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Daiwa Securities Group Inc.

Code number: 8601

Stock Exchange Listings: Tokyo, Nagoya

URL: <https://www.daiwa-grp.jp/english/>

Scheduled date of the ordinary general shareholders' meeting: June 20, 2025

Scheduled date of dividend payment: May 30, 2025

Scheduled date of filing financial report: June 18, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for analysts)



April 28, 2025

Financial Summary (Consolidated)

For the fiscal year ended March 31, 2025 <Under Japanese GAAP>

(Figures less than one million yen are rounded down)

1. Consolidated financial results (April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Millions of yen, % of change from previous year)

	Operating revenue		Net operating revenue		Operating income		Ordinary income	
FY 2024	1,372,014	7.4 %	645,990	9.3%	166,742	8.5%	224,716	28.7%
FY 2023	1,277,482	47.5 %	590,910	27.3%	153,705	131.9%	174,587	100.8%

(Note) Comprehensive income:

FY 2024: 159,471 million yen , (27.2)% ; FY 2023: 219,108 million yen , 112.5%

	Profit attributable to owners of parent		Net income per share		Diluted net income per share		Return on equity	
FY 2024	154,368	27.0%	109.53	Yen	107.64	Yen	9.8	%
FY 2023	121,557	90.3%	84.94	Yen	83.86	Yen	8.3	%

(Reference) Share of profit of entities accounted for using equity method:

FY 2024: 47,282 million yen ; FY 2023: 4,828 million yen

(2) Consolidated financial conditions

(Millions of yen, except per share amounts and percentage)

	Total assets	Total net assets	Equity ratio	Net assets per share
As of Mar. 31, 2025	36,024,346	1,923,287	4.6 %	1,158.82 Yen
As of Mar. 31, 2024	32,027,299	1,788,658	4.8 %	1,086.20 Yen

(Reference) Stockholders' equity (Total net assets - Share acquisition rights - Non-controlling interests):

As of Mar. 31, 2025: 1,639,738 million yen ; As of Mar. 31, 2024: 1,522,186 million yen

(3) Consolidated cash flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
FY 2024	(454,066)	(353,443)	199,019	3,739,698
FY 2023	705,124	(223,986)	(2,847)	4,351,951

2. Cash dividends

	Dividends per share(yen)					Total annual dividends (million yen)	Dividends payout ratio (consolidated)	Dividends on net assets (consolidated)
	First quarter -end	Second quarter -end	Third quarter -end	Fiscal year-end	Total			
FY 2023	—	19.00	—	25.00	44.00	62,343	51.8%	4.3%
FY 2024	—	28.00	—	28.00	56.00	79,108	51.1%	5.0%
FY 2025(expected)*	—	—	—	—	44.00		—	

(Note) Modification from the most recently announced dividend forecast: None

* Daiwa Securities Group Inc. (hereinafter the "Company") will basically pay dividends semiannually (interim and year-end dividends) at a payout ratio of 50% or more based on consolidated financial performance. In addition to this, the Company has set a minimum dividend per share (full year) of 44 yen from the fiscal year ending March 31, 2025 to the fiscal year ending March 31,

Representative: Akihiko Ogino, President and CEO

For inquiry: Kana Nakamura, Executive Director, Corporate Planning Dept. Investor Relations Office (Phone +81-3-5555-1111)

2027. For convenience, the minimum dividend for the full year is shown in the total column of FY 2025 (expected) in the above table. As indicated in 3. below, the Company does not forecast operating results and it does not present the actual amount of the full-year dividends for FY 2025 because those amounts are currently undetermined. Those amounts will be determined in line with the aforementioned policy, taking into consideration the consolidated operating results.

3. Earnings forecasts for the fiscal year ending March 31, 2026 (consolidated)

Daiwa Securities Group's (hereinafter the "Group") principal business is securities-related business, and the performance of the Group is significantly influenced by the economic and market environment in which it operates. Therefore, the Company does not disclose the forecasts of consolidated operating results, considering the difficulty to forecast the performance.

4. Other notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries causing changes in the scope of consolidation): None
 New companies: None
 Excluded companies: None

(2) Changes in accounting policies, estimates, and restatements:

(i) Changes in accounting policies due to the revision of accounting standards: Yes

(ii) Changes in accounting policies other than (i): None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(Note) For details, please see "Changes in significant accounting policies for preparing consolidated financial statements" on page 14.

