

IR Presentation for First quarter, year ending March 2020



Ichiyoshi Securities Co., Ltd.

July, 2019

I : Business Result (Consolidated)

- ◆ Operating revenue amounted to 4,618 million yen, a decrease of 1,313 million yen (down 22.1%) from the year-earlier period.
- ◆ Current income: loss of 218 million yen.
- ◆ Net income attributable to owners of parent: loss of 194 million yen.

	(JPY mil.)			
	FY 2018 1Q	FY 2019 1Q	Year-on- year (%)	Year-on- year
Operating revenue	5,932	4,618	-22.1%	-1,313
Net operating revenue	5,551	4,220	-24.0%	-1,330
Operating cost & expenses	4,568	4,459	-2.4%	-108
Operating income	982	-239	-	-1,221
Current income	1,067	-218	-	-1,285
Extraordinary income & loss	20	-0	-	-20
Income taxes	439	-29	-	-469
Net income attributable to owners of parent	641	-194	-	-835

				(JPY mil.)	
FY 2018				FY 2019	
1Q	2Q	3Q	4Q	1Q	
5,932	5,650	5,334	4,309	4,618	
5,551	5,335	4,974	3,908	4,220	
4,568	4,481	4,504	4,158	4,459	
982	853	469	-249	-239	
1,067	919	484	-232	-218	
20	19	226	-2	-0	
439	255	174	-66	-29	
641	676	531	-174	-194	

2. Breakdown of Net Operating Revenue

- ◆ Commissions amounted to 4,124 million yen, a decrease of 1,265 million yen (down 23.5%) from the year-earlier period, mainly as brokerage and distribution declined.

	FY 2018 1Q	FY 2019 1Q	Year-on- year (%)	Year-on- year
Commissions	5,389	4,124	-23.5%	-1,265
Gains on trading	32	9	71.3%	-23
Other operating balance	51	33	-35.1%	-17
Interest & dividend income	77	53	-31.3%	-24
Total	5,551	4,220	-24.0%	-1,330

FY 2018				FY 2019
1Q	2Q	3Q	4Q	1Q
5,389	5,202	4,843	3,769	4,124
32	25	29	39	9
51	30	28	41	33
77	77	72	58	53
5,551	5,335	4,974	3,908	4,220

3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 1,281 million yen, a decrease of 886 million yen (down 40.9%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 921 million yen, a decrease of 215 million yen (down 19.0%) from the year-earlier period. Commissions from other sources (mainly trailer fees on investment trusts) amounted to 1,679 million yen, a decrease of 80 million yen (down 4.6%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 11 million yen, a decrease of 5 million yen (down 31.5%) from the year-earlier period, as the Company participated in the management and underwriting of 4 initial public offerings and 1 public share offering in the secondary market.

	(JPY mil.)			
	FY 2018 1Q	FY 2019 1Q	Year-on-year (%)	Year-on-year
Commissions	5,389	4,124	-23.5%	-1,265
Brokerage (Major item)				
Stocks	2,167	1,281	-40.9%	-886
Distribution (Major item)				
Investment trusts	1,136	921	-19.0%	-215
Underwriting (Major items)				
IPO	11	7	-31.6%	-3
PO	5	3	-31.2%	-1
Total	16	11	-31.5%	-5
Commissions from other sources (Major items)				
Investment trusts (trailer fees, etc.)	1,759	1,679	-4.6%	-80
Other than investment trusts	224	168	-24.9%	-55
Total	1,984	1,847	-6.9%	-136

<Reference>

	(JPY 100 mil.)			
Fund distribution	678	478	-29.5%	-200

* Including wrap-account fund sales

(JPY mil.)				
FY 2018				FY 2019
1Q	2Q	3Q	4Q	1Q
5,389	5,202	4,843	3,769	4,124
2,167	1,901	1,704	1,247	1,281
1,136	1,194	928	621	921
11	11	165	21	7
5	10	-	39	3
16	22	165	61	11
1,759	1,791	1,724	1,608	1,679
224	205	189	182	168
1,984	1,996	1,914	1,790	1,847

4. Breakdown of Gains on Trading

- ◆ Gains on Trading amounted to 9 million yen, a decrease of 23 million yen (down 71.3%) from the year-earlier period, chiefly as net trading income on stocks fell.

(JPY mil.)

	FY 2018 1Q	FY 2019 1Q	Year-on- year (%)	Year-on- year
Stocks, etc.	12	-5	-	-18
Bonds • Forex, etc.	20	15	-24.9%	-5
(Bonds, etc.)	(13)	(7)	-44.1%	-5
(Forex, etc.)	(7)	(7)	10.3%	0
Total	32	9	-71.3%	-23

(JPY mil.)

