

AIZAWA SECURITIES GROUP CO., LTD.

Financial results for 1Q of fiscal year ending March 2025

July,2024

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.

Increase in commissions received from distribution & management fees of mutual fund and investment advisory fees from financial wrap products.

(million yen)	1 Q / F Y 2 4	1 Q / F Y 2 5	Change vs 1Q/FY24
Operating revenue	4,588	4,953	+7.9%
Net operating revenue	4,522	4,872	+7.7%
Operating profit	564	348	Δ38.3%
Ordinary profit	830	612	Δ26.2%
Profit before taxes	971	1,051	+8.3%
Profit	734	815	+11.0%

► Highlights

For the 1Q, FY25 (change vs. 4Q, FY24)

- Operating revenue declined by 10.1% to 4,953 million yen
- Operating profit declined by 46.0% to 348 million yen
- Ordinary profit declined by 26.4% to 612 million yen
- Profit attributable to owners of parent declined by 55.7% to 815 million yen

► Financial summary

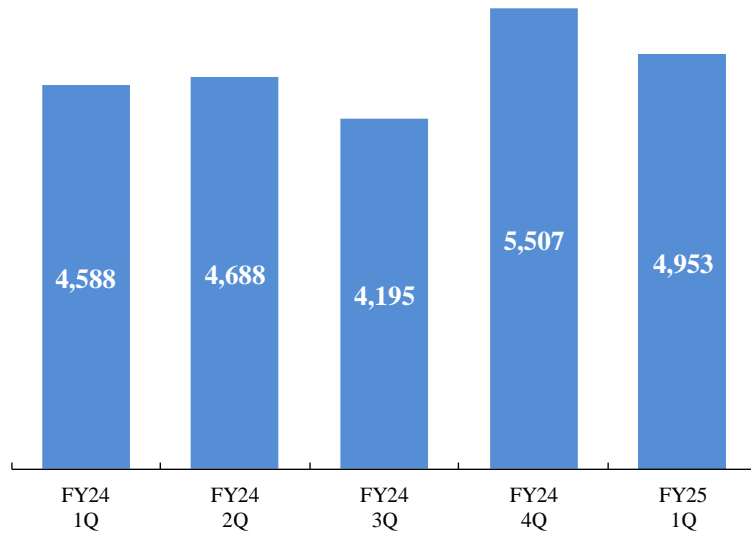
(million yen)

	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 1Q/FY24	Change vs 4Q/FY24	FY24 1Q	FY25 1Q	Change vs 1Q/FY24
Operating revenue	4,588	4,688	4,195	5,507	4,953	7.9%	△10.1%	4,588	4,953	7.9%
Net operating revenue	4,522	4,467	3,923	5,277	4,872	7.7%	△7.7%	4,522	4,872	7.7%
Selling, general and administrative expenses	3,958	4,317	4,123	4,632	4,524	14.3%	△2.3%	3,958	4,524	14.3%
Operating profit (loss)	564	149	△199	645	348	△38.3%	△46.0%	564	348	△38.3%
Ordinary profit (loss)	830	220	58	832	612	△26.2%	△26.4%	830	612	△26.2%
Profit (loss)	734	190	211	1,840	815	11.0%	△55.7%	734	815	11.0%
Total assets	112,646	114,290	117,934	124,119	123,128	9.3%	△0.8%	-	-	-
Net assets	55,753	56,524	55,940	58,657	48,067	△13.8%	△18.1%	-	-	-
EPS (yen)	19.50	5.06	5.63	49.05	24.33	-	-	19.50	24.33	-
BPS (yen)	1,407.23	1,425.50	1,415.13	1,498.42	1,450.96	-	-	-	-	-



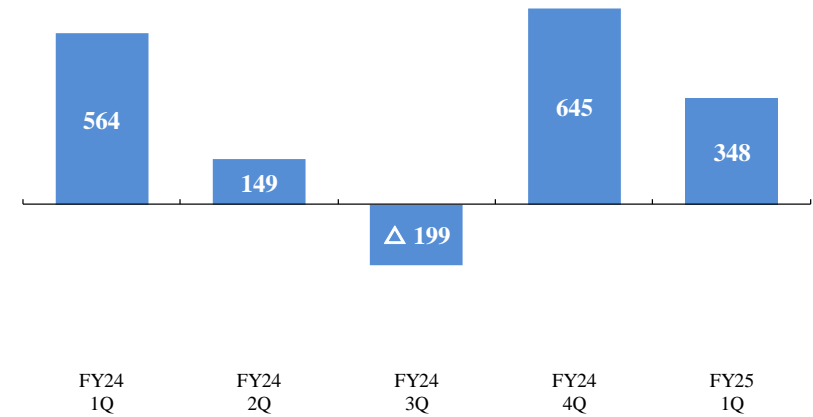
Operating revenue

(million yen)



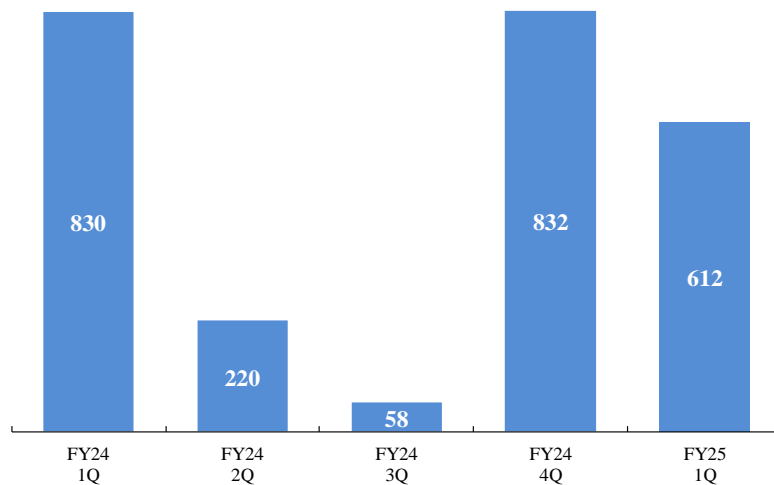
Operating profit/loss

(million yen)



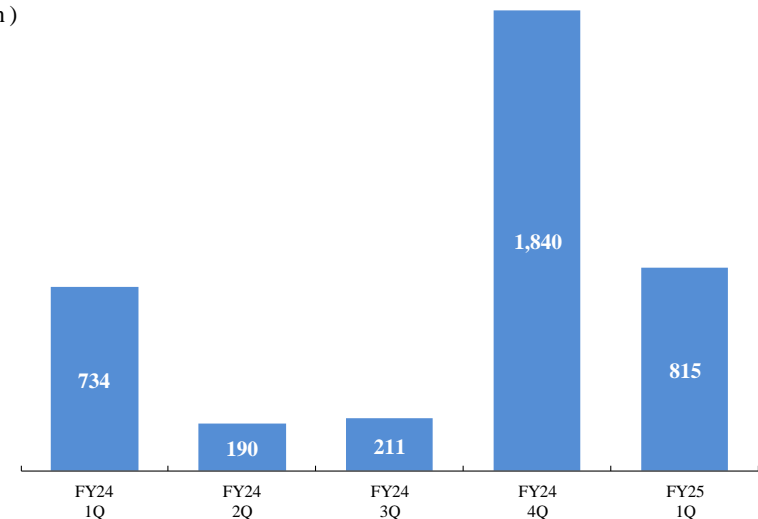
Ordinary profit/loss

(million yen)



Profit/loss

(million yen)





Financial securities business

Offering asset management consulting etc. to support asset building for clients

(million yen) Change vs 1Q/FY24

Operating revenue	4,747	+9.7%
Profit before taxes	355	Δ24.6%

- AUC crossed the KPI targets of 2 trillion yen .
- Increase in AUC of recurring income products



Investment business

Proprietary investment in financial securities, real estate and growth companies

(million yen) Change vs 1Q/FY24

Operating revenue	170	Δ21.6%
Profit before taxes	706	+58.8%

- Increase in unrealized gains on investment securities led by surge in stock market
- Booked extraordinary profit with partial sale of equity holdings



Asset management business

Providing alternative asset management services mainly to institutional investors

(million yen) Change vs 1Q/FY24

Operating revenue	51	Δ9.7%
Profit before taxes	Δ81	

- Costs associated with managing funds are accounted under asset management business.



Completed the buyback of 6.3 million shares between the settlement basis period of February 1, 2024, and June 18, 2024.
(accounting for 17% of outstanding shares excluding treasury shares)

Balance sheet

	FY23	FY24	FY25 1Q	Change vs FY24
Assets				
Current Assets	63,533	84,030	84,771	0.9%
Cash and deposit	14,142	23,991	19,857	Δ17.2%
Cash segregated as deposits	20,908	27,632	29,498	6.8%
Operational investment securities	10,521	11,291	11,986	6.2%
Trading products	207	232	418	79.7%
Trade date actual	615	1,326	1,911	44.1%
Margin transaction assets	15,692	17,209	19,103	11.0%
Loans on margin transactions	15,314	16,870	18,784	11.3%
Advances paid	56	99	398	300.7%
Other current assets	1,389	2,245	1,597	Δ28.9%
Non-current assets	35,291	40,085	38,355	Δ4.3%
Property, plant and equipment	9,936	10,850	10,861	0.1%
Rental properties	8,245	9,165	9,162	Δ0.0%
Intangible assets	100	33	32	Δ2.7%
Investments and other assets	25,253	29,201	27,460	Δ6.0%
Investments securities	23,439	26,066	24,746	Δ5.1%
Allowance for doubtful accounts	Δ 3	Δ 11	Δ 11	-
Deferred assets	10	3	1	Δ49.6%
Organization expenses	0	-	-	-
Start up expenses	9	3	1	Δ49.6%
Total assets	98,835	124,119	123,128	Δ0.8%

	FY23	FY24	FY25 1Q	Change vs FY24
Liabilities				
Current liabilities	34,365	52,952	62,518	18.1%
Trading products	90	-	142	-
Margin transaction liabilities	1,516	7,312	2,770	Δ62.1%
Borrowings on margin transactions	726	6,505	2,031	Δ68.8%
Loans payable secured by securities	2,927	1,401	4,123	194.1%
Deposits received	16,760	28,808	34,296	19.1%
Deposits from customers	14,359	21,757	20,843	Δ4.2%
Other deposits	2,400	7,050	13,452	90.8%
Guarantee deposits received	5,099	5,639	5,388	Δ4.5%
Short-term loans payable	6,445	6,045	13,545	124.1%
Non-current liabilities	10,293	12,349	12,381	0.3%
Long-term borrowings	5,588	6,347	6,261	Δ1.4%
Deferred tax liabilities	4,318	5,572	5,681	1.9%
Reserves under special laws	146	160	160	0.2%
Reserve for financial instruments transaction liabilities	146	160	160	0.2%
Total liabilities	44,804	65,462	75,060	14.7%
Net assets				
Total shareholder's equity	44,162	45,513	34,572	Δ24.0%
Treasury shares	Δ 5,471	Δ 6,179	Δ 16,946	-
Accumulated other comprehensive income	6,834	10,141	10,393	2.5%
Valuation difference on available-for-sale securities	6,579	9,337	9,366	0.3%
Non-controlling interests	3,033	3,002	3,102	3.3%
Total net assets	54,030	58,657	48,067	Δ18.1%
Total liabilities and assets	98,835	124,119	123,128	Δ0.8%



- Group has formulated a medium-term management plan “Define Next 100 - More for our customers”, and through various measures, it aims to realize its management philosophy of " providing more people with a richer life through securities investment" and enhance its corporate value in mid-long term.
- KPI targets set forth in the medium-term management plan are showing progress (for details please refer to next slides). We recognize the fact that the current ROE is below our estimated cost of equity of 7~8%, and we need to strengthen our efforts to further increase corporate value.
- On other hand, PBR has increased to 1.78X as a result of efforts to increase the shareholders return in line with management measures in awareness of cost of capital and stock price.

