

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 27, 2023

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, 2023
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	14,665	(7.0)	14,477	(7.4)	3,500	(15.9)	3,884	(14.5)	2,689	(9.9)
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)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	114.50		–	
Nine months ended December 31, 2021	127.11		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	199,545	56,388	28.3
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2022	23,489,034 shares	Nine months ended December 31, 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	14,895	8,695
Segregated deposits	92,347	98,016
Segregated deposits for customers	92,000	93,500
Other segregated deposits	347	4,516
Trading products	1,692	1,779
Trading securities and other	1,684	1,770
Derivatives	8	9
Trade date accrual	664	2,054
Margin transaction assets	46,315	64,580
Margin loans	44,381	63,344
Cash collateral provided for securities borrowed in margin transactions	1,934	1,236
Loans secured by securities	263	264
Cash collateral provided for securities borrowed	263	264
Advances paid	36	83
Short-term guarantee deposits	9,187	9,316
Accrued revenue	1,318	1,417
Other current assets	1,136	741
Allowance for doubtful accounts	(6)	(8)
Total current assets	167,852	186,942
Non-current assets		
Property, plant and equipment	1,678	1,498
Buildings, net	222	223
Equipment	892	710
Land	541	541
Other	22	23
Intangible assets	615	492
Software	615	492
Other	0	0
Investments and other assets	12,329	10,611
Investment securities	10,803	9,399
Long-term guarantee deposits	693	710
Deferred tax assets	306	100
Other	683	544
Allowance for doubtful accounts	(157)	(142)
Total non-current assets	14,623	12,602
Total assets	182,476	199,545

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Trading products	337	342
Trading securities and other	334	339
Derivatives	2	2
Margin transaction liabilities	18,650	27,969
Margin borrowings	11,476	22,306
Cash received for securities sold in margin transactions	7,174	5,663
Borrowings secured by securities	3,086	3,380
Cash collateral received for securities lent	3,086	3,380
Deposits received	50,229	55,438
Deposits from customers	46,273	45,178
Other deposits received	3,956	10,260
Guarantee deposits received	41,392	43,986
Short-term borrowings	3,300	3,500
Current portion of bonds payable	2,000	2,000
Income taxes payable	218	400
Provision for bonuses	943	410
Other current liabilities	841	1,149
Total current liabilities	120,999	138,578
Non-current liabilities		
Bonds payable	2,000	2,000
Deferred tax liabilities	2,177	1,773
Other noncurrent liabilities	363	366
Total non-current liabilities	4,541	4,140
Reserves under special laws		
Reserve for financial instruments transaction liabilities	438	438
Total reserves under special laws	438	438
Total liabilities	125,979	143,156
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	37,881	38,691
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	51,073	51,883
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,423	4,504
Total accumulated other comprehensive income	5,423	4,504
Total net assets	56,496	56,388
Total liabilities and net assets	182,476	199,545

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, 2021	Nine months ended December 31, 2022
Operating revenue		
Commission received	6,684	9,049
Brokerage commission	3,577	6,236
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	181	117
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	908	876
Other commission received	2,016	1,818
Net trading income	7,498	4,052
Net trading income from securities	6,906	3,264
Net trading income from bonds	609	816
Net other trading income	(16)	(28)
Financial revenue	1,583	1,563
Total operating revenue	15,766	14,665
Financial expenses	135	188
Net operating revenue	15,631	14,477
Selling, general and administrative expenses	11,472	10,977
Trading related expenses	1,397	1,316
Personnel expenses	5,840	5,381
Real estate expenses	1,114	1,104
Office expenses	2,114	2,212
Depreciation	522	497
Taxes and dues	279	274
Other	202	189
Operating profit	4,159	3,500
Non-operating income	389	389
Non-operating expenses	5	5
Ordinary profit	4,543	3,884
Extraordinary income		
Gain on sale of non-current assets	5	–
Reversal of reserve for financial instruments transaction liabilities	0	–
Total extraordinary income	6	–
Extraordinary losses		
Provision of reserve for financial instruments transaction liabilities	–	0
System Transfer Cost	250	–
Total extraordinary losses	250	0
Profit before income taxes	4,298	3,883
Income taxes - current	687	986
Income taxes - deferred	625	207
Total income taxes	1,312	1,194
Profit	2,985	2,689
Profit attributable to owners of parent	2,985	2,689

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	2,985	2,689
Other comprehensive income		
Valuation difference on available-for-sale securities	(129)	(918)
Total other comprehensive income	(129)	(918)
Comprehensive income	2,856	1,770
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,856	1,770