

IR Presentation for Fiscal year ended March 2016

April 2016

Ichiyoshi Securities Co., Ltd.

I . Business Results (Consolidated)

(Changes in presentation method)

With respect to cost of sales of office supplies by a consolidated subsidiary, the Company previously itemized the cost as “clerical expenses” or “others” under “operating cost and expenses”, but effective from the fiscal 2015 (consolidated) started to itemize it under “other operating expenses.”

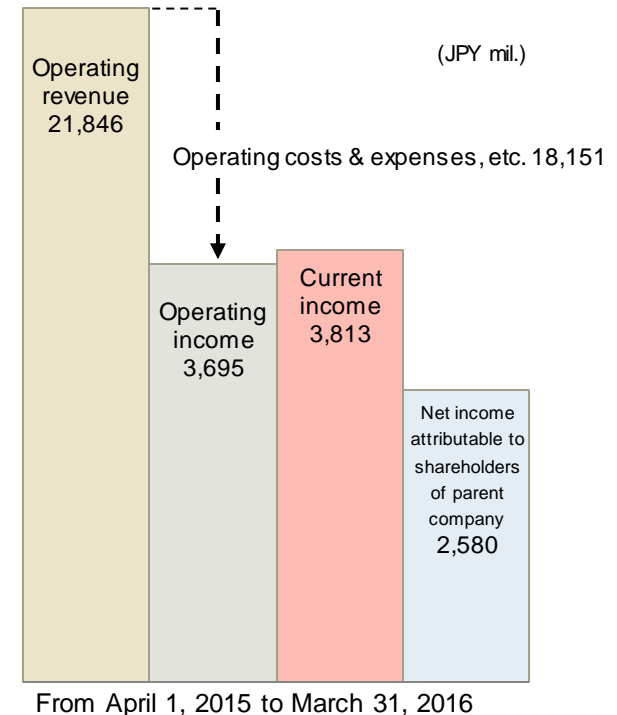
Hence, formerly disclosed figures of “net operating revenue”, “operating cost and expenses”, and “clerical expenses” and “others” under “operating cost and expenses” are replaced with figures under the new itemization. In addition, “other operating expenses” is newly indicated under “net operating revenue.”

1. Profit & Loss

- ◆ Operating revenue amounted to 21,846 million yen, an increase of 1,433 million yen (up 7.0%) from the previous fiscal year end.
- ◆ Current income amounted to 3,813 million yen, an increase of 101 million yen (up 2.7%) from the previous fiscal year end.
- ◆ Net income attributable to shareholders of parent company amounted to 2,580 million yen, a decrease of 809 million yen (down 23.9%) from the previous fiscal year end.

	(JPY mil.)			
	2015/3	2016/3	Year-on-Year	Year-on-Year
Operating revenue	20,413	21,846	7.0%	1,433
Operating costs & expenses	15,534	16,651	7.2%	1,117
Current income	3,711	3,813	2.7%	101
Extraordinary income	1,532	161	▲89.4%	▲1,370
Extraordinary loss	78	35	▲54.2%	▲42
Corporate tax	1,645	1,267	▲23.0%	▲377
Tax adjustment	119	81	▲31.8%	▲38
Net income attributable to shareholders of parent company	3,389	2,580	▲23.9%	▲809

	EPS	ROE
2016/3	58.88 yen	7.7%
2015/3	77.52 yen	10.3%

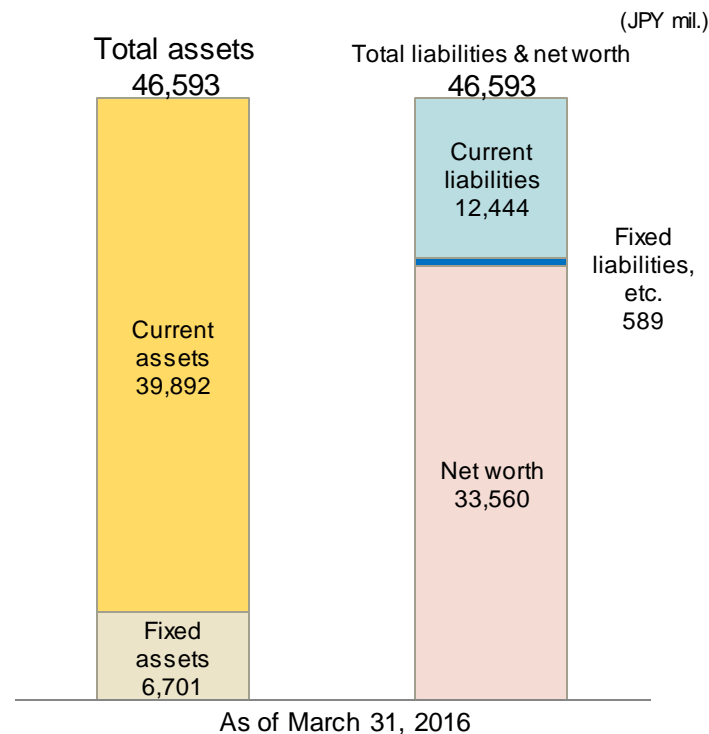


2. Balance Sheets / Financial Results

- ◆ Total assets amounted to 46,593 million yen, a decrease of 1,648 million yen (down 3.4%) from the previous fiscal year end, as margin transaction assets, and investment securities slid.
- ◆ Total liabilities amounted to 13,033 million yen, a decrease of 1,518 million yen (down 10.4%) from the previous fiscal year end, as cash payable to customers, margin transaction liabilities, and deferred tax liabilities slid.

	(JPY mil.)			
	2015/3	2016/3	Year-on-Year	Year-on-Year
Assets				
Current assets	40,613	39,892	▲1.8%	▲721
Fixed assets	7,628	6,701	▲12.2%	▲927
Total assets	48,242	46,593	▲3.4%	▲1,648
Liabilities				
Current liabilities	13,805	12,444	▲9.9%	▲1,361
Fixed liabilities	561	406	▲27.7%	▲155
Total liabilities	14,551	13,033	▲10.4%	▲1,518
Net worth				
Net worth	33,690	33,560	▲0.4%	▲130
Total liabilities & net worth	48,242	46,593	▲3.4%	▲1,648