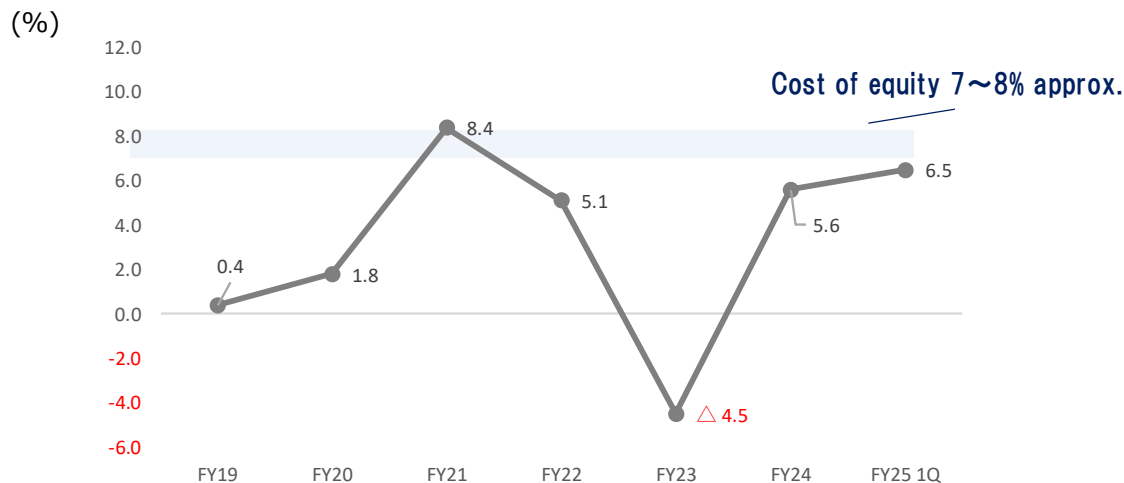
▶ Cost of capital

Cost of equity (as of June 2024) estimated 7~8% approx.*
 *Based on CAPM model

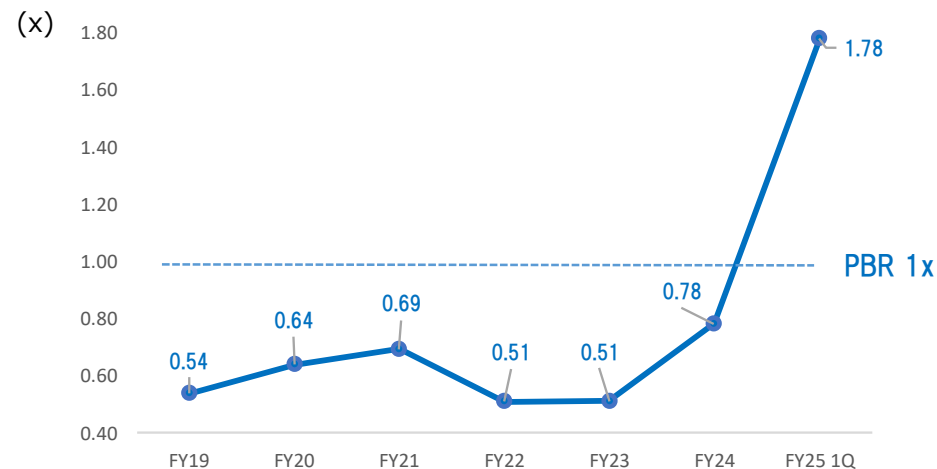
* Cost of equity based on variables of CAPM

Risk free rate :	10-year Japan government bond yield
Market risk premium :	Annualized TOPIX return (with dividends) for past 25 years (excludes year 2008 of lehman shock) year Adjusted beta against TOPIX
Beta :	

▶ ROE



▶ PBR





- The AUC of financial securities business reached its target early in June 2024 due to various measures taken in line with the basic policies; “Thoroughly customer oriented”, “shift from a brokerage business to an asset building business”, “expansion of platform business”, and “strengthening the group synergies”. The fixed charge coverage ratio (financial securities business) is also nearing the predefined KPI targets.
- On the other hand, we recognize the need to improve ROE levels, which are currently well below KPI targets, and to further reduce the cost of capital, and increase expected growth rates.

▶ KPI of medium-term management plan

KPI	Target (for March 2025)	Current (as of June 2025)
ROE	Above 8%	6.51%
Fixed charge coverage ratio (Financial securities business)	Above 50%	46.1%
AUC (Financial securities business)	Above 2 trillion yen	2.04 trillion yen
Investment securities balance (Investment business)	45 billion yen	36.5 billion yen
Secondary fund AUM (Asset management business)	10 billion yen	8.4 billion yen

- Group is working with specific measures with focus on “Improved ROE,” “Reduced cost of capital,” and “Higher expected growth rates” to improve the PBR and shareholders return by enhancing its corporate value.
 1. Improved ROE: Higher profitability in mid-term, improved risk/return in business segments, continuous and appropriate return to shareholders
 2. Reduced cost of capital: Stabilize the revenue and profit level of entire group, enhancement of IR activities.
 3. Higher expected growth rates: Improve expected growth rate by strengthening reforms in the financial securities business and improving profitability of the group.

► Specific measures



Enhance corporate value / Improve stock valuation



- We are pursuing following growth strategies for our Financial instruments business (financial securities business), investment business, asset management business and financial instruments intermediary business.

1. Accelerating transformation of financial instruments business (financial securities business)
2. Enhance investment & asset management business
3. Enhance platform business
4. Enhancement of initiatives towards human capital management

Accelerating transformation of financial instruments business (financial securities business)

- Aim to be a companion in "asset management and asset building" as an investment advisor & follow up professional.
- Strengthen the combined use of three channels: in-house financial advisors, IFAs, and regional financial institutions.
- Emphasize on offering consulting services driven by individuals as our primary strength, while also significantly enhancing goal-oriented sales approaches and regional ties.
- Established "Business Development Division" to collectively promote sales, product planning, IT development, regional initiatives, branding, etc., and accelerate the shift to an earnings structure linked to AUC in the financial securities business.

Enhance investment & asset management business

- While maintaining the independent governance of investment business (AIZAWA Investments Co., Ltd.) and asset management business (AIZAWA ASSET MANAGEMENT Co., Ltd.), beginning to integrate the resources related to investment, asset management, risk management.
- Aim to improve overall risk/return of both investment and asset management business.

Enhance platform business

- Developed a medium-term management plan for the IFA business, targeting an AUC of 500 billion yen through investments in IT and human resource development.
- Appointed a financial institution RM executive officer to strengthen ties with financial institutions. Signed a master service agreement in March with THE SAGA KYOEI BANK,LTD. regarding financial instruments intermediary business. Discussions are also underway for collaboration with number of regional financial institutions.

Enhancement of initiatives towards human capital management

- Implementing various measures consistent with SDG Goal 8, "Promoting both job satisfaction and economic growth."
 - ① Promoting the Career Development Program (CDP), which emphasizes alignment with management strategies and encourages employees' self-driven growth, while also fostering skill development and career advancement tailored to everyone's aptitude and aspirations.
 - ② Implementing training initiatives focused on promoting diversity, particularly aimed at empowering women to advance in their careers.
 - ③ Prioritizing employee engagement within the organization, we regularly survey all employees and strive to cultivate an environment where they can work with energy and enthusiasm.
 - ④ Promoting health management of employees. All employees undergo yearly physical checkups and we provide subsidies for complete health checkups, smoking cessation clinic visits, and other medical consultations.



- Appointed a financial institution RM executive officer and strengthened the collaboration system.
- As part of our medium-term management plan (April 2022 - March 2025), “Define Next 100 - More for our customers” we are dedicated to human resource development, enhance new and mid-career hiring, and improve the workplace environment, all while ensuring diversity.

Client referral agreement with SHIMADA KAKEGAWA SHINKIN BANK

On April 26, 2024, AIZAWA SECURITIES Co., Ltd. signed a client referral agreement with SHIMADA KAKEGAWA SHINKIN BANK. SHIMADA KAKEGAWA SHINKIN BANK will refer its clients who are interested in financial products to the salesperson of AIZAWA SECURITIES Co., Ltd. The company will provide advice and offer them financial products to such clients.

Alliance agreement of AIZAWA SECURITIES Co., Ltd.

Bank	Shinkin Bank	Credit Union
THE SAIKYO BANK,LTD.	THE OME SHINKIN BANK	DAI-ICHI KANGYO CREDIT CORPERATIVE
THE FUKUHO BANK,LTD.	The Mishima Shinkin Bank	KASAOKA SHINKUMI BANK
THE SHIMIZU BANK,LTD.	Hanno Shinkin Bank	Tsuru Shinkumi Bank
THE SAGA KYOEI BANK,LTD.	SHIMADA KAKEGAWA SHINKIN BANK	Yamanashikenmin Shinkumi Bank

Commenced goal-based approach wrap services to The Imamura Securities Co.,Ltd.

From April 1st, 2024, AIZAWA SECURITIES Co., Ltd. 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 and product name of Imamura Securities.

Under this service, we enter into a discretionary investment agreement with the client, and Imamura securities acts as the advisor, providing life planning advice based on a goal-based approach and regular follow up. The assets of such clients are managed by the financial securities account at Imamura Securities.

Hike in salary levels

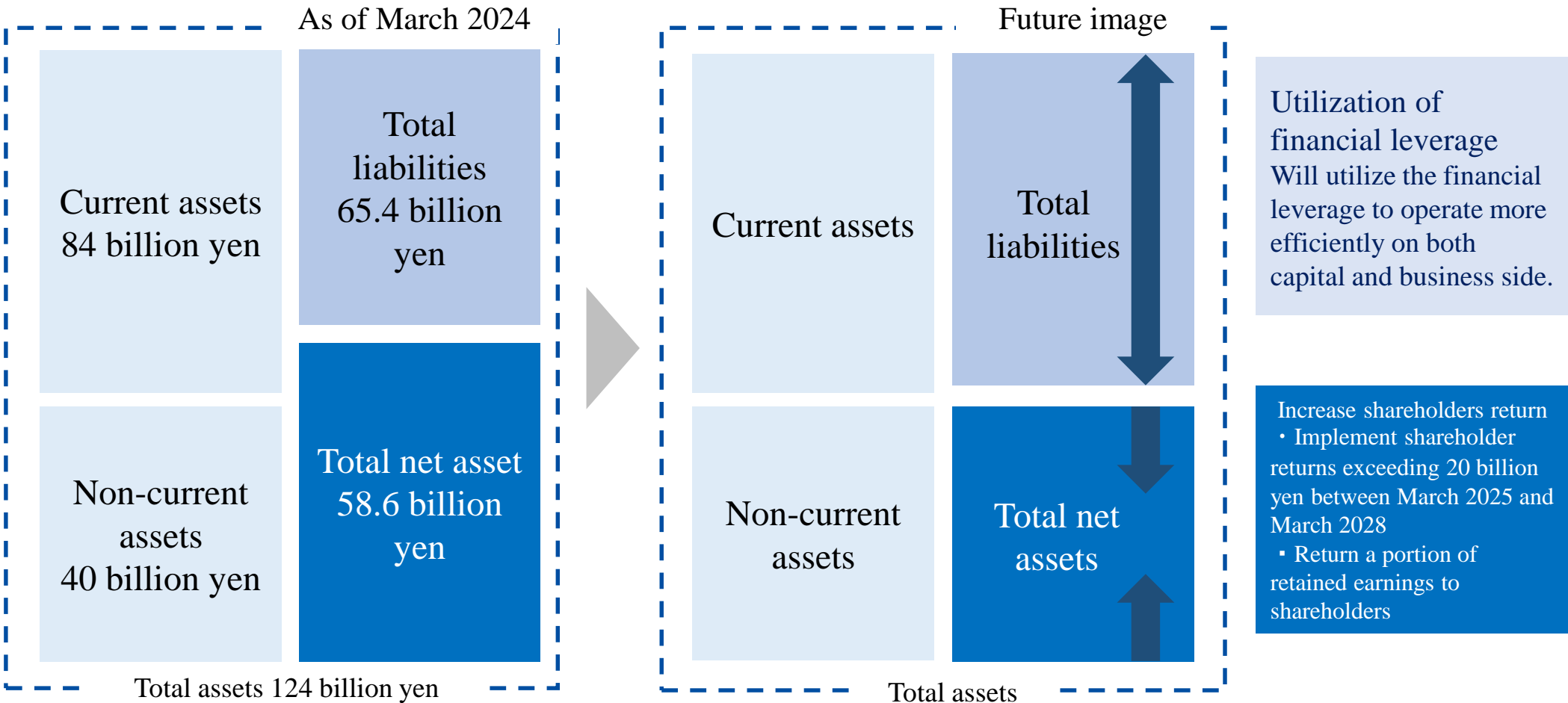
Increasing the investment in human capital to achieve sustainable growth and increase corporate value over the medium to long term. AIZAWA SECURITIES Co., Ltd has increased the basic salary levels, effective April 2024.

Beneficiaries	Appraisal % (includes basic salary hike and regular appraisal)	
	Employees less than 3 year of joining	Overall
All employees	10.3%	7.8%



- We will build an appropriate balance sheet by reducing capital to an appropriate level required for our business through enhanced shareholder returns.
- To bring our capital to a suitable level, we plan to return over 20 billion yen of retained earnings to shareholders between March 2025 and March 2028.

▶ Consolidated Balance sheet





- We have announced our policy to **return a total of more than 20 billion yen to shareholders between March 2025 & March 2028 through dividends (ordinary and special dividends) and share buybacks (approximately 10 billion yen as special dividends and approximately 10 billion yen as ordinary dividends and share buybacks).**
- In order to further improve capital efficiency, enhance shareholder returns, and implement a flexible capital policy, the board of directors approved a revised resolution on May 1, 2024, to buyback the shares of 11 billion yen with maximum number of 6.3 million shares between the period of February 1, 2024, and June 30, 2024.
- Completed the buyback of 6.3 million shares as of June 18, 2024 (settlement basis).

※Number of buyback shares may change in future, as the special dividends of 10 billion yen calculation is based on the number of shares as on April 26, 2024.

