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(English translation for reference purposes only)

## **EARNINGS REPORT FOR FIRST THREE QUARTERS OF FISCAL 2023**

**(April 1 to December 31, 2023)**

(Consolidated under Japanese GAAP)

Name of Company: **Ichiyoshi Securities Co., Ltd.**

Listed on: Tokyo Stock Exchange (Prime Section) (Stock code: 8624)

Corporate representative: Mr. Hirofumi Tamada, President & Representative Executive Officer

Inquiry to: Mr. Shoichi Yamazaki, Senior Managing Executive Officer & Chief Supervisor for  
Finance and Management Tel: (03) 4346-4512 (URL <https://www.ichiyoshi.co.jp>)

Date of filing First Three Quarters Report: February 13, 2024 (scheduled)

Supplementary documents for quarterly earnings: Provided.

Quarterly earnings-reporting meeting: None.

(Figures less than one million yen are discarded)

### **1. Outline of Consolidated Business Result for First Three Quarters of Fiscal 2023 (from April 1 to December 31, 2023)**

#### **(1) Highlights of consolidated business result (in millions of yen except for per-share figures) (% indicates year-on-year change)**

|                                                             | Operating revenue (%) | Net operating revenue (%) | Operating profit (%) | Ordinary profit (%) |
|-------------------------------------------------------------|-----------------------|---------------------------|----------------------|---------------------|
| First three quarters of fiscal year ended December 31, 2023 | 13,504 (+6.9)         | 13,478 (+6.9)             | 1,583 (+59.0)        | 1,628 (+55.3)       |
| First three quarters of fiscal year ended December 31, 2022 | 12,632 (-17.7)        | 12,607 (-17.7)            | 995 (-66.5)          | 1,048 (-65.9)       |

|                                                             | Profit attributable to owners of parent (%) | Earnings per share | Diluted earnings per share |
|-------------------------------------------------------------|---------------------------------------------|--------------------|----------------------------|
| First three quarters of fiscal year ended December 31, 2023 | 1,113 (+65.5)                               | 32.97 yen          | 32.90 yen                  |
| First three quarters of fiscal year ended December 31, 2022 | 672 (-70.5)                                 | 19.39 yen          | 19.35 yen                  |

Note: Comprehensive income: For the first three quarters of fiscal 2023: 1,148 million yen (+75.3%)

For the first three quarters of fiscal 2022: 654 million yen (-70.4%)

#### **(2) Consolidated financial condition (in millions of yen)**

|                         | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------------|--------------|------------|--------------|----------------------|
| As of December 31, 2023 | 47,025       | 27,852     | 59.2 %       | 823.34 yen           |
| As of March 31, 2023    | 42,670       | 27,826     | 65.2 %       | 823.78 yen           |

Note: Shareholders' equity: As of December 31, 2023: 27,834million yen

As of March 31, 2023: 27,813 million yen

## 2. Dividends

|                                  | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total     |
|----------------------------------|-------------------|--------------------|-------------------|-----------------|-----------|
| Fiscal year ended March 31, 2023 | --                | 17.00 yen          | --                | 17.00 yen       | 34.00 yen |
| Fiscal year ended March 31, 2024 | --                | 17.00 yen          | --                | ****            | ****      |

- Notes:
- (i) Ichiyoshi Securities Co., Ltd. (the “**Company**”) declares dividends payable to shareholders of record as of September 30 (semiannual dividends) and March 31 (final dividends) of each fiscal year, but not to shareholders as of June 30 and December 31 of each fiscal year.
  - (ii) It is not the Company’s practice to give an earnings or dividend forecast. Hence, \*\*\*\*.

## 3. Outlook for Business Result for Fiscal 2023 (from April 1, 2023 to March 31, 2024)

Since the forecast of earnings in financial-instruments trading, the main-line business of the Company and its group companies, is hard to make due to volatile factors in the market, the Company does not provide such forecast prior to the end of each quarter. Instead, the Company intends to release preliminary earnings figures after the end of each quarter as and when such figures become available.

