



July 28, 2025

SMBC NIKKO SECURITIES INC.

Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

URL: <https://www.smbcnikko.co.jp/en/index.html>

Representative: Shuji Yoshioka, President & CEO

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: None

(Amounts less than one million yen are rounded down.)

1. Consolidated financial results for the three months ended June 30, 2025

(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 | % |
| Three months ended | | | | | | | | | | |
| June 30, 2025 | 118,951 | (4.7) | 79,448 | (12.4) | 6,927 | (48.8) | 7,161 | (54.4) | 10,499 | (9.7) |
| June 30, 2024 | 124,869 | 33.6 | 90,713 | 27.9 | 13,539 | 219.2 | 15,691 | 276.4 | 11,627 | — |

Note: Comprehensive income For the three months ended June 30, 2025 2,845 million yen <(82.2)%>

For the three months ended June 30, 2024 16,001 million yen <39.9%>

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen | Yen |
| June 30, 2025 | 52,496.27 | — |
| June 30, 2024 | 58,137.69 | — |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------|-----------------|-----------------|--------------|
| As of | Millions of yen | Millions of yen | % |
| June 30, 2025 | 17,941,219 | 1,194,635 | 6.7 |
| March 31, 2025 | 21,042,958 | 1,228,929 | 5.8 |

Reference: Equity (i.e. "Shareholders' equity" and "Accumulated other comprehensive income")

As of June 30, 2025 1,194,635 million yen As of March 31, 2025 1,228,929 million yen

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
Note: For more details, see page 6 "1.3. Notes to Consolidated Financial Statements."
- (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: None
 - (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 June 30, 2025 | 200,002 shares |
| As of March 31, 2025 | 200,002 shares |

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

| | |
|----------------------|----------|
| As of June 30, 2025 | — shares |
| As of March 31, 2025 | — shares |

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

| | |
|----------------------------------|----------------|
| Three months ended June 30, 2025 | 200,002 shares |
| Three months ended June 30, 2024 | 200,002 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Other special matters

Not applicable.

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I. Consolidated Financial Statements and main notes

1. Consolidated Balance Sheets

| | (Millions of yen) | |
|---|----------------------|---------------------|
| | As of March 31, 2025 | As of June 30, 2025 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,911,565 | 2,650,745 |
| Cash segregated as deposits | 622,865 | 652,758 |
| Trading products | 6,484,598 | 4,959,849 |
| Trading securities and other | 4,126,819 | 3,004,726 |
| Derivatives | 2,357,778 | 1,955,122 |
| Margin transaction assets | 166,553 | 157,076 |
| Loans on margin transactions | 158,849 | 146,757 |
| Cash collateral pledged for securities borrowing on margin transactions | 7,703 | 10,318 |
| Loans secured by securities | 9,574,786 | 8,488,805 |
| Cash collateral pledged for securities borrowed | 4,733,612 | 4,354,603 |
| Loans on Gensaki transactions | 4,841,173 | 4,134,201 |
| Short-term guarantee deposits | 592,511 | 351,269 |
| Short-term loans receivable | 136,078 | 84,717 |
| Accrued income | 54,312 | 46,273 |
| Other | 55,522 | 82,158 |
| Allowance for doubtful accounts | (19) | (21) |
| Total current assets | 20,598,774 | 17,473,632 |
| Non-current assets | | |
| Property, plant and equipment | 22,576 | 22,159 |
| Intangible assets | 22,721 | 65,811 |
| Investments and other assets | 398,886 | 379,614 |
| Investment securities | 196,506 | 183,459 |
| Long-term loans receivable | 182,608 | 176,312 |
| Long-term guarantee deposits | 15,266 | 15,305 |
| Deferred tax assets | 302 | 302 |
| Other | 5,726 | 5,755 |
| Allowance for doubtful accounts | (1,525) | (1,521) |
| Total non-current assets | 444,184 | 467,586 |
| Total assets | 21,042,958 | 17,941,219 |

