

IR Presentation for Fiscal year ended March 2018



Ichiyoshi Securities Co., Ltd.

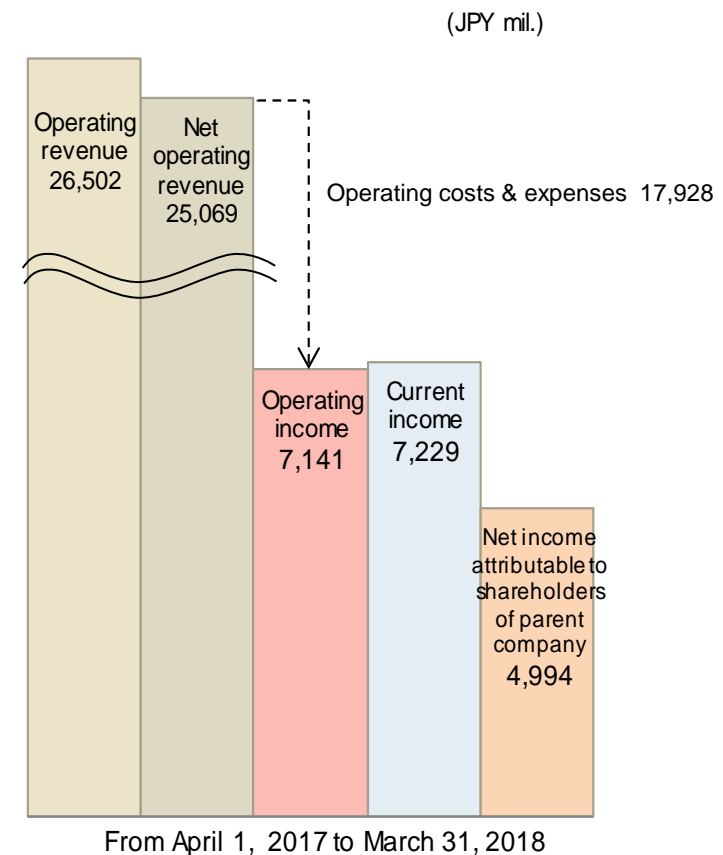
April, 2018

I : Business Results (Consolidated)

- ◆ Operating revenue amounted to 26.502 billion yen, an increase of 5.787 billion yen (up 27.9%) from the year-earlier period.
- ◆ Current income amounted to 7.229 billion yen, an increase of 4.151 billion yen (up 134.9%) from the year-earlier period.
- ◆ Net income attributable to shareholders of parent company amounted to 4.994 billion yen, an increase of 2.811 billion yen (up 128.8%) from the year-earlier period.

(JPY mil.)

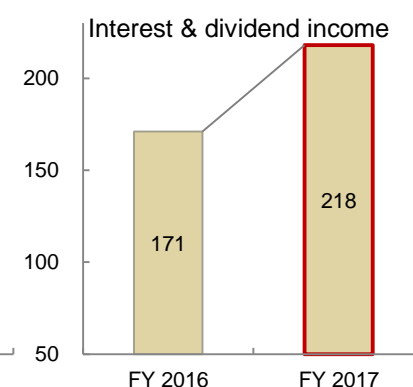
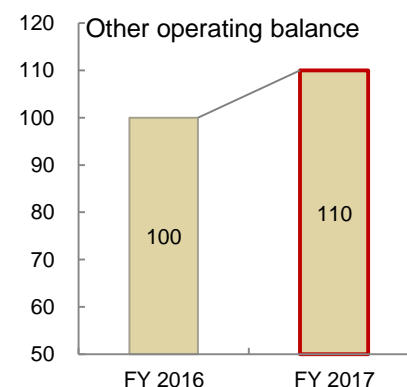
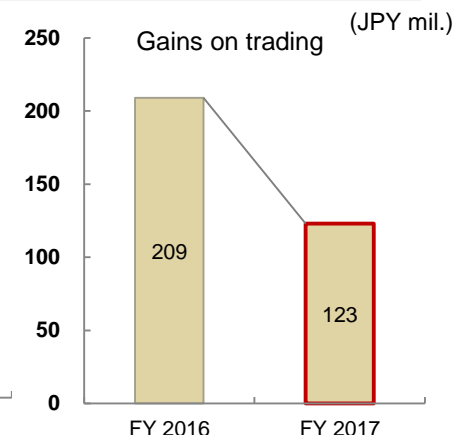
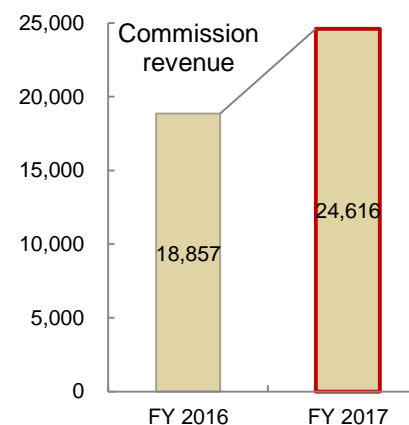
	FY 2016	FY 2017	Year-on-year (%)	Year-on-year
Operating revenue	20,714	26,502	27.9%	5,787
Net operating revenue	19,338	25,069	29.6%	5,730
Operating costs & expenses	16,344	17,928	9.7%	1,583
Operating income	2,994	7,141	138.5%	4,147
Current income	3,077	7,229	134.9%	4,151
Extraordinary income & loss	-22	-56	—	-33
Income taxes	853	2,156	152.7%	1,303
Net income attributable to shareholders of parent company	2,183	4,994	128.8%	2,811



2. Breakdown of Net Operating Revenue

- ◆ Commission revenue amounted to 24.616 billion yen, an increase of 5.758 billion yen (up 30.5%) from the year-earlier period, as brokerage commissions on stocks, Investment trusts sales charge and commissions from other sources (investment trusts trailer fees and others) swelled and etc.
- ◆ Gains on trading amounted to 123 million yen, a decrease of 85 million yen (down 41.0%) as gains on trading of bonds, etc. slid and so on.

