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# **Materials on Consolidated Financial Results for the Three Months Ended June 30, 2024**

**-Financial Summary and the Company's Initiatives-**



(stock code : 8707)

**August 2024**

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Top-ranked operating revenue and operating profit and ordinary profit and Profit attributable to owners of parent among seven mid-sized securities companies

## Financial highlights

Operating  
revenue

**6,653** millions of yen

YoY +16.5%

Operating  
profit

**2,295** millions of yen

YoY +36.2%

Ordinary  
profit

**2,619** millions of yen

YoY +39.1%

Recorded ordinary profit for  
47 consecutive quarters

Profit attributable  
to owners of parent

**1,826** millions of yen

YoY +37.5%

Earnings  
per share

**77.75** yen

YoY 56.54yen

ROE

**11.1** %

YoY 8.5%

Ratio of ordinary  
profit to operating  
revenue

**39.4** %

YoY 33.0%

Fixed cost  
coverage ratio

**42.8** %

YoY 37.7%

TSR  
(Total Shareholder  
Return)

※March 2024

**219.5** %

TOPIX 196.2%

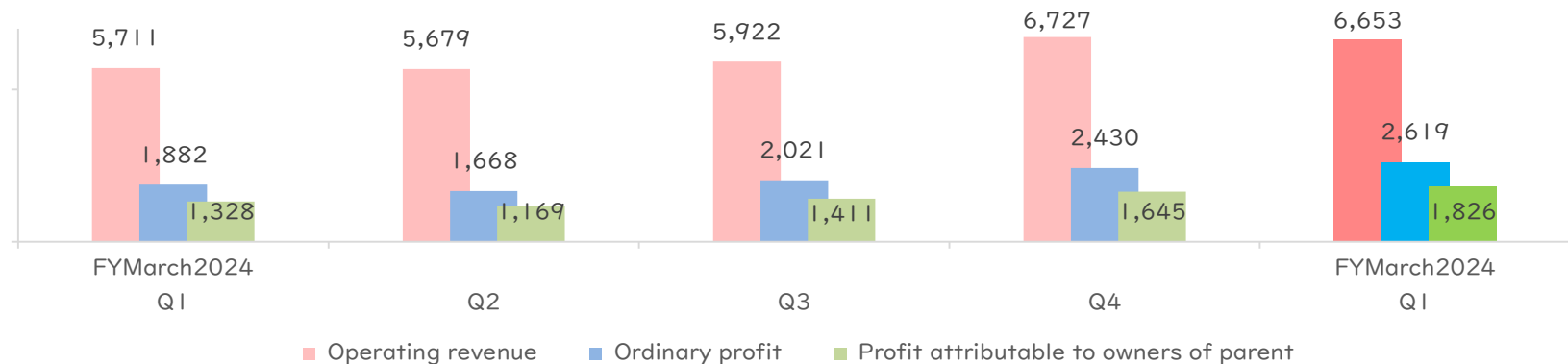
# Management Summary

- **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 47 consecutive quarters**

(Millions of yen, %)

	Year ended March 31, 2024		Year ending March 31, 2025	Change (%) compared with the same period last year	Change (%) compared with the previous quarter
	Q1	Q4	Q1		
Operating revenue	5,711	6,727	6,653	16.5%	△1.1%
Net operating revenue	5,630	6,659	6,597	17.2%	△0.9%
Selling, general and administrative expenses	3,945	4,271	4,301	9.0%	0.7%
Operating profit	1,685	2,387	2,295	36.2%	△3.8%
Ordinary profit	1,882	2,430	2,619	39.1%	7.8%
Profit attributable to owners of parent	1,328	1,645	1,826	37.5%	10.9%
Earnings per share	56.54yen	70.08yen	77.75yen	37.5%	10.9%
Net assets per share	2,497.64yen	2,824.53yen	2,764.96yen	10.7%	△2.1%
ROE	9.1%	10.3%	11.1%	2.0pt	0.9pt

※ Annualized for ROE



# Operating revenue

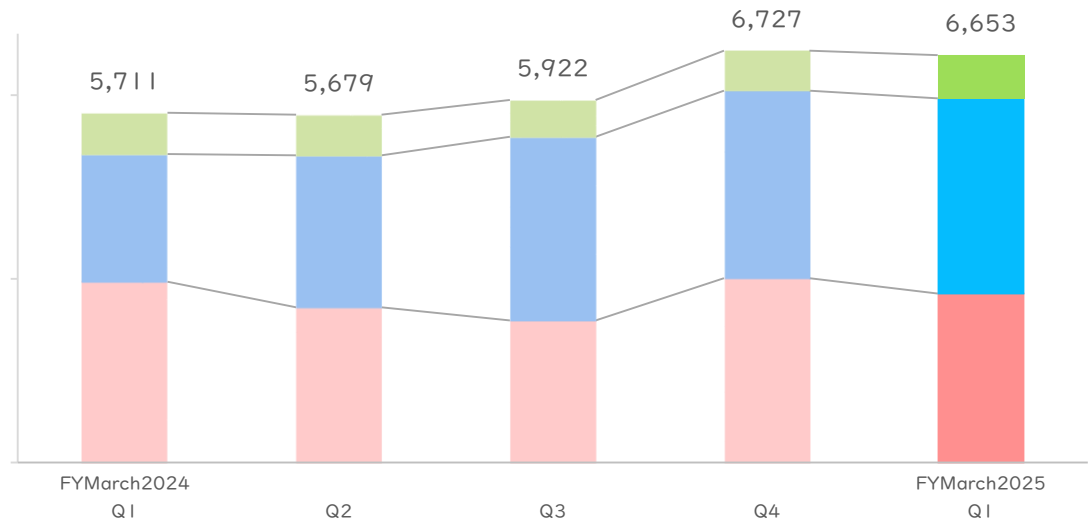
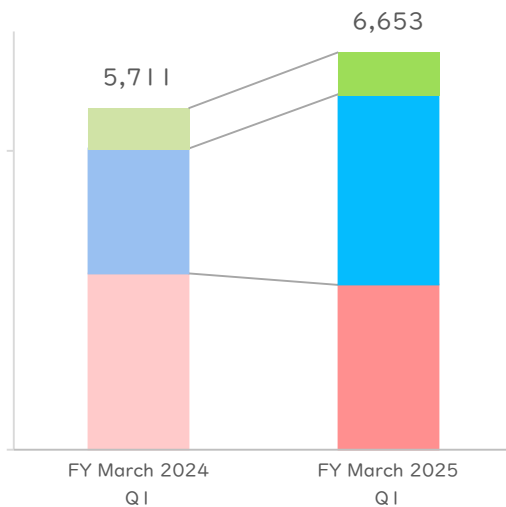
Although brokerage commission declined, operating revenue increased 16.5% year on year due to higher net trading income.

