

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

October 21, 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: November 11, 2022
 Scheduled date to commence dividend payments: November 24, 2022
 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, 2022 (from April 1, 2022 to September 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	%
Six months ended September 30, 2022	9,669	(6.1)	9,542	(6.4)	2,285	(9.9)	2,546	(8.8)	1,760	0.7
Six months ended September 30, 2021	10,292	(8.4)	10,196	(7.9)	2,535	(25.5)	2,791	(22.3)	1,747	(33.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	74.95		-	
Six months ended September 30, 2021	74.42		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	191,705	56,026	29.2
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	-	20.00	-	-	-
Year ending March 31, 2023 (Forecast)	-	-	-	-	-

3. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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: 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, 2022	25,012,800 shares	As of March 31, 2022	25,012,800 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2022	1,523,766 shares	As of March 31, 2022	1,523,766 shares
--------------------------	------------------	----------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	23,489,034 shares	Six months ended September 30, 2021	23,489,034 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	14,895	12,240
Segregated deposits	92,347	92,238
Segregated deposits for customers	92,000	88,000
Other segregated deposits	347	4,238
Trading products	1,692	1,750
Trading securities and other	1,684	1,749
Derivatives	8	1
Trade date accrual	664	960
Margin transaction assets	46,315	59,341
Margin loans	44,381	58,108
Cash collateral provided for securities borrowed in margin transactions	1,934	1,233
Loans secured by securities	263	437
Cash collateral provided for securities borrowed	263	437
Advances paid	36	75
Short-term guarantee deposits	9,187	9,504
Accrued revenue	1,318	1,474
Other current assets	1,136	617
Allowance for doubtful accounts	(6)	(7)
Total current assets	167,852	178,632
Non-current assets		
Property, plant and equipment	1,678	1,572
Buildings, net	222	233
Equipment	892	772
Land	541	541
Other	22	25
Intangible assets	615	555
Software	615	555
Other	0	0
Investments and other assets	12,329	10,946
Investment securities	10,803	9,545
Long-term guarantee deposits	693	710
Deferred tax assets	306	247
Other	683	588
Allowance for doubtful accounts	(157)	(146)
Total non-current assets	14,623	13,073
Total assets	182,476	191,705

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Trading products	337	209
Trading securities and other	334	205
Derivatives	2	4
Margin transaction liabilities	18,650	23,710
Margin borrowings	11,476	18,571
Cash received for securities sold in margin transactions	7,174	5,138
Borrowings secured by securities	3,086	5,193
Cash collateral received for securities lent	3,086	5,193
Deposits received	50,229	53,470
Deposits from customers	46,273	44,738
Other deposits received	3,956	8,731
Guarantee deposits received	41,392	40,495
Short-term borrowings	3,300	3,400
Current portion of bonds payable	2,000	2,000
Income taxes payable	218	833
Provision for bonuses	943	775
Other current liabilities	841	952
Total current liabilities	120,999	131,039
Non-current liabilities		
Bonds payable	2,000	2,000
Deferred tax liabilities	2,177	1,829
Other noncurrent liabilities	363	371
Total non-current liabilities	4,541	4,201
Reserves under special laws		
Reserve for financial instruments transaction liabilities	438	438
Total reserves under special laws	438	438
Total liabilities	125,979	135,679
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	37,881	38,232
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	51,073	51,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,423	4,602
Total accumulated other comprehensive income	5,423	4,602
Total net assets	56,496	56,026
Total liabilities and net assets	182,476	191,705

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, 2021	Six months ended September 30, 2022
Operating revenue		
Commission received	4,408	5,664
Brokerage commission	2,343	3,966
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	150	24
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	599	445
Other commission received	1,314	1,228
Net trading income	4,851	2,961
Net trading income from securities	4,488	2,243
Net trading income from bonds	371	762
Net other trading income	(8)	(44)
Financial revenue	1,032	1,042
Total operating revenue	10,292	9,669
Financial expenses	95	127
Net operating revenue	10,196	9,542
Selling, general and administrative expenses	7,660	7,256
Trading related expenses	920	875
Personnel expenses	3,858	3,586
Real estate expenses	756	748
Office expenses	1,435	1,397
Depreciation	358	329
Taxes and dues	190	189
Other	139	128
Operating profit	2,535	2,285
Non-operating income	260	264
Non-operating expenses	4	3
Ordinary profit	2,791	2,546
Extraordinary income		
Reversal of reserve for financial instruments transaction liabilities	0	0
Total extraordinary income	0	0
Extraordinary losses		
System Transfer Cost	250	–
Total extraordinary losses	250	–
Profit before income taxes	2,540	2,546
Income taxes - current	339	714
Income taxes - deferred	452	72
Total income taxes	792	786
Profit	1,747	1,760
Profit attributable to owners of parent	1,747	1,760

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,747	1,760
Other comprehensive income		
Valuation difference on available-for-sale securities	470	(821)
Total other comprehensive income	470	(821)
Comprehensive income	2,218	939
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,218	939