

IR Presentation for Fiscal year ended March 2017

April 2017

Ichiyoshi Securities Co., Ltd.

I . Business Results (Consolidated)

1. Profit & Loss

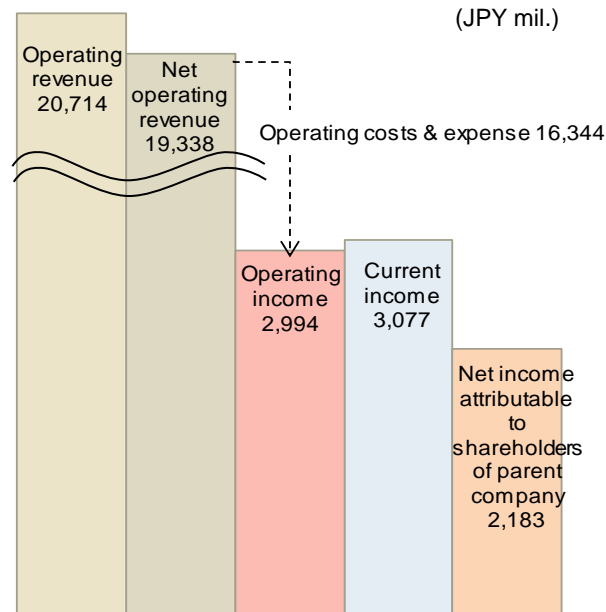
- ◆ Operating revenue amounted to 20,714 million yen, a decrease of 1,132 million yen (down 5.2%) from the previous fiscal year end.
- ◆ Current income amounted to 3,077 million yen, a decrease of 735 million yen (down 19.3%) from the previous fiscal year end.
- ◆ Net income attributable to shareholders of parent company amounted to 2,183 million yen, a decrease of 396 million yen (down 15.4%) from the previous fiscal year end.

(JPY mil.)

	2016/3	2017/3	Year-on-Year (%)	Year-on-Year
Operating revenue	21,846	20,714	-5.2%	-1,132
Net operating revenue	20,346	19,338	-5.0%	-1,008
Operating costs & expenses	16,651	16,344	-1.8%	-306
Operating income	3,695	2,994	-19.0%	-701
Current income	3,813	3,077	-19.3%	-735
Extraordinary income and loss	125	-22	—	-148
Income taxes	1,349	853	-36.7%	-495
Net income attributable to shareholders of parent company	2,580	2,183	-15.4%	-396

	EPS	ROE
2017/3	50.89 yen	6.6%
2016/3	58.88 yen	7.7%

(JPY mil.)



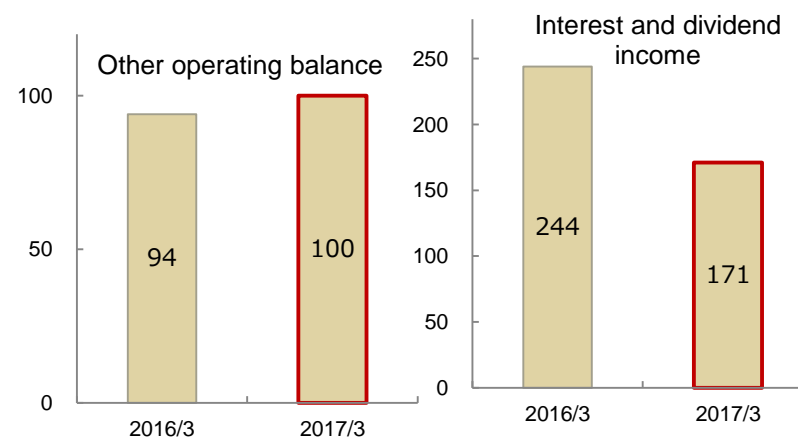
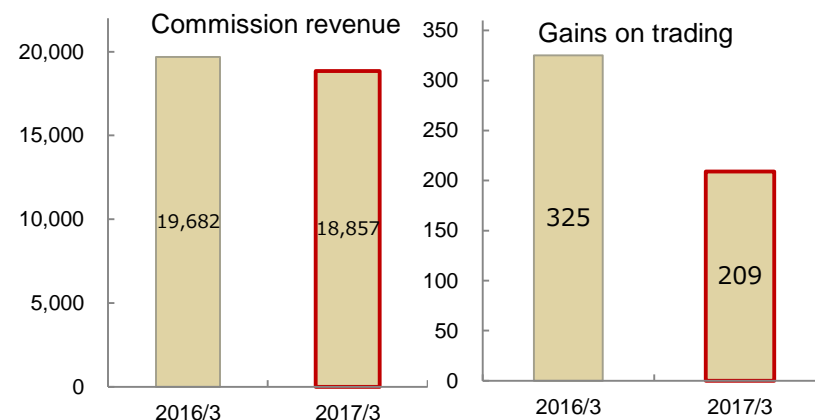
From April 1, 2016 to March 31, 2017

2. Breakdown of Net Operating Revenue

- ◆ Commission revenue amounted to 18,857 million yen, a decrease of 825 million yen (down 4.2%) from the previous fiscal year end, as commissions from underwriting slid.
- ◆ Gains on trading amounted to 209 million yen, a decrease of 115 million yen (down 35.5%) from the previous fiscal year end, as trading in bonds, etc. slid.

(JPY mil.)

