million from ¥42 million of “Net cash used in operating activities” for the previous fiscal year. This cash inflow was mainly attributable to increases of ¥6,015 million in “Deposits and guarantee deposits received,” and the recording of ¥3,432 million in “Profit before income taxes,” which were partially offset by a decrease of ¥2,500 million in “Cash segregated as deposits for customers.”

Cash flows from investing activities

“Net cash provided by investing activities” for the fiscal year under review amounted to ¥1,041 million, an increase of ¥1,388 million from ¥346 million of “Net cash used in investing activities” for the previous fiscal year. This cash inflow was mainly attributable to increases of ¥2,000 million in “Proceeds from redemption of securities,” ¥856 million in “Proceeds from sale of investment securities,” and ¥339 million in “Proceeds from refund of leasehold deposits,” which were partially offset by decreases of ¥2,032 million in “Purchase of investment securities,” and ¥79 million in “Purchase of property, plant and equipment.”

Cash flows from financing activities

“Net cash used in financing activities” for the fiscal year under review amounted to ¥1,955 million, a decrease of ¥1,358 million from ¥596 million of “Net cash used in financing activities” for the previous year. This cash outflow was mainly attributable to “Dividends paid” of ¥1,947 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.

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. 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 second 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	5.7%	33.3%

* 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 2023, or the fiscal year under review, was 5.7% against the target of 5.0%. This was attributable to increases mainly in brokerage commission on stocks and investment trust offering commissions due to strong domestic and overseas market conditions.
- (ii) The percentage of SG&A expenses covered by subscription-type revenue for fiscal 2023, or the fiscal year under review, was 33.3% against the target of 33.0% or more for fiscal 2024. This was attributable to agency commission for investment trusts of ¥2,233 million (up 17.0% year-on-year) and commission for mutual fund wraps of ¥1,798 million (up 21.6% year-on-year) resulting from an increase in the balance of investment trusts and mutual fund wraps, although SG&A expenses increased due to an increase 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 take appropriate measures 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, 2023)	Current fiscal year (As of March 31, 2024)
Assets		
Current assets:		
Cash and deposits	21,958	28,011
Cash segregated as deposits	11,923	14,433
Trading products:	1,812	1,827
Trading securities and other	1,812	1,825
Derivatives	0	1
Trade date accrual	37	6
Margin transaction assets:	6,904	7,020
Loans on margin transactions	6,766	6,862
Cash collateral pledged for securities borrowing on margin transactions	138	157
Advances paid	16	0
Cash paid for offering	1,681	1,692
Short-term guarantee deposits	973	651
Short-term loans receivable	21	18
Securities	2,010	-
Prepaid expenses	114	143
Accounts receivable - other	193	0
Income taxes refund receivable	250	-
Accrued income	524	640
Total current assets	48,424	54,446
Non-current assets:		
Property, plant and equipment:	3,945	3,742
Buildings	1,921	1,824
Structures, net	32	37
Equipment	434	329
Land	1,535	1,535
Leased assets, net	21	14
Intangible assets	257	187
Telephone subscription right	47	46
Software	210	141
Investments and other assets:	8,937	15,656
Investment securities	8,242	14,950
Investments in capital	5	5
Long-term loans receivable from employees	9	6
Long-term guarantee deposits	665	678
Long-term prepaid expenses	4	5
Other	28	28
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	13,139	19,586
Total assets	61,564	74,033

(Millions of yen)

