

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2023
(Based on Japanese GAAP)**

April 21, 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 of ordinary general meeting of shareholders: June 23, 2023
 Scheduled date to file Securities Report: June 23, 2023
 Scheduled date to commence dividend payments: June 7, 2023
 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, 2023 (from April 1, 2022 to March 31, 2023)

(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, 2023	19,691	(4.9)	19,428	(5.3)	4,770	(11.4)	5,165	(10.9)	3,564	(5.1)
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)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Operating profit/Operating revenue
	Yen	Yen	%	%
Year ended March 31, 2023	151.73	—	6.2	24.2
Year ended March 31, 2022	159.93	—	6.7	26.0

(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, 2023	183,509	57,557	31.4	2,450.40
As of March 31, 2022	182,476	56,496	31.0	2,405.25

(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, 2023	(5,797)	(2,394)	(1,728)	4,731
Year ended March 31, 2022	6,361	(1,136)	(2,750)	13,876

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, 2022	—	20.00	—	60.00	80.00	1,879	50.0	3.3
Year ended March 31, 2023	—	20.00	—	60.00	80.00	1,879	52.7	3.3
Year ending March 31, 2024 (Forecast)	—	—	—	—	—	—	—	—

3. Notes

- (1) Changes in significant subsidiaries during the year ended March 31, 2023
 (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, 2023	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 March 31, 2023	1,523,846 shares	As of March 31, 2022	1,523,766 shares
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Average number of shares during the period

Year ended March 31, 2023	23,489,027 shares	Year ended March 31, 2022	23,489,034 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	14,895	8,330
Segregated deposits	92,347	84,761
Segregated deposits for customers	92,000	80,500
Other segregated deposits	347	4,261
Trading products	1,692	1,935
Trading securities and other	1,684	1,935
Derivatives	8	–
Trade date accrual	664	535
Margin transaction assets	46,315	63,167
Margin loans	44,381	61,716
Cash collateral provided for securities borrowed in margin transactions	1,934	1,450
Loans secured by securities	263	183
Cash collateral provided for securities borrowed	263	183
Advances paid	36	18
Short-term guarantee deposits	9,187	9,214
Accrued revenue	1,318	1,475
Other current assets	1,136	768
Allowance for doubtful accounts	(6)	(6)
Total current assets	167,852	170,384
Non-current assets		
Property, plant and equipment	1,678	1,466
Buildings, net	222	232
Equipment	892	669
Land	541	541
Other	22	22
Intangible assets	615	444
Software	615	444
Other	0	0
Investments and other assets	12,329	11,213
Investment securities	10,803	9,839
Long-term guarantee deposits	693	702
Deferred tax assets	306	309
Other	683	503
Allowance for doubtful accounts	(157)	(141)
Total non-current assets	14,623	13,125
Total assets	182,476	183,509

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trading products	337	272
Trading securities and other	334	249
Derivatives	2	23
Margin transaction liabilities	18,650	21,851
Margin borrowings	11,476	15,478
Cash received for securities sold in margin transactions	7,174	6,373
Borrowings secured by securities	3,086	4,048
Cash collateral received for securities lent	3,086	4,048
Deposits received	50,229	44,515
Deposits from customers	46,273	41,528
Other deposits received	3,956	2,987
Guarantee deposits received	41,392	41,847
Short-term borrowings	3,300	3,500
Current portion of bonds payable	2,000	–
Income taxes payable	218	1,089
Provision for bonuses	943	834
Other current liabilities	841	1,281
Total current liabilities	120,999	119,241
Non-current liabilities		
Bonds payable	2,000	4,000
Deferred tax liabilities	2,177	1,903
Other noncurrent liabilities	363	368
Total non-current liabilities	4,541	6,272
Reserves under special laws		
Reserve for financial instruments transaction liabilities	438	439
Total reserves under special laws	438	439
Total liabilities	125,979	125,952
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	37,881	39,566
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	51,073	52,758
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,423	4,799
Total accumulated other comprehensive income	5,423	4,799
Total net assets	56,496	57,557
Total liabilities and net assets	182,476	183,509

