

Annual Securities Report for the 109th Fiscal Year (From April 1, 2024 to March 31, 2025)

Matsui Securities Co., Ltd.

1-4, Kojimachi, Chiyoda-ku, Tokyo

Representative: WARITA Akira, President & CEO

Original Japanese Report was filed with the Director of the Kanto Local Finance Bureau on June 23, 2025 pursuant to Article 24, Paragraph 1 of the Financial Instrument and Exchange Act.

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Notice to Readers 3: The original Annual Securities Report is attached with an audit report by PricewaterhouseCoopers Japan LLC for the financial statements for the fiscal year ended March 31, 2025.

Part 1. Company Information

1. Key Financial Data

1) Summary of Business Results

Fiscal year	105 th	106 th	107 th	108 th	109 th
End of fiscal year	March 2021	March 2022	March 2023	March 2024	March 2025
Operating revenue (millions of yen)	30,082	30,388	29,605	36,801	39,204
Net operating revenue (millions of yen)	28,672	29,439	28,415	35,245	37,135
Ordinary profit (millions of yen)	12,919	12,791	11,253	15,054	15,292
Profit (millions of yen)	10,283	11,439	7,823	9,790	10,501
Equity in earnings of affiliates if equity method is applied (millions of yen)	-	-	-	-	-
Share capital (millions of yen)	11,945	11,945	11,945	11,945	11,945
Total number of issued shares (shares)	259,264,702	259,264,702	259,264,702	259,264,702	259,264,702
Net assets (millions of yen)	79,213	78,719	76,353	76,326	76,600
Total assets (millions of yen)	961,791	879,394	976,026	1,172,667	1,121,828
Net assets per share (yen)	307.23	305.27	295.93	295.59	296.48
Dividend paid per share [Interim dividend paid per share] (yen)	40.00 [20.00]	40.00 [20.00]	40.00 [20.00]	40.00 [20.00]	40.00 [22.00]
Basic earnings per share (yen)	40.02	44.50	30.42	38.06	40.80
Diluted earnings per share (yen)	39.96	44.44	30.37	37.99	40.71
Equity-to-asset ratio (%)	8.2	8.9	7.8	6.5	6.8
Rate of return on equity (%)	12.9	14.5	10.1	12.9	13.8
Price-earnings ratio (times)	22.51	18.13	25.74	21.70	18.68
Payout ratio (%)	100.0	89.9	131.5	105.1	98.0
Net cash provided by (used in) operating activities (millions of yen)	(111,926)	50,821	(15,530)	(5,916)	(43,362)
Net cash provided by (used in) investing activities (millions of yen)	(1,607)	67	(4,276)	(8,883)	(4,373)
Net cash provided by (used in) financing activities (millions of yen)	117,986	(50,374)	41,921	8,621	53,202
Cash and cash equivalents (millions of yen)	59,798	60,312	82,427	76,249	81,716
Number of employees [Average number of temporary workers]	154 [195]	168 [201]	180 [205]	203 [224]	217 [241]
Total shareholder return [Comparison: Dividend-included TOPIX] (%)	118.7 [142.1]	111.9 [145.0]	113.9 [153.4]	124.3 [216.8]	121.3 [213.4]
Highest share price (yen)	986	947	844	877	855
Lowest share price (yen)	734	768	751	705	716

Note 1: Equity in earnings of affiliates if equity method is applied is not shown above because the Company does not have affiliates.

Note 2: 40.00 yen dividend paid per share for the 109th fiscal year includes year-end dividend of 18.00 yen which is to be resolved at the ordinary general meeting of shareholders scheduled to be held on June 29, 2025.

Note 3: The highest and lowest share prices are those quoted on the First Section of the Tokyo Stock Exchange before April 3, 2022, and on the Prime Market of the Tokyo Stock Exchange after April 4, 2022.

Note 4: “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020) etc. have been applied from the beginning of the fiscal year ended March 31, 2022. Key financial data, etc. for the fiscal year ended March 31, 2022 and following fiscal years are figures to which these accounting standards, etc. are applied.

Note 5: “Operating revenue” in the 108th fiscal year has been reclassified to reflect changes in presentation in the current fiscal year. For more details, please refer to “Part 5. Financial information 1) Financial Statements, etc. (Notes - Changes in presentation)”.

2) Company History

The Company's history starts from Matsui Fusakichi Shoten which was established at Nihombashi, Tokyo in May 1918. It was reorganized as a legal person, Matsui Shoten Co., Ltd. in March 1931 which evolves to the present Company.

Month and year	Event
May 1918	Matsui Fusakichi Shoten was established and became a general member of the Tokyo Stock Exchange.
March 1931	Matsui Shoten Co., Ltd. was incorporated.
December 1947	Trade name of the Company was changed to Matsui Securities Co., Ltd.
August 1948	The Company was registered as a securities firm.
April 1949	The Company became a regular member, which is now called a participant of general trading, of the reopened Tokyo Stock Exchange.
April 1996	The Company eliminated stock custodian fees.
February 1997	The Company reduced trading commissions for shares traded on the OTC market, cutting them by one-half.
May 1998	The Company started "Netstock", first full-fledged on-line brokerage service in Japan. The Company started first on-line margin trading service in Japan. The Company started on-line Nikkei average futures option (long position) services.
October 1999	The Company introduced new brokerage fee structure ("Box Rate") following the total deregulation of brokerage fee.
June 2000	Trade name of the Company was changed to Matsui Securities Co., Ltd. (The change is in the Chinese characters pronounced as the same.).
April 2001	The Company introduced an on-line foreign exchange margin trading service.
August 2001	The Company listed its shares on the first section of the Tokyo Stock Exchange (Securities Code: 8628).
December 2001	The Company won the 1 st Porter Prize promoted by the Graduate School of International Corporate Strategy, Hitotsubashi University.
July 2003	The Company started services for negotiable margin trading.
June 2004	The head office was relocated to and registered at 1-4, Kojimachi, Chiyoda-ku, Tokyo.
September 2006	The Company introduced real time trading tool "Netstock High Speed".
March 2009	The Company introduced real time information application "KABU touch" for smartphones.
January 2013	The Company introduced "Margin Trading Service for Day-trades" taking advantage of the newly relaxed rules for margin trading.
March 2014	The Company introduced "Premium Short-Selling Services" for "Margin Trading Service for Day-trades".
February 2015	The Company introduced "Futures Trading Service for Day-trades" limited to day-trades.
November 2016	The Company started investment trust business and offering the portfolio offering service "Toshin Kobo".
December 2019	The Company abolished commission for selling investment trusts. The Company broadened the scope of small-amount transactions available free of charge.
April 2020	The Company started "Toshin (Investment Trust) Monthly Cash Return Service" where a portion of trust fees of investment trusts are refunded in cash.
January 2021	The Company started "Short-term Margin Trading" service. The Company began a service of accepting on-line "cross-trading orders" which supports acquiring shareholders' benefits rights etc.
March 2021	The Company started investment information media "Money Satellite". The Company commenced providing a new smartphone application "Matsui Securities Stocks App".
June 2021	The Company transitioned to a company with an audit and supervisory committee.
February 2022	The Company launched U.S. equity services.
July 2022	The Company introduced "Market Lab," a new investment information tool.
December 2022	The Company renewed corporate brand and changed its corporate logo. Matsui Securities website was completely renewed.
April 2023	The Company introduced automated FX trading function.
October 2023	The Company launched "MATSUI Bank" service.

Month and year	Event
	The Company introduced “margin trading” for U.S. equity services.

3) Description of Business

The Company’s main business is stock brokerage services for individual investors and the Company provides an on-line securities trading service. Specifically, the Company provides brokerage services of stocks, futures and options, provides services for underwriting, offering and secondary distribution and solicitation for selling, sells investment trusts, and provides FX (foreign exchange margin trading) services. Since the Company is a provider of on-line securities trading service comprising a single segment, segment information is omitted.

4) Overview of Affiliated Company

Not applicable.

5) Information about Employees

(1) About the Company

(As of March 31, 2025)

Number of employees	Average age (years old)	Average length of service (years)	Average annual compensation (thousands of yen)
217 (241)	37.4	10.3	9,420

Note 1: Number of employees is the number of workers including employees dispatched from other companies to the Company. Number of employees includes 1 employee on leave of absence.

Note 2: Average annual compensation includes bonus and extra wages.

Note 3: Number of temporary workers is shown in parenthesis and not included in the number of employees. Number of temporary workers is average number of workers at work for the last 1 year.

Note 4: Information by segment is omitted since the Company is a provider of on-line securities trading service comprising a single segment.

(2) About employees’ union

Concerning the Company, Matsui Securities Co., Ltd. Employees’ Union is organized which consists of employees of the Company and whose head office is located at the head office of the Company. The total number of union members as of March 31, 2025 is 143.

Labor-management relations are good and there are no matters worthy of special mention like a dispute between labor and management.

(3) The ratio of female employees in managerial positions, and the ratio of male employees taking childcare leave.

Current fiscal year	
The ratio of female employees in managerial positions (%) (Note)	The ratio of male employees taking childcare leave (%) (Note)
14.9	100.0

Note: The ratio is calculated in accordance with the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64, 2015).

2. Business Overview

1) Management Policy, Business Environment, and Issues to be Addressed, etc.

Matters concerning the future within this section are matters which have been determined by the Company as of the end of the current fiscal year ended March 31, 2025 unless otherwise specifically noted.

(1) Basic management policy

Our corporate philosophy (MISSION) is “Supporting the prosperous lives of customers.” and our corporate goal (VISION) is “Delivering valuable financial products and services to retail investors.” In realizing our MISSION and VISION, we believe that providing superior customer experience value is of utmost importance.

By maintaining a strong financial base and providing a stable trading system and customer-oriented support system, we believe that responding to our customers' trust as a financial institution and maintaining and developing solid corporate activities will lead to “a sense of security in investing itself and in choosing a brokerage firm”, which we have defined as our first value to offer. In addition, we have defined “providing diverse ideas” regarding investment as our second value, in order to make investing itself fun, more accessible and attractive, and to make it an intellectually stimulating experience that leads to discovery and growth in the lives of our customers. These ideas are expressed in our corporate slogan, “As a reliable securities broker, we make investment fun and interesting”.

To embody our corporate slogan, we aim to provide “a stable trading environment” that earns the trust of our customers, “a wide variety of products that meet various customer needs” which lower the hurdles to starting investments and deliver opportunities for discovery and growth to more customers, “products and services with low trial barriers,” “simple and easy-to-understand services,” and aiming to take online securities one step further, “personalized services” that provide detailed responses in line with each customer's needs.

Furthermore, the Company has maintained an efficient operational structure by concentrating its management resources on online-based business. With the expansion of online-centric communication, we believe that the superiority of online-based business will further increase, and we will maintain our policy of concentrating on online-based business models.

(2) Business environment

On-line stock brokerage services in Japan began in 1998. Since then, the proportion of customers of on-line brokerage firms within the total stock brokerage trading value by individual investors has continued to increase year-on-year, and currently makes up for over 90%. On the other hand, the ratio of shareholdings of on-line brokerage firms' customers to total shareholdings held by individuals still remains at around 30%, even though such ratio is increasing year-to-year. The inflow of share assets from face-to-face brokerage firms to on-line brokerage firms is continuing, and we believe that there is still room going forward for increase of stock trading value by individuals through on-line brokerage firms.

In the on-line securities industry, with respect to stock trading value by individuals, an oligopoly by the 5 main brokerage firms (i.e., Matsui Securities,

SBI Securities, Rakuten Securities, Mitsubishi UFJ eSmart Securities, Monex) is continuing, and there was no significant change in the ranking of each company's market share, and a constant state of equilibrium prevailed. However, with the decision by SBI Securities and Rakuten Securities to waive brokerage commissions on stocks in 2023, the companies are diversifying their revenue sources by focusing on expanding business into margin trading, FX (foreign exchange margin trading), investment trusts, wholesale business, asset management, and crypto asset-related business, among others. In this context, it is inferred that other online securities companies are aiming for scale expansion by strengthening their business and capital relationships with platform providers. We believe that this move is aimed at a long-tail business model, in which each customer's assets and transaction size are small, but revenue is generated by approaching a large number of customers. On the other hand, the business model of online brokerage firms to date, while appearing to have a broad customer base based on the number of accounts, has been to rely on a few customers with high trading frequency for the majority of their profits. Thus, we believe that the no commission policy of some competitors has triggered the emergence of the review of profit structure as a common theme in the industry, and as a result, the differences in business models and areas of focus among online securities firms have become clearer.

(3) Management targets

We have established the following management objectives to achieve our corporate goals.

(i) Provide high value-added services and receive appropriate compensation commensurate with the value.

(ii) Aim to increase profits and shareholder value through effective utilization of management resources.

(iii) Achieve ROE that exceeds the cost of shareholders' equity (currently 8%).

ROE for the current fiscal year was 13.8%, up from 12.9% in the previous fiscal year, reflecting an increase in net financial revenue, as well as expansion of net gains on trading resulting from FX trading. We have also achieved the above target for the current fiscal year, and will strive to improve capital efficiency over the medium to long term.

(4) Medium- to Long-term Company Management Strategy

The Company has established the following four management strategies to achieve its management targets and is working to realize them.

(i) “Build a strong brand” to be recognized as a major online securities company.

(ii) “Enhance lineup” of financial products and services to be provided as an online securities company, and “Provide distinctive services” with an awareness of uniqueness.

(iii) “Improvement of service quality” to continue to provide superior customer experience value.

(iv) “Realization of a diverse and autonomous organization” as the foundation to support the provision of these businesses and services.

(5) Operational and financial issues to be addressed in priority

In executing our medium- to long-term management strategy based on the aforementioned basic management policies and management objectives, the business and financial issues that our company should address in priority are as follows.

[1] Building a strong brand

We believe that promoting business development that combines “reliability as a financial institution” and “intellectual entertainment” will contribute to building a strong brand. In terms of improving “reliability as a financial institution,” in order to be recognized by customers as a financial institution with which they can do business with a sense of security, we are striving to maintain and develop solid corporate activities by providing a solid financial base and stable transaction systems, strengthen compliance systems that contribute to maintaining and improving our reliability as a financial institution, and support systems that are close to our customers. In addition, recognition of a financial institution contributes to the credibility of that financial institution, and we will continuously work to strengthen recognition in order to maintain and expand our customer base over the long term.

During the fiscal year ended March 31, 2025, the Company used actress Nanao as its brand ambassador to distribute a new TV commercial that conveys a conscientious and professional image. The Company also stepped up its efforts to increase recognition, including the release of "MONEY TRADE FIGHT by MATSUI SECURITIES," an original game that incorporates investment elements into the popular game "Fortnite."

On the other hand, we will work on the point of promoting “intellectual entertainment” through the development of products and services, marketing activities, provision of investment information, and support at call centers.

During the current fiscal year, we continued to release a large number of video contents that convey the "fun" of investing. The "Asset Management! MANABERU LOVELY" series, which began in 2020, has been popular for a long time, with its 15th season released. In addition, new popular content has emerged, such as "The Fully Booked Stock Trading Consultation Office," where analysts provide advice on real stock investments by celebrities. As a result, the number of subscribers to the official YouTube channel has surpassed 440,000, and the total number of views has exceeded 100 million, making it one of the largest channels operated by major securities companies. In addition, "Money Satellite," an investment information media, continues to provide investment information that supports asset management for both beginners and advanced investors. We have expanded new contents, including videos in which famous analysts explain highly newsworthy topics and videos in which market information related to investment is explained in an easy-to-understand manner using animation. We have strived to provide a variety of ideas that will lead to discovery and growth for our clients. In addition, as a result of efforts to increase the number of IPOs popular with individual investors by strengthening cooperation with venture capital, the underwriting entry rate was 67%, ranking second in the industry in terms of the number of IPOs handled.

[2] Enhance lineup and offer distinctive services

In order to become the online securities company of choice for our customers, it is essential for us to provide financial products and services that meet the diverse needs of individual investors, who differ in age, orientation, and asset status.

Considering that more than 40% of our new account openers are investment novices in their 30s or younger, we need to further expand the gateway to investment by diversifying our financial products and services, as well as provide a standard range of financial products and services to eliminate “reasons for non-selection” when customers are considering a securities firm.

During the current fiscal year, we announced the launch of a "credit card savings service for investment trusts" in collaboration with Japan Credit Bureau, Ltd., and are preparing to launch the service during fiscal 2025 (Note). In addition, regarding "MATSUI Bank," a banking service that facilitates securities transactions, we have expanded the sweep deposit function, which was previously only available for Japanese stocks, to investment trusts to achieve more seamless cooperation. By raising the interest rate on ordinary deposits to 0.41% per annum, we have not only provided a service that can effectively utilize standby funds, but have also strengthened our contact with customers who use our banking services. In the FX business, we have expanded our trading options by introducing US dollar / Canadian dollar and Euro / Swiss franc, which are suitable for automated trading, making it possible to trade a total of 22 currency pairs.

[3] Improvement of quality of service

Since there is no significant difference in the financial products offered by online securities companies, we believe that we can be recognized as a high-value brokerage firm for our customers by providing superior customer experience value, such as by enhancing our service level and continuously providing highly convenient trading and information tools. We also believe that providing opportunities for human touch communication regarding customer inquiries and consultations, despite the online securities business format, will also enhance the customer experience value.

During the current fiscal year, the Company have made significant improvements to our trading tool “Japanese Stocks App”. We added the TSE (Tokyo Stock Exchange) Trading Breakdown Data feature, which provides a detailed breakdown of daily trading value and volume for individual stocks, enabling more sophisticated analysis. Additionally, we introduced a PTS (Private Trading System) Bulk Switching function, enhancing the convenience of trading during PTS Night-time Sessions." In the "FX App," the Company implemented a major renewal and added new functions such as a profit and loss calendar that makes it easy to grasp daily profit and loss, thereby realizing a more comfortable trading environment.

In terms of customer support, we have expanded the capacity of our call center to build a system that allows customers to have telephone connections anytime they want. The call center's response rate throughout the year has reached more than 90%. In addition, our stock trading consultation service closely followed the wishes and investment styles of each customer, supported their decision making in terms of stock search and trading timing, etc., and provided a service that allows customers to trade comfortably. As a result, we have received the highest rating of "three stars" in the 2024 Securities Industry Inquiry Counter Rating (Securities Industry) sponsored by HDI-Japan (Help Desk Institute), a third party evaluation organization, for the 14th consecutive years.

[4] Strengthening of security

Ensuring security is the lifeblood of online securities companies. The Group strives to take measures against possible risks, such as unauthorized access to

accounts and cyberattacks, so that customers can conduct transactions with confidence.

During the current fiscal year, the Company recognized issues in further strengthening its internal system and worked to improve it by responding to the Cybersecurity Self-Assessment of the Financial Services Agency and preparing to comply with the Cybersecurity Guidelines newly issued by the Agency. In addition, the Company participated in various cyber security exercises and worked to review its internal management system and contingency plans based on the results. In terms of services for customers, we expanded the scope of our notification e-mail service. We strengthened the function to send an e-mail when a login is locked due to consecutive password errors and to quickly detect unauthorized access.

Note: The service was launched in May 2025.

2) Approach to Sustainability and Initiatives

Matters concerning the future within this section are matters which have been determined by the Company as of the end of the current fiscal year ended March 31, 2025.

(1) Overall Sustainability Initiatives

Our corporate philosophy (MISSION) is “Supporting the prosperous lives of customers” and our corporate goal (VISION) is “Delivering valuable financial products and services to retail investors.” In order to realize our corporate philosophy and goal, we recognize that cooperation with our shareholders and all other stakeholders is indispensable.

In addition, the Company has established as a code of conducts for officers and employees (i) “Customer Driven,” (ii) “Evolution,” (iii) “Commitment,” (iv) “Teamwork,” (v) “Fact-Based Judgment,” and (vi) “Contribution to Society” as the foundation for achieving collaboration with our stakeholders.

The Company’s approach and initiatives regarding sustainability are as follows.

[1] Governance

The Company has a system whereby the Board of Directors supervises important matters related to sustainability. The Board of Directors supervises the status of individual measures based on materialities (important issues that should be prioritized) that have a substantial impact on improving corporate value over the medium to long term, and the materialities are reviewed in response to changes in the business environment and other factors. In addition, the corporate planning department serves as the secretariat for promoting sustainability.

[2] Risk management

Through the identification of materiality, the Company understands and evaluates the degree of impact of risks and opportunities facing the Company with regard to sustainability. The Board of Directors deliberates on the identification of materiality based on a draft formulated by the corporate planning department, which serves as the secretariat, and determines the content of materiality based on the results of the deliberation. The materiality identification process is as follows.

i. **Make a list of material issues**

Refer to various international guidelines such as the Sustainability Accounting Standards Board (SASB) standards, Global Reporting Initiative (GRI) standards, and Sustainable Development Goals (SDGs) to list issues that are highly relevant to our business and corporate culture.

ii. **Evaluation of importance**

Through dialogue with stakeholders such as customers, shareholders, and employees, we grasped their expectations for the Company, and extracted important issues from the list of issues.

iii. **Identification of materialities**

With regard to the extracted issues, items that contribute to social sustainability and have a significant impact on the company's medium- to long-term growth and their relevance to the company's management strategy are evaluated, and important issues that should be addressed as a priority are identified through discussions at the Board of Directors.

In addition, as of the end of the current fiscal year, the materialities identified by the Company are as follows.

Business	Sound development of society	Improving accessibility to financial markets
		Efforts to improve the fairness of the securities market
	Support for investment and asset building	Providing various financial products and services
		Providing easy-to-understand information
Management	Well-being and diversity of directors and employees	Recruitment, retention, and development of diverse human resources
		Develop diverse careers and expertise
		Creating a rewarding work environment
	Management structure which support business growth	Enhancement of corporate governance
		Thorough compliance
		Maintaining advanced information security

[3] **Strategy**

As part of its strategy to promote sustainability, the Company is pursuing initiatives based on materiality. The main initiatives are as follows.

i. **Support for sound social development, investment and asset building**

From the perspectives of “Improving accessibility to financial markets,” “Efforts to improve the fairness of the securities markets,” and “Providing easy-to-understand information,” we will strive to provide products and services with low trial barriers and simple and easy-to-understand services. In addition, we will promote the enhancement of various information to help customers invest in financial products, improve the convenience of trading and information tools, and strengthen our customer support system.

From the perspective of “Providing various financial products and services,” we will expand our lineup of products and services.

For specific initiatives for the current fiscal year, please refer to “[1] Building a strong brand”, “[2] Enhance lineup and offer distinctive services”, and “[3]

Improvement of quality of service” in “(5) Operational and financial issues to be addressed in priority” under “(1) Management Policy, Business Environment, and Issues to be Addressed, etc.”.

ii. Well-being and diversity of executives and employees

Please refer to “(2) Initiatives related to human capital [1] Strategy”.

iii. Management Structure to Support Business Growth

From the perspectives of “Enhancement of corporate governance” and “Thorough compliance,” the Company will strive to maintain sound corporate governance and a highly reliable internal system. Please refer to “4. Information about Reporting Company, 4) Status of Corporate Governance, etc.” for the status of our corporate governance. From the perspective of “maintaining advanced information security,” we will strengthen our systems and expand our information security measures. As specific initiatives for the current fiscal year, please refer to “[4] Strengthening of security” in “(5) Operational and financial issues to be addressed in priority” in “(1) Management Policy, Business Environment, and Issues to be Addressed, etc.”

[4] Indicators and Targets

The achievement of each of the materiality items and the measures taken against them is not necessarily quantitatively measurable. As of the end of the current fiscal year, the indicators and targets set by the Company relate to “Well-being and diversity of directors and employees,” the details of which are described in “(2) Initiatives related to human capital [2] Indicators and Targets.”

(2) Initiatives related to human capital

[1] Strategy

i. Policy on Human Resource Development

Our basic policy is to promote the development of an organization with diverse human resources, including those of various genders, ages, and professional backgrounds. We have also set an organizational goal of “becoming an organization in which each employee has a sense of ownership and is autonomous in learning and growing,” and we aim to recognize each other's diverse ways of thinking and grow the company along with individual growth. To this end, we have broken down our strategies into six categories: “recruitment,” “placement,” “retention,” “human resources development,” “evaluation,” and “compensation,” and have formulated action plans for each of them.

i) Recruitment

In order to optimize the long-term age structure in the organization, we hire new graduates on an ongoing basis each year, and we also hire mid-career workers as needed to provide the immediate human resources required for the organization.

ii) Placement

We take advantage of our small number of employees to flexibly assign personnel based on the wishes and aptitudes of each employee and the needs of the company.

iii) Retention

We are working on providing onboarding support to help new graduates and mid-career hires become familiar with the organization and achieve results more quickly. Prior to joining the company, we strive to promote understanding of our business and alleviate any concerns through periodic interviews and roundtable discussions with senior employees. After joining the Company, we provide opportunities for interaction among employees, including team building, training on the financial industry, and introductions and interactions with each department.

Based on a membership-based organization, we have a job rotation system that allows employees to experience work in multiple departments within about 10 years of graduation in order to develop human resources through a variety about career paths. In addition, in order to secure human resources with specialized skills, we have introduced professional positions in our job classification system, which provides employees with an opportunity to consider their own career paths autonomously. In fiscal 2024, we introduced a new position, "Promoter" in the professional service area with an awareness of prolonged employment and diversification of work styles. We started to appoint "Promoter" in fiscal 2025, in order to motivate talented employees and improve autonomous organizational capabilities.

iv) Human resource development

In order to develop human resources who are capable of performing in a rapidly changing business environment over the long term, we have established a company-wide cross-functional training and reskilling system. The company clearly defines the skills that new employees should acquire each year, systematizes and recommends training for mid-level employees, and provides adequate support in terms of time and money. In fiscal 2024, we reviewed the content of the program with an awareness of being an "organization that learns and grows autonomously." We have introduced a subscription-type video tool that employees can attend at any time. We have also incorporated several in-house courses that employees themselves become instructors and spread their knowledge in their areas throughout the company, and have added a program that is conscious of its linkage with business. We are working to create an environment for human resource development through external training that can be attended by theme as usual, as well as workshops where employees can think about the organization they aim for and exchange opinions. Furthermore, we have introduced a 360-degree feedback system to encourage employees to improve each other, and we encourage one-on-one meetings with supervisors to create an open organization where employees can feel free to consult with each other.

v) Evaluation

To support the growth of each employee and ensure fair evaluation, we have established accountabilities for each position. Accountabilities are defined from the three perspectives of "awareness, motivation, and attitude," "ability to perform duties," and "leadership and management," and serves as our evaluation criteria.

vi) Compensation

The Company's basic policy is to "maintain and pursue a competitive compensation system," emphasizing the payment of appropriate compensation

linked to fair individual evaluations based on socioeconomic conditions, rather than periodic salary increases or base increases.

ii. Policy on Human Resource Development

To support interaction among employees and create an organization that encourages conversation and generates ideas, we have established a multipurpose communication space within the company, which is used not only as a meeting room and cafeteria, but also as a venue for internal events. We also support a diverse workforce through a remote work system, staggered work hours, time off with pay for every hour worked, childcare leave, and shorter working hours. Regarding employee health and the working environment, we conduct stress check tests on all employees, and industrial physicians provide interview and instruction when necessary. In fiscal 2024, in response to the declining birthrate and aging population, we introduced the "Family Support Leave," which allows employees to take paid leave separately when they or their families visit hospitals or receive medical treatment, and the "Leave Support Allowance," which provides an allowance to employees who cover childcare leave and maternity leave before and after childbirth. We are working to realize a fulfilling work-life balance by expanding systems that are conscious of employees, their families, and the colleagues they work with. The childcare leave utilization rate is 100% for both men and women.

In addition, we support the financial wellness of our employees by offering a corporate defined contribution pension plan, an incentive plan for employee stock ownership, and training programs and qualification incentive programs to promote financial literacy.

