

July 30, 2024



Summary of Consolidated Financial Statements for the Three Months Ended June 30, 2024 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 Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(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	%
Three months ended								
June 30, 2024	177,120	34.2	93,871	15.3	21,217	108.8	21,650	100.9
June 30, 2023	132,008	50.7	81,404	25.0	10,163	122.9	10,775	117.8
(Note) Comprehensive income:								
June 30, 2024			35,876 million yen		(-34.5%)			
June 30, 2023			54,735 million yen		(169.9%)			

	Net income attributable to owners of parent		Net income per share	Net income per share
	millions of yen	%	per share	- fully diluted
Three months ended			Yen	Yen
June 30, 2024	17,924	(36.5)	12.60	—
June 30, 2023	28,207	131.5	23.98	—

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
June 30, 2024	26,496,945	995,745	3.7
March 31, 2024	23,105,316	909,858	3.9

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

June 30, 2024	989,151 million yen
March 31, 2024	903,736 million yen

2. Notes

- (1) Significant 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):

June 30, 2024:	2,015,102,652 shares
March 31, 2024:	2,015,102,652 shares

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

June 30, 2024:	566,797,204 shares
March 31, 2024:	644,196,585 shares

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

Three Months Ended June 30, 2024	1,422,505,654 shares
Three Months Ended June 30, 2023	1,176,275,194 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and bank deposits	821,722	1,376,159
Cash segregated as deposits for customers and others	533,915	586,224
Trading assets	11,826,233	14,030,908
Trading securities and others	4,383,698	5,079,720
Derivatives	7,442,534	8,951,187
Operating investment securities	97,890	98,515
Operating loans receivable	7,705	5,789
Receivables related to margin transactions	26,188	30,523
Loans receivable under margin transactions	23,934	29,278
Cash collateral for borrowed securities under margin transactions	2,254	1,244
Collateralized short-term financing agreements - receivable	8,346,602	8,810,899
Deposits paid for securities borrowed	2,171,511	2,046,710
Securities purchased under agreements to resell	6,175,091	6,764,189
Advances paid	2,893	3,665
Short-term guarantee deposits	769,963	842,105
Securities: fail to deliver	80,541	70,616
Variation margin paid	—	9,258
Short-term loans receivable	196	189
Securities	274	279
Other current assets	149,522	181,826
Less: Allowance for doubtful accounts	(997)	(998)
Total current assets	22,662,651	26,045,964
Noncurrent assets		
Property and equipment	27,671	27,751
Intangible assets	62,675	62,945
Investments and other assets	352,310	360,232
Investment securities	216,542	216,610
Long-term guarantee deposits	12,826	12,207
Net defined benefit asset	46,894	47,197
Deferred tax assets	69,057	77,652
Other	10,402	10,009
Less: Allowance for doubtful accounts	(3,412)	(3,445)
Total noncurrent assets	442,656	450,929
Deferred assets	8	50
Total assets	23,105,316	26,496,945

(Millions of yen)

As of March 31, 2024

As of June 30, 2024

Liabilities

	As of March 31, 2024	As of June 30, 2024
Current liabilities		
Trading liabilities	10,180,626	11,726,636
Trading securities and others	2,996,687	3,061,924
Derivatives	7,183,939	8,664,711
Payables - unsettled trades	147,160	116,163
Payables related to margin transactions	31,028	21,148
Borrowings on margin transactions	10,173	2,046
Cash collateral for loaned securities under margin transactions	20,854	19,102
Collateralized short-term financing agreements - payable	6,950,213	8,474,240
Deposits received for securities loaned	1,287,886	1,141,041
Securities sold under agreements to repurchase	5,662,326	7,333,199
Deposits received	446,651	596,707
Guarantee deposits received	421,172	489,115
Securities: fail to receive	57,935	48,032
Variation margin received	4,687	—
Short-term borrowings	1,519,062	1,421,750
Commercial paper	476,000	619,000
Bonds and notes due within one year	151,041	113,928
Income taxes payable	4,829	9,221
Accrued employees' bonuses	34,837	17,403
Provision for variable compensation	377	450
Other current liabilities	190,759	209,080
Total current liabilities	20,616,384	23,862,882
Noncurrent liabilities		
Bonds and notes	731,697	791,254
Long-term borrowings	809,400	809,400
Lease obligations	3,139	3,315
Provision for directors' retirement benefits	82	37
Provision for executive officers' retirement benefits	60	58
Net defined benefit liability	20,282	20,000
Provision for loss on head office transfer	802	730
Provision for loss related to entrusted business	5,733	5,733
Other noncurrent liabilities	4,095	4,015
Total noncurrent liabilities	1,575,292	1,634,544
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,781	3,772
Total statutory reserves	3,781	3,772
Total liabilities	22,195,458	25,501,199

