
Materials on Consolidated Financial Results for the Year Ended March 31, 2022



(stock code : 8707)

May 2022

Achievements, etc

- **Top-ranked operating revenue and operating profit and ordinary profit and Profit attributable to owners of parent** among seven mid-sized securities companies
Operating revenue 20,708 million yen Operating profit of 5,381 million yen Ordinary profit of 5,799 million yen
Profit attributable to owners of parent 3,756 million yen
- R O E of **6.7%**
- Earnings per share : **159.93 yen**
- **Recorded ordinary profit for 38 consecutive quarters**
- Increase in assets under custody (compared with the same period last year)
 Foreign equity **up 1.2%** investment trusts **up 5.4%**
- **Fixed cost coverage ratio of 35.5%** from trust fees and margin transaction-related revenue
 (31.5% Percentage change from the previous fiscal year)

ESG / SDG s

- **Strengthened efforts for SDGs**
 - Introduction of Social Contribution Reserve Fund
 (approximately 1% of profit)
 - LIMEX business cards (Use of eco-friendly new material with limestone as main ingredient)
 - Introduction of envelopes from recycled old banknotes (shredded banknotes), etc.
- **T C F D** (Task Force on Climate-related Financial Disclosures)
agree with the proposal
- Announcement of the Declaration of Partnership Building
- **Disclosure of information on response to climate change**

Other initiatives

- Started **disclosure of information in English** (from the first quarter)
- Changed the core system to NRI (STAR-IV)
 (fees for using the new and old systems were incurred for May. System transfer costs were recorded in extraordinary losses)
- Introduction of new Internet trading service
"Free Stock Brokerage Commissions Program for 25 Years Old and Under Selection of Prime Market"
- Dispatch of **policy advisor of Global Financial City** to Osaka Prefecture
- **First pay scale increases in 4 years**
 (from FYE March 31, 2022)

※ Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and others have been applied from the beginning of the first quarter consolidated accounting period of the fiscal year ending March 31, 2022. Each figure for the previous consolidated fiscal year is a figure after applying retrospectively such accounting standard, etc.

- **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 38 consecutive quarters**

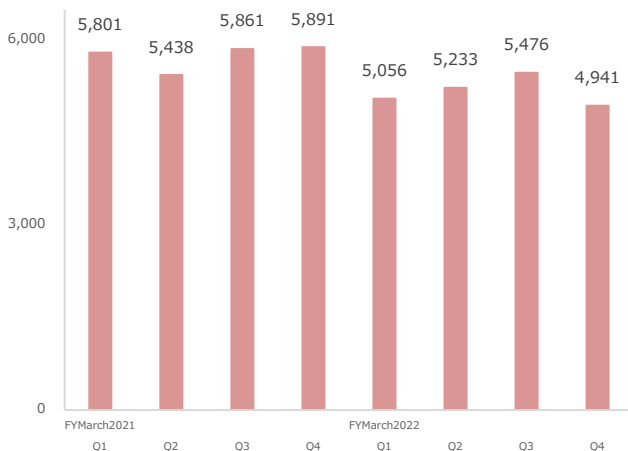
(Millions of yen)

	Year ended March 31, 2021	Year ending March 31, 2022			Percentage change from the previous fiscal year	Change (%) compared with the previous quarter
	Q1~Q4	Q3	Q4	Q1~Q4		
Operating revenue	22,993	5,476	4,941	20,708	△9.9%	△9.8%
Net operating revenue	22,673	5,437	4,881	20,512	△9.5%	△10.2%
Selling, general and administrative expenses	15,490	3,813	3,658	15,131	△2.3%	△4.0%
Operating profit	7,182	1,623	1,222	5,381	△25.1%	△24.7%
Ordinary profit	7,530	1,752	1,256	5,799	△23.0%	△28.3%
Profit attributable to owners of parent	5,362	1,237	770	3,756	△29.9%	△37.7%
Earnings per share	228.28yen	52.70yen	32.82yen	159.93yen	△29.9%	△37.7%
Net assets per share	2,392.65yen	2,397.26yen	2,405.25yen	2,405.25yen	0.5%	0.3%
ROE	10.0%	8.8%	5.5%	6.7%	△3.3pt	△3.3pt

※ Annualized for ROE

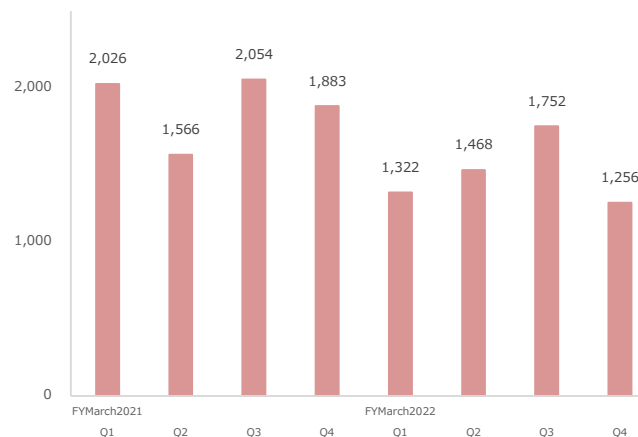
Operating revenue

(Millions of yen)



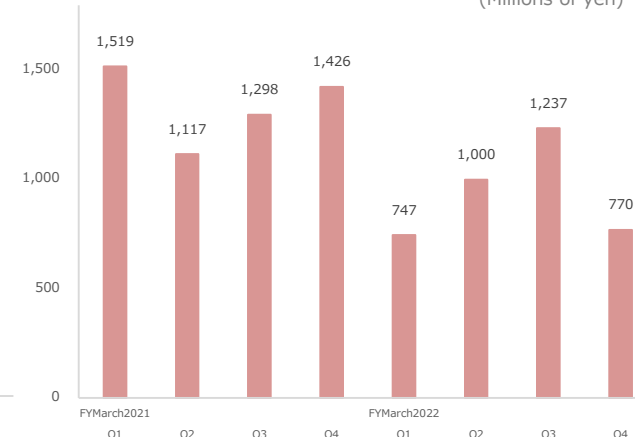
Ordinary profit

(Millions of yen)



Profit attributable to owners of parent

(Millions of yen)



Operating revenue

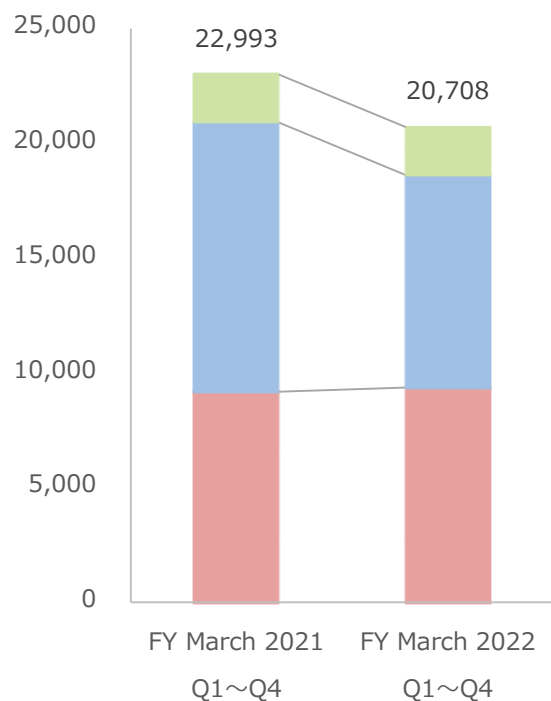
Net trading income decreased (YoY) due to uncertain future US stock market

(million yen)

