

EARNINGS REPORT FOR FIRST QUARTER OF FISCAL 2011

(April 1 to June 30, 2011)

(consolidated on the basis of Japanese accounting standards)

Released on July 28, 2011

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
Inquiry to: Mr. Kiyotaka Mochida, Operating Officer in charge of Finance and Planning
Tel: (03) 3555-9589 (URL <http://www.ichiyoshi.co.jp/>)
Date of filing First Quarter Report: August 11, 2011 (scheduled)
Preparation of supplementary documents for quarterly earnings: None.
Quarterly earnings-reporting meeting: None.

1. Outline of Consolidated Business Result for First Quarter of Fiscal 2011 (from April 1 to June 30, 2011)

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

--- First quarter ended ---

	June 30, 2011	June 30, 2010

	(% year-to-year change in brackets)	
Operating revenue	3,575(+ 1.8)	3,510 (- 15.4)
Net operating revenue	3,560(+ 2.0)	3,490 (- 15.4)
Operating income	- 132(-)	- 267 (-)
Current income	- 113(-)	- 246 (-)
Net income	- 131(-)	- 209 (-)
Earnings per share	- 2.99yen	- 4.82yen
Diluted earnings per share (adjusted for shares potentially issuable)	--	--

Note: Comprehensive income for first quarter of fiscal 2011: - 146 million yen.

Comprehensive income for first quarter of fiscal 2010: - 237 million yen.

(2) Consolidated financial condition

	As of June 30 2011	As of March 31 2011

Total assets (in millions of yen)	34,686	35,607
Net worth (in millions of yen)	24,004	24,672
Equity ratio	69.0%	69.1%

Note: Shareholders' equity as of June 30, 2011: 23,933 million yen.

Shareholders' equity as of March 31, 2011: 24,607 million yen.

2. Dividend

--- Fiscal year ended ---
March 31, 2012 March 31, 2011

Per-share dividend: (See notes below)

1 st quarter	---	---
2 nd quarter	---	12.00yen
3 rd quarter	---	---
Final	---	12.00yen
Annual total	---	24.00yen

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 2011 (from April 1, 2011 to March 31, 2012)

Since the forecast of earnings in financial-instruments trading, the main-line business of Ichiyoshi Securities Co. Ltd. (the "Company" or "Ichiyoshi") and its group companies, is hard to make due to volatile factors in the market, the Company does not provide such forecast prior to the end of each quarter. Instead, the Company intends to release preliminary earnings figures after the end of each 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 an accounting treatment unique to the preparation of quarterly financial statements: None.

(3) Changes in accounting policies and estimates and re-presentation of revisions:

(i) Changes in accounting policies resulting from revisions to accounting standards: None.

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

(iii) Changes in accounting estimates: None.

(iv) Re-presentation of revisions: None.

(4) Number of shares issued (common stock):

(i) Number of shares issued as of June 30, 2011: 44,431,386 shares (including treasury shares)

Number of shares issued as of March 31, 2011: 44,431,386 shares (including treasury shares)

(ii) Number of treasury shares as of June 30, 2011: 503,930 shares.

Number of treasury shares as of March 31, 2011: 503,881 shares.

(iii) Average number of outstanding shares issued during the first quarter of fiscal 2011:

43,927,466 shares.

Average number of outstanding shares issued during the first quarter of fiscal 2010:

43,506,896 shares.

Points of note:

1. This quarterly earnings report was prepared without being audited on a review basis as required by the Financial Instruments and Exchange Law. The quarterly earnings figures are being audited on a review basis at the time of this release.
2. For the same reason that the Company does not provide earnings forecast prior to the end of each quarter as stated in “**3. Outlook for Consolidated Business Result for Fiscal 2011 (from April 1, 2011 to March 31, 2012)**” on page 2, the Company does not provide a dividend forecast.

