ANNUAL REPORT

For Fiscal Year Ended March 31, 2026

OKASAN SECURITIES GROUP INC.

Corporate Profile

Okasan Securities Group Inc. provides investment and financial services with its roots back to 1923, and now consists of a holding company, 7 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.

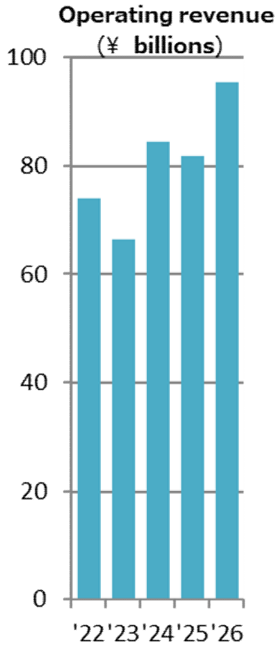
Contents

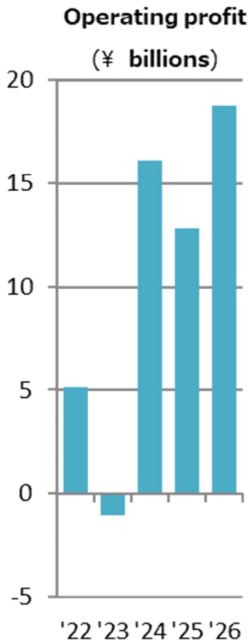
Consolidated Financial Highlights

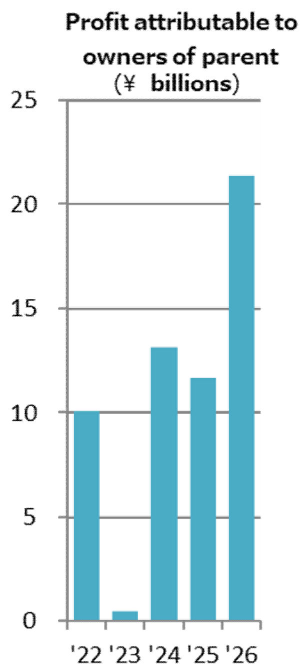
Okasan Securities Group Inc. and Consolidated Subsidiaries　Years ended March 31, 2025 and 2026

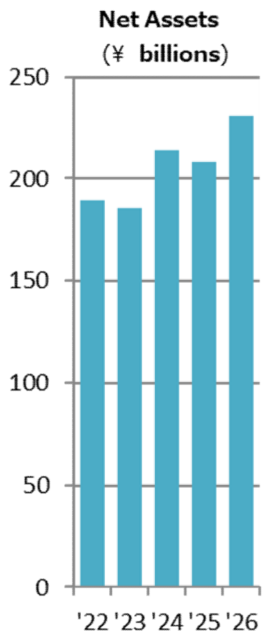
	Millions of yen		Thousands of U.S. dollars (note)
	2026 (4/1/25～3/31/26)	2025 (4/1/24～3/31/25)	2026 (4/1/25～3/31/26)
Operating revenue	¥95,595	¥81,936	$597,917
Operating profit	18,730	12,838	117,150
Profit attributable to owners of parent	21,360	11,652	133,600
Total assets	1,401,090	1,379,738	8,763,385
Net assets	230,972	208,232	1,444,658
Per share of common stock	Yen		U.S. dollars (note)
Basic net income	¥ 106.72	¥ 57.62	$ 0.66
Cash dividends applicable to the year	50.00	30.00	0.31

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, 2026, which was ¥159.88 to U.S.$1.









Management Policy

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.

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 will implement special dividends in each fiscal year from the fiscal year ending March 2026 through the fiscal year ending March 2028, for a cumulative total of 10 billion yen or over. We have purchased approximately 1,499 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 2026 marked the third 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. We also worked to increase recurring revenue by utilizing our banking service, “OKASAN BANK,” and our fund wrap service, “Okasan UBS Fund Wrap.” In addition, we released smartphone application for customers “OKASAN Plus”, to enhance customer touchpoints, while striving to establish a retail sales model unique to Okasan through the integration of face-to-face sales and digital solutions. We will continue strengthening comprehensive consulting services that consider our customer’s overall assets.

In the securities platform business, we advanced the conversion of securities companies, including Group subsidiaries, to financial instruments intermediary service providers (IFA), while worked to expand the business through partnerships with regional financial institutions. Based on an open architecture approach, we are actively utilizing external resources to strengthen our securities business, while working to provide customers with various products and solutions. With advancement of platforms, we further expand a unique network and advance initiatives to coexist and share prosperity.

To ensure the Group achieves its business target indicators, we are working to enhance Employee Experience (EX). Under a new personnel system aimed at realizing a company “where each individual can fully demonstrate their capabilities” and “preferred by a diverse workforce,” we are promoting flexible workstyles and increasing employee engagement, thereby strengthening our human resources base.

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.

- **Target period**

The 5-year period from April 2023 to March 2028

- **Targets for key management indicators**
  - Assets under custody: 10 trillion yen
  - ROE: 8%
  - Total payout ratio: 50%

Payment of special dividends amounting to 10 billion yen or over during each fiscal year from FY ending March 2026 through FY ending March 2028 (*)

(*) In March 2026, the Company introduced a new shareholder return policy, replacing the one announced in March 2023. The previous policy provided for the purchase of at least 1 billion yen per year in treasury shares during the period covered by the Medium-term Business Plan until the PBR exceeds 1.0.

5. Business conditions and challenges the Company should address

The world is now undergoing a sweeping transformation of human society itself, driven by the AI revolution. At the same time, as the U.S.-led international order faces growing uncertainty, geopolitical risks remain elevated, creating the possibility of complex crises. Precisely in such an environment, we believe that securities companies have an important responsibility to support each and every customer's life from a financial perspective, grounded in advanced expertise and a strong sense of ethics.

The Group has been enhancing "One-to-One Marketing" to improve Customer Experience (CX). Okasan Securities, the core subsidiary, revamped its management and organizational structure from the new fiscal year to further accelerate reforms. Through the introduction of a headquarters structure for retail and wholesale, the company is working to strengthen expertise and accelerate decision-making. In addition, we intend to concentrate management resources on areas that drive competitiveness and promote DX in retail business, one of our core strengths, through the use of AI and other technologies. The group provide high-value-added wealth management services by enhancing the functionality of our smartphone application "OKASAN Plus" and utilizing asset management tools.

For our platform strategy, we will seek to further advance it by leveraging the retail business reforms at Okasan

Securities. In August 2026, we plan to merge Okasan Business & Technology and Securities Japan and launch "Okasan Business & Technology Securities." By strengthening middle- and back-office operations, we intend to position the new company as a foundation supporting the competitiveness and growth of our platform. We will also build partnerships with a broader range of financial institutions, including small and medium-sized securities companies that are considering converting to a financial instruments intermediary service provider (IFA), and establish relationships of "coexisting and sharing prosperity." Through our platform strategy, we aim to provide advanced financial services to a wider range of customers and contribute to raising the overall level of asset formation in Japan.

We continue to enhance corporate value by upholding our mission to "contribute to the lives of our customers" and instilling our three Values– "Uphold Integrity," "Ignite Passion," and "Forge Synergy"– throughout the Group.

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. Representative Director, Group 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 members is five, 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 eight staffs to this department. The Group Internal Audit Dept. makes up an audit policy in each fiscal year, periodically implements on-the-spot audits based on these policies 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, 2026

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 as uncertainty over U.S. reciprocal tariffs eased, while demand for capital investment remained resilient, supported by the promotion of labor-saving and efficiency-enhancing investments. As the trend of wage increases continued, the pace of increase in the nationwide Consumer Price Index (excluding fresh food, core CPI) moderated, reflecting a pause in the rice prices and the abolition of the provisional gasoline tax rate. As a result, real wages showed signs of improvement.

In this environment, the Nikkei Stock Average (Nikkei 225) tumbled to temporarily below 31,000 yen in April 2025 following the US administration's announcement of its reciprocal tariff policy. However, after the 90-day suspension of the tariff measures was announced, the Nikkei 225 regained ground. Thereafter, it remained firm, supported by growing expectations of near-term interest rate cuts by the US Federal Reserve Board (FRB) and the tariff agreement between Japan and US. From October onward, the stock market continued an upward trend, as expectations for expansionary fiscal policy following the inauguration of the Takaichi Cabinet and an easing of US-China trade tensions helped maintain market momentum. After January 2026, the Nikkei 225 at times marked its all-time high, following the dissolution of the House of Representatives and the Liberal Democratic Party's landslide victory in the general election. The Nikkei 225 closed the fiscal year in March at 51,036.72 yen, after its gains narrowed rapidly with the worsening situation in the Middle East.

The bond market, with the yield on 10-year Japanese government bonds briefly falling sharply to the 1.1% range in early April, thereafter saw a gradual upward trend amid speculation over potential interest rate hikes by the Bank of Japan (BoJ). After autumn, the long-term yield rose further amid concerns over expansionary fiscal policy under the new Takaichi administration, reaching the 2.3% range in January. Japan's long-term yield ended the fiscal year at 2.345%, as inflation concerns intensified toward the fiscal year-end due to rising crude oil prices reflecting heightened tensions in the Middle East. Regarding the foreign exchange market, the yen temporarily appreciated against the dollar to the 139-yen range in April but then shifted to a weaker yen trend following the conclusion of a US-UK trade agreement and a US-China agreement to lower tariffs. The yen weakened further amid concerns over rising prices in the US and expectations for fiscal expansion following the inauguration of the Takaichi Cabinet. From January onward, the yen continued to weaken to around 160-yen level, as expectations for US interest rate cuts receded and the Liberal Democratic Party won a landslide victory in the House of Representatives election. However, the yen was temporarily bought back to the 152-yen range amid caution over foreign exchange intervention by the Japanese and US authorities. Toward the fiscal year-end, the yen weakened and the dollar strengthened again amid inflation concerns. Currency trading ended the fiscal year in the upper 158-yen range to the dollar.