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating revenue		
Commission received	9,355	12,123
Brokerage commission	4,834	8,405
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	311	139
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,555	1,183
Other commission received	2,654	2,393
Net trading income	9,255	5,443
Net trading income from securities	8,388	4,628
Net trading income from bonds	904	859
Net other trading income	(37)	(43)
Financial revenue	2,097	2,124
Total operating revenue	20,708	19,691
Financial expenses	195	262
Net operating revenue	20,512	19,428
Selling, general and administrative expenses	15,131	14,658
Trading related expenses	1,837	1,752
Personnel expenses	7,692	7,233
Real estate expenses	1,469	1,470
Office expenses	2,802	2,918
Depreciation	691	664
Taxes and dues	365	366
Other	273	251
Operating profit	5,381	4,770
Non-operating income	428	456
Non-operating expenses	10	60
Ordinary profit	5,799	5,165
Extraordinary income		
Gain on sale of non-current assets	5	–
Total extraordinary income	5	–
Extraordinary losses		
Provision of reserve for financial instruments transaction liabilities	1	1
System Transfer Cost	250	–
Total extraordinary losses	251	1
Profit before income taxes	5,553	5,164
Income taxes - current	1,279	1,601
Income taxes - deferred	517	(0)
Total income taxes	1,797	1,600
Profit	3,756	3,564
Profit attributable to owners of parent	3,756	3,564

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	3,756	3,564
Other comprehensive income		
Valuation difference on available-for-sale securities	(712)	(624)
Total other comprehensive income	(712)	(624)
Comprehensive income	3,044	2,939
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,044	2,939

Consolidated statements of changes in equity

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
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
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

Fiscal year ended March 31, 2023

(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	37,881	(1,702)	51,073
Changes during period					
Dividends of surplus			(1,879)		(1,879)
Profit attributable to owners of parent			3,564		3,564
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,684	(0)	1,684
Balance at end of period	10,004	4,890	39,566	(1,702)	52,758

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	5,423	5,423	56,496
Changes during period			
Dividends of surplus			(1,879)
Profit attributable to owners of parent			3,564
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	(624)	(624)	(624)
Total changes during period	(624)	(624)	1,060
Balance at end of period	4,799	4,799	57,557

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,553	5,164
Depreciation	691	664
Loss (gain) on sale of non-current assets	(5)	–
Bond issuance costs	–	44
Increase (decrease) in allowance for doubtful accounts	(11)	(16)
Increase (decrease) in provision for bonuses	(312)	(108)
Increase (decrease) in reserve for financial instruments transaction liabilities	1	1
Interest and dividend income	(2,008)	(2,302)
Interest expenses	195	262
Foreign exchange losses (gains)	(1,395)	(992)
System Transfer Cost	250	–
Decrease (increase) in cash segregated as deposits for customers	9,000	11,500
Decrease (increase) in other segregated deposits	17	(3,914)
Decrease (increase) in trading products	461	(307)
Decrease (increase) in trade date accrual	522	128
Decrease (increase) in margin transaction assets	3,619	(16,851)
Decrease (increase) in loans secured by securities	488	80
Decrease (increase) in advance paid	(28)	18
Decrease (increase) in deposits	(467)	(26)
Increase (decrease) in margin transaction liabilities	(18)	3,201
Increase (decrease) in borrowings secured by securities	(1,064)	962
Increase (decrease) in deposits received	(2,732)	(5,714)
Increase (decrease) in guarantee deposits received	(4,455)	454
Other, net	(78)	541
Subtotal	8,222	(7,208)
Interest and dividends received	1,960	2,210
Interest paid	(197)	(256)
System Transfer Cost	(288)	–
Income taxes refund (paid)	(3,335)	(541)
Net cash provided by (used in) operating activities	6,361	(5,797)
Cash flows from investing activities		
Payments into time deposits	(976)	(6,031)
Proceeds from withdrawal of time deposits	1,112	3,669
Purchase of property, plant and equipment	(179)	(71)
Proceeds from sale of property, plant and equipment	6	–
Purchase of intangible assets	(255)	(19)
Purchase of long-term prepaid expenses	(720)	(2)
Purchase of investment securities	(25)	(59)
Proceeds from sale of investment securities	–	101
Proceeds from collection of loans receivable	0	–
Payments for asset retirement obligations	(151)	–
Other, net	51	19
Net cash provided by (used in) investing activities	(1,136)	(2,394)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	200
Repayments of lease liabilities	(2)	(5)
Proceeds from issuance of bonds	–	1,955
Redemption of bonds	–	(2,000)
Purchase of treasury shares	–	(0)
Dividends paid	(2,747)	(1,879)
Net cash provided by (used in) financing activities	(2,750)	(1,728)
Effect of exchange rate change on cash and cash equivalents	1,330	775
Net increase (decrease) in cash and cash equivalents	3,805	(9,145)
Cash and cash equivalents at beginning of period	10,071	13,876
Cash and cash equivalents at end of period	13,876	4,731