



Non-consolidated Financial Results
for the Six Months Ended September 30, 2024
(Under Japanese GAAP)

October 30, 2024

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 Holding of financial results briefing: None

Note: Amounts less than one million yen have been omitted.

1. Non-consolidated financial results for the six months ended September 30, 2024
(from April 1, 2024 to September 30, 2024)

(1) Operating results (Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended										
September 30, 2024	7,212	3.2	7,187	3.2	1,098	5.4	1,360	6.8	1,108	6.0
September 30, 2023	6,990	21.1	6,962	21.2	1,042	–	1,273	435.0	1,045	516.0

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
September 30, 2024	17.33	–
September 30, 2023	16.18	–

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
September 30, 2024	76,394	41,711	54.6	661.16
March 31, 2024	74,033	42,827	57.8	662.64

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

As of September 30, 2024:

¥41,711 million

As of March 31, 2024:

¥42,827 million

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year	Yen	Yen	Yen	Yen	Yen
Ended March 31, 2024	–	10.00	–	14.00	24.00
Ending March 31, 2025	–	15.00	–	–	–
Ending March 31, 2025 (forecast)	–	–	–	–	–

Note Although we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2025, the Company has set a minimum annual dividend of ¥20.00 from the fiscal year ended March 2023 to the fiscal year ending March 2025.

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2025
(from April 1, 2024 to March 31, 2025)

Our earnings could fluctuate greatly depending on the stock market trend and other factors. We therefore do not disclose earnings forecast on concern that it could adversely affect the investment decision of our shareholders and investors.

We will promptly disclose the preliminary results figures when the operating results for each quarter are roughly estimated.

* Notes

- (1) Application of accounting methods used specifically for preparing the semi-annual non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates and restatements of prior period financial statements
- (i) Changes in accounting policies due to application of new or revised accounting standards: None
 - (ii) Changes in accounting policies due to reasons other than above (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements of prior period financial statements: None
- (3) Number of shares issued (common stock)
- (i) Number of shares issued at the end of the period (including treasury shares)
 - As of September 30, 2024: 65,689,033 shares
 - As of March 31, 2024: 70,689,033 shares
 - (ii) Number of treasury shares at the end of the period
 - As of September 30, 2024: 2,600,682 shares
 - As of March 31, 2024: 6,058,282 shares
 - (iii) Average number of shares of common stock during the period
 - Six months ended September 30, 2024: 64,000,709 shares
 - Six months ended September 30, 2023: 64,627,695 shares

Notes: The number of treasury shares at the end of the period includes the shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for Board Benefit Trust (BBT) and Employee Stock Ownership Plan (J-ESOP). In addition, the number of treasury shares, which was to be deducted from the calculation of the average number of shares of common stock during the period, includes the shares of the Company's stock held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

* Semi-annual financial results reports are exempt from interim audit conducted by certified public accountants or an audit firm.

* Explanation on appropriate use of earnings forecast and other special notes
Reason for not disclosing dividend forecast, etc.

We have adopted a basic policy of approximately maintaining a 50 percent dividend payout ratio by taking into account payout consistency, net asset position, and other managerial judgments based on our corporate philosophy of striving to act in the best interest of our shareholders.

As described in "3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)," we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2025 due to difficulty in forecasting earnings. However, for the three fiscal years under the Sixth Medium term Management Plan (from the fiscal year ended March 2023 to the fiscal year ending March 2025), the Company would like to express its gratitude to shareholders for their support thus far and has decided to set the minimum annual dividend per share at ¥20.00, taking into account the current state of net assets. We will promptly disclose the forecast amount at the timing when the second quarter-end and the fiscal year-end approach (during September 2024 and March 2025).

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1. Overview of operating results, etc.

