Ichiyoshi Securities Co., Ltd.
Notice of 81st Annual Meeting of Shareholders

[English translation for reference purposes only]

May 30, 2023

Notice is hereby given to the shareholders of Ichiyoshi Securities Co., Ltd. ("Ichiyoshi" or the "Company") that the 81st annual meeting of shareholders of Ichiyoshi will be held at a place and date written below. Each of attending shareholders is requested to bring with him/her a voting card attached hereto (omitted in this English version).

In the event that you cannot attend the said meeting in person, please read "Referential Materials for Shareholders' Meeting" (described hereinafter) carefully and send the voting card to be received by the Company by 5:00 p.m. on June 23, 2023 (Friday), or exercise your voting rights via Internet through the Company's designated website for exercising voting rights (https://evote.tr.mufg.jp/) (the "Designated Voting Website") by the same date and time. **(If you are a non-resident of Japan, however, you may exercise your voting rights by properly instructing your standing proxy in Japan.)**

1. Date and time: June 24, 2023, Saturday, from 10:00 a.m.
(Doors open at 9:00 a.m.)

2. Place: At 8th Floor Hall, Tokyo Shoken Kaikan
1-5-8, Nihonbashi Kayabacho, Chuo-ku, Tokyo, Japan

3. Agenda at the Meeting:

Reports:

(1) Reports on business result and contents of consolidated financial statements (for the fiscal year from April 1, 2022 to March 31, 2023), and Certified Public Accountants' and Audit Committee's reports on their respective audits of consolidated financial statements..

(2) Reports on contents of non-consolidated financial statements of the Company (for the fiscal year from April 1, 2022 to March 31, 2023).

Resolutions proposed for approval and adoption:

1st resolution: Appointment of 8 directors.

2nd resolution: Authorization of the Board of Directors to decide terms and conditions for the issuance of share warrants as stock options to directors (excluding outside directors), executive officers, operating officers, executive advisers and employees of the Company and its subsidiaries.

[Information regarding this Notice of Annual Shareholders' Meeting]

In accordance with the Amendment to the Company Law, which became effective on September 1, 2022, the Company has started to disclose "Materials for Shareholders' Meeting," such as the referential information relating to shareholders' meeting and report on business result on the Company's website in principle.

The Company has considered the method of providing the notice of shareholders' meeting under the new system and the awareness among shareholders of the new system and the convenience of the new system from the shareholders' standpoint. As a result of such consideration, the Company has decided to send Notice of 81t Annual Shareholders' Meeting and Materials for Shareholders' Meeting by mail as well as on the Company' website (https://www.ichiyoshi.co.jp/stockholder/presenation).

In the event that you cannot access the Company's website, we recommend that you access the website of the Tokyo Stock Exchange (https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?=Show) where you may insert either "Ichiyoshi Securities" in the stock issue column or "8624" in the stock code column to search for "Basic Information" and "Public Documents/PR Information" in this order.

The Company's responses toward the Covid-19:

Although the Company requested attending shareholders to wear masks in compliance with the guideline for the prevention of the spread of the novel coronavirus infection at and prior to the last year's shareholders' meeting, the Company has decided to leave the wearing of mask to the discretion of attending shareholders and the Company's officers and staff at this year's shareholders' meeting.

Gifts to shareholders:

There will be no gift presented to attending shareholders and there will not be held a social gathering between executives and shareholders. .

Note: In the event that there is a substantial change in the running of the shareholders' meeting due to circumstantial conditions, such change will be notified on the Company's website.

4. Matters concerning Contents of Internet Disclosure for the 81st Annual Shareholders Meeting

The following documents (items (i), (ii), (iii), (iv), (v), (vi), (vii) and (viii)) are disclosed on the Company's website in accordance with laws and Article 15 of the Articles of Incorporation of the Company. Hence, they are not contained in the notice of annual shareholders' meeting sent by mail.

(i) Matters concerning stock acquisition rights;
(ii) Matters concerning accountants;
(iii) System to ensure the appropriateness of business operations and the outline of operational status of the system;
(iv) Fundamental policy concerning the control of a public limited company;
(v) Consolidated statements of changes in equity;
(vi) Notes to consolidated financial statements;
(vii) Non-consolidated Statements of changes in equity; and
(viii) Notes to non-consolidated financial statements.

Method to notify corrections as to reference documents for shareholders' meeting, reports on business result and financial statements:

Any corrections occurring to reference documents for shareholders' meeting, reports on business result and financial statements will be notified on the Company's website.

5. Guidance for exercising voting rights:

(1) Exercising voting rights in person:

You are required to present your voting card at the reception desk of the shareholders' meeting before the meeting starts at 10:00 a.m. on June 24, 2023 (Saturday). (No person other than an entitled shareholder shall be admitted to the meeting. Neither his/her agent nor his/her accompanying person shall be admitted.)

(2) Exercising voting rights through proxy:

In the event that you cannot attend the shareholders' meeting in person, you may exercise your voting rights by appointing another shareholder of Ichiyoshi attending the meeting as your proxy; provided, however, that he/she must produce a document certifying his/her proxy status.

(3) Exercising voting rights by mail:

You are required to mail your completed voting card (postage prepaid) to be received by the Company at or before 5:00 p.m. on June 23, 2023 (Friday).

(4) Exercising voting rights via Internet:

You are required to exercise your voting rights through the Company's Designated Voting Website (https://evote.tr.mufg.jp/) by 5:00 p.m. on June 23, 2023 (Friday) (Please note that the Designated Voting Website is not accessible between 2:00 a.m. and 5:00 a.m. every day, Japan time.)

Reminder: (i) In the event that you attend the shareholders' meeting in person, you need not follow instructions relating to voting by mail or via Internet.

(ii) In the event that you exercise your voting rights by mail, you should follow instructions in the voting card (the card being omitted in this English version).

6. Guidance for exercising voting rights through the Designated Voting Website:

You can exercise your voting rights by accessing the Designated Voting Website via your smart phone or personal computer.

(1) Exercising your voting rights via your smart phone:

(i) By scanning the "QR Code for Log-in" provided in the voting card (omitted in this English version), you will be automatically connected to the Designated Voting Website and will be able to exercise your voting rights. (Thus, you do not need "Log-in ID" nor "Temporary Password")

(ii) For the sake of security, the exercise of voting rights by way of the "QR Code" is limited to one time. In the event of exercising voting rights twice or more, the application of "Log-in ID" and "Temporary Password" will be required even by way of "QR Code for Log-in."

(iii) It should be noted that a certain type of smart phone may not be compatible with the "QR Code for Log-in" provided. If that should happen, please exercise your voting rights via your personal computer without use of "Log-in ID" or "Temporary Password", as detailed below.

(2)Exercising your voting rights via your personal computer:

(i) By applying "Log-in ID" and "Temporary Password" provided in the voting card (omitted in this English version) on the Designated Voting Website, you will be able to exercise your voting rights in accordance with instructions listed on the Website.

(ii) In order to prevent fraudulent access (such as "spoofing") by other than shareholders and tampering of contents of voting results, you will be requested to change your "Temporary Password" on the website.

(iii) Each time shareholders' meeting is held, a new "Log-in ID" and "Temporary Password" will be provided.

(3) Further notes on the Designated Voting Website:

(i) The exercise of voting rights is only possible by accessing the Designated Voting Website via personal computer or smart phone (the Website is accessible at any time except from 2:00 am to 5:00 am)

(ii) The exercise of voting rights via personal computer or smart phone may not be possible in the event that firewall or antivirus devices are installed or proxy servers are used or TLS cryptography is not designated, depending on your Internet usage environment.

(iii) The exercise of voting rights electronically is possible by 5:00 pm on June 23, 2023 (except from 2:00 am to 5:00 am), but you are urged to exercise your voting rights earlier if possible.

(iv) If you have any question, please contact Securities Transfer Dept.(Help Desk), Mitsubishi UFJ Trust & Banking Corp. (Free call: 0120-173-027, open between 9:00 am and 9:00 pm).

(4) Expenses arising from access to the Designated Voting Website:

Shareholders are required to bear expenses arising from access to the Designated Voting Website.

Reminder:

(i) In the event of exercising voting rights doubly by sending back a voting card by mail or via Internet, voting instructions via Internet shall be adopted.

(ii) In the event of exercising voting rights more than once via internet, the last-dispatched voting instruction shall be adopted.

[Electronically-Voting Platform for Institutional Investors]

Nominee shareholders, such as trustee banks and standing proxies (for non-resident shareholders), may exercise their votes via the electronic-voting platform operated by ICJ Inc., provided that they have applied for the use of the platform in advance.

Referential Materials for Shareholders' Meeting

I. 1st proposed resolution: Appointment of 8 directors

The terms of office of all currently-incumbent directors will expire at the close of the shareholders' meeting. The Nominating Committee of the Company has resolved to propose the below-mentioned 8 nominees for directors.

The following persons are 8 nominees for directors:

Nominee number	Name of nominee	Current positions at the Company
1	**Masashi Takehi**	Chairman & Director Chairman of the Board of Directors, Member of Nominating Committee, Member of Remuneration Committee

		To be reappointed
2	**Hirofumi Tamada**	President & Director Representative Executive Officer
		To be reappointed.
3	**Shoichi Yamazaki**	Senior Managing Executive Officer & Director
		To be reappointed.
4	**Akira Gokita**	Outside and Head of Independent Directors Member of Nominating Committee (Chairman) Member of Audit Committee (Chairman)
		To be reappointed.
5	**Kenro Kakeya**	Outside and Independent Director Member of Remuneration Committee (Chairman)
		To be reappointed.
6	**Yoko Mashimo**	Outside and Independent Director (female)
		To be reappointed
7	**Eiji Hirano**	Outside and Independent Director Member of Nominating Committee Member of Audit Committee
		To be reappointed.
8	**Yuko Numata**	Outside and Independent Director (female) Member of Remuneration Committee Member of Audit Committee
		To be reappointed.

[Further details on each nominee]

.Nominee number and name	Birth date	Current career and positions and frequency of attendance at various meetings	No. of the Company's shares owned
1 **Masashi Takehi**	April 13, 1943	Frequency of attendance at Board of Directors' meetings: 18 times (100%) Frequency of attendance at Nominating Committee: 10 times (100%) Frequency of attendance at Remuneration Committee: 4 times (100%) [Positions/occupations prior to the current ones are omitted in this English version]	163,200 shares

● **Reason for his nomination as director:**

He formerly served as managing director of Nomura Securities Co. Ltd. and then served as representative director and chief executive president of the Company successively. Since becoming a director and executive chairman of the Company in April 2012 and chairman of the Board of Directors of the Company in April 2018, he has taken on management and supervising responsibility for the Company and its group companies. Considering his qualification for inside directorship selection criteria and his management achievement and experience so far, the Nominating Committee has judged that he can apply his deep insight on securities business and securities industry and his superb managerial capability to the management of the Company.

● If he is reappointed as director at the shareholders' meeting, he is scheduled to become a member of the Nominating Committee and a member of the Remuneration Committee upon the conclusion of the shareholders' meeting.

2 **Hirofumi Tamada**	October 25, 1971	Frequency of attendance at Board of Directors' meetings: 17 times (94%) [Positions/occupations prior to the current ones are omitted in this English version]	64,400 shares

● **Reason for his nomination as director:**

Since joining the Company in 1998, he has taken positions successively at the Advisors Division, Advisor Support Division and Control/Planning Division. Since being appointed as President and Representative Executive Officer in April 2020, he presided over business operations as head of the Company. Considering his qualification for inside directorship selection criteria and his achievement, the Nominating Committee has judged that he can apply his deep knowledge and profound experience acquired through his appointments at various divisions, including the Advisors Divisions, to the management of the Company.

3. **Shoichi Yamazaki**	September 23, 1955	Frequency of attendance at Board of Directors' meetings: 18 times (100%) [Positions/occupations prior to the current ones are omitted in this English version]	21,700 shares

(Some of his other current positions)

Executive Supervisor for

Finance, management, administration, system and subsidiaries

Auditor at Ichiyoshi Business Service Co. Ltd.

Auditor at Ichiyoshi Asset Management Co., Ltd.

Auditor at Ichiyoshi Research Institute Inc.

Auditor at IFA Co., Ltd.

●**Reasons for his nomination as director:**

Since joining the Company 2015, he took charge of various Head Office divisions as operating officer. He became Executive Officer in charge of administrative and control divisions at Head Office in 2020. Since becoming Managing Executive Officer in April 2021, he took charge of finance, management, administrative, control and system divisions and subsidiaries. Since becoming Director and Managing Executive Officer in June 2021, he continued to oversee the same functions. Since becoming Director and Senior Executive Managing Executive Officer in June 2022, he, overseeing the same functions, has assisted the President in his management of the Company. Considering his qualification for inside directorship selection criteria and his business achievement, the Nominating Committee has judged that he can apply his superb insight and knowledge acquired through his experience at various divisions to the management of the Company.

