

## **Business Result for Fiscal Year to March 31, 2009**

(consolidated basis)

Released on April 28, 2009

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

Listed on: First Sections of Tokyo Stock Exchange and Osaka Securities Exchange

Stock code number: 8624

Corporate representative: Masashi Takehi, President & Chief Executive Officer

Date of annual shareholders' meeting: June 20, 2009 (scheduled)

Date of dividend payment: June 1, 2009 (scheduled)

Filing date of annual securities report: June 23, 2009 (scheduled)

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Management Planning

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### **1. Consolidated Business Result for Fiscal Year Ended March 31, 2009**

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

	--- Fiscal year ended --- March 31, 2009	March 31, 2008
Operating revenue	14,256 (- 33.7%)	21,489 (- 15.7%)
Net operating revenue	14,161 (- 33.6%)	21,339 (- 15.6%)
Operating income	- 3,183 ( - )	1,879 (- 70.4%)
Current income	- 3,261 ( - )	1,872 (- 71.2%)
Net income	- 4,804 ( - )	1,087 (- 71.8%)
Earnings per share	- 106.03yen	22.90yen
Earnings per share on a diluted basis (adjusted for shares potentially issuable)	-	22.89yen
Net return on equity	- 15.1%	2.9%
Current income as % of total assets	- 7.5%	3.2%
Operating income as % of operating revenue	- 22.3%	8.7%

Notes: Investment gains or loss by an equity method for each fiscal year:

None for the fiscal year ended March 31, 2009

None for the fiscal year ended March 31, 2008

### **(2) Consolidated financial condition**

	--- As of March 31 --- 2009	2008
Total assets (in millions of yen)	36,596	50,078
Net worth (in millions of yen)	28,156	35,570
Equity ratio	76.7%	70.9%
Net worth per share	640.42yen	775.38yen

Note: Shareholders' equity at the end of each fiscal year:

28,082 million yen at March 31, 2009

35,521 million yen at March 31, 2008

### (3) Consolidated cash flow (in millions of yen)

	--- Fiscal year ended ---	
	March 31, 2009	March 31, 2008
Cash flow from operating activities	6,478	7,785
Cash flow from investing activities	51	- 1,538
Cash flow from financing activities	- 2,859	- 4,236
Cash and cash equivalents at end of the term	15,294	11,634

## 2. Dividend

	---	Fiscal year ended	---
	March 31, 2009	March 31, 2008	March 31, 2010 (Forecast*)
Per-share dividend:			
Interim dividend	16.00yen	16.00 yen	-
Final dividend	10.00yen	16.00 yen	-
Annual total	26.00yen	32.00 yen	-
Total dividend payout	1,171 million yen	1,493 million yen	-
Payout ratio (consolidated)	-	139.7%	-
Total dividend payout as % of net worth	3.7%	4%	-

Notes: \*= Forecast is not provided because it is not Ichiyoshi's practice to give earnings or dividend forecast.

## 3. Outlook for Consolidated Business Result for Fiscal Year ending March 31, 2010 (from April 1, 2009 to March 31, 2010)

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 volatile factors in the market, we do not provide such forecast prior to the end of each quarterly and annual business term. Instead, we intend to release preliminary earnings figures after the end of each business term as and when such figures become available.

## 4. Other Matters

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

None.

### (2) Changes in accounting treatment principles, procedures and presentation methods concerning preparation of consolidated financial statements (material changes to be mentioned in the notes to the consolidated financial statements) :

(i) Changes resulting from revisions to accounting standards: Yes.

(ii) Changes other than those in (i): None.

(Please refer to "Change to Accounting Policy" in the "Notes to Consolidated Financial Statements for Fiscal Year to March 31, 2009").

### (3) Number of issued shares (common stock)

(a) Number of issued shares at the end of each fiscal year (including treasury shares):

44,431,386 shares at March 31, 2009

46,388,886 shares at March 31, 2008

(b) Number of treasury shares at the end of each fiscal year:

580,640 shares at March 31, 2009

577,351 shares at March 31, 2008

(Note: Please see “Per-share data,” mentioned elsewhere herein, for the number of shares used for computation of per-share data).

### [Referential information]

### Outline of Non-consolidated Business Result (parent company basis)

1. Business result for fiscal year ended March 31, 2009 (in millions of yen with fractions less than a million yen discarded, except for per-share figures)

	--- Fiscal year ended ---	
	March 31, 2009	March 31, 2008
	(% year-to-year)	
Operating revenue	13,318 (- 34.9%)	20,463 (- 16.5%)
Net operating revenue	13,222 (- 34.9%)	20,314 (- 16.5%)
Operating income	- 3,104 ( - )	1,966 (- 69.0%)
Current income	- 3,188 ( - )	1,947 (- 70.0%)
Net income	- 4,711 ( - )	1,108 (- 71.2%)
Earnings per share	- 103.99yen	23.35yen
Earnings per share on a diluted basis (adjusted for shares potentially issuable)	-	23.34yen
Net return on equity	- 15.0%	3.0%

### 2. Financial condition

	--- As of March 31 ---	
	2009	2008
Total assets (in millions of yen)	36,029	49,479
Net worth (in millions of yen)	27,849	35,172
Equity ratio	77.2%	71.1%
Net worth per share	634.18yen	767.39yen
Capital adequacy ratio	383.8%	446.0%

### 3. Outlook for non-consolidated business result for fiscal year ending March 31, 2010 (from April 1, 2009 to March 31, 2010)

Since the forecast of earnings in financial-instruments trading is hard to make due to volatile factors in the market, we do not provide such forecast prior to the end of each quarterly and annual business term. Instead, we intend to release preliminary earnings figures after the end of each business term as and when such figures become available.

## **[Qualitative Information and Financial Statements for Fiscal Year Ended March 31, 2009]**

### **I. Business Result**

#### **1. Analysis on Consolidated Business Result**

In the fiscal year ended March 31, 2009, the global financial and capital markets underwent extremely hard times amid the U.S.-originated financial crisis and the simultaneous economic recession across the world. To globally cope with shrinking credits and worsening economic crisis following the demise of Lehman Brothers last September, leading nations of the world adopted coordinated monetary and fiscal measures during a relatively brief space of time in the kaleidoscopically changing climate. Against such background, 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 7,021 yen in March 2009. 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 during the fiscal year was 2,030 billion yen, down 30.9% from the previous fiscal year. The average daily turnover on the JASDAQ Stock Market plummeted 58.8% to 13.9 billion yen.

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 fiscal year ended March 31, 2009 amounted to 14,161 million yen. Operating cost and expenses recorded 17,345 million yen. Hence, current income registered a deficit of 3,261 million yen. Customers' assets in our custody as at March 31, 2009 stood at 1,177.5 billion yen, down 26.0% from March 31, 2008.

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

#### **(1) Commissions**

Total commissions for the fiscal year ended March 31, 2009 amounted to 12,557 million yen, down 34.4% from the previous fiscal year ended March 31, 2008.

##### **(i) Brokerage commissions**

Total brokerage commissions on stocks decreased 38.8% to 4,544 million yen. Of these commissions, those on small- and medium-cap stocks (consisting of stocks listed on Second Sections of TSE and OSE, Mothers, Hercules and JASDAQ Stock Market) accounted for 12.1%, a decline from 14.2% for the previous fiscal year.