【 Profit distribution policy 】 Company has a policy to return shareholders more than 50% including the buyback of shares on consolidated basis and pay dividend around 2% of DOE.

Dividend schedule

	Dividend (yen) / share					
	Interim		Year end		Yearly total	
	Ordinary dividend	Special dividend	Ordinary dividend	Special dividend	Ordinary dividend	Special dividend
FY ended March 31, 2024	13.00	—	26.00	—	39.00	—
FY ending March 31, 2025	TBD	35.00	TBD	35.00	TBD	70.00
FY ending March 31, 2026	TBD	35.00	TBD	35.00	TBD	70.00
FY ending March 31, 2027	TBD	35.00	TBD	35.00	TBD	70.00
FY ending March 31, 2028	TBD	35.00	TBD	35.00	TBD	70.00

※ The above special dividend amount is an estimated amount based on certain assumptions (hypotheses) and future projections, current available information. This may change in the future due to change in regulations on the distributable amount or other legal restrictions, changes in the business environment and other circumstances.

Status of shares buyback

Type of shares	Common shares
Number of shares	6,163,900
Amount of shares	10,775,065,200 yen
Buyback term (settlement basis)	April 1, 2024~June 18, 2024
Mode of buyback	Direct market trade and Off-Auction Own Share Repurchase Trade (ToSTNeT-3) on TSE

※ Completed the buyback of 6.3 million shares worth 10,936,022,900 yen based on a resolution of the board of directors meeting held on January 30, 2024, and May 1, 2024.



- We are committed to contributing to the community and society through our active involvement in IR and sustainability.
 1. Increase dialogue with shareholders and investors
 2. Enhancement of IR contents
 3. Initiatives towards sustainability

Increase dialogue with shareholders and investors

- We believe it is important to build long-term trustable relationships with shareholders and investors. We hold dialogues with shareholders who hold a certain number of our shares.
- Opinions and issues recognized through dialogue with shareholders are shared with management with the aim to enhance the corporate value over the mid-long term.

Enhancement of IR contents

- Enhance the IR contents and make it easy for investors and shareholders to understand.
- Further enhance the English IR contents by increasing the disclosures beyond financial summary and financial highlights.

Initiatives towards sustainability

- Enhance disclosures based on TCFD guidelines and take measures to reduce greenhouse gas emissions as part of efforts towards climate change.
- Collaborating with regional governments and educational institutions to promote financial and investment literacy to enhance society's overall financial literacy and foster individual asset building. This involves spreading fundamental investment knowledge, including mid-long term investment strategies and the benefits of portfolio diversification.

Reference data

Consolidated



► Highlights

For the 1Q, FY25 (change vs. 4Q, FY24)

- Operating revenue for financial securities business declined by 7.3% to 4,747 million yen
- Operating revenue for investment business declined by 46.8% to 170 million yen
- Operating revenue for asset management business declined by 45.4% to 51 million yen

► Financial summary

(million yen)

Business segment wise (consolidated)	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 1Q/FY24	Change vs 4Q/FY24	FY24 1Q	FY25 1Q	Change vs 1Q/FY24
Operating revenue	4,588	4,688	4,195	5,507	4,953	7.9%	△10.1%	4,588	4,953	7.9%
Financial securities business	4,326	4,485	4,015	5,119	4,747	9.7%	△7.3%	4,326	4,747	9.7%
Investment business	217	157	127	320	170	△21.6%	△46.8%	217	170	△21.6%
Asset management business	56	56	64	94	51	△9.7%	△45.4%	56	51	△9.7%
Other adjustments	△ 12	△ 10	△ 11	△ 26	△ 16	-	-	△ 12	△ 16	-
Operating profit (loss)	564	149	△ 199	645	348	△38.3%	△46.0%	564	348	△38.3%
Financial securities business	439	366	79	636	325	△25.9%	△48.8%	439	325	△25.9%
Investment business	132	△ 134	△ 227	8	70	△46.7%	765.1%	132	70	△46.7%
Asset management business	△ 57	△ 55	△ 61	△ 39	△ 71	-	-	△ 57	△ 71	-
Other adjustments	49	△ 25	9	40	23	△52.5%	△41.5%	49	23	△52.5%
Profit (loss) before income taxes	971	418	248	2,687	1,051	8.3%	△60.9%	971	1,051	8.3%
Financial securities business	472	445	△ 79	635	355	△24.6%	△44.0%	472	355	△24.6%
Investment business	444	75	139	1,989	706	58.8%	△64.5%	444	706	58.8%
Asset management business	△ 52	△ 43	△ 61	△ 43	△ 81	-	-	△ 52	△ 81	-
Other adjustments	106	△ 58	250	106	70	△33.8%	△33.7%	106	70	△33.8%

► Highlights

For the 1Q, FY25 (change vs. 4Q, FY24)

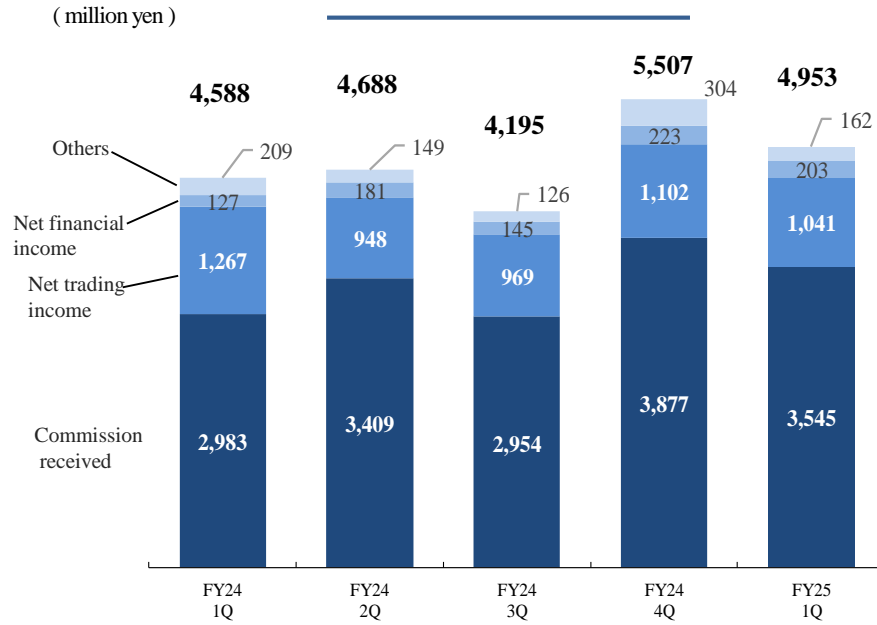
- Commission received declined by 8.6 % to 3,545 million yen
- Net trading income declined by 5.5% to 1,041 million yen
- Financial income declined by 8.6% to 203 million yen
- Other income declined by 46.6% to 162 million yen

► Operating revenue-breakdown

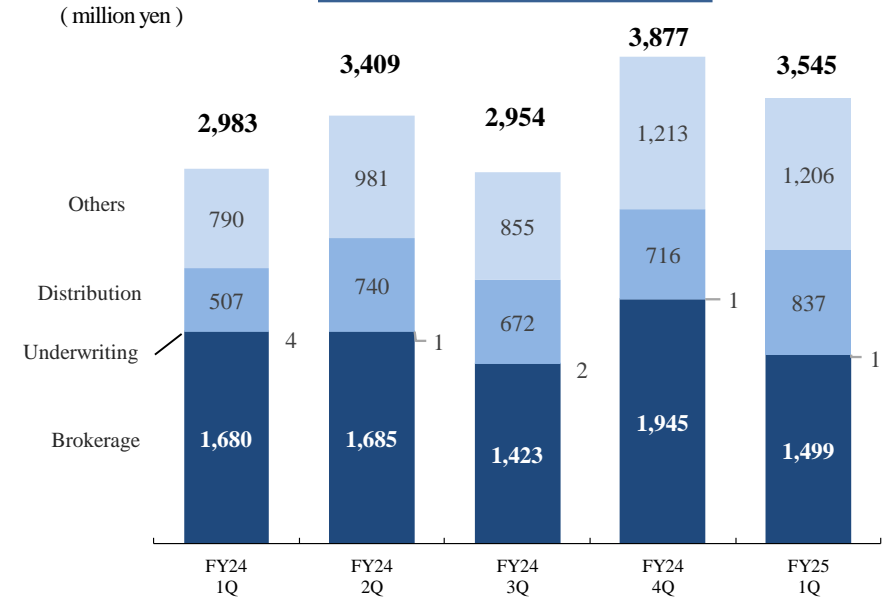
(million yen)

	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 1Q/FY24	Change vs 4Q/FY24	FY24 1Q	FY25 1Q	Change vs 1Q/FY24
Operating revenue	4,588	4,688	4,195	5,507	4,953	7.9%	△10.1%	4,588	4,953	7.9%
Commission received	2,983	3,409	2,954	3,877	3,545	18.8%	△8.6%	2,983	3,545	18.8%
Brokerage	1,680	1,685	1,423	1,945	1,499	△10.8%	△22.9%	1,680	1,499	△10.8%
Underwriting	4	1	2	1	1	△62.8%	9.5%	4	1	△62.8%
Distribution	507	740	672	716	837	65.0%	17.0%	507	837	65.0%
Others	790	981	855	1,213	1,206	52.5%	△0.6%	790	1,206	52.5%
Net trading income	1,267	948	969	1,102	1,041	△17.9%	△5.5%	1,267	1,041	△17.9%
Equities	1,088	778	828	982	863	△20.6%	△12.1%	1,088	863	△20.6%
Bonds	78	33	54	36	70	△10.0%	91.4%	78	70	△10.0%
Forex	100	136	85	82	107	6.2%	29.2%	100	107	6.2%
Financial income	127	181	145	223	203	59.7%	△8.6%	127	203	59.7%
Others	209	149	126	304	162	△22.4%	△46.6%	209	162	△22.4%

