

Quarterly Securities Report for the Third Quarter of the 106th Fiscal Year (From October 1, 2021 to December 31, 2021)

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 February 10, 2022 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 third quarter accounting period of the current fiscal year (From October 1, 2021 to December 31, 2021) and the cumulative third quarter period of the current fiscal year (From April 1, 2021 to December 31, 2021) in the original Report.

Part 1. Company Information

1. Overview of Company

1) Key Financial Data

Fiscal period	Cumulative third quarter period of 105 th fiscal year	Cumulative third quarter period of 106 th fiscal year	105 th fiscal year
Accounting Period	From April 1, 2020 to December 31, 2020	From April 1, 2021 to December 31, 2021	From April 1, 2020 to March 31, 2021
Operating revenue (millions of yen)	21,570	23,181	30,082
Net operating revenue (millions of yen)	20,482	22,341	28,672
Ordinary profit (millions of yen)	9,172	9,981	12,919
Profit (millions of yen)	7,747	8,677	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)	76,656	76,008	79,213
Total assets (millions of yen)	872,496	906,472	961,791
Basic earnings per share (yen)	30.15	33.76	40.02
Diluted earnings per share (yen)	30.11	33.71	39.96
Dividend paid per share(yen)	20.00	20.00	40.00
Equity-to-asset ratio (%)	8.8	8.4	8.2

Fiscal period	Third quarter accounting period of 105 th fiscal year	Third quarter accounting period of 106 th fiscal year
Accounting Period	From October 1, 2020 to December 31, 2020	From October 1, 2021 to December 31, 2021
Basic earnings per share (Yen)	8.79	8.87

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 third quarter period of the current fiscal year and the third quarter accounting 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 third quarter period of the current fiscal year.

2. Overview of Business

1) Business Risks

In the cumulative third 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 third 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 April, and going into May, the Nikkei Average plummeted 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, given concerns that normalization of the economy will slow down due to the global spreading of infection of the COVID-19 and the issuance of the declaration of status of emergency in Japan, in mid-August the Nikkei Average temporarily fell below 27,000 yen. Going into September, stock prices rose sharply and the Nikkei Average recovered to over 30,000 yen given expectations towards the new economic measures to be launched by the new prime minister given press reports of the intention of resignation of Prime Minister Suga. However, given concerns over the default of Evergrande Group, China’s large real estate group, as well as the U.S. debt ceiling issue and concerns towards inflation given high crude oil prices, the Nikkei Average declined to slightly above 27,500 yen. Thereafter, the index picked up in the back of retreat of excessive inflation concerns, rise in U.S. stock indices, and rising expectations towards the government’s economic policies; however, on the other hand, stock prices failed to move higher given concerns over spreading of infection of the COVID-19 Omicron variant and Prime Minister Kishida’s statements regarding taxation of financial income etc. and December trading ended with the Nikkei Average at slightly above 28,700 yen.

Under this market environment, total trading value of stocks etc. in the two markets (Tokyo and Nagoya stock exchanges) increased by 8% compared to the cumulative third quarter period of the preceding fiscal year. Also, with respect to individual investors who are our main customer base, trading volume increased in the phase of large fluctuations in stock prices, and stock etc. brokerage trading value by individual investors in the two markets increased by 7% compared to

the same period in the preceding fiscal year. The percentage of the stock etc. brokerage trading value by individual investors in the two markets was 22%, which was more or less the same level as the cumulative third quarter period in the preceding fiscal year. Furthermore, the aggregate stock etc. brokerage trading value of the Company increased by 7% compared to the same period in the preceding fiscal year.

With respect to new initiatives by the Company in the cumulative third 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 continued to be enhanced for the new smart phone application “Matsui Securities Stocks App”, making stocks lending service become available for use, and chart functions and information screens were added. With respect to FX, the Company actively promoted the new brand “MATSUI FX”, and efforts were made to increase the customer base. For investment trusts, in addition to continuously conducting promotions, the Company expanded the investment trusts handled, and renewed the service of refunding a part of the trust fees to customers and announced commencement of the “Investment Trust Monthly Points and Cash Refund Service”. Furthermore, through the investment information media “Money Satellite”, efforts were made to improve the quality of services by providing videos where young people and investment beginners may enjoy learning about asset management, and by distributing market-related videos useful for investment decisions on a timely-basis.

