

IR Presentation for Fiscal year ending March 2020



Ichiyoshi Securities Co., Ltd.

April, 2020

: Business Result (Consolidated)

1. Profit and Loss

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Operating revenue amounted to 18,846 million yen, a decrease of 2,381 million yen (down 11.2%) from the year-earlier period.

Current income: loss of 469 million yen.

Net income attributable to owners of parent: loss of 724 million yen.

	(JPY mil.)				(JPY mil.)			
	FY 2018	FY 2019	Year-on-year (%)	Year-on-year	FY 2019			
					1Q	2Q	3Q	4Q
Operating revenue	21,227	18,846	-11.2%	-2,381	4,618	4,820	4,511	4,894
Net operating revenue	19,769	17,241	-12.8%	-2,528	4,220	4,396	4,160	4,463
Operating cost & expenses	17,713	17,786	0.4%	73	4,459	4,541	4,364	4,420
Operating income	2,056	-545	-	-2,601	-239	-145	-204	42
Current income	2,238	-469	-	-2,708	-218	-183	-158	90
Extraordinary income & loss	264	20	-92.1%	-243	-0	2	66	-48
Income taxes	803	264	-67.1%	-538	-29	99	119	75
Net income attributable to owners of parent	1,674	-724	-	-2,398	-194	-285	-211	-32

2. Breakdown of Net Operating Revenue

Commissions amounted to 16,845 million yen, a decrease of 2,359 million yen (down 12.3%) from the year-earlier period, mainly as brokerage and distribution declined.

	(JPY mil.)				(JPY mil.)			
	FY 2018	FY 2019	Year-on-year (%)	Year-on-year	FY 2019			
					1Q	2Q	3Q	4Q
Commissions	19,205	16,845	-12.3%	-2,359	4,124	4,293	4,074	4,352
Gains on trading	125	89	-28.6%	-35	9	16	30	33
Other operating balance	151	141	-6.4%	-9	33	49	19	39
Interest & dividend income	286	163	-42.9%	-122	53	36	36	37
Total	19,769	17,241	-12.8%	-2,528	4,220	4,396	4,160	4,463

3. Breakdown of Commission Revenue

Brokerage commissions on stocks amounted to 4,745 million yen, a decrease of 2,275 million yen (down 32.4%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 3,876 million yen, a decrease of 4 million yen (down 0.1%) from the year-earlier period. Commissions from other sources (mainly trailer fees on investment trusts) amounted to 6,733 million yen, a decrease of 151 million yen (down 2.2%) from the year-earlier period.

Commissions from underwriting amounted to 557 million yen, an increase of 290 million yen (up 108.9%) from the year-earlier period, as the Company participated in the management and underwriting of 32 initial public offerings and 6 public share offerings in the secondary market.

(JPY mil.)					(JPY mil.)			
	FY 2018	FY 2019	Year-on-year (%)	Year-on-year	FY 2019			
					1Q	2Q	3Q	4Q
Commissions	19,205	16,845	-12.3%	-2,359	4,124	4,293	4,074	4,352
Brokerage (Major item)								
Stocks	7,020	4,745	-32.4%	-2,275	1,281	1,116	1,163	1,183
Distribution (Major item)								
Investment trusts	3,881	3,876	-0.1%	-4	921	1,137	874	943
Underwriting (Major items)								
IPO	210	495	135.2%	284	7	116	22	349
PO	56	61	10.2%	5	3	7	40	10
Total	266	557	108.9%	290	11	123	62	359
Commissions from other sources (Major items)								
Investment trusts (trailer fees, etc.)	6,884	6,733	-2.2%	-151	1,679	1,692	1,749	1,611
Other than investment trusts	802	661	-17.5%	-140	168	170	157	164
Total	7,686	7,394	-3.8%	-292	1,847	1,862	1,907	1,776
< Reference >					(JPY 100 mil.)			
Fund distribution	2,426	2,435	0.4%	8				

* Including wrap-account fund sales

4. Breakdown of Gains or loss on Trading

Net gains on Trading amounted to 89 million yen, a decrease of 35 million yen (down 28.6%) from the year-earlier period, chiefly as trading in forex registered a loss.

	(JPY mil.)				(JPY mil.)			
	FY 2018	FY 2019	Year-on-year (%)	Year-on-year	FY 2019			
					1Q	2Q	3Q	4Q
Stocks, etc.	19	37	96.2%	18	-5	0	16	26
Bonds • Forex, etc.	106	52	-51.0%	-54	15	15	14	7
(Bonds, etc.)	(49)	(27)	-45.3%	-22	(7)	(7)	(7)	(5)
(Forex, etc.)	(57)	(25)	-56.0%	-32	(7)	(8)	(6)	(2)
Total	125	89	-28.6%	-35	9	16	30	33

5. Operating Cost and Expenses

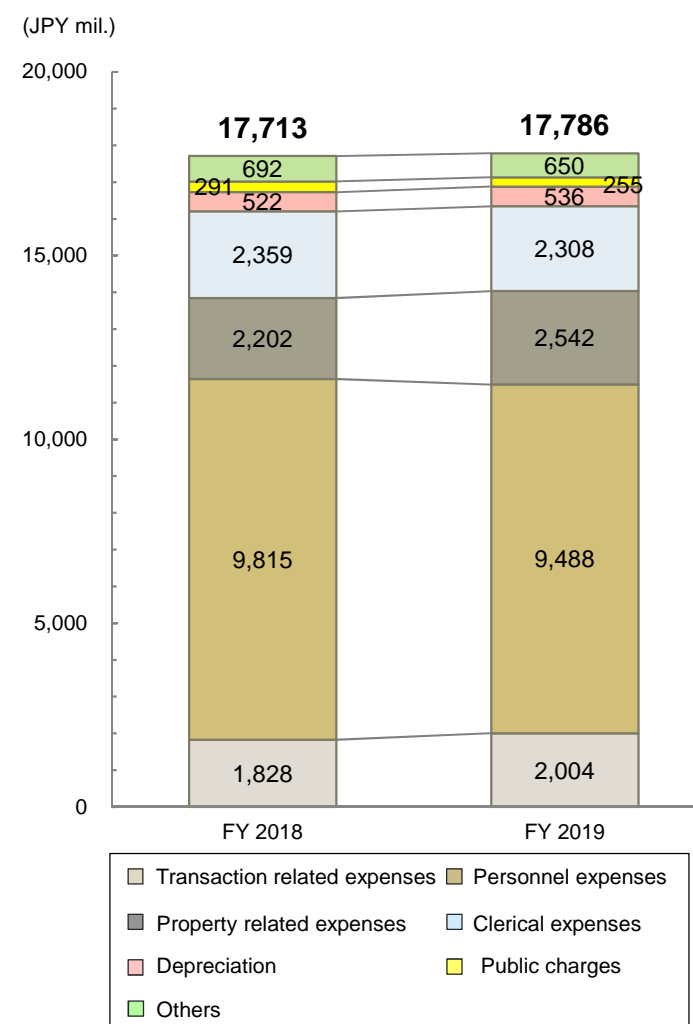
Operating cost and expenses amounted to 17,786 million yen, a increase of 73 million yen (up 0.4%) from the year-earlier period, mainly as property related expenses increased.

