



February 10, 2025

To whom it may concern:

Company name: Tokai Tokyo Financial Holdings, Inc.  
Representative: Masataka Sato, President and Representative Director  
(Securities Code: 8616; TSE Prime and NSE Premier)  
Shouji Maeda, General Manager of Financial Planning  
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**Notice Regarding Completion of the Interim Review by Certified Public Accountants, etc. of the Financial Summary (Consolidated) for the Nine Months Period Ended December 31, 2024, <Under Japanese GAAP>**

We, Tokai Tokyo Financial Holdings, Inc. hereby announces that the interim review by certified public accountants, etc. of the Japanese-language originals of the quarterly consolidated financial statements in the “Financial Summary (Consolidated) for the nine months period ended December 31, 2024 <Under Japanese GAAP>,” which was disclosed on January 31, 2025, has been completed.

The quarterly consolidated financial statements announced on January 31, 2025, have been revised as follows.

1. 「Additional details added to the Financial Results for the Third Quarter of the Fiscal Year Ending March 2025 (Japan GAAP (Consolidated))

With reference to the Attachment "2. Quarterly Consolidated Financial Statements and major notes, (3) Notes on Quarterly Consolidated Financial Statements", we have added the following items.

(Change in the Scope of Consolidation or the Scope of the Equity Method application)

(Notes to segment information, etc.)

(Note to Quarterly Consolidated Statements of Cash Flows)

**Consolidated Financial Summary** (for the nine months ended December 31, 2024)

February 10, 2025

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: Masataka Sato, President  
 Contact: Shoji Maeta  
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Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: 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, 2024****(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	%
Nine months ended										
December 31, 2024	66,899	3.6	64,840	3.3	11,299	7.6	13,002	13.4	9,629	35.2
December 31, 2023	64,590	14.6	62,742	17.1	10,501	196.5	11,467	170.4	7,123	432.8

(Note) Comprehensive income Nine-month period ended December 31, 2024: 8,565 million yen [(6.8)%]

Nine-month period ended December 31, 2023: 9,193 million yen [293.2%]

	Net income per share	Diluted net income per share
	yen	yen
Nine months ended		
December 31, 2024	38.42	38.28
December 31, 2023	28.58	28.50

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of				
December 31, 2024	1,238,516	194,361	14.6	721.34
March 31, 2024	1,400,360	192,935	12.8	718.21

(Reference) Shareholders' equity December 31, 2024: 180,865 million yen March 31, 2024: 179,841 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, 2024	—	12.00	—	16.00	28.00
Ending March 31, 2025	—	12.00	—		
Ending March 31, 2025 (Forecast)				—	—

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

2) Dividend forecast for the fiscal year ending March 31, 2025 has not been determined.

**3. Forecast of Consolidated Operating Results for Fiscal 2024 (from April 1, 2024 to March 31, 2025)**

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) Significant changes in the scope of consolidation during the period: Yes

New : None

Exclusion : One company(TT Solution Inc.)

(2) Application of special accounting treatments in preparing quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

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) Changes in accounting estimates: None

4) Retrospective restatements: None

(4) Number of shares issued (common stock)

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

As of December 31, 2024:	260,582,115	As of March 31, 2024:	260,582,115
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2) Number of treasury shares at the end of the period

As of December 31, 2024:	9,845,229	As of March 31, 2024:	10,178,451
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3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024:	250,594,883	Nine months ended December 31, 2023:	249,222,359
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\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* Note to proper use of forecast of operating results and other special remarks

Dividends for the fiscal year ending March 31, 2025 have not been determined because it is difficult to forecast operating results, as described similarly in "3.Forecast of Consolidated Operating Results for Fiscal 2024."

\* How to view supplementary material on financial results

Supplementary material on financial results has been available on both Timely Disclosure network and our website on Friday, January 31, 2025.

\* The Japanese-language originals of the quarterly consolidated financial statements.

The Company disclosed the quarterly financial results on January 31, 2025.

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## 1. Qualitative Information for the Nine Months Ended December 31, 2024

### (1) Review of Operating Results

**Japanese Economy:** During the period under review (from April 1, 2024, to December 31, 2024), while high inflation put downward pressure on consumer sentiment, strong inbound consumption and wage increases contributed to a pickup in personal consumption. In addition, the two attributes supported the economy. One is the recovery of automobile production after its temporary suspension due to misconduct cases of certification irregularities, and the other is the increased capital investment made by the companies responding to their labor shortages.

