



# 2011 | Investors' Guide

For the Year Ended March 31, 2011

# CREDO (Mission Statement)

## Management Philosophy

Remain a firm of customers' trust and choice

## Management Objective

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

## Action Guidelines

Gratitude, Integrity, Courage, Responsiveness, Continuity

Long-term Good Relation

### For Our Employees

Respecting employees' individuality and striving for human resource cultivation

### The Ichiyoshi Spirit

Fighting on with passion and sincerity

### Job Satisfaction

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

### For Our Shareholders

Striving for continuous improvement in performance and corporate value

### Return to Shareholders

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

### Information Disclosure

Ensuring business management transparency through appropriate disclosure and investor relation activities

### For Our Customers

Aiming to be every customer's first choice

### Customer Prioritization

Always providing advice with sincerity from the customer's standpoint

### Quality Services

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

### For Society

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

### Social Responsibility

Complying with laws and regulations and behaving with high ethical standards

### Social Contribution

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

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### Forward-Looking Statements

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



## Message from the President

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### To “remain a firm of customers' trust and choice”

I would like to begin by expressing our heartfelt condolences to everyone that was affected by the earthquake and tsunami and our prayers for a rapid recovery.

The Ichiyoshi Credo establishes our management philosophy to “remain a firm of customers' trust and choice” We aim to be a company that grows along with local communities on a firm foundation of trust between people and society.

Our Credo is manifest in our ongoing dedication to providing the highest quality advisory activities centered on direct communication between our advisors and customers. We believe this level of engagement is essential for companies in the Japanese financial services industry. Our method is simple yet absolutely essential—we provide beneficial advice for customers by fully considering each customer's perspective and following our principle that “we will not sell products merely because they are popular.”

We will continue to deepen this mission in the future. Our management and employees will continue to work closely together to vigorously implement our Credo and support the creation of affluent local communities. We appreciate your ongoing guidance and encouragement.



July 2011

Masashi Takehi

President & Chief Executive Officer

A handwritten signature in black ink, reading "M. Takehi". The signature is stylized with a large, sweeping flourish that extends to the right.

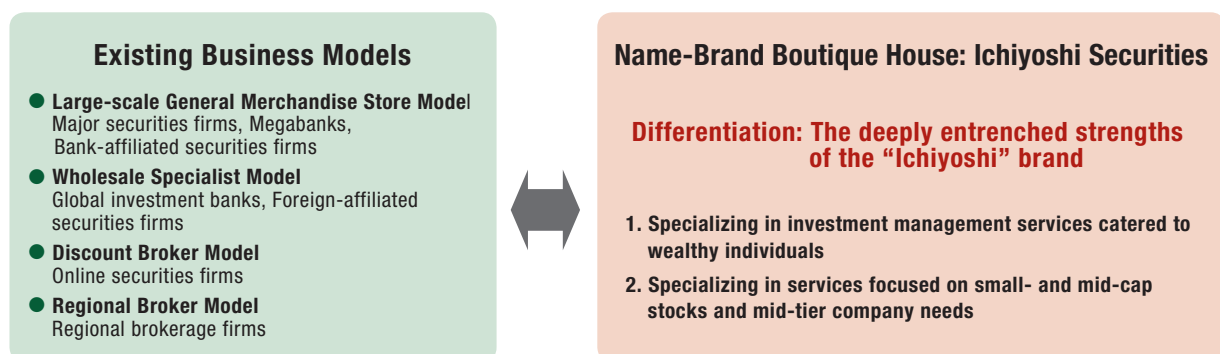
# Ichiyoshi's Growth Strategy and New Medium-term Management Plan

