

Consolidated Financial Summary under Japanese GAAP For the Nine months ended December 31, 2020

January 27, 2021

Company Name	Aizawa Securities Co., Ltd.
Listed Stock Exchange	Tokyo Stock Exchange Section 1
Securities Code	8708
URL	https://www.aizawa.co.jp
Representative	Takuya Aizawa, President & Representative Director
Contact Person	Kazuhiro Mashiba, Director & Senior Executive Officer

Scheduled date of filing quarterly report	February 04, 2021
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)

1. Consolidated financial summary (From April 1, 2020 to December 31, 2020)

(1) Consolidated business results

(% represents year-on-year change)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended, December 31, 2020	12,191	16.7	12,103	16.9	801	—	1,566	52.0	4,213	391.6
Nine months ended, December 31, 2019	10,447	6.8	10,354	6.9	63	—	1,030	—	857	691.6

Note: Comprehensive income

Nine months ended, December 31, 2020: 8,660 million yen (+436.5% vs same term previous year)

Nine months ended, December 31, 2019: 1,614 million yen (-% vs same term previous year)

	Earnings per share	Diluted earnings per share
	yen	yen
Nine months ended, December 31, 2020	102.66	—
Nine months ended, December 31, 2019	20.07	—

Note:

1. Due to increase of more than 1,000% in operating profit as compared to same term previous year, % column is represented by (-)
2. We have introduced ESOP, and 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 December 31, 2020	109,514	56,509	51.6	1,397.98
Fiscal year ended March 31, 2020	85,134	50,141	58.9	1,182.85

Note: Shareholders' equity

As of December 31, 2020: 56,496 million yen

As of March 31, 2020: 50,141 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 2020	—	11.00	—	11.00	22.00
Fiscal year ending 2021	—	11.00	—		
Fiscal year ending 2021 (Forecast)				—	—

3. Earning forecast for the fiscal year ending March 31, 2021 (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 NO
 - 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 December 31, 2020: 47,525,649 shares As of March 31, 2020: 47,525,649 shares
 - 2) Number of treasury shares at the end of the term
As of December 31, 2020: 7,112,753 shares As of March 31, 2020: 5,135,135 shares
 - 3) Average number of shares outstanding (Cumulative)
As of December 31, 2020: 41,047,477 shares As of December 31, 2019: 42,712,342 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 release the preliminary numbers, as we finalize the financial results.

Supporting Materials: Table of contents

1. Qualitative information for the nine months ended December 31, 2020	
(1) Explanation of management results	1
(2) Explanation of business results	1
(3) Explanation of the financial results	2
(4) Explanation on the forecast of consolidated business results	2
2. Financial statements and major notes	
(1) Consolidated balance sheets	3
(2) Consolidated statements of income and comprehensive income statement	5
(3) Notes on quarterly consolidated financial statements	7
(Notes on going concern assumption)	7
(Notes on material changes in shareholders' equity)	7
(Additional information)	8
(Important subsequent events)	10
3. Supplementary information	
Consolidated business results for the nine months ended December 31, 2020	
(1) Commission received	11
(2) Net trading income	11
(3) Comparative quarterly consolidated statements of income	12
Reference data on business results for the nine months ended December 31, 2020	
(1) Equity trading volume (excluding futures etc.)	13
(2) Underwriting & distribution activities	13
(3) Capital adequacy ratio	14

1. Qualitative information for the Nine months ended December 31, 2020

(1) Explanation of the management results

For the reporting period, stock markets has been strong globally. Despite third wave of COVID-19 in both developed and emerging countries, stock markets have been strong backed by the monetary easing and expectations from vaccine development.

Domestic markets were also strong, even though there were concerns about the adverse effects on stock markets after the resignation by former Prime Minister Abe on August 28, 2020. On December 30, 2020, Nikkei 225 Index touched 27,444.17 points, highest level after the bubble burst and rose 18.4% for the 3Q of FY 2021.

U.S stock markets, made to new highs despite tracing volatility near the presidential elections held on November 03, 2020. Even though the business conditions and sentiments have been deteriorating with the widening of COVID-19, expectations from President Biden's new policy measures, monetary easing and vaccine development will support the stock markets.

