

IR Presentation for Third quarter, year ending March 2021



Ichiyoshi Securities Co., Ltd.

January, 2021

I : Business Result (Consolidated)

- ◆ Operating revenue amounted to 13,969 million yen, an increase of 18 million yen (up 0.1%) from the year-earlier period.
- ◆ Current income amounted to 188 million yen, an increase of 749 million yen from the year-earlier period.
- ◆ Net income attributable to owners of parent amounted to 111 million yen, an increase of 803 million yen from the year-earlier period.

	(JPY mil.)				(JPY mil.)						
	FY 2019 3Q	FY 2020 3Q	Year-on- year (%)	Year-on- year	FY 2019				FY 2020		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	13,951	13,969	0.1%	18	4,618	4,820	4,511	4,894	4,182	4,588	5,198
Net operating revenue	12,777	12,825	0.4%	47	4,220	4,396	4,160	4,463	3,792	4,223	4,808
Operating cost & expenses	13,365	12,669	-5.2%	-696	4,459	4,541	4,364	4,420	4,174	4,223	4,272
Operating income	-588	155	-	743	-239	-145	-204	42	-381	0	535
Current income	-560	188	-	749	-218	-183	-158	90	-365	-12	566
Extraordinary income & loss	69	90	30.6%	21	-0	2	66	-48	103	-0	-12
Income taxes	189	167	-11.4%	-21	-29	99	119	75	139	-71	99
Net income attributable to owners of parent	-691	111	-	803	-194	-285	-211	-32	-401	58	454

2. Breakdown of Net Operating Revenue

- ◆ Commissions amounted to 12,465 million yen, a decrease of 27 million yen (down 0.2%) from the year-earlier period, mainly decreased in commissions from distribution of investment trusts and other sources(mainly trailer fees on investment trusts).

	(JPY mil.)				(JPY mil.)						
	FY 2019 3Q	FY 2020 3Q	Year-on- year (%)	Year-on- year	FY 2019				FY 2020		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commissions	12,492	12,465	-0.2%	-27	4,124	4,293	4,074	4,352	3,689	4,136	4,639
Gains on trading	56	151	169.3%	95	9	16	30	33	28	24	98
Other operating balance	101	107	5.0%	5	33	49	19	39	43	28	34
Interest & dividend income	126	101	-20.0%	-25	53	36	36	37	31	34	35
Total	12,777	12,825	0.4%	47	4,220	4,396	4,160	4,463	3,792	4,223	4,808

3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 4,292 million yen, an increase of 730 million yen (up 20.5%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 2,390 million yen, a decrease of 542 million yen (down 18.5%) from the year-earlier period. Commissions from other sources (mainly trailer fees on investment trusts) amounted to 4,783 million yen, a decrease of 337 million yen (down 6.6%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 339 million yen, an increase of 142 million yen (up 72.0%) from the year-earlier period, as the company participated in the management and underwriting of 23 initial public offerings (of which 3 was lead-managed) and 5 public share offering in the secondary market.

	(JPY mil.)				(JPY mil.)						
	FY 2019 3Q	FY 2020 3Q	Year-on-year (%)	Year-on-year	FY 2019				FY 2020		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commissions	12,492	12,465	-0.2%	-27	4,124	4,293	4,074	4,352	3,689	4,136	4,639
Brokerage (Major item)											
Stocks	3,562	4,292	20.5%	730	1,281	1,116	1,163	1,183	1,260	1,353	1,678
Distribution (Major item)											
Investment trusts	2,933	2,390	-18.5%	-542	921	1,137	874	943	654	771	964
Underwriting (Major items)											
IPO	145	250	71.9%	104	7	116	22	349	4	155	91
PO	51	88	72.2%	37	3	7	40	10	1	76	10
Total	197	339	72.0%	142	11	123	62	359	5	231	102
Commissions from other sources (Major items)											
Investment trusts (trailer fees, etc.)	5,121	4,783	-6.6%	-337	1,679	1,692	1,749	1,611	1,467	1,593	1,722
Other than investment trusts	496	427	-14.0%	-69	168	170	157	164	129	161	135
Total	5,618	5,210	-7.3%	-407	1,847	1,862	1,907	1,776	1,596	1,755	1,858
<Reference>											
	(JPY 100 mil.)										
Fund distribution	1,652	1,588	-3.9%	-64							

* Including wrap-account fund sales

4. Breakdown of Gains or loss on Trading

- ◆ Net gains on trading amounted to 151 million yen, an increase of 95 million yen (up 169.3%) from the year-earlier period, chiefly as net trading income on stocks increased.

(JPY mil.)

	FY 2019 3Q	FY 2020 3Q	Year-on- year (%)	Year-on- year
Stocks, etc.	11	108	849.7%	97
Bonds ・ Forex, etc.	44	42	-5.1%	-2
(Bonds, etc.)	(21)	(19)	-12.5%	(-2)
(Forex, etc.)	(22)	(23)	1.9%	(0)
Total	56	151	169.3%	95

(JPY mil.)

FY 2019				FY 2020		
1Q	2Q	3Q	4Q	1Q	2Q	3Q
-5	0	16	26	17	15	76
15	15	14	7	11	9	22
(7)	(7)	(7)	(5)	(7)	(4)	(6)
(7)	(8)	(6)	(2)	(3)	(4)	(15)
9	16	30	33	28	24	98

