

Business Result for Fiscal Year to March 31, 2020

(Consolidated under Japanese GAAP)

Released on April 28, 2020

(English translation for reference purposes only)

Name of Company: Ichiyoshi Securities Co., Ltd.

Listed on: 1st Section of Tokyo Stock Exchange (Stock code: 8624)

Corporate representative: Mr. Hirofumi Tamada, President & Representative Executive Officer

Date of annual shareholders' meeting: June 20, 2020 (scheduled)

Payment date for final dividends: May 29, 2020 (scheduled)

Filing date of annual securities report: June 23, 2020 (scheduled)

Supplemental information on business result: Provided.

Business result-reporting meeting: Planned for institutional investors and analysts.

Inquiry to: Mr. Shoichi Yamazaki, Executive Officer in charge of Finance & Planning

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(Figures less than one million yen are rounded down)

1. Consolidated Business Result for Fiscal Year Ended March 31, 2020

(1) Highlights of consolidated business result (in millions of yen except for per-share figures)

(% indicates year-to-year changes)

	Operating revenue (%)	Net operating revenue (%)	Operating income (%)	Current income (%)	Net income attributable to owners of parent (%)
Fiscal year ended Mar. 31, 2020	18,846 (-11.2)	17,241 (-12.8)	-545 (---)	-469 (---)	-724 (---)
Fiscal year ended Mar. 31, 2019	21,227 (-19.9)	19,769 (-21.1)	2,056 (-71.2)	2,238 (-69.0)	1,674 (-66.5)

Notes: Comprehensive income for fiscal year ended March 31, 2020: -923 million yen (--- %)

Comprehensive income for fiscal year ended March 31, 2019: 1,392 million yen (-73.3%)

	Earnings per share	Earnings per share adjusted for shares potentially issuable	Return on equity	Operating income as % of operating revenue
Fiscal year ended Mar. 31, 2020	-17.72yen	---	-2.3%	-2.9%
Fiscal year ended Mar. 31, 2019	39.25yen	39.20yen	4.7%	9.7%

Notes: Investment gains on equity method for fiscal year ended March 31, 2020: -----million yen

Investment gains on equity method for fiscal year ended March 31, 2019: -----million yen.

(2) Consolidated financial condition (in millions of yen except for per-share figures)

	Total assets	Net assets	Equity ratio	Net assets per share
As of Mar. 31, 2020	43,530	28,772	65.9%	797.12yen
As of Mar. 31, 2019	48,544	34,718	71.2%	827.53yen

Notes: Shareholders' equity as of March 31, 2020: 28,694 million yen

Shareholders' equity as of March 31, 2019: 34,586 million yen

(3) Consolidated cash flow (in millions of yen with figures)

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of fiscal year
Fiscal year ended Mar. 31, 2020	4,968	-1,395	-5,051	12,647
Fiscal year ended Mar. 31, 2019	4,565	-130	-3,188	14,220

2. Dividends

	Dividend per share for 1 st quarter	Dividend per share for 2 nd quarter	Dividend per share for 3 rd quarter	Dividend per share for end of fiscal year	Annual total of dividend per share
Fiscal year ended Mar. 31, 2019	---	17.00yen	---	17.00yen	34.00yen
Fiscal year ended Mar. 31, 2020	---	16.00yen	---	16.00yen	32.00yen

	Aggregate amount of dividends paid (in millions of yen*)	Payout ratio on a consolidated basis	Rate of dividends as % of net assets on a consolidated basis
Fiscal year ended Mar. 31, 2019	1,438 million yen	86.6%	4.1%
Fiscal year ended Mar. 31, 2020	1,236 million yen	---	3.9%

Note: Ichiyoshi Securities Co., Ltd. (the “**Company**” or “**Ichiyoshi**” as the case may be) does not provide earnings forecast nor dividend forecast.

3. Forecast of Business Result for Fiscal 2020 (from April 1, 2020 to March 31, 2021)

Since the forecast of earnings of financial-instruments trading, the main-line business of the Company and its group companies, is hard to make due to volatile factors in the market, the Company does not provide such forecast prior to the end of quarterly and annual business term. Instead, the Company intends to release preliminary figures after the end of each quarterly and annual business term as and when such figures become available.

Points to note:

- (1) Changes in material subsidiaries (resulting in a change in scope of consolidation):
None.
- (2) Changes in accounting policies and estimates and restatements of modifications:
 - (i) Changes in accounting policies resulting from revisions to accounting standards:
None.
 - (ii) Changes in accounting policies other than those in (i) above: None.
 - (iii) Changes in accounting estimates: None.
 - (iv) Restatements of modifications: None.
- (3) Number of issued shares (common stock)
 - (i) Number of issued shares at the end of each fiscal year (including treasury shares):
42,431,386 shares at March 31, 2020.
44,431,386 shares at March 31, 2019.
 - (ii) Number of treasury shares at the end of each fiscal year:
6,434,008 shares at March 31, 2020.
2,635,963 shares at March 31, 2019.
 - (iii) Average number of shares outstanding during each fiscal year:
40,858,821 shares for the fiscal year ended March 31, 2020.
42,663,754 shares for the fiscal year ended March 31, 2019.

[Referential information]

1. Outline of Non-consolidated Business Result (parent company basis)

(1) Business result for fiscal year ended March 31, 2020 (in millions of yen except for per-share figures)

(% indicates year-to-year changes)

	Operating revenue (%)	Net operating revenue (%)	Operating income (%)	Current income (%)	Net income (%)
Fiscal year ended Mar. 31, 2020	15,512 (-12.8)	15,399 (-13.2)	-1,599 (---)	-1,231 (---)	-1,115 (---)
Fiscal year ended Mar. 31, 2019	17,790 (-24.1)	17,745 (-24.0)	753 (-87.5)	1,892 (-69.1)	1,725 (-59.7)

	Earnings per share	Earnings per share adjusted for shares potentially issuable	Return on equity
Fiscal year ended Mar. 31, 2020	-27.30yen	---	-3.8%
Fiscal year ended Mar. 31, 2019	40.44yen	40.39yen	5.2%

(2) Financial condition (in millions of yen except for per-share figures)

	Total assets	Net assets	Equity ratio	Net assets per share	Capital adequacy ratio
Fiscal year ended Mar. 31, 2020	40,664	26,594	65.2%	736.61yen	446.8%
Fiscal year ended Mar. 31, 2019	45,598	32,670	71.5%	779.80yen	552.9%

Notes: Shareholders' equity at the end of each fiscal year:

26,515 million yen as of March 31, 2020.

