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November 13, 2023

Consolidated Financial Results for the Six Months Ended September 30,2023 (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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 Scheduled date to file quarterly securities report: November 13,2023
 Scheduled date to commence dividend payments: December 4,2023
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Consolidated financial results for the Six Months ended September 30,2023 (from April 1,2023 to September 30,2023)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	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	%
Six Months ended										
September 30,2023	4,614	4.4	4,520	5.7	1,863	4.4	1,846	4.1	1,505	0.9
September 30,2022	4,419	41.5	4,277	42.4	1,785	93.7	1,773	91.2	1,491	54.4

Note: Comprehensive income For the Six Months ended September 30,2023: 1,526 Millions of yen [0.4%]
 For the Six Months ended September 30,2022: 1,521 Millions of yen [58.0%]

	Basic earnings per share	Diluted earnings per share
Six Months ended	Yen	Yen
September 30,2023	52.49	-
September 30,2022	51.11	-

(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
September 30,2023	107,203	12,778	11.9	448.74
March 31,2023	88,317	11,975	13.6	416.91

Reference Equity: As of September 30,2023: 12,765 Millions of yen
 As of March 31,2023: 11,975 Millions of yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31,2023	-	0.00	-	17.00	17.00
Fiscal year ending March 31,2024	-	8.00			
Fiscal year ending March 31,2024 (Forecast)			-	-	-

Note: Revisions to the forecast of cash dividends most recently announced: None

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

3. Financial Forecasts 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)	105.02

Note: Revisions to financial forecasts disclosed most recently: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30,2023	29,538,647 shares
As of March 31,2023	29,538,647 shares

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

As of September 30,2023	1,091,244 shares
As of March 31,2023	815,364 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six Months ended September 30,2023	28,675,307 shares
Six Months ended September 30,2022	29,189,833 shares

* Quarterly financial results reports are exempt from quarterly review 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.

Quarterly Consolidated Financial Statements

i. Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31, 2023)	Current quarter (As of September 30, 2023)
Assets		
Current assets		
Cash and deposits	5,235	6,312
Work in process	6	0
Segregated deposits	72,646	90,624
Segregated deposits for customers	72,634	90,607
Other segregated deposits	12	17
Trading products	543	1,143
Short-term guarantee deposits	7,119	6,369
Margin deposits for foreign exchanges	6,762	6,016
Margin deposits for crypto assets	352	347
Margin deposits for other assets	5	5
Other	779	575
Allowance for doubtful accounts	(10)	(22)
Total current assets	86,320	105,002
Non-current assets		
Property, plant and equipment	285	288
Buildings	213	218
Accumulated depreciation	(6)	(28)
Buildings, net	207	190
Tools, furniture and fixtures	132	166
Accumulated depreciation	(54)	(69)
Tools, furniture and fixtures, net	78	97
Intangible assets	638	684
Software	609	683
Other	29	1
Investments and other assets	1,072	1,228
Investment securities	-	20
Long-term advance paid	173	170
Long-term deposits	172	185
Deferred tax assets	543	524
Other	356	498
Allowance for doubtful accounts	(173)	(170)
Total non-current assets	1,997	2,200
Total assets	88,317	107,203

(Millions of yen)

	Previous fiscal year (As of March 31, 2023)	Current quarter (As of September 30, 2023)
Liabilities		
Current liabilities		
Trading products	208	156
Deposits received	20	25
Guarantee deposits received	73,083	91,250
Margin deposits received for foreign exchanges	72,949	91,153
Margin deposits received for crypto assets	134	96
Short-term borrowings	860	932
Current portion of long-term borrowings	72	72
Current portion of bonds payable	100	100
Income taxes payable	288	346
Provision for bonuses	181	-
Other	411	452
Total current liabilities	75,226	93,334
Non-current liabilities		
Bonds payable	600	600
Long-term borrowings	463	427
Provision for retirement benefits for directors (and other officers)	16	24
Retirement benefit liability	36	38
Other	0	0
Total non-current liabilities	1,115	1,090
Total liabilities	76,342	94,424
Net assets		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	901	961
Retained earnings	9,768	10,785
Treasury shares	(310)	(619)
Total shareholders' equity	11,922	12,691
Accumulated other comprehensive income		
Foreign currency translation adjustment	52	74
Total accumulated other comprehensive income	52	74
Share acquisition rights	-	12
Non-controlling interests	-	0
Total net assets	11,975	12,778
Total liabilities and net assets	88,317	107,203