## 1 Growth Strategy

### 1. Strategy of Ichiyoshi Securities

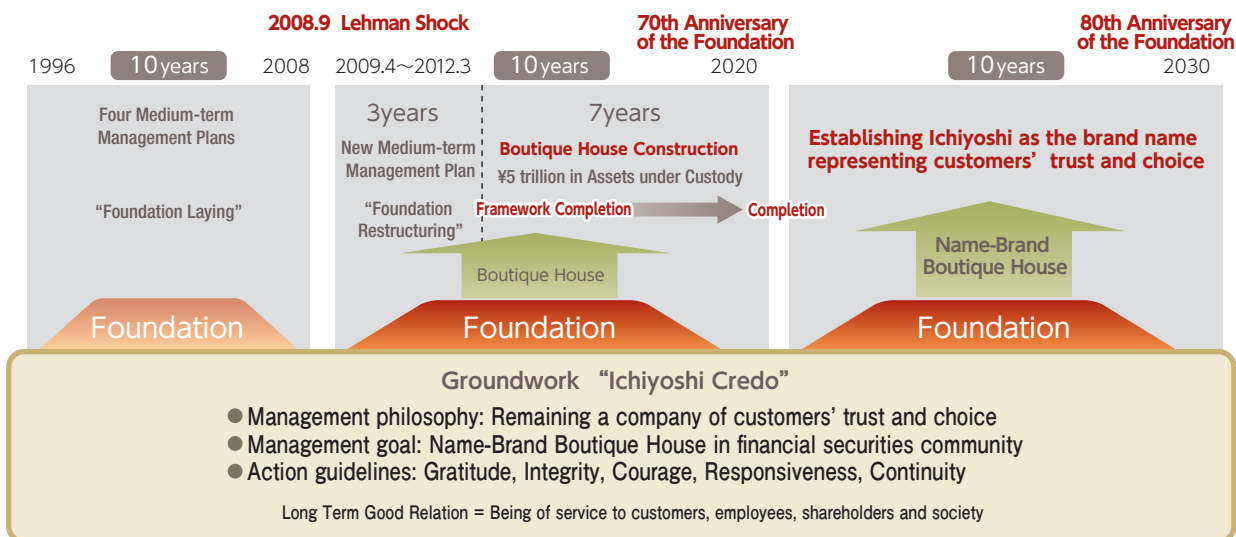
We aim to clearly distinguish Ichiyoshi Securities from conventional brokerage firms that compete using economies of scale and discount marketing methods and to establish ourselves as a “boutique securities house” providing financial asset management services catered to each individual customer.

#### Differentiation — The key to success in the age of highly competitive financial services



### 2. Establishment of Name-Brand Boutique House

Just as the innovative boutique securities company, Edward Jones achieved dramatic growth in the United States beginning in the mid 1980s, Ichiyoshi has aimed to establish itself as a pioneering “Name-Brand Boutique House” in the last 10 years by providing specialized asset management services to individual investors and medium-sized corporate customers.



## 2 New Medium-term Management Plan

The foundation for the Name-Brand Boutique House we had been building for 10 years was deeply impacted by the September 2008 Lehman Shock. We determined that the foundation needed to be both reformulated and reinforced, and we launched the New Medium-term Management Plan with a target completion date of March 31, 2012.

In the current fiscal year, the final year of the new plan, we will continue advancing toward fulfilling the plan's objective to reestablish the source of our advantage (our strength) and will complete the foundation for the ensuing seven-year phase for construction of the Boutique House.

### Numerical targets (Period of the plan: from April 2009 through the end of March 2012)

- Customer assets under custody: JPY 2 trillion
- Lead-managing deals: in 35 companies
- ROE: Around 10 - 15%

### Basic Strategies of New Medium-term Management Plan

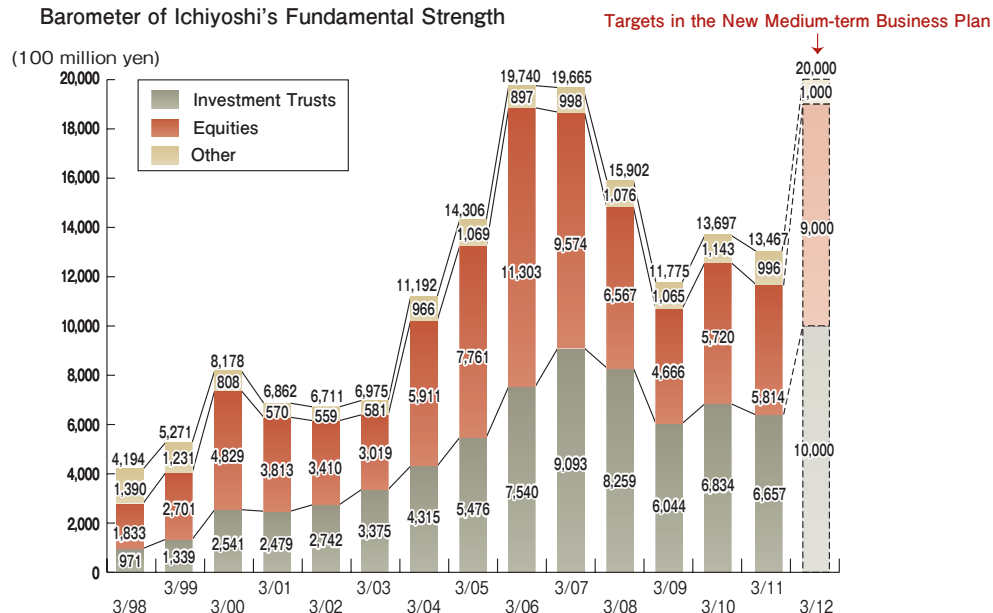
1	Thorough realization of our Credo » "Value standard" for permanent prosperity	5	Integrated power of Ichiyoshi Group » Reinforcement of Triangular Pyramid Management
2	Expansion of business base » Increase in customers' assets under custody	6	Practical observance of legal compliance » Compliance is a source of competitiveness
3	Continuing improvement on revenue-cost structure » Revenue structure less susceptible to market volatilities	7	Diversification of business channels » Part of growth strategies
4	Enhancement of earnings on existing business lines » Enhancement of earnings on specialized small- and medium-cap stock business	8	Nurturing and training of human resources » Human resources are a source of growth

### 3 Business Platform Expansion

The volume of assets under custody is a barometer of both customers' trust in Ichiyoshi and of our fundamental strength. As such, expanding assets under custody is the primary target in realizing our management philosophy.

