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July 31, 2024

## Consolidated Financial Results for the Three Months Ended June 30, 2024 (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  
 Inquiries: Masayuki Niizuma, Executive Managing Director  
 Telephone: +81-3-6736-9850  
 Scheduled date to commence dividend payments : -  
 Preparation of supplementary material on financial results : Yes  
 Holding of financial results briefing : No

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

### 1. Consolidated financial results for the Three Months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

#### (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	%
Three Months ended										
June 30, 2024	3,513	23.7	3,486	25.1	2,054	29.0	2,051	29.6	1,485	13.2
June 30, 2023	2,840	18.5	2,787	19.5	1,593	43.8	1,582	43.5	1,312	37.9

Note: Comprehensive income For the Three Months ended June 30, 2024: 1,499 Millions of yen [ 12.9%]  
 For the Three Months ended June 30, 2023: 1,328 Millions of yen [ 35.9%]

	Basic earnings per share	Diluted earnings per share
Three Months ended	Yen	Yen
June 30, 2024	53.24	-
June 30, 2023	45.68	-

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	127,220	15,191	11.9
March 31, 2024	118,193	14,121	11.9

Reference Equity: As of June 30, 2024: 15,123 Millions of yen  
 As of March 31, 2024: 14,070 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, 2024	-	8.00	-	16.00	24.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		12.00	-	-	-

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

The year-end dividend forecast for the fiscal year ending March 31, 2025 yet been determined at this point.

## 3. Financial Forecasts for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	11,800	16.8	5,000	13.3	5,000	13.9	3,400	2.0	121.88

Note: Revisions to financial forecasts disclosed most recently: None

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: 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 June 30, 2024	29,538,647 shares
As of March 31, 2024	29,538,647 shares

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

As of June 30, 2024	1,642,184 shares
As of March 31, 2024	1,641,124 shares

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

Three Months ended June 30, 2024	27,897,159 shares
Three Months ended June 30, 2023	28,722,980 shares

- \* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

\* Proper use of earnings forecasts, and other special matters

(Caution over forward-looking statements, etc.)

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. For the conditions underlying the results forecasts and notes on the use of the results forecasts, please see “1. Overview of operating results, etc., (3) Explanation of the consolidated results forecasts and other forward-looking information” on page 3 of the attached document.

(Method for acquisition of supplementary explanatory materials on the financial results)

- The company will disclose supplementary explanatory materials on the financial results on TDnet on the same day and also post them on the company’s website.

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## 1. Overview of operating results, etc.

The forward-looking statements in this document were judged as of the last day of the quarterly consolidated accounting period under review.

### (1) Overview of the operating results for the quarter under review

In the first quarter consolidated accounting period, the Japanese economy saw the long-term decline in real wages due to rising prices continue, and although income and employment improved moderately, personal consumption remained sluggish. Corporate profits remained solid in general due to factors such as improvements in profitability resulting from price revisions and an increase in inbound demand. On the other hand, although signs of economic recovery were apparent overseas on the whole, the impact of the long-term continuation of monetary tightening in Europe and the United States, the impacts associated with the stagnation of the real estate market in China, and the downside risks for overseas economies caused by geopolitical risks such as the invasion of Ukraine and conflict in the Middle East put downward pressure on Japan's economy and the outlook continued to be uncertain.

In the foreign exchange (hereinafter referred to as "FX") market, the US dollar to yen exchange rate, which started at 151.29 yen to 1 US dollar in April 2024, saw yen depreciation accelerate to the 155 yen to 1 US dollar level as yen-selling and dollar-buying advanced against the backdrop of the gap in interest rates between Japan and the United States. Moreover, as the Bank of Japan decided to maintain its current monetary policy at the Monetary Policy Meeting held on April 26, the sense of caution over an early rate hike by the Bank of Japan reduced, and the yen plummeted to 160 to 160.5 yen against the US dollar on April 29. Subsequently, the government and the Bank of Japan intervened over the exchange rate and the yen rallied. The exchange rate fluctuated roughly by close to 6 yen in one day. Into May, the yen fluctuated unstably as the government and the Bank of Japan intervened over the exchange rate again, and US employment data fell short of market expectations, surging to the 151 yen level against the US dollar. After that, the yen turned to its weakening tendency again due to persistent yen-selling, dollar-buying demand by importing companies, and the weakening yen advanced to the 157 yen level against the US dollar. In June, yen appreciation advanced temporarily to the 154 yen level against the US dollar due to the downturn of US economic indicators, but due to expectations that Japan-US monetary policy will be maintained for the time being, the invigoration of carry trading spurred the yen's tendency to weaken. On June 28, the yen recorded 161.20 yen to 1 US dollar, its lowest level since December 1986, and at the end of the first quarter consolidated accounting period, trading ended at 160.88 yen to 1 US dollar.