	FY 2018	FY 2019	Year-on-year (%)	Year-on-year
Transaction related expenses	1,828	2,004	9.6%	175
Personnel expenses	9,815	9,488	-3.3%	-326
Property related expenses	2,202	2,542	15.4%	340
Clerical expense	2,359	2,308	-2.1%	-50
Depreciation	522	536	2.5%	13
Public charges	291	255	-12.5%	-36
Others	692	650	-6.0%	-41
Total	17,713	17,786	0.4%	73

< Reference > FY 2019 fixed cost and variable cost (non-consolidated basis)

Fixed cost	12,993
Variable cost	4,006

(JPY mil.)



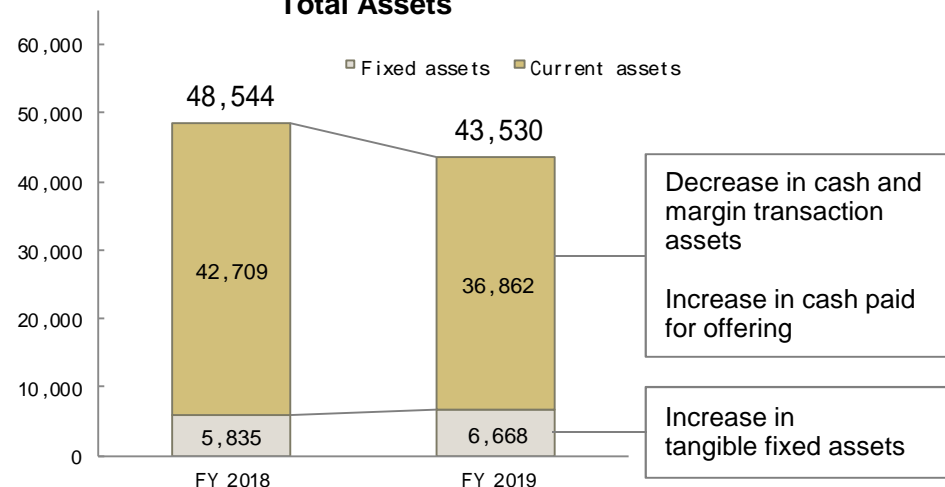
6. Balance Sheets/Financial Result

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Balance Sheets

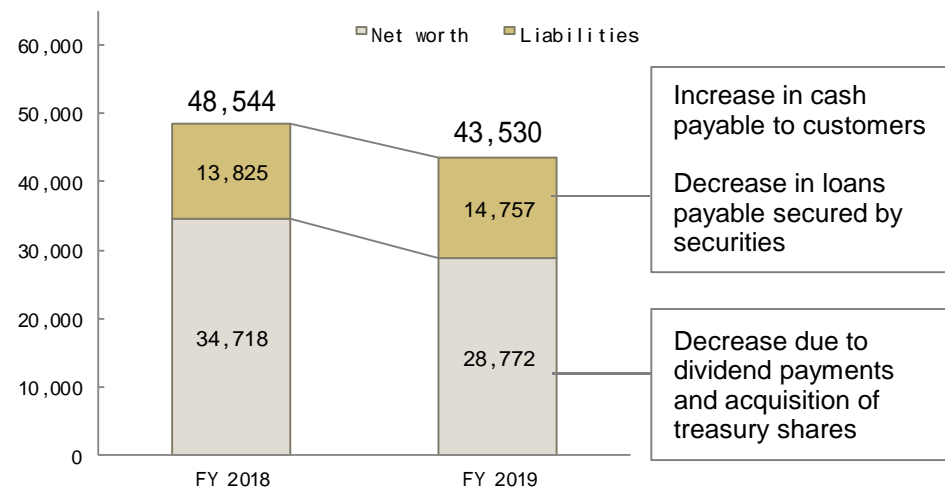
(JPY mil.)

Total Assets



(JPY mil.)

Sum of Liabilities and Net Worth



Financial Result

	FY 2019	Change from FY 2018 end.
Equity ratio (%)	65.9	-5.3
Net worth per share (JPY)	797.12	-30.41
Capital adequacy ratio (non-consolidated basis) (%)	446.8	-106.1

