



Financial results for 2Q, FY2021

October, 2020



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Registered as Financial instruments firm with Director of Kanto Local Finance Bureau (FIBO) No. 6
Members of Japan Securities Dealer Association, Japan Investment Advisers Organization

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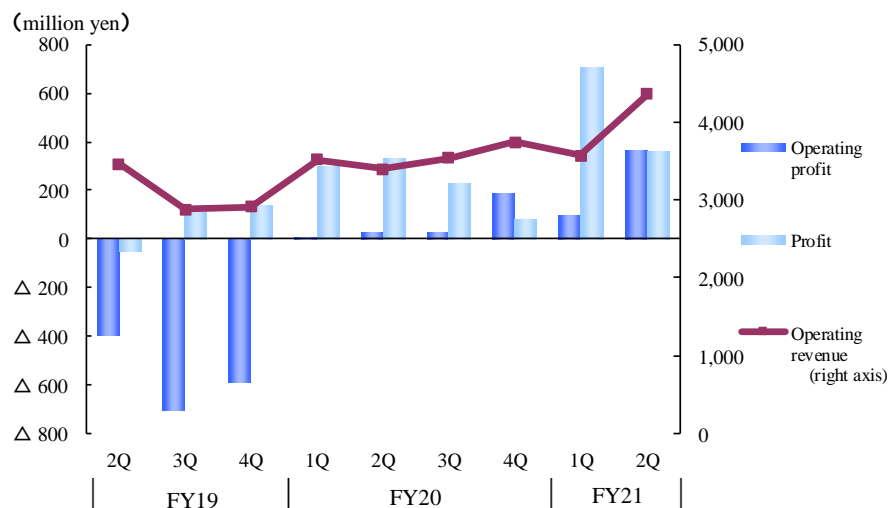
For the 2Q of FY 2021, operating revenue increased by 22.2% to 4,364 million yen; operating profit increased by 275.4% to 364 million yen; ordinary profit increased by 66.3% to 587 million yen; profit attributable to owners of parent decreased by 49.1% to 360 million yen. (All % are in comparison with 1Q of FY 2021)

Financial summary

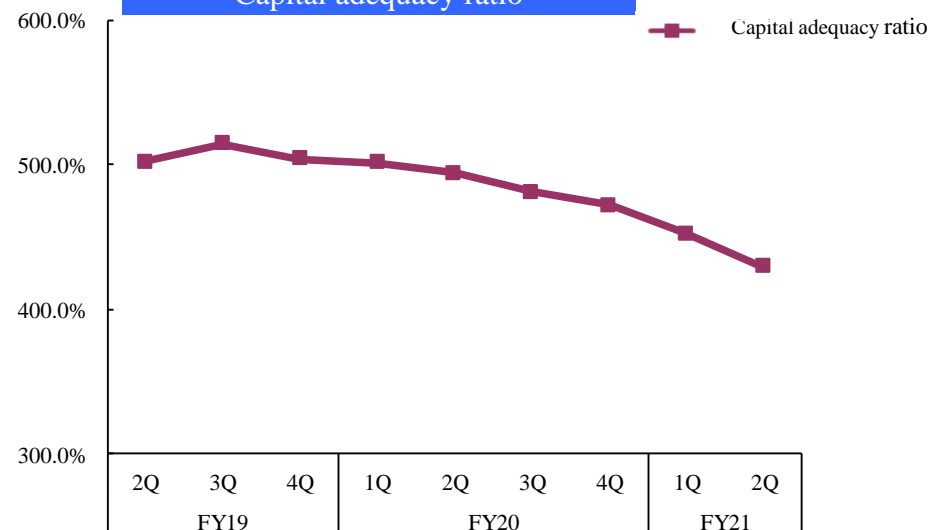
| | Cumulative | | |
|--|------------|-------|-------------------|
| | FY20 | FY21 | Change vs 1H/FY20 |
| | 1H | 1H | |
| Operating revenue | 6,909 | 7,935 | 14.9% |
| Net operating revenue | 6,849 | 7,874 | 15.0% |
| Selling, general and administrative expenses | 6,812 | 7,412 | 8.8% |
| Operating profit | 36 | 462 | - |
| Ordinary profit | 754 | 940 | 24.7% |
| Profit | 626 | 1,067 | 70.4% |
| Total assets | - | - | - |
| Net assets | - | - | - |
| EPS (yen) | 14.67 | 25.85 | - |
| BPS (yen) | - | - | - |
| Capital adequacy ratio | - | - | - |

| | Quarterly | | | | | (million yen) | |
|--|-----------|----------|----------|----------|----------|-------------------|-------------------|
| | FY20 | | | FY21 | | Change vs 2Q/FY20 | Change vs 1Q/FY21 |
| | 2Q | 3Q | 4Q | 1Q | 2Q | | |
| Operating revenue | 3,394 | 3,538 | 3,741 | 3,571 | 4,364 | 28.6% | 22.2% |
| Net operating revenue | 3,360 | 3,505 | 3,715 | 3,543 | 4,331 | 28.9% | 22.2% |
| Selling, general and administrative expenses | 3,331 | 3,478 | 3,526 | 3,446 | 3,966 | 19.1% | 15.1% |
| Operating profit | 28 | 27 | 188 | 97 | 364 | - | 275.4% |
| Ordinary profit | 421 | 276 | 491 | 353 | 587 | 39.2% | 66.3% |
| Profit | 333 | 230 | 83 | 707 | 360 | 8.0% | △49.1% |
| Total assets | 85,425 | 94,996 | 85,134 | 96,056 | 96,613 | 13.1% | 0.6% |
| Net assets | 52,712 | 53,952 | 50,141 | 51,392 | 51,914 | △1.5% | 1.0% |
| EPS (yen) | 7.82 | 5.39 | 1.96 | 16.93 | 8.83 | - | - |
| BPS (yen) | 1,234.96 | 1,263.99 | 1,182.85 | 1,251.40 | 1,277.96 | - | - |
| Capital adequacy ratio | 494.5% | 481.2% | 472.1% | 452.5% | 429.7% | - | - |

Operating revenue ▪ Operating profit ▪ Profit



Capital adequacy ratio





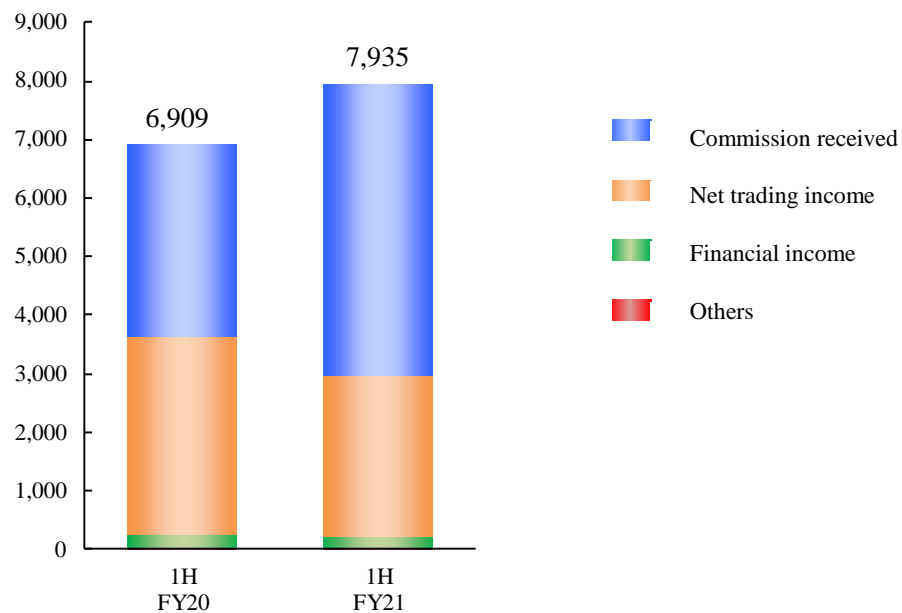
For the 2Q of FY 2021, commission received increased by 1.2% to 2,491 million yen. Net trading income increased by 73.7% to 1,742 million yen and financial income increased by 14.5% to 110 million yen. (All % are in comparison with 1Q of FY 2021)

Operating revenue- Breakdown

| | FY19 | | | FY19 | FY20 | | | | FY20 | FY21 | | Change vs 2Q/FY20 | Change vs 1Q/FY21 |
|--------------------------|-------|-------|-------|---------------|-------|-------|-------|-------|---------------|-------|-------|-------------------|-------------------|
| | 2Q | 3Q | 4Q | | 1Q | 2Q | 3Q | 4Q | | 1Q | 2Q | | |
| Operating revenue | 3,466 | 2,885 | 2,915 | 12,701 | 3,514 | 3,394 | 3,538 | 3,741 | 14,188 | 3,571 | 4,364 | 28.6% | 22.2% |
| Commission received | 1,929 | 1,895 | 1,678 | 7,523 | 1,783 | 1,508 | 2,106 | 1,943 | 7,342 | 2,463 | 2,491 | 65.1% | 1.2% |
| Net trading income | 1,369 | 831 | 1,094 | 4,529 | 1,611 | 1,738 | 1,312 | 1,658 | 6,320 | 1,003 | 1,742 | 0.3% | 73.7% |
| Financial income | 161 | 152 | 131 | 624 | 114 | 140 | 113 | 140 | 508 | 96 | 110 | Δ21.3% | 14.5% |
| Others | 6 | 6 | 10 | 23 | 6 | 6 | 6 | Δ1 | 17 | 7 | 19 | 187.3% | 145.1% |

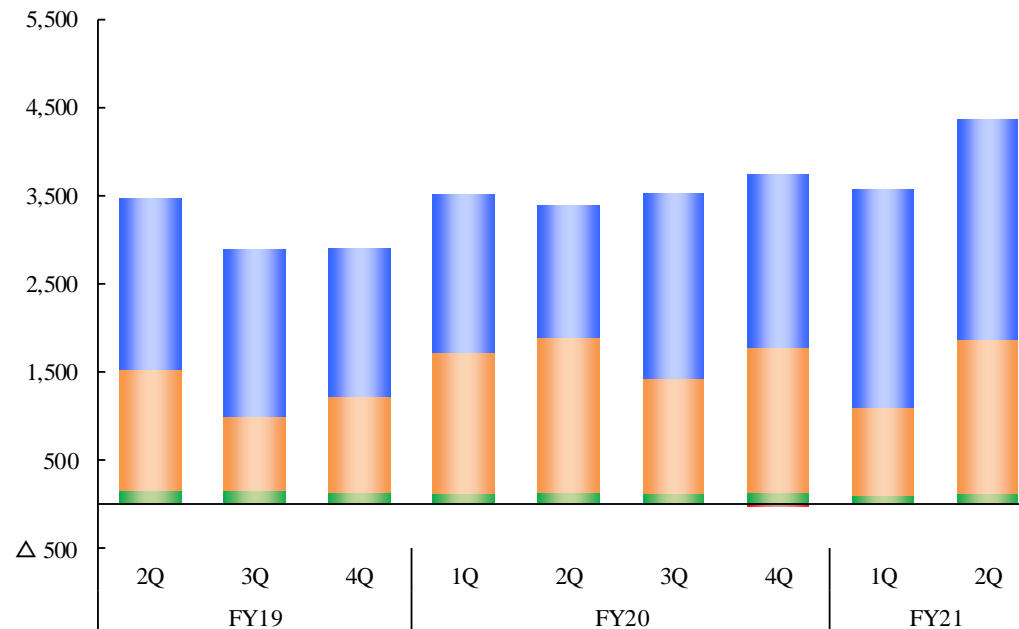
1H/FY 20 vs 1H/FY 21

(million yen)



QoQ

(million yen)





For the 2Q of FY 2021, brokerage commission decreased by 6.1% (% change vs 1Q FY21) to 1,926 million yen. This was reflected by the decline in the trading value of domestic equities. Please refer to page 17 & 18 respectively for breakdown of commissions on Equity and Equity trading value.

