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(English translation for reference purposes only)

Business Result for Fiscal Year to March 31, 2024

(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
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Date of annual shareholders' meeting: June 22, 2024 (scheduled)

Payment of final dividends starts: on May 31, 2024 (scheduled)

Date of filing Annual Securities Report: June 25, 2024 (scheduled)

Supplementary documents on business result: Provided.

Business result-reporting meeting: Planned for institutional investors and analysts.

(Figures less than one million yen are discarded)

1. Consolidated Business Result for Fiscal Year Ended March 31, 2024

(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 (%)	Profit attributable to owners of parent (%)
Fiscal year ended March 31, 2024	18,837 (+13.0)	18,798 (+13.1)	2,803 (+140.4)	2,875 (+136.4)	1,929 (+154.5)
Fiscal year ended March 31, 2023	16,666 (-14.9)	16,625 (-15.0)	1,166 (-64.9)	1,216 (-64.7)	758 (-70.0)

Note: Comprehensive income: For fiscal year ended March 31, 2024: 2,284 million yen (+309.9%)

For fiscal year ended March 31, 2023: 557 million yen (-76.6%)

	Earnings per share	Diluted earnings per share	Return on equity	Operating profit as % of operating revenue
Fiscal year ended March 31, 2024	57.11 yen	56.95 yen	6.8 %	14.9 %
Fiscal year ended March 31, 2023	21.93 yen	21.88 yen	2.6 %	7.0 %

Note: Share of profit(loss) of entities accounted for using equity method: For fiscal year ended March 31, 2024: --

For fiscal year ended March 31, 2023: --

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

	Total assets	Net assets	Equity ratio	Net assets per share
As of March 31, 2024	46,647	29,008	62.1 %	856.59 yen
As of March 31, 2023	42,670	27,826	65.2 %	823.78 yen

Note: Shareholders' equity: As of March 31, 2024: 28,987 million yen

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

(3) Consolidated cash flow (in millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended March 31, 2024	3,793	-524	-1,137	17,495
Fiscal year ended March 31, 2023	1,608	-320	-2,818	15,363

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	--	17.00 yen	34.00 yen

	Aggregate amount of dividends paid (in millions of yen)	Payout ratio on a consolidated basis	Rate of dividends as % of net assets on a consolidated basis
Fiscal year ended March 31, 2023	1,156 million yen	155.0 %	4.1 %
Fiscal year ended March 31, 2024	1,149 million yen	59.5 %	4.0 %

Notes: (i) Ichiyoshi Securities Co., Ltd. (the "Company" or "Ichiyoshi" as the case may be) does not provide earnings forecast nor dividend forecast.

3. Forecast of Business Result for Fiscal 2024 (from April 1, 2024 to March 31, 2025)

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 quarterly and annual business term. Instead, the Company intends to release preliminary earnings figures after the end of each quarterly and annual business term 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) 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.

- (3) Number of shares issued (common stock):
- (i) Number of shares issued as of March 31, 2024: 37,931,386 shares (including treasury shares)
Number of shares issued as of March 31, 2023: 40,431,386 shares (including treasury shares)
- (ii) Number of treasury shares as of March 31, 2024: 4,090,909 shares
Number of treasury shares as of March 31, 2023: 6,668,047 shares
- (iii) Average number of shares outstanding during the Fiscal year ended March 31, 2024: 33,788,978 shares
Average number of shares outstanding during the Fiscal year ended March 31, 2023: 34,570,722 shares

[Referential information]

1. Outline of Non-consolidated Business Result (parent company basis)

- (1) Business result for fiscal year ended March 31, 2024 (in millions of yen except for per-share figures)

(% indicates year-on-year change)

	Operating revenue (%)	Net operating revenue (%)	Operating profit (%)	Ordinary profit (%)	Profit (%)
Fiscal year ended March 31, 2024	16,131 (+12.8)	16,092 (+12.9)	1,099 -	1,772 (+125.3)	1,297 (+63.6)
Fiscal year ended March 31, 2023	14,295 (-17.4)	14,254 (-17.4)	-323 -	786 (-76.6)	793 (-72.5)

	Earnings per share	Diluted earnings per share	Return on equity
Fiscal year ended March 31, 2024	38.41 yen	38.31 yen	5.0 %
Fiscal year ended March 31, 2023	22.95 yen	22.90 yen	2.9 %

- (2) Financial condition (in millions of yen except for per-share figures)

	Total assets	Net assets	Equity ratio	Net assets per share	Capital adequacy ratio
As of March 31, 2024	42,901	26,282	61.2 %	776.06 yen	518.0 %
As of March 31, 2023	40,137	26,063	64.9 %	771.56 yen	505.8 %

Note: Shareholders' equity As of March 31, 2024: 26,262 million yen

As of March 31, 2023: 26,050 million yen

2. Forecast of Business Result for Fiscal 2024 (from April 1, 2024 to March 31, 2025)

Since the forecast of earnings in financial-instruments trading is hard to make due to changes in securities market conditions, the Company does not provide such forecast prior to the end of each quarterly and annual business term.

