

IR Presentation

for First quarter, year ended March 2017

July 2016

Ichiyoshi Securities Co., Ltd.

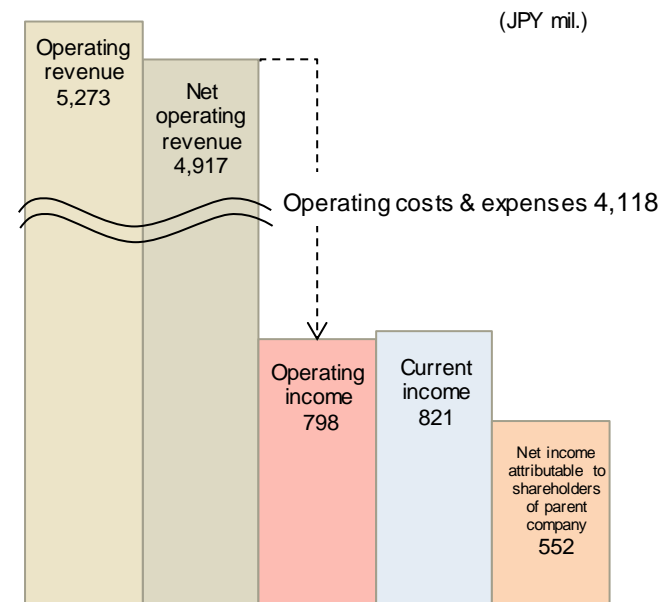
I . Business Results (Consolidated)

1. Profit & Loss

- ◆ Operating revenue amounted to 5,273 million yen, a decrease of 537 million yen (down 9.2%) from the year-earlier period.
- ◆ Current income amounted to 821 million yen, a decrease of 386 million yen (down 32.0%) from the year-earlier period.
- ◆ Net income attributable to shareholders of parent company amounted to 552 million yen, a decrease of 264 million yen (down 32.4%) from the year-earlier period.

	(JPY mil.)			
	2016/3 1Q	2017/3 1Q	Year-on- Year	Year-on- Year
Operating revenue	5,811	5,273	▲9.2%	▲537
Net operating revenue	5,428	4,917	▲9.4%	▲510
Operating costs & expenses	4,267	4,118	▲3.5%	▲149
Operating income	1,160	798	▲31.2%	▲361
Current income	1,208	821	▲32.0%	▲386
Extraordinary income and loss	49	29	▲40.4%	▲19
Income taxes	437	296	▲32.2%	▲141
Net income attributable to shareholders of parent company	817	552	▲32.4%	▲264

	EPS	ROE
2017/3 1Q	12.79 yen	1.7%
2016/3 1Q	18.54 yen	2.4%

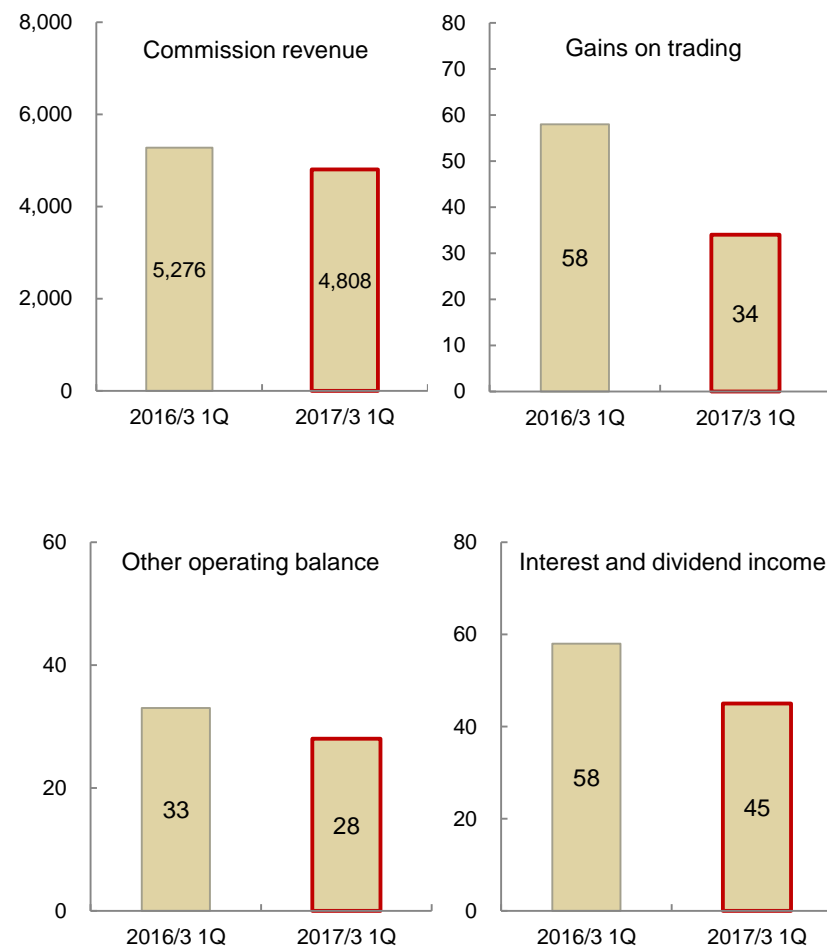


From April 1, 2016 to June 30, 2016

2. Breakdown of Net Operating Revenue

- ◆ Commission revenue amounted to 4,808 million yen, a decrease of 468 million yen (down 8.9%) from the year-earlier period, as brokerage commissions on stocks slid.
- ◆ Gains on trading amounted to 34 million yen, a decrease of 24 million yen (down 40.9%) from the year-earlier period, as trading on stocks slid.