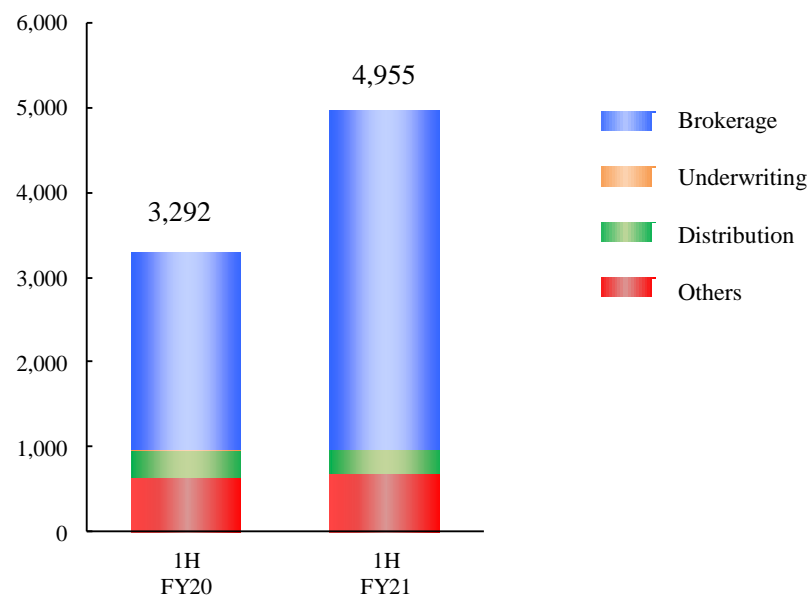
Breakdown

(million yen)

| | FY19 | | | FY19 | FY20 | | | | FY20 | FY21 | | Change vs 2Q/FY20 | Change vs 1Q/FY21 |
|----------------------------|-------|-------|-------|--------------|-------|-------|-------|-------|--------------|-------|-------|-------------------|-------------------|
| | 2Q | 3Q | 4Q | | 1Q | 2Q | 3Q | 4Q | | 1Q | 2Q | | |
| Commission received | 1,929 | 1,895 | 1,678 | 7,523 | 1,783 | 1,508 | 2,106 | 1,943 | 7,342 | 2,463 | 2,491 | 65.1% | 1.2% |
| Brokerage | 1,297 | 1,392 | 1,127 | 5,188 | 1,230 | 1,086 | 1,585 | 1,503 | 5,406 | 2,052 | 1,926 | 77.3% | △6.1% |
| Underwriting | 3 | 9 | 2 | 24 | 11 | 1 | 0 | 1 | 15 | 1 | 1 | △17.5% | 5.1% |
| Distribution | 297 | 169 | 234 | 1,016 | 196 | 125 | 219 | 130 | 672 | 116 | 172 | 38.0% | 48.6% |
| Others | 332 | 324 | 314 | 1,294 | 344 | 295 | 300 | 308 | 1,248 | 293 | 391 | 32.5% | 33.4% |

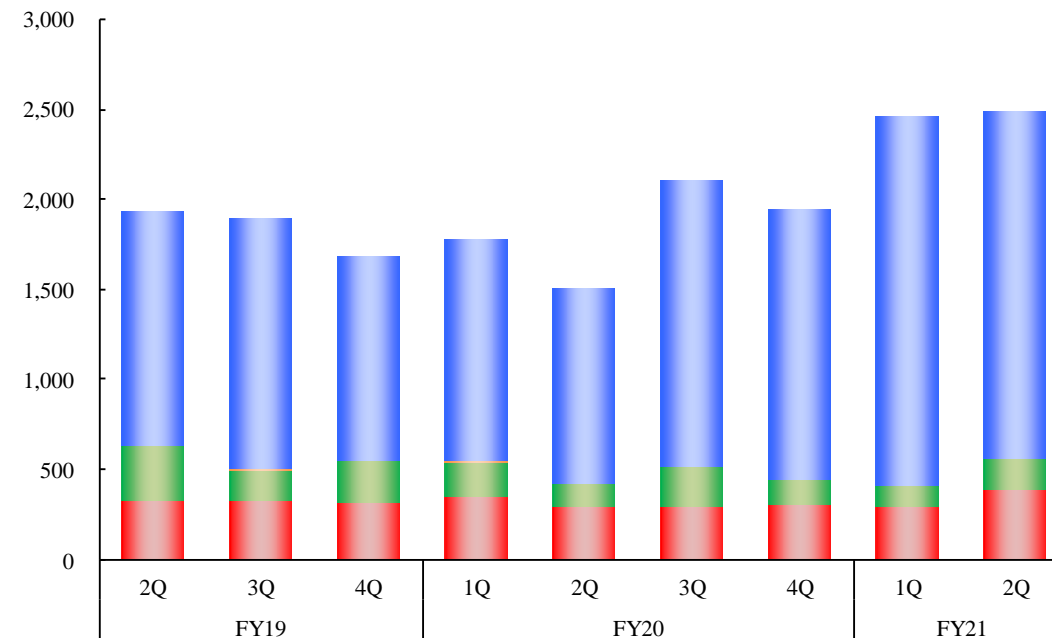
1H/FY 20 vs 1H/FY 21

(million yen)



QoQ

(million yen)





For the 2Q of FY 2021, commission received on equities decreased by 4.4% (% change vs 1Q FY21) to 1,922 million yen. This was reflected by decline in the trading value of domestic equities. Please refer to page 17 & 18 respectively for breakdown of commissions on Equity and Equity trading value.

Product-wise breakdown

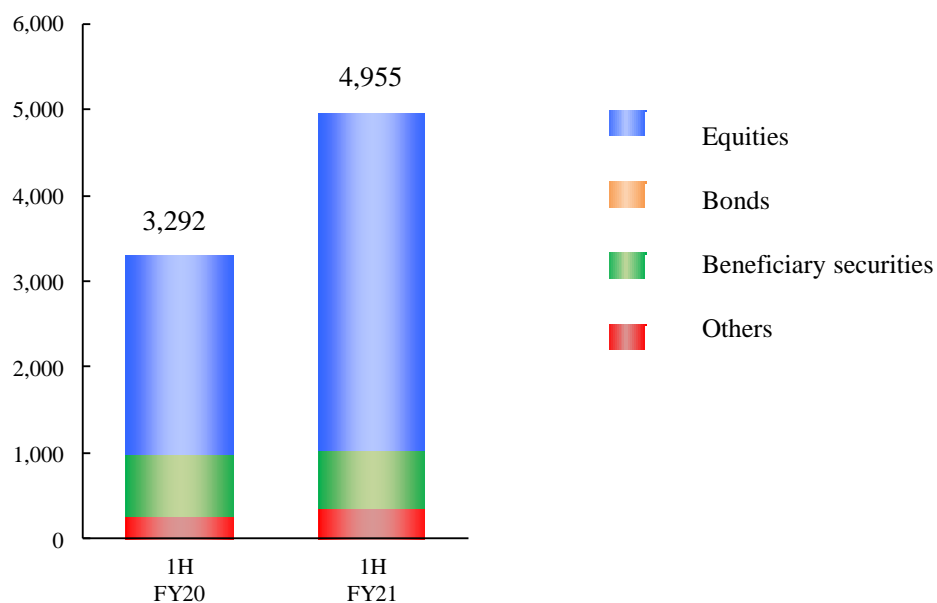
(million yen)

| | FY19 | | | FY19 | FY20 | | | | FY20 | FY21 | | Change vs 2Q/FY20 | Change vs 1Q/FY21 |
|----------------------------|-------|-------|-------|--------------|-------|-------|-------|-------|--------------|-------|-------|-------------------|-------------------|
| | 2Q | 3Q | 4Q | | 1Q | 2Q | 3Q | 4Q | | 1Q | 2Q | | |
| Commission received | 1,929 | 1,895 | 1,678 | 7,523 | 1,783 | 1,508 | 2,106 | 1,943 | 7,342 | 2,463 | 2,491 | 65.1% | 1.2% |
| Equities | 1,288 | 1,363 | 1,122 | 5,174 | 1,240 | 1,067 | 1,574 | 1,461 | 5,344 | 2,010 | 1,922 | 80.0% | △4.4% |
| Bonds | 0 | 0 | 2 | 2 | 1 | 1 | 1 | 0 | 4 | 1 | △0 | - | - |
| Beneficiary securities | 516 | 411 | 439 | 1,872 | 393 | 332 | 414 | 352 | 1,492 | 319 | 355 | 6.9% | 11.3% |
| Others | 124 | 120 | 114 | 474 | 148 | 106 | 116 | 129 | 500 | 132 | 213 | 100.2% | 61.7% |

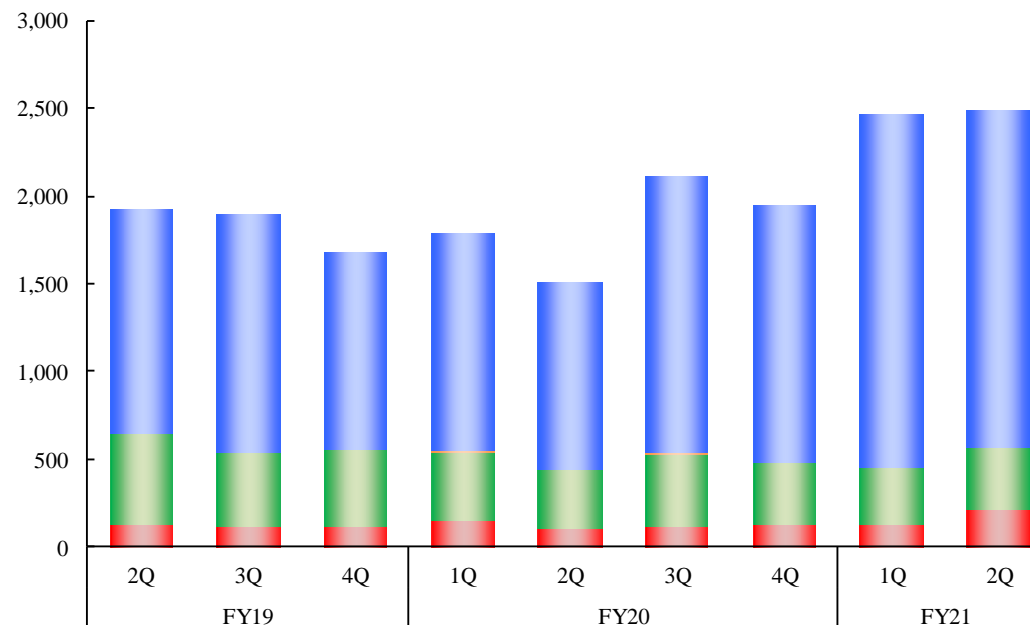
1H/FY 20 vs 1H/FY 21

QoQ

(million yen)



(million yen)





For the 2Q of FY 2021, net trading income from equities increased by 93.0% (% change vs 1Q FY21) to 1,491 million yen due to increase in the OTC trading of U.S equities.

