

# IR Presentation for Third quarter, year ending March 2022



Ichiyoshi Securities Co., Ltd.  
January, 2022

# I : Business Result (Consolidated)

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※ 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.

# 1. Profit and Loss

- ◆ Operating revenue amounted to 15,344 million yen, an increase of 2,464 million yen (up 19.1%) from the year-earlier period.
- ◆ Current income amounted to 3,073 million yen, an increase of 2,884 million yen from the year-earlier period.
- ◆ Net income attributable to owners of parent amounted to 2,283 million yen, an increase of 2,171 million yen from the year-earlier period.

	(JPY mil.)				(JPY mil.)						
	FY 2020	FY 2021	Year-on-year (%)	Year-on-year	FY 2020				FY 2021		
	3Q	3Q			1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	12,879	15,344	19.1%	2,464	3,811	4,244	4,823	5,391	5,164	4,956	5,223
Net operating revenue	12,825	15,315	19.4%	2,490	3,792	4,223	4,808	5,375	5,151	4,945	5,218
Operating cost & expenses	12,669	12,345	-2.6%	-324	4,174	4,223	4,272	4,266	4,268	3,991	4,085
Operating income	155	2,970	-	2,814	-381	0	535	1,108	882	953	1,133
Current income	188	3,073	-	2,884	-365	-12	566	1,111	937	985	1,150
Extraordinary income & loss	90	138	52.5%	47	103	-0	-12	-77	136	-5	7
Income taxes	167	928	454.1%	760	139	-71	99	144	288	263	375
Net income attributable to owners of parent	111	2,283	-	2,171	-401	58	454	889	785	715	782

## 2. Breakdown of Net Operating Revenue

- ◆ Commissions amounted to 14,849 million yen, an increase of 2,383 million yen (up 19.1%) 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.)				(JPY mil.)						
	FY 2020 3Q	FY 2021 3Q	Year-on- year (%)	Year-on- year	FY 2020				FY 2021		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commissions	12,465	14,849	19.1%	2,383	3,689	4,136	4,639	5,142	5,004	4,799	5,045
Gains on trading	151	153	1.7%	2	28	24	98	159	28	48	77
Other operating balance	107	173	62.5%	66	43	28	34	37	73	50	50
Interest & dividend income	101	138	36.8%	37	31	34	35	35	44	47	46
<b>Total</b>	<b>12,825</b>	<b>15,315</b>	<b>19.4%</b>	<b>2,490</b>	<b>3,792</b>	<b>4,223</b>	<b>4,808</b>	<b>5,375</b>	<b>5,151</b>	<b>4,945</b>	<b>5,218</b>

### 3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 4,167 million yen, a decrease of 125 million yen (down 2.9%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 3,009 million yen, an increase of 618 million yen (up 25.9%) from the year-earlier period. Commissions from other sources (mainly trailer fees on investment trusts) amounted to 6,536 million yen, an increase of 1,752 million yen (up 36.6%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 586 million yen, an increase of 246 million yen (up 72.6%) from the year-earlier period, as the Company participated in the management and underwriting of 34 initial public offerings (of which 3 were lead-managed) and 6 public share offerings in the secondary market.

	(JPY mil.)				(JPY mil.)						
	FY 2020 3Q	FY 2021 3Q	Year-on-year (%)	Year-on-year	FY 2020				FY 2021		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commissions	12,465	14,849	19.1%	2,383	3,689	4,136	4,639	5,142	5,004	4,799	5,045
Brokerage (Major item)											
Stocks	4,292	4,167	-2.9%	-125	1,260	1,353	1,678	1,734	1,410	1,379	1,376
Distribution (Major item)											
Investment trusts	2,390	3,009	25.9%	618	654	771	964	1,051	1,064	1,012	931
Underwriting (Major items)											
IPO	250	506	101.7%	255	4	155	91	128	211	23	270
PO	88	80	-9.7%	-8	1	76	10	28	0	1	78
Total	339	586	72.6%	246	5	231	102	156	212	24	349
Commissions from other sources (Major items)											
Investment trusts (trailer fees, etc.)	4,783	6,536	36.6%	1,752	1,467	1,593	1,722	1,897	2,137	2,204	2,194
Other than investment trusts	427	391	-8.3%	-35	129	161	135	266	132	128	130
Total	5,210	6,927	32.9%	1,716	1,596	1,755	1,858	2,163	2,269	2,333	2,325
<Reference>											
Fund distribution	1,588	2,080	31.0%	491							

