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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 to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for analysts)



July 30, 2025

Financial Summary (Consolidated)

For the three months period ended June 30, 2025 <Under Japanese GAAP>

(Figures less than one million yen are rounded down)

1. Consolidated financial results (April 1, 2025 to June 30, 2025)

(1) Consolidated operating results

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

	Operating revenue		Net operating revenue		Operating income		Ordinary income	
FY 2025	326,400	(2.7) %	155,252	4.1 %	36,177	3.0%	43,716	15.8%
FY 2024	335,357	26.0 %	149,139	11.2 %	35,115	14.3%	37,740	4.6%

(Note) Comprehensive income:

FY 2025: 33,144 million yen , (45.5)% ; FY 2024: 60,829 million yen , (25.9)%

	Profit attributable to owners of parent		Net income per share		Diluted net income per share	
FY 2025	31,237	30.2%	22.20	Yen	21.94	Yen
FY 2024	23,993	1.2%	17.10	Yen	16.76	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 Jun. 30, 2025	34,617,316	1,893,724	4.7 %	1,154.60 Yen
As of Mar. 31, 2025	36,024,346	1,923,287	4.6 %	1,158.82 Yen

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

As of Jun. 30, 2025: 1,614,409 million yen ; As of Mar. 31, 2025: 1,639,738 million yen

2. Cash dividends

	Dividends per share (yen)				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY 2024	—	28.00	—	28.00	56.00
FY 2025 (actual)	—				
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, 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.

Representative: Akihiko Ogino, President and CEO

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

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) Significant changes in the scope of consolidation during the period: None

Newly included companies: None

Excluded companies: None

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None

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

(i) Changes in accounting policies due to the revision of accounting standards: None

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

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Number of shares issued (common stock)

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

As of Jun. 30, 2025 : 1,569,378,772 ; As of Mar. 31, 2025 : 1,569,378,772

(ii) Number of treasury shares:

As of Jun. 30, 2025 : 171,166,256 ; As of Mar. 31, 2025 : 154,402,735

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

As of Jun. 30, 2025 : 1,407,108,448 ; As of Jun. 30, 2024 : 1,403,520,660

Implementation status of audit procedure:

Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

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

The quarterly financial summary attached to the Review Report will be disclosed after the completion of the review by certified public accountants or an audit firm.

The scheduled disclosure date is August 4, 2025.

(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) Overview of operating results

(i) Status of overall business

For the three months ended June 30, 2025, operating revenue decreased by 2.7% year on year to 326.4 billion yen, and net operating revenue increased by 4.1% to 155.2 billion yen.

Commission received increased by 7.4% to 100.3 billion yen. Brokerage commission decreased by 8.7% to 21.1 billion yen due to a decrease in stock trading. Commission for underwriting, secondary distribution, and solicitation for selling and others for professional investors increased by 5.4% to 8.9 billion yen due to an increase in equity underwriting transactions.

Net trading income decreased by 18.9% to 22.3 billion yen mainly due to a decrease in foreign exchange related trading revenue.

Net financial income increased by 7.4% to 19.7 billion yen mainly due to a decrease in repurchase agreement expenses.

Selling, general and administrative expenses increased by 4.4% to 119.0 billion yen. Trading related expenses increased by 6.8% to 23.4 billion yen mainly due to an increase in commission expenses, and personnel expenses increased by 1.8% to 58.1 billion yen mainly due to an increase in salaries.

As a result of the above, ordinary income increased by 15.8% to 43.7 billion yen.

After adding extraordinary income to this figure and deducting extraordinary losses, income taxes and profit attributable to non-controlling interests, profit attributable to owners of parent increased by 30.2% year on year to 31.2 billion yen.

(ii) Status by category described in segment information

The status of net operating revenue and ordinary income analyzed by segment is as follows.

