

Three Months Ended June 30, 2023 (FY2024/3 1Q) Non-consolidated Financial Results Briefing Materials

July 28, 2023
Mito Securities Co., Ltd.

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Note : This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

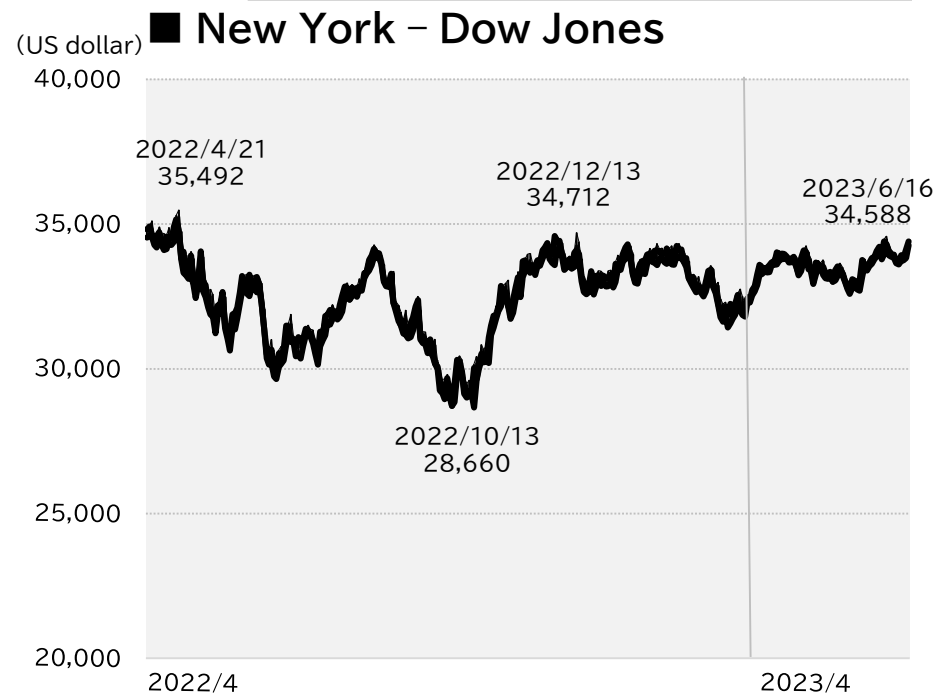
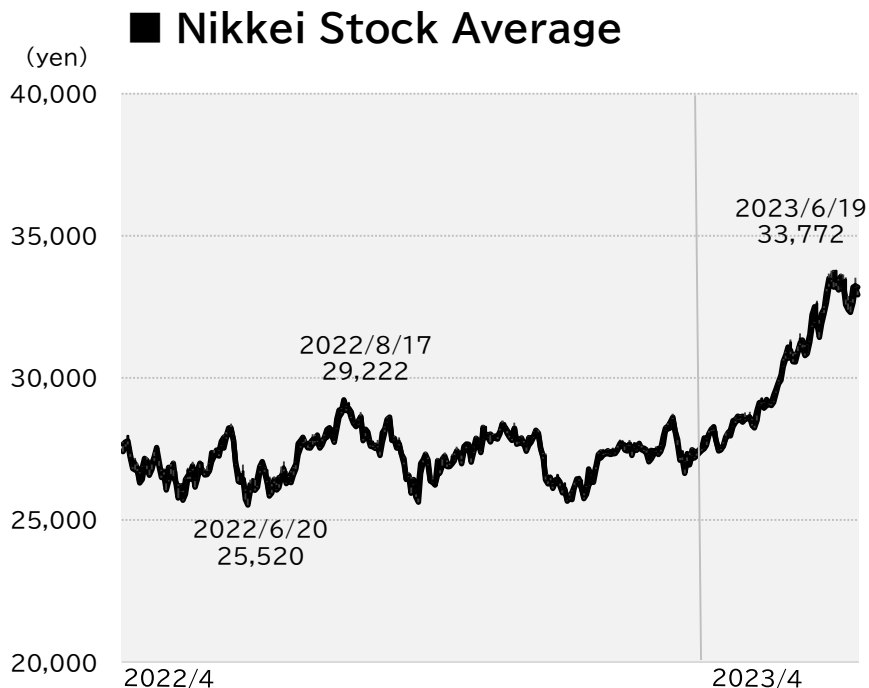


I . Financial Status

Three Months Ended June 30, 2023
(FY2024/3 1Q)

- As the domestic stock market soared, the Nikkei Stock Average reached its highest level in 33 years due to factors such as the Tokyo Stock Exchange's request for improvement for companies with low P/B ratios, the prospects for the Bank of Japan's continued monetary easing, and the resolution of the U.S. federal debt problem, which contributed to investors' relief.
- The U.S. stock market remained steady, but the market rates lacked buoyancy.

(Source) Prepared by the Company from QUICK data
April 1, 2022 – June 30, 2023



■ Closing prices at the end of June 2023

Nikkei Stock Average
33,189.04 yen

Dow Jones Industrial Average
34,407.60 USD

U.S. dollar / yen exchange rate
144.27 yen

Prime market Market capitalization
810,720.4 billions of yen

Prime Market (March) Average daily trading value
4,426.4 billions of yen

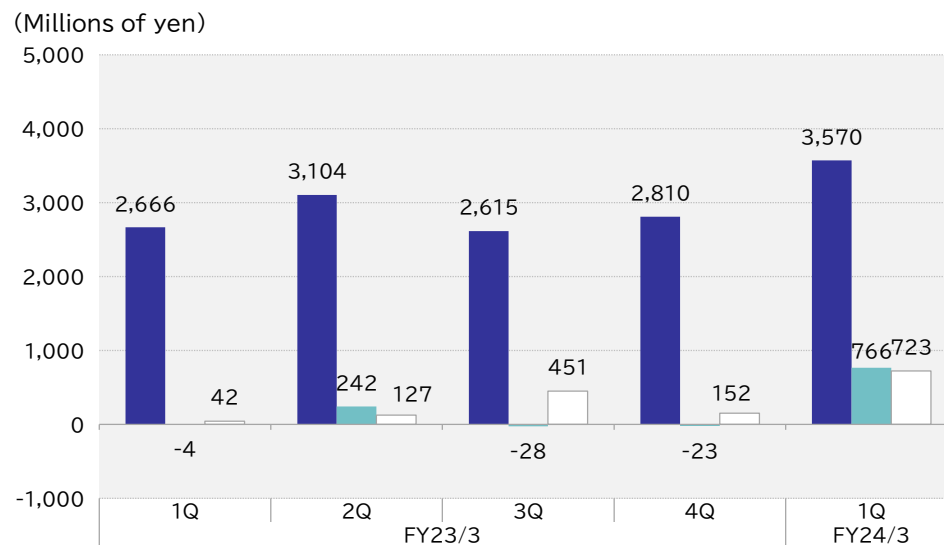
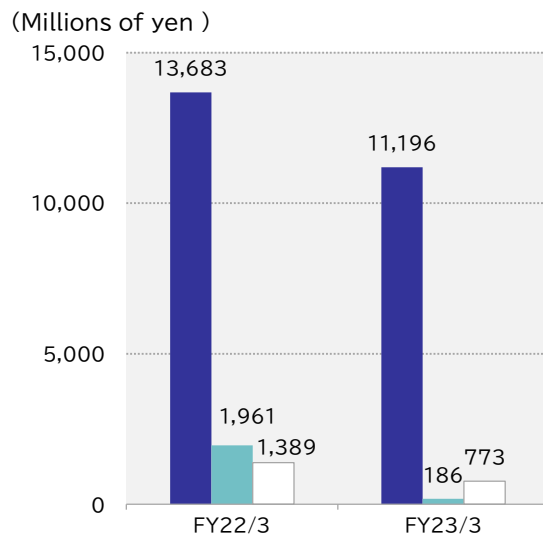
Financial Summary

■ Operating revenue: 3,570 million yen (133.9% YoY)
 ■ Operating profit: 592 million yen
■ Ordinary profit: 766 million yen
 ■ Profit: 723 million yen (1,694.2% YoY)

(Millions of yen)

	One year			Quarter						
	Ended March 31, 2022 (FY22/3)	Ended March 31, 2023 (FY23/3)	Year-on-Year change	FY23/3				FY24/3	Quarter-on-quarter change	Year-on-year change
				1Q	2Q	3Q	4Q	1Q		
Operating revenue	13,683	11,196	81.8%	2,666	3,104	2,615	2,810	3,570	127.0%	133.9%
Net operating revenue	13,630	11,140	81.7%	2,653	3,089	2,600	2,796	3,555	127.1%	134.0%
Operating profit (loss)	1,523	(268)	—	(221)	186	(187)	Δ46	592	—	—
Ordinary profit(loss)	1,961	186	9.5%	(4)	242	(28)	Δ23	766	—	—
Profit	1,389	773	55.7%	42	127	451	152	723	476.1%	1,694.2%

