

SMBC NIKKO SECURITIES INC.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

URL: <https://www.smbcnikko.co.jp/en/index.html>

Representative: Shuji Yoshioka, Representative Director, President & CEO

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Amounts less than one million yen are rounded down.)

1. Consolidated financial results for the fiscal year ended March 31, 2024

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023	419,113	50.0	313,380	40.6	27,489	—	31,941	—	16,238	—
FY2022	279,492	(21.3)	222,878	(33.3)	(44,485)	—	(42,170)	—	(39,838)	—

Note: Comprehensive income FY2023 68,710 million yen <—%> FY2022 (29,114) million yen <—%>

	Basic earnings per share		Diluted earnings per share		Return on equity	
	Millions of yen		Millions of yen		%	
FY2023	81,189.33		—		1.5	
FY2022	(199,189.47)		—		(4.3)	

Reference: Share of profit (loss) of entities accounted for using equity method

FY2023 2,364 million yen FY2022 (1,162) million yen

(2) Consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Millions of yen
March 31, 2024	19,832,076	1,235,676	6.2	6,178,070.09
March 31, 2023	15,141,406	916,588	6.1	4,582,681.67

Reference: Equity (i.e. "Shareholders' equity" and "Accumulated other comprehensive income")

FY2023 1,235,626 million yen FY2022 916,540 million yen

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: None

Excluded: 1 company (SMBC Nikko Bank (Luxembourg) S.A.)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2024	200,002 shares
As of March 31, 2023	200,001 shares

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

As of March 31, 2024	— shares
As of March 31, 2023	— shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	200,002 shares
Fiscal year ended March 31, 2023	200,001 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Other special matters

Not applicable.

Table of Contents for the Accompanying Materials

I. Summary Information (Notes).....	2
1. Significant changes in the scope of consolidation during the period.....	2
2. Changes in the accounting policies, estimates and retrospective restatement.....	2
II. Consolidated Financial Statements	3
1. Consolidated Balance Sheets	3
2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	5
3. Consolidated Statements of Changes in Net Assets	7
4. Notes on Going Concern Assumption.....	9
5. Notes on Consolidated Financial Statements	9
III. Supplementary Information.....	11
1. Commission Received.....	11
2. Net Trading Income	11
3. Quarterly Consolidated Statements of Income	12
IV. Non-consolidated Financial Statements.....	13
1. Non-consolidated Balance Sheets	13
2. Non-consolidated Statements of Income	15
3. Capital Adequacy Ratio on a stand-alone basis	17
4. Quarterly Non-consolidated Statements of Income	18

I. Summary Information (Notes)

1. Significant changes in the scope of consolidation during the period

SMBC Nikko Bank (Luxembourg) S.A. is excluded from the scope of consolidation from the current fiscal year, due to SMBC Nikko Securities Inc. (the “Company”) transferred all shares of SMBC Nikko Bank (Luxembourg) S.A. to SMBC Bank EU AG.

2. Changes in the accounting policies, estimates and retrospective restatement

The Company applied “Practical Solution on the Accounting for and Disclosure of the issuance and holding of Electronically Recorded Transferable Rights That Must Be Indicated on Securities, etc.” (ASBJ Practical Solution No. 43, August 26, 2022) from the beginning of the current fiscal year. There are no effects on the consolidated financial statements due to the application of the Practical Solution.

II. Consolidated Financial Statements

1. Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,641,800	2,146,203
Cash segregated as deposits	692,737	677,557
Trading products	4,706,496	5,957,101
Trading securities and other	3,699,558	4,422,323
Derivatives	1,006,938	1,534,777
Margin transaction assets	130,968	152,677
Loans on margin transactions	120,058	140,174
Cash collateral pledged for securities borrowing on margin transactions	10,909	12,503
Loans secured by securities	6,963,421	9,346,278
Cash collateral pledged for securities borrowed	3,964,197	4,561,145
Loans on Gensaki transactions	2,999,224	4,785,132
Short-term guarantee deposits	453,937	772,006
Accrued income	31,557	52,660
Other	123,257	185,049
Allowance for doubtful accounts	(2)	(171)
Total current assets	14,744,175	19,289,361
Non-current assets		
Property, plant and equipment	28,313	29,377
Buildings	14,476	14,299
Equipment	2,114	2,660
Land	5,681	5,641
Lease assets	6,041	6,772
Construction in progress	-	3
Intangible assets	77,613	92,189
Right of trademark	1	1
Software	76,964	91,549
Other	647	639
Investments and other assets	291,305	421,146
Investment securities	220,005	281,494
Long-term loans receivable	44,939	113,715
Long-term guarantee deposits	15,296	15,510
Deferred tax assets	2,888	2,186
Other	9,520	9,609
Allowance for doubtful accounts	(1,346)	(1,370)
Total non-current assets	397,231	542,714
Total assets	15,141,406	19,832,076