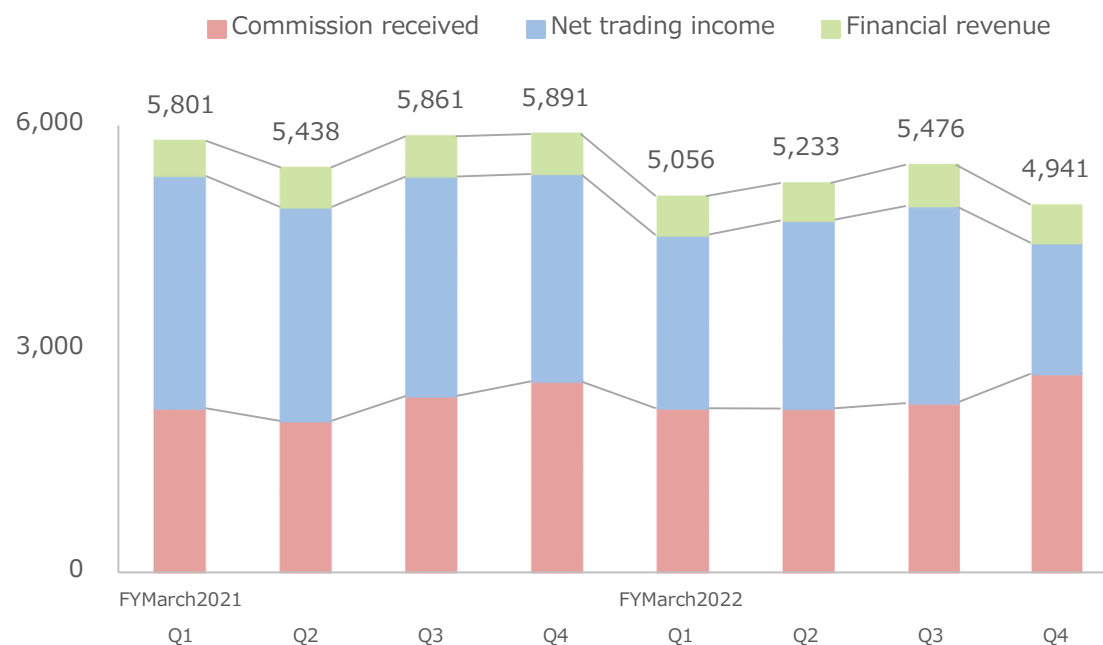
	FY March 2021 Q1~Q4	FY March 2022 Q1~Q4	Percentage change from the previous fiscal year
Commission received	9,171	9,355	2.0%
Net trading income	11,728	9,255	△21.1%
Financial revenue	2,093	2,097	0.2%
Operating revenue	22,993	20,708	△9.9%

FY March 2021 Q1	Q2	Q3	Q4	FY March 2022 Q1	Q2	Q3	Q4	Change (%) compared with the previous quarter
2,204	2,034	2,367	2,566	2,206	2,201	2,275	2,671	17.4%
3,122	2,868	2,949	2,787	2,324	2,525	2,648	1,756	△33.7%
474	536	544	537	525	506	551	513	△6.9%
5,801	5,438	5,861	5,891	5,056	5,233	5,476	4,941	△9.8%

(Millions of yen)



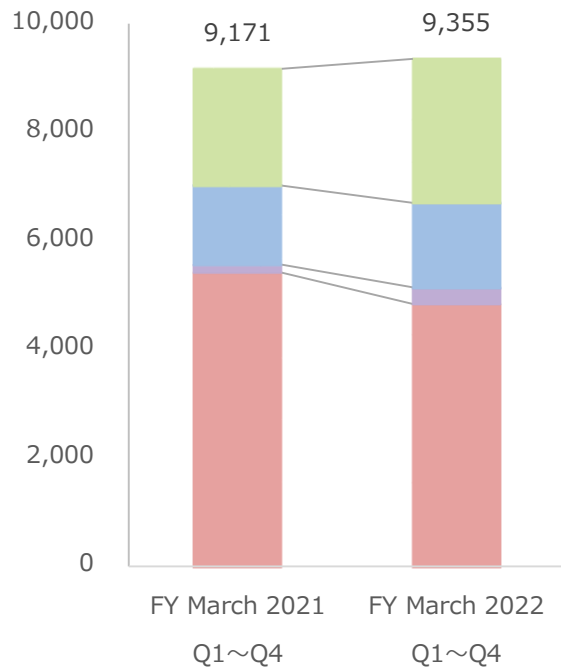
(Millions of yen)



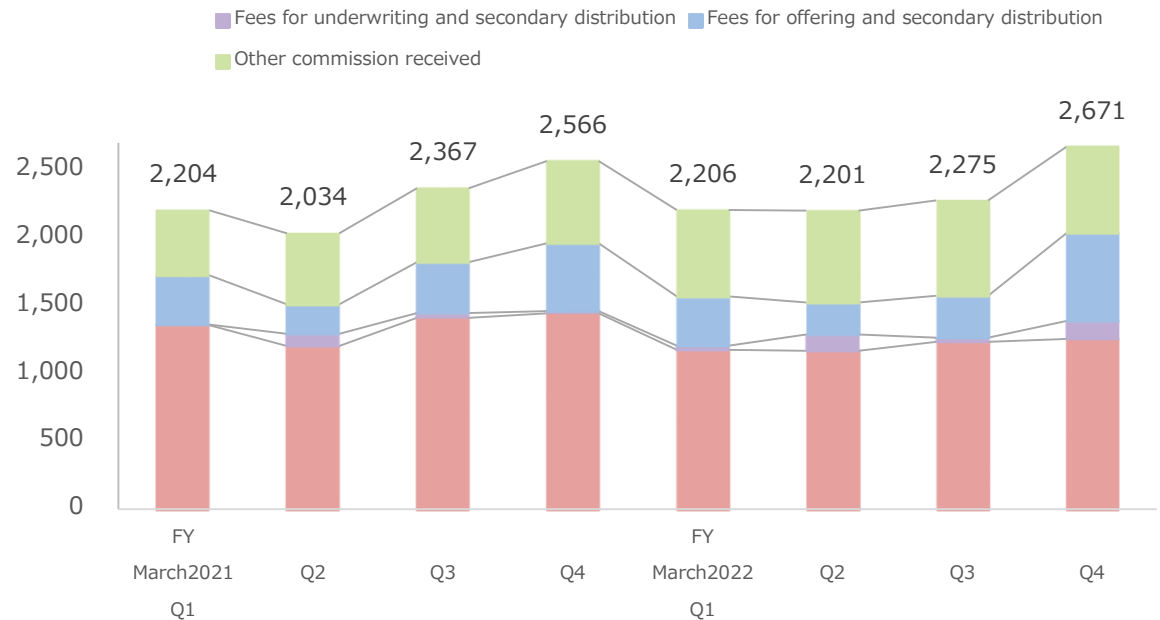
Outstanding balance of equity investment trust increased 5.4% year on year

	FY March 2021 Q1~Q4	FY March 2022 Q1~Q4	Percentage change from the previous fiscal year									(million yen)
				FY March 2021 Q1	Q2	Q3	Q4	FY March 2022 Q1	Q2	Q3	Q4	Change (%) compared with the previous quarter
Brokerage commission	5,415	4,834	△10.7%	1,356	1,203	1,411	1,443	1,175	1,167	1,233	1,256	1.8%
Fees for underwriting and secondary distribution	147	311	111.0%	5	88	35	17	30	120	30	130	320.9%
Fees for offering and secondary distribution	1,454	1,555	6.9%	362	217	375	498	362	237	308	646	109.4%
Other commission received	2,153	2,654	23.2%	479	523	544	606	637	676	702	637	△9.2%
Commission received	9,171	9,355	2.0%	2,204	2,034	2,367	2,566	2,206	2,201	2,275	2,671	17.4%

(Millions of yen)



(Millions of yen)



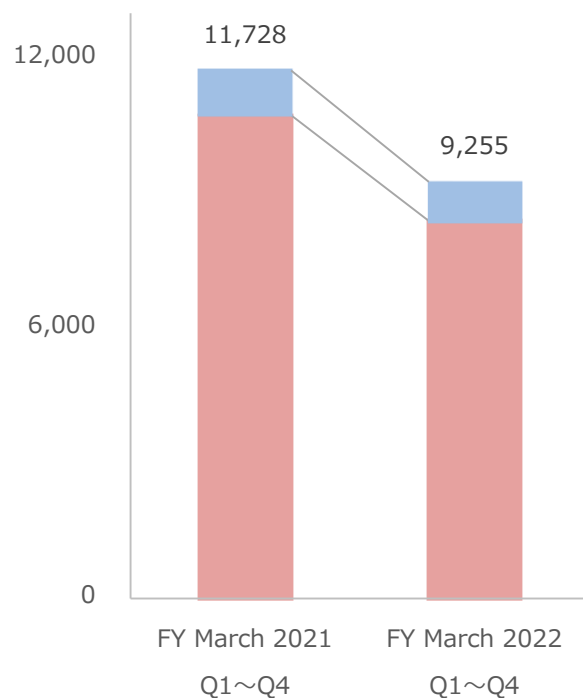
Net trading income

(million yen)

