

IR Presentation for Fiscal year ended March 2019



Ichiyoshi Securities Co., Ltd.

April, 2019

I : Business Result (Consolidated)

* Effective as from the first quarter of fiscal 2018, the “Partial Amendment to Accounting Standards Relating to Tax Effect Accounting” (Corporate Accounting Standards No. 28 dated February 16, 2018) and adjustments related thereto have been applied. Assets and liabilities as of March 31, 2018 in this IR Presentation are presented retroactively based on such amendment.

- ◆ Operating revenue amounted to 21,227 million yen, a decrease of 5,274 million yen (down 19.9%) from the year-earlier period.
- ◆ Current income amounted to 2,238 million yen, a decrease of 4,990 million yen (down 69.0%) from the year-earlier period.
- ◆ Net income attributable to owners of parent amounted to 1,674 million yen, a decrease of 3,320 million yen (down 66.5%) from the year-earlier period.

	(JPY mil.)				(JPY mil.)			
	FY 2017	FY 2018	Year-on-year (%)	Year-on-year	FY 2018			
					1Q	2Q	3Q	4Q
Operating revenue	26,502	21,227	-19.9%	-5,274	5,932	5,650	5,334	4,309
Net operating revenue	25,069	19,769	-21.1%	-5,300	5,551	5,335	4,974	3,908
Operating cost & expenses	17,928	17,713	-1.2%	-215	4,568	4,481	4,504	4,158
Operating income	7,141	2,056	-71.2%	-5,084	982	853	469	-249
Current income	7,229	2,238	-69.0%	-4,990	1,067	919	484	-232
Extraordinary income & loss	-56	264	—	320	20	19	226	-2
Income taxes	2,156	803	-62.8%	-1,353	439	255	174	-66
Net income attributable to owners of parent	4,994	1,674	-66.5%	-3,320	641	676	531	-174

2. Breakdown of Net Operating Revenue

- ◆ Commissions amounted to 19,205 million yen, a decrease of 5,410 million yen (down 22.0%) from the year-earlier period, mainly as commissions from distribution and brokerage declined.

	(JPY mil.)			
	FY 2017	FY 2018	Year-on-year (%)	Year-on-year
Commissions	24,616	19,205	-22.0%	-5,410
Gains on trading	123	125	1.6%	2
Other operating balance	110	151	36.8%	40
Interest & dividend income	218	286	31.0%	67
Total	25,069	19,769	-21.1%	-5,300

(JPY mil.)			
FY2018			
1Q	2Q	3Q	4Q
5,389	5,202	4,843	3,769
32	25	29	39
51	30	28	41
77	77	72	58
5,551	5,335	4,974	3,908

3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 7,020 million yen, a decrease of 2,610 million yen (down 27.1%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 3,881 million yen, a decrease of 2,823 million yen (down 42.1%) from the year-earlier period. Commissions from other sources (trailer fees on investment trusts and others) amounted to 6,884 million yen, an increase of 213 million yen (up 3.2%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 266 million yen, a decrease of 303 million yen (down 53.2%) from the year-earlier period, as the Company participated in the management and underwriting of 37 initial public offerings, and participated in underwriting of 6 public share offerings of listed issuers.

	(JPY mil.)			
	FY 2017	FY 2018	Year-on-year (%)	Year-on-year
Commissions	24,616	19,205	-22.0%	-5,410
Brokerage (Major item)				
Stocks	9,630	7,020	-27.1%	-2,610
Distribution (Major item)				
Investment trusts	6,704	3,881	-42.1%	-2,823
Underwriting (Major items)				
IPO	389	210	-45.9%	-178
PO	180	56	-68.9%	-124
Total	570	266	-53.2%	-303
Commissions from other sources (Major items)				
Investment trusts (trailer fees, etc.)	6,670	6,884	3.2%	213
Other than investment trusts	773	802	3.7%	28
Total	7,444	7,686	3.3%	242

<Reference>

	(JPY 100 mil.)			
Fund distribution	3,519	2,426	-31.1%	-1,092

* Including wrap-account fund sales

(JPY mil.)			
FY 2018			
1Q	2Q	3Q	4Q
5,389	5,202	4,843	3,769
2,167	1,901	1,704	1,247
1,136	1,194	928	621
11	11	165	21
5	10	-	39
16	22	165	61
1,759	1,791	1,724	1,608
224	205	189	182
1,984	1,996	1,914	1,790

4. Breakdown of Gains on Trading

- ◆ Gains on trading amounted to 125 million yen, an increase of 2 million yen (up 1.6%) from the year-earlier period, chiefly as gains on trading of Forex, etc. rose.

	(JPY mil.)			
	FY 2017	FY 2018	Year-on-year (%)	Year-on-year
Stocks, etc.	47	19	-59.6%	-28
Bonds • Forex, etc.	76	106	39.7%	30
(Bonds, etc.)	(62)	(49)	-21.0%	-13
(Forex, etc.)	(13)	(57)	315.1%	43
Total	123	125	1.6%	2

(JPY mil.)			
2019/3			
1Q	2Q	3Q	4Q
12	1	3	1
20	23	25	37
(13)	(12)	(14)	(9)
(7)	(11)	(11)	(28)
32	25	29	39

