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Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Under Japanese GAAP)

April 27, 2022

Company name: Marusan Securities Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8613 URL: <https://www.marusan-sec.co.jp/>
 Representative: President & Representative Director Minoru Kikuchi
 Inquiries: General Manager of Finance Dept. Kiyotaka Toya Telephone: +81-3-3238-2460
 Scheduled date of annual general meeting of shareholders: June 22, 2022
 Scheduled date to commence dividend payments: June 23, 2022
 Scheduled date to file annual securities report: June 23, 2022
 Preparation of supplementary material on financial results : Yes
 Holding of financial results briefing : Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2022

(from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	18,670	△ 2.7	18,602	△ 2.5	3,219	△ 12.1	3,647	△ 10.7	2,827	△ 32.0
March 31, 2021	19,188	16.3	19,078	16.5	3,661	260.4	4,085	169.1	4,156	424.4

Note: Comprehensive income For the fiscal year ended March 31, 2022: 2,788 million yen (△ 50.2%)
 For the fiscal year ended March 31, 2021: 5,596 million yen (622.9%)

Fiscal year ended	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to Operating revenue
	Yen	Yen	%	%	%
March 31, 2022	42.51	42.49	6.1	3.8	17.2
March 31, 2021	62.50	62.49	9.4	4.5	19.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	90,885	47,133	51.6	705.27
March 31, 2021	99,385	46,401	46.5	694.33

Reference: Equity As of March 31, 2022 : 46,912 million yen As of March 31, 2021 : 46,178 million yen

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	△ 371	△ 911	△ 2,050	25,873
March 31, 2021	△ 2,738	1,566	△ 1,427	28,693

2. Cash dividends

Fiscal year ended	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2021	—	13.50	—	20.00	33.50	2,227	53.6	5.1
March 31, 2022	—	11.00	—	11.00	22.00	1,463	51.7	3.1

* Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation) : None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	67,398,262 shares
As of March 31, 2021	67,398,262 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2022	880,864 shares
As of March 31, 2021	890,488 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended March 31, 2022	66,512,080 shares
Fiscal Year ended March 31, 2021	66,504,214 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2022

(from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2022	18,670	△ 2.7	18,595	△ 2.5	3,171	△ 12.3	3,630	△ 10.8
March 31, 2021	19,188	16.3	19,071	16.5	3,615	272.2	4,070	174.6

	Profit		Net income per share	Diluted net income per share	Return on equity
	Millions of yen	%	Yen	Yen	%
Fiscal year ended					
March 31, 2022	2,815	△ 32.1	42.34	42.31	6.3
March 31, 2021	4,144	439.4	62.32	62.32	9.7

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share	Capital adequacy ratio
	Millions of yen	Millions of yen	%	Yen	%
As of					
March 31, 2022	90,080	45,501	50.3	680.74	631.7
March 31, 2021	98,728	44,919	45.3	672.05	627.8

Reference: Equity As of March 31, 2022 : 45,280 million yen As of March 31, 2021 : 44,696 million yen

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

Consolidated Financial Statements
Consolidated Balance Sheets

(Millions of yen)

	As of March 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	28,693	25,873
Segregated deposits	31,722	27,122
Segregated deposits for customers	31,702	27,102
Other segregated deposits	20	20
Trading products	596	667
Trading securities and other	596	667
Derivatives	0	0
Trade date accrual	20	-
Margin transaction assets	17,393	16,018
Margin loans	16,671	15,526
Cash collateral provided for securities borrowed in margin transactions	722	492
Advances paid	29	42
Deposits paid for underwritten offering, etc.	3,622	3,094
Accrued revenue	1,628	1,592
Other securities	49	49
Other current assets	143	211
Allowance for doubtful accounts	△0	△0
Total current assets	83,899	74,671
Non-current assets		
Property, plant and equipment	2,658	2,931
Buildings, net	801	811
Equipment	475	744
Land	1,381	1,375
Intangible assets	104	149
Software	90	142
Telephone subscription right	13	7
Investments and other assets	12,722	13,132
Investment securities	11,086	11,307
Long-term loans receivable	6	2
Long-term guarantee deposits	753	739
Long-term prepaid expenses	57	42
Retirement benefit asset	692	931
Other	126	108
Allowance for doubtful accounts	△0	△0
Total non-current assets	15,485	16,213
Total assets	99,385	90,885