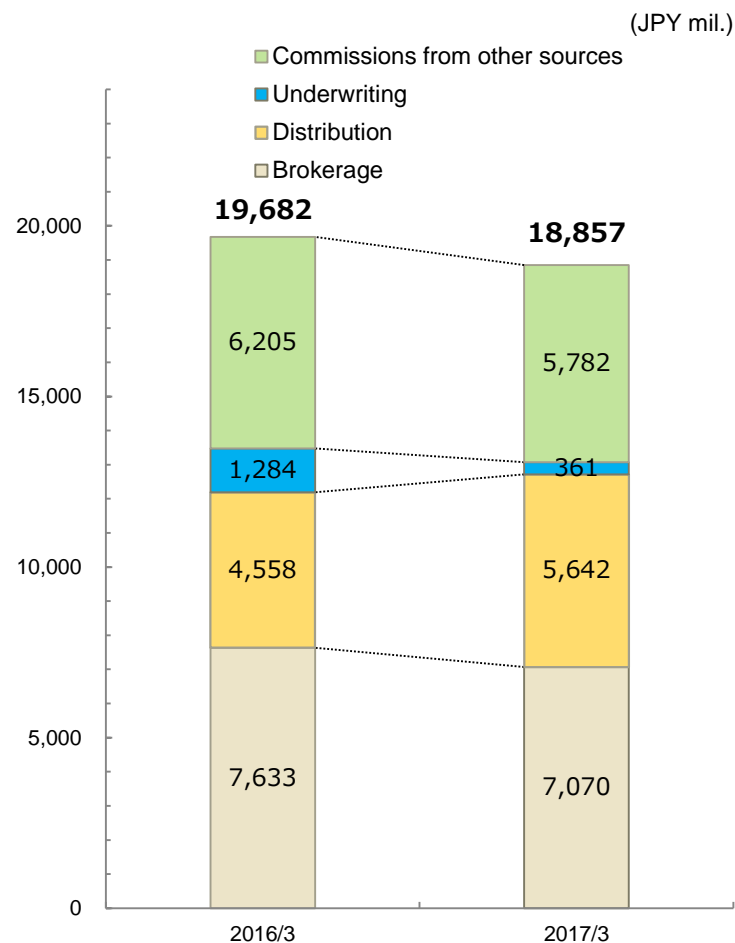
	2016/3	2017/3	Year-on-Year (%)	Year-on-Year
Commission revenue	19,682	18,857	-4.2%	-825
Gains on trading	325	209	-35.5%	-115
Other operating balance	94	100	5.7%	5
Interest and dividend income	244	171	-29.8%	-72
Total	20,346	19,338	-5.0%	-1,008



3. Breakdown of Commission Revenue

- ◆ Commissions from distribution of investment trusts amounted to 5,556 million yen, an increase of 1,051 million yen (up 23.3%) from the previous fiscal year end. Commissions from other sources (investment trusts trailer fees and others) amounted 5,189 million yen, a decrease of 235 million yen (down 4.3%) from the previous fiscal year end, as balance of investment trusts slid due to the net asset value fall by main factor of the yen's appreciation.
- ◆ Fees from underwriting amounted to 361 million yen, a decrease of 923 million yen (down 71.8%) from the previous fiscal year end, as the Company participated in 31 initial public offerings on a management and underwriting basis, and participated in 9 underwritings of public offerings and secondary distributions of other listed issuers' shares.

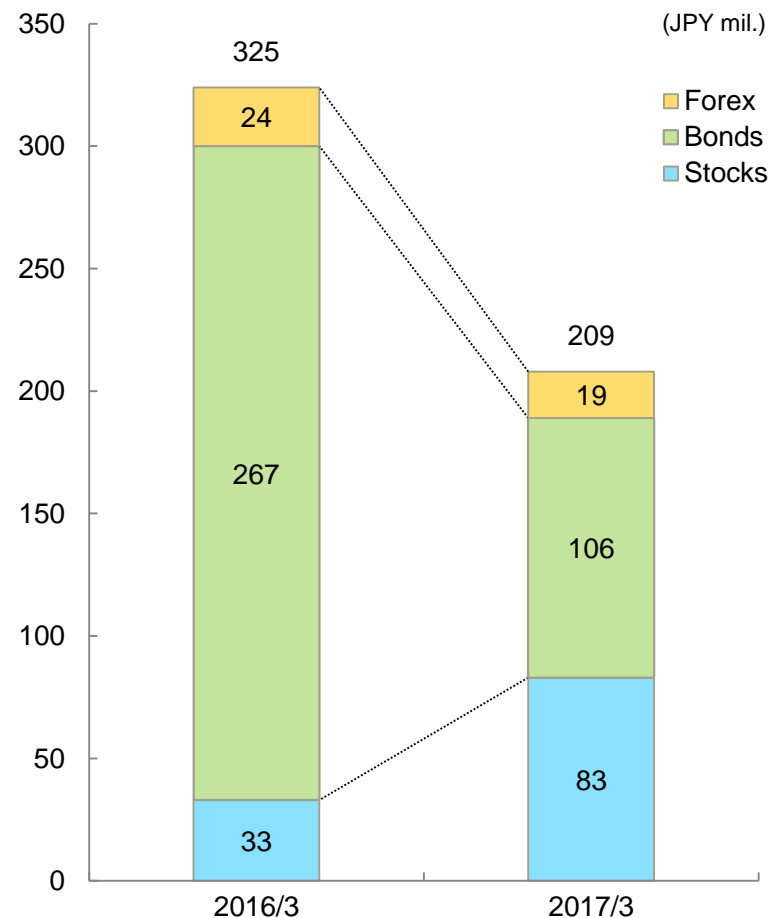
	(JPY mil.)			
	2016/3	2017/3	Year-on-Year (%)	Year-on-Year
Commission revenue	19,682	18,857	-4.2%	-825
Brokerage (Major item)				
Stocks	7,254	6,812	-6.1%	-442
Distribution (Major item)				
Investment trusts sales charge	4,505	5,556	23.3%	1,051
Underwriting (Major items)				
IPO	587	108	-81.5%	-478
PO	695	252	-63.7%	-443
Total	1,284	361	-71.8%	-923
Commissions from other sources (Major items)				
Investment trusts (trailer fees and others)	5,425	5,189	-4.3%	-235
Other than investment trusts	780	593	-24.0%	-187
Total	6,205	5,782	-6.8%	-422
<Reference>				
	(JPY 100 mil.)			
Fund Distribution	2,253	2,522	11.9%	269



4. Breakdown of Gains on Trading

- ◆ Gains on trading amounted to 209 million yen, a decrease of 115 million yen (down 35.5%) from the previous fiscal year end, as trading on bonds, etc. slid.

	2016/3	2017/3	Year-on-Year (%)	Year-on-Year
Stocks	33	83	146.8%	49
Bonds • Forex	291	126	-56.7%	-165
(Bonds)	(267)	(106)	-60.2%	-160
(Forex)	(24)	(19)	-19.2%	-4
Total	325	209	-35.5%	-115

