

**Consolidated Financial Summary (for the six months ended September 30, 2021)**

October 29, 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: November 15, 2021  
 Scheduled day of commencing dividend payment: November 25, 2021  
 Supplementary explanation documents for quarterly earnings: Yes  
 Quarterly results briefing planned: Yes (for financial analysts and institutional investors)

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

**1. Consolidated Financial Results for the Six Months Ended September 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	%
Six months ended										
September 30, 2021	40,543	25.5	39,428	27.5	5,654	77.8	7,113	76.7	9,910	267.2
September 30, 2020	32,298	12.8	30,921	11.6	3,180	—	4,025	—	2,698	318.5

(Note) Comprehensive income Six-month period ended September 30, 2021: 10,215 million yen [221.8%]  
 Six-month period ended September 30, 2020: 3,174 million yen [-]

	Net income per share	Diluted net income per share
	yen	yen
Six months ended		
September 30, 2021	39.90	39.80
September 30, 2020	10.87	—

(Note) We post no figure of diluted net income per share for the 2nd 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				
September 30, 2021	1,521,658	184,651	11.3	692.23
March 31, 2021	1,416,569	172,684	11.7	666.65

(Reference) Shareholders' equity September 30, 2021: 171,924 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	—	10.00	—	—	—
Ending March 31, 2022 (Forecast)	—	—	—	—	—

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

2) 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.

3) 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.

4) 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 September 30, 2021: 260,582,115 As of March 31, 2021: 260,582,115  
2) Number of treasury shares at the end of the term  
As of September 30, 2021: 12,219,364 As of March 31, 2021: 12,218,314  
3) Average number of shares outstanding (for the six months)  
Six months ended September 30, 2021: 248,363,202 Six months ended September 30, 2020: 248,365,274

\* 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, October 29, 2021.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	83,589	82,546
Cash segregated as deposits	83,622	77,923
Cash segregated as deposits for customers	80,800	74,900
Cash segregated as deposits for others	2,821	3,023
Trading products	588,098	585,984
Trading securities and other	583,391	581,071
Derivatives	4,706	4,912
Margin transaction assets	100,450	156,177
Loans on margin transactions	34,362	47,100
Cash collateral pledged for securities borrowing on margin transactions	66,087	109,077
Loans secured by securities	407,829	443,453
Cash collateral pledged for securities borrowed	28,756	49,818
Loans on Gensaki transactions	379,072	393,634
Advances paid	8,395	563
Short-term guarantee deposits	37,915	62,594
Short-term loans receivable	14,492	25,068
Accrued income	4,189	5,139
Other	14,196	9,435
Allowance for doubtful accounts	(101)	(105)
<b>Total current assets</b>	1,342,676	1,448,780
<b>Non-current assets</b>		
Property, plant and equipment	10,740	10,951
Intangible assets	5,594	6,409
Investments and other assets	57,557	55,516
Investment securities	48,155	42,682
Long-term guarantee deposits	3,862	5,484
Deferred tax assets	35	68
Retirement benefit asset	4,446	6,307
Other	1,423	1,329
Allowance for doubtful accounts	(364)	(355)
<b>Total non-current assets</b>	73,893	72,878
<b>Total assets</b>	1,416,569	1,521,658

(Unit: million yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	379,293	367,622
Trading securities and other	370,371	356,920
Derivatives	8,921	10,702
Trade date accrual	9,240	14,806
Margin transaction liabilities	11,555	15,815
Borrowings on margin transactions	9,128	13,469
Cash received for securities lending on margin transactions	2,426	2,345
Borrowings secured by securities	368,671	397,611
Cash received on debt credit transaction of securities	4,123	37,393
Borrowings on Gensaki transactions	364,547	360,217
Deposits received	72,419	92,578
Guarantee deposits received	12,626	14,785
Short-term borrowings	244,786	277,055
Short-term bonds payable	16,000	16,000
Current portion of bonds payable	17,510	20,154
Income taxes payable	2,414	977
Provision for bonuses	2,283	2,214
Provision for directors' bonuses	57	26
Other	6,214	7,482
<b>Total current liabilities</b>	<b>1,143,073</b>	<b>1,227,130</b>
<b>Non-current liabilities</b>		
Bonds payable	11,863	16,895
Long-term borrowings	84,200	87,600
Deferred tax liabilities	1,290	1,879
Provision for retirement benefits for directors (and other officers)	92	102
Retirement benefit liability	163	223
Other	2,566	2,475
<b>Total non-current liabilities</b>	<b>100,176</b>	<b>109,175</b>
<b>Reserves under special laws</b>		
Reserve for financial instruments transaction liabilities	635	701
<b>Total reserves under special laws</b>	<b>635</b>	<b>701</b>
<b>Total liabilities</b>	<b>1,243,884</b>	<b>1,337,006</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	113,824
Treasury shares	(5,292)	(5,293)
<b>Total shareholders' equity</b>	<b>162,685</b>	<b>169,118</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,490	1,234
Foreign currency translation adjustment	(571)	(159)
Remeasurements of defined benefit plans	1,967	1,730
<b>Total accumulated other comprehensive income</b>	<b>2,886</b>	<b>2,805</b>
<b>Share acquisition rights</b>	442	471
<b>Non-controlling interests</b>	6,669	12,256
<b>Total net assets</b>	<b>172,684</b>	<b>184,651</b>
<b>Total liabilities and net assets</b>	<b>1,416,569</b>	<b>1,521,658</b>

