

EARNINGS REPORT FOR FIRST QUARTER OF FISCAL 2009

(April 1 to June 30, 2009)

(consolidated basis)

Released on July 28, 2009

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

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

Corporate representative: Mr. Masashi Takehi, President & Chief Executive Officer

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1. Outline of Consolidated Business Result for First Quarter of Fiscal 2009 (from April 1 to June 30, 2009)

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

--- Three months ended ---

	June 30, 2009		June 30, 2008
		(% year-to-year change in brackets)	
Operating revenue	4,150	(- 17.7)	5,042 (--)
Net operating revenue	4,126	(- 17.7)	5,013 (--)
Operating income	89	(- 73.3)	336 (--)
Current income	127	(- 68.7)	405 (--)
Net income	98	(- 72.1)	351 (--)
Earnings per share	2.24yen		7.67yen
Diluted earnings per share (adjusted for shares potentially issuable)		---	7.67yen

(2) Consolidated financial condition

	As of June 30 2009	As of March 31 2009
Total assets (in millions of yen)	39,287	36,596
Net worth (in millions of yen)	27,911	28,156
Equity ratio	70.8%	76.7%
Net worth per share	634.73yen	640.42yen

Note: Shareholders' equity as of June 30, 2009: 27,833 million yen.

Shareholders' equity as of March 31, 2009: 28,082 million yen.

2. Dividend

	--- Fiscal year ended ---	
	March 31, 2010	March 31, 2009

Per-share dividend: (See notes below)		
1 st quarter	---	---
2 nd quarter	---	16.00yen
3 rd quarter	---	---
Final	---	10.00yen
Annual total	---	26.00yen

Notes: (i) Ichiyoshi declares dividends payable to shareholders of record as of September 30 (semiannual dividends) and March 31 (final dividends) of each fiscal year, but not to shareholders as of June 30 and December 31 of each fiscal year.

(ii) It is not Ichiyoshi's practice to give an earnings or dividend forecast well before a business term ends.

3. Outlook for Consolidated Business Result for Fiscal 2009 (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 business quarter. Instead, we intend to release preliminary earnings figures after the end of each business quarter as and when such figures become available.

4. Other Matters

- (1) Changes in material subsidiaries (including a change in scope of consolidation): None.
- (2) Application of a simplified form of accounting treatment or an accounting treatment unique to the preparation of quarterly financial statements: Yes.
(Please refer to "IV. Other Matters" in [Qualitative Information and Financial Statements] hereinbelow.)
- (3) Material changes in accounting treatment principles and procedures and presentation methods relating to the preparation of quarterly financial statements:
 - (i) Changes resulting from revisions to accounting standards: None.
 - (ii) Changes other than those in (i): None.
(Please refer to "IV. Other Matters" in [Qualitative Information and Financial Statements] hereinbelow)
- (4) Number of shares issued (common stock):
 - (i) Number of shares issued as of June 30, 2009: 44,431,386 shares (including treasury shares)
Number of shares issued as of March 31, 2009: 44,431,386 shares (including treasury shares)
 - (ii) Number of treasury shares as of June 30, 2009: 580,977 shares.
Number of treasury shares as of March 31, 2009: 580,640 shares.
 - (iii) Average number of shares issued during the first quarter of fiscal 2009:
43,850,494 shares.
Average number of shares issued during the first quarter of fiscal 2008:
45,811,512 shares.

[Qualitative Information and Financial Statements for First Quarter of Fiscal 2009]

I. Qualitative Information on Consolidated Business Result

In the first quarter of fiscal 2009 (from April 1 to June 30, 2009), the growing glimmers of bottoming-out in the global economy were seen as leading-nations' vigorous counter-crisis measures and business communities' production and inventory adjustments started to take effect. Reflecting such developments, major stock markets across the world recovered somewhat from their steep corrections which occurred in the wake of the global simultaneous stock sell-off.