(3) Number of shares issued (common stock)

(i) Number of shares issued (including treasury shares):

As of Mar. 31, 2025 : 1,569,378,772 ; As of Mar. 31, 2024 : 1,569,378,772

(ii) Number of treasury shares:

As of Mar. 31, 2025 : 154,402,735 ; As of Mar. 31, 2024 : 168,074,260

(iii) Average number of shares issued and outstanding in each fiscal year:

FY2024: 1,409,313,731 ; FY2023: 1,431,033,448

(Note) Please see "Notes to per share information" on page 18 regarding number of common stock included in calculation of net income per share.

(Reference)

Non-consolidated financial results (April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results (Millions of yen, % of change from previous year)

	Operating revenues		Operating income		Ordinary income	
FY 2024	111,013	51.3 %	62,990	87.5 %	71,825	63.2 %
FY 2023	73,361	51.8 %	33,589	124.7 %	43,998	56.1 %

	Net income		Net income per share		Diluted net income per share	
FY 2024	69,393	64.3 %	49.24	Yen	48.39	Yen
FY 2023	42,236	31.3 %	29.51	Yen	29.14	Yen

(2) Non-consolidated financial conditions (Millions of yen, except per share amounts and percentage)

	Total assets	Total net assets	Equity ratio		Net assets per share	
As of Mar. 31, 2025	2,675,876	817,079	30.3	%	572.94	Yen
As of Mar. 31, 2024	2,514,129	812,674	32.0	%	574.91	Yen

(Reference) Stockholders' equity (Total net assets -Share acquisition rights):

As of Mar. 31, 2025: 810,734 million yen ; As of Mar. 31, 2024: 805,718 million yen

Implementation status of audit procedure:

Financial Summary and accompanying materials including the consolidated financial statements are not subject to the audit procedure by external auditors.

Statement on the proper use of earnings forecasts and other information:

Not applicable.

(Accompanying materials)

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(Note) Presentation materials (PDF version) of the financial results briefing are available at our website.

URL: <https://www.daiwa-grp.jp/english/ir/presentation/index.html>

1. Overview of operating results, etc.

(1) Analysis of consolidated operating results

For FY2024 (12 months from April 1, 2024 to March 31, 2025) compared with FY2023, the Group's operating revenue increased by 7.4% to 1,372,014 million yen, and net operating revenue increased by 9.3% to 645,990 million yen. Selling, general and administrative expenses increased by 9.6% to 479,247 million yen, and ordinary income increased by 28.7% to 224,716 million yen. Adding extraordinary income and subtracting extraordinary losses, income taxes, and profit attributable to non-controlling interests to ordinary income, profit attributable to owners of parent increased by 27.0% to 154,368 million yen.

The results of each segment are as follows. In line with the Group's target business model, the Company has changed its reportable segments to the following three divisions: Wealth Management Division, Asset Management Division, and Global Markets & Investment Banking Division.

Wealth Management Division:

Commission for investment trusts increased due to more widespread adoption of initiatives to propose solutions through total asset consulting. In addition, net operating revenue increased by 12.1% to 255,841 million yen and ordinary income increased by 21.8% to 80,664 million yen, as the contract amounts and net inflows for wrap account services remained at high levels.

Asset Management Division:

In Securities Asset Management, both revenues and profits increased due to a net increase of funds in publicly offered investment trusts. In Real Estate Asset Management, both revenue and profit increased due to factors including the recognition of gains on sale of property and the accumulation of asset management fees. In Alternative Asset Management, profit increased due to factors including securing a high level of profit through the exit from energy and infrastructure-related investments. In consequence, net operating revenue increased by 4.8% to 102,517 million yen and ordinary income increased by 16.6% to 77,418 million yen.

Global Markets & Investment Banking Division:

In Global Markets, equity revenue increased due to an increase in customer flows, however fixed income revenue declined due to difficulty in managing positions, and both revenue and profit decreased. In Global Investment Banking, both revenue and profit increased due to acquiring many lead underwriter mandates. In consequence, net operating revenue increased by 6.2% to 234,196 million yen and ordinary income decreased by 2.9% to 42,738 million yen.

(2) Analysis of consolidated financial conditions (compared to previous fiscal year end)

Regarding total assets, cash and deposits decreased by 641,883 million yen, trading products increased by 792,539 million yen, and loans secured by securities increased by 3,009,114 million yen. As a result, total assets increased by 3,997,047 million yen to 36,024,346 million yen.

Regarding total liabilities, deposits for the banking business decreased by 213,918 million yen, trading products increased by 1,573,374 million yen, and borrowings secured by securities increased by 3,746,512 million yen. As a result, total liabilities increased by 3,862,418 million yen to 34,101,059 million yen.