	(JPY mil.)			
	2016/3 1Q	2017/3 1Q	Year-on- Year	Year-on- Year
Commission revenue	5,276	4,808	▲8.9%	▲468
Gains on trading	58	34	▲40.9%	▲24
Other operating balance	33	28	▲14.8%	▲4
Interest and dividend income	58	45	▲22.4%	▲13
Total	5,428	4,917	▲9.4%	▲510

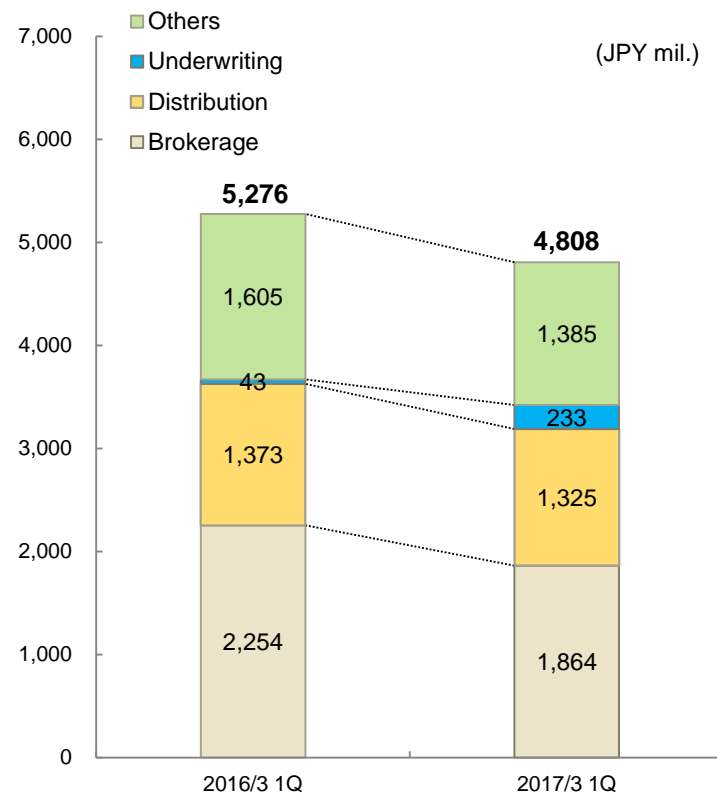


3. Breakdown of Commission Revenue

- ◆ Commissions from brokerage of stocks amounted to 1,787 million yen, a decrease of 369 million yen (down 17.1%) from the year-earlier period. Commissions from other sources (Investment trusts trailer fees and others) amounted to 1,249 million yen, a decrease of 164 million yen (down 11.6%) from the year-earlier period, as balance of investment trusts slid due to the net asset value fall.
- ◆ Fees from underwriting amounted to 233 million yen, an increase of 189 million yen (up 430.7%) from the year-earlier period, as the Company participated in the management and underwriting of 3 initial public offerings, and managed and underwrote 2 public offerings of shares of other listed issuer (of which 1 was lead-managed).

(JPY mil.)

	2016/3 1Q	2017/3 1Q	Year-on- Year	Year-on- Year
Commission revenue	5,276	4,808	▲8.9%	▲468
Brokerage				
Stocks	2,157	1,787	▲17.1%	▲369
Distribution				
Investment trusts sales charge	1,354	1,313	▲3.1%	▲41
Underwriting				
IPO	15	28	84.9%	12
PO	28	205	614.3%	176
Total	43	233	430.7%	189
Commissions from other sources				
Investment trusts (trailer fees and others)	1,414	1,249	▲11.6%	▲164
Other than investment trusts	191	135	▲28.9%	▲55
Total	1,605	1,385	▲13.7%	▲219



Top 3 Best Selling Investment Trusts (Total amount of 2017/3 1Q)

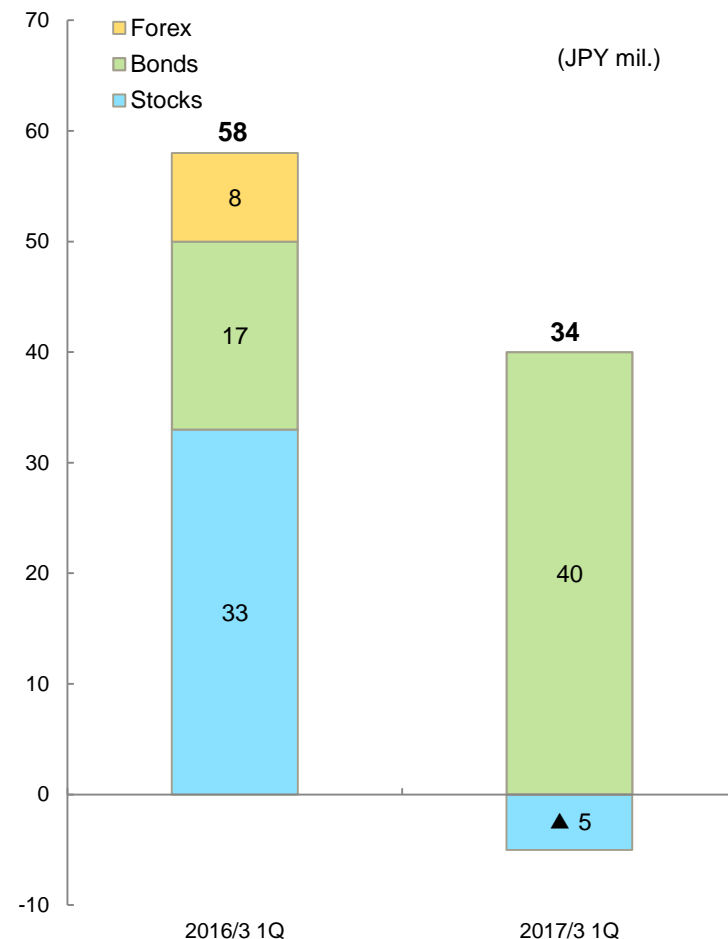
① Fidelity US REIT Fund B (Currency Non-Hedged)	14.6 billion yen
② Ichiyoshi Small-and mid cap Growth Companies Fund (Asunaro)	9 billion yen
③ Shinko J-REIT Open	7.4 billion yen

Subscription amount of investment trusts	Balances of investment trusts
66.1 billion yen	752.8 billion yen

4. Breakdown of Gains on Trading

- ◆ Gains on trading amounted to 34 million yen, a decrease of 24 million yen (down 40.9%) from the year-earlier period, as trading on stocks slid.