##### **(ii) Commissions from underwriting and solicitation to specified investors**

In the primary market, we managed 9 initial public offerings (IPO's), as against 28 IPO's (of which 1 was lead-managed by Ichiyoshi) in the previous fiscal year. In the secondary market (for follow-on financing), we participated in 3 deals on a management or underwriting basis (of which 1 was lead-managed by Ichiyoshi), as against 9 in the previous fiscal year. As a result, total commissions from underwriting

of stocks and bonds and solicitation to specified investors recorded 38 million yen, down 71.0%.

The cumulative number of companies whose offerings were lead- or co-managed by Ichiyoshi stood at 821 (of which 27 were lead-managed by Ichiyoshi) as of March 31, 2009.

**(iii) Commissions from distribution and solicitation to specified investors**

Commissions from distribution and solicitation to specified investors decreased 46.6% to 2,086 million yen as commissions from distribution of investment funds, mostly funds which pay out income monthly, declined 46.5 % to 2,064 million yen.

**(iv) Commissions from other sources**

The trailer fees on investment funds decreased 23.4% to 4,760 million yen as the end-of-term outstanding balance of investment trust funds declined 26.8% to 604.4 billion 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 5,841 million yen, down 23.9%.

**(2) Gains or Loss on Trading**

Trading on stocks, etc. recorded gains of 425 million yen, down 41.6%, and trading on bonds, foreign exchange, etc. registered gains of 334 million yen, down 10.0%. Consequently, total gains on trading amounted to 759 million yen, down 30.9%.

**(3) Interest and Dividend Income**

Interest and dividend income declined 50.5% to 332 million yen, reflecting a decrease in advances for margin purchases, and interest expenses dropped 36.1% to 95 million yen. As a result, net interest and dividend income amounted to 237 million yen, down 54.6%.

**(4) Operating Cost and Expenses**

Reflecting our cost review and a decrease in personnel expenses, operating cost and expenses declined 10.9% to 17,345 million yen.

Resultantly, current income for the fiscal year ended March 31, 2009 amounted to a deficit of 3,261 million yen.

**(5) Extraordinary Income and Loss**

We recorded an extraordinary income of 331 million yen, including gains of 189 million yen on sales of investment securities, and an extraordinary loss of 1,212 million yen, including a valuation loss of 1,094 million yen on investment securities. As a result, we registered a net extraordinary loss of 881 million yen.

After allowing for net extraordinary loss, income before taxes, tax adjustments and minority interests for the fiscal year ended March 31, 2009 recorded a deficit of 4,142 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 57 million yen, and corporate tax adjustments of 602 million yen and minority interests of 1 million yen) registered a deficit of 4,804 million yen.

## **2. Analysis on Consolidated Financial Condition**

### **(1) Financial Condition**

Total assets as of March 31, 2009 declined 26.9% to 36,596 million yen as the outstanding balance of margin transactions decreased amid the stock market slump. Total liabilities decreased 41.8% to 8,439 million yen. Hence, net worth recorded 28,156 million yen, and equity ratio registered 76.7%. The capital adequacy ratio, as defined by the securities regulator, stood at 383.8%.

### **(2) Cash Flow**

Cash flow from operating activities for the fiscal year ended March 31, 2009 amounted to 6,478 million yen, a decline of 1,307 million yen from the previous fiscal year, despite income before taxes, tax adjustments and minority interests registering negative figures. Main contributors were a decrease in advances for margin purchases and a decrease in segregated cash in trust for customers. Cash flow from investing activities registered 51 million yen, an increase of 1,590 million yen, due chiefly to proceeds from the sales of investment securities. Cash flow from financing activities recorded a negative figure of 2,859 million yen, an increase of 1,376 million yen, mainly as a result of acquisitions of treasury shares and dividend payments.

After all these activities, the amount of cash and cash equivalents as of March 31, 2009, stood at 15,294 million yen, an increase of 3,659 million yen from the end of the previous fiscal year (March 31, 2008).

### **(3) Basic Policy on Earnings Distribution and Dividends for Fiscal Year Ended March 31, 2008**

One of our core management policies is to make an appropriate earnings distribution to our shareholders.

With respect to dividend payment, our former policy, effective through the fiscal year ended March 30, 2007, was to decide an amount of dividend per share, depending upon the level of earnings, while targeting a certain payout ratio.

Effective from the fiscal year ended March 31, 2008, however, we have adopted a new dividend policy to make earnings distribution to shareholders more solid on a continuing basis. Under the new dividend policy, an annual total of dividend per share will be equal to either approximately 40% of annual earnings per share (namely, payout ratio of approximately 40%) or approximately 4% of equity per share (namely, DOE of approximately 4%), whichever is larger.

Under this policy, an interim dividend per share of 16.00yen was paid to the shareholders of record as of September 30, 2008, and a final dividend per share of 10.00yen is to be paid to the shareholders of record as of March 31, 2009, subject to finalization by the Board of Directors in May 2009. The total annual dividend per share of 26.00yen is to be equal to approximately 4% of equity per share.

Further as part of earnings distribution to shareholders, we acquired treasury shares during the fiscal year and retired all of them as follows:

#### **Acquisition of treasury shares and retirement thereof**

Period of acquisition: From November 18 to December 19, 2008 (contract base)

Date of retirement: January 16, 2009.

No. of shares acquired and retired: 1,957,500 shares

Note: After the abovementioned retirement: the number of issued shares stood at 44,431,386 shares.

#### **(4) Risks relating to business**

We consider that the following risks exist with respect to the business result and financial condition of the Ichiyoshi group and that they may affect investors' judgment materially. Being aware of these risks, the Ichiyoshi group is determined to prevent them from occurring and to be prepared against the occurrence of any such risk.

Any statement about future herein is being made on the basis of our judgment as of the end of the fiscal year (March 31, 2009).

(1) Revenue volatility risk of securities business

There is a possibility that the group's brokerage commissions will decrease as transactions shrink when prices of stocks and bonds decline in the domestic or foreign markets. The group's activities in the primary market may also be similarly affected in such conditions.

(2) Market risk

There is a possibility that Ichiyoshi will incur a loss due to price fluctuations of securities owned caused by changes in stock prices, interest rates and forward exchange rates as Ichiyoshi is engaged in trading for its own account.

(3) Credit risk (counterparty risk)

There is a possibility that the group will incur a loss when default (or decline in credit) occurs on its counterparty.

(4) Liquidity risk

There is a possibility that the group will incur a loss when it faces a liquidity problem due to a change in the financial market situation or as a result of deterioration in the group's financial condition or when it is forced to borrow funds at rates much higher than normal under such circumstances.

(5) Clerical risk

There is a possibility that the group will incur a loss due to a mistake in clerical work or as a result of a human error, accident or wrongful behavior although the group is exerting its efforts to put in place extensive working manuals and to improve on its compliance system.

(6) System risk

There is a possibility that the group will incur a loss as a result of a breakdown or malfunction of, or a fire breakout or electric power failure on, or an improper access to, its computer system.

(7) Legal risk

There is a possibility that the group will incur a loss or face a litigation or administrative disciplinary action as a result of its violation of rules, regulations or laws.

**(8) Information-related risk**

There is a possibility that the group will incur a loss or face a deterioration of its reputation in connection with insider trading, leakage of internal information or improper information disclosure.

