



Investors' Guide 2009

For the Year Ended March 31, 2009

 ICHIYOSHI
SECURITIES

CREDO (Mission Statement)

Management Philosophy

Remain a firm of customers' trust and choice

Management Objective

To be a "Name-Brand Boutique House" in the financial industry

Action Guidelines

Gratitude, Integrity, Courage, Responsiveness, Continuity

Long-term Good Relation

For Our Employees

Respecting employees' individuality
and striving for human resource cultivation

The Ichiyoshi Spirit

Fighting on with passion and sincerity

Job Satisfaction

Building a free and invigorated corporate
climate that optimizes employees' abilities
and creativity by prioritizing teamwork

For Our Shareholders

Striving for continuous improvement
in performance and corporate value

Return to Shareholders

Raising business profitability and strengthening
financial health, then returning profits to shareholders

Information Disclosure

Ensuring business management transparency through
appropriate disclosure and investor relation activities

For Our Customers

Meeting Everyone's Top Priority

Customer Prioritization

Always providing advice with sincerity
from the customer's standpoint

Quality Services

Responding to social and market changes and
providing high-quality products and services

For Society

Contributing to the development of society
as a participant in the financial markets

Social Responsibility

Complying with laws and regulations and
operating with high ethical standards

Social Contribution

Contributing to the development of regional societies
and securities markets through corporate activities

“The top priority for each and every customer ...”

Precisely meeting the diverse needs of our varied customers
and providing the very best in services and products

Among all the financial institutions available, being our customers' securities firm of choice

Continuing to maintain Long-term Good Relations in our transactions

The design of our corporate logo is imbued with these philosophies.



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Forward-Looking Statements

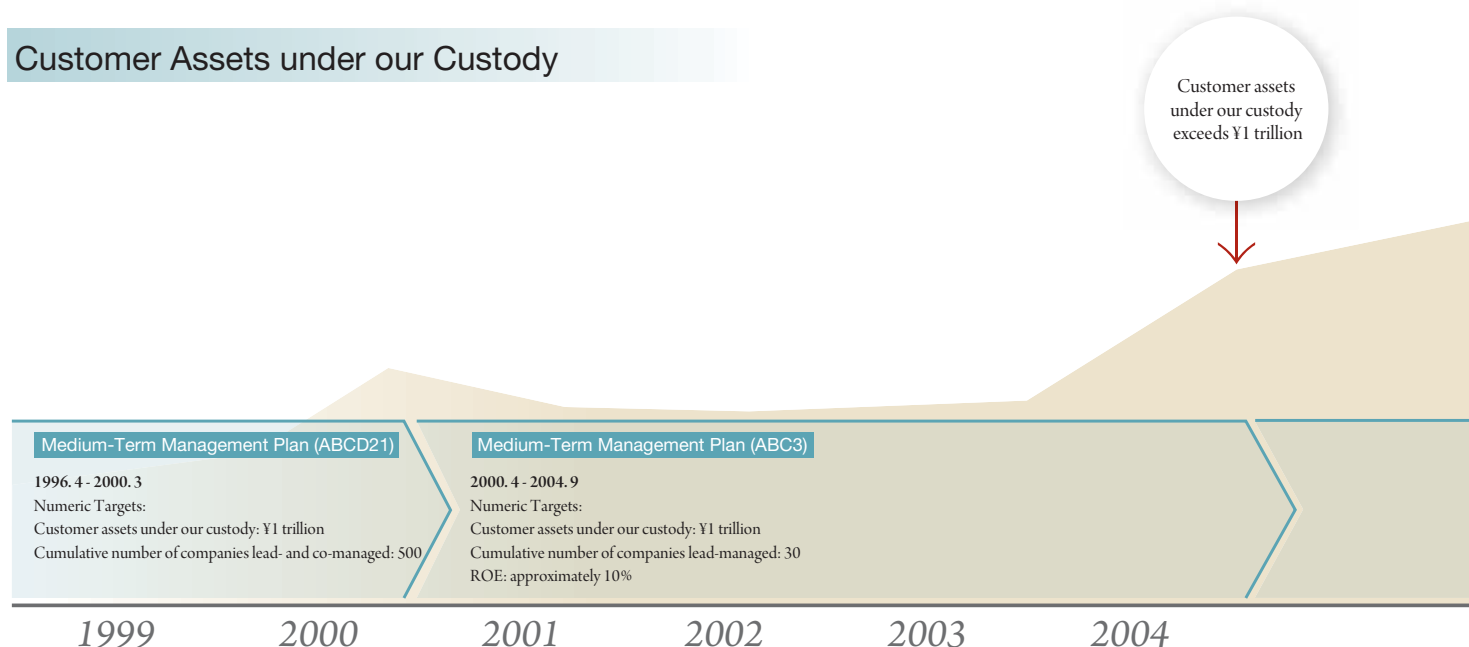
This investors' guide contains forward-looking statements about the future plans, strategies, beliefs and performance of Ichiyoshi Securities and its consolidated subsidiaries. These forward-looking statements are not historical facts. They are expectations, estimates, forecasts and projections based on the assumptions derived from information currently available to the Company and are subject to a number of risks and uncertainties, which include market trends, economic trends, competition in the Japanese financial industry, laws and regulations, and the tax system. As such, actual results may differ materially from those projected.

Consolidated Financial Highlights: A Decade of Growth

Ichiyoshi Securities Co., Ltd. and Consolidated Subsidiaries

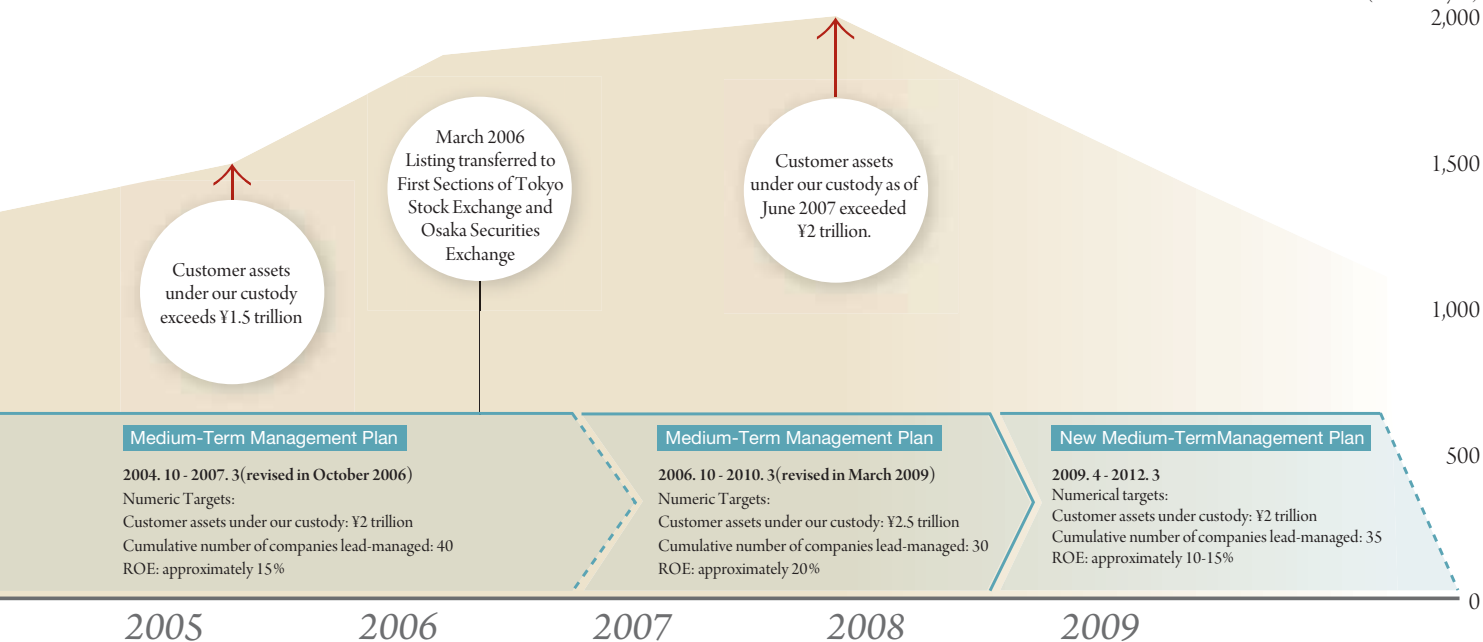
For the years ended March 31 or as of March 31	1999	2000	2001	2002	
For the Year					
Operating revenue	9,028	24,640	12,627	10,689	
Current income (loss)	△2,093	11,038	△2,203	△2,947	
Net income (loss)	△3,803	9,925	△2,565	△3,577	
At Year-End					
Total assets	69,835	152,327	86,982	47,358	
Net worth	33,611	43,323	38,690	33,309	
Per Share Data					
Net income (loss)(Yen)	△68.40	187.53	△48.01	△69.91	
Net worth (Yen)	635.55	807.28	727.68	688.03	
Cash dividends (Non-consolidated)(Yen)	3	30	3	3	
Key Indicators					
Net return on equity (%)	△10.6	25.8	△6.3	△9.9	
Equity ratio (%)	69.9	47.9	76.2	70.3	
Other Performance Indicators					
Customer assets under our custody (billions of yen)	527.1	817.8	686.2	671.1	
Of which, customers' investment trust assets (billions of yen)	133.9	254.1	247.9	274.2	
Number of customer accounts	68,673	77,381	88,849	93,791	
Cumulative number of companies lead- and co-managed	386	443	511	580	
Of which, number of companies lead-managed	2	3	7	8	