	FY March 2024 Q1	FY March 2025 Q1	Percentage change from the previous fiscal year					FY March 2025 Q1	Change (%) compared with the previous quarter
Commission received	2,951	2,757	△6.6%	FY March 2024 Q1	Q2	Q3	Q4	2,757	△8.3%
Net trading income	2,085	3,191	53.0%	2,951	2,533	2,317	3,007	3,191	4.1%
Financial revenue	674	704	4.4%	2,085	2,484	3,001	3,064	704	7.4%
Operating revenue	5,711	6,653	16.5%	674	660	603	655	6,653	△1.1%

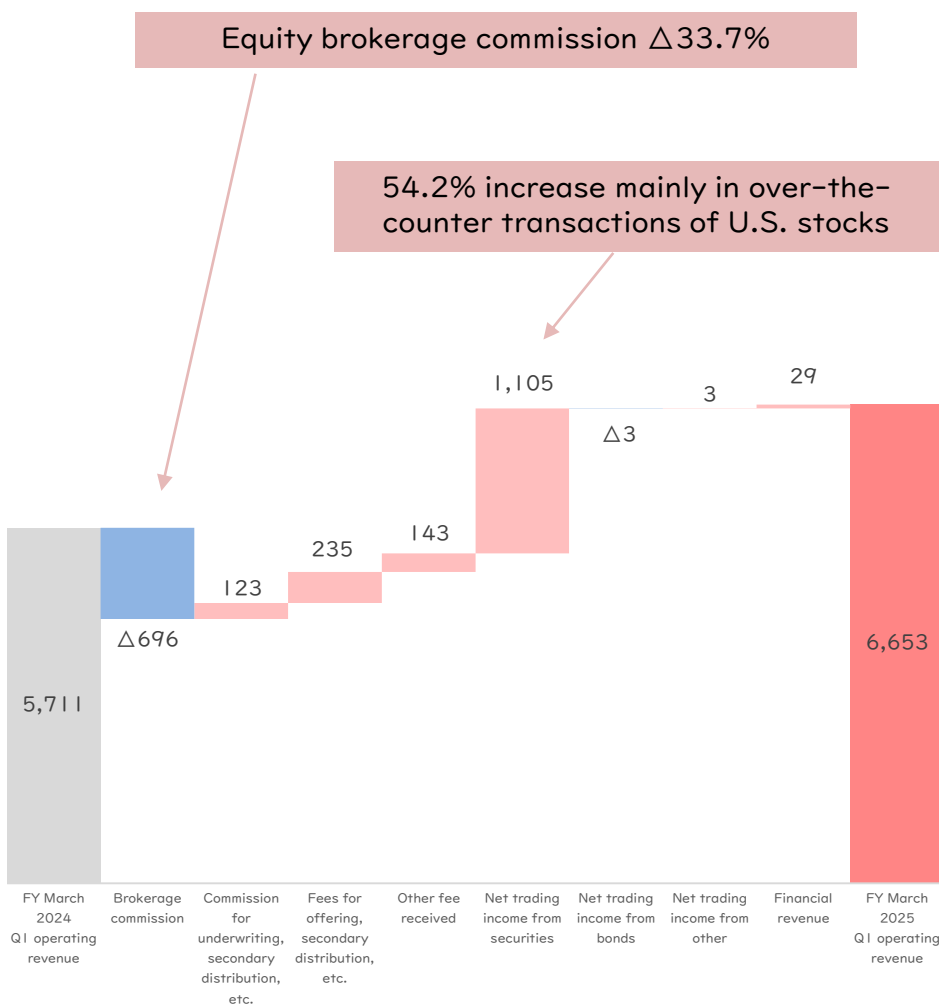
(Millions of yen)

(Millions of yen)

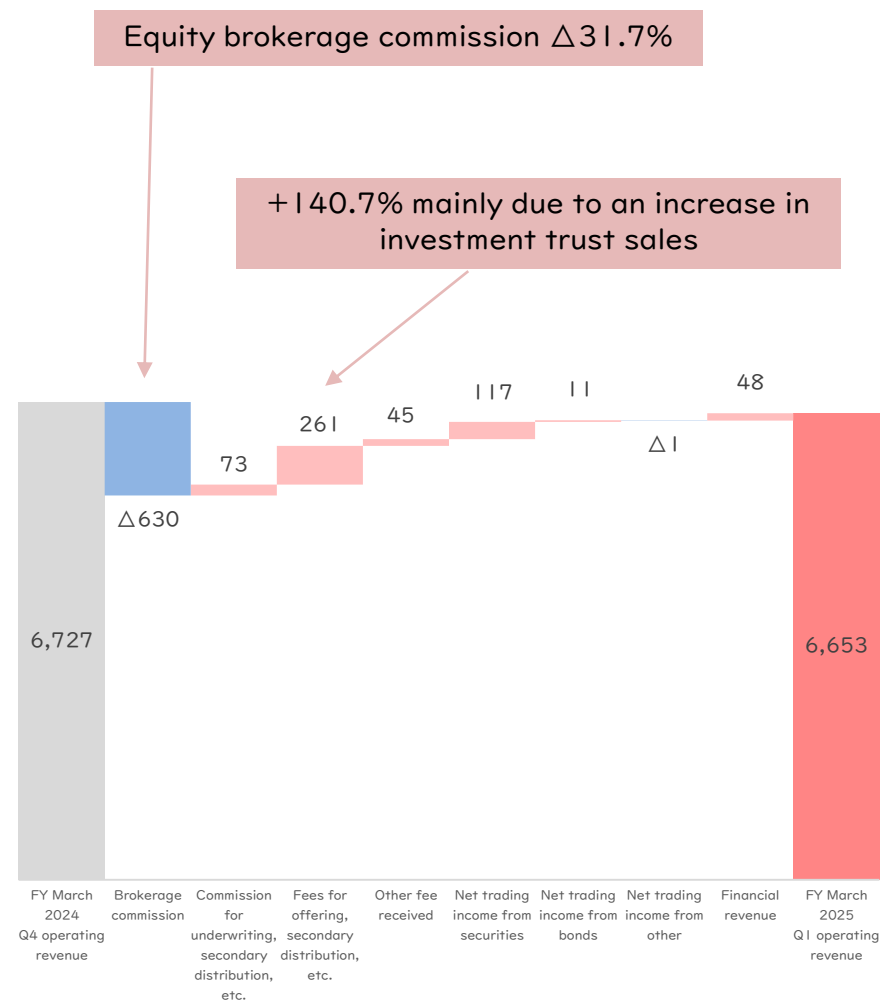
Commission received Net trading income Financial revenue



