

Released on October 28, 2021

(English translation for reference purposes only)

## EARNINGS REPORT FOR FIRST TWO QUARTERS OF FISCAL 2021

( April 1 to September 30, 2021 )

(consolidated under Japanese GAAP)

Name of Company: **Ichiyoshi Securities Co., Ltd.**

Listed on: Tokyo Stock Exchange (1<sup>st</sup> Section) (Stock code: 8624)

Corporate representative: Mr. Hirofumi Tamada, President & Representative Executive Officer

Inquiry to: Mr. Shoichi Yamazaki, Managing Executive Officer & Chief Supervisor for Finance and Management

Tel: (03) 4346-4512 (URL <http://www.ichiyoshi.co.jp/>)

Date of filing First Two Quarters Report: November 12, 2021 (scheduled)

Preparation of supplementary documents for quarterly earnings: Provided.

Quarterly earnings-reporting meeting: Planned for institutional investors and analysts.

(Figures less than one million yen are rounded down)

### 1. Outline of Consolidated Business Result for First Two Quarters of Fiscal 2021 (from April 1 to September 30, 2021)

#### (1) Highlights of consolidated business result (in millions of yen, except per-share figures) (% indicates a change over the year-earlier period)

	Operating Revenue	(%)	Net operating Revenue	(%)	Operating Income	(%)	Current Income	(%)
First two quarters ended Sep. 30, 2021	10,120	(+25.6)	10,096	(+25.9)	1,836	---	1,922	---
First two quarters ended Sep. 30, 2020	8,055	---	8,016	(-7.0)	-380	---	-377	---

Notes: Comprehensive income for the first two quarters of fiscal 2021: 1,445 million yen. (---)

Comprehensive income for the first two quarters of fiscal 2020: -261 million yen (---)

	Net income attributable to owners of parent	(%)	Net income per share	Net income per share- fully diluted
First two quarters ended Sep. 30, 2021	1,501	---	41.58yen	41.45yen
First two quarters ended Sep. 30, 2020	-342	---	-9.52 yen	---

Note: Effective as from the beginning of the first quarter of fiscal 2021, "Accounting Standards Concerning Revenue Recognition" (Corporate Accounting Standards No. 29, dated March 31, 2020) have been applied. Figures relating to operating revenue for the first two quarters of fiscal 2020 in the table above are retroactively adjusted in accordance with the said accounting standards. Hence, year-on-year changes for the first two quarters of fiscal 2020 are not inserted.

## (2) Consolidated financial condition (in millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Sep. 30, 2021	51,614	29,807	57.7%	825.11yen
As of Mar. 31, 2021	49,211	29,108	59.0%	804.07yen

Notes: Shareholders' equity: As of September 30, 2021: 29,789 million yen

As of March 31, 2021 : 29,030 million yen

## 2. Dividends

	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual total
Fiscal 2020 ended Mar. 31, 2021	---	15.00yen	---	19.00yen	34.00yen
Fiscal 2021 ending Mar. 31, 2022	---	19.00yen	---	****	****

Notes: (i) **Ichiyoshi Securities Co., Ltd. (the "Company")** declares dividends payable to shareholders of record as of September 30 (semiannual dividends) and March 31 (final dividends) of each fiscal year.

(ii) It is not the Company's practice to give an earnings or dividend forecast. Hence, \*\*\*\*.

## 3. Outlook for Business Result for Fiscal 2021 (from April 1, 2021 to March 31, 2022)

Since the forecast of earnings of financial-instruments trading, the main-line business of the Company and its group companies, is hard to make due to volatile factors in the market, the Company does not provide such forecast prior to the end of each quarter. Instead, the Company intends to release preliminary earnings figures after the end of each quarter as and when such figures become available.

### Points to note:

- (1) Changes in material subsidiaries (including a change in special subsidiaries resulting in the scope of consolidation): None.
- (2) Application of an accounting treatment unique to the preparation of quarterly financial statements: None.
- (3) Changes in accounting policies and estimates and restatement of modifications:
  - (i) Changes in accounting policies resulting from revisions to accounting standards: Yes.
  - (ii) Changes other than those in (i): None.
  - (iii) Changes in accounting estimates: None.
  - (iv) Restatement of modifications: None.
- (4) Number of shares issued (common stock):
  - (i) Number of shares issued as of September 30, 2021: 42,431,386 shares (including treasury shares)  
Number of shares issued as of March 31, 2021: 42,431,386 shares (including treasury shares)
  - (ii) Number of treasury shares as of September 30, 2021: 6,327,637 shares.  
Number of treasury shares as of March 31, 2021: 6,327,577 shares.
  - (iii) Average number of shares outstanding during the first two quarters of fiscal 2021:

36,103,793 shares.