FY 2018				FY 2019
1Q	2Q	3Q	4Q	1Q
12	1	3	1	-5
20	23	25	37	15
(13)	(12)	(14)	(9)	(7)
(7)	(11)	(11)	(28)	(7)
32	25	29	39	9

5. Operating Cost and Expenses

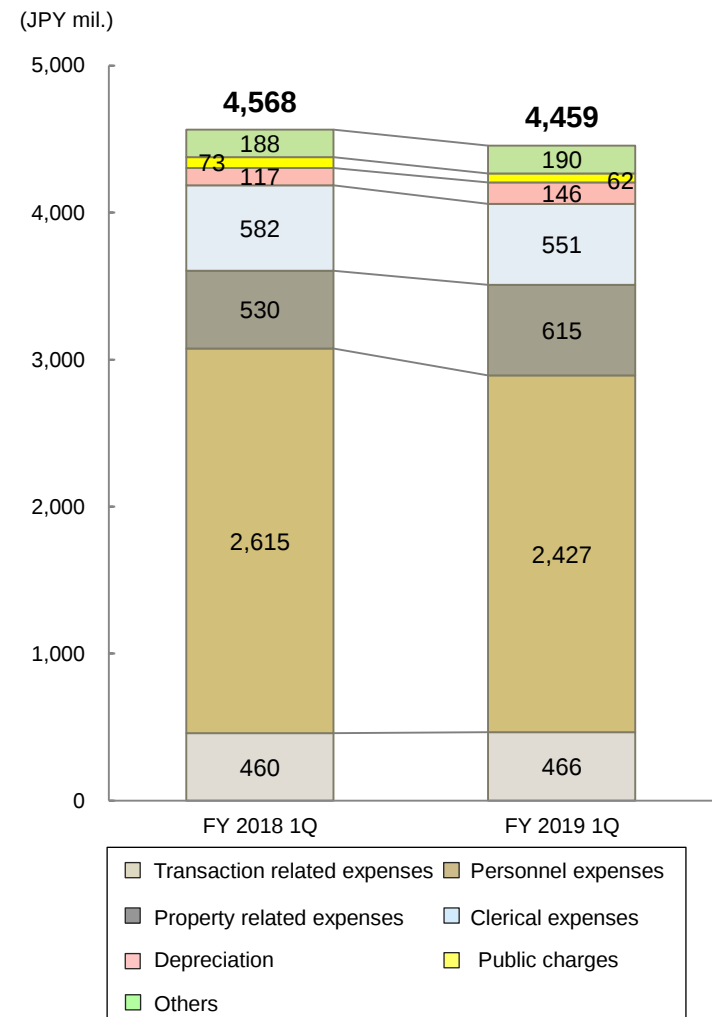
- ◆ Operating cost and expenses amounted to 4,459 million yen, a decrease of 108 million yen (down 2.4%) from the year-earlier period, mainly as personnel expenses declined.

	FY 2018 1Q	FY 2019 1Q	Year-on- year (%)	Year-on- year
Transaction related expenses	460	466	1.1%	5
Personnel expenses	2,615	2,427	-7.2%	-188
Property related expenses	530	615	16.1%	85
Clerical expense	582	551	-5.3%	-30
Depreciation	117	146	24.6%	28
Public charges	73	62	-15.0%	-11
Others	188	190	1.3%	2
Total	4,568	4,459	-2.4%	-108

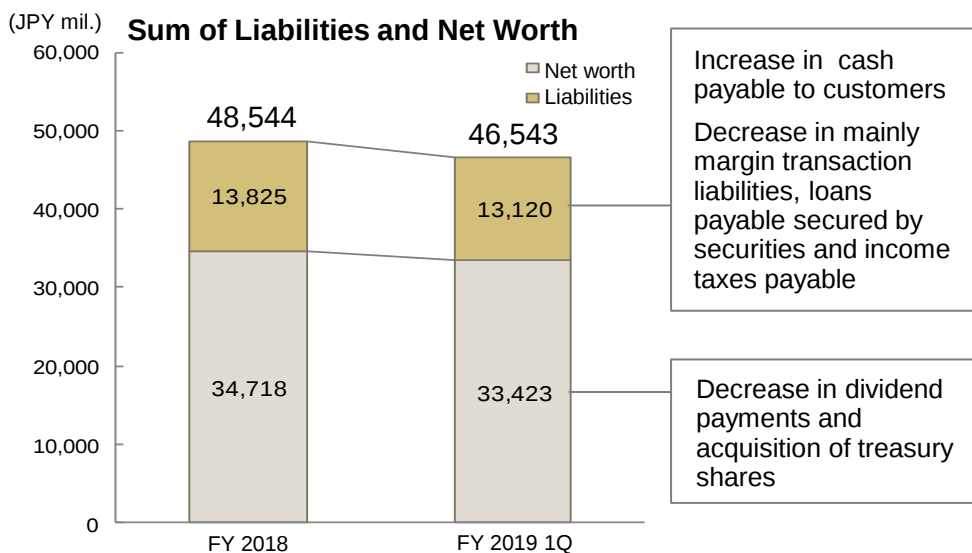
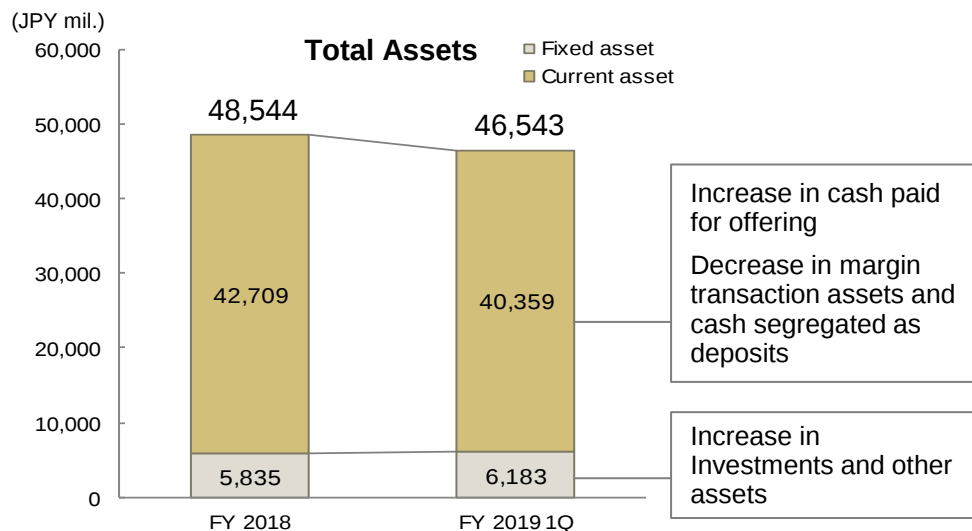
<Reference> FY 2019 1Q fixed cost and variable cost (non-consolidated basis)

Fixed cost	3,285
Variable cost	985

(JPY mil.)