**Looking Abroad:** As for overseas economies, the U.S. economy remained sound assisted by solid employment and personal consumption, while the Eurozone remained low, although it had recovered from a temporary slump. In Asia, India experienced a slight slowdown from high growth, and the Chinese economy stayed weak suffering from a slump in the real estate market. While many countries struggled to gain momentum for their economies, the U.S. economy was notably strong.

**Japanese Stock Market:** The Nikkei Stock Average, which started at the ¥40,600 mark in April, reached the ¥42,400 mark in July, driven by the rapid depreciation of the yen. However, in early August, the price temporarily plunged to the ¥31,100 mark against the backdrop of the surprising interest rate hike by the Bank of Japan and appreciation of the yen. After that, the Nikkei Stock Average began to recover linked with the rise in U.S. stocks, and finally ended December trading at the ¥39,800 mark. The average daily transaction volume in the Tokyo Stock Exchange Prime Market from April to December 2024 was ¥5,002.9 billion (compared with ¥4,031.1 billion in the same period of the previous year).

**US Stock Market:** The Dow Jones Industrial Average, which we deem the general indicator of the U.S. stock market, opened at the \$39,800 mark in April and continued its upward trend against the backdrop of a strong economy and a decline in long-term interest rates, although it was accompanied by a speed adjustment of the rally. It firmed to the \$40,000 mark in the summer and rose further following the start of the U.S. interest rate cuts in September and Mr. Trump's second winning of the U.S. presidential election on November 5. At the beginning of December, it temporarily reached a record high of \$45,000. After that, however, it dropped in reaction to decreasing expectations for an interest rate cut and a rise in long-term interest rates and closed December trading at the \$42,500 mark.

**Japanese Bond Market:** Japan's long-term interest rate started with this period's low of 0.73% in April. It then rose to 1.1% on May 30, but fell to 0.74% on August 5 due to a sharp drop in stock prices following the Bank of Japan's interest rate hikes. It then continued to rebound as U.S. long-term interest rates rose and closed December trading at 1.1%.

**US Bond Market:** The long-term interest rate in the United States started at 4.19% in April and rose to the period's high of 4.73% on April 25. Since then, interest rates remained basically in a declining mode. Amid this situation, the worsening result of the July employment report, released on August 2, heightened concerns about a U.S. recession and put further downward pressure on interest rates to push them down as low as this period's low of 3.59% on September 17. Although the FOMC decided to cut the interest rate by 0.5% in September, the rate rebounded after Federal Reserve Chairman Powell said that they would not rush to reduce it from now on, and closed December trading at 4.56%.

**Foreign Exchange Market:** The dollar-yen exchange rate opened at around 1 USD to 151 JPY in April and continued to rise, reaching a period high of the 161 JPY mark on July 3. However, the dollar fell to the 139 JPY mark on September 16, the lowest level for the period, on the back of large yen-buying intervention by the government and the Bank of Japan and the media reporting on government officials calling for further interest rate hikes by the Bank of Japan as well as heightened speculation of a major U.S. interest rate cut. However, dollar buying increased after the FOMC meeting in September and speculation of another rate hike

by the Bank of Japan receded. As a result, the exchange rate rebounded, and the dollar ended December trading at the 157 JPY mark.

Amid this market environment, the Group launched its medium-term management plan, “Beyond Our Limits” in fiscal 2022, and the current fiscal year is the third execution year of the plan.

The Group was created following the merger of Tokyo Securities Co., Ltd. and Tokai Maruman Securities Co., Ltd. and will celebrate its 25<sup>th</sup> anniversary in October 2025. To commemorate this anniversary, the Group has specially sponsored “Harry Potter and the Cursed Child,” as we feel that the vision of our medium-term management plan “Beyond Our Limits” matches the depiction of the main character.

In addition, Tokai Tokyo Securities Co., Ltd. received the highest rating of three stars in the 2024 HDI Benchmark provided by HDI-Japan, the Japanese branch of HDI, the world's largest membership organization in the support services industry. This is the 8th time in total and the 3rd time consecutively in the “Customer Service” category and the 8th time in total and the 2nd time consecutively in the “Web Support” category. On top of receiving the highest rating of three stars, as a leading securities company, the Company will continue working to create a sustainable society and resolve social issues through aggressive underwriting and sales activities of ESG bonds, etc.