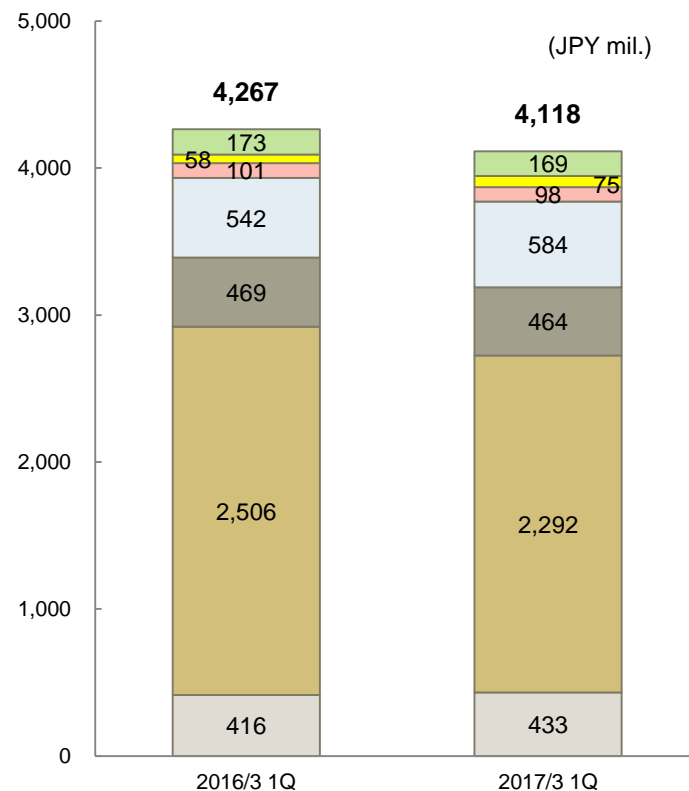
	2016/3 1Q	2017/3 1Q	Year-on- Year	Year-on- Year
Stocks	33	▲5	—	▲38
Bonds・Forex	25	40	55.4%	14
(Bonds)	(17)	(40)	131.6%	23
(Forex)	(8)	(▲0)	—	▲8
Total	58	34	▲40.9%	▲24



5. Operating Cost and Expenses

- ◆ Operating cost and expenses amounted to 4,118 million yen, a decrease of 149 million yen (down 3.5%) from the year-earlier period, as personnel expenses and other items slid.

	2016/3 1Q	2017/3 1Q	Year-on- Year	Year-on- Year
Transaction related expenses	416	433	4.2%	17
Personnel expenses	2,506	2,292	▲8.5%	▲214
Property related expenses	469	464	▲1.1%	▲5
Clerical expenses	542	584	7.9%	42
Depreciation	101	98	▲3.4%	▲3
Public charges	58	75	30.1%	17
Others	173	169	▲2.4%	▲4
Total	4,267	4,118	▲3.5%	▲149



<Reference> Fixed cost and Variable cost (2017/3 1Q, non-consolidated basis)

Variable cost	1,001
Fixed cost	3,040

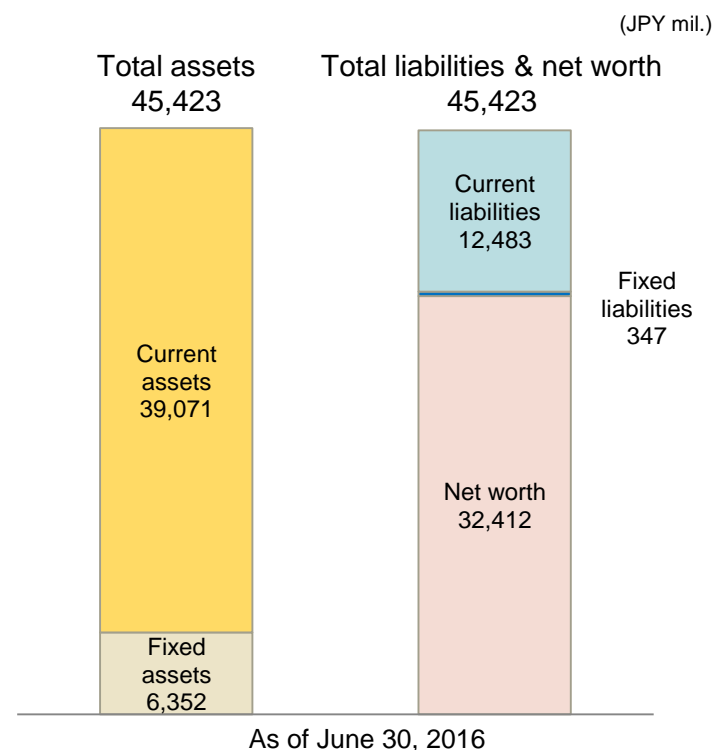
- Transaction related expenses
- Personnel expenses
- Property related expenses
- Clerical expenses
- Depreciation
- Public charges
- Others

6. Balance Sheets / Financial Results

- ◆ Total assets amounted to 45,423 million yen, a decrease of 1,169 million yen (down 2.5%) from the previous fiscal year end, as margin transaction assets, and segregated cash and statutory deposits slid.
- ◆ Total liabilities amounted to 13,011 million yen, a decrease of 21 million yen (down 0.2%) from the previous fiscal year end, as margin transaction liabilities rose, and income taxes payable slid.

(JPY mil.)				
	2016/3	2017/3 1Q	Quarter-on- Quarter	Quarter-on- Quarter
Assets				
Current assets	39,892	39,071	▲2.1%	▲820
Fixed assets	6,701	6,352	▲5.2%	▲349
Total assets	46,593	45,423	▲2.5%	▲1,169
Liabilities				
Current liabilities	12,444	12,483	0.3%	38
Fixed liabilities	406	347	▲14.4%	▲58
Total liabilities	13,033	13,011	▲0.2%	▲21
Net worth				
Net worth	33,560	32,412	▲3.4%	▲1,148
Total liabilities & net worth	46,593	45,423	▲2.5%	▲1,169