## YoY



## QoQ



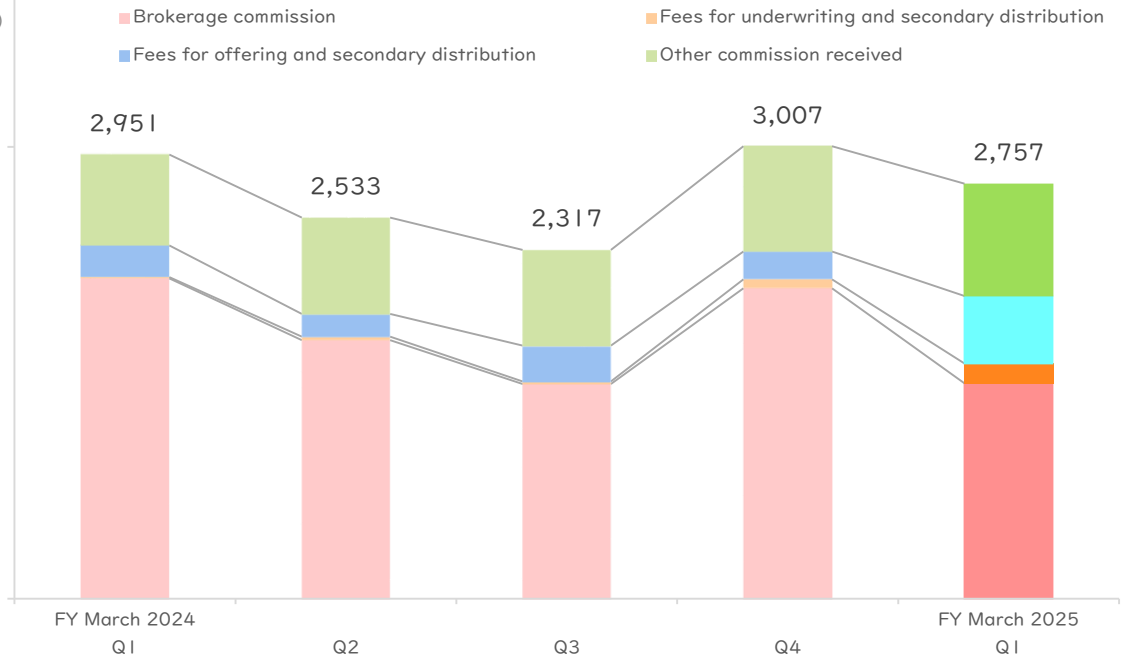
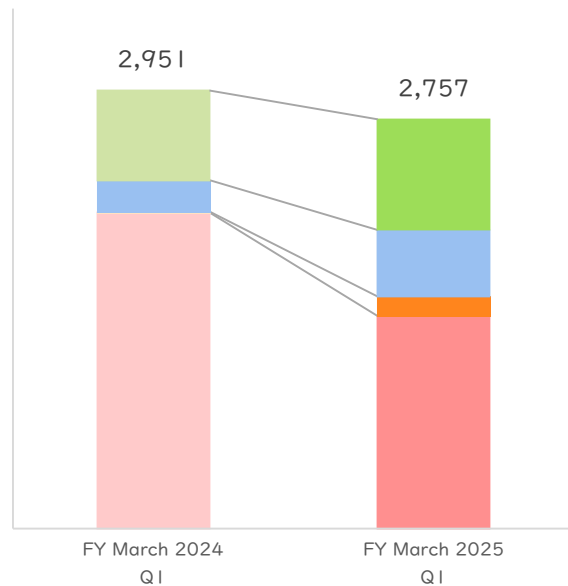
# Commission receive

Equity brokerage commission declined  $\Delta 33.7\%$  year on year, 111.3% mainly due to an increase in investment trust sales.

	FY March 2024 Q1	FY March 2025 Q1	Percentage change from the previous fiscal year	FY March 2024 Q1	Q2	Q3	Q4	FY March 2025 Q1	Change (%) compared with the previous quarter
Brokerage commission	2,128	1,431	$\Delta 32.7\%$	2,128	1,718	1,427	2,062	1,431	$\Delta 30.6\%$
Fees for underwriting and secondary distribution	8	132	-	8	23	16	58	132	124.9%
Fees for offering and secondary distribution	211	447	111.3%	211	151	238	185	447	140.7%
Other commission received	602	746	23.9%	602	639	635	700	746	6.5%
<b>Commission received</b>	<b>2,951</b>	<b>2,757</b>	<b><math>\Delta 6.6\%</math></b>	<b>2,951</b>	<b>2,533</b>	<b>2,317</b>	<b>3,007</b>	<b>2,757</b>	<b><math>\Delta 8.3\%</math></b>

(Millions of yen)

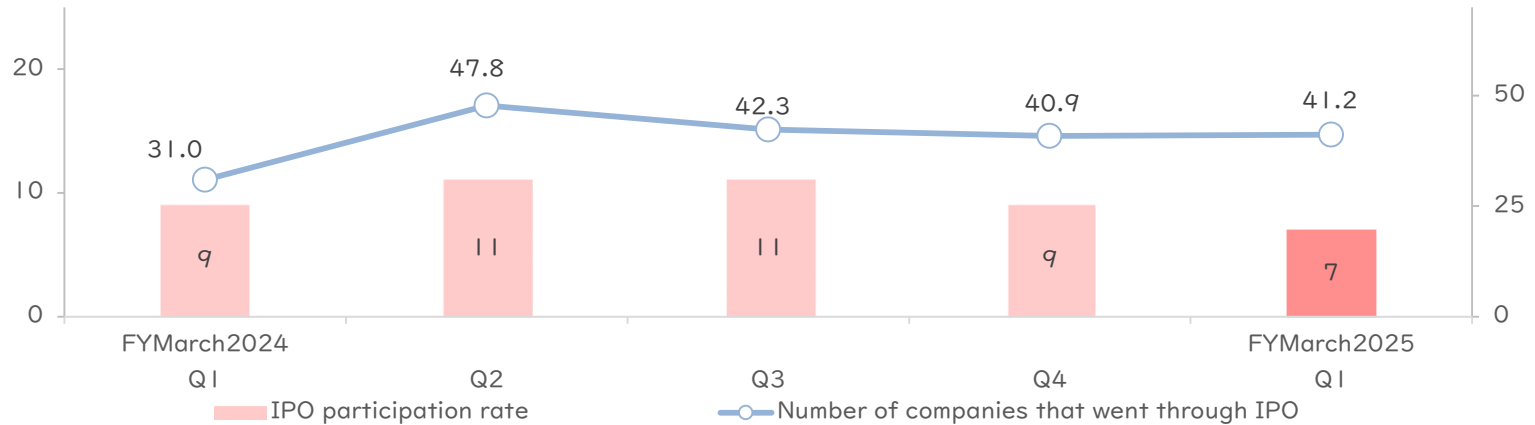
(Millions of yen)



## Quarterly Changes in IPO Transactions

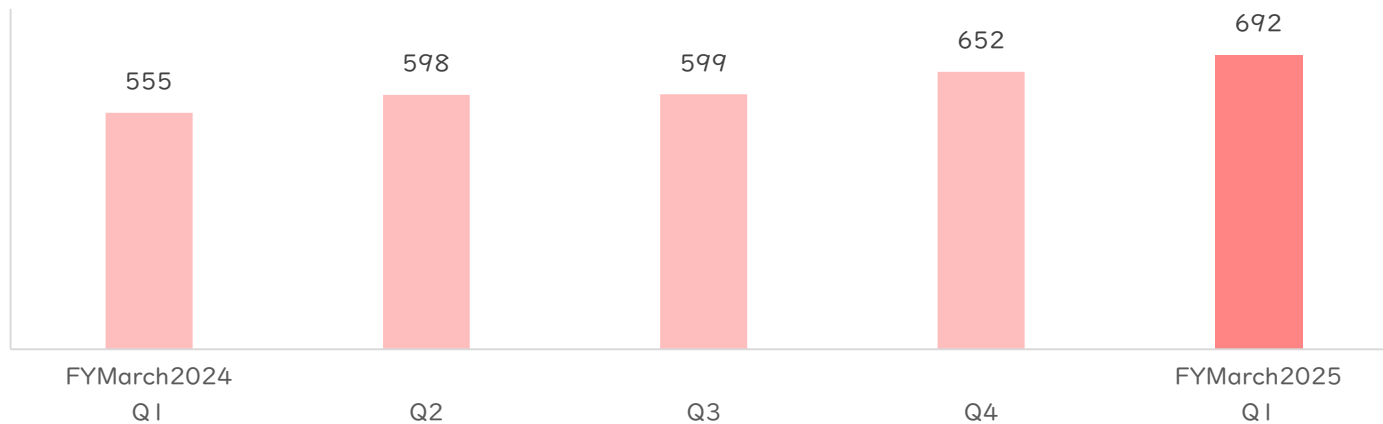
(Companies)

(%)



## Changes in trust fees

(Millions of yen)



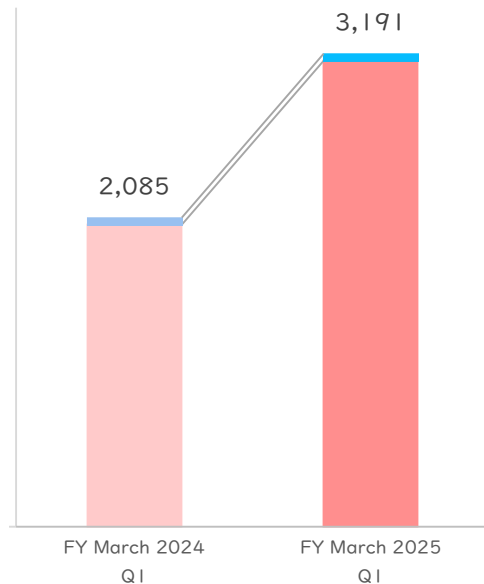
Active trading centered on the “Magnificent Seven(※)” led to increase in net trading income from share certificates and other securities.