5. Operating Cost and Expenses

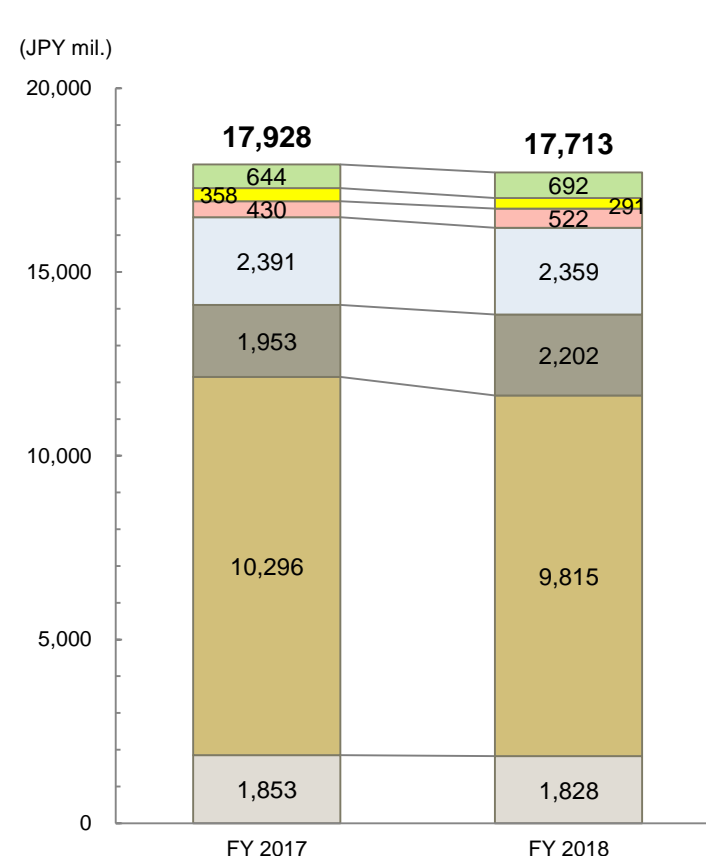
- ◆ Operating cost and expenses amounted to 17,713 million yen, a decrease of 215 million yen (down 1.2%) from the year-earlier period, mainly as personnel expenses and public charges declined.

	FY 2017	FY 2018	Year-on-year (%)	Year-on-year
Transaction related expenses	1,853	1,828	-1.3%	-24
Personnel expenses	10,296	9,815	-4.7%	-481
Property related expenses	1,953	2,202	12.7%	248
Clerical expense	2,391	2,359	-1.4%	-32
Depreciation	430	522	21.4%	92
Public charges	358	291	-18.5%	-66
Provision of allowance for doubtful accounts	1	—	—	-1
Others	642	692	7.8%	50
Total	17,928	17,713	-1.2%	-215

<Reference> FY 2018 fixed cost and variable cost (non-consolidated basis)

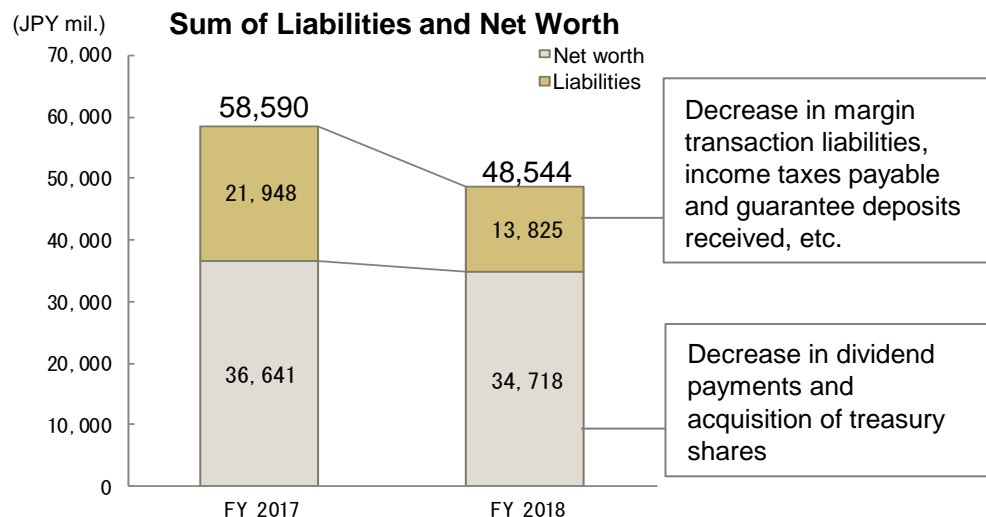
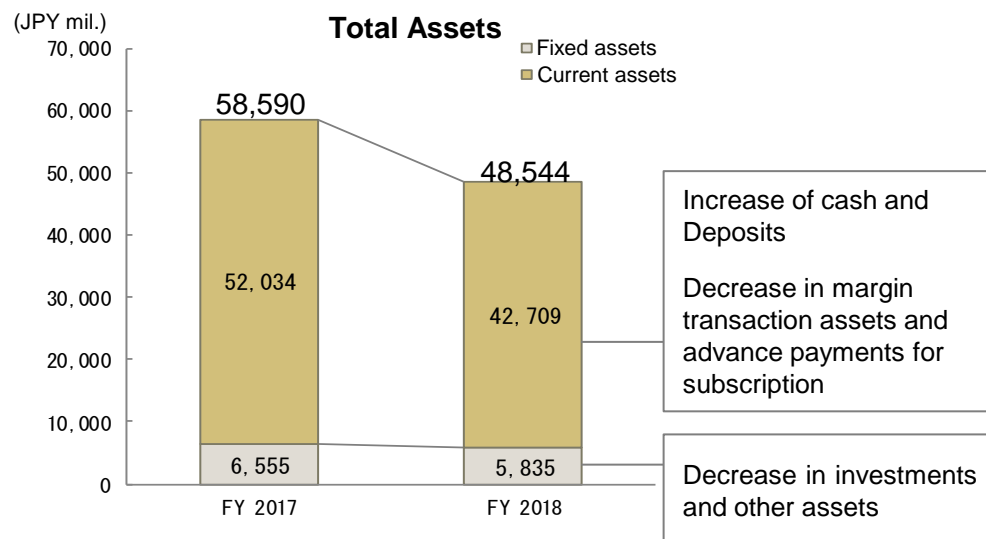
Fixed cost	12,873
Variable cost	4,118

(JPY mil.)



