

Note : This document has been translated from 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 Summary under Japanese GAAP For the Three months ended June 30, 2024

July 29, 2024

Company Name AIZAWA SECURITIES GROUP CO., LTD.
Listed Stock Exchange Tokyo Stock Exchange Prime Market
Securities Code 8708
URL <https://www.aizawa-group.jp/>
Representative Takuya Aizawa, President & Representative Director
Contact Person Koji Omichi, Director & Executive Officer

Scheduled date of dividend payment --
Supporting explanatory documents on financial results YES
Briefing on financial results NO

(All figures are rounded off to the nearest million yen)

1. Consolidated financial summary (From April 1, 2024, to June 30, 2024)

(1) Consolidated business results

(% represents year-on-year change)

	Operating revenue		Net operating revenue		Operating profit (loss)		Ordinary profit (loss)		Profit (loss) attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended June 30, 2024	4,953	7.9	4,872	7.7	348	△38.3	612	△26.2	815	11.0
Three months ended June 30, 2023	4,588	67.1	4,522	69.0	564	—	830	—	734	—

Note: Comprehensive income

Three months ended June 30, 2024: 1,283 million yen (△47.9% vs previous year same period)

Three months ended June 30, 2023: 2,465 million yen (----% vs previous year same period)

	Earnings per share	Diluted earnings per share
	yen	yen
Three months ended June 30, 2024	24.33	—
Three months ended June 30, 2023	19.50	—

Note: We have introduced ESOP, and the average number of company's share bought under this program for the period under review are being accounted under company's own treasury shares.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	million yen	million yen	%	yen
As of June 30, 2024	123,128	48,067	36.5	1,450.96
Fiscal year ended March 31, 2024	124,119	58,657	44.8	1,498.42

Note: Shareholders' equity

As of June 30, 2024: 44,965 million yen

As of March 31, 2024: 55,654 million yen

2. Dividends

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of 4Q	Annual Total
	yen	yen	yen	yen	yen
Fiscal year ended 2024	—	13.00	—	26.00	39.00
Fiscal year ending 2025	—				
Fiscal year ending 2025 (Forecast)		—	—	—	—

3. Earning forecast for the fiscal year ending March 31, 2025 (Consolidated)

The Group operates principally in the financial securities business, and its operating results are likely to be affected by economic and market fluctuations. Due to such nature of its business and consequential difficulty in predicting its performance, the group does not disclose the forecast of operating results. Such forecasts may mislead the investors. Instead of it, as we finalize the financial results, we release the preliminary numbers for the quarterly and yearly results.

※ Notes

- | | |
|---|---|
| (1) Important changes in subsidiaries during the term
(Changes pursuant to the subsidiaries that lead to a change in the scope of consolidation)
New: None Exclusion: None | NO |
| (2) Accounting treatments specific to quarterly financial statements | NO |
| (3) Changes in accounting policies, changes in accounting estimates and retrospective restatements | |
| 1) Changes in accounting policies based on revisions of accounting standard | YES |
| 2) Changes in accounting policies other than item 1)above | NO |
| 3) Change in accounting estimates | NO |
| 4) Retrospective restatements | NO |
| (4) Number of issued shares (Common stock) | |
| 1) Number of shares issued at the end of the term including treasury shares | |
| As of June 30, 2024: 47,525,649 shares | As of March 31, 2024: 47,525,649 shares |
| 2) Number of treasury shares at the end of the term | |
| As of June 30, 2024: 16,535,694 shares | As of March 31, 2024: 10,383,274 shares |
| 3) Average number of shares outstanding (Cumulative) | |
| As of June 30, 2024: 33,502,989 shares | As of June 30, 2023: 37,652,758 shares |

※ This quarterly financial summary is not subject to quarterly review procedures by certified public accountants or audit corporations.

※ Explanation on forecasts

The group operates principally in the financial securities business, and its operating results are likely to be affected by market fluctuations. Due to such nature of its business and difficulty in predicting its performance, group does not forecast on business results and dividends. At the end of the term, we make efforts to release the preliminary numbers, as we finalize the financial results.