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Trading products | 5,516,517 | 4,700,629 |
| Trading securities and other | 3,366,645 | 2,812,570 |
| Derivatives | 2,149,871 | 1,888,058 |
| Trade date accrual | 230,540 | 41,451 |
| Margin transaction liabilities | 230,422 | 146,514 |
| Borrowings on margin transactions | 2,312 | 3,531 |
| Cash received for securities lending on margin transactions | 228,109 | 142,982 |
| Loans payable secured by securities | 7,686,701 | 7,012,009 |
| Cash received for securities lending transactions | 896,052 | 821,010 |
| Borrowings on Gensaki transaction | 6,790,649 | 6,190,998 |
| Deposits received | 514,196 | 673,982 |
| Guarantee deposits received | 230,303 | 223,788 |
| Short-term loans payable | 3,972,700 | 2,596,200 |
| Current portion of long-term loans payable | 1,000 | 1,000 |
| Commercial papers | 468,200 | 398,900 |
| Current portion of bonds payable | 44,875 | 62,016 |
| Income taxes payable | 4,676 | 1,798 |
| Other | 89,496 | 59,458 |
| Total current liabilities | 18,989,629 | 15,917,749 |
| Non-current liabilities | | |
| Bonds payable | 358,049 | 346,444 |
| Long-term loans payable | 435,450 | 452,450 |
| Lease obligations | 991 | 892 |
| Deferred tax liabilities | 16,789 | 14,716 |
| Net defined benefit liability | 2,668 | 2,773 |
| Asset retirement obligations | 3,139 | 3,046 |
| Other | 1,945 | 2,946 |
| Total non-current liabilities | 819,034 | 823,270 |
| Reserves under special laws | | |
| Reserve for financial products transaction liabilities | 5,365 | 5,564 |
| Total reserves under special laws | 5,365 | 5,564 |
| Total liabilities | 19,814,029 | 16,746,584 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 135,000 | 135,000 |
| Capital surplus | 569,889 | 569,889 |
| Retained earnings | 444,327 | 417,686 |
| Total shareholders' equity | 1,149,216 | 1,122,576 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 52,535 | 47,906 |
| Foreign currency translation adjustment | 27,163 | 24,152 |
| Remeasurements of defined benefit plans | 14 | — |
| Total accumulated other comprehensive income | 79,712 | 72,059 |
| Total net assets | 1,228,929 | 1,194,635 |
| Total liabilities and net assets | 21,042,958 | 17,941,219 |

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|--|-------------------------------------|-------------------------------------|
| Operating revenue | | |
| Commission received | 64,534 | 66,725 |
| Brokerage commissions | 13,363 | 13,653 |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 11,108 | 8,800 |
| Fees for offering, secondary distribution and solicitation for selling and others for professional investors | 8,591 | 7,195 |
| Other fees received | 31,469 | 37,075 |
| Net trading income | 19,550 | 7,022 |
| Financial revenue | 40,785 | 45,203 |
| Total operating revenue | 124,869 | 118,951 |
| Financial expenses | 34,156 | 39,503 |
| Net operating revenue | 90,713 | 79,448 |
| Selling, general and administrative expenses | | |
| Trading related expenses | 10,008 | 9,296 |
| Personnel expenses | 34,606 | 31,658 |
| Real estate expenses | 5,066 | 4,920 |
| Office expenses | 16,982 | 13,325 |
| Depreciation | 2,668 | 4,869 |
| Taxes and dues | 1,924 | 2,150 |
| Other | 5,918 | 6,299 |
| Total selling, general and administrative expenses | 77,174 | 72,521 |
| Operating profit | 13,539 | 6,927 |
| Non-operating income | | |
| Dividend income | 277 | 181 |
| Equity in earnings of affiliates | 1,674 | 167 |
| Gain on investments in partnerships | 680 | 167 |
| Other | 108 | 90 |
| Total non-operating income | 2,741 | 605 |
| Non-operating expenses | | |
| Loss on investments in partnerships | 278 | 313 |
| Other | 310 | 57 |
| Total non-operating expenses | 589 | 371 |
| Ordinary profit | 15,691 | 7,161 |

