

IR Presentation for Second quarter, year ending March 2022



Ichiyoshi Securities Co., Ltd.

October, 2021

I : Business Result (Consolidated)

※ Effective as from the first quarter of fiscal 2021, the "Accounting Standards Concerning Revenue Recognition" (Corporate Accounting Standards No.29 dated March 31, 2020) and others have been applied.

Hence, formerly disclosed figures of "operating revenue" are retroactively adjusted in accordance with the said accounting standards.

- ◆ Operating revenue amounted to 10,120 million yen, an increase of 2,065 million yen (up 25.6%) from the year-earlier period.
- ◆ Current income amounted to 1,922 million yen, an increase of 2,300 million yen from the year-earlier period.
- ◆ Net income attributable to owners of parent amounted to 1,501 million yen, an increase of 1,843 million yen from the year-earlier period.

	(JPY mil.)				(JPY mil.)					
	FY 2020 2Q	FY 2021 2Q	Year-on- year (%)	Year-on- year	FY 2020				FY 2021	
					1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	8,055	10,120	25.6%	2,065	3,811	4,244	4,823	5,391	5,164	4,956
Net operating revenue	8,016	10,096	25.9%	2,079	3,792	4,223	4,808	5,375	5,151	4,945
Operating cost & expenses	8,397	8,260	-1.6%	-137	4,174	4,223	4,272	4,266	4,268	3,991
Operating income	-380	1,836	-	2,216	-381	0	535	1,108	882	953
Current income	-377	1,922	-	2,300	-365	-12	566	1,111	937	985
Extraordinary income & loss	103	130	26.9%	27	103	-0	-12	-77	136	-5
Income taxes	67	552	712.9%	484	139	-71	99	144	288	263
Net income attributable to owners of parent	-342	1,501	-	1,843	-401	58	454	889	785	715

2. Breakdown of Net Operating Revenue

- ◆ Commissions amounted to 9,804 million yen, an increase of 1,978 million yen (up 25.3%) from the year-earlier period, mainly increased in commissions from distribution of investment trusts and other sources(mainly trailer fees on investment trusts).

(JPY mil.)

	FY 2020 2Q	FY 2021 2Q	Year-on- year (%)	Year-on- year
Commissions	7,825	9,804	25.3%	1,978
Gains on trading	52	76	44.3%	23
Other operating balance	72	123	70.9%	51
Interest & dividend income	65	92	40.5%	26
Total	8,016	10,096	25.9%	2,079

(JPY mil.)

FY 2020				FY 2021	
1Q	2Q	3Q	4Q	1Q	2Q
3,689	4,136	4,639	5,142	5,004	4,799
28	24	98	159	28	48
43	28	34	37	73	50
31	34	35	35	44	47
3,792	4,223	4,808	5,375	5,151	4,945

3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 2,790 million yen, an increase of 176 million yen (up 6.8%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 2,077 million yen, an increase of 651 million yen (up 45.7%) from the year-earlier period. Commissions from other sources (mainly trailer fees on investment trusts) amounted to 4,341 million yen, an increase of 1,280 million yen (up 41.8%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 237 million yen, a decrease of 0.1% from the year-earlier period, as the Company participated in the management and underwriting of 20 initial public offerings (of which 2 were lead-managed) and 1 public share offering in the secondary market.

(JPY mil.)					(JPY mil.)					
	FY 2020 2Q	FY 2021 2Q	Year-on-year (%)	Year-on-year	FY 2020				FY 2021	
					1Q	2Q	3Q	4Q	1Q	2Q
Commissions	7,825	9,804	25.3%	1,978	3,689	4,136	4,639	5,142	5,004	4,799
Brokerage (Major item)										
Stocks	2,613	2,790	6.8%	176	1,260	1,353	1,678	1,734	1,410	1,379
Distribution (Major item)										
Investment trusts	1,425	2,077	45.7%	651	654	771	964	1,051	1,064	1,012
Underwriting (Major items)										
IPO	159	235	47.5%	75	4	155	91	128	211	23
PO	78	2	-97.4%	-76	1	76	10	28	0	1
Total	237	237	-0.1%	-0	5	231	102	156	212	24
Commissions from other sources (Major items)										
Investment trusts (trailer fees, etc.)	3,060	4,341	41.8%	1,280	1,467	1,593	1,722	1,897	2,137	2,204
Other than investment trusts	291	261	-10.4%	-30	129	161	135	266	132	128
Total	3,352	4,602	37.3%	1,250	1,596	1,755	1,858	2,163	2,269	2,333
<Reference>										
(JPY 100 mil.)										
Fund distribution	949	1,492	57.2%	542						

