



October 31, 2024

Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under Japanese GAAP)

Company name: Traders Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange (Standard Market)
 Securities code: 8704
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 Scheduled date to file semi-annual securities report : November 14, 2024
 Scheduled date to commence dividend payments : December 3, 2024
 Preparation of supplementary material on financial results : Yes (Press release on October 31, 2024)
 Holding of financial results briefing : Yes (Scheduled to be held on November 7, 2024)
 (For institutional investors and analysts, in Japanese)

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

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	7,657	65.9	7,605	68.3	4,273	129.4	4,284	132.1	2,885	91.7
September 30, 2023	4,614	4.4	4,520	5.7	1,863	4.4	1,846	4.1	1,505	0.9

Note: Comprehensive income For the six months ended September 30, 2024: 2,869 million yen [87.9%]
 For the six months ended September 30, 2023: 1,526 million yen [0.4%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	103.70	-
September 30, 2023	52.49	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	109,691	16,245	14.7
March 31, 2024	118,193	14,121	11.9

Reference: Equity As of September 30, 2024: 16,156 million yen
 As of March 31, 2024: 14,070 million yen

2. Cash 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, 2024	-	8.00	-	16.00	24.00
Fiscal year ending March 31, 2025	-	12.00			
Fiscal year ending March 31, 2025 (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, 2025 yet been determined at this point.

3. Financial forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	11,800	16.8	5,000	13.3	5,000	13.9	3,400	2.0	123.77

Note: Revisions to financial forecasts disclosed most recently: None

At the Board of Directors meeting held on July 17, 2024, our company resolved to dispose of treasury shares. And at the Board of Directors meeting held on August 5, 2024, the company resolved to repurchase its own shares.

"Basic earnings per share" in the consolidated financial forecasts takes into account the impact of the dispose of treasury shares and the repurchase its own shares.

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of interim 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: Yes
 - (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, 2024	29,538,647 shares
As of March 31, 2024	29,538,647 shares

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

As of September 30, 2024	2,071,184 shares
As of March 31, 2024	1,641,124 shares

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

Six months ended September 30, 2024	27,824,050 shares
Six months ended September 30, 2023	28,675,307 shares

* Interim financial results reports are exempt from review conducted by certified public accountants or an audit firm.

*** Proper use of earnings forecasts, and other special matters**

(Caution over forward-looking statements, etc.)

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. For the conditions underlying the results forecasts and notes on the use of the results forecasts, please see “1. Overview of Operating Results, (3) Explanations Regarding Forecasts for Consolidated Results and Future Outlook” on page 4 of the attached document.

(Method of obtaining supplementary material on financial results and details of financial results briefing session)

- The supplementary material on financial results will be disclosed on TDnet on the same day and posted on the company's website.
- The company plans to hold a live-streamed financial results briefing for institutional investors and securities analysts on November 7, 2024. The video of this financial results briefing will be posted on the company's website immediately after the meeting.

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

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1. Overview of Operating Results

The forward-looking statements in this document were judged as of the last day of the interim consolidated accounting period under review.

(1) Overview of Business Results for the Current Interim Period

During the interim consolidated accounting period under review, the impact of the COVID-19 pandemic significantly diminished and economic and social activities normalized. Against this backdrop, private consumption showed signs of recovery, mainly in the travel and restaurant sectors, partly due to wage increases and the effects of the government's economic measures. Corporate profits generally continued to improve on the back of increased investment in digitalization and decarbonization. Overseas, however, uncertainties about the global economy remained high, and the outlook remained uncertain, particularly due to concerns about the slowdown in the Chinese economy and the impact of geopolitical risks.

