

IR Presentation for Second quarter, year ending March 2023



Ichiyoshi Securities Co., Ltd.

October, 2022

I : Business Result (Consolidated)

- ◆ Operating revenue amounted to 8,529 million yen, a decrease of 1,590 million yen (down 15.7%) from the year-earlier period.
- ◆ Current income amounted to 763 million yen, a decrease of 1,159 million yen (down 60.3%) from the year-earlier period.
- ◆ Net income attributable to owners of parent amounted to 500 million yen, a decrease of 1,000 million yen (down 66.7%) from the year-earlier period.

	(JPY mil.)				(JPY mil.)					
	FY 2021 2Q	FY 2022 2Q	Year-on- year (%)	Year-on- year	FY 2021				FY 2022	
					1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	10,120	8,529	-15.7%	-1,590	5,164	4,956	5,223	4,247	4,344	4,184
Net operating revenue	10,096	8,510	-15.7%	-1,585	5,151	4,945	5,218	4,238	4,335	4,175
Operating cost & expenses	8,260	7,773	-5.9%	-486	4,268	3,991	4,085	3,886	3,952	3,821
Operating income	1,836	737	-59.8%	-1,099	882	953	1,133	351	383	354
Current income	1,922	763	-60.3%	-1,159	937	985	1,150	369	399	363
Extraordinary income & loss	130	2	-98.4%	-128	136	-5	7	0	-0	2
Income taxes	552	265	-52.0%	-287	288	263	375	127	136	128
Net income attributable to owners of parent	1,501	500	-66.7%	-1,000	785	715	782	242	262	237

2. Breakdown of Net Operating Revenue

- ◆ Commissions amounted to 8,318 million yen, a decrease of 1,485 million yen (down 15.2%) 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 2Q	FY 2022 2Q	Year-on- year (%)	Year-on- year	FY 2021				FY 2022	
					1Q	2Q	3Q	4Q	1Q	2Q
Commissions	9,804	8,318	-15.2%	-1,485	5,004	4,799	5,045	4,137	4,243	4,074
Gains on trading	76	29	-61.1%	-46	28	48	77	7	7	22
Other operating balance	123	98	-20.4%	-25	73	50	50	53	49	49
Interest & dividend income	92	64	-30.3%	-27	44	47	46	39	35	29
Total	10,096	8,510	-15.7%	-1,585	5,151	4,945	5,218	4,238	4,335	4,175

3. Breakdown of Commission Revenue

- ◆ Brokerage commissions on stocks amounted to 2,190 million yen, a decrease of 600 million yen (down 21.5%) from the year-earlier period. Commissions from distribution of investment trusts amounted to 1,453 million yen, a decrease of 624 million yen (down 30.0%) from the year-earlier period. Commissions from other sources (mainly trailer fees on investment trusts) amounted to 4,160 million yen, a decrease of 180 million yen (down 4.2%) from the year-earlier period.
- ◆ Commissions from underwriting amounted to 129 million yen, a decrease of 108 million yen (down 45.6%) from the year-earlier period, as the Company participated in the management and underwriting of 8 initial public offerings (of which 2 were lead-managed).

	(JPY mil.)				(JPY mil.)					
	FY 2021 2Q	FY 2022 2Q	Year-on-year (%)	Year-on-year	FY 2021				FY 2022	
					1Q	2Q	3Q	4Q	1Q	2Q
Commissions	9,804	8,318	-15.2%	-1,485	5,004	4,799	5,045	4,137	4,243	4,074
Brokerage (Major item)										
Stocks	2,790	2,190	-21.5%	-600	1,410	1,379	1,376	1,150	1,086	1,104
Distribution (Major item)										
Investment trusts	2,077	1,453	-30.0%	-624	1,064	1,012	931	775	791	662
Underwriting (Major items)										
IPO	235	129	-45.1%	-106	211	23	270	3	121	7
PO	2	—	—	-2	0	1	78	1	—	—
Total	237	129	-45.6%	-108	212	24	349	4	121	7
Commissions from other sources (Major items)										
Investment trusts (trailer fees, etc.)	4,341	4,160	-4.2%	-180	2,137	2,204	2,194	2,028	2,048	2,111
Other than investment trusts	261	279	6.9%	17	132	128	130	121	138	140
Total	4,602	4,439	-3.5%	-162	2,269	2,333	2,325	2,149	2,186	2,252
<Reference>										
Fund distribution	1,492	953	-36.1%	-539						

* Including wrap-account fund sales

4. Breakdown of Gains or loss on Trading

- ◆ Net gains on trading amounted to 29 million yen, a decrease of 46 million yen (down 61.1%) from the year-earlier period, chiefly as net trading income on stocks decreased.