Under such market conditions, financial instruments trading business centered on FX trading business, the primary business of the company group, provided services for Minna no FX (FX margin trading), LIGHT FX (FX margin trading), Minna no Sistre (FX margin trading using automated trading tools), Minna no Options (FX option trading), and Minna no Coin (crypto asset margin trading) at Traders Securities Co., Ltd., (hereinafter referred to as "Traders Securities"), a subsidiary, to secure revenue. Assets deposited by FX clients, an important indicator in securing FX revenue, amounted to 106,618 million yen (increase of 5,601 million yen or 5.5% from the end of the previous consolidated accounting year) at the end of the first quarter consolidated accounting period. Trading profit or loss for the first quarter consolidated accounting period was significantly higher than the previous year at 3,456 million yen (increase of 709 million yen or 25.8% compared to the same period last year) due to the rate of fluctuation of FX prices trending at extremely high levels while we accumulated deposited assets steadily.

In addition, the system development and system consulting business operated by FleGrowth Co., Ltd., (hereinafter referred to as "FleGrowth"), a subsidiary, developed, maintained and operated an FX trading system for Traders Securities, and provided external clients with fintech services such as FX trading and crypto-asset margin trading-related system development, DX support in fields such as logistics and healthcare, web production and sales consulting to secure revenue. During the first quarter consolidated accounting period, operating revenue from external customers in system development and system consulting business was lower than the previous year at 25 million yen (decrease of 51 million yen or 66.8% compared to the same period last year).

As a result of the above, total operating revenue was 3,513 million yen (increase of 673 million yen or 23.7% compared to the same period last year), and net operating revenue after deducting cost of sales and financial expenses was 3,486 million yen (increase of 698 million yen or 25.1% compared to the same period last year).

On the other hand, selling, general and administrative expenses were 1,431 million yen (increase of 237 million yen or 19.9% compared to the same period last year). This was due mainly to trading related expenses increasing to 486 million yen (increase of 147 million yen or 43.3% compared to the same period last year) as we implemented web advertising positively to increase assets deposited by customers effectively in FX trading business.

As a result, operating profit was 2,054 million yen (increase of 461 million yen or 29.0% compared to the same period last year), ordinary profit was 2,051 million yen (increase of 468 million yen or 29.6% compared to the same period last year), and profit before income taxes was 2,051 million (increase of 477 million yen or 30.4% compared to the same period last year).

Total income taxes were 566 million yen (increase of 304 million yen compared to the same period last year) due to income taxes (current) increasing to 388 million yen (increase of 140 million yen or 56.4% compared to the same period last year) due

to an increase in profit before income taxes, and income taxes (deferred) increasing to 178 million yen (increase of 164 million yen compared to the same period last year) as a result of reversing deferred tax assets to reflect the appropriation of loss carried forward.

As a result of the above, profit attributable to owners of parent for the first quarter consolidated accounting period was 1,485 million yen (increase of 173 million yen or 13.2% compared to the same period last year).

Operating results by segment were as follows.

(Financial instruments trading business)

Operating revenue in this segment, which is managed by Traders Securities, was 3,487 million yen (increase of 725 million yen or 26.2% compared to the same period last year) and segment profit was 1,792 million yen (increase of 475 million yen or 36.1% compared to the same period last year).

The number of customer accounts and deposited assets of FX trading business and crypto-asset margin trading business as of the end of the first quarter consolidated accounting period were as follows.

Number of customer accounts	565,840 accounts (increase of 15,017 accounts compared to the end of the previous consolidated accounting year)
Deposited assets	106,618 million yen (increase of 5,601 million yen compared to the end of the previous consolidated accounting year)

(System development and system consulting business)

Operating revenue in this segment, which is managed by FleGrowth, was 751 million yen (increase of 4 million yen or 0.6% compared to the same period last year). The breakdown of this revenue shows internal sales of FX trading and crypto-asset CFD trading system development, maintenance and operation to Traders Securities, a group company, of 725 million yen (increase of 56 million yen or 8.5% compared to the same period last year), and revenues from external customers 25 million yen (decrease of 51 million yen or 66.8% compared to the same period last year). Segment profit was 241 million yen (increase of 31 million yen or 11.6% compared to the same period last year).

