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(English translation for reference purposes only)

EARNINGS REPORT FOR FIRST TWO QUARTERS OF FISCAL 2023

(April 1 to September 30, 2023)

(Consolidated under Japanese GAAP)

Name of Company: **Ichiyoshi Securities Co., Ltd.**

Listed on: Tokyo Stock Exchange (Prime Section) (Stock code: 8624)

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

Inquiry to: Mr. Shoichi Yamazaki, Senior Managing Executive Officer & Chief Supervisor for
Finance and Management Tel: (03) 4346-4512 (URL <http://www.ichiyoshi.co.jp>)

Payment of semiannual dividends starts: on November 27, 2023 (scheduled)

Date of filing First Two Quarters Report: November 10, 2023 (scheduled)

Supplementary documents for quarterly earnings: Provided.

Quarterly earnings-reporting meeting: Planned for institutional investors and analysts.

(Figures less than one million yen are discarded)

1. Outline of Consolidated Business Result for First Two Quarters of Fiscal 2023 (from April 1 to September 30, 2023)

(1) Highlights of consolidated business result (in millions of yen except for per-share figures) (% indicates year-on-year change)

	Operating revenue (%)	Net operating revenue (%)	Operating profit (%)	Ordinary profit (%)
First two quarters of fiscal year ended September 30, 2023	9,168 (+7.5)	9,147 (+7.5)	1,224 (+66.1)	1,234 (+61.7)
First two quarters of fiscal year ended September 30, 2022	8,529 (-15.7)	8,510 (-15.7)	737 (-59.8)	763 (-60.3)

	Profit attributable to owners of parent (%)	Earnings per share	Diluted earnings per share
First two quarters of fiscal year ended September 30, 2023	854 (+70.8)	25.31 yen	25.26 yen
First two quarters of fiscal year ended September 30, 2022	500 (-66.7)	14.34 yen	14.30 yen

Note: Comprehensive income: For the first two quarters of fiscal 2023: 882 million yen (+82.9%)
For the first two quarters of fiscal 2022: 482 million yen (-66.6%)

(2) Consolidated financial condition (in millions of yen)

	Total assets	Net assets	Equity ratio	Net assets per share
As of September 30, 2023	48,044	28,153	58.6 %	832.55 yen
As of March 31, 2023	42,670	27,826	65.2 %	823.78 yen

Note: Shareholders' equity: As of September 30, 2023: 28,139million yen
As of March 31, 2023: 27,813 million yen

2. Dividends

	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended March 31, 2023	--	17.00 yen	--	17.00 yen	34.00 yen
Fiscal year ended March 31, 2024	--	17.00 yen	--	**** yen	**** yen

- Notes:
- (i) Ichiyoshi Securities Co., Ltd. (the “**Company**”) declares dividends payable to shareholders of record as of September 30 (semiannual dividends) and March 31 (final dividends) of each fiscal year, but not to shareholders as of June 30 and December 31 of each fiscal year.
 - (ii) It is not the Company’s practice to give an earnings or dividend forecast. Hence, ****.

3. Outlook for Business Result for Fiscal 2023 (from April 1, 2023 to March 31, 2024)

Since the forecast of earnings in 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 each quarter. Instead, the Company intends to release preliminary earnings figures after the end of each quarter as and when such figures become available.

Points to note:

- (1) Changes in material subsidiaries (including changes in special subsidiaries resulting from change in scope of consolidation): None.
- (2) Application of accounting methods specific to preparation of quarterly financial statements: None.
- (3) Changes in accounting policies and estimates and restatement of financial statement:
 - (i) Changes in accounting policies occasioned by revisions to accounting standards: None.
 - (ii) Changes in accounting policies other than those in (i): None.
 - (iii) Changes in accounting estimates: None.
 - (iv) Restatement of financial statement: None.
- (4) Number of shares issued (common stock):
 - (i) Number of shares issued as of September 30, 2023: 37,931,386 shares
(including treasury shares)
Number of shares issued as of March 31, 2023: 40,431,386 shares
(including treasury shares)
 - (ii) Number of treasury shares as of September 30, 2023: 4,131,769 shares
Number of treasury shares as of March 31, 2023: 6,668,047 shares
 - (iii) Average number of shares outstanding during the first two quarters of fiscal 2023: 33,769,049 shares
Average number of shares outstanding during the first two quarters of fiscal 2022: 34,891,850 shares