Balance Sheets



Financial Result

	FY 2019 1Q	Change from FY 2018 end.
Equity ratio (%)	71.5	0.3
Net worth per share (JPY)	806.26	-21.27
Capital adequacy ratio (non-consolidated basis) (%)	548.9	-4.0

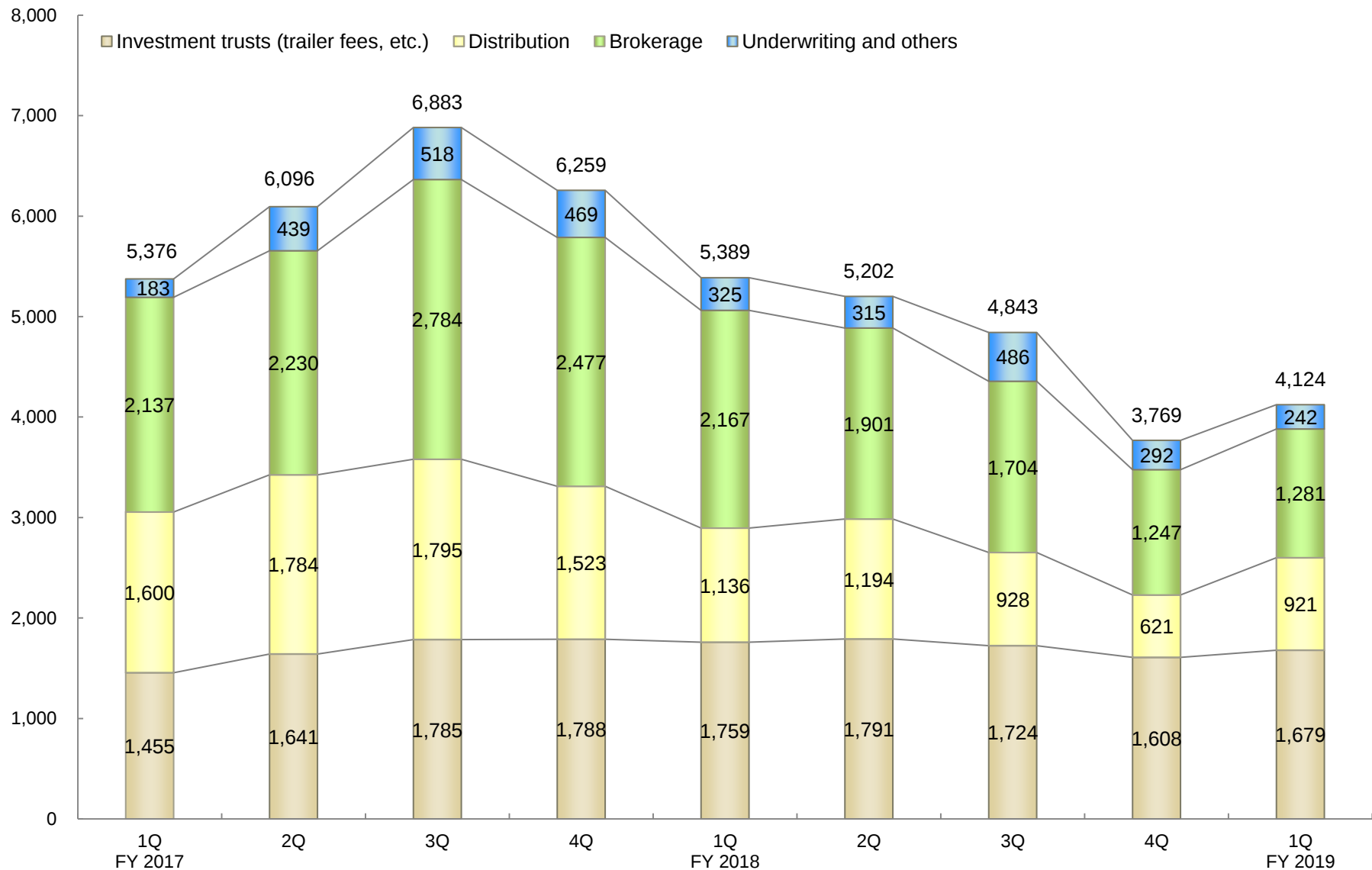
	FY 2019 1Q	Year-on-year
EPS (JPY)	-4.66	-19.67
ROE (%)	-0.6	-2.4

II : Business Circumstances

1. Commission Revenue

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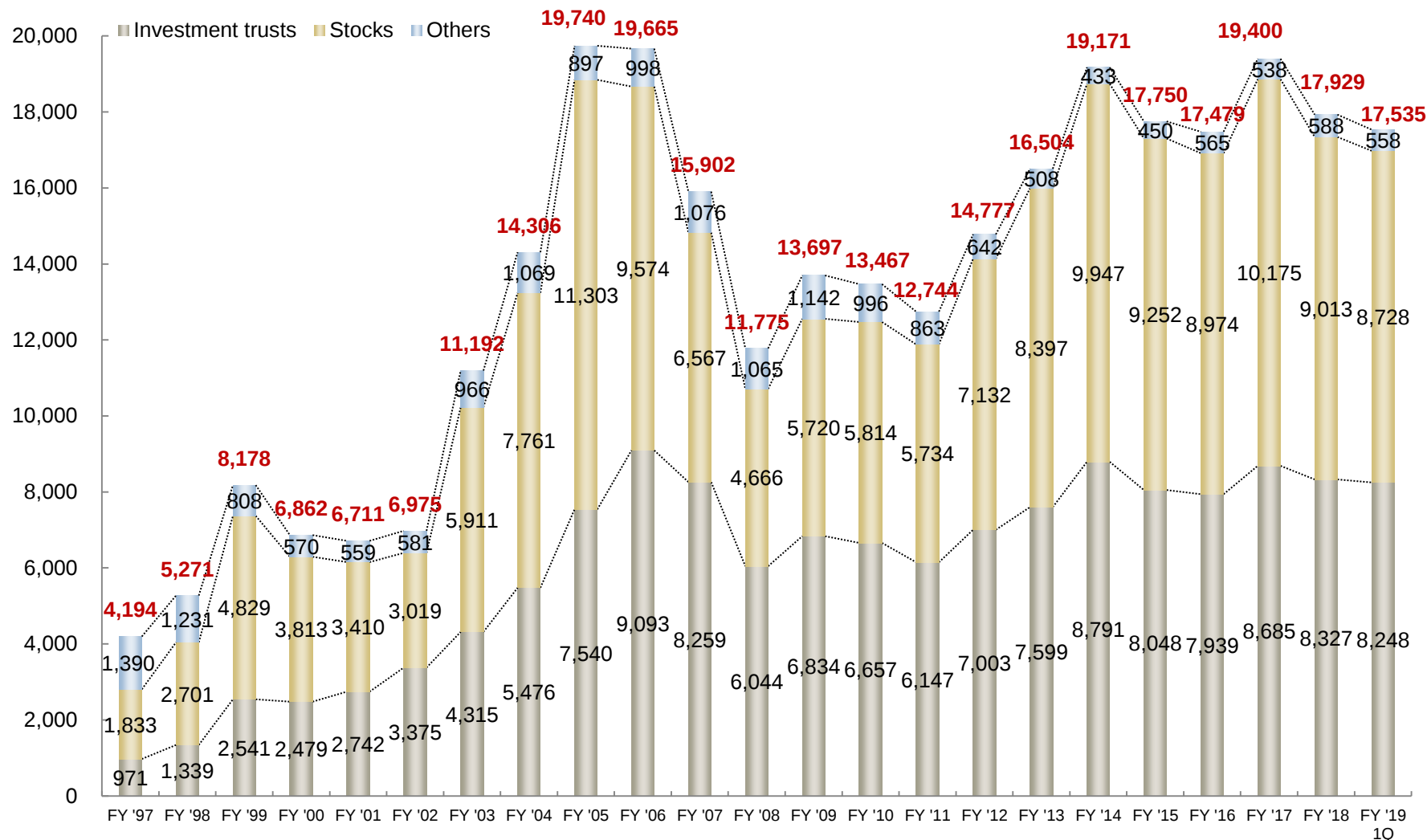
(JPY mil.)