	FY 2016	FY 2017	Year-on-year (%)	Year-on-year (JPY mil.)
Commission revenue	18,857	24,616	30.5%	5,758
Gains on trading	209	123	-41.0%	-85
Other operating balance	100	110	10.5%	10
Interest & dividend income	171	218	27.6%	47
Total	19,338	25,069	29.6%	5,730



3. Breakdown of Commission Revenue

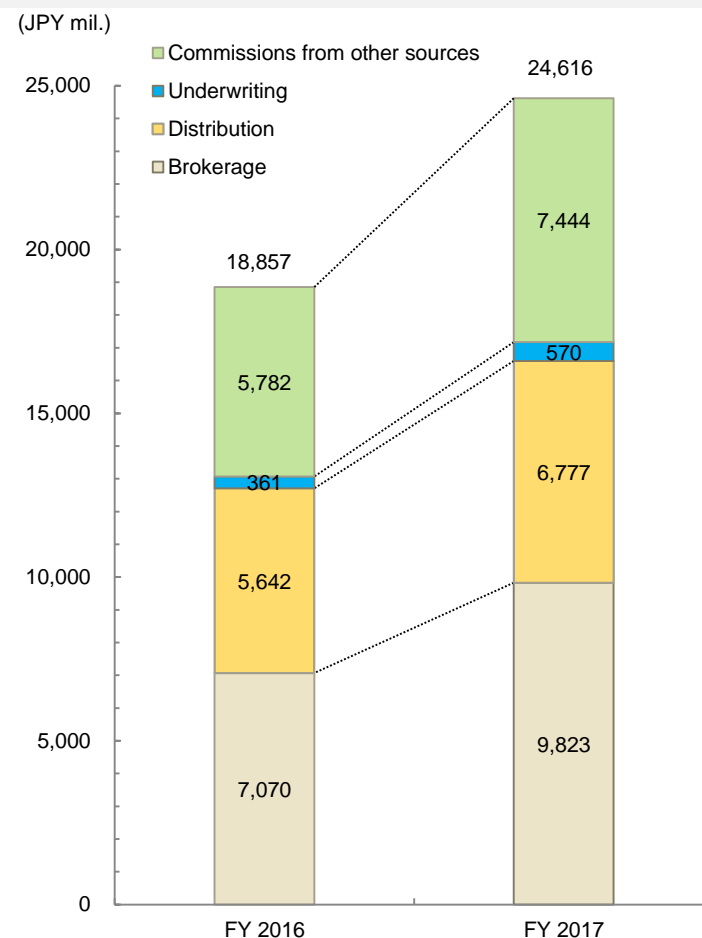
- ◆ Commissions from brokerage of stocks amounted to 9.63 billion yen, an increase of 2.818 billion yen (up 41.4%) from the year-earlier period. Investment trusts sales charge amounted to 6.704 billion yen, an increase of 1.147 billion yen (up 20.6%) from the year-earlier period. Commissions from other sources (investment trusts trailer fees and others) amounted to 6.67 billion yen (up 28.5%), an increase of 1.481 billion yen from the year-earlier period.
- ◆ Fees from underwriting amounted to 570 million yen, an increase of 208 million yen (up 57.7%) from the year-earlier period, as the Company participated in the management and underwriting of 30 initial public offerings (of which 4 were lead-managed), and in the secondary market (which deals with financing by already-listed stocks and offering of stocks resulting from the transfer of listed sections), participated in 7 deals on a management and underwriting basis.

	FY 2016	FY 2017	Year-on-year (%)	Year-on-year (JPY mil.)
Commission revenue	18,857	24,616	30.5%	5,758
Brokerage (Major item)				
Stocks	6,812	9,630	41.4%	2,818
Distribution (Major item)				
Investment trusts sales charge	5,556	6,704	20.6%	1,147
Underwriting (Major items)				
IPO	108	389	257.7%	280
PO	252	180	-28.5%	-72
Total	361	570	57.7%	208
Commissions from other sources (Major items)				
Investment trusts (trailer fees & others)	5,189	6,670	28.5%	1,481
Other than investment trusts	593	773	30.4%	180
Total	5,782	7,444	28.7%	1,661

<Reference>

	FY 2016	FY 2017	Year-on-year (%)	Year-on-year (JPY 100 mil.)
Fund distribution	2,732	3,519	28.8%	787

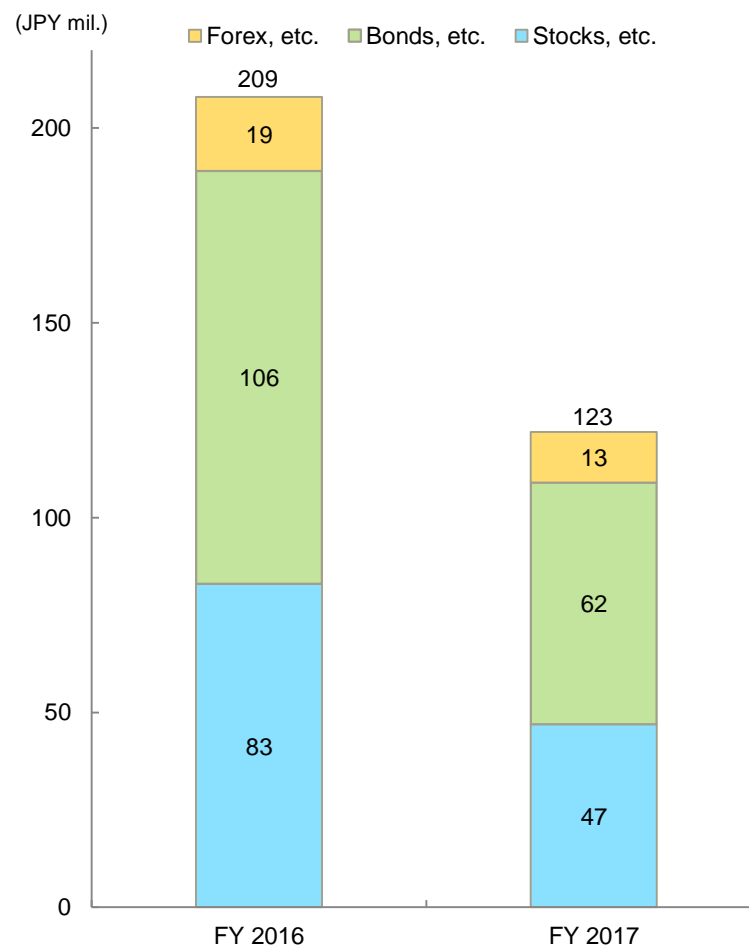
* Including wrap sales charge



4. Breakdown of Gains on Trading

- ◆ Gains on trading amounted to 123 million yen, a decrease of 85 million yen (down 41.0%) from the year-earlier period, as trading on bonds slid and etc.

