

Business Result for Fiscal Year to March 31, 2010

(consolidated basis)

Released on April 28, 2010

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: Mr. Masashi Takehi, President & Chief Executive Officer

Date of annual shareholders' meeting: June 19, 2010 (scheduled)

Payment date for final dividends: May 31, 2010 (scheduled)

Filing date of annual securities report: June 22, 2010 (scheduled)

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1. Consolidated Business Result for Fiscal Year Ended March 31, 2010

(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, 2010 (% year-to-year)	March 31, 2009
Operating revenue	15,744 (+ 10.4)	14,256 (- 33.7%)
Net operating revenue	15,661(+ 10.6)	14,161 (- 33.6%)
Operating income	233 (-)	- 3,183 (-)
Current income	140 (-)	- 3,261 (-)
Net income	40 (-)	- 4,804 (-)
Earnings per share	0.93yen	- 106.03yen
Earnings per share on a diluted basis (adjusted for shares potentially issuable)	---	---
Net return on equity	0.1%	- 15.1%
Current income as % of total assets	0.4%	- 7.5%
Operating income as % of operating Revenue	1.5%	- 22.3%

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

None for the fiscal year ended March 31, 2010

None for the fiscal year ended March 31, 2009

(2) Consolidated financial condition

	--- As of March 31 --- 2010	2009
Total assets(in millions of yen)	37,254	36,596
Net worth (in millions of yen)	26,917	28,156
Equity ratio	72.1%	76.7%
Net worth per share	619.13yen	640.42yen

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

26,875 million yen at March 31, 2010

28,082 million yen at March 31, 2009

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

	--- Fiscal year ended ---	
	March 31, 2010	March 31, 2009
Cash flow from operating activities	- 5,215	6,478
Cash flow from investing activities	- 210	51
Cash flow from financing activities	- 768	- 2,859
Cash and cash equivalents at end of the term	9,156	15,294

2. Dividend

	--- Fiscal year ended ---		
	March 31, 2010	March 31, 2009	March 31, 2011 (Forecast*)

Per-share dividend:			
Interim dividend	12.00yen	16.00 yen	---
Final dividend	12.00yen	10.00 yen	---
Annual total	24.00yen	26.00 yen	---
Total dividend payout	1,047 million yen	1,171 million yen	---
Payout ratio (consolidated)	2,580.6%	---	---
Total dividend payout as % of net worth	3.8%	3.7%	---

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, 2011(from April 1, 2010 to March 31, 2011)

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):

Yes.

Ichiyoshi International (H.K.) Ltd. was removed from consolidation as a result of its liquidation during the fiscal year. In addition, Ichiyoshi IR Consulting Institute Inc., a non-material subsidiary, was also removed from consolidation as a result of its liquidation during the fiscal year. For further information, please see “**Sate of Business Group**” described hereinafter.

(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 see “**Change to Accounting Policy**” in the “**Notes to Consolidated Financial Statements for Fiscal Year to March 31, 2010**”).

(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, 2010

44,431,386 shares at March 31, 2009

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

1,023,061 shares at March 31, 2010

580,640 shares at March 31, 2009

(Note: Please see “**Per-share data**,” described hereinafter, 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, 2010 (in millions of yen with fractions less than a million yen discarded, except for per-share figures)

	--- Fiscal year ended ---	
	March 31, 2010	March 31, 2009
	(% year-to-year)	
Operating revenue	14,954 (+ 12.3)	13,318 (- 34.9)
Net operating revenue	14,878 (+ 12.5)	13,222 (- 34.9)
Operating income	328 (-)	- 3,104 (-)
Current income	235 (-)	- 3,188 (-)
Net income	354 (-)	- 4,711 (-)
Earnings per share	8.08yen	- 103.99yen
Earnings per share on a diluted basis		
(adjusted for shares potentially issuable)	-	-
Net return on equity	1.3%	- 15.0%

2. Financial condition

	--- As of March 31 ---	
	2010	2009

Total assets (in millions of yen)	36,554	36,029
Net worth (in millions of yen)	26,926	27,849
Equity ratio	73.6%	77.2%
Net worth per share	620.05yen	634.18yen
Capital adequacy ratio	494.1%	383.8%

Shareholders' equity at the end of each fiscal year:

26,915 million yen as of March 31, 2010.

27,809 million yen as of March 31, 2009.

3. Outlook for non-consolidated business result for fiscal year ending March 31, 2011 (from April 1, 2010 to March 31, 2011)

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, 2010]

I. Business Result

1. Analysis on Consolidated Business Result

During the fiscal year ended March 31, 2010, the leading economic nations of the world joined forces to carry out their proactive economic measures and ultra-low interest rate policies. Thanks to such measures and policies, the global economy got back on the recovery path, and financial markets got further stabilized. The economic rebound in Asia in particular, centering around China, helped Japanese firms improve their production and export activities, giving rise to a gradually brighter outlook for the domestic economy of Japan.

The Nikkei Stock Average on the Tokyo Stock Exchange ("TSE"), starting off from the 8,300yen level in the early part of the fiscal year, recovered to 10,767yen on August 31, 2009. Despite initial expectations for change under the new coalition government formed in September by the Democratic Party of Japan, uncertainty over policy executions by the new government, coupled with a strengthening yen and concerns over worsening demand-supply conditions of stocks resulting from increasing fund raisings through equity issuances, weighed on the market, pushing down the Nikkei Stock Average to 9,081yen on November 27,

2009. With the turn of the year, however, the government and the Bank of Japan coordinated their policy efforts, which helped push the Nikkei Stock Average up to 10,982yen on January 15, 2010. Thereafter, amid the news of new financial-reform bill of the U.S., exit strategy consideration in China and budget crisis in Greece, uncertainty arose again, giving rise to temporary corrections in the stock market. Hitting bottom on February 9, 2010, the stock market resumed its recovery pattern, aided by the Bank of Japan's additional monetary easing, expectations for better business earnings and weakening trend of the yen. The Nikkei Stock Average ended the fiscal year at 11,089yen, up 36.7% from the year earlier. With respect to emerging-stock markets in which Ichiyoshi Securities Co., Ltd. ("Ichiyoshi" or the "Company") has strength, the Nikkei JASDAQ Average on the JASDAQ Stock Market (the largest among the emerging-stock markets) recorded a recovery curve towards August 2009, thereafter undergoing corrections till the middle of November. The Nikkei JASDAQ Average rebounded with the turn of the year, ending the fiscal year at 1,275yen, up 25.3% from the year earlier.