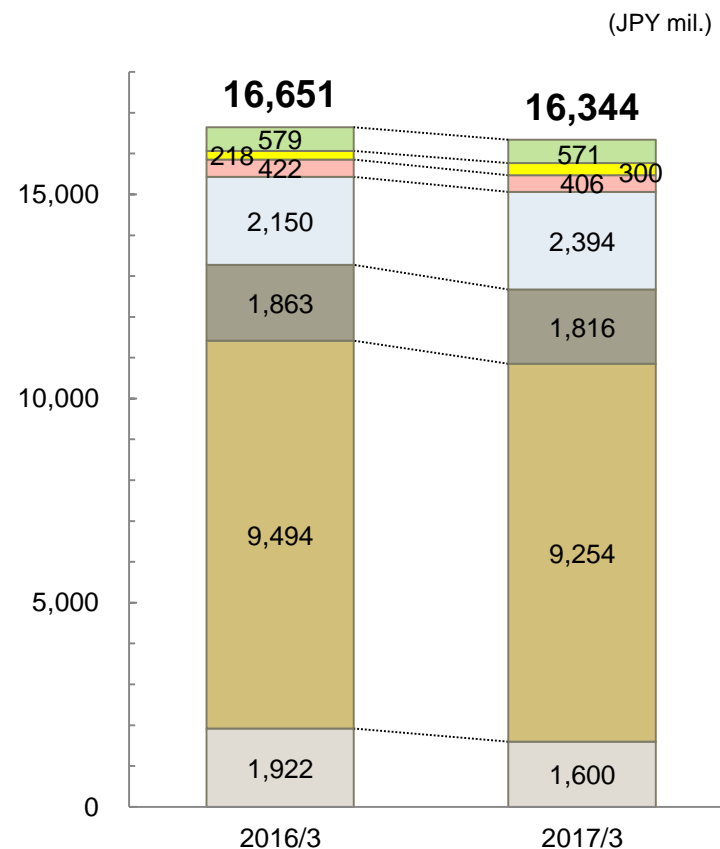


5. Operating Cost and Expenses

- ◆ Operating cost and expenses amounted to 16,344 million yen, a decrease of 306 million yen (down 1.8%), as transaction related expenses slid.

(JPY mil.)

	2016/3	2017/3	Year-on-Year (%)	Year-on-Year
Transaction related expenses	1,922	1,600	-16.8%	-322
Personnel expenses	9,494	9,254	-2.5%	-239
Property related expenses	1,863	1,816	-2.5%	-47
Clerical expenses	2,150	2,394	11.4%	244
Depreciation	422	406	-3.8%	-16
Public charges	218	300	37.3%	81
Others	579	571	-1.2%	-7
Total	16,651	16,344	-1.8%	-306



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

Variable cost	3,929
Fixed cost	12,012

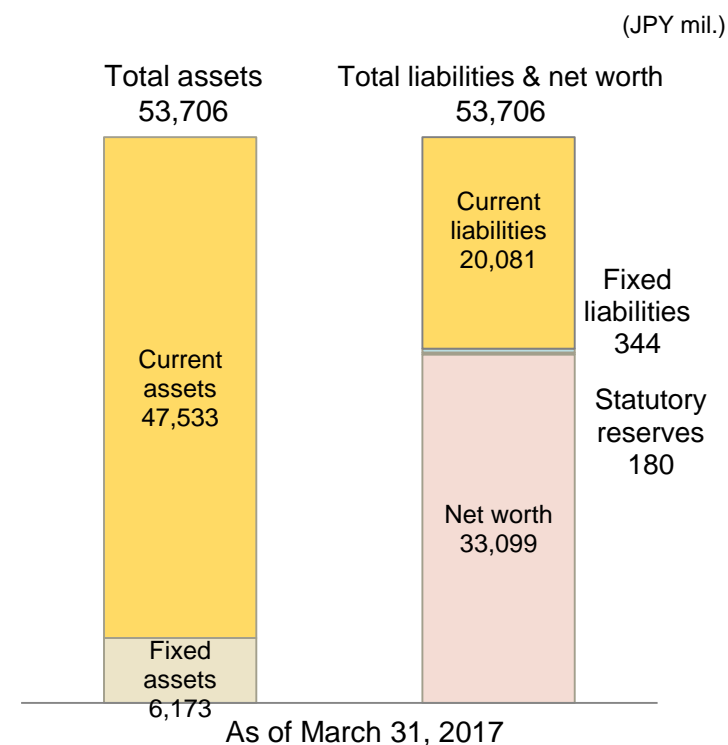
Transaction related expenses
 Personnel expenses
 Property related expenses
 Clerical expenses
 Depreciation
 Public charges
 Others

6. Balance Sheets / Financial Results

- ◆ Total assets amounted to 53,706 million yen, an increase of 7,112 million yen (up 15.3%) from the previous fiscal year end, as cash and deposits, and segregated cash and statutory deposits rose.
- ◆ Total liabilities amounted to 20,607 million yen, an increase of 7,573 million yen (up 58.1%) from the previous fiscal year end, as cash payable to customers and margin transaction liabilities grew.

	2016/3	2017/3	Change from End-March 2016 (%)	Change from End-March 2016
(JPY mil.)				
Assets				
Current assets	39,892	47,533	19.2%	7,641
Fixed assets	6,701	6,173	-7.9%	-528
Total assets	46,593	53,706	15.3%	7,112
Liabilities				
Current liabilities	12,444	20,081	61.4%	7,637
Fixed liabilities	406	344	-15.2%	-61
Total liabilities	13,033	20,607	58.1%	7,573
Net worth				
Net worth	33,560	33,099	-1.4%	-461
Total liabilities & net worth	46,593	53,706	15.3%	7,112