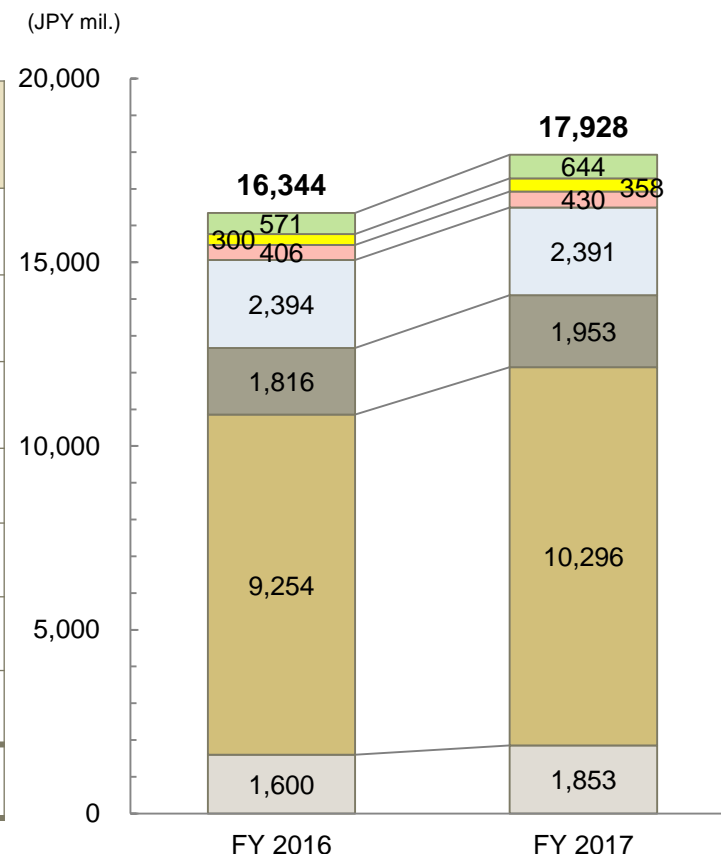
	FY 2016	FY 2017	Year-on-year (%)	Year-on-year
Stocks, etc.	83	47	-43.2%	-36
Bonds • Forex, etc.	126	76	-39.5%	-49
(Bonds, etc.)	(106)	(62)	-41.2%	-43
(Forex, etc.)	(19)	(13)	-29.8%	-5
Total	209	123	-41.0%	-85



5. Operating Cost and Expenses

- ◆ Operating cost and expenses amounted to 17.928 billion yen, an increase of 1.583 billion yen (up 9.7%) from the year-earlier period, as personnel expenses and transaction related expenses increased.

	FY 2016	FY 2017	Year-on-year (%)	Year-on-year
Transaction related expenses	1,600	1,853	15.8%	253
Personnel expenses	9,254	10,296	11.3%	1,041
Property related expenses	1,816	1,953	7.6%	137
Clerical expenses	2,394	2,391	-0.1%	-3
Depreciation	406	430	6.0%	24
Public charges	300	358	19.3%	57
Others	571	644	12.6%	72
Total	16,344	17,928	9.7%	1,583



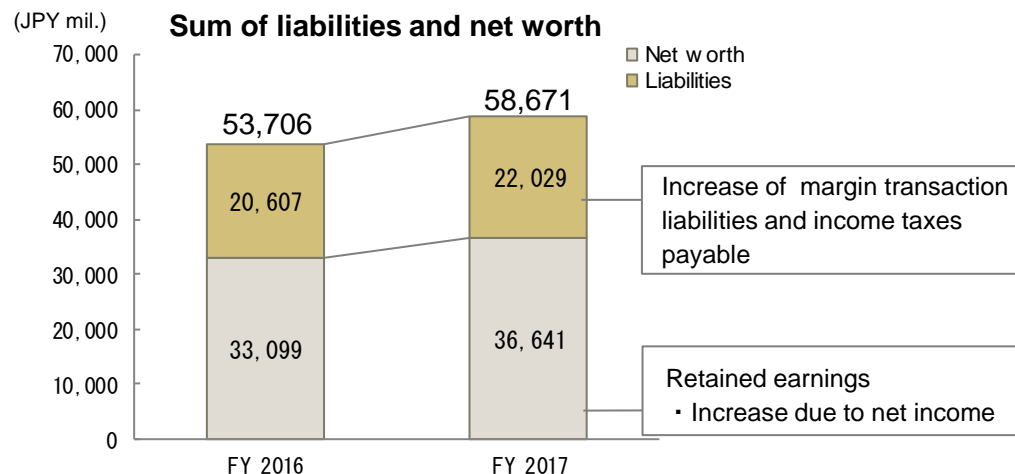
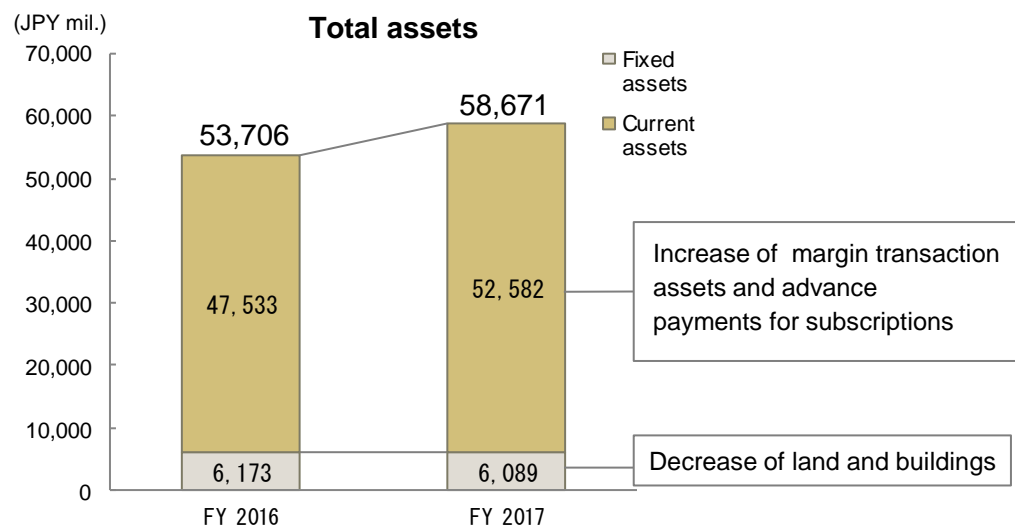
<Reference> Fixed cost and variable cost (FY 2017 non-consolidated basis)

Fixed cost	12,337
Variable cost	4,974

(JPY mil.)