(Millions of yen)

	As of March 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Trade date accrual	-	1
Margin transaction liabilities	3,198	2,905
Margin borrowings	1,078	1,266
Cash received for securities sold in margin transactions	2,119	1,639
Borrowings secured by securities	-	141
Cash collateral received for securities lent	-	141
Deposits received	28,487	22,584
Guarantee deposits received	10,844	9,512
Short-term borrowings	2,750	2,750
Income taxes payable	1,812	110
Provision for bonuses	1,005	883
Provision for bonuses for directors (and other officers)	30	20
Other current liabilities	902	815
Total current liabilities	49,029	39,725
Non-current liabilities		
Deferred tax liabilities	2,750	2,846
Retirement benefit liability	908	888
Long-term accounts payable - other	20	20
Other noncurrent liabilities	109	104
Total non-current liabilities	3,788	3,861
Reserves under special laws		
Reserve for financial instruments transaction liabilities	165	165
Total reserves under special laws	165	165
Total liabilities	52,983	43,751
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	331	331
Retained earnings	29,757	30,526
Treasury shares	△475	△469
Total shareholders' equity	39,614	40,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,445	6,253
Remeasurements of defined benefit plans	118	270
Total accumulated other comprehensive income	6,564	6,524
Share acquisition rights	222	220
Total net assets	46,401	47,133
Total liabilities and net assets	99,385	90,885

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue		
Commission received	18,646	18,115
Brokerage commission	8,193	6,447
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	119	137
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	4,697	4,989
Other commission received	5,635	6,541
Net trading income	137	70
Financial revenue	404	484
Total operating revenue	<u>19,188</u>	<u>18,670</u>
Financial expenses	110	67
Net operating revenue	<u>19,078</u>	<u>18,602</u>
Selling, general and administrative expenses		
Trading related expenses	1,381	1,442
Personnel expenses	9,283	9,034
Real estate expenses	1,381	1,470
Office expenses	2,059	2,093
Depreciation	424	493
Taxes and dues	263	238
Other	622	609
Total selling, general and administrative expenses	<u>15,417</u>	<u>15,382</u>
Operating profit	<u>3,661</u>	<u>3,219</u>
Non-operating income	427	430
Non-operating expenses	2	1
Ordinary profit	<u>4,085</u>	<u>3,647</u>
Extraordinary income		
Gain on sale of investment securities	1,902	370
Gain on repayment of subscription right to shares	19	21
Gain on sale of non-current assets	27	0
Reversal of reserve for financial instruments transaction liabilities	1	-
Total extraordinary income	<u>1,952</u>	<u>392</u>
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	39
Impairment losses	1	6
Loss on sale of investment securities	0	-
Total extraordinary losses	<u>2</u>	<u>46</u>
Profit before income taxes	<u>6,035</u>	<u>3,993</u>
Income taxes - current	2,010	1,043
Income taxes - deferred	△130	122
Total income taxes	<u>1,879</u>	<u>1,166</u>
Profit	<u>4,156</u>	<u>2,827</u>
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	<u>4,156</u>	<u>2,827</u>

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31,2021	Fiscal year ended March 31,2022
Profit	4,156	2,827
Other comprehensive income		
Valuation difference on available-for-sale securities	1,186	△191
Remeasurements of defined benefit plans, net of tax	253	151
Total other comprehensive income	1,440	△39
Comprehensive income	5,596	2,788
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,596	2,788
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statement of Changes in Equity
(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	331	27,031	△477	36,886
Restated balance	10,000	331	27,031	△477	36,886
Changes during period					
Dividends of surplus			△1,429		△1,429
Profit attributable to owners of parent			4,156		4,156
Purchase of treasury shares				△0	△0
Disposal of treasury shares		△0		2	2
Net changes in items other than shareholders' equity					
Total changes during period	-	△0	2,726	2	2,728
Balance at end of period	10,000	331	29,757	△475	39,614