	(JPY mil.)				(JPY mil.)					
	FY 2021 2Q	FY 2022 2Q	Year-on- year (%)	Year-on- year	FY 2021				FY 2022	
					1Q	2Q	3Q	4Q	1Q	2Q
Stocks, etc.	69	15	-78.2%	-54	25	43	70	0	1	13
Bonds • Forex, etc.	7	14	103.3%	7	2	4	6	7	5	9
(Bonds, etc.)	(3)	(3)	-7.9%	-0	(1)	(2)	(2)	(1)	(1)	(1)
(Forex, etc.)	(3)	(11)	227.0%	7	(0)	(2)	(4)	(5)	(3)	(7)
Total	76	29	-61.1%	-46	28	48	77	7	7	22

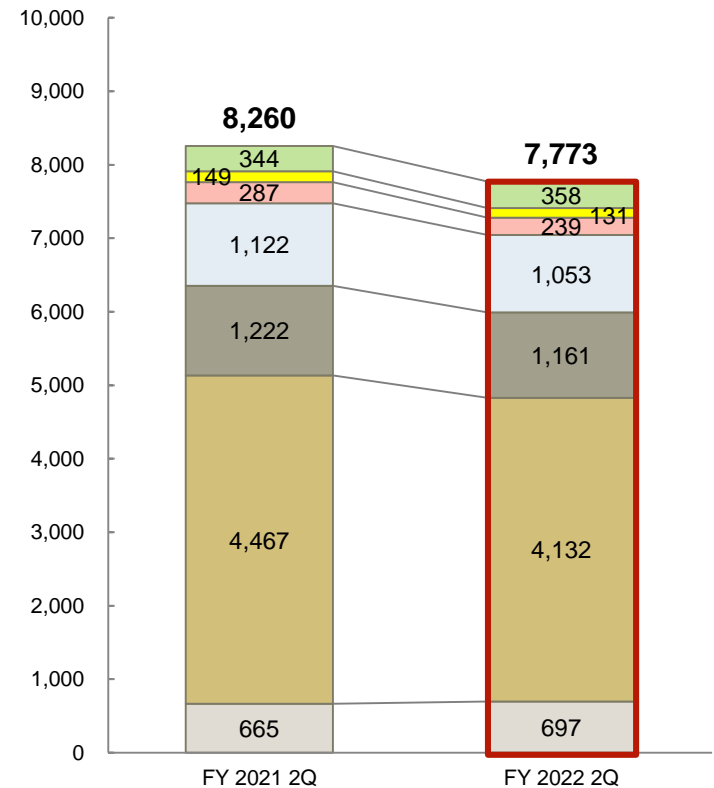
5. Operating Cost and Expenses

◆ Operating cost and expenses amounted to 7,773 million yen, a decrease of 486 million yen (down 5.9%) from the year-earlier period, mainly decreased in personnel expenses.

	FY 2021 2Q	FY 2022 2Q	Year-on- year (%)	Year-on- year
Transaction related expenses	665	697	4.8%	32
Personnel expenses	4,467	4,132	-7.5%	-335
Property related expenses	1,222	1,161	-5.0%	-61
Clerical expense	1,122	1,053	-6.2%	-69
Depreciation	287	239	-16.8%	-48
Public charges	149	131	-12.3%	-18
Provision of allowance for doubtful accounts	0	0	-13.9%	-0
Others	344	358	4.1%	13
Total	8,260	7,773	-5.9%	-486

(JPY mil.)

(JPY mil.)



<Reference> FY 2022 2Q fixed cost and variable cost (non-consolidated basis)

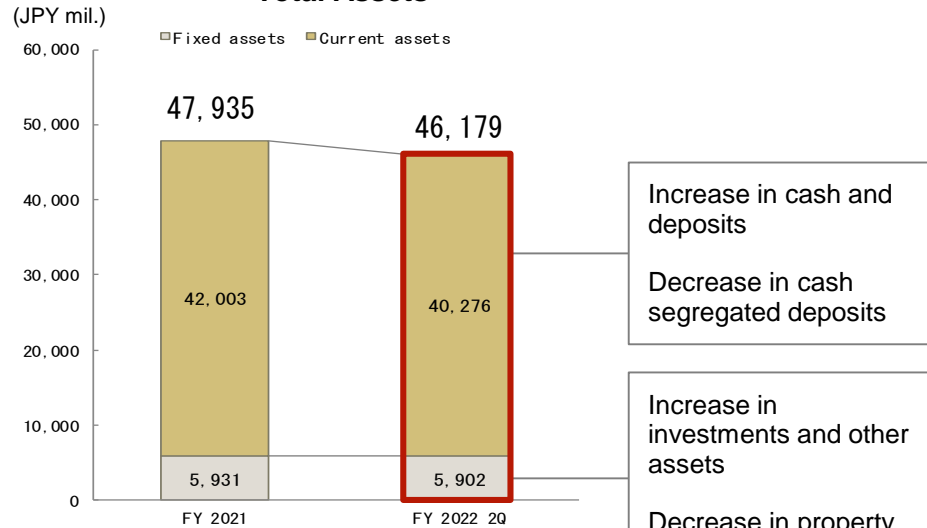
Fixed cost	5,881
Variable cost	1,458

(JPY mil.)