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trading products	3,889,371	5,464,502
Trading securities and other	2,987,797	3,904,441
Derivatives	901,574	1,560,060
Trade date accrual	368,814	340,523
Margin transaction liabilities	198,200	224,212
Borrowings on margin transactions	1,334	3,416
Cash received for securities lending on margin transactions	196,865	220,796
Loans payable secured by securities	5,308,804	7,519,140
Cash received for securities lending transactions	1,083,177	1,326,791
Borrowings on Gensaki transaction	4,225,626	6,192,349
Deposits received	580,586	627,127
Guarantee deposits received	202,569	219,931
Short-term loans payable	2,480,422	2,724,700
Current portion of long-term loans payable	50,000	3,000
Commercial papers	352,000	579,000
Current portion of bonds payable	100,936	26,759
Income taxes payable	1,075	3,218
Provision for bonuses	26,952	34,716
Provision for point card certificates	-	347
Other	45,665	66,968
Total current liabilities	13,605,399	17,834,149
Non-current liabilities		
Bonds payable	392,605	352,828
Long-term loans payable	201,150	359,750
Lease obligations	3,657	4,554
Deferred tax liabilities	10,161	32,874
Net defined benefit liability	3,574	3,078
Asset retirement obligations	2,976	3,126
Other	1,391	1,405
Total non-current liabilities	615,516	757,618
Reserves under special laws		
Reserve for financial products transaction liabilities	3,902	4,631
Total reserves under special laws	3,902	4,631
Total liabilities	14,224,818	18,596,399
Net assets		
Shareholders' equity		
Capital stock	10,000	135,000
Capital surplus	457,848	582,848
Retained earnings	387,610	404,226
Total shareholders' equity	855,459	1,122,075
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,874	78,500
Deferred gains or losses on hedges	27	(9)
Foreign currency translation adjustment	25,174	35,046
Remeasurements of defined benefit plans	5	14
Total accumulated other comprehensive income	61,081	113,551
Non-controlling interests	47	50
Total net assets	916,588	1,235,676
Total liabilities and net assets	15,141,406	19,832,076

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Operating revenue		
Commission received	159,130	228,821
Brokerage commissions	28,164	49,152
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	17,633	36,092
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	17,554	27,001
Other fees received	95,777	116,574
Net trading income	62,728	59,993
Financial revenue	50,997	124,530
Other sales	6,635	5,768
Total operating revenue	279,492	419,113
Financial expenses	49,970	100,050
Cost of other sales	6,643	5,682
Net operating revenue	222,878	313,380
Selling, general and administrative expenses		
Trading related expenses	32,035	38,332
Personnel expenses	123,353	130,961
Real estate expenses	23,334	22,936
Office expenses	32,343	35,346
Depreciation	27,570	27,538
Taxes and dues	5,050	6,231
Other	23,675	24,543
Total selling, general and administrative expenses	267,364	285,890
Operating profit (loss)	(44,485)	27,489
Non-operating income		
Dividend income	2,805	3,316
Equity in earnings of affiliates	-	2,364
Foreign exchange gains	333	-
Gain on investments in partnerships	1,119	1,582
Other	565	557
Total non-operating income	4,823	7,820
Non-operating expenses		
Interest expenses	89	130
Equity in losses of affiliates	1,162	-
Loss on investments in partnerships	799	1,601
Share issuance costs	-	875
Bond issuance costs	208	105
Other	247	657
Total non-operating expenses	2,508	3,369
Ordinary profit (loss)	(42,170)	31,941

