

# Consolidated Financial Summary (for the three months ended June 30, 2021)

July 30, 2021

Company Name: Tokai Tokyo Financial Holdings, Inc.  
 Stock Listings: First sections of the Tokyo Stock Exchange and Nagoya Stock Exchange  
 Stock Code: 8616 URL: <http://www.tokaitokyo-fh.jp/>  
 Representative: Ichirou Gouda, President  
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Expected date for submission of quarterly report: August 11, 2021  
 Scheduled day of commencing dividend payment: —  
 Supplementary explanation documents for quarterly earnings: Yes  
 Quarterly results briefing planned: None

(Figures are rounded down to the nearest one million yen and those in parentheses are negative figures.)

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2021

### (1) Consolidated Results of Operation

(Figures in percentages denote the year-on-year change.)

	Operating revenue		Net operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended										
June 30, 2021	19,973	30.0	19,447	32.3	2,480	118.9	3,061	138.6	7,007	725.0
June 30, 2020	15,365	14.0	14,696	13.1	1,132	—	1,283	—	849	231.7

(Note) Comprehensive income Three-month period ended June 30, 2021: 7,143 million yen [406.3%]

Three-month period ended June 30, 2020: 1,410 million yen [-]

	Net income per share	Diluted net income per share
	yen	yen
Three months ended		
June 30, 2021	28.22	28.15
June 30, 2020	3.42	—

(Note) We post no figure of diluted net income per share for the 1st Quarter of FYE March 2021 as the Company has no potential stock that has dilution effect.

(Note) From the 1st Quarter of FYE March 2022, the Company has made changes in the presentation method. Therefore, the operating income of previous year's consolidated results of operation reflect that.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of				
June 30, 2021	1,786,136	180,369	9.5	680.69
March 31, 2021	1,416,569	172,684	11.7	666.65

(Reference) Shareholders' equity June 30, 2021: 169,059 million yen March 31, 2021: 165,572 million yen

## 2. Dividends

(Base date)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Annual
Fiscal year	yen	yen	yen	yen	yen
Ended March 31, 2021	—	8.00	—	14.00	22.00
Ending March 31, 2022	—	—	—	—	—
Ending March 31, 2022 (Forecast)	—	—	—	—	—

(Note) 1) Revision to the dividend forecast that has been disclosed lastly: None

- The dividend of 8.00 yen at the end of second quarter for the year ending March 31, 2021 includes commemorative dividend of 2.00 yen.
- The dividend of 14.00 yen at the end of year for the year ended March 31, 2021 includes commemorative dividend of 2.00 yen.
- Dividend forecast for the fiscal year ending March 31, 2022 has not been determined.

## 3. Forecast of Consolidated Operating Results for Fiscal 2021 (from April 1, 2021 to March 31, 2022)

The Group operates principally in the financial instruments business, and its operating results are likely to be affected by market fluctuations. Due to such nature of its business and consequential difficulty in predicting its performance, the Group does not disclose the forecast of operating results.

\* Notes

(1) Important Changes in Subsidiaries during the Term (Changes Pursuant to the Subsidiaries that Lead to a Change in the Scope of

Consolidation): Yes

New : 2 companies (ACE Securities Co.,Ltd. , Maruhachi Securities Co.,Ltd. )

Exclusion : None

(2) Application of Special Accounting Treatments in Preparing Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies or Estimates and Retrospective Restatements

1) Changes in accounting policies in accordance with revision of accounting standards: Yes

2) Changes in accounting policies other than item 1) above: None

3) Change in accounting estimates: None

4) Retrospective restatements: None

(4) Number of Shares Issued (Common Stock)

1) Number of shares issued at the end of the term including treasury shares

As of June 30, 2021:	260,582,115	As of March 31, 2021:	260,582,115
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2) Number of treasury shares at the end of the term

As of June 30, 2021:	12,218,808	As of March 31, 2021:	12,218,314
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3) Average number of shares outstanding (for the three months)

Three months ended June 30, 2021:	248,363,433	Three months ended June 30, 2020:	248,365,432
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\* This consolidated financial summary is not subject to certified public accountant's or audit corporation's review.