**(9) Competition risk**

The securities industry is faced with serious competition which is expected to heighten further hereafter. Hence, there is a possibility that the group's business result and financial condition will be affected when the group cannot get an upper hand in such competition.

**(10) Risk from amendments to legal system**

There is a possibility that the group's business result and financial condition will be affected by recent amendments to the legal system surrounding the securities industry.

## **II. State of Ichiyoshi Group**

The Ichiyoshi group, consisting of Ichiyoshi Securities Co., Ltd. ("Ichiyoshi" or the "Company") and its five consolidated subsidiaries, is principally engaged in investment and financial services chiefly associated with financial instruments.

Ichiyoshi is directly engaged in buying and selling of, and dealing in, securities (such buying and selling of, and dealing in, securities are called hereinafter as "securities transactions"), acting as agent or broker for securities transactions, underwriting and distributing publicly-offered or privately-placed securities and carrying out other securities-related businesses. Thus, Ichiyoshi provides wide-ranging services matching varying needs of its customers relating to securities and investments.

In conjunction with the above-mentioned activities by Ichiyoshi, the five consolidated subsidiaries perform their respective functions: Ichiyoshi Research Institute Inc. undertakes research and data/information collection relating to small- and medium-sized growth companies; Ichiyoshi IR Consulting Institute provides investor-relations services on a contractual basis; Ichiyoshi Investment Management Co., Ltd. provides asset-management services through investment administration and advisories; Ichiyoshi Business Service Co., Ltd. undertakes peripheral services for the Ichiyoshi group, provides real estate renting/broking/management services, deals in office supplies and goods and acts as agency for financial instruments-trading; and Ichiyoshi International (H.K.) Ltd. is engaged in securities transactions in Hong Kong.

On March 19, 2009, the Board of Directors of the Company, the board of directors of Ichiyoshi IR Consulting Institute Inc. ("Ichiyoshi IR") and the board of directors of Ichiyoshi International (H.K.), Ltd. ("Ichiyoshi H.K.") respectively adopted resolutions to liquidate Ichiyoshi IR and Ichiyoshi H.K. to further rationalize and optimize the management of the Ichiyoshi group as part of the Company's "2009 Management Rationalization Plan." The liquidation of the two subsidiaries is scheduled to be completed by around September 2009.



### **List of 6 Companies in the Ichiyoshi Group**

#### **Domestic companies:**

Parent company: **Ichiyoshi Securities Co., Ltd.** - financial-instruments trading business

#### **Consolidated subsidiaries:**

**Ichiyoshi Research Institute Inc.** – information services  
(85.0% owned, of which 12.5% is indirectly owned)

**Ichiyoshi IR Consulting Institute Inc.** - investor-relations consulting services  
(100.0% owned)

**Ichiyoshi Investment Management Co., Ltd.** – investment management and advisories  
(97.0% owned, of which 2.0% is indirectly owned)

**Ichiyoshi Business Service Co., Ltd.** – property renting/broking/management, sales of office supplies and financial instruments trading agency.  
(100.0% owned)

#### **Overseas subsidiary:**

#### **Consolidated subsidiary:**

**Ichiyoshi International (H.K.) Ltd.** – financial-instruments trading business  
(100.0% owned)

### **III. Management Policy**

#### **(1) Basic Policy**

Our business-management philosophy is to “Remain a firm of customers’ trust and choice.” To realize this philosophy, we make it a management objective to build a “Name-brand boutique house” in the finance and securities industry and keep up our long-term growth. Our action guidelines are “Gratitude, Integrity, Courage, Responsiveness and Continuity” and “Long-term Good Relation,” all of which will form a basis for our missionary efforts to contribute to the benefit of our shareholders, customers, employees and the community as a whole and to grow as a securities firm worthy of our stakeholders’ long-term trust.

#### **(2) Triangular Pyramid Management**

We are promoting “Triangular Pyramid Management” --- with the research division forming the base of the pyramid, and the retail, wholesale and support/products divisions forming their respective facets of the pyramid, and the pyramid itself is firmly supported by the back-office division. This management style is intended to maximize the capability of each division/subsidiary and enhance the co-working synergy of all the divisions/subsidiaries. This synergistic process will also raise the quality of our products, information and customer services, thereby further satisfying our retail and corporate customers’ needs for asset-building and fund-raising.

### (3) Medium-term Management Plan

Subsequent to our launching of the Medium-term Management Plan in October 2006, the financial and capital markets have undergone drastic changes, initially triggered by the sub-prime loan problems. Thus, in March 2008, we partially amended the Plan to cope with the changing business climate, but experienced another wave of global financial crisis in the aftermath of Lehman Brothers' demise which occurred in September 2009.

The following are some of the numerical targets contained in the Medium-term Management Plan as amended in March 2008:

Item	Targets	Figures as of March 31, 2008
<hr/>		
Target date	March 31, 2010	
Customers' assets in custody	2.5 trillion yen	1.1775 trillion yen
No. of companies whose equity offerings lead-managed by Ichiyoshi	30 companies	27 companies
Return on equity	Approx. 20%	-
<hr/>		

The following are specific business strategies to achieve the targets:

- (i) Expansion of business base --- Increase in customers' assets in custody.
- (ii) Basic products strategy: Focus on "Foreign-currency assets" and "Japanese stocks."  
"Foreign-currency assets" consisting of investment trust funds and foreign bonds.  
"Japanese stocks" mainly comprising small- and medium-cap stocks, large-cap stocks and investment trust funds.  
"Wrap-accounts" and "Variable annuity insurance policies" to be promoted.
- (iii) Enhancement of profitability of existing business lines
- (iv) Turning new business areas into profitability
- (v) Diversification of business-opportunity channels
- (vi) Improvement on profit-to-cost ratio --- Earnings structure less susceptible to market conditions.
  - + Enhancement of stable revenue sources: We aim to raise the ratio at which investment trust fund trailer fees and wrap-account management fees cover operating cost and expenses to approximately 40. (The ratio for the fiscal year ended March 31, 2009 was 29.6%)
  - + Cost-saving: Streamlining of Headquarters functions.
- (vii) Personnel training --- Enhancement of advisors' quality and nurturing of professionals

### 4. Challenges to Be Tackled

Regarding our long-term relationship with retail customers as a cornerstone of our business policy, we will strive to expand customers' assets in our custody by introducing carefully-selected financial products and providing asset-management services accurately tied to market changes. As part of our efforts to raise customer satisfaction toward Ichiyoshi, we will endeavor to offer far more pertinent advices on a customer-by-customer basis and

come up with more multifaceted customer services by reinforcing our call center functions and building connections with local lawyers and tax accountants. Our program to strengthen our customer-introduction business and financial-instruments agency business will help diversify our customer channels.

As regards our wholesale customers, we will exert our efforts for the furtherance of investment banking activities, such as management of initial public offerings, securities underwriting and provision of M & A advisories.

With respect to overseas institutional investors, we will expand our English report distribution services by taking advantage of our strength in research on Japanese small and medium growth companies.

Through the execution of our “2009 Management Rationalization Plan,” we will build a leaner and efficient management system, reducing cost and streamlining our head office functions, and aim to turn our business around into profitability at an early stage.

