

AIZAWA SECURITIES GROUP CO., LTD.

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# Financial results for 3Q of fiscal year ending March 2024

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January, 2024

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

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# 1. AIZAWA SECURITIES GROUP CO., LTD.

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## Consolidated

LIFE DESIGN PARTNERS CO., LTD. and Japan Securities Co., Ltd. are included in the scope of consolidated financial results from 1Q, FY2024

## ► Highlights

For the 3Q, FY24 (change vs. 2Q, FY24)

- Operating revenue decreased by 10.5% to 4,195 million yen
- Operating loss was 199 million yen
- Ordinary profit declined by 73.3% to 58 million yen
- Profit attributable to owners of parent increased by 10.8% to 211 million yen

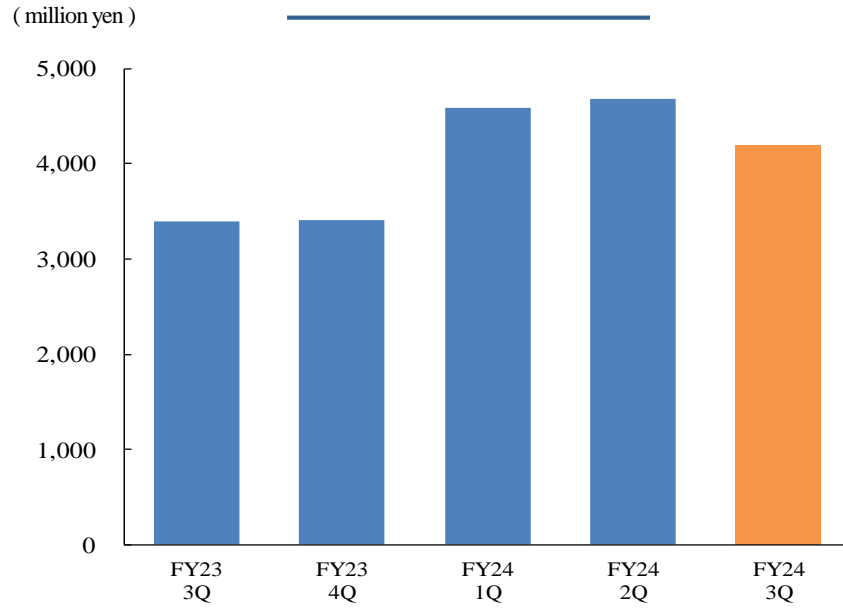
## ► Financial summary

(million yen)

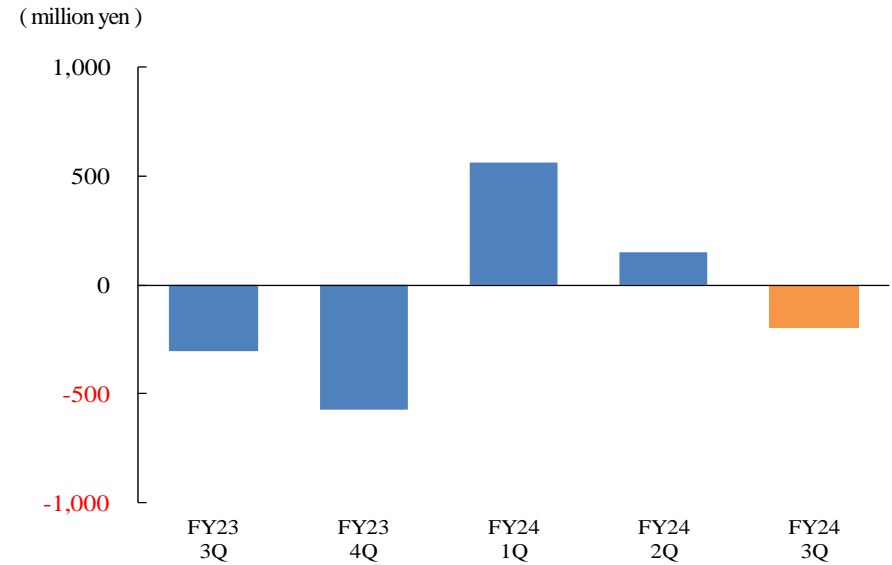
	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 3Q/FY23	Change vs 2Q/FY24	FY23 9M	FY24 9M	Change vs 9M/FY23
Operating revenue	3,401	3,404	4,588	4,688	4,195	23.3%	△10.5%	9,347	13,473	44.1%
Net operating revenue	3,412	3,219	4,522	4,467	3,923	15.0%	△12.2%	8,988	12,914	43.7%
Selling, general and administrative expenses	3,716	3,795	3,958	4,317	4,123	10.9%	△4.5%	11,195	12,399	10.8%
Operating profit (loss)	△303	△576	564	149	△199	-	-	△2,206	514	-
Ordinary profit (loss)	△110	△201	830	220	58	-	△73.3%	△1,710	1,109	-
Profit (loss)	247	△1,168	734	190	211	△14.9%	10.8%	△1,207	1,135	-
Total assets	104,792	98,835	112,646	114,290	117,934	12.5%	3.2%	-	-	-
Net assets	55,773	54,030	55,753	56,524	55,940	0.3%	△1.0%	-	-	-
EPS (yen)	6.48	△30.81	19.50	5.06	5.63	-	-	△31.42	30.23	-
BPS (yen)	1,381.65	1,350.08	1,407.23	1,425.50	1,415.13	-	-	-	-	-



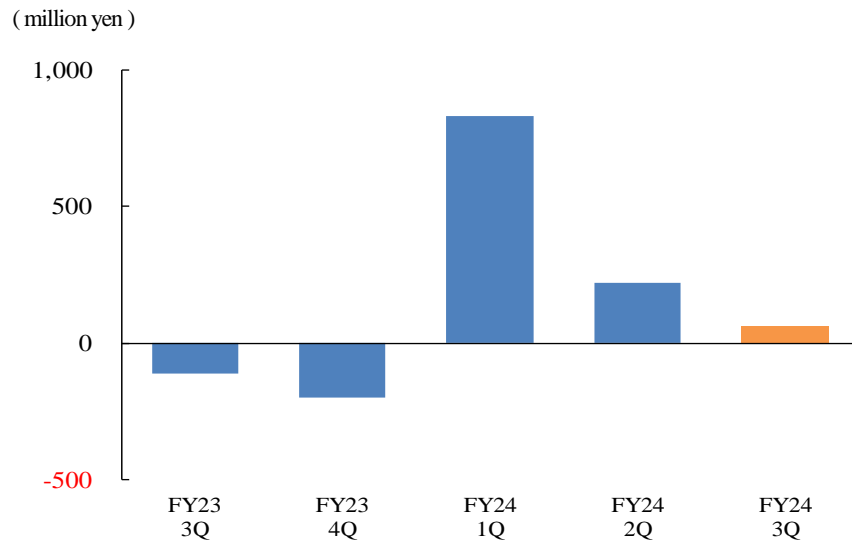
## Operating revenue



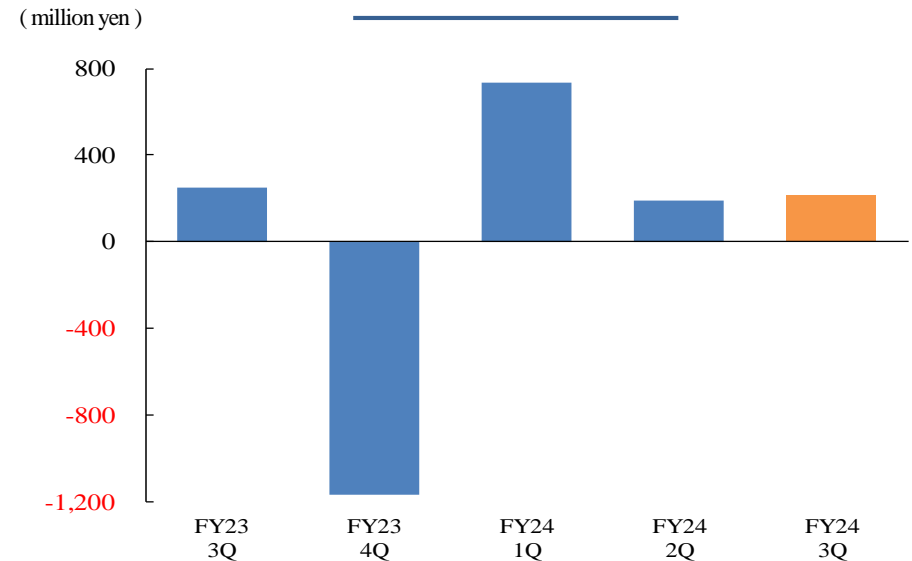
## Operating profit/loss



## Ordinary profit/loss



## Profit/loss



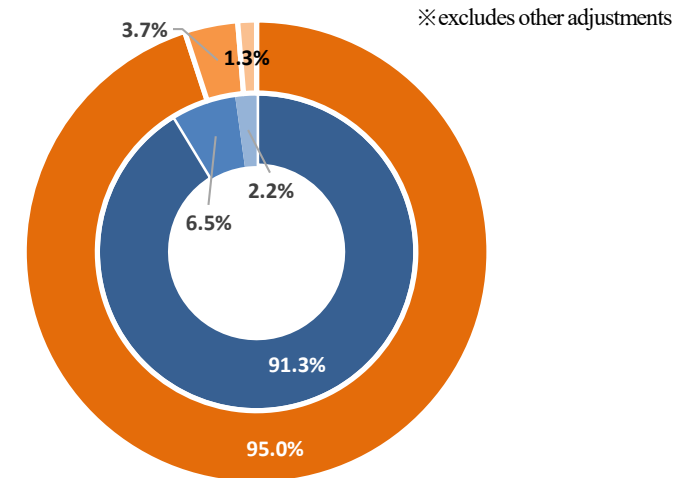
▶ Highlights







Group has three reportable segments: Financial Securities Business, Investment Business, and Asset Management Business. Group conducts financial securities businesses through AIZAWA SECURITIES CO., LTD., LIFE DESIGN PARTNERS CO., LTD., and Japan Securities Co., Ltd. ; investment business through AIZAWA Investments Co., Ltd.; and asset management business through AIZAWA ASSET MANAGEMENT Co., Ltd. To improve the profitability and corporate value of the entire group, we are working to increase the value of investment business and asset management business.

