

## Translation

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# Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 22, 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 of ordinary general meeting of shareholders: June 24, 2022  
 Scheduled date to file Securities Report: June 24, 2022  
 Scheduled date to commence dividend payments: June 8, 2022  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

### (1) Consolidated operating results

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	%
Year ended March 31, 2022	20,708	(9.9)	20,512	(9.5)	5,381	(25.1)	5,799	(23.0)	3,756	(29.9)
Year ended March 31, 2021	22,993	—	22,673	—	7,182	—	7,530	—	5,362	—

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Operating profit/Operating revenue
	Yen	Yen	%	%
Year ended March 31, 2022	159.93	—	6.7	26.0
Year ended March 31, 2021	228.28	—	10.0	31.2

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	182,476	56,496	31.0	2,405.25
As of March 31, 2021	192,918	56,200	29.1	2,392.65

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	6,361	(1,136)	(2,750)	13,876
Year ended March 31, 2021	3,963	(1,022)	(2,466)	10,071

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	20.00	—	97.00	117.00	2,748	51.3	5.1
Year ended March 31, 2022	—	20.00	—	60.00	80.00	1,879	50.0	3.3
Year ending March 31, 2023 (Forecast)	—	—	—	—	—	—	—	—

### 3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) 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

#### (3) Number of issued shares (common shares)

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

As of March 31, 2022	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 March 31, 2022	1,523,766 shares	As of March 31, 2021	1,523,766 shares
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Average number of shares during the period

Year ended March 31, 2022	23,489,034 shares	Year ended March 31, 2021	23,489,073 shares
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## Consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	11,198	14,895
Segregated deposits	101,364	92,347
Segregated deposits for customers	101,000	92,000
Other segregated deposits	364	347
Trading products	1,986	1,692
Trading securities and other	1,980	1,684
Derivatives	5	8
Trade date accrual	1,186	664
Margin transaction assets	49,934	46,315
Margin loans	47,340	44,381
Cash collateral provided for securities borrowed in margin transactions	2,593	1,934
Loans secured by securities	752	263
Cash collateral provided for securities borrowed	752	263
Advances paid	8	36
Short-term guarantee deposits	8,719	9,187
Accrued revenue	1,283	1,318
Other current assets	624	1,136
Allowance for doubtful accounts	(5)	(6)
Total current assets	177,054	167,852
Non-current assets		
Property, plant and equipment	1,811	1,678
Buildings, net	215	222
Equipment	1,052	892
Land	541	541
Other	1	22
Intangible assets	562	615
Software	562	615
Other	0	0
Investments and other assets	13,489	12,329
Investment securities	11,823	10,803
Long-term guarantee deposits	706	693
Deferred tax assets	835	306
Other	292	683
Allowance for doubtful accounts	(169)	(157)
Total non-current assets	15,863	14,623
Total assets	192,918	182,476

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Trading products	169	337
Trading securities and other	160	334
Derivatives	8	2
Margin transaction liabilities	18,668	18,650
Margin borrowings	10,383	11,476
Cash received for securities sold in margin transactions	8,284	7,174
Borrowings secured by securities	4,150	3,086
Cash collateral received for securities lent	4,150	3,086
Deposits received	52,961	50,229
Deposits from customers	47,617	46,273
Other deposits received	5,344	3,956
Guarantee deposits received	45,848	41,392
Short-term borrowings	3,300	3,300
Current portion of bonds payable	—	2,000
Income taxes payable	2,078	218
Provision for bonuses	1,256	943
Other current liabilities	1,006	841
Total current liabilities	129,439	120,999
Non-current liabilities		
Bonds payable	4,000	2,000
Deferred tax liabilities	2,506	2,177
Other noncurrent liabilities	334	363
Total non-current liabilities	6,840	4,541
Reserves under special laws		
Reserve for financial instruments transaction liabilities	437	438
Total reserves under special laws	437	438
Total liabilities	136,717	125,979
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	36,873	37,881
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	50,065	51,073
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,135	5,423
Total accumulated other comprehensive income	6,135	5,423
Total net assets	56,200	56,496
Total liabilities and net assets	192,918	182,476

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Operating revenue		
Commission received	9,171	9,355
Brokerage commission	5,415	4,834
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	147	311
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,454	1,555
Other commission received	2,153	2,654
Net trading income	11,728	9,255
Net trading income from securities	10,731	8,388
Net trading income from bonds	1,071	904
Net other trading income	(74)	(37)
Financial revenue	2,093	2,097
Total operating revenue	22,993	20,708
Financial expenses	320	195
Net operating revenue	22,673	20,512
Selling, general and administrative expenses	15,490	15,131
Trading related expenses	1,905	1,837
Personnel expenses	8,523	7,692
Real estate expenses	1,462	1,469
Office expenses	2,255	2,802
Depreciation	719	691
Taxes and dues	407	365
Other	217	273
Operating profit	7,182	5,381
Non-operating income	408	428
Non-operating expenses	61	10
Ordinary profit	7,530	5,799
Extraordinary income		
Gain on sale of non-current assets	—	5
Gain on sale of investment securities	12	—
Reversal of reserve for financial instruments transaction liabilities	37	—
Total extraordinary income	49	5
Extraordinary losses		
System Transfer Cost	385	250
Provision of reserve for financial instruments transaction liabilities	—	1
Total extraordinary losses	385	251
Profit before income taxes	7,193	5,553
Income taxes - current	2,441	1,279
Income taxes - deferred	(609)	517
Total income taxes	1,831	1,797
Profit	5,362	3,756
Profit attributable to owners of parent	5,362	3,756