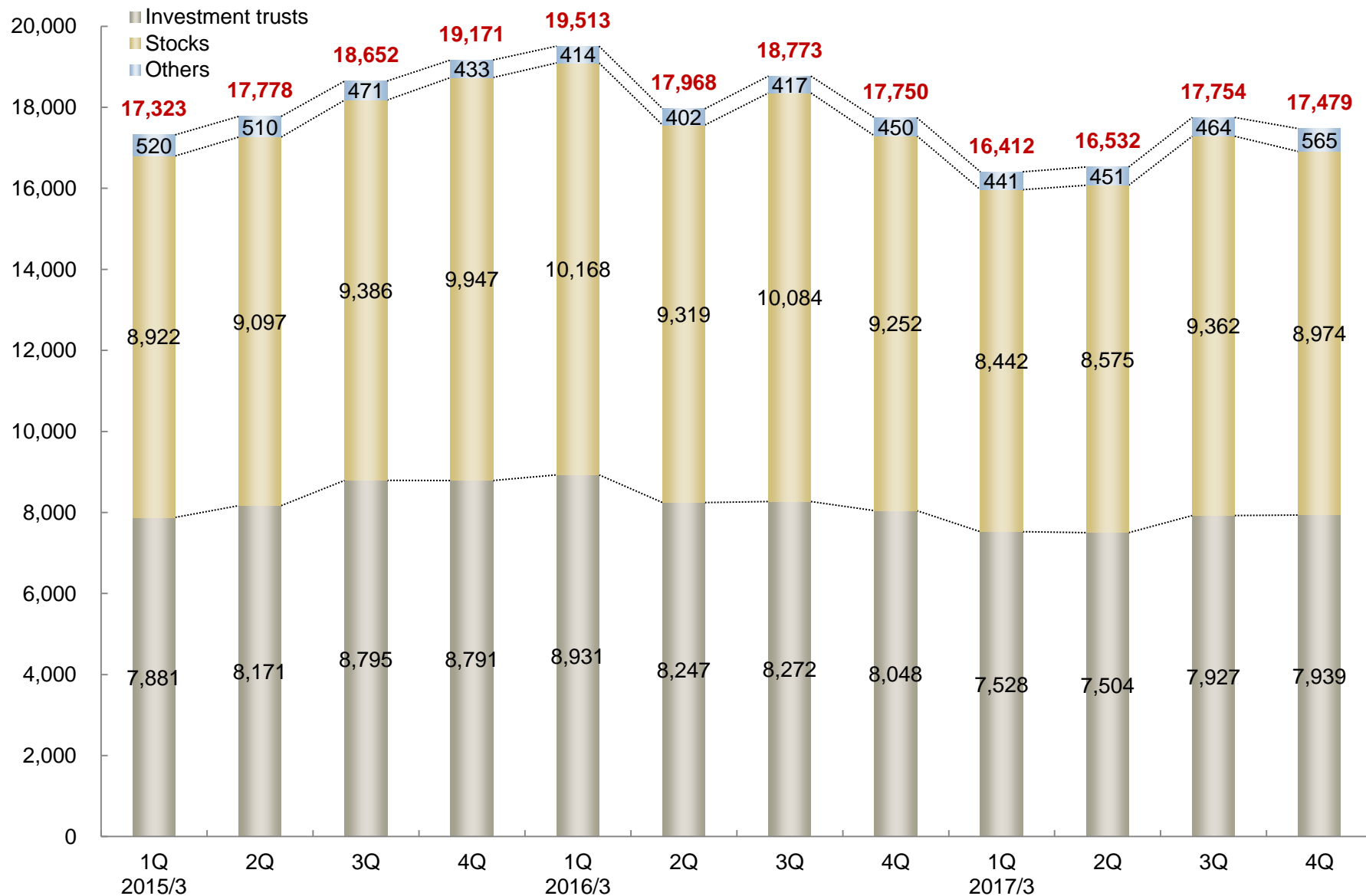
	Equity ratio	Net worth per share	Capital adequacy ratio (non-consolidated)
2017/3	61.1%	769.18 yen	591.9%
2016/3	71.5%	763.66 yen	593.5%



II . Business Circumstances

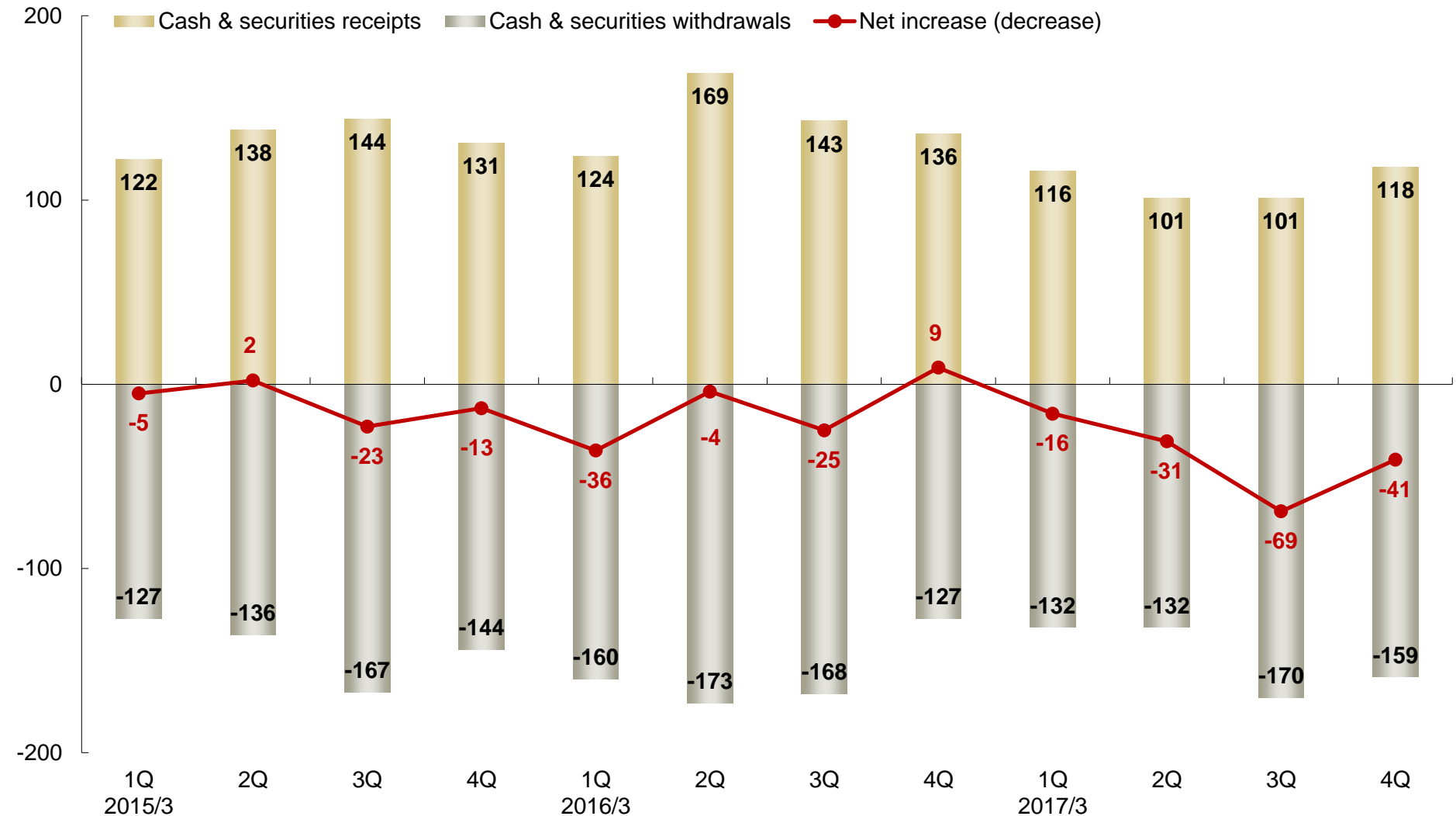
1. Customer Assets under Custody

(JPY 100 mil.)



