

IR Presentation for Second quarter, year ending March 2021



Ichiyoshi Securities Co., Ltd.

October, 2020

I : Business Result (Consolidated)

- ◆ Operating revenue amounted to 8,770 million yen, a decrease of 669 million yen (down 7.1%) from the year-earlier period.
- ◆ Current income: loss of 377 million yen.
- ◆ Net income attributable to owners of parent: loss of 342 million yen.

(JPY mil.)

	FY 2019 2Q	FY 2020 2Q	Year-on- year (%)	Year-on- year
Operating revenue	9,439	8,770	-7.1%	-669
Net operating revenue	8,616	8,016	-7.0%	-599
Operating cost & expenses	9,000	8,397	-6.7%	-603
Operating income	-384	-380	—	3
Current income	-401	-377	—	24
Extraordinary income & loss	2	103	—	100
Income taxes	69	67	-1.7%	-1
Net income attributable to owners of parent	-479	-342	—	136

(JPY mil.)

FY 2019				FY 2020	
1Q	2Q	3Q	4Q	1Q	2Q
4,618	4,820	4,511	4,894	4,182	4,588
4,220	4,396	4,160	4,463	3,792	4,223
4,459	4,541	4,364	4,420	4,174	4,223
-239	-145	-204	42	-381	0
-218	-183	-158	90	-365	-12
-0	2	66	-48	103	-0
-29	99	119	75	139	-71
-194	-285	-211	-32	-401	58

2. Breakdown of Net Operating Revenue

- ◆ Commissions amounted to 7,825 million yen, a decrease of 592 million yen (down 7.0%) 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 2Q	FY 2020 2Q	Year-on- year (%)	Year-on- year	FY 2019				FY 2020	
					1Q	2Q	3Q	4Q	1Q	2Q
Commissions	8,418	7,825	-7.0%	-592	4,124	4,293	4,074	4,352	3,689	4,136
Gains on trading	25	52	105.9%	27	9	16	30	33	28	24
Other operating balance	82	72	-12.2%	-10	33	49	19	39	43	28
Interest & dividend income	90	65	-27.3%	-24	53	36	36	37	31	34
Total	8,616	8,016	-7.0%	-599	4,220	4,396	4,160	4,463	3,792	4,223

3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 2,613 million yen, an increase of 215 million yen (up 9.0%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 1,425 million yen, a decrease of 633 million yen (down 30.8%) from the year-earlier period. Commissions from other sources (mainly trailer fees on investment trusts) amounted to 3,060 million yen, a decrease of 310 million yen (down 9.2%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 237 million yen, an increase of 102 million yen (up 75.7%) from the year-earlier period, as the Company participated in the management and underwriting of 13 initial public offerings (of which 2 was lead-managed) and 3 public share offering in the secondary market.

	(JPY mil.)			
	FY 2019 2Q	FY 2020 2Q	Year-on-year (%)	Year-on-year
Commissions	8,418	7,825	-7.0%	-592
Brokerage (Major item)				
Stocks	2,398	2,613	9.0%	215
Distribution (Major item)				
Investment trusts	2,059	1,425	-30.8%	-633
Underwriting (Major items)				
IPO	123	159	28.7%	35
PO	11	78	587.3%	66
Total	135	237	75.7%	102
Commissions from other sources (Major items)				
Investment trusts (trailer fees, etc.)	3,371	3,060	-9.2%	-310
Other than investment trusts	338	291	-14.0%	-47
Total	3,710	3,352	-9.7%	-358
<Reference>				
	(JPY 100 mil.)			
Fund distribution	1,108	949	-14.3%	-158

(JPY mil.)					
FY 2019				FY 2020	
1Q	2Q	3Q	4Q	1Q	2Q
4,124	4,293	4,074	4,352	3,689	4,136
1,281	1,116	1,163	1,183	1,260	1,353
921	1,137	874	943	654	771
7	116	22	349	4	155
3	7	40	10	1	76
11	123	62	359	5	231
1,679	1,692	1,749	1,611	1,467	1,593
168	170	157	164	129	161
1,847	1,862	1,907	1,776	1,596	1,755

* Including wrap-account fund sales

4. Breakdown of Gains or loss on Trading

- ◆ Net gains on trading amounted to 52 million yen, an increase of 27 million yen (up 105.9%) from the year-earlier period, chiefly as net trading income on stocks increased.

(JPY mil.)

	FY 2019 2Q	FY 2020 2Q	Year-on- year (%)	Year-on- year
Stocks, etc.	-4	32	—	37
Bonds ・ Forex, etc.	30	20	-33.2%	-10
(Bonds, etc.)	(14)	(12)	-15.2%	-2
(Forex, etc.)	(16)	(8)	-49.4%	-7
Total	25	52	105.9%	27

(JPY mil.)

FY 2019				FY 2020	
1Q	2Q	3Q	4Q	1Q	2Q
-5	0	16	26	17	15
15	15	14	7	11	9
(7)	(7)	(7)	(5)	(7)	(4)
(7)	(8)	(6)	(2)	(3)	(4)
9	16	30	33	28	24