**Consolidated statements of comprehensive income**

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	5,362	3,756
Other comprehensive income		
Valuation difference on available-for-sale securities	1,770	(712)
Total other comprehensive income	1,770	(712)
Comprehensive income	7,132	3,044
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,132	3,044

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,004	4,890	33,272	(1,702)	46,464
Cumulative effects of changes in accounting policies					—
Restated balance	10,004	4,890	33,272	(1,702)	46,464
Changes during period					
Dividends of surplus			(1,761)		(1,761)
Profit attributable to owners of parent			5,362		5,362
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	—	—	3,600	(0)	3,600
Balance at end of period	10,004	4,890	36,873	(1,702)	50,065

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	4,365	4,365	50,829
Cumulative effects of changes in accounting policies			—
Restated balance	4,365	4,365	50,829
Changes during period			
Dividends of surplus			(1,761)
Profit attributable to owners of parent			5,362
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	1,770	1,770	1,770
Total changes during period	1,770	1,770	5,371
Balance at end of period	6,135	6,135	56,200

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,004	4,890	36,873	(1,702)	50,065
Cumulative effects of changes in accounting policies					—
Restated balance	10,004	4,890	36,873	(1,702)	50,065
Changes during period					
Dividends of surplus			(2,748)		(2,748)
Profit attributable to owners of parent			3,756		3,756
Purchase of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes during period	—	—	1,008	—	1,008
Balance at end of period	10,004	4,890	37,881	(1,702)	51,073

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	6,135	6,135	56,200
Cumulative effects of changes in accounting policies			—
Restated balance	6,135	6,135	56,200
Changes during period			
Dividends of surplus			(2,748)
Profit attributable to owners of parent			3,756
Purchase of treasury shares			—
Net changes in items other than shareholders' equity	(712)	(712)	(712)
Total changes during period	(712)	(712)	295
Balance at end of period	5,423	5,423	56,496



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	7,193	5,553
Depreciation	719	691
Loss (gain) on sale of non-current assets	—	(5)
Increase (decrease) in allowance for doubtful accounts	(15)	(11)
Increase (decrease) in provision for bonuses	594	(312)
Increase (decrease) in reserve for financial instruments transaction liabilities	(37)	1
Interest and dividend income	(1,937)	(2,008)
Interest expenses	320	195
Foreign exchange losses (gains)	(642)	(1,395)
System Transfer Cost	385	250
Loss (gain) on sale of investment securities	(12)	—
Decrease (increase) in cash segregated as deposits for customers	(8,000)	9,000
Decrease (increase) in trading products	531	461
Decrease (increase) in trade date accrual	(718)	522
Decrease (increase) in margin transaction assets	(13,977)	3,619
Decrease (increase) in loans secured by securities	(156)	488
Decrease (increase) in advance paid	71	(28)
Decrease (increase) in deposits	678	(467)
Increase (decrease) in margin transaction liabilities	5,615	(18)
Increase (decrease) in borrowings secured by securities	380	(1,064)
Increase (decrease) in deposits received	8,794	(2,732)
Increase (decrease) in guarantee deposits received	4,087	(4,455)
Other, net	(116)	(61)
Subtotal	3,758	8,222
Interest and dividends received	1,911	1,960
Interest paid	(321)	(197)
System Transfer Cost	(542)	(288)
Income taxes refund (paid)	(842)	(3,335)
Net cash provided by (used in) operating activities	3,963	6,361
Cash flows from investing activities		
Payments into time deposits	(991)	(976)
Proceeds from withdrawal of time deposits	773	1,112
Purchase of property, plant and equipment	(593)	(179)
Proceeds from sale of property, plant and equipment	—	6
Purchase of intangible assets	(244)	(255)
Purchase of long-term prepaid expenses	(15)	(720)
Purchase of investment securities	—	(25)
Proceeds from sale of investment securities	12	—
Proceeds from collection of loans receivable	1	0
Payments for asset retirement obligations	(68)	(151)
Other, net	103	51
Net cash provided by (used in) investing activities	(1,022)	(1,136)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(700)	—
Repayments of lease liabilities	(4)	(2)
Proceeds from issuance of bonds	2,000	—
Redemption of bonds	(2,000)	—
Purchase of treasury shares	(0)	—
Dividends paid	(1,762)	(2,747)
Net cash provided by (used in) financing activities	(2,466)	(2,750)
Effect of exchange rate change on cash and cash equivalents	615	1,330
Net increase (decrease) in cash and cash equivalents	1,089	3,805
Cash and cash equivalents at beginning of period	8,981	10,071
Cash and cash equivalents at end of period	10,071	13,876