### Points to note:

- (1) Changes in material subsidiaries (including changes in special subsidiaries resulting from change in scope of consolidation): None.
- (2) Application of accounting methods specific to preparation of quarterly consolidated financial statements: None.
- (3) Changes in accounting policies and estimates and restatement of financial statement:
  - (i) Changes in accounting policies occasioned by revisions to accounting standards: None.
  - (ii) Changes in accounting policies other than those in (i): None.
  - (iii) Changes in accounting estimates: None.
  - (iv) Restatement of financial statement: None.
- (4) Number of shares issued (common stock):
 

|                                                                                               |            |        |
|-----------------------------------------------------------------------------------------------|------------|--------|
| (i) Number of shares issued as of December 31, 2023:<br>(including treasury shares)           | 37,931,386 | shares |
| Number of shares issued as of March 31, 2023:<br>(including treasury shares)                  | 40,431,386 | shares |
| (ii) Number of treasury shares as of December 31, 2023:                                       | 4,124,689  | shares |
| Number of treasury shares as of March 31, 2023:                                               | 6,668,047  | shares |
| (iii) Average number of shares outstanding<br>during the first three quarters of fiscal 2023: | 33,780,313 | shares |
| Average number of shares outstanding<br>during the first three quarters of fiscal 2022:       | 34,693,028 | shares |

### Additional points to note:

1. The financial figures contained herein are released without being reviewed by certified public accountants or an auditing firm.
2. Explanation for proper use of earnings forecast and other special points to note:  
For the same reason that the Company does not provide an earnings forecast prior to the end of each quarterly and annual business term as stated in **3. Outlook for Business Result for Fiscal 2023 (from April 1, 2023 to March 31, 2024)** on page 2, the Company does not provide a dividend forecast.

## I. Outline of Business Result, Etc.

### **(1) Outline of Business Result for First Three Quarters of Fiscal 2023**

During the first three quarters of fiscal 2023, the Japanese economy was on a gradual recovery trend. While the influences of price increases were seen, personal consumption showed signs of continuous recovery. Business corporations continued their investments for digital transformation. In the meantime, the global economy as a whole maintained its resiliency with some limited areas showing weakness under the fiscal tightness.

The Japanese stock market maintained its rising trend towards early July on outlooks for the Japanese economy pulling out of deflation and in positive response to Japanese corporations dealing with measures to raise their shareholder values. Consequently, the Nikkei Stock Average on the Tokyo Stock Exchange (the “TSE”) recovered to 33,753yen, on July 3, on a par with the level recorded approximately 33 years ago in 1990. Thereafter, however, the Nikkei Stock Index underwent up-and-down fluctuations. Amid the sharp rising of the U.S. interest rates on outlooks that the U.S. financial tightening might remain longer and out of caution over the Middle East situation and the possibility of the Bank of Japan changing its financial policy, the Nikkei Stock Average went below the 31,000yen mark briefly in October. But the downtrend was thereafter broken as favorable earnings reports from domestic business corporations pushed up the Nikkei Stock Average. As the long-term interest rates in the U.S. declined in anticipation of the Fed moving toward cutting official interest rates amid the slowdown of inflation, the difference in interest rates between the U.S. and Japan narrowed, resulting in the strengthening of the yen, which put a downward pressure on Japanese export-related stocks toward the end of December. As outlooks for the early lifting of the negative interest rate policy by the Bank of Japan receded after its December Monetary Policy Meeting, the Nikkei Stock Average ended the period at 33,464yen.

In the foreign currency market, the yen rate against the U.S. dollar was on the 130yen per 1 U.S. dollar level in the early part of the period. Reflecting the rising U.S. interest rates thereafter, the yen recorded 151.94yen per 1 U.S. dollar on November 13. As strongly expected in the market, U.S. interest rates turned lower from mid-November, making the yen end the period on the lower side of the 141 yen per 1 U.S. dollar level.