\* Note to proper use of forecast of operating results and other special remarks

Dividends for the fiscal year ending March 31, 2022 have not been determined because it is difficult to forecast operating results, as described similarly in "3.Forecast of Consolidated Operating Results for Fiscal 2021."

\* How to view supplementary explanation documents for quarterly earnings

Supplementary explanation documents for quarterly earnings will be available on both Timely Disclosure network and our website on Friday, July 30, 2021.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	83,589	93,069
Cash segregated as deposits	83,622	79,723
Cash segregated as deposits for customers	80,800	76,800
Cash segregated as deposits for others	2,821	2,923
Trading products	588,098	750,279
Trading securities and other	583,391	745,841
Derivatives	4,706	4,437
Margin transaction assets	100,450	65,420
Loans on margin transactions	34,362	51,832
Cash collateral pledged for securities borrowing on margin transactions	66,087	13,588
Loans secured by securities	407,829	664,289
Cash collateral pledged for securities borrowed	28,756	109,355
Loans on Gensaki transactions	379,072	554,933
Advances paid	8,395	718
Short-term guarantee deposits	37,915	29,611
Short-term loans receivable	14,492	17,469
Accrued income	4,189	3,333
Other	14,196	10,382
Allowance for doubtful accounts	(101)	(99)
<b>Total current assets</b>	<b>1,342,676</b>	<b>1,714,198</b>
<b>Non-current assets</b>		
Property, plant and equipment	10,740	10,932
Intangible assets	5,594	6,014
Investments and other assets	57,557	54,990
Investment securities	48,155	42,236
Long-term guarantee deposits	3,862	5,424
Deferred tax assets	35	53
Retirement benefit asset	4,446	6,225
Other	1,423	1,415
Allowance for doubtful accounts	(364)	(365)
<b>Total non-current assets</b>	<b>73,893</b>	<b>71,938</b>
<b>Total assets</b>	<b>1,416,569</b>	<b>1,786,136</b>

(Unit: million yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	379,293	567,652
Trading securities and other	370,371	557,319
Derivatives	8,921	10,333
Trade date accrual	9,240	5,887
Margin transaction liabilities	11,555	22,744
Borrowings on margin transactions	9,128	20,404
Cash received for securities lending on margin transactions	2,426	2,339
Borrowings secured by securities	368,671	580,022
Cash received on debt credit transaction of securities	4,123	4,050
Borrowings on Gensaki transactions	364,547	575,972
Deposits received	72,419	81,541
Guarantee deposits received	12,626	14,792
Short-term borrowings	244,786	183,925
Short-term bonds payable	16,000	15,900
Current portion of bonds payable	17,510	18,995
Income taxes payable	2,414	932
Provision for bonuses	2,283	1,071
Provision for directors' bonuses	57	8
Other	6,214	7,312
<b>Total current liabilities</b>	<b>1,143,073</b>	<b>1,500,785</b>
<b>Non-current liabilities</b>		
Bonds payable	11,863	15,373
Long-term borrowings	84,200	83,700
Deferred tax liabilities	1,290	2,214
Provision for retirement benefits for directors (and other officers)	92	99
Retirement benefit liability	163	239
Other	2,566	2,654
<b>Total non-current liabilities</b>	<b>100,176</b>	<b>104,281</b>
<b>Reserves under special laws</b>		
Reserve for financial instruments transaction liabilities	635	700
<b>Total reserves under special laws</b>	<b>635</b>	<b>700</b>
<b>Total liabilities</b>	<b>1,243,884</b>	<b>1,605,767</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	36,000	36,000
Capital surplus	24,587	24,587
Retained earnings	107,390	110,921
Treasury shares	(5,292)	(5,292)
<b>Total shareholders' equity</b>	<b>162,685</b>	<b>166,216</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,490	1,171
Foreign currency translation adjustment	(571)	(166)
Remeasurements of defined benefit plans	1,967	1,837
<b>Total accumulated other comprehensive income</b>	<b>2,886</b>	<b>2,843</b>
<b>Share acquisition rights</b>	<b>442</b>	<b>454</b>
<b>Non-controlling interests</b>	<b>6,669</b>	<b>10,855</b>
<b>Total net assets</b>	<b>172,684</b>	<b>180,369</b>
<b>Total liabilities and net assets</b>	<b>1,416,569</b>	<b>1,786,136</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income  
(Three months ended June 30)