5. Operating Cost and Expenses

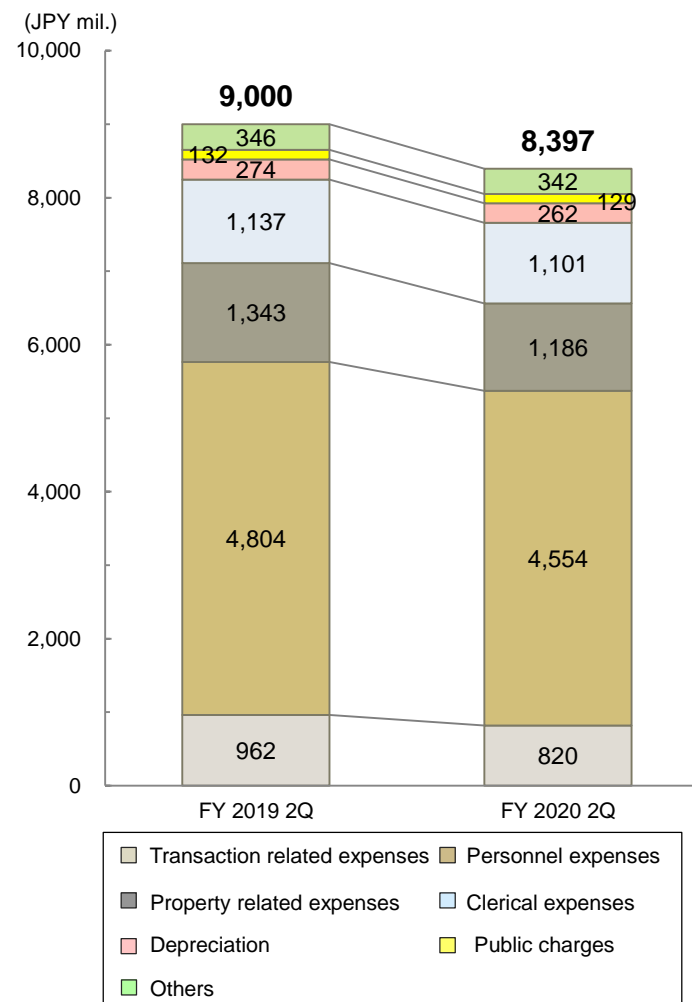
- ◆ Operating cost and expenses amounted to 8,397 million yen, a decrease of 603 million yen (down 6.7%) from the year-earlier period, mainly decreased in personnel expenses.

	FY 2019 2Q	FY 2020 2Q	Year-on- year (%)	Year-on- year
Transaction related expenses	962	820	-14.8%	-142
Personnel expenses	4,804	4,554	-5.2%	-249
Property related expenses	1,343	1,186	-11.7%	-156
Clerical expense	1,137	1,101	-3.2%	-35
Depreciation	274	262	-4.3%	-11
Public charges	132	129	-2.6%	-3
Others	346	342	-1.0%	-3
Total	9,000	8,397	-6.7%	-603

<Reference> FY 2020 2Q fixed cost and variable cost (non-consolidated basis)

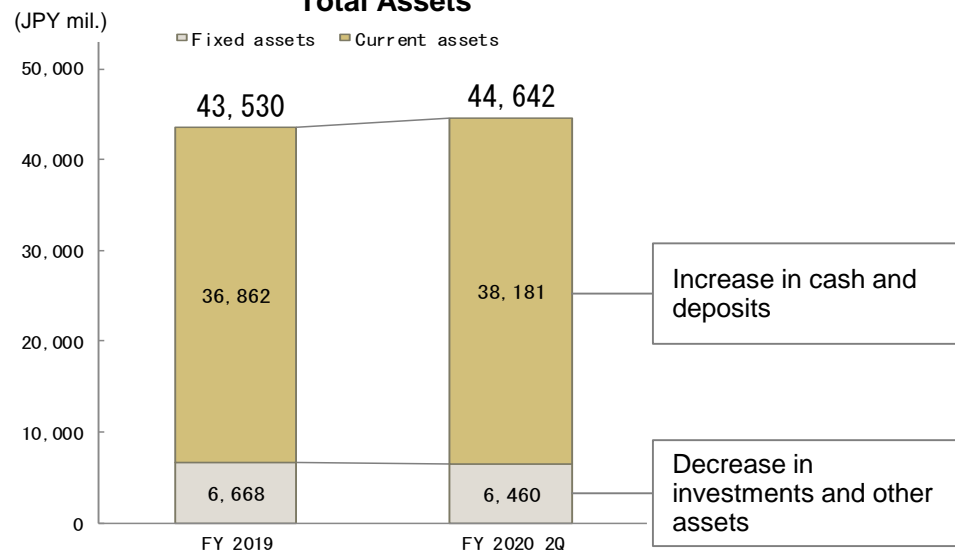
Fixed cost	6,357
Variable cost	1,662

(JPY mil.)

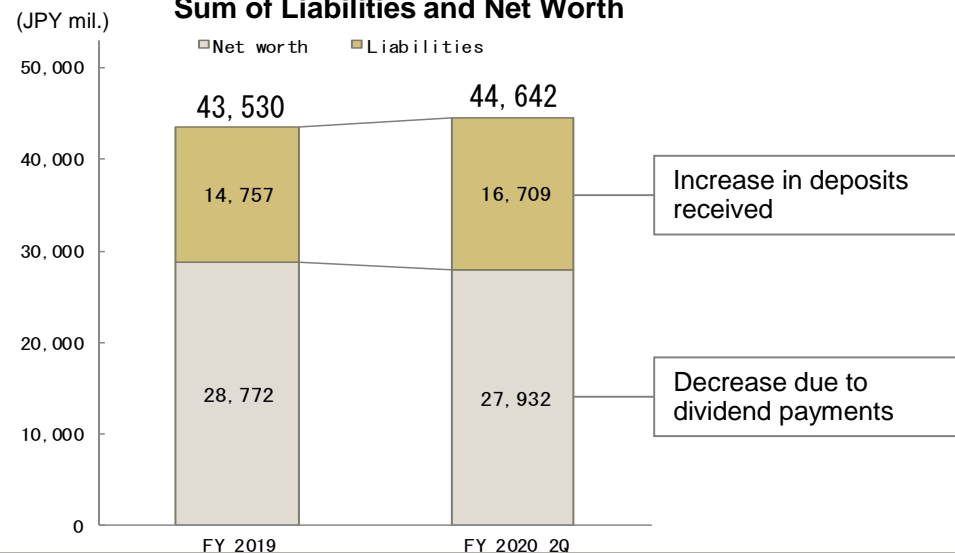


Balance Sheets

Total Assets



Sum of Liabilities and Net Worth



Financial Result

	FY 2020 2Q	Change from FY 2019 end.
Equity ratio (%)	62.4	-3.5
Net worth per share (JPY)	773.85	-23.26
Capital adequacy ratio (non-consolidated basis) (%)	438.5	-8.3

