



Non-consolidated Financial Results
for the Nine Months Ended December 31, 2021
(Under Japanese GAAP)

January 28, 2022

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 Investors meeting presentation for quarterly financial results: None

(Note) Amounts less than one million yen have been omitted.

1. Non-consolidated financial results for the nine months ended December 31, 2021
(from April 1, 2021 to December 31, 2021)

(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	%
Nine months ended										
December 31, 2021	10,936	(3.8)	10,896	(3.6)	1,688	(16.3)	2,072	(12.6)	1,448	(10.7)
December 31, 2020	11,364	30.6	11,309	30.8	2,018	–	2,370	930.8	1,622	606.7

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2021	22.64	–
December 31, 2020	25.24	–

(2) Non-consolidated financial position

	Total assets	Net assets	Capital ratio	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%	%
December 31, 2021	75,926	39,414	51.9	660.2
March 31, 2021	71,912	39,709	55.2	697.1

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

As of December 31, 2021: ¥39,414 million As of March 31, 2021: ¥39,709 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, 2021	–	6.00	–	10.00	16.00
Ending March 31, 2022	–	8.00	–	–	–
Ending March 31, 2022 (forecast)	–	–	–	–	–

(Note 1) Breakdown of fiscal year-end dividends for the fiscal year ended March 31, 2021

Ordinary dividend: ¥8.00 per share

Commemorative dividend: ¥2.00 per share (to commemorate the 100th anniversary of the Company's founding)

(Note 2) Breakdown of second quarter-end dividends for the fiscal year ending March 31, 2022

Ordinary dividend: ¥6.00 per share

Commemorative dividend: ¥2.00 per share (to commemorate the 100th anniversary of the Company's founding)

(Note 3) We have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2022. You can find the reason and other information in "Explanation on appropriate use of earnings forecast and other special notes" on the second page of this Summary Information.

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2022
(from April 1, 2021 to March 31, 2022)

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 rather adversely affect the investment decision of our shareholders and investors.

We will promptly disclose the preliminary results figures when the operating results will be substantially finalized.

[Notes]

- (1) Application of accounting methods used specifically for preparing the quarterly 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: Yes
 - (ii) Changes in accounting policies due to reasons other than above (i): None
 - (iii) Changes in accounting estimates: Yes
 - (iv) Restatements of prior period financial statements: None

Note: For more details, please see page 8 *Changes in accounting policies* and *Changes in accounting estimates* of the Attached Materials.

- (3) Number of shares issued (common stock)
- (i) Number of shares issued at the end of the period (including treasury shares)
 - As of December 31, 2021: 70,689,033 shares
 - As of March 31, 2021: 70,689,033 shares
 - (ii) Number of treasury shares at the end of the period
 - As of December 31, 2021: 6,829,526 shares
 - As of March 31, 2021: 6,390,853 shares
 - (iii) Average number of shares of common stock during the period
 - Nine months ended December 31, 2021: 63,976,878 shares
 - Nine months ended December 31, 2020: 64,292,103 shares

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

* This financial results report is not subject to quarterly review procedures to be performed by certified public accountants or an audit firm.

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

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

As described in "3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)," we have yet to determine the year-end dividend forecast for the fiscal year ending March 31, 2022 due to difficulty in forecasting earnings. We will promptly disclose the forecast amount at the timing when the second quarter-end and the fiscal year-end approach (during September 2021 and March 2022).

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1. Overview of operating results, etc.

(1) Quarterly overview of operating results

During the first nine months ended December 31, 2021 (hereinafter the “period under review”), Japan’s economy was on a gradual recovery trend. Japan’s GDP shrank for the July to September period in both nominal and real terms due to sluggish personal consumption resulting from the COVID-19 pandemic as well as weakening exports mainly owing to vehicle output cuts resulting from a shortage of parts. In addition, cautious outlook was presented by statistical measures such as the business conditions DI (Diffusion Index) of large enterprises in the *Tankan* (Short-term Economic Survey of Enterprises in Japan) by the Bank of Japan and the BSI (Business Survey Index) on general domestic economic conditions in the Business Outlook Survey by the Cabinet Office. However, the DI for future economic conditions in the Economy Watchers Survey by the Cabinet Office topped 50 for the first time since September, and disposable income of working households exceeded that of the same period a year earlier since August, showing that the current economic conditions are favorable. On the other hand, consumer prices are on an upward trend centered in energy prices, and this may discourage the recovery of personal consumption.