The Asian markets like China, Korea and Taiwan maintained strong momentum like previous quarter. Despite China and Hong Kong markets were hit by the sanctions from U.S, internal recovery in China's economy contributed to the strong performance of its stock market. The Vietnam market performance shows that it has succeeded in curbing the damage caused by the COVID-19. The economy has also been boosted by recently concluded agreement on FTA and RCEP with the EU and the UK respectively.

Under such conditions, Aizawa Securities Co., Ltd. Group working with the management philosophy of "Making life better through securities investment" to provide the asset building services in lieu with the best customer satisfaction. With the COVID-19, life style of people has changed drastically due to increased work from home. Under such situation, our company's Asset building business is also gaining popularity due to the increased need for asset building among investors.

In December 2020, Akebono Asset Management Ltd. was added to company's subsidiary company. Akebono Asset Management Ltd. will merge with the company's wholly subsidiary company Asuka Asset Management Co., Ltd, leading to new name of Aizawa Asset Management Co., as a post-merger company. Aizawa Asset Management Co., Ltd. will contribute to diversifying and enhancing the Group's asset building business.

The company is also undertaking various activities aimed for Regional collaboration. In December 2022, company entered into a business alliance agreement with Tsurushin Cooperative (Yamanshi prefecture, Japan). With this alliance, company aims to contribute to regional growth and revitalization through sharing the marketing base, providing and marketing each other services. Company will also collaborate on the business inheritance, business succession. By sharing the knowledge of business among ourselves, company also aim for betterment of regional communities.

In the time of COVID-19, company has also started to change its communication style with clients. To adjust with changes and better communication with clients, company has changed its 12 branches into consulting plaza format. Company has also sold its head office building for better use of resources and strong financial foundation. As we enter into new era, company will accelerate and maintain its position in finance industry through work style reforms led by digital transformation (DX), improved productivity, developing its original sales and marketing methods.

(2) Explanation of the business results

For the nine months ended December 31, 2020, 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 39.3% to 7,519 million yen. This was due to increase in the brokerage commission from foreign stocks.

(Net trading income)

Net trading income declined by 7.5% to 4,313 million yen, due to reduced handling of foreign bonds.

(Net financial income)

Net financial income declined by 13.5% to 238 million yen. Under this category, income declined by 16.2% to 308 million yen and expenses declined by 24.4% to 69 million yen.

(Selling, general and administrative expenses)

Selling, general and administrative expenses increased by 9.8% to 11,302 million yen due to increase in personnel expenses.

(Non-operating profit and losses)

Non-operating profit decreased by 20.8% to 765 million yen. Under this category, income were 796 million yen including the dividend income of 480 million yen and profit distributions of 107million yen. While expenses under this category were 30 million yen including the 21 million of the settlement expenses.

(Extraordinary profit and losses)

Total extraordinary profit was 4,098 million yen. Under this category, income were 4,925 million yen including the 4,246 million yen gain from sales of non-current assets and 611 million yen gain from sale on investment securities. While losses were 827 million yen including the 806 million yen loss on sales of investment securities.

With above factors, for the reporting period, operating revenue increased by 16.7% to 12,191 million yen; operating profit was 801 million yen; ordinary profit increased by 52.0% to 1,566 million yen; and profit attributable to owners of parent increased by 391.6% to 4,213 million yen.

(3) Explanation of the financial results

(All comparisons in this section (2) are with the end of previous consolidated fiscal year)

(Assets)

As of at the end of the period under review, total assets was 109,514 million yen, an increase of 24,379 million yen. This was due to increase of 9,411 million yen in cash and deposits, 8,129 million yen in cash segregated as deposits and 6,955 million yen in operational investment securities respectively.

(Liabilities)

As of at the end of the period under review, total liabilities was 53,005 million yen, an increase of 18,012 million yen. This was due to increase of 1,464 million yen in margin transaction liabilities, 12,645 million yen in deposits received and 1,937 million yen in deferred tax liabilities respectively.

(Net assets)

As for the period under review, total net assets was 56,509 million yen, an increase of 6,367 million yen. Under this category, net assets declined by 1,405 million yen due to increase in treasury shares; valuation difference on available-for-sale securities increased by 4,459 million yen; retained earnings increased by 3,289 million yen. .