Additional points to note:

1. The financial figures contained herein are released without being audited 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 quarter as stated in **3. Forecast of Business Result for Fiscal 2024 (from April 1, 2024 to March 31, 2025)** on page 2, the Company does not provide a dividend forecast.
3. The Company plans to hold a business result-reporting meeting for institutional investors and analysts on May 23, 2024, Thursday, (at 3:30 pm). Supplementary documents for business result to be distributed at the meeting will be forthwith disclosed and posted on the Company's website.

I. Outline of Business Result, Etc.

(1) Outline of Business Result for the Fiscal Year Ended March 31, 2024

During the fiscal year ended March 31, 2024, the Japanese economy recorded a gradual recovery. While personal expenditures showed some standstill signs at times under rising prices, corporate equipment investments progressed steadily as businesses increased investments for further digital transformation on the back of stronger earnings. Globally, while some economies remained weak, the U.S. maintained its steady tone.

The Japanese stock market recorded a historic milestone. Supported by the view that the Japanese economy is getting out of the deflationary spiral and also by favorable impression toward Japanese corporations' initiatives to improve corporate values, the Nikkei Stock Average on the Tokyo Stock Exchange (the TSE) kept its rising trend toward early July, and recorded 33,753yen on July 3, recovering to the level registered about 33 years ago. Thereafter, however, the Nikkei Stock Average moved in a see-sawing manner through the end of the year. After the turn of the year, aggressive buying by foreign investors re-drove the market, rising the buying mood the Japanese stocks. Thus, the Nikkei Stock Average rose to 39,098yen on February 22, 2024, a historic high renewed for the first time in 34 years. Then, the Nikkei Stock Average broke through the 40,000yen level on March 4 for the first time in history. The Bank of Japan at its policy meeting on March 19 lifted its negative interest rate policy and abolished its yield-curve control policy. Thus, large-scale easy monetary conditions which have been in effect for about 11 years since April 2013 are now over with a new monetary policy being introduced. As is generally thought in the market, the Bank of Japan is expected to maintain an accommodative policy for the moment. While the Nikkei Stock Average recorded the 41,000yen level intra-day on March 22, it closed the period at 40,369yen. The Nikkei Stock Average rose 44% during the fiscal year, the highest percentage rise in recent 3 years.

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, strengthening the yen to the level of 140 yen per 1 US dollar. After the turn of the year, the view for lower interest rates in the U.S. subsided, weakening the yen to the lower side of 151yen per 1 US dollar level at the of the fiscal year.

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 fiscal year at 938. 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 fiscal year at 746.

In the Prime Section of the TSE, the average daily turnover was 4,380.4 billion yen. In the Standard Section of the TSE, the average daily turnover was 138.4 billion yen. In the Growth Section of the TSE, the average daily turnover was 155.4 billion yen.

Under these circumstances, the Company has been aiming to build customer-focused "Stock-Type Business Model," (asset-accumulation 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 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, 2024, registered 269.4 billion yen, up 30.0% from the end of 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 "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 March 31, 2024 amounted to 796.2 billion yen, up 11.9% from the end of the previous fiscal year.

With respect to Ichiyoshi Asset Management Co., Ltd. the net asset values of funds under its management recorded a continuous increase and registered 541.8 billion yen as of March 31, 2024, up 22.9% from end of the previous fiscal year.

Under these circumstances, net operating revenue recorded 18,798 million yen, up 13.1% from the previous fiscal year. Selling, general and administrative expenses amounted to 15,995 million yen, up 3.5%. Thus, operating profit recorded 2,803 million yen, up 140.4%.

Customers' assets in custody as of March 31, 2024, amounted to 2,261.7 billion yen, up 18.5% from the end of the previous fiscal year.

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 the fiscal year ended March 31, 2024 was 61.2%, up from 53.5% for the previous fiscal year.

Set forth below are details of revenue sources and financial condition.

i. Commissions

Total commissions for the fiscal year ended March 31, 2024 amounted to 18,372 million yen, up 13.3% from the previous fiscal year.

(a) Brokerage commissions

Total brokerage commissions on stocks rose 19.4% to 5,336 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 661 million yen, down 7.5%, accounting for 12.4% of total brokerage commissions on stocks.