Regarding total net assets, retained earnings increased by 80,051 million yen due to adding net income as well as payment of dividends. As a result, total net assets increased by 134,628 million yen to 1,923,287 million yen. Consequently, net assets per share were 1,158.82 yen.

Cash flows from operating activities decreased by 454,066 million yen, mainly due to decrease (increase) in trading products - assets (liabilities), decrease/increase in loans/borrowings secured by securities, and increase (decrease) in deposits for the banking business. Cash flows from investing activities decreased by 353,443 million yen, mainly due to purchase of securities. Cash flows from financing activities increased by 199,019 million yen, mainly due to proceeds from issuance of bonds. With the effect of fluctuation in foreign exchange rates, cash and cash equivalents at end of FY2024 was 3,739,698 million yen.

2. Basic approach for selecting accounting standards

The Group prepares consolidated financial statements under Generally Accepted Accounting Principles in Japan.

Continuing its disclosure under Japanese GAAP, the Group started presenting consolidated financial statements based on IFRS from the end of FY2014. The purpose of this change was to provide shareholders and investors with more useful information for their reference.

3. Consolidated financial statements and significant notes

(1) Consolidated balance sheets

	Millions of yen	
	As of	
	March 31, 2024	March 31, 2025
Assets		
Current assets:		
Cash and deposits	4,398,616	3,756,732
Cash segregated as deposits	544,815	574,551
Notes and accounts receivable - trade, and contract assets	29,627	33,044
Securities	1,410,877	1,586,939
Trading products:	7,534,999	8,327,538
Trading securities and other	4,870,657	5,544,556
Derivatives	2,664,341	2,782,981
Trade date accrual	—	553,053
Private equity and other investments	138,663	107,364
Allowance for investment loss	(4)	(445)
Operating loans receivable	2,722,321	2,793,554
Work in process	839	759
Margin transaction assets:	158,635	160,052
Loans on margin transactions	149,301	155,847
Cash collateral pledged for securities borrowing on margin transactions	9,333	4,204
Loans secured by securities:	12,368,472	15,377,587
Cash collateral pledged for securities borrowed	9,128,456	11,469,141
Securities purchased under resale agreements	3,240,015	3,908,445
Advances paid	33,633	50,789
Short-term loans receivable	791	994
Accrued income	88,460	100,569
Other current assets	1,018,117	865,790
Allowance for doubtful accounts	(9,554)	(13,131)
Total current assets	30,439,313	34,275,746
Non-current assets:		
Property, plant and equipment:	921,181	942,230
Buildings	238,526	247,629
Machinery and equipment	6,096	6,006
Furniture and fixtures	17,123	21,749
Land	643,845	651,878
Construction in progress	15,589	14,965
Intangible assets:	127,602	137,398
Goodwill	17,139	15,622
Leasehold right	5,638	5,605
Software	69,502	73,552
Other	35,322	42,616
Investments and other assets:	539,201	668,972
Investment securities	492,226	618,456
Long-term loans receivable	7,216	7,532
Long-term guarantee deposits	15,903	15,915
Deferred tax assets	6,825	7,889
Other	19,813	22,366
Allowance for doubtful accounts	(2,783)	(3,187)
Total non-current assets	1,587,986	1,748,600
Total assets	32,027,299	36,024,346

Millions of yen

<i>Liabilities</i>	As of	
	March 31, 2024	March 31, 2025
Current liabilities:		
Notes and accounts payable - trade	8,507	8,471
Trading products:	5,863,821	7,437,195
Trading securities and other	3,368,679	4,810,648
Derivatives	2,495,141	2,626,547
Trade date accrual	1,457,301	—
Margin transaction liabilities:	54,414	39,891
Borrowings on margin transactions	4,769	2,466
Cash received for securities lending on margin transactions	49,645	37,425
Borrowings secured by securities:	11,698,956	15,445,468
Cash collateral received for securities lent	8,270,945	8,793,891
Securities sold under repurchase agreements	3,428,011	6,651,576
Deposits for the banking business	4,511,603	4,297,685
Deposits received	562,416	602,199
Guarantee deposits received	522,809	495,532
Short-term borrowings	1,272,859	1,415,334
Commercial papers	440,000	322,500
Current portion of bonds payable	159,780	399,531
Income taxes payable	42,916	28,724
Provision for bonuses	43,054	48,644
Other current liabilities	159,110	154,219
Total current liabilities	26,797,550	30,695,399
Non-current liabilities:		
Bonds payable	1,276,312	1,218,490
Long-term borrowings	2,020,812	2,036,629
Deferred tax liabilities	45,616	45,403
Retirement benefit liability	43,715	43,139
Provision for loss on litigation	235	413
Other non-current liabilities	48,761	55,309
Total non-current liabilities	3,435,452	3,399,386
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	5,637	6,273
Total reserves under special laws	5,637	6,273
Total liabilities	30,238,640	34,101,059