Millions of yen

	Net operating revenue				Ordinary income (loss)			
	Three months ended June 30, 2024	Three months ended June 30, 2025	Year-on-year increase (decrease)	Composition ratio	Three months ended June 30, 2024	Three months ended June 30, 2025	Year-on-year increase (decrease)	Composition ratio
Wealth Management Division	62,642	62,905	0.4%	40.5%	20,477	19,734	(3.6)%	45.1%
Asset Management Division	23,704	28,213	19.0%	18.2%	11,314	14,772	30.6%	33.8%
Securities asset management	13,553	15,192	12.1%	9.8%	6,635	7,517	13.3%	17.2%
Real estate asset management	7,075	9,665	36.6%	6.2%	3,891	6,935	78.2%	15.9%
Alternative asset management	3,075	3,355	9.1%	2.2%	787	318	(59.5)%	0.7%
Global Markets & Investment Banking Division	51,177	49,827	(2.6)%	32.1%	6,027	5,001	(17.0)%	11.4%
Global Markets	36,296	32,554	(10.3)%	21.0%	6,993	2,639	(62.3)%	6.0%
Global Investment Banking	14,881	17,272	16.1%	11.1%	(2,097)	903	—	2.1%
Others, adjustments, etc.	11,614	14,304	—	9.2%	(79)	4,207	—	9.7%
Consolidated total	149,139	155,252	4.1%	100.0%	37,740	43,716	15.8%	100.0%

(Note) The composition ratio of ordinary income (loss) displays a percentage of the ordinary income of each segment in the consolidated total ordinary income of segments recording ordinary income in the three months ended June 30, 2025.

Wealth Management Division:

The main sources of earnings in the Wealth Management Division are commissions on products and services related to asset management for individual investors and unlisted companies in Japan, and profit margin that Daiwa Next Bank obtained from the management of procured funds raised through acceptance of deposits, etc. Factors that may have a major impact on operating results include changes in domestic and overseas financial markets and economic conditions that affect investment trends, as well as the development and underwriting status of products to address customer needs, and the type of sales strategies employed.

For the three months ended June 30, 2025, the increased volatility in domestic and overseas financial markets led to a decrease in activities related to stock and other securities. However, the wealth management business model has continued to make steady progress, maintaining a high level of wrap-related revenue, and contract AUM reached a record high of 4,910.1 billion yen.

The balance of deposits (including negotiable certificates of deposit) at Daiwa Next Bank as of June 30, 2025 increased by 0.6% from the end of the previous fiscal year to 4,336.5 billion yen, and the number of bank accounts increased by 0.4% to 1.9 million.

As a result, net operating revenue in the Wealth Management Division for the three months ended June 30, 2025 increased by 0.4% year on year to 62.9 billion yen, and ordinary income decreased by 3.6% to 19.7 billion yen.

Asset Management Division:

Asset Management Division is comprised of Securities asset management, Real estate asset management and Alternative asset management.

The main sources of earnings of Securities asset management are the management fees for structuring and managing investment trusts from the Company's consolidated subsidiary Daiwa Asset Management. In addition, profit and loss of Sumitomo Mitsui DS Asset Management Company, Limited and Global X Management Company LLC, both equity method affiliate, are recorded in ordinary income according to the Company's ownership ratio. Factors that may have a major impact on operating results include the fluctuation in customer demand for investment trust and investment advisory services caused by the market conditions, the investment performance of the fund relative to market conditions and the appeal of the products themselves such as the development of products with themes that capture the interest of customers.

Securities asset management had an increase in both revenue and profit. At Daiwa Asset Management, the balance of assets under management of publicly offered investment trusts increased by 7.4% from the end of the previous fiscal year to 30.8 trillion yen, with a net increase in funds and rise in the stock market contributing to the result. As a result, net operating revenue for the three months ended June 30, 2025 increased by 12.1% year on year to 15.1 billion yen, and ordinary income increased by 13.3% to 7.5 billion yen.

The main sources of earnings of Real estate asset management are real estate investment income from the Company's consolidated subsidiaries Daiwa Real Estate Asset Management, Daiwa Office Investment Corporation and Samty Residential Investment Corporation. In addition, profit and loss related to real estate investment of each of the subsidiaries of the Company's equity method affiliate Samty Holdings Co., Ltd., and Daiwa Securities Living Investment Corporation, which is similarly an equity method affiliate, are recorded in ordinary income according to the Company's ownership ratio. Factors that may have a major impact on operating results include trends in the domestic real estate market and office demand.

Real estate asset management had an increase in both revenue and profit. The combined balance of assets under management of Daiwa Real Estate Asset Management and Samty Residential Investment Corporation increased by 5.7% from the end of the previous fiscal year to 1,687.9 billion yen. As a result, net operating revenue for the three months ended June 30, 2025 increased by 36.6% year on year to 9.6 billion yen, and ordinary income increased by 78.2% to 6.9 billion yen.