* Including wrap-account fund sales

4. Breakdown of Gains or loss on Trading

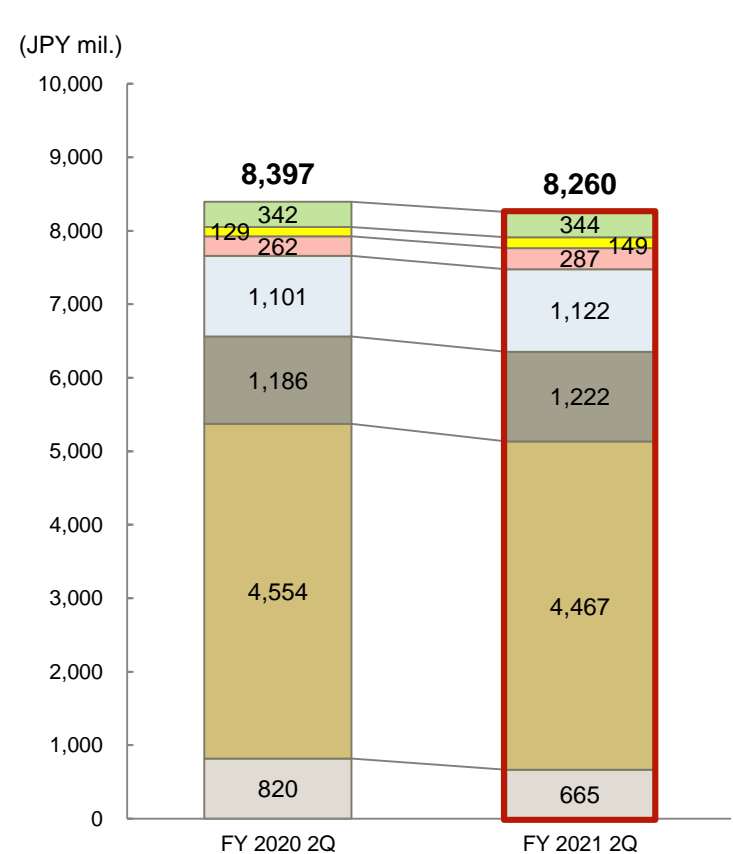
- ◆ Net gains on trading amounted to 76 million yen, an increase of 23 million yen (up 44.3%) from the year-earlier period, chiefly as net trading income on stocks increased.

	(JPY mil.)				(JPY mil.)					
	FY 2020 2Q	FY 2021 2Q	Year-on- year (%)	Year-on- year	FY 2020				FY 2021	
					1Q	2Q	3Q	4Q	1Q	2Q
Stocks, etc.	32	69	112.8%	36	17	15	76	62	25	43
Bonds • Forex, etc.	20	7	-64.8%	-13	11	9	22	96	2	4
(Bonds, etc.)	(12)	(3)	-69.1%	-8	(7)	(4)	(6)	(5)	(1)	(2)
(Forex, etc.)	(8)	(3)	-58.4%	-4	(3)	(4)	(15)	(91)	(0)	(2)
Total	52	76	44.3%	23	28	24	98	159	28	48

5. Operating Cost and Expenses

- ◆ Operating cost and expenses amounted to 8,260 million yen, a decrease of 137 million yen (down 1.6%) from the year-earlier period, mainly decreased in transaction related expenses and personnel expenses.

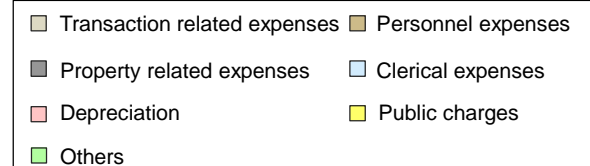
	FY 2020 2Q	FY 2021 2Q	Year-on- year (%)	Year-on- year
Transaction related expenses	820	665	-18.9%	-154
Personnel expenses	4,554	4,467	-1.9%	-86
Property related expenses	1,186	1,222	3.0%	36
Clerical expense	1,101	1,122	1.9%	20
Depreciation	262	287	9.4%	24
Public charges	129	149	15.9%	20
Provision of allowance for doubtful accounts	-	0	-	0
Others	342	344	0.5%	1
Total	8,397	8,260	-1.6%	-137



<Reference> FY 2021 2Q fixed cost and variable cost (non-consolidated basis)

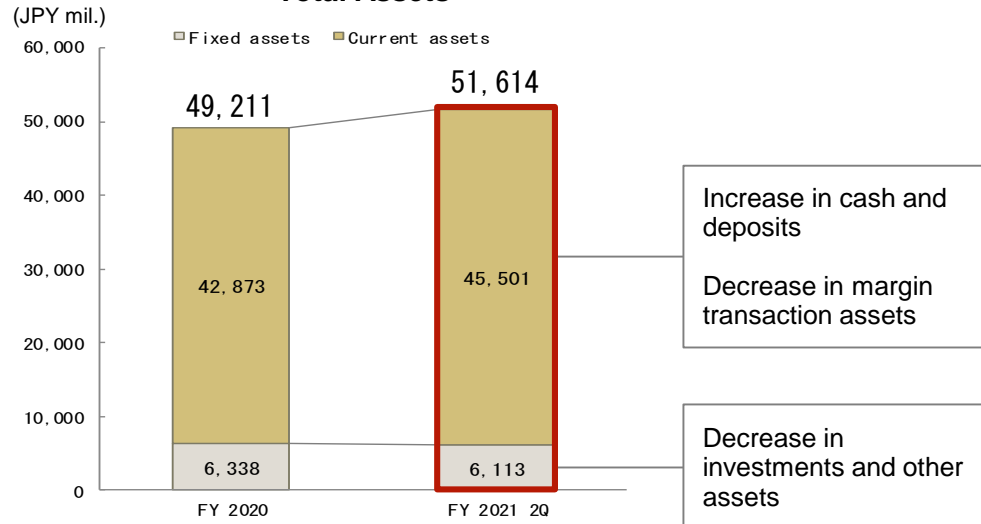
Fixed cost	6,215
Variable cost	1,616

(JPY mil.)