\* Including wrap-account fund sales

## 4. Breakdown of Gains or loss on Trading

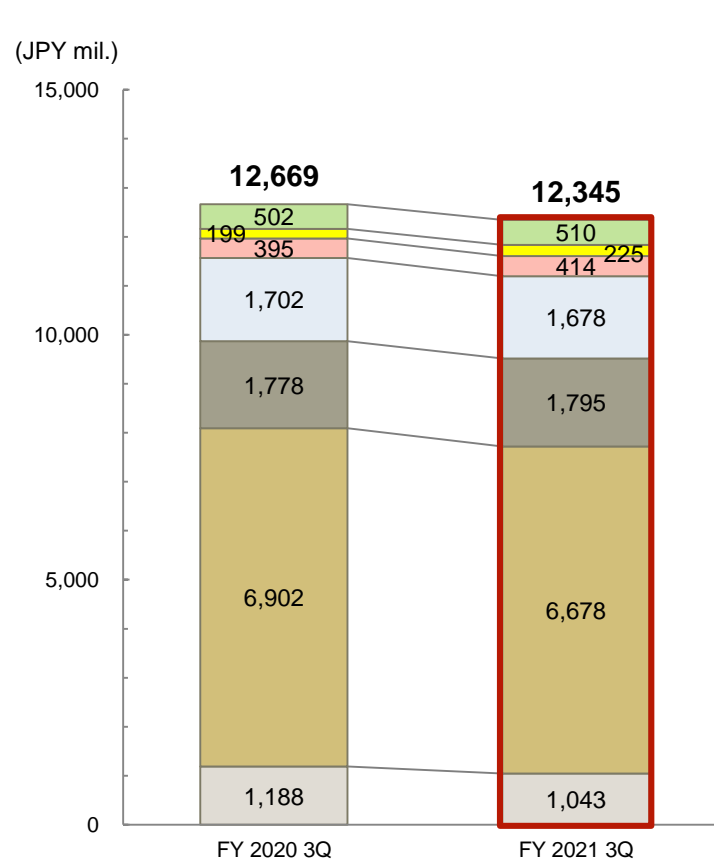
◆ Net gains on trading amounted to 153 million yen, an increase of 2 million yen (up 1.7%) from the year-earlier period, chiefly as net trading income on stocks increased.

	(JPY mil.)				(JPY mil.)						
	FY 2020 3Q	FY 2021 3Q	Year-on- year (%)	Year-on- year	FY 2020				FY 2021		
					1Q	2Q	3Q	4Q	1Q	2Q	3Q
Stocks, etc.	108	140	28.7%	31	17	15	76	62	25	43	70
Bonds · Forex, etc.	42	13	-67.7%	-28	11	9	22	96	2	4	6
(Bonds, etc.)	(19)	(5)	-68.8%	-13	(7)	(4)	(6)	(5)	(1)	(2)	(2)
(Forex, etc.)	(23)	(7)	-66.7%	-15	(3)	(4)	(15)	(91)	(0)	(2)	(4)
Total	151	153	1.7%	2	28	24	98	159	28	48	77

## 5. Operating Cost and Expenses

◆ Operating cost and expenses amounted to 12,345 million yen, a decrease of 324 million yen (down 2.6%) from the year-earlier period, mainly decreased in transaction related expenses and personnel expenses.

	FY 2020 3Q	FY 2021 3Q	Year-on- year (%)	Year-on- year
Transaction related expenses	1,188	1,043	-12.2%	-145
Personnel expenses	6,902	6,678	-3.2%	-223
Property related expenses	1,778	1,795	1.0%	17
Clerical expense	1,702	1,678	-1.4%	-24
Depreciation	395	414	4.7%	18
Public charges	199	225	13.0%	25
Provision of allowance for doubtful accounts	0	0	-72.8%	-0
Others	502	510	1.5%	7
<b>Total</b>	<b>12,669</b>	<b>12,345</b>	<b>-2.6%</b>	<b>-324</b>



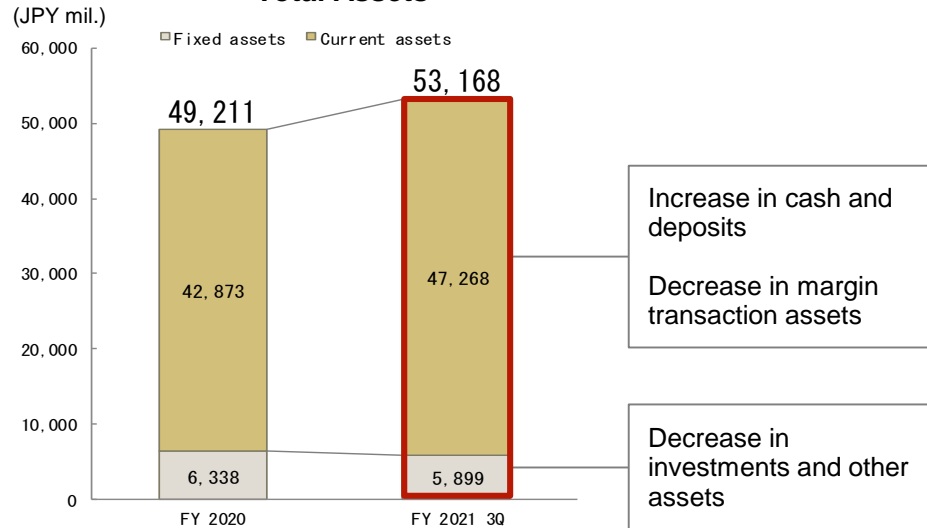
<Reference> FY 2021 3Q fixed cost and variable cost (non-consolidated basis)

Fixed cost	9,211
Variable cost	2,498

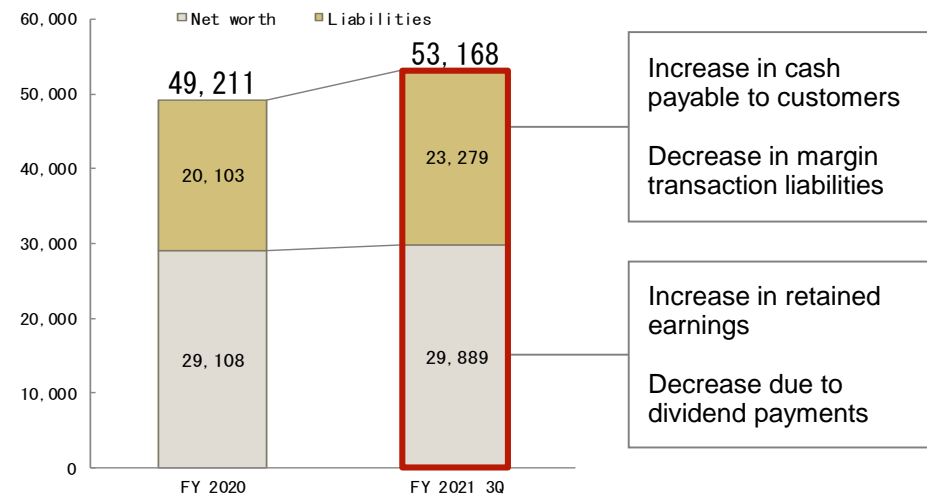
(JPY mil.)