- Transaction related expenses
- Personnel expenses
- Property related expenses
- Clerical expenses
- Depreciation
- Public charges
- Others

Balance Sheets



Financial Result

	FY 2018	Change from FY 2017 end.
Equity ratio (%)	71.2	9.2
Net worth per share (JPY)	827.53	-22.56
Capital adequacy ratio (non-consolidated basis)	552.9	-47.5

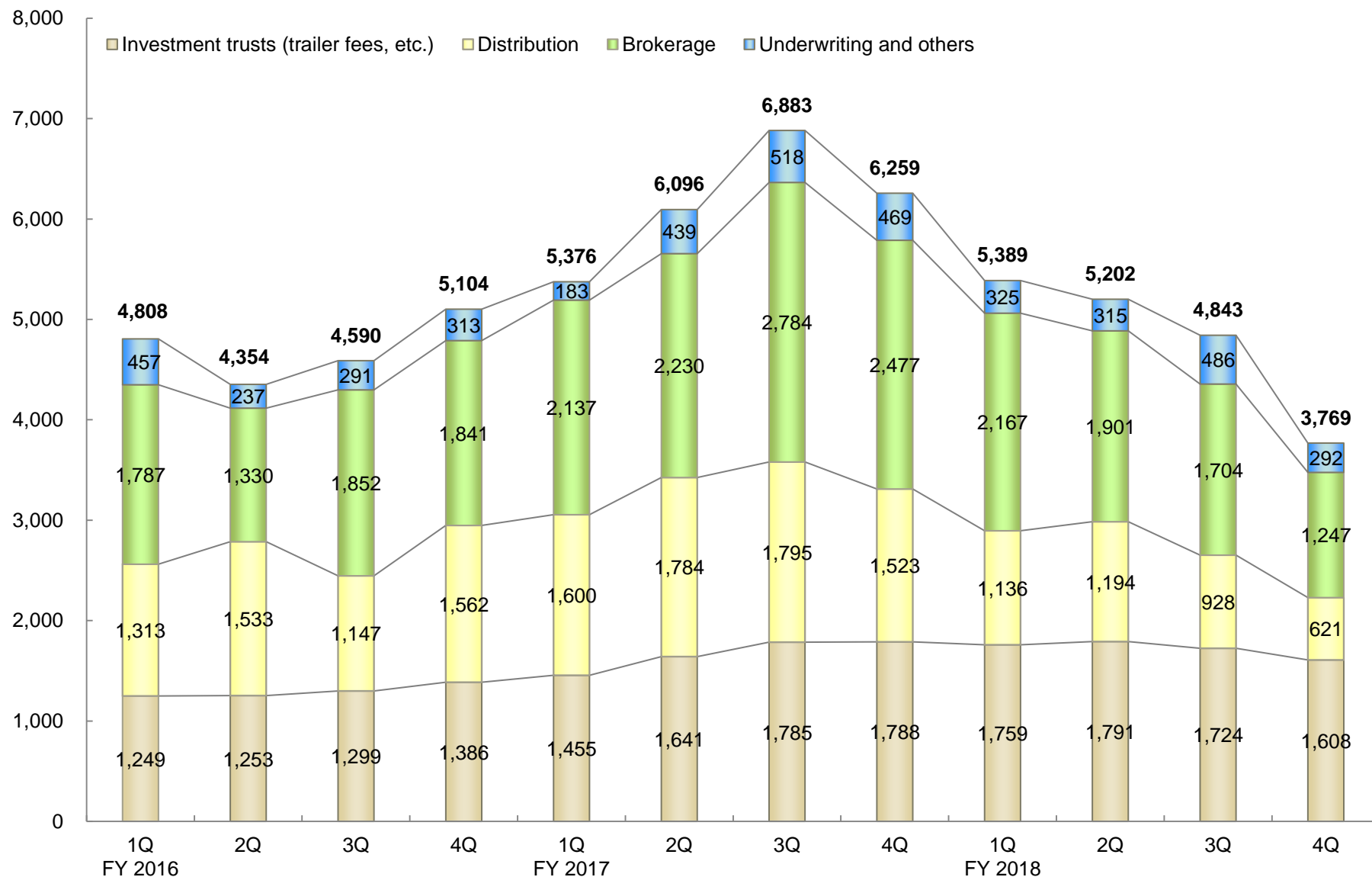
	FY 2018	Year-on-year
EPS (JPY)	39.25	-77.75
ROE (%)	4.7	-9.8

