
Materials on Consolidated Financial Results for the Nine Months Ended December 31, 2023

-Financial Summary and the Company's Initiatives-



February 2024

Results for fiscal year ending March 31, 2024 · Main Initiatives

- U.S. stock trading value (brokerage commission + MM) nearly doubled year on year on the back of strong U.S. stock market
- Operating profit, ordinary profit and quarterly profit attributable to owners of parent exceeded the full-year results for the previous year.
- Top-ranked operating revenue and operating profit and ordinary profit and Profit attributable to owners of parent among seven mid-sized securities companies
- ROE : **8.7%** Industry ranking (※) **1st** YoY 6.4%
- Ratio of ordinary profit to operating revenue: **32.2%** Industry ranking (※) 2nd
- Fixed cost coverage ratio : **38.2%** YoY 33.4%
- Continuous ordinary profit : **45** quarters
- Earnings per share : **166.42yen**
- IwaiCosmo Securities broadcast new television commercials (face-to-face trading edition, online trading edition).
- Established Digital Transformation Promotion Department in January 2024 to accelerate promotion of digital transformation (DX)
- Wage increase in fiscal 2024 is planned to be 7% (including base wage hike), higher than previous fiscal year (5%). Increase in base wage for third consecutive year
- Increased number of new recruits in April 2024 to 80 (53 in April 2023) in order to strengthen sales force
- Percentage of female officers **33.3%** (three out of nine)

Government target for TSE Prime listed companies (30% by 2030) achieved by end of June 2023!

Gained top rank in the securities and commodity futures business sector for all listed companies

· Source: Female Officer Information Site, Gender Equality Bureau, Cabinet Office

(※) Seventeen retail securities companies

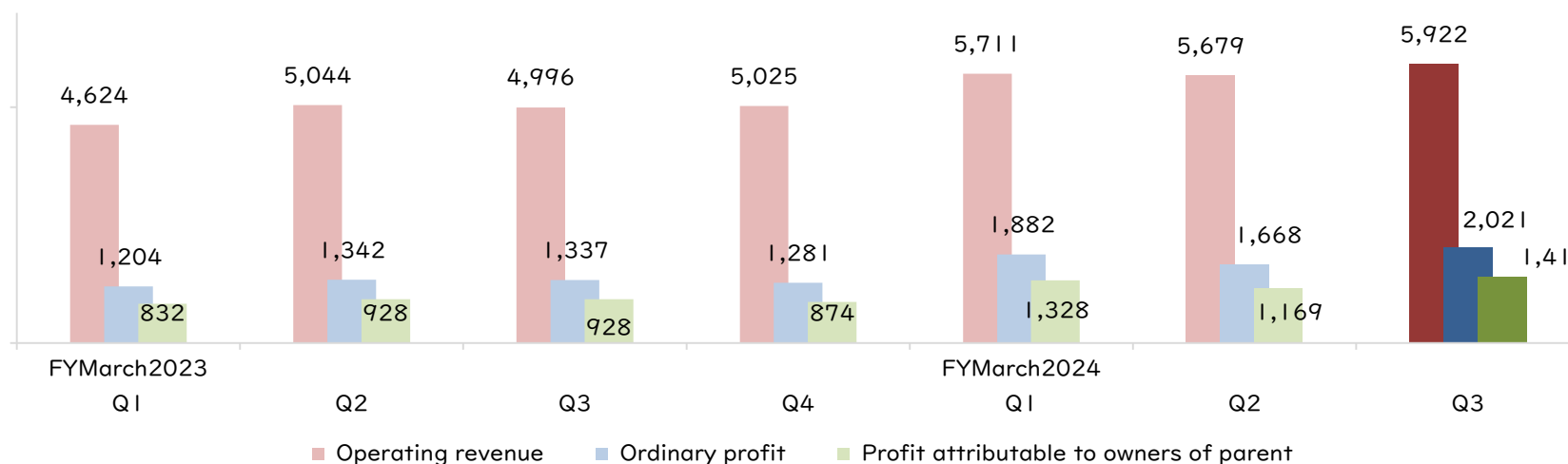
Management Summary

- **Top-ranked operating revenue and operating profit and ordinary profit and Profit attributable to owners of parent** among seven mid-sized securities companies
- **Recorded ordinary profit for 45 consecutive quarters**

(Millions of yen, %)

	Year ended March 31, 2023	Year ending March 31, 2024			Change (%) compared with the same period last year	Change (%) compared with the previous quarter
	Q1 ~ Q3	Q2	Q3	Q1 ~ Q3		
Operating revenue	14,665	5,679	5,922	17,313	18.1%	4.3%
Net operating revenue	14,477	5,614	5,876	17,121	18.3%	4.7%
Selling, general and administrative expenses	10,977	3,970	3,993	11,909	8.5%	0.6%
Operating profit	3,500	1,644	1,883	5,212	48.9%	14.5%
Ordinary profit	3,884	1,668	2,021	5,573	43.5%	21.2%
Profit attributable to owners of parent	2,689	1,169	1,411	3,908	45.3%	20.6%
Earnings per share	114.50yen	49.80yen	60.08yen	166.42yen	45.3%	20.6%
Net assets per share	2,400.63yen	2,576.77yen	2,637.95yen	2,637.95yen	9.9%	2.4%
ROE	6.4%	7.9%	9.2%	8.7%	2.4pt	1.4pt

※ Annualized for ROE

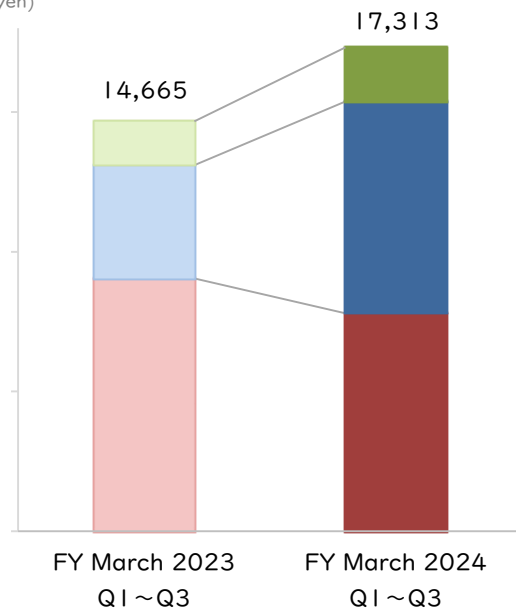


Operating revenue

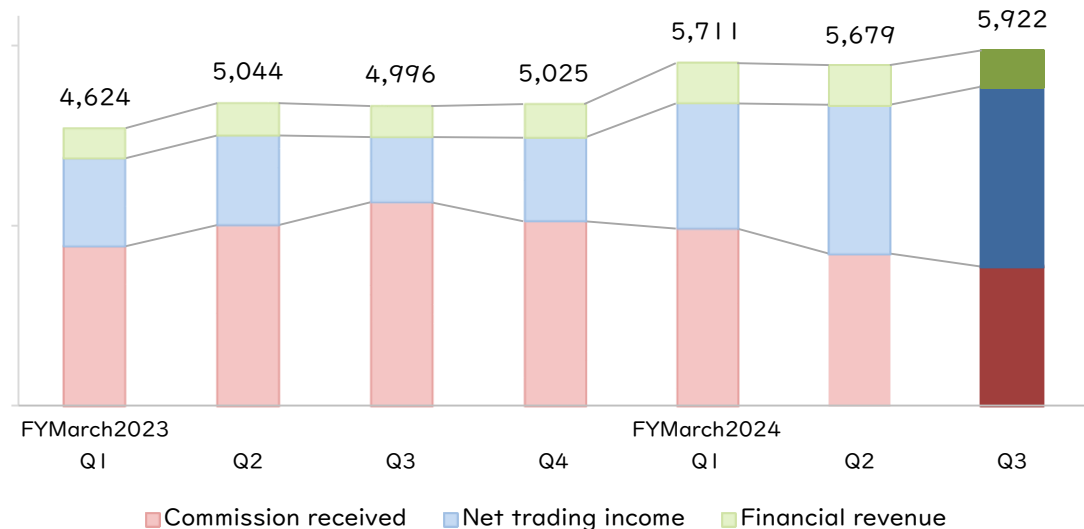
Net trading income increased by 86.9% year-on-year on the back of active trading in a favorable market environment, including rising expectations of a “soft landing” in the U.S. and the Dow Jones Industrial Average hitting an all-time high in late December.

