

EARNINGS REPORT FOR FIRST THREE QUARTERS OF FISCAL

2008 (April 1 to December 31, 2008)

(consolidated basis)

Released on January 30, 2009

Name of Company: Ichiyoshi Securities Co., Ltd. (Stock code: 8624)

Listed on: Tokyo Stock Exchange (1st Section) & Osaka Securities Exchange (1st Section)

Corporate representative: Masashi Takehi, President & Chief Executive Officer

Inquiry to: Mr. Toshihiko Takaishi, Managing Executive Officer in charge of

Management Planning

Tel: (03) 3555-6343 (URL <http://www.ichiyoshi.co.jp/>)

Date of filing First Three quarters Report: February 12, 2009 (scheduled)

1. Outline of Consolidated Business Result for First Three Quarters of Fiscal 2008 (from April 1 to December 31, 2008)

(1) Highlights of consolidated business result (in millions of yen with fractions less than a million yen discarded, except for per-share figures)

--- Nine months ended ---

| | Dec. 31, 2008 | Dec. 31, 2007 |
|--|-------------------------------------|-----------------|
| ----- | | |
| | (% year-to-year change in brackets) | |
| Operating revenue | 11,490 (--) | 17,307 (- 5.5) |
| Net operating revenue | 11,412 (--) | 17,183 (- 5.4) |
| Operating income | - 1,886 (--) | 2,382 (- 42.9) |
| Current income | - 1,842 (--) | 2,467 (- 42.6) |
| Net income | - 3,238 (--) | 1,319 (- 50.0) |
| Earnings per share | - 70.72 yen | 27.77 yen |
| Diluted earnings per share (adjusted for shares potentially issuable) | -- | 27.75 yen |
| ----- | | |

(2) Consolidated financial condition

| | As of Dec. 31 2008 | As of March 31 2008 |
|-----------------------------------|-----------------------|------------------------|
| ----- | | |
| Total assets (in millions of yen) | 39,398 | 50,078 |
| Net worth (in millions of yen) | 29,715 | 35,570 |
| Equity ratio | 75.2% | 70.9% |
| Net worth per share | 676.10 yen | 775.38 yen |
| ----- | | |

Note: Shareholders' equity as of December 31, 2008: 29,647 million yen.

Shareholders' equity as March 31, 2008: 35,521 million yen.

2. Dividend

| | --- Fiscal year ended --- | |
|---------------------------------------|---------------------------|----------------|
| | March 31, 2009 | March 31, 2008 |
| ----- | | |
| Per-share dividend: (See notes below) | | |
| 1 st quarter | --- | --- |
| 2 nd quarter | 16.00 yen | 16.00 yen |
| 3 rd quarter | --- | --- |
| Final | --- | 16.00 yen |
| Annual total | --- | 32.00 yen |
| ----- | | |

Notes: (i) Ichiyoshi 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 Ichiyoshi's practice to give an earnings (and dividend) forecast.

3. Outlook for Consolidated Business Result for Fiscal 2008 (from April 1, 2008 to March 31, 2009)

Since the forecast of earnings in financial-instruments trading, the main-line business of Ichiyoshi and its group companies, is hard to make due to changeable factors in the market, we do not provide such forecast prior to the end of each business quarter. Instead, we intend to release preliminary earnings figures after the end of each business quarter as and when such figures become available.

4. Other Matters

- (1) Changes in material subsidiaries (including a change in scope of consolidation): None.
- (2) Application of a simplified form of accounting treatment or an accounting treatment unique to the preparation of quarterly financial statements: Yes.
(Please refer to "IV. Other Matters" in [Qualitative Information and Financial Statements] hereinbelow.)
- (3) Material changes in accounting treatment principles and procedures and presentation methods relating to the preparation of quarterly financial statements:
 - (i) Changes resulting from revisions to accounting standards: Yes.
 - (ii) Changes other than those in (i): None.(Please refer to "IV. Other Matters" in [Qualitative Information and Financial Statements] hereinbelow.)
- (4) Number of shares issued (common stock):
 - (i) Number of shares issued as of December 31, 2008: 46,388,886 shares (including treasury shares)
Number of shares issued as of March 31, 2008: 46,388,886 shares (including treasury shares)

(ii) Number of treasury shares as of December 31, 2008: 2,538,051 shares.

Number of treasury shares as of March 31, 2008: 577,351 shares.

(iii) Average number of shares issued during the first three quarters of fiscal 2008:
45,788,988 shares.

Average number of shares issued during the first three quarters of fiscal 2007:
47,510,058 shares.