■ Operating revenue
 ■ Ordinary profit(loss)
 ■ Profit



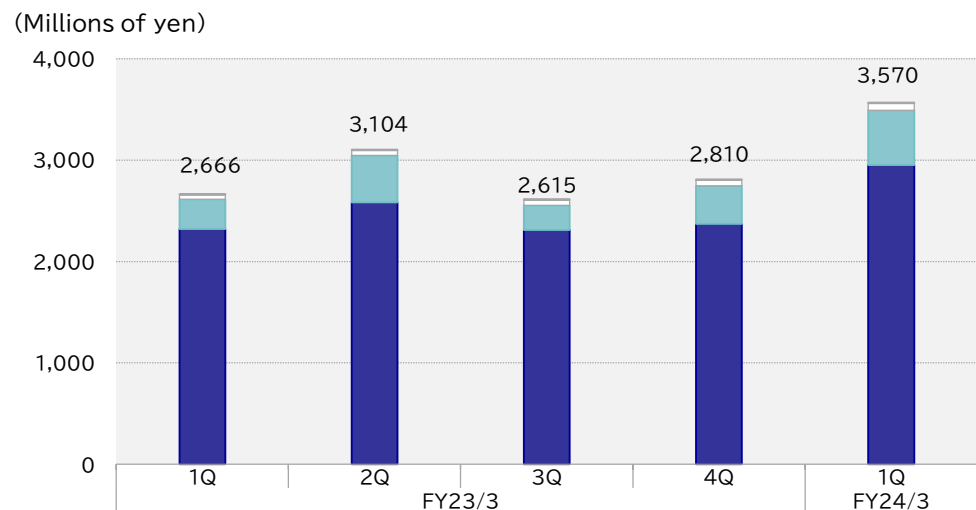
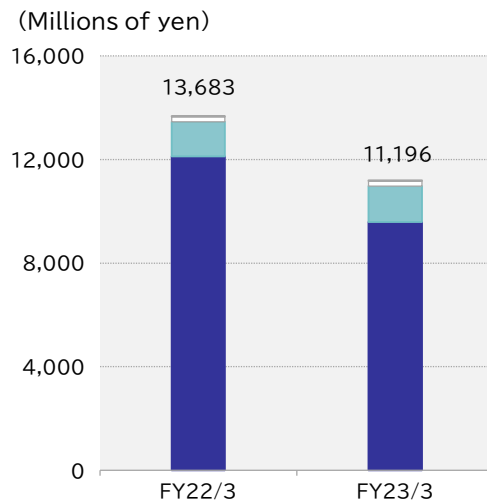
Breakdown of Operating Revenue

- Commission received: 2,952 million yen (127.1% YoY)
- Net trading income: 539 million yen (184.7% YoY)
- Finance revenue: 70 million yen (158.8% YoY)

(Millions of yen)

	One year			Quarter						
	Ended March 31, 2022 (FY22/3)	Ended March 31, 2023 (FY23/3)	Year-on-Year change	FY23/3				FY24/3	Quarter-on-quarter change	Year-on-year change
				1Q	2Q	3Q	4Q	1Q		
Commission received	12,117	9,587	79.1%	2,322	2,581	2,311	2,371	2,952	124.5%	127.1%
Net trading income	1,332	1,379	103.5%	292	466	244	376	539	143.4%	184.7%
Financial revenue	207	202	97.7%	44	49	52	56	70	126.1%	158.8%
Other	25	26	104.1%	6	6	6	6	6	97.7%	103.4%
Operating revenue	13,683	11,196	81.8%	2,666	3,104	2,615	2,810	3,570	127.0%	133.9%

■ Commission received ■ Net trading income □ Financial revenue ■ Other



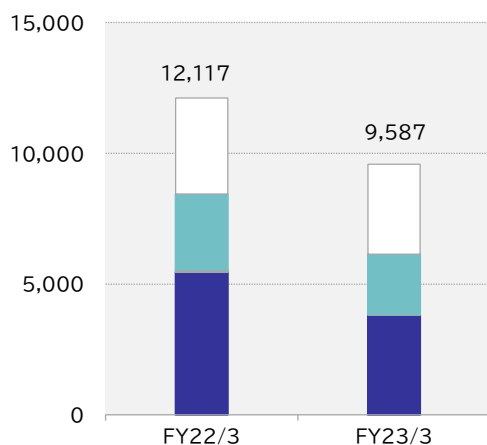
Commission Received (Commission by line item) MITO SECURITIES CO., LTD.

- Brokerage commission : 1,365 million yen (151.7% YoY) mainly due to an increase in the volume of stock brokered
- Fees for offering, secondary distribution and solicitation of selling and others for professional investors : 678 million yen (112.2% YoY) due to an increase in investment trust sales commissions
- Other fees received : 903 million yen (104.5% YoY) mainly due to increases in agency commission for investment trusts and commission for mutual fund wraps.

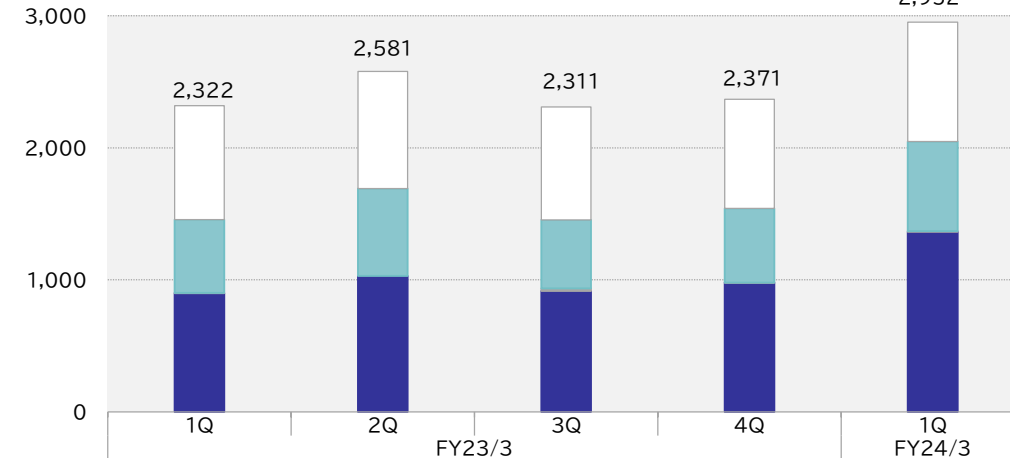
(Millions of yen)

	One year			Quarter						
	Ended March 31, 2022 (FY22/3)	Ended March 31, 2023 (FY23/3)	Year-on-Year change	FY23/3				FY24/3	Quarter-on-quarter change	Year-on-year change
				1Q	2Q	3Q	4Q	1Q		
■ Brokerage commission	5,463	3,826	70.0%	899	1,030	917	979	1,365	139.4%	151.7%
■ Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	101	24	24.0%	2	0	18	1	5	286.7%	191.5%
■ Fee for offering, secondary distribution and solicitation for selling and others for professional investors	2,880	2,299	79.8%	555	661	520	561	678	120.9%	122.2%
□ Other commission received	3,672	3,436	93.6%	864	887	855	828	903	109.0%	104.5%
Commission received	12,117	9,587	79.1%	2,322	2,581	2,311	2,371	2,952	124.5%	127.1%

(Millions of yen)



(Millions of yen)



Commission Received (Commission by product) MITO SECURITIES CO., LTD.

■ Stock: 1,362 million yen (152.5% YoY)

■ Beneficiary certificates: 1,576 million yen (111.1% YoY)

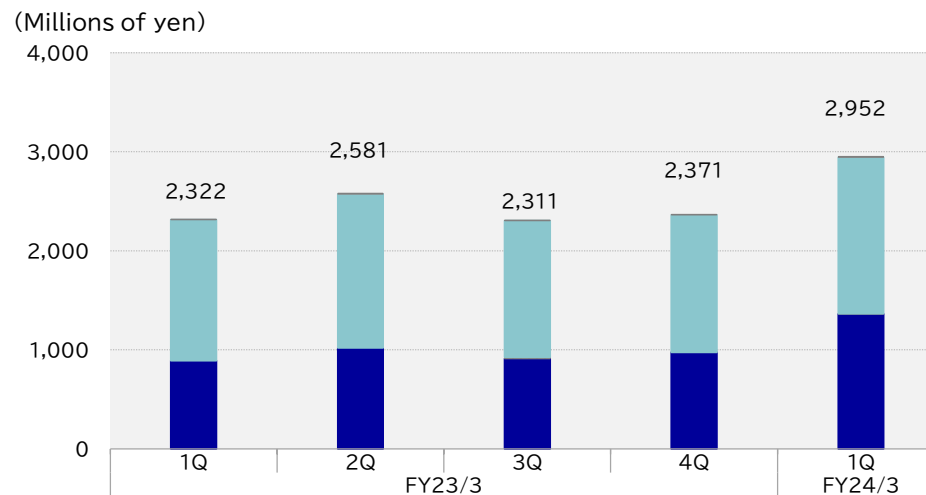
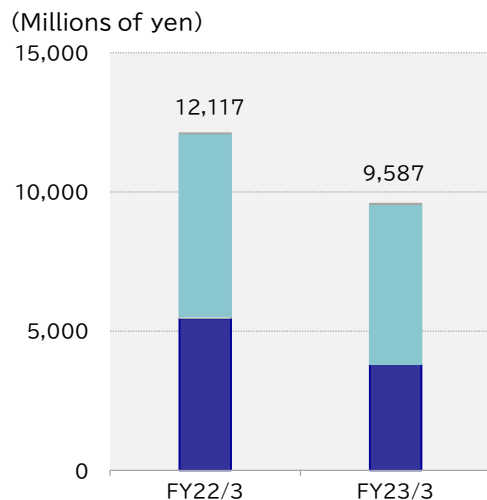
* Please refer to the slides 15 to 19 for market value balances, fees, etc. for each product type.