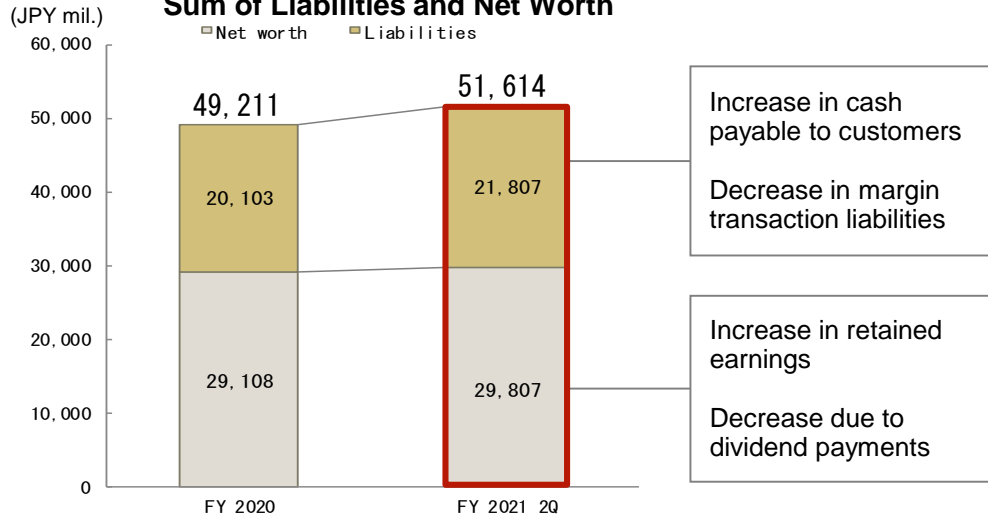


Balance Sheets

Total Assets



Sum of Liabilities and Net Worth



Financial Result

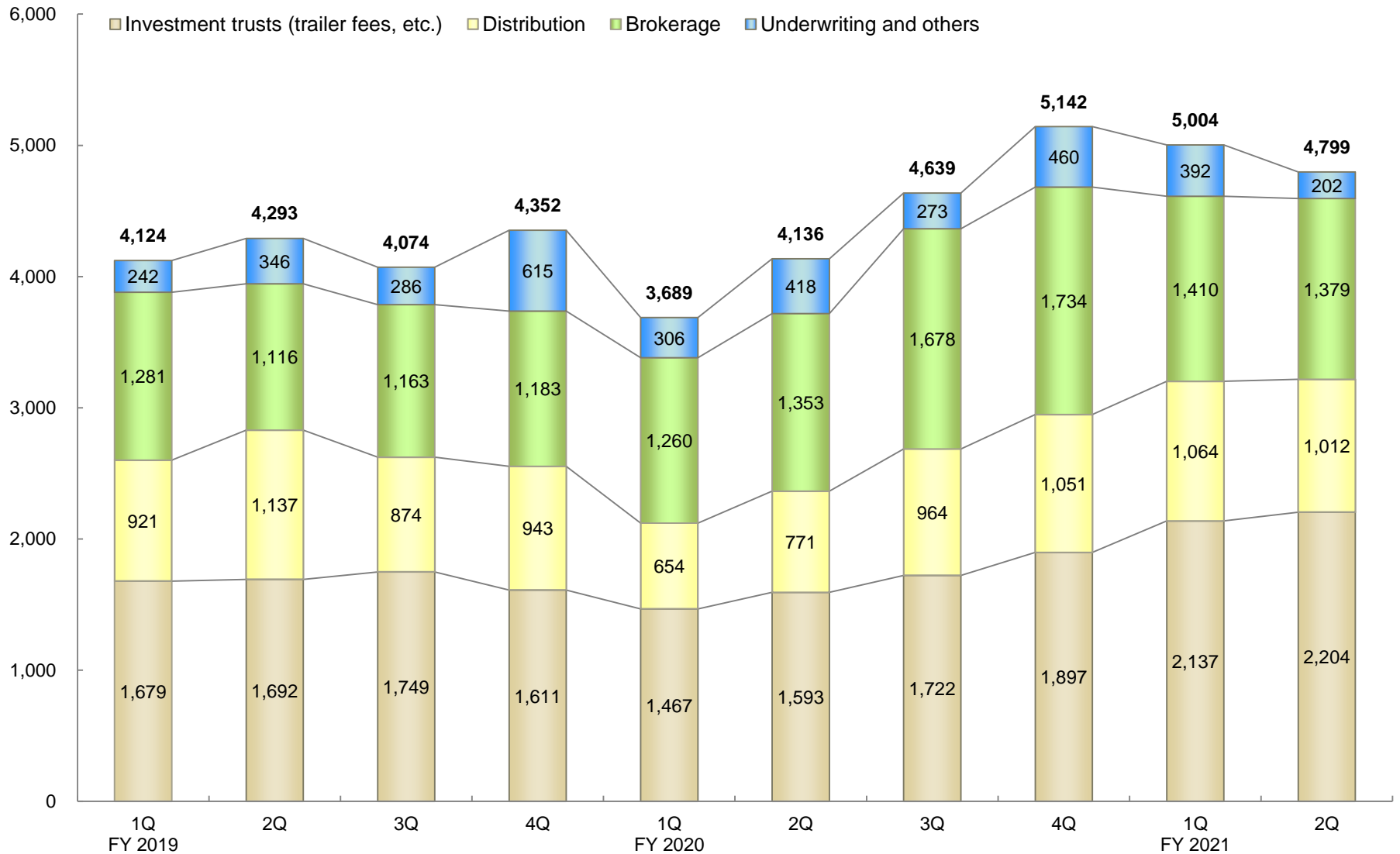
	FY 2021 2Q	Change from FY 2020 end.
Equity ratio (%)	57.7	-1.3
Net worth per share (JPY)	825.11	21.04
Capital adequacy ratio (non-consolidated basis) (%)	498.9	48.8

