

IR Presentation for Third quarter, year ending March 2023



Ichiyoshi Securities Co., Ltd.
January, 2023

I : Business Result (Consolidated)

- ◆ Operating revenue amounted to 12,632 million yen, a decrease of 2,711 million yen (down 17.7%) from the year-earlier period.
- ◆ Current income amounted to 1,048 million yen, a decrease of 2,025 million yen (down 65.9%) from the year-earlier period.
- ◆ Net income attributable to owners of parent amounted to 672 million yen, a decrease of 1,610 million yen (down 70.5%) from the year-earlier period.

	(JPY mil.)				(JPY mil.)						
	FY 2021 3Q	FY 2022 3Q	Year-on- year (%)	Year-on- year	FY 2021				FY 2022		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	15,344	12,632	-17.7%	-2,711	5,164	4,956	5,223	4,247	4,344	4,184	4,102
Net operating revenue	15,315	12,607	-17.7%	-2,708	5,151	4,945	5,218	4,238	4,335	4,175	4,096
Operating cost & expenses	12,345	11,611	-5.9%	-733	4,268	3,991	4,085	3,886	3,952	3,821	3,838
Operating income	2,970	995	-66.5%	-1,975	882	953	1,133	351	383	354	257
Current income	3,073	1,048	-65.9%	-2,025	937	985	1,150	369	399	363	284
Extraordinary income & loss	138	0	-99.8%	-137	136	-5	7	0	-0	2	-1
Income taxes	928	375	-59.5%	-552	288	263	375	127	136	128	110
Net income attributable to owners of parent	2,283	672	-70.5%	-1,610	785	715	782	242	262	237	172

2. Breakdown of Net Operating Revenue

◆ Commissions amounted to 12,307 million yen, a decrease of 2,541 million yen (down 17.1%) from the year-earlier period, mainly due to a fall in brokerage commissions and distribution fees on investment trusts.

	(JPY mil.)				(JPY mil.)						
	FY 2021 3Q	FY 2022 3Q	Year-on- year (%)	Year-on- year	FY 2021				FY 2022		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commissions	14,849	12,307	-17.1%	-2,541	5,004	4,799	5,045	4,137	4,243	4,074	3,989
Gains on trading	153	48	-68.4%	-105	28	48	77	7	7	22	18
Other operating balance	173	151	-13.1%	-22	73	50	50	53	49	49	52
Interest & dividend income	138	99	-28.1%	-38	44	47	46	39	35	29	35
Total	15,315	12,607	-17.7%	-2,708	5,151	4,945	5,218	4,238	4,335	4,175	4,096

3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 3,373 million yen, a decrease of 793 million yen (down 19.0%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 2,000 million yen, a decrease of 1,008 million yen (down 33.5%) from the year-earlier period. Commissions from other sources (mainly trust fees on investment trusts) amounted to 6,245 million yen, a decrease of 290 million yen (down 4.5%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 129 million yen, a decrease of 457 million yen (down 78.0%) from the year-earlier period, as the Company participated in the management and underwriting of 9 initial public offerings (of which 2 were lead-managed).

(JPY mil.)					(JPY mil.)						
	FY 2021 3Q	FY 2022 3Q	Year-on-year (%)	Year-on-year	FY 2021				FY 2022		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commissions	14,849	12,307	-17.1%	-2,541	5,004	4,799	5,045	4,137	4,243	4,074	3,989
Brokerage (Major item)											
Stocks	4,167	3,373	-19.0%	-793	1,410	1,379	1,376	1,150	1,086	1,104	1,182
Distribution (Major item)											
Investment trusts	3,009	2,000	-33.5%	-1,008	1,064	1,012	931	775	791	662	546
Underwriting (Major items)											
IPO	506	129	-74.5%	-376	211	23	270	3	121	7	0
PO	80	—	—	-80	0	1	78	1	—	—	—
Total	586	129	-78.0%	-457	212	24	349	4	121	7	0
Commissions from other sources (Major items)											
Investment trusts (trust fees, etc.)	6,536	6,245	-4.5%	-290	2,137	2,204	2,194	2,028	2,048	2,111	2,084
Other than investment trusts	391	404	3.2%	12	132	128	130	121	138	140	124
Total	6,927	6,649	-4.0%	-278	2,269	2,333	2,325	2,149	2,186	2,252	2,209
<Reference>					(JPY 100 mil.)						
Fund distribution	2,080	1,358	-34.7%	-721							

* Including wrap-account fund sales

4. Breakdown of Gains or loss on Trading

◆ Net gains on trading amounted to 48 million yen, a decrease of 105 million yen (down 68.4%) from the year-earlier period, chiefly as net trading income on stocks decreased.

	(JPY mil.)				(JPY mil.)						
	FY 2021 3Q	FY 2022 3Q	Year-on- year (%)	Year-on- year	FY 2021				FY 2022		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Stocks, etc.	140	33	-75.8%	-106	25	43	70	0	1	13	18
Bonds ・ Forex, etc.	13	14	7.4%	1	2	4	6	7	5	9	0
(Bonds, etc.)	(5)	(4)	-26.4%	-1	(1)	(2)	(2)	(1)	(1)	(1)	(0)
(Forex, etc.)	(7)	(10)	33.3%	2	(0)	(2)	(4)	(5)	(3)	(7)	(-0)
Total	153	48	-68.4%	-105	28	48	77	7	7	22	18