	Millions of yen	
	As of	
	March 31, 2024	March 31, 2025
Net assets		
Shareholders' equity:		
Share capital	247,397	247,397
Capital surplus	232,461	266,290
Retained earnings	961,438	1,041,490
Treasury shares	(123,153)	(113,139)
Deposits for subscriptions of treasury shares	83	40
Total shareholders' equity	1,318,227	1,442,079
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	52,936	50,173
Deferred gains or losses on hedges	16,873	13,837
Foreign currency translation adjustment	134,149	133,623
Remeasurements of defined benefit plans	—	24
Total accumulated other comprehensive income	203,959	197,659
Share acquisition rights	6,956	6,344
Non-controlling interests	259,515	277,204
Total net assets	1,788,658	1,923,287
Total liabilities and net assets	32,027,299	36,024,346

(2) Consolidated statements of income and Consolidated statements of comprehensive income

Consolidated statements of income

	Millions of yen	
	Years Ended	
	March 31, 2024	March 31, 2025
Operating revenue:		
Commission received:	358,532	416,489
Brokerage commission	93,427	89,045
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	38,490	47,930
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	18,390	24,900
Other commission received	208,225	254,613
Net trading income	98,160	107,373
Net gain on private equity and other investments	14,381	12,360
Financial revenue	607,590	681,952
Other operating revenue	198,816	153,839
Total operating revenue	1,277,482	1,372,014
Financial expenses	525,853	603,940
Other operating expenses	160,718	122,084
Net operating revenue	590,910	645,990
Selling, general and administrative expenses:		
Trading related expenses	80,635	91,756
Personnel expenses	222,532	245,001
Real estate expenses	40,273	43,808
Office expenses	26,586	28,449
Depreciation	35,141	34,313
Taxes and dues	12,881	14,257
Provision of allowance for doubtful accounts	15	—
Other	19,138	21,661
Total selling, general and administrative expenses	437,205	479,247
Operating income	153,705	166,742
Non-operating income:		
Dividend income	6,513	5,258
Share of profit of entities accounted for using the equity method	4,828	47,282
Foreign exchange gains	4,629	1,857
Gain on investments in investment partnerships	2,508	2,851
Other	6,303	5,765
Total non-operating income	24,782	63,016
Non-operating expenses:		
Interest expenses	2,020	2,701
Bond issuance costs	213	289
Other	1,665	2,051
Total non-operating expenses	3,900	5,042
Ordinary income	174,587	224,716

	Millions of yen	
	Years Ended	
	March 31, 2024	March 31, 2025
Extraordinary income:		
Gain on sale of non-current assets	11,031	—
Gain on sale of investment securities	6,206	2,926
Gain on sale of shares of subsidiaries and associates	39	943
Gain on reversal of share acquisition rights	1,164	248
Total extraordinary income	18,441	4,118
Extraordinary losses:		
Loss on sale and retirement of non-current assets	1,818	523
Impairment losses	3,799	3,838
Loss on sale of investment securities	7	4
Loss on valuation of investment securities	232	1,115
Loss on valuation of shares of subsidiaries and associates	2,587	—
Loss on change in equity	71	66
Office relocation expenses	—	402
Provision of reserve for financial instruments transaction liabilities	1,349	636
Structural reform costs	—	890
Business restructuring expenses	3,024	2,331
Other	140	—
Total extraordinary losses	13,032	9,808
Income before income taxes	179,997	219,026
Income taxes - current	55,960	55,304
Income taxes - deferred	(6,399)	(1,372)
Total income taxes	49,561	53,932
Profit	130,436	165,093
Profit attributable to non-controlling interests	8,878	10,725
Profit attributable to owners of parent	121,557	154,368

Consolidated statements of comprehensive income

	Millions of yen	
	Years Ended	
	March 31, 2024	March 31, 2025
Profit	130,436	165,093
Other comprehensive income:		
Valuation difference on available-for-sale securities	28,159	(4,957)
Deferred gains or losses on hedges	711	(1,537)
Foreign currency translation adjustment	53,719	(3,165)
Share of other comprehensive income of entities accounted for using the equity method	6,081	4,038
Total other comprehensive income	88,672	(5,622)
Comprehensive income	219,108	159,471
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	209,986	148,068
Comprehensive income attributable to non-controlling interests	9,122	11,403

(3) Consolidated statements of changes in net assets

FY 2023 (Apr. 1, 2023 - Mar. 31, 2024)