In addition, CHEER Securities Inc., a smartphone securities company of the Group, started a point collaboration with “Moppy Point” provided by CERES INC. in November, in line with the renewal of the point management app in collaboration with STOCK POINT Inc.

The Group’s consolidated operating results for the period were as follows. All percentages shown below indicate year-on-year comparisons in this section (1).

(Commission received)

During the period under review, total commissions received increased by 2.8%, to ¥31,398 million.

(i) Brokerage Commission

Brokerage commission on stocks decreased by 6.1% to ¥11,058 million. Total brokerage commission decreased by 5.6% to ¥11,514 million.

(ii) Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors

Commission earned from handling stocks increased by 35.1% to ¥556 million, while the same from handling bonds increased by 28.7% to ¥625 million. Total commission for underwriting, secondary distribution, and solicitation for selling and others for professional investors increased by 41.7% to ¥1,272 million.

(iii) Fees for offering, secondary distribution and solicitation for selling and others for professional investors

Fees earned from beneficiary certificates increased by 2.4% to ¥6,323 million. Total fees for offering, secondary distribution, and solicitation for selling and others for professional investors increased by 1.6% to ¥6,327 million.

(iv) Other fees received

Agency commissions from investment trusts increased by 25.7% to ¥5,465 million, and insurance commissions increased by 17.9% to ¥4,635 million. Total other fees increased by 9.6% to ¥12,284 million.

(Net trading income)

Stock trading income increased by 4.5% to ¥18,532 million, while trading income from bonds and foreign exchanges decreased by 4.3% to ¥11,420 million. As a result, total net trading income increased by 1.0% to ¥29,952 million.

(Net financial revenue)

Financial revenue increased by 26.0%, to ¥5,547 million, and financial expenses increased by 11.3%, to ¥2,058 million. Therefore, net financial revenue increased by 36.6%, to ¥3,488 million.

(Selling, general and administrative expenses)

Trading-related expenses increased by 14.3% to ¥10,891 million. Personnel expenses decreased by 0.5% to ¥24,674 million, real estate expenses increased by 0.2% to ¥5,783 million, and office expenses decreased by 1.8% to ¥6,429 million. As a result, total selling, general and administrative expenses increased by 2.5% to ¥53,540 million.

(Non-operating income and expenses)

Total non-operating income increased by 65.3% to ¥1,954 million, including ¥839 million gain on investments in investment partnerships and ¥335 million dividend income. On the other hand, total non-operating expenses increased by 16.3% to ¥252 million, including ¥85 million loss on valuation of investment securities.

(Extraordinary income and losses)

In the period under review, ¥2,314 million of extraordinary income was recorded, and extraordinary loss of ¥225 million was recorded.

In summary, operating revenue increased by 3.6% to ¥66,899 million and net operating revenue increased by 3.3% to ¥64,840 million, operating profit increased by 7.6% to ¥11,299 million and ordinary revenue increased by 13.4% to ¥13,002 million, and finally, profit attributable to owners of parent after deducting income taxes increased 35.2% to ¥9,629 million.

## (2) Review of the Financial Statements

In this section (2), all comparisons shown below are with corresponding figures at the end of the previous consolidated fiscal year.

### (Assets)

Total assets at the end of the period under review decreased by ¥161,843 million to ¥1,238,516 million. Under this category, current assets decreased by ¥163,330 million to ¥1,149,347 million. This was mainly due to decreases in trading products of ¥8,620 million to ¥319,596 million and loans secured by securities of ¥184,873 million to ¥321,832 million, while cash and deposits increased by ¥21,627 million to ¥119,301 million and trade date accrual increased by ¥12,248 million to ¥37,125 million. Non-current assets, on the other hand, increased by ¥1,486 million to ¥89,168 million, mainly due to an increase in investment securities of ¥5,686 million to ¥57,468 million.

### (Liabilities)

Total liabilities at the end of the period under review decreased by ¥163,270 million to ¥1,044,154 million. Under this category, current liabilities decreased by ¥185,616 million to ¥873,104 million. This was mainly due to decreases in trading products of ¥147,395 million to ¥275,578 million and short-term borrowings of ¥40,466 million to ¥160,576 million, while short-term bonds payable increased by ¥3,500 million to ¥16,000 million. Non-current liabilities, on the other hand, increased by ¥22,347 million to ¥170,266 million. This was mainly due to an increase in long-term borrowings of ¥23,100 million to ¥150,100 million.

