

**Consolidated Financial Summary (for the nine months ended December 31, 2020)**

January 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: Tateaki Ishida, President & CEO  
 Contact: Junichi Takahashi  
 General Manager - Finance Planning Department  
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Expected date for submission of quarterly report: February 9, 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 Nine Months Ended December 31, 2020****(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	
Nine months ended	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2020	50,004	8.0	48,111	7.1	5,386	—	7,121	—	5,087	102.9
December 31, 2019	46,304	(6.8)	44,909	(6.5)	(851)	—	(7)	—	2,506	85.1

(Note) Comprehensive income

Nine-month period ended December 31, 2020: 5,983 million yen [202.9%]

Nine-month period ended December 31, 2019: 1,974 million yen [-]

	Net income per share	Diluted net income per share
Nine months ended	yen	yen
December 31, 2020	20.48	—
December 31, 2019	10.00	—

(Note) We post no figure of diluted net income per share as the Company has no potential stock that has dilution effect.

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
As of	million yen	million yen	%	yen
December 31, 2020	1,457,687	165,657	10.9	639.73
March 31, 2020	1,113,313	160,404	14.1	630.24

(Reference) Shareholders' equity December 31, 2020: 158,886 million yen

March 31, 2020: 156,530 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, 2020	—	4.00	—	4.00	8.00
Ending March 31, 2021	—	8.00	—		
Ending March 31, 2021 (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 for the 20th anniversary of 2.00 yen.

3) Dividend forecast for the fiscal year ending March 31, 2021 has not been determined.

**3. Forecast of Consolidated Operating Results for Fiscal 2020 (from April 1, 2020 to March 31, 2021)**

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): None  
New : None  
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: None

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, 2020:	260,582,115	As of March 31, 2020:	260,582,115
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2) Number of treasury shares at the end of the term

As of December 31, 2020:	12,217,810	As of March 31, 2020:	12,216,596
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3) Average number of shares outstanding (for the nine months)

Nine months ended December 31, 2020:	248,365,067	Nine months ended December 31, 2019:	250,773,482
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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, 2021 have not been determined because it is difficult to forecast operating results, as described similarly in "3.Forecast of Consolidated Operating Results for Fiscal 2020."

\* 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 29, 2021.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2020	As of December 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	64,745	70,938
Cash segregated as deposits	51,122	65,721
Cash segregated as deposits for customers	49,300	64,200
Cash segregated as deposits for others	1,821	1,521
Trading products	422,351	608,402
Trading securities and other	407,261	601,976
Derivatives	15,090	6,426
Margin transaction assets	99,267	42,012
Loans on margin transactions	25,777	30,436
Cash collateral pledged for securities borrowing on margin transactions	73,489	11,575
Loans secured by securities	341,868	533,961
Cash collateral pledged for securities borrowed	31,248	35,452
Loans on Gensaki transactions	310,620	498,509
Advances paid	203	924
Short-term guarantee deposits	47,107	24,128
Short-term loans receivable	2,940	10,841
Accrued income	2,666	2,461
Other	11,296	29,668
Allowance for doubtful accounts	(27)	(59)
<b>Total current assets</b>	<b>1,043,541</b>	<b>1,389,002</b>
<b>Non-current assets</b>		
Property, plant and equipment	12,038	11,188
Intangible assets	5,370	5,399
Investments and other assets	52,362	52,097
Investment securities	45,047	45,251
Long-term guarantee deposits	4,112	3,782
Deferred tax assets	252	17
Retirement benefit asset	1,783	1,946
Other	1,527	1,463
Allowance for doubtful accounts	(362)	(363)
<b>Total non-current assets</b>	<b>69,772</b>	<b>68,684</b>
<b>Total assets</b>	<b>1,113,313</b>	<b>1,457,687</b>

(Unit: million yen)