	FY March 2023 Q1~Q3	FY March 2024 Q1~Q3	Percentage change from the previous fiscal year	(million yen)							Change (%) compared with the previous quarter
				FY March 2023 Q1	Q2	Q3	Q4	FY March 2024 Q1	Q2	Q3	
Commission received	9,049	7,801	Δ13.8%	2,656	3,007	3,385	3,073	2,951	2,533	2,317	Δ8.5%
Net trading income	4,052	7,572	86.9%	1,467	1,494	1,090	1,391	2,085	2,484	3,001	20.8%
Financial revenue	1,563	1,939	24.0%	500	542	520	560	674	660	603	Δ8.6%
Operating revenue	14,665	17,313	18.1%	4,624	5,044	4,996	5,025	5,711	5,679	5,922	4.3%

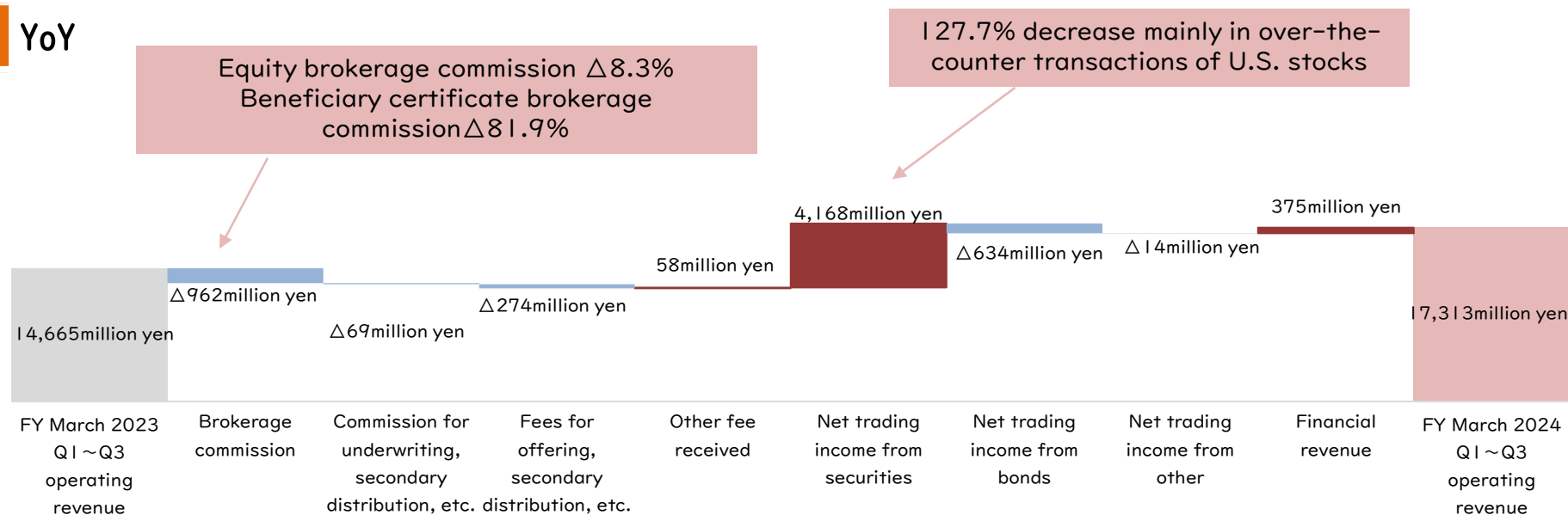
(Millions of yen)



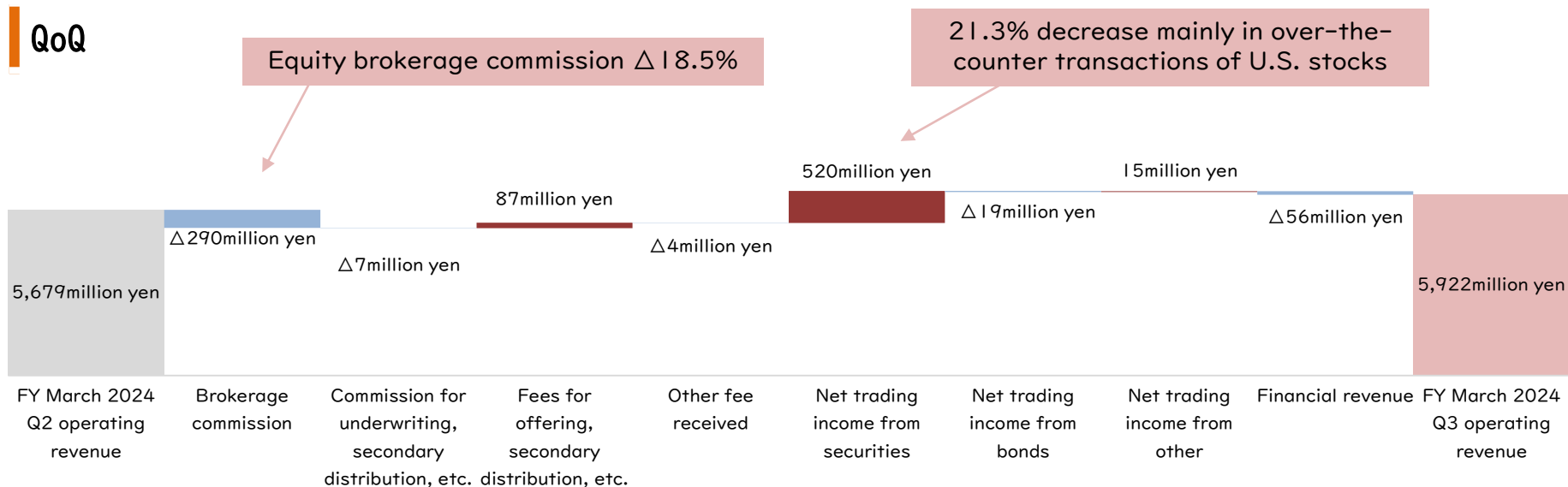
(Millions of yen)



