

Note : This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Under Japanese GAAP)

January 28, 2022

Company name: Marusan Securities Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 8613 URL: <https://www.marusan-sec.co.jp/>
 Representative: President & Representative Director Minoru Kikuchi
 Inquiries: General Manager of Finance Dept. Kiyotaka Toya Telephone: +81-3-3238-2460
 Scheduled date to file quarterly securities report: February 10, 2022
 Preparation of supplementary material on quarterly financial results : Yes
 Holding of quarterly financial results briefing : None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended										
December 31, 2021	14,601	5.2	14,551	5.5	2,891	25.7	3,285	22.0	2,508	△21.1
December 31, 2020	13,881	12.0	13,797	12.2	2,300	206.2	2,693	119.6	3,179	292.7

Note: Comprehensive income For the nine months ended December 31, 2021: 2,774 million yen (△ 36.2%)
 For the nine months ended December 31, 2020: 4,348 million yen (217.0%)

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2021	37.71	37.68
December 31, 2020	47.81	47.81

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2021	110,773	47,118	42.3	705.08
March 31, 2021	99,385	46,401	46.5	694.33

Reference: Equity As of December 31, 2021 : 46,898 million yen As of March 31, 2021 : 46,178 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	13.50	—	20.00	33.50
Fiscal year ending March 31, 2022	—	11.00	—	—	—
Fiscal year ending March 31, 2022 (Forecast)	—	—	—	—	—

* Notes

(1) Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation) : None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

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

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

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

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

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

As of December 31, 2021	67,398,262 shares
As of March 31, 2021	67,398,262 shares

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

As of December 31, 2021	883,701 shares
As of March 31, 2021	890,488 shares

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

Nine months ended December 31, 2021	66,511,115 shares
Nine months ended December 31, 2020	66,503,694 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31,2021	As of December 31,2021
Assets		
Current assets		
Cash and deposits	28,693	43,482
Segregated deposits	31,722	27,629
Segregated deposits for customers	31,702	27,609
Other segregated deposits	20	20
Trading products	596	586
Trading securities and other	596	586
Derivatives	0	0
Trade date accrual	20	0
Margin transaction assets	17,393	19,135
Margin loans	16,671	18,744
Cash collateral provided for securities borrowed in margin transactions	722	391
Advances paid	29	20
Deposits paid for underwritten offering, etc.	3,622	1,747
Accrued income	1,628	1,471
Other securities	49	49
Other current assets	143	331
Allowance for doubtful accounts	△0	△0
Total current assets	83,899	94,454
Non-current assets		
Property, plant and equipment	2,658	3,008
Buildings, net	801	796
Equipment	475	836
Land	1,381	1,375
Construction in progress	-	0
Intangible assets	104	154
Software	90	141
Telephone subscription right	13	13
Investments and other assets	12,722	13,155
Investment securities	11,086	11,543
Long-term loans receivable	6	3
Long-term guarantee deposits	753	738
Long-term prepaid expenses	57	46
Retirement benefit asset	692	714
Other	126	108
Allowance for doubtful accounts	△0	△0
Total non-current assets	15,485	16,318
Total assets	99,385	110,773

(Millions of yen)

	As of March 31,2021	As of December 31,2021
Liabilities		
Current liabilities		
Margin transaction liabilities	3,198	2,214
Margin borrowings	1,078	829
Cash received for securities sold in margin transactions	2,119	1,385
Borrowings secured by securities	-	97
Cash collateral received for securities lent	-	97
Deposits received	28,487	42,283
Guarantee deposits received	10,844	9,905
Short-term borrowings	2,750	2,750
Income taxes payable	1,812	26
Provision for bonuses	1,005	506
Provision for bonuses for directors (and other officers)	30	-
Other current liabilities	902	1,525
Total current liabilities	49,029	59,309
Non-current liabilities		
Deferred tax liabilities	2,750	3,136
Retirement benefit liability	908	915
Long-term accounts payable - other	20	20
Other noncurrent liabilities	109	108
Total non-current liabilities	3,788	4,180
Reserves under special laws		
Reserve for financial instruments transaction liabilities	165	164
Total reserves under special laws	165	164
Total liabilities	52,983	63,655
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	331	332
Retained earnings	29,757	30,206
Treasury shares	△475	△471
Total shareholders' equity	39,614	40,067
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,445	6,727
Remeasurements of defined benefit plans	118	103
Total accumulated other comprehensive income	6,564	6,830
Share acquisition rights	222	220
Total net assets	46,401	47,118
Total liabilities and net assets	99,385	110,773

Quarterly Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31,2020	Nine months ended December 31,2021
Operating revenue		
Commission received	13,474	14,180
Brokerage commission	6,013	5,104
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	90	116
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	3,296	3,925
Other commission received	4,073	5,034
Net trading income	114	55
Financial revenue	292	365
Total operating revenue	<u>13,881</u>	<u>14,601</u>
Financial expenses	<u>84</u>	<u>49</u>
Net operating revenue	<u>13,797</u>	<u>14,551</u>
Selling, general and administrative expenses		
Trading related expenses	1,037	1,093
Personnel expenses	6,914	6,915
Real estate expenses	1,028	1,105
Office expenses	1,539	1,577
Depreciation	313	332
Taxes and dues	194	183
Other	468	453
Total selling, general and administrative expenses	<u>11,496</u>	<u>11,660</u>
Operating profit	<u>2,300</u>	<u>2,891</u>
Non-operating income	395	395
Non-operating expenses	1	1
Ordinary profit	<u>2,693</u>	<u>3,285</u>
Extraordinary income		
Gain on sale of investment securities	1,882	370
Gain on repayment of subscription right to shares	16	17
Reversal of reserve for financial instruments transaction liabilities	8	0
Gain on sale of non-current assets	-	0
Total extraordinary income	<u>1,906</u>	<u>388</u>
Extraordinary losses		
Impairment losses	1	5
Loss on sale of investment securities	0	-
Other	0	0
Total extraordinary losses	<u>2</u>	<u>5</u>
Profit before income taxes	<u>4,598</u>	<u>3,668</u>
Income taxes - current	1,328	893
Income taxes - deferred	90	266
Total income taxes	<u>1,419</u>	<u>1,159</u>
Profit	<u>3,179</u>	<u>2,508</u>
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	<u>3,179</u>	<u>2,508</u>

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31,2020	Nine months ended December 31,2021
Profit	3,179	2,508
Other comprehensive income		
Valuation difference on available-for-sale securities	1,133	281
Remeasurements of defined benefit plans, net of tax	35	△15
Total other comprehensive income	<u>1,168</u>	<u>266</u>
Comprehensive income	<u>4,348</u>	<u>2,774</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,348	2,774
Comprehensive income attributable to non-controlling interests	-	-