

**Consolidated Financial Summary** (for the six months ended September 30, 2022)

October 28, 2022

Company Name: Tokai Tokyo Financial Holdings, Inc.  
 Stock Listings: Tokyo Stock Exchange / Nagoya Stock Exchange  
 Stock Code: 8616 URL: <https://www.tokaitokyo-fh.jp/>  
 Representative: Ichiro Goda, President  
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Expected date for submission of quarterly report: November 11, 2022  
 Scheduled day of commencing dividend payment: November 25, 2022  
 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, 2022****(1) Consolidated Results of Operation**

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

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended										
September 30, 2022	38,636	(4.7)	36,600	(7.2)	2,781	(50.8)	3,641	(48.8)	814	(91.8)
September 30, 2021	40,543	25.5	39,428	27.5	5,654	77.8	7,113	76.7	9,910	267.2

(Note) Comprehensive income Six-month period ended September 30, 2022: 2,152 million yen [(78.9%)]

Six-month period ended September 30, 2021: 10,215 million yen [221.8%]

	Net income per share	Diluted net income per share
	yen	yen
Six months ended		
September 30, 2022	3.28	3.27
September 30, 2021	39.90	39.80

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of				
September 30, 2022	1,428,976	183,920	11.9	684.87
March 31, 2021	1,581,231	185,568	10.9	694.86

(Reference) Shareholders' equity September 30, 2022: 170,266 million yen March 31, 2022: 172,730 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, 2022	—	10.00	—	14.00	24.00
Ending March 31, 2023	—	8.00	—	—	—
Ending March 31, 2023 (Forecast)	—	—	—	—	—

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

2) Dividend forecast for the fiscal year ending March 31, 2023 has not been determined.

**3. Forecast of Consolidated Operating Results for Fiscal 2022 (from April 1, 2022 to March 31, 2023)**

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 : None

Exclusion : 1 company (ACE Securities Co.,Ltd. )

(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, 2022:	260,582,115	As of March 31, 2022:	260,582,115
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2) Number of treasury shares at the end of the term

As of September 30, 2022:	11,970,172	As of March 31, 2022:	11,999,455
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3) Average number of shares outstanding (for the six months)

Six months ended September 30, 2022:	248,591,910	Six months ended September 30, 2021:	248,363,202
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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, 2023 have not been determined because it is difficult to forecast operating results, as described similarly in "3.Forecast of Consolidated Operating Results for Fiscal 2022."

\* 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 28, 2022.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	100,360	80,207
Cash segregated as deposits	74,648	80,171
Cash segregated as deposits for customers	71,225	76,250
Cash segregated as deposits for others	3,423	3,921
Trading products	529,440	488,512
Trading securities and other	518,527	475,906
Derivatives	10,913	12,606
Margin transaction assets	135,347	139,267
Loans on margin transactions	43,335	39,967
Cash collateral pledged for securities borrowing on margin transactions	92,011	99,299
Loans secured by securities	551,583	439,456
Cash collateral pledged for securities borrowed	95,899	93,009
Loans on Gensaki transactions	455,683	346,446
Advances paid	6,006	199
Deposits paid for underwritten offering, etc.	154	—
Short-term guarantee deposits	60,365	69,990
Short-term loans receivable	36,740	40,527
Accrued income	6,496	6,625
Other	4,662	8,638
Allowance for doubtful accounts	(99)	(118)
<b>Total current assets</b>	<b>1,505,707</b>	<b>1,353,478</b>
<b>Non-current assets</b>		
Property, plant and equipment	10,478	10,265
Intangible assets	7,585	7,786
Investments and other assets	57,459	57,446
Investment securities	44,206	44,866
Long-term guarantee deposits	5,511	4,545
Deferred tax assets	66	54
Retirement benefit asset	6,618	6,681
Other	1,389	1,628
Allowance for doubtful accounts	(332)	(330)
<b>Total non-current assets</b>	<b>75,523</b>	<b>75,498</b>
<b>Total assets</b>	<b>1,581,231</b>	<b>1,428,976</b>