To achieve our organizational goal of “becoming an organization where each employee has a sense of ownership and is able to learn and grow autonomously,” the engagement of each and every employee is crucial. We define engagement as “employees' willingness to work on their own initiative and to share in the Company's philosophy, policies, and goals, and their deep commitment to their colleagues and the Company,” and we conduct an engagement survey every year. Since the Fiscal year 2019, when the first survey was conducted, scores have increased each year. In the fiscal year 2024, the Corporate Philosophy, Corporate Goals, and Code of Conduct were disseminated to employees through workshops with the participation of all employees as part of our inner branding activities, which further increased our engagement score. We believe that improving employee engagement leads to higher corporate value, and we will continue to introduce systems and measures that incorporate action plans initiated by employees.

[2] Indicators and Targets

The Company appoints the necessary personnel, regardless of gender, age, work experience, etc., after carefully assessing their individual abilities and aptitudes. Indicators related to human capital are as follows (As of the fiscal year 2024).

Gender Ratio

	Male	Female
Whole	66.7%	33.3%
Management	85.1%	14.9%

New Graduate/Mid-career Ratio

	New Graduate	Mid-career Recruitment
Whole	59.3%	40.7%
Management	61.7%	38.3%

Age Structure

20s	30s	40s	Over 50s
30.2%	29.6%	23.8%	16.4%

Paid Leave Utilization

Number of Days of Utilization	Utilization Rate
17.7 days	80.7%

Utilization Rate of Childcare Leave

Female	Male
100.0%	100.0%

Reskilling

Time per Person	Cost per Person
25.0 hrs	126,000 yen

In addition, in its general business owner action plan (plan period: April 1, 2022 to March 31, 2027) based on the Act on the Promotion of Women's Active Engagement in Professional Life, the Company set the goals of “Increasing the percentage of female employees to 35% or more” and “Increasing the percentage of women in management positions to 15% or more.” The ratio of women in management positions in the Fiscal Year 2024 is shown in the table above.

3) Business Risks

Of the matters related to status of business and status of accounting etc. as described in this Securities Report, the main risks recognized by management as possibly having a significant impact on the financial condition, results of operations, and status of cash flow are as follows.

Matters concerning the future within this section are matters which have been determined by the Company as of the end of the current fiscal year ended March 31, 2025, unless otherwise noted.

(1) High degree of dependence on Japanese stock brokerage business

The Company has adopted the strategy to concentrate its management resources to the on-line based stock brokerage business, and Japanese stock brokerage business for individual investors makes up for approximately 80% of the Company's total net operating revenue. The Company's main sources of revenues in Japanese stock brokerage business are stock brokerage commission income and interest and lending income, etc. earned from lending of funds and securities to margin transaction customers. Going into the future, if stock etc. brokerage trading value of individual investors or the balance of margin transactions should decrease due to sluggish market conditions, the stock etc. brokerage trading value or lending amounts to margin trading customers of the Company should decline due to changes in the competitive environment, or commissions, interest rates or lending income rates are reduced due to the competitive environment, there may be a material adverse effect on the business performance of the Company.

Furthermore, although the Company's policy is to actively proceed with strengthening Japanese stock brokerage business as well as diversification of revenue sources by strengthening on-line based products and services such as the FX business, U.S. equity services, and investment trust business, there is no assurance that such expansion of business may necessarily proceed as anticipated due to changes in market trends of the subject areas or due to changes to the competitive environment with other firms.

(2) Competition with other financial institutions

The Company's main business is Japanese stock brokerage business for individual investors. However, the Company is facing a severe environment, as there are some competing companies engaged in the same business who are in a stronger position than the Company in terms of financial resources, technological capabilities, marketing capacity, service-related aspects, name recognition, and customer base, etc. In particular, there are many on-line brokerage firms who are offering free or lower brokerage commissions in order to acquire customers. Also, in recent years, new entry of FinTech ventures and strengthening of online services by face-to-face financial institutions have continued, and it is envisioned that the competitive environment will become more severe than before. Going into the future, if competition with other financial institutions escalates, there is a possibility that it may have an adverse effect on the Company's business, due to loss of existing customers to other firms, decrease in acquisition of new customers, and increase in advertisements and promotion costs required for acquiring customers.

(3) Risk related to margin transactions etc.

[1] The effect of margin transactions towards the capital-to-risk ratio

Financial instruments business operators are required to maintain a certain level of capital-to-risk ratio, based on the Financial Instruments and Exchange Act, the Cabinet Office Order on Financial Instruments Business etc., and the Financial Services Agency Public Notice on Establishment of Standards for Calculation of Financial Instruments Business Operators' Amount Equivalent to Market Risk, Amount Equivalent to Counterparty Risk, and Amount Equivalent to Basic Risk (hereinafter referred to as the "FSA Public Notice"). The capital-to-risk ratio means the ratio of the non-fixed assets portion of the capital amount to the total sum of the amount for covering possible risks which may accrue due to the fluctuation of prices of the securities held or other reasons (Article 46-6 of the Financial Instruments and Exchange Act).

Financial instruments business operators are required to maintain a capital-to-risk ratio of no less than 120% (Article 46-6, Paragraph 2 of the same Act), and as of the end of March 2025, the Company has maintained a sufficient level of capital-to-risk ratio.

Under the FSA Public Notice, the amount equivalent to counterparty risk is defined as 2% of margin transaction assets, and since increase in the balance of margin transactions will increase counterparty risk for the Company, it is a factor which will lower the capital-to-risk ratio. Going forward, if the balance of margin transactions of the Company continues to increase, it will become necessary to procure capital in order to maintain the capital-to-risk ratio. At such time, if the Company is not able to procure sufficient capital, the Company will be forced to restrict provision of credit to customers. In such cases, there is a possibility that the Company will lose the opportunity to earn stock brokerage commission income and interest income. Furthermore, if regulations are amended and the method of calculation of counterparty risk etc. is changed, it could possibly be a factor which decreases the capital-to-risk ratio.

[2] Credit risk of customers

In margin transactions, which is a prime revenue source for the Company, because such transactions require granting of credit to customers, there is a possibility that the Company may be exposed to credit risk of customers depending on changes to market conditions. In other words, when the customer incurs a loss from margin transactions or the value of the collateralized substitute securities falls, the value of the collateral deposited by the customer may become insufficient, and there is a possibility that the loss of the customer will not be fully recovered. In such cases, there may be an adverse effect on the business performance of the Company.

Furthermore, there are similar risks in stock index future trading, Nikkei stock average index option trading (short positions), and FX (foreign exchange margin trading).

[3] Risk related to funds procurement

With respect to source of funding for margin loans regarding standardized margin transactions, the Company borrows money from securities finance companies in addition to using self-procured funds. However, depending on the fluctuations in market conditions, the value of the securities etc. provided as collateral to securities finance companies may decrease, and additional collateral may be

required, in which case borrowings etc. will need to be made by the Company on its own. Furthermore, regarding negotiable margin tradings, as normally there are more restrictions on borrowing funds compared to standardized margin transactions, currently such transactions are funded by bank borrowings etc. However, depending on movements in financial markets, the Company's business conditions, or downgrade of its credit ratings, there is a possibility that appropriate funding may not be achieved. Going into the future, depending on the level of cost of funding, there is a possibility that the Company's net financial revenue may deteriorate or it may become difficult to obtain required funding, in which case there is a possibility that use of negotiable margin tradings may be restricted. In such cases, there may be an adverse effect on the business performance of the Company, or opportunities for earning for fee income or interest income may be lost.

Furthermore, upon repayment etc. of borrowings from financial institutions, depending on movements in financial markets, the Company's business conditions, or downgrade of its credit ratings, there is a possibility that refinancing of loans, or borrowing of new loans, or issue of bonds etc. may not be possible under proper conditions. In such cases, there may be an adverse effect on the business performance of the Company.

(4) Risk related to systems and operations

Stable systems operations is an important factor for an on-line securities trading business which processes information related to customer transactions in high volumes at once, and if any system failure or damages, etc. which is incurred from cyber-attacks occurs and it fails to function, it may have material effect on the Company's business.

System failures may arise due to problems of hardware or software, or due to human error such as erroneous operations or erroneous processing, or otherwise due to sudden increase in the number of accesses, communication line failure, computer viruses, computer crimes, or disasters etc. The systems used by the Company have been designed anticipating increase in the number of accesses, and measures such as system duplication have been taken in order to counter various conceivable risks. However, if a large volume of orders exceeding expectations is received, or if for some reason the system is damaged or ceases to operate, there is a possibility that orders from customers may not be properly processed. In such cases, there may be an adverse effect on the business performance of the Company.

The Company has been making efforts to defend its systems from cyber-attacks. However, if such measures are not sufficient or adequate, and damages are incurred from cyber-attacks, there is a possibility that the system may become dysfunctional or customer information may be leaked etc. In such cases, there may be adverse impact on the business performance of the Company.

In addition, the Company grants authorization to related parties, including outside contractors, to connect to the system according to their respective duties and monitors their use of the system. However, if this is not sufficient or appropriate and the Company is unable to prevent unauthorized use of the system, there is a possibility that customer information may be leaked.

In addition, there is a possibility that service quality may deteriorate or other problems may occur due to the failure of appropriate administrative processing

in various operations, which may also be directly or indirectly affected by system malfunction.

In the event of a system failure, cyber-attacks, or unauthorized use of our systems, or in the event of improper administrative processing, there is a possibility that the Company may be subject to punishment from the supervisory agencies or be held liable including being claimed for damages, and also there is a possibility that the Company's systems and the support system may lose credibility leading to reduction of customers. In such cases, there may be an adverse effect on the business performance of the Company.

(5) Risks of unauthorized access to customer accounts and fraudulent transactions

The Company is working to implement security measures to prevent and detect unauthorized accesses to and fraudulent transactions with customers' accounts. However, in the event that unauthorized accesses to and fraudulent transactions with customers' accounts are conducted by malicious third parties due to unauthorized acquisition from customers of authentication information necessary for logging in to and performing transactions with customers' accounts (including, but not limited to, so-called phishing scams and malware damage), trust in the security of the Company's systems may decline, causing customers to leave the Company. In addition, the Company may be required to pay a certain amount of compensation for damages to customers resulting from unauthorized transactions, etc. This may adversely affect the Company's business performance. (Note)

(6) Underwriting business

The Company is engaged in underwriting services for initial public offerings of shares etc. Upon underwriting securities, underwriting risk arises as the Company incurs underwriting responsibility. The Company determines underwriting amounts carefully so that shares are not left over in public offerings and secondary offerings; however, if the Company is not able to sell the securities which it underwrites, depending on the movements in the price of the remaining public offering or secondary offering shares, there is a possibility that losses may be incurred. Furthermore, if a scandal event arises with respect to a company for which the Company has conducted underwriting, there is a possibility that the Company's credibility may deteriorate or customers may be lost, or the Company may be held responsible and be claimed for damages by customers. In such cases, there may be an adverse effect on the business performance of the Company.

(7) Handling of personal information

It is important for the Company in conducting business to prevent damages from improper acquisition or tampering of personal information or individual numbers of customers. The Company has taken adequate security measures to prevent the improper use of personal information etc. and has conducted internal administration and supervision of outsourcing contractors. However, in the case where personal information is leaked etc. in the future, there is a possibility that the Company may be claimed for compensation of damages or receive administrative punishment by the supervising agencies, or the Company's credibility may significantly fall. In such cases, it may have an adverse effect on the business performance of the Company.

Furthermore, there is a possibility that the decline in credibility towards security or information management at other brokerage firms, or firms which are engaged

in e-commerce, may lead to the decline in credibility of the internet and also the Company's systems. In such cases, it may have an adverse effect on the business performance of the Company.

(8) Contracts with external business operators

The Company has entered into business outsourcing contracts with many external business operators in relation to various business affairs. In particular, SCSK Corporation is an important outsourcing contractor of the Company, since the Company has entrusted operations and development of the stock trading system. In addition, we outsource the development and operation of our automatically updated trading tools which are provided to our customers, customer trading websites, and FX (foreign exchange margin trading), mutual fund, and U.S. stock trading systems, to several external companies. The corporate and market information that we provide to customers is provided by external providers. In addition, the Company also operates the Sapporo Center for customer inquiries by dispatching workers from outside providers. Outsourcing of operations to outside companies is not limited to the above, but covers a wide range of areas.

In the case where an event occurs which requires such external business operators to interrupt or cease providing its services to the Company, and the Company is not able to promptly take alternative measures, there is a possibility that it may have an unfavorable influence on the Company's business. In particular, in the case where it becomes difficult to maintain a contractual relationship with SCSK Corporation, or if a problem occurs with the Company's systems due to a deterioration of the software development capacity of SCSK Corporation, or if such capacity becomes obsolete and it becomes difficult to maintain the confidence of customers, it will become necessary for the Company or a third party to newly build an alternative system. In such cases, if appropriate alternative measures are not taken immediately, there is a possibility that the Company may need to cease providing services to customers, which may have an adverse effect on the business performance of the Company. Furthermore, the Company may be asked to increase expense payments to the external business operators due to revisions etc. of contracts with such operators, in which case, it may likewise have an adverse effect on the business performance of the Company.

Furthermore, if a breach of laws, regulations, and rules etc. by external business operators occurs, there is a possibility that the Company may receive punishment from the supervisory agencies, and also there is a possibility that the Company's social credibility may significantly decline. In such cases, there may be an adverse effect on the business performance of the Company.

(9) FX (foreign exchange margin trading) and US stocks trading

For the purpose of offering FX (foreign exchange margin trading) service to customers and to make profits from such service, the Company engages in foreign exchange margin trading with customers, and at the same time, the Company also engages in foreign exchange margin trading with financial institution counterparties in order to control foreign currency risks. With respect to positions arising from transactions with customers, the Company is exposed to foreign exchange risks for positions held which are not covered by cover transactions; however, in principle, all positions are covered at the end of trading on each business day.

The Company has prescribed risk limit amounts for foreign exchange margin trading within its internal rules, and in principle, the Company seeks to manage

foreign exchange risks by entering into cover transactions and marry transactions based on preset algorithms.

However, despite having such a company policy, in cases where FX losses arise which exceed the assumptions made in the algorithms due to unexpected fluctuations in foreign exchange rates, there is a possibility that there may be an adverse effect on the business performance of the Company.

In addition, as the Company uses its own funds to deposit guarantee money to the cover counterparties, the Company is exposed to the credit risk of its cover counterparties (margin money from customers are completely segregated from the Company's own funds and deposited with a trust bank). Depending on future changes to economic conditions etc., if the credit risk of cover counterparties deteriorate, there is a possibility that it may have an adverse effect on the business performance of the Company.

In addition, with respect to U.S. shares trading, guarantee money is deposited to the stock agent appropriating the Company's own funds, and the Company is exposed to the credit risk of such stock agent (deposits received from customers are completely segregated from the Company's own funds and deposited with a trust bank). Therefore, the same risk exists as the risk regarding the guarantee money deposited with cover counterparties in relation to foreign exchange margin trading as described above.

The Company also offers margin trading for U.S. equity services. For risks associated with margin transactions, please refer to the description of risks associated with margin transactions and negotiable margin tradings in "(3) Risk related to margin transactions etc."

(10) Introduction of new regulations due to revisions in laws, regulations, and rules etc.

If new regulations are introduced with respect to business conducted by the Company, and revisions etc. are made to the Financial Instruments and Exchange Act, Act on Provision of Financial Services and Improvement of Access to Financial Services, Act on Prevention of Transfer of Criminal Proceeds, Act against Unjustifiable Premiums and Misleading Representations, Act on the Protection of Personal Information, Act on the Use of Numbers to Identify a Specific Individual in Administrative Procedures, Banking Act, or other laws, regulations, or rules etc., there is a possibility that the profitability of relevant businesses may decline. In such cases, there may be an adverse effect on the business performance of the Company.

(11) Compliance with laws regulations, and rules etc.

The Company is regulated by the Financial Instruments and Exchange Act, Act on Provision of Financial Services and Improvement of Access to Financial Services, Banking Act, and other laws, regulations, and rules etc., and the Company has made efforts to strengthen its compliance system. However, if a breach of laws, regulations, and rules etc. occurs in the future, there is a possibility that the Company may receive punishment from the supervisory agencies, and also there is a possibility that the Company's social credibility may significantly decline. In such cases, there may be an adverse effect on the business performance of the Company.

Furthermore, although the Company has taken measures to educate its officers and employees regarding compliance so that they comply with laws, regulations, and rules, if such measures do not function effectively and there are acts of dishonesty or breach by an officer or employee of the Financial Instruments and Exchange Act or other laws, regulations, and rules, etc. such as insider trading, there is a possibility that such acts may lead to a decline in the credibility of the Company. In such cases, there may be an adverse effect on the business performance of the Company.

(12) Natural disasters etc.

In order to prepare for cases where it becomes difficult to conduct normal business operations due to natural disasters, fires, epidemics, etc., the Company has prepared a business continuity plan, organized related manuals, and conducts periodic drills. However, if a natural disaster such as earthquakes etc., fires, long-term blackouts, epidemics, international disputes, or terrorist attacks occur, there may be an adverse effect on the business performance of the Company. In particular, as the Company's head office, principal offices and facilities are located in the Tokyo metropolitan area, if a natural disaster occurs in the Tokyo metropolitan area, there is a possibility that the Company may be affected such as having to cease providing services. In such cases, there may be an adverse effect on the business performance of the Company.

(13) Others

As of the end of the current fiscal year ended March 31, 2025, no material law suits etc. have arisen.

(Note) With regard to (5), unauthorized access to customer accounts and fraudulent transactions believed to have been caused by phishing scams and malware damage occurred at securities companies including the Company mainly from March 2025 to the date of submission of this Annual Securities Report. In May 2025, the Company and 10 other major securities companies announced their policies to provide customers with a certain amount of compensation for damage (for damage that occurred after January 2025) regardless of the provisions of the terms and conditions, etc. of each company, and as of the date of filing of this Annual Securities Report, the Company is considering implementing compensation.

4) Management's Discussion and Analysis of the Financial Condition, Results of Operations, and Cash Flows

The discussion and analysis of the Company's results of operations etc. from the Management's perspective are described below. Also, given that the Company has only one business segment, the on-line securities transaction service, segment information has been omitted.

Matters concerning the future within this section are matters which have been determined by the Company as of the end of the current fiscal year ended March 31, 2025.

(1) Status and analysis of results of operations

In the domestic stock market for the current fiscal year, the Nikkei Stock Average, which opened at the 40,600 yen level at the beginning of the fiscal year, temporarily fell to the 37,000 yen level in mid-April due to rising long-term interest rates in Japan and the United States and uncertainty over demand for semiconductors.

However, stock prices rebounded, hitting a record high of 42,224 yen on July 11, reflecting the continuation of the Bank of Japan's accommodative monetary policy and purchase of export-related stocks due to the depreciation of the yen.

However, from the beginning of August, stock prices plummeted against the backdrop of the appreciation of the yen due to the Bank of Japan's interest rate hike and concerns about a recession in the U.S. On August 5, stock prices plunged to 31,458 yen in the biggest one-day drop ever. After that, stock prices gradually recovered due to the Bank of Japan's cautious stance on interest rate hikes and concerns about the U.S. economic downturn, and rebounded to 37,919 yen at the end of September. From October, stock prices fluctuated around 39,000 yen due to the movements of the Ishiba administration, speculation surrounding the U.S. presidential election, and expectations and concerns about President Trump. From the late February, stock prices trended downward mainly due to uncertainty over the U.S. tariff policy and concerns about economic downturn, and fell below 36,000 yen in mid-March. After that, stock prices recovered to the 38,000 yen level, however plummeted due to the additional tariffs on automobiles by the U.S. government and concerns over reciprocal tariffs from April onwards, and the Nikkei Stock Average ended at 35,617 yen at the end of March.

Under these circumstances, the total stock etc. brokerage trading value on the two exchanges (the Tokyo and Nagoya stock exchanges) increased by 13% year on year. For individual investors, who are our main customer base, have expanded their trading in both phases that expectations for Japanese equities rose due to the steady rise of stock prices and that the stock market got volatile. Overall individual stock etc. trading value on the two exchanges increased 16% year on year. The proportion of individual stock etc. brokerage trading value in these two markets was 24%, the same as in the preceding fiscal year. The Company's stock etc. brokerage trading value increased by 6% year on year.

Under the above background, operating revenue was 39,204 million yen (6.5% increase from the same period of the preceding fiscal year). Net operating revenue was 37,135 million yen (5.4% increase from the same period of the preceding fiscal year). Also, operating profit was 15,636 million yen (3.1% increase from the same period of the preceding fiscal year), ordinary profit was 15,292 million yen (1.6% increase from the same period of the preceding fiscal year), and net

profit was 10,501 million yen (7.3% increase from the same period of the preceding fiscal year).

Revenue and expense items are as described below.

(Commissions received)

Commissions received was 19,969 million yen (2.1% decrease from the same period of the preceding fiscal year). Of this figure, brokerage commission was 18,892 million yen (2.5% decrease from the same period of the preceding fiscal year), mainly due to a decrease in the commission rate associated with an increase in the proportion of one day margin transactions (for which no commission is charged in principle) in the trading value of equity brokerage.

(Net trading income)

Net trading income was 3,752 million yen (36.2% increase from the same period of the preceding fiscal year) mainly due to FX trading gains.

(Net financial revenue)

Although revenue from margin transactions increased mainly due to an increase in average balance of the long position of margin transactions, interest expense also increased mainly due to a rise in interest rates. And also, income distributions from segregated deposits increased reflecting higher interest rates. Under these circumstances, net financial revenue derived from subtracting financial expenses from financial revenue was 13,414 million yen (10.9% increase from the same period of the preceding fiscal year).

(Selling, general and administrative expenses)

Selling, general and administrative expenses increased by 7.1% compared to the same period of the preceding fiscal year to 21,499 million yen. This was mainly due to increases in depreciation, office expenses and personnel expenses associated with the expansion of the service and operational bases.

Note: The percentages indicating year-on-year changes of “Operating revenue”, “Net financial revenue”, and “Net trading income” have been reclassified reflecting changes in presentation in the current fiscal year. For more details, please refer to (Notes - Changes in presentation).

Against above background, ROE (return on equity) for the current fiscal year was 13.8%. The Company has adopted the mid-term to long-term objective to achieve ROE which exceeds the cost of shareholders' equity (8%). The ROE for the current fiscal year ended March 31, 2025 increased from 12.9% for the preceding fiscal year, reflecting an increase in net financial revenue and an increase in net trading income mainly due to FX trading gains. The Company will make efforts to improve capital efficiency going forward in the mid- to long-term.

(2) Factors which have a material impact on results of operations

The main business of the Company is stocks etc. brokerage trading business targeting individual investors, and of the revenue items, commissions received and in particular brokerage commission relating to the trading of stocks etc. have a material impact on the business performance of the Company. Furthermore, financial revenue arising mainly from margin transactions is a factor having a material impact on the business performance of the Company. However, the level of such revenues is largely affected by the stock market environment.

(3) Status and analysis of financial conditions

The main assets of the Company are customer-segregated fund trusts (included in segregated deposits) where deposits received and guarantee deposits received etc. from customers are entrusted to trust banks, and margin transaction assets mainly comprised of margin loans. On the other hand, funds are being procured through short-term borrowings etc. for the purpose of allocating to margin loans. The main liabilities of the Company are deposits received, guarantee deposits received and short-term borrowings

As of the end of the accounting period, total assets was 1,121,828 million yen, a 4.3% decrease from the end of the preceding fiscal year. This was mainly due to an 11.3% decrease of segregated deposits to 621,312 million yen, reflecting a decrease in deposits received.

Total liabilities was 1,045,228 million yen, a 4.7% decrease from the end of the preceding fiscal year. This was mainly due to an 11.4% increase in the total amount of short-term borrowings and margin borrowings to 313,933 million yen and a 14.6% decrease in deposits received to 363,849 million yen.

Total net assets was 76,600 million yen, almost unchanged from the end of the preceding fiscal year. In the current fiscal year, the total amount of the year-end dividends for the fiscal year ended March 2024 and the interim dividends for the fiscal year ended March 2025, which was 10,809 million yen, was recorded, and at the same time a profit of 10,501 million yen was recorded.

(4) Analysis of status of cash flows

The status of various cash flows for the current fiscal year, and their underlying factors are described below.

(Cash flows from operating activities)

Cash flows from operating activities were minus 43,362 million yen (minus 5,916 million yen for the preceding fiscal year). This was mainly due to changes in margin transaction assets and margin transaction liabilities.

(Cash flows from investing activities)

Cash flows from investing activities were minus 4,373 million yen (minus 8,883 million yen for the preceding fiscal year). This was mainly due to the purchase of intangible assets and the purchase of investment securities.

(Cash flows from financing activities)

Cash flows from financing activities were plus 53,202 million yen (plus 8,621 million yen for the preceding fiscal year). This was mainly due to the net increase in short term borrowings, while there were dividend payments.

As a result of the above, the balance of cash and cash equivalents at the end of the current fiscal year was 81,716 million yen (76,249 million yen at the end of the preceding fiscal year).

(5) Analysis of sources of capital and liquidity of funds

The Company has positioned as its management strategy “Enhance lineup”, “Provide distinctive services,” and “Improvement of service quality.” Therefore, in each fiscal year, the Company continues to provide on-line securities trading

services, and continuously makes capital expenditures mainly in systems necessary for introduction of various new services and enhancement of capacity, and improvement of the trading system. On the other hand, cash on hand is also necessary for day-to-day business operations, and also the Company needs funds for margin loans which is its main business. The Company has secured sufficient levels of cash on hand to handle settlements of cash payments to customers in relation to stock brokerage transactions and securities lending and borrowing etc. However the level is not necessarily stable depending on the status of day-to-day settlements etc.

The Company's fund procurements are mainly conducted to correspond to the source of margin loans. Recurring margin loans are funded mainly by increase and decrease in short-term borrowings procured from financial institutions such as banks etc. In order to prepare for situations where margin loans increase significantly, the Company has made shelf registration so that it may flexibly procure funds through bond issues. However, as of the end of the current fiscal year, taking into account the levels of margin loans and internal reserves, a major portion of funds procurement was conducted by short-term borrowings including call money.

Furthermore, the Company secures safety of procurement of funds by making overdraft agreement and commitment line agreement with multiple financial institutions.

The Company has adopted the mid- to long-term objective to achieve an ROE exceeding its cost of shareholders' equity and regarding return to shareholders, the Company's policy is to payout dividends for more than the amounts equivalent to the cost of shareholders' equity. The cost of shareholders' equity as of the end of the current fiscal year ended March 31, 2025 is assumed to be 8% based on the capital asset valuation model, and we will achieve ROE above 8% as a medium- to long-term management target, as well as the Company seeks to realize a dividend-on-equity (DOE) ratio of 8% or higher for each fiscal year as a dividend policy, and the Company is targeting a dividend payout ratio for each fiscal year of 60% or higher. If internal reserves increase even after making returns to shareholders, the Company will use such funds effectively as sources for margin loans and for making capital expenditures.

(6) Important accounting estimates and assumptions used for such estimates

The Company's financial statements are prepared in conformity with accounting principles and practices generally accepted in Japan. Upon preparing these financial statements, certain estimates and assumptions are used which impact the reported amounts of assets, liabilities, revenues and expenditures; however, there is a possibility that the figures based on these estimates and assumptions may differ from actual results.

Among the accounting estimates and assumptions used upon preparing the financial statements, the important ones are described under "5. Financial Information, 1. Financial Statements, etc. (1) Notes to financial statements (important accounting estimates)".

5) Critical Contracts for Operation

Not applicable.

6) Research and Development Activities
Not applicable.

3. Information about Facilities

1) Overview of Capital Expenditures, etc.