32,592 million yen as of March 31, 2019.

2. Forecast of Business Result for Fiscal 2020 (from April 1, 2020 to March 31, 2021)

Since the forecast of earnings in financial-instruments trading is hard to make due to changes in securities market conditions, the Company does not provide such forecast prior to the end of each quarterly and annual business term.

Additional points to note:

1. The financial figures contained herein are released without being audited by certified public accountants as required by the Financial Instruments and Exchange Law.
2. For the same reason that the Company does not provide earnings forecast prior to the end of each quarterly and annual business term as stated in “3. Forecast of Business Result for Fiscal 2020 (from April 1, 2020 to March 31, 2021)” on page 3, the Company does not provide a dividend forecast.

I. Outline of Business Result, Etc.

1. Outline of Business Result for the Fiscal Year Ended March 31, 2020

During the fiscal year ended March 31, 2020, the Japanese economy was generally on a recovery track in the first half of the period, but thereafter it was heavily affected by the natural disasters and the consumption tax hike toward the end of 2019. With the turn of the year, the novel corona-virus (the Covid-19) pandemic began to rage globally, putting a heavy pressure on the Japanese economy.

The Japanese stock market was generally on the rising trend towards the end of 2019, but faced a large fall as the year turned and advanced. Early in the fiscal year, the Nikkei Stock Average on the Tokyo Stock Exchange (the TSE) rose on hopes for progress in the U.S. - China trade talks and improvements on Chinese economic indicators, recording 22,362yen on April 24, 2019. Thereafter, however, the Nikkei Stock Average went down to the level of 20,110yen in August as the stock market was adversely affected by the rising yen triggered by risk-averse buying and the U.S. announcement of its 4th round of tariff sanctions against China. Toward the end of 2019, the stock market rose on the news of the bottoming-out of the global semiconductor market, mounting expectations for the partial agreement on the U.S. - China trade talks and the potential avoidance of no-deal Brexit. Recording 24,115yen on January 17, 2020, the Nikkei Stock Average plunged to 16,358yen in March, the lowest in 3 years and 4 months since November 2016, as the global spread of the novel coronavirus brought a standstill to economic activities across the world. In response, central banks in the U.S. and Europe moved toward monetary easing to cope with liquidity crisis and avoid disruptions in the financial markets. The Bank of Japan also brought forward its March policy meeting and decided to make an abundant money supply and financial assistances to corporations. It also doubled its buying of ETFs to 12 trillion yen. Thanks to these BoJ's measures for the first time in 3 years and 6 months and expectations for the Japanese government's large-scale economic measures, the Nikkei Stock Average ended the fiscal year at 18,917yen.

On the foreign currency market, the yen registered 112yen per 1 U.S. dollar level in April, but strengthened to the middle of 104yen per 1 U.S. dollar level in August on yen buying for risk aversion in anticipation of the prolonging of the U.S. – China conflict. Going down the weaker trend for some time thereafter, however, the yen reversed its movement on risk-averse buying as the novel coronavirus spread, temporarily recording

101 yen per 1 U.S. dollar level in March for the first time in 3 years and 4 months. Weakening thereafter, the yen ended the fiscal year at the higher side of 107yen per 1 U.S. dollar level.

The Japanese emerging-stock markets plunged after the middle of February 2020. The Nikkei JASDAQ Average and the TSE Mothers Index ended the fiscal year at 2,952yen and 620, respectively.

The average daily turnover on the First Section of the TSE during the fiscal year was 2,609.7 billion yen, down 8.6% from the previous fiscal year. The average daily turnover on the Second Section of the TSE was 32.0 billion yen, down 10.0%, that on the TSE Mothers was 92.8 billion yen, down 9.1%, and that on the JASDAQ market was 48.9 billion yen, down 16.3%.

In such circumstances, the Company continued to carry out various measures to meet customers' needs, such as proposals of asset-backed stocks with stress on stability and dividends under low-interest rate environments and proposals of medium-to long-term investments in small-and medium-cap growth stocks unearthed by the Ichiyoshi group's strength in research.

With regard to "Dream Collection," a fund wrap account vehicle, it enjoys a widening appeal among customers as a conservative investment vehicle for customers' medium-to long-term asset management. Its outstanding balance as of March 31, 2020, registered 107.5 billion yen, down 9.0% from March 31, 2019, reflecting globally declining asset prices.

With respect to investment trust funds, the Company placed in the center of its promotion customer-needs-matching funds, such as an investment funds investing in Japanese diversified small- and medium-cap growth stocks, one investing in high-yielding stocks in the world, REIT and one investing in domestic and foreign small- and medium-cap stocks and privately-placed funds targeted for financial institutions.

The outstanding amount of assets under the management of Ichiyoshi Asset Management Co., Ltd. recorded 272.0 billion yen, down 26.3%, as the net asset values of investment trust funds under management generally declined.

Resultantly, stock brokerage commissions and distribution fees on fund beneficiary certificates decreased under adverse conditions, resulting in a fall in operating revenue of the Ichiyoshi group. Net operating revenue recorded 17,241 million yen, a fall of 2,528 million yen (down 12.8%) from the previous fiscal year. Operating cost and expenses increased by 73 million yen (0.4%) to 17,786 million yen. As a result, operating income decreased by 2,601 million yen and recorded a loss of 545 million yen.

The cost coverage ratio, by which the sum of trailer fees and funds-based wrap-account fees covers operating cost and expenses, registered 37.9%.

Set forth below are details of revenue sources, cost and expenses, cash flow and financial condition.

(1)Commissions

Total commissions for the fiscal year ended March 31, 2020 amounted to 16,845 million yen, down 12.3% from the previous fiscal year.