(Unit: million yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	444,613	372,889
Trading securities and other	431,959	346,115
Derivatives	12,653	26,774
Trade date accrual	78,170	15,354
Margin transaction liabilities	18,072	22,624
Borrowings on margin transactions	13,313	10,013
Cash received for securities lending on margin transactions	4,759	12,611
Borrowings secured by securities	326,725	288,845
Cash received on debt credit transaction of securities	54,073	47,490
Borrowings on Gensaki transactions	272,652	241,355
Deposits received	69,609	73,679
Guarantee deposits received	22,627	15,362
Short-term borrowings	234,364	259,832
Short-term bonds payable	14,500	12,500
Current portion of bonds payable	27,594	33,754
Income taxes payable	1,187	854
Provision for bonuses	2,387	1,945
Provision for bonuses for directors (and other officers)	70	—
Other	14,922	8,615
<b>Total current liabilities</b>	<b>1,254,845</b>	<b>1,106,260</b>
<b>Non-current liabilities</b>		
Bonds payable	28,585	25,372
Long-term borrowings	107,300	108,500
Deferred tax liabilities	1,468	1,856
Provision for retirement benefits for directors (and other officers)	114	119
Retirement benefit liability	256	176
Other	2,389	2,081
<b>Total non-current liabilities</b>	<b>140,114</b>	<b>138,106</b>
<b>Reserves under special laws</b>		
Reserve for financial instruments transaction liabilities	703	689
<b>Total reserves under special laws</b>	<b>703</b>	<b>689</b>
<b>Total liabilities</b>	<b>1,395,663</b>	<b>1,245,056</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	36,000	36,000
Capital surplus	24,569	24,567
Retained earnings	114,580	111,915
Treasury shares	(5,197)	(5,185)
<b>Total shareholders' equity</b>	<b>169,952</b>	<b>167,297</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,083	1,046
Foreign currency translation adjustment	87	528
Remeasurements of defined benefit plans	1,607	1,394
<b>Total accumulated other comprehensive income</b>	<b>2,778</b>	<b>2,969</b>
<b>Share acquisition rights</b>	<b>497</b>	<b>527</b>
<b>Non-controlling interests</b>	<b>12,340</b>	<b>13,126</b>
<b>Total net assets</b>	<b>185,568</b>	<b>183,920</b>
<b>Total liabilities and net assets</b>	<b>1,581,231</b>	<b>1,428,976</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, 2021	Six months ended September 30, 2022
<b>Operating revenue</b>		
Commission received	19,147	15,678
Brokerage commission	7,035	5,546
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	747	681
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	5,470	3,092
Other fees received	5,894	6,357
Net trading income	17,582	16,101
Financial revenue	3,813	6,855
<b>Total operating revenue</b>	<b>40,543</b>	<b>38,636</b>
<b>Financial expenses</b>	<b>1,115</b>	<b>2,035</b>
<b>Net operating revenue</b>	<b>39,428</b>	<b>36,600</b>
<b>Selling, general and administrative expenses</b>		
Trading related expenses	6,402	6,506
Personnel expenses	16,085	15,651
Real estate expenses	3,875	3,924
Office expenses	4,100	4,207
Depreciation	1,389	1,534
Taxes and dues	901	919
Provision of allowance for doubtful accounts	—	17
Other	1,017	1,057
<b>Total selling, general and administrative expenses</b>	<b>33,773</b>	<b>33,819</b>
<b>Operating profit</b>	<b>5,654</b>	<b>2,781</b>
<b>Non-operating income</b>		
Dividend income	282	343
Share of profit of entities accounted for using equity method	957	—
Gain on valuation of investment securities	—	332
Gain on investments in investment partnerships	281	391
Other	92	155
<b>Total non-operating income</b>	<b>1,614</b>	<b>1,223</b>
<b>Non-operating expenses</b>		
Share of loss of entities accounted for using equity method	—	232
Loss on investments in investment partnerships	115	84
Foreign exchange losses	6	—
Other	33	45
<b>Total non-operating expenses</b>	<b>155</b>	<b>362</b>
<b>Ordinary profit</b>	<b>7,113</b>	<b>3,641</b>

(Unit: million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Extraordinary income</b>		
Gain on sales of non-current assets	66	—
Gain on sales of investment securities	159	19
Gain on bargain purchase	8,268	—
Gain on extinguishment of tie-in shares	—	21
Reversal of reserve for financial instruments transaction liabilities	—	13
<b>Total extraordinary income</b>	<b>8,495</b>	<b>54</b>
<b>Extraordinary losses</b>		
Loss on sales of investment securities	87	—
Loss on valuation of investment securities	255	189
Loss on change in equity	36	—
Loss on step acquisitions	2,473	—
Settlement payments	—	188
Provision of reserve for financial instruments transaction liabilities	0	—
<b>Total extraordinary losses</b>	<b>2,854</b>	<b>377</b>
<b>Profit before income taxes</b>	<b>12,754</b>	<b>3,317</b>
<b>Income taxes-current</b>	<b>1,928</b>	<b>161</b>
<b>Income taxes-deferred</b>	<b>529</b>	<b>1,195</b>
<b>Total income taxes</b>	<b>2,457</b>	<b>1,357</b>
<b>Profit</b>	<b>10,296</b>	<b>1,960</b>
<b>Profit attributable to non-controlling interests</b>	<b>386</b>	<b>1,145</b>
<b>Profit attributable to owners of parent</b>	<b>9,910</b>	<b>814</b>