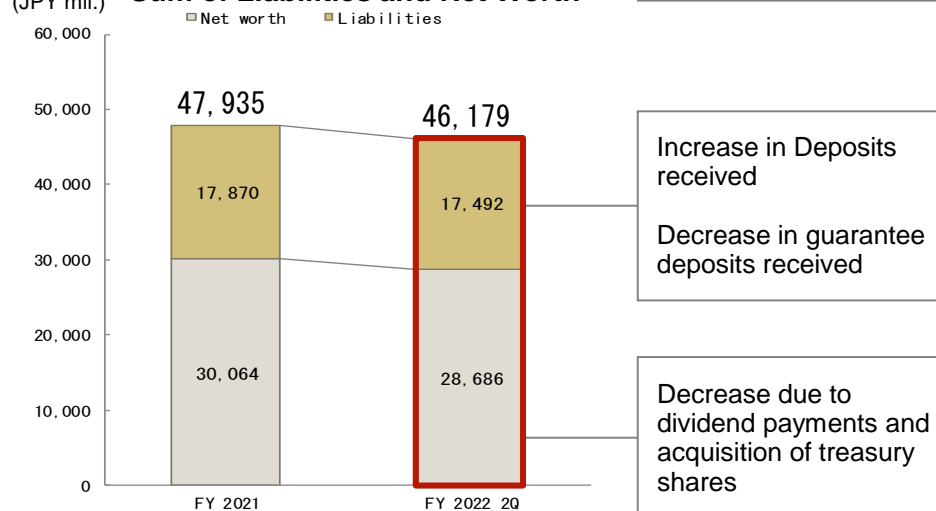
Balance Sheets

Financial Result

Total Assets



Sum of Liabilities and Net Worth



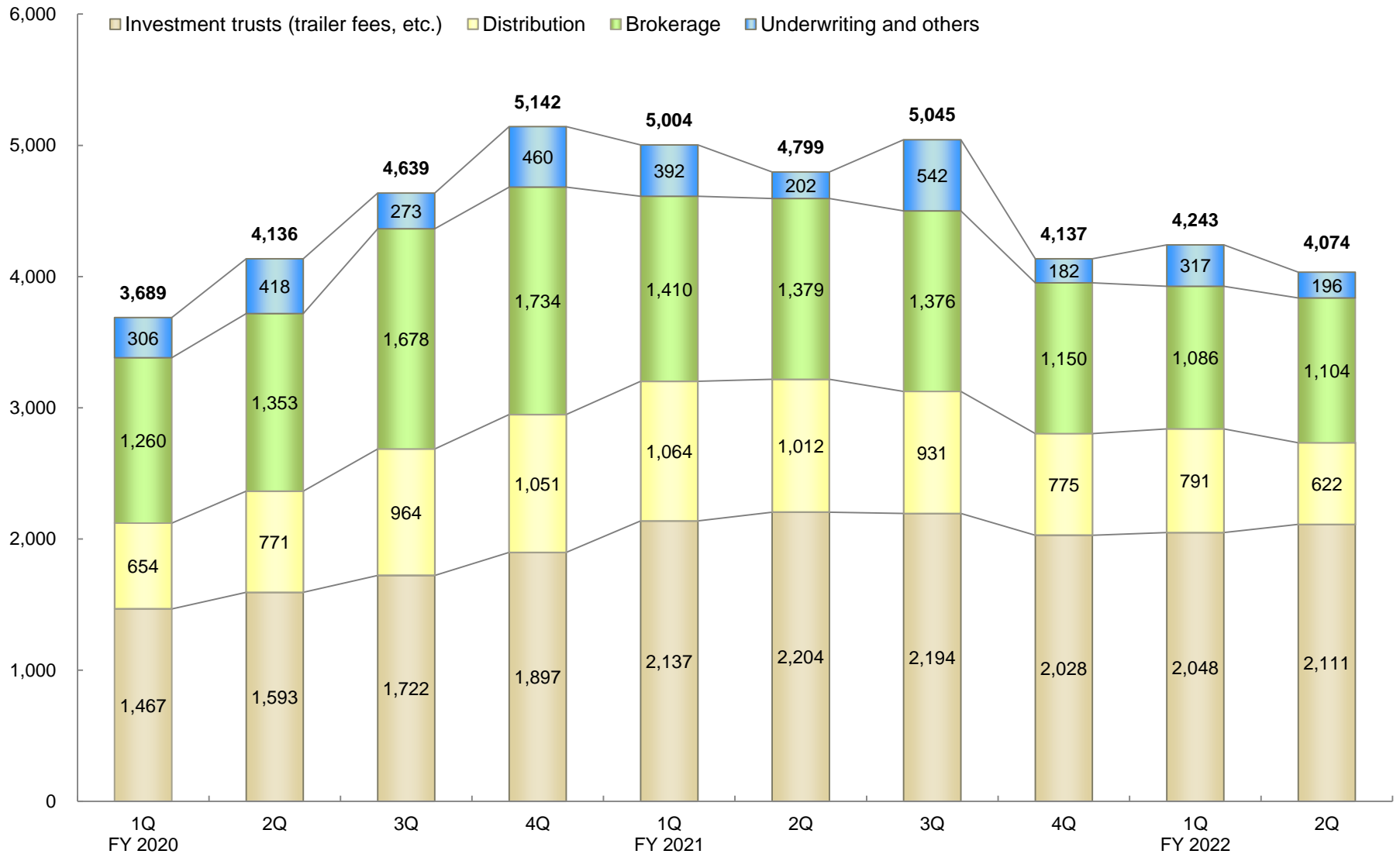
	FY 2022 2Q	Change from FY 2021 end.
Equity ratio (%)	62.1	-0.6
Net worth per share (JPY)	836.04	3.92
Capital adequacy ratio (non-consolidated basis) (%)	520.3	14.5