(1) Semi-annual overview of operating results

During the first six months ended September 30, 2024 (hereinafter the “period under review”), the Japanese economy generally remained firm. Japan’s gross domestic product (GDP) in the April-June 2024 quarter exceeded ¥600 trillion on an annualized basis in nominal terms, and the real year-on-year growth rate was the same level as in the April-June 2023 quarter. Meanwhile, the Economy Watchers Survey DIs for both current and future economic conditions have been recovering after bottoming out in May, with future economic conditions recovering to the 50s level in August for the first time in five months. The BSI for business confidence in Business Outlook Survey showed the October-December outlook improving from the July-September current economic conditions, regardless of the size or industry of the company.

The U.S. economy was also firm, with real GDP growing at 3.0% in the April-June quarter. However, there were growing signs of a slowdown in employment. In addition to the decline in growth of nonfarm payroll employment, the unemployment rate has risen, remaining at the 4% level since May. Furthermore, an annual revision of employment statistics downwardly revised the number of jobs as of March this year by about 818,000, indicating that the deterioration in employment may have been worse than expected. Under these circumstances, the Federal Reserve Board (FRB) decided to lower the federal funds target rate by half a percentage point at the Federal Open Market Committee (FOMC) meeting in September, as inflation has been easing. The European economy continued to show signs of stagnation, with the European Central Bank (ECB) cutting interest rates in June and September, and the Bank of England cutting rates in August.

During the period under review in the domestic stock market, the Nikkei average generally remained range-bound between ¥38,000 and ¥39,000 with an eye on the long-term interest rate movements in Japan and the U.S., but the market subsequently entered a turbulent period marked by sharp rises and falls until September. The index hit an all-time high of ¥42,224.02 on July 11, driven by expectations of an early U.S. interest rate cut. However, on August 5 it fell by ¥4,451.28, a decline of 12.4%, due to intensifying U.S.-China tensions over semiconductors, concerns about a U.S. economic downturn, and the BOJ’s interest rate hike. This was the largest drop in history and the second steepest drop in terms of rate. While the market continued to be volatile due to the U.S. economic outlook and the BOJ’s monetary policy, significant interest rate cuts by the U.S. authorities led to expectations for a soft landing of the U.S. economy, which improved investor sentiment. On September 27, the Nikkei average had picked up to the point where a ¥40,000-level comeback was expected, but on September 30, it experienced its fifth-largest decline following the presidential election of the Liberal Democratic Party won by Shigeru Ishiba, who has called for strengthening financial income taxation. Reflecting these factors, the Nikkei average for the period under review ended at ¥37,919.55, down 6.1% from the end of March 2024.

Under these circumstances, we reported increases in both operating revenue and net operating revenue during the period under review, with operating revenue of ¥7,212 million (up 3.2% year-on-year) and net operating revenue of ¥7,187 million (up 3.2% year-on-year), which is the amount of operating revenue less financial expenses of ¥25 million (down 9.2% year-on-year). Selling, general and administrative expenses were ¥6,089 million (up 2.8% year-on-year). As a result, we reported operating profit of ¥1,098 million (up 5.4% year-on-year) and ordinary profit of ¥1,360 million (up 6.8% year-on-year). After extraordinary income of ¥30 million (compared to ¥237 million for the same period a year earlier) and tax expenses of ¥282 million (down 38.5% year-on-year), profit was ¥1,108 million (up 6.0% year-on-year).

Overview of the operating results are as shown below.

(i) Commission received

For the period under review, total “Commission received” was ¥6,543 million (up 9.0% year-on-year).

(a) Brokerage commission

“Brokerage commission” was ¥2,637 million (down 0.2% year-on-year). This was mainly due to a decrease to ¥1,533 million (down 17.7% year-on-year) in the brokerage commission on Japanese stocks, which was partially offset by an increase to ¥1,086 million (up 41.6% year-on-year) in the brokerage commission on U.S. stocks, resulting in brokerage commission on stocks of ¥2,620 million (down 0.4% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥17 million (up 69.0% year-on-year).

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

“Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors” was ¥21 million (up 133.3% year-on-year).

- (c) Fees for offering, secondary distribution and solicitation for selling and others for professional investors; and other fees received

“Fees for offering, secondary distribution and solicitation for selling and others for professional investors,” which mainly consists of investment trust sales commissions, was ¥1,397 million (down 3.7% year-on-year).