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

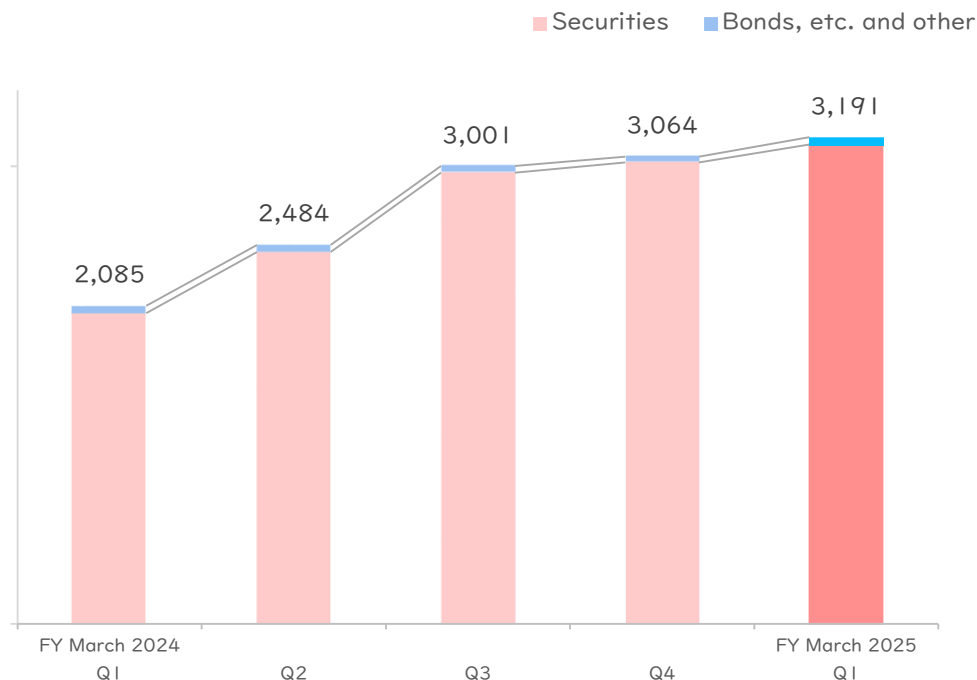
	FY March 2024 Q1	FY March 2025 Q1	Percentage change from the previous fiscal year
Securities	2,038	3,143	54.2%
Bonds, etc. and other	47	47	0.1%
<b>Net trading income</b>	<b>2,085</b>	<b>3,191</b>	<b>53.0%</b>

						(million yen)
FY March 2024 Q1	Q2	Q3	Q4	FY March 2025 Q1	Change (%) compared with the previous quarter	
2,038	2,437	2,957	3,026	3,143	3.9%	
47	47	44	37	47	25.8%	
<b>2,085</b>	<b>2,484</b>	<b>3,001</b>	<b>3,064</b>	<b>3,191</b>	<b>4.1%</b>	

(Millions of yen)



(Millions of yen)



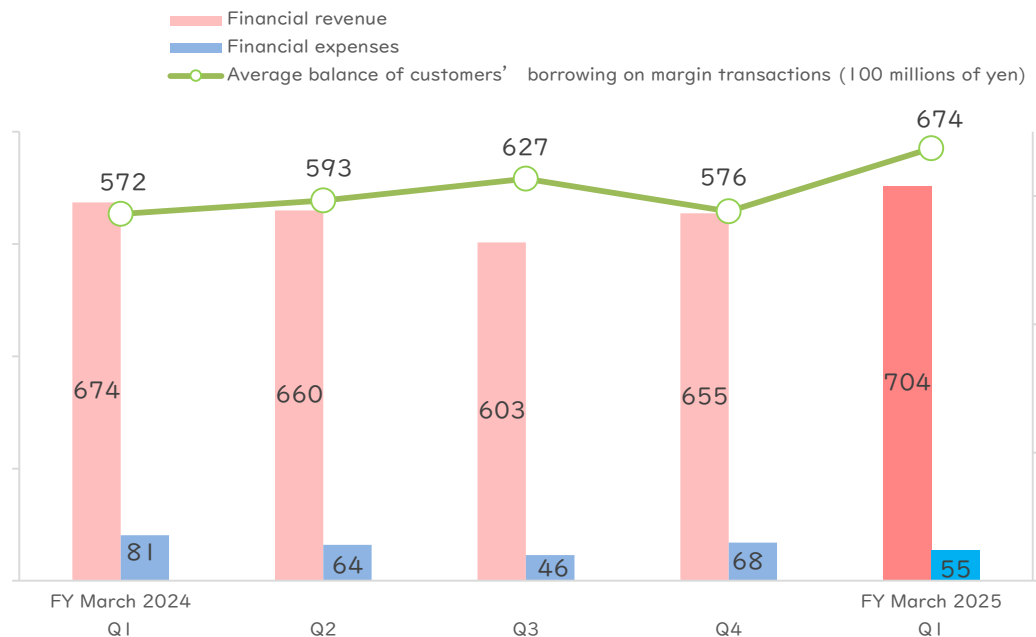
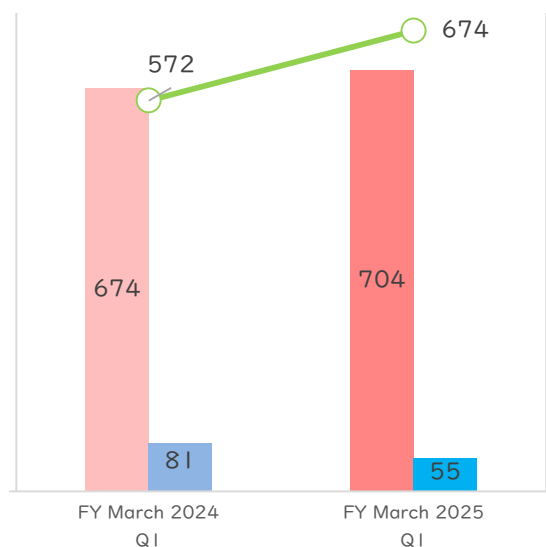
※ Income from securities is mainly related to over-the-counter transactions of U.S. stocks



# Financial balance

Balance of customers' borrowing on margin transactions: 64.2 billion yen (As of June 30, 2024) ,  
6th in industry (17 retail securities companies, excluding online securities companies)

