

Quarterly Securities Report for the First Quarter of the 105th Fiscal Year (From April 1, 2020 to June 30, 2020)

Matsui Securities Co., Ltd.

1-4, Kojimachi, Chiyoda-ku, Tokyo

Representative: Akira WARITA, President & CEO

Original Japanese Report was filed with the Director of the Kanto Local Finance Bureau on August 13, 2020 pursuant to Article 24-4-7, Paragraph 1 of the Financial Instrument and Exchange Act.

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Notice to Readers 2: The accompanying quarterly financial statements are prepared in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. The financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Notice to Readers 3: The original Report is attached with a quarterly review report by PricewaterhouseCoopers Aarata LLC for the quarterly financial statements for the first quarter accounting period of the current fiscal year (from April 1, 2020 to June 30, 2020) and the cumulative first quarter period of the current fiscal year (from April 1, 2020 to June 30, 2020) in the original Report.

Part 1. Company Information

1. Overview of Company

1) Summary of Business Results

Fiscal period	Cumulative first quarter period of 104 th fiscal year	Cumulative first quarter period of 105 th fiscal year	104 th fiscal year
Accounting Period	From April 1, 2019 to June 30, 2019	From April 1, 2020 to June 30, 2020	From April 1, 2019 to March 31, 2020
Operating revenue (millions of yen)	5,556	7,164	24,150
Net operating revenue (millions of yen)	5,153	6,830	22,345
Ordinary profit (millions of yen)	1,996	3,034	9,016
Profit (millions of yen)	1,374	2,108	6,136
Equity in earnings of affiliates if equity method is applied (millions of yen)	-	-	-
Capital stock (millions of yen)	11,945	11,945	11,945
Total number of issued shares (number of shares)	259,264,702	259,264,702	259,264,702
Net assets (millions of yen)	81,000	77,388	80,285
Total assets (millions of yen)	671,132	831,291	708,314
Basic earnings per share (yen)	5.35	8.20	23.89
Diluted earnings per share (yen)	5.34	8.19	23.86
Dividend paid per share(yen)	-	-	45.00
Equity-to-asset ratio (%)	12.0	9.3	11.3

Note 1: Operating revenue does not include consumption tax etc.

Note 2: Equity in earnings of affiliates if equity method is applied is not shown above because the Company does not have affiliates.

2) Description of Business

There were no significant changes in the description of business of the Company in the cumulative first quarter period of the current fiscal year.

2. Status of Business

1) Business Risks

In the cumulative first quarter period of the current fiscal year, of the matters related to status of business and status of accounting etc. as described in this quarterly securities report, there were no major risks which had arisen recognized by management as possibly having a material effect on the financial condition, results of operations, or cash flow conditions of the Company, and there are no material changes to the “Business Risks” described in the securities report for the preceding fiscal year ended March 31, 2020.

2) Management’s Discussion and Analysis of Financial Condition, Results of Operations, and Cash Flow Conditions

Management’s discussion and analysis of financial condition and results of operation of the Company is provided below. Since the Company has only one segment which is its online securities brokerage service, description by segment has been omitted.

(1) Status and analysis of results of operations

In the domestic stock market in this cumulative first quarter period, the Nikkei Average declined sharply from the end of February given caution towards global economic deterioration due to the spreading of infection of COVID-19, and thereafter it slightly recovered and the Nikkei Average for the cumulative first quarter period began from just above 18,600 yen. Going into April, stock prices rose due to the prevailing view that COVID-19 infection peaked out in Europe and the U.S., and also given decisions made on large-scale economic stimulus measures in countries around the world; however, going into the latter half of the month, stock prices ceased going higher impacted by the sudden decrease in crude oil prices. Stock prices remained level towards the beginning of May given concerns over U.S.-China confrontation and weak financial results of domestic companies; however, it started to rise towards late May due to increasing expectations towards resuming of economic activities in Europe and the U.S., the lifting of the declaration of emergency in Japan, as well as hopes towards progress in vaccine development etc. In early June, the Nikkei Average recovered to 23,000 yen for the first time in approximately 3 months. Thereafter, stock prices failed to go higher given caution towards higher prices given the high pitch of hike in stock prices as well as concerns towards the second wave of infection of COVID-19, and June trading ended with the Nikkei Average of slightly over 22,200 yen.