This was due to the unstable conditions in the stock market from August to September, which resulted in a drop in sales during this period, despite focusing on sales of mutual funds that invest in stocks of U.S. companies with sustainable growth, mutual funds that invest in blue-chip companies listed on the financial instruments exchanges in the U.S. and around the world, and mutual funds that make investments in semiconductor companies listed on the world’s securities exchanges, mainly in Japan. In addition, “Other fees received” was ¥2,486 million (up 30.7% year-on-year) mainly due to increases in agency commission for investment trusts and commission for mutual fund wraps.

- (ii) Net trading income

For the period under review, “Net trading income” was ¥496 million (down 40.5% year-on-year) consisting of net trading income for stocks of ¥464 million (down 37.3% year-on-year) due to a decrease in the trading volume of U.S. stocks and that for bonds and foreign exchanges of ¥31 million (down 66.1% year-on-year).

- (iii) Financial revenue and expenses

For the period under review, “Financial revenue” was ¥160 million (up 15.1% year-on-year) mainly due to an increase in interest income, and “Financial expenses” was ¥25 million (down 9.2% year-on-year) mainly due to a decrease in cost of margin transactions, resulting in a net profit of ¥134 million (up 21.3% year-on-year).

- (iv) Selling, general and administrative expenses

For the period under review, “Selling, general and administrative expenses” was ¥6,089 million (up 2.8% year-on-year). This was mainly attributable to increases in “Real estate expenses,” “Administrative outsourcing expenses,” and others.

- (v) Extraordinary income and losses

For the period under review, “Extraordinary income” solely consisted of “Gain on sale of investment securities” of ¥30 million (compared to ¥224 million for the same period a year earlier).

(2) Semi-annual overview of financial position

- (i) Current assets

At the end of the period under review, “Current assets” amounted to ¥57,751 million, an increase of ¥3,305 million from the end of the previous fiscal year. This was mainly attributable to an increase of ¥5,345 million in “Cash and deposits,” which was partially offset by decreases of ¥1,432 in “Cash segregated as deposits” and ¥691 million in “Trading products.”

- (ii) Non-current assets

At the end of the period under review, “Non-current assets” amounted to ¥18,642 million, a decrease of ¥944 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥803 million in “Investment securities,” ¥62 million in “Long-term guarantee deposits,” and ¥43 million in “Property, plant and equipment.”

- (iii) Current liabilities

At the end of the period under review, “Current liabilities” amounted to ¥30,210 million, an increase of ¥4,349 million from the end of the previous fiscal year. This was mainly attributable to increases of 5,090 million in “Deposits received” and ¥424 million in “Provision for share awards for employees,” which were partially offset by decreases of ¥837 million in “Income tax payable” and ¥351 million in “Other current liabilities.”

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

At the end of the period under review, “Non-current liabilities” and “Reserves under special laws” collectively amounted to ¥4,471 million, a decrease of ¥872 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥373 million in “Provision for share awards for employees”

due to a transfer to current liabilities, ¥299 million in “Deferred tax liabilities,” and ¥148 million in “Provision for retirement benefits.”

(v) Net assets

At the end of the period under review, “Net assets” amounted to ¥41,711 million, a decrease of ¥1,115 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥911 million in “Dividends of surplus,” ¥805 million in “Purchase of treasury shares,” and ¥518 million in “Valuation difference on available-for-sale securities.” which were partially offset by increases of ¥1,108 million in “Profit,” and ¥11 million in “Disposal of treasury shares.”

(vi) Cash flows

“Cash and cash equivalents at end of period” of the period under review increased by ¥5,345 million from the end of the previous fiscal year to ¥33,357 million.