The Japanese stock market showed some signs of recovery as well, with the Nikkei Stock Average on the Tokyo Stock Exchange (the TSE) exceeding the 10,000 yen mark one time in June. Emerging stock markets in Japan also staged some recovery with their stock price level and turnover picking up.

The average daily turnover on the TSE for the first quarter of fiscal 2009 was 1,720.6 billion yen, down 31.8% from the comparable period of fiscal 2008, and that on the JASDAQ Stock Market was 12.4 billion yen, down 44.4%.

Under these circumstances, we actively carried out our investment advisory activities attuned to market environments, stressing our stance and philosophy for medium- to long-term investment, complemented by diversification.

Resultantly, net operating revenue for the first quarter of fiscal 2009 amounted to 4,126 million yen. Operating cost and expenses registered 4,036 million yen. Hence, current income recorded 127 million yen. (These figures and all the other figures relating to business result are expressed on a consolidated basis.)

Customers' assets in our custody as at June 30, 2009 stood at 1,359.0 billion yen, up 15.4% from March 31, 2009.

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

1. Commissions

Total commissions for the first quarter of fiscal 2009 amounted to 3,671 million yen, down 17.4% from the year-earlier period.

(1) Brokerage commissions

Total brokerage commissions on stocks decreased 8.6% to 1,623 million yen. Brokerage commissions on small- and medium-sized stocks (stocks listed on Second Sections of Tokyo Stock Exchange and Osaka Securities Exchange, JASDAQ Stock Market, TSE Mothers and OSE Hercules) accounted for 10.2% of total brokerage commissions on stocks, down from 14.0% for the comparable period of fiscal 2008.

(2) Commissions from underwriting and solicitation to specified investors

In the primary market, we did not manage any initial public offering ("IPO") (while we managed 1 IPO in the year-earlier quarter), nor did we participate in any deal on a management or underwriting basis in the secondary market.

The cumulative number of companies whose offerings were lead- or co-managed by Ichiyoshi stood at 821 (of which 27 were lead-managed) as of June 30, 2009.

(3) Commissions from distribution and solicitation to specified investors

As commissions from distribution of investment trusts, such as "Ichiyoshi Small- and Medium-Cap Recovery Fund," "Global Sovereign Open" and "Global REIT Open" among others, decreased 11.6% to 754 million yen, total commissions from distribution and solicitation to specified investors slid 12.6% to 756 million yen.

(4) Commissions from other sources

As the outstanding balance of investment trust funds as of June 30, 2009 declined 24.2% to 648.6 billion yen, Ichiyoshi's trailer fees slid 29.1% to 1,015 million yen. With the addition of commissions from variable-annuity insurance policy sales and investment banking fees, total commissions from other sources amounted to 1,277 million yen, down 29.0%.

2. Gains or loss on trading

Trading in stocks, etc. recorded net gains of 171 million yen, up 18.1% from the year-earlier quarter. Trading in bonds and foreign exchange, etc. registered net gains of 86 million yen, down 41.0%. As a result, total net gains on trading amounted to 258 million yen, down 11.6%.

3. Interest and dividend income

Interest and dividend income declined 42.8% to 61 million yen chiefly due to a decrease in advances for margin purchases. Interest expenses slid 17.5% to 24 million yen. As a result, net interest and dividend income recorded 37 million yen, down 52.2%.

4. Operating cost and expenses

As a result of review of the cost structure under "2009 Management Rationalization Plan" and streamlining of the Head Office functions through the consolidation of divisions, departments and sections, operating cost and expenses decreased 13.7% to 4,036 million yen.

As a result of these activities, current income for the first quarter of fiscal 2009 amounted to 127 million yen, down 68.7% from the comparable quarter of fiscal 2008

5. Extraordinary income and loss

We recorded an extraordinary income of 31 million yen, including a 29 million yen reversal from reserve for financial instruments transaction liabilities, and an extraordinary loss of 50 million yen, including a subsidiary-liquidation cost of 34 million yen. As a result, net extraordinary loss amounted to 19 million yen.