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|---|-------------------------------------|-------------------------------------|
| Extraordinary income | | |
| Gain on sale of investment securities | — | 7,283 |
| Gain on sale of shares of subsidiaries and affiliates | — | 368 |
| Total extraordinary income | — | 7,652 |
| Extraordinary losses | | |
| Impairment losses | 32 | 4 |
| Provision of reserve for financial products transaction liabilities | 321 | 198 |
| Total extraordinary loss | 354 | 203 |
| Income before income taxes | 15,337 | 14,611 |
| Income taxes | 3,709 | 4,112 |
| Profit | 11,627 | 10,499 |
| Profit attributable to non-controlling interests | — | — |
| Profit attributable to owners of parent | 11,627 | 10,499 |

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|---|-------------------------------------|-------------------------------------|
| Profit | 11,627 | 10,499 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (4,051) | (4,636) |
| Foreign currency translation adjustment | 2,605 | (1,182) |
| Share of other comprehensive income of affiliates accounted for using equity method | 5,820 | (1,834) |
| Total other comprehensive income | 4,374 | (7,653) |
| Comprehensive income | 16,001 | 2,845 |
| Comprehensive income attributable to: | | |
| Owners of parent | 16,001 | 2,845 |
| Non-controlling interests | — | — |

3. Notes to Consolidated Financial Statements

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

Calculation of tax

Income taxes of SMBC Nikko Securities Inc. (hereinafter “the Company”) and its consolidated domestic subsidiaries are calculated by applying a reasonably estimated effective tax rate for the full fiscal year to income before income taxes for the three months ended June 30, 2025. The effective tax rate is determined by estimating the effective tax rate for the full fiscal year, which includes the three months ended June 30, 2025, after taking into account the effect of deferred tax accounting. Income taxes-deferred are included in the income taxes.

(Notes on Significant Changes in Shareholders' Equity)

The year-end dividend

On June 16, 2025, the Company resolved the following matter at the ordinary general meeting of shareholders. As a result, retained earnings were reduced by 37,140 million yen and the Company held 417,686 million yen in retained earnings as of June 30, 2025.

- (1) Total amount of dividends
37,140 million yen (The dividend per share is calculated by dividing the total dividend amount by the total number of issued shares, 200,002 shares.)
- (2) Record date
March 31, 2025
- (3) Effective date
June 17, 2025
- (4) Source of dividends
Retained earnings

(Notes on Going Concern Assumption)

Not applicable.

II. Supplementary Information

1. Commission Received

(1) Breakdown by Categories

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 | Increase/(Decrease) | |
|--|-------------------------------------|-------------------------------------|---------------------|------------|
| | | | Amount | Rate(%) |
| Brokerage commissions | 13,363 | 13,653 | 290 | 2.2 |
| < Equities > | < 12,907 > | < 13,131 > | < 224 > | < 1.7 > |
| < Bonds > | < 21 > | < 9 > | < (11) > | < (54.4) > |
| < Investment trusts > | < 431 > | < 508 > | < 77 > | < 17.9 > |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 11,108 | 8,800 | (2,308) | (20.8) |
| < Equities > | < 4,161 > | < 3,688 > | < (472) > | < (11.4) > |
| < Bonds > | < 6,885 > | < 5,085 > | < (1,800) > | < (26.1) > |
| Fees for offering, secondary distribution and solicitation for selling and others for professional investors | 8,591 | 7,195 | (1,396) | (16.3) |
| < Investment trusts > | < 8,385 > | < 7,034 > | < (1,350) > | < (16.1) > |
| Other fees received | 31,469 | 37,075 | 5,606 | 17.8 |
| < Investment trusts > | < 10,996 > | < 11,112 > | < 115 > | < 1.1 > |
| Total | 64,534 | 66,725 | 2,191 | 3.4 |

(2) Breakdown by Products

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 | Increase/(Decrease) | |
|-------------------|-------------------------------------|-------------------------------------|---------------------|---------|
| | | | Amount | Rate(%) |
| Equities | 17,278 | 17,197 | (80) | (0.5) |
| Bonds | 8,464 | 7,255 | (1,209) | (14.3) |
| Investment trusts | 19,813 | 18,655 | (1,157) | (5.8) |
| Other | 18,977 | 23,616 | 4,638 | 24.4 |
| Total | 64,534 | 66,725 | 2,191 | 3.4 |