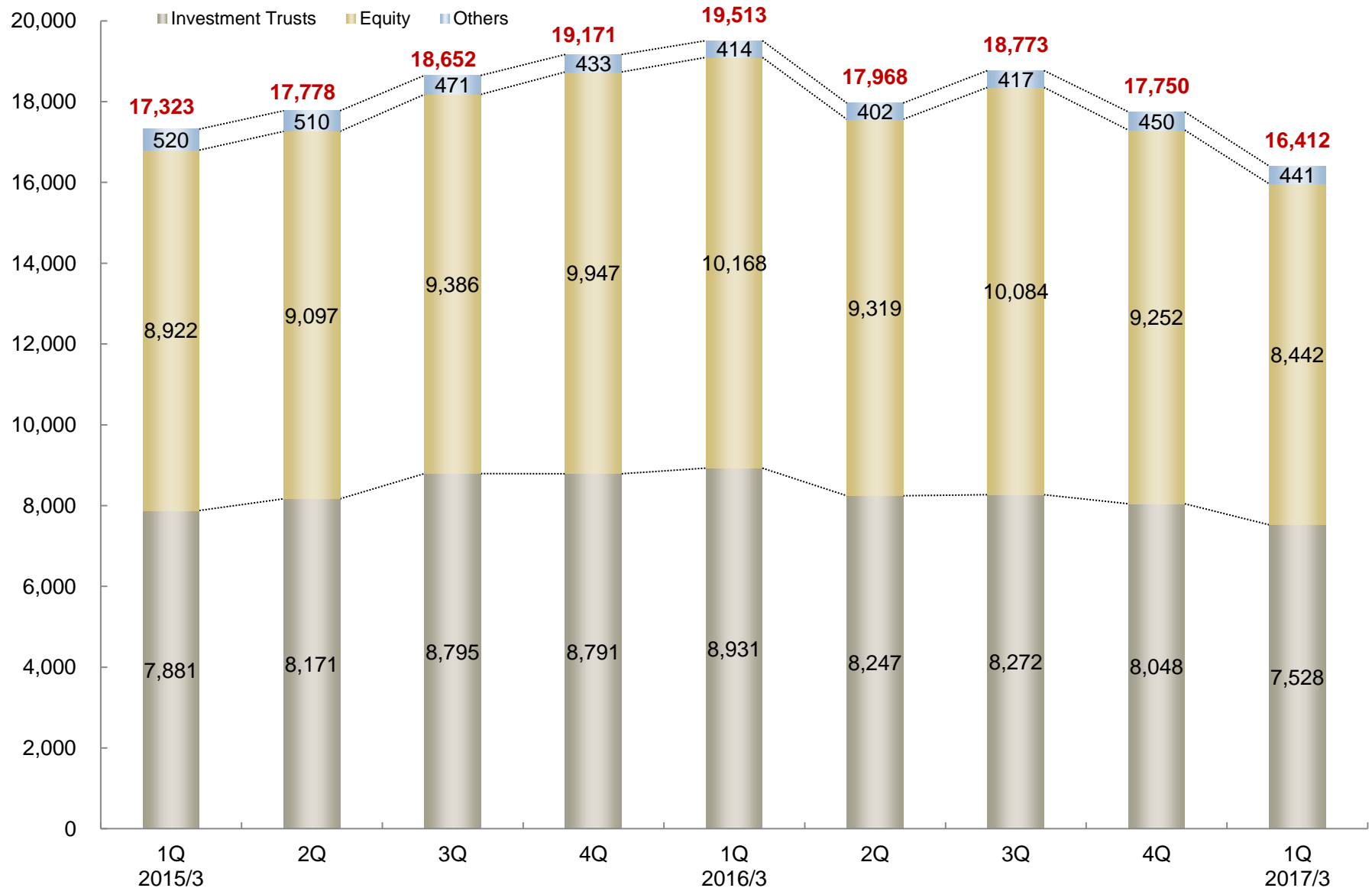
	Equity ratio	Net worth per share	Capital adequacy ratio (non-consolidated)
2017/3 1Q	70.8%	745.75 yen	580.8%
2016/3	71.5%	763.66 yen	593.5%



II . Business Circumstances

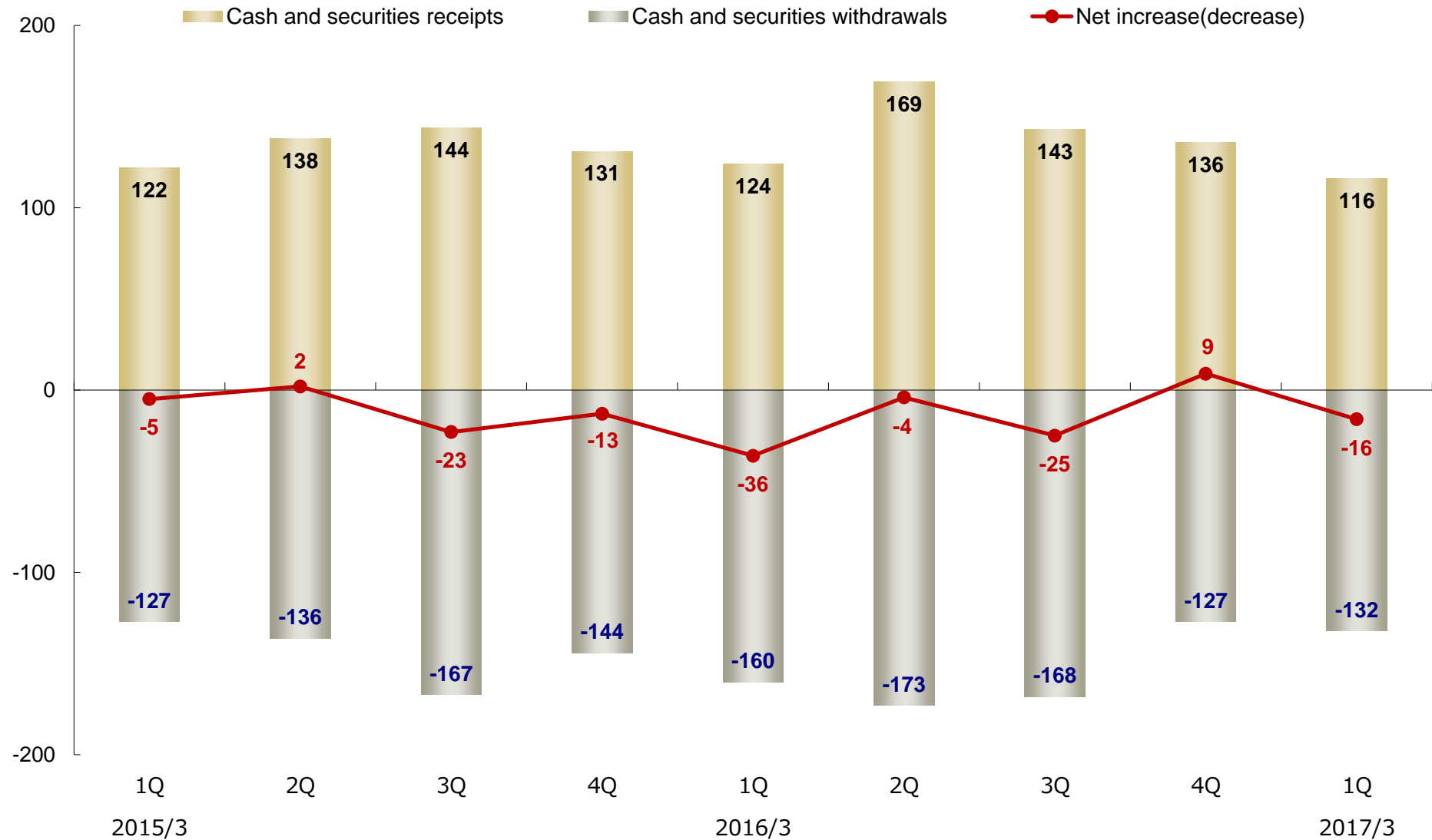
1. Customer Assets under Custody

(JPY 100 mil.)