(i)Brokerage commissions

Total brokerage commissions on stocks fell 32.4% to 4,745 million yen. Those on small- and mid-cap stocks (consisting of stocks listed on the Second Section of the Tokyo Stock Exchange, JASDAQ Market and TSE Mothers) amounted to 908 million yen, down 39.4%, accounting for 19.1% of total brokerage commissions.

(ii) Commissions from underwriting and solicitation to specified investors

In the primary market, the Company participated in the management and underwriting of 32 initial public offerings (IPOs) (of which the Company lead-managed 3), as against 37 IPOs (of which the Company lead-managed 1) in the previous fiscal year. In the secondary market, the Company participated in 6 deals on a management and underwriting basis, as against 6 deals in the previous fiscal year. As a result, total commissions from underwriting and solicitation to specified investors recorded 557 million yen, up 108.9% from the previous fiscal year.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 1,117 (of which 56 were lead-managed) as of March 31, 2020.

(iii) Commissions from distribution and solicitation to specified investors

Commissions from distribution and solicitation to specified investors declined 1.1% to 3,980 million yen as commissions from distribution of investment trust funds slid 0.1 % to 3,876 million yen.

(iv) Commissions from other sources

The trailer fees on investment trust funds decreased 6.7% to 3,862 million yen and trustee fees for fund management by Ichiyoshi Asset Management Co., Ltd. fell by 8.7% to 1,395 million yen. With the addition of fund-wrap accounts fees of 1,475 million yen (up 21.1%), fees from research unbundling, commissions from insurance policy sales and fees from IPO assistance, total commissions from other sources amounted to 7,394 million yen, down 3.8%.

(2)Gains or loss on trading

Trading on stocks, etc. recorded gains of 37 million yen, up 96.2%, and trading on bonds, foreign exchange, etc. registered gains of 52 million yen, down 51.0%. Consequently, total gains on trading amounted to 89 million yen, down 28.6%.

(3)Net financial revenue

Net financial revenue fell by 42.9% to 163 million yen chiefly as financial revenue decreased 17.0% to 279 million yen as a result of a fall in loans on margin transactions while interest expenses rose by 131.2% to 115 million yen.

Hence, net operating revenue for the fiscal year ended March 31, 2020 recorded

17,241 million yen, down 12.8%.

(4) Operating Cost and Expenses

Operating cost and expenses recorded 17,786 million yen, up 0.4%, as real estate-related expenses increased chiefly due to one-off expenses for office relocations at the head and branch offices while mainly personnel-related expenses declined.

(5) Non-operating Income and Expenses

The Company registered non-operating income of 163 million yen, including receipts of 51 million yen in the form of insurance proceeds and dividends and gains of 37 million yen on investment partnerships while the Company recorded non-operating loss of 88 million yen, including provision of allowance for doubtful accounts in the amount of 70 million yen. Thus, net non-operating income amounted to 75 million yen, down 58.5%.

Hence, current income for the fiscal year ended March 31, 2020 amounted to a loss of 469 million yen.

(6) Extraordinary Income and Loss

The Company registered extraordinary income of 85 million yen, mainly consisting of gains on sales of investment securities, while the Company recorded extraordinary loss of 64 million yen, mainly in the form of impairment loss. As a result, net extraordinary income amounted to 20 million yen, down 92.1%.

Consequently, income before taxes and tax adjustments for the fiscal year ended March 31, 2020 recorded a loss of 448 million yen, and net income attributable to owners of parent (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 279 million yen, and after addition of corporate tax adjustments of 14 million yen) registered a loss of 724 million yen.

Customers' assets under custody as of March 31, 2020 recorded 1,536.0 billion yen, down 14.3% from the end of the previous fiscal year.

2. General Review of Financial Condition

(a) Assets

Assets amounted to 43,530 million yen as of March 31, 2020, a decline of 5,013 million yen (down 10.3%) from March 31, 2019, mainly as margin transaction assets and cash and deposits fell by 5,942 million yen and 1,572 million yen, respectively.

(b) Liabilities

Liabilities stood at 14,757 million as of March 31, 2020, a rise of 931 million yen (up 6.7%) as deposits received and guarantee deposits received increased by 1,400 million yen and 319 million yen, respectively.

(c) Net worth

Net worth amounted to 28,772 million yen as of March 31, 2020, a fall of 5,945 million yen (down 17.1%) from March 31, 2019. The fall resulted mainly from recording of a negative net income (attributable to owners of parent) of 724 million yen for the fiscal year while the Company paid dividends in the amount of 1,371 million yen and acquired treasury shares in the amount of 3,565 million yen.

3. Cash Flow

Cash flow from operating activities for the fiscal year ended March 31, 2020 recorded a positive figure of 4,968 million yen, an increase of 402 million yen from the previous fiscal year, as margin transaction assets and liabilities fell by 5,897 million yen and cash paid for offering rose by 1,430 million yen. Cash flow from investing activities registered a negative figure of 1,395 million yen, a fall of 1,264 million yen, mainly due to payment for the acquisition of tangible fixed assets. Cash flow from financing activities recorded a negative figure of 5,051 million yen, a fall of 1,862 million yen, chiefly as a result of dividend payments in the amount of 1,367 million yen and acquisition of treasury stock in the amount of 3,565 million yen.

Consequently, the amount of cash and cash equivalents as of March 31, 2020, stood at 12,647 million yen, a fall of 1,572 million yen from the end of the previous fiscal year (March 31, 2019).

4. Basic Policy on Earnings Distribution and Dividends

One of the Company's core management policies is to make an appropriate earnings distribution to its shareholders. The Company places its stress on a continuous stream of dividend payment linked to business result. In deciding on an amount of dividend payment, payout ratio is a basic measure. Additionally, DOE (namely, ratio of dividends to shareholders' equity) is taken into account for a continuous stream of dividend payment.

Specifically, the Company has adopted the payout ratio of approximately 50% and the DOE of approximately 2%, the both measures being calculated semiannually on a consolidated basis and the larger result of the calculation between the two measures being chosen.

Under this dividend policy, an interim dividend per share paid out of the Company's retained earnings to shareholders of record as of September 30, 2019 was 16yen, and a final dividend per share payable to shareholders of record as of March 31, 2020 is to be 16yen, thus an annual total dividend per share being 32yen.