I. Qualitative Information on Consolidated Business Result for First Quarter of Fiscal 2011

(1) Qualitative Information on Consolidated Business Result

In much of the first quarter of fiscal 2011, global stock markets underwent correctional periods on fears over slowdown in the global economy and Greek finances amid the perceived ending of the QE2 of the U.S. Towards the end of the first quarter, however, market sentiments turned upwards as such fears showed signs of easing. While mirroring changes in external factors, the Japanese stock market gradually reflected the expected recovery of the domestic economy along with the restoration of supply chains disrupted by the East Japan Great Earthquake. The Nikkei Stock Average on the Tokyo Stock Exchange (the “TSE”) went over the 10,000 yen level in early May, fell to a first quarter-low of 9,318 yen in mid-June, and moved up to 9,816 yen on June 30 (the final trading day in the first quarter of fiscal 2011). Emerging-stock markets of Japan also moved up towards the end of the first quarter. The Nikkei JASDAQ Average, the leading index of the Japanese emerging-stock markets, closed the first quarter at 1,252 yen, near a first quarter-high of 1,268 yen recorded in May (which was also a post-earthquake high).

The average daily turnover on the TSE for the first quarter of fiscal 2011 was 1,382.5 billion yen, down 17.1% from the comparable period of fiscal 2010, and that on the OSE JASDAQ Stock Market was 22.7 billion yen, down 10.4%.

Against such background, the Company designated 8 investment trust funds, including “HSBC New Leaders Sovereign Open,” “Mellon World Emerging Sovereign Fund” and “Global Sovereign Open,” as basic assets of customers and placed them in the center of its promotional activities. In addition, the Company exerted its efforts on the distribution of “Mitsui Sumitomo Global REIT Open” and equity funds, such as “Ichiyoshi Invesco Small- and Mid-cap Stock Open.”

Resultantly, net operating revenue for the first quarter of fiscal 2011 amounted to 3,560 million yen. Operating cost and expenses registered 3,693 million yen. Hence, current income recorded a loss of 113 million yen.

Customers’ assets in the Company’s custody as at June 30, 2011 stood at 1,325.0 billion yen, down 1.6% from March 31, 2011.

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

i. Commissions

Total commissions for the first quarter of fiscal 2011 amounted to 3,233 million yen, up 6.3% from the year-earlier period.

(a) Brokerage commissions

Total brokerage commissions on stocks decreased 20.5% to 929 million yen. Brokerage commissions on small- and medium-sized stocks (stocks listed on Second Sections of Tokyo Stock Exchange and Osaka Securities Exchange, OSE JASDAQ Stock Market, and TSE Mothers) accounted for 19.5% of total brokerage commissions on stocks, up from 16.6% for

the comparable period of fiscal 2010.

(b) Commissions from underwriting and solicitation to specified investors

In the primary market, the Company managed 1 initial public offering ("IPO"). In the secondary market, the Company participated in 3 deals on a management and underwriting basis (2 of which were lead-managed by the Company). (In the year-earlier period, the Company participated in 2 IPOs and 1 secondary follow-on financing on a management and underwriting basis.) As a result, total commissions from underwriting and solicitation to specified investors amounted to 218 million yen.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 833 (of which 29 were lead-managed) as of June 30, 2011.

(c) Commissions from distribution and solicitation to specified investors

As commissions from distribution of investment trusts which pay out income monthly recorded 924 million yen, up 35.6% from the year-earlier period, total commissions from distribution and solicitation to specified investors increased 35.4% to 926 million yen.

(d) Commissions from other sources

While the outstanding balance of investment trust funds as at the end of the period (June 30, 2011) rose 6.1% to 661.2 billion yen, the average of outstanding balance during the period (from April 1 to June 30, 2011) decreased as compared with the year-earlier quarter. As a result, the trailer fees fell 1.7% to 1,059 million yen. With the addition of commissions from variable-annuity insurance policy sales, fees from IPO assistances, wrap-account maintenance fees and fees from research-unbundling, total commissions from other sources amounted to 1,155 million yen, down 2.0%.

ii. Gains or loss on trading

Trading in stocks, etc. recorded net gains of 52 million yen, down 56.8% from the year-earlier period. Trading in bonds and foreign exchange, etc. registered net gains of 21 million yen, down 77.9%. As a result, total net gains on trading amounted to 73 million yen, down 66.2%.

iii. Interest and dividend income

Interest and dividend income declined 37.1% to 39 million yen chiefly due to a fall in average advances for margin transactions during the period. Interest expenses slid 28.3% to 14 million yen. As a result, net interest and dividend income recorded 24 million yen, down 41.4%.

iv. Operating cost and expenses

As a result of decreases in performance-based remunerations and bonuses and cost reduction measures, operating cost and expenses slid 1.7% to 3,693 million yen.