(Millions of yen)

	One year			Quarter						
	Ended March 31, 2022 (FY22/3)	Ended March 31, 2023 (FY23/3)	Year-on-Year change	FY23/3				FY24/3	Quarter-on-quarter change	Year-on-year change
				1Q	2Q	3Q	4Q	1Q		
Stocks	5,462	3,802	69.6%	893	1,022	911	976	1,362	139.5%	152.5%
Bonds	66	17	26.7%	0	0	15	1	4	360.1%	791.3%
Beneficiary Certificates *	6,560	5,731	87.4%	1,419	1,548	1,377	1,386	1,576	113.7%	111.1%
Other	27	34	126.2%	9	10	8	6	9	132.1%	95.4%
Commission received	12,117	9,587	79.1%	2,322	2,581	2,311	2,371	2,952	124.5%	127.1%

*Including fund wraps, etc.

■ Stocks □ Bonds ■ Beneficiary Certificates * ■ Other



Breakdown of Net Trading Income

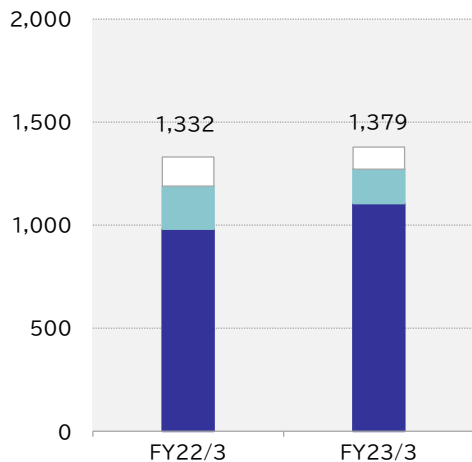
- Net trading income(Stocks, etc.): 480 million yen (254.6 % YoY) due to an increase in the trading value of US stocks
- Net trading income(Bonds, foreign exchange , etc.): 59 million yen (57.3 % YoY)

(Millions of yen)

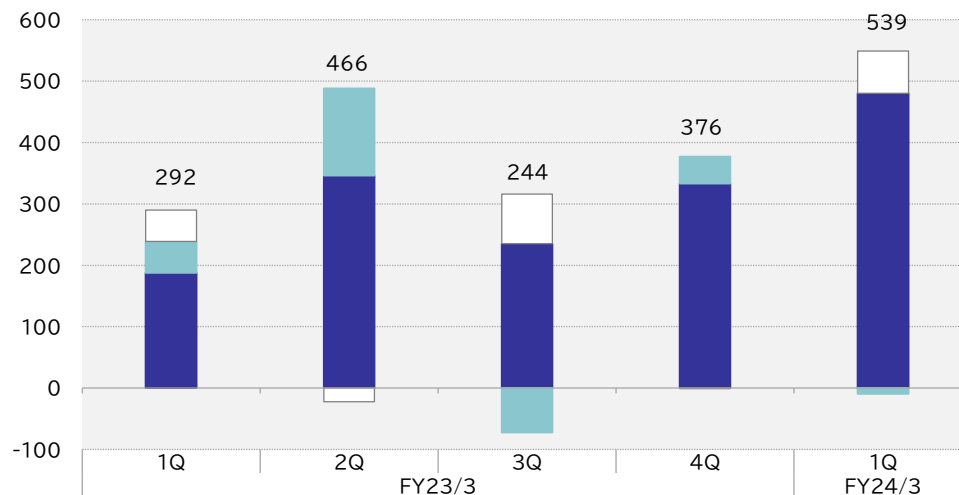
	One year			Quarter						
	Ended March 31, 2022 (FY22/3)	Ended March 31, 2023 (FY23/3)	Year-on-Year change	FY23/3				FY24/3	Quarter-on-quarter change	Year-on-year change
				1Q	2Q	3Q	4Q	1Q		
Stocks, etc.	981	1,105	112.5%	188	346	235	333	480	144.0%	254.6%
Bonds, foreign exchange, etc.:	350	274	78.3%	103	119	8	42	59	138.9%	57.3%
(Bonds, etc.)	208	166	79.5%	51	142	(72)	44	(9)	—	—
(Foreign exchange, etc.)	141	108	76.5%	51	(22)	81	(1)	69	—	134.3%
Net trading income	1,332	1,379	103.5%	292	466	244	376	539	143.4%	184.7%

■ Stocks, etc. ■ Bonds, etc. □ Foreign exchange, etc.

(Millions of yen)



(Millions of yen)



Breakdown of Financial Revenue and Expenses

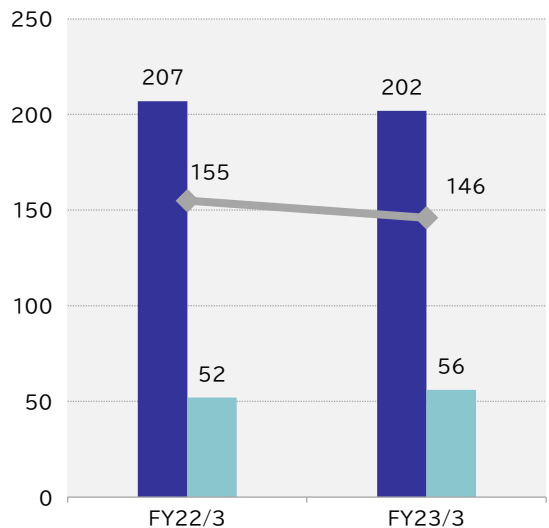
- Financial revenue: 70 million yen (158.8% YoY)
- Financial expenses: 14 million yen (111.6% YoY)
- Financial revenue and expenses (financial revenue deducted by financial expenses): 56 million yen (178.0% YoY)

(Millions of yen)

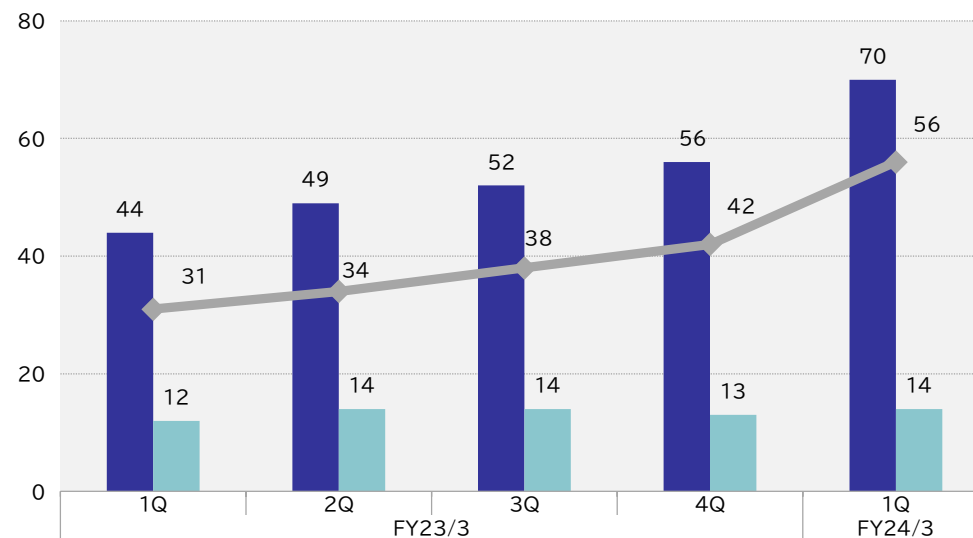
	One year			Quarter						
	Ended March 31, 2022 (FY22/3)	Ended March 31, 2023 (FY23/3)	Year-on-Year change	FY23/3				FY24/3	Quarter-on-quarter change	Year-on-year change
				1Q	2Q	3Q	4Q	1Q		
Financial revenue	207	202	97.7%	44	49	52	56	70	126.1%	158.8%
Financial expenses	52	56	107.5%	12	14	14	13	14	103.2%	111.6%
Financial revenue and expenses	155	146	94.4%	31	34	38	42	56	133.7%	178.0%

■ Financial revenue ■ Financial expenses — Financial revenue

(Millions of yen)



(Millions of yen)