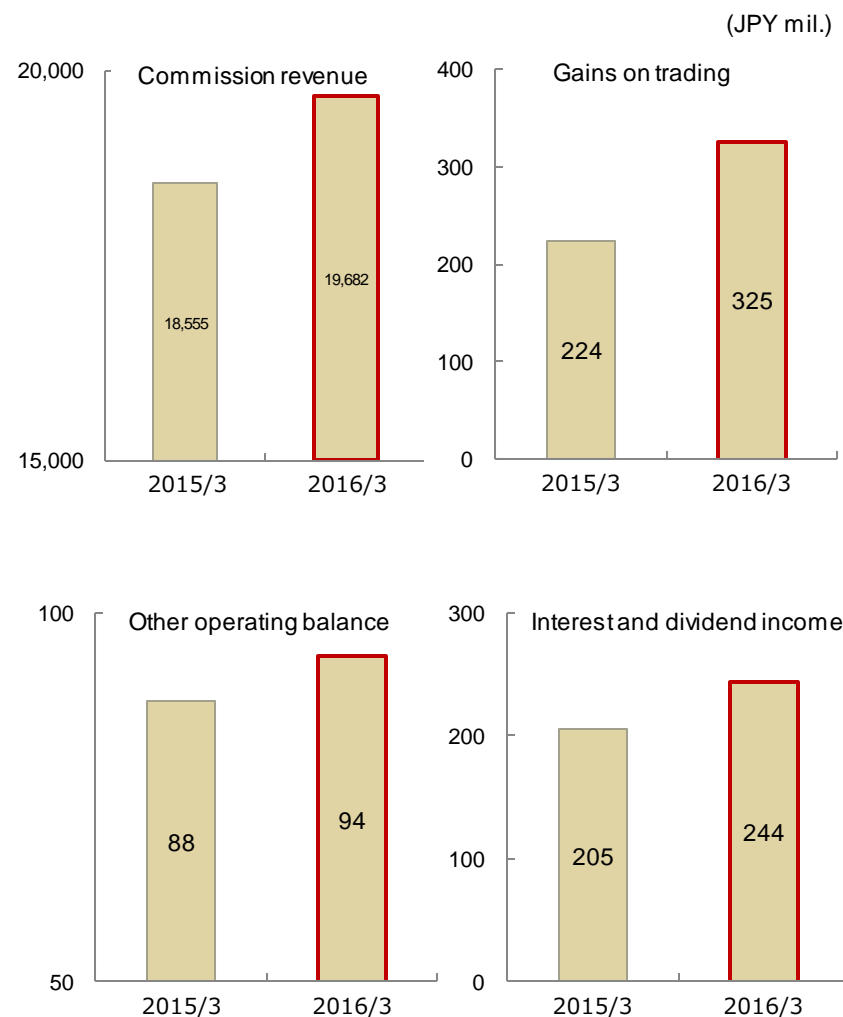
	Equity ratio	Net worth per share	Capital adequacy ratio (non-consolidated)
2016/3	71.5%	763.66 yen	593.5%
2015/3	69.4%	760.01 yen	602.4%



3. Breakdown of Net Operating Revenue

- ◆ Commission revenue amounted to 19,682 million yen, an increase of 1,126 million yen (up 6.1%) from the previous fiscal year end, as fees from underwriting rose.

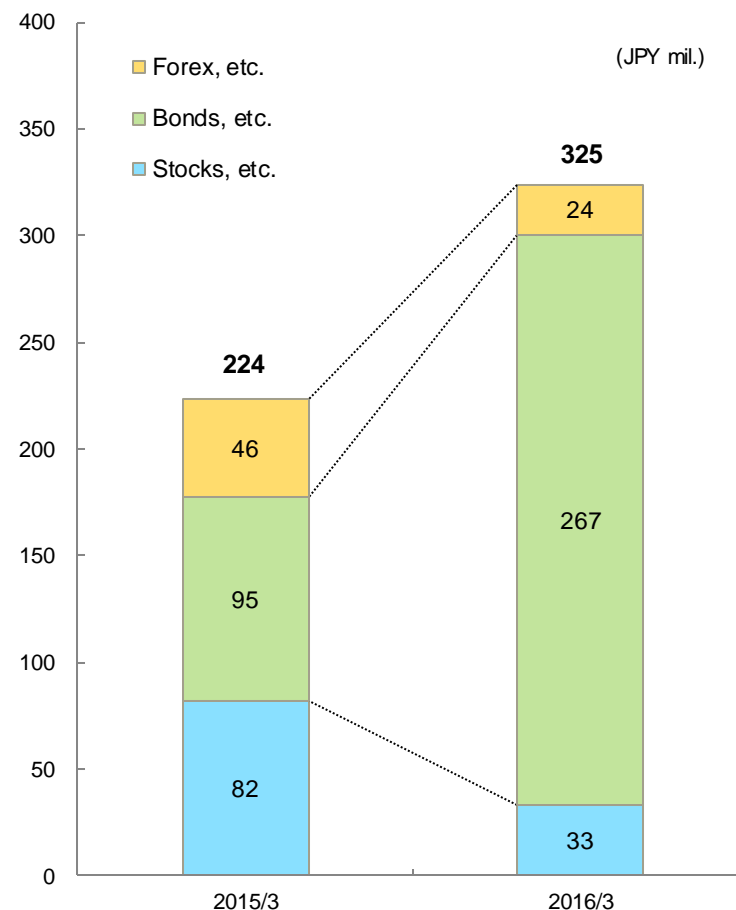
	(JPY mil.)			
	2015/3	2016/3	Year-on-Year	Year-on-Year
Commission revenue	18,555	19,682	6.1%	1,126
Gains on trading	224	325	45.1%	101
Other operating balance	88	94	7.4%	6
Interest and dividend income	205	244	18.7%	38
Total	19,073	20,346	6.7%	1,272



4. Breakdown of Gains on Trading

- ◆ Gains on trading amounted to 325 million yen, an increase of 101 million yen (up 45.1%) from the previous fiscal year end, as trading on bonds gained.

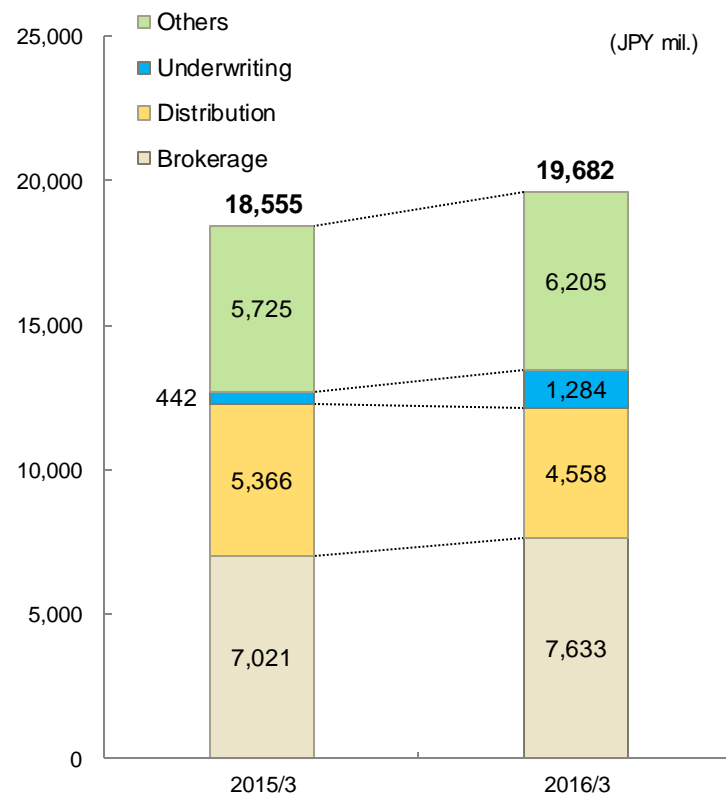
	2015/3	2016/3	Year-on-Year	Year-on-Year
				(JPY mil.)
Stocks, etc.	82	33	▲59.0%	▲48
Bonds・Forex, etc.	141	291	105.9%	150
(Bonds, etc.)	(95)	(267)	181.4%	172
(Forex, etc.)	(46)	(24)	▲47.9%	▲22
Total	224	325	45.1%	101