	FY March 2024 Q1	FY March 2025 Q1	Percentage change from the previous fiscal year		FY March 2024 Q1	Q2	Q3	Q4	FY March 2025 Q1	Change (%) compared with the previous quarter
Financial revenue	674	704	4.4%	(million yen, %)	674	660	603	655	704	7.4%
Financial expenses	81	55	△31.5%		81	64	46	68	55	△18.4%
<b>Financial balance</b>	<b>593</b>	<b>648</b>	<b>9.3%</b>		<b>593</b>	<b>596</b>	<b>557</b>	<b>587</b>	<b>648</b>	<b>10.4%</b>
Average balance of customers' borrowing on margin transactions (100 millions of yen)	572	674	17.7%	(Millions of yen)	572	593	627	576	674	17.1%



# Selling, general and administrative expenses

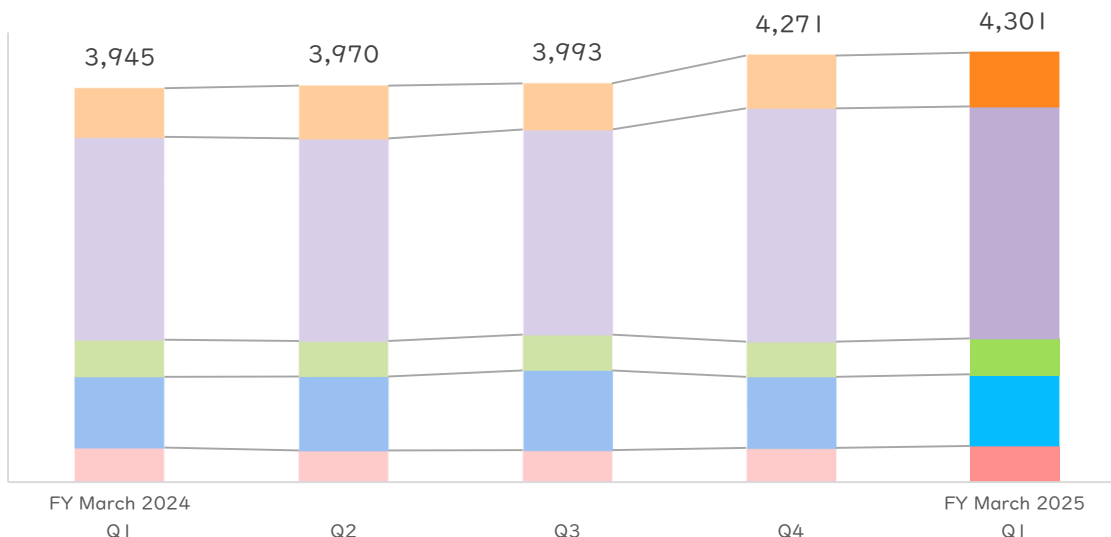
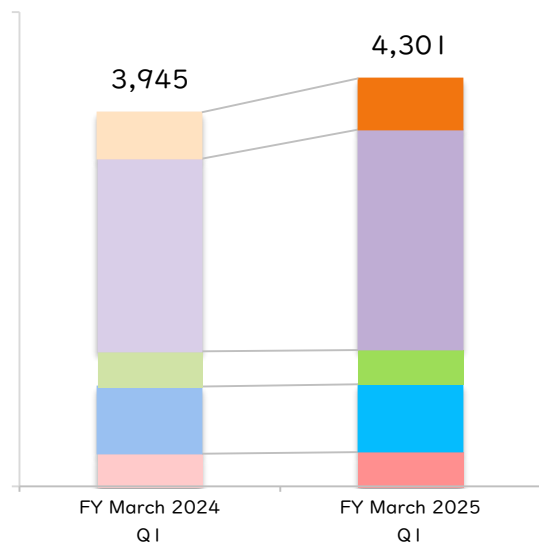
Total SG&A expenses increased 9.0% year on year, mainly due to an increase in variable expenses such as bonuses, in addition to expenses including television commercial fees.

	FY March 2024 Q1	FY March 2025 Q1	Percentage change from the previous fiscal year	FY March 2024 Q1	Q2	Q3	Q4	FY March 2025 Q1	Change (%) compared with the previous quarter
Trading related expenses	488	539	10.5%	488	527	461	531	539	1.5%
Personnel expenses	2,031	2,322	14.3%	2,031	2,027	2,053	2,334	2,322	△0.5%
Real estate expenses	370	361	△2.6%	370	358	360	352	361	2.6%
Office expenses	707	715	1.1%	707	740	798	711	715	0.6%
Other	346	362	4.6%	346	315	318	342	362	5.8%
<b>Selling, general and administrative expenses</b>	<b>3,945</b>	<b>4,301</b>	<b>9.0%</b>	<b>3,945</b>	<b>3,970</b>	<b>3,993</b>	<b>4,271</b>	<b>4,301</b>	<b>0.7%</b>

(Millions of yen)

(Millions of yen)

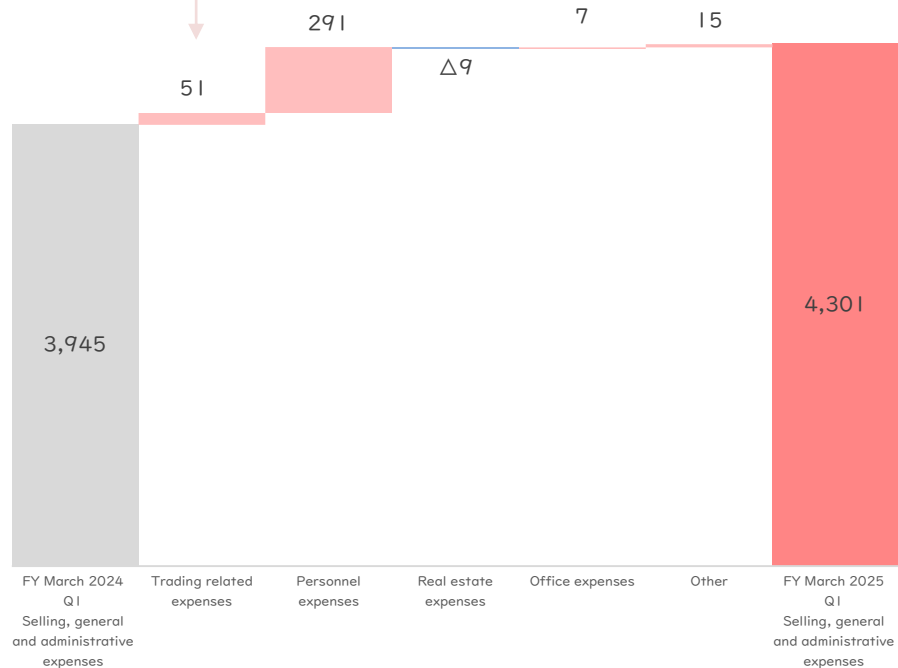
Trading related expenses Personnel expenses Real estate expenses Office expenses Other