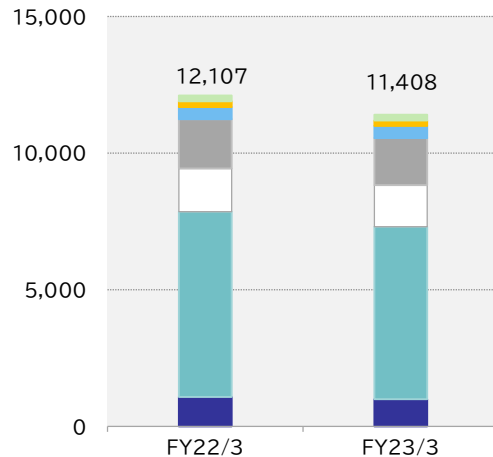
Breakdown of Selling, General and Administrative Expenses

- Selling, general and administrative expenses: 2,963 million yen (103.1% YoY) due to a decrease in Real estate expenses offset by an increase in Personnel expenses

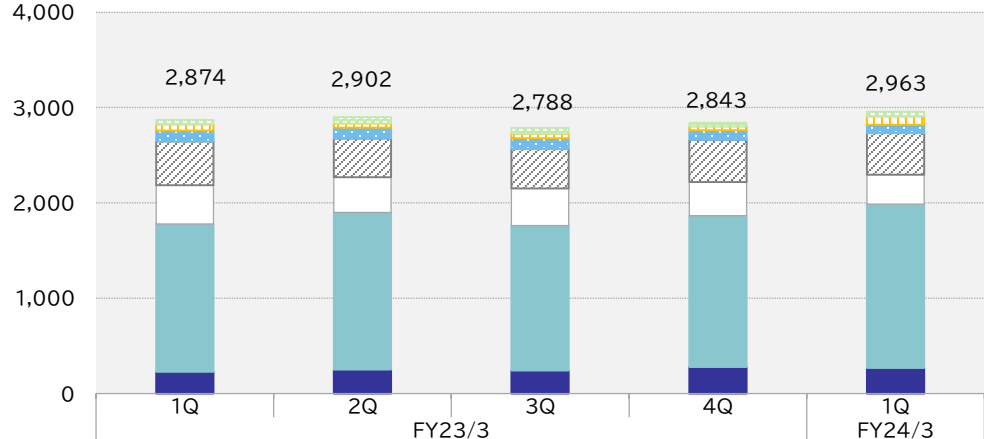
(Millions of yen)

	One year			Quarter						
	Ended March 31, 2022 (FY22/3)	Ended March 31, 2023 (FY23/3)	Year-on-Year change	FY23/3				FY24/3	Quarter-on-quarter change	Year-on-year change
				1Q	2Q	3Q	4Q	1Q		
■ Trading related expenses	1,081	997	92.3%	228	251	240	277	266	96.0%	116.6%
■ Personnel expenses	6,776	6,311	93.1%	1,549	1,649	1,523	1,589	1,721	108.3%	111.1%
□ Real estate expenses	1,575	1,518	96.3%	407	368	389	353	307	87.1%	75.6%
▨ Office expenses	1,810	1,725	95.3%	462	407	411	444	438	98.8%	94.8%
■ Depreciation	441	443	100.5%	112	113	117	99	89	89.7%	79.5%
■ Taxes and dues	215	199	92.3%	66	46	44	41	85	206.2%	128.8%
■ Other	205	211	102.9%	46	66	61	36	52	144.1%	112.4%
Selling, general and administrative expenses	12,107	11,408	94.2%	2,874	2,902	2,788	2,843	2,963	104.2%	103.1%

(Millions of yen)



(Millions of yen)

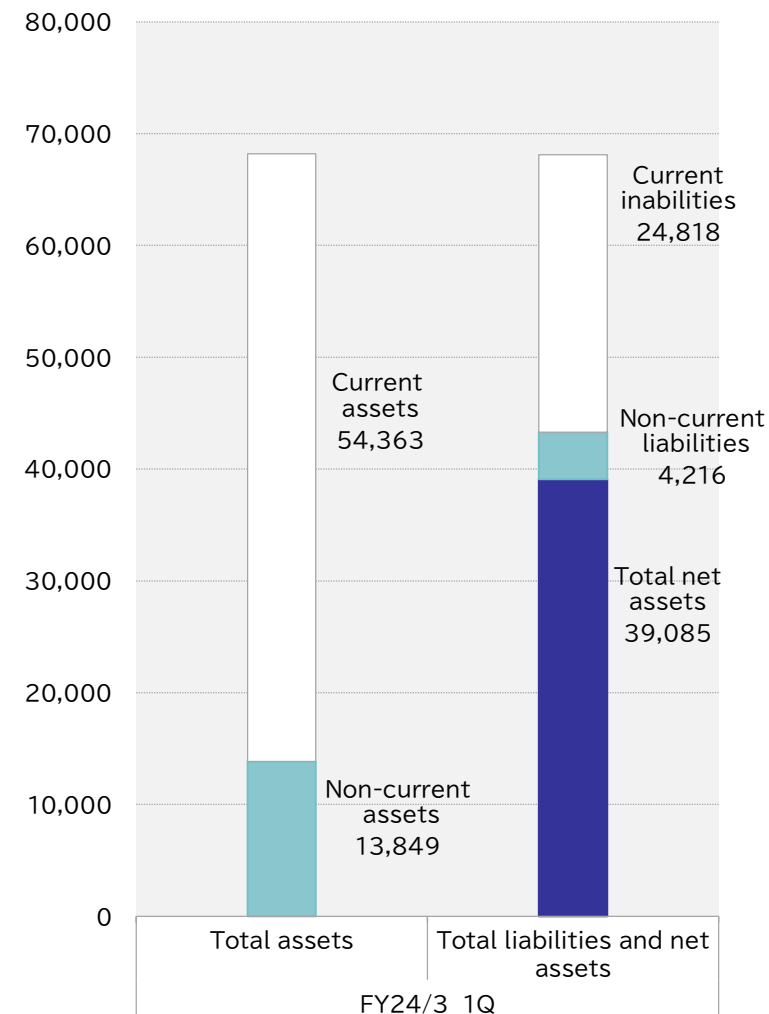


Balance Sheet Summary

(Millions of yen)

	As of March 31, 2022 (FY22/3)	As of March 31, 2023 (FY23/3)	As of June 30, 2023 (FY24/3 1Q)	Comparison to March 31, 2023 (FY23/3)
Assets				
Current assets	48,766	48,424	54,363	112.3%
Non-current assets	15,745	13,139	13,849	105.4%
Total assets	64,511	61,564	68,213	110.8%
Liabilities				
Current inabilities	20,390	18,710	24,818	132.6%
Non-current liabilities	4,947	3,727	4,216	113.1%
Total liabilities	25,439	22,540	29,127	129.2%
Net assets				
Total net assets	39,071	39,024	39,085	100.2%
Total liabilities and net assets	64,511	61,564	68,213	110.8%

(Millions of yen)

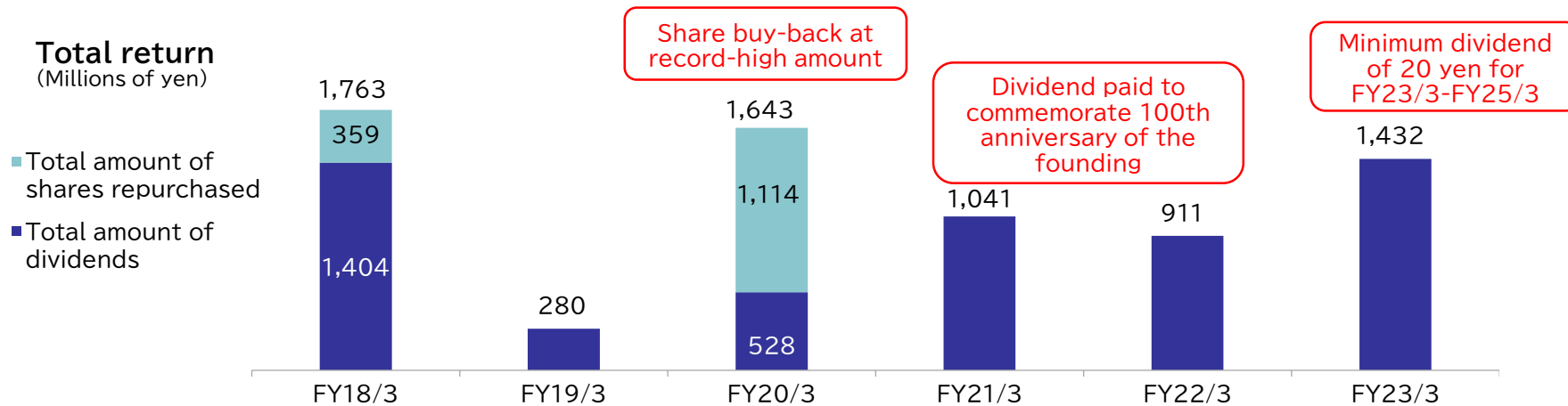




II. Reference Information

Shareholder Return

- The Company has set the minimum annual dividend for the Sixth Medium-Term Management Plan, from the fiscal year ended March 2023 to the fiscal year ending March 2025, at ¥20.00 (announced on January 20, 2023).
- Dividend policy: To be implemented based on a dividend payout ratio of approximately 50%, taking into account continuity, status of net assets, and other management decisions.



