


IR Presentation for First quarter, year ending March 2019



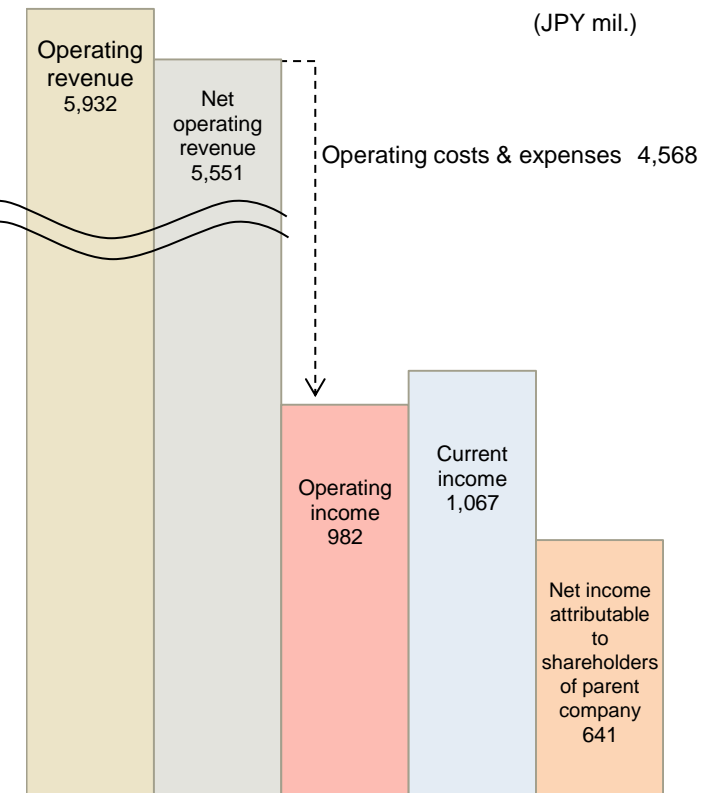
Ichiyoshi Securities Co., Ltd.
July, 2018

I : Business Results (Consolidated)

* Effective as from the first quarter of fiscal 2018, the “Partial Amendment to Accounting Standards Relating to Tax Effect Accounting” (Corporate Accounting Standards No. 28 dated February 16, 2018) and others have been applied. Assets and liabilities as of March 31, 2018 in this IR Presentation are presented retroactively based on such amendment.

- ◆ Operating revenue amounted to 5,932 million yen, an increase of 66 million yen (up 1.1%) from the year-earlier period.
- ◆ Current income amounted to 1,067 million yen, a decrease of 98 million yen (down 8.4%) from the year-earlier period.
- ◆ Net income attributable to shareholders of parent company amounted to 641 million yen, a decrease of 144 million yen (down 18.4%) from the year-earlier period.

	FY 2017 1Q	FY 2018 1Q	Year-on-year (%)	Year-on-year (JPY mil.)
Operating revenue	5,866	5,932	1.1%	66
Net operating revenue	5,491	5,551	1.1%	60
Operating costs & expenses	4,347	4,568	5.1%	221
Operating income	1,143	982	-14.1%	-161
Current income	1,165	1,067	-8.4%	-98
Extraordinary income & loss	-4	20	-	25
Income taxes	370	439	18.6%	69
Net income attributable to shareholders of parent company	785	641	-18.4%	-144

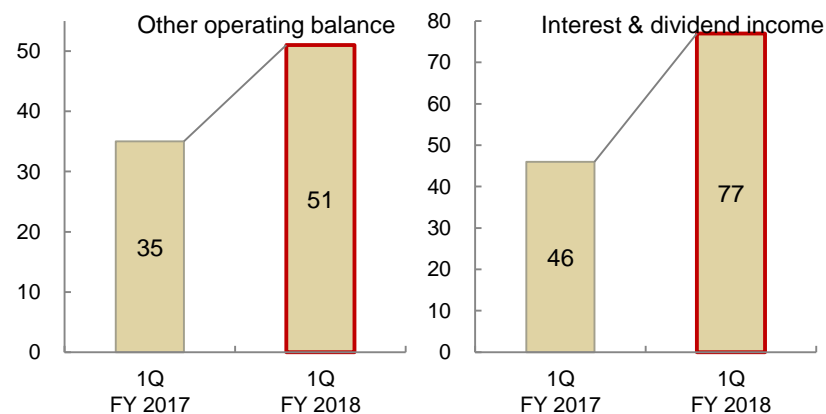
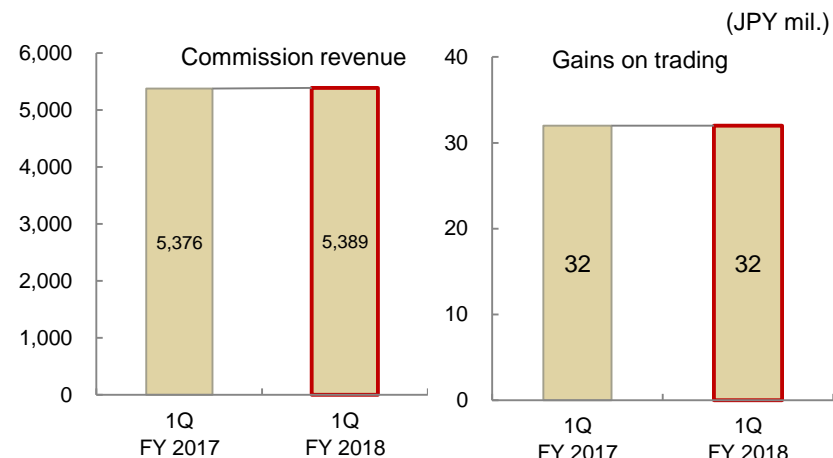


From April 1, 2018 to June 30, 2018

2. Breakdown of Net Operating Revenue

- ◆ Commission revenue amounted to 5,389 million yen, an increase of 13 million yen (up 0.3%) from the year-earlier period, as commissions from other sources (trailer fees and others) grew and etc.
- ◆ Gains on trading amounted to 32 million yen, an increase of 1.1% from the year-earlier period.

