

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 20, 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: November 10, 2023
 Scheduled date to commence dividend payments: November 24, 2023
 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	11,390	17.8	11,245	17.8	3,329	45.7	3,551	39.4	2,497	41.9
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

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	106.34		-	
Six months ended September 30, 2022	74.95		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	204,187	60,525	29.6
As of March 31, 2023	183,509	57,557	31.4

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, 2023	-	20.00	-	60.00	80.00
Year ending March 31, 2024	-	20.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	-	-

3. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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 September 30, 2023	25,012,800 shares	As of March 31, 2023	25,012,800 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,523,908 shares	As of March 31, 2023	1,523,846 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	23,488,896 shares	Six months ended September 30, 2022	23,489,034 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	8,330	8,512
Segregated deposits	84,761	101,953
Segregated deposits for customers	80,500	100,500
Other segregated deposits	4,261	1,453
Trading products	1,935	1,495
Trading securities and other	1,935	1,492
Derivatives	–	2
Trade date accrual	535	566
Margin transaction assets	63,167	64,135
Margin loans	61,716	62,792
Cash collateral provided for securities borrowed in margin transactions	1,450	1,342
Loans secured by securities	183	611
Cash collateral provided for securities borrowed	183	611
Advances paid	18	163
Short-term guarantee deposits	9,214	8,789
Accrued revenue	1,475	1,428
Other current assets	768	959
Allowance for doubtful accounts	(6)	(6)
Total current assets	170,384	188,610
Non-current assets		
Property, plant and equipment	1,466	1,327
Buildings, net	232	220
Equipment	669	545
Land	541	541
Other	22	19
Intangible assets	444	355
Software	444	355
Other	0	0
Investments and other assets	11,213	13,894
Investment securities	9,839	12,535
Long-term guarantee deposits	702	702
Deferred tax assets	309	380
Other	503	409
Allowance for doubtful accounts	(141)	(133)
Total non-current assets	13,125	15,577
Total assets	183,509	204,187

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Trading products	272	414
Trading securities and other	249	412
Derivatives	23	1
Margin transaction liabilities	21,851	23,564
Margin borrowings	15,478	16,460
Cash received for securities sold in margin transactions	6,373	7,103
Borrowings secured by securities	4,048	3,544
Cash collateral received for securities lent	4,048	3,544
Deposits received	44,515	56,477
Deposits from customers	41,528	44,863
Other deposits received	2,987	11,613
Guarantee deposits received	41,847	45,357
Short-term borrowings	3,500	3,500
Income taxes payable	1,089	1,347
Provision for bonuses	834	1,117
Other current liabilities	1,281	861
Total current liabilities	119,241	136,184
Non-current liabilities		
Bonds payable	4,000	4,000
Deferred tax liabilities	1,903	2,694
Other noncurrent liabilities	368	363
Total non-current liabilities	6,272	7,057
Reserves under special laws		
Reserve for financial instruments transaction liabilities	439	419
Total reserves under special laws	439	419
Total liabilities	125,952	143,662
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	39,566	40,654
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	52,758	53,846
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,799	6,678
Total accumulated other comprehensive income	4,799	6,678
Total net assets	57,557	60,525
Total liabilities and net assets	183,509	204,187

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, 2022	Six months ended September 30, 2023
Operating revenue		
Commission received	5,664	5,484
Brokerage commission	3,966	3,846
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	24	32
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	445	363
Other commission received	1,228	1,242
Net trading income	2,961	4,570
Net trading income from securities	2,243	4,475
Net trading income from bonds	762	141
Net other trading income	(44)	(45)
Financial revenue	1,042	1,335
Total operating revenue	9,669	11,390
Financial expenses	127	145
Net operating revenue	9,542	11,245
Selling, general and administrative expenses	7,256	7,915
Trading related expenses	875	1,015
Personnel expenses	3,586	4,059
Real estate expenses	748	729
Office expenses	1,397	1,448
Depreciation	329	326
Taxes and dues	189	205
Other	128	130
Operating profit	2,285	3,329
Non-operating income	264	228
Non-operating expenses	3	6
Ordinary profit	2,546	3,551
Extraordinary income		
Gain on sale of investment securities	–	24
Reversal of reserve for financial instruments transaction liabilities	0	19
Total extraordinary income	0	44
Profit before income taxes	2,546	3,596
Income taxes - current	714	1,213
Income taxes - deferred	72	(115)
Total income taxes	786	1,098
Profit	1,760	2,497
Profit attributable to owners of parent	1,760	2,497

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,760	2,497
Other comprehensive income		
Valuation difference on available-for-sale securities	(821)	1,879
Total other comprehensive income	(821)	1,879
Comprehensive income	939	4,377
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	939	4,377