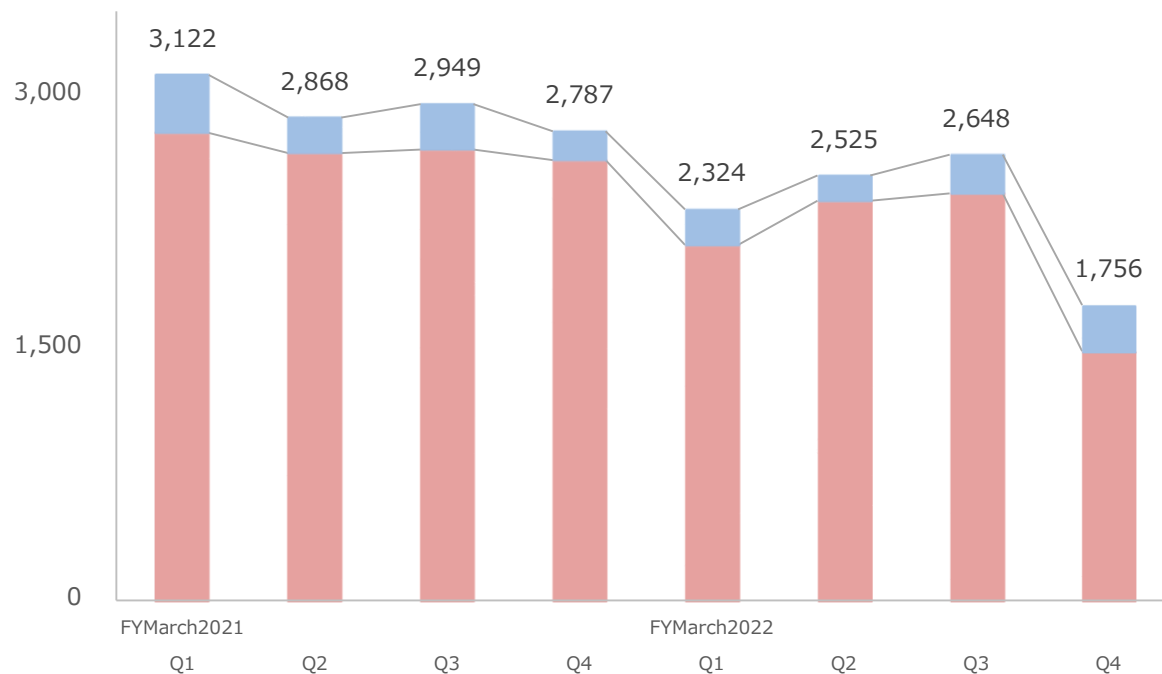
	FY March 2021 Q1~Q4	FY March 2022 Q1~Q4	Percentage change from the previous fiscal year
Securities	10,731	8,388	△21.8%
Bonds, etc. and other	997	867	△13.0%
Net trading income	11,728	9,255	△21.1%

FY March 2021 Q1	Q2	Q3	Q4	FY March 2022 Q1	Q2	Q3	Q4	Change (%) compared with the previous quarter
2,778	2,658	2,678	2,615	2,112	2,374	2,419	1,481	△38.8%
344	210	271	172	212	150	229	274	19.7%
3,122	2,868	2,949	2,787	2,324	2,525	2,648	1,756	△33.7%

(Millions of yen)



(Millions of yen)



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

■ Securities ■ Bonds, etc. and other

Financial revenue

Balance of customers' borrowing on margin transactions: 44.3 billion yen, 4th in industry (17 retail securities companies, excluding online securities companies)

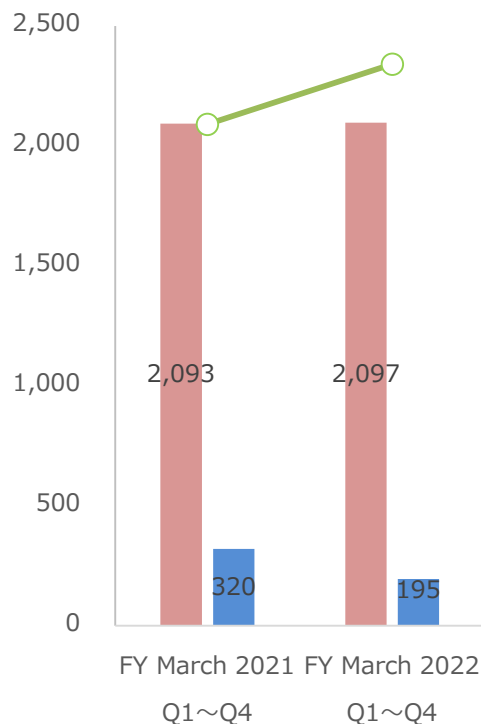
	FY March 2021 Q1~Q4	FY March 2022 Q1~Q4	Percentage change from the previous fiscal year
Financial revenue	2,093	2,097	0.2%
Financial expenses	320	195	△38.9%
Financial balance	1,773	1,902	7.3%

	FY March 2021 Q1~Q4	FY March 2022 Q1~Q4	Percentage change from the previous fiscal year
Average balance of customers' borrowing on margin transactions (100 millions of yen)	460	515	11.8%

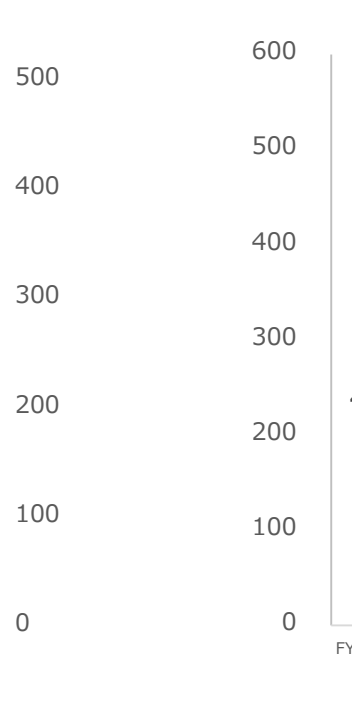
									(million yen)
	FY March 2021 Q1	Q2	Q3	Q4	FY March 2022 Q1	Q2	Q3	Q4	Change (%) compared with the previous quarter
Financial revenue	474	536	544	537	525	506	551	513	△6.9%
Financial expenses	73	92	78	76	47	48	39	60	53.4%
Financial balance	401	443	466	461	478	458	512	453	△11.5%

	FY March 2021 Q1	Q2	Q3	Q4	FY March 2022 Q1	Q2	Q3	Q4	Change (%) compared with the previous quarter
Average balance of customers' borrowing on margin transactions (100 millions of yen)	358	387	405	436	510	517	529	502	△5.1%