Average number of shares outstanding during the first two quarters of fiscal 2020:

35,997,350 shares.

**Additional points to note:**

1. Quarterly earnings figures included in this report are not subject to reviewing by certified public accountants.
2. For the same reason that the Company does not provide an earnings forecast prior to the end of each quarter as stated in “**3. Outlook for Business Result for Fiscal 2021 (from April 1, 2021 to March 31, 2022)**” on page 2, the Company does not provide a dividend forecast.
3. The Company plans to hold a quarterly earnings-reporting meeting for institutional investors and analysts on November 22, 2021, Monday, (at 3:30 pm). Supplementary documents for quarterly earnings to be distributed at the meeting will be forthwith disclosed and posted on the Company’s website.

## **I. Outline on Business Operations**

### **(1) Outline on Business Operations for First Two Quarters of Fiscal 2021**

During the first two quarters of fiscal 2021, the Japanese economy continued to show signs of gradual recovery despite some negative effects from the declaration of the emergency status to cope with the surging of the novel corona-virus. While consumer expenditures lacked momentum due to the avoidance of nonessential outings, there were seen some signs of pick-up in business investments and exports. In the meantime, the resumption of economic activities further progressed in U.S. and European countries, helping the recovery of the global economy, while some developing countries still struggled.

During the period, the Nikkei Stock Average on the Tokyo Stock Exchange (the TSE) exceeded the 30,000yen mark in early-April, and thereafter it floundered with its upward movement held up. As the infection of the new corona-virus surged while some delays in vaccination against the virus were seen and the U.S. interest rates rose, the Nikkei Stock Average fell to 27,385yen on May 13. Thereafter, as the upward trend of the U.S. interest rates paused, the Nikkei Stock Average recorded a recovery high of 29,480yen on June 15. In July, as the Tokyo Olympics was held, the highly-infection Delta-type corona-virus started to spread and the 4<sup>th</sup> declaration of the emergency status was made in Tokyo, resulting in the correctional movements of the Nikkei Stock Average. In such circumstances, investors started to take risk-off stances, pushing the Nikkei Stock Average down to 26,954yen, a year-low, on August 20. As to the Jackson Hole meeting, investors generally took positive attitudes as Jerome Hayden “Jay” Powell, Chairman of the U.S. Federal Reserve Board, took a cautious attitude toward the raising of interest rates while he favored the tapering before the end of the year. On September 3, Prime Minister Yoshihide Suga declared his intention not to run for the President of the Liberal Democratic Party. These two events sent the Nikkei Stock Average rising up at a dash. Thus, the Nikkei Stock Average recorded 30,795yen on September 14, a year-high as well as the highest in about 31 years. Thereafter, as the U.S. interest rates moved upward and worries over the default of a large Chinese real estate company loomed large, the Nikkei Stock Average ended the period at 29,452yen.

On the foreign currency market, the yen strengthened to 107.47yen per 1 U.S. dollar on April 23, and weakened to 111.65yen per 1 U.S. dollar on July 2, in expectation of U.S. economic recovery. Thereafter, while firming up to 108.72yen per 1 U.S. dollar at one point, the yen ended the period

at the lower side of the 111yen per 1 U.S. dollar level as the U.S. interest rates trended higher.

As for the Japanese emerging-stock markets, the Nikkei JASDAQ Stock Average recorded 4,113yen, a year-high, on September 14, and ended the period at 4,029yen. The TSE Mothers Index rebounded from its year-low of 993 on August 18, and ended the period at 1,127.

The average daily turnover on the First Section of the TSE for the first two quarters of fiscal 2021 was 2,971.0 billion yen, up 14.3% from the comparable period of fiscal 2020, that on TSE Mothers was 150.2 billion yen, down 26.9% and that on the JASDAQ Stock Market was 62.9 billion yen, down 1.4%.

Under these circumstances, the Company further advanced its “Decisive Action on Reform” initiated two years ago as the first reformative action in 20 years to further promote its customer-focused business operations. Accordingly, being a major target for reform, the transfer of the business model from “Flow-based Type” chiefly based on brokerage commissions to “Stock-based Type” (asset-accumulation type) mainly based on trailer and trustee fees on investment trust funds and wrap-account fees has steadily bore fruit.