Dividend per share (yen)	2Q-end	Fiscal year end	2Q-end	Fiscal year end	2Q-end	Fiscal year end	2Q-end	Fiscal year end	2Q-end	Fiscal year end	2Q-end	Fiscal year end
	Half-year	5	15	2	2	4	4	6	10 Regular: 8 Commemorative: 2	8 Regular: 6 Commemorative: 2	6	2
Full-year	20		4		8		16		14		22	
Dividend payout ratio	54.2%		150.4%		67.4%		55.1%		64.4%		183.2%	
Total return ratio	68.3%		150.4%		207.6%		55.1%		64.4%		183.2%	

Fourth Medium-Term Management Plan

Fifth Medium-Term Management Plan

Sixth Medium-Term Management Plan

Assets under custody (Market value balance)

MITO SECURITIES CO., LTD.

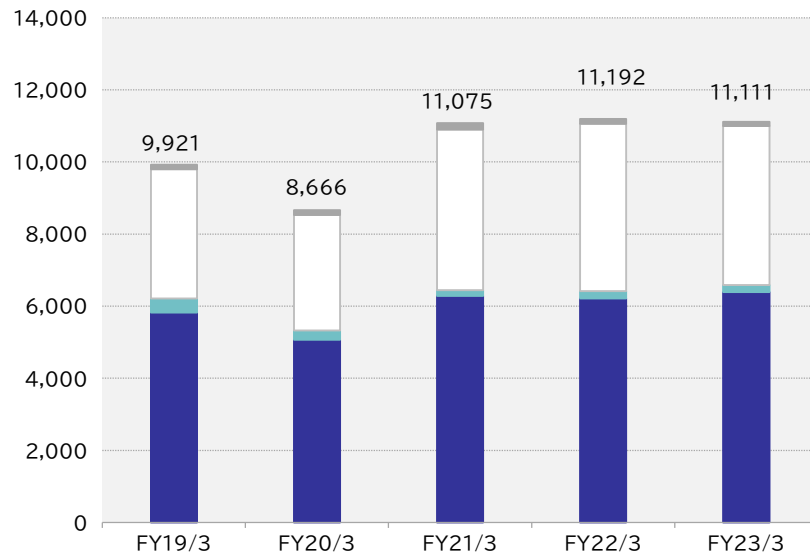
(100 millions of yen)

	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3				FY24/3
						1Q	2Q	3Q	4Q	1Q
Assets under custody	9,921	8,666	11,075	11,192	11,111	10,699	10,634	10,539	11,111	12,410
Shares	5,826	5,068	6,288	6,213	6,392	6,033	5,983	5,999	6,392	7,134
Bonds	390	260	157	203	197	205	212	197	197	191
Beneficiary certificates *	3,583	3,205	4,453	4,642	4,412	4,340	4,322	4,226	4,412	4,947
Other	122	133	176	135	111	121	116	116	111	139

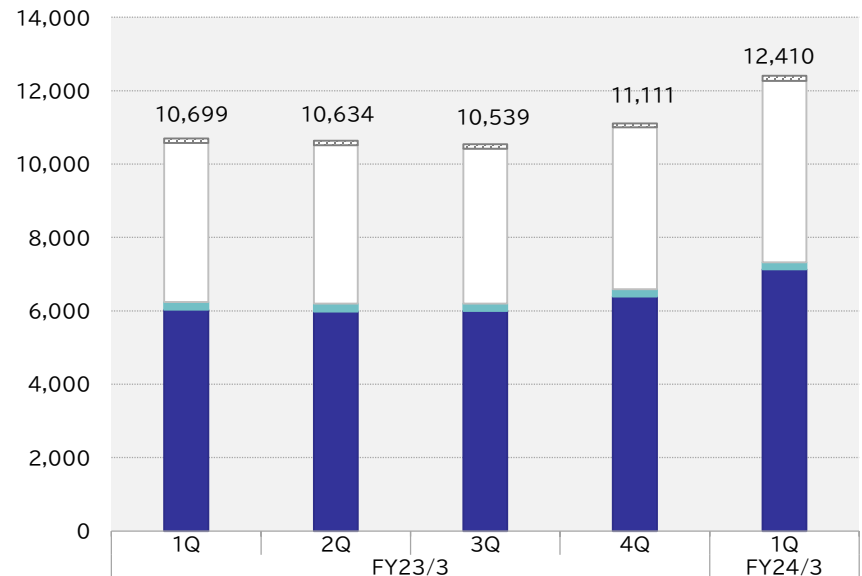
* Including fund wraps, etc.

■ Shares ■ Bonds □ Beneficiary certificates * ■ Other

(100 millions of yen)



(100 millions of yen)



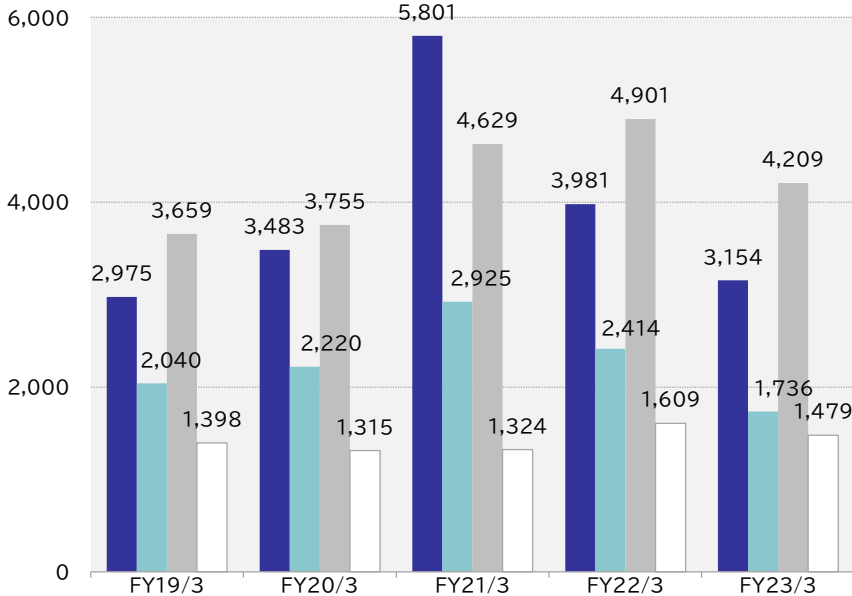
Major Revenues

(Millions of yen)

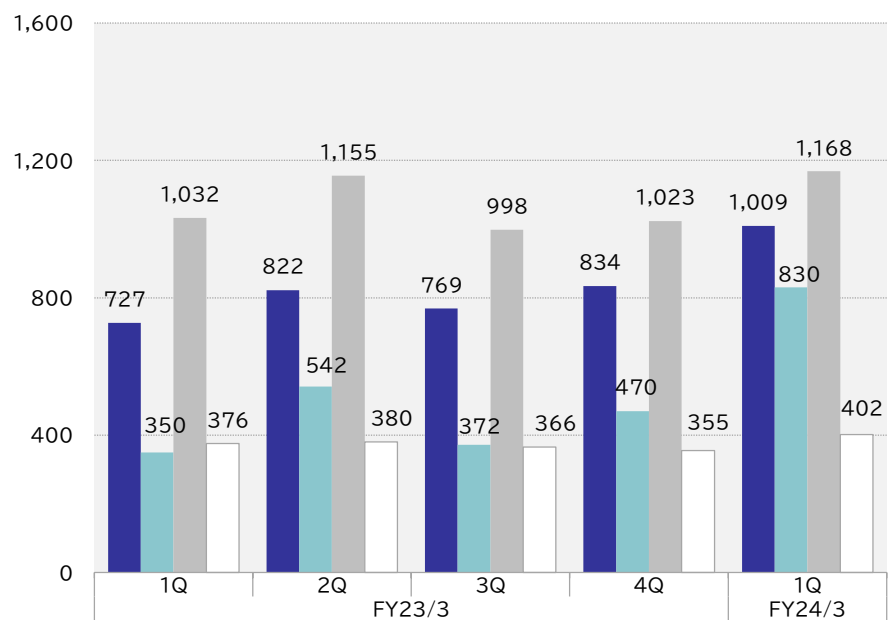
	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3				FY24/3
						1Q	2Q	3Q	4Q	1Q
Japanese stocks	2,975	3,483	5,801	3,981	3,154	727	822	769	834	1,009
Foreign stocks (Brokerage transaction / over-the-counter transactions)	2,040	2,220	2,925	2,414	1,736	350	542	372	470	830
Investment trust (including agency fee)	3,659	3,755	4,629	4,901	4,209	1,032	1,155	998	1,023	1,168
Fund wrap reward	1,398	1,315	1,324	1,609	1,479	376	380	366	355	402