(Millions of yen)

	Shareholders' equity					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Deposit for subscriptions of treasury shares	Total shareholders' equity
Balance at the beginning of the period	247,397	230,274	886,160	(71,522)	—	1,292,309
Changes of items during the period						
Dividends of surplus	—	—	(44,746)	—	—	(44,746)
Profit attributable to owners of parent	—	—	121,557	—	—	121,557
Purchase of treasury shares	—	—	—	(60,012)	—	(60,012)
Disposal of treasury shares	—	2,187	—	8,381	—	10,568
Other	—	(0)	(1,532)	—	83	(1,449)
Net changes of items other than shareholders' equity	—	—	—	—	—	—
Total changes of items during the period	—	2,187	75,278	(51,631)	83	25,917
Balance at the end of the period	247,397	232,461	961,438	(123,153)	83	1,318,227

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests
	Valuation difference on available-for sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment		
Balance at the beginning of the period	24,717	16,028	74,785	8,793	258,855
Changes of items during the period					
Dividends of surplus	—	—	—	—	—
Profit attributable to owners of parent	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—
Other	—	—	—	—	—
Net changes of items other than shareholders' equity	28,219	844	59,364	(1,837)	660
Total changes of items during the period	28,219	844	59,364	(1,837)	660
Balance at the end of the period	52,936	16,873	134,149	6,956	259,515

FY 2024(Apr. 1, 2024 - Mar. 31, 2025)

(Millions of yen)

	Shareholders' equity					
	Share capital	Capital surplus	Retained earnings	Treasury shares	Deposit for subscriptions of treasury shares	Total shareholders' equity
Balance at the beginning of the period	247,397	232,461	961,438	(123,153)	83	1,318,227
Changes of items during the period						
Dividends of surplus	—	—	(74,521)	—	—	(74,521)
Profit attributable to owners of parent	—	—	154,368	—	—	154,368
Purchase of treasury shares	—	—	—	(10)	—	(10)
Disposal of treasury shares	—	1,016	—	10,025	(43)	10,998
Capital increase of consolidated subsidiaries	—	32,655	—	—	—	32,655
Other	—	156	204	—	—	361
Net changes of items other than shareholders' equity	—	—	—	—	—	—
Total changes of items during the period	—	33,828	80,051	10,014	(43)	123,851
Balance at the end of the period	247,397	266,290	1,041,490	(113,139)	40	1,442,079

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests
	Valuation difference on available-for sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans		
Balance at the beginning of the period	52,936	16,873	134,149	—	6,956	259,515
Changes of items during the period						
Dividends of surplus	—	—	—	—	—	—
Profit attributable to owners of parent	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	—	—	—
Disposal of treasury shares	—	—	—	—	—	—
Capital increase of consolidated subsidiaries	—	—	—	—	—	—
Other	—	—	—	—	—	—
Net changes of items other than shareholders' equity	(2,763)	(3,035)	(526)	24	(611)	17,688
Total changes of items during the period	(2,763)	(3,035)	(526)	24	(611)	17,688
Balance at the end of the period	50,173	13,837	133,623	24	6,344	277,204

(4) Consolidated statements of cash flows

	Millions of yen	
	Years ended	
	March 31, 2024	March 31, 2025
Cash Flows from operating activities:		
Income before income taxes	179,997	219,026
Depreciation	45,274	44,353
Amortization of goodwill	1,877	1,467
Increase (decrease) in allowance for doubtful accounts	2,244	4,624
Increase (decrease) in reserve for financial instruments transaction liabilities	1,349	636
Interest and dividend income	(6,750)	(5,530)
Interest expenses	2,020	2,701
Share of loss (profit) of entities accounted for using the equity method	(4,828)	(47,282)
Loss (gain) on sale and retirement of non-current assets	(9,212)	523
Loss (gain) on sale of investment securities	(6,198)	(2,921)
Loss (gain) on sale of shares of subsidiaries and associates	—	(943)
Loss (gain) on change in equity	71	66
Loss (gain) on valuation of investment securities	232	1,115
Impairment losses	3,799	3,838
Business restructuring expenses	—	890
Decrease (increase) in cash segregated as deposits for customers	(12,238)	(25,622)
Decrease (increase) in trading products - assets (liabilities)	823,205	(1,213,635)
Decrease (increase) in private equity and other investments	(10,540)	15,508
Decrease (increase) in operating loans receivable	(697,799)	(73,505)
Decrease/increase in margin transaction assets/liabilities	3,249	(15,939)
Decrease/increase in loans/borrowings secured by securities	(300,962)	746,676
Decrease (increase) in short-term loans receivable	(290)	133
Increase (decrease) in deposits for the banking business	578,841	(213,918)
Decrease (increase) in short-term guarantee deposits	(6,535)	132,139
Increase (decrease) in guarantee deposits received	91,589	(27,303)
Increase (decrease) in deposits received	125,091	41,257
Other, net	(92,856)	8,316
Subtotal	710,631	(403,326)
Interest and dividends received	11,072	13,125
Interest paid	(2,013)	(2,811)
Income taxes refund (paid)	(14,566)	(61,053)
Net cash provided by (used in) operating activities	705,124	(454,066)