5. Breakdown of Commission Revenue

- ◆ Commissions from distribution of investment trusts amounted to 4,505 million yen, a decrease of 750 million yen (down 14.3%) from the previous fiscal year end, as subscription amount slid.
- ◆ Commissions from other sources amounted to 6,205 million yen, an increase of 480 million yen (up 8.4%) from the previous fiscal year end, as trailer fees of investment trusts rose.
- ◆ Fees from underwriting amounted to 1,284 million yen, an increase of 842 million yen (up 190.3%) from the previous fiscal year end, as the Company participated in the management and underwriting of 39 initial public offerings (of which 3 were lead-managed), acted as the sole advisor for an already listed issuer to upgrade its listing exchange, and managed and underwrote 10 public offerings of shares of other listed issuer (of which 5 were lead-managed).

	2015/3	2016/3	Year-on-Year	Year-on-Year
(JPY mil.)				
Commission revenue	18,555	19,682	6.1%	1,126
Brokerage				
Stocks	6,766	7,254	7.2%	488
Distribution				
Investment trusts sales charge	5,256	4,505	▲14.3%	▲750
Underwriting				
IPO	347	587	69.2%	240
PO	95	695	630.4%	600
Total	442	1,284	190.3%	842
Commissions from other sources				
Investment trusts trailer fees	4,941	5,425	9.8%	483
Others	784	780	▲0.4%	▲3
Total	5,725	6,205	8.4%	480



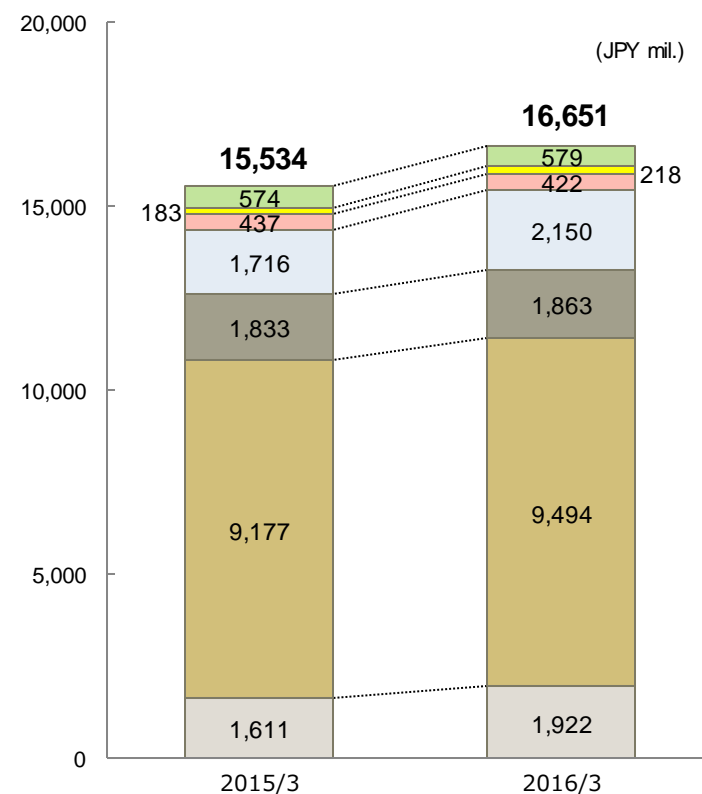
Top 3 Best Selling Investment Trusts (Total amount of 2016/3 4Q)	
① LM Australia High Dividend Fund (Monthly Dividend)	5.9 billion yen
② UBS Global CB Open (Monthly Settlement, Currency Non-Hedged)	4.7 billion yen
③ Fidelity US REIT Fund B (Currency Non-Hedged)	4.4 billion yen

Subscription amount of investment trusts (2016/3 4Q)	Balances of investment trusts (As of March 31, 2016)
53.8 billion yen	804.8 billion yen

6. Operating Cost and Expenses

- ◆ Operating cost and expenses amounted to 16,651 million yen, an increase of 1,117 million yen (up 7.2%) from the previous fiscal year end, as personnel expenses and clerical expenses rose.

	2015/3	2016/3	Year-on-Year	Year-on-Year
				(JPY mil.)
Transaction related expenses	1,611	1,922	19.3%	311
Personnel expenses	9,177	9,494	3.5%	317
Property related expenses	1,833	1,863	1.6%	29
Clerical expenses	1,716	2,150	25.3%	433
Depreciation	437	422	▲3.4%	▲15
Public charges	183	218	19.2%	35
Others	574	579	0.9%	4
Total	15,534	16,651	7.2%	1,117



<Reference> Fixed cost and Variable cost (2016/3, non-consolidated basis)