Additional points to note:

- 1. The financial figures contained herein are released without being reviewed by certified public accountants or an auditing firm.
- 2. Explanation for proper use of earnings forecast and other special points to note:
For the same reason that the Company does not provide an earnings forecast prior to the end of each quarterly and annual business term as stated in **3. Outlook for Business Result for Fiscal 2023 (from April 1, 2023 to March 31, 2024)** on page 2, the Company

does not provide a dividend forecast.

3. The Company plans to hold a quarterly earnings-reporting meeting for institutional investors and analysts on December 5, 2023, Tuesday, (at 3:30 pm). Supplementary documents for quarterly earnings to be distributed at the meeting will be forthwith disclosed and posted on the Company's website.

I. Outline of Business Result, Etc.

(1) Outline of Business Result for First Two Quarters of Fiscal 2023

During the first two quarters of fiscal 2023, the Japanese economy was on a mild recovery trend. While prices continued to rise, personal expenditures revived amid improvements on employment and income conditions. Business corporations pushed forward with DX (digital transformation) investments. In the meantime, the global economy maintained its underlying strength with a slight weakness seen in limited areas affected by the financial tightening.

The Japanese stock market maintained its underlying upward momentum till mid-June as the consensus rose that the Japanese economy was moving toward a favorable condition accompanied by price rises and also as foreign investors' stock buying continued in expectation for corporate governance reform by Japanese companies. Under those circumstances, the Nikkei Stock Average on the Tokyo Stock Exchange (the "TSE") recorded 33,753yen on July 3, the highest in about 33 years since March 1990 and after the busting of the bubble economy. Thereafter, however, the Nikkei Stock Average underwent a seesaw period as there arose an expectation for the soft-landing of the US economy while there arose a view of prolonged financial tightening (namely, as a result of a tug-of-war between such expectation and such view). Under the pressure of the rising US interest rates, the Nikkei Stock Average recorded 31,450yen on August 18, the lowest in 2 months and half since June 1. Bottoming out from there, the Nikkei Stock Average, at one point on September 15, drew very near to the highest level since the busting of the bubble economy. Thereafter, the Nikkei Stock Average trended weakly due to the upwardly-moving long-term interest rates amid the persistent speculation for the Bank of Japan's adjustment of monetary easing and the rising oil prices, and ended the period at 31,857yen.

In the foreign currency market, yen-selling and dollar-buying progressed further in the light of a difference in interest rates between Japan and the US as there arose a strong view of protracted financial tightening to control a high inflationary pressure in the US. The yen recorded the lower part of the 130 yen per 1 US dollar level at the start of the year and ended the period at the middle of the 149yen per 1 US dollar level.

In the Japanese emerging stock market, the TSE Mothers Index shot up in June and recorded 864 on June 21, the highest in nearly 1 year and 5 months since January 2022. Thereafter, the Index weakened, ending the period at 729.

In the Growth Section of the TSE, the TSE Growth Section Index rose to 1,092 on June 21, the highest since April 2022 when the index started. Thereafter, however, the index turned down, ending the period at 938.

In the Prime Section of the TSE, the daily average turnover was 3,921.5 billion yen. In the Standard Section of the TSE, the daily average turnover was 130.3 billion yen. In the Growth Section of the TSE, the daily average turnover was 168.6 billion yen.