4 **Akira Gokita**	September 20, 1947	Frequency of attendance at Board of Directors' meetings: 18 times (100%) Frequency of attendance at Nominating Committee: 10 times (100%) Frequency of attendance at Remuneration Committee: 1 time (100% since becoming a member) Frequency of attendance at Audit Committee: 17 times (100%) [Positions/occupations prior to the current ones are omitted in this English version]	0 share

(Significant concurrent position)

Currently he is an attorney-at-law with Gokita Miura Law Office, and an outside director at Sanwa Holdings Ltd.

- **He is a nominee for outside director**, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.
- **He is a nominee as independent director**, an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.
- **Reason for his nomination as outside director his role exepected:**

He has provided the Company with his fair and objective views as outside director of the Company.

The Nominating Committee believes that he is qualified for outside directorship selection criteria and that he is equipped with expertise and profound knowledge and experience as former public prosecutor and attorney-at-law. Therefore, the Nominating Committee has judged that he can contribute to the management of the Company by providing his deep insight and advice based on such experience and enhance the Company' governance capability. There is no conflict of interest between Mr. Gokita and the Company.

He will have served the Company as outside director for 13 years by the conclusion of the shareholders' meeting.

● If he is reappointed as outside director at the shareholders' meeting, he is scheduled to be a member of the Nominating Committee (as chairman) and a member of the Audit Committee (as chairman) upon the conclusion of the shareholders' meeting.

5 **Kenro Kakeya**	September 13, 1951	Frequency of attendance at Board of Directors' meetings: 18 times (100%) Frequency of attendance at Nominating Committee: 1 time (100% since becoming a member) Frequency of attendance at Remuneration Committee: 4 times (100%) [Positions/occupations prior to the current ones are omitted in this English version] ,	21,000 shares

(Significant concurrent position)

Currently, he is representative director and president of Kakeya Komuten Ltd.

● **He is a nominee for outside director**, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.

● **He is a nominee as independent director,** an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.

● **Reason for his nomination as outside director and his role expected:**

He has provided the Company with his fair and objective views as outside director of the Company.

The Nominating Committee believes that he is qualified for outside directorship selection criteria and that he is equipped with profound knowledge and experience as former Nippon Keizai Shimbun (Japan Economic Journal) and current business owner. Therefore, the Nominating Committee has judged that he can contribute to the management of the Company by providing his deep insight and advice based on such experience and enhance the Company' governance capability. There is no conflict of interest between Mr. Kakeya and the Company.

He will have served the Company as outside director for 13 years by the conclusion of the shareholders' meeting.

● If he is reappointed as outside director at the shareholders' meeting, he is scheduled to be a member of the Remuneration Committee (as chairman) upon the conclusion of the shareholders' meeting.

6 **Yoko Mashimo** September 20, 1969 Frequency of attendance at Board of Directors' meetings: 18 times (100%) [Positions/occupations prior to the current ones are omitted in this English version] 6,100 shares

(Significant concurrent position)

Currently, she is Representative of Specified Labor and Social Security Attorney Personnel Management.

● **She is a nominee for outside director**, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.

● **She is a nominee as independent director**, an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.
She was an advisor as labor and social security attorney to the Company since 2006, but retired from that position in May 2021. Her remuneration from the Company was approximately 1.4 million yen per year on the average. Hence, the Company believes that her independency is well warranted.

● **Reason for her nomination as outside director and her role expected:**
The Nominating Committee believes that she is qualified for outside directorship selection criteria and that she is equipped with expert and profound knowledge and experience as labor and social security attorney. Therefore, the Nominating Committee has judged that she can contribute to the management of the Company by providing her deep and wide insight from the female point of view and enhance the Company's governance capability. There is no conflict of interest between Ms. Mashimo and the Company.
She will have served the Company as outside director for 2 years by the conclusion of the shareholders' meeting.

7 **Eiji Hirano** September 15, 1950 Frequency of attendance at Board of Directors meetings 13,700shars

12 times (86% since becoming a Director)

Frequency of attendance at Nominating Committee:

7 times (78% since becoming a member)

Frequency of attendance at Audit Committee:

12 times (100% since becoming a member)

[Positions/occupations prior to the current ones are omitted in this

English version]

(Significant concurrent position)

He is currently Deputy Chairman at MetLife Insurance Co. Ltd., outside director at Riken Co., Ltd. and outside director at NTT Data Co., Ltd.

- **He is a nominee for outside director**, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.
- **He is a nominee as independent director**, an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.

  He was advisor to the Company for 3 years from October 2014 to September 2017. His annual remuneration from the Company was approximately 3.6 million yen. Hence, the Company believes that his independency is warranted.
- **Reason for his nomination as outside director and his role expected**

  The Nominating Committee believes that he is qualified for outside directorship selection criteria and that he is equipped with expertise and profound knowledge and experience as former director at the Bank of Japan. Therefore, the Nominating Committee has judged that he can contribute to the management of the Company by providing his deep insight and advice based on such experience and enhance the Company' governance capability. There is no conflict of interest between Mr. Hirano and the Company.

  He will have served the Company as outside director for 1 year by the conclusion of the shareholders' meeting.
- If he is reappointed as outside director at the shareholders' meeting, he is scheduled to be a member of the Nominating Committee and the Audit Committee upon the conclusion of the shareholders' meeting.

8 **Yuko Numata**	April 10, 1968	Frequency of attendance at Board of Directors' meeting: 14 times (100% since becoming a Director) Frequency of attendance at Remuneration Committee: 3 times (100% since becoming a member) Frequency of attendance at Audit Committee: 12 times (100% since becoming a member) [Prior positions/occupations are omitted in this English version]	600 share

(Significant concurrent positions)

Full-time Professor for Global Business Research Course at Professional Graduate School of Meiji University.

- She **is a nominee for outside director**, as defined under Article 2-3-7 of the Company Law Enforcement Regulations.
- She is **a nominee as independent director**, an outside director having no conflict of interest with the Company's shareholders, as defined by the Tokyo Stock Exchange.
- **Reason for her nomination as outside director and her role expected:**

  The Nominating Committee believes that she is qualified for outsider directorship selection criteria and that she is equipped with expertise and profound knowledge and experience as researcher and scholar of management strategy of U.S. and Japanese financial institutions. Therefore, the Nominating Committee has judged that she can contribute to the management of the Company by providing her deep and wide insight from the female point of view and enhance the Company's governance capability. There is no conflict of interest between Ms. Numata and the Company.

  She will have served the Company as outside director for 1 year by the conclusion of the shareholders' meeting.
- If she is reappointed as outside director at the shareholders' meeting, she is scheduled to be a member of the Remuneration Committee and the Audit Committee upon the conclusion of the shareholders' meeting.

Notation to the 1st Resolution:

(Outline of Directors and Officers Liability Insurance)

The Company has contracted Directors and Officers Liability Insurance (the D&O Insurance). Therefore, any person appointed as an applicable director or officer will be covered by the D&O Insurance.

The outline of the D&O Insurance is as follows:

i. Geographical coverage is the whole world and insurance period is from March 23, 2023 to March 23, 2024.

ii. Compensable events:

  a. If an applicable director or officer becomes liable for a damage claim from a shareholder or third person resulting from the director's or officer's action or failure to act during the insurance period, such damage and litigation expenses will be covered.

  b. When there arises a possibility of a damage claim suit (even if a suit has not actually happened) and an applicable director or officer incurs expenses in related defense, such expenses will be covered.

iii. This insurance will not cover a damage claim resulting from an applicable director's or officer's action contrary to public order and morals, thereby ensuring that directors' or officers' execution of their duty will be made in an appropriate manner.

[Reference 1]

The following are selection criteria for nominees as defined by the Nominating Committee:

For inside directors:

- Superb management sense
- Superb leadership, foresightedness and planning ability
- High law-abiding nature
- Personal magnetism in and out of the Company
- Healthiness physically and mentally

For outside directors:

- High personality and insight
- Plentiful experience in business operations and expert knowledge
- High law-abiding nature
- Unwavering independency as outside director
- Healthiness physically and mentally
- Qualification both as outside director under Enforcement Regulations of the Company Law and as independent director having no conflict of interest with shareholders under the Regulations of the Tokyo Stock Exchange

[Reference 2]

The following members are planned for each of the Nominating Committee, the Remuneration Committee and the Audit Committee after the shareholders' approval of this resolution:

Nominating Committee:	Mr. Akira Gokita (Chairman)
	Mr. Masashi Takehi
	Mr. Eiji Hirano
Remuneration Committee:	Mr. Kenro Kakeya (Chairman)
	Mr. Masashi Takehi
	Ms. Yuko Numata
Audit Committee:	Mr. Akira Gokita (Chairman)
	Mr. Eiji Hirano
	Ms. Yuko Numata

[Reference 3]

Insight and Experience of Nominees for Directors (Skill Matrix)

Name	Position	Experience and expertise						
		Business management & governance	Securities business	Finance & accounting	Law & compliance	Internal control & risk management	Personnel, Labor & Administr-ion	Global
Masashi Takehi	Chairman of Board of Directors	●	●	●	●	●	●	●
Hirofumi Tamada	Director, President, Representa-tive Executive Officer	●	●			●	●	
Shoichi Yamazaki	Director, Senior Managing Executive Officer	●	●	●	●	●	●	
Akira Gokita	Outside and Independent Director	●		●	●	●		
Kenro Kakeya	Outside and Independent Director	●	●				●	●
Yoko Mashimo	Outside and Independent Director				●		●	●
Eiji Hirano	Outside and Independent Director	●		●		●		●
Yuko Numata	Outside and Independent Director	●	●	●				●

II.2nd proposed resolution: Authorization of the Board of Directors to decide terms and conditions for the issuance of share warrants as stock options to directors (excluding outside directors), executive officers, operating officers, executive advisers and employees of the Company and its subsidiaries.

[Please refer to the Company's press release dated May16, 2023, titled "**Authorization of the Board of Directors to Decide Terms and Conditions for the Placement of Share Warrants as Stock Options for "the Group"** on Ichiyoshi's website (https://www.ichiyoshi.co.jp/stockholder/ presentation)]

Referential Material for Shareholders' Meeting

I.Corporate Philosophy

The Company has made efforts to "Build a company like no others so far in Japan" based on "Ichiyoshi Credo" as a pillar of its corporate philosophy. The Credo records "the Company's Principles and Action Guidelines which directors, officers and employees all hold as their common measure of value for the Company's raison d'etre in the community.

Raison d'etre for stakeholders and the Company's attitude

Vis-à-vis employees: Work-friendly and worthwhile offices
Training system

Vis-à-vis shareholders: Return to shareholders
Corporate governance
Compliance system
Disclosure policy

Vis-à-vis customers: Business operations based on customer-first attitude
Asset management matching customers' needs

Vis-à-vis Society: Contribution to development of regional communities and securities market through business activities

(For further information, please log on to the Company's website: https//www.ichiyoshi.co.jp/esg)

<Basic Policy and Operational System to Promote Sustainability>

In addition to promoting Corporate Philosophy further, the Company has in place "Basic Policy for Sustainability" to contribute to realizing a sustainable society.

Basic Policy for Sustainability

The Company will deal with various tasks relating to circumstances, society and community under "Ichiyoshi Credo," thereby contributing to the development of, and improvement on, circumstances, society and community. Through such contribution, the Company seeks to grow continuously in the finance and securities industry, at the same time building a more solid business model and raising its corporate value.

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<Materiality> (Important tasks)

The Company has defined material tasks to be tackled with. Such material tasks exist not only within the Company but also in the society as a whole. The Company makes it a rule to observe developments in the solution of such tasks and make periodical reevaluation of them.

Vis-à-vis employees: i. Furtherance of corporate culture to promote job satisfaction and employees' sense of engagement.

ii. Furtherance of personnel education and training to cope with changing circumstances.

iii.Realization of worker-friendly mood considering gender sensitiveness.

iv. Forming of personnel and wage system considering diverse types of working.

Vis-à-vis Customers: i. Promotion of "Stock-Type Business Model" with stress on customers' asset formation based on medium- to long-term diversified investments.

ii. Enhancement of research capability, investment capability and advice capability to cope with trading orders based on customers' own judgment..

iii. Improvement on services and digitalization in order to contribute to customers' convenience.

Vis-à-vis Shareholders: i. Enhancement and maintenance of highly effective and transparent governance.

ii. Effective use of capital and realization of shareholder return.

iii. Building of system to prevent any deed contrary to professional ethics and compliance.

iv. Promotion of risk control including from climate change.

Vis-à-vis Society: i. Furtherance of dealing with reduction of CO2.

ii. Furtherance of dealing with social contribution.

iii. Contribution to enhancing financial literacy.

iv. Developing and handling of products contributing to SDGs.

(1)Risk relating to climate change and effect on business activities and revenue made by revenue opportunity

In order to effect appropriate asset valuation and proper asset allocation in the management of customers' accounts on a medium- to long-term basis, the Company needs a consistent and appropriate disclosure of information regarding climate change-related risks to investment target companies and their earnings. The lack of such disclosure would cause troubles to the management of customers' financial assets, such as the loss of stability of customers' asset management and the lowering of medium-to long-term investment performance. If that should happen, customers' trading opportunities with the Company might decrease, resulting in the lowering of the Company's earnings.