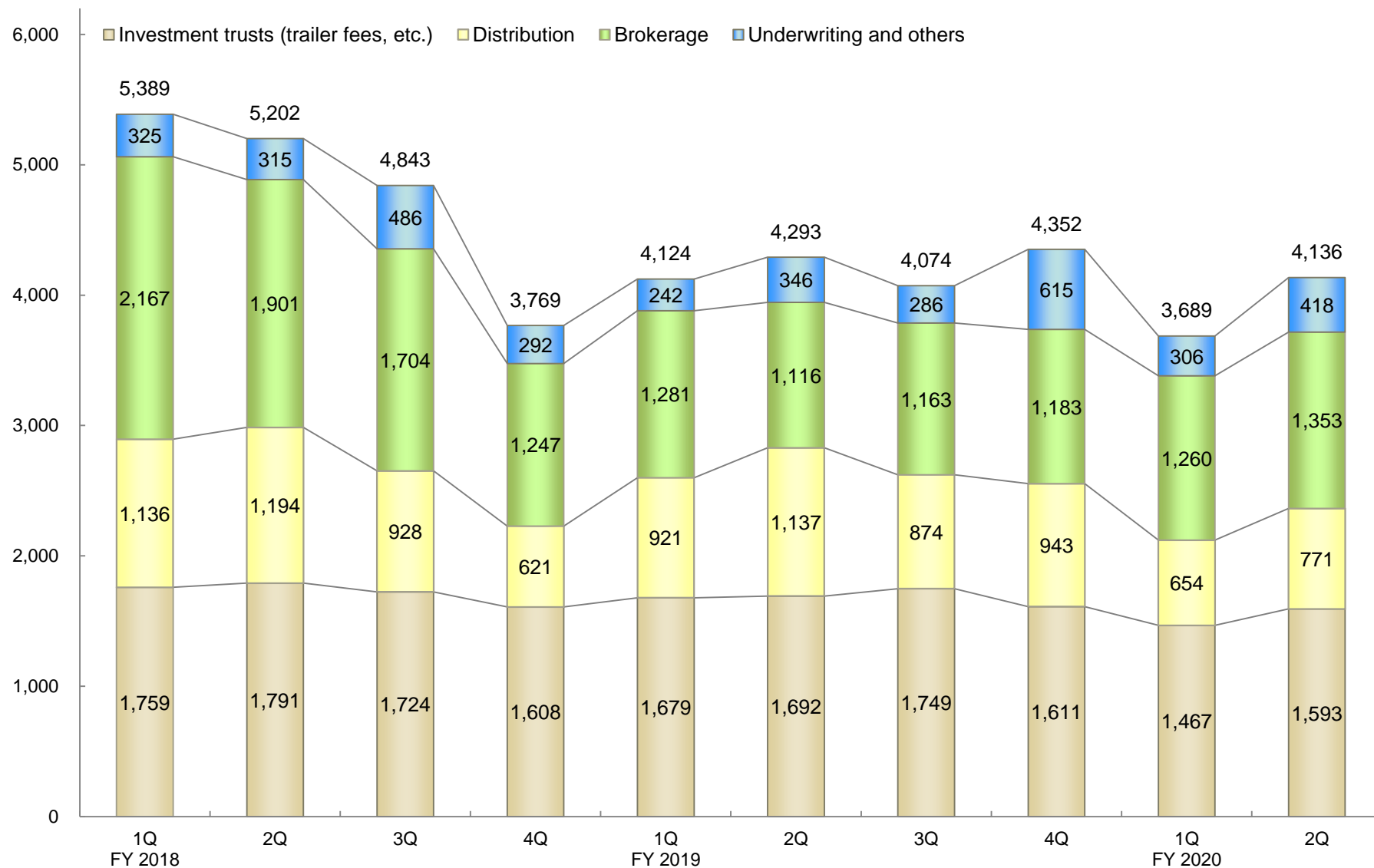
	FY 2020 2Q	Year-on-year
EPS (JPY)	-9.52	2.04

II : Business Circumstances

1. Commission Revenue

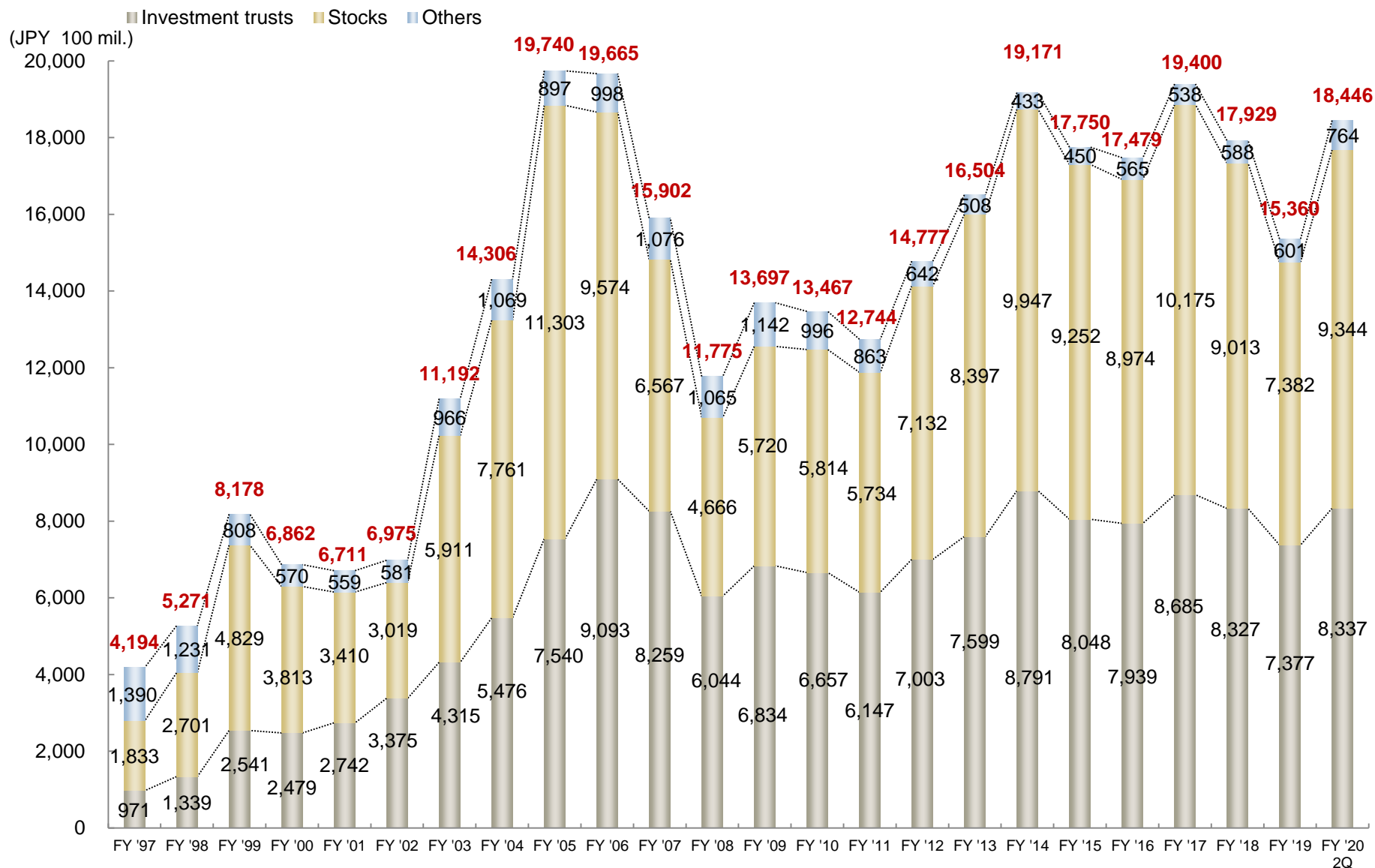
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(JPY mil.)