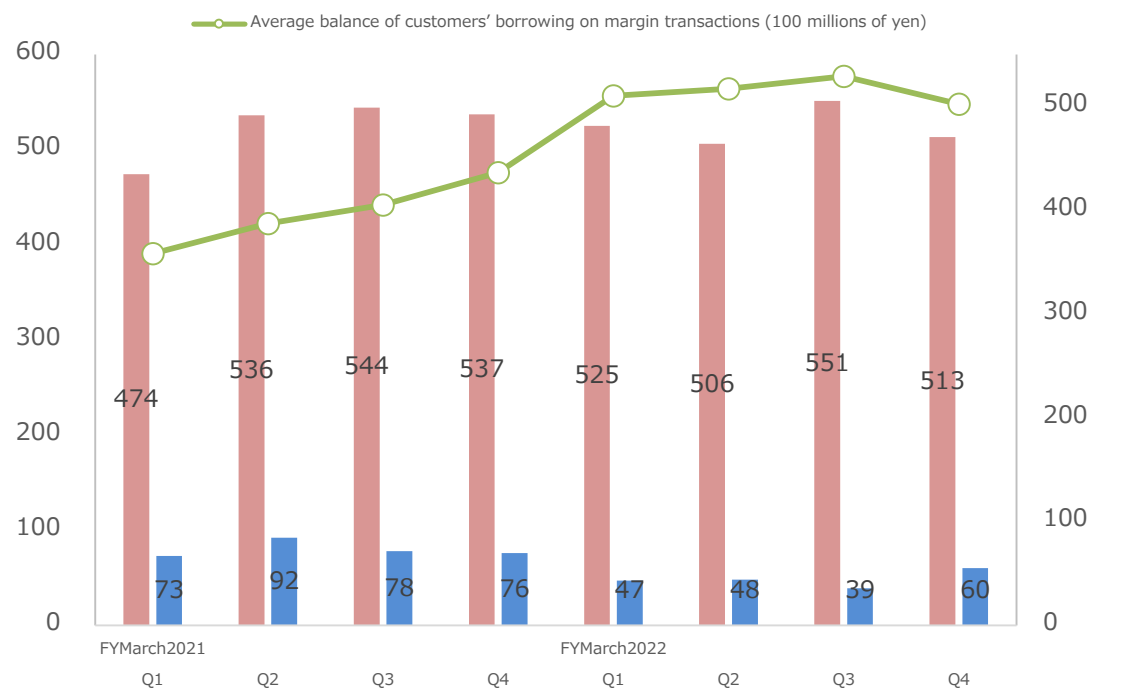
(Millions of yen)



(100 millions of yen)



(Millions of yen)



Selling, general and administrative expenses

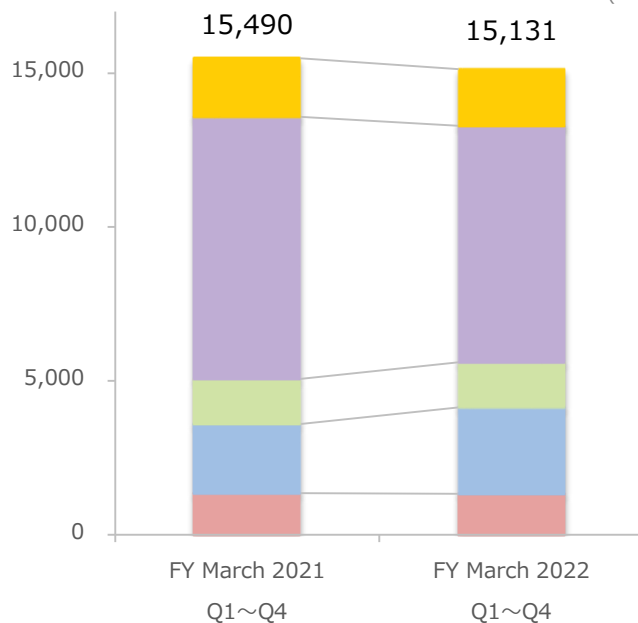
Office expenses: System-related fees increased temporarily in May due to the coexistence of both new and existing systems from system migration

	FY March 2021 Q1~Q4	FY March 2022 Q1~Q4	Percentage change from the previous fiscal year
Trading related expenses	1,905	1,837	△3.6%
Personnel expenses	8,523	7,692	△9.7%
Real estate expenses	1,462	1,469	0.4%
Office expenses	2,255	2,802	24.2%
Other	1,344	1,329	△1.1%
Selling, general and administrative expenses	15,490	15,131	△2.3%

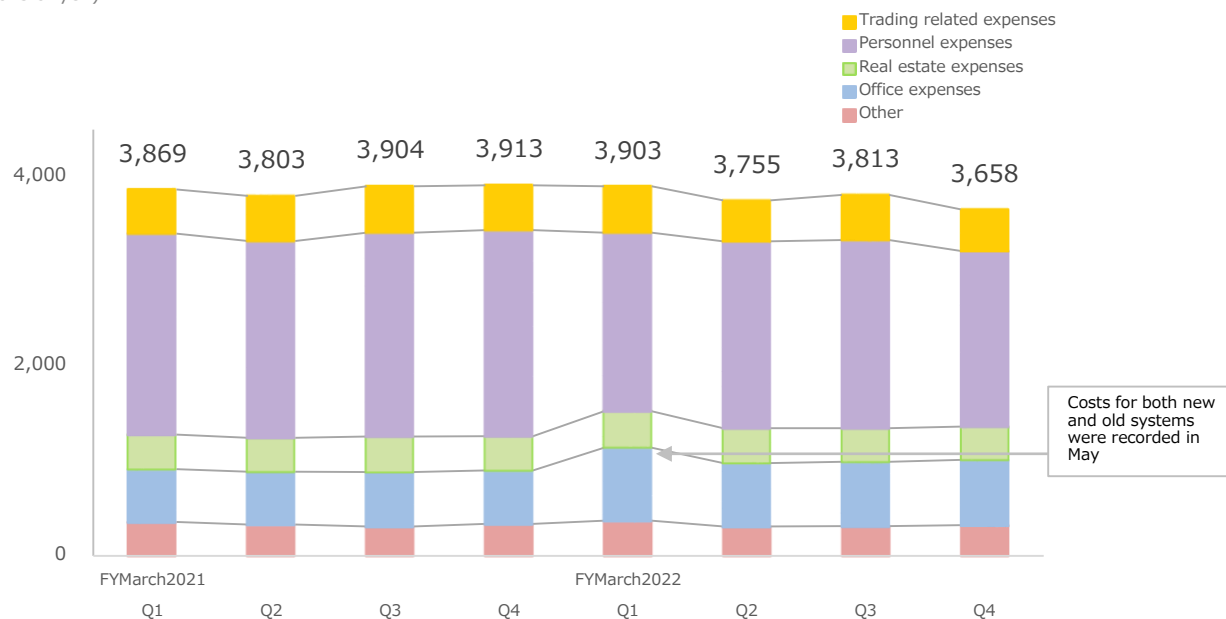
(million yen)

FY March 2021 Q1	Q2	Q3	Q4	FY March 2022 Q1	Q2	Q3	Q4	Change (%) compared with the previous quarter
464	477	489	474	488	431	477	439	△8.1%
2,120	2,076	2,153	2,173	1,885	1,971	1,983	1,852	△6.6%
366	357	374	363	385	370	357	354	△1.0%
559	557	573	564	768	666	678	688	1.4%
358	333	313	338	374	314	315	325	3.0%
3,869	3,803	3,904	3,913	3,903	3,755	3,813	3,658	△4.0%

(Millions of yen)



(Millions of yen)



Recorded ordinary profit for 38 consecutive quarters

(Millions of yen)