Under the above background, during the cumulative third quarter period, although stock etc. brokerage trading value increased by 7% compared to the cumulative third quarter period of the preceding year, commissions received was 13,129 million yen (0.6% decrease from the cumulative third quarter period of the preceding year) due to a decline in the brokerage commission rate, etc. Furthermore, due to increase of the average balance of long positions of margin transactions, etc., net financial revenues increased by 28.4% to 8,553 million yen compared to that of the cumulative third quarter period of the preceding year.

As a result, operating revenue was 23,181 million yen (7.5% increase from the same period of the preceding year), and net operating revenue was 22,341 million yen (9.1% increase from the same period of the preceding year). Also, operating profit was 9,953 million yen (9.4% increase from the same period of the preceding year), and ordinary profit was 9,981 million yen (8.8% increase from the same period of the preceding year). Net profit was 8,677 million yen (12.0% increase from the same period of the preceding year) including the gain on sale of investment securities recorded of 2,590 million yen.

Revenue and expense items are as described below.

(Commissions received)

Commissions received was 13,129 million yen (0.6% decrease from the same period of the preceding fiscal year). Of this figure, brokerage commission was 12,508 million yen (1.2% decrease from the same period of the preceding fiscal year) due to a decline in the brokerage commission rate, etc., despite a 7% increase in stock etc. brokerage trading value.

(Net trading income)

Net trading income was recorded a profit of 658 million yen, mainly due to FX trading profits.

(Net financial revenue)

Net financial revenue derived from subtracting financial expenses from financial revenue was 8,553 million yen (28.4% 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 8.9% compared to the same period of the preceding fiscal year to 12,388 million yen. This was mainly due to an increase in trading related expenses (14.9% increase compared to the same period of the preceding fiscal year) resulting from an increase in advertising costs, etc.

(Non-operating income and expenses)

Net non-operating income totaled 28 million yen. This was mainly due to dividend income of 47 million yen.

(Extraordinary income and expenses)

Net extraordinary income totaled 2,524 million yen. This was mainly due to Gain on sale 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 trading 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 segregated deposits for customers (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 third quarter accounting period, total assets was 906,472 million yen, a 5.8% decrease from the end of the preceding fiscal year. This was mainly due to a 6.2% decrease in segregated deposits to 529,212 million yen, as a result of a decrease in deposits received, etc.

Total liabilities was 830,464 million yen, a 5.9% decrease from the end of the preceding fiscal year. This was mainly due to a 34.6% decrease in cash received for securities sold in margin transactions to 31,253 million yen, a 3.4% decrease in deposits received to 324,550 million yen and a 4.8% decrease in short-term borrowings to 197,900 million yen. 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 76,008 million yen, a 4.0% decrease from the end of the preceding fiscal year. In the cumulative third quarter period of the current fiscal year, total amount of the year-end dividends for the end of the fiscal year ended March 2021 and the interim dividends for the end of the fiscal year ended March 2022 which is 10,280 million yen was recorded, and at the same time a quarterly profit of 8,677 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 third quarter accounting period of the current fiscal year, 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.

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

In the cumulative third 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 etc.

In the cumulative third 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 third 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 third quarter accounting period of the current fiscal year (December 31, 2021)	Number of shares at the date of filing of this Quarterly securities report (February 10, 2022)	Name of financial instruments exchange on which securities are listed or authorized financial instruments business association to which securities 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 February 1, 2022 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 October 1, 2021 to December 31, 2021	-	259,264,702	-	11,945	-	9,793

(5) Major shareholders

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

(6) Voting rights

The following tables show the status of voting rights as of September 30, 2021, which is the latest date of record, because the Company is not able to settle and show the list of shareholders as of December 31, 2021.