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

Fees on investment trust funds amounted to 2,563 million yen, down 3.0%. Thus, total fees for offering, secondary distribution and solicitation for selling and others for professional investors recorded 2,584 million yen, down 3.6%.

(c) Other fees received

The trailer fees related to the outstanding balances of investment trust funds under custody registered 4,323 million yen, up 8.9%. Investment trust fund management fees at Ichiyoshi Asset Management Co., Ltd. recorded 2,231 million yen, up 13.3%. With the addition of fund

wrap-account fees of 3,230 million yen, up 38.4%, total other fees received amounted to 10,365 million yen, up 17.9%.

ii. Gains or loss on trading

Trading on stocks, etc. recorded gains of 75 million yen, up 45.8%, and trading on bonds, foreign exchange, etc. registered gains of 15 million yen, down 21.1%. Consequently, total gains on trading amounted to 91 million yen, up 27.8%.

iii. Net financial revenue

Net financial revenue declined 5.6% to 159 million yen chiefly as a result of a fall in the average balance of loans on margin transactions while interest expenses slid by 5.6% to 39 million yen. Hence, net financial revenue amounted to 120 million yen, down 5.6%.

Hence, net operating revenue for the fiscal year ended March 31, 2024 recorded 18,798 million yen, up 13.1%.

iv. Selling, general and administrative expenses

Selling, general and administrative expenses recorded 15,995 million yen, up 3.5%, chiefly as personnel expenses increased.

v. Non-operating Income and Expenses

The Company registered non-operating income of 84 million yen, of which 23 million yen consisted of insurance proceeds and dividend income. Resultantly, net non-operating income amounted to 72 million yen, up 44.3%.

Hence, current profit for the fiscal year ended March 31, 2024 amounted to 2,875 million yen, up 136.4% from the previous fiscal year.

vi. Extraordinary Income and Loss

The Company registered extraordinary income of 94 million yen, mainly consisting of gains of 40 million yen on sales of investment securities and guarantee deposit received of 31 million yen, while the Company recorded extraordinary loss of 51 million yen, mainly consisting of 19 million yen as reserve for liability for commodity transaction and impairment loss of 19 million yen. As a result, net extraordinary income amounted to 42 million yen, up 41 million yen from the previous fiscal year.

Consequently, income before taxes and tax adjustments for the fiscal year ended March 31, 2024 recorded 2,917 million yen, up 139.8%, and net income attributable to owners of parent (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 1,094 million yen minus corporate tax adjustments of 106 million yen) registered 1,929 million yen, up 154.5%.

(2) General Review of Financial Condition

(a) Assets

Assets amounted to 46,647 million yen as of March 31, 2024, an increase of 3,976 million yen (up 9.3%) from March 31, 2023, mainly as cash and deposits rose by 3,131 million yen and cash paid for offering grew by 1,503 million yen.

(b) Liabilities

Liabilities stood at 17,639 million yen as of March 31 2024, a rise of 2,795 million (up 18.8%) from March 31, 2023, mainly as deposits received grew by 2,757 million yen.

(c) Net worth

Net worth amounted to 29,008 million yen as of March 31, 2024, a growth of 1,181 million yen (up 4.2%) from March 31, 2023. The growth resulted mainly from recording of net income (attributable to owners of parent) of 1,929 million yen for the fiscal year while the Company paid dividends in the amount of 1,148 million yen.

As a result, equity ratio as of March 31, 2024 recorded 62.1% as compared with 65.2% as of March 31, 2023. Capital adequacy ratio, as defined by the regulator, registered 518.0% as compared with 505.8% as of March 31, 2023.

(3) Cash Flow

Cash flow from operating activities for the fiscal year ended March 31, 2024 recorded a positive figure of 3,793 million yen, a rise of 2,184 million yen from the previous fiscal year mainly as income before taxes and tax adjustments recorded 2,917 million yen and deposits received and guarantee deposits received rose by 2,587 million yen while 1,503 million yen was paid out of cash paid for offering.

Cash flow from investing activities registered a negative figure of 524 million yen, a decrease of 203 million yen, mainly due to payment for the acquisition of tangible fixed assets and intangible fixed assets and due to revenue from the sale and redemption of investment securities.

Cash flow from financing activities recorded a negative figure of 1,137 million yen, a rise of 1,681 million yen, chiefly as a result of dividend payments in the amount of 1,145 million yen.

Consequently, the amount of cash and cash equivalents as of March 31, 2024, stood at 17,495 million yen, an increase of 2,131 million yen from the end of the previous fiscal year.

(4) Basic Policy on Earnings Distribution and Dividends for the Fiscal Year ended March 31, 2024.

One of the Company's core management policies is to make an appropriate earnings distribution to its shareholders. 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.

