

**Consolidated Financial Summary** (for the year ended March 31, 2023)

April 28, 2023

Company Name: Tokai Tokyo Financial Holdings, Inc.  
 Stock Listings: Tokyo Stock Exchange/Nagoya Stock Exchange  
 Stock Code: 8616 URL: <https://www.tokaitokyo-fh.jp/>  
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Scheduled date for general meeting of shareholders: June 28, 2023  
 Scheduled date for filing securities report: June 28, 2023  
 Scheduled day of commencing dividend payment: June 29, 2023  
 Supplementary explanation documents for earnings: Yes  
 Earnings presentation for the fiscal year: Yes (for financial analysts and institutional investors)

(Figures are rounded down to the nearest one million yen and those in parentheses are negative figures.)

**1. Consolidated Financial Results for the Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)****(1) Consolidated Results of Operation**

(Figures in percentages denote the year-on-year change.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Year ended										
March 31, 2023	73,383	(9.4)	69,598	(11.1)	3,159	(68.0)	6,346	(51.1)	1,953	(85.1)
March 31, 2022	80,975	16.7	78,249	16.7	9,881	2.0	12,979	3.4	13,150	44.6

(Note) Comprehensive income: March 31, 2023: 2,649 million yen [(80.5)%]  
 March 31, 2022: 13,593 million yen [4.6 %]

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Operating profit/Operating revenue
	yen	yen	%	%	%
Year ended					
March 31, 2023	7.85	7.84	1.1	0.5	4.3
March 31, 2022	52.94	52.79	7.8	0.9	12.2

(Reference) Share of profit of entities accounted for using equity method March 31, 2023: (749) million yen March 31, 2022: 1,179 million yen

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net asset per share
	million yen	million yen	%	yen
As of				
March 31, 2023	1,056,020	181,348	16.0	679.99
March 31, 2022	1,581,231	185,568	10.9	694.86

(Reference) Shareholders' equity March 31, 2023: 169,286 million yen March 31, 2022: 172,730 million yen

**(3) Consolidated Cash Flows Position**

	Cash flows from operation	Cash flows from investment	Cash flows from financing	Cash and cash equivalents
	million yen	million yen	million yen	million yen
Year ended				
March 31, 2023	107,307	(18,620)	(57,593)	130,423
March 31, 2022	5,672	(23,011)	32,355	98,442

**2. Dividends**

(Base date)	Dividend per share					Total cash dividends (annual)	Dividends payout ratio (consolidated)	Net assets dividend ratio (consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of year	Annual			
	yen	yen	yen	yen	yen	million yen	%	%
Ended March 31, 2022	—	10.00	—	14.00	24.00	5,963	45.3	3.5
Ended March 31, 2023	—	8.00	—	8.00	16.00	3,980	203.8	2.3
Ending March 31, 2024 (Forecast)	—	—	—	—	—		—	

**3. Forecast of Consolidated Operating Results for Fiscal 2023 (from April 1, 2023 to March 31, 2024)**

The Group operates principally in the financial instruments business, and its operating results are likely to be affected by market fluctuations. Due to such nature of its business and consequential difficulty in predicting its performance, the Group does not disclose the forecast of operating results.

\* Notes

(1) Important Changes in Subsidiaries during the Term (Changes Pursuant to the Subsidiaries that Lead to a Change in the Scope of Consolidation): Yes

New : None

Exclusion : 1 company (ACE Securities Co.,Ltd. )

(2) Changes in Accounting Policies or Estimates and Retrospective Restatements

1) Changes in accounting policies in accordance with revision of accounting standards: Yes

2) Changes in accounting policies other than item 1) above: None

3) Change in accounting estimates: None

4) Retrospective restatements: None

(3) Number of Shares Issued (Common Stock)

1) Number of shares issued at the end of the term including treasury shares

As of March 31, 2023: 260,582,115 As of March 31, 2022: 260,582,115

2) Number of treasury shares at the end of the term

As of March 31, 2023: 11,626,798 As of March 31, 2022: 11,999,455

3) Average number of shares outstanding

Year ended March 31, 2023: 248,679,802 Year ended March 31, 2022: 248,425,425

(Reference)

Non-consolidated Financial Results for the Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated Results of Operations

(Figures in percentages denote the year-on-year change.)

	Operating revenue		Operating profit		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Year ended								
March 31,2023	12,138	(21.2)	2,479	(59.1)	3,737	(45.1)	3,814	(39.9)
March 31,2022	15,395	86.7	6,066	—	6,811	—	6,349	—

	Net income per share	Diluted net income per share
	yen	yen
Year ended		
March 31,2023	15.34	15.31
March 31,2022	25.56	25.49

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of				
March 31,2023	234,652	107,870	45.7	431.09
March 31,2022	251,859	109,451	43.3	438.30

(Reference) Shareholders' equity March 31, 2023: 107,322 million yen March 31, 2022: 108,954 million yen

\* This consolidated financial summary is exempt from certified public accountant and audit corporations

\* Note to proper use of forecast of operating results and other special remarks

Dividends for the fiscal year ending March 31, 2024 have not been determined because it is difficult to forecast operating results, as described similarly in "3.Forecast of Consolidated Operating Results for Fiscal 2023."

\* How to view supplementary explanation documents for earnings

Supplementary explanation documents for earnings will be available on both Timely Disclosure network and our website on Friday, April 28, 2023.

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## 1. Qualitative Information for the Consolidated Fiscal Year Ended March 31, 2023

### (1) Review of Operating Results

**Japanese Economy:** During the fiscal year under review (from April 1, 2022 to March 31, 2023), the Japanese economy continued to recover led by domestic demand, albeit slowly. Government support measures (comprehensive economic stimulus measures, nationwide incentivization program for travelers, relaxation of entry control for quarantine purposes, etc.) and continued monetary easing underpinned the economy. On the other hand, the slowdown in overseas economies and a decline in household purchasing power due to rising commodity prices caused headwinds.

**Looking Abroad:** In overseas markets, mainly in Europe and the United States, monetary tightening to suppress price hikes continued, and the economy lost its momentum accordingly. However, in Asia, where inflation was somewhat restrained, the margin of interest rate hikes was moderate, and thus, the slowdown was limited.

