

# Quarterly Securities Report for the First Quarter of the 106th Fiscal Year (From April 1, 2021 to June 30, 2022)

## Matsui Securities Co., Ltd.

1-4, Kojimachi, Chiyoda-ku, Tokyo

Representative: WARITA Akira, President & CEO

Original Japanese Report was filed with the Director of the Kanto Local Finance Bureau on August 13, 2021 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, 2021 to June 30, 2021) and the cumulative first quarter period of the current fiscal year (from April 1, 2021 to June 30, 2021) in the original Report.*

## Part 1. Company Information

### 1. Overview of Company

#### 1) Key Financial Data

Fiscal period	Cumulative first quarter period of 105 <sup>th</sup> fiscal year	Cumulative first quarter period of 106 <sup>th</sup> fiscal year	105 <sup>th</sup> fiscal year
Accounting Period	From April 1, 2020 to June 30, 2020	From April 1, 2021 to June 30, 2021	From April 1, 2020 to March 31, 2021
Operating revenue (millions of yen)	7,164	7,476	30,082
Net operating revenue (millions of yen)	6,830	7,181	28,672
Ordinary profit (millions of yen)	3,034	3,103	12,919
Profit (millions of yen)	2,108	3,954	10,283
Equity in earnings of affiliates if equity method is applied (millions of yen)	-	-	-
Share capital (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)	77,388	76,332	79,213
Total assets (millions of yen)	831,291	933,627	961,791
Basic earnings per share (yen)	8.20	15.38	40.02
Diluted earnings per share (yen)	8.19	15.36	39.96
Dividend paid per share(yen)	-	-	40.00
Equity-to-asset ratio (%)	9.3	8.1	8.2

Note 1: Equity in earnings of affiliates if equity method is applied is not shown above because the Company does not have affiliates.

Note 2: The “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020), etc. are applied from the beginning of the first quarter accounting period of the current fiscal year. Major management indexes, etc. for the cumulative first quarter period of the current fiscal year are those after the application of this accounting standards, etc.

#### 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. Overview 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, 2021.

### 2) Management Analysis of Financial Position, Operating Results and Cash Flows

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.

Matters concerning the future within this section are matters which have been determined by the Company as of the end of the current quarterly accounting period.

#### (1) Status and analysis of results of operations

In the domestic stock market in the cumulative first quarter period of the current fiscal year, the Nikkei Average at the beginning of the period opened slightly above 29,400 yen, and then recovered to above 30,000 yen in the first half of April against the background of large-scale infrastructure investment plans announced by the U.S. Government and favorable economic indices. However, thereafter, the Nikkei Average failed to go higher given the non-stop spreading of infection of COVID-19 in Japan. Going into May, although there were times when stock prices rose given the robust flow of U.S. markets, the Nikkei Average plummeted to the mid-level between 27,000 to 28,000 yen, given the global decline in high-tech stocks triggered by the rise in U.S. long-term interest rates, as well as concerns over the debate of early reduction of quantitative easing (tapering). Thereafter, the market entered a rising trend given the progress of vaccination and expectations towards normalization of the global economy. June trading ended with the Nikkei Average at slightly over 28,700 yen.

Under this market environment, total trading value of stocks etc. in the two markets (Tokyo and Nagoya stock exchanges) decreased by 1% compared to the cumulative first quarter period of the preceding fiscal year. Also, with respect to individual investors who are our main customer base, as they held off from active trading given the weak transition of stock prices, stock etc. brokerage trading value by individual investors in the two markets decreased by 4% compared to the same period in the preceding fiscal year. As a result, the percentage of the stock etc. brokerage trading value by individual investors in the two markets was 21%, which was a slight decline compared to 22% in the cumulative first quarter period in the preceding fiscal year. Furthermore, the aggregate stock etc. brokerage trading value of the Company decreased by 2% compared to the same period in the preceding fiscal year.

With respect to new initiatives by the Company in the cumulative first quarter period for the current fiscal year, regarding stock trading, transaction fees were

made free of charge for young customers of 25 years old and under. Also, the functions were enhanced for the new smart phone application “Matsui Securities Stocks App”, and the stocks lending service became available for use on the application. With respect to FX, the Company actively promoted the new brand “MATSUI FX” in efforts to acquire new customers. For investment trusts, in addition to continuously conducting promotions, the Company expanded the investment trusts handled. Furthermore, customer services were enhanced through the investment information media “Money Satellite”, by providing videos where young people and investment beginners may enjoy learning about asset management, and distributing videos to support FX transactions.