Under this dividend policy, an interim dividend per share paid out of the Company's retained earnings to shareholders of record as of September 30, 2023 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, 2024 is to be 17yen (calculated on the basis of the DOE measure), thus an annual total dividend per share being 34yen.

II. State of Ichiyoshi Group

The Ichiyoshi group, consisting of Ichiyoshi Securities Co., Ltd. (the “Company”) and its four consolidated subsidiaries, is principally engaged in investment and financial services chiefly associated with financial instruments.

The Company is directly engaged in buying and selling of, and dealing in, securities (such buying and selling of, and dealing in, securities are called hereinafter as “securities transactions”), acting as agent or broker for securities transactions, distributing publicly-offered or privately-placed securities and carrying out other securities-related businesses. Thus, the Company provides wide-ranging services matching varying needs of its customers relating to securities and investments.

In conjunction with the above-mentioned activities by the Company, the four consolidated subsidiaries perform their respective functions:

Ichiyoshi Research Institute Inc. undertakes research and data/information collection relating to small- and mid-cap growth companies and provides investment advices and agency services;

Ichiyoshi Asset Management Co., Ltd. provides management of investment trust funds, discretionary-investment and asset-management advices and services for institutional investors and investment trusts;

Ichiyoshi Business Service Co., Ltd. undertakes peripheral services for the Ichiyoshi group, provides real estate renting/broking/management services and agencies, deals in office supplies and goods and acts as intermediaries for financial-instruments; and

Ichiyoshi IFA Co., Ltd. acts as intermediaries for of financial instruments.

List of Major Ichiyoshi Group Companies

Parent company: Ichiyoshi Securities Co., Ltd. — financial-instruments trading and agency business

Consolidated subsidiaries: Ichiyoshi Research Institute Inc. — information services, investment advices and agencies
(100.0% owned)

Ichiyoshi Asset Management Co., Ltd. — investment trust management, investment advisories and agencies
(100.0% owned)

Ichiyoshi Business Service Co., Ltd. — property renting/
broking/management, sales of office supplies and intermediaries for
financial-instruments.
(100.0% owned)

Ichiyoshi IFA Co., Ltd. — intermediaries for financial instruments.
(100% owned)

III. Management Policy

(1) Basic Policy

The Company’s management philosophy focuses on “Remaining a Firm of Customers’ Trust and Choice.” Under this philosophy, the Company aims to become a “Name-brand Boutique House in the Finance and Securities Industry” with the motto of “Becoming a Securities Company Like No Other in Japan.” In its efforts for management policy 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 as one of overriding tasks for management. Taking advantage of the 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.

The Company's credo (corporate philosophy):

- Management philosophy: To remain a company of customers' trust and choice
- Management objective: Name-brand boutique house in finance and securities industry
- Action guidelines: Gratitude, Integrity, Courage, Responsiveness, Continuity and Long-Term Good Relation.

(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 Industry" 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 in custody and realize its sustainable growth.

While the Company has long 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 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," an overriding management index.

20 years ago, we formulated "Ichiyoshi Standards" which consists of 7 principles, including "We do not deal in structured bonds" and "We do not solicit for foreign stocks." Following these standards, Ichiyoshi does not sell products simply because they are popular. In addition, now, the Company is at work on presenting each customers with an order-made proposal based on its new standard of "Belief in making order-made product matching each customer's needs."

[Ichiyoshi Basic Strategies for Decisive Action on Reform]

1. Execution of “Ichiyoshi Credo”

Management philosophy as basis for everlasting corporate growth.

2. Expansion of Customers’ Assets

Customers’ assets in custody as most important indicator of management

Customers’ assets in custody as barometer of customers’ trust in Ichiyoshi and barometer of Ichiyoshi’s underlying strength

<strategy vis-à-vis customers> <Channeling strategy> <Product strategy>

3. Continuous Improvement on Revenue-Cost Structure

Fostering of revenue-cost structure insusceptible to market fluctuations

<Stable income>

<Improvement on cost coverage ratio by Dream Collection and investment trust funds>

<Cost coverage ratio a measure of improvement on stock-type business model>

<Improvement on productivity> <Reduction of cost> <Leaner of head office>

4. Comprehensive Power of Ichiyoshi Group

“Triangular Pyramid Management”

<Focusing on high-net-worth business customers>

<Specialization in small-and medium-cap growth stocks>

5. Practical observance of compliance

Compliance is a source and power of competitiveness.

Up-graded compliance focused on customers

<Absoluteness of Compliance, > <Stress on compliance from client perspective>

6. Cultivation of human resources

Growth lies in personnel.