In the Growth Section of the TSE for companies with high growth potential, the TSE Growth Section Index rose to 1,092 on June 21, the highest since April 2022 when the index was first calculated. Thereafter, however, the index continued its decline, ending the period at 891. TSE Growth Section 250 Index (changed from the former TSE Mothers Index on November 6, 2023) recorded 864 on June 21, the highest in 1 year and 5 months, and closed the period at 706.

In the Prime Section of the TSE, the average daily turnover was 4,031.1 billion yen. In the Standard Section of the TSE, the average daily turnover was 128.7 billion yen. In the Growth Section of the TSE, the average daily turnover was 151.9 billion yen.

Under these circumstances, the Company has been aiming to build customers-focused “Stock-Type Business Model” and exerting its efforts to double core-stock assets in fund-wrap accounts and investment trust funds in order to expand its customers’ assets in custody to 3 trillion yen as a numerical target under the Medium-Term Management Plan “3・D.”

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 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, its outstanding balance as of December 31, 2023, amounted to 238.2 billion yen, up 18.8%, as customers’ needs for conservative assets for medium-to long-term investments continued to grow.

With respect to investment trust funds (other than Dream Collection), the Company has recommended stock funds matching customers’ needs, such as “Ichiyoshi Global Equity Fund,” “BlackRock World High Dividend Equity Open” and “Ichiyoshi Japan Select Dividend Equity & J-REIT Fund.” The outstanding balances of these funds as of December 31, 2023 amounted to 749.9 billion yen, up 6.8% from the end of the year-earlier quarters.

With respect to Ichiyoshi Asset Management Co., Ltd. the amount of assets under its management continued to increase and recorded 483.4 billion yen as of December 31, 2023, up 14.2%.

As a result of these activities, net operating revenue for the first three quarters of fiscal 2023 amounted to 13,478 million yen, up 6.9% from the first three quarters of fiscal 2022. Selling, general and administrative expenses amounted to 11,895 million yen, up 2.4%. Hence, operating profit registered 1,583 million yen, up 59.0%.

Customers’ assets in custody as of December 31, 2023, amounted to 2,076.8 billion yen, up 8.8%.

The Company regards the cost coverage ratio as an important management index which indicates the degree of the Company’s transformation and advance towards “Stock Type Business Model” (asset-accumulation type business model), which the Company aims to build. The cost coverage ratio for the first three quarters of fiscal 2023 was 58.2%, up from 53.8% in 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 revenue sources, cost and expenses and financial condition.

#### **i. Commission received**

Total commission received for the first three quarters of fiscal 2023 amounted to 13,165 million yen, up 7.0 % from the previous fiscal year.

##### **(a) Brokerage commission**

Total brokerage commissions on stocks rose 12.7% to 3,801 million yen. Brokerage commissions on small- and medium-sized stocks (stocks listed on Standard Section and Growth Section of the TSE, Main Section and Next Section of Nagoya Stock Exchange) registered 498 million yen, down 7.7%, and accounted for 13.2% of total brokerage commissions on stocks.

##### **(b) Fees for offering, secondary distribution and solicitation for selling and others for professional investors**

As commissions on beneficiary certificates recorded 1,966 million yen, down 1.7% from the previous fiscal year, total fees for offering, secondary distribution and solicitation for selling and others for professional investors registered 1,985 million yen, down 2.4%.

##### **(c) Other commission received**

Trailer fees relating to balances of funds registered 3,077 million yen, up 1.7% from the previous fiscal year. Fund management fees at Ichiyoshi Asset Management Co., Ltd. recorded 1,600 million yen, up 8.2%. With the addition of fees from wrap-accounts of 2,240

million yen, up 28.8%, total other commission received amounted to 7,311 million yen, up 10.0%.

**ii. Net trading income**

Net trading income from stocks, etc. recorded net gains of 44 million yen, up 31.7%. Net trading income from bonds and foreign exchange, etc. recorded net gains of 11 million yen, down 19.2%. As a result, total net trading income recorded net gains of 56 million yen, up 16.2%.

**iii. Net financial revenue**

Financial revenue decreased 1.1% to 123 million yen. Financial expenses rose 4.8% to 26 million yen. As a result, net financial revenue registered 97 million yen, down 2.6%.