2. Customer Assets in Custody

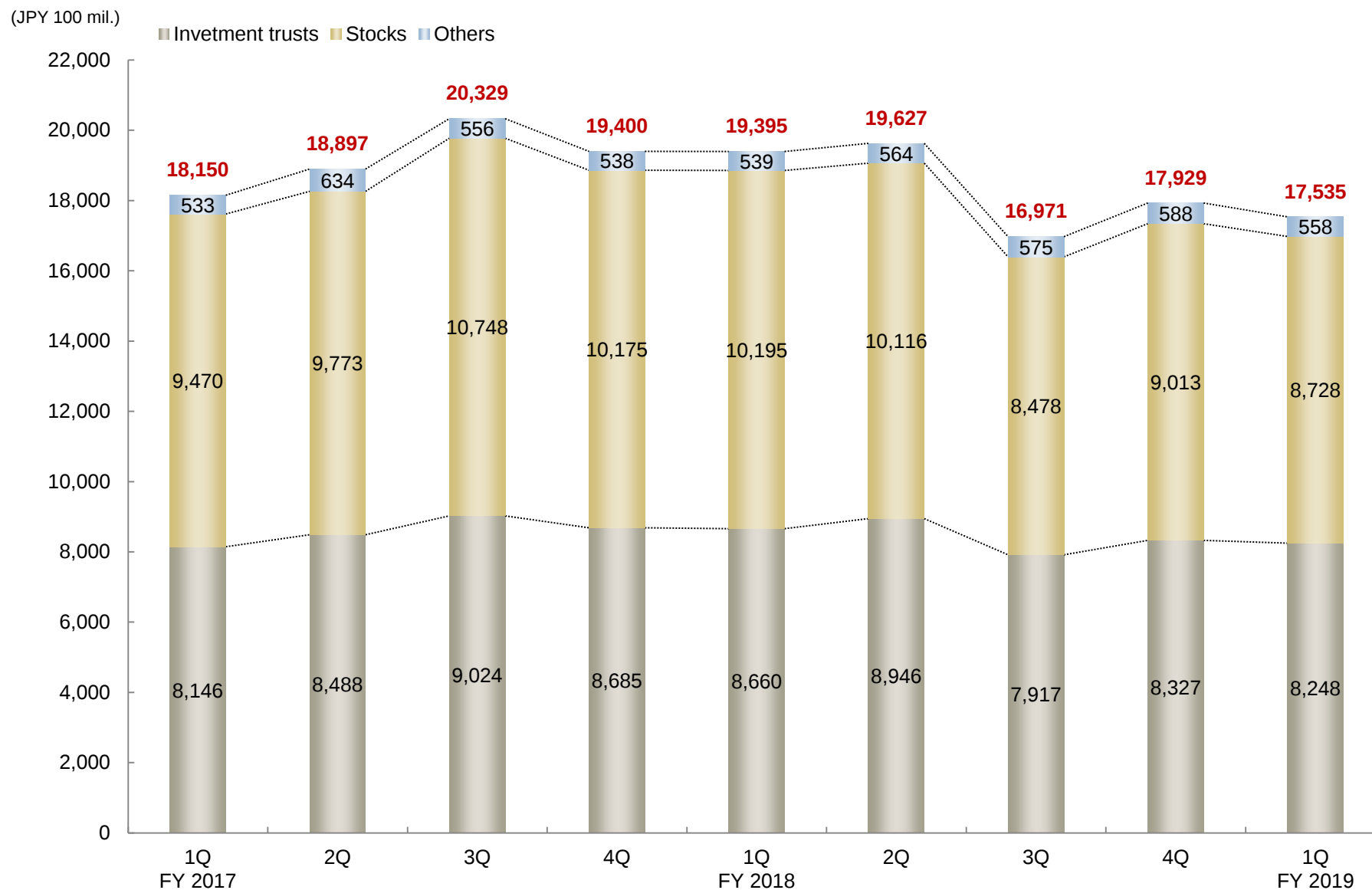
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(JPY 100 mil.)