	Millions of yen	
	Years ended	
	March 31, 2024	March 31, 2025
Cash flows from investing activities:		
Payments into time deposits	(83,655)	(35,528)
Proceeds from withdrawal of time deposits	73,481	69,170
Purchase of securities	(726,288)	(1,198,573)
Proceeds from sales and redemption of securities	563,565	977,880
Purchase of property, plant and equipment	(27,781)	(46,823)
Proceeds from sales of property, plant and equipment	19,063	11,090
Purchase of intangible assets	(36,714)	(38,471)
Purchase of investment securities	(25,361)	(50,305)
Proceeds from sales and redemption of investment securities	38,104	57,987
Purchase of shares of subsidiaries and associates	(10,993)	(98,644)
Loan advances	(396)	(626)
Proceeds from collection of loans receivable	171	184
Other, net	(7,182)	(781)
Net cash provided by (used in) investing activities	(223,986)	(353,443)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(32,234)	109,729
Proceeds from long-term borrowings	636,083	236,340
Repayments of long-term borrowings	(131,651)	(302,016)
Proceeds from issuance of bonds	335,871	512,618
Redemption of bonds	(701,851)	(329,740)
Proceeds from sales of treasury shares	9,446	9,954
Purchase of treasury shares	(60,012)	(10)
Dividends paid	(44,746)	(74,521)
Proceeds from share issuance to non-controlling shareholders	—	52,500
Dividends paid to non-controlling interests	(10,609)	(10,505)
Other, net	(3,142)	(5,329)
Net cash provided by (used in) financing activities	(2,847)	199,019
Effect of exchange rate change on cash and cash equivalents	38,101	(3,763)
Net increase (decrease) in cash and cash equivalents	516,392	(612,253)
Cash and cash equivalents at the beginning of the period	3,835,559	4,351,951
Cash and cash equivalents at the end of the period	4,351,951	3,739,698

(5) Changes in significant accounting policies for preparing consolidated financial statements

i) Scope of consolidation

(Changes of scope of consolidation)

During current period, 8 companies were newly included into the scope of consolidation due to following reasons;

7 companies (newly incorporated)

1 company (investment in the silent partnership investment business).

30 companies were excluded due to following reasons;

1 company (decrease of significance),

18 companies (liquidation),

11 companies (termination of a silent partnership investment business).

Number of consolidated subsidiaries after the changes above: 122 companies

ii) Application of equity method

(Change of application of equity method)

During current period, 4 companies were newly applied to equity method due to following reason;

3 companies (shares acquisition).

1 companies (share transfer),

3 companies were excluded due to following reasons;

2 companies (share transfer),

1 company (termination of a silent partnership investment business).

Number of unconsolidated subsidiaries applying equity method after the change above: 3 companies

Number of affiliates applying equity method after the change above: 22 companies

iii) Changes in accounting policies

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The Company has applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27 revised on October 28, 2022, Accounting Standards Board of Japan (ASBJ); hereinafter the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the fiscal year ending March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of Paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28 revised on October 28, 2022, ASBJ; hereinafter the “Revised Application Guidance of 2022”). There is no impact for the consolidated financial statements as a result of this change in accounting policy.

Concerning the revision related to revised treatment on consolidated financial statements when deferring gains or losses on sale realized in conjunction with sale of shares of subsidiaries, etc. conducted among consolidated companies for tax purposes, the Revised Application Guidance of 2022 has been adopted from the beginning of the fiscal year ending March 31, 2025. The change in the accounting policy has been applied retrospectively. Therefore, the new accounting policy was reflected in the consolidated financial statements for the previous fiscal year. There is no impact for the consolidated financial statements for the previous fiscal year as a result of this change in accounting policy.

(6) Notes to consolidated financial statements**(Going concern assumption)**

Not applicable.

(Segment information)**i) Outline of reportable segments**

The Group's reportable segments are consisted of operating units of which discrete financial information is available, and the segment is reviewed at regular intervals by the Company's chief operating decision maker in order to decide the distribution of management resources and assess the performances.