(Hereinafter follow the consolidated financial statements)

## . Consolidated Financial Statements

### 1 . Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2009	As of March 31 2008
Current assets		
Cash and bank deposits	15,500	11,841
Segregated cash and statutory deposits	3,304	5,523
Trading assets	406	1,200
Securities	406	1,200
Contracted trades	13	72
Margin transaction assets	6,112	17,320
Advances for margin purchases	5,529	16,978
Cash deposits as collateral for securities borrowed	582	341
Advance payments for customers on trades	60	89
Advance payments for subscription	923	1,071
Short-term loans	12	8
Corporate tax receivable	377	414
Accrued income	524	1,008
Deferred tax assets	4	508
Other current assets	240	162
Allowances for doubtful accounts	-31	-47
	27,448	39,175
Fixed assets		
Tangible fixed assets	4,620	4,925
Buildings	1,977	1,888
Fixtures and equipment	943	1,184
Land	1,699	1,699
Construction in progress	-	151
Intangible fixed assets	756	939
Computer software	752	935
Telephone subscription rights, etc.	3	4
Investments, etc.	3,770	5,038
Investment securities	1,962	3,352
Long-term loans	43	37
Cash deposits as guarantee for long-term credits	1,738	1,525
Deferred tax assets	9	107
Other investments	42	40
Allowances for doubtful accounts	-25	-25
	9,147	10,903
Total assets	36,596	50,078

	As of March 31 2009	As of March 31 2008
Current liabilities		
Trading liabilities	1	9
Securities	-	8
Derivatives	1	1
Margin transaction liabilities	2,764	6,483
Borrowings for margin transactions	2,049	5,559
Cash received for loaned securities	715	924
Borrowings against securities as collateral	16	332
Cash received for borrowed-securities transactions	16	332
Cash payable to customers	2,730	3,750
Deposits from customers (for committed trades)	781	1,144
Short-term borrowings	210	280
Corporate taxes payable	20	18
Accrued bonuses to employees	399	702
Reserve for Point-Service Campaign	397	450
Other current liabilities	602	673
	7,924	13,845
Long-term liabilities		
Deferred tax liabilities	11	-
Revaluation-related deferred tax liabilities	40	40
Accrued retirement benefits for employees	220	250
Accrued retirement benefits for officers	46	29
Other long-term liabilities	28	37
	346	358
Statutory reserves		
Reserve for securities transaction liabilities	-	304
Reserve for financial instruments transaction liabilities	168	-
	168	304
Total liabilities	8,439	14,508
Net worth		
Shareholders' equity	30,082	37,673
Common stock	14,577	14,577
Capital surplus	8,255	9,573
Retained earnings	7,521	13,791
Treasury stock	-271	-268
Difference on valuation and conversion	-2,000	-2,152
Other securities valuation difference	16	-136
Land revaluation difference	-2,016	-2,016
Stock acquisition rights	39	17
Minority interests	33	32
Total net worth	28,156	35,570
Total of liabilities and net worth	36,596	50,078

## 2 . Consolidated Income Statement

(in millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
Operating revenue	14,256	21,489
Commissions	12,557	19,156
Commission to consignees	4,591	7,441
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	38	133
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	2,086	3,907
Other fees received	5,841	7,673
Gains or loss on trading	759	1,099
Interest and dividend income	332	672
Other operating income	606	560
Interest expenses	95	149
Net operating revenue	14,161	21,339
Operating cost and expenses	17,345	19,460
Transaction-related expenses	2,139	2,560
Personnel expenses	8,898	9,980
Property-related expenses	1,925	2,124
Clerical expenses	2,628	2,835
Depreciation	844	810
Public charges	156	224
Transfer to allowances for doubtful accounts	0	0
Other	750	924
Operating income	-3,183	1,879
Non-operating income	137	145
Non-operating expenses	215	152
Current income	-3,261	1,872
Extraordinary income	331	348
Gains on sales of fixed assets	-	2
Gains on sales of investment securities	189	339
Gain on sales of memberships	-	0
Reversal of allowances for doubtful accounts	5	5
Reversal of reserve for financial instruments transaction liabilities	136	-
Extraordinary expenses	1,212	78
Loss on write-off of fixed assets	11	34
Loss on abandonment of fixed assets	11	-
Valuation loss on investment securities	1,094	28
Loss on redemption of investment securities	37	-
Liquidation loss on investment securities	-	0
Loss on liquidation of golf memberships	31	-
Expenses for relocation of branch offices	-	14
Other	26	-
Income before taxes and minority interests	-4,142	2,143
Income taxes, resident's taxes & enterprise taxes	57	844
Income tax adjustments	602	224
Minority interests	1	-13
Net income	-4,804	1,087

### 3 . Consolidated Statement of Shareholders' Equity

#### Consolidated Statement of Shareholders' Equity

for the fiscal year ended March 31, 2009  
(in millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at 3/31/2008	14,577	9,573	13,791	-268	37,673
Changes in the fiscal year:					
Issuance of new shares					-
Cash dividends			-1,465		-1,465
Net income			-4,804		-4,804
Purchase of treasury stock				-1,321	-1,321
Disposal of treasury stock		0		0	0
Retirement of treasury stock		-1,317		1,317	-
Changes in items other than those in shareholders' equity (net)					
Total changes in the fiscal year	-	-1,317	-6,270	-3	-7,590
Balance at 3/31/2009	14,577	8,255	7,521	-271	30,082

	Difference on valuation and conversion			Stock acquisition rights	Minority interests	Total net worth
	Other securities valuation difference	Land revaluation difference	Total of difference on valuation and conversion			
Balance at 3/31/2008	-136	-2,016	-2,152	17	32	35,570
Changes in the fiscal year:						
Issuance of new shares						-
Cash dividends						-1,465
Net income						-4,804
Purchase of treasury stock						-1,321
Disposal of treasury stock						0
Retirement of treasury stock						-
Changes in items other than those in shareholders' equity (net)	152		152	22	1	176
Total changes in the fiscal year	152	-	152	22	1	-7,414
Balance at 3/31/2009	16	-2,016	-2,000	39	33	28,156

#### Consolidated Statement of Shareholders' Equity

for the fiscal year ended March 31, 2008  
(in millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at 3/31/2007	14,576	11,325	14,873	-267	40,507
Changes in the fiscal year:					
Issuance of new shares	1	1			3
Cash dividends			-2,185		-2,185
Net income			1,087		1,087
Purchase of treasury stock				-1,755	-1,755
Disposal of treasury stock		0		0	0
Retirement of treasury stock		-1,754		1,754	-
Partial write-back of land revaluation difference			16		16
Changes in items other than those in shareholders' equity (net)					
Total changes in the fiscal year	1	-1,752	-1,081	-1	-2,834
Balance at 3/31/2008	14,577	9,573	13,791	-268	37,673

	Difference on valuation and conversion			Stock acquisition rights	Minority interests	Total net worth
	Other securities valuation difference	Land revaluation difference	Total of difference on valuation and conversion			
Balance at 3/31/2007	766	-2,000	-1,233	-	44	39,318
Changes in the fiscal year:						
Issuance of new shares						3
Cash dividends						-2,185
Net income						1,087
Purchase of treasury stock						-1,755
Disposal of treasury stock						0
Retirement of treasury stock						-
Partial write-back of land revaluation difference		-16	-16			-
Changes in items other than those in shareholders' equity (net)	-902		-902	17	-12	-897
Total changes in the fiscal year	-902	-16	-918	17	-12	-3,748
Balance at 3/31/2008	-136	-2,016	-2,152	17	32	35,570