The main sources of earnings of Alternative asset management are gains on sale from IPO and M&A transactions and capital gains from investment partnerships of the Company's consolidated subsidiaries Daiwa Corporate Investment, Daiwa PI Partners and Daiwa Energy & Infrastructure, and income gains including management fees and contingency fees received from funds based on contracts, dividends on stocks, and electricity sales income. Factors that may have a major impact on operating results include stock market and IPO market trends, changes in economic conditions that could affect values of invested companies, and liquidity of positions of held securities and investment assets.

Alternative asset management had an decrease in profit. Daiwa Corporate Investment secured earnings from the gains on sale of investees, while contributing to investment in domestic and overseas growth companies and listing support. In addition, Daiwa PI Partners invested in monetary claims, real estate loans and equity, and loans to corporations at home and abroad in addition to proceeding with collection of existing projects, and Daiwa Energy & Infrastructure recorded income and capital gains while executing investments that contribute to the Sustainable Development Goals (SDGs) such as investment in storage battery business. And while income improved at Daiwa Energy & Infrastructure from energy and infrastructure-related investment, there was a decrease in income primarily from investment in monetary claims at Daiwa PI Partners. As a result ordinary income for the three months ended June 30, 2025 decreased by 59.5% year on year to 0.3 billion yen.

As a result, net operating revenue in the Asset Management Division for the three months ended June 30, 2025 increased by 19.0% year on year to 28.2 billion yen, and ordinary income increased by 30.6% to 14.7 billion yen.

Global Markets & Investment Banking Division:

The Global Markets & Investment Banking Division is comprised of the Global Markets, which conducts sales and trading of securities targeted at institutional investors, etc. and Global Investment Banking, which conducts underwriting of securities issued by industrial corporations and financial corporations, etc. and M&A advisory services.

The main sources of earnings of Global Markets are trading commissions from the buying and selling of marketable securities for institutional investors and trading income. Changing market trends with geopolitical risks and international economic conditions, etc. and the associated change in customer flows are factors that may have a major impact on operating results.

Global Markets had a decrease in both revenue and profit. Fixed income revenue decreased due to challenges in managing positions in a highly volatile market environment. As a result, net operating revenue for the three months ended June 30, 2025 was 32.5 billion yen (36.2 billion yen for the three months ended June 30, 2024), and ordinary income was 2.6 billion yen (6.9 billion yen for the three months ended June 30, 2024).

The main sources of earnings of Global Investment Banking are underwriting and secondary distribution commissions from underwriting business and M&A commissions from M&A advisory services. In addition to the domestic and overseas economic conditions that affect client companies' decisions on fundraising methods and M&A demand, whether or not the Group can capture corporate demand and secure projects is a factor that has a major impact on operating results.

Global Investment Banking had an increase in both revenue and profit. Underwriting and secondary distribution commissions increased as a result of the Group serving as lead manager on multiple equity transactions. In the M&A business, revenue increased primarily due to the execution of many domestic transactions. As a result, net operating revenue in Global Investment Banking was 17.2 billion yen (14.8 billion yen for the three months ended June 30, 2024), and ordinary income was 0.9 billion yen (ordinary loss of 2.0 billion yen for the three months ended June 30, 2024).

As a result, net operating revenue in the Global Markets & Investment Banking Division for the three months ended June 30, 2025 was 49.8 billion yen (51.1 billion yen for the three months ended June 30, 2024), and ordinary income was 5.0 billion yen (6.0 billion yen for the three months ended June 30, 2024).

Others:

Other business includes the research and consulting business and system operations by Daiwa Institute of Research.

Daiwa Institute of Research contributed to the earnings of the Group by steadily advancing the development of the Group's systems as well as strengthening relationships with customers through high-value-added solution proposals, in addition to being involved in system development projects for large-scale customers.

For the three months ended June 30, 2025, ordinary income of some Group companies in the "Others" increased year on year. As a result, net operating revenue related to others, adjustments, etc. was 14.3 billion yen (11.6 billion yen for the three months ended June 30, 2024), and ordinary income was 4.2 billion yen (ordinary loss of 79 million yen for the three months ended June 30, 2024).