II : Business Circumstances

1. Commission Revenue

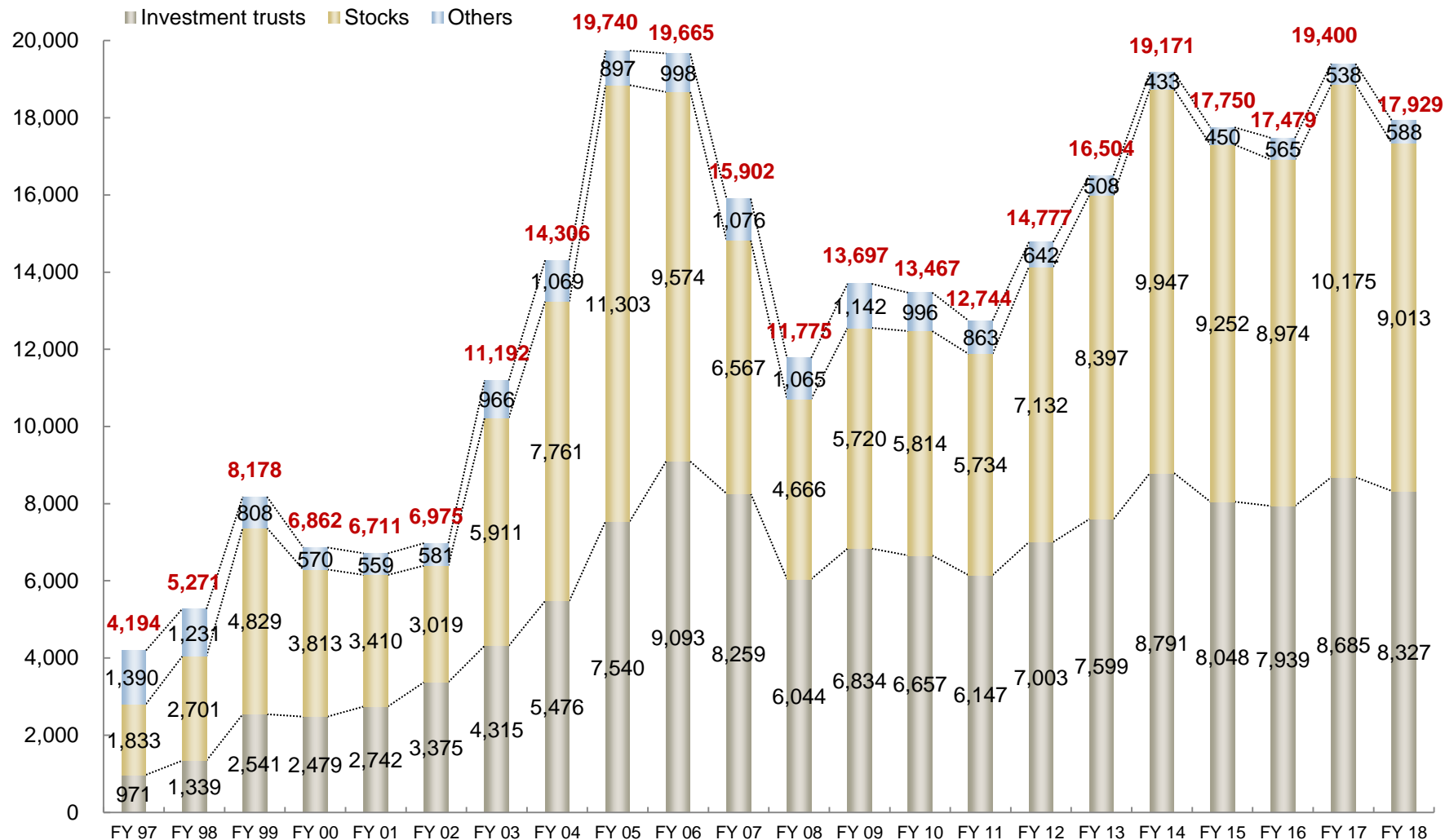
ICHIYOSHI
SECURITIES

(JPY mil.)



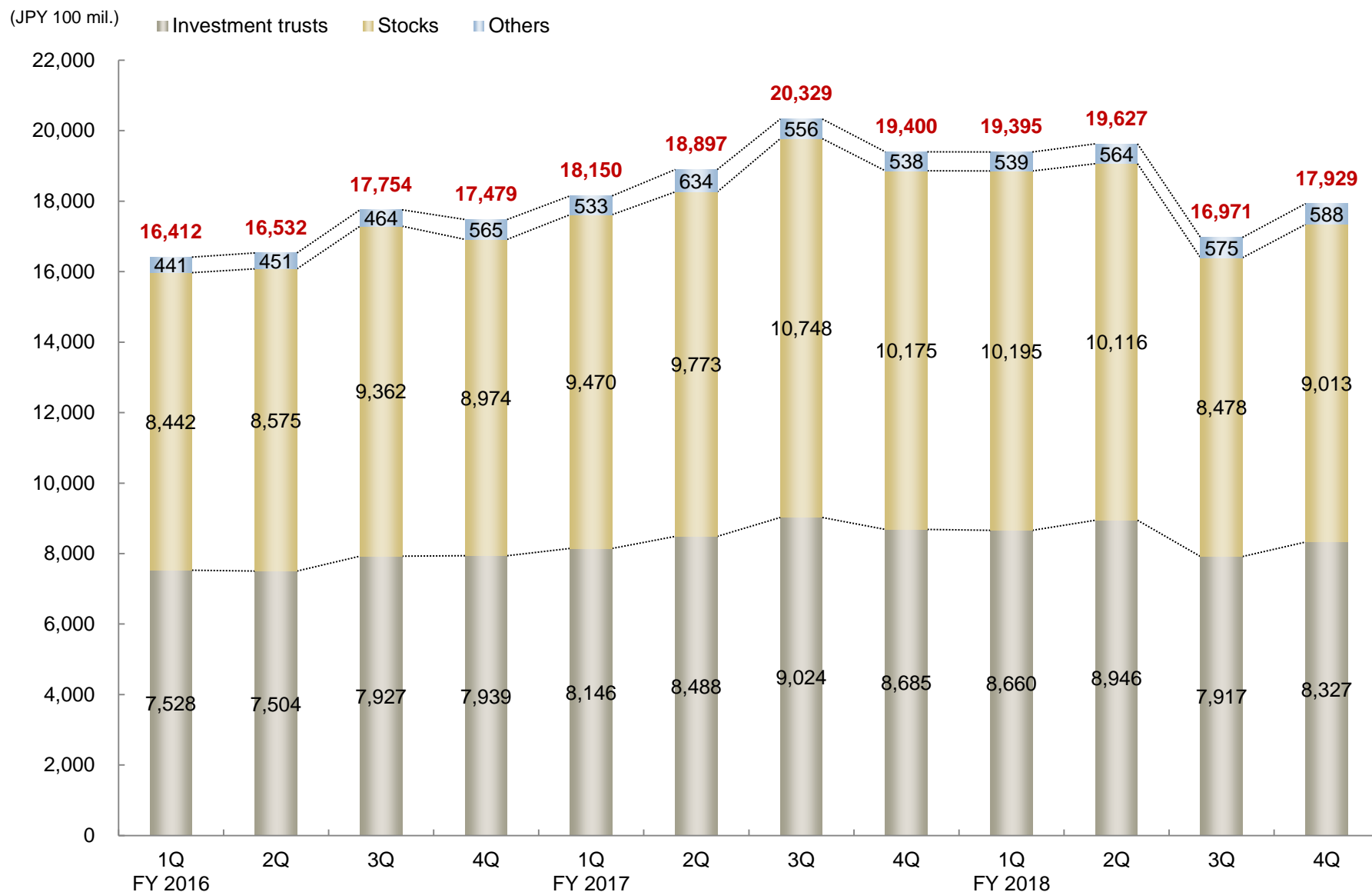
2. Customer Assets in Custody

(JPY 100 mil.)