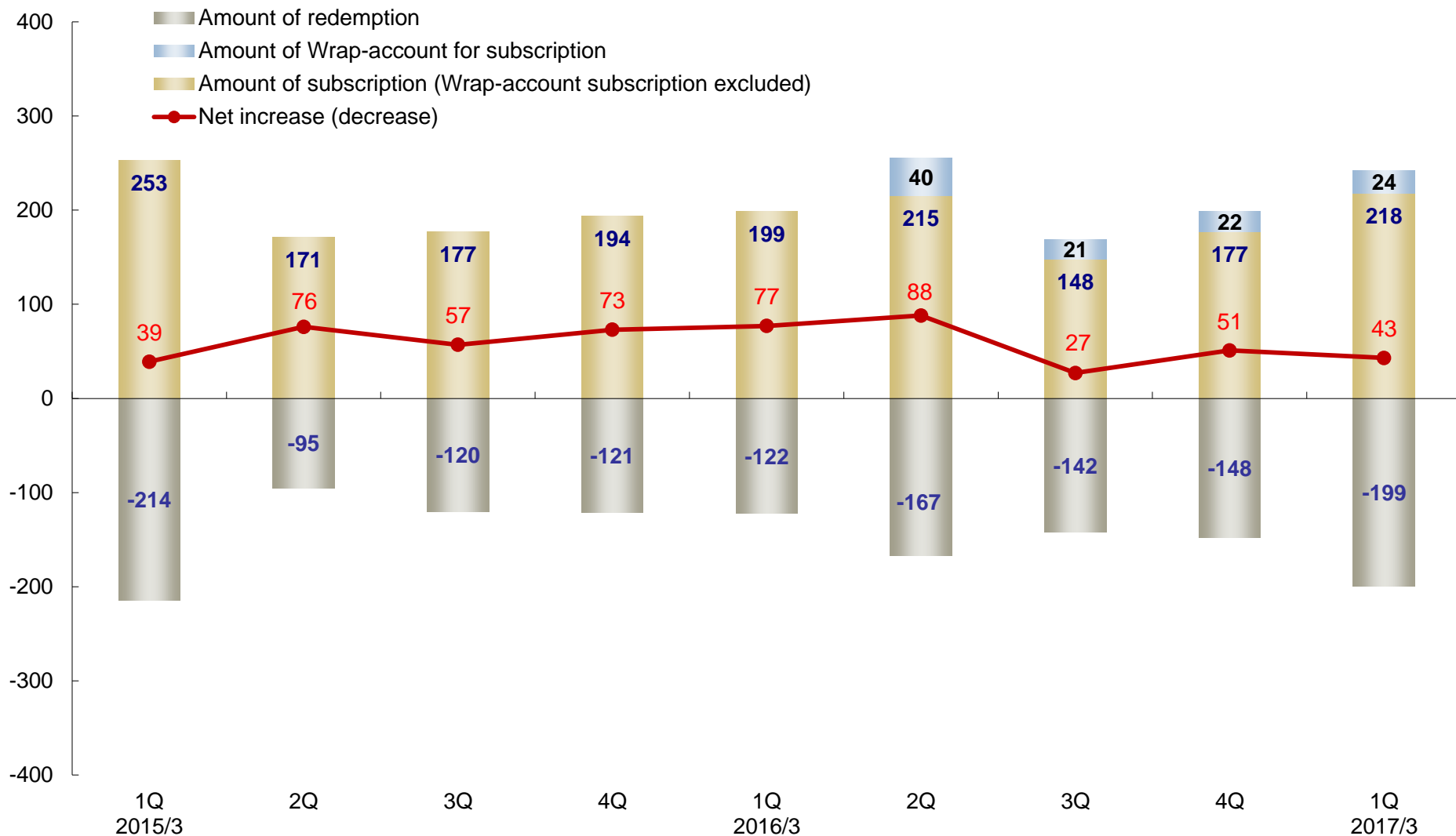
2. Cash and Securities Receipts/ Cash and Securities Withdrawals/ Net Increase (Monthly Average) 【Retail】

(JPY 100 mil.)



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

(JPY 100 mil.)