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2024
Extraordinary income		
Gain on sale of noncurrent assets	645	-
Gain on sale of investment securities	1,827	416
Gain on sale of shares of subsidiary	2,352	-
Reversal of reserve for financial products transaction liabilities	0	-
Total extraordinary income	4,825	416
Extraordinary losses		
Impairment losses	11,299	114
Loss on sale of investment securities	107	184
Loss on valuation of investment securities	297	736
Loss on sale of shares of subsidiaries and affiliates	-	7,860
Provision of reserve for financial products transaction liabilities	-	729
Fines for market manipulation	5,777	-
Loss on overseas office	2,968	-
Total extraordinary loss	20,451	9,626
Profit (loss) before income taxes and non-controlling interests	(57,796)	22,731
Income taxes - current	(14,832)	3,739
Income taxes - deferred	(3,131)	2,751
Income taxes	(17,963)	6,490
Profit (loss)	(39,832)	16,240
Profit attributable to non-controlling interests	5	2
Profit (loss) attributable to owners of parent	(39,838)	16,238

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2024
Profit (loss)	(39,832)	16,240
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,722)	42,541
Foreign currency translation adjustment	3,548	3,042
Share of other comprehensive income of affiliates accounted for using equity method	9,892	6,886
Total other comprehensive income	10,718	52,469
Comprehensive income	(29,114)	68,710
Comprehensive income attributable to:		
Owners of parent	(29,119)	68,707
Non-controlling interests	5	2

3. Consolidated Statements of Changes in Net Assets

For the fiscal year ended March 31, 2023

(Millions of Yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance as of beginning of fiscal year	10,000	457,848	427,571	895,419
Changes of items during fiscal year				
Issuance of new stock				—
Loss attributable to owners of parent			(39,838)	(39,838)
Changes arising from restructuring			(122)	(122)
Increase arising from exclusion from the scope of the equity method				—
Net changes of items other than shareholders' equity				—
Total changes of items during fiscal year	—	—	(39,960)	(39,960)
Balance as of end of fiscal year	10,000	457,848	387,610	855,459

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of beginning of fiscal year	38,697	(27)	11,698	(6)	50,363	1,543	947,326
Changes of items during fiscal year							
Issuance of new stock							—
Loss attributable to owners of parent							(39,838)
Changes arising from restructuring							(122)
Increase arising from exclusion from the scope of the equity method							—
Net changes of items other than shareholders' equity	(2,823)	54	13,475	11	10,718	(1,495)	9,222
Total changes of items during fiscal year	(2,823)	54	13,475	11	10,718	(1,495)	(30,737)
Balance as of end of fiscal year	35,874	27	25,174	5	61,081	47	916,588

For the fiscal year ended March 31, 2024

(Millions of Yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance as of beginning of fiscal year	10,000	457,848	387,610	855,459
Changes of items during fiscal year				
Issuance of new stock	125,000	125,000		250,000
Loss attributable to owners of parent			16,238	16,238
Changes arising from restructuring				—
Increase arising from exclusion from the scope of the equity method			377	377
Net changes of items other than shareholders' equity				—
Total changes of items during fiscal year	125,000	125,000	16,615	266,615
Balance as of end of fiscal year	135,000	582,848	404,226	1,122,075

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Accumulated remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of beginning of fiscal year	35,874	27	25,174	5	61,081	47	916,588
Changes of items during fiscal year							
Issuance of new stock							250,000
Loss attributable to owners of parent							16,238
Changes arising from restructuring							—
Increase arising from exclusion from the scope of the equity method							377
Net changes of items other than shareholders' equity	42,625	(37)	9,872	8	52,469	2	52,472
Total changes of items during fiscal year	42,625	(37)	9,872	8	52,469	2	319,088
Balance as of end of fiscal year	78,500	(9)	35,046	14	113,551	50	1,235,676

4. Notes on Going Concern Assumption

Not applicable.

5. Notes on Consolidated Financial Statements

(Per Share Data)

		For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Net assets per share	(Yen)	4,582,681.67	6,178,070.09
Profit (loss) per share	(Yen)	(199,189.47)	81,189.33

(Notes) 1. Diluted profit (loss) per share is not presented in the table above since the Company issued no dilutive shares.