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

Balance sheet



Financial results

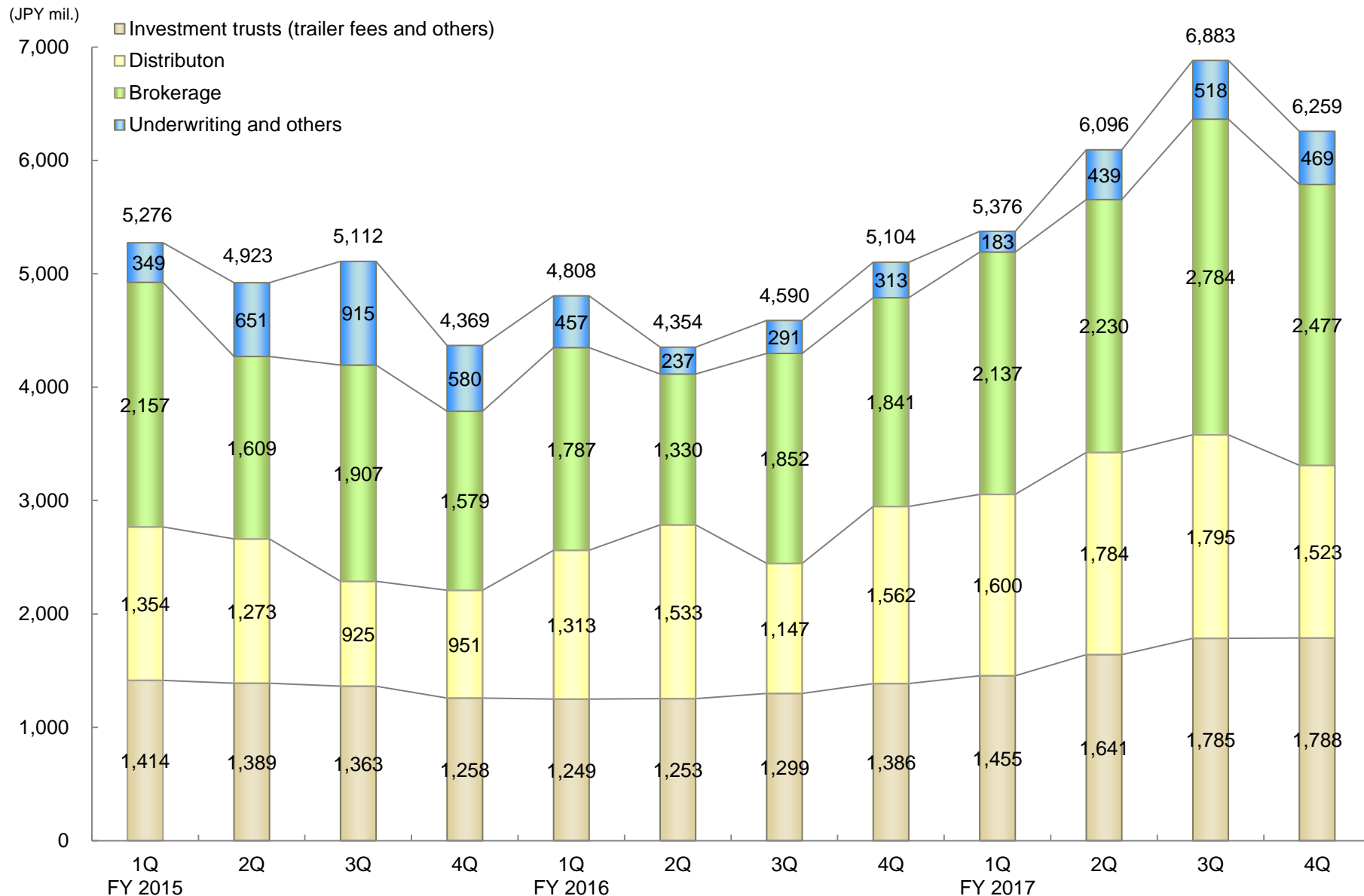
	FY 2017	Change from FY 2016 end.
Equity ratio (%)	61.9	0.8
Net worth per share (JPY)	850.09	80.9
Capital adequacy ratio (non-consolidated basis) (%)	600.4	8.5

	FY 2017	Year-on-year
EPS (JPY)	117.00	66.11
ROE (%)	14.5	7.9

II : Business Circumstances

1. Commission revenue

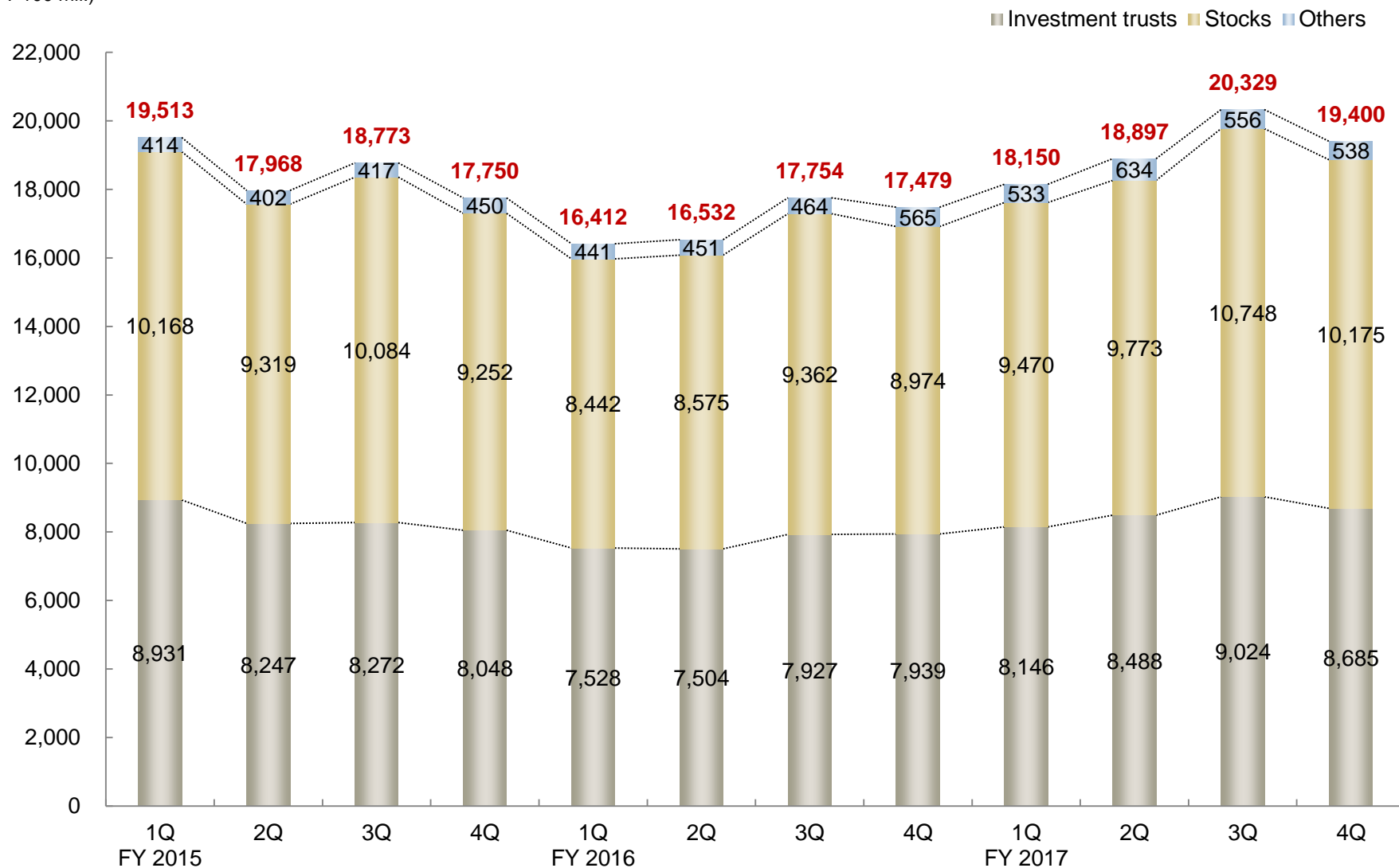
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2. Customer Assets under Custody