Supporting Materials: Table of contents

1. Qualitative information for the Three months ended June 30, 2024	
(1) Explanation of consolidated management results	1
(2) Explanation of the consolidated financial results	3
(3) Explanation on the forecast of consolidated business results	3
2. Financial statements and major notes	
(1) Consolidated balance sheets	4
(2) Consolidated statements of income and comprehensive income statement	6
Consolidated statements of income	6
Consolidated comprehensive income statement	7
(3) Notes on quarterly consolidated financial statements	8
(Change in accounting policy)	8
(Notes on segment information)	8
(Notes on material changes in shareholders' equity)	9
(Notes on going concern assumption)	9
(Notes on statement of cash flows)	9
(Additional information)	9
3. Supplementary information	
Consolidated business results for the Three months ended June 30, 2024	
(1) Commission received	10
(2) Net trading income	10
(3) Comparative quarterly consolidated income statement	11

1. Qualitative information for the Three months ended June 30, 2024

(1) Explanation of consolidated management results

For the period under review (April 1, 2024 to June 30, 2024), despite the global stock markets temporarily entered the correction phase led by prolonged inflationary pressures in the U.S., stock markets subsequently recovered on the back of a series of policy changes in the U.S. and Europe. In the U.S. stock market, major stock price indexes, including the S&P 500 and the Nasdaq composite index, reached new record highs due to increased interest in large-scale tech stocks, particularly those related to generative AI.

In Japan, despite a large wage increase in the spring, the stock market weighed by concerns of sluggish domestic consumption led by the weakening yen. In addition, listed companies' forecasts for the fiscal year ending March 31, 2025, were conservative with decline forecast in profit, and the Nikkei 225 average index dropped at one point to below 37,000 yen in April, followed by a range market of 38,000 to 39,000 yen.

Meanwhile, due to the normalization of the domestic economy and the rapid depreciation of the yen, there was increasing speculation that the Bank of Japan will speed up its monetary normalization efforts. This has led to continued expectations of overcoming deflation, with Japan's 10-year government bond yield surpassing 1%.

The Asian stock markets were weak, driven by the weakening of Asian currencies due to postponed expectations in rate cut by U.S and rising tensions in the middle east. In Hong Kong, stock markets rose due to capital market reforms announced by Chinese authorities and a policy for state-owned enterprises to purchase housing inventories. Meanwhile, major stock indexes in mainland China and ASEAN countries fell across the board." In Vietnam, for the reporting period, despite the real GDP growth accelerated to +6.9% VN Index fell by about 3.0%, as foreign investors increased their net selling in the stock market.

Under these circumstances, our group is working to establish an asset building business based on our management philosophy of "serving more people for their prosperity and happy lives through securities investment". Based on the medium-term management plan "Define Next 100 - More for Customers," which started in FY2022, we are pursuing various initiatives in line with five basic policies "thoroughly customer oriented", "shift from a brokerage business to an asset building business", "enhancing the platform business", "strengthening the group synergies to become a comprehensive financial group" and "achieving a sustainable future".

The Group along with its core financial instrument securities business, operates investment business, asset management business, financial products intermediary business, and Vietnam financial securities business. Progress and initiatives of each business segment are as below:

[Financial securities business]

AIZAWA SECURITIES CO., LTD. conducts the financial securities business. From April 1st, 2024, company as a financial instruments business operators started providing financial service intermediary engaging in discretionary investment management services for "Mirai Sekkei" to "The Imamura Securities Co., Ltd.". "Mirai Sekkei" is a wrap product with client's goal base approach. Through this product, company supports the realization of long-term life plans that are tailored to each individual client. Additionally, company entered into a customer referral agreement with SHIMADA KAKEGAWA SHINKIN BANK. The company provides advice and offers them financial products to the referrals received of customers interested in financial products.

As part of our efforts to implement the basic policy "thoroughly customer oriented," laid in the medium-term management plan, company reformed the sales methods through use of digital transformation (DX) and introduction of e-KYC system (JPKI) using Individual Number Card for the process of opening an account. This service has improved customer usability and operational efficiency.

In April, the Mishima branch and Gotemba consulting plaza, along with the Fuji branch and Fujinomiya branch, were merged respectively. This strategic move was undertaken to optimize branch allocation and enhance customer service. By restructuring the branch network and redeploying human resources, the company aims to become more deeply integrated into the community and deliver services that satisfies customer expectation.

As part of our additional initiatives, the company signed a lecturer outsourcing agreement with Culture Co., Ltd., a company that operates culture classes nationwide. With the government's "Doubling Asset-based income plan" and the launch of the new NISA, the need for household asset building is increasing. To meet this demand, the company will provide expert lecturers to culture classes, creating educational opportunities focused on asset building and thus supporting many clients.

In the Vietnam financial securities business, group's Vietnam subsidiary "Japan Securities Co., Ltd." is promoting the increase of trading in Vietnamese stocks by providing real-time trading and enhancing investment information.