▶ Business Summary

Financial Securities Business	Offering asset management consulting etc. to support asset building for clients   
Investment Business	Proprietary investment in financial securities, real estate and growth companies 
Asset Management Business	Providing alternative asset management services mainly to institutional investors 

▶ Operating revenue-segment wise



	Financial securities business	Investment business	Asset management business
FY23 9M			
FY24 9M			



▶ Highlights

For the 3Q, FY24 (change vs. 2Q, FY24)

- Operating revenue for financial securities business declined by 10.5% to 4,015 million yen
- Operating revenue for investment business declined by 19.2% to 127 million yen
- Operating revenue for asset management business increased by 13.6% to 64 million yen

▶ Financial summary

Business segment wise (consolidated)	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 3Q/FY23	Change vs 2Q/FY24	( million yen )		
								FY23 9M	FY24 9M	Change vs 9M/FY23
<b>Operating revenue</b>	3,401	3,404	4,588	4,688	4,195	23.3%	△10.5%	9,347	13,473	44.1%
Financial securities business	2,997	2,956	4,326	4,485	4,015	34.0%	△10.5%	8,566	12,827	49.7%
Investment business	329	368	217	157	127	△61.5%	△19.2%	611	501	△17.9%
Asset management business	87	92	56	56	64	△26.4%	13.6%	205	178	△13.4%
Other adjustments	△ 12	△ 12	△ 12	△ 10	△ 11	-	-	△ 36	△ 34	-
<b>Operating profit (loss)</b>	△ 303	△ 576	564	149	△ 199	-	-	△ 2,206	514	-
Financial securities business	△ 586	△ 671	439	366	79	-	△78.3%	△ 2,061	885	-
Investment business	311	75	132	△ 134	△ 227	-	-	130	△ 229	-
Asset management business	△ 20	△ 31	△ 57	△ 55	△ 61	-	-	△ 98	△ 174	-
Other adjustments	△ 8	50	49	△ 25	9	-	-	△ 176	33	-
<b>Profit (loss) before income taxes</b>	312	△ 902	971	418	248	△20.5%	△40.5%	△ 1,004	1,637	-
Financial securities business	△ 572	△ 1,268	472	445	△ 79	-	-	△ 1,999	838	-
Investment business	586	690	444	75	139	△76.3%	84.7%	888	658	△25.8%
Asset management business	△ 18	△ 72	△ 52	△ 43	△ 61	-	-	△ 94	△ 158	-
Other adjustments	317	△ 252	106	△ 58	250	△21.0%	-	200	298	49.2%

## ► Highlights

For the 3Q, FY24 (change vs. 2Q, FY24)

- Commission received declined by 13.4% to 2,954 million yen
- Net trading income increased by 2.2% to 969 million yen
- Financial income declined by 19.8% to 145 million yen
- Other income declined by 14.9% to 126 million yen

## ► Operating revenue-breakdown

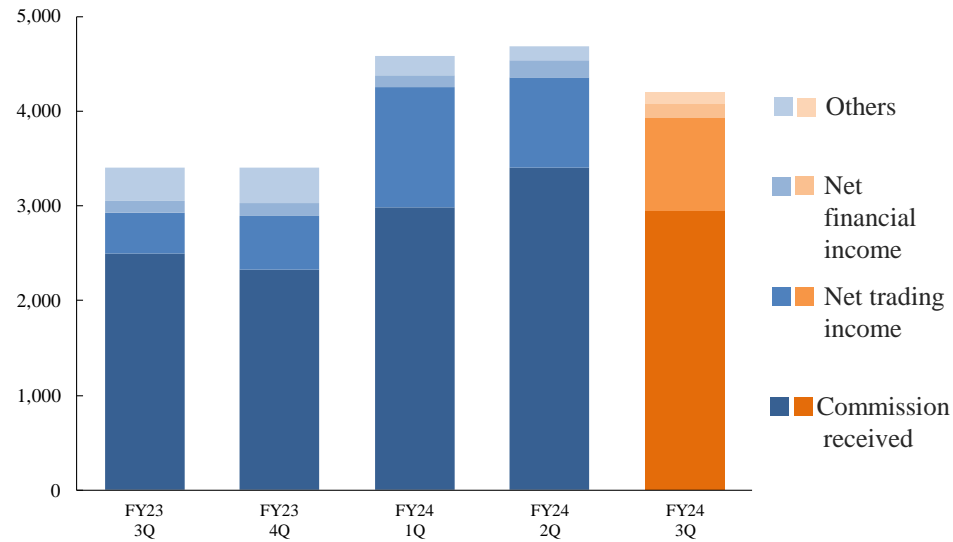
( million yen )

	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 3Q/FY23	Change vs 2Q/FY24	FY23 9M	FY24 9M	Change vs 9M/FY23
Operating revenue	3,401	3,404	4,588	4,688	4,195	23.3%	△10.5%	9,347	13,473	44.1%
Commission received	2,492	2,326	2,983	3,409	2,954	18.5%	△13.4%	6,644	9,347	40.7%
Brokerage	1,226	1,240	1,680	1,685	1,423	16.1%	△15.5%	3,368	4,789	42.2%
Underwriting	2	5	4	1	2	8.5%	28.3%	35	8	△75.4%
Distribution	672	443	507	740	672	△0.1%	△9.3%	1,452	1,920	32.2%
Others	590	637	790	981	855	44.9%	△12.8%	1,789	2,628	46.9%
Net trading income	441	570	1,267	948	969	119.3%	2.2%	1,747	3,185	82.2%
Equities	319	433	1,088	778	828	159.3%	6.4%	1,213	2,695	122.2%
Bonds	8	41	78	33	54	566.9%	64.6%	78	166	110.8%
Forex	114	95	100	136	85	△24.9%	△37.3%	455	323	△29.0%
Financial income	114	137	127	181	145	26.9%	△19.8%	325	454	39.8%
Others	352	369	209	149	126	△64.0%	△14.9%	629	485	△22.8%



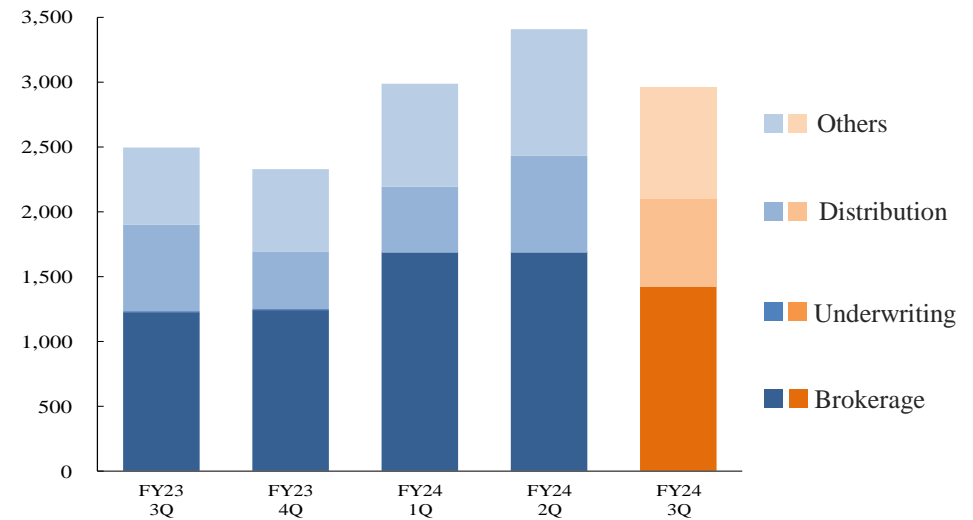
## Operating revenue

(million yen)



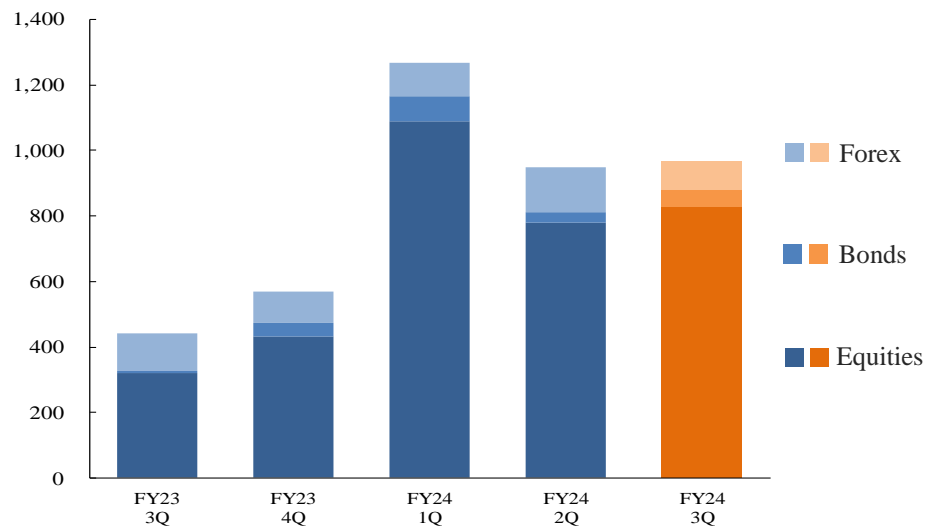
## Commissions received

(million yen)



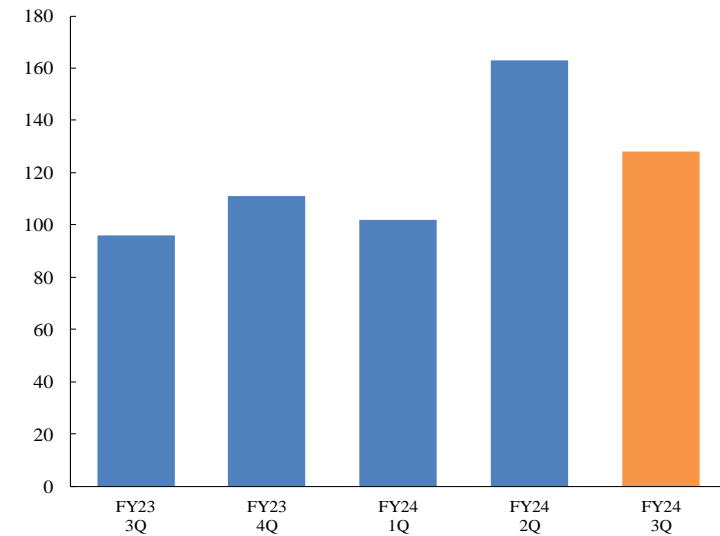
## Net trading income

(million yen)



## Net financial income

(million yen)



## ► Highlights

Group is working to increase the balance of recurring income products to promote the medium to long-term asset building business.

Asset management fees increased by 8.3% due to increase in balance of mutual funds.