In time with the “Decisive Action on Reform,” the Company added one more business principle of “Belief in provision of custom-made products for each customer,” in addition to its principle of “We do not sell products simply because they are popular” based on its 20-year-old “Ichiyoshi’s 7 Standards” which stresses the Company’s belief in “Not dealing in products unsuitable to customers.” Thus, the Company is engaged in proposing custom-made products matching needs of each individual customer.

As regards activities on stocks during the period, the Company proposed to customers asset-backed stocks with stress on stability and dividends and small- and medium-cap growth stocks selected based on the Company’s strength in research.

With regard to “Dream Collection,” a fund wrap account vehicle, it continued to meet growing customers’ needs for medium- to long-term and conservative investment products. Its outstanding balance as of September 30, 2021 registered 174.0 billion yen, up 31.4% from September 30, 2020.

With respect to investment trust funds other than Dream Collection, funds investing in small-and medium-cap stocks (both domestic and foreign), funds investing in high-dividend paying companies and SDG-related funds, all based on Ichiyoshi’s proposals matching customers’ needs, contributed to increases in customers’ assets in custody. Their total outstanding balance as of September 30, 2021, was 789.7 billion yen, up 12.6% from September 30, 2020.

With respect to Ichiyoshi Asset Management Co., Ltd. the amount of assets under its management recorded its continuous increase and stood at 425.2 billion yen as of September 30, 2021, up 32.4% from September 30, 2020.

As a result of these activities, net operating revenue for the first two quarters of fiscal 2021 amounted to 10,096 million yen, up 25.9% from the first two quarters of fiscal 2020. Operating cost and expenses amounted to 8,260 million yen, down 1.6%. Hence, operating income registered 1,836 million yen, an increase of 2,216 million yen from the year-earlier period.

Customers’ assets in custody amounted to 2,046.1 billion yen as of September 30, 2021, up 2.8% from the end of the previous fiscal year.

Set forth below are revenue sources, cost and expenses and financial condition.

## **i. Commissions**

Total commissions for the first two quarters of fiscal 2021 amounted to 9,804 million yen, up 25.3% from the year-earlier period.

### **(a) Brokerage commissions**

Total brokerage commissions on stocks rose 6.8% to 2,790 million yen. Brokerage commissions on small- and medium-sized stocks (stocks listed on Second Section of the TSE, JASDAQ and TSE Mothers) declined 30.4% to 496 million yen and accounted for 17.8 % of total brokerage commissions on stocks.

### **(b) Commissions from underwriting and solicitation to specified investors**

In the primary market, the Company participated in 20 initial public offerings on a management and underwriting basis (of which two were lead-managed by the Company) as against 13 participations (of which two were lead-managed by the Company) in the year-earlier period. In the secondary market (which deals with financing by already-listed companies), the Company participated in 1 deal on an underwriting basis as against 3 deals in the year-earlier period.

As a result, commissions from underwriting and solicitation to specified investors amounted to 237 million yen, down 0.1% from the comparable period of fiscal 2020.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 1,171 (of which 62 were lead-managed) as of September 30, 2021.

### **(c) Commissions from distribution and solicitation to specified investors**

As commissions from distribution of investment trust funds recorded 2,077 million yen, up 45.7% from the year-earlier period, total commissions from distribution and solicitation to specified investors registered 2,099 million yen, up 38.0%.

### **(d) Commissions from other sources**

Trailer fees rose 18.4% to 2,064 million yen. Management fees on investment trust funds managed by Ichiyoshi Asset Management recorded 877 million yen, up 45.0%. Fees from fund wrap accounts registered 1,399 million yen, up 96.6%. Adding these fees to fees from other sources, total commissions from other sources amounted to 4,602 million yen, up 37.3%.

## **ii. Gains or loss on trading**

Trading in stocks, etc. recorded net gains of 69 million yen, up 112.8%. Trading in bonds and foreign exchange, etc. registered net gains of 7 million yen, down 64.8%. As a result, total net gains on trading amounted to 76 million yen, up 44.3%.

## **iii. Net financial revenue**

Financial revenue rose 11.5% to 116 million yen as loans on margin transactions increased. Financial expenses fell 38.0% to 23 million yen. As a result, net financial revenue recorded 92 million yen, up 40.5%.

Resultantly, net operating revenue for the first two quarters of fiscal 2021 amounted to 10,096 million yen, up 25.9% from the year-earlier period.