Resultantly, net operating revenue for the first three quarters of fiscal 2023 amounted to 13,478 million yen, up 6.9%.

**iv. Selling, general and administrative expenses**

Selling, general and administrative expenses recorded 11,895 million yen, up 2.4%, as personnel expenses rose.

**v. Non-operating income and expenses**

The Company recorded non-operating income of 56 million yen, mainly consisting of 23 million yen of insurance claim and dividend income, and non-operating expenses of 11 million yen, mainly consisting of 11 million yen of loss on investments in investment partnerships. As a result, net non-operating income amounted to 45 million yen, down 14.4%.

Resultantly, ordinary profit for the first three quarters of fiscal 2023 amounted to 1,628 million yen, up 55.3%.

**vi Extraordinary income and losses**

Extraordinary income registered 80 million yen mainly in the form of compensation income, and extraordinary losses amounted to 12 million yen mainly in the form of settlement payments. As a result, net extraordinary income recorded 67 million yen, an increase of 67 million yen from the year-earlier period.

Resultantly, profit before income taxes for the first three quarters of fiscal 2023 amounted to 1,696 million yen, up 61.8%. Profit attributable to owners of parent (after deduction of income taxes - current in the amount of 549 million yen, and income taxes - deferred in the amount of 33 million yen) amounted to 1,113 million yen, up 65.5%.

**(2) Information on Financial Condition**

**(a) Assets**

Assets amounted to 47,025 million yen as of December 31, 2023, a rise of 4,354 million yen (up 10.2%) from March 31, 2023, mainly as cash and deposits increased by 6,803 million yen.

**(b) Liabilities**

Liabilities amounted to 19,172 million yen as of December 31, 2023, a rise of 4,328 million yen (up 29.2%) from March 31, 2023, mainly as deposits received increased by 6,972 million yen.

(c) Net assets

Net assets amounted to 27,852 million yen as of December 31, 2023, a rise of 26 million yen (up 0.1%) from March 31, 2023. The increase resulted mainly as the Company recorded 1,113 million yen as profit attributable to owners of parent while the Company paid dividends of 1,148 million yen.

As a result, equity ratio amounted to 59.2%, down from 65.2% in the previous fiscal year. Capital adequacy ratio amounted to 515.0%, up from 505.8% in the previous fiscal year.