**Japanese Stock Market:** The Nikkei Stock Average, which opened at ¥27,600 in April, remained within the range of ¥26,000 to ¥28,500 throughout the year. In other words, the Japanese stock market had faced pressure that refuses its upward swing. While economic normalization and a lasting low-interest rate environment were positive factors, global interest rate hikes, concerns over an economic recession, and the Bank of Japan's adjustment of its monetary easing policy at the end of the year all restrained the movement toward the upper price. At the end of March, the fiscal year-end, the Nikkei Stock Average reached close to the upper end of its sideways trading range but it fell in reaction to, then, occurring financial instability in Europe and the United States. As a result, it closed the March transaction at ¥28,000.

**US Stock Market:** The Dow Jones Industrial Average, which opened at \$34,700 in April, fell below \$30,000 in June on the back of interest rate hikes. In August, it recovered temporarily to \$34,000, but as optimism waned, it fell below \$29,000 by the end of September. On the other hand, stock prices, which turned upward in the expectation of a reduced range of interest rate rises, remained generally firm after the beginning of the year. In March, however, several bank failures in the United States caused turmoil, and the Dow Jones Industrial Average closed at \$33,200.

**Japanese Bond Market:** Long-term interest rates in Japan (10-year government bond yield) started at 0.19% in April and continued to trade in the range between 0.20% and 0.25%. As the Bank of Japan changed the upper limit of long-term interest rates to around 0.50% at the Monetary Policy Meeting held in December, the long-term interest rate briefly rose to 0.57% in January. However, the index closed at 0.35% in March as BOJ Governor Candidate Ueda hinted at a continuation of easing.

**US Bond Market:** Long-term interest rates in the United States started at a year-end low of 2.34% in April and rose to 3.49% in June but declined to 2.51% in August due to concerns about a U.S. economic recession and expectations that inflation would peak out. However, as the Federal Reserve intensified its tightening stance, the yield rose sharply to 4.33% in October, the highest level for the fiscal year, and bonds prices fell sharply, creating a difficult investment environment. Later, slowing inflation in the United States and the bankruptcy of U.S. regional banks drove up demand for U.S. government bonds, which ended March at 3.46%.

**Foreign Exchange Market:** The dollar-to-yen exchange rate opened at 1 USD to 121 JPY in April, which was the lowest level for the period. In October, after the U.S. Federal Reserve raised interest rates, the exchange rate reached a new high of 1 USD to 151 JPY. This marked an unprecedented, rapid depreciation of the yen. However, as inflation in the U.S. slowed and expectations of easing by the Bank of Japan grew, the exchange rate fell sharply to 127 JPY in January. In March, it rebounded to 137 JPY, but the March trade ended at 132 JPY caused by the continued depreciation of the dollar due to financial instability.

### Operating Results:

Under the above-stated market environment, the Group's consolidated operating results during the period under review were as follows. In this section (1), all percentages shown below indicate year-on-year comparisons.

(Commission received)

During the period under review, total commission received decreased by 12.4% to ¥ 32,929 million yen.

(i) Commission to consignees

Commission to consignees on stocks earned by the Group fell 16.9% to ¥11,018 million. Total commission to consignees decreased 15.6% to ¥11,758 million.

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

Commission earned from handling stocks recorded ¥510 million, a decrease of 29.5%, while the same from handling bonds recorded ¥602 million, down 1.3%. Total commission for underwriting, secondary distribution, and solicitation for selling and others for professional investors decreased 16.6% to ¥1,112 million.

(iii) Fees for offering, secondary distribution and solicitation for selling and others for professional investors

Fees earned from beneficiary certificates recorded ¥6,873 million, down 30.8%. Total fees for offering, secondary distribution and solicitation for selling and others for professional investors decreased 30.6% to ¥6,900 million.

(iv) Other fees received

Agency commissions from investment trusts decreased 8.9% to ¥5,331 million, and insurance commissions increased 23.2% to ¥4,550 million. Total other fees received increased 6.3% to ¥13,157 million.

(Net trading income)

Stock trading income decreased 15.8% to ¥13,630 million, and trading of bonds and foreign exchanges mainly from foreign currency-denominated bonds and structure bonds decreased 0.9% to ¥17,656 million. As a result, net trading income decreased by 8.0% to ¥31,287 million.

(Net financial revenue)

Financial revenue decreased by 2.5% to ¥9,165 million. While financial expenses increased 38.8% to ¥3,784 million. Therefore, net financial revenue decreased 19.4% to ¥5,381 million.

(Selling, general and administrative expenses)

Trading-related expenses decreased 5.3% to ¥12,428 million. Personnel expenses decreased 4.6% to ¥30,836 million, real estate expenses decreased 1.9% to ¥7,585 million, and office expenses decreased 0.1% to ¥8,635 million. As a result, total selling, general and administrative expenses decreased 2.8% to ¥66,438 million.

(Non-operating income and expenses)

Total non-operating income increased by 26.3% to ¥4,219 million. Primary attributes were 1) ¥2,166 million gain on the valuation of investment securities and 2) ¥1,153 million dividend income. On the other hand, non-operating expenses increased by 323.6% to ¥1,033 million, of which the major factor was the apportioned loss in investment amounting to ¥749 million part of the loss an equity method affiliate incurred.

(Extraordinary income and loss)

In the period under review, ¥177 million of extraordinary income was recorded, and an extraordinary loss of ¥423 million was recorded.

In summary, operating revenue decreased 9.4% to ¥73,383 million, net operating revenue decreased 11.1% to ¥69,598 million, operating profit decreased 68.0% to ¥3,159 million, ordinary profit decreased 51.1% to ¥ 6,346 million, and finally, profit attributable to owners of parent after deducting income taxes decreased 85.1% to ¥1,953 million.

(2) Review of the Financial Statements

In this section (2), all comparisons shown below were made with respective corresponding figures at the end of the previous consolidated fiscal year.

(Assets)

Total assets at the end of the fiscal year under review decreased by ¥525,211 million to ¥1,056,020 million. Under this category, current assets decreased by ¥525,826 million to ¥979,880 million. This was mainly due to decreases in trading products of ¥256,523 million to ¥272,917 million and in loans secured by securities of ¥247,474 million to ¥304,108 million. Non-current assets, on the other hand, increased ¥615 million to ¥76,139 million due to an increase in investment securities of ¥1,717 million to ¥45,923 million.