3. Quarterly Customer Assets in Custody

ICHIYOSHI
SECURITIES

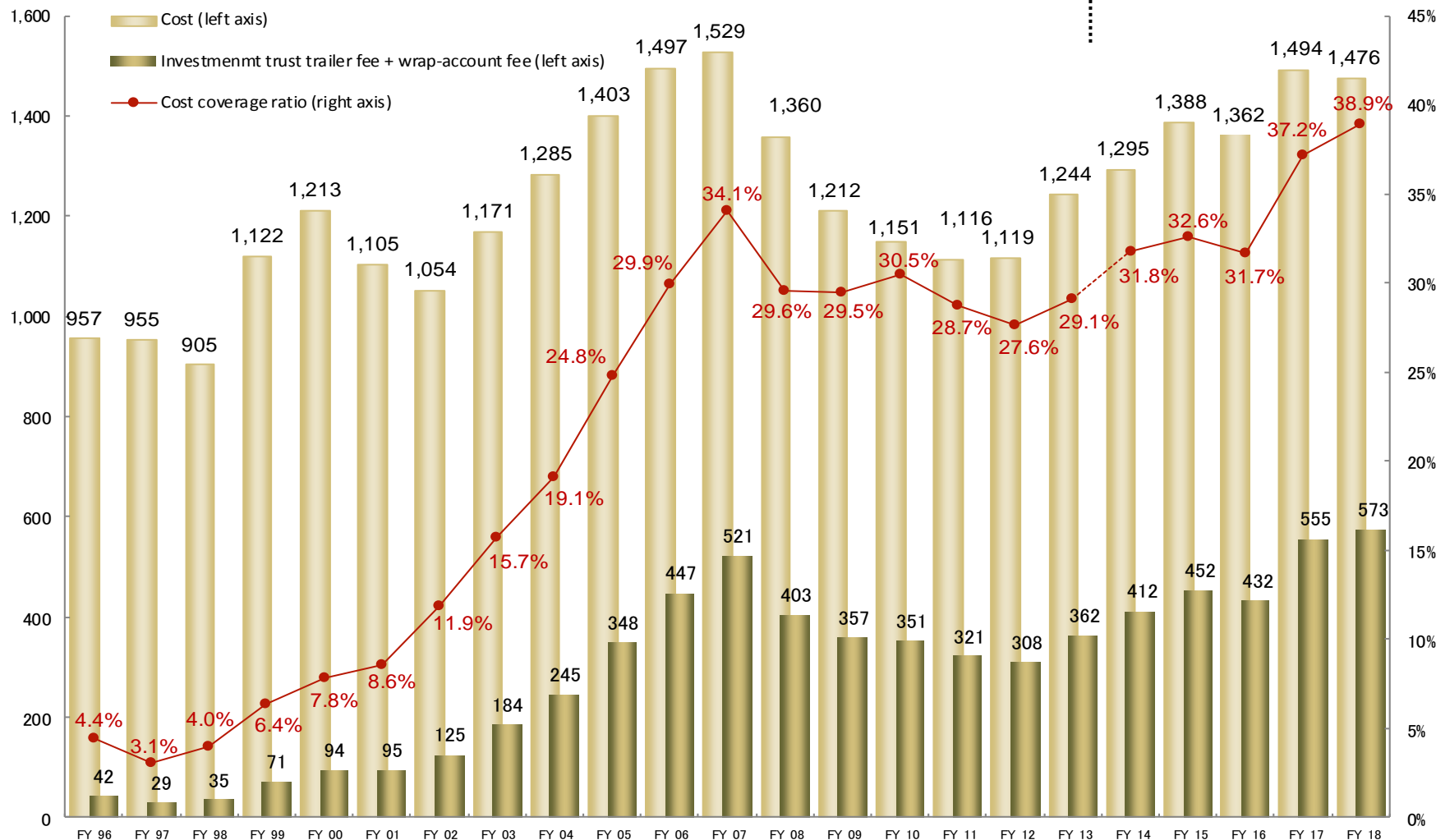


4. Trend of Investment Trust Trailer Fee and Its Cost Coverage (Average Monthly)

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

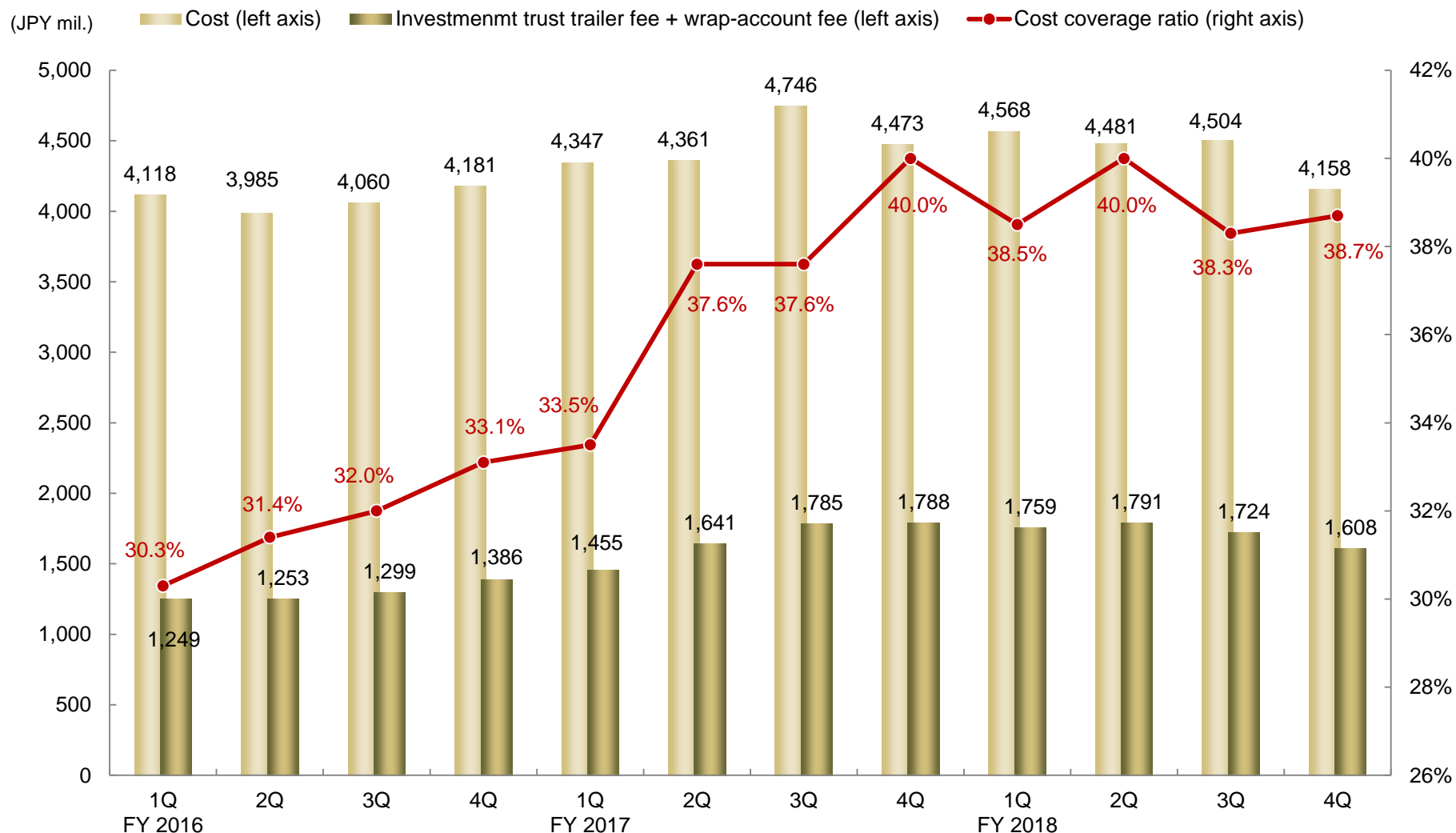
Parent company basis ← → Consolidated basis

(JPY mil.)