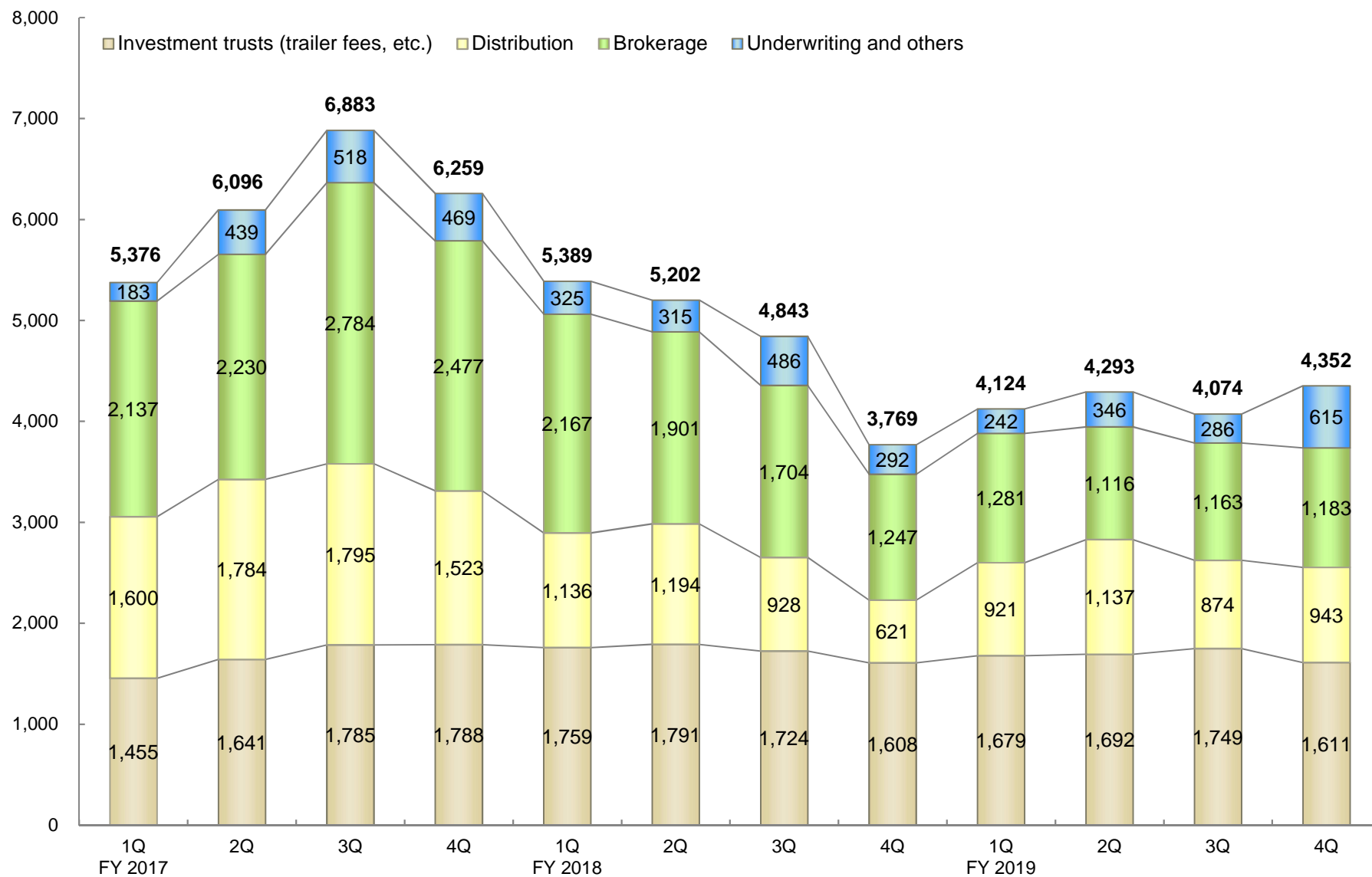
	FY 2019	Year-on-year
EPS (JPY)	-17.72	-56.97

: Business Circumstances

1. Commission Revenue

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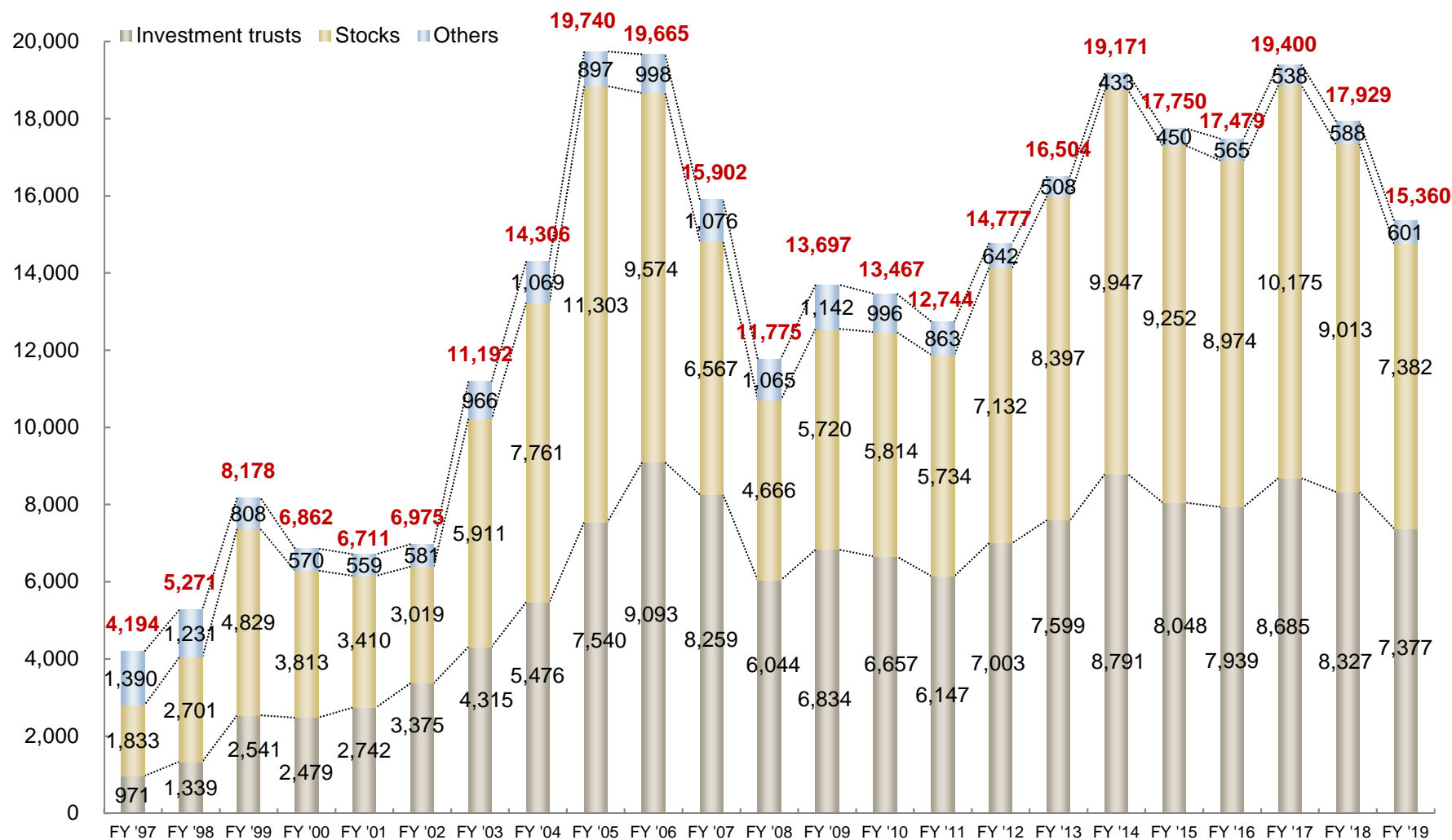
(JPY mil.)