Points to be noted:

- (1) Effective from this fiscal year (which started April 1, 2008, and ends March 31, 2009), “Accounting Standards Relating to Quarterly Financial Statements” (Corporate Accounting Standards No 12) and “Application Guidelines for Accounting Standards Relating to Quarterly Financial Statements” (Corporate Accounting Standards Application Guidelines No. 14) are applied. Quarterly financial statements are also prepared in accordance with “Rules Concerning Quarterly Financial Statements.”
- (2) It is not Ichiyoshi’s practice to provide a dividend forecast for a similar reason why it does not provide an earnings forecast. See the aforementioned item “**3. Outlook for Consolidated Business Result for Fiscal 2008** (from April 1, 2008 to March 31, 2009).”

[Qualitative Information and Financial Statements for First Three quarters of Fiscal 2008]

I. Qualitative Information on Consolidated Business Result

In the first three quarters of fiscal 2008 (from April 1 to December 31, 2008), the global financial and capital markets underwent a drastic change amid the U.S.-originated financial crisis and the simultaneous economic slowdown across the world. Since the demise of Lehman Brothers last September in particular, the condition turned into a cataclysmic stage which could be described as the worst in a century. Consequently, the Japanese stock market suffered a heavy blow both in terms of prices and turnover with the Nikkei 225 Stock Average on the Tokyo Stock Exchange (the "TSE") recording a post-bubble low of 7,162 yen in last October. The Japanese emerging stock markets, in which Ichiyoshi has strength, also experienced a further contraction in turnover and large corrections in prices.

The average daily turnover on the TSE for the first three quarters of fiscal 2008 was 2,215.6 billion yen, down 25.9% from the comparable period of fiscal 2007, and that on the JASDAQ Stock Market was 15.3 billion yen, down 59.0%.

Amid low turnovers in the JASDAQ and other emerging stock markets and other unfavorable conditions for our equity-related activities, we actively carried out our investment advisory and promotional activities, flexibly attuned to market environments. Among such flexible activities was our timely shift towards large-cap stock promotion. We also made our efforts on distribution of investment trust funds, such as "Global Sovereign Open Fund" and "Mellon World Emerging Sovereign Fund," and offering of variable-annuity individual insurance policies.

Resultantly, net operating revenue for the first three quarters of fiscal 2008 amounted to 11,412 million yen. Operating cost and expenses registered 13,299 million yen. Hence, current income recorded a deficit of 1,842 million yen.

Customers' assets in our custody as at December 31, 2008 stood at 1,233.8 billion yen, down 22.4% from March 31, 2008.

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

1. Commissions

Total commissions for the first three quarters of fiscal 2008 amounted to 10,106 million yen, down 34.7% from the year-earlier period.

(1) Brokerage commissions

Total brokerage commissions on stocks decreased 41.5% to 3,685 million yen. Brokerage commissions on small- and medium-sized stocks (stocks listed on Second Sections of Tokyo Stock Exchange and Osaka Securities Exchange, JASDAQ Stock Market, TSE Mothers and OSE Hercules) accounted for 11.5% of total brokerage commissions on stocks, down from 13.6% for the comparable period of fiscal 2007.

(2) Commissions from underwriting and solicitation to specified investors

In the primary market, we managed 8 initial public offerings (“IPO’s”), as compared to 25 IPO’s in the year-earlier period (one of which was lead-managed by Ichiyoshi). In the secondary market, we did not participate in any deal on a management or underwriting basis, as against 5 deals in the year-earlier period. As a result, commissions from underwriting of stocks and bonds and from solicitation to specified investors recorded 7 million yen, down 93.8%.

The cumulative number of companies whose offerings were lead- or co-managed by Ichiyoshi stood at 820 (of which 26 were lead-managed) as of December 31, 2008.

(3) Commissions from distribution and solicitation to specified investors

As commissions from distribution of investment trusts, mainly monthly-income distribution types, decreased 49.0% to 1,629 million yen, total commissions from distribution and from solicitation to specified investors slid 49.1% to 1,649 million yen.

(4) Commissions from other sources

As the outstanding balance of investment trust funds declined 35.8% to 612.1 billion yen as of December 31, 2008, Ichiyoshi’s trailer fees slid 19.6% to 3,839 million yen. Commissions from variable-annuity insurance policy sales, wrap-account management fees and investment banking fees (such as M&A advisory fees) also contributed to commissions from other sources. Thus, total commissions from other sources amounted to 4,732 million yen, down 18.5%.