Wraps revenue declined by 23.8% due to decrease in success fees. (All comparison are with 2Q of FY 24)

## ► Operating revenue-breakdown

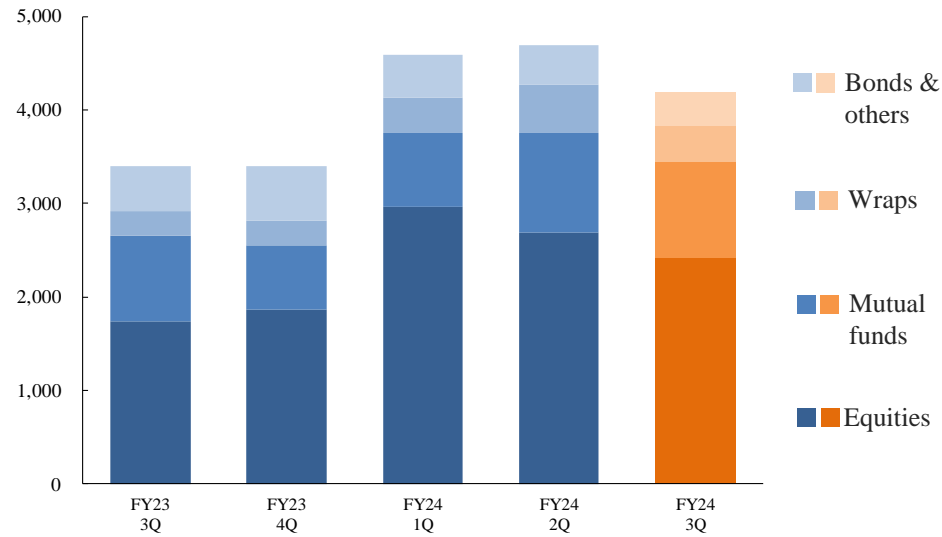
( million yen )

	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 3Q/FY23	Change vs 2Q/FY24	FY23 9M	FY24 9M	Change vs 9M/FY23
<b>Operating revenue</b>	3,401	3,404	4,588	4,688	4,195	23.3%	△10.5%	9,347	13,473	44.1%
<b>Equities</b>	1,742	1,859	2,960	2,687	2,428	39.4%	△9.6%	5,271	8,076	53.2%
Brokerage	1,226	1,240	1,680	1,685	1,423	16.1%	△15.5%	3,368	4,789	42.2%
Net trading & financial income	515	619	1,280	1,002	1,004	95.0%	0.2%	1,903	3,287	72.7%
<b>Mutual funds</b>	913	692	787	1,063	1,015	11.2%	△4.4%	2,168	2,866	32.2%
Sales commission	672	443	507	740	666	△0.8%	△10.0%	1,452	1,915	31.9%
Asset management fees	240	248	279	322	348	44.8%	8.3%	716	950	32.8%
<b>Wraps</b>	267	261	379	512	390	46.0%	△23.8%	820	1,282	56.4%
Fixed fee/Asset management fees	265	250	260	280	273	2.9%	△2.7%	810	813	0.4%
Success fees	2	10	118	231	117	-	△49.3%	9	468	-
<b>Bonds</b>	9	43	80	35	56	476.7%	58.9%	82	172	108.0%
<b>Real estate</b>	75	95	109	108	107	42.2%	△0.9%	224	325	45.2%
<b>Operational investment securities</b>	276	274	99	39	18	△93.3%	△53.3%	403	158	△60.7%
<b>Others</b>	116	177	172	241	177	52.9%	△26.3%	376	591	56.9%



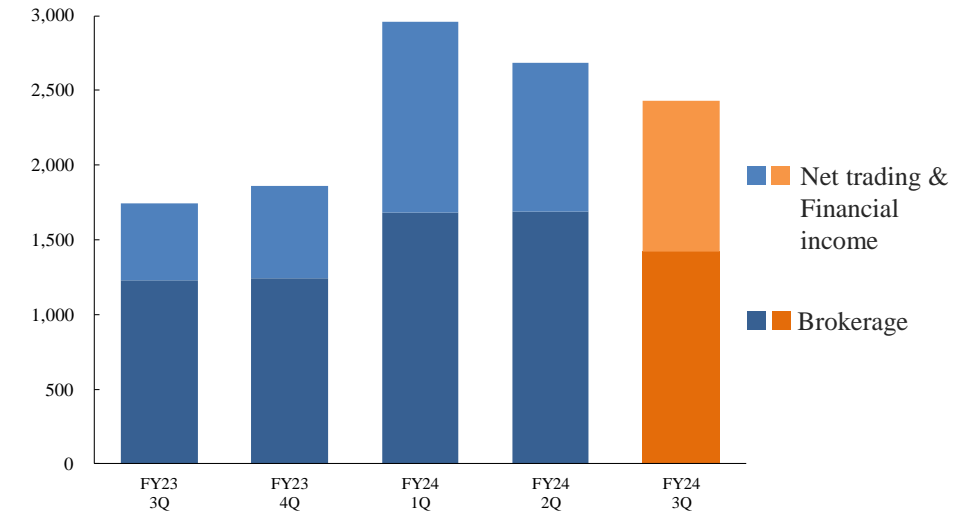
## Operating revenue

(million yen)



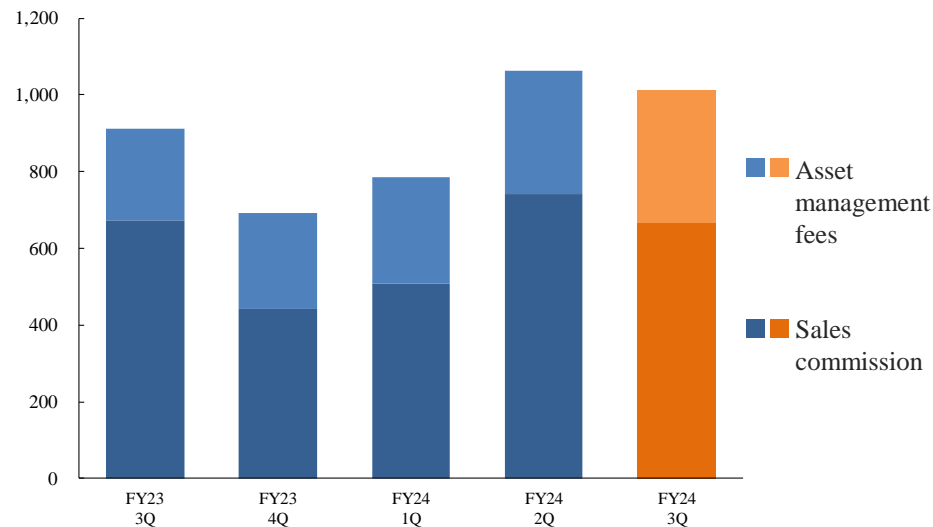
## Equities

(million yen)



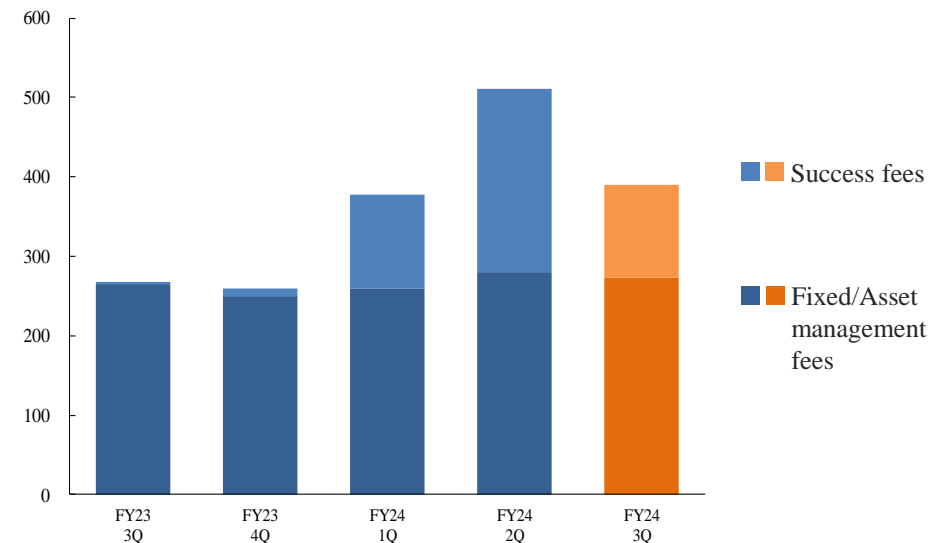
## Mutual funds

(million yen)



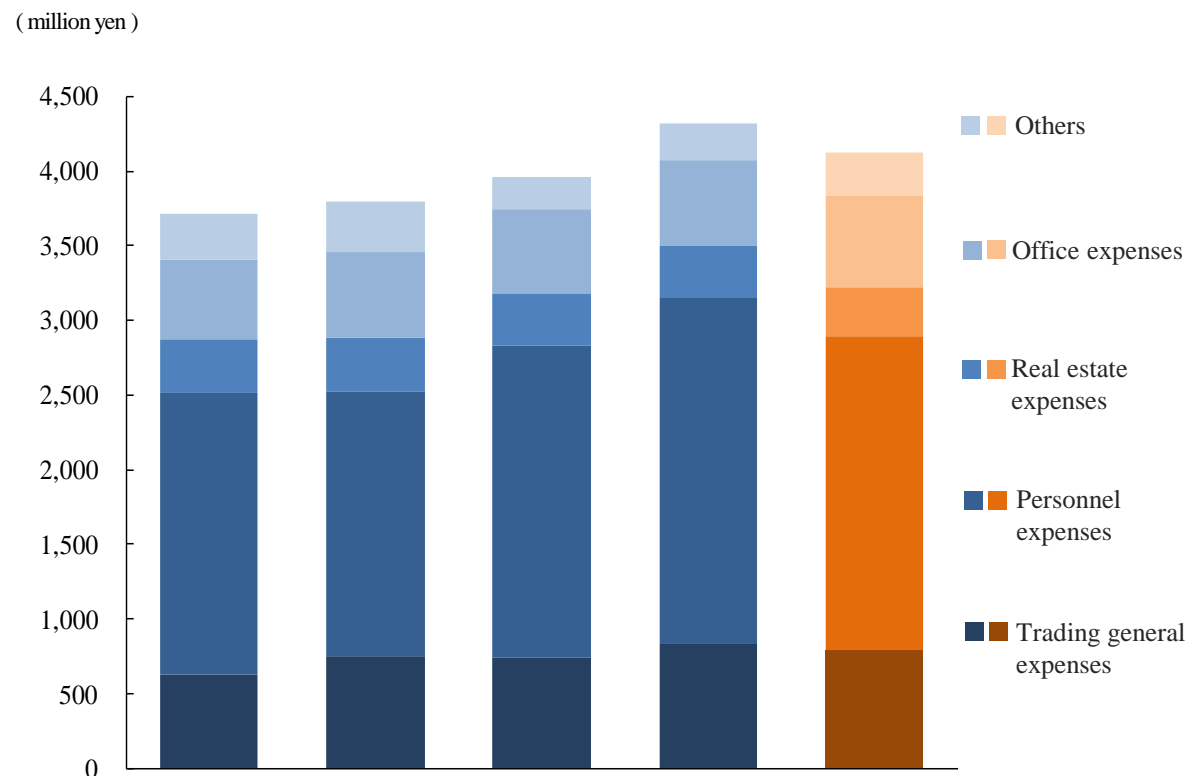
## Wraps

(million yen)



## Selling, general & administrative expenses

## Highlights



For the 3Q, FY24 (change vs. 2Q, FY24)

- Selling, general and administrative expenses declined by 4.5% to 4,123 million yen

	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 3Q/FY23	Change vs 2Q/FY24	FY23 9M	FY24 9M	Change vs 9M/FY23
<b>Selling, general and administrative expenses</b>	3,716	3,795	3,958	4,317	4,123	10.9%	△4.5%	11,195	12,399	10.8%
Trading related expenses	625	749	736	834	793	26.8%	△4.9%	1,850	2,364	27.8%
Personal expenses	1,884	1,776	2,094	2,318	2,097	11.3%	△9.5%	5,773	6,511	12.8%
Real estate expenses	359	353	350	344	333	△7.3%	△3.4%	1,124	1,028	△8.6%
Office expenses	539	576	569	571	618	14.6%	8.2%	1,554	1,759	13.2%
Others	307	339	207	248	281	△8.6%	13.0%	892	737	△17.4%
↳ (Depreciation)	86	93	48	49	53	△38.2%	6.7%	268	152	△43.3%

### Highlights

Non-operating profit increased by 265.5% to 258 million yen. Non-operating income increased by 227.0% to 274 million yen led by dividend income.