Under this market environment, total trading value of stocks etc. in the two markets (Tokyo and Nagoya stock exchanges) increased by 25% compared to the cumulative first quarter period of the preceding year. Also with respect to individual investors who are our main customer base, trading volume increased due to increase in buying capacity given the rise in stock prices and the highly volatile stock market environment, and stock etc. brokerage trading value by individual investors in the two markets significantly increased by 61% compared to the same period in the preceding year. As a result, the percentage of the stock etc. brokerage trading value by individual investors in the two markets was 22%, a large increase compared to 17% in the same period in the preceding year. Furthermore, the aggregate stock etc. brokerage trading value of the Company increased by 54% compared to the same period in the preceding year, as customers increased trading activities.

With respect to new initiatives by the Company in the cumulative first quarter period, as a new investment information tool, we started providing the “Activist Tracing Tool” which can be used in combination with stock price charts and grasp the trading trends of large investors including activists. Also, for investment trusts, we commenced the “investment trust (toshin) monthly cash refund service” which was the first service of its kind in Japan that refunds to customers in cash a portion of the trust fees, and together with the service commenced last December of making sales commissions completely free of charge, we made efforts to reduce the cost burden for our customers who purchase and hold investment trusts. Also, in July, for FX, spreads on all currency pairs were reduced in an effort to increase services.

Under the above background, during the cumulative first quarter period, commissions received was 4,671 million yen (55.5% increase from the cumulative first quarter period of the preceding year) due to an increase in the stocks etc. brokerage trading value. Furthermore, although the average balance of customer’s long positions of margin transactions declined, given the increase in other net financial revenue, net financial revenue increased to 1,934 million yen by 3.7% compared to that of the cumulative first quarter period of the preceding year.

As a result, operating revenue was 7,164 million yen (28.9% increase from the same period of the preceding year), and net operating revenue was 6,830 million yen (32.5% increase from the same period of the preceding year). Also, operating profit was 2,977 million yen (55.5% increase from the same period of the preceding year), ordinary profit was 3,034 million yen (52.0% increase from the same period of the preceding year), and net profit was 2,108 million yen (53.4% increase from the same period of the preceding year). Operating revenue, net operating revenue, operating profit, ordinary profit, and net profit all sharply increased compared to the cumulative first quarter period of the preceding year. Although spreading of infection of COVID-19 has impacted the stock markets, apart from the impact on actual market trends, given the characteristic of the Company as an on-line securities company, it had no material effect on the Company’s business results.

Revenue and expense items are as described below.

(Commissions received)

Commissions received was 4,671 million yen (55.5% increase from the same period of the preceding fiscal year). Of this figure, brokerage commission was 4,517 million yen (58.8% increase from the same period of the preceding fiscal year), mainly due to a 54% increase in the stocks etc. brokerage trading amount compared to the same period of the preceding fiscal year.

(Net trading income)

Net trading income was recorded a profit of 225 million yen, mainly due to FX trading profits.

(Net financial revenue)

Net financial revenue derived from subtracting financial expenses from financial revenue was 1,934 million yen (3.7% increase from the same period of the preceding fiscal year). This was mainly due to an increase in other net financial revenue although the average balance of customers’ long positions of margin transactions declined.

(Selling, general and administrative expenses)

Selling, general and administrative expenses increased by 19.0% compared to the same period of the preceding fiscal year to 3,853 million yen. This was mainly due to an increase in trading related expenses (41.4% increase compared to the same period of the preceding fiscal year) resulting from an increase in advertising costs and membership fees for stock exchanges.

(Non-operating income and expenses)

Net non-operating income totaled 58 million yen. This was mainly due to dividend income of 56 million yen.

(2) Factors which have a material impact on results of operations

The main business of the Company is stocks etc. brokerage business targeting individual investors, and of the revenue items, commissions received and in particular brokerage commission relating to the trading of stocks etc. have a material impact on the business performance of the Company. Furthermore, financial revenue arising mainly from margin transactions is a factor having a material impact on the business performance of the Company. However, the level of such revenues is largely affected by the stock market environment.

(3) Status and analysis of financial conditions

As of the end of the first quarter accounting period, total assets was 831,291 million yen, a 17.4% increase from the end of the preceding fiscal year. This was mainly due to a 14.5% increase of cash segregated as deposits to 514,312 million yen resulting from an increase in deposits received and guarantee deposits received, and a 29.2% increase of loans on margin transactions to 199,333 million yen.

