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Consolidated Financial Results for the Three Months Ended June 30, 2023 (Under Japanese GAAP)

July 28, 2023

Company name: Marusan Securities Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8613 URL: <https://www.marusan-sec.co.jp/>
 Representative: Minoru Kikuchi, President & Representative Director
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 Scheduled date to file quarterly securities report: August 10, 2023
 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, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	4,588	17.8	4,575	18.0	823	585.2	1,038	213.3	724	133.2
June 30, 2022	3,896	△19.7	3,877	△19.9	120	△86.3	331	△68.9	310	△57.8

Note: Comprehensive income For the three months ended June 30, 2023: 2,123 million yen (— %)
 For the three months ended June 30, 2022: △ 518 million yen (— %)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
June 30, 2023	11.06	—
June 30, 2022	4.71	4.71

(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, 2023	74,660	47,752	63.7	725.55
March 31, 2023	67,601	46,086	67.9	700.13

Reference: Equity As of June 30, 2023 : 47,539 million yen As of March 31, 2023 : 45,874 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, 2023	—	5.00	—	7.00	12.00
Fiscal year ending March 31, 2024	—				

* 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 : None
 - (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, 2023	67,398,262 shares
As of March 31, 2023	67,398,262 shares

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

As of June 30, 2023	1,875,423 shares
As of March 31, 2023	1,875,325 shares

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

Three months ended June 30, 2023	65,522,892 shares
Three months ended June 30, 2022	66,017,516 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, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	30,978	34,551
Segregated deposits	10,602	11,334
Segregated deposits for customers	10,582	11,314
Other segregated deposits	20	20
Trading products	627	534
Trading securities and other	627	534
Derivatives	0	0
Margin transaction assets	5,507	5,729
Margin loans	5,265	5,430
Cash collateral provided for securities borrowed in margin transactions	242	298
Advances paid	4	32
Deposits paid for underwritten offering, etc.	2,316	3,258
Accrued revenue	1,352	1,177
Other securities	49	49
Other current assets	442	255
Total current assets	51,880	56,921
Non-current assets		
Property, plant and equipment	2,660	2,646
Buildings, net	870	861
Equipment	488	496
Land	1,299	1,288
Construction in progress	1	1
Intangible assets	304	318
Software	297	311
Telephone subscription right	7	7
Investments and other assets	12,756	14,773
Investment securities	10,935	12,968
Long-term loans receivable	1	0
Long-term guarantee deposits	720	721
Long-term prepaid expenses	24	19
Retirement benefit asset	966	969
Other	108	92
Total non-current assets	15,721	17,738
Total assets	67,601	74,660

(Millions of yen)

	As of March 31,2023	As of June 30,2023
Liabilities		
Current liabilities		
Trade date accrual	4	29
Margin transaction liabilities	596	535
Margin borrowings	209	109
Cash received for securities sold in margin transactions	387	426
Borrowings secured by securities	49	55
Cash collateral received for securities lent	49	55
Deposits received	11,099	15,541
Guarantee deposits received	1,371	1,535
Short-term borrowings	2,750	2,750
Income taxes payable	42	226
Provision for bonuses	824	470
Other current liabilities	853	1,142
Total current liabilities	17,591	22,286
Non-current liabilities		
Deferred tax liabilities	2,790	3,514
Retirement benefit liability	854	845
Long-term accounts payable - other	14	-
Other noncurrent liabilities	99	101
Total non-current liabilities	3,757	4,460
Reserves under special laws		
Reserve for financial instruments transaction liabilities	165	159
Total reserves under special laws	165	159
Total liabilities	21,515	26,907
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	331	330
Retained earnings	30,245	30,511
Treasury shares	△970	△970
Total shareholders' equity	39,605	39,871
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,040	7,452
Remeasurements of defined benefit plans	228	216
Total accumulated other comprehensive income	6,269	7,668
Share acquisition rights	211	213
Total net assets	46,086	47,752
Total liabilities and net assets	67,601	74,660

Quarterly Consolidated Statements of Income

	(Millions of yen)	
	For the three months ended June 30,2022	For the three months ended June 30,2023
Operating revenue		
Commission received	3,763	4,545
Brokerage commission	1,141	1,834
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	18	21
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,122	1,137
Other commission received	1,479	1,552
Net trading income	25	16
Financial revenue	107	26
Total operating revenue	<u>3,896</u>	<u>4,588</u>
Financial expenses	18	13
Net operating revenue	<u>3,877</u>	<u>4,575</u>
Selling, general and administrative expenses		
Trading related expenses	294	280
Personnel expenses	2,210	2,322
Real estate expenses	352	363
Office expenses	555	433
Depreciation	128	112
Taxes and dues	50	60
Other	166	180
Total selling, general and administrative expenses	<u>3,757</u>	<u>3,752</u>
Operating profit	<u>120</u>	<u>823</u>
Non-operating income	217	216
Non-operating expenses	6	0
Ordinary profit	<u>331</u>	<u>1,038</u>
Extraordinary income		
Reversal of reserve for financial instruments transaction liabilities	0	5
Gain on repayment of subscription right to shares	11	1
Compensation income	37	-
Gain on sale of non-current assets	27	-
Total extraordinary income	<u>75</u>	<u>7</u>
Extraordinary losses		
Impairment losses	0	9
Loss on sale and retirement of non-current assets	1	-
Total extraordinary losses	<u>1</u>	<u>9</u>
Profit before income taxes	<u>405</u>	<u>1,036</u>
Income taxes – current	8	205
Income taxes – deferred	86	106
Total income taxes	<u>94</u>	<u>312</u>
Profit	<u>310</u>	<u>724</u>
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	<u>310</u>	<u>724</u>

Quarterly Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	For the three months ended June 30,2022	For the three months ended June 30,2023
Profit	310	724
Other comprehensive income		
Valuation difference on available-for-sale securities	△818	1,411
Remeasurements of defined benefit plans, net of tax	△11	△12
Total other comprehensive income	△829	1,399
Comprehensive income	△518	2,123
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△518	2,123
Comprehensive income attributable to non-controlling interests	-	-