	FY 2022 2Q	Year-on-year
EPS (JPY)	14.34	-27.24
ROE (%)	1.7	-3.4

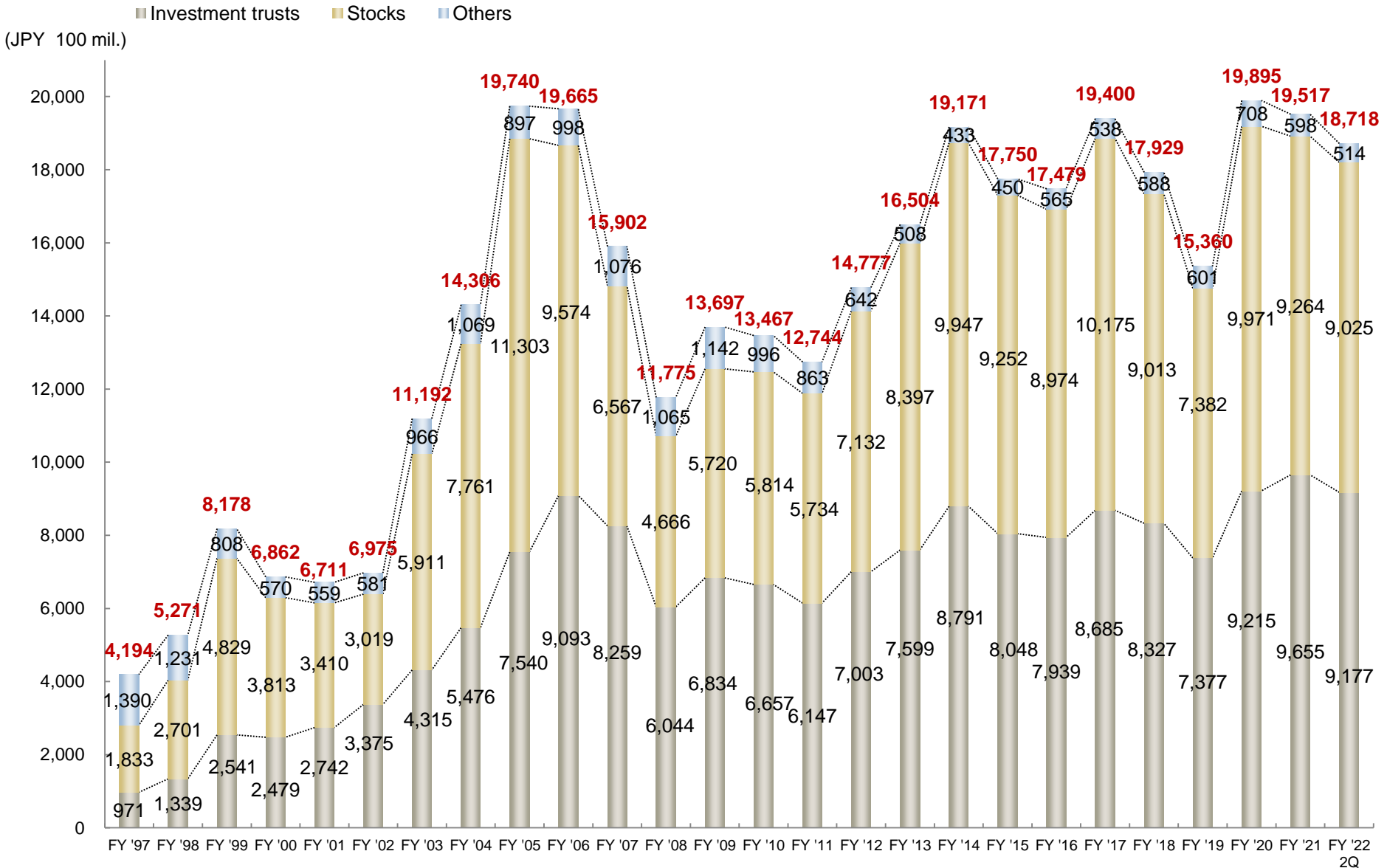
II : Business Circumstances

1. Commission Revenue

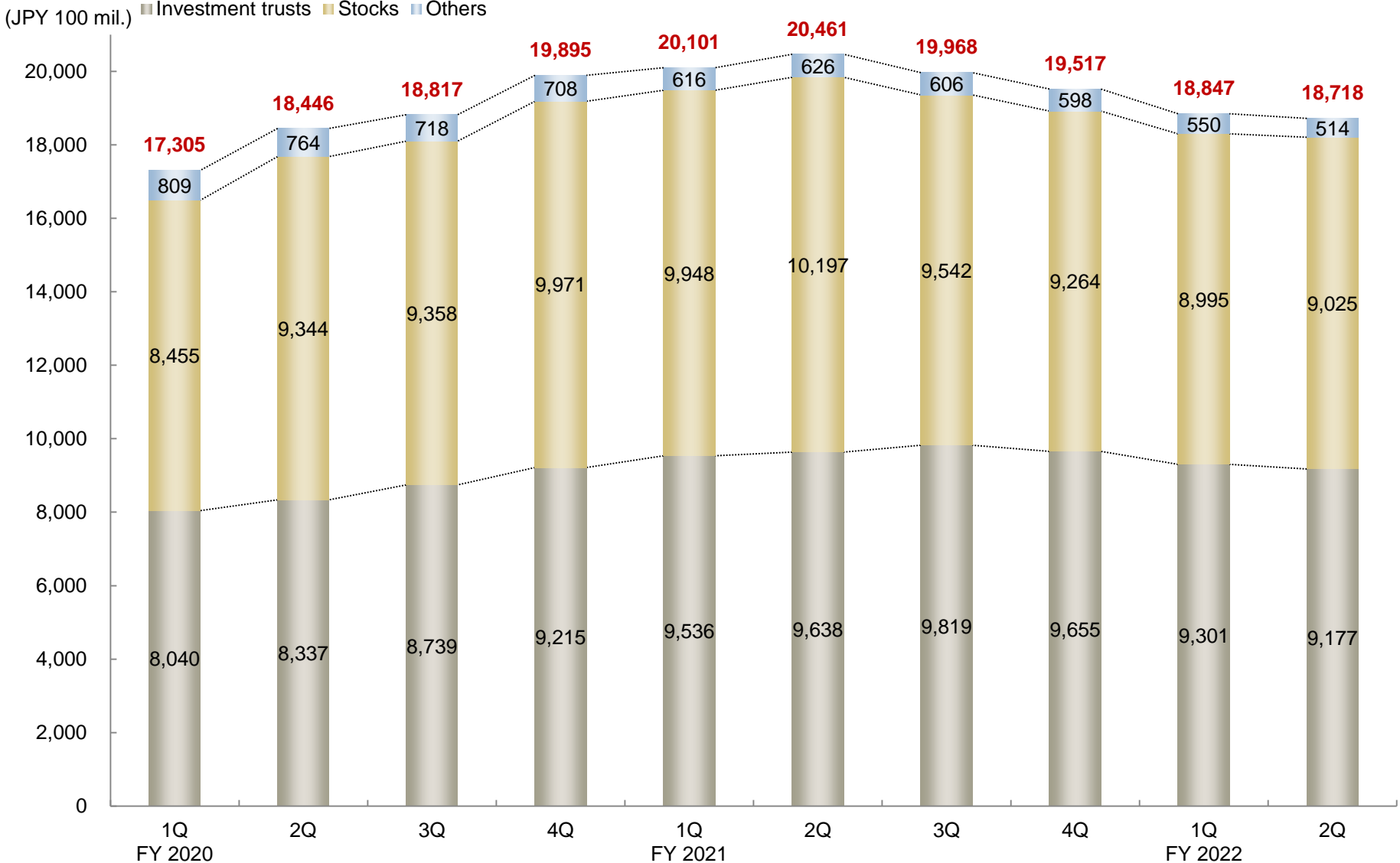
(JPY mil.)