	Previous fiscal year (As of March 31, 2023)	Current fiscal year (As of March 31, 2024)
Liabilities		
Current liabilities:		
Margin transaction liabilities:	860	1,013
Borrowings on margin transactions	569	717
Cash received for securities lending on margin transactions	291	296
Borrowings secured by securities:	1,942	856
Cash received on debt credit transaction of securities	1,942	856
Deposits received:	11,853	17,758
Deposits from customers	10,777	12,965
Other deposits received	1,075	4,792
Guarantee deposits received	306	417
Short-term borrowings	2,750	2,750
Unearned revenue	2	2
Lease obligations	7	7
Accounts payable - other	106	581
Accrued expenses	446	497
Income taxes payable	26	1,243
Provision for bonuses	408	659
Provision for share awards for employees	–	23
Provision for share awards for directors (and other officers)	–	7
Asset retirement obligations	–	39
Other current liabilities	–	3
Total current liabilities	18,710	25,861
Non-current liabilities:		
Lease obligations	16	9
Deferred tax liabilities	1,094	2,493
Provision for retirement benefits	2,137	1,937
Provision for share awards for employees	85	373
Provision for share awards for directors (and other officers)	15	21
Asset retirement obligations	327	305
Other non-current liabilities	50	107
Total non-current liabilities	3,727	5,249
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	101	94
Total reserves under special laws	101	94
Total liabilities	22,540	31,205
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:	18,031	18,413
General reserve	7,247	7,247
Retained earnings brought forward	10,783	11,166
Total retained earnings	18,031	18,413
Treasury shares	(1,442)	(1,441)
Total shareholders' equity	35,126	35,509
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	3,897	7,317
Total valuation and translation adjustments	3,897	7,317
Total net assets	39,024	42,827
Total liabilities and net assets	61,564	74,033

(2) Non-consolidated statements of income

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Operating revenue		
Commission received:	9,587	12,775
Brokerage commission	3,826	5,704
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	24	31
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	2,299	2,969
Other fees received	3,436	4,070
Net trading income	1,379	1,470
Financial revenue	202	282
Other	26	25
Total operating revenue	11,196	14,554
Financial expenses	56	51
Net operating revenue	11,140	14,502
Selling, general and administrative expenses:		
Trading related expenses	997	1,135
Personnel expenses	6,311	7,042
Real estate expenses	1,518	1,379
Office expenses	1,725	1,740
Depreciation	443	365
Taxes and dues	199	238
Other	211	208
Total selling, general and administrative expenses	11,408	12,111
Operating profit (loss)	(268)	2,391
Non-operating income:		
Dividend income	289	247
Miscellaneous income	188	179
Total non-operating income	478	426
Non-operating expenses:		
Miscellaneous loss	23	14
Total non-operating expenses	23	14
Ordinary profit	186	2,803
Extraordinary income:		
Reversal of reserve for financial instruments transaction liabilities	–	6
Gain on sale of investment securities	845	628
Total extraordinary income	845	635
Extraordinary losses:		
Provision of reserve for financial instruments transaction liabilities	0	–
Impairment loss	–	6
Head office relocation expenses	199	–
Total extraordinary losses	199	6
Profit before income taxes	832	3,432
Income taxes - current	26	1,183
Income taxes - deferred	31	(86)
Total income taxes	58	1,096
Profit	773	2,336

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

Previous 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

Current fiscal year (from April 1, 2023 to March 31, 2024)

(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	10,783	18,031	(1,442)	35,126	3,897	3,897	39,024
Changes during period:												
Dividends of surplus						(1,953)	(1,953)		(1,953)			(1,953)
Profit						2,336	2,336		2,336			2,336
Purchase of treasury shares								(0)	(0)			(0)
Disposal of treasury shares								0	0			0
Net changes in items other than shareholders' equity										3,420	3,420	3,420
Total changes during period	-	-	-	-	-	382	382	0	383	3,420	3,420	3,803
Balance at end of period	12,272	4,294	1,969	6,264	7,247	11,166	18,413	(1,441)	35,509	7,317	7,317	42,827