	FY 2017 1Q	FY 2018 1Q	Year-on- year (%)	Year-on- year
Commission revenue	5,376	5,389	0.3%	13
Gains on trading	32	32	1.1%	0
Other operating balance	35	51	41.9%	15
Interest & dividend income	46	77	66.0%	30
Total	5,491	5,551	1.1%	60



3. Breakdown of Commission Revenue

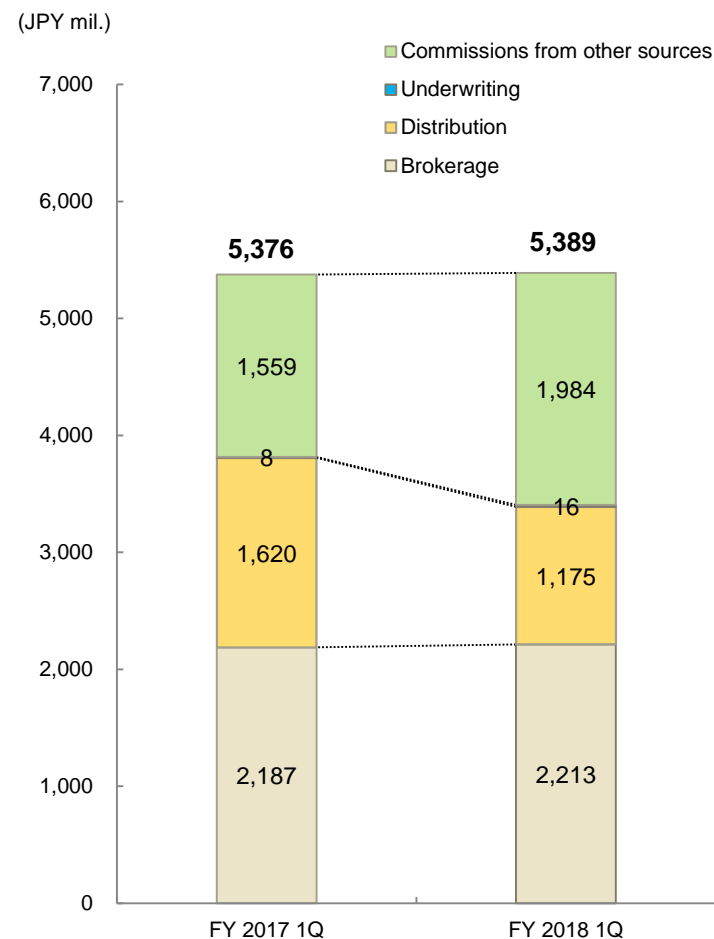
- ◆ Commissions from brokerage of stocks amounted to 2,167 million yen, an increase of 29 million yen (up 1.4%) from the year-earlier period. Investment trusts sales charge amounted to 1,136 million yen, a decrease of 463 million yen (down 28.9%) from the year-earlier period. Commissions from other sources (Investment trusts trailer fees and others) amounted to 1,759 million yen, an increase of 304 million yen (up 21.0%) from the year-earlier period.
- ◆ Fees from underwriting amounted to 16 million yen, an increase of 8 million yen (up 94.3%) from the year-earlier period, as the Company participated in the management and underwriting of 8 initial public offerings, and underwrote 1 public offering of share of other listed issuer.

	(JPY mil.)			
	FY 2017 1Q	FY 2018 1Q	Year-on-year (%)	Year-on-year
Commission revenue	5,376	5,389	0.3%	13
Brokerage (Major item)				
Stocks	2,137	2,167	1.4%	29
Distribution (Major item)				
Investment trusts sales charge	1,600	1,136	-28.9%	-463
Underwriting (Major items)				
IPO	6	11	68.5%	4
PO	2	5	175.3%	3
Total	8	16	94.3%	8
Commissions from other sources (Major items)				
Investment trusts (trailer fees & others)	1,455	1,759	21.0%	304
Other than investment trusts	104	224	115.5%	120
Total	1,559	1,984	27.3%	425

<Reference>

	(JPY 100 mil.)			
Fund distribution	750	678	-9.5%	-71

* Including Fund Wrap sales

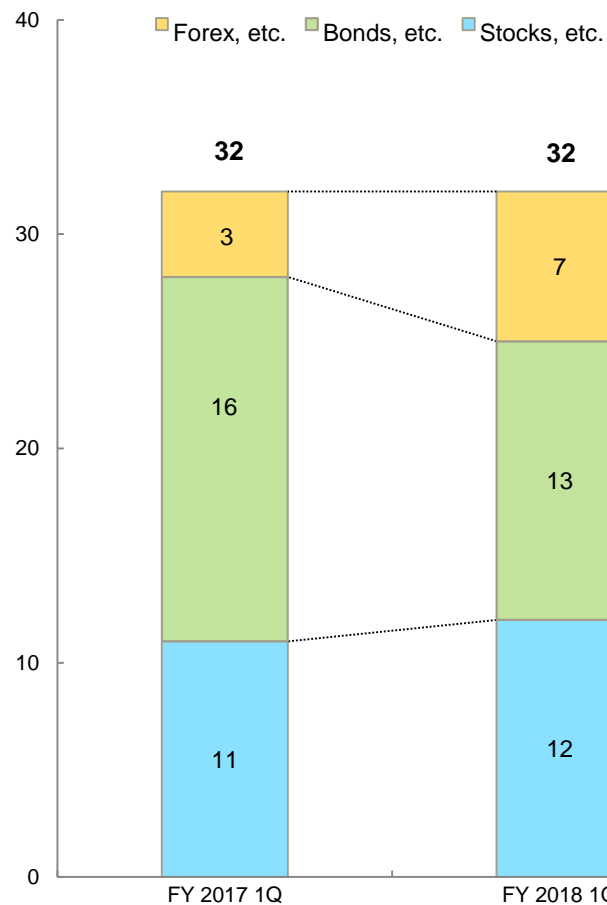


4. Breakdown of Gains on Trading

◆ Gains on trading amounted to 32 million yen, an increase of 1.1% from the year-earlier period.

	FY 2017 1Q	FY 2018 1Q	Year-on-year (%)	Year-on-year
Stocks, etc.	11	12	5.9%	0
Bonds • Forex, etc.	20	20	-1.6%	-0
(Bonds, etc.)	(16)	(13)	-22.8%	-3
(Forex, etc.)	(3)	(7)	96.9%	3
Total	32	32	1.1%	0

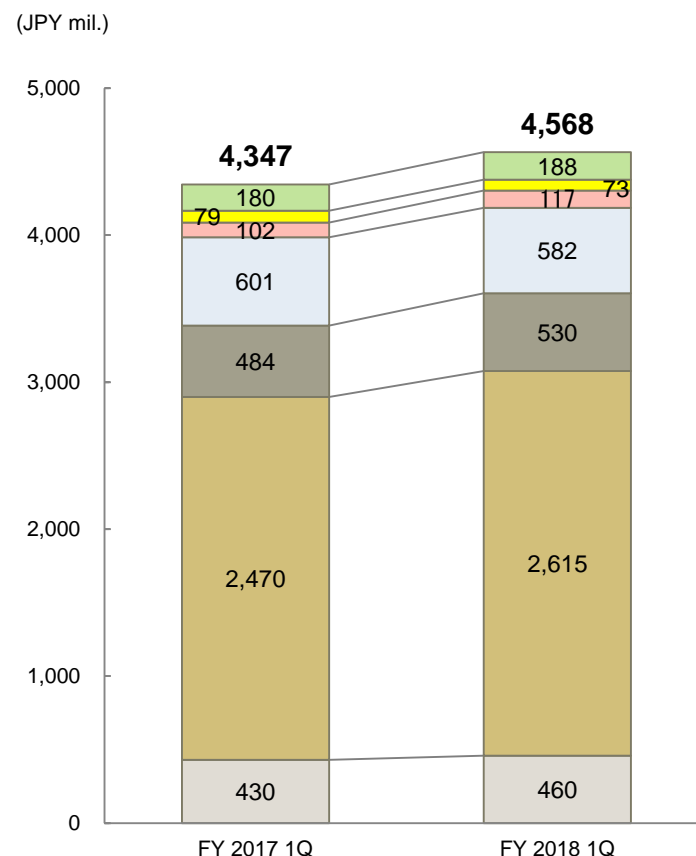
(JPY mil.)