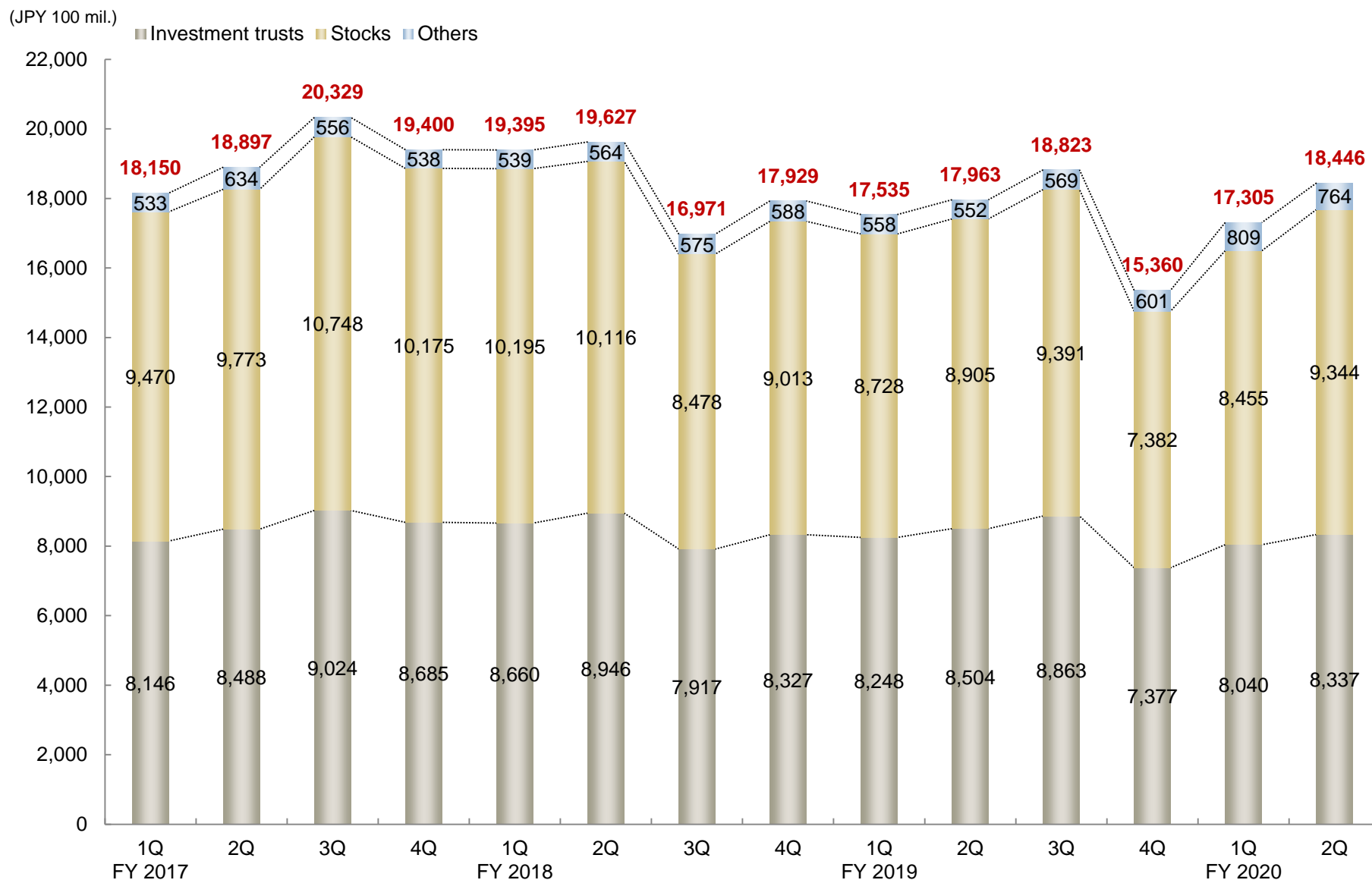
2. Customer Assets in Custody

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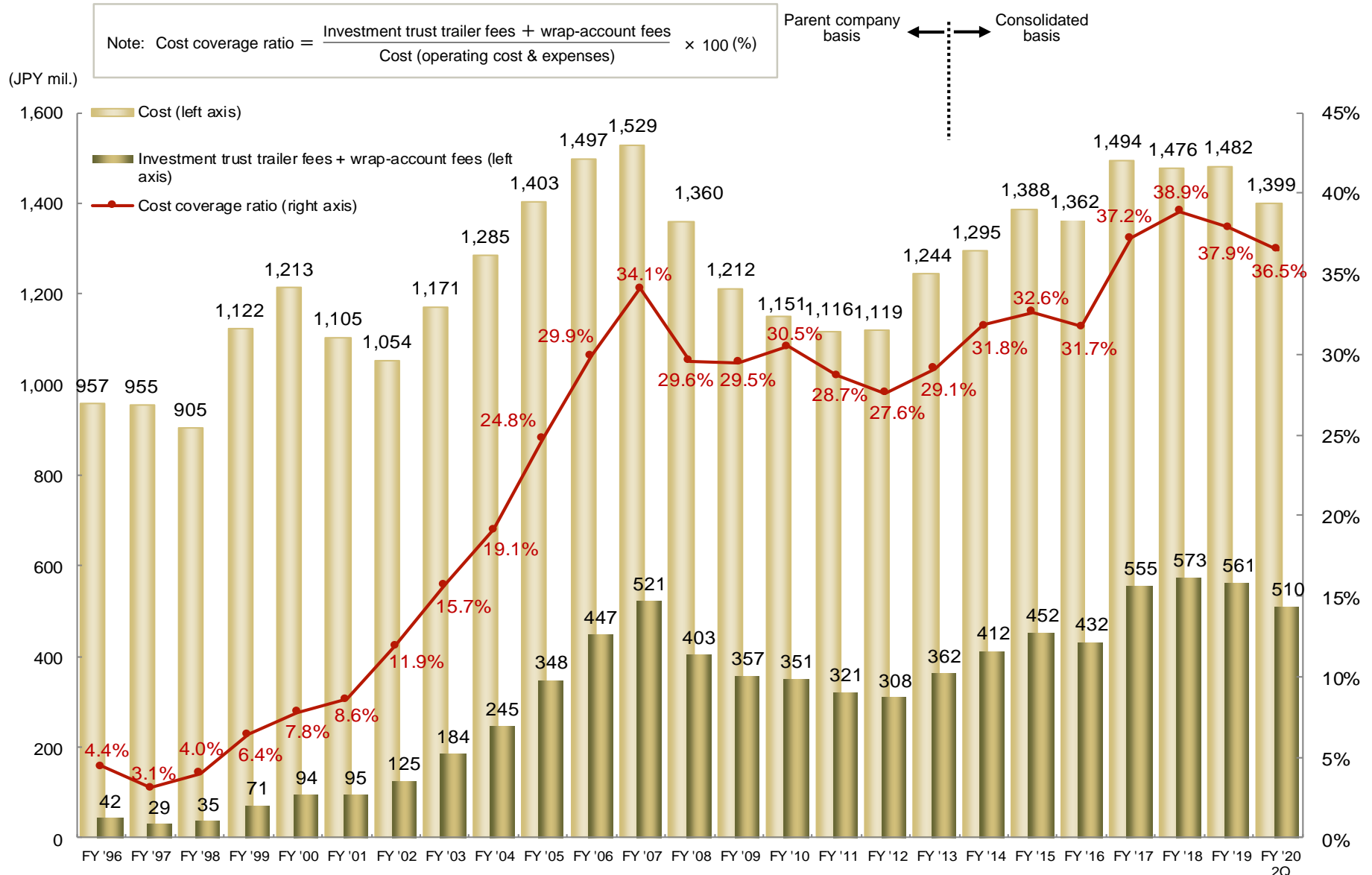


