

# ***ANNUAL REPORT***

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**For Fiscal Year Ended March 31, 2025**

## *Corporate Profile*

Okasan Securities Group Inc. provides investment and financial services with its roots back to 1923, and now consists of a holding company, 11 domestic and one overseas group companies. With a focus on securities business, we provide investment products, services and solutions that meet the needs of our clients. Each group company develops highly professional strategies while collaborating with one another to maximize the synergies and contribute to our customers' asset growth.

Starting with Okasan Securities, our core securities business arm, we offer the comprehensive strengths unique to a financial group developed in response to the needs of each era.

### *Contents*

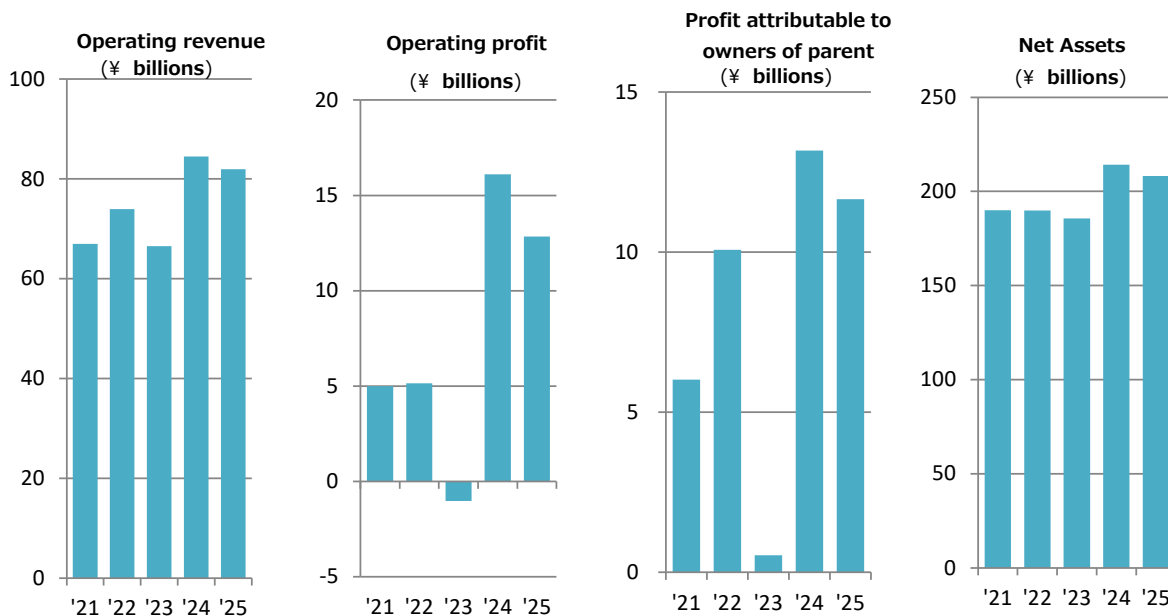
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## Consolidated Financial Highlights

### Okasan Securities Group Inc. and Consolidated Subsidiaries Years ended March 31, 2024 and 2025

	Millions of yen		Thousands of U.S. dollars (note)
	2025 (4/1/24~3/31/25)	2024 (4/1/23~3/31/24)	2025 (4/1/24~3/31/25)
Operating revenue .....	¥81,936	¥84,509	\$547,993
Operating profit .....	12,838	16,111	85,861
Profit attributable to owners of parent .....	11,652	13,167	77,929
Total assets .....	1,379,738	1,207,779	9,227,782
Net assets .....	208,232	214,156	1,392,669
Per share of common stock	Yen		U.S. dollars (note)
Basic net income .....	¥ 57.62	¥ 64.29	\$ 0.39
Cash dividends applicable to the year.....	30.00	30.00	0.20

Note: The translation of the yen amount into U.S. dollars is included solely for the convenience of the reader, using the prevailing exchange rate on March 31, 2025, which was ¥149.52 to U.S.\$1.



## Management Policy

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### Okasan Securities Group Inc. and Consolidated Subsidiaries

#### 1. Basic management policy for the Company

Okasan Securities Group Inc. manages a corporate group composed of a holding company, its Japanese and overseas consolidated subsidiaries, and other corporations. The Group strives to strengthen its enterprise value in a sustained manner through the provision of investment services centered on the securities business and asset management.

#### 2. Basic policy on the distribution of profits and dividends

The Group sees shareholder returns as an important gauge of management success and intend to distribute payouts in consideration of the earnings trends in tandem with the sustainability of stable dividends. Our policies call for harnessing internal reserves to enhance management structures and future business development. To implement this policy while balancing growth and shareholder returns as well as improving capital efficiency, the target for shareholder returns of a total payout ratio is set to 50% or higher. We have purchased approximately 1,284 million yen in treasury shares during this fiscal year.

#### 3. Important management indicator

The Group strives to achieve sustained growth and enhancement of corporate value over the medium- to long-term. As a particularly important management indicator, we state consolidated return on equity (ROE) of 8%.

#### 4. Management strategies, etc.

The Group strives to improve corporate value through the basic policies set in its five-year Medium-term Business Plan: “Enhancement of One-to-One Marketing” “Advancement of Platforms” “Evolution of Corporate Branding.” Since its implementation in April 2023, the Group has been working towards establishing a solid business foundation for continuous business growth for the next 100 years.

As the fiscal year ended March 2024 marked the second year under the plan, Okasan Securities Co., Ltd. the core subsidiary of the Group, continued to promote solution delivery as a means to expand its sales operation structure, while also addressing its basic policies to “Enhance One-to-One Marketing” by launching “Okasan BANK” banking service and “Okasan UBS Fund Wrap” fund wrap service. The Group is focused on increasing balance of assets under custody -including core assets- and stock-based revenue through further improvement of consulting service that consider our customer’s overall assets.

Okasan Securities Co., Ltd. has also launched its platform business on securities services that assists securities firms to undergo business conversions into Financial Instruments Intermediary Service Providers. The Group is moving beyond a self-sufficient approach on business and focusing more on utilizing outside resources; creating a network that is unique to the Group to coexist and share prosperity. The Group continues its efforts to provide a variety of products and solutions to customers while simultaneously enforcing its securities services.

To ensure the Group achieves its business target indicators, it has also been working to enhance Employee Experience (EX). Starting April 2025, the Group has implemented a new personnel system, which demonstrates a drastic difference in concept from the previous human resource strategy. The goal is to become a company “where each individual can fully demonstrate their capabilities” and that is “preferred by a diverse workforce.”

The Group continues to aim for further development as a securities group that contributes to "the lives of our customers" as finance professionals.

## Okasan Securities Group Medium-term Business Plan

### <Purpose>

To contribute to “the lives of our customers” as finance professionals

### <Vision>

To be the best partner for our customers by continuing to meet their individual needs through heartfelt services

### ● Basic policies

#### Goal:

Reforming the business model to establish management foundations for sustained growth in the next 100 years

#### Growth strategy:

- Enhancement of One-to-One Marketing
- Advancement of platforms
- Evolution of corporate branding

Promoting digitalization across all domains to support realization of the growth strategy.

### ● Targets for key management indicators

- Assets under custody: 10 trillion yen
- ROE: 8%
- Total payout ratio: 50%

Purchasing a total amount of 10 billion yen or over in treasury shares within three years from April 2025 to March 2028

(Purchasing at least 1 billion yen per year in treasury shares from April 2023 to March 2025, until the PBR exceeds 1.0)

## 5. Business conditions and challenges the Company should address

When we look around the world, we see the reverse of the times; a possibility of a paradigm shift, regarding post-war world order and other issues, is on the table. Global tension is also increasing while we face serious trade friction and geopolitical risks. On the other hand, medium- to long-term growth opportunities are anticipated in the securities business in Japan, as “investment culture” is being embraced more throughout the nation. To lever this transitioning outlook on investment, the role that we, the Okasan Securities Group, play in the securities industry is becoming increasingly important. We believe that supporting investors by providing advisory services with appropriate and credible information to each individual while also capturing their diverse needs, is becoming crucial with rising uncertainty.

Under these circumstances, the Group is taking additional steps to reform management and enhance Customer Experience (CX) by establishing a support system that responds to customer needs. Okasan Securities, the core subsidiary, has been working to enforce community-based management through “decentralization,” delegating authority to in-house securities related companies. Establishing a “Retail Company Management Division” in place of the former “Market Management Division” and evolving the “Products Solution Division” into a “Products Solution Development Division” are some of the measures taken in part of this process. The company also aims to further enhance its services by utilizing digital tools such as data bases and applications.

In terms of our “platform advancement,” included in our growth strategy, we have merged Okasan Information Systems and Okasan Business Services in April 2025, launching the new “Okasan Business & Technology.” Our management is oriented towards “coexisting and sharing prosperity” with a variety of securities firms. By providing our platform services to organizations within and beyond the Group, we intend to deliver advanced products and services to a wide range of customers.

While our mission to “contribute to our customers lives” maintains, we have also implemented three new company Values: “Uphold integrity” “Ignite Passion” “Forge Synergy.” We continue to improve our corporate value by spreading internal awareness on our management philosophy, including these new Values, and by working on the Group’s growth strategy as one.

## **6. Outline of corporate governance structure**

### **(1) Basic concepts regarding corporate governance**

To remain a company that retains society’s trust, we have positioned corporate governance as a key management issue. By securing the rights and equality of shareholders, making the right decisions in a timely manner, and putting together the structures for business execution and appropriate management supervision and monitoring, we will fulfill our fiduciary duties and accountability to shareholders and forge cordial relationships with stakeholders.

### **(2) Structure of business execution**

Regarding the structure of business execution, the Board of Directors as the supreme decision-making organ on management makes decisions on items provided in laws and regulations and the articles of incorporation and maps out plans for the management strategy of the Group and supervises them. The President - CEO executes decisions of the Board of Directors and supervises overall management. The Board of Directors consists of seven directors (including five directors who are Audit & Supervisory Committee members), which enables it to make quick decisions. We also have set up the Management Conference. To strengthen the business management of the Group by clarifying the roles of both bodies, the Board of Directors makes management decisions and supervises management while the Management Conference is in charge of business execution. The Management Conference, according to the basic management policies adopted by the Board of Directors, deliberates on the laying out of specific policies, business execution plans, and other important managerial subjects.

### **(3) Management monitoring structure**

The Group has adopted the structure of a company with an Audit & Supervisory committee to enhance the transparency of decision-making and strengthen audit and supervisory functions through the involvement of Outside Directors in its management affairs. The total number of Audit & Supervisory Committee is five (one is a Full-time Director), and four are Outside Directors.

The Committee is comprised of Audit & Supervisory Committee members, determines audit policies in accordance with laws and regulations and the Company’s articles of incorporation, based on the rules for the Committee. The Committee also works to formulate audit opinions for Audit & Supervisory Committee members. Other member obligations include attendance at meetings of the Board of Directors and other important meetings; interviews with directors (excluding directors who serve concurrently as Audit & Supervisory Committee members); and the duty to review important approval documents to oversee decision-making by the Board of Directors and the state of business execution by directors. Audit & Supervisory Committee members also work with independent auditors and the divisions in charge of internal audits to help ensure effective and appropriate audits. Okasan Securities Group Inc. has entered into agreements with the Audit & Supervisory Committee members to curtail their liabilities under Article 423, Paragraph 1 of the Companies Act, in accordance with Article 427, Paragraph 1 of the Act, to the minimum level specified by laws and regulations.

### **(4) Internal auditing structure**

As part of efforts to contribute to securing appropriate business operations such as reducing management risks and preventing wrongdoings, we have set up the Group Internal Audit Dept. and assigned 10 staffs to this department. The Group Internal Audit Dept. makes up an audit plan in each fiscal year, periodically implements on-the-spot audits based on these plans and inspects documents when necessary. The results of the audits are presented regularly to the Board of Directors in the form of an audit report.

## Operating and Financial Review

### Okasan Securities Group Inc. and Consolidated Subsidiaries Years ended March 31, 2025

#### I. Financial conditions and operating results

During this consolidated fiscal year, Japan's economy exhibited a trend towards a steady recovery. Corporate earnings remained at a high level, supported by the progression in passing on higher costs to prices, while capital investment generally showed resilient demands. Although the trend of wage increases appeared to continue, the nationwide Consumer Price Index (excluding fresh food, core CPI) rose above 2% YoY, primarily driven by higher rice prices. As a result, elevated inflation dampened household sentiment, and personal consumption remained somewhat subdued.

In such environments, the Nikkei Stock Average (Nikkei 225) marked its all-time high, rising up to the 42,000-yen level in the middle of July 2024. With top US and Japanese officials stating their disapproval on further depreciation of the yen and growing concerns over the US economy however, rapid appreciation of the yen occurred affecting the Nikkei 225 tumbled to the 31,000-yen level by the beginning of August. Thenceforth, it kept showing volatile trends; Japanese major companies created a positive foundation by announcing their solid earnings, offset by the lingering uncertainty on the US economy. The stock market showed a weaker performance after January 2025, affected by uncertainty surrounding the Trump administration, appreciation of the yen, and a slowdown on AI investments. The Nikkei 225 closed the fiscal year in March at 35,617.56 yen, as tariff-related developments -including additional Auto tariffs by the US- weighed heavily on the index.

The bond market, with the yield on 10-year government bonds starting at the 0.75% range in early April, saw an upward trend amid speculation over a potential rate hike by the Bank of Japan's (BoJ), and hovered around 1.0% between June and July. Although the long-term yield briefly breached 0.8% in August with growing concerns on the US economy, it rose again after October. Japan's long-term yield ended the fiscal year at 1.485%, which was lifted due to the implementation of rate hikes by the BoJ in January, and the execution of bond sell-off towards the end of the financial term. The foreign exchange market saw a weaker yen and a stronger dollar from April to June, marking around the 160-yen level as market expectations of an interest rate cut diminished after the US presented strong economic indicators. From July onwards, the U.S. dollar briefly fell below 140-yen with rising uncertainty on the US economy; until President Trump's victory on the presidential election, which then caused concerns of inflation, resulting in a weaker yen and a stronger dollar. The yen then appreciated after the BoJ raised its policy interest rate in January and looming threat of recession hung over the US. Currency trading -which started at 151-yen level to the dollar in the beginning of April- ended the fiscal year at the range of 149-yen to the dollar.

Under these conditions, the Okasan Securities Group worked to establish a solid business foundation for sustainable growth under the five-year Medium-term Business Plan. The Group continued to promote solution delivery and, led by its core subsidiary Okasan Securities Co., Ltd., launched a platform business on securities services to further support the transition of both Group-affiliated and external securities firms into Financial Instruments Intermediary Service Providers. Okasan Securities Co., Ltd. also promoted the expansion of its sales operation structure and the enhancement of available services. Examples include the launching of its banking service and fund wrap service: "Okasan BANK" and "Okasan UBS Fund Wrap" which aim to expand its asset management business by focusing on capturing core assets (aiming for medium- to long-term, stable investment), the establishing of Kikuyochi Satellite Place (Kumamoto), and the launching of its new investment resources website.

## **II. Financial standing**

Total assets at the end of the consolidated fiscal year under review stood at ¥1,379,738 million, up ¥171,958 million from the end of the previous consolidated fiscal year. Total liabilities at the end of the consolidated fiscal year under review stood at ¥1,171,505 million, up ¥177,882 million from the end of the previous consolidated fiscal year. Net assets at the end of the consolidated fiscal year under review stood at ¥208,232 million, down ¥5,923 million from the end of the previous consolidated fiscal year.

### **1. Total assets**

Total assets at the end of the fiscal year under review stood at ¥1,379,738 million, up ¥171,958 million from the end of the previous fiscal year. This was due mainly to increases of ¥236,462 million in trading products and ¥42,273 million in loans secured by securities, despite decreases of ¥33,214 million in cash and deposits, ¥31,454 million in trade date accrual, and ¥28,020 million in margin transaction assets.

### **2. Total liabilities**

Total liabilities at the end of the fiscal year under review stood at ¥1,171,505 million, up ¥177,882 million from the end of the previous fiscal year. This was due mainly to increases of ¥163,027 million in borrowings secured by securities, ¥24,181 million in trading products, and ¥23,447 million in trade date accrual.

### **3. Net assets**

Net assets at the end of the fiscal year under review stood at ¥208,232 million, down ¥5,923 million from the end of the previous fiscal year. This was due mainly to a decrease of ¥14,990 million in non-controlling interests.



### III. Business results

Group operating revenue in the consolidated fiscal year under review was ¥81,936 million (decreased by 3.0% compared to the figure for the previous year); net operating revenue was ¥79,849 million (decreased by 3.3% compared to the previous year). SG&A expenses were ¥67,010 million (increased by 0.9% compared to the previous year); ordinary profit was ¥15,577 million (decreased by 13.8% compared to the previous year); and profit attributable to owners of parent was ¥11,652 million (decreased by 11.5% compared to the previous year).

#### **1. Fees and commissions received**

Fees and commissions received totaled ¥50,201 million (increased by 0.5% compared to the previous year). The main components were as follows:

##### **(1) Brokerage commission**

During this fiscal year, the daily average trading volume (for domestic common stock) was 2,712 million shares (increased by 23.8% compared to the level in the previous fiscal year) and the trading value was ¥5,335.5 billion (increased by 14.1% compared to the figure for the previous fiscal year) on the Tokyo Stock Exchange. At Okasan Securities Co., Ltd., the core subsidiary, brokerage transaction value of foreign equities by retail investors increased compared to the previous fiscal year, while that of domestic equities decreased.

Consequently, equity brokerage commission was ¥22,358 million (decreased by 5.3% compared to the previous year). Other brokerage commission amounted to ¥553 million (decreased by 2.3% compared to the previous year). Total brokerage commission was ¥22,911 million (decreased by 5.2% compared to the previous year).

##### **(2) Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors**

A look at equity underwriting during this fiscal year shows an increase in both transaction value and commissions, driven by a number of large-scale initial public offerings (IPOs) and serving as a lead underwriter multiple times. Bond underwriting, saw an increase in transaction value from taking the role as a lead underwriter for FILP agency bonds and government guaranteed bonds. However, commissions decreased mainly due to a decline in frequency as a lead underwriter for industrial bonds.