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

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



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

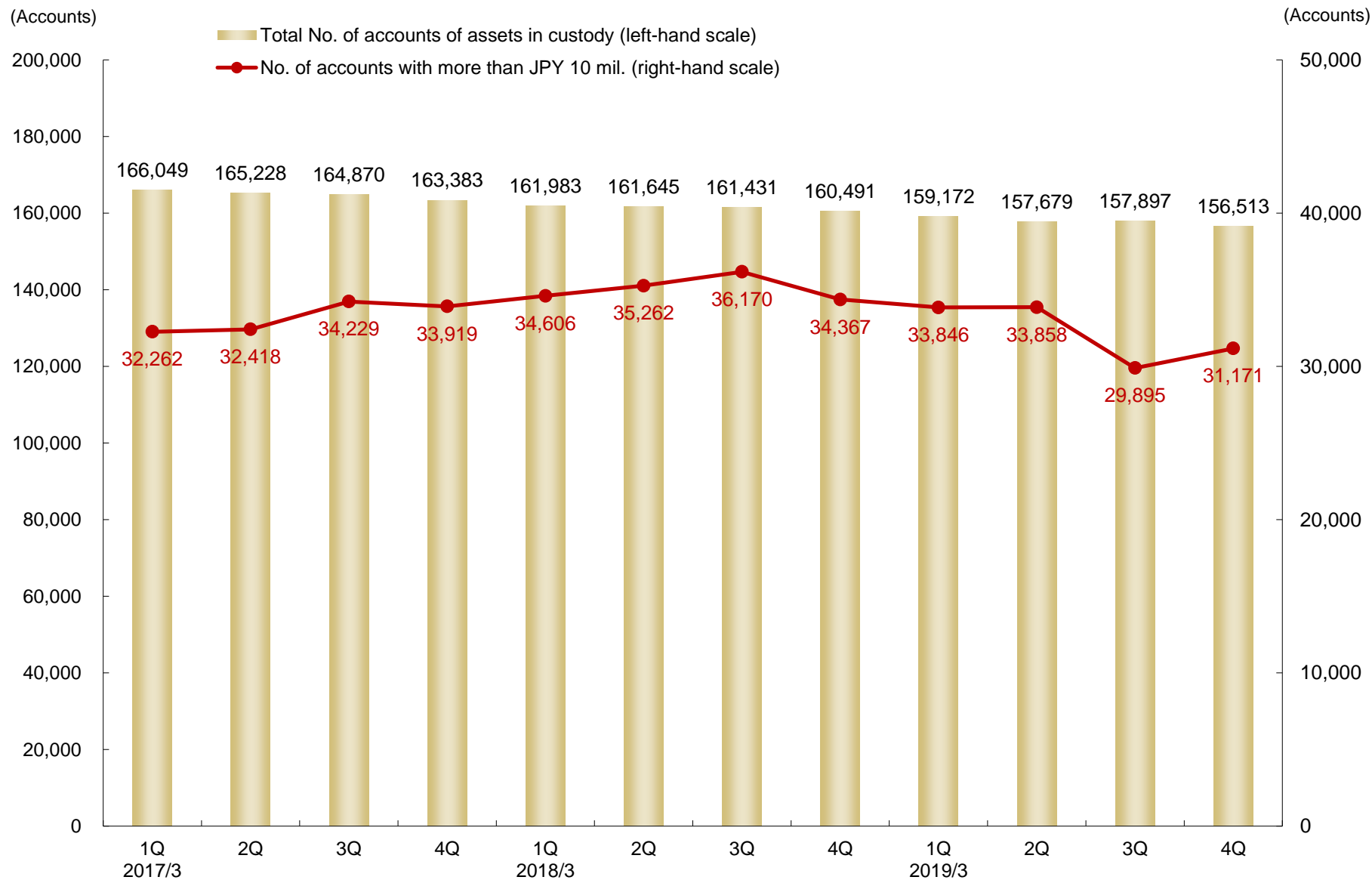
ICHIYOSHI
SECURITIES

(JPY 100 mil.)

	FY 2016				FY 2017				FY 2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Shinko J-REIT Open	74	64		31		45	38	56	79	133	84	61
Ichiyoshi Mid-Small Cap Growth Equity Fund	90	107	149	116	199	230			181	121	43	40
Pictet Global Income Equity Fund (Monthly Dividend)							52		17	35	39	38
JREIT Asia Mix Open (Monthly Settlement/Asset Growth Type)												16
BNYM 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)				45	52	53	72	71	17			
Ichiyoshi Invesco World Mid & Small Cap Growth Equity Fund						98	150	95				
Japan Mid&Small Cap Growth Equity Active Fund								80				
Nissay JPX Nikkei 400 Active Fund (Incl. Asset Growth Type)								71				
Ichiyoshi Japan Venture Fund							240					
LM US Dividend Growers Equity Fund (Semi-Annual Settlement/ Quarterly Settlement)					50	52						
LM Australia High Yield Equity Fund (Monthly Dividend)	61	102	84	198	147							
Ichiyoshi Japan Select Dividend Equity & J-REIT Fund (Quarterly Settlement Type/Asset Growth Type)				92	45							
Fidelity US REIT Fund B (Non-Hedged)	146	148	28									
BNYMellon Global Good Interest Rate CB Fund JPY Hedge Ltd Open 2016-04/07/11	67	50	37									
Japan High Dividend Stock Fund 2016-12 Limited Additional Subscription Type/with Early Redemption Clause			36									