3. Quarterly Customer Assets in Custody

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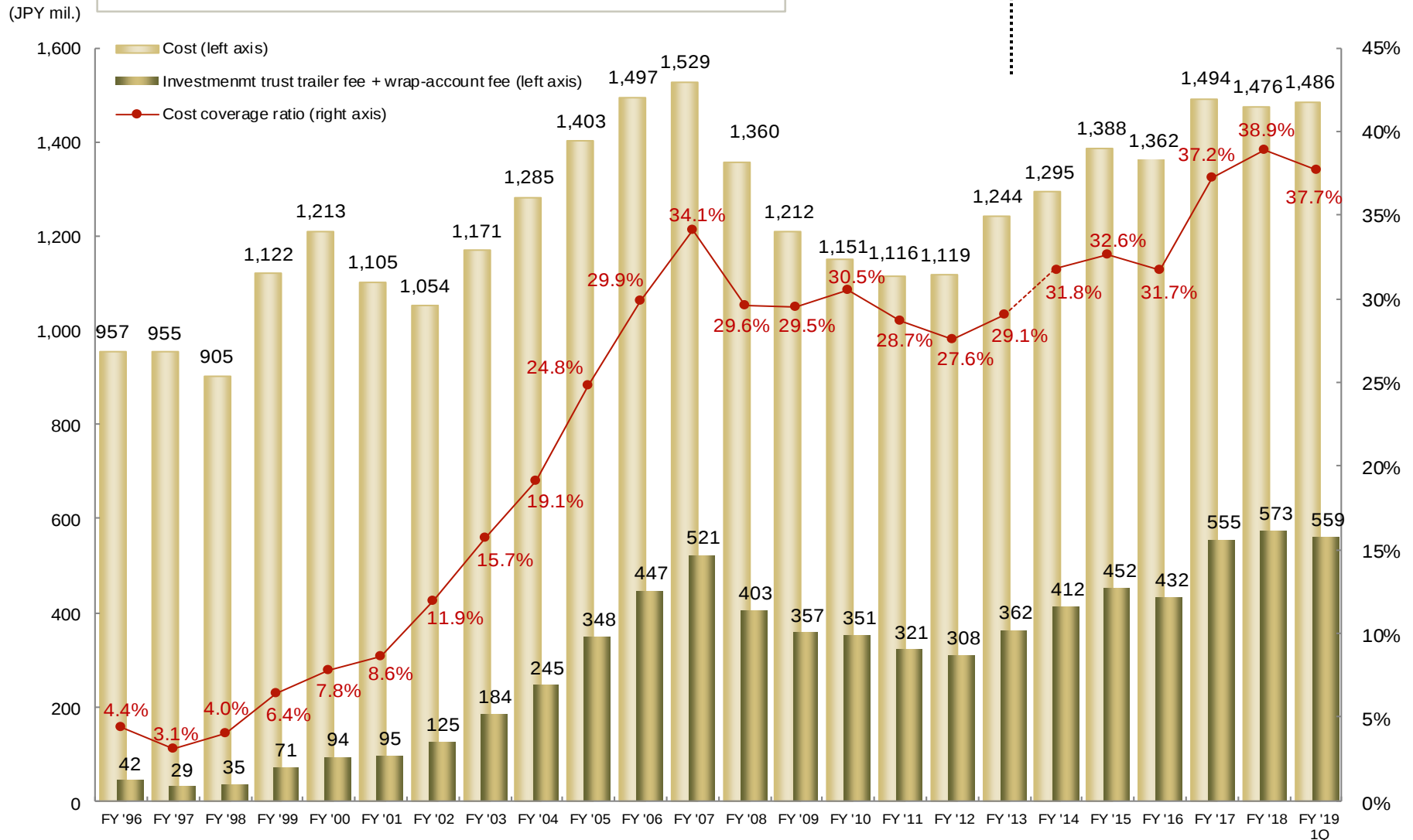


