

AIZAWA SECURITIES GROUP CO., LTD.

Financial Results for 2Q of Fiscal Year Ending March 31,2025

October,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.

Operating profit and Ordinary profit declined due increase in general and administrative expenses. Net profit increased due to sales in investment securities.

(million yen)	6 M / F Y 2 4	6 M / F Y 2 5	Change vs 6M/FY24
Operating revenue	9,277	9,533	+2.8%
Net operating revenue	8,990	9,226	+2.6%
Operating profit (loss)	714	306	-57.1%
Ordinary profit (loss)	1,050	659	-37.3%
Profit before taxes	1,389	2,118	+52.5%
Profit (loss)	924	1,526	+65.1%

► Highlights

For the 2Q, FY25 (change vs. 1Q, FY25)

- Operating revenue declined by 7.5% to 4,580 million yen
- Operating loss were 42 million yen
- Ordinary profit declined by 92.4% to 46 million yen
- Profit attributable to owners of parent declined by 12.8% to 711 million yen

► Financial summary

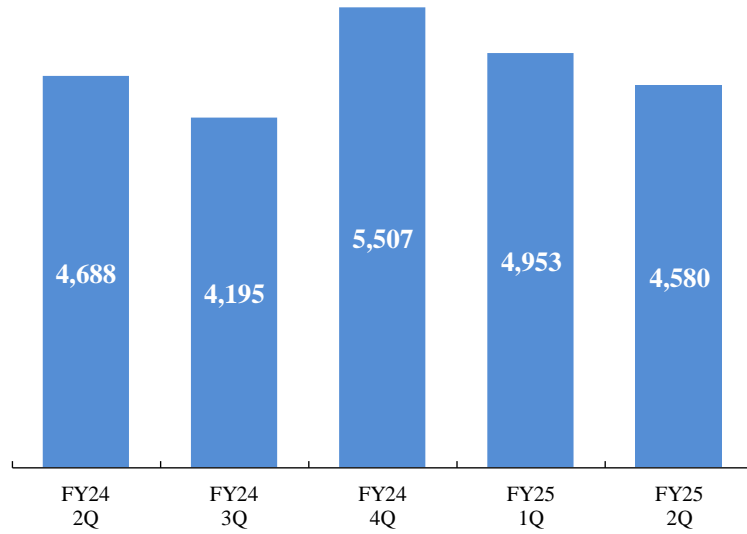
(million yen)

	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 2Q/FY24	Change vs 1Q/FY25	FY24 6M	FY25 6M	Change vs 6M/FY24
Operating revenue	4,688	4,195	5,507	4,953	4,580	(2.3%)	(7.5%)	9,277	9,533	2.8%
Net operating revenue	4,467	3,923	5,277	4,872	4,354	(2.5%)	(10.6%)	8,990	9,226	2.6%
Selling, general and administrative expenses	4,317	4,123	4,632	4,524	4,396	1.8%	(2.8%)	8,276	8,920	7.8%
Operating profit (loss)	149	(199)	645	348	(42)	-	-	714	306	(57.1%)
Ordinary profit (loss)	220	58	832	612	46	(78.8%)	(92.4%)	1,050	659	(37.3%)
Profit (loss)	190	211	1,840	815	711	273.6%	(12.8%)	924	1,526	65.1%
Total assets	114,290	117,934	124,119	123,128	118,622	3.8%	(3.7%)	-	-	-
Net assets	56,524	55,940	58,657	48,067	47,492	(16.0%)	(1.2%)	-	-	-
EPS (yen)	5.06	5.63	49.05	24.33	22.88	-	-	24.58	47.32	-
BPS (yen)	1,425.50	1,415.13	1,498.42	1,450.96	1,427.11	-	-	-	-	-



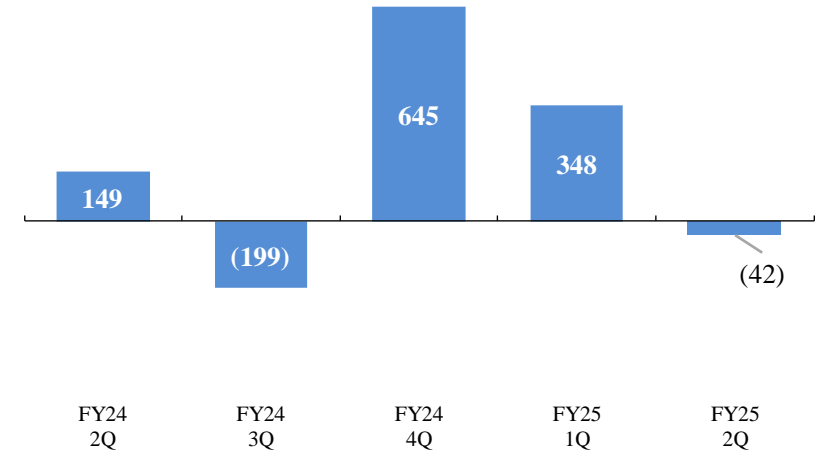
Operating revenue

(million yen)



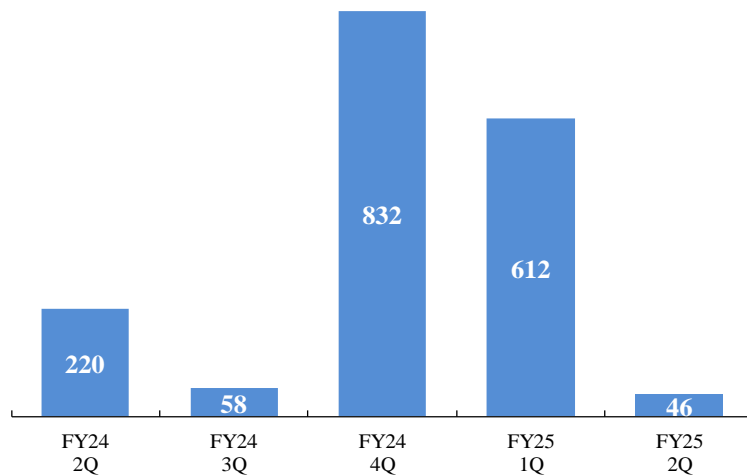
Operating profit (loss)

(million yen)



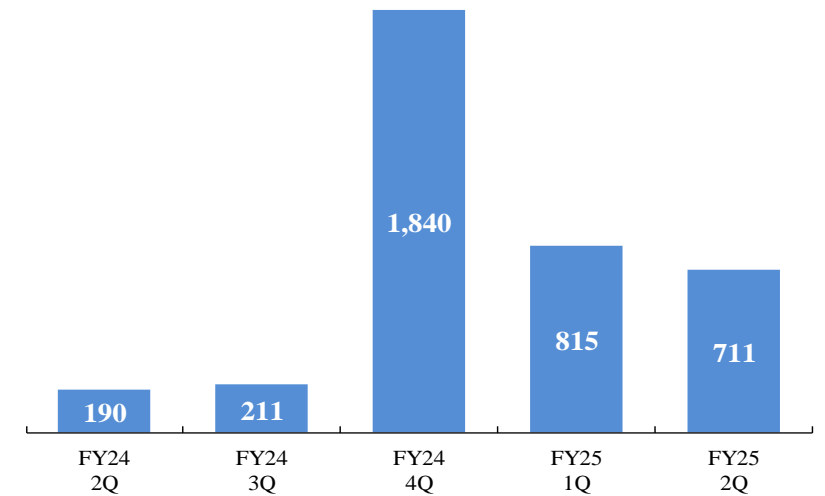
Ordinary profit (loss)

(million yen)



Profit (loss)

(million yen)



Financial securities
business

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

(million yen) Change vs 6M/FY24

Operating revenue	8,982	+1.9%	<ul style="list-style-type: none"> ● Profit before taxes declined led by fall in Japanese stock markets in August ● AUC of 1.9364 trillion yen (as of September 30, 2024)
Profit (loss) before taxes	313	-65.8%	



Investment
business

Proprietary investment in financial securities, real estate and growth companies

(million yen) Change vs 6M/FY24

Operating revenue	461	+23.1%	<ul style="list-style-type: none"> ● Rebalanced the portfolio by conducting partial sale of investment securities, and booked extraordinary profit
Profit (loss) before taxes	1,686	+224.5%	



Asset management
business

Providing alternative asset management services mainly to institutional investors

(million yen) Change vs 6M/FY24

Operating revenue	120	+5.5%	<ul style="list-style-type: none"> ● Costs associated with managing funds are accounted under asset management business
Profit (loss) before taxes	(142)	—	



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

(million yen)

	FY23	FY24 2Q	FY24	FY25 2Q	Change vs FY24
Assets					
Current Assets	63,533	76,768	84,030	81,137	(3.4%)
Cash and deposit	14,142	19,481	23,991	22,360	(6.8%)
Cash segregated as deposits	20,908	25,265	27,632	23,842	(13.7%)
Operational investment securities	10,521	11,610	11,291	11,714	3.7%
Trading products	207	355	232	362	55.7%
Trade date actual	615	1,201	1,326	1,204	(9.2%)
Margin transaction assets	15,692	17,032	17,209	18,253	6.1%
Loans on margin transactions	15,314	16,687	16,870	18,052	7.0%
Advances paid	56	107	99	540	443.2%
Short-term guarantee deposits	-	-	-	758	-
Other current assets	1,389	1,713	2,245	2,099	(6.5%)
Non-current assets	35,291	37,515	40,085	37,484	(6.5%)
Property, plant and equipment	9,936	9,962	10,850	10,927	0.7%
Rental properties	8,245	8,241	9,165	9,184	0.2%
Intangible assets	100	48	33	30	(9.8%)
Investments and other assets	25,253	27,503	29,201	26,526	(9.2%)
Investments securities	23,439	25,026	26,066	23,568	(9.6%)
Allowance for doubtful accounts	(3)	(11)	(11)	(8)	-
Deferred assets	10	7	3	0	(99.2%)
Organization expenses	0	0	-	-	-
Start up expenses	9	6	3	0	(99.2%)
Total assets	98,835	114,290	124,119	118,622	(4.4%)

	FY23	FY24 2Q	FY24	FY25 2Q	Change vs FY24
Liabilities					
Current liabilities	34,365	46,863	52,952	59,468	12.3%
Trading products	90	139	-	68	-
Margin transaction liabilities	1,516	1,779	7,312	2,084	(71.5%)
Borrowings on margin transactions	726	1,032	6,505	1,536	(76.4%)
Loans payable secured by securities	2,927	2,680	1,401	1,420	1.3%
Deposits received	16,760	27,419	28,808	34,639	20.2%
Deposits from customers	14,359	17,682	21,757	17,537	(19.4%)
Other deposits	2,400	9,737	7,050	17,101	142.6%
Guarantee deposits received	5,099	5,586	5,639	5,407	(4.1%)
Short-term loans payable	6,445	6,445	6,045	13,380	121.3%
Non-current liabilities	10,293	10,753	12,349	11,499	(6.9%)
Long-term borrowings	5,588	5,349	6,347	6,173	(2.7%)
Deferred tax liabilities	4,318	5,003	5,572	4,879	(12.4%)
Reserves under special laws	146	148	160	160	0.1%
Reserve for financial instruments transaction liabilities	146	148	160	160	0.1%
Total liabilities	44,804	57,765	65,462	71,129	8.7%
Net assets					
Total shareholder's equity	44,162	44,512	45,513	35,427	(22.2%)
Treasury shares	(5,471)	(5,629)	(6,179)	(16,884)	-
Accumulated other comprehensive income	6,834	9,092	10,141	8,889	(12.3%)
Valuation difference on available-for-sale securities	6,579	8,235	9,337	7,716	(17.4%)
Non-controlling interests	3,033	2,919	3,002	3,176	5.8%
Total net assets	54,030	56,524	58,657	47,492	(19.0%)
Total liabilities and assets	98,835	114,290	124,119	118,622	(4.4%)



- 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 the other hand, PBR increased to 1.23X at the end of reporting period . This was because of the efforts made to increase the shareholders return in line with management measures announced on April 26, 2024, in awareness of cost of capital and stock price.