(2) Overview of financial position during the quarter under review

Total assets at the end of the first quarter consolidated accounting period increased by 9,027 million yen compared to the end of the previous consolidated fiscal year to 127,220 million yen. This was due mainly to segregated deposits for customers increasing by 6,714 million yen and short-term guarantee deposits increasing by 3,463 million yen while trading products, for accrued receivables such as valuation gains for FX cover clients, decreased by 883 million yen.

Total liabilities increased by 7,956 million yen compared to the end of the previous consolidated fiscal year to 112,028 million yen. This was due mainly to deposits received increasing by 7,688 million yen.

Net assets increased by 1,070 million yen compared to the end of the previous consolidated fiscal year to 15,191 million yen. This was due mainly to profit attributable to owners of parent increasing by 1,485 million yen, while net assets decreased due to a dividend of 446 million yen.

(3) Explanation of the consolidated results forecasts and other forward-looking information

There has been no change to the full-year consolidated results forecasts announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” on April 30, 2024.

## 2. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (As of March 31,2024)	Current quarter (As of June 30,2024)
<b>Assets</b>		
Current assets		
Cash and deposits	8,850	9,085
Segregated deposits	99,572	106,286
Segregated deposits for customers	99,556	106,270
Other segregated deposits	16	16
Trading products	1,200	316
Short-term guarantee deposits	5,970	9,434
Margin deposits for foreign exchanges	5,569	9,036
Margin deposits for crypto assets	396	392
Margin deposits for other assets	5	5
Work in process	1	2
Other	806	465
Allowance for doubtful accounts	(23)	(6)
Total current assets	116,378	125,584
Non-current assets		
Property, plant and equipment	257	243
Buildings	218	218
Accumulated depreciation	(50)	(61)
Buildings, net	168	157
Tools, furniture and fixtures	166	173
Accumulated depreciation	(78)	(86)
Tools, furniture and fixtures, net	88	86
Intangible assets	744	760
Software	702	724
Other	41	36
Investments and other assets	813	631
Investment securities	100	100
Long-term advances paid	20	19
Deferred tax assets	275	97
Other	435	432
Allowance for doubtful accounts	(19)	(18)
Total non-current assets	1,814	1,636
Total assets	118,193	127,220

(Millions of yen)

	Previous fiscal year (As of March 31,2024)	Current quarter (As of June 30,2024)
<b>Liabilities</b>		
Current liabilities		
Trading products	298	622
Deposits received	26	106
Guarantee deposits received	100,113	107,801
Margin deposits received for foreign exchanges	99,977	107,707
Margin deposits received for crypto assets	136	94
Short-term borrowings	1,127	1,104
Current portion of long-term borrowings	393	407
Current portion of bonds payable	600	600
Income taxes payable	505	420
Provision for bonuses	273	89
Other	546	653
Total current liabilities	103,884	111,806
Non-current liabilities		
Long-term borrowings	112	128
Provision for retirement benefits for directors (and other officers)	33	39
Retirement benefit liability	41	53
Other	0	0
Total non-current liabilities	187	222
Total liabilities	104,071	112,028
Net assets		
Shareholders' equity		
Share capital	1,564	1,564
Capital surplus	961	961
Retained earnings	12,386	13,425
Treasury shares	(921)	(921)
Total shareholders' equity	13,991	15,029
Accumulated other comprehensive income		
Foreign currency translation adjustment	78	93
Total accumulated other comprehensive income	78	93
Share acquisition rights	49	67
Non-controlling interests	0	1
Total net assets	14,121	15,191
Total liabilities and net assets	118,193	127,220



**(2). Quarterly Consolidated Statements of Income and Comprehensive Income**  
**Quarterly Consolidated Statements of Income (for the Three Months)**

(Millions of yen)

