

IR Presentation for First quarter, year ending March 2021



Ichiyoshi Securities Co., Ltd.

July, 2020

I : Business Result (Consolidated)

- ◆ Operating revenue amounted to 4,182 million yen, a decrease of 436 million yen (down 9.5%) from the year-earlier period.
- ◆ Current income: loss of 365 million yen.
- ◆ Net income attributable to owners of parent: loss of 401 million yen.

(JPY mil.)

	FY 2019 1Q	FY 2020 1Q	Year-on- year (%)	Year-on- year
Operating revenue	4,618	4,182	-9.5%	-436
Net operating revenue	4,220	3,792	-10.1%	-427
Operating cost & expenses	4,459	4,174	-6.4%	-285
Operating income	-239	-381	—	-142
Current income	-218	-365	—	-146
Extraordinary income & loss	-0	103	—	103
Income taxes	-29	139	—	169
Net income attributable to owners of parent	-194	-401	—	-207

(JPY mil.)

FY 2019				FY 2020
1Q	2Q	3Q	4Q	1Q
4,618	4,820	4,511	4,894	4,182
4,220	4,396	4,160	4,463	3,792
4,459	4,541	4,364	4,420	4,174
-239	-145	-204	42	-381
-218	-183	-158	90	-365
-0	2	66	-48	103
-29	99	119	75	139
-194	-285	-211	-32	-401

2. Breakdown of Net Operating Revenue

- ◆ Commissions amounted to 3,689 million yen, a decrease of 435 million yen (down 10.6%) from the year-earlier period, mainly decreased in commissions from distribution of investment trusts and other sources(mainly trailer fees on investment trusts).

	(JPY mil.)				(JPY mil.)				
	FY 2019 1Q	FY 2020 1Q	Year-on- year (%)	Year-on- year	FY 2019				FY 2020
	1Q	2Q	3Q	4Q	1Q				1Q
Commissions	4,124	3,689	-10.6%	-435	4,124	4,293	4,074	4,352	3,689
Gains on trading	9	28	206.8%	19	9	16	30	33	28
Other operating balance	33	43	32.6%	10	33	49	19	39	43
Interest & dividend income	53	31	-41.2%	-21	53	36	36	37	31
Total	4,220	3,792	-10.1%	-427	4,220	4,396	4,160	4,463	3,792

3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 1,260 million yen, a decrease of 21 million yen (down 1.6%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 654 million yen, a decrease of 267 million yen (down 29.0%) from the year-earlier period. Commissions from other sources (mainly trailer fees on investment trusts) amounted to 1,467 million yen, a decrease of 211 million yen (down 12.6%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 5 million yen, an decrease of 5 million yen (down 50.0%) from the year-earlier period, as the Company participated in the management and underwriting of 3 initial public offerings.

	(JPY mil.)			
	FY 2019 1Q	FY 2020 1Q	Year-on-year (%)	Year-on-year
Commissions	4,124	3,689	-10.6%	-435
Brokerage (Major item)				
Stocks	1,281	1,260	-1.6%	-21
Distribution (Major item)				
Investment trusts	921	654	-29.0%	-267
Underwriting (Major items)				
IPO	7	4	-46.1%	-3
PO	3	1	-57.3%	-2
Total	11	5	-50.0%	-5
Commissions from other sources (Major items)				
Investment trusts (trailer fees, etc.)	1,679	1,467	-12.6%	-211
Other than investment trusts	168	129	-23.4%	-39
Total	1,847	1,596	-13.6%	-251
<Reference>				
Fund distribution	478	496	3.9%	18

(JPY 100 mil.)

* Including wrap-account fund sales

(JPY mil.)			
FY 2019			
1Q	2Q	3Q	4Q
4,124	4,293	4,074	4,352
FY 2020			
1Q			
3,689			
1,281	1,116	1,163	1,183
921	1,137	874	943
7	116	22	349
3	7	40	10
11	123	62	359
1,679	1,692	1,749	1,611
168	170	157	164
1,847	1,862	1,907	1,776

4. Breakdown of Gains or loss on Trading

- ◆ Net gains on trading amounted to 28 million yen, a increase of 19 million yen (up 206.8%) from the year-earlier period, chiefly as net trading income on stocks increased.

(JPY mil.)

	FY 2019 1Q	FY 2020 1Q	Year-on- year (%)	Year-on- year
Stocks, etc.	-5	17	—	23
Bonds ・ Forex, etc.	15	11	-26.3%	-3
(Bonds, etc.)	(7)	(7)	2.4%	0
(Forex, etc.)	(7)	(3)	-53.0%	-4
Total	9	28	206.8%	19

(JPY mil.)