In each fiscal year, the Company makes necessary investments in its systems in order to continue to provide on-line securities trading services. In the current fiscal year, capital expenditures of 3,530 million yen were made mainly in systems necessary for introduction of various new services and enhancement of capacity, and improvement of the trading system. Since the Company is a provider of on-line securities trading service comprising a single segment, descriptions by segment are omitted. Descriptions by segment are also omitted in “2) Major Facilities” and “3) Planned Additions, Retirements, etc. of Facilities” by the same reason.

2) Major Facilities

The major facilities and the allocation of employees of the Company As of March 31, 2025 are as follows.

Name of office	Location	Content of facilities	Book value (millions of yen)				Number of employees
			Buildings	Equipment	Software	Total	
Head office	Chiyoda-ku, Tokyo	On-line securities systems, etc.	337	1,145	8,838	10,319	203 [37]
Sapporo call center	Chuo-ku, Sapporo-shi, Hokkaido	Call center equipment	27	167	-	194	13 [201]

Note 1: Head office and Sapporo call center are rented from other companies.

Note 2: Data center facilities managed by head office etc. are included in head office.

Note 3: Number in [] of number of employees is number of average temporary employees at work.

3) Planned Additions, Retirements, etc. of Facilities

The Company invests on systems in each fiscal year to add new services, to enhance capability of its on-line securities systems and to upgrade them while keeping capability of on-line securities systems stable. As of March 31, 2025 the Company plans to invest 4,500 million yen on systems for the fiscal year ends March 2026. The Company plans no significant addition nor retirements, etc. of facilities.

4. Information about Reporting Company

1) Information about Shares, etc.

(1) Total number of shares, etc.

[1] Total number of shares

Class	Total shares authorized (number of shares)
Common stock	1,050,000,000
Total	1,050,000,000

[2] Issued shares

Class	Total number of issued shares at end of current fiscal year (March 31, 2025)	Number of shares at the date of filing of this Report (June 23, 2025)	Name of stock exchange where shares are listed at or certified securities dealers association by which shares are registered	Contents
Common stock	259,264,702	259,264,702	Tokyo stock exchange (Prime Market)	1 unit consists of 100 shares
Total	259,264,702	259,264,702	-	-

Note: Total number of issued shares at the date of the filing of this Report does not include shares issued upon exercise of share acquisition rights from June 1, 2025 to the date of filing of this Report.

(2) Share acquisition rights

[1] Details of share option program

i. Seventh series of Matsui Securities Co., Ltd. share acquisition rights

Date of resolution	July 27, 2020
Persons eligible for the allotment and number of them	8 directors of the Company (excluding outside directors) (Note 1)
Number of share acquisition rights (Note *)	646
Class and number of shares subject to the share acquisition rights (shares) (Note *)	Common stocks: 64,600 (Note 2)
Amount to be paid per share upon the exercise of each share acquisition rights (yen) (Note *)	1
Exercise period for the share acquisition rights (Note *)	From August 18, 2023 to August 17, 2026 (Note 3)
Issuance price and amount credited to equity capital in the event of share issuance upon the exercise of share acquisition rights (yen) (Note *)	Note 4
Conditions for the exercise of the share acquisition rights (Note *)	Note 5
Matters concerning the transfer of the share acquisition rights (Note *)	The acquisition of the share acquisition rights through assignment shall require the approval of the board of directors of the Company.
Matters concerning the issuance of the share acquisition rights in connection with acts of reorganization (Note *)	Note 6

Note *: The table above shows the contents as of the end of the current fiscal year (March 31, 2025). There has been no change in these matters as of the end of the month before the month containing the date of filing of this Annual Securities Report (May 31, 2025).

Note 1: The table above shows the contents as of the date of resolution.

Note 2: The number of shares that are the subject of each stock acquisition right shall be 100 (the “number of shares granted”). In the case where the Company conducts a share split, an allotment of shares without contribution or a reverse share split, the number of shares granted shall be adjusted according to the formula below. However, this adjustment will only apply to the number of shares that are the subject of the stock acquisition rights that have not yet been exercised up to that time. Fractional shares resulting from this adjustment shall be rounded down.

Number of shares acquired after adjustment = “Number of shares acquired before adjustment” multiplied by “ratio of share split or reverse share split”

The number of shares after adjustment shall become effective, in the case of a share split, on and after the day immediately following the record date of the relevant share split or, in the case of an allotment of shares without contribution or a reverse share split, on and after its effective date. In addition to the foregoing, in the case where the Company carries out a merger, company split or share exchange, or other equivalent cases requiring adjustment of the number of shares, the Company shall be able to adjust the number of shares granted by the board of directors.

Note 3: If the final day of the exercise period falls on a holiday of the Company, the final day shall be the working day immediately preceding the final day.

Note 4: Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from August 18, 2023 is 743 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from August 19, 2024 is 726 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from August 19, 2025 is 708 yen per share. The amount of capital to be increased due to the issuance of shares upon exercise of the share acquisition rights shall be a half of the maximum amount of capital increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than 1 yen arising from there shall be rounded up to the nearest 1 yen.

Note 5: 1) Persons allotted share acquisition rights are eligible to exercise only when they are active directors at the time of the exercise. However the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds. 2) Persons allotted share acquisition rights are eligible to exercise their rights as follows: [1] From August 18, 2023 to August 18, 2024: Within one third of the number of rights originally allotted (Fraction of less than 1 share acquisition rights shall be rounded down). [2] From August 19, 2024 to August 18, 2025: Within two thirds of the number of rights originally allotted (including share acquisition rights which can already be exercised by [1]) (Fraction of less than 1 share acquisition rights shall be rounded down). [3] From August 19, 2025 to August 17, 2026: All rights can be exercised. 3) Each one right cannot be partially exercised. 4) Other conditions of exercise are specified in the contract between the Company and the persons to be allotted share acquisition rights.

Note 6: In the event of a merger (only in cases where the Company is dissolved as a result of the merger), an absorption-type company split or incorporation-type company split (only in respective cases where the Company becomes the splitting company), a share exchange or share transfer (only in respective cases where the Company becomes a wholly owned subsidiary) (Hereinafter, the foregoing shall be referred to collectively as “reorganization measures”), the Company shall issue stock acquisition rights as per a corporation described in Article 236, Paragraph 1, Items 8.1 through 8.5 of the Companies Act (the “reorganizing company”) to each stock acquisition right holder of stock acquisition rights remaining unexercised immediately before the effective date of reorganization measures (hereinafter, the “remaining stock acquisition rights”). (Hereinafter, the “effective date” shall refer to the effective date of an absorption-type merger for such mergers, the date of incorporation of a new company for incorporation-type mergers, the effective date of an absorption-type company split for such company splits, the effective date of incorporation of a new company for incorporation-type company splits, the effective share exchange date for share exchanges, and the date of incorporation of a wholly owning parent company through a stock transfer, for stock transfers. Same shall apply hereinafter.) However, the foregoing is conditional upon providing for the issuance of stock acquisition rights of the reorganizing company in the absorption-type merger agreement, the incorporation-type merger agreement, the absorption-type company split agreement, and the incorporation-type company split plan, the share exchange agreement or the share transfer plan in accordance with the following items: 1) Number of the stock acquisition rights of the reorganizing company to be issued shall be the same number of the stock acquisition rights as the remaining stock acquisition rights held by each stock acquisition right holder. 2) Type of shares of the reorganizing company to be issued upon the exercise of the stock acquisition rights shall be the common stock of the reorganizing company. 3) Number of shares of the reorganizing company to be issued upon the exercise of the stock acquisition rights shall be determined according to the above item 2) taking into account the conditions, etc. of the reorganization measures. 4) Amount to be invested when exercising the stock acquisition rights shall be calculated by multiplying the post-reorganization exercise price (1 yen per share with respect to the shares issued upon exercise of each stock acquisition right which shall be issued upon reorganization measures) by the number of shares of the reorganizing company to be issued upon exercise of each stock acquisition right, which will be determined in accordance with the above item 3). 5) Exercise period for the stock acquisition rights to be issued upon reorganization measures shall be from either the commencement date for the exercise period of the stock acquisition rights set forth in “Exercise period for the share acquisition rights” in the above table, or the effective date of the reorganization measures, whichever is later, to the last day of the exercise period of the stock acquisition rights set forth in “Exercise period for the share acquisition rights” in the above table. During the Exercise period for the stock acquisition rights which shall be issued upon reorganization measures each stock acquisition right holder can exercise on conditions by “Conditions for the exercise of the share acquisition rights” in the above table. 6) Transfer of the stock acquisition rights which shall be issued upon reorganization measures must be approved by the board of directors of the reorganizing company. 7) Matters regarding the amount of capital and capital reserve to be increased as a result of issuance of shares upon the exercise of the stock acquisition rights, conditions for exercising the stock acquisition rights and conditions of acquisition of the stock acquisition rights which shall be issued upon reorganization measures shall be determined in accordance with the contents of the current share acquisition rights.

ii. Eighth series of Matsui Securities Co., Ltd. share acquisition rights

Date of resolution	July 13, 2021
Persons eligible for the allotment and number of them	8 directors of the Company (excluding directors who are Audit and Supervisory Committee members and outside directors) (Note 1)
Number of share acquisition rights (Note *)	1,175
Class and number of shares subject to the share acquisition rights (shares) (Note *)	Common stocks: 117,500 (Note 2)
Amount to be paid per share upon the exercise of each share acquisition rights (yen) (Note *)	1
Exercise period for the share acquisition rights (Note *)	From July 29, 2024 to July 28, 2027 (Note 3)
Issuance price and amount credited to equity capital in the event of share issuance upon the exercise of share acquisition rights (yen) (Note *)	Note 4
Conditions for the exercise of the share acquisition rights (Note *)	Note 5
Matters concerning the transfer of the share acquisition rights (Note *)	The acquisition of the share acquisition rights through assignment shall require the approval of the board of directors of the Company.
Matters concerning the issuance of the share acquisition rights in connection with acts of reorganization (Note *)	Note 6

Note *: The table above shows the contents at the end of current fiscal year (March 31, 2025). There has been no change in these matters as of the end of the month before the month containing the date of filing of this Annual Securities Report (May 31, 2025).

Note 1, Note 2 and Note 3: These notes are the same as Note 1, Note 2 and Note 3 of “Seventh series of Matsui Securities Co., Ltd. share acquisition rights”, respectively.

Note 4: Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2024 is 648 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2025 is 633 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2026 is 617 yen per share. The amount of capital to be increased due to the issuance of shares upon exercise of the share acquisition rights shall be a half of the maximum amount of capital increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than 1 yen arising from there shall be rounded up to the nearest 1 yen.

Note 5: 1) Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors who are members of the Audit and Supervisory Committee.) at the time of the exercise. However the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds. 2) Persons allotted share acquisition rights are eligible to exercise their rights as follows: [1] From July 29, 2024 to July 28, 2025: Within one third of the number of rights originally allotted (Fraction of less than 1 share acquisition rights shall be rounded down). [2] From July 29, 2025 to July 28, 2026: Within two thirds of the number of rights originally allotted (including share acquisition rights which can already be exercised by [1]) (Fraction of less than 1 share acquisition rights shall be rounded down). [3] From July 29, 2026 to July 28, 2027: All rights can be exercised. 3) Each one right cannot be partially exercised. 4) Other conditions of exercise are specified in the contract between the Company and the persons to be allotted share acquisition rights.

Note 6: This note is the same as Note 6 of “Seventh series of Matsui Securities Co., Ltd. share acquisition rights” with the “above table” appears in the Note 6 of “Eighth series of Matsui Securities Co., Ltd. share acquisition rights” to be understood as the above table here.

iii. Ninth series of Matsui Securities Co., Ltd. share acquisition rights

Date of resolution	July 12, 2022
Persons eligible for the allotment and number of them	9 directors of the Company (excluding directors who are members of the Audit and Supervisory Committee) (Note 1)
Number of share acquisition rights (Note *)	1,916
Class and number of shares subject to the share acquisition rights (shares) (Note *)	Common stocks: 191,600 (Note 2)
Amount to be paid per share upon the exercise of each share acquisition rights (yen) (Note *)	1
Exercise period for the share acquisition rights (Note *)	From July 29, 2025 to July 28, 2028 (Note 3)
Issuance price and amount credited to equity capital in the event of share issuance upon the exercise of share acquisition rights (yen) (Note *)	Note 4
Conditions for the exercise of the share acquisition rights (Note *)	Note 5
Matters concerning the transfer of the share acquisition rights (Note *)	The acquisition of the share acquisition rights through assignment shall require the approval of the board of directors of the Company.
Matters concerning the issuance of the share acquisition rights in connection with acts of reorganization (Note *)	Note 6

Note *: The table above shows the contents at the end of current fiscal year (March 31, 2025). There has been no change in these matters as of the end of the month before the month containing the date of filing of this Annual Securities Report (May 31, 2025).

Note 1, Note 2 and Note 3: These notes are the same as Note 1, Note 2 and Note 3 of “Seventh series of Matsui Securities Co., Ltd. share acquisition rights”, respectively.

Note 4: Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2025 is 643 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2026 is 628 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2027 is 613 yen per share. The amount of capital to be increased due to the issuance of shares upon exercise of the share acquisition rights shall be a half of the maximum amount of capital increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than 1 yen arising from there shall be rounded up to the nearest 1 yen.

Note 5: 1) Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors who are members of the Audit and Supervisory Committee.) at the time of the exercise. However the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds. 2) Persons allotted share acquisition rights are eligible to exercise their rights as follows: [1] From July 29, 2025 to July 28, 2026: Within one third of the number of rights originally allotted (Fraction of less than 1 share acquisition rights shall be rounded down). [2] From July 29, 2026 to July 28, 2027: Within two thirds of the number of rights originally allotted (including share acquisition rights which can already be exercised by [1]) (Fraction of less than 1 share acquisition rights shall be rounded down). [3] From July 29, 2027 to July 28, 2028: All rights can be exercised. 3) Each one right cannot be partially exercised. 4) Other conditions of exercise are specified in the contract between the Company and the persons to be allotted share acquisition rights.

Note 6: This note is the same as Note 6 of “Seventh series of Matsui Securities Co., Ltd. share acquisition rights” with the “above table” appears in the Note 6 of “Ninth series of Matsui Securities Co., Ltd. share acquisition rights” to be understood as the above table here.

iv. Tenth series of Matsui Securities Co., Ltd. share acquisition rights

Date of resolution	July 11, 2023
Persons eligible for the allotment and number of them	8 directors of the Company (excluding directors who are members of the Audit and Supervisory Committee) (Note 1)
Number of share acquisition rights (Note *)	1,848
Class and number of shares subject to the share acquisition rights (shares) (Note *)	Common stocks: 184,800 (Note 2)
Amount to be paid per share upon the exercise of each share acquisition rights (yen) (Note *)	1
Exercise period for the share acquisition rights (Note *)	From July 29, 2026 to July 28, 2029 (Note 3)
Issuance price and amount credited to equity capital in the event of share issuance upon the exercise of share acquisition rights (yen) (Note *)	Note 4
Conditions for the exercise of the share acquisition rights (Note *)	Note 5
Matters concerning the transfer of the share acquisition rights (Note *)	The acquisition of the share acquisition rights through assignment shall require the approval of the board of directors of the Company.
Matters concerning the issuance of the share acquisition rights in connection with acts of reorganization (Note *)	Note 6

Note *: The table above shows the contents at the end of current fiscal year (March 31, 2025). There has been no change in these matters as of the end of the month before the month containing the date of filing of this Annual Securities Report (May 31, 2025).

Note 1, Note 2 and Note 3: These notes are the same as Note 1, Note 2 and Note 3 of “Seventh series of Matsui Securities Co., Ltd. share acquisition rights”, respectively.

Note 4: Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2026 is 639 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2027 is 624 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 29, 2028 is 609 yen per share. The amount of capital to be increased due to the issuance of shares upon exercise of the share acquisition rights shall be a half of the maximum amount of capital increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than 1 yen arising from there shall be rounded up to the nearest 1 yen.

Note 5: 1) Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors who are members of the Audit and Supervisory Committee.) at the time of the exercise. However the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds. 2) Persons allotted share acquisition rights are eligible to exercise their rights as follows: [1] From July 29, 2026 to July 28, 2027: Within one third of the number of rights originally allotted (Fraction of less than 1 share acquisition rights shall be rounded down). [2] From July 29, 2027 to July 28, 2028: Within two thirds of the number of rights originally allotted (including share acquisition rights which can already be exercised by [1]) (Fraction of less than 1 share acquisition rights shall be rounded down). [3] From July 29, 2028 to July 28, 2029: All rights can be exercised. 3) Each one right cannot be partially exercised. 4) Other conditions of exercise are specified in the contract between the Company and the persons to be allotted share acquisition rights.

Note 6: This note is the same as Note 6 of “Seventh series of Matsui Securities Co., Ltd. share acquisition rights” with the “above table” appears in the Note 6 of “Tenth series of Matsui Securities Co., Ltd. share acquisition rights” to be understood as the above table here.

v. Eleventh series of Matsui Securities Co., Ltd. share acquisition rights

Date of resolution	July 9, 2024
Persons eligible for the allotment and number of them	8 directors of the Company (excluding directors who are members of the Audit and Supervisory Committee) (Note 1)
Number of share acquisition rights (Note *)	1,945
Class and number of shares subject to the share acquisition rights (shares) (Note *)	Common stocks: 194,500 (Note 2)
Amount to be paid per share upon the exercise of each share acquisition rights (yen) (Note *)	1
Exercise period for the share acquisition rights (Note *)	From July 27, 2027 to July 26, 2030 (Note 3)
Issuance price and amount credited to equity capital in the event of share issuance upon the exercise of share acquisition rights (yen) (Note *)	Note 4
Conditions for the exercise of the share acquisition rights (Note *)	Note 5
Matters concerning the transfer of the share acquisition rights (Note *)	The acquisition of the share acquisition rights through assignment shall require the approval of the board of directors of the Company.
Matters concerning the issuance of the share acquisition rights in connection with acts of reorganization (Note *)	Note 6

Note *: The table above shows the contents at the end of current fiscal year (March 31, 2025). There has been no change in these matters as of the end of the month before the month containing the date of filing of this Annual Securities Report (May 31, 2025).

Note 1, Note 2 and Note 3: These notes are the same as Note 1, Note 2 and Note 3 of “Seventh series of Matsui Securities Co., Ltd. share acquisition rights”, respectively

Note 4: Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 27, 2027 is 660 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 27, 2028 is 644 yen per share. Issuance price of the shares upon the exercise of share acquisition rights which can be exercised from July 27, 2029 is 629 yen per share. The amount of capital to be increased due to the issuance of shares upon exercise of the share acquisition rights shall be a half of the maximum amount of capital increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than 1 yen arising from there shall be rounded up to the nearest 1 yen.

Note 5: 1) Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors who are members of the Audit and Supervisory Committee.) at the time of the exercise. However the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds. 2) Persons allotted share acquisition rights are eligible to exercise their rights as follows: [1] From July 27, 2027 to July 26, 2028: Within one third of the number of rights originally allotted (Fraction of less than 1 share acquisition rights shall be rounded down). [2] From July 27, 2028 to July 26, 2029: Within two thirds of the number of rights originally allotted (including share acquisition rights which can already be exercised by [1]) (Fraction of less than 1 share acquisition rights shall be rounded down). [3] From July 27, 2029 to July 26, 2030: All rights can be exercised. 3) Each one right cannot be partially exercised. 4) Other conditions of exercise are specified in the contract between the Company and the persons to be allotted share acquisition rights.

Note 6: This note is the same as Note 6 of “Seventh series of Matsui Securities Co., Ltd. share acquisition rights” with the “above table” appears in the Note 6 of “Eleventh series of Matsui Securities Co., Ltd. share acquisition rights” to be understood as the above table here.

- [2] Description of rights plan
Not applicable.
- [3] Other information about share acquisition rights
Not applicable.
- (3) Exercises, etc. of moving strike convertible bonds, etc.
Not applicable.
- (4) Changes in total number of issued shares, share capital and legal capital surplus

Date	Change in number of outstanding shares	Total number of issued shares	Change in amount of Share capital (millions of yen)	Balance of Share capital (millions of yen)	Change in amount of legal capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
February 3, 2016 (Note)	(10,000,000)	259,264,702	-	11,945	-	9,793

Note: Change in number of outstanding shares is a decrease by cancellation of treasury shares.

(5) Shareholding by shareholder category

(As of March 31, 2025)

Classification	Status of shares (1 unit of shares consists of 100 shares)			
	National and municipal governments	Financial institutions	Securities companies	Other institutions
Number of shareholders	-	13	30	247
Number of shares held (units)	-	264,773	35,889	1,513,201
Ratio of number of shares held (%)	-	10.22	1.38	58.39

Classification	Status of shares (1 unit of shares consists of 100 shares)				Status of shares less than 1 unit
	Foreign corporations, etc.		Individuals, etc.	Total	
	Shareholders other than individuals	Individuals			
Number of shareholders	190	255	64,434	65,169	-
Number of shares held (units)	160,777	1,528	615,301	2,591,469	117,802
Ratio of number of shares held (%)	6.20	0.06	23.74	100.00	-

Note 1: Out of 1,819,109 treasury shares, 18,191 units are included in the "Individuals and others" and 9 shares are included in "Status of shares less than 1 unit". Also, the number of 1,819,109 treasury shares are the same as that of shares substantially held by the Company.

Note 2: 4 units under the title of Japan Securities Depository Center Inc. are included in "other institutions".

(6) Major shareholders

(As of March 31, 2025)

Name	Address	Number of shares held (thousands of shares)	Ratio of number of shares held to the total number of issued shares (excluding treasury shares) (%)
Maruroku Ltd.	2-4-2, Nishikata, Bunkyo-ku, Tokyo	96,706	37.56
Shokosha Ltd.	2-4-2, Nishikata, Bunkyo-ku, Tokyo	35,722	13.88
The Master Trust Bank of Japan, Ltd. (Trust account)	Akasaka Intercity AIR, 1-8-1, Akasaka, Minato-ku, Tokyo	21,208	8.24
MamFive Co., Ltd.	Bunkyo-ku, Tokyo	5,862	2.28
MamOne Co., Ltd.	Bunkyo-ku, Tokyo	5,862	2.28
MamThree Co., Ltd.	Bunkyo-ku, Tokyo	5,862	2.28
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	3,825	1.49
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Division, Mizuho Bank, Ltd.)	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A. (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	1,619	0.63
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd. (Settlement & Clearing Business Department))	STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM (Shinagawa Intercity Building A, 2-15-1 Konan, Minato-ku, Tokyo)	1,412	0.55
JP Morgan Securities Japan Co., Ltd.	Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo	1,228	0.48
Total	-	179,306	69.65

Note 1: In addition to the above, the Company owns 1,819 thousand treasury shares.

Note 2: The number of shares held by trust banks, etc. under their trust operations cannot be comprehensively ascertained by the Company, so the number of shares held under their names in the shareholder registry is shown.

(7) Voting rights

[1] Issued shares

(As of March 31, 2025)

Classification	Number of shares	Number of voting rights	Content
Shares without voting rights	-	-	-
Shares with limited voting rights (Treasury shares)	-	-	-
Shares with limited voting rights (Other)	-	-	-
Shares with full voting rights (Treasury shares)	(Shares held by the Company) Common stock: 1,819,100	-	-
Shares with full voting rights (Other)	Common stock: 257,327,800	2,571,852	-
Shares less than 1 unit of shares	Common stock: 117,802	-	-
Total number of issued shares	Common stock: 259,264,702	-	-
Voting rights of all shareholders	-	2,571,852	-

Note 1 : 400 shares under the title of Japan Securities Depository Center Inc. and 142,600 shares of securities bought by customers using money loaned from the Company's own fund are included in common stock of "Shares with full voting rights (Other)." The 4 voting rights under the title of Japan Securities Depository Center Inc. are included in "Number of voting rights." The 1,426 voting rights of securities bought by customers using money loaned from the Company's own fund are not included in "Number of voting rights."

Note 2: 9 treasury shares held by the Company are included in "Shares less than 1 unit of shares".

[2] Treasury shares, etc.

(As of March 31, 2025)

Name of shareholders	Address of shareholders	Treasury shares held by the Company's own name	Treasury shares held by other person's name	Total number of shares held	Ratio of number of shares held to total number of outstanding shares (%)
(Treasury shares held by the Company) Matsui Securities Co., Ltd.	1-4, Kojimachi, Chiyoda-ku, Tokyo	1,819,100	-	1,819,100	0.70
Total	-	1,819,100	-	1,819,100	0.70

2) Acquisitions, etc. of Treasury Shares

Common stock

(1) Acquisitions by resolution of shareholders' meeting

Not applicable.

(2) Acquisitions by resolution of board of directors' meeting

Not applicable.

(3) Acquisitions not based on resolution of shareholders' meeting or board of directors' meeting

Item	Number of shares	Total amount of value (millions of yen)
Acquisition of treasury shares during the current fiscal year	-	-
Acquisition of treasury shares during the following fiscal year	-	-

Note: "Acquisition of treasury shares during the following fiscal year" does not include the number of shares acquired concerning purchase of shares less than 1 unit of shares from June 1, 2025 to the date of the filing of this Annual Securities Report.

(4) Disposals or holding of acquired treasury shares

Classification	Current fiscal year		Following fiscal year	
	Number of shares	Total amount disposed (millions of yen)	Number of shares	Total amount disposed (millions of yen)
Acquired treasury shares offered for subscriber	-	-	-	-
Acquired treasury shares cancelled	-	-	-	-
Acquired treasury shares transferred concerning merger, share exchange, or corporate split	-	-	-	-
Other (exercise of share acquisition rights)	151,600	115	-	-
Number of treasury shares held	1,819,109	-	1,819,109	-

Note: "Number of treasury shares held" does not include the number of shares acquired concerning purchase of shares less than 1 unit of shares nor that of disposal of shares by the exercise of share acquisition rights from June 1, 2025 to the date of filing of this Report.

3) Dividend Policy

The Company's capital policy primarily focuses on the pursuit of corporate value expansion through the harmonization of three financial imperatives: maintaining an appropriate capital level that balances soundness and efficiency, executing strategic investments that contribute to future growth, and providing returns that meet shareholder expectations. The basic policy of the Company regarding shareholder returns is to pay out dividends each period based on the business results. The level of these dividends is determined based on a comprehensive consideration of factors such as the optimal equity capital level to support our main business of margin transactions and the environment for strategic investments. As the dividend policy, the Company aims for a Dividend Payout Ratio of 60% or above and a Dividend on Equity (DOE) of 8% or above.

The Company distributes the year-end dividend based on the resolution of the General Meeting of Shareholders and the interim dividend based on the resolution of the board of directors' meeting. Interim dividend based on September 30 every year, depending on the resolution of the board of directors' meeting, is permitted by the company's articles of incorporation.

Annual dividends per share for the current fiscal year will be 40.00 yen including 22.00 yen interim dividends and 18.00 yen year-end dividends (as planned). As a result, the dividend payout ratio for the current fiscal year ended March 31, 2025 is 98.0% and DOE is 13.5%, which are in accordance with the basic policy. The Company determined the dividend level considering that the equity level is sufficiently high to support to deal with the case of sudden and rapid expansion of the margin trading services.

The Company will utilize effectively the capital with retained earnings by investing them on on-line securities trading system and by allocating them as working capital required to enhance margin trading services (loans to customers for their margin trading by the Company's own fund, etc.).

Dividends of surplus whose record date falls in the current fiscal year (the 109th fiscal year) is as follows.

Date of resolution	Total amount of dividends (millions of yen)	Dividend per share (yen)
Board of directors' meeting held on October 29, 2024	5,663	22.00
Ordinary general meeting of shareholders scheduled to be held on June 29, 2025 (Note)	4,634	18.00

Note: This dividend is year-end dividend whose record date is March 31, 2025 and this is one of agenda of the ordinary general meeting of shareholders scheduled to be held on June 29, 2025

4) Status of Corporate Governance, etc.