#### 4 . Consolidated Cash Flow Statement

(in millions of yen)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2008
<b>I. Cash flow from operating activities</b>		
Net income before taxes and minority interests	-4,142	2,143
Depreciation	844	810
Gains or loss on trading account	-6	5
Increase or decrease in accrued bonuses for employees	-303	-280
Increase or decrease in accrued retirement benefits for employees	-30	-101
Increase or decrease in allowances for doubtful accounts	-15	-5
Increase or decrease in reserve for Point-Service Campaign	-53	-30
Increase or decrease in accrued retirement benefits for officers	16	29
Interest and dividend income	-136	-138
Interest expenses	5	11
Gains on sales of club membership	-	- 0
Liquidation loss on investment securities	-	0
Gains on sales of investment securities	-189	-339
Loss on redemption of investment securities	37	-
Valuation loss on investment securities	1,094	28
Gains on sales of fixed assets	-	-2
Loss on write-off of fixed assets	11	34
Loss on liquidation of golf memberships	31	-
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	2,210	-620
Increase or decrease in cash payable to customers and customers' deposits (for committed trades)	-1,382	-1,197
Increase or decrease in short-term loans	-4	18
Increase or decrease in trading assets	793	-635
Net increase or decrease in margin transaction assets and liabilities	7,489	8,169
Increase or decrease in subscription moneys	148	855
Increase or decrease in cash deposits as guarantee for short-term credits	-	28
Others	90	413
Sub-total	6,372	9,197
Interest and dividend income	135	138
Interest expenses	-4	-11
Taxes paid or refunded	-24	-1,539
Cash flow from operating activities	6,478	7,785
<b>II. Cash flow from investing activities</b>		
Payments into time deposits	-4,150	-
Proceeds from withdrawal of time deposits	4,150	-
Acquisition of tangible fixed assets	-261	-885
Sales of tangible fixed assets	-	34
Acquisition of intangible fixed assets	-89	-546
Acquisition of investment securities	-40	-710
Sales of investment securities	345	494
Redemption of investment securities	78	-
Long-term loans	-16	- 0
Collection of long-term loans	11	15
Others	24	59
Cash flow from investing activities	51	-1,538
<b>III. Cash flow from financing activities</b>		
Increase or decrease in short-term borrowings	-70	-300
Proceeds from issuance of new shares	-	3
Sales of Company's Common shares held in treasury	0	0
Acquisition of Company's Common shares	-1,321	-1,755
Payment of dividends	-1,469	-2,183
Cash flow from financing activities	-2,859	-4,236
<b>IV. Conversion differences related to cash and cash equivalents</b>		
	-10	-12
<b>V. Increase or decrease in cash and cash equivalents</b>		
	3,659	1,997
<b>VI. Balance of cash and cash equivalents at beginning of the term</b>		
	11,634	9,636
<b>VII. Balance of cash and cash equivalents at end of the term</b>		
	15,294	11,634



## **[Notes to Consolidated Financial Statements for Fiscal Year to March 31, 2009]**

The Consolidated Financial Statements for the fiscal year to March 31, 2009 have been prepared in accordance with the provisions set forth in the “Rules Concerning Terminology, Forms and Preparation Methods of Consolidated Financial Statements,” issued in 1976 by the Ministry of Finance (hereinafter referred to as the “Rules on Consolidated Financial Statements”), the “Cabinet Office Order Concerning Financial Instruments Trading Business,” issued in 2007 by the Cabinet Office and the “Uniform Accounting Rules Concerning Securities Business,” (self-imposed rules set in 2007 by the Securities Dealers Association of Japan).

While the Consolidated Financial Statements for the fiscal year ended March 31, 2008 were based on the then-effective Rules on Consolidated Financial Statements, the Consolidated Financial Statements for the fiscal year ended March 31, 2009 are based on the Rules on Consolidated Financial Statements as newly amended.

### **(Summary of Significant Accounting Policies for Preparation of Consolidated Financial Statements)**

#### **1. Matters concerning scope of consolidation**

##### **(1) Consolidated subsidiaries: 5 companies**

Namely:

- (i) Ichiyoshi Research Institute Inc.
- (ii) Ichiyoshi Investment Management Co., Ltd.
- (iii) Ichiyoshi Business Service Co., Ltd.
- (iv) Ichiyoshi IR Institute Inc.
- (v) Ichiyoshi International (H.K.) Ltd.

Newly-added consolidated subsidiary: None.

Eliminated consolidated subsidiary: None.

##### **(2) Non-consolidated subsidiaries: None.**

#### **2. Matters concerning application of an equity method**

None.

#### **3. Matters concerning fiscal-year account-settlement days of consolidated subsidiaries**

The fiscal-year account-settlement days of all consolidated subsidiaries coincide with the consolidated fiscal-year account-settlement day (March 31).

#### **4. Matters concerning accounting treatment standards**

##### **(1) Purpose and scope of trading**

Our trading activities on the floors of securities exchanges are carried out to contribute to the healthy functioning of the market and to the smooth execution of brokerage orders, and our trading activities off the floors are meant to facilitate the formation of fair market prices and to increase liquidity in the market. Through these activities, we aim to earn profits and contain losses by taking advantage of price fluctuations and inter-market differences.

Our trading instruments on the floors of securities exchanges are listed stocks, bonds with stock warrants (for new shares), stock index futures and options, individual stock options, government bond futures and options, and those off the floors are stocks, bonds, warrants, bond options and forward foreign exchanges.

##### **(2) Recording of trading instruments**

Securities and derivatives classified as trading instruments are recorded at market prices.

**(3) Recording of non-trading instruments**

Securities not classified as trading instruments are recorded in the following manner:

**(i) Securities with prices quoted**

Market prices adopted on the consolidated balance sheets are based on closing quotations as of the end of the fiscal year, and differences between acquisition costs and valuations at market prices are directly reflected in the net worth account. For securities sold, their costs are computed by the moving average method.

**(ii) Securities with no prices quoted**

They are recorded at cost determined by the moving average method.

With respect to investments in limited-liability investment partnerships or similar partnerships which can be classified as securities under Article 2-2 of the Financial Instruments and Securities Exchange Law, Ichiyoshi's share of investments in such partnerships is calculated on a net basis, based on the latest financial statements of such investment partnerships readily available under relevant partnership contracts.

**(4) Depreciation of material assets**

**(i) Tangible fixed assets**

**Buildings (excluding structures attached to buildings):**

- (a) Buildings acquired on and before March 31, 1998: Old declining-balance method.**
- (b) Buildings acquired on and after April 1, 1998 and before April 1, 2007: Old straight-line method.**
- (c) Buildings acquired on and after April 1, 2007: New straight-line method.**

**Fixed assets other than buildings:**

- (a) Fixed assets acquired on and before March 31, 2007: Old declining-balance method.**
- (b) Fixed assets acquired on and after April 1, 2007: New declining-balance method.**

**Useful lives of some major fixed assets are as follows:**

**Buildings: 3 to 47 years.**

**Equipment and fixtures: 3 to 20 years.**

**Equipment owned by a foreign subsidiary is depreciated by the straight-line method in accordance with accounting standards adopted in the country where the subsidiary is located.**

**(ii) Intangible fixed assets**

Depreciation of intangible fixed assets is principally calculated by the straight-line method based on the estimated useful lives of the respective assets. Expenditures relating to costs of computer software for internal use are capitalized as assets and amortized by the straight-line method over a period of five years.