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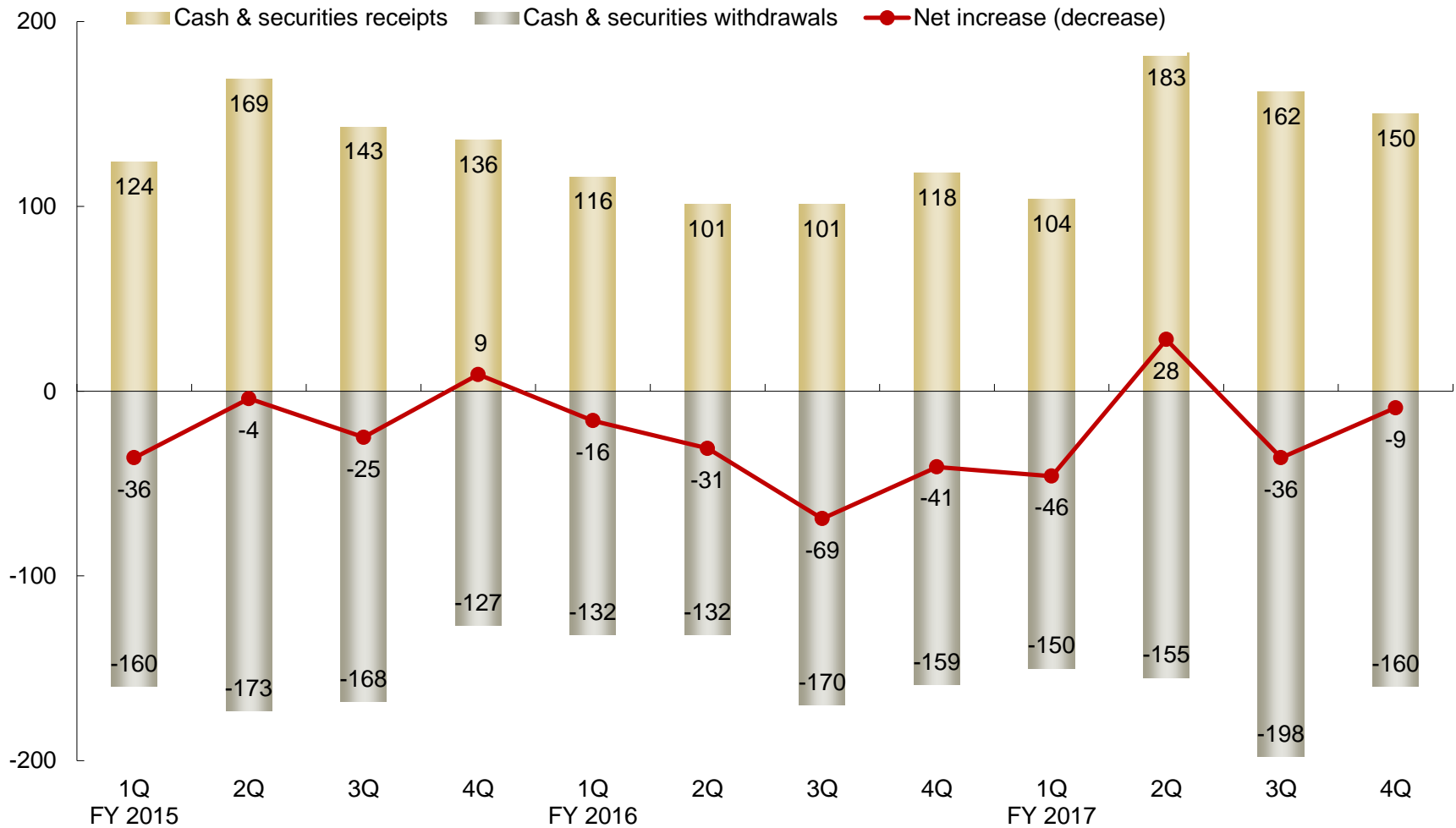
(JPY 100 mil.)



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

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(JPY 100 mil.)



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

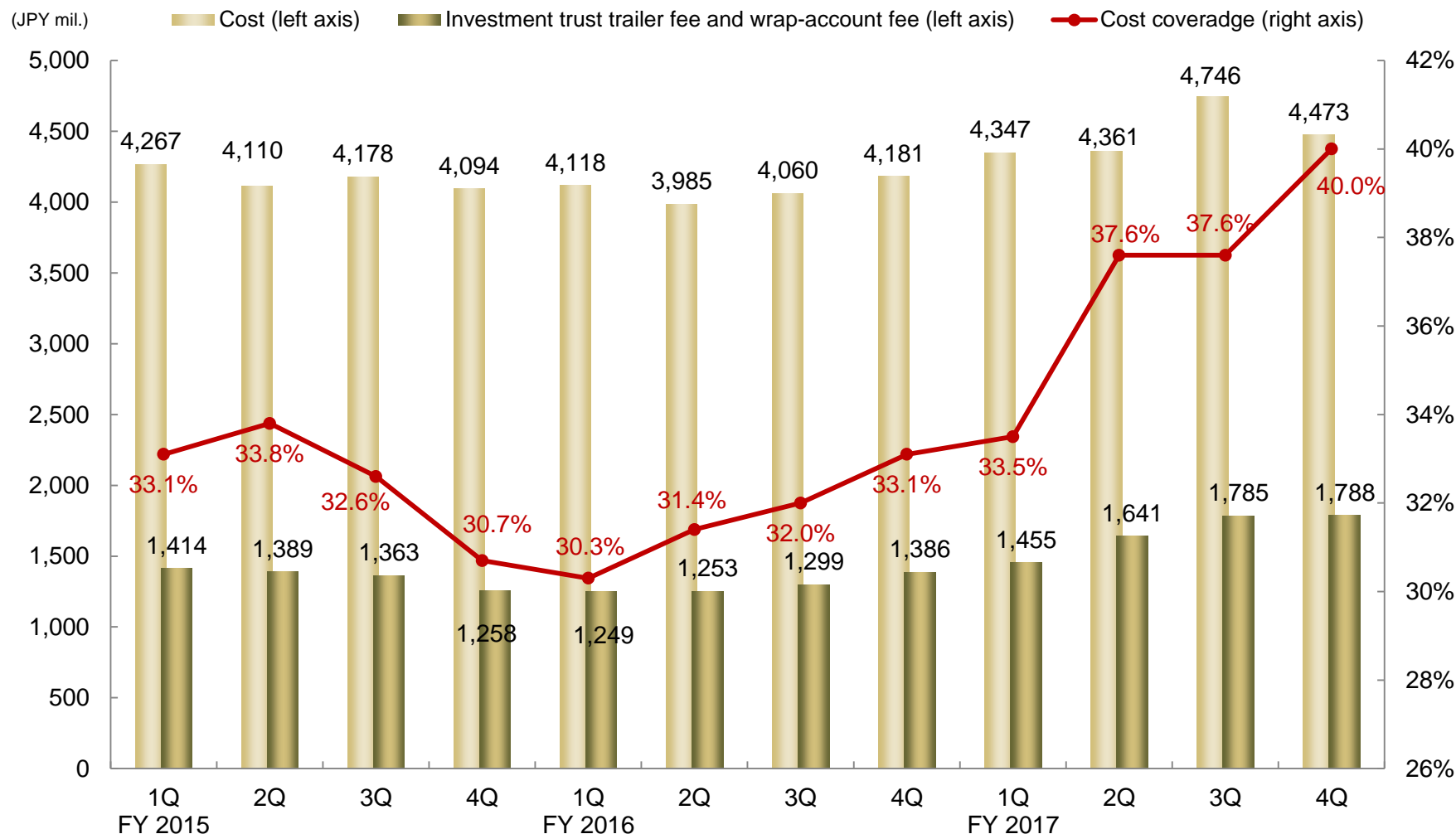
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(JPY 100 mil.)