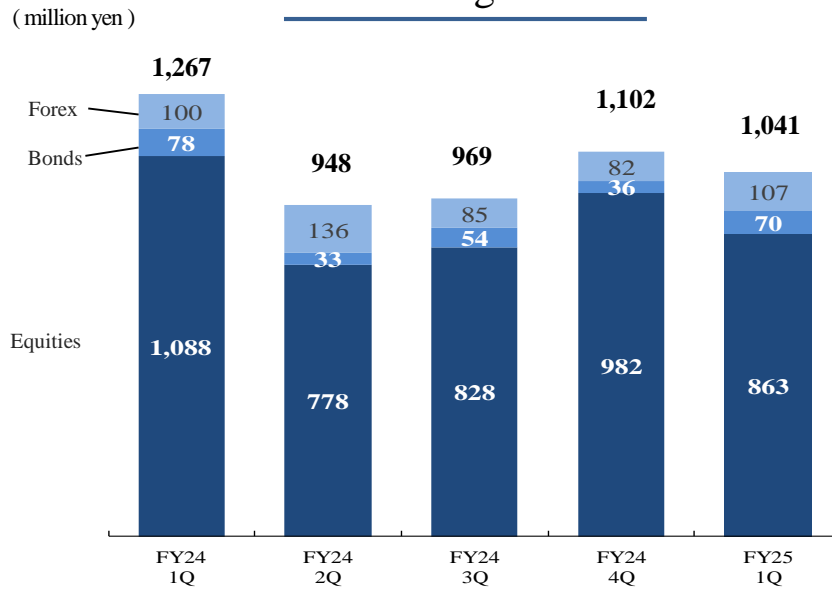
Operating revenue



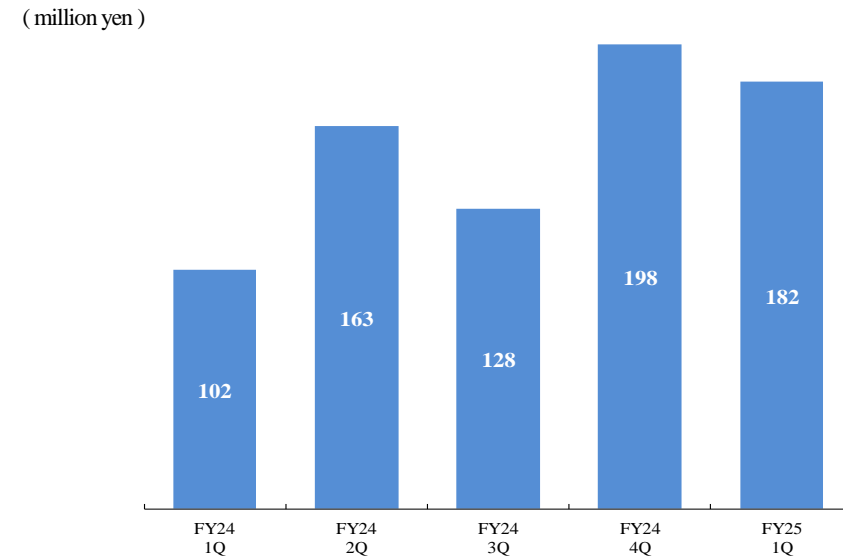
Commissions received



Net trading income



Financial revenue



► Highlights

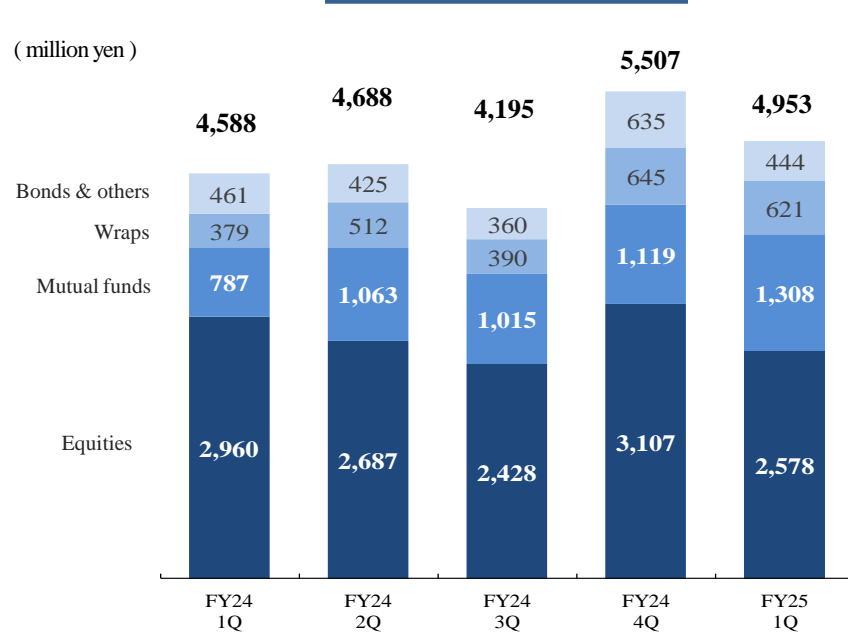
Group is working to increase the balance of recurring income products to promote the medium to long-term asset building business. Distribution fees and Asset management fees from mutual funds increased by 17.0% and 16.8% due to increase in balance of mutual funds. (All comparison are with 4Q of FY 25)

► Operating revenue-breakdown

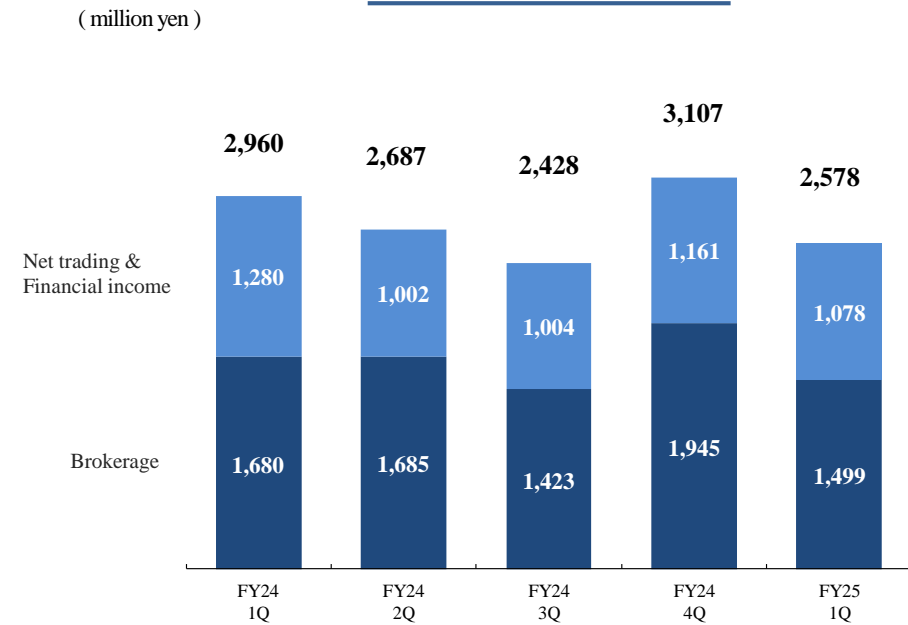
	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 1Q/FY24	Change vs 4Q/FY24	(million yen)		
	FY24 1Q	FY25 1Q	Change vs 1Q/FY24	FY24 1Q	FY25 1Q	Change vs 1Q/FY24				
Operating revenue	4,588	4,688	4,195	5,507	4,953	7.9%	△10.1%	4,588	4,953	7.9%
Equities	2,960	2,687	2,428	3,107	2,578	△12.9%	△17.0%	2,960	2,578	△12.9%
Brokerage	1,680	1,685	1,423	1,945	1,499	△10.8%	△22.9%	1,680	1,499	△10.8%
Net trading & financial income	1,280	1,002	1,004	1,161	1,078	△15.8%	△7.1%	1,280	1,078	△15.8%
Mutual funds	787	1,063	1,015	1,119	1,308	66.2%	16.9%	787	1,308	66.2%
Sales commission	507	740	666	716	837	65.0%	17.0%	507	837	65.0%
Asset management fees	279	322	348	403	471	68.3%	16.8%	279	471	68.3%
Wraps	379	512	390	645	621	63.9%	△3.7%	379	621	63.9%
Fixed fee/Asset management fees	260	280	273	269	288	10.9%	7.1%	260	288	10.9%
Success fees	118	231	117	376	332	180.0%	△11.5%	118	332	180.0%
Bonds	80	35	56	38	72	△9.6%	86.7%	80	72	△9.6%
Real estate	109	108	107	123	124	13.9%	1.0%	109	124	13.9%
Operational investment securities	99	39	18	180	37	△62.2%	△79.1%	99	37	△62.2%
Others	172	241	177	292	210	22.1%	△28.1%	172	210	22.1%



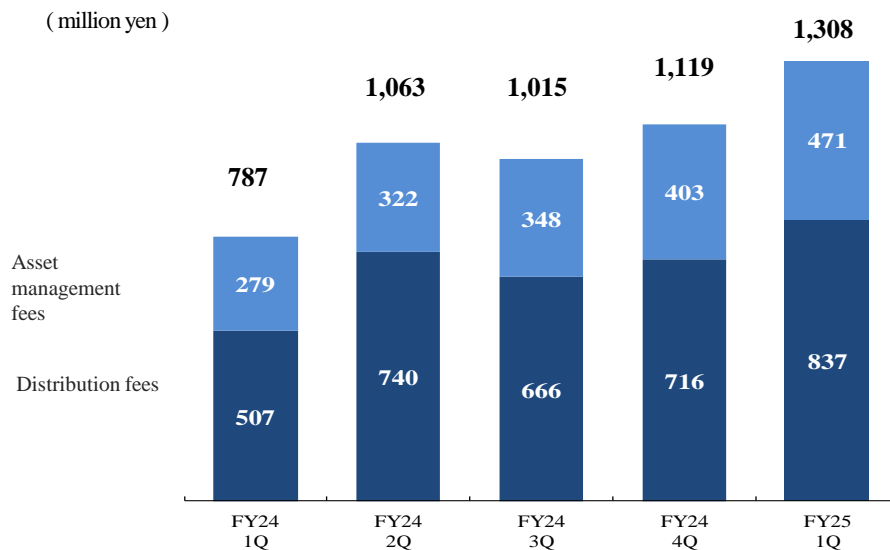
Operating revenue



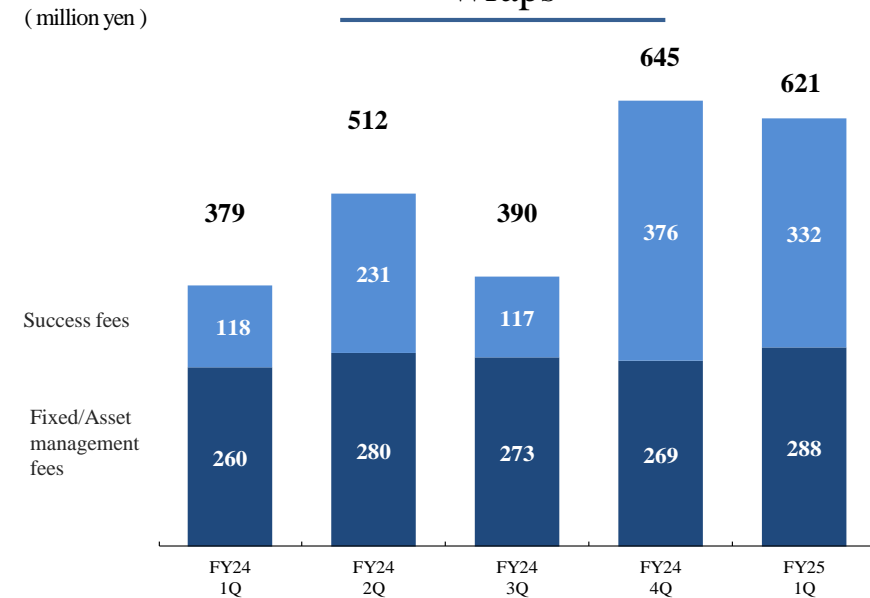
Equities



Mutual funds



Wraps



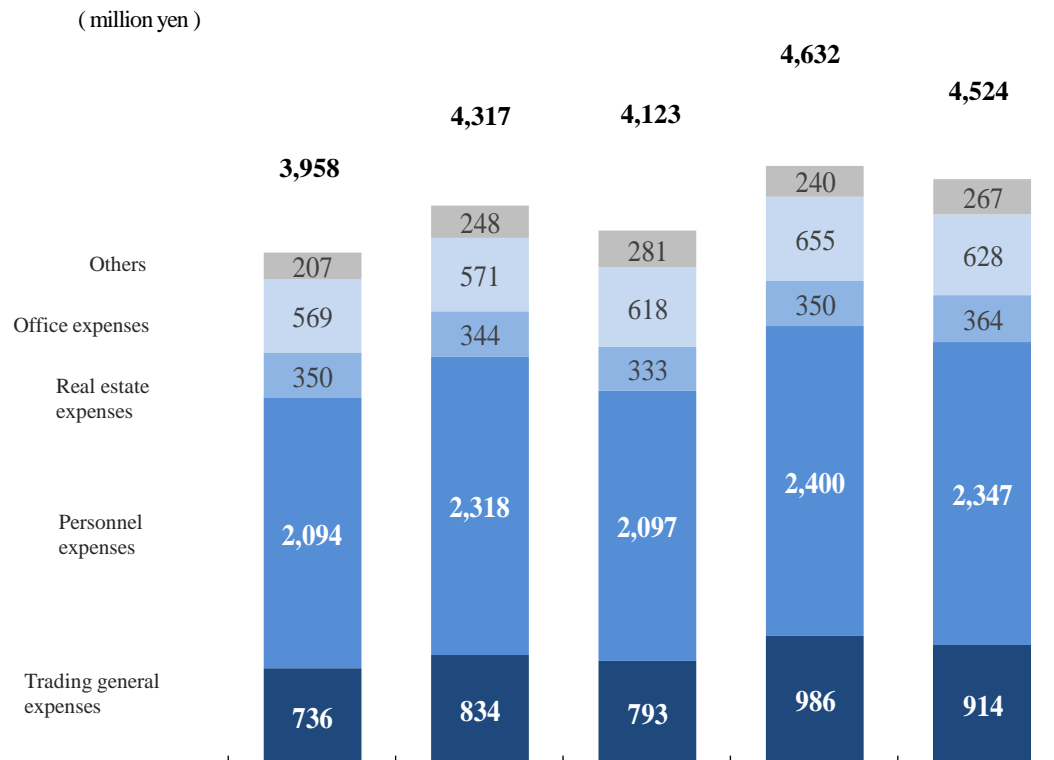


▶ Selling, general & administrative expenses

▶ Highlights

For the 1Q, FY25 (change vs. 4Q, FY24)

➤ Selling, general and administrative expenses declined by 2.3% to 4,524 million yen



						(million yen)				
	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 1Q/FY24	Change vs 4Q/FY24	FY24 1Q	FY25 1Q	Change vs 1Q/FY24
Selling, general and administrative expenses	3,958	4,317	4,123	4,632	4,524	14.3%	Δ2.3%	3,958	4,524	14.3%
Trading related expenses	736	834	793	986	914	24.2%	Δ7.3%	736	914	24.2%
Personal expenses	2,094	2,318	2,097	2,400	2,347	12.1%	Δ2.2%	2,094	2,347	12.1%
Real estate expenses	350	344	333	350	364	4.1%	4.2%	350	364	4.1%
Office expenses	569	571	618	655	628	10.4%	Δ4.0%	569	628	10.4%
Others	207	248	281	240	267	29.3%	11.6%	207	267	Δ29.3%
↳ (Depreciation)	48	49	53	64	62	28.3%	Δ2.6%	48	62	28.3%



Non-operating profit (loss) & extraordinary profit (loss) [consolidated]

▶ Highlights

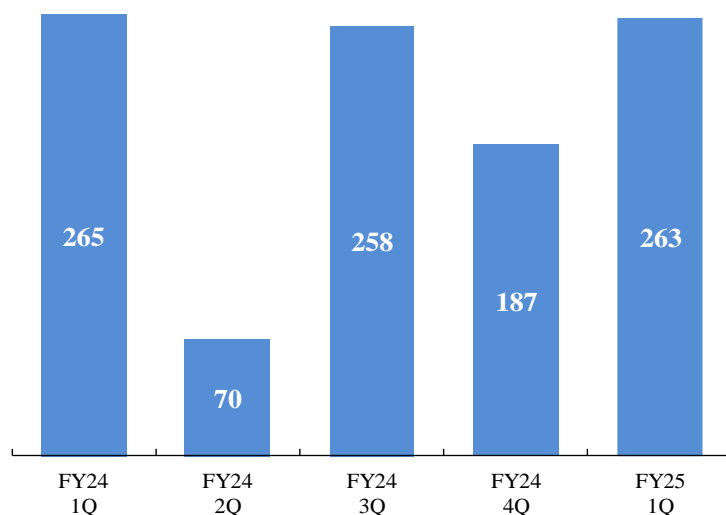
Non-operating profit increased by 41.0% to 263 million yen. Non-operating income increased by 45.1% to 316 million yen led by dividend income.