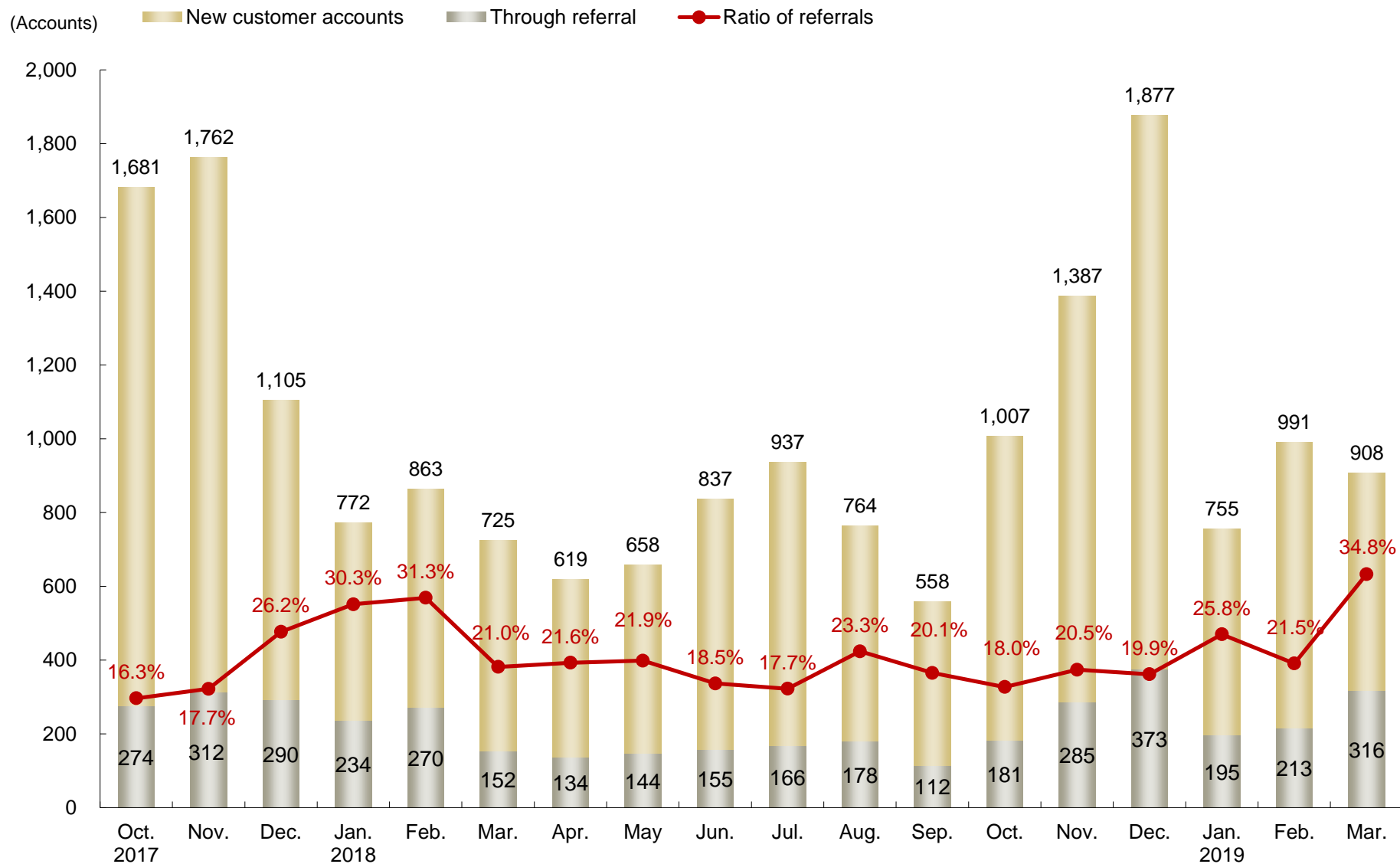
7. Number of Customer Accounts 【Retail】

ICHIYOSHI
SECURITIES

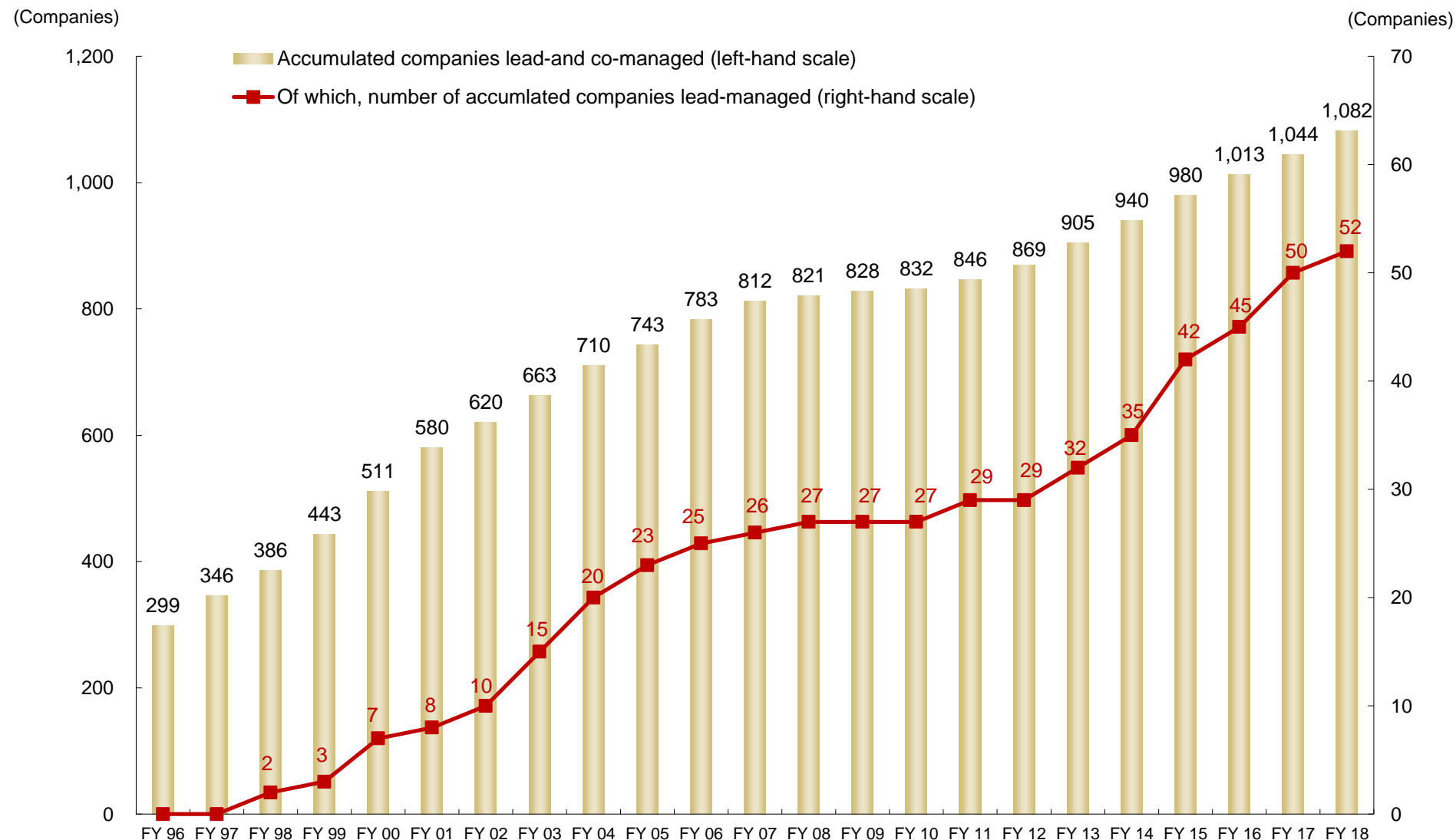


8. Number of New Customer Accounts and Ratio of Referrals 【Retail】

ICHIYOSHI
SECURITIES

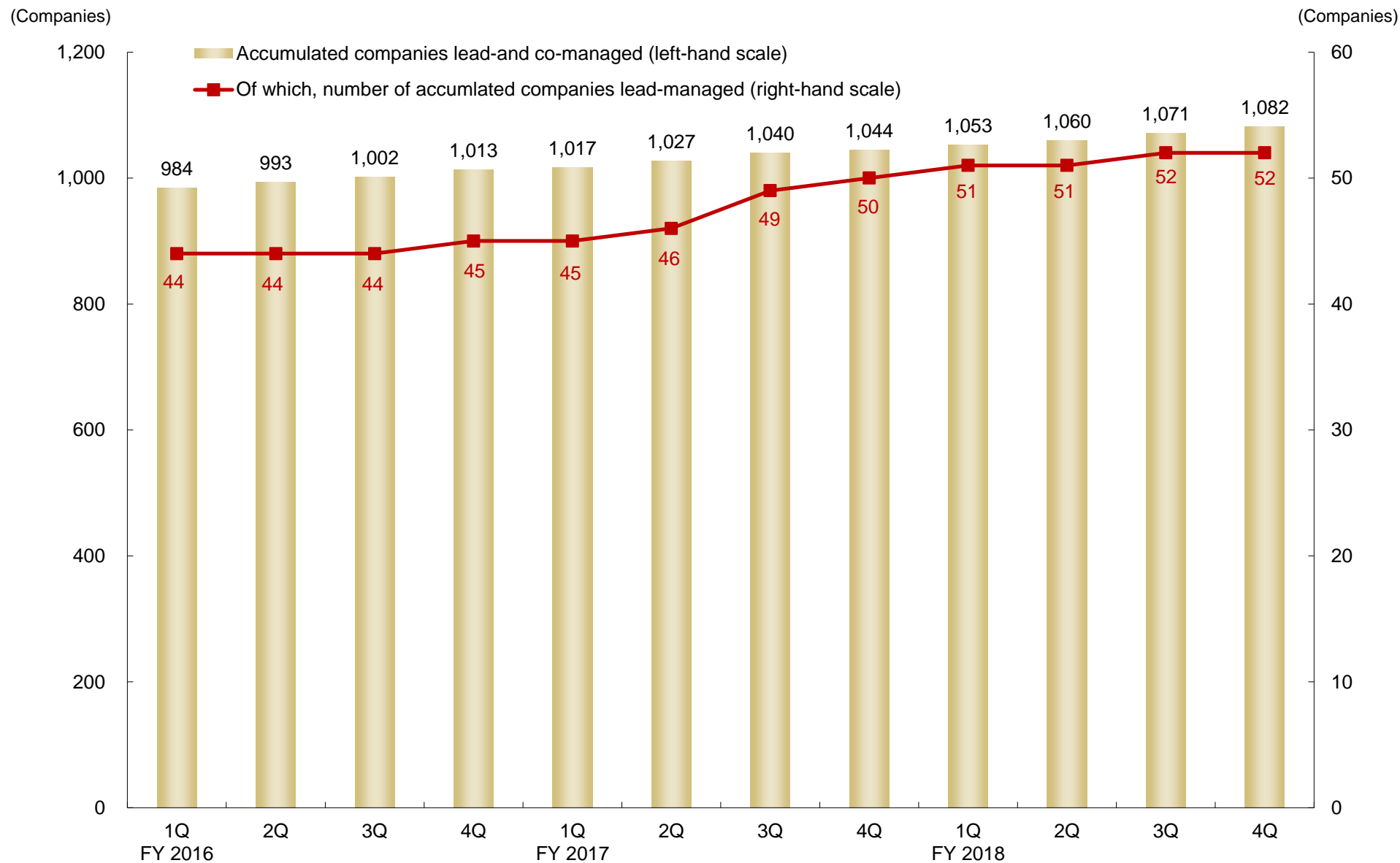


9. Accumulated Companies Lead- and Co-managed



10. Quarterly Accumulated Companies Lead- and Co-managed

ICHIYOSHI
SECURITIES



- This document is produced by Ichiyoshi Securities Co., Ltd. (the “Company”), and nothing in this document shall be considered as an offer to sell or solicit an offer to buy any security, or other instrument, including securities issued by the Company.
- This document is based on Japanese accounting standards.
- No part of this document shall be reproduced, stored in a retrieval system or transmitted in any form or by any means, without the prior written permission of the Company.
- This document is based on the data as of March 31, 2019. (Figures less than one million yen are rounded down)

Ichiyoshi Securities Co., Ltd.

Financial instruments business operator registered with the Kanto Local Finance Bureau (registration No. 24)

Member association: Japan Securities Dealers Association

Japan Investment Advisers Association