Cash flows from operating activities

“Net cash provided by operating activities” for the period under review amounted to ¥7,091 million, an increase of ¥1,256 million from ¥5,834 of “Net cash provided by operating activities” for the previous fiscal year. This cash inflow was mainly attributable to an increase of ¥5,166 million in “Deposits and guarantee deposits received,” an increase of ¥1,698 million in “Cash segregated as deposits for customers,” and the recording of ¥1,391 million in “Profit before income taxes,” which were partly offset by a decrease of ¥1,182 million in “Income taxes paid.”

Cash flows from investing activities

“Net cash provided by investing activities” for the period under review amounted to ¥0 million, a decrease of ¥725 million from ¥726 million of “Net cash provided by investing activities” for the previous fiscal year. This cash inflow was mainly attributable to an increase of ¥114 million in “Proceeds from sale of investment securities,” which was partially offset by decreases of ¥51 million in “Purchase of property, plant and equipment,” ¥31 million in “Purchase of investment securities,” ¥16 million in “Purchase of intangible assets,” and ¥12 million in “Payments of leasehold deposits.”

Cash flows from financing activities

“Net cash used in financing activities” for the period under review amounted to ¥1,717 million, a decrease of ¥417 million from ¥1,299 million of “Net cash used in financing activities” for the previous year. This cash outflow was mainly attributable to “Dividends paid” of ¥906 million and “Purchase of treasury shares” of ¥805 million.

(3) Outlook

We are engaged in the financial instruments business, and thus, its earnings could fluctuate greatly depending on the stock market performance and other factors. We therefore do not disclose earnings forecasts.

We will promptly disclose the preliminary results figures when the operating results for each quarter are roughly estimated.

2. Semi-annual non-consolidated financial statements and significant notes

(1) Semi-annual non-consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2024)	Semi-annual period (As of September 30, 2024)
Assets		
Current assets:		
Cash and deposits	28,011	33,357
Cash segregated as deposits	14,433	13,001
Trading products:	1,827	1,135
Trading securities and other	1,825	1,135
Derivatives	1	0
Trade date accrual	6	12
Margin transaction assets:	7,020	7,190
Loans on margin transactions	6,862	7,093
Cash collateral pledged for securities borrowing on margin transactions	157	96
Advances paid	0	394
Cash paid for offering	1,692	1,245
Short-term guarantee deposits	651	594
Other current assets	802	820
Total current assets	54,446	57,751
Non-current assets:		
Property, plant and equipment:	3,742	3,699
Buildings	1,824	1,805
Other, net	1,917	1,893
Intangible assets	187	153
Investments and other assets:	15,656	14,789
Investment securities	14,950	14,147
Long-term guarantee deposits	678	615
Other	45	44
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	19,586	18,642
Total assets	74,033	76,394

(Millions of yen)

	Previous fiscal year (As of March 31, 2024)	Semi-annual period (As of September 30, 2024)
Liabilities		
Current liabilities:		
Margin transaction liabilities:	1,013	926
Borrowings on margin transactions	717	767
Cash received for securities lending on margin transactions	296	159
Borrowings secured by securities:	856	874
Cash received on debt credit transaction of securities	856	874
Deposits received:	17,758	22,849
Guarantee deposits received	417	493
Short-term borrowings	2,750	2,750
Income taxes payable	1,243	405
Provision for bonuses	659	651
Provision for bonuses for directors (and other officers)	–	29
Provision for share awards for employees	23	447
Provision for share awards for directors (and other officers)	7	–
Asset retirement obligations	39	41
Other current liabilities	1,092	741
Total current liabilities	25,861	30,210
Non-current liabilities:		
Deferred tax liabilities	2,493	2,194
Provision for retirement benefits	1,937	1,789
Provision for share awards for employees	373	–
Provision for share awards for directors (and other officers)	21	25
Asset retirement obligations	305	313
Other non-current liabilities	117	53
Total non-current liabilities	5,249	4,377
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	94	94
Total reserves under special laws	94	94
Total liabilities	31,205	34,682
Net assets		
Shareholders' equity:		
Share capital	12,272	12,272
Capital surplus:		
Legal capital surplus	4,294	4,294
Other capital surplus	1,969	682
Total capital surplus	6,264	4,977
Retained earnings:		
Other retained earnings:	18,413	18,611
General reserve	7,247	7,247
Retained earnings brought forward	11,166	11,363
Total retained earnings	18,413	18,611
Treasury shares	(1,441)	(949)
Total shareholders' equity	35,509	34,912
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	7,317	6,799
Total valuation and translation adjustments	7,317	6,799
Total net assets	42,827	41,711
Total liabilities and net assets	74,033	76,394