**(5) Treatment of material deferred assets**

**New share issue expenses---Fully expensed at the time of payment.**

**(6) Recording of material reserves and allowances**

**(i) Allowance for doubtful accounts**

To provide against default by debtors, we record an amount estimated to be uncollectible:

- a. Ordinary credits --- An uncollectible amount is estimated based on our default-experience rate.
- b. Credits with potential default risk and credits in bankruptcy proceedings --- An uncollectible amount is estimated based on our analysis of financial assets of debtors.

**(ii) Accrued bonuses to employees**

To provide for bonus payments to employees, we record an amount estimated to have accrued as of the balance sheet date (calculated by a certain method).

**(iii) Accrued retirement benefits to employees**

To provide for payment of retirement benefits to employees, we record an amount estimated to have accrued based on the amount of the projected benefit obligation reduced by the pension plan assets at fair value at the balance sheet date.

Prior service liability is amortized by the straight-line method over 5 years, which is within the estimated average remaining years of service of the employees.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized, principally by the straight-line method over 8 years, which is within the estimated average remaining years of service of the employees.

(Additional information)

Effective from the fiscal year ending March 31, 2010, actuarial gains or loss will be amortized in the year following the fiscal year in which the gain or loss is recognized, principally by the straight-line method over 11 year, which is within the newly-estimated average remaining years of service of the employees.

**(iv) Reserve for Ichiyoshi Point-Service Campaign**

To provide for payment for the “Ichiyoshi Point-Service Campaign,” we record an amount estimated to have accrued as of the balance sheet date on the basis of customers’ rate of use in the past.

**(v) Accrued retirement benefits to officers of consolidated subsidiaries**

We record an amount of retirement benefits estimated to have accrued (based on an internal rule) for payment to officers of consolidated subsidiaries as of March 31, 2009.

**(7) Recording of material leases**

Non-cancelable leases whose ownership is not transferred to the lessee and whose contract dates precede the fiscal year ended March 31, 2009, continue to be accounted for as operating leases.

**(8) Recording of hedging transactions**

We in principle treat gains or loss resulting from market-price valuation of hedging instruments as assets or liabilities on the balance sheet until gains or loss on transactions for which hedging instruments are utilized are recognized. Interest-rate swaps are subject to a special-rule treatment when they satisfy requirements for the special-rule treatment.

**(9) Accounting for consumption taxes**

Tax-excluded treatment is employed both for national and local consumption taxes.

**5. Valuation of assets and liabilities of consolidated subsidiaries**

Valuation of assets and liabilities of consolidated subsidiaries is all based on market prices.

**6. Amortization of goodwill**

Goodwill items are amortized by the straight-line method over a period of 5 years, except for small-amount items which are written off in the fiscal year in which they arise.

**7. Scope of funds in Consolidated Cash Flow Statement**

Cash and cash equivalents in the Consolidated Cash Flow Statement consist of cash on hand, current-account deposits, ordinary-account deposits, readily-cashable securities and minimum-price risk short-term investments which mature within 3 months of their purchase.

**[Change to Accounting policy]**

**1. Reserve for financial instruments transaction liabilities:**

Effective from the fiscal year ended March 31, 2009, reserve for financial instruments transaction liabilities has been 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, income before taxes, tax adjustments and minority interests for the fiscal year ended March 31, 2009 decreased by 118 million yen, as compared to the case where the previous calculation method was adopted.

**2. Accounting for leases:**

Effective from the fiscal year ended March 31, 2009, "Accounting Standards Concerning Leases" (Corporate Accounting Standards No. 13, dated June 17, 2003 and last amended on March 30, 2007, issued by Corporate Accounting Standards Board) and "Application Guidelines Concerning Leases" (Corporate Accounting Standards Application Guidelines No. 16, dated January 18, 2004 and last amended on March 31, 2007, issued by Corporate Accounting Standards Board) have been adopted. 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 the fiscal year ended March 31, 2009, continue to be accounted for as operating leases.

The new accounting method has not caused any effect on income statement.

**[Changes to Presentation Methods]**

As “Law Amending Part of Financial Instruments and Securities Exchange Law” and orders and ordinances related thereto became effective from the fiscal year ended March 31, 2009, “Uniform Accounting Rules Concerning Securities Business” (self-imposed rules issued by Japan Securities Dealers Association) was partially amended. As a result of such amendment, “Commissions from underwriting” has been changed to “Commissions from underwriting and solicitation to specified investors”, and “Commissions from distribution” to “Commissions from distribution and solicitation to specified investors.” This change has not caused any effect on income statement.

**† Notes to Consolidated Balance Sheets]****(1) Cumulative amount of depreciation of tangible fixed assets: (in millions of yen)**

	--- As of March 31 ---	
	2009	2008
	-----	-----
Cumulative amount of depreciation	4,392	4,050

**(2) Reserve under a special law:**

Reserve for securities transaction liabilities is based on Article 46-5 of Financial Instruments and Securities Exchange Law.

**(3) Land revaluation:**

Effective on March 31, 2000, the Company revalued its land held for business purposes in accordance with the “Land Revaluation Law” and the “Amended Land Revaluation Law.” As of March 31, 2009, an amount of 2,016 million yen was recorded under net worth as “Difference on land revaluation.” The method followed for this land revaluation was determined in accordance with the “Land Valuation Tax Law” as stipulated in the “Enforcement Law Concerning Land Revaluation” and other regulations.

The difference between the book value and its market value at March 31, 2009 amounted to 176 million yen (negative).

**[Notes to Consolidated Income Statement]****1. Loss on write-off of fixed assets:**

The loss occurred on write-off of buildings, equipment and fixtures when the Company remodeled its Osaka Branch office.

**2. Loss on removal of fixed assets:**

The loss occurred on removal of fixed assets when the Company remodeled its Osaka Branch office.

**[Notes to Consolidated Statement of Shareholders' Equity]**

For the fiscal year ended March 31, 2009:

**1. Issued shares:**

Kind of shares	No. of issued shares as at March 31, 2009	No. of shares newly issued	No. of shares retired	No. of issued shares as at March 31, 2008
Common shares	44,431,386	-	1,957,500*	46,388,886

\*= Retired in accordance with Article 178 of the Company Law.

**Treasury shares:**

Kind of shares	No. of treasury shares as at March 31, 2009	No. of shares increased	No. of shares reduced	No. of treasury shares as at March 31, 2008
Common shares	580,640	1,961,347*	1,958,058 **	577,351

\*= Acquisition of treasury shares in accordance with the Articles of Incorporation of the Company and pursuant to Article 165-2 of the Company Law: 1,957,500 shares.

Buyback of odd-lot shares (shares numbering less than the minimum trading unit): 3,847 shares.

\*\*= Retirement of treasury shares pursuant to Article 178 of the Company Law: 1,957,500 shares.

Disposal of odd-lot shares by sale: 558 shares.