In the United States, there was upward pressure on prices due to a combination of factors—rising energy prices and supply bottlenecks mainly caused by supply-chain disruptions—in addition to steady economic recovery. This prompted the Federal Reserve Board (FRB) to start tapering asset buys at the meeting of the Federal Open Market Committee (FOMC) held in November. At the meeting of the FOMC held in December, the FRB decided to accelerate tapering, revised its view on temporary inflation, and made a dramatic change in monetary policy, pivoting toward tackling inflation.

During the period under review, the domestic stock markets witnessed that the Nikkei Stock Average increased and reached its highest level in nearly 31 years on September 14, then adjusted in the stratosphere in response to both positive and negative factors. They include anticipation for economic activity to normalize because of the precipitous drop in COVID-19 new cases at home, the ruling party’s victory in the general election, generally favorable financial results for the April to September period, Chinese real estate developers facing financial difficulties, rising U.S. long-term interest rates, and the discovery of a new variant, named Omicron. Ultimately, the Nikkei Stock Average ended the third quarter at 28,791.71 yen, 1.3% lower from the end of March 2021.

Under these circumstances, we reported decreases in both operating revenue and net operating revenue during the period under review, with operating revenue of ¥10,936 million (down 3.8% year-on-year) and net operating revenue of ¥10,896 million (down 3.6% year-on-year), which is the amount of operating revenue less financial expenses of ¥40 million (down 28.1% year-on-year). Selling, general and administrative expenses were ¥9,207 million (down 0.9% year-on-year). As a result, we reported operating profit of ¥1,688 million (down 16.3% year-on-year), ordinary profit of ¥2,072 million (down 12.6% year-on-year), and profit of ¥1,448 million (down 10.7% year-on-year). Note that due to the application of “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter the “Revenue Recognition Accounting Standard”), etc., operating revenue, net operating revenue, and selling, general and administrative expenses each decreased by ¥60 million. Nevertheless, there was no impact of the application on operating profit, ordinary profit, and profit.

Overview of the operating results are as shown below.

(i) Commission received

During the period under review, total “Commission received” was ¥9,674 million (down 5.4% year-on-year). Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Commission received” decreased by ¥60 million.

(a) Brokerage commission

“Brokerage commission” was ¥4,529 million (down 22.1% year-on-year). This was mainly due to a decrease to ¥726.8 billion (down 16.5% year-on-year) in the volume of stock brokered, resulting in brokerage commission on stocks of ¥4,492 million (down 21.7% year-on-year). Meanwhile, brokerage commission of beneficiary certificates was ¥36 million (down 51.6% year-on-year). Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Brokerage commission” decreased by ¥4 million.

(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 ¥64 million (up 83.2% year-on-year).