Non-operating expenses increased by 70.3% to 52 million yen.

Extraordinary income declined by 65.3% to 695 million yen led by gain from sales of investment securities. Extraordinary profit declined by 76.3% to 439 million yen. (All % are in comparison with 4Q of FY 24)

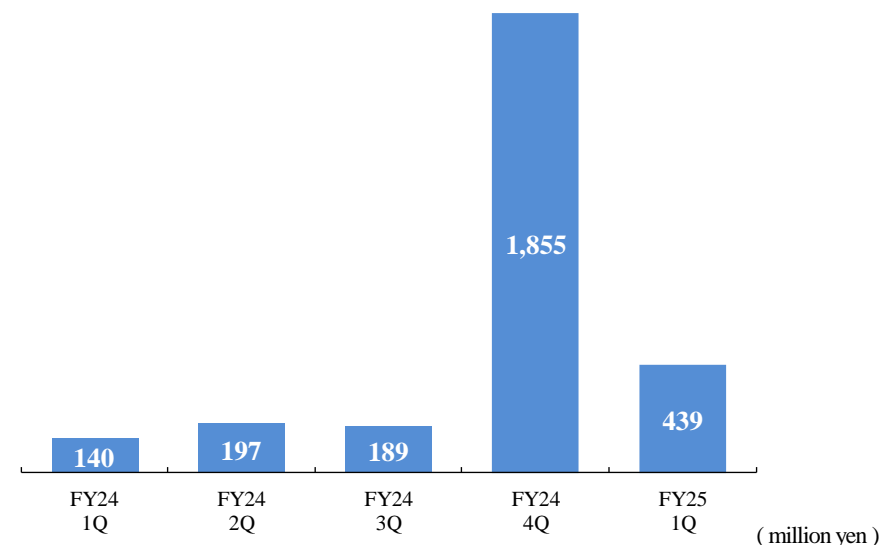
▶ Non-operating profit (loss)

(million yen)



▶ Extraordinary profit (loss)

(million yen)



	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 1Q/FY24	Change vs 4Q/FY24	FY24 1Q	FY25 1Q	Change vs 1Q/FY24
Non-operating profit (loss)	265	70	258	187	263	Δ0.7%	41.0%	265	263	Δ0.7%
Non-operating income	279	83	274	217	316	13.2%	45.1%	279	316	13.2%
Non-operating expenses	13	13	15	30	52	280.3%	70.3%	13	52	280.3%
Extraordinary profit (loss)	140	197	189	1,855	439	211.6%	Δ76.3%	140	439	211.6%
Extraordinary income	156	198	203	2,006	695	346.0%	Δ65.3%	156	695	346.0%
Extraordinary losses	15	1	13	151	256	-	69.6%	15	256	-

AIZAWA SECURITIES CO.,LTD.

Non-consolidated

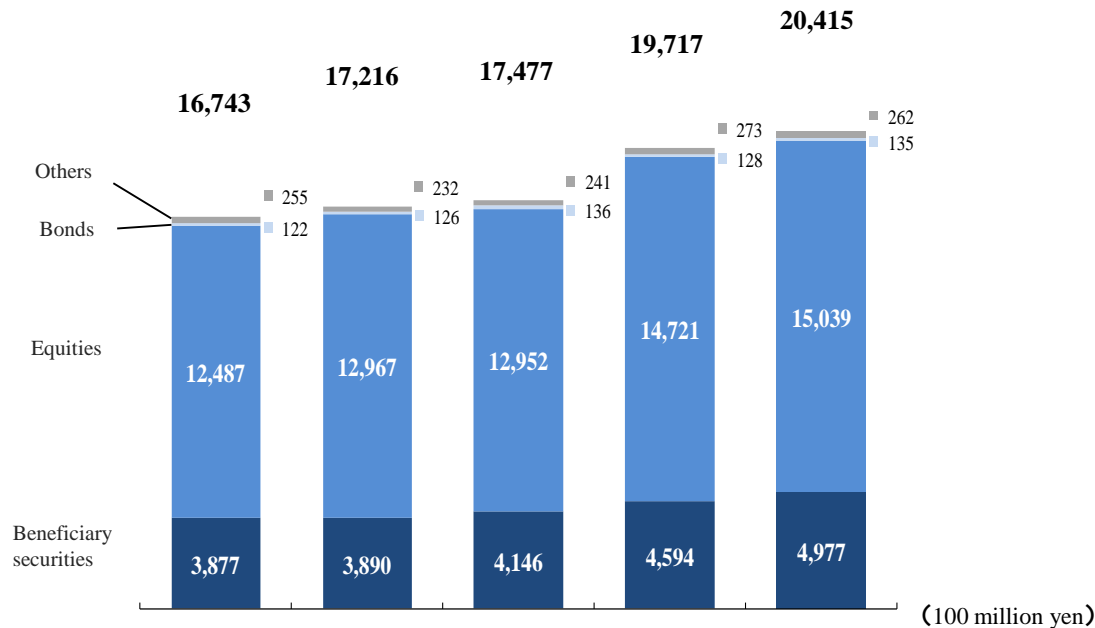


Highlights

Company is increasing the custody of assets generating recurring income in line with mid to long term plan of promoting asset building business. Custody of assets generating recurring income (refer notes) increased by 11.4% to 394.6 billion yen. Assets under custody increased by 3.5% to 2.0415 trillion yen. (All % are in comparison with 4Q of FY 24)

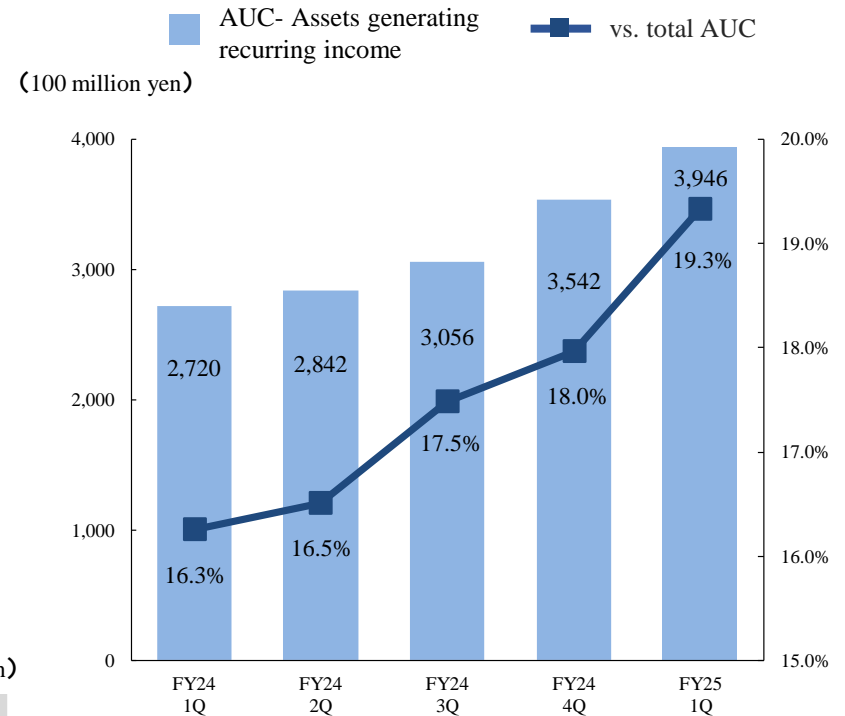
Assets under custody (AUC)-Breakdown

(100 million yen)



	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
Total AUC	16,743	17,216	17,477	19,717	20,415	3.5%
Beneficiary securities	3,877	3,890	4,146	4,594	4,977	8.3%
└ Mutual funds	2,500	2,611	2,820	3,231	3,622	12.1%
Equities	12,487	12,967	12,952	14,721	15,039	2.2%
Bonds	122	126	136	128	135	5.4%
Others	255	232	241	273	262	Δ4.3%

AUC-Assets generating recurring income



notes:

- ※ Mutual funds does not include MRF & listed ETF (includes fund wrap & Smile Goal)
- ※ AUC generating recurring income represents mutual funds, discretionary managed accounts (Wrap) at market value



▶ WRAPs - Number of clients & AUM (Market value)

(AUM: million yen, Customers: numbers)

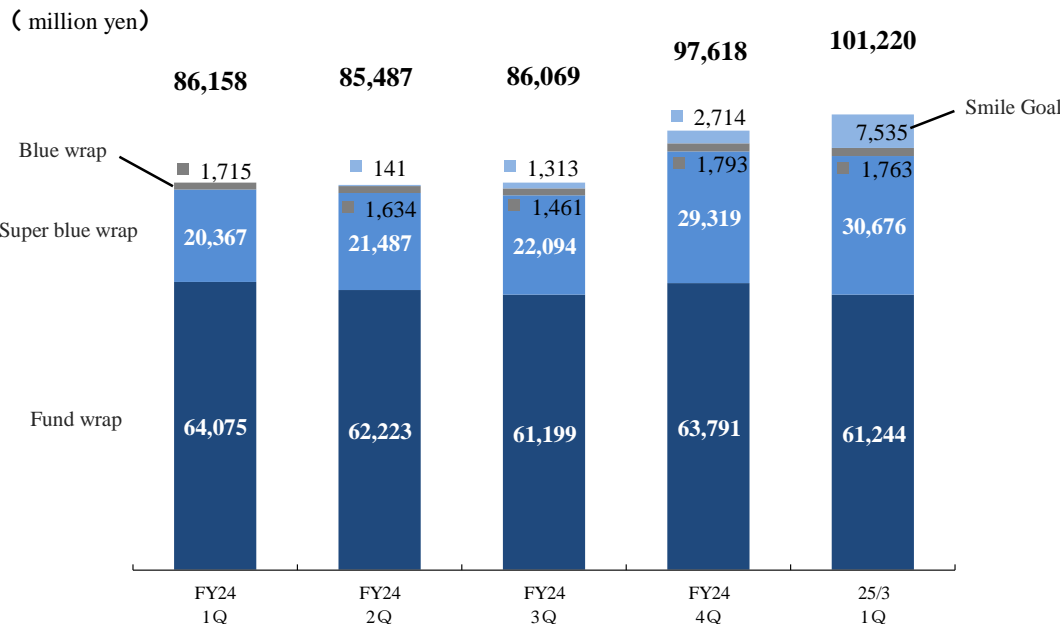
		FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
Super blue wrap	AUM (Market value)	20,367	21,487	22,094	29,319	30,676	4.6%
	Customers	990	1,023	1,103	1,186	1,272	7.3%
Blue wrap	AUM (Market value)	1,715	1,634	1,461	1,793	1,763	△1.6%
	Customers	178	169	158	153	146	△4.6%
Fund wrap	AUM (Market value)	64,075	62,223	61,199	63,791	61,244	△4.0%
	Customers	6,949	6,855	6,652	6,457	6,182	△4.3%
Smile Goal	AUM (Market value)		141	1,313	2,714	7,535	177.6%
	Customers		46	192	463	944	103.9%
Total	AUM (Market value)	86,158	85,487	86,069	97,618	101,220	3.7%
	Customers	8,117	8,093	8,105	8,259	8,544	3.5%

▶ Highlights

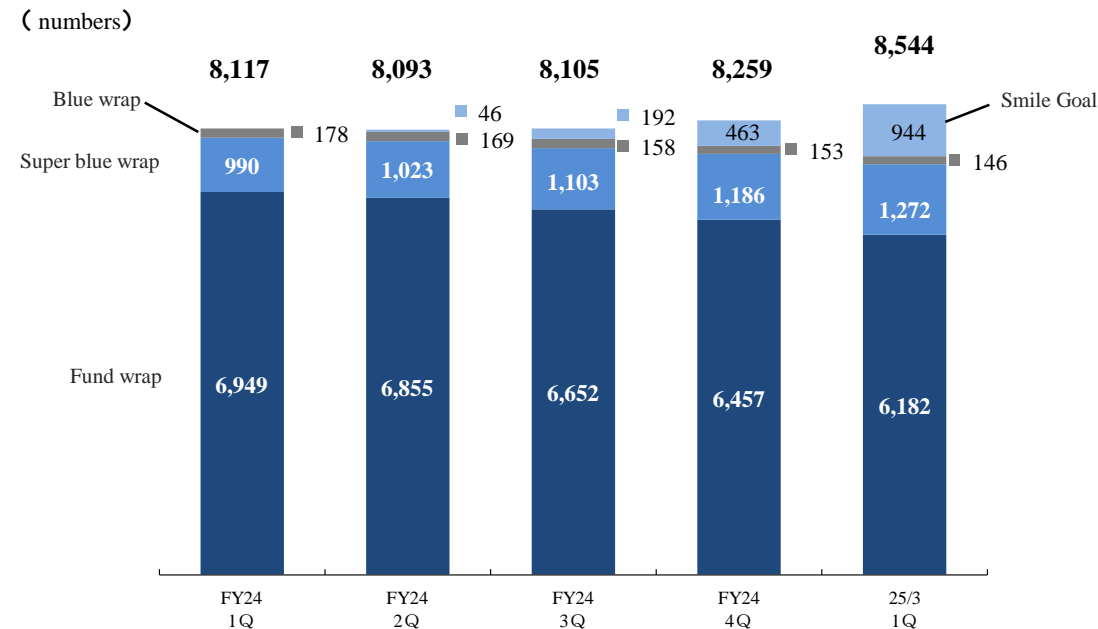
As a strategic shift to the asset building business, group is focusing on offering discretionary investment management services (wrap). At the end of first quarter, total AUM and number of customers for same were 101.2 billion yen and 8,544 customers, respectively.