**2. Issuance of warrants for new shares:**

Purpose of warrants	Kind of shares	--- No. of shares issuable for warrants ---				Value outstanding as at March 31, 2009
	Issuable for warrants	As at March 31, 2008	Increase	Decrease	Outstanding as at March 31, 2009	
For stock options	---	---	---	---	---	39 million yen
Total	---	---	---	---	---	39 million yen

**3. Dividends:****(1) Amount of dividends paid:**

Date of Board of Directors' resolution	Kind of shares	Total amount of dividends	Dividend per share	Record date	Payment date
May 20, 2008	Common shares	732 million yen	16.00 yen	March 31, 2008	June 2, 2008
Oct. 28, 2008	Common shares	732 million yen	16.00 yen	Sept. 30, 2008	Nov. 25, 2008

**(2) Dividends whose record date is March 31, 2009 and whose payment date comes after March 31, 2009:**

Date of Board of Directors' resolution	Kind of shares	Fund source of dividends	Total amount of dividends	Dividend per share	Record date	Payment date
May 19, 2009 (Scheduled)	Common shares	Retained earnings	438 million yen	10.00 yen	March 31, 2009	June 1, 2009

### **[Notes to Consolidated Cash Flow Statement]**

The balance of cash and cash equivalents in the Consolidate Cash Flow Statement as of March 31, 2009 and as of March 31, 2008 as reflected on corresponding items in the Consolidated Balance Sheets as of March 31, 2009 and as of March 31, 2008: ( in millions of yen):

	--- As of March 31 ---	
	2009	2008
	-----	-----
Cash and deposits	15,500	11,841
Time deposits with maturity over		
three months	- 314	- 314
MMF	108	107
	-----	-----
Cash and cash equivalents (balance)	15,294	11,634
	-----	-----

### **[Segment Information]**

1. Segment information by business category

For the fiscal year ended March 31, 2009 and for the fiscal year ended March 31, 2008, our “Investment and Financial Services” accounted for more than 90% of our operating revenue, operating income and total assets, respectively. Therefore, we omit description on segment information by business category.

2. Segment information by geography

For the fiscal year ended March 31, 2009 and for the fiscal year ended March 31, 2008, more than 90% of our operating revenue was derived from domestic sources. Therefore, we omit description on segment information by geography.

3. Overseas sales (operating revenue)

For the fiscal year ended March 31, 2009 and for the fiscal year ended March 31, 2008, our overseas operating revenue accounted for less than 10% of total operating revenue. Therefore, we omit description on overseas sales.

### **[Leases]**

We omit description on leases since they are immaterial.

### **[Transactions with Related Parties]**

We omit description on transaction with related parties since they are immaterial.

**[Tax Effect Accounting]**

1. The significant components of deferred tax assets and liabilities as of March 31, 2009, were as follows (in millions of yen):

For the fiscal year  
ended March 31, 2009

-----  
Deferred tax assets:

(1) Current assets :

Accrued bonus to employees not recognized as expense	162
Social security premium equivalent on accrued bonus to employees	19
Enterprise taxes on corporate income	1
Enterprise taxes on added value and capital	5
Officers' retirement benefits payable and not recognized as expense	14
Reserve for the Point-Service Campaign not recognized as expense	161
Allowance for doubtful debt not recognized as expense	11
Other	7
	-----
Sub-total	383
Valuation allowance	- 352
Set off against deferred tax liabilities (current)	- 27
	-----
Current deferred tax assets (total)	4

(2) Fixed assets

Loss brought forward	1,883
Valuation loss on investment securities not recognized	201
Loss on limited partnership investment not recognized	60
Accrued retirement benefits not recognized as expense	79
Excess of depreciation expense	55
Reserve for financial-instruments transaction liabilities not recognized as expense	68
Valuation loss on golf memberships not recognized	103
Allowance for doubtful debt not recognized as expense	10
Valuation loss on telephone subscription rights not recognized	25
Impairment loss on fixed assets not recognized	63
Officers' retirement benefits not recognized as expense	28
Other	46
	-----
Sub-total	2,629
Valuation allowance	- 2,619
	-----
Fixed deferred tax assets (total)	9
	-----
Total of current and fixed tax deferred assets	13

Deferred tax liabilities

Current liabilities

Refund of enterprise tax on corporate income	- 27
Set off against current deferred tax assets (current)	27
	-----
Total of deferred tax liabilities (current)	-

Fixed liabilities

Difference on valuation of non-trading securities	- 11
	-----
Total liabilities (fixed)	- 11

Total of deferred tax liabilities	- 11
-----------------------------------	------

Net deferred tax assets 2

2. A reconciliation of the statutory tax rate and the effective tax rate after the application of the tax effect accounting for the fiscal year ended March 31, 2009:  
Description is omitted because net income was negative for the fiscal year ended March 31, 2009.



## [Securities and Derivatives]

### 1. Securities and derivatives for trading

#### (1) Market prices of securities for trading: (in millions of yen)

	--- As of March 31 ---			
	2009		2008	
	Assets	Liabilities	Assets	Liabilities
Stocks and warrants	49	-	8	8
Bonds	248	-	1,084	-
Beneficiary certificates, etc.	108	-	107	-
Total	406	-	1,200	8

#### (2) Contract values and market prices of derivatives trades: (in millions of yen)

	2009				2008			
	--- As of March 31 ---							
	Assets		Liabilities		Assets		Liabilities	
	CV	MP	CV	MP	CV	MP	CV	MP
Forward forex*	9	0	171	- 1	63	- 0	119	- 0

Notes: CV= Contract value; MP= Market price; and Forward forex= Forward foreign exchange

\*= Market prices are gains or loss estimated to be realized on the basis of current market.

### 2. Securities and derivatives other than for trading

#### (1) Market prices of securities (traded in the market): (in millions of yen)

	--- As of March 31 ---					
	2009			2008		
	PC(a)	BV(b)	(b)-(a)	PC((c)	BV(d)	(c)-(d)
Securities whose prices on the balance sheet are above cost:						
Stocks*	5	42	36	134	453	318
Beneficiary certificates	-	-	-	-	-	-
Sub-total	5	42	36	134	453	318
Securities whose prices on the balance sheet are below cost:						
Stocks*	430	428	- 2	1,502	1,053	- 448
Beneficiary certificates	-	-	-	120	102	- 17
Sub-total	430	428	- 2	1,622	1,156	- 465
Total	435	470	34	1,757	1,610	- 147

\*= During the fiscal year ended March 31, 2009, valuation loss of 1,080 million yen was recorded.

**(2) Securities without market prices and their value recorded on balance sheets: (in millions of yen)**

--- As of March 31 ---		
	2009	2008
Non-listed stocks*	417	463
Investments in limited-liability investment partnerships or similar partnerships	1,074	1,279
<b>Total</b>	<b>1,492</b>	<b>1,742</b>

\*= Valuation loss for the fiscal year ended March 31, 2007: 56 million yen.

(Golf memberships were also written down by the amount of 31 million yen during the fiscal year ended March 31, 2009).

**(3) Non-trading securities sold: (in millions of yen)**

Fiscal year ended March 31		
	2009	2008
Total amount of sales	310	394
Total gains	189	339
Total loss	---	---

**[Retirement Benefits]**

Ichiyoshi and its consolidated subsidiaries have the defined-benefit plans, consisting of the Qualified Retirement Pension Plan and the Retirement Single-Payment Plan.