II.State of Ichiyoshi Group

The Ichiyoshi group, consisting of Ichiyoshi Securities Co., Ltd. (the “Company”) and its four consolidated subsidiaries, is principally engaged in investment and financial services chiefly associated with financial instruments.

The Company is directly engaged in buying and selling of, and dealing in, securities (such buying and selling of, and dealing in, securities are called hereinafter as “securities transactions”), acting as agent or broker for securities transactions, underwriting and distributing publicly-offered or privately-placed securities and carrying out other securities-related businesses. Thus, the Company provides wide-ranging services matching varying needs of its customers relating to securities and investments.

In conjunction with the above-mentioned activities by the Company, the three consolidated subsidiaries perform their respective functions: Ichiyoshi Research Institute Inc. undertakes research and data/information collection relating to small- and mid-cap growth companies and provides investment advices and agency services; Ichiyoshi Asset Management Co., Ltd. provides management of investment trust funds, discretionary-investment and asset-management advices and services for institutional investors and investment trusts; and Ichiyoshi Business Service Co., Ltd. undertakes peripheral services for the Ichiyoshi group, provides real estate renting/broking/management services and agencies, deals in office supplies and goods and acts as agent for financial-instruments trading.

List of Major Ichiyoshi Group Companies

Parent company: Ichiyoshi Securities Co., Ltd. - financial-instruments trading business

Consolidated subsidiaries:

Ichiyoshi Research Institute Inc. – information services, investment advices and agencies
(100.0% owned)

Ichiyoshi Asset Management Co., Ltd. – investment trust management, investment advisories and agencies
(100.0% owned)

Ichiyoshi Business Service Co., Ltd. – property renting/broking/management, sales of office supplies and financial-instruments trading agency.
(100.0% owned)

III. Management Policy

1. Basic Policy

The Company's management philosophy focuses on "Remaining a Firm of Customers' Trust and Choice." Under this philosophy, the Company aims to become a "Name-brand Boutique House" in the finance and securities industry with the motto of "Becoming a Securities Company Like No Other in Japan." In its efforts for management policy realization, the Company intends to heighten the fairness and transparency of management along its credo (corporate philosophy) and to promote flexible and relevant decision-making, thereby maximizing earnings and corporate value while bolstering its corporate governance. Taking advantage of the company-with-committees system and its executive officer system, the Company aims to raise the promptitude and effectiveness of business executions and toughen its surveillance over business executions.

The Company's credo (corporate philosophy):

- Management philosophy: To remain a company of customers' trust and choice
- Management objective: Name-brand boutique house in finance and securities industry
- Action guidelines: Gratitude, Integrity, Courage, Responsiveness, Continuity and Long-Term Good Relation.

2. Triangular Pyramid Management

The Company is promoting "Triangular Pyramid Management" --- with the research division forming the base of the pyramid, and the retail, wholesale and support/products divisions forming their respective facets of the pyramid, and the pyramid itself is firmly supported by the headquarters' divisions and the subsidiaries. This management style is intended to maximize the capability of each division/subsidiary and enhance the co-working synergy of all the divisions/subsidiaries. This synergistic process will also raise the quality of the Company's products, information and customer services, thereby further satisfying the Company's retail customers' needs for asset-building and corporate customers' requirements.

3. New Medium-Term Management Plan & Ichiyoshi Basic Strategies for Growth

The Company aims to be a securities firm of first choice for each individual customer by building a "Name-brand Boutique House" in finance and securities on the basis of the Company's credo. Regarding customers' assets in custody as a barometer of "customers' trust" and "fundamental strength of Ichiyoshi," the Company will strive for a sustainable growth by expanding customers' assets as an overriding management objective and source

of revenue.

In order to further expand the foundation of the boutique house so far built, the Company formulated the New Medium-Term Management Plan “Attack 3” with its target date set for the end of March 2023.

Under the “Attack 3,” the Company will strive to expand the customers’ assets in custody to 3 trillion yen for the 3 year period through March 31, 2023. About 20 years ago, the Company changed its business model from “Flow type” mainly based on brokerage commissions to “Asset-accumulation type” chiefly based on trailer fees and wrap-account fees,” of which the cost-coverage ratio is an important index of operation. Under “Attack 3,” a new target is set for this ratio.

The following are numerical targets in the New Medium-Term Management Plan “Attack 3” as compared to their positions as of March 31, 2020:

Items	Targets	Positions
	(Final date: Mar. 31, 2023)	(As of Mar. 31, 2020)
Customers’ assets in custody	3 trillion yen	1.5360 trillion yen
Return on equity	Approx. 15%	---
No. of lead-managed companies(cumulative)	80	56
Cost coverage ratio *	60%	37.9%

*= Ratio at which the sum of investment trust trailer fees and fund-based wrap-account fees covers operating cost and expenses.

[Ichiyoshi Basic Strategies for Growth]

(1) . Execution of “Ichiyoshi Credo”

Management philosophy as basis for everlasting corporate growth.

(2) Expansion of Customers’ Assets

Customers’ assets in custody as most important indicator of management

Customers’ assets in custody as barometer of customers’ trust in Ichiyoshi
and barometer of Ichiyoshi’s underlying strength

(3) Continuous Improvement on Revenue-Cost Structure

Fostering of revenue-cost structure insusceptible to market fluctuations

“Stable revenue,” “Cost-coverage by revenue from other than stocks,”

“Promotion of investment into growth areas,” “Efficiency promotion, cost reduction,
leaner head office.”

(4) Comprehensive Power of Ichiyoshi Group

“Triangular Pyramid Management”

“Specialization in small- and mi-cap growth stocks,” “Focus on high net-
worth customers”

(5) Practical observance of compliance

Compliance is a source and power of competitiveness.

Up-graded compliance focused on customers

“Absoluteness of Compliance,” “Stress on compliance from client perspective”

(6) Cultivation of human

resources Growth lies in
personnel.

“Up-grading of advisers,” “Nurturing of young-age advisers and potential managerial staff.” “Positive use and promotion of female personnel,” “Up-grading of professionalism of head office staff.”