(4) 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, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposit	15,635	25,047
Cash segregated as deposits	22,089	30,218
Cash segregated as deposits for customers	22,089	30,218
Other deposits	0	0
Operational investment securities	495	662
Trading products	996	687
Trading securities and other	996	687
Trade date accrual	357	584
Margin transaction assets	13,834	14,092
Loans on margin transactions	13,418	13,243
Cash collateral pledged for securities borrowing on margin transactions	415	849
Advances paid	238	411
Advances paid to customers	236	408
Other advance payments	2	3
Other current assets	1,184	1,194
Allowance for doubtful accounts	△0	△0
Total current assets	54,831	72,898
Non-current assets		
Property, plant and equipment	4,492	3,435
Intangible assets	58	393
Goodwill	—	323
Others	58	69
Investments and other assets	25,751	32,786
Investment securities	24,451	31,406
Net defined benefit asset	616	682
Deferred tax assets	1	—
Others	768	782
Allowance for doubtful accounts	△85	△84
Total non-current assets	30,303	36,615
Total assets	85,134	109,514

(million yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Trading products	91	201
Trading securities and other	90	198
Derivatives trading	1	3
Margin transaction liabilities	1,365	1,638
Borrowings on margin transactions	391	216
Cash received for securities lending on margin transactions	974	1,422
Loans payable secured by securities	1,218	2,683
Cash received on debt credit transaction of securities	1,218	2,683
Deposits received	18,395	31,041
Deposits from customers	16,297	23,685
Other deposits	2,098	7,356
Guarantee deposits received	5,770	5,872
Short-term loans payable	3,795	3,795
Income taxes payable	216	1,359
Provision for bonuses	443	355
Provision for director bonuses	21	23
Other current liabilities	1,054	1,208
Total current liabilities	32,373	48,180
Non-current liabilities		
Long-term borrowings	—	250
Deferred tax liabilities	1,988	3,925
Provision for share based remuneration	68	133
Other non-current liabilities	380	365
Total non-current liabilities	2,437	4,674
Reserves under special laws		
Reserve for financial instruments transaction liabilities	181	149
Total reserves under special laws	181	149
Total liabilities	34,992	53,005
Net assets		
Shareholders' equity		
Capital stock	8,000	8,000
Capital surplus	8,097	8,121
Retained earnings	31,774	35,064
Treasury shares	△1,580	△2,986
Total shareholders' equity	46,291	48,199
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,011	8,470
Remeasurements of defined benefit plans	△161	△173
Total accumulated other comprehensive income	3,850	8,297
Non-controlling interests		
Total net assets	50,141	56,509
Total liabilities and net assets	85,134	109,514

(2) Consolidated statements of income and comprehensive income statement
Consolidated statements of income (For the nine months ended December 31, 2020)

(million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Operating revenue		
Commission received	5,398	7,519
Net trading income	4,661	4,313
Financial revenue	367	308
Others	19	50
Total operating revenue	10,447	12,191
Financial expenses	92	69
Other operating expenses	—	17
Net operating revenue	10,354	12,103
Selling, general and administrative expenses		
Trading related expenses	1,686	1,776
Personnel expenses	5,684	6,281
Real estate expenses	900	899
Office expenses	1,376	1,548
Depreciation	229	270
Taxes and dues	183	256
Provision of allowance for doubtful accounts	△0	△0
Others	230	271
Total selling, general and administrative expenses	10,290	11,302
Operating profit	63	801
Non-operating income		
Dividend income	513	480
Profit distributions	136	107
Gain on investments in partnership	290	68
Reversal of allowance for doubtful accounts	0	0
Relief grants	—	111
Others	28	28
Total non-operating income	969	796
Non-operating expenses		
Cancellation penalty	1	3
Settlement expenses	0	21
Commission for purchase of treasury shares	0	6
Others	0	0
Total non-operating expenses	2	30
Ordinary profit	1,030	1,566
Extraordinary income		
Gain on sales of non-current assets	1	4,246
Gain on sales of investment securities	76	611
Gain on step acquisitions	—	36
Reversal of reserve for financial instruments transaction liabilities	0	31
Total extraordinary income	77	4,925
Extraordinary losses		
Loss on sales of non-current assets	2	21
Loss on sales of investment securities	6	806
Loss on valuation of investment securities	52	—
Total extraordinary losses	62	827
Profit before income taxes	1,045	5,664
Income taxes – current	144	1,431
Income taxes – deferred	44	18
Total income taxes	188	1,450
Profit	857	4,213
Profit attributable to owners of parent	857	4,213

Consolidated comprehensive income statement (For the nine months ended December 31, 2020)

(million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	857	4,213
Other comprehensive income		
Valuation difference on available-for-sale securities	788	4,459
Remeasurements of defined benefit plans	△ 31	△ 12
Total accumulated other comprehensive income	757	4,446
Comprehensive income	1,614	8,660
(Description)		
Comprehensive income attributable to owners of parent	1,614	8,660
Comprehensive income attributable to non-controlling owners	—	—

(3) Notes on quarterly consolidated financial statements**(Notes on going concern assumption)**

Not applicable.