## II. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(in millions of yen)

|                                                                         | As of March 31<br>2023 | As of December 31<br>2023 |
|-------------------------------------------------------------------------|------------------------|---------------------------|
| <b>Assets</b>                                                           |                        |                           |
| Current assets                                                          |                        |                           |
| Cash and deposits                                                       | 15,173                 | 21,977                    |
| Segregated deposits                                                     | 6,450                  | 6,530                     |
| Trading products                                                        | 13                     | -                         |
| Trading securities and other                                            | 13                     | -                         |
| Trade date accrual                                                      | 0                      | -                         |
| Margin transaction assets                                               | 10,119                 | 7,823                     |
| Margin loans                                                            | 9,539                  | 7,642                     |
| Cash collateral provided for securities borrowed in margin transactions | 579                    | 180                       |
| Loans secured by securities                                             | 20                     | -                         |
| Cash collateral provided for securities borrowed                        | 20                     | -                         |
| Advances paid                                                           | 106                    | 25                        |
| Deposits paid for underwritten offering, etc.                           | 2,062                  | 2,855                     |
| Short-term loans receivable                                             | 0                      | 4                         |
| Securities                                                              | 1,000                  | -                         |
| Accrued revenue                                                         | 1,720                  | 1,977                     |
| Other current assets                                                    | 439                    | 129                       |
| Allowance for doubtful accounts                                         | △2                     | △2                        |
| <b>Total current assets</b>                                             | <b>37,105</b>          | <b>41,320</b>             |
| Non-current assets                                                      |                        |                           |
| Property, plant and equipment                                           | 3,048                  | 3,156                     |
| Buildings, net                                                          | 1,079                  | 1,171                     |
| Equipment                                                               | 600                    | 630                       |
| Land                                                                    | 1,344                  | 1,329                     |
| Leased assets, net                                                      | 24                     | 25                        |
| Intangible assets                                                       | 448                    | 425                       |
| Software                                                                | 434                    | 404                       |
| Other                                                                   | 14                     | 21                        |
| Investments and other assets                                            | 2,067                  | 2,121                     |
| Investment securities                                                   | 876                    | 907                       |
| Long-term loans receivable                                              | 24                     | 19                        |
| Long-term guarantee deposits                                            | 926                    | 977                       |
| Retirement benefit asset                                                | 124                    | 150                       |
| Deferred tax assets                                                     | 118                    | 70                        |
| Other                                                                   | 76                     | 75                        |
| Allowance for doubtful accounts                                         | △79                    | △79                       |
| <b>Total non-current assets</b>                                         | <b>5,564</b>           | <b>5,704</b>              |
| <b>Total assets</b>                                                     | <b>42,670</b>          | <b>47,025</b>             |
| <b>Liabilities</b>                                                      |                        |                           |
| Current liabilities                                                     |                        |                           |
| Trading products                                                        | 0                      | 0                         |
| Derivatives                                                             | 0                      | 0                         |
| Trade date accrual                                                      | -                      | 0                         |
| Margin transaction liabilities                                          | 3,982                  | 1,387                     |
| Margin borrowings                                                       | 3,170                  | 1,160                     |
| Cash received for securities sold in margin transactions                | 812                    | 227                       |
| Borrowings secured by securities                                        | 268                    | 179                       |
| Cash collateral received for securities lent                            | 268                    | 179                       |
| Deposits received                                                       | 7,415                  | 14,388                    |
| Guarantee deposits received                                             | 1,270                  | 1,114                     |
| Short-term borrowings                                                   | 230                    | 230                       |
| Lease liabilities                                                       | 6                      | 7                         |
| Income taxes payable                                                    | 209                    | 310                       |
| Provision for bonuses                                                   | 333                    | 276                       |
| Other current liabilities                                               | 785                    | 960                       |
| <b>Total current liabilities</b>                                        | <b>14,501</b>          | <b>18,854</b>             |
| Non-current liabilities                                                 |                        |                           |
| Long-term borrowings                                                    | 106                    | 91                        |
| Lease liabilities                                                       | 18                     | 18                        |
| Deferred tax liabilities for land revaluation                           | 7                      | 7                         |
| Other noncurrent liabilities                                            | 38                     | 33                        |
| <b>Total non-current liabilities</b>                                    | <b>172</b>             | <b>151</b>                |
| Reserves under special laws                                             |                        |                           |
| Reserve for financial instruments transaction liabilities               | 170                    | 166                       |
| <b>Total reserves under special laws</b>                                | <b>170</b>             | <b>166</b>                |
| <b>Total liabilities</b>                                                | <b>14,844</b>          | <b>19,172</b>             |
| <b>Net assets</b>                                                       |                        |                           |
| Shareholders' equity                                                    |                        |                           |
| Share capital                                                           | 14,577                 | 14,577                    |
| Capital surplus                                                         | 5,562                  | 3,946                     |
| Retained earnings                                                       | 13,160                 | 13,125                    |
| Treasury shares                                                         | △4,293                 | △2,656                    |
| <b>Total shareholders' equity</b>                                       | <b>29,006</b>          | <b>28,993</b>             |
| Accumulated other comprehensive income                                  |                        |                           |
| Valuation difference on available-for-sale securities                   | 45                     | 57                        |
| Revaluation reserve for land                                            | △1,125                 | △1,125                    |
| Remeasurements of defined benefit plans                                 | △113                   | △90                       |
| <b>Total accumulated other comprehensive income</b>                     | <b>△1,193</b>          | <b>△1,159</b>             |
| Share acquisition rights                                                | 12                     | 17                        |
| <b>Total net assets</b>                                                 | <b>27,826</b>          | <b>27,852</b>             |
| <b>Total liabilities and net assets</b>                                 | <b>42,670</b>          | <b>47,025</b>             |