Conversely, if investment target companies make consistent and appropriate disclosure of information, it will contribute to the stability of the Company's customers' asset management and to the raising of medium- to long-term performances of their investments. Such condition may help the Company increase its earnings.

Hence, Ichiyoshi Research Institute (IRI), which has long specialized in research on small- and medium-cap growth companies, has now adopted ESG achievement (including the handling of climate change) as one of its important criteria for the selection of research target companies. The result of IRI's research is applied to the management of the Company's customers' assets.

Ichiyoshi Asset Management (IAM), a subsidiary of the Company, also applies IRI's research result on ESG to its management of investment trust funds.

Furthermore, IAM manages an investment trust fund, "Ichiyoshi ESGs Small- and Medium-Cap Stock Fund," which has now an asset balance of about 20 billion yen.

Thus, the Company believes that customers' assets and the asset balance of IAM's publicly-offered investment trust funds are one of useful indicators of how climate change and its risk have affected the Company's business activities and earnings

(2) Response to climate change based on TCFD proposal

Having formulated the "Basic Policy for Sustainability," the Company has defined material tasks to be tackled with (Materiality). Selecting out "Approach to CO2 Reduction" among others for the benefit of the society, the Company intends to make contribution as member of society.

Considering the importance of public disclosure of climate-related financial information, the Company has agreed with TCFD (Task Force on Climate-related Financial Disclosures) and is exerting to fulfill its information disclosure.

<1> Governance

The Company has in place "Sustainability Promotion Meeting" as a conference body to plan, enforce and improve how to promote sustainability enhancement. The Meeting is under the supervision of the Board of Directors and the chairman of the Meeting is the incumbent executive president, who will make periodical reports on the Meeting to the Board of Directors. The secretariat for the Meeting is "Sustainability Promotion Room" which acts as center of sustainability promotion of the Company.

<2>Strategy

With respect to risks arising to the Company arising from climate change include a risk brought up by moving to low-carbon economy and a risk related to physical change brought up by climate change. With respect to opportunities, the Company has evaluated imaginable effects from the point of views of products/services and market. With factors taken into consideration, the Company believes that there will not be material effects on the Company's business, but the Company will continue to periodically watch changes in circumstances.

<3>Risk management

Since the Company believes that risks relating to climate change will have wide-ranging effects on the Company's business as financial-instruments dealer, the Company regards the related risks as major ones and will have the “Risk Management Committee” manage them. The proceedings at the Committee will be reported to “Internal Governance Committee,” which will convey the result of deliberations to the Board of Directors.

<4>Indices and objects

In order to enhance conformity with GHG Protocol (international standard) concerning supply-chain emission, the Environmental Agency and the Ministry of Economy, Trade and Industry have formulated guidelines. In accordance with the guidelines, the Company has its GHG emission (Scope 1, 2). Based on the emission, the Company evaluates risks and opportunities relating to climate change and measures a progress on its response.

<GHG emission (unit: t-CO2)>

	Scope 1	Scope 2	Total
Fiscal 2022:	505.15	939.8	1,445.13

(3) Human capital

<1>Attitude toward human resource development

(i) Human development policy

Since establishing “Ichiyoshi Credo” in 2006, the Company has striven to enhance a sustainable corporate value, at the same time emphasizing its engagement with various stakeholders through securities business.

While “Ichiyoshi Credo” points to the Company’s raison d’etre in its relationship with various stakeholders, the Company recognizes that human resources are a target of priority investment in the belief that human resources themselves are the source of growth.

Thus, in the foregoing item of <Materiality> (Important tasks), the Company has put up “Furtherance of personnel education and training to cope with changing circumstances” as a task to be concretely tackled with on an on-going basis.

(ii) Training system

Under the customer-focused “Stock-type Business Model,” the Company need to provide an investment advice matching each customer’s intention and gaining his/her trust. In order to do that, the Company need to fulfill internal personnel training to enhance the quality of advisors. In addition, the Company has in place “Self-skill-promotion Program” and provides a subsidy for correspondence courses for securities analyst or certified financial planner or award incentive remuneration to an employee who has acquired such qualification. In addition, the Company has in place a system to provide a subsidy for tuition fee for correspondence courses for upskilling other than qualification.

(iii) Dispatching of employee to outside company as trainee

The Company has a policy to dispatch an employee as trainee to an outside company (whether it is a securities company or not) and have his/her knowledge and experience as trainee contribute to raising of effectiveness of, or improvement on, intra-company operations or administration.

<2> Policy toward improvement on in-house circumstances

(i) Policy toward improvement on in-house circumstances

Since 2017, with respect to improvement on in-house circumstances, the Company has scrutinized more than 50 related items semi-annually to attain "Worker-friendly and worthwhile working place." Thus, in the foregoing item of <Materiality> (Important tasks), the Company has put up "Furtherance of corporate culture to promote job satisfaction and employees' sense of engagement,""Realization of worker-friendly mood considering gender sensitiveness"and "Forming of personnel and wage system considering diverse types of working." The Company naturally continues to tackle with "Worker-friendly and worthwhile working place."

(ii) Policy toward diversity

The Company believes that the active involvement of female workers in the Company's business operations is indispensable to enhance the sustainable growth of its corporate value in the diversifying society. The Company is striving to improve working circumstances so that female workers can work lively and actively. Thus, the Company is proceeding with steps to decrease the difference in length of service between male and female workers and increase the ratio of female managers.

The Company also enhanced a system to balance work and home and made it easier to use the system. In the same spirit, the Company has in place systems to assist employees on leave or retired employees in returning to work.

<Progress toward diversity> (As of March 31, 2023)

Female managers' ratio:	16.1%
Ratio of paternity leaves:	57.1%
Wage difference between male and female employees:	70.8%
Difference in average period of service between male and female employees;	
:	Male: 16 years and 11 months
	Female: 12 years and 9 months
Female ratio of new recruits (new recruits in April 2023):	47.5%
Ratio of usage of paid holiday:	58.9%

(iii) Policy toward working place circumstances

To proceed with "Worker-friendly and worthwhile working place," it is important for the Company to have engagement with employees and understand how they are dealing with operations. The Company has a system where office or branch managers regularly have one-on-one meeting with each employee and conduct a questionnaire survey on employees using engagement tools. In addition to the questionnaire, the Company has a system to conduct a self-report survey and personnel department's interview with each employee. All these systems are intended to assist deliberations on employees' assignment to capability-worth places and recognition of their higher skills.

(4) **Ichiyoshi's Initiatives to ESG and SDGs**

(Vis-à-vis customers)

Initiatives and approach	E,S or G	Contribution to SDGs
Asset-accumulation type business model for customer-first priority	S, G	Goal 8: Work-worthwhile and economic growth Goal 9: Building base for industry and tech innovation
Unwavering belief in "Do not sell products simply because they are popular"	S	Goals 8, 9
Conviction in providing order-made products for each customer	S	Goals 8, 9
Approach to economic and financial changes (management of assets in low-interest age)	S	Goals 8, 9
Approach to fin-tech age (hybridized sales activities and improvement on productivity)	S	Goals 8, 9
Approach to changes in banking and securities industries (business management on customer-first basis)	S	Goals 8, 9
Approach to 100-year life expectancy (asset management matching longer healthy longevity)	S	Goal 1: Reduction of poverty Goal 8: Economic growth with worthwhile work Goal 9: Building of base for industry and tech innovation
Raising funds for Ichiyoshi's SDGs-focused small- and mid-cap fund	E, S	Goal 8: Economic growth with worthwhile work Goal 9: Building of base for industry and tech

innovation
Goal 17: Achieving target in partnership

(Vis-à-vis employees)

Initiatives and approach	E, S or G	Contributions to SDGs
Active participation by female workers and appointment of female managers	S	Goal 3: Health and welfare to every person Goal 5: Attainment of gender equality Goal 8: Economic growth with worthwhile work
Improvement on working place (Worker-friendly and worthwhile working place)		Goals 3, 5, 8

(Vis-à-vis shareholders)

Initiatives and approach	E, S or G	Contributions to SDGs
Return to shareholders	G	Goal 8: Economic growth with worthwhile work Goal 16: Peace and justice to every person
Corporate governance	G	Goals 8, 16
Company with three-committees system and executive officer system	G	Goals 8, 16
Compliance system	S,G	Goals 8, 16
Risk management	G	Goals 8, 16

(Vis-à-vis society)

Initiatives and approach	E, S or G	Contributions to SDGs
Mangrove project	E	Goal 13: Concrete measure for climate change Goal 15: Protection of opulent land
Environmental conservation (eco-car, recycled paper, air-conditioner)	E	Goals 13, 15
Training of guide dog project	S	Goal 3: Health and welfare to every person Goal 10: Abolishment of inequality for every person and nation
Pediatric medicine project	S	Goals 3, 10
School building construction projects	S	Goal 4: High-quality education to every person Goal 6: Supply safe water and toilet to whole World
Head office rooftop vegetable garden projects	E,S	Goals 2, 4, 8, 11, 13, 15

(5) External evaluation of Ichiyoshi's efforts for ESG and SDGs

FTSE Blossom Japan Sector Relative Index

The Company was adopted as a company for "FTSE Blossom Japan Sector Relative

Index in 2023. This index was created for the purpose of measuring the performances of Japanese companies which are relatively remarkable in each of their sectors for their efforts for ESG.

"Eruboshi" Certificate

The Company was awarded with "Eruboshi" Certificate (highest degree) from Ministry of Health, Labour and Welfare. This certificate is awarded to a company which has cleared certain standards for female advancement.

Excellent Health Company

The Company has participated in "Declaration of Excellent Health Company" promoted by the Health Insurance Society of Tokyo Securities Dealers Association. Having cleared 18 items across 7 sections, the Company has acquired "Silver Recognition" as excellent health company.

II. Business Model

The Company has held "Customer First" as its guideline since its founding. As flow of money "From savings to investments" progressed in tandem with the Japanese "Big Bang" in late 1990's, the Company has changed its business model to "asset-accumulation type" and exerted to increase customers' assets in a safe and steady manner. In 2000, the Company adopted "Ichiyoshi Standards" incorporating 7 principles, not selling products simply because they are popular, thus clearly establishing customer-first policy.

In order further to promote flow of money "From savings to asset-building," the Company is in the process of drawing up portfolios catered for each of customers' needs. Thus, the Company is building "Truly customer-first sales system."

III. Corporate Governance

The Company moved from the statutory auditor system to the company-with three-committees system effective from June 2003. Hence, the Company has been equipped with a corporate governance system in which management decision-making, supervisory control and business execution each functions independently and effectively. Namely, decision-making and supervisory control are performed by the Board of Directors and each of the three committees, and business execution is carried out by executive officers with the assistance of operating officers. [The diagram of Governance System is omitted in this English version]

(1)Decision-making and Supervisory control

(i) Board of Directors

The Board of Directors resolves on matters required legally and stipulated under the Articles of Incorporation, decides or approves basic management policies and material matters on business executions and supervise business executions by directors and executive officers.

(ii) Nominating Committee

The Nominating Committee deliberates and decides on the nominees for directors to be elected or dismissed at the shareholders' meeting.

(iii) Remuneration Committee

The Remuneration Committee reviews and decides on the individual remuneration of each director, executive officer, and operating officer.

(iv) Audit Committee

The Audit Committee audits the performance of duties by the directors and executive officers, prepares an audit report and a draft resolution to appoint or dismiss accountants to be submitted to the shareholders' meeting for approval. The Audit Committee audits the legality and appropriateness of decision-making by directors and executive officers and the status of development of the Internal Control System in accordance with the auditing policy and the role-division set by the Audit Committee. The Company has in place the Audit Committee Office as a body to assist the Audit Committee. The Audit Committee Office is staffed with full-time personnel.

(v) Management Committee

The Management Committee is an advisory body to the Board of Directors and, as such, reviews important and/or urgent matters for the smooth management of business and reports the result of such reviews to the Board of Directors. .

(vi) Internal Control Committee

Aiming to build the unified internal control system for the Company and its subsidiaries, the Internal Control Committee formulates the internal control policy and reviews each individual important matter concerning internal control.

(vii)Meeting of Directors without Executive Power

The meeting consists of Chairman of Board of Directors and five outside directors to widely exchange information on the Ichiyoshi group, the securities industry and the economical environment.

(viii)Meeting of Independent and Outside Directors

Independent and outside directors actively contribute to discussions at meetings of the Board of Directors by exchanging and sharing their views and insights from independent standpoints, thereby enhancing the effectiveness of the Board of Directors.

(ix) Committee of Outside Experts

The Committee of Outside Experts consists of members who have outstanding personality and insight and are independent of the Company. The Committee of Outside Experts deliberates on important management matters, as requested by the Board of Directors, independently, fairly and from the neutral standpoint, and provides the Board of Directors with their advice and recommendation based on such deliberation.

(2)Business execution

(i) Executive Officers

Executive Officers can make decisions on the execution of matters entrusted by the Board of Directors, contributing to the smooth decision-making and business executions.

(ii) Committee of Executive Officers

The Committee of Executive Officers resolves on matters entrusted by the Board of Directors and coordinates activities among them for their smooth executions.