The resulting commissions on equity were ¥616 million (increased by 23.0% compared to the previous year). Commissions on bonds totaled ¥825 million (decreased by 13.8% compared to the previous year). Total Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors, related to both equity and bond transactions, amounted to ¥1,442 million (decreased by 1.2% compared to the previous year).

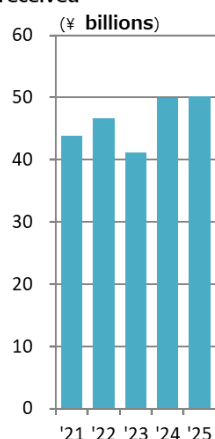
##### **(3) Fees for offering, secondary distribution, solicitation for selling and others for professional investors and other commission received**

Income related to investment trusts accounted for the bulk of our income from fees for offering, secondary distribution, solicitation for selling and others for professional investors and other commission received.

During this fiscal year, equity funds emphasizing high dividends and stable growth were popular throughout the year. Funds investing in Japanese financial stocks or those focusing on principal protection also gained popularity. However, sales of publicly offered investment trusts decreased compared to the previous year as uncertainty in the stock market stemming from concerns over an economic slowdown and political events between Japan and the US heightened.

As a result, fees for offering, secondary distribution and solicitation for selling and others for professional investors totaled ¥13,534 million (decreased by 6.1% compared to the previous year). Other commission received, related to mainly investment trusts, amounted to ¥12,313 million (increased by 24.4% compared to the previous year).

## Fees and commissions received



## Fees and commissions received

### Breakdown by category

(Millions of yen except percentage)

	2025 (4/1/24~3/31/25)	2024 (4/1/23~3/31/24)	Percent change
Brokerage commission	¥22,911	¥24,173	(5.2)
Equities	22,358	23,607	(5.3)
Bonds	-	-	-
Others	553	566	(2.3)
Underwriting fees and selling concession	1,442	1,459	(1.2)
Equities	616	500	23.0
Bonds	825	958	(13.8)
Placement commission	13,534	14,419	(6.1)
Other commission	12,313	9,896	24.4
Total	50,201	49,948	0.5

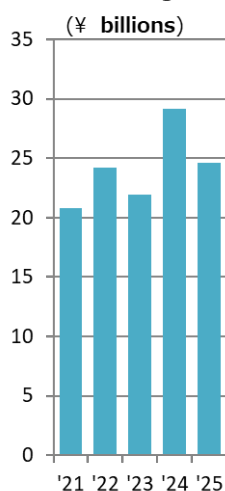
## 2. Net trading income

Income on equity trading is earned mainly from domestic over-the-counter trading of foreign equities, particularly US stocks. Income on bond trading arises mainly in conjunction with income from the handling of domestic and foreign bonds for customers and bond portfolio management.

In the fiscal year under review, over-the-counter transactions of foreign equities by retail investors decreased from the previous fiscal year. Sales volume of foreign bonds for both retail and corporate investors also decreased.

Consequently, total income on equity trading was ¥20,323 million (decreased by 10.9% compared to the previous year). Total bond trading income was ¥3,658 million (decreased by 43.7% compared to the previous year). Net trading income, including profit from other trading of ¥590 million (loss of ¥164 million in the previous year), was ¥24,572 million (decreased by 15.7% compared to the previous year).

## Net trading income



## Net trading income

(Millions of yen except percentage)

	2025 (4/1/24~3/31/25)	2024 (4/1/23~3/31/24)	Percent change
Equities, etc.	¥20,323	¥22,808	(10.9)
Bonds, etc.	3,658	6,496	(43.7)
Others	590	(164)	-
Total	24,572	29,139	(15.7)

### **3. Financial revenue**

Financial revenue amounted to ¥5,303 million (increased by 47.8% compared to the previous year). Financial expenses stood at ¥2,087 million (increased by 6.8% compared to the previous year). Net financial revenue—i.e., the difference between financial revenue and financial expenses—was ¥3,215 million (increased by 96.9% compared to the previous year).

### **4. Other operating revenue**

Other operating revenue—i.e., operating income other than that related to the financial products transaction business and incidental operations—stood at ¥1,859 million (increased by 1.5% compared to the previous year).

### **5. Selling, general, and administrative expenses**

Due to higher expenses, including personnel expenses and real estate expenses, selling, general, and administrative expenses were ¥67,010 million (increased by 0.9% compared to the previous year).

### **6. Non-operating income / expenses and Extraordinary income / losses**

Non-operating income amounted for ¥3,094 million, while non-operating expenses amounted for ¥355 million. Extraordinary income amounted for ¥2,320 million due to a record of gain on sale of investment securities, while extraordinary losses amounted for ¥1,008 million.

### **7. Dividends**

The Company sees shareholder returns as a critical management issue. Its basic policy is to maintain a stable dividend while distributing profits in line with earnings. It also calls for harnessing internal reserves to enhance management structures and future business development. To implement this policy while balancing growth and shareholder returns as well as improving capital efficiency, the target for shareholder returns of a total payout ratio is set to 50% or higher.

Based on the policy above, the Company has determined to pay dividends in this fiscal year of 30 yen per share of ordinary dividends. The Company purchased 1,284 million yen in treasury shares during this fiscal year.

#### **IV. Cash flows**

Cash and cash equivalents (“cash” hereafter) at the end of the consolidated fiscal year was down ¥33,026 million from the end of the previous fiscal year to ¥44,745 million.

Presented below is information on each type of cash flow during the consolidated fiscal year under review and the underlying factors:

##### **<Cash flows from operating activities>**

Cash used in operating activities were ¥20,688 million, attributable mainly to the difference between cash inflows from ¥120,754 million on decrease/increase in loans/borrowings secured by securities, as well as ¥20,013 million on decrease/increase in margin transaction assets/liabilities, and cash outflows of ¥157,380 million on increase (decrease) in trading products – liabilities (assets), as well as ¥11,334 million on decrease (increase) in deposits received.

##### **<Cash flows from investing activities>**

Cash provided by investing activities amounted to ¥6,180 million, due mainly to the difference between the cash inflows of ¥7,737 million on proceeds from sale of investment securities, as well as ¥2,514 million on proceeds from acquisition of business, and cash outflows of ¥2,138 million on purchase of intangible assets.

##### **<Cash flows from financing activities>**

Cash used in financing activities amounted to ¥18,502 million, due mainly to the cash outflows of ¥7,109 million on the purchase of treasury shares of subsidiaries and ¥6,070 million on dividends paid.

## V. Financial information

### 1. Method of preparation of consolidated financial statements and non-consolidated financial statements

(1) The consolidated financial statements of the Company have been prepared in accordance with the provisions set forth in the “Cabinet Office Ordinance Concerning Financial Instruments Business” (Cabinet Office Ordinance No. 52 of 2007) and the “Uniform Accounting Standards for Securities Companies” (set by the board of directors of the Japan Securities Dealers Association dated November 14, 1974), based on the “Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Ordinance No. 28 of 1976) as well as the provisions of Articles 46 and 68 of the said Ordinance.

(2) The non-consolidated financial statements of the Company have been prepared based on the “Regulation on Terminology, Forms, and Preparation Methods of Financial Statements” (Ministry of Finance Ordinance No. 59 of 1963; hereinafter, the “Financial Statements Regulation”).

Further, the Company is deemed a special company submitting financial statements and prepares non-consolidated financial statements based on the provisions of Article 127 of the Financial Statements Regulation.

### 2. Audit attestation

Pursuant to the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the consolidated financial statements for the fiscal year from April 1, 2024 to March 31, 2025 and the non-consolidated financial statements for the fiscal year from April 1, 2024 to March 31, 2025 of the Company have been audited by Crowe Toyo & Co.

### 3. Particular efforts to ensure the appropriateness of consolidated financial statements, etc.

The Company makes particular efforts to ensure the appropriateness of its consolidated financial statements. Specifically, in order to establish a system to properly understand the details of accounting standards, etc. and ensure the reliability of corporate information, the Company has joined the Financial Accounting Standards Foundation to collect information concerning accounting standards, implementation guidance, Practical Issues Task Force, and others.

In addition, the Company participates in open seminars sponsored by the Accounting Standards Board of Japan and the Financial Accounting Standards Foundation as well as seminars, etc. on the preparation of annual securities reports.

# 1. Consolidated financial statements and other information

## (1) Consolidated financial statements

### (i) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	*3 82,586	*3 49,372
Segregated deposits	110,256	106,417
Segregated deposits for customers	107,160	104,290
Other segregated deposits	3,096	2,127
Trading products	284,513	520,976
Trading securities and other	*3 284,461	*3 520,934
Derivatives	51	42
Trade date accrual	31,454	—
Margin transaction assets	110,476	82,455
Margin loans	105,294	76,372
Cash collateral provided for securities borrowed in margin transactions	5,182	6,083
Loans secured by securities	431,439	473,712
Cash collateral provided for securities borrowed	0	20,005
Securities purchased under resale agreements	431,439	453,707
Advances paid	264	1,410
Short-term guarantee deposits	21,061	22,805
Accounts for non-delivered securities and others	25	332
Short-term loans receivable	13,178	6,515
Accrued revenue	4,418	5,635
Securities	44	—
Other current assets	2,177	2,348
Allowance for doubtful accounts	(53)	(26)
<b>Total current assets</b>	<b>1,091,843</b>	<b>1,271,956</b>
Non-current assets		
Property, plant and equipment	*1 16,495	*1 16,817
Buildings, net	4,542	4,777
Equipment	1,071	1,688
Land	*6 10,603	*6 10,087
Leased assets, net	277	263
Intangible assets	6,861	6,545
Software	6,167	6,174
Other	693	370
Investments and other assets	92,578	84,419
Investment securities	*2, *3 83,996	*2, *3 75,520
Long-term guarantee deposits	3,689	3,603
Long-term loans receivable	10	7
Retirement benefit asset	4,159	4,442
Deferred tax assets	27	19
Other	1,616	1,672
Allowance for doubtful accounts	(921)	(847)
<b>Total non-current assets</b>	<b>115,936</b>	<b>107,782</b>
<b>Total assets</b>	<b>1,207,779</b>	<b>1,379,738</b>

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Trading products	438,673	462,855
Trading securities and other	438,204	462,855
Derivatives	469	—
Trade date accrual	—	23,447
Margin transaction liabilities	22,774	14,768
Margin borrowings	*3 12,839	*3 8,918
Cash received for securities sold in margin transactions	9,934	5,850
Borrowings secured by securities	200,854	363,881
Cash collateral received for securities lent	3,850	40,120
Securities sold under repurchase agreements	197,004	323,761
Deposits received	83,750	75,185
Guarantee deposits received	39,752	33,439
Payables for securities to receive over due for delivery	46	0
Short-term borrowings	*3, *8 157,191	*3 158,928
Current portion of bonds payable	2,000	—
Income taxes payable	5,752	2,915
Provision for bonuses	2,825	2,606
Other current liabilities	6,864	4,889
Total current liabilities	960,485	1,142,917
Non-current liabilities		
Long-term borrowings	6,728	3,916
Lease liabilities	174	145
Deferred tax liabilities for land revaluation	*6 1,527	*6 1,564
Deferred tax liabilities	16,223	14,752
Provision for retirement benefits for directors (and other officers)	145	143
Retirement benefit liability	5,418	4,922
Other non-current liabilities	1,941	2,006
Total non-current liabilities	32,158	27,450
Reserves under special laws		
Reserve for financial instruments transaction liabilities	*7 978	*7 1,137
Total reserves under special laws	978	1,137
Total liabilities	993,623	1,171,505
<b>Net assets</b>		
Shareholders' equity		
Share capital	18,589	18,589
Capital surplus	37,959	45,342
Retained earnings	127,612	133,012
Treasury shares	(13,089)	(14,209)
Total shareholders' equity	171,072	182,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,168	21,545
Revaluation reserve for land	*6 330	*6 449
Foreign currency translation adjustment	1,376	1,349
Remeasurements of defined benefit plans	1,951	1,923
Total accumulated other comprehensive income	27,827	25,267
Stock acquisition rights	266	229
Non-controlling interests	14,990	—
Total net assets	214,156	208,232
<b>Total liabilities and net assets</b>	<b>1,207,779</b>	<b>1,379,738</b>

## (ii) Consolidated statement of income and consolidated statement of comprehensive income

## Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating revenue		
Commission received	49,948	50,201
Brokerage commission	24,173	22,911
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1,459	1,442
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	14,419	13,534
Other commission received	9,896	12,313
Net trading income	29,139	24,572
Financial revenue	3,588	5,303
Other operating revenue	1,832	1,859
Total operating revenue	*1 84,509	*1 81,936
Financial expenses	1,955	2,087
Net operating revenue	82,553	79,849
Selling, general and administrative expenses	66,442	67,010
Trading related expenses	10,720	10,675
Personnel expenses	*2 33,216	*2 33,543
Real estate expenses	7,652	7,915
Office expenses	8,926	8,985
Depreciation	3,222	3,171
Taxes and dues	1,357	1,299
Provision of allowance for doubtful accounts	30	(25)
Other	1,316	1,445
Operating profit	16,111	12,838
Non-operating income	2,466	3,094
Dividend income	1,779	2,027
Share of profit of entities accounted for using equity method	374	679
Other	312	387
Non-operating expenses	515	355
Loss on investments in investment partnerships	49	53
Loss on sale and retirement of non-current assets	59	166
Compensation expenses	289	48
Other	116	86
Ordinary profit	18,061	15,577



(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of investment securities	1,937	2,320
Reversal of reserve for financial instruments transaction liabilities	269	—
Gain on reversal of share acquisition rights	68	—
Total extraordinary income	2,275	2,320
Extraordinary losses		
Impairment losses	*3 1,577	*3 743
Loss on sale of investment securities	14	—
Loss on valuation of investment securities	546	106
Loss on valuation of golf club membership	0	0
Provision of reserve for financial instruments transaction liabilities	—	158
Total extraordinary losses	2,138	1,008
Profit before income taxes	18,199	16,889
Income taxes - current	5,727	5,200
Income taxes - deferred	(1,097)	(444)
Total income taxes	4,629	4,756
Profit	13,570	12,133
Profit attributable to non-controlling interests	402	480
Profit attributable to owners of parent	13,167	11,652

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	13,570	12,133
Other comprehensive income		
Valuation difference on available-for-sale securities	18,815	(3,171)
Revaluation reserve for land	—	(37)
Foreign currency translation adjustment	560	(27)
Remeasurements of defined benefit plans, net of tax	1,042	(14)
Share of other comprehensive income of entities accounted for using equity method	634	(348)
Total other comprehensive income	*1 21,052	*1 (3,600)
Comprehensive income	34,622	8,532
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	30,918	8,936
Comprehensive income attributable to non-controlling interests	3,704	(403)

## (iii) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	18,589	37,273	118,548	(11,470)	162,940
Changes during period					
Dividends of surplus			(4,102)		(4,102)
Profit attributable to owners of parent			13,167		13,167
Purchase of treasury shares				(2,001)	(2,001)
Disposal of treasury shares		62		382	444
Change in ownership interest of parent due to transactions with non-controlling interests		623			623
Revaluation reserve for land					—
Net changes in items other than shareholders' equity					
Total changes during period	—	685	9,064	(1,619)	8,131
Balance at the end of the period	18,589	37,959	127,612	(13,089)	171,072

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	8,039	330	816	890	10,076	421	12,199	185,638
Changes during period								
Dividends of surplus								(4,102)
Profit attributable to owners of parent								13,167
Purchase of treasury shares								(2,001)
Disposal of treasury shares								444
Change in ownership interest of parent due to transactions with non-controlling interests								623
Revaluation reserve for land								—
Net changes in items other than shareholders' equity	16,128	—	560	1,061	17,750	(155)	2,791	20,386
Total changes during period	16,128	—	560	1,061	17,750	(155)	2,791	28,518
Balance at the end of the period	24,168	330	1,376	1,951	27,827	266	14,990	214,156

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	18,589	37,959	127,612	(13,089)	171,072
Changes during period					
Dividends of surplus			(6,097)		(6,097)
Profit attributable to owners of parent			11,652		11,652
Purchase of treasury shares				(1,286)	(1,286)
Disposal of treasury shares		71		166	237
Change in ownership interest of parent due to transactions with non-controlling interests		7,312			7,312
Revaluation reserve for land			(155)		(155)
Net changes in items other than shareholders' equity					
Total changes during period	—	7,383	5,399	(1,120)	11,663
Balance at the end of the period	18,589	45,342	133,012	(14,209)	182,735

	Accumulated other comprehensive income					Stock acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of the period	24,168	330	1,376	1,951	27,827	266	14,990	214,156
Changes during period								
Dividends of surplus								(6,097)
Profit attributable to owners of parent								11,652
Purchase of treasury shares								(1,286)
Disposal of treasury shares								237
Change in ownership interest of parent due to transactions with non-controlling interests								7,312
Revaluation reserve for land								(155)
Net changes in items other than shareholders' equity	(2,623)	118	(27)	(28)	(2,560)	(36)	(14,990)	(17,587)
Total changes during period	(2,623)	118	(27)	(28)	(2,560)	(36)	(14,990)	(5,923)
Balance at the end of the period	21,545	449	1,349	1,923	25,267	229	—	208,232

## (iv) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	18,199	16,889
Depreciation	3,222	3,171
Impairment losses	1,577	743
Increase (decrease) in allowance for doubtful accounts	57	(101)
Increase (decrease) in provision for bonuses	1,004	(218)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(64)	(1)
Increase (decrease) in retirement benefit liability	(379)	(495)
Decrease (increase) in retirement benefit asset	(1,616)	(283)
Increase (decrease) in reserve for financial instruments transaction liabilities	(269)	158
Interest and dividend income	(5,387)	(7,331)
Interest expenses	1,983	2,109
Loss (gain) on sale and retirement of property, plant and equipment	26	(29)
Loss (gain) on sale and retirement of intangible assets	30	10
Loss (gain) on sale of investment securities	(1,923)	(2,320)
Loss (gain) on valuation of investment securities	546	106
Decrease (increase) in cash segregated as deposits for customers	(13,670)	2,870
Decrease (increase) in trading products – assets (liabilities)	99,927	(157,380)
Decrease/increase in margin transaction assets/liabilities	(21,478)	20,013
Decrease/increase in loans/borrowings secured by securities	(104,526)	120,754
Decrease (increase) in advances paid	(15)	(1,146)
Increase (decrease) in deposits received	22,104	(11,334)
Decrease (increase) in short-term guarantee deposits	706	(1,743)
Increase (decrease) in guarantee deposits received	(3,968)	(6,142)
Decrease (increase) in short-term loans receivable	(13,067)	6,662
Other, net	4,015	(2,095)
Subtotal	(12,966)	(17,135)
Interest and dividends received	4,944	6,636
Interest paid	(1,992)	(2,106)
Income taxes refund (paid)	5,253	(8,083)
Net cash provided by (used in) operating activities	(4,761)	(20,688)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Proceeds from sale of securities	1,000	43
Purchase of property, plant and equipment	(164)	(1,389)
Proceeds from sale of property, plant and equipment	18	240
Purchase of intangible assets	(1,554)	(2,138)
Proceeds from sale of intangible assets	—	60
Purchase of investment securities	(1,122)	(1,214)
Proceeds from sale of investment securities	4,211	7,737
Proceeds from acquisition of businesses	—	*2 2,514
Payments for acquisition of businesses	*2 (253)	(40)
Other, net	257	367
Net cash provided by (used in) investing activities	2,393	6,180
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,858	4,099
Proceeds from long-term borrowings	1,900	—
Repayments of long-term borrowings	(3,802)	(5,172)
Proceeds from issuance of bonds	1,980	—
Redemption of bonds	—	(2,000)
Purchase of treasury shares	(2,001)	(1,286)
Purchase of treasury shares of subsidiaries	—	(7,109)
Dividends paid	(4,102)	(6,070)
Dividends paid to non-controlling interests	(16)	(15)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(273)	(149)
Other, net	(957)	(798)
Net cash provided by (used in) financing activities	(4,414)	(18,502)
Effect of exchange rate change on cash and cash equivalents	516	(15)
Net increase (decrease) in cash and cash equivalents	(6,265)	(33,026)
Cash and cash equivalents at beginning of period	84,037	77,771
Cash and cash equivalents at end of period	*1 77,771	*1 44,745

[Notes]

(Significant accounting policies for preparation of consolidated financial statements)

1. Matters relating to the scope of consolidation

(1) Number of consolidated subsidiaries: 12

(2) Names, etc. of unconsolidated subsidiaries

The unconsolidated subsidiaries (Mitsui Securities Co., Ltd. and others) are all small in scale, and the influence of their combined total assets, operating revenue and profit (amounts proportional to equity) and retained earnings (amount proportional to equity) on the consolidated financial statements is minor. Accordingly, they are excluded from the scope of consolidation.