Under these circumstances, the Company has been aiming to build "Stock-Type Business Model" and exerting its efforts to double core-stock assets in fund-wrap accounts and investment trust funds in order to expand its customers' assets in custody to 3 trillion yen as a numerical target under the Medium-Term Management Plan "3 · D."

With respect to activities on stocks, the Company has proposed to customers asset-backed stocks with stress on stability and stable dividends under low-interest rate and inflationary circumstances. In addition, the Company has recommended to customers investment in small- and medium-cap growth stocks selected based on the Company's strength in research. The Company has thus made various proposals and recommendations to promote stocks as means of medium-to long-term asset-formation.

With regard to "Dream Collection," a fund wrap account vehicle, its outstanding balance as of

September 30, 2023, amounted to 228.0 billion yen, up 17.6%, as customers' needs for conservative assets for medium-to long-term investments continued to grow.

With respect to investment funds (other than Dream Collection), the Company has recommended stock funds matching customers' needs, such as "Ichiyoshi Global Equity Fund," "BlackRock World High Dividend Equity Open" and "Ichiyoshi Japan Select Dividend Equity & J-REIT Fund." The outstanding balances of these funds as of September 30, 2023 amounted to 733.1 billion yen, up 1.2% from the end of the year-earlier quarters.

With respect to Ichiyoshi Asset Management Co., Ltd. the amount of assets under its management continued to increase and recorded 468.1 billion yen as of September 30, 2023, up 10.1%.

As a result of these activities, net operating revenue for the first two quarters of fiscal 2023 amounted to 9,147 million yen, up 7.5% from the first two quarters of fiscal 2022. Selling, general and administrative expenses amounted to 7,922 million yen, up 1.9%. Hence, operating profit registered 1,224 million yen, up 66.1%.

Customers' assets in custody as of September 30, 2023, amounted to 2,045.9 billion yen, up 7.2%.

The Company regards the cost coverage ratio as an important management index which indicates the degree of the Company's transformation and advance towards "Stock Type Business Model" (asset-accumulation type business model), which the Company aims to build. The cost coverage ratio for the first two quarters of fiscal 2023 was 57.9%, up from 53.5% in the year-earlier period.

(The cost coverage ratio is the ratio at which the sum of fund management fees, trailer fees and wrap-account fees cover selling, general and administrative expenses.)

Set forth below are revenue sources, cost and expenses and financial condition.

i. Commission received

Total commission received for the first two quarters of fiscal 2023 amounted to 8,926 million yen, up 7.3 % from the previous fiscal year.

(a) Brokerage commission

Total brokerage commissions on stocks rose 20.1% to 2,631 million yen. Brokerage commissions on small- and medium-sized stocks (stocks listed on Standard Section and Growth Section of the TSE, Main Section and Next Section of Nagoya Stock Exchange) registered 351 million yen, up 8.0%, and accounted for 13.9% of total brokerage commissions on stocks.

(b) Fees for offering, secondary distribution and solicitation for selling and others for professional investors

As commissions on beneficiary certificates recorded 1,372 million yen, down 5.6% from the previous fiscal year, total fees for offering, secondary distribution and solicitation for selling and others for professional investors registered 1,386 million yen, down 5.8%.

(c) Other commission received

Trailer fees relating to balances of funds registered 2,091 million yen, up 2.6% from the previous fiscal year. Fund management fees at Ichiyoshi Asset Management Co., Ltd. recorded 1,054 million yen, up 8.3%. With the addition of fees from wrap-accounts of 1,440 million yen, up 25.4%, total other commission received amounted to 4,868 million yen, up

9.7%.

ii. Net trading income

Net trading income from stocks, etc. recorded net gains of 44 million yen, up 194.4%. Net trading income from bonds and foreign exchange, etc. recorded net gains of 9 million yen, down 34.8%. As a result, total net trading income recorded net gains of 53 million yen, up 81.7%.

iii. Net financial revenue

Financial revenue increased 2.4% to 84 million yen. Financial expenses rose 9.6% to 20 million yen. As a result, net financial revenue registered 64 million yen, up 0.3%.