## Balance Sheets

### Total Assets



### Sum of Liabilities and Net Worth



## Financial Result

	FY 2021 3Q	Change from FY 2020 end.
Equity ratio (%)	56.2	-2.8
Net worth per share (JPY)	827.31	23.24
Capital adequacy ratio (non-consolidated basis) (%)	516.5	66.4

	FY 2021 3Q	Year-on-year
EPS (JPY)	63.24	60.13
ROE (%)	7.8	7.4

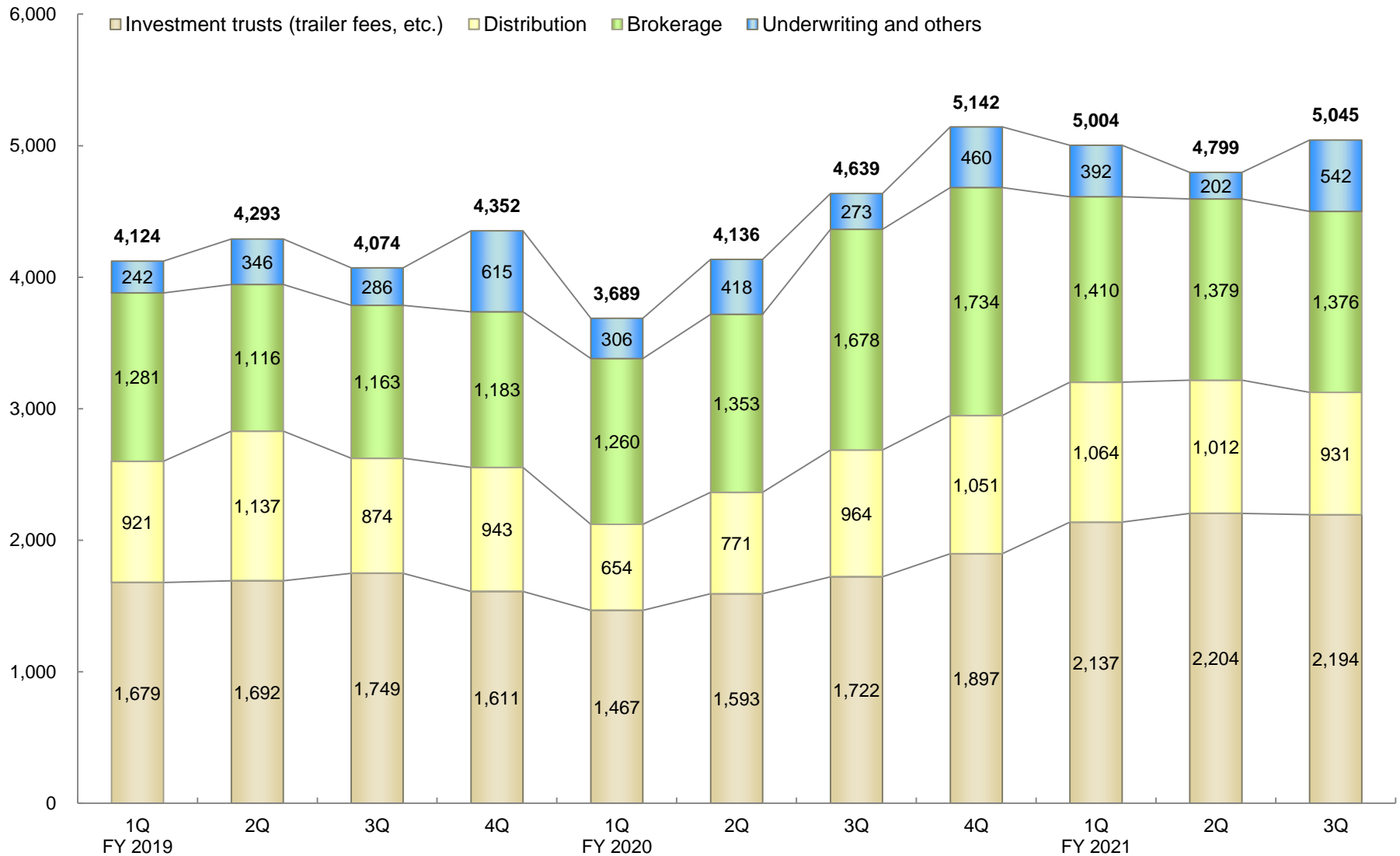


## **II : Business Circumstances**

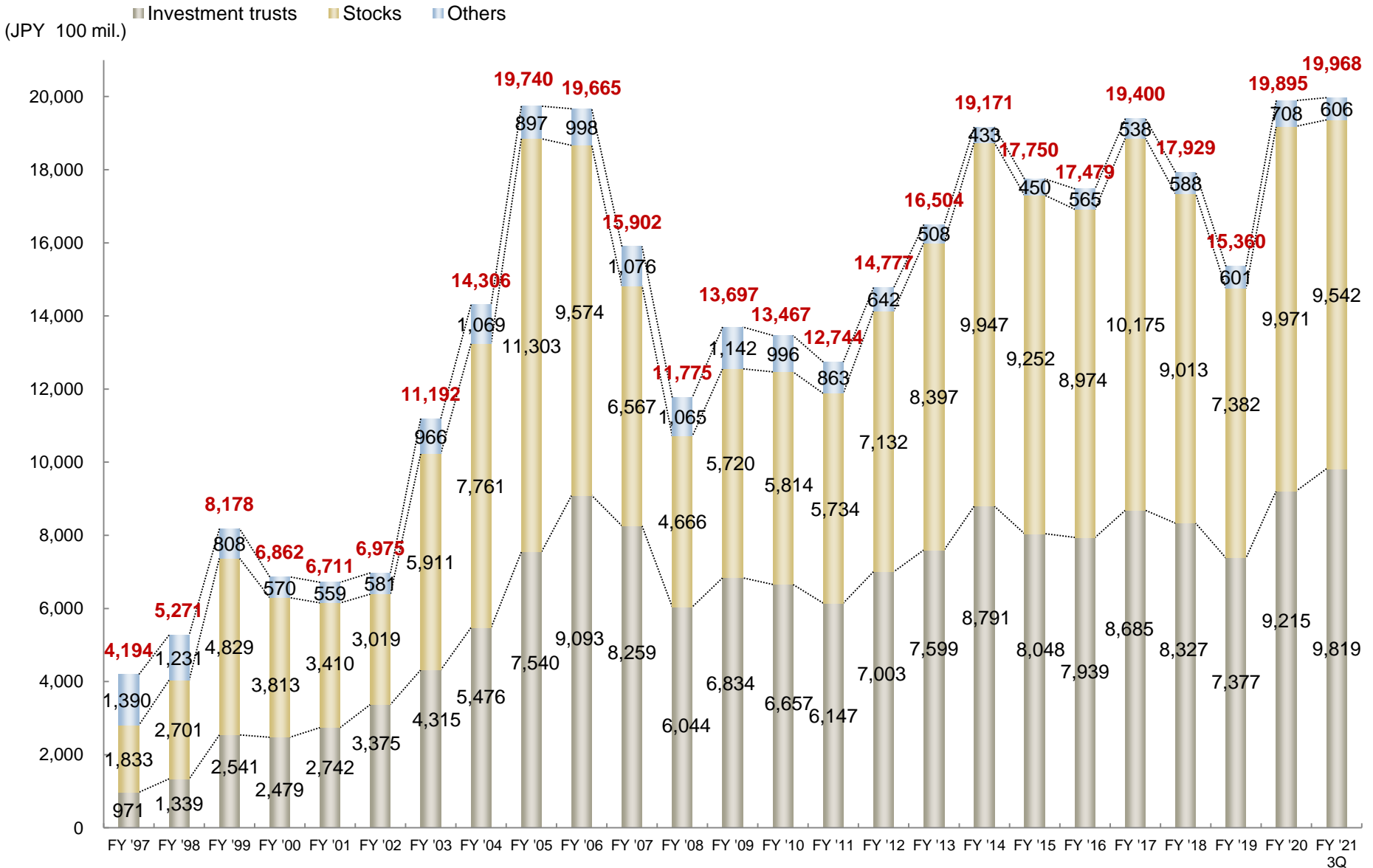
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# 1. Commission Revenue

(JPY mil.)