<Up-grading of advisers> <Nurturing of young-age advisers and potential managerial staff>

<Positive use and promotion of female personnel>

<Up-grading of professionalism of head office staff>

7. Setting up of “worker-friendly and worthwhile office” “Company worthy of pride”

Promotion of staff motivation

Company worthy of staying for willful workers

<Furtherance of communication vertically and horizontally>

<Review of personnel system and evaluation>

<Improvement on working environment> <Review of working practices>

(4) Medium-Term Management Plan “3・D”

In order to further accelerate the transformation to customer-focused “Stock-Type Business Model” from “Flow-Type Business Model” chiefly based on brokerage commissions, the Company formulated a new Medium-Term Management Plan “3 D” starting from April 2023 with its target date set for the end of March 31, 2026.

Under the Plan “3・D,” the Company will aim to expand customers’ assets in custody to 3 trillion yen and double customers’ investments in fund-wraps and investment trust funds. 3 of “3・D” represents 3 trillion yen of customers’ assets and D stands for the doubling of assets accumulated under “Stock-Type Business Model.” The target of cost-coverage ratio, a barometer indicating the Company’s advance toward “Stock-Type Business Model,” is also included in the Plan.

The following are the numerical targets in “3・D” and the status of the targets as at March 31, 2024:

Item	Numerical targets in “3・D”	Status as at March 31, 2024
Customers’ assets in custody	3 trillion yen	2.2617 trillion yen
Cost-coverage ratio*	70%	61.2%
ROE	10%	6.8%

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

(5) 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. In addition, the Company discontinued its underwriting division which had been underperforming and losing its relative weight in the Company. 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.

Regarding the personnel as a basis for the Company's growth, the Company has placed the cultivation of the personnel as the most important task for management. In the ongoing "Decisive Action for Reform," our basic strategy is focused on the "Reinforcement and Cultivation of Personnel" and "Worker-friendly and Worthwhile Office." Thus, the Company's efforts are continuing in concrete terms.

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 a mountain. 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's 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.

IV. Basic Policy on Choice of Accounting Standards

The Company and its group companies prepare financial statements in compliance with generally-accepted accounting standards in Japan. The Company has no plan to consider applying IFRS (International Financial Reporting Standards).

V. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2023	As of March 31 2024
Assets		
Current assets		
Cash and deposits	15,173	18,305
Segregated deposits	6,450	7,840
Trading products	13	-
Trading securities and other	13	-
Trade date accrual	0	-
Margin transaction assets	10,119	8,171
Margin loans	9,539	8,009
Cash collateral provided for securities borrowed in margin transactions	579	161
Loans secured by securities	20	-
Cash collateral provided for securities borrowed	20	-
Advances paid	106	23
Deposits paid for underwritten offering, etc.	2,062	3,566
Short-term loans receivable	0	31
Securities	1,000	-
Accrued revenue	1,720	2,549
Other current assets	439	102
Allowance for doubtful accounts	△2	△2
Total current assets	37,105	40,587
Non-current assets		
Property, plant and equipment	3,048	3,095
Buildings, net	1,079	1,107
Equipment	600	635
Land	1,344	1,329
Leased assets, net	24	23
Intangible assets	448	544
Software	434	508
Other	14	36
Investments and other assets	2,067	2,419
Investment securities	876	794
Long-term loans receivable	24	20
Long-term guarantee deposits	926	934
Retirement benefit asset	124	604
Deferred tax assets	118	70
Other	76	75
Allowance for doubtful accounts	△79	△79
Total non-current assets	5,564	6,059
Total assets	42,670	46,647
Liabilities		
Current liabilities		
Trading products	0	-
Derivatives	0	-
Trade date accrual	-	0
Margin transaction liabilities	3,982	3,079
Margin borrowings	3,170	2,722
Cash received for securities sold in margin transactions	812	357
Borrowings secured by securities	268	22
Cash collateral received for securities lent	268	22
Deposits received	7,415	10,173
Guarantee deposits received	1,270	1,100
Short-term borrowings	230	230
Lease liabilities	6	7
Income taxes payable	209	917
Provision for bonuses	333	565
Other current liabilities	785	1,208
Total current liabilities	14,501	17,304
Non-current liabilities		
Long-term borrowings	106	86
Lease liabilities	18	16
Deferred tax liabilities for land revaluation	7	7
Other noncurrent liabilities	38	33
Total non-current liabilities	172	144
Reserves under special laws		
Reserve for financial instruments transaction liabilities	170	189
Total reserves under special laws	170	189
Total liabilities	14,844	17,639
Net assets		
Shareholders' equity		
Share capital	14,577	14,577
Capital surplus	5,562	3,941
Retained earnings	13,160	13,941
Treasury shares	△4,293	△2,634
Total shareholders' equity	29,006	29,826
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45	59
Revaluation reserve for land	△1,125	△1,125
Remeasurements of defined benefit plans	△113	226
Total accumulated other comprehensive income	△1,193	△838
Share acquisition rights	12	20
Total net assets	27,826	29,008
Total liabilities and net assets	42,670	46,647