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	411,084	437,323
Retained earnings	527,963	545,887
Treasury stock	(197,768)	(174,006)
Total shareholders' equity	866,447	934,371
Accumulated other comprehensive income		
Net unrealized gains on (operating) investment securities, net of tax, etc.	25,063	24,267
Foreign currency translation adjustments	35	18,674
Remeasurement of defined benefit plans	12,189	11,837
Total accumulated other comprehensive income	37,288	54,779
Non-controlling interests	6,122	6,594
Total net assets	909,858	995,745
Total liabilities and net assets	23,105,316	26,496,945

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income
For the three months ended June 30, 2023 and 2024

	(Millions of yen)	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Operating revenues		
Commissions	47,446	54,222
Brokerage commissions	9,177	9,425
Underwriting and selling fees, and commissions from solicitation to qualifying investors	9,933	10,052
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	8,471	10,185
Other commissions and fees	19,864	24,559
Net gain on trading	32,073	41,273
Net gain (loss) on operating investment securities	465	(582)
Interest and dividend income	52,022	82,205
Total operating revenues	132,008	177,120
Interest expenses	50,603	83,248
Net operating revenues	81,404	93,871
Selling, general and administrative expenses	71,241	72,653
Transaction-related expenses	12,706	12,229
Personnel expenses	29,583	33,547
Real estate expenses	10,006	10,737
Administrative expenses	9,090	10,783
Depreciation and amortization	5,111	5,939
Taxes and dues	3,220	2,110
Provision of allowance for doubtful accounts	328	33
Other	1,193	(2,728)
Operating income	10,163	21,217
Non-operating income	839	7,767
Non-operating expenses	227	7,334
Ordinary income	10,775	21,650
Extraordinary gain	1,897	81
Gain on sales of investment securities	427	64
Gain on sales of shares of subsidiaries and affiliates	585	—
Gain on change in equity	884	—
Reversal of reserve for financial instruments transaction liabilities	—	8
Other	0	8
Extraordinary loss	461	685
Loss on sales of noncurrent assets	—	95
Loss on disposal of noncurrent assets	12	102
Head office transfer cost	437	443
Other	11	43
Income before income taxes and non-controlling interests	12,211	21,047
Income taxes - current	27,544	11,153
Income taxes - deferred	(43,543)	(8,082)
Total income taxes	(15,998)	3,070
Net income	28,210	17,976
Net income attributable to non-controlling interests	2	52
Net income attributable to owners of parent	28,207	17,924

Quarterly Consolidated Statements of Comprehensive Income
For the three months ended June 30, 2023 and 2024

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net income	28,210	17,976
Other comprehensive income		
Net unrealized gains (losses) on (operating) investment securities, net of tax, etc.	3,155	(795)
Foreign currency translation adjustments	23,680	18,899
Remeasurement of defined benefit plans	(358)	(352)
Share in other comprehensive income of affiliates accounted for using equity method	47	148
Total other comprehensive income	26,525	17,899
Comprehensive income	54,735	35,876
(Breakdown)		
Attributable to:		
Owners of parent	54,276	35,415
Non-controlling interests	458	461

(3) Note on the going-concern assumption

Not applicable

(4) Note on material changes in shareholders' equity

The Company disposed of 77,399,381 shares of treasury stock through a third-party allotment on May 20, 2024 based on resolutions of Extraordinary General Meeting of Shareholders on May 9, 2024. Accordingly, the capital surplus increased by 26,238 million yen and the treasury stock decreased by 23,761 million yen. As a result, the balances of capital surplus and treasury stock as of June 30, 2024 were 437,323 million yen and 174,006 million yen respectively.