(Notes on material changes in shareholders' equity)

Not applicable

(Notes on business combination etc.)

Business combination through acquisition

1. Description

At the board of directors meeting held on November 13, 2020, the Company resolved to make Akebono Asset Management Ltd., a subsidiary company. The agreement on transfer of holdings was concluded on December 01, 2020, and transfer of holding was completed on December 08, 2020.

(1) Name of acquired company and details of its businesses

Name of acquired company	Akebono Asset Management Ltd.
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Business details	Type II financial business, Investment advisory, Investment management & Agency business
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(2) Reason for business combination

Aizawa Securities Co., Ltd. Group works with management philosophy of "Making life better through securities investment" with the vision of "Hope courier" & "Beyond the securities company" to provide the asset building services in lieu with the best customer satisfaction.

Akebono Asset Management Ltd. is an alternative investment management company specializing in private equity, venture capital and less liquid products. With the acquisition of Akebono Asset Management Ltd., the investment structure will become more diverse and stronger. This will help the group in catering the various needs of the investors including the domestic and foreign institutional investors.

(3) Acquisition date	December 08, 2020
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(4) Acquisition type	Acquired share holdings with cash transaction
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(5) Acquired voting rights	73.75%
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(6) Main grounds for deciding the acquired company

On the basis of acquisition of shares by the company' cash.

2. Details on the transaction cost

Due to the existence of non-disclosure agreement, we cannot disclose the transaction numbers. The acquiring cost is less than the 15% of the net assets of the consolidated results of the nine month ended in December 2020.

3. Details on goodwill, depreciation

(1) Occurrence of Goodwill amount	259 million yen
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(2) Reason for occurrence

Acquisition cost exceeded the market value and net assets at the time of the business combination.

(3) Depreciation method & period

3 years straight line depreciation

(Additional information)**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 327 million yen for 492 thousand shares as of December 31, 2020.

Sale of Non-current Assets

At the board of directors meeting held on October 30, 2020, the Company resolved to sell the non-current assets mentioned below. The share purchase agreement was concluded on November 06, 2020 and the transfer of assets was concluded on December 15, 2020.

1. Reason for sale of non-current asset
In order to efficiently utilize the resources and strengthen the financial position of company.
2. Details of transaction

Detail of Assets	Current Occupancy
1-20-9, Nihonbashi, Chuo Ku, Tokyo Land area: 394.11 m ² Built up area: 2,252.58 m ²	Aizawa Building (Still in use as office)
1-20-1, Nihonbashi, Chuo Ku, Tokyo 1-20-7, Nihonbashi, Chuo Ku, Tokyo Land area: 167.70 m ² Built up area: 979.83 m ²	Kabutocho Building (Still in use as office)

3. Description of transaction
Due to agreement with the transferee, the company cannot disclose the name of the transferee. There are no capital tie up relationships, personal relationships, business relationships between the Company and the transferee.
4. Dates relating transaction

(1) Date of board resolution	October 30, 2020
(2) Date of agreement	November 06, 2020
(3) Date of transfer	December 15, 2020
5. Impact on company's financial
Extra ordinary profit of 4,246 million yen from the sales of non-current assets have been booked in the financial result for 3Q, FY2021.

Absorption type merger of subsidiary companies

At the board of directors meeting held on November 13, 2020, the Company resolved to merge Asuka Asset Management Co., Ltd., a wholly owned subsidiary of the Company, with Akebono Asset Management Ltd. The merger agreement has been concluded on December 24, 2020 to be effective from February 1, 2021.

1. Description
 - (1) Names of companies involved in the merger and details of their businesses

Names of companies involved in the merger	Asuka Asset Management Co., Ltd. Akebono Asset Management Ltd.
Business details	Type II financial business, Investment advisory, Investment management & Agency business
 - (2) Merger date
February 01, 2021 (Scheduled)

(3) Merger Type

This will be an absorption-type merger in which Asuka Asset Management Co., Ltd. will be the surviving company and Akebono Asset Management Ltd. will be dissolved.