2. Gains or loss on trading

Trading in stocks, etc. recorded net gains of 338 million yen, down 39.5% from the year-earlier period. Trading in bonds and foreign exchange, etc. registered net gains of 319 million yen, up 14.5%. As a result, total net gains on trading amounted to 657 million yen, down 21.5%.

3. Interest and dividend income

Interest and dividend income declined 49.5% to 276 million yen chiefly due to a decrease in advances for margin purchases. Interest expenses slid 36.9% to 77 million yen. As a result, net interest and dividend income recorded 198 million yen, down 53.2%.

4. Operating cost and expenses

As a result of review of the cost structure and reduction of variable cost items, such as personnel expenses, operating cost and expenses decreased 10.1% to 13,299 million yen.

As a result of these activities, current income for the first three quarters of fiscal 2008 recorded a deficit of 1,842 million yen.

5. Extraordinary income and loss

We recorded an extraordinary income of 333 million yen, including gains of 189 million yen on sales of investment securities, and an extraordinary loss of 1,083 million yen, including a valuation loss of 1,015 million yen on investment securities. As a result, net extraordinary loss amounted to 750 million yen.

After allowing for net extraordinary loss, income before taxes and tax adjustments for the first three quarters of fiscal 2008 registered a deficit of 2,593 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 37 million yen, and corporate tax adjustments of 605 million yen) recorded a deficit of 3,238 million yen.

II. Qualitative Information on Consolidated Financial Condition

1. Financial condition

As the outstanding balance of margin transactions decreased in parallel with a weakness in the stock market, total assets as of December 31, 2008, declined to 39,398 million yen, down 28.3% from December 31, 2007. Total liabilities as of December 31, 2008, decreased to 9,683 million yen, down 42.5%. Hence, net worth as of December 31, 2008, stood at 29,715 million yen, and equity ratio as of the same date was 75.2%. Capital adequacy ratio, as defined by the securities regulator, was 368.6% as of December 31, 2008.

2. Cash flow

Cash flow from operating activities recorded 7,418 million yen, an increase of 2,061 million yen from the comparable period of fiscal 2007. While income before taxes and tax adjustments posted a deficit, a decrease in advances for margin purchases and segregated cash in trust for customers contributed. Cash flow from investing activities registered a negative figure of 4,093 million yen, a decline of 2,689 million yen, mainly as a result of an increase in time deposits. Cash flow from financing activities registered a negative figure of 2,781 million yen, an increase of 379 million yen, mainly as a result of share buybacks and dividend payments.

After all these activities, the amount of cash and cash equivalents as of December 31, 2008, stood at 12,164 million yen, an increase of 529 million yen from the end of the previous fiscal year (March 31, 2008).

Points to be noted:

- (a) Effective from this fiscal year (which started April 1, 2008 and ends March 31, 2009), new accounting standards and guidelines relating to quarterly financial statements are applied. Therefore, financial figures contained hereinabove in **I. Qualitative Information on Consolidated Business Result** and **II. Qualitative Information on Consolidated Financial Condition** are not directly comparable to those in the corresponding period of fiscal 2007. Comparative figures are thus provided for simple reference.

(b) As “Law Amending Part of Financial Instruments and Securities Exchange Law” and the relevant government orders relating thereto took effect as of December 12, 2008, “Rules Concerning the Unification of Securities-related Accounting” (Self-regulating Rules of Japan Securities Dealers Association) was also partly amended. Resultantly, the previously-used title of “**Commissions from underwriting**” is changed to “**Commissions from underwriting and solicitation to specified investors**” and the previously-used title of “**Commissions from distribution**” is changed to “**Commissions from distribution and solicitation to specified investors**” in this report.

III. Qualitative Information Relating to Consolidated Business Forecast

Since the forecast of business result in financial-instruments trading, the main-line business of Ichiyoshi and its group companies, is hard to make due to changeable factors in the market, we do not provide such forecast prior to the end of each business quarter. Although we used to give an earnings guideline towards the end of each business quarter up until the second quarter of fiscal 2008, we have changed such practice to improve on the accuracy of financial disclosure effective from the third quarter of fiscal 2008. It is our current policy to release preliminary earnings figures around the middle of the month following the end of each business quarter as and when such figures become available.

IV. Other Matters

(1) Changes in material subsidiaries (including a change in scope of consolidation):

None.

(2) Application of a simplified form of accounting treatment or an accounting treatment unique to the preparation of quarterly consolidated financial statements:

Calculation of an estimated uncollectible amount of ordinary credits:

As there is not recognized any significant difference between the actual default-experience rate calculated as of December 31, 2008 and that calculated as of the end of the previous fiscal year, an uncollectible amount continues to be estimated based on the same default-experience rate as adopted for the previous fiscal year.