5. Operating Cost and Expenses

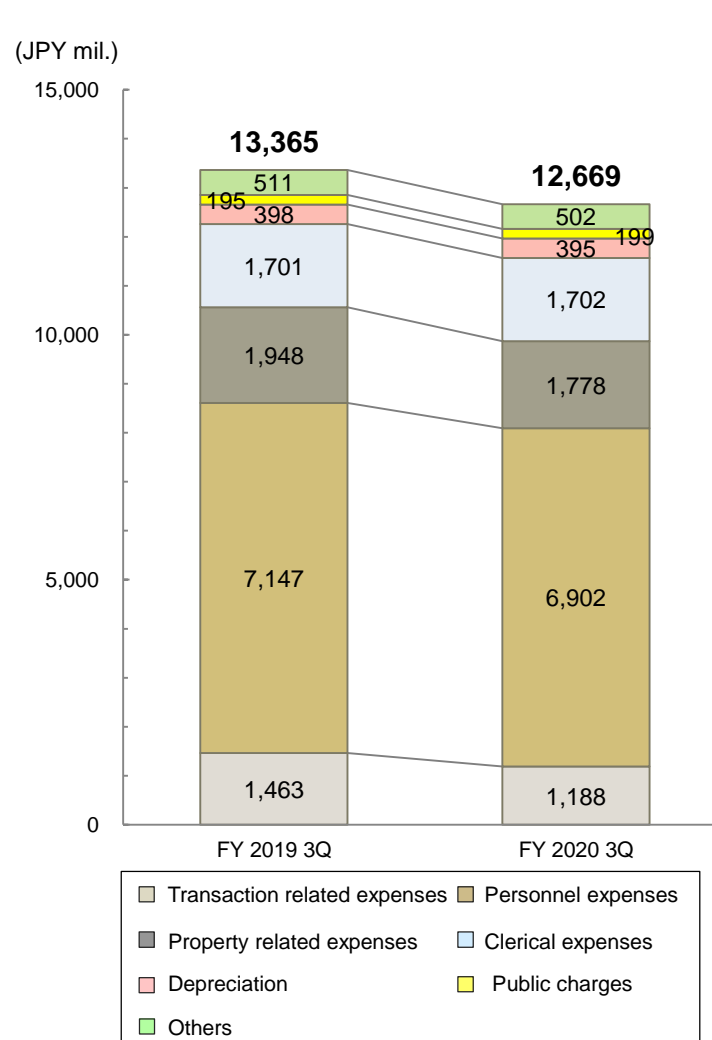
- ◆ Operating cost and expenses amounted to 12,669 million yen, a decrease of 696 million yen (down 5.2%) from the year-earlier period, mainly decreased in transaction related expenses, personnel expenses and property related expenses.

	FY 2019 3Q	FY 2020 3Q	Year-on- year (%)	Year-on- year
Transaction related expenses	1,463	1,188	-18.8%	-275
Personnel expenses	7,147	6,902	-3.4%	-244
Property related expenses	1,948	1,778	-8.7%	-170
Clerical expense	1,701	1,702	0.1%	1
Depreciation	398	395	-0.7%	-2
Public charges	195	199	1.7%	3
Provision of allowance for doubtful accounts	-	0	-	0
Others	511	502	-1.7%	-8
Total	13,365	12,669	-5.2%	-696

<Reference> FY 2020 3Q fixed cost and variable cost (non-consolidated basis)

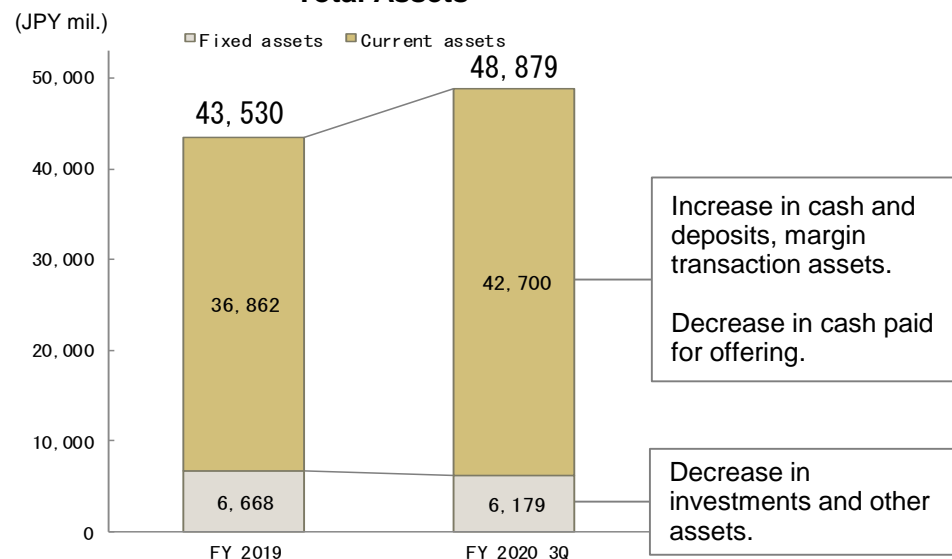
Fixed cost	9,571
Variable cost	2,514

(JPY mil.)

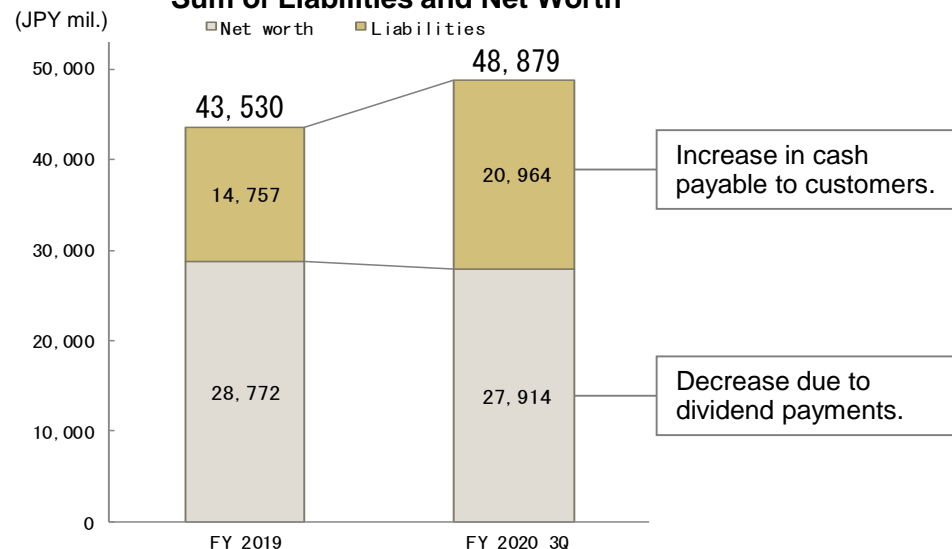


Balance Sheets

Total Assets



Sum of Liabilities and Net Worth



Financial Result

	FY 2020 3Q	Change from FY 2019 end.
Equity ratio (%)	57.0	-8.9
Net worth per share (JPY)	771.04	-26.08
Capital adequacy ratio (non-consolidated basis) (%)	445.5	-1.3