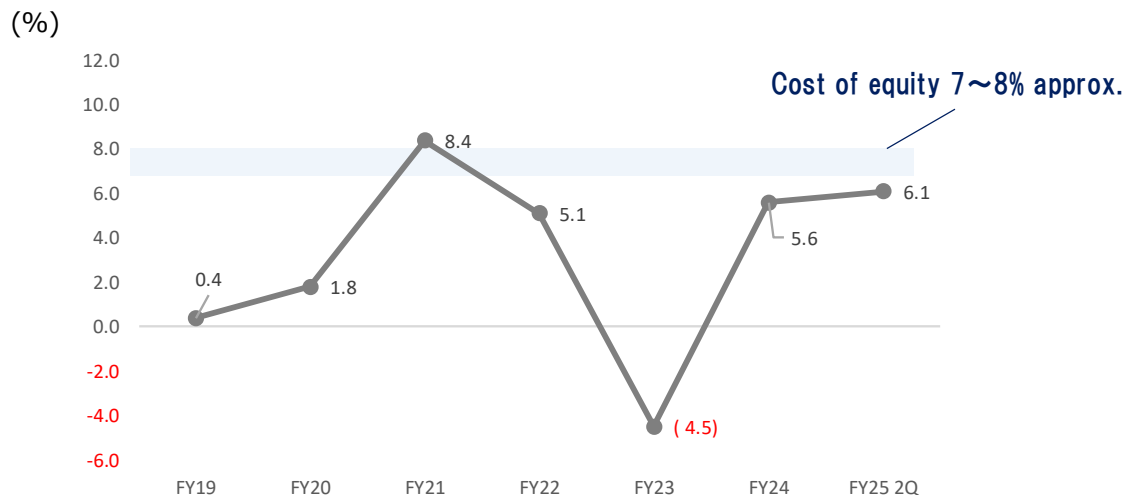
▶ Cost of capital

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

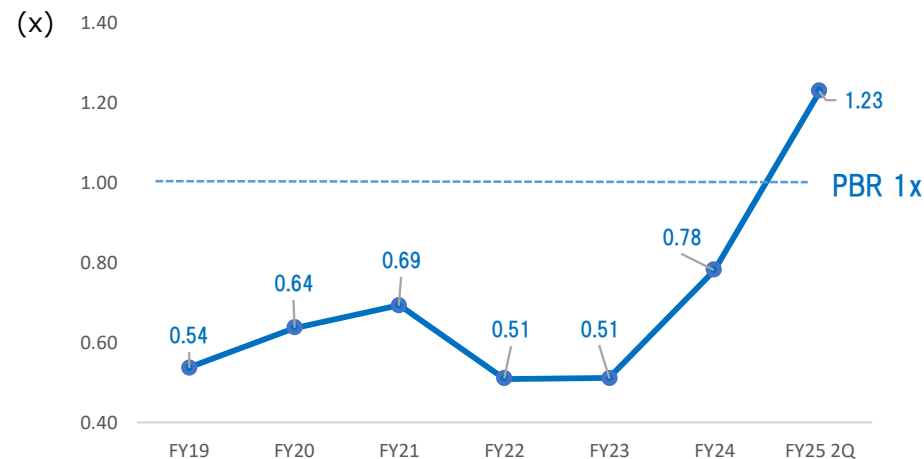
* Cost of equity based on variables of CAPM

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
Beta :	Adjusted beta against TOPIX

▶ ROE



▶ PBR





- Group is taking 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 AUC for financial securities business at the end of second quarter is near KPI target despite the market fluctuations. The fixed charge coverage ratio (financial securities business) is also nearing the pre-defined 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 September 2024)
ROE	Above 8%	6.1%
Fixed charge coverage ratio (Financial securities business)	Above 50%	42.5% (Standalone for September, 2024)
AUC (Financial securities business)	Above 2 trillion yen	1.9364 trillion yen
Investment securities balance (Investment business)	45 billion yen	35.5 billion yen
Secondary fund AUM (Asset management business)	10 billion yen	8.0 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

Growth strategy

Accelerating transformation of financial instrument exchange business
(financial securities business)

Enhance investment & asset management business

Enhance platform business
(refer P.10)

Enhance initiatives towards human capital management
(refer P.10)

Financial Strategy

Increase shareholders return
(refer P.12)

Utilization of financial leverage

Improvement and enhancement of capital allocation and return on capital management



IR/Sustainability

Increase dialogue with shareholders and investors

Enhancement of IR contents

Initiatives towards sustainability
(refer P.14)

Enhance corporate value / Improve stock valuation



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

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

Accelerating transformation of financial instrument exchange business (financial securities business)

- Aim to be client's 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 Company Split Agreement (Simple Absorption-type Split) in September with THE SAGA KYOEI BANK,LTD., regarding the transferring the rights and obligations to the company related to customers financial securities accounts for financial products like public bonds and mutual funds handled by the bank. Discussions are also underway for collaboration with number of regional financial institutions.

Enhance 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 network.
- 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.

Company Split Agreement (Simple Absorption-type Split) with THE SAGA KYOEI BANK,LTD.

AIZAWA SECURITIES CO., LTD. signed a Company Split Agreement (Simple Absorption-type Split) in September with THE SAGA KYOEI BANK,LTD., regarding the transferring the rights and obligations related to customers financial securities accounts including for certain registered financial institution services, for financial products like public bonds and mutual funds handled by the bank. Company already has a master service agreement with the bank, regarding financial instruments intermediary business. Through this company split agreement, we will enhance the efficiency and optimization of resources related to financial securities at bank. By leveraging our expertise and diverse product offerings, we are committed to supporting regional clients with asset building to achieve a prosperous life in the era of a 100-year lifespan.

Alliance agreement/Business partners 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

(All the alliances are comprehensive business alliances except with the mark*)

Conducted women career enhancement program

AIZAWA SECURITIES CO., LTD. conducted women's career enhancement program from April to September 2024, aiming to enhance diversity as part of its commitment to strengthening human capital management.

The program focused on fostering a mindset of “shaping one’s personal career while embracing change” through reflection on “personal career paths” and “effective leadership qualities.”

A total of 34 participants from across Japan took part in the program.

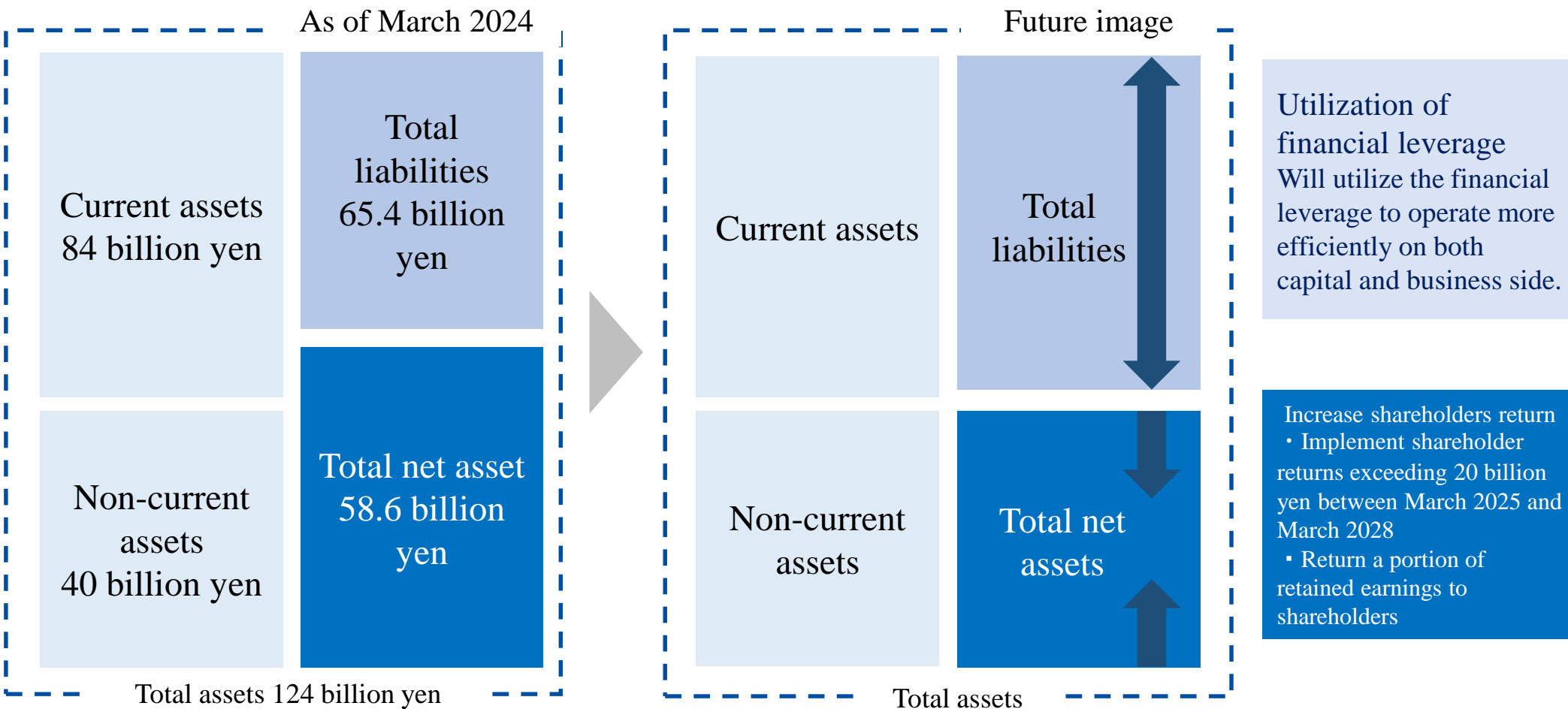


(Photograph of women career enhancement program)



- 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).** The policy to “enhance shareholder return” was announced on April 24, 2024.
- Completed the buyback of 6.16 million shares (acquired value: 10.78 billion yen) in the current fiscal year.
- The Company will distribute an interim dividend of 48 yen for the fiscal year ending March 31, 2025. This will include an ordinary dividend of 13 yen and a special dividend of 35 yen, in line with the profit distribution policy.
- The company plans to continue the shareholder return policy through common dividends, special dividends and share buyback.

【 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 (F)	13.00	35.00	TBD	35.00	TBD	70.00
FY ending March 31, 2026 (F)	TBD	35.00	TBD	35.00	TBD	70.00
FY ending March 31, 2027 (F)	TBD	35.00	TBD	35.00	TBD	70.00
FY ending March 31, 2028 (F)	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.



- 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 easier 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.



- Conducting endowed classes in educational institutions to improve financial literacy.
- In a first-of-its-kind initiative in Japan, an employee from Company’s “Regional Collaboration Support Office” will be stationed at the town government office to enhance local and regional revitalization efforts.

Conducted 15 endowed lectures at Kanda University of International Studies (KUIS)

Since September 2024, AIZAWA SECURITIES CO., LTD. has been providing endowed lectures at a KUIS to enhance students' financial literacy.

The company actively supports financial education, while KUIS focuses on improving students' financial literacy. The shared objectives of both parties resulted in the signing of MOU for the endowed lecture program.



(Photograph of endowed lectures)

※ First employee stationed at Oyama town government office

AIZAWA SECURITIES CO., LTD. established the “Regional Collaboration Support Office” with the aim of contributing to local communities and promoting regional development to realize a sustainable future. Starting from July 1, 2024, employee from company’s “Regional Collaboration Support Office” was placed in Oyama town government office of Shizuoka.

This is for the first time in Japan that employee of a financial securities company has been stationed at a government agency. As a first initiative that merges the functions of a financial securities company and a regional government agency, we aim to strengthen our emphasis on local community involvement.



