

Translation

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

October 22, 2021

Company name: IwaiCosmo Holdings, Inc.
 Stock exchange listing: Tokyo
 Stock code: 8707 URL <https://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: November 12, 2021
 Scheduled date to commence dividend payments: November 24, 2021
 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 six months ended September 30, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	10,290	(8.4)	10,194	(7.9)	2,535	(25.5)	2,791	(22.3)	1,747	(33.7)
Six months ended September 30, 2020	11,237	—	11,071	—	3,402	—	3,592	—	2,637	—

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	74.42	—
Six months ended September 30, 2020	112.28	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	200,761	56,141	28.0
As of March 31, 2021	192,918	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	—	20.00			
Year ending March 31, 2022 (Forecast)			—	—	—

3. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 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)

Six months ended September 30, 2021	23,489,034 shares	Six months ended September 30, 2020	23,489,092 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	11,198	14,791
Segregated deposits	101,364	102,999
Segregated deposits for customers	101,000	102,500
Other segregated deposits	364	499
Trading products	1,986	1,950
Trading securities and other	1,980	1,944
Derivatives	5	6
Trade date accrual	1,186	832
Margin transaction assets	49,934	51,514
Margin loans	47,340	49,678
Cash collateral provided for securities borrowed in margin transactions	2,593	1,835
Loans secured by securities	752	447
Cash collateral provided for securities borrowed	752	447
Advances paid	8	290
Short-term guarantee deposits	8,719	8,907
Accrued income	1,283	1,375
Other current assets	624	823
Allowance for doubtful accounts	(5)	(7)
Total current assets	177,054	183,927
Non-current assets		
Property, plant and equipment	1,811	1,797
Buildings, net	215	232
Equipment	1,052	1,023
Land	541	541
Other	1	1
Intangible assets	562	676
Software	562	676
Other	0	0
Investments and other assets	13,489	14,359
Investment securities	11,823	12,523
Long-term guarantee deposits	706	701
Deferred tax assets	835	364
Other	292	933
Allowance for doubtful accounts	(169)	(163)
Total non-current assets	15,863	16,834
Total assets	192,918	200,761

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Trading products	169	726
Trading securities and other	160	725
Derivatives	8	0
Margin transaction liabilities	18,668	22,626
Margin borrowings	10,383	15,531
Cash received for securities sold in margin transactions	8,284	7,095
Borrowings secured by securities	4,150	2,493
Cash collateral received for securities lent	4,150	2,493
Deposits received	52,961	62,025
Deposits from customers	47,617	49,522
Other deposits received	5,344	12,502
Guarantee deposits received	45,848	43,766
Short-term borrowings	3,300	3,300
Income taxes payable	2,078	453
Provision for bonuses	1,256	855
Other current liabilities	1,006	898
Total current liabilities	129,439	137,146
Non-current liabilities		
Bonds payable	4,000	4,000
Deferred tax liabilities	2,506	2,692
Other noncurrent liabilities	334	343
Total non-current liabilities	6,840	7,035
Reserves under special laws		
Reserve for financial instruments transaction liabilities	437	437
Total reserves under special laws	437	437
Total liabilities	136,717	144,620
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	36,873	36,342
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	50,065	49,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,135	6,606
Total accumulated other comprehensive income	6,135	6,606
Total net assets	56,200	56,141
Total liabilities and net assets	192,918	200,761

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Operating revenue		
Commission received	4,238	4,408
Brokerage commission	2,560	2,343
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	94	150
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	580	599
Other commission received	1,002	1,314
Net trading income	5,988	4,850
Net trading income from securities	5,436	4,487
Net trading income from bonds	579	371
Net other trading income	(27)	(8)
Financial revenue	1,010	1,032
Total operating revenue	11,237	10,290
Financial expenses	165	95
Net operating revenue	11,071	10,194
Selling, general and administrative expenses	7,668	7,659
Trading related expenses	939	919
Personnel expenses	4,195	3,857
Real estate expenses	724	756
Office expenses	1,117	1,435
Depreciation	366	358
Taxes and dues	210	190
Other	114	139
Operating profit	3,402	2,535
Non-operating income	194	260
Non-operating expenses	4	4
Ordinary profit	3,592	2,791
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	130	250
Total extraordinary losses	130	250
Profit before income taxes	3,544	2,540
Income taxes - current	1,269	339
Income taxes - deferred	(362)	452
Total income taxes	907	792
Profit	2,637	1,747
Profit attributable to owners of parent	2,637	1,747

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	2,637	1,747
Other comprehensive income		
Valuation difference on available-for-sale securities	2,464	470
Total other comprehensive income	2,464	470
Comprehensive income	5,101	2,218
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,101	2,218