	2016/3				2017/3				2018/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Ichiyoshi / Invesco World Small-and Mid -Cap Growth Stock Fund										98	150	95
Japan Small- and Mid-Cap Growth Stock Active Fund												80
Nissay JPX Nikkei 400 Active Fund (Including Asset Growth Type)												71
Nomura PIMCO World Income Strategy Fund (A・B・C・D Courses)								45	52	53	72	71
Shinko J-REIT Open					74	64		31		45	38	56
Ichiyoshi Japan Venture Fund											240	
Pictet Global Income Stock Fund	37	56	43	35							52	
Ichiyoshi Small- and Mid-cap Growth Stock Fund					90	107	149	116	199	230		
LM US Dividend Increases for Consecutive Years Stock Fund (Semi-annual Settlement Type, Every Three Months Settlement Type)									50	52		
LM Australia High Dividend Fund (Monthly Dividend Type)			35	59	61	102	84	198	147			
Ichiyoshi Japan High Dividend Stock & J- REIT Fund (Quarterly Settlement Type, Asset Growth Type)								92	45			
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								
LM Australia Monthly Distribution Fund	87	51	28	25								
Pictet Emerging Countries Income Stock Fund	64	36	25									
Ichiyoshi Infrastructure Growth Stock Fund	92	32										

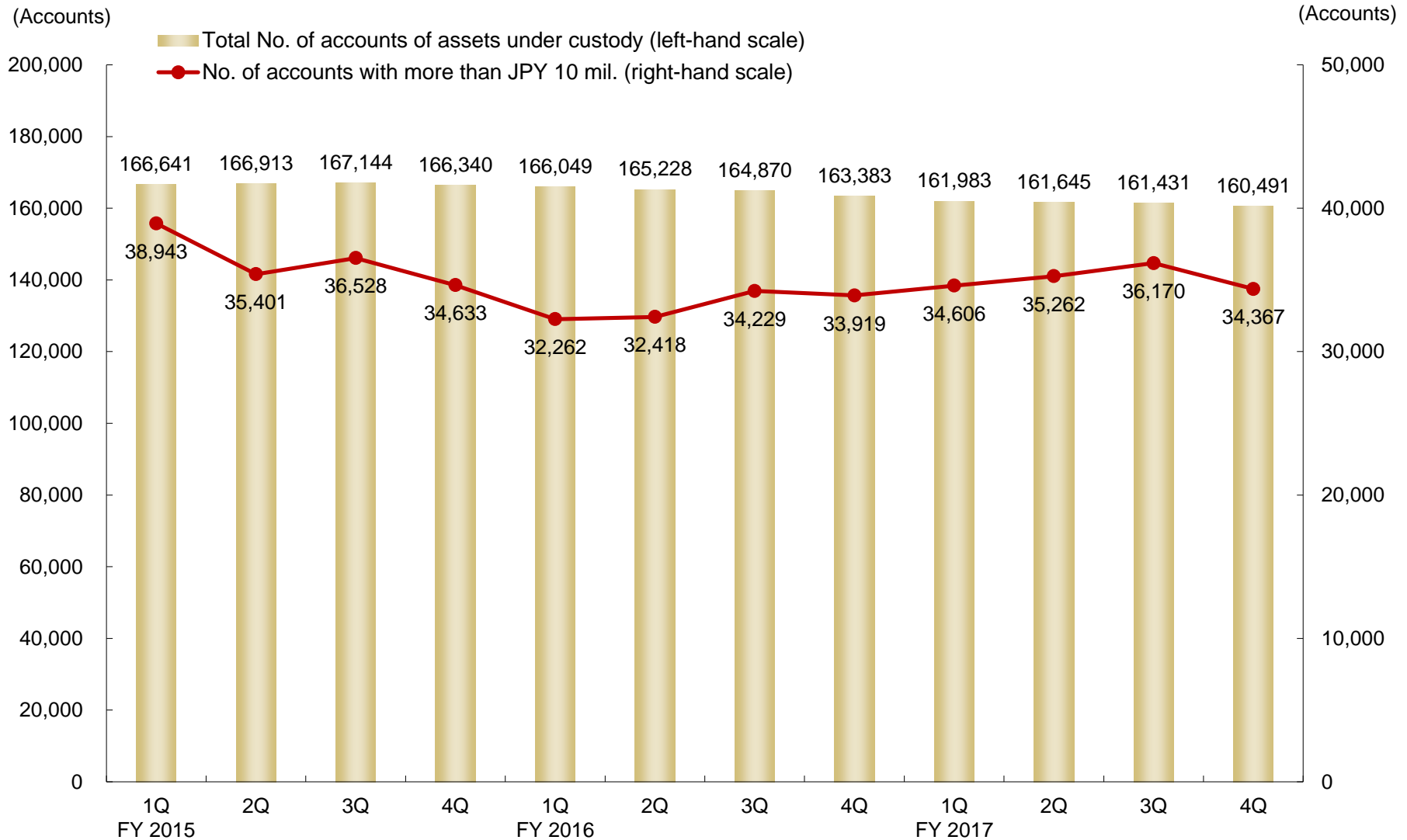
5. Trend of Investment Trust Trailer Fee and its Cost Coverage