5. Operating Cost and Expenses

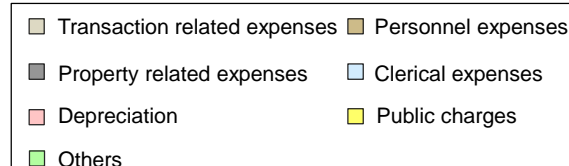
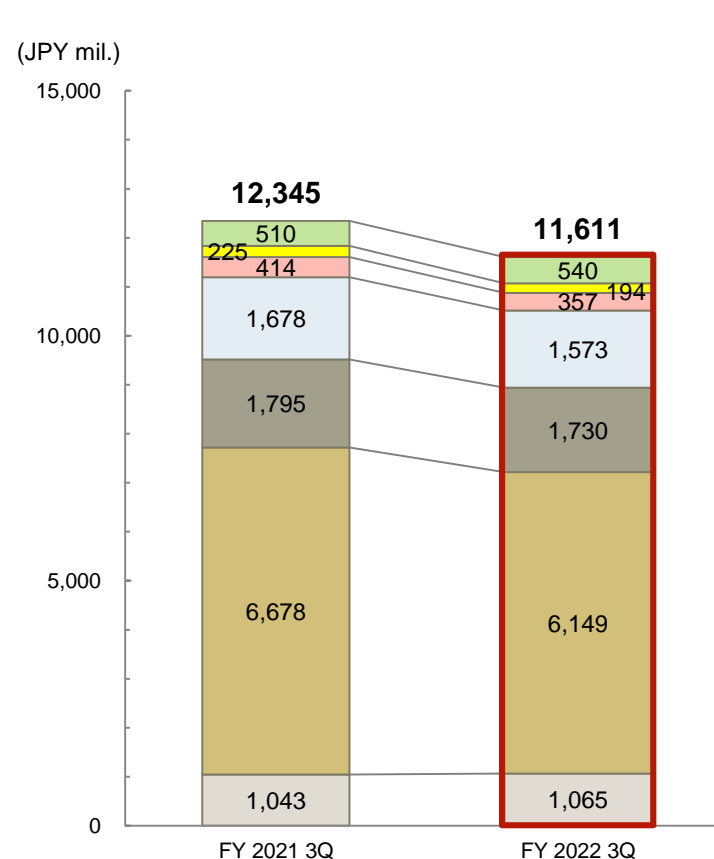
- ◆ Operating cost and expenses amounted to 11,611 million yen, a decrease of 733 million yen (down 5.9%) from the year-earlier period, mainly decreased in personnel expenses and clerical expenses.

	FY 2021 3Q	FY 2022 3Q	Year-on- year (%)	Year-on- year
Transaction related expenses	1,043	1,065	2.2%	22
Personnel expenses	6,678	6,149	-7.9%	-529
Property related expenses	1,795	1,730	-3.6%	-64
Clerical expense	1,678	1,573	-6.2%	-104
Depreciation	414	357	-13.6%	-56
Public charges	225	194	-13.7%	-30
Provision of allowance for doubtful accounts	0	0	40.3%	0
Others	510	540	5.9%	29
Total	12,345	11,611	-5.9%	-733

<Reference> FY 2022 3Q fixed cost and variable cost (non-consolidated basis)

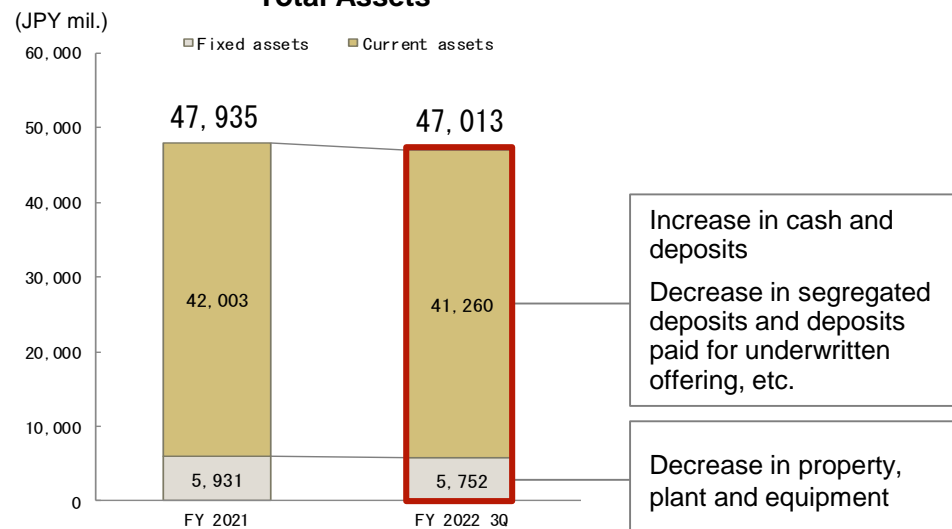
Fixed cost	8,787
Variable cost	2,175

(JPY mil.)