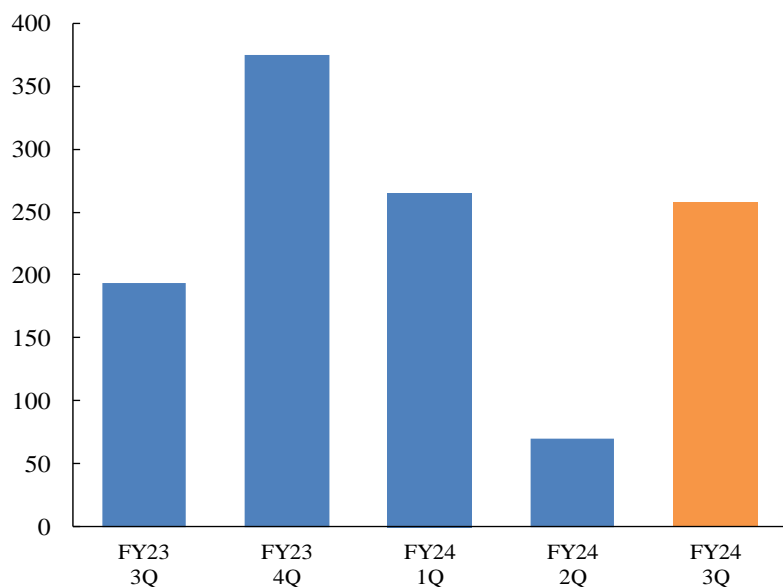
Non-operating expenses increased by 18.6% to 15 million yen.

Extraordinary profit increased by 2.3% to 203 million yen led by gain from sales of investment securities. Extraordinary profit were 189 million yen.

(All % are in comparison with 2Q of FY 24)

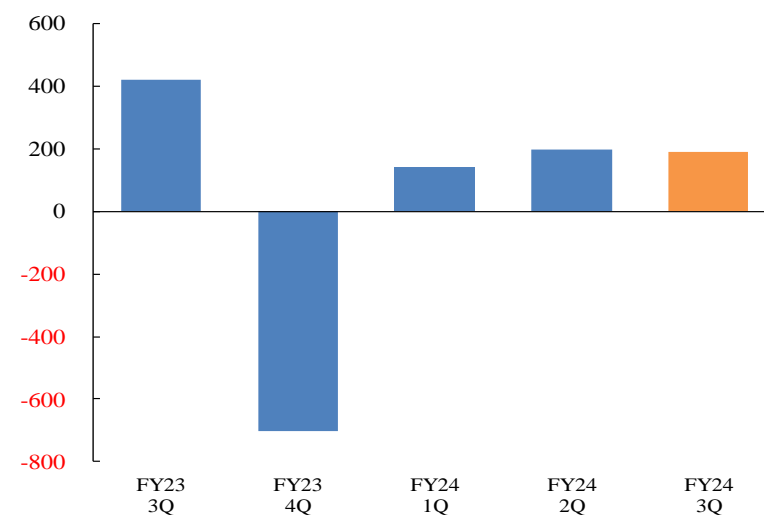
### Non-operating profit (loss)

(million yen)



### Extraordinary profit (loss)

(million yen)



	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 3Q/FY23	Change vs 2Q/FY24	FY23 9M	FY24 9M	Change vs 9M/FY23
<b>Non-operating profit (loss)</b>	193	375	265	70	258	33.5%	265.5%	496	595	20.0%
Non-operating income	199	433	279	83	274	37.4%	227.0%	527	637	20.9%
Non-operating expenses	5	58	13	13	15	170.9%	18.6%	31	42	35.4%
<b>Extraordinary profit (loss)</b>	422	△ 701	140	197	189	△55.1%	△4.0%	705	528	△25.1%
Extraordinary income	156	257	156	198	203	29.7%	2.3%	742	558	△24.8%
Extraordinary losses	△ 265	959	15	1	13	-	977.0%	36	30	△17.9%



Company completed buyback of 400,000 treasury shares (1.1% of outstanding shares excluding the treasury shares) in between the period of September 19, 2023 and January 18, 2024.

## ▶ Balance sheet

(million yen)

	FY22	As of December 31, 2022	FY23	As of December 31, 2023
<b>Assets</b>				
Current Assets	69,488	70,818	63,533	78,905
Cash and deposit	19,126	21,073	14,142	22,296
Cash segregated as deposits	23,419	19,745	20,908	24,380
Operational investment securities	8,601	10,487	10,521	11,501
Trading products	361	181	207	217
Trade date actual	776	1,463	615	1,850
Margin transaction assets	15,810	15,897	15,692	16,394
Loans on margin transactions	15,528	15,730	15,314	16,107
Advances paid	176	79	56	944
Other current assets	1,215	1,890	1,389	1,319
Non-current assets	35,217	33,961	35,291	39,023
Property, plant and equipment	8,160	8,767	9,936	10,779
Intangible assets	241	146	100	25
Investments and other assets	26,815	25,046	25,253	28,219
Investments securities	24,791	22,796	23,439	25,287
Allowance for doubtful accounts	△ 3	△ 3	△ 3	△ 11
Deferred assets	17	12	10	5
Organization expenses	1	0	0	0
Start up expenses	16	11	9	5
<b>Total assets</b>	<b>104,723</b>	<b>104,792</b>	<b>98,835</b>	<b>117,934</b>

	FY22	As of December 31, 2022	FY23	As of December 31, 2023
<b>Liabilities</b>				
Current liabilities	38,440	40,416	34,365	50,016
Trading products	117	60	90	-
Margin transaction liabilities	1,791	1,287	1,516	3,300
Borrowings on margin transactions	1,115	722	726	2,633
Loans payable secured by securities	4,800	5,587	2,927	2,198
Deposits received	20,514	21,001	16,760	30,293
Deposits from customers	18,088	14,558	14,359	18,371
Other deposits	2,425	6,443	2,400	11,922
Guarantee deposits received	4,937	5,339	5,099	5,767
Short-term loans payable	3,795	5,945	6,445	6,445
Non-current liabilities	8,107	8,456	10,293	11,830
Long-term borrowings	3,036	3,550	5,588	6,433
Deferred tax liabilities	4,553	4,370	4,318	4,967
Reserves under special laws	146	146	146	146
Reserve for financial instruments transaction liabilities	146	146	146	146
<b>Total liabilities</b>	<b>46,693</b>	<b>49,018</b>	<b>44,804</b>	<b>61,994</b>
<b>Net assets</b>				
Total shareholder's equity	48,254	45,524	44,162	43,892
Treasury shares	△ 4,790	△ 5,277	△ 5,471	△ 5,959
Accumulated other comprehensive income	7,457	7,045	6,834	8,913
Valuation difference on available-for-sale securities	7,391	6,588	6,579	8,054
Non-controlling interests	2,317	3,203	3,033	3,134
<b>Total net assets</b>	<b>58,029</b>	<b>55,773</b>	<b>54,030</b>	<b>55,940</b>
<b>Total liabilities and assets</b>	<b>104,723</b>	<b>104,792</b>	<b>98,835</b>	<b>117,934</b>



■ Our company’s “Management measures in awareness of cost of capital and stock price” are disclosed in the "Mid-term management plan" and "Financial results briefing materials for the fiscal year ended March 2023 for institutional investors" (Note)

(Note) Disclosure of “Report on Corporate Governance” (updated December 13, 2023) based on each principle of the Corporate Governance Code <principle 5-2>

■ We are working on the following key agendas, with a particular focus on three points: “Improved ROE,” “Reduced cost of capital,” and “Higher expected growth rates.”

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
3. Higher expected growth rates: Improve expected growth rate by strengthening reforms in the financial securities business and improving profitability of the group.

## ▶ Current Agendas

Accelerating transformation of financial instruments business (financial securities business)	<p>Considering more in-depth reorganization of business development and sales structure in order to accelerate the policy "from a brokerage business to an asset building business," set out in the mid-term management plan.</p> <ul style="list-style-type: none"> <li>• Policy determination in the first half of FY24, and consider the implementation of reorganization within FY24</li> </ul>
Strengthening of investment and asset management business	<p>Considering specific measures to improve the overall risk/return of investment business (AIZAWA Investments Co., Ltd.) and asset management business (AIZAWA ASSET MANAGEMENT Co., Ltd.)</p> <ul style="list-style-type: none"> <li>• Formulation of specific enhancement plans in the first half of FY24</li> </ul>
Strengthening platform business	<p>In order to further enhance the policy "expansion of platform business," set forth in the medium-term management plan, we have formulated a medium-term business plan that brushes up the business policy, investment policy, etc. of the IFA business.</p> <p>In addition, appointed a financial institution RM executive officer in October 2023, to strengthen cooperation with depository financial institutions.</p>
Others	<ul style="list-style-type: none"> <li>• Improvement and enhancement of the framework for capital allocation and return on capital management of business segments</li> <li>• Re-implementing business process reform measures at entire company level</li> <li>• Increase investment in human resource</li> </ul>

▶ We will make timely and appropriate disclosures when specific measures are decided and implemented.

## **2. AIZAWA SECURITIES CO.,LTD.**

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**Non-consolidated**





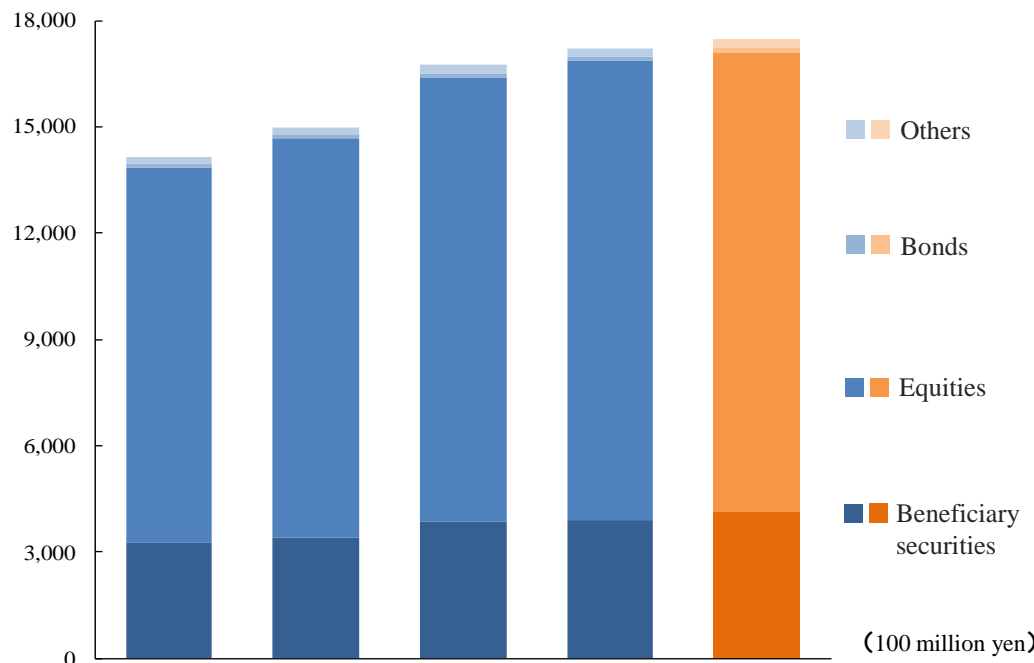
## Highlights

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 ( represents market value of wraps and mutual funds excluding the MRF & listed ETF) increased by 7.5% to 305.6 billion yen.