2. Net Trading Income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 | Increase/(Decrease) | |
|--|-------------------------------------|-------------------------------------|---------------------|---------|
| | | | Amount | Rate(%) |
| Net trading income on equities | 4,496 | 3,780 | (715) | (15.9) |
| Net trading income on bonds and others | 15,054 | 3,242 | (11,811) | (78.5) |
| Total | 19,550 | 7,022 | (12,527) | (64.1) |

3. Quarterly Consolidated Statements of Income

| | (Millions of yen) | | | | |
|--|--|--|--|---|--|
| | FY2024 1Q (April 1 to June 30, 2024) | FY2024 2Q (July 1 to September 30, 2024) | FY2024 3Q (October 1 to December 31, 2024) | FY2024 4Q (January 1 to March 31, 2025) | FY2025 1Q (April 1 to June 30, 2025) |
| Operating revenue | | | | | |
| Commission received | 64,534 | 73,787 | 72,097 | 61,795 | 66,725 |
| Brokerage commissions | 13,363 | 13,908 | 12,739 | 12,069 | 13,653 |
| < Equities > | < 12,907 > | < 13,303 > | < 12,341 > | < 11,608 > | < 13,131 > |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 11,108 | 15,831 | 12,689 | 7,600 | 8,800 |
| < Equities > | < 4,161 > | < 11,692 > | < 7,318 > | < 5,194 > | < 3,688 > |
| < Bonds > | < 6,885 > | < 4,029 > | < 5,356 > | < 2,390 > | < 5,085 > |
| Fees for offering, secondary distribution and solicitation for selling and others for professional investors | 8,591 | 8,199 | 9,751 | 5,738 | 7,195 |
| < Investment trusts > | < 8,385 > | < 7,439 > | < 9,104 > | < 5,491 > | < 7,034 > |
| Other fees received | 31,469 | 35,847 | 36,916 | 36,385 | 37,075 |
| < Investment trusts > | < 10,996 > | < 10,781 > | < 11,384 > | < 11,367 > | < 11,112 > |
| Net trading income | 19,550 | 15,138 | 10,156 | 5,801 | 7,022 |
| Financial revenue | 40,785 | 44,771 | 46,838 | 51,629 | 45,203 |
| Total operating revenue | 124,869 | 133,697 | 129,092 | 119,225 | 118,951 |
| Financial expenses | 34,156 | 33,805 | 39,780 | 39,370 | 39,503 |
| Net operating revenue | 90,713 | 99,891 | 89,312 | 79,855 | 79,448 |
| Selling, general and administrative expenses | | | | | |
| Trading related expenses | 10,008 | 9,987 | 10,754 | 10,240 | 9,296 |
| Personnel expenses | 34,606 | 38,445 | 34,118 | 32,974 | 31,658 |
| Real estate expenses | 5,066 | 4,886 | 4,929 | 4,823 | 4,920 |
| Office expenses | 16,982 | 16,562 | 16,678 | 16,284 | 13,325 |
| Depreciation | 2,668 | 2,635 | 2,782 | 2,673 | 4,869 |
| Taxes and dues | 1,924 | 1,968 | 1,502 | 1,220 | 2,150 |
| Other | 5,918 | 5,776 | 5,854 | 6,354 | 6,299 |
| Total selling, general and administrative expenses | 77,174 | 80,262 | 76,619 | 74,570 | 72,521 |
| Operating profit | 13,539 | 19,629 | 12,692 | 5,285 | 6,927 |
| Non-operating income | 2,741 | 3,305 | 793 | 902 | 605 |
| Non-operating expenses | 589 | 308 | 351 | 579 | 371 |
| Ordinary profit | 15,691 | 22,626 | 13,134 | 5,608 | 7,161 |
| Extraordinary income | — | 16,544 | 12,267 | 924 | 7,652 |
| Extraordinary losses | 354 | 380 | 622 | 207 | 203 |
| Income before income taxes | 15,337 | 38,790 | 24,780 | 6,325 | 14,611 |
| Income taxes | 3,709 | 9,931 | 5,026 | (958) | 4,112 |
| Profit | 11,627 | 28,858 | 19,753 | 7,284 | 10,499 |
| Profit attributable to owners of parent | 11,627 | 28,858 | 19,753 | 7,284 | 10,499 |

III. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

| | (Millions of yen) | |
|---|----------------------|---------------------|
| | As of March 31, 2025 | As of June 30, 2025 |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,868,284 | 2,609,723 |
| Cash segregated as deposits | 622,788 | 652,680 |
| Trading products | 6,484,598 | 4,959,849 |
| Trading securities and other | 4,126,819 | 3,004,726 |
| Derivatives | 2,357,778 | 1,955,122 |
| Margin transaction assets | 166,553 | 157,076 |
| Loans on margin transactions | 158,849 | 146,757 |
| Cash collateral pledged for securities borrowing on margin transactions | 7,703 | 10,318 |
| Loans secured by securities | 9,574,786 | 8,488,805 |
| Cash collateral pledged for securities borrowed | 4,733,612 | 4,354,603 |
| Loans on Gensaki transactions | 4,841,173 | 4,134,201 |
| Short-term guarantee deposits | 592,511 | 351,269 |
| Short-term loans receivable | 136,078 | 84,717 |
| Accrued income | 53,776 | 44,328 |
| Other | 52,768 | 80,393 |
| Allowance for doubtful accounts | (19) | (21) |
| Total current assets | 20,552,125 | 17,428,823 |
| Non-current assets | | |
| Property, plant and equipment | 20,520 | 20,239 |
| Intangible assets | 22,168 | 65,276 |
| Investments and other assets | 405,920 | 388,635 |
| Investment securities | 133,976 | 127,544 |
| Shares of subsidiaries and affiliates | 70,291 | 65,684 |
| Long-term loans receivable | 182,608 | 176,312 |
| Long-term guarantee deposits | 14,481 | 14,528 |
| Other | 6,089 | 6,086 |
| Allowance for doubtful accounts | (1,525) | (1,521) |
| Total non-current assets | 448,610 | 474,151 |
| Total assets | 21,000,736 | 17,902,974 |

(Millions of yen)

| | As of March 31, 2025 | As of June 30, 2025 |
|---|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Trading products | 5,516,517 | 4,700,629 |
| Trading securities and other | 3,366,645 | 2,812,570 |
| Derivatives | 2,149,871 | 1,888,058 |
| Trade date accrual | 230,540 | 41,451 |
| Margin transaction liabilities | 230,422 | 146,514 |
| Borrowings on margin transactions | 2,312 | 3,531 |
| Cash received for securities lending on margin transactions | 228,109 | 142,982 |
| Loans payable secured by securities | 7,686,701 | 7,012,009 |
| Cash received for securities lending transactions | 896,052 | 821,010 |
| Borrowings on Gensaki transaction | 6,790,649 | 6,190,998 |
| Deposits received | 513,962 | 673,768 |
| Guarantee deposits received | 230,303 | 223,788 |
| Short-term loans payable | 3,976,800 | 2,600,600 |
| Current portion of long-term loans payable | 1,000 | 1,000 |
| Commercial papers | 468,200 | 398,900 |
| Current portion of bonds payable | 44,875 | 62,016 |
| Income taxes payable | 4,460 | 1,616 |
| Other | 86,778 | 58,124 |
| Total current liabilities | 18,990,562 | 15,920,418 |
| Non-current liabilities | | |
| Bonds payable | 358,049 | 346,444 |
| Long-term loans payable | 435,450 | 452,450 |
| Lease obligations | 171 | 149 |
| Deferred tax liabilities | 16,456 | 14,364 |
| Provision for retirement benefits | 2,642 | 2,747 |
| Asset retirement obligations | 2,881 | 2,793 |
| Other | 1,957 | 2,952 |
| Total non-current liabilities | 817,608 | 821,903 |
| Reserves under special laws | | |
| Reserve for financial products transaction liabilities | 5,365 | 5,564 |
| Total reserves under special laws | 5,365 | 5,564 |
| Total liabilities | 19,813,537 | 16,747,885 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 135,000 | 135,000 |
| Capital surplus | 569,755 | 569,755 |
| Legal capital surplus | 125,000 | 125,000 |
| Other capital surplus | 444,755 | 444,755 |
| Retained earnings | 429,600 | 402,143 |
| Legal retained earnings | 2,500 | 2,500 |
| Other retained earnings | 427,100 | 399,643 |
| Retained earnings brought forward | 427,100 | 399,643 |
| Total shareholders' equity | 1,134,355 | 1,106,898 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 52,843 | 48,190 |
| Total valuation and translation adjustments | 52,843 | 48,190 |
| Total net assets | 1,187,198 | 1,155,089 |
| Total liabilities and net assets | 21,000,736 | 17,902,974 |