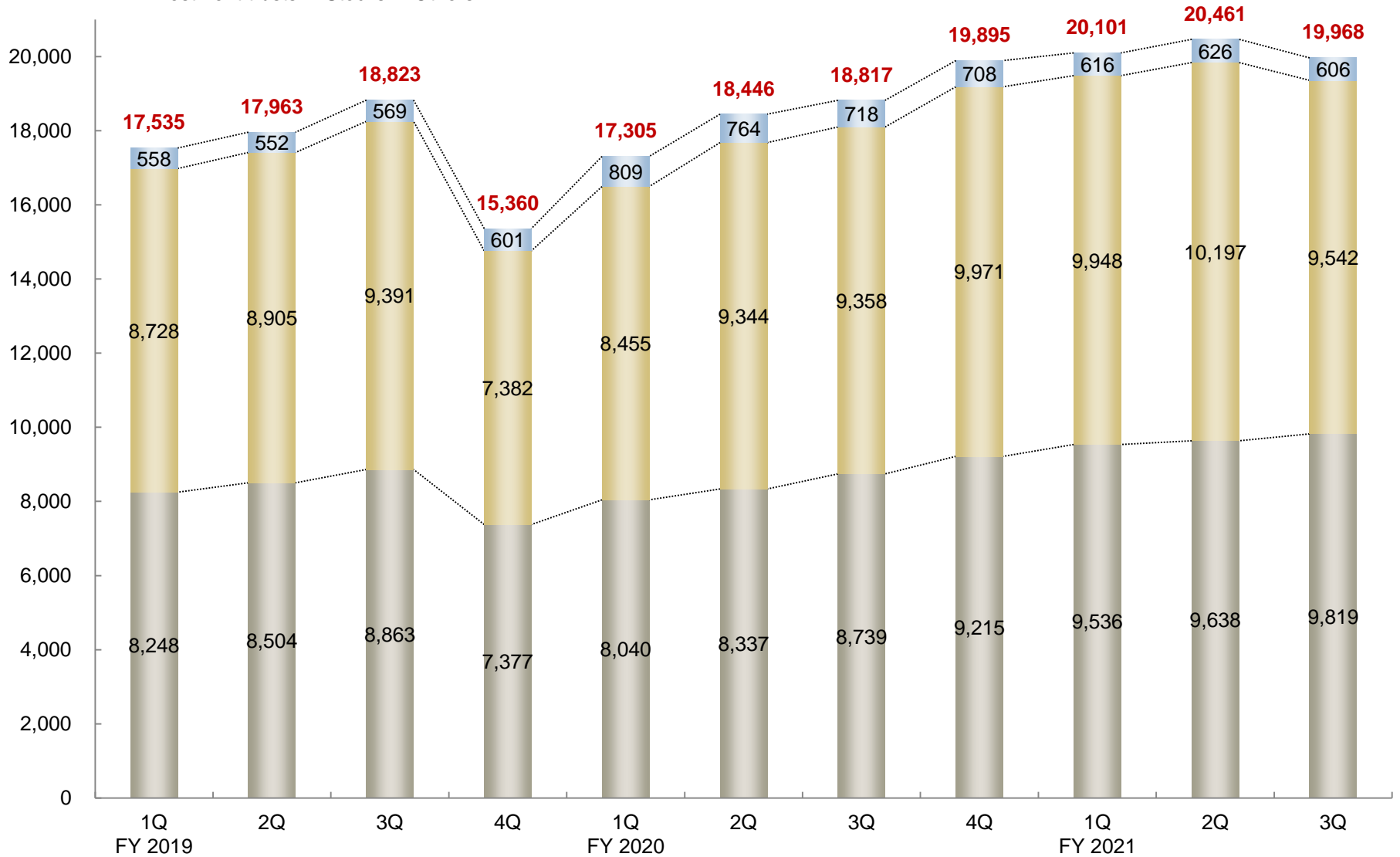
## 2. Customer Assets in Custody



### 3. Quarterly Customer Assets in Custody

(JPY 100 mil.)