From August 2023, company started the handling of “Smile Goal”, a wrap product with client's goal base approach. By recommending asset management plans based on each customer's future goals and offering ongoing post-sale follow-up, this product aids in the realization of long-term life plans.

AUM (Market value)



Number of customers





▶ Independent financial advisory (IFA) Business Update

	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
Registered IFA companies	94	97	107	119	128	7.6%
Registered IFA (Individuals)	1,501	1,503	1,590	1,771	1,960	10.7%
AUC (100 million yen)	1,979	2,020	2,164	2,458	2,624	6.8%
└ Financial institution affiliated	244	274	332	396	456	15.2%
└ IFA	1,734	1,746	1,831	2,061	2,168	5.2%
└ LIFE DESIGN PARTNERS	1,025	1,020	1,023	1,161	1,181	1.7%
Number of accounts	30,062	38,360	45,933	52,232	54,636	4.6%
└ Financial institution affiliated	11,744	18,420	24,360	27,219	27,275	0.2%
└ IFA	18,318	19,940	21,573	25,013	27,361	9.4%
└ LIFE DESIGN PARTNERS	5,175	5,387	5,582	5,976	5,672	Δ5.1%

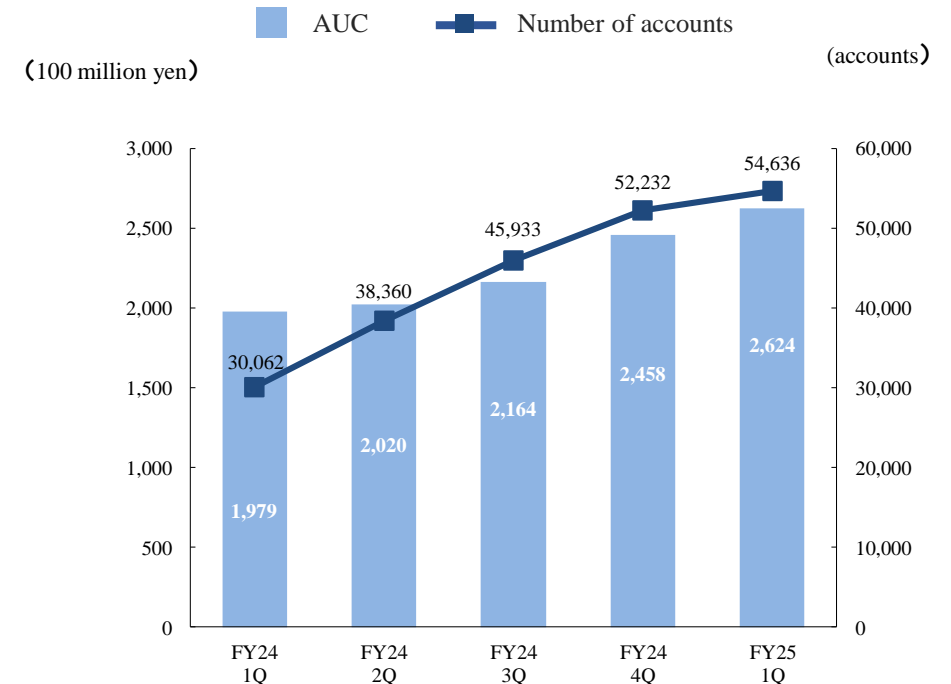
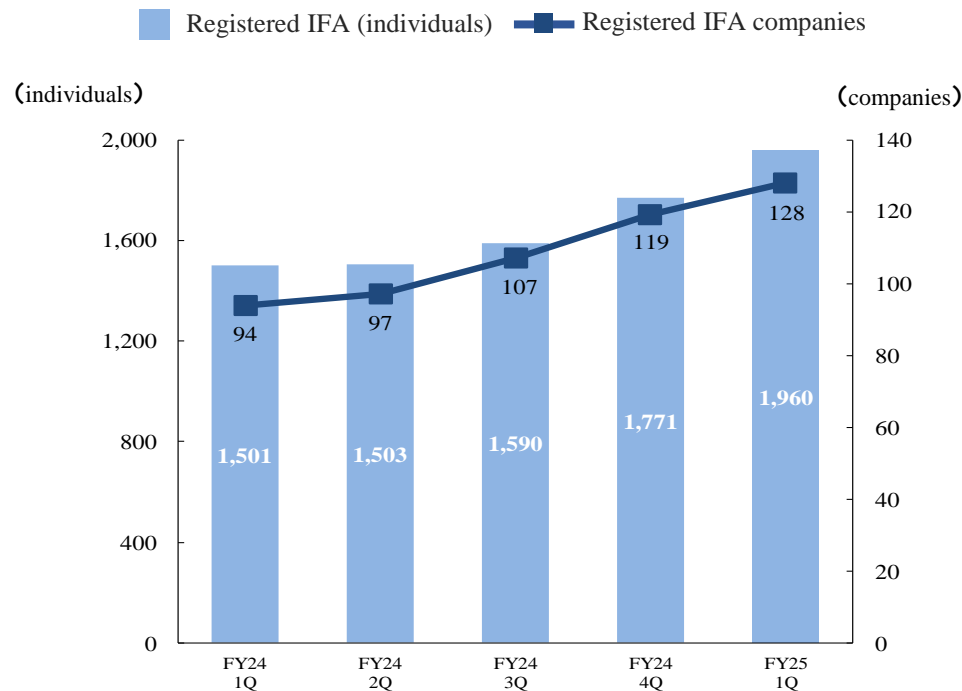
▶ Highlights

Group is making efforts to expand the platform business in line with its medium-term management plan.

AUC and the number of client accounts in IFA business increased by 5.2% and 9.4% respectively.

AUC and the number of client accounts through affiliation with financial institutions (THE SAIKYO BANK, LTD. and THE SAGA KYOEI BANK, LTD.) increased by 15.2% and 0.2% respectively.

(All % are in comparison with 4Q of FY 24)



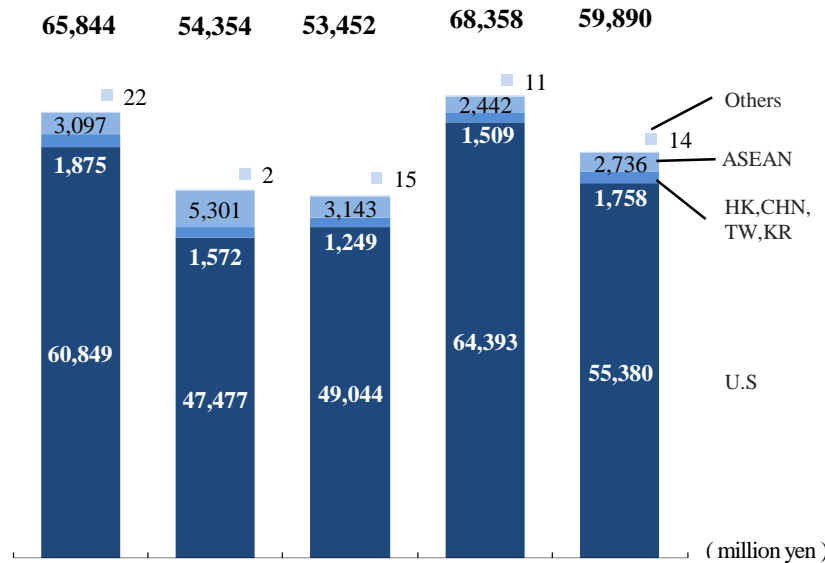


Highlights

AUC of foreign equities increased by 15.4% to reach a new record of 147.8 billion yen.
 Trading value for U.S equities declined by 14.0%. Aggregate trading value for Hong Kong, China, Taiwan and Korea equities increased by 16.5%. Trading value for ASEAN market equities increased by 12.0%.
 For details Asia stocks, please refer to next page. (All % are in comparison with 4Q of FY 24)

Foreign stocks : Trade value

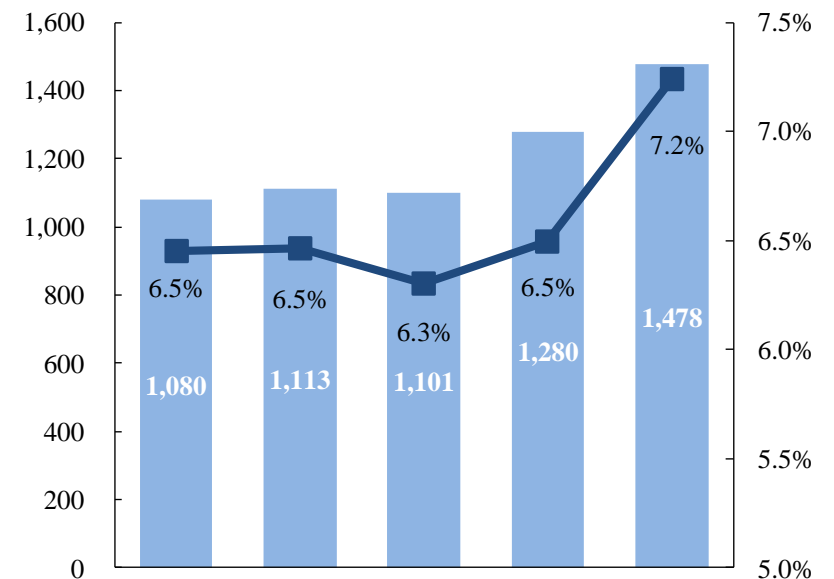
(million yen)



	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
Total of trade value	65,844	54,354	53,452	68,358	59,890	△12.4%
U.S.	60,849	47,477	49,044	64,393	55,380	△14.0%
HK, CHN, TW, KR	1,875	1,572	1,249	1,509	1,758	16.5%
ASEAN	3,097	5,301	3,143	2,442	2,736	12.0%
Others	22	2	15	11	14	20.6%

Assets under Custody

(100 million yen) ■ AUC of foreign equities ■ % share against Total AUC



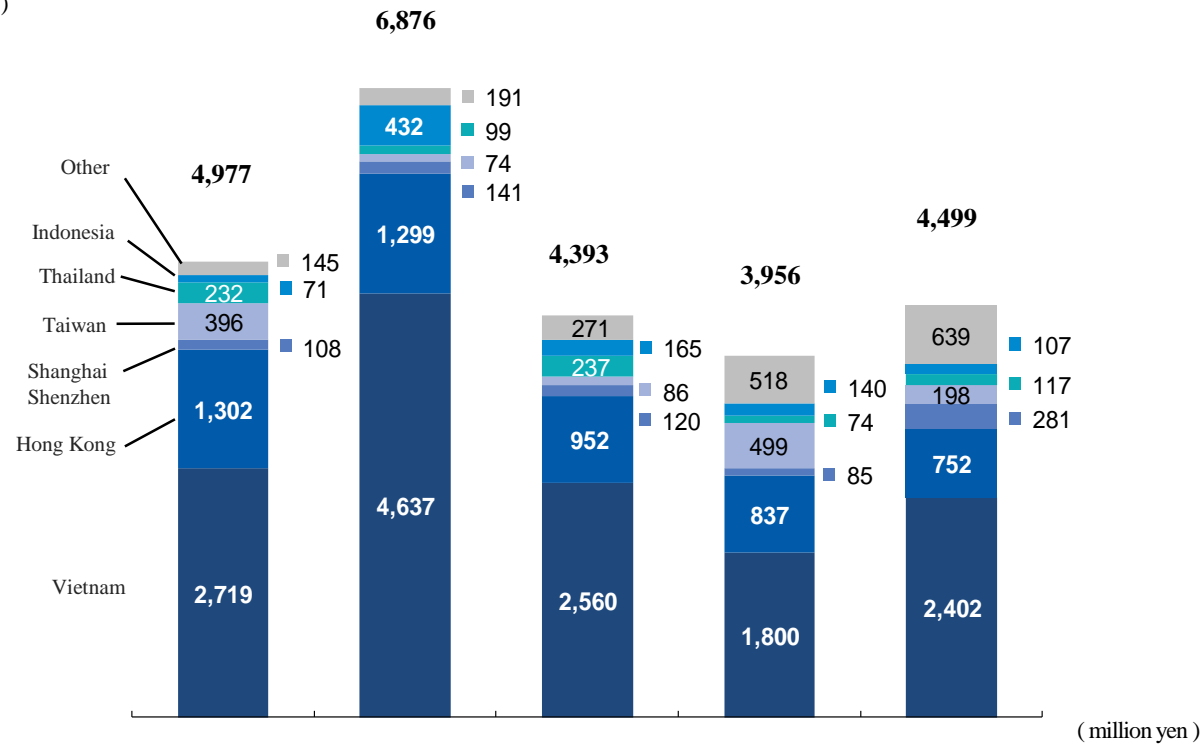
	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
AUC of foreign equities	1,080	1,113	1,101	1,280	1,478	15.4%
% share against Total AUC	6.5%	6.5%	6.3%	6.5%	7.2%	-