	FY 2021 2Q	Year-on-year
EPS (JPY)	41.58	51.10
ROE (%)	5.1	-

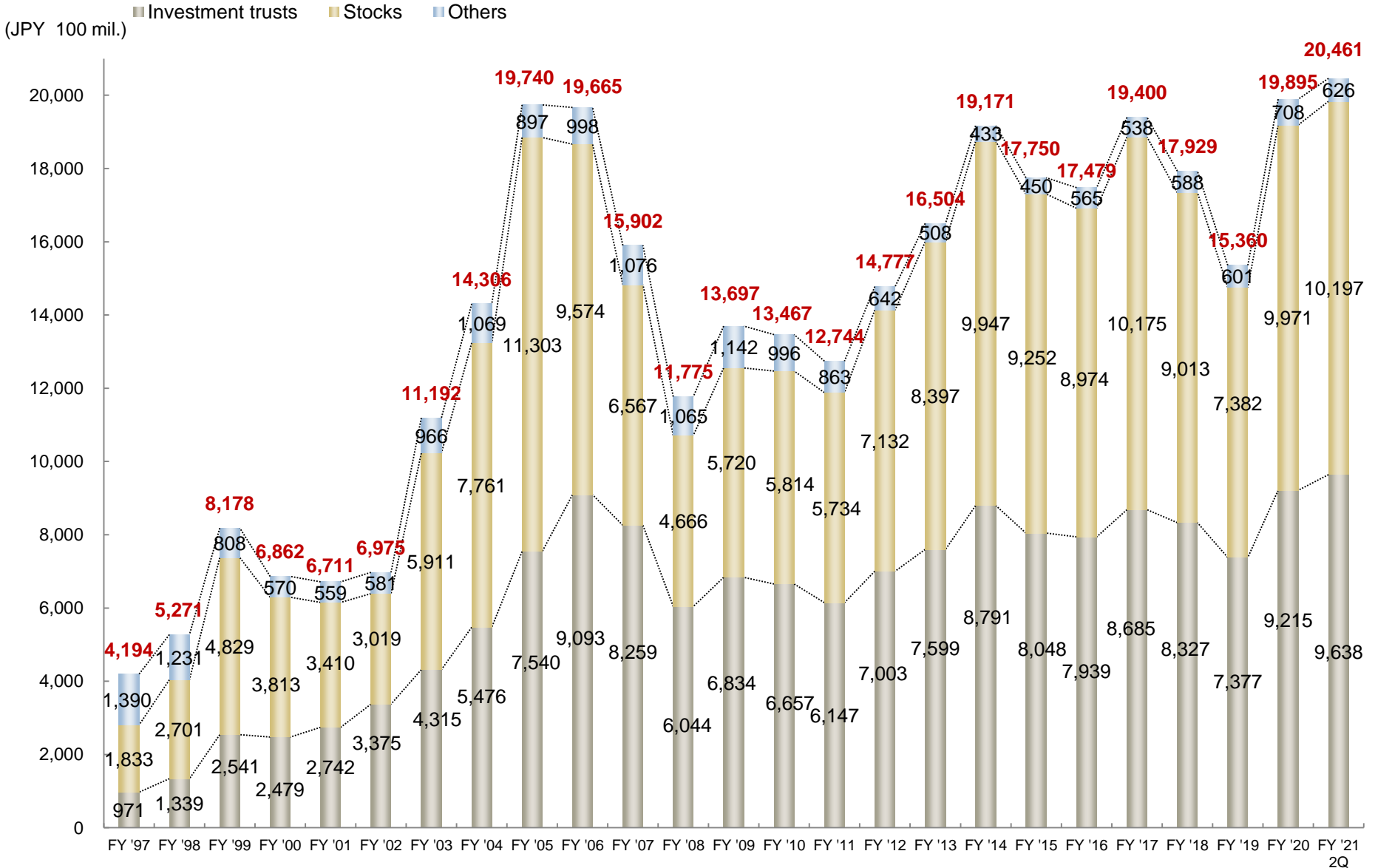
II : Business Circumstances

1. Commission Revenue

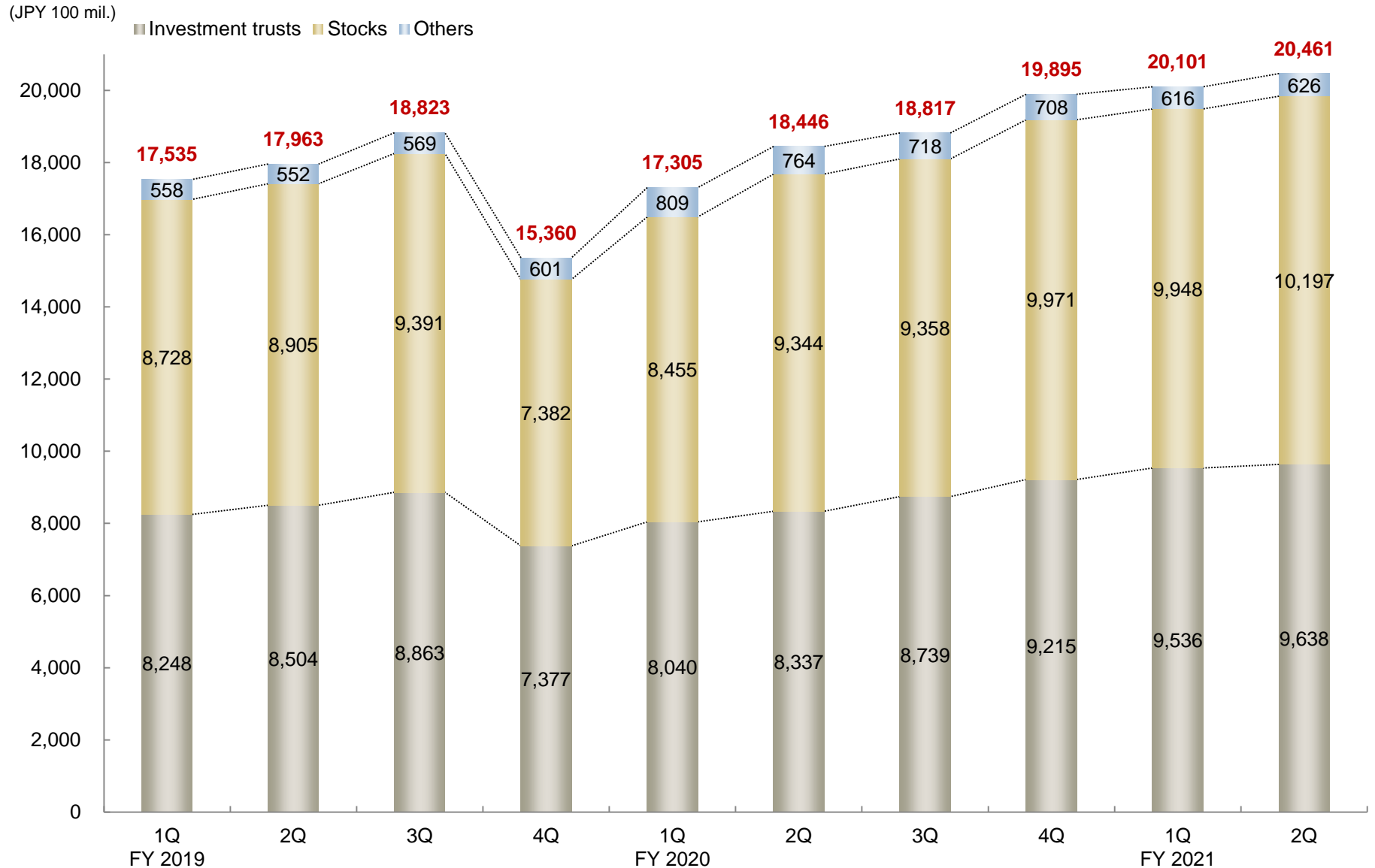
(JPY mil.)