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

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/(Decrease)	
			Amount	Percentage (%)
Brokerage commissions	9,177	9,425	248	2.7
Equities	8,809	9,019	210	2.4
Bonds	262	89	(172)	(65.8)
Underwriting and selling fees, and commissions from solicitation to qualifying investors	9,933	10,052	119	1.2
Equities	4,340	1,681	(2,658)	(61.3)
Bonds	5,484	8,244	2,760	50.3
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	8,471	10,185	1,713	20.2
Other commissions and fees	19,864	24,559	4,694	23.6
Total	47,446	54,222	6,776	14.3

2) Breakdown by instruments

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/(Decrease)	
			Amount	Percentage (%)
Equities	15,036	12,447	(2,588)	(17.2)
Bonds	9,703	14,034	4,330	44.6
Beneficiary certificates	11,965	14,285	2,319	19.4
Others	10,740	13,455	2,714	25.3
Total	47,446	54,222	6,776	14.3

(2) Net gain on trading

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024	Increase/(Decrease)	
			Amount	Percentage (%)
Equities, etc.	(7,371)	1,397	8,769	—
Bonds, etc. and others	39,445	39,876	430	1.1
Total	32,073	41,273	9,200	28.7

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

(Millions of yen)

		As of March 31, 2024	As of June 30, 2024
Basic items (A)		872,605	959,640
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	37,253	36,105
	Reserve for financial instruments transaction liabilities, etc.	3,781	3,772
	Allowance for doubtful accounts	19	21
	Subordinated long-term borrowings	245,200	174,400
	Subordinated short-term borrowings	288,800	399,600
Total (B)		575,054	613,900
Deducted assets (C)		426,591	441,633
Equity after deduction (A) + (B) - (C) (D)		1,021,068	1,131,906
Amount equivalent to risk	Amount equivalent to market risk	184,336	204,518
	Amount equivalent to counterparty risk	81,575	75,051
	Amount equivalent to fundamental risk	93,279	97,065
	Total (E)	359,192	376,635
Consolidated capital adequacy requirement ratio (D)/(E) * 100		284.2%	300.5%

2) Non-consolidated base

(Millions of yen)

		As of March 31, 2024	As of June 30, 2024
Basic items (A)		817,539	880,557
Supplemental items	Net unrealized gains on (operating) investment securities, net of tax, etc.	16,158	15,350
	Reserve for financial instruments transaction liabilities, etc.	3,781	3,772
	Allowance for doubtful accounts	8	9
	Subordinated long-term borrowings	245,200	174,400
	Subordinated short-term borrowings	288,800	399,600
Total (B)		553,948	593,132
Deducted assets (C)		615,297	625,489
Equity after deduction (A) + (B) - (C) (D)		756,190	848,201
Amount equivalent to risk	Amount equivalent to market risk	146,322	167,752
	Amount equivalent to counterparty risk	62,571	49,438
	Amount equivalent to fundamental risk	77,377	80,504
	Total (E)	286,271	297,694
Capital adequacy requirement ratio (D)/(E) * 100		264.1%	284.9%

(4) Quarterly Consolidated Statements of Income

(Millions of yen)