2. Matters relating to the application of the equity method

(1) Number of affiliates accounted for by the equity method: 2

(2) Unconsolidated subsidiaries that are not accounted for by the equity method

The influence on the consolidated financial statements of the unconsolidated subsidiaries that are not accounted for by the equity method (Mitsui Securities Co., Ltd. and others) is minor even if they are excluded from the scope of application of the equity method, judging from their profit (amount proportional to equity) and retained earnings (amount proportional to equity), and they are not material even on a combined basis. Accordingly, they are excluded from the scope of application of the equity method.

3. Matters relating to the fiscal years, etc. of the consolidated subsidiaries

All consolidated subsidiaries close accounts on March 31, except for No. 1 OCP Investment Limited Partnership and No. 2 OCP Investment Limited Partnership, which close accounts at the end of February.

For No. 1 OCP Investment Limited Partnership and No. 2 OCP Investment Limited Partnership, financial statements as of the end of February are used, and, for purposes of the consolidated financial results, necessary adjustments have been made for material transactions that occurred during the period up to the consolidated balance sheet date.

4. Matters concerning accounting policies

(1) Standards and methods for valuation of securities, etc. for trading purposes

The fair value method is adopted for securities and derivatives, etc. for trading purposes.

(2) Standards and methods for valuation of securities, etc. for non-trading purposes

Held-to-maturity debt securities

They are stated at amortized cost (straight-line method).

Available-for-sale securities

(i) Securities other than equity securities, etc. without market value

They are recorded at fair value (net unrealized gains (losses) are booked directly under net assets, and the cost of securities sold is mainly calculated based on the moving-average method).

(ii) Equity securities, etc. without market value

They are mainly stated at cost determined by the moving-average cost method or amortized cost method (straight-line method). Investments in investment limited partnerships and similar partnerships (which are deemed as securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are stated at the net value of equity based on the most recent financial statements available according to the financial reporting dates specified in the respective partnership agreements.

Derivatives

They are recorded at fair value.

(3) Method of depreciation for significant depreciable assets

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

The Company and its consolidated subsidiaries in Japan adopt the declining-balance method, and its consolidated subsidiaries outside Japan adopt the straight-line method.

However, the Company and its consolidated subsidiaries in Japan use the straight-line method for buildings (excluding building fixtures) acquired on and after April 1, 1998 and building fixtures and structures acquired on and after April 1, 2016.

The estimated useful lives for major asset classes are as follows:

Buildings, net                      3 to 50 years

Equipment                          3 to 15 years

(ii) Intangible assets (excluding leased assets)

The Company and its consolidated subsidiaries adopt the straight-line method. Software is amortized over an estimated internal useful life of 5 years.

(iii) Leased assets

The straight-line method is adopted by treating the lease period as the useful life and assuming a residual value of zero.

(4) Recognition standard for significant allowances

(i) Allowance for doubtful accounts

To prepare for credit losses from loans, etc., the Company and its consolidated subsidiaries in Japan provide for the amount of uncollectible receivables based on the estimated historical default rate for normal accounts, and based on specifically assessed amounts for doubtful accounts.

The consolidated subsidiaries outside Japan provide for the amount of uncollectible receivables based on specifically assessed amounts for individual accounts.

(ii) Provision for bonuses

The Company and its consolidated subsidiaries recognize the amount to be borne for the fiscal year under review for the estimated amount of payment, as calculated based on the designated calculation method for each company, to provide for bonus payments to the employees.

(iii) Provision for retirement benefits for directors (and other officers)

To provide for the payment of lump-sum retirement benefits to their officers, some consolidated subsidiaries in Japan recognize the amount to be paid at the end of the period based on their respective internal rules.

(iv) Reserve for financial instruments transaction liabilities

Reserve for financial instruments transaction liabilities is recognized based on the provisions of the Financial Instruments and Exchange Act to cover possible losses incurred due to accidents in relation to transactions of securities and others or derivative transactions.

(5) Accounting treatment for retirement benefits

(i) Attribution method for estimated amounts of retirement benefits

In determining retirement benefit obligations, the benefit formula basis is used to attribute estimated amounts of retirement benefits to the period up to the end of the fiscal year under review.

(ii) Method of amortization of actuarial gains or losses

Actuarial gains or losses are amortized using the straight-line method over a fixed period (five years) within the average remaining service period of employees as of the time the cost is incurred during each fiscal year, with each amount recognized as an expense starting from the following fiscal year.



(6) Recognition standard for significant revenues

Brokerage commissions are primarily commissions received for the brokerage of equity transactions. Since the obligation to pass a buy or sell order to a secondary market is satisfied on the trade date, etc., revenue is recognized at such point in time.

Commissions for underwriting, secondary distribution and solicitation for selling and others for professional investors are those received from issuing companies, etc. for underwriting or secondary distribution of securities (limited to where a subscription period for the purchase or sale of securities is specified) or solicitation for selling and others for professional investors. Generally, by deeming that the obligation to underwrite, etc. is satisfied on the pricing date, revenue is recognized at such point in time.

Fees for offering, secondary distribution and solicitation for selling and others for professional investors are those received from underwriters, etc. for handling offerings or secondary distributions of securities, or private placement or solicitation for selling, etc. to professional investors. Generally, by deeming that the obligation to sell, etc. is satisfied on the subscription date for offering, etc., revenue is recognized at such point in time. In the case of beneficiary certificates traded in the buy/sell format, revenue is recognized in a manner similar to brokerage commissions.

With respect to administrative charges received for the management and administration of investment trusts, which are included in other commissions received, a certain percentage of the daily net asset value of an investment trust is recognized as daily revenue, in accordance with the trust agreement.

(7) Standard for translation of significant foreign currency-denominated assets or liabilities into Japanese yen

Receivables and payables denominated in foreign currencies are translated into yen at the spot foreign exchange rates on the consolidated balance sheet date, and gains or losses resulting from the translation are credited or charged to income. Assets and liabilities, and revenues and expenses of an overseas consolidated subsidiary are translated into yen at the spot foreign exchange rate on the consolidated balance sheet date, and gains or losses resulting from the translation are included in the 'Foreign currency translation adjustment' account under net assets.

(8) Significant hedge accounting methods

(i) Hedge accounting methods

In principle, the Company primarily applies the deferred hedge accounting method. Exceptional accounting treatment is applied for interest rate swaps that satisfy the requirements for such treatment.

(ii) Hedging instruments and hedged items

Hedging instruments: Interest rate swaps

Hedged items: Borrowings

(iii) Hedging policy

The Company carries out interest rate swap transactions to hedge interest rate risks associated with certain borrowings, and hedged items are identified for each contract.

(iv) Method of assessing hedge effectiveness

Given that the interest rate swaps satisfy the requirements for exceptional accounting treatment, the assessment of effectiveness is omitted.

(9) Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents consist of cash on hand and deposits that can be withdrawn anytime, including those in checking accounts and savings accounts, as well as highly liquid investments with an insignificant risk of changes in value, which have maturities of three months or less when purchased (excluding trading products).

(10) Application of Group Tax Sharing System

The Company and some of its consolidated subsidiaries in Japan apply the Group Tax Sharing System.

(Significant accounting estimates)

1. Deferred tax assets (liabilities)

(1) Amounts recorded in the consolidated financial statements

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Deferred tax assets	27	19
Deferred tax liabilities	16,223	14,752

(Note) The above amounts represent the amount after offsetting deferred tax assets and deferred tax liabilities, and the amounts of deferred tax assets before offsetting against deferred tax liabilities were ¥2,142 million for the previous fiscal year, and ¥1,484 million for the fiscal year under review.

Of those amounts, the amounts of deferred tax assets (before offsetting against deferred tax liabilities) within the group subject to the Group Tax Sharing System were ¥2,036 million for the previous fiscal year and ¥1,331 million for the fiscal year under review.

(2) Methods of calculation

Deferred tax assets are recognized for future deductible temporary differences and tax-loss carryforwards to the extent it has become probable that future taxable income will allow them to be recovered. Deferred tax liabilities are recognized for future taxable temporary differences. The Company and certain consolidated subsidiaries in Japan adopt the Group Tax Sharing System and recoverability is determined by considering the estimated taxable income based on the future profitability of the group subject to the tax sharing system.

(3) Major assumptions

Estimates of future taxable income are calculated based on future business plans, with judgment and assumptions made by management by considering the external environments. Major assumptions in the business plans of the group subject to tax sharing system are the balance of assets under custody in the future and profitability relative to such assets, which are used in the projection of the operating revenue of Okasan Securities Co., Ltd., our core subsidiary. They are determined in light of past performance and the Medium-term Business Plan, as well as the current market environment.

(4) Impact on the consolidated financial statements for the fiscal year ending March 31, 2026

The recognition of deferred tax assets is judged based on the estimated amount of taxable income, which may be impacted by changes in uncertain future economic conditions and other factors. If the actual amount differs from the projection, it may have a material impact on the amount of deferred tax assets in the consolidated financial statements for the fiscal year ending March 31, 2026.

(Changes in accounting policies)

The Company has adopted the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “Revised Accounting Standard 2022”), etc. since the beginning of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxation on other comprehensive income) follows the transitional treatment prescribed in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso to (2) of Paragraph 65-2 of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; hereinafter, the “Revised Guidance 2022”). These changes in accounting policies have no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies are deferred for tax purposes, the Company has applied the Revised Guidance 2022 since the beginning of the fiscal year under review. These changes in accounting policies have been applied retroactively, and the fiscal year for the previous consolidated financial statements has been adjusted accordingly. These changes in accounting policies have no effect on the consolidated financial statements of the previous consolidated fiscal year.

(Accounting standards, etc. issued but not yet applied)

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)

In addition, revisions of the related Accounting Standards, Implementation Guidance on Accounting Standards, Practical Issues Task Force Reports, and Transfer Guidance

(1) Outline

As is the case with international accounting standards, the treatment of all leases by the lessee, including the recording of assets and liabilities, is to be stipulated.

(2) Scheduled date of application

It is to be applied from the beginning of the fiscal year ending March 2028.

(3) Impact of the application of the relevant accounting standard, etc.

The impact of the application of the “Accounting Standard for Leases” etc. on the consolidated financial statements is currently under evaluation.

(Consolidated balance sheet)

\*1 The amounts of accumulated depreciation of property, plant and equipment are as follows.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Accumulated depreciation of property, plant and equipment	19,384	19,164

\*2 The following is information on unconsolidated subsidiaries and affiliates.

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Investments and other assets	10,985	11,176
Investment securities		

\*3 Assets pledged as collateral and collateralized liabilities are as follows.

As of March 31, 2024

(Millions of yen)

Collateralized liabilities		Assets pledged as collateral				
Type	Balance at the end of the period	Deposit	Trading securities and other	Property, plant and equipment	Investment securities	Total
Short-term borrowings	31,044	2,931	30,688	—	10,768	44,388
Margin borrowings	3,435	—	—	—	257	257
Total	34,479	2,931	30,688	—	11,025	44,645

(Notes) 1. Amounts in the table above are based on the carrying values on the consolidated balance sheet.

2. In addition to the above, trading securities and other of ¥23,560 million and investment securities of ¥2,268 million are pledged as collateral for real-time gross settlement transactions, etc.

As of March 31, 2025

(Millions of yen)

Collateralized liabilities		Assets pledged as collateral				
Type	Balance at the end of the period	Deposit	Trading securities and other	Property, plant and equipment	Investment securities	Total
Short-term borrowings	17,541	2,580	17,734	—	—	20,314
Margin borrowings	3,616	—	—	—	217	217
Total	21,157	2,580	17,734	—	217	20,532

(Notes) 1. Amounts in the table above are based on the carrying values on the consolidated balance sheet.

2. In addition to the above, trading securities and other of ¥102,065 million and investment securities of ¥1,924 million are pledged as collateral for real-time gross settlement transactions, etc.

- 4 The fair value of securities pledged as collateral, etc. is as follows. (Excluding \*3 previously described)

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Securities sold in margin transactions	11,458	5,764
Securities pledged for margin borrowings	11,360	8,392
Securities lent under loan agreements	3,698	39,253
Securities sold under repurchase agreements	196,460	296,835
Substituted securities for guaranteed deposits payable (except those directly deposited by customers)	1,394	599
Other securities pledged as collateral	19,658	24,431

- 5 The fair value of securities received as collateral, etc. is as follows.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Securities deposited for margin loans	116,377	69,287
Securities borrowed in margin transactions	5,115	5,811
Securities borrowed under loan agreements	0	37,395
Securities bought under repurchase agreements	430,929	414,370
Substituted securities for guaranteed deposits receivable (limited to those for which consent for rehypothecation has been obtained)	147,231	132,234
Other securities deposited as collateral with the right to dispose freely	47,561	19,591

- \*6 Pursuant to the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998), some consolidated subsidiaries have revaluated business-use land and record 'Revaluation reserve for land' under net assets.

- Method of revaluation: Revaluated based on a method provided in Article 2, Items 1, 3 and 5 of the Enforcement Ordinance Concerning Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998).
- Date of revaluation: March 31, 2002
- No difference is provided, as the fair value of land for which revaluation was performed exceeded the carrying value after revaluation as of the end of the fiscal year ended March 31, 2024 and the fiscal year ended March 31, 2025.

- \*7 The provision that provides for the reserve under the special law is as follows.

Reserve for financial instruments transaction liabilities: Article 46-5, Paragraph 1 of the Financial Instruments and Exchange Act

- \*8 Long-term borrowings include subordinated borrowings, provided in Article 176 of the "Cabinet Office Ordinance Concerning Financial Instruments Business" (Cabinet Office Ordinance No. 52 of 2007), as follows.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Current portion of long-term borrowings	4,000	—

- 9 A consolidated subsidiary (Okasan Securities Co., Ltd.) has loan commitment agreements in place with six financial institutions (including participants through syndication) with the aim of developing a stable and flexible financing system and further strengthening financial management. Unused lines of credit under the relevant agreements are as follows.

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Total amount of loan commitments	21,000	21,000
Borrowings outstanding	—	—
Balance	21,000	21,000

(Consolidated statement of income)

- \*1 Revenue from contracts with customers

Operating revenues are not shown with revenue from contracts with customers separated from other revenues. The amount of revenue from contracts with customers is included in “Notes, (Revenue recognition), 1. Information on breakdown of revenue from contracts with customers” in the consolidated financial statements.

- \*2 Personnel expenses include the following amounts.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Provision for bonuses	2,822	2,606
Retirement benefit expenses	534	119
Provision for retirement benefits for directors (and other officers)	28	28

- \*3 Impairment losses

Fiscal year ended March 31, 2024

The Group recognized impairment losses mainly for the following asset groups.

- (1) Major assets for which impairment loss is recognized

Location	Use	Type
Taito-ku, Tokyo	Business-use assets	Software, etc.
Chuo-ku, Tokyo	Business-use assets	Buildings, etc.

- (2) Background to recognition of impairment losses

With respect to asset groups for which profit or loss from operating activities have been continuously negative and systems, etc. for internal use for which the decision to discontinue use have been made, the carrying values of these asset groups were reduced to the recoverable values, and the amount of such reductions were recognized as impairment losses.

(3) Amounts of impairment losses

(Millions of yen)	
Assets	Amount
Software	1,424
Buildings, net	96
Equipment	33
Intangible assets, Other	16
Investments and other assets, Other	4
Total	1,574

(4) Review of grouping assets

The Group has been grouping assets mainly according to the classification for management reporting. However, the Group changed its reportable segments to a single segment starting the fiscal year ended March 31, 2024, and reviewed the grouping of assets from the perspective of consolidation.