5. Operating Cost and Expenses

- ◆ Operating cost and expenses amounted to 4,568 million yen, an increase of 221 million yen (up 5.1%) from the year-earlier period, as personnel expenses, property related expenses and transaction related expenses, etc. swelled.

	FY 2017 1Q	FY 2018 1Q	Year-on-year (%)	Year-on-year
Transaction related expenses	430	460	7.2%	30
Personnel expenses	2,470	2,615	5.9%	145
Property related expenses	484	530	9.4%	45
Clerical expenses	601	582	-3.1%	-18
Depreciation	102	117	14.9%	15
Public charges	79	73	-6.8%	-5
Others	180	188	4.5%	8
Total	4,347	4,568	5.1%	221



<Reference> Fixed cost and variable cost (FY 2018 1Q, non-consolidated basis)

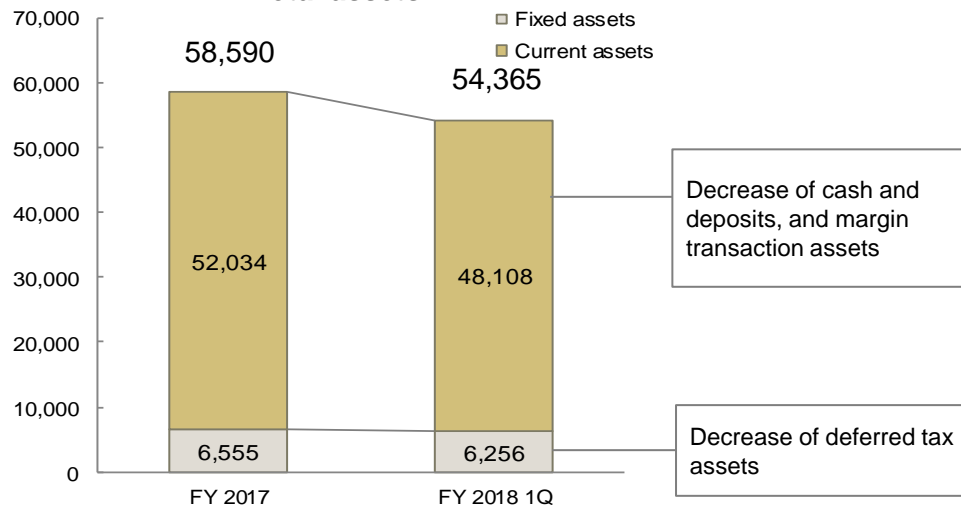
Fixed cost	3,273	(JPY mil.)
Variable cost	1,135	

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

Balance sheet

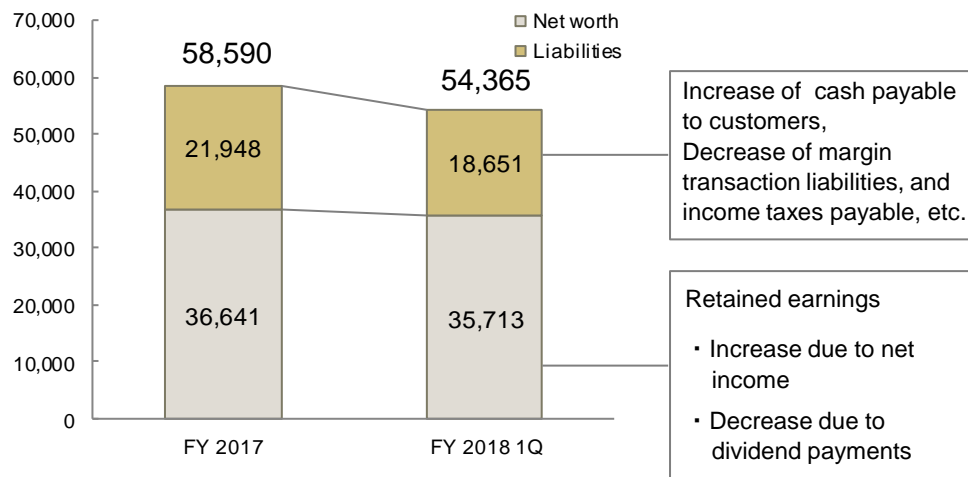
(JPY mil.)

Total assets



(JPY mil.)

Sum of liabilities and net worth



Financial results

	FY 2018 1Q	Year –on-year
Equity ratio (%)	65.1	3.1
Net worth per share (JPY)	827.61	-22.48
Capital adequacy ratio (non-consolidated basis) (%)	550.9	-49.5