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

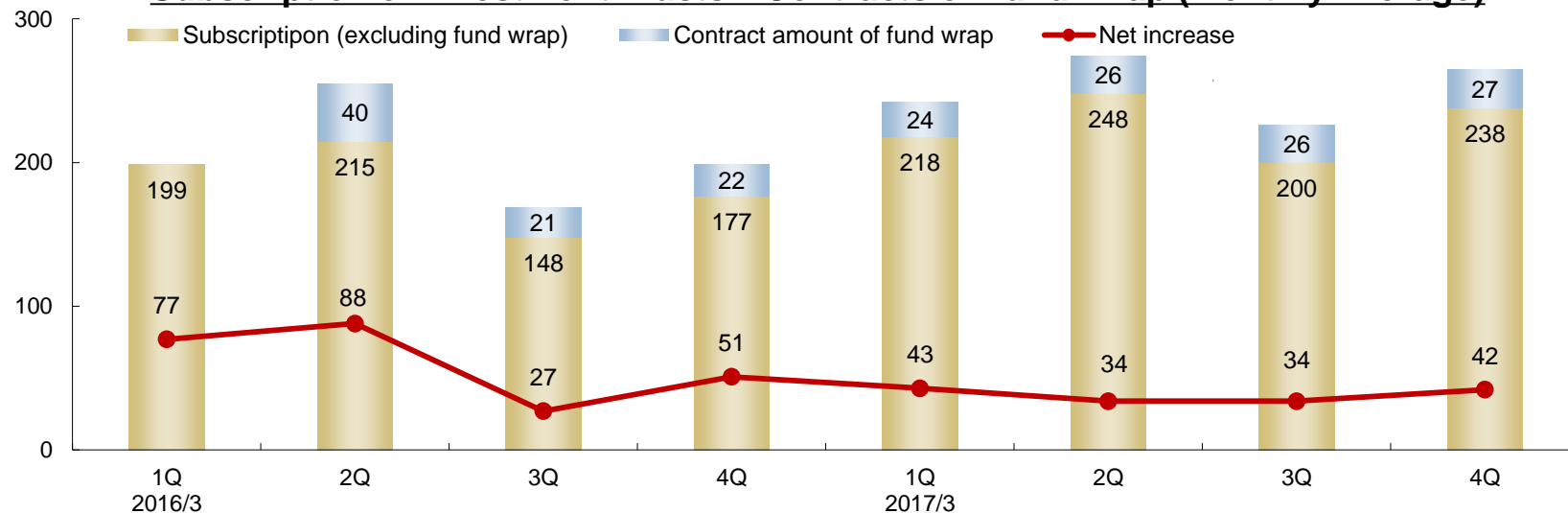
(JPY 100 mil.)



3. Subscription of Investment Trusts and Others

(JPY 100 mil.)

Subscription of Investment Trusts · Contracts of Fund Wrap (Monthly Average)



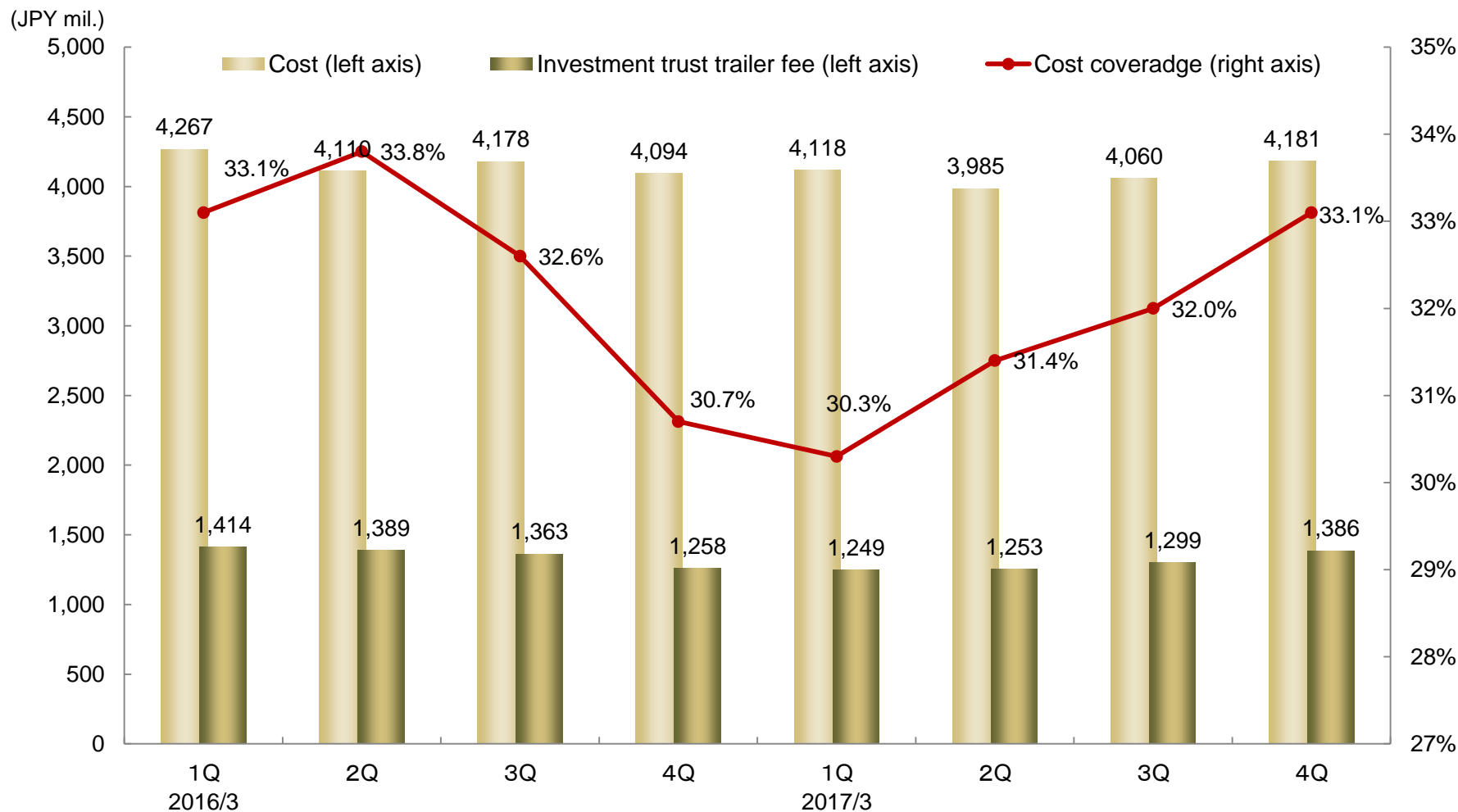
(JPY 100 mil.)