	Year ended March 31, 2021					Year ending March 31, 2022				
	Q1	Q2	Q3	Q4	full year	Q1	Q2	Q3	Q4	full year
Operating revenue	5,801	5,438	5,861	5,891	22,993	5,056	5,233	5,476	4,941	20,708
Commission received	2,204	2,034	2,367	2,566	9,171	2,206	2,201	2,275	2,671	9,355
Brokerage commission	1,356	1,203	1,411	1,443	5,415	1,175	1,167	1,233	1,256	4,834
Fees for underwriting, secondary distribution, and solicitation for selling and others for professional investors	5	88	35	17	147	30	120	30	130	311
Handling fees for offering, secondary distribution, and solicitation for selling and others for professional investors	362	217	375	498	1,454	362	237	308	646	1,555
Other fee received	479	523	544	606	2,153	637	676	702	637	2,654
Net trading income	3,122	2,868	2,949	2,787	11,728	2,324	2,525	2,648	1,756	9,255
Securities	2,778	2,658	2,678	2,615	10,731	2,112	2,374	2,419	1,481	8,388
Bonds, etc. and other	344	210	271	172	997	212	150	229	274	867
Financial revenue	474	536	544	537	2,093	525	506	551	513	2,097
Financial expenses	73	92	78	76	320	47	48	39	60	195
Net operating revenue	5,728	5,346	5,783	5,815	22,673	5,009	5,185	5,437	4,881	20,512
Selling, general and administrative expenses	3,869	3,803	3,904	3,913	15,490	3,903	3,755	3,813	3,658	15,131
Operating profit	1,859	1,543	1,878	1,901	7,182	1,105	1,430	1,623	1,222	5,381
Non-operating income	167	26	176	36	408	218	42	128	39	428
Non-operating expenses	0	4	0	55	61	1	3	0	5	10
Non-operating profit	166	22	176	△ 18	347	217	38	128	34	418
Ordinary profit	2,026	1,566	2,054	1,883	7,530	1,322	1,468	1,752	1,256	5,799
Extraordinary profit	82	-	-	△ 33	49	0	-	5	△ 0	5
Extraordinary losses (※)	-	130	189	65	385	239	11	-	1	251
Extraordinary profit	82	△ 130	△ 189	△ 98	△ 336	△ 239	△ 11	5	△ 1	△ 245
Profit before income taxes	2,109	1,435	1,864	1,784	7,193	1,082	1,457	1,758	1,255	5,553
Profit attributable to owners of parent	1,519	1,117	1,298	1,426	5,362	747	1,000	1,237	770	3,756

(※) The main factor is the cost related to the migration of the core system

Ratio of ordinary profit to operating revenue 28.0% ・ ROE (annualized) 6.7%

	Year ended March 31, 2021					Year ending March 31, 2022				
	Q1	Q2	Q3	Q4	full year	Q1	Q2	Q3	Q4	full year
Ratio of ordinary profit to operating revenue	34.9%	28.8%	35.1%	32.0%	32.8%	26.2%	28.1%	32.0%	25.4%	28.0%
ROE	11.7%	8.4%	9.5%	10.3%	10.0%	5.4%	7.2%	8.8%	5.5%	6.7%
Earnings per share	64.69yen	47.59yen	55.27yen	60.73yen	228.28yen	31.84yen	42.58yen	52.70yen	32.82yen	159.93yen
Capital adequacy ratio	798.0%	809.9%	839.9%	786.2%	786.2%	749.9%	764.5%	807.2%	823.4%	823.4%

ROE: annualized

Reference : Operating Performance Time Series

(Millions of yen)						
	FY March 2017	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022
Operating revenue	16,146	21,089	21,241	18,948	22,993	20,708
Ordinary profit	1,921	5,465	5,924	4,239	7,530	5,799
Profit	3,339	4,726	4,148	2,700	5,362	3,756
Ratio of ordinary profit to operating revenue	11.9%	25.9%	27.9%	22.4%	32.8%	28.0%
(Industry ranking *1)	12th	5th	1st	1st	3rd	3rd
(Ratio for the industry *2)	14.9%	22.0%	4.0%	3.4%	19.8%	13.0%
Dividends per share	55yen	75yen	75yen	75yen	117yen	80yen
Dividend payout ratio	38.7%	37.3%	42.5%	65.2%	51.3%	50.0%

※1 Listed securities and major securities companies excluding online securities companies

※2 Simple industry average excluding the Company

→ Fourth mid-term management plan period (from FY March 2020 to FY March 2022): total return ratio of 50% or higher

10 consecutive years of profitability since the merger in May 2012

■ Comparison of business results over time (past 10 years)

(Millions of yen)

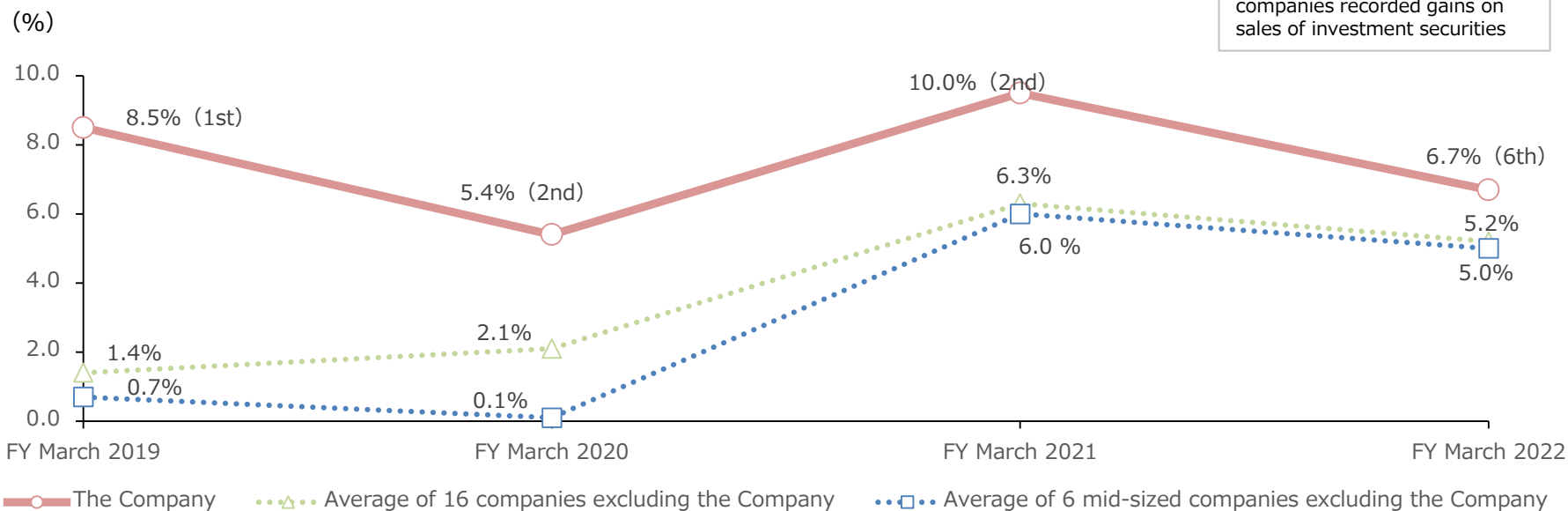
	FY March 2013	FY March 2014	FY March 2015	FY March 2016	FY March 2017	FY March 2018	FY March 2019
Operating revenue	17,634	23,903	20,373	18,774	16,146	21,089	21,241
Operating profit	1,014	7,061	4,460	3,403	1,579	5,202	5,523
Ordinary profit	1,197	7,353	4,743	3,686	1,921	5,465	5,924
Profit attributable to owners of parent	2,683	7,677	4,439	3,497	3,339	4,726	4,148

(Millions of yen)

	FY March 2020	FY March 2021	FY March 2022
Operating revenue	18,948	22,993	20,708
Operating profit	3,817	7,182	5,381
Ordinary profit	4,239	7,530	5,799
Profit attributable to owners of parent	2,700	5,362	3,756

- FY March 2013 Merger of securities companies (May)
Turned profitable from August
- FY March 2014 Bank of Japan quantitative and qualitative monetary easing
- FY March 2015 Strengthening of information on foreign stocks (meetings with local experts commenced)
- FY March 2016 100th anniversary of establishment (May)
- FY March 2018 Commenced sales using tablets (December)
- FY March 2020 5 out of 17 retail securities companies, excluding online securities companies,
posted operating losses as stock prices lacked direction against the backdrop of intensifying trade friction between the US and China
- FY March 2021 All-time high trading profit
- FY March 2022 Changed the core system to NRI (STAR-IV)

Changes in ROE



Among the top five, five companies recorded gains on sales of investment securities