[Investment business]

AIZAWA Investments Co., Ltd., which conducts proprietary investments in local and global public listed equities, external funds and real estate to generate cash flow, is focusing to increase the allocations and return from each asset classes.

The company focuses on medium- to long-term investments in public listed securities, targeting local and global growth companies as well as listed companies with stable expected returns, including dividends. Additionally, it invests in promising ventures companies and supports their future path towards public listing. It also makes investments in local and global venture capital funds, buyout funds, private debt funds, mezzanine funds, hedge funds, and real estate development funds. It also makes direct investments in domestic real estate, primarily by holding residential properties in the Tokyo metropolitan area to generate rental income.

[Asset management business]

AIZAWA ASSET MANAGEMENT Co., Ltd, operating in the asset management business, strives to be "the most desired alternative asset management company in Japan." It focuses on managing alternative assets, particularly in the areas of private equity and hedge funds. Its aim is to become a leading company in the field of "secondary investment in private equity" in Japan and is actively working to increase awareness both domestically and globally.

[Financial products intermediary business]

LIFE DESIGN PARTNERS CO., LTD., which operates in financial product intermediary business and insurance agency businesses, supports customers' comprehensive asset building by offering both conventional financial products and life insurance products. As an insurance agency, it provides insurance services with clients of AIZAWA SECURITIES CO., LTD." and is actively working to expand its insurance agency business.

The group completed the buyback of 6,163,900 shares between the period of April 1, 2024, and June 18, 2024.

The group will continue to strive to become a financial group by leveraging the strengths of each subsidiary and working collectively with each other.

For the three months ended June 30, 2024, break-down of business results are as follow;

(Percentage indicates a year-on-year change. The same shall apply hereinafter in this section)

(Commission received)

Total commissions received increased by 18.8% to 3,545 million yen, due to an increase in the handling of mutual funds.

(Net trading income)

Net trading income declined by 17.9% to 1,041 million yen, due to the decline in turnover of OTC foreign stocks.

(Net financial income)

Net financial income increased by 77.1% to 182 million yen. Under this category, income increased by 59.7% to 203 million yen and expenses declined by 12.1% to 21 million yen.

(Other operating revenue and expenses)

Other operating revenues declined by 22.4% to 162 million yen, led by the decline in the sales of operational investment securities. Other operating expenses increased by 42.2% to 58 million yen, due to the increase in the cost of operational investment securities.

(Selling, general and administrative expenses)

Selling, general and administrative expenses increased by 14.3% to 4,524 million yen due to an increase in trading related expenses and personnel expenses.

(Non-operating profit and losses)

Non-operating profit declined by 0.7% to 263 million yen. Under this category, income was 316 million yen including the dividend income of 255 million yen. While expenses under this category were 52 million yen including the interest expenses of 24 million yen.

(Extraordinary profit and losses)

Total extraordinary profit was 439 million yen. Under this category, income was 695 million yen due to gain on sales of investment securities. While losses were 256 million yen due to loss on settlement of investment securities.

With above factors, for the reporting period, operating revenue were 4,953 million yen (+7.9%); operating profit was 348million yen (Δ 38.3%); ordinary profit was 612 million yen (Δ 26.2%); and profit attributable to owners of parent was 815 million yen (+11.0%). (All comparisons are with the previous year first quarter ended June 30, 2023).

(2) Explanation of the consolidated financial results

(All comparisons in this section (2) are with the previous fiscal year ended March 2024)

(Assets)

As of the end of the period under review, total assets were 123,128 million yen, a decline of 990 million yen. This was mainly due to; decline of 4,133 million yen in cash & deposits; increase of 1,865 million yen in cash segregated as deposits; and increase of 1,893 million yen in margin transaction assets.

(Liabilities)

As of the end of the period under review, total liabilities were 75,060 million yen, an increase of 9,598 million yen. This was mainly due to the decline of 4,542 million yen in marginal transaction liabilities; an increase of 5,488 million yen in deposits received; and an increase of 7,500 million yen in short-term loan payables.

(Net assets)

As for the period under review, total net assets were 48,067 million yen, a decline of 10,589 million yen. This was mainly due to an increase of 10,767 million yen of treasury shares.