## YoY

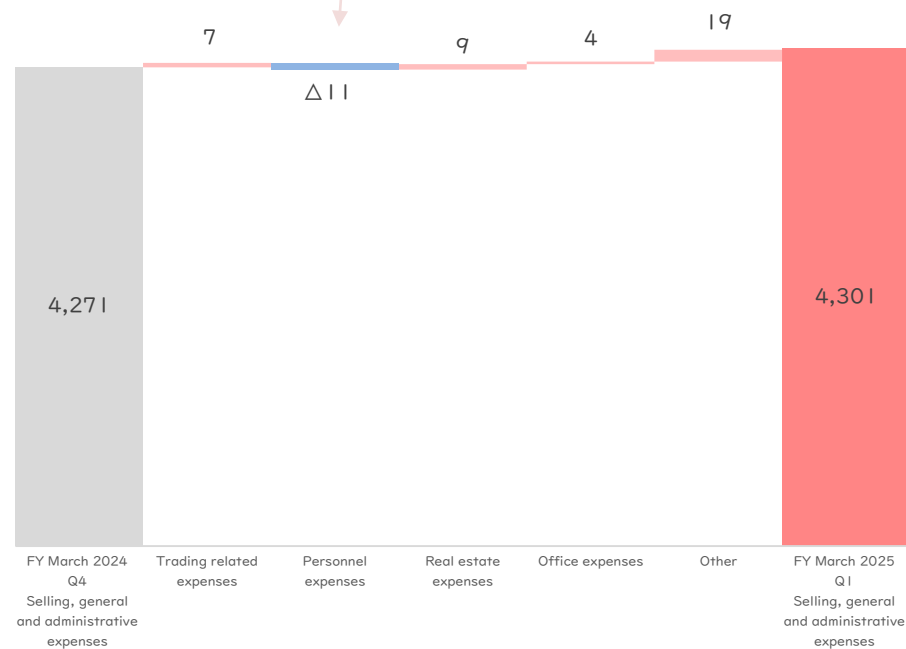
Television commercial fees, etc. incurred

Increase in provisions for bonuses linked to business performance



## QoQ

Decrease in provisions for bonuses linked to business performance



## Recorded ordinary profit for 47 consecutive quarters

(Millions of yen)

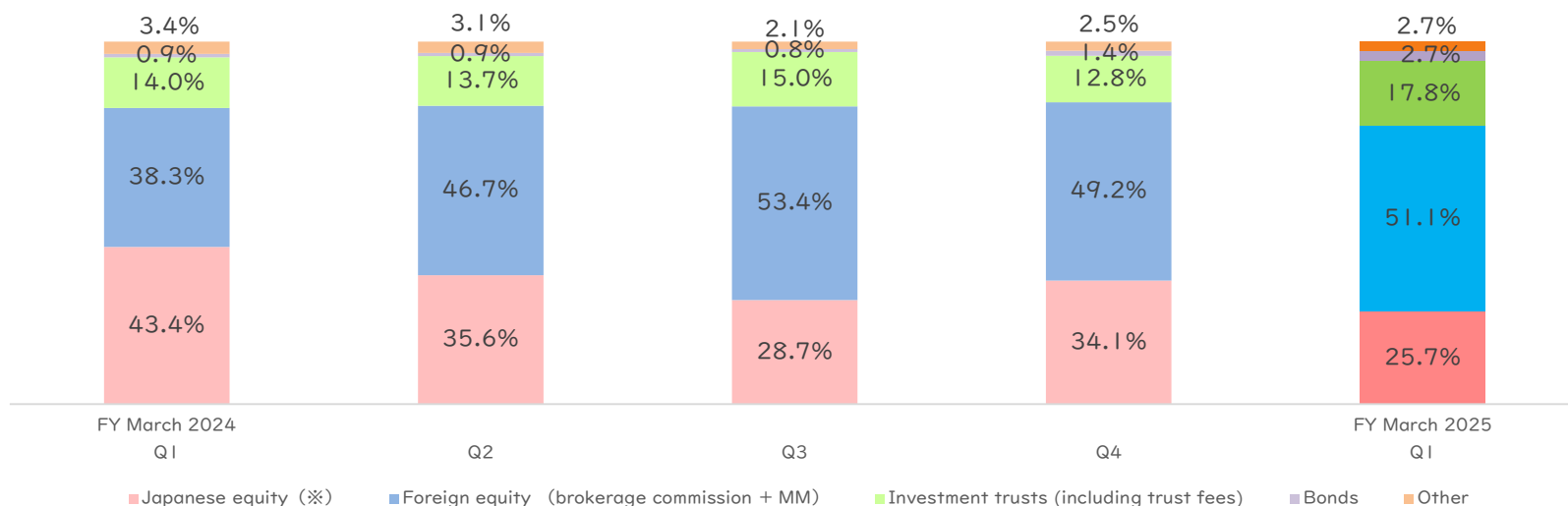
	Year ending March 31, 2024					Year ending March 31, 2025
	Q1	Q2	Q3	Q4	full year	Q1
<b>Operating revenue</b>	<b>5,711</b>	<b>5,679</b>	<b>5,922</b>	<b>6,727</b>	<b>24,040</b>	<b>6,653</b>
Commission received	2,951	2,533	2,317	3,007	10,809	2,757
Brokerage commission	2,128	1,718	1,427	2,062	7,336	1,431
Commission for underwriting, secondary distribution, etc.	8	23	16	58	107	132
Fees for offering, secondary distribution, etc.	211	151	238	185	787	447
Other fee received	602	639	635	700	2,577	746
Net trading income	2,085	2,484	3,001	3,064	10,636	3,191
Securities	2,038	2,437	2,957	3,026	10,459	3,143
Bonds, etc. and other	47	47	44	37	177	47
Financial revenue	674	660	603	655	2,595	704
Financial expenses	81	64	46	68	259	55
Net operating revenue	5,630	5,614	5,876	6,659	23,781	6,597
Selling, general and administrative expenses	3,945	3,970	3,993	4,271	16,180	4,301
<b>Operating profit</b>	<b>1,685</b>	<b>1,644</b>	<b>1,883</b>	<b>2,387</b>	<b>7,600</b>	<b>2,295</b>
Non-operating income	198	29	144	54	428	324
Non-operating expenses	1	5	6	12	25	0
Non-operating profit	197	24	138	42	403	323
<b>Ordinary profit</b>	<b>1,882</b>	<b>1,668</b>	<b>2,021</b>	<b>2,430</b>	<b>8,003</b>	<b>2,619</b>
Extraordinary profit	19	24	15	△ 19	40	5
Extraordinary losses	-	-	-	95	95	-
Extraordinary profit	19	24	15	△ 115	△ 55	5
Profit before income taxes	1,902	1,693	2,037	2,314	7,947	2,625
<b>Profit attributable to owners of parent</b>	<b>1,328</b>	<b>1,169</b>	<b>1,411</b>	<b>1,645</b>	<b>5,554</b>	<b>1,826</b>

## Quarterly changes in operating revenue (by product)

(million yen, %)

	Year ending March 31, 2024								Year ending March 31, 2025	
	Q1		Q2		Q3		Q4		Q1	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Japanese equity (※)	2,478	43.4	2,018	35.6	1,696	28.7	2,287	34.1	1,715	25.7
Foreign equity (brokerage commission + MM)	2,185	38.3	2,652	46.7	3,164	53.4	3,309	49.2	3,398	51.1
Investment trusts (including trust fees)	801	14.0	779	13.7	888	15.0	864	12.8	1,181	17.8
Bonds	50	0.9	53	0.9	48	0.8	96	1.4	179	2.7
Other	195	3.4	175	3.1	124	2.1	169	2.5	177	2.7
Operating revenue	5,711	100.0	5,679	100.0	5,922	100.0	6,727	100.0	6,653	100.0

※Includes a portion of financial revenue (margin transaction revenue, etc.)