3. Quarterly Customer Assets in Custody

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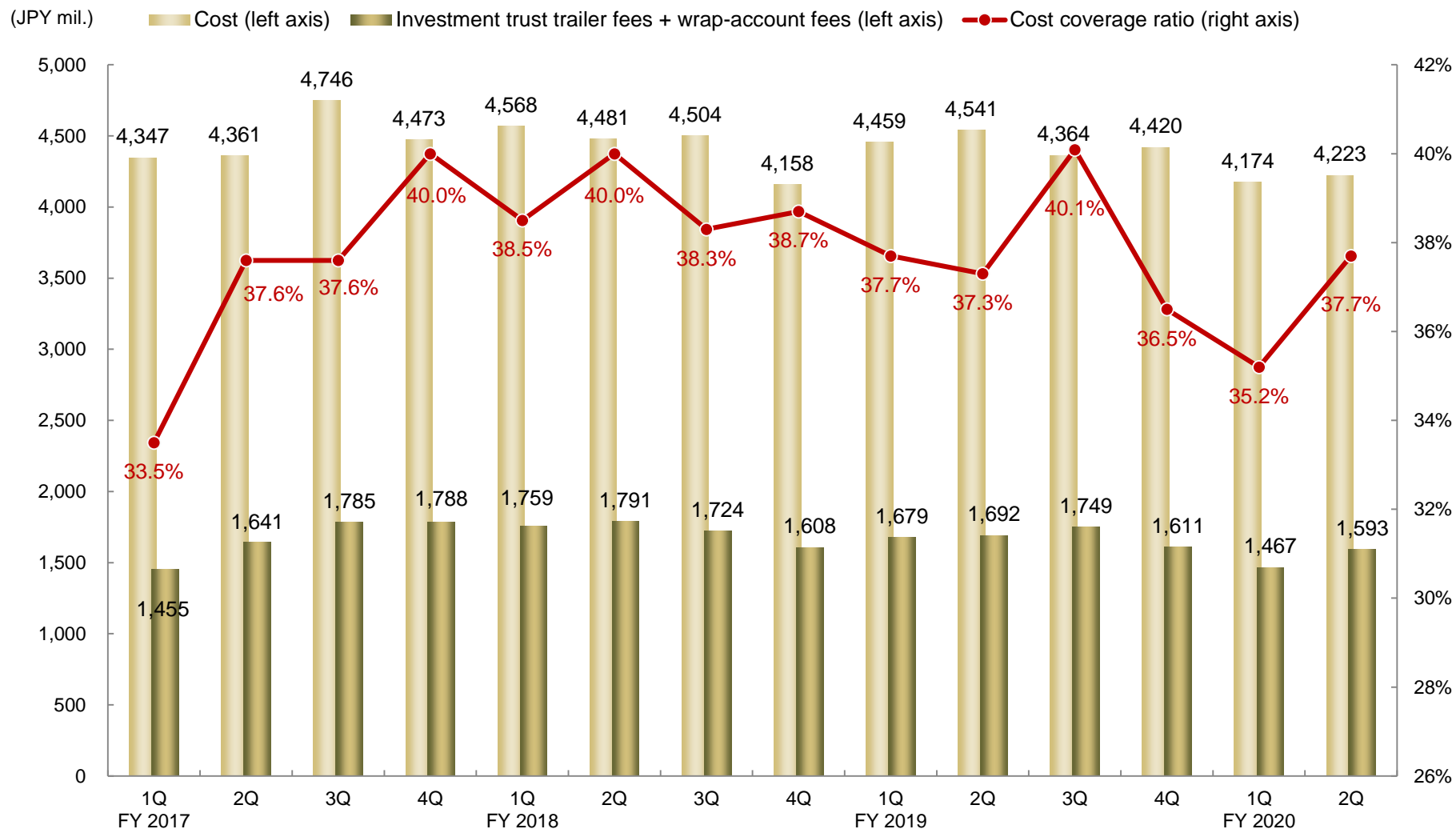