As a result of these activities, current income for the first quarter of fiscal 2011 recorded a loss of 113 million yen.

v. Extraordinary income and loss

Net extraordinary loss amounted to 5 million yen.

After allowing for net extraordinary loss, income before income taxes for the first quarter of fiscal 2011 registered a loss of 118 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes in the aggregate amount of 9 million yen, and after deduction of corporate tax adjustments in the amount of 3 million yen) recorded a loss of 131 million yen.

(2) Qualitative Information on Consolidated Financial Condition

i. Condition of Assets, Liabilities and Net Worth

(a) Current assets

Current assets amounted to 26,734 million yen as of June 30, 2011, a decrease of 806 million yen (down 2.9%) from March 31, 2011, as cash and deposits decreased by 1,919 million yen while advances for margin transactions increased by 798 million yen and segregated cash and statutory deposits rose by 59 million yen.

(b) Fixed assets

Fixed assets stood at 7,952 million yen as of June 30, 2011, a decline of 113 million yen (down 1.4%) from March 31, 2011, mainly as a result of depreciation of fixed assets.

As a result, total assets registered 34,686 million yen as of June 30, 2011, a decrease of 920 million yen (down 2.6%) from March 31, 2011.

(c) Current liabilities

Current liabilities stood at 9,800 million yen as of June 30, 2011, a decrease of 230 million yen (down 2.3%) from March 31, 2011. The decrease resulted chiefly from a decline of 748 million yen in customers' deposits for agency business and a decrease of 231 million yen in accrued bonuses for employee while margin transaction liabilities rose by 765 million yen.

(d) Long-term liabilities

Long-term liabilities recorded 779 million yen as of June 30, 2011, a decline of 20 million yen (down 2.6%) from March 31, 2011.

(e) Statutory reserves

Statutory reserves registered 102 million yen as of June 30, 2011, almost the same amount as that as of March 31, 2011.

(f) Net worth

Net worth amounted to 24,004 million yen as of June 30, 2011, a decrease of 668 million yen (down 2.7%) from March 31, 2011. The decrease mainly resulted from payment of final dividends in the amount of 527 million yen (paid out to shareholders of record as of March 31, 2011) and first-quarter net loss of 131 million yen (both of which caused a decline of 658 million yen in retained earnings).

As a result, equity ratio as of June 30, 2011 recorded 69.0%, and capital adequacy ratio as of the same date, as defined by the securities regulator, registered 453.6%.

(3) Qualitative Information on Outlook of Consolidated Business Result

Since the forecast of earnings in financial-instruments trading, the main-line business of Ichiyoshi Securities Co. Ltd. (the "Company" or "Ichiyoshi") and its group companies, is hard to make due to volatile factors in the market, the Company does not provide such forecast prior to the end of each quarter. Instead, the Company releases preliminary earnings figures around the middle of the month immediately following the end of each quarter.

II. Matters concerning Summary Information

(1) Changes in material subsidiaries: None.

(2) Application of an accounting treatment unique to the preparation of quarterly financial statements: None.

(3) Changes in accounting policies and estimates and re-presentation of revisions: None.

. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2011	As of June 30 2011
Current assets		
Cash and bank deposits	13,199	11,280
Segregated cash and statutory deposits	2,845	2,904
Trading assets	373	360
Securities	373	360
Contracted trades	8	89
Margin transaction assets	8,254	9,053
Advances for margin purchases	8,125	8,712
Cash deposits as collateral for securities borrowed	129	340
Advance payments for customers on trades	24	56
Advance payments for subscription	2,051	2,073
Short-term loans	11	33
Accrued income	613	656
Deferred tax assets	5	1
Other current assets	165	236
Allowances for doubtful accounts	-11	-12
	27,541	26,734
Fixed assets		
Tangible fixed assets	4,401	4,350
Buildings	1,675	1,641
Fixtures and equipment	824	808
Land	1,895	1,895
Lease assets, net	5	4
Intangible fixed assets	580	516
Goodwill	139	131
Computer software	439	382
Telephone subscription rights, etc.	2	2
Investments, etc.	3,084	3,085
Investment securities	1,733	1,739
Long-term loans	66	59
Cash deposits as guarantee for long-term credits	1,277	1,270
Deferred tax assets	6	7
Other investments	15	16
Allowances for doubtful accounts	-16	-6
	8,066	7,952
Total assets	35,607	34,686