2. Customer Assets in Custody



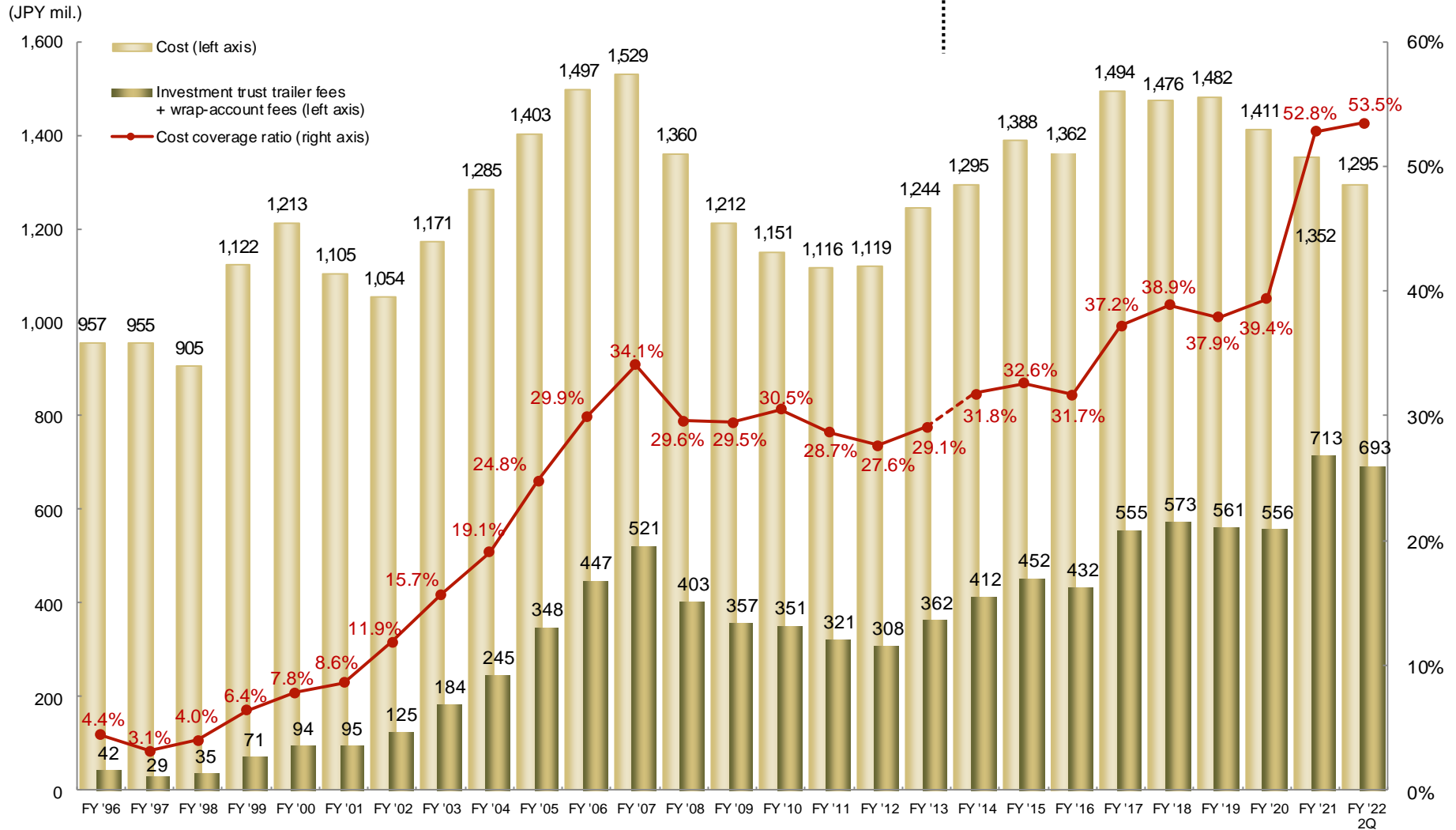
3. Quarterly Customer Assets in Custody



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