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



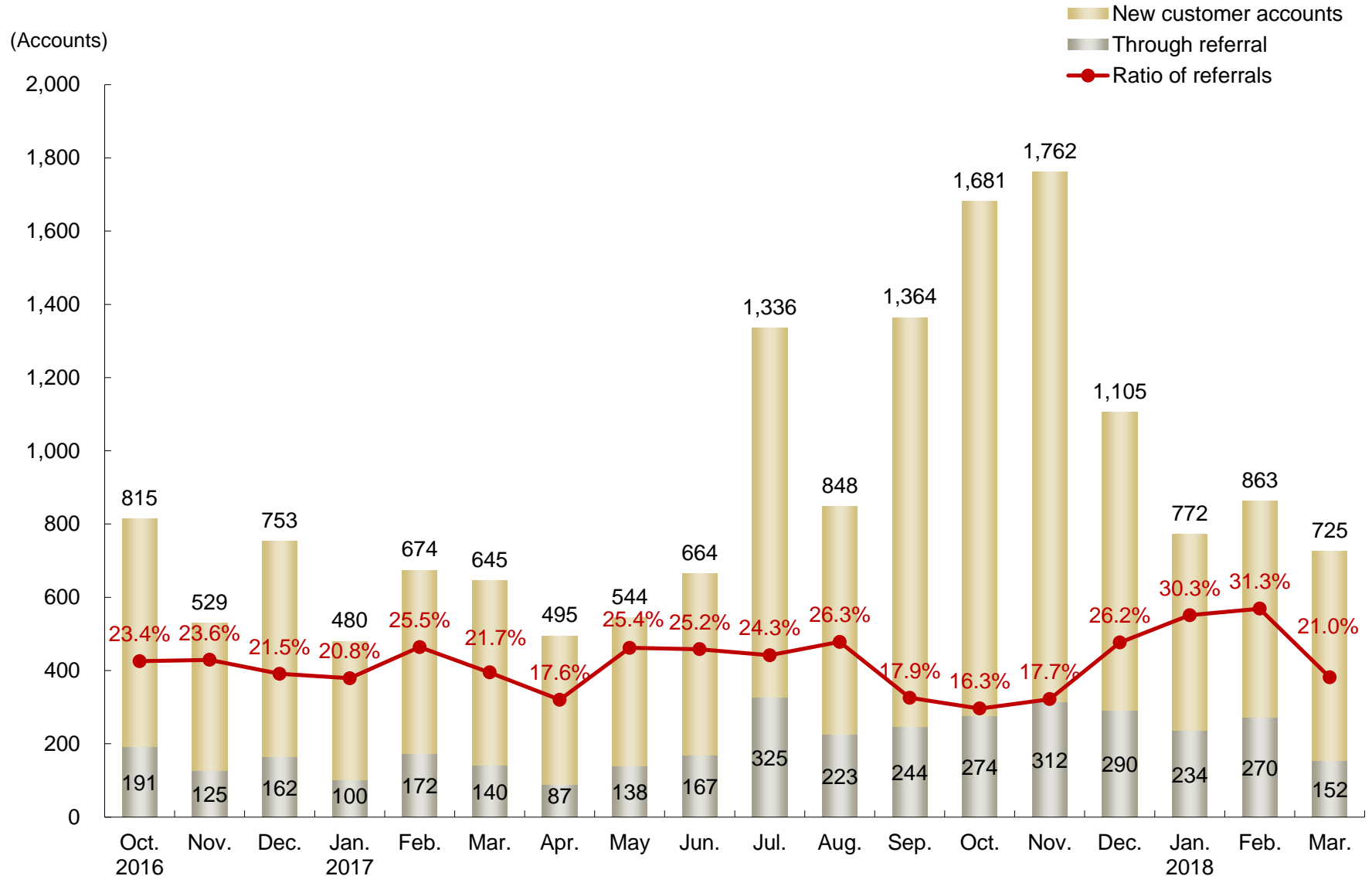
6. Number of Customer Accounts 【Retail】

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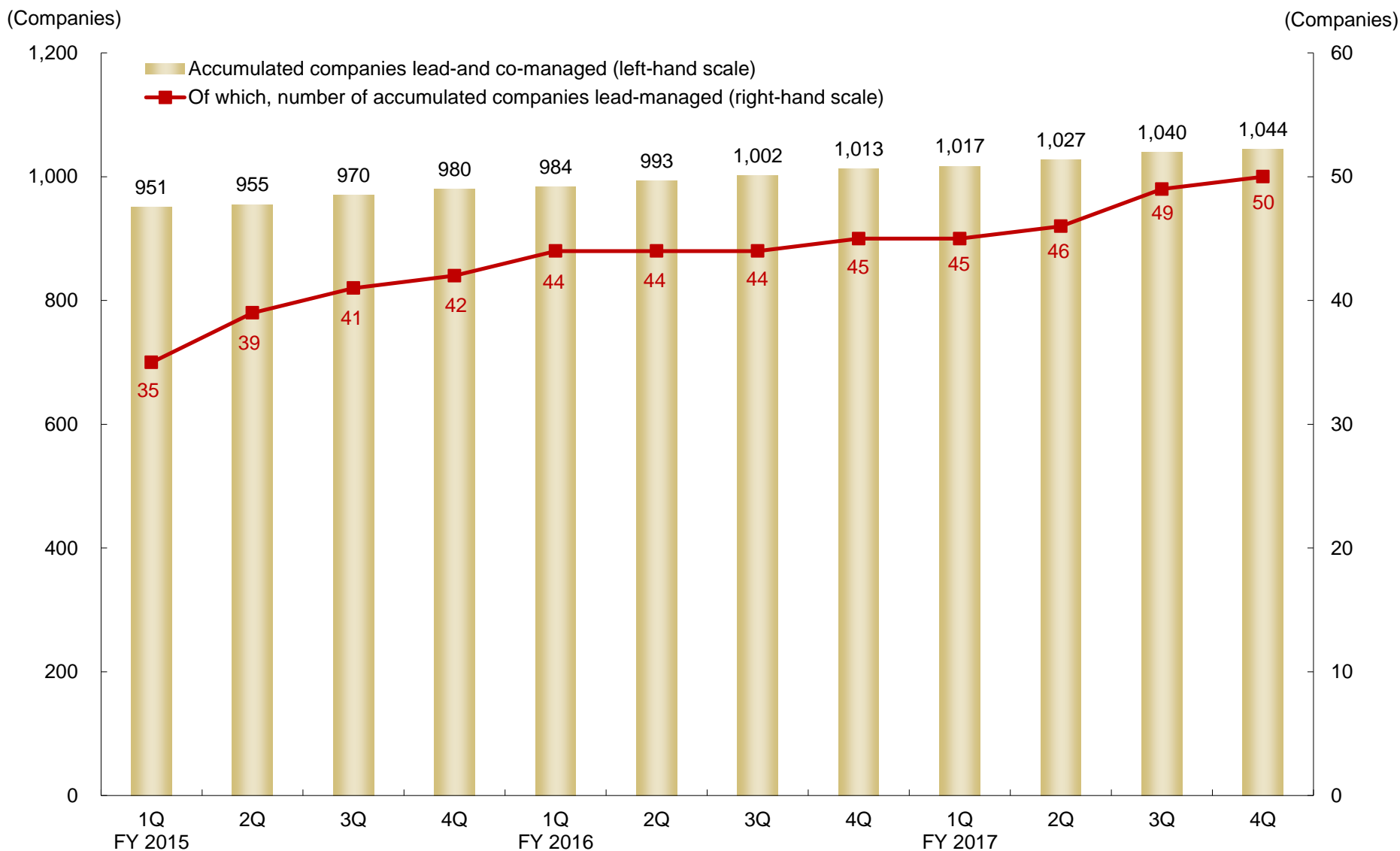


7. Number of New Customer Accounts and Ratio of Referrals 【Retail】

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8. Accumulated Companies Lead- and Co-managed



III: Quarterly Transition

(JPY mil.)