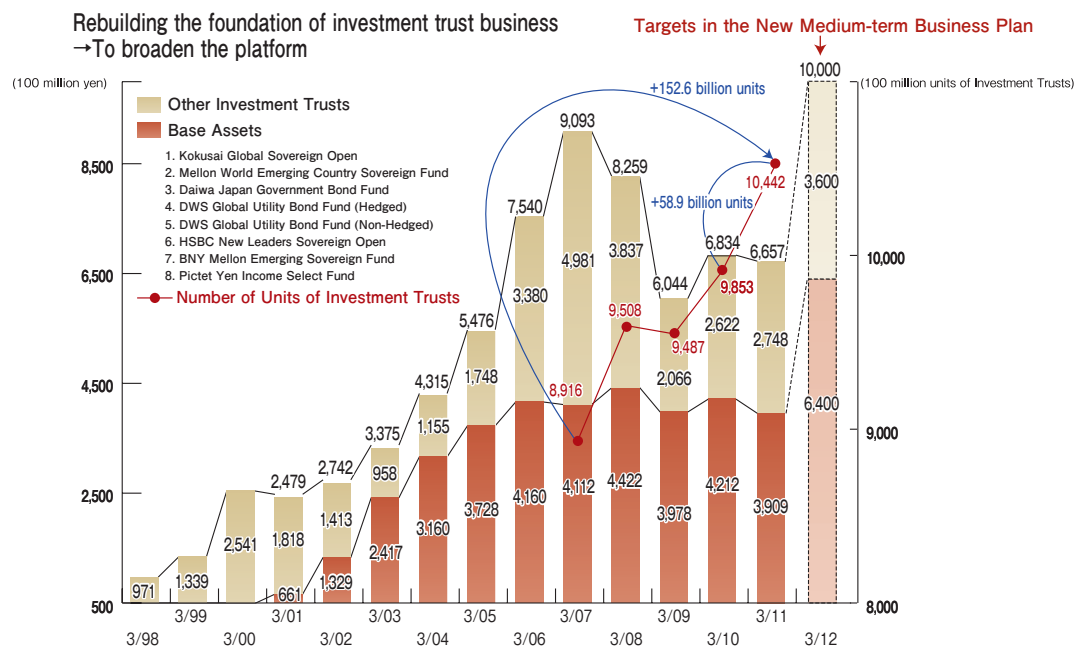
#### Assets under Custody (Total)

[Assets under Custody]  
Barometer of Customers' Trust  
Barometer of Ichiyoshi's Fundamental Strength



#### Assets under Custody (Investment Trusts)

Rebuilding the foundation of investment trust business  
→To broaden the platform



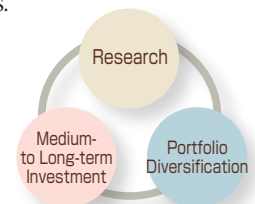
## 4 Product Strategy

Our objective is to achieve continual growth in customers' financial assets, and to realize this goal, we have designated low-risk, monthly-dividend-paying investment trusts that invest in sovereign bond as “base assets.” With these stable base assets at the core, we endeavor to formulate investment proposals encompassing a complete range of financial assets and designed to match each customer's individual investment goals and risk tolerance.

In addition, for 10 years we have steadfastly implemented our Basic Principle regarding Products for Individual Customers, which we believe, is essential to building a relationship of trust with our customers.

### 1. Fundamental Investment Strategy

Our fundamental investment approach is based on research, medium- to long-term investment, and portfolio diversification.