(7) Setting up of “worker-friendly and worthwhile office”

Pride-worthy company

Promotion of staff motivation

“ Furtherance of communication vertically and horizontally,” “Review of personnel system and evaluation,” “Improvement on working environment,” “Review of working practices.”

4.Challenges to Be Tackled

As the governmental promotion of capital flow “From Savings to Investments” and then that of “From Savings to Asset-building” are being advocated against the backdrop of prolonged low-interest rates and 100-year life expectancy, securities companies in Japan are urged more than ever to develop customer-based businesses. The Company has long provided customers with products and services prioritizing the relationship of trust with customers and based on our view of “Compliance is a Source of Competiveness.” Thus, under the motto of “Decisive Action on Reform” to step up its customer-first and –prioritized attitude, the Company abolished the conventional system of regional advisors headquarters in November 2019 and adopted the system of each branch-led sales operations. Thus, without providing country-wide uniform sales policies supplied by headquarters staff, branches now can use their discretion and idea to meet needs of customers in their own communities, which will further advance customer-focused relationship-.

The Company has continued to propose its wrap-account fund “Dream Collection” as a “Core Fund Assets” for customers’ medium-to long-term investment, while recommending “Ichiyoshi Small- and Medium-Cap Growth Stock Fund” as an “Active Fund Assets,” thereby meeting each customer’s needs for portfolio diversification based on the nature of his/her resources and enhancing customer satisfaction. With respect to stocks, the Company has also recommended investment diversifications between “Core Stock Assets” for medium-to long-term stable holdings and “Active Stock Assets” for a medium-to long-term growth focused on growth-potential companies picked based on the Ichiyoshi group’s strength of research on small-and medium-cap stocks.

Toward attaining the numerical target of customers' assets in custody under the New Medium-Term Management Plan "Attack 3," the Company will target approximately 1,000 trillion yen worth of household assets in the form of cash and deposits. Specifically, the Company will fortify its approach to sectors with high investment needs such as high net-worth individuals, regional financial institutions and up-scale corporations, by providing them with diversified portfolios consisting of "active assets" on the platform of "core assets."

The Company has for some time considered as one of important management tasks improvement on working condition and environment, personnel system and cultivation of human resources. Thus, the Company has adopted "Setting-up of worker-friendly and worthwhile offices" as one of the "Ichiyoshi Basic Strategies for Growth." The Company is already taking specific measures to materialize it.

Taking advantage of the Company's three distinctive features, namely, (1) research capability of Ichiyoshi Research Institute, Inc., (2) corporate governance capability and (3) compliance capability (leading to customer satisfaction), the Company is determined to realize the New Medium-Term Management Plan "Attack 3" on the basis of Ichiyoshi Basic Strategies for Growth, placing the expansion of customers' assets in the center of its efforts.

Thinking that the enhancement of branch network is essential for the expansion of customers' assets in custody, the Company, in October 2019, promoted its Planet Plaza Nakano to Nakano Branch. In order to cope with business expansion toward the future, the Company moved its head office to Tokyo Shoken Kaikan Bldg. Nihonbahi-Kayabacho, Chuo-ku, Tokyo in September 2019. The new head office consists of 3 consecutive floors, which will make easier and more efficient intra-office communications and operations. Bearing in mind the potential flows of funds toward the future, the Company will continue to further enhance its branch network so that the Company will become a more familiar existence to customers living in large cities.

The corporate division at the Company will endeavor to increase the number of lead-managements for IPOs and POs, and the headquarters' divisions will make efforts for the building and streamlining of a strong back-up system to support the retail and wholesale divisions, thereby enhancing customers' trust.

Officers and employees at the Company and its subsidiaries, all united, will exert themselves to further enhance the synergistic effects within the Ichiyoshi group.

IV. Basic Policy on Choice of Accounting Standards

The Company and its group companies prepare financial statements in compliance with generally-accepted accounting standards in Japan. The Company has no plan to consider applying IFRS (International Financial Reporting Standards).

. Consolidated Financial Statements

1. Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2019	As of March 31 2020
Assets		
Current assets		
Cash and deposits	15,071	13,499
Cash segregated as deposits	6,223	7,719
Trading products	166	158
Trading securities and other	166	158
Trade date accrual	-	2
Margin transaction assets	15,841	9,899
Loans on margin transactions	15,471	9,604
Cash collateral pledged for securities borrowing on margin transactions	370	294
Loans secured by securities	6	-
Cash collateral pledged for securities borrowed	6	-
Advances paid	34	112
Cash paid for offering	2,296	3,727
Accounts for non-delivered securities and others	6	-
Short-term loans receivable	8	2
Income taxes receivable	992	-
Accrued income	1,722	1,531
Other current assets	341	213
Allowance for doubtful accounts	△3	△2
Total current assets	42,709	36,862
Non-current assets		
Property, plant and equipment	2,691	3,239
Buildings, net	755	1,006
Equipment	581	750
Land	1,339	1,339
Leased assets, net	15	10
Construction in progress	-	132
Intangible assets	487	834
Software	485	831
Other	2	2
Investments and other assets	2,655	2,594
Investment securities	1,200	1,163
Long-term loans receivable	36	32
Long-term guarantee deposits	1,016	1,008
Retirement benefit asset	108	-
Deferred tax assets	286	383
Other	17	86
Allowance for doubtful accounts	△9	△79
Total non-current assets	5,835	6,668
Total assets	48,544	43,530
Liabilities		
Current liabilities		
Trading products	0	0
Derivatives	0	0
Trade date accrual	0	-
Margin transaction liabilities	2,973	2,927
Borrowings on margin transactions	2,441	2,532
Cash received for securities lending on margin transactions	531	395
Borrowings secured by securities	599	67
Cash received on debt credit transaction of securities	599	67
Deposits received	6,592	7,993
Guarantee deposits received	1,024	1,343
Short-term borrowings	210	216
Lease obligations	4	4
Income taxes payable	228	38
Provision for bonuses	632	654
Other current liabilities	1,117	1,031
Total current liabilities	13,383	14,279
Non-current liabilities		
Long-term borrowings	184	150
Lease obligations	10	5
Deferred tax liabilities for land revaluation	7	7
Retirement benefit liability	-	62
Other noncurrent liabilities	27	40
Total non-current liabilities	230	266
Reserves under special laws		
Reserve for financial instruments transaction liabilities	211	211
Total reserves under special laws	211	211
Total liabilities	13,825	14,757
Net assets		
Shareholders' equity		
Share capital	14,577	14,577
Capital surplus	8,669	6,907
Retained earnings	14,726	12,631
Treasury shares	△2,342	△4,167
Total shareholders' equity	35,631	29,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	△43
Revaluation reserve for land	△1,125	△1,125
Remeasurements of defined benefit plans	79	△85
Total accumulated other comprehensive income	△1,044	△1,254
Share acquisition rights	78	78
Non-controlling interests	52	-
Total net assets	34,718	28,772
Total liabilities and net assets	48,544	43,530