ii. Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (for the six months)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenue		
Commission received	49	36
Net trading income	4,184	4,449
Financial revenue	0	0
Other sales	180	126
Other	3	-
Total operating revenue	4,419	4,614
Financial expenses	26	26
Cost of sales	115	67
Net operating revenue	4,277	4,520
Selling, general and administrative expenses		
Trading related expenses	1,140	914
Personnel expenses	885	1,039
Real estate expenses	242	363
Office expenses	38	41
Depreciation	116	152
Taxes and dues	41	48
Other	26	97
Total selling, general and administrative expenses	2,492	2,657
Operating profit	1,785	1,863
Non-operating income		
Interest and dividend income	0	0
Subsidy income	7	1
Other	3	0
Total non-operating income	11	2
Non-operating expenses		
Interest expenses	6	6
Foreign exchange losses	14	11
Other	2	1
Total non-operating expenses	23	19
Ordinary profit	1,773	1,846
Extraordinary income		
Reversal of provision for bonuses	-	3
Total extraordinary income	-	3
Extraordinary losses		
Head office relocation expenses	-	18
Other	-	1
Total extraordinary losses	-	20
Profit before income taxes	1,773	1,828
Income taxes - current	281	304
Income taxes - deferred	-	18
Total income taxes	281	323
Profit	1,491	1,505
Loss attributable to non-controlling interests	-	(0)
Profit attributable to owners of parent	1,491	1,505

Quarterly Consolidated Statements of Comprehensive Income(for the six months)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	1,491	1,505
Other comprehensive income		
Foreign currency translation adjustment	29	21
Total other comprehensive income	29	21
Comprehensive income	1,521	1,526
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,520	1,526
Comprehensive income attributable to non- controlling interests	0	(0)

iii. Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,773	1,828
Depreciation	116	152
Share-based payment expenses	0	20
Relocation expenses	-	18
Interest and dividend income	(0)	(0)
Interest expenses	6	6
Decrease (increase) in cash segregated as deposits for customers	(7,832)	(17,973)
Decrease (increase) in trading products - assets (liabilities)	1,019	(652)
Decrease (increase) in short-term guarantee deposits	(2,832)	750
Decrease (increase) in trade receivables	38	6
Decrease (increase) in inventories	2	5
Decrease (increase) in advance paid	6	2
Increase (decrease) in allowance for doubtful accounts	(17)	9
Decrease (increase) in other current assets	114	128
Increase (decrease) in deposits received	(0)	4
Increase (decrease) in guarantee deposits received	7,615	18,166
Increase (decrease) in provision for bonuses	-	(181)
Increase (decrease) in accrued expenses	(129)	37
Increase (decrease) in other current liabilities	(322)	(3)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6	8
Increase (decrease) in retirement benefit liability	(2)	2
Other, net	2	2
Subtotal	(435)	2,339
Interest and dividends received	0	0
Interest paid	(6)	(6)
Income taxes refund (paid)	(284)	(165)
Payments of relocation expenses	-	(18)
Net cash provided by (used in) operating activities	(725)	2,149
Cash flows from investing activities		
Purchase of property, plant and equipment	(6)	(44)
Purchase of intangible assets	(145)	(153)
Proceeds from sale of investment securities	2	-
Purchase of investment securities	-	(20)
Payments of guarantee deposits	(156)	(0)
Payments of long-term deposits	(3)	(12)
Other, net	(2)	(7)
Net cash provided by (used in) investing activities	(311)	(238)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	10	72
Proceeds from long-term borrowings	100	-
Repayments of long-term borrowings	(40)	(36)
Dividends paid	(320)	(488)
Purchase of treasury shares	(300)	(403)
Other, net	-	0
Net cash provided by (used in) financing activities	(552)	(855)
Effect of exchange rate change on cash and cash equivalents	27	20
Net increase (decrease) in cash and cash equivalents	(1,562)	1,076
Cash and cash equivalents at beginning of period	5,227	5,235
Cash and cash equivalents at end of period	3,664	6,312