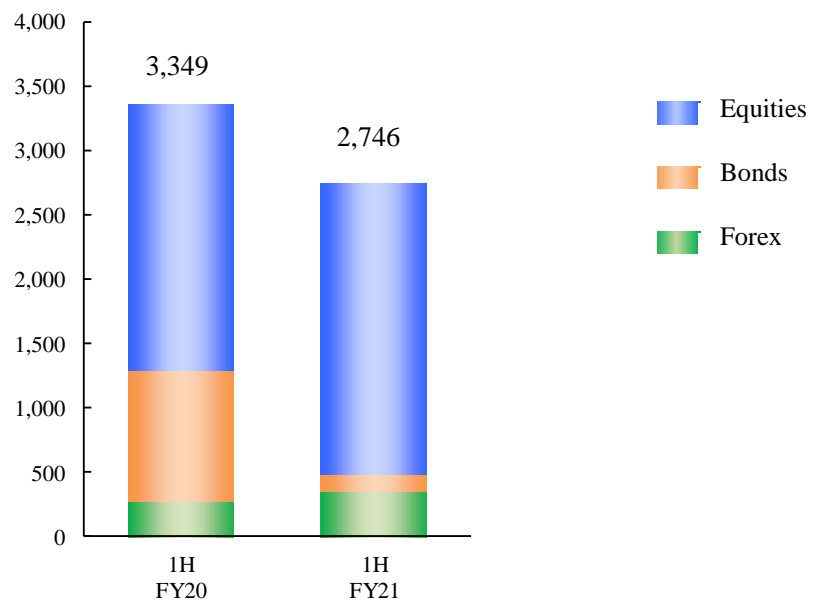
Net trading income

(million yen)

| | FY19 | | | FY19 | FY20 | | | | FY20 | FY21 | | Change vs 2Q/FY20 | Change vs 1Q/FY21 |
|---------------------------|-------|-----|-------|--------------|-------|-------|-------|-------|--------------|-------|-------|-------------------|-------------------|
| | 2Q | 3Q | 4Q | | 1Q | 2Q | 3Q | 4Q | | 1Q | 2Q | | |
| Net trading income | 1,369 | 831 | 1,094 | 4,529 | 1,611 | 1,738 | 1,312 | 1,658 | 6,320 | 1,003 | 1,742 | 0.3% | 73.7% |
| Equities | 1,120 | 597 | 762 | 3,442 | 1,071 | 986 | 1,061 | 1,078 | 4,197 | 772 | 1,491 | 51.2% | 93.0% |
| Bonds | 144 | 132 | 174 | 638 | 373 | 644 | 119 | 421 | 1,559 | 61 | 70 | △89.1% | 13.3% |
| Forex | 104 | 101 | 157 | 447 | 165 | 106 | 131 | 159 | 563 | 168 | 181 | 69.7% | 7.5% |

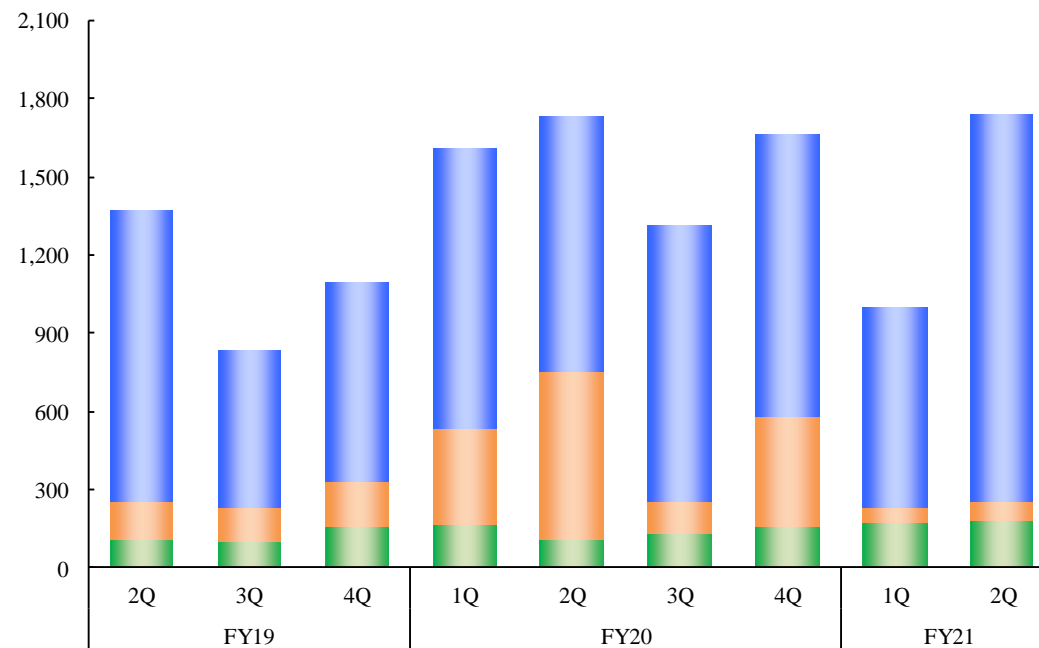
1H/FY 20 vs 1H/FY 21

(million yen)



QoQ

(million yen)





For the 2Q of FY 2021, net financial income increased by 19.3% to 85 million yen. Under this category, financial income increased by 14.5% to 110 million yen and financial expenses increased by 0.5% to 25 million yen. (All % are in comparison with 1Q of FY 2021)

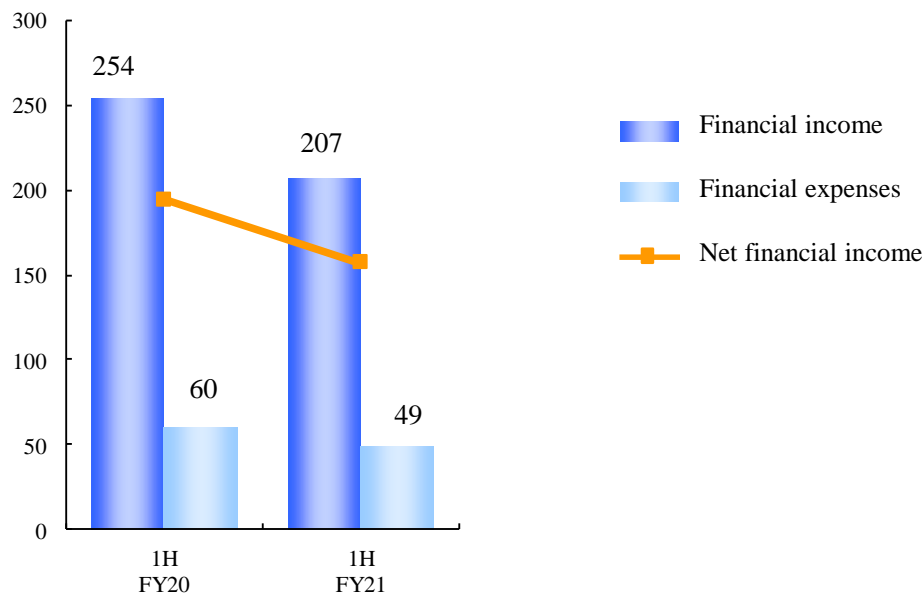
Net financial income

(million yen)

| | FY19 | | | FY19 | FY20 | | | | FY20 | FY21 | | Change vs 2Q/FY20 | Change vs 1Q/FY21 |
|----------------------|------|-----|-----|------------|------|-----|-----|-----|------------|------|-----|-------------------|-------------------|
| | 2Q | 3Q | 4Q | | 1Q | 2Q | 3Q | 4Q | | 1Q | 2Q | | |
| Financial income | 161 | 152 | 131 | 624 | 114 | 140 | 113 | 140 | 508 | 96 | 110 | △21.3% | 14.5% |
| Financial expenses | 33 | 27 | 25 | 121 | 25 | 34 | 32 | 26 | 118 | 24 | 25 | △27.0% | 0.5% |
| Net financial income | 128 | 124 | 106 | 502 | 88 | 106 | 80 | 114 | 390 | 71 | 85 | △19.4% | 19.3% |

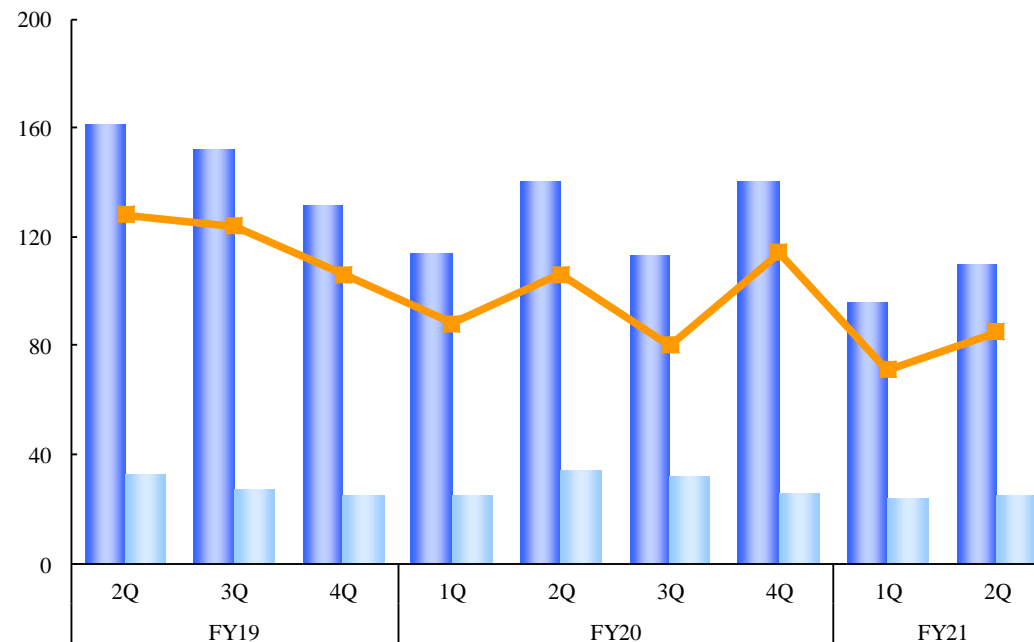
1H/FY 20 vs 1H/FY 21

(million yen)



QoQ

(million yen)





For the 2Q of FY 2021, selling, general and administrative expenses increased by 15.1% (% change vs 1Q FY21) to 3,966 million yen due to increase in personnel expenses.

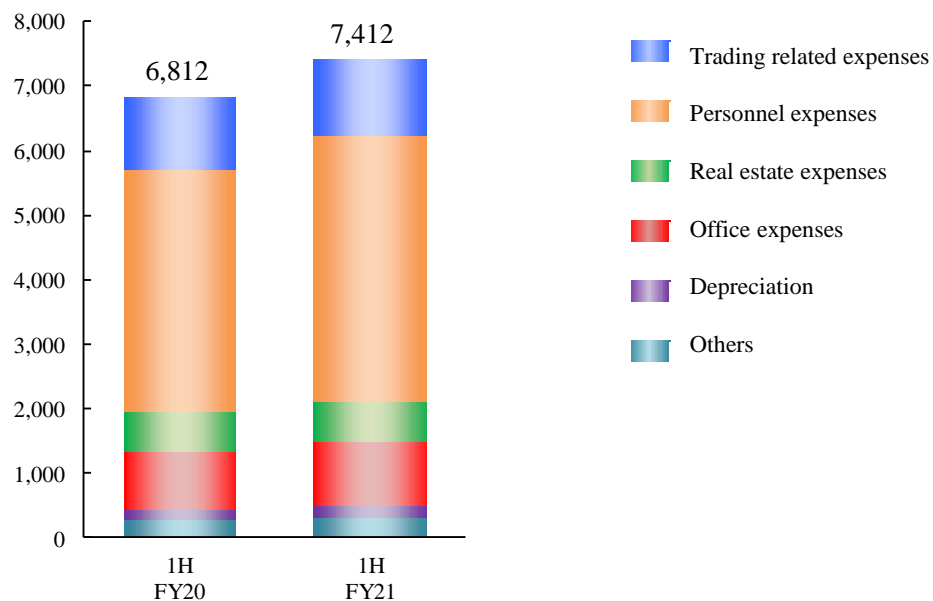
Selling, general and administrative expenses