As a result of this review, some of the asset groups of consolidated subsidiaries that were previously included in the Support Business segment have been combined with the related asset groups of Okasan Securities Co., Ltd., a consolidated subsidiary of the Company, to form a single asset group. In addition, assets that do not generate independent cash flows are treated as common assets.

(5) Method of determining recoverable value

The recoverable value for the assets of the Group is determined by their value in use. Since no cash flow is expected in the future, no specific discount rate is calculated, and the value in use is calculated as zero.

Fiscal year ended March 31, 2025

The Group recognized impairment losses mainly for the following asset groups.

(1) Major assets for which impairment loss is recognized

Location	Use	Type
Nagaizumi-cho, Sunto-gun, Shizuoka	Unused assets	Land, etc.
Taito-ku, Tokyo	Business-use assets	Software, etc.

(2) Background to recognition of impairment losses

With respect to asset groups held by the Company for which the decision to discontinue use have been made and systems, etc. in asset groups for which profit or loss from operating activities have been continuously negative, the carrying values of these asset groups were reduced to the recoverable values, and the amount of such reductions were recognized as impairment losses.

(3) Amounts of impairment losses

(Millions of yen)	
Assets	Amount
Land	418
Software	177
Buildings, net	133
Equipment	11
Investments and other assets, Other	1
Total	743

(4) Method of grouping assets

Some of the asset groups of consolidated subsidiaries have been combined with the related asset groups of Okasan Securities Co., Ltd., a consolidated subsidiary of the Company, to form a single asset group. In addition, assets that do not generate independent cash flows are treated as common assets.

(5) Method of determining recoverable value

The recoverable value of the Group is calculated based on the value in use or net selling price. With respect to the value in use, since no cash flow is expected in the future, no specific discount rate is calculated, and the value in use is evaluated at a memorandum value. The net selling price is based on the market price, etc. reasonably calculated.



## (Consolidated statement of comprehensive income)

\*1 Reclassification adjustment as well as income taxes and tax effects relating to other comprehensive income (loss)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Valuation difference on available-for-sale securities:		
Arising during the year	28,946	(1,941)
Reclassification adjustment	(1,922)	(2,172)
Income taxes and before tax amount	27,024	(4,114)
Income taxes and tax effects	(8,209)	942
Valuation difference on available-for-sale securities	18,815	(3,171)
Revaluation reserve for land:		
Income taxes and tax effects	—	(37)
Foreign currency translation adjustment:		
Arising during the year	560	(27)
Remeasurements of defined benefit plans, net of tax:		
Arising during the year	1,810	634
Reclassification adjustment	(335)	(725)
Income taxes and before tax amount	1,474	(90)
Income taxes and tax effects	(432)	75
Remeasurements of defined benefit plans, net of tax	1,042	(14)
Share of other comprehensive income of entities accounted for using equity method:		
Arising during the year	686	(296)
Reclassification adjustment	(52)	(52)
Share of other comprehensive income of entities accounted for using equity method	634	(348)
Total other comprehensive income	21,052	(3,600)

## (Consolidated statement of changes in equity)

Fiscal year ended March 31, 2024

## 1. Matters concerning the type and total number of shares issued as well as the type and number of treasury shares

(Thousand shares)

	Number of shares at the beginning of the fiscal year ended March 31, 2024	Increase in the number of shares during the fiscal year ended March 31, 2024	Decrease in the number of shares during the fiscal year ended March 31, 2024	Number of shares at the end of the fiscal year ended March 31, 2024
Shares issued				
Common stock	231,217	—	—	231,217
Total	231,217	—	—	231,217
Treasury shares				
Common stock (Notes) 1, 2	26,086	2,854	962	27,978
Total	26,086	2,854	962	27,978

(Notes) 1. The increase in the number of treasury shares of common stock by 2,854 thousand shares consists of an increase of 2,836 thousand shares due to purchase in accordance with resolution passed at the Board of Directors' meeting, an increase of 15 thousand shares due to free acquisition of restricted stock, and an increase of 2 thousand shares due to purchase of shares less than one unit.

2. The decrease in the number of treasury shares of common stock by 962 thousand shares consists of a decrease of 741 thousand shares due to granting restricted stock, and a decrease of 221 thousand shares due to the exercise of stock acquisition rights.

## 2. Matters concerning stock acquisition rights and treasury stock acquisition rights

Classification	Breakdown of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights (shares)				Balance at the end of the fiscal year ended March 31, 2024 (Millions of yen)
			Beginning of the fiscal year ended March 31, 2024	Increase during the fiscal year ended March 31, 2024	Decrease during the fiscal year ended March 31, 2024	End of the fiscal year ended March 31, 2024	
Submitting company (Parent)	Stock acquisition rights as stock options	—	—	—	—	—	266
Total		—	—	—	—	—	266

## 3. Matters concerning dividends

## (1) Amount of dividends paid

(Resolved)	Type of shares	Total amount of dividends (Millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Board of Directors' meeting held on May 18, 2023	Common stock	4,102	20	March 31, 2023	June 8, 2023

(Note) Dividends per share include ¥10 of commemorative dividend in celebration of the Company's 100th anniversary.

## (2) Of the dividends whose record date fell in the fiscal year ended March 31, 2024, the following are those whose effective date falls in the fiscal year ended March 31, 2025

(Resolved)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Amount of dividend per share (yen)	Record date	Effective date
Board of Directors' meeting held on May 17, 2024	Common stock	6,097	Retained earnings	30	March 31, 2024	June 6, 2024

Fiscal year ended March 31, 2025

1. Matters concerning the type and total number of shares issued as well as the type and number of treasury shares

(Thousand shares)

	Number of shares at the beginning of the fiscal year ended March 31, 2025	Increase in the number of shares during the fiscal year ended March 31, 2025	Decrease in the number of shares during the fiscal year ended March 31, 2025	Number of shares at the end of the fiscal year ended March 31, 2025
Shares issued				
Common stock	231,217	—	—	231,217
Total	231,217	—	—	231,217
Treasury shares				
Common stock (Notes) 1, 2	27,978	2,032	349	29,661
Total	27,978	2,032	349	29,661

(Notes) 1. The increase in the number of treasury shares of common stock by 2,032 thousand shares consists of an increase of 2,000 thousand shares due to purchase in accordance with resolution passed at the Board of Directors' meeting, an increase of 29 thousand shares due to free acquisition of restricted stock, and an increase of 2 thousand shares due to purchase of shares less than one unit.

2. The decrease in the number of treasury shares of common stock by 349 thousand shares consists of a decrease of 249 thousand shares due to granting restricted stock, and a decrease of 99 thousand shares due to the exercise of stock acquisition rights.

2. Matters concerning stock acquisition rights and treasury stock acquisition rights

Classification	Breakdown of stock acquisition rights	Type of shares subject to stock acquisition rights	Number of shares subject to stock acquisition rights (shares)				Balance at the end of the fiscal year ended March 31, 2025 (Millions of yen)
			Beginning of the fiscal year ended March 31, 2025	Increase during the fiscal year ended March 31, 2025	Decrease during the fiscal year ended March 31, 2025	End of the fiscal year ended March 31, 2025	
Submitting company (Parent)	Stock acquisition rights as stock options	—	—	—	—	—	229
Total		—	—	—	—	—	229

3. Matters concerning dividends

(1) Amount of dividends paid

(Resolved)	Type of shares	Total amount of dividends (Millions of yen)	Amount of dividend per share (yen)	Record date	Effective date
Board of Directors' meeting held on May 17, 2024	Common stock	6,097	30	March 31, 2024	June 6, 2024

(2) Of the dividends whose record date fell in the fiscal year ended March 31, 2025, the following are those whose effective date falls in the fiscal year ending March 31, 2026

(Resolved)	Type of shares	Total amount of dividends (Millions of yen)	Source of dividends	Amount of dividend per share (yen)	Record date	Effective date
Board of Directors' meeting held on May 19, 2025	Common stock	6,046	Retained earnings	30	March 31, 2025	June 6, 2025

(Consolidated statement of cash flows)

- \*1 Relationship between the ending balance of cash and cash equivalents and the amount of the items listed on the consolidated balance sheet

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash and deposits account	82,586	49,372
Time deposits with maturities of longer than three months, etc.	(4,814)	(4,626)
Cash and cash equivalents	77,771	44,745

- \*2 Major components of assets and liabilities relating to business acquisition that use cash and cash equivalents as consideration  
Fiscal year ended March 31, 2024

Assets and liabilities relating to the acquisition of the customer management business of the financial instruments business from Shinbayashi Securities Co., Ltd., the acquisition price of the business, and the payments for acquisition of businesses are as follows.

	(Millions of yen)
Current assets	1,879
Current liabilities	(1,626)
Business acquisition price	253
Cash and cash equivalents	—
Payments from acquisition of businesses	253

Fiscal year ended March 31, 2025

Assets and liabilities relating to the acquisition of the financial instruments business, etc. from Aioi Securities Co., Ltd. and Ehime Securities Co., Ltd., the acquisition price of the business, and the proceeds from acquisition of businesses are as follows.

	(Millions of yen)
Current assets	2,619
Current liabilities	(2,619)
Non-current assets	100
Business acquisition price	100
Cash and cash equivalents	2,614
Proceeds from acquisition of businesses	2,514

(Lease transactions)

1. Finance lease transactions

Finance lease transactions without title transfer

(i) Details of leased assets

Property, plant and equipment

Mainly, computer terminals and communication equipment (“equipment”).

(ii) Method of depreciation for leased assets

As described in “4. Matters concerning accounting policies, (3) Method of depreciation for significant depreciable assets” under (Significant accounting policies for preparation of consolidated financial statements).

2. Operating lease transactions

Future lease payments required under non-cancellable operating leases

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
One year or less	1,988	1,930
Over one year	7,481	6,502
Total	9,469	8,433

(Financial instruments)

1. Matters concerning financial instruments

(1) Management policy for financial instruments

The Group primarily engages in financial instruments business, which includes trading in securities, brokerage for trading in securities, underwriting and distribution of securities, public offering and secondary distribution of securities and private offering of securities. For the above-mentioned business, the Group uses its own financial resources and obtains financing through bank loans and call money, etc., as needed.

The Group makes short-term deposits and loans to customers for margin transactions for fund management purposes, and engages in securities trading for the Group's own accounts and others.

Regarding the trading business, the Group's primary aims are, with respect to transactions on the exchanges, to ensure the smooth execution of brokered transactions and contribute to the sound functioning of markets and, with respect to non-exchange traded transactions, to facilitate fair price formation and smooth distribution, as well as strive to reduce losses arising from transactions, etc.

Regarding derivative transactions, the Group uses interest rate swaps to hedge future fluctuations in interest rates and does not enter into interest rate swaps for trading or speculative purposes.

(2) Financial instruments and risks

Major financial assets held by the Group include cash and deposits, segregated deposits, trading products, margin transaction assets, loans secured by securities, short-term loans receivable, and investment securities.

Deposits are subject to the credit risk of depositary financial institutions. Segregated deposits are mostly cash segregated as deposits for customers, which are segregated from the Group's own assets and entrusted to trust banks in accordance with the Financial Instruments and Exchange Act. Such entrusted funds are protected in accordance with the Trust Act.

Trading positions held in the trading business are made for meeting customers' various needs, complementing the market functions, and hedging the positions. The main risks that arise from such trading and possibly impact the financial position of the Group are market and counterparty risks. Market risk is the risk arising from future changes in the market value of stocks, interest rates and foreign currency exchange rates, and counterparty risk is the risk arising from default by the counterparty.

Margin transaction assets consist of margin loans to customers and cash deposits as collateral for securities borrowed from securities finance companies, and are exposed to the credit risk of counterparties. Loans secured by securities consist of transaction collateral pledged to counterparties for securities borrowed, and are exposed to counterparty risk. Short-term loans receivable mainly consist of loans secured by securities held by customers, and are exposed to counterparty risk. Meanwhile, investment securities are exposed to the issuer's credit risk and market risk, among other risks.

Major components of financial liabilities include trading products, margin transaction liabilities, borrowings secured by securities, deposits received, guarantee deposits received, and borrowings.

Margin transaction liabilities include proceeds from securities sold in margin transactions by customers and borrowings from securities finance companies. Borrowings secured by securities consist of transaction collateral received from counterparties for securities loaned and are received as collateral for a loan of bonds such as government bonds. Further, deposits received represent temporary unsettled amounts arising from transactions with customers, and guarantee deposits received include guarantee deposits for margin transactions received from customers. Certain financial liabilities, such as borrowings, are exposed to liquidity risk, which is the risk that the Group will become unable to make a payment on the due date. Additionally, certain liabilities are exposed to interest rate fluctuation risk associated with borrowings with variable interest rates.

The Group engages in derivative transactions as part of comprehensive asset and liability management. Derivative transactions for trading purposes are broadly categorized into (i) derivatives listed on exchanges such as stock index futures and bond futures and their options, and (ii) over-the-counter derivatives such as forward foreign exchange transactions. For non-trading purposes, the Group uses interest rate swaps. Interest rate swaps are used to hedge future fluctuations in the interest rates on borrowings arising from higher interest rates in the market, and exceptional accounting treatment is applied where the requirements for such treatment are met. Interest rate swaps are exposed to interest rate fluctuation risk; however, the counterparties are limited to the lenders of the relevant loans that are being hedged.

(3) Risk management system for financial instruments

The Group strives to enhance its risk management system in the financial instruments business and take appropriate risk control measures, in order to maintain its management soundness and effectively use management resources.

The Company controls its purchase, sales and market risks associated with investment securities in accordance with investment securities management rules and others.

At Okasan Securities Co., Ltd., the Group's core firm, market risk is calculated by the standard method, although not calculated by the internal control model method (value at risk, etc.), and position limits and risk limits are determined for each financial instrument, while counterparty risk is managed by, for example, establishing credit limits for each financial instrument. Primarily, departments that engage in trading on a daily basis check the position and gains or losses. Secondly, risk control department ascertains the position and the risks calculated by risk assessment departments and checks the status of compliance with the limits to ensure appropriate risk control. Margin transaction assets are controlled by daily credit management through the establishment of inception criteria for margin transactions and limits for open interest, as well as the receipt of collateral during times of market fluctuations, in accordance with customer management rules and others, in order to reduce the risks. Liquidity risk is controlled based on fund management plans in accordance with liquidity risk management rules and others. In addition, the Group has developed a system that enables us to act promptly as an organization in the event of a fund liquidity crisis, such as formulating a contingency plan on funding options.

Further, securities subsidiaries other than Okasan Securities Co., Ltd. also strive for appropriate risk control.

(4) Supplemental explanation on matters concerning fair value of financial instruments

The contract amounts, etc. of derivative transactions under matters concerning the fair value, etc. of derivatives are merely their notional contract amounts or notional amounts for the purpose of calculation, and do not represent the risk associated with the derivative transactions.

2. Matters concerning the fair value of financial instruments

The carrying values on the consolidated balance sheet, fair values, and differences between them are as follows. The fair values for cash and deposits, segregated deposits, margin transaction assets, loans secured by securities, short-term guarantee deposits, short-term loans receivable, trade date accruals, margin transaction liabilities, borrowings secured by securities, deposits received, guarantee deposits received, short-term borrowings, and current portion of bonds payable approximates their book values as they are settled within a short period of time. Accordingly, notes are omitted.

As of March 31, 2024

(Millions of yen)			
	Carrying value on the consolidated balance sheet	Fair value	Difference
(1) Trading securities and other, Securities and Investment securities	350,009	350,009	—
Trading securities	284,461	284,461	—
Available-for-sale securities	65,547	65,547	—
Total assets	350,009	350,009	—
(2) Trading securities and other	438,204	438,204	—
Trading securities	438,204	438,204	—
(3) Long-term borrowings (including those to be repaid within one year)	11,900	11,860	(39)
Total liabilities	450,104	450,064	(39)
Derivatives (*)	[417]	[417]	—

(\*) Derivative receivables and payables are presented on a net basis. Items that are net payables are shown in brackets.

(Note) Equity securities, etc. without market value

(Millions of yen)

Classification	As of March 31, 2024
Unlisted equity securities (*1)	17,064
Investments in investment limited partnerships, etc. (*2)	1,430
Total	18,494

- (\*1) Unlisted equity securities are not included in the scope of fair value disclosure pursuant to Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).
- (\*2) Investments in investment limited partnerships are not included in the scope of fair value disclosure pursuant to Article 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).

As of March 31, 2025

(Millions of yen)

	Carrying value on the consolidated balance sheet	Fair value	Difference
(1) Trading securities and other, Securities and Investment securities	576,973	576,973	—
Trading securities	520,934	520,934	—
Available-for-sale securities	56,039	56,039	—
Total assets	576,973	576,973	—
(2) Trading securities and other	462,855	462,855	—
Trading securities	462,855	462,855	—
(3) Long-term borrowings (including those to be repaid within one year)	6,728	6,631	(96)
Total liabilities	469,583	469,486	(96)
Derivatives (*)	42	42	—

(\*) Derivative receivables and payables are presented on a net basis. Items that are net payables are shown in brackets.

(Note) Equity securities, etc. without market value

(Millions of yen)

Classification	As of March 31, 2025
Unlisted equity securities (*1)	17,621
Investments in investment limited partnerships, etc. (*2)	1,860
Total	19,481

- (\*1) Unlisted equity securities are not included in the scope of fair value disclosure pursuant to Paragraph 5 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020).
- (\*2) Investments in investment limited partnerships are not included in the scope of fair value disclosure pursuant to Article 24-16 of the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021).