- (c) Fees for offering, secondary distribution and solicitation for selling and others for professional investors “Fees for offering, secondary distribution and solicitation for selling and others for professional investors,” which mainly consist of investment trust sales commissions, was ¥2,278 million (up 2.4% year-on-year). This was due to strong sales of investment trusts that invest in stocks of AI-related companies across the world, sustainable growth companies in the United States, and growth companies in Japan. In addition, “Other fees received” was ¥2,801 million (up 30.4% year-on-year) mainly due to increases in agency commission for investment trusts and commission for mutual fund wraps. Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Fees for offering, secondary distribution and solicitation for selling and others for professional investors” decreased by ¥7 million and “Other fees received” decreased by ¥48 million.
- (ii) Net trading income
During the period under review, “Net trading income” was ¥1,083 million (up 12.4% year-on-year) consisting of net trading income for stocks of ¥826 million (up 5.4% year-on-year) due to an increase in the trading volume US stocks and that for bonds and foreign exchanges of ¥257 million (up 42.9% year-on-year).
- (iii) Financial revenue and expenses
During the period under review, “Financial revenue” was ¥159 million (up 8.2% year-on-year) due to an increase in income from margin transactions, and “Financial expenses” was ¥40 million (down 28.1% year-on-year) due to a decrease in cost of margin transactions, resulting in a net profit of ¥119 million (up 30.3% year-on-year).
- (iv) Selling, general and administrative expenses
During the period under review, “Selling, general and administrative expenses” were ¥9,207 million (down 0.9% year-on-year). This was mainly attributable to a decrease in “Trading related expenses,” which was partially offset by an increase in “Real estate expenses.” Note that due to the application of the Revenue Recognition Accounting Standard, etc., “Selling, general and administrative expenses” decreased by ¥60 million.
- (v) Extraordinary income and losses
“Extraordinary losses” for the period under review totaled ¥5 million (¥5 million for the same period a year earlier), and consisted solely of “Impairment loss.”
- (2) Quarterly overview of financial position
- (i) Current assets
At the end of the period under review, “Current assets” amounted to ¥59,698 million, an increase of ¥4,454 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥5,471 million in “Cash and deposits,” ¥727 million in “Cash paid for offering,” ¥314 million in “Margin transaction assets,” and ¥116 million in “Trading products,” which were partially offset by a decrease of ¥3,192 million in “Cash segregated as deposits.”
- (ii) Non-current assets
At the end of the period under review, “Non-current assets” amounted to ¥16,228 million, a decrease of ¥440 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥426 million in “Investment securities” and ¥96 million in “Property, plant and equipment,” which were partially offset by an increase of ¥105 million in “Long-term guarantee deposits.”
- (iii) Current liabilities
At the end of the period under review, “Current liabilities” amounted to ¥31,214 million, an increase of ¥4,489 million from the end of the previous fiscal year. This was mainly attributable to an increase of ¥6,228 million in “Deposits received,” which was partially offset by decreases of ¥874 million in “Income taxes payable,” ¥594 million in “Margin transaction liabilities,” and ¥348 million in “Provision for bonuses.”

(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 ¥5,297 million, a decrease of ¥180 million from the end of the previous fiscal year. This was mainly attributable to a decrease of ¥166 million in “Provision for share awards for employees” due to the reclassification to current liabilities and a decrease of ¥42 million in “Provision for retirement benefits,” which were partially offset by an increase of ¥49 million of “Asset retirement obligations.”

(v) Net assets

At the end of the period under review, “Net assets” amounted to ¥39,414 million, a decrease of ¥295 million from the end of the previous fiscal year. This was mainly attributable to decreases of ¥1,172 million due to the payment of “Dividends of surplus,” ¥436 million in “Valuation difference on available-for-sale securities,” and ¥138 million in “Purchase of treasury shares,” which were partially offset by the recording of “Profit” of ¥1,448 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 on concern that they could rather adversely affect the investment decision of our shareholders and investors.

Instead, every quarter, we will disclose preliminary forecast figures as soon as the operating results are finalized. The disclosure of such preliminary figures is scheduled at the end of each quarter or the middle of the month immediately following the end of each fiscal year.

(4) Risk information on COVID-19 infection

If large-scale COVID-19 outbreaks were to occur at numerous branch offices or the head office, severely restricting sales operations and head office operations, it could have an impact on operating results.

However, we believe that the possibility of this risk materializing is low. Widespread vaccination has been achieved despite concerns about variants, and branch offices are able to conduct sales work from home using cell phones and tablets. The Customer Center has established a system that enables it to cover duties of offices where clusters of COVID-19 infections have been confirmed. In addition, at the head office, we have taken measures to prevent the suspension of critical operations by assigning personnel who perform the same work to different floors.