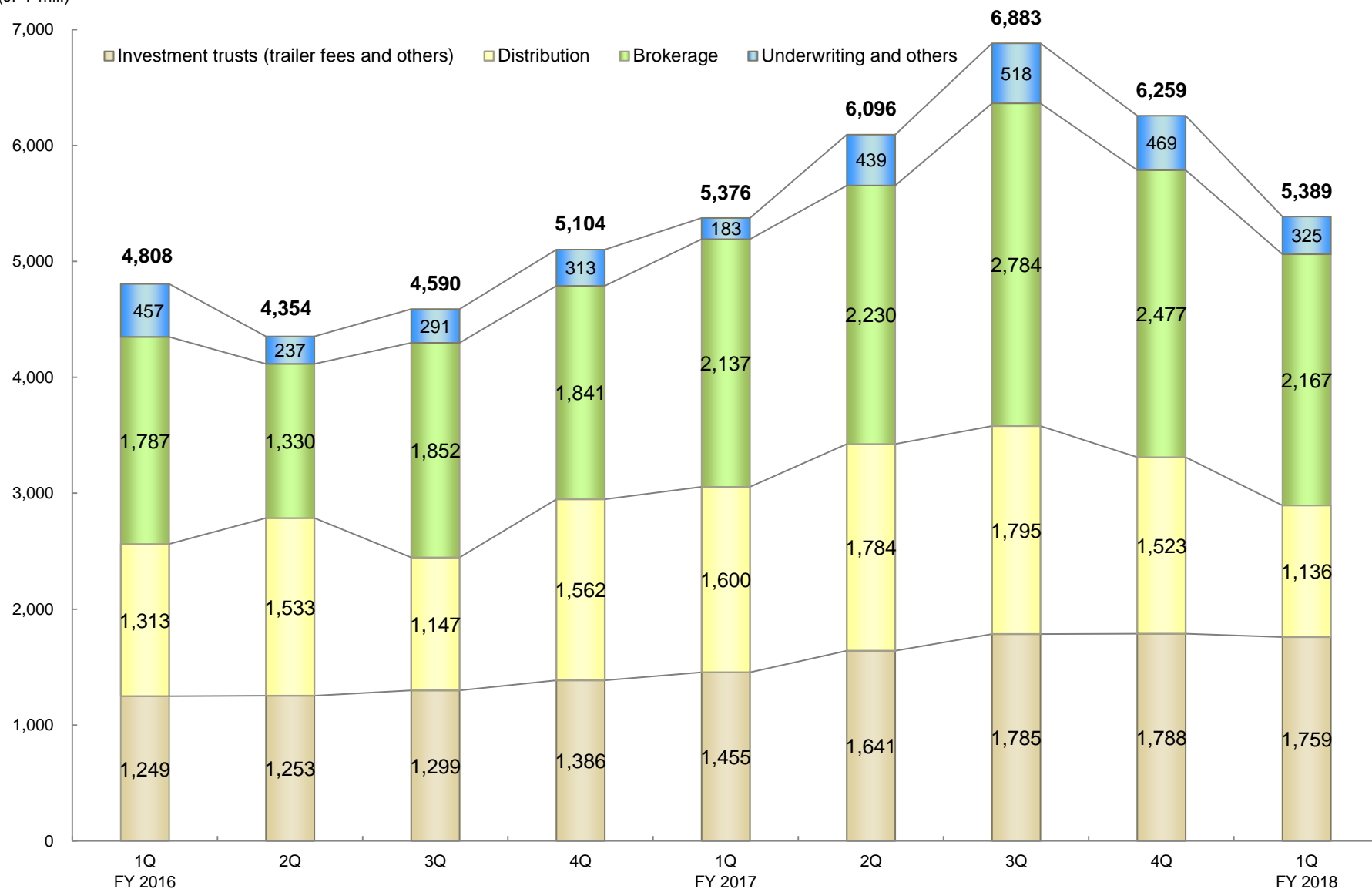
	FY 2018 1Q	Year –on-year
EPS (JPY)	15.01	-3.42
ROE (%)	1.8	-0.6

II : Business Circumstances

1. Commission revenue

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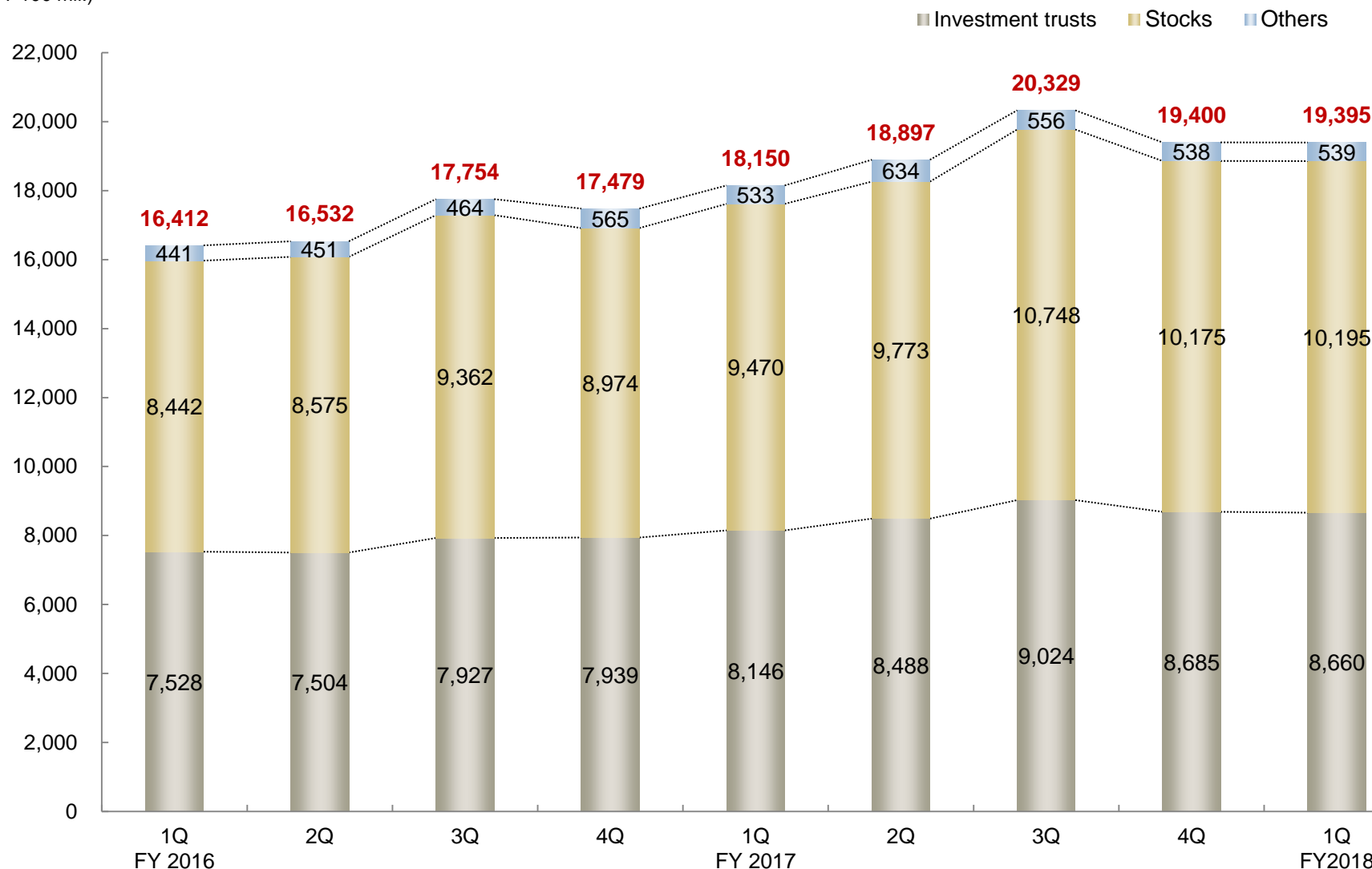
(JPY mil.)