2. Consolidated Income Statements

(in millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Operating revenue		
Commission received	19,205	16,845
Brokerage commission	7,226	4,913
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	266	557
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	4,026	3,980
Other fees received	7,686	7,394
Net trading income	125	89
Financial revenue	336	279
Other operating revenue	1,559	1,631
Total operating revenue	21,227	18,846
Financial expenses	50	115
Other operating expenses	1,408	1,489
Net operating revenue	19,769	17,241
Selling, general and administrative expenses		
Trading related expenses	1,828	2,004
Personnel expenses	9,815	9,488
Real estate expenses	2,202	2,542
Office expenses	2,359	2,308
Depreciation	522	536
Taxes and dues	291	255
Other	692	650
Total selling, general and administrative expenses	17,713	17,786
Operating profit (loss)	2,056	△545
Non-operating income		
Dividends from investment securities	22	20
Gain on investments in investment partnerships	29	37
Insurance claim and dividend income	119	51
Other	23	53
Total non-operating income	195	163
Non-operating expenses		
Loss on investments in investment partnerships	8	12
Loss on cancellation of leases	3	1
Provision of allowance for doubtful accounts	-	70
Other	1	3
Total non-operating expenses	13	88
Ordinary profit (loss)	2,238	△469
Extraordinary income		
Gain on sales of investment securities	47	82
Gain on sales of non-current assets	61	-
Gain on reversal of share acquisition rights	176	2
Total extraordinary income	284	85
Extraordinary losses		
Loss on retirement of non-current assets	12	11
Loss on sales of non-current assets	4	-
Loss on sales of investment securities	-	0
Loss on valuation of investment securities	0	-
Loss on valuation of golf club membership	-	2
Settlement package	-	8
Impairment loss	2	40
Total extraordinary losses	20	64
Profit (loss) before income taxes	2,503	△448
Income taxes - current	537	279
Income taxes - deferred	265	△14
Total income taxes	803	264
Profit (loss)	1,699	△713
Profit attributable to non-controlling interests	25	10
Profit (loss) attributable to owners of parent	1,674	△724

Consolidated Comprehensive Income Statements

(in millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit (loss)	1,699	△713
Other comprehensive income		
Valuation difference on available-for-sale securities	△222	△44
Remeasurements of defined benefit plans, net of tax	△85	△165
Total other comprehensive income	△307	△210
Comprehensive income	1,392	△923
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,366	△934
Comprehensive income attributable to non-controlling interests	25	10

3 . Consolidated Statement of changes in equity

for the fiscal year ended March 31, 2019

(in millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,577	8,655	15,360	△1,530	37,063
Changes during period					
Dividends of surplus			△2,308		△2,308
Profit (loss) attributable to owners of parent			1,674		1,674
Purchase of treasury shares				△869	△869
Disposal of treasury shares		12		56	69
Cancellation of treasury shares					-
Change in ownership interest of parent due to transactions with non-controlling interests		1			1
Net changes in items other than shareholders' equity					
Total changes during period	-	14	△634	△812	△1,431
Balance at end of period	14,577	8,669	14,726	△2,342	35,631

	Total accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	223	△1,125	164	△736
Changes during period				
Dividends of surplus				
Profit (loss) attributable to owners of parent				
Purchase of treasury shares				
Disposal of treasury shares				
Cancellation of treasury shares				
Change in ownership interest of parent due to transactions with non-controlling interests				
Net changes in items other than shareholders' equity	△222	-	△85	△307
Total changes during period	△222	-	△85	△307
Balance at end of period	1	△1,125	79	△1,044

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	256	58	36,641
Changes during period			
Dividends of surplus			△2,308
Profit (loss) attributable to owners of parent			1,674
Purchase of treasury shares			△869
Disposal of treasury shares			69
Cancellation of treasury shares			-
Change in ownership interest of parent due to transactions with non-controlling interests			1
Net changes in items other than shareholders' equity	△178	△5	△491
Total changes during period	△178	△5	△1,923
Balance at end of period	78	52	34,718

for the fiscal year ended March 31, 2020

(in millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,577	8,669	14,726	Δ2,342	35,631
Changes during period					
Dividends of surplus			Δ1,371		Δ1,371
Profit (loss) attributable to owners of parent			Δ724		Δ724
Purchase of treasury shares				Δ3,565	Δ3,565
Disposal of treasury shares					-
Cancellation of treasury shares		Δ1,741		1,741	-
Change in ownership interest of parent due to transactions with non-controlling interests		Δ21			Δ21
Net changes in items other than shareholders' equity					
Total changes during period	-	Δ1,762	Δ2,095	Δ1,824	Δ5,682
Balance at end of period	14,577	6,907	12,631	Δ4,167	29,948

	Total accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	1	Δ1,125	79	Δ1,044
Changes during period				
Dividends of surplus				
Profit (loss) attributable to owners of parent				
Purchase of treasury shares				
Disposal of treasury shares				
Cancellation of treasury shares				
Change in ownership interest of parent due to transactions with non-controlling interests				
Net changes in items other than shareholders' equity	Δ44	-	Δ165	Δ210
Total changes during period	Δ44	-	Δ165	Δ210
Balance at end of period	Δ43	Δ1,125	Δ85	Δ1,254