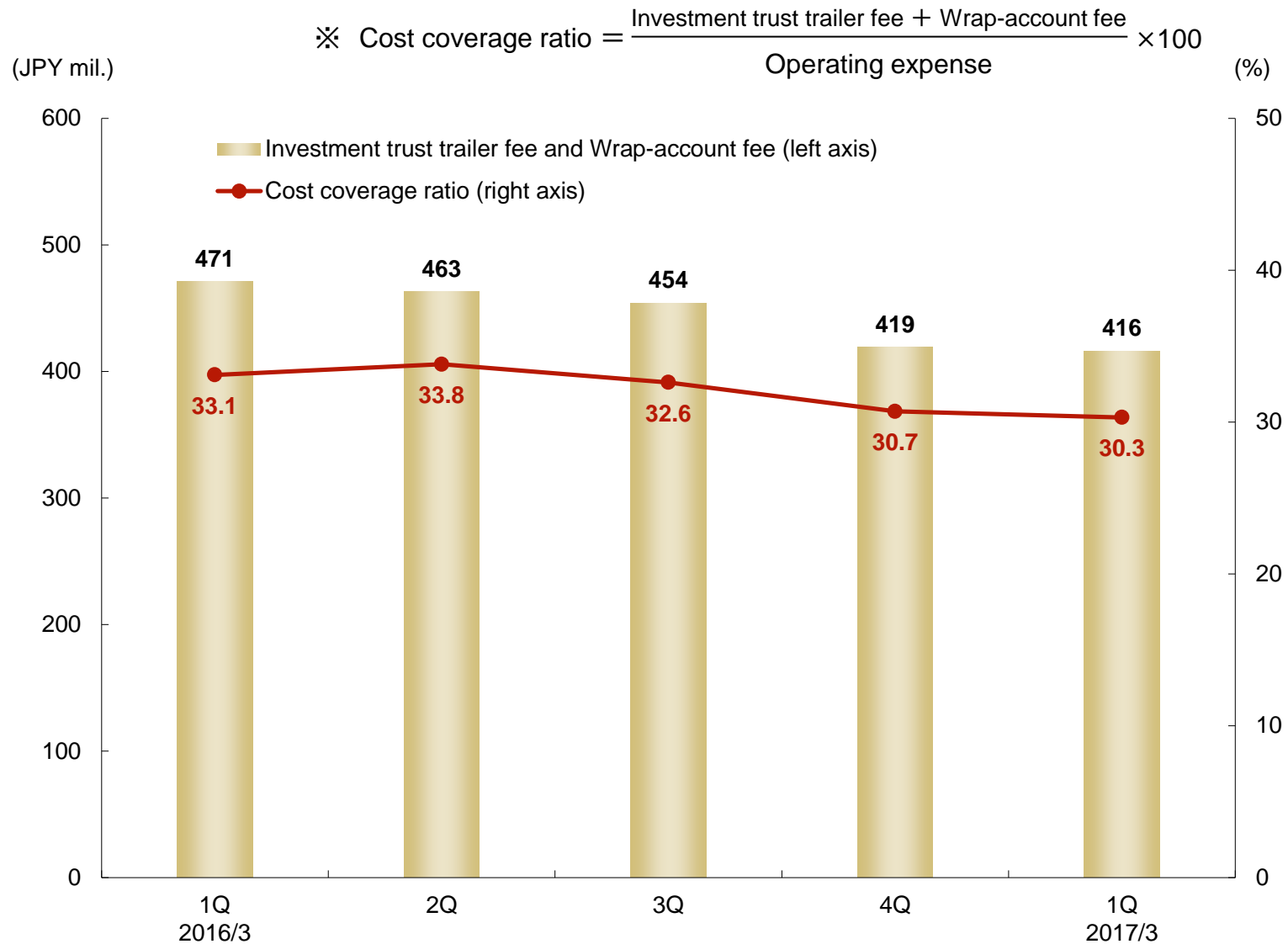


4. Top 5 Best Selling Investment Trusts (Total Amounts of 3 Months) 【Retail】

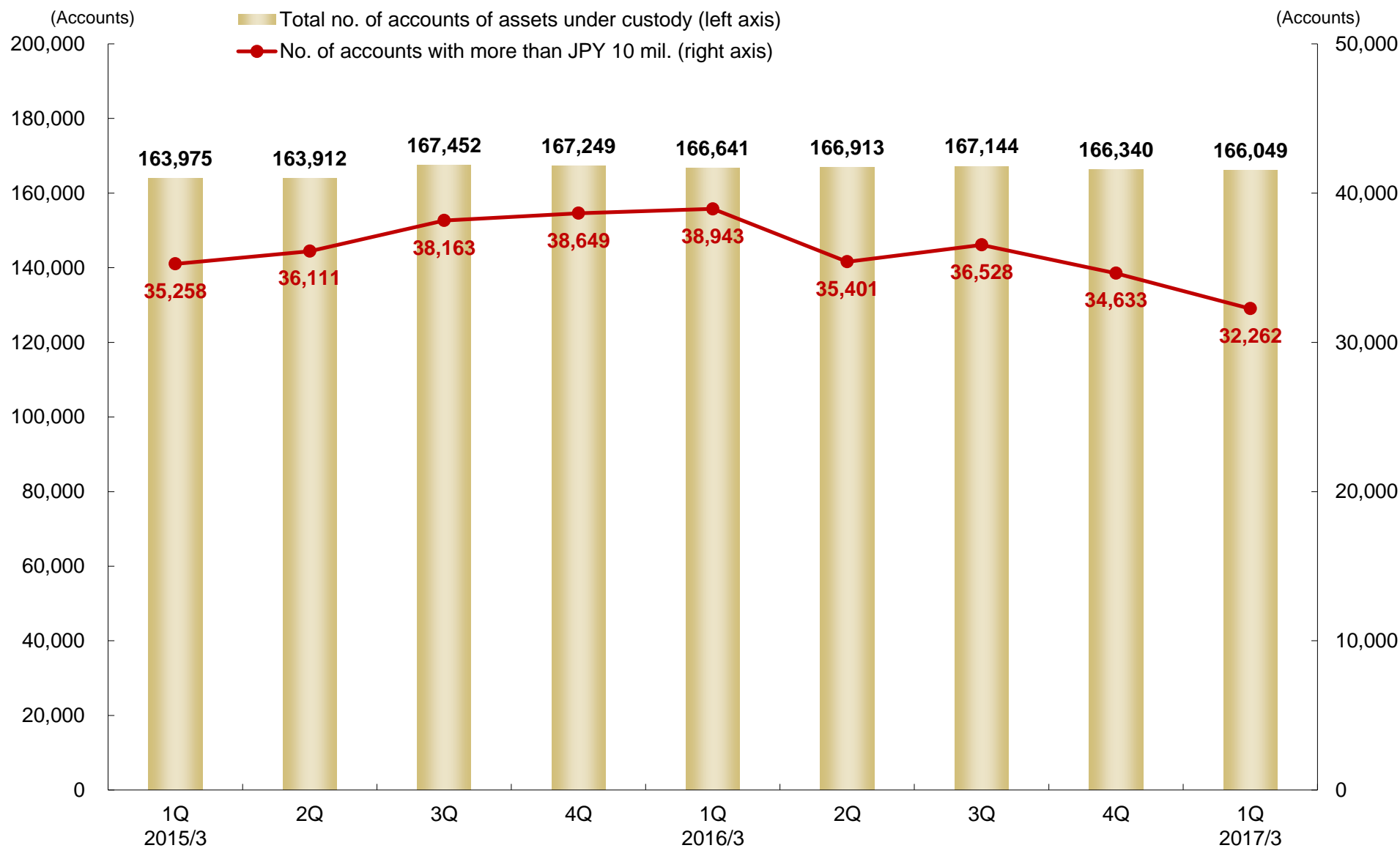
(JPY100 mil.)

	2015/3				2016/3				2017/3
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Fidelity US REIT Fund B (Currency Non-Hedged)								44	146
Ichiyoshi Small-and mid cap Growth Companies Fund									90
Shinko J-REIT Open									74
BNY Mellon Global High Yield CB Fund 2016-04									67
LM Australia High Dividend Fund (Monthly Dividend)							35	59	61
UBS Global CB Open					120	152	70	47	
Pictet Global Income Stock Fund	68	46	34	59	37	56	43	35	
LM Australia Monthly Distribution Fund	126	91	86	117	87	51	28	25	
Pictet Emerging Country Income Stock Fund	111	83	75	79	64	36	25		
Ichiyoshi Infrastructure Growth Stock Fund			164	121	92	32			
HSBC New Leaders Sovereign Open	103	52	36	46					
Global Floating Rate Note Fund (JPY Hedge Course)	62	30							