After allowing for net extraordinary loss, income before taxes and tax adjustments for the first quarter of fiscal 2009 amounted to 107 million yen, down 80.3%, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 10 million yen, and after adjustment for minority interests of 1 million yen) registered 98 million yen, down 72.1%.

II. Qualitative Information on Consolidated Financial Condition

1. Assets

Current assets amounted to 30,203 million yen as of June 30, 2009, an increase of 2,755 million yen (up 10.0%) from March 31, 2009, as advances for margin purchases increased by 5,314 million yen in parallel with a recovery in the stock market while cash and bank deposits declined by 3,154 million yen.

Fixed assets stood at 9,084 million yen as of June 30, 2009, a decrease of 63 million yen (down 0.7%) from March 31, 2009. The decrease resulted from depreciation of fixed assets.

As a result, total assets registered 39,287 million yen as of June 30, 2009, an increase of 2,691 million yen (up 7.4%) from March 31, 2009.

2. Liabilities

Current liabilities stood at 10,879 million yen as of June 30, 2009, an increase of 2,954 million yen (up 37.3%) from March 31, 2009. The increase resulted chiefly from a rise of 2,450 million yen in borrowings for margin transactions from securities finance corporations.

Long-term liabilities recorded 358 million yen as of June 30, 2009, an increase of 11 million yen (up 3.3%) from March 31, 2009. The increase mainly resulted from a rise of 10 million yen in accrued retirement benefits for employees.

Statutory reserves registered 138 million yen as of June 30, 2009, a decrease of 29 million yen (down 17.7%) from March 31, 2009. The decrease resulted from a reduction of reserve for financial instruments transaction liabilities.

3. Net worth

Net worth amounted to 27,911 million yen as of June 30, 2009, a decrease of 244 million yen (down 0.9%) from March 31, 2009. The decrease mainly resulted from payment of final dividends payable to shareholders of record as of March 31, 2009.

As a result, equity ratio as of June 30, 2009 recorded 70.8%, and capital adequacy ratio as of the same date, as defined by the regulator, registered 404.6%.

III. Qualitative Information Relating to Consolidated Business Forecast

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 business quarter. Instead, we intend to release preliminary earnings figures after the end of each business quarter as and when such figures become available.

IV. Other Matters

(1) Changes in material subsidiaries (including a change in scope of consolidation): None.

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

+ Calculation of an uncollectible amount of ordinary credits:

As there is not recognized any significant difference between the actual default-experience rate calculated as at the end of the first quarter of fiscal 2009 and that calculated as at the end of the previous fiscal year, an uncollectible amount continues to be estimated based on the same default-experience rate as applied for the previous fiscal year.

(3) Material changes in accounting treatment principles and procedures and presentation methods relating to the preparation of quarterly financial statements: None.

. Consolidated Financial Statements for First Quarter of Fiscal 2009

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of June 30 2009	As of June 30 2008	As of March 31 2009
Current assets			
Cash and bank deposits	12,346	11,933	15,500
Segregated cash and statutory deposits	3,425	4,316	3,304
Trading assets	379	1,358	406
Securities	379	1,358	406
Contracted trades	-	-	13
Margin transaction assets	11,220	16,313	6,112
Advances for margin purchases	10,844	15,780	5,529
Cash deposits as collateral for securities borrowed	376	533	582
Loans against securities as collateral	24	-	-
Cash deposits as collateral for securities borrowed	24	-	-
Advance payments for customers on trades	176	55	60
Advance payments for subscription	1,474	1,307	923
Short-term loans	6	8	12
Corporate tax receivable	352	390	377
Accrued income	674	888	524
Deferred tax assets	2	335	4
Other current assets	152	158	240
Allowances for doubtful accounts	-33	-27	-31
	30,203	37,039	27,448
Fixed assets			
Tangible fixed assets	4,535	4,877	4,620
Buildings	1,934	1,896	1,977
Fixtures and equipment	900	1,129	943
Land	1,699	1,699	1,699
Construction in progress	-	151	-
Intangible fixed assets	690	893	756
Computer software	687	888	752
Telephone subscription rights, etc.	3	4	3
Investments, etc.	3,857	5,836	3,770
Investment securities	2,053	3,459	1,962
Long-term loans	41	34	43
Cash deposits as guarantee for long-term credits	1,736	2,224	1,738
Deferred tax assets	10	103	9
Other investments	41	39	42
Allowances for doubtful accounts	-25	-25	-25
	9,084	11,606	9,147
Total assets	39,287	48,645	36,596