The Group sets securities-related business as its core business, and provides comprehensive investment and financial services in coordination with the Group's supporting businesses. The Group conducts its business activities through the Company's decisions about businesses of consolidated subsidiaries and affiliates applying equity method on comprehensive domestic and global strategies by each managerial organization corresponding to markets and business types of clients.

Therefore, the Group consists of segments corresponding to each market and business type of clients based on the business of consolidated subsidiaries and affiliates applying equity method, and the Group aggregate to three segments by similar economic characteristic as "Wealth Management Division", "Asset Management Division", and "Global Markets & Investment Banking Division".

"Wealth Management Division" is to provide broad types of financial products and services mainly to individual and unlisted corporate customers. "Asset Management Division" is to set up and manage investment trust fund for various assets, to provide investment advisory and management services to domestic and global institutional investors, and also to manage investment corporation and fund for real estates. In addition to investing in assets such as monetary claim, private equity, venture capital, real estate, renewable energy, infrastructure, the division is engaged in business mainly launching investment funds, while maximizing return on existent investment. "Global Markets & Investment Banking Division" consists of Global Markets and Global Investment Banking. Global Markets is to sell and trade stock, bonds, foreign exchange and the other derivatives mainly to domestic and global institutional investors, industrial corporations, and financial and public-interest corporations. Global Investment Banking is to provide domestic and global various investment banking services such as underwriting of securities and advisory of M&A, etc.

ii) Method of calculating amounts of net operating revenue, operating income (loss) and others by reportable segments

Accounting method applied to the reportable business segments is nearly the same as described in "Basis of preparation of consolidated financial statements".

Internal net operating revenue between segments is based on third-party transaction price.

iii) Information of net operating revenue, segment income (loss) and the others by reportable segments
FY 2024 (Apr. 1, 2024 - Mar. 31, 2025)

(Millions of yen)

	Reportable Segments				Others (Note)1	Total
	Wealth Management Division	Asset Management Division	Global Markets & Investment Banking Division	Total		
Revenue from contracts with customers	168,692	169,108	146,571	484,372	40,084	524,456
Commission received	166,874	102,163	146,571	415,609	879	416,489
Other operating revenue (external customers)	1,818	66,944	—	68,762	39,204	107,967
Net trading income and other	34,989	13,642	85,821	134,453	737	135,190
Lease revenues based on rental contracts	—	39,577	—	39,577	6,024	45,601
Others (Note)2	36,661	(98,024)	(142)	(61,505)	(29,958)	(91,464)
Net operating revenue						
Net operating revenue from external customers	240,343	124,303	232,250	596,897	16,887	613,785
Intersegment net operating revenue and transfers	15,497	(21,785)	1,945	(4,342)	21,481	17,138
Total	255,841	102,517	234,196	592,555	38,368	630,924
Segment income (Ordinary income)	80,664	77,418	42,738	200,820	3,406	204,226
Other items						
Depreciation	15,565	6,804	14,101	36,470	13,278	49,748
Amortization of goodwill	—	982	484	1,467	—	1,467
Interest income	7	167	8	183	139	322
Interest expenses	12	3,850	0	3,863	142	4,005
Share of profit of entities accounted for using the equity method	10	20,844	1,649	22,504	3,315	25,819

(Note) 1. “Others” are the business segments which are not included in the reportable segments, and include consolidation and management of subsidiaries, information service, back-office service, and real-estate rental, etc.

2. “Others” of Wealth Management Division, Asset Management Division, and Others includes “Commission fee” which consists in “Net operating revenue”.

3. “Net operating revenue” mainly consists of “Operating revenue”, “Financial expenses”, “Other operating expenses” and “Commission fee (Selling, general and administrative expenses)”.

4. The Company does not disclose the segment information of assets as the management does not allocate it to each segment for managerial decision-making.

iv) Difference between total amount of reportable segments and the amount reported in the consolidated financial statements, and the major components thereof

FY 2024 (Apr. 1, 2024 - Mar. 31, 2025)

(Millions of yen)

Net operating revenue	Amount
Reportable segments total	592,555
Net operating revenue from “Others”	38,368
Elimination between segments	(17,138)
Commission fee deducted from net operating revenue	32,118
Other adjustments	86
Net operating revenue on the financial statements	645,990

(Millions of yen)

Ordinary income	Amount
Reportable segments total	200,820
Income from “Others”	3,406
Elimination between segments	5
Adjustments for unrealized gains or losses	(82)
Other adjustments	20,566
Ordinary income on the financial statements	224,716