2. Customer Assets under Custody

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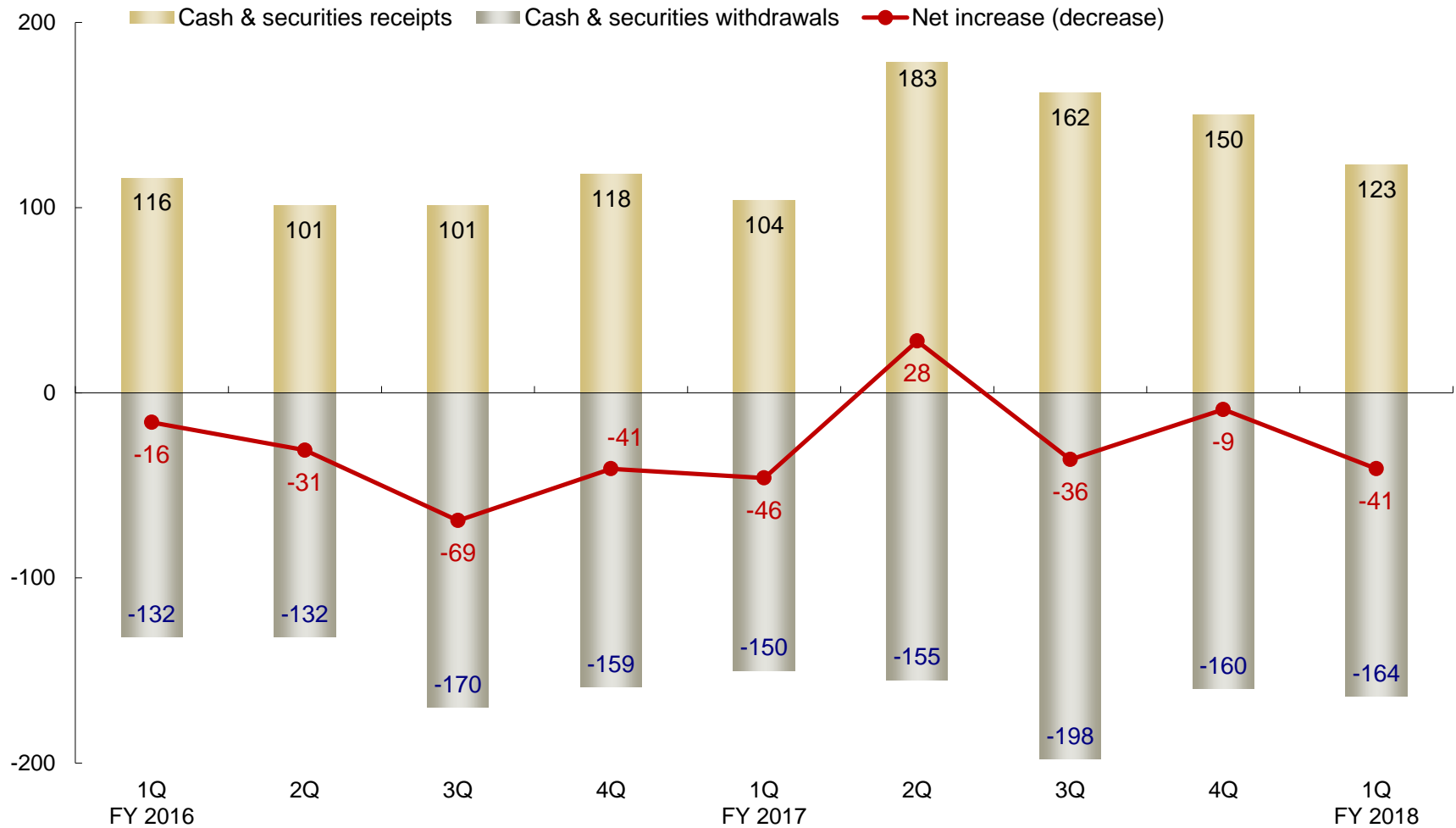
(JPY 100 mil.)



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)

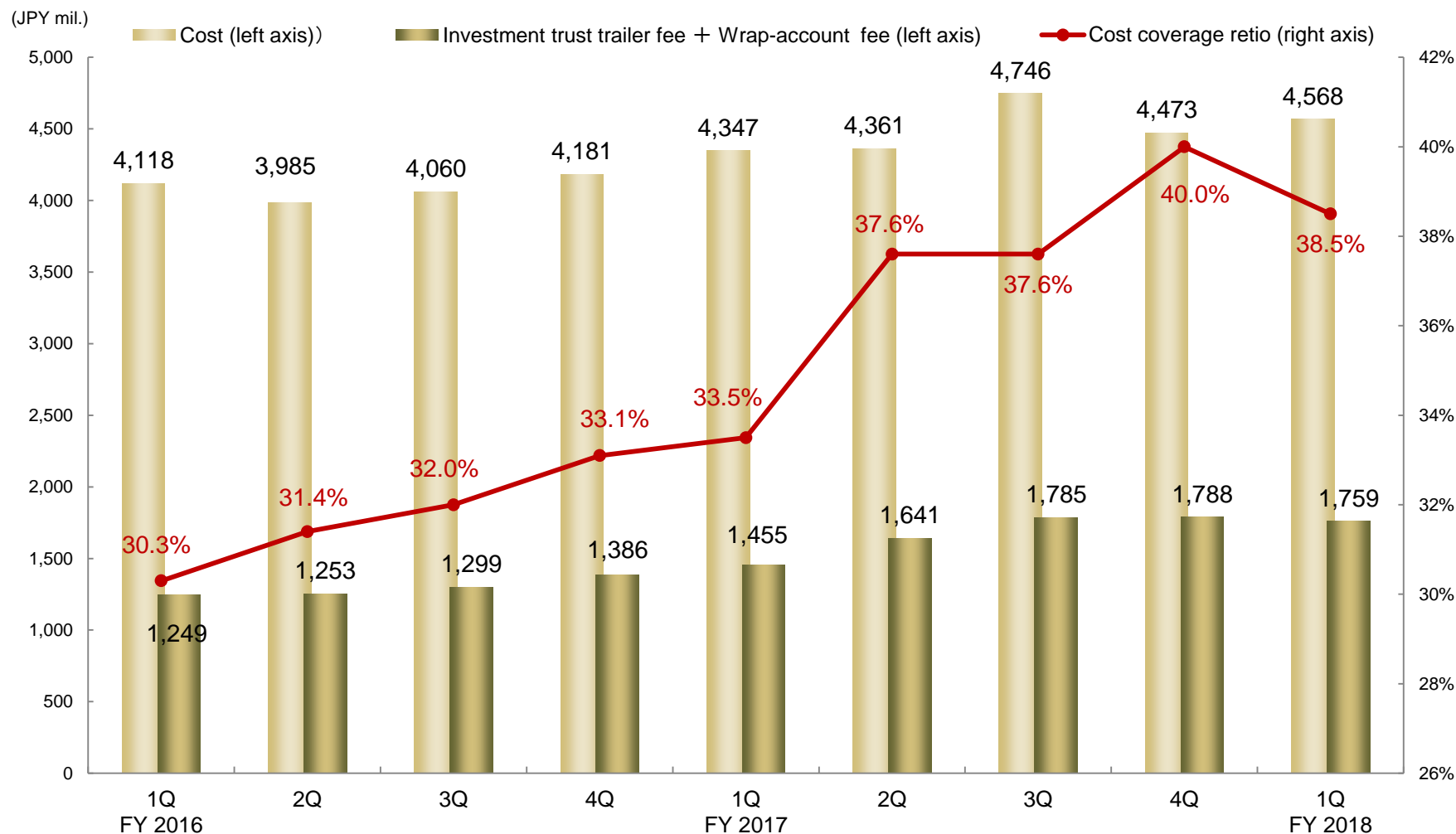
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(JPY 100 mil.)

