

**Consolidated Financial Summary** (for the nine months ended December 31, 2021)

January 28, 2022

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: February 9, 2022  
 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 Nine Months Ended December 31, 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	%
Nine months ended										
December 31, 2021	62,071	24.1	60,364	25.5	9,294	62.2	11,190	57.1	12,259	141.0
December 31, 2020	50,004	8.0	48,111	7.1	5,730	—	7,121	—	5,087	102.9

(Note) Comprehensive income  
 Nine-month ended December 31, 2021: 12,652 million yen [111.5%]  
 Nine-month ended December 31, 2020: 5,983 million yen [202.9%]

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended		
December 31, 2021	49.35	49.23
December 31, 2020	20.48	—

(Note) We post no figure of diluted net income per share for the 3rd 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				
December 31, 2021	1,536,495	184,655	11.2	690.95
March 31, 2021	1,416,569	172,684	11.7	666.65

(Reference) Shareholders' equity December 31, 2021: 171,676 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 December 31, 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 December 31, 2021:	12,118,156	As of March 31, 2021:	12,218,314
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3) Average number of shares outstanding (for the nine months)

Nine months ended December 31, 2021:	248,394,798	Nine months ended December 31, 2020:	248,365,067
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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, January 28, 2021.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	83,589	131,352
Cash segregated as deposits	83,622	77,224
Cash segregated as deposits for customers	80,800	74,001
Cash segregated as deposits for others	2,821	3,223
Trading products	588,098	548,584
Trading securities and other	583,391	543,265
Derivatives	4,706	5,319
Trade date accrual	—	2,598
Margin transaction assets	100,450	78,120
Loans on margin transactions	34,362	50,892
Cash collateral pledged for securities borrowing on margin transactions	66,087	27,227
Loans secured by securities	407,829	543,904
Cash collateral pledged for securities borrowed	28,756	151,001
Loans on Gensaki transactions	379,072	392,903
Advances paid	8,395	614
Short-term guarantee deposits	37,915	38,022
Short-term loans receivable	14,492	31,766
Accrued income	4,189	3,740
Other	14,196	5,965
Allowance for doubtful accounts	(101)	(110)
<b>Total current assets</b>	1,342,676	1,461,785
<b>Non-current assets</b>		
Property, plant and equipment	10,740	10,818
Intangible assets	5,594	6,890
Investments and other assets	57,557	57,001
Investment securities	48,155	43,953
Long-term guarantee deposits	3,862	5,450
Deferred tax assets	35	42
Retirement benefit asset	4,446	6,470
Other	1,423	1,440
Allowance for doubtful accounts	(364)	(355)
<b>Total non-current assets</b>	73,893	74,710
<b>Total assets</b>	1,416,569	1,536,495

(Unit: million yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	379,293	479,024
Trading securities and other	370,371	468,458
Derivatives	8,921	10,565
Trade date accrual	9,240	—
Margin transaction liabilities	11,555	24,719
Borrowings on margin transactions	9,128	23,266
Cash received for securities lending on margin transactions	2,426	1,452
Borrowings secured by securities	368,671	366,863
Cash received on debt credit transaction of securities	4,123	36,672
Borrowings on Gensaki transactions	364,547	330,190
Deposits received	72,419	99,004
Guarantee deposits received	12,626	17,292
Short-term borrowings	244,786	194,977
Short-term bonds payable	16,000	19,500
Current portion of bonds payable	17,510	24,350
Income taxes payable	2,414	702
Provision for bonuses	2,283	1,335
Provision for directors' bonuses	57	48
Other	6,214	8,413
<b>Total current liabilities</b>	<b>1,143,073</b>	<b>1,236,232</b>
<b>Non-current liabilities</b>		
Bonds payable	11,863	22,885
Long-term borrowings	84,200	87,300
Deferred tax liabilities	1,290	2,014
Provision for retirement benefits for directors (and other officers)	92	102
Retirement benefit liability	163	221
Other	2,566	2,381
<b>Total non-current liabilities</b>	<b>100,176</b>	<b>114,905</b>
<b>Reserves under special laws</b>		
Reserve for financial instruments transaction liabilities	635	702
<b>Total reserves under special laws</b>	<b>635</b>	<b>702</b>
<b>Total liabilities</b>	<b>1,243,884</b>	<b>1,351,840</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	36,000	36,000
Capital surplus	24,587	24,579
Retained earnings	107,390	113,689
Treasury shares	(5,292)	(5,249)
<b>Total shareholders' equity</b>	<b>162,685</b>	<b>169,019</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,490	1,200
Foreign currency translation adjustment	(571)	(167)
Remeasurements of defined benefit plans	1,967	1,623
<b>Total accumulated other comprehensive income</b>	<b>2,886</b>	<b>2,657</b>
<b>Share acquisition rights</b>	442	485
<b>Non-controlling interests</b>	6,669	12,493
<b>Total net assets</b>	<b>172,684</b>	<b>184,655</b>
<b>Total liabilities and net assets</b>	<b>1,416,569</b>	<b>1,536,495</b>

## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Nine months ended December 31)

(Unit: million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Operating revenue</b>		
Commission received	22,684	28,823
Brokerage commission	10,364	10,817
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	747	913
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	4,414	8,033
Other fees received	7,157	9,058
Net trading income	25,117	28,001
Financial revenue	2,202	5,246
<b>Total operating revenue</b>	<b>50,004</b>	<b>62,071</b>
<b>Financial expenses</b>	<b>1,892</b>	<b>1,707</b>
<b>Net operating revenue</b>	<b>48,111</b>	<b>60,364</b>
<b>Selling, general and administrative expenses</b>		
Trading related expenses	7,441	9,663
Personnel expenses	20,325	24,258
Real estate expenses	5,085	5,815
Office expenses	5,011	6,353
Depreciation	2,292	2,148
Taxes and dues	981	1,403
Provision of allowance for doubtful accounts	33	—
Other	1,208	1,426
<b>Total selling, general and administrative expenses</b>	<b>42,381</b>	<b>51,069</b>
<b>Operating income</b>	<b>5,730</b>	<b>9,294</b>
<b>Non-operating income</b>		
Dividend income	223	341
Share of profit of entities accounted for using equity method	837	1,298
Gain on investments in investment partnerships	385	283
Other	146	131
<b>Total non-operating income</b>	<b>1,592</b>	<b>2,055</b>
<b>Non-operating expenses</b>		
Loss on investments in investment partnerships	155	125
Foreign exchange losses	4	10
Other	40	23
<b>Total non-operating expenses</b>	<b>200</b>	<b>159</b>
<b>Ordinary income</b>	<b>7,121</b>	<b>11,190</b>

(Unit: million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Extraordinary income</b>		
Gain on sales of non-current assets	—	66
Gain on sales of investment securities	2	159
Gain on bargain purchase	—	8,268
Gain on reversal of share acquisition rights	101	—
Reversal of reserve for financial instruments transaction liabilities	123	—
<b>Total extraordinary income</b>	<b>228</b>	<b>8,495</b>
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	4	—
Loss on sales of investment securities	2	87
Loss on valuation of investment securities	264	252
Loss on change in equity	—	36
Loss on step acquisitions	—	2,473
Extra retirement payments	—	345
Provision of reserve for financial instruments transaction liabilities	—	1
<b>Total extraordinary losses</b>	<b>271</b>	<b>3,197</b>
<b>Income before income taxes</b>	<b>7,078</b>	<b>16,488</b>
<b>Income taxes-current</b>	<b>681</b>	<b>2,851</b>
<b>Income taxes-deferred</b>	<b>664</b>	<b>752</b>
<b>Total income taxes</b>	<b>1,345</b>	<b>3,604</b>
<b>Profit</b>	<b>5,733</b>	<b>12,884</b>
<b>Profit attributable to non-controlling interests</b>	<b>645</b>	<b>625</b>
<b>Profit attributable to owners of parent</b>	<b>5,087</b>	<b>12,259</b>

Consolidated Statements of Comprehensive Income  
(Nine months ended December 31)

(Unit: million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Profit</b>	5,733	12,884
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	590	(293)
Foreign currency translation adjustment	(197)	402
Remeasurements of defined benefit plans, net of tax	(193)	(344)
Share of other comprehensive income of entities accounted for using equity method	50	3
<b>Total other comprehensive income</b>	250	(232)
<b>Comprehensive income</b>	5,983	12,652
<b>(Comprehensive income attributable to)</b>		
Owners of parent	5,337	12,029
Non-controlling interests	645	622