(iii) Operating officers

Following the decision made by the Committee of Executive Officers, each Operating Officer performs business execution under the instruction of his supervising Executive Officer.

(iv) Other meetings

The Company has in place "Sustainability Promotion Meeting" as a conference body to plan, enforce and improve how to promote sustainability enhancement, and the Risk Management Meeting (to consult on and cope with company-wide risk management), the Unified Compliance Meeting (to advise and follow up on review items at individual compliance meetings), and the Individual Compliance Meeting (to seek out risk items at individual sections for understanding and review), all as sub-bodies to the Internal Control Committee..

In addition, the Company has in place the Information Disclosure Meeting (to make proper, comprehensive and timely disclosure of any material event as it ever happens) and the IT Meeting (to review matters on IT investment and management and information security), both as decision-making organs of the Committee of Executive Officers.

IV Measures to Ensure the Effectiveness of Board of Directors

Since before the installation of the corporate governance code, the Company has had in place the company-with-three-committees system separating decision-making and execution with outside directors consulting fully with executing officers. Currently, as before, free and open discussions are being made at meetings of the Board of Directors, with executing officers listening to comments by outside directors. When there arise matters requiring more data in the eyes of outside directors, such matters will be treated as items of continued deliberation, thereby ensuring transparency.

In order to further ensure the effectiveness of the Board of Directors, the following measures are being taken:

(1) Meeting of non-executive directors

The meeting of directors without executive power is held with the Chairman of the Board of Directors acting as chairman for the purpose of supervising the Company's management from the independent and objective points of view. At the meeting, exchanges of views on securities industry, economy, social matters, beside the management of the Company are made freely and openly, thereby ensuring the effectiveness of the Board of Directors. Such meetings were held 14 times for the fiscal year ended March 31, 2023.

The meetings of independent and outside directors were held twice for the fiscal year ended March 31, 2023 for the purpose of exchanging and sharing views widely on the Company's business as a whole.

(2) Conducting of questionnaire on effectiveness of Board of Directors

Since 2017, questionnaire to all directors has be conducted for the purpose of surveying the performance and effectiveness of the Board of Directors. 32 items in the questionnaire are intended to test whether the Board of Directors is properly functioning. The results are used to improve on problem areas and strengthen the Company's advantages, thereby continuously ensuring the effectiveness of the Board of Directors.

Addendum Report on Business Result

(For the fiscal year from April 1, 2022 to March 31, 2023)

I. Information on Current Status of the Company and its Group

1. Basic Management Policy and Triangular Pyramid Management

(1) Basic Management Policy

The Company's motto is to "Be a Securities Company Like No Other So Far in Japan." To realize this motto, the Company makes it a management objective to build a "Name-brand boutique house" in the finance and securities industry. In its efforts for realization, the Company intends to heighten the fairness and transparency of management along its Credo (corporate philosophy) and to promote flexible and relevant decision-making, thereby maximizing earnings and corporate value while bolstering its corporate governance. Taking advantage of its company-with-committees system and its executive officer system, the Company aims to raise the promptitude and effectiveness of business executions and toughen its surveillance over business executions.

(2)Triangular Pyramid Management

Under this triangular pyramid management, 4 divisions ("Customer services," "Products and Management," "Research" and "Backup") form their respective facets of the pyramid and support one another, thereby maximizing functions of each division/ subsidiary. Co-working between and among divisions and subsidiaries will further enhance synergistic process. The synergistic process will help provide better products, more useful information and better services, thereby contributing to customers' asset and business management.

(3) "Decisive Action for Reform," First Reformative Action in 20 years.

The Company aims to build a "Name-brand Boutique House in Finance and Securities" as its management object to realize its management philosophy based on "Ichiyoshi Credo." Regarding "Customers' Assets under Custody" as a barometer of "Customers' Trust" and "Ichiyoshi's Basic Corporate Strength" and also as the management's overriding indicator, the Company intends to continue its efforts to expand customers' assets and realize its sustainable growth.

While the Company has for some time continued to provide services to customers with first priority placed on trust relationship with customers, the Company has decided to carry out "Decisive Action for Reform," the first reformative action in 20 years, in order to cope with fast-changing circumstances wracked by the novel corona-virus and to further advance its customer-focused operations.

"Decisive Action for Reform" aims to further promote the transfer to customer-focused "Stock-type Business Model" (asset-accumulation-type business model) by expanding "customers' assets in custody" as an overriding management index.

In time with the "Decisive Action on Reform," the Company has added one business principle of "Belief in provision of custom-made products for each customer," in addition to the existing principles of "We do not deal in structured bonds" and "We do not solicit for foreign stocks." "We do not sell products simply because they are popular," etc. based on its 20-year-old "Ichiyoshi's 7 Standards" which stresses the Company's belief in "Not dealing in products unsuitable to customers." Thus, the Company is engaged in proposing custom-made products matching needs of each individual customer.

(4)Medium-Term Management Plan "3-D"

In order to further accelerate the transformation to "Stock-Type Business Model", the Company formulated a new Medium-Term Management Plan "3 D" with its target date set for the end of March 2026.

Under the "3-D," the Company plans to increase customers' assets in custody to 3 trillion yen and double the outstanding balances of fund-wrap accounts and investment trust funds. 3 of "3 D" represents 3 trillion yen of customers' assets in custody targeted in the new management plan and D stands for the doubling of the sum of the outstanding balances of investment trust funds and fund-wrap accounts similarly targeted. The numerical targets in the new management plan are set forth below.

Numerical targets in "3 D" at the end of March 2026:

Customers' assets in custody:	3 trillion yen
Cost-coverage ratio:	70%*
ROE:	Approximately 10%

*Ratio at which the sum of investment trust management and trailer fees and wrap-account fees covers selling, general and administrative expenses

2. Business Condition and Performance

During the fiscal year ended March 31, 2023, the Japanese economy showed signs of moderate pickup due to various governmental measures. While price rises affected household finances and business activities, consumer spending recorded a solid movement with business sentiment among service industries in particular improving in parallel with the reopening of economic activities. In the meantime, the global economy underwent monetary-tightening movements across the world amid the highest inflationary pressures in 40 years.

The Japanese stock market went through correctional periods due to monetary tightening measures taken by major central banks of the world to cope with record-high inflations. As an excessive sense of caution about interest-raising attitude of the Federal Reserve Board of the U.S. eased toward mid-August, the Nikkei Stock Average of the Tokyo Stock Exchange (the "TSE") rebounded and recorded a year-high of 29,222yen on August 17. But the rebounding was short-lived as, soon thereafter, the U.S. stocks tumbled out of concern over economic slowdown to be caused by a sharp increase in official interest rates, feeding through to the selling of Japanese stocks. In December, U.S. and European central banks continued their interest-raising policies and the Bank of Japan made an unexpected change in its monetary policy (expanding the range of fluctuation of long-term interest rate from previously set ±0.25% to ±0.5%), resultantly strengthening the Japanese yen against the U.S. dollar and pushing down the Nikkei Stock Average. As the new year started, the concern over the Bank of Japan's sudden change in its monetary policy eased, and the Nikkei Stock Average rose to 28,734yen on March 9, 2023. While the selloff of Japanese stocks temporally increased out of concern over the U.S. and European financial systems due to the failure of a major regional bank in the U.S.., the Nikkei Stock Average ended the period at 28,041yen as the U.S. and

European financial authorities took quick responding measures, thereby easing concerns over financial instability.

On the foreign currency market, yen-selling and dollar-buying progressed further in the light of a widening difference in interest rates between Japan and the U.S. Thus, on October 21, the yen recorded 151.93yen per 1 U.S. dollar. Thereafter, as inflationary pressures in the U.S. showed signs of peaking-out, long-term interest rates in the U.S. rapidly declined, giving the weaker trend of the yen a short-term pause. Thus, the yen ended the period at the lower side of the 133yen per 1 U.S. dollar level.

In the Japanese emerging stock market, the TSE Mothers Index recorded the closing index of 615 on June 20, which was the lowest closing index in two years and two months since April 2020. Thereafter, the Index rose to 806 on December 1. Then, undergoing slightly correctional periods, the Index ended the period at 749.

In the Growth Section of the TSE, high PER issues, regarded as relatively highly valued, were sold off, pushing down the Growth Section Index to 781 on June 20. Thereafter, however, there occurred review-based repurchases of growth stocks considered as having a higher potential for growth, and the index ended the period at 963.

In the Prime Section of the TSE, the average daily turnover was 3,277.7 billion yen. In the Standard Section of the TSE, the average daily turnover was 91.0 billion yen. In the Growth Section of the TSE, the average daily turnover was 145.4 billion yen.

Under these circumstances, the Company has been pushing through its customer-focused "Decisive Action for Reform" to establish "Stock Type Business Model" (asset-accumulation type business model) initiated in 2019.

With respect to activities on stocks, the Company has proposed to customers asset-backed stocks with stress on stability and stable dividends under low-interest rate and high inflationary circumstances. In addition, the Company has recommended to customers investment in small- and medium-cap growth stocks selected based on the Company's strength in research. The Company has thus made various proposals and recommendations to promote stocks as means of medium-to long-term asset-formation.

With regard to "Dream Collection," a fund wrap account vehicle, it continued to enjoy an increase in continuous need for customers' conservative investment vehicles for medium- to long-term asset management. Its outstanding balance as of March 31, 2023, registered 207.3 billion yen, up 9.6% from the previous fiscal year.

With respect to investment trust funds (other than Dream Collection), the Company has recommended stock funds matching customers' needs, such as "Pictet Global Income Stock Fund," "Ichiyoshi High Dividend Stocks & J REIT Fund," Ichiyoshi

Global Stock Fund" "Ichiyoshi Small- and Mid-Cap Growth Stock Fund." The outstanding balance of these funds as of March 31, 2023 amounted to 711.4 billion yen, down 8.5% from the year ago.

With respect to Ichiyoshi Asset Management Co., Ltd. the net asset values of funds under its management recorded a continuous increase and registered 440.7 billion yen as of March 31, 2023, up 4.1% from the previous fiscal year.

Resultantly, operating revenue recorded 16,625 million yen, down 15.0% from the previous fiscal year. Operating cost and expenses decreased 4.8% to 15,459 million yen. As a result, operating income registered 1,166 million yen, a decrease of 64.9% from the previous fiscal year.

Customers' assets in custody as of March 31, 2023, amounted to 1,908.1 billion yen, down 2.2%.

The Company regards the cost coverage ratio as an important management index which indicates the degree of the Company's advance towards the stability of its earnings structure and "Stock Type Business Model" (asset-accumulation type business model). The cost coverage ratio for fiscal 2022 was 53.5%, up from 52.8% for the year-earlier period. (The cost coverage ratio is the ratio at which the sum of fund management fees, trailer fees and wrap-account fees cover selling, general and administrative expenses.)

Set forth below are details of revenue sources, cost and expenses, cash flow and financial condition.

3. Commissions, and selling, general and administrative expenses

(1) Commissions

Total commissions for the fiscal year ended March 31, 2023 amounted to 16,219million yen, down 14.6% from the previous fiscal year.

(i) Brokerage commissions

Total brokerage commissions on stocks fell 16.0% to 4,468 million yen. Those on small- and mid-cap stocks (consisting of stocks listed on the Standard Section of the TSE, the Growth Section of the TSE, the Main Section of the Nagoya Stock Exchange (the "NSE") and the Next Section of the NSE) amounted to 715 million yen, down 17.9%, accounting for 16.0% of total brokerage commissions.

(ii) Commissions from underwriting and solicitation to specified investors

In the primary market, the Company participated in the management and underwriting of 9 initial public offerings (IPOs) (of which the Company lead-managed 2), as against 39 IPOs (of which the Company lead-managed 3) in the previous fiscal year. In the secondary market, the Company underwrote 1 deal as against 6 deals in the previous fiscal year. As a result, total commissions from underwriting and solicitation to specified investors recorded 131 million yen, down 77.7% from the previous fiscal year. The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 1,199 (of which 66 were lead-managed) as of March 31, 2023.

(iii) Commissions from distribution and solicitation to specified investors

Commissions from distribution and solicitation to specified investors fell 30.1% to 2,680 million yen as commissions from distribution of investment trust funds slid 30.2 % to 2,642 million yen.

(iv) Commissions from other sources

The trailer fees on investment trust funds decreased 3.9% to 3,972 million yen and trustee fees for fund management by Ichiyoshi Asset Management Co., Ltd. rose 7.5% to 1,968 million yen. With the addition of fund-wrap accounts fees of 2,334 million yen (down 10.2%), etc. total commissions from other sources amounted to 8,791 million yen, down 3.1%.

(2) Gains or loss on trading

Trading on stocks, etc. recorded gains of 52 million yen, down 62.8%, and trading on bonds, foreign exchange, etc. registered gains of 19 million yen, down 10.5%. Consequently, total gains on trading amounted to 71 million yen, down 55.9%.

(3) Net financial revenue

Net financial revenue declined 28.4% to 127 million yen chiefly as financial revenue slid 21.9% to 168 million yen as a result of a fall in the average balance of loans on margin transactions while interest expenses rose by 8,6% to 41 million yen.