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income  
(Six months ended September 30)

(Unit: million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
<b>Operating revenue</b>		
Commission received	14,671	19,147
Brokerage commission	6,723	7,035
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	481	747
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	2,716	5,470
Other fees received	4,750	5,894
Net trading income	16,012	17,582
Financial revenue	1,614	3,813
<b>Total operating revenue</b>	<b>32,298</b>	<b>40,543</b>
<b>Financial expenses</b>	<b>1,377</b>	<b>1,115</b>
<b>Net operating revenue</b>	<b>30,921</b>	<b>39,428</b>
<b>Selling, general and administrative expenses</b>		
Trading related expenses	4,694	6,402
Personnel expenses	13,400	16,085
Real estate expenses	3,376	3,875
Office expenses	3,253	4,100
Depreciation	1,516	1,389
Taxes and dues	669	901
Provision of allowance for doubtful accounts	6	—
Other	822	1,017
<b>Total selling, general and administrative expenses</b>	<b>27,740</b>	<b>33,773</b>
<b>Operating income</b>	<b>3,180</b>	<b>5,654</b>
<b>Non-operating income</b>		
Dividend income	172	282
Share of profit of entities accounted for using equity method	345	957
Gain on investments in investment partnerships	381	281
Other	103	92
<b>Total non-operating income</b>	<b>1,002</b>	<b>1,614</b>
<b>Non-operating expenses</b>		
Loss on investments in investment partnerships	145	115
Foreign exchange losses	8	6
Other	4	33
<b>Total non-operating expenses</b>	<b>157</b>	<b>155</b>
<b>Ordinary income</b>	<b>4,025</b>	<b>7,113</b>

(Unit: million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
<b>Extraordinary income</b>		
Gain on sales of non-current assets	—	66
Gain on sales of investment securities	1	159
Gain on bargain purchase	—	8,268
Reversal of reserve for financial instruments transaction liabilities	123	—
<b>Total extraordinary income</b>	<b>124</b>	<b>8,495</b>
<b>Extraordinary losses</b>		
Loss on sales of investment securities	2	87
Loss on valuation of investment securities	220	255
Loss on change in equity	—	36
Loss on step acquisitions	—	2,473
Provision of reserve for financial instruments transaction liabilities	—	0
<b>Total extraordinary losses</b>	<b>222</b>	<b>2,854</b>
<b>Income before income taxes</b>	<b>3,927</b>	<b>12,754</b>
<b>Income taxes-current</b>	<b>679</b>	<b>1,928</b>
<b>Income taxes-deferred</b>	<b>93</b>	<b>529</b>
<b>Total income taxes</b>	<b>773</b>	<b>2,457</b>
<b>Profit</b>	<b>3,154</b>	<b>10,296</b>
<b>Profit attributable to non-controlling interests</b>	<b>455</b>	<b>386</b>
<b>Profit attributable to owners of parent</b>	<b>2,698</b>	<b>9,910</b>

Consolidated Statements of Comprehensive Income  
(Six months ended September 30)

(Unit: million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
<b>Profit</b>	3,154	10,296
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	339	(257)
Foreign currency translation adjustment	(207)	411
Remeasurements of defined benefit plans, net of tax	(128)	(237)
Share of other comprehensive income of entities accounted for using equity method	16	1
<b>Total other comprehensive income</b>	19	(81)
<b>Comprehensive income</b>	3,174	10,215
<b>(Comprehensive income attributable to)</b>		
Owners of parent	2,718	9,829
Non-controlling interests	455	385

