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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

April 27, 2023

Company name : Marusan Securities Co., Ltd.
 Listing : Tokyo Stock Exchange URL : <https://www.marusan-sec.co.jp/>
 Securities code : 8613 Telephone : +81-3-3238-2460
 Representative : Minoru Kikuchi, President & Representative Director
 Inquiries : Kiyotaka Toya, General Manager of Finance Dept.
 Scheduled date of annual general meeting of shareholders : June 22, 2023
 Scheduled date to commence dividend payments : June 23, 2023
 Scheduled date to file annual securities report : June 23, 2023
 Preparation of supplementary material on financial results : Yes
 Holding of financial results briefing : Yes

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	%
Fiscal year ended										
March 31, 2023	14,931	△20.0	14,872	△20.1	379	△88.2	852	△76.6	778	△72.5
March 31, 2022	18,670	△2.7	18,602	△2.5	3,219	△12.1	3,647	△10.7	2,827	△32.0

Note : Comprehensive income For the fiscal year ended March 31, 2023 : 523 millions of yen [△81.2%]
 For the fiscal year ended March 31, 2022 : 2,788 millions of yen [△50.2%]

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to Operating revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	11.86	11.85	1.7	1.1	2.5
March 31, 2022	42.51	42.49	6.1	3.8	17.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	67,601	46,086	67.9	700.13
March 31, 2022	90,885	47,133	51.6	705.27

Reference : Equity As of March 31, 2023 : 45,874 millions of yen As of March 31, 2022 : 46,912 millions of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	10,994	△4,603	△1,561	30,978
March 31, 2022	△371	△911	△2,050	25,873

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	11.00	-	11.00	22.00	1,463	51.7	3.1
March 31, 2023	-	5.00	-	7.00	12.00	786	101.2	1.7

*** Notes**

(1) Changes in significant subsidiaries during the period

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

(2) 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

(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, 2023	67,398,262 shares
As of March 31, 2022	67,398,262 shares

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

As of March 31, 2023	1,875,325 shares
As of March 31, 2022	880,864 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	65,646,188 shares
Fiscal year ended March 31, 2022	66,512,080 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2023

(from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	14,931	△20.0	14,865	△20.1	340	△89.3	843	△76.8
March 31, 2022	18,670	△2.7	18,595	△2.5	3,171	△12.3	3,630	△10.8

	Profit		Net income per share	Diluted net income per share	Return on equity
	Millions of yen	%	Yen	Yen	%
Fiscal year ended					
March 31, 2023	772	△72.6	11.77	11.77	1.7
March 31, 2022	2,815	△32.1	42.34	42.31	6.3

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share	Capital adequacy ratio
	Millions of yen	Millions of yen	%	Yen	%
As of					
March 31, 2023	66,841	44,484	66.2	675.68	681.1
March 31, 2022	90,080	45,501	50.3	680.74	631.7

Reference : Equity As of March 31, 2023 : 44,272 millions of yen As of March 31, 2022 : 45,280 millions of yen

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

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	25,873	30,978
Segregated deposits	27,122	10,602
Segregated deposits for customers	27,102	10,582
Other segregated deposits	20	20
Trading products	667	627
Trading securities and other	667	627
Derivatives	0	0
Margin transaction assets	16,018	5,507
Margin loans	15,526	5,265
Cash collateral provided for securities borrowed in margin transactions	492	242
Advances paid	42	4
Deposits paid for underwritten offering, etc.	3,094	2,316
Accrued revenue	1,592	1,352
Other securities	49	49
Other current assets	211	442
Allowance for doubtful accounts	△0	-
Total current assets	74,671	51,880
Non-current assets		
Property, plant and equipment	2,931	2,660
Buildings, net	811	870
Equipment	744	488
Land	1,375	1,299
Construction in progress	-	1
Intangible assets	149	304
Software	142	297
Telephone subscription right	7	7
Investments and other assets	13,132	12,756
Investment securities	11,307	10,935
Long-term loans receivable	2	1
Long-term guarantee deposits	739	720
Long-term prepaid expenses	42	24
Retirement benefit asset	931	966
Other	108	108
Allowance for doubtful accounts	△0	-
Total non-current assets	16,213	15,721
Total assets	90,885	67,601

