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November 14, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under Japanese GAAP)

Company name: Traders Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange(Standard Market)
 Securities code: 8704
 URL: <https://www.tradershd.com/>
 Representative: Takayuki Kanamaru, Chairman and President
 Inquiries: Masayuki Niizuma, Executive Managing Director
 Telephone: +81-3-4330-4700
 Scheduled date to file quarterly securities report: November 14,2022
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30,2022 (from April 1,2022 to September 30, 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	%
Six months ended September 30,2022	4,419	41.5	4,070	39.6	1,785	93.7	1,773	91.2	1,491	54.4
September 30,2021	3,123	(1.1)	2,916	(0.4)	921	3.4	927	11.8	966	32.3

Note: Comprehensive income For the six months ended September 30,2022: 1,521 Millions of yen [58.0%]
 For the six months ended September 30,2021: 962 Millions of yen [31.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30,2022	51.11	—
September 30,2021	33.14	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net asset per share
As of	Millions of yen	Millions of yen	%	Yen
September 30,2022	82,813	10,273	12.4	357.61
March 31,2022	74,099	9,250	12.5	317.40

[Reference]Shareholder's Equity: As of September 30,2022: 10,273 Millions of yen
 As of March 31,2022: 9,250 Millions of yen

2. Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31,2022	—	0.00	—	11.00	11.00
Fiscal year ending March31,2023	—	0.00			
Fiscal year ending March31,2023 (Forecast)			—	—	—

Note: Revisions to the forecast of cash dividends most recently announced: None

The year-end dividend forecast for the fiscal year ending March 31, 2023 yet been determined at this point.

3. Financial Forecasts for the Fiscal Year Ending March 31,2023

(From April 1 ,2022 to March 31,2023)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	8,900	25.7	3,000	26.5	3,000	27.1	2,400	9.6	82.88

Note: Revisions to financial forecasts disclosed most recently: Yes

At the meeting of the Board of Directors held on August 10, 2022, the Company resolved to acquire its own shares in accordance with the provisions of Article 156 of the Companies Act, as applied pursuant to the provisions of Article 165 (3). " Basic earnings per share" in the consolidated earnings forecast for the fiscal year ending March 31, 2023 takes into account the impact of the acquisition of treasury shares.

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30,2022	29,538,647shares
As of March 31,2022	29,160,947shares

- (ii) Number of treasury shares at the end of the period

As of September 30,2022	811,324shares
As of March 31,2022	15,784shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30,2022	29,189,833shares
Six months ended September 30,2021	29,149,057shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ significantly from the forecasts due to various factors.

* This document is an English translation of a Japanese announcement made on the date above. Although the we intended to faithfully translate the Japanese document into English, the accuracy and this English translation is not guaranteed and thus you are encouraged to refer to the original Japanese document.

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	Current quarter (As of September 30, 2022)
Assets		
Current assets		
Cash and deposits	5,227	3,664
Work in process	2	—
Segregated deposits	61,352	69,185
Segregated deposits for customers	61,341	69,173
Other segregated deposits	11	12
Trading products	1,141	473
Short-term guarantee deposits	4,558	7,391
Margin deposits for foreign exchanges	4,331	7,052
Margin deposits for crypto assets	221	334
Margin deposits for other assets	5	5
Other	570	529
Allowance for doubtful accounts	(30)	(18)
Total current assets	72,821	81,227
Non-current assets		
Property, plant and equipment	46	44
Buildings	61	61
Accumulated depreciation	(42)	(43)
Buildings, net	19	18
Tools, furniture and fixtures	103	110
Accumulated depreciation	(76)	(83)
Tools, furniture and fixtures, net	26	26
Intangible assets	490	529
Software	489	528
Other	1	1
Investments and other assets	741	1,012
Investment securities	120	116
Long-term advances paid	185	176
Long-term deposits	161	165
Deferred tax assets	350	350
Other	107	379
Allowance for doubtful accounts	(183)	(176)
Total non-current assets	1,277	1,586
Total assets	74,099	82,813

(Millions of yen)

	Previous fiscal year (As of March 31, 2022)	Current quarter (As of September 30, 2022)
Liabilities		
Current liabilities		
Trading products	242	593
Deposits received	19	19
Guarantee deposits received	61,379	68,995
Margin deposits received for foreign exchanges	61,356	68,850
Margin deposits received for crypto assets	23	145
Short-term borrowings	849	860
Current portion of long-term borrowings	54	72
Income taxes payable	207	309
Other	901	451
Total current liabilities	63,656	71,301
Non-current liabilities		
Bonds payable	700	700
Long-term borrowings	458	499
Retirement benefit liability	34	32
Provision for retirement benefits for directors (and other officers)	—	6
Other	0	0
Total non-current liabilities	1,192	1,238
Total liabilities	64,849	72,540
Net assets		
Shareholders' equity		
Share capital	1,500	1,564
Capital surplus	842	901
Retained earnings	6,870	8,042
Treasury shares	(7)	(308)
Total shareholders' equity	9,205	10,198
Accumulated other comprehensive income		
Foreign currency translation adjustment	45	74
Total accumulated other comprehensive income	45	74
Total net assets	9,250	10,273
Total liabilities and net assets	74,099	82,813