2. Profit (loss) per share is calculated based on the following:

		For the fiscal year ended March 31, 2023	For the fiscal year ended March 31, 2024
Profit (loss) per share			
Profit (loss) attributable to owners of parent	(Millions of Yen)	(39,838)	16,238
Profit not attributable to common stock shareholder	(Millions of Yen)	—	—
Profit (loss) attributable to owners of parent and to common stock	(Millions of Yen)	(39,838)	16,238
Average number of common shares during the fiscal year	(Number of Shares)	200,001	200,002

3. Net assets per share is calculated based on the following:

		As of March 31, 2023	As of March 31, 2024
Total net assets	(Millions of Yen)	916,588	1,235,676
Amount to be deducted from Total net assets	(Millions of Yen)	47	50
(of which Non-controlling interests)	(Millions of Yen)	(47)	(50)
Net assets attributable to common stock at the end of the fiscal year	(Millions of Yen)	916,540	1,235,626
Number of common shares at the end of the fiscal year used for the calculation of Net assets per share	(Number of Shares)	200,001	200,002

(Significant Subsequent Events)

On April 1, 2024, the Company paid dividend in all of the shares of its consolidated subsidiary Nikko Systems Solutions, Ltd. ("NKSOL") to its parent company Sumitomo Mitsui Financial Group, Inc. ("SMFG"). As a result, NKSOL was excluded from the consolidated subsidiaries of the Company.

1. Reason for dividend in kind

Paying dividend in NKSOL shares to SMFG is intended to demonstrate the SMBC Group's comprehensive capabilities more effectively by The Japan Research Institute, Ltd. and NKSOL which are the core IT companies of the SMBC Group establishing an organizational cooperation system under the intermediate holding company JRI Holdings, Ltd.

2. Matters related to dividend in kind

i. Types of dividend assets and total book value

Types of dividend assets	Number of shares	Shareholding ratio	Book value
NKSOL common shares	50,001 shares	100%	12,959 million yen

ii. Matters related to allocation of dividend assets to shareholders

The Company allocated NKSOL common shares of 50,001 to SMFG for 200,002 shares of the Company held by SMFG.

3. Schedule of dividends in kind

Resolution of the extraordinary general shareholders' meeting of the Company:	March 12, 2024
Effective date (dividend in kind):	April 1, 2024

III. Supplementary Information

1. Commission Received

(1) Breakdown by Categories

(Millions of yen, except for percentages)

	For the year ended March 31, 2023	For the year ended March 31, 2024	Increase/(Decrease)	
			Amount	Rate of change
Brokerage commissions	28,164	49,152	20,987	74.5 %
< Equities >	< 26,593 >	< 47,501 >	< 20,907 >	< 78.6 >
< Bonds >	< 30 >	< 70 >	< 39 >	< 127.0 >
< Investment trusts >	< 1,506 >	< 1,511 >	< 5 >	< 0.3 >
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	17,633	36,092	18,459	104.7
< Equities >	< 8,239 >	< 19,608 >	< 11,368 >	< 138.0 >
< Bonds >	< 8,913 >	< 16,107 >	< 7,193 >	< 80.7 >
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	17,554	27,001	9,446	53.8
< Investment trusts >	< 16,065 >	< 23,778 >	< 7,713 >	< 48.0 >
Other fees received	95,777	116,574	20,796	21.7
Total	159,130	228,821	69,690	43.8

(2) Breakdown by Products

(Millions of yen, except for percentages)

	For the year ended March 31, 2023	For the year ended March 31, 2024	Increase/(Decrease)	
			Amount	Rate of change
Equities	36,215	69,978	33,762	93.2 %
Bonds	12,583	22,470	9,887	78.6
Investment trusts	55,100	63,653	8,552	15.5
Other	55,231	72,719	17,487	31.7
Total	159,130	228,821	69,690	43.8

2. Net Trading Income

(Millions of yen, except for percentages)