2. Customer Assets in Custody

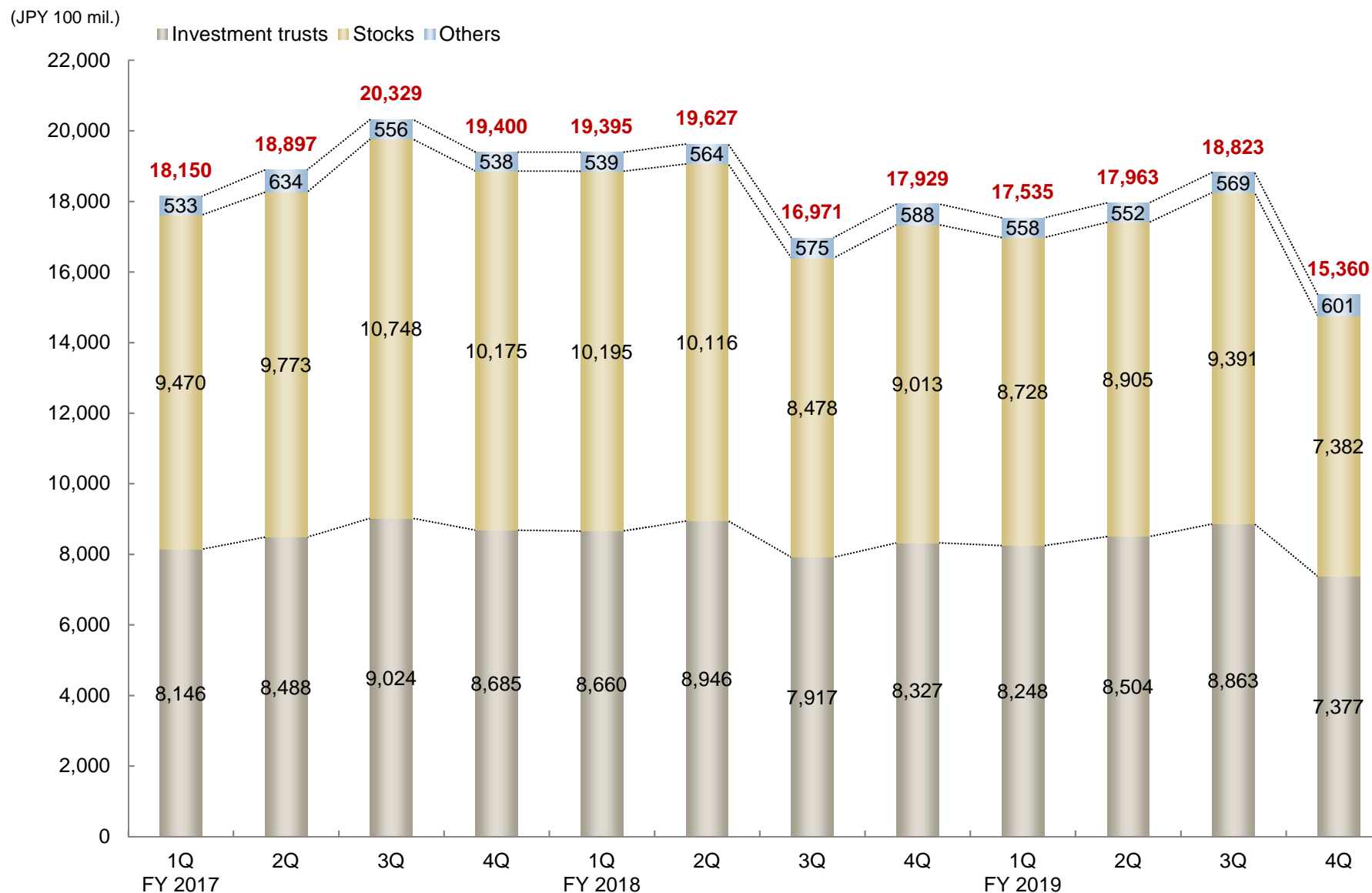
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(JPY 100 mil.)