[1] Issued shares

(As of September 30, 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: 2,209,100	-	-
Shares with full voting rights (Other)	Common stock: 257,017,200	2,569,177	-
Shares less than 1 unit of shares	Common stock: 38,402	-	-
Total number of issued shares	259,264,702	-	-
Voting rights of all shareholders	-	2,569,177	-

Note 1: 400 shares under the title of Japan Securities Depository Center Inc. and 99,500 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 995 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 September 30, 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	2,209,100	-	2,209,100	0.85
Total	-	2,209,100	-	2,209,100	0.85

2) Directors (and other officers)

There were no changes to the Company's officers in the cumulative third 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 third quarter accounting period (From October 1, 2021 to December 31, 2021) and the cumulative third quarter period of the current fiscal year (From April 1, 2021 to December 31, 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)	Third quarter accounting period (December 31, 2021)
Assets		
Current assets		
Cash and deposits	56,952	51,000
Segregated deposits	564,012	529,212
Money held in trust	2,846	3,009
Trading products	2,146	2,215
Trading securities and other	24	0
Derivatives	2,121	2,215
Margin transaction assets	282,931	276,610
Margin loans	277,143	273,674
Cash collateral provided for securities borrowed in margin transactions	5,788	2,937
Loans secured by securities	30,353	21,170
Cash collateral provided for securities borrowed	30,353	21,170
Advances paid	65	110
Deposits paid for underwritten offering, etc.	764	497
Short-term guarantee deposits	4,510	5,211
Other	4,749	5,580
Allowance for doubtful accounts	(107)	(70)
Total current assets	949,221	894,544
Non-current assets		
Property, plant and equipment	1,608	1,618
Intangible assets	5,618	6,297
Software	5,618	6,297
Other	0	0
Investments and other assets	5,345	4,013
Investment securities	3,490	1,703
Other	3,208	3,621
Allowance for doubtful accounts	(1,353)	(1,311)
Total non-current assets	12,571	11,928
Total assets	961,791	906,472

	(Millions of yen)	
	Preceding fiscal year (March 31, 2021)	Third quarter accounting period (December 31, 2021)
Liabilities		
Current liabilities		
Trading products	219	249
Derivatives	219	249
Trade date accrual	39	70
Margin transaction liabilities	57,226	33,108
Margin borrowings	9,406	1,855
Cash received for securities sold in margin transactions	47,819	31,253
Borrowings secured by securities	23,160	22,046
Cash collateral received for securities lent	23,160	22,046
Deposits received	335,941	324,550
Guarantee deposits received	248,255	245,500
Payables for securities to receive over due for delivery	2	-
Short-term borrowings	207,900	197,900
Income taxes payable	3,658	1,409
Provision for bonuses	253	190
Other	2,740	2,239
Total current liabilities	879,393	827,261
Non-current liabilities		
Long-term borrowings	50	-
Other	201	189
Total non-current liabilities	251	189
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2,933	3,015
Total reserves under special laws	2,933	3,015
Total liabilities	882,578	830,464
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,799	9,799
Retained earnings	57,205	55,601
Treasury shares	(1,743)	(1,652)
Total shareholders' equity	77,205	75,693
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,741	87
Total valuation and translation adjustments	1,741	87
Share acquisition rights	267	228
Total net assets	79,213	76,008
Total liabilities and net assets	961,791	906,472