(million yen)

| | FY19 | | | FY19 | FY20 | | | | FY20 | FY21 | | Change vs 2Q/FY20 | Change vs 1Q/FY21 |
|---|-------|-------|-------|---------------|-------|-------|-------|-------|---------------|-------|-------|-------------------|-------------------|
| | 2Q | 3Q | 4Q | | 1Q | 2Q | 3Q | 4Q | | 1Q | 2Q | | |
| Selling, general and administrative expenses | 3,833 | 3,562 | 3,479 | 14,567 | 3,480 | 3,331 | 3,478 | 3,526 | 13,817 | 3,446 | 3,966 | 19.1% | 15.1% |
| Trading related expenses | 798 | 600 | 581 | 2,586 | 594 | 501 | 591 | 579 | 2,265 | 547 | 625 | 24.7% | 14.2% |
| Personnel expenses | 1,978 | 1,917 | 1,872 | 7,705 | 1,898 | 1,871 | 1,915 | 1,946 | 7,631 | 1,908 | 2,239 | 19.7% | 17.3% |
| Real estate expenses | 330 | 315 | 310 | 1,311 | 296 | 299 | 304 | 296 | 1,196 | 290 | 306 | 2.5% | 5.4% |
| Office expenses | 479 | 469 | 473 | 1,972 | 472 | 437 | 466 | 480 | 1,857 | 495 | 502 | 15.0% | 1.5% |
| Depreciation | 98 | 94 | 97 | 380 | 78 | 78 | 72 | 78 | 307 | 74 | 98 | 25.5% | 32.6% |
| Others | 147 | 165 | 144 | 612 | 140 | 144 | 129 | 144 | 558 | 129 | 194 | 34.5% | 49.5% |

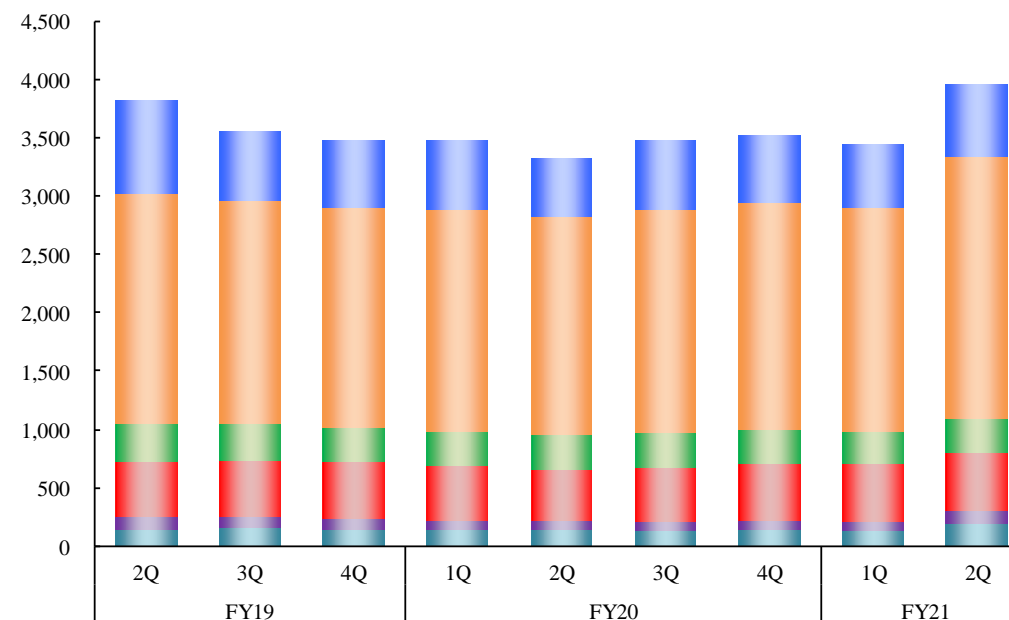
1H/FY 20 vs 1H/FY 21

(million yen)



QoQ

(million yen)





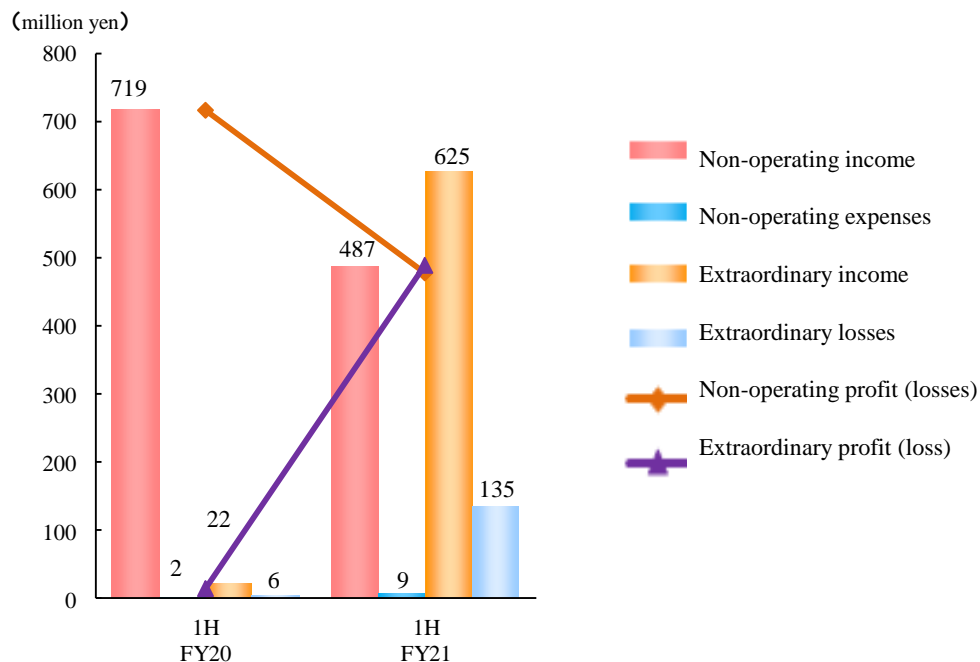
For the six months ended in September 30, 2020, non-operating income were 487 million yen including the dividend income of 304 million yen and non-operating expenses were 9 million yen including the 5 million of commission paid for purchase of treasury shares. Extraordinary income was 625 million yen due to profits of 601 million yen from sale of investment securities. Extraordinary losses was 135 million yen due to the loss of 114 million yen from the decline in market value of investment securities.

Non-operating profit (loss) & Extraordinary profit (loss)

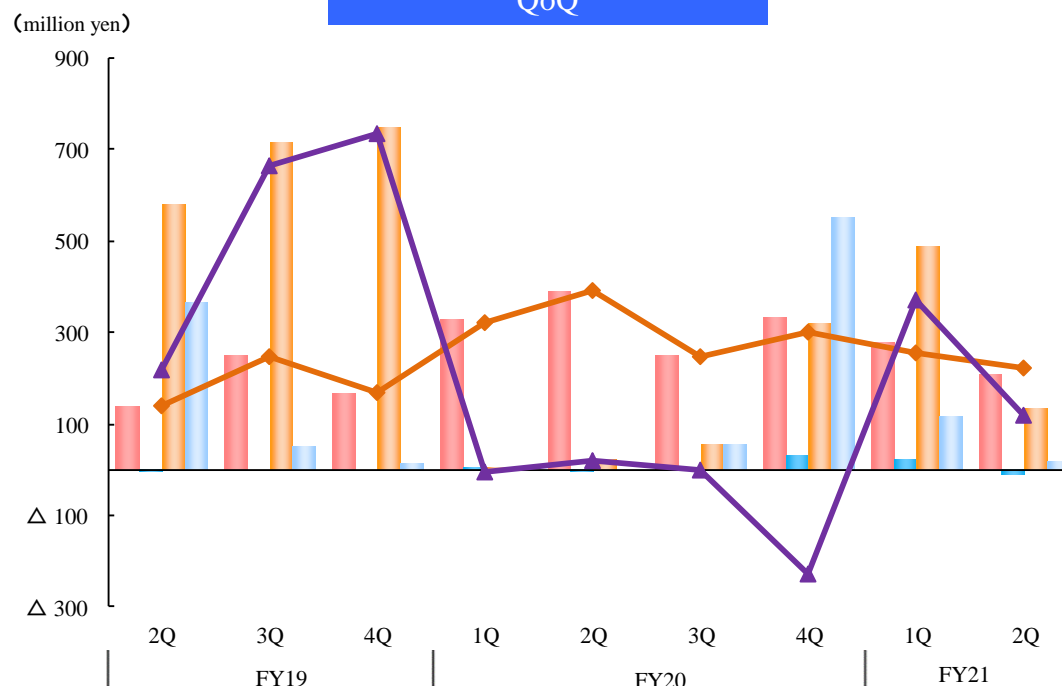
(million yen)

| | FY19 | | | FY19 | FY20 | | | | FY20 | FY21 | | Change vs 2Q/FY20 | Change vs 1Q/FY21 |
|-----------------------------|------|-----|-----|--------------|------|-----|-----|-------|--------------|------|------|-------------------|-------------------|
| | 2Q | 3Q | 4Q | | 1Q | 2Q | 3Q | 4Q | | 1Q | 2Q | | |
| Non-operating income | 139 | 249 | 167 | 929 | 328 | 390 | 250 | 331 | 1,301 | 278 | 208 | Δ46.7% | Δ25.3% |
| Non-operating expenses | Δ 2 | 0 | 0 | 1 | 4 | Δ 2 | 0 | 29 | 32 | 23 | Δ 13 | - | - |
| Non-operating profit (loss) | 141 | 249 | 167 | 927 | 323 | 393 | 249 | 302 | 1,268 | 255 | 222 | Δ43.5% | Δ13.1% |
| Extraordinary income | 582 | 717 | 751 | 2,474 | 1 | 21 | 55 | 321 | 399 | 490 | 134 | 540.8% | Δ72.5% |
| Extraordinary losses | 364 | 50 | 15 | 614 | 5 | 0 | 55 | 551 | 613 | 118 | 16 | - | Δ85.8% |
| Extraordinary profit (loss) | 217 | 666 | 735 | 1,860 | Δ 4 | 20 | 0 | Δ 229 | Δ 214 | 371 | 118 | 487.0% | Δ68.2% |

1H/FY 20 vs 1H/FY 21



QoQ





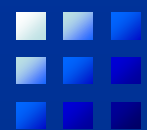
Company decided to purchase 2,500,000 treasury shares (within 5.9% of outstanding shares excluding the treasury shares) with maximum limit of 2,500 million yen in between the period of March 2, 2020 and February 26, 2021. Company has purchased 2,132,900 shares as of 30 September, 2020.