(2) Overview of financial position

<Assets>

Total assets as of June 30, 2025 decreased by 1,407.0 billion yen (3.9%) from the end of the previous fiscal year to 34,617.3 billion yen. The breakdown shows that current assets decreased by 1,418.4 billion yen (4.1%) to 32,857.2 billion yen, including an increase in cash and deposits of 386.6 billion yen (10.3%) to 4,143.3 billion yen, an increase in trading products of 880.6 billion yen (10.6%) to 9,208.1 billion yen, a decrease in operating loans receivable of 356.8 billion yen (12.8%) to 2,436.6 billion yen, and a decrease in loans secured by securities of 1,921.2 billion yen (12.5%) to 13,456.3 billion yen. Non-current assets increased by 11.4 billion yen (0.7%) to 1,760.0 billion yen.

<Liabilities and net assets>

Total liabilities decreased by 1,377.4 billion yen (4.0%) from the end of the previous fiscal year to 32,723.5 billion yen. The breakdown shows that current liabilities decreased by 1,297.4 billion yen (4.2%) to 29,397.9 billion yen, including a decrease in trading products of 845.6 billion yen (11.4%) to 6,591.5 billion yen, a decrease in borrowings secured by securities of 894.4 billion yen (5.8%) to 14,550.9 billion yen, and an increase in short-term borrowings of 217.9 billion yen (15.4%) to 1,633.2 billion yen. Non-current liabilities decreased by 79.9 billion yen (2.4%) to 3,319.4 billion yen, including an increase in bonds payable of 1.4 billion yen (0.1%) to 1,219.9 billion yen, and a decrease in long-term borrowings of 89.3 billion yen (4.4%) to 1,947.2 billion yen.

Total net assets decreased by 29.5 billion yen (1.5%) to 1,893.7 billion yen. Total share capital and capital surplus was 514.4 billion yen. Retained earnings decreased by 8.3 billion yen (0.8%) to 1,033.1 billion yen, mainly due to the recording of 31.2 billion yen in profit attributable to owners of parent as well as the payment of 39.6 billion yen in dividends. Deduction for treasury shares increased by 16.6 billion yen (14.7%) to 129.7 billion yen, valuation difference on available-for-sale securities increased by 12.8 billion yen (25.7%) to 63.0 billion yen, foreign currency translation adjustment decreased by 12.0 billion yen (9.0%) to 121.5 billion yen, and non-controlling interests decreased by 4.1 billion yen (1.5%) to 273.0 billion yen.

2. Quarterly consolidated financial statements and main notes

(1) Quarterly consolidated balance sheets

Assets	Millions of yen	
	As of	
	March 31, 2025	June 30, 2025
Current assets:		
Cash and deposits	3,756,732	4,143,334
Cash segregated as deposits	574,551	578,574
Notes and accounts receivable - trade, and contract assets	33,044	28,027
Securities	1,586,939	1,689,401
Trading products:	8,327,538	9,208,199
Trading securities and other	5,544,556	6,527,134
Derivatives	2,782,981	2,681,064
Trade date accrual	553,053	—
Private equity and other investments	107,364	133,577
Allowance for investment loss	(445)	(448)
Operating loans receivable	2,793,554	2,436,690
Work in process	759	1,127
Margin transaction assets:	160,052	162,272
Loans on margin transactions	155,847	136,744
Cash collateral pledged for securities borrowing on margin transactions	4,204	25,527
Loans secured by securities:	15,377,587	13,456,356
Cash collateral pledged for securities borrowed	11,469,141	10,837,204
Securities purchased under resale agreements	3,908,445	2,619,151
Advances paid	50,789	36,683
Short-term loans receivable	994	853
Accrued income	100,569	104,370
Other current assets	865,790	890,940
Allowance for doubtful accounts	(13,131)	(12,694)
Total current assets	34,275,746	32,857,265
Non-current assets:		
Property, plant and equipment	942,230	942,070
Intangible assets:	137,398	140,142
Goodwill	15,622	15,287
Other	121,775	124,854
Investments and other assets:	668,972	677,838
Investment securities	618,456	629,630
Long-term loans receivable	7,532	7,948
Long-term guarantee deposits	15,915	15,843
Deferred tax assets	7,889	6,509
Other	22,366	21,389
Allowance for doubtful accounts	(3,187)	(3,483)
Total non-current assets	1,748,600	1,760,050
Total assets	36,024,346	34,617,316