YoY



QoQ

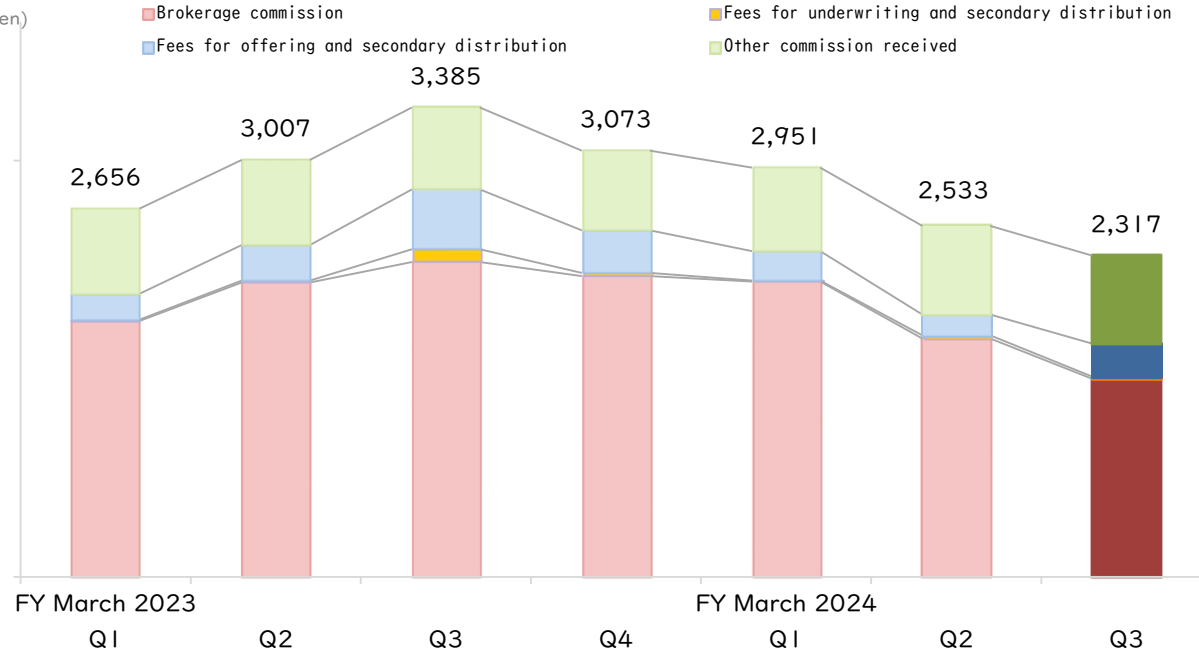
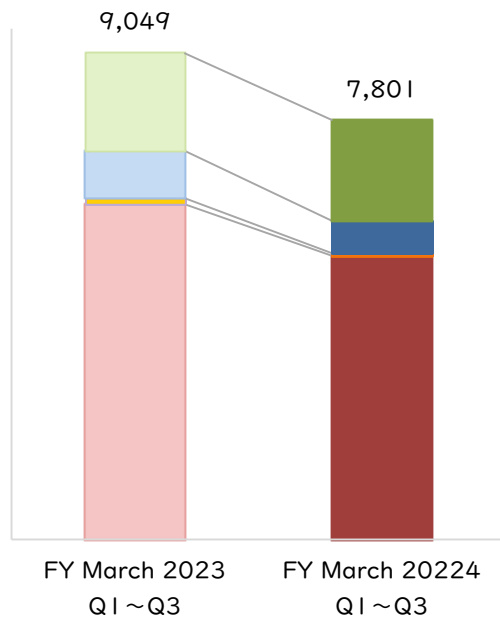


Commission receive

Equity brokerage commission declined 8.3% year on year, beneficiary certificate brokerage commission declined 81.9% year on year.

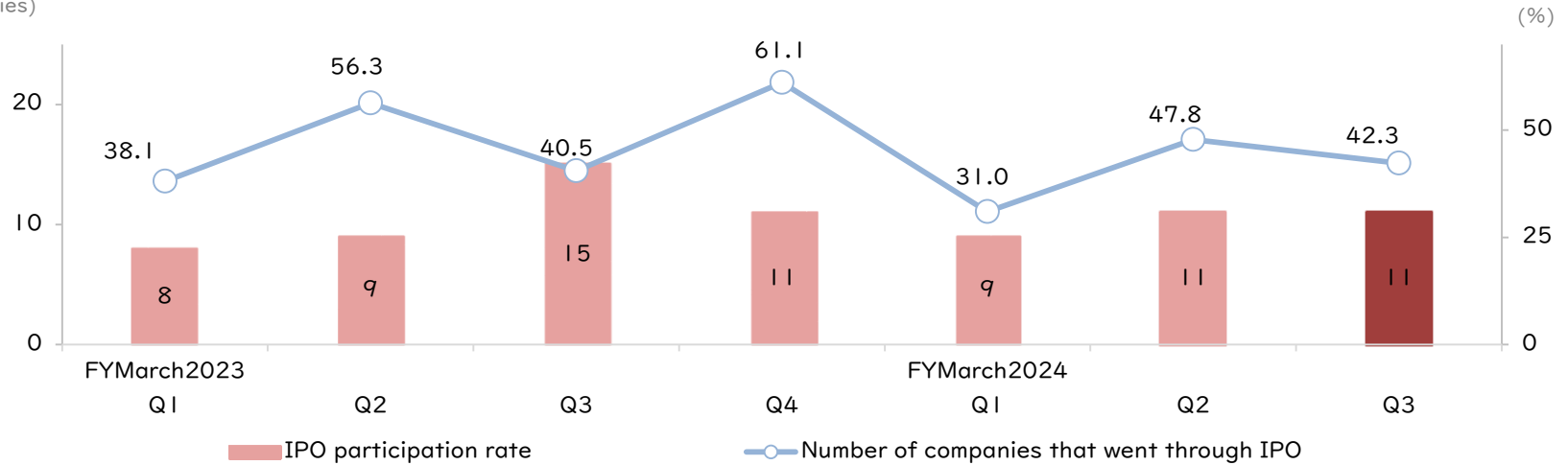
	FY March 2023 Q1~Q3	FY March 20224 Q1~Q3	Percentage change from the previous fiscal year	(million yen)							
	FY March 2023 Q1	Q2	Q3	Q4	FY March 2024 Q1	Q2	Q3	Change (%) compared with the previous quarter			
Brokerage commission	1,844	2,121	2,269	2,169	2,128	1,718	1,427	△16.9%			
Fees for underwriting and secondary distribution	10	14	93	21	8	23	16	△32.2%			
Fees for offering and secondary distribution	187	257	431	307	211	151	238	57.5%			
Other commission received	613	614	590	574	602	639	635	△0.8%			
Commission received	2,656	3,007	3,385	3,073	2,951	2,533	2,317	△8.5%			

(Millions of yen)



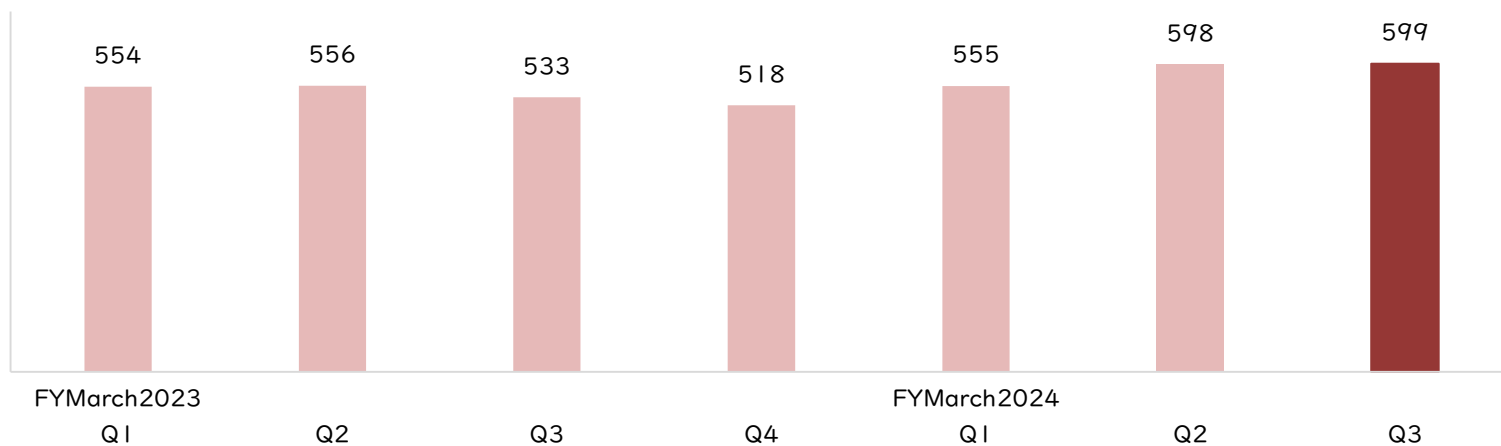
Quarterly Changes in IPO Transactions

(Companies)