Assets under custody increased by 1.5% to 1.7477 trillion yen. (All % are in comparison with 2Q of FY 24)

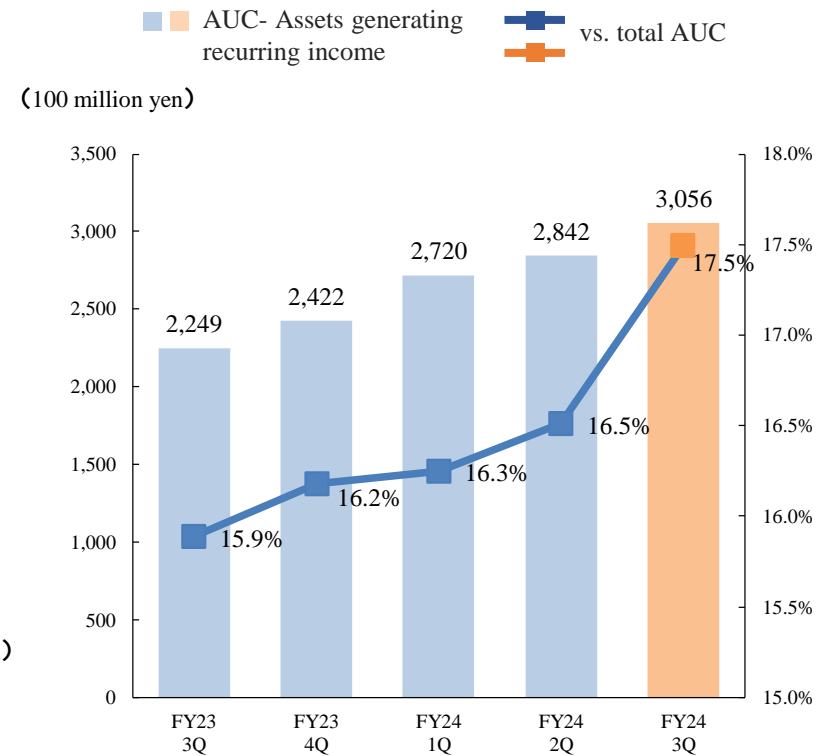
## Assets under custody (AUC)-Breakdown

(100 million yen)



	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 2Q/FY24
<b>Total AUC</b>	14,160	14,968	16,743	17,216	17,477	1.5%
Beneficiary securities	3,270	3,412	3,877	3,890	4,146	6.6%
└ Mutual funds	2,060	2,222	2,500	2,611	2,820	8.0%
Equities	10,592	11,257	12,487	12,967	12,952	Δ0.1%
Bonds	97	103	122	126	136	7.9%
Others	198	194	255	232	241	3.7%

## AUC-Assets generating recurring income



※ 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)

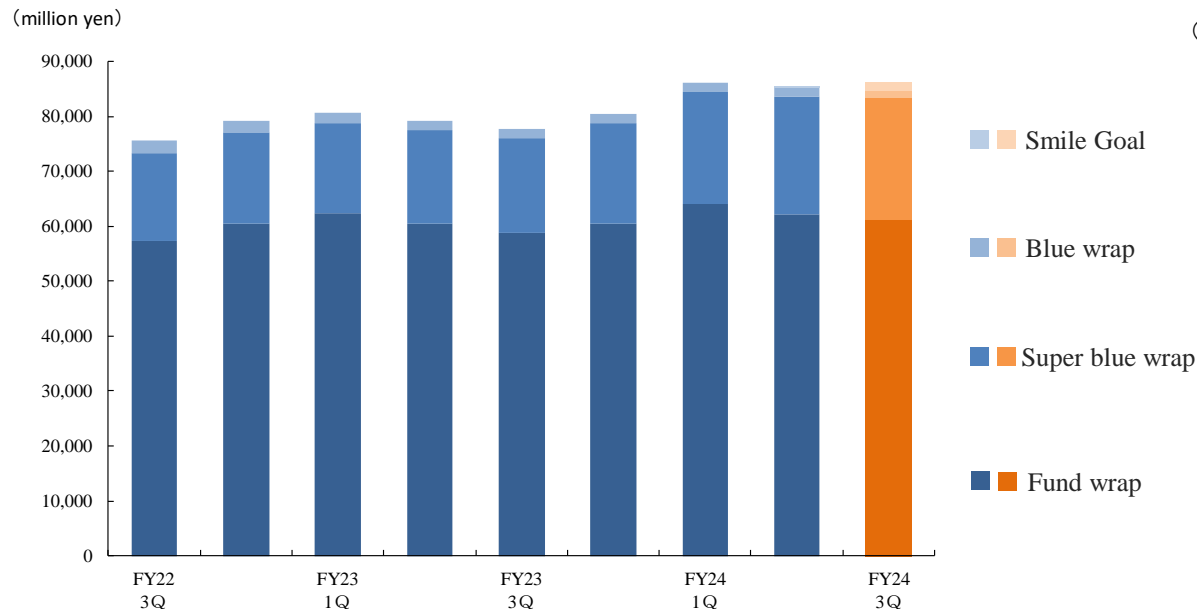
		FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 2Q/FY24
<b>Super blue wrap</b>	AUM (Market value)	17,377	18,369	20,367	21,487	22,094	2.8%
	Customers	1,030	1,009	990	1,023	1,103	7.8%
<b>Blue wrap</b>	AUM (Market value)	1,612	1,613	1,715	1,634	1,461	△10.6%
	Customers	196	186	178	169	158	△6.5%
<b>Fund wrap</b>	AUM (Market value)	58,712	60,457	64,075	62,223	61,199	△1.6%
	Customers	7,148	7,101	6,949	6,855	6,652	△3.0%
<b>Smile Goal</b>	AUM (Market value)				141	1,313	829.6%
	Customers				46	192	317.4%

## ▶ Highlights

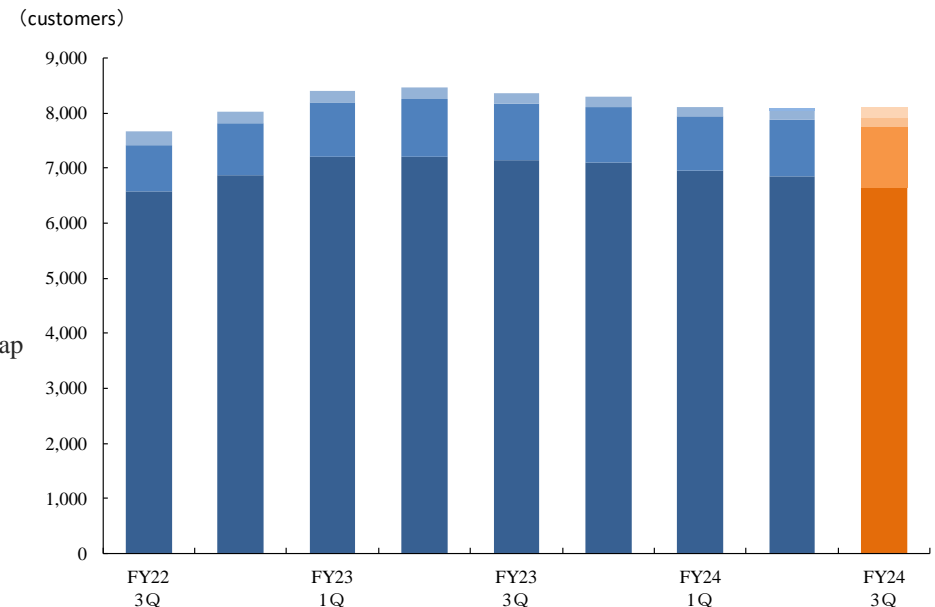
As a strategic shift to the asset building business, group is focusing on offering discretionary investment management services (wrap). At the end of third quarter, total AUM and number of customers for same were 86 billion yen and 8,105 customers, respectively.

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



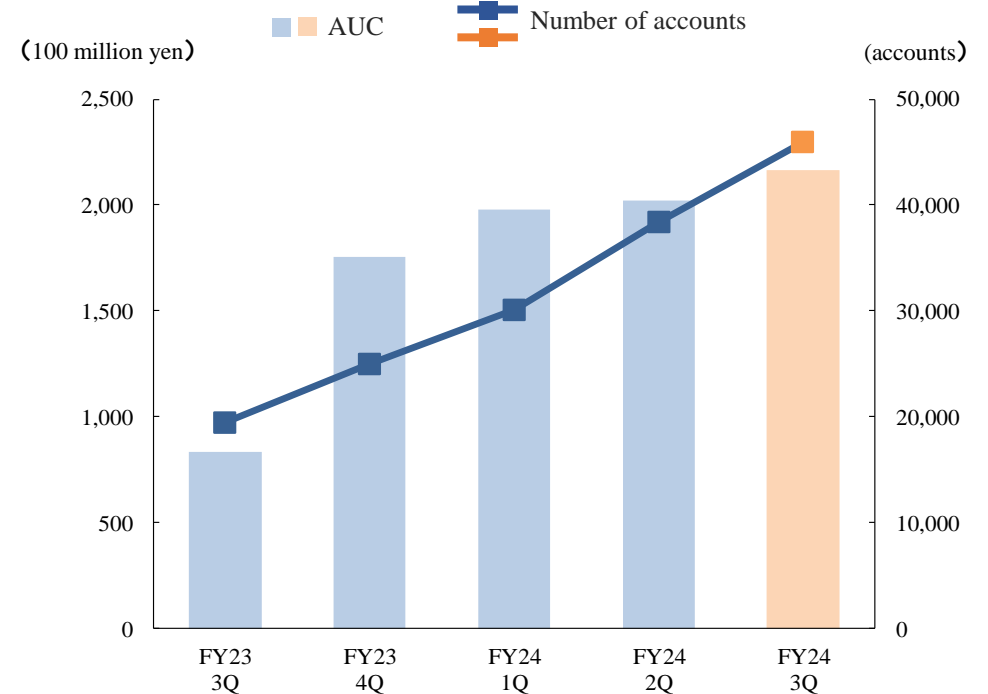
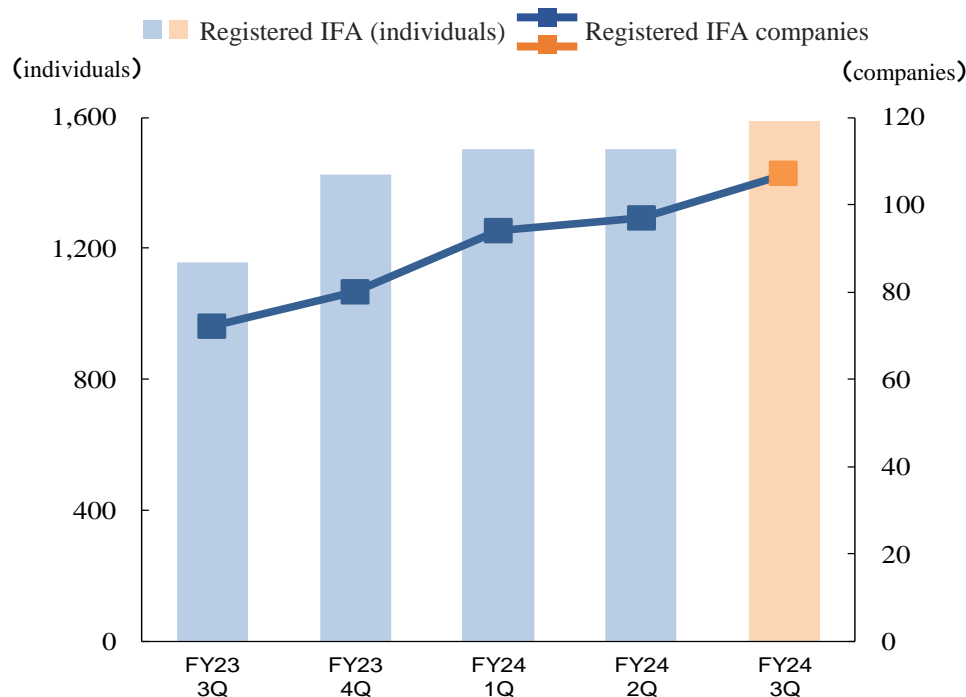