2. Customer Assets in Custody



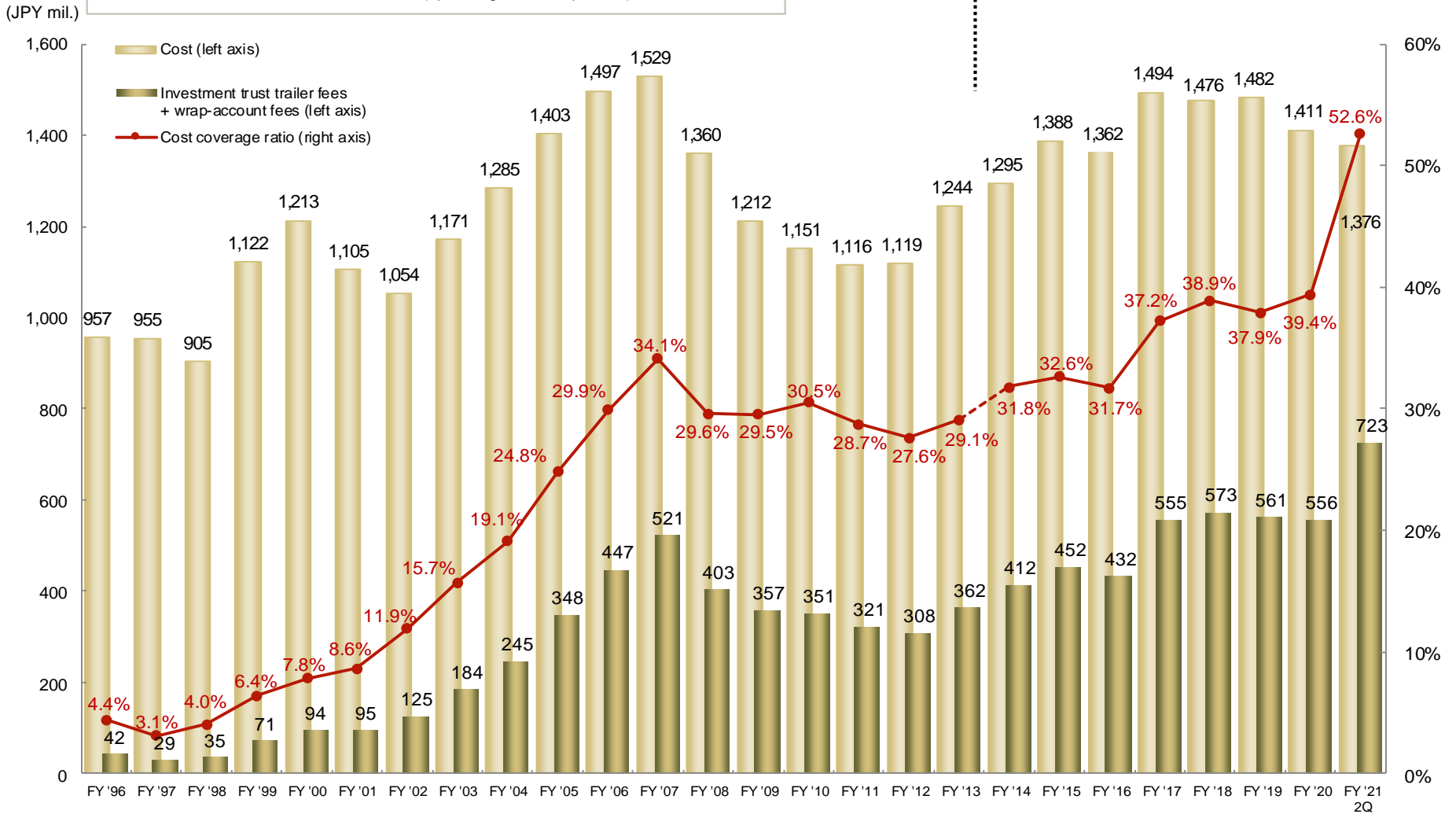
3. Quarterly Customer Assets in Custody



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