(3) Explanation on the forecast of consolidated business results

The group operates principally in the financial securities and investments business. In this industry, there exist uncertainties due to, but not limited, economic and market conditions. Group tries to monitor and calculate such market risks and its effects on the business results. Due to such nature of its business and consequential difficulty in predicting its performance, the group does not disclose the forecast of business results. Instead of it, as we finalize the financial results, we release the preliminary numbers for the quarterly and yearly results.

2. Financial statements and major notes

(1) Consolidated balance sheets

(million yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposit	23,991	19,857
Cash segregated as deposits	27,632	29,498
Cash segregated as deposits for customers	27,632	29,497
Other deposits	0	0
Operational investment securities	11,291	11,986
Trading products	232	418
Trading securities and other	232	418
Trade date accrual	1,326	1,911
Margin transaction assets	17,209	19,103
Loans on margin transactions	16,870	18,784
Cash collateral pledged for securities borrowing on margin transactions	339	318
Advances paid	99	398
Advances paid to customers	69	209
Other advance payments	30	189
Other current assets	2,245	1,597
Total current assets	84,030	84,771
Non-current assets		
Property, plant and equipment	10,850	10,861
Intangible assets	33	32
Investments and other assets	29,201	27,460
Investment securities	26,066	24,746
Net defined benefit asset	1,294	1,313
Others	1,852	1,412
Allowance for doubtful accounts	△11	△11
Total non-current assets	40,085	38,355
Deferred assets		
Business commencement expenses	3	1
Total deferred assets	3	1
Total assets	124,119	123,128

(million yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Trading products	—	142
Trading securities and other	—	142
Margin transaction liabilities	7,312	2,770
Borrowings on margin transactions	6,505	2,031
Cash received for securities lending on margin transactions	807	739
Loans payable secured by securities	1,401	4,123
Cash received on debt credit transaction of securities	1,401	4,123
Deposits received	28,808	34,296
Deposits from customers	21,757	20,843
Other deposits	7,050	13,452
Guarantee deposits received	5,639	5,388
Short-term loans payable	6,045	13,545
Income taxes payable	1,402	188
Provision for bonuses	767	401
Provision for director bonuses	64	81
Other current liabilities	1,510	1,580
Total current liabilities	52,952	62,518
Non-current liabilities		
Long-term borrowings	6,347	6,261
Deferred tax liabilities	5,572	5,681
Provision for share based remuneration	313	323
Other non-current liabilities	115	115
Total non-current liabilities	12,349	12,381
Reserves under special laws		
Reserve for financial instruments transaction liabilities	160	160
Total reserves under special laws	160	160
Total liabilities	65,462	75,060
Net assets		
Shareholders' equity		
Capital stock	8,000	8,000
Capital surplus	8,207	8,207
Retained earnings	35,484	35,311
Treasury shares	△6,179	△16,946
Total shareholders' equity	45,513	34,572
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,337	9,366
Foreign currency translation reserve	746	969
Remeasurements of defined benefit plans	58	56
Total accumulated other comprehensive income	10,141	10,393
Non-controlling interests	3,002	3,102
Total net assets	58,657	48,067
Total liabilities and net assets	124,119	123,128

(2) Consolidated statements of income and comprehensive income statement
Consolidated statements of income (For the Three months ended June 30, 2024)

(million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Operating revenue		
Commission received	2,983	3,545
Net trading income	1,267	1,041
Financial revenue	127	203
Others	209	162
Total operating revenue	4,588	4,953
Financial expenses	24	21
Other operating expenses	41	58
Net operating revenue	4,522	4,872
Selling, general and administrative expenses		
Trading related expenses	736	914
Personnel expenses	2,094	2,347
Real estate expenses	350	364
Office expenses	569	628
Depreciation	48	62
Taxes and dues	31	74
Others	126	130
Total selling, general and administrative expenses	3,958	4,524
Operating profit (loss)	564	348
Non-operating income		
Interest income	35	27
Dividend income	218	255
Profit distributions	8	24
Others	16	8
Total non-operating income	279	316
Non-operating expenses		
Interest expense	9	24
Loss on foreign exchange rate	0	9
Amortization of deferred assets	1	1
Settlement expenses	1	—
Commission for purchase of treasury shares	0	16
Others	0	2
Total non-operating expenses	13	52
Ordinary profit (loss)	830	612
Extraordinary income		
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	155	695
Total extraordinary income	156	695
Extraordinary losses		
Loss on sales of investment securities	0	—
Loss on settlement of investment securities	—	256
Impairment loss	14	—
Provision of reserve for financial instruments transaction liabilities	0	0
Total extraordinary losses	15	256
Profit (loss) before income taxes	971	1,051
Income taxes – current	281	169
Income taxes – deferred	△21	104
Total income taxes	259	274
Profit (loss)	711	777
Profit (loss) attributable to non-controlling owners	△22	△37
Profit (loss) attributable to owners of parent	734	815