Under these conditions, the Okasan Securities Group worked to establish a solid business foundation for sustainable growth, based on the growth strategies of the Medium-term Business Plan. In platform business, which provides all the essential infrastructure required for securities business operations, one of our subsidiaries, SANEN Securities (currently SANEN Wealth Management) , converted into a Financial Instruments Intermediary Service Provider, marking the nation's largest business conversion from a securities company. To enhance the platform, two subsidiaries were integrated and Okasan Business & Technology was launched as a new company. The group continued to work to expand recurring revenue by promoting its asset management business using various solutions, including Okasan BANK and Okasan UBS Fund Wrap. To strengthen digital strategy centered on face-to-face consulting, Okasan Securities introduced a newly developed in-house sales support and customer management system, and released a smartphone application: "OKASAN Plus". Securities Japan acquired Yamagata Securities as a subsidiary, thereby expanding the Group's regional footprint in the Tohoku region.

II. Financial standing

Total assets at the end of the consolidated fiscal year under review stood at ¥1,401,090 million, up ¥21,352 million from the end of the previous consolidated fiscal year. Total liabilities at the end of the consolidated fiscal year under review stood at ¥1,170,118 million, down ¥1,386 million from the end of the previous consolidated fiscal year. Net assets at the end of the consolidated fiscal year under review stood at ¥230,972 million, up ¥22,739 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 ¥1,401,090 million, up ¥21,352 million from the end of the previous fiscal year. This was due mainly to increases of ¥46,891 million in loans secured by securities, ¥34,291 million in cash and deposits, ¥19,163 million in segregated deposits and ¥15,794 million in margin transaction assets, despite a decrease of ¥115,770 million in trading products.

2. Total liabilities

Total liabilities at the end of the fiscal year under review stood at ¥1,170,118 million, down ¥1,386 million from the end of the previous fiscal year. This was due mainly to increases of ¥40,884 million in borrowings secured by securities, ¥37,352 million in deposits received, and ¥16,320 million in trade date accrual, despite decreases of ¥93,460 million in trading products and ¥34,565 million in short-term borrowings.

3. Net assets

Net assets at the end of the fiscal year under review stood at ¥230,972 million, up ¥22,739 million from the end of the previous fiscal year. This was due mainly to increases of ¥15,319 million in retained earnings and ¥7,586 million in valuation difference on available-for-sale securities.

III. Business results

Group operating revenue in the consolidated fiscal year under review was ¥95,595 million (increased by 16.7% compared to the figure for the previous year); net operating revenue was ¥91,835 million (increased by 15.0% compared to the previous year). SG&A expenses were ¥73,105 million (increased by 9.1% compared to the previous year); ordinary profit was ¥22,867 million (increased by 46.8% compared to the previous year); and profit attributable to owners of parent was ¥ 21,360 million (increased by 83.3% compared to the previous year).

1. Fees and commissions received

Fees and commissions received totaled ¥63,341 million (increased by 26.2% compared to the previous year). The main components were as follows:

(1) Brokerage commission

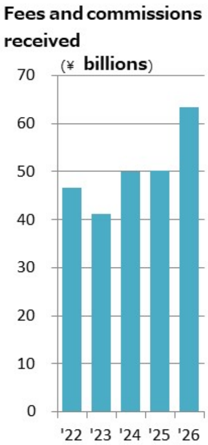
During this fiscal year, the daily average trading volume (for domestic common stock) was 3,389 million shares (increased by 24.9% compared to the level in the previous fiscal year) and the trading value was ¥7,101.6billion (increased by 33.1% compared to the figure for the previous fiscal year) on the Tokyo Stock Exchange. At Okasan Securities Co., Ltd., the core subsidiary, brokerage transaction value of equities increased compared to the previous fiscal year.
Consequently, equity brokerage commission was ¥28,740 million (increased by 28.5% compared to the previous year) and total brokerage commission was ¥29,400 million (increased by 28.3% 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 transaction value, driven by a large-scale initial public offering (IPO) and serving as a lead underwriter in a secondary offering. Bond underwriting saw an increase in transaction value from corporate bonds and local government bonds.
The resulting commissions on equity were ¥709 million (increased by 15.2% compared to the previous year). Commissions on bonds totaled ¥1,134 million (increased by 37.4% 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 ¥1,844 million (increased by 27.9% 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, sales of publicly offered investment trusts increased compared to the previous year. Funds investing in AI-related companies and companies in the electric power sector, as well as funds investing in companies expected to drive Japan's next-generation industries gained popularity.
As a result, fees for offering, secondary distribution and solicitation for selling and others for professional investors totaled ¥16,743 million (increased by 23.7% compared to the previous year). Other commission received, related to mainly investment trusts, amounted to ¥15,352 million (increased by 24.7% compared to the previous year).



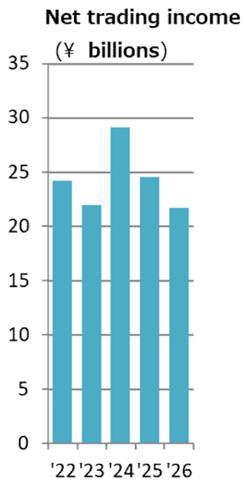
Fees and commissions received

Breakdown by category (Millions of yen except percentage)

	2026 (4/1/25～3/31/26)	2025 (4/1/24～3/31/25)	Percent change
Brokerage commission	¥29,400	¥22,911	28.3
Equities	28,740	22,358	28.5
Bonds	-	-	-
Others	660	553	19.2
Underwriting fees and selling concession	1,844	1,442	27.9
Equities	709	616	15.2
Bonds	1,134	825	37.4
Placement commission	16,743	13,534	23.7
Other commission	15,352	12,313	24.7
Total	63,341	50,201	26.2

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 decreased from the previous fiscal year. Trading in Japanese government bonds was affected by rising domestic interest rates and other factors.
Consequently, total income on equity trading was ¥19,173 million (decreased by 5.7% compared to the previous year). Total bond trading income was ¥2,219 million (decreased by 39.3% compared to the previous year). Net trading income, including profit from other trading of ¥328 million (decreased by 44.4% compared to the previous year), was ¥ 21,721 million (decreased by 11.6% compared to the previous year).



Net trading income (Millions of yen except percentage)

	2026 (4/1/25～3/31/26)	2025 (4/1/24～3/31/25)	Percent change
Equities, etc.	¥19,173	¥20,323	(5.7)
Bonds, etc.	2,219	3,658	(39.3)
Others	328	590	(44.4)
Total	21,721	24,572	(11.6)

3. Financial revenue

Due to rising domestic interest rates, financial revenue amounted to ¥8,613 million (increased by 62.4% compared to the previous year). Financial expenses stood at ¥3,760 million (increased by 80.1% compared to the previous year). Net financial revenue—i.e., the difference between financial revenue and financial expenses—was ¥4,853 million (increased by 50.9% 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 ¥1,919 million (increased by 3.2% compared to the previous year).

5. Selling, general, and administrative expenses

Due to higher expenses, including personnel expenses and trading related expenses, selling, general, and administrative expenses were ¥73,105 million (increased by 9.1% compared to the previous year).

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

Non-operating income amounted for ¥4,624 million, while non-operating expenses amounted for ¥486 million. Extraordinary income amounted for ¥6,450 million due to a record of gain on sale of investment securities, while extraordinary losses amounted for ¥1,457 million due to a record of impairment losses.

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. The company will implement special dividends in each fiscal year from fiscal year ended March 2026 to the fiscal year ending March 2028, for a cumulative total of 10 billion yen or over.
Based on the policy above, the Company has determined to pay dividends in this fiscal year set at 50 yen per share, consisting of an ordinary dividend of 40 yen and a special dividend of 10 yen. The Company purchased 1,499 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 up ¥33,511 million from the end of the previous fiscal year to ¥78,257 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 provided in operating activities were ¥62,847 million, attributable mainly to the difference between cash inflows from ¥38,630 million on decrease(increase) in trading products – assets (liabilities), as well as ¥37,234 million on increase (decrease) in deposits received, and cash outflows of ¥19,110 million on decrease (increase) in cash segregated as deposits for customers.

＜Cash flows from investing activities＞

Cash provided by investing activities amounted to ¥4,757 million, due mainly to the difference between the cash inflows of ¥8,173 million on proceeds from sale of investment securities, and cash outflows of ¥2,323 million on purchase of property, plant and equipment.

＜Cash flows from financing activities＞

Cash used in financing activities amounted to ¥35,011 million, due mainly to the cash inflows of ¥10,000 million on proceeds from long-term borrowings, and cash outflows of ¥33,796 million on net increase (decrease) in short-term borrowings, as well as ¥6,019 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, 2025 to March 31, 2026 and the non-consolidated financial statements for the fiscal year from April 1, 2025 to March 31, 2026 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, 2025		As of March 31, 2026
Assets				
Current assets				
Cash and deposits	*3	49,372	*3	83,663
Segregated deposits		106,417		125,580
Segregated deposits for customers		104,290		123,400
Other segregated deposits		2,127		2,180
Trading products		520,976		405,205
Trading securities and other	*3	520,934	*3	404,859
Derivatives		42		346
Margin transaction assets		82,455		98,250
Margin loans		76,372		90,768
Cash collateral provided for securities borrowed in margin transactions		6,083		7,481
Loans secured by securities		473,712		520,603
Cash collateral provided for securities borrowed		20,005		25,000
Securities purchased under resale agreements		453,707		495,603
Advances paid		1,410		8,200
Short-term guarantee deposits		22,805		23,504
Accounts for non-delivered securities and others		332		-
Short-term loans receivable		6,515		8,206
Accrued revenue		5,635		6,560
Other current assets		2,348		2,752
Allowance for doubtful accounts		(26)		(11)
Total current assets		1,271,956		1,282,515
Non-current assets				
Property, plant and equipment	*1	16,817	*1	16,814
Buildings, net		4,777		5,324
Equipment		1,688		1,955
Land	*6	10,087	*6	9,371
Leased assets, net		263		162
Intangible assets		6,545		5,289
Software		6,174		5,037
Other		370		251
Investments and other assets		84,419		96,471
Investment securities	*2, *3	75,520	*2, *3	85,668
Long-term guarantee deposits		3,603		3,630
Long-term loans receivable		7		2
Retirement benefit asset		4,442		6,081
Deferred tax assets		19		92
Other		1,672		1,871
Allowance for doubtful accounts		(847)		(875)
Total non-current assets		107,782		118,574
Total assets		1,379,738		1,401,090