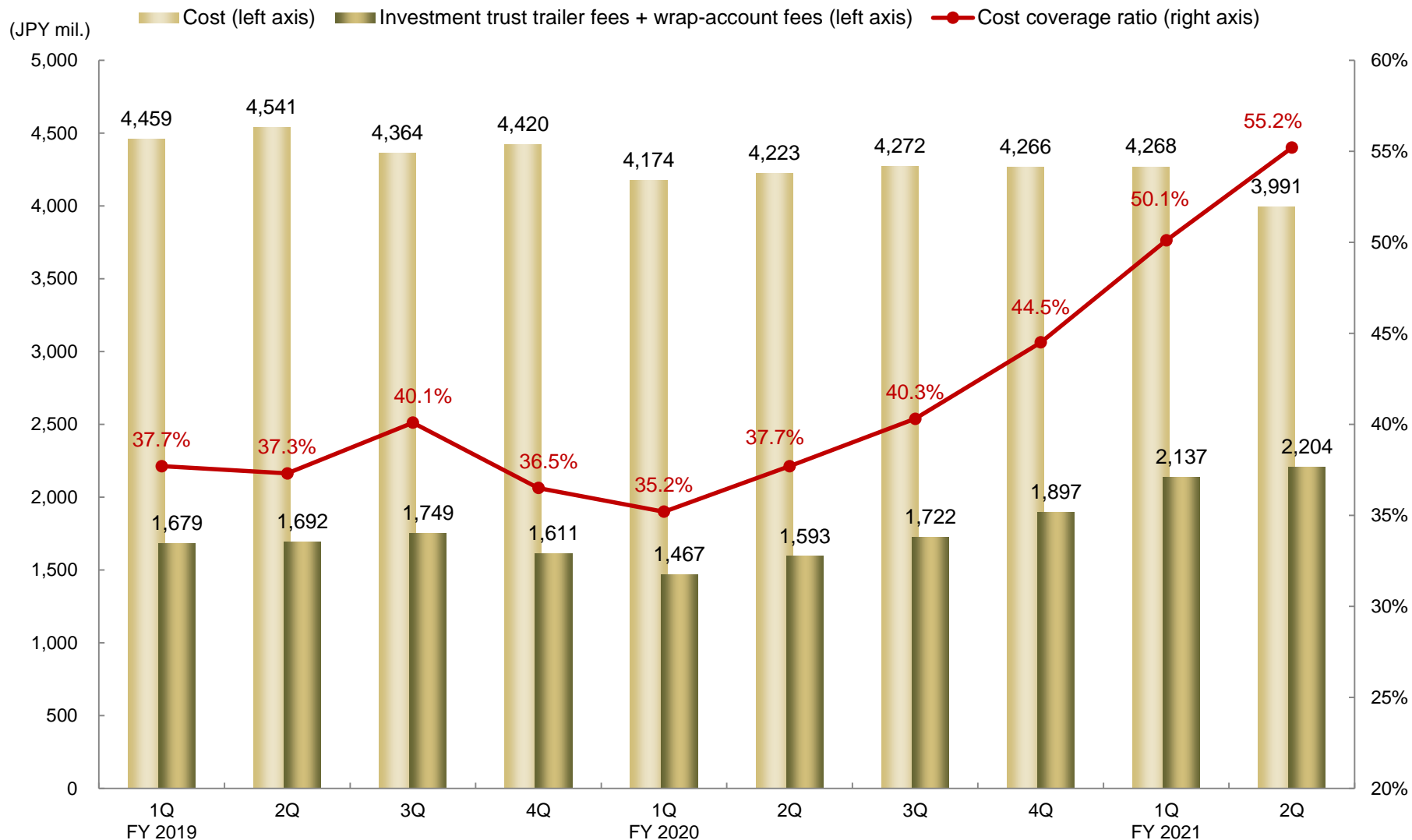
Note: Cost coverage ratio = $\frac{\text{Investment trust trailer fees} + \text{wrap-account fees}}{\text{Cost (operating cost \& expenses)}} \times 100 (\%)$