The following table sets forth the funded and accrued status of Ichiyoshi's and its consolidated subsidiaries' defined benefit plans at March 31, 2009: (in millions of yen)

**(1) Items relating to retirement benefit obligation:**

Retirement benefit obligation	4,254
Unrecognized actuarial difference	648
Plan asset at fair value	3,385
<b>Accrued retirement benefits</b>	<b>220</b>

**(2) Items relating to retirement benefit expenses:**

Service cost	284
Interest cost	85
Expected return on plan assets	- 76
Actuarial difference	50
Prior service cost	10
<b>Retirement benefit expenses</b>	<b>353</b>

(3) The assumptions and bases used in accounting for the defined benefit plans for the fiscal year ended March 31, 2009 were:

- |  |         |
|--|---------|
| (i) Discount rate:   | 2.00%   |
| (ii) Expected rate of return on plan assets:   | 2.00%   |
| (iii) Amortization period for prior service cost:  | 5 years |
| (Prior service cost is amortized by the straight-line method over 5 years, which is within the estimated average remaining years of service of the employees.)   |         |
| (iv) Amortization period for actuarial difference:   | 8 years |
| (Actual difference is amortized in the year following the year in which the difference is recognized, principally by the straight-line method over 11 years, which is within the newly-estimated average remaining years of service of the employees.) |         |

### [Stock Options]

We omit description on stock options since they are immaterial.

### [Per-share Data]

	--- Fiscal year ended ---	
	March 31, 2009	March 31, 2008
Per-share net worth	640.42yen	775.38 yen
Per-share net income	- 106.03yen	22.90yen
Per-share net income on a diluted basis (adjusted for shares potentially issuable)	-	22.89yen

Note: Per-share net income on a diluted basis for the fiscal year ended March 31, 2009 is not calculated since net income was negative for the fiscal year and there were no potentially-issuable shares having any diluting effect on the per-share net income.

### Basis for computation of per-share data:

(1) For per-share net worth:

	--- March 31, 2009	As of March 31, 2008
Net worth (on Consolidated Balance Sheet)	28,156 million yen	35,570 million yen
Net worth attributable to common stock	28,082 million yen	35,521 million yen
Difference:		
Related to stock options	39 million yen	17 million yen
Related to minority interests	33 million yen	32 million yen
Number of issued shares of common stock	44,431 thousand	46,388 thousand
Number of treasury shares	580 thousand	577 thousand
Number of shares used for computation of per-share net worth	43,850 thousand	45,811 thousand

(2) For per-share net income before/after adjustment for shares potentially issuable:

	--- Fiscal year ended ---	
	March 31, 2009	March 31, 2008
Net income (on Consolidated Income Statement)	- 4,804 million yen	1,087 million yen
Net income attributable to common stock	- 4,804 million yen	1,087 million yen
Net income not attributable to common stock	-	-
Average number of outstanding common shares during the fiscal year	45,311 thousand	47,482 thousand
Amount of adjustment for net income	-	-
Potentially issuable shares:		
New shares issuable upon exercise of stock warrants	-	18 thousand
Number of common shares increased	-	18 thousand
Potentially-issuable shares not included for computation of diluted per-share net income due to their non-effect on per-share net income	New shares issuable upon exercise of stock options; (i) 22,000 shares issuable upon exercise of 22 stock options, which were authorized at the shareholders' meeting on June 26, 2004; (ii) 72,000 shares issuable upon exercise of 720 stock options, which were authorized at the shareholders' meeting on June 25, 2005; and (iii) 80,000 shares issuable upon exercise of 800 stock options, which were authorized at the shareholders' meeting on June 23, 2007.	New shares issuable upon exercise of stock options: 80,000 shares issuable upon exercise of 800 stock options, which were authorized at the shareholders' meeting on June 23, 2007.

**[Material Events Continuing after March 31, 2009]**

None applicable.

## [Reference Materials for Fiscal Year Ended March 31, 2009]

### 1. Commissions

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

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2009	March 31, 2008	
	(A)	(B)	(%)
Brokerage commissions	4,591	7,441	- 38.3%
(Stocks)	( 4,544)	( 7,422)	( - 38.8%)
(Bonds)	(    8)	(    3)	(+ 147.0%)
Commissions from underwriting			
and solicitation to specified investors	38	133	- 71.0%
(Stocks)	(   38)	(   132)	( - 70.7%)
(Bonds)	(   - )	(    1)	(   - )
Commissions from distribution			
and solicitation to specified investors	2,086	3,907	- 46.6%
(Beneficiary certificates)	(2,064)	(3,858)	( - 46.5%)
Commissions from other sources	5,841	7,673	- 23.9%
(Beneficiary certificates)	(4,760)	(6,211)	( - 23.4%)
Total	12,557	19,156	- 34.4%

#### (2) Commissions by products (in millions of yen)

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2009	March 31, 2008	
	(A)	(B)	(%)
Stocks	4,606	7,590	- 39.3%
Bonds	38	61	- 36.6%
Beneficiary certificates	6,863	10,085	-32.0%
Others	1,048	1,418	- 26.1%
Total	12,557	19,156	- 34.4%

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

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2009	March 31, 2008	
	(A)	(B)	(%)
Stocks, etc.	425	728	- 41.6%
Bonds, foreign exchange, etc.	334	371	- 10.0%
(Bonds, etc.)	(334)	(371)	( - 9.9%)
(Foreign exchange, etc.)	( - 0)	(   0)	(   - )
Total	759	1,099	- 30.9%

### 3 . Quarterly Consolidated Income Statements for Recent Eight 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)	4th Q (1-3/09)
Operating revenue	6,252	5,592	5,461	4,182	5,042	3,598	2,849	2,766
Commissions	5,625	5,000	4,854	3,675	4,446	3,103	2,556	2,451
Gains or loss on trading	296	238	303	261	292	267	97	101
Interest and dividend income	184	202	160	124	107	102	66	56
Other operating revenue	144	151	143	120	195	124	129	156
Interest expenses	45	46	31	25	29	29	18	17
Net operating revenue	6,206	5,546	5,430	4,156	5,013	3,568	2,831	2,748
Operating cost and expenses	5,022	4,939	4,838	4,659	4,676	4,406	4,215	4,045
Transaction-related expenses	605	718	616	620	531	620	497	489
Personnel expenses	2,633	2,505	2,517	2,324	2,469	2,218	2,127	2,083
Property-related expenses	545	533	517	526	488	482	484	469
Clerical expenses	723	696	712	703	718	634	684	591
Depreciation	181	201	202	224	202	211	215	215
Public charges	56	52	57	57	46	42	35	32
Reversal of allowances for doubtful accounts	0	10	-3	-7	0	-0	3	-2
Other	276	219	218	209	219	196	167	166
Operating income	1,184	606	591	-503	336	-838	-1,384	-1,296
Non-operating income	76	22	33	12	69	31	30	6
Non-operating expenses	4	43	0	104	0	79	7	127
Current income	1,256	585	625	-594	405	-886	-1,361	-1,418
Extraordinary income	46	-0	-0	302	145	189	-1	-2
Extraordinary expenses	11	27	21	18	4	657	421	128
Income before taxes and minority interests	1,292	557	603	-309	547	-1,354	-1,785	-1,549
Income taxes, resident's taxes & enterprise taxes	306	537	-76	76	18	8	11	20
Income tax adjustments	275	-277	380	-153	177	-147	575	-3
Minority interests	-5	-2	-3	-1	0	1	0	-0
Net income	715	300	303	-231	351	-1,217	-2,372	-1,566

( END )