(Photograph of MOU signing ceremony)

※Source: Our company’s research

Reference data

Consolidated



► Highlights

For the 2Q, FY25 (change vs. 1Q, FY25)

- Operating revenue for financial securities business declined by 10.8% to 4,235 million yen
- Operating revenue for investment business increased by 70.5% to 290 million yen
- Operating revenue for asset management business increased by 33.6% to 68 million yen

► Financial summary

(million yen)

Business segment wise (consolidated)	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 2Q/FY24	Change vs 1Q/FY25	FY24 6M	FY25 6M	Change vs 6M/FY24
Operating revenue	4,688	4,195	5,507	4,953	4,580	(2.3%)	(7.5%)	9,277	9,533	2.8%
Financial securities business	4,485	4,015	5,119	4,747	4,235	(5.6%)	(10.8%)	8,812	8,982	1.9%
Investment business	157	127	320	170	290	85.0%	70.5%	374	461	23.1%
Asset management business	56	64	94	51	68	20.8%	33.6%	113	120	5.5%
Other adjustments	(10)	(11)	(26)	(16)	(13)	-	-	(23)	(29)	-
Operating profit (loss)	149	(199)	645	348	(42)	-	-	714	306	(57.1%)
Financial securities business	366	79	636	325	(27)	-	-	805	297	(63.0%)
Investment business	(134)	(227)	8	70	(113)	-	-	(2)	(42)	-
Asset management business	(55)	(61)	(39)	(71)	(65)	-	-	(113)	(136)	-
Other adjustments	(25)	9	40	23	164	-	603.1%	23	188	686.3%
Profit (loss) before income tax	418	248	2,687	1,051	1,066	155.0%	1.4%	1,389	2,118	52.5%
Financial securities business	445	(79)	635	355	(42)	-	-	917	313	(65.8%)
Investment business	75	139	1,989	706	980	-	38.9%	519	1,686	224.5%
Asset management business	(43)	(61)	(43)	(81)	(61)	-	-	(96)	(142)	-
Other adjustments	(58)	250	106	70	189	-	167.8%	48	260	437.4%

► Highlights

For the 2Q, FY25 (change vs. 1Q, FY25)

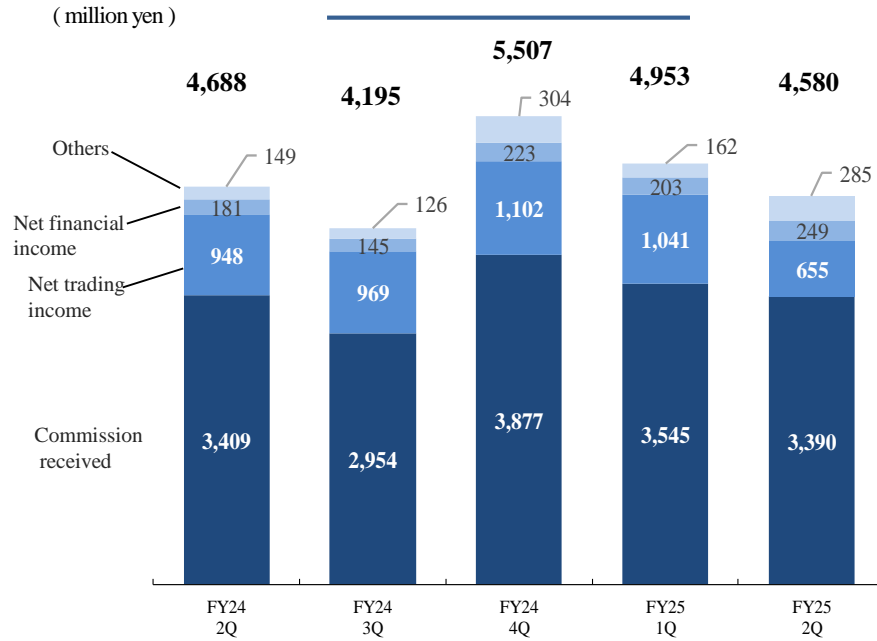
- Commission received declined by 4.4 % to 3,390 million yen
- Net trading income declined by 37.0% to 655 million yen
- Financial income increased by 22.2% to 249 million yen
- Other income increased by 75.6% to 285 million yen

► Operating revenue-breakdown

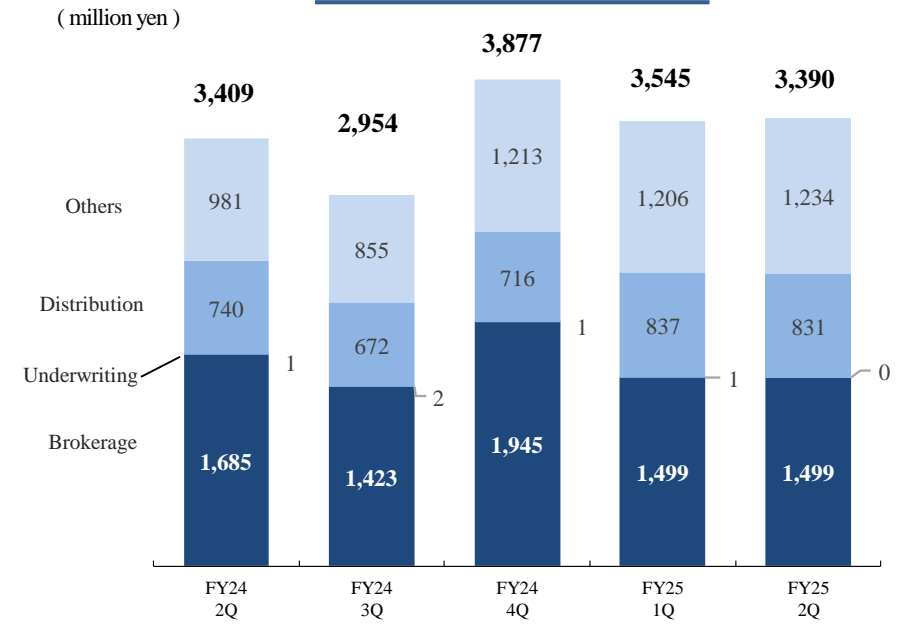
(million yen)

	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 2Q/FY24	Change vs 1Q/FY25	FY24 6M	FY25 6M	Change vs 6M/FY24
Operating revenue	4,688	4,195	5,507	4,953	4,580	(2.3%)	(7.5%)	9,277	9,533	2.8%
Commission received	3,409	2,954	3,877	3,545	3,390	(0.6%)	(4.4%)	6,393	6,935	8.5%
Brokerage	1,685	1,423	1,945	1,499	1,324	(21.4%)	(11.7%)	3,365	2,824	(16.1%)
Underwriting	1	2	1	1	0	(66.6%)	(66.9%)	6	2	(63.8%)
Distribution	740	672	716	837	831	12.2%	(0.8%)	1,248	1,668	33.7%
Others	981	855	1,213	1,206	1,234	25.7%	2.3%	1,772	2,440	37.7%
Net trading income	948	969	1,102	1,041	655	(30.9%)	(37.0%)	2,216	1,697	(23.4%)
Equities	778	828	982	863	496	(36.3%)	(42.6%)	1,867	1,360	(27.2%)
Bonds	33	54	36	70	53	60.3%	(24.0%)	111	123	11.1%
Forex	136	85	82	107	106	(22.2%)	(0.6%)	237	213	(10.2%)
Financial income	181	145	223	203	249	37.3%	22.2%	309	453	46.6%
Others	149	126	304	162	285	91.3%	75.6%	358	447	24.9%

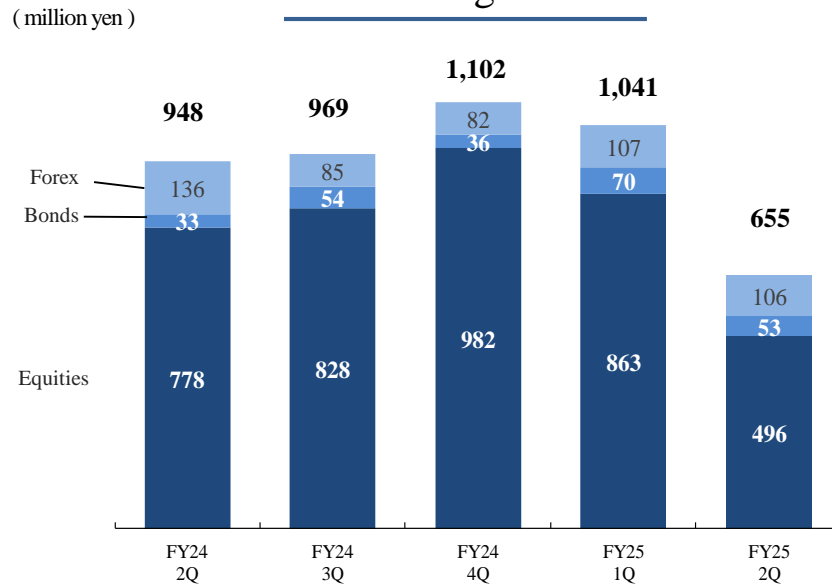
Operating revenue



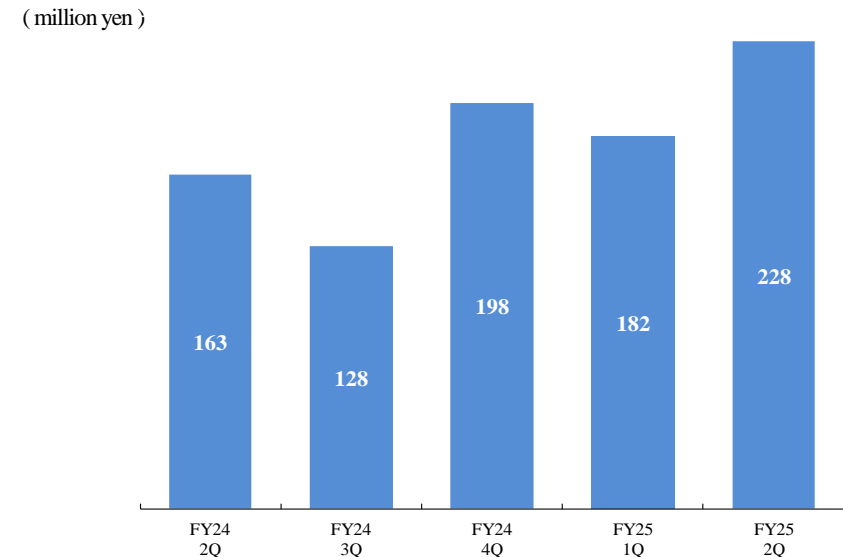
Commissions received



Net trading income



Financial revenue



► Highlights

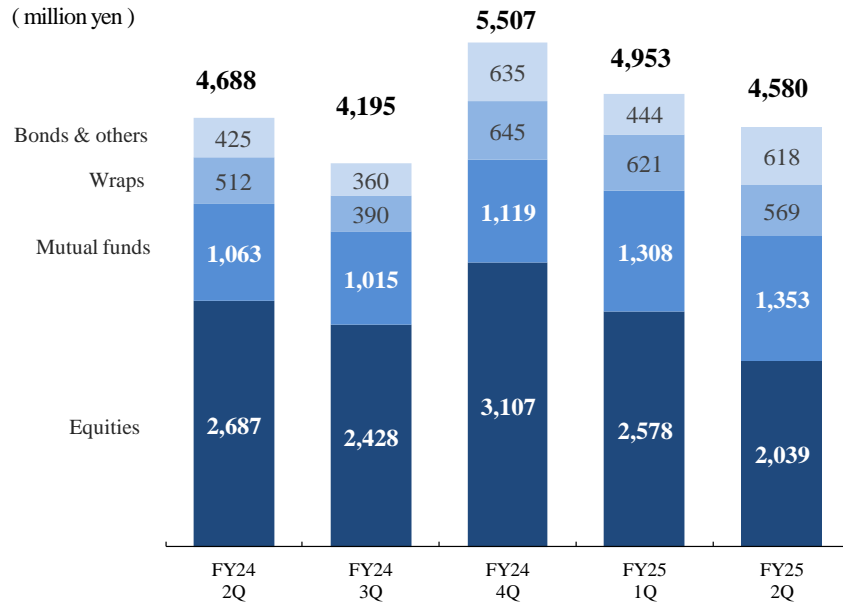
Group is working to increase the balance of recurring income products to promote the medium to long-term asset building business. Sales commission from mutual funds declined by 0.8% but asset management fees increased by 10.8% due to increase in balance of mutual funds. (All comparison are with 1Q of FY 25)