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements  
Quarterly Consolidated Income Statements

(in millions of yen)

|                                                                       | Fiscal year ended<br>December 31, 2022 | Fiscal year ended<br>December 31, 2023 |
|-----------------------------------------------------------------------|----------------------------------------|----------------------------------------|
| Operating revenue                                                     |                                        |                                        |
| Commission received                                                   | 12,307                                 | 13,165                                 |
| Net trading income                                                    | 48                                     | 56                                     |
| Financial revenue                                                     | 124                                    | 123                                    |
| Other operating revenue                                               | 151                                    | 159                                    |
| Total operating revenue                                               | 12,632                                 | 13,504                                 |
| Financial expenses                                                    | 25                                     | 26                                     |
| Net operating revenue                                                 | 12,607                                 | 13,478                                 |
| Selling, general and administrative expenses                          |                                        |                                        |
| Trading related expenses                                              | 1,065                                  | 1,018                                  |
| Personnel expenses                                                    | 6,149                                  | 6,326                                  |
| Real estate expenses                                                  | 1,730                                  | 1,805                                  |
| Office expenses                                                       | 1,573                                  | 1,596                                  |
| Depreciation                                                          | 357                                    | 385                                    |
| Taxes and dues                                                        | 194                                    | 212                                    |
| Other                                                                 | 540                                    | 550                                    |
| Total selling, general and administrative expenses                    | 11,611                                 | 11,895                                 |
| Operating profit                                                      | 995                                    | 1,583                                  |
| Non-operating income                                                  |                                        |                                        |
| Dividends from investment securities                                  | 13                                     | 14                                     |
| Gain on investments in investment partnerships                        | 9                                      | -                                      |
| Insurance claim and dividend income                                   | 22                                     | 23                                     |
| Other                                                                 | 16                                     | 19                                     |
| Total non-operating income                                            | 62                                     | 56                                     |
| Non-operating expenses                                                |                                        |                                        |
| Loss on investments in investment partnerships                        | 7                                      | 11                                     |
| Other                                                                 | 1                                      | 0                                      |
| Total non-operating expenses                                          | 9                                      | 11                                     |
| Ordinary profit                                                       | 1,048                                  | 1,628                                  |
| Extraordinary income                                                  |                                        |                                        |
| Gain on sale of investment securities                                 | 2                                      | 23                                     |
| Gain on sale of non-current assets                                    | -                                      | 18                                     |
| Gain on reversal of share acquisition rights                          | 0                                      | 3                                      |
| Reversal of reserve for financial instruments transaction liabilities | -                                      | 3                                      |
| Compensation income                                                   | -                                      | 31                                     |
| Total extraordinary income                                            | 2                                      | 80                                     |
| Extraordinary losses                                                  |                                        |                                        |
| Loss on retirement of non-current assets                              | 0                                      | 0                                      |
| Settlement payments                                                   | 2                                      | 11                                     |
| Total extraordinary losses                                            | 2                                      | 12                                     |
| Profit before income taxes                                            | 1,048                                  | 1,696                                  |
| Income taxes - current                                                | 251                                    | 549                                    |
| Income taxes - deferred                                               | 124                                    | 33                                     |
| Total income taxes                                                    | 375                                    | 582                                    |
| Profit                                                                | 672                                    | 1,113                                  |
| Profit attributable to owners of parent                               | 672                                    | 1,113                                  |

# Quarterly Consolidated Comprehensive Income Statements

(in millions of yen)

|                                                       | Fiscal year ended<br>December 31, 2022 | Fiscal year ended<br>December 31, 2023 |
|-------------------------------------------------------|----------------------------------------|----------------------------------------|
| Profit                                                | 672                                    | 1,113                                  |
| Other comprehensive income                            |                                        |                                        |
| Valuation difference on available-for-sale securities | 4                                      | 11                                     |
| Remeasurements of defined benefit plans, net of tax   | △22                                    | 22                                     |
| Total other comprehensive income                      | △17                                    | 34                                     |
| Comprehensive income                                  | 654                                    | 1,148                                  |
| Comprehensive income attributable to                  |                                        |                                        |
| Comprehensive income attributable to owners of parent | 654                                    | 1,148                                  |

### (3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

None.