Quarterly consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating revenue		
Commission received	22	49
Net trading income	2,912	4,184
Financial revenue	0	0
Other sales	182	180
Other	5	3
Total operating revenue	3,123	4,419
Financial expenses	25	26
Other costs	181	322
Net operating revenue	2,916	4,070
Selling, general and administrative expenses		
Trading related expenses	850	1,140
Personnel expenses	691	678
Real estate expenses	249	242
Office expenses	31	38
Depreciation	103	116
Taxes and dues	32	41
Other	34	26
Total selling, general and administrative expenses	1,994	2,284
Operating profit	921	1,785
Non-operating income		
Interest and dividend income	10	0
Subsidy income	—	7
Gain on investments in silent partnerships	5	—
Other	1	3
Total non-operating income	17	11
Non-operating expenses		
Interest expenses	6	6
Commission expenses	—	1
Foreign exchange losses	5	14
Other	0	1
Total non-operating expenses	11	23
Ordinary profit	927	1,773

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	0	—
Other	0	—
Total extraordinary income	0	—
Extraordinary losses		
Provision of allowance for doubtful accounts	14	—
Loss on valuation of investment securities	12	—
Total extraordinary losses	27	—
Profit before income taxes	900	1,773
Income taxes - current	52	281
Income taxes - deferred	(117)	—
Total income taxes	(65)	281
Profit	965	1,491
Loss attributable to non-controlling interests	(0)	—
Profit attributable to owners of parent	966	1,491

Consolidated statements of comprehensive income(cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	965	1,491
Other comprehensive income		
Foreign currency translation adjustment	(2)	29
Total other comprehensive income	(2)	29
Comprehensive income	962	1,521
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	963	1,520
Comprehensive income attributable to non- controlling interests	(0)	0

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	900	1,773
Depreciation	103	116
Interest and dividend income	(10)	(0)
Loss (gain) on valuation of investment securities	12	—
Loss (gain) on sale of shares of subsidiaries and associates	(0)	—
Interest expenses	6	6
Other non-operating expenses (income)	(5)	1
Decrease (increase) in cash segregated as deposits for customers	(3,883)	(7,832)
Decrease (increase) in trading products - assets (liabilities)	1,710	1,019
Decrease (increase) in short-term guarantee deposits	(1,955)	(2,832)
Increase (decrease) in allowance for doubtful accounts	(14)	(17)
Decrease (increase) in trade receivables	25	38
Decrease (increase) in inventories	—	2
Decrease (increase) in advance paid	27	6
Decrease (increase) in other current assets	54	115
Increase (decrease) in deposits and guarantee deposits received	3,631	7,614
Increase (decrease) in provision for loss on business liquidation	(6)	—
Increase (decrease) in provision for retirement benefits for directors (and other officers)	—	6
Increase (decrease) in retirement benefit liability	2	(2)
Increase (decrease) in accrued expenses	(164)	(129)
Increase (decrease) in other current liabilities	(36)	(322)
Other, net	2	0
Subtotal	400	(435)
Interest and dividends received	9	0
Interest paid	(6)	(6)
Income taxes refund (paid)	45	(284)
Net cash provided by (used in) operating activities	449	(725)
Cash flows from investing activities		
Purchase of property, plant and equipment	(13)	(6)
Purchase of intangible assets	(112)	(145)
Proceeds from sale of investment securities	—	2
Payments of guarantee deposits	(4)	(156)
Proceeds from collection of loans receivable	42	—
Increase in long term deposits	(133)	(3)
Proceeds from collection of long term deposit	150	—
Other, net	6	(2)
Net cash provided by (used in) investing activities	(63)	(311)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	60	10
Proceeds from long-term borrowings	200	100
Repayments of long-term borrowings	(63)	(40)
Dividends paid	(291)	(320)
Purchase of treasury shares	(0)	(300)
Net cash provided by (used in) financing activities	(95)	(552)
Effect of exchange rate change on cash and cash equivalents	(5)	27
Net increase (decrease) in cash and cash equivalents	284	(1,562)
Cash and cash equivalents at beginning of period	4,420	5,227
Cash and cash equivalents at end of period	4,704	3,664