► Operating revenue-breakdown

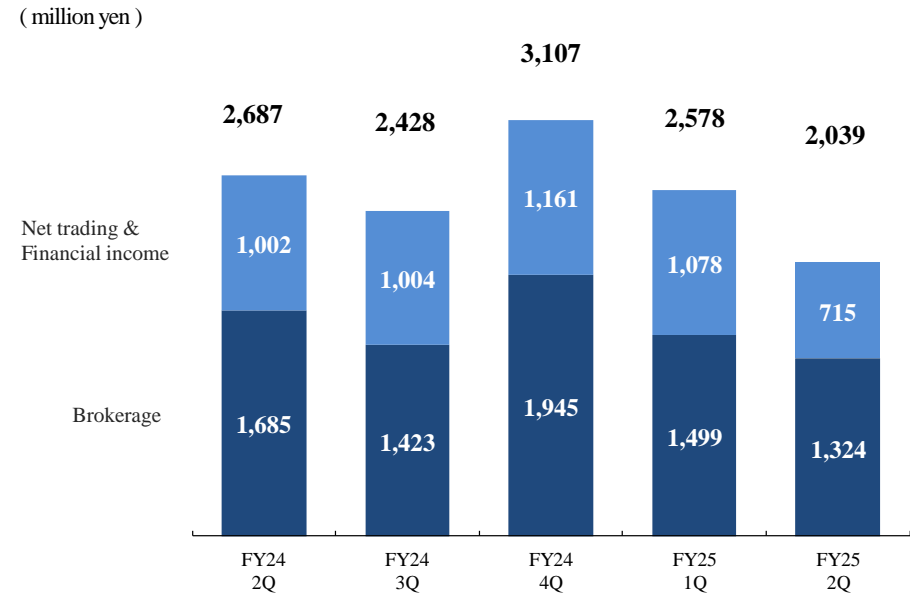
	(million yen)									
	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 2Q/FY24	Change vs 1Q/FY25	FY24 6M	FY25 6M	Change vs 6M/FY24
Operating revenue	4,688	4,195	5,507	4,953	4,580	(2.3%)	(7.5%)	9,277	9,533	2.8%
Equities	2,687	2,428	3,107	2,578	2,039	(24.1%)	(20.9%)	5,648	4,617	(18.2%)
Brokerage	1,685	1,423	1,945	1,499	1,324	(21.4%)	(11.7%)	3,365	2,824	(16.1%)
Net trading & financial income	1,002	1,004	1,161	1,078	715	(28.7%)	(33.7%)	2,282	1,793	(21.4%)
Mutual funds	1,063	1,015	1,119	1,308	1,353	27.3%	3.4%	1,850	2,661	43.8%
Sales commission	740	666	716	837	831	12.2%	(0.8%)	1,248	1,668	33.7%
Asset management fees	322	348	403	471	521	62.0%	10.8%	602	993	64.9%
Wraps	512	390	645	621	569	11.1%	(8.3%)	891	1,190	33.6%
Fixed fee/Asset management fees	280	273	269	288	291	4.0%	1.2%	540	580	7.3%
Success fees	231	117	376	332	277	19.7%	(16.6%)	350	610	74.0%
Bonds	35	56	38	72	55	55.8%	(23.5%)	115	127	10.5%
Real estate	108	107	123	124	127	16.6%	2.2%	218	251	15.3%
Operational investment securities	39	18	180	37	158	297.5%	318.4%	139	196	40.3%
Others	241	177	292	210	278	15.3%	32.2%	413	488	18.2%



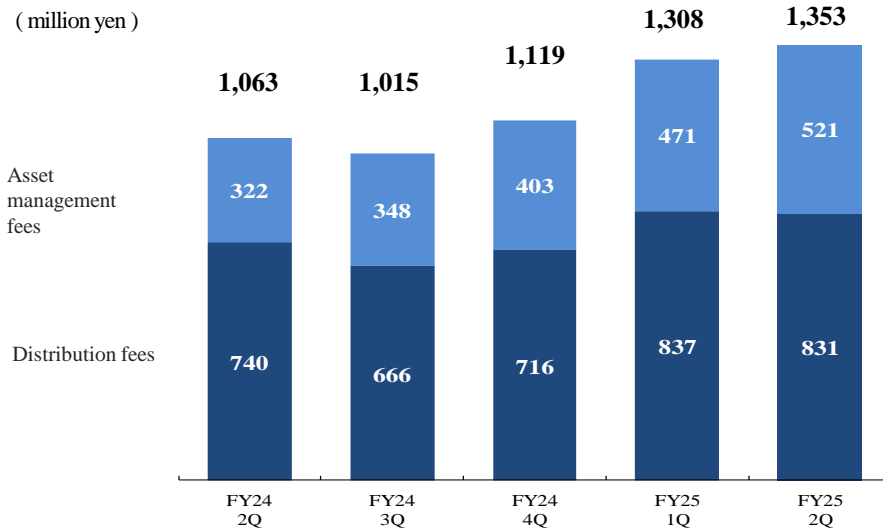
Operating revenue



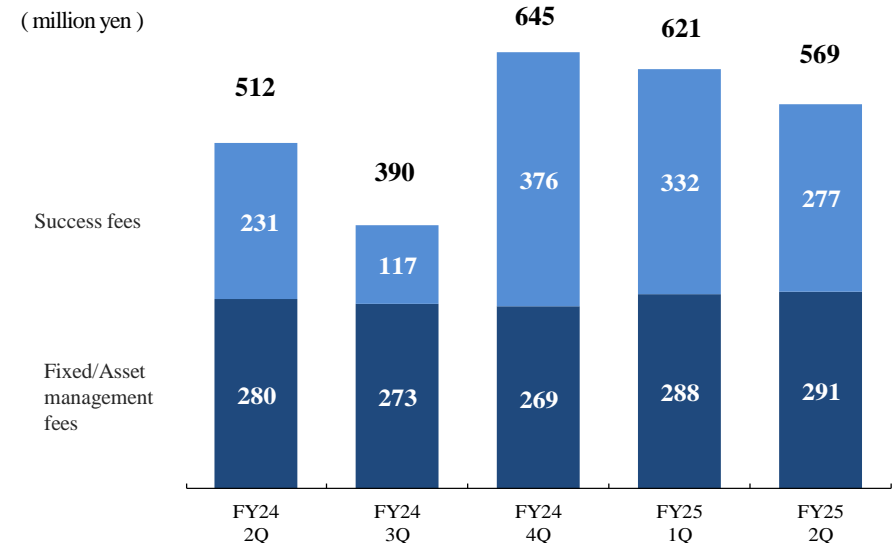
Equities



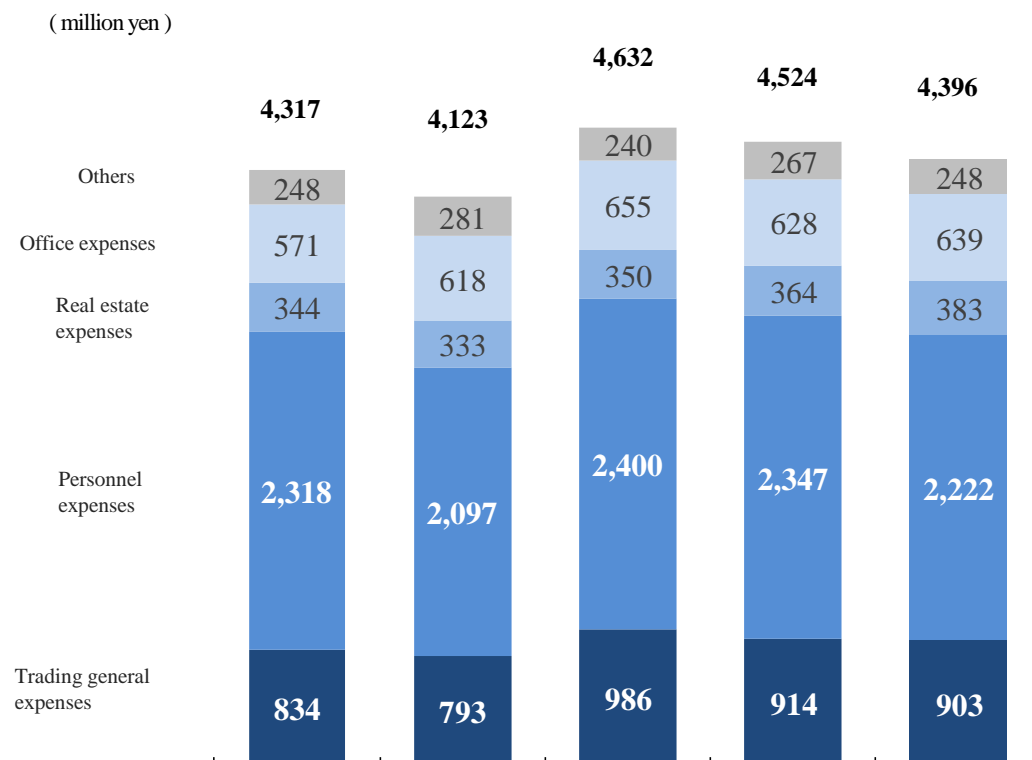
Mutual funds



Wraps



▶ Selling, general & administrative expenses



▶ Highlights

For the 2Q, FY25 (change vs. 1Q, FY25)

- ▶ Selling, general and administrative expenses declined by 2.8% to 4,396 million yen

	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 2Q/FY24	Change vs 1Q/FY25	FY24 6M	FY25 6M	Change vs 6M/FY24
Selling, general and administrative expenses	4,317	4,123	4,632	4,524	4,396	1.8%	(2.8%)	8,276	8,920	7.8%
Trading related expenses	834	793	986	914	903	8.2%	(1.2%)	1,570	1,817	15.7%
Personal expenses	2,318	2,097	2,400	2,347	2,222	(4.2%)	(5.4%)	4,413	4,569	3.6%
Real estate expenses	344	333	350	364	383	11.2%	5.0%	695	748	7.6%
Office expenses	571	618	655	628	639	11.9%	1.7%	1,140	1,268	11.2%
Others	248	281	240	267	248	(0.3%)	(7.3%)	455	516	13.2%
└ (Depreciation)	49	53	64	62	70	41.7%	13.1%	98	133	35.1%

Highlights

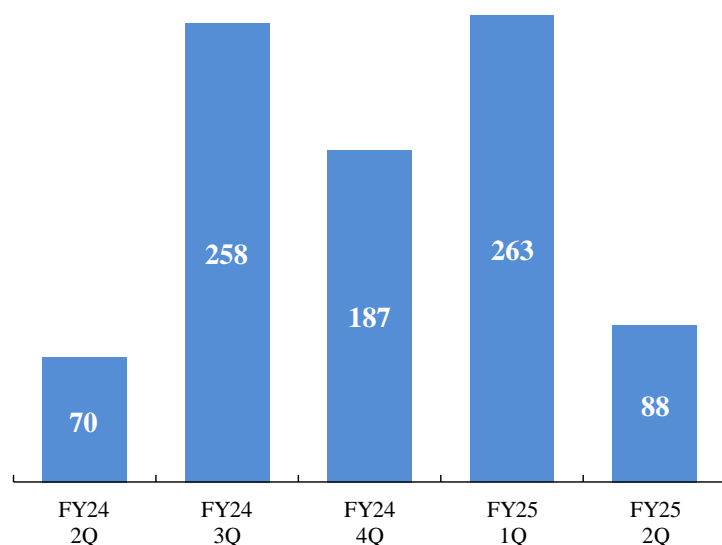
Non-operating profit declined by 66.3% to 88 million yen. Non-operating income declined by 58.9% to 130 million yen led by decline in dividend income.

Non-operating expenses declined by 21.3% to 41 million yen.