	As of March 31, 2020	As of December 31, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	341,416	474,578
Trading securities and other	330,161	466,494
Derivatives	11,255	8,083
Trade date accrual	44,102	27,188
Margin transaction liabilities	8,943	13,434
Borrowings on margin transactions	6,876	10,926
Cash received for securities lending on margin transactions	2,067	2,507
Borrowings secured by securities	211,557	396,810
Cash received on debt credit transaction of securities	12,239	3,660
Borrowings on Gensaki transactions	199,318	393,150
Deposits received	46,489	65,873
Guarantee deposits received	13,692	13,395
Short-term borrowings	135,680	157,168
Short-term bonds payable	16,000	16,000
Current portion of bonds payable	21,101	16,248
Income taxes payable	695	615
Provision for bonuses	1,521	1,061
Provision for bonuses for directors (and other officers)	—	24
Other	12,305	5,679
<b>Total current liabilities</b>	<b>853,507</b>	<b>1,188,077</b>
<b>Non-current liabilities</b>		
Bonds payable	13,496	11,265
Long-term borrowings	81,909	88,900
Deferred tax liabilities	55	331
Provision for retirement benefits for directors (and other officers)	63	91
Retirement benefit liability	181	168
Other	3,075	2,699
<b>Total non-current liabilities</b>	<b>98,781</b>	<b>103,456</b>
<b>Reserves under special laws</b>		
Reserve for financial instruments transaction liabilities	619	495
<b>Total reserves under special laws</b>	<b>619</b>	<b>495</b>
<b>Total liabilities</b>	<b>952,908</b>	<b>1,292,030</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	36,000	36,000
Capital surplus	24,587	24,587
Retained earnings	101,276	103,383
Treasury shares	(5,292)	(5,292)
<b>Total shareholders' equity</b>	<b>156,572</b>	<b>158,678</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(151)	507
Foreign currency translation adjustment	(390)	(587)
Remeasurements of defined benefit plans	500	288
<b>Total accumulated other comprehensive income</b>	<b>(41)</b>	<b>208</b>
<b>Share acquisition rights</b>	<b>478</b>	<b>428</b>
<b>Non-controlling interests</b>	<b>3,395</b>	<b>6,341</b>
<b>Total net assets</b>	<b>160,404</b>	<b>165,657</b>
<b>Total liabilities and net assets</b>	<b>1,113,313</b>	<b>1,457,687</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, 2019	Nine months ended December 31, 2020
<b>Operating revenue</b>		
Commission received	21,885	22,684
Brokerage commission	9,010	10,364
Other fees received	7,223	7,157
Net trading income	22,270	25,117
Financial revenue	2,148	2,202
<b>Total operating revenue</b>	<b>46,304</b>	<b>50,004</b>
<b>Financial expenses</b>	<b>1,395</b>	<b>1,892</b>
<b>Net operating revenue</b>	<b>44,909</b>	<b>48,111</b>
<b>Selling, general and administrative expenses</b>		
Trading related expenses	8,532	7,441
Personnel expenses	21,013	20,325
Real estate expenses	5,808	5,429
Office cost	5,810	5,011
Depreciation	2,290	2,292
Taxes and dues	981	981
Provision of allowance for doubtful accounts	—	33
Other	1,324	1,208
<b>Total selling, general and administrative expenses</b>	<b>45,761</b>	<b>42,725</b>
<b>Operating profit (loss)</b>	<b>(851)</b>	<b>5,386</b>
<b>Non-operating income</b>		
Dividend income	258	223
Rental income from buildings	352	353
Share of profit of entities accounted for using equity method	—	837
Gain on investments in investment partnerships	189	385
Other	332	136
<b>Total non-operating income</b>	<b>1,133</b>	<b>1,936</b>
<b>Non-operating expenses</b>		
Share of loss of entities accounted for using equity method	46	—
Loss on investments in investment partnerships	104	155
Foreign exchange losses	48	4
Other	89	40
<b>Total non-operating expenses</b>	<b>288</b>	<b>200</b>
<b>Ordinary profit (loss)</b>	<b>(7)</b>	<b>7,121</b>

(Unit: million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Extraordinary income</b>		
Gain on sales of non-current assets	97	—
Gain on sales of investment securities	154	2
Gain on change in equity	2,054	—
Gain on reversal of share acquisition rights	166	101
Reversal of reserve for financial instruments transaction liabilities	0	123
<b>Total extraordinary income</b>	<b>2,472</b>	<b>228</b>
<b>Extraordinary losses</b>		
Loss on sales of non-current assets	16	4
Impairment loss	0	—
Loss on sales of investment securities	48	2
Loss on valuation of investment securities	99	264
<b>Total extraordinary losses</b>	<b>165</b>	<b>271</b>
<b>Profit before income taxes</b>	<b>2,300</b>	<b>7,078</b>
<b>Income taxes-current</b>	<b>131</b>	<b>681</b>
<b>Income taxes for prior periods</b>	<b>(46)</b>	<b>—</b>
<b>Income taxes-deferred</b>	<b>(424)</b>	<b>664</b>
<b>Total income taxes</b>	<b>(339)</b>	<b>1,345</b>
<b>Profit</b>	<b>2,639</b>	<b>5,733</b>
<b>Profit attributable to non-controlling interests</b>	<b>132</b>	<b>645</b>
<b>Profit attributable to owners of parent</b>	<b>2,506</b>	<b>5,087</b>