Balance sheet

(million yen)

| | FY19 | FY20 | As of September 30, 2020 |
|-----------------------------------|---------------|---------------|--------------------------------|
| Assets | | | |
| Current Assets | 55,454 | 54,831 | 61,594 |
| Cash and deposit | 11,942 | 15,635 | 17,556 |
| Cash segregated as deposits | 20,568 | 22,089 | 25,301 |
| Operational investment securities | 167 | 495 | 504 |
| Trading products | 399 | 996 | 1,307 |
| Margin transaction assets | 19,753 | 13,834 | 15,014 |
| Loans on margin transactions | 19,290 | 13,418 | 14,028 |
| Advances paid | 785 | 238 | 510 |
| Allowance for doubtful accounts | △0 | △0 | △0 |
| Non-current assets | 30,459 | 30,303 | 35,018 |
| Property, plant and equipment | 3,756 | 4,492 | 5,086 |
| Intangible assets | 66 | 58 | 134 |
| Investments and other assets | 26,637 | 25,751 | 29,797 |
| Investment securities | 25,156 | 24,451 | 28,506 |
| Allowance for doubtful accounts | △ 85 | △ 85 | △ 85 |
| Total assets | 85,913 | 85,134 | 96,613 |

| | FY19 | FY20 | As of September 30, 2020 |
|---|---------------|---------------|--------------------------------|
| Liabilities | | | |
| Current liabilities | 28,420 | 32,373 | 40,999 |
| Trading products | 185 | 91 | 211 |
| Margin transaction liabilities | 1,625 | 1,365 | 2,554 |
| Borrowings on margin transactions | 367 | 391 | 874 |
| Deposits received | 14,670 | 18,395 | 24,607 |
| Guarantee deposits received | 5,769 | 5,770 | 5,680 |
| Short-term loans payable | 3,795 | 3,795 | 3,795 |
| Non-current liabilities | 3,685 | 2,437 | 3,542 |
| Deferred tax liabilities | 3,075 | 1,988 | 3,037 |
| Reserves under special laws | 181 | 181 | 157 |
| Reserve for financial instruments transaction liabilities | 181 | 181 | 157 |
| Total liabilities | 32,287 | 34,992 | 44,698 |
| Net assets | | | |
| Total shareholders' equity | 46,827 | 46,291 | 45,655 |
| Treasury shares | △ 988 | △ 1,580 | △ 2,836 |
| Accumulated other comprehensive income | 6,798 | 3,850 | 6,258 |
| Valuation difference on available-for-sale securities | 6,737 | 4,011 | 6,428 |
| Remeasurements of defined benefit plans | 61 | △ 161 | △ 169 |
| Total net assets | 53,626 | 50,141 | 51,914 |
| Total liabilities and net assets | 85,913 | 85,134 | 96,613 |



Supplementary materials



We are emphasizing on the discretionary investment management service, to maintain long term high profitability for the clients. We are supporting asset building of clients through 3 of our services; Super Blue Wrap, Blue Wrap and Fund Wrap.

WRAP- Number of clients & AUM

| | | FY19 | | | FY20 | | | FY21 | | Change vs 1Q/FY21 | |
|------------------------|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|--------|
| | | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | | 2Q |
| Super blue wrap | AUM (Market value) | | | | 50 | 332 | 742 | 1,536 | 2,347 | 3,359 | 43.1% |
| | Clients | | | | 2 | 12 | 37 | 101 | 141 | 207 | 46.8% |
| Blue wrap | AUM (Market value) | 6,531 | 4,890 | 5,127 | 4,670 | 3,842 | 3,615 | 2,815 | 3,046 | 2,665 | △12.5% |
| | Clients | 731 | 682 | 634 | 573 | 516 | 470 | 427 | 410 | 376 | △8.3% |
| Fund wrap | AUM (Market value) | 17,950 | 19,658 | 20,109 | 19,847 | 19,085 | 23,275 | 26,105 | 29,449 | 32,231 | 9.4% |
| | Clients | 3,127 | 3,489 | 3,416 | 3,344 | 3,199 | 3,697 | 4,424 | 4,615 | 4,823 | 4.5% |

『Aizawa SMA Super Blue Wrap』

Since our establishment in year 1918, we have been serving the clients with our strength in Japanese equities. We work with vision of “Successful investment experience of client accomplishes Aizawa securities”& “We earn only after clients earn”. To accomplish our vision, Aizawa SMA Super Blue Wrap serves clients with the success fee model and zero management fee.

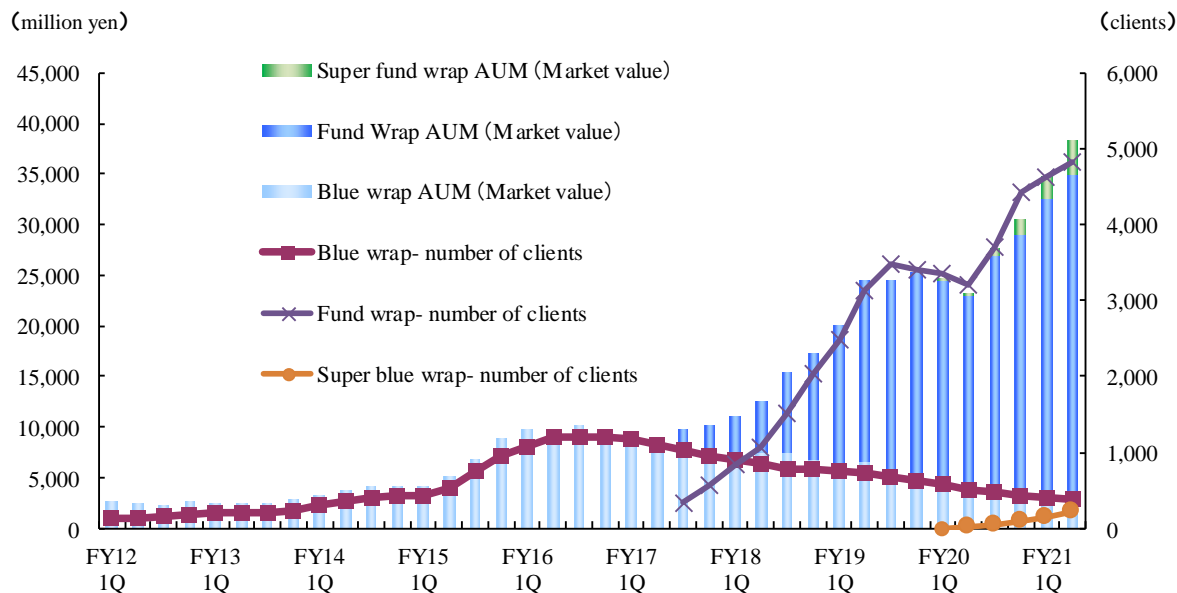
『Aizawa SMA Blue Wrap』

1. Invest in Japanese Equities
2. Choice of 8 investment style
3. Target profit irrespective of market conditions
4. Interact with fund managers

『Aizawa Fund Wrap』

Aizawa provides and manages discretionary investment management based on the clients need.

1. Construct portfolio on clients need.
2. Reduce risk and enhance return with diversified investment
3. Managed by professional asset managers
4. Discretionary services inclusive of brokerage fee.
5. Choice from One time investment plan for 3 million yen and monthly investment plan of 50,000 yen





Foreign stocks [consolidated]

Trading value and Asset under Custody

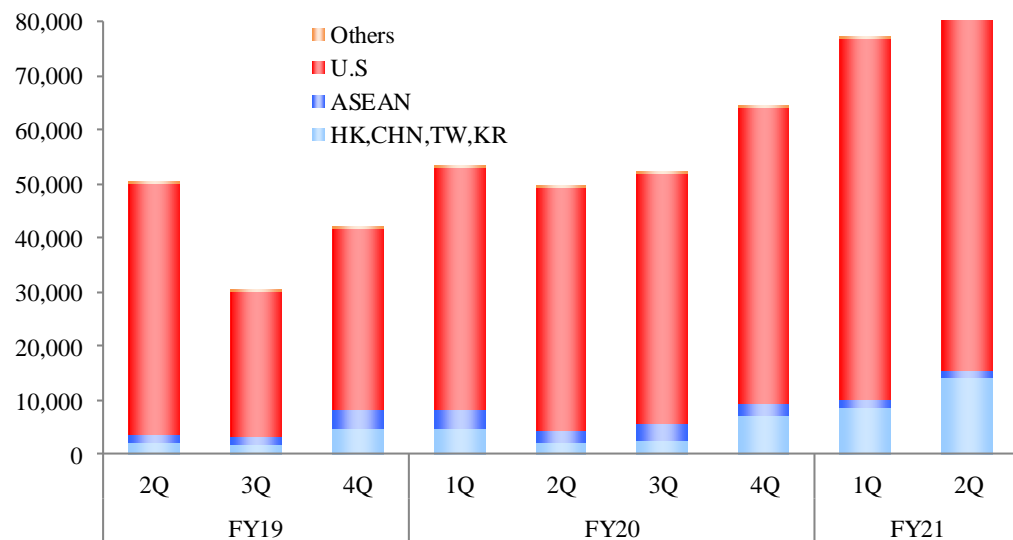
Trading value for U.S equities increased by 34.7% and maintained its high market share among company's handling of foreign equities. Aggregate trading value for Hong Kong, China, Taiwan and Korea equities increased by 68.8%. Trading value for ASEAN market equities declined by 24.5%. For details please refer to next page. (All % are in comparison with 1Q of FY 2021)

Foreign stocks :Trade value and Assets under Custody

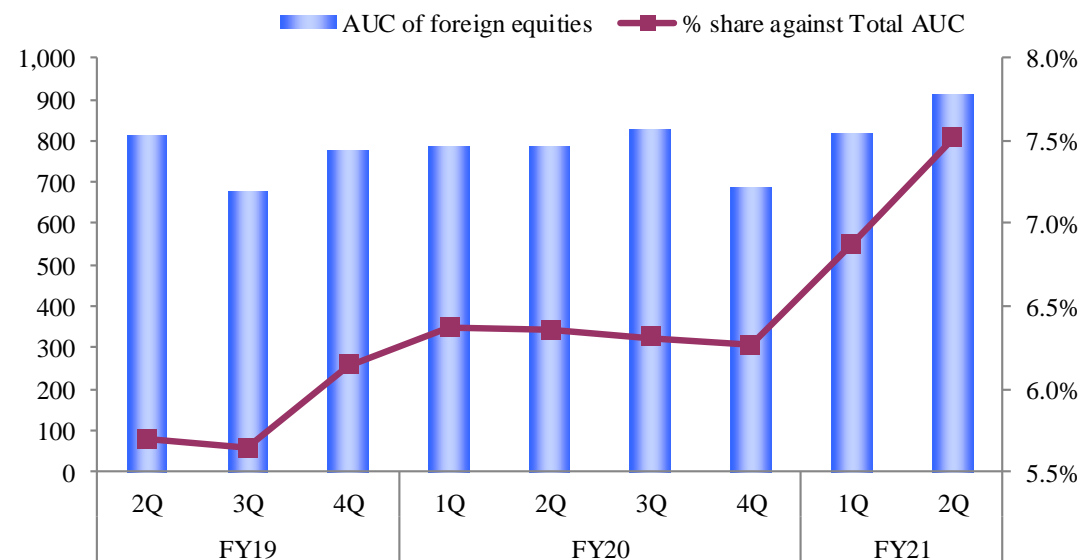
※AUC: Assets under custody

| | FY19 | | | FY20 | | | | FY21 | | Change vs 1Q/FY21 |
|-----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|-------------------|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | |
| (Trade value : million yen) | | | | | | | | | | |
| HK,CHN,TW,KR | 2,187 | 1,921 | 4,873 | 4,910 | 2,211 | 2,572 | 7,242 | 8,418 | 14,212 | 68.8% |
| ASEAN | 1,378 | 1,223 | 3,388 | 3,349 | 2,316 | 3,111 | 1,945 | 1,629 | 1,229 | △24.5% |
| U.S | 46,521 | 26,832 | 33,354 | 44,837 | 44,785 | 46,360 | 54,853 | 66,769 | 89,906 | 34.7% |
| Others | 26 | 5 | 10 | 34 | 33 | 57 | 48 | 90 | 87 | △3.7% |
| Total | 50,114 | 29,983 | 41,627 | 53,131 | 49,346 | 52,102 | 64,090 | 76,907 | 105,436 | 37.1% |
| (AUC: 100 million yen) | | | | | | | | | | |
| AUC of foreign equities | 810 | 677 | 778 | 789 | 788 | 826 | 687 | 817 | 912 | 11.7% |
| % share against Total AUC | 5.7% | 5.6% | 6.1% | 6.4% | 6.4% | 6.3% | 6.3% | 6.9% | 7.5% | - |

(million yen)



(100 million yen)





Trading value of Hong Kong equities increased and maintained its high market share among the handling of foreign equities.