(2) Semi-annual non-consolidated statements of income

For the six months ended September 30, 2023 and 2024

	(Millions of yen)	
	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
Operating revenue		
Commission received:	6,004	6,543
Brokerage commission	2,642	2,637
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	9	21
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,450	1,397
Other fees received	1,901	2,486
Net trading income	834	496
Financial revenue	139	160
Other	12	13
Total operating revenue	<u>6,990</u>	<u>7,212</u>
Financial expenses	27	25
Net operating revenue	<u>6,962</u>	<u>7,187</u>
Selling, general and administrative expenses:		
Trading related expenses	540	575
Personnel expenses	3,455	3,476
Real estate expenses	657	727
Office expenses	853	893
Depreciation	180	182
Taxes and dues	132	126
Other	101	106
Total selling, general and administrative expenses	<u>5,920</u>	<u>6,089</u>
Operating profit	<u>1,042</u>	<u>1,098</u>
Non-operating income:		
Dividend income	137	194
Miscellaneous income	98	81
Total non-operating income	<u>235</u>	<u>275</u>
Non-operating expenses:		
Miscellaneous loss	4	13
Total non-operating expenses	<u>4</u>	<u>13</u>
Ordinary profit	<u>1,273</u>	<u>1,360</u>
Extraordinary income:		
Reversal of reserve for financial instruments transaction liabilities	13	-
Gain on sale of investment securities	224	30
Total extraordinary income	<u>237</u>	<u>30</u>
Extraordinary losses:		
Impairment loss	6	-
Total extraordinary losses	<u>6</u>	<u>-</u>
Profit before income taxes	<u>1,505</u>	<u>1,391</u>
Income taxes - current	473	372
Income taxes - deferred	(14)	(89)
Total income taxes	<u>459</u>	<u>282</u>
Profit	<u>1,045</u>	<u>1,108</u>

(3) Semi-annual non-consolidated statements of cash flows

(Millions of yen)

	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)
Cash flows from operating activities:		
Profit before income taxes	1,505	1,391
Depreciation	180	182
Impairment loss	6	–
Increase (decrease) in provision for retirement benefits	(87)	(148)
Increase (decrease) in provision for bonuses	205	(8)
Increase (decrease) in provision for bonuses for directors (and other officers)	28	29
Increase (decrease) in provision for share-based remuneration for employees	103	50
Increase (decrease) in provision for share-based remuneration for directors (and other officers)	2	(4)
Increase (decrease) in reserve for financial instruments transaction liabilities	(13)	–
Interest and dividend income	(279)	(355)
Interest expenses	27	25
Loss (gain) on sale of investment securities	(224)	(30)
Decrease (increase) in cash segregated as deposits for customers	(1,300)	1,698
Decrease (increase) in trading products - assets (liabilities)	1,611	685
Decrease/increase in margin transaction assets/liabilities	(1,175)	(256)
Decrease (increase) in short-term guarantee deposits	(3)	126
Decrease (increase) in deposits paid for underwritten offering, etc.	(462)	447
Increase (decrease) in borrowings secured by securities	(426)	18
Increase (decrease) in deposits and guarantee deposits received	5,583	5,166
Decrease (increase) in advances paid	(178)	(394)
Decrease (increase) in segregated deposits	(10)	(266)
Increase/decrease in other assets/liabilities	244	(402)
Subtotal	5,334	7,955
Interest and dividends received	266	342
Interest paid	(27)	(24)
Income taxes paid	(39)	(1,182)
Income taxes refund	300	–
Net cash provided by (used in) operating activities	5,834	7,091
Cash flows from investing activities:		
Purchase of investment securities	–	(31)
Proceeds from sale of investment securities	449	114
Purchase of property, plant and equipment	(44)	(51)
Purchase of intangible assets	(2)	(16)
Payments for retirement of property, plant and equipment	(2)	(2)
Loan advances	(1)	(2)
Proceeds from collection of loans receivable	4	4
Proceeds from refund of leasehold deposits	333	6
Payments of leasehold deposits	(6)	(12)
Other, net	(2)	(5)
Net cash provided by (used in) investing activities	726	0
Cash flows from financing activities:		
Purchase of treasury shares	(0)	(805)
Dividends paid	(1,295)	(906)
Other, net	(3)	(5)
Net cash provided by (used in) financing activities	(1,299)	(1,717)
Effect of exchange rate change on cash and cash equivalents	93	(29)
Net increase (decrease) in cash and cash equivalents	5,355	5,345
Cash and cash equivalents at beginning of period	21,958	28,011
Cash and cash equivalents at end of period	27,313	33,357