In the foreign exchange (hereinafter referred to as "FX") market, the U.S. dollar/yen exchange rate began at 160.79 yen to the U.S. dollar in July 2024. The U.S. Consumer Price Index, announced on July 11, fell below market expectations and inflationary pressures weakened, leading to increased expectations that the U.S. Federal Reserve Board (FRB) would cut interest rates in September and the yen appreciated. The government and the Bank of Japan took this opportunity to intervene in the foreign exchange market, and the yen appreciated by more than 4 yen to the 157 yen level to the U.S. dollar. Amid continued buying of the yen and selling of the U.S. dollar, the Bank of Japan announced on July 31 that it would raise its policy interest rate to 0.25%, and Governor Ueda indicated the possibility of an additional rate hike. As a result, the yen appreciated to the 149 yen level to the U.S. dollar at the end of July. In August, in response to the record decline in the Tokyo Stock Exchange against the backdrop of uncertainty over the U.S. economy and the rapid appreciation of the yen, the Vice Governor of the Bank of Japan announced that there would be no rate hike under the situation of instability in financial and capital markets. This brought the yen's appreciation from the 141 yen level to a halt. However, the market continued to fluctuate wildly between the 143 yen level and the 149 yen level during August. In September, the yen appreciated to the 139 yen level to the U.S. dollar on the expectation that the Federal Reserve would make a significant rate cut at the Federal Open Market Committee (FOMC) meeting. However, the price movements were smaller than those in July and August, and trading closed at the 143.65 yen level to the U.S. dollar at the end of the interim consolidated accounting period.

In this market environment, Financial Instruments Trading Business centered on the FX trading business, which is our group's main business, has been working to secure revenues through its subsidiary TRADERS SECURITIES CO., LTD., (hereinafter referred to as "Traders Securities"). Traders Securities provides services for "Minna no FX" (FX margin trading), "LIGHT FX" (FX margin trading), "Minna no Sistre" (FX margin trading using automated trading tools), "Minna no Options" (FX options trading) and "Minna no Coin" (crypto asset margin trading). Assets under custody from customers, which is an important indicator for securing revenues, were 100,653 million yen (decrease of 363 million yen or 0.4% from the end of the previous consolidated accounting year) at the end of the interim consolidated accounting period. In net trading income during the interim consolidated accounting period, the volume of transactions increased due to the great fluctuations in foreign exchange rates, and the income was 7,552 million yen (increase of 3,102 million yen or 69.7% compared to the same period last year), a significant increase over the previous year.

In addition, the System Development and System Consulting Business operated by FleGrowth Co., Ltd. (hereinafter referred to as "FleGrowth"), a subsidiary, developed, maintained and operated an FX trading system for Traders Securities, and provided external clients with fintech services such as FX trading and crypto-asset margin trading-related system development, DX support in fields such as logistics and healthcare, and web production and sales consulting to secure revenue. Revenues from external customers in the System Development and System Consulting Business for the current interim consolidated accounting period were 52 million yen (decrease of 74 million yen or 58.6% compared to the same period last year), down from the previous year.

As a result of the above, total operating revenue was 7,657 million yen (increase 3,043 million yen or 65.9% compared to the same period last year), and the net operating revenue after deducting cost of sales and financial expenses was 7,605 million yen (increase of 3,085 million yen or 68.3% compared to the same period last year).

On the other hand, selling, general and administrative expenses were 3,331 million yen (increase of 674 million yen or 25.4% compared to the same period last year). This increase was mainly due to an increase in personnel expenses to 1,534 million yen (increase of 495 million yen or 47.7% compared to the same period last year) due to a change in accounting estimates for compensation under the restricted stock compensation plan and an increase in employee salaries, and an increase in trading related expenses to 1,026 million yen (increase of 112 million yen or 12.3% compared to the same period last year) due to aggressive online advertising.

As a result, operating profit was 4,273 million yen (increase of 2,410 million yen or 129.4% compared to the same period last year), and ordinary profit was 4,284 million yen (increase of 2,438 million yen or 132.1% compared to the same period last year). Profit before income taxes was 4,285 million yen (increase of 2,456 million yen or 134.3% compared to the same period last year).

Total income taxes increased to 1,400 million yen (increase of 1,076 million yen or 332.6% compared to the same period last year) due to an increase in income taxes, inhabitant taxes and enterprise taxes to 1,222 million (increase of 917 million yen or 301.1% compared to the same period last year) due to an increase in profit before income taxes, and an increase in deferred income taxes to 178 million yen (increase of 159 million yen or 838.9% compared to the same period last year) as a result of reversal of deferred tax assets reflecting the appropriation of loss carryforwards.

As a result, profit attributable to owners of parent during the interim consolidated accounting period was 2,885 million yen (increase of 1,380 million yen or 91.7% compared to the same period last year).

Operating results by segment were as follows.

< Financial Instruments Trading Business >

Operating revenue in this segment, which is managed by Traders Securities, was 7,604 million yen (increase of 3,117 million yen or 69.5% compared to the same period last year) and segment profit was 4,007 million yen (increase of 2,435 million yen or 155.0% compared to the same period last year).

