

**Translation**

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 28, 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 to file Quarterly Securities Report: November 11, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

## (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	%
Six months ended September 30, 2022	33,477	(9.2)	32,756	(9.7)	(1,009)	–	(216)	–	31	(98.7)
Six months ended September 30, 2021	36,852	15.8	36,271	16.1	2,818	69.7	3,862	61.6	2,496	59.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	0.16		0.16	
Six months ended September 30, 2021	12.62		12.55	

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2022	716,453	185,070	23.3	823.21
As of March 31, 2022	816,567	189,860	20.6	847.85

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	15.00	15.00
Year ending March 31, 2023	–	0.00			
Year ending March 31, 2023 (Forecast)			–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 2022	208,214,969 shares	As of March 31, 2022	208,214,969 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	5,085,181 shares	As of March 31, 2022	10,221,299 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	200,639,275 shares	Six months ended September 30, 2021	197,902,394 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheet**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	86,946	81,951
Segregated deposits	90,874	101,559
Segregated deposits for customers	87,760	98,340
Other segregated deposits	3,114	3,219
Trading products	227,666	173,006
Trading securities and other	227,583	172,992
Derivatives	83	13
Trade date accrual	8,665	16,118
Margin transaction assets	63,432	76,918
Margin loans	54,278	68,141
Cash collateral provided for securities borrowed in margin transactions	9,154	8,776
Loans secured by securities	228,480	157,805
Securities purchased under resale agreements	228,480	157,805
Advances paid	1,263	424
Short-term guarantee deposits	18,596	19,232
Accounts for non-delivered securities and others	85	321
Short-term loans receivable	107	91
Securities	2,500	3,597
Other current assets	6,481	7,186
Allowance for doubtful accounts	(16)	(12)
<b>Total current assets</b>	<b>735,086</b>	<b>638,199</b>
<b>Non-current assets</b>		
Property, plant and equipment	18,071	17,845
Intangible assets	4,098	4,667
Investments and other assets	59,310	55,740
Investment securities	51,326	47,892
Retirement benefit asset	2,534	2,516
Other	6,343	6,223
Allowance for doubtful accounts	(893)	(891)
<b>Total non-current assets</b>	<b>81,480</b>	<b>78,253</b>
<b>Total assets</b>	<b>816,567</b>	<b>716,453</b>

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Trading products	225,410	162,473
Trading securities and other	225,361	162,449
Derivatives	48	24
Margin transaction liabilities	25,421	20,691
Margin borrowings	14,098	8,955
Cash received for securities sold in margin transactions	11,323	11,736
Borrowings secured by securities	97,518	63,279
Cash collateral received for securities lent	1,518	3,279
Securities sold under repurchase agreements	96,000	60,000
Deposits received	61,423	81,007
Guarantee deposits received	37,002	43,056
Payables for securities to receive over due for delivery	17	290
Short-term borrowings	138,513	124,033
Income taxes payable	2,781	665
Provision for bonuses	2,020	1,737
Other current liabilities	5,500	4,164
Total current liabilities	595,610	501,400
Non-current liabilities		
Long-term borrowings	11,802	12,508
Deferred tax liabilities	7,274	5,911
Provision for retirement benefits for directors (and other officers)	208	217
Retirement benefit liability	6,407	6,299
Other noncurrent liabilities	4,163	3,804
Total non-current liabilities	29,855	28,741
Reserves under special laws		
Reserve for financial instruments transaction liabilities	1,241	1,241
Total reserves under special laws	1,241	1,241
Total liabilities	626,706	531,382
<b>Net assets</b>		
Shareholders' equity		
Share capital	18,589	18,589
Capital surplus	23,848	25,365
Retained earnings	120,984	117,963
Treasury shares	(3,733)	(1,726)
Total shareholders' equity	159,689	160,191
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,466	4,736
Revaluation reserve for land	401	401
Foreign currency translation adjustment	477	1,172
Remeasurements of defined benefit plans	834	715
Total accumulated other comprehensive income	8,179	7,026
Share acquisition rights	463	421
Non-controlling interests	21,528	17,431
Total net assets	189,860	185,070
<b>Total liabilities and net assets</b>	<b>816,567</b>	<b>716,453</b>

**Consolidated statement of income (cumulative) and consolidated statement of comprehensive income (cumulative)**

**Consolidated statement of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating revenue		
Commission received	23,106	21,905
Brokerage commission	9,695	7,697
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	399	206
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	5,337	6,219
Other commission received	7,674	7,782
Net trading income	12,152	10,015
Financial revenue	1,095	1,082
Other operating revenue	497	474
Total operating revenue	36,852	33,477
Financial expenses	581	720
Net operating revenue	36,271	32,756
Selling, general and administrative expenses	33,452	33,765
Trading related expenses	5,731	5,668
Personnel expenses	16,568	16,693
Real estate expenses	4,216	4,009
Office expenses	3,099	3,790
Depreciation	1,477	1,399
Taxes and dues	568	549
Provision of allowance for doubtful accounts	(1)	(5)
Other	1,791	1,660
Operating profit (loss)	2,818	(1,009)
Non-operating income	1,115	895
Dividend income	747	712
Share of profit of entities accounted for using equity method	32	20
Foreign exchange gains	147	100
Other	189	61
Non-operating expenses	71	103
Interest expenses	21	14
Loss on valuation of investment securities	12	32
Loss on sale and retirement of non-current assets	22	12
Settlement payments	4	23
Other	10	20
Ordinary profit (loss)	3,862	(216)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Extraordinary income		
Gain on sale of investment securities	289	275
Gain on sales of investments in capital of subsidiaries and associates	93	–
Reversal of reserve for financial instruments transaction liabilities	1	0
Total extraordinary income	384	275
Extraordinary losses		
Impairment losses	25	–
Loss on sale of investment securities	0	26
Loss on valuation of investment securities	44	50
Total extraordinary losses	70	77
Profit (loss) before income taxes	4,176	(18)
Income taxes - current	1,068	89
Income taxes - deferred	374	(201)
Total income taxes	1,442	(111)
Profit	2,734	93
Profit attributable to non-controlling interests	237	61
Profit attributable to owners of parent	2,496	31

**Consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	2,734	93
Other comprehensive income		
Valuation difference on available-for-sale securities	2,452	(2,488)
Foreign currency translation adjustment	36	695
Remeasurements of defined benefit plans, net of tax	(157)	(120)
Share of other comprehensive income of entities accounted for using equity method	32	(112)
Total other comprehensive income	2,363	(2,025)
Comprehensive income	5,098	(1,931)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,386	(1,121)
Comprehensive income attributable to non-controlling interests	711	(810)