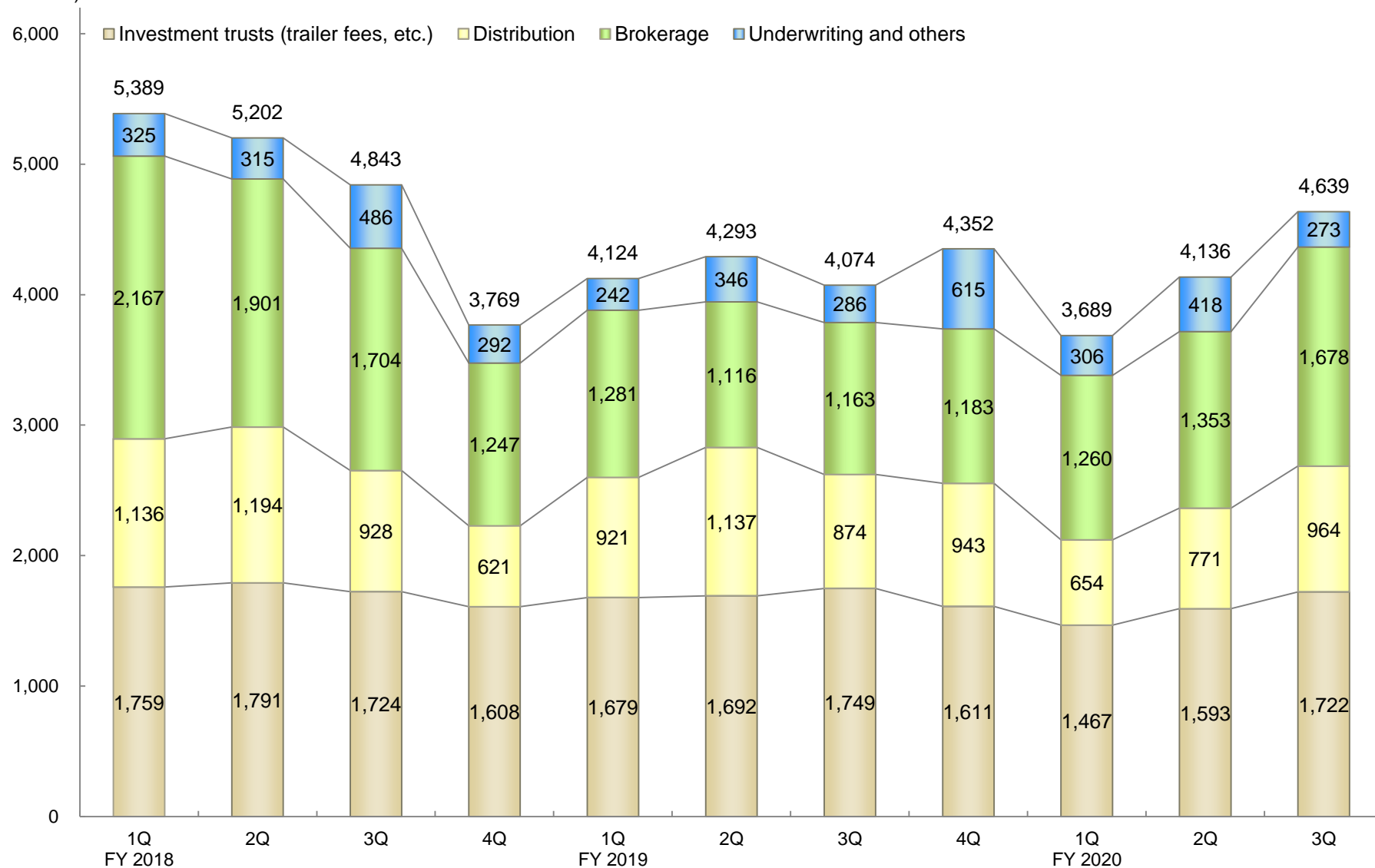
	FY 2020 3Q	Year-on-year
EPS (JPY)	3.11	19.80
ROE (%)	0.4	—

II : Business Circumstances

1. Commission Revenue

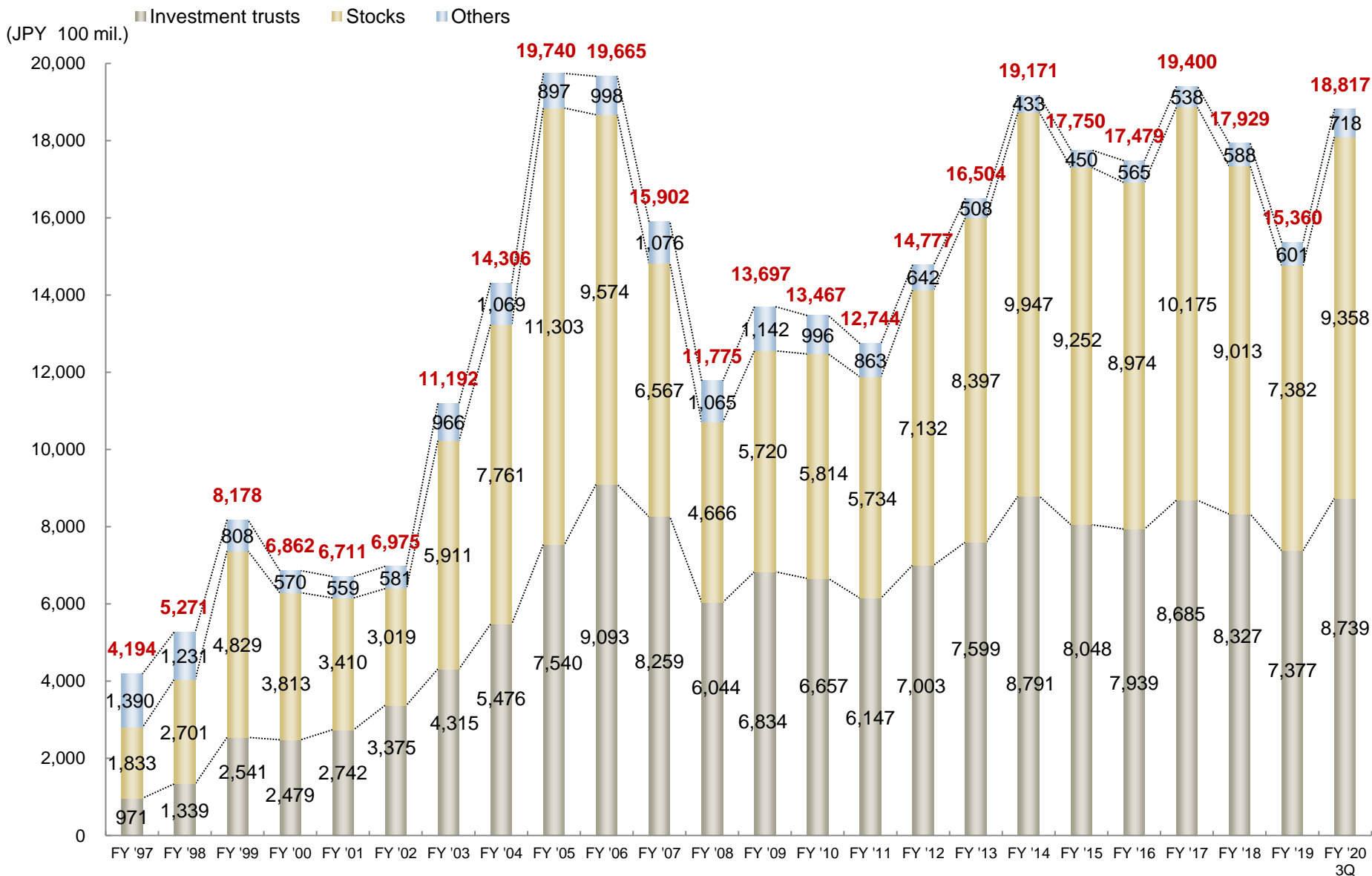
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(JPY mil.)