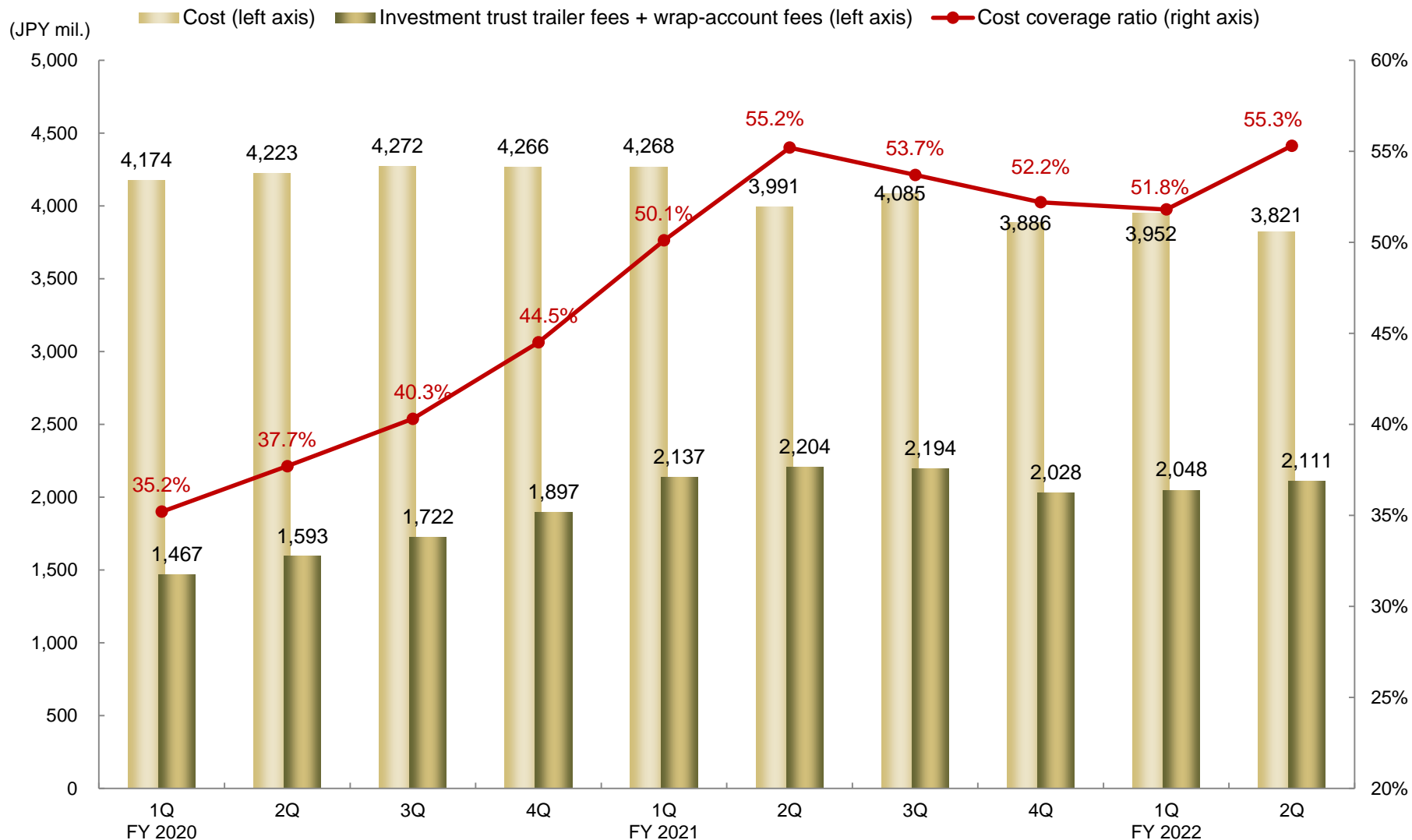
Note: Cost coverage ratio = $\frac{\text{Investment trust trailer fees} + \text{wrap-account fees}}{\text{Cost (operating cost \& expenses)}} \times 100 (\%)$