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	78	52	34,718
Changes during period			
Dividends of surplus			Δ1,371
Profit (loss) attributable to owners of parent			Δ724
Purchase of treasury shares			Δ3,565
Disposal of treasury shares			-
Cancellation of treasury shares			-
Change in ownership interest of parent due to transactions with non-controlling interests			Δ21
Net changes in items other than shareholders' equity	Δ0	Δ52	Δ263
Total changes during period	Δ0	Δ52	Δ5,945
Balance at end of period	78	-	28,772

4. Consolidated Cash Flow Statements

(in millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit (loss) before income taxes	2,503	△448
Depreciation	522	536
Increase (decrease) in provision for bonuses	△444	22
Decrease (increase) in retirement benefit asset	52	108
Increase (decrease) in retirement benefit liability	-	62
Increase (decrease) in allowance for doubtful accounts	△1	69
Interest and dividend income	△30	△47
Interest expenses	7	5
Impairment loss	2	40
Loss (gain) on sales of investment securities	△47	△82
Loss (gain) on valuation of investment securities	0	-
Loss (gain) on sales of non-current assets	△56	-
Loss on retirement of non-current assets	12	11
Loss on valuation of golf club memberships	-	2
Settlement package	-	8
Gain on reversal of share acquisition rights	△176	△2
Decrease (increase) in cash segregated as deposits for customers	△440	△1,530
Increase (decrease) in deposits and guarantee deposits received	△1,301	1,719
Decrease (increase) in short-term loans receivable	△3	5
Decrease (increase) in trading products - assets (liabilities)	22	8
Decrease/increase in assets/liabilities for margin transaction	3,683	5,897
Decrease (increase) in cash paid for subscription	3,897	△1,430
Other, net	△304	△330
Subtotal	7,900	4,627
Interest and dividends received	30	47
Interest paid	△7	△6
Income taxes (paid) refund	△3,358	299
Net cash provided by (used in) operating activities	4,565	4,968
Cash flows from investing activities		
Purchase of property, plant and equipment	△234	△1,000
Proceeds from sales of property, plant and equipment	255	-
Purchase of intangible assets	△121	△469
Purchase of investment securities	△191	△150
Proceeds from sales of investment securities	190	238
Long-term loan advances	△28	△5
Collection of long-term loans receivable	9	8
Other, net	△11	△17
Net cash provided by (used in) investing activities	△130	△1,395
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	6
Proceeds from long-term borrowings	-	150
Repayments of long-term borrowings	△39	△184
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	△76
Repayments of lease obligations	△5	△4
Proceeds from exercise of employee share options	58	-
Purchase of treasury shares	△869	△3,565
Dividends paid	△2,304	△1,367
Dividends paid to non-controlling interests	△29	△9
Net cash provided by (used in) financing activities	△3,188	△5,051
Effect of exchange rate change on cash and cash equivalents	△0	△93
Net increase (decrease) in cash and cash equivalents	1,245	△1,572
Cash and cash equivalents at beginning of period	12,974	14,220
Cash and cash equivalents at end of period	14,220	12,647

5. Notes to Consolidated Financial Statements

(There is no note to premises for continuing business.)

(Material Matters Essential for Preparation of Consolidated Financial Statements)

1. Matters concerning scope of

consolidation: Consolidated subsidiaries:

4 companies

Namely:

- (i) Ichiyoshi Research Institute Inc.
- (ii) Ichiyoshi Asset Management Co., Ltd.
- (iii) Ichiyoshi Business Service Co., Ltd.
- (iv) One more.

2. Matters concerning application of an equity method: None

3. Matters concerning fiscal-year account-settlement dates of consolidated subsidiaries

The fiscal-year account-settlement dates of all consolidated subsidiaries coincide with the consolidated fiscal-year account-settlement day (March 31).

(Segment Information)

1. Segment information

(For the fiscal year ended March 31, 2020)

Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services”, the description of segment information is omitted.

2. Related information

(For the fiscal year ended March 31, 2020)

(1) Information by product and service:

Since investment and financial services defined as one single segment accounted for more than 90% of operating revenue on the consolidated income statement, the description of information by product and service is omitted.

(2) Information by area:

(a) Operating revenue:

Since operating revenue derived from domestic customers accounted for more than 90% of operating revenue on the consolidated income statement, the description of operating revenue by area is omitted.

(b) Tangible fixed assets:

Since there is no tangible fixed asset outside Japan, the description of tangible fixed assets by area is omitted.

(c) Information by main customers:

Since there is no customer who accounts for more than 10% of operating revenue, the description of main customers is omitted.

(3) Information on impairment loss on tangible fixed asset by described segment:

For the fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020):

Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services,” the description of impairment loss on tangible asset by segment is omitted.

(4) Information on depreciated amount or undepreciated balance of goodwill by described segment:

For the fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020):

Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services,” the description of depreciated amount or undepreciated balance of goodwill by segment is omitted.

(5) Information on gains from negative goodwill by described segment:

For the fiscal year ended March 31, 2020 (From April 1, 2019, to March 31, 2020):

Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services,” the description of gains from negative goodwill by segment is omitted.

[Per-share Data on a consolidated basis]

	--- Fiscal year ended ---	
	March 31, 2019	March 31, 2020
Per-share net worth	827.53yen	797.12yen
Per-share net income	39.25yen	-17.72yen
Per-share net income on a diluted basis (adjusted for shares potentially	39.20yen	--

Notes: (1) Per-share net income on a diluted basis for the fiscal year ended March 31, 2020 is not calculated since net income was negative for the fiscal year and there were no potentially—issuable shares having diluting effect.