	First quarter ended June 2023	Second quarter ended September 2023	Third quarter ended December 2023	Fourth quarter ended March 2024	First quarter ended June 2024
	Apr. 1, 2023 - Jun. 30, 2023	Jul. 1, 2023 - Sep. 30, 2023	Oct. 1, 2023 - Dec. 31, 2023	Jan. 1, 2024 - Mar. 31, 2024	Apr. 1, 2024 - Jun. 30, 2024
Operating revenues	132,008	146,390	145,052	182,488	177,120
Commissions	47,446	48,372	50,935	53,910	54,222
Brokerage commissions	9,177	9,215	8,786	12,179	9,425
Equities	8,809	8,820	8,379	11,714	9,019
Bonds	262	290	304	361	89
Underwriting and selling fees, and commissions from solicitation to qualifying investors	9,933	11,223	13,031	8,408	10,052
Equities	4,340	3,989	8,903	3,844	1,681
Bonds	5,484	7,179	3,872	4,425	8,244
Offering, selling, and other commissions and fees, and commissions from solicitation to qualifying investors	8,471	9,213	8,070	9,590	10,185
Other commissions and fees	19,864	18,720	21,047	23,732	24,559
Net gain on trading	32,073	25,508	29,091	25,899	41,273
Equities, etc.	(7,371)	(217)	12,183	(11,320)	1,397
Bonds, etc. and others	39,445	25,725	16,908	37,220	39,876
Net gain (loss) on operating investment securities	465	661	1,509	3,397	(582)
Interest and dividend income	52,022	71,847	63,516	99,280	82,205
Interest expenses	50,603	61,933	63,689	84,043	83,248
Net operating revenues	81,404	84,456	81,363	98,445	93,871
Selling, general and administrative expenses	71,241	70,644	69,227	83,722	72,653
Transaction-related expenses	12,706	11,423	11,133	13,414	12,229
Personnel expenses	29,583	33,245	31,715	36,446	33,547
Real estate expenses	10,006	9,424	9,867	11,211	10,737
Administrative expenses	9,090	9,608	10,023	12,649	10,783
Depreciation and amortization	5,111	5,342	5,452	6,438	5,939
Taxes and dues	3,220	499	536	2,558	2,110
Other	1,521	1,101	498	1,004	(2,694)
Operating income	10,163	13,812	12,135	14,722	21,217
Non-operating income	839	866	(740)	777	7,767
Non-operating expenses	227	(97)	1,771	(530)	7,334
Ordinary income	10,775	14,775	9,623	16,030	21,650
Extraordinary gain	1,897	133	95	278	81
Extraordinary loss	461	875	2,355	9,923	685
Income before income taxes and non- controlling interests	12,211	14,033	7,363	6,385	21,047
Income taxes - current	27,544	(25,414)	(1,414)	2,672	11,153
Income taxes - deferred	(43,543)	24,751	21,823	(35,754)	(8,082)
Net income (loss)	28,210	14,696	(13,045)	39,468	17,976
Net income attributable to non-controlling interests	2	9	86	348	52
Net income (loss) attributable to owners of parent	28,207	14,687	(13,132)	39,119	17,924

3. (Reference) Quarterly Non-consolidated Financial Statements

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

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and bank deposits	682,730	1,260,314
Cash segregated as deposits for customers and others	527,710	579,365
Trading assets	8,062,684	9,814,499
Trading securities and others	3,067,898	3,604,568
Derivatives	4,994,785	6,209,930
Operating investment securities	97,135	97,834
Operating loans receivable	7,002	5,087
Receivables related to margin transactions	26,188	30,523
Loans receivable under margin transactions	23,934	29,278
Cash collateral for borrowed securities under margin transactions	2,254	1,244
Collateralized short-term financing agreements - receivable	5,272,734	5,234,293
Deposits paid for securities borrowed	2,171,511	2,046,710
Securities purchased under agreements to resell	3,101,223	3,187,583
Advances paid	706	2,163
Short-term guarantee deposits	679,438	766,355
Securities: fail to deliver	48	804
Variation margin paid	—	9,258
Short-term loans receivable	9,627	7,793
Other current assets	101,064	113,728
Less: Allowance for doubtful accounts	(281)	(282)
Total current assets	<u>15,466,789</u>	<u>17,921,739</u>
Noncurrent assets		
Property and equipment	18,755	17,991
Intangible assets	47,257	46,454
Investments and other assets	573,247	579,071
Investment securities	442,596	441,466
Long-term guarantee deposits	12,229	11,515
Prepaid pension cost	30,566	31,356
Deferred tax assets	81,150	88,468
Other	10,116	9,710
Less: Allowance for doubtful accounts	(3,412)	(3,445)
Total noncurrent assets	<u>639,259</u>	<u>643,518</u>
Total assets	<u>16,106,049</u>	<u>18,565,257</u>