	As of March 31 2011	As of June 30 2011
Current liabilities		
Trading liabilities	2	0
Derivatives	2	0
Margin transaction liabilities	3,992	4,758
Borrowings for margin transactions	3,602	4,053
Cash received for loaned securities	390	704
Cash payable to customers	3,955	3,206
Deposits from customers (for committed trades)	676	657
Short-term borrowings	210	210
Lease obligations	1	1
Income taxes payable	93	27
Accrued bonuses to employees	399	167
Reserve for Point-Service Campaign	203	225
Other current liabilities	496	546
	10,031	9,800
Long-term liabilities		
Long-term borrowings	498	488
Lease obligations	3	3
Deferred tax liabilities	8	4
Revaluation-related deferred tax liabilities	40	40
Accrued retirement benefits for employees	198	207
Accrued retirement benefits for officers	39	-
Other long-term liabilities	10	34
	799	779
Statutory reserves		
Reserve for financial instruments transaction liabilities	102	102
	102	102
Total liabilities	10,934	10,682
Net worth		
Shareholders' equity		
Common stock	14,577	14,577
Capital surplus	8,322	8,322
Retained earnings	3,822	3,163
Treasury stock	-256	-256
Total Shareholders' equity	26,467	25,808
Other Comprehensive Income		
Other securities valuation difference	1	-14
Land revaluation difference	-1,860	-1,860
Total Other Comprehensive Income	-1,859	-1,874
Subscription rights to shares	33	38
Minority interests	31	32
Total net worth	24,672	24,004
Total of liabilities and net worth	35,607	34,686

(2) Quarterly Consolidated Income Statements and Quarterly Consolidated Comprehensive Income Statements

Quarterly Consolidated Income Statements

(in millions of yen)

	Three months ended	
	June 30, 2010	June 30, 2011
Operating revenue		
Commissions	3,042	3,233
Gains or loss on trading	217	73
Interest and dividend income	62	39
Other operating income	188	229
Total Operating revenue	3,510	3,575
Interest expenses	20	14
Net operating revenue	3,490	3,560
Operating cost and expenses		
Transaction-related expenses	354	364
Personnel expenses	2,066	1,966
Property-related expenses	432	431
Clerical expenses	563	572
Depreciation	158	147
Public charges	36	35
Transfer to allowances for doubtful accounts	-	0
Others	146	175
Total Operating cost and expenses	3,758	3,693
Operating income	-267	-132
Non-operating income		
Dividends from investment securities	11	23
Insurance and dividends income	0	-
Equity in earnings of affiliates	1	-
Gain on allotment of shares	7	-
Others	2	1
Total Non-operating income	23	24
Non-operating expenses		
Loss on other sales	0	0
Equity in losses of affiliates	-	5
Others	2	0
Total Non-operating expenses	2	6
Current income	-246	-113
Extraordinary income		
Gains on sales of investment securities	21	-
Gains on sales of golf membership	-	0
Reversal of allowances for doubtful accounts	0	1
Reversal of reserve for financial instruments transaction liabilities	40	0
Total Extraordinary income	62	1
Extraordinary expenses		
Loss on write-off of fixed assets	0	-
Loss on sales of investment securities	-	1
Valuation loss on investment securities	2	1
Loss on cancellation of system contracts	-	4
Total Extraordinary expenses	3	6
Income before income taxes	-187	-118
Income, inhabitant and enterprise taxes	10	9
Income taxes adjustments	13	3
Total Income Taxes	23	12
Income before minority interests	-211	-131
Minority interests	-1	0
Net income	-209	-131

Quarterly Consolidated Comprehensive Income Statements

(in millions of yen)

	Three months ended	
	June 30, 2010	June 30, 2011
Income before minority interests	-211	-131
Other comprehensive income		
Valuation difference on available-for-sale securities	-26	-12
Share of other comprehensive income of associates accounted for using equity method	-	-3
Total other comprehensive income	-26	-15
Comprehensive income	-237	-146
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-236	-147
Comprehensive income attributable to minority interests	-1	0

(3) Notes Concerning Premises for Continuing Business Enterprise

None for the first quarter of fiscal 2011.