FY 2019				FY 2020
1Q	2Q	3Q	4Q	1Q
-5	0	16	26	17
15	15	14	7	11
(7)	(7)	(7)	(5)	(7)
(7)	(8)	(6)	(2)	(3)
9	16	30	33	28

5. Operating Cost and Expenses

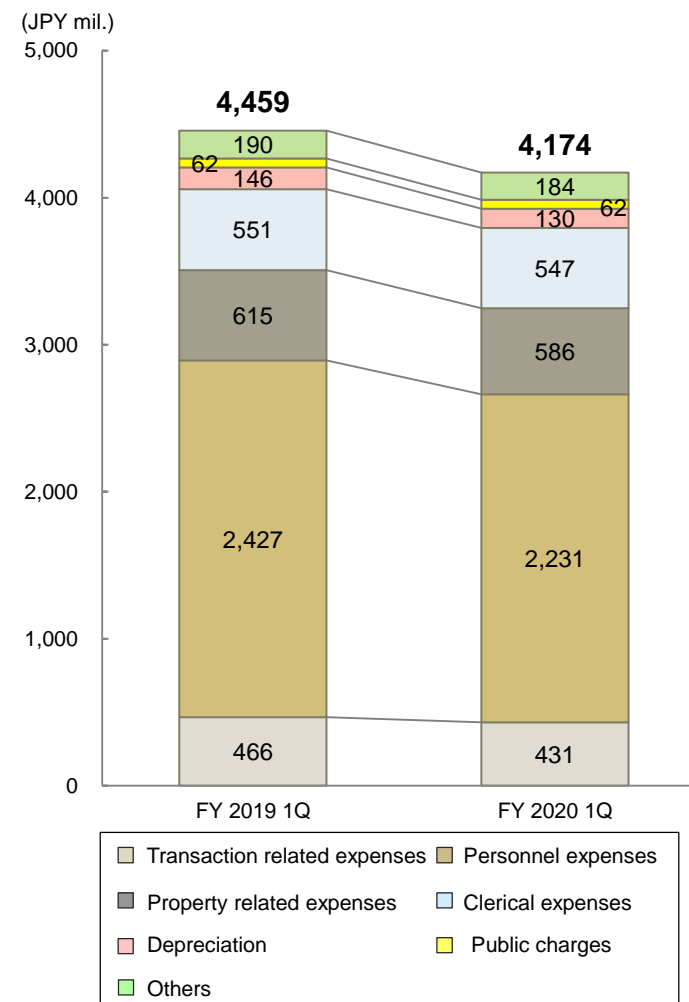
- ◆ Operating cost and expenses amounted to 4,174 million yen, a decrease of 285 million yen (down 6.4%) from the year-earlier period, mainly as personnel expenses declined.

	FY 2019 1Q	FY 2020 1Q	Year-on- year (%)	Year-on- year
Transaction related expenses	466	431	-7.4%	-34
Personnel expenses	2,427	2,231	-8.1%	-195
Property related expenses	615	586	-4.6%	-28
Clerical expense	551	547	-0.8%	-4
Depreciation	146	130	-10.7%	-15
Public charges	62	62	-0.8%	-0
Others	190	184	-3.5%	-6
Total	4,459	4,174	-6.4%	-285

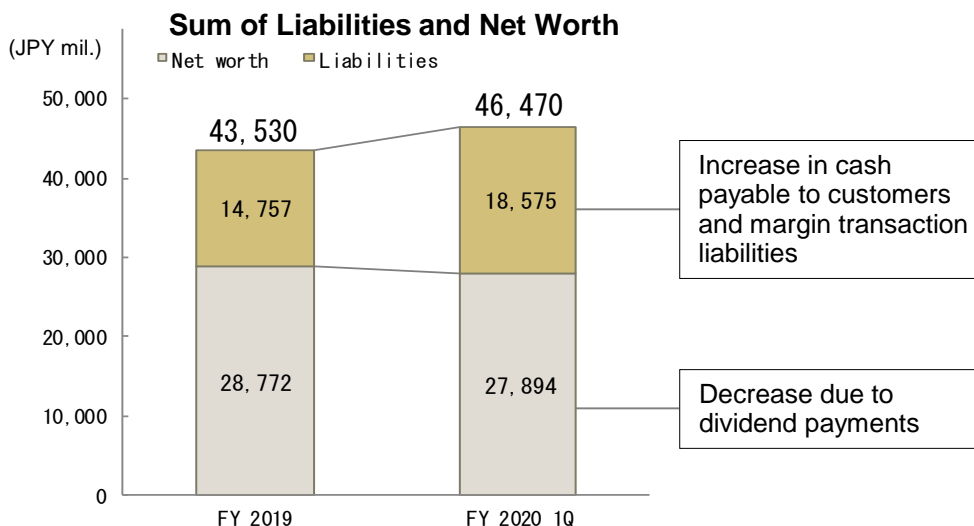
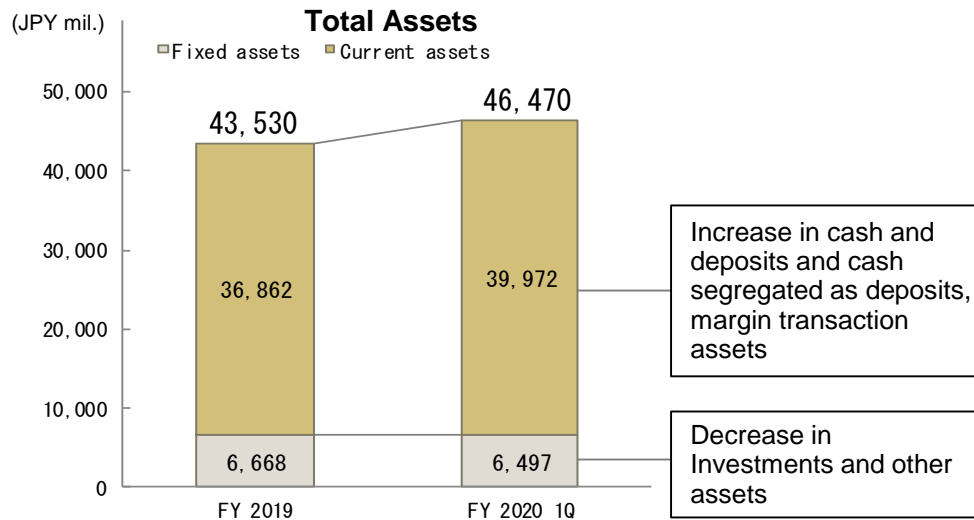
<Reference> FY 2020 1Q fixed cost and variable cost (non-consolidated basis)

Fixed cost	3,173
Variable cost	826

(JPY mil.)