The average daily turnover on the TSE during the fiscal year was 1,553.1 billion yen, down 23.5% from the previous fiscal year. The average daily turnover on the JASDAQ Stock Market rose 4.2% to 14.8billion yen.

Against such background, we designated "Global Sovereign Open" and "Mellon World Emerging Sovereign Fund" as basic assets of customers and placed them in the center of our promotional activities. In addition, we exerted our efforts on the distribution of equity funds, such as "Ichiyoshi Small- and Med-Cap Stock Recovery Fund," focused on small- and mid-cap stocks in which Ichiyoshi has strength, "HSBC India Infrastructure Stock Open" and "HSBC Asia Quality Stock Open," both focused on high growth in Asia.

Resultantly, net operating revenue for the fiscal year ended March 31, 2010 amounted to 15,661 million yen. Operating cost and expenses recorded 15,427 million yen. Hence, current income registered 140 million yen. Customers' assets in our custody as at March 31, 2010 stood at 1,369.7 billion yen, up 16.3% from March 31, 2009.

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, 2010 amounted to 13,912 million yen, up 10.8% from the previous fiscal year ended March 31, 2009.

(i) Brokerage commissions

Total brokerage commissions on stocks increased 11.5% to 5,068 million yen. Of these commissions, those on small- and mid-cap stocks (consisting of stocks listed on Second Sections of TSE and OSE, Mothers, Hercules and JASDAQ Stock Market) accounted for 14.0%, up from 12.1% for the previous fiscal year.

(ii) Commissions from underwriting and solicitation to specified investors

In the primary market, we participated in the management and underwriting of 5 initial public offerings (IPO's), as against 9 IPO's in the previous fiscal year. In the secondary market (for follow-on financing), we participated in 5 deals on a management or underwriting basis (of which 1 was lead-managed by Ichiyoshi), as against 3 in the previous fiscal year (one of which 1 was lead-managed by Ichiyoshi). As a result, total commissions from underwriting of stocks and bonds and solicitation to specified investors recorded 143 million yen, up 271.0%.

The cumulative number of companies whose offerings were lead- or co-managed by Ichiyoshi stood at 828 (of which 27 were lead-managed by Ichiyoshi) as of March 31, 2010.

(iii) Commissions from distribution and solicitation to specified investors

Commissions from distribution and solicitation to specified investors increased 79.1% to 3,736 million yen as commissions from distribution of investment funds, mostly funds which pay out income monthly, increased 80.8 % to 3,731 million yen.

(iv) Commissions from other sources

The trailer fees on investment funds decreased 10.7% to 4,251 million yen as the average outstanding balances of investment funds during the first two quarters declined from the comparable period of the previous fiscal year while the end-of-fiscal-year outstanding balances rose 13.1% from the year earlier. Commissions from variable-annuity insurance policy sales, wrap-account management fees and investment banking fees (such as M&A advisory fees) also contributed to commissions from other sources. Thus, total commissions from other sources amounted to 4,903 million yen, down 16.0%.

(2) Gains or Loss on Trading

Trading on stocks, etc. recorded gains of 455 million yen, up 7.2%, and trading on bonds, foreign exchange, etc. registered gains of 478 million yen, up 43.2%. Consequently, total gains on trading amounted to 934 million yen, up 23.0%.

(3) Interest and Dividend Income

Interest and dividend income declined 24.2% to 252 million yen, reflecting a decrease in advances for margin transactions during the first two quarters as compared to the comparable year-earlier period, and interest expenses dropped 12.3% to 83 million yen. As a result, net interest and dividend income amounted to 168 million yen, down 29.0%.

(4) Operating Cost and Expenses

As a result of review of cost structure and functional rationalization of headquarters through the consolidation of divisions, departments and sections, operating cost and expenses decreased 11.1% to 15,427 million yen.

Resultantly, current income for the fiscal year ended March 31, 2010 amounted to 140 million yen.

(5) Extraordinary Income and Loss

We recorded an extraordinary income of 109 million yen, including a 45 million yen gain on reversal of stock acquisition rights and a 29 million yen reversal from reserve for financial instruments transaction liabilities, and an extraordinary loss of 160 million yen, including a 71 million yen transfer to allowances for doubtful accounts and a subsidiary liquidation cost of 34 million yen. As a result, we registered a net extraordinary loss of 51 million yen.

After allowing for net extraordinary loss, income before taxes, tax adjustments and minority interests for the fiscal year ended March 31, 2010 recorded 89 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 56 million yen, and after addition of corporate tax adjustments of 5 million yen and minority interests of 2 million yen) registered 40 million yen.

2. Analysis on Consolidated Financial Condition

(1) Condition of Assets, Liabilities and Net Worth

(i) Financial Condition

Current assets amounted to 29,234 million yen as of March 31, 2010, an increase of 1,785 million yen (up 6.5%) from March 31, 2009, as advances for margin purchases swelled by 3,382 million yen and subscription payments rose by 4,495 million yen while cash and bank deposits decreased by 6,274 million yen.

Fixed assets stood at 8,020 million yen as of March 31, 2010, a decrease of 1,127 million yen (down 12.3%) from March 31, 2009. The decrease resulted from depreciation of fixed assets.

As a result, total assets stood at 37,254 million yen as of March 31, 2010, an increase of 658 million yen (up 1.8%) from March 31, 2009.