(Unit: million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
<b>Operating revenue</b>		
Commission received	7,344	9,504
Brokerage commission	3,679	3,485
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	151	436
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,182	2,844
Other fees received	2,331	2,738
Net trading income	7,234	9,587
Financial revenue	785	881
<b>Total operating revenue</b>	<b>15,365</b>	<b>19,973</b>
<b>Financial expenses</b>	<b>668</b>	<b>526</b>
<b>Net operating revenue</b>	<b>14,696</b>	<b>19,447</b>
<b>Selling, general and administrative expenses</b>		
Trading related expenses	2,147	3,272
Personnel expenses	6,590	8,013
Real estate expenses	1,700	1,959
Office expenses	1,655	2,034
Depreciation	772	690
Taxes and dues	304	495
Provision of allowance for doubtful accounts	1	—
Other	391	500
<b>Total selling, general and administrative expenses</b>	<b>13,563</b>	<b>16,966</b>
<b>Operating income</b>	<b>1,132</b>	<b>2,480</b>
<b>Non-operating income</b>		
Dividend income	130	221
Share of profit of entities accounted for using equity method	7	341
Gain on investments in investment partnerships	1	0
Other	37	40
<b>Total non-operating income</b>	<b>176</b>	<b>605</b>
<b>Non-operating expenses</b>		
Loss on investments in investment partnerships	10	10
Foreign exchange losses	12	7
Other	3	5
<b>Total non-operating expenses</b>	<b>26</b>	<b>23</b>
<b>Ordinary income</b>	<b>1,283</b>	<b>3,061</b>

(Unit: million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
<b>Extraordinary income</b>		
Gain on sales of non-current assets	—	66
Gain on sales of investment securities	1	72
Gain on bargain purchase	—	8,268
Reversal of reserve for financial instruments transaction liabilities	123	0
<b>Total extraordinary income</b>	<b>124</b>	<b>8,409</b>
<b>Extraordinary losses</b>		
Loss on sales of investment securities	—	87
Loss on valuation of investment securities	213	229
Loss on change in equity	—	36
Loss on step acquisitions	—	2,473
<b>Total extraordinary losses</b>	<b>213</b>	<b>2,827</b>
<b>Income before income taxes</b>	<b>1,194</b>	<b>8,644</b>
<b>Income taxes-current</b>	<b>121</b>	<b>601</b>
<b>Income taxes-deferred</b>	<b>(126)</b>	<b>869</b>
<b>Total income taxes</b>	<b>(4)</b>	<b>1,471</b>
<b>Profit</b>	<b>1,198</b>	<b>7,172</b>
<b>Profit attributable to non-controlling interests</b>	<b>349</b>	<b>165</b>
<b>Profit attributable to owners of parent</b>	<b>849</b>	<b>7,007</b>

Consolidated Statements of Comprehensive Income  
(Three months ended June 30)

(Unit: million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
<b>Profit</b>	1,198	7,172
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	446	(306)
Foreign currency translation adjustment	(192)	405
Remeasurements of defined benefit plans, net of tax	(64)	(130)
Share of other comprehensive income of entities accounted for using equity method	22	0
<b>Total other comprehensive income</b>	211	(29)
<b>Comprehensive income</b>	1,410	7,143
<b>(Comprehensive income attributable to)</b>		
Owners of parent	1,061	6,964
Non-controlling interests	349	178