▶ Independent financial advisory (IFA) Business Update

	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 2Q/FY24
Registered IFA companies	72	80	94	97	107	10.3%
Registered IFA (Individuals)	1,158	1,424	1,501	1,503	1,590	5.8%
AUC (100 million yen)	833	1,752	1,979	2,020	2,164	7.1%
└ Financial institution affiliated	192	200	244	274	332	21.2%
└ IFA	641	1,551	1,734	1,746	1,831	4.9%
└ LIFE DESIGN PARTNERS	72	937	1,025	1,020	1,023	0.3%
Number of accounts	19,507	24,999	30,062	38,360	45,933	19.7%
└ Financial institution affiliated	7,600	7,983	11,744	18,420	24,360	32.2%
└ IFA	11,907	17,016	18,318	19,940	21,573	8.2%
└ LIFE DESIGN PARTNERS	880	5,069	5,175	5,387	5,582	3.6%

▶ Highlights

Group is making efforts to expand the platform business in line with its mid-term management plan. In 4Q FY23, "LIFE DESIGN PARTNERS CO., LTD.", saw increase in number of individual IFA's and asset under custody due to transfer of individual IFA's from "AIZAWA SECURITIES CO., LTD." Number of accounts through affiliation with financial institutions (THE SAIKYO BANK, LTD. etc.) increased by 32.2%. (vs. 2Q, FY 24)



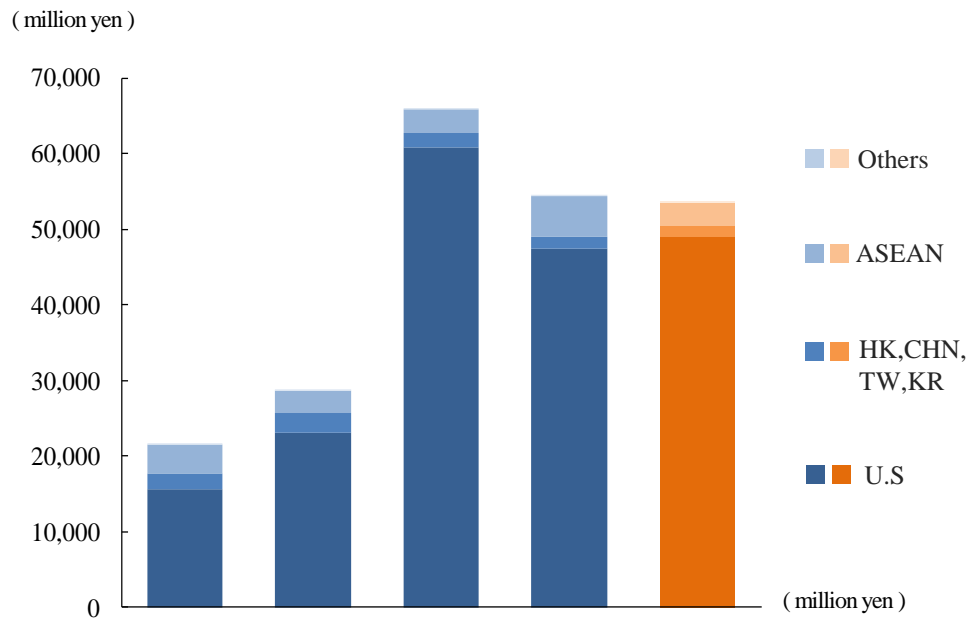


### Highlights

Trading value for U.S equities increased by 3.3%. Aggregate trading value for Hong Kong, China, Taiwan and Korea equities declined by 20.6%. Trading value for ASEAN market equities declined by 40.7%.

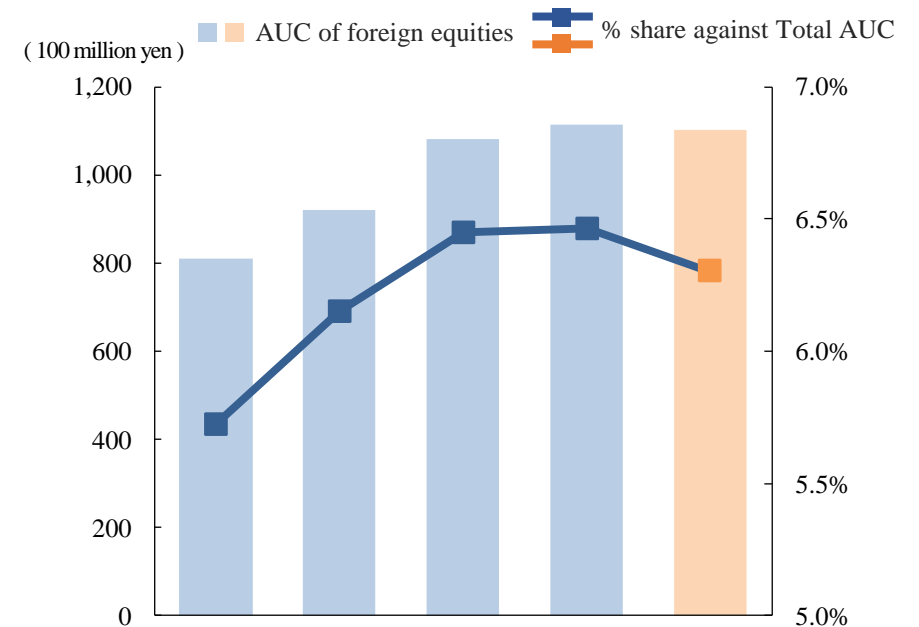
For details, please refer to next page. (All % are in comparison with 2Q of FY 24)

### Foreign stocks : Trade value



	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 2Q/FY24
<b>Total of trade value</b>	21,560	28,647	65,844	54,354	53,452	Δ1.7%
U.S.	15,683	23,019	60,849	47,477	49,044	3.3%
HK, CHN, TW, KR	2,029	2,727	1,875	1,572	1,249	Δ20.6%
ASEAN	3,823	2,869	3,097	5,301	3,143	Δ40.7%
Others	23	31	22	2	15	446.8%

### Assets under Custody

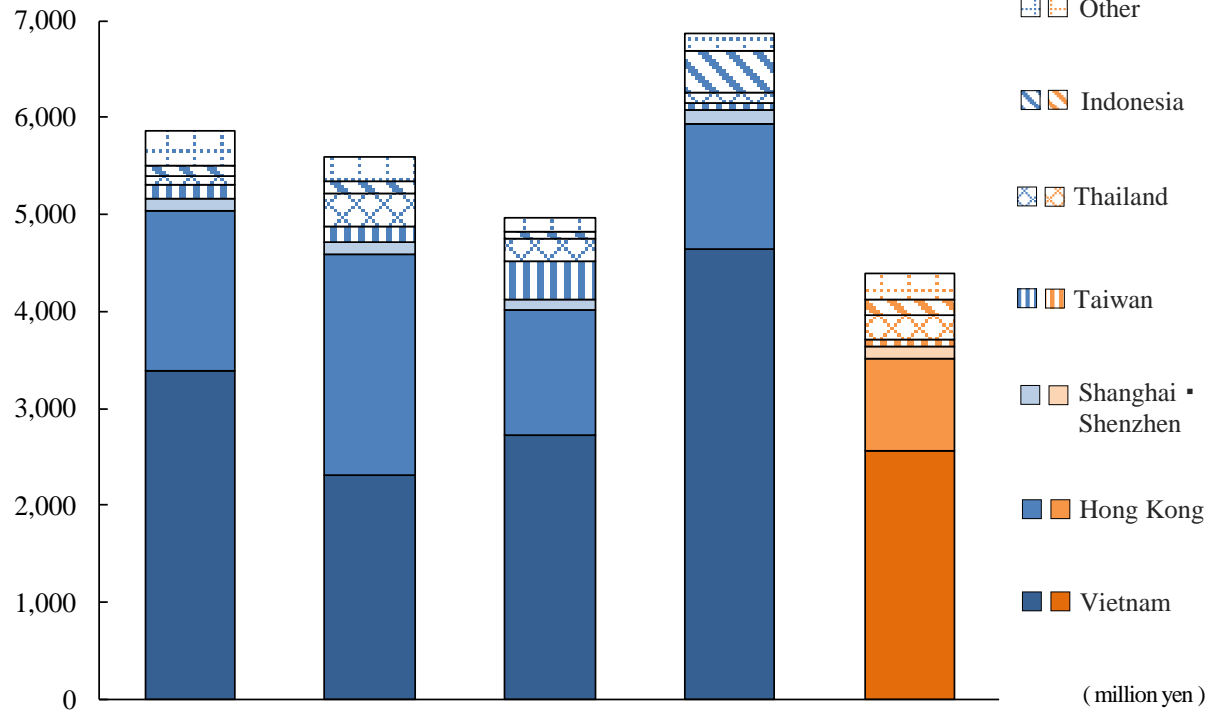


	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 2Q/FY24
AUC of foreign equities	810	920	1,080	1,113	1,101	Δ1.1%
% share against Total AUC	5.7%	6.2%	6.5%	6.5%	6.3%	-



## ▶ Trading value-Asia Stocks

(million yen)



## ▶ Highlights

### ➤ Vietnam

Trading value for Vietnam stocks declined by 44.8% (change vs. 2Q, FY24), while maintaining 58.3% (67.4% in 2Q, FY24) share among our handling of Asian equities

### ➤ Hong Kong

Trading value for Hong Kong stocks declined by 26.7% (change vs. 2Q, FY24), while maintaining 21.7% (18.9% in 2Q, FY24) share among our handling of Asian equities

### ➤ Thailand

Trading value for Thailand stocks increased by 138.9% (change vs. 2Q, FY24), while maintaining 5.4% (1.4% in 2Q, FY24) share among our handling of Asian equities