Changes in trust fees

(Millions of yen)



Net trading income

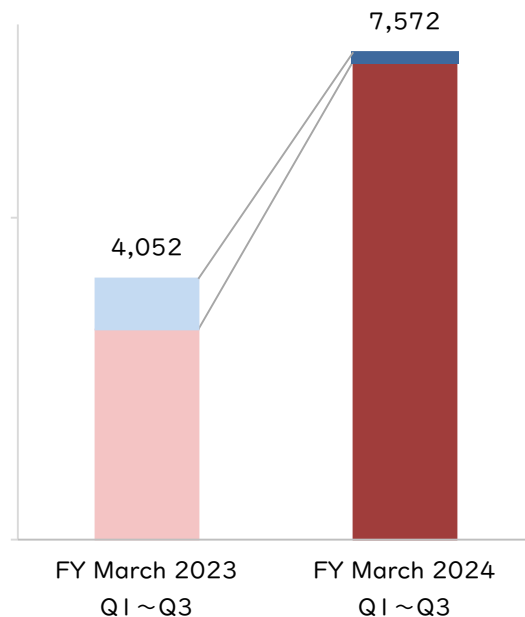
Active trading centered on the “Magnificent Seven(※)” led to increase in net trading income from share certificates and other securities.

(※) Apple, Alphabet, Meta Platforms, Amazon.com, Microsoft, Nvidia, Tesla

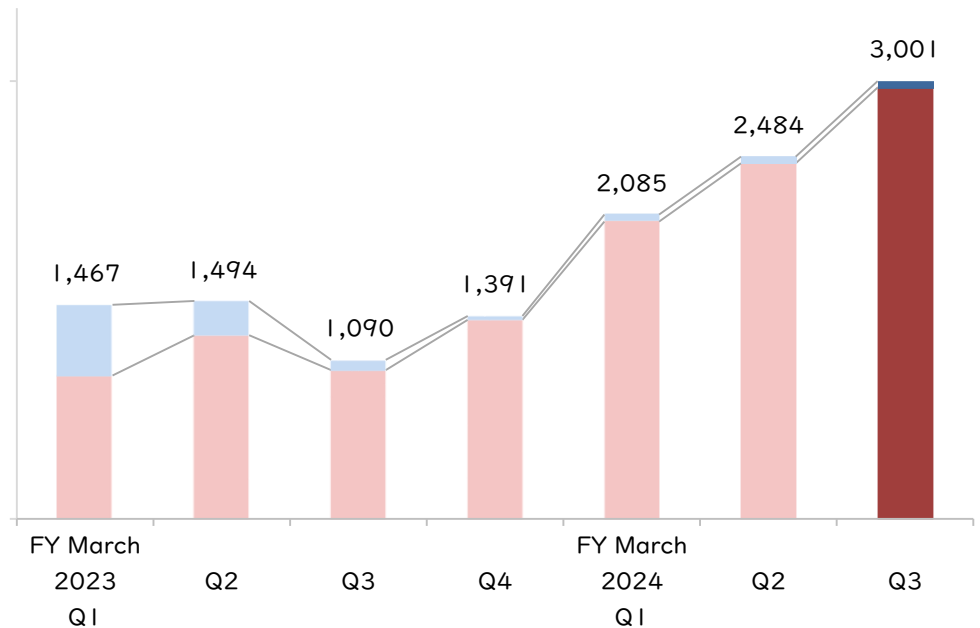
	FY March 2023 Q1 ~ Q3	FY March 2024 Q1 ~ Q3	Percentage change from the previous fiscal year
Securities	3,264	7,432	127.7%
Bonds, etc. and other	788	139	△82.3%
Net trading income	4,052	7,572	86.9%

(million yen)								Change (%) compared with the previous quarter
FY March 2023 Q1	Q2	Q3	Q4	FY March 2024 Q1	Q2	Q3		
983	1,259	1,020	1,364	2,038	2,437	2,957		21.3%
484	234	69	27	47	47	44		△7.6%
1,467	1,494	1,090	1,391	2,085	2,484	3,001		20.8%

(Millions of yen)



(Millions of yen)



※ Income from securities is mainly related to over-the-counter transactions of U.S. stocks

■ Securities ■ Bonds, etc. and other

Financial balance

Balance of customers' borrowing on margin transactions: 56.3 billion yen (As of December 31, 2023) ,
5th in industry (17 retail securities companies, excluding online securities companies)

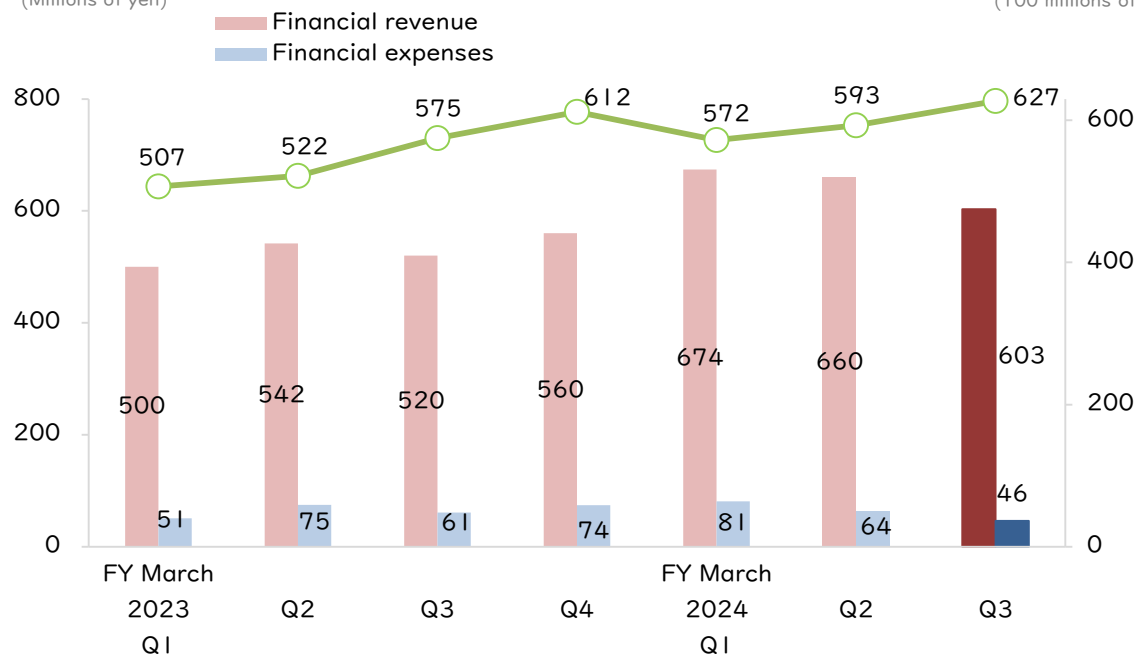
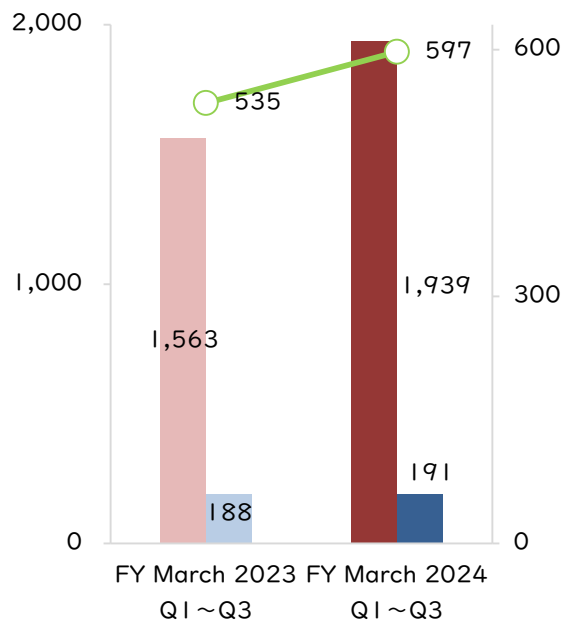
	FY March 2023 Q1~Q3	FY March 2024 Q1~Q3	Percentage change from the previous fiscal year								Change (%) compared with the previous quarter
				FY March 2023 Q1	Q2	Q3	Q4	FY March 2024 Q1	Q2	Q3	
Financial revenue	1,563	1,939	24.0%	500	542	520	560	674	660	603	△8.6%
Financial expenses	188	191	1.5%	51	75	61	74	81	64	46	△27.9%
Financial balance	1,375	1,748	27.1%	448	467	459	486	593	596	557	△6.5%
Average balance of customers' borrowing on margin transactions (100 millions of yen)	535	597	11.7%	507	522	575	612	572	593	627	5.8%