	FY 2016				FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Ichiyoshi Mid-Small Cap Growth Equity Fund	90	107	149	116	199	230			181
Shinko J-REIT Open	74	64		31		45	38	56	79
BNYM Japan Recover Growth Equity Fund									21
Pictet Global Income Equity Fund							52		17
Nomura PIMCO World Income Strategy Fund (A/B/C/D)				45	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 (Including Asset Growth Type)								71	
Ichiyoshi Japan Venture Fund							240		
LM US Dividend Growers Equity Fund (Semi-Annual Settlement/Quarterly Settlement)					50	52			
LM Australia High Yield Equity Fund Monthly Dividend	61	102	84	198	147				
Ichiyoshi Japan Select Dividend Equity & J-REIT Fund (Quarterly Settlement Type/Asset Growth Type)				92	45				
Fidelity US REIT Fund B - Non-hedged	146	148	28						
BNYMellon Global Good Interest Rate CB Fund JPY Hedge Ltd Open 2016-04/07/11	67	50	37						
Japan High Dividend Stock Fund 2016-12 Limited Additional Subscription Type/with Early Redemption Clause			36						

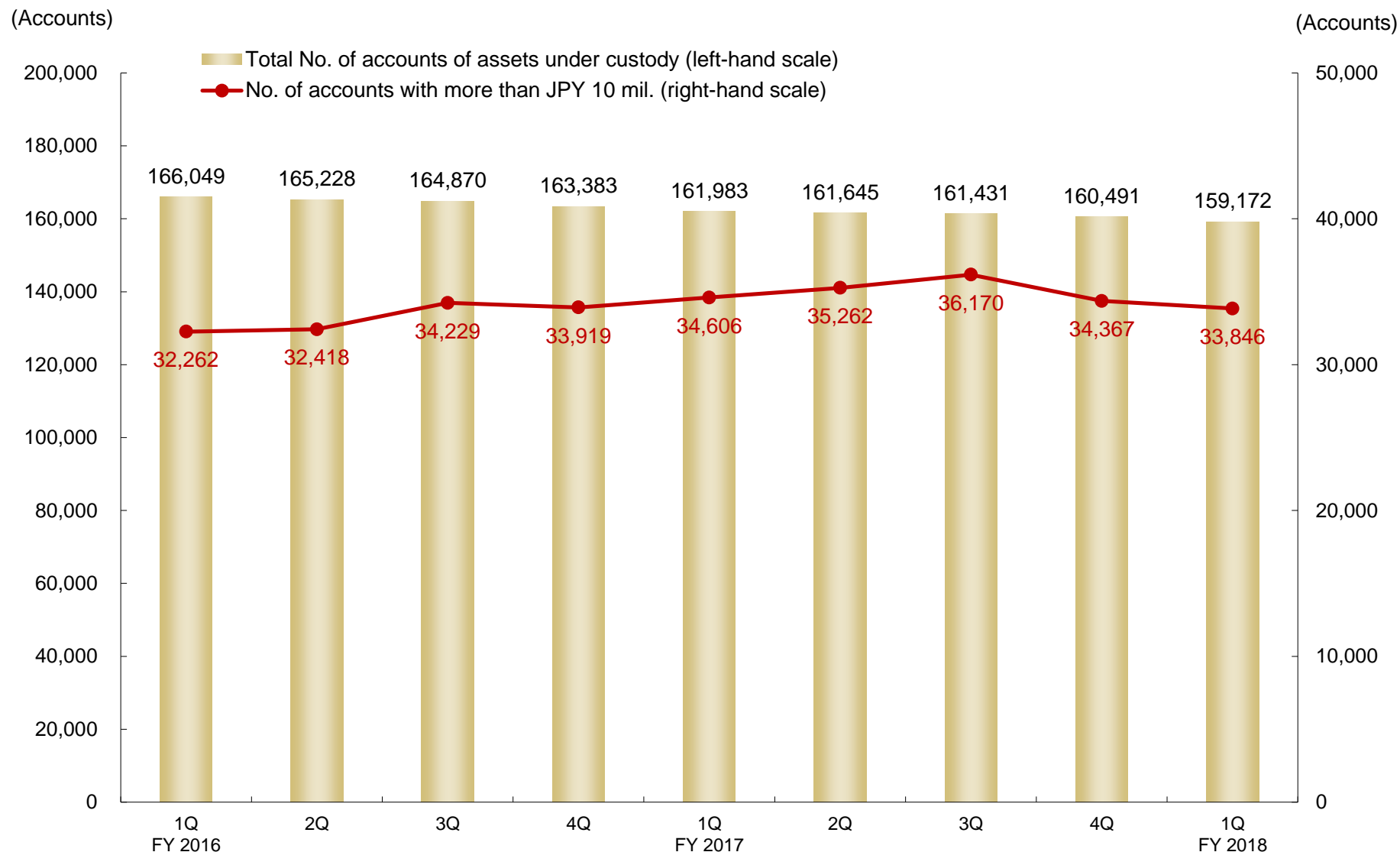
5. Trend of Investment Trust Trailer Fee and its Cost Coverage

