

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 28, 2022

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: February 10, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	15,766	(7.8)	15,631	(7.3)	4,159	(21.2)	4,543	(19.5)	2,985	(24.1)
Nine months ended December 31, 2020	17,102	–	16,858	–	5,281	–	5,646	–	3,935	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	127.11	–
Nine months ended December 31, 2020	167.55	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	193,623	56,309	29.1
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2021	23,489,034 shares	Nine months ended December 31, 2020	23,489,084 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	11,198	15,857
Segregated deposits	101,364	95,535
Segregated deposits for customers	101,000	95,000
Other segregated deposits	364	535
Trading products	1,986	1,489
Trading securities and other	1,980	1,480
Derivatives	5	8
Trade date accrual	1,186	683
Margin transaction assets	49,934	51,955
Margin loans	47,340	50,876
Cash collateral provided for securities borrowed in margin transactions	2,593	1,078
Loans secured by securities	752	214
Cash collateral provided for securities borrowed	752	214
Advances paid	8	408
Short-term guarantee deposits	8,719	9,108
Accrued income	1,283	1,253
Other current assets	624	1,480
Allowance for doubtful accounts	(5)	(5)
Total current assets	177,054	177,981
Non-current assets		
Property, plant and equipment	1,811	1,735
Buildings, net	215	225
Equipment	1,052	956
Land	541	541
Other	1	12
Intangible assets	562	652
Software	562	652
Other	0	0
Investments and other assets	13,489	13,253
Investment securities	11,823	11,640
Long-term guarantee deposits	706	694
Deferred tax assets	835	189
Other	292	889
Allowance for doubtful accounts	(169)	(160)
Total non-current assets	15,863	15,641
Total assets	192,918	193,623

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Trading products	169	95
Trading securities and other	160	76
Derivatives	8	18
Margin transaction liabilities	18,668	16,346
Margin borrowings	10,383	10,889
Cash received for securities sold in margin transactions	8,284	5,456
Borrowings secured by securities	4,150	2,420
Cash collateral received for securities lent	4,150	2,420
Deposits received	52,961	64,437
Deposits from customers	47,617	49,561
Other deposits received	5,344	14,875
Guarantee deposits received	45,848	42,091
Short-term borrowings	3,300	3,300
Income taxes payable	2,078	49
Provision for bonuses	1,256	538
Other current liabilities	1,006	818
Total current liabilities	129,439	130,097
Non-current liabilities		
Bonds payable	4,000	4,000
Deferred tax liabilities	2,506	2,425
Other noncurrent liabilities	334	353
Total non-current liabilities	6,840	6,779
Reserves under special laws		
Reserve for financial instruments transaction liabilities	437	437
Total reserves under special laws	437	437
Total liabilities	136,717	137,313
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	36,873	37,110
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	50,065	50,302
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,135	6,006
Total accumulated other comprehensive income	6,135	6,006
Total net assets	56,200	56,309
Total liabilities and net assets	192,918	193,623

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Operating revenue		
Commission received	6,605	6,684
Brokerage commission	3,971	3,577
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	130	181
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	956	908
Other commission received	1,547	2,016
Net trading income	8,940	7,498
Net trading income from securities	8,115	6,906
Net trading income from bonds	873	609
Net other trading income	(48)	(16)
Financial revenue	1,555	1,583
Total operating revenue	17,102	15,766
Financial expenses	243	135
Net operating revenue	16,858	15,631
Selling, general and administrative expenses	11,577	11,472
Trading related expenses	1,430	1,397
Personnel expenses	6,350	5,840
Real estate expenses	1,099	1,114
Office expenses	1,691	2,114
Depreciation	546	522
Taxes and dues	303	279
Other	155	202
Operating profit	5,281	4,159
Non-operating income	371	389
Non-operating expenses	5	5
Ordinary profit	5,646	4,543
Extraordinary income		
Gain on sale of non-current assets	—	5
Reversal of reserve for financial instruments transaction liabilities	70	0
Gain on sale of investment securities	12	—
Total extraordinary income	82	6
Extraordinary losses		
System Transfer Cost	320	250
Total extraordinary losses	320	250
Profit before income taxes	5,409	4,298
Income taxes - current	1,586	687
Income taxes - deferred	(113)	625
Total income taxes	1,473	1,312
Profit	3,935	2,985
Profit attributable to owners of parent	3,935	2,985

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	3,935	2,985
Other comprehensive income		
Valuation difference on available-for-sale securities	1,849	(129)
Total other comprehensive income	1,849	(129)
Comprehensive income	5,784	2,856
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,784	2,856