(ii). Liabilities

Current liabilities stood at 9,402 million yen as of March 31, 2010, an increase of 1,477 million yen (up 18.6%) from March 31, 2009. The increase resulted chiefly from an increment of 1,015 million yen in borrowings for margin transactions from securities

finance corporations.

Long-term liabilities recorded 796 million yen as of March 31, 2010, an increase of 449 million yen (up 129.7%) from March 31, 2009. The increase mainly resulted from a rise in long-term borrowings.

Statutory reserves registered 138 million yen as of March 31, 2010, 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.

(iii) Net worth

Net worth amounted to 26,917 million yen as of March 31, 2010, a decrease of 1,238 million yen (down 4.4%) from March 31, 2009. The decrease mainly resulted from payment of dividends in the amount of 964 million yen.

As a result, equity ratio as of March 31, 2010 recorded 72.1%, and capital adequacy ratio as of the same date, as defined by the securities regulator, registered 494.1%.

(2) Cash Flow

Cash flow from operating activities for the fiscal year ended March 31, 2010 amounted to a negative figure of 5,215 million yen, a decline of 11,694 million yen from the previous fiscal year, despite income before taxes, tax adjustments and minority interests registering positive figures. Main contributors were an increase in advances for margin transactions and a rise in subscription payments. Cash flow from investing activities registered a negative figure of 210 million yen, a decline of 261 million yen, due chiefly to the acquisition of tangible and intangible fixed assets. Cash flow from financing activities recorded a negative figure of 768 million yen, an increase of 2,091 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, 2010, stood at 9,156 million yen, a decrease of 6,137 million yen from the end of the previous fiscal year (March 31, 2009).

3 Basic Policy on Earnings Distribution and Dividends for Fiscal Year Ended March 31, 2010

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 12.00yen was paid to the shareholders of record as of September 30, 2009, and a final dividend per share of 12.00yen is to be paid to the shareholders of record as of March 31, 2010. The total annual dividend per share of 24.00yen is equal to approximately 4% of equity per share.

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

Period of acquisition: From February 25 to 26, 2010 (contract-day base)

No. of shares acquired: 441,800 shares

Average of acquisition cost per share: 554yen.

4. Risks relating to business

We consider that the following risks exist with respect to the business result and financial condition of Ichiyoshi and its group companies (the “Ichiyoshi group” or the “group”) that 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 ended March 31, 2010).

(1) Revenue volatility risk of financial-instruments trading business

There is a possibility that Ichiyoshi’s brokerage commissions will decrease as transactions shrink when prices of stocks and bonds decline in the domestic or foreign markets. Ichiyoshi’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 creditworthiness) 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 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 improve on its compliance system.

(6) System risk

There is a possibility that the group will incur a loss as a result of 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 liquidation 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 potential amendments to the legal current system surrounding the securities industry.

II. State of Ichiyoshi Group

The Ichiyoshi group, consisting of Ichiyoshi Securities Co., Ltd. ("Ichiyoshi" or the "Company"), its three consolidated subsidiaries and one associated company, 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 three consolidated subsidiaries perform their respective functions: Ichiyoshi Research Institute Inc. undertakes

research and data/information collection relating to small- and mid-cap growth companies; Ichiyoshi Investment Management Co., Ltd. provides asset-management services through investment administration and advisories; and 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

On February 24, 2010, Ichiyoshi subscribed for the third-party allocation of new shares by Iida Securities Co., Ltd., headquartered at Iida City, Nagano Prefecture, and made it an associated company applicable to an equity-method accounting. Through this acquisition, the Ichiyoshi group plans to expand its business activities at Iida City and its surrounding areas..

During the fiscal year, Ichiyoshi liquidated two subsidiaries: Ichiyoshi IR Consulting Institute Inc. on August 28, 2009 and Ichiyoshi International (H.K.) Ltd. on February 10, 2010. The liquidation of the two subsidiaries was carried out to further rationalize and optimize the management of the Ichiyoshi group as part of the Company's "2009 Management Rationalization Plan.

List of 5 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 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)

Associated company:

Iida Securities Co., Ltd. financial-instruments trading business
(34.3% owned)

III. Management Policy

1. Basic Policy

The Company's motto is to "Be a Securities Company Like No Other in Japan." To realize this motto, the Company makes it a management objective to build a "Name-brand boutique house" in the finance and securities industry. In its efforts for realization, the Company intends to heighten the fairness and transparency of management along its credo (management philosophy) and to promote flexible and relevant decision-making, thereby maximizing earnings and corporate value while bolstering its corporate governance. Taking advantage of its committees-based company system and its executive officer system, the Company aims to raise the promptitude and effectiveness of business executions and toughen its surveillance over business executions.

The Company's credo (management philosophy):

Management philosophy: To remain a company of customers' trust and choice

Management objective: Name-brand boutique house in finance and securities industry

Action guidelines: Gratitude, Integrity, Courage, Responsiveness, Continuity and Good Long-Term Relation.

2. Triangular Pyramid Management

The Company is 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 the Company's products, information and customer services, thereby further satisfying the Company's retail and corporate customers' needs for asset-building and fund-raising.

3. Medium-term Management Plan

The Company formulated its "Medium-term Management Plan" in April 2008 to raise the framework of a name-brand boutique house on the foundation which had been laid through a series of preceding medium-term management plans. Subsequent to the collapse of Lehman Brothers in September 2008, however, the condition surrounding the Company worsened drastically, occasioning the global financial crisis and economic downturn.