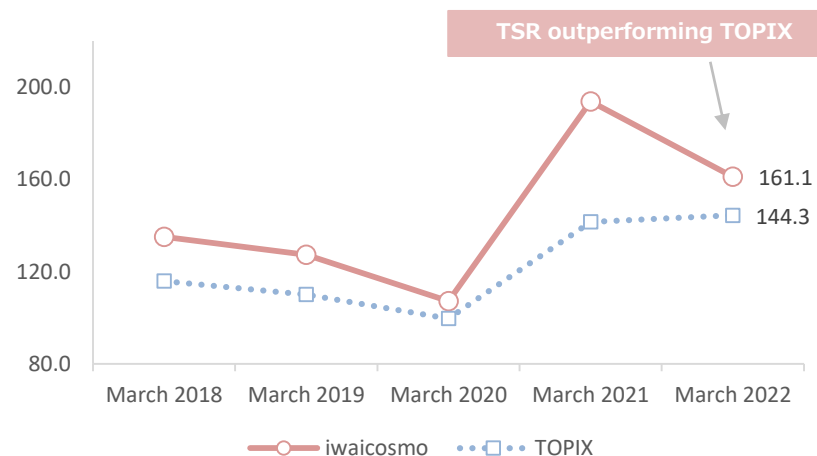
(Note) Seventeen retail securities companies excluding online securities companies
 FY March 2018: 18 companies; FY March 2019 to FY March 2021: 17 companies

reference : Total Shareholder Return

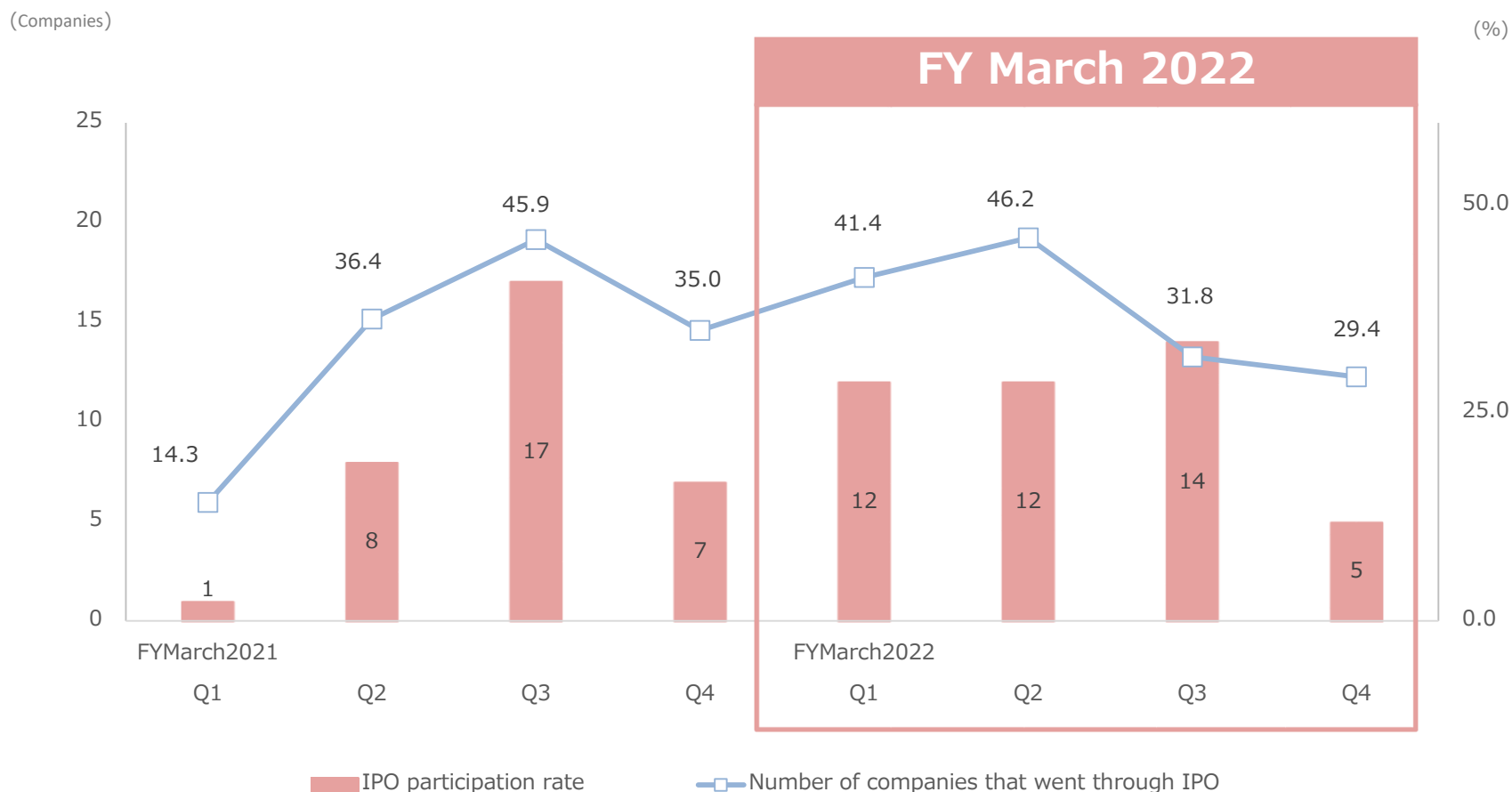
T S R : Total Shareholder Return

	March 2018	March 2019	March 2020	March 2021	March 2022
iwaicosmo	135.1	127.3	107.1	193.7	161.1
TOPIX	115.9	110.0	99.6	141.5	144.3

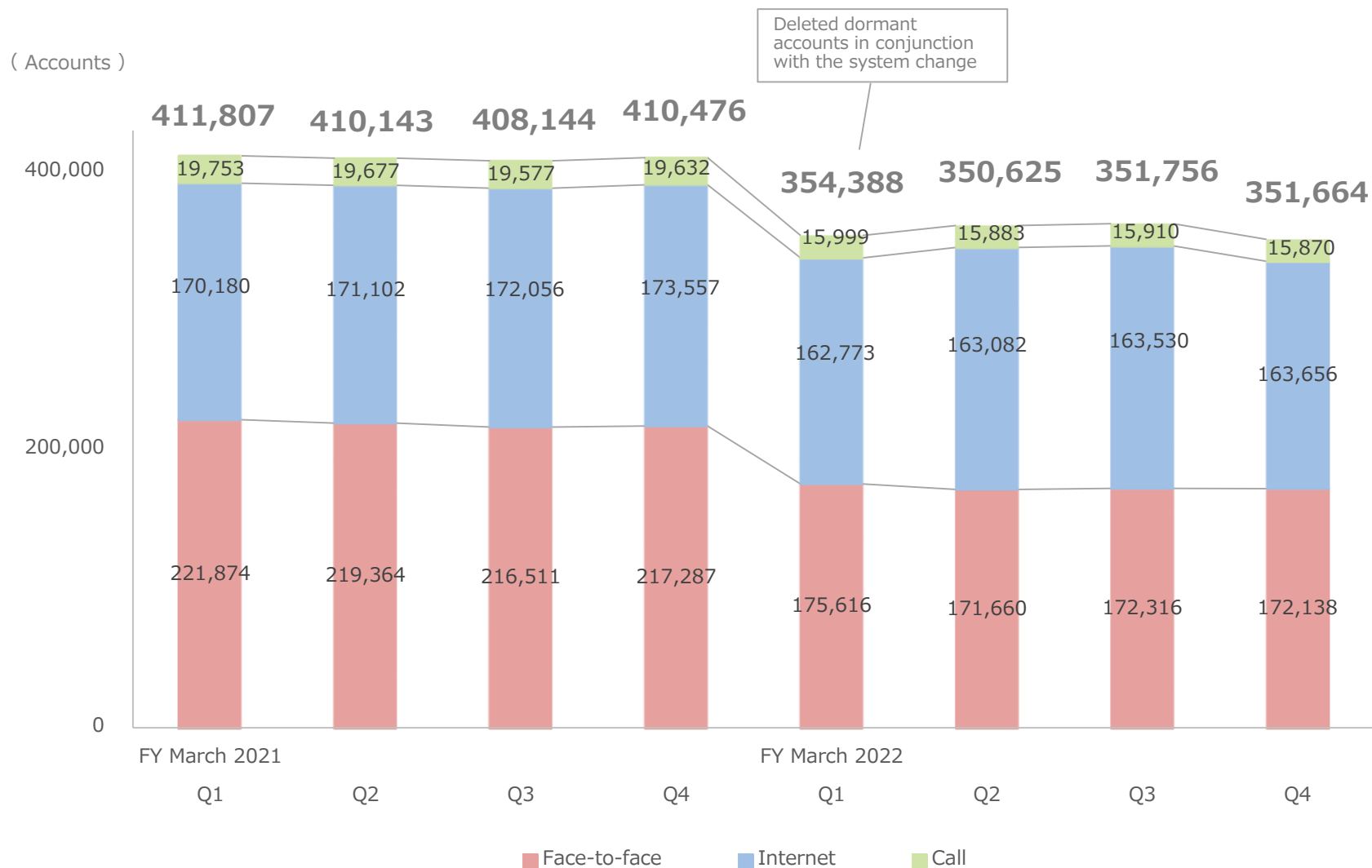
T S R = (Stock price at the end of each fiscal year + Cumulative amount of dividends per share from four fiscal years prior to the current fiscal year to each fiscal year) / Stock price on the last day of the five fiscal years prior to the current fiscal year