(Notes if there are significant changes in the amount of shareholders' equity)

None.

(Application of accounting methods specific to preparation of quarterly consolidated financial statements)

None.

(Changes in accounting policies and accounting estimates and restatement of financial statement)

None.

### III. Supplementary Information for First Three Quarters of Fiscal 2023

(in millions of yen with fractions less than a million yen rounded down)

#### 1. Commission received

##### (1) Commissions by sources

|                                                                                                                        | First three quarters of fiscal year ended |                   | year-on-year | Fiscal year ended |
|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-------------------|--------------|-------------------|
|                                                                                                                        | December 31, 2022                         | December 31, 2023 | change       | March 31, 2023    |
| Brokerage commission                                                                                                   | 3,494                                     | 3,868             | 10.7 %       | 4,615             |
| (Stocks)                                                                                                               | ( 3,373 )                                 | ( 3,801 )         | ( 12.7 )     | ( 4,468 )         |
| (Beneficiary certificates)                                                                                             | ( 121 )                                   | ( 66 )            | ( Δ45.1 )    | ( 147 )           |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 129                                       | 0                 | Δ99.9        | 131               |
| (Stocks)                                                                                                               | ( 129 )                                   | ( 0 )             | ( Δ99.9 )    | ( 131 )           |
| Fees for offering, secondary distribution and solicitation for selling and others for professional investors           | 2,034                                     | 1,985             | Δ2.4         | 2,680             |
| (Beneficiary certificates)                                                                                             | ( 2,000 )                                 | ( 1,966 )         | ( Δ1.7 )     | ( 2,642 )         |
| Other commission received                                                                                              | 6,649                                     | 7,311             | 10.0         | 8,791             |
| (Beneficiary certificates*)                                                                                            | ( 6,245 )                                 | ( 6,919 )         | ( 10.8 )     | ( 8,275 )         |
| Total                                                                                                                  | 12,307                                    | 13,165            | 7.0          | 16,219            |

##### \*Breakdown of Beneficiary certificates

|                                            | First three quarters of fiscal year ended |                   | year-on-year | Fiscal year ended |
|--------------------------------------------|-------------------------------------------|-------------------|--------------|-------------------|
|                                            | December 31, 2022                         | December 31, 2023 | change       | March 31, 2023    |
| Trailer fees relating to balances of funds | 3,025                                     | 3,077             | 1.7 %        | 3,972             |
| Fund management fees                       | 1,479                                     | 1,600             | 8.2          | 1,968             |
| Fees from wrap-accounts                    | 1,739                                     | 2,240             | 28.8         | 2,334             |
| Total                                      | 6,245                                     | 6,919             | 10.8         | 8,275             |

##### (2) Commissions by products

|                          | First three quarters of fiscal year ended |                   | year-on-year | Fiscal year ended |
|--------------------------|-------------------------------------------|-------------------|--------------|-------------------|
|                          | December 31, 2022                         | December 31, 2023 | change       | March 31, 2023    |
| Stocks                   | 3,521                                     | 3,819             | 8.5 %        | 4,624             |
| Bonds                    | 33                                        | 23                | Δ32.0        | 37                |
| Beneficiary certificates | 8,367                                     | 8,952             | 7.0          | 11,066            |
| Others                   | 385                                       | 370               | Δ3.9         | 490               |
| Total                    | 12,307                                    | 13,165            | 7.0          | 16,219            |