Total liabilities was 753,903 million yen, a 20.0% increase from the end of the preceding fiscal year. This was mainly due to a 72.5% increase in short-term borrowings to 136,100 million yen resulting from an increase of loans on margin transactions, a 12.3% increase in guarantee deposits received to 238,625 million yen and a 9.6% increase in deposits received to 295,929 million yen.

Total net assets was 77,388 million yen, a 3.6% decrease from the end of the preceding fiscal year. In the cumulative first quarter period of the current fiscal year, the year-end dividends for the end of the fiscal year ended March 2020 which is 5,780 million yen, was recorded, and at the same time a quarterly profit of 2,108 million yen was recorded.

The main assets of the Company are cash segregated as deposits for customers (included in cash segregated as deposits) where deposits received and guarantee deposits received etc. from customers are entrusted to trust banks, and margin transaction assets mainly comprised of loans on margin transactions. On the other hand, funds are being procured through short-term borrowings etc. for the purpose of allocating to loans on margin transactions. The main liabilities of the Company are deposits received, guarantee deposits received and short-term borrowings.

As of the end of the first quarter accounting period, deposits received was 295,929 million yen, a 9.6% increase from the end of the preceding fiscal year, and guarantee deposits received was 238,625 million yen, a 12.3% increase from the end of the preceding fiscal year. Accordingly, cash segregated as deposits

increased by 14.5% from the end of the preceding fiscal year to 514,312 million yen.

Furthermore, given an increase in loans on margin transactions by 29.2% from the end of the preceding fiscal year to 199,333 million yen, short-term borrowings also increased by 72.5% from the end of the preceding fiscal year to 136,100 million yen.

(4) Analyses of sources of capital and liquidity of funds

The Company's fund procurements are conducted mainly to respond to increase in loans on margin transactions, recurring loans on margin transactions are funded mainly by increase and decrease in short-term borrowings procured from financial institutions such as banks etc. In order to prepare for situations where loans on margin transactions increase significantly, the Company has made shelf registration so that it may flexibly procure funds through bond issues. However, as of the end of the first quarter accounting period, taking into account the levels of loans on margin transactions and internal reserves, a major portion of funds procurement was conducted by short-term borrowings including call money.

Furthermore, the Company secures safety of procurement of funds by making overdraft agreement and/or commitment line agreement with multiple financial institutions.

There was no significant effect on procurement of funds due to the spreading of infection of COVID-19.

(5) Important accounting estimates and assumptions used for such estimates

In the cumulative first quarter period of the current fiscal year, there were no material changes to our important accounting estimates and assumptions used for such estimates.

(6) Management policy and management strategy

In the cumulative first quarter period of the current fiscal year, there were no material changes to our management policy and management strategy.

(7) Business issues and financial issues to be addressed

In the cumulative first quarter period of the current fiscal year, there were no material changes to the Company's operational and financial issues to be addressed in priority, and no new operational or financial issues have arisen.

(8) Research and Development (R&D) activities

Not applicable.

3) Critical Contracts for Operation

Not applicable.

3. Information about Reporting Company

1) Information about Shares etc.

(1) Total number of shares etc.

[1] Total number of shares

Class	Total shares authorized (number of shares)
Common stock	1,050,000,000
Total	1,050,000,000

[2] Issued shares

Class	Total number of issued shares at the end of first quarter accounting period of the current fiscal year (June 30, 2020)	Number of shares at the date of filing of this quarterly securities report (August 13, 2020)	Name of stock exchange where shares are listed at or certified securities dealers association by which shares are registered	Contents
Common stock	259,264,702	259,264,702	Tokyo stock exchange (1 st section)	1 unit consists of 100 shares
Total	259,264,702	259,264,702	-	-

Note: Total number of issued shares at the date of filing of this quarterly securities report does not include shares issued upon exercise of share acquisition rights from August 1, 2020 to the date of filing of this quarterly securities report.

(2) Share acquisition rights

[1] Details of share option program

Not applicable.

[2] Other information about share acquisition rights

Not applicable.

(3) Exercises etc. of moving strike convertible bonds etc.

Not applicable.

(4) Changes in number of issued shares, stated capital etc.