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

(Unit: million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
<b>Profit</b>	2,639	5,733
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	(185)	590
Foreign currency translation adjustment	(187)	(197)
Remeasurements of defined benefit plans, net of tax	(302)	(193)
Share of other comprehensive income of entities accounted for using equity method	10	50
<b>Total other comprehensive income</b>	(664)	250
<b>Comprehensive income</b>	1,974	5,983
<b>(Comprehensive income attributable to)</b>		
Owners of parent	1,842	5,337
Non-controlling interests	132	645

## 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, 2019	Nine months ended December 31, 2020	Yr/Yr	
			Increase (Decrease)	% change
Brokerage commission	9,010	10,364	1,354	15.0 %
Stocks	8,221	10,027	1,805	22.0
Bonds	34	29	(4)	(14.5)
Beneficiary certificates	754	307	(446)	(59.2)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	635	747	112	17.8
Stocks	165	507	342	206.5
Bonds	469	240	(229)	(48.8)
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	5,016	4,414	(601)	(12.0)
Beneficiary certificates	4,995	4,407	(588)	(11.8)
Other fees received	7,223	7,157	(66)	(0.9)
Beneficiary certificates	3,076	2,646	(430)	(14.0)
Total	21,885	22,684	799	3.7

##### ( ii ) By product

(Unit: million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Yr/Yr	
			Increase (Decrease)	% change
Stocks	8,620	10,586	1,966	22.8 %
Bonds	533	283	(249)	(46.8)
Beneficiary certificates	8,826	7,361	(1,465)	(16.6)
Others	3,904	4,452	547	14.0
Total	21,885	22,684	799	3.7

#### ② Net trading income

(Unit: million yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020	Yr/Yr	
			Increase (Decrease)	% change
Stocks	13,076	16,768	3,691	28.2 %
Bonds and Forex	9,194	8,349	(845)	(9.2)
Total	22,270	25,117	2,846	12.8



## (2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2019		Fiscal 2020		
	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter
	Oct. 1, 2019 - Dec. 31, 2019	Jan. 1, 2020 - Mar. 31, 2020	Apr. 1, 2020 - Jun. 30, 2020	Jul. 1, 2020 - Sep. 30, 2020	Oct. 1, 2020 - Dec. 31, 2020
Operating revenue					
Commission received	8,609	7,287	7,344	7,327	8,012
Brokerage commission	4,041	3,229	3,679	3,044	3,640
(Stocks)	3,784	2,960	3,495	2,984	3,546
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	202	67	151	329	266
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	1,870	1,502	1,182	1,534	1,698
(Beneficiary certificates)	1,864	1,501	1,177	1,534	1,695
Other fees received	2,494	2,486	2,331	2,418	2,407
(Beneficiary certificates)	999	921	830	884	930
Net trading income	8,400	7,239	7,234	8,778	9,104
(Stocks)	5,247	934	5,387	5,754	5,626
(Bonds and Forex)	3,153	6,304	1,847	3,023	3,478
Financial revenue	656	862	785	828	588
Total operating revenue	17,665	15,389	15,365	16,933	17,705
Financial expenses	452	531	668	709	515
Net operating revenue	17,213	14,858	14,696	16,224	17,190
Selling, general and administrative expenses					
Trading related expenses	2,955	2,853	2,147	2,546	2,747
Personnel expenses	6,873	6,814	6,590	6,810	6,925
Real estate expenses	1,903	1,775	1,818	1,800	1,811
Office cost	1,879	1,705	1,655	1,598	1,758
Depreciation	801	936	772	743	776
Taxes and dues	293	358	304	365	311
Provision of allowance for doubtful accounts	—	—	1	4	27
Other	340	386	391	431	386
Total selling, general and administrative expenses	15,048	14,830	13,681	14,299	14,743
Operating profit	2,165	27	1,014	1,924	2,446
Non-operating income	217	837	294	949	692
Share of profit of entities accounted for using equity method	—	—	7	338	492
Other	217	837	287	611	199
Non-operating expenses	(142)	158	26	131	42
Share of loss of entities accounted for using equity method	(173)	47	—	—	—
Other	30	110	26	131	42
Ordinary profit	2,525	707	1,283	2,742	3,096
Extraordinary income	166	64	124	—	103
Extraordinary losses	98	22	213	9	48
Profit before income taxes	2,594	749	1,194	2,733	3,151
Income taxes-current	35	142	121	557	1
Income taxes-deferred	598	484	(126)	220	570
Profit	1,960	122	1,198	1,955	2,578
Profit attributable to non-controlling interests	98	(133)	349	106	190
Profit attributable to owners of parent	1,862	256	849	1,849	2,388