Parent company basis ← Consolidated basis



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

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

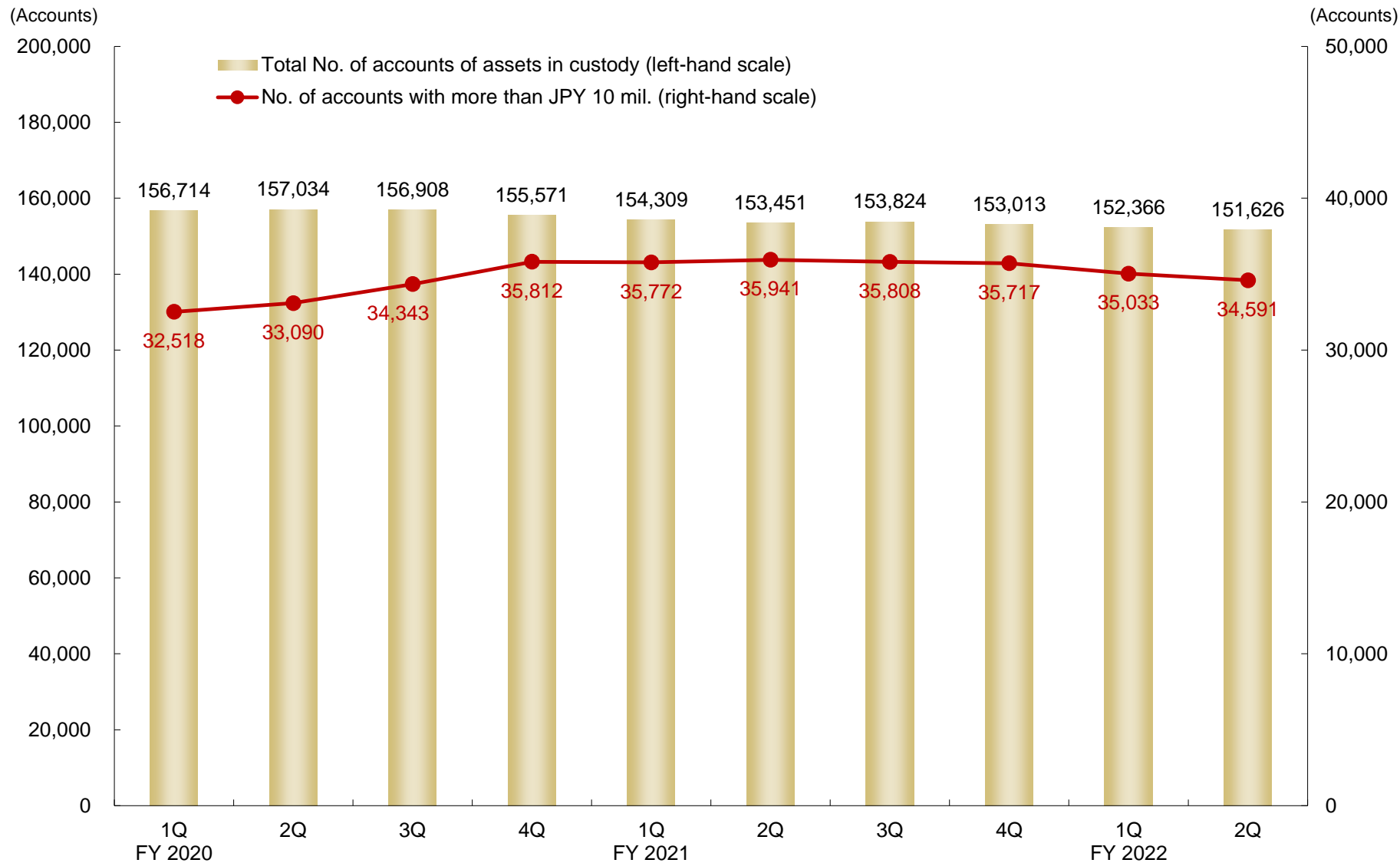


6. Top 5 Best Selling Investment Trust Funds (Total Amounts of 3 Months)

(JPY 100 mil.)