Resultantly, net operating revenue for the first two quarters of fiscal 2023 amounted to 9,147 million yen, up 7.5%.

iv. Selling, general and administrative expenses

Selling, general and administrative expenses recorded 7,922 million yen, up 1.9%, as personnel expenses rose.

v. Non-operating income and expenses

The Company recorded non-operating income of 21 million yen, mainly consisting of 11 million yen of dividends from investment securities, and non-operating expenses of 11 million yen, mainly consisting of 11 million yen of loss on investments in investment partnerships. As a result, net non-operating income amounted to 10 million yen, down 61.2%.

Resultantly, ordinary profit for the first two quarters of fiscal 2023 amounted to 1,234 million yen, up 61.7%.

vi. Extraordinary income and losses

Extraordinary income registered 48 million yen mainly in the form of gain on sale of investment securities, and extraordinary losses amounted to 1 million yen mainly in the form of loss on retirement of non-current assets. As a result, net extraordinary income recorded 47 million yen, an increase of 45 million yen from the year-earlier period.

Resultantly, profit before income taxes for the first two quarters of fiscal 2023 amounted to 1,282 million yen, up 67.5%. Profit attributable to owners of parent (after deduction of income taxes - current in the amount of 494 million yen, and addition of income taxes - deferred in the amount of 67 million yen) amounted to 854 million yen, up 70.8%.

(2) Information on Financial Condition

(a) Assets

Assets amounted to 48,044 million yen as of September 30, 2023, a rise of 5,373 million yen (up 12.6%) from March 31, 2023, mainly as cash and deposits increased by 4,953 million yen.

(b) Liabilities

Liabilities amounted to 19,890 million yen as of September 30, 2023, a rise of 5,046 million yen (up 34.0%) from March 31, 2023, mainly as deposits received increased by 6,354 million yen.

(c) Net assets

Net assets amounted to 28,153 million yen as of September 30, 2023, a rise of 327 million yen (up 1.2%) from March 31, 2023. The increase resulted mainly as the Company recorded 854 million yen as profit attributable to owners of parent while the Company paid dividends of 573 million yen.

As a result, equity ratio amounted to 58.6%, down from 65.2% in the previous fiscal year. Capital adequacy ratio amounted to 527.2%, up from 505.8% in the previous fiscal year.

II. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2023	As of September 30 2023
Assets		
Current assets		
Cash and deposits	15,173	20,127
Segregated deposits	6,450	7,230
Trading products	13	0
Trading securities and other	13	0
Trade date accrual	0	-
Margin transaction assets	10,119	9,110
Margin loans	9,539	8,784
Cash collateral provided for securities borrowed in margin transactions	579	325
Loans secured by securities	20	-
Cash collateral provided for securities borrowed	20	-
Advances paid	106	22
Deposits paid for underwritten offering, etc.	2,062	3,667
Short-term loans receivable	0	20
Securities	1,000	-
Accrued revenue	1,720	2,038
Other current assets	439	183
Allowance for doubtful accounts	△2	△2
Total current assets	37,105	42,398
Non-current assets		
Property, plant and equipment	3,048	3,132
Buildings, net	1,079	1,149
Equipment	600	630
Land	1,344	1,325
Leased assets, net	24	26
Intangible assets	448	418
Software	434	399
Other	14	18
Investments and other assets	2,067	2,094
Investment securities	876	765
Long-term loans receivable	24	21
Long-term guarantee deposits	926	993
Retirement benefit asset	124	142
Deferred tax assets	118	175
Other	76	76
Allowance for doubtful accounts	△79	△79
Total non-current assets	5,564	5,645
Total assets	42,670	48,044
Liabilities		
Current liabilities		
Trading products	0	0
Derivatives	0	0
Trade date accrual	-	0
Margin transaction liabilities	3,982	2,270
Margin borrowings	3,170	1,712
Cash received for securities sold in margin transactions	812	558
Borrowings secured by securities	268	124
Cash collateral received for securities lent	268	124
Deposits received	7,415	13,770
Guarantee deposits received	1,270	1,158
Payables for securities to receive over due for delivery	-	1
Short-term borrowings	230	230
Lease liabilities	6	7
Income taxes payable	209	477
Provision for bonuses	333	478
Other current liabilities	785	1,039
Total current liabilities	14,501	19,557
Non-current liabilities		
Long-term borrowings	106	96
Lease liabilities	18	19
Deferred tax liabilities for land revaluation	7	7
Other noncurrent liabilities	38	41
Total non-current liabilities	172	166
Reserves under special laws		
Reserve for financial instruments transaction liabilities	170	166
Total reserves under special laws	170	166
Total liabilities	14,844	19,890
Net assets		
Shareholders' equity		
Share capital	14,577	14,577
Capital surplus	5,562	3,947
Retained earnings	13,160	13,440
Treasury shares	△4,293	△2,660
Total shareholders' equity	29,006	29,305
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	45	58
Revaluation reserve for land	△1,125	△1,125
Remeasurements of defined benefit plans	△113	△98
Total accumulated other comprehensive income	△1,193	△1,165
Share acquisition rights	12	13
Total net assets	27,826	28,153
Total liabilities and net assets	42,670	48,044