### (Net assets)

Total net assets at the end of the period under review increased by ¥1,426 million to ¥194,361 million. This was mainly due to an increase in retained earnings of ¥2,615 million to ¥118,886 million and non-controlling interests of ¥472 million to ¥13,135 million.

## (3) Forecasts of Consolidated Financial Performance

The Group's main business is the financial instruments business, and its performance is affected by changes in the market environment. It is difficult to forecast the business performance due to the nature of this business. Therefore, the Company does not disclose a business performance forecast.

## Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	97,673	119,301
Cash segregated as deposits	95,426	98,967
Cash segregated as deposits for customers	90,100	92,300
Cash segregated as deposits for others	5,325	6,667
Trading products	328,216	319,596
Trading securities and other	319,327	308,335
Derivatives	8,889	11,260
Trade date accrual	24,877	37,125
Margin transaction assets	87,176	89,349
Loans on margin transactions	59,909	59,789
Cash collateral pledged for securities borrowing on margin transactions	27,267	29,560
Loans secured by securities	506,706	321,832
Cash collateral pledged for securities borrowed	93,985	62,716
Loans on Gensaki transactions	412,720	259,116
Advances paid	98	2,653
Short-term guarantee deposits	54,048	51,725
Short-term loans receivable	90,585	97,403
Accrued income	4,889	4,641
Other	23,110	6,888
Allowance for doubtful accounts	(132)	(137)
<b>Total current assets</b>	1,312,677	1,149,347
<b>Non-current assets</b>		
Property, plant and equipment	11,107	10,358
Intangible assets	7,615	7,376
Investments and other assets	68,959	71,434
Investment securities	51,781	57,468
Long-term guarantee deposits	4,845	4,781
Deferred tax assets	74	77
Retirement benefit asset	11,297	8,065
Other	1,288	1,371
Allowance for doubtful accounts	(328)	(329)
<b>Total non-current assets</b>	87,682	89,168
<b>Total assets</b>	1,400,360	1,238,516

(Unit: million yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	422,974	275,578
Trading securities and other	397,368	253,525
Derivatives	25,605	22,052
Margin transaction liabilities	19,701	18,843
Borrowings on margin transactions	16,273	16,564
Cash received for securities lending on margin transactions	3,427	2,279
Borrowings secured by securities	264,354	235,616
Cash received on debt credit transaction of securities	92,980	95,344
Borrowings on Gensaki transactions	171,374	140,272
Deposits received	92,383	131,866
Guarantee deposits received	18,826	17,419
Short-term borrowings	201,043	160,576
Short-term bonds payable	12,500	16,000
Current portion of bonds payable	9,070	6,081
Income taxes payable	6,358	1,031
Provision for bonuses	3,267	1,595
Provision for bonuses for directors (and other officers)	74	42
Other	8,166	8,451
<b>Total current liabilities</b>	<b>1,058,720</b>	<b>873,104</b>
<b>Non-current liabilities</b>		
Bonds payable	13,731	12,703
Long-term borrowings	127,000	150,100
Deferred tax liabilities	3,567	4,185
Provision for retirement benefits for directors (and other officers)	105	137
Retirement benefit liability	141	145
Other	3,373	2,994
<b>Total non-current liabilities</b>	<b>147,919</b>	<b>170,266</b>
<b>Reserves under special laws</b>		
Reserve for financial instruments transaction liabilities	784	783
<b>Total reserves under special laws</b>	<b>784</b>	<b>783</b>
<b>Total liabilities</b>	<b>1,207,425</b>	<b>1,044,154</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	36,000	36,000
Capital surplus	24,440	24,431
Retained earnings	116,270	118,886
Treasury shares	(4,409)	(4,264)
<b>Total shareholders' equity</b>	<b>172,302</b>	<b>175,053</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,736	2,428
Foreign currency translation adjustment	753	858
Remeasurements of defined benefit plans	4,049	2,525
<b>Total accumulated other comprehensive income</b>	<b>7,539</b>	<b>5,812</b>
<b>Share acquisition rights</b>	<b>430</b>	<b>360</b>
<b>Non-controlling interests</b>	<b>12,663</b>	<b>13,135</b>
<b>Total net assets</b>	<b>192,935</b>	<b>194,361</b>
<b>Total liabilities and net assets</b>	<b>1,400,360</b>	<b>1,238,516</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, 2023	Nine months ended December 31, 2024
<b>Operating revenue</b>		
Commission received	30,532	31,398
Brokerage commission	12,196	11,514
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	898	1,272
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	6,229	6,327
Other fees received	11,207	12,284
Net trading income	29,655	29,952
Financial revenue	4,403	5,547
<b>Total operating revenue</b>	<b>64,590</b>	<b>66,899</b>
<b>Financial expenses</b>	<b>1,848</b>	<b>2,058</b>
<b>Net operating revenue</b>	<b>62,742</b>	<b>64,840</b>
<b>Selling, general and administrative expenses</b>		
Trading related expenses	9,530	10,891
Personnel expenses	24,795	24,674
Real estate expenses	5,773	5,783
Office expenses	6,549	6,429
Depreciation	2,586	2,721
Taxes and dues	1,287	1,281
Provision of allowance for doubtful accounts	72	4
Other	1,645	1,752
<b>Total selling, general and administrative expenses</b>	<b>52,240</b>	<b>53,540</b>
<b>Operating profit</b>	<b>10,501</b>	<b>11,299</b>
<b>Non-operating income</b>		
Dividend income	362	335
Share of profit of entities accounted for using equity method	251	244
Gain on investments in investment partnerships	73	839
Gain on valuation of investment securities	304	330
Other	190	204
<b>Total non-operating income</b>	<b>1,182</b>	<b>1,954</b>
<b>Non-operating expenses</b>		
Loss on investments in investment partnerships	197	85
Foreign exchange losses	—	103
Other	19	63
<b>Total non-operating expenses</b>	<b>216</b>	<b>252</b>
<b>Ordinary profit</b>	<b>11,467</b>	<b>13,002</b>