4. Trend of Investment Trust Trailer Fee and Its Cost Coverage (Average Monthly)

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

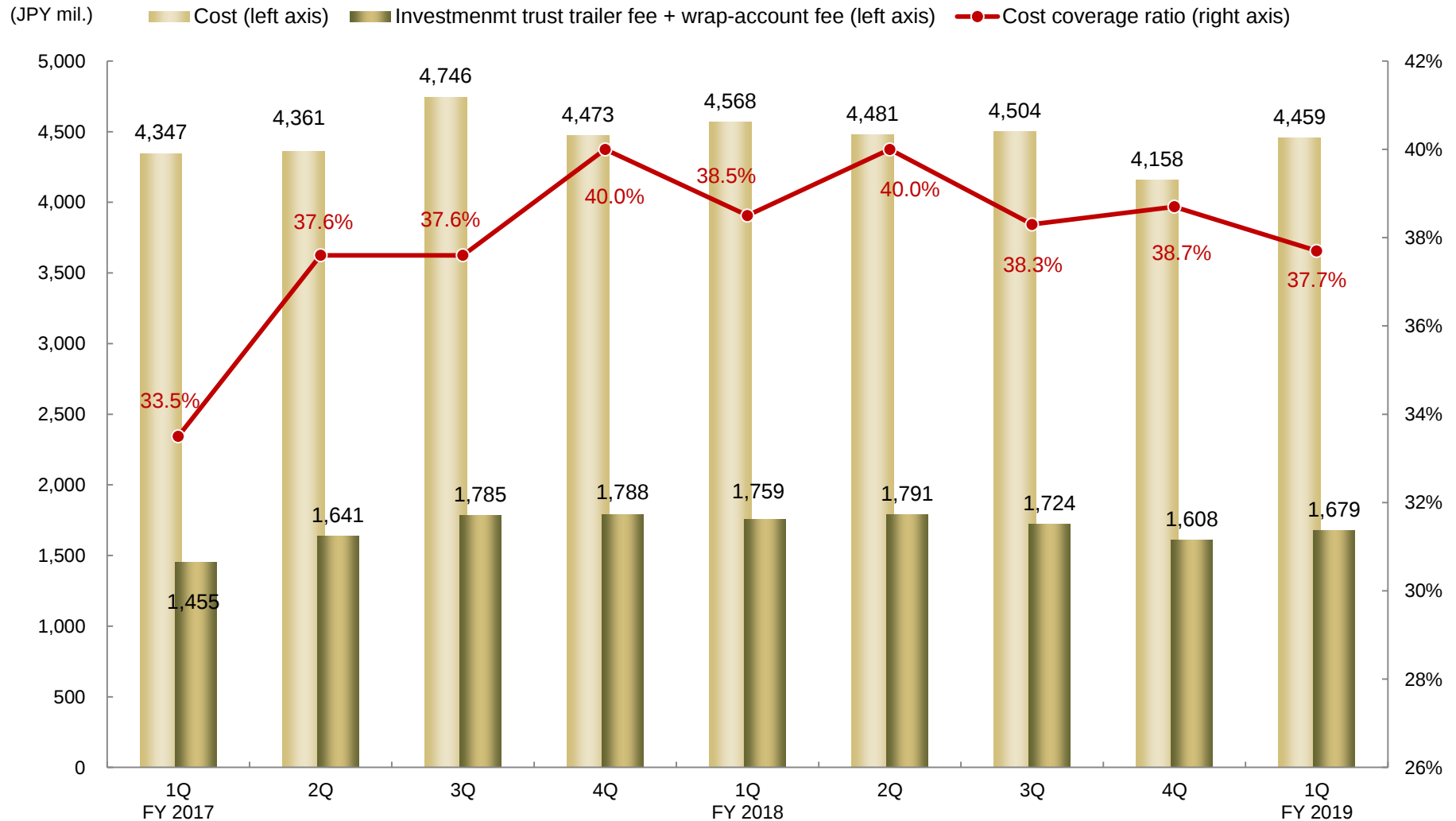
Parent company
basis

Consolidated
basis



5. Quarterly Trend of Investment Trust Trailer Fee and Its Cost Coverage

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



6. Top 5 Best Selling Investment Trust Funds (Total Amounts of 3 Months)

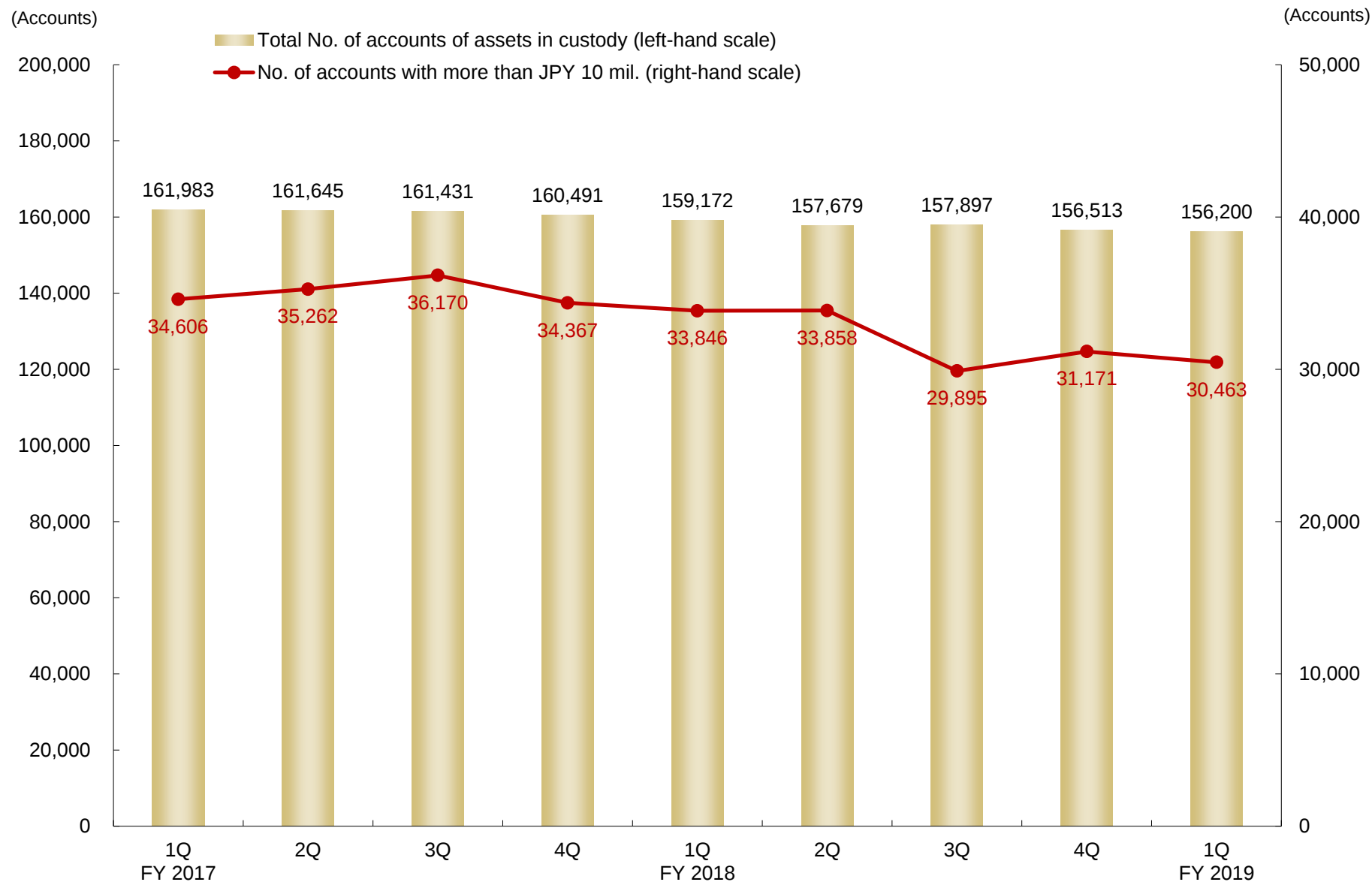
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(JPY 100 mil.)