	Three Months ended June 30,2023	Three Months ended June 30,2024
Operating revenue		
Commission received	15	29
Net trading income	2,746	3,456
Financial revenue	0	2
Other sales	77	25
Total operating revenue	2,840	3,513
Financial expenses	13	12
Cost of sales	39	14
Net operating revenue	2,787	3,486
Selling, general and administrative expenses		
Trading related expenses	339	486
Personnel expenses	478	567
Real estate expenses	188	160
Office expenses	25	17
Depreciation	68	85
Taxes and dues	31	52
Other	62	61
Total selling, general and administrative expenses	1,194	1,431
Operating profit	1,593	2,054
Non-operating income		
Interest and dividend income	0	0
Subsidy income	-	2
Other	0	0
Total non-operating income	0	3
Non-operating expenses		
Interest expenses	3	2
Foreign exchange losses	8	4
Other	0	0
Total non-operating expenses	12	7
Ordinary profit	1,582	2,051
Extraordinary income		
Reversal of provision for bonuses	3	0
Total extraordinary income	3	0
Extraordinary losses		
Head office relocation expenses	9	-
Other	1	-
Total extraordinary losses	11	-
Profit before income taxes	1,573	2,051
Income taxes - current	248	388
Income taxes - deferred	13	178
Total income taxes	261	566
Profit	1,312	1,485
Loss attributable to non-controlling interests	-	(0)
Profit attributable to owners of parent	1,312	1,485

**Quarterly Consolidated Statements of Comprehensive Income (for the Three Months )**

(Millions of yen)

	Three Months ended June 30,2023	Three Months ended June 30,2024
Profit	1,312	1,485
Other comprehensive income		
Foreign currency translation adjustment	16	14
Total other comprehensive income	16	14
Comprehensive income	1,328	1,499
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,328	1,499
Comprehensive income attributable to non-controlling interests	-	(0)

(3) Notes on the quarterly consolidated financial statements

(Notes on segment information, etc.)

1. Previous first quarter consolidated accounting period (from April 1, 2023 to June 30, 2023)

Information on the amounts of sales and profit or loss in reporting segments

(Millions of yen)

	Reportable segments			Other (Note)1	Total	Reconciling items (Note)2	Per quarterly consolidated financial statements (Note)3
	Financial Instruments Trading	System Developing and System Consulting	Reportable segments				
Sales							
Revenues from external customers	2,762	77	2,840	-	2,840	-	2,840
Transactions with other segments	-	668	668	-	668	(668)	-
Operating revenue	2,762	746	3,509	-	3,509	(668)	2,840
Segment profit or loss	1,316	273	1,590	(5)	1,585	8	1,593

(Notes) 1. “Other” is a business segment not included in the reporting segments and includes investment business.

2. The 8 million yen adjustment of segment profit or loss includes the elimination of inter-segment transactions and company-wide expenses not allocated to each segment. Company-wide expenses are mainly general and administrative expenses not attributable to a reporting segment.

3. Segment profit or loss has been adjusted with the operating profit of the quarterly consolidated statement of income.

2. Current first quarter consolidated accounting period (from April 1, 2024 to June 30, 2024)

Information on the amounts of sales and profit or loss in reporting segments

(Millions of yen)

	Reportable segments			Other (Note)1	Total	Reconciling items (Note)2	Per quarterly consolidated financial statements (Note)3
	Financial Instruments Trading	System Developing and System Consulting	Reportable segments				
Sales							
Revenues from external customers	3,487	25	3,513	-	3,513	-	3,513
Transactions with other segments	-	725	725	-	725	(725)	-
Operating revenue	3,487	751	4,238	-	4,238	(725)	3,513
Segment profit or loss	1,792	241	2,034	(6)	2,027	26	2,054

(Notes) 1. “Other” is a business segment not included in the reporting segments and includes investment business.

2. The 26 million yen adjustment of segment profit or loss includes the elimination of inter-segment transactions and company-wide expenses not allocated to each segment. Company-wide expenses are mainly general and administrative expenses not attributable to a reporting segment.

3. Segment profit or loss has been adjusted with the operating profit of the quarterly consolidated statement of income.

(Notes on significant changes in the amount of shareholders' equity)

I Previous first quarter consolidated accounting period (from April 1, 2023 to June 30, 2023)

Dividends paid

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Reference date	Effective date	Source of dividends
June 27, 2023 Ordinary General Meeting of Shareholders	Common shares	488	17	March 31, 2023	June 28, 2023	Retained earnings

II Current first quarter consolidated accounting period (from April 1, 2024 to June 30, 2024)

Dividends paid

(Resolution)	Class of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Reference date	Effective date	Source of dividends
June 26, 2024 Ordinary General Meeting of Shareholders	Common shares	446	16	March 31, 2024	June 27, 2024	Retained earnings

(Notes on going concern assumption)

Not applicable.