## **iv. Operating cost and expenses**

Operating cost and expenses amounted to 8,260 million yen, down 1.6%, as trade-related and personnel expenses decreased.

## **v. Non-operating income and expenses**

The Company recorded non-operating income of 91 million yen, including 57 million yen in the

form of gains on investment partnerships. As a result, net non-operating income registered 86 million yen.

Resultantly, current income for the first two quarters of fiscal 2021 registered 1,922 million yen, an increase of 2,300 million yen from the year-earlier period.

#### **vi Extraordinary income and loss**

The Company registered extraordinary income of 154 million yen mainly in the form of gains on sales of investment securities and extraordinary loss of 24 million yen mainly in the form of valuation loss on investment securities. As a result, net extraordinary income registered 130 million yen, up 26.9%.

Resultantly, income before taxes and tax adjustments for the first two quarters of fiscal 2021 registered 2,053 million yen, and net income attributable to owners of parent (after deduction of corporate income taxes, resident's taxes and enterprise taxes in the aggregate amount of 450 million yen and corporate tax adjustments in the amount of 102 million yen) recorded 1,501 million yen, an increase of 1,843 million yen from the year-earlier period.

### **(2) Outline of Financial Condition for First Two Quarters of Fiscal 2021**

#### **(a) Assets**

Assets amounted to 51,614 million yen as of September 30, 2021, an increase of 2,403 million yen (up 4.9%) from March 31, 2021, mainly as cash and deposits swelled by 3,635 million yen while margin transaction assets fell by 2,348 million yen.

#### **(b) Liabilities**

Liabilities stood at 21,807 million yen as of September 30, 2021, a rise of 1,703 million yen (up 8.5%) from March 31, 2021 as deposits received swelled by 5,706 million yen while margin transaction liabilities fell by 4,754 million yen.

#### **(c) Net worth**

Net worth amounted to 29,807 million yen as of September 30, 2021, an increase of 699 million yen (up 2.4%) from March 31, 2021. The increase resulted mainly from recording of net income (attributable to owners of parent) of 1,501 million yen for the first two quarters while the Company paid dividends in the amount of 685 million yen.

## II. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2021	As of September 30 2021
<b>Assets</b>		
Current assets		
Cash and deposits	16,196	19,832
Segregated deposits	7,799	9,509
Trading products	112	40
Trading securities and other	112	40
Margin transaction assets	13,309	10,960
Margin loans	13,099	10,793
Cash collateral provided for securities borrowed in margin transactions	209	166
Loans secured by securities	2	-
Cash collateral provided for securities borrowed	2	-
Advances paid	93	115
Deposits paid for underwritten offering, etc.	2,423	2,956
Short-term loans receivable	0	10
Securities	1,000	-
Accrued income	1,745	1,975
Other current assets	193	103
Allowance for doubtful accounts	△3	△3
<b>Total current assets</b>	<b>42,873</b>	<b>45,501</b>
Non-current assets		
Property, plant and equipment	3,068	3,211
Buildings, net	1,069	1,235
Equipment	662	639
Land	1,333	1,333
Leased assets, net	3	2
Intangible assets	691	597
Software	688	595
Other	2	1
Investments and other assets	2,578	2,305
Investment securities	1,011	879
Long-term loans receivable	19	20
Long-term guarantee deposits	978	913
Retirement benefit asset	363	381
Deferred tax assets	198	105
Other	86	85
Allowance for doubtful accounts	△79	△79
<b>Total non-current assets</b>	<b>6,338</b>	<b>6,113</b>
<b>Total assets</b>	<b>49,211</b>	<b>51,614</b>
<b>Liabilities</b>		
Current liabilities		
Trading products	0	0
Derivatives	0	0
Trade date accrual	25	8
Margin transaction liabilities	6,233	1,479
Margin borrowings	5,791	1,250
Cash received for securities sold in margin transactions	442	229
Borrowings secured by securities	130	425
Cash collateral received for securities lent	130	425
Deposits received	10,169	15,876
Guarantee deposits received	1,022	1,509
Short-term borrowings	213	223
Lease obligations	1	1
Income taxes payable	157	376
Provision for bonuses	518	467
Other current liabilities	1,250	1,087
<b>Total current liabilities</b>	<b>19,724</b>	<b>21,454</b>
Non-current liabilities		
Long-term borrowings	146	136
Lease obligations	1	0
Deferred tax liabilities for land revaluation	7	7
Other noncurrent liabilities	40	36
<b>Total non-current liabilities</b>	<b>197</b>	<b>182</b>
Reserves under special laws		
Reserve for financial instruments transaction liabilities	181	170
<b>Total reserves under special laws</b>	<b>181</b>	<b>170</b>
<b>Total liabilities</b>	<b>20,103</b>	<b>21,807</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,577	14,577
Capital surplus	6,885	6,885
Retained earnings	12,516	13,332
Treasury shares	△4,098	△4,098
<b>Total shareholders' equity</b>	<b>29,881</b>	<b>30,696</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	85	59
Revaluation reserve for land	△1,125	△1,125
Remeasurements of defined benefit plans	189	158
<b>Total accumulated other comprehensive income</b>	<b>△851</b>	<b>△906</b>
Share acquisition rights	78	18
<b>Total net assets</b>	<b>29,108</b>	<b>29,807</b>
<b>Total liabilities and net assets</b>	<b>49,211</b>	<b>51,614</b>