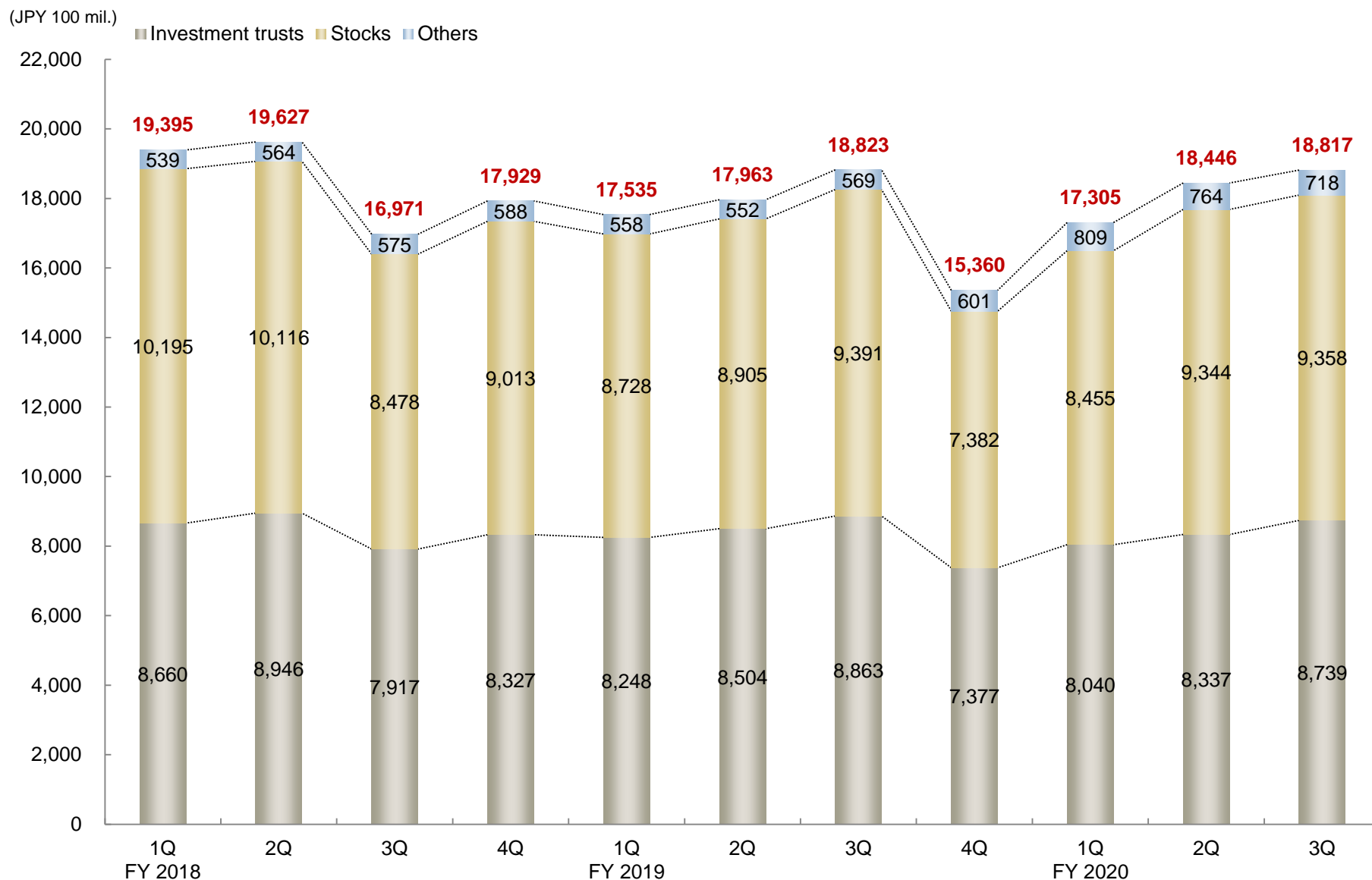
2. Customer Assets in Custody

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3. Quarterly Customer Assets in Custody