Trading value-Asia stocks

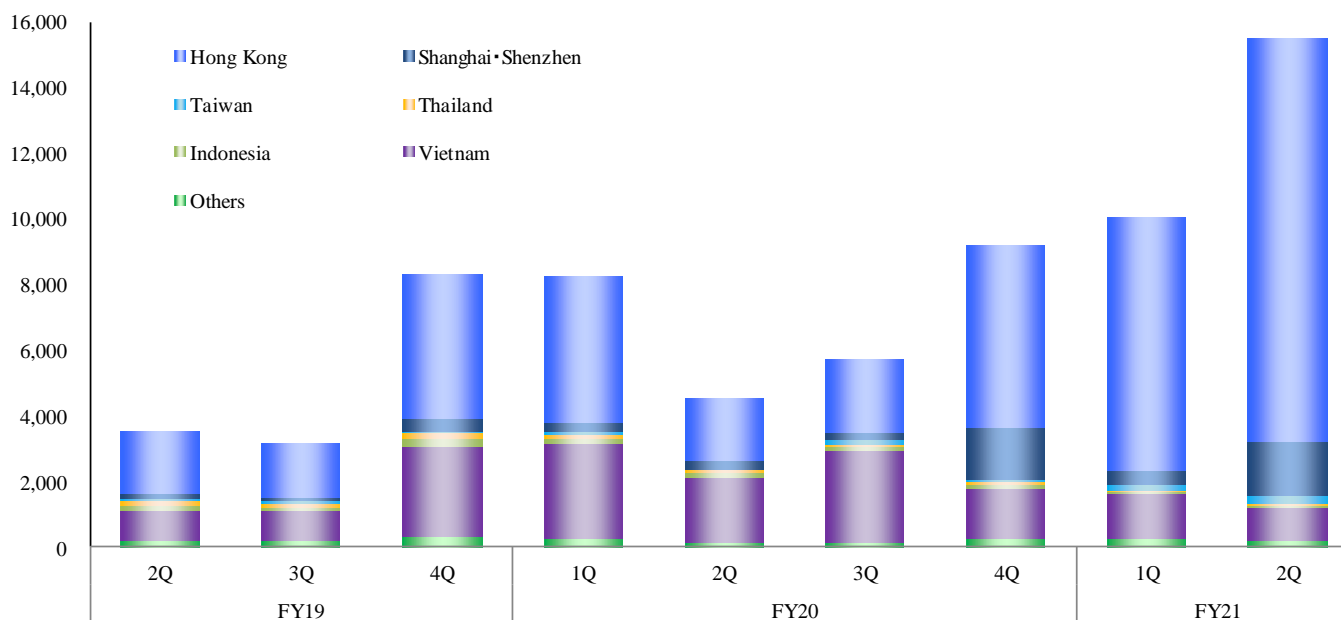
(million yen)

| | FY19 | | | FY20 | | | | FY21 | | Change vs 1Q/FY21 |
|-------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|-------------------|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | |
| Hong Kong | 1,938 | 1,596 | 4,385 | 4,467 | 1,898 | 2,178 | 5,555 | 7,731 | 12,228 | 58.2% |
| Shanghai・Shenzhen | 144 | 125 | 351 | 279 | 239 | 244 | 1,586 | 438 | 1,648 | 276.4% |
| Taiwan | 64 | 101 | 36 | 64 | 29 | 122 | 47 | 162 | 277 | 70.1% |
| Thailand | 163 | 90 | 174 | 118 | 98 | 87 | 118 | 48 | 48 | △1.2% |
| Indonesia | 148 | 123 | 279 | 152 | 138 | 85 | 87 | 37 | 42 | 13.8% |
| Vietnam | 905 | 877 | 2,748 | 2,934 | 1,978 | 2,804 | 1,553 | 1,358 | 996 | △26.6% |
| Others | 199 | 229 | 295 | 248 | 146 | 162 | 239 | 271 | 223 | △17.7% |
| Total | 3,566 | 3,144 | 8,271 | 8,265 | 4,529 | 5,685 | 9,188 | 10,049 | 15,465 | 53.9% |

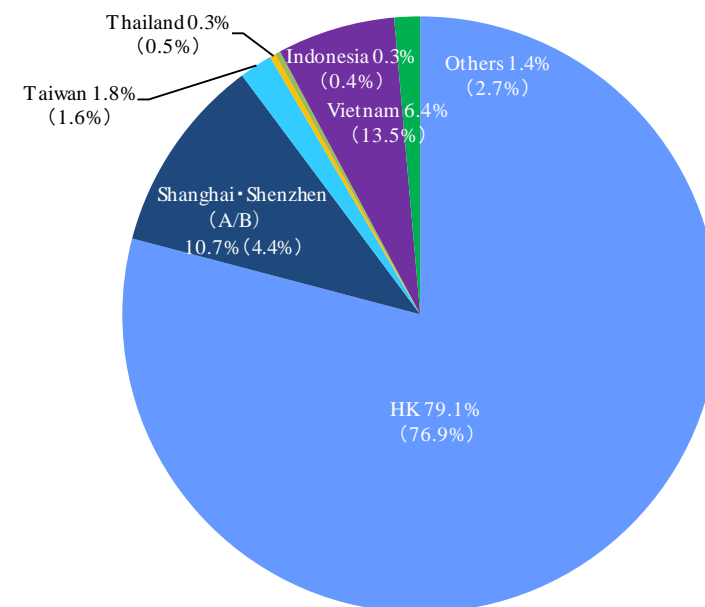
※ The Company handles stocks in twelve Asian stock markets of Hong Kong, Shanghai, Shenzhen, South Korea, Taiwan, Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam and Israel.

※ Other than above company also handles stocks of South Korea, Singapore, Malaysia, Philippine and Israel.

(million yen)



Country-wise share (2Q)

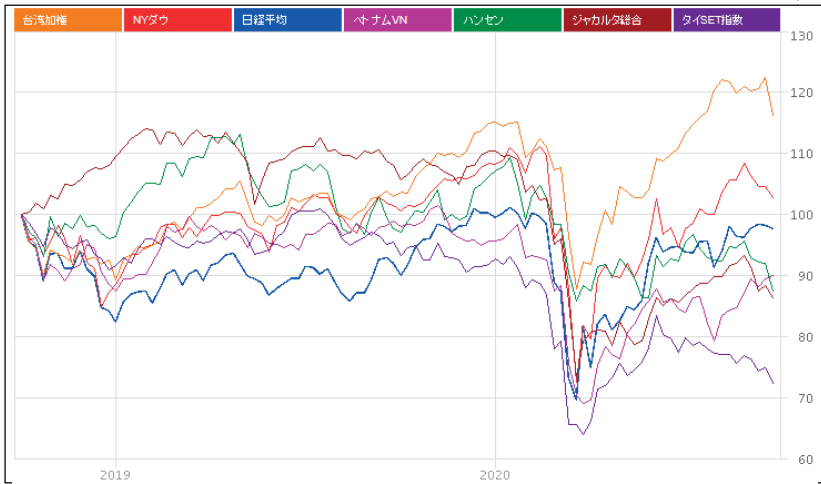


() represents share for 1Q FY 21



Assumed 100 as a base on October 1, 2018

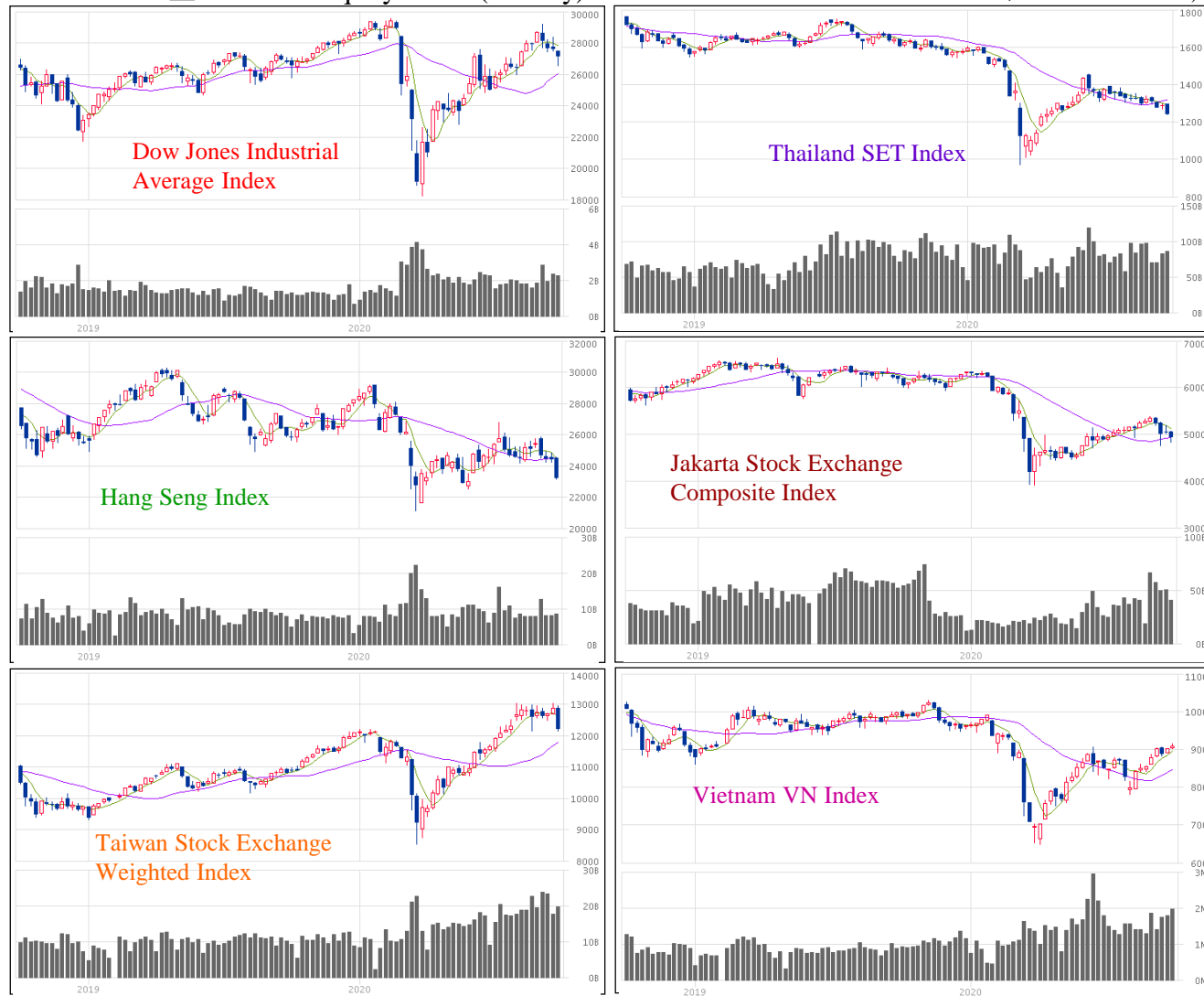
(1/10/2018~30/9/2020)



U.S. stock markets recovered and made to new highs after the crash led by the spread of COVID-19. The Asian markets were polarized, with China, Korea and Taiwan markets showing strong movement while others showing slow recovery. Even in the slow recovery markets, Vietnam is conducting near to normal economic activities as it reported very few cases of COVID-19.

