

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

April 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 of ordinary general meeting of shareholders: June 21, 2024
 Scheduled date to file Securities Report: June 21, 2024
 Scheduled date to commence dividend payments: June 5, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	24,040	22.1	23,781	22.4	7,600	59.3	8,003	54.9	5,554	55.9
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)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Operating profit/net sales
	Yen	Yen	%	%
Year ended March 31, 2024	236.49	–	9.0	31.6
Year ended March 31, 2023	151.73	–	6.2	24.2

(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, 2024	208,114	66,344	31.9	2,824.53
As of March 31, 2023	183,509	57,557	31.4	2,450.40

(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, 2024	1,579	3,020	(1,886)	7,982
Year ended March 31, 2023	(5,797)	(2,394)	(1,728)	4,731

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, 2023	–	20.00	–	60.00	80.00	1,879	52.7	3.3
Year ended March 31, 2024	–	20.00	–	100.00	120.00	2,818	50.7	4.5
Year ending March 31, 2025 (Forecast)	–	–	–	–	–	–	–	–

3. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024
 (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: No

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, 2024	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 March 31, 2024	1,523,944 shares	As of March 31, 2023	1,523,846 shares
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Average number of shares during the period

Year ended March 31, 2024	23,488,880 shares	Year ended March 31, 2023	23,489,027 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	8,330	8,422
Segregated deposits	84,761	104,308
Segregated deposits for customers	80,500	102,000
Other segregated deposits	4,261	2,308
Trading products	1,935	1,747
Trading securities and other	1,935	1,746
Derivatives	–	0
Trade date accrual	535	311
Margin transaction assets	63,167	61,754
Margin loans	61,716	60,008
Cash collateral provided for securities borrowed in margin transactions	1,450	1,745
Loans secured by securities	183	335
Cash collateral provided for securities borrowed	183	335
Advances paid	18	4
Short-term guarantee deposits	9,214	8,451
Accrued revenue	1,475	1,328
Other current assets	768	788
Allowance for doubtful accounts	(6)	(6)
Total current assets	170,384	187,447
Non-current assets		
Property, plant and equipment	1,466	1,745
Buildings, net	232	281
Equipment	669	905
Land	541	541
Other	22	16
Intangible assets	444	274
Software	444	274
Other	0	0
Investments and other assets	11,213	18,647
Investment securities	9,839	17,229
Long-term guarantee deposits	702	710
Deferred tax assets	309	507
Other	503	327
Allowance for doubtful accounts	(141)	(127)
Total non-current assets	13,125	20,666
Total assets	183,509	208,114

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trading products	272	406
Trading securities and other	249	394
Derivatives	23	11
Margin transaction liabilities	21,851	18,534
Margin borrowings	15,478	11,031
Cash received for securities sold in margin transactions	6,373	7,502
Borrowings secured by securities	4,048	4,370
Cash collateral received for securities lent	4,048	4,370
Deposits received	44,515	54,731
Deposits from customers	41,528	46,434
Other deposits received	2,987	8,296
Guarantee deposits received	41,847	46,642
Short-term borrowings	3,500	3,500
Income taxes payable	1,089	2,039
Provision for bonuses	834	1,424
Other current liabilities	1,281	1,068
Total current liabilities	119,241	132,716
Non-current liabilities		
Bonds payable	4,000	4,000
Deferred tax liabilities	1,903	4,085
Other noncurrent liabilities	368	431
Total non-current liabilities	6,272	8,516
Reserves under special laws		
Reserve for financial instruments transaction liabilities	439	535
Total reserves under special laws	439	535
Total liabilities	125,952	141,769
Net assets		
Shareholders' equity		
Share capital	10,004	10,004
Capital surplus	4,890	4,890
Retained earnings	39,566	43,242
Treasury shares	(1,702)	(1,702)
Total shareholders' equity	52,758	56,433
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,799	9,911
Total accumulated other comprehensive income	4,799	9,911
Total net assets	57,557	66,344
Total liabilities and net assets	183,509	208,114