	Year ending March 31, 2024					Year ending March 31, 2025
	Q1	Q2	Q3	Q4	full year	Q1
Ratio of ordinary profit to operating revenue	33.0%	29.4%	34.1%	36.1%	33.3%	39.4%
ROE	9.1%	7.9%	9.2%	10.3%	9.0%	11.1%
Earnings per share	56.54yen	49.80yen	60.08yen	70.08yen	236.49yen	77.75yen
Capital adequacy ratio	846.9%	839.5%	856.2%	806.9%	806.9%	757.4%

ROE: annualized

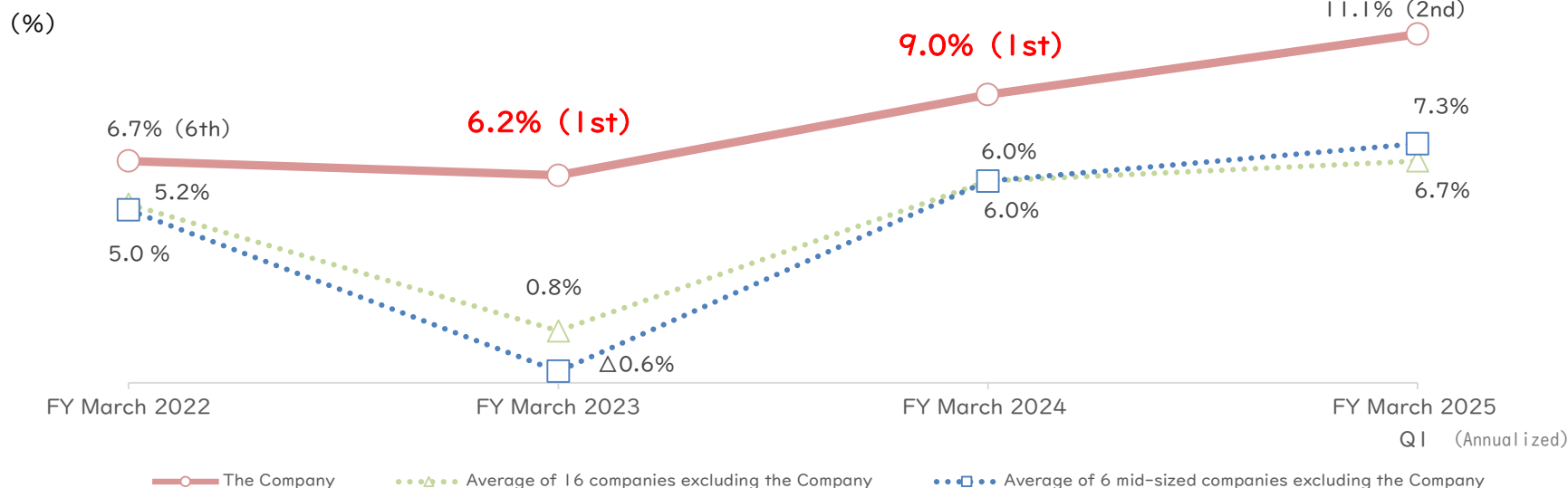
## Reference : Operating Performance Time Series

	(Millions of yen)					
	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024	FY March 2025 Q1
Operating revenue	18,948	22,993	20,708	19,691	24,040	6,653
Ordinary profit	4,239	7,530	5,799	5,165	8,003	2,619
Profit	2,700	5,362	3,756	3,564	5,554	1,826
Ratio of ordinary profit to operating revenue	22.4%	32.8%	28.0%	26.2%	33.3%	39.4%
(Industry ranking *1)	1st	3rd	3rd	1st	2nd	2nd
(Industry average *2)	3.4%	19.8%	13.0%	△2.5%	19.0%	17.6%
Dividends per share	75yen	117yen	80yen	80yen	120yen	-
Dividend payout ratio	65.2%	51.3%	50.0%	52.7%	50.7%	-

※1 17 retail securities companies

※2 Industry simple average excluding our company

## Changes in ROE



(Note) Seventeen retail securities companies

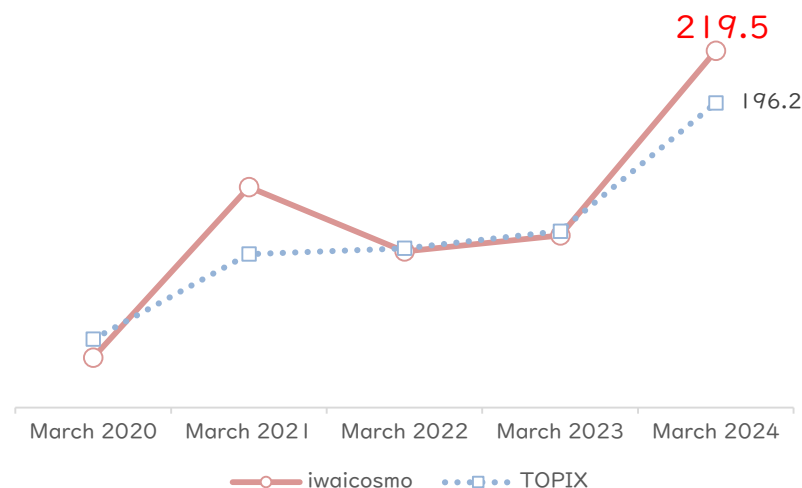
## reference : Total Shareholder Return

T S R : Total Shareholder Return

	March 2020	March 2021	March 2022	March 2023	March 2024
iwaicosmo	82.2	158.5	129.8	136.9	219.5

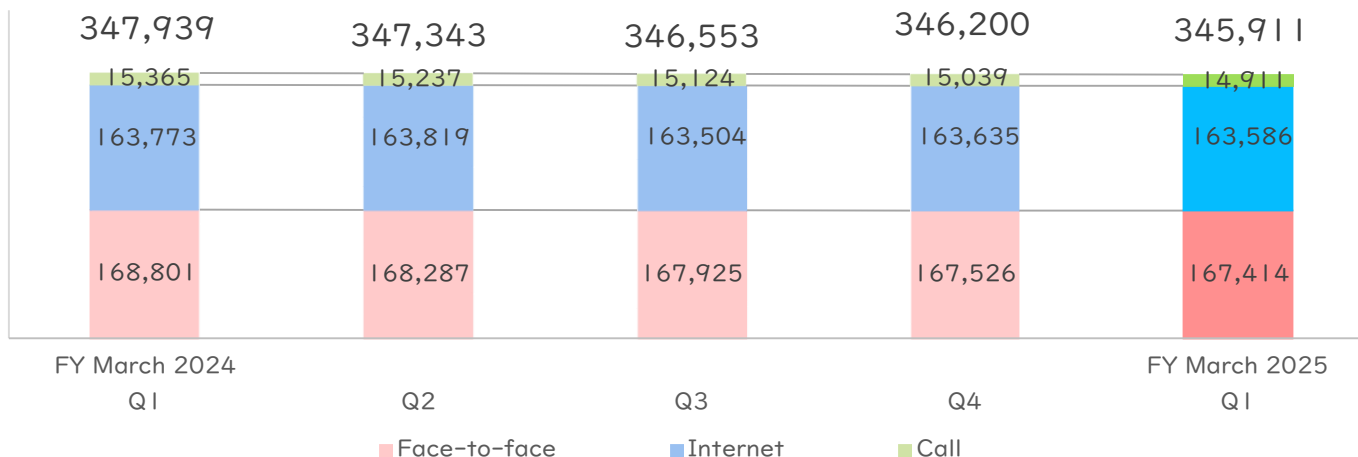
TOPIX	90.5	128.6	131.2	138.8	196.2
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T S R = (Stock price at the end of each fiscal year + Cumulative amount of dividends per share from four fiscal years prior to the current fiscal year to each fiscal year) / Stock price on the last day of the five fiscal years prior to the current fiscal year