In the light of such situation, the Company decided to rebuild the foundation of a name-brand boutique house in a tougher way, and thus launched its "New Medium-term Management Plan" with its new target date reset on March 31, 2012. The following is a summary of the New Medium-term Management Plan and its interim result as of March 31, 2010:

Item	Former targets	New targets	Figures as of March 31, 2010
Target date	March 31, 2010	March 31, 2012	---
Customers' assets in custody	2.5 trillion yen	2 trillion	1.3697 trillion yen
No. of companies whose equity offerings lead-managed by Ichiyoshi	30 companies	35 companies	27 companies
Return on equity	Approx. 20%	Approx 10-15%	1.3%

The following are specific business strategies to achieve the targets (as adjusted in the light of business conditions as of April 2010):

- (i) Expansion of business base --- Increase in customers' assets in custody.
- (ii) Continuing improvement on revenue-cost structure --- Revenue structure not susceptible to stock market fluctuations.
- (iii) Raising of earnings on existing business lines ---Raising of earnings on specialized small- and mid-cap stock business.
- (iv) Integrated power of the Ichiyoshi group --- Strengthening of the "Triangular Pyramid Management."
- (v) Practical observance of Legal Compliance --- Legal compliance is a source of competitiveness.
- (vi) Diversification of business channels --- Part of growth strategy.
- (vii) Nurturing and training of human talent --- Source of growth.
- (viii) Complete group-wide recognition and understanding of the Company's credo --- Criteria of value underpinning the Company's everlasting prosperity.

4. Challenges to Be Tackled

Regarding its long-term relationship with retail customers as a cornerstone of its business policy, the Company will strive to expand customers' assets in its custody by introducing carefully-selected financial products and providing asset-management services accurately tied to market changes. Among financial products for retail investors in particular will be small- and mid-cap growth stocks, in which the Company has strength, and investment trust funds focused on those stocks.

As regards its wholesale customers, the Company will exert its 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, the Company will expand its English report distribution services by taking advantage of its strength in research on Japanese small

and medium growth companies.

As part of its growth strategies, the Company opened “Kojima Branch,” a new branch in Kurashiki City, Okayama Prefecture, on April 1, 2010. On April 12, 2010, the Company absorbed Tamaki Securities Co., Ltd. (headquartered at Shingu City, Wakayama Prefecture) and converted its office and branch as new Tamaki Branch (at Shingu City, Wakayama Prefecture) and new Tamaki Kushimoto Branch (at Kushimoto Town, Higashimuro-gun, Wakayama Prefecture). On February 24, 2010, the Company subscribed for the third-party allocation of new shares by Iida Securities Co., Ltd. (headquartered at Iida City, Nagano Prefecture), making it an associated company to which the Company applies an equity-method accounting. This subscription is intended to expand the Company’s activities at Iida City and its surrounding areas in cooperation with Iida’s sales force. It is the Company’s policy to diversify channels of relationship with customers by splitting its existing branches, opening new branches, networking with local securities firms, reinforcing its call center function and boosting financial-instruments transaction agency and customer-referrals.

Effective as of May 6, 2010, the Company absorbed the wrap-account business (for fund management) of Ichiyoshi Investment Management Co., Ltd. (consolidated subsidiary), thereby helping Ichiyoshi Investment Management concentrate its efforts on fund management focused on small- and mid-cap growth stocks. The Company will further step up its wrap account-related services.

With respect to nurturing and training of human talent, it is essential to enhance the quality and capability of each individual adviser and raise the expertise and skill of headquarters staff. Specifically, the Company will provide every young adviser with a veteran adviser as instructor to beef up a young adviser’s on-the-job capability, and raise a young adviser’s compliance-awareness by means of compliance sessions and e-learning training courses at each branch level.

Last but not least, the Company understands that it is essential for all its officers and employees to realize the importance of its credo (management philosophy) as criteria of value underpinning the everlasting prosperity of the Ichiyoshi group and act according to the credo, thereby raising the brand value of the Company.

(Hereinafter follow the consolidated financial statements)

. Consolidated Financial Statements

1. Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2010	As of March 31 2009
Current assets		
Cash and bank deposits	9,226	15,500
Segregated cash and statutory deposits	3,111	3,304
Trading assets	425	406
Securities	425	406
Contracted trades	33	13
Margin transaction assets	9,994	6,112
Advances for margin transactions	8,912	5,529
Cash deposits as collateral for securities borrowed	1,082	582
Advance payments for customers on trades	70	60
Advance payments for subscription	5,419	923
Short-term loans	8	12
Corporate tax receivable	-	377
Accrued income	841	524
Deferred tax assets	6	4
Other current assets	109	240
Allowances for doubtful accounts	-12	-31
	29,234	27,448
Fixed assets		
Tangible fixed assets	4,295	4,620
Buildings	1,772	1,977
Fixtures and equipment	836	943
Land	1,678	1,699
Lease assets, net	6	-
Intangible fixed assets	607	756
Computer software	604	752
Telephone subscription rights, etc.	2	3
Investments, etc.	3,118	3,770
Investment securities	1,762	1,962
Long-term loans	66	43
Cash deposits as guarantee for long-term credits	1,275	1,738
Deferred tax assets	12	9
Other investments	97	42
Allowances for doubtful accounts	-97	-25
	8,020	9,147
Total assets	37,254	36,596

	As of March 31 2010	As of March 31 2009
Current liabilities		
Trading liabilities	4	1
Derivatives	4	1
Margin transaction liabilities	4,244	2,764
Borrowings for margin transactions	3,064	2,049
Cash received for loaned securities	1,179	715
Borrowings against securities as collateral	34	16
Cash received for borrowed-securities transactions	34	16
Cash payable to customers	2,534	2,730
Deposits from customers (for committed trades)	873	781
Short-term borrowings	210	210
Lease obligations	1	-
Corporate taxes payable	89	20
Accrued bonuses for employees	455	399
Reserve for Point-Service Campaign	272	397
Other current liabilities	682	602
	9,402	7,924
Long-term liabilities		
Long-term borrowings	438	-
Lease obligations	5	-
Deferred tax liabilities	19	11
Revaluation-related deferred tax liabilities	40	40
Accrued retirement benefits for employees	221	220
Accrued retirement benefits for officers	55	46
Other long-term liabilities	16	28
	796	346
Statutory reserves		
Reserve for financial instruments transaction liability	138	168
	138	168
Total liabilities	10,337	8,439
Net worth		
Shareholders' equity	28,758	30,082
Common stock	14,577	14,577
Capital surplus	8,255	8,255
Retained earnings	6,441	7,521
Treasury stock	-517	-271
Difference on valuation and conversion	-1,882	-2,000
Other securities valuation difference	-22	16
Land revaluation difference	-1,860	-2,016
Subscription rights to shares	11	39
Minority interests	30	33
Total net worth	26,917	28,156
Total of liabilities and net worth	37,254	36,596