(2) Basis for computation of per-share net income on non-diluted and diluted basis is as follows:

	--- Fiscal year ended ---	
	March 31, 2019	March 31, 2020
Per-share net income:		
Net income attributable to		
owners of parent	1,674 million yen	-724 million yen
Amount not attributable to common		
shareholders	--	--
Net income related to common shares		
attributable to owners of parent	1,674 million yen	-724 million yen
Average no. of outstanding common shares		
during the fiscal year	42,663 thousand	40,858 thousand

Per-share net income on a diluted basis

(adjusted for potentially issuable shares):

Adjusted amount of net income

attributable to owners of parent	--	--
----------------------------------	----	----

No. of common shares increased

during the fiscal year	50 thousand	--
------------------------	-------------	----

(of which issued upon exercise of

stock options)	(50 thousand)	(--)
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Contents of potentially-issuable shares

having no diluting effect and thus not included

in computation of per-share income on a

diluted basis

Stock option-based

equity warrants:

Stock option-based

equity warrants:

(1)No. of warrants: 40; No. of shares issuable: 4,000 shares. (resolved on Aug. 12, 2014)	(1)No. of warrants: 280; No. of shares issuable: 28,000 shares. (resolved on May 12, 2015)
(2)No. of warrants: 289; No. of shares issuable: 28,900 shares (resolved on May 12, 2015)	(2)No. of warrants: 3,851; No. of shares issuable: 385,100 shares (resolved on May 17, 2016)
(3)No. of warrants: 317; No. of shares issuable: 31,700 shares (resolved on Apr. 27, 2018)	(3)No. of warrants: 277; No. of shares issuable: 27,700 shares (resolved on Apr. 27, 2018)

Note :(3) Basis for computation of per-share net worth is as follows:

	Fiscal year ended	
	March 31, 2019	March 31, 2020
Net worth	34,718 million yen	28,772 million yen
Deductions from net worth	131million yen	78 million yen
(of which due to stock options)	(78 million yen)	(78 million yen)
(of which due to non-controlling shareholders)	(52 million yen)	(--)
Net worth related to common shares as of the end of fiscal year	34,586 million yen	28,694 million yen
No. of common shares as of the end of fiscal year used for computation of per-share net worth	41,795 thousand	35,997 thousand

(Subsequent Material Events after March 31, 2020) : None

VI. Supplemental Information

Supplemental information on consolidated business result for the fiscal year ended March 31, 2020:

1. Commissions

(1) Commissions by sources

(in millions of yen with fractions less than a million yen rounded down)

	--- Fiscal year ended ---		(B) over (A)
	March 31, 2019(A)	March 31, 2020(B)	Change(%)
Brokerage commissions	7,226	4,913	-32.0
(Stocks)	(7,020)	(4,745)	(-32.4)
(Beneficiary certificates)	(205)	(168)	(-18.1)
Commissions from underwriting			
and solicitation to specified investors	266	557	108.9
(Stocks)	(266)	(557)	(108.9)
Commissions from distribution			
and solicitation to specified investors	4,026	3,980	-1.1
(Beneficiary certificates)	(3,881)	(3,876)	(-0.1)
Commissions from other sources	7,686	7,394	-3.8
(Beneficiary certificates*)	(6,884)	(6,733)	(-2.2)
Total	19,205	16,845	-12.3

*Breakdown of (Beneficiary certificates)

(in millions of yen with fractions less than a million yen rounded down)

	--- Fiscal year ended ---		(B) over (A)
	March 31, 2019(A)	March 31, 2020(B)	Change(%)
Trailer fees relating to distribution	4,138	3,862	-6.7
Trustee fees for fund management	1,527	1,395	-8.7
Fees from fund wrap accounts	1,218	1,475	21.1
Total	6,884	6,733	-2.2

(2) Commissions by products

(in millions of yen with fractions less than a million yen rounded down)

	--- Fiscal year ended ---		(B) over (A)
	March 31, 2019(A)	March 31, 2020(B)	Change(%)
Stocks	7,318	5,327	-27.2
Bonds	145	103	-28.4
Beneficiary certificates	10,970	10,777	-1.8
Others	771	636	-17.5
Total	19,205	16,845	-12.3

2. Gains or loss on trading

(in millions of yen with fractions less than a million yen rounded down)

	--- Fiscal year ended ---		(B) over (A)
	March 31, 2019(A)	March 31, 2020(B)	Change(%)
Stocks, etc.	19	37	96.2
Bonds, foreign exchange, etc.	106	52	-51.0
(Bonds, etc.)	(49)	(27)	(-45.3)
(Foreign exchange, etc.)	(57)	(25)	(-56.0)
Total	125	89	-28.6

3 . Quarterly Consolidated Income Statements for Recent Eight Quarters

(in millions of yen)

	1st Q (4-6/'18)	2nd Q (7-9/'18)	3rd Q (10-12/'18)	4th Q (1-3/'19)	1st Q (4-6/'19)	2nd Q (7-9/'19)	3rd Q (10-12/'19)	4th Q (1-3/'20)
Operating revenue	5,932	5,650	5,334	4,309	4,618	4,820	4,511	4,894
Commission received	5,389	5,202	4,843	3,769	4,124	4,293	4,074	4,352
Net trading income	32	25	29	39	9	16	30	33
Financial revenue	91	88	84	71	77	88	60	53
Other operating revenue	418	334	377	429	407	422	346	454
Financial expenses	13	11	11	12	23	51	23	16
Other operating expenses	367	303	348	388	374	373	327	414
Net operating revenue	5,551	5,335	4,974	3,908	4,220	4,396	4,160	4,463
Selling, general and administrative expenses	4,568	4,481	4,504	4,158	4,459	4,541	4,364	4,420
Trading related expenses	460	406	512	449	466	496	500	540
Personnel expenses	2,615	2,546	2,447	2,206	2,427	2,376	2,343	2,341
Real estate expenses	530	544	572	555	615	727	605	593
Office cost	582	595	602	579	551	586	563	607
Depreciation	117	126	137	142	146	128	123	138
Taxes and dues	73	85	70	61	62	70	63	59
Provision of allowance for doubtful accounts	—	—	—	—	—	—	—	—
Other	188	177	162	164	190	155	165	139
Operating profit	982	853	469	249	239	145	204	42
Non-operating income	86	69	16	22	21	46	40	55
Non-operating expenses	2	3	1	5	0	85	4	7
Ordinary profit	1,067	919	484	232	218	183	158	90
Extraordinary income	31	20	231	0	0	3	81	0
Extraordinary losses	11	1	4	3	0	0	14	48
Profit before income taxes	1,087	939	711	235	218	180	91	42
Income taxes - current	98	444	△51	45	90	100	63	24
Income taxes - deferred	341	189	226	112	120	1	56	50
Profit	647	683	537	168	188	279	211	32
Profit attributable to non-controlling interests	6	7	6	5	5	5	—	—
Profit attributable to owners of parent	641	676	531	174	194	285	211	32

(END)