(Note) 1. Scheduled redemption amounts of monetary claims and securities with maturity dates after the consolidated balance sheet date

As of March 31, 2024

(Millions of yen)

	Due within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	82,586	—	—	—
Segregated deposits	110,256	—	—	—
Trading securities and other, Securities and Investment securities				
Available-for-sale securities with maturities				
1. Debt securities				
Government bonds, local government bonds, etc.	—	—	—	—
2. Other	44	231	21	—
Margin transaction assets	110,476	—	—	—
Loans secured by securities	431,439	—	—	—
Short-term guarantee deposits	21,061	—	—	—
Short-term loans receivable	13,178	—	—	—
Total	769,044	231	21	—

As of March 31, 2025

(Millions of yen)

	Due within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	49,372	—	—	—
Segregated deposits	106,417	—	—	—
Trading securities and other, Securities and Investment securities				
Available-for-sale securities with maturities				
1. Debt securities				
Government bonds, local government bonds, etc.	—	—	—	—
2. Other	—	255	—	—
Margin transaction assets	82,455	—	—	—
Loans secured by securities	473,712	—	—	—
Short-term guarantee deposits	22,805	—	—	—
Short-term loans receivable	6,515	—	—	—
Total	741,279	255	—	—

(Note) 2. Scheduled repayment amounts of long-term borrowings and other interest-bearing debt after the consolidated balance sheet date

As of March 31, 2024

(Millions of yen)

	Due within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Short-term borrowings	152,019	—	—	—	—	—
Long-term borrowings	5,172	2,812	2,016	1,900	—	—
Margin borrowings (Note)	12,839	—	—	—	—	—
Current portion of bonds payable	2,000	—	—	—	—	—
Total	172,031	2,812	2,016	1,900	—	—

(Note) Margin borrowings are deemed to be settled within one year.

As of March 31, 2025

(Millions of yen)

	Due within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Short-term borrowings	156,116	—	—	—	—	—
Long-term borrowings	2,812	2,016	1,900	—	—	—
Margin borrowings (Note)	8,918	—	—	—	—	—
Current portion of bonds payable	—	—	—	—	—	—
Total	167,846	2,016	1,900	—	—	—

(Note) Margin borrowings are deemed to be settled within one year.

### 3. Matters concerning the breakdown, etc. of the fair value of financial instruments by hierarchical level

The fair value of financial instruments is categorized into the three levels below based on the observability and materiality of the inputs used in measuring their fair value.

Level 1 fair value: Fair value measured based on (unadjusted) quoted prices for identical assets or liabilities traded in active markets

Level 2 fair value: Fair value measured using directly or indirectly observable inputs other than inputs used for Level 1

Level 3 fair value: Fair value measured using significant unobservable inputs

Where there are multiple inputs that have a significant impact on the measurement of fair value, the relevant fair value is classified in the lowest level of the fair value hierarchy among the levels that those inputs belong to.

(1) Financial instruments that are recorded on the consolidated balance sheet at fair value

As of March 31, 2024

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Trading securities	280,318	4,143	–	284,461
Securities and Investment securities	65,547	–	–	65,547
Total assets	345,865	4,143	–	350,009
Trading securities and other	438,204	–	–	438,204
Total liabilities	438,204	–	–	438,204
Derivative where hedge accounting is not applied	[418]	0	–	[417]
Total derivatives (*)	[418]	0	–	[417]

(\*) Derivative receivables and payables are presented on a net basis. Items that are net payables are shown in brackets.

As of March 31, 2025

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Trading securities	511,341	9,592	–	520,934
Securities and Investment securities	56,039	–	–	56,039
Total assets	567,381	9,592	–	576,973
Trading securities and other	462,855	–	–	462,855
Total liabilities	462,855	–	–	462,855
Derivative where hedge accounting is not applied	33	9	–	42
Total derivatives (*)	33	9	–	42

(\*) Derivative receivables and payables are presented on a net basis. Items that are net payables are shown in brackets.

(2) Financial instruments other than those that are recorded on the consolidated balance sheet at fair value

As of March 31, 2024

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings (including those to be repaid within one year)	—	11,860	—	11,860
Total liabilities	—	11,860	—	11,860

As of March 31, 2025

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings (including those to be repaid within one year)	—	6,631	—	6,631
Total liabilities	—	6,631	—	6,631

(Note) Explanation of the valuation techniques used in the measurement of fair value and the inputs for measuring fair value

Trading securities and other

Trading securities and other for which unadjusted market prices in actively-traded markets are available are categorized into Level 1 fair value. They include listed equity securities and government bonds, among other things.

Those for which published market prices are used but which are not traded in active markets are categorized into Level 2 fair value. They primarily include foreign bonds.

Where market prices are not available, fair value is measured by using valuation techniques, including the discounted present value method and option valuation models. Observable inputs are used in the valuation to the maximum extent possible, and inputs include indications among interbank dealers, current prices of related indices and volatilities. Cases where significant unobservable inputs are used in the measurement are categorized into Level 3 fair value, which primarily includes structured notes among foreign bonds.

Securities and Investment securities

With respect to securities and investment securities, those for which unadjusted market prices in actively-traded markets are available are categorized into Level 1 fair value, while those that are not traded in active markets are categorized into Level 2 fair value.

Derivatives

As for derivatives, those for which unadjusted market prices in actively-traded markets are available are categorized into Level 1 fair value, which primarily includes bond futures and stock index futures.

For over-the-counter derivatives, which comprise the majority of derivative transactions, fair value is measured by using valuation techniques such as the Black-Scholes model. The main inputs used in such valuation techniques include interest rates and volatilities. Those valuation techniques are generally accepted by the market, and their main inputs are generally easy to observe in actively-traded markets. Derivative transactions that are valued using such valuation techniques and inputs are categorized into Level 2 fair value. They include over-the-counter equity options.

Long-term borrowings (including those to be repaid within one year)

The total amount of interest and principal payments for the relevant borrowings for a maturity bucket is discounted to the present value at an interest rate that reflects the remaining tenor of those borrowings and credit risk, and such borrowings are categorized into Level 2 fair value.

The fair value of long-term borrowings with a variable interest rate for which the exceptional accounting method for interest rate swaps is applied is measured by discounting the total amount of interest and principal payments taken together with the relevant interest rate swaps at a current borrowing rate reasonably assumed for similar borrowings.

(Securities)

1. Those for trading purposes

Trading securities and other (Trading securities)

Valuation differences included in profit and loss are as follows.

(i) Assets

(Millions of yen)

Type	As of March 31, 2024	As of March 31, 2025
Equity securities and warrants	523	(111)
Debt securities	(508)	(6,818)
Beneficiary certificates, etc.	407	(2)
Total	421	(6,933)

(ii) Liabilities

(Millions of yen)

Type	As of March 31, 2024	As of March 31, 2025
Equity securities and warrants	(18)	218
Debt securities	1,351	10,051
Beneficiary certificates, etc.	—	—
Total	1,333	10,270

2. Those for non-trading purposes

Available-for-sale securities

As of March 31, 2024

(Millions of yen)

Classification		Type	Carrying value on the consolidated balance sheet	Acquisition cost	Difference
Those that belong to current assets	Where the carrying values on the consolidated balance sheet exceed their acquisition costs	(1) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(2) Other	44	40	4
		Subtotal	44	40	4
	Where the carrying values on the consolidated balance sheet do not exceed their acquisition costs	(1) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(2) Other	—	—	—
		Subtotal	—	—	—
Total		44	40	4	
Those that belong to non-current assets	Where the carrying values on the consolidated balance sheet exceed their acquisition costs	(1) Equity securities	64,952	24,767	40,184
		(2) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(3) Other	253	92	160
	Subtotal	65,205	24,860	40,345	
	Where the carrying values on the consolidated balance sheet do not exceed their acquisition costs	(1) Equity securities	296	365	(68)
		(2) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(3) Other	—	—	—
	Subtotal	296	365	(68)	
Total		65,502	25,225	40,277	

(Note) Equity securities, etc. without market value (unlisted equity securities, investments in investment limited partnerships, etc.) are not included in the above table. (As described in Notes (Financial Instruments) 2. Matters concerning the fair value of financial instruments (Note))

As of March 31, 2025

(Millions of yen)

Classification		Type	Carrying value on the consolidated balance sheet	Acquisition cost	Difference
Those that belong to current assets	Where the carrying values on the consolidated balance sheet exceed their acquisition costs	(1) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(2) Other	—	—	—
		Subtotal	—	—	—
	Where the carrying values on the consolidated balance sheet do not exceed their acquisition costs	(1) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(2) Other	—	—	—
		Subtotal	—	—	—
	Total		—	—	—
Those that belong to non-current assets	Where the carrying values on the consolidated balance sheet exceed their acquisition costs	(1) Equity securities	55,465	19,394	36,070
		(2) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(3) Other	255	92	162
		Subtotal	55,721	19,487	36,233
	Where the carrying values on the consolidated balance sheet do not exceed their acquisition costs	(1) Equity securities	317	425	(108)
		(2) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(3) Other	—	—	—
		Subtotal	317	425	(108)
	Total		56,039	19,913	36,125

(Note) Equity securities, etc. without market value (unlisted equity securities, investments in investment limited partnerships, etc.) are not included in the above table. (As described in Notes (Financial Instruments) 2. Matters concerning the fair value of financial instruments (Note))

### 3. Available-for-sale securities sold

Fiscal year ended March 31, 2024

(Millions of yen)

Type	Proceeds from sale	Total gain on sale	Total loss on sale
(1) Equity securities	3,837	1,928	—
(2) Debt securities	—	—	—
(i) Government bonds, local government bonds, etc.	—	—	—
(ii) Corporate bonds	—	—	—
(iii) Other	—	—	—
(3) Other	1,373	8	14
Total	5,211	1,937	14

Fiscal year ended March 31, 2025

(Millions of yen)

Type	Proceeds from sale	Total gain on sale	Total loss on sale
(1) Equity securities	7,737	2,317	—
(2) Debt securities	—	—	—
(i) Government bonds, local government bonds, etc.	—	—	—
(ii) Corporate bonds	—	—	—
(iii) Other	—	—	—
(3) Other	43	2	—
Total	7,780	2,320	—

### 4. Securities for which impairment loss has been recorded

Fiscal year ended March 31, 2024

Impairment losses of ¥546 million were recognized for securities (¥531 million for equity securities in available-for-sale securities and ¥14 million for shares of subsidiaries and associates).

Fiscal year ended March 31, 2025

Impairment losses of ¥106 million were recognized for securities (¥106 million for equity securities in available-for-sale securities).

With regard to securities other than equity securities, etc. without market value, where the fair value as of the consolidated balance sheet date represents a decline by 50% or more from their acquisition cost, impairment loss is recorded, in principle. Where it represents a decline by 30% or more but less than 50%, impairment loss is recorded, except where recoverability is recognized. Further, as for equity securities, etc. without market value, any deviation from the business plans and financial conditions, etc. of each investee is considered comprehensively, and impairment loss is recorded where it is judged that it is not recoverable.



(Derivative transactions)

1. Derivative transactions to which hedge accounting is not applied

(1) Those for trading purposes

(i) Equity securities

As of March 31, 2024

(Millions of yen)

Classification	Type	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value	Valuation gain (loss)
Market transactions	Stock index futures:				
	Sold	37,265	—	(463)	(463)
	Purchased	—	—	—	—
	Stock index options:				
	Sold	—	—	—	—
	Purchased	7	—	2	(5)
Over-the-counter transactions	Stock options traded over-the-counter:				
	Sold	—	—	—	—
	Purchased	2	—	8	5
Total		—	—	—	(462)

As of March 31, 2025

(Millions of yen)

Classification	Type	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value	Valuation gain (loss)
Market transactions	Stock index futures:				
	Sold	607	—	20	20
	Purchased	3	—	(0)	(0)
	Stock index options:				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Over-the-counter transactions	Stock options traded over-the-counter:				
	Sold	—	—	—	—
	Purchased	0	—	1	1
Total		—	—	—	21

## (ii) Debt securities

As of March 31, 2024

(Millions of yen)

Classification	Type	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value	Valuation gain (loss)
Market transactions	Bond futures:				
	Sold	—	—	—	—
	Purchased	148,242	—	49	49
	Bond futures options:				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total		—	—	—	49

As of March 31, 2025

(Millions of yen)

Classification	Type	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value	Valuation gain (loss)
Market transactions	Bond futures:				
	Sold	20,592	—	(28)	(28)
	Purchased	11,168	—	41	41
	Bond futures options:				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total		—	—	—	12

## (iii) Foreign currency-related

As of March 31, 2024

(Millions of yen)

Classification	Type	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value	Valuation gain (loss)
Over-the-counter transactions	Foreign exchange forwards:				
	Sold				
	U.S. dollars	1,117	—	(3)	(3)
	Indian rupees	325	—	(0)	(0)
	Mexican pesos	221	—	(5)	(5)
	Australian dollars	97	—	(0)	(0)
	Euros	32	—	(0)	(0)
	Brazilian reais	29	—	(0)	(0)
	Others	36	—	(0)	(0)
Total		—	—	—	(10)

As of March 31, 2025

(Millions of yen)

Classification	Type	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value	Valuation gain (loss)
Over-the-counter transactions	Foreign exchange forwards:				
	Sold				
	U.S. dollars	300	—	2	2
	Mexican pesos	223	—	4	4
	Indian rupees	104	—	0	0
	Australian dollars	47	—	0	0
Total		—	—	—	7

## (iv) Crypto-asset related

As of March 31, 2024

(Millions of yen)

Classification	Type	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value	Valuation gain (loss)
Over-the-counter transactions	Crypto-asset CFD transactions:				
	Sold	37	—	(7)	(7)
	Purchased	42	—	2	2
Total		—	—	—	(4)

As of March 31, 2025

Not applicable.

## (2) Those for non-trading purposes

Not applicable.

## 2. Derivative transactions to which hedge accounting is applied

Interest rate-related

As of March 31, 2024

(Millions of yen)

Hedge accounting method	Type of transactions	Major hedged items	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value
Exceptional accounting treatment of interest rate swaps	Interest rate swaps:	Long-term borrowings	2,000	1,398	(Note)
	Fixed payment rate vs. receiving floating rate				

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type of transactions	Major hedged items	Contract or notional amounts	Out of contract or notional amounts: Over one year	Fair value
Exceptional accounting treatment of interest rate swaps	Interest rate swaps:	Long-term borrowings	1,398	86	(Note)
	Fixed payment rate vs. receiving floating rate				

(Note) The instruments accounted for using the exceptional accounting treatment for interest rate swaps are treated together with long-term borrowings that are being hedged. Therefore, their fair value is presented together with that of the relevant long-term borrowings.

(Retirement benefits)

1. Outline of retirement benefit plans

The Group's main retirement benefit plans include a defined contribution retirement and pension plan (Comprehensive Securities type DC Okasan Plan), a corporate defined benefit pension plan and a retirement and severance plan that provides for lump-sum payment of benefits.

2. Defined benefit pension plan

(1) Reconciliation table of beginning balance and ending balance of retirement benefit obligations

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Retirement benefit obligations at the beginning of the period	12,998	12,158
Service cost	662	611
Interest cost	47	82
Amount of actuarial gains or losses incurred	(416)	(770)
Amount of retirement benefits paid	(1,139)	(1,097)
Other	4	1
Retirement benefit obligations at the end of the period	12,158	10,985

(Notes) 1. Certain consolidated subsidiaries adopt the simplified method for the calculation of retirement benefit obligations.

2. The retirement benefit expenses of the consolidated subsidiaries that adopt the simplified method are included in the above "service cost."

(2) Reconciliation table of beginning balance and ending balance of pension assets

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Pension assets at the beginning of the period	9,743	10,899
Expected return on plan assets	46	52
Amount of actuarial gains or losses incurred	1,393	(136)
Employer contributions	233	246
Amount of retirement benefits paid	(521)	(558)
Other	4	1
Pension assets at the end of the period	10,899	10,505

(3) Reconciliation table of the ending balances of retirement benefit obligations and pension assets with retirement benefit liability and retirement benefit asset recognized on the consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Retirement benefit obligations for the funded plan	7,127	6,406
Pension assets	(10,899)	(10,505)
	(3,772)	(4,099)
Retirement benefit obligations for the unfunded plan	5,031	4,579
Net of liabilities and assets for retirement benefits recorded on the consolidated balance sheet	1,259	479
Retirement benefit liability	5,418	4,922
Retirement benefit asset	4,159	4,442
Net of liabilities and assets for retirement benefits recorded on the consolidated balance sheet	1,259	479

(4) Amounts of retirement benefit expenses and their components

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Service cost	662	611
Interest cost	47	82
Expected return on plan assets	(46)	(52)
Amortization of actuarial gains or losses	(335)	(725)
Retirement benefit expenses in connection with the defined benefit pension plan	328	(83)

(5) Remeasurements of defined benefit plans, net of tax

The items recognized in the remeasurements of defined benefit plans, net of tax (before income taxes and related tax effects) are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Actuarial gains or losses	1,474	(90)

(6) Remeasurements of defined benefit plans

The items recognized in the remeasurements of defined benefit plans (before income taxes and related tax effects) are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Unrecognized actuarial gains or losses	2,604	2,513

(7) Matters concerning pension assets

(i) Major components of pension assets

The percentage of each major category to the total pension assets is as follows.

	As of March 31, 2024	As of March 31, 2025
Equity securities	43%	42%
General account	24%	23%
Debt securities	19%	20%
Other	14%	15%
Total	100%	100%

(ii) Determination procedure of long-term expected rate of return

In determining the long-term expected rate of return on plan assets, the Company considers the current portfolio of plan assets, actual performance results, investment policy and market trend.

(8) Matters concerning the basis for the calculation of actuarial assumptions

Basis for the calculation of major actuarial assumptions

	As of March 31, 2024	As of March 31, 2025
Discount rate	0.74%	1.57%
Long-term expected rate of return	0.50%	0.50%

3. Defined contribution plan

The amount to be contributed by the Group to the defined contribution plan was ¥205 million and ¥203 million for the fiscal years ended March 31, 2024 and 2025 respectively.

(Stock options)

1. Expenses and account titles

Not applicable.