Date	Change in number of outstanding shares	Total number of issued shares	Change in amount of capital stock (millions of yen)	Balance of capital stock (millions of yen)	Change in amount of capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
From April 1, 2020 to June 30, 2020	-	259,264,702	-	11,945	-	9,793

(5) Major shareholders

Information of major shareholders is omitted because this quarterly accounting period is the first one for the current fiscal year.

(6) Voting rights

The following tables show the status of voting rights as of March 31, 2020, which is the latest date of record, because the Company is not able to settle and show the list of shareholders as of June 30, 2020.

[1] Issued shares

(As of March 31, 2020)

Classification	Number of shares	Number of voting rights	Content
Shares without voting rights	-	-	-
Shares with limited voting rights (Treasury shares etc.)	-	-	-
Shares with limited voting rights (Other)	-	-	-
Shares with full voting rights (Treasury shares etc.)	(Shares held by the Company) Common stock: 2,373,300	-	-
Shares with full voting rights (Other)	Common stock: 256,861,900	2,567,896	-
Shares less than 1 unit of shares	Common stock: 29,502	-	-
Total number of issued shares	259,264,702	-	-
Voting rights of all shareholders	-	2,567,896	-

Note 1: 400 shares under the title of Japan Securities Depository Center Inc. and 72,300 shares of securities bought by customers using money loaned from the Company's own fund are included in common stock of "Shares with full voting rights (Other)." The 4 voting rights under the title of Japan Securities Depository Center Inc. are included in "Number of voting rights." The 723 voting rights of securities bought by customers using money loaned from the Company's own fund are not included in "Number of voting rights."

Note 2: 46 treasury shares held by the Company are included in "Shares less than 1 unit of shares".

[2] Treasury shares etc.

(As of March 31, 2020)

Name of shareholders	Address of shareholders	Treasury shares held by the Company's own name	Treasury shares held by other person's name	Total number of shares held	Ratio of number of shares held to total number of outstanding shares (%)
(Treasury shares held by the Company) Matsui Securities Co., Ltd.	1-4, Kojimachi, Chiyoda-ku, Tokyo	2,373,300	-	2,373,300	0.92
Total	-	2,373,300	-	2,373,300	0.92

2) Information about officers

Followings are the changes in officers' titles from June 26, 2020 when the Company filed its annual securities report for the preceding fiscal year ended March 31, 2020 to the end of the cumulative first quarterly period excluding those described in the annual securities report.

New title	Former title	Name	Date of change
Managing Director, General Manager of Finance Department	Director, General Manager of Finance Department	Shinichi UZAWA	June 28, 2020
Director, Director in charge of Business Development Department	Director, Director in charge of Business Development Department and Director in charge of Corporate Administration & Human Resources Department	Masashi SHIBATA	June 28, 2020
Director, Director in charge of Corporate Administration & Human Resources Department	Director	Manako HAGA	June 28, 2020
Director, Director in charge of Customer Support Department and General Manager of Marketing Department	General Manager of Marketing Department	Takeshi TANAKA	June 28, 2020

Note 1: On June 28, 2020, members of the Management Committee were changed from directors who have a position of Senior Managing Director or above to directors who have a position of Managing Director or above. Accordingly, Shinichi UZAWA became a member of the Management Committee in addition to above mentioned change in title.

Note 2: Takeshi TANAKA was elected as a director on June 28, 2020 as planned, which is described in the annual securities report for the preceding fiscal year ended March 31, 2020. After this, his title was changed as described above.

4. Financial information

1) Prefaces

(1) About preparation method of quarterly financial statements

Quarterly financial statements of the Company are prepared in accordance with the “Regulations of Quarterly Financial Statements” (Cabinet Office Ordinance No. 63, 2007) and, pursuant to the Article 54 and 73 of the “Regulations of Quarterly Financial Statements”, also in accordance with the “Cabinet Office Order Concerning Financial Instruments Business” (Cabinet Office Order No.52, 2007) and the “Uniform Accounting Standards of Securities Business” (set by the board of directors of the Japan Securities Dealers Association, November 14, 1974).