## Quarterly Changes in the Number of Accounts

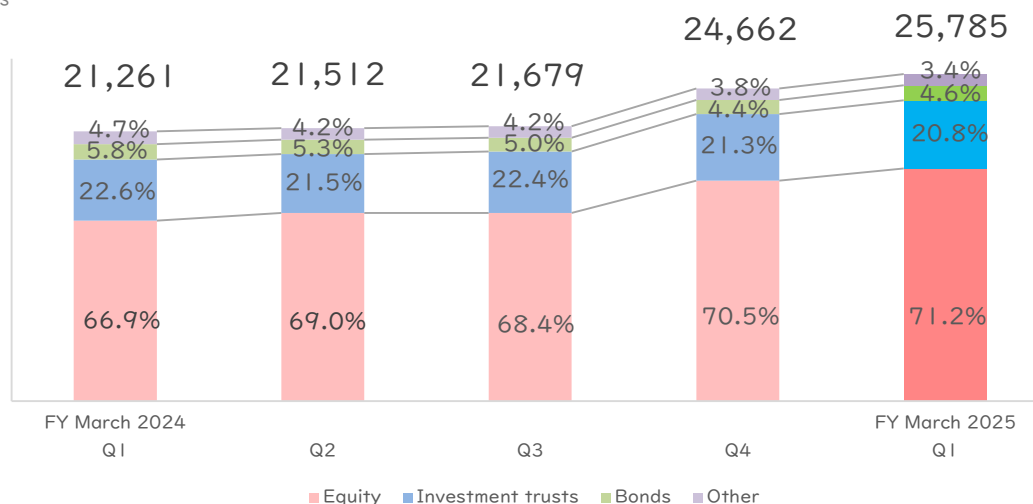
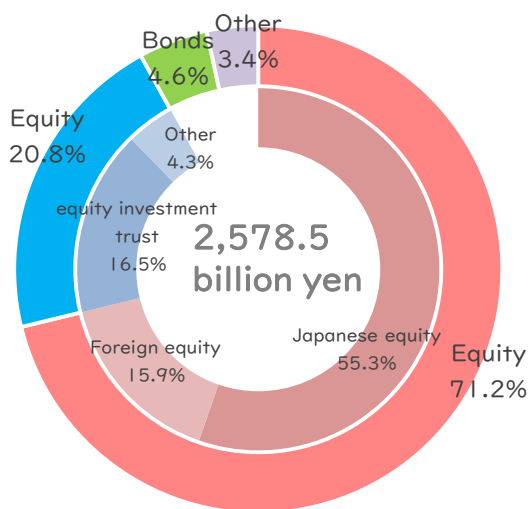
( Accounts )



## Assets under Custody

### Changes in assets under custody

(100 millions of yen)

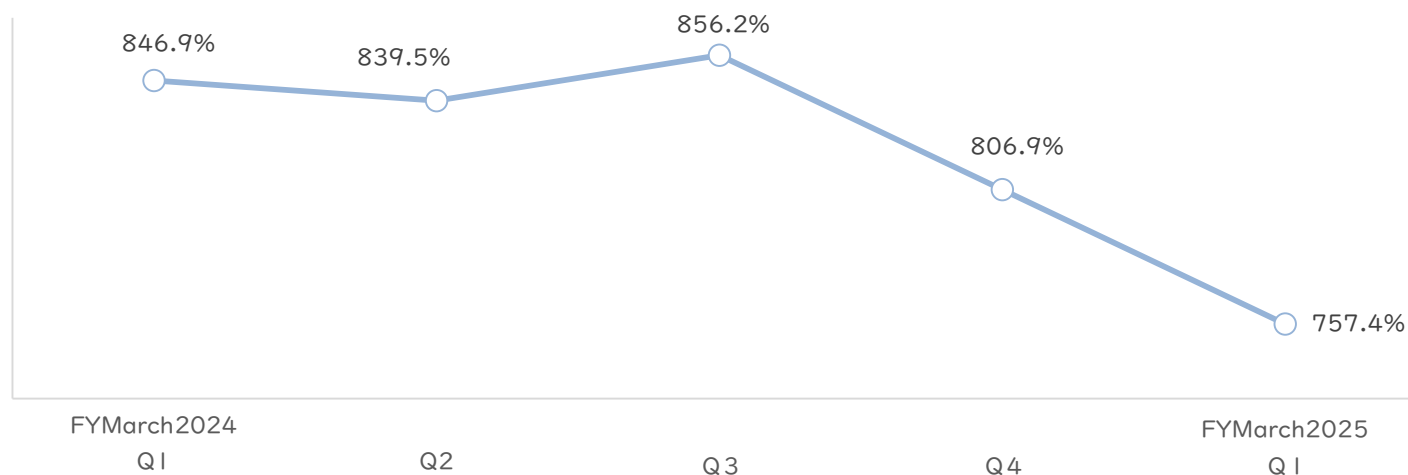




# Capital adequacy ratio

(Millions of yen)

		Year ending March 31, 2024				Year ending March 31, 2025
		Q1	Q2	Q3	Q4	Q1
Basic items (A)		48,920	49,609	50,938	50,272	51,923
Supplemental items(B)		897	955	954	1,140	1,114
Valuation difference on available-for-sale securities		472	529	529	598	572
Reserve for financial instruments transaction liabilities		419	419	419	535	535
General reserve for doubtful accounts		5	6	5	6	6
Deductible assets(C)		5,719	4,784	5,857	6,099	7,714
Non-fixed capital(A)+(B)-(C)	(D)	44,098	45,780	46,035	45,313	45,323
Value of loss risk equivalent	(E)	5,206	5,453	5,376	5,615	5,983
Market risk equivalent amount		388	375	403	455	606
Counterparty risk equivalent amount		1,314	1,465	1,308	1,405	1,468
Basic risk equivalent amount		3,504	3,612	3,664	3,753	3,908
Capital adequacy ratio(%)	(D)/(E) × 100	846.9	839.5	856.2	806.9	757.4



## Social contribution activities

- Introduced Social Contribution Reserve Fund System (from fiscal year ended March 31, 2021)
- 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

- 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, 2024, achieving the original target two years ahead of schedule ( the fiscal year ending March 31, 2025, realized a 59.0% )



## 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!
- Percentage of female managers 19.2% (As of March 31, 2024) <Target: 25.0%>



## Newspaper publications, press releases, etc.

2024	Apr 1:	Launched free brokerage for Japanese and U.S. equities through NISA accounts at “Cosmo Netre” online trading platform
	Apr26:	IwaiCosmo Holdings: First increase in bottom line profit for three years (Nikkei Shimbun, Nikkei Online Edition)
	Aug~	Produced and began airing new TV commercials to further increase recognition of the company and its services



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



The “face-to-face trading episode” highlights the information and analytical capabilities of analysts in the Investment Research Department.



new television commercials  
(online trading edition).



“The “online trading episode” features Shigeru Fujimoto, a senior citizen day trader who has been a hot topic on TV and in magazines, and highlights user-friendliness and customer-support capabilities of online trading tools.



(For inquiries)

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It has been prepared based on data available up to and including June 30, 2024, 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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