The number of customer accounts and deposited assets of the FX trading business and crypto-asset margin trading business as of the end of the interim consolidated accounting period were as follows.

Number of customer accounts	578,980 accounts (increase of 28,157 accounts compared to the end of the previous consolidated accounting year)
Deposited assets	100,653 million yen (decrease of 363 million yen compared to the end of the previous consolidated accounting year)

< System Development and System Consulting Business >

Operating revenue in this segment, which is managed by FleGrowth, was 1,610 million yen (increase of 337 million yen or 26.5% compared to the same period last year). The breakdown of this revenue shows internal sales of FX trading and crypto-asset CFD trading system development, maintenance and operation to Traders Securities, a group company, of 1,558 million yen (increase of 412 million yen or 35.9% compared to the same period last year), and revenues from external customers of 52 million yen (decrease of 74 million yen or 58.6% compared to the same period last year). Segment profit was 563 million yen (increase of 241 million yen or 75.2% compared to the same period last year).

(2) Overview of Financial Position for the Current Interim Period

I Consolidated financial position

Total assets at the end of the current interim consolidated accounting period decreased by 8,502 million yen from the end of the previous consolidated fiscal year to 109,691 million yen. This was mainly due to a 12,947 million yen decrease in segregated deposits for customers and a 3,439 million increase in margin deposits for foreign exchanges.

Total liabilities decreased by 10,625 million yen from the end of the previous consolidated fiscal year to 93,445 million yen. This was mainly due to a 12,350 million yen decrease in guarantee deposits received.

Net assets increased by 2,123 million yen from the end of the previous consolidated fiscal year to 16,245 million yen. The main factors for the increase were 2,885 million yen in profit attributable to owners of parent and 165 million yen in disposal of treasury shares as restricted stock-based compensation for the period under review. The main factors for the decrease were 446 million yen in dividends of surplus and 502 million yen in purchase of treasury shares.

II Cash flow status

Cash and cash equivalents (hereinafter referred to as "cash") for the current interim consolidated accounting period increased by 3,928 million yen due to operating activities, decreased by 306 million yen due to investing activities, and decreased by 839 million yen due to financing activities. As a result, cash amounted to 11,589 million yen, an increase of 2,768 million yen compared to the end of the previous fiscal year. The status of each cash flow and the factors behind the increase/decrease for the current interim consolidated accounting period are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities for the current interim consolidated accounting period was 3,928 million yen (2,149 million yen provided for the same period of the previous year). This was mainly due to an increase in cash due to profit before income taxes of 4,285 million yen and a decrease (increase) in trading products - assets (liabilities) of 2,024 million yen.

(Cash flows from investing activities)

Net cash used in investment activities during the current interim consolidated accounting period amounted to 306 million yen (238 million yen used in the same period of the previous year). This was mainly due to a decrease in cash due to expenditures of 157 million yen for purchase of intangible assets and expenditures of 110 million yen for purchase of investment securities.

(Cash flows from financing activities)

Net cash used in financing activities during the current interim consolidated accounting period was 839 million yen (855 million yen used in the same period of the previous year). This was mainly due to a decrease in cash due to dividends paid of 446 million yen and expenditures for purchase of treasury shares of 502 million yen.

(3) Explanations Regarding Forecasts for Consolidated Results and Future Outlook

The rate of progress (profit basis) against the full-year consolidated earnings forecast at the end of the current interim period was approximately 85%, an extremely high rate of progress. However, since our group's business results are greatly affected by exchange rate fluctuations in the short term, it is difficult to accurately forecast the market conditions in the second half of the fiscal year, and we recognize that there is high uncertainty in earnings forecasts. Therefore, we have decided to leave the full-year consolidated earnings forecast unchanged without revising it, and will review the full-year consolidated earnings forecast once again, taking into account the overall situation up to the third quarter.