(Unit: million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
<b>Extraordinary income</b>		
Gain on sale of non-current assets	2	—
Gain on sale of investment securities	182	704
Gain on change in equity	425	—
Gain on reversal of share acquisition rights	117	117
Gain on return of assets from retirement benefit trust	—	1,491
Reversal of reserve for financial instruments transaction liabilities	66	1
<b>Total extraordinary income</b>	<b>794</b>	<b>2,314</b>
<b>Extraordinary losses</b>		
Impairment losses	—	192
Loss on retirement of noncurrent assets	166	—
Loss on sale of investment securities	110	—
Loss on valuation of investment securities	268	33
Loss on change in equity	9	—
<b>Total extraordinary losses</b>	<b>555</b>	<b>225</b>
<b>Profit before income taxes</b>	<b>11,706</b>	<b>15,090</b>
<b>Income taxes-current</b>	<b>3,350</b>	<b>3,358</b>
<b>Income taxes-deferred</b>	<b>334</b>	<b>1,315</b>
<b>Total income taxes</b>	<b>3,684</b>	<b>4,674</b>
<b>Profit</b>	<b>8,021</b>	<b>10,416</b>
<b>Profit attributable to non-controlling interests</b>	<b>897</b>	<b>787</b>
<b>Profit attributable to owners of parent</b>	<b>7,123</b>	<b>9,629</b>

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

(Unit: million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
<b>Profit</b>	8,021	10,416
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	936	(432)
Foreign currency translation adjustment	473	104
Remeasurements of defined benefit plans, net of tax	(240)	(1,524)
Share of other comprehensive income of entities accounted for using equity method	2	1
<b>Total other comprehensive income</b>	1,171	(1,850)
<b>Comprehensive income</b>	9,193	8,565
<b>(Comprehensive income attributable to)</b>		
Owners of parent	8,295	7,901
Non-controlling interests	897	663

### (3) Notes to Quarterly Consolidated Financial Statements

The Company's quarterly consolidated financial statements are prepared in accordance with Article 4, paragraph 1 of the standard for preparation of the quarterly financial statements established by the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. and accounting principles for quarterly financial statements generally accepted in Japan (provided, however, the company applies the practice of omitting the descriptions provided for in Article 4, paragraph 2 of the aforementioned standard for preparation of the quarterly financial statements).