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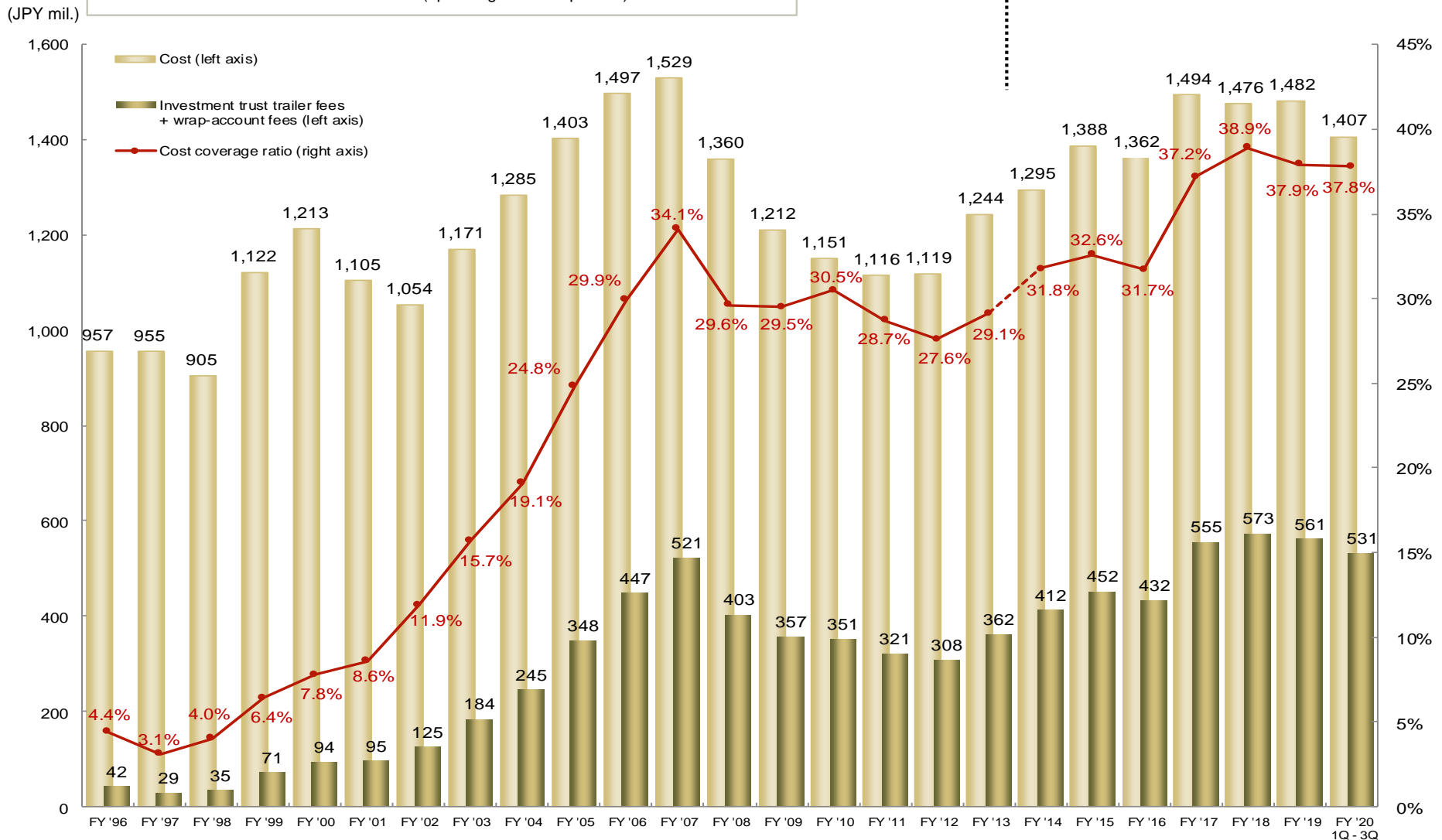


4. Trend of Investment Trust Trailer Fees and Its Cost Coverage (Month-end Average)

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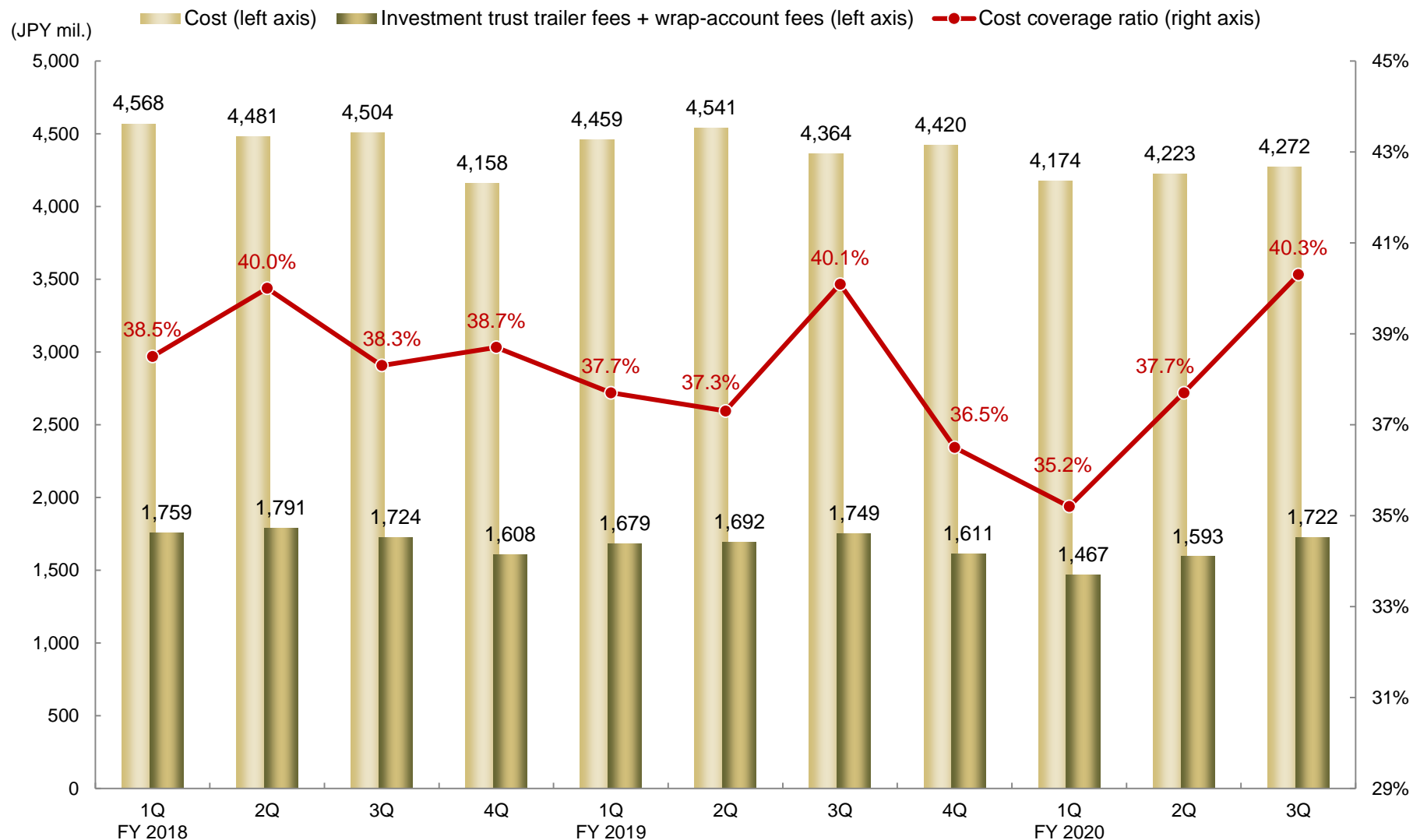
Note: Cost coverage ratio = $\frac{\text{Investment trust trailer fees} + \text{wrap-account fees}}{\text{Cost (operating cost \& expenses)}} \times 100 (\%)$