(Liabilities)

Total liabilities at the end of the fiscal year under review decreased by ¥520,990 million to ¥874,672 million. Under this category, current liabilities decreased by ¥500,336 million to ¥754,508 million. This was mainly due to decreases in trading products of ¥208,686 million to ¥235,926 million and in borrowings secured by securities of ¥180,600 million to ¥146,125 million. Non-current liabilities decreased by ¥20,640 million to ¥119,474 million, due to a decrease in bonds payable of ¥6,606 million to ¥21,979 million and a decrease in long-term borrowings of ¥13,800 million to ¥93,500 million.

(Net assets)

Net assets decreased by ¥4,220 million to ¥181,348 million, and the main factor was the retained earnings that decreased by ¥3,515 million to ¥111,064 million.

(3) Review of Statements of Cash Flows

- Net cash generated by operating activities amounted to ¥107,307 million. Increasing attributes include 1) Profit before income taxes that recorded a surplus of ¥6,099 million, 2) trading products (assets) that decreased by ¥256,523 million, and 3) loans secured by securities that decreased by ¥247,474 million. On the other hand, decreasing attributes include 1) trading products (liabilities) that decreased by ¥208,686 million, and 2) borrowings secured by securities that decreased by ¥180,600 million.
- Net cash used in investing activities amounted to ¥18,620 million. This is mainly due to 1) ¥24,847 million in short-term loan advances, 2) ¥2,577 million in the purchase of intangible assets, 3) ¥2,491 million in the purchase of investment securities, with 4) ¥9,439 million in the collection of short-term loans receivable only partially offsetting the outflow.
- Net cash used in financing activities amounted to ¥57,593 million. This was mainly due to 1) a net decrease of ¥43,833 million in short-term loans payable and 2) ¥5,455 million in cash dividends paid.

As a result of the foregoing, cash and cash equivalents increased by ¥31,933 million to ¥130,423 million.

#### (4) Basic Policy on Profit Distribution and Dividends for the Current and Next Fiscal Years

The Group's main business is the financial instruments business, and earnings in the financial instruments industry are highly susceptible to market trends. Therefore, the Company's basic policy regarding the distribution of earnings is to make efforts to enhance internal reserves and pay stable and appropriate dividends to shareholders.

The Company's basic policy regarding the number of dividends in each business year is to pay dividends twice a year, an interim dividend and a year-end dividend. Interim and year-end dividends are determined by Board of Directors and General Meeting of Shareholders, respectively.

The Company also provides in its Articles of Incorporation that it may pay interim dividends as prescribed in Article 454, Paragraph 5 of the Companies Act.

As for the year-end dividend for the fiscal year under review, we plan to pay an ordinary dividend of 8 yen per share, and together with the interim dividend, we plan to pay an annual dividend of 16 yen per share. As a result, the consolidated dividends payout ratio for the fiscal year under review was 203.8%.

#### (5) Outlook

The Group's main business is the financial instruments business and its performance is affected by changes in the market environment. As it is difficult to forecast the business performance in light of the characteristics of this business, the Company does not disclose a business performance forecast.

#### (6) Status of the Medium-term Management Plan

The business environment surrounding the Group is changing drastically. Technologies such as AI and blockchain are becoming increasingly indispensable for business development. At the same time, companies are increasingly required to implement sustainable management in such areas as environmental consideration and how they fulfill their social responsibilities. In Japan's securities business, the business model has changed significantly due to changes in the commission structure, regulatory and institutional reforms, and acceleration of digital transformation (hereinafter "DX"). We also need to shift to a more goal-based approach in designing our business policy, including responding to the new NISA system, contributing to the "Doubling Asset-Based Income Plan", and offering portfolio proposals and solutions. In addition, we need to pay more attention to market trends, such as rising U.S. interest rates and the global spread of financial instability triggered by the bankruptcy of U.S. regional banks. Under these circumstances, the Group has formulated and is promoting the five-year medium-term management plan "Beyond Our Limits" (hereinafter referred to as the "Plan") since April 2022. The plan aims to make the Company a "corporate group with admiration and respect" by taking on the challenge of reaching the "New World" with "'Social Value & Justice' comes first" as its action guidelines. In pursuing such a goal, we hoist the core strategic policies that read "The caliber enlargement as a financial service provider" and "Key measures to reach the New World". By "The caliber enlargement as a financial service provider", the Company means to redesign its revenue-generating and cost-spending practices and expand its stable earnings base. By "Key Measures to reach the New World", the Company means to set further focus on collaboration with Powerful Partners (\*1) and the creation of a New Bonanza (\*2). In the digital field, the Company is providing advanced financial services from our subsidiaries including CHEER Securities Inc. (hereinafter "CHEER") and Tokai Tokyo Digital Platform Co., Ltd. (hereinafter "TTDP") and assisting local communities with their DX promotion processes.

Five-year plan **“Beyond Our Limits”**



\* 1 Partners such as electric power companies, telecommunications companies, financial institutions, trading companies, real estate, universities, regional banks, and local governments.

\* 2 Businesses and functions that will become a new gold mine.

In the consolidated fiscal year under review, as of the first year end of the plan, the Group’s performance in terms of KGIs assessment was as follows; the return on equity (ROE) was 1.1%, assets under custody were ¥8,600 billion, and ordinary profit was ¥ 6,300 million.



The items recognized as major issues in this plan and the measures taken to address them are as follows.

