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May 15, 2023

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under Japanese GAAP)

Company name: Traders Holdings Co., Ltd.
 Listing: Tokyo Stock Exchange (Standard Market)
 Securities code: 8704
 URL: <https://www.tradershd.com/>
 Representative: Takayuki Kanamaru, Chairman and President
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 Telephone: +81-3-6736-9850
 Scheduled date of annual general meeting of shareholders: June 27, 2023
 Scheduled date to commence dividend payments: June 28, 2023
 Scheduled date to file annual securities report: June 27, 2023
 Preparation of supplementary material on financial results: None
 Holding of financial results briefing: None

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

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	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	%
March 31, 2023	9,194	29.8	8,452	28.6	3,742	57.8	3,730	58.1	3,217	47.0
March 31, 2022	7,082	3.3	6,573	2.2	2,372	0.7	2,360	3.8	2,189	22.1

Note: Comprehensive income For the fiscal year ended March 31, 2023: 3,225 Millions of yen [45.1%]
 For the fiscal year ended March 31, 2022: 2,222 Millions of yen [22.8%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2023	111.12	-	30.3	4.6	40.7
March 31, 2022	75.12	-	26.4	3.3	33.5

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended March 31, 2023: (2) Millions of yen
 For the fiscal year ended March 31, 2022: (1) Millions of yen

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	88,317	11,975	13.6	416.91
March 31, 2022	74,099	9,250	12.5	317.40

Reference: Equity
 As of March 31, 2023: 11,975 Millions of yen
 As of March 31, 2022: 9,250 Millions of yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	1,322	(729)	(590)	5,235
March 31, 2022	849	(146)	73	5,227

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	-	0.00	-	11.00	11.00	320	14.6	3.9
Fiscal year ended March 31, 2023	-	0.00	-	17.00	17.00	488	15.3	4.6
Fiscal year ending March 31, 2024 (Forecast)	-	8.00	-	-	-		-	

Note :The year-end dividend forecast for the fiscal year ending March 31, 2024 yet been determined at this point.

3. Consolidated financial results forecast for the fiscal year ending March 31,2024(from April 1,2023 to March 31,2024)

(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	10,100	9.8	4,000	6.9	4,000	7.2	3,000	(6.8)	104.44

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31,2023	29,538,647 shares
As of March 31,2022	29,160,947 shares

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

As of March 31,2023	815,364 shares
As of March 31,2022	15,784 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31,2023	28,958,227 shares
Fiscal year ended March 31,2022	29,147,756 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

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.

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

Consolidated financial statements

i . Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	5,227	5,235
Work in process	2	6
Segregated deposits	61,352	72,646
Segregated deposits for customers	61,341	72,634
Other segregated deposits	11	12
Trading products	1,141	543
Short-term guarantee deposits	4,558	7,119
Margin deposits for foreign exchanges	4,331	6,762
Margin deposits for crypto-assets	221	352
Margin deposits for other-assets	5	5
Other	570	779
Allowance for doubtful accounts	(30)	(10)
Total current assets	72,821	86,320
Non-current assets		
Property, plant and equipment	46	285
Buildings	61	213
Accumulated depreciation	(42)	(6)
Buildings, net	19	207
Tools, furniture and fixtures	103	132
Accumulated depreciation	(76)	(54)
Tools, furniture and fixtures, net	26	78
Intangible assets	490	638
Software	489	609
Other	1	29
Investments and other assets	741	1,072
Investment securities	120	–
Long-term advance paid	185	173
Long-term deposits	161	172
Deferred tax assets	350	543
Other	107	356
Allowance for doubtful accounts	(183)	(173)
Total non-current assets	1,277	1,997
Total assets	74,099	88,317

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Trading products	242	208
Deposits received	19	20
Guarantee deposits received	61,379	73,083
Margin deposits received for foreign exchanges	61,356	72,949
Margin deposits received for crypto-assets	23	134
Short-term borrowings	849	860
Current portion of long-term borrowings	54	72
Current portion of bonds payable	–	100
Income taxes payable	207	288
Provision for bonuses	–	181
Other	901	411
Total current liabilities	63,656	75,226
Non-current liabilities		
Bonds payable	700	600
Long-term borrowings	458	463
Provision for retirement benefits for directors (and other officers)	–	16
Retirement benefit liability	34	36
Other	0	0
Total non-current liabilities	1,192	1,115
Total liabilities	64,849	76,342
Net assets		
Shareholders' equity		
Share capital	1,500	1,564
Capital surplus	842	901
Retained earnings	6,870	9,768
Treasury shares	(7)	(310)
Total shareholders' equity	9,205	11,922
Accumulated other comprehensive income		
Foreign currency translation adjustment	45	52
Total accumulated other comprehensive income	45	52
Total net assets	9,250	11,975
Total liabilities and net assets	74,099	88,317