Balance Sheets



Financial Result

	FY 2020 1Q	Change from FY 2019 end.
Equity ratio (%)	59.9	-6.0
Net worth per share (JPY)	772.87	-24.25
Capital adequacy ratio (non-consolidated basis) (%)	442.3	-4.5

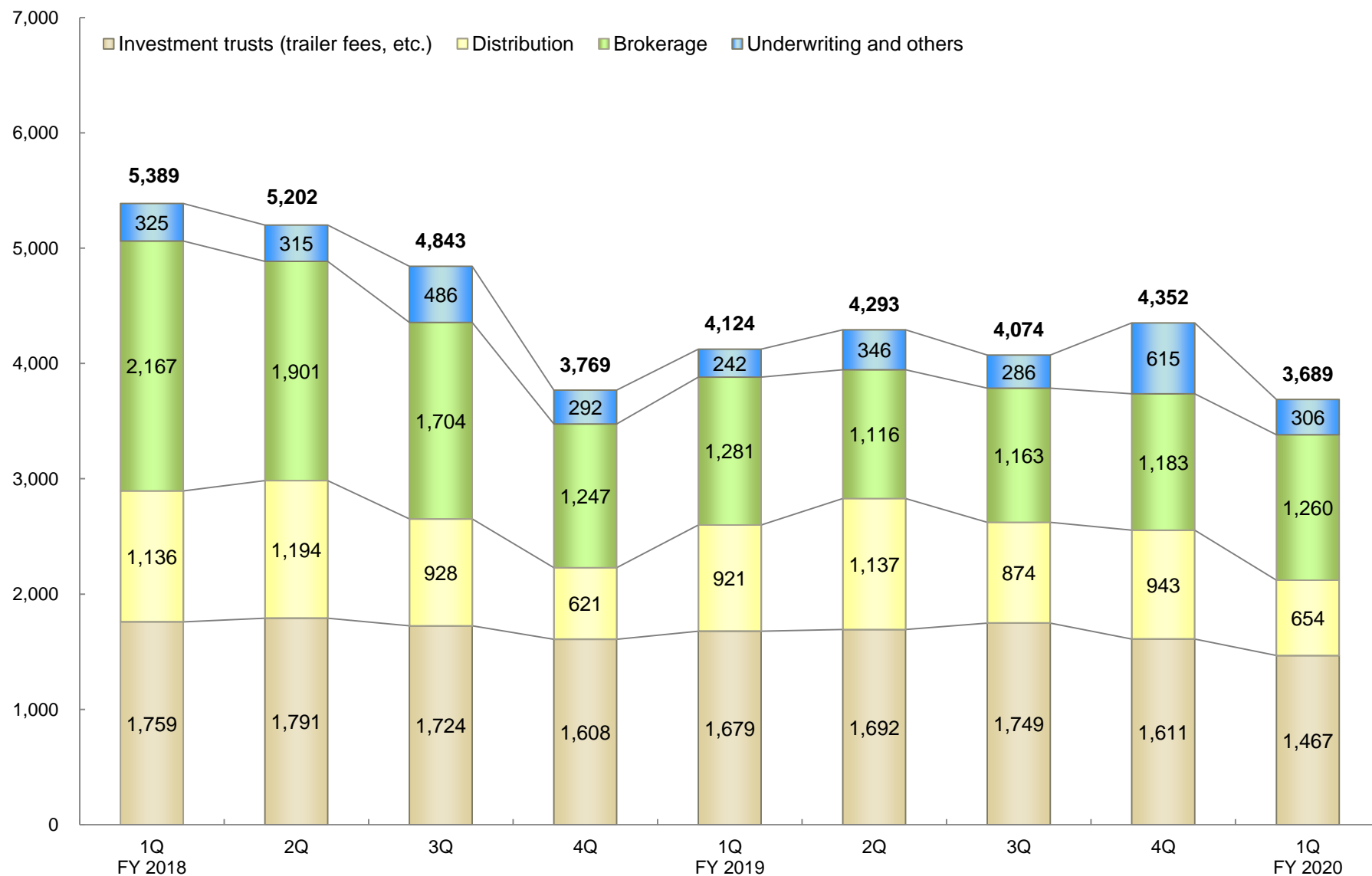
	FY 2020 1Q	Year-on-year
EPS (JPY)	-11.15	-6.49