	FY 2017				FY 2018				FY 2019
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Pictet Global Income Equity Fund (Monthly Dividend)			52		17	35	39	38	78
Shinko J-REIT Open		45	38	56	79	133	84	61	77
US Micro Cap Equity Fund									40
LM Australia High Yield Equity Fund (Monthly Dividend)	147								25
Ichiyoshi Mid-Small Cap Growth Equity Fund	199	230			181	121	43	40	20
JREIT Asia Mix Open (Monthly Settlement/Asset Growth Type)								16	
Japan Recover Growth Equity Fund					21	27	65	13	
100-Year-Life World Allocation Fund (3% Target Receivable Type/ 6% Target Receivable Type/Asset Growth Type)						45	37		
Nomura PIMCO World Income Strategy Fund (A/B/C/D)	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 (Incl. Asset Growth Type)				71					
Ichiyoshi Japan Venture Fund			240						
LM US Dividend Growers Equity Fund (Semi-Annual Settlement/ Quarterly Settlement)	50	52							
Ichiyoshi Japan Select Dividend Equity & J-REIT Fund (Quarterly Settlement Type/Asset Growth Type)	45								

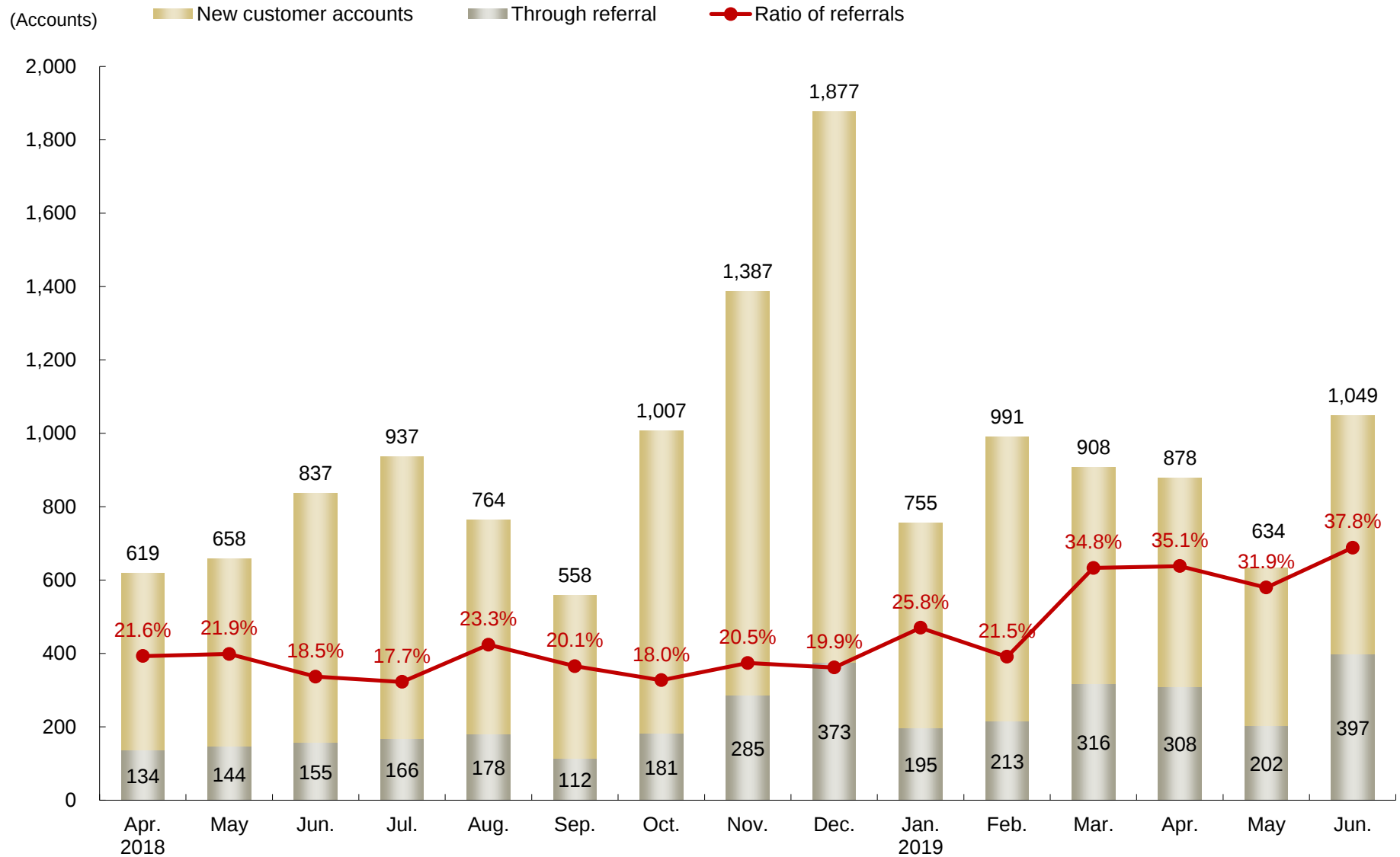
7. Number of Customer Accounts 【Retail】

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

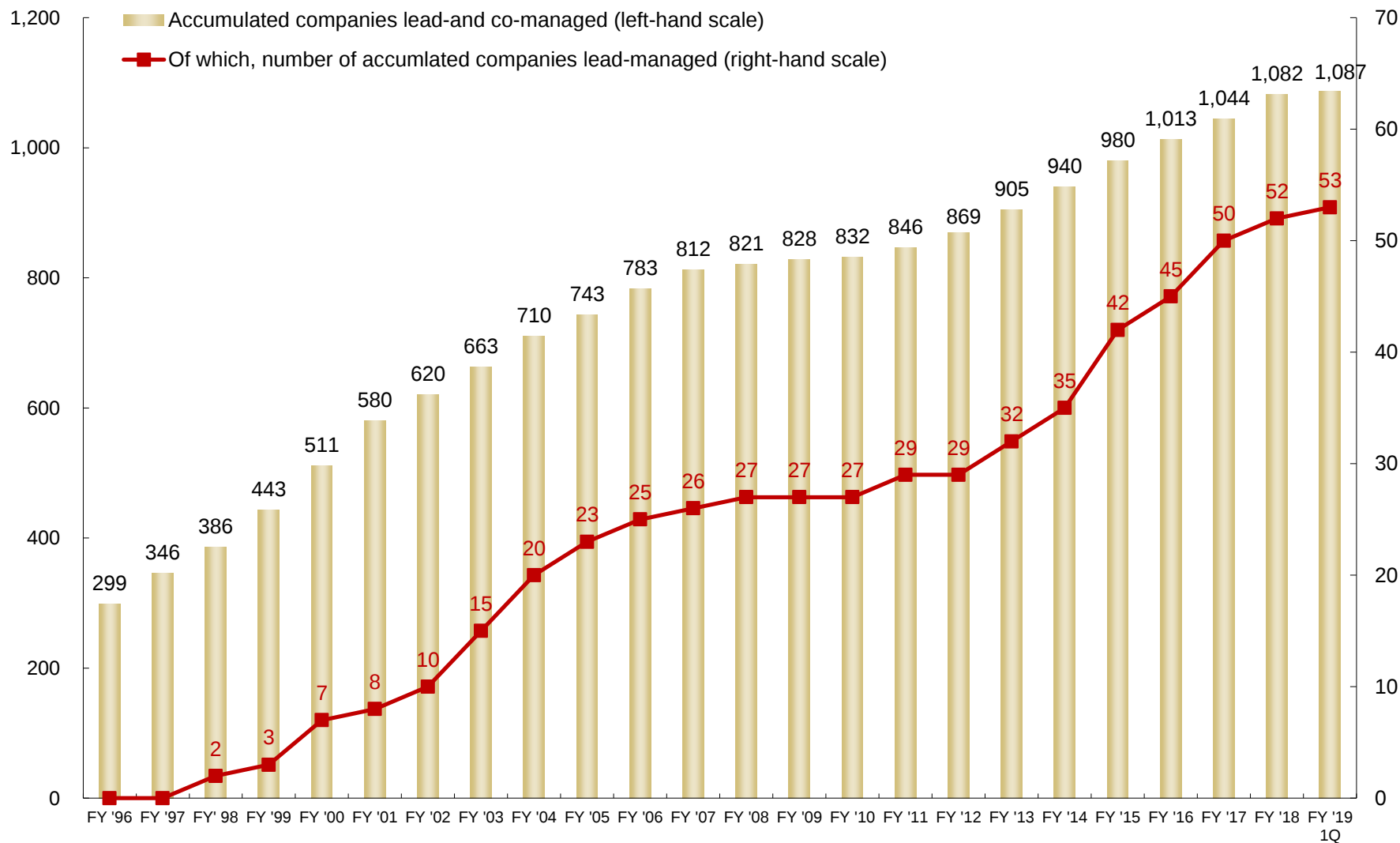
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9. Accumulated Companies Lead- and Co-managed

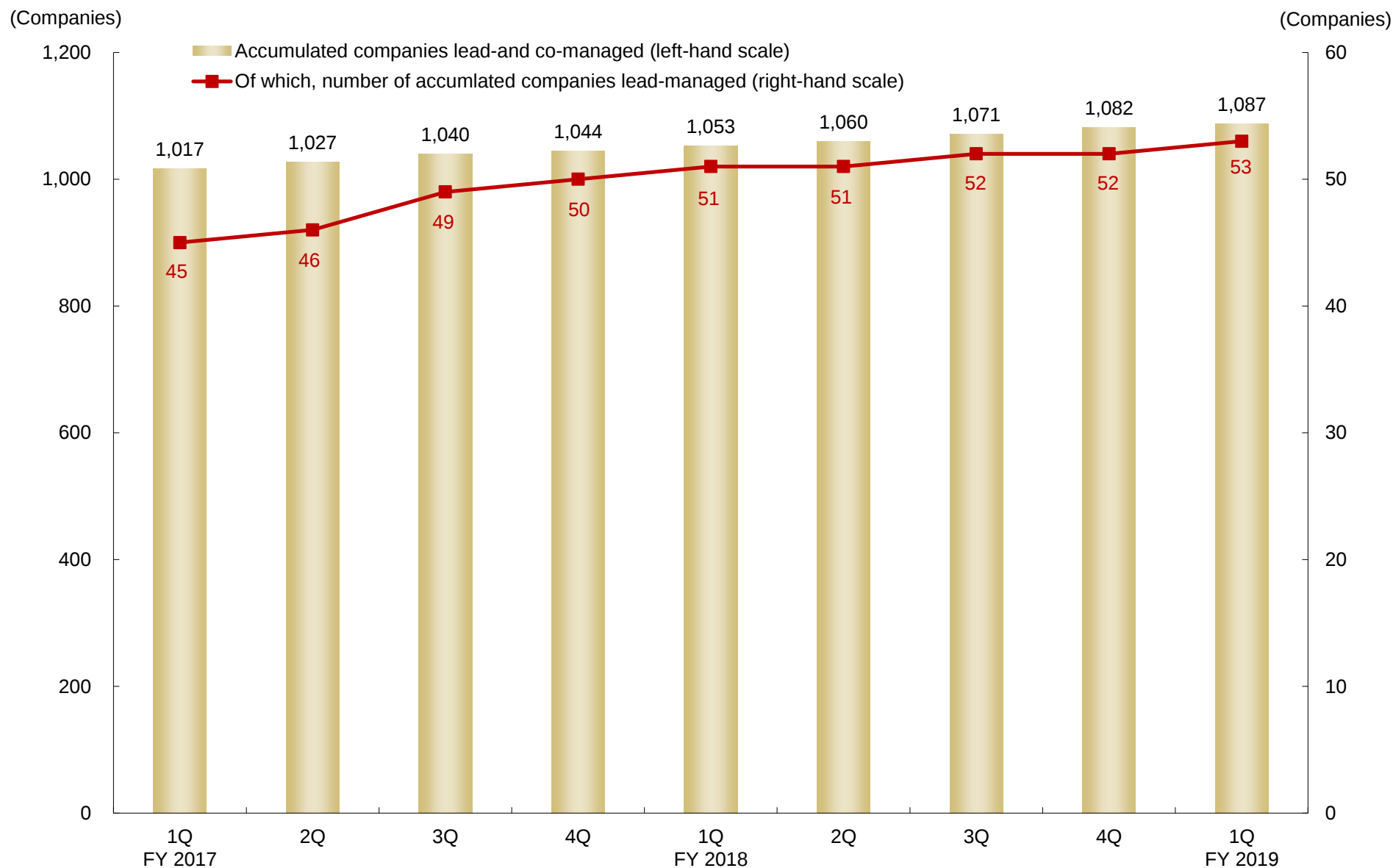
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10. Quarterly Accumulated Companies Lead- and Co-managed

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