## Supplementary Information

### (1) Breakdown of Commission Received and Net Trading Income

#### ① Commission received

##### ( i ) By item

(Unit: million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Yr/Yr	
			Increase (Decrease)	% change
Brokerage commission	3,679	3,485	(193)	(5.3) %
Stocks	3,495	3,350	(144)	(4.1)
Bonds	5	6	1	19.9
Beneficiary certificates	177	127	(49)	(28.1)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	151	436	284	187.2
Stocks	70	292	221	313.2
Bonds	81	143	62	77.1
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,182	2,844	1,661	140.6
Beneficiary certificates	1,177	2,842	1,665	141.4
Other fees received	2,331	2,738	407	17.5
Beneficiary certificates	830	1,408	577	69.5
Total	7,344	9,504	2,160	29.4

##### ( ii ) By product

(Unit: million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Yr/Yr	
			Increase (Decrease)	% change
Stocks	3,582	3,659	76	2.1 %
Bonds	93	154	60	64.9
Beneficiary certificates	2,186	4,379	2,192	100.3
Others	1,481	1,311	(169)	(11.5)
Total	7,344	9,504	2,160	29.4

#### ② Net trading income

(Unit: million yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021	Yr/Yr	
			Increase (Decrease)	% change
Stocks	5,387	5,086	(300)	(5.6) %
Bonds and Forex	1,847	4,500	2,652	143.6
Total	7,234	9,587	2,352	32.5



## (2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2020				Fiscal 2021
	1st quarter	2nd quarter	3rd quarter	4th quarter	1st quarter
	Apr. 1, 2020 - Jun. 30, 2020	Jul. 1, 2020 - Sep. 30, 2020	Oct. 1, 2020 - Dec. 31, 2020	Jan. 1, 2021 - Mar. 31, 2021	Apr. 1, 2021 - Jun. 30, 2021
Operating revenues					
Commission received	7,344	7,327	8,012	8,489	9,504
Brokerage commission	3,679	3,044	3,640	3,571	3,485
(Stocks)	3,495	2,984	3,546	3,503	3,350
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	151	329	266	328	436
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,182	1,534	1,698	2,046	2,844
(Beneficiary certificates)	1,177	1,534	1,695	2,042	2,842
Other fees received	2,331	2,418	2,407	2,542	2,738
(Beneficiary certificates)	830	884	930	1,001	1,408
Net trading income	7,234	8,778	9,104	8,891	9,587
(Stocks)	5,387	5,754	5,626	5,601	5,086
(Bonds and Forex)	1,847	3,023	3,478	3,289	4,500
Financial revenue	785	828	588	1,977	881
Total operating revenue	15,365	16,933	17,705	19,358	19,973
Financial expenses	668	709	515	428	526
Net operating revenue	14,696	16,224	17,190	18,929	19,447
Selling, general and administrative expenses					
Trading related expenses	2,147	2,546	2,747	2,768	3,272
Personnel expenses	6,590	6,810	6,925	7,175	8,013
Real estate expenses	1,700	1,676	1,709	1,708	1,959
Office expenses	1,655	1,598	1,758	1,744	2,034
Depreciation	772	743	776	893	690
Taxes and dues	304	365	311	385	495
Provision of allowance for doubtful accounts	1	4	27	43	—
Other	391	431	386	254	500
Total selling, general and administrative expenses	13,563	14,176	14,640	14,974	16,966
Operating profit	1,132	2,047	2,549	3,955	2,480
Non-operating income	176	826	589	1,641	605
Share of profit of entities accounted for using equity method	7	338	492	753	341
Other	169	488	97	887	263
Non-operating expenses	26	131	42	170	23
Other	26	131	42	170	23
Ordinary profit	1,283	2,742	3,096	5,426	3,061
Extraordinary income	124	—	103	89	8,409
Extraordinary losses	213	9	48	(232)	2,827
Profit before income taxes	1,194	2,733	3,151	5,748	8,644
Income taxes-current	121	557	1	1,551	601
Income taxes-deferred	(126)	220	570	(132)	869
Profit	1,198	1,955	2,578	4,329	7,172
Profit attributable to non-controlling interests	349	106	190	322	165
Profit attributable to owners of parent	849	1,849	2,388	4,007	7,007

(Note) The Company has made changes in the presentation methods of "Real estate expenses" and "Other in the Non-operating income" since fiscal 2021. The quarterly consolidated financial statements for fiscal 2020 reflect these changes.