

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 27, 2022

Company name: OKASAN SECURITIES GROUP INC.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 8609 URL <https://www.okasan.jp/>  
 Representative: President SHINSHIBA Hiroyuki  
 Senior General Manager, Treasury Planning  
 Inquiries: MIYAZAKI Nobuyuki TEL 03-3272-2222  
 Dept.  
 Scheduled date of ordinary general meeting of shareholders: June 29, 2022  
 Scheduled date to file Securities Report: June 30, 2022  
 Scheduled date to commence dividend payments: June 8, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

#### (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	%
Year ended March 31, 2022	73,778	9.7	72,597	9.8	4,976	(2.5)	6,898	(7.1)	10,073	67.4
Year ended March 31, 2021	67,259	3.4	66,109	3.2	5,106	146.3	7,426	35.3	6,017	65.9

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/Operating revenue
	Yen	Yen	%	%	%
Year ended March 31, 2022	50.89	50.60	6.0	0.9	6.7
Year ended March 31, 2021	30.42	30.26	3.7	1.2	7.6

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	816,567	189,860	20.6	847.85
As of March 31, 2021	783,440	190,304	21.4	848.87

#### (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
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	(4,200)	7,041	13,264	79,789
Year ended March 31, 2021	(40,941)	(3,717)	42,604	62,517

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	0.00	—	15.00	15.00	2,999	49.3	1.8
Year ended March 31, 2022	—	0.00	—	15.00	15.00	3,002	29.5	1.8
Year ending March 31, 2023 (Forecast)	—	—	—	—	—	—	—	—

3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2022  
 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of March 31, 2022	208,214,969 shares	As of March 31, 2021	208,214,969 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	10,221,299 shares	As of March 31, 2021	10,382,959 shares
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Average number of shares during the period

Year ended March 31, 2022	197,948,096 shares	Year ended March 31, 2021	197,826,916 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	69,013	86,946
Segregated deposits	96,687	90,874
Segregated deposits for customers	94,630	87,760
Other segregated deposits	2,057	3,114
Trading products	212,318	227,666
Trading securities and other	212,312	227,583
Derivatives	6	83
Trade date accrual	–	8,665
Margin transaction assets	66,792	63,432
Margin loans	60,150	54,278
Cash collateral provided for securities borrowed in margin transactions	6,642	9,154
Loans secured by securities	223,361	228,480
Securities purchased under resale agreements	223,361	228,480
Advances paid	1,086	1,263
Short-term guarantee deposits	10,808	18,596
Accounts for non-delivered securities and others	–	85
Short-term loans receivable	141	107
Accrued revenue	3,718	4,060
Securities	2,509	2,500
Other current assets	2,578	2,421
Allowance for doubtful accounts	(0)	(16)
<b>Total current assets</b>	<b>689,017</b>	<b>735,086</b>
<b>Non-current assets</b>		
Property, plant and equipment	18,355	18,071
Buildings, net	5,430	5,189
Equipment	1,139	1,186
Land	10,797	10,772
Lease assets, net	987	785
Construction in progress	0	137
Intangible assets	4,624	4,098
Software	3,820	3,076
Other	803	1,022
Investments and other assets	71,443	59,310
Investment securities	63,680	51,326
Long-term guarantee deposits	4,278	4,110
Long-term loans receivable	18	13
Retirement benefit asset	2,608	2,534
Deferred tax assets	63	657
Other	2,303	1,562
Allowance for doubtful accounts	(1,510)	(893)
<b>Total non-current assets</b>	<b>94,422</b>	<b>81,480</b>
<b>Total assets</b>	<b>783,440</b>	<b>816,567</b>

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	157,593	225,410
Trading securities and other	157,560	225,361
Derivatives	32	48
Trade date accrual	92,676	–
Margin transaction liabilities	18,442	25,421
Margin borrowings	8,268	14,098
Cash received for securities sold in margin transactions	10,173	11,323
Borrowings secured by securities	50,003	97,518
Cash collateral received for securities lent	848	1,518
Securities sold under repurchase agreements	49,154	96,000
Deposits received	67,299	61,423
Guarantee deposits received	42,198	37,002
Payables for securities to receive over due for delivery	2	17
Short-term borrowings	123,559	138,513
Income taxes payable	1,206	2,781
Provision for bonuses	2,060	2,020
Other current liabilities	5,332	5,500
<b>Total current liabilities</b>	<b>560,375</b>	<b>595,610</b>
<b>Non-current liabilities</b>		
Long-term borrowings	9,900	11,802
Lease liabilities	807	639
Deferred tax liabilities for land revaluation	1,457	1,457
Deferred tax liabilities	10,428	7,274
Provision for retirement benefits for directors (and other officers)	221	208
Retirement benefit liability	6,447	6,407
Other noncurrent liabilities	2,259	2,067
<b>Total non-current liabilities</b>	<b>31,523</b>	<b>29,855</b>
<b>Reserves under special laws</b>		
Reserve for financial instruments transaction liabilities	1,237	1,241
<b>Total reserves under special laws</b>	<b>1,237</b>	<b>1,241</b>
<b>Total liabilities</b>	<b>593,136</b>	<b>626,706</b>