(2) Quarterly Consolidated Income Statements and Quarterly Comprehensive Income Statements  
 Quarterly Consolidated Income Statements

(in millions of yen)

	Fiscal year ended September 30,2020	Fiscal year ended September 30,2021
Operating revenue		
Commission received	7,825	9,804
Net trading income	52	76
Financial revenue	104	116
Other operating revenue	72	123
Total operating revenue	8,055	10,120
Financial expenses	38	23
Net operating revenue	8,016	10,096
Selling, general and administrative expenses		
Trading related expenses	820	665
Personnel expenses	4,554	4,467
Real estate expenses	1,186	1,222
Office expenses	1,101	1,122
Depreciation	262	287
Taxes and dues	129	149
Other	342	344
Total selling, general and administrative expenses	8,397	8,260
Operating profit (loss)	△380	1,836
Non-operating income		
Dividends from investment securities	13	14
Gain on investments in investment partnerships	0	57
Insurance claim and dividend income	-	7
Other	8	12
Total non-operating income	21	91
Non-operating expenses		
Loss on investments in investment partnerships	17	3
Loss on cancellation of leases	-	0
Other	1	0
Total non-operating expenses	19	4
Ordinary profit (loss)	△377	1,922
Extraordinary income		
Gain on sale of investment securities	69	78
Gain on reversal of share acquisition rights	7	64
Reversal of reserve for financial instruments transaction liabilities	29	11
Total extraordinary income	107	154
Extraordinary losses		
Loss on retirement of non-current assets	4	0
Loss on sale of non-current assets	-	5
Loss on sale of investment securities	-	5
Loss on valuation of investment securities	-	13
Total extraordinary losses	4	24
Profit (loss) before income taxes	△274	2,053
Income taxes - current	47	450
Income taxes - deferred	20	102
Total income taxes	67	552
Profit (loss)	△342	1,501
Profit (loss) attributable to owners of parent	△342	1,501



## Quarterly Comprehensive Income Statements

(in millions of yen)

	Fiscal year ended September 30,2020	Fiscal year ended September 30,2021
Profit (loss)	Δ342	1,501
Other comprehensive income		
Valuation difference on available-for-sale securities	85	Δ25
Remeasurements of defined benefit plans, net of tax	Δ4	Δ30
Total other comprehensive income	81	Δ55
<b>Comprehensive income</b>	<b>Δ261</b>	<b>1,445</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	Δ261	1,445
Comprehensive income attributable to non-controlling interests	-	-

### **(3) Notes to Quarterly Consolidated Financial Statements**

(Notes concerning premises for continuing business enterprise)

None.

(Notes in the event of material changes in shareholders' equity)

None.

(Application of accounting principles unique to the preparation of quarterly financial statements)

None.

(Changes to accounting policies and changes/restatements of accounting estimates)

(Application of Accounting Standards Concerning Revenue Recognition)

“Accounting Standards Concerning Revenue Recognition” (Corporate Accounting Standards No. 29, dated March 31, 2020) have been applied effective from the beginning of the first quarter of fiscal 2021. Accordingly, at the time when the control of promised goods or services has been transferred to a customer, an amount receivable as compensation for such transfer of goods or services is recognized as revenue.

Thus, with respect to transactions on goods or services which the Company has carried out as agent, a net amount of compensation, after deduction of a payment to a third party, is recognized as revenue while previously a whole amount of compensation was recognized as revenue.

Figures relating to the first two quarters of fiscal 2020 are also retroactively adjusted in principle in accordance with the new accounting standards.