Millions of yen

<i>Liabilities</i>	As of	
	March 31, 2025	June 30, 2025
Current liabilities:		
Notes and accounts payable - trade	8,471	7,707
Trading products:	7,437,195	6,591,525
Trading securities and other	4,810,648	3,982,599
Derivatives	2,626,547	2,608,926
Trade date accrual	—	245,974
Margin transaction liabilities:	39,891	40,188
Borrowings on margin transactions	2,466	1,423
Cash received for securities lending on margin transactions	37,425	38,764
Borrowings secured by securities:	15,445,468	14,550,998
Cash collateral received for securities lent	8,793,891	9,168,870
Securities sold under repurchase agreements	6,651,576	5,382,127
Deposits for the banking business	4,297,685	4,325,978
Deposits received	602,199	733,052
Guarantee deposits received	495,532	422,841
Short-term borrowings	1,415,334	1,633,242
Commercial papers	322,500	339,000
Current portion of bonds payable	399,531	327,100
Income taxes payable	28,724	7,974
Provision for bonuses	48,644	17,014
Other current liabilities	154,219	155,316
Total current liabilities	30,695,399	29,397,914
Non-current liabilities:		
Bonds payable	1,218,490	1,219,984
Long-term borrowings	2,036,629	1,947,290
Deferred tax liabilities	45,403	55,440
Retirement benefit liability	43,139	43,504
Provision for loss on litigation	413	417
Other non-current liabilities	55,309	52,762
Total non-current liabilities	3,399,386	3,319,400
Reserves under special laws:		
Reserve for financial instruments transaction liabilities	6,273	6,276
Total reserves under special laws	6,273	6,276
Total liabilities	34,101,059	32,723,591

	Millions of yen	
	As of	
	March 31, 2025	June 30, 2025
Net assets		
Shareholders' equity:		
Share capital	247,397	247,397
Capital surplus	266,290	267,015
Retained earnings	1,041,490	1,033,108
Treasury shares	(113,139)	(129,793)
Deposits for subscriptions of treasury shares	40	34
Total shareholders' equity	1,442,079	1,417,762
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	50,173	63,059
Deferred gains or losses on hedges	13,837	12,012
Foreign currency translation adjustment	133,623	121,591
Remeasurements of defined benefit plans	24	(16)
Total accumulated other comprehensive income	197,659	196,647
Share acquisition rights	6,344	6,298
Non-controlling interests	277,204	273,016
Total net assets	1,923,287	1,893,724
Total liabilities and net assets	36,024,346	34,617,316

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

Quarterly consolidated statements of income

	Millions of yen	
	Three Months Ended	
	June 30, 2024	June 30, 2025
Operating revenue:		
Commission received:	93,438	100,398
Brokerage commission	23,168	21,153
Commission for underwriting, secondary distribution, and solicitation for selling and others for professional investors	8,443	8,901
Fees for offering, secondary distribution, and solicitation for selling and others for professional investors	6,555	4,761
Other commission received	55,270	65,581
Net trading income	27,514	22,310
Net gain on private equity and other investments	184	1,797
Financial revenue	177,016	160,616
Other operating revenue	37,204	41,277
Total operating revenue	335,357	326,400
Financial expenses	158,592	140,821
Other operating expenses	27,626	30,326
Net operating revenue	149,139	155,252
Selling, general and administrative expenses:		
Trading related expenses	21,992	23,496
Personnel expenses	57,138	58,163
Real estate expenses	10,721	11,110
Office expenses	6,899	8,316
Depreciation	8,652	8,271
Taxes and dues	3,789	3,930
Provision of allowance for doubtful accounts	11	109
Other	4,819	5,674
Total selling, general and administrative expenses	114,023	119,074
Operating income	35,115	36,177
Non-operating income:		
Dividend income	966	1,028
Share of profit of entities accounted for using the equity method	—	6,235
Foreign exchange gains	1,001	—
Gain on investments in investment partnerships	589	2,066
Other	1,775	1,379
Total non-operating income	4,333	10,710
Non-operating expenses:		
Interest expenses	563	899
Foreign exchange losses	—	1,308
Bond issuance costs	—	191
Share of loss of entities accounted for using the equity method	470	—
Other	674	773
Total non-operating expenses	1,708	3,172
Ordinary income	37,740	43,716