Top 5 Best Selling Investment Trusts (Total Amounts of 3 Months)

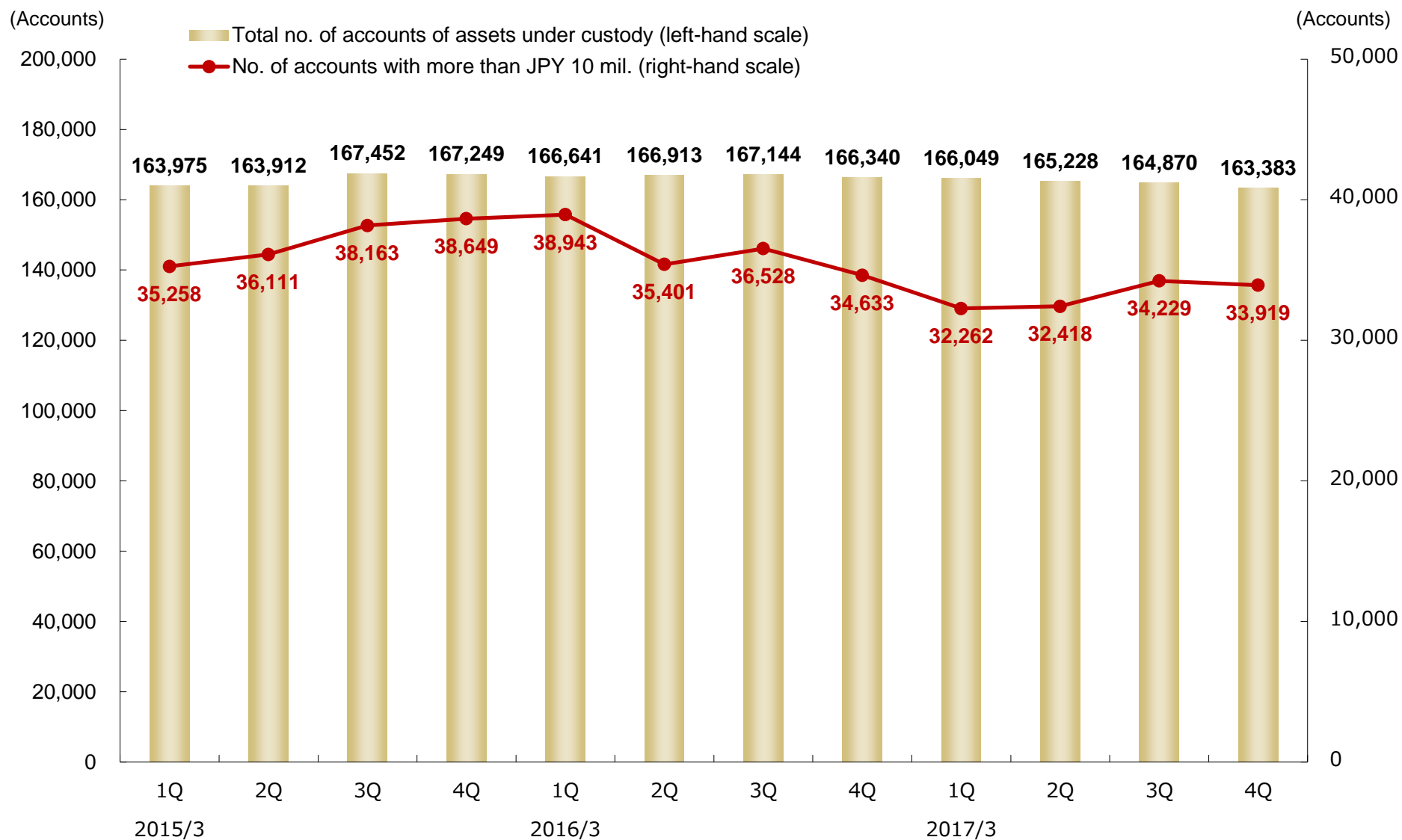
	2016/3				2017/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
LM Australia High Dividend Fund (Monthly dividend)			35	59	61	102	84	198
Ichiyoshi Small-and mid -cap Growth Companies Fund					90	107	149	116
Ichiyoshi Japan High Dividend Stock & J- REIT Fund (Quarterly settlement, Asset growth)								92
Nomura PIMCO World Income Strategy Fund (A · B · C · D)								45
Shinko J-REIT Open					74	64		31
Fidelity US REIT Fund B - Non-hedged				44	146	148	28	
BNY Mellon Global High Yield CB Fund 2016-04, 07, 11					67	50	37	
Japan High Dividend Stock Fund 2016-12 Limited additional subscription type / with early redemption clause							36	
UBS Global CB Open	120	152	70	47				
Pictet Global Income Stock Fund	37	56	43	35				
LM Australia Monthly Distribution Fund	87	51	28	25				
Pictet Emerging Country Income Stock Fund	64	36	25					
Ichiyoshi Infrastructure Growth Stock Fund	92	32						