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

(Unit: million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
<b>Profit</b>	10,296	1,960
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(257)	(33)
Foreign currency translation adjustment	411	435
Remeasurements of defined benefit plans, net of tax	(237)	(213)
Share of other comprehensive income of entities accounted for using equity method	1	4
<b>Total other comprehensive income</b>	(81)	192
<b>Comprehensive income</b>	10,215	2,152
<b>(Comprehensive income attributable to)</b>		
Owners of parent	9,829	1,005
Non-controlling interests	385	1,147

## 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, 2021	Six months ended September 30, 2022	Yr/Yr	
			Increase (Decrease)	% change
Brokerage commission	7,035	5,546	(1,488)	(21.2) %
Stocks	6,730	5,174	(1,556)	(23.1)
Bonds	11	6	(4)	(43.1)
Beneficiary certificates	293	365	72	24.7
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	747	681	(66)	(8.9)
Stocks	408	366	(42)	(10.3)
Bonds	338	314	(23)	(7.1)
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	5,470	3,092	(2,377)	(43.5)
Beneficiary certificates	5,464	3,090	(2,373)	(43.4)
Other fees received	5,894	6,357	463	7.9
Beneficiary certificates	2,907	2,740	(167)	(5.8)
<b>Total</b>	<b>19,147</b>	<b>15,678</b>	<b>(3,468)</b>	<b>(18.1)</b>

##### ( ii ) By product

(Unit: million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	Yr/Yr	
			Increase (Decrease)	% change
Stocks	7,192	5,656	(1,535)	(21.4) %
Bonds	361	332	(28)	(7.9)
Beneficiary certificates	8,665	6,197	(2,468)	(28.5)
Others	2,928	3,492	564	19.3
<b>Total</b>	<b>19,147</b>	<b>15,678</b>	<b>(3,468)</b>	<b>(18.1)</b>

#### ② Net trading income

(Unit: million yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	Yr/Yr	
			Increase (Decrease)	% change
Stocks	8,936	4,386	(4,549)	(50.9) %
Bonds and Forex	8,646	11,715	3,069	35.5
<b>Total</b>	<b>17,582</b>	<b>16,101</b>	<b>(1,480)</b>	<b>(8.4)</b>



## (2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2021			Fiscal 2022	
	2nd quarter	3rd quarter	4th quarter	1st quarter	2nd quarter
	Jul. 1, 2021 - Sep. 30, 2021	Oct. 1, 2021 - Dec. 31, 2021	Jan. 1, 2022 - Mar. 31, 2022	Apr. 1, 2022 - Jun. 30, 2022	Jul. 1, 2022 - Sep. 30, 2022
Operating revenues					
Commission received	9,642	9,675	8,752	7,786	7,892
Brokerage commission	3,549	3,782	3,111	2,689	2,857
(Stocks)	3,379	3,616	2,919	2,512	2,661
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	311	166	420	522	159
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	2,626	2,563	1,905	1,501	1,591
(Beneficiary certificates)	2,621	2,561	1,905	1,499	1,591
Other fees received	3,155	3,163	3,314	3,073	3,284
(Beneficiary certificates)	1,498	1,538	1,404	1,373	1,366
Net trading income	7,995	10,419	5,997	8,561	7,540
(Stocks)	3,849	6,068	1,180	2,998	1,387
(Bonds and Forex)	4,145	4,350	4,816	5,562	6,153
Financial revenue	2,931	1,433	4,154	2,113	4,742
Total operating revenue	20,569	21,528	18,904	18,460	20,175
Financial expenses	588	592	1,018	839	1,196
Net operating revenue	19,980	20,936	17,885	17,621	18,979
Selling, general and administrative expenses					
Trading related expenses	3,129	3,260	3,464	3,429	3,076
Personnel expenses	8,071	8,173	8,061	7,590	8,061
Real estate expenses	1,916	1,940	1,916	2,033	1,891
Office expenses	2,066	2,253	2,292	2,177	2,030
Depreciation	699	758	754	712	821
Taxes and dues	406	501	381	398	520
Provision of allowance for doubtful accounts	—	—	1	11	6
Other	517	408	426	559	498
Total selling, general and administrative expenses	16,806	17,296	17,298	16,912	16,906
Operating profit	3,174	3,640	586	708	2,072
Non-operating income	1,009	441	1,286	616	606
Share of profit of entities accounted for using equity method	615	340	(119)	—	—
Other	393	100	1,405	616	606
Non-operating expenses	132	3	84	124	238
Share of loss of entities accounted for using equity method	—	—	—	83	149
Other	132	3	84	41	88
Ordinary profit	4,051	4,077	1,789	1,200	2,441
Extraordinary income	86	—	89	54	(0)
Extraordinary losses	26	343	538	—	377
Profit before income taxes	4,110	3,733	1,340	1,255	2,062
Income taxes-current	1,326	922	1,031	49	111
Income taxes-deferred	(340)	223	(511)	400	795
Profit	3,123	2,587	819	804	1,155
Profit attributable to non-controlling interests	221	238	(71)	703	442
Profit attributable to owners of parent	2,902	2,348	891	101	713