3. Quarterly Customer Assets in Custody

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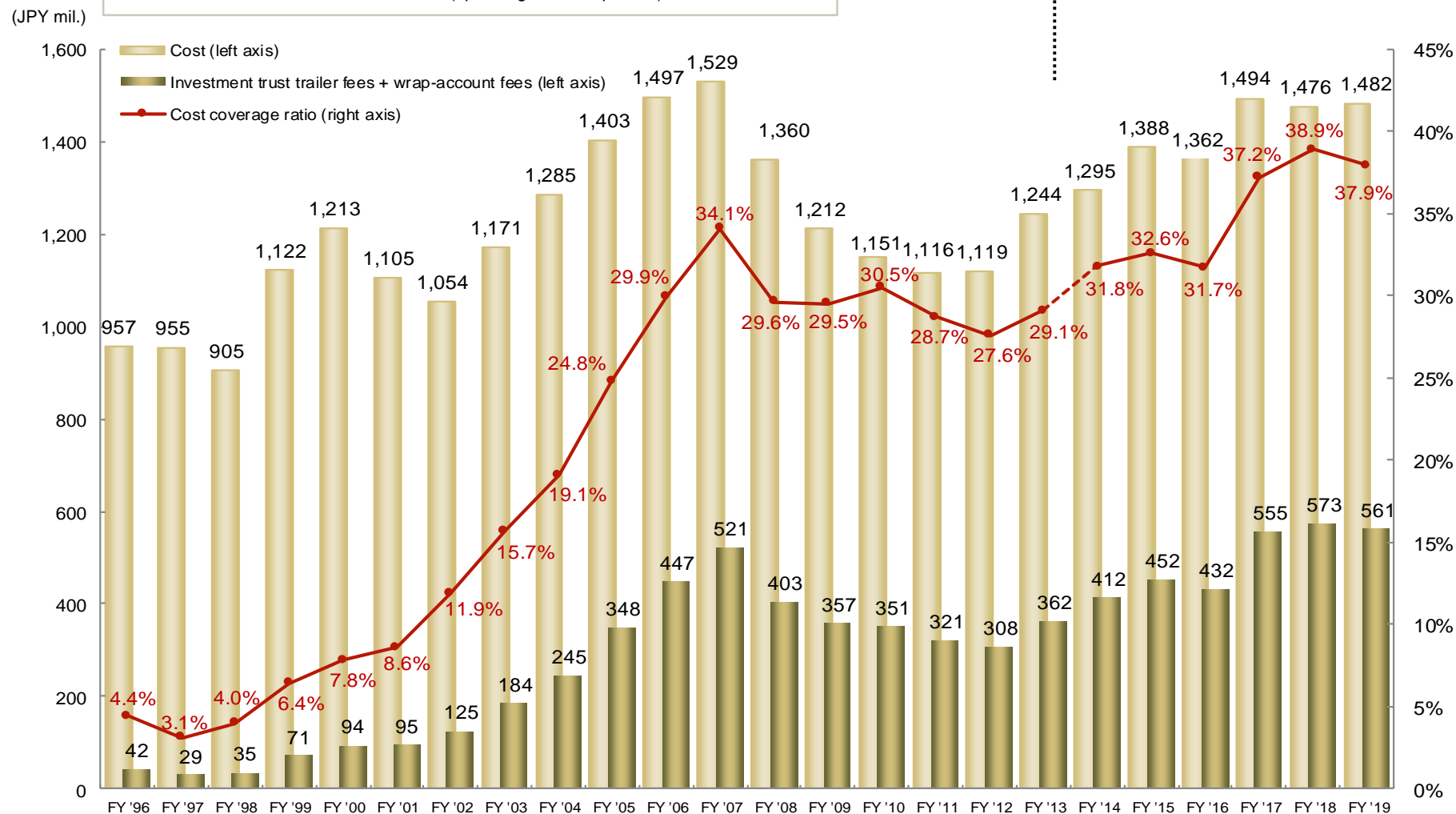
4. Trend of Investment Trust Trailer Fees and Its Cost Coverage (Month-end Average)

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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