	As of June 30 2009	As of June 30 2008	As of March 31 2009
Current liabilities			
Trading liabilities	3	0	1
Derivatives	3	0	1
Contracted trades	6	17	-
Margin transaction liabilities	5,390	5,157	2,764
Borrowings for margin transactions	4,499	4,278	2,049
Cash received for loaned securities	890	878	715
Borrowings against securities as collateral	38	430	16
Cash received for borrowed-securities transactions	38	430	16
Cash payable to customers	2,773	4,393	2,730
Deposits from customers (for committed trades)	1,021	916	781
Short-term borrowings	210	280	210
Corporate taxes payable	6	8	20
Accrued bonuses to employees	305	360	399
Reserve for Point-Service Campaign	362	401	397
Other current liabilities	761	900	602
	10,879	12,866	7,924
Long-term liabilities			
Deferred tax liabilities	15	-	11
Revaluation-related deferred tax liabilities	40	40	40
Accrued retirement benefits for employees	230	239	220
Accrued retirement benefits for officers	51	34	46
Other long-term liabilities	20	30	28
	358	344	346
Statutory reserves			
Reserve for financial instruments transaction liability	138	168	168
	138	168	168
Total liabilities	11,376	13,379	8,439
Net worth			
Shareholders' equity	29,742	37,291	30,082
Common stock	14,577	14,577	14,577
Capital surplus	8,255	9,573	8,255
Retained earnings	7,180	13,409	7,521
Treasury stock	-271	-268	-271
Difference on valuation and conversion	-1,908	-2,080	-2,000
Other securities valuation difference	107	-64	16
Land revaluation difference	-2,016	-2,016	-2,016
Stock acquisition rights	45	22	39
Minority interests	32	32	33
Total net worth	27,911	35,266	28,156
Total of liabilities and net worth	39,287	48,645	36,596

(2) Quarterly Consolidated Income Statement

(in millions of yen)

	-- Three months ended--		Fiscal year ended
	June 30, 2009	June 30, 2008	March 31, 2009
Operating revenue	4,150	5,042	14,256
Commissions	3,671	4,446	12,557
Gains or loss on trading	258	292	759
Interest and dividend income	61	107	332
Other operating income	158	195	606
Interest expenses	24	29	95
Net operating revenue	4,126	5,013	14,161
Operating cost and expenses	4,036	4,676	17,345
Transaction-related expenses	408	531	2,139
Personnel expenses	2,248	2,469	8,898
Property-related expenses	444	488	1,925
Clerical expenses	551	718	2,628
Depreciation	176	202	844
Public charges	41	46	156
Transfer to allowances for doubtful accounts	1	0	0
Other	164	219	750
Operating income	89	336	-3,183
Non-operating income	38	69	137
Non-operating expenses	0	0	215
Current income	127	405	-3,261
Extraordinary income	31	145	331
Gains on sales of investment securities	-	-	189
Reversal of allowances for doubtful accounts	-	9	5
Reversal of reserve for financial instruments transaction liabilities	29	136	136
Other	1	-	-
Extraordinary expenses	50	4	1,212
Loss on write-off of fixed assets	-	-	11
Loss on abandonment of fixed assets	-	-	11
Valuation loss on investment securities	16	4	1,094
Loss on redemption of investment securities	-	-	37
Loss on liquidation of golf memberships	-	-	31
Other	34	-	26
Income before taxes and minority interests	107	547	-4,142
Income taxes, resident's taxes & enterprise taxes	10	18	57
Income tax adjustments	0	177	602
Minority interests	-1	0	1
Net income	98	351	-4,804

