

(Press release on January 18, 2024)

(English translation for reference purposes only)

ICHIYOSHI SECURITIES CO., LTD.

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

President & Representative Executive Officer: Mr. Hirofumi Tamada

Enquiry to: Mr. Takatoshi Kawai, Manager of Public Relations

Tel: 03-4346-4512

Action to Implement Management that is Conscious of Cost of Capital and Stock Price

Ichiyoshi Securities Co., Ltd. announced its Action to Implement Management that is Conscious of Cost of Capital and Stock Price

In order to meet expectations of all stakeholders, including shareholders, of Ichiyoshi Securities Co., Ltd. (the “Company”), the Company has worked on business management by maintaining a full awareness not only of the level of revenue and profit on the profit & loss statement but also of the cost of capital and return on capital on the balance sheet so that it will lead to an increase in corporate value on a medium- to long-term basis and realize a sustainable growth.

PBR (price book-value ratio) is one of corporate-value barometers based on the balance sheet and a product of ROE (return on equity) and PER (price earnings ratio), and the Company regards the raising of ROE, or rather the raising of return on capital by maintaining the high level of equity ratio, as the most important for the improvement of PBR.

Specifically, the Company will aim to complete its management target of customer-focused “Stock-Type Business Model,” and make efforts to expand customers’ assets in custody chiefly based on investment trust funds and wrap-account assets, both the sources of stable revenue, so that it will achieve return on capital surpassing the cost of capital and sustainable growth.

Since an increase in customers’ assets in custody and a rise in revenue are proved to have a correlation with each other, the Company believes that the increase in customers’ assets in custody itself will lead to the growth of revenue and further that the accompanying increase in stable income, such as trailer fees, fund management fees and wrap-account fees, will result in a rise in the interest coverage ratio (the ratio at which the stable income covers selling, general and administrative expenses), resulting in the raising of PBR.

Therefore, the Company regards the cost coverage ratio (the ratio at which the sum of trailer fees, fund management fees and wrap-account fees covers the selling, general and administrative expenses) as an index to measure the progress in “Customers’ Assets in Custody” and the completion of “Stock-Type Business Model,” and has adopted “the cost coverage ratio” as the most important management target. The cost coverage ratio is also included in the current Medium-Term Management Plan “3-D” together with “Customers’ Assets in Custody” and “ROE” as targets.

The Medium-Term Management Plan “3-D” targets “Customers’ Assets in Custody of 3 trillion yen,” “Cost Coverage Ratio of approximately 70%” and “ROE of 10%” and foresees PBR of approximately 1.2 times at the end of the Plan (as compared to 0.7times as of March 31, 2023).

< Numerical targets contained in “3-D” >

Items	Targeted figures(as at March 31, 2026)
Customers’ assets in custody	3 trillion yen
Cost coverage ratio*	70%
ROE (return on equity)	10%

*Cost coverage ratio is the ratio at which the sum of trailer fees, fund management fees and wrap-account fees covers the selling, general and administrative expenses.

(For further information, please log on to the Company’s website :

<https://www.ichiyoshi.co.jp/about/plan>)

(For English publication: <https://www.ichiyoshi.co.jp/english/plan>)

(End)