Extraordinary income increased by 48.0% to 1,029 million yen led by gain from sales of investment securities. Extraordinary profit increased by 132.2% to 1,019 million yen. (All % are in comparison with 1Q of FY 25)

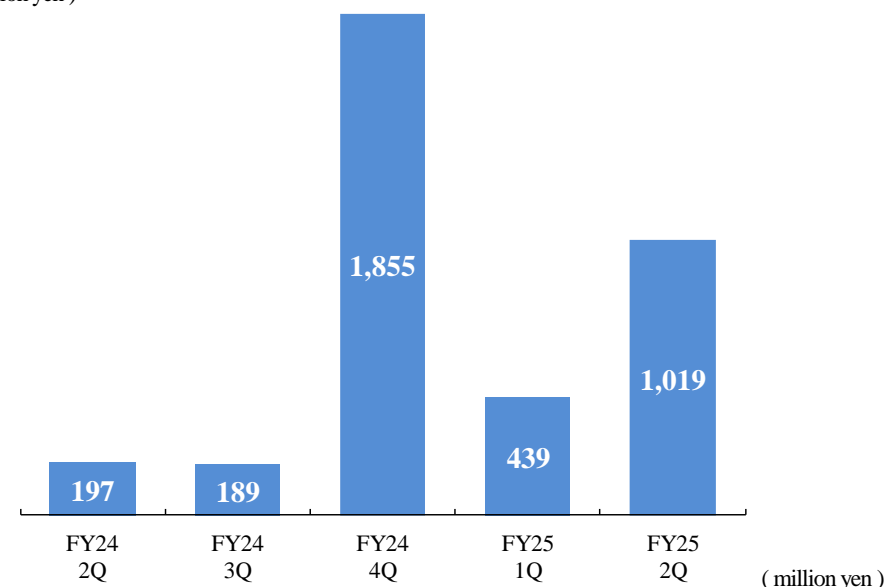
Non-operating profit (loss)

(million yen)



Extraordinary profit (loss)

(million yen)



	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 2Q/FY24	Change vs 1Q/FY25	FY24 6M	FY25 6M	Change vs 6M/FY24
Non-operating profit (loss)	70	258	187	263	88	25.5%	(66.3%)	336	352	4.8%
Non-operating income	83	274	217	316	130	55.2%	(58.9%)	363	446	22.9%
Non-operating expenses	13	15	30	52	41	216.0%	(21.3%)	26	93	249.0%
Extraordinary profit (loss)	197	189	1,855	439	1,019	415.8%	132.2%	338	1,458	330.8%
Extraordinary income	198	203	2,006	695	1,029	417.6%	48.0%	354	1,725	386.1%
Extraordinary losses	1	13	151	256	10	686.9%	(96.0%)	16	266	-

AIZAWA SECURITIES CO.,LTD.

Non-consolidated



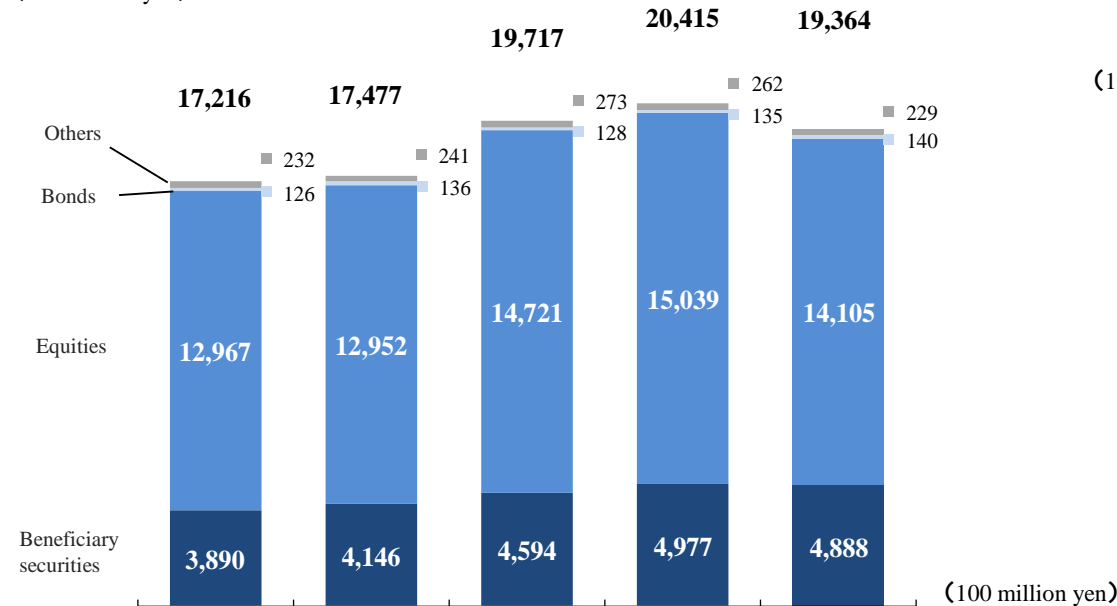
Highlights

Company is increasing the custody of assets generating recurring income in line with mid to long term plan of promoting asset building business. AUC generating recurring income (refer notes) declined by 0.3% to 393.6 billion yen.

Assets under custody declined by 5.1% to 1.9364 trillion yen. (All % are in comparison with 1Q of FY 25)

Assets under custody (AUC)-Breakdown

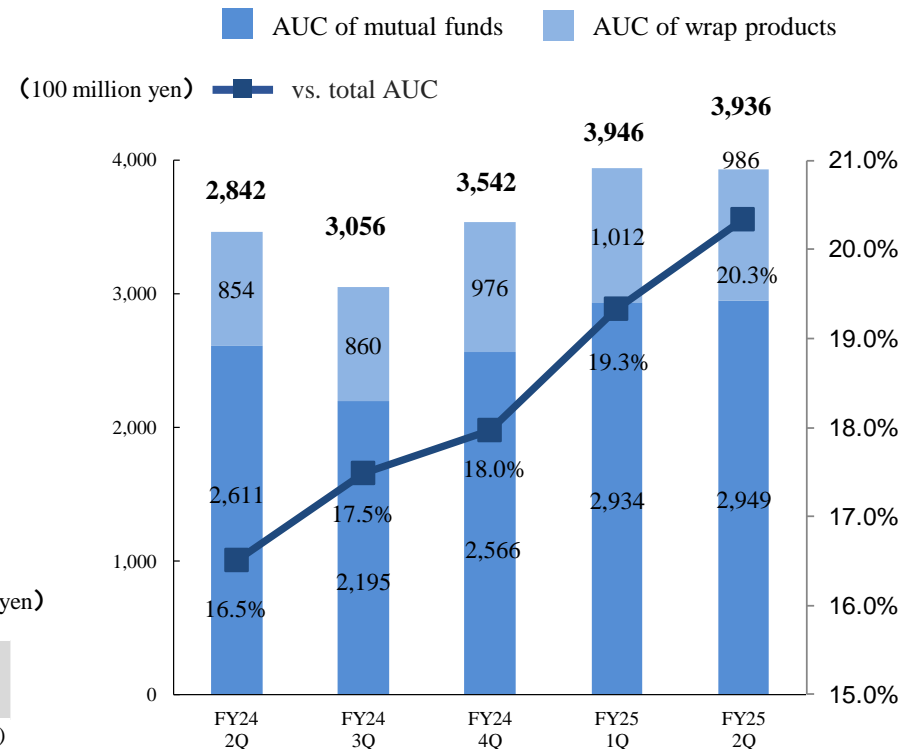
(100 million yen)



	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25
Total AUC	17,216	17,477	19,717	20,415	19,364	(5.1%)
Beneficiary securities	3,890	4,146	4,594	4,977	4,888	(1.8%)
└ Mutual funds	2,611	2,195	2,566	2,934	2,949	0.5%
└ Wrap	854	860	976	1,012	986	(2.5%)
Equities	12,967	12,952	14,721	15,039	14,105	(6.2%)
Bonds	126	136	128	135	140	3.9%
Others	232	241	273	262	229	(12.5%)

AUC-Assets generating recurring income

(100 million yen)



Notes:

- ※ AUC generating recurring income represents total of mutual funds and wrap
- ※ Mutual funds excludes MRF & listed ETF, Fund wrap & Smile Goal
- ※ Wrap represents discretionary managed accounts at market value (refer to details in next slide)



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

(AUM: million yen, Customers: numbers)

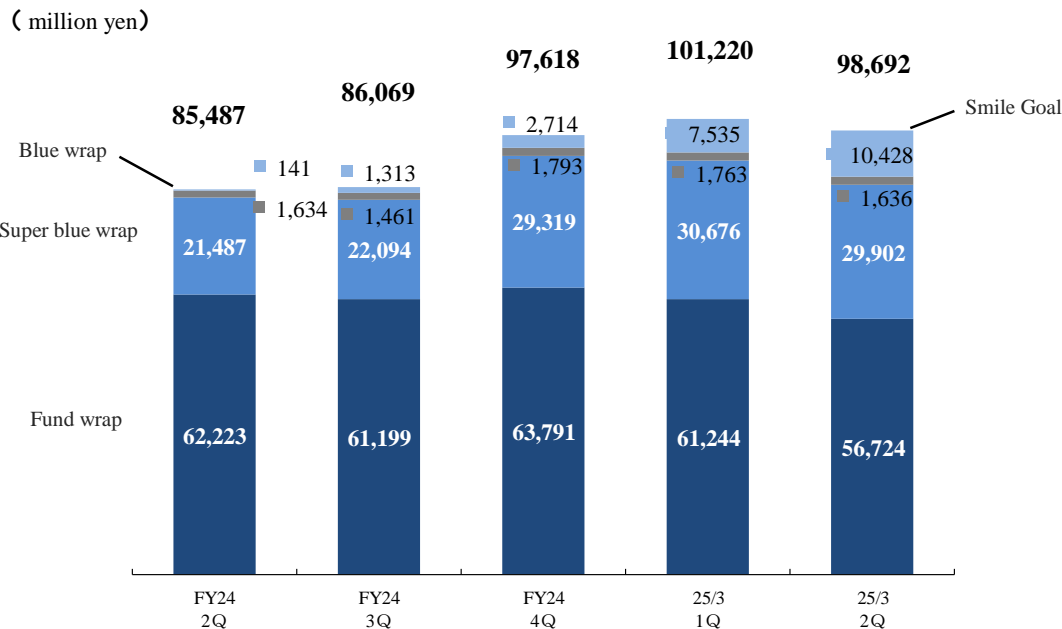
		FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25
Super blue wrap	AUM (Market value)	21,487	22,094	29,319	30,676	29,902	(2.5%)
	Customers	1,023	1,103	1,186	1,272	1,337	5.1%
Blue wrap	AUM (Market value)	1,634	1,461	1,793	1,763	1,636	(7.2%)
	Customers	169	158	153	146	144	(1.4%)
Fund wrap	AUM (Market value)	62,223	61,199	63,791	61,244	56,724	(7.4%)
	Customers	6,855	6,652	6,457	6,182	5,951	(3.7%)
Smile Goal	AUM (Market value)	141	1,313	2,714	7,535	10,428	38.4%
	Customers	46	192	463	944	1,426	51.1%
Total	AUM (Market value)	85,487	86,069	97,618	101,220	98,692	(2.5%)
	Customers	8,093	8,105	8,259	8,544	8,858	3.7%

▶ Highlights

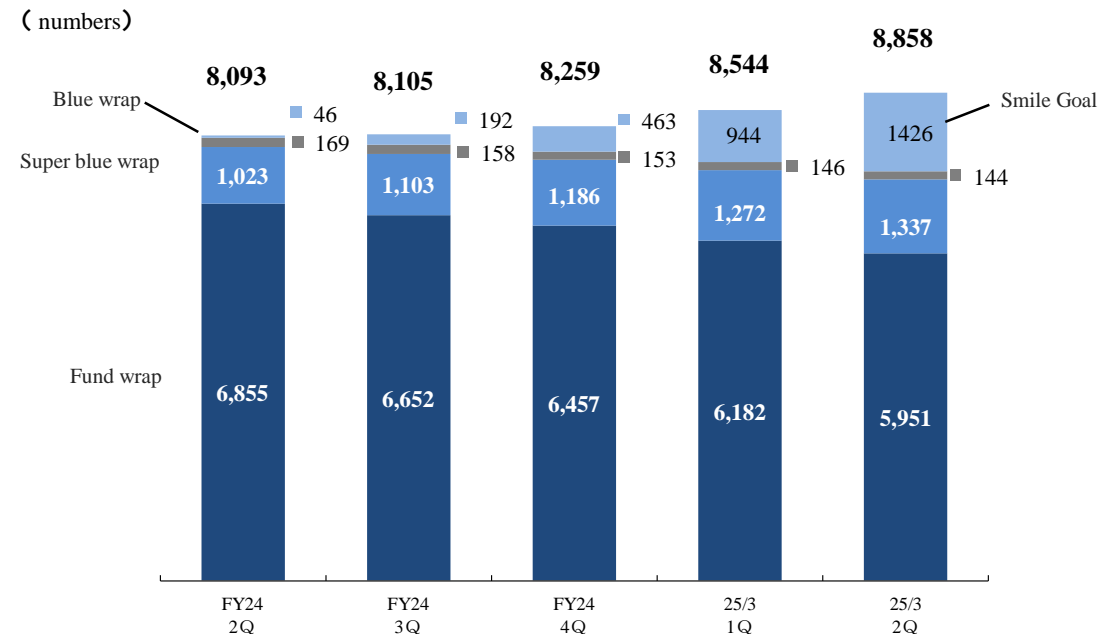
As a strategic shift to the asset building business, the company is focusing on offering discretionary investment management services (wrap). At the end of second quarter, total AUM and number of customers for same were 98.6 billion yen and 8,858 customers, respectively.