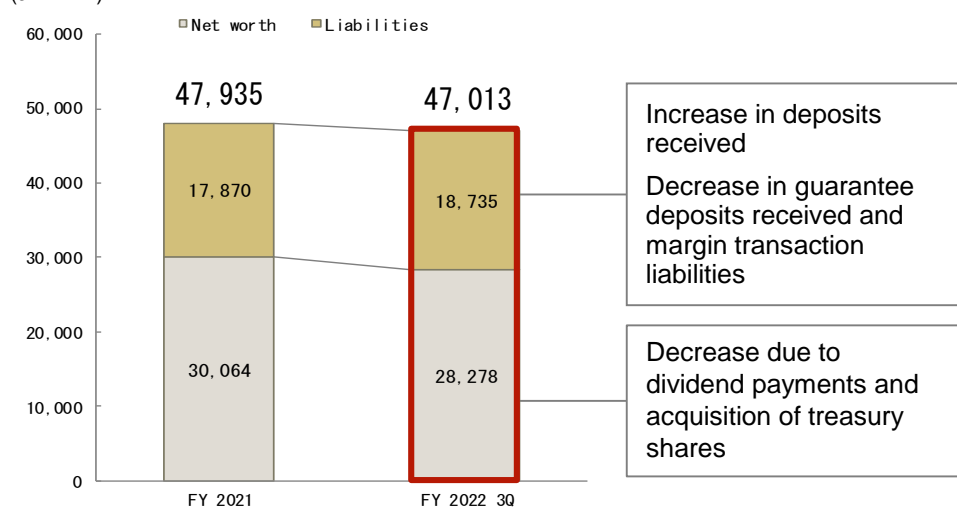


Balance Sheets

Total Assets



Sum of Liabilities and Net Worth



Financial Result

	FY 2022 3Q	Change from FY 2021 end.
Equity ratio (%)	60.1	-2.6
Net worth per share (JPY)	824.01	-8.11
Capital adequacy ratio (non-consolidated basis) (%)	523.6	17.8

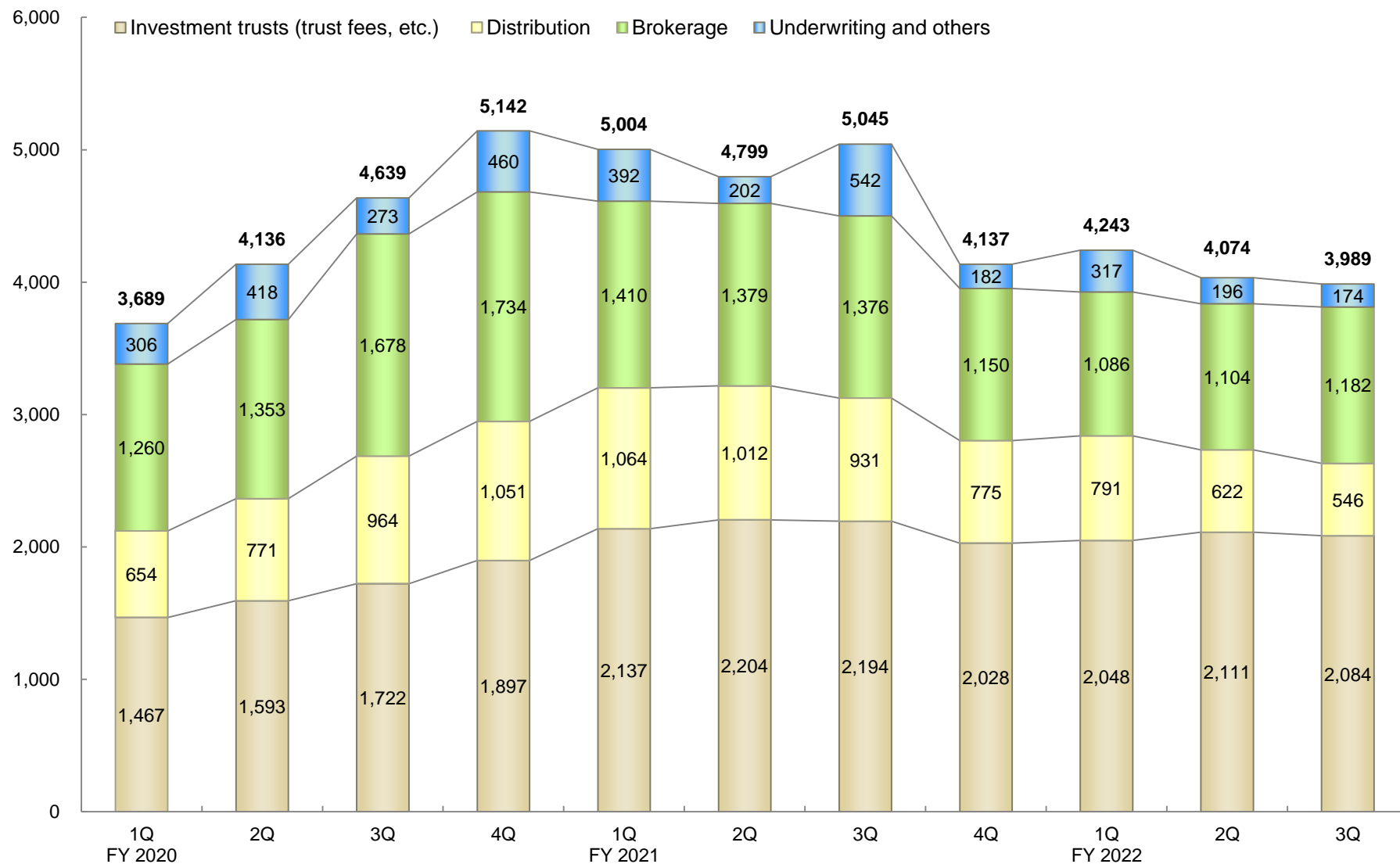
	FY 2022 3Q	Year-on-year
EPS (JPY)	19.39	-43.85
ROE (%)	2.3	-5.5

II : Business Circumstances

1. Commission Revenue

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(JPY mil.)