	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 2Q/FY24
<b>Total of trading value</b>	5,861	5,600	4,977	6,876	4,393	△36.1%
Vietnam	3,387	2,314	2,719	4,637	2,560	△44.8%
Hong Kong	1,653	2,276	1,302	1,299	952	△26.7%
Shanghai, Shenzhen	114	124	108	141	120	△14.8%
Taiwan	156	170	396	74	86	16.5%
Thailand	85	327	232	99	237	138.9%
Indonesia	114	139	71	432	165	△61.8%
Others	348	247	145	191	271	41.9%

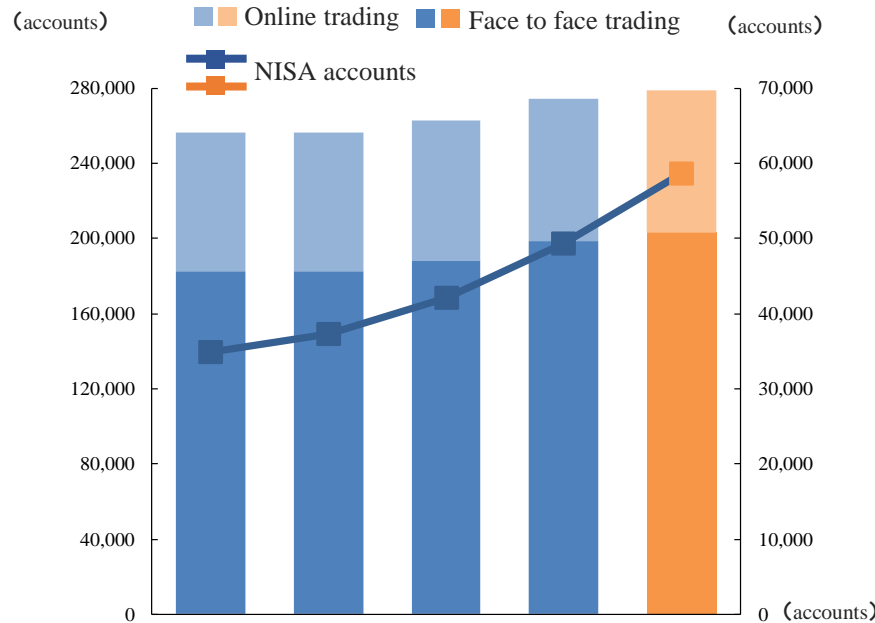


## ▶ Highlights

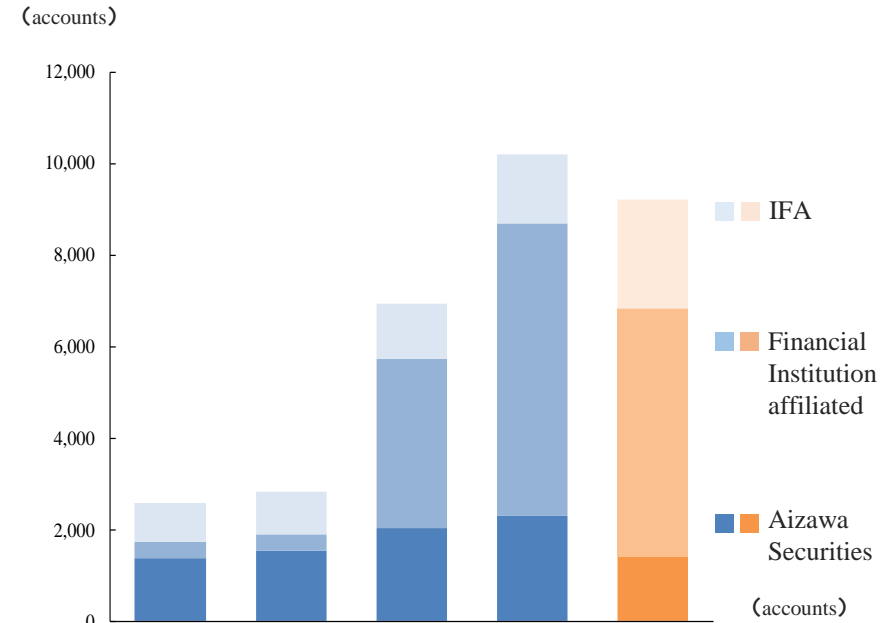
Total number of client accounts increased by 1.8% to 278,857 accounts.

New accounts opening declined by 9.8% to 9,198 accounts. Expansion of platform business is led by IFA business and affiliation with financial institutions like THE SAIKYO BANK, LTD. (All % are in comparison with 2Q of FY 24)

## ▶ Total number of accounts



## ▶ Number of new accounts



	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 2Q/FY24
Total number of accounts	256,032	256,519	262,705	274,017	278,857	1.8%
└ Face to face trading	182,270	182,618	188,253	198,478	202,858	2.2%
└ Online trading	73,762	73,901	74,452	75,539	75,999	0.6%
NISA accounts	34,875	37,248	42,023	49,382	58,570	18.6%

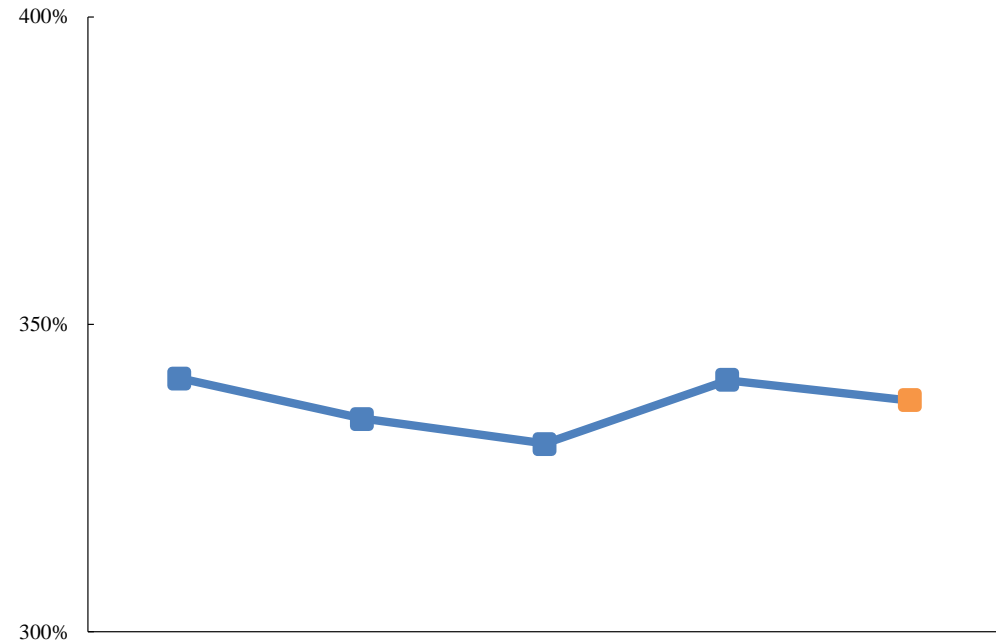
	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q	Change vs 2Q/FY24
Number of new accounts	2,590	2,841	6,942	10,194	9,198	△9.8%
└ Aizawa Securities	1,387	1,534	2,036	2,303	1,399	△39.3%
└ Financial institution affiliated	343	373	3,688	6,374	5,424	△14.9%
└ IFA	860	934	1,218	1,517	2,375	56.6%



▶ Capital adequacy ratio  
( as of December end, 2023)

# 337.6%

▶ Capital adequacy ratio



( million yen )

	FY23 3Q	FY23 4Q	FY24 1Q	FY24 2Q	FY24 3Q
Capital adequacy ratio(C/G×100)(%)	341.2%	334.6%	330.5%	340.9%	337.6%
Non fixed equity capital(C)	13,384	12,913	13,325	13,694	13,817
Total risk equivalent(G)	3,922	3,858	4,031	4,017	4,091
Market risk equivalent	126	138	197	180	129
Counterparty risk equivalent	597	533	643	618	671
Basic risk equivalent	3,198	3,186	3,190	3,218	3,290

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

■ April 28, 2023 Disclosure based on TCFD/ Publication of our approach and efforts concerning sustainability

■ **Buyback of treasury shares**

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

Term for buyback	February 1, 2023 to June 19, 2023	Term for buyback	September 19, 2023 to January 18, 2024
Share type	Common shares	Share type	Common shares
Number of buyback shares	400,000 shares (Within 1.1% of outstanding shares excluding the treasury shares)	Number of buyback shares	Maximum of 400,000 shares (Within 1.1% of outstanding shares excluding the treasury shares)
Value of shares	288,363,800 yen	Value of shares	459,229,700 yen

 **AIZAWA SECURITIES CO., LTD.**

- April 11, 2023 Alliance agreement with Aomori Yamada High School
- April 28, 2023 Absorption-type Company split agreement with THE SAIKYO BANK, LTD.
- May 8, 2023 Opened a joint banking securities “Iwakuni Branch” with THE SAIKYO BANK, LTD.
- June 12, 2023 Commencement of Type II Financial Instrument Business
- July 3, 2023 Alliance agreement with Gotemba Nishi High School
- August 1, 2023 Started handling of “Smile Goal”, wrap product with client's goal base approach
- September 4, 2023 Opened “[New] Shizuoka Branch” by merging “Shizuoka Branch” and “Shimada Branch”
- September 5, 2023 Alliance agreement with Oyama town, Shizuoka prefecture



 AIZAWA SECURITIES CO., LTD.  LIFE DESIGN PARTNERS CO., LTD.

■ June 9, 2023 Commencement of collaboration with Aioi Nissay Dowa Insurance Co., Ltd. & Mitsui Sumitomo Aioi Life Insurance Co., Ltd.

 AIZAWA SECURITIES CO., LTD.

■ October 27, 2023 Client referral agreement with “Insurance Sound Promotion Organization Kesshin-kai”.

Kesshin-Kai’s motive is to improve the market value of insurance agents promoting the soundness of insurance business. Kesshin-Kai is a cross-industry network of nationwide insurance agents, insurance companies, industry support companies, and other related companies that support the will of such insurance agents to promote the soundness of the insurance business. Upon the referral, the company will conduct sales of its wide range of financial products, including domestic and foreign stocks, bonds, and mutual funds, to the clients of Kesshin-kai who are interested in asset building.

Name	Insurance Sound Promotion Organization “Kesshin-kai”
Location	Room # 101, 3-5-25 Shibaura, Minato-ward, Tokyo
Representative name	Naoaki Ueno (chairman)
# of members	122 companies (as of October 26, 2023)
Services	Promoting the soundness of insurance business through regular meetings and seminars

■ November 1, 2023 Membership Japan Financial Gerontology Institute

The Association was established to benefit the society by disseminating knowledge and information on “Financial Gerontology” to the financial industry in order to address the social issue of life longevity.