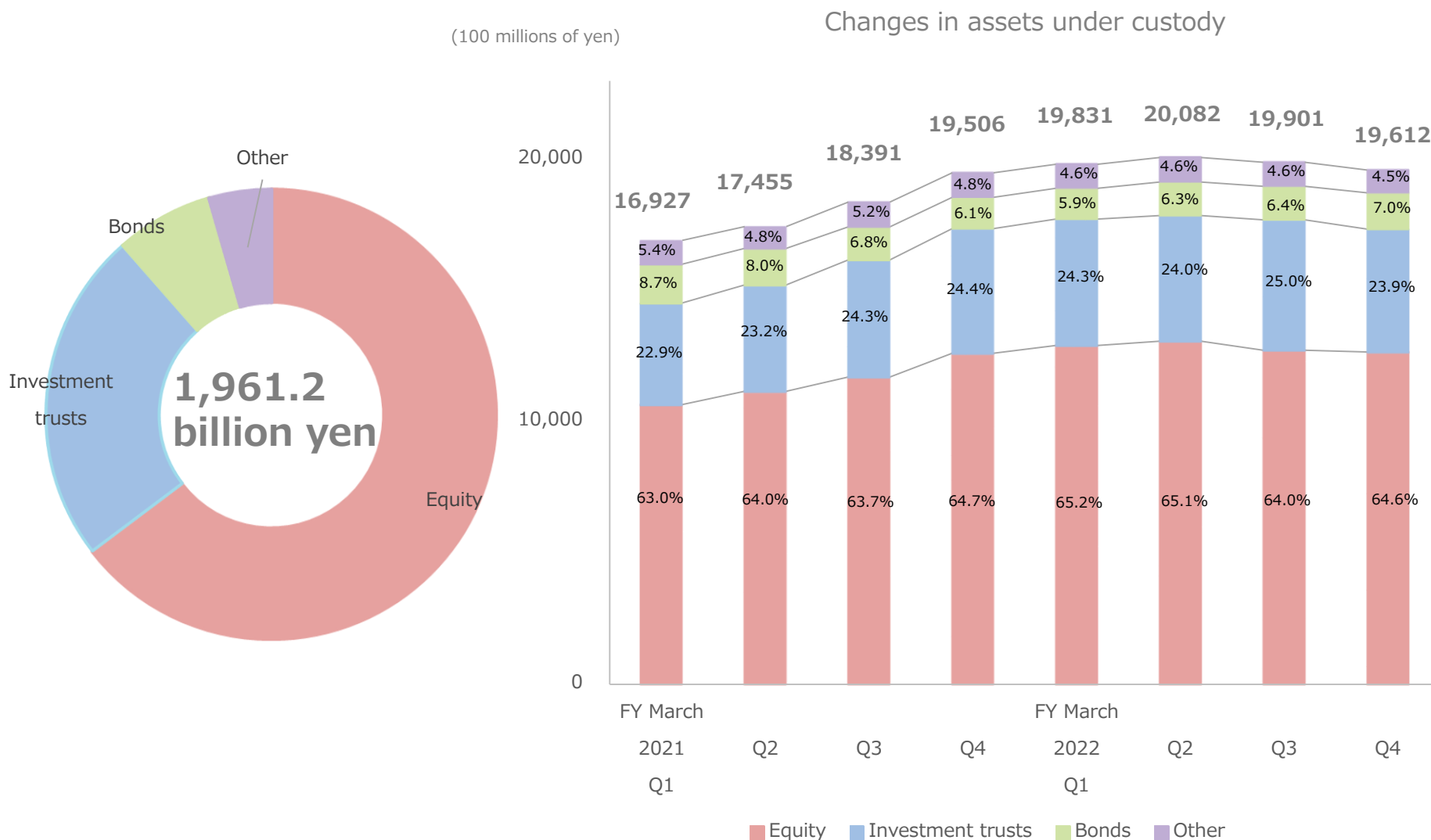
Number of companies that went through IPO during the year ended March 31, 2022: 43, Participation rate: 37.1% (ranked 9th)



Quarterly Changes in the Number of Accounts



Foreign equity : **up 1. 2%** Compared to the end of the previous fiscal year



FYE March 31, 2022: Dividend

Year-end dividend per share : **60 yen (Annual dividend of 80 yen)**

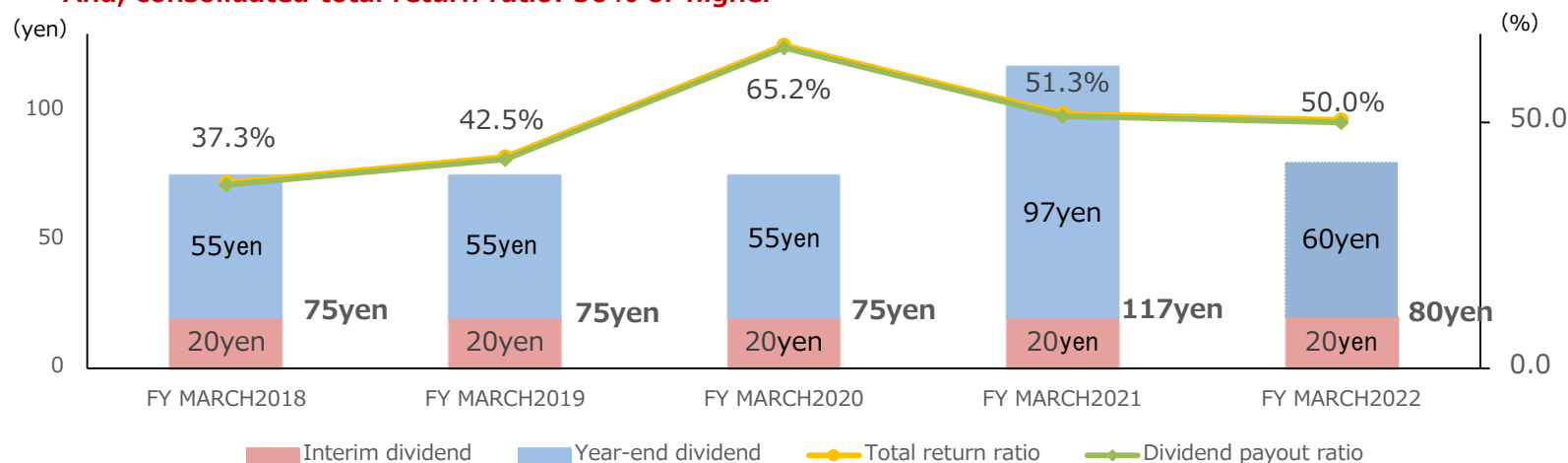
Effective date: Wednesday, June 8, 2022

Change in dividends per share

	FY March 2018	FY March 2019	FY March 2020	FY March 2021	FY March 2022
Interim dividend	20yen	20yen	20yen	20yen	20yen
Year-end dividend	55yen	55yen	55yen	97yen	60yen
Annual dividend	75yen	75yen	75yen	117yen	80yen
Dividend payout ratio	37.3%	42.5%	65.2%	51.3%	50.0%
Ratio of dividends to net assets	3.9%	3.6%	3.5%	4.9%	3.3%

Reference : Policy for Shareholder Returns (During the mid-term management plan period from FY March 2020 to FY March 2022)

- Annual dividends per share: 40 yen (lower limit)
- And, consolidated total return ratio: 50% or higher



※ Total return ratio = (Amount of dividends paid + Amount of treasury stock acquired) ÷ Consolidated profit x 100 (%)

Reduction of environmental burden



- T C F D (Task Force on Climate-related Financial Disclosures) agree with the proposal
- Changed from paper to LIMEX as a material for the Company's business cards
 - ※ One hundred business cards will lead to a saving of 10 liters of water and, given the usage of business cards by the Company, it will result in the conservation of 17,000 liters of water per year
- Introduction of envelopes from recycled old banknotes (shredded banknotes), etc.