(3) Quarterly Consolidated Cash Flow Statement

(in millions of yen)

	-- Three months ended--		Fiscal year ended
	June 30, 2009	June 30, 2008	March 31, 2009
I. Cash flow from operating activities			
Net income before taxes and minority interests	107	547	-4,142
Depreciation	176	202	844
Gains or loss on trading account	-11	-9	-6
Increase or decrease in accrued bonuses for employees	-94	-341	-303
Increase or decrease in accrued retirement benefits for employees	10	-10	-30
Increase or decrease in allowances for doubtful accounts	1	-20	-15
Increase or decrease in reserve for Point-Service Campaign	-35	-49	-53
Increase or decrease in accrued retirement benefits for officers	4	4	16
Interest and dividend income	-19	-76	-136
Interest expenses	0	1	5
Gains on sales of investment securities	-	-	-189
Loss on redemption of investment securities	-	-	37
Valuation loss on investment securities	16	4	1,094
Loss on write-off of fixed assets	-	-	11
Loss on liquidation of golf memberships	-	-	31
Increase or decrease in reserve for securities transaction liabilities	-	-304	-304
Increase or decrease in reserve for financial instruments transaction liabilities	-29	168	168
Increase or decrease in segregated cash in trust for customers	-130	1,200	2,210
Increase or decrease in cash payable to customers and customers' deposits (for committed trades)	283	415	-1,382
Increase or decrease in short-term loans	6	-0	-4
Increase or decrease in trading assets	39	-157	793
Net increase or decrease in margin transaction assets and liabilities	-2,482	-319	7,489
Increase or decrease in subscription moneys	-550	-235	148
Others	143	-104	90
Sub-total	-2,560	912	6,372
Interest and dividend income	19	70	135
Interest expenses	-0	-1	-4
Taxes paid or refunded	-19	-21	-24
Cash flow from operating activities	-2,562	960	6,478
II. Cash flow from investing activities			
Payments into time deposits	-	-	-4,150
Proceeds from withdrawal of time deposits	-	-	4,150
Acquisition of tangible fixed assets	-33	-97	-261
Acquisition of intangible fixed assets	-25	-34	-89
Acquisition of investment securities	-15	-40	-40
Sales of investment securities	-	-	345
Redemption of investment securities	-	-	78
Long-term loans	-4	-0	-16
Collection of long-term loans	6	3	11
Others	-0	-2	24
Cash flow from investing activities	-73	-171	51
III. Cash flow from financing activities			
Increase or decrease in short-term borrowings	-	-	-70
Sales of Company's Common shares held in treasury	-	-	0
Acquisition of Company's Common shares	-0	-0	-1,321
Payment of dividends	-418	-700	-1,469
Cash flow from financing activities	-418	-700	-2,859
IV. Conversion differences related to cash and cash equivalents	35	3	-10
V. Increase or decrease in cash and cash equivalents	-3,018	92	3,659
VI. Balance of cash and cash equivalents at beginning of the term	15,294	11,634	11,634
VII. Balance of cash and cash equivalents at end of the term	12,275	11,726	15,294

(4) Notes Concerning Premises for Continuing Business Enterprise

None.

(5) Segment Information

[Segment information by business category]

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

[Segment information by geography]

For the first quarter of fiscal 2009 and for the first quarter of fiscal 2008, more than 90% of consolidated operating revenue was derived from domestic sources. Therefore, we omit description on segment information by geography.

[Overseas sales (operating revenue)]

For the first quarter of fiscal 2009 and for the first quarter of fiscal 2008, our overseas operating revenue accounted for less than 10% of consolidated operating revenue. Therefore, we omit description on overseas sales.

