

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 26, 2024

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 9, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	17,313	18.1	17,121	18.3	5,212	48.9	5,573	43.5	3,908	45.3
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)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	166.42		–	
Nine months ended December 31, 2022	114.50		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	197,808	61,962	31.3
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	Yen	Yen	Yen	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 nine months ended December 31, 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 December 31, 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 December 31, 2023	1,523,944 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)

Nine months ended December 31, 2023	23,488,889 shares	Nine months ended December 31, 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	8,330	7,843
Segregated deposits	84,761	103,230
Segregated deposits for customers	80,500	100,500
Other segregated deposits	4,261	2,730
Trading products	1,935	1,209
Trading securities and other	1,935	1,208
Derivatives	–	1
Trade date accrual	535	415
Margin transaction assets	63,167	57,671
Margin loans	61,716	56,316
Cash collateral provided for securities borrowed in margin transactions	1,450	1,355
Loans secured by securities	183	397
Cash collateral provided for securities borrowed	183	397
Advances paid	18	346
Short-term guarantee deposits	9,214	8,638
Accrued revenue	1,475	1,319
Other current assets	768	664
Allowance for doubtful accounts	(6)	(5)
Total current assets	170,384	181,732
Non-current assets		
Property, plant and equipment	1,466	1,274
Buildings, net	232	214
Equipment	669	500
Land	541	541
Other	22	18
Intangible assets	444	312
Software	444	312
Other	0	0
Investments and other assets	11,213	14,488
Investment securities	9,839	13,340
Long-term guarantee deposits	702	710
Deferred tax assets	309	202
Other	503	365
Allowance for doubtful accounts	(141)	(130)
Total non-current assets	13,125	16,075
Total assets	183,509	197,808

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Trading products	272	75
Trading securities and other	249	70
Derivatives	23	5
Margin transaction liabilities	21,851	14,217
Margin borrowings	15,478	7,274
Cash received for securities sold in margin transactions	6,373	6,943
Borrowings secured by securities	4,048	3,270
Cash collateral received for securities lent	4,048	3,270
Deposits received	44,515	60,642
Deposits from customers	41,528	46,333
Other deposits received	2,987	14,309
Guarantee deposits received	41,847	43,969
Short-term borrowings	3,500	3,500
Income taxes payable	1,089	943
Provision for bonuses	834	628
Other current liabilities	1,281	901
Total current liabilities	119,241	128,149
Non-current liabilities		
Bonds payable	4,000	4,000
Deferred tax liabilities	1,903	2,913
Other noncurrent liabilities	368	363
Total non-current liabilities	6,272	7,277
Reserves under special laws		
Reserve for financial instruments transaction liabilities	439	419
Total reserves under special laws	439	419
Total liabilities	125,952	135,845
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	39,566	41,596
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	52,758	54,787
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,799	7,174
Total accumulated other comprehensive income	4,799	7,174
Total net assets	57,557	61,962
Total liabilities and net assets	183,509	197,808

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, 2022	Nine months ended December 31, 2023
Operating revenue		
Commission received	9,049	7,801
Brokerage commission	6,236	5,274
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	117	48
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	876	601
Other commission received	1,818	1,877
Net trading income	4,052	7,572
Net trading income from securities	3,264	7,432
Net trading income from bonds	816	182
Net other trading income	(28)	(43)
Financial revenue	1,563	1,939
Total operating revenue	14,665	17,313
Financial expenses	188	191
Net operating revenue	14,477	17,121
Selling, general and administrative expenses	10,977	11,909
Trading related expenses	1,316	1,477
Personnel expenses	5,381	6,112
Real estate expenses	1,104	1,090
Office expenses	2,212	2,247
Depreciation	497	488
Taxes and dues	274	301
Other	189	191
Operating profit	3,500	5,212
Non-operating income	389	373
Non-operating expenses	5	12
Ordinary profit	3,884	5,573
Extraordinary income		
Gain on sale of investment securities	–	40
Reversal of reserve for financial instruments transaction liabilities	–	19
Total extraordinary income	–	60
Extraordinary losses		
Provision of reserve for financial instruments transaction liabilities	0	–
Total extraordinary losses	0	–
Profit before income taxes	3,883	5,633
Income taxes - current	986	1,664
Income taxes - deferred	207	59
Total income taxes	1,194	1,724
Profit	2,689	3,908
Profit attributable to owners of parent	2,689	3,908

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	2,689	3,908
Other comprehensive income		
Valuation difference on available-for-sale securities	(918)	2,375
Total other comprehensive income	(918)	2,375
Comprehensive income	1,770	6,284
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,770	6,284