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2024)	Current interim period (As of September 30, 2024)
Assets		
Current assets		
Cash and deposits	8,850	11,619
Segregated deposits	99,572	86,625
Segregated deposits for customers	99,556	86,609
Other segregated deposits	16	16
Trading products	1,200	83
Short-term guarantee deposits	5,970	9,189
Margin deposits for foreign exchanges	5,569	9,008
Margin deposits for crypto assets	396	175
Margin deposits for other assets	5	5
Work in process	1	11
Other	806	656
Allowance for doubtful accounts	(23)	(1)
Total current assets	116,378	108,182
Non-current assets		
Property, plant and equipment	257	226
Buildings	218	218
Accumulated depreciation	(50)	(72)
Buildings, net	168	146
Tools, furniture and fixtures	166	173
Accumulated depreciation	(78)	(93)
Tools, furniture and fixtures, net	88	80
Intangible assets	744	777
Software	702	776
Other	41	1
Investments and other assets	813	504
Investment securities	100	210
Long-term advances paid	20	18
Deferred tax assets	275	97
Other	435	195
Allowance for doubtful accounts	(19)	(17)
Total non-current assets	1,814	1,508
Total assets	118,193	109,691

(Millions of yen)

	Previous fiscal year (As of March 31, 2024)	Current interim period (As of September 30, 2024)
Liabilities		
Current liabilities		
Trading products	298	1,204
Deposits received	26	21
Guarantee deposits received	100,113	87,762
Margin deposits received for foreign exchanges	99,977	87,672
Margin deposits received for crypto assets	136	90
Short-term borrowings	1,127	1,237
Current portion of long-term borrowings	393	397
Current portion of bonds payable	600	600
Income taxes payable	505	1,294
Provision for bonuses	273	42
Other	546	668
Total current liabilities	103,884	93,230
Non-current liabilities		
Long-term borrowings	112	106
Provision for retirement benefits for directors (and other officers)	33	44
Retirement benefit liability	41	64
Other	0	0
Total non-current liabilities	187	215
Total liabilities	104,071	93,445
Net assets		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	961	1,012
Retained earnings	12,386	14,825
Treasury shares	(921)	(1,309)
Total shareholders' equity	13,991	16,093
Accumulated other comprehensive income		
Foreign currency translation adjustment	78	63
Total accumulated other comprehensive income	78	63
Share acquisition rights	49	86
Non-controlling interests	0	2
Total net assets	14,121	16,245
Total liabilities and net assets	118,193	109,691

(2) Interim Consolidated Statements of Income and Comprehensive Income

Interim Consolidated Statements of Income

(Millions of yen)

	Previous interim period (Six months ended September 30, 2023)	Current interim period (Six months ended September 30, 2024)
Operating revenue		
Commission received	36	48
Net trading income	4,449	7,552
Financial revenue	0	4
Other sales	126	52
Total operating revenue	4,614	7,657
Financial expenses	26	26
Cost of sales	67	24
Net operating revenue	4,520	7,605
Selling, general and administrative expenses		
Trading related expenses	914	1,026
Personnel expenses	1,039	1,534
Real estate expenses	363	324
Office expenses	41	38
Depreciation	152	176
Taxes and dues	48	107
Other	97	122
Total selling, general and administrative expenses	2,657	3,331
Operating profit	1,863	4,273
Non-operating income		
Interest and dividend income	0	0
Subsidy income	1	2
Foreign exchange gains	-	11
Other	0	2
Total non-operating income	2	17
Non-operating expenses		
Interest expenses	6	5
Foreign exchange losses	11	-
Other	1	1
Total non-operating expenses	19	6
Ordinary profit	1,846	4,284
Extraordinary income		
Reversal of provision for bonuses	3	0
Total extraordinary income	3	0
Extraordinary losses		
Head office relocation expenses	18	-
Other	1	-
Total extraordinary losses	20	-
Profit before income taxes	1,828	4,285
Income taxes - current	304	1,222
Income taxes - deferred	18	178
Total income taxes	323	1,400
Profit	1,505	2,885
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	1,505	2,885

Interim Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous interim period (Six months ended September 30, 2023)	Current interim period (Six months ended September 30, 2024)
Profit	1,505	2,885
Other comprehensive income		
Foreign currency translation adjustment	21	(15)
Total other comprehensive income	21	(15)
Comprehensive income	1,526	2,869
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,526	2,869
Comprehensive income attributable to non-controlling interests	(0)	(0)

(3) Interim Consolidated Statements of Cash Flows

(Millions of yen)