Customer Assets under our Custody



(Millions of yen)

2003	2004	2005	2006	2007	2008	2009
9,565	19,561	21,734	27,569	25,482	21,489	14,256
△3,476	4,671	5,477	9,855	6,498	1,872	△3,261
△4,112	4,596	4,967	5,757	3,848	1,087	△4,804
39,096	61,406	62,669	88,736	65,577	50,078	36,596
28,268	32,520	35,591	40,571	39,318	35,570	28,156
△85.62	101.07	107.14	122.64	81.09	22.90	△106.03
597.04	708.83	759.64	858.11	826.71	775.38	640.42
3	20	30	100	55	32	26
△13.4	15.1	14.6	15.1	9.6	2.9	△15.1
72.3	53.0	56.8	45.7	59.9	70.9	76.7
697.5	1,119.2	1,430.6	1,974.0	1,966.5	1,590.2	1,177.5
337.5	431.5	547.6	754.0	909.3	825.9	604.4
99,701	112,089	128,206	135,726	144,021	150,457	155,490
620	663	710	743	783	812	821
10	15	20	23	25	26	27

(Billions of yen)
2,000

Message from the President

**We are striving to build
“a securities firm like no other in Japan.”
These words and their meaning are of deep significance to Ichiyoshi.**

The business management policy advocated in the Ichiyoshi Credo is to “remain a firm of customers’ trust and choice.” Accordingly, we have set the unprecedented management objective of building a “Name-Brand Boutique House” in the finance and securities industry.

Our action guidelines to attain these goals are based on the virtues of “Gratitude, Integrity, Courage, Responsiveness and Continuity.” In addition, we are endeavoring to achieve high, long-lasting utility value to both individual and medium-sized business customers to realize “Long-Term Good Relations.” Every Ichiyoshi employee, including myself, is encouraged to always carry with them a card bearing the Ichiyoshi Credo as a tool and constant reminder of our joint efforts toward these goals.

In order to realize this credo, for the past 10 years we have implemented three different medium-term management plans targeting the creation of a “Name-Brand Boutique House.”

Given the current management environment, which has been affected by the global economic recession since last year, we have formulated a New Medium-Term Management Plan targeting March 31, 2012 for rebuilding the company based on our “Name-Brand Boutique House” concept.

Ichiyoshi shall continue to work in unity for the benefit of its shareholders and investors. We look forward to your continued patronage and support in these endeavors.

July 2009

Masashi Takehi

President & Chief Executive Officer



Interview with the President

Q. Please elaborate on Ichiyoshi's business environment and performance for the fiscal year ended March 31, 2009.

A. Beginning with the "Lehman shock" last September, the effect of the contracting global credit markets on the real economy has created extremely harsh conditions in the global financial and capital markets. The Japanese stock market and the Nikkei Average dropped to their lowest points since the collapse of the asset pricing bubble in the early 1990s. Trading in emerging-stock markets, one of our specialties, contracted even further, making wide-scale adjustments unavoidable.

Despite the challenge for equity sales created by a substandard trading volume in the stock market as a whole, we continued to focus on stabilizing profits, notably from funds that pay income monthly, and on diversifying revenues through such products as variable annuity insurance policies and wrap-accounts, and through our institutional investor business.

As a result of these efforts, consolidated operating revenue for the fiscal year under review totaled ¥14,256 million, a 33.7% decrease compared with the preceding fiscal year. Although operating costs and expenses declined 10.9%, to ¥17,345 million, we booked a current loss of ¥3,261 million. The net loss for the fiscal year under review was ¥4,804 million.

Sharp fluctuations in the management environment have led us to determine that we must once again enhance and rebuild our "Name-Brand Boutique House" foundation; therefore, we have formulated a New Medium-Term Management Plan targeting March 31, 2012, to rebuild ourselves based on the concept of "Name-Brand Boutique House."



Q. Ichiyoshi's management philosophy and objectives have been clarified in the President's Message, but what is Ichiyoshi's concept of a "Name-Brand Boutique House?"

A. We do not aim to be like a department store that handles all manner of products; we are a securities firm modeled on a boutique in the sense of presenting itself with attractions that cannot be found in its competitors.

The U.S. financial industry underwent radical changes in the wake of the deregulation of commissions, known as "May Day," in 1975. Ten years later, only two of the top ten securities firms were still operating.

Furthermore, the firms that had sustained growth over the subsequent 20 years were medium-sized firms with specialties.

Similarly, following the Japanese "Big Bang" of 1998, only two of the 10 leading Japanese securities firms remained after 10 years. In the future, I predict the polarization in the Japanese financial and securities industry into large-scale "mega houses" fashioned like department stores and medium-sized boutiques, each with their own specialism.



Against this backdrop, we have aimed to build a specialized "Name-Brand Boutique House" in the past 10 years.

Q. You mentioned that you have formulated a New Medium-Term Management Plan, could you please give us some background?

A. Starting from April 1996, we implemented three medium-term management plans to lay the foundation for a "Name-Brand Boutique House." In October 2006, we formulated our fourth medium-term management plan to raise its framework on the foundation. In April 2008, we revised the fourth medium-term management plan, extending its target date to March 31, 2010. Since the demise of Lehman Brothers last September, however, the business climate surrounding our business has drastically deteriorated amid the unprecedented financial crisis and

economic meltdown across the world.

The worsening management environment has led us to determine that we must firmly rebuild the foundation of a "Name-Brand Boutique House." Based on this determination, we have discontinued the existing medium-term management plan and formulated a New Medium-Term Management Plan targeting March 31, 2012.

Numeric Targets in New Medium-Term Management Plan

Customer assets under custody	¥2 trillion	(¥1.1775 trillion)
Number of companies lead-managed	35	(27)
ROE	Approximately 10–15%	(–%)

(Figures as of March 31, 2009)

Period of New Medium-Term Management Plan

Three years (April 1, 2009 to March 31, 2012)

Basic Strategy

1	Expansion of business base	Increase in customers' assets under custody.	5	Further enhancement of profitability of existing business lines and small-and medium-cap companies-related businesses.
2	Improvement on cost coverage ratio	Earnings structure less susceptible to market volatilities.	6	Diversification of business channels.
3	Customer-focused strategy	Development of high net-worth customers and enhancement of face-to-face advisories.	7	Nurturing and training of talent.
4	Product strategy	<ul style="list-style-type: none"> • Basically medium-to long-term based diversified investment stance. • "Reconstruction of investment trust assets(Base assets)" and "Shift to equity." • Observance at all times of "Fundamental principles on individuals-targeted products --- 'We don't sell products just because we can.' --- Ichiyoshi's own belief and standard. 		

Q. Please discuss the basic ideas behind the New Medium-Term Management Plan.

A. The basic idea is to return to the starting point. In other words, revitalize our advantages and strengths and reconstruct the "Name-Brand Boutique House" platform. Specifically, we are focused on our areas of expertise, financial asset management services for high

net-worth retail customers and servicing the needs of small- and medium-cap stocks and companies. We will also attempt to strengthen our Triangular Pyramid style of management.