	For the year ended March 31, 2023	For the year ended March 31, 2024	Increase/(Decrease)	
			Amount	Rate of change
Net trading income on equities	(2,735)	518	3,254	- %
Net trading income on bonds and others	65,463	59,474	(5,988)	(9.1)
Total	62,728	59,993	(2,734)	(4.4)

3. Quarterly Consolidated Statements of Income

(Millions of yen)

	FY2022 4Q (January 1 to March 31, 2023)	FY2023 1Q (April 1 to June 30, 2023)	FY2023 2Q (July 1 to September 30, 2023)	FY2023 3Q (October 1 to December 31, 2023)	FY2023 4Q (January 1 to March 31, 2024)
Operating revenue					
Commission received	42,476	49,297	58,833	56,872	63,816
Brokerage commissions	7,013	11,237	11,898	10,964	15,051
< Equities >	< 6,708 >	< 10,817 >	< 11,530 >	< 10,488 >	< 14,664 >
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	5,255	7,421	9,470	11,226	7,975
< Equities >	< 1,986 >	< 3,651 >	< 4,599 >	< 8,028 >	< 3,328 >
< Bonds >	< 3,140 >	< 3,662 >	< 4,818 >	< 3,178 >	< 4,448 >
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	3,588	6,790	7,366	6,097	6,746
< Investment trusts >	< 3,253 >	< 6,576 >	< 6,813 >	< 4,381 >	< 6,006 >
Other fees received	26,619	23,848	30,098	28,584	34,043
Net trading income	15,917	20,161	13,050	15,156	11,625
Financial revenue	21,159	22,477	29,429	30,602	42,020
Other sales	1,622	1,538	1,332	1,373	1,524
Total operating revenue	81,175	93,475	102,645	104,005	118,987
Financial expenses	20,727	21,118	23,177	25,040	30,714
Cost of other sales	1,794	1,405	1,216	1,425	1,634
Net operating revenue	58,653	70,950	78,252	77,539	86,638
Selling, general and administrative expenses					
Trading related expenses	8,664	8,449	9,723	9,356	10,803
Personnel expenses	38,065	29,667	32,989	32,895	35,409
Real estate expenses	6,122	5,869	5,700	5,654	5,712
Office expenses	8,637	8,173	8,699	9,019	9,454
Depreciation	7,093	6,802	6,738	6,893	7,103
Taxes and dues	727	1,887	1,143	2,082	1,118
Other	6,084	5,859	5,775	5,528	7,380
Total selling, general and administrative expenses	75,395	66,708	70,769	71,430	76,982
Operating profit	(16,741)	4,241	7,482	6,109	9,656
Non-operating income	1,923	578	1,781	2,074	3,386
Non-operating expenses	518	651	1,484	377	855
Ordinary profit	(15,336)	4,168	7,779	7,806	12,186
Extraordinary income	(0)	-	-	416	-
Extraordinary losses	11,327	8,757	379	239	249
Profit before income taxes and non-controlling interests	(26,663)	(4,589)	7,399	7,983	11,937
Income taxes	(11,234)	1,316	86	2,772	2,315
Profit	(15,429)	(5,906)	7,313	5,210	9,622
Profit attributable to non-controlling interests	(1)	1	2	1	(3)
Profit attributable to owners of parent	(15,427)	(5,907)	7,310	5,209	9,625

IV. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

	(Millions of yen)	
	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,524,872	2,102,909
Cash segregated as deposits	692,710	677,528
Trading products	4,706,496	5,957,101
Trading securities and other	3,699,558	4,422,323
Derivatives	1,006,938	1,534,777
Margin transaction assets	130,968	152,677
Loans on margin transactions	120,058	140,174
Cash collateral pledged for securities borrowing on margin transactions	10,909	12,503
Loans secured by securities	6,963,421	9,346,278
Cash collateral pledged for securities borrowed	3,964,197	4,561,145
Loans on Gensaki transactions	2,999,224	4,785,132
Short-term guarantee deposits	453,937	772,006
Short-term loans receivable	84,046	147,234
Accrued income	30,498	51,449
Other	69,962	78,823
Allowance for doubtful accounts	(2)	(171)
Total current assets	14,656,913	19,285,836
Non-current assets		
Property, plant and equipment	22,897	21,656
Buildings	13,899	13,604
Equipment	1,333	1,300
Land	5,681	5,641
Lease assets	1,982	1,106
Construction in progress	-	3
Intangible assets	17,700	20,463
Right of trademark	1	1
Software	14,509	15,643
Other	3,189	4,819
Investments and other assets	295,707	411,549
Investment securities	111,610	173,936
Shares of subsidiaries and affiliates	120,101	104,930
Long-term loans receivable	44,938	113,714
Long-term guarantee deposits	14,212	14,377
Other	6,190	5,960
Allowance for doubtful accounts	(1,346)	(1,370)
Total non-current assets	336,304	453,669
Total assets	14,993,217	19,739,506