## Supplementary Information

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

#### ① Commission received

##### ( i ) By item

(Unit: million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Yr/Yr	
			Increase (Decrease)	% change
Brokerage commission	10,364	10,817	453	4.4 %
Stocks	10,027	10,347	319	3.2
Bonds	29	14	(14)	(50.6)
Beneficiary certificates	307	452	144	46.9
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	747	913	165	22.2
Stocks	507	478	(29)	(5.8)
Bonds	240	435	194	81.1
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	4,414	8,033	3,619	82.0
Beneficiary certificates	4,407	8,025	3,618	82.1
Other fees received	7,157	9,058	1,901	26.6
Beneficiary certificates	2,646	4,446	1,800	68.0
Total	22,684	28,823	6,139	27.1

##### ( ii ) By product

(Unit: million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Yr/Yr	
			Increase (Decrease)	% change
Stocks	10,586	10,989	402	3.8 %
Bonds	283	465	181	63.9
Beneficiary certificates	7,361	12,923	5,562	75.6
Others	4,452	4,444	(7)	(0.2)
Total	22,684	28,823	6,139	27.1

#### ② Net trading income

(Unit: million yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Yr/Yr	
			Increase (Decrease)	% change
Stocks	16,768	15,004	(1,763)	(10.5) %
Bonds and Forex	8,349	12,997	4,647	55.7
Total	25,117	28,001	2,884	11.5



## (2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2020		Fiscal 2021		
	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter
	Oct. 1, 2020 - Dec. 31, 2020	Jan. 1, 2021 - Mar. 31, 2021	Apr. 1, 2021 - Jun. 30, 2021	Jul. 1, 2021 - Sep. 30, 2021	Oct. 1, 2020 - Dec. 31, 2020
Operating revenues					
Commission received	8,012	8,489	9,504	9,642	9,675
Brokerage commission	3,640	3,571	3,485	3,549	3,782
(Stocks)	3,546	3,503	3,350	3,379	3,616
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	266	328	436	311	166
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,698	2,046	2,844	2,626	2,563
(Beneficiary certificates)	1,695	2,042	2,842	2,621	2,561
Other fees received	2,407	2,542	2,738	3,155	3,163
(Beneficiary certificates)	930	1,001	1,408	1,498	1,538
Net trading income	9,104	8,891	9,587	7,995	10,419
(Stocks)	5,626	5,601	5,086	3,849	6,068
(Bonds and Forex)	3,478	3,289	4,500	4,145	4,350
Financial revenue	588	1,977	881	2,931	1,433
Total operating revenue	17,705	19,358	19,973	20,569	21,528
Financial expenses	515	428	526	588	592
Net operating revenue	17,190	18,929	19,447	19,980	20,936
Selling, general and administrative expenses					
Trading related expenses	2,747	2,768	3,272	3,129	3,260
Personnel expenses	6,925	7,175	8,013	8,071	8,173
Real estate expenses	1,709	1,708	1,959	1,916	1,940
Office expenses	1,758	1,744	2,034	2,066	2,253
Depreciation	776	893	690	699	758
Taxes and dues	311	385	495	406	501
Provision of allowance for doubtful accounts	27	43	—	—	—
Other	386	254	500	517	408
Total selling, general and administrative expenses	14,640	14,974	16,966	16,806	17,296
Operating profit	2,549	3,955	2,480	3,174	3,640
Non-operating income	589	1,641	605	1,009	441
Share of profit of entities accounted for using equity method	492	753	341	615	340
Other	97	887	263	393	100
Non-operating expenses	42	170	23	132	3
Other	42	170	23	132	3
Ordinary profit	3,096	5,426	3,061	4,051	4,077
Extraordinary income	103	89	8,409	86	—
Extraordinary losses	48	(232)	2,827	26	343
Profit before income taxes	3,151	5,748	8,644	4,110	3,733
Income taxes-current	1	1,551	601	1,326	922
Income taxes-deferred	570	(132)	869	(340)	223
Profit	2,578	4,329	7,172	3,123	2,587
Profit attributable to non-controlling interests	190	322	165	221	238
Profit attributable to owners of parent	2,388	4,007	7,007	2,902	2,348

(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.