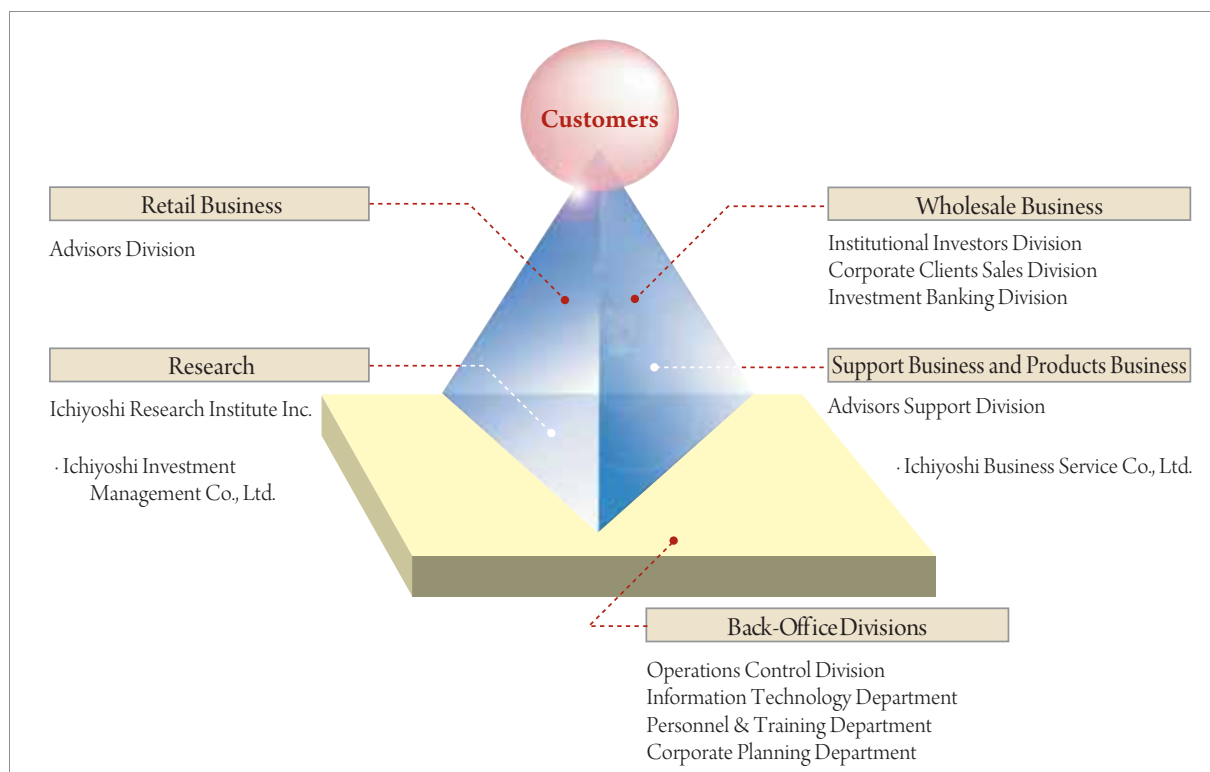
Q. Please explain the Triangular Pyramid Management.

A. Each facet of the Triangular Pyramid Management that jointly forms our management function works effectively, with additional benefits from the synergistic effects of their interaction. This translates into improved products, information and advice provided to our customers. Ichiyoshi Research Institute's expertise is the base of the pyramid, and the retail, wholesale and

support/product divisions form the other facets.

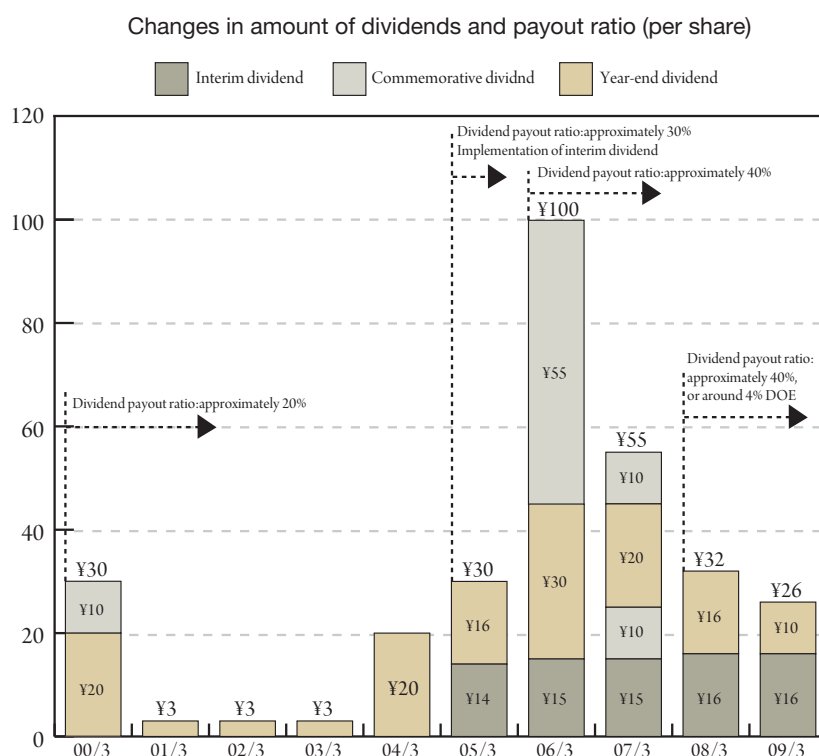
Large-scale securities firms suffer from bloated structures, which impede synergy between divisions. There are few medium-sized or smaller firms with a full range of functions, which sets Ichiyoshi apart. We want to build further on this originality in the future.

Triangular Pyramid



Q. Ichiyoshi has been ahead of the pack in implementing high levels of returns to shareholders. Please elaborate on your policy on earnings distribution.

A.



An appropriate earnings distribution to our shareholders, as well as corporate governance, has been among our core management policies.

In March 2000, we pledged a payout ratio of approximately 20% to shareholders, and paid dividends of ¥30 per share, including ¥10 per share in commemorative dividends. Thereafter, we upgraded our payout ratio level to 30% in 2005 and to 40% in 2006. We also started paying out interim dividends in 2005. Since the fiscal year ended March 2008, we have based dividends on either a payout

ratio of approximately 40% or DOE of approximately 4%, whichever is the larger. Thus, the total dividend per share for the fiscal year under ended March 31, 2008, was ¥32, and the total dividend per share for the fiscal year under ended March 31, 2009, was ¥26.

With respect to our issued shares, we retired 1,957,500 shares, or 4.2% of the then-issued shares, in January 2009. In the past from September 1998 to March 2008, we retired 13,540,200 shares, or 23.7% of the then-issued shares.

Retirement of shares

	Bought-back shares/Retired shares	Acquisition price	Retirement ratio
September 1998 to January 2004	11,841,000 shares	¥ 264.55	20.2%
January to March 2008	1,699,200 shares	¥ 1,032.31	3.5%
November 2008 to January 2009	1,957,500 shares	¥ 673.03	4.2%
			TOTAL 27.9%

Reference: total number of shares issued as of March 31, 2009 44,431,386 shares

Q. Ichiyoshi instituted corporate governance procedures from an early stage. What have these activities involved?

A. Ichiyoshi has been a pioneer in strengthening corporate governance in the securities industry. In June 2003, we appointed three independent outside directors and moved to a “committees-based company” system to clearly delineate the management oversight and business execution roles.

Furthermore, in January 2006, Ichiyoshi set up the External Experts Committee to receive advice from outside academics and experts on matters concerning Ichiyoshi’s business management. In January 2009, we enhanced our director and executive officer management structure with the introduction of an operating officer system with the aim of flexible decision-making through a smaller number of executive officers and improved business execution capabilities.

Since 2001, we have held annual meetings of shareholders on Saturdays, as well as informal shareholder meetings, as part of our forward-looking corporate governance endeavors.



Q. Do you have anything else you would like to convey to shareholders?

A. In the future, we will continue aiming to build a “Name-Brand Boutique House” that is trusted by customers, and our shareholders can expect sound earnings distribution.

Once again I ask for your support and understanding in these endeavors.