(3) Material changes in accounting treatment principles and procedures and presentation methods relating to the preparation of quarterly consolidated financial statements:

(a) Effective from this fiscal year (which started April 1, 2008 and ends March 31, 2009), “Accounting Standards Relating to Quarterly Financial Statements” (Corporate Accounting Standards No 12, dated March 14, 2007, issued by Corporate Accounting Standards Board) and “Application Guidelines for Accounting Standards Relating to Quarterly Financial Statements” (Corporate Accounting Standards Application Guidelines No. 14, dated March 14, 2007, issued by Corporate Accounting Standards Board) are applied. Quarterly financial statements are also prepared in accordance with “Rules Concerning Quarterly Financial Statements.”

(b) Reserve for financial instruments transaction liabilities:

Effective from this fiscal year (which started April 1, 2008 and ends March 31, 2009), reserve for financial instruments transaction liabilities is calculated in accordance with Article 46-5 of Financial Instruments and Exchange Law and Article 175 of Cabinet Order Concerning Financial Instruments-Trading Business. Resultantly, loss before taxes and tax adjustments for the first three quarters of fiscal 2008 decreased by 81 million yen, as compared with the case where the previous calculation method was applied.

(c) Accounting for leases:

Effective from this fiscal year (which started April 1, 2008, and ends March 31, 2009), “Accounting Standards Concerning Leases” (Corporate Accounting Standards No. 13, dated June 17, 1993 and last amended on March 30, 2007, issued by Corporate Accounting Standards Board) and “Application Guidelines on Accounting Standards Concerning Leases” (Corporate Accounting Standards Application Guidelines No. 16, dated January 18, 1994 and last amended on March 31, 2007, issued by Corporate Accounting Standards Board) are applied ahead of their compulsory application date. Hence, except that leases which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases, non-cancelable leases are primarily accounted for as purchase-and-sale transactions, not operating leases, and depreciated by a straight-line method over their respective useful lives equal to their respective lease periods with their residual values set at zero.

Non-cancelable leases whose ownership is not transferred to the lessee and whose contract dates precede April 1, 2008 continue to be accounted for as operating leases.

This new accounting method has no effect on income statement.

. Consolidated Financial Statements for First Three Quarters of Fiscal 2008

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

| | As of December 31 2008 | As of December 31 2007 | As of March 31 2008 |
|---|---------------------------|---------------------------|------------------------|
| Current assets | | | |
| Cash and bank deposits | 16,520 | 11,405 | 11,841 |
| Segregated cash and statutory deposits | 4,104 | 3,473 | 5,523 |
| Trading assets | 540 | 768 | 1,200 |
| Securities | 539 | 768 | 1,200 |
| Derivatives | 0 | - | - |
| Contracted trades | - | - | 72 |
| Margin transaction assets | 6,213 | 24,284 | 17,320 |
| Advances for margin purchases | 5,710 | 24,072 | 16,978 |
| Cash deposits as collateral for securities borrowed | 503 | 212 | 341 |
| Loans against securities as collateral | - | 27 | - |
| Cash deposits as collateral for securities borrowed | - | 27 | - |
| Advance payments for customers on trades | 40 | 108 | 89 |
| Advance payments for subscription | 321 | 1,282 | 1,071 |
| Short-term loans | 8 | 24 | 8 |
| Corporate tax receivable | 391 | - | 414 |
| Accrued income | 540 | 1,139 | 1,008 |
| Deferred tax assets | 1 | 347 | 508 |
| Other current assets | 204 | 673 | 162 |
| Allowances for doubtful accounts | -32 | -60 | -47 |
| | 28,853 | 43,475 | 39,175 |
| Fixed assets | | | |
| Tangible fixed assets | 4,754 | 4,853 | 4,925 |
| Buildings | 2,046 | 1,913 | 1,888 |
| Fixtures and equipment | 1,007 | 1,164 | 1,184 |
| Land | 1,699 | 1,699 | 1,699 |
| Construction in progress | - | 75 | 151 |
| Intangible fixed assets | 796 | 786 | 939 |
| Computer software | 793 | 781 | 935 |
| Telephone subscription rights, etc. | 3 | 4 | 4 |
| Investments, etc. | 4,994 | 5,813 | 5,038 |
| Investment securities | 2,192 | 4,220 | 3,352 |
| Long-term loans | 37 | 39 | 37 |
| Cash deposits as guarantee for long-term credits | 2,737 | 1,535 | 1,525 |
| Deferred tax assets | 8 | 6 | 107 |
| Other investments | 44 | 37 | 40 |
| Allowances for doubtful accounts | -25 | -25 | -25 |
| | 10,545 | 11,453 | 10,903 |
| Total assets | 39,398 | 54,928 | 50,078 |

