

October 30, 2023



## Summary of Consolidated Financial Statements for the Six Months Ended September 30, 2023 Under Japanese GAAP

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Preparation of supplemental explanatory documents: Yes

Holding of quarterly presentation meeting: No

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023)

(Amounts are rounded down to the nearest millions of yen)

#### (1) Consolidated operating results

(Percentage figures represent year-on-year changes)

	Operating revenues		Net operating revenues		Operating income		Ordinary income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Six months ended								
September 30, 2023	278,398	38.8	165,861	20.3	23,976	112.2	25,551	113.2
September 30, 2022	200,635	(6.0)	137,829	(23.4)	11,297	(75.7)	11,984	(74.0)
(Note) Comprehensive income:								
	September 30, 2023		74,577 million yen		(235.0%)			
	September 30, 2022		22,260 million yen		(-36.9%)			

	Net income attributable to owners of parent		Net income per share	Net income per share
	millions of yen	%	Yen	Yen
Six months ended				
September 30, 2023	42,894	226.4	36.47	—
September 30, 2022	13,142	(63.3)	16.23	—

#### (2) Consolidated financial positions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
September 30, 2023	24,608,131	778,443	3.1
March 31, 2023	19,240,493	703,632	3.6

Reference: Equity (i.e. "Shareholders' equity" and "Accumulated other comprehensive income"):

September 30, 2023	772,750 million yen
March 31, 2023	698,586 million yen

### 2. Notes

- (1) Changes in significant subsidiaries (changes in specified subsidiaries accompanying changes in the scope of consolidation) during the period: None
- (2) Application of specific accounting methods in the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, estimates and restatements:
  - 1) Changes in accounting policies in accordance with revisions of accounting standards: None
  - 2) Changes other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Restatements: None

(4) Number of outstanding shares (common stock)

1) Number of shares issued at end of the period (including treasury stock):

September 30, 2023:	2,015,102,652 shares
March 31, 2023:	2,015,102,652 shares

2) Number of treasury stock at end of the period:

September 30, 2023:	838,827,458 shares
March 31, 2023:	838,827,458 shares

3) Average number of outstanding shares for the six months:

Six Months Ended September 30, 2023	1,176,275,194 shares
Six Months Ended September 30, 2022	809,890,926 shares

\* Other important matters

Not applicable

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## 1. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and bank deposits	1,089,882	1,046,062
Cash segregated as deposits for customers and others	465,730	512,523
Trading assets	10,138,644	14,136,111
Trading securities and others	3,119,074	4,528,304
Loans receivable	1,881	—
Derivatives	7,017,687	9,607,806
Receivables - unsettled trades	12,421	—
Operating investment securities	91,193	100,925
Operating loans receivable	10,313	9,060
Receivables related to margin transactions	25,742	27,743
Loans receivable under margin transactions	24,237	24,688
Cash collateral for borrowed securities under margin transactions	1,505	3,055
Collateralized short-term financing agreements - receivable	6,424,132	7,492,776
Deposits paid for securities borrowed	1,741,151	1,662,822
Securities purchased under agreements to resell	4,682,980	5,829,953
Advances paid	704	780
Short-term guarantee deposits	536,334	726,541
Securities: fail to deliver	27,917	107,780
Short-term loans receivable	137	147
Securities	263	234
Other current assets	115,221	118,558
Less: Allowance for doubtful accounts	(773)	(1,041)
Total current assets	18,937,866	24,278,206
Noncurrent assets		
Property and equipment	25,099	25,365
Intangible assets	56,338	58,898
Investments and other assets	221,189	245,661
Investment securities	120,167	128,101
Long-term guarantee deposits	13,811	13,263
Net defined benefit asset	36,270	36,951
Deferred tax assets	42,138	59,391
Other	12,278	11,507
Less: Allowance for doubtful accounts	(3,476)	(3,553)
Total noncurrent assets	302,627	329,924
<b>Total assets</b>	<b>19,240,493</b>	<b>24,608,131</b>

(Millions of yen)