Parent company basis ← Consolidated basis



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

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

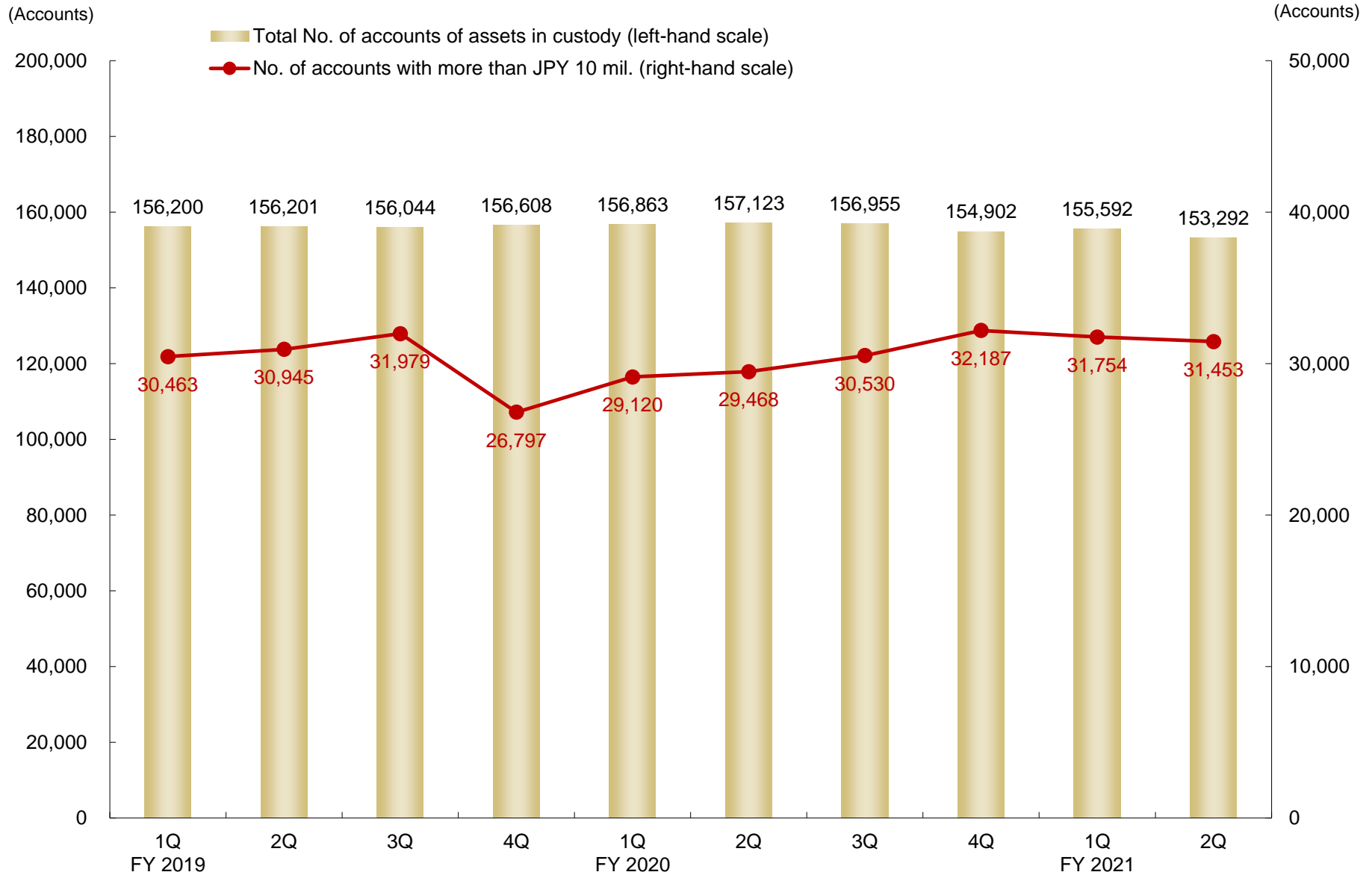


6. Top 5 Best Selling Investment Trust Funds (Total Amounts of 3 Months)

(JPY 100 mil.)

	FY 2019				FY 2020				FY 2021	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
GS US Growth Equity Concentrate Investment Fund (Monthly Settlement / Quarterly Settlement / Semi-Annual Settlement)				36	23	13		31	55	92
Ichiyoshi Small and mid cap Growth Companies Fund	20							54	92	71
Ichiyoshi Japan Growth Equities Fund							55			27
Pictet Global Income Equity Fund (Monthly Dividend)	78	116	93	80	43	35	44	31	32	26
Ichiyoshi SDGs Small Medium Size Equity Fund						84	76	43	34	23
Fidelity US REIT Fund (A / B / C / D)		34	29		20	25	25	31	27	
US NASDAQ Open (A / B)					26	36	22			
Shinko J-REIT Open	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									