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trading products	3,889,371	5,464,502
Trading securities and other	2,987,797	3,904,441
Derivatives	901,574	1,560,060
Trade date accrual	368,814	340,523
Margin transaction liabilities	198,200	224,212
Borrowings on margin transactions	1,334	3,416
Cash received for securities lending on margin transactions	196,865	220,796
Loans payable secured by securities	5,308,804	7,519,140
Cash received on debt credit transaction of securities	1,083,177	1,326,791
Borrowings on Gensaki transaction	4,225,626	6,192,349
Deposits received	523,365	626,888
Guarantee deposits received	202,569	219,931
Short-term loans payable	2,482,200	2,729,000
Current portion of long-term loans payable	50,000	3,000
Commercial papers	352,000	579,000
Current portion of bonds payable	100,936	26,759
Income taxes payable	153	2,669
Provision for bonuses	23,241	31,030
Provision for point card certificates	-	347
Other	34,423	55,107
Total current liabilities	13,534,080	17,822,113
Non-current liabilities		
Bonds payable	392,605	352,828
Long-term loans payable	201,150	359,750
Lease obligations	1,006	435
Deferred tax liabilities	7,523	28,595
Provision for retirement benefits	3,212	2,707
Asset retirement obligations	2,675	2,774
Other	1,064	1,417
Total non-current liabilities	609,237	748,508
Reserves under special laws		
Reserve for financial products transaction liabilities	3,902	4,631
Total reserves under special laws	3,902	4,631
Total liabilities	14,147,220	18,575,253
Net assets		
Shareholders' equity		
Capital stock	10,000	135,000
Capital surplus	457,714	582,714
Legal capital surplus	-	125,000
Other capital surplus	457,714	457,714
Retained earnings	340,814	367,646
Legal retained earnings	2,500	2,500
Other retained earnings	338,314	365,146
Retained earnings brought forward	338,314	365,146
Total shareholders' equity	808,528	1,085,360
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	37,469	78,891
Total valuation and translation adjustments	37,469	78,891
Total net assets	845,997	1,164,252
Total liabilities and net assets	14,993,217	19,739,506

2. Non-consolidated Statements of Income

	(Millions of yen)	
	For the year ended March 31, 2023	For the year ended March 31, 2024
Operating revenue		
Commission received	150,363	219,938
Brokerage commissions	26,529	46,473
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	17,547	35,976
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	17,117	25,777
Other fees received	89,170	111,711
Net trading income	62,737	59,999
Financial revenue	49,787	123,376
Total operating revenue	262,888	403,315
Financial expenses	49,447	100,007
Net operating revenue	213,440	303,307
Selling, general and administrative expenses		
Trading related expenses	29,271	36,373
Personnel expenses	107,743	116,848
Real estate expenses	18,930	18,607
Office expenses	64,671	69,038
Depreciation	8,910	9,174
Taxes and dues	4,723	5,894
Other	21,283	22,740
Total selling, general and administrative expenses	255,535	278,677
Operating profit (loss)	(42,094)	24,630
Non-operating income		
Dividend income	3,442	12,361
Gain on investments in partnerships	1,119	1,582
Other	419	473
Total non-operating income	4,981	14,417
Non-operating expenses		
Loss on investments in partnerships	799	1,601
Share issuance costs	-	875
Bond issuance costs	208	105
Other	221	308
Total non-operating expenses	1,229	2,890
Ordinary profit (loss)	(38,342)	36,158