ESG/SDGs investment



- Contributed to solving social issues together with customers through the sale of investment products related to ESG/SDGs



SUSTAINABLE DEVELOPMENT GOALS

Improved customer service and paperless operations through digitalization



- Lent mobile phones and tablets to all sales staff and converted sales materials, etc. into electronic copies to promote paperless operations
- Promoted the use of RPA (Robotic Process Automation) to automate office work
- Introduced a voice recognition system that uses AI to monitor the content of phone calls between sales representatives and customers, to further strengthen compliance and improve customer service



Social contribution activities



- Major parties that we donated to
 - ✓ Kyoto University iPS Cell Research Fund and four other organizations (project to commemorate the 100th anniversary of the foundation)
- Sponsored various activities as part of our efforts to support cultural activities
 - ✓ Beethoven's 9th with a cast of 10,000 by Suntory
- Introduced a reserve fund system for social contribution activities during the fiscal year ended March 2021
- Issued the "Private Placement Bond to Support COVID-19 Medical Treatment" where part of the issuance fee was to be donated to medical institutions, etc.
- Concluded the Partnership Agreement to Promote Global Financial City Osaka Initiatives
- Announcement of the Declaration of Partnership Building

Initiatives for work-life balance



- Realized flexible working styles through mobile working and working at satellite offices

Enabled various working styles, such as staggered working hours and going to customers' sites and then directly going home



Selected among the "Top 100 Telework Pioneers" (November 2019) by the Ministry of Internal Affairs and Communications and received "Incentive Award" (January 2020) in the Japan Telework Association's "Telework Promotion Awards," both for the first time as a securities company!

Substantial employee education



- IwaiCosmo Securities has introduced RECOG, an application that solves organizational issues in a fun way by complimenting. By visualizing compliments and commending each other beyond the boundaries of departments and positions, engagement among employees is enhanced. Further, active commendation on RECOG with mutual commendation reaching or exceeding a certain amount will support school meals for children in developing countries via a program run by Tablecross, thus contributing to the development goal of "ending hunger."



Since the merger of the securities subsidiaries in May 2012 (FYE March 31, 2013), the Group has been working to reduce CO2 emissions by improving the efficiency of electricity use in offices and shifting to more fuel-efficient vehicles for business use.

To improve the efficiency of electricity use, we are actively implementing "eco-activities" in which each and every employee is consciously engaged, such as setting air conditioners to appropriate temperatures in the office during winter and summer (eco-settings), implementing Cool Biz during the summer, and tirelessly reducing energy consumption of electrical appliances and lighting.

The Group will continue its efforts to reduce CO2 emissions, aiming to achieve at least a 55% reduction by the fiscal year ending March 31, 2025 and a 70% reduction by the fiscal year ending March 31, 2030 (both compared to the fiscal year ended March 31, 2013) in CO2 emissions from the use of business vehicles and electricity in offices, which fall under Scope 1 and Scope 2 of the GHG Protocol.

• For the Group's disclosure of information in line with TCFD, see <https://www.iwaicosmo-hd.jp/ir/climate.html>.

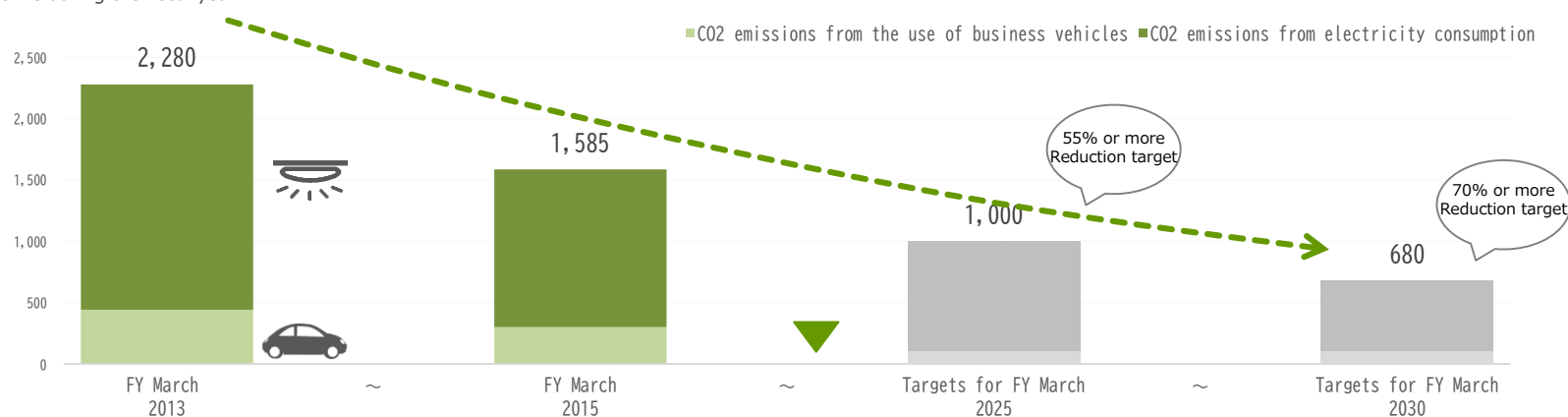
● The Group's indicators and targets

	FY March 2013	~	FY March 2015	~	Targets for FY March 2025	~	Targets for FY March 2030
CO2 emissions from the use of business vehicles	442		300				
CO2 emissions from electricity consumption	1,839		1,286				
Total	2,280		1,585		1,000		680

※Reference: Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ministry of the Environment)

※CO2 emissions from electricity consumption are calculated using the coefficients (alternative values) for each fiscal year announced by the Ministry of the Environment.

※CO2 emissions from business vehicles for the fiscal year ended March 2013 were calculated by calculating gasoline consumption based on the cost of gasoline refueling and the average unit price of gasoline during the fiscal year.



Newspaper articles, etc.

May 6:	Core system changed to NRI's STAR IV
May 23:	IwaiCosmo Holdings donates 1% of profit to help solve social issues (Nikkei Shimbun)
Jul 9:	Received a notification of compliance with the "Prime Market"
Jul 29:	Introduction of new Internet trading service "Free Stock Brokerage Commissions Program for 25 Years Old and Under"
Aug 1:	IwaiCosmo Holdings Create an English version homepage
Aug 3:	Concluded the Partnership Agreement to Promote Global Financial City Osaka Initiatives
Aug 5:	T C F D (Task Force on Climate-related Financial Disclosures) agree with the proposal
Aug 27:	Resolve "Prime Market" in new market segment
Sep 9:	Introduction of envelopes from recycled old banknotes (shredded banknotes), etc.
Oct 1:	Assume position as policy advisor of Global Financial City Osaka (Osaka Prefectural Government)
Jan 5:	IwaiCosmo increases wages for the first time in four years (The Nikkei)
Feb 9:	Announcement of the Declaration of Partnership Building
Apr 22:	Disclosure of information on response to climate change
Apr 22:	Announcement of the fifth mid-term management plan
Apr 25:	Dispensed with interest and stock lending fees for online margin and day trading



envelopes from recycled old banknotes (shredded banknotes)



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IwaiCosmo Securities Official Account



Official Account for Net Trading



Delivery of a mini market commentary via Zoom on a daily basis

 Facebook



 Twitter



Large market information screen of IwaiCosmo Securities Disseminates real-time information from the securities town of Nihonbashi Kayabacho



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