(Millions of yen)

(100 millions of yen)

(Millions of yen)

(100 millions of yen)

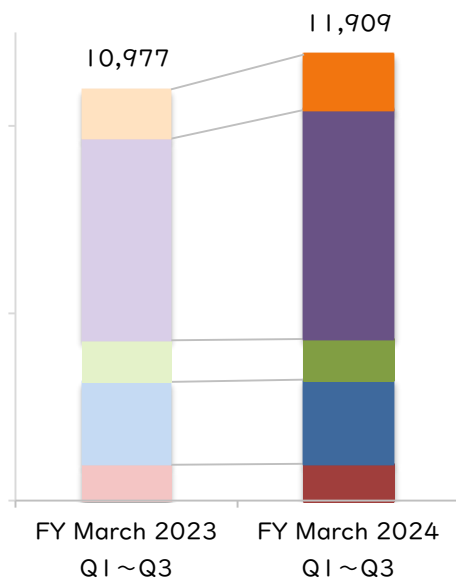


Selling, general and administrative expenses

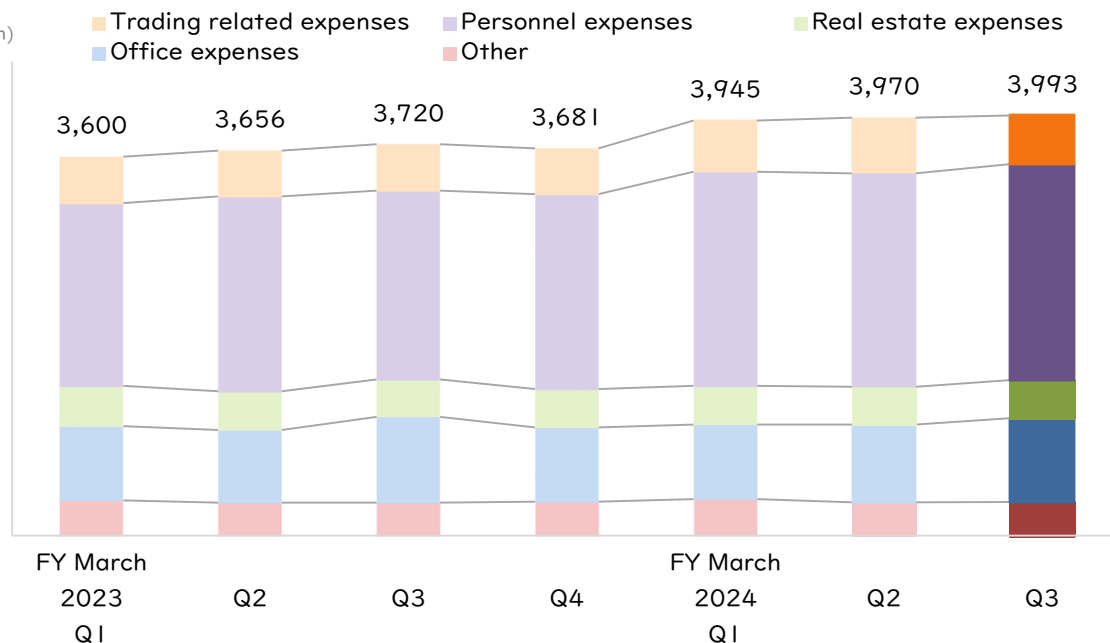
Total SG&A expenses increased 8.5% year on year, mainly due to an increase in variable expenses such as bonuses, in addition to one-time expenses including television commercial fees.

	FY March 2023 Q1 ~Q3	FY March 2024 Q1 ~Q3	Percentage change from the previous fiscal year	FY March 2023 Q1	Q2	Q3	Q4	FY March 2024 Q1	Q2	Q3	Change (%) compared with the previous quarter
Trading related expenses	1,316	1,477	12.2%	440	434	440	436	488	527	461	Δ12.5%
Personnel expenses	5,381	6,112	13.6%	1,736	1,850	1,794	1,851	2,031	2,027	2,053	1.3%
Real estate expenses	1,104	1,090	Δ1.3%	381	366	355	365	370	358	360	0.5%
Office expenses	2,212	2,247	1.6%	705	692	814	705	707	740	798	7.8%
Other	961	980	2.0%	335	312	313	321	346	315	318	0.8%
Selling, general and administrative expenses	10,977	11,909	8.5%	3,600	3,656	3,720	3,681	3,945	3,970	3,993	0.6%

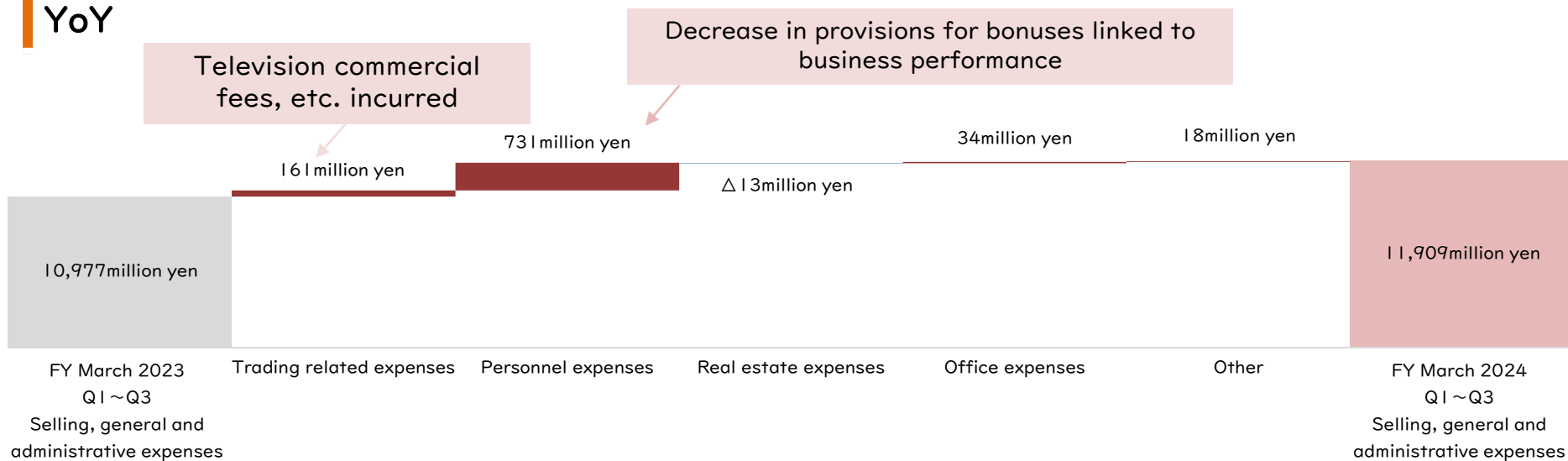
(Millions of yen)