(Millions of yen)

		As of March 31, 2025		As of March 31, 2026
Liabilities				
Current liabilities				
Trading products		462,855		369,394
Trading securities and other		462,855		369,138
Derivatives		-		256
Trade date accrual		23,447		39,767
Margin transaction liabilities		14,768		21,996
Margin borrowings	*3	8,918	*3	12,817
Cash received for securities sold in margin transactions		5,850		9,178
Borrowings secured by securities		363,881		404,766
Cash collateral received for securities lent		40,120		54,312
Securities sold under repurchase agreements		323,761		350,454
Deposits received		75,185		112,538
Guarantee deposits received		33,439		42,102
Payables for securities to receive over due for delivery		0		2
Short-term borrowings	*3	158,928	*3	124,363
Income taxes payable		2,915		5,978
Provision for bonuses		2,606		3,754
Other current liabilities		4,889		6,373
Total current liabilities		1,142,917		1,131,038
Non-current liabilities				
Long-term borrowings		3,916		11,900
Lease liabilities		145		69
Deferred tax liabilities for land revaluation	*6	1,564	*6	1,551
Deferred tax liabilities		14,752		17,635
Provision for retirement benefits for directors (and other officers)		143		—
Retirement benefit liability		4,922		4,421
Other non-current liabilities		2,006		2,155
Total non-current liabilities		27,450		37,733
Reserves under special laws				
Reserve for financial instruments transaction liabilities:	*7	1,137	*7	1,346
Total reserves under special laws		1,137		1,346
Total liabilities		1,171,505		1,170,118
Net assets				
Shareholders’ equity				
Share capital		18,589		18,589
Capital surplus		45,342		45,282
Retained earnings		133,012		148,332
Treasury shares		(14,209)		(15,311)
Total shareholders’ equity		182,735		196,892
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		21,545		29,132
Revaluation reserve for land	*6	449	*6	443
Foreign currency translation adjustment		1,349		1,635
Remeasurements of defined benefit plans		1,923		2,694
Total accumulated other comprehensive income		25,267		33,905
Stock acquisition rights		229		173
Total net assets		208,232		230,972
Total liabilities and net assets		1,379,738		1,401,090

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

Consolidated statement of income

(Millions of yen)

		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026
Operating revenue				
Commission received		50,201		63,341
Brokerage commission		22,911		29,400
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors		1,442		1,844
Fees for offering, secondary distribution and solicitation for selling and others for professional investors		13,534		16,743
Other commission received		12,313		15,352
Net trading income		24,572		21,721
Financial revenue		5,303		8,613
Other operating revenue		1,859		1,919
Total operating revenue	*1	81,936	*1	95,595
Financial expenses		2,087		3,760
Net operating revenue		79,849		91,835
Selling, general and administrative expenses		67,010		73,105
Trading related expenses		10,675		12,575
Personnel expenses	*2	33,543	*2	37,187
Real estate expenses		7,915		7,720
Office expenses		8,985		9,380
Depreciation		3,171		3,422
Taxes and dues		1,299		1,483
Provision of allowance for doubtful accounts		(25)		(13)
Other		1,445		1,348
Operating profit		12,838		18,730
Non-operating income		3,094		4,624
Dividend income		2,027		2,281
Share of profit of entities accounted for using equity method		679		1,125
Compensation income		—		505
Other		387		711
Non-operating expenses		355		486
Loss on investments in investment partnerships		53		47
Loss on sale and retirement of non-current assets		166		246
Compensation expenses		48		55
Other		86		137
Ordinary profit		15,577		22,867

(Millions of yen)

		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026
Extraordinary income				
Gain on sale of investment securities		2,320		6,450
Total extraordinary income		2,320		6,450
Extraordinary losses				
Impairment losses	*3	743	*3	574
Loss on sale of investment securities		—		74
Loss on valuation of investment securities		106		165
Loss on sale of shares of subsidiaries and associates		—		433
Loss on valuation of golf club membership		0		—
Provision of reserve for financial instruments transaction liabilities		158		209
Total extraordinary losses		1,008		1,457
Profit before income taxes		16,889		27,860
Income taxes - current		5,200		7,395
Income taxes - deferred		(444)		(895)
Total income taxes		4,756		6,499
Profit		12,133		21,360
Profit attributable to non-controlling interests		480		—
Profit attributable to owners of parent		11,652		21,360

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	12,133	21,360
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,171)	7,479
Revaluation reserve for land	(37)	—
Foreign currency translation adjustment	(27)	286
Remeasurements of defined benefit plans, net of tax	(14)	761
Share of other comprehensive income of entities accounted for using equity method	(348)	115
Total other comprehensive income	*1 (3,600)	*1 8,644
Comprehensive income	8,532	30,004
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,936	30,004
Comprehensive income attributable to non-controlling interests	(403)	—

(iii) Consolidated statement of changes in equity

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

Fiscal year ended March 31, 2026

(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	45,342	133,012	(14,209)	182,735
Changes during period					
Dividends of surplus			(6,046)		(6,046)
Profit attributable to owners of parent			21,360		21,360
Purchase of treasury shares				(1,501)	(1,501)
Disposal of treasury shares		67		399	467
Change in ownership interest of parent due to transactions with non-controlling interests		(128)			(128)
Revaluation reserve for land			5		5
Net changes in items other than shareholders' equity					
Total changes during period	―	(60)	15,319	(1,101)	14,157
Balance at the end of the period	18,589	45,282	148,332	(15,311)	196,892

	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	21,545	449	1,349	1,923	25,267	229	―	208,232
Changes during period								
Dividends of surplus								(6,046)
Profit attributable to owners of parent								21,360
Purchase of treasury shares								(1,501)
Disposal of treasury shares								467
Change in ownership interest of parent due to transactions with non-controlling interests								(128)
Revaluation reserve for land								5
Net changes in items other than shareholders' equity	7,586	(5)	286	770	8,638	(56)	―	8,582
Total changes during period	7,586	(5)	286	770	8,638	(56)	―	22,739
Balance at the end of the period	29,132	443	1,635	2,694	33,905	173	―	230,972

(iv) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	16,889	27,860
Depreciation	3,171	3,422
Impairment losses	743	574
Increase (decrease) in allowance for doubtful accounts	(101)	13
Increase (decrease) in provision for bonuses	(218)	1,146
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1)	(143)
Increase (decrease) in retirement benefit liability	(495)	(501)
Decrease (increase) in retirement benefit asset	(283)	(1,638)
Increase (decrease) in reserve for financial instruments transaction liabilities	158	209
Interest and dividend income	(7,331)	(10,896)
Interest expenses	2,109	3,778
Loss (gain) on sale and retirement of property, plant and equipment	(29)	(279)
Loss (gain) on sale and retirement of intangible assets	10	167
Loss (gain) on sale of investment securities	(2,320)	(6,376)
Loss (gain) on valuation of investment securities	106	165
Loss (gain) on sale of shares of subsidiaries and associates	–	433
Decrease (increase) in cash segregated as deposits for customers	2,870	(19,110)
Decrease (increase) in trading products – assets (liabilities)	(157,380)	38,630
Decrease/increase in margin transaction assets/liabilities	20,013	(8,534)
Decrease/increase in loans/borrowings secured by securities	120,754	(6,006)
Decrease (increase) in advance paid	(1,146)	(6,789)
Increase (decrease) in deposits received	(11,334)	37,234
Decrease (increase) in short-term guarantee deposits	(1,743)	(706)
Increase (decrease) in guarantee deposits received	(6,142)	8,663
Decrease (increase) in short-term loans receivable	6,662	(1,690)
Other, net	(2,095)	905
Subtotal	(17,135)	60,532
Interest and dividends received	6,636	10,918
Interest paid	(2,106)	(3,680)
Income taxes refund (paid)	(8,083)	(4,923)
Net cash provided by (used in) operating activities	(20,688)	62,847

(Millions of yen)

		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026
Cash flows from investing activities				
Purchase of securities		–		(2,500)
Proceeds from sale of securities		43		2,500
Purchase of property, plant and equipment		(1,389)		(2,323)
Proceeds from sale of property, plant and equipment		240		944
Purchase of intangible assets		(2,138)		(1,215)
Proceeds from sale of intangible assets		60		0
Purchase of investment securities		(1,214)		(1,865)
Proceeds from sale of investment securities		7,737		8,173
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation		–		672
Proceeds from acquisition of businesses	*2	2,514		–
Payments for acquisition of businesses		(40)		–
Other, net		367		370
Net cash provided by (used in) investing activities		6,180		4,757
Cash flows from financing activities				
Net increase (decrease) in short-term borrowings		4,099		(33,796)
Proceeds from long-term borrowings		–		10,000
Repayments of long-term borrowings		(5,172)		(2,812)
Redemption of bonds		(2,000)		–
Purchase of treasury shares		(1,286)		(1,501)
Purchase of treasury shares of subsidiaries		(7,109)		–
Dividends paid		(6,070)		(6,019)
Dividends paid to non-controlling interests		(15)		–
Purchase of shares of subsidiaries not resulting in change in scope of consolidation		(149)		(128)
Other, net		(798)		(754)
Net cash provided by (used in) financing activities		(18,502)		(35,011)
Effect of exchange rate change on cash and cash equivalents		(15)		919
Net increase (decrease) in cash and cash equivalents		(33,026)		33,511
Cash and cash equivalents at beginning of period		77,771		44,745
Cash and cash equivalents at end of period	*1	44,745	*1	78,257

[Notes]

(Significant accounting policies for preparation of consolidated financial statements)

1. Matters relating to the scope of consolidation

(1) Number of consolidated subsidiaries: 8

The Company transferred all the shares of Okasan Capital Partners Co., Ltd. (currently SBI Okasan Alternative Investment Co., Ltd.), which was a consolidated subsidiary of the Company, as well as all of its positions as a member of OCP1 Investment Limited Partnership and OCP2 Investment Limited Partnership managed by Okasan Capital Partners Co., Ltd. As a result, Okasan Capital Partners Co., Ltd. was excluded from the scope of consolidation in the fiscal year under review.