Ichiyoshi's Strengths

Building Ichiyoshi's Investment Trust Fund Balance

For 10 years, we have endeavored to help our customers safely and steadily increase their assets, not by simply offering a complete line of products, but by introducing products and services that reassure customers of holding their investments on a medium-to long-term basis. We have striven to better meet customer needs by offering a wide array of financial products and services, including “Global Sovereign Open Fund,” and variable individual annuity insurance.

The Company's ongoing commitment to putting the customer first has led to a substantial increase in repeat purchases and customer referrals.



Specialization on Emerging Growth Companies and Small- and Medium-Cap Growth Stocks

Specializing in investments in small- and medium-cap growth stocks, we unearth venture companies with high growth potential sufficient to sustain the future of the Japanese economy—not through speculation but through medium- to long-term holding—for performance that will benefit our customers. To this end, our subsidiary Ichiyoshi Research Institute Inc., in collaboration with Ichiyoshi Investment Management Co., Ltd., conducts research, analysis, management and consulting specializing in emerging growth companies and small- and medium-cap growth stocks.

Ichiyoshi Research Institute houses 18 analysts (as of March 31, 2009) distinguished by their wealth of experience and knowledge. They specialize in research and analysis on emerging growth companies and small- and medium-cap growth stocks listed on the Tokyo Stock Exchange, the Osaka Securities Exchange, JASDAQ, Mothers and Hercules. Ichiyoshi Research Institute has ranked in the Japanese version of *Euromoney* magazine's “Best Research House Ranking” and for

six straight years has taken the top position in the magazine's “Emerging Market Access Ranking” and enjoys a strong reputation in Japan and overseas for their research capabilities.

Ichiyoshi Investment Management is an asset management business that brings together the Ichiyoshi Group's expertise in prospecting and investing in emerging growth companies. Among such companies, Ichiyoshi Investment Management invests primarily in those poised for dramatic growth. In March 2007, we launched the Ichiyoshi Wrap-Account service, and in June 2009, we launched the new Ichiyoshi Small- to Medium-Cap Stock Recovery Fund (also known as “Little Heroes”).

We will continue to deepen cooperation with these two subsidiaries to enhance a mutual support system for investment in small- and medium-cap growth stocks as we strive to become a “Name-Brand Boutique House” in the financial and securities industry.

Relationships Focused on High Net-Worth Customers

In addition to offering a product lineup that meets high net-worth customer needs, Ichiyoshi provides medium- to long-term asset management from the customer's perspective.

We are also remodeling our branches so that customers can receive advice about their assets in a relaxed atmosphere, and enhancing and expanding Ichiyoshi Direct (call center) to diversify our business channels.

We also offer medium-sized business owners with a support service called First-Class, which uses our unique resources (people, experience and business partners) to provide customized solutions for various corporate and asset management challenges.

The business management policy advocated in the Ichiyoshi

Credo is to “remain a firm of customers' trust and choice,” and is linked to building a good relationship with customers and increasing repeat orders and referrals.



Topics

For more than 10 years, Ichiyoshi Securities has observed “Principles Regarding Products for Retail Customers.” Our conviction that “We don’t sell products just because we can,” was used on posters and in newspaper advertising.

売れる商品でも、 売らない信念。

私たちは、お断りする事があります。

「いちよし基準」＝「個人のお客様向け商品についての原理原則」

- 公募仕組み値は取り扱いません。
- 債券は高格付けのみとし、不適格値は取り扱いません。
- 私募ファンドを取り扱いません。
- 個別外国株は、勧誘しません。外国株は投信での保有をお勧めします。
- 投信運用会社は、信頼性と継続性で選びます。
- 先物・オプションは勧誘しません。
- FX（外為証拠金取引）は取り扱いません。

私たちは、この「いちよし基準」を10年来守り続けています。

お客様の資産を安全・着実にじっくりと増やしていくための、お役に立ちたい
ということが当社の役職員の思いです。単に商品の品揃えをするだけでなく、
私たちがご紹介する商品やサービスがいつもお客様の大切な資産を安心
して中長期に保有して頂けるよう、あえてお断りする事があります。私たちは、
お客様に信頼して頂き、より長い間お付き合いをして頂くことを目指します。

Principles Regarding Products for Retail Customers

“We don’t sell products just because
we can”

Ichiyoshi Standard
(effective in the past 10 years)

- We do not handle publicly offered structured bonds
- We handle only highly rated bonds; we do not handle noninvestment-grade bonds
- We do not handle a private placement fund
- We do not solicit individual foreign equities. We recommend foreign equities be held in an investment trust
- Asset management companies are chosen for their trustworthiness and consistency
- We do not solicit futures or options
- We do not handle foreign exchange margin trades

選ばれ続ける証券会社へ。



いちよし証券

Business Outline

Retail Business

The Advisors Division suggests financial products for retail customers.

Ichiyoshi's advisory activities are geared to help build optimum asset portfolios of each retail customer through proposals and services that accurately reflect customer needs.

■ Ichiyoshi advisor activities

Providing customers with asset management advice is the heart of our operations, and Ichiyoshi was the first in the industry to change the name of its sales staff from "salesperson" to "advisor."

Ichiyoshi's advisory activities take the fundamental approach of conducting sales from customers' perspective. Through a direct dialog with each of our customers we are able to understand their true needs, create an appropriate portfolio and provide consistent follow-on services.

To become a true financial planner trusted by the customer, advisors must possess intimate knowledge of products and markets and excel in their ability to make proposals, their legal compliance and manners, all of which are enhanced through our training system.

■ We don't sell products just because we can

We want our customers' household finances to grow carefully and soundly. This is our firm, unwavering stance. As well as offering of a complete product line, we always consider the customers' viewpoint in order to understand their needs and provide them with reliable products and services. We only offer our customers products that have cleared the Ichiyoshi Standard, thoroughly applying strict neutrality to each product so that customers can hold financial products for the medium- to long-term with peace of mind.

Ichiyoshi Securities aims to create customer relationships that last ten, twenty or more years.

■ Remaining a firm of customers' trust

Carrying out advisory activities based on the Ichiyoshi Credo (management philosophy, management objective and action guidelines) will enhance the trust of our customers, which, in turn, will lead to customer satisfaction and an increase in customers' assets in our custody.

We would like to push forward this win-win approach for our customers and for the Company.



Wholesale Business

Ichiyoshi's Wholesale Business provides products and services attuned to the needs of its diverse institutional customers through its Corporate Clients Sales Division, Institutional Investors Division and Investment Banking Division.

Corporate Clients Sales Division

■ Specializing in services for medium-sized listed companies

In response with the various demands in the medium-sized listed companies, Ichiyoshi provides them for solution service and proposals on the portfolio management. The activities involve the participation and coordination of many departments and affiliated companies. As for the business for privately owned companies, our focus is to build a partnership by advising on both their business management and asset management. In addition, we established a system to support fund management by regional financial institution and pension managers.

Institutional Investors Division

■ Improving services for domestic and overseas institutional investors

We are focused on expanding and upgrading brokerage services to meet the diversified needs of institutional investors in Japan and abroad. We also organize listed companies' investor relations meetings to serve as an intermediate between those companies and institutional investors. Ichiyoshi's Trading Business was relocated to the headquarters in an aggressive drive to bolster response speed in executing orders and reinforce services using transaction methods that meet customer needs.

English-language research reports, one of our services for institutional investors, are regarded highly overseas. We will continue to augment our services for global institutional investors through proactive distribution of information overseas.

Investment Banking Division

■ Specialization in emerging-stock markets and support for growth

The Investment Banking division offers assistance on initial public offerings (IPOs) and capital policy to medium-sized and venture companies, as well as intermediary and advisory services for mergers and acquisitions. Ichiyoshi, with its strength in emerging markets, places research-based support for emerging companies and sharing of their growth process at the heart of its investment banking business. Moreover, we are strategically emphasizing IPOs and mergers and acquisitions as the two pillars of this division.

Ichiyoshi considers its strengths as follows:

- Clarity of direction in its investment banking business
- Focus on emerging and high-growth companies
- Establishment of a support infrastructure via research and investor relations
- Confidence in the quality and independence of underwriting and credit evaluation functions
- Customer-oriented response, built from experience, both before and after IPOs
- Strong distribution functions for emerging stocks

Support Business and Products Business

■ Supporting advisory activities

The Advisors Support Division, which provides customer support, engages in advisory activities and develops financial products for sale, consists of the Advisors Support Department, the Research & Strategy Department, the Financial Products Department, the Wealth Management Department and Ichiyoshi Direct Call Department. Activities to facilitate improved customer services span introducing customers to individual stocks and issues, providing them with customer-friendly information, hosting seminars, introducing tax accountants and other specialists and providing products and services that meet the diverse needs of business owners.

