

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Three Months Ended June 30, 2022 (Under Japanese GAAP)

July 28, 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 to file quarterly securities report: August 10, 2022
 Preparation of supplementary material on quarterly financial results : Yes
 Holding of quarterly financial results briefing : None

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

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	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	%
Three months ended										
June 30, 2022	3,896	△19.7	3,877	△19.9	120	△86.3	331	△68.9	310	△57.8
June 30, 2021	4,855	13.2	4,838	13.5	879	62.4	1,065	44.2	736	△6.7

Note: Comprehensive income For the three months ended June 30, 2022: △ 518 million yen (— %)
 For the three months ended June 30, 2021: 889 million yen (△ 59.0%)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
June 30, 2022	4.71	4.71
June 30, 2021	11.07	11.06

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2022	88,218	45,372	51.2	689.26
March 31, 2022	90,885	47,133	51.6	705.27

Reference: Equity As of June 30, 2022 : 45,158 million yen As of March 31, 2022 : 46,912 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	11.00	—	11.00	22.00
Fiscal year ending March 31, 2023	—				

* Notes

(1) Changes in significant subsidiaries during the period

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

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

(3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2022	67,398,262 shares
As of March 31, 2022	67,398,262 shares

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

As of June 30, 2022	1,879,883 shares
As of March 31, 2022	880,864 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	66,017,516 shares
Three months ended June 30, 2021	66,507,953 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31,2022	As of June 30,2022
Assets		
Current assets		
Cash and deposits	25,873	27,193
Segregated deposits	27,122	24,588
Segregated deposits for customers	27,102	24,568
Other segregated deposits	20	20
Trading products	667	552
Trading securities and other	667	552
Derivatives	0	0
Margin transaction assets	16,018	15,878
Margin loans	15,526	15,520
Cash collateral provided for securities borrowed in margin transactions	492	357
Advances paid	42	24
Deposits paid for underwritten offering, etc.	3,094	3,554
Accrued income	1,592	1,297
Other securities	49	49
Other current assets	211	205
Allowance for doubtful accounts	△0	-
Total current assets	74,671	73,344
Non-current assets		
Property, plant and equipment	2,931	2,773
Buildings, net	811	790
Equipment	744	659
Land	1,375	1,322
Construction in progress	-	0
Intangible assets	149	152
Software	142	145
Telephone subscription right	7	7
Investments and other assets	13,132	11,947
Investment securities	11,307	10,128
Long-term loans receivable	2	2
Long-term guarantee deposits	739	730
Long-term prepaid expenses	42	37
Retirement benefit asset	931	940
Other	108	108
Allowance for doubtful accounts	△0	-
Total non-current assets	16,213	14,873
Total assets	90,885	88,218

(Millions of yen)

	As of March 31,2022	As of June 30,2022
Liabilities		
Current liabilities		
Trade date accrual	1	2
Margin transaction liabilities	2,905	1,761
Margin borrowings	1,266	520
Cash received for securities sold in margin transactions	1,639	1,241
Borrowings secured by securities	141	256
Cash collateral received for securities lent	141	256
Deposits received	22,584	25,079
Guarantee deposits received	9,512	7,827
Short-term borrowings	2,750	2,750
Income taxes payable	110	44
Provision for bonuses	883	421
Provision for bonuses for directors (and other officers)	20	-
Other current liabilities	815	976
Total current liabilities	39,725	39,119
Non-current liabilities		
Deferred tax liabilities	2,846	2,567
Retirement benefit liability	888	879
Long-term accounts payable - other	20	14
Other noncurrent liabilities	104	100
Total non-current liabilities	3,861	3,560
Reserves under special laws		
Reserve for financial instruments transaction liabilities	165	164
Total reserves under special laws	165	164
Total liabilities	43,751	42,845
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	331	331
Retained earnings	30,526	30,105
Treasury shares	△469	△973
Total shareholders' equity	40,388	39,463
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,253	5,435
Remeasurements of defined benefit plans	270	259
Total accumulated other comprehensive income	6,524	5,695
Share acquisition rights	220	213
Total net assets	47,133	45,372
Total liabilities and net assets	90,885	88,218

Quarterly Consolidated Statements of Income

(Millions of yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Operating revenue		
Commission received	4,712	3,763
Brokerage commission	1,670	1,141
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	32	18
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,360	1,122
Other commission received	1,648	1,479
Net trading income	28	25
Financial revenue	114	107
Total operating revenue	4,855	3,896
Financial expenses	16	18
Net operating revenue	4,838	3,877
Selling, general and administrative expenses		
Trading related expenses	331	294
Personnel expenses	2,346	2,210
Real estate expenses	403	352
Office expenses	555	555
Depreciation	93	128
Taxes and dues	56	50
Other	171	166
Total selling, general and administrative expenses	3,959	3,757
Operating profit	879	120
Non-operating income	186	217
Non-operating expenses	0	6
Ordinary profit	1,065	331
Extraordinary income		
Compensation income	-	37
Gain on sale of non-current assets	-	27
Gain on repayment of subscription right to shares	4	11
Reversal of reserve for financial instruments transaction liabilities	0	0
Total extraordinary income	4	75
Extraordinary losses		
Loss on sale and retirement of non-current assets	-	1
Impairment losses	5	0
Total extraordinary losses	5	1
Profit before income taxes	1,064	405
Income taxes - current	75	8
Income taxes - deferred	252	86
Total income taxes	328	94
Profit	736	310
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	736	310

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the three months ended June 30,2021	For the three months ended June 30,2022
Profit	736	310
Other comprehensive income		
Valuation difference on available-for-sale securities	158	△818
Remeasurements of defined benefit plans, net of tax	△5	△11
Total other comprehensive income	<u>153</u>	<u>△829</u>
Comprehensive income	<u>889</u>	<u>△518</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	889	△518
Comprehensive income attributable to non-controlling interests	-	-