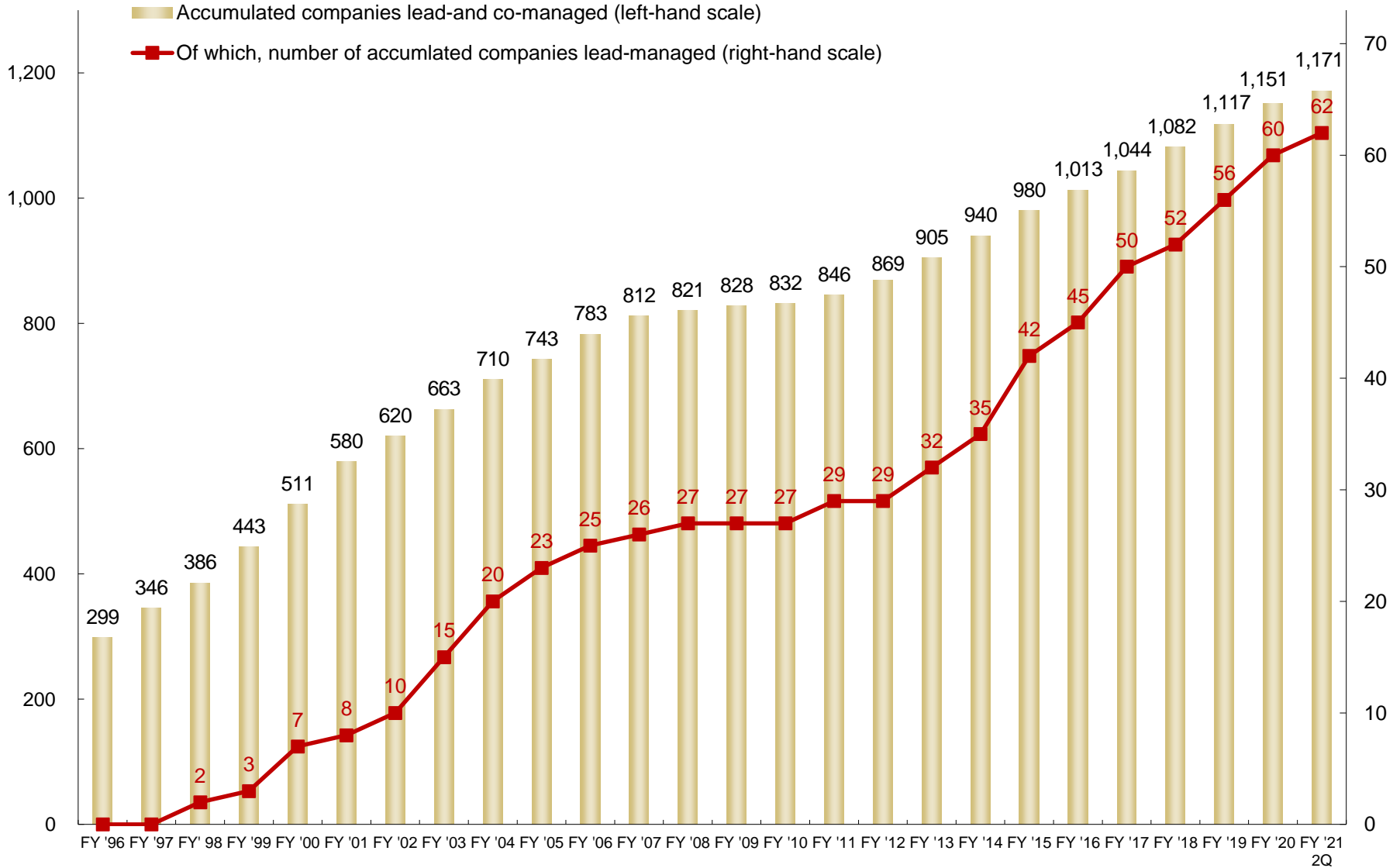
7. Number of Customer Accounts 【Retail】



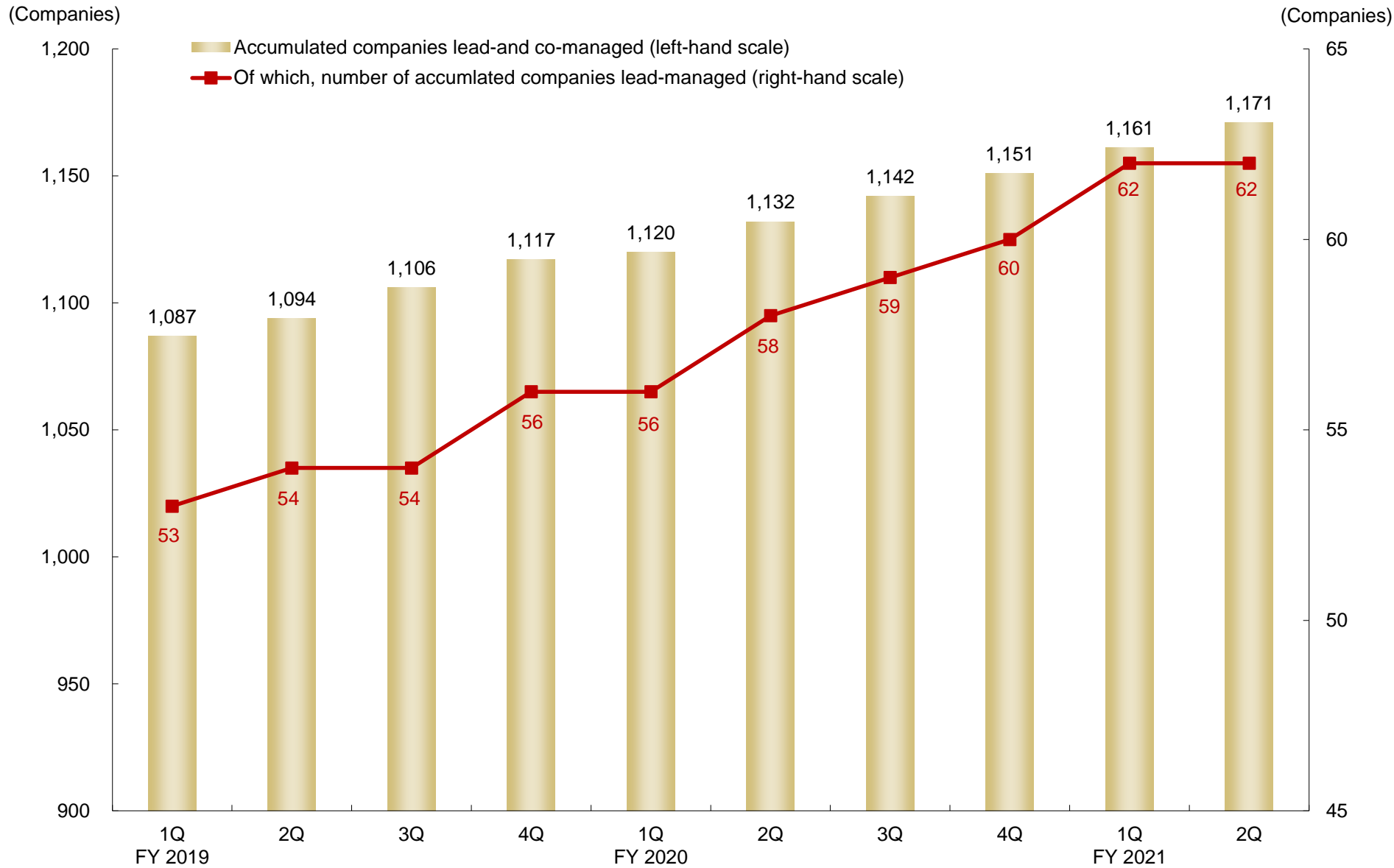
8. Accumulated Companies Lead- and Co-managed

(Companies)

(Companies)



9. Quarterly Accumulated Companies Lead- and Co-managed



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