(2) Names, etc. of unconsolidated subsidiaries

The unconsolidated subsidiaries (SANKO Securities Wealth Management 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 and affiliates that are not accounted for by the equity method

The influence on the consolidated financial statements of the unconsolidated subsidiaries and affiliates that are not accounted for by the equity method (SANKO Securities Wealth Management 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.

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 had recognized the amount to be paid at the end of the period based on their respective internal rules. However, the retirement benefits system for directors (and other officers) was abolished in the fiscal year under review. As a result, the entire amount of "provision for retirement benefits for directors (and other officers)" was reversed, and the unpaid portion of lump-sum payments is included in "other non-current liabilities" under non-current liabilities.

(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 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, 2025	As of March 31, 2026
Deferred tax assets	19	92
Deferred tax liabilities	14,752	17,635

(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 ¥1,484 million for the previous fiscal year, and ¥2,441 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 ¥1,331 million for the previous fiscal year and ¥2,439 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 its 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, 2027

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, 2027.

(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 31, 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, 2025	As of March 31, 2026
Accumulated depreciation of property, plant and equipment	19,164	16,444

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

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Investments and other assets Investment securities	11,176	13,182

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

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.

As of March 31, 2026

(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	6,272	3,974	5,922	—	—	9,896
Margin borrowings	4,334	—	—	—	371	371
Total	10,606	3,974	5,922	—	371	10,267

(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 ¥66,791 million and investment securities of ¥2,447 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, 2025	As of March 31, 2026
Securities sold in margin transactions	5,764	9,214
Securities pledged for margin borrowings	8,392	11,367
Securities lent under loan agreements	39,253	51,432
Securities sold under repurchase agreements	323,992	349,291
Substituted securities for guaranteed deposits payable (except those directly deposited by customers)	599	885
Other securities pledged as collateral	24,431	39,782

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

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Securities deposited for margin loans	69,287	83,709
Securities borrowed in margin transactions	5,811	7,268
Securities borrowed under loan agreements	37,395	49,770
Securities bought under repurchase agreements	454,818	491,638
Substituted securities for guaranteed deposits receivable (limited to those for which consent for rehypothecation has been obtained)	132,234	154,935
Other securities deposited as collateral with the right to dispose freely	19,591	19,409

*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, 2025 and the fiscal year ended March 31, 2026.

*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 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, 2025	As of March 31, 2026
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, 2025	Fiscal year ended March 31, 2026
Provision for bonuses	2,606	3,754
Retirement benefit expenses	119	18
Provision for retirement benefits for directors (and other officers)	28	3

*3 Impairment losses

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 has been made and systems, etc. in asset groups for which profit or loss from operating activities has been continuously negative, the carrying values of these asset groups were reduced to the recoverable values, and the amount of such reductions was 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.

Fiscal year ended March 31, 2026

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

(1) Major assets for which impairment loss is recognized

Location	Use	Type
Tsu-shi, Mie	Unused assets	Land
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 has been made and systems, etc. in asset groups for which profit or loss from operating activities has 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	332
Software	185
Buildings, net	39
Equipment	17
Investments and other assets, Other	0
Total	574

(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, 2025	Fiscal year ended March 31, 2026
Valuation difference on available-for-sale securities:		
Arising during the year	(1,941)	17,259
Reclassification adjustment	(2,172)	(6,407)
Income taxes and before tax amount	(4,114)	10,852
Income taxes and tax effects	942	(3,372)
Valuation difference on available-for-sale securities	(3,171)	7,479
Revaluation reserve for land:		
Income taxes and tax effects	(37)	–
Foreign currency translation adjustment:		
Arising during the year	(27)	286
Remeasurements of defined benefit plans, net of tax:		
Arising during the year	634	1,909
Reclassification adjustment	(725)	(829)
Income taxes and before tax amount	(90)	1,079
Income taxes and tax effects	75	(318)
Remeasurements of defined benefit plans, net of tax	(14)	761
Share of other comprehensive income of entities accounted for using equity method:		
Arising during the year	(296)	229
Reclassification adjustment	(52)	(113)
Share of other comprehensive income of entities accounted for using equity method	(348)	115
Total other comprehensive income	(3,600)	8,644

(Consolidated statement of changes in equity)

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 ended 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

Fiscal year ended March 31, 2026

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, 2026	Increase in the number of shares during the fiscal year ended March 31, 2026	Decrease in the number of shares during the fiscal year ended March 31, 2026	Number of shares at the end of the fiscal year ended March 31, 2026
Shares issued				
Common stock	231,217	—	—	231,217
Total	231,217	—	—	231,217
Treasury shares				
Common stock (Notes) 1, 2	29,661	2,240	757	31,144
Total	29,661	2,240	757	31,144

(Notes) 1. The increase in the number of treasury shares of common stock by 2,240 thousand shares consists of an increase of 2,218 thousand shares due to purchase in accordance with resolution passed at the Board of Directors' meeting, an increase of 20 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 757 thousand shares consists of a decrease of 608 thousand shares due to granting restricted stock, and a decrease of 148 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, 2026 (Millions of yen)
			Beginning of the fiscal year ended March 31, 2026	Increase during the fiscal year ended March 31, 2026	Decrease during the fiscal year ended March 31, 2026	End of the fiscal year ended March 31, 2026	
Submitting company (Parent)	Stock acquisition rights as stock options	—	—	—	—	—	173
Total		—	—	—	—	—	173

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 19, 2025	Common stock	6,046	30	March 31, 2025	June 6, 2025

(2) Of the dividends whose record date fell in the fiscal year ended March 31, 2026, the following are those whose effective date falls in the fiscal year ending March 31, 2027

(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 18, 2026	Common stock	10,003	Retained earnings	50	March 31, 2026	June 5, 2026

(Note) Dividends per share include ¥10 of special dividend.

(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, 2025	Fiscal year ended March 31, 2026
Cash and deposits account	49,372	83,663
Time deposits with maturities of longer than three months, etc.	(4,626)	(5,405)
Cash and cash equivalents	44,745	78,257

*2 Major components of assets and liabilities relating to business acquisition that use cash and cash equivalents as consideration

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
Balance: Proceeds from acquisition of businesses	2,514

Fiscal year ended March 31, 2026

Not applicable.

(Lease transactions)

1. Finance lease transactions

Finance lease transactions without title transfer

(i) Details of leased assets

Property, plant and equipment

Mainly, 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, 2025	As of March 31, 2026
One year or less	1,930	2,019
Over one year	6,502	6,044
Total	8,433	8,064

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

Regarding derivative transactions including interest rate swaps, the Group uses such swaps to hedge future market fluctuations 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.

Positions 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 funds 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. Derivative transactions other than trading purposes include 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, it manages market risk by establishing position limits, loss limits, risk limits, etc. for each financial instrument, and counterparty risk by establishing credit limits, risk limits, etc. for each financial instrument. Primarily, departments that engage in trading on a daily basis confirm the position, gains or losses, and the risks. Secondarily, risk control department ascertains the status of compliance with the risk limits, etc., with respect to the position and the risks calculated by risk assessment departments, 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, and short-term borrowings approximate their book values as they are settled within a short period of time. Accordingly, notes are omitted.

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).

As of March 31, 2026

(Millions of yen)

	Carrying value on the consolidated balance sheet	Fair value	Difference
(1) Trading securities and other, Securities and Investment securities	470,127	470,127	―
Trading securities	404,859	404,859	―
Available-for-sale securities	65,268	65,268	―
Total assets	470,127	470,127	―
(2) Trading securities and other	369,138	369,138	―
Trading securities	369,138	369,138	―
(3) Long-term borrowings (including those to be repaid within one year)	13,916	13,854	(61)
Total liabilities	383,054	382,992	(61)
Derivatives (*)	89	89	―

(*) 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, 2026
Unlisted equity securities (*1)	18,858
Investments in investment limited partnerships, etc. (*2)	1,541
Total	20,399

(*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, 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	—	—

As of March 31, 2026

(Millions of yen)

	Due within 1 year	1 to 5 years	5 to 10 years	Over 10 years
Cash and deposits	83,663	—	—	—
Segregated deposits	125,580	—	—	—
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	—	375	—	—
Margin transaction assets	98,250	—	—	—
Loans secured by securities	520,603	—	—	—
Short-term guarantee deposits	23,504	—	—	—
Short-term loans receivable	8,206	—	—	—
Total	859,809	375	—	—

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

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	—	—	—	—	—
Total	167,846	2,016	1,900	—	—	—

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

As of March 31, 2026

(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	122,347	—	—	—	—	—
Long-term borrowings	2,016	1,900	3,000	—	7,000	—
Margin borrowings (Note)	12,817	—	—	—	—	—
Total	137,180	1,900	3,000	—	7,000	—

(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, 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.