2. Amount recognized as profit arising from forfeiting rights due to non-exercise of the rights

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Extraordinary income	68	—

3. Description, size and changes of stock options

(1) Description of stock options

Date of resolution	1st: June 26, 2015	2nd: June 29, 2016	3rd: June 29, 2017
Classification and number of grantees	6 Directors of the Company (excluding those who are members of the Audit & Supervisory Committee) 23 Directors of the Company's subsidiary (Okasan Securities Co., Ltd.)	5 Directors of the Company (excluding those who are members of the Audit & Supervisory Committee) 22 Directors of the Company's subsidiary (Okasan Securities Co., Ltd.)	5 Directors of the Company (excluding those who are members of the Audit & Supervisory Committee) 4 Directors of the Company's subsidiary (Okasan Securities Co., Ltd.) 17 Executive Officers of the Company's subsidiary (Okasan Securities Co., Ltd.)
Class and number of shares granted (Note)	129,400 shares of common stock	216,000 shares of common stock	144,700 shares of common stock
Grant date	July 13, 2015	July 14, 2016	July 14, 2017
Vesting conditions	No vesting conditions are attached.	No vesting conditions are attached.	No vesting conditions are attached.
Service period	Service period is not provided.	Service period is not provided.	Service period is not provided.
Exercise period	From July 14, 2015 to July 13, 2045	From July 15, 2016 to July 14, 2046	From July 15, 2017 to July 14, 2047

Date of resolution	4th: June 28, 2018	5th: June 27, 2019	6th: June 26, 2020
Classification and number of grantees	3 Directors of the Company (excluding those who are members of the Audit & Supervisory Committee) 7 Directors of the Company's subsidiary (Okasan Securities Co., Ltd.) 19 Executive Officers of the Company's subsidiary (Okasan Securities Co., Ltd.)	3 Directors of the Company (excluding Corporate Auditors who are members of the Audit & Supervisory Committee) 5 Directors of the Company's subsidiary (Okasan Securities Co., Ltd.) 20 Executive Officers of the Company's subsidiary (Okasan Securities Co., Ltd.)	4 Directors of the Company (excluding Corporate Auditors who are members of the Audit & Supervisory Committee) 5 Directors of the Company's subsidiary (Okasan Securities Co., Ltd.) 20 Executive Officers of the Company's subsidiary (Okasan Securities Co., Ltd.)
Class and number of shares granted (Note)	202,900 shares of common stock	261,300 shares of common stock	304,800 shares of common stock
Grant date	July 13, 2018	July 12, 2019	July 13, 2020
Vesting conditions	No vesting conditions are attached.	No vesting conditions are attached.	No vesting conditions are attached.
Service period	Service period is not provided.	Service period is not provided.	Service period is not provided.
Exercise period	From July 14, 2018 to July 13, 2048	From July 13, 2019 to July 12, 2049	From July 14, 2020 to July 13, 2050

Date of resolution	7th: June 29, 2021
Classification and number of grantees	3 Directors of the Company (excluding those who are members of the Audit & Supervisory Committee) 6 Directors of the Company's subsidiary (Okasan Securities Co., Ltd.) 28 Executive Officers of the Company's subsidiary (Okasan Securities Co., Ltd.)
Class and number of shares granted (Note)	307,500 shares of common stock
Grant date	July 14, 2021
Vesting conditions	No vesting conditions are attached.
Service period	Service period is not provided.
Exercise period	From July 15, 2021 to July 14, 2051

(Note) The figures represent the number of shares.

(2) Size and changes in stock options

Stock options that existed during the fiscal year ended March 31, 2025 are included, and the number of stock options presented represents the number of shares.

(i) Number of stock options

(Shares)

	1st	2nd	3rd	4th	5th	6th	7th
Non-vested:							
Outstanding as of March 31, 2024	—	—	—	—	—	—	—
Granted	—	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—	—
Vested	—	—	—	—	—	—	—
Outstanding non-vested as of March 31, 2025	—	—	—	—	—	—	—
Vested:							
Outstanding as of March 31, 2024	34,500	67,700	51,100	84,000	127,200	143,400	191,200
Vested	—	—	—	—	—	—	—
Exercised	2,600	5,100	7,000	13,200	24,000	26,000	21,600
Forfeited	—	—	—	—	—	—	—
Outstanding non-exercised as of March 31, 2025	31,900	62,600	44,100	70,800	103,200	117,400	169,600

(ii) Price information

(Yen)

	1st	2nd	3rd	4th	5th	6th	7th
Exercise price	1	1	1	1	1	1	1
Average share price at exercise	768	768	768	768	768	768	768
Fair value price on grant date	715	383	614	403	331	280	356



4. Valuation method of the fair value of stock options

Not applicable.

5. Estimation method of the number of stock options vested

Since it is difficult to reasonably estimate the number of options that will be forfeited in the future, only the number of options actually forfeited is factored in.

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Retirement benefit liability	1,589	1,476
Depreciation (Including impairment losses)	1,316	1,041
Provision for bonuses	862	794
Tax loss carryforwards (Note)	1,203	720
Asset retirement obligations	473	554
Loss on valuation of investment securities	496	423
Reserve for financial instruments transaction liabilities	298	356
Allowance for doubtful accounts	297	274
Enterprise tax	349	236
Share-based payment expenses	87	231
Social insurance expenses for provision for bonuses	107	97
Provision for retirement benefits for directors (and other officers)	44	64
Loss on valuation of golf club membership	48	49
Other	430	326
Subtotal of deferred tax assets	7,607	6,647
Valuation allowance for tax loss carryforwards (Note)	(1,099)	(720)
Valuation allowance for deductible temporary differences	(4,364)	(4,442)
Subtotal valuation allowance	(5,464)	(5,162)
Total deferred tax assets	2,142	1,484
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(16,580)	(14,123)
Retirement benefit asset	(1,237)	(1,359)
Dividend receivable	(336)	(389)
Asset retirement obligations (retirement cost)	(147)	(277)
Other	(36)	(66)
Total deferred tax liabilities	(18,338)	(16,217)
Net deferred tax assets (liabilities)	(16,195)	(14,732)

(Note) The amount of tax loss carryforwards and the amounts of deferred tax assets thereof by the carry forward period  
As of March 31, 2024

	(Millions of yen)						
	Due within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Tax loss carryforwards (*1)	—	39	532	—	157	473	1,203
Valuation allowance	—	(39)	(532)	—	(144)	(382)	(1,099)
Deferred tax assets	—	—	—	—	13	90	(*) 104

(\*1) Tax loss carryforwards is an amount multiplied by the statutory tax rate.

(\*2) Deferred tax assets of ¥104 million were recorded for tax loss carryforwards of ¥1,203 million (the amount multiplied by the statutory tax rate). The main component of the deferred tax assets of ¥104 million is ¥104 million in deferred tax assets related to tax loss carryforwards of the consolidated subsidiaries. The tax loss carryforward was primarily the result of net loss before tax for the fiscal year ended March 31, 2023. The deferred tax assets related to said tax loss carryforwards have been judged as recoverable in light of the taxable income forecast based on the future profitability.

As of March 31, 2025

(Millions of yen)

	Due within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	Total
Tax loss carryforwards (*)	17	273	—	103	23	302	720
Valuation allowance	(17)	(273)	—	(103)	(23)	(302)	(720)
Deferred tax assets	—	—	—	—	—	—	—

(\*) Tax loss carryforwards is an amount multiplied by the statutory tax rate.

2. The reconciliation between the statutory tax rate and the effective income tax rate after applying tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory tax rate	30.5 %	30.5 %
(Adjustments)		
Expenses not deductible permanently, such as entertainment expenses	0.8	1.7
Income not taxable permanently, such as dividend income	(0.7)	(1.1)
Inhabitant tax levied per capita	0.5	0.6
Share of loss (profit) of entities accounted for using equity method	(0.6)	(1.2)
Change in valuation allowance	(5.7)	(0.7)
Difference in tax rates between consolidated subsidiaries	0.6	0.6
Adjustment due to change in tax rate	—	(0.1)
Tax credit by taxation system for wage increase promotion	—	(2.3)
Other	0.0	0.1
Effective income tax rate after applying tax effect accounting	25.4	28.2

3. Accounting treatment of corporation and local corporation taxes or tax effect accounting thereof

The Company applies the Group Tax Sharing System. Accounting treatment and disclosure of corporation and local corporation taxes or tax effect accounting thereof are carried out in accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021).

4. Revision of the amounts of deferred tax assets and deferred tax liabilities due to a change in the tax rate of income taxes

In accordance with the revision of tax laws, deferred tax assets and deferred tax liabilities related to temporary differences that are expected to be reversed in and after the next consolidated fiscal year are calculated by changing the statutory tax rate from 30.5% to 31.4%.

As a result of this change in tax rate, deferred tax liabilities (net of deferred tax assets) and income taxes - deferred of the consolidated fiscal year under review increased by ¥349 million and ¥49 million, respectively, and valuation difference on available-for-sale securities decreased by ¥299 million.

(Asset retirement obligations)

Asset retirement obligations recorded on the consolidated balance sheet

(1) Outline of asset retirement obligations

Asset retirement obligations are obligations to restore properties to their original state in connection with real estate lease contracts for stores, etc.

(2) Calculation of the amount of asset retirement obligations

The amount of asset retirement obligations is calculated using a discount rate of 0.00% to 2.98% based on an estimated useful life of mainly 25 years from the acquisition of the assets.

(3) Change in the total amount of asset retirement obligations

In the consolidated fiscal year under review, it became clear that the amount of asset retirement cost required at the time of asset retirement for the head office, etc. are expected to exceed the estimated amount. Therefore, the increase resulting from the change based on the estimate has been added to the balance of asset retirement obligations before the change by ¥376 million. Changes in the balance of asset retirement obligations are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Balance at the beginning of the period	1,207	1,260
Increase due to acquisition of property, plant and equipment	35	120
Adjustments due to passage of time	9	12
Decrease due to fulfillment of asset retirement obligations	(87)	(188)
Increase due to change in estimate	96	376
Other Increase	0	32
Balance at the end of the period	1,260	1,614

(Business combination)

Transactions under common control

Purchase of treasury stock by a consolidated subsidiary

(1) Outline of the transaction

(i) Name and business of the parties to the business combination

Name: Securities Japan, Inc.

Description of business: Financial instruments business

(ii) Date of business combination

September 30, 2024 (deemed acquisition date)

(iii) Legal form of business combination

Purchase of treasury stock by a consolidated subsidiary

(iv) Company name following business combination

Company names will remain the same.

(v) Other matters regarding the outline of the transaction

The Company acquired treasury shares held by non-controlling interests for the purpose of strengthening corporate governance through a capital structure review.

(2) Outline of accounting treatment applied

This transaction was treated as a transaction with non-controlling interests of transactions under common control in accordance with the “Accounting Standard for Business Combinations” (ASBJ Standards No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

(3) Matters regarding purchase of treasury shares by a consolidated subsidiary

Breakdown of acquisition costs of the acquiree and the type of consideration

Consideration of the acquisition (cash and deposits)	¥7,109 million
Acquisition cost	¥7,109 million

(4) Matters regarding change in ownership interest of the Company for transactions with non-controlling interests

(i) Major reason for change in capital surplus

Acquisition costs of treasury shares acquired by the consolidated subsidiary from non-controlling shareholders was lower than the decrease in non-controlling interests.

(ii) Amount of capital surplus increased from the transaction with non-controlling interests

¥7,044 million

#### Additional purchase of subsidiaries' shares

##### (1) Outline of the transaction

###### (i) Name and business of the parties to the business combination

Name: Securities Japan, Inc.

Description of business: Financial instruments business

###### (ii) Date of business combination

November 29, 2024 (effective date)

December 31, 2024 (deemed acquisition date)

###### (iii) Legal form of business combination

Acquisition of shares from non-controlling interests

###### (iv) Company name following business combination

Company names will remain the same.

###### (v) Other matters regarding the outline of the transaction

The Company acquired shares of the subsidiary held by non-controlling interests for the purpose of strengthening corporate governance through a capital structure review.

##### (2) Outline of accounting treatment applied

This transaction was treated as a transaction with non-controlling interests of transactions under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Standards No. 21, January 16, 2019) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

##### (3) Matters regarding additional purchase of subsidiaries' shares

Breakdown of acquisition costs of the acquiree and the type of consideration

Consideration of the acquisition (cash and deposits)	¥149 million
<hr/>	
Acquisition cost	¥149 million

##### (4) Matters regarding change in ownership interest of the Company for transactions with non-controlling interests

###### (i) Major reason for change in capital surplus

Additional purchase of subsidiaries' shares

###### (ii) Amount of capital surplus increased from the transaction with non-controlling interests

¥267 million

(Revenue recognition)

1. Information on breakdown of revenue from contracts with customers

The Group has a single segment. Information on the breakdown of revenue from contracts with customers by principal goods or services is as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Principal goods or services		
Stock certificates	24,436	23,285
Debt securities	994	867
Investment Trusts	23,237	24,371
Other	2,912	3,345
Revenue from contracts with customers	51,581	51,870
Other revenue (Note)	32,928	30,066
Revenue from external customers	84,509	81,936

(Note) "Other revenue" includes trading gains (losses) and financial income based on the accounting standards for financial instruments and rental income, etc., based on the accounting standards for lease transactions.

2. Information that provides a basis for understanding revenue from contracts with customers

The basis for understanding revenues from contracts with customers is described in "V. Financial information, 1. Consolidated financial statements - Notes (Significant accounting policies for preparation of consolidated financial statements), 4. Matters concerning accounting policies, (6) Recognition standard for significant revenues."

3. Information for understanding revenue for the current and subsequent fiscal years

(1) Balances, etc., of contract assets and contract liabilities

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Receivables arising from contracts with customers (beginning balance)	2,345	2,668
Receivables arising from contracts with customers (ending balance)	2,668	3,017

(2) Transaction prices allocated to remaining performance obligations

The Group has no material transactions for which an individual contract's expected contract term exceeds one year. There are no material amounts of consideration arising from contracts with customers that are not included in the transaction price.

(Segment information)

[Segment information]

Fiscal year ended March 31, 2024

This information is omitted because the Group has a single segment, the “Securities Investment and Asset Management Businesses.”

Fiscal year ended March 31, 2025

This information is omitted because the Group has a single segment, the “Securities Investment and Asset Management Businesses.”

[Related information]

Fiscal year ended March 31, 2024

1. Information by product and service

This information is presented in “Notes (Revenue recognition), 1. Information on breakdown of revenue from contracts with customers” in the consolidated financial statements.

2. Information by region

(1) Operating revenue

This information is omitted because operating revenue from external customers in Japan exceeds 90% of the operating revenue in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information by major customers

This information is omitted because, in operating revenue from external customers, there are no specific customers that account for 10% or more of the operating revenues in the consolidated statement of income.

Fiscal year ended March 31, 2025

1. Information by product and service

This information is presented in “Notes (Revenue recognition), 1. Information on breakdown of revenue from contracts with customers” in the consolidated financial statements.

2. Information by region

(1) Operating revenue

This information is omitted because operating revenue from external customers in Japan exceeds 90% of the operating revenue in the consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information by major customers

This information is omitted because, in operating revenue from external customers, there are no specific customers that account for 10% or more of the operating revenues in the consolidated statement of income.



[Information on impairment loss on non-current assets by reportable segment]

Fiscal year ended March 31, 2024

This information is omitted because the Company has a single segment, the “Securities Investment and Asset Management Businesses.”

Fiscal year ended March 31, 2025

This information is omitted because the Company has a single segment, the “Securities Investment and Asset Management Businesses.”

[Information on amortization and unamortized balance of goodwill by reportable segment]

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

[Related parties]

Transactions with related parties

(1) Transactions between the company submitting consolidated financial statements and related parties

(a) Unconsolidated subsidiaries and associates of the company submitting consolidated financial statements

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

(b) Officers and major shareholders (limited to individuals) of the company submitting consolidated financial statements, etc.

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

(2) Transactions between the consolidated subsidiaries of the company submitting consolidated financial statements and related parties

(a) Unconsolidated subsidiaries and associates of the company submitting consolidated financial statements

Fiscal year ended March 31, 2024

Notes are omitted due to immateriality.

Fiscal year ended March 31, 2025

Notes are omitted due to immateriality.

(b) Officers and major shareholders (limited to individuals) of the company submitting consolidated financial statements, etc.

Fiscal year ended March 31, 2024

Not applicable.

Fiscal year ended March 31, 2025

Not applicable.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net assets per share	978.65	1,031.99
Earnings per share	64.29	57.62
Diluted earnings per share	64.08	57.45

(Notes)

1. The basis for calculating earnings per share and diluted earnings per share is as follows.

(Millions of yen unless otherwise stated)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Earnings per share		
Profit attributable to owners of parent	13,167	11,652
Amounts not attributable to shareholders of common stock	—	—
Profit attributable to owners of the parent related to common stock	13,167	11,652
Average number of shares of common stock outstanding during the period (thousand shares)	204,796	202,242
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	—	—
Increase in number of common shares (thousand shares)	697	598
[Of which, stock acquisition rights (thousand shares)]	[697]	[598]
Outline of potential shares excluded from the calculation of diluted earnings per share due to the absence of dilutive effects	—	—

2. The basis for the calculation of net assets per share is as follows.

(Millions of yen unless otherwise stated)

	As of March 31, 2024	As of March 31, 2025
Total net assets	214,156	208,232
Amount deducted from total net assets	15,256	229
[Of which, stock acquisition rights]	[266]	[229]
[Of which, non-controlling interests]	[14,990]	[—]
Net assets related to common stock at the end of the period	198,899	208,002
Number of common stock at the end of the period used in the calculation of net assets per share (thousand shares)	203,238	201,555

(v) [Annexed consolidated detailed schedules]

[Schedule of bonds]

(Millions of yen unless otherwise stated)

Name of Company	Brand	Date of issue	Balance at the beginning of the period	Balance at the end of the period	Interest rate (%)	Collateral	Date of maturity
Okasan Securities Group Inc.	1st Series of Okasan Securities Group Unsecured Security Token Bond	December 20, 2023	2,000	—	1.00	Unsecured	December 20, 2024
Total	—	—	2,000	—	—	—	—

[Schedule of borrowings, etc.]

(Millions of yen unless otherwise stated)

Classification	Balance at the beginning of the period	Balance at the end of the period	Average interest rate (%)	Repayment due
Short-term borrowings	152,019	156,116	0.81	—
Current portion of long-term borrowings	5,172	2,812	0.99	—
Current portion of lease liabilities	153	130	2.24	—
Long-term borrowings (excluding current portion)	6,728	3,916	0.94	From 2026 to 2028
Lease liabilities (excluding current portion)	174	145	4.73	From 2026 to 2029
Other interest-bearing liabilities				
Accounts payable	530	616	1.87	—
Long-term accounts payable (excluding current portion)	452	117	1.90	From 2026 to 2027
Margin borrowings	12,839	8,918	1.22	—
Total	178,069	172,773	—	—

(Notes) 1. The average interest rate is the weighted average interest rate on the balance at the end of the period.