2. Consolidated Income Statement

(in millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009
Operating revenue	15,744	14,256
Commissions	13,912	12,557
Commission to consignees	5,128	4,591
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	143	38
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	3,736	2,086
Other fees received	4,903	5,841
Gains or loss on trading	934	759
Interest and dividend income	252	332
Other operating income	645	606
Interest expenses	83	95
Net operating revenue	15,661	14,161
Operating cost and expenses	15,427	17,345
Transaction-related expenses	1,463	2,139
Personnel expenses	8,580	8,898
Property-related expenses	1,757	1,925
Clerical expenses	2,142	2,628
Depreciation	711	844
Public charges	172	156
Transfer to allowances for doubtful accounts	-	0
Other	598	750
Operating income	233	-3,183
Non-operating income	90	137
Dividends from investment securities	19	77
Insurance and dividends income	28	24
Reversal of expired dividends	17	-
Interest on refund of income taxes and other	10	-
Other	14	35
Non-operating expenses	183	215
Loss on investments in partnership	174	191
Other	9	23
Current income	140	-3,261
Extraordinary income	109	331
Gains on sales of fixed assets	9	-
Gains on sales of investment securities	19	189
Gain on reversal of subscription rights to shares	45	-
Reversal of allowances for doubtful accounts	-	5
Reversal of reserve for financial instruments transaction liabilities	29	136
Other	4	-
Extraordinary expenses	160	1,212
Loss on write-off of fixed assets	20	11
Loss on abandonment of fixed assets	10	11
Valuation loss on investment securities	23	1,094
Loss on redemption of investment securities	-	37
Loss on liquidation of golf memberships	0	31
Transfer to allowances for doubtful accounts	71	-
Other	34	26
Income before taxes and minority interests	89	-4,142
Income taxes, resident's taxes & enterprise taxes	56	57
Income tax adjustments	-5	602
Minority interests	-2	1
Net income	40	-4,804

3 . Consolidated Statement of Shareholders' Equity

Consolidated Statement of Shareholders' Equity

for the fiscal year ended March 31, 2010
(in millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at 3/31/2009	14,577	8,255	7,521	-271	30,082
Changes in the fiscal year:					
Issuance of new shares					
Cash dividends			-964		-964
Net income			40		40
Purchase of treasury stock				-245	-245
Disposal of treasury stock					-
Retirement of treasury stock					-
Partial write-back of land revaluation difference			-155		-155
Changes in items other than those in shareholders' equity (net)					
Total changes in the fiscal year	-	-	-1,079	-245	-1,324
Balance at 3/31/2010	14,577	8,255	6,441	-517	28,758

	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 3/31/2009	16	-2,016	-2,000	39	33	28,156
Changes in the fiscal year:						
Issuance of new shares						-
Cash dividends						-964
Net income						40
Purchase of treasury stock						-245
Disposal of treasury stock						-
Retirement of treasury stock						-
Partial write-back of land revaluation difference		155	155			-
Changes in items other than those in shareholders' equity (net)	-38		-38	-28	-2	-69
Total changes in the fiscal year	-38	155	117	-28	-2	-1,238
Balance at 3/31/2010	-22	-1,860	-1,882	11	30	26,917

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

4. Consolidated Cash Flow Statement

(in millions of yen)

	Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2009
I. Cash flow from operating activities		
Net income before taxes and minority interests	89	-4,142
Depreciation	711	844
Gains or loss on trading account	-1	-6
Increase or decrease in accrued bonuses for employees	56	-303
Increase or decrease in accrued retirement benefits for employees	0	-30
Increase or decrease in allowances for doubtful accounts	53	-15
Increase or decrease in reserve for Point-Service Campaign	-125	-53
Increase or decrease in accrued retirement benefits for officers	8	16
Interest and dividend income	-40	-136
Interest expenses	11	5
Gains or loss on sales of investment securities	-19	-189
Gains or loss on redemption of investment securities	-	37
Valuation gains or loss on investment securities	23	1,094
Gains or loss on sales of fixed assets	-9	-
Gains or loss on write-off of fixed assets	20	11
Loss on liquidation of golf memberships	0	31
Gain on reversal of subscription rights to shares	-45	-
Increase or decrease in reserve for securities transaction liabilities	-	-304
transaction liabilities	-29	168
Increase or decrease in segregated cash in trust for customers	180	2,210
deposits (for committed trades)	-104	-1,382
Increase or decrease in short-term loans	4	-4
Increase or decrease in trading assets	-14	793
Net increase or decrease in margin transaction assets and liabilities	-2,402	7,489
Increase or decrease in subscription moneys	-4,495	148
Others	511	90
Sub-total	-5,577	6,372
Interest and dividend income	41	135
Interest expenses	-10	-4
Taxes paid or refunded	330	-24
Cash flow from operating activities	-5,215	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	-141	-261
Sales of tangible fixed assets	29	-
Acquisition of intangible fixed assets	-121	-89
Acquisition of investment securities	-15	-40
Sales of investment securities	106	345
Redemption of investment securities	-	78
Purchase of stocks of subsidiaries and affiliates	-96	-
Long-term loans	-48	-16
Collection of long-term loans	25	11
Others	51	24
Cash flow from investing activities	-210	51
III. Cash flow from financing activities		
Increase or decrease in short-term borrowings	-	-70
Increase or decrease in Long-term borrowings	454	-
Repayment of long-term loans payable	-15	-
Repayments of lease obligations	-0	-
Sales of Company's Common shares held in treasury	-	0
Acquisition of Company's Common shares	-245	-1,321
Payment of dividends	-961	-1,469
Cash flow from financing activities	-768	-2,859
IV. Conversion differences related to cash and cash equivalents	56	-10
V. Increase or decrease in cash and cash equivalents	-6,137	3,659
VI. Balance of cash and cash equivalents at beginning of the term	15,294	11,634
VII. Balance of cash and cash equivalents at end of the term	9,156	15,294

[Notes to Premises for Continuing Business]

None applicable.