(2) Consolidated Income Statements and Comprehensive Income Statements

Consolidated Income Statements

(in millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue		
Commission received	16,219	18,372
Brokerage commission	4,615	5,423
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	131	0
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	2,680	2,584
Other commission received	8,791	10,365
Net trading income	71	91
Financial revenue	168	159
Other operating revenue	207	214
Total operating revenue	16,666	18,837
Financial expenses	41	39
Net operating revenue	16,625	18,798
Selling, general and administrative expenses		
Trading related expenses	1,393	1,375
Personnel expenses	8,181	8,486
Real estate expenses	2,315	2,384
Office expenses	2,100	2,195
Depreciation	480	518
Taxes and dues	260	296
Other	727	738
Total selling, general and administrative expenses	15,459	15,995
Operating profit	1,166	2,803
Non-operating income		
Dividends from investment securities	14	17
Gain on investments in investment partnerships	11	19
Insurance claim and dividend income	22	23
Other	18	23
Total non-operating income	66	84
Non-operating expenses		
Loss on investments in investment partnerships	14	11
Other	1	0
Total non-operating expenses	16	12
Ordinary profit	1,216	2,875
Extraordinary income		
Gain on sale of investment securities	2	40
Gain on sale of non-current assets	-	18
Gain on reversal of share acquisition rights	0	3
Compensation income	-	31
Total extraordinary income	2	94
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Settlement payments	2	11
Impairment losses	-	19
Provision of reserve for financial instruments transaction liabilities	-	19
Total extraordinary losses	2	51
Profit before income taxes	1,216	2,917
Income taxes - current	395	1,094
Income taxes - deferred	63	△106
Total income taxes	458	987
Profit	758	1,929
Profit attributable to owners of parent	758	1,929

Consolidated Comprehensive Income Statements

(in millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	758	1,929
Other comprehensive income		
Valuation difference on available-for-sale securities	1	14
Remeasurements of defined benefit plans, net of tax	△ 202	339
Total other comprehensive income	△ 200	354
Comprehensive income	557	2,284
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	557	2,284

(3) Consolidated Statement of changes in equity

for the fiscal year ended March 31, 2023

(in millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,577	6,885	13,670	△4,098	31,035
Changes during period					
Dividends of surplus			△1,268		△1,268
Profit attributable to owners of parent			758		758
Purchase of treasury shares				△1,626	△1,626
Disposal of treasury shares		△31		140	108
Cancellation of treasury shares		△1,290		1,290	—
Net changes in items other than shareholders' equity					
Total changes during period	—	△1,322	△510	△194	△2,028
Balance at end of period	14,577	5,562	13,160	△4,293	29,006

	Total accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	43	△1,125	89	△992
Changes during period				
Dividends of surplus				
Profit attributable to owners of parent				
Purchase of treasury shares				
Disposal of treasury shares				
Cancellation of treasury shares				
Net changes in items other than shareholders' equity	1	—	△202	△200
Total changes during period	1	—	△202	△200
Balance at end of period	45	△1,125	△113	△1,193

	Share acquisition rights	Total net assets
Balance at beginning of period	22	30,064
Changes during period		
Dividends of surplus		△1,268
Profit attributable to owners of parent		758
Purchase of treasury shares		△1,626
Disposal of treasury shares		108
Cancellation of treasury shares		—
Net changes in items other than shareholders' equity	△9	△210
Total changes during period	△9	△2,238
Balance at end of period	12	27,826

for the fiscal year ended March 31, 2024

(in millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,577	5,562	13,160	△4,293	29,006
Changes during period					
Dividends of surplus			△1,148		△1,148
Profit attributable to owners of parent			1,929		1,929
Purchase of treasury shares				△0	△0
Disposal of treasury shares		△11		49	38
Cancellation of treasury shares		△1,609		1,609	-
Net changes in items other than shareholders' equity					
Total changes during period	-	△1,621	780	1,659	819
Balance at end of period	14,577	3,941	13,941	△2,634	29,826

	Total accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	45	△1,125	△113	△1,193
Changes during period				
Dividends of surplus				
Profit attributable to owners of parent				
Purchase of treasury shares				
Disposal of treasury shares				
Cancellation of treasury shares				
Net changes in items other than shareholders' equity	14	-	339	354
Total changes during period	14	-	339	354
Balance at end of period	59	△1,125	226	△838