In support of customers' long-term life plans, the goal-based approach Wrap, known as “Smile Goal,” has exceeded 10 billion yen in AUM as of September 30, 2024. Since the launch of the service in August 2023, AUM and the number of customers have been growing steadily, with both amounting to 10.4 billion yen and 1,426 customers, respectively.

AUM (Market value)



Number of customers





▶ Independent financial advisory (IFA) Business Update

	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25
Registered IFA companies	97	107	119	128	140	9.4%
Registered IFA (Individuals)	1,503	1,590	1,771	1,960	2,039	4.0%
AUC (100 million yen)	2,020	2,164	2,458	2,624	2,587	(1.4%)
└ Financial institution affiliated	274	332	396	456	479	5.0%
└ IFA	1,746	1,831	2,061	2,168	2,109	(2.7%)
└ LIFE DESIGN PARTNERS	1,020	1,023	1,161	1,181	1,088	(7.9%)
Number of accounts	38,360	45,933	52,232	54,636	57,421	5.1%
└ Financial institution affiliated	18,420	24,360	27,219	27,275	27,993	2.6%
└ IFA	19,940	21,573	25,013	27,361	29,428	7.6%
└ LIFE DESIGN PARTNERS	5,387	5,582	5,976	5,672	5,802	2.3%

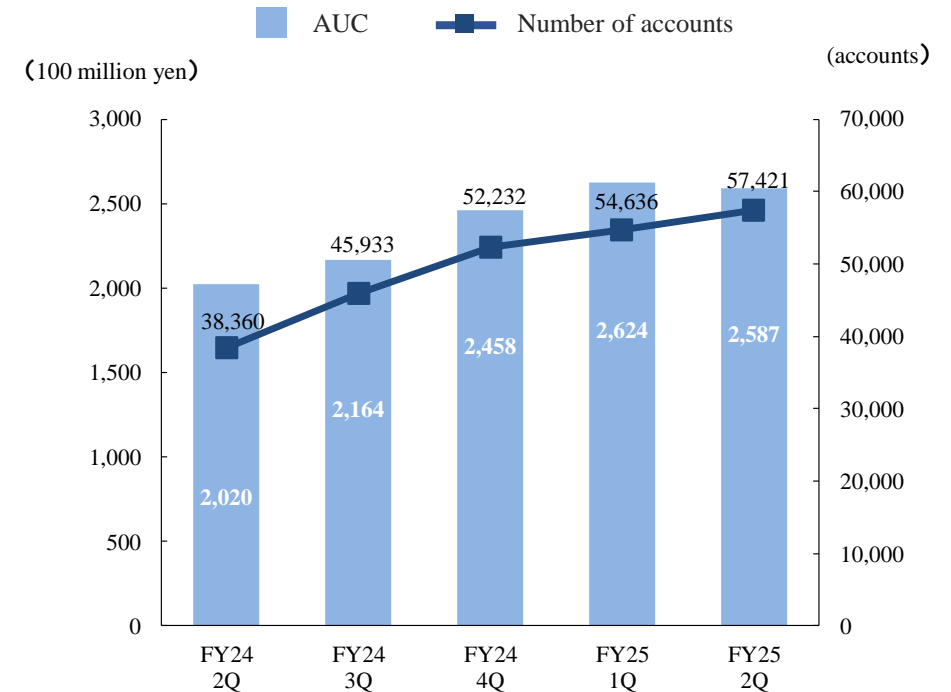
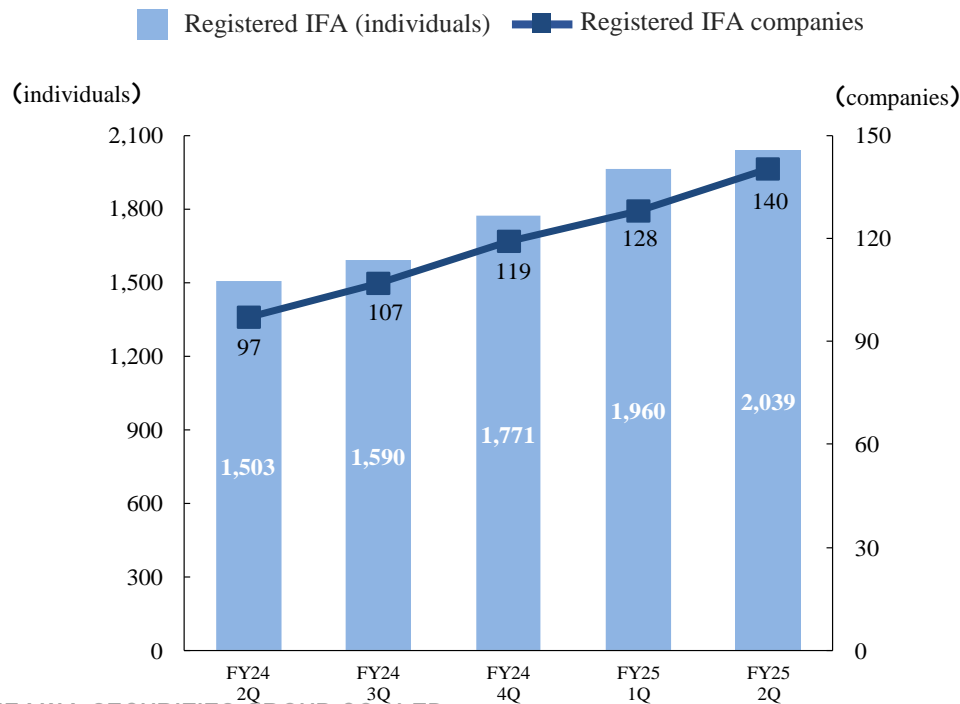
▶ Highlights

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

AUC declined by 2.7%, whereas the number of client accounts in IFA business increased by 7.6%.

AUC and the number of client accounts through affiliation with financial institutions (THE SAIKYO BANK, LTD. and THE SAGA KYOEI BANK, LTD.) increased by 5.0% and 2.6% respectively.

(All % are in comparison with 1Q of FY 25)





Highlights

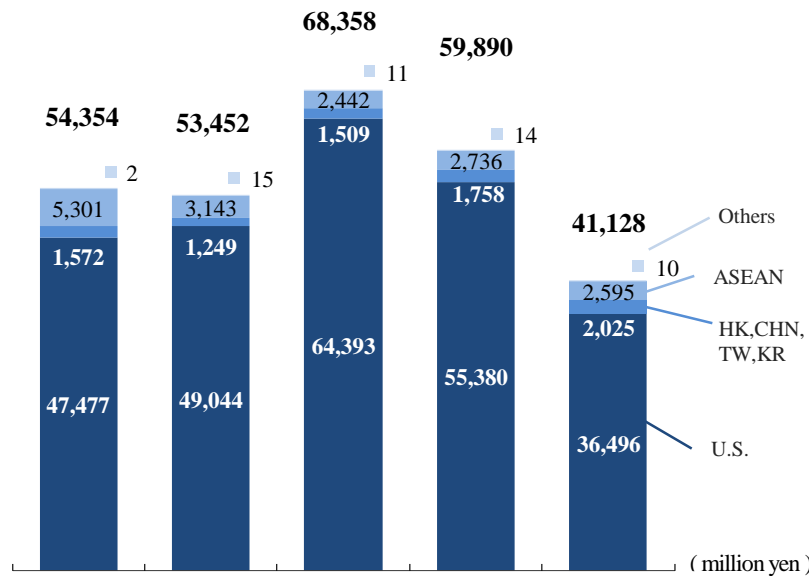
AUC of foreign equities declined by 10.8% to 131.8 billion yen.

Trading value for U.S. equities declined by 34.1%. Aggregate trading value for Hong Kong, China, Taiwan and Korea equities increased by 15.2%. Trading value for ASEAN market equities declined by 5.2%.

For details, Asia stocks, please refer to next page. (All % are in comparison with 1Q of FY 25)

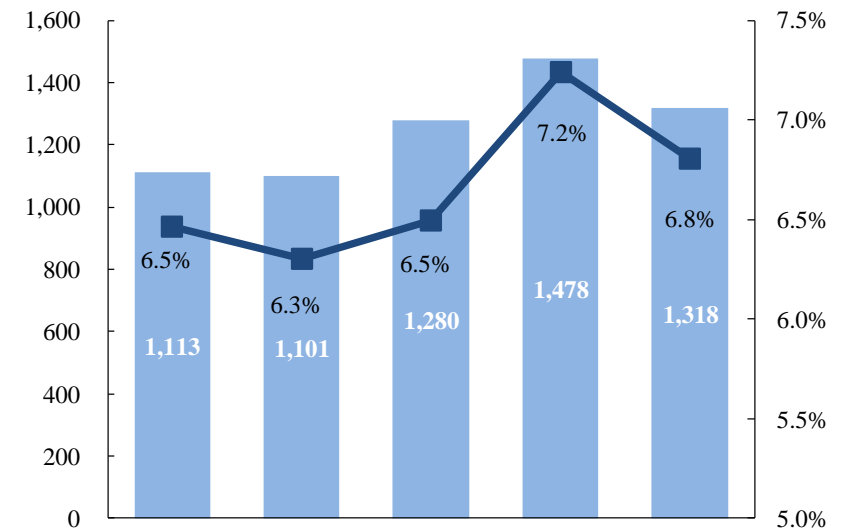
Foreign stocks : Trade value

(million yen)



Assets under Custody

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

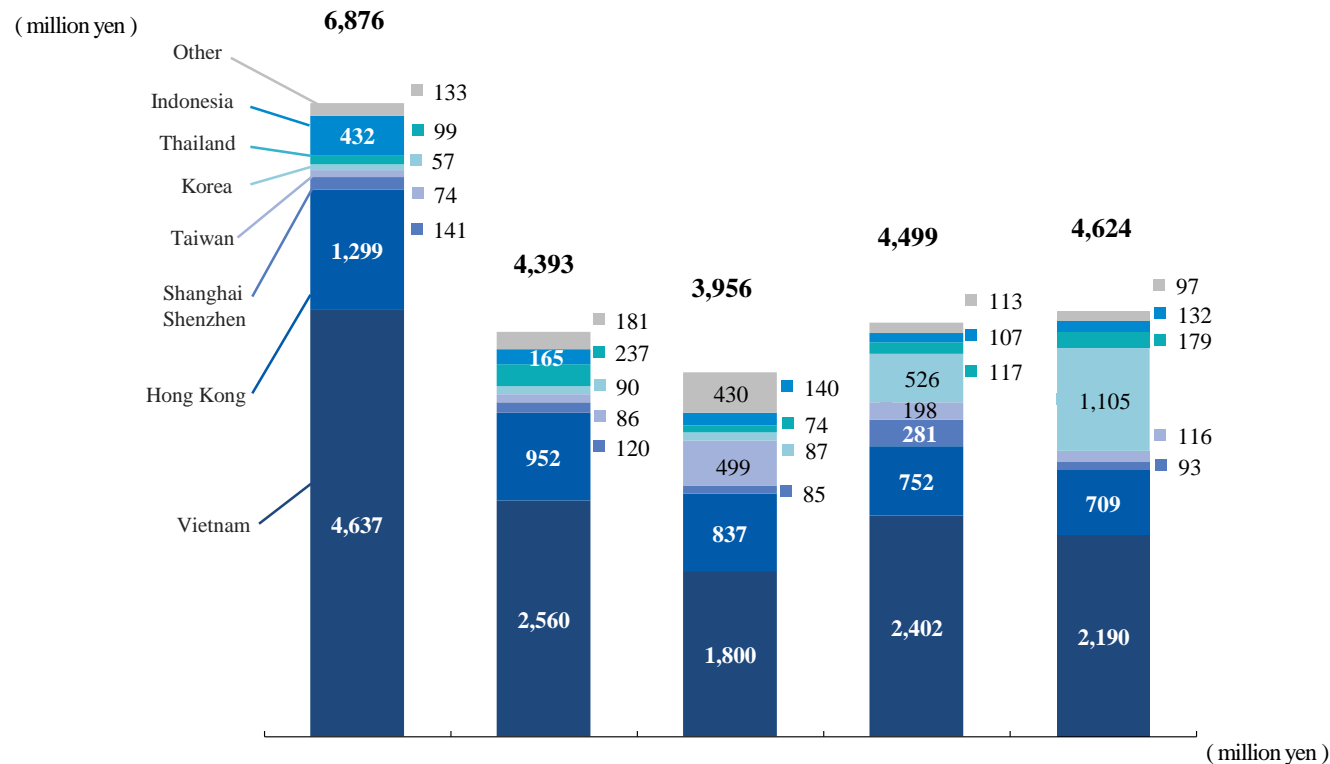


	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25
AUC of foreign equities	1,113	1,101	1,280	1,478	1,318	(10.8%)
% share against Total AUC	6.5%	6.3%	6.5%	7.2%	6.8%	-