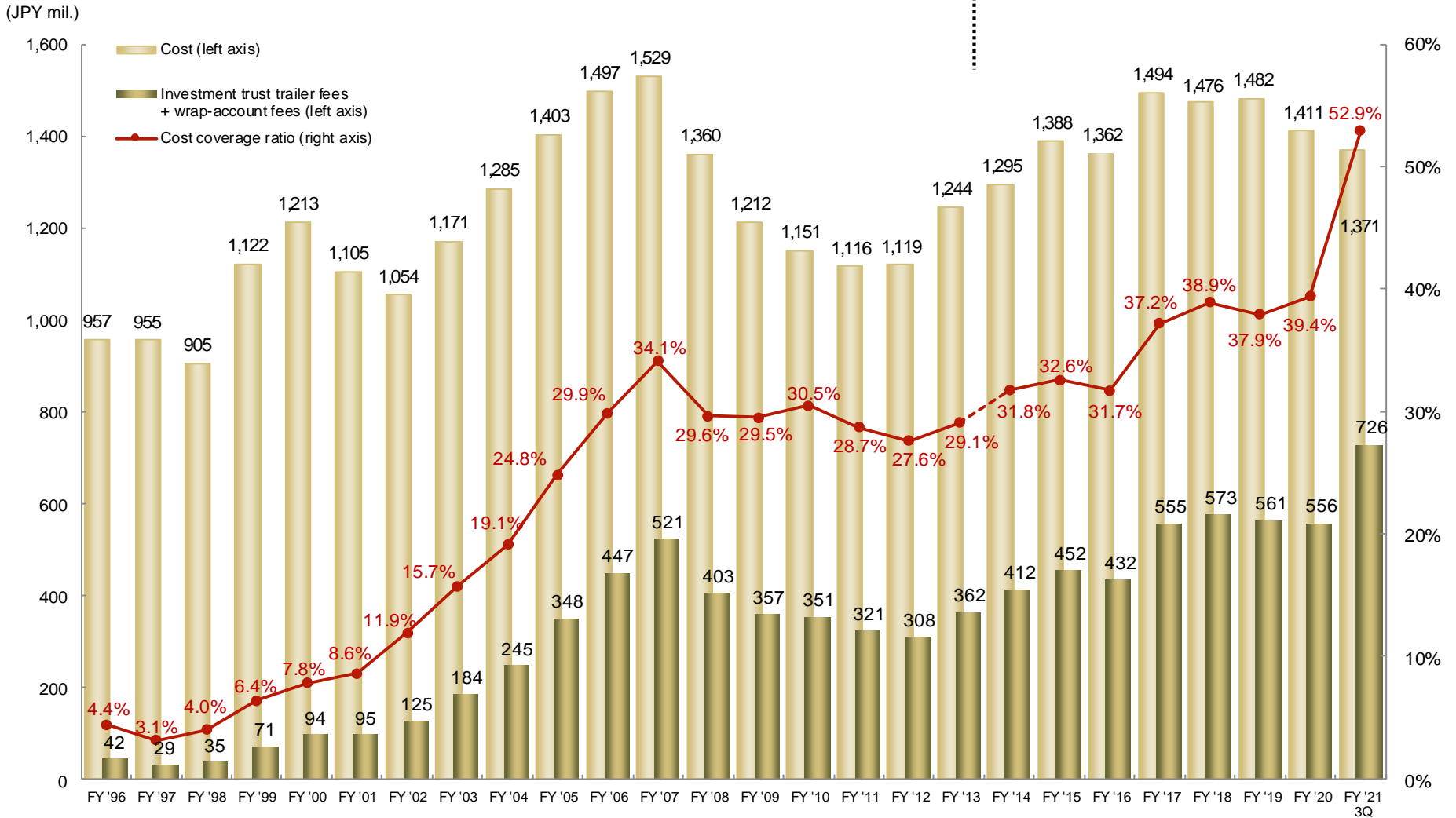
■ Investment trusts ■ Stocks ■ Others



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

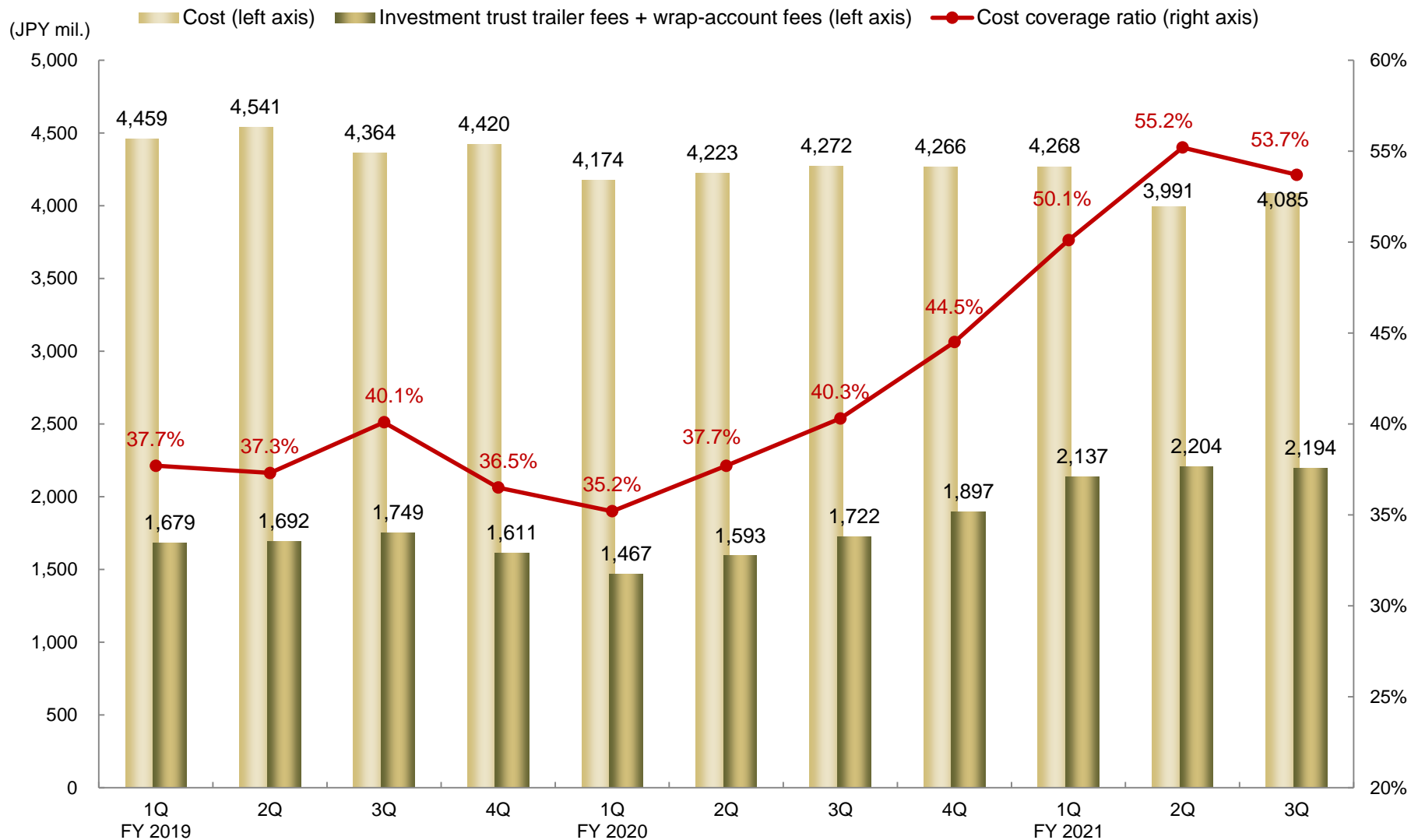
Note: Cost coverage ratio =  $\frac{\text{Investment trust trailer fees} + \text{wrap-account fees}}{\text{Cost (operating cost \& expenses)}} \times 100 (\%)$