(4) Non-consolidated statements of cash flows

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
Cash flows from operating activities:		
Profit before income taxes	832	3,432
Depreciation	443	365
Impairment loss	-	6
Increase (decrease) in provision for doubtful accounts	-	(0)
Increase (decrease) in provision for retirement benefits	(65)	(199)
Increase (decrease) in provision for bonuses	(128)	251
Increase (decrease) in provision for share-based remuneration for employees	(199)	312
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	3	13
Increase (decrease) in reserve for financial instruments transaction liabilities	0	(6)
Interest and dividend income	(503)	(537)
Interest expenses	56	51
Loss (gain) on sale of investment securities	(845)	(628)
Head office relocation expenses	199	-
Decrease (increase) in cash segregated as deposits for customers	1,500	(2,500)
Decrease (increase) in trading products - assets (liabilities)	(1,193)	16
Decrease/increase in assets/liabilities for margin transaction	1,618	37
Decrease (increase) in short-term guarantee deposits	43	(4)
Decrease (increase) in cash paid for subscription	55	(10)
Increase (decrease) in borrowings secured by securities	851	(1,086)
Increase (decrease) in deposits and guarantee deposits received	(2,850)	6,015
Decrease (increase) in advances paid	404	16
Increase/decrease in other assets/liabilities	(133)	662
Subtotal	89	6,207
Interest and dividends received	512	532
Interest paid	(56)	(54)
Payments of head office relocation expenses	(199)	-
Income taxes paid	(388)	(66)
Refund of income taxes	-	300
Net cash provided by (used in) operating activities	(42)	6,920
Cash flows from investing activities:		
Purchase of investment securities	(207)	(2,032)
Proceeds from sale of investment securities	1,065	856
Proceeds from redemption of Securities	-	2,000
Purchase of property, plant and equipment	(835)	(79)
Purchase of intangible assets	(59)	(15)
Payments for retirement of property, plant and equipment	(15)	(3)
Payments for asset retirement obligations	(158)	-
Loan advances	(8)	(6)
Collection of loans receivable	15	8
Payments of leasehold deposits	(159)	(25)
Proceeds from refund of leasehold deposits	11	339
Other, net	3	0
Net cash provided by (used in) investing activities	(346)	1,041
Cash flows from financing activities:		
Purchase of treasury shares	(69)	(0)
Dividends paid	(520)	(1,947)
Other, net	(7)	(7)
Net cash provided by (used in) financing activities	(596)	(1,955)
Effect of exchange rate change on cash and cash equivalents	221	45

Net increase (decrease) in cash and cash equivalents	(764)	6,052
Cash and cash equivalents at beginning of period	22,723	21,958
Cash and cash equivalents at end of period	21,958	28,011

(5) Notes to non-consolidated financial statements

Going concern assumption

Not applicable

Changes in presentation

Non-consolidated statements of cash flows

“Proceeds from refund of leasehold deposits,” which was included in “Other, net” under “Cash flows from investing 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 ¥15 million, which was included in the amount of “Other, net” under “Cash flows from investing activities” in the non-consolidated statement of cash flows for the previous fiscal year, has been reclassified as an increase of ¥11 million in “Proceeds from refund of leasehold deposits” and ¥3 million in “Other, net.”

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 ¥74 million for 312 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 ¥46 million for 181 thousand shares and ¥45 million for 177 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, 2023)	Current fiscal year (As of March 31, 2024)
Buildings	3,906	4,014
Structures, net	77	79
Equipment	592	702
Leased assets, net	17	16
Total	4,592	4,812

Non-consolidated statement of changes in net assets

Previous 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

Factors of the increase of 250,000 shares are 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 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 27, 2023	Common stock	Retained earnings	1,302	20.0	March 31, 2023	June 28, 2023

Note: The total amount of dividends 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.

Current fiscal year (from April 1, 2023 to March 31, 2024)

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)	6,061,329	453	3,500	6,058,282

Notes 1. The number of treasury shares at the beginning of the period and at the end of the period includes 493,500 shares and 490,000 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 453 shares is as follows:

Increase due to purchase of fractional shares: 453 shares

Factors of the decrease of 3,500 shares are as follows:

Decrease due to provision of shares for J-ESOP: 3,500 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 27, 2023	Common stock	1,302	20.0	March 31, 2023	June 28, 2023
Board of Directors' meeting held on October 30, 2023	Common stock	651	10.0	September 30, 2023	December 4, 2023

Notes: 1. The total amount of dividends paid based on the resolution at the Ordinary General Meeting of Shareholders held on June 27, 2023 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.

2. The total amount of dividends paid based on the resolution at the Board of Directors' meeting held on October 30, 2023 includes dividends of ¥4 million paid to the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

(2) Dividends with a record date in the 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 25, 2024	Common stock	Retained earnings	911	14.0	March 31, 2024	June 26, 2024

Note: The total amount of dividends to be paid includes dividends of ¥6 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, 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.