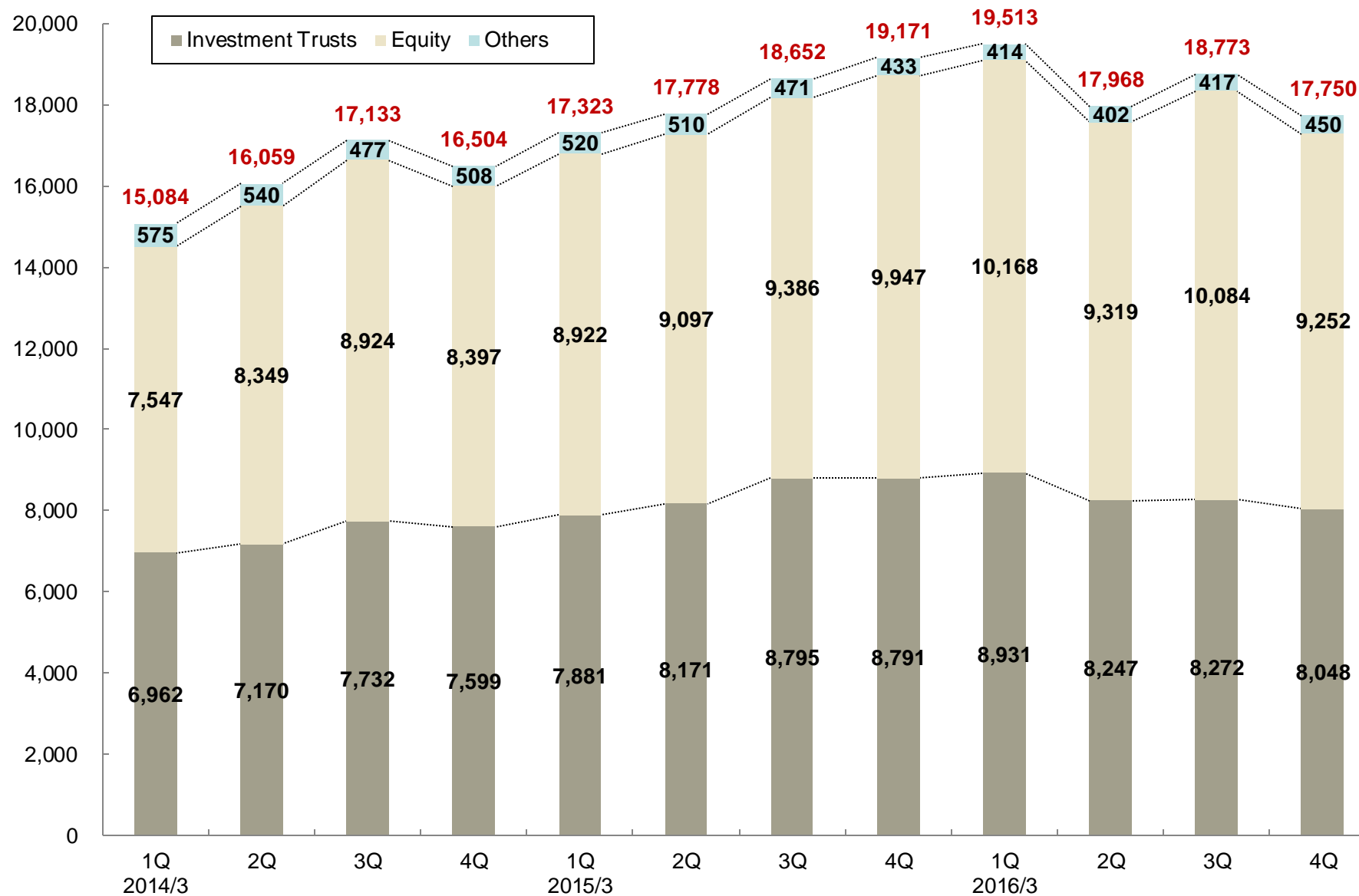
Fixed cost	11,888
Variable cost	4,436

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

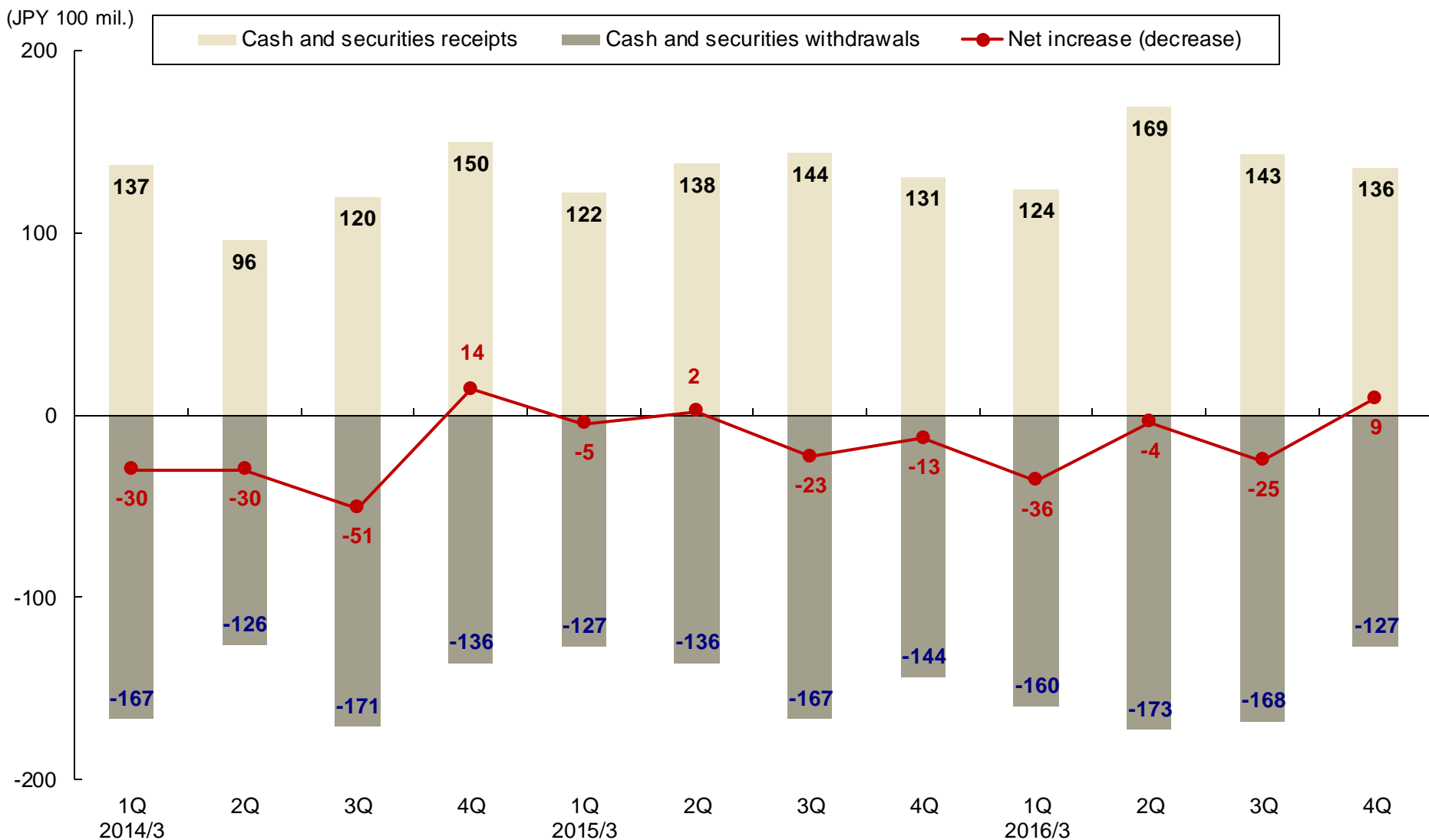
II . Business Circumstances

1. Customer Assets under Custody

(JPY 100 mil.)