	Millions of yen	
	Three Months Ended	
	June 30, 2024	June 30, 2025
Extraordinary income:		
Gain on sale of non-current assets	—	136
Gain on sale of investment securities	162	1,535
Gain on reversal of share acquisition rights	248	134
Total extraordinary income	410	1,806
Extraordinary losses:		
Loss on sale and retirement of non-current assets	67	34
Loss on sale of investment securities	4	5
Loss on valuation of investment securities	—	26
Loss on change in equity	55	37
Provision of reserve for financial instruments transaction liabilities	2	3
Provision for loss on compensation	—	620
Total extraordinary losses	130	728
Income before income taxes	38,020	44,794
Income taxes - current	5,809	3,853
Income taxes - deferred	5,582	6,901
Total income taxes	11,392	10,754
Profit	26,628	34,039
Profit attributable to non-controlling interests	2,635	2,802
Profit attributable to owners of parent	23,993	31,237

Quarterly consolidated statements of comprehensive income

	Millions of yen	
	Three Months Ended	
	June 30, 2024	June 30, 2025
Profit	26,628	34,039
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1,897)	10,877
Deferred gains or losses on hedges	3,068	(1,332)
Foreign currency translation adjustment	29,741	(6,420)
Share of other comprehensive income of entities accounted for using the equity method	3,287	(4,019)
Total other comprehensive income	34,200	(895)
Comprehensive income	60,829	33,144
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	57,733	30,225
Comprehensive income attributable to non-controlling interests	3,095	2,919

(3) Notes to quarterly consolidated financial statements

(Basis for preparation of quarterly consolidated financial statements)

The Company's quarterly consolidated financial statements are prepared in accordance with Article 4, paragraph 1 of the standard for preparation of the quarterly financial statements established by the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. and accounting principles for quarterly financial statements generally accepted in Japan (provided, however, the company applies the practice of omitting the descriptions provided for in Article 4, paragraph 2 of the aforementioned standard for preparation of the quarterly financial statements).

(Segment information)

Segment information

Three months ended June 30, 2024

- 1 Information about net operating revenue and ordinary income (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Reportable segments				Others (Note1)	Total
	Wealth Management Division	Asset Management Division	Global Markets & Investment Banking Division	Total		
Revenue from contracts with customers	40,933	39,072	29,452	109,458	10,015	119,474
Commission received	40,087	23,660	29,452	93,200	238	93,438
Other operating revenue (external customers)	846	15,411	—	16,258	9,777	26,035
Net trading income and other	9,481	569	21,470	31,521	213	31,735
Lease revenue based on rental contracts	—	9,702	—	9,702	1,462	11,165
Others (Note2)	8,678	(20,229)	(10)	(11,561)	(9,431)	(20,992)
Net operating revenue						
Net operating revenue from external customers	59,093	29,114	50,912	139,120	2,260	141,381
Intersegment net operating revenue and transfers	3,549	(5,409)	264	(1,596)	6,433	4,837
Total	62,642	23,704	51,177	137,524	8,694	146,218
Segment income (Ordinary income)	20,477	11,314	6,027	37,819	403	38,223

(Notes) 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).”

- 2 Difference between total amount of ordinary income (loss) of the reportable segments and the amount reported in the quarterly consolidated statements of income, and the major components thereof

(Millions of yen)

Ordinary income	Amount
Reportable segments total	37,819
Income from “Others”	403
Elimination between segments	5
Adjustments for unrealized gains or losses	22
Other adjustments	(510)
Ordinary income on the quarterly consolidated statements of income	37,740

- 3 Information about impairment losses on non-current assets, goodwill, etc. by reportable segment
Not applicable.