■ Japanese stocks ■ Foreign stocks ■ Investment trust □ Fund wrap reward

(Millions of yen)

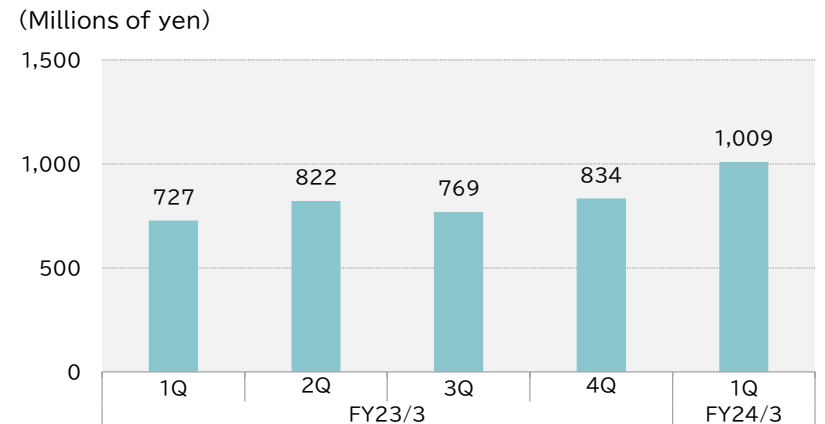
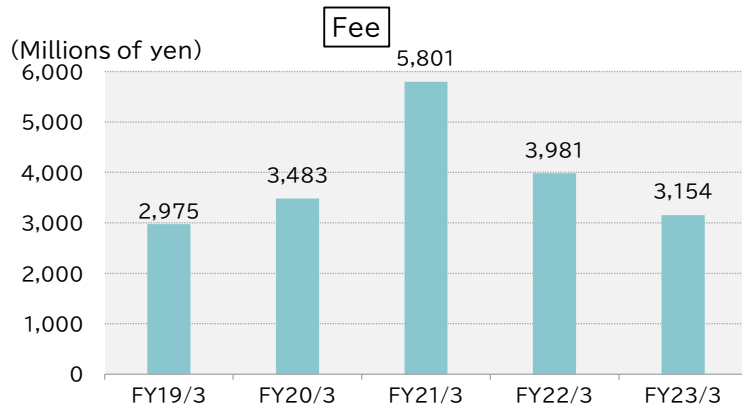
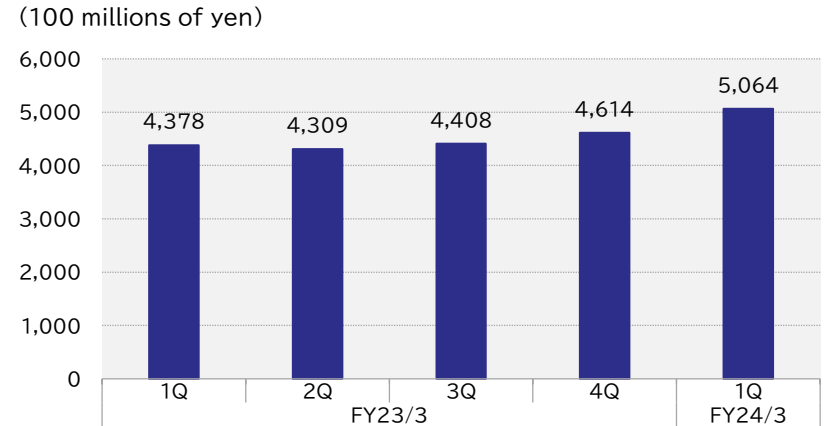
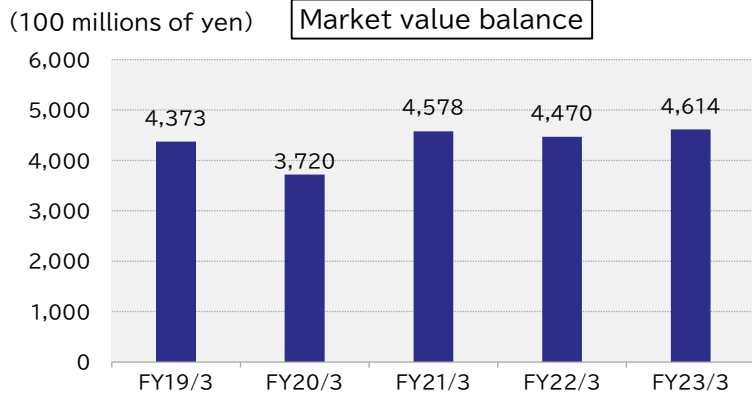


(Millions of yen)



Domestic Stocks

	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3				FY24/3
						1Q	2Q	3Q	4Q	1Q
Market value balance (100 millions of yen)	4,373	3,720	4,578	4,470	4,614	4,378	4,309	4,408	4,614	5,064
Fee (Millions of yen)	2,975	3,483	5,801	3,981	3,154	727	822	769	834	1,009

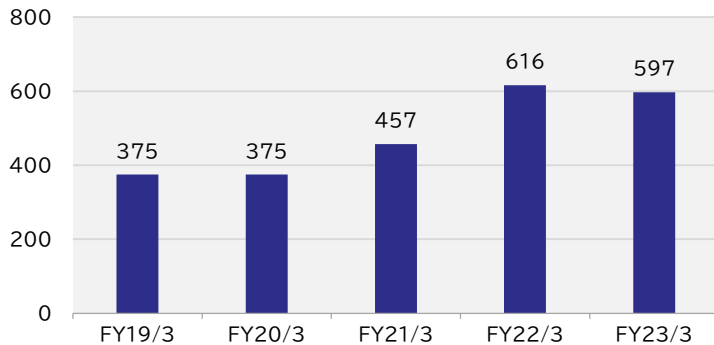


Foreign Stocks (U.S. Stocks)

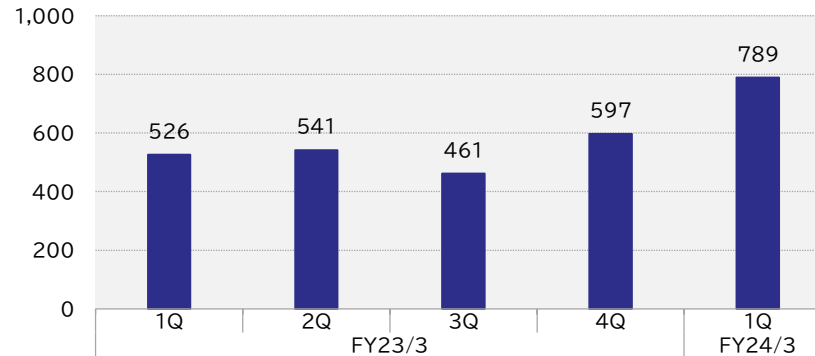
	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3				FY24/3
						1Q	2Q	3Q	4Q	1Q
Market value balance (100 millions of yen)	375	375	457	616	597	526	541	461	597	789
Fees (Millions of yen)	2,040	2,220	2,925	2,414	1,736	350	542	372	470	830
Of which: Brokerage transactions	578	774	1,952	1,431	630	161	195	135	136	349
Of which: Over-the-counter transactions	1,461	1,446	972	982	1,105	188	346	236	333	480

(100 millions of yen)

Market value balance

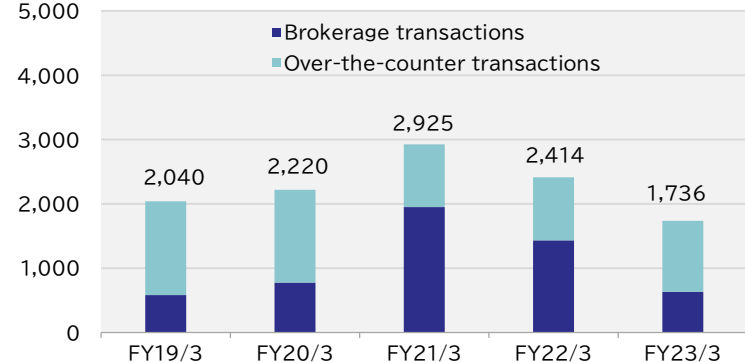


(100 millions of yen)

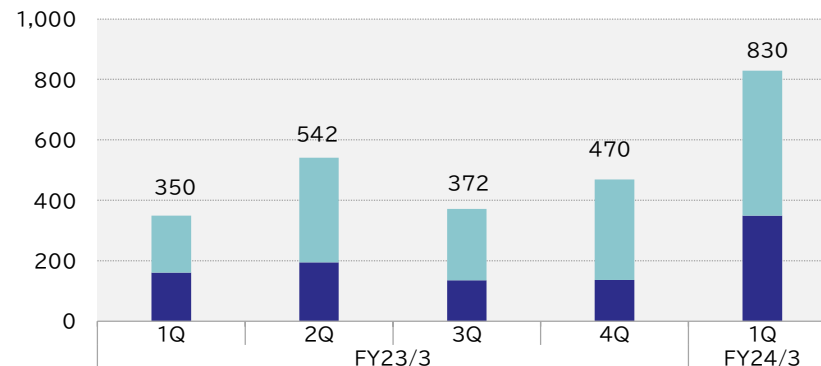


(Millions of yen)