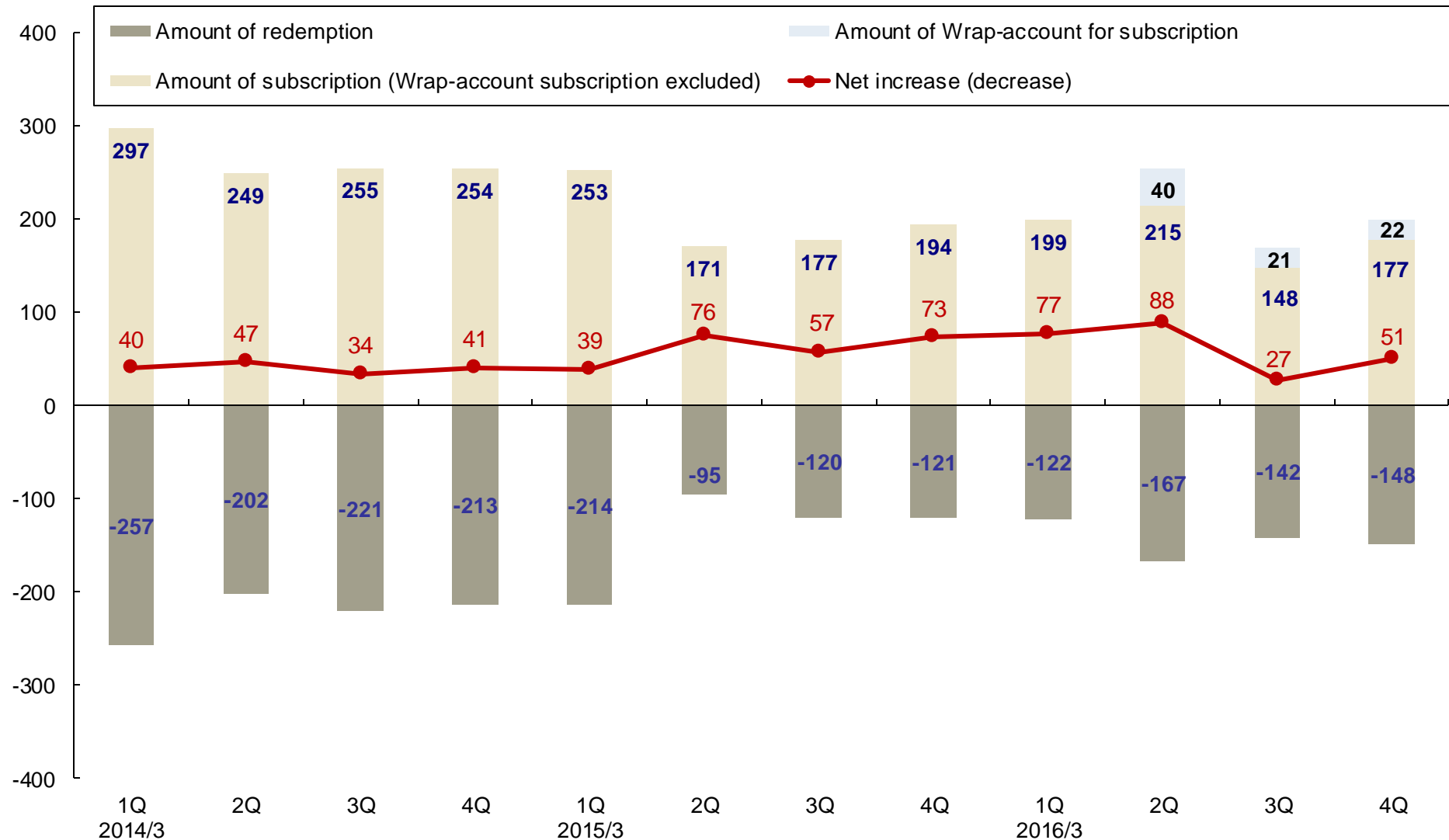


2. Cash and Securities Receipts/ Cash and Securities Withdrawals/ Net Increase (Monthly Average) 【Retail】



3. Subscription/ Redemption/ Net Increase of Investment Trusts (Monthly Average)

(JPY 100 mil.)



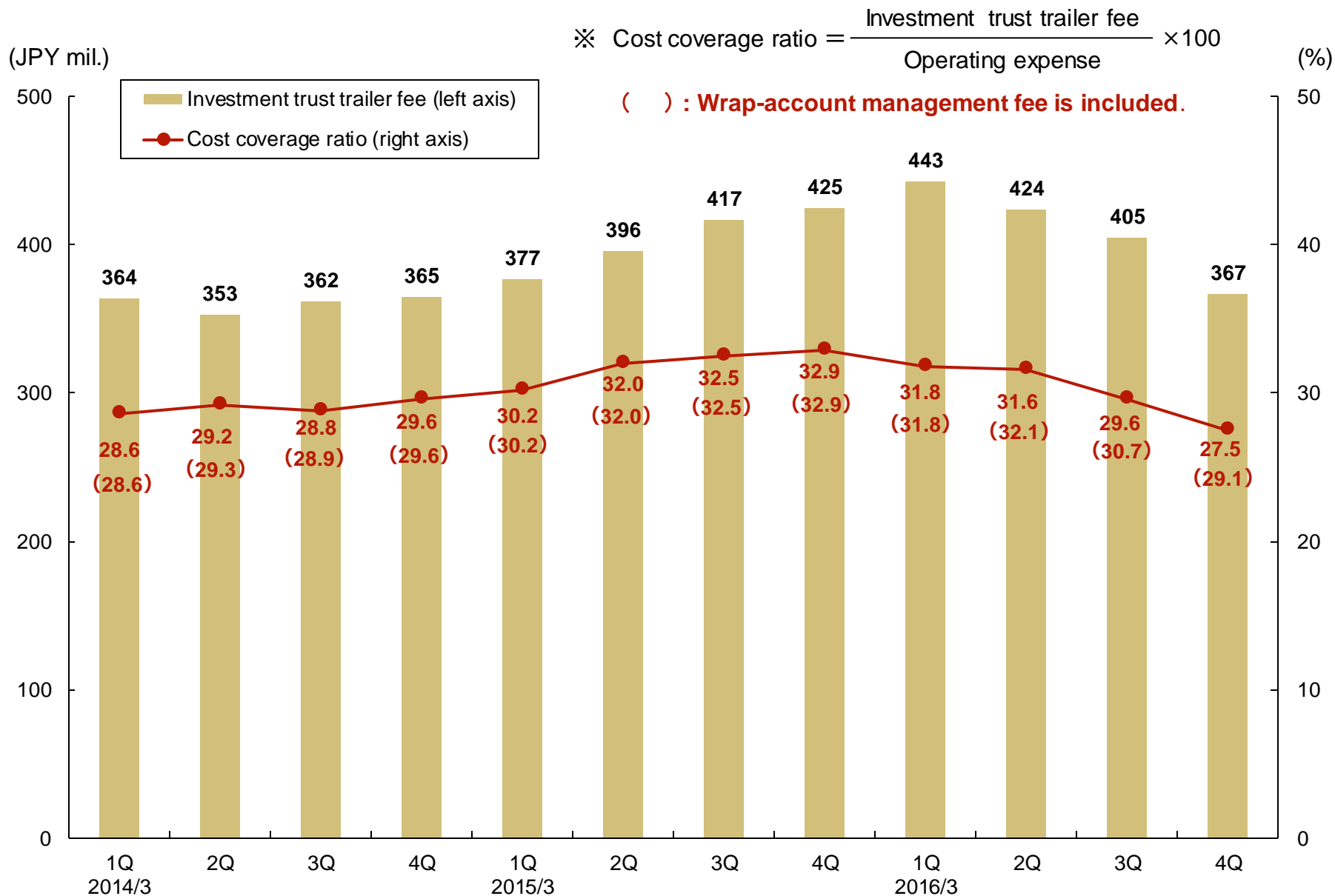
4. Top 5 Best Selling Investment Trusts (Total Amounts of 3 Months) 【Retail】

(JPY100 mil.)