Current fiscal year (from April 1, 2023 to March 31, 2024)

1. Information by services

(Millions of yen)

Item	Stocks	Bonds	Beneficiary certificates	Other	Total
Brokerage commission	5,679	–	25	–	5,704
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	7	23	–	–	31
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	0	1	2,967	–	2,969
Other fees received	10	0	4,032	26	4,070
Total	5,697	26	7,025	26	12,775

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, 2022 to March 31, 2023)

Not applicable

Current fiscal year (from April 1, 2023 to March 31, 2024)

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, 2023)	Current fiscal year (As of March 31, 2024)
(1) Net assets per share (Yen)	603.83	662.64
Basis of calculation		
Total net assets on balance sheets (Millions of yen)	39,024	42,827
Net assets attributable to common stocks (Millions of yen)	39,024	42,827
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)	6,061	6,058
Number of common stock used for calculating per-share net assets (Thousands of share)	64,627	64,630

Item	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)
(2) Basic earnings per share (Yen)	12.01	36.15
Basis of calculation		
Profit on statements of income (Millions of yen)	773	2,336
Profit not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to common stocks (Millions of yen)	773	2,336
Average number of shares of common stock during the fiscal year (Thousands of share)	64,434	64,628

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 493 thousand shares in the previous fiscal year and 490 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 687 thousand shares for the previous fiscal year and 492 thousand shares for the current fiscal year.

Material subsequent events

At a meeting of the Board of Directors held on April 26, 2024, the Company resolved the matter related to the acquisition of treasury stocks pursuant to the provisions of Article 156 of the Companies Act of Japan as applied by replacing the provisions stipulated in Article 165, Paragraph 3 of the same act, and cancellation of its treasury stocks pursuant to Article 178 of the Companies Act.

1. Acquisition of treasury stock

(1) Reason for acquisition of treasury stock

To improve comprehensive shareholder returns and capital efficiency.

(2) Details of acquisition

(i) Type of shares to be acquired	Common shares
(ii) Total number of shares to be acquired	1,000,000 shares (upper limit)
(iii) Total cost of acquisition	¥533 million (upper limit)
(iv) Acquisition period	From April 30, 2024 to June 21, 2024
(v) Acquisition method	Market purchase in the form of a trust

2. Cancellation of Treasury Stock

(1) Reason for cancellation of treasury stock

To alleviate shareholders' concerns about share dilution resulting from the re-release of treasury stock.

(2) Details of cancellation of treasury stock

(i) Type of shares to be cancelled	Common shares
(ii) Number of shares to be cancelled	5,000,000 shares
	(Percentage of total shares outstanding before cancellation: 7.1%)
(iii) Proposed date of cancellation	May 24, 2024
(iv) Total number of shares outstanding after the cancellation	65,689,033 shares

5 Supplemental information

(1) Commission received

(i) Commission by line item

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)	Year-on-year change (%)
Brokerage commission:	3,826	5,704	149.1
Stocks	[3,784]	[5,679]	150.1
Bonds	[-]	[-]	—
Beneficiary certificates	[42]	[25]	59.4
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	24	31	127.9
Stocks	[8]	[7]	88.1
Bonds	[15]	[23]	148.8
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	2,299	2,969	129.1
Other fees received	3,436	4,070	118.5
Total	9,587	12,775	133.3

(ii) Commission by product

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)	Year-on-year change (%)
Stocks	3,802	5,697	149.8
Bonds	17	26	147.5
Beneficiary certificates	5,731	7,025	122.6
Other	34	26	77.0
Total	9,587	12,775	133.3

(2) Net trading income

(Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)	Current fiscal year (From April 1, 2023 to March 31, 2024)	Year-on-year change (%)
Stocks, etc.	1,105	1,313	118.9
Bonds, foreign exchange, etc.:	274	156	57.2
Bonds, etc.	[166]	[1]	0.8
Foreign exchange, etc.	[108]	[155]	143.5
Total	1,379	1,470	106.6