(6) Notes in the Event of Material Changes in Stockholders' Capital

None for the first quarter of fiscal 2009.

VI. Other Information

Breakdown of Consolidated Business Result for First Quarter of Fiscal 2009

1. Commissions

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

	---First quarter ended---		(A) over (B)	Fiscal 2008 ended
	June 30, 2009	June 30, 2008		March 31, 2009
	(A)	(B)	(%)	
Brokerage commissions	1,638	1,781	- 8.1	4,591
(Stocks)	(1,623)	(1,776)	(- 8.6)	(4,544)
(Bonds)	(2)	(0)	(338.8)	(8)
Commissions from underwriting & solicitation to specified investors	0	1	- 97.2	38
(Stocks)	(0)	(1)	(- 97.2)	(38)
(Bonds)	(---)	(---)	(---)	(---)
Commissions from distribution & solicitation to specified investors	756	865	- 12.6	2,086
(Beneficiary certificates)	(754)	(853)	(- 11.6)	(2,064)
Commissions from Other sources	1,277	1,798	- 29.0	5,841
(Beneficiary certificates)	(1,015)	(1,433)	(- 29.1)	(4,760)
Total	3,671	4,446	- 17.4	12,557

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

	---First quarter ended---		(A) over (B)	Fiscal 2008 ended
	June 30, 2009	June 30, 2008		March 31, 2009
	(A)	(B)	(%)	
Stocks	1,628	1,783	- 8.7	4,606
Bonds	7	16	- 54.8	38
Beneficiary certificates	1,781	2,291	- 22.2	6,863
Others	254	355	- 28.5	1,048
Total	3,671	4,446	- 17.4	12,557

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

	---First quarter ended---		(A) over (B)	Fiscal 2008 ended
	June 30, 2009	June 30, 2008		March 31, 2009
	(A)	(B)	(%)	
Stocks, etc.	171	145	+ 18.1	425
Bonds, foreign exchange, etc.	86	147	- 41.0	334
(Bonds, etc.)	(92)	(145)	(- 36.5)	(334)
(Foreign exchange, etc.)	(- 5)	(1)	(---)	(- 0)
Total	258	292	- 11.6	759

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

	1st Q (4-6/'08)	2nd Q (7-9/'08)	3rd Q (10-12/'08)	4th Q (1-3/'09)	1st Q (4-6/'09)
Operating revenue	5,042	3,598	2,849	2,766	4,150
Commissions	4,446	3,103	2,556	2,451	3,671
Gains or loss on trading	292	267	97	101	258
Interest and dividend income	107	102	66	56	61
Other operating revenue	195	124	129	156	158
Interest expenses	29	29	18	17	24
Net operating revenue	5,013	3,568	2,831	2,748	4,126
Operating cost and expenses	4,676	4,406	4,215	4,045	4,036
Transaction-related expenses	531	620	497	489	408
Personnel expenses	2,469	2,218	2,127	2,083	2,248
Property-related expenses	488	482	484	469	444
Clerical expenses	718	634	684	591	551
Depreciation	202	211	215	215	176
Public charges	46	42	35	32	41
Reversal of allowances for doubtful accounts	0	- 0	3	-2	1
Other	219	196	167	166	164
Operating income	336	-838	-1,384	-1,296	89
Non-operating income	69	31	30	6	38
Non-operating expenses	0	79	7	127	0
Current income	405	-886	-1,361	-1,418	127
Extraordinary income	145	189	-1	-2	31
Extraordinary expenses	4	657	421	128	50
Income before taxes and minority interests	547	-1,354	-1,785	-1,549	107
Income taxes, resident's taxes & enterprise taxes	18	8	11	20	10
Income tax adjustments	177	-147	575	-3	0
Minority interests	0	1	0	- 0	-1
Net income	351	-1,217	-2,372	-1,566	98

(END)