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

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Operating revenue		
Commission received	12,123	10,809
Brokerage commission	8,405	7,336
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	139	107
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,183	787
Other commission received	2,393	2,577
Net trading income	5,443	10,636
Net trading income from securities	4,628	10,459
Net trading income from bonds	859	247
Net other trading income	(43)	(70)
Financial revenue	2,124	2,595
Total operating revenue	19,691	24,040
Financial expenses	262	259
Net operating revenue	19,428	23,781
Selling, general and administrative expenses	14,658	16,180
Trading related expenses	1,752	2,008
Personnel expenses	7,233	8,447
Real estate expenses	1,470	1,442
Office expenses	2,918	2,958
Depreciation	664	648
Taxes and dues	366	415
Other	251	260
Operating profit	4,770	7,600
Non-operating income	456	428
Non-operating expenses	60	25
Ordinary profit	5,165	8,003
Extraordinary income		
Gain on sale of investment securities	–	40
Total extraordinary income	–	40
Extraordinary losses		
Provision of reserve for financial instruments transaction liabilities	1	95
Total extraordinary losses	1	95
Profit before income taxes	5,164	7,947
Income taxes - current	1,601	2,671
Income taxes - deferred	(0)	(279)
Total income taxes	1,600	2,392
Profit	3,564	5,554
Profit attributable to owners of parent	3,564	5,554

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	3,564	5,554
Other comprehensive income		
Valuation difference on available-for-sale securities	(624)	5,111
Total other comprehensive income	(624)	5,111
Comprehensive income	2,939	10,666
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,939	10,666

Consolidated statements of changes in equity

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

Fiscal year ended March 31, 2024

(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	39,566	(1,702)	52,758
Changes during period					
Dividends of surplus			(1,879)		(1,879)
Profit attributable to owners of parent			5,554		5,554
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,675	(0)	3,675
Balance at end of period	10,004	4,890	43,242	(1,702)	56,433

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	4,799	4,799	57,557
Changes during period			
Dividends of surplus			(1,879)
Profit attributable to owners of parent			5,554
Purchase of treasury shares			(0)
Net changes in items other than shareholders' equity	5,111	5,111	5,111
Total changes during period	5,111	5,111	8,787
Balance at end of period	9,911	9,911	66,344

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	5,164	7,947
Depreciation	664	648
Bond issuance costs	44	–
Increase (decrease) in allowance for doubtful accounts	(16)	(13)
Increase (decrease) in provision for bonuses	(108)	590
Increase (decrease) in reserve for financial instruments transaction liabilities	1	95
Interest and dividend income	(2,302)	(2,612)
Interest expenses	262	259
Foreign exchange losses (gains)	(992)	(905)
Loss (gain) on sale of investment securities	–	(40)
Decrease (increase) in cash segregated as deposits for customers	11,500	(21,500)
Decrease (increase) in other segregated deposits	(3,914)	1,953
Decrease (increase) in trading products	(307)	321
Decrease (increase) in trade date accrual	128	224
Decrease (increase) in margin transaction assets	(16,851)	1,412
Decrease (increase) in loans secured by securities	80	(152)
Decrease (increase) in advance paid	18	13
Decrease (increase) in deposits	(26)	763
Increase (decrease) in margin transaction liabilities	3,201	(3,317)
Increase (decrease) in borrowings secured by securities	962	322
Increase (decrease) in deposits received	(5,714)	10,215
Increase (decrease) in guarantee deposits received	454	4,795
Other, net	541	(197)
Subtotal	(7,208)	822
Interest and dividends received	2,210	2,688
Interest paid	(256)	(261)
Income taxes refund (paid)	(541)	(1,670)
Net cash provided by (used in) operating activities	(5,797)	1,579
Cash flows from investing activities		
Payments into time deposits	(6,031)	(2,793)
Proceeds from withdrawal of time deposits	3,669	6,321
Purchase of property, plant and equipment	(71)	(531)
Purchase of intangible assets	(19)	(6)
Purchase of long-term prepaid expenses	(2)	(4)
Purchase of investment securities	(59)	(114)
Proceeds from sale of investment securities	101	59
Other, net	19	90
Net cash provided by (used in) investing activities	(2,394)	3,020

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	200	–
Repayments of lease liabilities	(5)	(5)
Proceeds from issuance of bonds	1,955	–
Redemption of bonds	(2,000)	–
Purchase of treasury shares	(0)	(0)
Dividends paid	(1,879)	(1,881)
Net cash provided by (used in) financing activities	(1,728)	(1,886)
Effect of exchange rate change on cash and cash equivalents	775	538
Net increase (decrease) in cash and cash equivalents	(9,145)	3,251
Cash and cash equivalents at beginning of period	13,876	4,731
Cash and cash equivalents at end of period	4,731	7,982