Under the above background, during the cumulative first quarter period, commissions received was 4,249 million yen (9.0% decrease from the cumulative first quarter period of the preceding year) due to a decrease in the brokerage commission rate and stocks etc. brokerage trading value. Furthermore, due to an increase of the average balance of customer’s long positions of margin transactions, net financial revenue increased to 2,795 million yen by 44.6% compared to that of the cumulative first quarter period of the preceding year.

As a result, operating revenue was 7,476 million yen (4.4% increase from the same period of the preceding year), and net operating revenue was 7,181 million yen (5.1% increase from the same period of the preceding year). Also, operating profit was 3,060 million yen (2.8% increase from the same period of the preceding year) and ordinary profit was 3,103 million yen (2.2% increase from the same period of the preceding year). Also due to the gain on sale of investment securities recorded of 2,590 million yen, net profit was 3,954 million yen (87.6% increase from the same period of the preceding year). Net profit 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 4,249 million yen (9.0% decrease from the same period of the preceding fiscal year). Of this figure, brokerage commission was 4,062 million yen (10.1% decrease from the same period of the preceding fiscal year), mainly due to decrease in the brokerage commission rate and 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 137 million yen, mainly due to FX trading profits.

(Net financial revenue)

Net financial revenue derived from subtracting financial expenses from financial revenue was 2,795 million yen (44.6% increase from the same period of the preceding fiscal year). This was mainly due to an increase in the average balance of customers’ long positions of margin transactions.

(Selling, general and administrative expenses)

Selling, general and administrative expenses increased by 7.0% compared to the same period of the preceding fiscal year to 4,122 million yen. This was mainly due to an increase in trading related expenses (13.5% increase compared to the same period of the preceding fiscal year) resulting from an increase in advertising costs.

(Non-operating income and expenses)

Net non-operating income totaled 43 million yen. This was mainly due to dividend income of 47 million yen.

(Extraordinary income and expenses)

Net extraordinary income totaled 2,590 million yen. This was due to gain on sales of investment securities of 2,590 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

The main assets of the Company are customer-segregated fund trusts (included in segregated deposits) where deposits received and guarantee deposits received etc. from customers are entrusted to trust banks, and margin transaction assets mainly comprised of margin loans. On the other hand, funds are being procured through short-term borrowings etc. for the purpose of allocating to margin loans. 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, total assets was 933,627 million yen, a 2.9% decrease from the end of the preceding fiscal year. This was mainly due to a 4.4% decrease of segregated deposits to 539,312 million yen resulting from a decrease, etc. in deposits received.

Total liabilities was 857,294 million yen, a 2.9% decrease from the end of the preceding fiscal year. This was mainly due to a 25.1% decrease in cash received for securities sold in margin transactions to 35,819 million yen, a 2.0% decrease in deposits received to 329,114 million yen and a 2.4% decrease in guarantee deposits received to 242,222 million yen. In addition, cash received for securities sold in margin transactions is the amount equivalent of sales proceeds for short positions on margin transactions by customers.

Total net assets was 76,332 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 2021 which is 5,139 million yen, was recorded, and at the same time a quarterly profit of 3,954 million yen was recorded.

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

The Company's fund procurements are conducted mainly to respond to increase in margin loans, recurring margin loans 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 margin loans 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 margin loans 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) Material Contracts, etc.**

Not applicable.

### 3. Information about Reporting Company

#### 1) Company's Shares, etc.

##### (1) Total number of shares etc.

###### [1] Authorized 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, 2021)	Number of shares at the date of filing of this quarterly securities report (August 13, 2021)	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 <sup>st</sup> 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, 2021 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, share capital and legal capital surplus

Date	Change in number of outstanding shares	Total number of issued shares	Change in amount of share capital (millions of yen)	Balance of share capital (millions of yen)	Change in amount of legal capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
From April 1, 2021 to June 30, 2021	-	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, 2021, 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, 2021.

### [1] Issued shares

(As of March 31, 2021)

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: 2,304,900	-	-
Shares with full voting rights (Other)	Common stock: 256,926,700	2,568,310	-
Shares less than 1 unit of shares	Common stock: 33,102	-	-
Total number of issued shares	259,264,702	-	-
Voting rights of all shareholders	-	2,568,310	-

Note 1: 400 shares under the title of Japan Securities Depository Center Inc. and 95,700 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 957 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, 2021)

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	2,304,900	-	2,304,900	0.89
Total	-	2,304,900	-	2,304,900	0.89

## 2) Directors (and other officers)

There were no changes to the Company's officers in the cumulative first quarter period of the current fiscal year, after the date of the filing of the annual securities report for the preceding fiscal year, excluding those described in the annual securities report.