As of March 31, 2026

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Trading securities	400,853	4,006	—	404,859
Securities and Investment securities	65,268	—	—	65,268
Total assets	466,121	4,006	—	470,127
Trading securities and other	369,138	—	—	369,138
Total liabilities	369,138	—	—	369,138
Derivative where hedge accounting is not applied	79	10	—	89
Total derivatives (*)	79	10	—	89

(*) 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, 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

As of March 31, 2026

(Millions of yen)

Classification	Fair value			
	Level 1	Level 2	Level 3	Total
Long-term borrowings (including those to be repaid within one year)	－	13,854	－	13,854
Total liabilities	－	13,854	－	13,854

(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 valuated 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, 2025	As of March 31, 2026
Equity securities and warrants	(111)	21
Debt securities	(6,818)	(5,561)
Beneficiary certificates, etc.	(2)	(0)
Total	(6,933)	(5,539)

(ii) Liabilities

(Millions of yen)

Type	As of March 31, 2025	As of March 31, 2026
Equity securities and warrants	218	110
Debt securities	10,051	9,528
Beneficiary certificates, etc.	―	―
Total	10,270	9,639

2. Those for non-trading purposes

Available-for-sale securities

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))

As of March 31, 2026

(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	64,792	18,038	46,753
		(2) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(3) Other	375	92	282
		Subtotal	65,168	18,131	47,036
	Where the carrying values on the consolidated balance sheet do not exceed their acquisition costs	(1) Equity securities	99	122	(22)
		(2) Debt securities	—	—	—
		(i) Government bonds, local government bonds, etc.	—	—	—
		(ii) Corporate bonds	—	—	—
		(iii) Other	—	—	—
		(3) Other	—	—	—
		Subtotal	99	122	(22)
	Total		65,268	18,253	47,014

(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, 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	—

Fiscal year ended March 31, 2026

(Millions of yen)

Type	Proceeds from sale	Total gain on sale	Total loss on sale
(1) Equity securities	8,177	6,450	74
(2) Debt securities	—	—	—
(i) Government bonds, local government bonds, etc.	—	—	—
(ii) Corporate bonds	—	—	—
(iii) Other	—	—	—
(3) Other	—	—	—
Total	8,177	6,450	74

4. Securities for which impairment loss has been recorded

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).

Fiscal year ended March 31, 2026

Impairment losses of ¥165 million were recognized for securities (¥165 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, 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)
Over-the-counter transactions	Stock options traded over-the-counter:				
	Sold	—	—	—	—
	Purchased	0	—	1	1
Total		—	—	—	21

As of March 31, 2026

(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	7,226	—	79	79
	Purchased	239	—	(4)	(4)
Over-the-counter transactions	Stock options traded over-the-counter:				
	Sold	—	—	—	—
	Purchased	—	—	—	—
Total		—	—	—	75

(ii) Debt securities

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
Over-the-counter transactions	Bond futures options:				
	Sold	―	―	―	―
	Purchased	―	―	―	―
Total		―	―	―	12

As of March 31, 2026

(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	3,130	―	2	2
	Purchased	36,615	―	1	1
Over-the-counter transactions	Bond futures options:				
	Sold	260	―	253	6
	Purchased	282	―	259	(23)
Total		―	―	―	(12)

(iii) Foreign currency-related

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

As of March 31, 2026

(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	1,486	—	(3)	(3)
	Mexican pesos	545	—	6	6
	Indian rupees	68	—	0	0
	Others	25	—	0	0
	Purchased				
	U.S. dollars	1,798	—	1	1
	Mexican pesos	176	—	(0)	(0)
Total		—	—	—	4

(2) Those for non-trading purposes

Not applicable.

2. Derivative transactions to which hedge accounting is applied

Interest rate-related

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: Fixed payment rate vs. receiving floating rate	Long-term borrowings	1,398	86	(Note)

As of March 31, 2026

(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: Fixed payment rate vs. receiving floating rate	Long-term borrowings	86	—	(Note)

(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, 2025	Fiscal year ended March 31, 2026
Retirement benefit obligations at the beginning of the period	12,158	10,985
Service cost	611	535
Interest cost	82	157
Amount of actuarial gains or losses incurred	(770)	(604)
Amount of retirement benefits paid	(1,097)	(1,182)
Other	1	—
Retirement benefit obligations at the end of the period	10,985	9,891

(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, 2025	Fiscal year ended March 31, 2026
Pension assets at the beginning of the period	10,899	10,505
Expected return on plan assets	52	50
Amount of actuarial gains or losses incurred	(136)	1,304
Employer contributions	246	247
Amount of retirement benefits paid	(558)	(556)
Other	1	—
Pension assets at the end of the period	10,505	11,551

(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, 2025	As of March 31, 2026
Retirement benefit obligations for the funded plan	6,406	5,770
Pension assets	(10,505)	(11,551)
	(4,099)	(5,781)
Retirement benefit obligations for the unfunded plan	4,579	4,121
Net of liabilities and assets for retirement benefits recorded on the consolidated balance sheet	479	(1,659)
Retirement benefit liability	4,922	4,421
Retirement benefit asset	4,442	6,081
Net of liabilities and assets for retirement benefits recorded on the consolidated balance sheet	479	(1,659)

(4) Amounts of retirement benefit expenses and their components

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Service cost	611	535
Interest cost	82	157
Expected return on plan assets	(52)	(50)
Amortization of actuarial gains or losses	(725)	(829)
Retirement benefit expenses in connection with the defined benefit pension plan	(83)	(186)

(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, 2025	Fiscal year ended March 31, 2026
Actuarial gains or losses	(90)	1,079

(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)

	As of March 31, 2025	As of March 31, 2026
Unrecognized actuarial gains or losses	2,513	3,593

(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, 2025	As of March 31, 2026
Equity securities	42%	45%
Debt securities	20%	24%
General account	23%	20%
Other	15%	11%
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, 2025	As of March 31, 2026
Discount rate	1.57%	2.62%
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 ¥203 million and ¥205 million for the fiscal years ended March 31, 2025 and 2026 respectively.

(Stock options)

1. Expenses and account titles

Not applicable.

2. 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, 2026 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, 2025	—	—	—	—	—	—	—
Granted	—	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—	—
Vested	—	—	—	—	—	—	—
Outstanding non-vested as of March 31, 2026	—	—	—	—	—	—	—
Vested:							
Outstanding as of March 31, 2025	31,900	62,600	44,100	70,800	103,200	117,400	169,600
Vested	—	—	—	—	—	—	—
Exercised	7,600	14,900	10,100	19,400	32,600	35,100	29,200
Forfeited	—	—	—	—	—	—	—
Outstanding non-exercised as of March 31, 2026	24,300	47,700	34,000	51,400	70,600	82,300	140,400

(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	668	668	668	668	668	668	668
Fair value price on grant date	715	383	614	403	331	280	356

3. Valuation method of the fair value of stock options

Not applicable.

4. 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, 2025	As of March 31, 2026
Deferred tax assets		
Retirement benefit liability	1,476	1,337
Provision for bonuses	794	1,175
Depreciation (Including impairment losses)	1,041	811
Asset retirement obligations	554	575
Tax loss carryforwards (Note)	720	565
Reserve for financial instruments transaction liabilities	356	422
Enterprise tax	236	403
Loss on valuation of investment securities	423	287
Share-based payment expenses	231	286
Allowance for doubtful accounts	274	278
Social insurance expenses for provision for bonuses	97	153
Other	440	369
Subtotal of deferred tax assets	6,647	6,668
Valuation allowance for tax loss carryforwards (Note)	(720)	(534)
Valuation allowance for deductible temporary differences	(4,442)	(3,692)
Subtotal valuation allowance	(5,162)	(4,227)
Total deferred tax assets	1,484	2,441
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(14,123)	(17,413)
Retirement benefit asset	(1,359)	(1,860)
Dividend receivable	(389)	(367)
Asset retirement obligations (retirement cost)	(277)	(272)
Other	(66)	(70)
Total deferred tax liabilities	(16,217)	(19,984)
Net deferred tax assets (liabilities)	(14,732)	(17,543)

(Note) The amount of tax loss carryforwards and the amounts of deferred tax assets thereof by the carry forward period

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.

As of March 31, 2026

(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)	267	—	92	23	33	148	565
Valuation allowance	(236)	—	(92)	(23)	(33)	(148)	(534)
Deferred tax assets	30	—	—	—	—	—	(*2) 30

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

(*2) Deferred tax assets of ¥30 million were recorded for tax loss carryforwards of ¥565 million (the amount multiplied by the statutory tax rate). The main component of the deferred tax assets of ¥30 million is ¥30 million in deferred tax assets related to tax loss carryforwards of the consolidated subsidiaries. The tax loss carryforward was the result of net loss before tax of certain consolidated subsidiaries for the fiscal year ended March 31, 2018. 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.

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

	As of March 31, 2025	As of March 31, 2026
Statutory tax rate	30.5 %	30.5 %
(Adjustments)		
Expenses not deductible permanently, such as entertainment expenses	1.7	0.6
Income not taxable permanently, such as dividend income	(1.1)	(0.8)
Inhabitant tax levied per capita	0.6	0.4
Share of loss (profit) of entities accounted for using equity method	(1.2)	(1.2)
Change in valuation allowance	(0.7)	(3.4)
Difference in tax rates between consolidated subsidiaries	0.6	0.4
Adjustment due to change in tax rate	(0.1)	—
Tax credit by taxation system for wage increase promotion	(2.3)	(1.9)
Other	0.1	(1.2)
Effective income tax rate after applying tax effect accounting	28.2	23.3

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

The Company and its consolidated subsidiaries in Japan apply 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).

(Business combination)

Business divestiture

The Company transferred all the shares of Okasan Capital Partners Co., Ltd. (Note) (“Okasan Capital Partners”), which was a consolidated subsidiary of the Company, as well as all of its positions as a member of OCP1 Investment Limited Partnership and OCP2 Investment Limited Partnership managed by Okasan Capital Partners. As a result, Okasan Capital Partners was excluded from the scope of consolidation in the fiscal year under review.

1. Outline of the business divestiture

(1) Name of the company to which the business was divested

SBI Okasan Asset Management Co., Ltd. (“SBI Okasan Asset Management”)

(2) Outline of the divested business

Management and operation of investment partnership assets

(3) Reasons for the business divestiture

In order to further accelerate its growth strategy in the rapidly expanding alternative investment market in recent years, the Company has decided to place Okasan Capital Partners (Note) under SBI Okasan Asset Management. SBI Okasan Asset Management is a joint venture between the SBI Group and the Group. Through this transfer, the Company will leverage SBI Okasan Asset Management’s advanced investment know-how and the SBI Group's extensive experience and expertise in the venture capital business through SBI Okasan Asset Management, with the aim of achieving rapid development.