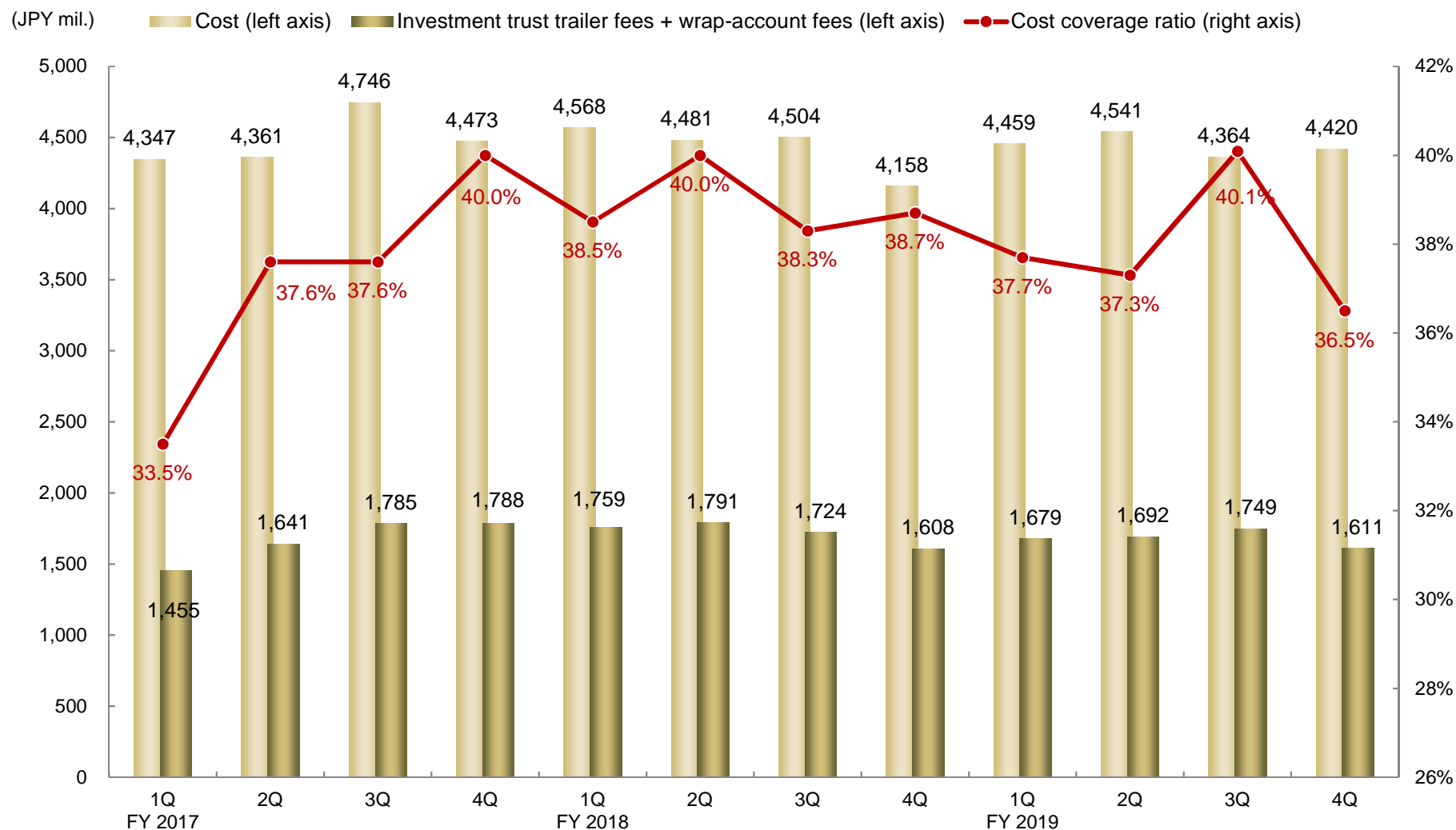
Consolidated
basis



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

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



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

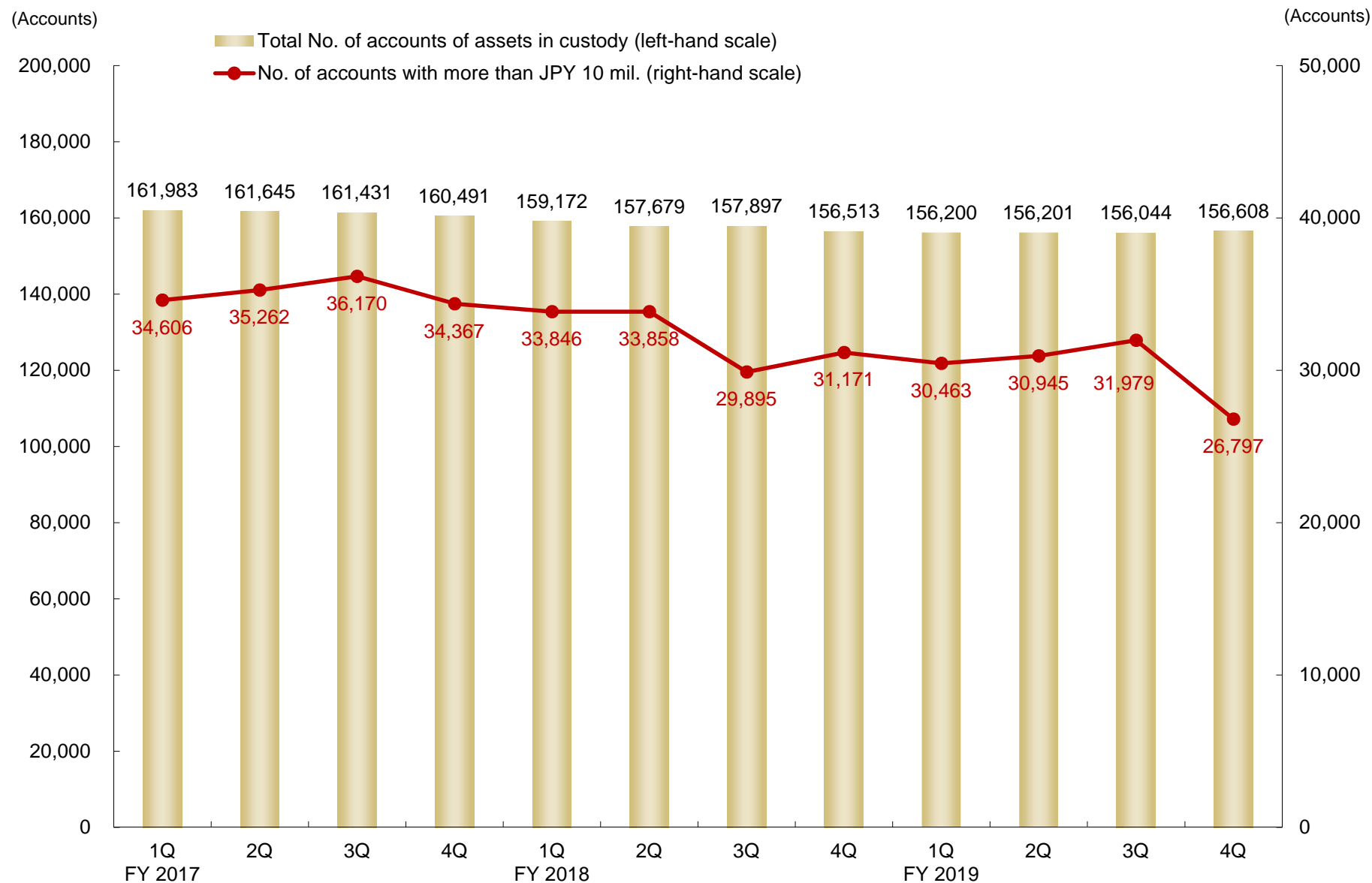
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(JPY 100 mil.)

	FY 2017				FY 2018				FY 2019			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Tokio Marine JPY Asset Balance Fund (Monthly Settlement/Yearly Settlement)										95	125	80
Pictet Global Income Equity Fund (Monthly Dividend)			52		17	35	39	38	78	116	93	80
GS US Growth Equity Concentrate Investment Fund (Monthly Settlement/ Quarterly Settlement/Semi-Annual Settlement)												36
LM Australia High Yield Equity Fund (Monthly Dividend)	147								25	42	28	32
Ichiyoshi Japan Venture Fund			240									31
Shinko J-REIT Open		45	38	56	79	133	84	61	77	71	37	
Fidelity US REIT Fund (A/B/C/D)										34	29	
US Micro Cap Equity Fund									40			
Ichiyoshi Mid-Small Cap Growth Equity Fund	199	230			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)	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								
LM US Dividend Growers Equity Fund (Semi-Annual Settlement/Quarterly Settlement)	50	52										
Ichiyoshi Japan Select Dividend Equity & J-REIT Fund (Quarterly Settlement Type/Asset Growth Type)	45											