As of March 31, 2023 As of September 30, 2023

<b>Liabilities</b>		
	As of March 31, 2023	As of September 30, 2023
<b>Current liabilities</b>		
Trading liabilities	9,333,285	12,387,067
Trading securities and others	2,595,028	3,075,192
Derivatives	6,738,257	9,311,875
Payables - unsettled trades	—	881,948
Payables related to margin transactions	37,624	32,621
Borrowings on margin transactions	3,763	6,528
Cash collateral for loaned securities under margin transactions	33,860	26,093
Collateralized short-term financing agreements - payable	4,789,407	5,732,581
Deposits received for securities loaned	684,898	960,391
Securities sold under agreements to repurchase	4,104,509	4,772,189
Deposits received	385,790	513,721
Guarantee deposits received	330,315	395,164
Securities: fail to receive	54,458	120,158
Variation margin received	1,052	6,279
Short-term borrowings	1,106,768	1,354,033
Commercial paper	436,000	431,000
Bonds and notes due within one year	367,153	266,501
Income taxes payable	3,737	4,183
Accrued employees' bonuses	26,745	18,393
Provision for variable compensation	401	188
Other current liabilities	176,106	176,080
<b>Total current liabilities</b>	<b>17,048,846</b>	<b>22,319,924</b>
<b>Noncurrent liabilities</b>		
Bonds and notes	729,615	687,344
Long-term borrowings	724,100	789,700
Lease obligations	3,209	3,323
Provision for directors' retirement benefits	70	69
Provision for executive officers' retirement benefits	59	52
Net defined benefit liability	22,130	21,482
Provision for loss on head office transfer	923	504
Other noncurrent liabilities	4,553	3,933
<b>Total noncurrent liabilities</b>	<b>1,484,661</b>	<b>1,506,410</b>
<b>Statutory reserves</b>		
Reserve for financial instruments transaction liabilities	3,352	3,352
<b>Total statutory reserves</b>	<b>3,352</b>	<b>3,352</b>
<b>Total liabilities</b>	<b>18,536,861</b>	<b>23,829,687</b>

(Millions of yen)

As of March 31, 2023 As of September 30, 2023

	As of March 31, 2023	As of September 30, 2023
<b>Net assets</b>		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	383,836	383,836
Retained earnings	458,848	501,976
Treasury stock	(257,520)	(257,520)
Total shareholders' equity	<u>710,331</u>	<u>753,459</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on (operating) investment securities, net of tax, etc.	18,700	22,864
Foreign currency translation adjustments	(35,355)	(7,881)
Remeasurement of defined benefit plans	4,909	4,308
Total accumulated other comprehensive income (loss)	<u>(11,744)</u>	<u>19,290</u>
Non-controlling interests	<u>5,045</u>	<u>5,692</u>
<b>Total net assets</b>	<u>703,632</u>	<u>778,443</u>
<b>Total liabilities and net assets</b>	<u>19,240,493</u>	<u>24,608,131</u>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statements of Income  
For the six months ended September 30, 2022 and 2023

	(Millions of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenues		
Commissions	75,805	95,818
Brokerage commissions	14,974	18,392
Underwriting and selling fees, and commissions from solicitation to qualifying investors	11,902	21,156
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	14,886	17,684
Other commissions and fees	34,041	38,584
Net gain on trading	46,863	57,582
Net gain on operating investment securities	1,165	1,126
Interest and dividend income	76,800	123,870
Total operating revenues	200,635	278,398
Interest expenses	62,805	112,536
Net operating revenues	137,829	165,861
Selling, general and administrative expenses	126,532	141,885
Transaction-related expenses	22,232	24,129
Personnel expenses	56,641	62,828
Real estate expenses	15,924	19,430
Administrative expenses	15,680	18,698
Depreciation and amortization	11,827	10,454
Taxes and dues	2,362	3,720
Provision of allowance for doubtful accounts	125	343
Other	1,737	2,279
Operating income	11,297	23,976
Non-operating income	2,112	1,705
Non-operating expenses	1,425	130
Ordinary income	11,984	25,551
Extraordinary gain	301	2,031
Gain on sales of investment securities	114	560
Gain on sales of shares of subsidiaries and affiliates	—	585
Gain on change in equity	—	884
Reversal of reserve for financial instruments transaction liabilities	1	—
Other	185	0
Extraordinary loss	8,888	1,336
Loss on sales of noncurrent assets	—	101
Loss on disposal of noncurrent assets	18	214
Head office transfer cost	968	669
Loss on cancellation of system agreement	—	293
Loss related to system migration	7,865	—
Other	35	57
Income before income taxes and non-controlling interests	3,397	26,245
Income taxes - current	(2,015)	2,130
Income taxes - deferred	(7,815)	(18,791)
Total income taxes	(9,831)	(16,660)
Net income	13,228	42,906
Net income attributable to non-controlling interests	86	11
Net income attributable to owners of parent	13,142	42,894