(Millions of yen)

	As of March 31,2022	As of March 31,2023
Liabilities		
Current liabilities		
Trade date accrual	1	4
Margin transaction liabilities	2,905	596
Margin borrowings	1,266	209
Cash received for securities sold in margin transactions	1,639	387
Borrowings secured by securities	141	49
Cash collateral received for securities lent	141	49
Deposits received	22,584	11,099
Guarantee deposits received	9,512	1,371
Short-term borrowings	2,750	2,750
Income taxes payable	110	42
Provision for bonuses	883	824
Provision for bonuses for directors (and other officers)	20	–
Other current liabilities	815	853
Total current liabilities	39,725	17,591
Non-current liabilities		
Deferred tax liabilities	2,846	2,790
Retirement benefit liability	888	854
Long-term accounts payable – other	20	14
Other noncurrent liabilities	104	99
Total non-current liabilities	3,861	3,757
Reserves under special laws		
Reserve for financial instruments transaction liabilities	165	165
Total reserves under special laws	165	165
Total liabilities	43,751	21,515
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	331	331
Retained earnings	30,526	30,245
Treasury shares	△469	△970
Total shareholders' equity	40,388	39,605
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,253	6,040
Remeasurements of defined benefit plans	270	228
Total accumulated other comprehensive income	6,524	6,269
Share acquisition rights	220	211
Total net assets	47,133	46,086
Total liabilities and net assets	90,885	67,601

Consolidated Statements of Income

	(Millions of yen)	
	Fiscal year ended March 31,2022	Fiscal year ended March 31,2023
Operating revenue		
Commission received	18,115	14,660
Brokerage commission	6,447	4,349
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	137	102
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	4,989	4,271
Other commission received	6,541	5,937
Net trading income	70	56
Financial revenue	484	214
Total operating revenue	<u>18,670</u>	<u>14,931</u>
Financial expenses	67	59
Net operating revenue	<u>18,602</u>	<u>14,872</u>
Selling, general and administrative expenses		
Trading related expenses	1,442	1,273
Personnel expenses	9,034	8,692
Real estate expenses	1,470	1,459
Office expenses	2,093	1,741
Depreciation	493	518
Taxes and dues	238	205
Other	609	601
Total selling, general and administrative expenses	<u>15,382</u>	<u>14,492</u>
Operating profit	<u>3,219</u>	<u>379</u>
Non-operating income	430	480
Non-operating expenses	1	7
Ordinary profit	<u>3,647</u>	<u>852</u>
Extraordinary income		
Gain on sale of investment securities	370	229
Compensation income	-	37
Gain on sale of non-current assets	0	27
Gain on repayment of subscription right to shares	21	20
Total extraordinary income	<u>392</u>	<u>314</u>
Extraordinary losses		
Impairment losses	6	27
Loss on sale and retirement of non-current assets	39	5
Loss on sale of investment securities	-	3
Loss on valuation of securities	-	1
Total extraordinary losses	<u>46</u>	<u>38</u>
Profit before income taxes	<u>3,993</u>	<u>1,128</u>
Income taxes – current	1,043	301
Income taxes – deferred	122	49
Total income taxes	<u>1,166</u>	<u>350</u>
Profit	<u>2,827</u>	<u>778</u>
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	<u>2,827</u>	<u>778</u>

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	2,827	778
Other comprehensive income		
Valuation difference on available-for-sale securities	△191	△213
Remeasurements of defined benefit plans, net of tax	151	△41
Total other comprehensive income	△39	△255
Comprehensive income	2,788	523
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,788	523
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statement of Changes in Equity
(From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	331	29,757	△475	39,614
Cumulative effects of changes in accounting policies			2		2
Restated balance	10,000	331	29,760	△475	39,616
Changes during period					
Dividends of surplus			△2,061		△2,061
Profit attributable to owners of parent			2,827		2,827
Purchase of treasury shares				△0	△0
Disposal of treasury shares		0		5	5
Net changes in items other than shareholders' equity					
Total changes during period	-	0	765	5	771
Balance at end of period	10,000	331	30,526	△469	40,388