| | As of December 31 2008 | As of December 31 2007 | As of March 31 2008 |
|---|---------------------------|---------------------------|------------------------|
| Current liabilities | | | |
| Trading liabilities | - | 40 | 9 |
| Securities | - | 40 | 8 |
| Derivatives | - | 0 | 1 |
| Contracted trades | 15 | 3 | - |
| Margin transaction liabilities | 3,056 | 5,974 | 6,483 |
| Borrowings for margin transactions | 2,394 | 5,324 | 5,559 |
| Cash received for loaned securities | 661 | 650 | 924 |
| Borrowings against securities as collateral | 12 | 172 | 332 |
| Cash received for borrowed-securities transactions | 12 | 172 | 332 |
| Cash payable to customers | 3,532 | 6,273 | 3,750 |
| Deposits from customers (for committed trades) | 842 | 1,440 | 1,144 |
| Short-term borrowings | 280 | 350 | 280 |
| Corporate taxes payable | 7 | 5 | 18 |
| Accrued bonuses to employees | 201 | 402 | 702 |
| Reserve for Point-Service Campaign | 378 | 404 | 450 |
| Other current liabilities | 832 | 948 | 673 |
| | 9,158 | 16,015 | 13,845 |
| Long-term liabilities | | | |
| Deferred tax liabilities | 9 | 157 | - |
| Revaluation-related deferred tax liabilities | 40 | 40 | 40 |
| Accrued retirement benefits for employees | 234 | 271 | 250 |
| Accrued retirement benefits for officers | 42 | 27 | 29 |
| Other long-term liabilities | 28 | 37 | 37 |
| | 355 | 534 | 358 |
| Statutory reserves | | | |
| Reserve for securities transaction liabilities | - | 304 | 304 |
| Reserve for financial instruments transaction liabilities | 168 | - | - |
| | 168 | 304 | 304 |
| Total liabilities | 9,683 | 16,854 | 14,508 |
| Net worth | | | |
| Shareholders' equity | 31,649 | 39,659 | 37,673 |
| Common stock | 14,577 | 14,577 | 14,577 |
| Capital surplus | 9,573 | 11,327 | 9,573 |
| Retained earnings | 9,087 | 14,023 | 13,791 |
| Treasury stock | -1,589 | -268 | -268 |
| Difference on valuation and conversion | -2,001 | -1,629 | -2,152 |
| Other securities valuation difference | 14 | 387 | -136 |
| Land revaluation difference | -2,016 | -2,016 | -2,016 |
| Stock acquisition rights | 34 | 11 | 17 |
| Minority interests | 34 | 32 | 32 |
| Total net worth | 29,715 | 38,074 | 35,570 |
| Total of liabilities and net worth | 39,398 | 54,928 | 50,078 |

(2) Quarterly Consolidated Income Statement

(in millions of yen)

| | -- Nine months ended-- | | Fiscal year ended |
|---|------------------------|--------------|-------------------|
| | Dec. 31,2008 | Dec. 31,2007 | March 31,2008 |
| Operating revenue | 11,490 | 17,307 | 21,489 |
| Commissions | 10,106 | 15,481 | 19,156 |
| Gains or loss on trading | 657 | 838 | 1,099 |
| Interest and dividend income | 276 | 547 | 672 |
| Other operating income | 450 | 440 | 560 |
| Interest expenses | 77 | 123 | 149 |
| Net operating revenue | 11,412 | 17,183 | 21,339 |
| Operating cost and expenses | 13,299 | 14,800 | 19,460 |
| Transaction-related expenses | 1,649 | 1,940 | 2,560 |
| Personnel expenses | 6,815 | 7,656 | 9,980 |
| Property-related expenses | 1,455 | 1,597 | 2,124 |
| Clerical expenses | 2,037 | 2,131 | 2,835 |
| Depreciation | 629 | 585 | 810 |
| Public charges | 124 | 166 | 224 |
| Transfer to allowances for doubtful accounts | 3 | 7 | 0 |
| Other | 584 | 714 | 924 |
| Operating income | -1,886 | 2,382 | 1,879 |
| Non-operating income | 131 | 132 | 145 |
| Non-operating expenses | 87 | 48 | 152 |
| Current income | -1,842 | 2,467 | 1,872 |
| Extraordinary income | 333 | 46 | 348 |
| Gains on sales of fixed assets | - | 2 | 2 |
| Gains on sales of investment securities | 189 | 43 | 339 |
| Gain on sales of memberships | - | - | 0 |
| Reversal of allowances for doubtful accounts | 7 | 0 | 5 |
| Reversal of reserve for financial instruments transaction liabilities | 136 | - | - |
| Extraordinary expenses | 1,083 | 60 | 78 |
| Loss on write-off of fixed assets | 10 | 16 | 34 |
| Loss on abandonment of fixed assets | 11 | - | - |
| Valuation loss on investment securities | 1,015 | 28 | 28 |
| Loss on redemption of investment securities | 37 | - | - |
| Liquidation loss on investment securities | - | 0 | 0 |
| Loss on liquidation of golf memberships | 9 | - | - |
| Expenses for relocation of branch offices | - | 14 | 14 |
| Income before taxes and minority interests | -2,593 | 2,453 | 2,143 |
| Income taxes, resident's taxes & enterprise taxes | 37 | 768 | 844 |
| Income tax adjustments | 605 | 377 | 224 |
| Minority interests | 1 | -11 | -13 |
| Net income | -3,238 | 1,319 | 1,087 |

