

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

July 21, 2021

Company name: IwaiCosmo Holdings, Inc.
 Stock exchange listing: Tokyo
 Stock code: 8707 URL <http://www.iwaicosmo-hd.jp>
 Representative: Chairman and Chief Executive Officer Yoshiaki Okitsu
 Inquiries: President and Chief Operating Officer Takao Sasakawa TEL 06-6229-2800
 Scheduled date to file Quarterly Securities Report: August 13, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2021	5,056	(12.8)	5,009	(12.5)	1,105	(40.6)	1,322	(34.7)	747	(50.8)
Three months ended June 30, 2020	5,799	–	5,726	–	1,859	–	2,026	–	1,519	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	31.84	–
Three months ended June 30, 2020	64.69	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	191,426	54,402	28.4
As of March 31, 2021	193,033	56,200	29.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	20.00	–	97.00	117.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2021	25,012,800 shares	As of March 31, 2021	25,012,800 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	1,523,766 shares	As of March 31, 2021	1,523,766 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	23,489,034 shares	Three months ended June 30, 2020	23,489,113 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	11,198	13,435
Segregated deposits	101,364	92,974
Segregated deposits for customers	101,000	92,500
Other segregated deposits	364	474
Trading products	1,986	2,077
Trading securities and other	1,980	2,075
Derivatives	5	1
Trade date accrual	1,186	511
Margin transaction assets	49,934	54,638
Margin loans	47,340	52,910
Cash collateral provided for securities borrowed in margin transactions	2,593	1,728
Loans secured by securities	752	576
Cash collateral provided for securities borrowed	752	576
Advances paid	123	17
Short-term guarantee deposits	8,719	8,783
Accrued income	1,283	1,250
Other current assets	624	1,177
Allowance for doubtful accounts	(5)	(6)
Total current assets	177,169	175,436
Non-current assets		
Property, plant and equipment	1,811	1,830
Buildings, net	215	224
Equipment	1,052	1,063
Land	541	541
Other	1	1
Intangible assets	562	687
Software	562	687
Other	0	0
Investments and other assets	13,489	13,472
Investment securities	11,823	11,431
Long-term guarantee deposits	706	696
Deferred tax assets	835	534
Other	292	978
Allowance for doubtful accounts	(169)	(166)
Total non-current assets	15,863	15,990
Total assets	193,033	191,426

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Trading products	169	488
Trading securities and other	160	482
Derivatives	8	5
Margin transaction liabilities	18,668	19,728
Margin borrowings	10,383	13,327
Cash received for securities sold in margin transactions	8,284	6,400
Borrowings secured by securities	4,150	3,257
Cash collateral received for securities lent	4,150	3,257
Deposits received	53,077	57,509
Deposits from customers	47,617	47,933
Other deposits received	5,459	9,575
Guarantee deposits received	45,848	44,114
Short-term borrowings	3,300	3,300
Income taxes payable	2,078	73
Provision for bonuses	1,256	383
Other current liabilities	1,006	1,016
Total current liabilities	129,554	129,871
Non-current liabilities		
Bonds payable	4,000	4,000
Deferred tax liabilities	2,506	2,375
Other noncurrent liabilities	334	339
Total non-current liabilities	6,840	6,715
Reserves under special laws		
Reserve for financial instruments transaction liabilities	437	437
Total reserves under special laws	437	437
Total liabilities	136,832	137,024
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	36,873	35,342
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	50,065	48,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,135	5,867
Total accumulated other comprehensive income	6,135	5,867
Total net assets	56,200	54,402
Total liabilities and net assets	193,033	191,426

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Operating revenue		
Commission received	2,204	2,206
Brokerage commission	1,356	1,175
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	5	30
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	362	362
Other commission received	479	637
Net trading income	3,121	2,324
Net trading income from securities	2,778	2,112
Net trading income from bonds	382	219
Net other trading income	(39)	(7)
Financial revenue	474	525
Total operating revenue	5,799	5,056
Financial expenses	73	47
Net operating revenue	5,726	5,009
Selling, general and administrative expenses	3,867	3,903
Trading related expenses	463	488
Personnel expenses	2,119	1,885
Real estate expenses	366	385
Office expenses	559	768
Depreciation	185	193
Taxes and dues	114	97
Other	58	82
Operating profit	1,859	1,105
Non-operating income	167	218
Non-operating expenses	0	1
Ordinary profit	2,026	1,322
Extraordinary income		
Reversal of reserve for financial instruments transaction liabilities	70	0
Gain on sale of investment securities	12	—
Total extraordinary income	82	0
Extraordinary losses		
System Transfer Cost	—	239
Total extraordinary losses	—	239
Profit before income taxes	2,109	1,082
Income taxes - current	571	43
Income taxes - deferred	18	291
Total income taxes	589	334
Profit	1,519	747
Profit attributable to owners of parent	1,519	747

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	1,519	747
Other comprehensive income		
Valuation difference on available-for-sale securities	1,414	(267)
Total other comprehensive income	1,414	(267)
Comprehensive income	2,934	479
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,934	479