	Share acquisition rights	Total net assets
Balance at beginning of period	12	27,826
Changes during period		
Dividends of surplus		△1,148
Profit attributable to owners of parent		1,929
Purchase of treasury shares		△0
Disposal of treasury shares		38
Cancellation of treasury shares		-
Net changes in items other than shareholders' equity	7	362
Total changes during period	7	1,181
Balance at end of period	20	29,008

(4) Consolidated Cash Flow Statements

(in millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,216	2,917
Depreciation	480	518
Increase (decrease) in provision for bonuses	△57	232
Decrease (increase) in retirement benefit asset	215	△479
Increase (decrease) in allowance for doubtful accounts	△0	△0
Interest and dividend income	△39	△43
Interest expenses	6	6
Impairment losses	-	19
Loss (gain) on sale of investment securities	△2	△40
Loss (gain) on sale of non-current assets	-	△18
Loss on retirement of non-current assets	0	0
Settlement payments	2	11
Gain on reversal of share acquisition rights	△0	△3
Compensation income	-	△31
Increase (decrease) in reserve for financial instruments transaction liabilities	-	19
Decrease (increase) in cash segregated as deposits for customers	2,440	△1,390
Increase (decrease) in deposits and guarantee deposits received	△3,019	2,587
Decrease (increase) in short-term loans receivable	2	△30
Decrease (increase) in trading products - assets (liabilities)	9	13
Decrease/increase in margin transaction assets/liabilities	833	1,045
Decrease (increase) in deposits paid for underwritten offering, etc.	1,242	△1,503
Other, net	△655	373
Subtotal	2,674	4,204
Interest and dividends received	39	43
Interest paid	△6	△6
Income taxes paid	△1,099	△448
Net cash provided by (used in) operating activities	1,608	3,793
Cash flows from investing activities		
Purchase of property, plant and equipment	△128	△395
Proceeds from sale of property, plant and equipment	-	45
Purchase of intangible assets	△160	△306
Purchase of investment securities	△42	△150
Proceeds from sale of investment securities	28	188
Proceeds from redemption of investment securities	-	107
Long-term loan advances	△11	△4
Proceeds from collection of long-term loans receivable	11	8
Other, net	△17	△18
Net cash provided by (used in) investing activities	△320	△524
Cash flows from financing activities		
Repayments of long-term borrowings	△20	△20
Repayments of lease liabilities	△6	△7
Proceeds from exercise of employee share options	99	35
Purchase of treasury shares	△1,626	△0
Dividends paid	△1,265	△1,145
Net cash provided by (used in) financing activities	△2,818	△1,137
Effect of exchange rate change on cash and cash equivalents	1	0
Net increase (decrease) in cash and cash equivalents	△1,528	2,131
Cash and cash equivalents at beginning of period	16,892	15,363
Cash and cash equivalents at end of period	15,363	17,495

(5) Notes to Consolidated Financial Statements

(There is no note to premises for continuing business.)

(Segment Information)

1. Segment information

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

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, 2024 (From April 1, 2023 to March 31, 2024)

(1) 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.

(2) 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.

(3) 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.

3. Information on impairment loss on tangible fixed asset by described segment:

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024):

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 asset by segment is omitted.

4. Information on amortized amount or unamortized balance of goodwill by described segment:

For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024):

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 amount or unamortized balance of goodwill by segment is omitted.

5. Information on gains from negative goodwill by described segment:

For the fiscal year ended March 31, 2024 (From April 1, 2023, to March 31, 2024):

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.

[Per-share Data on a consolidated basis]

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Per-share net assets	823.78yen	856.59yen
Per-share net income	21.93yen	57.11yen
Per-share net income on a diluted basis (adjusted for shares potentially)	21.88yen	56.95yen

Notes: (1) Bases for computation of per-share net income on non-diluted and diluted basis are as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Per-share net income:		
Net income attributable to owners of parent	758 million yen	1,929 million yen
Amount not attributable to common shareholders	—	—
Net income related to common shares attributable to owners of parent	758 million yen	1,929 million yen
Average no. of outstanding common shares during the fiscal year	34,570 thousand	33,788 thousand
Per-share net income on a diluted basis (adjusted for potentially issuable shares):		
Adjusted amount of net income attributable to owners of parent	—	—
No. of common shares increased during the fiscal year	81 thousand	92 thousand
(of which issued upon exercise of stock options)	(81 thousand)	(92 thousand)
Contents of potentially-issuable shares having no diluting effect and thus not included in computation of per-share income on a diluted basis	Stock option-based equity warrants: (2) No. of warrants:174; No. of shares issuable: 17,400 shares (resolved on Apr. 27, 2018)	—