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)		Current fiscal year (From April 1, 2023 to March 31, 2024)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	407	815,124	477	1,185,421	117.1	145.4
Brokerage Dealing	[401] [6]	[733,893] [81,231]	[472] [5]	[1,086,867] [98,554]	[117.6] [86.4]	[148.1] [121.3]
Brokerage (%)	98.5	90.0	98.9	91.7		
Exchange participation share (%)	0.05	0.04	0.04	0.04		
Brokerage commission per stock on client transaction (Yen)		9.42		12.02		

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

(Thousands of shares, Millions of yen)

	Previous fiscal year (From April 1, 2022 to March 31, 2023)		Current fiscal year (From April 1, 2023 to March 31, 2024)		Year-on-year change (%)	
	Underwriting:					
Stock (Number of shares)		184		99		54.0
Stock (Amount)		209		183		87.8
Bond (Face value)		1,650		2,575		156.1
Beneficiary certificates (Amount)		–		–		–
Commercial paper & foreign securities (Face value)		–		–		–
Offering and secondary distribution						
Stock (Number of shares)		181		82		45.3
Stock (Amount)		182		151		82.9
Bond (Face value)		1,649		3,205		194.3
Beneficiary certificates (Amount)		310,067		386,596		124.7
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, 2023)	Current fiscal year (As of March 31, 2024)
Basic items (A)		33,823	34,597
Complementary items	Valuation difference on available-for- sale securities	3,897	7,317
	Reserve for financial instruments transaction liabilities	101	94
	Total (B)	3,999	7,412
Deductible assets (C)		5,738	5,687
Unfixed equity capital (A) + (B) – (C) (D)		32,084	36,322
Risk items	Market risk	1,444	2,243
	Counterparty risk	304	315
	Basic risk	2,862	2,735
	Total (E)	4,611	5,294
Capital adequacy ratio (%) (D) / (E) × 100		695.7	686.0

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, 2023)	Current fiscal year (As of March 31, 2024)
Directors and officers	10	10
Employees	737	726

(7) Quarterly trends of operating results

(Millions of yen)

	1st quarter (Apr. 1, 2023– Jun. 30, 2023)	2nd quarter (Jul. 1, 2023– Sep. 30, 2023)	3rd quarter (Oct. 1, 2023– Dec. 31, 2023)	4th quarter (Jan. 1, 2024– Mar. 31, 2024)	Current fiscal year (Apr. 1, 2023– Mar. 31, 2024)
Operating revenue:					
Commission received	2,952	3,051	2,910	3,860	12,775
Net trading income	539	294	204	431	1,470
Financial revenue	70	68	68	74	282
Other	6	6	6	6	25
Total operating revenue	3,570	3,420	3,190	4,373	14,554
Financial expenses	14	13	11	12	51
Net operating revenue	3,555	3,406	3,178	4,361	14,502
Selling, general and administrative expenses:					
Trading related expenses	266	273	283	311	1,135
Personnel expenses	1,721	1,733	1,658	1,929	7,042
Real estate expenses	307	350	350	370	1,379
Office expenses	438	414	425	460	1,740
Depreciation	89	90	91	93	365
Taxes and dues	85	46	47	59	238
Other	52	48	50	57	208
Total selling, general and administrative expenses	2,963	2,957	2,908	3,282	12,111
Operating profit	592	449	270	1,078	2,391
Non-operating income	175	59	144	46	426
Non-operating expenses	2	1	1	8	14
Ordinary profit	766	507	413	1,116	2,803
Extraordinary income:					
Reversal of reserve for financial instruments transaction liabilities	9	3	2	(9)	6
Gain on sale of investment securities	224	–	–	404	628
Total extraordinary income	233	3	2	395	635
Extraordinary losses:					
Impairment loss	6	–	–	–	6
Total extraordinary losses	6	–	–	–	6
Profit before income taxes	993	511	416	1,511	3,432
Income taxes - current	165	307	24	685	1,183
Income taxes - deferred	104	(118)	117	(189)	(86)
Total income taxes	270	189	141	496	1,096
Profit	723	322	274	1,015	2,336