(1) Overview of Corporate Governance

[1] The Company's basic approach towards corporate governance

The Company has adopted a basic management policy for achieving sustainable growth and mid- to long-term improvement of corporate values, by developing and operating a highly efficient management system which can quickly, flexibly, and accurately respond to changes in the business environment, by maintaining soundness of management and transparency of business conditions, and by maintaining a relationship of trust with shareholders and other stakeholders. The Company intends to enhance corporate governance in order to realize the basic management policy.

[2] Overview of the corporate governance system and the reason for adopting the system

i. Overview of the Company's corporate governance system

The Company has established a Board of directors as the decision-making and supervising organization for management, and the Executive Committee as the organization to control overall business execution based on decisions made by the Board of directors. In addition, the Company has established the Nominating and Compensation Committee as an advisory body to the Board on particularly important matters such as the appointment and dismissal, evaluation, and compensation of directors. The Company is a company with an audit and supervisory committee, and the Audit and Supervisory Committee is responsible for monitoring management. The Company's internal audit department strives to maintain the soundness of the corporate organization involved in the proper execution of business while maintaining its independence.

a. The Board of Directors

A regular meeting of the Board of Directors is held once a month, and extraordinary meetings of the Board of Directors are held as necessary.

The Board is comprised of 15 directors: President & CEO WARITA Akira (Chairperson); Senior Managing Director UZAWA Shinichi; Managing Directors SATO Kunihiko and SHIBATA Masashi; Directors SAIGA Motoo, HAGA Manako, TANAKA Takeshi, IMAI Takahito, MATSUI Michitaro, ONUKI Satoshi, and HORI Toshiaki; Directors who are Audit and Supervisory Committee members, TAKAHASHI Takefumi, KAI Mikitoshi, KOGOMA Nozomi, and KAWANISHI Takuto. 5 of the 15 directors are outside directors: ONUKI Satoshi, HORI Toshiaki, KAI Mikitoshi, KOGOMA Nozomi, and KAWANISHI Takuto.

Outside directors (excluding directors who are Audit and Supervisory Committee members) provide advice and suggestions based on their knowledge and experience regarding overall management decisions, including decisions on the direction of the Company's management strategy, etc. and the formulation of individual business plans, and supervise the execution of business by internal directors from an independent standpoint. The Company has appointed ONUKI Satoshi as Lead Independent External Director. The Company is establishing a system where the Lead Independent External Director plays a central role for communication and coordination with the executive team.

The Company nominates outside directors (excluding directors who are Audit and Supervisory Committee members) who are capable of monitoring management from an objective standpoint and with independence, without being biased toward the interests of the management or specific stakeholders, and who have a wide range of knowledge.

The Company nominates internal directors who not only possess a high degree of expertise in their fields of responsibility, but are also suitable for promoting a highly efficient management system that enables quick, flexible and appropriate responses to changes in the business environment.

For directors who are Audit and Supervisory Committee members, the Company nominates individuals who are aware of the roles and responsibilities that the Company should fulfill in society and who have a wide range of knowledge, without being biased toward the interests of the management team or specific stakeholders.

The Company has reviewed the composition of its Board of Directors and, with the aim of strengthening corporate governance by constituting the Board with a majority of outside directors, has proposed the following items as matters to be resolved at the ordinary general meeting of shareholders scheduled for June 29, 2025: “Partial Amendments to the Articles of Incorporation”, “Election of 5 Directors (Excluding Directors who are Audit and Supervisory Committee Members)”, and “Election of 3 Directors who are Audit and Supervisory Committee Members”. Additionally, to maintain a highly efficient business execution system capable of responding quickly, flexibly, and accurately to changes in the business environment, the Company will introduce an executive officer system.

If the proposal is approved, 5 of the 11 directors (excluding directors who are Audit and Supervisory Committee members), WARITA Akira, UZAWA Shinichi, MATSUI Michitaro, ONUKI Satoshi, and HORI Toshiaki, and 2 directors who are Audit and Supervisory Committee members, TAKAHASHI Takefumi and KOGOMA Nozomi, will be reappointed. In addition, SHIOMI Megumi, a director who will be an Audit and Supervisory Committee Member, will be newly elected. 6 directors (excluding directors who are Audit and Supervisory Committee members); SATO Kunihiro, SHIBATA Masashi, SAIGA Motoo, HAGA Manako, TANAKA Takeshi, and IMAI Takahito, will retire from their positions as directors when their terms of office expire, but will continue to be responsible for the execution of the Company's business as executive officers. KAI Mikitoshi, a director who is an Audit and Supervisory Committee Member, will retire from his position when his term of office expires. As a result, the Company will have 5 outside directors: ONUKI Satoshi and HORI Toshiaki, and Audit and Supervisory Committee members KAWANISHI Takuto, KOGOMA Nozomi and SHIOMI Megumi. In addition, the convener and chairperson of both the General Meeting of Shareholders and the Board of Directors meetings will change from the President to a director predetermined by the Board of Directors (After the coming general meeting of shareholders, the title of WARITA Akira will be changed from President & CEO, Representative Director to President & CEO, Representative Director and Executive Officer, and WARITA Akira will be the chairperson of the Board of Directors.).

After the introduction of the executive officer system, the Board of Directors will be attended by executive officers who will report on the execution of their duties and the progress of detailed business plans. The Company believes that the Board

of Directors will be able to continue to monitor the management situation effectively.

With regard to decision-making and the execution of business other than that of the Board of Directors, the authority of the Executive Committee, the representative directors, the supervising directors, the directors in charge, and the heads of the departments in charge regarding final decisions and approvals, etc. is clearly defined in the "Rules for Requests for Approval and Applications for Final Decisions," etc. In addition, after the introduction of the executive officer system on June 29, 2025, the authority regarding final decisions and approvals, etc. of the supervising directors and the directors in charge in the "Rules for Requests for Approval and Applications for Final Decisions," etc. will be changed to the authority of the executive officers in charge.

b. Executive Committee

The Executive Committee is comprised of 4 directors who are President & CEO WARITA Akira (Chairperson), Senior Managing Director UZAWA Shinichi, Managing Director SATO Kunihiko, and Managing Director SHIBATA Masashi. Based on the basic management policies determined by the Board of Directors, the Committee deliberates important management-related matters and seeks to exercise overall control over the execution of operations. Following the introduction of the executive officer system on June 29, 2025, the Committee will consist of all executive officers, including President & CEO WARITA Akira (Chairperson) (scheduled to change the title from President & CEO, Representative Director to President & CEO, Representative Director and Executive Officer, after the ordinary general meeting of shareholders to be held on June 29, 2025.) and Director, Senior Managing Executive Officer UZAWA Shinichi (scheduled to change from "Senior Managing Director" to "Director, Senior Managing Executive Officer" after the coming general meeting of shareholders).

c. Nomination and Compensation Committee

The Nomination and Compensation Committee, which consists of President & CEO WARITA Akira, (scheduled to change the title from President & CEO, Representative Director to President & CEO, Representative Director and Executive Officer after the ordinary general meeting of shareholders to be held on June 29, 2025), 2 outside directors, ONUKI Satoshi (Chairperson) and HORI Toshiaki, is consulted by the Board of Directors on particularly important matters such as the appointment, dismissal, evaluation, and compensation of directors ("directors and executive officers" after the introduction of the executive officer system on June 29, 2025).

d. Audit and Supervisory Committee

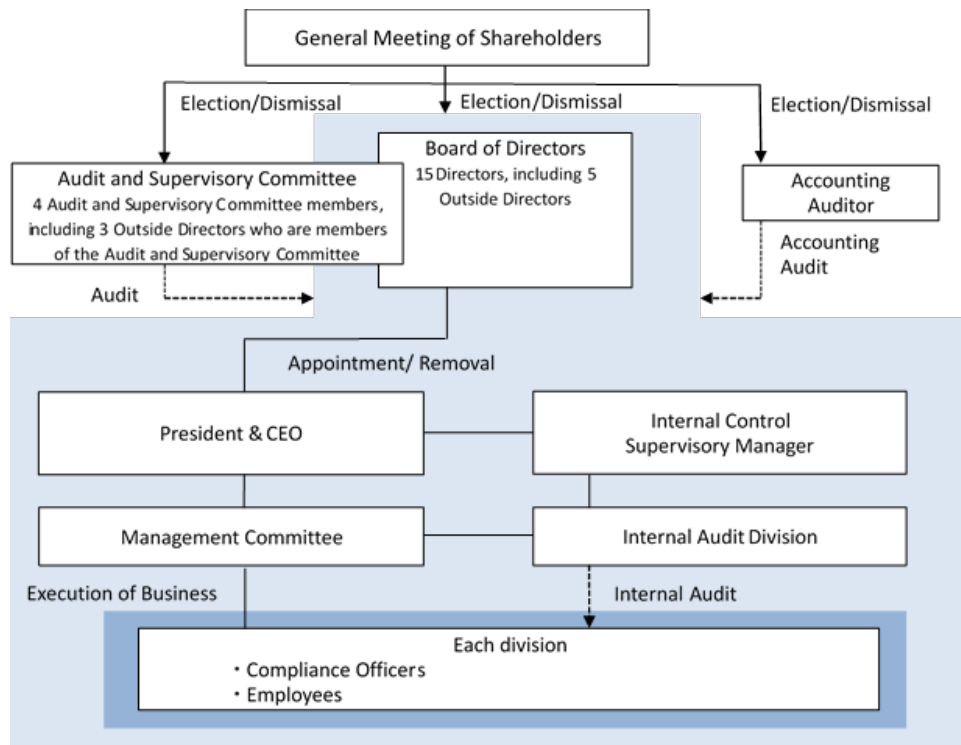
The Company has chosen the form of a company with an audit and supervisory committee, and the audit system by the Audit and Supervisory Committee have the function to monitor management. In order to secure viability of such monitoring function, the Audit and Supervisory Committee grasp the status of Company activities by mainly focusing on internal audits and compliance, and confirm the status of individual business executions in cooperation with the relevant department in charge as necessary, and conduct audits of execution of duties by directors ("directors and executive officers" after the introduction of the executive officer system on June 29, 2025) based on objective evaluations from an independent standpoint.

The Audit and Supervisory Committee is comprised of a total of 4 directors who are Audit and Supervisory Committee members, including TAKAHASHI Takefumi, a full-time Audit and Supervisory Committee member, and 3 Audit and Supervisory Committee members, KAI Mikitoshi (Chairperson), KOGOMA Nozomi, and KAWANISHI Takuto (these 3 are outside directors). (We have proposed "Election of 3 Directors who are Audit and Supervisory Committee Members" as a proposal (resolution item) for the ordinary general meeting of shareholders to be held on June 29, 2025. If the proposal is adopted, 2 directors, TAKAHASHI Takefumi and KOGOMA Nozomi, will be reappointed, and SHIOMI Megumi will be newly elected. KAI Mikitoshi will retire due to the expiration of his term of office, and KAWANISHI Takuto will be the Chairperson.), and the Audit and Supervisory Committee exchanges opinions with directors inside and outside of the Company and collaborates with internal audits to enhance the effectiveness of audits and monitoring.

e. Internal Audit Division

The Company has established an internal audit department which seeks to maintain soundness of corporate organization concerning proper execution of business. The persons in charge of internal audits maintain independence under the oversight of a full-time dedicated manager, and also closely cooperates with the director in charge ("executive officer in charge" after the introduction of the executive officer system on June 29, 2025) and the Audit and Supervisory Committee, and makes correction instructions and improvement requests etc. under their supervision. The results of internal audits are promptly reported to directors, including the representative director, and the Audit and Supervisory Committee.

(Diagram of Business Execution, Monitoring, and Internal Control at the Company)



If the resolution of the ordinary general meeting of shareholders to be held on June 29, 2025 is approved, the number of directors will be 9.

ii. Reason for adopting the above organization

The Company is of the view that in order to deal with a rapidly changing business environment in a timely and appropriate manner, it is desirable to operate the Company by integrating both management judgement and business execution, and has adopted a management organization composed mainly by inside directors who have high levels of expertise. Furthermore, on the issue of monitoring of management, multiple outside directors and outside directors who are members of the Audit and Supervisory Committee have been appointed, and the Company believes that corporate governance is sufficiently functioning through supervision by such outside directors and the audits conducted by the Audit and Supervisory Committee.

With the aim of strengthening corporate governance by reviewing the composition of the Board of Directors and making the Board of Directors consist of a majority of outside directors, the Company has proposed "Partial Amendments to the Articles of Incorporation," "Election of 5 Directors (Excluding Directors who are Audit and Supervisory Committee Members)," and "Election of 3 Directors who are Audit and Supervisory Committee Members" as agenda items (matters to be resolved) for the ordinary general meeting of shareholders to be held on June 29, 2025. In addition, the Company will introduce an executive officer system for the purpose of continuing to maintain a highly efficient business execution system that can respond quickly, flexibly, and appropriately to changes in the business environment. Directors with a high level

of expertise will continue to be responsible for business execution as executive officers even after their retirement after the coming ordinary general meeting of shareholders.

As a result of the above, the Company believes that its management system will operate more effectively and efficiently, while maintaining a system in which the Board of Directors makes management decisions and supervises management, and the Executive Committee assumes overall control of business execution based on those decisions.

[3] Other matters related to corporate governance

i. Status of development of an internal control system and risk management system

The Company has prepared a compliance manual so that directors and employees may be sure to comply with laws, regulations, and rules etc., and the Company has also organized internal rules in order to ensure proper and efficient business operations as a financial instruments business operator. Furthermore, a sales manager and internal control manager are appointed to ensure legal and regulatory compliance at the respective business unit.

The Company has prescribed that one director shall be appointed as the internal control supervisory manager, and a compliance department has been established under the internal control supervisory manager. The compliance department seeks to secure the legality and appropriateness of day-to-day business, and cooperate with the compliance officer appointed at each department, and endeavors to raise the compliance consciousness in each department. After the introduction of the executive officer system on June 29, 2025, the internal control supervisory manager will be an executive officer.

Regarding the appropriateness of business, a system has been established whereby after-the-fact verifications are implemented by conducting periodic audits, and when a problem is found, appropriate improvement measures are taken. Also, internal audits are conducted under mutual cooperation with the Audit and Supervisory Committee's audits and accounting auditor's audits.

The Company has introduced an internal whistle-blowing system where the reporting destination is a third-party entity commissioned by the Japan Securities Dealers Association. If a whistle-blowing report is received by the third-party entity, a report is received by the Audit and Supervisory Committee and the internal officer in charge. Furthermore, a contact desk has been established within relevant internal department to receive direct reports regarding illegal acts etc. within the Company. These systems have been clearly established within internal rules and posted on the intranet etc. in order to promote dissemination among employees. Also, disadvantageous treatment of whistleblowers is prohibited by internal rules.

The compliance department oversees risk control operations for all risks assumed by the Company, and is efficiently controlling risks in cooperation with each department. Credit control of individual transactions is specialized by the credit control department and system risk management is specialized by the risk management department. With respect to market risks and credit risks related to financial instruments, the finance department is quantitatively managing such risks by calculating risk amounts and the capital-to-risk ratio based on the "Financial Instruments and Exchange Act". With respect to the Company's

trading businesses, the finance department which is independent from the trading department is quantitatively managing such risks, and providing necessary reports to the internal control supervisory manager.

With respect to internal control related to financial reporting, the effectiveness of the business process centered on the finance department is maintained and improved by conducting practices of effectiveness evaluation mainly through the internal audit department, as well as through the evaluation processes and internal audits etc.

ii. **Basic approach towards the elimination of anti-social forces and status of implementation**

The Company fully recognizes the importance of the stabilization and maintenance of social order, and believes that dealing with anti-social forces in accordance with laws, regulations and other norms and without listening to the undue requests by anti-social forces is the meaning of compliance itself. The Company will eliminate all relationships with anti-social forces including any transaction relationships, and deal with them taking a firm attitude.

The Company has formulated internal rules, a compliance manual, and other handling manuals so that the Company may deal with anti-social forces taking a firm attitude as an entire organization. Furthermore, the Company conducts training regarding compliance aiming to develop compliance consciousness among its directors and employees, as well as training related to how to deal with anti-social forces and how to manage information related to anti-social forces, in order to enlighten the directors and employees of such matters.

The Company has appointed a person in charge regarding prevention of unreasonable demands, and has mandated the general affairs department as the department responsible for dealing with anti-social forces, while cases where a customer is an anti-social forces (including cases where there is such doubt) are to be handled by the compliance department. The Company has also prescribed that both departments should cooperate in handling such matters. The person in charge regarding prevention of unreasonable demands shall cooperate with the general affairs department and compliance department depending on the nature of the anti-social force and contents of the unreasonable demand. The general affairs department and compliance department makes efforts to gather information regarding anti-social forces on a day-to-day basis and mutually shares such information, and also constructs a database which compiles such information, and is excluding all relationships with anti-social forces at all times. Furthermore, the Company has built a close cooperative relationship with external specialized organizations, including the police department, the National Center for Removal of Criminal Organizations, the Security Policy Center of Japan Securities Dealers Association, and the Securities and Exchange Surveillance Commission etc. Also, the Company has signed agreements with multiple corporate legal advisors who have a high degree of expertise, and has developed a system where it can obtain advice and support from multiple perspectives.

In the case where there is doubt that a customer or other transaction counterparty may be an anti-social force, the Company will attempt to promptly dissolve such relationship based on instructions from the general affairs department and the compliance department. Furthermore, in the case where unreasonable demands are received from an anti-social force, the situation shall be handled in accordance

with established internal rules and manuals etc., and external organizations and corporate legal advisors shall be consulted to seek advice and support. At the same time, all available civil legal measures will be taken against any anti-social force which has made unreasonable demands, and if any damages are incurred, the Company will handle the matter appropriately without hesitating to take criminal actions.

iii. **Fixed number of directors**

The Articles of Incorporation has stipulated that the Company shall have up to 15 directors (excluding directors who are members of the Audit and Supervisory Committee) and that the number of directors who are members of the Audit and Supervisory Committee is 4 or less. The Company has proposed "Partial Amendments to the Articles of Incorporation" as a proposal (resolution) for the ordinary general meeting of shareholders to be held on June 29, 2025. If the proposal is adopted, the maximum number of directors (excluding directors who are Audit and Supervisory Committee members) will be reduced from 15 to 10.

iv. **Resolution requirements for appointment of directors**

The Articles of Incorporation has stipulated that a resolution for appointment of directors of the Company shall require attendance of at least one-third (1/3) of the shareholders who have voting rights, and that approval of such resolution shall require a majority vote, and also that it shall not be based on cumulative voting.

v. **Acquisition of treasury shares**

With respect to the acquisition of treasury shares, in order to allow for flexible execution of various management measures such as financial policies in response to changes to economic conditions, based on the provisions in Article 165, Paragraph 2 of the Companies Act, the Company has stipulated in its Articles of Incorporation that it may acquire treasury shares through open market transactions based on a resolution of the Board of Directors.

vi. **Interim dividends**

With respect to interim dividends, in order to allow for flexible return of profits to shareholders, based on Article 454, Paragraph 5 of the Companies Act, the Company has stipulated in its Articles of Incorporation to allow for payment of interim dividends by a resolution of the Board of Directors.

vii. **Exemption of liability of directors**

In order to allow for the directors to fully fulfill their roles which are expected of them upon execution of duties, pursuant to provisions of Article 426, Paragraph 1 of the Companies Act, the Company has stipulated in its Articles of Incorporation that it may, to the extent permitted under laws and regulations, exempt the liabilities of directors (including those persons who had been directors in the past) as provided for in Article 423, Paragraph 1 of the Companies Act, by a resolution of the Board of Directors.

viii. **Outline of the Officers' Liability Agreement and the Agreement for Limitation of Liability**

The Company has entered into a directors' and officers' liability insurance contract with an insurance company, in which the insured are directors. The

insurance contract covers any damages (legal compensation for damages and litigation costs) that may arise as a result of the insured being held liable for the performance of their duties or being subject to claims seeking such liability, and the insured is not required to pay insurance premiums.

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with its outside directors and directors who are Audit and Supervisory Committee members to limit their liability for damages under Article 423, Paragraph 1 of the same Act, to the amount stipulated by laws and regulations.

[4] Activities of the Board of Directors

The Company holds regular meetings of the Board of Directors once a month and extraordinary meetings as necessary. During the current fiscal year, the Company held 18 meetings of the Board of Directors, and the attendance of individual directors was as follows.

Name	Number of Attendances
WARITA Akira	18 times
UZAWA Shinichi	18 times
SATO Kunihiko	18 times
SHIBATA Masashi	18 times
SAIGA Motoo	18 times
HAGA Manako	18 times
TANAKA Takeshi	18 times
IMAI Takahito	18 times
MATSUI Michitaro	18 times
ONUKI Satoshi	18 times
HORI Toshiaki	18 times
ANNEN Junji	3 times (Note 1)
TAKAHASHI Takefumi	18 times
KAI Mikitoshi	18 times
KOGOMA Nozomi	18 times
KAWANISHI Takuto	15 times (Note 2)

Note1: 3 Board of Directors meetings were held during ANNEN Junji's tenure in the current fiscal year.

Note2: 15 Board of Directors meetings were held during KAWANISHI Takuto's tenure in the current fiscal year.

Note3: In addition to the number of Board of Directors meetings mentioned above, there was 1 written resolution that was deemed to be a resolution of the Board of Directors.

The Board of Directors discussed the business environment, management strategies and detailed business plans including business portfolio policies, allocation of management resources such as investment in human capital, progress of various measures, compliance with laws and regulations, and the status of various risks including system-related risks and credit risks to customers.

[5] Activities of the Nominating and Compensation Committee

The Company held three meetings of the Nomination and Compensation Committee during the current fiscal year, and the attendance of individual Nomination and Compensation Committee members was as follows.

Name	Number of times attended
WARITA Akira	5 times
ONUKE Satoshi	5 times
HORI Toshiaki	5 times
ANNEN Junji	-

Note1: No meeting of the Nomination and Compensation Committee was held during ANNEN Junji's tenure in the current fiscal year.

The Nomination and Compensation Committee discussed draft proposals for the election and dismissal of directors to be submitted to the General Meeting of Shareholders, as well as the details of base remuneration for directors.

(2) Status of officers

[1] List of officers

i. List of officers

List of officers as of June 23, 2025 (the date of filing of this Report) is as below.

13 males and 2 females (Ratio of female officers: 13 %)

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
President & CEO	WARITA Akira	June 16, 1971	April 1994 January 1998	P&G Far East Inc. Joined Lehman Brothers Securities LLC.	Note 3	55
			September 1999	Joined UBS Securities Japan LLC.		
			April 2006	Joined the Company.		
			May 2006	General Manager of IR Office of the Company.		
			June 2006	Elected as Director, General Manager of IR Office, Director in charge of Business Corporations, of the Company.		
			May 2011	Managing Director, General Manager of CEO Office and General Manager of Marketing Department, Supervising Director of Business Development Department, RTGS Business Department and Customer Support Department, of the Company.		
			June 2017	Managing Director, Director in charge of Marketing Department and Director in charge of Customer Support Department, Supervising Director of Business Development Department, of the Company.		
			April 2019	Senior Managing Director, Director in		

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			June 2020	charge of Marketing Department and Director in charge of Customer Support Department, of the Company. President & CEO of the Company (current).		
Senior Managing Director, Director in charge of Corporate Division	UZAWA Shinichi	July 19, 1973	April 1996 March 2000 August 2001 May 2004 June 2006 March 2007 April 2012 June 2020 August 2020 June 2024	Joined New Oji Paper Co., Ltd. Finished master course of Graduate School of Agricultural and Life Sciences, The University of Tokyo. Joined the Company. General Manager of Finance Department of the Company. Elected as Director, General Manager of Finance Department and Director in charge of Crisis Management, of the Company. Finished professional degree course of Graduate School of International Corporate Strategy, Hitotsubashi University. Director, General Manager of Finance Department, of the Company. Managing Director, General Manager of Finance Department, of the Company. Managing Director, Director in charge of Corporate Division, of the Company. Senior Managing Director in charge of Corporate Division, of the Company. (current)	Note 3	103
Managing Director, Director	SATO Kunihiko	February 5, 1971	April 1989	Joined Yamaichi Securities Co., Ltd.	Note 3	26

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
in charge of IT Division			September 1998 September 2004 June 2006 May 2011 August 2020 November 2020 October 2022 April 2024 June 2024	Joined the Company. General Manager of System Department of the Company. Elected as Director, General Manager of System Development Department and Director in charge of System Quality Management, of the Company. Director, Director in charge of System Department, of the Company. Director, Director in charge of IT Division, General Manager of DX Department, of the Company. Director, Director in charge of IT Division, of the Company. Director, Director in charge of IT Division and General Manager of System Department, of the Company. Director, Director in charge of IT Division, of the Company. Managing Director, Director in charge of IT Division, of the Company (current).		
Managing Director, Director in charge of Business Development Division, Director in charge of IT Division (IT Strategy)	SHIBATA Masashi	June 8, 1978	April 2001 April 2012	Joined the Company. General Manager of Business Development Department and General Manager of RTGS Business Department of the Company.	Note 3	32

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			December 2012	General Manager of Business Development Department of the Company.		
			June 2017	Elected as Director, General Manager of Business Development Department, of the Company.		
			April 2019	Director, Director in charge of Business Development Department and Director in charge of Corporate Administration & Human Resources Department, of the Company.		
			June 2020	Director, Director in charge of Business Development Department, of the Company.		
			August 2020	Director, Director in charge of Business Development Division, Director in charge of IT Division (IT Strategy), of the Company (current).		
			June 2024	Managing Director, Director in charge of Business Development Division, Director in charge of IT Division (IT Strategy) (current).		
Director, Director in charge of Legal and Compliance Division	SAIGA Motoo	August 11, 1970	April 1993	Joined Osaka Securities Exchange.	Note 3	5
			March 2000	Finished master course of Graduate School of Law, Kobe University.		
			February 2002	Joined the Company.		
			March 2007	General Manager of Compliance Department of the Company.		
			June 2016	Elected as Director, General Manager of Compliance Department, of the Company.		

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			April 2019	Director, General Manager of Compliance Department, Director in charge of Internal Audit Office, of the Company.		
			August 2020	Director, Director in charge of Legal and Compliance Division, of the Company.		
			January 2024	Director, Director in charge of Legal and Compliance Division, General Manager of Compliance Department, of the Company.		
			August 2024	Director, Director in charge of Legal and Compliance Division, of the Company (current).		
Director, Director in charge of Human Resources and General Affairs Division	HAGA Manako (Note 4)	September 2, 1963	April 1986	Joined JP Morgan, Morgan Trust Bank Ltd.	Note 3	19
			September 1989	Joined James Capel Pacific Ltd.		
			April 1992	Joined S.G. Warburg Securities (Japan) Inc.		
			May 1995	Joined Kleinwort Benson Investment Management KK.		
			July 1998	Joined Merrill Lynch Investment Managers Co., Ltd.		
			May 2002	Joined Fidelity Investments Japan Ltd.		
			March 2006	General Manager of Finance Department, Fidelity Investments Japan Ltd. and Fidelity Securities KK.		
			June 2016	Elected as Director, General Manager of Finance Department and Business Manager of CEO Office, Fidelity Investments Japan Ltd. and Fidelity Securities KK.		