After the Company became a company with an audit and supervisory committee on June 27, 2021, on the same day, it was decided that directors who are members of the Audit and Supervisory Committee would be excluded from outside directors who are members of the Nomination and Compensation Committee. Also, on the same day, at the Audit and Supervisory Committee, full-time member of the Audit and Supervisory Committee YAJIMA Hiroyuki was elected to be chairman of the committee. Furthermore, on the same day, outside director IGAWA Motoo was replaced by outside director ONUKI Satoshi as the leading independent outside director.

## 4. Financial information

### 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, 2021 to June 30, 2021) and the cumulative first quarter period of the current fiscal year (from April 1, 2021 to June 30, 2021) 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.

1) Quarterly Financial Statements etc.

(1) Quarterly financial statements

[1] Quarterly balance sheet

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2021)	First quarter accounting period (June 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	56,952	50,734
Segregated deposits	564,012	539,312
Money held in trust	2,846	2,940
Trading products	2,146	2,150
Trading securities and other	24	28
Derivatives	2,121	2,122
Margin transaction assets	282,931	292,319
Margin loans	277,143	286,917
Cash collateral provided for securities borrowed in margin transactions	5,788	5,403
Loans secured by securities	30,353	25,160
Cash collateral provided for securities borrowed	30,353	25,160
Advances paid	65	56
Deposits paid for underwritten offering, etc.	764	651
Short-term guarantee deposits	4,510	3,815
Other	4,749	5,458
Allowance for doubtful account	(107)	(88)
Total current assets	949,221	922,508
Non-current assets		
Property, plant and equipment	1,608	1,745
Intangible assets	5,618	5,855
Software	5,618	5,855
Other	0	0
Investments and other assets	5,345	3,519
Investment securities	3,490	1,131
Other	3,208	3,733
Allowance for doubtful accounts	(1,353)	(1,345)
Total non-current assets	12,571	11,119
Total assets	961,791	933,627

	(Millions of yen)	
	Preceding fiscal year (March 31, 2021)	First quarter accounting period (June 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Trading products	219	200
Derivatives	219	200
Trade date accrual	39	42
Margin transaction liabilities	57,226	39,247
Margin borrowings	9,406	3,428
Cash received for securities sold in margin transactions	47,819	35,819
Borrowings secured by securities	23,160	23,635
Cash collateral received for securities lent	23,160	23,635
Deposits received	335,941	329,114
Guarantee deposits received	248,255	242,222
Payables for securities to receive over due for delivery	2	-
Short-term borrowings	207,900	215,900
Income taxes payable	3,658	1,621
Provision for bonuses	253	49
Other	2,740	2,078
Total current liabilities	<u>879,393</u>	<u>854,110</u>
Non-current liabilities		
Long-term borrowings	50	50
Other	201	201
Total non-current liabilities	<u>251</u>	<u>251</u>
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2,933	2,933
Total reserves under special laws	<u>2,933</u>	<u>2,933</u>
Total liabilities	<u>882,578</u>	<u>857,294</u>
<b>Net assets</b>		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,799	9,799
Retained earnings	57,205	56,019
Treasury shares	(1,743)	(1,723)
Total shareholders' equity	<u>77,205</u>	<u>76,040</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,741	31
Total valuation and translation adjustments	<u>1,741</u>	<u>31</u>
Share acquisition rights	267	261
Total net assets	<u>79,213</u>	<u>76,332</u>
<b>Total liabilities and net assets</b>	<u>961,791</u>	<u>933,627</u>

## [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, 2020 to June 30, 2020)	Cumulative first quarter period of the current fiscal year (from April 1, 2021 to June 30, 2021)
Operating revenue		
Commission received	4,671	4,249
Brokerage commission	4,517	4,062
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	0	10
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	-	0
Other commission received	154	177
Net trading income	225	137
Financial revenue	2,268	3,090
Other operating revenue	0	0
Total operating revenue	<u>7,164</u>	<u>7,476</u>
Financial expenses	<u>334</u>	<u>295</u>
Net operating revenue	<u>6,830</u>	<u>7,181</u>
Selling, general and administrative expenses		
Trading related expenses	1,378	1,564
Personnel expenses	703	706
Real estate expenses	274	256
Office expenses	797	805
Depreciation	495	588
Taxes and dues	103	163
Provision of allowance for doubtful accounts	56	(22)
Other	48	62
Total selling, general and administrative expenses	<u>3,853</u>	<u>4,122</u>
Operating profit	<u>2,977</u>	<u>3,060</u>
Non-operating income		
Dividend income	56	47
Other	2	2
Total non-operating income	<u>58</u>	<u>49</u>
Non-operating expenses		
Loss on investments in investment partnerships	-	3
Other	1	3
Total non-operating expenses	<u>1</u>	<u>6</u>
Ordinary profit	<u>3,034</u>	<u>3,103</u>
Extraordinary income		
Gain on sale of investment securities	-	2,590
Total extraordinary income	<u>-</u>	<u>2,590</u>
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	-
Total extraordinary losses	<u>0</u>	<u>-</u>
Profit before income taxes	<u>3,034</u>	<u>5,693</u>
Income taxes – current	829	1,533
Income taxes – deferred	98	206
Total income taxes	<u>927</u>	<u>1,739</u>
Profit	<u>2,108</u>	<u>3,954</u>