	FY 2016				FY 2017				Quarter-on-quarter	Year-on-year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Operating revenue	5,273	4,772	5,053	5,614	5,866	6,535	7,348	6,752	-8.1%	20.3%
Operating cost & expenses	4,118	3,985	4,060	4,181	4,347	4,361	4,746	4,473	-5.8%	7.0%
Current income	821	490	681	1,083	1,165	1,872	2,296	1,895	-17.5%	74.9%
Extraordinary income	40	2	0	27	60	4	23	2	-89.6%	-91.1%
Extraordinary loss	11	66	0	16	65	11	3	66	—	317.1%
Corporate tax	137	99	66	532	281	796	592	692	16.8%	30.1%
Tax adjustment	158	-139	177	-179	89	-184	133	-245	—	—
Net income attributable to shareholders of parent company	552	465	433	731	785	1,249	1,583	1,376	-13.1%	88.1%

2. Breakdown of Net Operating Revenue

(JPY mil)

	FY 2016				FY 2017				Quarter-on-quarter	Year-on-year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Commission revenue	4,808	4,354	4,590	5,104	5,376	6,096	6,883	6,259	-9.1%	22.6%
Gains on trading	34	51	62	61	32	36	34	21	-36.2%	-64.7%
Interest and dividend income	56	52	65	62	67	71	88	83	-5.6%	33.8%
Other operating revenue	374	313	335	386	390	331	342	387	13.1%	0.2%
Interest expenses	10	13	22	18	20	19	32	19	-40.0%	3.7%
Other operating expenses	345	290	316	356	354	307	322	357	10.9%	0.0%
Total	4,917	4,467	4,714	5,238	5,491	6,208	6,993	6,375	-8.8%	21.7%

3. Breakdown of Commission Revenue

(JPY mil.)

FY 21016				FY 2017				Quarter-on-quarter	Year-on-year
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		

Brokerage (Major item)

Stocks	1,787	1,330	1,852	1,841	2,137	2,230	2,784	2,477	-11.0%	34.6%
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Distribution (Major item)

Investment trusts sales charge	1,313	1,533	1,147	1,562	1,600	1,784	1,795	1,523	-15.2%	-2.5%
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Underwriting (Major items)

IPO	28	6	54	19	6	103	263	15	-94.1%	-20.9%
PO	205	6	16	25	2	140	22	15	-29.0%	-36.7%
Total	233	12	70	44	8	244	285	31	-89.0%	-29.8%

Others (Major items)

Investment trusts (trailer fees and others)	1,249	1,253	1,299	1,386	1,455	1,641	1,785	1,788	0.2%	29.0%
Other than investment trusts	135	144	140	172	104	146	174	348	100.2%	101.6%
Total	1,385	1,398	1,439	1,559	1,559	1,788	1,959	2,137	9.1%	37.0%

4. Breakdown of Gains on Trading

(JPY mil.)

	FY 2016				FY 2017				Quarter-on- quarter	Year-on- year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Stocks, etc.	-5	29	20	38	11	12	14	9	-36.9%	-76.6%
Bonds ・ Forex, etc.	40	21	41	22	20	23	19	12	-35.6%	-44.1%
(Bonds, etc.)	(40)	(10)	(35)	(19)	(16)	(19)	(15)	(10)	-32.3%	-44.7%
(Forex, etc.)	(-0)	(10)	(6)	(3)	(3)	(4)	(3)	(1)	-49.1%	-40.6%
Total	34	51	62	61	32	36	34	21	-36.2%	-64.7%

(JPY mil.)

	FY 2016				FY 2017				Quarter-on-quarter	Year-on-year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Transaction related expenses	433	366	379	421	430	448	528	446	-15.4%	6.0%
Personnel expenses	2,292	2,317	2,309	2,335	2,470	2,516	2,758	2,551	-7.5%	9.2%
Property related expenses	464	451	445	454	484	472	500	496	-0.7%	9.3%
Clerical expenses	584	552	624	633	601	577	612	600	-1.9%	-5.1%
Depreciation	98	99	98	110	102	106	100	121	20.9%	10.3%
Public charges	75	67	71	86	79	93	95	89	-6.0%	4.4%
Allowances for doubtful accounts	—	—	—	—	0	0	0	1	849.4%	—
Others	169	131	131	140	180	145	150	165	9.5%	18.0%
Total	4,118	3,985	4,060	4,181	4,347	4,361	4,746	4,473	-5.8%	7.0%

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

Fixed cost	3,040	2,966	2,986	3,018	3,103	3,031	3,121	3,081	-1.3%	2.1%
Variable cost	1,001	928	961	1,038	1,121	1,175	1,464	1,212	-17.2%	16.7%

(JPY mil.)

FY 2016				FY 2017				Quarter- on-quarter	Year-on- year
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		

Assets										
Current assets	39,071	42,058	43,986	47,533	44,471	60,376	52,921	52,582	-0.6%	10.6%
Fixed assets	6,352	5,919	6,102	6,173	6,075	6,109	6,087	6,089	0.0%	-1.4%
Total assets	45,423	47,977	50,089	53,706	50,546	66,485	59,008	58,671	-0.6%	9.2%

Liabilities										
Current liabilities	12,483	14,802	17,227	20,081	16,797	31,333	23,233	21,462	-7.6%	6.9%
Fixed liabilities	347	339	350	344	341	344	344	355	3.2%	3.2%
Total liabilities	13,011	15,323	17,758	20,607	17,319	31,858	23,758	22,029	-7.3%	6.9%

Net worth										
Net worth	32,412	32,654	32,330	33,099	33,226	34,627	35,249	36,641	3.9%	10.7%
Total liabilities & net worth	45,423	47,977	50,089	53,706	50,546	66,485	59,008	58,671	-0.6%	9.2%

	FY 2016				FY 2017				Quarter-on-quarter	Year-on-year
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total assets (JPY mil.)	45,423	47,977	50,089	53,706	50,546	66,485	59,008	58,671	-0.6%	9.2%
Net worth (JPY mil.)	32,412	32,654	32,330	33,099	33,226	34,627	35,249	36,641	3.9%	10.7%
Equity ratio (%)	70.8	67.5	64.0	61.1	65.1	51.6	59.2	61.9	—	—
Net worth per share (JPY)	745.74	755.39	751.88	769.18	771.83	804.62	817.93	850.09	—	—
Capital adequacy ratio (%) (non-consolidated basis)	580.8	592.6	584.0	591.9	593.2	606.8	609.0	600.4	—	—
EPS (JPY)	12.79	23.60	33.77	50.89	18.43	47.71	84.79	117.00	—	—
ROE (%)	1.7	3.1	4.4	6.6	2.4	6.1	10.7	14.5	—	—

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