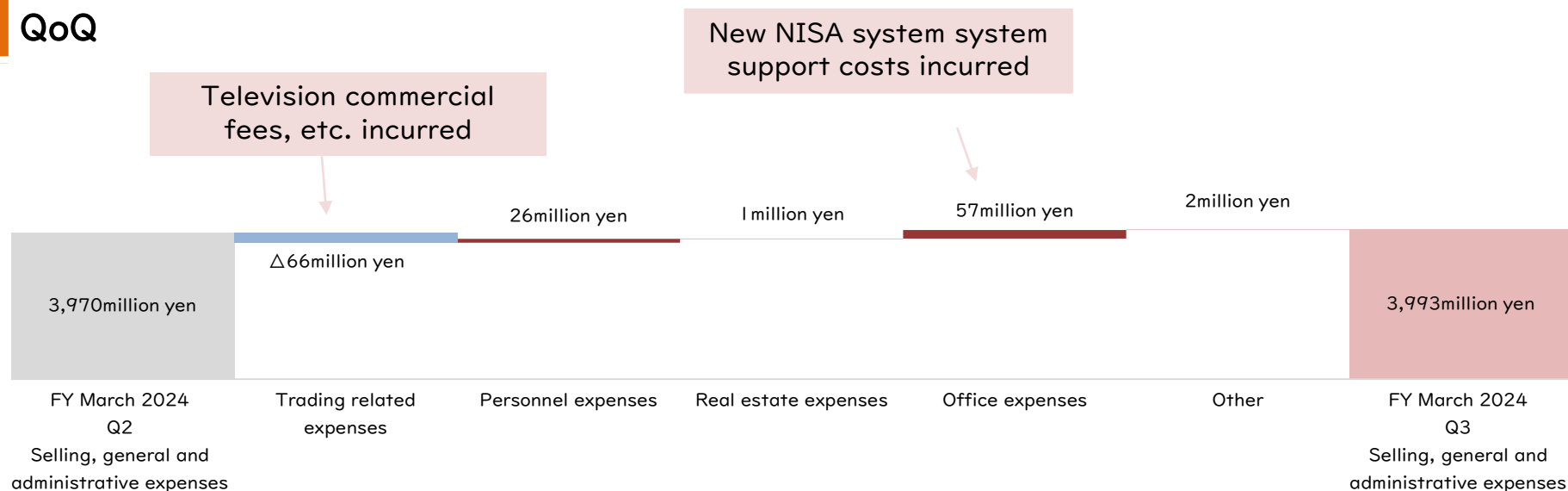
(Millions of yen)



YoY



QoQ



Quarterly Changes in Operating Results

Recorded ordinary profit for 45 consecutive quarters

(Millions of yen)

	Year ending March 31, 2023					Year ending March 31, 2024			
	Q1	Q2	Q3	Q4	full year	Q1	Q2	Q3	Q1 ~ Q3
Operating revenue	4,624	5,044	4,996	5,025	19,691	5,711	5,679	5,922	17,313
Commission received	2,656	3,007	3,385	3,073	12,123	2,951	2,533	2,317	7,801
Brokerage commission	1,844	2,121	2,269	2,169	8,405	2,128	1,718	1,427	5,274
Commission for underwriting, secondary distribution, etc.	10	14	93	21	139	8	23	16	48
Fees for offering, secondary distribution, etc.	187	257	431	307	1,183	211	151	238	601
Other fee received	613	614	590	574	2,393	602	639	635	1,877
Net trading income	1,467	1,494	1,090	1,391	5,443	2,085	2,484	3,001	7,572
Securities	983	1,259	1,020	1,364	4,628	2,038	2,437	2,957	7,432
Bonds, etc. and other	484	234	69	27	815	47	47	44	139
Financial revenue	500	542	520	560	2,124	674	660	603	1,939
Financial expenses	51	75	61	74	262	81	64	46	191
Net operating revenue	4,572	4,969	4,935	4,951	19,428	5,630	5,614	5,876	17,121
Selling, general and administrative expenses	3,600	3,656	3,720	3,681	14,658	3,945	3,970	3,993	11,909
Operating profit	972	1,313	1,214	1,270	4,770	1,685	1,644	1,883	5,212
Non-operating income	233	31	124	66	456	198	29	144	373
Non-operating expenses	1	2	2	55	60	1	5	6	12
Non-operating profit	231	29	122	11	395	197	24	138	360
Ordinary profit	1,204	1,342	1,337	1,281	5,165	1,882	1,668	2,021	5,573
Extraordinary profit	0	-	Δ0	-	-	19	24	15	60
Extraordinary losses (※)	-	-	0	0	1	-	-	-	-
Extraordinary profit	0	-	Δ0	Δ0	Δ1	19	24	15	60
Profit before income taxes	1,204	1,342	1,337	1,280	5,164	1,902	1,693	2,037	5,633
Profit attributable to owners of parent	832	928	928	874	3,564	1,328	1,169	1,411	3,908

	Year ending March 31, 2023					Year ending March 31, 2024			
	Q1	Q2	Q3	Q4	full year	Q1	Q2	Q3	Q1 ~ Q3
Ratio of ordinary profit to operating revenue	26.0%	26.6%	26.8%	25.5%	26.2%	33.0%	29.4%	34.1%	32.2%
ROE	6.0%	6.7%	6.6%	6.1%	6.2%	9.1%	7.9%	9.2%	8.7%
Earnings per share	35.43yen	39.52yen	39.55yen	37.23yen	151.73yen	56.54yen	49.80yen	60.08yen	166.42yen
Capital adequacy ratio	776.8%	732.3%	736.5%	740.8%	740.8%	846.9%	839.5%	856.2%	856.2%