2. Margin borrowings are deemed to be settled within one year.

3. The scheduled repayment amounts of long-term borrowings, lease liabilities (excluding current portion), and long-term accounts payable (excluding current portion) for the five years following the consolidated balance sheet date are as follows.

(Millions of yen)

	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Long-term borrowings	2,016	1,900	—	—	—
Lease liabilities	97	41	5	0	—
Long-term accounts payable	117	—	—	—	—

[Schedule of asset retirement obligations]

Since the amount of asset retirement obligations at the beginning and end of the fiscal year under review was not more than one percent of the total liabilities and net assets at the beginning and end of the fiscal year under review, this information is omitted pursuant to the provisions of Article 92-2 of the Consolidated Financial Statements Regulation.

(2) [Other]

Half-yearly information, etc., for the fiscal year ended March 31, 2025

(Millions of yen unless otherwise stated)

	Six months ended September 30, 2024	Fiscal year ended March 31, 2025
Operating revenue	41,501	81,936
Profit before income tax	9,913	16,889
Profit attributable to owners of parent	6,678	11,652
Net profit per share (yen)	32.91	57.62

## 2 Non-consolidated financial statements and other information

### (1) Non-consolidated financial statements

#### (i) Non-consolidated balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	17,877	2,942
Short-term loans receivable	*2 6,700	*2 19,400
Accounts receivable - other	*2 447	*2 479
Accrued revenue	*2 825	*2 1,124
Other	516	143
Total current assets	26,367	24,089
Non-current assets		
Property, plant and equipment	3,271	2,833
Buildings, net	1,229	1,160
Equipment	22	51
Land	2,020	1,622
Intangible assets	7	47
Investments and other assets	118,607	119,721
Investment securities	45,520	46,385
Shares of subsidiaries and associates	69,528	69,721
Investments in other securities of subsidiaries and associates	1,853	1,899
Long-term guarantee deposits	1,528	1,511
Other	343	343
Allowance for doubtful accounts	(167)	(138)
Total non-current assets	121,886	122,603
Total assets	148,254	146,692

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	8,172	7,812
Current portion of bonds payable	2,000	–
Accrued expenses	*2 305	*2 231
Income taxes payable	151	13
Provision for bonuses	26	44
Other	585	282
Total current liabilities	11,241	8,384
Non-current liabilities		
Long-term borrowings	6,728	3,916
Guarantee deposits received	*2 1,699	*2 1,566
Deferred tax liabilities	10,096	10,974
Asset retirement obligations	27	120
Other non-current liabilities	46	46
Total non-current liabilities	18,598	16,623
Total liabilities	29,839	25,007
<b>Net assets</b>		
Shareholders' equity		
Share capital	18,589	18,589
Capital surplus		
Legal capital surplus	12,766	12,766
Other capital surplus	10,093	10,258
Total capital surplus	22,860	23,025
Retained earnings		
Legal retained earnings	3,224	3,224
Other retained earnings		
General reserve	30,000	30,000
Retained earnings brought forward	27,018	31,046
Total retained earnings	60,242	64,270
Treasury shares	(5,786)	(7,001)
Total shareholders' equity	95,905	98,885
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	22,242	22,569
Total valuation and translation adjustments	22,242	22,569
Stock acquisition rights	266	229
Total net assets	118,414	121,684
Total liabilities and net assets	148,254	146,692

## (ii) Non-consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating revenue		
Trademark fee income	1,406	1,347
Real estate lease revenue	1,573	1,586
Other sales	56	55
Financial revenue	1,107	11,046
Total operating revenue	*1 4,143	*1 14,036
Operating expenses		
Selling, general and administrative expenses	4,149	4,598
Trading related expenses	887	920
Personnel expenses	676	959
Real estate expenses	1,524	1,649
Office expenses	761	788
Depreciation	84	98
Taxes and dues	148	126
Other	65	56
Financial expenses	144	167
Total operating expenses	*1 4,293	*1 4,766
Operating profit (loss)	(150)	9,269
Non-operating income	*1 1,397	*1 1,675
Dividend income	1,183	1,487
Gain on investments in investment partnerships	201	39
Gain on sale of non-current assets	—	104
Other	12	44
Non-operating expenses	*1 508	*1 409
Loss on investments in investment partnerships	277	190
Compensation expenses	142	187
Other	88	32
Ordinary profit	739	10,535
Extraordinary income		
Gain on sale of investment securities	1,266	290
Other	68	—
Total extraordinary income	1,334	290
Extraordinary losses		
Impairment losses	—	488
Loss on valuation of investment securities	370	26
Loss on valuation of golf club membership	0	0
Loss on valuation of shares of subsidiaries and associates	*2 14	*2 —
Loss on support to subsidiaries and associates	*1 1,000	—
Total extraordinary losses	1,386	515
Profit before income taxes	687	10,311
Income taxes - current	406	(101)
Income taxes - deferred	(50)	287
Total income taxes	355	186
Profit	332	10,125



## (iii) Non-consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at the beginning of the period	18,589	12,766	9,794	22,560	3,224	30,000	30,788	64,012
Changes during period								
Dividends of surplus							(4,102)	(4,102)
Profit							332	332
Purchase of treasury shares								
Disposal of treasury shares			299	299				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	299	299	—	—	(3,770)	(3,770)
Balance at the end of the period	18,589	12,766	10,093	22,860	3,224	30,000	27,018	60,242

	Shareholders' equity		Valuation and translation adjustments	Stock acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		
Balance at the beginning of the period	(3,930)	101,233	10,740	421	112,395
Changes during period					
Dividends of surplus		(4,102)			(4,102)
Profit		332			332
Purchase of treasury shares	(2,001)	(2,001)			(2,001)
Disposal of treasury shares	145	444			444
Net changes in items other than shareholders' equity			11,501	(155)	11,346
Total changes during period	(1,856)	(5,327)	11,501	(155)	6,019
Balance at the end of the period	(5,786)	95,905	22,242	266	118,414

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at the beginning of the period	18,589	12,766	10,093	22,860	3,224	30,000	27,018	60,242
Changes during period								
Dividends of surplus							(6,097)	(6,097)
Profit							10,125	10,125
Purchase of treasury shares								
Disposal of treasury shares			165	165				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	165	165	—	—	4,028	4,028
Balance at the end of the period	18,589	12,766	10,258	23,025	3,224	30,000	31,046	64,270

	Shareholders' equity		Valuation and translation adjustments	Stock acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities		
Balance at the beginning of the period	(5,786)	95,905	22,242	266	118,414
Changes during period					
Dividends of surplus		(6,097)			(6,097)
Profit		10,125			10,125
Purchase of treasury shares	(1,286)	(1,286)			(1,286)
Disposal of treasury shares	72	237			237
Net changes in items other than shareholders' equity			327	(36)	290
Total changes during period	(1,214)	2,979	327	(36)	3,270
Balance at the end of the period	(7,001)	98,885	22,569	229	121,684

[Notes]

(Significant accounting policies)

1. Valuation standards and methods for securities

(1) Shares of subsidiaries and affiliates

Stated at cost, as determined by the moving-average method.

(2) Securities of other subsidiaries and associates

Investments in investment limited partnerships (which are deemed as securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are stated at the net value of equity based on the most recent financial statements available according to the financial reporting dates specified in the respective partnership agreements.

(3) Available-for-sale securities

(i) Securities other than equity securities, etc. without market value

They are recorded at fair value (net unrealized gains (losses) are booked directly under net assets, and the cost of securities sold is calculated based on the moving-average method).

(ii) Equity securities, etc. without market value

Stated at cost, as determined by the moving-average method.

Investments in investment limited partnerships and similar partnerships (which are deemed as securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are stated at the net value of equity based on the most recent financial statements available according to the financial reporting dates specified in the respective partnership agreements.

2. Method of depreciation for non-current assets

(1) Property, plant and equipment

The declining-balance method is used.

However, buildings (excluding building fixtures) acquired on or after April 1, 1998 and building fixtures and structures acquired on or after April 1, 2016 are depreciated by the straight-line method.

The estimated useful lives for major asset classes are as follows:

Buildings, net	3 to 50 years
Equipment	3 to 8 years

(2) Intangible assets

The straight-line method is used.

Software is amortized over an estimated internal useful life of 5 years.

3. Recognition standard for allowances

(1) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for losses on receivables estimated based on the historical bad debt ratio for general receivables and the estimated uncollectible receivable amount by considering the collectability for specific receivables such as doubtful receivables on the basis of each account receivable.

(2) Provision for bonuses

Provision for bonuses is provided for the payment of bonuses to employees and recorded at the estimated amount of bonuses to be provided for the fiscal year under review based on the Company's designated calculation method.

4. Recognition standard for significant revenues

The Company considers the granting of trademark rights as a performance obligation and recognizes revenue when the customer recognizes revenue.

5. Other significant matters that form the basis for the preparation of non-consolidated financial statements

(1) Hedge accounting methods

(i) Hedge accounting methods

In principle, deferred hedge accounting is used. Exceptional accounting treatment is applied for interest rate swaps that satisfy the requirements for such treatment.

(ii) Hedging instruments and hedged items

Hedging instruments: Interest rate swaps

Hedged items: Borrowings

(iii) Hedging policy

Interest rate swap transactions are carried out to hedge interest rate risks associated with certain borrowings, and hedged items are identified for each contract.

(iv) Method of assessing hedge effectiveness

Given that the interest rate swaps satisfy the requirements for exceptional accounting treatment, the assessment of effectiveness is omitted.

(2) Application of Group Tax Sharing System

The Company applies the Group Tax Sharing System.

(Significant accounting estimates)

Deferred tax assets (liabilities)

(1) Amount recorded in the non-consolidated financial statements

(Millions of yen)		
	As of March 31, 2024	As of March 31, 2025
Deferred tax liabilities	10,096	10,974

The above deferred tax liabilities of ¥10,096 million for the previous fiscal year is the amount after offsetting deferred tax assets of ¥179 million and deferred tax liabilities of ¥10,275 million, and the deferred tax liabilities of ¥10,974 million for the fiscal year under review is the amount after offsetting deferred tax assets of ¥39 million and deferred tax liabilities of ¥11,013 million.

(2) Information on the details of significant accounting estimates for identified items

The method of calculating the amount in (1) is the same as that described in “Notes (Significant accounting estimates), 1. Deferred tax assets (liabilities)” in the consolidated financial statements.

(Changes in accounting policies)

The Company has adopted the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, the “Revised Accounting Standard 2022”), etc. since the beginning of the fiscal year under review. Revisions to the classification of income taxes are made in accordance with the transitional treatment provided for in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022.

These changes in accounting policies have no impact on the non-consolidated financial statements.

(Non-consolidated balance sheet)

1 Assets pledged as collateral

Not applicable.

\*2 Balance with subsidiaries and associates

Assets and liabilities relating to subsidiaries and associates include the following, in addition to those presented separately.  
(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Short-term monetary receivables	7,639	19,988
Short-term monetary payables	546	136
Long-term monetary payables	1,699	1,566

(Non-consolidated statement of income)

\*1 Transactions with associated companies are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Transaction amount from business transactions		
Operating revenue	4,142	14,034
Operating expenses	658	573
Transaction amount from non-business transactions	1,150	216

\*2 Loss on valuation of shares of subsidiaries and associates

Fiscal year ended March 31, 2024

Loss on valuation of shares of subsidiaries and associates constitutes an impairment loss on the shares of subsidiaries.

Fiscal year ended March 31, 2025

Not applicable.

(Securities)

Shares of subsidiaries and affiliates

As of March 31, 2024

Carrying amount on the balance sheet of shares, etc., without market value

(Millions of yen)

Classification	As of March 31, 2024
Shares of subsidiaries	66,402
Shares of affiliates	3,125
Investments in other securities of subsidiaries and associates	1,853

As of March 31, 2025

Carrying amount on the balance sheet of shares, etc., without market value

(Millions of yen)

Classification	As of March 31, 2025
Shares of subsidiaries	66,596
Shares of affiliates	3,125
Investments in other securities of subsidiaries and associates	1,899

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

	(Millions of yen)	
	As of March 31, 2024	As of March 31, 2025
Deferred tax assets		
Loss on valuation of shares of subsidiaries and associates	3,426	3,438
Loss on valuation of investment securities	377	390
Depreciation (Including impairment losses)	57	209
Tax loss carryforwards	23	140
Share-based payment expenses	87	81
Allowance for doubtful accounts	51	43
Loss on valuation of golf club membership	41	43
Other	169	185
Subtotal of deferred tax assets	4,234	4,533
Valuation allowance for tax loss carryforwards	(23)	(140)
Valuation allowance for deductible temporary differences	(4,032)	(4,353)
Subtotal valuation allowance	(4,055)	(4,493)
Total deferred tax assets	179	39
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(9,633)	(10,223)
Other	(642)	(789)
Total deferred tax liabilities	(10,275)	(11,013)
Net deferred tax assets (liabilities)	(10,096)	(10,974)

2. The reconciliation between the statutory tax rate and the effective income tax rate after applying tax effect accounting

	As of March 31, 2024	As of March 31, 2025
Statutory tax rate	30.5 %	30.5 %
(Adjustments)		
Expenses not deductible permanently, such as entertainment expenses	61.6	1.2
Income not taxable permanently, such as dividend income	(54.8)	(32.4)
Inhabitant tax levied per capita	0.4	0.0
Change in valuation allowance	13.7	2.2
Adjustment due to change in tax rate	—	0.1
Other	0.3	0.2
Effective income tax rate after applying tax effect accounting	51.7	1.9

3. Revision of the amounts of deferred tax assets and deferred tax liabilities due to a change in the tax rate of income taxes

In accordance with the revision of tax laws, deferred tax assets and deferred tax liabilities related to temporary differences that are expected to be reversed in and after the next fiscal year are calculated by changing the statutory tax rate from 30.5% to 31.4%.

As a result of this change in tax rate, deferred tax liabilities (net of deferred tax assets) and income taxes - deferred of the fiscal year under review increased by ¥306 million and ¥13 million, respectively, and valuation difference on available-for-sale securities decreased by ¥293 million.

(Business combination)

Transactions under common control

Notes are omitted since the same information is presented in “Notes (Business combination)” in the consolidated financial statements.

(Revenue recognition)

Information that provides a basis for understanding revenue from contracts with customers has been omitted from the notes because the same information is presented in “Notes (Significant accounting policies), 4. Recognition standard for significant revenues” in the non-consolidated financial statements.

(iv) [Annexed detailed schedules]

[Schedule of property, plant and equipment, etc.]

(Millions of yen)

	Type of assets	Balance at the beginning of the period	Increase during the period	Decrease during the period	Depreciation for the period	Balance at the end of the period	Accumulated depreciation
Property, plant and equipment	Buildings, net	1,229	106	103	72	1,160	4,141
	Equipment	22	44	0	15	51	318
	Land	2,020	—	397	—	1,622	—
	Total	3,271	151	501	88	2,833	4,459
Intangible assets	Software	7	49	—	9	47	1,758
	Other	0	—	—	0	0	15
	Total	7	49	—	9	47	1,773

[Schedule of provisions]

(Millions of yen)

Classification	Balance at the beginning of the period	Increase during the period	Decrease during the period	Balance at the end of the period
Allowance for doubtful accounts	167	0	29	138
Provision for bonuses	26	44	26	44

(2) [Components of major assets and liabilities]

This information is omitted because the consolidated financial statements are prepared.

(3) [Other]

Not applicable.



## VI. Summary of the share administration of the submitting company

Fiscal year	April 1 through March 31
Ordinary General Meeting of Shareholders	During June
Record date	March 31
Record date for dividends of surplus	March 31 and September 30
Number of shares per unit	100 shares
Purchase and sale of fractional shares	
Handling office	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department
Shareholder register administrator	(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited
Handling office	_____
Purchase and sales commissions	Amount separately determined as the amount equivalent to the commission fee for the entrustment of stock transactions
Method of public notice	The Company gives public notices in a digital format. However, if digital format is not possible due to accidents or other unavoidable circumstances, public notices will be published in The Nihon Keizai Shimbun. URL for public notice (the Company's website) <a href="https://www.okasan.jp">https://www.okasan.jp</a>
Special benefits for shareholders	For those who have opened a general securities account with Okasan Securities Co. Ltd. and deposited at least 100 shares of the Company's shares into such account, foreign securities trading account management fee will not be charged.

(Note) In connection with such fractional shares, shareholders of the Company shall not be entitled to exercise any rights other than those rights listed below:

- (1) Rights set forth in the items of Article 189, paragraph 2 of the Companies Act
- (2) Right to make requests pursuant to the provisions of Article 166, paragraph 1 of the Companies Act
- (3) Right to receive an allotment of shares for subscription or an allotment of stock acquisition rights for subscription in accordance with the number of shares held by the shareholder
- (4) Right to request the sale of the number of shares that, together with the number of shares less than one unit held by the shareholder, would constitute one unit of shares

## VII. Reference information of the submitting company

### 1. [Information on parent company, etc. of the submitting company]

The Company has no parent company, etc. as provided in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

### 2. [Other reference information]

The following documents were submitted between the beginning of the fiscal year under review and the date of submission of the Yukashoken-Houkokusho.

#### (1) Yukashoken-Houkokusho and its attachments and confirmation letter

Fiscal year (The 86th Fiscal Term) (From April 1, 2023 to March 31, 2024); Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2024

#### (2) Internal Control Report and its attachments

Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2024

#### (3) Amendment Report for Yukashoken-Houkokusho and confirmation letter

(The 84th Fiscal Term) (From April 1, 2021 to March 31, 2022); Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2024

(The 85th Fiscal Term) (From April 1, 2022 to March 31, 2023); Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2024

#### (4) Hanki-Houkokusho and confirmation letter

(Interim Period of the 87th Fiscal Term) (From April 1, 2024 to September 30, 2024); Submitted to the Director-General of the Kanto Local Finance Bureau on November 13, 2024

#### (5) Extraordinary Report

Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2024

This is an Extraordinary Report pursuant to Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Result of Exercise of Voting Rights at the General Meeting of Shareholders).