ii . Consolidated statements of income and comprehensive income

Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating revenue		
Commission received	59	86
Net trading income	6,584	8,757
Financial revenue	1	1
Other sales	427	343
Other	9	6
Total operating revenue	7,082	9,194
Financial expenses	51	53
Other costs	457	688
Net operating revenue	6,573	8,452
Selling, general and administrative expenses		
Trading related expenses	1,832	2,209
Personnel expenses	1,462	1,427
Real estate expenses	470	588
Office expenses	64	74
Depreciation	217	250
Taxes and dues	75	131
Other	78	28
Total selling, general and administrative expenses	4,201	4,710
Operating profit	2,372	3,742
Non-operating income		
Interest and dividend income	11	1
Subsidy income	0	7
Gain on investments in silent partnerships	3	–
Other	2	3
Total non-operating income	17	11
Non-operating expenses		
Interest expenses	13	13
Foreign exchange losses	16	5
Other	0	4
Total non-operating expenses	29	23
Ordinary profit	2,360	3,730
Extraordinary income		
Gain on sale of investment securities	–	27
Gain on redemption of investment securities	76	–
Gain on sale of shares of subsidiaries and associates	0	–
Other	0	–
Total extraordinary income	76	27
Extraordinary losses		
Loss on retirement of non-current assets	–	13
Bad debts expenses	14	–
Loss on valuation of investment securities	12	–
Loss on liquidation of business	32	61
Head office relocation expenses	–	52
Total extraordinary losses	59	127
Profit before income taxes	2,377	3,630
Income taxes - current	284	605
Income taxes - deferred	(96)	(193)
Total income taxes	188	412
Profit	2,189	3,217
Loss attributable to non-controlling interests	(0)	–
Profit attributable to owners of parent	2,189	3,217

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	2,189	3,217
Other comprehensive income		
Foreign currency translation adjustment	33	7
Total other comprehensive income	33	7
Comprehensive income	2,222	3,225
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,223	3,224
Comprehensive income attributable to non- controlling interests	(0)	0

iii. Consolidated statements of changes in equity

For the fiscal year ended March 31,2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,500	842	4,972	(6)	7,309
Changes during period					
Dividends of surplus			(291)		(291)
Profit attributable to owners of parent			2,189		2,189
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,898	(1)	1,896
Balance at end of period	1,500	842	6,870	(7)	9,205

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	11	11	0	7,321
Changes during period				
Dividends of surplus				(291)
Profit attributable to owners of parent				2,189
Purchase of treasury shares				(1)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	33	33	(0)	33
Total changes during period	33	33	(0)	1,929
Balance at end of period	45	45	-	9,250

For the fiscal year ended March 31,2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,500	842	6,870	(7)	9,205
Changes during period					
Dividends of surplus			(320)		(320)
Profit attributable to owners of parent			3,217		3,217
Restricted Stock remuneration	64	58			123
Purchase of treasury shares				(302)	(302)
Disposal of treasury shares				0	0
Net changes in items other than shareholders' equity					
Total changes during period	64	58	2,897	(302)	2,717
Balance at end of period	1,564	901	9,768	(310)	11,922

	Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	45	45	-	9,250
Changes during period				
Dividends of surplus				(320)
Profit attributable to owners of parent				3,217
Restricted Stock remuneration				123
Purchase of treasury shares				(302)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	7	7	-	7
Total changes during period	7	7	-	2,724
Balance at end of period	52	52	-	11,975

iv. Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	2,377	3,630
Depreciation	217	250
Loss on retirement of non-current assets	–	13
Interest and dividend income	(11)	(1)
Interest expenses	13	13
Other non-operating expenses (income)	(3)	2
Loss (gain) on valuation of investment securities	12	–
Loss (gain) on sale of investment securities	–	(27)
Loss (gain) on redemption of investment securities	(76)	–
Loss (gain) on sale of shares of subsidiaries and associates	(0)	–
Loss on liquidation of business	32	61
Relocation expenses	–	52
Decrease (increase) in trading products - assets (liabilities)	(477)	564
Decrease (increase) in inventories	(2)	(4)
Decrease (increase) in trade receivables	8	41
Decrease (increase) in cash segregated as deposits for customers	(2,984)	(11,293)
Decrease (increase) in advance paid	40	12
Decrease (increase) in short-term guarantee deposits	(1,368)	(2,561)
Decrease (increase) in other current assets	(18)	(50)
Increase (decrease) in allowance for doubtful accounts	(11)	(30)
Increase (decrease) in provision for loss on business liquidation	(12)	–
Increase (decrease) in provision for bonuses	–	181
Increase (decrease) in retirement benefit liability	2	1
Increase (decrease) in provision for retirement benefits for directors (and other officers)	–	16
Increase (decrease) in deposits received	1	0
Increase (decrease) in guarantee deposits received	2,764	11,703
Increase (decrease) in accrued expenses	92	(160)
Increase (decrease) in other current liabilities	335	(310)
Other, net	0	1
Subtotal	934	2,110
Interest and dividends received	11	1
Interest paid	(13)	(13)
Income taxes paid	(54)	(722)
Payment of Loss on liquidation of business	(29)	–
Payments of relocation expenses	–	(52)
Net cash provided by (used in) operating activities	849	1,322

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from investing activities		
Proceeds from redemption of investment securities	76	–
Purchase of property, plant and equipment	(21)	(276)
Purchase of intangible assets	(250)	(354)
Proceeds from sale of investment securities	–	82
Proceeds from sale of shares of subsidiaries and associates	0	–
Payments of guarantee deposits	–	(157)
Proceeds from collection of loans receivable	45	–
Decrease in long term deposits	150	–
Increase in long term deposits	(135)	(11)
Other, net	(11)	(13)
Net cash provided by (used in) investing activities	(146)	(729)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	49	10
Proceeds from issuance of bonds	600	–
Redemption of bonds	(400)	–
Proceeds from long-term borrowings	200	100
Repayments of long-term borrowings	(83)	(77)
Dividends paid	(291)	(320)
Proceeds from disposal of treasury shares	0	0
Purchase of treasury shares	(1)	(302)
Net cash provided by (used in) financing activities	73	(590)
Effect of exchange rate change on cash and cash equivalents	30	6
Net increase (decrease) in cash and cash equivalents	806	8
Cash and cash equivalents at beginning of period	4,420	5,227
Cash and cash equivalents at end of period	5,227	5,235