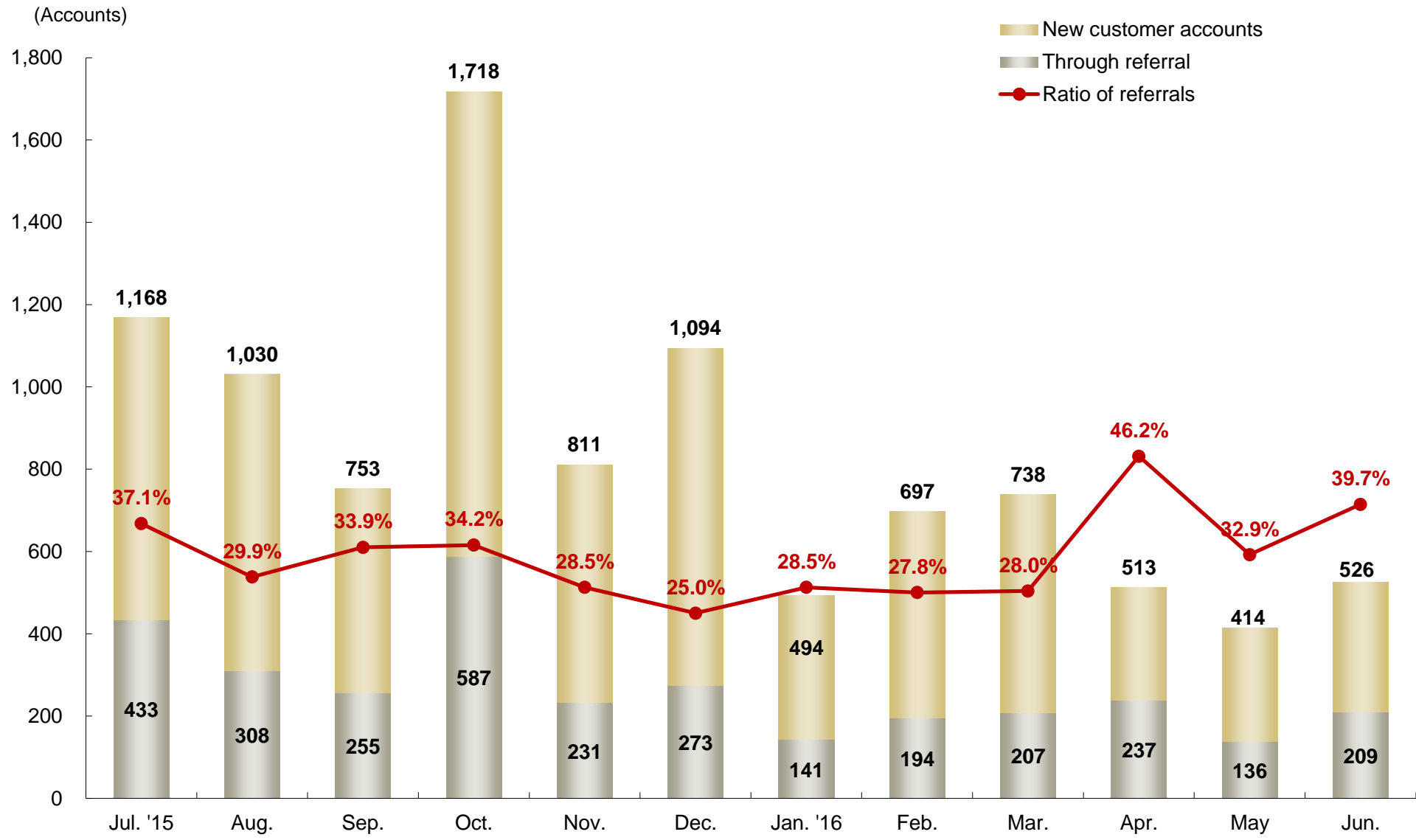
5. Trend of Investment Trust Trailer Fee and its Cost Coverage (Monthly)