Quarterly Consolidated Statements of Comprehensive Income  
For the six months ended September 30, 2022 and 2023

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net income	13,228	42,906
Other comprehensive income		
Net unrealized gains (losses) on (operating) investment securities, net of tax, etc.	(2,988)	4,164
Foreign currency translation adjustments	12,745	28,008
Remeasurement of defined benefit plans	(722)	(602)
Share in other comprehensive income of affiliates accounted for using equity method	(2)	100
Total other comprehensive income	9,031	31,670
Comprehensive income	22,260	74,577
(Breakdown)		
Attributable to:		
Owners of parent	21,314	73,930
Non-controlling interests	946	647



**(3) Note on the going-concern assumption**

Not applicable

**(4) Note on material changes in shareholders' equity**

Not applicable

**2. Supplemental Information****(1) Commissions****1) Breakdown by items**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	14,974	18,392	3,417	22.8
Equities	14,187	17,629	3,441	24.3
Bonds	522	552	30	5.8
Underwriting and selling fees, and commissions from solicitation to qualifying investors	11,902	21,156	9,253	77.7
Equities	2,315	8,329	6,014	259.8
Bonds	9,382	12,664	3,281	35.0
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	14,886	17,684	2,798	18.8
Other commissions and fees	34,041	38,584	4,543	13.3
<b>Total</b>	<b>75,805</b>	<b>95,818</b>	<b>20,013</b>	<b>26.4</b>

**2) Breakdown by instruments**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	19,627	29,418	9,791	49.9
Bonds	13,996	20,276	6,279	44.9
Beneficiary certificates	25,014	25,855	841	3.4
Others	17,167	20,267	3,100	18.1
<b>Total</b>	<b>75,805</b>	<b>95,818</b>	<b>20,013</b>	<b>26.4</b>

**(2) Net gain on trading**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	10,382	(7,589)	(17,971)	—
Bonds, etc. and others	36,480	65,171	28,690	78.6
<b>Total</b>	<b>46,863</b>	<b>57,582</b>	<b>10,719</b>	<b>22.9</b>

**(3) Capital adequacy requirement ratio****1) Consolidated base**

(Millions of yen)

		As of March 31, 2023	As of September 30, 2023
Basic items (A)		680,022	751,271
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	23,610	27,172
	Reserve for financial instruments transaction liabilities, etc.	3,352	3,352
	Allowance for doubtful accounts	65	63
	Subordinated long-term borrowings	300,000	245,200
	Subordinated short-term borrowings	234,000	288,800
Total (B)		561,028	564,588
Deducted assets (C)		294,652	322,777
Equity after deduction (A) + (B) - (C) (D)		946,399	993,081
Amount equivalent to risk	Amount equivalent to market risk	166,010	179,938
	Amount equivalent to counterparty risk	68,090	70,410
	Amount equivalent to fundamental risk	76,546	85,430
	Total (E)	310,647	335,779
Consolidated capital adequacy requirement ratio (D)/(E) * 100		304.6%	295.7%

**2) Non-consolidated base**

(Millions of yen)

		As of March 31, 2023	As of September 30, 2023
Basic items (A)		669,587	707,425
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	9,811	13,915
	Reserve for financial instruments transaction liabilities, etc.	3,352	3,352
	Allowance for doubtful accounts	60	60
	Subordinated long-term borrowings	300,000	245,200
	Subordinated short-term borrowings	234,000	288,800
Total (B)		547,224	551,328
Deducted assets (C)		506,166	517,351
Equity after deduction (A) + (B) - (C) (D)		710,644	741,402
Amount equivalent to risk	Amount equivalent to market risk	145,788	143,675
	Amount equivalent to counterparty risk	52,376	52,132
	Amount equivalent to fundamental risk	69,916	73,605
	Total (E)	268,081	269,413
Capital adequacy requirement ratio (D)/(E) * 100		265.0%	275.1%

**(4) Quarterly Consolidated Statements of Income**

(Millions of yen)