#### (Change in Scope of Consolidation or Scope of Application by the Equity Method)

As of June 2024, Tokai Tokyo Securities Co., Ltd. and TT Solution Inc., which are consolidated subsidiaries of the Company, have entered into an absorption merger with Tokai Tokyo Securities Co., Ltd. as the surviving company, and TT Solution Inc. has been excluded from the scope of consolidation.

#### (Change in Accounting Policy)

"Accounting Standards for Corporate Tax, Resident Tax, Business Tax, etc." (Accounting Standards for Enterprises No. 27, October 28, 2022. Hereinafter referred to as the "2022 Revised Accounting Standards") are applied by us from the beginning of the first quarter of our consolidated accounting period.

Regarding the revision of the classification of corporate income tax (taxation on other comprehensive income), we follow the transitional treatments stipulated in the two provisos, one to Paragraph 20-3 of the 2022 Revised Accounting Standards and the other to Paragraph 65-2 (2) of "Guidelines for the Application of Accounting Standards for Tax Effect Accounting" (Guidelines for the Application of Corporate Accounting Standards No. 28, October 28, 2022. Hereinafter referred to as the "2022 Revised Application Guidelines").

In addition, with regard to the amendment related to the revised treatment of the deferred taxable gains and losses on sales of shares of subsidiaries when such a sale of shares is effected between consolidated members of a certain company for tax purposes, the 2022 revision application guidelines have been applied by us from the beginning of the first quarter of this fiscal year. We applied the changes in the accounting policy retroactively to the consolidated financial statements for both the previous quarter and the previous fiscal year. As a result of the review, however, the change in the accounting policy did not actually affect the consolidated financial statements for either the previous quarter or the previous fiscal year.

#### (Notes to Segment Information, etc.)

Segment information is not disclosed because the Company belongs to a single segment of the investment and financial services industry.

#### (Notes for Material Changes in Shareholders' Equity)

Not applicable.

#### (Notes on Going Concern Assumption)

Not applicable.

#### (Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended December 31, 2024 are as follows.

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	JPY 2,586 million	JPY 2,721 million
Amortization of goodwill	JPY 206 million	JPY 162 million

## 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, 2023	Nine months ended December 31, 2024	Yr/Yr	
			Increase (Decrease)	% change
Brokerage commission	12,196	11,514	(682)	(5.6) %
Stocks	11,780	11,058	(722)	(6.1)
Bonds	11	15	3	30.3
Beneficiary certificates	387	440	52	13.6
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	898	1,272	374	41.7
Stocks	411	556	144	35.1
Bonds	486	625	139	28.7
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	6,229	6,327	97	1.6
Beneficiary certificates	6,173	6,323	150	2.4
Other fees received	11,207	12,284	1,076	9.6
Beneficiary certificates	4,347	5,465	1,117	25.7
<b>Total</b>	<b>30,532</b>	<b>31,398</b>	<b>866</b>	<b>2.8</b>

##### ( ii ) By product

(Unit: million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Yr/Yr	
			Increase (Decrease)	% change
Stocks	12,628	12,227	(400)	(3.2) %
Bonds	513	664	150	29.2
Beneficiary certificates	10,908	12,319	1,410	12.9
Others	6,481	6,187	(293)	(4.5)
<b>Total</b>	<b>30,532</b>	<b>31,398</b>	<b>866</b>	<b>2.8</b>

#### ② Net trading income

(Unit: million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	Yr/Yr	
			Increase (Decrease)	% change
Stocks	17,726	18,532	805	4.5 %
Bonds and Forex	11,929	11,420	(508)	(4.3)
<b>Total</b>	<b>29,655</b>	<b>29,952</b>	<b>297</b>	<b>1.0</b>