(Notes on quarterly consolidated statement of cash flows)

The company has not prepared a quarterly consolidated statement of cash flows for the first quarter consolidated accounting period.

Depreciation (including depreciation related to intangible assets) related to the first quarter consolidated accounting period is as follows.

	Previous first quarter consolidated accounting period (From April 1, 2023 to June 30, 2023)	Current first quarter consolidated accounting period (From April 1, 2024 to June 30, 2024)
Depreciation	68 million yen	85 million yen

(Notes on important subsequent events)

(Disposal of treasury shares as transfer-restricted stock compensation)

At the meeting of the Board of Directors held on July 17, 2024, the company resolved to dispose of treasury stock (hereinafter referred to as “Disposal of Treasury Stock” or “Disposal”) as transfer-restricted stock compensation.

1. Overview of the Disposal

(1) Payment date	August 7, 2024
(2) Class and number of shares disposed of	201,900 common shares of the company
(3) Disposal price	820 yen per share
(4) Disposal amount	165 million yen
(5) People subject to the assignment of shares, the number of such people, and the number of shares to be assigned	Directors of the company (excluding Directors Who Are Audit and Supervisory Committee Members and Outside Directors.), 3 people, 201,900 shares
(6) Other	The company has submitted an extraordinary report pursuant to the Financial Instruments and Exchange Act with regard to the Disposal of Treasury Stock.

2. Aim and reasons for disposition

At the 25th Ordinary General Meeting of Shareholders held on June 26, 2024, the company received approval for the total amount of monetary compensation claims to be paid for the allocation of transfer-restricted stock to subject directors based on the transfer-restricted stock compensation system (hereinafter referred to as “System”) to be no more than 300 million yen per year, and for the total number of common shares of the company to be issued or disposed of based on the System to be no more than 800,000 shares per year (however, if a stock split (including a free-of-charge assignment of the company’s common shares) or merger of the company’s common shares is carried out, or if another reason requiring the adjustment of the total number of the company’s common shares to be issued or disposed of as transfer-restricted stock, that total number may be adjusted to the extent reasonable).

In consideration of the aim of the System, the business conditions of the company, the scope of responsibilities of each subject director, and various other circumstances, the company decided to grant the subject directors total monetary compensation claims of 165 million yen (hereinafter referred to as “Monetary Compensation Claims”) and a total of 201,900 of the company’s common shares (hereinafter referred to as “Assigned Shares”).

Through this Disposal of Treasury Stock, the three subject directors who are the planned recipients will pay the company all of the Monetary Compensation Claims as property contributed in kind and will receive the disposition of the Assigned Shares of the company based on the System.

(Issue of share acquisition rights as stock options)

At a meeting of the Board of Directors held on July 17, 2024, the company resolved to issue share acquisition rights as stock options to employees of the company and of its subsidiaries based on the provisions of Article 236, Article 238 and Article 240 of the Companies Act.

1. Reason for issuing share acquisition rights as stock options

The company will issue stock acquisition rights as stock options to employees of the company and its subsidiaries aimed at further strengthening the linkage between the company’s results and share price, and at further raising the motivation and morale of employees of the company and its subsidiaries to contribute to the improvement of medium to long-term business results and corporate value.

2. Outline of the issue of share acquisition rights

- (1) Date of issue of share acquisition rights  
August 7, 2024
- (2) People subject to the assignment of share acquisition rights, the number of such people, and the number of share acquisition rights to be assigned  
Employees of the company and its subsidiaries, 25 people, 1,012 rights
- (3) Class and number of shares underlying the share acquisition rights  
101,200 common shares of the company (100 shares per share acquisition right)
- (4) Share acquisition right payment amount  
No payment of money will be required in exchange for share acquisition rights.

- (5) Amount to be paid in upon exercise of share acquisition rights  
820 yen per share
- (6) Period for the exercise of share acquisition rights  
From July 18, 2026 to July 17, 2034
- (7) Matters concerning capital and capital reserve, which will increase if issuing shares due to the exercise of share acquisition rights  
Half of the amount established in Article 17 of the Ordinance on Company Accounting will be recorded as capital as the amount of property paid or delivered at the time of exercise (the maximum amount of increase in capital, etc.) (if the calculation results in a fraction of less than one yen, the amount rounded up.), and the remainder will be recorded as capital reserve.