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			<p>June 2017</p> <p>November 2017</p> <p>June 2019</p> <p>June 2020</p> <p>August 2020</p> <p>March 2023</p> <p>December 2023</p>	<p>Advisor of the Company.</p> <p>Joined British School in Tokyo.</p> <p>Elected as Director of the Company.</p> <p>Director, Director in charge of Corporate Administration & Human Resources Department, of the Company.</p> <p>Director, Director in charge of Human Resources and General Affairs Division, of the Company.</p> <p>Director, Director in charge of Human Resources and General Affairs Division, General Manager of Human Resources and General Affairs Department, of the Company.</p> <p>Director, Director in charge of Human Resources and General Affairs Division, of the Company (current).</p>		
Director, Director in charge of Sales and Marketing Division (Marketing Department and Investment Information Service Department)	TANAKA Takeshi	December 26, 1970	<p>April 1995</p> <p>July 2005</p> <p>January 2006</p> <p>November 2009</p> <p>April 2013</p> <p>June 2020</p>	<p>Joined the Company.</p> <p>General Manager of Marketing Department of the Company.</p> <p>Resigned from the Company.</p> <p>Joined the Company, member of Compliance Group.</p> <p>General Manager of Marketing Department of the Company.</p> <p>Elected as Director, Director in charge of Customer Support Department and General Manager of Marketing Department, of the Company.</p>	Note 3	9

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			August 2020	Director, Director in charge of Sales and Marketing Division, of the Company.		
			June 2022	Director, Director in charge of Sales and Marketing Division (Marketing Department and Investment Information Service Department), of the Company (current).		
Director, Director in charge of Sales and Marketing Division (Customer Support Department and Corporate Finance Department) and Director in charge of Strategic Planning Division	IMAI Takahito	January 23, 1975	April 1997	Joined the Company.	Note 3	2
			March 2007	General Manager of Marketing Department of the Company.		
			April 2013	General Manager of Customer Support Department of the Company.		
			August 2020	General Manager of Strategic Planning Department of the Company.		
			June 2022	Elected as Director, Director in charge of Sales and Marketing Division (Customer Support Department and Corporate Finance Department) , of the Company.		
			April 2023	Director, Director in charge of Sales and Marketing Division (Customer Support Department and Corporate Finance Department) and Strategic Planning Division, and General Manager of Strategic Planning Department, of the Company.		
			April 2025	Director, Director in charge of Sales and Marketing Division (Customer Support Department and Corporate Finance Department) and Director in charge of Strategic Planning Division,		

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
				of the Company (current).		
Director	MATSUI Michitaro	August 2, 1987	April 2013 April 2018 June 2018 January 2019 June 2020 August 2020 June 2022 April 2023	Joined QUICK Corp. Joined the Company. Member of Compliance Department of the Company. Leader of CEO-Assigned Project of the Company. Elected as Director of the Company. Director, Director in charge of Strategic Planning Division, of the Company. Director, Director in charge of Strategic Planning Division and General Manager of Strategic Planning Department of the Company. Director of the Company (current).	Note 3	-
Director	ONUKE Satoshi	February 10, 1955	April 1978 April 2002 July 2003 March 2006 April 2009 April 2011 June 2013 April 2018	Joined The Industrial Bank of Japan, Ltd. Vice President of Mizuho Securities (USA). Joint Head of Fixed Income Group of Mizuho Securities Co., Ltd. Appointed as Executive Officer, Head of Fixed Income Group, of the above company. Elected as Managing Director of DIAM Co., Ltd. Elected as Vice President of Kowa Real Estate Investment Advisors Co., Ltd. Elected as President & CEO of Kowa Real Estate Investment Advisors Co., Ltd. Elected as Corporate Auditor	Note 3	-

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			June 2020	of Kowa Real Estate Facilities Co., Ltd. Elected as Director of the Company (current).		
Director	HORI Toshiaki	January 23, 1956	April 1978 May 1987 March 2004 March 2009 March 2012 March 2016 March 2019 June, 2022	Joined Takara Standard Co., Ltd. Joined QUICK Corp. Director, General Manager of Sales Division, of the above company. Managing Director, General Manager of Sales Division, of the above company. Senior Managing Director of the above company. Executive Vice President of the above company. Advisor of the above company. Elected as Director of the Company (current).	Note 3	-
Director (Standing member of the Audit and Supervisory Committee)	TAKAHA SHI Takefumi	October 16, 1974	April 2000 May 2006 April 2019 June 2023	Joined the Company. Manager of the Compliance Office of the Company. General Manager of Internal Audit Office of the Company. Elected as Director (standing member of the Audit and Supervisory Committee) of the Company (current).	Note 5	2
Director (Member of the Audit and Supervisory Committee)	KAI Mikitoshi	July 7, 1951	April 1976 August 2000 April 2003 April 2007 June 2011	Joined Nippon Yusen Co., Ltd. Manager of New Frontier Group of the above company. Manager of Management Planning Group of the above company. Appointed as Corporate Officer of the above company. Elected as Corporate Auditor of the above company.	Note 5	11

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			June 2015	Appointed as Advisor of the above company.		
			April 2016	Appointed as Adviser of Japanese Foundation for Cancer Research.		
			June 2016	Elected as Corporate Auditor of the Company.		
			June 2021	Elected as Director (Member of the Audit and Supervisory Committee) of the Company (current).		
Director (Member of the Audit and Supervisory Committee)	KOGOMA Nozomi (Note 4)	July 31, 1980	April 2007	Joined Ernst & Young ShinNihon LLC.	Note 5	-
			April 2008	Joined Palace Capital Co., Ltd.		
			November 2010	Established KOGOMA Nozomi Certified Public Accountant Office (to present).		
			June 2016	Appointed as Outside Corporate Auditor of United, Inc. (current).		
			June 2018	Appointed as Outside Auditor of FIS Inc.(current)		
			November 2019	Appointed Outside Director of Strike Co., Ltd. (current).		
			June 2023	Elected as Director (member of the Audit and Supervisory Committee) of the Company (current).		
Director (Member of the Audit and Supervisory Committee)	KAWANI SHI Takuto	August 10, 1976	October 2003	Registered as an attorney.	Note 6	-
			January 2008	Joined Midosuji Legal Profession Corporation. Financial Services Agency, Inspection Bureau (Financial Securities Examiner, Specialized Examiner).		
			January 2012	Partner, Midosuji Legal Profession Corporation.		
			June 2015	Outside Director of FIS Inc. (current).		

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			July 2015	Joined Nozomi Sogo Attorneys at Law.		
			July 2016	Partner, Nozomi Sogo Attorneys at Law (current).		
			July 2018	Outside Corporate Auditor, Rakuten Insurance Holdings, Inc. (current).		
			September 2019	Outside Corporate Auditor of Scara Corporation.		
			June 2020	Outside Director of AICHI Corporation.		
			September 2021	Outside Director of Scara Corporation (current).		
			June 2024	Elected as Director (member of the Audit and Supervisory Committee) of the Company (current).		
			August 2024	Outside Director of Flex Group Co., Ltd. (current).		
Total						263

Note 1: Directors ONUKI Satoshi and HORI Toshiaki are outside directors.

Note 2: Directors (members of the Audit and Supervisory Committee) KAI Mikitoshi, KOGOMA Nozomi and KAWANISHI Takuto are outside directors.

Note 3: The term of office for the directors (excluding directors who are members of the Audit and Supervisory Committee) starts at the conclusion of the ordinary general meeting of shareholders for the year ended March 2024 and ends at the conclusion of the ordinary general meeting of shareholders for the year ended March 2025. The Company has proposed the "Election of 5 Directors (Excluding Directors who are Audit and Supervisory Committee Members)" as a proposal (resolution) for the ordinary general meeting of shareholders to be held on June 29, 2025. If the proposal is adopted, the terms of office of the 5 directors (excluding Directors who are Audit and Supervisory Committee members) (WARITA Akira, UZAWA Shinichi, MATSUI Michitaro, ONUKI Satoshi, and HORI Toshiaki) will be from the conclusion of the ordinary general meeting of shareholders for the fiscal year ending March 31, 2025 to the conclusion of the ordinary general meeting of Shareholders for the fiscal year ending March 31, 2026. SATO Kunihiko, SHIBATA Masashi, SAIGA Motoo, HAGA Manako, TANAKA Takeshi, and IMAI Takahito will retire as directors when their terms of office expire.

Note 4: The name of Director HAGA Manako in the family register is NAGANAWA Manako. The name of Director KOGOMA Nozomi in the family register is IMAOKA Nozomi.

Note 5: The term of office of Audit and Supervisory Committee members TAKAHASHI Takefumi, KAI Mikitoshi and KOGOMA Nozomi starts at the conclusion of the ordinary general meeting of shareholders for the fiscal year ended March 2023 and end at the conclusion of the ordinary general meeting of shareholders for the fiscal year ended March 2025. In addition, the Company has proposed the "Election of 3 Directors who are Audit and Supervisory Committee Members" as a proposal (resolution) for the ordinary general meeting of shareholders to be held on June 29, 2025. If the proposal is adopted, the term of office of TAKAHASHI Takefumi and KOGOMA Nozomi will be from the conclusion of the ordinary general meeting of shareholders for the fiscal year ended March 31, 2025 to the conclusion of the ordinary general meeting of shareholders for the fiscal year ending March 31, 2027. KAI Mikitoshi will retire upon the expiration of his term of office.

Note 6: The term of office of KAWANISHI Takuto, a Director who is an Audit and Supervisory Committee Member, will be from the conclusion of the ordinary general meeting of shareholders for the fiscal year ended March 31, 2024 to the conclusion of the ordinary general meeting of shareholders for the fiscal year ending March 31, 2026.

Note 7: As a provision for the event of contingency falling below the number of directors who are members of the Audit and Supervisory Committee required by laws and regulations, the Company is appointing ONUKI Satoshi as one substitute for a director who is a member of the Audit and Supervisory Committee, and his term of office will expire at the beginning of the ordinary general meeting of shareholders for the fiscal year ended March 31, 2025.

Note 8: The Company has proposed "Partial Amendments to the Articles of Incorporation" as a proposal (resolution) for the ordinary general meeting of shareholders to be held on June 29, 2025. If the proposal is approved, provisions on senior directors will be abolished.

New Title	Former Titles	Name	Date of Change
President & CEO, Representative Director and Executive Officer	President & CEO, Representative Director	WARITA Akira	June 29, 2025
Senior Managing Director, Executive Officer in charge of Corporate Division	Senior Managing Director in charge of Corporate Division	UZAWA Shinichi	June 29, 2025

ii. Supplementary Information

The Company has proposed "Election of 5 Directors (Excluding Directors who are Audit and Supervisory Committee Members)" and "Election of 3 Directors who are Audit and Supervisory Committee Members" as proposals (matters to be resolved) for the ordinary general meeting of shareholders to be held on June 29, 2025. If these proposals are approved, 5 Directors (WARITA Akira, UZAWA Shinichi, MATSUI Michitaro, ONUKI Satoshi, and HORI Toshiaki) and 2 Directors who are Audit and Supervisory Committee members (TAKAHASHI Takefumi and KOGOMA Nozomi) will be re-elected and 1 director shown in the table below who is Audit and Supervisory Committee Member will be newly elected. 6 directors (SATO Kunihiro, SHIBATA Masashi, SAIGA Motoo, HAGA Manako, TANAKA Takeshi, and IMAI Takahito) and 1 director who is an Audit and Supervisory Committee member (KAI Mikitoshi) will resign due to the expiration of their term of office. The term of office of one director who is an Audit and Supervisory Committee member (KAWANISHI Takuto) is continuing. As a result, the number of male and female officers of the Company and the ratio of female officers will be 7 male and 2 female (22% of directors are female).

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
Director (member of the Audit and Supervisory Committee)	SHIOMI Megumi	November 19, 1972	April 1995	Joined P&G Far East, Inc.	Note 2	-
			April 1999	Finance Manager, Paper Products Division, of the above company.		
			April 2004	Finance Manager, Pet Food Business Department, of the above company.		
			April 2008	Country Finance Manager, Wella Division (Salon Professional), of the above company.		

Title	Name	Date of birth	Personal history		Term of office	Number of shares held (thousands of shares)
			April 2013	Joined GlaxoSmithKline K. K. Finance Manager, General Care Division, of the above company.		
			August 2017	Joined Mercer Japan Co., Ltd.		
			July 2018	Appointed as Director, General Manager of Financial Management, of the above company.		
				Appointed as Director, Mercer Investments K. K. (current).		
Total						-

Note 1: Director (member of the Audit and Supervisory Committee) SHIOMI Megumi is a candidate of outside director.

Note 2: The term of office of the director who is a member of the Audit and Supervisory Committee is from the conclusion of the ordinary general meeting of shareholders for the fiscal year ended March 31, 2025 to the conclusion of the ordinary general meeting of shareholders for the fiscal year ending March 31, 2027.

Note 3: The name of Director SHIOMI Megumi in the family register is KAWASAKI Megumi.

[2] Status of outside officers

The Company's outside directors (excluding directors who are members of the Audit and Supervisory Committee) are expected to give advice and recommendations based on their knowledge and expertise regarding management decisions in general, spanning from decisions of the direction of the Company's management strategy to preparation of individual business plans. The outside directors (excluding directors who are members of the Audit and Supervisory Committee) are also expected to oversee business execution of inside directors from an independent standpoint. The Company has 2 outside directors who have been appointed as persons capable of contributing to management with their abundant experience and wide knowledge and expertise, and without being biased by the interests of top management or specific interested parties. The proposal for "Election of 5 Directors (Excluding Directors who are Audit and Supervisory Committee Members)" has been submitted as a proposal (matters for resolution) at the ordinary general meeting of shareholders scheduled to be held on June 29, 2025, and if such proposal is passed, 2 outside directors (excluding directors who are members of the Audit and Supervisory Committee) who are directors as of the date of submission will be re-elected.

The Company's outside directors who are members of the Audit and Supervisory Committee are expected to perform audits of business execution by directors ("directors and executive officers" after the introduction of the executive officer system on June 29, 2025) from an independent standpoint as outside officers. The Company has 3 outside directors who are members of the Audit and Supervisory Committee. The Company has appointed the person as outside directors who are members of the Audit and Supervisory Committee who fairly recognize the roles and responsibilities of the Company within society and who are capable of giving consideration to the interests of general shareholders, without being biased by the interests of top management or specific interested parties. The proposal for

“Election of 3 Directors who are Audit and Supervisory Committee Members” has been submitted as a proposal (matters for resolution) at the ordinary general meeting of shareholders scheduled to be held on June 29, 2025, and if such proposal is passed, the Company plans to continue to have 3 outside directors who are Audit and Supervisory Committee members, as SHIOMI Megumi, an outside director who is an Audit and Supervisory Committee Member, will be newly appointed, and KAI Mikitoshi, an outside director who is an Audit and Supervisory Committee Member, will retire when his term of office expires.

In appointing outside directors, the Company refers to the criteria for determining the independence of independent directors and auditors of the Tokyo Stock Exchange and other relevant standards. With regard to transactions and donations related to independent directors, the Company has established a set of criteria to determine that those transactions and donations have no risk of influencing the judgment of shareholders in exercising their voting rights. The details are as follows: With regard to transactions, if the total transaction amount in the last fiscal year is less than 1% of the annual operating revenue of the Company or the counterparty, or less than 10 million yen, and with regard to donations, if the donation from the Company is less than 10 million yen per year in the last fiscal year, there is no impact on the independence of the independent director, thus the information is omitted. There are currently no personnel, financial, technological, or other relationships such as transactions or donations that exceed the above criteria between the Company and the outside directors, their close relatives and the companies at which these persons concurrently serve as executives or outside officers of other companies, etc. Outside director KAI Mikitoshi, who is a member of the Audit and Supervisory Committee, owns shares of the Company. For the number of shares held, refer to “[1] List of officers”.

- [3] Mutual cooperation between supervision or audits by outside directors and the internal audits, audit and supervisory committee audits and accounting audits, and the relationship between supervision or audits by outside directors and the internal control department

Outside directors receive reports regarding internal audit plans and the status of implementation of such plans, and cooperates with the internal audit department. 3 of 4 members of the Audit and Supervisory Committee are outside directors, and the Audit and Supervisory Committee share information and exchange opinions regarding accounting audits and compliance as needed, and cooperates with the accounting auditor and the compliance department. In addition, the proposal for “Election of 3 Directors who are Audit and Supervisory Committee Members” has been submitted as a proposal (matters for resolution) at the ordinary general meeting of shareholders scheduled to be held on June 29, 2025, and if such proposal is passed, the Company plans to continue to have 4 outside directors who are Audit and Supervisory Committee members, 3 of whom will be outside directors, as SHIOMI Megumi, an outside director who is an Audit and Supervisory Committee Member, will be newly appointed, and KAI Mikitoshi, an outside director who is an Audit and Supervisory Committee Member, will retire when his term of office expires.

With respect to mutual cooperation among internal audits, Audit and Supervisory Committee audits and accounting audits, and the relationship between such audits and the internal control department, please refer to section “(3) Status of audits [2] ii”.

(3) Status of audits

[1] Status of audits by the Audit and Supervisory Committee

In the audits conducted by the Audit and Supervisory Committee of the Company, the standing member of the Audit and Supervisory Committee is elected, information is efficiently gathered from within the Company, and close cooperation is maintained with the internal audit division. Also, the effectiveness of the audit is secured by having each member of the Audit and Supervisory Committee proactively express their opinions. Of the members of the Audit and Supervisory Committee, KOGOMA Nozomi is a certified public accountant and has a considerable amount of knowledge and expertise regarding finance and accounting.

Members of the Audit and Supervisory Committee attend the meeting of the Board of Directors and also grasps the status of corporate activities centered on internal audits and compliance, confirms the status of execution of individual businesses in cooperation with relevant departments as necessary, and conducts strict audits regarding the business execution by directors.

In the current fiscal year, the Company held 8 meetings of the Audit and Supervisory Committee, and the status of attendance of each member of the Audit and Supervisory Committee is as follows.

Name	Number of times attended
TAKAHASHI Takefumi	8 times
KAI Mikitoshi	8 times
KOGOMA Nozomi	8 times
KAWANISHI Takuto	6 times (Note)

Note: There were 6 meetings of the Audit and Supervisory Committee held during KAWANISHI Takuto's tenure in the current fiscal year.

As specific considerations, the Audit and Supervisory Committee formulated the audit policy and audit plan that respond to the characteristics of online securities transactions, etc., confirmed the operational status of the whistle-blowing system, deliberated closing of accounts and dividends etc., and approved the remuneration for the accounting auditor.

Furthermore, the standing member of the Audit and Supervisory Committee attended important meetings and inspected meeting minutes and approval documents, etc., and grasped the status of the Company centered on compliance. In the current fiscal year, the Audit and Supervisory Committee held 5 meetings with the internal audit division, and 12 meetings with the accounting auditor.

[2] Status of internal audits

i. Organization, staffing, and procedures of internal audits

The internal audit organization is composed of the head of internal audit department as the internal audit manager, and internal auditors appointed by the internal audit manager are deployed under such manager. In order to ensure the appropriateness of internal audits, in principle, multiple suitable internal auditors are appointed from within the internal audit department depending on the contents of the audit. Also, in order to facilitate the homogeneity of the quality of audits, the Company has adopted a system of appointing at least two full-time auditors. The audit plans are reported in advance to the Board of Directors, and internal audit reports are prepared immediately after completion of internal audits and are submitted to the directors, including the representative director, and the Audit and Supervisory Committee, and any issues which are pointed out are

promptly corrected. In the current fiscal year, internal audits were conducted 7 times.

ii. Mutual cooperation among internal audits, audit and supervisory committee's audits and accounting audits, and the relationship between these audits and the internal control department

The internal audit department gathers information necessary for conducting internal audits by sharing information with the compliance department, and highly effective internal audits are conducted by making reference to the status of implementation of supervision and instructions by the compliance department to each department. Furthermore, the internal audit department holds discussions with the Audit and Supervisory Committee upon formulating the annual audit plan, and also cooperates closely with the Audit and Supervisory Committee in relation to the status of individual internal audits through reporting and communications. The internal audit department also cooperates closely with the accounting auditor, and exchanges opinions with them as needed.

The Audit and Supervisory Committee hear reports from the accounting auditor regarding the general outline of the auditing plan, items to be focused on in the audits, Key Audit Matters (KAM) and audit results etc., and also keeps close cooperation with the accounting auditor by making opportunities to periodically exchange opinions. Furthermore, as necessary, the Audit and Supervisory Committee also attend the accounting auditor to audits in distant places or on occasions when audit comments are given. The Audit and Supervisory Committee also asks the accounting auditor for reports regarding the audit implementation process as necessary. Also, the Audit and Supervisory Committee discuss the contents of the annual audit plan regarding internal audits with the internal audit department, and also maintains close cooperation with the internal audit department and compliance department, by sharing information with such departments, and by constantly being informed of the status of individual internal audits as well as the status of implementation of supervision and instructions conducted by the compliance department to secure the legality and appropriateness of business duties conducted by each department.

The accounting auditor maintains close cooperation with the internal audit department and the Audit and Supervisory Committee through exchange of opinions, and also conducts effective audits by requesting each department to disclose or submit necessary documents.

iii. Efforts to ensure the effectiveness of internal audits

The Company has established a system whereby the internal audit department reports the results of internal audits directly to the Representative Director and the Audit and Supervisory Committee. Although not directly reported to the Board of Directors, the system of direct reporting to the Board of Directors has been replaced by the establishment of a system of direct reporting to each Director.

To ensure the effectiveness of internal audits, the internal audit department formulates an audit plan based on the audit status and reports to the Board of Directors. In addition, the internal audit department strives to share information with the Audit and Supervisory Committee, the accounting auditor, and the compliance department, and by referring to the implementation status of supervision and guidance by the compliance department to each department, highly effective internal audits are conducted.

[3] Status of accounting audits

i. Name of the audit corporation

PricewaterhouseCoopers Japan LLC

ii. Continuous audit term

26 years from the fiscal year ended March 31, 2000 including the audit term (from fiscal year ended March 31, 2000 to fiscal year ended March 31, 2006) of Chuo Aoyama Audit Corporation, which belonged to the same network.

iii. Certified public accountants who executed services

TSUJIMURA Kazuyuki: Designated Limited Liability Partner, Engagement Partner

ASHIZAWA Tomoyuki: Designated Limited Liability Partner, Engagement Partner

iv. Composition of assistants in audit services

The assistants engaged in the accounting audit of the Company are 2 certified public accountants, and 14 other persons.

v. Policy and reason for selection of the audit corporation

The Company believes that its accounting auditor must have sufficient knowledge, expertise, and capacity to conduct audits appropriate for a listed company, and a system which can fully maintain the independence and high quality of audits. From this perspective, the Company has determined that PricewaterhouseCoopers Japan LLC is an audit corporation which can appropriately implement the Company's audit and has appointed the firm as the accounting auditor.

The Audit and Supervisory Committee evaluates the appropriateness and validity of auditing activities conducted by the accounting auditor by hearing and receiving reports on the status of implementation of audits, and also confirms the independence and professionalism of the accounting auditor by exchange of opinions etc. Upon reappointing the accounting auditor, a verification is made on whether such reappointment is appropriate by comparison with the policies for determining dismissal and non-reappointment of the accounting auditor.

The Company's policy for determining dismissal or non-reappointment of the accounting auditor is that, in addition to the case of the Company's own discretion, in the case where there is a breach of laws, regulations or rules, or if actions are taken which are against public order or morality by the accounting auditor, and if the Company determines it is appropriate to dismiss or not reappoint the accounting auditor, the decision of dismissal or non-reappointment will be made.

vi. Evaluation of the audit corporation by the Audit and Supervisory Committee

The Company's Audit and Supervisory Committee conducts evaluations of the audit corporation. Taking into consideration on the audit activities of the audit corporation, results of inspections conducted by external organizations, and the status of response to the governance code of the audit corporation in the current fiscal year, the appropriateness of reappointing the audit corporation was evaluated, and it was decided to reappoint the audit corporation.

[4] Details of auditors' compensation

i. Compensation towards auditing certified public accountants etc.

Preceding fiscal year (millions of yen)		Current fiscal year (millions of yen)	
Compensation based on audit certification work	Compensation based on non-audit work	Compensation based on audit certification work	Compensation based on non-audit work
40	2	48	2

Note: The contents of non-audit work at the Company are assurance engagements related to the segregated management of customer assets.

ii. Compensation towards the same network as the auditing certified public accountants etc. (excluding i)

Not applicable.

iii. Details of compensation based on other significant audit certification work

Not applicable.

iv. Policy for deciding on auditors' compensations

Not applicable, however, the decision is made taking into account the size and characteristic of the business of the Company.

v. The reason for approval of compensation of the accounting auditor by the Audit and Supervisory Committee

Regarding compensation of the accounting auditor proposed by the Board of Directors, the Company's Audit and Supervisory Committee has provided its consent under Article 399, Paragraph 1 and Paragraph 3 of the Companies Act, because it has determined that the compensation amount was adequate, as a result of having discussed the accounting auditor's audit plan, the status of execution of duties of accounting audits, and the basis of calculation of the compensation estimate, taking into account the Company's business contents and size, and information regarding companies within the same industry or companies of the same size etc.

(4) Officers' Compensation Etc.

[1] Matters related to officers' compensations etc. and policy regarding determination of the calculation method of officers' compensations

The Company's policy for determining the contents of directors' compensation etc. for each individual director (excluding directors who are members of the Audit and Supervisory Committee) is stipulated based on a resolution of the Board of Directors, and such contents are described below. Upon determining the contents of directors' compensation for each individual director, since the Nomination and Compensation Committee will review the contents from multiple perspectives including from the standpoint of consistency with the determination policy, the Board of Directors has determined that process is in line with the determination policy.

i. Basic Policy

With respect to the amounts of officers' compensation (excluding directors who are members of the Audit and Supervisory Committee), etc. and the policy regarding determination of the calculation method of officers' compensations (excluding directors who are members of the Audit and Supervisory Committee), the basic policy is that compensation for inside directors (consisting of the basic compensation and stock-compensation type stock options) is determined based on each director's position, roles and performance (Note), and compensation for outside directors (excluding directors who are members of the Audit and Supervisory Committee) is composed of only the basic compensation, and no stock-compensation type stock options are issued from the standpoint of ensuring independence.

ii. Policy regarding determination of the basic compensation (monetary compensation) amounts etc. for each individual director

The basic compensations of the Company's directors (excluding directors who are members of the Audit and Supervisory Committee) are payable monthly in fixed remuneration amounts, and are determined taking into account the position, roles and performance of each individual director (Note). The determination of basic compensation for each director for each fiscal year is delegated by the Board of Directors under resolution to the Nomination and Compensation Committee comprised of the representative director and all of the outside directors (excluding directors who are members of the Audit and Supervisory Committee) of the Company. Such determination is then made by the Nomination and Compensation Committee within the aggregate amount approved in a resolution of the general meeting of shareholders.

iii. Policy regarding the determination of the method of calculating the contents and amount or number of performance-linked compensation etc. and non-monetary compensation etc.

Directors' compensation (excluding directors who are members of the Audit and Supervisory Committee) of the Company does not include any performance-linked compensation; however, for the purpose of raising motivation and morale towards improving business performance, inside directors are granted stock-compensation type stock options. Upon calculating the fair value of such stock options, the stock price as of the time when the stock options are granted is taken

into account, and the number of units granted to each individual director is decided also by taking into account the position, roles, and performance (Note) of each director, the same as for determining basic compensations. With respect to the number of stock-compensation type stock options to be granted, there is no specific prescribed calculation formula which are based on indexes which indicate the financial performance of the Company, and there are also no calculation formulas included in the conditions for rights exercise which are based on indexes which indicate business performance.

- iv. The policy regarding the determination of the ratio of the amounts of basic compensation (monetary compensation) etc., performance-linked compensation etc., or non-monetary compensation etc. against the compensation amounts etc. for each individual director

The Company's basic policy regarding the payment ratio of compensation etc. to inside directors is 70% basic compensation and 30% stock-compensation type stock options. However, given that the performance of the Company's main business is largely affected by the conditions etc. of the economic environment and market environment, the payment ratio may deviate from such basic policy.