	Second quarter ended September 2022 Jul. 1, 2022 - Sep. 30, 2022	Third quarter ended December 2022 Oct. 1, 2022 - Dec. 31, 2022	Fourth quarter ended March 2023 Jan. 1, 2023 - Mar. 31, 2023	First quarter ended June 2023 Apr. 1, 2023 - Jun. 30, 2023	Second quarter ended September 2023 Jul. 1, 2023 - Sep. 30, 2023
Operating revenues	113,010	99,856	124,485	132,008	146,390
Commissions	39,712	39,932	45,346	47,446	48,372
Brokerage commissions	7,395	6,770	8,000	9,177	9,215
Equities	6,994	6,467	7,537	8,809	8,820
Bonds	278	194	358	262	290
Underwriting and selling fees, and commissions from solicitation to qualifying investors	6,564	9,143	7,978	9,933	11,223
Equities	1,621	2,621	4,271	4,340	3,989
Bonds	4,818	6,499	3,492	5,484	7,179
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	6,777	6,252	8,541	8,471	9,213
Other commissions and fees	18,974	17,765	20,825	19,864	18,720
Net gain on trading	23,552	22,577	22,622	32,073	25,508
Equities, etc.	11,910	(6,409)	8,936	(7,371)	(217)
Bonds, etc. and others	11,641	28,987	13,686	39,445	25,725
Net gain (loss) on operating investment	49	1,556	(563)	465	661
Interest and dividend income	49,695	35,790	57,078	52,022	71,847
Interest expenses	40,319	32,920	48,634	50,603	61,933
Net operating revenues	72,690	66,936	75,850	81,404	84,456
Selling, general and administrative expenses	65,951	63,803	73,656	71,241	70,644
Transaction-related expenses	11,467	10,575	12,269	12,706	11,423
Personnel expenses	30,109	27,988	32,062	29,583	33,245
Real estate expenses	8,588	8,990	9,069	10,006	9,424
Administrative expenses	7,617	7,661	10,018	9,090	9,608
Depreciation and amortization	6,448	6,318	6,515	5,111	5,342
Taxes and dues	888	1,306	2,093	3,220	499
Other	830	960	1,628	1,521	1,101
Operating income	6,738	3,132	2,193	10,163	13,812
Non-operating income	1,081	143	765	839	866
Non-operating expenses	782	1,073	3,525	227	(97)
Ordinary income (loss)	7,037	2,202	(565)	10,775	14,775
Extraordinary gain	240	3,786	5,114	1,897	133
Extraordinary loss	6,798	2,599	34,856	461	875
Income (loss) before income taxes and non- controlling interests	478	3,388	(30,307)	12,211	14,033
Income taxes - current	3	3,149	1,125	27,544	(25,414)
Income taxes - deferred	(533)	(2,996)	(21,573)	(43,543)	24,751
Net income (loss)	1,008	3,235	(9,859)	28,210	14,696
Net income (loss) attributable to non- controlling interests	52	(41)	65	2	9
Net income (loss) attributable to owners of parent	956	3,277	(9,925)	28,207	14,687

### 3. (Reference) Quarterly Non-consolidated Financial Statements

#### (1) (Reference) Quarterly Non-consolidated Balance Sheets

(Millions of yen)

As of March 31, 2023 As of September 30, 2023

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and bank deposits	866,603	915,251
Cash segregated as deposits for customers and others	462,232	508,523
Trading assets	6,430,652	9,663,915
Trading securities and others	2,289,857	3,260,983
Derivatives	4,140,795	6,402,932
Operating investment securities	90,676	100,251
Operating loans receivable	9,611	8,358
Receivables related to margin transactions	25,742	27,743
Loans receivable under margin transactions	24,237	24,688
Cash collateral for borrowed securities under margin transactions	1,505	3,055
Collateralized short-term financing agreements - receivable	4,722,172	5,516,656
Deposits paid for securities borrowed	1,741,151	1,662,822
Securities purchased under agreements to resell	2,981,021	3,853,833
Advances paid	1,372	151
Short-term guarantee deposits	470,417	630,921
Securities: fail to deliver	30,155	—
Short-term loans receivable	7,881	11,581
Other current assets	93,009	87,776
Less: Allowance for doubtful accounts	(64)	(334)
Total current assets	13,210,463	17,470,796
Noncurrent assets		
Property and equipment	16,992	16,552
Intangible assets	44,747	44,456
Investments and other assets	458,184	470,602
Investment securities	347,632	352,028
Long-term guarantee deposits	13,284	12,674
Prepaid pension cost	29,253	30,663
Deferred tax assets	50,017	67,545
Other	21,480	11,243
Less: Allowance for doubtful accounts	(3,483)	(3,553)
Total noncurrent assets	519,924	531,610
<b>Total assets</b>	<b>13,730,388</b>	<b>18,002,407</b>