The Wealth Management Department has wealth managers located in Tokyo and Osaka who engage in various activities to meet the diverse needs of high net-worth customers. Ichiyoshi will continue to engage in advisory activities and offer backup support to build relationships of trust with its customers.

■ Medium- to long-term asset management follow-up services

Ichiyoshi carries out consistent medium- to long-term asset management follow-up services. Ongoing provision of information and follow-up services is vital to helping to keep the long-term holding of shares and investment trusts. Accordingly, we issue reports on stocks held, host stock-investment seminars and hold ongoing fund management-reporting meetings and quarterly premium fund management-reporting meetings at each branch for investment trust customers throughout Japan.


Ichiyoshi supports the safe, medium- to long-term holdings not just when financial products are purchased, but also throughout the holding period by providing ongoing information and periodicals including *JASDAQ Monthly*, *The Market Strategy* and *Fund Care*.



Back-Office Divisions

Ichiyoshi's Operations Control Division is responsible for the Company's administrative services (compliance, monitoring and inspections) and general business affairs. The division also supports funding operations, plans operational promotions and supports the back-office activities of each branch office.

■ Emphasis on compliance management



Understanding and abiding by rules is now a minimum requirement for financial institutions. While Ichiyoshi has put focus on compliance management, "Plan for Strengthening the Competitiveness of Japan's Financial and Capital Markets," promulgated by the Financial Services Agency, has spurred the Company to raise levels of compliance management and to revise the functions of its back-office divisions. With the objectives of raising the quality of our advisors and the back-office divisions that support them and providing better services for customers, we conduct regular in-house compliance tests and internal and external training courses. These endeavors serve to ensure that all employees acquire legal, regulatory and administrative familiarity and knowledge.

■ The role of back-office divisions

The Operations Control Division is the underlying force that supports our Triangular Pyramid Management. It provides a lifeline for the back-office activities of each branch office and division and strives to ensure better services are provided to customers. Moreover, the division facilitates swift, precise and flexible responses to the multitude of changes that the Company faces.

Staff Training

Viewing people as our greatest asset, we are constantly focused on developing and improving the capabilities and qualifications of our employees.

Ichiyoshi is proactively engaged in workplace improvements that take employee concerns into consideration, aiming at a comfortable workplace employees can be proud of and where they will want to work for a long time.

IR Activities

One part of our IR activities involves holding biannual information meetings for institutional investors in Japan. We also visit institutional investors in the United States and Europe and provide them with the latest company information. Ichiyoshi posts financial materials and press releases in English on its website, providing simultaneous disclosure of information in Japanese and English.

Compliance

Ichiyoshi has formulated a Mission Statement that embodies the management philosophy, business goals and action guidelines commonly recognized by all the Company's employees. The Mission Statement declares that employees of the Company shall act with high ethical standards, observing relevant statutes and regulations as part of its obligation to society. Ichiyoshi aims to practice active compliance that solidly responds to societal demands, rather than passive compliance that merely involves observing laws.

Compliance Activities

Each year we formulated a new compliance program that updates or revises the rules and flow of the program. The company-wide knowledge and understanding of the new compliance program is enhanced through the monthly or every-other monthly sessions of the Compliance Meeting. The session, attended by committee members who are the

principal members of each branch, division and subsidiary company, serves as a secretariat and is attended by related departments within the Operations Control Division. The session gives out compliance directives, ensures thorough sharing of information and reports on current problems.

Compliance Manual

The Compliance Manual, Business Rule Guidebook and other materials are available on Ichiyoshi's intranet for ready reference should a possible compliance issue arise. The materials are kept up to date with any changes in relevant laws or regulations. Once every half-year, the Company also administers a compliance test to all employees to deepen and verify compliance-related understanding. Each department or branch of the Company also strives for further self-development through active participation in external training sessions.



Internal Whistle-Blowing System

To prevent employee violation of laws and other corporate misconduct, in March 2004, the Company implemented an internal whistle-blowing system with corporate legal counsel as the contact point. Reported information is passed on to the executive chief responsible for Internal Control System for swift and appropriate corrective action.

In addition to the internal whistle-blowing system, the Company maintains consultation services for employee health and legal matters, and a Suggestion Forum in which employees can express views directly to the management. Such systems also serve to gather information outside the normal operational channels.

Director/Executive Officer/Operating Officer

(As of June 20, 2009)



Board of Directors

From left: Takeo Shima, Keiji Watanabe, Toshiyuki Fuwa, Masashi Takehi, Heiji Endo, Shigenobu Hayakawa

Directors

Heiji Endo
(Chairman of the Board)

Masashi Takehi

Toshiyuki Fuwa

Keiji Watanabe*

Takeo Shima*

Shigenobu Hayakawa*

*Outside director

Executive Officers

President & Chief Executive Officer	Masashi Takehi
Senior Managing Executive Officer	Toshiyuki Fuwa
Managing Executive Officers	Nobutaka Tanaami
	Toshihiko Takaishi
	Noriyuki Ushiyama
Executive Officers	Hisato Hatanaka
	Yasuaki Yamasaki
	Shiro Tateishi

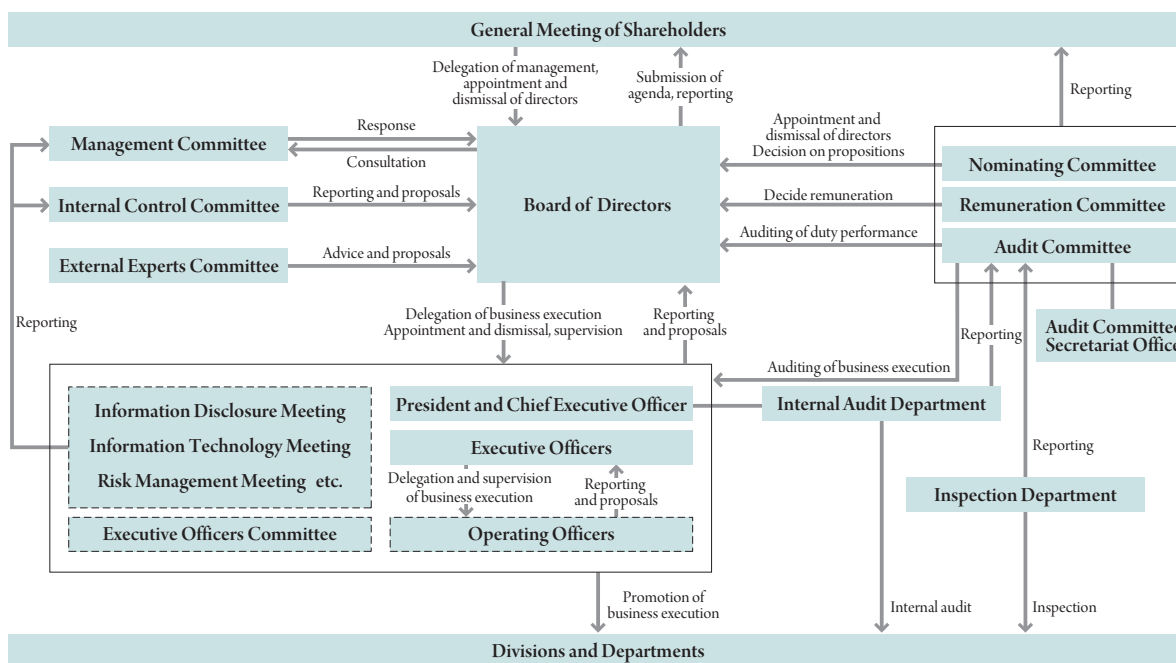
Operating Officers

Senior Operating Officers	Osamu Akagi
	Shigeru Akiba
Operating Officers	Masaki Yano
	Isao Kuwahara
	Tsutomu Nakao
	Mikio Nio
	Hiroshi Ryugen

Corporate Governance

We have made corporate governance one of our management priorities to secure the flexibility and transparency of decision-making, to improve the speed and effectiveness of business execution and to reinforce supervision over management and business matters.