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

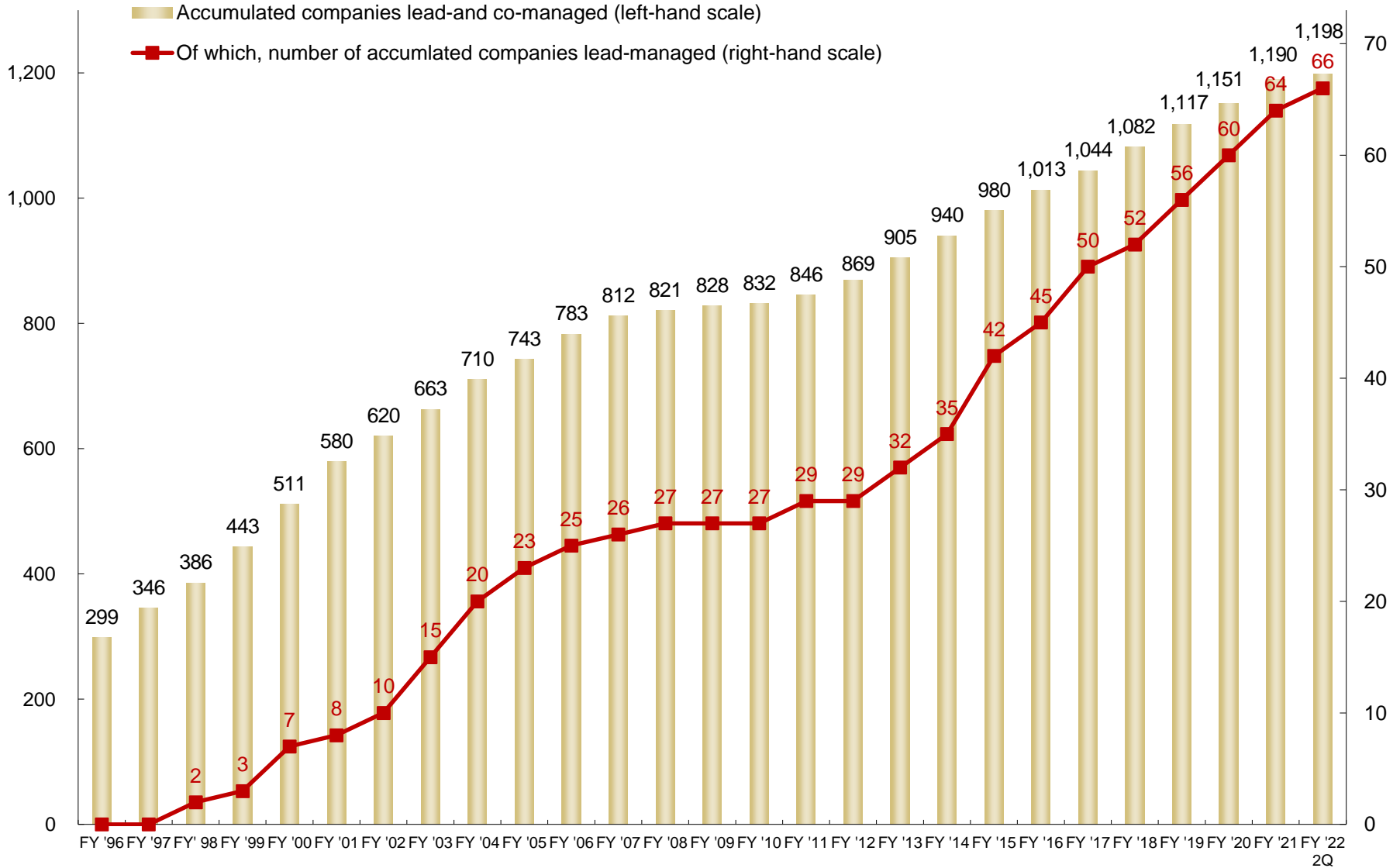


※Each number of accounts in the table above is revised from the one previously reported as the method of account compilation is changed.

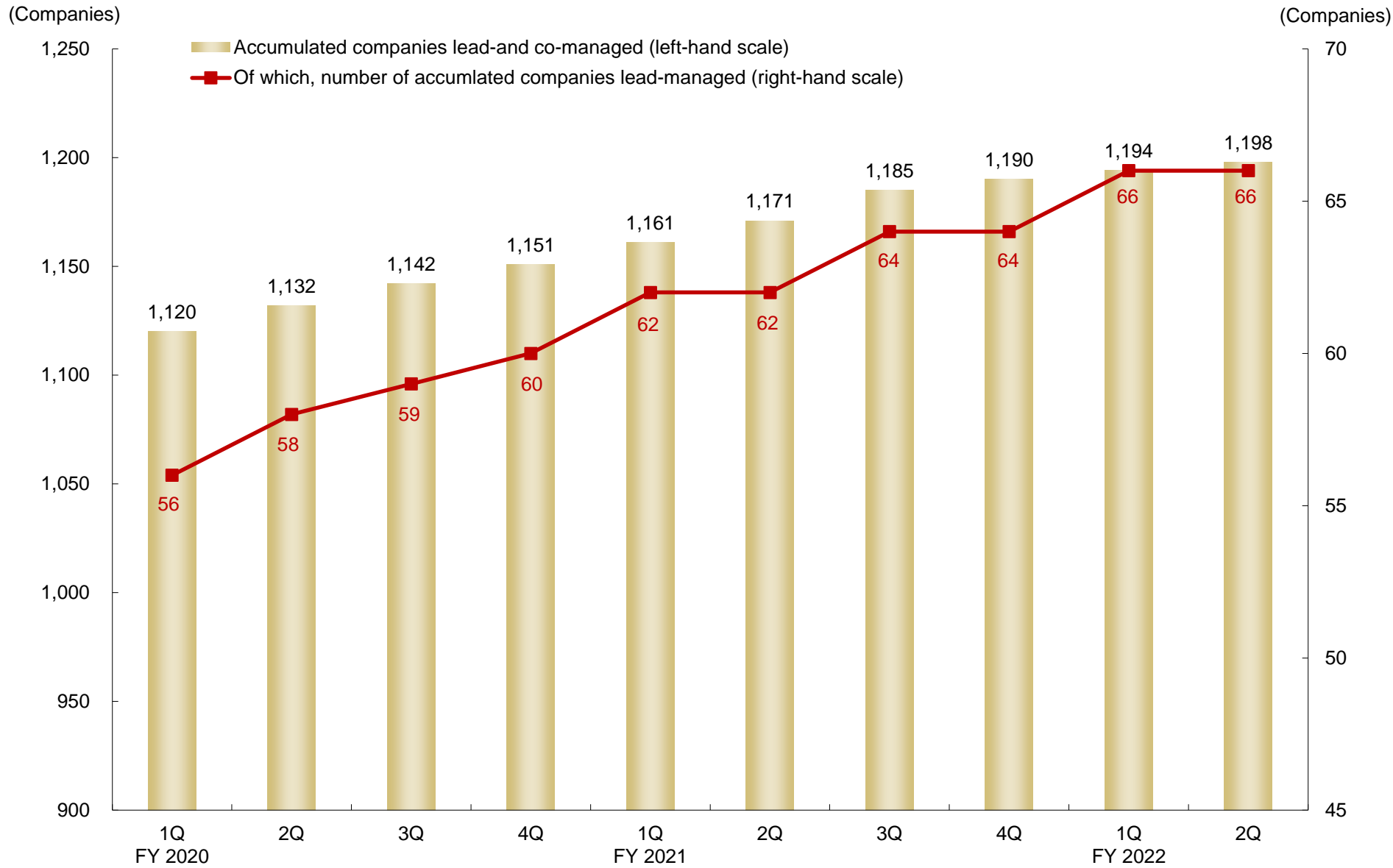
8. Accumulated Companies Lead- and Co-managed

(Companies)

(Companies)



9. Quarterly Accumulated Companies Lead- and Co-managed



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