(3) Quarterly Consolidated Cash Flow Statement

(in millions of yen)

| | -- Nine months ended-- | | Fiscal year ended |
|--|------------------------|---------------|-------------------|
| | Dec. 31, 2008 | Dec. 31, 2007 | March 31, 2008 |
| I. Cash flow from operating activities | | | |
| Net income before taxes and minority interests | -2,593 | 2,453 | 2,143 |
| Depreciation | 629 | 585 | 810 |
| Gains or loss on trading account | -7 | -3 | 5 |
| Increase or decrease in accrued bonuses for employees | -500 | -581 | -280 |
| Increase or decrease in accrued retirement benefits for employees | -15 | -80 | -101 |
| Increase or decrease in allowances for doubtful accounts | -15 | 7 | -5 |
| Increase or decrease in reserve for Point-Service Campaign | -72 | -76 | -30 |
| Increase or decrease in accrued retirement benefits for officers | 12 | 27 | 29 |
| Interest and dividend income | -122 | -125 | -138 |
| Interest expenses | 4 | 10 | 11 |
| Gains on sales of club membership | - | - | - 0 |
| Liquidation loss on investment securities | - | 0 | 0 |
| Gains on sales of investment securities | -189 | -43 | -339 |
| Loss on redemption of investment securities | 37 | - | - |
| Valuation loss on investment securities | 1,015 | 28 | 28 |
| Gains on sales of fixed assets | - | -2 | -2 |
| Loss on write-off of fixed assets | 10 | 16 | 34 |
| Loss on liquidation of golf memberships | 9 | - | - |
| Increase or decrease in reserve for securities transaction liabilities | -304 | - | - |
| Increase or decrease in reserve for financial instruments transaction liabilities | 168 | - | - |
| Increase or decrease in segregated cash in trust for customers | 1,410 | 1,430 | -620 |
| Increase or decrease in cash payable to customers and customers' deposits (for committed trades) | -519 | 1,622 | -1,197 |
| Increase or decrease in short-term loans | 0 | 2 | 18 |
| Increase or decrease in trading assets | 659 | -162 | -635 |
| Net increase or decrease in margin transaction assets and liabilities | 7,679 | 695 | 8,169 |
| Increase or decrease in subscription moneys | 750 | 644 | 855 |
| Others | -716 | 324 | 442 |
| Sub-total | 7,328 | 6,772 | 9,197 |
| Interest and dividend income | 115 | 125 | 138 |
| Interest expenses | -4 | -10 | -11 |
| Taxes paid or refunded | -21 | -1,531 | -1,539 |
| Cash flow from operating activities | 7,418 | 5,356 | 7,785 |
| II. Cash flow from investing activities | | | |
| Payments into time deposits | -4,150 | - | - |
| Acquisition of tangible fixed assets | -258 | -658 | -885 |
| Sales of tangible fixed assets | - | 34 | 34 |
| Acquisition of intangible fixed assets | -82 | -337 | -546 |
| Acquisition of investment securities | -40 | -680 | -710 |
| Sales of investment securities | 329 | 169 | 494 |
| Redemption of investment securities | 78 | - | - |
| Long-term loans | -9 | - 0 | - 0 |
| Collection of long-term loans | 9 | 14 | 15 |
| Others | 29 | 54 | 59 |
| Cash flow from investing activities | -4,093 | -1,404 | -1,538 |
| III. Cash flow from financing activities | | | |
| Increase or decrease in short-term borrowings | - | -230 | -300 |
| Proceeds from issuance of new shares | - | 3 | 3 |
| Sales of Company's Common shares held in treasury | 0 | - | 0 |
| Acquisition of Company's Common shares | -1,320 | - 0 | -1,755 |
| Payment of dividends | -1,461 | -2,173 | -2,183 |
| Cash flow from financing activities | -2,781 | -2,401 | -4,236 |
| IV. Conversion differences related to cash and cash equivalents | | | |
| | -13 | 11 | -12 |
| V. Increase or decrease in cash and cash equivalents | | | |
| | 529 | 1,562 | 1,997 |
| VI. Balance of cash and cash equivalents at beginning of the term | | | |
| | 11,634 | 9,636 | 9,636 |
| VII. Balance of cash and cash equivalents at end of the term | | | |
| | 12,164 | 11,198 | 11,634 |