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

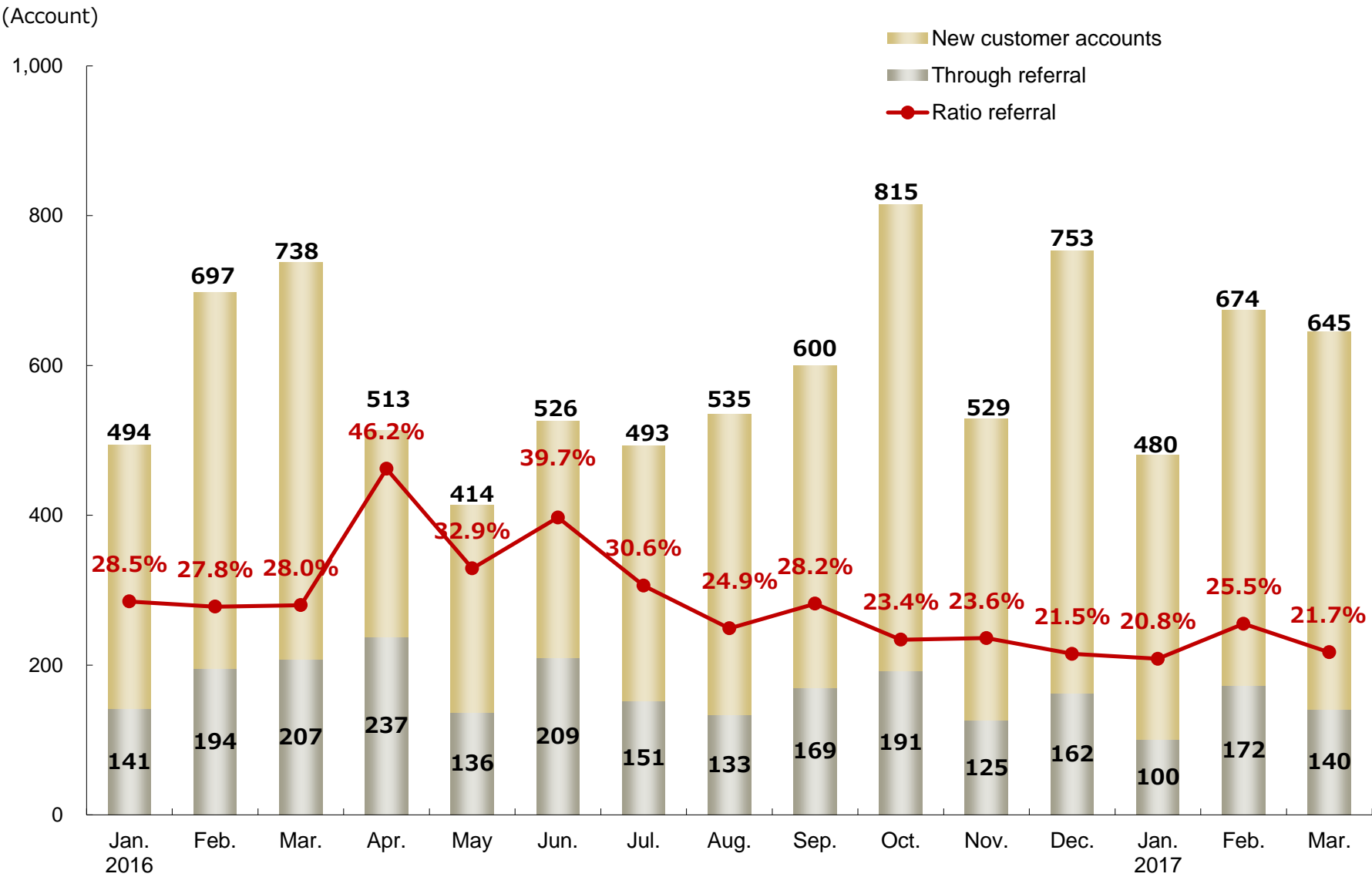
※ Cost coverage ratio = $\frac{\text{Investment trust trailer fee} + \text{Wrap-account fee}}{\text{Operating expense}} \times 100 (\%)$



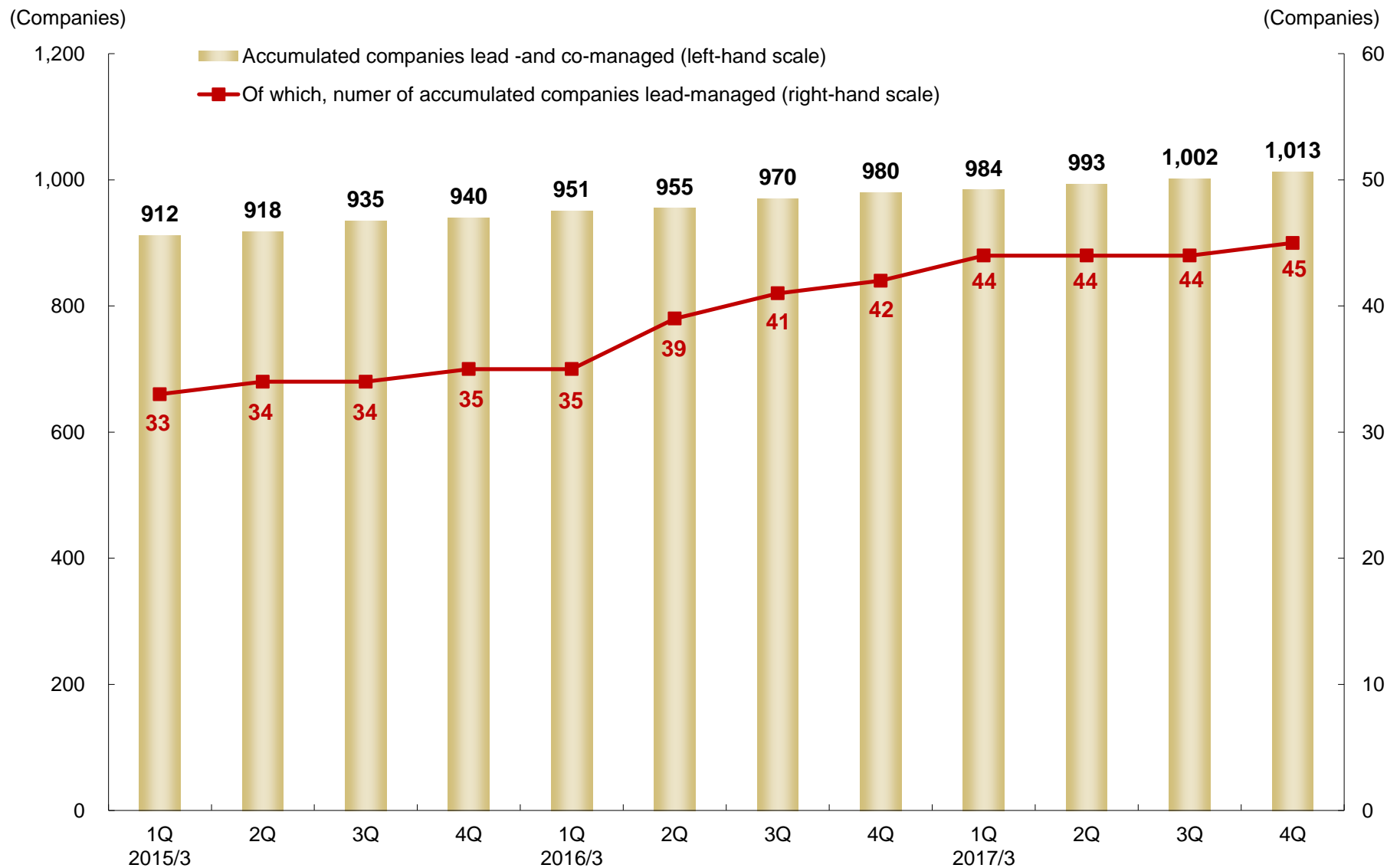
5. Number of Customer Accounts 【Retail】



6. Number of New Customer Accounts and Ratio of Referrals [Retail]



7. Accumulated 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	2Q	3Q	4Q		
Operating revenue	5,811	5,414	5,707	4,913	5,273	4,772	5,053	5,614	11.1%	14.3%
Operating cost & expenses	4,267	4,110	4,178	4,094	4,118	3,985	4,060	4,181	3.0%	2.1%
Current income	1,208	1,007	1,170	427	821	490	681	1,083	59.0%	153.8%
Extraordinary income	49	88	4	18	40	2	0	27	—	47.7%
Extraordinary loss	—	18	13	4	11	66	0	16	—	292.3%
Corporate tax	309	545	193	219	137	99	66	532	695.0%	142.5%
Tax adjustment	128	-144	234	-136	158	-139	177	-179	—	—
Net income attributable to shareholders of parent company	817	674	731	356	552	465	433	731	68.7%	105.1%