As a result, other operating revenue and other operating expenses in the first two quarters of fiscal 2020 decreased respectively by the amount of 715 million yen as compared with when the new accounting standards were not applied.

## Supplementary Information for Second Quarter of Fiscal 2021

(in millions of yen with fractions less than a million yen rounded down)

### 1. Commission received

#### (1) Commissions by sources

	Second quarter of fiscal year ended		year-on-year change	Fiscal year ended March 31, 2021
	September 30, 2020	September 30, 2021		
Brokerage commission	2,714	2,864	5.5 %	6,182
(Stocks)	( 2,613 )	( 2,790 )	( 6.8 )	( 6,026 )
(Beneficiary certificates)	( 100 )	( 74 )	( Δ25.8 )	( 155 )
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	237	237	Δ0.1	496
(Stocks)	( 237 )	( 237 )	( Δ0.1 )	( 496 )
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,521	2,099	38.0	3,554
(Beneficiary certificates)	( 1,425 )	( 2,077 )	( 45.7 )	( 3,442 )
Other commission received	3,352	4,602	37.3	7,374
(Beneficiary certificates*)	( 3,060 )	( 4,341 )	( 41.8 )	( 6,680 )
Total	7,825	9,804	25.3	17,608

#### \*Breakdown of Beneficiary certificates

	Second quarter of fiscal year ended		year-on-year change	Fiscal year ended March 31, 2021
	September 30, 2020	September 30, 2021		
Trailer fees relating to balances of funds	1,743	2,064	18.4 %	3,625
Trust fees for fund management	605	877	45.0	1,316
Fees from wrap-accounts	711	1,399	96.6	1,738
Total	3,060	4,341	41.8	6,680

#### (2) Commissions by products

	Second quarter of fiscal year ended		year-on-year change	Fiscal year ended March 31, 2021
	September 30, 2020	September 30, 2021		
Stocks	2,864	3,042	6.2 %	6,551
Bonds	96	21	Δ77.1	112
Beneficiary certificates	4,586	6,493	41.6	10,278
Others	278	246	Δ11.4	665
Total	7,825	9,804	25.3	17,608

#### (2. Net trading income

	Second quarter of fiscal year ended		year-on-year change	Fiscal year ended March 31, 2021
	September 30, 2020	September 30, 2021		
Stocks, etc.	32	69	112.8 %	171
Bonds, foreign exchange, etc.	20	7	Δ64.8	138
(Bonds, etc.)	( 12 )	( 3 )	( Δ69.1 )	( 24 )
(Foreign exchange, etc.)	( 8 )	( 3 )	( Δ58.4 )	( 114 )
Total	52	76	44.3	310

### 3. Quarterly Consolidated Income Statements for Recent Six Quarters

(in millions of yen)

	1st Q (4-6/20)	2nd Q (7-9/20)	3rd Q (10-12/20)	4th Q (1-3/21)	1st Q (4-6/21)	2nd Q (7-9/21)
Operating revenue	3,811	4,244	4,823	5,391	5,164	4,956
Commission received	3,689	4,136	4,639	5,142	5,004	4,799
Net trading income	28	24	98	159	28	48
Financial revenue	49	54	51	51	57	58
Other operating revenue	43	28	34	37	73	50
Financial expenses	18	20	15	16	12	11
Net operating revenue	3,792	4,223	4,808	5,375	5,151	4,945
Selling, general and administrative expenses	4,174	4,223	4,272	4,266	4,268	3,991
Trading related expenses	431	388	368	343	372	293
Personnel expenses	2,231	2,322	2,348	2,321	2,259	2,208
Real estate expenses	586	599	591	638	637	585
Office expenses	547	554	600	588	586	535
Depreciation	130	131	132	132	161	125
Taxes and dues	62	67	69	75	73	76
Provision of allowance for doubtful accounts	—	—	0	0	0	△0
Other	184	158	159	165	177	167
Operating profit	△381	0	535	1,108	882	953
Non-operating income	17	4	32	7	55	35
Non-operating expenses	1	17	1	5	0	3
Ordinary profit	△365	△12	566	1,111	937	985
Extraordinary income	105	1	23	3	154	0
Extraordinary losses	2	2	35	80	18	5
Profit before income taxes	△261	△12	554	1,034	1,073	979
Income taxes - current	21	25	23	209	99	351
Income taxes - deferred	117	△96	76	△64	189	△87
Profit	△401	58	454	889	785	715
Profit attributable to owners of parent	△401	58	454	889	785	715

( END )