Three months ended June 30, 2025

1 Information about net operating revenue and ordinary income (loss) by reportable segment, and information on disaggregation of revenue

(Millions of yen)

	Reportable segments				Others (Note1)	Total
	Wealth Management Division	Asset Management Division	Global Markets & Investment Banking Division	Total		
Revenue from contracts with customers	42,107	46,082	32,059	120,248	9,474	129,723
Commission received	41,461	26,463	32,059	99,984	414	100,398
Other operating revenue (external customers)	645	19,619	—	20,264	9,060	29,325
Net trading income and other	7,685	2,086	17,075	26,847	(65)	26,781
Lease revenue based on rental contracts	—	10,422	—	10,422	1,530	11,952
Others (Note2)	9,757	(25,011)	(9)	(15,263)	(6,476)	(21,740)
Net operating revenue						
Net operating revenue from external customers	59,550	33,579	49,125	142,255	4,462	146,717
Intersegment net operating revenue and transfers	3,355	(5,365)	702	(1,307)	6,270	4,962
Total	62,905	28,213	49,827	140,947	10,732	151,680
Segment income (Ordinary income)	19,734	14,772	5,001	39,508	1,271	40,779

(Notes) 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).”

2 Difference between total amount of ordinary income (loss) of the reportable segments and the amount reported in the quarterly consolidated statements of income, and the major components thereof

(Millions of yen)

Ordinary income	Amount
Reportable segments total	39,508
Income from “Others”	1,271
Elimination between segments	6
Adjustments for unrealized gains or losses	(577)
Other adjustments	3,507
Ordinary income on the quarterly consolidated statements of income	43,716

3 Information about impairment losses on non-current assets, goodwill, etc. by reportable segment
Not applicable.

(Significant changes in amounts of shareholders' equity)

Not applicable.

(Going concern assumption)

Not applicable.

(Notes to quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the three months ended June 30, 2025 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the three months ended June 30, 2025 are as follows.

	Millions of yen	
	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	11,079	10,801
Amortization of goodwill	366	363

3. Supplementary information

(1) Quarterly transition of consolidated statements of income

Millions of yen

	Three Months Ended				
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
Operating revenue:					
Commission received:	93,438	98,355	109,796	114,899	100,398
Brokerage commission	23,168	21,195	21,638	23,043	21,153
Commission for underwriting, secondary distribution, and solicitation for selling and others for professional investors	8,443	10,970	13,271	15,245	8,901
Fees for offering, secondary distribution, and solicitation for selling and others for professional investors	6,555	4,963	6,710	6,670	4,761
Other commission received	55,270	61,226	68,175	69,941	65,581
Net trading income	27,514	28,704	28,021	23,133	22,310
Net gain on private equity and other investments	184	3,880	(195)	8,490	1,797
Financial revenue	177,016	169,568	171,885	163,482	160,616
Other operating revenue	37,204	53,823	27,240	35,571	41,277
Total operating revenue	335,357	354,330	336,748	345,577	326,400
Financial expenses	158,592	149,145	153,661	142,541	140,821
Other operating expenses	27,626	44,085	21,554	28,817	30,326
Net operating revenue	149,139	161,099	161,532	174,218	155,252
Selling, general and administrative expenses:					
Trading related expenses	21,992	22,579	23,069	24,115	23,496
Personnel expenses	57,138	61,629	65,280	60,952	58,163
Real estate expenses	10,721	10,916	10,791	11,379	11,110
Office expenses	6,899	6,857	7,400	7,292	8,316
Depreciation	8,652	8,810	8,534	8,315	8,271
Taxes and dues	3,789	3,413	3,706	3,347	3,930
Provision of allowance for doubtful accounts	11	4	29	(45)	109
Other	4,819	5,212	5,684	5,944	5,674
Total selling, general and administrative expenses	114,023	119,424	124,496	121,302	119,074
Operating income	35,115	41,674	37,036	52,916	36,177
Non-operating income	4,333	32,559	26,645	(521)	10,710
Non-operating expenses	1,708	1,347	620	1,366	3,172
Ordinary income	37,740	72,887	63,061	51,027	43,716
Extraordinary income	410	83	3,198	425	1,806
Extraordinary losses	130	3,878	1,346	4,452	728
Income before income taxes	38,020	69,092	64,913	47,000	44,794
Income taxes - current	5,809	18,089	12,412	18,993	3,853
Income taxes - deferred	5,582	(4,854)	2,817	(4,917)	6,901
Total income taxes	11,392	13,234	15,229	14,076	10,754
Profit	26,628	55,858	49,683	32,923	34,039
Profit attributable to non-controlling interests	2,635	2,066	3,055	2,968	2,802
Profit attributable to owners of parent	23,993	53,791	46,628	29,954	31,237