#### 2. Net trading income

|                               | First three quarters of fiscal year ended |                   | year-on-year | Fiscal year ended |
|-------------------------------|-------------------------------------------|-------------------|--------------|-------------------|
|                               | December 31, 2022                         | December 31, 2023 | change       | March 31, 2023    |
| Stocks, etc.                  | 33                                        | 44                | 31.7 %       | 52                |
| Bonds, foreign exchange, etc. | 14                                        | 11                | Δ19.2        | 19                |
| (Bonds, etc.)                 | ( 4 )                                     | ( 1 )             | ( Δ63.9 )    | ( 5 )             |
| (Foreign exchange, etc.)      | ( 10 )                                    | ( 10 )            | ( Δ0.3 )     | ( 13 )            |
| Total                         | 48                                        | 56                | 16.2         | 71                |

### 3. Quarterly Consolidated Income Statements for Recent Seven Quarters

(in millions of yen)

|                                              | 1st Q<br>(4-6/'22) | 2nd Q<br>(7-9/'22) | 3rd Q<br>(10-12/'22) | 4th Q<br>(1-3/'23) | 1st Q<br>(4-6/'23) | 2nd Q<br>(7-9/'23) | 3rd Q<br>(10-12/'23) |
|----------------------------------------------|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|----------------------|
| Operating revenue                            | 4,344              | 4,184              | 4,102                | 4,034              | 4,580              | 4,587              | 4,336                |
| Commission received                          | 4,243              | 4,074              | 3,989                | 3,911              | 4,471              | 4,455              | 4,239                |
| Net trading income                           | 7                  | 22                 | 18                   | 22                 | 20                 | 33                 | 2                    |
| Financial revenue                            | 44                 | 38                 | 41                   | 44                 | 44                 | 40                 | 38                   |
| Other operating revenue                      | 49                 | 49                 | 52                   | 56                 | 44                 | 58                 | 56                   |
| Financial expenses                           | 9                  | 9                  | 6                    | 16                 | 11                 | 8                  | 5                    |
| Net operating revenue                        | 4,335              | 4,175              | 4,096                | 4,018              | 4,569              | 4,578              | 4,330                |
| Selling, general and administrative expenses | 3,952              | 3,821              | 3,838                | 3,847              | 3,946              | 3,976              | 3,972                |
| Trading related expenses                     | 381                | 316                | 368                  | 327                | 317                | 328                | 371                  |
| Personnel expenses                           | 2,102              | 2,029              | 2,016                | 2,032              | 2,139              | 2,096              | 2,090                |
| Real estate expenses                         | 564                | 596                | 569                  | 585                | 574                | 642                | 588                  |
| Office expenses                              | 537                | 516                | 520                  | 526                | 531                | 523                | 541                  |
| Depreciation                                 | 119                | 119                | 118                  | 122                | 125                | 128                | 131                  |
| Taxes and dues                               | 61                 | 69                 | 62                   | 66                 | 74                 | 71                 | 65                   |
| Provision of allowance for doubtful accounts | 0                  | 0                  | 0                    | △0                 | 0                  | 0                  | 0                    |
| Other                                        | 185                | 173                | 181                  | 187                | 183                | 185                | 182                  |
| Operating profit                             | 383                | 354                | 257                  | 170                | 622                | 601                | 358                  |
| Non-operating income                         | 16                 | 17                 | 28                   | 4                  | 19                 | 2                  | 35                   |
| Non-operating expenses                       | 0                  | 7                  | 1                    | 7                  | 0                  | 11                 | 0                    |
| Ordinary profit                              | 399                | 363                | 284                  | 167                | 642                | 592                | 393                  |
| Extraordinary income                         | 0                  | 2                  | 0                    | 0                  | 47                 | 1                  | 31                   |
| Extraordinary losses                         | 0                  | 0                  | 2                    | 0                  | 0                  | 0                  | 11                   |
| Profit before income taxes                   | 399                | 366                | 282                  | 167                | 689                | 593                | 413                  |
| Income taxes - current                       | 45                 | 181                | 24                   | 143                | 190                | 304                | 54                   |
| Income taxes - deferred                      | 91                 | △53                | 86                   | △61                | 20                 | △87                | 100                  |
| Profit                                       | 262                | 237                | 172                  | 85                 | 478                | 376                | 259                  |
| Profit attributable to owners of parent      | 262                | 237                | 172                  | 85                 | 478                | 376                | 259                  |

( END )