4. Trend of Investment Trust Trailer Fees and Its Cost Coverage (Month-end Average)



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

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



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

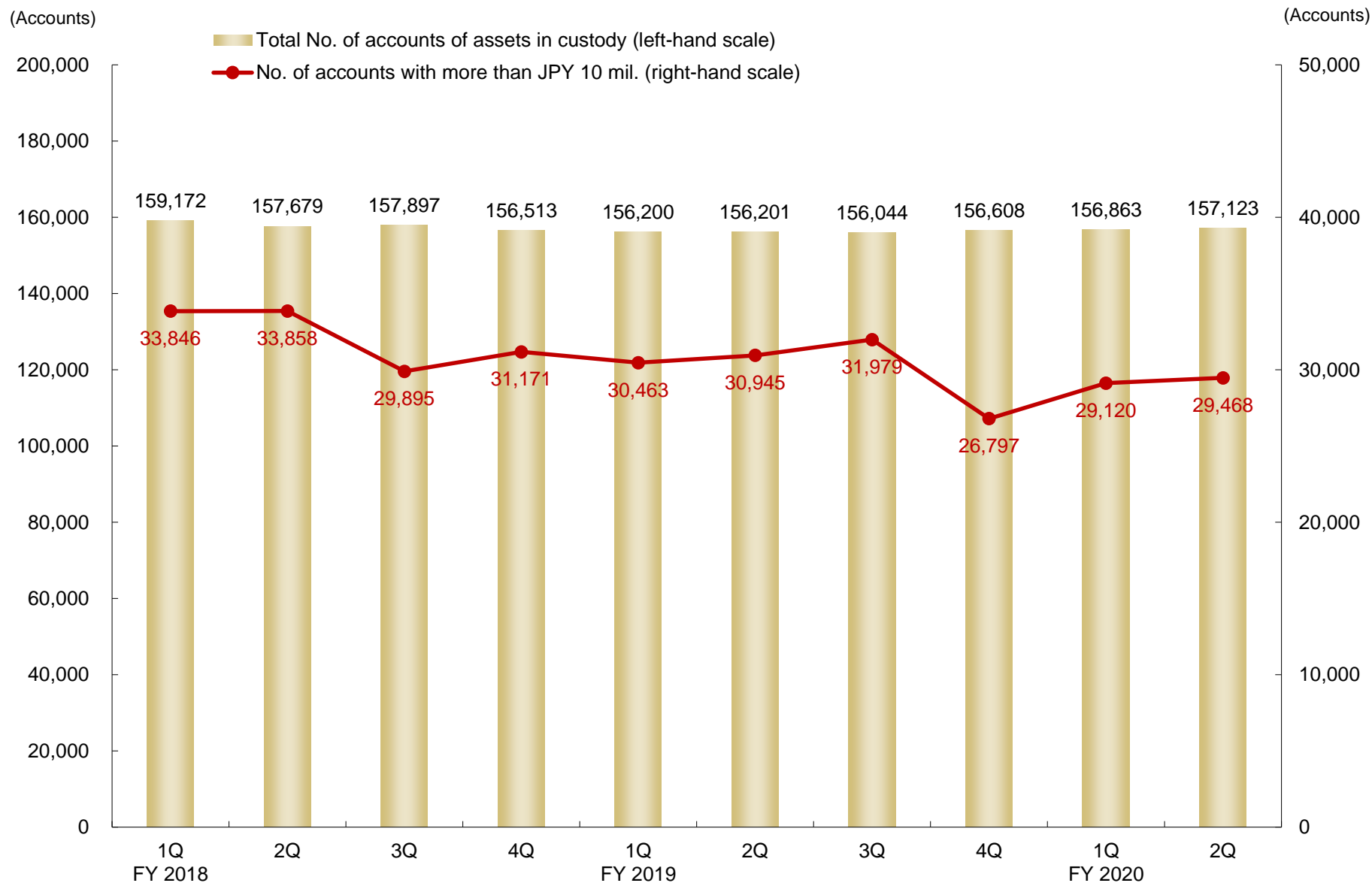
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(JPY 100 mil.)