Note (2): Basis for computation of per-share net assets is as follows:

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net assets	27,826 million yen	29,008 million yen
Deductions from net assets	12 million yen	20 million yen
(of which due to stock options)	(12 million yen)	(20 million yen)
Net assets related to common shares as of the end of fiscal year	27,813 million yen	28,987 million yen
No. of common shares as of the end of fiscal year used for computation of per-share net assets	33,763 thousand	33,840 thousand

(Subsequent Material Events after March 31, 2024): None

VI. Supplementary Information for the Fiscal Year ended March 31, 2024

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

1. Commission received

(1) Commissions by sources

	Fiscal year ended		year-on-year change
	March 31, 2023	March 31, 2024	
Brokerage commission	4,615	5,423	17.5 %
(Stocks)	(4,468)	(5,336)	(19.4)
(Beneficiary certificates)	(147)	(86)	(Δ41.6)
Commission for underwriting, secondary distribution and solicitation for selling and others	131	0	Δ99.9
(Stocks)	(131)	(0)	(Δ99.9)
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	2,680	2,584	Δ3.6
(Beneficiary certificates)	(2,642)	(2,563)	(Δ3.0)
Other commission received	8,791	10,365	17.9
(Beneficiary certificates*)	(8,275)	(9,786)	(18.2)
Total	16,219	18,372	13.3

*Breakdown of Beneficiary certificates

	Fiscal year ended		year-on-year change
	March 31, 2023	March 31, 2024	
Trailer fees relating to balances of fund	3,972	4,323	8.9 %
Trust fees for fund management	1,968	2,231	13.3
Fees from wrap-accounts	2,334	3,230	38.4
Total	8,275	9,786	18.2

(2) Commissions by products

	Fiscal year ended		year-on-year change
	March 31, 2023	March 31, 2024	
Stocks	4,624	5,361	15.9 %
Bonds	37	24	Δ35.9
Beneficiary certificates	11,066	12,436	12.4
Others	490	550	12.3
Total	16,219	18,372	13.3

2. Net trading income

	Fiscal year ended		year-on-year change
	March 31, 2023	March 31, 2024	
Stocks, etc.	52	75	45.8 %
Bonds, foreign exchange, etc.	19	15	Δ21.1
(Bonds, etc.)	(5)	(1)	(Δ66.8)
(Foreign exchange, etc.)	(13)	(13)	(Δ2.6)
Total	71	91	27.8

3. Quarterly Consolidated Income Statements for Recent Eight Quarters

(in millions of yen)

	1st Q (4-6/'22)	2nd Q (7-9/'22)	3rd Q (10-12/'22)	4th Q (1-3/'23)	1st Q (4-6/'23)	2nd Q (7-9/'23)	3rd Q (10-12/'23)	4th Q (1-3/'24)
Operating revenue	4,344	4,184	4,102	4,034	4,580	4,587	4,336	5,332
Commission received	4,243	4,074	3,989	3,911	4,471	4,455	4,239	5,206
Net trading income	7	22	18	22	20	33	2	34
Financial revenue	44	38	41	44	44	40	38	36
Other operating revenue	49	49	52	56	44	58	56	55
Financial expenses	9	9	6	16	11	8	5	13
Net operating revenue	4,335	4,175	4,096	4,018	4,569	4,578	4,330	5,319
Selling, general and administrative expenses	3,952	3,821	3,838	3,847	3,946	3,976	3,972	4,099
Trading related expenses	381	316	368	327	317	328	371	356
Personnel expenses	2,102	2,029	2,016	2,032	2,139	2,096	2,090	2,159
Real estate expenses	564	596	569	585	574	642	588	578
Office expenses	537	516	520	526	531	523	541	598
Depreciation	119	119	118	122	125	128	131	133
Taxes and dues	61	69	62	66	74	71	65	84
Provision of allowance for doubtful accounts	0	0	0	△0	0	0	0	0
Other	185	173	181	187	183	185	182	187
Operating profit	383	354	257	170	622	601	358	1,220
Non-operating income	16	17	28	4	19	2	35	27
Non-operating expenses	0	7	1	7	0	11	0	1
Ordinary profit	399	363	284	167	642	592	393	1,246
Extraordinary income	0	2	0	0	47	1	31	13
Extraordinary losses	0	0	2	0	0	0	11	39
Profit before income taxes	399	366	282	167	689	593	413	1,221
Income taxes - current	45	181	24	143	190	304	54	545
Income taxes - deferred	91	△53	86	△61	20	△87	100	△139
Profit	262	237	172	85	478	376	259	815
Profit attributable to owners of parent	262	237	172	85	478	376	259	815

(END)