(4) Notes to semi-annual non-consolidated financial statements

Going concern assumption

Not applicable

Significant changes in shareholders' equity

Based on the resolution at the Board of Directors' meeting held on April 26, 2024, we acquired 897,600 shares of treasury stock and cancelled 5,000,000 shares as of May 24, 2024. In addition, we acquired 690,200 shares of treasury stock through a trust to fund the Employee Stock Ownership Plan (J-ESOP).

As a result, treasury stock was ¥949 million at the end of the period under review, with an increase by ¥805 million due to acquisition, partially offset by a decrease by ¥1,287 million due to cancellation. In addition, capital surplus was ¥4,977 million at the end the period under review, decreasing by ¥1,287 million during the period.

Material subsequent events

At a meeting of the Board of Directors held on October 30, 2024, the Company resolved the matter related to the acquisition of treasury stocks pursuant to the provisions of Article 156 of the Companies Act of Japan as applied by replacing the provisions stipulated in Article 165, Paragraph 3 of the same act.

(1) Reason for acquisition of treasury stock

To improve comprehensive shareholder returns and capital efficiency.

(2) Details of acquisition

(i) Type of shares to be acquired	Common shares
(ii) Total number of shares to be acquired	2,000,000 shares (upper limit)
(iii) Total cost of acquisition	¥1,100 million (upper limit)
(iv) Acquisition period	From October 31, 2024 to March 24, 2025
(v) Acquisition method	Market purchase in the form of a trust

3. Supplemental information

(1) Commission received

(i) Commission by line item

(Millions of yen)

	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Year-on-year change (%)
Brokerage commission:	2,642	2,637	(0.2)
Stocks	[2,631]	[2,620]	(0.4)
Beneficiary certificates	[10]	[17]	69.0
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	9	21	133.3
Stocks	[4]	[3]	(11.2)
Bonds	[5]	[18]	255.2
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,450	1,397	(3.7)
Other fees received	1,901	2,486	30.7
Total	6,004	6,543	9.0

(ii) Commission by product

(Millions of yen)

	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Year-on-year change (%)
Stocks	2,641	2,628	(0.5)
Bonds	5	21	279.4
Beneficiary certificates	3,340	3,882	16.2
Other	16	10	(32.3)
Total	6,004	6,543	9.0

(2) Net trading income

(Millions of yen)

	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)	For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)	Year-on-year change (%)
Stocks, etc.	741	464	(37.3)
Bonds, foreign exchange, etc.:	93	31	(66.1)
Bonds, etc.	[(3)]	[(15)]	—
Foreign exchange, etc.	[97]	[47]	(51.6)
Total	834	496	(40.5)

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)		For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	228	552,591	233	567,511	2.2	2.7
Brokerage	[225]	[498,679]	[232]	[530,965]	[3.4]	[6.5]
Dealing	[3]	[53,912]	[1]	[36,545]	[(71.1)]	[(32.2)]
Brokerage (%)	98.3	90.2	99.5	93.6		
Exchange participation share (%)	0.04	0.04	0.03	0.03		
Brokerage commission per stock on client transaction (Yen)		11.69		11.25		