2. Breakdown of Net Operating Revenue

(JPY mil.)

	2016/3				2017/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Commission revenue	5,276	4,923	5,112	4,369	4,808	4,354	4,590	5,104	11.2%	16.8%
Gains on trading	58	54	140	71	34	51	62	61	-1.1%	-14.2%
Interest and dividend income	79	84	84	67	56	52	65	62	-5.3%	-8.1%
Other operating revenue	396	352	370	405	374	313	335	386	15.4%	-4.5%
Interest expenses	20	17	17	14	10	13	22	18	-17.1%	28.6%
Other operating expenses	362	329	355	381	345	290	316	356	12.8%	-6.3%
Total	5,428	5,067	5,333	4,518	4,917	4,467	4,714	5,238	11.1%	16.0%

3. Breakdown of Commission Revenue

(JPY mil.)

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

Brokerage (Major item)

Stocks	2,157	1,609	1,907	1,579	1,787	1,330	1,852	1,841	-0.6%	16.6%
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Distribution (Major item)

Investment trusts sales charge	1,354	1,273	925	951	1,313	1,533	1,147	1,562	36.2%	64.3%
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Underwriting (Major items)

IPO	15	83	166	321	28	6	54	19	-63.7%	-93.9%
PO	28	246	420	0	205	6	16	25	52.8%	—
Total	43	330	587	322	233	12	70	44	-36.6%	-86.1%

Others (Major items)

Investment trusts (trailer fees and others)	1,414	1,389	1,363	1,258	1,249	1,253	1,299	1,386	6.7%	10.2%
Other than investment trusts	191	189	245	155	135	144	140	172	23.5%	11.5%
Total	1,605	1,578	1,609	1,413	1,385	1,398	1,439	1,559	8.4%	10.4%

4. Breakdown of Gains on Trading

(JPY mil.)

	2016/3				2017/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Stocks	33	39	6	-45	-5	29	20	38	89.8%	—
Bonds • Forex	25	15	133	116	40	21	41	22	-45.8%	-80.7%
(Bonds)	(17)	(15)	(122)	(112)	(40)	(10)	(35)	(19)	-46.0%	-82.8%
(Forex)	(8)	(0)	(11)	(4)	(-0)	(10)	(6)	(3)	-45.0%	-29.6%
Total	58	54	140	71	34	51	62	61	-1.1%	-14.2%

5. Operating Cost and Expenses

(JPY mil.)

	2016/3				2017/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Transaction related expenses	416	478	530	497	433	366	379	421	11.1%	-15.4%
Personnel expenses	2,506	2,359	2,349	2,278	2,292	2,317	2,309	2,335	1.1%	2.5%
Property related expenses	469	463	454	475	464	451	445	454	2.0%	-4.3%
Clerical expenses	542	499	549	559	584	552	624	633	1.4%	13.1%
Depreciation	101	106	107	107	98	99	98	110	11.5%	2.3%
Public charges	58	60	56	44	75	67	71	86	20.3%	95.0%
Allowances for doubtful accounts	0	0	-0	0	—	—	—	—	—	—
Others	173	143	131	130	169	131	131	140	6.8%	7.3%
Total	4,267	4,110	4,178	4,094	4,118	3,985	4,060	4,181	3.0%	2.1%

<Reference>

Fixed cost	3,044	2,919	2,947	2,977	3,040	2,966	2,986	3,018	1.1%	1.4%
Variable cost	1,140	1,109	1,156	1,031	1,001	928	961	1,038	8.1%	0.7%

* Fixed cost and Variable cost are inscribed on non-consolidated basis.

6. Balance Sheets

(JPY mil.)

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

Assets

Current assets	46,091	52,943	48,046	39,892	39,071	42,058	43,986	47,533	8.1%	19.2%
Fixed assets	7,586	7,374	7,135	6,701	6,352	5,919	6,102	6,173	1.2%	-7.9%
Total assets	53,677	60,317	55,182	46,593	45,423	47,977	50,089	53,706	7.2%	15.3%

Liabilities

Current liabilities	19,228	25,770	21,035	12,444	12,483	14,802	17,227	20,081	16.6%	61.4%
Fixed liabilities	551	520	520	406	347	339	350	344	-1.6%	-15.2%
Total liabilities	19,964	26,475	21,739	13,033	13,011	15,323	17,758	20,607	16.0%	58.1%

Net worth

Net worth	33,713	33,842	33,443	33,560	32,412	32,654	32,330	33,099	2.4%	-1.4%
Total liabilities & net worth	53,677	60,317	55,182	46,593	45,423	47,977	50,089	53,706	7.2%	15.3%

7. Financial Results

(JPY mil.)

	2016/3				2017/3				Quarter-on-Quarter	Year-on-Year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total assets (JPY mil.)	53,677	60,317	55,182	46,593	45,423	47,977	50,089	53,706	7.2%	15.3%
Net worth (JPY mil.)	33,713	33,842	33,443	33,560	32,412	32,654	32,330	33,099	2.4%	-1.4%
Equity ratio (%)	62.4	55.7	60.2	71.5	70.8	67.5	64.0	61.1	—	—
Net worth per share (JPY)	760.01	770.78	761.14	763.66	745.74	755.39	751.88	769.18	—	—
Capital adequacy ratio (%) (non-consolidated basis)	595.7	585.3	570.3	593.5	580.8	592.6	584.0	591.9	—	—
EPS (JPY)	18.54	33.89	50.66	58.88	12.79	23.60	33.77	50.89	—	—
ROE (%)	2.4	4.4	6.7	7.7	1.7	3.1	4.4	6.6	—	—

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