2. Quarterly non-consolidated financial statements and significant notes

(1) Quarterly non-consolidated balance sheets

	(Millions of yen)	
	Previous fiscal year (As of March 31, 2021)	Current quarter (As of December 31, 2021)
Assets		
Current assets:		
Cash and deposits	25,125	30,596
Cash segregated as deposits	16,942	13,749
Trading products:	460	577
Trading securities and other	460	573
Derivatives	0	4
Trade date accrual	-	5
Margin transaction assets:	9,685	10,000
Loans on margin transactions	9,097	9,794
Cash collateral pledged for securities borrowing on margin transactions	588	206
Cash paid for offering	1,490	2,218
Short-term guarantee deposits	648	689
Other current assets	890	1,860
Total current assets	55,243	59,698
Non-current assets:		
Property, plant and equipment:	3,508	3,411
Buildings	1,746	1,715
Other, net	1,762	1,695
Intangible assets	321	298
Investments and other assets:	12,839	12,518
Investment securities	12,065	11,638
Long-term guarantee deposits	739	845
Other	52	52
Allowance for doubtful accounts	(17)	(17)
Total non-current assets	16,669	16,228
Total assets	71,912	75,926

(Millions of yen)

	Previous fiscal year (As of March 31, 2021)	Current quarter (As of December 31, 2021)
Liabilities		
Current liabilities:		
Trade date accrual	7	–
Margin transaction liabilities:	1,248	654
Borrowings on margin transactions	426	320
Cash received for securities lending on margin transactions	822	334
Borrowings secured by securities:	1,027	1,520
Cash received on debt credit transaction of securities	1,027	1,520
Deposits received	18,856	25,085
Guarantee deposits received	733	593
Short-term borrowings	1,950	1,950
Income taxes payable	932	58
Provision for bonuses	681	332
Provision for bonuses for directors (and other officers)	–	45
Provision for share awards for employees	–	272
Asset retirement obligations	–	13
Other current liabilities	1,287	688
Total current liabilities	26,725	31,214
Non-current liabilities:		
Long-term borrowings	800	800
Deferred tax liabilities	1,760	1,745
Provision for retirement benefits	2,232	2,189
Provision for share awards for employees	166	–
Provision for share awards for directors (and other officers)	9	12
Asset retirement obligations	340	389
Other non-current liabilities	66	58
Total non-current liabilities	5,376	5,196
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	101	101
Total reserves under special laws	101	101
Total liabilities	32,203	36,512
Net assets		
Shareholders' equity:		
Share capital	12,272	12,272
Capital surplus:		
Legal capital surplus	4,294	4,294
Other capital surplus	1,969	1,969
Total capital surplus	6,264	6,264
Retained earnings:		
Other retained earnings:		
General reserve	7,247	7,247
Retained earnings brought forward	10,313	10,590
Total retained earnings	17,561	17,837
Treasury shares	(1,500)	(1,636)
Total shareholders' equity	34,597	34,738
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	5,111	4,675
Total valuation and translation adjustments	5,111	4,675
Total net assets	39,709	39,414
Total liabilities and net assets	71,912	75,926

(2) Quarterly non-consolidated statements of income

For the nine months ended December 31, 2021

(Millions of yen)

	For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)	For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)
Operating revenue		
Commission received:	10,225	9,674
Brokerage commission	5,817	4,529
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	35	64
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	2,224	2,278
Other fees received	2,148	2,801
Net trading income	964	1,083
Financial revenue	147	159
Other	27	18
Total operating revenue	11,364	10,936
Financial expenses	55	40
Net operating revenue	11,309	10,896
Selling, general and administrative expenses:		
Trading related expenses	931	830
Personnel expenses	5,236	5,230
Real estate expenses	1,101	1,167
Office expenses	1,413	1,352
Depreciation	282	303
Taxes and dues	181	175
Other	143	147
Total selling, general and administrative expenses	9,290	9,207
Operating profit	2,018	1,688
Non-operating income:		
Dividend income	226	266
Miscellaneous income	127	128
Total non-operating income	353	395
Non-operating expenses:		
Miscellaneous loss	1	12
Total non-operating expenses	1	12
Ordinary profit	2,370	2,072
Extraordinary losses:		
Provision of reserve for financial instruments transaction liabilities	1	–
Loss on sale of investment securities	1	–
Loss on valuation of investment securities	2	–
Impairment loss	5	5
Total extraordinary losses	11	5
Profit before income taxes	2,359	2,066
Income taxes - current	585	519
Income taxes - deferred	150	98
Total income taxes	736	617
Profit	1,622	1,448

(4) Notes to quarterly non-consolidated financial statements

Going concern assumption

Not applicable.