	FY 2018				FY 2019				FY 2020	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Ichiyoshi SDGs Small Medium Size Equity Fund										84
US NASDAQ Open (A/B)									26	36
Pictet Global Income Equity Fund (Monthly Dividend)	17	35	39	38	78	116	93	80	43	35
Fidelity US REIT Fund (A/B/C/D)						34	29		20	25
GS US Growth Equity Concentrate Investment Fund (Monthly Settlement/ Quarterly Settlement/Semi-Annual Settlement)								36	23	13
Shinko J-REIT Open	79	133	84	61	77	71	37		32	
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									

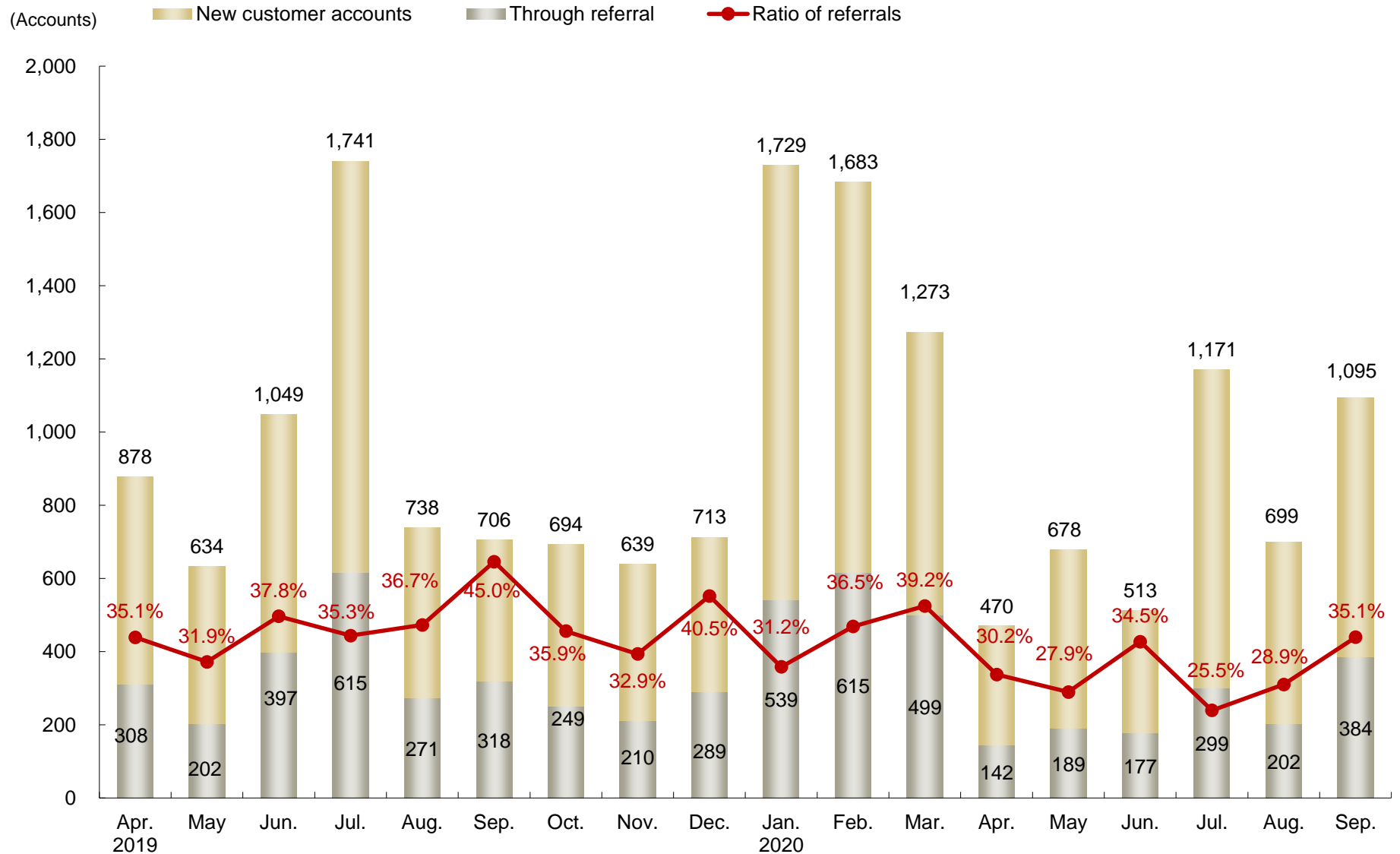
7. Number of Customer Accounts 【Retail】

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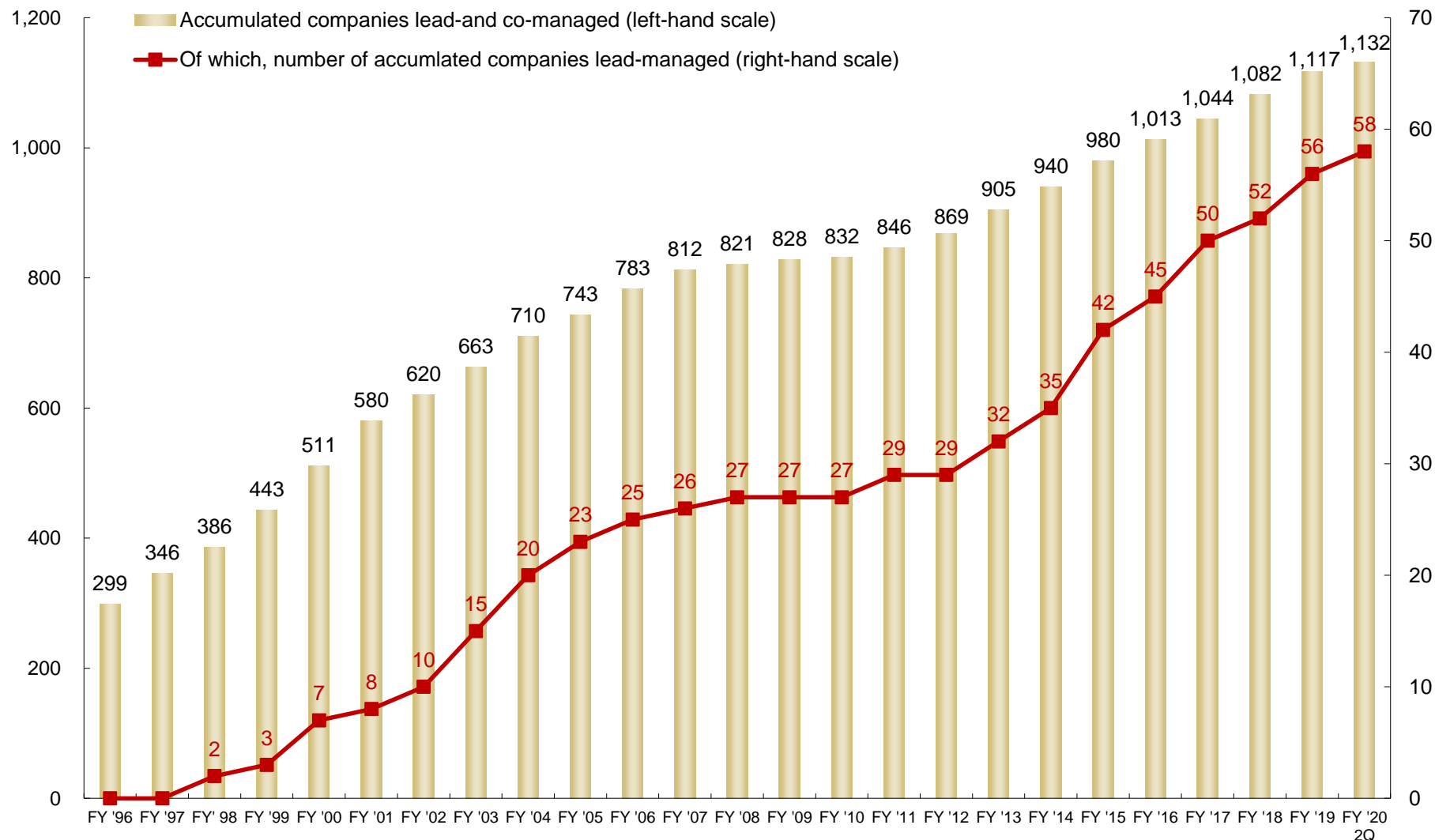
8. Number of New Customer Accounts and Ratio of Referrals 【Retail】

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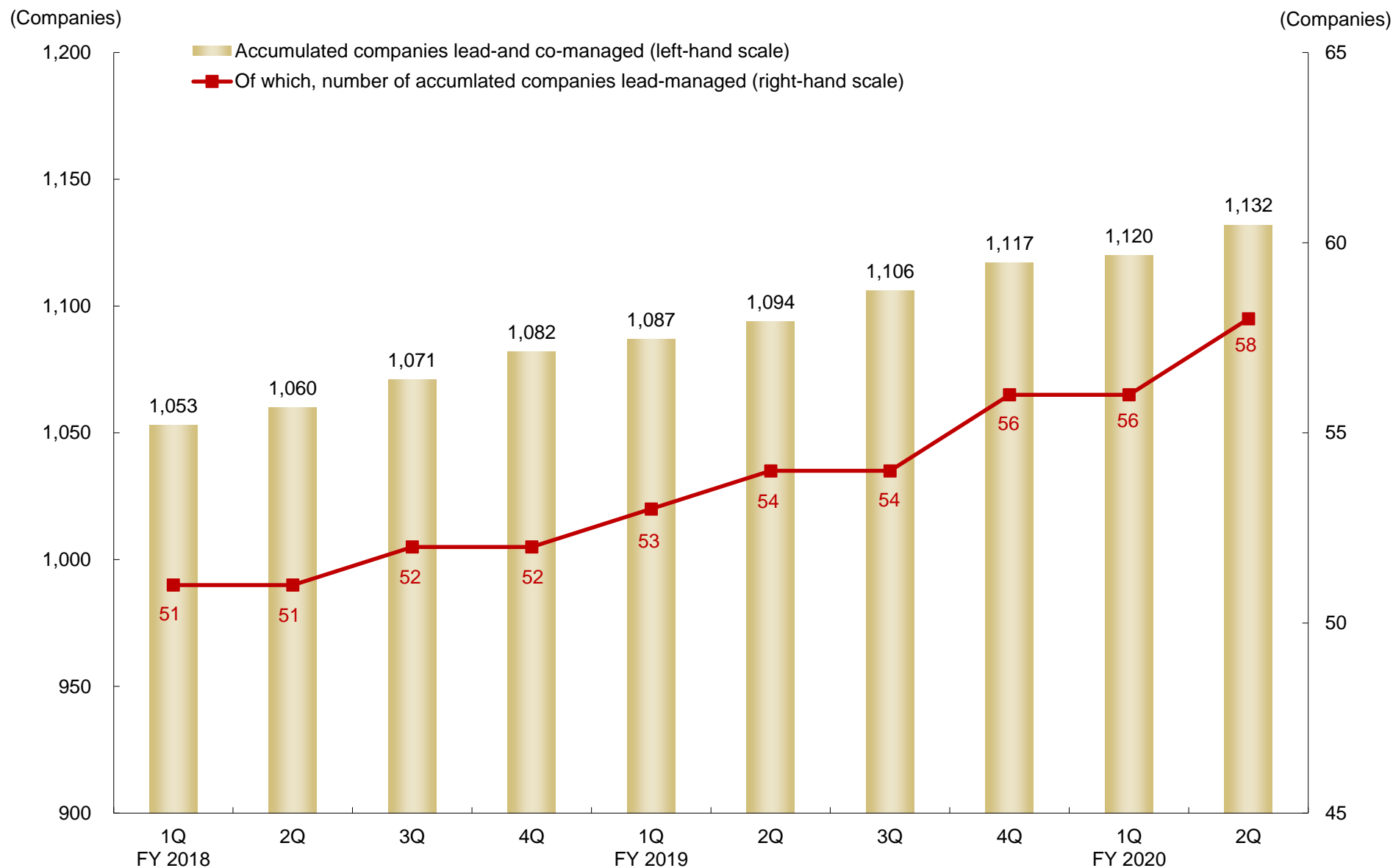
9. Accumulated Companies Lead- and Co-managed

(Companies)



10. Quarterly Accumulated Companies Lead- and Co-managed

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