## (2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2023		Fiscal 2024		
	3rd quarter	4th quarter	1st quarter	2nd quarter	3rd quarter
	Oct. 1, 2023 - Dec. 31, 2023	Jan. 1, 2024 - Mar. 31, 2024	Apr. 1, 2024 - Jun. 30, 2024	Jul. 1, 2024 - Sep. 30, 2024	Oct. 1, 2024 - Dec. 31, 2024
Operating revenues					
Commission received	10,148	11,707	10,559	10,384	10,455
Brokerage commission	3,873	5,586	4,212	3,594	3,707
(Stocks)	3,722	5,469	4,047	3,436	3,574
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	397	248	251	214	805
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,877	1,953	2,297	2,251	1,778
(Beneficiary certificates)	1,875	1,952	2,296	2,250	1,777
Other fees received	3,999	3,919	3,797	4,323	4,163
(Beneficiary certificates)	1,495	1,636	1,771	1,794	1,899
Net trading income	9,478	10,784	11,001	7,946	11,005
(Stocks)	5,193	7,771	7,477	2,981	8,073
(Bonds and Forex)	4,285	3,012	3,524	4,964	2,932
Financial revenue	1,489	2,119	1,642	2,277	1,628
Total operating revenue	21,116	24,610	23,203	20,607	23,088
Financial expenses	578	660	580	918	560
Net operating revenue	20,538	23,949	22,623	19,688	22,528
Selling, general and administrative expenses					
Trading related expenses	3,342	3,837	3,762	3,696	3,433
Personnel expenses	8,022	9,133	8,223	7,975	8,475
Real estate expenses	1,942	2,003	1,967	1,888	1,928
Office expenses	2,095	2,336	2,107	2,288	2,033
Depreciation	882	849	900	920	900
Taxes and dues	464	480	422	418	440
Provision of allowance for doubtful accounts	55	(7)	8	(6)	2
Other	473	513	662	573	516
Total selling, general and administrative expenses	17,278	19,147	18,053	17,756	17,730
Operating profit	3,259	4,802	4,569	1,932	4,797
Non-operating income	(42)	2,252	1,355	(47)	646
Share of profit of entities accounted for using equity method	74	255	52	(52)	244
Other	(117)	1,997	1,303	4	402
Non-operating expenses	6	124	31	417	(195)
Share of loss of entities accounted for using equity method	—	—	—	5	(5)
Other	6	124	31	412	(190)
Ordinary profit	3,210	6,930	5,893	1,467	5,640
Extraordinary income	547	141	1	175	2,136
Extraordinary losses	159	447	28	7	189
Profit before income taxes	3,598	6,624	5,867	1,636	7,587
Income taxes-current	788	2,635	758	1,407	1,192
Income taxes for prior periods	—	677	—	—	—
Income taxes-deferred	476	(477)	1,000	(523)	838
Profit	2,333	3,789	4,108	751	5,556
Profit attributable to non-controlling interests	(165)	722	836	(979)	930
Profit attributable to owners of parent	2,498	3,066	3,271	1,731	4,625

# Independent Auditor's Report on Review of Interim Consolidated Financial Statements

February 10, 2025

To the Board of Directors of Tokai Tokyo Financial Holdings, Inc.:

KPMG AZSA LLC  
Tokyo Office, Japan

Designated Limited  
Liability Partner  
Engagement Partner

Certified Public Accountant Atsushi Fukui

Designated Limited  
Liability Partner  
Engagement Partner

Certified Public Accountant Yoshihiro Matsuda

## **Auditor's Conclusion**

We, as an audit firm, have made an interim review of the consolidated quarterly financial results of Tokai Tokyo Financial Holdings Inc. ("the Company"), which accompany the "Attachment" to the Company's quarterly report. The results are comprised of the consolidated quarterly financial statements, the consolidated quarterly balance sheet, the quarterly consolidated statements of income, quarterly consolidated statements of comprehensive income, and notes. All the financial results cover the third quarter of the subject Company's fiscal year that begins on April 1, 2024, and ends on March 31, 2025, namely, the period from October 1, 2024 to December 31, 2024.

In the interim review conducted by us, we did not find any material matter that led us to believe that the reported financial results were not made in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc., of the Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc. ("Article 4(1) of the Standard"), as well as with the accounting standards for quarterly financial statements generally accepted as fair and reasonable in Japan (provided, however, that the omission of the description stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. ("Article 4(2) of the Standard") is applied). Constitution were found in all material respects.

## **The Basis for conclusions of the auditor**

The audit firm conducted the interim review in accordance with the standards for interim reviews that are generally accepted as fair and reasonable in Japan. The auditor's responsibilities under the criteria for the interim review are described in "Auditors' Responsibilities in the Interim Review of Quarterly Consolidated Financial Statements." In light of Japan's professional ethics regulations, the Audit Firm is independent of the Company and its consolidated subsidiaries and fulfills its other ethical responsibilities as an auditor. The firm has determined that it has obtained evidence on which to base its conclusions.