Significant changes in shareholders' equity

Not applicable.

Changes in accounting policies

1) Application of the Accounting Standard for Revenue Recognition, etc.

We have applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29; March 31, 2020; hereinafter the "Accounting Standard for Revenue Recognition"), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022. When control of a promised good or service is transferred to a customer, we recognize revenue at the amount expected to be received in exchange for the good or service. As a result, rebates and other consideration to be paid to a customer were previously accounted for as selling, general and administrative expenses, but the accounting method has been changed to the one that deducts them from the transaction price.

The application of the Accounting Standard for Revenue Recognition, etc. is pursuant to the transitional treatment set forth in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retroactive application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022, was added to or subtracted from the beginning balance of retained earnings of the first quarter of the fiscal year ending March 31, 2022, and thus the new accounting policy was applied from such beginning balance.

As a result, operating revenue, net operating revenue, and selling, general and administrative expenses each decreased by ¥60 million. There was no impact of the change on operating profit, ordinary profit, profit before income taxes, or the beginning balance of retained earnings of the fiscal year ending March 31, 2022.

2) Application of the Accounting Standard for Fair Value Measurement, etc.

We have applied the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 30; July 4, 2019; hereinafter the "Accounting Standard for Fair Value Measurement"), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022. In accordance with the transitional treatment set forth in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10; July 4, 2019), we apply the new accounting policy set forth in the Accounting Standard for Fair Value Measurement, etc. for future periods. This has no impact on the consolidated financial statements.

Changes in accounting policies

During the period under review, we have decided to relocate the head office primarily for the purposes of expanding and improving its functions, streamlining operations, and cutting expenses. Accordingly, we have shortened the useful lives of non-current assets that are unlikely to be used after the relocation, and changed the estimates of asset retirement obligations for restoring the assets to their original state.

As a result of this change, operating profit, ordinary profit, and profit before income taxes for the period under review each decreased by ¥23 million compared with those calculated under the previous method.

3. Supplemental information

(1) Commission received

(i) Commission by line item

(Millions of yen)

	For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)	For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	Year-on-year change (%)
Brokerage commission:	5,817	4,529	77.9
Stocks	[5,741]	[4,492]	78.3
Bonds	[0]	[-]	-
Beneficiary certificates	[76]	[36]	48.4
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:	35	64	183.2
Stocks	[35]	[37]	106.5
Bonds	[0]	[27]	9,166.7
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	2,224	2,278	102.4
Other fees received	2,148	2,801	130.4
Total	10,225	9,674	94.6

(ii) Commission by product

(Millions of yen)

	For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)	For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	Year-on-year change (%)
Stocks	5,783	4,538	78.5
Bonds	1	28	2,569.7
Beneficiary certificates	4,413	5,087	115.3
Other	27	20	73.7
Total	10,225	9,674	94.6

(2) Net trading income

(Millions of yen)

	For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)	For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)	Year-on-year change (%)
Stocks, etc.	784	826	105.4
Bonds, foreign exchange, etc.:	180	257	142.9
Bonds, etc.	[98]	[149]	151.7
Foreign exchange, etc.	[81]	[107]	132.3
Total	964	1,083	112.4

(3) Stock trading volume (excluding futures trading)

(Millions of shares, Millions of yen)

	For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)		For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total:	473	935,688	339	793,126	71.8	84.8
Brokerage	[468]	[870,820]	[336]	[726,892]	[71.9]	[83.5]
Dealing	[5]	[64,867]	[3]	[66,234]	[62.5]	[102.1]
Brokerage (%)	98.9	93.1	99.1	91.6	-	
Exchange participation share (%)	0.07	0.07	0.05	0.05		
Brokerage commission per stock on client transaction (yen)	12.26		13.35			