Hence, net operating revenue for the fiscal year ended March 31, 2023 recorded 16,625 million yen, down 15.0%.

(4) Selling, general and administrative expenses

Selling, general and administrative expenses recorded 15,459 million yen, down 4.8%, chiefly as personnel expenses decreased.

(5) Non-operating Income and Expenses

The Company registered non-operating income of 66 million yen, of which 22 million yen consisted of insurance proceeds and dividend income. Resultantly, net non-operating income amounted to 49 million yen, down 59.1%.

Hence, current income for the fiscal year ended March 31, 2023 amounted to 1,216 million yen, down 64.7% from the previous fiscal year.

(6) Extraordinary Income and Loss

The Company registered extraordinary income of 2 million yen, mainly consisting of gains on sales of investment securities, while the Company recorded extraordinary loss of 2 million yen, mainly in the form of settlement payment. As a result, net extraordinary income amounted to 0 million yen, down 99.7% from the previous fiscal year.

Consequently, income before taxes and tax adjustments for the fiscal year ended March 31, 2023 recorded 1,216 million yen, down 66.0%, and net income attributable to owners of parent (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 395 million yen, and after deduction of corporate tax adjustments of 63 million yen) registered 758 million yen, down 70.0%.

The following table shows the breakdown of commissions by products on a consolidated basis (in millions of yen):

	Stocks	Bonds	Beneficiary certificates	Others	Total
For the fiscal year ended March 31, 2022:					
Brokerage commissions	5,318	0	168	--	5,486
Commissions from underwriting and solicitation to specified investors	591	--	--	--	591
Commissions from distribution and solicitation to specified investors	0	47	3,784	--	3,832
Commissions from other sources	26	0	8,564	485	9,076
Total	5,936	47	12,517	485	18,986

For the fiscal year ended March 31, 2023

Brokerage commissions	4,468	--	147	--	4,615
Commissions from underwriting and solicitation to specified investors	131	--	--	--	131
Commissions from distribution and solicitation to specified investors	0	37	2,642	--	2,680
Commissions from other sources	24	0	8,275	490	8,791
Total	4,624	37	11,066	490	16,219

4. Financial Conditions

Conditions of assets, liabilities and net worth

(a) Assets

Assets amounted to 42,670 million yen as of March 31, 2023, a decline of 5,264 million yen (down 11.0%) from March 31, 2022, mainly as cash segregated as deposits decreased by 2,439 million yen..

(b) Liabilities

Liabilities stood at 14,844 million yen as of March 31 2023, a decline of 3,026 million yen (down 16.9%), mainly as deposits received fell by 1,880 million yen.

(c) Net worth

Net worth amounted to 27,826 million yen as of March 31, 2023, a decrease of 2,238 million yen (down 7.4%) from March 31, 2022. The decline resulted mainly from recording of net income (attributable to owners of parent) of 758 million yen for the fiscal year while the Company paid dividends in the amount of 1,268 million yen and acquired treasury shares in the amount of 1,626 million yen.

Consequently, equity ratio as of March 31, 2023 stood at 65.2% as against 62.7% as of March 31, 2022. Capital adequacy ratio as of March 31, 2023 recorded 505.8%.

5. Material Financing

None.

6. Material Equipment Investment

Major equipment investments for the fiscal year ended March 31, 2023, included 120 million yen for IT foundation and 49 million yen for relocation of branches and opening of new branches..

7. Material Corporate Mergers and Acquisition

None.

8. Changes in Assets and Income and Loss (on a consolidated basis)

(in millions of yen except for per-share earnings)

	---For fiscal year ended March 31---			
	2020	2021	2022	2023
Operating revenue	18,846	18,270	19,591	16,666
(of which commissions)	(16,845)	(17,608)	(18,986)	(16,219)
Net operating revenue	17,241	18,200	19,553	16,625
Current income	-469	1,300	3,443	1,216
Net income attributable to owners of parent	-724	1,001	2,526	758
Earnings per share	-17.72yen	27.79yen	69.97yen	21.93yen
Total assets	43,530	49,211	47,935	42,668
Net worth	28,772	29,108	30,064	27,826

Notes: (i)Earnings per share are calculated based on the average number of outstanding shares during the fiscal year (excluding treasury shares).

. (ii)Effective from the beginning of fiscal 2022, the "Accounting Standards Concerning Revenue Recognition" (Corporate Accounting Standards No. 29, dated March 31, 2020) has been applied. Hence, operating revenue for fiscal 2021 is retroactively adjusted in accordance with the said accounting standards.

9. Challenges to Be Tackled

As the flow of capital from "Savings to investments" has got into full swing for the past several years under the low-interest rate circumstances and in tandem with 100 year life planning, the Japanese finance and securities industry is strongly required to conduct customer-focused business operations.

For the 20 years or so, the Company has maintained the "Ichiyoshi Standards" containing 7 principles, which prohibit the Company from dealing in products incomprehensible or not advantageous to customers such as structured bonds containing risk-return packages and advise the Company' employees not to sell products simply because they are popular among people. In the same spirit, the Company has sought to transform itself from "Flow-Type Business Model" chiefly based on brokerage commissions to "Stock-Type Business Model" chiefly based on retainer fees on investment trust funds and wrap-account fees. Since 2019, the Company has been proceeding with its "Decisive Acton for Reform" in its first reformative action in 20 years to cope with changes in circumstances and to more focus on customer-based business. Decisive Action for Reform is intended to further expand customers' assets in custody as a barometer of management and further solidify its transformation to "Stock-Type Business Model. In addition to "Not selling products simply because they are popular," the Company has put up another guideline of "Producing of products suited for each customer's needs."

In the course of carrying out "Decisive Action for Reform," the Company has streamlined its management and staff, including the replacement of president and rejuvenation of management staff, The Company has also abolished its regional advisers system and changed its sales promotion system from traditional headquarters-based system to branch-led system, thereby each branch providing locally-based goods and services to each customer. Efforts to make various reforms to provide each customer-focused services are continuing.

Further from the point of view to serve customers better, the Company is in process of reorganizing its branch network system, such as changing branches to a smaller scale of planet plazas closer to customers.

The Company has also adopted the following as its important task: improvement on working conditions and surroundings, personnel system and personnel training. As such, the Company has included such task in its "Decisive Action for Reform" and has been taking several concrete steps.

The Company has been proceeding with its "Decisive Action for Reform" to become a "Name-brand boutique house in finance and securities industry," and the Company believes that its achievement status on its "Decisive Action for Reform" is 60%, or at the 6th station on Mt. Fuji. New Medium-Term Management Plan is a sort of 2nd stage for the "Decisive Action for Reform" starting from April 2023. Taking advantage of the Ichiyoshi group' strength (advising capability of Ichiyoshi Securities Co. Ltd., research capability of Ichiyoshi Research Institute Inc. and fund management capability of Ichiyoshi Asset Management Co., Ltd.) and compliance capability(leading to customer satisfaction),the Company is determined to realize growth on the expansion of customers' assets in custody.

10. Status of Parent Company and Subsidiaries

(1) Relationship with parent company:

None (Ichiyoshi has no parent company).

(2) Status of material subsidiaries (all these are located in Chuo-ku Tokyo):

Name of Subsidiary	Paid-up capital (mil. yen)	Voting ratio by parent (%)	Contents of business
Ichiyoshi Research Institute Inc.	20	100.00%	Information services; investment advisory & agency
Ichiyoshi Asset Management Co. Ltd.	490	100.00%	Investment management including investment trust; investment advisory & agency;
Ichiyoshi Business Service Co., Ltd.	240	100.00%	Property renting/ brokerage/management; sales of office supplies; investment brokerage
Ichiyoshi IFA Co., Ltd.	150	100.00%	Financial instruments intermediary service

Note: There is no specified wholly-owned subsidiary as defined under the applicable law.

11. Principal business (as of March 31, 2023)

(i) Stock-related businesses

Stock-related businesses consist of buying and selling of stocks on a brokerage and principal basis in the secondary market, underwriting and distribution in the primary market, sales solicitation and offering to specified investors and handling of such solicitation and offering. The following are particulars of stock-related businesses:

(a) Buying and selling on a brokerage basis

Buying and selling of stocks on securities exchanges in accordance with customers' instructions.

(b) Buying and selling on a principal basis

Buying and selling of stocks on the Company's own account.

(c) Underwriting and solicitation to specified investors

Underwriting of primary and secondary offerings of stocks on a commitment basis in which Ichiyoshi commits itself to purchasing any unsold portion of offerings.

(d) Distribution and solicitation to specified investors

Distribution of stocks whose offerings Ichiyoshi undertakes to underwrite or distribute.

(ii) Bond-related businesses

Bond-related businesses consist of buying and selling of bonds, issued by governments, municipalities, corporations, etc., on a brokerage and principal basis in the secondary market, underwriting and distribution of such bonds in the primary market and handling of private placements of such bonds.

(iii) Investment trust-related businesses

Investment trust-related businesses consist of distribution and buying and selling of beneficiary certificates of domestic investment trust funds and foreign investment trust funds and handling of sales solicitation to specified investors.

(iv) Securities futures-related businesses

Securities futures-related businesses consist of buying and selling of securities futures, securities index futures, securities options and foreign-market securities futures on a brokerage and principal basis.

(v) Other businesses

Securities lending and borrowing, investment banking, insurance handling, customer referral and introduction, financial instruments intermediary service, information service, investment management and advisory, investment- brokerage, real estate renting/broking and management, and sales of office supplies.

12. Status of offices and branches (as of March 31, 2023)

(1) Offices and branches of Ichiyoshi Securities Co., Ltd. (parent)

Head Office: Tokyo Shoken Kaikan Bldg. 1-5-8, Nihonbashi Kayaba-cho, Chuo-ku, Tokyo

Number of branches and offices: 51

The geographical breakdown of branches and offices:

[The Japanese map is omitted in this English version.]

Kanto District:	15	Nakano, Planet Plaza Narimasu , Akasaka, Nakameguro, Kichijoji, Yokohama, Planet Plaza Odawara, Kamioka, Planet Plaza Fujisawa Urayasu, Chiba, Koshigaya Planet Plaza Seijo, Planet Plaza Jiyugaoka Planet Plaza Ichikawa (In addition, the Company has Call Center-Ichiyoshi Direct)

Chubu District	6	Nagoya, Okazaki, Iida, Ina, Ise, Planet Plaza Shima
Kinki District	19	Osaka, Nanba, Imazato, Harinakano, Ishibashi, Kishiwada, Hirakata, Yao, Fushimi, Nishinomiya, Kobe, Kakogawa, Nishiwaki, Planet Plaza Kasai, Takada, Gakuenmae, Gobo, Tanabe, Tamaki
Chugoku-Shikou District	3	Okayama, Kurashiki, Shodoshima,
Kyushu District	6	Fukuoka, Omuta, Planet Plaza Sasebo, Planet Plaza Isahaya, Planet Plaza Karatsu Planet Plaza Takeo
Tohoku District	2	Morioka, Mizusawa,

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(2) Business offices of subsidiaries:

・ **Ichiyoshi Research Institute Inc.**;	Chuo-ku, Tokyo
・ **Ichiyoshi Asset Management Co., Ltd.**;	Chuo-ku, Tokyo
・ **Ichiyoshi Business Services Co., Ltd.**;	Chuo-ku, Tokyo
Osaka Office;	Chuo-ku, Osaka
Ichiyoshi IFA Co., Ltd.	Chuo-ku, Tokyo
Sakura Narimasu Office	Itabashi-ku, Tokyo

13. Employees (as of March 31, 2023)

(1) Employees on a consolidated basis

	Number	Change from March 31, 2022
Regular employees:		
Male	673	- 42
Female	302	-1
Total	975	- 43

Notes: (i) In addition to employees and workers mentioned above, there are 7 executive advisers, 1 counselor, 2 contract-based advisors. and 1 commission-based financial advisor. .

(ii) The above-mentioned employees include operating officers.

(2) Employees of Ichiyoshi Securities Co., Ltd. (parent)

	Number	Change from March 31, 2022	Average age	Average years of service
Regular employees:				
Male	605	- 43	46 years and 0 month	16 years and 11 months
Female	279	- 3	42 years and 0 month	12 years and 9 months
Total / average	884	- 46	44 years and 9 months	15 years and 7 months

Notes: (i) In addition to employees mentioned above, there are 3 executive advisers, 1 counselor, 2 contract-based advisors and 1 commission-based financial advisor.

(ii) The above-mentioned employees include operating officers.