#### (6) Securities Registration Statement and its attachments

Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2024

#### (7) Amendment Report of Securities Registration Statement and its attachments

Submitted to the Director-General of the Kanto Local Finance Bureau on June 28, 2024

This is an amendment to the Securities Registration Statement submitted on June 27, 2024.

#### (8) Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on August 9, 2024, September 6, 2024, October 11, 2024, November 8, 2024, May 12, 2025, and June 6, 2025

**[Information on Guarantee Companies, etc. of the Submitting Company]**

Not applicable.

(English Translation)  
Independent Auditor's Report and Internal Control Audit Report

June 24, 2025

To the Board of Directors of  
Okasan Securities Group Inc.

Crowe Toyo & Co.  
Tokyo Office

Yuko Suzuki, CPA  
Designated Partner,  
Engagement Partner

Naoya Matsumoto, CPA  
Designated Partner,  
Engagement Partner

**<Consolidated Financial Statements Audit>**

**Opinion**

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying consolidated financial statements of Okasan Securities Group Inc. and its consolidated subsidiaries (the "Group") included in "Financial Information" for the fiscal year from April 1, 2024 to March 31, 2025, which comprise the consolidated balance sheet, the consolidated statements of income, comprehensive income, changes in equity, and cash flows, significant accounting policies for preparation of consolidated financial statements, other related notes, and the annexed consolidated detailed schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Consideration of recoverability of deferred tax assets	
Key audit matter	How the scope of our audit addressed the key audit matter
<p>In the consolidated balance sheet, deferred tax assets of ¥19 million were recognized for the current fiscal year.</p> <p>As stated in the notes to the consolidated financial statements, “Significant Accounting Estimates 1. Deferred tax assets (liabilities)”, the amount of gross deferred tax assets before being offset by deferred tax liabilities amounted to ¥1,484 million, which is a net amount of gross deferred tax assets of ¥6,647 million recognized for deductible temporary differences including tax-loss carryforwards and valuation allowance of ¥5,162 million, was recorded. The companies that adopted the Group Tax Sharing System in Japan (the “group subject to the Group Tax Sharing System”), which include Okasan Securities Group Inc. and its certain domestic subsidiaries, for example, Okasan Securities Co., Ltd. recorded deferred tax assets of ¥1,331 million before offsetting deferred tax liabilities.</p> <p>The Company estimated future taxable income of the group subject to the Group Tax Sharing System and recognized deferred tax assets to the extent that reversal of deductible temporary differences and offset using tax-loss carryforwards are expected to reduce future tax burden. The estimated future taxable income is based on the future business plan. Important assumptions of management's estimates in future business plan, which is used in forecasting the operating revenues of Okasan Securities Co., Ltd., a core subsidiary, are the balance of customers' assets in the future and the return rate on the customers' assets. Since these important assumptions are formulated based on the past performance and the current market environment, uncertainty in estimates and management's judgment may have a significant impact on the amount of deferred tax assets recorded.</p> <p>We, therefore, determined that the recoverability of deferred tax assets of the group subject to the Group Tax Sharing System is a key audit matter.</p>	<p>We performed the following audit procedures to verify the recoverability of deferred tax assets of the group subject to the Group Tax Sharing System after evaluating the design and effectiveness of related internal controls that the Company has established.</p> <ul style="list-style-type: none"> <li>● In order to evaluate the judgment of the classification of companies based on the “Implementation Guidelines on the Recoverability of Deferred Tax Assets”, we examined the rationality of the judgment by checking the past taxable income of the group subject to the Group Tax Sharing System and by taking account of the level of future taxable income.</li> <li>● Regarding deductible temporary differences etc., we verified them by reviewing related documents and examined the rationality of the schedule of the estimated year in which those differences are expected to be recovered or settled.</li> <li>● In order to assess the estimation of future taxable income, we performed the following audit procedures. <ul style="list-style-type: none"> <li>• We reviewed the minutes of the Board of Directors to ensure that the business plan on which the estimation of future taxable income is based has been approved by the Board of Directors.</li> <li>• In order to understand the important assumptions in the business plan, we inquired to the planning department.</li> <li>• In order to evaluate the rationality of important assumptions in the business plan, we verified the degree of achievement of the balance of assets under custody in the future and profitability relative to such assets, which were used in the projection of the operating revenues in previous years.</li> <li>• In order to evaluate the rationality of the future balance of assets under custody and the assumed trend in profitability of such asset which are used in the projection of the operating revenue of Okasan Securities Co., Ltd., we inquired to the management and the planning department, and compared the important assumptions with the past trends by type of customers' assets.</li> <li>• We evaluated the rationality by inquiring to the planning department about the outlook of market environment, which is the assumption of the business plan, and by comparing the current market environment with the economic environment forecast report released by an external organization.</li> </ul> </li> </ul>

## Other Information

The other information comprises the information included in Yukashoken-Houkokusho but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Management's and the Audit Committee's Responsibilities for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error. In addition, design and perform audit procedures responsive to those risks. The selection and application of audit procedures are at the auditor's discretion. Additionally, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform audits of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, which provides a basis for expressing an opinion on the consolidated financial statements. We are responsible for the direction, supervision and inspection of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of financial statements in Japan, all relationships and other matters that may reasonably be thought to bear on our independence, and the details if there are countermeasures to eliminate obstructive factors or safeguards to mitigate obstructive factors to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### <Internal control audit>

#### **Opinion**

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as of March 31, 2025 of Okasan Securities Group Inc. ("Management's Report").

In our opinion, Management's Report referred to above, which represents that the internal control over financial reporting as of March 31, 2025 of Okasan Securities Group Inc. is effective, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

#### **Basis for Opinion**

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's and the Audit Committee's Responsibilities for Management's Report**

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements.

#### **Auditor's Responsibilities for the Audit of Internal Control**

Our objectives are to obtain reasonable assurance about whether Management's Report is free from material misstatement, and to issue an auditor's report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence relating to the result of management's assessment of internal control over financial reporting in Management's Report. The design and performance of audit procedures for internal control audits is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.
- Consider the overall presentation of Management's Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.
- Plan and perform audits of internal controls to obtain sufficient appropriate audit evidence regarding the result of management's assessment of internal control over financial reporting in Management's Report. We are responsible for the direction, supervision, and inspection of the audit of Management's Report. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of financial statements in Japan, all relationships and other matters that may reasonably be thought to bear on our independence, and the details if there are countermeasures to eliminate obstructive factors or safeguards to mitigate obstructive factors to an acceptable level.

**<Audit Fee>**

“The amounts of audit fee for the consolidated fiscal year under review based on audit and attestation services and non-audit services for Crowe Toyo & Co. and any institutes under the same network with us are provided in “Outline of Corporate Governance, etc. (3) [Audit Structure]” in “Summary of the submitting company.”

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Auditor’s Report

This is an English translation of the independent auditor’s report attached to the Yukashoken-Houkokusho, as required by the Financial Instruments and Exchange Act of Japan for the convenience of the reader.



(English Translation)  
Independent Auditor's Report

June 24, 2025

To the Board of Directors of  
Okasan Securities Group Inc.

Crowe Toyo & Co.  
Tokyo Office

Yuko Suzuki, CPA  
Designated Partner,  
Engagement Partner

Naoya Matsumoto, CPA  
Designated Partner,  
Engagement Partner

**<Non-Consolidated Financial Statements Audit>**

**Opinion**

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying non-consolidated financial statements of Okasan Securities Group Inc. (the "Company") included in "Financial Information" for the 87th fiscal year from April 1, 2024 to March 31, 2025, which comprise the non-consolidated balance sheet, the non-consolidated statements of income and changes in equity, significant accounting policies, other related notes, and the annexed detailed schedules.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as of March 31, 2025, and its non-consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of the audit of the non-consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

**Recoverability of deferred tax assets**

This information is omitted because the content is the same as that of the key audit matters (consideration of recoverability of deferred tax assets) described in the audit report of the consolidated financial statements.

## **Other Information**

The other information comprises the information included in Yukashoken-Houkokusho but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's reporting process of the other information.

Our opinion on the non-consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Management's and the Audit Committee's Responsibilities for the Non-Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement, whether due to fraud or error. In addition, design and perform audit procedures responsive to those risks. The selection and application of audit procedures are at the auditor's discretion. Additionally, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of financial statements in Japan, all relationships and other matters that may reasonably be thought to bear on our independence, and the details if there are countermeasures to eliminate obstructive factors or safeguards to mitigate obstructive factors to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **<Audit Fee>**

The details of audit fee are provided in the auditor's report of the consolidated financial statements.

#### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

#### **Notes to the Readers of Independent Auditor's Report**

This is an English translation of the independent auditor's report attached to the Yukashoken-Houkokusho, as required by the Financial Instruments and Exchange Act of Japan for the convenience of the reader.

## *REFERENCE DATA*

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- Okasan Securities Co., Ltd. Non-consolidated financial statements -

## (1) Balance sheet

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	32,624	23,751
Segregated deposits	85,903	82,338
Segregated deposits for customers	82,800	80,200
Other segregated deposits	3,103	2,138
Trading products	282,666	519,284
Trading securities and other	282,615	519,246
Derivatives	51	37
Trade date accrual	31,283	—
Margin transaction assets	88,741	61,501
Margin loans	84,642	56,915
Cash collateral provided for securities borrowed in margin transactions	4,099	4,586
Loans secured by securities	431,439	473,712
Cash collateral provided for securities borrowed	0	20,005
Securities purchased under resale agreements	431,439	453,707
Advances paid	32	1,094
Short-term guarantee deposits	20,893	21,767
Short-term loans receivable	13,178	6,515
Accrued revenue	2,895	3,796
Other current assets	1,588	1,787
Allowance for doubtful accounts	(53)	(25)
Total current assets	991,193	1,195,524
Non-current assets		
Property, plant and equipment	2,050	2,432
Buildings, net	1,221	1,622
Equipment	747	769
Lease assets, net	81	41
Intangible assets	476	916
Software	348	788
Other	128	127
Investments and other assets	7,766	7,471
Investment securities	931	906
Long-term guarantee deposits	4,001	3,729
Deferred tax assets	686	54
Other	2,896	3,484
Allowance for doubtful accounts	(749)	(703)
Total non-current assets	10,294	10,820
<b>Total assets</b>	<b>1,001,488</b>	<b>1,206,344</b>

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Trading products	437,827	461,861
Trading securities and other	437,358	461,861
Derivatives	469	–
Trade date accrual	–	23,736
Margin transaction liabilities	18,060	10,198
Margin borrowings	9,009	5,082
Cash received for securities sold in margin transactions	9,051	5,116
Borrowings secured by securities	200,581	363,868
Cash collateral received for securities lent	3,577	40,106
Securities sold under repurchase agreements	197,004	323,761
Deposits received	59,359	55,754
Guarantee deposits received	35,518	30,388
Payables for securities to receive over due for delivery	46	0
Short-term borrowings	147,375	164,075
Accounts payable	1,918	870
Income taxes payable	4,161	672
Provision for bonuses	2,330	2,120
Other current liabilities	3,342	2,658
Total current liabilities	910,522	1,116,203
Non-current liabilities		
Provision for retirement benefits	4,742	4,527
Asset retirement obligations	1,153	1,414
Other non-current liabilities	192	128
Total non-current liabilities	6,088	6,070
Reserves under special laws		
Reserve for financial instruments transaction liabilities	843	1,001
Total reserves under special laws	843	1,001
Total liabilities	917,453	1,123,275
<b>Net assets</b>		
Shareholders' equity		
Share capital	5,000	5,000
Capital surplus	32,553	32,553
Retained earnings	46,450	45,471
Total shareholders' equity	84,004	83,024
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	30	44
Total Valuation and translation adjustments	30	44
Total net assets	84,034	83,069
Total liabilities and net assets	1,001,488	1,206,344

## (2) Statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Operating revenue		
Commission received	39,496	39,869
Brokerage commission	16,550	16,068
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1,457	1,440
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	12,923	11,648
Other commission received	8,563	10,712
Net trading income	27,828	23,217
Financial revenue	3,002	4,548
Total operating revenue	70,326	67,635
Financial expenses	1,714	1,918
Net operating revenue	68,611	65,716
Selling, general and administrative expenses	54,431	54,914
Trading related expenses	8,536	8,467
Personnel expenses	25,682	25,837
Real estate expenses	7,323	7,431
Office expenses	10,465	10,632
Depreciation	487	617
Taxes and dues	870	814
Other	1,065	1,112
Operating profit	14,180	10,802
Non-operating income	193	246
Non-operating expenses	497	61
Ordinary profit	13,877	10,987
Extraordinary income		
Gain on sale of investment securities	0	—
Reversal of reserve for financial instruments Transaction liabilities	292	—
Total extraordinary income	293	—
Extraordinary losses		
Provision of reserve for financial instruments transaction liabilities	—	157
Impairment losses	143	48
Total extraordinary losses	143	206
Profit before income taxes	14,027	10,781
Income taxes - current	3,969	2,503
Income taxes - deferred	(575)	625
Total income taxes	3,394	3,128
Profit	10,632	7,652

## ***CORPORATE DATA***

### **Company Name**

OKASAN SECURITIES GROUP INC.

### **Date of Establishment**

August 25, 1944

### **Head Office**

2-2-1 Nihonbashi Muromachi, Chuo-ku,  
Tokyo 103-0022, Japan

### **Kabutocho Office**

1-4 Nihonbashi Kabutocho, Chuo-ku,  
Tokyo 103-0026, Japan

### **Phone Number**

+81-3-3272-2222

### **Paid-in Capital**

18,589 Million Yen

### **Subsidiaries**

10 companies  
2 investment limited partnerships

### **Listed Stock Exchanges**

Tokyo Stock Exchange  
Nagoya Stock Exchange

## ***BOARD OF DIRECTORS***

### **Group CEO**

SHINSHIBA Hiroyuki

### **Director**

IKEDA Yoshihiro

### **Audit & Supervisory Committee Members**

### **Director**

MIYABAYASHI Ayako

### **Outside Director**

YOSHIDA Shinichi

### **Outside Director**

KIMURA Yoshifumi

### **Outside Director**

SATO Shinichi

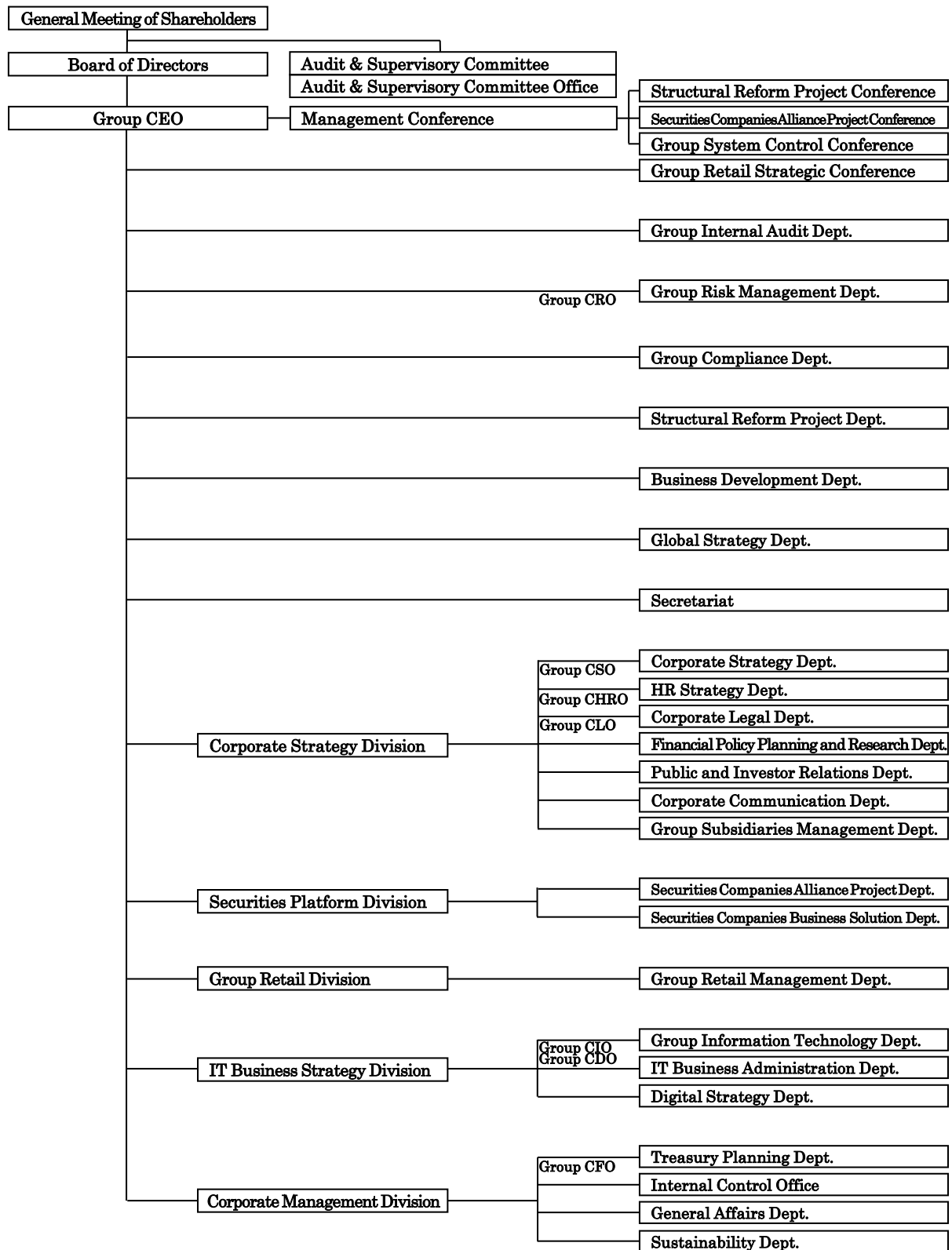
### **Outside Director**

OKANO Sadahiko

(Data above is as of August, 2025)



# ORGANIZATIONAL CHART



(Data above is as of August, 2025)

OKASAN SECURITIES GROUP INC.

[www.okasan.jp](http://www.okasan.jp)