Target point		Issues	Measures
The New World "Basic Policy of Strategy"	The caliber enlargement as a financial service provider	<ul style="list-style-type: none"> <li>Improving profitability and building a stable profit-generating structure</li> <li>Response to the new NISA system based on the "Doubling Asset-Based Income Plan"</li> <li>Goal-based approach</li> <li>Product-lineup overhaul</li> </ul>	<ul style="list-style-type: none"> <li>Making ACE Securities Co., Ltd. a wholly owned subsidiary. → Increase in productivity through integration with Tokai Tokyo Securities Co., Ltd. (Tokai Tokyo Securities Co., Ltd.)</li> <li>Establishing a new organization to propose multi-product solutions and expand the base of wealthy customers in the Tokyo metropolitan area.</li> <li>Strengthening our solutions business through sales of foreign currency-denominated insurance as the product meeting inheritance needs.</li> <li>Expanding "stock revenue base" through promoting such products as investment trusts, WRAP, and securities lending and securities-backed loans that enable us to earn as time passes</li> <li>Implementing productivity enhancement measures such as using online interviews and DX tools and restructuring the operating office network</li> <li>Review customer segment-specific strategy and strengthen customer response and sales capabilities through portfolio proposals.</li> <li>Prepare ourselves ready for the Doubling Asset-Based Income Plan. (ETERNAL Co., Ltd., Mebius Co., Ltd.)</li> <li>Profitability enhancement of insurance operation.</li> </ul>
	Key measures to reach the New World	<ul style="list-style-type: none"> <li>New businesses and expanding customer base</li> <li>Expanding Group capabilities by acquiring new functions</li> </ul>	<ul style="list-style-type: none"> <li>Selected as a "DX Stock" company for the second consecutive year by METI, TSE and the Information-technology Promotion Agency. (TTDP)</li> <li>Promotion of DX in local communities through digitalization of gift vouchers by providing digital gift certificates to Kosai City, Shizuoka.</li> <li>Concluded business matching agreements with Hokuriku Bank and Tochigi Bank to support the promotion of DX of local governments. (CHEER)</li> <li>Through a business alliance with STOCK POINT Co., Ltd., we launched the first service in Japan that allows customers to earn points and use them to invest in US stocks and ETFs.</li> <li>Began offering services that enable the transfer of funds between banks and securities firms (through ordinary accounts) by concluding a consignment agreement with Nishi-Nippon City Bank for financial instruments intermediary services. (Tokai Tokyo Securities Co., Ltd.)</li> <li>Offering the security token "Tosei Property Fund (Series 2)".</li> <li>Investment in Frontier Capital Inc. for the purpose of</li> </ul>

			<p>revitalizing regional economies and creating regional economies.</p> <p>(Tokai Tokyo Investment Co., Ltd.)</p> <ul style="list-style-type: none"><li>• Established Fujita TT Impact Fund No. 1 with Fujita Innovation Capital Co., Ltd. for promoting the medical industry.</li></ul>
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Action guideline	Measures
<p><b>“Social Value &amp; Justice” comes first</b></p>	<ul style="list-style-type: none"> <li>• Formulating and announcing “Net Zero Declaration” on greenhouse gas (GHG) emissions</li> <li>• Endorsing the GX League Basic Concept</li> <li>• Selected as one of the ESG index composites “FTSE Blossom Japan Sector Relative Index”</li> <li>• Rated “S+” for the second consecutive year in the “R&amp;I Customer-Oriented Investment Trust Sales Company Evaluation” by Rating and Investment Information, Inc.</li> <li>• ESG bond underwriting (Tokai Tokyo Securities Co., Ltd. in the capacity of Lead Manager): ¥42,900 million in total (¥17,200 million increase YoY) → Sales of Credit Agricole and CIB's “Green Bonds” and others</li> </ul>

With regard to structured bonds sales, the Company will now fully confirm investment objectives and risk tolerance of each customer, and check to see if any given product is appropriate and suitable to each customer as well. At the same time, we will thoroughly make sure if the product we sell satisfies each customer’s need.

Based on the revised guidelines of the Japan Securities Dealers Association scheduled to take effect in coming July, we will continue to conduct thorough in-house discussions with top management involved with a view to verifying genuine product content, written explanation of product characteristics, and compliance standards at the time of sales with an emphasis on caring customers first.

## 2. Basic Concept regarding the Selection of Accounting Standards

The Group engages in financial instruments business mainly for domestic customers and other business partners. The Company's shareholders consist mainly of domestic shareholders. Under these circumstances, the Company continues to apply Japanese GAAP. With regard to the application of IFRS, the Company will consider improving the international comparability of financial information in the financial market, while taking into account the future business development of the Group in Japan and overseas and changes in the composition ratio of the number of shareholders.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	100,360	131,606
Cash segregated as deposits	74,648	74,058
Cash segregated as deposits for customers	71,225	69,336
Cash segregated as deposits for others	3,423	4,722
Trading products	529,440	272,917
Trading securities and other	518,527	260,859
Derivatives	10,913	12,058
Margin transaction assets	135,347	79,497
Loans on margin transactions	43,335	40,789
Cash collateral pledged for securities borrowing on margin transactions	92,011	38,708
Loans secured by securities	551,583	304,108
Cash collateral pledged for securities borrowed	95,899	81,054
Loans on Gensaki transactions	455,683	223,054
Advances paid	6,006	213
Deposits paid for underwritten offering, etc.	154	—
Short-term guarantee deposits	60,365	47,306
Short-term loans receivable	36,740	52,162
Accrued income	6,496	3,443
Other	4,662	14,647
Allowance for doubtful accounts	(99)	(81)
<b>Total current assets</b>	<b>1,505,707</b>	<b>979,880</b>
<b>Non-current assets</b>		
Property, plant and equipment	10,478	9,683
Buildings	3,855	3,703
Equipment	3,322	2,678
Land	3,300	3,300
Intangible assets	7,585	7,883
Goodwill	1,247	975
Software	5,879	6,807
Telephone subscription right	33	32
Other	425	67
Investments and other assets	57,459	58,572
Investment securities	44,206	45,923
Long-term guarantee deposits	5,511	4,768
Deferred tax assets	66	51
Retirement benefit asset	6,618	6,886
Other	1,389	1,274
Allowance for doubtful accounts	(332)	(332)
<b>Total non-current assets</b>	<b>75,523</b>	<b>76,139</b>
<b>Total assets</b>	<b>1,581,231</b>	<b>1,056,020</b>

(Unit: million yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	444,613	235,926
Trading securities and other	431,959	212,558
Derivatives	12,653	23,368
Trade date accrual	78,170	8,405
Margin transaction liabilities	18,072	29,856
Borrowings on margin transactions	13,313	13,323
Cash received for securities lending on margin transactions	4,759	16,532
Borrowings secured by securities	326,725	146,125
Cash received on debt credit transaction of securities	54,073	48,999
Borrowings on Gensaki transactions	272,652	97,125
Deposits received	69,609	63,050
Guarantee deposits received	22,627	14,394
Short-term borrowings	234,364	208,602
Short-term bonds payable	14,500	11,500
Current portion of bonds payable	27,594	26,778
Income taxes payable	1,187	1,273
Provision for bonuses	2,387	1,797
Provision for bonuses for directors (and other officers)	70	—
Other	14,922	6,797
<b>Total current liabilities</b>	<b>1,254,845</b>	<b>754,508</b>
<b>Non-current liabilities</b>		
Bonds payable	28,585	21,979
Long-term borrowings	107,300	93,500
Deferred tax liabilities	1,468	1,804
Provision for retirement benefits for directors (and other officers)	114	127
Retirement benefit liability	256	169
Other	2,389	1,893
<b>Total non-current liabilities</b>	<b>140,114</b>	<b>119,474</b>
<b>Reserves under special laws</b>		
Reserve for financial instruments transaction liabilities	703	689
<b>Total reserves under special laws</b>	<b>703</b>	<b>689</b>
<b>Total liabilities</b>	<b>1,395,663</b>	<b>874,672</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	36,000	36,000
Capital surplus	24,569	24,533
Retained earnings	114,580	111,064
Treasury shares	(5,197)	(5,036)
<b>Total shareholders' equity</b>	<b>169,952</b>	<b>166,562</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,083	934
Foreign currency translation adjustment	87	413
Remeasurements of defined benefit plans	1,607	1,376
<b>Total accumulated other comprehensive income</b>	<b>2,778</b>	<b>2,724</b>
<b>Share acquisition rights</b>	497	547
<b>Non-controlling interests</b>	12,340	11,513
<b>Total net assets</b>	<b>185,568</b>	<b>181,348</b>
<b>Total liabilities and net assets</b>	<b>1,581,231</b>	<b>1,056,020</b>