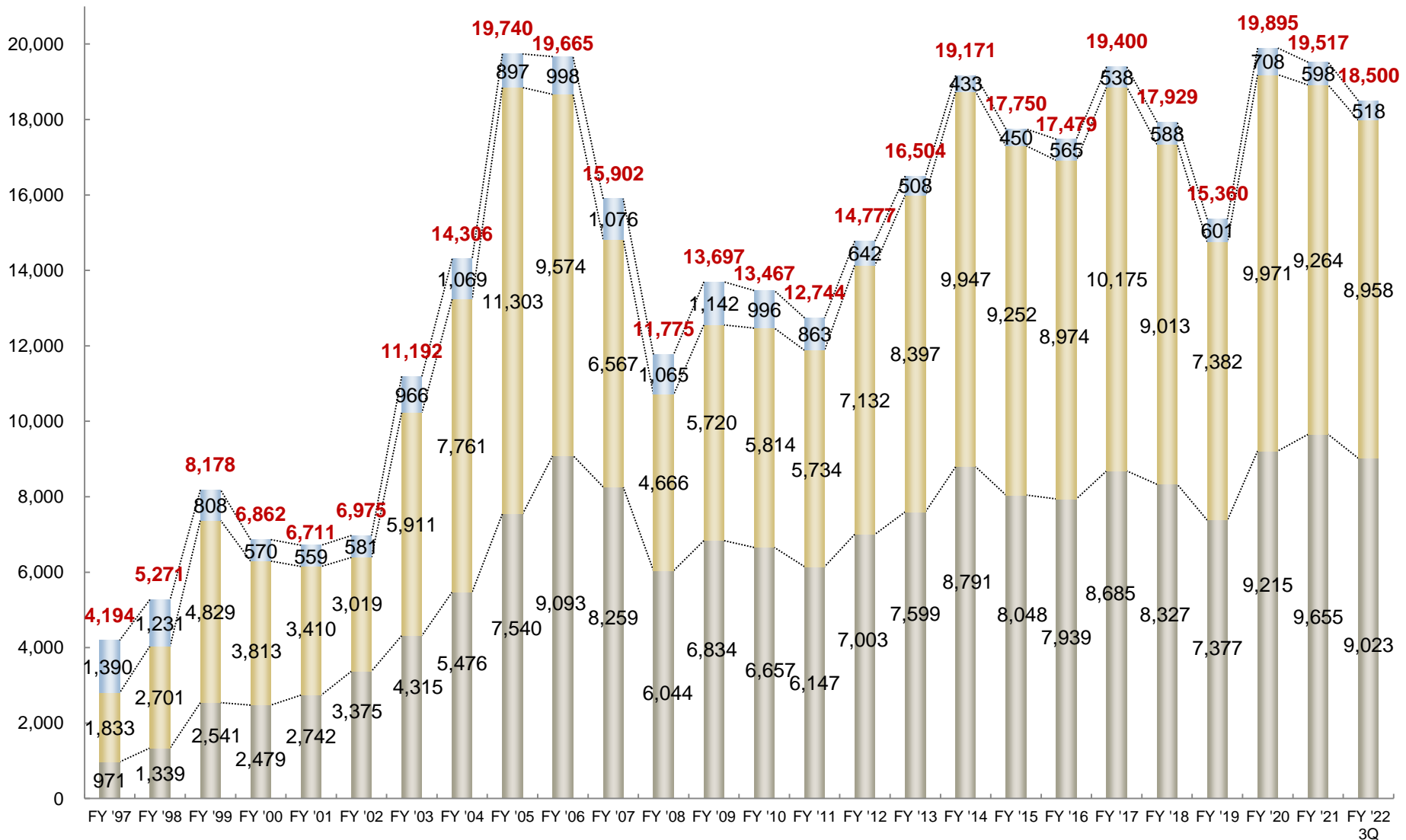


2. Customer Assets in Custody

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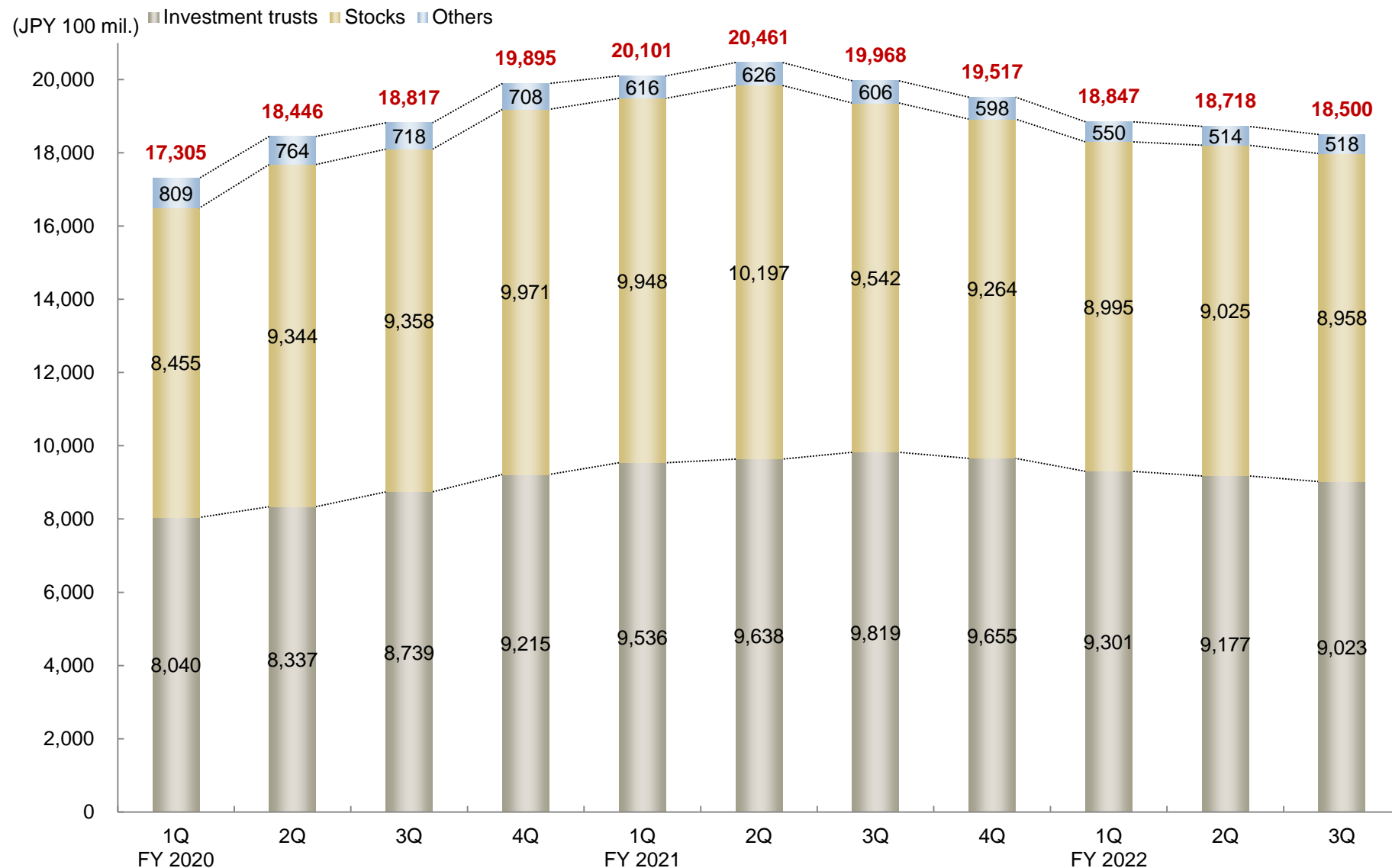
■ Investment trusts ■ Stocks ■ Others

