

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 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 to file Quarterly Securities Report: August 12, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	4,624	(8.6)	4,572	(8.7)	972	(12.1)	1,204	(8.9)	832	11.3
Three months ended June 30, 2021	5,057	(12.8)	5,010	(12.5)	1,105	(40.6)	1,322	(34.7)	747	(50.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	35.43		–	
Three months ended June 30, 2021	31.84		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	183,556	55,116	30.0
As of March 31, 2022	182,476	56,496	31.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	20.00	–	60.00	80.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	–	–

3. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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: No
 - 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, 2022	25,012,800 shares	As of March 31, 2022	25,012,800 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,523,766 shares	As of March 31, 2022	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, 2022	23,489,034 shares	Three months ended June 30, 2021	23,489,034 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	14,895	11,573
Segregated deposits	92,347	91,427
Segregated deposits for customers	92,000	88,500
Other segregated deposits	347	2,927
Trading products	1,692	1,639
Trading securities and other	1,684	1,624
Derivatives	8	15
Trade date accrual	664	483
Margin transaction assets	46,315	52,727
Margin loans	44,381	51,261
Cash collateral provided for securities borrowed in margin transactions	1,934	1,466
Loans secured by securities	263	423
Cash collateral provided for securities borrowed	263	423
Advances paid	36	16
Short-term guarantee deposits	9,187	9,538
Accrued revenue	1,318	1,287
Other current assets	1,136	1,441
Allowance for doubtful accounts	(6)	(6)
Total current assets	167,852	170,550
Non-current assets		
Property, plant and equipment	1,678	1,620
Buildings, net	222	219
Equipment	892	832
Land	541	541
Other	22	26
Intangible assets	615	583
Software	615	583
Other	0	0
Investments and other assets	12,329	10,802
Investment securities	10,803	9,562
Long-term guarantee deposits	693	710
Deferred tax assets	306	48
Other	683	629
Allowance for doubtful accounts	(157)	(149)
Total non-current assets	14,623	13,006
Total assets	182,476	183,556

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Trading products	337	56
Trading securities and other	334	55
Derivatives	2	0
Margin transaction liabilities	18,650	20,327
Margin borrowings	11,476	14,595
Cash received for securities sold in margin transactions	7,174	5,732
Borrowings secured by securities	3,086	2,726
Cash collateral received for securities lent	3,086	2,726
Deposits received	50,229	52,021
Deposits from customers	46,273	45,067
Other deposits received	3,956	6,953
Guarantee deposits received	41,392	41,993
Short-term borrowings	3,300	3,300
Current portion of bonds payable	2,000	2,000
Income taxes payable	218	140
Provision for bonuses	943	336
Other current liabilities	841	891
Total current liabilities	120,999	123,793
Non-current liabilities		
Bonds payable	2,000	2,000
Deferred tax liabilities	2,177	1,836
Other noncurrent liabilities	363	372
Total non-current liabilities	4,541	4,208
Reserves under special laws		
Reserve for financial instruments transaction liabilities	438	438
Total reserves under special laws	438	438
Total liabilities	125,979	128,440
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	37,881	37,304
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	51,073	50,496
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,423	4,620
Total accumulated other comprehensive income	5,423	4,620
Total net assets	56,496	55,116
Total liabilities and net assets	182,476	183,556

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, 2021	Three months ended June 30, 2022
Operating revenue		
Commission received	2,206	2,656
Brokerage commission	1,175	1,844
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	30	10
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	362	187
Other commission received	637	613
Net trading income	2,325	1,467
Net trading income from securities	2,113	983
Net trading income from bonds	219	501
Net other trading income	(7)	(16)
Financial revenue	525	500
Total operating revenue	5,057	4,624
Financial expenses	47	51
Net operating revenue	5,010	4,572
Selling, general and administrative expenses	3,904	3,600
Trading related expenses	488	440
Personnel expenses	1,886	1,736
Real estate expenses	385	381
Office expenses	768	705
Depreciation	193	164
Taxes and dues	97	100
Other	82	70
Operating profit	1,105	972
Non-operating income	218	233
Non-operating expenses	1	1
Ordinary profit	1,322	1,204
Extraordinary income		
Reversal of reserve for financial instruments transaction liabilities	0	0
Total extraordinary income	0	0
Extraordinary losses		
System Transfer Cost	239	–
Total extraordinary losses	239	–
Profit before income taxes	1,082	1,204
Income taxes - current	43	101
Income taxes - deferred	291	270
Total income taxes	334	372
Profit	747	832
Profit attributable to owners of parent	747	832

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	747	832
Other comprehensive income		
Valuation difference on available-for-sale securities	(267)	(802)
Total other comprehensive income	(267)	(802)
Comprehensive income	479	29
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	479	29