Consolidated comprehensive income statement (For the Three months ended June 30, 2024)

(million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit (loss)	711	777
Other comprehensive income		
Valuation difference on available-for-sale securities	1,406	29
Foreign currency translation reserve	336	478
Remeasurements of defined benefit plans	9	△1
Total accumulated other comprehensive income	1,753	505
Comprehensive income	2,465	1,283
(Description)		
Comprehensive income attributable to owners of parent	2,440	1,066
Comprehensive income attributable to non-controlling owners	24	216

(3) Notes on quarterly consolidated financial statements

The quarterly consolidated financial statements of the company have been prepared in accordance with Article 4, Paragraph 1 of the standards for preparation of quarterly financial statements, etc. of Tokyo Stock Exchange, Inc. and accounting standards generally accepted as fair and appropriate in Japan (however, the omissions of description set forth in Article 4, Paragraph 2 of the standards for preparation of quarterly financial statements, etc. are applied).

(Change in accounting policy)

The "Accounting standard for current income taxes, inhabitants taxes, enterprise taxes, etc." (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the "2022 revised accounting standards") has been applied from the beginning of the first quarter of the current consolidated accounting period. Regarding the revision of the classification of income taxes, etc. (taxation on other comprehensive income), group is following the transitional measures specified in the paragraph 20-3 of the "2022 revised accounting standards" and the transitional measures specified in the paragraph 65-2 (2) of the "Implementation guidance on accounting standard for tax effect accounting" (ASBJ Guidance No. 28, October 28, hereinafter referred to as the "2022 revised implementation guidance"). There is no impact on the quarterly consolidated financial statements due to the change in this accounting policy.

(Notes on segment information)**[Segment information]**

(From April 1, 2023, to June 30, 2023)

1. Segment-wise operating revenue/profit (loss)

	Segments				Adjusted amount *1	Amount as on Consolidated statements of income *2
	Financial instrument securities business	Asset management business	Investment business	Total		
Operating revenue						
Revenues from external clients	4,323	56	209	4,588	—	4,588
Inter segment revenues	3	0	7	12	△12	—
Total	4,326	56	217	4,601	△12	4,588
Profit (loss)	439	△57	132	515	49	564

Notes:

1. The segment profit (loss) adjustment of 49 million yen includes 5 million yen in inter-segment eliminations and 43 million yen in corporate expenses that are not allocated to any segment. Corporate expenses are expenses held and incurred by the company as a holding company.
2. Segment profit (loss) is adjusted with operating loss in the consolidated statements of income.

2. Segment-wise information on goodwill and impairment loss on non-current assets

(Significant impairment losses on non-current assets)

The disclosure of this information is omitted due to lack of significance.

(From April 1, 2024, to June 30, 2024)

1. Segment-wise operating revenue/profit (loss)

(million yen)

	Segments				Adjusted amount *1	Amount as on Consolidated statements of income *2
	Financial instrument securities business	Asset management business	Investment business	Total		
Operating revenue						
Revenues from external clients	4,744	45	162	4,953	—	4,953
Inter segment revenues	3	5	7	16	△16	—
Total	4,747	51	170	4,969	△16	4,953
Profit (loss)	325	△71	70	325	23	348

Notes:

1. The segment profit (loss) adjustment of 23 million yen includes 1,998 million yen in inter-segment eliminations and 2,022 million yen in corporate expenses that are not allocated to any segment. Corporate expenses are expenses held and incurred by the company as a holding company.
2. Segment profit (loss) is adjusted with operating loss in the consolidated statements of income.

2. Segment-wise information on goodwill and impairment loss on non-current assets

(Significant impairment losses on non-current assets)

Not applicable

(Notes on material changes in shareholders' equity)

The Company conducted a buyback of 6,163,900 shares amounting to 10,775 million yen based on a resolution of the board of directors meeting held on January 30, 2024, and May 1, 2024.

The company disposed 11,600 treasury shares amounting to 7 million yen in accordance with the incentive plan for employees.

As a result, treasury shares amounted to 16,946 million yen as of June 30, 2024; an increase of 10,767 million yen during the reporting period.

(Notes on going concern assumption)

Not applicable.