2. Non-consolidated Statements of Income

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|--|-------------------------------------|-------------------------------------|
| Operating revenue | | |
| Commission received | 62,079 | 63,955 |
| Brokerage commissions | 12,561 | 12,766 |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 11,085 | 8,769 |
| Fees for offering, secondary distribution and solicitation for selling and others for professional investors | 8,564 | 7,195 |
| Other fees received | 29,866 | 35,223 |
| Net trading income | 19,569 | 7,023 |
| Financial revenue | 40,444 | 44,956 |
| Total operating revenue | 122,092 | 115,936 |
| Financial expenses | 34,139 | 39,484 |
| Net operating revenue | 87,953 | 76,451 |
| Selling, general and administrative expenses | | |
| Trading related expenses | 9,852 | 9,342 |
| Personnel expenses | 31,674 | 28,758 |
| Real estate expenses | 4,745 | 4,608 |
| Office expenses | 18,604 | 15,139 |
| Depreciation | 2,400 | 4,633 |
| Taxes and dues | 1,893 | 2,113 |
| Other | 5,785 | 6,004 |
| Total selling, general and administrative expenses | 74,955 | 70,600 |
| Operating profit | 12,997 | 5,851 |
| Non-operating income | | |
| Dividend income | 307 | 181 |
| Gain on investments in partnerships | 680 | 167 |
| Other | 100 | 77 |
| Total non-operating income | 1,088 | 426 |
| Non-operating expenses | | |
| Loss on investments in partnerships | 278 | 313 |
| Other | 109 | 57 |
| Total non-operating expenses | 387 | 371 |
| Ordinary profit | 13,697 | 5,905 |

(Millions of yen)

| | Three months ended June 30, 2024 | Three months ended June 30, 2025 |
|---|-------------------------------------|-------------------------------------|
| Extraordinary income | | |
| Gain on sale of investment securities | — | 7,300 |
| Gain on sale of shares of subsidiaries and affiliates | — | 710 |
| Total extraordinary income | — | 8,010 |
| Extraordinary losses | | |
| Impairment losses | 32 | 4 |
| Provision of reserve for financial products transaction liabilities | 321 | 198 |
| Total extraordinary loss | 354 | 203 |
| Income before income taxes | 13,343 | 13,713 |
| Income taxes | 3,442 | 4,030 |
| Profit | 9,901 | 9,683 |

3. Capital Adequacy Ratio on a stand-alone basis

(Millions of yen)

| | | As of March 31, 2025 | As of June 30, 2025 |
|------------------------|--|----------------------|---------------------|
| Basic items | (A) | 1,097,215 | 1,106,898 |
| Supplementary items | Valuation difference on available-for-sale securities and others | 52,843 | 48,190 |
| | Reserve for financial products transaction liabilities | 5,365 | 5,564 |
| | Allowance for doubtful accounts | 2 | 2 |
| Total | | (B) 58,210 | 53,756 |
| Deductible assets | (C) | 361,499 | 395,741 |
| Net capital | (A) + (B) - (C) (D) | 793,927 | 764,914 |
| Risk items | Market Risk | 79,733 | 65,823 |
| | Counterparty Risk | 94,027 | 72,036 |
| | Basic Risk | 78,403 | 78,569 |
| Total | | (E) 252,164 | 216,429 |
| Capital adequacy ratio | (D) / (E) * 100 | 314.8% | 353.4% |