Parent company basis ← → Consolidated basis



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

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

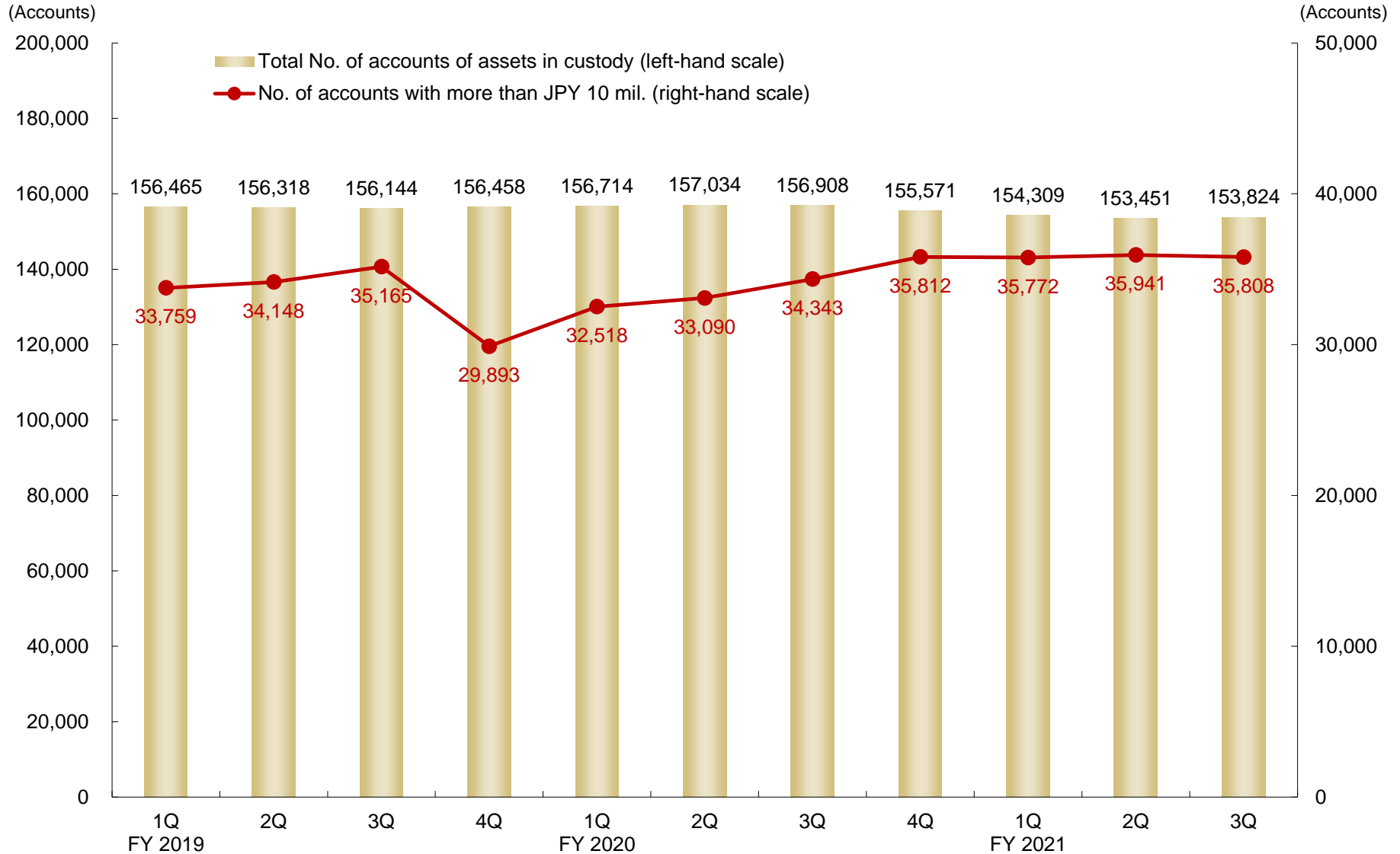


## 6. Top 5 Best Selling Investment Trust Funds (Total Amounts of 3 Months)

(JPY 100 mil.)

	FY 2019				FY 2020				FY 2021		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
GS US Growth Equity Concentrate Investment Fund (Monthly Settlement / Quarterly Settlement / Semi-Annual Settlement)				36	23	13		31	55	92	94