- v. Matters concerning the method of determination of the contents of compensations etc. for each individual director (excluding directors who are members of the Audit and Supervisory Committee)

The basic compensation amounts are decided by the Nomination and Compensation Committee within the scope approved by resolution of the general meeting of shareholders. With respect to stock-compensation type stock options, the Nomination and Compensation Committee makes a proposal for granting such stock options, and is decided by the Board of Directors.

Note: The Company has proposed "Partial Amendments to the Articles of Incorporation" as a proposal (matter for resolution) for the ordinary general meeting of shareholders to be held on June 29, 2025. If the proposal is adopted, provisions on senior directors will be abolished. In light of this, "position, roles, and performance" will be changed to "roles and performance."

With respect to compensation for directors who are members of the Audit and Supervisory Committee, taking into account the independence upon auditing the execution of duties of directors (excluding directors who are members of the Audit and Supervisory Committee), such compensation is determined within the scope of the aggregate amount prescribed by the general meeting of shareholders, and only the basic compensation amount, which may differ from full-time to part-time directors, is paid.

Also, the compensation for individual directors who are members of the Audit and Supervisory Committee are expected to be decided by discussion among directors who are members of the Audit and Supervisory Committee, and within the scope of the aggregate amount prescribed by resolution of the general meeting of shareholders.

The members of the Nomination and Compensation Committee are comprised of the President & CEO WARITA Akira and the 2 outside directors (excluding directors who are members of the Audit and Supervisory Committee) ONUKI Satoshi (Chairperson) and HORI Toshiaki. As of April 1, 2025, the Nomination and Remuneration Committee was changed to a committee chaired by an external director. As of the same date, ONUKI Satoshi assumed the position of committee chair. The Nomination and Compensation Committee will decide, based on delegation from the Board of Directors and under the above-mentioned determination policy, matters related to the compensations of individual directors (excluding directors who are members of the Audit and Supervisory Committee). The authority of the committee is to decide the contents of the basic compensation of directors, and to prepare a proposal of the contents for granting stock-compensation type stock options to directors to be deliberated and resolved at the Board of Directors. The reason for delegation of such authority is to aim to improve the transparency of procedures related to the compensation etc. of directors (excluding directors who are members of the Audit and Supervisory Committee).

With respect to the aggregate amounts of compensations of directors (excluding directors who are members of the Audit and Supervisory Committee), for basic compensations, it has been decided to be no more than 500 million yen per year (Of this amount, the amount for outside directors is not more than 50 million yen per year. however, this does not include the portion paid as salaries for employees, regarding directors who are also employees) by a resolution at the ordinary general meeting of shareholders held on June 27, 2021. Pursuant to the resolution of the ordinary general meeting of shareholders held on June 27, 2021, the amount of stock options as stock-based compensation for directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors) is limited to 300 million yen per year, separately from basic compensation (provided, however, that the number of share acquisition rights to be allotted within one year from the date of the Ordinary General Meeting of Shareholders pertaining to each fiscal year is limited to 6,000 (the number of shares subject to one share acquisition right is 100 shares of common stock)). As of the close of the ordinary general meeting of shareholders held on June 27, 2021, the number of directors (excluding directors who are members of the Audit and Supervisory Committee) was 11 (including 3 outside directors).

The aggregate amount of compensations of directors who are members of the Audit and Supervisory Committee has been decided to be no more than 50 million yen per year based on a resolution at the ordinary general meeting of shareholders held on June 27, 2021. As of the close of the ordinary general meeting of shareholders held on June 27, 2021, the number of directors who are members of the Audit Committee was 3.

The Company has proposed "Partial Amendments to the Articles of Incorporation" as a proposal (resolution) for the ordinary general meeting of shareholders to be held on June 29, 2025. In order to change the amount of compensations for directors (excluding directors who are members of the Audit and Supervisory Committee) in line with the reduction in the maximum number of directors (excluding directors who are members of the Audit and Supervisory Committee), the Company has proposed "Determination of the Amount of Remuneration for Directors (Excluding Directors who are Audit and Supervisory Committee Members)," "Determination of the Amount of Remuneration for Directors who are Audit and Supervisory Committee Members," and "Determination of the Amount and Details of Stock Options for Directors

(Excluding Directors who are Audit and Supervisory Committee Members and Outside Directors)."

The number of directors as of the end of the ordinary general meeting of shareholders due to the above proposed amendments and "Election of 5 Directors (Excluding Directors who are Audit and Supervisory Committee Members)" and "Election of 3 Directors who are Audit and Supervisory Committee Members" (items to be resolved at the coming ordinary general meeting of shareholders) is as follows.

As of the end of the ordinary general meeting of shareholders, the total number of directors (excluding directors who are members of the Audit and Supervisory Committee) to be paid will be 5 (including 2 outside directors) and the total amount of annual compensations for directors (excluding directors who are members of the Audit and Supervisory Committee) will be 300 million yen or less (including 50 million yen or less for outside directors, excluding employee salaries for directors who concurrently serve as employees).

The total amount of compensation for directors who are members of the Audit and Supervisory Committee will be up to 100 million yen per year, and the number of directors who are members of the Audit and Supervisory Committee will be 4.

The total amount of stock options as stock-based compensation for directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors) will be up to 200 million yen per year, separately from basic compensations (provided, however, that the number of share acquisition rights to be allotted within one year from the date of the Ordinary General Meeting of Shareholders pertaining to each fiscal year is limited to 4,000 (the number of shares subject to one share acquisition right is 100 shares of common stock)), and the number of directors (excluding directors who are members of the Audit Committee and outside directors) will be 3.

With respect to activities of the Board of Directors within the process of deciding the compensation amounts for the Company's directors in the current fiscal year, in the board meeting held after the ordinary general meeting of shareholders held on June 23, 2024, the decision on matters related to the compensation of individual directors was delegated to the Nomination and Compensation Committee. Furthermore, in July 2024, the Board of Directors resolved to grant stock options based on the contents of grants proposed by the Nomination and Compensation Committee.

With respect to the activities of the Nomination and Compensation Committee, in June 2024, the committee decided the basic compensation for each individual director, and prepared a proposal for the contents of granting of stock options to be deliberated and resolved by the Board of Directors.

[2] Total compensation and subtotal of compensation for each type of compensation for each class of officers and number of each class of officers subject to payment

Type	Total amount of compensation (millions of yen)	Total amount of compensation by types (millions of yen)			Total number of officers subject to payment
		Fixed compensation	Stock options	Non-monetary compensation, etc. of the above	
Directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors)	392	278	113	113	9
Members of the Audit and Supervisory Committee (excluding outside directors)	21	21	-	-	1
Outside officers	47	47	-	-	6

Note: The breakdown of the total amount of non-monetary compensation, etc. to directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors) is stock options of 113 million yen.

[3] Total compensation for individual officers

Total compensation for individual officers is not stated because there is no one whose total amount of compensation, etc. is 100 million yen or more.

(5) Status of Shareholding

[1] The criteria and concept for classification of investment shares

The Company classifies investment shares held from the perspective of investment yield etc. and not for strategic reasons as investment shares held for pure investment purposes. The Company classifies investment shares held for strategic purposes regardless of their direct investment yield etc. for business alliances or based on other rational management objectives as investment shares held for purposes other than pure investment purposes.

The Company in principle does not hold listed shares for strategic-holding purposes, however, the Company in some cases holds shares for strategic purposes such as for business alliances or for other rational management objectives. As of the end of the current fiscal year, the Company's strategic shareholdings comprise both listed and unlisted shares. The listed shares consist of investments in a company that serve as an external contractor for our systems. The unlisted shares include stocks which the Company has come to hold in relation to its securities business, such as shares of stock exchanges and other securities-related entities, as well as investments in fintech-related companies.

[2] Investment shares held for purposes other than pure investment purposes

- i. Holding policy and method of verifying the reasonableness of holdings, and the contents of verification by the Board of Directors regarding the appropriateness for holding individual stock names

As a principle, the Company does not hold listed shares for strategic purposes. However, we may hold such shares based on reasonable business objectives, including business alliances. In such cases, when acquiring new shares or additional shares, we confirm the expected management benefits at either the Board of Directors meeting or the Executive Committee meeting, depending on the scale of the acquisition. Furthermore, we regularly review the appropriateness of continuing to hold these shares in light of the expected benefits, taking into account changes in the business environment.

During the current fiscal year, we acquired one new listed stock for strategic purposes. The Executive Committee confirmed the expected management benefits and determined that the acquisition was appropriate in light of its objectives. This decision was also reported to the Board of Directors.

- ii. Number of shares and recorded value on the balance sheet

	Number of names	Recorded value on the balance sheet (millions of yen)
Unlisted shares	5	149
Shares other than unlisted shares	1	236

- i) Investment shares whose number of shares increased in current fiscal year

	Number of names	Total acquisition cost of the increased number of shares (millions of yen)	Reason for the increase in the number of shares
Shares other than unlisted shares	1	213	New acquisition of shares in systems company serving as an external contractor

- ii) Investment shares whose number of shares decreased in current fiscal year
Not applicable.
- iii. Information concerning number and recorded value on balance sheet, etc. of specific investment shares and shares regarded as investment shares in possession

i) Specific investment shares

Names	Current fiscal year	Previous fiscal year	Holding purpose, alliance overview, quantitative effects, and reasons for share increase	Shareholding status in our company
	Number of shares (shares)	Number of shares (shares)		
	Balance sheet carrying amount (millions of yen)	Balance sheet carrying amount (millions of yen)		
Trade Works Co., Ltd.	180,000	-	Trade Works Co., Ltd. is our external contractor for the development and operation of trading systems and other related systems. The purpose of this shareholding is to strengthen the financial base of them and to enhance system stability of the Company through a stronger relationship with them. Quantitative holding effects are difficult to calculate. Regarding the rationality of holding these shares, when acquiring new shares, we examined their effectiveness in light of the purpose of holding at the Executive Committee meeting. On the acquisition of new shares, we concluded that this shareholding contributes to the aforementioned objectives. As a result of the above, the number of shares has increased due to the new acquisition of shares during the current fiscal year.	None
	236	-		

- ii) Deemed shareholdings
Not applicable.

- [3] Investment shares held for pure investment purposes
Not applicable.

[4] Investment shares whose purposes for holding were changed from pure investment purposes to purposes other than pure investment purposes during the current fiscal year

Not applicable.

[5] Investment shares whose purposes for holding were changed from purposes other than pure investment purposes to pure investment purposes during the previous four fiscal years and the current fiscal year

Not applicable.

5. Financial information

1. About preparation method of financial statements

Financial statements of the Company are prepared in accordance with the “Regulations of Financial Statements” (Ministry of Finance Ordinance No. 59, 1963) and, pursuant to the Article 2 of the “Regulations of Financial Statements”, also in accordance with the “Cabinet Office Order Concerning Financial Instruments Business” (Cabinet Office Order No.52, 2007) and the “Uniform Accounting Standards of Securities Business” (set by the board of directors of the Japan Securities Dealers Association, November 14, 1974).

2. About certification by accounting auditors

Financial statements for the fiscal year From April 1, 2024 to March 31, 2025 were audited by PricewaterhouseCoopers Japan LLC based on the Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. About consolidated financial statements

Consolidated financial statements of the Company are not prepared because the Company has no subsidiaries.

4. Special efforts to ensure fair presentation of financial statements, etc.

The Company has undertaken special efforts to ensure appropriateness of its financial statements, etc. Specifically, the Company has joined the Financial Accounting Standards Foundation, a public interest incorporated foundation, and its staff participates in trainings, etc. provided by various organizations to develop a system to properly grasp the contents of financial standards, etc.

1) Financial Statements, etc.

(1) Financial statements

[1] Balance sheet

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	72,280	(Note 2) 67,374
Segregated deposits	700,212	621,312
Money held in trust	3,969	14,342
Trading products	4,614	8,442
Trading securities and other	0	11
Derivatives	4,614	8,431
Trade date accrual	20	—
Margin transaction assets	322,388	338,636
Margin loans	311,624	333,359
Cash collateral provided for securities borrowed in margin transactions	10,763	5,277
Loans secured by securities	28,218	23,982
Cash collateral provided for securities borrowed	28,218	23,982
Advances paid	70	263
Advances paid for customers	70	97
Other advances paid	0	167
Deposits paid for underwritten offering, etc.	2,013	1,764
Short-term guarantee deposits	11,585	16,111
Advance payments	4	3
Prepaid expenses	307	382
Accounts receivable - other	141	287
Accrued revenue	6,648	7,582
Other	—	0
Allowance for doubtful accounts	(16)	(10)
Total current assets	1,152,453	1,100,470
Non-current assets		
Property, plant and equipment	1,806	1,675
Buildings, net	(Note 1) 349	(Note 1) 364
Equipment	(Note 1) 1,457	(Note 1) 1,311
Intangible assets	8,805	8,838
Software	8,805	8,838
Other	0	0
Investments and other assets	9,603	10,844
Investment securities	6,649	7,698
Investments in capital	8	8
Long-term loans receivable	315	306
Long-term guarantee deposits	740	954
Long-term prepaid expenses	116	188
Deferred tax assets	1,821	1,742
Long-term receivables	761	489
Other	85	84
Allowance for doubtful accounts	(893)	(626)
Total non-current assets	20,214	21,358
Total assets	1,172,667	1,121,828

	(Millions of yen)	
	Preceding fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Liabilities		
Current liabilities		
Trading products	979	504
Derivatives	979	504
Trade date accrual	—	430
Margin transaction liabilities	96,026	44,376
Margin borrowings	(Note 2) 42,861	(Note 2) 10,983
Cash received for securities sold in margin transactions	53,164	33,394
Borrowings secured by securities	38,106	40,538
Cash collateral received for securities lent	38,106	40,538
Deposits received	425,836	363,849
Deposits from customers	408,629	353,283
Other deposits received	17,207	10,567
Guarantee deposits received	285,297	280,349
Short-term borrowings	238,900	302,950
Unearned revenue	17	15
Accounts payable – other	623	554
Accrued expenses	2,420	4,002
Income taxes payable	3,144	2,407
Provision for bonuses	325	370
Other	206	163
Total current liabilities	<u>1,091,878</u>	<u>1,040,508</u>
Non-current liabilities		
Long-term borrowings	50	—
Other	281	334
Total non-current liabilities	<u>331</u>	<u>334</u>
Reserves under special laws		
Reserve for financial instruments transaction liabilities	(Note 4) 4,133	(Note 4) 4,385
Total reserves under special laws	<u>4,133</u>	<u>4,385</u>
Total liabilities	<u>1,096,342</u>	<u>1,045,228</u>

	(Millions of yen)	
	Preceding fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus		
Legal capital surplus	9,793	9,793
Other capital surplus	13	11
Total capital surplus	<u>9,805</u>	<u>9,804</u>
Retained earnings		
Legal retained earnings	159	159
Other retained earnings		
Retained earnings brought forward	55,244	54,937
Total retained earnings	<u>55,403</u>	<u>55,095</u>
Treasury shares	(1,490)	(1,375)
Total shareholders' equity	<u>75,663</u>	<u>75,469</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	391	860
Total valuation and translation adjustments	<u>391</u>	<u>860</u>
Share acquisition rights	271	272
Total net assets	<u>76,326</u>	<u>76,600</u>
Total liabilities and net assets	<u>1,172,667</u>	<u>1,121,828</u>

[2] Statement of income

	(Millions of yen)	
	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Operating revenue		
Commission received	20,390	19,969
Brokerage commission	19,368	18,892
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	70	67
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Other commission received	952	1,011
Net trading income	2,755	3,752
Financial revenue	(Note 1) 13,656	(Note 1) 15,483
Total operating revenue	(Note 2) 36,801	(Note 2) 39,204
Financial expenses	(Note 3) 1,555	(Note 3) 2,069
Net operating revenue	35,245	37,135
Selling, general and administrative expenses		
Trading related expenses	(Note 4) 6,682	(Note 4) 6,752
Personnel expenses	(Note 5) 3,589	(Note 5) 3,955
Real estate expenses	(Note 6) 991	(Note 6) 1,112
Office expenses	(Note 7) 4,925	(Note 7) 5,348
Depreciation	3,193	3,638
Taxes and dues	(Note 8) 443	(Note 8) 467
Provision of allowance for doubtful accounts	(10)	11
Other	266	217
Total selling, general and administrative expenses	20,080	21,499
Operating profit	15,165	15,636
Non-operating income		
Dividend income	7	8
Gain on investments in investment partnerships	57	87
Other	19	17
Total non-operating income	83	112
Non-operating expenses		
Loss on investments in investment partnerships	182	435
Other	12	21
Total non-operating expenses	194	456
Ordinary profit	15,054	15,292
Extraordinary income		
Gain on sale of non-current assets	(Note 9) 0	—
Gain on sale of investment securities	35	—
Total extraordinary income	35	—
Extraordinary losses		
Loss on sale and retirement of non-current assets	(Note 10) 10	(Note 10) 43
Provision of reserve for financial instruments transaction liabilities	1,035	252
Total extraordinary losses	1,045	295
Profit before income taxes	14,043	14,996
Income taxes – current	4,605	4,639
Income taxes – deferred	(352)	(144)
Total income taxes	4,253	4,495
Profit	9,790	10,501

[3] Statement of changes in equity

i. Preceding fiscal year (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
					Retained earnings brought forward		
Balance at beginning of period	11,945	9,793	10	9,803	159	55,743	55,902
Changes during period							
Dividends of surplus						(10,289)	(10,289)
Profit						9,790	9,790
Purchase of treasury shares							
Disposal of treasury shares			3	3			
Net changes in items other than shareholders' equity							
Total changes during period	-	-	3	3	-	(499)	(499)
Balance at end of period	11,945	9,793	13	9,805	159	55,244	55,403

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(1,557)	76,092	23	23	238	76,353
Changes during period						
Dividends of surplus		(10,289)				(10,289)
Profit		9,790				9,790
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	68	70				70
Net changes in items other than			368	368	33	402

shareholders' equity						
Total changes during period	67	(429)	368	368	33	(27)
Balance at end of period	(1,490)	75,663	391	391	271	76,326

ii. Current fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
					Retained earnings brought forward		
Balance at beginning of period	11,945	9,793	13	9,805	159	55,244	55,403
Changes during period							
Dividends of surplus						(10,809)	(10,809)
Profit						10,501	10,501
Disposal of treasury shares			(1)	(1)			
Net changes in items other than shareholders' equity							
Total changes during period	-	-	(1)	(1)	-	(308)	(308)
Balance at end of period	11,945	9,793	11	9,804	159	54,937	55,095

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(1,490)	75,663	391	391	271	76,326
Changes during period						
Dividends of surplus		(10,809)				(10,809)
Profit		10,501				10,501
Disposal of treasury shares	115	113				113
Net changes in items other than shareholders' equity			469	469	0	469
Total changes during period	115	(195)	469	469	0	275
Balance at end of period	(1,375)	75,469	860	860	272	76,600

[4] Statement of cash flows

	(Millions of yen)	
	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
Profit (loss) before income taxes	14,043	14,996
Depreciation	3,193	3,638
Increase (decrease) in allowance for doubtful accounts	(232)	(272)
Increase (decrease) in provision for bonuses	21	46
Increase (decrease) in reserve for financial instruments transaction liabilities	1,035	252
Interest and dividend income	(13,514)	(15,357)
Interest expenses	1,490	2,001
Loss (gain) on sale and retirement of non-current assets	10	43
Loss (gain) on sale of investment securities	(35)	—
Decrease (increase) in segregated deposits	(146,900)	78,900
Decrease (increase) in trading products - assets (liabilities)	65	(4,303)
Decrease (increase) in trade date accrual	(5)	450
Decrease/increase in margin transaction assets/liabilities	(241)	(67,898)
Decrease (increase) in loans secured by securities	(2,314)	4,236
Decrease/increase in advance paid/deposits received	99,814	(62,179)
Increase (decrease) in borrowings secured by securities	(1,346)	2,432
Increase (decrease) in guarantee deposits received	34,470	(4,948)
Decrease (increase) in short-term guarantee deposits	(3,476)	(4,526)
Other, net	(1,280)	1,751
Subtotal	<u>(15,201)</u>	<u>(50,738)</u>
Interest and dividends received	14,150	14,490
Interest paid	(1,495)	(1,922)
Income taxes paid	<u>(3,370)</u>	<u>(5,192)</u>
Net cash provided by (used in) operating activities	<u>(5,916)</u>	<u>(43,362)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(658)	(430)
Proceeds from sale of property, plant and equipment	0	—
Purchase of intangible assets	(4,900)	(3,236)
Purchase of investment securities	(3,496)	(1,044)
Proceeds from sale of investment securities	52	—
Other, net	119	337
Net cash provided by (used in) investing activities	<u>(8,883)</u>	<u>(4,373)</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	19,000	64,100
Repayments of long-term borrowings	(100)	(100)
Purchase of treasury shares	(0)	—
Proceeds from exercise of employee share options	0	0
Dividends paid	(10,279)	(10,798)
Net cash provided by (used in) financing activities	<u>8,621</u>	<u>53,202</u>
Effect of exchange rate change on cash and cash equivalents	1	1
Net increase (decrease) in cash and cash equivalents	<u>(6,177)</u>	<u>5,467</u>
Cash and cash equivalents at beginning of period	<u>82,427</u>	<u>76,249</u>
Cash and cash equivalents at end of period	<u>(Note 1) 76,249</u>	<u>(Note 1) 81,716</u>

[5] Notes

i. Notes - Significant accounting policies

i) Valuation basis and valuation method of securities and derivatives

(i) Securities and derivatives classified as trading products

Securities and derivatives classified as trading products are carried at fair value.

(ii) Securities not classified as trading products

[i] Available-for-sale securities

<i> Securities other than stocks, etc. whose market value is not available

Market value method (valuation differences are directly charged or credited to net assets, and cost of sales is determined by the moving-average method).

<ii> Stocks, etc. whose market value is not available

These securities are stated at cost determined by the moving-average method.

<iii> Investments in investment limited partnerships, etc.

Investments in investment limited partnerships, etc. are stated at the proportional net value of the Company's interest to the total fund interest.

ii) Accounting policy for depreciation (including amortization) of assets

(i) Property, plant and equipment (excluding leased assets)

The Company applies the straight-line method. The useful life for depreciation is 10 to 15 years for buildings and 5 years for equipment.

(ii) Intangible assets (excluding leased assets)

The straight-line method is primarily applied. Software for in-house use is depreciated under the straight-line method based on an internal estimated useful life (within 5 years).

(iii) Leased assets

[i] Finance lease transactions that do not transfer the ownership to lessee

Leased assets arising from transactions under finance lease contracts which do not transfer ownership to lessee are depreciated to residual value of zero by the straight-line method using the term of the contract as useful life.

iii) Accounting policy for provisions and reserves

(i) Allowance for doubtful accounts

An allowance for doubtful accounts is provided for estimated uncollectible doubtful accounts at the amount specifically assessed and for general receivables at the amount computed based on historical loss experience.

(ii) Provision for bonuses

Estimated amount of employees' bonuses is accrued.

(iii) Reserve for financial instruments transaction liabilities

The Company accounts for a Reserve for financial instruments transaction liabilities for possible customer losses by default of a securities company on securities transactions with an amount in accordance with Article 46-5 of the Financial Instruments and Exchange Act.

iv) Accounting policy for recording revenues and expenses

(i) Brokerage commissions

The Company's main business is the stock brokerage business targeting individual investors, and have the obligation to perform brokerage of market sell and buy orders based on the transaction agreements etc. As such performance obligation is executed on the trade date, revenues are recognized at the timing of the trade date (at one point in time).

v) Scope of cash and cash equivalents in statement of cash flows

"Cash and cash equivalents" in the statement of cash flow is defined as liquid funds including cash in hand, current account deposits and short-term investments which are subject to an insignificant risk of changes in values.

ii. Notes – Significant accounting estimates

i) Recoverability of deferred tax assets

(i) (Preceding fiscal year)

[i] Amount recorded in the financial statements for the current fiscal year

The amount of deferred tax assets is the same as the amount stated in 1) of "Notes – Tax effect accounting".

[ii] Information of significant accounting estimates for identified items

For deferred tax assets, the future deductible temporary difference amount is recorded after carefully considering its collectability. The amount of deferred tax assets may change in the future, depending on the changes to future deductible temporary difference amounts for each fiscal period going forward as well as changes to judgements of collectability given changes to the size of future deductible temporary difference amounts and business environment.

(ii) (Current fiscal year)

[i] Amount recorded in the financial statements for the current fiscal year

The amount of deferred tax assets is the same as the amount stated in 1) of "Notes – Tax effect accounting".

[ii] Information of significant accounting estimates for identified items

For deferred tax assets, the future deductible temporary difference amount is recorded after carefully considering its collectability. The amount of deferred tax assets may change in the future, depending on the changes to future deductible temporary difference amounts for each fiscal period going forward as well as changes to judgements of collectability given changes to the size of future deductible temporary difference amounts and business environment.

iii. Notes – New accounting standards not yet applied

- Accounting Standard for Leases (Accounting Standards Board of Japan (ASBJ) Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024) and related corporate accounting standards, Implementation Guidance on Accounting Standards, Revision of Practical Solution Report and Transfer Guidelines.

[i] Overview

As part of efforts to make Japanese GAAP internationally consistent, the ASBJ discussed accounting standards for leases that recognize assets and liabilities for all leases held by lessees, taking into account international accounting standards. As a basic policy, ASBJ published accounting standards for leases, etc., which are based on the single accounting treatment model of IFRS 16 but aim to be simple and convenient by adopting only the major provisions of IFRS 16 instead of adopting all the provisions of IFRS 16, and basically eliminate the need for amendments even if the provisions of IFRS 16 are used for non-consolidated financial statements.

As is the case with IFRS 16, a single accounting treatment model is applied to all leases, regardless of whether the lease is a finance lease or an operating lease, to account for depreciation of right-of-use assets and interest on lease liabilities.

[ii] Expected date of application

To be applied from the beginning of the fiscal year ending March 31, 2028.

[iii] Effects from applying the accounting standards

The impact of the adoption of "Accounting Standard for Leases" and other standards on the Company's financial statements is currently under investigation.

- Practical Guidelines for Accounting for Financial Instruments (Revision Transfer Guideline No. 9 issued by the ASBJ on March 11, 2025)

[i] Overview

It provides for the treatment of the valuation of investments in partnerships, etc. in which companies invest.

[ii] Expected date of application

To be applied from the beginning of the fiscal year ending March 31, 2027.

[iii] Effects from applying the accounting standards

The impact of the application of the "Practical Guidelines for Accounting for Financial Instruments" on the financial statements is currently under investigation.

iv. Notes – Changes in presentation

In the current fiscal year, the presentation of revenue and expense arising from payments and receipts of swap points to and from customers concerning FX (Foreign Exchange Margin Trading) was changed from accounting as "Financial revenue" and "Financial expenses" to accounting as "Net trading income".

Although we had been accounting receipts of swap points from customers as “Financial revenue” and payments of them to customers as “Financial expenses”, we have come to a conclusion that accounting them as “Net trading income” which includes net dealing revenue arising from cover trades and marry trades would contribute an enhancement of value of financial statements considering the expansion of our FX business.

As a result of this, in the statement of income for the preceding fiscal year, “Financial revenue” and “Financial expenses” decreased by 3,004 million yen and 3,406 million yen respectively, while “Net trading income” decreased by 402 million yen which is the equivalent of the discrepancy of them. “Operating revenue” decreased by 3,406 million yen as a result of the decrease of “Financial revenue” and the decrease of “Net trading income”. “Net operating revenue”, “Operating profit”, “Ordinary profit”, “Profit before income taxes” and “Profit” stay unchanged.