ROE: annualized

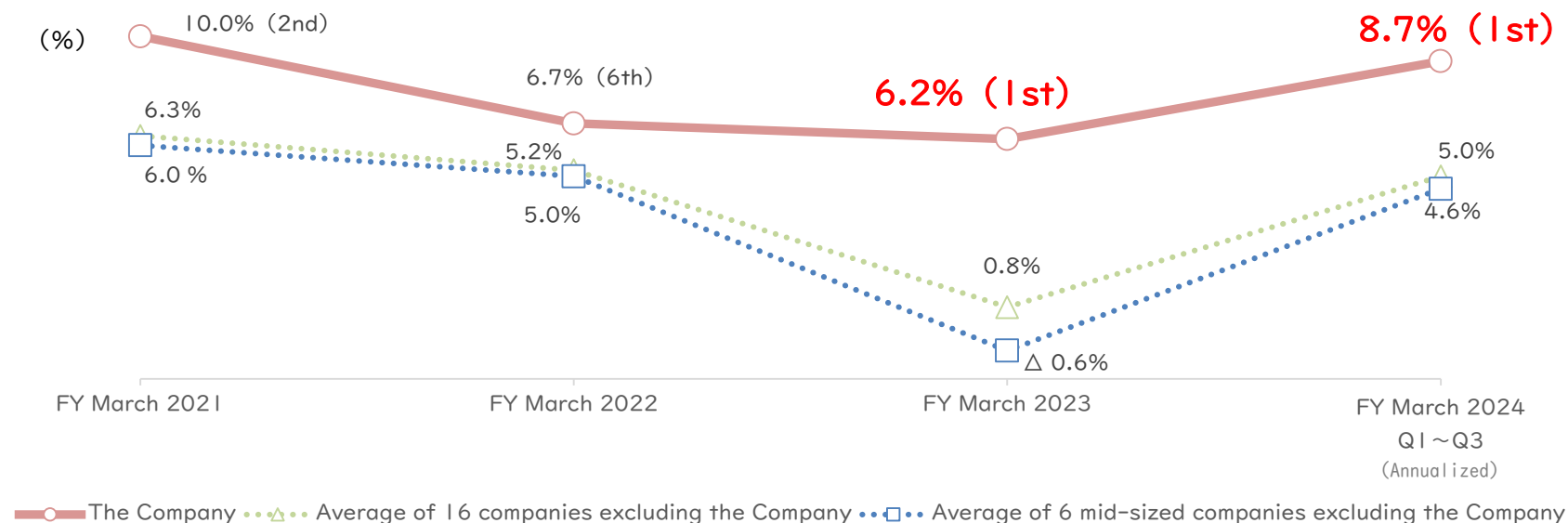
Reference : Operating Performance Time Series

	(Millions of yen)					
	FY March 2019	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024 Q1 ~ Q3
Operating revenue	21,241	18,948	22,993	20,708	19,691	17,313
Ordinary profit	5,924	4,239	7,530	5,799	5,165	5,573
Profit	4,148	2,700	5,362	3,756	3,564	3,908
Ratio of ordinary profit to operating revenue	27.9%	22.4%	32.8%	28.0%	26.2%	32.2%
(Industry ranking *1)	1st	1st	3rd	3rd	1st	2nd
(Industry average *2)	4.0%	3.4%	19.8%	13.0%	△2.5%	16.2%
Dividends per share	75yen	75yen	117yen	80yen	80yen	-
Dividend payout ratio	42.5%	65.2%	51.3%	50.0%	52.7%	-

※1 17 retail securities companies

※2 Industry simple average excluding our company

Changes in ROE



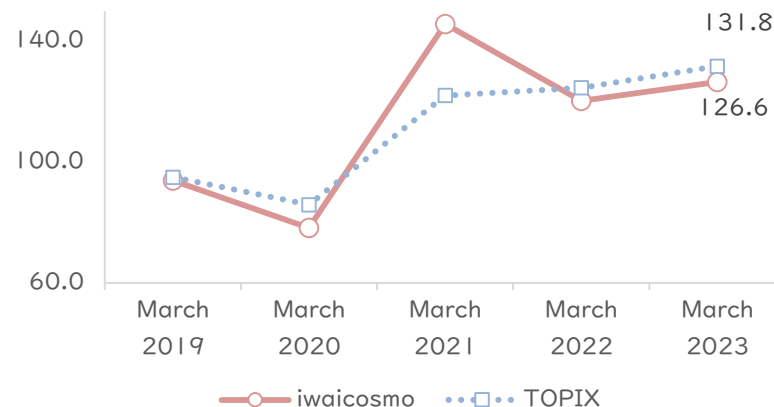
(Note) Seventeen retail securities companies

reference : Total Shareholder Return

T S R : Total Shareholder Return

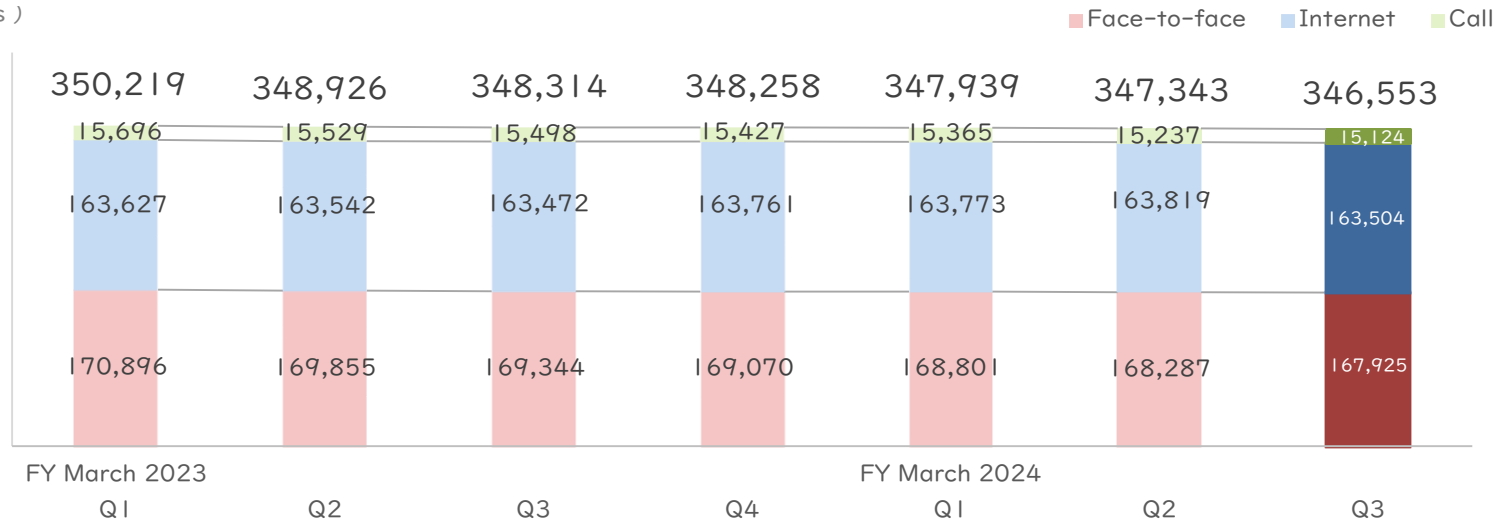
	March 2019	March 2020	March 2021	March 2022	March 2023
iwaicosmo	93.9	78.2	145.7	120.3	126.6
TOPIX	95.0	85.9	122.1	124.6	131.8

T S R = (Stock price at the end of each fiscal year + Cumulative amount of dividends per share from four fiscal years prior to the current fiscal year to each fiscal year) / Stock price on the last day of the five fiscal years prior to the current fiscal year