Ichiyoshi Small and mid cap Growth Companies Fund	20							54	92	71	56
Ichiyoshi Japan Growth Equities Fund							55			27	30
Ichiyoshi SDGs Small Medium Size Equity Fund						84	76	43	34	23	28
Pictet Global Income Equity Fund (Monthly Dividend)	78	116	93	80	43	35	44	31	32	26	20
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】



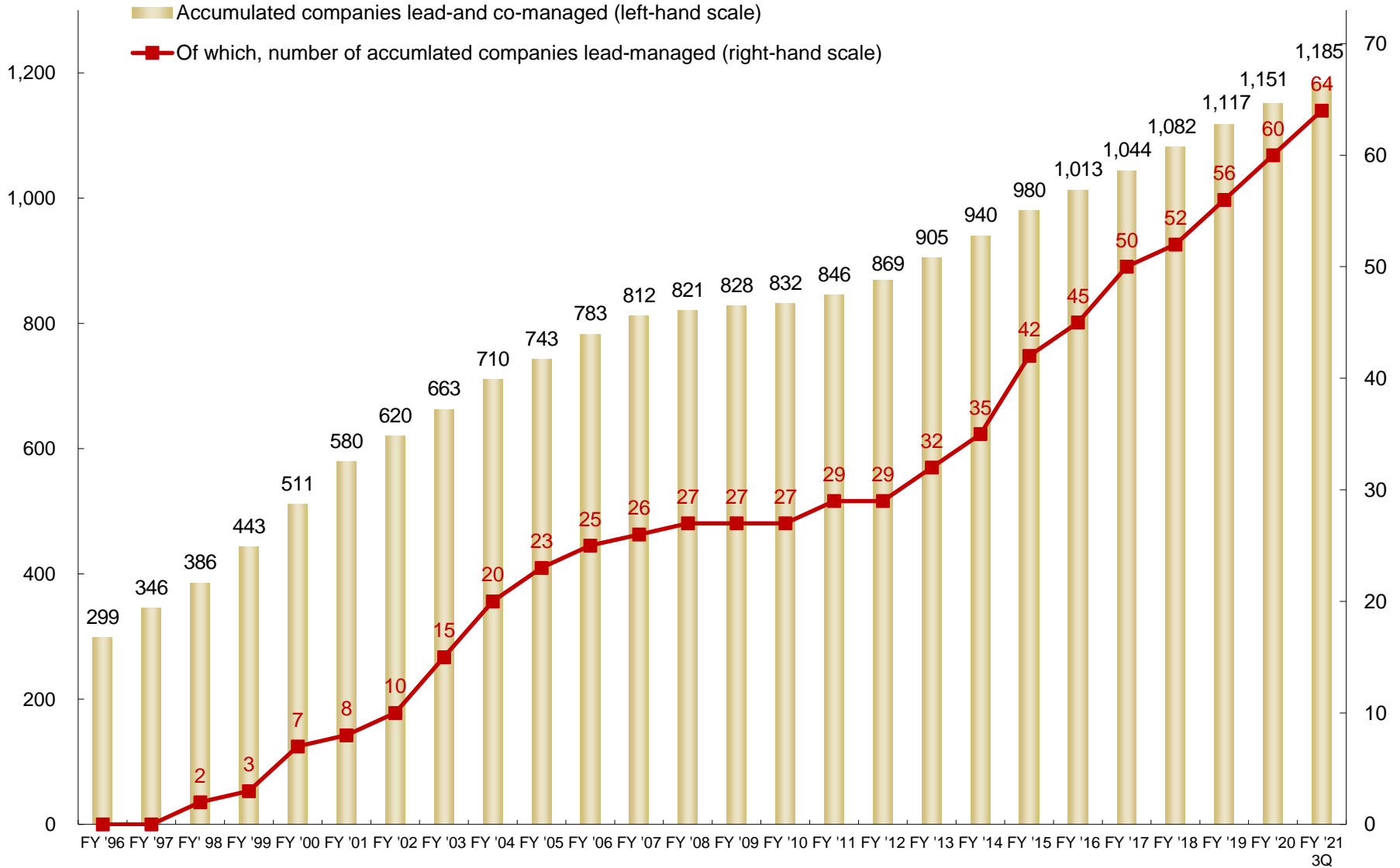
※Each number of accounts in the table above is revised from the one previously reported as the method of account compilation is changed.