Points to be noted:

Effective from this fiscal year (which started April 1, 2008, and ends March 31, 2009), “Accounting Standards Relating to Quarterly Financial Statements” (Corporate Accounting Standards No. 12, dated March 14, 2007, issued by Corporate Accounting Standards Board) and “Application Guidelines for Accounting Standards Relating to Quarterly Financial Statements” (Corporate Accounting Standards Application Guidelines No. 14, dated March 14, 2007, issued by Corporate Accounting Standards Board) are applied. Quarterly financial statements are also prepared in accordance with “Rules Concerning Quarterly Financial Statements.”

(4) Notes Concerning Premises for Continuing Business Enterprise

None.

(5) Segment Information

[Segment information by business category]

For the first three quarters of fiscal 2008 and for the first three quarters of fiscal 2007, “Investment and Financial Services” of the Ichiyoshi group accounted for more than 90% of its revenue and operating income, respectively. Therefore, we omit description on segment information by business category.

[Segment information by geography]

For the first three quarters of fiscal 2008 and for the first three quarters of fiscal 2007, more than 90% of our operating revenue was derived from domestic sources. Therefore, we omit description on segment information by geography.

[Overseas sales (operating revenue)]

For the first three quarters of fiscal 2008 and for the first three quarters of fiscal 2007, our overseas operating revenue accounted for less than 10% of total operating revenue. Therefore, we omit description on overseas sales.

(6) Notes on Material Changes in Shareholders' Capital

(for the period from April 1 to December 31, 2008)

Based on a resolution adopted by the Board of Directors on November 17, 2008, pursuant to the Company's Articles of Incorporation and in accordance with Article 165-2 of the Company Law, the Company bought back 1,317 million yen worth of its own shares (numbering 1,957,500 shares) in the open market through a trust account during the first three quarters of fiscal 2008. Consequently, treasury shares as of December 31, 2008 amounted to 1,589 million yen.

VI. Other Information

Breakdown of Consolidated Business Result for First Three Quarters of Fiscal 2008

1. Commissions

(1) Commissions by sources: (in millions of yen)

| | ---First three quarters ended--- | | (A) over (B) | Fiscal 2007 ended |
|---|----------------------------------|---------------|--------------|-------------------|
| | Dec. 31, 2008 | Dec. 31, 2007 | | March 31, 2008 |
| | (A) | (B) | % | |
| Brokerage commissions | 3,716 | 6,319 | - 41.2 | 7,441 |
| (Stocks) | (3,685) | (6,304) | (- 41.5) | (7,422) |
| (Bonds) | (5) | (3) | (+ 59.9) | (3) |
| Commissions from underwriting & solicitation | | | | |
| to specified investors | 7 | 114 | - 93.8 | 133 |
| (Stocks) | (7) | (113) | (- 93.8) | (132) |
| (Bonds) | (---) | (1) | (---) | (1) |
| Commissions from Distribution & solicitation | | | | |
| to specified investors | 1,649 | 3,243 | - 49.1 | 3,907 |
| (Beneficiary certificates) | (1,629) | (3,196) | (- 49.0) | (3,858) |
| Commissions from Other sources | | | | |
| (Beneficiary certificates) | 4,732 | 5,803 | - 18.5 | 7,673 |
| | (3,839) | (4,773) | (- 19.6) | (6,211) |
| Total | 10,106 | 15,481 | - 34.7 | 19,156 |