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

	(Unit: million yen)	
	Year ended March 31, 2022	Year ended March 31, 2023
<b>Operating revenue</b>		
Commission received	37,575	32,929
Brokerage commission	13,929	11,758
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1,333	1,112
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	9,939	6,900
Other fees received	12,372	13,157
Net trading income	33,998	31,287
Financial revenue	9,401	9,165
<b>Total operating revenue</b>	<b>80,975</b>	<b>73,383</b>
<b>Financial expenses</b>	<b>2,726</b>	<b>3,784</b>
<b>Net operating revenue</b>	<b>78,249</b>	<b>69,598</b>
<b>Selling, general and administrative expenses</b>		
Trading related expenses	13,127	12,428
Personnel expenses	32,320	30,836
Real estate expenses	7,732	7,585
Office expenses	8,645	8,635
Depreciation	2,902	3,280
Taxes and dues	1,784	1,676
Provision of allowance for doubtful accounts	1	34
Other	1,852	1,962
<b>Total selling, general and administrative expenses</b>	<b>68,368</b>	<b>66,438</b>
<b>Operating profit</b>	<b>9,881</b>	<b>3,159</b>
<b>Non-operating income</b>		
Dividend income	672	1,153
Share of profit of entities accounted for using equity method	1,179	—
Gain on investments in investment partnerships	462	555
Gain on sale of investment securities	414	—
Gain on valuation of investment securities	438	2,166
Other	173	345
<b>Total non-operating income</b>	<b>3,341</b>	<b>4,219</b>
<b>Non-operating expenses</b>		
Share of loss of entities accounted for using equity method	—	749
Loss on investments in investment partnerships	204	194
Foreign exchange losses	7	—
Other	31	89
<b>Total non-operating expenses</b>	<b>243</b>	<b>1,033</b>
<b>Ordinary profit</b>	<b>12,979</b>	<b>6,346</b>

(Unit: million yen)

	Year ended March 31, 2022	Year ended March 31, 2023
<b>Extraordinary income</b>		
Gain on sale of non-current assets	66	—
Gain on sale of investment securities	249	142
Gain on bargain purchase	8,268	—
Gain on extinguishment of tie-in shares	—	21
Reversal of reserve for financial instruments transaction liabilities	—	13
<b>Total extraordinary income</b>	<b>8,584</b>	<b>177</b>
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	28	—
Impairment losses	85	—
Loss on sale of investment securities	94	—
Loss on valuation of investment securities	348	235
Loss on change in equity	36	—
Loss on step acquisitions	2,473	—
Extra retirement payments	342	—
Cancellation penalty	51	—
Restoration cost	271	—
Settlement payments	—	188
Provision of reserve for financial instruments transaction liabilities	1	—
<b>Total extraordinary losses</b>	<b>3,736</b>	<b>423</b>
<b>Profit before income taxes</b>	<b>17,828</b>	<b>6,099</b>
<b>Income taxes-current</b>	<b>3,882</b>	<b>2,824</b>
<b>Income taxes-deferred</b>	<b>241</b>	<b>565</b>
<b>Total income taxes</b>	<b>4,124</b>	<b>3,390</b>
<b>Profit</b>	<b>13,704</b>	<b>2,709</b>
<b>Profit attributable to non-controlling interests</b>	<b>553</b>	<b>756</b>
<b>Profit attributable to owners of parent</b>	<b>13,150</b>	<b>1,953</b>

Consolidated Statements of Comprehensive Income

(Unit: million yen)

	Year ended March 31, 2022	Year ended March 31, 2023
<b>Profit</b>	13,704	2,709
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(412)	(153)
Foreign currency translation adjustment	653	321
Remeasurements of defined benefit plans, net of tax	(360)	(231)
Share of other comprehensive income of entities accounted for using equity method	7	2
<b>Total other comprehensive income</b>	(110)	(60)
<b>Comprehensive income</b>	13,593	2,649
<b>(Comprehensive income attributable to)</b>		
Owners of parent	13,042	1,899
Non-controlling interests	551	749



(3) Consolidated Statements of Changes in Equity  
Year ended March 31, 2022 (Fiscal 2021)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	36,000	24,587	107,390	(5,292)	162,685
Changes of items during the period					
Dividends from surplus			(5,960)		(5,960)
Profit attributable to owners of parent			13,150		13,150
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(17)		95	77
Change in ownership interest of parent due to transactions with non-controlling interests		0			0
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(17)	7,189	94	7,266
Balance at the end of current period	36,000	24,569	114,580	(5,197)	169,952

(Unit: million yen)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,490	(571)	1,967	2,886	442	6,669	172,684
Changes of items during the period							
Dividends from surplus							(5,960)
Profit attributable to owners of parent							13,150
Purchase of treasury shares							(0)
Disposal of treasury shares							77
Change in ownership interest of parent due to transactions with non-controlling interests							0
Net changes of items other than shareholders' equity	(407)	658	(360)	(108)	54	5,670	5,616
Total changes of items during period	(407)	658	(360)	(108)	54	5,670	12,883
Balance at the end of current period	1,083	87	1,607	2,778	497	12,340	185,568

Year ended March 31, 2023 (Fiscal 2022)