In the statement of cash flows for the preceding fiscal year, “Interest and dividends received” and “Interest paid” in cash flows from operating activities decreased by 2,082 million yen and 2,973 million yen, respectively. In addition, the amount of 3,004 million yen related to swap point income included in “Interest and dividend income” and the amount of 3,406 million yen related to swap point payment included in “Interest expenses” in the cash flows from operating activities were both reclassified to “Other, net”. “Other, net” decreased by 489 million yen as a result of the above effects.

v. Notes – Balance Sheet Related

i) Note 1: Notes regarding accumulated depreciation of property, plant and equipment

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Buildings, net	239	286
Equipment	1,034	1,436
Total	1,273	1,722

ii) Note 2: Notes regarding pledged assets

(i) Preceding fiscal year

None of the assets are collateralized. The securities bought by customers using money loaned from the Company’s own fund which amounted to 696 million yen are collateralized for the margin borrowings. 25,454 million yen of the guarantee securities received from customers are collateralized for margin borrowings.

(ii) Current fiscal year

1,752 million yen of cash and deposits is used as margins for FX. The securities bought by customers using money loaned from the Company’s own fund which amounted to 573 million yen are collateralized for the margin borrowings. 12,316 million yen of the guarantee securities received from customers are collateralized for margin borrowings.

iii) Fair value of securities received and deposited are as follows.

(i) Notes regarding fair value of securities pledged to counterparties

	(Millions of yen)	
	Preceding fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
[1] Securities lent for customers' short positions in margin transactions	62,170	35,903
[2] Collateralized securities for margin borrowings	42,982	10,416
[3] Securities loaned out on securities loan contracts	41,683	49,497
[4] Long-term guarantee securities deposited	11,941	9,858
[5] Securities pledged as collateral for short-term guarantee	9,029	8,428

(ii) Notes regarding fair value of securities received as collateral from counterparties

	(Millions of yen)	
	Preceding fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
[1] Securities received on customers' long positions in margin transaction	310,125	299,881
[2] Securities borrowed on securities loan contracts	10,715	5,153
[3] Securities received in debt credit transaction of securities	48,682	44,897
[4] Guarantee securities received from customers	746,908	755,559
[5] Securities received from customers as collateral for short-term guarantee	4,599	4,139

iv) Note 4: Notes regarding reserves under special laws

Accounting of Reserve for financial instruments transaction liabilities is based on Article 46-5 of the Financial Instruments and Exchange Act.

v) Note 5

The Company makes overdraft agreement and commitment line agreement with multiple financial institutions from the perspective of efficiency of procuring working capital and safety of financing. The balance of unexecuted loans of overdraft agreement and/or commitment line agreement is as follows.

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Maximum limit amount of overdraft and lending commitment	169,300	168,400
Executed amount	133,800	142,900
The balance	35,500	25,500

vi. Notes - Statement of income

(i) Note 1: Breakdown of financial revenue

	(Millions of yen)	
	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Interest on margin transactions	11,423	12,151
Revenue from securities lending and borrowing	1,899	1,672
Other	333	1,660
Total	13,656	15,483

“Total financial revenue” in the preceding fiscal year has been reclassified to reflect changes in presentation in the current fiscal year. For more details, please refer to “(Notes - Changes in presentation)”.

(ii) Note 2: Revenues generated from contracts with customers

Regarding operating revenue, revenues generated from contracts with customers are not classified separately from other revenues. The amount of revenues generated from contracts with customers are stated under “Notes (revenue recognition related matters) -1. Information on breakdown of revenues generated from contracts with customers” of the financial statements.

(iii) Note 3: Breakdown of financial expenses

	(Millions of yen)	
	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Interest expense on margin transactions	791	416
Expenses on securities lending and borrowing	437	421
Interest expenses	228	1,129
Other	101	103
Total	1,555	2,069

“Total financial expenses” in the preceding fiscal year has been reclassified to reflect changes in presentation in the current fiscal year. For more details, please refer to “(Notes - Changes in presentation)”.

(iv) Note 4: Breakdown of trading related expenses

	(Millions of yen)	
	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Commission fee	1,066	1,085
Membership fees for stock exchanges and securities associations	1,576	1,549
Communications expenses	1,282	1,320
Travel and transportation expenses	30	46
Advertisements	2,705	2,723
Entertainment expenses	25	29
Total	6,682	6,752

(v) Note 5: Breakdown of personnel expenses

	(Millions of yen)	
	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Preceding fiscal year (From April 1, 2024 to March 31, 2025)
Directors' compensations	315	346
Employees' salaries	1,324	1,451
Other compensations	1,170	1,297
Welfare expenses	308	333
Provision for bonuses	325	370
Share-based compensation expenses	103	113

	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Preceding fiscal year (From April 1, 2024 to March 31, 2025)
Retirement benefit expenses	43	44
Total	3,589	3,955

(vi) Note 6: Breakdown of real estate expenses

(Millions of yen)

	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Preceding fiscal year (From April 1, 2024 to March 31, 2025)
Occupancy and rental fee	385	390
Equipment expenses	606	722
Total	991	1,112

(vii) Note 7: Breakdown of office expenses

(Millions of yen)

	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Preceding fiscal year (From April 1, 2024 to March 31, 2025)
Data processing and outsourcing cost of operations	4,919	5,342
Office supplies	6	6
Total	4,925	5,348

(viii) Note 8: Breakdown of taxes and dues

(Millions of yen)

	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Preceding fiscal year (From April 1, 2024 to March 31, 2025)
Enterprise tax (portion on value added levy and capital levy)	324	328
Other	119	139
Total	443	467

(ix) Note 9: Breakdown of gain on sale of non-current assets

	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Preceding fiscal year (From April 1, 2024 to March 31, 2025)
Equipment	0	—
Total	0	—

(x) Note 10: Breakdown of loss on sale and retirement of non-current assets

[i] Loss on retirement

(Millions of yen)

	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Preceding fiscal year (From April 1, 2024 to March 31, 2025)
Software	10	43
Equipment	0	0
Other	0	—
Total	10	43

vii. Notes - Statement of changes in equity

i) Preceding fiscal year (From April 1, 2023 to March 31, 2024)

(i) Notes regarding issued shares and treasury shares

	Beginning of current fiscal year	Increase	Decrease	End of current fiscal year
Issued shares				
Common stock (number of shares)	259,264,702	—	—	259,264,702
Treasury shares				
Common stock (number of shares)	2,059,846	163	89,300	1,970,709

Note1: The decrease in treasury shares of common stock was due to the exercise of share acquisition rights.

Note2: The decrease in treasury shares of common stock was due to the exercise of subscription rights to shares.

(ii) Notes regarding share acquisition rights, etc.

(Millions of yen)

Item	Balance at the end of current fiscal year
Share acquisition rights as stock options (2018)	10
Share acquisition rights as stock options (2019)	50
Share acquisition rights as stock options (2020)	64
Share acquisition rights as stock options (2021)	70
Share acquisition rights as stock options (2022)	55
Share acquisition rights as stock options (2023)	23
Total	271

Note 1: Concerning balance of 31 million yen of share acquisition rights as stock options (2019) and balance of 53 million yen of share acquisition rights as stock options (2020), the first day of exercise period has not arrived.

Note 2: Concerning the share acquisition rights as stock options (2021), (2022) and (2023), the first day of exercise period has not arrived.

(iii) Notes regarding dividend

[i] Dividend payment

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 25, 2023	Common stock	5,144	20.00	March 31, 2023	June 26, 2023
Board of Directors' meeting held on October 26, 2023	Common stock	5,145	20.00	September 30, 2023	November 24, 2023

[ii] Dividends whose record date is in the current fiscal year and whose effective date is in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders scheduled to be held on June 23, 2024	Common stock	Retained earnings	5,146	20.00	March 31, 2024	June 24, 2024

ii) Current fiscal year (From April 1, 2024 to March 31, 2025)

(i) Notes regarding issued shares and treasury shares

	Beginning of current fiscal year	Increase	Decrease	End of current fiscal year
Issued shares				
Common stock (number of shares)	259,264,702	-	-	259,264,702
Treasury shares				
Common stock (number of shares)	1,970,709	-	151,600	1,819,109

Note1: The decrease in treasury shares of common stock was due to the exercise of subscription rights to shares.

(ii) Notes regarding share acquisition rights, etc.

(Millions of yen)

Item	Balance at the end of current fiscal year
Share acquisition rights as stock options (2020)	44
Share acquisition rights as stock options (2021)	64
Share acquisition rights as stock options (2022)	87
Share acquisition rights as stock options (2023)	53
Share acquisition rights as stock options (2024)	25
Total	272

Note 1: Concerning balance of 30 million yen of share acquisition rights as stock options (2020) and balance of 54 million yen of share acquisition rights as stock options (2021), the first day of exercise period has not arrived.

Note 2: Concerning the share acquisition rights as stock options (2022), (2023) and (2024), the first day of exercise period has not arrived.

(iii) Notes regarding dividend

[i] Dividend payment

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 23, 2024	Common stock	5,146	20.00	March 31, 2024	June 24, 2024
Board of Directors' meeting held on October 29, 2024	Common stock	5,663	22.00	September 30, 2024	November 25, 2024

[ii] Dividends whose record date is in the current fiscal year and whose effective date is in the following fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Ordinary general meeting of shareholders scheduled to be held on June 29, 2025	Common stock	Retained earnings	4,634	18.00	March 31, 2025	June 30, 2025

viii. Notes – Statement of cash flow

- i) Note1: Reconciliation of ending balance of cash and cash equivalents with account balances on the balance sheet

	(Millions of yen)	
	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Cash and deposits	72,280	67,374
Money held in trust	3,969	14,342
Cash and cash equivalents	76,249	81,716

ix. Notes – Financial instruments

- i) Matters related to the status of financial instruments

- (i) The Company's policy of approach towards financial instruments

The Company's main business is the stock brokerage business towards individual investors, and in order to provide margin transaction services as a part of such business, with respect to recurring funds procurement to respond to increase and decrease in loans, the Company mainly depends on borrowings from financial institutions, and also issue bonds etc. as necessary.

On the other hand, with respect to deposits and guarantee deposits received from customers, such funds are managed in customer-segregated fund trusts pursuant to the "the Financial Instruments and Exchange Act".

Furthermore, regarding fund management, the Company prioritizes safety and primarily invests in financial assets centered on bank deposits.

Furthermore, as a part of the trading business, the Company is engaged in dealing operations of foreign exchange margin trading with the aim to making profits. Other trading business is conducted within the scope necessary to offer services to customers, and in principle, the Company does not conduct trading merely for the purpose of making profits.

Otherwise, the Company borrows securities from other financial institutions etc. for stock lending etc. associated with selling positions of margin transactions by customers. Also, the Company lends to other financial institutions securities received in return for own lending associated with margin transaction lending as well as securities etc. borrowed from customers as a part of services to them. These securities borrowed from customers are also served for stock lending associated with other customer's margin transaction for making short position.

- (ii) Financial instruments and related risks

The main financial assets held by the Company are customer-segregated fund trusts (included in segregated deposits) under which deposits from customers and guarantee deposits received etc. are deposited with trust banks, and margin transaction assets, which are mainly margin loans. The Company raises funds through short-term borrowings and other means for the purpose of meeting margin loans. The Company's main financial liabilities are deposits from customers, guarantee deposits received, and short-term borrowings.

Customer-segregated fund trusts are managed focusing on safety by investing mainly in call loans, short-term time deposits and banking book loans to trust bank, however, such investments are exposed to credit risk of the investment

destination. Furthermore, in the case of investing in securities such as government bonds, there is exposure to fair value fluctuation risk.

For margin loans, collateral is received from customers, so there is exposure to the customers' credit risk.

Regarding funds procured through short-term borrowings, etc. (a portion of which may be in foreign currency for the provision of U.S. equity trading services, etc.), there is liquidity risk if such funds are not prepaid on the payment due date due to cash position issues.

Margin transaction liabilities are margin borrowings borrowed from securities finance companies in order to be used for margin loans, and cash received for securities sold in margin transactions, which is the amount equivalent to sales proceeds for short positions on margin transactions by customers.

Loans secured by securities are cash collateral provided for securities borrowed from customers and other financial institutions etc. (cash collateral provided for securities borrowed), and borrowings secured by securities are cash collateral received for loaned securities to other financial institutions etc. (cash collateral received for securities lent).

Short-term guarantee deposits are mainly collateral pledged to other financial institutions for the provision of services to customers and are exposed to the credit risk of the counterparties to which they are pledged.

For U.S. equity trading services, the Company mitigates foreign exchange risk by generally matching the total of foreign currency-denominated assets (included in margin transaction loans, short-term guarantee deposits, etc.) with the total of foreign currency-denominated liabilities (included in customer deposits, received guarantee money, short-term borrowings, etc.). Additionally, the Company executes foreign exchange forward contracts for the amount equivalent to any difference to offset the remaining foreign exchange risk.

Available-for-sale securities are mainly investments in investment limited partnerships and investment trusts, etc., which are exposed to the credit risk of the issuers of stocks and other securities incorporated in the partnerships and the risk of fluctuations in the fair value of such stocks and other securities (including the risk of exchange rate fluctuations). In addition, other directly held shares are also exposed to the credit risk of the issuer and the risk of fluctuations in the fair value.

Derivatives transactions for financial assets and financial liabilities are mainly the amounts equivalent to unrealized gains and losses in foreign exchange margin trading. The Company conducts foreign exchange margin trading with customers, for the purpose of providing foreign exchange margin trading service to its customers and to make profits from such service. At the same time, in order to control related FX fluctuation risk, the Company also engages in foreign exchange margin trading with financial institution counterparties. For uncovered portions of positions arising from transactions with customers, the Company is exposed to FX fluctuation risk for such uncovered positions; however, in principle, all positions with customers are fully covered as at the end of trading on each business day.

(iii) Risk management system related to financial instruments

The risk management systems related to various risks of the Company are defined in internal rules, and also the finance department is quantitatively managing market risks and credit risks by calculating risk amounts and the capital-to-risk ratio based on the “Financial Instruments and Exchange Act”, and such status is monthly being reported to the Board of Directors. Furthermore, risk limit amounts for dealing operations etc. are prescribed in internal rules.

With respect to risks related to margin transactions, the credit control department manages the status of margin transaction positions of the entire Company, and monitors the liquidity status of individual stock names, in addition to monitoring the credit condition of individual customers.

Regarding transactions for foreign exchange margin trading, based on internal rules etc., in principle, efforts are made to control FX fluctuation risks by entering into cover transactions and marry transactions based on preset algorithms.

Regarding liquidity risk for repayment of procured funds, the finance department manages cash flows together with the management of customer-segregated fund trusts, taking into account the levels of margin loans and the receipt and payment of funds in relation to the stock brokerage business.

Furthermore, the Company enhances safety of procurement of funds by making overdraft agreement and/or commitment line agreement with multiple financial institutions.

(iv) Supplementary explanation regarding matters related to the fair value of financial instruments

Upon calculating the fair value of financial instruments, since certain assumptions are adopted, if differing assumptions are used, such value may differ. Furthermore, with respect to contract amounts etc. related to derivative transactions referred to in the notes to “Notes – Overview of securities and derivatives,” the amounts themselves are not indicators of market risks related to derivative transactions.

ii) Matters related to fair value of financial instruments

(i) Preceding fiscal year (March 31, 2024)

Recorded value on the balance sheet, fair value, and differences between them are as shown below.

Item	Recorded value on the balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
[1] Trading products and investment securities	7,055	7,055	-
[i] Derivatives	4,614	4,614	-
[ii] Other securities	2,441	2,441	-
Total assets	7,055	7,055	-
[1] Trading products	979	979	-
[i] Derivatives	979	979	-
Total liabilities	979	979	-

Note 1: Notes to “Cash and deposits,” “ Segregated deposits,” “Money held in trust,” “Margin transaction assets,” “Loans secured by securities,” “Margin transaction liabilities,” “Borrowings secured by securities,” “Deposits received,” “Guarantee deposits received” and “Short-term loans payable” are omitted because they are cash or the fair values approximate book values as they are usually settled within short periods.

Note 2: For investment trusts included in "[1] Trading products and investment securities [ii] Other securities," the net asset value per unit of investment trusts is deemed to be fair value in accordance with generally accepted accounting principles.

Note 3: Stocks and other securities without market value are not included in the table above. The balance sheet amounts of such financial instruments are as follows.

Item	Recorded value on the balance sheet (millions of yen)
Available-for-sale securities	
Unlisted shares	149

Note 4: Investments in partnerships and other similar entities in which the Company's equity interest is recorded on the balance sheet as a net amount are omitted. The amount of such investments on the balance sheet is 4,059 million yen.

Note 5: Redemption schedules for monetary claims and securities with maturities after the balance sheet date. Monetary claims are limited to those scheduled for redemption within one year.

Note 6: All monetary debts are scheduled due within 1 year.

(ii) Current fiscal year (March 31, 2025)

Recorded value on the balance sheet, fair value, and differences between them are as shown below.

Item	Recorded value on the balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
[1] Trading products and investment securities	11,814	11,814	-
[i] Trading securities and other	11	11	-
[ii] Derivatives	8,431	8,431	-
[iii] Other securities	3,372	3,372	-
Total assets	11,814	11,814	-
[1] Trading products	504	504	-
[i] Derivatives	504	504	-
Total liabilities	504	504	-

Note 1: Notes to "Cash and deposits," "Segregated deposits," "Money held in trust," "Margin transaction assets," "Loans secured by securities," "Short-term guarantee deposits," "Margin transaction liabilities," "Borrowings secured by securities," "Deposits received," "Guarantee deposits received" and "Short-term loans payable" are omitted because they are cash or the fair values approximate book values as they are usually settled within short periods.

Note 2: For investment trusts included in "[1] Trading products and investment securities [iii] Other securities," the net asset value per unit of investment trusts is deemed to be fair value in accordance with generally accepted accounting principles.

Note 3: Equity securities without market value are not included in "[1] Trading products and investment securities, [iii] Other securities." The balance sheet amounts of such financial instruments are as follows.

Item	Recorded value on the balance sheet (millions of yen)
Available-for-sale securities	
Unlisted shares	149

Note 4: Investments in partnerships and other similar entities in which the Company's equity interest is recorded on the balance sheet as a net amount are omitted. The amount of such investments on the balance sheet is 4,178 million yen.

Note 5: Redemption schedules for monetary claims and securities with maturities after the balance sheet date. Monetary claims are limited to those scheduled for redemption within one year.

Note 6: All monetary debts are scheduled due within 1 year.

(iii) Matters regarding the breakdown of financial instruments by fair value level

The fair value of financial instruments is categorized into the following three levels, in accordance with the observability and importance of the inputs used in the fair value calculation.

Level 1 fair value: Of the observable inputs for calculation of fair value, fair value calculated using the market price of assets and liabilities for which the fair value is to be calculated which is formulated in an active market.

Level 2 fair value: Of the observable inputs for calculation of fair value, fair value calculated using inputs regarding the calculation of fair value other than the inputs in Level 1.

Level 3 fair value: Fair value calculated using non-observable inputs regarding the calculation of fair value.

If multiple inputs are being used which have a significant impact on the calculation of fair value, of the levels in which each of the inputs are included, the relevant fair value is classified under the lowest priority level for calculation of fair value.

[i] Financial Instruments recorded at fair value on the balance sheet

<i> Preceding fiscal year (March 31, 2024)

Classification	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
(1) Trading Products	-	4,614	-	4,614
Derivative transactions	-	4,614	-	4,614
Total Assets	-	4,614	-	4,614
(1) Trading Products	-	979	-	979
Derivative transactions	-	979	-	979
Total Liabilities	-	979	-	979

Note 1: Explanation of evaluation method used to calculate fair value and inputs for the calculation of fair value

Derivative transactions: The fair value of foreign exchange margin trading is calculated based on the spot exchange rate as of the end of the current fiscal year, and is categorized under Level 2 fair value.

Note 2: In accordance with generally accepted accounting principles, investment trusts, whose net asset value is regarded as fair value, are not included in the table above. The balance sheet amount of such investment trusts is 2,441 million yen.

i. A reconciliation of the beginning balance to the ending balance is as follows.

	Value (millions of yen)
Balance at beginning of term	-
Gains (losses) or valuation and translation differences for the period	
Charged to income	-
Deferred tax liabilities	135
Valuation difference on available-for-sale securities	306
Purchases, sales and redemptions	
Purchases	2,000
Sales	-
Redemptions	-
Net asset value of investment trusts, etc. newly included in fair value	-
Net asset value of investment trusts, etc. newly excluded from fair value	-
Balance as of March 31, 2024	2,441

ii. The following is a breakdown by nature of restrictions on cancellation or repurchase requests as of March 31, 2025

Classification	Balance of other securities with limited cancellation reference dates with long intervals (millions of yen)
Other securities Investment trusts, etc.	2,441

<ii> Current fiscal year (March 31, 2025)

Classification	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
(1) Trading Products	236	8,442	-	8,678
[ii] Trading securities and other	-	11	-	11
[ii] Derivatives	-	8,431	-	8,431
[iii] Other securities	236	-	-	236
Total Assets	236	8,442	-	8,678
(1) Trading Products	-	504	-	504
Derivative transactions	-	504	-	504
Total Liabilities	-	504	-	504

Note 1: Explanation of evaluation method used to calculate fair value and inputs for the calculation of fair value

Trading securities and other: Initial public offerings are based on the offer price and are classified as Level 2 fair value.

Derivatives: The fair value of foreign exchange margin trading is calculated based on the spot exchange rate as of the end of the current fiscal year, and is categorized under Level 2 fair value

Other securities: Listed stocks are based on exchange prices, and are classified as Level 1 market value.

Note 2: In accordance with generally accepted accounting principles, investment trusts, whose net asset value is regarded as fair value, are not included in the table above. The balance sheet amount of such investment trusts is 3,135 million yen.

i. A reconciliation of the beginning balance to the ending balance is as follows.

	Value (millions of yen)
Balance at beginning of term	2,441
Gains (losses) or valuation and translation differences for the period	
Charged to income	-
Deferred tax liabilities	223
Valuation difference on available-for-sale securities	471
Purchases, sales and redemptions	
Purchases	-
Sales	-
Redemptions	-
Net asset value of investment trusts, etc. newly included in fair value	-
Net asset value of investment trusts, etc. newly excluded from fair value	-
Balance as of March 31, 2025	3,135

ii. The following is a breakdown by nature of restrictions on cancellation or repurchase requests as of March 31, 2025

Classification	Balance of other securities with limited cancellation reference dates with long intervals (millions of yen)
Other securities Investment trusts, etc.	3,135

[ii] Financial instruments other than those recorded on the balance sheet at fair value.

<i> Preceding fiscal year (March 31, 2024)

Not applicable.

<ii> Current fiscal year (March 31, 2025)

Not applicable.

x. Notes – Overview of securities and derivatives

i) Trading related securities and derivatives

(i) Derivative trading

[i] Derivative trading for which hedge accounting is not applied

<i> (Preceding fiscal year)

Type	Assets		Liabilities	
	Amount of contract, etc. (millions of yen)	Fair value (millions of yen)	Amount of contract, etc. (millions of yen)	Fair value (millions of yen)
Foreign exchange margin trading	145,607	4,614	23,485	979

Note: Amount of contract whose fair value falls in zero is represented as assets.

<ii> (Current fiscal year)

Type	Assets		Liabilities	
	Amount of contract, etc. (millions of yen)	Fair value (millions of yen)	Amount of contract, etc. (millions of yen)	Fair value (millions of yen)
Foreign exchange margin trading	223,728	8,431	74,720	504

Note: Amount of contract whose fair value falls in zero is represented as assets.

[ii] Derivative trading for which hedge accounting is applied

Not applicable.

ii) Other than trading related securities and derivatives

(i) Shares of subsidiaries and affiliates

[i] Preceding fiscal year (From April 1, 2023 to March 31, 2024)

The Company does not have shares of subsidiaries nor affiliates.

[ii] Current fiscal year (From April 1, 2024 to March 31, 2025)

The Company does not have shares of subsidiaries nor affiliates.

(ii) Available-for-sale securities

[i] Preceding fiscal year

Classification		Recorded value on balance sheet (millions of yen)	Acquisition cost (millions of yen)	Difference (millions of yen)
Securities whose recorded value on the balance sheet exceeds acquisition cost	[1] Stock	-	-	-
	[2] Bond	-	-	-
	[3] Other	2,441	2,000	441
	Subtotal	2,441	2,000	441
Securities whose recorded value on the balance sheet does not exceed acquisition cost	[1] Stock	-	-	-
	[2] Bond	-	-	-
	[3] Other	-	-	-
	Subtotal	-	-	-
Total		2,441	2,000	441

[ii] Current fiscal year

Classification		Recorded value on balance sheet (millions of yen)	Acquisition cost (millions of yen)	Difference (millions of yen)
Securities whose recorded value on the balance sheet exceeds acquisition cost	[1] Stock	236	213	23
	[2] Bond	-	-	-
	[3] Other	3,135	2,000	1,135
	Subtotal	3,372	2,213	1,159
Securities whose recorded value on the balance sheet does not exceed acquisition cost	[1] Stock	-	-	-
	[2] Bond	-	-	-
	[3] Other	-	-	-
	Subtotal	-	-	-
Total		3,372	2,213	1,159

(iii) Available-for-sale securities sold during current fiscal year

[i] Preceding fiscal year

Classification	Amount of sale (millions of yen)	Total gain on sale (millions of yen)	Total loss on sale (millions of yen)
Stock	52	35	-
Total	52	35	-

[ii] Current fiscal year

Not applicable.

xi. Notes – Retirement benefits

i) Overview of retirement benefit system adapted

The Company adapts defined contribution pension plan.

ii) Defined contribution plan

Required amount of contribution by the Company to the plan is 43 million yen for the preceding fiscal year, and 44 million yen for the current fiscal year.

xii. Notes – Share options, etc.

i) Amount of cost of share options and item for which it is accounted

	Preceding fiscal year(From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Share-based compensation expenses in selling, general and administrative expenses	103 million yen	113 million yen

ii) Contents, scale and status of movement of share options

(i) Contents of share options

[i] Fifth series of share acquisition rights

	Share acquisition rights which can be exercised from July 21, 2021	Share acquisition rights which can be exercised from July 22, 2022	Share acquisition rights which can be exercised from July 22, 2023
Date of resolution	July 5, 2018		
Persons eligible for the allotment and their number (Note 1)	8 directors of the Company (excluding outside directors)		
Number of share acquisition rights (Note 1) (Note 2)	Common stock: 37,400 shares	Common stock: 37,400 shares	Common stock: 38,100 shares
Allotment date	July 20, 2018		
Conditions for exercising	Persons allotted share acquisition rights are eligible to exercise only when they are active directors at the time of the exercise. However, the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds.		
Vesting period	From July 20, 2018 to July 20, 2021	From July 20, 2018 to July 21, 2022	From July 20, 2018 to July 21, 2023
Exercise period	From July 21, 2021 to July 20, 2024	From July 22, 2022 to July 20, 2024	From July 22, 2023 to July 20, 2024

Note 1: The table above shows the contents at the date of resolution.

Note 2: Number of share acquisition rights are represented by the number of shares.

[ii] Sixth series of share acquisition rights

	Share acquisition rights which can be exercised from July 11, 2022	Share acquisition rights which can be exercised from July 12, 2023	Share acquisition rights which can be exercised from July 12, 2024
Date of resolution	June 23, 2019		
Persons eligible for the allotment and their number (Note 1)	6 directors of the Company (excluding outside directors)		
Number of share acquisition rights (Note 1) (Note 2)	Common stock: 40,000 shares	Common stock: 40,100 shares	Common stock: 40,200 shares
Allotment date	July 10, 2019		
Conditions for exercising	Persons allotted share acquisition rights are eligible to exercise only when they are active directors at the time of the exercise. However, the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds.		
Vesting period	From July 10, 2019 to July 10, 2022	From July 10, 2019 to July 11, 2023	From July 10, 2019 to July 11, 2024
Exercise period	From July 11, 2022 to July 10, 2025	From July 12, 2023 to July 10, 2025	From July 12, 2024 to July 10, 2025

Note 1: The table above shows the contents at the date of resolution.