(4) Post-merger company name

Aizawa Asset Management Co., Ltd.

(5) Other details

After absorbing Akebono Asset Management Ltd., Asuka asset Management Co., Ltd. will change its name to Aizawa Asset Management Co., Ltd. The post-merger new company will strive to create an alternative asset management company that responds to the needs of the investors in Japan and also contribute to diversifying and enhancing the Aizawa Securities Group's asset building business.

2. Accounting practice in lieu with this Merger

Scheduled to be processed as transaction of business combinations under common control in lieu with the [Accounting standard for business combinations] (ASBJ Statement No. 21 dated as on September 13, 2013) and [Accounting standard for business combinations and business separations] (ASBJ Statement No. 10 dated as on February 16, 2018).

(Important subsequent events)Purchase of treasury shares

Company decided to purchase the treasury shares in accordance with the paragraph 1 of article 459, company law. Decision was taken in the board meeting conducted on February 28, 2020. Company pursued the purchase of its treasury shares.

1. Minutes of board meeting on purchase of treasury shares
 - (1) Reason for pursuing purchase of treasury shares
To maintain flexible capital policy and increase the capital efficiency and return on equity
 - (2) Details on purchase of treasury shares
 - 1) Share type: Common share
 - 2) Number of treasury shares: Maximum of 2,500,000 shares (Within 5.9% of outstanding shares excluding the treasury shares)
 - 3) Value of treasury share: Maximum of 2,500 million yen
 - 4) Term for purchase: From March 2, 2020 to February 26, 2021
 - 5) Mode of purchase: Direct trade through Tokyo Stock Exchange
2. Details on completed purchase of treasury shares
 - 1) Share type: Common share
 - 2) Number of shares: 58,800 shares
 - 3) Value of shares: 45 million yen
 - 4) Buyback term: From January 4, 2021 to January 22, 2021
 - 5) Mode of purchase: Direct trade through Tokyo Stock Exchange

In line with above mentioned board decision, the status of purchase of treasury shares as of January 22, 2020 is as follow:

- | | |
|--|-------------------|
| 1) Number of treasury shares purchase completed: | 2,403,700 shares |
| 2) Value of treasury shares purchase completed: | 1,666 million yen |

3. Supplementary information**Consolidated business results for the nine months ended December 31, 2020****(1) Commission received**

A) Breakdown of commission received

(million yen)

	Nine months ended December 31, 2019 (A)	Nine months ended December 31, 2020 (B)	Change (B/A)	Consolidated fiscal year ended March 31, 2020
Brokerage commission	3,902	5,903	151.3%	5,406
Equities	3,825	5,808	151.9%	5,271
Bonds	—	—	—	—
Beneficiary securities	77	94	122.7%	134
Commission from underwriting, secondary distribution and solicitation towards professional investors	13	3	28.5%	15
Equities	10	2	28.1%	11
Bonds	3	0	29.6%	3
Fee from offering, secondary distribution and solicitation towards professional investors	541	498	92.1%	672
Other fees received	940	1,113	118.4%	1,248
Total	5,398	7,519	139.3%	7,342

B) Product wise breakdown

(million yen)

	Nine months ended December 31, 2019 (A)	Nine months ended December 31, 2020 (B)	Change (B/A)	Consolidated fiscal year ended March 31, 2020
Equities	3,882	5,849	150.7%	5,344
Bonds	3	1	32.7%	4
Beneficiary securities	1,140	1,079	94.6%	1,492
Others	371	590	158.7%	500
Total	5,398	7,519	139.3%	7,342

(2) Net trading income

(million yen)

	Nine months ended December 31, 2019 (A)	Nine months ended December 31, 2020 (B)	Change (B/A)	Consolidated fiscal year ended March 31, 2020
Equities etc.	3,119	3,641	116.7%	4,197
Bonds, forex etc.	1,542	672	43.6%	2,122
Bonds etc.	1,138	212	18.7%	1,559
forex etc.	404	459	113.7%	563
Total	4,661	4,313	92.5%	6,320

(3) Comparative quarterly consolidated income statement

(million yen)