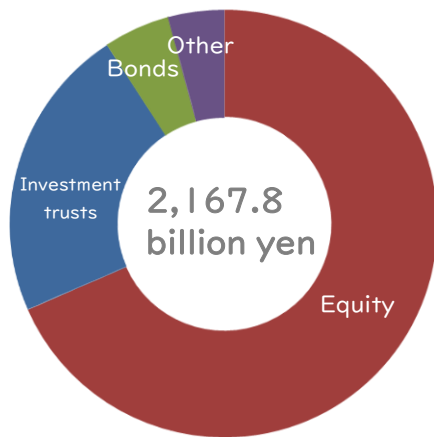


Quarterly Changes in the Number of Accounts

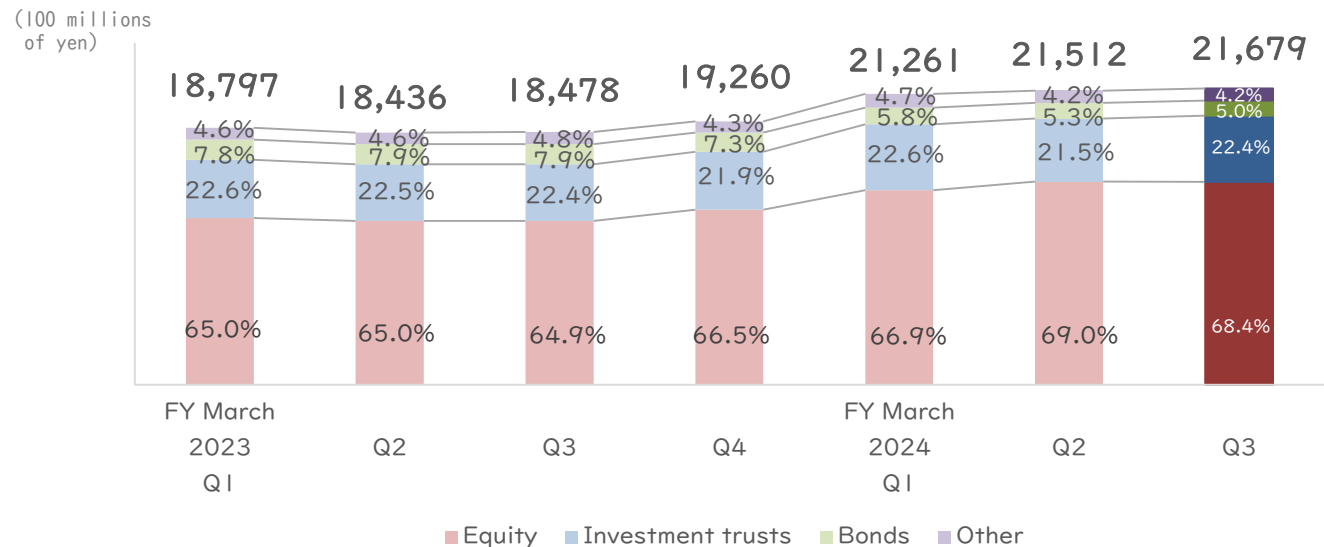
(Accounts)



Assets under Custody

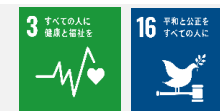


Changes in assets under custody



Social contribution activities

- Introduced Social Contribution Reserve Fund System (from fiscal year ended March 31, 2021)
- Concluded the Partnership Agreement to Promote Global Financial City Osaka Initiatives
- Participation in Securities Industry Network for Supporting Children run by the Japan Securities Dealers Association for effective utilization of shareholder benefits, etc. and contribution to largest number of support activities
- Issued “SDGs Promotion Private Placement Bonds” in which a portion of issuance fee is donated to SDGs-related organizations (March 2023)



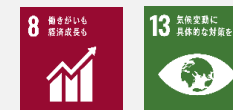
Reduction of environmental burden

- TCFD (Task Force on Climate-related Financial Disclosures) agree with the proposal
- Use of environmentally-friendly handouts and envelopes made from recycled old banknotes (banknote cutting waste).
- Introduction of electric vehicles as business cars at the head office
- Gradually switched branch lighting to LED
- The Tokyo head office (Kayabacho Green Building) is a state-of-the-art energy-saving building that uses a hybrid radiant air-conditioning system and other equipment that is both earth- and people-friendly, thereby efficiently saving on energy consumption and water resources.
- Compared to the target of reducing CO2 emissions by 55% or more by the fiscal year ending March 31, 2025, realized a 56.2% reduction in emissions by the end of the fiscal year ended March 31, 2023, achieving the original target two years ahead of schedule



Improved customer service and paperless operations through digitalization

- Promoted the use of RPA (Robotic Process Automation) to automate office work
- Introduced a voice recognition system that uses AI to monitor the content of phone calls between sales representatives and customers, to further strengthen compliance and improve customer service
- Established Digital Transformation Promotion Department in January 2024 to accelerate promotion of digital transformation (DX)



Initiatives for work-life balance

- Changes to system to enable diverse work styles, such as staggered working hours and not requiring employees to stop by the office
- Selected among the “Top 100 Telework Pioneers” (November 2019) by the Ministry of Internal Affairs and Communications and received “Incentive Award” (January 2020) in the Japan Telework Association’s “Telework Promotion Awards,” both for the first time as a securities company!



Promoting active participation by diverse human resources

- Percentage of female officers 33.3% (three out of nine)
- Achieved the target (30% by 2030) required by the government for TSE prime listed companies by the end of June 2023!
- Gained top rank in the securities and commodity futures business sector for all listed companies
 - Source: Female Officer Information Site, Gender Equality Bureau, Cabinet Office
- Percentage of female managers 18.6% (As of December 31, 2023)

Newspaper publications, press releases, etc.

2023	May 6 :	The appeal of face-to-face trading and the Company's initiatives such as the stock selection meeting were featured in "NEXT JAPAN: Atsuki Kyudoshu (passionate seekers)" on Mainichi Broadcasting System (MBS).
	May 17 :	Received certificate of gratitude by World Food Programme (WFP) and Children's Future Support Fund as part of SDGs initiatives
	Jul 31 :	Introduced the "foreign currency settlement service" in real-time trading system for U.S. stocks on the "Cosmo Netre" online trading platform
	Aug~	IwaiCosmo Securities broadcast new television commercials (face-to-face trading edition, online trading edition). ※ Posted on our website : https://www.iwaicosmo.co.jp/lp/tvcm/
	Jun 29 :	The official website of IwaiCosmo Holdings was renewed.
	Oct 20 :	Announced "Measures to realize management with awareness of capital cost and share price"
	Oct 20 :	Announced "Early achievement of CO2 emission reduction targets"
	Nov~	Released limited edition video on investment methods and other topics related to Shigeru Fujimoto, an active trader with 68 years of investment experience, who has been a hot topic on TV and in magazines
	Jan 1 :	Established Digital Transformation Promotion Department
	Jan 13 :	IwaiCosmo Holdings to Increase Wages 7%, Including Base Wages (Nikkei Shimbun)

Ceremony for awarding letters of appreciation from the Japan Association for the World Food Programme (WFP)



((Photo from left) Aoki, Director, Office of Business Planning, Japan Association for the World Food Programme (WFP), Yoshiaki Okitsu, Chairman and CEO, IwaiCosmo Holdings

Ceremony for awarding letters of appreciation from the Children's Future Support Fund



((Photo from left) Takeno, Standing Governor & Vice Chairman, Japan Securities Dealers Association



new television commercials (face-to-face trading edition)



new television commercials (online trading edition).

1936年生まれ、87歳。投資歴68年

「日本のバフェット」が語る！

藤本茂の
熟練投資術

新たな動画を公開しました！



Released limited edition video on investment methods and other topics related to Shigeru Fujimoto, an active trader with 68 years of investment experience, who has been a hot topic on TV and in magazines



"Cosmo Netre" online trading platform provided technical support for the senior generation as well as beginners



(For inquiries)

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It has been prepared based on data available up to and including December 31, 2023, and opinions and forecasts contained represent the Company's views.

In addition, it does not guarantee the Company's operating performance, and is subject to change without notice.

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