(Unit: million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	36,000	24,569	114,580	(5,197)	169,952
Changes of items during the period					
Dividends from surplus			(5,469)		(5,469)
Profit attributable to owners of parent			1,953		1,953
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(35)		162	126
Change in ownership interest of parent due to transactions with non-controlling interests					—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(35)	(3,515)	161	(3,390)
Balance at the end of current period	36,000	24,533	111,064	(5,036)	166,562

(Unit: million yen)

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	1,083	87	1,607	2,778	497	12,340	185,568
Changes of items during the period							
Dividends from surplus							(5,469)
Profit attributable to owners of parent							1,953
Purchase of treasury shares							(0)
Disposal of treasury shares							126
Change in ownership interest of parent due to transactions with non-controlling interests							—
Net changes of items other than shareholders' equity	(148)	326	(231)	(53)	50	(826)	(830)
Total changes of items during period	(148)	326	(231)	(53)	50	(826)	(4,220)
Balance at the end of current period	934	413	1,376	2,724	547	11,513	181,348

## (4) Consolidated Statements of Cash Flows

(Unit: million yen)

	Year ended March 31, 2022	Year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	17,828	6,099
Depreciation	2,902	3,280
Amortization of goodwill	281	282
Share of (profit) loss of entities accounted for using equity method	(1,179)	749
Increase (decrease) in net defined benefit liability	(990)	(688)
Increase (decrease) in provision for directors' retirement benefits	21	13
Increase (decrease) in allowance for doubtful accounts	(34)	(18)
Interest and dividend income	(10,074)	(10,319)
Interest expenses	2,726	3,784
Impairment losses	85	—
Loss (gain) on sale of non-current assets	(38)	—
Loss (gain) on sale of investment securities	(568)	(127)
Loss (gain) on valuation of investment securities	(90)	(1,930)
Loss (gain) on change in equity	36	—
Gain on bargain purchase	(8,268)	—
Loss (gain) on step acquisitions	2,473	—
Loss (gain) on extinguishment of tie-in shares	—	(21)
Decrease (increase) in cash segregated as deposits for customers	17,375	1,888
Decrease (increase) in trading products (assets)	60,761	256,523
Increase (decrease) in trading products (liabilities)	65,319	(208,686)
Decrease (increase) in trade date accrual	70,639	(69,764)
Decrease (increase) in margin transaction assets	(24,714)	55,849
Increase (decrease) in margin transaction liabilities	3,974	11,784
Decrease (increase) in loans secured by securities	(143,754)	247,474
Increase (decrease) in borrowings secured by securities	(41,945)	(180,600)
Increase (decrease) in deposits received	(9,966)	(7,035)
Increase (decrease) in guarantee deposits received	8,597	(8,233)
Decrease (increase) in other assets	(12,702)	9,759
Increase (decrease) in other liabilities	6,170	(8,060)
<b>Subtotal</b>	<b>4,866</b>	<b>102,004</b>
Interest and dividends received	8,481	13,544
Interest expenses paid	(2,167)	(4,107)
Income taxes paid	(5,507)	(4,134)
<b>Net cash provided by (used in) operating activities</b>	<b>5,672</b>	<b>107,307</b>

(Unit: million yen)

	Year ended March 31, 2022	Year ended March 31, 2023
<b>Cash flows from investing activities</b>		
Short-term loan advances	(27,696)	(24,847)
Proceeds from collection of short-term loans receivable	5,469	9,439
Purchase of property, plant and equipment	(1,062)	(541)
Proceeds from sale of property, plant and equipment	120	0
Purchase of intangible assets	(3,120)	(2,577)
Purchase of investment securities	(3,141)	(2,491)
Proceeds from sale of investment securities	2,983	1,930
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	4,539	—
Purchase of shares of subsidiaries and associates	(1,001)	(100)
Payments for guarantee deposits	(307)	(501)
Proceeds from collection of guarantee deposits	166	446
Other, net	40	621
<b>Net cash provided by (used in) investing activities</b>	<b>(23,011)</b>	<b>(18,620)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(5,972)	(43,833)
Proceeds from long-term borrowings	26,100	4,200
Repayments of long-term borrowings	(7,509)	—
Proceeds from issuance of short-term bonds	81,600	79,200
Redemption of short-term bonds	(83,100)	(82,200)
Proceeds from issuance of bonds	60,493	33,449
Redemption of bonds	(33,687)	(40,871)
Proceeds from exercise of stock option	67	106
Net decrease (increase) in treasury shares	(0)	(0)
Cash dividends paid	(5,961)	(5,455)
Proceeds from share issuance to non-controlling interests	1,194	73
Repayments to non-controlling shareholders	(65)	(1,560)
Dividends paid to non-controlling interests	(150)	(89)
Other, net	(653)	(612)
<b>Net cash provided by (used in) financing activities</b>	<b>32,355</b>	<b>(57,593)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,474</b>	<b>839</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>16,491</b>	<b>31,933</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>81,950</b>	<b>98,442</b>
<b>Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries</b>	<b>—</b>	<b>48</b>
<b>Cash and cash equivalents at end of period</b>	<b>98,442</b>	<b>130,423</b>

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no applicable matters.

(Significant Basis of Presenting Consolidated Financial Statements)

(i) Scope of consolidation

27 consolidated subsidiaries (as of the end of the current fiscal year)

(Changes in the Scope of Consolidation)

During the fiscal year under review, one company (specified subsidiary) was excluded from the scope of consolidation due to an absorption-type merger and one company was excluded from the scope of consolidation due to the completion of liquidation.

(ii) Application of the equity method

15 affiliated companies accounted for by the equity method (as of the end of the current fiscal year)

(Change in the Scope of Application of the Equity Method)

During the fiscal year under review, one company was included in the scope of the equity method as a result of a subsidiary of the Company jointly establishing an investment limited partnership.

(iii) Fiscal year of consolidated subsidiaries

Of the consolidated subsidiaries, 9 overseas subsidiaries and 2 investment limited partnerships have a fiscal year-end of December 31. The financial statements as of the fiscal year-end are used to consolidate significant transactions that occurred between the fiscal year-end and the consolidated fiscal year-end after making necessary adjustments for consolidation. The fiscal year-end of one domestic subsidiary is August 31, and the consolidated financial statements are prepared based on the provisional settlement of accounts as of the consolidated closing date. The fiscal year-end of the other 15 subsidiaries is March 31.

(iv) Accounting standards

A. Purpose and scope of trading

The purpose of trading is to gain profits by taking advantage of short-term fluctuations in prices, interest rates, currency prices and other performance indicators in securities markets such as exchanges and to reduce losses arising from these transactions, and the scope of trading includes trading in securities markets, market derivatives, foreign market derivatives and over-the-counter derivatives.