(100 million yen)



▶ Trading value-Asia Stocks

(million yen)



	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
Total of trading value	4,977	6,876	4,393	3,956	4,499	13.7%
Vietnam	2,719	4,637	2,560	1,800	2,402	33.4%
Hong Kong	1,302	1,299	952	837	752	△10.1%
Shanghai, Shenzhen	108	141	120	85	281	229.8%
Taiwan	396	74	86	499	198	△60.2%
Thailand	232	99	237	74	117	57.3%
Indonesia	71	432	165	140	107	△23.6%
Others	145	191	271	518	639	23.4%

▶ Highlights

- **Vietnam**
Trading value for Vietnam stocks increased by 33.4% (change vs. 4Q, FY24), while maintaining 53.4% (45.5% in 4Q, FY24) share among our handling of Asian equities
- **Hong Kong**
Trading value for Hong Kong stocks declined by 10.1% (change vs. 4Q, FY24), while maintaining 16.7% (21.2% in 4Q, FY24) share among our handling of Asian equities
- **Shanghai, Shenzhen (A/B)**
Trading value increased by 229.8% (change vs. 4Q, FY24), while maintaining 6.2% (2.2% in 4Q, FY24) share among our handling of Asian equities

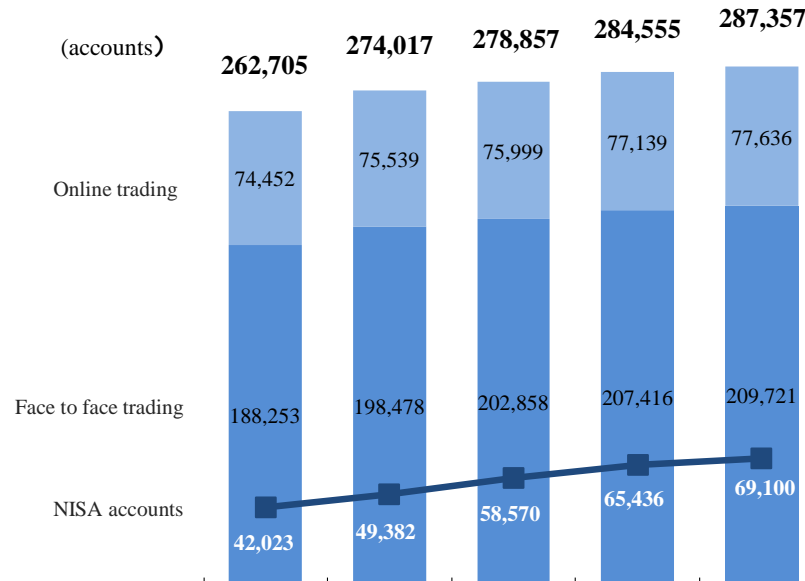
※ Please refer to slide #31-32 for index chart of major countries



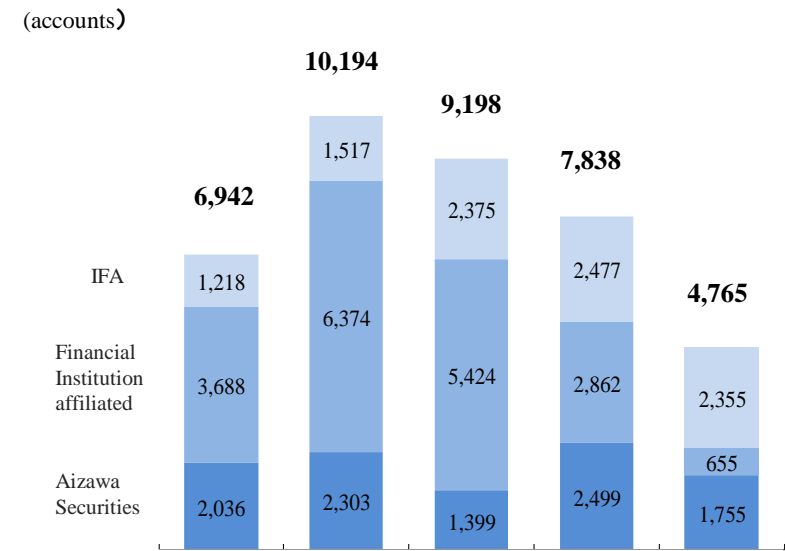
▶ Highlights

Total number of client accounts increased by 1.0% to 287,357 accounts. New accounts opening declined by 39.2% to 4,765 accounts. Expansion of platform business is led by IFA business and affiliation with financial institutions like THE SAIKYO BANK, LTD and THE SAGA KYOEI BANK.LTD. (All % are in comparison with 4Q of FY 24)

▶ Total number of accounts



▶ Number of new accounts



	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
Total number of accounts	262,705	274,017	278,857	284,555	287,357	1.0%
└ Face to face trading	188,253	198,478	202,858	207,416	209,721	1.1%
└ Online trading	74,452	75,539	75,999	77,139	77,636	0.6%
NISA accounts	42,023	49,382	58,570	65,436	69,100	5.6%

	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
Number of new accounts	6,942	10,194	9,198	7,838	4,765	△39.2%
└ Aizawa Securities	2,036	2,303	1,399	2,499	1,755	△29.8%
└ Financial institution affiliated	3,688	6,374	5,424	2,862	655	△77.1%
└ IFA	1,218	1,517	2,375	2,477	2,355	△4.9%

Highlights

Brokerage commission from domestic equities and foreign equities declined by 27.3% and 12.2%, respectively. Trading value of domestic equities and foreign equities declined by 21.9% and 18.6%, respectively. (All % are in comparison with 4Q of FY 24)

Stock brokerage commission-Breakdown

	(million yen)						(% share of brokerage commission)
	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24	FY25 1Q
Commission from domestic equities	1,373	1,303	1,111	1,521	1,105	△27.3%	0.27%
└ Face to face trading	1,221	1,155	969	1,333	958	△28.2%	0.54%
└ Online trading	151	148	141	187	147	△21.1%	0.06%
Commission from foreign equities	277	345	281	380	333	△12.2%	1.90%
└ Face to face trading	229	289	230	320	270	△15.7%	1.94%
└ Online trading	47	55	51	59	63	6.3%	1.75%

Stock trading value-Breakdown

	(100 million yen)					
	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	Change vs 4Q/FY24
Domestic equities trading value	3,837	3,989	3,594	5,218	4,075	△21.9%
└ Face to face trading	1,874	1,801	1,590	2,265	1,790	△21.0%
└ Online trading	1,962	2,187	2,003	2,953	2,285	△22.6%
Trading value for foreign equities	148	179	148	216	175	△18.6%
└ Face to face trading	121	147	118	182	139	△23.4%
└ Online trading	27	31	29	33	36	6.6%

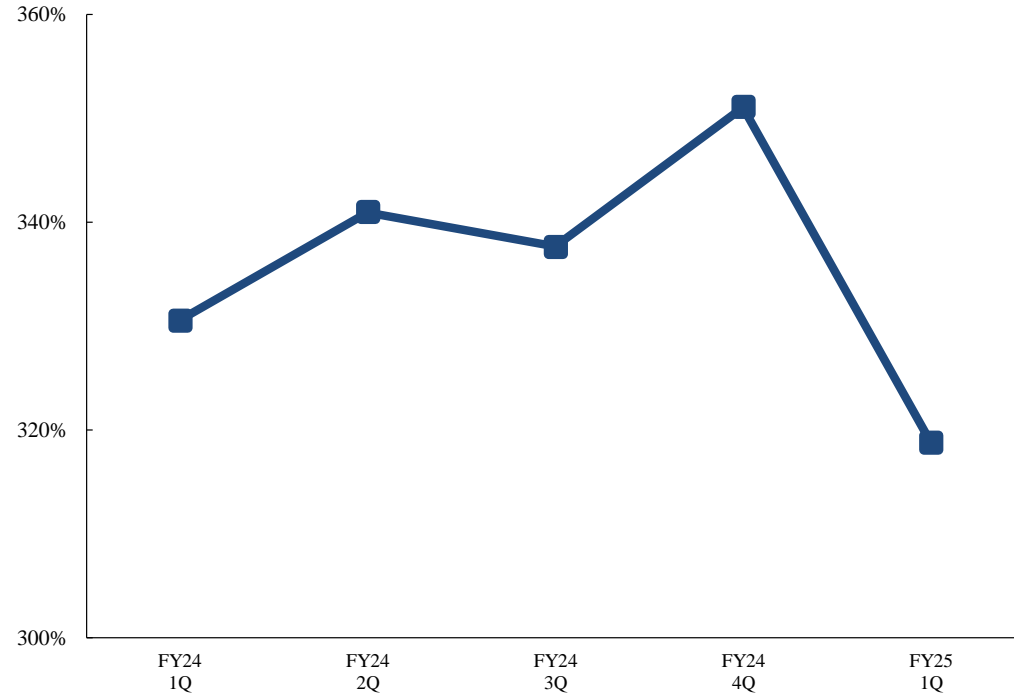
※Stock brokerage commission excludes ETF



▶ Capital adequacy ratio
(as of June end, 2024)

318.8%

▶ Capital adequacy ratio



(million yen)

	FY24 1Q	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q
Capital adequacy ratio(C/G×100)(%)	330.5%	340.9%	337.6%	351.0%	318.8%
Non fixed equity capital(C)	13,325	13,694	13,817	14,260	14,593
Total risk equivalent(G)	4,031	4,017	4,091	4,061	4,576
Market risk equivalent	197	180	129	59	117
Counterparty risk equivalent	643	618	671	705	1,037
Basic risk equivalent	3,190	3,218	3,290	3,296	3,420

 **AIZAWA SECURITIES GROUP CO., LTD.**

■ April 26, 2024 Disclosure of the analyses and policy of management measures in awareness of cost of capital and stock price

■ Buyback of shares

Buyback shares to maintain flexible capital policy and increase the capital efficiency and return on equity.

Term for buyback (settlement basis)	February 1, 2024 to June 18, 2024
Share type	Common shares
Number of buyback shares	6,300,000 shares (Within 17.0% of outstanding shares excluding the treasury shares)
Value of shares	10,936,022,900 yen

 **AIZAWA SECURITIES CO., LTD.**

■ April 26, 2024 Lecturer outsourcing agreement with Culture Co., Ltd.

Culture Co., Ltd. operates in 105 locations nationwide with the philosophy of “top rated instructors and great friends” .

With the aging of the population in the 21st century and the growing interest in lifelong learning, we hope that meeting others who share the same goals in life and hobbies will further enhance the joy of living.

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.

Name	Culture Co., Ltd.
Head office	Culture Building 4F, Sagami-Ono 3-1-7, Minami-ku, Sagami-hara city, Kanagawa prefecture
Reprehensive name	Tatsuya Hayashi, CEO
Services	Management of culture centres Dispatch instructors Course offering
Date of incorporation	July, 1982
Number of employees	660
Affiliated associations	Zenkoku Minkan Culture Jigyuu Kyougikai Tokyo-To Minkan Culture Jigyuu Kyougikai
# of centres	105 (As of April 1, 2024)



AIZAWA SECURITIES CO., LTD.

■ April 26, 2024 Client referral agreement with
SHIMADA KAKEGAWA SHINKIN BANK

SHIMADA KAKEGAWA SHINKIN BANK will refer its clients who are interested in financial products to the salesperson of AIZAWA SECURITIES Co., Ltd. The company will provide advice and offer them financial products to such clients.