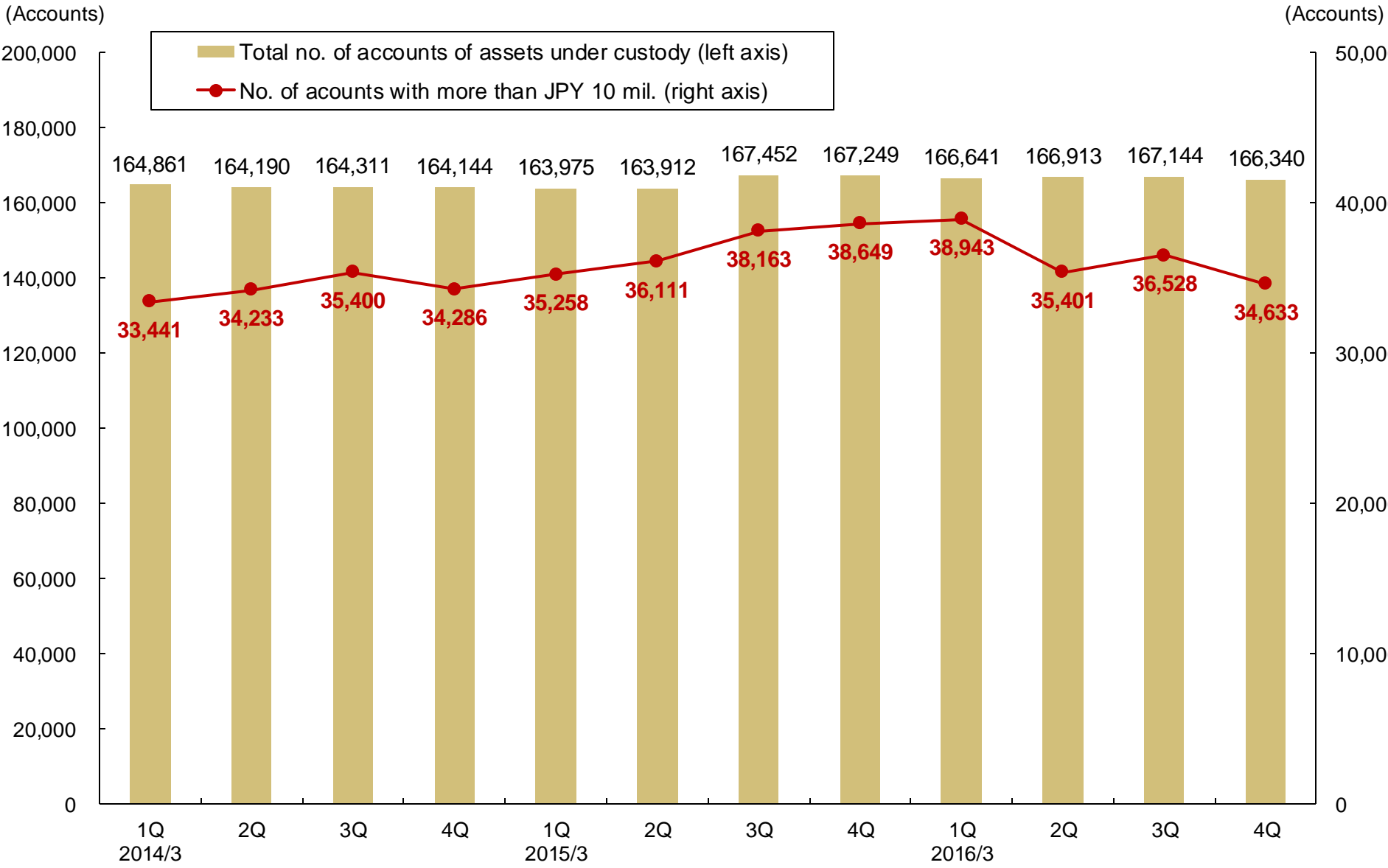
	2014/3				2015/3				2016/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
LM Australia High Dividend Fund (Monthly Dividend)											35	59
UBS Global CB Open		36							120	152	70	47
Fidelity US REIT Fund B (Currency Non-Hedged)												44
Pictet Global Income Stock Fund	227	84	69	85	68	46	34	59	37	56	43	35
LM Australia Monthly Distribution Fund				78	126	91	86	117	87	51	28	25
Pictet Emerging Country Income Stock Fund	82	159	167	83	111	83	75	79	64	36	25	
Ichiyoshi Infrastructure Growth Stock Fund							164	121	92	32		
HSBC New Leaders Sovereign Open	108	144	130	97	103	52	36	46				
Global Floating Rate Note Fund (JPY Hedge Course)					62	30						
Japan Mid/Small Growth Stock Active Fund			72	143								
Japan Recover Growth Stock Fund	116	98	71									
Global REIT Open	53											

5. Trend of Investment Trust Trailer Fee and its Cost Coverage

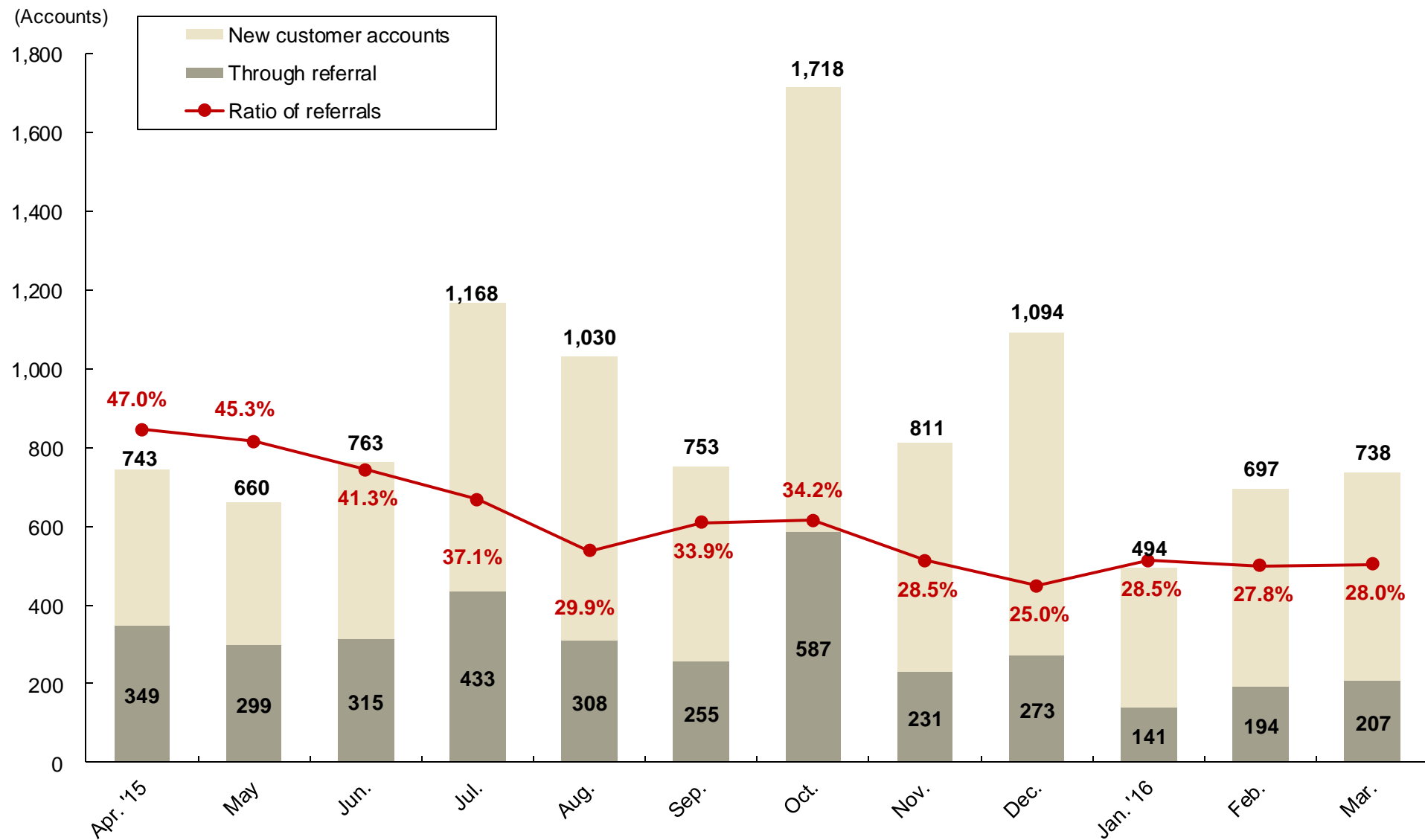
(Monthly Average/Non-Consolidated Basis)