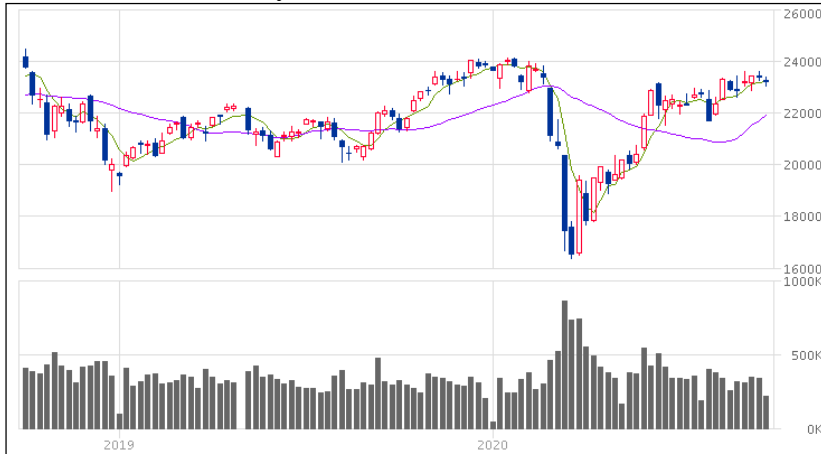
Overseas Equity Index (Weekly)

(1/10/2018~30/9/2020)



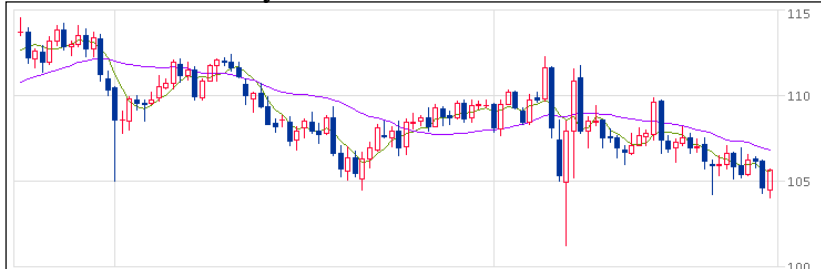
Nikkei 225(Weekly)

(1/10/2018~30/9/2020)



USD/JPY(Weekly)

(1/10/2018~30/9/2020)





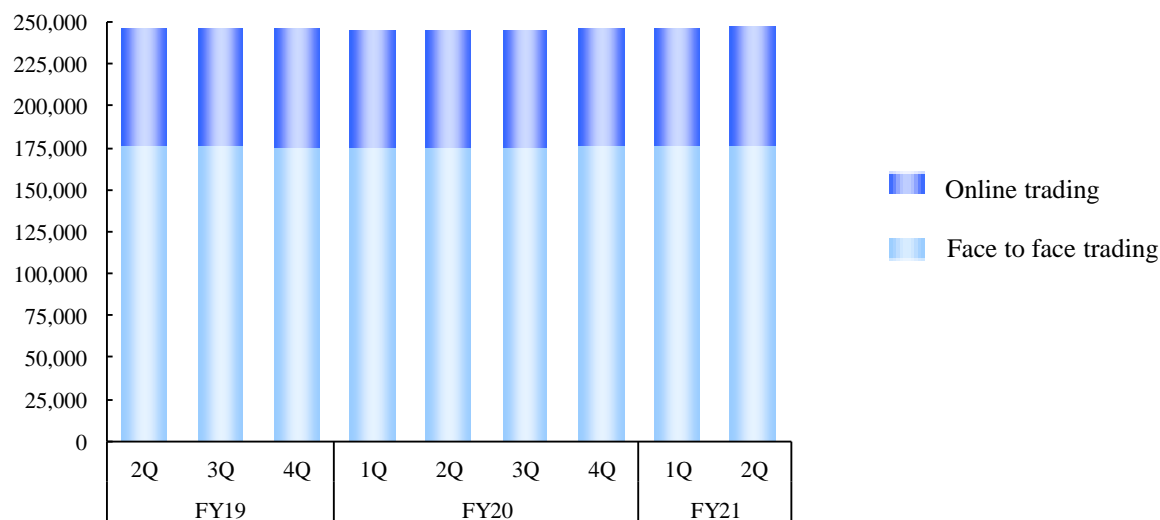
Total number of client accounts maintained were almost unchanged. Number of new accounts increased by 19.1% (% change vs 1Q FY21), as both the sources of face to face channel and online channel reported a increase.

Total number of client accounts & number of new accounts

| | FY19 | | | FY20 | | | | FY21 | | Change vs 1Q/FY21 |
|--------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------------|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | |
| Total number of accounts | 245,865 | 246,288 | 246,010 | 245,677 | 244,727 | 244,959 | 246,342 | 246,723 | 246,988 | 0.1% |
| Face to face trading | 175,915 | 175,972 | 175,600 | 174,999 | 175,440 | 175,580 | 176,518 | 176,657 | 176,585 | △0.0% |
| Online trading | 69,950 | 70,316 | 70,410 | 70,678 | 69,287 | 69,379 | 69,824 | 70,066 | 70,403 | 0.5% |
| Number of new accounts | 1,800 | 1,766 | 1,378 | 1,247 | 1,245 | 1,229 | 1,675 | 1,258 | 1,498 | 19.1% |
| Face to face trading | 1,363 | 1,192 | 1,004 | 815 | 881 | 909 | 1,090 | 833 | 1,006 | 20.8% |
| Online trading | 437 | 574 | 374 | 432 | 364 | 320 | 585 | 425 | 492 | 15.8% |

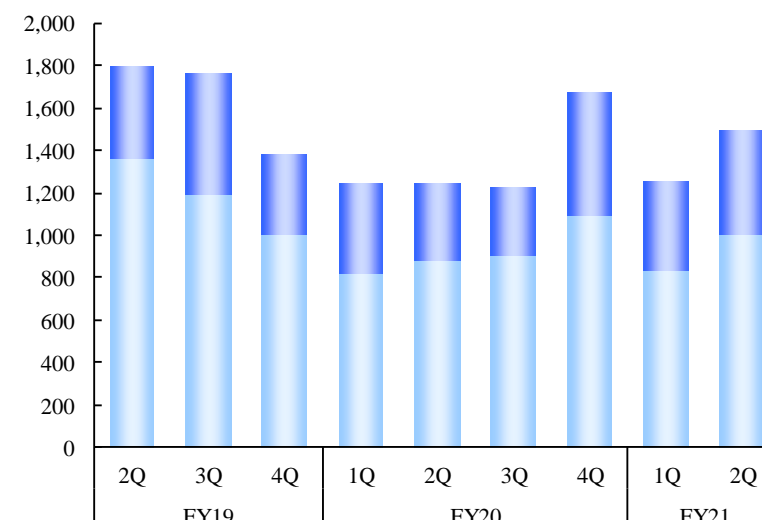
Total number of accounts

(accounts)



Number of new accounts

(accounts)





Assets under custody increased by 2.1% (% change vs 1Q FY21) to 1.2146 trillion yen.

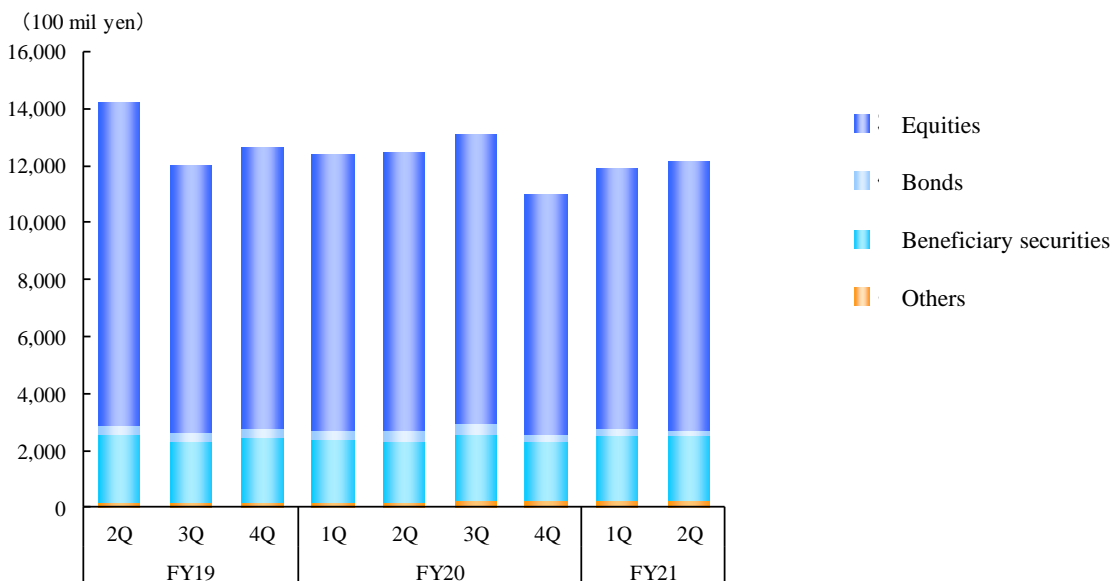
Assets under custody-Breakdown

※AUC: Assets under custody

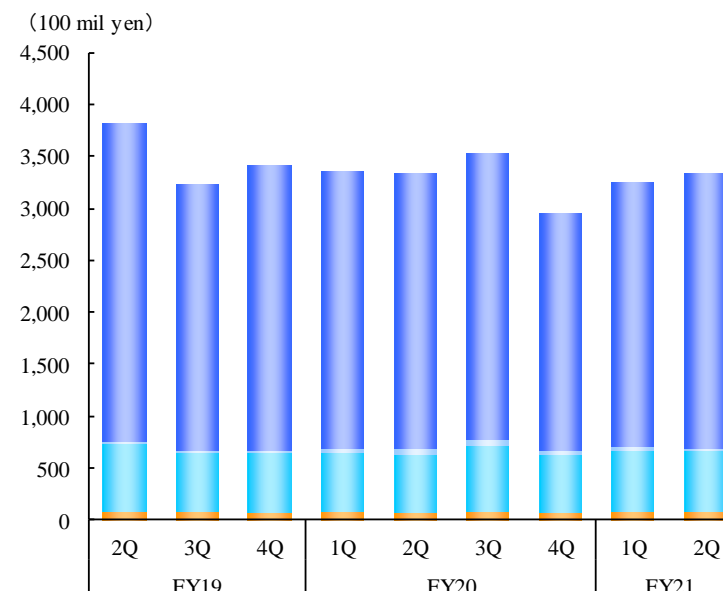
(100 million yen)

| | FY19 | | | FY20 | | | | FY21 | | Change vs 1Q/FY21 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | |
| Total AUC | 14,230 | 12,002 | 12,666 | 12,392 | 12,418 | 13,098 | 10,983 | 11,891 | 12,146 | 2.1% |
| Equities | 11,338 | 9,364 | 9,926 | 9,698 | 9,725 | 10,146 | 8,418 | 9,131 | 9,425 | 3.2% |
| Bonds | 318 | 303 | 321 | 309 | 395 | 360 | 275 | 265 | 212 | △20.0% |
| Beneficiary securities | 2,362 | 2,133 | 2,228 | 2,201 | 2,121 | 2,368 | 2,068 | 2,234 | 2,262 | 1.2% |
| Others | 210 | 200 | 189 | 183 | 175 | 223 | 220 | 259 | 246 | △5.1% |
| AUC (through online trading channel) | 3,820 | 3,224 | 3,400 | 3,357 | 3,332 | 3,535 | 2,951 | 3,243 | 3,336 | 2.9% |
| Equities | 3,057 | 2,550 | 2,724 | 2,676 | 2,649 | 2,767 | 2,286 | 2,539 | 2,643 | 4.1% |
| Bonds | 27 | 24 | 27 | 28 | 43 | 39 | 29 | 27 | 24 | △13.8% |
| Beneficiary securities | 652 | 575 | 577 | 577 | 575 | 652 | 561 | 597 | 593 | △0.8% |
| Others | 84 | 75 | 71 | 75 | 63 | 75 | 73 | 78 | 75 | △3.2% |

Assets under custody



Assets under custody-Online trading clients





Brokerage commission for domestic equities declined by 11.0% due to decline in trading value. Brokerage commission from foreign equities increased by 3.1% due to its increased trading value. We revised our foreign equity brokerage commission w.e.f. 15 January 2019. From the 4Q of the FY 2019, we have included the local overhead expenses (includes trading fees, taxes, expenses etc.) in the brokerage fees.