Governance Structure



Corporate Governance Developments

1998

- ▶ Executive officers appointed to effect prompt decision-making and execution of decisions
- ▶ Board of Auditors bolstered by the appointment of an attorney-at-law as an independent outside auditor

2000

- ▶ Two business results briefings held for retail investors and analysts
- ▶ Board of Directors reinforced by the appointment of a certified public accountant as an independent outside director
- ▶ Remuneration Committee, with members including an independent outside director and an independent outside auditor, created to clarify assessments of executive officers' performance

2001

- ▶ Annual shareholders' meeting held on Saturday (accompanied by a social gathering with shareholders)

2003

- ▶ "Committees-based company" system adopted

2004

- ▶ Internal whistle-blower system adopted; retirement benefits system for directors and executive officers abolished

2005

- ▶ Information Disclosure Committee established
- ▶ Internal Control Committee established
- ▶ Investor relations activities conducted in the United Kingdom and the United States
- ▶ Business Continuity Plan Adoption Committee created
- ▶ Internal Audit Department created under the direct authority of the Chief Executive Officer

2006

- ▶ External Experts Committee established

2007

- ▶ Separation of the roles of the Chairman of the Board of Directors and the Chief Executive Officer

2009

- ▶ Introduction of Operating Officers system

Information on Consolidated Subsidiaries

Ichiyoshi Research Institute Inc.



Established in 1987, Ichiyoshi Research Institute Inc. conducts research on stocks of small and medium-sized growth companies. In addition to individual corporate research, the institute carries out research and analysis from a broad perspective by coordinating with the strategists and chief economists at Ichiyoshi Securities Co., Ltd. who analyze the investment environment.

The small- and medium-cap stock market that Ichiyoshi specializes in is difficult to predict due to its sharp fluctuations. Accurate reports on this market are therefore highly sought after by investors, and Ichiyoshi provides research reports and information through publications including *JASDAQ Monthly*, *Stock Research Brief* and *Hands-on Research Memo*.

To provide such reports, the institute strives to recruit and cultivate superior human resources and augment its research and training capacity. A “Level-Up Committee” consisting of veteran analysts works to upgrade each analyst’s abilities, and the personnel evaluation system is implemented by third-party organizations to ensure fair evaluation.

As of April 30, 2009, the institute’s analysts are following a total of 339 universe stocks. The institute’s coverage of small- and medium-cap growth stocks is also top-class among securities firms. From 2003 to 2008, Ichiyoshi Research Institute has ranked in the Japanese version of *Euromoney* magazine’s “Best Research House Ranking” and has held the top position in the magazine’s “Emerging Market Access Ranking” for six consecutive years.

Research forms the base of the Triangular Pyramid that embodies the Ichiyoshi management model, with retail, wholesale and support/product divisions forming the other facets of the pyramid. To implement the Triangular Pyramid Management, Ichiyoshi Research Institute will continue to offer investors accurate reports, endeavoring to be the world’s best group of analysts focusing on Japanese small- and medium-cap stocks.

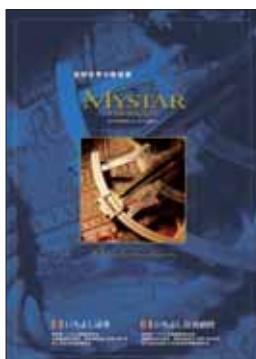
Best Research House Rankings by *Euromoney*

Emerging Market Access Ranking

Ranking	Company	Index
1	Ichiyoshi Research Institute	22.66%
2	Nomura Securities	14.16%
3	Mitsubishi UFJ Securities	9.88%
4	Daiwa Institute of Research	9.68%
5	Shinko Securities (now Mizuho Securities)	7.57%
6	Tokai Tokyo Research Center	4.22%
7	Mizuho Securities	4.00%
8	Nikko Citigroup	3.95%
9	Goldman Sachs Securities	2.76%
10	JPMorgan Securities	2.48%

Source: *Euromoney*, No. 74, 2009

Ichiyoshi Investment Management Co., Ltd.



Ichiyoshi Investment Management Co., Ltd. was established in October 1986 as an asset management company that provides discretionary investment and advisory services for institutional investors and investment trusts. Ichiyoshi Investment Management operates its asset management business by bringing together the Ichiyoshi Group's expertise in prospecting and investing in emerging growth companies and small-and medium-cap growth companies. Among such companies, Ichiyoshi Investment Management primarily invests in companies with strong fundamentals and high growth potential on a medium- to long-term investment horizon. The firm also invests in stocks being sold at a substantial discount for reasons unrelated to fundamentals. In addition, in March 2007, Ichiyoshi Investment Management began management of "MYSTAR," a fund wrap account service for retail customers, and from June 2009 we launched the new Ichiyoshi Small- to Medium-Cap Stock Recovery Fund (also known as "Little Heroes").

Ichiyoshi Investment Management's fund management philosophy is based on "Active Management," "Medium- to long-term Performance-based Management," "Customer Needs-based Management," "Prospecting Status with Expected Active High Returns," and "High Probability of Medium- to long-term Active Returns," as required by each client. The firm employs research from Ichiyoshi Research Institute to make strategic investment choices.

Based on the research, Ichiyoshi Investment Management's fund managers visit corporations directly to prospect stocks. The managers then hold investment policy committee meetings that make use of environmental analysis conferences and investment universe conferences, and select investment stocks at weekly fund management meetings.

Ichiyoshi Investment Management aims to satisfy customer needs to a high standard with superior performance through stock selection that is based on a consistent investment philosophy and management style, lucid management processes and research. By practicing thorough compliance and strict disclosure, the firm strives to be an investment management company with a solid presence customers cannot do without.



Ichiyoshi Investment Management Co., Ltd.

▶ <http://www.ichiyoshiim.jp/english/business-operation/information.html>

Social Contributions

We consider contributing to society our social responsibility and donate a portion of the Company's revenue to charitable organizations in Japan and overseas. We have also created the Ichiyoshi Point Service, which enables customers to donate to organizations of their choice.

Creating a vibrant world,
with towns of
abundant verdure



緑森林文化協会

Encouraging a sense
of caring



あしなが育英会

Supporting the training
of guide dogs



日本盲導犬協会

Offering children
in developing countries
a more promising future



財団法人 日本フォスター・プラン協会 (プランジャパン)

Medical support
for those suffering in
miserable conditions



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世界の医療団
Médecins Sans Frontières

Protecting lifestyles
and the global environment



FoE Japan

Building Elementary Schools in Cambodia, Ecuador and Philippines

Through Plan Japan—a philanthropic organization that supports the happy development of children mainly in developing countries throughout the world—Ichiyoshi donated funds to construct school buildings. In a rural area in central Cambodia, these funds were used to build Neang Teut Elementary School (which was completed at the end of 2005). In addition, the organization completed the construction of the Beatrice Jimenez Vaquero Elementary School (which was completed in June 2007) in the Cotopaxi region of mountainous northern Ecuador, and **"A Piece of Gift"**

Panubigan Elementary School in Philippines (which was completed in March 2008). In December 2008, construction of the Altavista Elementary School was completed in Cebu Province, the Philippines.



The photos are provided
by Plan Japan



Altavista Elementary School

The donation program called "A Piece of Gift" begun as an appeal within Ichiyoshi, based on the voluntary goodwill of each employee, asking what we can do to brighten a corner of society with our contributions. Through the program, employees donate unused postcards, stamps, prepaid cards, stationery and other supplies to various organizations.



Financial Section

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26	Consolidated Balance Sheets
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30	Consolidated Cash Flow Statements

Management Discussion and Analysis

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 cope with the shrinking credits following the demise of Lehman Brothers last September, the ensuing sharp adjustments of industrial productions and inventories and the deepening economic crisis on a global scale, the leading economic nations of the world hurriedly adopted coordinated monetary and fiscal measures during a brief period 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 ¥6,994 in October 2008. 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, down 30.9% from the previous fiscal year. The average daily turnover on the JASDAQ Stock Market plummeted 58.8% to ¥13.9 billion.

Amid low turnovers in the JASDAQ and other emerging stock markets and other unfavorable conditions for our equity-related activities, we concentrated 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. Operating cost and expenses recorded ¥17,345 million. Hence, current income registered a deficit of ¥3,261 million. Customers' assets in our custody as at March 31, 2009 stood at ¥1,177.5 billion, 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, down 34.4% from the previous fiscal year ended March 31, 2008.