(4) Notes in the Event of Material Changes in Shareholders' Equity

None for the first quarter of fiscal 2011.

IV. Supplementary Information**Breakdown of Consolidated Business Result for First Quarter of Fiscal 2011****1. Commissions****(1) Commissions by sources: (in millions of yen)**

	---First quarter ended---		(A) over (B)	Fiscal 2010 ended
	June 30, 2011	June 30, 2010		March 31, 2011
	(A)	(B)	(%)	
Brokerage commissions	932	1,176	- 20.7	4,245
(Stocks)	(929)	(1,169)	(- 20.5)	(4,225)
(Bonds)	(0)	(0)	(- 83.4)	(2)
Commissions from underwriting & solicitation				
to specified investors	218	2	--	44
(Stocks)	(218)	(2)	(--)	(44)
(Bonds)	(--)	(--)	(--)	(--)
Commissions from distribution & solicitation				
to specified investors	926	684	+ 35.4	2,660
(Beneficiary certificates)	(924)	(681)	(+ 35.6)	(2,654)
Commissions from Other sources	1,155	1,178	- 2.0	4,616
(Beneficiary certificates)	(1,059)	(1,078)	(- 1.7)	(4,192)
Total	3,233	3,042	+ 6.3	11,567

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

	---First quarter ended---		(A) over (B)	Fiscal 2010 ended
	June 30, 2011	June 30, 2010		March 31, 2011
	(A)	(B)	(%)	
Stocks	1,153	1,176	- 2.0	4,292
Bonds	3	3	- 8.5	12
Beneficiary certificates	1,987	1,766	+ 12.5	6,863
Others	88	95	- 6.9	398
Total	3,233	3,042	+ 6.3	11,567

2. Gains or loss on trading

	---First quarter ended---		(A) over (B)	(in millions of yen)
	June 30, 2011	June 30, 2010		Fiscal 2010 ended
	(A)	(B)	(%)	March 31, 2011
Stocks, etc.	52	120	- 56.8	274
Bonds, foreign exchange, etc.	21	96	- 77.9	308
(Bonds, etc.)	(56)	(78)	(- 27.9)	(232)
(Foreign exchange, etc.)	(- 34)	(18)	(--)	(76)
Total	73	217	- 66.2	583

3 . Quarterly Consolidated Income Statements for Recent Five Quarters

(in millions of yen)

	1st Q (4-6/'10)	2nd Q (7-9/'10)	3rd Q (10-12/'10)	4th Q (1-3/'11)	1st Q (4-6/'11)
Operating revenue	3,510	2,590	3,098	3,901	3,575
Commissions	3,042	2,281	2,696	3,547	3,233
Gains or loss on trading	217	80	183	102	73
Interest and dividend income	62	46	32	35	39
Other operating revenue	188	181	186	216	229
Interest expenses	20	11	11	14	14
Net operating revenue	3,490	2,579	3,087	3,887	3,560
Operating cost and expenses	3,758	3,490	3,569	3,838	3,693
Transaction-related expenses	354	356	341	360	364
Personnel expenses	2,066	1,869	1,943	2,057	1,966
Property-related expenses	432	424	420	471	431
Clerical expenses	563	508	523	588	572
Depreciation	158	162	166	169	147
Public charges	36	33	35	41	35
Reversal of allowances for doubtful accounts	-	0	-0	-	0
Others	146	133	138	150	175
Operating income	-267	-910	-482	48	-132
Non-operating income	23	9	183	-1	24
Non-operating expenses	2	63	6	28	6
Current income	-246	-964	-305	18	-113
Extraordinary income	62	1	8	34	1
Extraordinary expenses	3	9	0	86	6
Income before income taxes	-187	-973	-297	-33	-118
Income, inhabitant and enterprise taxes	10	16	14	33	9
Income taxes adjustments	13	-1	0	-4	3
Income before minority interests	-211	-988	-312	-62	-131
Minority interests	-1	1	1	0	0
Net income	-209	-989	-313	-62	-131

(END)