In addition, the Group has set “advancement of platforms” as one of its growth strategies in the Medium-term Business Plan, and aims to strengthen its operating base in terms of both quality and quantity by utilizing resources inside and outside the Group. The Group will continue to strive to sustainably improve its corporate value.

(4) Date of business divestiture

September 30, 2025

(5) Other matters regarding the outline of the transaction including legal form

Transfer of shares and positions for cash consideration

2. Outline of accounting treatment applied

(1) Amount of gain or loss on transfer

Loss on sale of shares of subsidiaries and associates ¥433 million

(2) Fair book values of assets and liabilities related to the transferred business and major components thereof

Current assets	¥244 million
Non-current assets	¥1,098 million
Total assets	¥1,342 million
Current liabilities	¥37 million
Non-current liabilities	¥0 million
Total liabilities	¥37 million

(3) Accounting treatment

The difference between the carrying value of the transferred shares, etc. on a consolidated basis and proceeds from sale is recorded as “loss on sale of shares of subsidiaries and associates” under extraordinary losses.

3. Reportable segment in which the divested business was included

Securities Investment and Asset Management Businesses

The Group has a single segment, the “Securities Investment and Asset Management Businesses.”

4. Estimated amount of profit or loss from the divested business recorded in the consolidated statement of income for the fiscal year under review

Operating revenue	¥0 million
Operating loss	¥(47) million

(Note) Okasan Capital Partners Co., Ltd. changed its trade name to SBI Okasan Alternative Investment Co., Ltd. effective October 1, 2025.

(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 5.04% 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

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance at the beginning of the period	1,260	1,614
Increase due to acquisition of property, plant and equipment	120	46
Adjustments due to passage of time	12	24
Decrease due to fulfillment of asset retirement obligations	(188)	(30)
Increase due to change in estimate	376	4
Other Increase	32	0
Balance at the end of the period	1,614	1,658

(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, 2025	Fiscal year ended March 31, 2026
Principal goods or services		
Stock certificates	23,285	29,751
Debt securities	867	1,186
Investment Trusts	24,371	29,897
Other	3,345	4,191
Revenue from contracts with customers	51,870	65,026
Other revenue (Note)	30,066	30,568
Revenue from external customers	81,936	95,595

(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, 2025	As of March 31, 2026
Receivables arising from contracts with customers (beginning balance)	2,668	3,017
Receivables arising from contracts with customers (ending balance)	3,017	4,031

(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, 2025

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

Fiscal year ended March 31, 2026

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, 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.

Fiscal year ended March 31, 2026

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, 2025

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

Fiscal year ended March 31, 2026

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, 2025

Not applicable.

Fiscal year ended March 31, 2026

Not applicable.

[Information on gain on bargain purchase by reportable segment]

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

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, 2025

Not applicable.

Fiscal year ended March 31, 2026

Not applicable.

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

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

(Millions of yen)

Type	Name of company, etc.	Description of business or title (Note 1)	Ownership ratio of voting rights, etc. (owned)	Description of transaction (Note 3)	Amount	Account name	Balance at the end of the period
Officer	SHINSHIBA Hiroyuki	Representative Director, Group CEO, the Company	Owned Direct 0.10%	Contribution in kind of monetary compensation receivables	40	—	—
Officer	IKEDA Yoshihiro	Representative Director, the Company Representative Director, CEO, Okasan Securities Co., Ltd. (Note 2)	Owned Direct 0.06%	Contribution in kind of monetary compensation receivables	22	—	—
Officer of a significant subsidiary	TANAKA Mitsuru	Representative Director, Vice Chairman, Okasan Securities Co., Ltd.	Owned Direct 0.06%	Contribution in kind of monetary compensation receivables	20	—	—
Officer of a significant subsidiary	AIZAWA Junichi	Representative Director, Executive Vice President, Okasan Securities Co., Ltd.	Owned Direct 0.05%	Contribution in kind of monetary compensation receivables	19	—	—
Officer of a significant subsidiary	HASEGAWA Toshiya	Representative Director, Executive Vice President, Okasan Securities Co., Ltd.	Owned Direct 0.04%	Contribution in kind of monetary compensation receivables	19	—	—
Officer of a significant subsidiary	KIYOHARA Toshikazu	Representative Director, Executive Vice President, Okasan Securities Co., Ltd.	Owned Direct 0.04%	Contribution in kind of monetary compensation receivables	19	—	—
Officer of a significant subsidiary	GOTOUDA Susumu	Senior Managing Executive Officer, Okasan Securities Co., Ltd.	Owned Direct 0.03%	Contribution in kind of monetary compensation receivables	11	—	—
Officer of a significant subsidiary	OSUGI Shigeru	Senior Managing Executive Officer, Okasan Securities Co., Ltd.	Owned Direct 0.03%	Contribution in kind of monetary compensation receivables	11	—	—
Officer of a significant subsidiary	TANAKA Taku	Senior Managing Executive Officer, Okasan Securities Co., Ltd.	Owned Direct 0.03%	Contribution in kind of monetary compensation receivables	11	—	—

Transaction conditions and policy for determining transaction conditions, etc.

(Notes) 1. The description of business or title listed is the title at the Company at the end of the fiscal year under review.

2. The amount of monetary compensation receivables granted as consideration for the execution of duties by the officer as an officer of a significant subsidiary is listed.

3. The description of transaction is contribution in kind of monetary compensation receivables associated with the restricted stock compensation plan.

(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, 2025

Notes are omitted due to immateriality.

Fiscal year ended March 31, 2026

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, 2025

Not applicable.

Fiscal year ended March 31, 2026

Not applicable.

(Per share information)

(Yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	1,031.99	1,153.57
Earnings per share	57.62	106.72
Diluted earnings per share	57.45	106.48

(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, 2025	Fiscal year ended March 31, 2026
Earnings per share		
Profit attributable to owners of parent	11,652	21,360
Amounts not attributable to shareholders of common stock	—	—
Profit attributable to owners of the parent related to common stock	11,652	21,360
Average number of shares of common stock outstanding during the period (thousand shares)	202,242	200,162
Diluted earnings per share		
Adjustment to profit attributable to owners of parent	—	—
Increase in number of common shares (thousand shares)	598	450
[Of which, stock acquisition rights (thousand shares)]	[598]	[450]
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, 2025	As of March 31, 2026
Total net assets	208,232	230,972
Amount deducted from total net assets	229	173
[Of which, stock acquisition rights]	[229]	[173]
Net assets related to common stock at the end of the period	208,002	230,798
Number of common stock at the end of the period used in the calculation of net assets per share (thousand shares)	201,555	200,072

(v) [Annexed consolidated detailed schedules]

[Schedule of bonds]

Not applicable.

[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	156,116	122,347	1.16	—
Current portion of long-term borrowings	2,812	2,016	1.10	—
Current portion of lease liabilities	130	102	4.80	—
Long-term borrowings (excluding current portion)	3,916	11,900	1.54	From 2027 to 2031
Lease liabilities (excluding current portion)	145	69	4.95	From 2027 to 2033
Other interest-bearing liabilities				
Accounts payable	616	117	1.90	—
Long-term accounts payable (excluding current portion)	117	—	—	—
Margin borrowings	8,918	12,817	1.60	—
Total	172,773	149,369	—	—

(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 and lease liabilities (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	1,900	3,000	—	7,000	—
Lease liabilities	45	8	3	3	7

[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, 2026

(Millions of yen unless otherwise stated)

	Six months ended September 30, 2025	Fiscal year ended March 31, 2026
Operating revenue	43,057	95,595
Profit before income tax	7,924	27,860
Profit attributable to owners of parent	6,200	21,360
Net profit per share (yen)	30.97	106.72

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, 2025		As of March 31, 2026
Assets				
Current assets				
Cash and deposits		2,942		5,753
Short-term loans receivable	*2	19,400	*2	32,200
Accounts receivable - other	*2	479	*2	23
Accrued revenue	*2	1,124	*2	1,080
Other		143		166
Total current assets		24,089		39,224
Non-current assets				
Property, plant and equipment		2,833		2,923
Buildings, net		1,160		1,403
Equipment		51		164
Land		1,622		1,355
Intangible assets		47		44
Investments and other assets		119,721		127,112
Investment securities		46,385		54,393
Shares of subsidiaries and associates		69,721		71,033
Investments in other securities of subsidiaries and associates		1,899		—
Long-term guarantee deposits		1,511		1,481
Other		343		343
Allowance for doubtful accounts		(138)		(138)
Total non-current assets		122,603		130,080
Total assets		146,692		169,305

(Millions of yen)

		As of March 31, 2025		As of March 31, 2026
Liabilities				
Current liabilities				
Short-term borrowings		7,812		7,016
Accrued expenses	*2	231	*2	198
Income taxes payable		13		1,436
Provision for bonuses		44		77
Other		282	*2	291
Total current liabilities		8,384		9,020
Non-current liabilities				
Long-term borrowings		3,916		11,900
Guarantee deposits received	*2	1,566	*2	1,494
Deferred tax liabilities		10,974		13,377
Asset retirement obligations		120		123
Other non-current liabilities		46		46
Total non-current liabilities		16,623		26,942
Total liabilities		25,007		35,962
Net assets				
Shareholders' equity				
Share capital		18,589		18,589
Capital surplus				
Legal capital surplus		12,766		12,766
Other capital surplus		10,258		10,524
Total capital surplus		23,025		23,291
Retained earnings				
Legal retained earnings		3,224		3,224
Other retained earnings				
General reserve		30,000		30,000
Retained earnings brought forward		31,046		37,935
Total retained earnings		64,270		71,159
Treasury shares		(7,001)		(8,300)
Total shareholders' equity		98,885		104,739
Valuation and translation adjustments				
Valuation difference on available-for-sale securities		22,569		28,429
Total valuation and translation adjustments		22,569		28,429
Stock acquisition rights		229		173
Total net assets		121,684		133,342
Total liabilities and net assets		146,692		169,305