Note 2: Number of share acquisition rights are represented by the number of shares.

[iii] Seventh series of share acquisition rights

	Share acquisition rights which can be exercised from August 18, 2023	Share acquisition rights which can be exercised from August 19, 2024	Share acquisition rights which can be exercised from August 19, 2025
Date of resolution	July 27, 2020		
Persons eligible for the allotment and their number (Note 1)	8 directors of the Company (excluding outside directors)		
Number of share acquisition rights (Note 1) (Note 2)	Common stock: 44,700 shares	Common stock: 45,000 shares	Common stock: 45,100 shares
Allotment date	August 17, 2020		
Conditions for exercising	Persons allotted share acquisition rights are eligible to exercise only when they are active directors at the time of the exercise. However, the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds.		
Vesting period	From August 17, 2020 to August 17, 2023	From August 17, 2020 to August 18, 2024	From August 17, 2020 to August 18, 2025
Exercise period	From August 18, 2023 to August 17, 2026	From August 19, 2024 to August 17, 2026	From August 19, 2025 to August 17, 2026

Note 1: The table above shows the contents at the date of resolution.

Note 2: Number of share acquisition rights are represented by the number of shares.

[iv] Eighth series of share acquisition rights

	Share acquisition rights which can be exercised from July 29, 2024	Share acquisition rights which can be exercised from July 29, 2025	Share acquisition rights which can be exercised from July 29, 2026
Date of resolution	July 13, 2021		
Persons eligible for the allotment and their number (Note 1)	8 directors of the Company (excluding directors who are members of the Audit and Supervisory Committee)		
Number of share acquisition rights (Note 1) (Note 2)	Common stock: 50,800 shares	Common stock: 50,900 shares	Common stock: 51,300 shares
Allotment date	July 28, 2021		
Conditions for exercising	Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors who are members of the Audit and Supervisory Committee) at the time of the exercise. However, the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds.		
Vesting period	From July 28, 2021 to July 28, 2024	From July 28, 2021 to July 28, 2025	From July 28, 2021 to July 28, 2026
Exercise period	From July 29, 2024 to July 28, 2027	From July 29, 2025 to July 28, 2027	From July 29, 2026 to July 28, 2027

Note 1: The table above shows the contents at the date of resolution.

Note 2: Number of share acquisition rights are represented by the number of shares.

[v] Ninth series of share acquisition rights

	Share acquisition rights which can be exercised from July 29, 2025	Share acquisition rights which can be exercised from July 29, 2026	Share acquisition rights which can be exercised from July 29, 2027
Date of resolution	July 12, 2022		
Persons eligible for the allotment and their number (Note 1)	9 directors of the Company (excluding directors who are members of the Audit and Supervisory Committee)		
Number of share acquisition rights (Note 1) (Note 2)	Common stock: 63,600 shares	Common stock: 63,900 shares	Common stock: 64,100 shares
Allotment date	July 28, 2022		
Conditions for exercising	Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors who are members of the Audit and Supervisory Committee) at the time of the exercise. However, the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds.		
Vesting period	From July 28, 2022 to July 28, 2025	From July 28, 2022 to July 28, 2026	From July 28, 2022 to July 28, 2027
Exercise period	From July 29, 2025 to July 28, 2028	From July 29, 2026 to July 28, 2028	From July 29, 2027 to July 28, 2028

Note 1: The table above shows the contents at the date of resolution.

Note 2: Number of share acquisition rights are represented by the number of shares.

[vi] Tenth series of share acquisition rights

	Share acquisition rights which can be exercised from July 29, 2026	Share acquisition rights which can be exercised from July 29, 2027	Share acquisition rights which can be exercised from July 29, 2028
Date of resolution	July 11, 2023		
Persons eligible for the allotment and their number (Note 1)	8 directors of the Company (excluding directors who are members of the Audit and Supervisory Committee)		
Number of share acquisition rights (Note 1) (Note 2)	Common stock: 61,500 shares	Common stock: 61,500 shares	Common stock: 61,800 shares
Allotment date	July 28, 2023		
Conditions for exercising	Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors who are members of the Audit and Supervisory Committee) at the time of the exercise. However, the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds.		
Vesting period	From July 28, 2023 to July 28, 2026	From July 28, 2023 to July 28, 2027	From July 28, 2023 to July 28, 2028
Exercise period	From July 29, 2026 to July 28, 2029	From July 29, 2027 to July 28, 2029	From July 29, 2028 to July 28, 2029

Note 1: The table above shows the contents at the date of resolution.

Note 2: Number of share acquisition rights are represented by the number of shares.

[vii] Eleventh series of share acquisition rights

	Share acquisition rights which can be exercised from July 27, 2027	Share acquisition rights which can be exercised from July 27, 2028	Share acquisition rights which can be exercised from July 27, 2029
Date of resolution	July 9, 2024		
Persons eligible for the allotment and their number (Note 1)	8 directors of the Company (excluding directors who are members of the Audit and Supervisory Committee)		
Number of share acquisition rights (Note 1) (Note 2)	Common stock: 64,500 shares	Common stock: 64,800shares	Common stock: 65,200 shares
Allotment date	July 26, 2024		
Conditions for exercising	Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors who are members of the Audit and Supervisory Committee) at the time of the exercise. However, the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds.		
Vesting period	From July 26, 2024 to July 26, 2027	From July 26, 2024 to July 26, 2028	From July 26, 2024 to July 26, 2029
Exercise period	From July 27, 2027 to July 26, 2030	From July 27, 2028 to July 26, 2030	From July 27, 2029 to July 26, 2030

Note 1: The table above shows the contents at the date of resolution.

Note 2: Number of share acquisition rights are represented by the number of shares.

(ii) Scale of share acquisition rights and their status of movement

Share acquisition rights which existed during the current fiscal year (year ended March, 2025) are shown in the tables below and number of these rights is translated into the equivalent number of shares.

[i] Number of share acquisition rights

	Fifth series of share acquisition rights	Sixth series of share acquisition rights	Seventh series of share acquisition rights	Eighth series of share acquisition rights	Ninth series of share acquisition rights	Tenth series of share acquisition rights	Eleventh series of share acquisition rights
Before vesting							
At end of preceding fiscal year (number of share)	-	40,200	90,100	153,000	191,600	184,800	-
Granted	-	-	-	-	-	-	194,500
Forfeited	-	-	-	-	-	-	-
Vested	-	40,200	45,000	50,800	-	-	-
Unvested amount	-	-	45,100	102,200	191,600	184,800	194,500
After vesting							
At end of preceding fiscal year (number of shares)	12,600	23,700	14,100	-	-	-	-
Vested	-	40,200	45,000	50,800	-	-	-
Exercise of rights	12,600	63,900	39,600	35,500	-	-	-
Forfeited	-	-	-	-	-	-	-
Unexercised amount	-	-	19,500	15,300	-	-	-

[ii] Price information

	Fifth series of share acquisition rights (Note 1)	Fifth series of share acquisition rights (Note 2)	Fifth series of share acquisition rights (Note 3)
Date of resolution	July 5, 2018	July 5, 2018	July 5, 2018
Exercise price (yen)	1	1	1
Average market price of shares at time of exercise of share acquisition rights (yen)	865	865	780
Fair value at grant date (yen)	861	843	826

Note 1: Fifth series of share acquisition rights which can be exercised from July 21, 2021.

Note 2: Fifth series of share acquisition rights which can be exercised from July 22, 2022.

Note 3: Fifth series of share acquisition rights which can be exercised from July 22, 2023.

	Fifth series of share acquisition rights (Note 1)	Fifth series of share acquisition rights (Note 2)	Fifth series of share acquisition rights (Note 3)
Date of resolution	July 5, 2018	July 5, 2018	July 5, 2018
Exercise price (yen)	1	1	1
Average market price of shares at time of exercise of share acquisition rights (yen)	-	-	809
Fair value at grant date (yen)	861	843	826

Note 1: Fifth series of share acquisition rights which can be exercised from July 21, 2021.

Note 2: Fifth series of share acquisition rights which can be exercised from July 22, 2022.

Note 3: Fifth series of share acquisition rights which can be exercised from July 22, 2023.

	Sixth series of share acquisition rights (Note 1)	Sixth series of share acquisition rights (Note 2)	Sixth series of share acquisition rights (Note 3)
Date of resolution	June 23, 2019	June 23, 2019	June 23, 2019
Exercise price (yen)	1	1	1
Average market price of shares at time of exercise of share acquisition rights (yen)	791	805	808
Fair value at grant date (yen)	824	806	789

Note 1: Sixth series of share acquisition rights which can be exercised from July 11, 2022.

Note 2: Sixth series of share acquisition rights which can be exercised from July 12, 2023.

Note 3: Sixth series of share acquisition rights which can be exercised from July 12, 2024.

	Seventh series of share acquisition rights (Note 1)	Seventh series of share acquisition rights (Note 2)	Seventh series of share acquisition rights (Note 3)
Date of resolution	July 27, 2020	July 27, 2020	July 27, 2020
Exercise price (yen)	1	1	1
Average market price of shares at time of exercise of share acquisition rights (yen)	807	796	-
Fair value at grant date (yen)	742	725	707

Note 1: Seventh series of share acquisition rights which can be exercised from August 18, 2023.

Note 2: Seventh series of share acquisition rights which can be exercised from August 19, 2024.

Note 3: Seventh series of share acquisition rights which can be exercised from August 19, 2025.

	Eighth series of share acquisition rights (Note 1)	Eighth series of share acquisition rights (Note 2)	Eighth series of share acquisition rights (Note 3)
Date of resolution	July 13, 2021	July 13, 2021	July 13, 2021
Exercise price (yen)	1	1	1
Average market price of shares at time of exercise of share acquisition rights (yen)	820	-	-
Fair value at grant date (yen)	647	632	616

Note 1: Eighth series of share acquisition rights which can be exercised from July 29, 2024.

Note 2: Eighth series of share acquisition rights which can be exercised from July 29, 2025.

Note 3: Eighth series of share acquisition rights which can be exercised from July 29, 2026.

	Ninth series of share acquisition rights (Note 1)	Ninth series of share acquisition rights (Note 2)	Ninth series of share acquisition rights (Note 3)
Date of resolution	July 12, 2022	July 12, 2022	July 12, 2022
Exercise price (yen)	1	1	1
Average market price of shares at time of exercise of share acquisition rights (yen)	-	-	-
Fair value at grant date (yen)	642	627	612

Note 1: Ninth series of share acquisition rights which can be exercised from July 29, 2025.

Note 2: Ninth series of share acquisition rights which can be exercised from July 29, 2026.

Note 3: Ninth series of share acquisition rights which can be exercised from July 29, 2027.

	Tenth series of share acquisition rights (Note 1)	Tenth series of share acquisition rights (Note 2)	Tenth series of share acquisition rights (Note 3)
Date of resolution	July 11, 2023	July 11, 2023	July 11, 2023
Exercise price (yen)	1	1	1
Average market price of shares at time of exercise of share acquisition rights (yen)	-	-	-
Fair value at grant date (yen)	638	623	608

Note 1: Tenth series of share acquisition rights which can be exercised from July 29, 2026.

Note 2: Tenth series of share acquisition rights which can be exercised from July 29, 2027.

Note 3: Tenth series of share acquisition rights which can be exercised from July 29, 2028.

	Eleventh series of share acquisition rights (Note 1)	Eleventh series of share acquisition rights (Note 2)	Eleventh series of share acquisition rights (Note 3)
Date of resolution	July 9, 2024	July 9, 2024	July 9, 2024
Exercise price (yen)	1	1	1
Average market price of shares at time of exercise of share acquisition rights (yen)	-	-	-
Fair value at grant date (yen)	659	643	628

Note 1: Eleventh series of share acquisition rights which can be exercised from July 27, 2027.

Note 2: Eleventh series of share acquisition rights which can be exercised from July 27, 2028.

Note 3: Eleventh series of share acquisition rights which can be exercised from July 27, 2029.

iii) Procedure of estimating fair value of share acquisition rights allotted during current fiscal year

(i) Evaluation method applied
Black-Scholes model

(ii) Main basic parameters and the procedure of their estimations

	Eleventh series of share acquisition rights (Note 1)	Eleventh series of share acquisition rights (Note 2)	Eleventh series of share acquisition rights (Note 3)
Volatility of shares	(Note 4) 22.270%	(Note 5) 21.575%	(Note 6) 22.104%
Estimated time to maturity (Note 7)	4.5 years	5.0 years	5.5 years
Estimated dividend (Note 8)	40 yen per share	40 yen per share	40 yen per share
Risk free rate (Note 9)	0.577%	0.628%	0.648%

Note 1: Eleventh series of share acquisition rights which can be exercised from July 27, 2027.

Note 2: Eleventh series of share acquisition rights which can be exercised from July 27, 2028.

Note 3: Eleventh series of share acquisition rights which can be exercised from July 27, 2029.

Note 4: Volatility of shares are calculated based on the historical record for the 4 years and a half (From January 26, 2020 to July 26, 2024).

Note 5: Volatility of shares are calculated based on the historical record for the 5 years (From July 27, 2019 to July 26, 2024).

Note 6: Volatility of shares are calculated based on the historical record for the 5 years and a half (From January 26, 2019 to July 26, 2024).

Note 7: Due to the lack of adequate data for the reasonable estimation, the Company regards share acquisition rights to be exercised upon the middle point of the exercise period.

Note 8: Based on historical dividend performance, we have applied a value equivalent to that of the fiscal year ending March 2024.

Note 9: Average compound yield of long-term government bonds with maturity dates falling within 3 months before or after the date corresponding to the estimated remaining period from the grant date of share options.

iv) Procedure of estimating number of share acquisition rights which will be vested

Due to the difficulty of reasonable estimation of future forfeiture, the Company basically reflects actual forfeiture occurred only.

xiii. Notes – Tax effect accounting

i) Details of major components of deferred tax assets and deferred tax liabilities by their origins

	(Millions of yen)	
	Preceding fiscal year (March 31, 2024)	Current fiscal year (March 31, 2025)
Deferred tax assets		
Accrued enterprise tax	165	136
Excess of allowance for doubtful accounts	250	158
Loss on investments in investment partnership	17	126
Reserve for financial instruments transaction liabilities	1,266	1,382
Provision for bonuses	99	113
Other	256	291
Total deferred tax assets	2,053	2,205
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(173)	(396)
Other	(59)	(67)
Total deferred tax liabilities	(231)	(463)
Net deferred tax assets	1,821	1,742

ii) Details of major components which cause discrepancy between the nominal statutory income tax rate and the effective income tax rate reported in the statement of income

This note has been omitted since the difference between the nominal statutory income tax rate and the effective income tax rate is less than 5/100 of the nominal statutory income tax rate.

iii) Adjustment of deferred tax assets and deferred tax liabilities due to a change in the rate of corporation tax

The Act for Partial Amendment of the Income Tax Act, etc. (Act No. 13 of 2025) was promulgated on March 31, 2025, which imposes special defense corporation tax from the fiscal years beginning on or after April 1, 2026. As a result, deferred tax assets and liabilities for temporary differences that are expected to be settled in or after the fiscal years beginning on or after April 1, 2026 are calculated by changing the effective statutory tax rate from 30.62% to 31.52%. The impact of this change in tax rate is immaterial.

xiv. Notes – Revenue recognition

- i) Information on the breakdown of revenue generated from contracts with customers.

- (i) Preceding fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	On-line securities trading service
Revenue generated from contracts with customers	20,390
Commission received	20,390
Brokerage commission	19,368
Equity & ETF, etc.	18,303
Futures & Options	1,065
Other	1,022
Other revenue	16,411
Financial revenue	13,656
Net trading income	2,755
Total operating revenue	36,801

- (ii) Current fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	On-line securities trading service
Revenue generated from contracts with customers	19,969
Commission received	19,969
Brokerage commission	18,892
Equity & ETF, etc.	17,807
Futures & Options	1,085
Other	1,078
Other revenue	19,235
Financial revenue	15,483
Net trading income	3,752
Total operating revenue	39,204

“Financial revenue”, “Net trading income”, and “Total operating revenue” in the preceding fiscal year have been reclassified to reflect changes in presentation in the current fiscal year. For more details, please refer to (Notes - Changes in presentation).

- ii) The basis for understanding revenues

The basis for understanding revenues is described in “Notes - Significant accounting policies: iv) Accounting policy for recording revenues and expenses”.

xv. Notes – Segment information, etc.

i) Segment information

(i) Preceding fiscal year (From April 1, 2023 to March 31, 2024)

Disclosures on segment information have been omitted since the Company is a provider of on-line securities trading service comprising a single segment.

(ii) Current fiscal year (From April 1, 2024 to March 31, 2025)

Disclosures on segment information have been omitted since the Company is a provider of on-line securities trading service comprising a single segment.

ii) Notes - Information associated with reportable segments

(i) Preceding fiscal year (From April 1, 2023 to March 31, 2024)

[i] Information for each product or service

Information for each product or service has been omitted as over 90% of operating revenue from outside customers on the non-consolidated statement of income is related to only a single segment.

[ii] Information for each region

(Revenues from external customers)

Information is not applicable as the Company does not earn revenue from external customers located overseas.

(Property, plant and equipment)

Information is not applicable as the Company does not have any overseas property, plant and equipment.

[iii] Information for each of main customers

Information for each of main customers has been omitted as no outside customer individually provides over 10% of the operating revenue in the non-consolidated statement of income.

(ii) Current fiscal year (From April 1, 2024 to March 31, 2025)

[i] Information for each product or service

Information for each product or service has been omitted as over 90% of operating revenue from outside customers on the non-consolidated statement of income is related to only a single segment.

[ii] Information for each region

(Revenues from external customers)

Information is not applicable as the Company does not earn revenue from external customers located overseas.

(Property, plant and equipment)

Information is not applicable as the Company does not have any overseas property, plant and equipment.

[iii] Information for each of main customers

Information for each of main customers has been omitted as no outside customer individually provides over 10% of the operating revenue in the non-consolidated statement of income.

iii) Disclosure of impairment loss on non-current assets for each reportable segment

Disclosure of impairment loss on non-current assets for each reportable segment has been omitted, since the Company is a provider of on-line securities trading service comprising a single segment.

iv) Amortization and unamortized balance of goodwill for each reportable segment

Not applicable.

v) Information about gain on bargain purchase for each reportable segment

Not applicable.

xvi. Notes – Equity in earnings (losses) of affiliates if equity method is applied

Not applicable.

xvii. Notes – Related parties

i) Preceding fiscal year (From April 1, 2023 to March 31, 2024)

(i) Trades with related parties

Not applicable.

(ii) Notes on parent company and important related companies

Not applicable.

ii) Current fiscal year (From April 1, 2024 to March 31, 2025)

(i) Trades with related parties

[i] Officers and major shareholders of the Company (solely in case of individual), etc.

Not applicable.

(ii) Notes on parent company and important related companies

Not applicable.

xviii. Notes – Per share information

	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Net assets per share	295.59 yen	296.48 yen
Basic earnings per share	38.06 yen	40.80 yen
Diluted earnings per share	37.99 yen	40.71 yen

Note: Respective bases of calculation for basic earnings per share and diluted earnings are as follows.

Item	Preceding fiscal year (From April 1, 2023 to March 31, 2024)	Current fiscal year (From April 1, 2024 to March 31, 2025)
Basic earnings per share		
Net profit (millions of yen)	9,790	10,501
Net profit not attributed to common stock (millions of yen)	-	-
Net profit attributed to common stock (millions of yen)	9,790	10,501
Average number of shares of common stock outstanding (number of shares)	257,252,585	257,391,960
Diluted earnings per share		
Increase of common stock (number of shares)	485,936	530,893
[Of the above, share acquisition rights (number of shares)]	[485,936]	[530,893]
Outline of diluted securities which are not considered in the calculation of diluted earnings per share due to the lack of diluting effect		-

xix. Notes - Significant events after reporting period

Not applicable.

[6] Annexed detailed schedules

i. Annexed detailed schedule of securities

i) Investment securities

Pursuant to Article 124 of Regulations on Financial Statements, a detailed list of investment securities is omitted because their total value recorded on the balance sheet at the end of current fiscal year is equal to or less than 1/100 of total value of assets.

ii. Annexed detailed schedule of property, plant and equipment, etc.

(Millions of yen)

	Balance at beginning of period	Increase in current period	Decrease in current period	Balance at end of period	Accumulated depreciation and amortization	Depreciation expensed at current period	Net Balance at end of period
Property, plant and equipment							
Buildings	588	62	-	650	286	47	364
Equipment	2,492	280	23	2,748	1,436	425	1,311
Total property, plant and equipment	3,079	342	23	3,398	1,722	473	1,675
Intangible assets							
Software	32,083	3,241	107	35,217	26,379	3,165	8,838
Other	11	-	11	0	-	-	0
Total intangible assets	32,093	3,241	118	35,217	26,379	3,165	8,838
Long term prepaid expenses	187	156	60	282	94	69	188

Note: The increase of equipment and software is mainly due to the investment on facilities necessary for introduction of various new services, enhancement of capacity and improvement of the trading system.

iii. Annexed detailed schedule of corporate bonds

Not applicable.

iv. Annexed detailed schedule of borrowings

Item	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%)	Date of maturity
Short-term borrowings	238,800	302,900	0.71	-
Long-term borrowings due within 1 year	100	50	0.60	-
Long-term lease liabilities due within 1 year	-	-	-	-
Long-term borrowings excluding those due within 1 year	50	-	-	-
Long-term lease liabilities excluding those due within 1 year	-	-	-	-
Other interest-bearing liabilities: Margin borrowings due within 1 year	42,861	10,983	1.22	-
Total	281,811	313,933	-	-

Note1: Average interest rate is weighted average interest rate at the end of period.

v. Annexed detailed schedule of provisions

	Balance at beginning of period	Increase	Decrease		Balance at end of period
			Appropriation	Other	
Allowance for doubtful accounts	909	27	283	(Note) 17	636
Provision for bonuses	325	370	325	-	370
Reserve for financial instruments transaction liabilities	4,133	252	-	-	4,385

Note: The decrease (other) of allowance for doubtful account is mainly due to reversal from revaluation of the allowance.

vi. Annexed detailed schedule of asset retirement obligations

The annexed detailed schedule of asset retirement obligations has been omitted as value of them is equal to or less than 1/100 of the total of liabilities and net assets on the balance sheet at the beginning and end of the current fiscal year.

(2) Components of Major Assets and Liabilities

[1] Assets

i. Cash and deposits

Item	Amount of value (millions of yen)
Cash in hand	0
Cash at banks	67,374
Demand deposits	41,522
Ordinary deposits	25,816
Segregated deposits	36
Total	67,374

ii. Segregated deposits

Item	Amount of value (millions of yen)
Customer - segregated fund trusts	587,000
Trusted money segregated for customers' foreign exchange margin trading	34,300
Other	12
Total	621,312

iii. Margin transaction assets

Item	Amount of value (millions of yen)
Margin loans	333,359
Cash collateral pledged for securities borrowing on margin	5,277
Total	338,636

[2] Liabilities

i. Deposits received

Item	Amount of value (millions of yen)
Deposits from customers	353,283
Other deposits received	10,567
Total	363,849

ii. Guarantee deposits received

Item	Amount of value (millions of yen)
Guarantee deposits received concerning margin transaction	227,434
Guarantee deposits received concerning futures transaction	495
Other	52,421
Total	280,349

iii. Short-term borrowings

Item	Amount of value (millions of yen)
Sumitomo Mitsui Banking Corporation	33,000
MUFJ Bank, Ltd.	30,000
Sumitomo Mitsui Trust Bank, Ltd.	25,000
Mizuho Bank, Ltd.	20,000
Hachijuni Bank, Ltd.	7,000
The Shizuoka Bank, Ltd.	5,000
Resona Bank, Limited.	5,000
Other	17,900
Call money	160,000
Long-term borrowings due within one year	50
Total	302,950

(3) Other Information

[1] Semi-annual Information for the Fiscal Year under

Cumulative period	Semi-annual accounting period	Current fiscal year
Operating revenue (millions of yen)	20,285	39,204
Net operating revenue (millions of yen)	19,373	37,135
Profit before income taxes (the current period) (millions of yen)	8,785	14,996
Interim (net) profit (millions of yen)	6,097	10,501
Interim (the current period) earnings per share (yen)	23.69	40.80

6. Overview of Operational Procedures for Shares

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	Within 3 months from the next day to the end of each fiscal year
Record Date	March 31
Record date of dividend from surplus	September 30 and March 31
Number of shares of 1 unit of shares	100 shares
Purchase of shares less than 1 unit of shares	
Venue of purchase	(Special Account) Marunouchi 1-4-1, Chiyoda-ku, Tokyo Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited
Shareholder registry administrator	(Special Account) Marunouchi 1-4-1, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank Limited
Agency	-
Fee for purchase	Amount specified separately as the equivalent of fee concerning stock brokerage
Public notification measures	The Company does public notification electrically. In case any accidents or other inevitable incidents prevent the electric notification by the Company, the Company publishes the notification on Nikkei Shimbun Newspaper. Electric Notifications are on the Company's website whose address is as below: https://www.matsui.co.jp/
Shareholders' benefit	Not applicable

Note: Shareholders of shares less than 1 unit of shares cannot exercise rights other than followings for the shares in their possession: [1] Rights listed in each item in Article 189, paragraph 2 of the Companies Act [2] The right for the request based on the rule of Article 166, paragraph 1 of the Companies Act [3] The right for the allocation of offering of stocks or share acquisition rights in proportion to number of shares in possession of the shareholders.

7. Reference Information of Reporting Company

1) Information about Parent Company, etc. of Reporting Company

The Company does not have a parent company, etc. as defined in Article 24-7, Paragraph 1 of the Financial Instrument and Exchange Act.

2) Other Reference Information

The Company has filed documents below from the start date of the current fiscal year to the date of filing of this Report.

(1) Annual Securities Report and its attachments, Confirmation Letter for Annual Securities Report

For the 108th fiscal year from April 1, 2023 to March 31, 2024 (Filed with the director of Kanto Local Finance Bureau on June 17, 2024).

(2) Internal Control Report

For the 108th fiscal year from April 1, 2023 to March 31, 2024 (Filed with the director of Kanto Local Finance Bureau on June 17, 2024).

(3) Semi-annual Securities Report and Confirmation Letter for Semi-annual Securities Report

For the semi-annual accounting period for the 108th fiscal year from April 1, 2024 to September 30, 2024 (Filed with the director of Kanto Local Finance Bureau on November 13, 2024).

(4) Extraordinary Securities Report

Extraordinary Securities Report in pursuant to the rule set in Article 19, Paragraph 2, item 9-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Results of the exercise of voting rights at the general meeting of shareholders) (Filed with the director of Kanto Local Finance Bureau on June 24, 2024).

Extraordinary Securities Report in pursuant to the rule set in Article 19, Paragraph 2, item 2-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Issuance of share acquisition rights as stock options) (Filed with the director of Kanto Local Finance Bureau on July 9, 2024).

(5) Amended Extraordinary Securities Report

Amended Extraordinary Securities Report for Extraordinary Securities Report in pursuant to the rule set in Article 19, Paragraph 2, item 2-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Issuance of share acquisition rights as stock options) described in (4) above (Filed with the director of Kanto Local Finance Bureau on July 29, 2024).

(6) Amended Shelf Registration Statement (Bonds)

Amended Shelf Registration Statement for the Shelf Registration Statement (Bonds) filed with the director of Kanto Local Finance Bureau on November 21, 2023 (Filed with the director of Kanto Local Finance Bureau on June 24, 2024, July 9, 2024 and July 29, 2024).

Part 2. Information about Company which Provides

Guarantee to Reporting Company

Not Applicable.