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Net assets		
Shareholders' equity		
Share capital	18,589	18,589
Capital surplus	23,841	23,848
Retained earnings	113,877	120,984
Treasury shares	(3,796)	(3,733)
Total shareholders' equity	152,512	159,689
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,739	6,466
Revaluation reserve for land	401	401
Foreign currency translation adjustment	114	477
Remeasurements of defined benefit plans	1,165	834
Total accumulated other comprehensive income	15,420	8,179
Share acquisition rights	422	463
Non-controlling interests	21,948	21,528
Total net assets	190,304	189,860
Total liabilities and net assets	783,440	816,567

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue		
Commission received	43,850	46,598
Brokerage commission	22,576	18,966
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	434	1,106
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	6,937	11,005
Other commission received	13,902	15,520
Net trading income	20,767	24,021
Financial revenue	1,723	2,180
Other operating revenue	918	978
Total operating revenue	67,259	73,778
Financial expenses	1,150	1,180
Net operating revenue	66,109	72,597
Selling, general and administrative expenses	61,002	67,621
Trading related expenses	10,434	11,606
Personnel expenses	30,891	32,978
Real estate expenses	7,458	8,195
Office expenses	4,970	7,039
Depreciation	3,188	2,949
Taxes and dues	1,017	1,323
Provision of allowance for doubtful accounts	(0)	40
Other	3,042	3,487
Operating profit	5,106	4,976
Non-operating income	2,499	2,118
Dividend income	1,061	1,570
Share of profit of entities accounted for using equity method	873	32
Foreign exchange gains	299	195
Other	264	319
Non-operating expenses	178	195
Interest expenses	44	38
Loss on valuation of investment securities	37	20
Loss on sale and retirement of non-current assets	15	54
Compensation expenses	36	0
Loss on sale of receivables	–	33
Settlement payments	25	4
Other	19	44
Ordinary profit	7,426	6,898

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Extraordinary income		
Gain on sale of investment securities	67	9,585
Gain on sales of investments in capital of subsidiaries and associates	–	93
Gain on bargain purchase	7,108	–
Reversal of reserve for financial instruments transaction liabilities	44	–
Total extraordinary income	7,220	9,679
Extraordinary losses		
Loss on step acquisitions	4,394	–
Impairment losses	1,810	1,092
Loss on sale of investment securities	35	8
Loss on valuation of investment securities	232	114
Loss on valuation of golf club membership	–	4
Provision of reserve for financial instruments transaction liabilities	–	3
Total extraordinary losses	6,473	1,223
Profit before income taxes	8,174	15,354
Income taxes - current	1,613	4,134
Income taxes - deferred	224	119
Total income taxes	1,837	4,254
Profit	6,336	11,100
Profit attributable to non-controlling interests	319	1,027
Profit attributable to owners of parent	6,017	10,073

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	6,336	11,100
Other comprehensive income		
Valuation difference on available-for-sale securities	7,149	(8,515)
Foreign currency translation adjustment	52	363
Remeasurements of defined benefit plans, net of tax	1,044	(334)
Share of other comprehensive income of entities accounted for using equity method	239	(110)
Total other comprehensive income	8,485	(8,596)
Comprehensive income	14,822	2,504
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,857	2,832
Comprehensive income attributable to non-controlling interests	964	(328)



## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,589	23,622	109,836	(3,814)	148,234
Changes during period					
Dividends of surplus			(1,975)		(1,975)
Profit attributable to owners of parent			6,017		6,017
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		3	(0)	19	21
Change in ownership interest of parent due to transactions with non-controlling interests		215		(0)	214
Net changes in items other than shareholders' equity					
Total changes during period	–	218	4,040	17	4,277
Balance at end of period	18,589	23,841	113,877	(3,796)	152,512