4. Quarterly Non-consolidated Statements of Income

| | (Millions of yen) | | | | |
|--|--|--|--|---|--|
| | FY2024 1Q (April 1 to June 30, 2024) | FY2024 2Q (July 1 to September 30, 2024) | FY2024 3Q (October 1 to December 31, 2024) | FY2024 4Q (January 1 to March 31, 2025) | FY2025 1Q (April 1 to June 30, 2025) |
| Operating revenue | | | | | |
| Commission received | 62,079 | 71,485 | 68,598 | 59,718 | 63,955 |
| Brokerage commissions | 12,561 | 13,208 | 11,555 | 11,476 | 12,766 |
| < Equities > | < 12,103 > | < 12,604 > | < 11,157 > | < 11,015 > | < 12,245 > |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 11,085 | 15,775 | 12,550 | 7,528 | 8,769 |
| < Equities > | < 4,161 > | < 11,692 > | < 7,318 > | < 5,194 > | < 3,688 > |
| < Bonds > | < 6,862 > | < 3,972 > | < 5,216 > | < 2,318 > | < 5,054 > |
| Fees for offering, secondary distribution and solicitation for selling and others for professional investors | 8,564 | 7,690 | 9,382 | 5,787 | 7,195 |
| < Investment trusts > | < 8,385 > | < 7,439 > | < 9,104 > | < 5,491 > | < 7,034 > |
| Other fees received | 29,866 | 34,810 | 35,110 | 34,924 | 35,223 |
| < Investment trusts > | < 10,784 > | < 10,589 > | < 11,147 > | < 11,152 > | < 10,889 > |
| Net trading income | 19,569 | 15,136 | 10,160 | 5,798 | 7,023 |
| Financial revenue | 40,444 | 44,503 | 46,463 | 51,424 | 44,956 |
| Total operating revenue | 122,092 | 131,125 | 125,223 | 116,940 | 115,936 |
| Financial expenses | 34,139 | 33,791 | 39,761 | 39,360 | 39,484 |
| Net operating revenue | 87,953 | 97,334 | 85,461 | 77,580 | 76,451 |
| Selling, general and administrative expenses | | | | | |
| Trading related expenses | 9,852 | 10,154 | 10,235 | 10,275 | 9,342 |
| Personnel expenses | 31,674 | 35,751 | 31,042 | 30,495 | 28,758 |
| Real estate expenses | 4,745 | 4,631 | 4,572 | 4,530 | 4,608 |
| Office expenses | 18,604 | 18,287 | 18,217 | 17,943 | 15,139 |
| Depreciation | 2,400 | 2,425 | 2,486 | 2,460 | 4,633 |
| Taxes and dues | 1,893 | 1,953 | 1,481 | 1,197 | 2,113 |
| Other | 5,785 | 5,426 | 5,546 | 6,083 | 6,004 |
| Total selling, general and administrative expenses | 74,955 | 78,630 | 73,582 | 72,986 | 70,600 |
| Operating profit | 12,997 | 18,704 | 11,878 | 4,593 | 5,851 |
| Non-operating income | 1,088 | 1,764 | 379 | 2,442 | 426 |
| Non-operating expenses | 387 | 545 | 216 | 621 | 371 |
| Ordinary profit | 13,697 | 19,923 | 12,041 | 6,414 | 5,905 |
| Extraordinary income | — | 16,545 | 27,089 | 939 | 8,010 |
| Extraordinary losses | 354 | 380 | 622 | 207 | 203 |
| Income before income taxes | 13,343 | 36,087 | 38,509 | 7,146 | 13,713 |
| Income taxes | 3,442 | 9,754 | 6,212 | (1,037) | 4,030 |
| Profit | 9,901 | 26,332 | 32,296 | 8,183 | 9,683 |