(Notes on statements of cash flow)

Quarterly consolidated statements of cash flows are not prepared. For the reporting period, depreciation expenses (including depreciation expenses on intangible assets and long-term prepaid expenses) are as follow:

(million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	48	62

(Additional information)**Introduction of ESOP**

The company has introduced an Employee Stock Ownership Plan Trust ("ESOP Trust") from July 22, 2019 with the motive to increase the enterprise value over mid to long term. The Company's stock held by the ESOP Trust is included in treasury shares under net assets with a book value of 572 million yen for 869 thousand shares as of June 30, 2024. The book value and number of treasury shares were 579 million yen and 881 thousand shares, respectively, at the end of the fiscal year ended March 2024.

3. Supplementary information**Consolidated business results for the Three months ended June 30, 2024****(1) Commission received**

A) Breakdown of commission received

(million yen)

	Three months ended June 30, 2023(A)	Three months ended June 30, 2024 (B)	Change (B/A)	Consolidated fiscal year ended March 31, 2024
Brokerage commission	1,680	1,499	89.2%	6,735
Equities	1,654	1,463	88.4%	6,642
Bonds	—	—	—	—
Beneficiary securities	25	36	141.2%	93
Commission from underwriting, secondary distribution and solicitation towards professional investors	4	1	37.2%	10
Equities	4	1	36.2%	9
Bonds	0	0	65.4%	1
Fee from offering, secondary distribution and solicitation towards professional investors	507	837	165.0%	2,636
Other fees received	790	1,206	152.5%	3,842
Total	2,983	3,545	118.8%	13,224

B) Product wise breakdown

(million yen)

	Three months ended June 30, 2023 (A)	Three months ended June 30, 2024 (B)	Change (B/A)	Consolidated fiscal year ended March 31, 2024
Equities	1,668	1,473	88.3%	6,727
Bonds	0	0	229.7%	1
Beneficiary securities	860	1,397	162.4%	4,275
Others	453	672	148.2%	2,220
Total	2,983	3,545	118.8%	13,224

(2) Net trading income

(million yen)

	Three months ended June 30, 2023 (A)	Three months ended June 30, 2024 (B)	Change (B/A)	Consolidated fiscal year ended March 31, 2024
Equities etc.	1,088	863	79.4%	3,678
Bonds, forex etc.	178	177	99.2%	609
Bonds etc.	78	70	90.0%	203
forex etc.	100	107	106.2%	406
Total	1,267	1,041	82.1%	4,287

(3) Comparative quarterly consolidated income statement

(million yen)

	FY 2024				FY 2025
	First quarter ended June 30	Second quarter ended September 30	Third quarter ended December 31	Fourth quarter ended March 31	First quarter ended June 30
Operating revenue					
Commission received	2,983	3,409	2,954	3,877	3,545
Brokerage commission	1,680	1,685	1,423	1,945	1,499
Commission from underwriting, secondary distribution and solicitation towards professional investors	4	1	2	1	1
Fee from offering, secondary distribution and solicitation towards professional investors	507	740	672	716	837
Other fees received	790	981	855	1,213	1,206
Net trading income	1,267	948	969	1,102	1,041
Financial revenue	127	181	145	223	203
Others	209	149	126	304	162
Total operating revenue	4,588	4,688	4,195	5,507	4,953
Financial expenses	24	17	16	25	21
Other operating expenses	41	203	254	204	58
Net operating revenue	4,522	4,467	3,923	5,277	4,872
Selling, general and administrative expenses					
Trading related expenses	736	834	793	986	914
Personnel expenses	2,094	2,318	2,097	2,400	2,347
Real estate expenses	350	344	333	350	364
Office expenses	569	571	618	655	628
Depreciation	48	49	53	64	62
Taxes and dues	31	77	117	84	74
Others	126	121	109	91	130
Total selling, general and administrative expenses	3,958	4,317	4,123	4,632	4,524
Operating profit (loss)	564	149	△199	645	348
Non-operating income	279	83	274	217	316
Non-operating expenses	13	13	15	30	52
Ordinary profit (loss)	830	220	58	832	612
Extraordinary income	156	198	203	2,006	695
Extraordinary losses	15	1	13	151	256
Profit (loss) before income taxes	971	418	248	2,687	1,051
Income tax expenses	259	246	59	877	274
Profit (loss)	711	171	189	1,810	777
Profit (loss) attributable to non-controlling interests	△22	△18	△21	△29	△37
Profit (loss) attributable to owners of parent	734	190	211	1,840	815