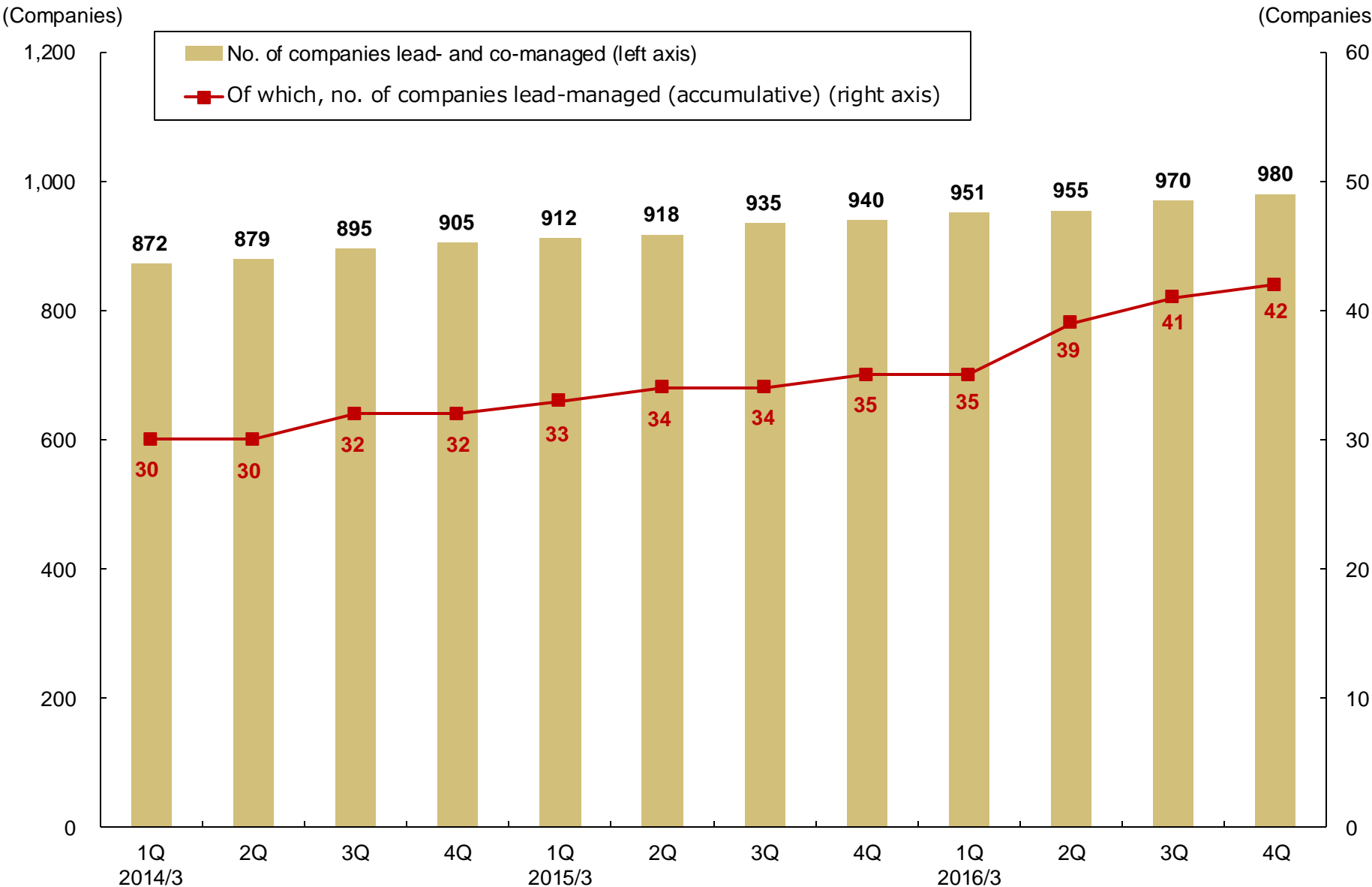
6. Number of Customer Accounts 【Retail】



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



8. Accumulated Number of Companies Lead- and Co-managed



III. Quarterly Transition

(Changes in presentation method)

With respect to cost of sales of office supplies by a consolidated subsidiary, the Company previously itemized the cost as “clerical expenses” or “others” under “operating cost and expenses”, but effective from the fiscal 2015 (consolidated) started to itemize it under “other operating expenses.”

Hence, formerly disclosed figures of “net operating revenue”, “operating cost and expenses”, and “clerical expenses” and “others” under “operating cost and expenses” are replaced with figures under the new itemization. Formerly disclosed figures are indicated in parentheses. In addition, “other operating expenses” is newly indicated under “net operating revenue.”

1. Profit & Loss

(JPY mil.)

	2015/3				2016/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Operating revenue	5,082	4,763	5,171	5,395	5,811	5,414	5,707	4,913	▲13.9%	▲8.9%
Operating cost & expenses	3,806 (4,115)	3,788 (4,075)	3,968 (4,283)	3,971 (4,319)	4,267	4,110	4,178	4,094	▲2.0%	3.1%
Current income	992	696	905	1,116	1,208	1,007	1,170	427	▲63.5%	▲61.8%
Extraordinary income	468	690	373	—	49	88	4	18	293.8%	—
Extraordinary loss	9	27	12	28	—	18	13	4	▲68.7%	▲85.7%
Corporate tax	206	613	339	485	309	545	193	219	13.5%	▲54.8%
Tax adjustment	336	▲176	167	▲207	128	▲144	234	▲136	—	—
Net income attributable to shareholders of parent company	907	919	757	804	817	674	731	356	▲51.2%	▲55.7%

* As explained in the notes on page 17, the figures in parentheses are formerly disclosed figures.