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

(Thousands of shares, Millions of yen)

	For the nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)		For the nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021)		Year-on-year change (%)	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Underwriting:						
Stock (Number of shares)		1,599		1,884		117.8
Stock (Amount)		1,930		2,083		107.9
Bond (Face value)		150		2,150		1,433.3
Beneficiary certificates (Amount)		-		-		-
Commercial paper & foreign securities (Face value)		-		-		-
Offering and secondary distribution						
Stock (Number of shares)		1,835		1,754		95.6
Stock (Amount)		2,214		1,793		81.0
Bond (Face value)		45		2,020		4,488.9
Beneficiary certificates (Amount)		314,613		279,049		88.7
Commercial paper & foreign securities (Face value)		-		-		-

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

(5) Capital adequacy ratio

(Millions of yen unless otherwise indicated)

		Previous fiscal year (As of March 31, 2021)	Current quarter (As of December 31, 2021)
Basic items (A)		33,946	34,738
Complementary items	Valuation difference on available-for-sale securities	5,111	4,675
	Reserve for financial instruments transaction liabilities	101	101
	Total (B)	5,213	4,777
Deductible assets (C)		5,342	5,418
Unfixed equity capital (A) + (B) - (C) (D)		33,817	34,097
Risk items	Market risk	1,531	1,473
	Counterparty risk	413	655
	Basic risk	2,905	3,035
	Total (E)	4,850	5,164
Capital adequacy ratio (%) (D) / (E) × 100		697.1	660.2

Note: The number of treasury shares, which was to be deducted from the calculation of basic items, 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.

(6) Quarterly trends of operating results

(Millions of yen)

	Previous fiscal year		Current fiscal year		
	3rd quarter (Oct. 1, 2020 - Dec. 31, 2020)	4th quarter (Jan. 1, 2021 - Mar. 31, 2021)	1st quarter (Apr. 1, 2021 - Jun. 30, 2021)	2nd quarter (Jul. 1, 2021 - Sep. 30, 2021)	3rd quarter (Oct. 1, 2021 - Dec. 31, 2021)
Operating revenue:					
Commission received	3,603	3,666	3,177	3,233	3,263
Net trading income	214	275	279	365	438
Financial revenue	53	51	52	55	52
Other	9	9	6	6	6
Total operating revenue	3,880	4,001	3,514	3,661	3,760
Financial expenses	20	15	14	13	12
Net operating revenue	3,860	3,985	3,500	3,647	3,748
Selling, general and administrative expenses:					
Trading related expenses	346	399	287	276	265
Personnel expenses	1,746	1,720	1,754	1,740	1,734
Real estate expenses	367	369	412	358	395
Office expenses	466	492	455	438	459
Depreciation	95	97	86	94	122
Taxes and dues	50	48	77	49	49
Other	45	60	49	53	44
Total selling, general and administrative expenses	3,116	3,187	3,124	3,011	3,072
Operating Profit	743	798	376	636	676
Non-operating income	148	50	205	43	146
Non-operating expenses	1	12	0	11	1
Ordinary profit	891	836	581	668	821
Extraordinary income:					
Reversal of reserve for financial instruments transaction liabilities	(0)	—	—	—	—
Total extraordinary income	(0)	—	—	—	—
Extraordinary losses:					
Provision of reserve for financial instruments transaction liabilities	1	1	—	—	—
Loss on sale of investment securities	1	72	—	—	—
Loss on valuation of investment securities	—	241	—	—	—
Impairment loss	—	—	5	—	—
Settlement package	—	32	—	—	—
Total extraordinary losses	2	348	5	—	—
Profit before income taxes	887	487	576	668	821
Income taxes - current	170	379	3	360	155
Income taxes - deferred	115	(136)	125	(155)	129
Total income taxes	285	242	128	204	284
Profit	602	245	447	463	537