B. Valuation standards and methods for securities belonging to trading products

Trading products securities and derivatives securities are stated at fair value.

### C. Valuation standards and methods for negotiable instruments not belonging to trading products

The following valuation standards and methods are adopted for securities not belonging to trading products.

#### Other securities

##### (a) Securities other than shares without market price

The market price on the consolidated closing date is deemed to be the consolidated balance sheet value, and the valuation difference from the acquisition cost determined by the moving average method is directly entered into net assets.

##### (b) Securities without market price

Stated at cost based on the moving average method.

### D. Depreciation of significant depreciable assets

(a) Property, plant and equipment (excluding leased assets): The declining balance method is mainly applied. However, the Company and its domestic consolidated subsidiaries adopt the straight-line method for buildings (excluding buildings facilities) acquired on or after April 1, 1998 and buildings facilities and structures acquired on or after April 1, 2016.

(b) Intangible assets (excluding leased assets): The straight-line method is mainly used. However, software for internal use is amortized by the straight-line method over the period during which it can be used internally.

Intangible assets acquired as a result of the acquisition of subsidiaries are amortized over the estimated effective period according to the manner in which the effect appears.

(c) Leased assets: The Company adopts the straight-line method with the lease period as the useful life and residual value as 0 for the leased assets related to finance lease transactions without transfer of ownership.

### E. Accounting standards for significant allowances

Allowance for doubtful accounts: To prepare for loan losses, the allowance for doubtful accounts is stated at an estimated uncollectible amount based on the past credit loss ratio for general receivables and an estimated uncollectible amount based on an individual examination of collectability for specific receivables such as doubtful receivables.

Provision for bonuses: The Company and its domestic consolidated subsidiaries provide for the payment of bonuses to employees at an estimated amount calculated by the prescribed calculation method.

Provision for bonuses for directors (and other officers): To prepare for the payment of bonuses to officers, the estimated amount to be paid is recorded.

Provision for directors' retirement benefits: To prepare for the payment of retirement benefits for directors and corporate auditors, certain domestic consolidated subsidiaries provide for the estimated amount of the year-end retirement benefits calculated based on the internal rules.

### F. Accounting method for retirement benefits

The Company and its domestic consolidated subsidiaries provide for employees' retirement benefits based on projected net defined benefit liability and plan assets at the end of the current fiscal year.

#### (a) Method of attributing projected retirement benefits to periods

In calculating net defined benefit liability, the projected retirement benefits are attributed to the period up to the end of the current consolidated fiscal year based on the benefit formula method.

#### (b) Method of amortization of actuarial differences

Actuarial gains and losses are amortized in the year following the year in which they arise by the straight-line method over a certain number of years (10 years) within the average remaining service period of employees at the time of accrual.

### G. Accounting method for reserves under special laws

Reserve for financial instruments transaction liabilities: To prepare for losses arising from accidents related to sales,

purchases or other transactions of securities, or derivatives, etc., the amount calculated pursuant to Article 175 of the “Cabinet Office Ordinance on Financial Instruments Business, etc.” based on Article 46-5 of the “Financial Instruments and Exchange Act” is recorded.

H. Standards for translating important assets or liabilities denominated in foreign currencies into Japanese currency

Monetary receivables and payables denominated in foreign currencies are translated into Japanese yen mainly at the spot exchange rates prevailing at the balance sheet date. Translation differences are charged or credited to income. Assets and liabilities as well as revenues and expenses of foreign subsidiaries are translated into Japanese yen at the spot exchange rates prevailing at the balance sheet date. Translation differences are included in foreign currency translation adjustment in net assets.

I. Goodwill amortization method and period

Amortization of goodwill is determined on a case-by-case basis and is amortized by the straight-line method over a reasonable period not exceeding 20 years.

J. Adoption of group tax relief system

The group tax relief system is adopted.

K. Scope of funds in the consolidated cash flow statement

Cash and cash equivalents in the consolidated cash flow calculation consist of cash on hand and deposits that can be withdrawn at any time, such as current deposits and ordinary deposits.

(Changes in Accounting Policies)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021, hereinafter referred to as “Fair Value Measurement Implementation Guidance”) from the beginning of the current consolidated fiscal year, and will continue to apply the new accounting policy stipulated by the Fair Value Measurement Implementation Guidance in accordance with the transitional treatment stipulated in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance.

There is no impact on the consolidated financial statements for the current fiscal year.

(Change in Presentation Method)

(Consolidated Statements of Cash Flows)

“Decrease (increase) in trade date accrual,” which was included in “Increase (decrease) in other liabilities,” under “Cash flows from operating activities” in the previous fiscal year, is presented separately from the current fiscal year due to its increased monetary significance. To reflect this change in presentation, the consolidated statements of cash flows for the previous fiscal year have been reclassified.

As a result, in the consolidated statement of cash flows for the previous fiscal year, 76,809 million yen presented in “Increase (decrease) in other liabilities” under “Cash flows from operating activities” has been reclassified as “Decrease (increase) in trade date accrual” of 70,639 million yen and “Increase (decrease) in other liabilities” of 6,170 million yen.

(Consolidated Statements of Changes in Equity)

Fiscal year ended March 31, 2023

(i) Matters related to issued shares

Type of stocks	End of previous fiscal year	Increase	Decrease	End of current fiscal year
Common stock (shares)	260,582,115	-	-	260,582,115

(ii) Matters related to treasury shares

Type of stocks	End of previous fiscal year	Increase	Decrease	End of current fiscal year
Common stock (shares)	11,999,455	1,393	374,050	11,626,798

- (Notes)
1. The increase in treasury shares (common stocks) is due to the purchase request of 1,393 fractional shares.
  2. The decrease in treasury shares (common stocks) was due to the purchase request of 50 fractional shares and the transfer of 374,000 shares in exchange for the issuance of new shares upon the exercise of share acquisition rights.



(iii) Matters related to share acquisition rights, etc.