Fees



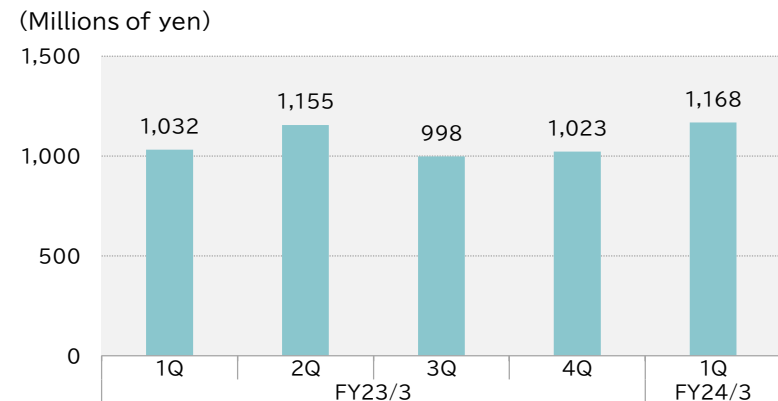
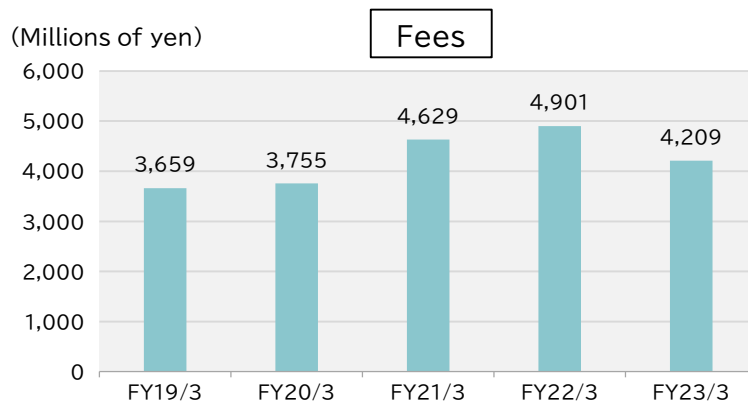
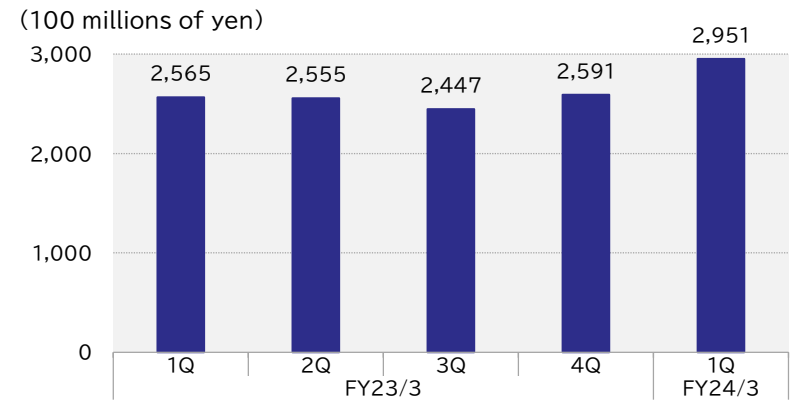
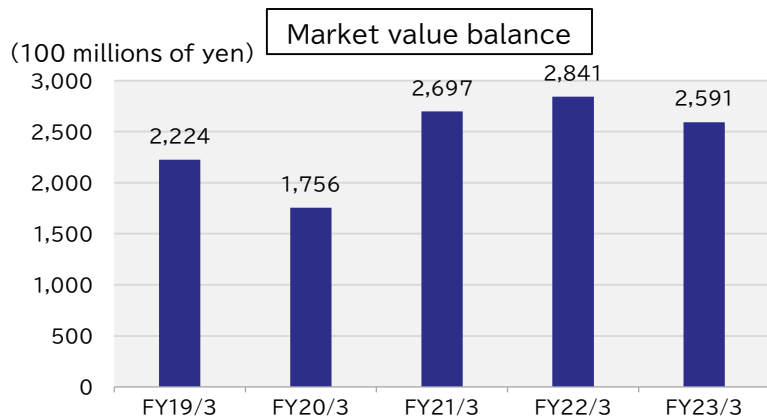
(Millions of yen)



Investment trusts

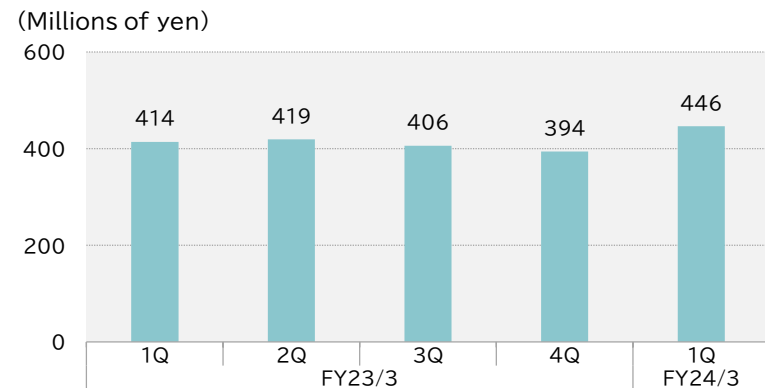
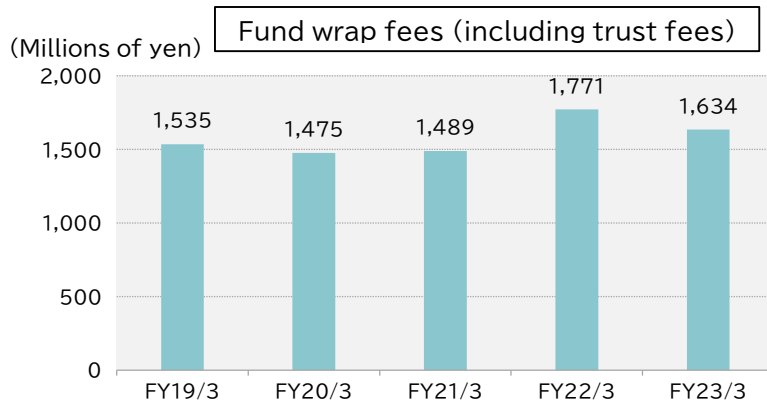
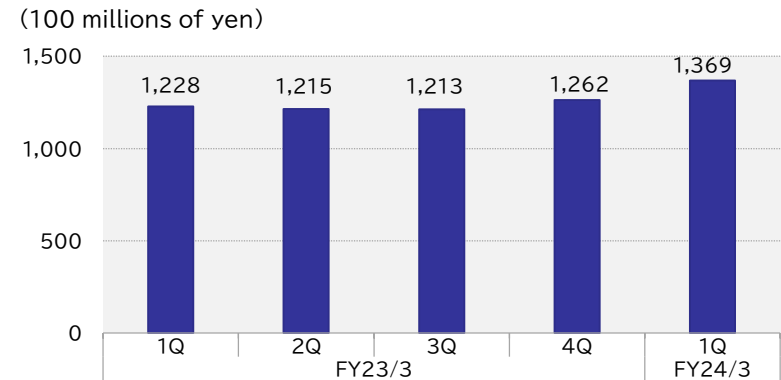
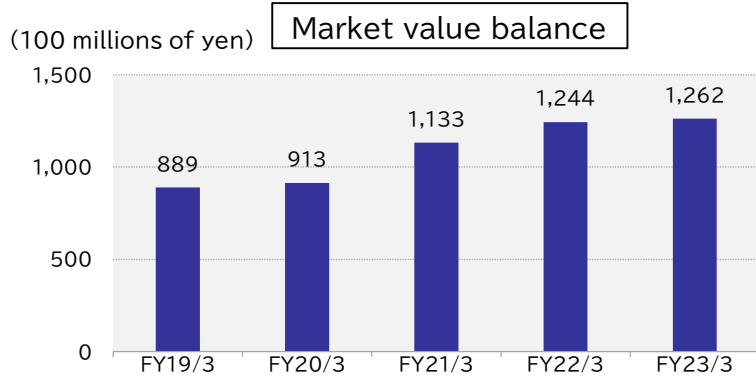
Market value balance of equity investment trusts
(excluding fund wraps, MRFs and foreign currency MMFs)

	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3				FY24/3
						1Q	2Q	3Q	4Q	1Q
Market value balance (100 millions of yen)	2,224	1,756	2,697	2,841	2,591	2,565	2,555	2,447	2,591	2,951
Fees (including agency fees, millions of yen)	752	869	1,162	1,131	899	1,032	1,155	998	1,023	1,168
Sales (100 millions of yen)	3,659	3,755	4,629	4,901	4,209	209	261	219	210	249
Average holding period (years)	3.36	2.17	2.73	3.24	3.16	3.36	3.16	3.19	3.16	3.08