II : Business Circumstances

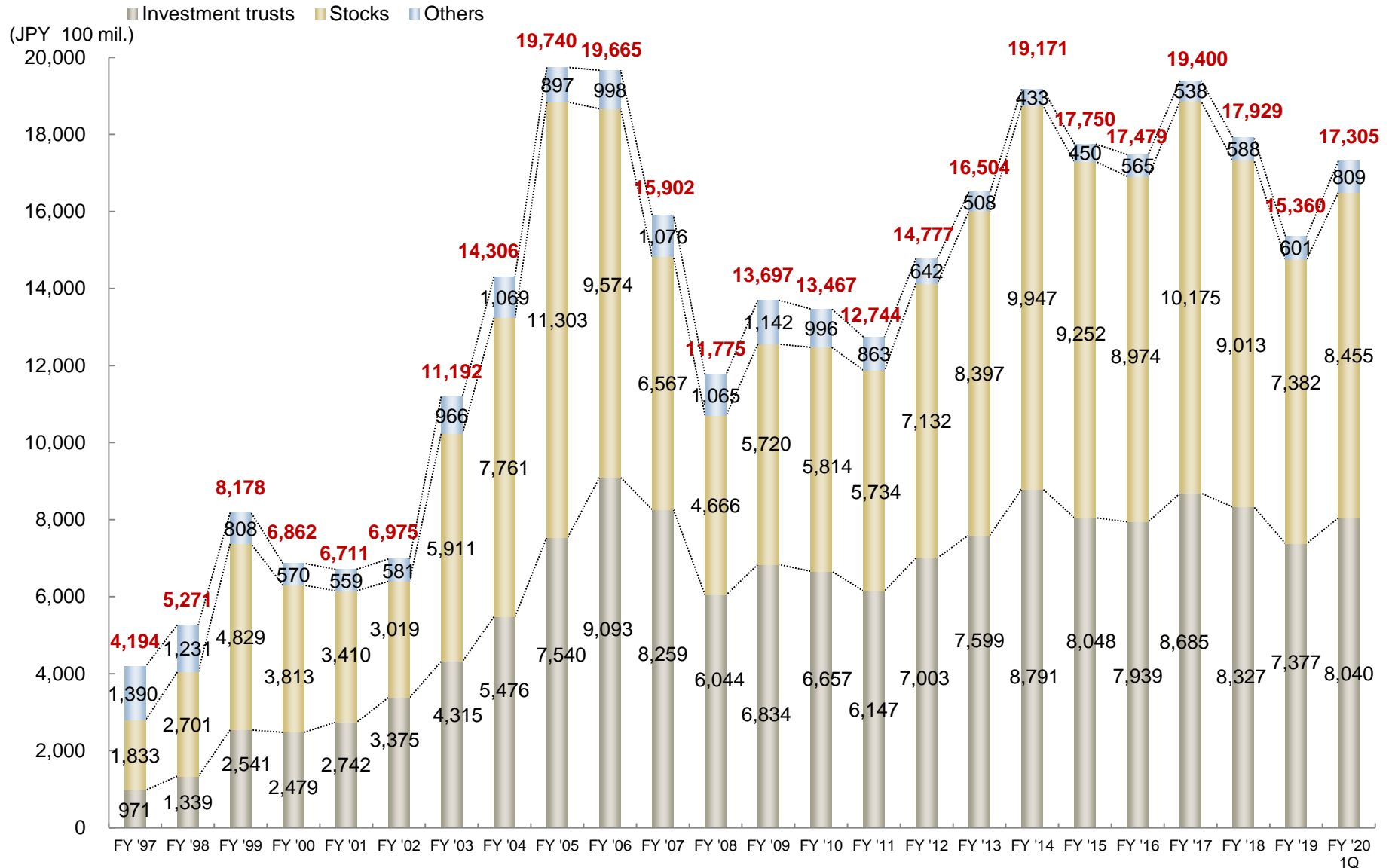
1. Commission Revenue

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(JPY mil.)