Name	Japan Financial Gerontology Institute
Date of establishment	April 1, 2019
Location	2-14-5, Mita, Minato-ward, Tokyo
Chairman	Masahiko Shimizu (Emeritus professor of Keio university)
Services	<ul style="list-style-type: none"> <li>▪ Raise awareness and disseminate knowledge on financial gerontology</li> <li>▪ Publication of books and sharing information on financial gerontology</li> <li>▪ Sharing information on financial gerontology with companies, organizations</li> <li>▪ Providing certifications in financial gerontology</li> </ul>

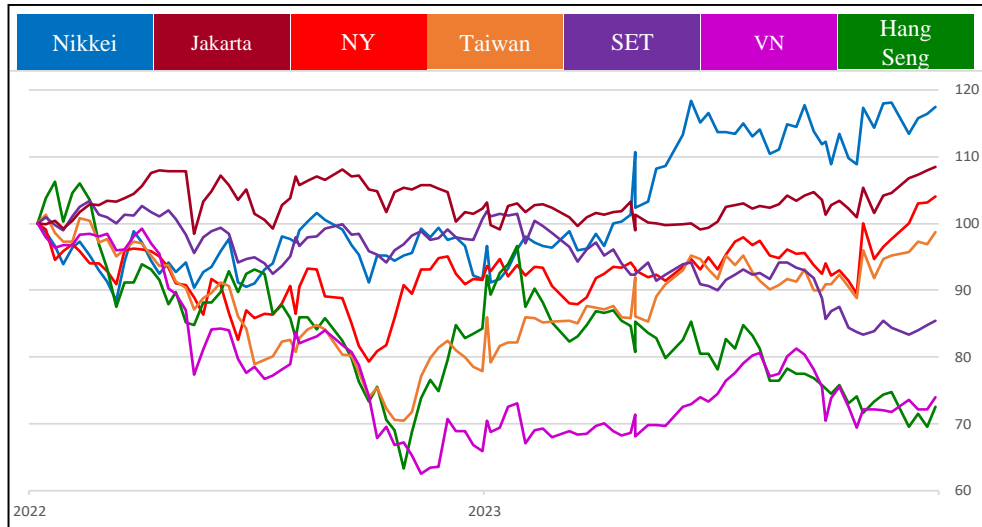
# Reference data

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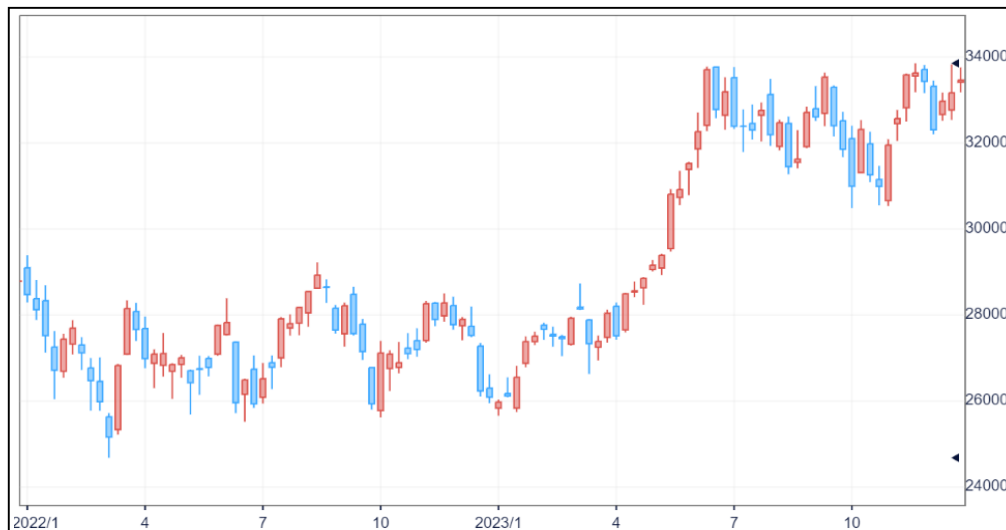
( 1/1/2022 ~ 31/12/2023, Weekly )

## ▶ Assumed 100 as a base on January 1, 2022

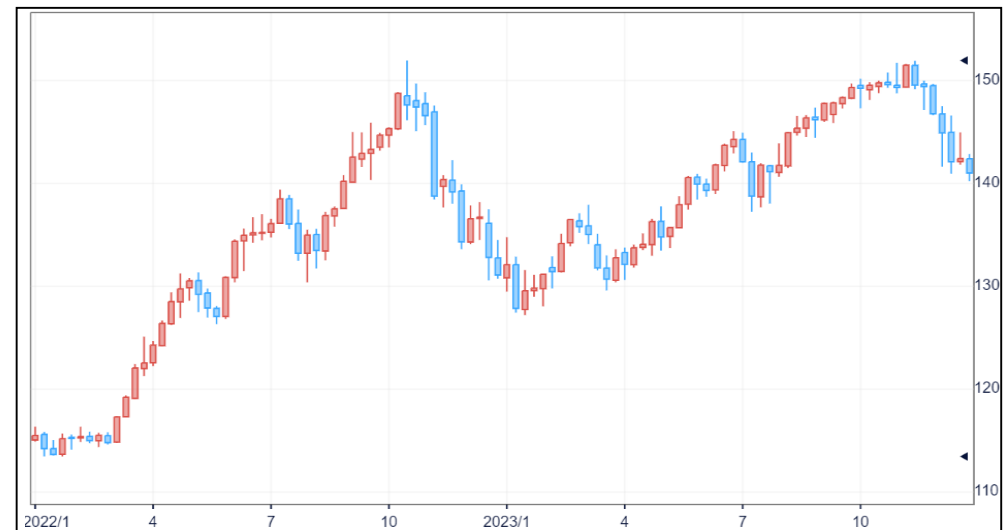


Despite the remaining uncertainties, higher stock prices in developed countries toward the end of the year showed a clearer global stock markets trend. In Japan, stock market was volatile as Nikkei 225 average index dropped below 31,000 level in October and touched 33,800 in the months of November and December. The penetration of NISA and the launch of the new NISA in January 2024 have expanded the investors base and supported the stock market. The U.S. stock market was volatile in line with changes in the outlook for long-term U.S. interest rates. In Southeast Asia, currency depreciation and inflationary pressures eased and stock markets of countries like Indonesia and Philippines which are dependent on domestic demand, remained strong. In Vietnam, although the stock markets slumped in October led by depreciation of its currency and liquidity absorption by the authorities from financial markets, since then it has been on a recovery path with improved economic indicators such as exports and industrial production.

## ▶ Nikkei 225



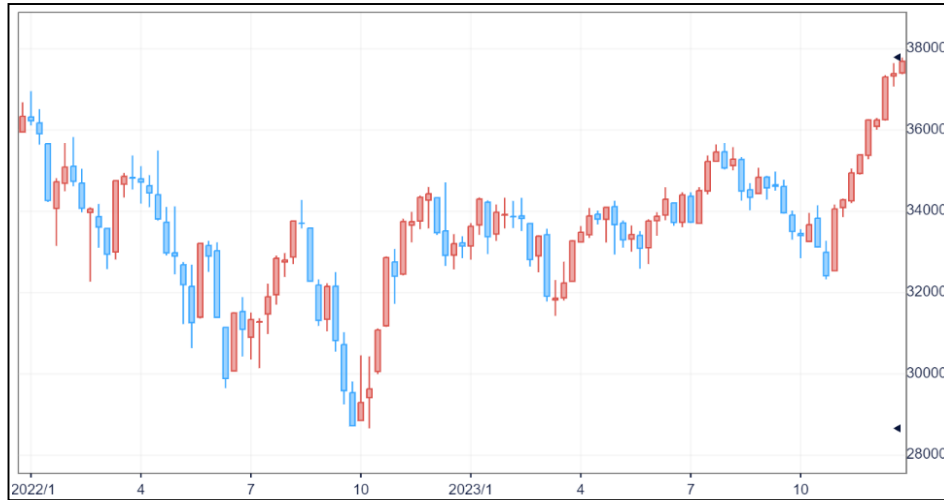
## ▶ USD/JPY



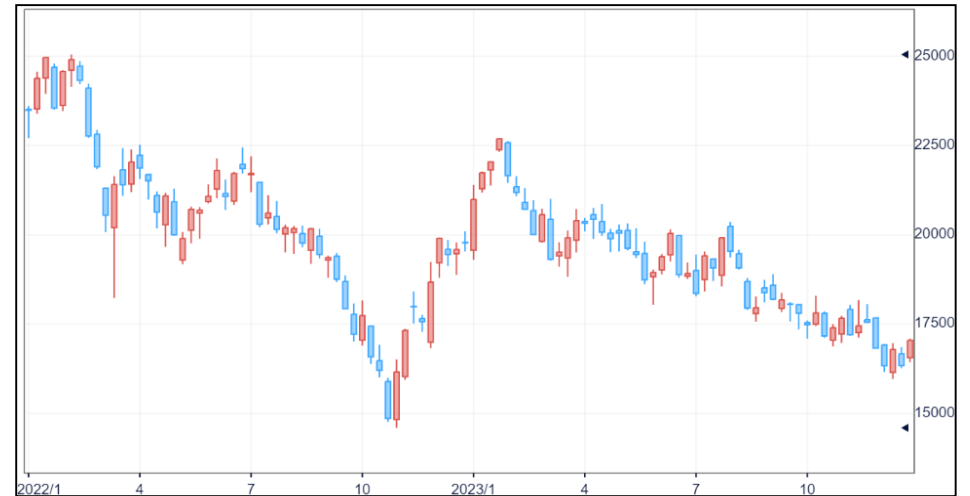


( 1/1/2022 ~ 31/12/2023, Weekly )

### ▶ Dow Jones Industrial Average Index



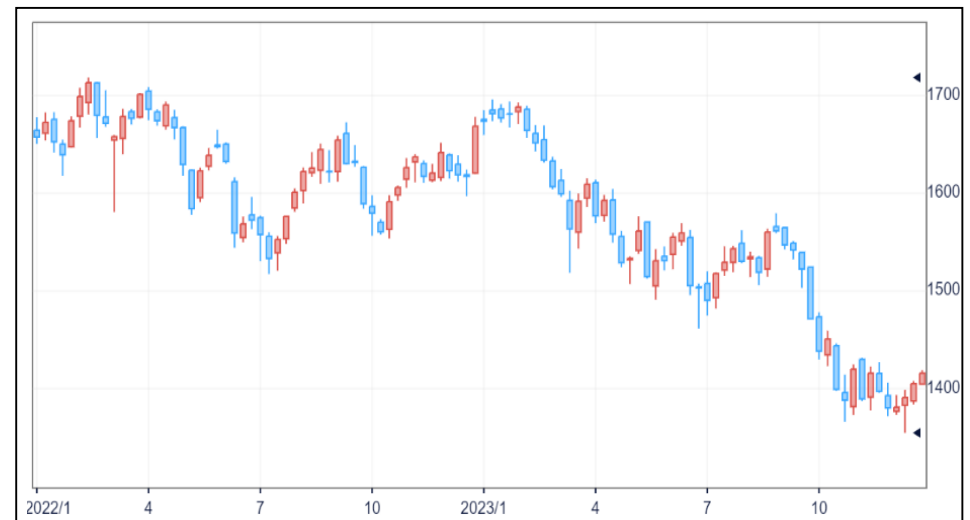
### ▶ Hang Seng Index



### ▶ Vietnam VN Index



### ▶ Thailand SET 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 third quarter of the fiscal year ending in March 2024, based upon the information as of 31 December 2023.

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.

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