Parent company basis ← Consolidated basis



5. Quarterly Trend of Investment Trust Trailer Fees and Its Cost Coverage

Note: Cost coverage ratio = $\frac{\text{Investment trust trailer fees} + \text{wrap-account fees}}{\text{Cost (operating cost \& expenses)}} \times 100 (\%)$



6. Top 5 Best Selling Investment Trust Funds (Total Amounts of 3 Months)

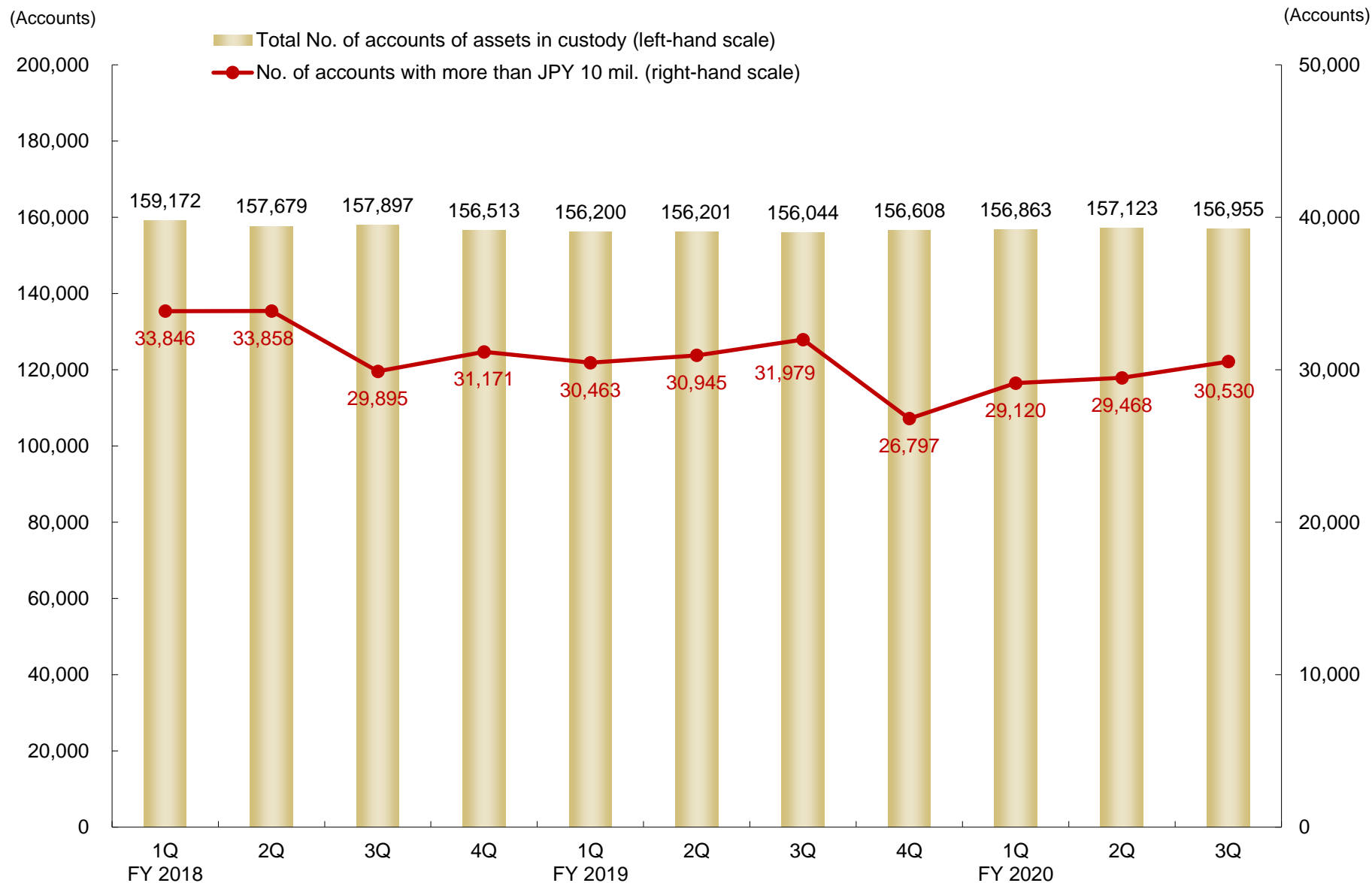
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(JPY 100 mil.)