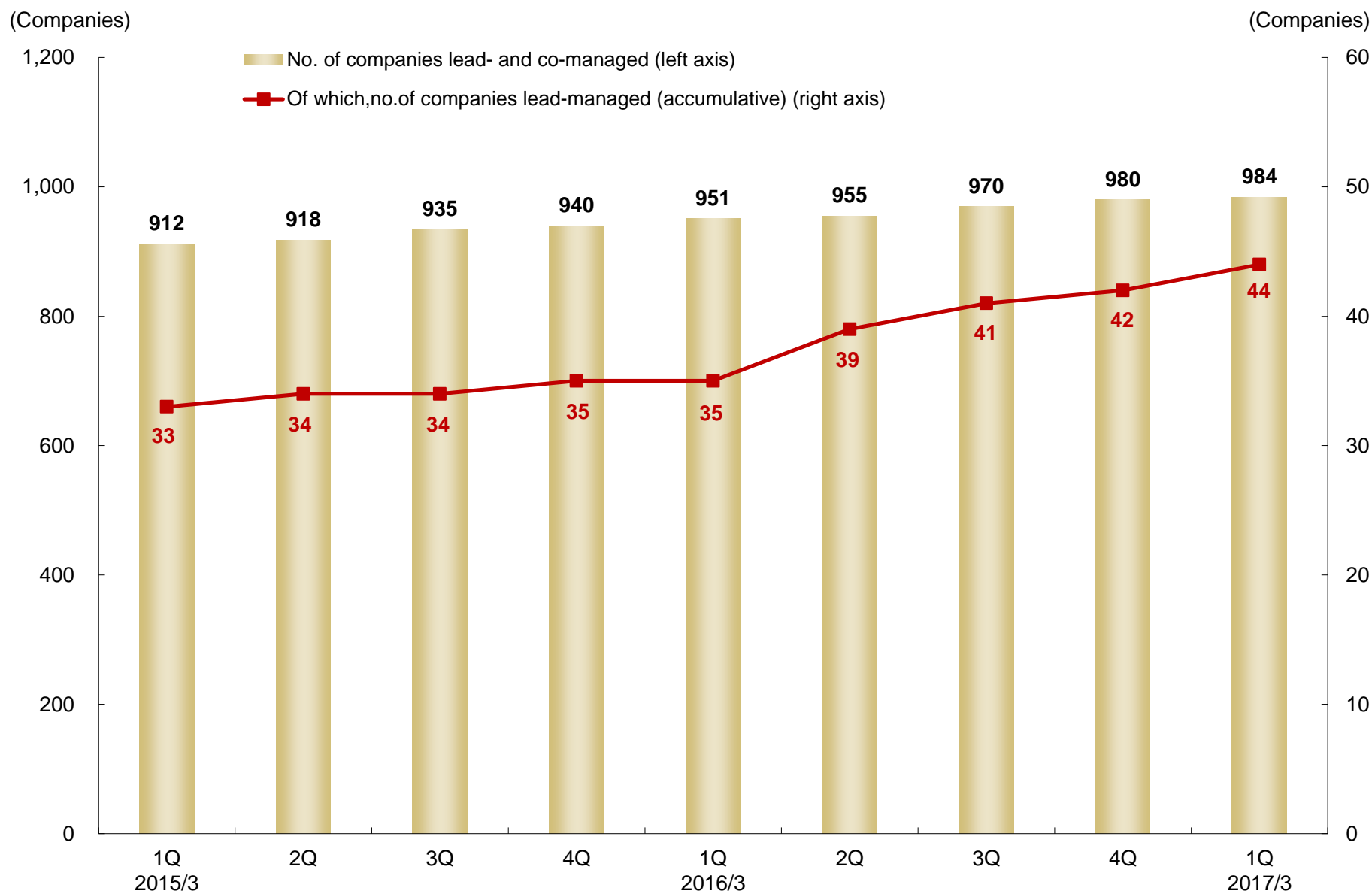
6. Number of Customer Accounts 【Retail】



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



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



III. Quarterly Transition

1. Profit & Loss

	(JPY mil.)						
	2016/3				2017/3	Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q		
Operating revenue	5,811	5,414	5,707	4,913	5,273	7.3%	▲9.2%
Operating cost & expenses	4,267	4,110	4,178	4,094	4,118	0.6%	▲3.5%
Current income	1,208	1,007	1,170	427	821	92.4%	▲32.0%
Extraordinary income	49	88	4	18	40	119.4%	▲17.6%
Extraordinary loss	—	18	13	4	11	175.7%	—
Corporate tax	309	545	193	219	137	▲37.2%	▲55.5%
Tax adjustment	128	▲144	234	▲136	158	—	24.0%
Net income attributable to shareholders of parent company	817	674	731	356	552	55.0%	▲32.4%

2. Breakdown of Net Operating Revenue

(JPY mil.)

	2016/3				2017/3	Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q		
Commission revenue	5,276	4,923	5,112	4,369	4,808	10.0%	▲8.9%
Gains on trading	58	54	140	71	34	▲51.4%	▲40.9%
Interest and dividend income	79	84	84	67	56	▲16.5%	▲28.5%
Other operating revenue	396	352	370	405	374	▲7.6%	▲5.6%
Interest expenses	20	17	17	14	10	▲24.9%	▲46.0%
Other operating expenses	362	329	355	381	345	▲9.2%	▲4.7%
Total	5,428	5,067	5,333	4,518	4,917	8.8%	▲9.4%

3. Breakdown of Commission Revenue

(JPY mil.)

2016/3				2017/3	Quarter-on-Quarter	Year-on-Year
1Q	2Q	3Q	4Q	1Q		

Brokerage							
Stocks	2,157	1,609	1,907	1,579	1,787	13.2%	▲17.1%

Distribution							
Investment trusts sales charge	1,354	1,273	925	951	1,313	38.1%	▲3.1%

Underwriting							
IPO	15	83	166	321	28	▲91.2%	84.9%
PO	28	246	420	0	205	—	614.3%
Total	43	330	587	322	233	▲27.7%	430.7%

Others							
Investment trusts (trailer fees and others)	1,414	1,389	1,363	1,258	1,249	▲0.7%	▲11.6%
Other than investment trusts	191	189	245	155	135	▲12.5%	▲28.9%
Total	1,605	1,578	1,609	1,413	1,385	▲2.0%	▲13.7%

4. Breakdown of Gains on Trading

(JPY mil.)

	2016/3				2017/3	Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q		
Stocks	33	39	6	▲45	▲5	—	—
Bonds・Forex	25	15	133	116	40	▲65.7%	55.4%
(Bonds)	(17)	(15)	(122)	(112)	(40)	▲63.7%	131.6%
(Forex)	(8)	(0)	(11)	(4)	(▲0)	—	—
Total	58	54	140	71	34	▲51.4%	▲40.9%

5. Operating Cost and Expenses

	(JPY mil.)						
	2016/3				2017/3	Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q		
Transaction related expenses	416	478	530	497	433	▲12.9%	4.2%
Personnel expenses	2,506	2,359	2,349	2,278	2,292	0.6%	▲8.5%
Property related expenses	469	463	454	475	464	▲2.2%	▲1.1%
Clerical expenses	542	499	549	559	584	4.5%	7.9%
Depreciation	101	106	107	107	98	▲8.9%	▲3.4%
Public charges	58	60	56	44	75	71.1%	30.1%
Allowances for doubtful accounts	0	0	▲0	0	0	—	—
Others	173	143	131	130	169	29.7%	▲2.4%
Total	4,267	4,110	4,178	4,094	4,118	0.6%	▲3.5%

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

Fixed cost	3,044	2,919	2,947	2,977	3,040	2.1%	▲0.1%
Variable cost	1,140	1,109	1,156	1,031	1,001	▲2.9%	▲12.2%

6. Balance Sheets

(JPY mil.)

2016/3				2017/3	Quarter-on-Quarter	Year-on-Year
1Q	2Q	3Q	4Q	1Q		

Assets							
Current assets	46,091	52,943	48,046	39,892	39,071	▲2.1%	▲15.2%
Fixed assets	7,586	7,374	7,135	6,701	6,352	▲5.2%	▲16.3%
Total assets	53,677	60,317	55,182	46,593	45,423	▲2.5%	▲15.4%

Liabilities							
Current liabilities	19,228	25,770	21,035	12,444	12,483	0.3%	▲35.1%
Fixed liabilities	551	520	520	406	347	▲14.4%	▲37.0%
Total liabilities	19,964	26,475	21,739	13,033	13,011	▲0.2%	▲34.8%

Net worth							
Net worth	33,713	33,842	33,443	33,560	32,412	▲3.4%	▲3.9%
Total liabilities & net worth	53,677	60,317	55,182	46,593	45,423	▲2.5%	▲15.4%

7. Financial Results

	2016/3				2017/3	Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q		
Total assets (JPY mil.)	53,677	60,317	55,182	46,593	45,423	▲2.5%	▲15.4%
Net worth (JPY mil.)	33,713	33,842	33,443	33,560	32,412	▲3.4%	▲3.9%
Equity ratio (%)	62.4	55.7	60.2	71.5	70.8	—	—
Net worth per share (JPY)	760.01	770.78	761.14	763.66	745.74	—	—
Capital adequacy ratio (%) (non-consolidated basis)	595.7	585.3	570.3	593.5	580.8	—	—
EPS (JPY)	18.54	33.89	50.66	58.88	12.79	—	—
ROE (%)	2.4	4.4	6.7	7.7	1.7	—	—

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