Stock brokerage commission-Breakdown

※Commission excludes ETF

【Commission from domestic equities】

| | FY19 | | | FY20 | | | | FY21 | | Change vs 1Q/FY21 | (million yen) |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------|---------------|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | |
| Commission from domestic equities | 1,236 | 1,318 | 917 | 947 | 894 | 1,342 | 1,112 | 1,101 | 980 | △11.0% | |
| Face to face trading | 1,077 | 1,154 | 799 | 838 | 786 | 1,190 | 950 | 925 | 841 | △9.0% | |
| Online trading | 159 | 164 | 118 | 108 | 107 | 152 | 161 | 176 | 138 | △21.4% | |
| % share of online trading | 12.9% | 12.5% | 12.9% | 11.5% | 12.1% | 11.3% | 14.5% | 16.0% | 14.2% | - | |

(% share of brokerage commission)

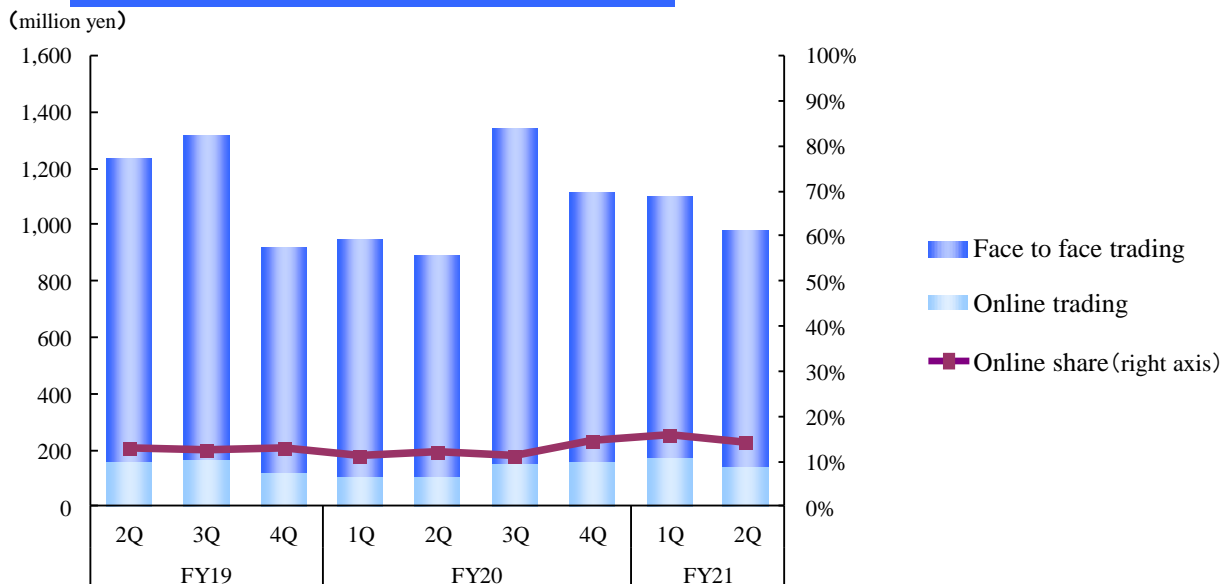
| FY21 2Q |
|---------|
| 0.36% |
| 0.74% |
| 0.09% |

【Commission from foreign equities】

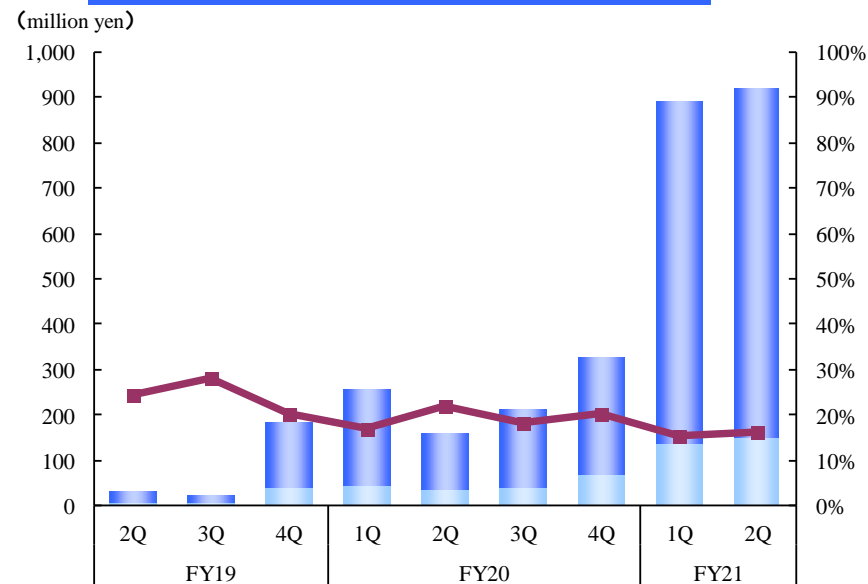
| | FY19 | | | FY20 | | | | FY21 | | Change vs 1Q/FY21 | (million yen) |
|----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------|---------------|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | | |
| Commission from foreign equities | 30 | 23 | 184 | 257 | 160 | 214 | 328 | 891 | 919 | 3.1% | |
| Face to face trading | 22 | 16 | 147 | 213 | 124 | 175 | 261 | 754 | 771 | 2.2% | |
| Online trading | 7 | 6 | 37 | 44 | 35 | 38 | 66 | 136 | 148 | 8.3% | |
| % share of online trading | 24.2% | 28.2% | 20.2% | 17.1% | 22.0% | 18.1% | 20.3% | 15.3% | 16.1% | - | |

| FY21 2Q |
|---------|
| 1.95% |
| 1.97% |
| 1.87% |

Domestic equities brokerage commission



Foreign equities brokerage commission





Domestic equity trading value decreased by 14.5%. Foreign equity trading value increased by 3.6%. (All % are in comparison with 1Q of FY 2021)

Equity trading value

※Trading value excludes ETF

(100 million yen)

【Trading value for domestic equities】

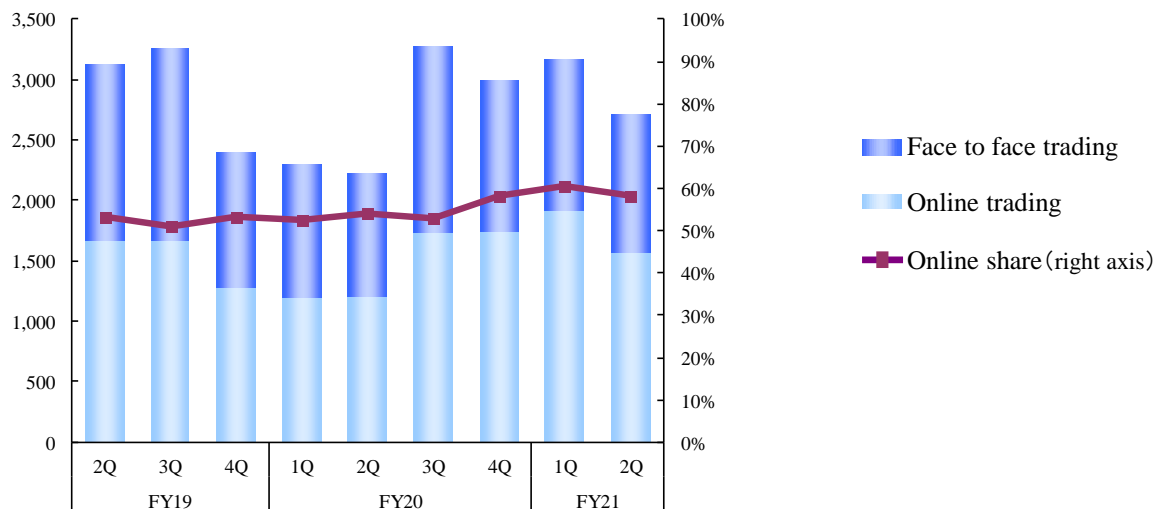
| | FY19 | | | FY20 | | | | FY21 | | Change vs 1Q/FY21 |
|---------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | |
| Domestic equities trading value | 3,119 | 3,261 | 2,401 | 2,294 | 2,225 | 3,279 | 2,988 | 3,168 | 2,707 | △14.5% |
| Face to face trading | 1,460 | 1,595 | 1,120 | 1,093 | 1,020 | 1,544 | 1,242 | 1,244 | 1,133 | △9.0% |
| Online trading | 1,659 | 1,666 | 1,280 | 1,201 | 1,204 | 1,734 | 1,746 | 1,923 | 1,574 | △18.2% |
| % share of online trades | 53.2% | 51.1% | 53.3% | 52.4% | 54.2% | 52.9% | 58.4% | 60.7% | 58.1% | - |

【Trading value for foreign equities】

| | FY19 | | | FY20 | | | | FY21 | | Change vs 1Q/FY21 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------------------|
| | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | |
| Foreign equities trading value | 62 | 48 | 100 | 135 | 85 | 111 | 170 | 454 | 470 | 3.6% |
| Face to face trading | 39 | 27 | 77 | 111 | 65 | 89 | 132 | 382 | 391 | 2.5% |
| Online trading | 22 | 20 | 23 | 24 | 20 | 22 | 37 | 72 | 79 | 9.3% |
| % share of online trades | 36.9% | 42.8% | 23.6% | 18.2% | 23.6% | 20.1% | 22.1% | 15.9% | 16.8% | - |

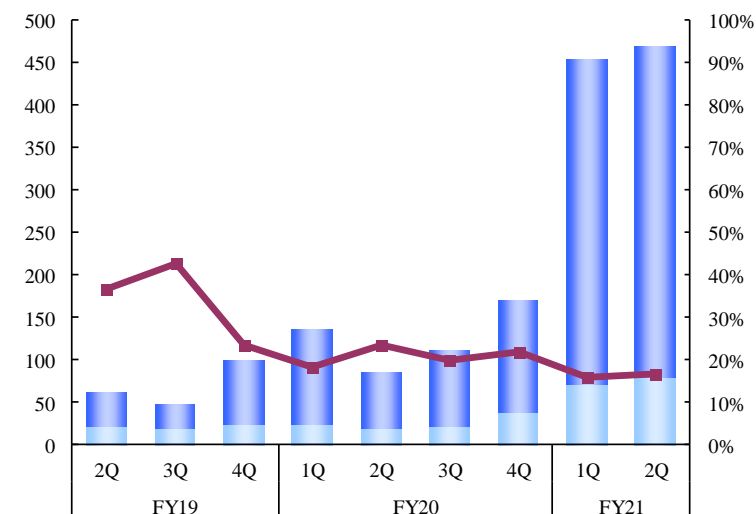
Domestic equity trading value

(100 million yen)



Foreign equity trading value

(100 million yen)





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 results for the second quarter of financial year ending 2021, based upon the information as of 30 September, 2020. The information herein identifies our views, forecast etc. at the time of creation of the material, and the company does not make any representation or warranty for its accuracy or completeness, therefore, such information may be changed without any notices. The company does not assume responsibility for any omissions or errors of any data and descriptions in the material.

The company has entered into contract with non-profit organization, financial instruments mediation assistance center (abbreviation: FINMAC); a designated dispute resolution organization with respect to the type I financial instruments business.

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AIZAWA SECURITIES CO., LTD.