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



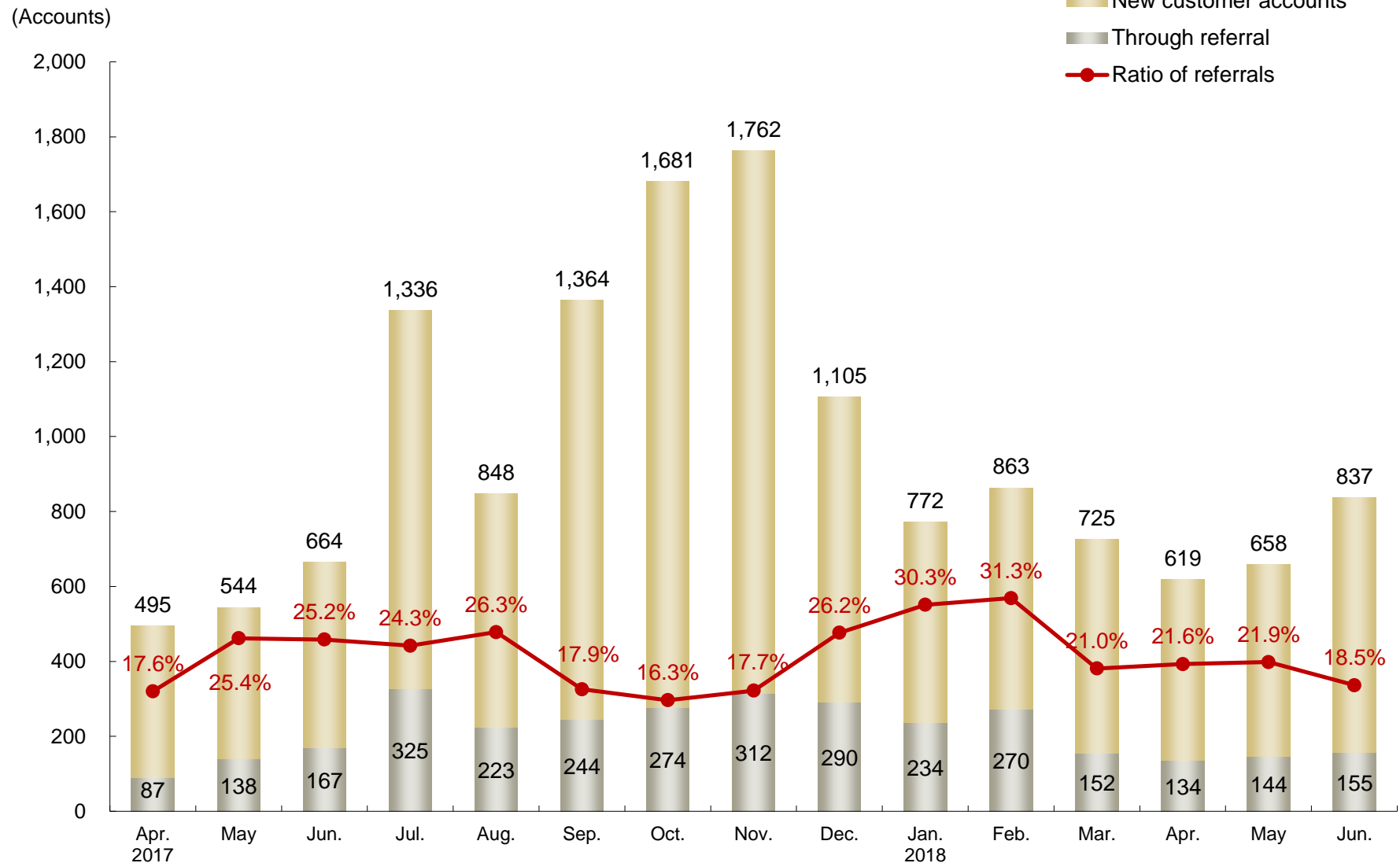
6. Number of Customer Accounts 【Retail】

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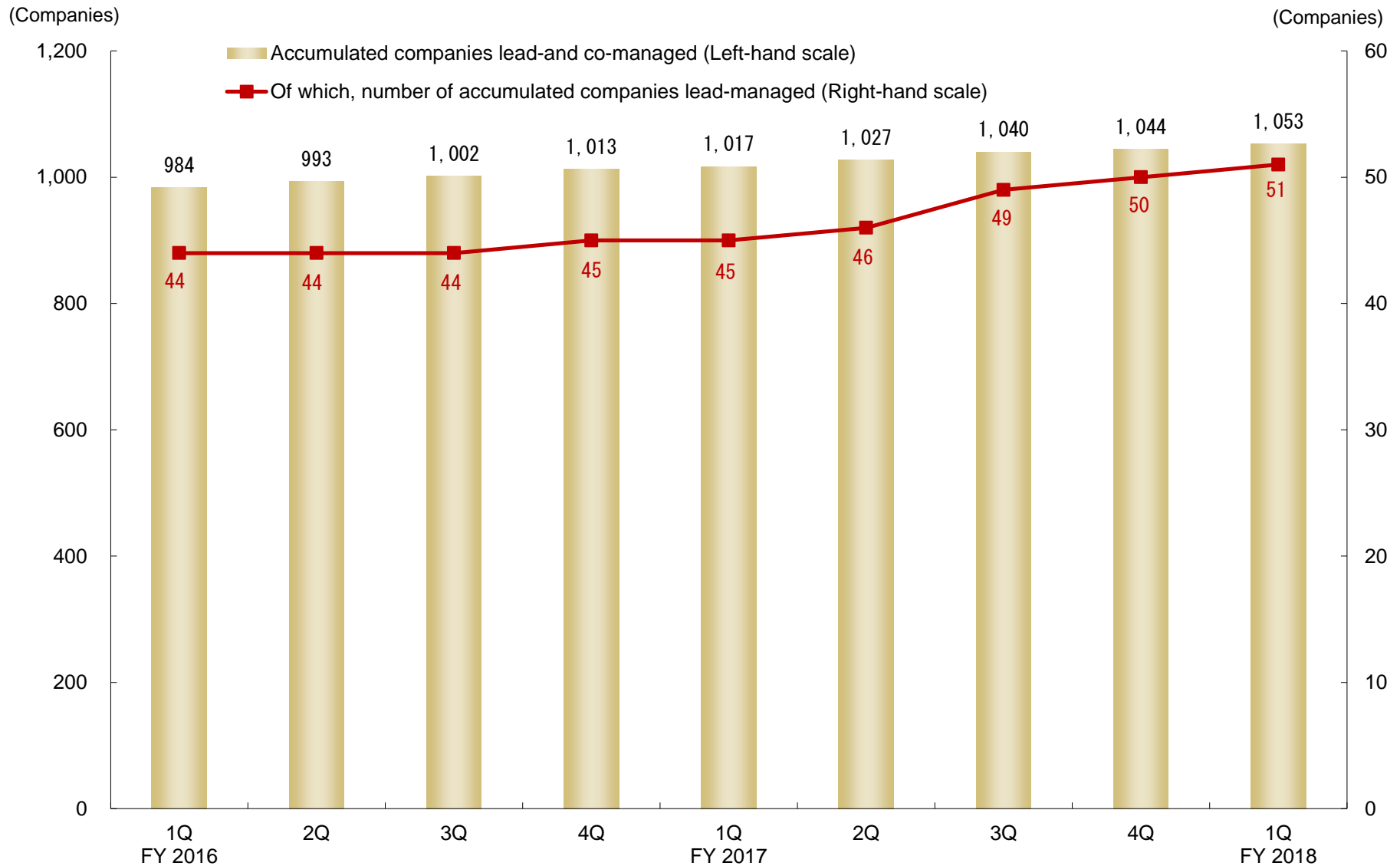
7. Number of New Customer Accounts and Ratio of Referrals 【Retail】

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8. Accumulated Companies Lead- and Co-managed

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III: Quarterly Transition

* Effective as from the first quarter of fiscal 2018, the “Partial Amendment to Accounting Standards Relating to Tax Effect Accounting” (Corporate Accounting Standards No. 28 dated February 16, 2018) and others have been applied. Assets and liabilities as of March 31, 2018 in this IR Presentation are presented retroactively based on such amendment.