(2) About certification by accounting auditors

Quarterly financial statements for the first quarter accounting period (from April 1, 2020 to June 30, 2020) and the cumulative first quarter period of the current fiscal year (from April 1, 2020 to June 30, 2020) were reviewed by PricewaterhouseCoopers Aarata LLC based on the Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

(3) About consolidated quarterly financial statements

Consolidated quarterly financial statements of the Company are not prepared because the Company has no subsidiaries.

2) Quarterly Financial Statements etc.

(1) Quarterly financial statements

[1] Quarterly balance sheet

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2020)	First quarter accounting period (June 30, 2020)
Assets		
Current assets		
Cash and deposits	52,501	50,272
Cash segregated as deposits	449,312	514,312
Money held in trust	2,844	2,846
Trading products	1,877	1,601
Trading securities and other	0	0
Derivatives	1,877	1,601
Trade date accrual	3	20
Margin transaction assets	161,594	213,747
Loans on margin transactions	154,302	199,333
Cash collateral pledged for securities borrowing on margin transactions	7,292	14,413
Loans secured by securities	21,188	27,816
Cash collateral pledged for securities borrowed	21,188	27,816
Advances paid	148	63
Cash paid for offering	354	249
Short-term guarantee deposits	3,378	3,010
Other	4,121	4,586
Allowance for doubtful account	(49)	(71)
Total current assets	697,272	818,450
Non-current assets		
Property, plant and equipment	1,410	1,491
Intangible assets	4,410	5,497
Software	4,410	5,497
Other	0	0
Investments and other assets	5,222	5,853
Investment securities	3,874	4,908
Other	2,753	2,382
Allowance for doubtful accounts	(1,405)	(1,437)
Total non-current assets	11,042	12,840
Total assets	708,314	831,291

	(Millions of yen)	
	Preceding fiscal year (March 31, 2020)	First quarter accounting period (June 30, 2020)
Liabilities		
Current liabilities		
Trading products	120	113
Derivatives	120	113
Margin transaction liabilities	44,846	54,314
Borrowings on margin transactions	6,369	3,646
Cash received for securities lending on margin transactions	38,477	50,669
Borrowings secured by securities	14,782	21,382
Cash received on debt credit transaction of securities	14,782	21,382
Deposits received	270,003	295,929
Guarantee deposits received	212,539	238,625
Accounts for non-received securities and others	27	-
Short-term borrowings	78,900	136,100
Income taxes payable	1,707	889
Provision for bonuses	125	43
Other	1,580	3,312
Total current liabilities	624,628	750,706
Non-current liabilities		
Long-term borrowings	150	150
Reserve for retirement bonuses for directors	204	-
Other	202	201
Total non-current liabilities	556	351
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2,845	2,845
Total reserves under special laws	2,845	2,845
Total liabilities	628,029	753,903
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,797	9,797
Retained earnings	57,841	54,169
Treasury shares	(1,794)	(1,794)
Total shareholders' equity	77,789	74,116
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,290	2,995
Total valuation and translation adjustments	2,290	2,995
Share acquisition rights	206	277
Total net assets	80,285	77,388
Total liabilities and net assets	708,314	831,291

[2] Quarterly Statement of income

i. Cumulative first quarter period

	(Millions of yen)	
	Cumulative first quarter period of the preceding fiscal year (From April 1, 2019 to June 30, 2019)	Cumulative first quarter period of the current fiscal year (From April 1, 2020 to June 30, 2020)
Operating revenue		
Commission received	3,005	4,671
Brokerage commission	2,843	4,517
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1	0
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	19	-
Other fees received	142	154
Net trading income	284	225
Financial revenue	2,266	2,268
Other operating revenue	0	0
Total operating revenue	<u>5,556</u>	<u>7,164</u>
Financial expenses	<u>403</u>	<u>334</u>
Net operating revenue	<u>5,153</u>	<u>6,830</u>
Selling, general and administrative expenses		
Trading related expenses	974	1,378
Personnel expenses	687	703
Real estate expenses	282	274
Office expenses	637	797
Depreciation	546	495
Taxes and dues	76	103
Provision of allowance for doubtful accounts	(11)	56
Other	48	48
Total selling, general and administrative expenses	<u>3,239</u>	<u>3,853</u>
Operating profit	<u>1,915</u>	<u>2,977</u>
Non-operating income		
Dividend income	79	56
Other	6	2
Total non-operating income	<u>85</u>	<u>58</u>
Non-operating expenses		
Other	4	1
Total non-operating expenses	<u>4</u>	<u>1</u>
Ordinary profit	<u>1,996</u>	<u>3,034</u>
Extraordinary losses		
Loss on sales and retirement of non-current assets	-	0
Loss on valuation of investment securities	20	-
Total extraordinary losses	<u>20</u>	<u>0</u>
Profit before income taxes	<u>1,976</u>	<u>3,034</u>
Income taxes – current	493	829
Income taxes – deferred	109	98
Total income taxes	<u>602</u>	<u>927</u>
Profit	<u>1,374</u>	<u>2,108</u>