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Trading liabilities	6,957,965	8,227,464
Trading securities and others	2,203,365	2,290,996
Derivatives	4,754,600	5,936,467
Payables - unsettled trades	121,820	40,686
Payables related to margin transactions	31,028	21,148
Borrowings on margin transactions	10,173	2,046
Cash collateral for loaned securities under margin transactions	20,854	19,102
Collateralized short-term financing agreements - payable	3,955,035	4,925,074
Deposits received for securities loaned	1,287,886	1,141,041
Securities sold under agreements to repurchase	2,667,148	3,784,033
Deposits received	446,553	596,658
Guarantee deposits received	329,556	418,402
Securities: fail to receive	1,306	1,317
Variation margin received	4,687	—
Short-term borrowings	1,310,285	1,158,728
Commercial paper	476,000	619,000
Bonds and notes due within one year	93,392	93,952
Income taxes payable	4,699	8,644
Accrued employees' bonuses	20,222	5,767
Provision for variable compensation	377	450
Other current liabilities	58,386	58,427
Total current liabilities	<u>13,811,318</u>	<u>16,175,722</u>
Noncurrent liabilities		
Bonds and notes	616,858	650,002
Long-term borrowings	809,400	809,400
Provision for retirement benefits	21,237	20,943
Provision for loss on head office transfer	802	730
Provision for loss related to entrusted business	5,733	5,733
Other noncurrent liabilities	3,219	3,043
Total noncurrent liabilities	<u>1,457,250</u>	<u>1,489,853</u>
Statutory reserves		
Reserve for financial instruments transaction liabilities	3,781	3,772
Total statutory reserves	<u>3,781</u>	<u>3,772</u>
Total liabilities	<u>15,272,350</u>	<u>17,669,348</u>
Net assets		
Shareholders' equity		
Common stock	125,167	125,167
Capital surplus	434,319	460,557
Retained earnings	455,821	468,839
Treasury stock	(197,768)	(174,006)
Total shareholders' equity	<u>817,539</u>	<u>880,557</u>
Valuation and translation adjustments		
Net unrealized gains on (operating) investment securities, net of tax, etc.	25,921	25,116
Net deferred gains or losses on hedges, net of tax	(9,762)	(9,766)
Total valuation and translation adjustments	<u>16,158</u>	<u>15,350</u>
Total net assets	<u>833,698</u>	<u>895,908</u>
Total liabilities and net assets	<u>16,106,049</u>	<u>18,565,257</u>

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

For the three months ended June 30, 2023 and 2024

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Operating revenues		
Commissions	39,549	45,477
Net gain on trading	28,109	39,231
Net gain (loss) on operating investment securities	98	(467)
Interest and dividend income	32,108	39,935
Total operating revenues	99,866	124,176
Interest expenses	34,638	45,586
Net operating revenues	65,227	78,590
Selling, general and administrative expenses	57,834	60,941
Transaction-related expenses	10,612	12,628
Personnel expenses	20,408	20,406
Real estate expenses	7,547	8,113
Administrative expenses	11,368	12,850
Depreciation and amortization	3,525	4,049
Taxes and dues	3,204	2,099
Provision of allowance for doubtful accounts	326	33
Other	842	759
Operating income	7,392	17,648
Non-operating income	419	312
Non-operating expenses	126	1,105
Ordinary income	7,686	16,856
Extraordinary gain	498	73
Gain on sales of investment securities	427	64
Gain on sales of shares of subsidiaries and affiliates	71	—
Reversal of reserve for financial instruments transaction liabilities	—	8
Extraordinary loss	461	589
Loss on disposal of noncurrent assets	12	102
Head office transfer cost	437	443
Other	11	43
Income before income taxes	7,723	16,339
Income taxes - current	27,562	10,291
Income taxes - deferred	(44,004)	(6,970)
Total income taxes	(16,442)	3,321
Net income	24,165	13,018