Name	SHIMADA KAKEGAWA SHINKIN BANK
Head office	203, Kame-no-Ko 2-chome, Kakegawa, Shizuoka, Japan
Reprehensive name	Yasushi Chiba, Chairman
Services	Financial services under the Shinkin Bank Act (deposits, loans, domestic exchange, other agency services) and business related to above
Capital	1,966,920,000 yen
Date of incorporation	November 24, 1879
Number of employees	731 (As of march, 2023)
Number of branches	49 (As of march end 2024)

- May 1, 2024 Introduced the use of e-KYC (JPKI)
 ~Account opening made easy through smartphones~

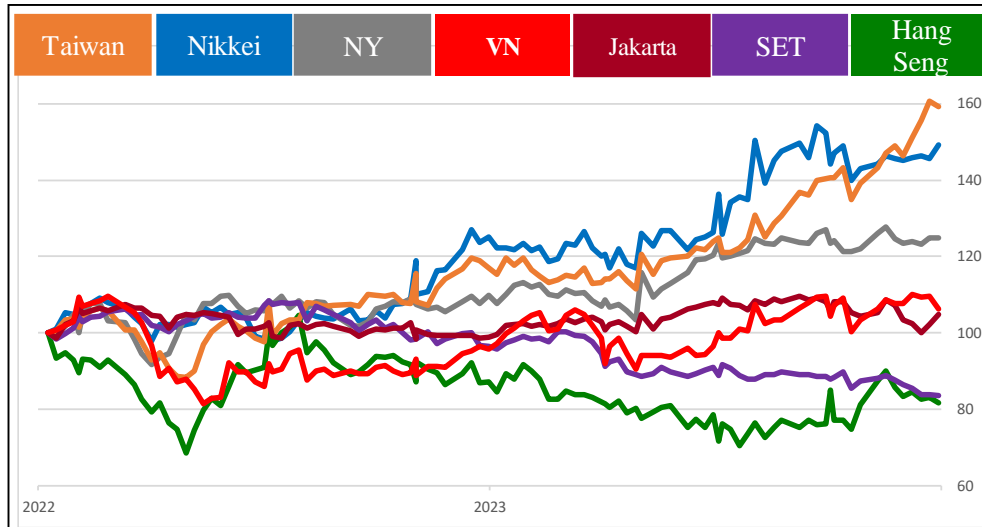
Introduced the use of e-KYC system (JPKI) by Double Standard Inc for the process of opening an account.

This service utilizes the electronic certificate embedded in the IC chip of the My Number Card to authenticate individuals, ensuring protection against identity theft and other forms of fraud. While we have already been improving customer convenience through the use of online identity verification (eKYC), such as going paperless and shortening the time required to open accounts, this service further simplifies the process by eliminating the need to photograph ID documents, identity verification documents, and My Number confirmation documents. Business efficiency at Aizawa Securities will also be improved by eliminating the need to verify the identity of the customer, which was previously done manually.



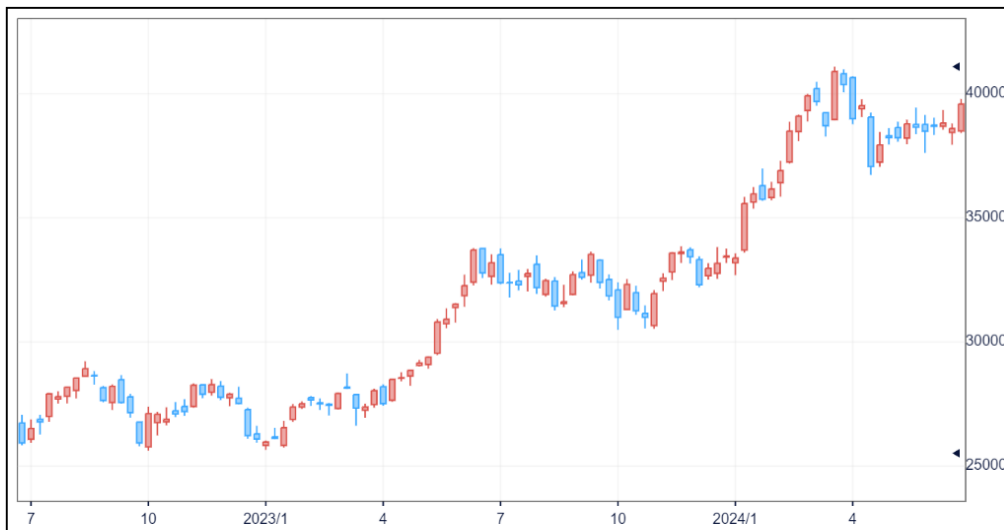
(1/7/2022 ~ 30/6/2024, Weekly)

Assumed 100 as a base on July 1, 2022

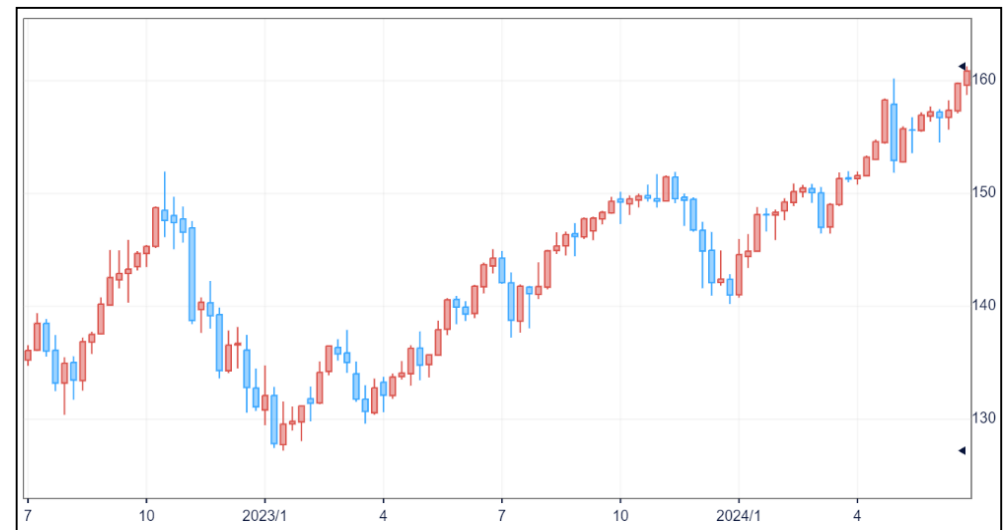


For the period under review (April 1, 2024 to June 30, 2024), despite the global stock markets temporarily entered the correction phase led by prolonged inflationary pressures in the U.S., stock markets subsequently recovered on the back of a series of policy changes in the U.S. and Europe. In the U.S. stock market, major stock price indexes, 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. 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 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.

Nikkei 225



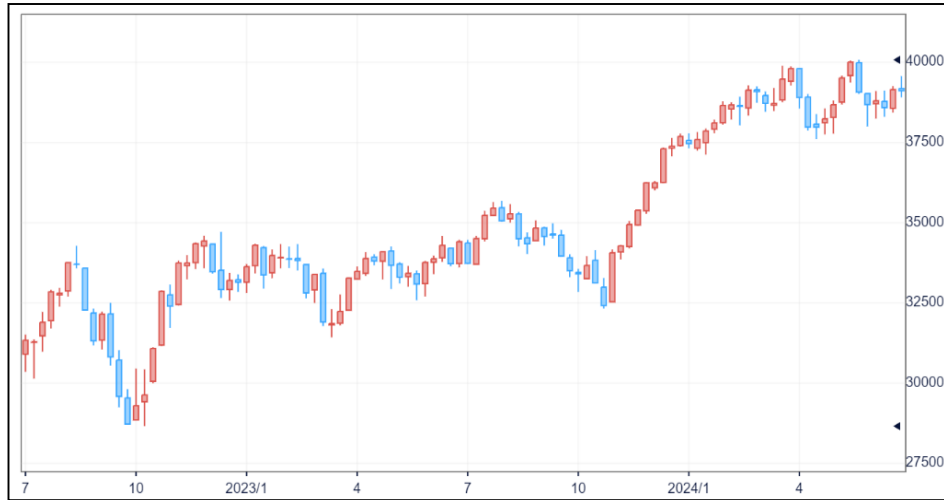
USD/JPY



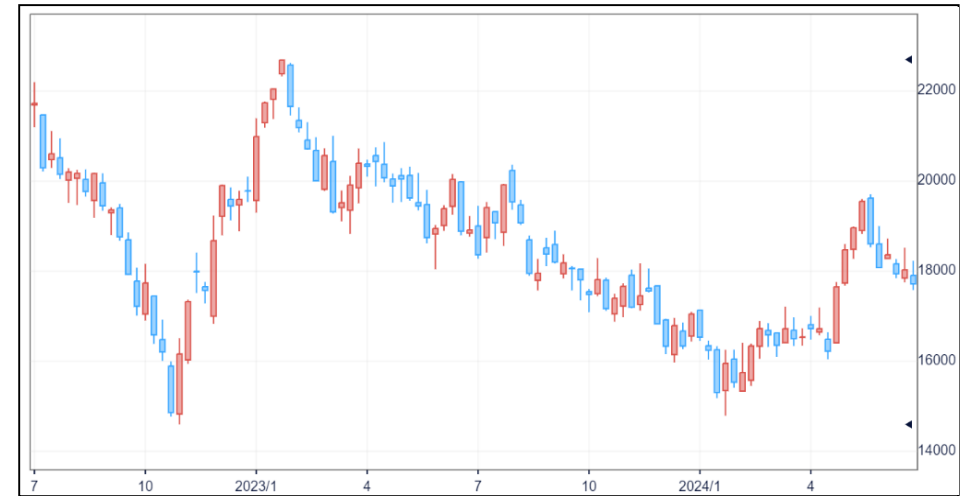


(1/7/2022 ~ 30/6/2024, Weekly)

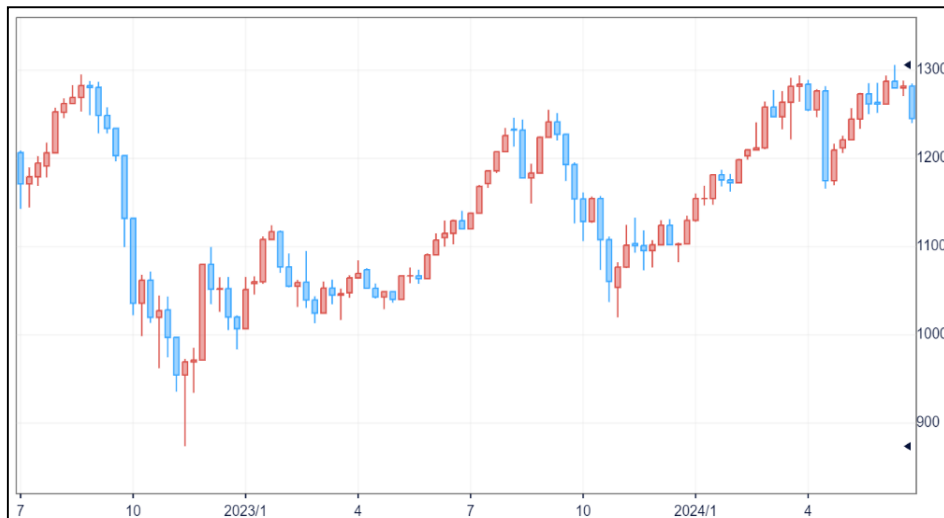
▶ Dow Jones Industrial Average Index



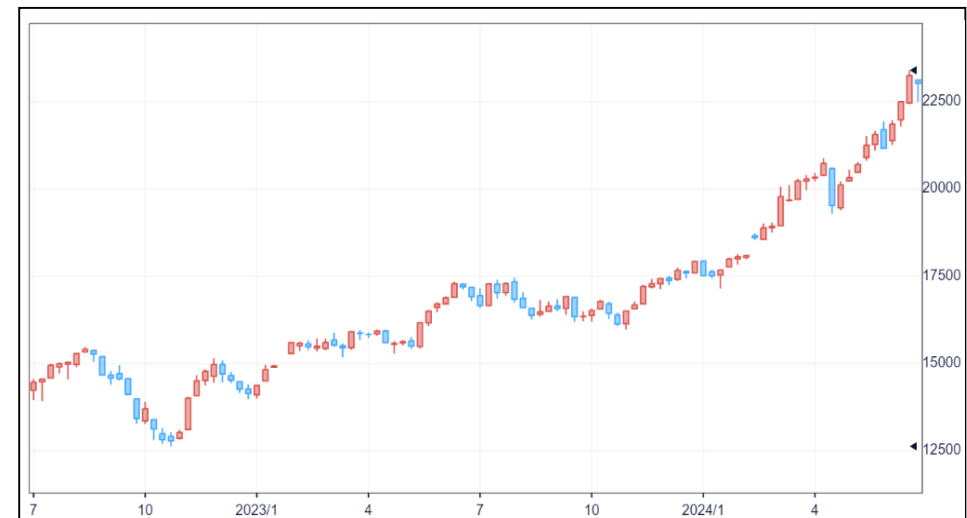
▶ Hang Seng Index



▶ Vietnam VN Index



▶ Taiwan Stock Exchange Weighted Index





This document is prepared for the purpose of providing information on the business and financial results and not meant for the solicitation of investment.

The document represents financial results for the first quarter of the fiscal year ending in March 2025, based upon the information as of 30 June 2024.

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