	Previous interim period (Six months ended September 30, 2023)	Current interim period (Six months ended September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	1,828	4,285
Depreciation	152	176
Share-based payment expenses	20	326
Increase (decrease) in provision for bonuses	(181)	(231)
Increase (decrease) in allowance for doubtful accounts	9	(23)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	8	10
Increase (decrease) in retirement benefit liability	2	22
Relocation expenses	18	-
Interest and dividend income	(0)	(0)
Interest expenses	6	5
Decrease (increase) in cash segregated as deposits for customers	(17,973)	12,947
Decrease (increase) in trading products - assets (liabilities)	(652)	2,024
Decrease (increase) in short-term guarantee deposits	750	(3,218)
Decrease (increase) in trade receivables	6	2
Decrease (increase) in advance paid	2	2
Decrease (increase) in inventories	5	(10)
Decrease (increase) in other current assets	128	23
Increase (decrease) in deposits received	4	(4)
Increase (decrease) in guarantee deposits received	18,166	(12,350)
Increase (decrease) in accrued expenses	37	53
Increase (decrease) in other current liabilities	(3)	95
Other, net	2	1
Subtotal	2,339	4,137
Interest and dividends received	0	0
Interest paid	(6)	(5)
Income taxes refund (paid)	(165)	(204)
Payments of relocation expenses	(18)	-
Net cash provided by (used in) operating activities	2,149	3,928
Cash flows from investing activities		
Purchase of property, plant and equipment	(44)	(7)
Purchase of intangible assets	(153)	(157)
Purchase of investment securities	(20)	(110)
Payments of guarantee deposits	(0)	-
Proceeds from refund of guarantee deposits	-	9
Payments into long-term deposits	(12)	-
Other, net	(7)	(39)
Net cash provided by (used in) investing activities	(238)	(306)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	72	109
Proceeds from long-term borrowings	-	100
Repayments of long-term borrowings	(36)	(101)
Dividends paid	(488)	(446)
Purchase of treasury shares	(403)	(502)
Proceeds from share issuance to non-controlling shareholders	0	1
Other, net	0	0
Net cash provided by (used in) financing activities	(855)	(839)
Effect of exchange rate change on cash and cash equivalents	20	(13)
Net increase (decrease) in cash and cash equivalents	1,076	2,768
Cash and cash equivalents at beginning of period	5,235	8,820
Cash and cash equivalents at end of period	6,312	11,589

(4) Notes to Interim Consolidated Financial Statements

(Notes on Changes in Accounting Policies)

(Application of “Accounting Standard for Current Income Taxes,” etc.)

The company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the interim period of the current fiscal year. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Guidance of 2022”). This has no impact on the interim consolidated financial statements.

In addition, regarding the revisions related to revised treatment in the consolidated financial statements of the deferral for tax purposes of gains or losses arising from the sale of shares of subsidiaries, etc., between consolidated companies, the company has applied the Revised Guidance of 2022 from the beginning of the interim period of the current fiscal year. This change in accounting policy has been applied retrospectively, and the new accounting policy is reflected in the interim consolidated financial statements for the same period of the previous fiscal year and in the consolidated financial statements for the previous fiscal year. There is no impact from such application on the interim consolidated financial statements for the same period of the previous fiscal year or on the consolidated financial statements for the previous fiscal year.

(Notes on Changes in Accounting Estimates)

In accordance with the succession plan decided on by the Board of Directors, the company changed the system to have 2 Representative Directors in June 2024. Accordingly, the period for accounting for expenses of restricted stock-based compensation has been revised prospectively, including the assumed average tenure of eligible Directors and the assumed period until the transfer restriction period is lifted. As a result, operating profit, ordinary profit and profit before income taxes for the current interim consolidated accounting period each decreased by 258 million yen compared to the previous accounting method.

(Notes on Segment Information, etc.)**I. Previous interim consolidated accounting period (from April 1, 2023 to September 30, 2023)**

Information on the amounts of sales and profit or loss in reporting segments

(Millions of yen)

	Reportable segments			Other (Note) 1	Total	Adjustments (Note) 2	Per interim consolidated statements of income (Note) 3
	Financial Instruments Trading	System Development and System Consulting	Total				
Operating revenue							
Revenues from external customers	4,487	126	4,614	-	4,614	-	4,614
Transactions with other segments	-	1,146	1,146	-	1,146	(1,146)	-
Total	4,487	1,273	5,760	-	5,760	(1,146)	4,614
Segment profit (loss)	1,571	321	1,892	(13)	1,879	(15)	1,863

(Notes) 1. “Other” is a business segment not included in the reporting segments and includes investment business.