Mito Fund Wrap

	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3				FY24/3
						1Q	2Q	3Q	4Q	1Q
Market value balance (100 millions of yen)	889	913	1,133	1,244	1,262	1,228	1,215	1,213	1,262	1,369
Cumulative number of contracts (cases)	6,911	7,820	8,673	9,607	10,888	9,922	10,252	10,574	10,888	11,172
Fund wrap fees + Trust fees (Millions of yen)	1,535	1,475	1,489	1,771	1,634	414	419	406	394	446



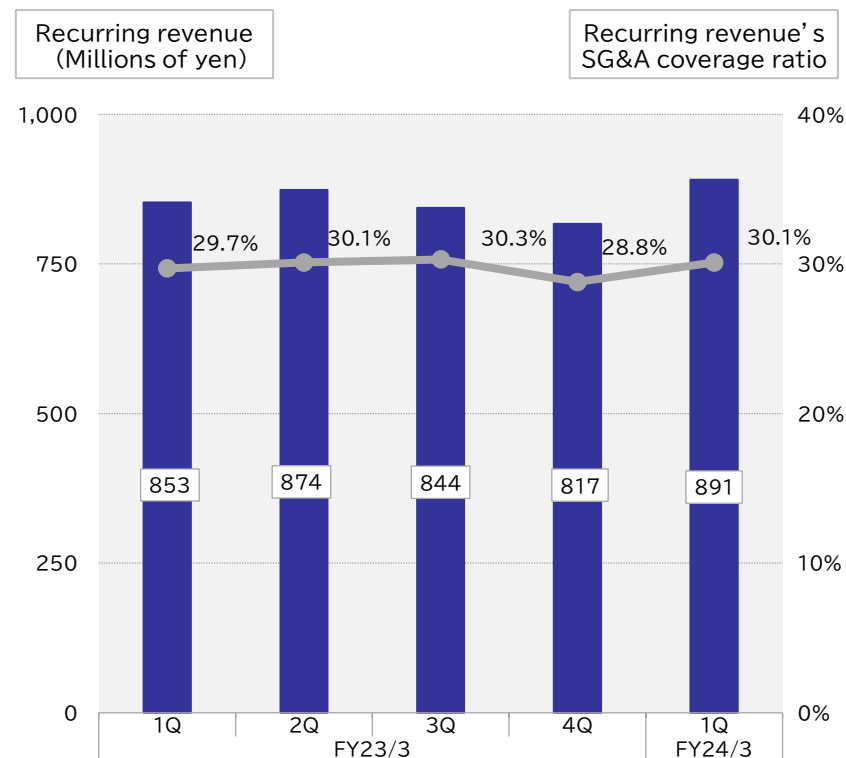
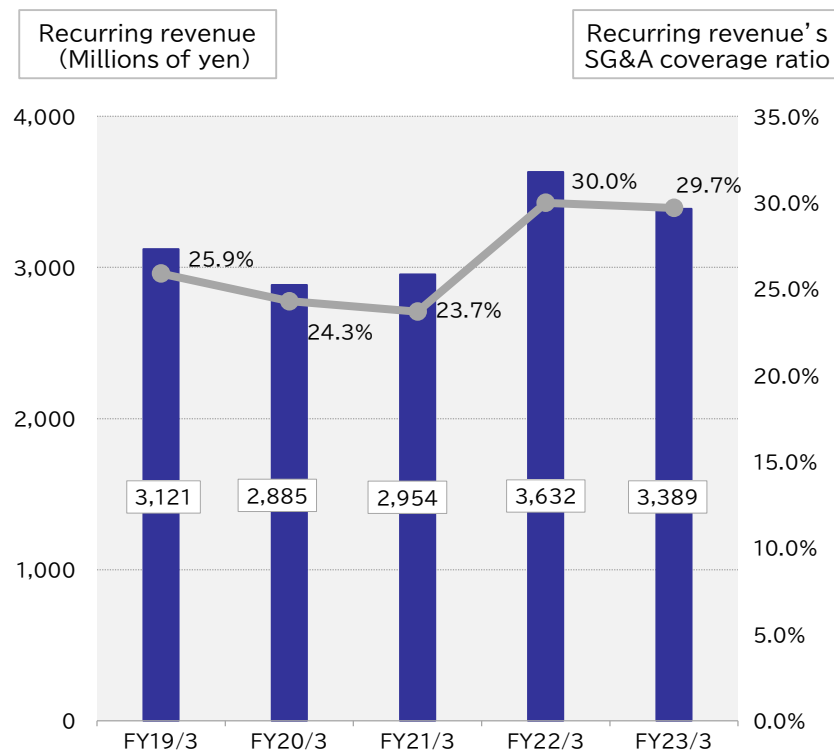
Recurring Revenue and SG&A Expense Coverage Ratio MITO SECURITIES CO., LTD.

(Millions of yen)

	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3				FY24/3
						1Q	2Q	3Q	4Q	1Q
Recurring revenue※	3,121	2,885	2,954	3,632	3,389	853	874	844	817	891
Recurring revenue's SG&A coverage ratio	25.9%	24.3%	23.7%	30.0%	29.7%	29.7%	30.1%	30.3%	28.8%	30.1%

※ Investment trust agency commissions and Fund wrap fees

■ Recurring revenue ● Recurring revenue's SG&A coverage ratio

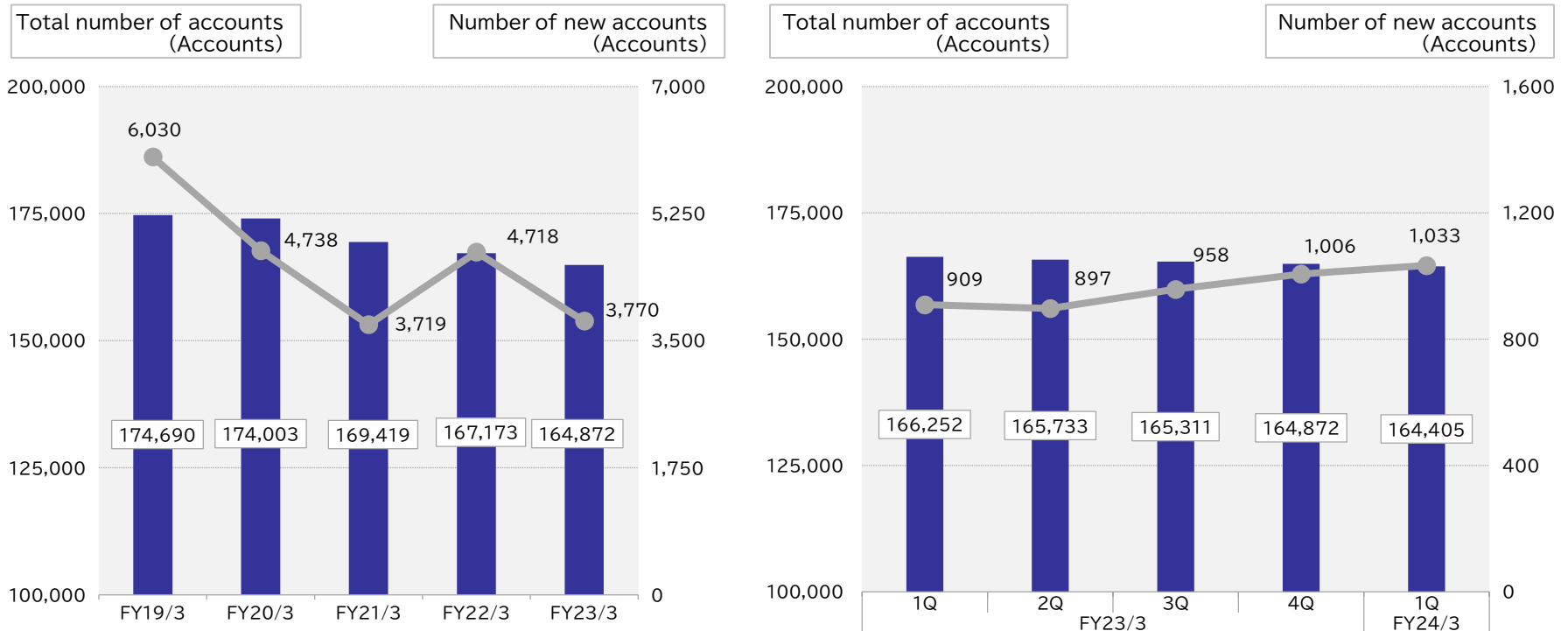


Number of Customer Accounts

(Accounts)

	FY19/3	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3				FY24/3
						1Q	2Q	3Q	4Q	1Q
Total number of accounts	174,690	174,003	169,419	167,173	164,872	166,252	165,733	165,311	164,872	164,405
Of which: retail	162,982	162,169	159,591	157,162	154,719	156,179	155,652	155,232	154,719	154,237
Number of new accounts opened	6,030	4,738	3,719	4,718	3,770	909	897	958	1,006	1,033

■ Total number of accounts — Number of new accounts opened





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Note :

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Mito Securities Co., Ltd.

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