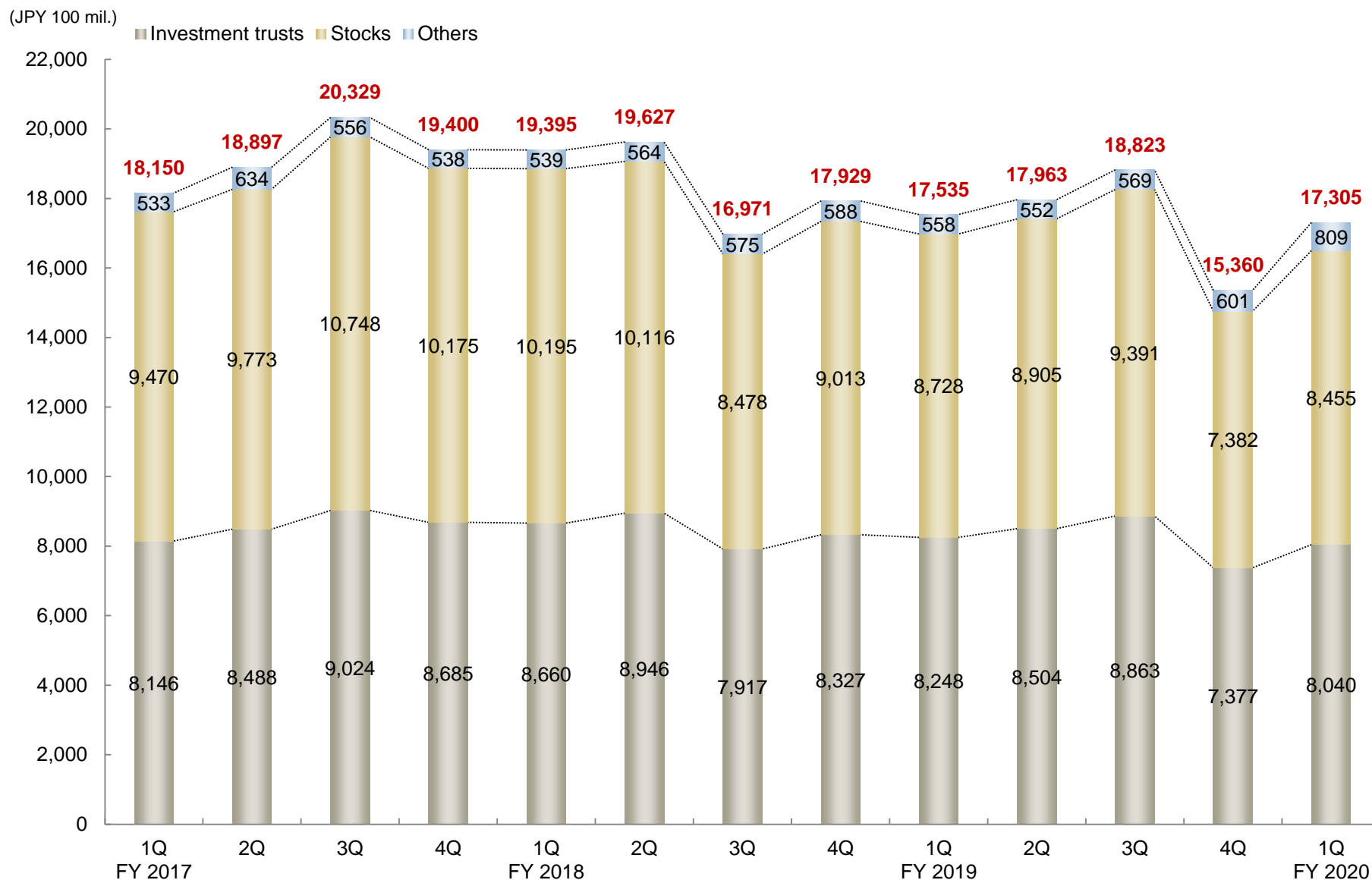


2. Customer Assets in Custody

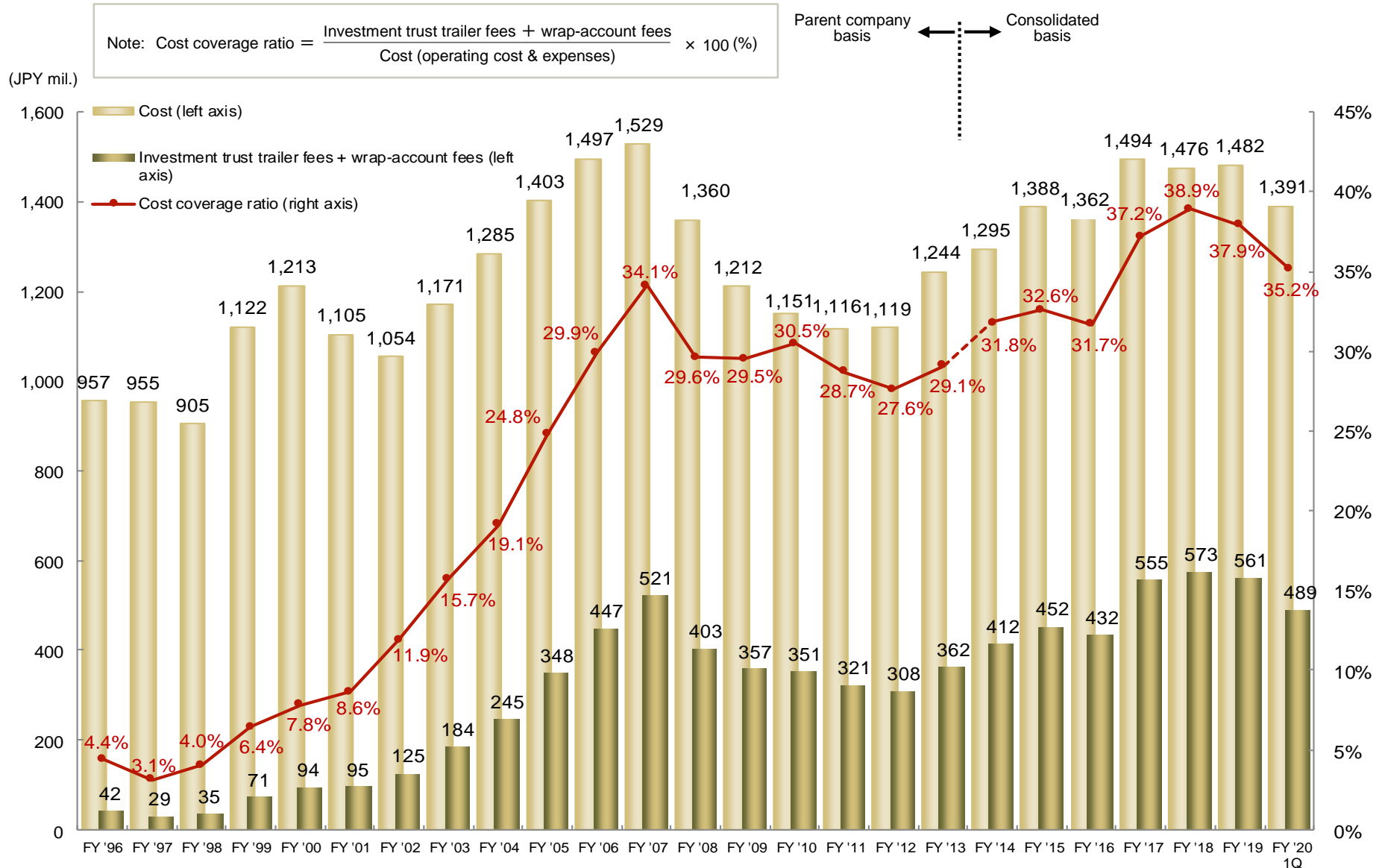


3. Quarterly Customer Assets in Custody

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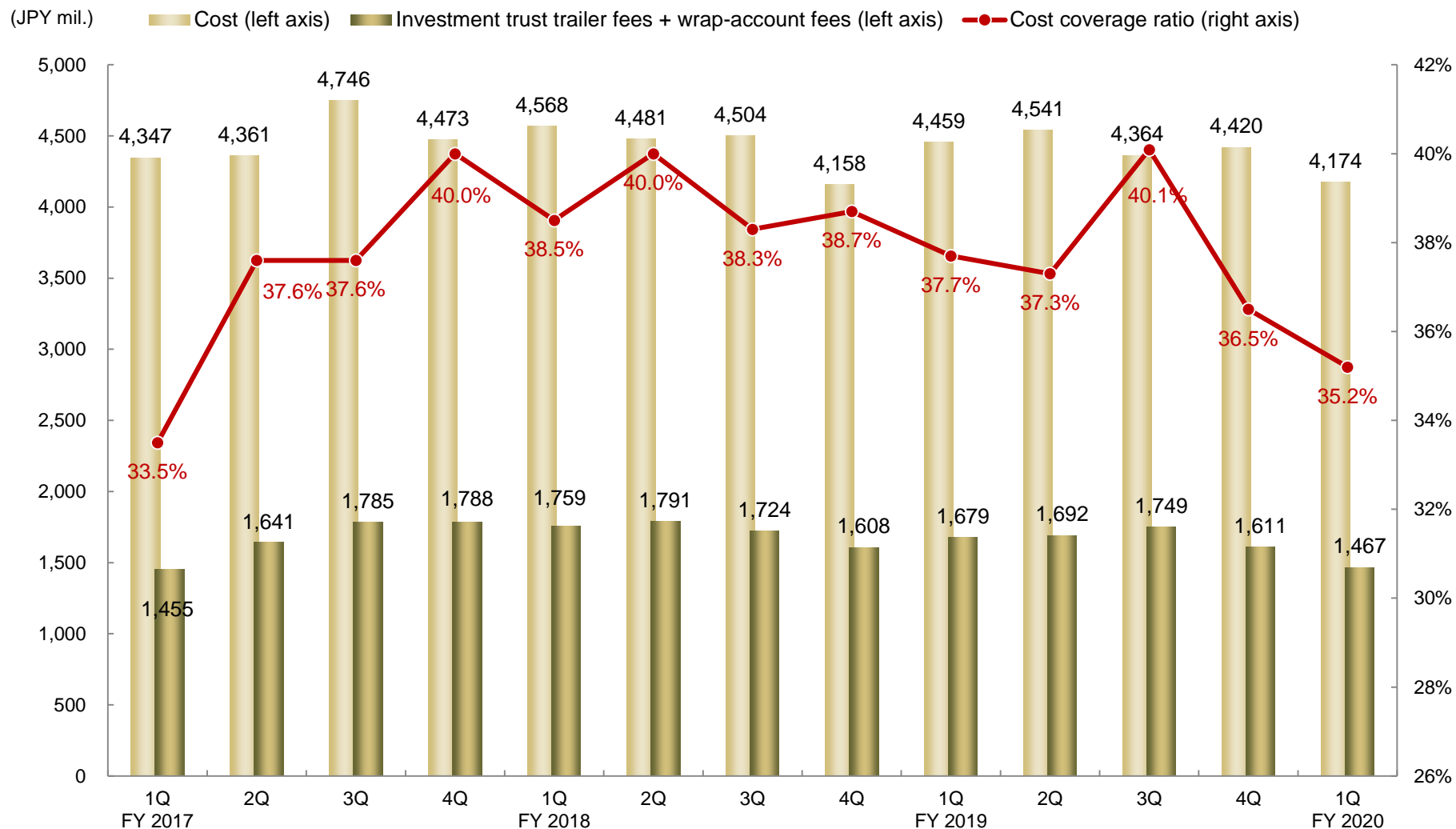