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

(Thousands of shares, Millions of yen)

	For the six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)		For the six months ended September 30, 2024 (From April 1, 2024 to September 30, 2024)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Underwriting:						
Stock (Number of shares)		59		135		128.4
Stock (Amount)		121		111		(7.8)
Bond (Face value)		525		2,200		319.0
Beneficiary certificates (Amount)		–		–		–
Commercial paper & foreign securities (Face value)		–		–		–
Offering and secondary distribution						
Stock (Number of shares)		46		93		104.0
Stock (Amount)		95		88		(7.1)
Bond (Face value)		508		2,566		405.1
Beneficiary certificates (Amount)		191,869		192,559		0.4
Commercial paper & foreign securities (Face value)		–		–		–

Note: The dealing volume of offering and secondary distribution includes the amount of secondary distribution and the dealing volume of private offering.

(5) Capital adequacy ratio

(Millions of yen)

		Previous fiscal year (As of March 31, 2024)	Current semi-annual period (As of September 30, 2024)
Basic items (A)		34,597	33,948
Complementary items	Valuation difference on available-for- sale securities	7,317	6,799
	Reserve for financial instruments transaction liabilities	94	94
	Total (B)	7,412	6,894
Deductible assets (C)		5,687	5,691
Unfixed equity capital (A) + (B) – (C) (D)		36,322	35,151
Risk items	Market risk	2,243	2,004
	Counterparty risk	315	439
	Basic risk	2,735	2,990
	Total (E)	5,294	5,434
Capital adequacy ratio (%) (D) / (E) × 100		686.0	646.8

Note: Treasury shares, which were to be deducted from the calculation of the basic items, include the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets for BBT and J-ESOP.

(6) Quarterly trends of operating results

(Millions of yen)

	Previous fiscal year			Current fiscal year	
	2nd quarter (Jul. 1, 2023– Sep. 30, 2023)	3rd quarter (Oct. 1, 2023– Dec. 31, 2023)	4th quarter (Jan. 1, 2024– Mar. 31, 2024)	1st quarter (Apr. 1, 2024– Jun. 30, 2024)	2nd quarter (Jul. 1, 2024– Sep. 30, 2024)
Operating revenue:					
Commission received	3,051	2,910	3,860	3,579	2,963
Net trading income	294	204	431	378	118
Financial revenue	68	68	74	79	80
Other	6	6	6	6	6
Total operating revenue	3,420	3,190	4,373	4,043	3,169
Financial expenses	13	11	12	12	13
Net operating revenue	3,406	3,178	4,361	4,031	3,155
Selling, general and administrative expenses:					
Trading related expenses	273	283	311	282	292
Personnel expenses	1,733	1,658	1,929	1,890	1,586
Real estate expenses	350	350	370	359	368
Office expenses	414	425	460	461	432
Depreciation	90	91	93	90	92
Taxes and dues	46	47	59	87	38
Other	48	50	57	54	52
Total selling, general and administrative expenses	2,957	2,908	3,282	3,226	2,863
Operating profit	449	270	1,078	805	292
Non-operating income	59	144	46	226	49
Non-operating expenses	1	1	8	9	3
Ordinary profit	507	413	1,116	1,022	338
Extraordinary income:					
Reversal of reserve for financial instruments transaction liabilities	3	2	(9)	–	–
Gain on sale of investment securities	–	–	404	–	30
Total extraordinary income	3	2	395	–	30
Extraordinary losses:					
Provision of reserve for financial instruments transaction liabilities	–	–	–	6	(6)
Total extraordinary losses	–	–	–	6	(6)
Profit before income taxes	511	416	1,511	1,015	375
Income taxes - current	307	24	685	170	201
Income taxes - deferred	(118)	117	(189)	(5)	(84)
Total income taxes	189	141	496	164	117
Profit	322	274	1,015	850	258