	Total accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,445	118	6,564	222	46,401
Cumulative effects of changes in accounting policies					2
Restated balance	6,445	118	6,564	222	46,403
Changes during period					
Dividends of surplus					△2,061
Profit attributable to owners of parent					2,827
Purchase of treasury shares					△0
Disposal of treasury shares					5
Net changes in items other than shareholders' equity	△191	151	△39	△1	△41
Total changes during period	△191	151	△39	△1	730
Balance at end of period	6,253	270	6,524	220	47,133

Consolidated Statement of Changes in Equity
(From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	331	30,526	△469	40,388
Cumulative effects of changes in accounting policies					
Restated balance	10,000	331	30,526	△469	40,388
Changes during period					
Dividends of surplus			△1,059		△1,059
Profit attributable to owners of parent			778		778
Purchase of treasury shares				△504	△504
Disposal of treasury shares		△0		3	2
Net changes in items other than shareholders' equity					
Total changes during period	-	△0	△281	△500	△782
Balance at end of period	10,000	331	30,245	△970	39,605

	Total accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	6,253	270	6,524	220	47,133
Cumulative effects of changes in accounting policies					-
Restated balance	6,253	270	6,524	220	47,133
Changes during period					
Dividends of surplus					△1,059
Profit attributable to owners of parent					778
Purchase of treasury shares					△504
Disposal of treasury shares					2
Net changes in items other than shareholders' equity	△213	△41	△255	△8	△263
Total changes during period	△213	△41	△255	△8	△1,046
Balance at end of period	6,040	228	6,269	211	46,086

Consolidated Cash Flow Statements

(Millions of yen)

	Fiscal year ended March 31,2022	Fiscal year ended March 31,2023
Cash flows from operating activities		
Profit before income taxes	3,993	1,128
Depreciation	493	518
Increase (decrease) in allowance for doubtful accounts	△0	△0
Decrease (increase) in retirement benefit asset	△55	△103
Increase (decrease) in retirement benefit liability	5	△28
Increase (decrease) in provision for bonuses	△122	△59
Increase (decrease) in provision for bonuses for directors (and other officers)	△10	△20
Impairment losses	6	27
Loss (gain) on valuation of investment securities	△0	1
Loss (gain) on sale and retirement of non-current assets	39	△21
Loss (gain) on sale of investment securities	△370	△226
Interest and dividend income	△841	△603
Interest expenses	67	59
Decrease (increase) in cash segregated as deposits for customers	4,599	16,520
Decrease/increase in advance paid/deposits received	△5,916	△3,736
Decrease (increase) in trading products – assets (liabilities)	△48	42
Decrease/increase in margin transaction assets/liabilities	1,082	△488
Increase (decrease) in borrowings secured by securities	141	△92
Increase (decrease) in guarantee deposits received	△1,331	△2,476
Decrease (increase) in deposits paid for underwritten offering, etc.	528	778
Other, net	△682	△215
Subtotal	1,579	11,005
Interest and dividends received	830	609
Interest paid	△68	△59
Income tax paid	△2,712	△561
Net cash provided by (used in) operating activities	△371	10,994
Cash flows from investing activities		
Purchase of investment securities	△519	–
Proceeds from sale of investment securities	395	298
Purchase of property, plant and equipment and intangible assets	△767	△354
Proceeds from sale of property, plant and equipment	0	80
Payments for separation of business	–	△4,624
Other, net	△19	△3
Net cash provided by (used in) investing activities	△911	△4,603
Cash flows from financing activities		
Repayments of lease liabilities	△0	△1
Purchase of treasury shares	△0	△504
Proceeds from sale of treasury shares	4	1
Dividends paid	△2,054	△1,057
Net cash provided by (used in) financing activities	△2,050	△1,561
Effect of exchange rate change on cash and cash equivalents	513	276
Net increase (decrease) in cash and cash equivalents	△2,819	5,105
Cash and cash equivalents at beginning of period	28,693	25,873
Cash and cash equivalents at end of period	25,873	30,978