	FY 2018				FY 2019				FY 2020		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Ichiyoshi SDGs Small Medium Size Equity Fund										84	76
Ichiyoshi Japan Growth Equities Fund											55
Pictet Global Income Equity Fund (Monthly Dividend)	17	35	39	38	78	116	93	80	43	35	44
Fidelity US REIT Fund (A/B/C/D)						34	29		20	25	25
US NASDAQ Open (A/B)									26	36	22
GS US Growth Equity Concentrate Investment Fund (Monthly Settlement/ Quarterly Settlement/Semi-Annual Settlement)								36	23	13	
Shinko J-REIT Open	79	133	84	61	77	71	37		32		
Tokio Marine JPY Asset Balance Fund (Monthly Settlement/Yearly Settlement)						95	125	80			
LM Australia High Yield Equity Fund (Monthly Dividend)					25	42	28	32			
Ichiyoshi Japan Venture Fund								31			
US Micro Cap Equity Fund					40						
Ichiyoshi Small and mid cap Growth Companies Fund	181	121	43	40	20						
JREIT Asia Mix Open (Monthly Settlement/Asset Growth Type)				16							
Japan Recover Growth Equity Fund	21	27	65	13							
100-Year-Life World Allocation Fund (3% Target Receivable Type/ 6% Target Receivable Type/Asset Growth Type)		45	37								
Nomura PIMCO World Income Strategy Fund (A/B/C/D)	17										