(ii) Non-consolidated statement of income

		Fiscal year ended March 31, 2025		Fiscal year ended March 31, 2026
				(Millions of yen)
Operating revenue				
Trademark fee income		1,347		1,614
Real estate lease revenue		1,586		1,483
Other sales		55		55
Financial revenue		11,046		7,904
Total operating revenue	*1	14,036	*1	11,058
Operating expenses				
Selling, general and administrative expenses		4,598		4,524
Trading related expenses		920		811
Personnel expenses		959		1,046
Real estate expenses		1,649		1,765
Office expenses		788		475
Depreciation		98		137
Taxes and dues		126		225
Other		56		61
Financial expenses		167		183
Total operating expenses	*1	4,766	*1	4,707
Operating profit		9,269		6,350
Non-operating income	*1	1,675	*1	2,221
Dividend income		1,487		1,720
Gain on sale of non-current assets		104		242
Gain on investments in investment partnerships		39		234
Other		44		24
Non-operating expenses	*1	409	*1	109
Loss on sale and retirement of non-current assets		2		23
Loss on investments in investment partnerships		190		32
Compensation expenses		187		49
Other		29		4
Ordinary profit		10,535		8,462
Extraordinary income				
Gain on sale of investment securities		290		6,359
Total extraordinary income		290		6,359
Extraordinary losses				
Impairment losses		488		—
Loss on sale of shares of subsidiaries and associates		—	*1	612
Loss on valuation of investment securities		26		—
Loss on valuation of golf club membership		0		—
Total extraordinary losses		515		612
Profit before income taxes		10,311		14,208
Income taxes - current		(101)		1,372
Income taxes - deferred		287		(99)
Total income taxes		186		1,273
Profit		10,125		12,935

(iii) Non-consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						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

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
						General reserve	Retained earnings brought forward	
Balance at the beginning of the period	18,589	12,766	10,258	23,025	3,224	30,000	31,046	64,270
Changes during period								
Dividends of surplus							(6,046)	(6,046)
Profit							12,935	12,935
Purchase of treasury shares								
Disposal of treasury shares			265	265				
Net changes in items other than shareholders' equity								
Total changes during period	—	—	265	265	—	—	6,888	6,888
Balance at the end of the period	18,589	12,766	10,524	23,291	3,224	30,000	37,935	71,159

	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	(7,001)	98,885	22,569	229	121,684
Changes during period					
Dividends of surplus		(6,046)			(6,046)
Profit		12,935			12,935
Purchase of treasury shares	(1,501)	(1,501)			(1,501)
Disposal of treasury shares	201	467			467
Net changes in items other than shareholders' equity			5,859	(56)	5,803
Total changes during period	(1,299)	5,854	5,859	(56)	11,658
Balance at the end of the period	(8,300)	104,739	28,429	173	133,342

[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) Investments in other securities of 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, 2025	As of March 31, 2026
Deferred tax liabilities	10,974	13,377

The above deferred tax liabilities of ¥10,974 million for the previous fiscal year is the amount after offsetting deferred tax assets of ¥39 million and deferred tax liabilities of ¥11,013 million, and the deferred tax liabilities of ¥13,377 million for the fiscal year under review is the amount after offsetting deferred tax assets of ¥106 million and deferred tax liabilities of ¥13,484 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.

(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, 2025	As of March 31, 2026
Short-term monetary receivables	19,988	32,428
Short-term monetary payables	136	59
Long-term monetary payables	1,566	1,494

3 Guarantee obligations

Debt guarantees were provided as follows for the borrowings from financial institutions, etc. of the following consolidated subsidiary.

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Okasan International (Asia) Ltd. (Borrowings from financial institutions)	—	72

(Non-consolidated statement of income)

*1 Transactions with associated companies are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Transaction amount from business transactions		
Operating revenue	14,034	11,056
Operating expenses	573	433
Transaction amount from non-business transactions	216	931

(Securities)

Shares of subsidiaries and affiliates

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

As of March 31, 2026

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

(Millions of yen)

Classification	As of March 31, 2026
Shares of subsidiaries	67,668
Shares of affiliates	3,365
Investments in other securities of subsidiaries and associates	—

(Tax effect accounting)

1. Significant components of deferred tax assets and liabilities

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets		
Loss on valuation of shares of subsidiaries and associates	3,438	3,438
Loss on valuation of investment securities	390	215
Enterprise tax	2	80
Share-based payment expenses	81	75
Allowance for doubtful accounts	43	43
Loss on valuation of golf club membership	43	43
Asset retirement obligations	37	38
Other	494	166
Subtotal of deferred tax assets	4,533	4,103
Valuation allowance for tax loss carryforwards	(140)	—
Valuation allowance for deductible temporary differences	(4,353)	(3,996)
Subtotal valuation allowance	(4,493)	(3,996)
Total deferred tax assets	39	106
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(10,223)	(12,726)
Other	(789)	(757)
Total deferred tax liabilities	(11,013)	(13,484)
Net deferred tax assets (liabilities)	(10,974)	(13,377)

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

	As of March 31, 2025	As of March 31, 2026
Statutory tax rate	30.5 %	30.5 %
(Adjustments)		
Expenses not deductible permanently, such as entertainment expenses	1.2	0.8
Income not taxable permanently, such as dividend income	(32.4)	(17.6)
Inhabitant tax levied per capita	0.0	0.0
Change in valuation allowance	2.2	(3.5)
Adjustment due to change in tax rate	0.1	—
Tax refund due to tax reassessment	—	(1.2)
Other	0.2	(0.1)
Effective income tax rate after applying tax effect accounting	1.9	8.9

(Business combination)

Business divestiture

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	1,160	409	87	79	1,403	2,002
	Equipment	51	159	0	45	164	276
	Land	1,622	—	266	—	1,355	—
	Total	2,833	569	354	124	2,923	2,279
Intangible assets	Software	47	0	—	12	35	1,771
	Other	0	8	—	—	8	14
	Total	47	9	—	12	44	1,785

[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	138	0	—	138
Provision for bonuses	44	77	44	77

(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

<table>
<tr><td>Fiscal year</td><td>April 1 through March 31</td></tr>
<tr><td>Ordinary General Meeting of Shareholders</td><td>During June</td></tr>
<tr><td>Record date</td><td>March 31</td></tr>
<tr><td>Record date for dividends of surplus</td><td>March 31 and September 30</td></tr>
<tr><td>Number of shares per unit</td><td>100 shares</td></tr>
<tr><td>Purchase and sale of fractional shares

Handling office

Shareholder register administrator

Handling office

Purchase and sales commissions</td><td>

(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department

(Special account) 1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Sumitomo Mitsui Trust Bank, Limited

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Amount separately determined as the amount equivalent to the commission fee for the entrustment of stock transactions</td></tr>
<tr><td>Method of public notice</td><td>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)
https://www.okasan.jp</td></tr>
<tr><td>Special benefits for shareholders</td><td>Shareholder Benefit Program
(1) Eligible shareholders
Shareholders listed in the Company’s shareholder register as of March 31 (the record date) each year, who meet both the shareholding amount and holding period requirement, are eligible for the program. The holding period requirement is determined by the number of consecutive entries in the shareholder register, showing the required number of shares held under the same shareholder number, at the end of March and September each year.

(2) Details of the benefits
Every year, the Company offers shareholder benefits based on the number of shares held and the holding period as of March 31.
<table>
<tr><th>Number of shares held</th><th>Holding period</th><th>Benefits</th></tr>
<tr><td rowspan="3">1,000 shares or more and less than 3,000 shares</td><td>1 year or more and less than 3 years</td><td>1,000 yen worth of electronic money</td></tr>
<tr><td>3 years or more and less than 5 years</td><td>2,000 yen worth of electronic money</td></tr>
<tr><td>5 years or more</td><td>3,000 yen worth of electronic money</td></tr>
<tr><td rowspan="3">3,000 shares or more</td><td>1 year or more and less than 3 years</td><td>3,000 yen worth of electronic money</td></tr>
<tr><td>3 years or more and less than 5 years</td><td>4,000 yen worth of electronic money</td></tr>
<tr><td>5 years or more</td><td>5,000 yen worth of electronic money</td></tr>
</table>
</td></tr>
</table>

(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 87th Fiscal Term) (From April 1, 2024 to March 31, 2025); Submitted to the Director-General of the Kanto Local Finance Bureau on June 24, 2025

(2) Internal Control Report and its attachments

Submitted to the Director-General of the Kanto Local Finance Bureau on June 24, 2025

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

(The 87th Fiscal Term) (From April 1, 2024 to March 31, 2025); Submitted to the Director-General of the Kanto Local Finance Bureau on April 28, 2026

(4) Hanki-Houkokusho and confirmation letter

(Interim Period of the 88th Fiscal Term) (From April 1, 2025 to September 30, 2025); Submitted to the Director-General of the Kanto Local Finance Bureau on November 7, 2025

(5) Extraordinary Report

Submitted to the Director-General of the Kanto Local Finance Bureau on June 27, 2025

This is an Extraordinary Report pursuant to Article 19, Paragraph 2, Item 2-2 of the Cabinet Office Order on Disclosure of Corporate Affairs (Disposal of Treasury Shares as Restricted Stock Compensation).

Submitted to the Director-General of the Kanto Local Finance Bureau on June 30, 2025

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).

Submitted to the Director-General of the Kanto Local Finance Bureau on March 12, 2026

This is an Extraordinary Report pursuant to Article 19, Paragraph 2, Item 12 of the Cabinet Office Order on Disclosure of Corporate Affairs (Recording of Gain on Sale of Investment Securities).

(6) Share Buyback Report

Submitted to the Director-General of the Kanto Local Finance Bureau on July 11, 2025

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

Not applicable.