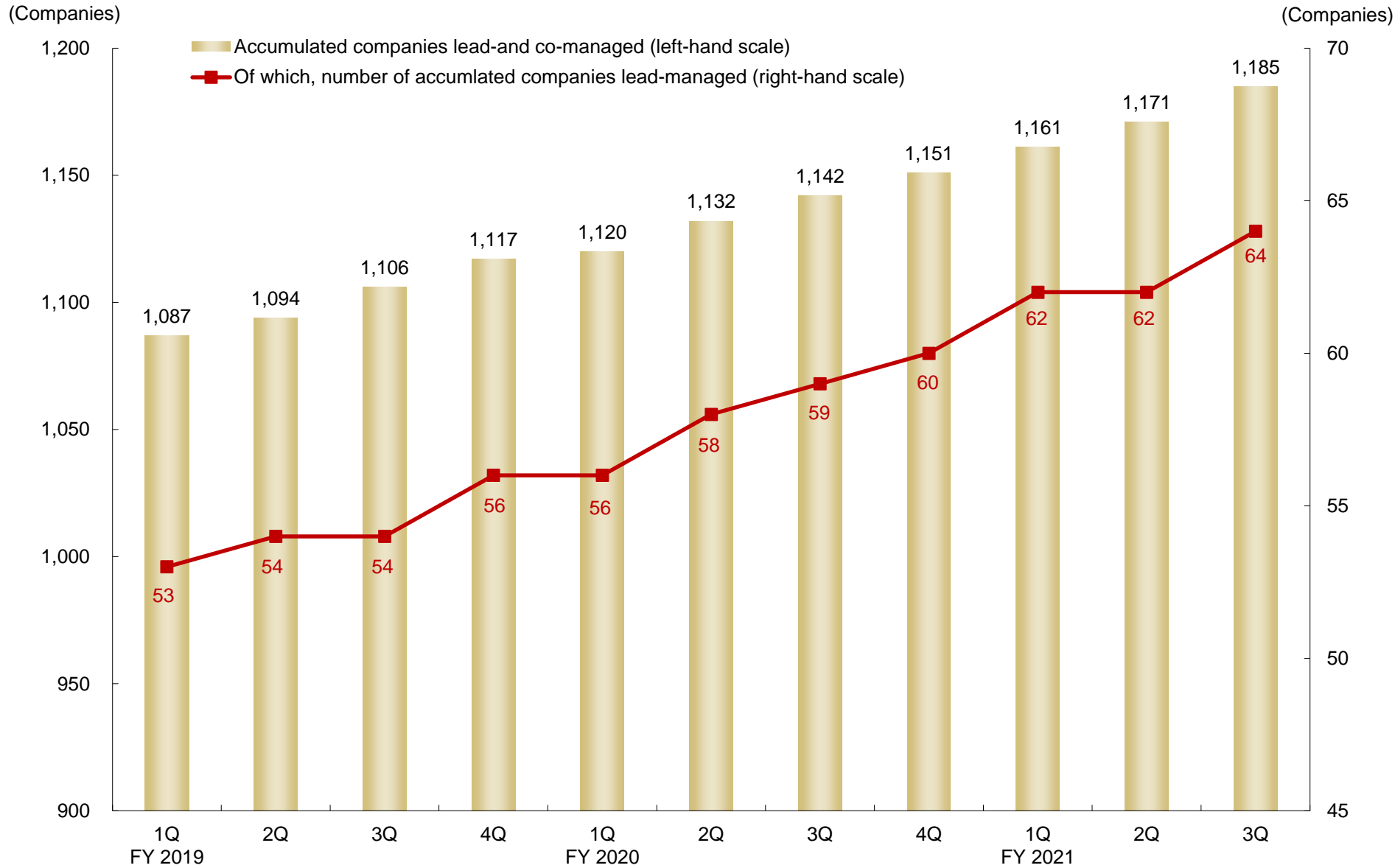
# 8. Accumulated Companies Lead- and Co-managed

(Companies)

(Companies)



# 9. Quarterly Accumulated Companies Lead- and Co-managed



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