2. The -15 million yen adjustment of segment profit (loss) includes the elimination of inter-segment transactions and company-wide expenses not allocated to each segment. Company-wide expenses are mainly general and administrative expenses not attributable to a reporting segment.

3. Segment profit (loss) has been adjusted with the operating profit of the interim consolidated statements of income.

II. Current interim consolidated accounting period (from April 1, 2024 to September 30, 2024)

Information on the amounts of sales and profit or loss in reporting segments

(Millions of yen)

	Reportable segments			Other (Note) 1	Total	Adjustments (Note) 2	Per interim consolidated statements of income (Note) 3
	Financial Instruments Trading	System Development and System Consulting	Total				
Operating revenue							
Revenues from external customers	7,604	52	7,657	-	7,657	-	7,657
Transactions with other segments	-	1,558	1,558	-	1,558	(1,558)	—
Total	7,604	1,610	9,215	-	9,215	(1,558)	7,657
Segment profit (loss)	4,007	563	4,570	(14)	4,555	(281)	4,273

(Notes) 1. “Other” is a business segment not included in the reporting segments and includes investment business.

2. The -281 million yen adjustment of segment profit (loss) includes the elimination of inter-segment transactions and company-wide expenses not allocated to each segment. Company-wide expenses are mainly general and administrative expenses not attributable to a reporting segment.

3. Segment profit (loss) has been adjusted with the operating profit of the interim consolidated statements of income.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Previous interim consolidated accounting period (from April 1, 2023 to September 30, 2023)

I Dividends paid

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
June 27, 2023 Ordinary General Meeting of Shareholders	Common shares	488	17	March 31, 2023	June 28, 2023	Retained earnings

II Among dividends whose record date is in the current interim consolidated accounting period, those whose effective date is after the last day of the current interim consolidated accounting period

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
October 17, 2023 Board of Directors	Common shares	227	8	September 30, 2023	December 4, 2023	Retained earnings

III Significant changes in the amount of shareholders' equity

At the Board of Directors meeting held on July 19, 2023, our company resolved to dispose of treasury shares as restricted stock compensation for Directors of our company, and the disposal of treasury shares was implemented on August 10, 2023. As a result of this disposal, our treasury shares decreased by 248,700 shares, and capital surplus increased by 60 million yen and treasury shares decreased by 94 million yen during the current interim consolidated accounting period.

In addition, based on the resolution of the Board of Directors meeting held on August 14, 2023, our company acquired 516,900 treasury shares. Including this acquisition of treasury shares and the purchase of shares less than one unit, our treasury shares increased by 403 million yen during the current interim consolidated accounting period.

As a result, our capital surplus and treasury shares at the end of the current interim consolidated accounting period were 961 million yen and 619 million yen, respectively.

Current interim consolidated accounting period (from April 1, 2024 to September 30, 2024)

I Dividends paid

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
June 26, 2024 Ordinary General Meeting of Shareholders	Common shares	446	16	March 31, 2024	June 27, 2024	Retained earnings

II Among dividends whose record date is in the current interim consolidated accounting period, those whose effective date is after the last day of the current interim consolidated accounting period

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
October 16, 2024 Board of Directors	Common shares	329	12	September 30, 2024	December 3, 2024	Retained earnings

III Significant changes in the amount of shareholders' equity

At the Board of Directors meeting held on July 17, 2024, our company resolved to dispose of treasury shares as restricted stock compensation for Directors of our company, and the disposal of treasury shares was implemented on August 7, 2024. As a result of this disposal, our treasury shares decreased by 201,900 shares, and capital surplus increased by 51 million yen and treasury shares decreased by 114 million yen during the current interim consolidated accounting period.

In addition, based on the resolution of the Board of Directors meeting held on August 14, 2024, our company acquired 628,800 treasury shares. Including this acquisition of treasury shares and the purchase of shares less than one unit, our treasury shares increased by 502 million yen during the current interim consolidated accounting period.

As a result, our capital surplus and treasury shares at the end of the current interim consolidated accounting period were 1,012 million yen and 1,309 million yen, respectively.

(Notes on Going Concern Assumption)

Not applicable.