## Supplementary Information

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

#### ① Commission received

##### ( i ) By item

(Unit: million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021	Yr/Yr	
			Increase (Decrease)	% change
Brokerage commission	6,723	7,035	311	4.6 %
Stocks	6,480	6,730	249	3.9
Bonds	13	11	(2)	(17.9)
Beneficiary certificates	229	293	64	27.9
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	481	747	266	55.2
Stocks	290	408	117	40.5
Bonds	190	338	148	77.7
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	2,716	5,470	2,753	101.4
Beneficiary certificates	2,711	5,464	2,752	101.5
Other fees received	4,750	5,894	1,144	24.1
Beneficiary certificates	1,715	2,907	1,191	69.4
<b>Total</b>	<b>14,671</b>	<b>19,147</b>	<b>4,475</b>	<b>30.5</b>

##### ( ii ) By product

(Unit: million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021	Yr/Yr	
			Increase (Decrease)	% change
Stocks	6,805	7,192	386	5.7 %
Bonds	214	361	147	68.7
Beneficiary certificates	4,657	8,665	4,008	86.1
Others	2,994	2,928	(65)	(2.2)
<b>Total</b>	<b>14,671</b>	<b>19,147</b>	<b>4,475</b>	<b>30.5</b>

#### ② Net trading income

(Unit: million yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021	Yr/Yr	
			Increase (Decrease)	% change
Stocks	11,141	8,936	(2,205)	(19.8) %
Bonds and Forex	4,871	8,646	3,775	77.5
<b>Total</b>	<b>16,012</b>	<b>17,582</b>	<b>1,569</b>	<b>9.8</b>



## (2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2020			Fiscal 2021	
	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
	Jul. 1, 2020 - Sep. 30, 2020	Oct. 1, 2020 - Dec. 31, 2020	Jan. 1, 2021 - Mar. 31, 2021	Apr. 1, 2021 - Jun. 30, 2021	Jul. 1, 2021 - Sep. 30, 2021
Operating revenues					
Commission received	7,327	8,012	8,489	9,504	9,642
Brokerage commission	3,044	3,640	3,571	3,485	3,549
(Stocks)	2,984	3,546	3,503	3,350	3,379
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	329	266	328	436	311
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,534	1,698	2,046	2,844	2,626
(Beneficiary certificates)	1,534	1,695	2,042	2,842	2,621
Other fees received	2,418	2,407	2,542	2,738	3,155
(Beneficiary certificates)	884	930	1,001	1,408	1,498
Net trading income	8,778	9,104	8,891	9,587	7,995
(Stocks)	5,754	5,626	5,601	5,086	3,849
(Bonds and Forex)	3,023	3,478	3,289	4,500	4,145
Financial revenue	828	588	1,977	881	2,931
Total operating revenue	16,933	17,705	19,358	19,973	20,569
Financial expenses	709	515	428	526	588
Net operating revenue	16,224	17,190	18,929	19,447	19,980
Selling, general and administrative expenses					
Trading related expenses	2,546	2,747	2,768	3,272	3,129
Personnel expenses	6,810	6,925	7,175	8,013	8,071
Real estate expenses	1,676	1,709	1,708	1,959	1,916
Office expenses	1,598	1,758	1,744	2,034	2,066
Depreciation	743	776	893	690	699
Taxes and dues	365	311	385	495	406
Provision of allowance for doubtful accounts	4	27	43	—	—
Other	431	386	254	500	517
Total selling, general and administrative expenses	14,176	14,640	14,974	16,966	16,806
Operating profit	2,047	2,549	3,955	2,480	3,174
Non-operating income	826	589	1,641	605	1,009
Share of profit of entities accounted for using equity method	338	492	753	341	615
Other	488	97	887	263	393
Non-operating expenses	131	42	170	23	132
Other	131	42	170	23	132
Ordinary profit	2,742	3,096	5,426	3,061	4,051
Extraordinary income	—	103	89	8,409	86
Extraordinary losses	9	48	(232)	2,827	26
Profit before income taxes	2,733	3,151	5,748	8,644	4,110
Income taxes-current	557	1	1,551	601	1,326
Income taxes-deferred	220	570	(132)	869	(340)
Profit	1,955	2,578	4,329	7,172	3,123
Profit attributable to non-controlling interests	106	190	322	165	221
Profit attributable to owners of parent	1,849	2,388	4,007	7,007	2,902

(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 change.