2. Financial Results

	2015/3				2016/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total assets (JPY mil.)	48,361	51,352	52,050	48,242	53,677	60,317	55,182	46,593	▲15.6%	▲3.4%
Net worth (JPY mil.)	31,764	32,686	32,432	33,690	33,713	33,842	33,443	33,560	0.4%	▲0.4%
Equity ratio (%)	65.4	63.3	62.0	69.4	62.4	55.7	60.2	71.5	—	—
Net worth per share (JPY)	726.66	743.19	734.61	760.01	760.01	770.78	761.14	763.66	—	—
Capital adequacy ratio (%) (non-consolidated basis)	574.7	585.3	592.0	602.4	595.7	585.3	570.3	593.5	—	—
EPS (JPY)	20.84	41.94	59.22	77.52	18.54	33.89	50.66	58.88	—	—
ROE (%)	2.8	5.6	8.0	10.3	2.4	4.4	6.7	7.7	—	—

3. Balance Sheets

(JPY mil.)

2015/3				2016/3				Quarter-on-Quarter	Year-on-Year
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		

Assets

Current assets	40,299	43,668	44,983	40,613	46,091	52,943	48,046	39,892	▲17.0%	▲1.8%
Fixed assets	8,061	7,684	7,067	7,628	7,586	7,374	7,135	6,701	▲6.1%	▲12.2%
Total assets	48,361	51,352	52,050	48,242	53,677	60,317	55,182	46,593	▲15.6%	▲3.4%

Liabilities

Current liabilities	15,396	17,484	18,697	13,805	19,228	25,770	21,035	12,444	▲40.8%	▲9.9%
Fixed liabilities	1,048	1,018	745	561	551	520	520	406	▲22.0%	▲27.7%
Total liabilities	16,596	18,666	19,617	14,551	19,964	26,475	21,739	13,033	▲40.0%	▲10.4%

Net worth

Net worth	31,764	32,686	32,432	33,690	33,713	33,842	33,443	33,560	0.4%	▲0.4%
Total liabilities & net worth	48,361	51,352	52,050	48,242	53,677	60,317	55,182	46,593	▲15.6%	▲3.4%

4. Breakdown of Net Operating Revenue

(JPY mil.)

	2015/3				2016/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Commission revenue	4,657	4,324	4,678	4,894	5,276	4,923	5,112	4,369	▲14.5%	▲10.7%
Gains on trading	37	61	89	35	58	54	140	71	▲49.1%	102.1%
Interest and dividend income	57	69	68	89	79	84	84	67	▲19.5%	▲24.4%
Other operating revenue	329	307	335	375	396	352	370	405	9.5%	7.8%
Interest expenses	8	23	11	34	20	17	17	14	▲18.3%	▲58.1%
Other operating expenses	309	287	314	348	362	329	355	381	7.2%	9.3%
Total	4,764 (5,073)	4,451 (4,739)	4,845 (5,160)	5,012 (5,360)	5,428	5,067	5,333	4,518	▲15.3%	▲9.9%

* As explained in the notes on page 17, the figures in parentheses are formerly disclosed figures.

5. Breakdown of Gains on Trading

(JPY mil.)										
	2015/3				2016/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Stocks, etc.	11	20	41	8	33	39	6	▲45	—	—
Bonds • Forex, etc.	26	40	48	26	25	15	133	116	▲12.6%	336.5%
(Bonds, etc.)	(24)	(24)	(26)	(19)	(17)	(15)	(122)	(112)	▲8.3%	478.9%
(Forex, etc.)	(1)	(16)	(21)	(7)	(8)	(0)	(11)	(4)	▲58.2	▲36.0%
Total	37	61	89	35	58	54	140	71	▲49.1%	102.1%

6. Breakdown of Commission Revenue

(JPY mil.)

2015/3				2016/3				Quarter-on-Quarter	Year-on-Year
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		

Brokerage										
Stocks	1,335	1,686	1,809	1,934	2,157	1,609	1,907	1,579	▲17.2%	▲18.3%

Distribution										
Investment trusts sales charge	1,668	1,103	1,236	1,247	1,354	1,273	925	951	2.8%	▲23.7%

Underwriting										
IPO	276	38	25	6	15	83	166	321	92.7%	—
PO	0	45	42	6	28	246	420	0	▲99.8%	▲85.3
Total	276	84	68	12	43	330	587	322	▲45.0%	—

Others										
Investment trusts trailer fees	1,138 (1,133)	1,198 (1,186)	1,271 (1,243)	1,332 (1,227)	1,414	1,389	1,363	1,258	▲7.8%	▲5.6%
Others	175 (179)	187 (200)	198 (226)	222 (326)	191	189	245	155	▲36.8%	▲30.2%
Total	1,313	1,386	1,470	1,554	1,605	1,578	1,609	1,413	▲12.2%	▲9.1%

* Effective for the fiscal 2015 (consolidated), under “Others” above, the management fee earned by the consolidated subsidiary with respect to the investment trust established and managed by it, and the fees from wrap-accounts, shall be itemized as “Investment trusts trailer fees” rather than “Others”. The figures in parentheses are formerly disclosed figures.

7. Operating Cost and Expenses

(JPY mil.)

	2015/3				2016/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Transaction related expenses	432	381	411	386	416	478	530	497	▲6.1%	28.9%
Personnel expenses	2,209	2,229	2,381	2,356	2,506	2,359	2,349	2,278	▲3.0%	▲3.3%
Property related expenses	441	476	453	461	469	463	454	475	4.5%	2.9%
Clerical expenses	418 (714)	405 (683)	423 (725)	468 (800)	542	499	549	559	1.9%	19.4%
Depreciation	102	110	113	111	101	106	107	107	0.3%	▲3.6%
Public charges	42	48	47	45	58	60	56	44	▲21.8%	▲3.9%
Allowances for doubtful accounts	0	0	▲0	0	0	0	▲0	0	—	—
Others	158 (172)	137 (147)	137 (150)	140 (157)	173	143	131	130	▲0.7%	▲7.0%
Total	3,806 (4,115)	3,788 (4,075)	3,968 (4,283)	3,971 (4,319)	4,267	4,110	4,178	4,094	▲2.0%	3.1%

<Reference> Fixed cost and Variable cost are inscribed on non-consolidated basis.

Fixed cost	2,782	2,799	2,819	2,884	3,044	2,919	2,947	2,977	1.0%	3.2%
Variable cost	973	924	1,042	997	1,140	1,109	1,156	1,031	▲10.8%	3.4%

* As explained in the notes on page 17, the figures in parentheses are formerly disclosed figures.

Disclaimer

- This document is produced by Ichiyoshi Securities Co., Ltd.
- 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 Ichiyoshi Securities Co., Ltd.
- This presentation 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 Ichiyoshi Securities Co., Ltd.

Ichiyoshi Securities Co., Ltd.

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

Member association: Japan Securities Dealers Association

Japan Investment Advisers Association