	Total accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,258	△134	5,124	209	42,220
Restated balance	5,258	△134	5,124	209	42,220
Changes during period					
Dividends of surplus					△1,429
Profit attributable to owners of parent					4,156
Purchase of treasury shares					△0
Disposal of treasury shares					2
Net changes in items other than shareholders' equity	1,186	253	1,440	12	1,452
Total changes during period	1,186	253	1,440	12	4,180
Balance at end of period	6,445	118	6,564	222	46,401

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	331	29,757	△475	39,614
Cumulative effects of changes in accounting policies			2		2
Restated balance	10,000	331	29,760	△475	39,616
Changes during period					
Dividends of surplus			△2,061		△2,061
Profit attributable to owners of parent			2,827		2,827
Purchase of treasury shares				△0	△0
Disposal of treasury shares		0		5	5
Net changes in items other than shareholders' equity					
Total changes during period	-	0	765	5	771
Balance at end of period	10,000	331	30,526	△469	40,388

	Total accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,445	118	6,564	222	46,401
Cumulative effects of changes in accounting policies					2
Restated balance	6,445	118	6,564	222	46,403
Changes during period					
Dividends of surplus					△2,061
Profit attributable to owners of parent					2,827
Purchase of treasury shares					△0
Disposal of treasury shares					5
Net changes in items other than shareholders' equity	△191	151	△39	△1	△41
Total changes during period	△191	151	△39	△1	730
Balance at end of period	6,253	270	6,524	220	47,133

Consolidated Cash Flow Statements

(Millions of yen)

	Fiscal year ended March 31,2021	Fiscal year ended March 31,2022
Cash flows from operating activities		
Profit before income taxes	6,035	3,993
Depreciation	424	493
Increase (decrease) in allowance for doubtful accounts	△0	△0
Decrease (increase) in retirement benefit asset	22	△55
Increase (decrease) in retirement benefit liability	12	5
Increase (decrease) in provision for bonuses	147	△122
Increase (decrease) in provision for bonuses for directors (and other officers)	20	△10
Increase (decrease) in reserve for financial instruments transaction liabilities	△1	-
Impairment losses	1	6
Loss (gain) on valuation of investment securities	-	△0
Loss (gain) on sale and retirement of non-current assets	△27	39
Loss (gain) on sale of investment securities	△1,902	△370
Interest and dividend income	△716	△841
Interest expenses	110	67
Decrease (increase) in cash segregated as deposits for customers	△8,236	4,599
Decrease/increase in advance paid/deposits received	8,801	△5,916
Decrease (increase) in trading products - assets (liabilities)	193	△48
Decrease/increase in margin transaction assets/liabilities	△5,790	1,082
Increase (decrease) in borrowings secured by securities	-	141
Increase (decrease) in guarantee deposits received	887	△1,331
Decrease (increase) in deposits paid for underwritten offering, etc.	△1,621	528
Other, net	△771	△682
Subtotal	△2,411	1,579
Interest and dividends received	700	830
Interest paid	△114	△68
Income tax paid	△913	△2,712
Net cash provided by (used in) operating activities	△2,738	△371
Cash flows from investing activities		
Purchase of investment securities	-	△519
Proceeds from sale of investment securities	2,037	395
Purchase of property, plant and equipment and intangible assets	△494	△767
Proceeds from sale of property, plant and equipment	29	0
Other, net	△6	△19
Net cash provided by (used in) investing activities	1,566	△911
Cash flows from financing activities		
Repayments of lease liabilities	-	△0
Purchase of treasury shares	△0	△0
Proceeds from sale of treasury shares	1	4
Dividends paid	△1,428	△2,054
Net cash provided by (used in) financing activities	△1,427	△2,050
Effect of exchange rate change on cash and cash equivalents	368	513
Net increase (decrease) in cash and cash equivalents	△2,231	△2,819
Cash and cash equivalents at beginning of period	30,924	28,693
Cash and cash equivalents at end of period	28,693	25,873