(100 million yen)



▶ Trading value-Asia Stocks



	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25
Total of trading value	6,876	4,393	3,956	4,499	4,624	2.8%
Vietnam	4,637	2,560	1,800	2,402	2,190	(8.8%)
Hong Kong	1,299	952	837	752	709	(5.7%)
Shanghai, Shenzhen	141	120	85	281	93	(66.6%)
Taiwan	74	86	499	198	116	(41.6%)
Korea	57	90	87	526	1,105	110.2%
Thailand	99	237	74	117	179	52.9%
Indonesia	432	165	140	107	132	22.8%
Others	133	181	430	113	97	(14.3%)

▶ Highlights

➤ **Vietnam**
Trading value for Vietnam stocks declined by 8.8% (change vs. 1Q, FY25), while maintaining 47.4% (53.4% in 1Q, FY25) share among our handling of Asian equities

➤ **Hong Kong**
Trading value for Hong Kong stocks declined by 5.7% (change vs. 1Q, FY25), while maintaining 15.3% (16.7% in 1Q, FY25) share among our handling of Asian equities

➤ **Korea**
Trading value increased by 110.2% (change vs. 1Q, FY25), while maintaining 23.9% (11.7% in 1Q, FY25) share among our handling of Asian equities

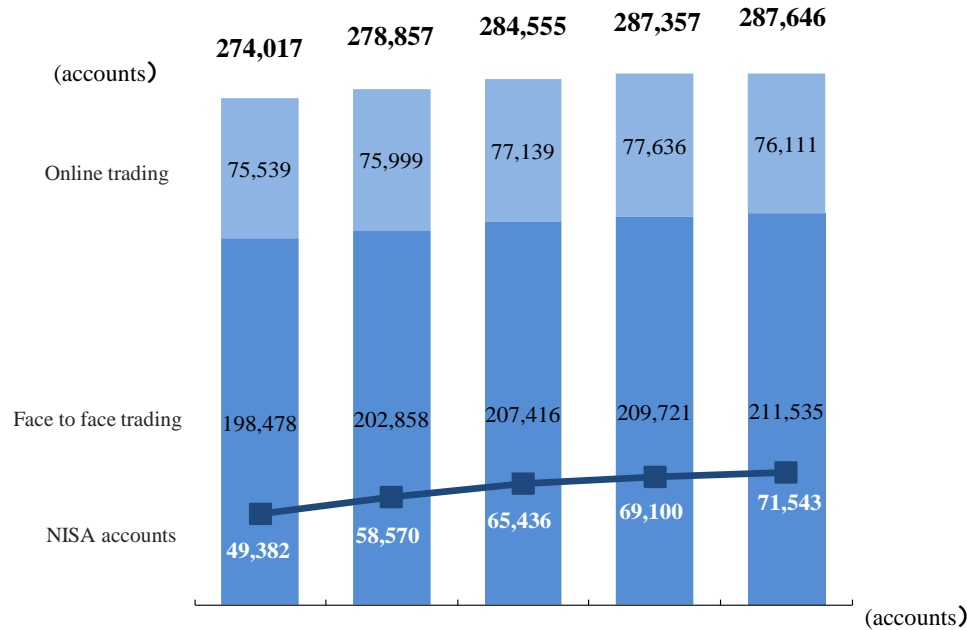
※ Please refer to P.30-31 for index chart of major countries



▶ Highlights

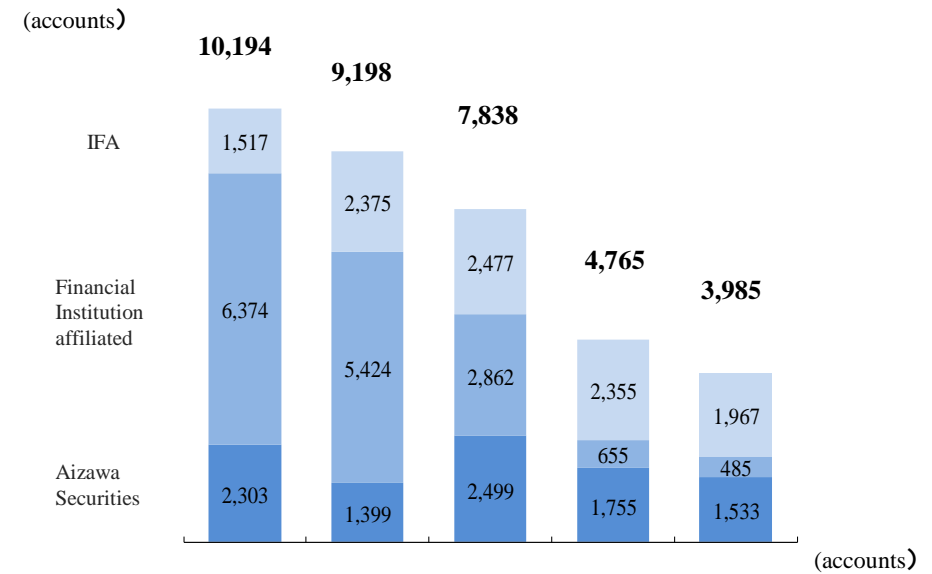
Total number of client accounts increased by 0.1% to 287,646 accounts. New accounts opening declined by 16.4% to 3,985 accounts. Expansion of platform business is led by IFA business and affiliation with financial institutions like THE SAIKYO BANK, LTD. and THE SAGA KYOEI BANK,LTD. (All % are in comparison with 1Q of FY 25)

▶ Total number of accounts



	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25
Total number of accounts	274,017	278,857	284,555	287,357	287,646	0.1%
└ Face to face trading	198,478	202,858	207,416	209,721	211,535	0.9%
└ Online trading	75,539	75,999	77,139	77,636	76,111	(2.0%)
NISA accounts	49,382	58,570	65,436	69,100	71,543	3.5%

▶ Number of new accounts



	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25
Number of new accounts	10,194	9,198	7,838	4,765	3,985	(16.4%)
└ Aizawa Securities	2,303	1,399	2,499	1,755	1,533	(12.6%)
└ Financial institution affiliated	6,374	5,424	2,862	655	485	(26.0%)
└ IFA	1,517	2,375	2,477	2,355	1,967	(16.5%)

Highlights

Brokerage commission from domestic equities and foreign equities declined by 10.2% and 13.6%, respectively. Trading value of domestic equities and foreign equities declined by 10.0% and 13.4%, respectively. (All % are in comparison with 1Q of FY 25)

Stock brokerage commission-Breakdown

	(million yen)						(% share of brokerage commission)
	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25	FY25 2Q
Commission from domestic equities	1,303	1,111	1,521	1,105	993	(10.2%)	0.27%
└ Face to face trading	1,155	969	1,333	958	854	(10.8%)	0.51%
└ Online trading	148	141	187	147	138	(6.0%)	0.07%
Commission from foreign equities	345	281	380	333	288	(13.6%)	1.89%
└ Face to face trading	289	230	320	270	230	(14.9%)	1.96%
└ Online trading	55	51	59	63	58	(8.4%)	1.68%

Stock trading value-Breakdown

	(100 million yen)						
	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q	Change vs 1Q/FY25	
Domestic equities trading value	3,989	3,594	5,218	4,075	3,668	(10.0%)	
└ Face to face trading	1,801	1,590	2,265	1,790	1,690	(5.6%)	
└ Online trading	2,187	2,003	2,953	2,285	1,977	(13.5%)	
Trading value for foreign equities	179	148	216	175	152	(13.4%)	
└ Face to face trading	147	118	182	139	117	(15.7%)	
└ Online trading	31	29	33	36	34	(4.3%)	

※Stock brokerage commission excludes ETF



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

307.6%

The capital adequacy ratio indicates the amount of current equity capital (total of stock capital, subordinated loans etc. minus fixed assets) a financial securities company has relative to its total risk-bearing equivalents (like investment securities and receivables from clients etc.). A higher percentage signifies greater financial stability and ability to manage risk effectively, making it an ideal metric for evaluating financial securities business.

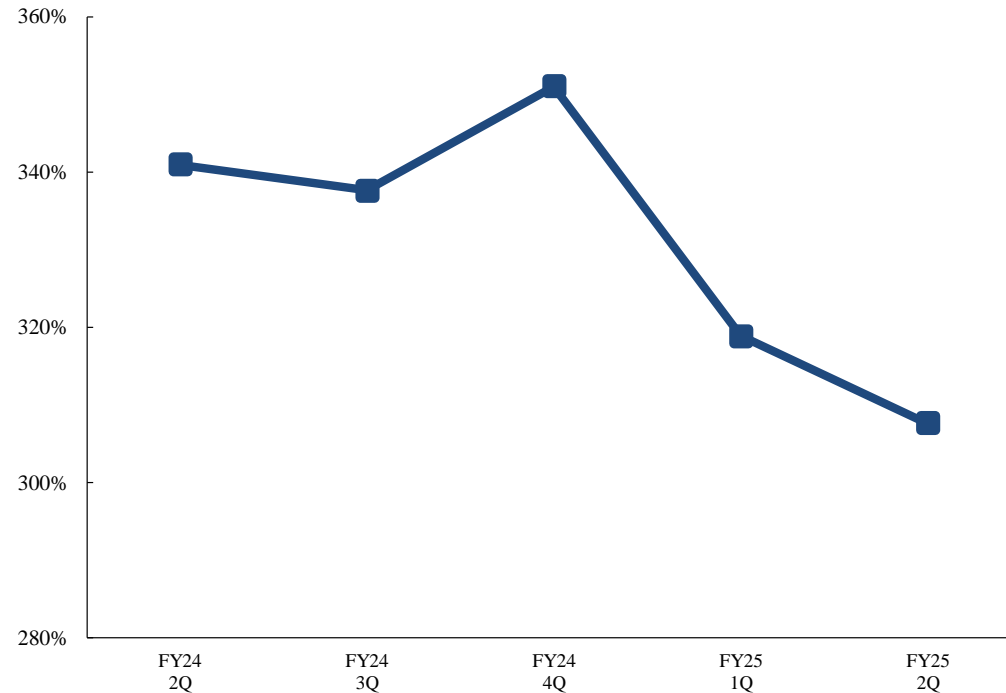
Our capital adequacy ratio was 307.6% (as of September 30, 2024). We consistently strive to maintain operational safety.

< Note >

The chart on the right side contains the capital adequacy ratio as stipulated by Article 46-6, Paragraph 3 of the Financial Instruments and Exchange Act (Article 20 of the Foreign Securities Dealers Act).

Quarterly capital adequacy ratio should be displayed at all the business locations (mandatory on all branches for foreign financial securities firms) for a span of 3 months starting from start of second month of end of each quarter.