(3) Share of mid-career hires in managerial class (manager and above)

End of March 2015	End of March 2016	End of March 2017	End of March 2018	End of March 2019	End of March 2020	End of March 2021	End of March 2022	End March 2023
49.0%	49.2%	51.2%	51.2%	53.7%	52.0%	47.5%	45.8%	47.0%

(4) Share of female workers in manager class (manager and above)

End of March 2015	End of March 2016	End of March 2017	End of March 2018	End of March 2019	End of March 2020	End of March 2021	End of March 2022	End March 2023
5.8%	8.5%	8.7%	9.4%	9.8%	11.6%	15.3%	14.2%	16.1%

14. Major Borrowing Sources (as of March 31, 2023)

Name of lender	Term	Outstanding amount (in millions of yen)
Mitsubishi UFJ Bank Ltd.	Long	53
Mizuho Bank Ltd.	Long	53
Mitsubishi UFJ Bank Ltd.	Short	159
Resona Bank Ltd.	Short	20
Mizuho Bank Ltd.	Short	30
Mitui Sumitomo Bank Ltd.	Short	20
Nihon Securities Finance Co., Ltd.	For margin transactions	3,170

15. Policy and Actual Result on Decision of Dividends out of Retained Earnings etc.

1. Policy on dividends out of retained earnings, etc.

The Company places its stress on a continuous stream of dividend payment linked to business result. In deciding on an amount of dividend payment, payout ratio is a basic measure. Additionally, DOE (namely, ratio of dividends to shareholders' equity) is taken into account for a continuous stream of dividend payment.

Specifically, the Company has adopted the payout ratio of approximately 50% and the DOE of approximately 2%, the both measures being calculated semiannually on a consolidated basis and the larger result of the calculation between the two measures being chosen.

2 Actual dividend payments out of retained earnings

Under the dividend policy mentioned above, an interim dividend per share paid out of the Company's retained earnings to shareholders of record as of September 30, 2022 was 17yen (calculated on the basis of the DOE measure), and a final dividend per share payable to shareholders of record as of March 31, 2023 is to be 17yen (calculated on the basis of the DOE measure), thus an annual total dividend per share being 34yen.

Changes in dividend payments in the past 3 fiscal years:

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March31 2023
Interim dividend per share	15yen	19yeb	17yen
Final dividend per hare	19yen	19yen	17yen
Annual total	34yen	38yen	34yen

II. Matters Concerning the Company's Stock (as of March 31, 2023)

1. Number of authorized shares: 168,159,000 shares
2. Number of issued shares: 40,431,386 shares
(which include 6,668,047 treasury shares)
3. Number of shareholders (as of March 31, 2023): 16,335
4. Major shareholders (top 10): (in thousands of shares) (as of March 31, 2023)

Name of shareholder	No. of shares held (in thousands)	% of total

The Master Trust Bank of Japan, Ltd. (Trust Account)	4,502	13.33
Custody Bank of Japan, Ltd. (Trust Account)	1,214	3.59
Nomura Research Institute, Inc.	879	2.60
Ichiyoshi Securities Employee Shareownership Association	806	2.38
SSBTC ClIENT OMNIBUS ACCOUNT	677	2.00
Katsuhiko Yamanaka	400	1.18
State Street Bank and Trust Company 505044	390	1.15
JAFCO Group Co., Ltd.	300	0.88
JP Morgan Chase Bank 38571	266	0.79
HEIWA REAL ESTATE CO.,LTD.	245	0.72

Note: As of March 31, 2023, the Company held 6,668,047 treasury shares, which are not included in the calculation of the above-mentioned %.

5. Other matters concerning stock

(1) Acquisition of treasury shares

In order to make effective use of capital and execute flexible capital policy, the Board of Directors of the Company .resolved to acquire treasury shares as written below:

(i) Date of resolution: May 16,, 2022:

Based on the resolution, the Company acquired 2,000,000 shares at the cost of 1,262 million yen during the period from May 17 to June 20, 2022.

(ii)Date of resolution: March 9, 2023.

Based on the resolution, the Company acquired 558,800 shares at the cost of 363 million yen on March 10, 2023.

(2)The Board of Directors of the Company resolved to retire treasury shares on May 16, 2022. Based on the resolution, the Company retired 2,000,000 shares on May 23, 2022.

Ⅲ Matters Concerning Share Warrants

(1) Status of share warrants issued to directors and officers as compensation for their performance of duties:

Name of share warrants: 13th Share Warrants

Dare of resolution of issuance: May 15, 2020

Payment required for share warrant: None.

Exercise price of share warrant:45,500yen per warrant.

Conditions for exercise of share warrant:

(i) Holder of share warrant is required to be in the position of director, executive officer, operating officer, auditor, executive adviser or employee when exercising his/her share warrant, provided, however, that this provision shall not apply when he/she loses such position due to retirement after expiration of term of office, mandatory retirement age or other reasonable cause.

(ii) Share warrant is not allowed to be pawned or disposed of any other way.

(iii)In the event of share warrant holder's death, his/her legal heir may exercise the share warrant.

Exercise period of share warrant: From May 26 2022 to May 25, 2025.

Status of holding of share warrants by directors (excluding outside directors) and officers of the Company:

Name of share warrants:13th Share Warrants

Number of share warrants: 50 warrants

Number of shares issuable after full exercise of share warrants: 5,000 shares.

Number of holders: 1

(2)Information on share warrants, if issued during the fiscal year ended March 31, 2023 to employees of the Company as compensation for their performance of duties: None.

IV. Matters Relating to Directors and Officers of the Company

1. Directors and executive officers (as of March 31, 2023)

Title	Name	Charge/role/profession
Director, Chairman of Board of Directors	Masashi Takehi	Chairman of the Board of Directors, Member of Nominating Committee, Member of Remuneration Committee
Director, President and Representative Executive Officer	Hirofumi Tamada	Executive Chief for Advisors Division & for Advisors Support Division
Director, Deputy President, Representative Executive Officer	Toshiyuki Fuwa	Executive Supervisor for Personnel/Training
Director, Senior Managing Executive Officer	Shoichi Yamazaki	Executive Supervisor for Finance,Management, Operations Control Division System Division and Subsidiaries and Supervisor for Underwriting Credit Evaluation Auditor of Ichiyoshi Business Services Auditor of Ichiyoshi Asset Management Auditor of Ichiyoshi Research Institure

		Auditor of Ichiyoshi IFA
Outside Director	Akira Gokita	Chairman of Nominating Committee, Chairman of Audit Committee, Attorney-at-law with Gokita-Miura Law Office, Outside director at Sanwa Holdings Ltd.
Outside Director	Kenro Kakeya	Chairman of Remuneration Committee, Representative Dierctor & President of Kakeya Komuten,
Outside Director	Yoko Mashimo	Representative of Specified Social Insurance Labor and Social Security Personnel Management
Outside Director	Eiji Hirano	Member of Nominating Committee, Member of Audit Committee
Outside Director	Yuko Numata	Member of Remunerating Committee, Member of Audit Committee

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Notes:

(1) Messrs. Akira Gokita, Kenro Kakeya, Yoko Maahimo, Eiji Hirano and Yuko Numata are outside directors as defined by Article 2-15 of the Company Law.

(2) Messrs. Akira Gokita, Kenro Kakeya, Yoko Mashimo, Eiji Hirano and Yuko Numata are independent directors having no conflict of interest with the Company's shareholders as defined under the regulations of the Tokyo Stock Exchange.

(3) Mr. Eiji Hirano is a former director of the Bank of Japan (in charge of international finance) and involved in business management, thus having a reasonable knowledge of finance and accounting. Ms. Yuko Numata, Director, is a scholar of Japanese securities industry and corporate researcher, thus having a reasonable knowledge of finance and accounting.

(4) The following are operating officers as of March 31, 2023:

Title	**Name**	**Charge/role**
Senior Operating Officer	Masaki Yano	Executive Chief for Corporate Sales General Manager for Osaka Corporate Salles
Senior Operating Officer	Mikio Nio	Executive Chief for Financial & Public Corporations
Senior Operating Officer	Masayoshi Takahashi	Executive Chief for Investment Banking, General Manager for Underwriting
Senior Operating Officer	Nobuyasu Atago	Chief Economist
Senior Operating Officer	Masami Takeda	Executive Chief for Institutional Investors,

General Manager for Trading

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(5) Mr. Mitsuyoshi Matsumura, Operating Officer, retired effective as of September 30, 2022.

Mr. Masayoshi Takahashi, Senior Operating Officer, retired effective as of March 31, 2023.

(6)The following changes and appointments were made effective as of April 1, 2023:

Name	New title	New position/role
Hirofumi Tamada	Director, Representative Executive Officer. President	
Tshiyuki Fuwa	Director, Representative Executive Officer, Deputy President	
Shoichi Yamazaki	Director, Senior Executive Officer	Executive Supervisor for Finance, Management, Administrative Control, System and subusidiaries.
Masaki Yano	Senior Operating Officer	Executive Chief for Corporate Sales
Masami Takeda	Senior Operating Officer	Supervisor for Institutional Division

2. Outline of Directors and Officers Liability Insurance

The Company has contracted a directors and officers liability insurance ("D&O Insurance") whose outline is as follows:

(1)Covered directors and officers and insurance premiums they pay:

All directors, executive officers and operating officers of the Company and its subsidiaries are covered. Insurance premiums are paid by the Company.

(2)Geographical coverage is the whole world, and the insurance period is from March 23, 2023 to March 23, 2024.

(3)Compensable events:

(i)If an applicable director or officer becomes liable for a damage claim from a shareholder or third person resulting from the director's or officer's action or failure to act during the insurance period, such damage and litigation expenses will be covered.

(ii)When there arises a possibility of a damage claim suit (even if a suit has not actually happened) and an applicable director or officer incurs expenses in related defense, such expenses will be covered.

(4)This insurance will not cover a damage claim resulting from an applicable director's or officer's action contrary to public order and morals, thereby ensuring that directors' or officers' execution of their duty will be made in an appropriate manner.

3. Remunerations for directors and executive officers (remunerations in millions of yen)

Type	Total of all kinds of Remunerations	Total of basic Remuneration	Total of Business-result-linked remuneration	Total of Non-monetary Remuneration	Total of others	No of applicable directors or officers
Directors (excluding outside directors)	181	174	1	0	5	4
Outside directors	89	88	1	--	0	7

Notes: (1) In the form of non-monetary remuneration, the Company awarded share warrants to 4 directors (excluding outside directors). Expenses relating to those warrants which arose in the fiscal year ended March 31, 2023 are recorded in the financial statements.

(2 The total number of share warrants remaining unexercised as of March 31, 2023 is 50 (one warrant is entitled to 100 shares).

4. **Policy on determination of individual remunerations of directors and executive officers for the fiscal year ended March 31, 2023**

(1) The following is an outline of the policy of the Remuneration Committee for determining individual remunerations of directors and executive officers:

(i) Basic policy:

To lift the desire and will of directors and executive officers for company management and derive their utmost management capability, so that they will contribute to the achievement of desired business result.

(ii) Contents of remunerations:

Remunerations of directors and executive officers of the Company shall consist of "Monthly Basic Remuneration," "Remuneration Linked to Business Result," "Stock-related Remuneration" and "Non-monetary Remuneration" (such as housing allowance for persons living independently of their families for business reasons).

(iii) Policy for determining each of the above-mentioned remunerations:

(a) Monthly Basic Remuneration shall be individually determined by the Remuneration Committee through interview and hearing with each of directors and executive officers on his degree of execution of management strategies, degree of management contribution and performance result while the basic standard remuneration of each director and executive officer is fixed based on the contents of role/charge of his position as director or executive officer.

(b) Remuneration Linked to Business Result shall be individually determined by the

Remuneration Committee through interview and hearing with each of directors and executive on his contribution to business result and degree of performance of role/duty while the aggregate amount of remunerations for directors and executive officers are fixed based on current income and net income.

(c) Stock-related Remuneration shall be determined individually by taking account of potential effect of payment of this remuneration on management.

(d) Non-monetary Remuneration, such as for rent allowance for persons living apart from his family, shall be provided appropriately as required by business activities of each director and executive officer in the light of social norms.

(2) Indicators used for remuneration linked to business result, reasons for adopting such indicators and method of calculation of remuneration linked to business result are as follows:

(Indicators used for remuneration)

Current income and net income on a consolidated basis for the fiscal year ended March 31, 2023..

(Reasons for adopting indicators)

These indicators can be regarded as objective figures and generally so accepted.

(Method of calculation)

Firstly, the weighted average of current income and net income for the relevant semi-annual period is computed and compared with the corresponding average for preceding semi-annual period, thereby obtaining a positive or negative result for the calculation of remuneration linked to business result.

(3) Current income and net income for the fiscal year ended March 31, 2023 as indicators used for calculation:

Current income: 1,216 million yen

Net income: 758 million yen

(4)Policy concerning decision on amount and computation of remuneration for each director and executive officer:

The Company has in place standards for paying remunerations depending on difference between directors and executive officers, ranks and degree of achievement of results.
In deciding an actual amount of remuneration for each of directors and executive officers, the Remuneration Committee carries out evaluation of standards for paying remuneration applicable to each director and executive officer. The Remuneration Committee regards the remunerations for directors and executive officers for the fiscal year ended March 31,2021 as concordant with standards for paying remunerations.

5. Matters relating to outside directors

(1) Matters relating to whether or not the Company's outside directors are outside

directors of another company or companies, and relationship between the Company and another company or companies when outside directors are as such:

(i) **Outside Director Mr. Akira Gokita** is an attorney-at-law with Gokita-Miura Law Office and an outside director of Sanwa Holdings, Ltd. There is no matter to be noted between the Company and Gokita-Miura Law Office and Sanwa Holdings, Ltd..