[Notes to Consolidated Financial Statements for Fiscal Year to March 31, 2010]

The Consolidated Financial Statements for the fiscal year to March 31, 2010 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 2006 by the Securities Dealers Association of Japan).

While the Consolidated Financial Statements for the fiscal year ended March 31, 2009 were based on the then-effective Rules on Consolidated Financial Statements, the Consolidated Financial Statements for the fiscal year ended March 31, 2010 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: 3 companies

Namely:

- (i) Ichiyoshi Research Institute Inc.
- (ii) Ichiyoshi Investment Management Co., Ltd.
- (iii) Ichiyoshi Business Service Co., Ltd.

(Note: Ichiyoshi IR Consulting Institute Inc. was liquidated on August 28, 2009 and removed from consolidation, and Ichiyoshi International (H.K.) was liquidated on February 10, 2010 and removed from consolidation, except that the income statement of Ichiyoshi International up to the date of completion of liquidation procedure is accounted for in the consolidated financial statements.)

(2) Non-consolidated subsidiaries: None.

2. Matters concerning application of an equity method

Company to which an equity-method accounting is applied: 1 company (Iida Securities Co., Ltd.)

(Note: Since the date of subscription for shares of Iida Securities is regarded as March 31, 2010 in terms of accounting, its financial statements are not reflected in the consolidated financial statements.)

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: Current 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: Current 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, investments and other assets

Depreciation of intangible fixed assets, investments and other 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.

(iii) Leases

Non-cancelable leases whose ownership is transferred to the lessee: Not applicable.

Non-cancelable leases whose ownership is not transferred to the lessee: Depreciation is made by a straight-line method over the useful lives equal to lease periods with residual values set at zero.

Non-cancelable leases whose ownership is not transferred to the lessee

and whose contract date precedes the fiscal year ended March 31, 2009, continue to be accounted for as purchase-and-sale transactions.

(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.

(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 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.

5. Accounting for consumption taxes

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

6. Valuation of assets and liabilities of consolidated subsidiaries

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

7. 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.

8. 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.

[Material Changes Essential for Preparation of Consolidated Financial Statements]

Change to Accounting policy

Partial amendments to “Accounting Standards Relating to Retirement Benefits” (Corporate Accounting Standard No. 19, adopted on July 31, 2008) were applied effective from the fiscal year ended March 31, 2010. Since the same discount rate as previously used was adopted, the application of the partial amendments has no effect on the consolidated financial statements.

Change to Presentation Method

(Relating to the consolidated income statement)

- a. In the consolidated financial statements for the fiscal year ended March 31, 2010, the “Reversal of expired dividends” is recorded as a separate item in the extraordinary-income account since it exceeded 10% of extraordinary-income total. In the consolidated financial statements for the fiscal year ended March

31, 2009, the “Reversal of expired dividends” was included in the “Other items” in the extraordinary-income account and amounted to 4 million yen.

- b. In the consolidated financial statements for the fiscal year ended March 31, 2010, the “Corporate tax refund” is recorded as a separate item in the extraordinary-income account since it exceeded 10% of extraordinary-income total. In the consolidated financial statements for the fiscal year ended March 31, 2009, the “Corporate tax refund” was included in the “Other items” in the extraordinary-income account and amounted to 12 million yen.

「Notes to Consolidated Balance Sheets」

- (1) Cumulative amount of depreciation of tangible fixed assets: (in millions of yen)

	--- As of March 31 ---	
	2010	2009
	-----	-----
Cumulative amount of depreciation	4,519	4,392

- (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, 2010, an amount of 1,882 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, 2010 amounted to 246 million yen (negative).

[Notes to Consolidated Income Statement]

1. Gain on sales of fixed assets:

The gain accrued on sales of land relating to the closed Harinakano Branch..

2. Loss on removal of fixed assets:

The loss occurred on removal of building, equipment and fixtures when the Company relocated its call center facilities.

[Notes to Consolidated Statement of Shareholders' Equity]

For the fiscal year ended March 31, 2010:

1. Issued shares:

Kind of shares	No. of issued shares as at March 31, 2010	No. of shares newly issued	No. of shares retired	No. of issued shares as at March 31, 2009
Common shares	44,431,386	--	--	44,431,386

2. Treasury shares:

Kind of shares	No. of treasury shares as at March 31, 2010	No. of shares increased	No. of shares reduced	No. of treasury shares as at March 31, 2009
Common shares	1,023,061	442,421*	--	580,640

*= Acquisition of treasury shares in accordance with the Articles of Incorporation of the Company and pursuant to Article 165-2 of the Company Law: 441,800 shares.

Buyback of odd-lot shares (shares numbering less than the minimum voting unit): 621 shares.

3. Issuance of warrants for new shares:

Purpose of warrants	Kind of shares	--- No. of shares issuable for warrants ---				Value outstand-
	Issuable for warrants	As at March 31, 2009	Increase	Decrease	Outstand- ing as at March 31, 2010	standing as at March 31, 2010
For stock options	--	--	--	--	--	11 million yen
Total	--	--	--	--	--	11 million yen

(Note: Exercise period has not yet started for stock options.)