(Millions of yen)

As of March 31, 2023 As of September 30, 2023

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Trading liabilities	5,918,952	8,412,688
Trading securities and others	2,018,408	2,286,327
Derivatives	3,900,543	6,126,360
Payables - unsettled trades	36,516	800,026
Payables related to margin transactions	37,624	32,621
Borrowings on margin transactions	3,763	6,528
Cash collateral for loaned securities under margin transactions	33,860	26,093
Collateralized short-term financing agreements - payable	3,318,666	3,934,360
Deposits received for securities loaned	684,898	960,391
Securities sold under agreements to repurchase	2,633,768	2,973,969
Deposits received	385,028	513,253
Guarantee deposits received	191,053	291,805
Securities: fail to receive	1,018	1,290
Variation margin received	1,052	6,489
Short-term borrowings	957,701	1,186,739
Commercial paper	436,000	431,000
Bonds and notes due within one year	303,842	194,782
Income taxes payable	3,624	4,259
Accrued employees' bonuses	15,390	9,813
Provision for variable compensation	401	188
Other current liabilities	48,800	43,433
Total current liabilities	<u>11,655,671</u>	<u>15,862,754</u>
Noncurrent liabilities		
Bonds and notes	641,254	600,399
Long-term borrowings	724,100	789,700
Provision for retirement benefits	21,790	21,150
Provision for loss on head office transfer	923	504
Other noncurrent liabilities	3,895	3,203
Total noncurrent liabilities	<u>1,391,964</u>	<u>1,414,958</u>
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,352	3,352
Total statutory reserves	<u>3,352</u>	<u>3,352</u>
<b>Total liabilities</b>	<u>13,050,989</u>	<u>17,281,066</u>
<b>Net assets</b>		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	407,071	407,071
Retained earnings	394,868	432,706
Treasury stock	(257,520)	(257,520)
Total shareholders' equity	<u>669,587</u>	<u>707,425</u>
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax, etc.	19,610	23,737
Net deferred gains or losses on hedges, net of tax	(9,798)	(9,822)
Total valuation and translation adjustments	<u>9,811</u>	<u>13,915</u>
<b>Total net assets</b>	<u>679,398</u>	<u>721,341</u>
<b>Total liabilities and net assets</b>	<u>13,730,388</u>	<u>18,002,407</u>

**(2) (Reference) Quarterly Non-consolidated Statements of Income**

For the six months ended September 30, 2022 and 2023

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenues		
Commissions	67,554	82,686
Net gain on trading	49,734	51,390
Net gain on operating investment securities	930	1,004
Interest and dividend income	67,308	80,314
Total operating revenues	185,527	215,396
Interest expenses	55,482	77,906
Net operating revenues	130,044	137,490
Selling, general and administrative expenses	114,065	117,207
Transaction-related expenses	29,148	22,320
Personnel expenses	41,109	43,751
Real estate expenses	12,444	15,196
Administrative expenses	20,008	23,193
Depreciation and amortization	7,736	7,179
Taxes and dues	2,237	3,642
Provision of allowance for doubtful accounts	130	340
Other	1,250	1,583
Operating income	15,978	20,282
Non-operating income	1,366	777
Non-operating expenses	71	300
Ordinary income	17,273	20,759
Extraordinary gain	301	894
Gain on sales of investment securities	114	584
Gain on sales of shares of subsidiaries and affiliates	—	71
Gain on liquidation of subsidiaries and affiliates	—	239
Reversal of reserve for financial instruments transaction liabilities	1	—
Other	185	—
Extraordinary loss	9,171	1,204
Loss on disposal of noncurrent assets	18	214
Head office transfer cost	968	672
Loss on cancellation of system agreement	—	293
Loss related to system migration	8,147	—
Other	35	23
Income before income taxes	8,404	20,450
Income taxes - current	(2,136)	1,965
Income taxes - deferred	(7,965)	(19,352)
Total income taxes	(10,102)	(17,387)
Net income	18,507	37,837