▶ Capital adequacy ratio



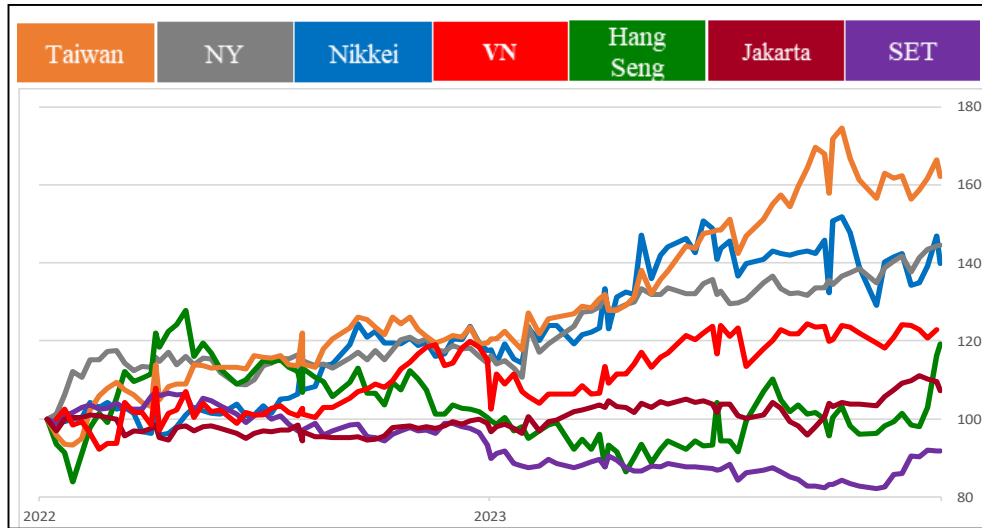
	FY24 2Q	FY24 3Q	FY24 4Q	FY25 1Q	FY25 2Q
Capital adequacy ratio(C/G×100)(%)	340.9%	337.6%	351.0%	318.8%	307.6%
Non fixed equity capital(C)	13,694	13,817	14,260	14,593	14,398
Total risk equivalent(G)	4,017	4,091	4,061	4,576	4,679
Market risk equivalent	180	129	59	117	67
Counterparty risk equivalent	618	671	705	1,037	1,108
Basic risk equivalent	3,218	3,290	3,296	3,420	3,503

(million yen)



(1/10/2022 ~ 30/9/2024, Weekly)

▶ Assumed 100 as a base on October 1, 2022

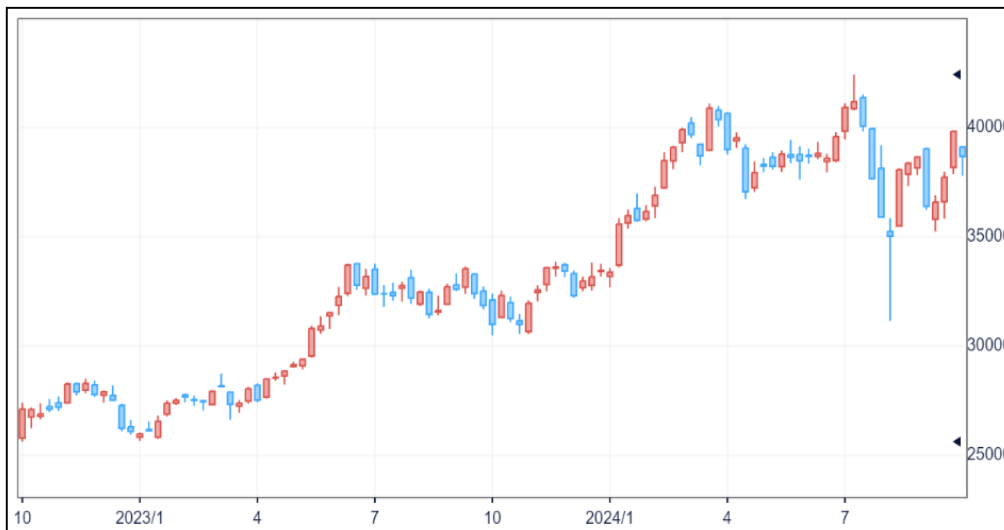


For the period under review (April 1, 2024, to September 30, 2024), the global stock markets exhibited resilience despite some fluctuations related to U.S. employment situation. Overall, markets remained robust, reflecting a decrease in inflation pressures in developed economies of Europe & the U.S., along with changes in monetary policy.

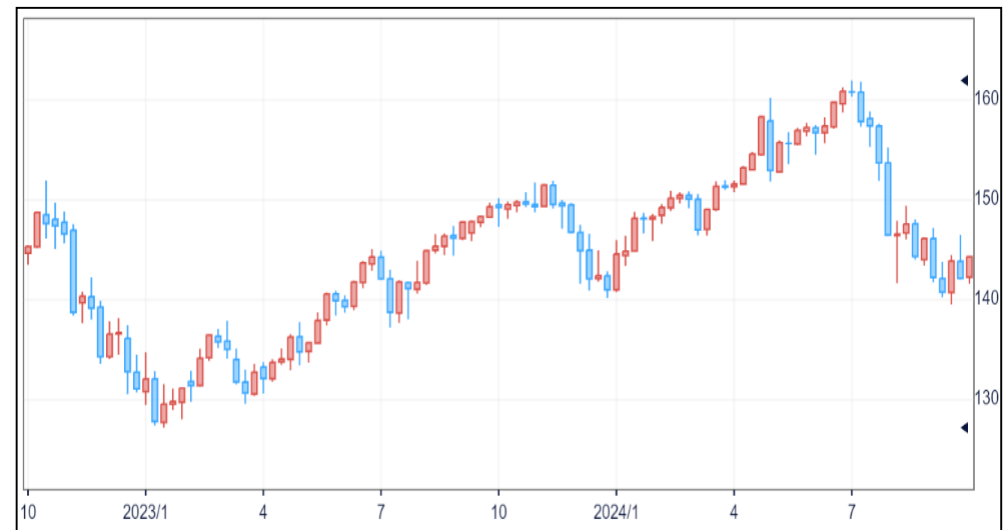
In the Japanese market, Nikkei Stock Average soared to an all-time high of 42,426.77 yen on July 11, 2024, driven by rising U.S. stock prices and a weaker yen.

In the Asian markets, currencies and stock prices of emerging countries strengthened ahead of the expected U.S. interest rate cut. From July to September, Indonesia's Jakarta Composite Index reached a record high and major stock indices in Malaysia, Thailand, and the Philippines also experienced sharp rebounds. In Vietnam, despite strong real GDP growth and robust exports, the VN-Index remained relatively flat due to persistent selling by foreign investors.

▶ Nikkei 225



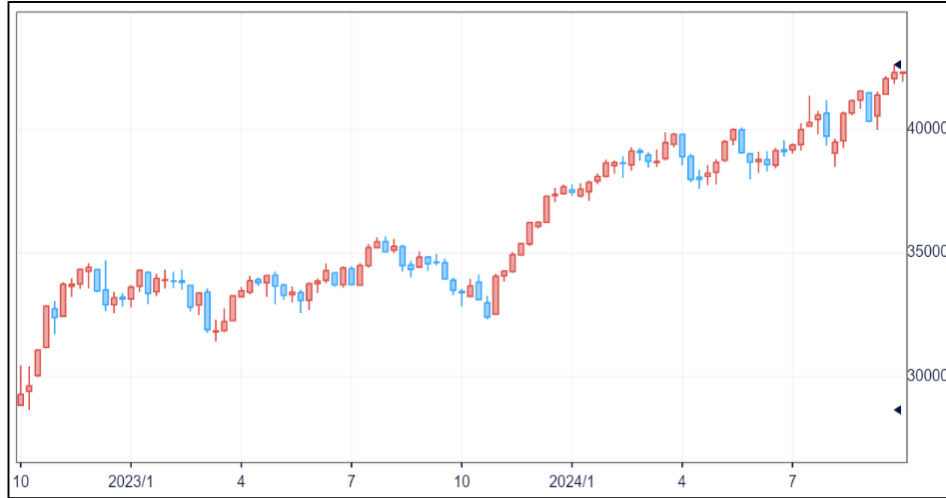
▶ USD/JPY



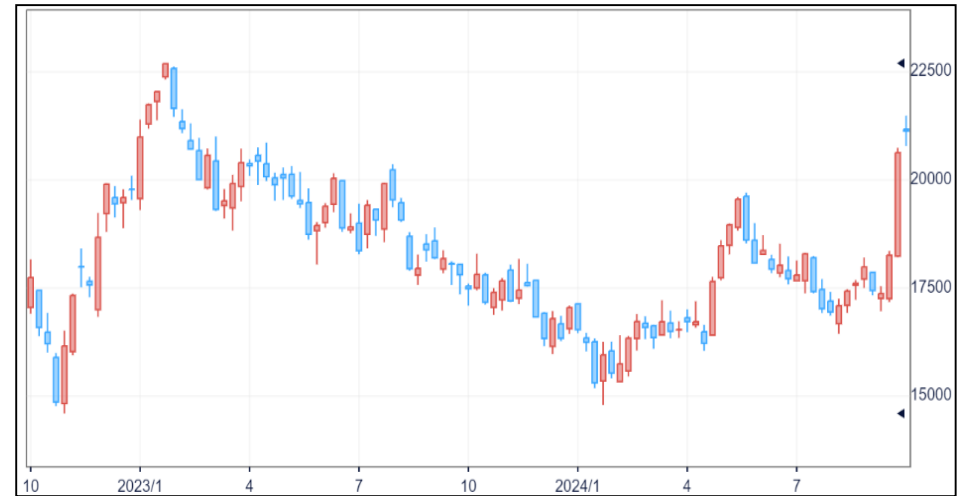


(1/10/2022 ~ 30/9/2024, Weekly)

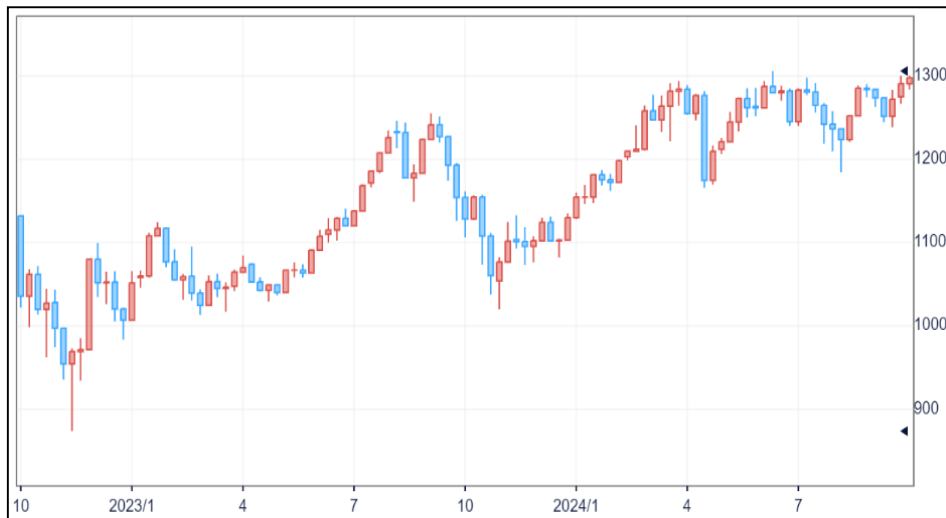
▶ Dow Jones Industrial Average Index



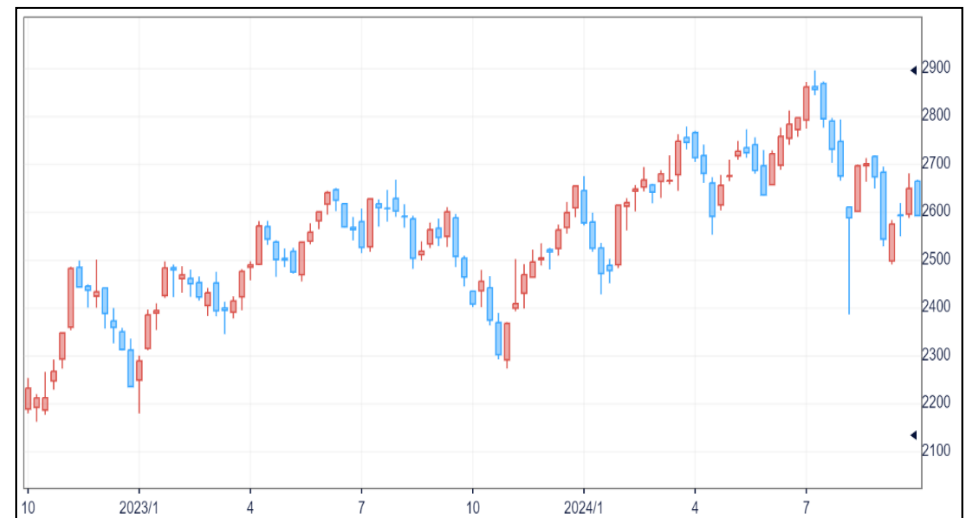
▶ Hang Seng Index



▶ Vietnam VN Index



▶ KOSPI





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 second quarter of the fiscal year ending in March 31, 2025, based upon the information as of 30 September 2024.

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.

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