## **Responsibilities of Management and the Audit & Supervisory Committee for Quarterly Consolidated Financial Statements**

The responsibility of the Company's management is to prepare quarterly consolidated financial statements in accordance with Article 4(1) of the Standard, as well as the accounting standards for quarterly financial statements that are generally accepted as fair and reasonable in Japan (provided, however, that the omission of the description stipulated in Article 4(2) of the Standard is applied). This includes the establishment and operation of internal controls deemed necessary by management to prepare quarterly consolidated financial statements free of material misstatements due to fraud or error.

In preparing quarterly consolidated financial statements, the Management shall evaluate whether it is qualified to prepare quarterly consolidated financial statements based on the assumption that they are going concern, and it shall be responsible for disclosing matters related to the going concern if they determine they should do so as a result of the above-said evaluation in accordance with Article 4(1) of the Standard, as well as the accounting standards for quarterly financial statements generally accepted in Japan (provided, the omission of the description stipulated in Article 4(2) of the Standard has been applied.)

The responsibility of the Audit & Supervisory Committee is to oversee the execution of duties by directors in the implementation and operation of the financial reporting process.

### **The Auditor's Responsibility**

It is the responsibility of the auditor to independently express its conclusions on the quarterly consolidated financial statements in the interim review report based on the interim review conducted by the auditor.

The auditor conducts the following in accordance with standards of interim reviews that are generally accepted in Japan while making judgments as a professional expert and maintaining professional skepticism through the process of interim reviews,

- The auditor conducts inquiries of those responsible for matters related to management, finance, and accounting, and carries out analytical procedures, and other interim review procedures. The interim review procedure is limited in scope compared to the audit of financial statements for the fiscal year, which is conducted in accordance with auditing standards that are generally accepted in Japan.
- If the auditor judges that there is a material uncertainty regarding an event or circumstance that gives rise to material doubts about the going concern assumptions, it concludes based on the evidence obtained whether any matter exists leading itself to believe that the quarterly consolidated financial statements have not been prepared in accordance, Article 4(1) of the Standard, and the Accounting Standards for Quarterly Financial Statements, etc., which are generally accepted as fair and reasonable in Japan (provided, however, that the omission of the description stipulated in Article 4(2) of the Standard is applied).

Also, if there are any material uncertainties found regarding going concern assumptions, the auditor is required to draw attention to the notes in the quarterly consolidated financial statements in the interim review report and to express further a qualified or negative conclusion to the quarterly consolidated financial statements if the notes in the quarterly consolidated financial statements regarding material uncertainties are not appropriate. Although the auditor's conclusions are based on evidence obtained up to the date of the interim review report, the Company may not be able to operate as a going concern depending on future events or circumstances.

- The auditor evaluates whether any matter exists leading it to believe that the presentation of and notes to quarterly consolidated financial statements have not been prepared in accordance with Article 4(1) of the Standard, as well as the Accounting Standards for Quarterly Financial Statements that are generally accepted as fair and reasonable in Japan (provided, however, that the omission of the description stipulated in Article 4(2) of the Standard is applied).
- The auditor obtains evidence of the financial information of the company and its consolidated subsidiaries on which the auditor forms the basis to state its conclusions to the quarterly consolidated financial statements. The auditor is responsible for directing, supervising and checking the interim review of the quarterly consolidated financial statements. The auditor is solely responsible for the auditor's conclusions.

The auditor shall report to the Audit & Supervisory Committee on the scope of the planned interim review, the timing of its implementation, and material findings if any during the interim review.

The auditor shall report to the Audit & Supervisory Committee that it has complied with Japan's professional ethics regulations regarding its independence. The auditor report matters if any that are reasonably considered to affect its independence, together with the details of any measures taken to eliminate such impediments to its independence or the application of safeguards to reduce impediments to an acceptable level.

### **Conflict of interest**

There is no conflict of interest between the Company and its consolidated subsidiaries and this auditor firm or the staff engaged in this audit that should be disclosed in accordance with the provisions of the Certified Public Accountants Act.

### **Note to the Reader of Review Report:**

This report is an English translation of the Independent Auditor's Report on Review of the Quarterly Consolidated Financial Statements solely for the convenience of the readers.