(Millions of yen)

Other items	Reportable segments total	Others	Adjustments	Consolidated financial statements amount
Depreciation	36,470	13,278	(5,395)	44,353
Amortization of goodwill	1,467	—	—	1,467
Interest income	183	139	(50)	271
Interest expenses	3,863	142	(1,303)	2,701
Share of profit of entities accounted for using the equity method	22,504	3,315	21,462	47,282

(Notes to per share information)

FY 2024 (Apr. 1, 2024 - Mar. 31, 2025)

Net assets per share	1,158.82yen
Net income per share	109.53yen
Diluted net income per share	107.64yen

(Note) The calculation bases are as follows:

i) Net assets per share

FY 2024 (As of Mar. 31, 2025)

Total net assets (million yen)	1,923,287
Deduction from total net assets (million yen)	283,588
Share acquisition rights (million yen)	6,344
Non-controlling interests (million yen)	277,204
Deposits for subscriptions of treasury shares (million yen)	40
Net assets attributable to common stock (million yen)	1,639,698
Number of common stock used for the calculation of net assets per share (thousands of shares)	1,414,976

ii) Net income per share and diluted net income per share

FY 2024 (Apr. 1, 2024 - Mar. 31, 2025)

Net income per share	
Profit attributable to owners of parent (million yen)	154,368
Profit not attributable to common stockholders (million yen)	—
Profit attributable to owners of parent attributable to common stock (million yen)	154,368
Average number of common stock outstanding during the period (thousands of shares)	1,409,313
Diluted net income per share	
Adjustment of profit attributable to owners of parent (million yen)	—
Increase in the number of common stock (thousands of shares)	24,749
Share acquisition rights (thousands of shares)	24,749
Outline of dilutive shares that are not included in the calculation of diluted net income per share due to a lack of dilutive effect (thousands of shares)	Type of potential shares Stock option by Share Acquisition Rights
	Series21 6,348

(Note) The stock option is reported in number of shares equivalent.

(Notes to significant subsequent events)

Not applicable.

4. Supplementary information

(1) Quarterly transition of consolidated statements of income

Millions of yen

	Three Months Ended				
	March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025
Operating revenue:					
Commission received:	103,771	93,438	98,355	109,796	114,899
Brokerage commission	29,404	23,168	21,195	21,638	23,043
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,538	8,443	10,970	13,271	15,245
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	6,554	6,555	4,963	6,710	6,670
Other commission received	59,274	55,270	61,226	68,175	69,941
Net trading income	26,913	27,514	28,704	28,021	23,133
Net gain on private equity and other investments	7,954	184	3,880	(195)	8,490
Financial revenue	156,945	177,016	169,568	171,885	163,482
Other operating revenue	76,431	37,204	53,823	27,240	35,571
Total operating revenue	372,016	335,357	354,330	336,748	345,577
Financial expenses	139,554	158,592	149,145	153,661	142,541
Other operating expenses	67,878	27,626	44,085	21,554	28,817
Net operating revenue	164,583	149,139	161,099	161,532	174,218
Selling, general and administrative expenses:					
Trading related expenses	21,222	21,992	22,579	23,069	24,115
Personnel expenses	61,010	57,138	61,629	65,280	60,952
Real estate expenses	10,624	10,721	10,916	10,791	11,379
Office expenses	6,831	6,899	6,857	7,400	7,292
Depreciation	8,780	8,652	8,810	8,534	8,315
Taxes and dues	3,752	3,789	3,413	3,706	3,347
Provision of allowance for doubtful accounts	9	11	4	29	(45)
Other	5,269	4,819	5,212	5,684	5,944
Total selling, general and administrative expenses	117,500	114,023	119,424	124,496	121,302
Operating income	47,083	35,115	41,674	37,036	52,916
Non-operating income	10,659	4,333	32,559	26,645	(521)
Non-operating expenses	963	1,708	1,347	620	1,366
Ordinary income	56,778	37,740	72,887	63,061	51,027
Extraordinary income	12,768	410	83	3,198	425
Extraordinary losses	11,102	130	3,878	1,346	4,452
Income before income taxes	58,444	38,020	69,092	64,913	47,000
Income taxes - current	21,809	5,809	18,089	12,412	18,993
Income taxes - deferred	(5,126)	5,582	(4,854)	2,817	(4,917)
Total income taxes	16,682	11,392	13,234	15,229	14,076
Profit	41,761	26,628	55,858	49,683	32,923
Profit attributable to non-controlling interests	2,166	2,635	2,066	3,055	2,968
Profit attributable to owners of parent	39,594	23,993	53,791	46,628	29,954