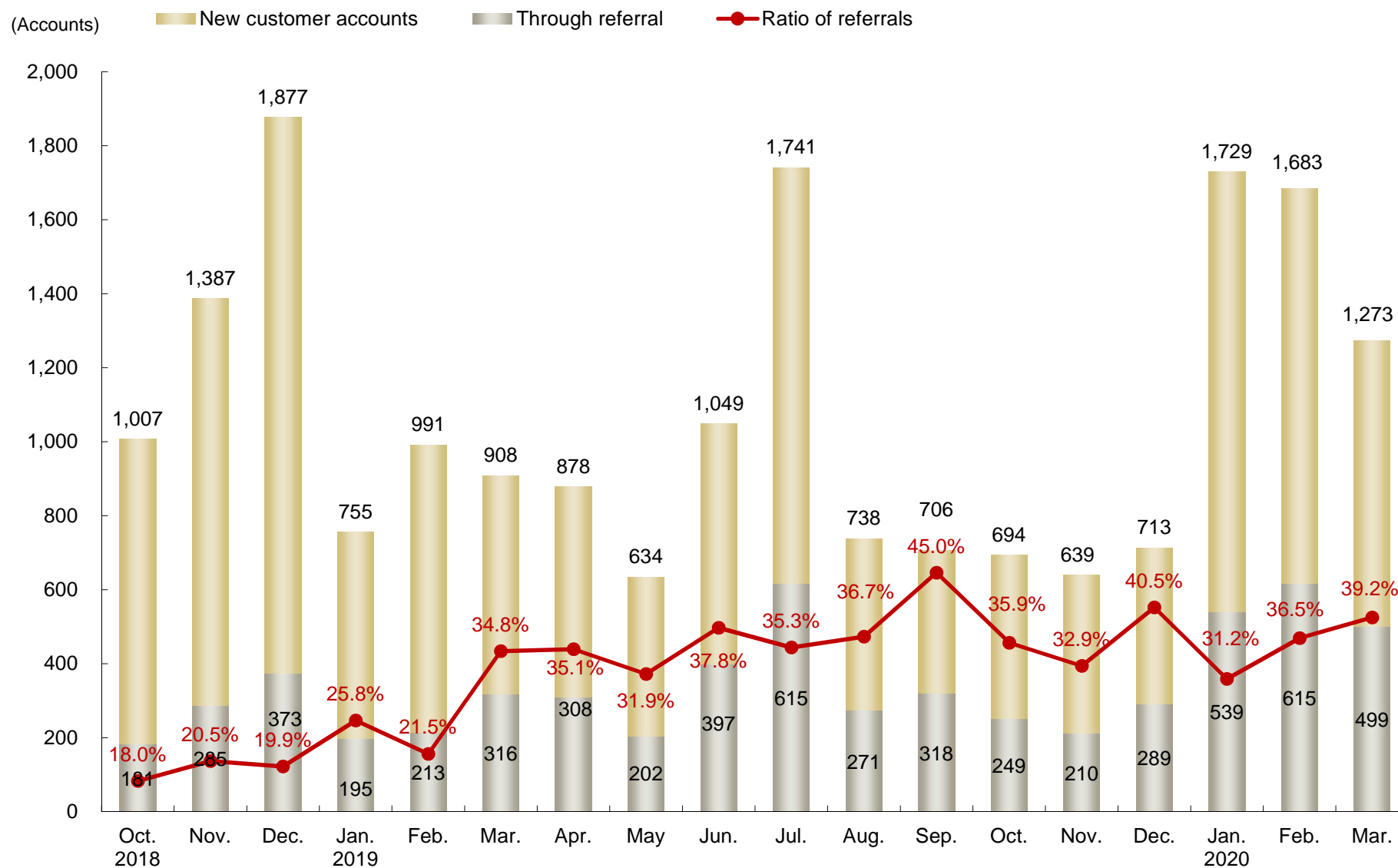
7. Number of Customer Accounts 【Retail】

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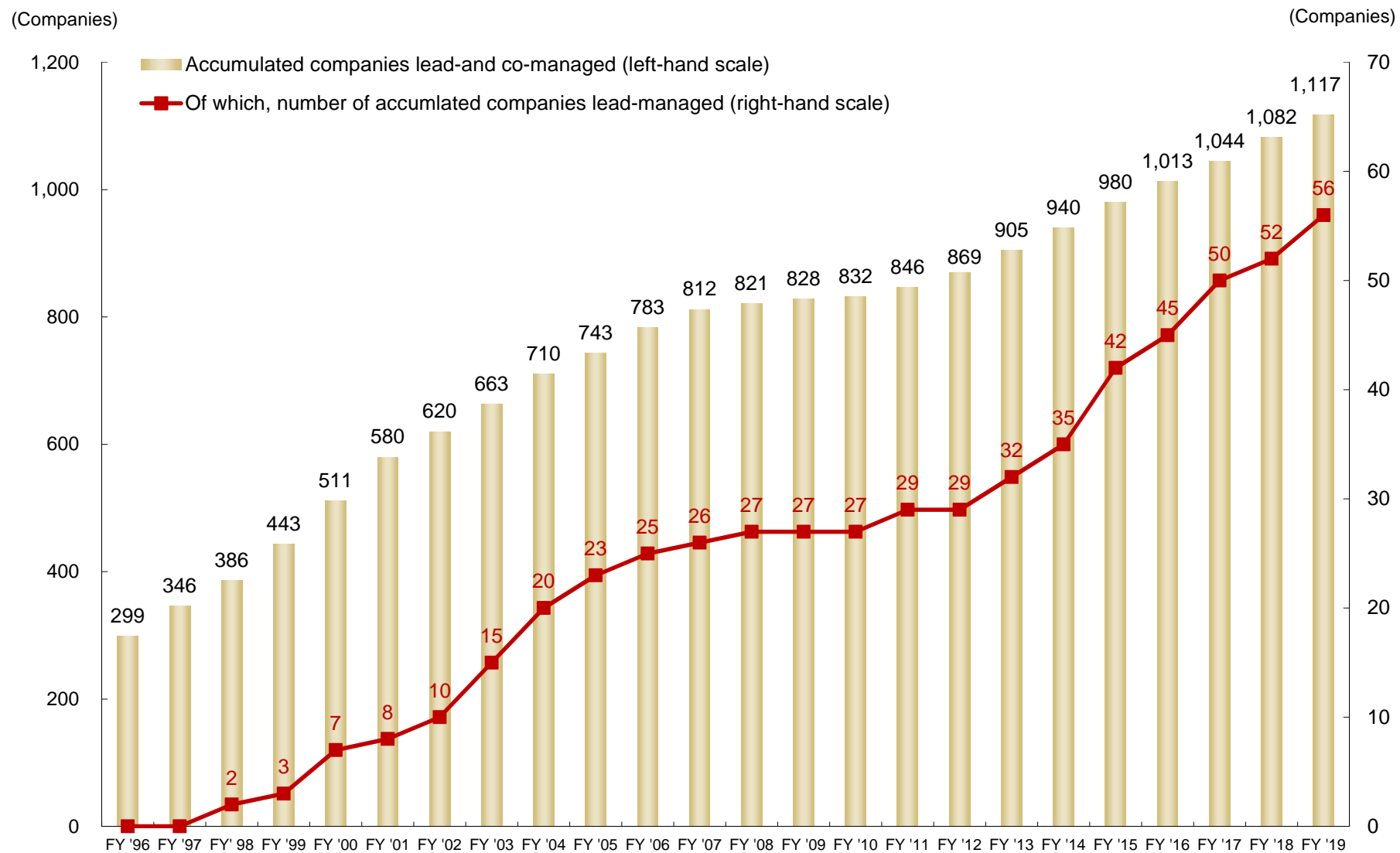
8. Number of New Customer Accounts and Ratio of Referrals 【Retail】