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

June 19, 2026

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

Masatake Konishi, 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, 2025 to March 31, 2026, 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, 2026, 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 (including those that are relevant to audits of the financial statements of public interest entities), 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
In the consolidated balance sheet, deferred tax assets of ¥92 million were recognized for the current fiscal year. As stated in the notes to the consolidated financial statements, "Significant Accounting Estimates 1. Deferred tax assets (liabilities)" and "Tax effect accounting", the amount of gross deferred tax assets before being offset by deferred tax liabilities amounted to ¥2,441 million, which is a net amount of gross deferred tax assets of ¥6,668 million recognized for deductible temporary differences including tax-loss carryforwards and valuation allowance of ¥4,227 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 domestic subsidiaries, for example, Okasan Securities Co., Ltd. recorded deferred tax assets of ¥2,439 million before offsetting deferred tax liabilities. 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. 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.	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. ●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. ●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. ●In order to assess the estimation of future taxable income, we performed the following audit procedures. ・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. ・In order to understand the important assumptions in the business plan, we inquired to the planning department. ・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. ・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. ・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.

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, 2026 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, 2026 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 (including those that are relevant to audits of the financial statements of public interest entities), 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.

<u>Notes to the Readers of Independent Auditor's Report</u>
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 19, 2026

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

Masatake Konishi, 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 88th fiscal year from April 1, 2025 to March 31, 2026, 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, 2026, 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 (including those that are relevant to audits of the financial statements of public interest entities), 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.

<u>Notes to the Readers of Independent Auditor's Report</u>

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

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

(1) Balance sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	23,751	48,735
Segregated deposits	82,338	110,796
Segregated deposits for customers	80,200	108,600
Other segregated deposits	2,138	2,196
Trading products	519,284	403,448
Trading securities and other	519,246	403,101
Derivatives	37	346
Margin transaction assets	61,501	74,909
Margin loans	56,915	70,186
Cash collateral provided for securities borrowed in margin transactions	4,586	4,723
Loans secured by securities	473,712	520,603
Cash collateral provided for securities borrowed	20,005	25,000
Securities purchased under resale agreements	453,707	495,603
Advances paid	1,094	7,926
Short-term guarantee deposits	21,767	22,408
Short-term loans receivable	6,515	8,206
Accrued revenue	3,796	4,760
Other current assets	1,787	1,466
Allowance for doubtful accounts	(25)	(11)
Total current assets	1,195,524	1,203,250
Non-current assets		
Property, plant and equipment	2,432	2,390
Buildings, net	1,622	1,600
Equipment	769	753
Lease assets, net	41	36
Intangible assets	916	913
Software	788	785
Other	127	127
Investments and other assets	7,471	8,623
Investment securities	906	809
Long-term guarantee deposits	3,729	3,871
Deferred tax assets	54	397
Other	3,484	4,279
Allowance for doubtful accounts	(703)	(734)
Total non-current assets	10,820	11,927
Total assets	1,206,344	1,215,178

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Trading products	461,861	368,235
Trading securities and other	461,861	367,979
Derivatives	–	256
Trade date accrual	23,736	40,219
Margin transaction liabilities	10,198	15,780
Margin borrowings	5,082	8,483
Cash received for securities sold in margin transactions	5,116	7,297
Borrowings secured by securities	363,868	404,726
Cash collateral received for securities lent	40,106	54,271
Securities sold under repurchase agreements	323,761	350,454
Deposits received	55,754	97,112
Guarantee deposits received	30,388	38,133
Payables for securities to receive over due for delivery	0	2
Short-term borrowings	164,075	144,775
Accounts payable	870	1,805
Income taxes payable	672	3,203
Provision for bonuses	2,120	3,180
Other current liabilities	2,658	3,786
Total current liabilities	1,116,203	1,120,960
Non-current liabilities		
Provision for retirement benefits	4,527	4,263
Asset retirement obligations	1,414	1,390
Other non-current liabilities	128	106
Total non-current liabilities	6,070	5,760
Reserves under special laws		
Reserve for financial instruments transaction liabilities	1,001	1,212
Total reserves under special laws	1,001	1,212
Total liabilities	1,123,275	1,127,933
Net assets		
Shareholders’ equity		
Share capital	5,000	5,000
Capital surplus	32,553	32,553
Retained earnings	45,471	49,665
Total shareholders’ equity	83,024	87,219
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	44	25
Total Valuation and translation adjustments	44	25
Total net assets	83,069	87,244
Total liabilities and net assets	1,206,344	1,215,178

(2) Statement of income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Operating revenue		
Commission received	39,869	53,104
Brokerage commission	16,068	22,149
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1,440	1,831
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	11,648	15,257
Other commission received	10,712	13,865
Net trading income	23,217	19,844
Financial revenue	4,548	7,778
Total operating revenue	67,635	80,728
Financial expenses	1,918	3,660
Net operating revenue	65,716	77,067
Selling, general and administrative expenses	54,914	63,139
Trading related expenses	8,467	11,980
Personnel expenses	25,837	29,516
Real estate expenses	7,431	6,784
Office expenses	10,632	12,315
Depreciation	617	574
Taxes and dues	814	890
Other	1,112	1,076
Operating profit	10,802	13,928
Non-operating income	246	216
Non-operating expenses	61	284
Ordinary profit	10,987	13,859
Extraordinary losses		
Provision of reserve for financial instruments transaction liabilities	157	211
Impairment losses	48	76
Total extraordinary losses	206	287
Profit before income taxes	10,781	13,572
Income taxes - current	2,503	4,058
Income taxes - deferred	625	(334)
Total income taxes	3,128	3,724
Profit	7,652	9,847

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
8 companies

Listed Stock Exchanges
Tokyo Stock Exchange
Nagoya Stock Exchange

BOARD OF DIRECTORS

Representative Director, Group CEO
SHINSHIBA Hiroyuki

Representative Director
IKEDA Yoshihiro

Audit & Supervisory Committee Members

Director
MIYABAYASHI Ayako

Outside Director
YOSHIDA Shinichi

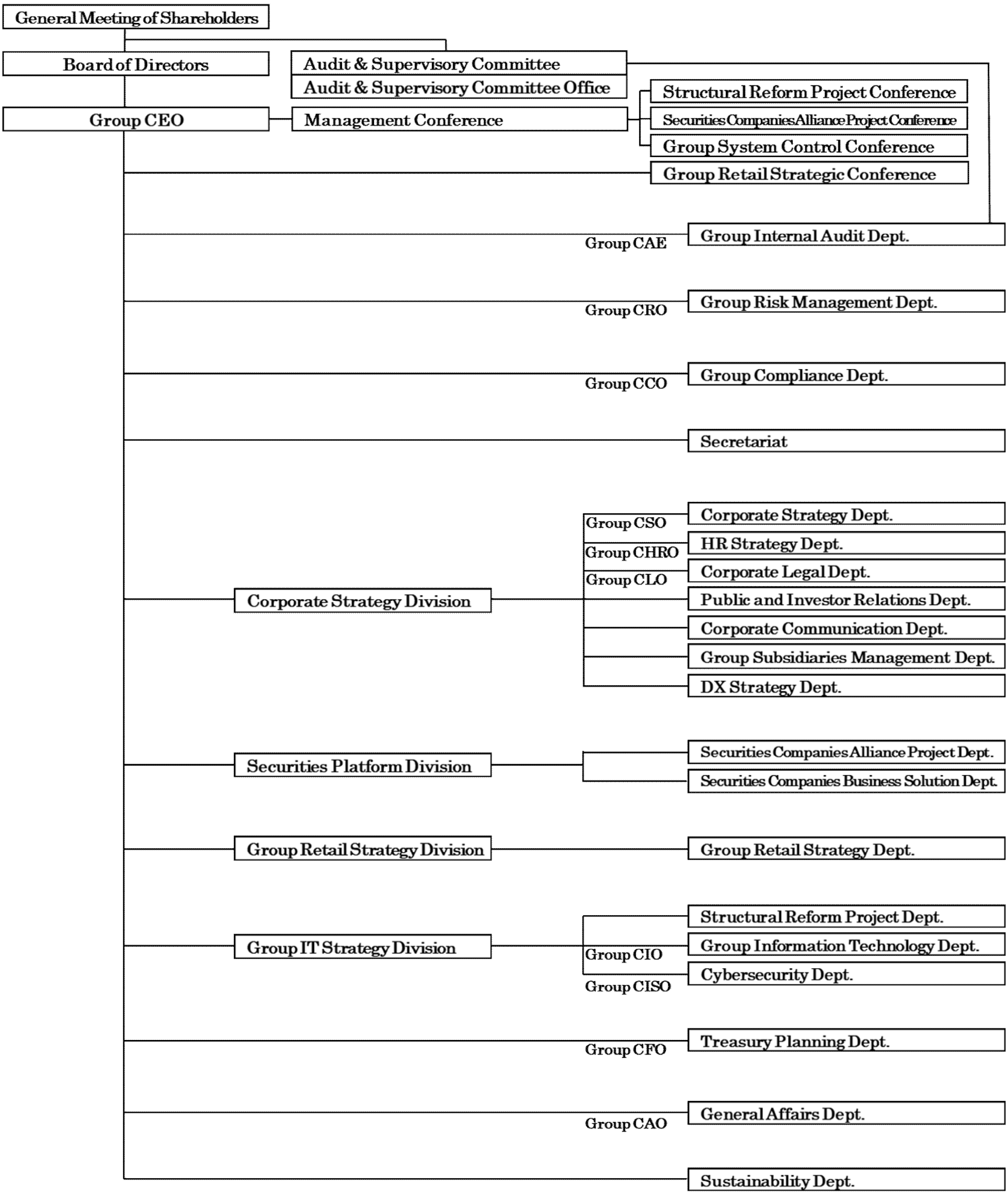
Outside Director
KIMURA Yoshifumi

Outside Director
SATO Shinichi

Outside Director
OKANO Sadahiko

(Data above is as of August, 2026)

ORGANIZATIONAL CHART



(Data above is as of August, 2026)

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www.okasan.jp