(1) Brokerage commissions

Total brokerage commissions on stocks decreased 38.8% to ¥4,544 million. 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.

(2) 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, 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.

(3) Commissions from distribution and solicitation to specified investors

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

(4) Commissions from other sources

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

2. Gains or Loss on Trading

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

3. Interest and Dividend Income

Interest and dividend income declined 50.5% to ¥332 million, reflecting a decrease in advances for margin purchases, and interest expenses dropped 36.1% to ¥95 million. As a result, net interest and dividend income amounted to ¥237 million, 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. Resultantly, current income for the fiscal year ended March 31, 2009 amounted to a deficit of ¥3,261 million.

5. Extraordinary Income and Loss

We recorded an extraordinary income of ¥331 million, including gains of ¥189 million on sales of investment securities, and an extraordinary loss of

¥1,212 million, including a valuation loss of ¥1,094 million on investment securities. As a result, we registered a net extraordinary loss of ¥881 million.

After allowing for the 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, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling ¥57 million, and corporate tax adjustments of ¥602 million and minority interests of ¥1 million) registered a deficit of ¥4,804 million.

6. Financial Condition

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

7. Cash Flow

Cash flow from operating activities for the fiscal year ended March 31, 2009 amounted to ¥6,478 million, a decline of ¥1,307 million 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, an increase of ¥1,590 million, due chiefly to proceeds from the sales of investment securities. Cash flow from financing activities recorded a negative figure of ¥2,859 million, an increase of ¥1,376 million, 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, an increase of ¥3,659 million from the end of the previous fiscal year (March 31, 2008).

8. Basic Policy on Earnings Distribution and Dividends for Fiscal Year Ended March 31, 2009

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

With respect to dividend payment, our former policy 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 ¥16.00 was paid to the shareholders of record as of September 30, 2008, and a final dividend per share of ¥10.00 was paid to the shareholders of record as of March 31, 2009. The total annual dividend per share of ¥26.00 was 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
Number 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.

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 trading business.

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 Institute Inc. 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 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." Ichiyoshi IR is to be liquidated by July 2009, and Ichiyoshi H.K. is to be liquidated by January 2010.

Consolidated Balance Sheets

(As of March 31, 2009 and 2008)

(Millions of yen)

	2009	2008
(Assets)		
Current assets	27,448	39,175
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
Fixed assets	9,147	10,903
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	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
Total assets	36,596	50,078

(Millions of yen)

	2009	2008
(Liabilities)		
Current liabilities	7,924	13,845
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 program	397	450
Other current liabilities	602	673
Long-term liabilities	346	358
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
Statutory reserves	168	304
Reserve for securities transaction liabilities	—	304
Reserve for financial instrument transaction liabilities	168	—
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

Consolidated Income Statements

(Years Ended March 31, 2009 and 2009)

(Millions of yen)

	2009	2008
Operating revenue	14,256	21,489
Commissions	12,557	19,156
Brokerage commissions	4,591	7,441
Commissions from underwriting, secondary-market sales, and the sale of investment products to specific risk-taking investors	38	133
Commissions on the handling of financial products, including sales commissions on transactions with specific risk-taking investors	2,086	3,907
Commissions from other sources	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 costs 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
Dividends on investment securities	77	93
Insurance premium refunded and dividend income	24	13
Other	35	39
Non-operating expenses	215	152
Loss on investments in partnership	191	121
Other	23	30
Current income or loss	△ 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 instrument 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
Losses on redemption of investment securities	37	—
Liquidation loss on investment securities	—	0
Losses on valuation of golf membership	31	—
Expenses for relocation of branch offices	—	14
Other	26	—
Income or loss 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 or loss	△ 4,804	1,087

Consolidated Statements of Shareholders' Equity

(Years Ended March 31, 2009 and 2008)

2009

(Millions of yen)

	Shareholders' equity					Difference on valuation and conversion			Stock acquisition rights	Minority interests	Total net worth
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Other securities valuation difference	Land revaluation difference	Total of difference on valuation and conversion			
Balance at March 31, 2008	14,577	9,573	13,791	△ 268	37,673	△ 136	△ 2,016	△ 2,152	17	32	35,570
Changes during the year:											
Cash dividends			△ 1,465		△ 1,465						△ 1,465
Net loss			△ 4,804		△ 4,804						△ 4,804
Purchase of treasury stock				△ 1,321	△ 1,321						△ 1,321
Disposal of treasury stock		0		0	0						0
Retirement of treasury stock		△ 1,317		1,317	—						—
Changes in items other than those in shareholders' equity (net)						152		152	22	1	176
Total changes during the year	—	△ 1,317	△ 6,270	△ 3	△ 7,590	152	—	152	22	1	△ 7,414
Balance at March 31, 2009	14,577	8,255	7,521	△ 271	30,082	16	△ 2,016	△ 2,000	39	33	28,156

2008

(Millions of yen)

	Shareholders' equity					Difference on valuation and conversion			Stock acquisition rights	Minority interests	Total net worth
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Other securities valuation difference	Land revaluation difference	Total of difference on valuation and conversion			
Balance at March 31, 2007	14,576	11,325	14,873	△ 267	40,507	766	△ 2,000	△ 1,233	—	44	39,318
Changes during the year:											
Issuance of new shares	1	1			3						3
Cash dividends			△ 2,185		△ 2,185						△ 2,185
Net income			1,087		1,087						1,087
Purchase of treasury stock				△ 1,755	△ 1,755						△ 1,755
Disposal of treasury stock		0		0	0						0
Retirement of treasury stock		△ 1,754		△ 1,754	—						—
Difference			16		16		△ 16	△ 16			—
Changes in items other than those in shareholders' equity (net)						△ 902		△ 902	17	△ 12	△ 897
Total changes during the year	1	△ 1,752	△ 1,081	△ 1	△ 2,834	△ 902	△ 16	△ 918	17	△ 12	△ 3,748
Balance at March 31, 2008	14,577	9,573	13,791	△ 268	37,673	△ 136	△ 2,016	△ 2,152	17	32	35,570

Consolidated Cash Flow Statements

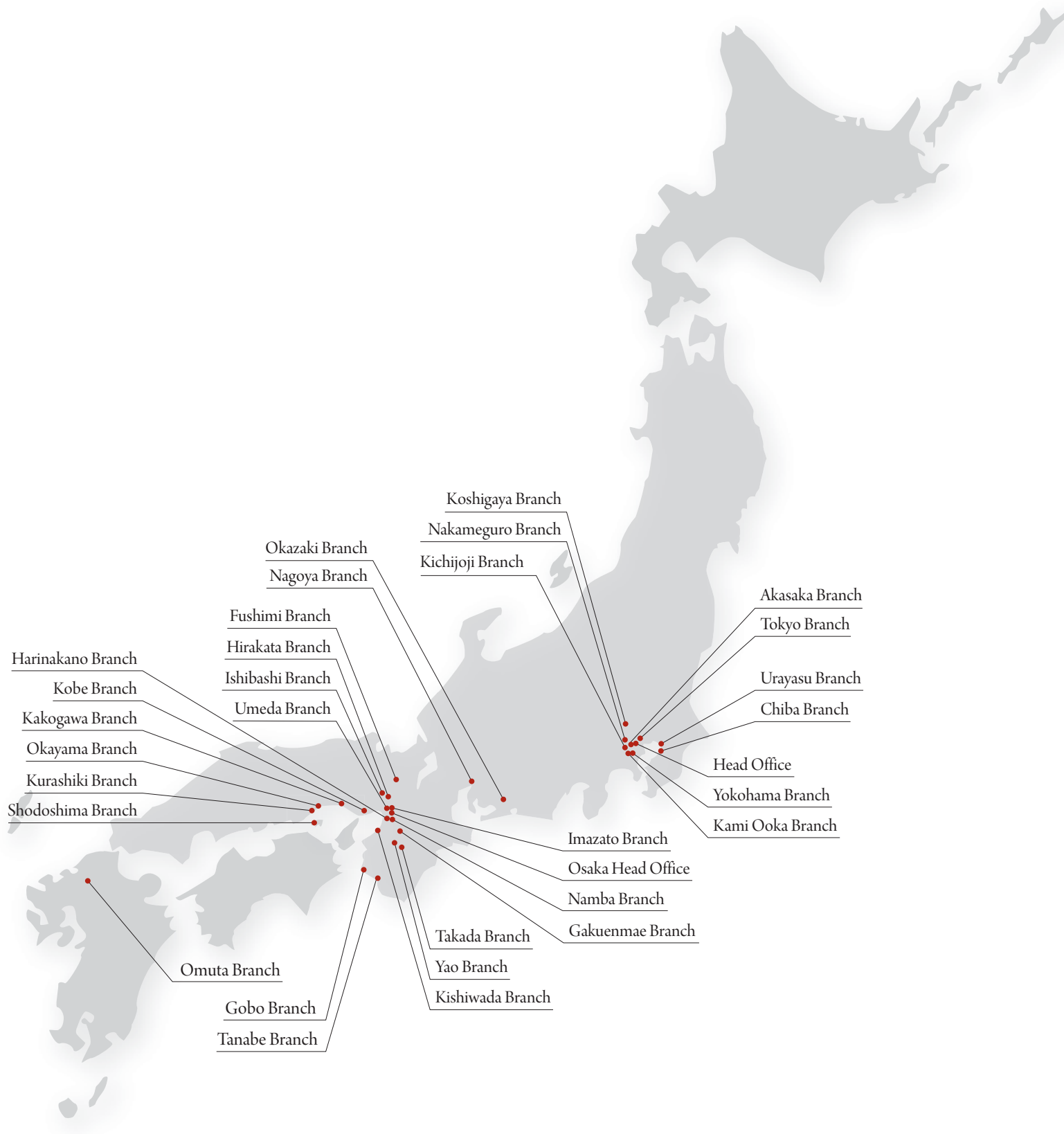
(Years Ended March 31, 2009 and 2008)