(ii) **Outside Director Mr. Kenro Kakeya** is representative director and president of Kakeya Komuten Co., Ltd. There is no matter to be noted between the Company and Kakeya Komuten Co., Ltd.

(iii))**Outside Director Ms. Yoko Mashimo** is Representative of Specified Social Insurance Labor and Social Security Attorney Personnel Management. There is no matter to be noted between the Company and Specified Social Insurance Labor and Social Security Attorney Personnel Management.

(iv)Outside Director Mr. Eiji Hirano is director and Deputy Chairman of MetLife Insurance Co., Ltd., outside director at Riken Co., Ltd. and outside director at NTT Data Co.,Ltd. There is no matter to be noted between the Company and MetLife Insurance, Riken and NT Data.

(v)Outside Director **Ms. Yuko Numano** is professor of humanities and sociology at Teikyo Heisei University. There is no matter to be noted between the Company and the univbersity.

(2) Attendances of the outside directors at the Company's various meetings:

Title	**Name**	**Frequency of attendance and expression of views**
Director Member of the Nominating Committee and Audit Committee	**Akira Gokita**	Attended 18 meetings of the Board of Directors (frequency ratio of 100%), 10 meetings of the Nominating Committee (frequency ratio of 100%), 1 meeting of the Remuneration Committee (frequency ratio of 100% since becoming a member) and 17 meetings of Audit Committee (frequency ratio 100%). At meetings, he provided expert advices and views as a former public prosecutor and attorney-at-law, thereby ensuring the Company's governance capability.
Director Member of the Remuneration Committee	**Kenro Kakeya**	Attended 18 meetings of the Board of Directors (frequency ratio of 100%), 1 meeting of the Nominating Committee (frequency ratio of 100% since becoming a member) and 4 meetings of the Remuneration Committee (frequency ratio of 100%).

		At meetings, he provided expert advices and views as a former press reporter with Nippon Keizai Shinbun (Japan Economic Journal) and incumbent business executive, thereby contributing to the Company's governance capability.
Director	**Yoko Mashimo**	Attended 18 meetings of the Board of Directors (frequency ratio of 100%) At meetings, she provided expert advices and views as as labor and Social Security Attorney and from the female point of view. Thus, she contributed to the Company's management and governance.
Director Member of Nominating Committee and Audit Committee	**Eiji Hirano**	Attended 12 meetings of Board of Directors (frequency ratio of 86%), 7 meetings of Nominating Committee (frequency ratio of 78%) and 12 meetings of Audit Committee (Frequency ratio of 100%). since becoming a member. At meetings, he offered his expert advices and opinion as a former director (in charge of international finance) at the Bank of Japan and from his global standpoint as well as from his standpoint as a former business executive. . Thus, he contributed to the management and governance of the Company.
Director Member of Remuneration Committee, Audit Committee	**Yuko Numano**	Attended 14 meetings of the Board of Directors (frequency ratio of 100%), 3 meetings of Remuneration Committee (frequency ratio of 100%) and 12 meeting s of Audit Committee (frequency ratio of 100%) since becoming a member. At meetings, she provided her expert knowledge and opinion as a scholar of management strategy of U.S .and Japanese financial institutions. Thus, her views from the female stand point contributed to the management and governance of the Company.

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v. Matters concerning Certified Public Accountants

(1) Name: Ernst & Young ShinNihon LLC

(2) Remunerations for the certified public accountants:

(i) Remunerations relating to work defined by Article 2-1 of Certified Public Accountants Act: 36,000,000yen.

(ii) Remunerations relating to work other than work defined by Article 2-1 of

Certified Public Accountants Act: 1,000,000 yen.

(iii) Total of monetary and other economic benefits paid by the Company and its group companies: 41,000,000yen.

NB: (a) The audit contract between the Company and the certified public accountants does not divide auditing work based on the Company Law from auditing work based on the Financial Instruments and Exchange Law. Hence, Remunerations mentioned in (i) above include remunerations relating to work based on the Financial Instruments and Exchange Law.

(ii) The Audit Committee of the Company complies with "Practical Guidelines Concerning Cooperation with Public Accountants" ("Practical Guidelines") publicized by Japan Auditors Association. In compliance with the Practical Guidelines, the Audit Committee ascertains and confirms the public accountants' audit system, audit plan, audit implementation status, maintenance status of quality control and calculation base for estimated remunerations for auditing work. Based on such ascertainment and confirmation, the Audit Committee complies with Article 399-1 of the Company Law with respect to the remunerations for the public accountants.

(3) Contents of non-auditing work:
Guarantee for legal compliance relating to segregated custody of customers' assets

(4) Matters concerning auditing of consolidated subsidiaries:
The consolidated subsidiaries of the Company are not audited by other than the public accountants of the Company.

(5) Decision on removal or non-reappointment:
The Audit Committee of the Company removes the public accountants with the consent of all Committee members when the public accountants fall under each item of Paragraph 1 of Article 340 of the Company Law. In the event of such removal, an Audit member selected by the Audit Committee shall report the removal and reasons for the removal at a shareholders' meeting to be held for the first time since the removal.

The Audit Committee makes re-appointment or non-reappointment of public accountants after taking into account the quality of their audit, effectiveness and efficiency of their auditing work.

VI. System to Ensure Appropriateness of Business Operation and Outline of Operational Status of the System

(1).System to ensure the appropriateness of business execution (internal control system)

<1>System to ensure the appropriateness of business execution is as follows:

(i) Matters concerning directors and employees to assist in duties of the Audit Committee of the Company.

The Company installs the Audit Committee Room as a body to assist in the duties of the Audit Committee. The Audit Committee Room with staffed with an employee to assist in the duties of the Audit Committee. The staff also assist in auditing work.

(ii) Matters concerning the independence of directors and employees (who assist in the duties of the Audit Committee) from executive officers.

In order to ensure such independence, the transfer and performance review of, or disciplinary action against, the employees of the Audit Committee Room shall be authorized by the Audit Committee or a selected Audit Committee member.

(iii) Matters to ensure the effectiveness of instructions to directors and employees assisting in the duties of the Audit Committee.

In order to ensure the effectiveness of instructions from the Audit Committee, employees of the Audit Committee Room shall be full-time employees and assist in auditing work at the instructions of Audit Committee member in accordance with the "Audit Committee Rules."

(iv) System concerning report to the Audit Committee.

a. When officers and employees of the Company are requested by Audit Committee members to report on matters concerning business execution, they shall promptly make such report to Audit Committee members involved or the Audit Committee.
b. Officers and employees of the Company and its subsidiaries shall report in writing or orally to the Audit Committee when they have noticed any deed outside the scope of the purposes of the Company or any matter in contravention of laws and regulations and the Articles of Incorporation of the Company or any substantial harm to the Company.
c. Any person receiving from officers and employees of the Company and its subsidiaries reports on any deed outside the scope of the purposes of the Company or any matter in contrivance of laws and regulations and the Articles of Incorporation of the Company shall report in writing or orally to the Audit Committee.

(v) System to ensure that any person reporting to the Audit Committee shall not be treated unfairly.

The Labor Regulations shall stipulate that officers or employees who have made reports described in (iv) above shall not be treated unfairly.

(vi) Matters concerning procedures for prepayment or reimbursement of expenses arising from the performance of duties of the Audit Committee members policy for treatment of other expenses or debt arising from the performance of duties of the Audit Committee.

When Audit Committee members request the prepayment or reimbursement of expenses arising from the duties of the Audit Committee or payment of other expenses arising from the performance of duties involved, the Company shall promptly in principle pay the related expenses.

(vii) System to ensure that the audit by the Audit Committee shall be effectively carried out.

a. Audit Committee members shall attend meeting s of the Board of Directors and Executive officers to grasp the process of material decision-making and business execution.
b. The Chairman of the Audit Committee shall attend the meetings of the Internal Control Meeting as a member status.
c. Audit Committee members are entitled to attend other important meetings inside the Company as needed.
d. Audit Committee members are entitled to investigate performance of duties by officers and employees, business performances and financial conditions of subsidiaries in accordance with the "Audit Committee Rules."
e. The Audit Committee shall arrange to receive periodical reports on the audit result of the internal audit section.

<2>System to ensure that the performance of duties of the Executive Officers comply with laws and regulations and the Articles of Incorporation of the Company.

(i) System concerning conservation and control of information on business execution by Executive Officers.

a. The Company makes a proper conservation and control of material documents relating to the performance of duties by Executive Officers in accordance with "Executive Officers Rules."
b. The Company makes a thorough control of information on the performance of duties by the Executive Officers in accordance with "Information Security Policy," "Privacy Protection Rules," "Rules on Treatment of Privacy and Individual Data," and "Information Security Guidelines."

(ii) Regulations and system concerning the risk control against loss of the Company

a. The Company has put in place "Risk Control Regulations," making specific sections responsible for specific risk categories, thereby further improving risk control system.
b. The Company has put in place "Risk Control Meeting" which regularly

discusses and deals with matters concerning risks and makes reports on conditions to the Internal Control Committee . The Chairman of the Internal Control Committee shall make reports to the Board of Directors as needed.

c. The Company has formulated "Regulations on BCP(business continuity plan) in preparation for contingency, thereby improving the system to ensure the business continuity. The Company also regularly plans disaster-prevention education and emergency drill, thereby raising the awareness of disaster prevention and making preparations for happening of disasters.

d. When the Company faces difficulty in maintaining and continuing business operations in the event of disaster happening, the Company shall set up Disaster Control Headquarters for BCP which will strive for damage reduction and response to re-start business operations promptly.

(iii) System to ensure the efficiency of performance of duty by Executive Officers

a. The Company has put in the Operating Officer system which assists in the performance of duties by Executive Officers in order to further strengthen the execution capability of Executive Officers and flexible and effective decision-making by a small group of Executive Officers.

b. The Board of Directors shall make clear divisions of duties and powers among Executive Officers and try to improve the system for Executive Officers to properly and efficiently perform their duties and regularly receive reports from Executive Officers on their business executions.

(iv) System to ensure that the execution of duties by employees complies with laws and regulations and the Articles of Incorporation of the Company.

a. The Company has in place "Credo" consisting of "Management Philosophy," "Management Objectives" and "Action Guidelines" and has made it thoroughly understood by employees. Employees are trained to comply with it and work along with it.

b. The Company has in place internal rules such as "Rules for Division of Duties" and "Rules for Administrative Authority" thereby clarifying the responsibility and authority of employees and improving the system for proper execution of business.

c. The Board of Directors approves a compliance program for each fiscal year and makes efforts to grasp the operational status of the program.

d. The Company has in place internal rules, a manual and a guidebook based on laws and regulations and organizes internal training sessions on them appropriately, thereby making them known thoroughly to officers and employees.

e. The Company has in place the Internal Audit Department to carry out an internal audit, thereby securing the effectiveness and efficiency of the internal governance.

<3>System to ensure business execution by the business group consisting of the Company and its subsidiaries.

(i) System to report to the Company on execution of duties by directors and operating officers of subsidiaries.

a. Subsidiaries are obliged to report to the Company on material matters inside the subsidiaries in compliance with "Rules for Management of Affiliated Companies."

b. The Company organizes "Meeting of Affiliated Companies' Presidents," thereby sharing information between and among the Company and subsidiaries.

(ii) Rules and other system concerning the control of risk of loss at subsidiaries.

The "Rules of Control of Risk" of the Company contains rules for risk control system for subsidiaries, thereby improving risk control system across the group.

(iii) System to ensure that the execution of duties by directors of subsidiaries is efficiently carried out.

a. The Company has clarified the division of duties and authority of subsidiaries' directors, thereby improving the system for their proper and efficient execution of business.

b. The Company has introduced the operating officer system to subsidiaries to further strengthen the business execution capability and to ensure flexible decision-making by a smaller group of directors and their efficient execution of business.

c. The Board of Directors of the Company shall receive the periodical report on business operation from the directors of the subsidiaries.

(iv) System to ensure that the execution of duties by Directors, officers and employees of the subsidiaries comply with applicable laws and regulations and the Articles of Incorporation of the Company.

a. The subsidiaries have in place "Credo" consisting of "Management Philosophy," "Management Objectives" and "Action Guideline" and have made it thoroughly understood by Directors, officers and employees. Directors, officers and employees are trained to comply with it and work along with it.

b. The subsidiaries have in place internal rules such as "Rules for Divisions of Duties" and "Rules of Administrative Duties," thereby clarifying the responsibility and authority of employees and improving the system for their proper execution of duties.

(v) Other system to secure the appropriateness of business execution by the business group.

a. The Company has in place the “Committee of External Experts” which is independent of the management of the Company and offers advices and proposals on management issues.

b. Internal Governance Meeting shall deliberate on matters concerning internal governance.

c. The Company has in place the Whistle Blowing System to prevent violation of laws and regulations in relation to business executions by the Company or subsidiaries and to enable early detection of unseemly event.

<4>System to ensure reliability of financial reporting by the Company and subsidiaries.

In order to properly comply with internal governance reporting system based on Financial Instruments and Exchange Law, the Company and subsidiaries have in place an internal governance system relating to financial statements which is continuously reviewed, corrected as is needed and properly handled to ensure the reliability of financial reporting.