(JPY 100 mil.)



3. Quarterly Customer Assets in Custody

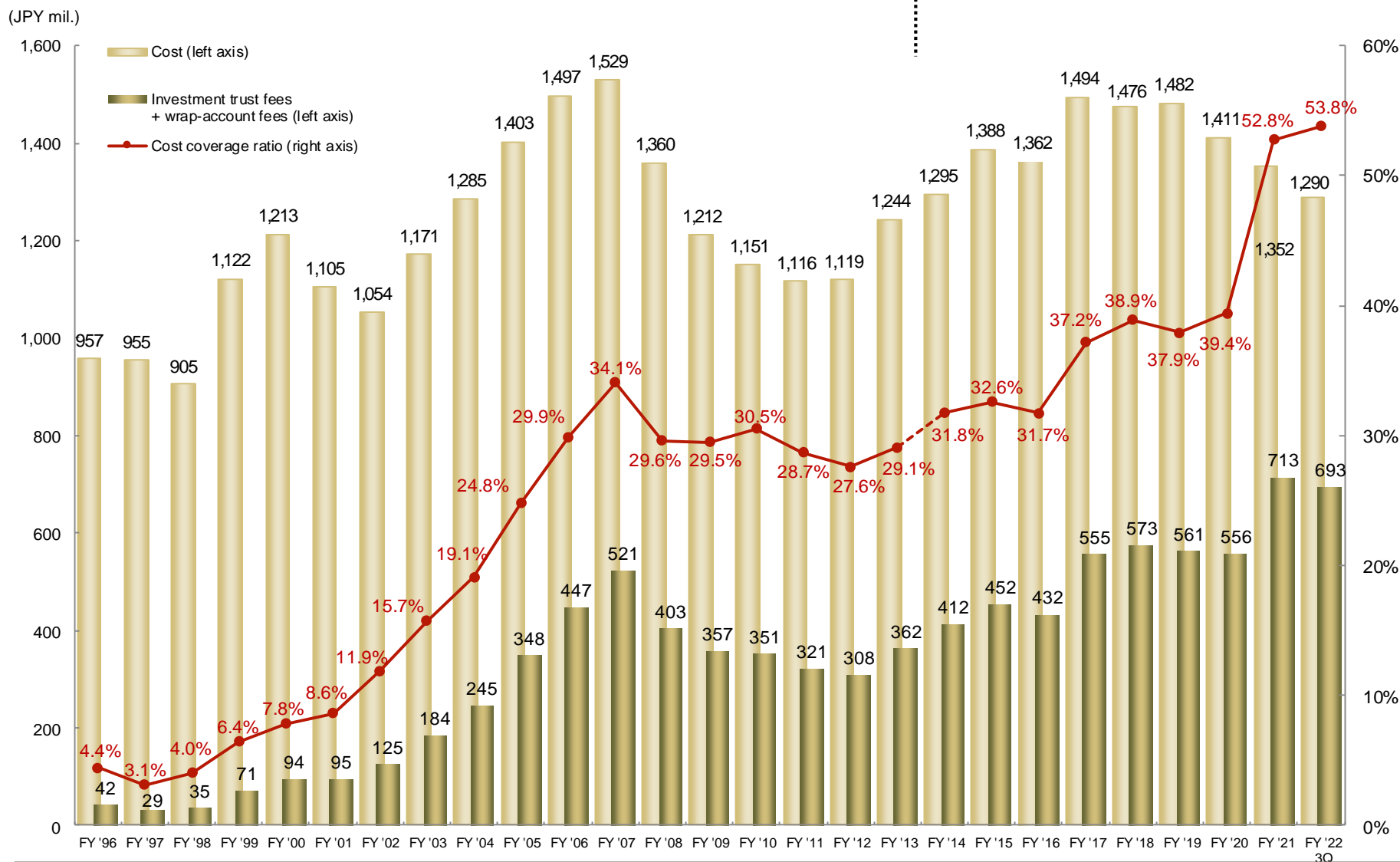
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4. Trend of Investment Trust Fees and Its Cost Coverage (Month-end Average)