4. 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 19, 2009	Common shares	438 million yen	10.00 yen	March 31, 2009	June 1, 2009
Oct. 28, 2009	Common shares	526 million yen	12.00 yen	Sept. 30, 2009	Nov. 25, 2009

(2) Dividends whose record date is March 31, 2010 and whose payment date comes after March 31, 2010:

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 18, 2010 (Scheduled)	Common shares	Retained earnings	520 million yen	12.00 yen	March 31, 2010	May 31, 2010

[Notes to Consolidated Cash Flow Statement]

The balance of cash and cash equivalents in the Consolidate Cash Flow Statement as of March 31, 2010 and as of March 31, 2009 as reflected on corresponding items in the Consolidated Balance Sheets as of March 31, 2010 and as of March 31, 2009: (in millions of yen):

	--- As of March 31 ---	
	2010	2009
Cash and deposits	9,226	15,500
Time deposits with maturity over three months	- 178	- 314
MMF	108	108
Cash and cash equivalents (balance)	9,156	15,294

[Segment Information]

1. Segment information by business category

For the fiscal year ended March 31, 2010 and for the fiscal year ended March 31, 2009, 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, 2010 and for the fiscal year ended March 31, 2009, 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, 2010 and for the fiscal year ended March 31, 2009, 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, 2010, were as follows (in millions of yen):

For the fiscal year
ended March 31, 2010

Deferred tax assets:

(1) Current assets :

Accrued bonus to employees not recognized as expense	185
Social security premium equivalent on accrued bonus to employees	23
Enterprise taxes on added value and capital	20
Officers' retirement benefits payable and not recognized as expense	13
Reserve for the Point-Service Campaign not recognized as expense	110
Allowance for doubtful debt not recognized as expense	4
Other	6

Sub-total	365
Valuation allowance	- 359

Current deferred tax assets (total)	6
(2) Fixed assets	
Loss brought forward	1.895
Valuation loss on investment securities not recognized	169
Loss on limited-liability investment partnerships not recognized	116
Accrued retirement benefits not recognized as expense	89
Excess of depreciation expense	43
Loss on reserve for financial-instruments transaction liabilities	
not recognized as expense	56
Valuation loss on golf memberships not recognized	104
Loss on allowance for doubtful debt not recognized not recognized	
as expense	39
Valuation loss on telephone subscription rights not recognized	25
Officers' retirement benefits not recognized as expense	22
Other	12

Sub-total	2,577
Valuation allowance	- 2,564

Fixed deferred tax assets (total)	12

Total of current and fixed tax deferred assets	18
Deferred tax liabilities	
Fixed liabilities	
Difference on valuation of non-trading securities	- 19

Total liabilities (fixed)	- 19

Net deferred tax assets	- 0

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, 2010:

Statutory tax rate	40.69%
Effective tax rate	57.29%

The following are factors for the increase in the effective tax rate:

Entertainment expenses not recognized	94.62%
Dividend income not recognized as taxable	- 25.27%
Apportioned resident's taxes	34.65%
Removal of unrealized gain and loss not applicable to tax effect	
	Accounting 17.01%
Removal of dividend income on a consolidated basis	64.04%
Increase/decline in valuation allowance	- 167.5%
Other	- 0.95%

[Securities]

1. Securities for trading

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

	--- As of March 31 ---			
	2010		2009	
	Assets	Liabilities	Assets	Liabilities
Stocks and warrant	50	--	49	--
Bonds	266	--	248	--
Beneficiary certificates, etc.	108	--	108	--
Total	425	--	406	--

Note: Valuation loss as of March 31, 2010 amounted to 4 million yen.

(2) Market-quoted securities other than for trading: (in millions of yen)

--- As of March 31 ---

	2010			2009		
	PC	BV	Difference	PC	BV	Difference
Stocks whose book value exceeds purchase cost	100	177	76	5	42	36
Stocks whose book value is below purchase cost	287	236	- 50	430	428	- 2
Total	388	414	26	435	470	34

Note: PC = Purchase cost; BV = Book Value;

(3) Market-quoted securities other than for trading which were sold: (in millions of yen)

--- For fiscal year ended ---

	2010			2009		
	Total amount of sale	Total amount of gains	Total amount of loss	Total amount of sale	Total amount of gains	Total amount of loss
	68	19	--	310	189	--

(4) Securities not recorded at market prices: (in millions of yen)

--- As of March 31 ---

	2010	2009
Unlisted securities*	490	417
Investments in limited-liability investment partnerships	858	1,074
Total	1,348	1,492

*= Valuation loss of 23 million yen was recorded for the fiscal year ended March 31, 2010.

[Derivatives]

1. Transactions to which hedging accounting is not applied:

Currencies: (in millions of yen)

--- As of March 31 ---								
2010					2009			
	Amount	Over1 year*	MV	VG/L	Amount	Over 1year*	MV	VG.L
	of contracts				of contracts			
Forward currency contracts:								
Short positions:	509	--	513	- 4	171	--	173	- 1
U.S. dollar	63	--	63	- 0	--	--	--	--
Canadian dollar	9	--	9	- 0	--	--	--	--
Australian dollar	433	--	437	- 4	--	--	--	--
N.Z. dollar	2	--	2	- 0	--	--	--	--
Long positions:	--	--	--	--	9	--	9	0
Total	--	--	--	- 4	--	--	--	- 1

Note: Over 1 year = Contracts exceeding 1 year; MV = Market value; VG/L = Valuation gains or loss.