(2) Commissions by instruments: (in millions of yen)

| | ---First three quarters ended--- | | (A) over (B) | Fiscal 2007 ended |
|--------------------------|----------------------------------|---------------|--------------|-------------------|
| | Dec. 31, 2008 | Dec. 31, 2007 | | March 31, 2008 |
| | (A) | (B) | (%) | |
| Stocks | 3,711 | 6,445 | - 42.4 | 7,590 |
| Bonds | 32 | 58 | - 44.1 | 61 |
| Beneficiary certificates | 5,495 | 7,981 | - 31.1 | 10,085 |
| Others | 866 | 995 | - 13.0 | 1,418 |
| Total | 10,106 | 15,481 | - 34.7 | 19,156 |

2. Gains or loss on trading: (in millions of yen)

| | ---First three quarters ended--- | | (A) over (B) | Fiscal 2007 ended |
|-------------------------------|----------------------------------|---------------|--------------|-------------------|
| | Dec. 31, 2008 | Dec. 31, 2007 | | March 31, 2008 |
| | (A) | (B) | (%) | |
| Stocks, etc. | 338 | 559 | - 39.5 | 728 |
| Bonds, foreign exchange, etc. | 319 | 278 | + 14.5 | 371 |
| (Bonds, etc.) | (314) | (277) | (+13.2) | (371) |
| (Foreign exchange, etc.) | (4) | (0) | (+ 589.0) | (0) |
| Total | 657 | 838 | - 21.5 | 1,099 |

3 . Quarterly Consolidated Income Statements for Recent Seven Quarters (in millions of yen)

| | 1st Q (4-6/'07) | 2nd Q (7-9/'07) | 3rd Q (10-12/'07) | 4th Q (1-3/'08) | 1st Q (4-6/'08) | 2nd Q (7-9/'08) | 3rd Q (10-12/'08) |
|---|--------------------|--------------------|----------------------|--------------------|--------------------|--------------------|----------------------|
| Operating revenue | 6,252 | 5,592 | 5,461 | 4,182 | 5,042 | 3,598 | 2,849 |
| Commissions | 5,625 | 5,000 | 4,854 | 3,675 | 4,446 | 3,103 | 2,556 |
| Gains or loss on trading | 296 | 238 | 303 | 261 | 292 | 267 | 97 |
| Interest and dividend income | 184 | 202 | 160 | 124 | 107 | 102 | 66 |
| Other operating revenue | 144 | 151 | 143 | 120 | 195 | 124 | 129 |
| Interest expenses | 45 | 46 | 31 | 25 | 29 | 29 | 18 |
| Net operating revenue | 6,206 | 5,546 | 5,430 | 4,156 | 5,013 | 3,568 | 2,831 |
| Operating cost and expenses | 5,022 | 4,939 | 4,838 | 4,659 | 4,676 | 4,406 | 4,215 |
| Transaction-related expenses | 605 | 718 | 616 | 620 | 531 | 620 | 497 |
| Personnel expenses | 2,633 | 2,505 | 2,517 | 2,324 | 2,469 | 2,218 | 2,127 |
| Property-related expenses | 545 | 533 | 517 | 526 | 488 | 482 | 484 |
| Clerical expenses | 723 | 696 | 712 | 703 | 718 | 634 | 684 |
| Depreciation | 181 | 201 | 202 | 224 | 202 | 211 | 215 |
| Public charges | 56 | 52 | 57 | 57 | 46 | 42 | 35 |
| Reversal of allowances for doubtful accounts | 0 | 10 | -3 | -7 | 0 | - 0 | 3 |
| Other | 276 | 219 | 218 | 209 | 219 | 196 | 167 |
| Operating income | 1,184 | 606 | 591 | -503 | 336 | -838 | -1,384 |
| Non-operating income | 76 | 22 | 33 | 12 | 69 | 31 | 30 |
| Non-operating expenses | 4 | 43 | 0 | 104 | 0 | 79 | 7 |
| Current income | 1,256 | 585 | 625 | -594 | 405 | -886 | -1,361 |
| Extraordinary income | 46 | - 0 | - 0 | 302 | 145 | 189 | -1 |
| Extraordinary expenses | 11 | 27 | 21 | 18 | 4 | 657 | 421 |
| Income before taxes and minority interests | 1,292 | 557 | 603 | -309 | 547 | -1,354 | -1,785 |
| Income taxes, resident's taxes & enterprise taxes | 306 | 537 | -76 | 76 | 18 | 8 | 11 |
| Income tax adjustments | 275 | -277 | 380 | -153 | 177 | -147 | 575 |
| Minority interests | -5 | -2 | -3 | -1 | 0 | 1 | 0 |
| Net income | 715 | 300 | 303 | -231 | 351 | -1,217 | -2,372 |

(END)