(2) Quarterly Consolidated Income Statements and Quarterly Comprehensive Income Statements
 Quarterly Consolidated Income Statements

(in millions of yen)

	Fiscal year ended September 30,2022	Fiscal year ended September 30,2023
Operating revenue		
Commission received	8,318	8,926
Net trading income	29	53
Financial revenue	82	84
Other operating revenue	98	102
Total operating revenue	8,529	9,168
Financial expenses	18	20
Net operating revenue	8,510	9,147
Selling, general and administrative expenses		
Trading related expenses	697	646
Personnel expenses	4,132	4,235
Real estate expenses	1,161	1,217
Office expenses	1,053	1,055
Depreciation	239	253
Taxes and dues	131	146
Other	358	368
Total selling, general and administrative expenses	7,773	7,922
Operating profit	737	1,224
Non-operating income		
Dividends from investment securities	11	11
Gain on investments in investment partnerships	9	-
Royalty income	5	5
Other	7	4
Total non-operating income	33	21
Non-operating expenses		
Loss on investments in investment partnerships	7	11
Other	0	0
Total non-operating expenses	7	11
Ordinary profit	763	1,234
Extraordinary income		
Gain on sale of investment securities	2	23
Gain on sale of non-current assets	-	18
Gain on reversal of share acquisition rights	0	3
Reversal of reserve for financial instruments transaction liabilities	-	3
Total extraordinary income	2	48
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Settlement payments	0	0
Total extraordinary losses	0	1
Profit before income taxes	765	1,282
Income taxes - current	226	494
Income taxes - deferred	38	△67
Total income taxes	265	427
Profit	500	854
Profit attributable to owners of parent	500	854

Quarterly Comprehensive Income Statements

(in millions of yen)

	Fiscal year ended September 30,2022	Fiscal year ended September 30,2023
Profit	500	854
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ3	12
Remeasurements of defined benefit plans, net of tax	Δ14	14
Total other comprehensive income	Δ17	27
Comprehensive income	482	882
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	482	882

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

None.

(Notes if there are significant changes in the amount of shareholders' equity)

None.

(Application of accounting methods specific to preparation of quarterly financial statements)

None.

(Changes in accounting policies and accounting estimates and restatement of financial statement)

None.