2. Transactions to which hedging accounting is applied:

Interest rates: (as of March 31, 2010 and in millions of yen)

Method of hedging accounting	Kind of derivatives transactions	Subjects of hedging	Amounts of contracts	Contracts over 1 year	Market value
Special treatment of interest rate swaps	Interest rate swaps: Pay fixed rates Receive: variable rates	Long-term borrowings	438	408	- 21
Total			438	408	- 21

[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, 2010: (in millions of yen)

(1) Items relating to retirement benefit obligation:

Retirement benefit obligation	4,495
Unrecognized actuarial difference	246
Plan asset at fair value	4,028
<hr/>	
Accrued retirement benefits	221

(2) Items relating to retirement benefit expenses:

Service cost	294
Interest cost	84
Expected return on plan assets	- 67
Actuarial difference	99
<hr/>	
Retirement benefit expenses	411

(3) The assumptions and bases used in accounting for the defined benefit plans for the fiscal year ended March 31, 2010 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 8 years, which is within the 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, 2010	March 31, 2009
Per-share net worth	619.13yen	640.42 yen
Per-share net income	0.93yen	- 106.03yen
Per-share net income on a diluted basis (adjusted for shares potentially issuable)	-	-

Note: Per-share net income on a diluted basis is not calculated since net income was negative 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:

	--- As of ---	
	March 31, 2010	March 31, 2009
Net worth (on Consolidated Balance Sheet)	26,917 million yen	28,156 million yen
Net worth attributable to common stock	26,875 million yen	28,082 million yen
Difference:		
Related to stock options	11 million yen	39 million yen
Related to minority interests	30,million yen	33 million yen
Number of issued shares of common stock	44,431 thousand	44,431 thousand
Number of treasury shares	1,023thousand	580 thousand
Number of shares used for computation of per-share net worth	43,408 thousand	43,850 thousand

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

--- Fiscal year ended ---

	March 31, 2010	March 31, 2009
Net income (on Consolidated Income Statement)	40 million yen	- 4,804 million yen
Net income attributable to common stock	40 million yen	- 4,804 million yen
Net income not attributable to common stock	--	--
Average number of outstanding common shares		
during the fiscal year	43,814 thousand	45,311 thousand
Amount of adjustment for net income	--	--
Potentially issuable shares:		
New shares issuable upon exercise of		
stock warrants	--	--
Number of common shares increased	--	--
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) 39,000 shares issuable upon exercise of 390 stock options, which were authorized at the shareholders' meeting on June 25, 2005; (ii) 285,600 shares issuable upon exercise of 2,856 stock options, which were authorized at the shareholders' meeting on June 20, 2009	New shares issuable upon exercise of stock options: (1) 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 author-
ized at the share-
holders' meeting
on June 23, 2007.

[Material Events Continuing after March 31, 2010]

None applicable.

[Reference Materials for Fiscal Year Ended March 31, 2010]

1. Commissions

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

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2010	March 31, 2009	
	(A)	(B)	(%)
Brokerage commissions	5,128	4,591	+ 11.7%
(Stocks)	(5,068)	(4,544)	(+11.5%)
(Bonds)	(5)	(8)	(- 35.7%)
Commissions from underwriting			
and solicitation to specified investors	143	38	+ 271.0%
(Stocks)	(143)	(38)	(+ 271.0%)
(Bonds)	(-)	(-)	(- -)
Commissions from distribution			
and solicitation to specified investors	3,736	2,086	+ 79.1%
(Beneficiary certificates)	(3,731)	(2,064)	(+ 80.8%)
Commissions from other sources	4,903	5,841	- 16.0%
(Beneficiary certificates)	(4,251)	(4,760)	(- 10.7%)
Total	13,912	12,557	+ 10.8%

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

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2010	March 31, 2009	
	(A)	(B)	(%)

Stocks	5,238	4,606	+ 13.7%
Bonds	15	38	- 59.9%
Beneficiary certificates	8,037	6,863	+ 17.1%
Others	620	1,048	- 40.9%

Total	13,912	12,557	+ 10.8%

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

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2010	March 31, 2009	
	(A)	(B)	(%)

Stocks, etc.	455	425	+ 7.2%
Bonds, foreign exchange, etc.	478	334	+ 43.2%
(Bonds, etc.)	(505)	(334)	(+ 51.1%)
(Foreign exchange, etc.)	(- 26)	(- 0)	(-)

Total	934	759	+ 23.0%

3 . Quarterly Consolidated Income Statements for Recent Eight 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)	2nd Q (7-9/09)	3rd Q (10-12/09)	4th Q (1-3/10)
Operating revenue	5,042	3,598	2,849	2,766	4,150	4,005	3,760	3,827
Commissions	4,446	3,103	2,556	2,451	3,671	3,572	3,303	3,363
Gains or loss on trading	292	267	97	101	258	214	235	226
Interest and dividend income	107	102	66	56	61	68	64	57
Other operating revenue	195	124	129	156	158	149	157	180
Interest expenses	29	29	18	17	24	21	20	17
Net operating revenue	5,013	3,568	2,831	2,748	4,126	3,984	3,740	3,810
Operating cost and expenses	4,676	4,406	4,215	4,045	4,036	3,902	3,793	3,695
Transaction-related expenses	531	620	497	489	408	401	378	275
Personnel expenses	2,469	2,218	2,127	2,083	2,248	2,174	2,083	2,073
Property-related expenses	488	482	484	469	444	446	429	437
Clerical expenses	718	634	684	591	551	516	529	545
Depreciation	202	211	215	215	176	177	175	182
Public charges	46	42	35	32	41	44	43	42
Reversal of allowances for doubtful accounts	0	- 0	3	-2	1	- 0	-1	- 0
Other	219	196	167	166	164	141	155	137
Operating income	336	-838	-1,384	-1,296	89	81	-53	115
Non-operating income	69	31	30	6	38	29	12	10
Non-operating expenses	0	79	7	127	0	99	1	81
Current income	405	-886	-1,361	-1,418	127	12	-42	43
Extraordinary income	145	189	-1	-2	31	51	21	4
Extraordinary expenses	4	657	421	128	50	27	75	6
Income before taxes and minority interests	547	-1,354	-1,785	-1,549	107	36	-96	42
Income taxes, resident's taxes & enterprise taxes	18	8	11	20	10	16	10	18
Income tax adjustments	177	-147	575	-3	0	-3	1	-3
Minority interests	0	1	0	- 0	-1	- 0	- 0	- 0
Net income	351	-1,217	-2,372	-1,566	98	23	-108	27

(END)