[2] Quarterly statement of income

i. Cumulative third quarter period

	(Millions of yen)	
	Cumulative third quarter period of the preceding fiscal year (From April 1, 2020 to December 31, 2020)	Cumulative third quarter period of the current fiscal year (From April 1, 2021 to December 31, 2021)
Operating revenue		
Commission received	13,210	13,129
Brokerage commission	12,665	12,508
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	51	77
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Other commission received	494	543
Net trading income	611	658
Financial revenue	7,747	9,393
Other operating revenue	1	1
Total operating revenue	<u>21,570</u>	<u>23,181</u>
Financial expenses	<u>1,088</u>	<u>840</u>
Net operating revenue	<u>20,482</u>	<u>22,341</u>
Selling, general and administrative expenses		
Trading related expenses	4,102	4,713
Personnel expenses	2,033	2,204
Real estate expenses	755	734
Office expenses	2,344	2,446
Depreciation	1,576	1,767
Taxes and dues	374	413
Provision of allowance for doubtful accounts	52	(36)
Other	144	147
Total selling, general and administrative expenses	<u>11,381</u>	<u>12,388</u>
Operating profit	<u>9,101</u>	<u>9,953</u>
Non-operating income		
Dividend income	81	47
Other	11	17
Total non-operating income	<u>92</u>	<u>65</u>
Non-operating expenses		
Loss on investments in investment partnerships	19	29
Other	3	8
Total non-operating expenses	<u>21</u>	<u>37</u>
Ordinary profit	<u>9,172</u>	<u>9,981</u>
Extraordinary income		
Gain on sale of non-current assets	-	22
Gain on sale of investment securities	1,994	2,590
Total extraordinary income	<u>1,994</u>	<u>2,612</u>
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	6
Provision of reserve for financial instruments transaction liabilities	-	82
Total extraordinary losses	<u>4</u>	<u>88</u>
Profit before income taxes	<u>11,162</u>	<u>12,505</u>
Income taxes – current	3,400	3,663
Income taxes – deferred	15	165
Total income taxes	<u>3,415</u>	<u>3,828</u>
Profit	<u>7,747</u>	<u>8,677</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 third 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 third 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 third quarter period of the current fiscal year. Depreciation expenses (including the amortization of intangible assets) for the cumulative third quarter periods are as follows.

	(Millions of yen)	
	Cumulative third quarter period of the preceding fiscal year (From April 1, 2020 to December 31, 2020)	Cumulative third quarter period of the current fiscal year (From April 1, 2021 to December 31, 2021)
Depreciation	1,576 million yen	1,767 million yen

iii. Notes – Equity

i) Cumulative third quarter period of the preceding fiscal year (From April 1, 2020 to December 31, 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
Board of directors' meeting held on October 27, 2020	Common stock	5,139	20.00	September 30, 2020	November 24, 2020	Retained earnings

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

Not applicable.

- ii) Cumulative third quarter period of the current fiscal year (From April 1, 2021 to December 31, 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
Board of directors' meeting held on October 27, 2021	Common stock	5,141	20.00	September 30, 2021	November 22, 2021	Retained earnings

- (ii) Dividends whose date of record is in the cumulative third quarter period of the current fiscal year and whose effective date is after the end of the third 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 third quarter period of the current fiscal year (From April 1, 2021 to December 31, 2021)

(Millions of yen)

	On-line securities trading service
Revenue generated from contracts with customers	13,129
Commission received	13,129
Brokerage commission	12,508
Equity & ETF, etc.	11,818
Futures & Options	690
Other	621
Other revenue	10,053
Financial revenue	9,393
Net trading income	658
Other operating revenue	1
Total operating revenue	23,181

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 third quarter period of the preceding fiscal year (From April 1, 2020 to December 31, 2020)	Cumulative third quarter period of the current fiscal year (From April 1, 2021 to December 31, 2021)
(1)Basic earnings per share (yen)	30.15	33.76
(Calculation basis)		
Net profit (millions of yen)	7,747	8,677
Net profit not attributed to common stock(millions of yen)	-	-
Net profit attributed to common stock (millions of yen)	7,747	8,677
Average number of common stock outstanding (number of shares)	256,922,800	257,032,823
(2)Diluted earnings per share (yen)	30.11	33.71
(Calculation basis)		
Adjustment to the net profit (millions of yen)	-	-
Increase in common stock (number of shares)	371,504	366,374
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

At the meeting held on October 27, 2021, the board of directors of the Company resolved to distribute interim dividends for shareholders recorded on September 30, 2021. The details are as follows.

Amount of dividend payment	5,141 million yen
Dividend paid per share	20.00 yen
Effective date	November 22, 2021

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

Not applicable.