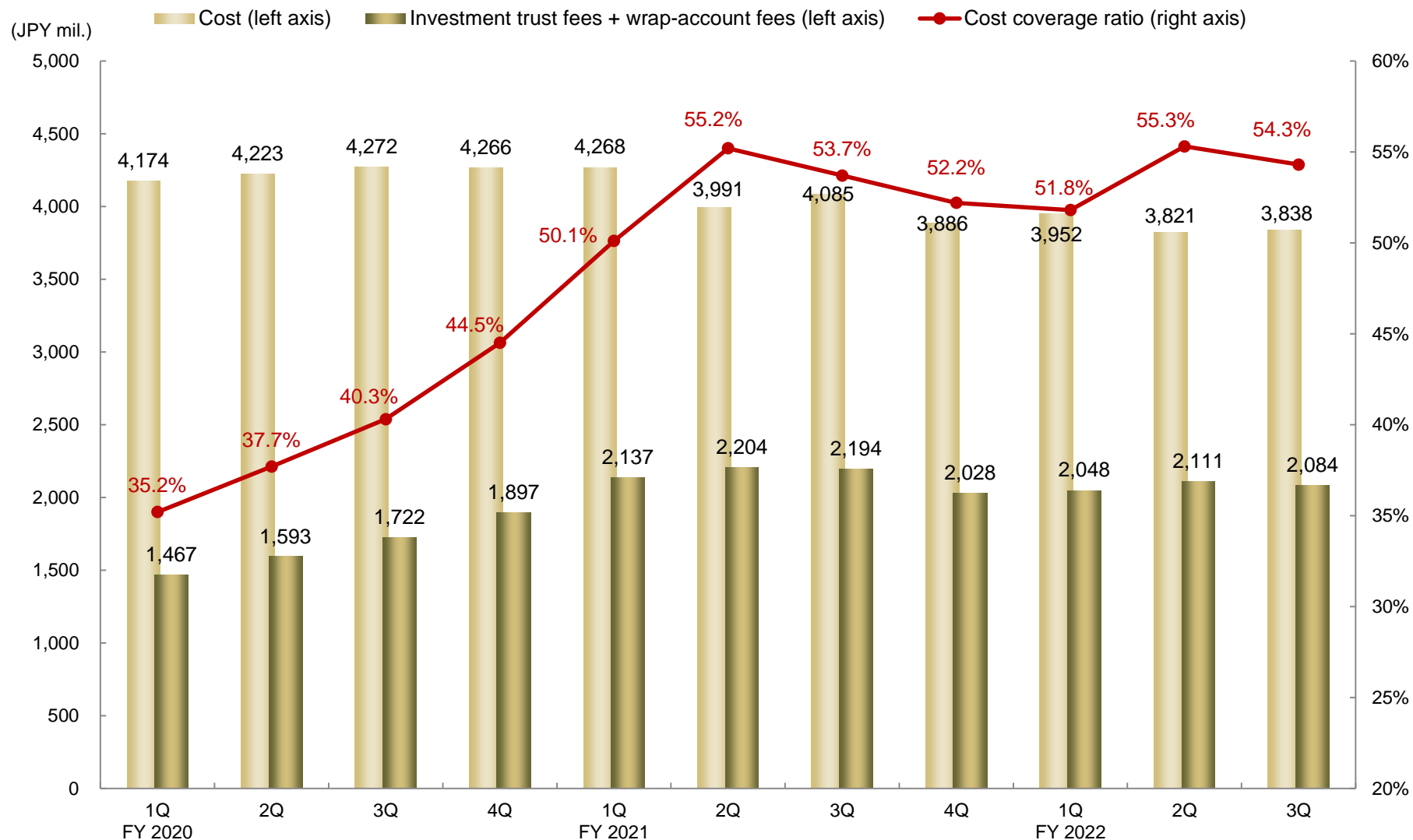
Note: Cost coverage ratio = $\frac{\text{Investment trust fees} + \text{wrap-account fees}}{\text{Cost (operating cost \& expenses)}} \times 100 (\%)$