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	6,991	401	62	125	7,579	358	8,274	164,447
Changes during period								
Dividends of surplus								(1,975)
Profit attributable to owners of parent								6,017
Purchase of treasury shares								(0)
Disposal of treasury shares								21
Change in ownership interest of parent due to transactions with non-controlling interests								214
Net changes in items other than shareholders' equity	6,747	–	52	1,040	7,840	63	13,674	21,578
Total changes during period	6,747	–	52	1,040	7,840	63	13,674	25,856
Balance at end of period	13,739	401	114	1,165	15,420	422	21,948	190,304

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	18,589	23,841	113,877	(3,796)	152,512
Changes during period					
Dividends of surplus			(2,963)		(2,963)
Profit attributable to owners of parent			10,073		10,073
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		7	(2)	63	68
Change in ownership interest of parent due to transactions with non-controlling interests					–
Net changes in items other than shareholders' equity					
Total changes during period	–	7	7,106	62	7,176
Balance at end of period	18,589	23,848	120,984	(3,733)	159,689

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	13,739	401	114	1,165	15,420	422	21,948	190,304
Changes during period								
Dividends of surplus								(2,963)
Profit attributable to owners of parent								10,073
Purchase of treasury shares								(1)
Disposal of treasury shares								68
Change in ownership interest of parent due to transactions with non-controlling interests								–
Net changes in items other than shareholders' equity	(7,273)	–	363	(331)	(7,240)	41	(420)	(7,620)
Total changes during period	(7,273)	–	363	(331)	(7,240)	41	(420)	(443)
Balance at end of period	6,466	401	477	834	8,179	463	21,528	189,860

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	8,174	15,354
Depreciation	3,188	2,949
Impairment losses	1,810	1,092
Increase (decrease) in allowance for doubtful accounts	(0)	(601)
Increase (decrease) in provision for bonuses	100	(40)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(30)	(13)
Increase (decrease) in retirement benefit liability	132	(40)
Decrease (increase) in retirement benefit asset	(1,371)	74
Increase (decrease) in reserve for financial instruments transaction liabilities	(44)	3
Interest and dividend income	(2,789)	(3,752)
Interest expenses	1,194	1,219
Foreign exchange losses (gains)	(741)	(800)
Loss (gain) on sale and retirement of property, plant and equipment	11	25
Loss (gain) on sale and retirement of intangible assets	2	24
Loss (gain) on sale of investment securities	(39)	(9,581)
Loss (gain) on valuation of investment securities	232	114
Loss(gain) on sales of investments in capital of subsidiaries and associates	–	(93)
Loss on valuation of golf club membership	–	4
Gain on bargain purchase	(7,108)	–
Loss (gain) on step acquisitions	4,394	–
Decrease (increase) in cash segregated as deposits for customers	4,400	6,870
Decrease (increase) in trading products - assets (liabilities)	89,015	(48,874)
Decrease/increase in margin transaction assets/liabilities	(15,320)	10,361
Decrease/increase in loans/borrowings secured by securities	(145,000)	42,397
Decrease (increase) in advances paid	183	(175)
Increase (decrease) in deposits received	16,931	(6,111)
Decrease (increase) in short-term guarantee deposits	(625)	(7,787)
Increase (decrease) in guarantee deposits received	6,105	(5,196)
Decrease (increase) in short-term loans receivable	(7)	34
Other, net	(4,072)	(1,634)
Subtotal	(41,273)	(4,179)
Interest and dividends received	2,679	3,566
Interest paid	(1,173)	(1,210)
Income taxes refund (paid)	(1,172)	(2,378)
Net cash provided by (used in) operating activities	(40,941)	(4,200)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from investing activities		
Purchase of property, plant and equipment	(805)	(674)
Proceeds from sale of property, plant and equipment	0	18
Purchase of intangible assets	(2,050)	(1,535)
Purchase of investment securities	(2,088)	(1,354)
Proceeds from sale of investment securities	766	10,838
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	125	–
Proceeds from sales of investments in capital of subsidiaries and associates	–	140
Other, net	333	(391)
Net cash provided by (used in) investing activities	(3,717)	7,041
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	44,969	16,902
Proceeds from long-term borrowings	500	700
Repayments of long-term borrowings	(226)	(783)
Purchase of treasury shares	(0)	(1)
Dividends paid	(1,975)	(2,963)
Dividends paid to non-controlling interests	(10)	(91)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(172)	–
Other, net	(479)	(498)
Net cash provided by (used in) financing activities	42,604	13,264
Effect of exchange rate change on cash and cash equivalents	805	1,166
Net increase (decrease) in cash and cash equivalents	(1,249)	17,271
Cash and cash equivalents at beginning of period	63,767	62,517
Cash and cash equivalents at end of period	62,517	79,789