	FY 2020		FY 2021		
	Third quarter ended September 30	Fourth quarter ended March 31	First quarter ended June 30	Second quarter ended September 30	Third quarter ended December 31
Operating revenue					
Commission received	2,106	1,943	2,463	2,491	2,564
Brokerage commission	1,585	1,503	2,052	1,926	1,925
Commission from underwriting, secondary distribution and solicitation towards professional investors	0	1	1	1	1
Fee from offering, secondary distribution and solicitation towards professional investors	219	130	116	172	209
Other fees received	300	308	293	391	428
Net trading income	1,312	1,658	1,003	1,742	1,567
Financial revenue	113	140	96	110	100
Others	6	△1	7	19	22
Total operating revenue	3,538	3,741	3,571	4,364	4,255
Financial expenses	32	26	24	25	20
Other operating expenses	—	—	2	8	6
Net operating revenue	3,505	3,715	3,543	4,331	4,228
Selling, general and administrative expenses					
Trading related expenses	591	579	547	625	603
Personnel expenses	1,915	1,946	1,908	2,239	2,133
Real estate expenses	304	296	290	306	302
Office expenses	466	480	495	502	550
Depreciation	72	78	74	98	97
Taxes and dues	59	67	55	92	107
Provision of allowance for doubtful accounts	△0	△0	0	0	△0
Others	69	77	73	101	95
Total selling, general and administrative expenses	3,478	3,526	3,446	3,966	3,889
Operating profit	27	188	97	364	338
Non-operating income	250	331	278	208	308
Non-operating expenses	0	29	23	△13	21
Ordinary profit	276	491	353	587	626
Extraordinary income	55	321	490	134	4,300
Extraordinary losses	55	551	118	16	691
Profit before income taxes	276	261	724	705	4,234
Income tax expenses	46	178	17	344	1,088
Profit attributable to owners of parent	230	83	707	360	3,146

Reference data on business results for the nine months ended December 31, 2020

(1) Equity trading volume (excluding futures etc.)

(million shares, million yen)

	Nine months ended December 31, 2019 (A)		Nine months ended December 31, 2020 (B)		Change (B/A)		FY 2020	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Total	1,312	1,035,490	1,082	1,314,739	82.5%	127.0%	1,695	1,432,984
Proprietary transaction	42	222,378	72	273,693	170.5%	123.1%	53	305,102
Client transaction	1,269	813,111	1,009	1,041,046	79.5%	128.0%	1,641	1,127,881
Client transaction share	96.8%	78.5%	93.3%	79.2%			96.8%	78.7%
Exchange participation share	0.12%	0.08%	0.12%	0.08%			0.12%	0.08%
Brokerage commission per stock on client transaction	2.99 yen		5.72 yen				3.19 yen	

(2) Underwriting & distribution activities

(million shares, million yen)

			Nine months ended December 31, 2019 (A)	Nine months ended December 31, 2020 (B)	Change (B/A)	FY 2020
Underwriting	Equities	Number of shares	0	0	20.1%	0
	Equities	Amount	133	42	31.5%	154
	Bonds	Face value	860	260	30.2%	999
	Commercial Paper & overseas securities	Face value	—	—	—	—
Distribution ※	Equities	Number of shares	0	0	8.1%	0
	Equities	Amount	900	45	5.1%	921
	Bonds	Face value	10,943	1,682	15.4%	12,622
	Beneficiary securities	Face value	315,841	366,566	116.1%	448,263
	Commercial Paper & overseas securities	Face value	—	—	—	—

※ Includes secondary offering and private placements

(3) Capital adequacy ratio

(million yen)

			Nine months ended December 31, 2019	Nine months ended December 31, 2020	As of at the end of FY 2020
Basic items		(A)	46,126	47,889	45,537
Complementary items	Valuation difference on available-for-sale securities		7,195	8,175	3,816
	Reserve for financial products transaction liabilities		181	149	181
	Allowance for doubtful accounts		0	0	0
	Total	(B)	7,377	8,325	3,997
Deductible assets		(C)	12,024	16,914	13,446
Unfixed equity capital (A)+(B)-(C)		(D)	41,479	39,300	36,089
Risk items	Market risk		4,451	4,134	3,566
	Counterparty risk		824	929	731
	Basic risk		3,342	3,318	3,344
	Total	(E)	8,169	8,382	7,643
Capital adequacy ratio (D)/(E)×100			481.2%	468.8%	472.1%