(Millions of yen)

	2009	2008
I. Cash flow from operating activities		
Net income or loss before taxes and minority interests	△ 4,142	2,143
Depreciation	844	810
Losses or gains 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 program	△ 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 golf membership	—	△ 0
Gains on sales of investment securities	—	0
Gains on sales of investment securities	△ 189	△ 339
Losses on redemption of investment securities	37	—
Losses on valuation of investment securities	1,094	28
Gains on sales of fixed assets	—	△ 2
Loss on write-off of fixed assets	11	34
Losses on valuation of golf membership	31	—
Increase or decrease in reserve for securities transaction liabilities	△ 304	—
Increase or decrease in reserve for financial instrument transaction liabilities	168	—
Decrease or increase 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
Decrease or increase in short-term loans	△ 4	18
Increase or decrease in trading assets	793	△ 635
Net decrease or increase in margin transaction assets and liabilities	7,489	8,169
Decrease or increase in subscription moneys	148	855
Decrease or increase 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
II. Cash flow from investing activities		
Deposit of funds into time deposits	△ 4,150	—
Repayments 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
III. Cash flow from financing activities		
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
IV. Conversion differences related to cash and cash equivalents	△ 10	△ 12
V. Increase or decrease in cash and cash equivalents	3,659	1,997
VI. Balance of cash and cash equivalents at beginning of the term	11,634	9,636
VII. Balance of cash and cash equivalents at end of the term	15,294	11,634

Company History

▶ October 1948	Registered as a securities dealer under the Securities and Exchange Law
▶ April 1949	Became a regular member of the Osaka Securities Exchange (now Osaka Securities Exchange Co., Ltd.)
▶ August 1950	Changed company name to Ichiyoshi Securities Co., Ltd.
▶ December 1962	Established Ichiyoshi Real Estate Co., Ltd. (name changed to Ichiyoshi Business Service Co., Ltd. in June 1999 (now a consolidated subsidiary))
▶ April 1968	Received licensing as a securities dealer under the amended Securities and Exchange Law
▶ October 1971	Became a regular member of the Tokyo Stock Exchange (now Tokyo Stock Exchange Group, Inc.)
▶ October 1986	Established Ichiyoshi Investment Management Co., Ltd. which took over the research arm of Ichiyoshi Securities
▶ November 1986	Changed overseas office in Hong Kong to a local affiliate, establishing Ichiyoshi International (H.K.) Ltd. (now a consolidated subsidiary)
▶ May 1987	Established Ichiyoshi Research Center Inc. (name changed to Ichiyoshi Research Institute Inc. in April 1990) to take over the research functions of Ichiyoshi Investment Management
▶ April 1989	Listed on the Second Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange
▶ December 1998	Registered as a securities firm under the amended Securities and Exchange Law
▶ July 2000	Changed the expression of the official name of Ichiyoshi Securities Co., Ltd. in Japanese Moved head office to Chuo-ku, Tokyo Changed the expression of the official name of Ichiyoshi Investment Management Co., Ltd. in Japanese Changed the expression of the official name of Ichiyoshi Research Institute Inc. in Japanese
▶ December 2000	Ichiyoshi Investment Management Co., Ltd. became a consolidated subsidiary of the Company Ichiyoshi Research Institute Inc. became a consolidated subsidiary of the Company
▶ June 2003	Adopted a “committees-based company” governance framework
▶ March 2006	On the First Sections of Tokyo Stock Exchange and the Osaka Securities Exchange
▶ July 2006	Ichiyoshi IR Institute Inc. established as a consolidated subsidiary
▶ September 2007	Registered as a financial instruments firm under the Financial Instruments and Exchange Law
▶ February 2009	Introduction of Operating Officers system



Stock Information

(As of March 31, 2009)

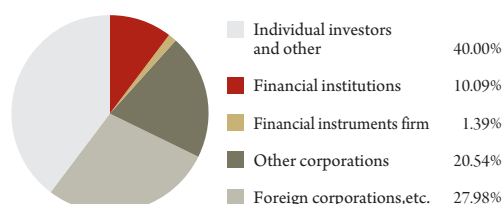
Shares Issued and Outstanding	44,431 thousand
Shareholders	14,466
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Auditor	Ernst & Young ShinNihon

Principal Shareholders

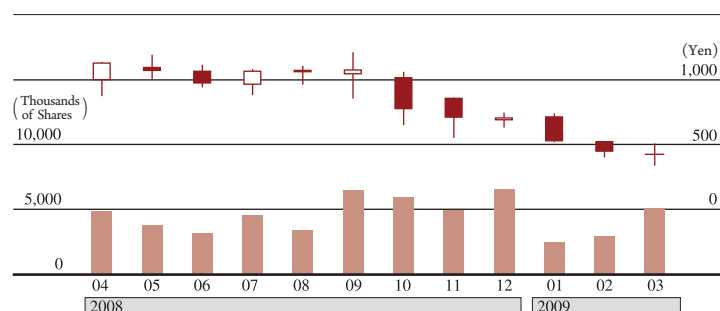
Shareholder	Holdings (Thousands of Shares)	Ownership* (%)
Nomura Land and Building Co., Ltd.	5,298	12.08
State Street Bank and Trust Company	3,986	9.09
State Street Bank and Trust Company 505223	1,977	4.50
Japan Trustee Services Bank, Ltd. (Trust Account4G)	1,913	4.36
JP Morgan Clearing Corp-Sec	1,229	2.80
Japan Trustee Services Bank, Ltd. (Trust Account)	1,050	2.39
Nomura Research Institute, Ltd.	879	2.00
Sanshin Co., Ltd.	869	1.98
Mellon Bank NA Treaty Client Omnibus	792	1.80
The Master Trust Bank of Japan, Ltd. (Trust Account)	642	1.46

* Ichiyoshi Securities holds 580,640 shares, but it is not included on the above list.

Distribution of Shareholders



Stock Price (Tokyo Stock Exchange, Monthly Basis)



Corporate Data

(As of March 31, 2009)

Company Name	Ichiyoshi Securities Co., Ltd. (Securities Code No. 8624)
Established	May 29, 1944
Head Office	2-14-1 Hatchobori, Chuo-ku, Tokyo, Japan
Capital	¥14,577 million
Personnel	965 employees



<http://www.ichiyoshi.co.jp/english/>

- Statements in this report concerning the future do not constitute pledges of business performance.
- Information contained in this report is subject to change without prior notification.

July 2009

Ichiyoshi Securities Co., Ltd.
Financial instruments firm registered with the Kanto Local Finance Bureau (registration No. 24)
Member association: Japan Securities Dealers Association