<5>Basic view and condition of status toward elimination of anti-social forces

(i) The Company and subsidiaries shall not trade with, and deal with resolutely, anti-social forces which threaten order and safety of civic society.

(ii) In order to prevent damages caused by anti-social forces, the Company and subsidiaries shall formulate and publish “Basic Policy for Blocking of Relationship with Anti-social forces.”

(iii) The Company and subsidiaries shall appoint an unfair request prevention officer at each branch, hold internal training and enlighten directors, officers and employees on the subject.

(iv) The Company shall maintain liaison with external organs, such as the police, Center for Elimination of Violence, Center for Assistance for Securities Safety and lawyers to further eliminate relations with anti-social forces.

(2) System to ensure the appropriateness of business execution and outline on the operational status of the system.

<1> Audit Committee

The members of the Audit Committee are all outside directors. The Audit Committee room is staffed with a full-time employee. The Audit Committee performs its duty in accordance with “Rules for Audit Committee” formulated to secure its independence from Executive Officers and to ensure the effectiveness of its audit. Audit members are entitled to attend various meetings, receive relevant reports and secure budgets for information collection and are provided with resources necessary to perform their duties.

Any person who has reported to the Audit Committee any act in contravention of the Articles of Incorporation of the Company or any substantial harm to the Company shall be guarded from any unfair treatment against him, such as penalty or segregation. Labor Regulations stipulate to that effect and are made known across the Company.

<2>Executive Committee

(Information management)

The management of information (including electromagnetic record) relating to the performance of duties by Executive Officers is properly carried out in accordance with "Rules for Documents" and "Control Rules for Information Security." With respect to cyber security, the Company takes such measures as the operation of Security Operation Center and emergency procedures check and emergency response training by the Computer Security Team.

(Risk management)

Risk-specific section and the risk management division hold a risk-management meeting monthly to discuss cooperation and countermeasures. The result of the meeting is reported to the internal governance meeting and also to the Board of Directors as is needed. To cope with countermeasure, various training programs such as for system trouble and emergency evacuation are in accordance with the Company's BCP. With respect to measures to prevent the infection of novel coronavirus, BCP response headquarters collected and shared information within the group, issuing anti-infection measures to employees and customers following the guidelines from national and regional governments.

(Effective performance of duties)

The Company has in place the Operating Officers System to improve the efficiency of performance of duties by Executive Officers. "Rules for Operating Officers" stipulate the duty of Operating Officers to report and describe to Executive Officers, thereby securing the proper duty performance system of Operating Officers.

<Duty performance by employees in compliance with laws and regulations and the Articles of Incorporation of the Company>

The Company ensures the compliance by employees of laws and regulations through the issuance and full understanding of "Credo" and the formulation of compliance programs. In addition, through internal audit, the Company secures the effectiveness and efficiency of the internal governance.

<3> Appropriateness of business operation by business group consisting of the

Company and subsidiaries.

(Reporting system)

The Company receives reports from subsidiaries on material matters in accordance with “Rules for Management of Affiliated Companies,” and holds a monthly meeting of presidents of affiliated companies every month to share management information.

(Risk management of subsidiaries)

The Company has in place the system to receive reports on risk management from subsidiaries in accordance with “Rules of Risk Management.”

(Ensuring of system of effective performance of duties and legal compliance by directors and officers of subsidiaries)

The Company has stipulated the segregation of duties and authority to promote effective performance of duties by directors, officers and employees. The Company also has in place the operating officer system to assist directors in performing their duties. The Board of Directors receives reports on business operations by subsidiaries on a regular basis. In addition, “Credo,” widely known among employees, contributes to their legal compliance to the full.

<4> Reliability of financial reporting by the Company and subsidiaries>

The Company makes it its fundamental policy to follow “Standards and Audit and Execution thereof of Internal Governance Relating to Financial Reporting (Corporate Accounting Board). Hence, the Company prepares an internal governance report based on the review of effectiveness by the Internal Audit Department, thereby enhancing the reliability of financial reporting.

<5> Elimination of anti-social forces by the Company and subsidiaries.

(Elimination of anti-social forces)

The Company and subsidiaries shall not trade with, and deal with resolutely, anti-social forces and have stipulated to that effect in “Rules for Blocking of Relations with Anti-social Forces” and its related manual, while training directors, officers and employees for their further understanding. The Company publish its “Basic Policy for Blocking of Relations with Anti-social Forces” on its website and storefronts. At its head office and branches, the Company appoints an unfair request prevention officer and maintains liaison with external organs, thereby enforcing relation-blocking with anti-social forces.

(Money laundering)

The Company makes it one of its major management tasks to prevent money laundering. The Company has formulated “Basic Policy for Prevention of Money

Laundering and Anti-terrorism Funding," thereby further tightening the identification and review of potential risk and customer management and legal compliance and internal control system.

1. VII. Basic Policy on Control of the Company

(1) Contents of basic policy

The Company has adopted a management policy of "To remain a firm of customers' trust and choice" and strives to become a "Name-brand boutique house in the finance and securities industry" under its motto of "To build a securities firm like no other in Japan." The basic policy of the Company is to provide services based on a "Good Long Term Relation" with each of the Company's customers, and by strengthening this policy, the Company believes that it is able to enhance its corporate value and, in turn, the common interests of its shareholders on a medium-to long-term basis.

Hence, the Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the Company's management philosophy and who will make it possible to ensure and enhance the Company's corporate value and the common interests of its shareholders.

Therefore, the Company believes that persons who would make a large-scale acquisition of the shares of the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against such large-scale acquisitions.

(2) Measures to materialize the basic policy

<1> Effective utilization of Company's assets, appropriate form of corporate group and other special measures to realize the basic policy

a. Measures to enhance the corporate value through a medium-term management plan.

In order to further widely solidify its business base so far built to become a "Name-Brand Boutique House in the Finance and Securities Industry, the Company formulated a new "Medium-Term Management Plan" ("3-D") with its target date set for the end of March 31, 2026. Under the plan, the Company intends to expand its customers' assets in custody to 3 trillion yen by the end of March 31, 2026.

We at Ichiyoshi Securities Co., Ltd. (the "Company"), over 20 years, have proceeded with the transformation of the Company from "Flow-Type Business Model" chiefly based on brokerage commissions to customer-focused "Stock-Type

Business Model" (asset-accumulation type business model) chiefly based on fund management and trailer fees and wrap-account fees. The cost-coverage ratio being a barometer for advance toward "Stock-Type Business Model," the Company has also set the target for the ratio to be attained during the plan.

b. Measures regarding corporate governance and shareholder return.

The Company consistently aims for mobility and transparency in management decision-making, rapid business execution and tightened control on execution of duty, and considers corporate governance as one of its priority issues in management.

From June 2003, the Company adopted a committees-based-company system. The Company's Board of Directors, which comprises 9 directors including 5 outside directors, makes management decisions and supervises the execution of duties by executive officers. The Audit Committee, which consists of 3 outside directors, supervises the execution of duties by directors and executive officers. The Company has in place the Internal Audit Department as a centralized control unit, which strives for improvement on internal governance.

The Company take a proactive stance with respect to shareholder return. As reported in the Company's Business Result for Fiscal 2022, which contains items on business performances and dividend policy, the Company decides an amount of dividend per share semi-annually.

<2> Measures to prevent decisions on the Company's financial and business policies from being controlled by persons deemed in appropriate under the basic policy.

When a party attempts a large-scale acquisition of the Company's shares, it will strive to collect and disclose information required to help shareholders understand such attempt properly, and take proper measure the Board of Directors are authorized to take under the Company Law, other applicable laws and the Articles of Incorporation of the Company.

(3) Judgment by Board of Directors and reason therefor as to concrete measures.

Measures mentioned in <1> and <2> of (2) above follow the basic policy on the control of the Company and conform to the corporate value of the Company and the common interests of its shareholders and do not aim to maintain the status of the members of the Board of Directors.

VIII. The Consolidated Financial Statements

Please refer to the Company's press release dated April 28, 2023, titled "Business Result for Fiscal Year to March 31, 2023" on the Company's website (https:// ichiyoshi.co.jp/stockholder/presentation).

(Those financial statements have already been audited by certified public accountants as of this date.)

IX. Notes to Consolidated Financial Statements

(Abbreviated English version)

[Notes to material items basic for preparation of financial statements]

1. Scope of consolidation.

   Names of consolidated subsidiaries:

   Number of consolidated subsidiaries: 4

   Names: Ichiyoshi Research Institute, Inc.
   Ichiyoshi Asset Management Co. Ltd.
   Ichiyoshi Business Service Co. Ltd.
   Ichiyoshi IFA Co. Ltd.

2. Matters concerning accounting policy.

   (1) Valuation standard and method for securities.

   (i) Purpose and scope of trading

   The purpose of trading of the Company and its group companies is principally to assist in healthy running of market function and smooth executions of brokerage transactions on exchange floors and formation of fair market prices and smooth trading in off-floor transactions, thereby helping the Company group gain profits by taking advantage of price changes on the same floor or between different floors.

   Securities the Company group deals in include listed stocks, bonds with warrants, futures of stock price indexes, stock options, specific stock options, futures of government bonds on exchange floors, and stocks, bonds, share warrants and bond traffic with option off the floors. .

   (ii) Valuation basis and method for trading securities.

   Market value method is applied to trading securities and derivatives.

   (iii) Valuation basis and method for non-trading securities.

   a. Non-trading securities without market price (other than stocks) are carried at cost. Any difference between their cost and valuation is reported as a component of shareholders' equity. Cost of securities sold is determined by the moving average method.

   b. Stocks without market price:

   Cost method is applied using the moving average method.

   c. Investments in partnerships regarded as securities in Article 2-2 of the Financial Instruments and Exchange Law:

   The Company's attributable portion of net income of the partnerships is reflected on the consolidated statements of income at the closing dates of the partnerships specified in the related partnership contracts.

(2) Depreciation methods for material tangible and intangible assets.

(i) Tangible assets (other than leased assets)

a. Assets acquired prior to March 31, 1998: Old form of declining balance method.

b. Assets acquired from April 1, 1998 to March 31, 2007: Old form of Straight-line method.

c. Assets acquired on and after April 1, 2007: Straight-line method.

For fixtures and equipment attached to buildings:

a. Those acquired prior to March 31, 2007: Old form of declining balance method.

b. Those acquired from April 1, 2007 to March 31, 2016: Declining balance method.

c. Those acquired on and after April 1, 2016: Straight-line method.

The useful lives of buildings and fixtures and equipment:

For buildings: 3 to 50 years.

For fixtures and equipment: 3 to 20 years.

(ii) Intangible assets (other than leased assets)

Straight-line method is applied. Softwears (used internally) are depreciated by the straight-line method.

(iii) Leased assets

Straight-line method based on useful life (equal to lease period).

(3) Material allowances and reserves

(i) Allowance for doubtful debt

The allowance for doubtful debt is calculated based on the historical experience with bad debts plus an estimate of certain uncollectible amounts determined after an analysis of specific individual receivables.

(ii) Bonuses to employees

The Company follows the Japanese practice of paying bonuses to employees in June and December. "Accrued bonuses to employees" represents the resulting estimated liability at the balance sheet date.

(iii) Reserve for financial instruments transaction liabilities

The Company allocates an amount required under Article 46-5 of the Financial Instruments and Exchange Law and Article 175 of Cabinet Office Order on Financial Instrument Business, Etc.

3. Segment information

(1) Segment information

(For the fiscal year ended March 31, 2023)

Since the Company and its group companies are engaged in one single segment of business defined as "investment and financial services," the description of segment information is omitted.

(2) Related information

(for the fiscal year ended March 31, 2023)

(i) Information by product and service:

Since investment and financial services defined as one single segment accounted for more than 90% of operating revenue on the consolidated income statement, the description of information by product and service is omitted.

(ii) Information by area:

a. Operating revenue

Since operating revenue derived from domestic customers accounted for more than 90% of operating revenue on the consolidated income statement, the description of operating revenue by area is omitted.

b. Tangible fixed assets

Since there is no tangible fixed asset outside Japan, the description of tangible fixed assets by area is omitted.

c. Information by main customers.

Since there is no customer who accounts for more than 10% of operating revenue, the description of main customers is omitted.

(iii) Information on impairment loss on tangible fixed asset by described segment:

For the fiscal year ended March 31, 2023,(from April 1, 2022 to March 31, 2023)

Since the Company and its group companies are engaged in one single segment of business defined as "investment and financial services," the description of impairment loss on tangible fixed asset by segment is omitted.

(iv) Information on amortized amount or unamortized balance of goodwill by described segment:

Since the Company and its group companies are engaged in one single segment of business defined as "investment and financial services," the description of amortized or unamortized balance of goodwill by segment is omitted.

(v) Information on gains from negative goodwill by described segment:

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services,” the description of gains from negative goodwill by segment is omitted.

X. Non-consolidated Statement of Changes in Equity

(English version is omitted.)

XI. Notes to Non-consolidated Financial Statements

(English version is omitted.)

(End)