[3] Notes

i. Notes – Quarterly statement of cash flows

The Company does not prepare the quarterly statement of cash flows for the cumulative first quarter period of the current fiscal year. Depreciation expenses (including the amortization of intangible assets) for the cumulative first quarter periods are as follows.

	Cumulative first quarter period of the preceding fiscal year (From April 1, 2019 to June 30, 2019)	Cumulative first quarter period of the current fiscal year (From April 1, 2020 to June 30, 2020)
Depreciation	546 million yen	495 million yen

ii. Notes – Equity

i) Cumulative first quarter period of the preceding fiscal year (From April 1, 2019 to June 30, 2019)

(i) Dividend payment

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
Ordinary general meeting of shareholders held on June 23, 2019	Common stock	16,693	65.00	March 31, 2019	June 24, 2019	Retained earnings

Note: Dividend per share of ordinary general meeting of shareholders held on June 23, 2019 includes 39.00 yen of commemorative dividend for the 100th anniversary of the Company.

(ii) Dividends whose date of record is in the cumulative first quarter period of the current fiscal year and whose effective date is after the end of the first quarter accounting period of the current fiscal year
Not applicable.

ii) Cumulative first quarter period of the current fiscal year (From April 1, 2020 to June 30, 2020)

(i) Dividend payment

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
Ordinary general meeting of shareholders held on June 28, 2020	Common stock	5,780	22.50	March 31, 2020	June 29, 2020	Retained earnings

- (ii) Dividends whose date of record is in the cumulative first quarter period of the current fiscal year and whose effective date is after the end of the first quarter accounting period of the current fiscal year

Not applicable.

iii. Notes – Segment information etc.

i) Segment information

Disclosures on segment information are omitted since the Company is a provider of on-line securities trading service comprising a single segment.

iv. Notes – Financial instruments

Short-term borrowings is important in Company's business operation and there was a significant change in the book value as of June 30, 2020 compared to the book value as of March 31, 2020. However, disclosure on financial instruments is omitted, as the difference between the book value and the market value of short-term borrowings at the end of the first quarter accounting period of the current fiscal year and the difference between them at the end of preceding fiscal year are immaterial.

v. Notes – Securities

Not applicable.

vi. Notes – Derivatives

Not applicable.

vii. Notes – Per share information

Basic earnings per share and diluted earnings per share with their respective bases of calculation are as follows.

Item	Cumulative first quarter period of the preceding fiscal year (From April 1, 2019 to June 30, 2019)	Cumulative first quarter period of the current fiscal year (From April 1, 2020 to June 30, 2020)
(1)Basic earnings per share (yen)	5.35	8.20
(Calculation basis)		
Net profit (millions of yen)	1,374	2,108
Net profit not attributed to common stock(millions of yen)	-	-
Net profit attributed to common stock (millions of yen)	1,374	2,108
Average number of common stock outstanding (number of shares)	256,809,156	256,891,356
(2)Diluted earnings per share (yen)	5.34	8.19
(Calculation basis)		
Adjustment to the net profit (millions of yen)	-	-
Increase in common stock (number of shares)	308,345	356,243
Overview of significant changes from the end of the preceding fiscal year in the share acquisition rights or others without dilution effects which are not considered in the calculation of diluted earnings per share	-	-

3) Notes - Significant events after reporting period

From July 2, 2020 to July 15, 2020 and July 29, 2020 to August 4, 2020, the Company sold some of its investment securities (one name of listed stocks). As a result, the Company will record a gain on sales of investment securities of 1,994 million yen as an extraordinary income in the second quarter accounting period of the fiscal year ending March 2021.

4) Notes - Other

Not applicable.

Part 2. Information about Company which Provides
Guarantee to Reporting Company

Not applicable.