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2024
Extraordinary income		
Gain on sale of noncurrent assets	645	-
Gain on sale of investment securities	1,827	416
Gain on sale of shares of subsidiary	978	-
Reversal of reserve for financial products transaction liabilities	0	-
Total extraordinary income	3,451	416
Extraordinary losses		
Impairment losses	5,704	114
Loss on sale of investment securities	107	184
Loss on valuation of investment securities	297	736
Loss on sale of shares of subsidiaries and affiliates	-	71
Loss on valuation of shares of subsidiaries and affiliates	-	1,686
Provision of reserve for financial products transaction liabilities	-	729
Fines for market manipulation	5,777	-
Loss on overseas office	2,968	-
Total extraordinary loss	14,856	3,523
Profit (loss) before income taxes	(49,746)	33,051
Income taxes - current	(15,633)	3,140
Income taxes - deferred	(1,799)	3,079
Income taxes	(17,432)	6,219
Profit (loss)	(32,314)	26,832

3. Capital Adequacy Ratio on a stand-alone basis

(Millions of yen)

		As of March 31, 2023	As of March 31, 2024
Basic items	(A)	808,528	1,070,600
Supplementary items	Valuation difference on available-for-sale securities and others	37,469	78,891
	Reserve for financial products transaction liabilities	3,902	4,631
	Allowance for doubtful accounts	2	2
	Total	(B) 41,373	83,525
Deductible assets	(C)	296,679	348,822
Net capital	(A) + (B) - (C) (D)	553,222	805,303
Risk items	Market Risk	65,337	84,190
	Counterparty Risk	62,471	93,690
	Basic Risk	60,905	70,283
	Total	(E) 188,714	248,164
Capital adequacy ratio	(D) / (E)*100	293.1%	324.5%

4. Quarterly Non-consolidated Statements of Income

(Millions of yen)

	FY2022 4Q (January 1 to March 31, 2023)	FY2023 1Q (April 1 to June 30, 2023)	FY2023 2Q (July 1 to September 30, 2023)	FY2023 3Q (October 1 to December 31, 2023)	FY2023 4Q (January 1 to March 31, 2024)
Operating revenue					
Commission received	39,884	47,594	56,881	54,900	60,561
Brokerage commissions	6,518	10,638	11,267	10,470	14,097
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Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	5,242	7,417	9,441	11,213	7,903
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Fee for offering, secondary distribution and solicitation for selling and others for professional investors	3,588	6,668	7,272	5,594	6,242
< Investment trusts >	< 3,253 >	< 6,576 >	< 6,813 >	< 4,381 >	< 6,006 >
Other fees received	24,535	22,869	28,899	27,622	32,318
Net trading income	15,918	20,161	13,053	15,159	11,626
Financial revenue	20,613	22,244	29,161	30,332	41,637
Total operating revenue	76,416	90,000	99,096	100,392	113,826
Financial expenses	20,518	21,114	23,161	25,031	30,699
Net operating revenue	55,897	68,885	75,934	75,361	83,126
Selling, general and administrative expenses					
Trading related expenses	8,098	7,932	9,290	9,154	9,995
Personnel expenses	34,171	26,186	29,554	29,457	31,649
Real estate expenses	4,813	4,796	4,639	4,541	4,628
Office expenses	16,063	16,766	17,078	17,405	17,787
Depreciation	2,401	2,253	2,227	2,328	2,364
Taxes and dues	703	1,766	1,087	1,992	1,048
Other	5,327	5,453	5,412	5,130	6,743
Total selling, general and administrative expenses	71,580	65,157	69,289	70,011	74,218
Operating profit	(15,682)	3,728	6,644	5,349	8,908
Non-operating income	1,751	9,138	1,418	1,175	2,684
Non-operating expenses	307	410	1,431	442	606
Ordinary profit	(14,238)	12,456	6,632	6,082	10,986
Extraordinary income	(0)	-	-	416	-
Extraordinary losses	5,732	968	379	239	1,935
Profit before income taxes	(19,971)	11,488	6,252	6,259	9,051
Income taxes	(9,717)	1,940	(319)	2,481	2,116
Profit	(10,253)	9,547	6,572	3,777	6,934