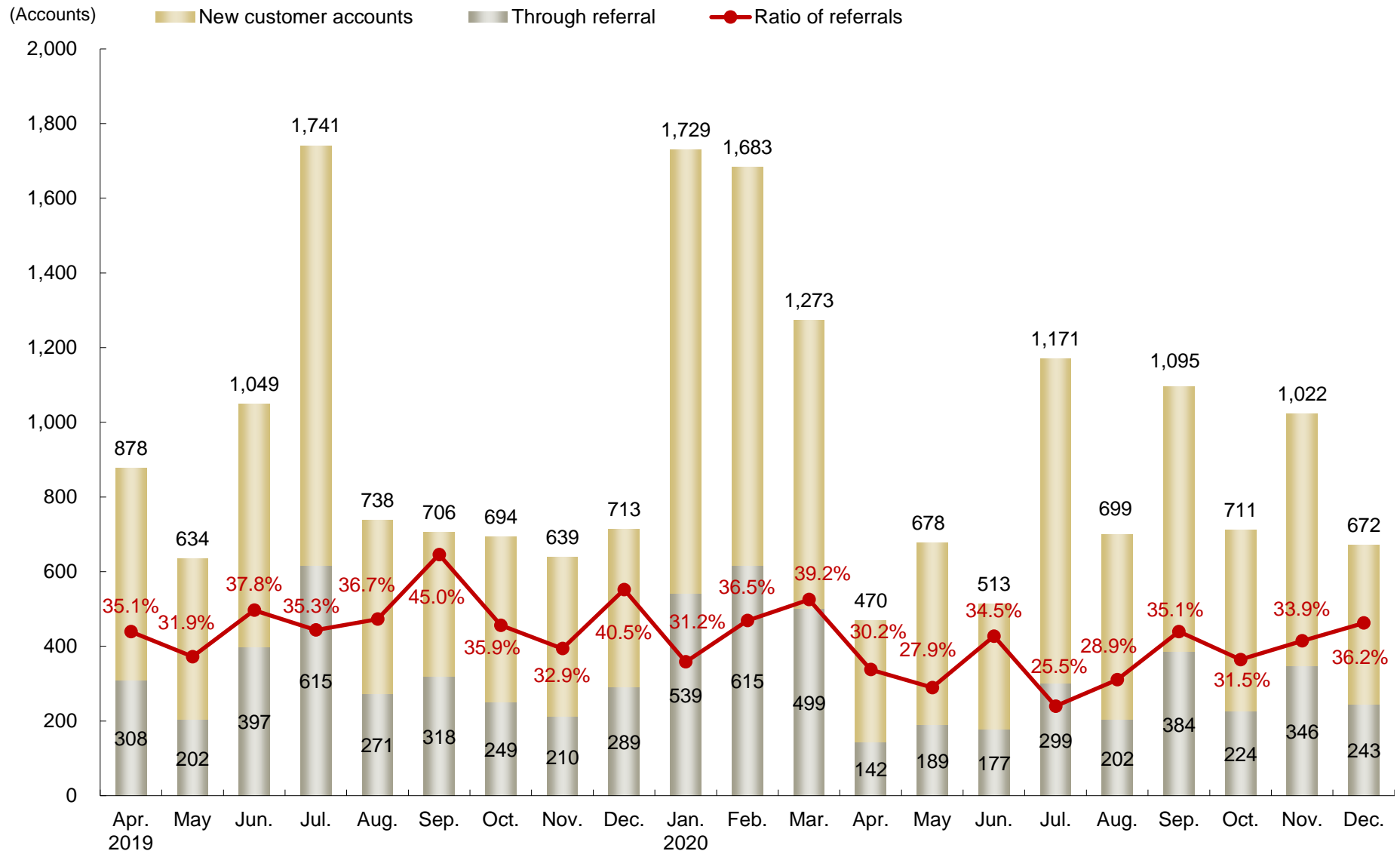
7. Number of Customer Accounts 【Retail】

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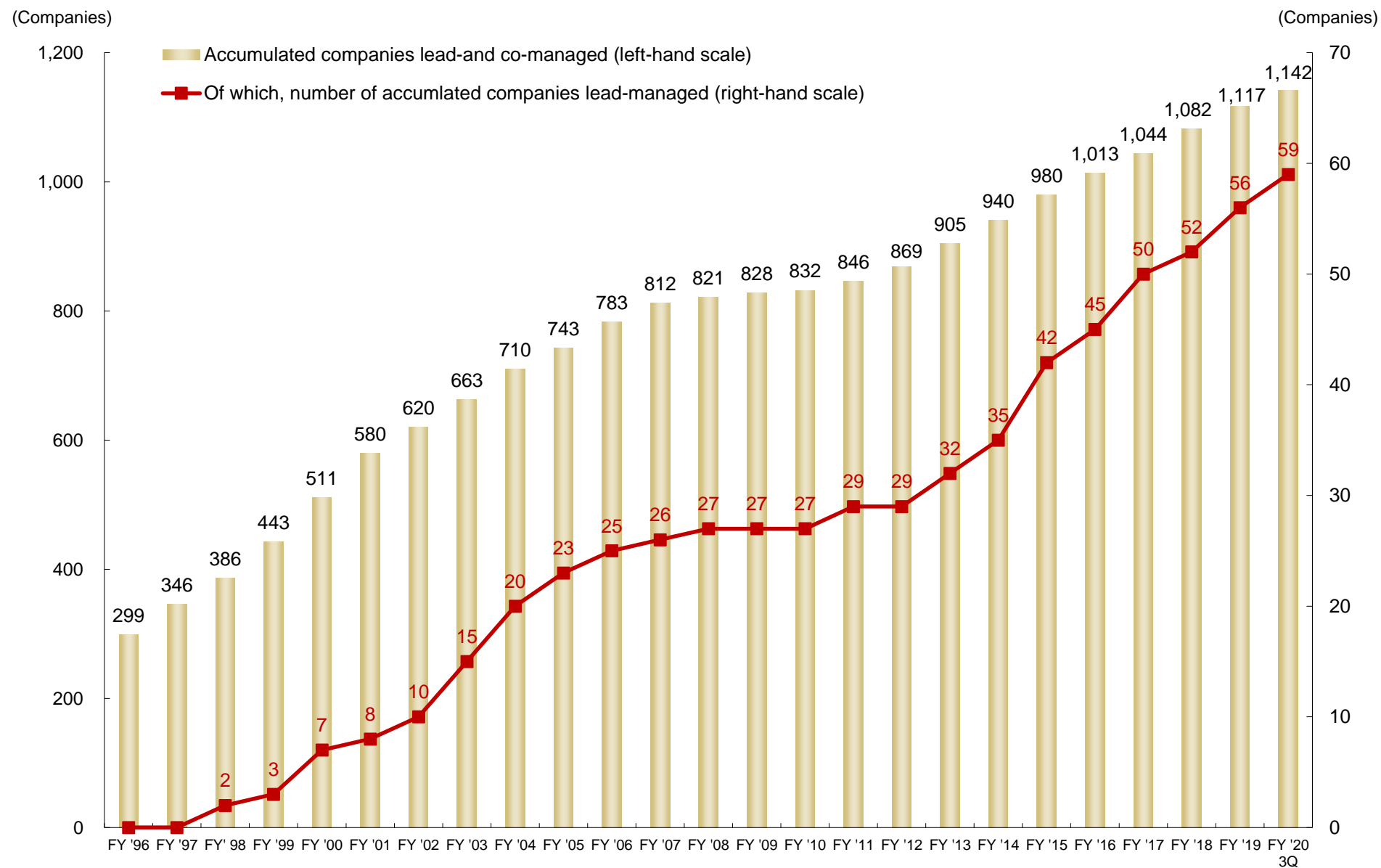
8. Number of New Customer Accounts and Ratio of Referrals 【Retail】

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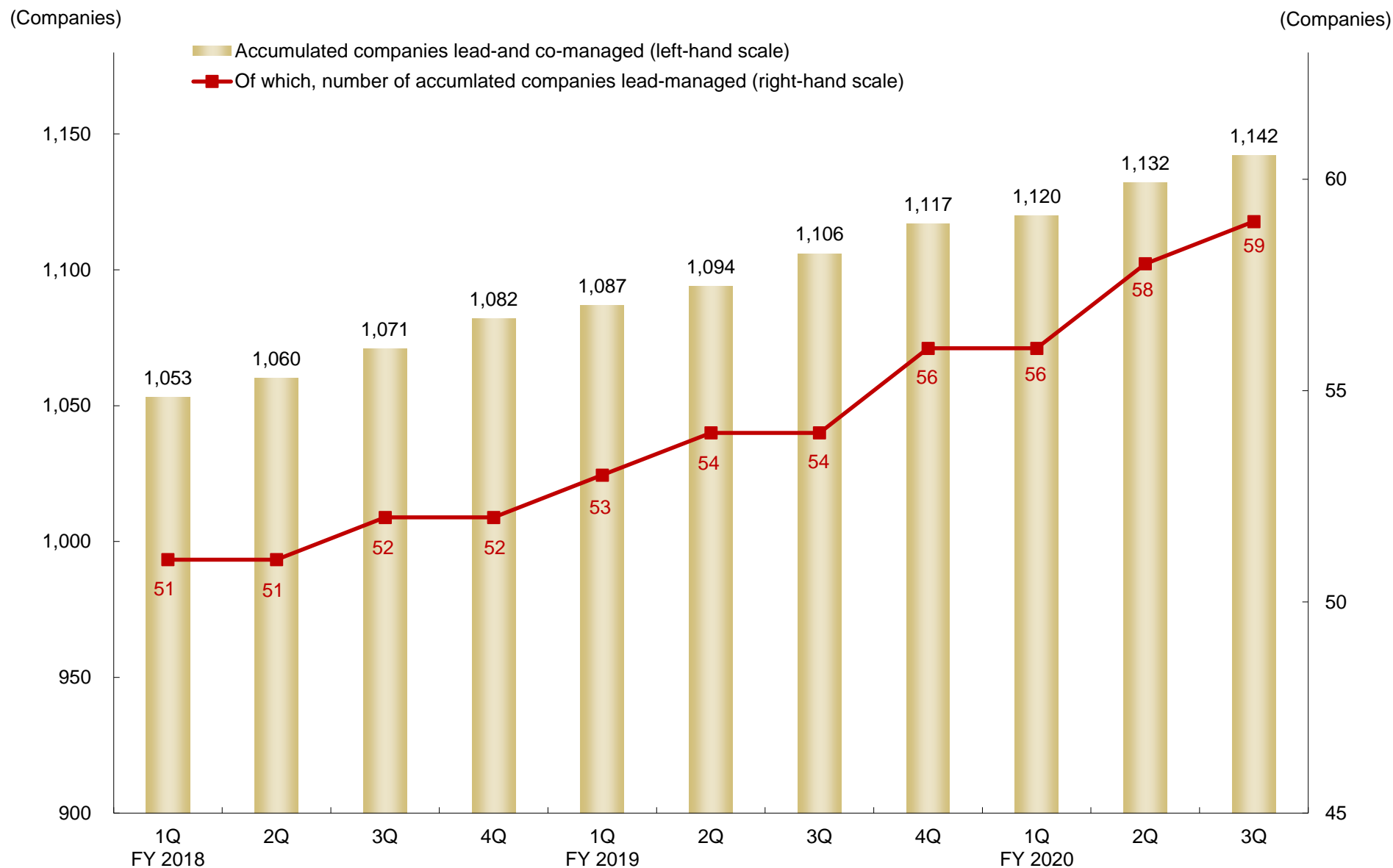
9. Accumulated Companies Lead- and Co-managed

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10. Quarterly Accumulated Companies Lead- and Co-managed

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