Parent company basis ← → Consolidated basis



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

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



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

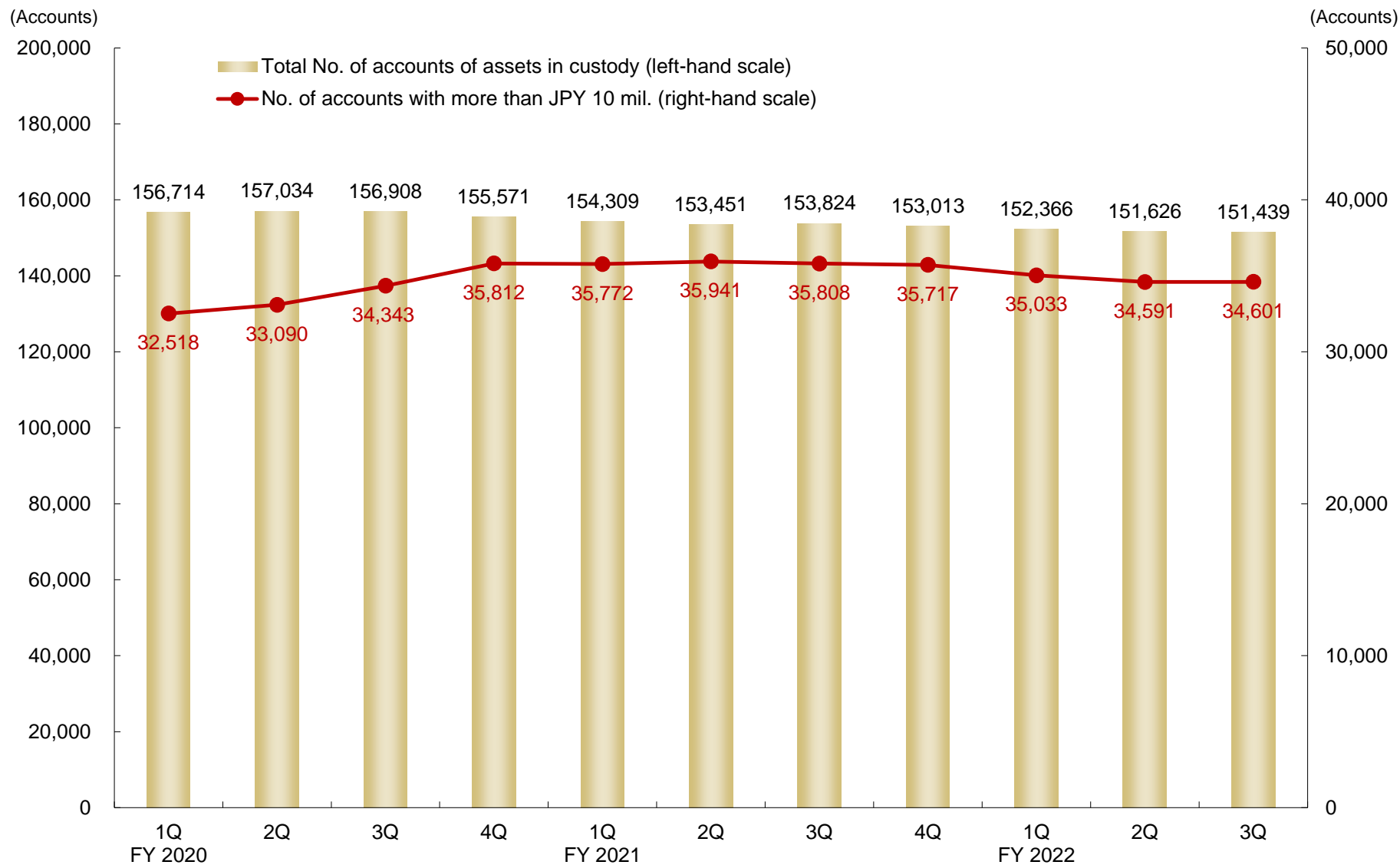
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(JPY 100 mil.)

	FY 2020				FY 2021				FY 2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Fidelity US REIT Fund (A / B / C / D)	20	25	25	31	27				25	32	30
Ichiyoshi Japan Select Dividend Equity & J-REIT Fund (Quarterly Settlement Type/Asset Growth Type)								16	35	34	26
JREIT Asia Mix Open (Monthly Settlement/Asset Growth Type)										30	24
Pictet Global Income Equity Fund (Monthly Dividend)	43	35	44	31	32	26	20	47	60	33	22
Ichiyoshi Small and mid cap Growth Companies Fund				54	92	71	56	31			18
Ichiyoshi Global Equity Fund									17	41	
GS US Growth Equity Concentrate Investment Fund (Monthly Settlement / Quarterly Settlement / Semi-Annual Settlement)	23	13		31	55	92	94	44	21		
Ichiyoshi Japan Growth Equities Fund			55			27	30	27			
Ichiyoshi SDGs Small Medium Size Equity Fund		84	76	43	34	23	28				
US NASDAQ Open (A / B)	26	36	22								
Shinko J-REIT Open	32										

7. Number of Customer Accounts 【Retail】

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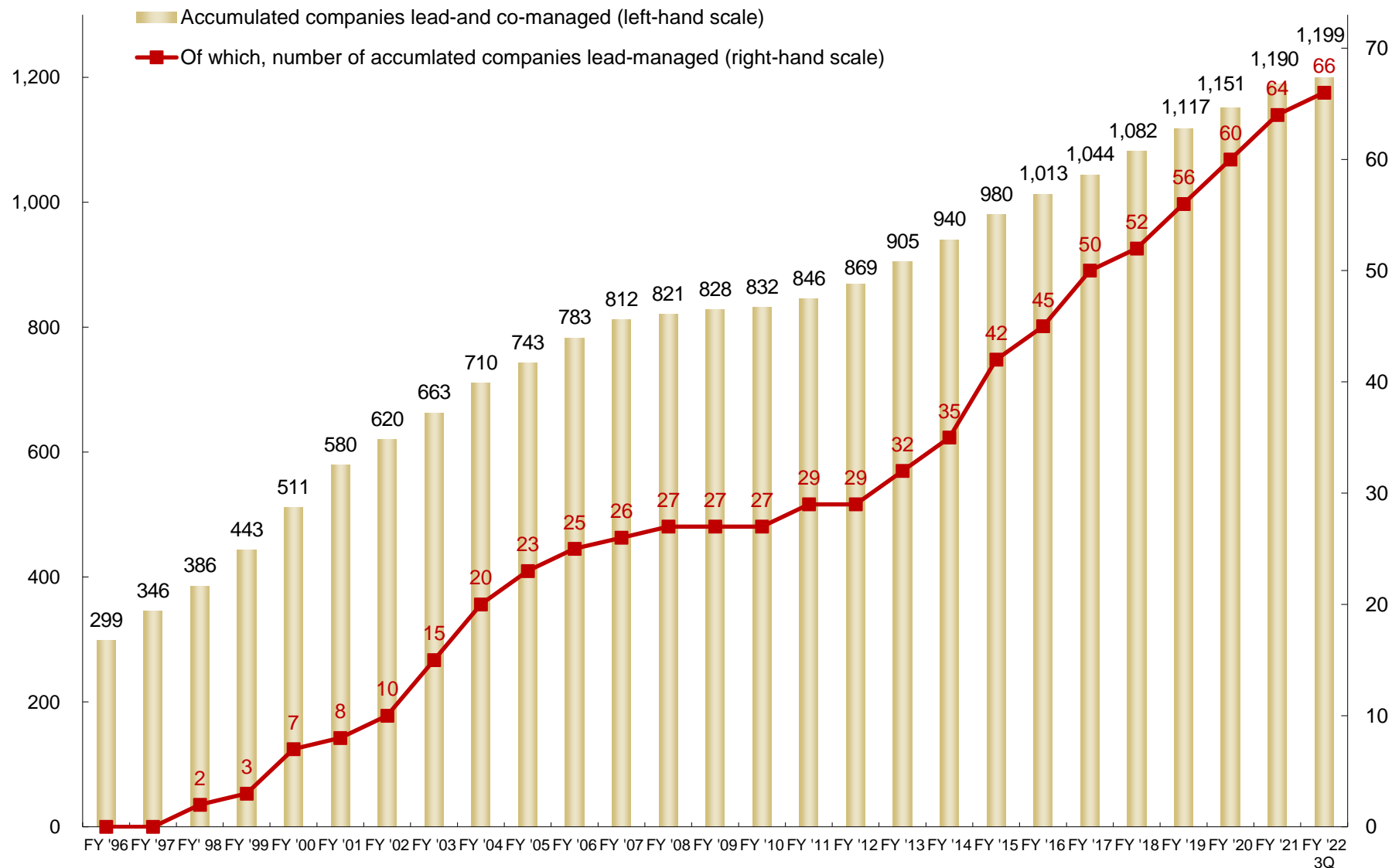