4. Trend of Investment Trust Trailer Fees and Its Cost Coverage (Month-end Average)



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

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



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

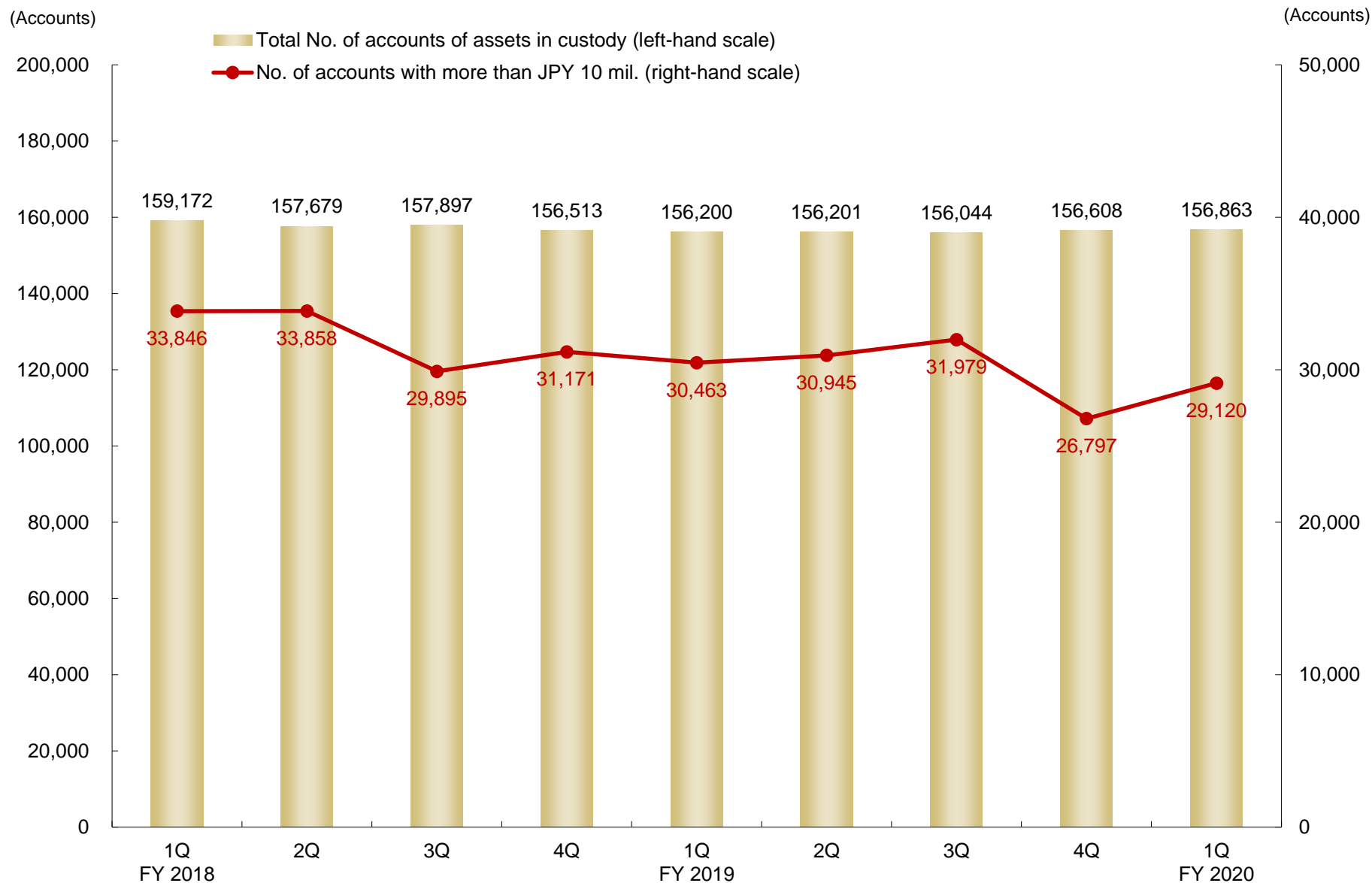
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(JPY 100 mil.)