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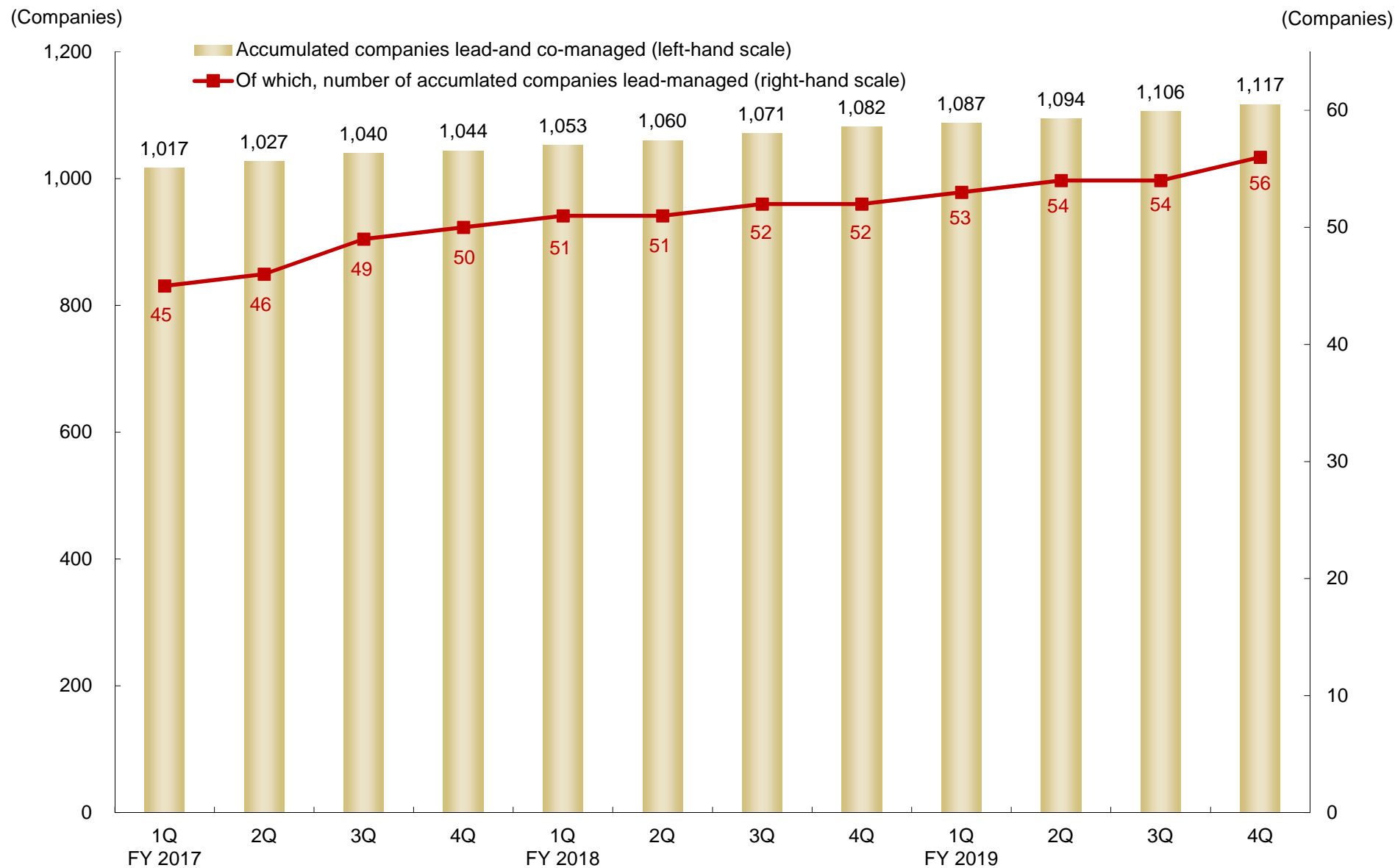
9. Accumulated Companies Lead- and Co-managed

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10. Quarterly Accumulated Companies Lead- and Co-managed

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