[3] Notes

i. Notes - Changes in accounting policies

- Application of the Accounting Standard for Revenue Recognition etc.

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as the "Revenue Recognition Accounting Standard"), etc. has been applied from the beginning of the first quarter accounting period of the current fiscal year. As a result, the accounting treatment of some of the consideration payments made to customers, such as cash refunds, which were previously recorded as Selling, General and Administrative (SGA) expenses, has been changed to deduction from transaction prices.

Furthermore, in applying the Revenue Recognition Accounting Standard etc., the Company has adopted the transitional treatment which is set forth in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard, which requires that the cumulative impact amount is calculated on the assumption that the new accounting policy is retrospectively applied to the accounting periods prior to the beginning of the first quarter accounting period of the current fiscal year, and such amount is to be added to or deducted from the amount of Retained Earnings of the beginning of the first quarter accounting period of the current fiscal year. The Company has adopted and applied this new accounting policy from the beginning balance of retained earnings of the current fiscal year. There is no impact amount effecting the beginning balance of retained earnings. Furthermore, the impact on commissions received and SGA expenses for the cumulative first quarter period of the current fiscal year due to the application of the Revenue Recognition Accounting Standard etc. is negligible. Also, in accordance with the transitional treatment set forth in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information on the breakdown of revenue arising from contracts with customers for the cumulative first quarter period of the previous fiscal year is not presented.

- Application of the Accounting Standard for Fair Value Measurement etc.

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as "Fair Value Measurement Accounting Standard"), etc. from the beginning of the first quarter accounting period of the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), a new accounting policy prescribed by the Fair Value Measurement Accounting Standard, etc. is applied prospectively. There is no impact on the quarterly financial statements.

ii. 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, 2020 to June 30, 2020)	Cumulative first quarter period of the current fiscal year (from April 1, 2021 to June 30, 2021)
Depreciation	495 million yen	588 million yen

iii. Notes – Equity

- i) Cumulative first quarter period of the preceding 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.

- ii) Cumulative first quarter period of the current fiscal year (from April 1, 2021 to June 30, 2021)

(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 27, 2021	Common stock	5,139	20.00	March 31, 2021	June 28, 2021	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.

iv. 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.

v. Notes – Financial instruments

Not applicable.

vi. Notes – Securities

Not applicable.

vii. Notes – Derivatives

Not applicable.

viii. Notes – Revenue recognition

Disclosures on segment information have been omitted since the Company is a provider of on-line securities trading service comprising a single segment. The following table provides information on the breakdown of revenue generated from contracts with customers.

Cumulative first quarter period of the current fiscal year (from April 1, 2021 to June 30, 2021)

(Millions of yen)

	On-line securities trading service
Revenue generated from contracts with customers	4,249
Commission received	4,249
Brokerage commission	4,062
Equity & ETF, etc.	3,851
Futures & Options	211
Other	187
Other revenue	3,227
Financial revenue	3,090
Net trading income	137
Other operating revenue	0
Total operating revenue	7,476

ix. 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, 2020 to June 30, 2020)	Cumulative first quarter period of the current fiscal year (from April 1, 2021 to June 30, 2021)
(1)Basic earnings per share (yen)	8.20	15.38
(Calculation basis)		
Net profit (millions of yen)	2,108	3,954
Net profit not attributed to common stock(millions of yen)	-	-
Net profit attributed to common stock (millions of yen)	2,108	3,954
Average number of common stock outstanding (number of shares)	256,891,356	256,985,856
(2)Diluted earnings per share (yen)	8.19	15.36
(Calculation basis)		
Adjustment to the net profit (millions of yen)	-	-
Increase in common stock (number of shares)	356,243	355,407
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	-	-

2) Notes - Other

Not applicable.

Part 2. Information about reporting company's guarantor,  
etc.

Not applicable.