(JPY mil.)

	FY 2017				FY 2018	Quarter-on- quarter	Year-on-year
	1Q	2Q	3Q	4Q	1Q		
Operating revenue	5,866	6,535	7,348	6,752	5,932	-12.1%	1.1%
Operating cost & expenses	4,347	4,361	4,746	4,473	4,568	2.1%	5.1%
Current income	1,165	1,872	2,296	1,895	1,067	-43.7%	-8.4%
Extraordinary income	60	4	23	2	31	-	-47.6%
Extraordinary loss	65	11	3	66	11	-83.1%	-82.8%
Corporate tax	281	796	592	692	98	-85.7%	-64.9%
Tax adjustment	89	-184	133	-245	341	-	282.3%
Net income attributable to shareholders of parent company	785	1,249	1,583	1,376	641	-53.4%	-18.4%

2. Breakdown of Net Operating Revenue

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(JPY mil.)

	FY 2017				FY 2018	Quarter-on-quarter	Year-on-year
	1Q	2Q	3Q	4Q	1Q		
Commission revenue	5,376	6,096	6,883	6,259	5,389	-13.9%	0.3%
Gains on trading	32	36	34	21	32	49.0%	1.1%
Interest and dividend income	67	71	88	83	91	9.9%	35.3%
Other operating revenue	390	331	342	387	418	7.9%	7.2%
Interest expenses	20	19	32	19	13	-29.0%	-33.7%
Other operating expenses	354	307	322	357	367	2.9%	3.7%
Total	5,491	6,208	6,993	6,375	5,551	-12.9%	1.1%

3. Breakdown of Commission Revenue

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(JPY mil.)

FY 2017				FY 2018	Quarter-on- quarter	Year-on-year
1Q	2Q	3Q	4Q	1Q		

Brokerage (Major item)

Stocks	2,137	2,230	2,784	2,477	2,167	-12.5%	1.4%
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Distribution (Major item)

Investment trusts sales charge	1,600	1,784	1,795	1,523	1,136	-25.4%	-28.9%
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Underwriting (Major items)

IPO	6	103	263	15	11	-28.6%	68.5%
PO	2	140	22	15	5	-63.4%	175.3%
Total	8	244	285	31	16	-46.2%	94.3%

Others (Major items)

Investment trusts (trailer fees and others)	1,455	1,641	1,785	1,788	1,759	-1.6%	21.0%
Other than investment trusts	104	146	174	348	224	-35.5%	115.5%
Total	1,559	1,788	1,959	2,137	1,984	-7.1%	27.3%

4. Breakdown of Gains on Trading

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(JPY mil.)

	FY 2017				FY 2018	Quarter-on-quarter	Year-on-year
	1Q	2Q	3Q	4Q	1Q		
Stocks, etc.	11	12	14	9	12	33.8%	5.9%
Bonds • Forex, etc.	20	23	19	12	20	60.0%	-1.6%
(Bonds, etc.)	(16)	(19)	(15)	(10)	(13)	22.7%	-22.8%
(Forex, etc.)	(3)	(4)	(3)	(1)	(7)	259.7%	96.9%
Total	32	36	34	21	32	49.0%	1.1%

5. Operating Cost and Expenses

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(JPY mil.)

	FY2017				FY 2018	Quarter-on-quarter	Year-on-year
	1Q	2Q	3Q	4Q	1Q		
Transaction related expenses	430	448	528	446	460	3.2%	7.2%
Personnel expenses	2,470	2,516	2,758	2,551	2,615	2.5%	5.9%
Property related expenses	484	472	500	496	530	6.7%	9.4%
Clerical expenses	601	577	612	600	582	-3.0%	-3.1%
Depreciation	102	106	100	121	117	-3.4%	14.9%
Public charges	79	93	95	89	73	-18.0%	-6.8%
Allowances for doubtful accounts	0	0	0	1	-	-	-
Others	180	145	150	165	188	13.8%	4.5%
Total	4,347	4,361	4,746	4,473	4,568	2.1%	5.1%

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

Fixed cost	3,103	3,031	3,121	3,081	3,273	6.2%	5.5%
Variable cost	1,121	1,175	1,464	1,212	1,135	-6.4%	1.2%

(JPY mil.)

FY 2017				FY 2018	Year-on-year
1Q	2Q	3Q	4Q *	1Q	

Assets						
Current assets	44,471	60,376	52,921	52,034 (52,582)	48,108	-7.5%
Fixed assets	6,075	6,109	6,087	6,555 (6,089)	6,256	-4.6%
Total assets	50,546	66,485	59,008	58,590 (8,671)	54,365	-7.2%

Liabilities						
Current liabilities	16,797	31,333	23,233	21,462	18,176	-15.3%
Fixed liabilities	341	344	344	274 (355)	263	-4.0%
Total liabilities	17,319	31,858	23,758	21,948 (22,029)	18,651	-15.0%

Net worth						
Net worth	33,226	34,627	35,249	36,641	35,713	-2.5%
Total liabilities & net worth	50,546	66,485	59,008	58,590 (58,671)	54,365	-7.2%

* Figures in parentheses are the ones without retroactive amendments as noted on P.17.

(JPY mil.)

	FY 2017				FY 2018	Year-on-year
	1Q	2Q	3Q	4Q *	1Q	
Total assets (JPY mil.)	50,546	66,485	59,008	58,590 (58,671)	54,365	-7.2%
Net worth (JPY mil.)	33,226	34,627	35,249	36,641	35,713	-2.5%
Equity ratio (%)	65.1	51.6	59.2	62.0 (61.9)	65.1	—
Net worth per share (JPY)	771.83	804.62	817.93	850.09	827.61	—
Capital adequacy ratio (%) (non-consolidated basis)	593.2	606.8	609.0	600.4	550.9	—
EPS (JPY)	18.43	47.71	84.79	117.00	15.01	—
ROE (%)	2.4	6.1	10.7	14.5	1.8	—

* Figures in parentheses are the ones without retroactive amendments as noted on P.17.

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- This document is based on the data as of June 30, 2018. (Figures less than one million yen are rounded down)

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