Company name	Breakdown	Balance at end of current fiscal year (million yen)
Filing company (Parent Company)	Share acquisition rights as a stock option	547
Total		547

(iv) Matters related to dividends

(a) Dividends paid

Resolution	Type of stock	Total payout (million yen)	Dividend per share (yen)	Record date	Effective date
June 28, 2022 Ordinary General Meeting of Shareholders	Common stock	3,480	14.00	March 31, 2022	June 29, 2022
October 28, 2022 Meeting of the Board of Directors	Common stock	1,988	8.00	September 30, 2022	November 25, 2022

(b) Of the dividends whose record date is in the current fiscal year, those whose effective date is in the following fiscal year

Resolution	Type of stock	Resource	Total payout (million yen)	Dividend per share (yen)	Record date	Effective date
June 28, 2023 Ordinary General Meeting of Shareholders	Common stock	Retained earnings	1,991	8.00	March 31, 2023	June 29, 2023

(Consolidated Statements of Cash Flows)

Reconciliation for “Cash and cash equivalents” at end of period and “Cash and deposits” on the consolidated balance sheet

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash and deposits	100,360 Million yen	131,606 Million yen
Time deposits with maturity of more than 3 months	(1,918) Million yen	(1,182) Million yen
Cash and cash equivalents	98,442 Million yen	130,423 Million yen

(Segment information)

Fiscal year ended March 31, 2022

Segment information is not disclosed because the Company is a single segment of the investment and financial services industry.

Fiscal year ended March 31, 2023

Segment information is not disclosed because the Company is a single segment of the investment and financial services industry.

(Per share information)

Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
Net assets per share	694.86 yen	Net assets per share	679.99 yen
Net income per share	52.94 yen	Net income per share	7.85 yen
Diluted net income per share	52.79 yen	Diluted net income per share	7.84 yen

(Material subsequent events)

Not applicable

## Supplementary Information

### (1) Breakdown of Commission Received and Net Trading Income

#### ① Commission received

##### ( i ) By item

(Unit: million yen)

	Year ended March 31, 2022	Year ended March 31, 2023	Yr/Yr	
			Increase (Decrease)	% change
Brokerage commission	13,929	11,758	(2,170)	(15.6) %
Stocks	13,266	11,018	(2,247)	(16.9)
Bonds	16	13	(2)	(15.6)
Beneficiary certificates	642	715	72	11.3
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1,333	1,112	(220)	(16.6)
Stocks	722	510	(212)	(29.5)
Bonds	610	602	(7)	(1.3)
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	9,939	6,900	(3,039)	(30.6)
Beneficiary certificates	9,931	6,873	(3,058)	(30.8)
Other fees received	12,372	13,157	785	6.3
Beneficiary certificates	5,851	5,331	(519)	(8.9)
<b>Total</b>	<b>37,575</b>	<b>32,929</b>	<b>(4,645)</b>	<b>(12.4)</b>

##### ( ii ) By product

(Unit: million yen)

	Year ended March 31, 2022	Year ended March 31, 2023	Yr/Yr	
			Increase (Decrease)	% change
Stocks	14,239	11,772	(2,466)	(17.3) %
Bonds	646	639	(7)	(1.1)
Beneficiary certificates	16,425	12,919	(3,505)	(21.3)
Others	6,264	7,598	1,334	21.3
<b>Total</b>	<b>37,575</b>	<b>32,929</b>	<b>(4,645)</b>	<b>(12.4)</b>

#### ② Net trading income

(Unit: million yen)

	Year ended March 31, 2022	Year ended March 31, 2023	Yr/Yr	
			Increase (Decrease)	% change
Stocks	16,185	13,630	(2,554)	(15.8) %
Bonds and Forex	17,813	17,656	(156)	(0.9)
<b>Total</b>	<b>33,998</b>	<b>31,287</b>	<b>(2,711)</b>	<b>(8.0)</b>

## (2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2022					Total of FY 2022 Apr. 1, 2022 - Mar. 31, 2023
	1st quarter	2nd quarter	3rd quarter	4th quarter		
	Apr. 1, 2022 - Jun. 30, 2022	Jul. 1, 2022 - Sep. 30, 2022	Oct. 1, 2022 - Dec. 31, 2022	Jan. 1, 2023 - Mar. 31, 2023		
Operating revenues						
Commission received	7,786	7,892	8,461	8,789	32,929	
Brokerage commission	2,689	2,857	3,132	3,079	11,758	
(Stocks)	2,512	2,661	2,921	2,922	11,018	
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	522	159	223	208	1,112	
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,501	1,591	1,751	2,055	6,900	
(Beneficiary certificates)	1,499	1,591	1,747	2,034	6,873	
Other fees received	3,073	3,284	3,354	3,445	13,157	
(Beneficiary certificates)	1,373	1,366	1,305	1,285	5,331	
Net trading income	8,561	7,540	8,275	6,910	31,287	
(Stocks)	2,998	1,387	4,138	5,105	13,630	
(Bonds and Forex)	5,562	6,153	4,136	1,804	17,656	
Financial revenue	2,113	4,742	1,009	1,300	9,165	
Total operating revenue	18,460	20,175	17,746	16,999	73,383	
Financial expenses	839	1,196	771	977	3,784	
Net operating revenue	17,621	18,979	16,975	16,022	69,598	
Selling, general and administrative expenses						
Trading related expenses	3,429	3,076	2,995	2,926	12,428	
Personnel expenses	7,590	8,061	7,576	7,607	30,836	
Real estate expenses	2,033	1,891	1,853	1,806	7,585	
Office expenses	2,177	2,030	2,086	2,341	8,635	
Depreciation	712	821	862	884	3,280	
Taxes and dues	398	520	367	390	1,676	
Provision of allowance for doubtful accounts	11	6	5	11	34	
Other	559	498	467	437	1,962	
Total selling, general and administrative expenses	16,912	16,906	16,214	16,405	66,438	
Operating profit	708	2,072	761	(382)	3,159	
Non-operating income	616	606	154	2,842	4,219	
Other	616	606	154	2,842	4,219	
Non-operating expenses	124	238	315	354	1,033	
Share of loss of entities accounted for using equity method	83	149	288	228	749	
Other	41	88	26	126	283	
Ordinary profit	1,200	2,441	600	2,104	6,346	
Extraordinary income	54	(0)	(0)	123	177	
Extraordinary losses	—	377	(37)	83	423	
Profit before income taxes	1,255	2,062	637	2,144	6,099	
Income taxes-current	49	111	677	1,985	2,824	
Income taxes-deferred	400	795	(59)	(570)	565	
Profit	804	1,155	19	729	2,709	
Profit attributable to non-controlling interests	703	442	(502)	113	756	
Profit attributable to owners of parent	101	713	521	616	1,953	