※Each number of accounts in the table above is revised from the one previously reported as the method of account compilation is changed.

8. Accumulated Companies Lead- and Co-managed

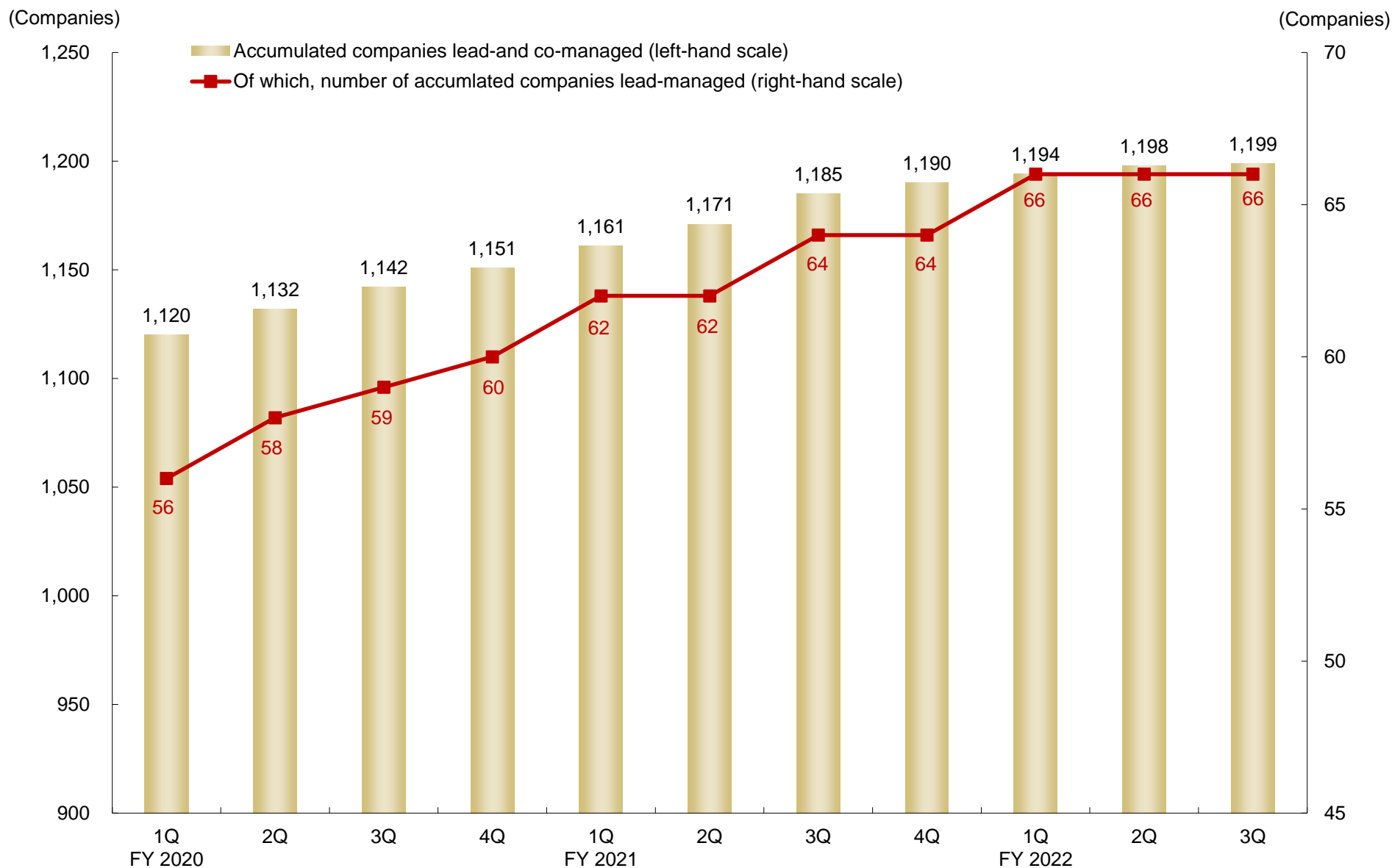
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9. Quarterly Accumulated Companies Lead- and Co-managed

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