	FY 2018				FY 2019				FY 2020
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Pictet Global Income Equity Fund (Monthly Dividend)	17	35	39	38	78	116	93	80	43
Shinko J-REIT Open	79	133	84	61	77	71	37		32
US NASDAQ Open (A/B)									26
GS US Growth Equity Concentrate Investment Fund (Monthly Settlement/ Quarterly Settlement/Semi-Annual Settlement)								36	23
Fidelity US REIT Fund (A/B/C/D)						34	29		20
Tokio Marine JPY Asset Balance Fund (Monthly Settlement/Yearly Settlement)						95	125	80	
LM Australia High Yield Equity Fund (Monthly Dividend)					25	42	28	32	
Ichiyoshi Japan Venture Fund								31	
US Micro Cap Equity Fund					40				
Ichiyoshi Mid-Small Cap Growth Equity Fund	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)	17								

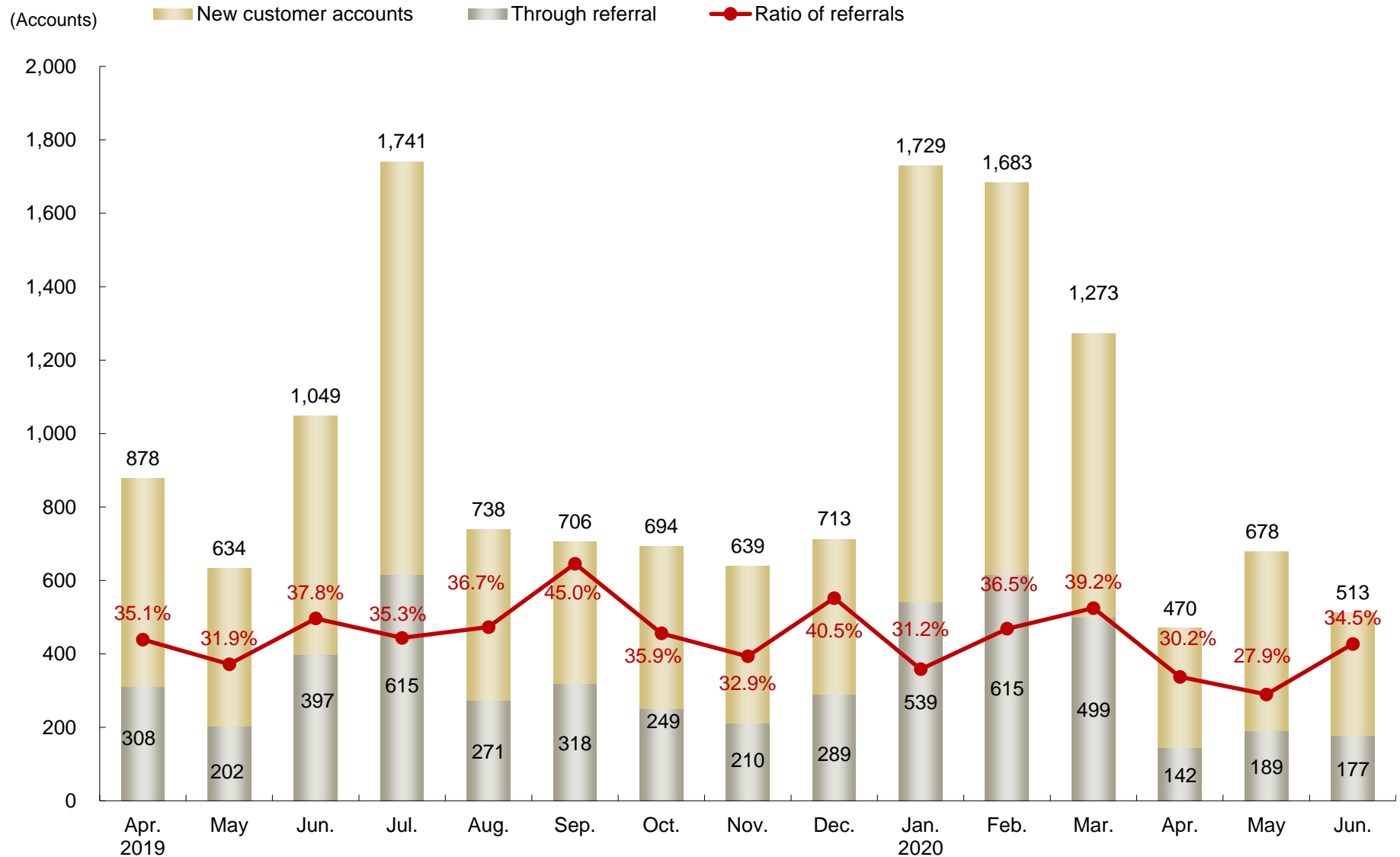
7. Number of Customer Accounts 【Retail】

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

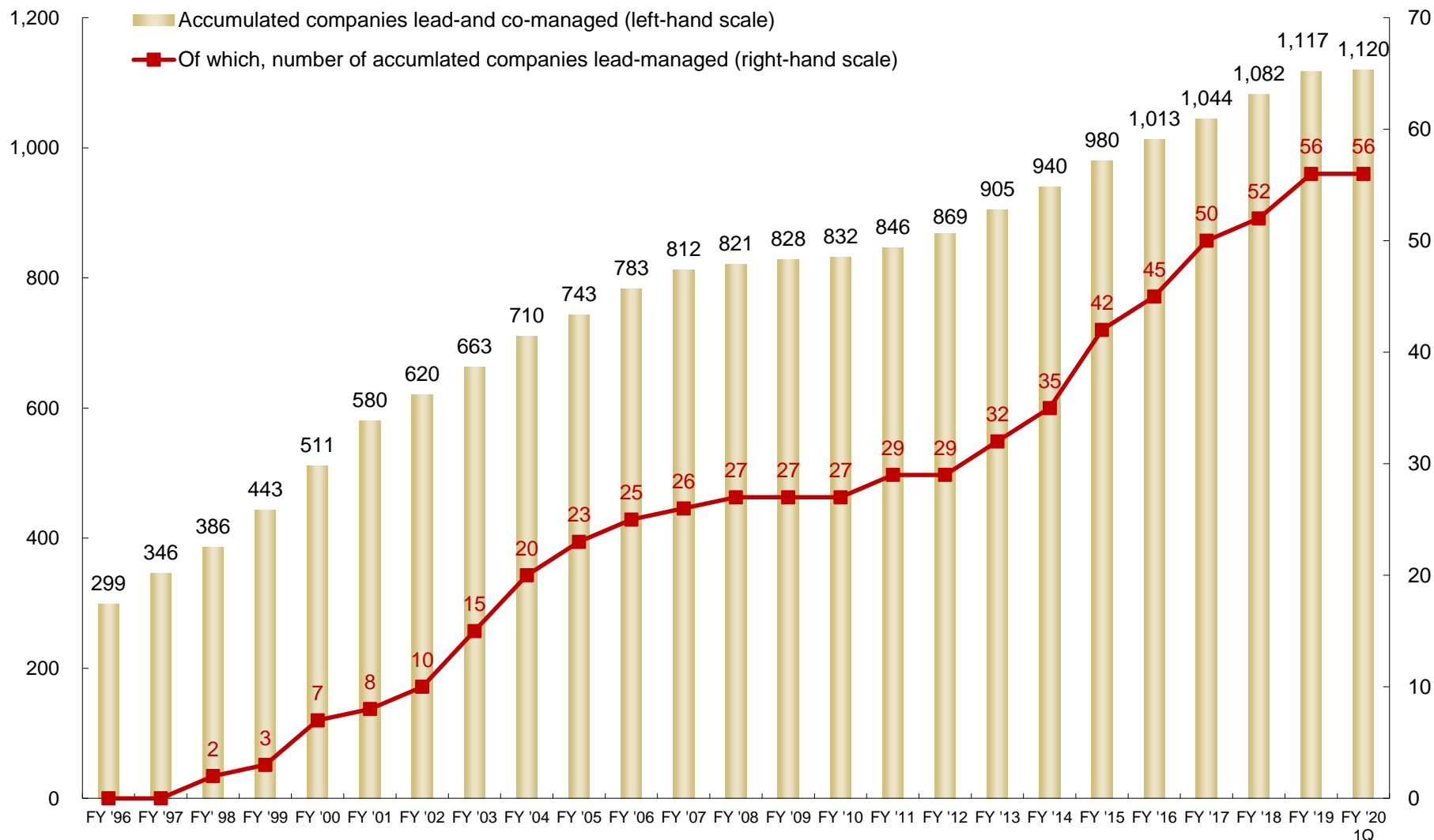
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9. Accumulated Companies Lead- and Co-managed

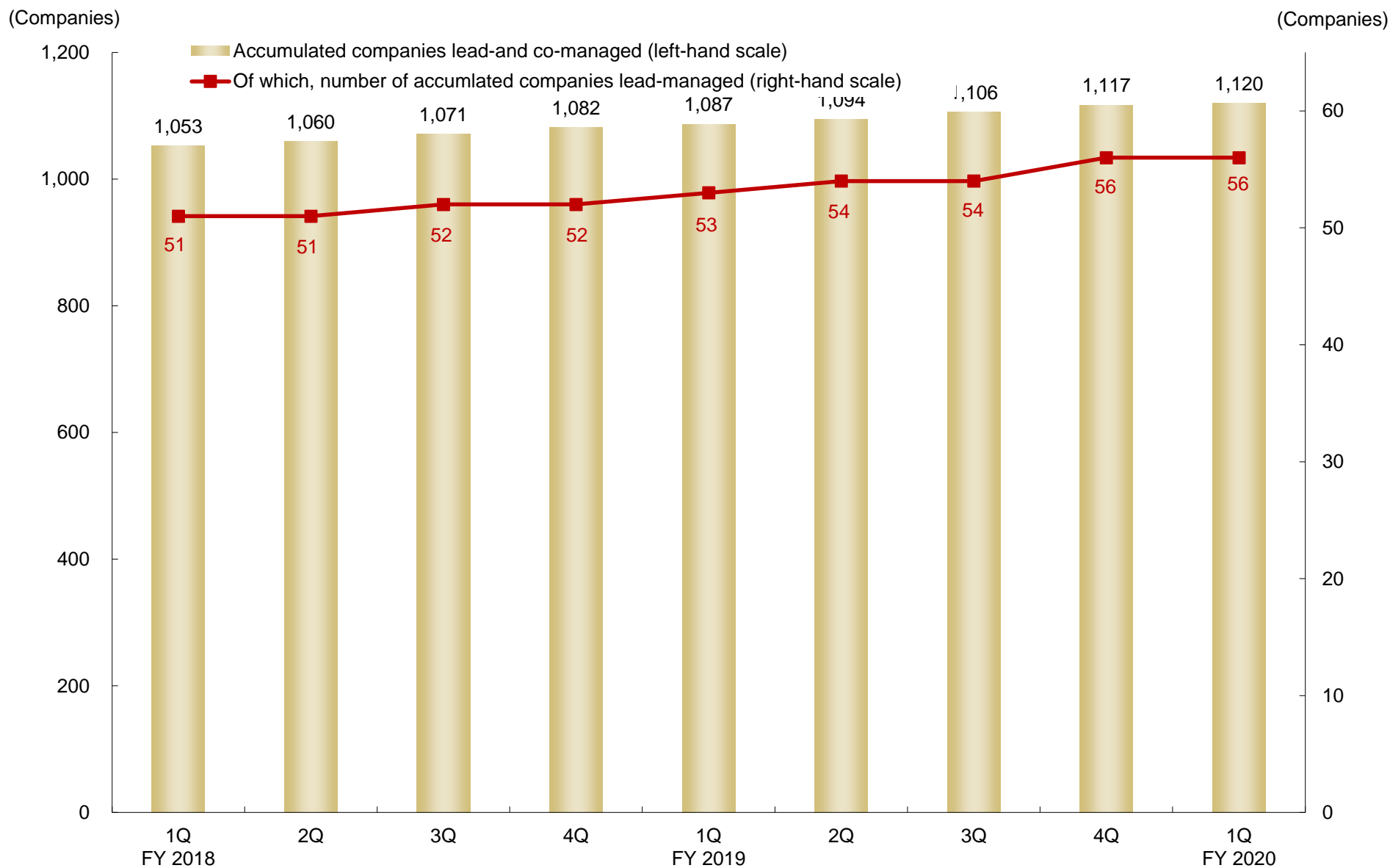
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(Companies)



10. Quarterly Accumulated Companies Lead- and Co-managed

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