III. Supplementary Information for First Two Quarters of Fiscal 2023

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

1. Commission received

(1) Commissions by sources

	First two quarters of fiscal year ended		year-on-year change	Fiscal year ended March 31, 2023
	September 30, 2022	September 30, 2023		
Brokerage commission	2,277	2,671	17.3 %	4,615
(Stocks)	(2,190)	(2,631)	(20.1)	(4,468)
(Beneficiary certificates)	(87)	(39)	(Δ54.2)	(147)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	129	0	Δ99.9	131
(Stocks)	(129)	(0)	(Δ99.9)	(131)
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,472	1,386	Δ5.8	2,680
(Beneficiary certificates)	(1,453)	(1,372)	(Δ5.6)	(2,642)
Other commission received	4,439	4,868	9.7	8,791
(Beneficiary certificates*)	(4,160)	(4,586)	(10.2)	(8,275)
Total	8,318	8,926	7.3	16,219

*Breakdown of Beneficiary certificates

	First two quarters of fiscal year ended		year-on-year change	Fiscal year ended March 31, 2023
	September 30, 2022	September 30, 2023		
Trailer fees relating to balances of funds	2,037	2,091	2.6 %	3,972
Fund management fees	974	1,054	8.3	1,968
Fees from wrap-accounts	1,148	1,440	25.4	2,334
Total	4,160	4,586	10.2	8,275

(2) Commissions by products

	First two quarters of fiscal year ended		year-on-year change	Fiscal year ended March 31, 2023
	September 30, 2022	September 30, 2023		
Stocks	2,332	2,644	13.4 %	4,624
Bonds	18	14	Δ24.3	37
Beneficiary certificates	5,700	5,998	5.2	11,066
Others	266	269	1.3	490
Total	8,318	8,926	7.3	16,219

2. Net trading income

	First two quarters of fiscal year ended		year-on-year change	Fiscal year ended March 31, 2023
	September 30, 2022	September 30, 2023		
Stocks, etc.	15	44	194.4 %	52
Bonds, foreign exchange, etc.	14	9	Δ34.8	19
(Bonds, etc.)	(3)	(0)	(Δ73.9)	(5)
(Foreign exchange, etc.)	(11)	(8)	(Δ22.6)	(13)
Total	29	53	81.7	71

3. Quarterly Consolidated Income Statements for Recent Six Quarters

(in millions of yen)

	1st Q (4-6/'22)	2nd Q (7-9/'22)	3rd Q (10-12/'22)	4th Q (1-3/'23)	1st Q (4-6/'23)	2nd Q (7-9/'23)
Operating revenue	4,344	4,184	4,102	4,034	4,580	4,587
Commission received	4,243	4,074	3,989	3,911	4,471	4,455
Net trading income	7	22	18	22	20	33
Financial revenue	44	38	41	44	44	40
Other operating revenue	49	49	52	56	44	58
Financial expenses	9	9	6	16	11	8
Net operating revenue	4,335	4,175	4,096	4,018	4,569	4,578
Selling, general and administrative expenses	3,952	3,821	3,838	3,847	3,946	3,976
Trading related expenses	381	316	368	327	317	328
Personnel expenses	2,102	2,029	2,016	2,032	2,139	2,096
Real estate expenses	564	596	569	585	574	642
Office expenses	537	516	520	526	531	523
Depreciation	119	119	118	122	125	128
Taxes and dues	61	69	62	66	74	71
Provision of allowance for doubtful accounts	0	0	0	△0	0	0
Other	185	173	181	187	183	185
Operating profit	383	354	257	170	622	601
Non-operating income	16	17	28	4	19	2
Non-operating expenses	0	7	1	7	0	11
Ordinary profit	399	363	284	167	642	592
Extraordinary income	0	2	0	0	47	1
Extraordinary losses	0	0	2	0	0	0
Profit before income taxes	399	366	282	167	689	593
Income taxes - current	45	181	24	143	190	304
Income taxes - deferred	91	△53	86	△61	20	△87
Profit	262	237	172	85	478	376
Profit attributable to owners of parent	262	237	172	85	478	376

(END)