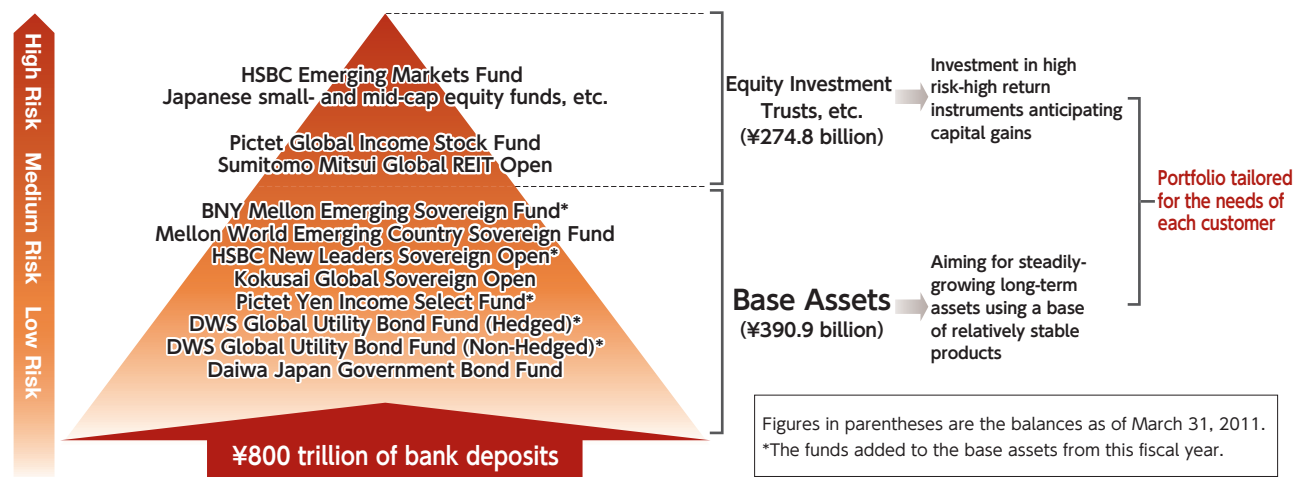
### 2. Basic Principle regarding Products for Individual Customers

**“We will not sell products merely because they are popular”  
The Seven “Ichiyoshi Standards” in effect for 10 years**

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



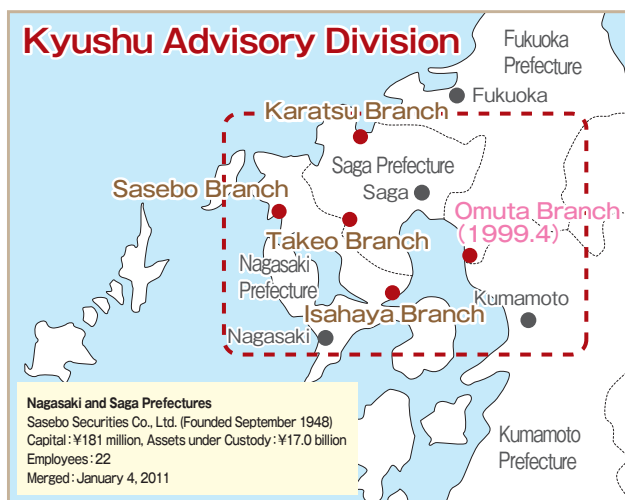
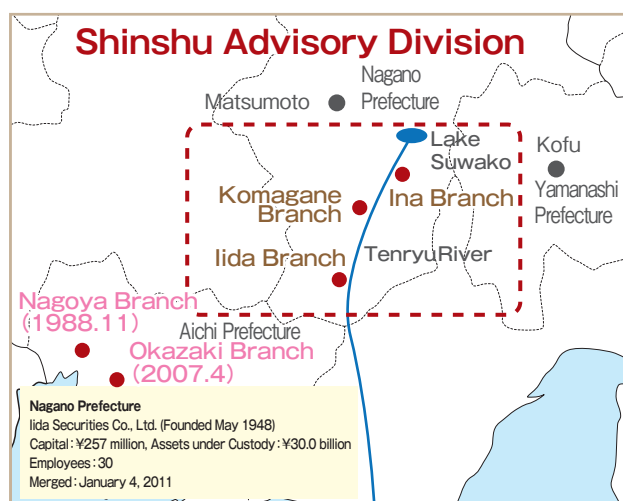
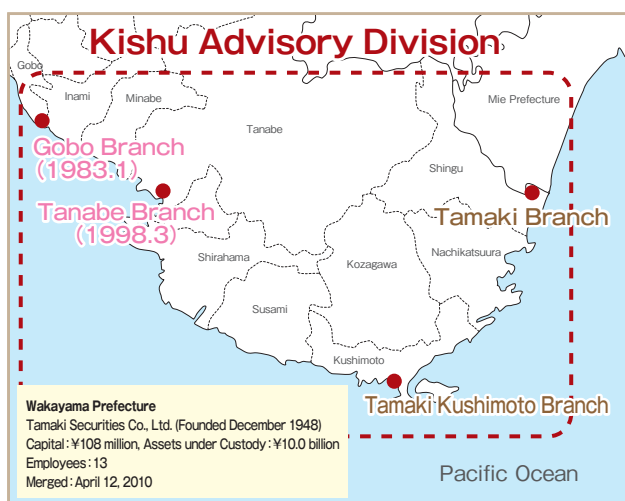
### 3. Diversified Investment on a Platform of Base Assets (stability-oriented investment trusts)



## 5 Business Channel Diversification

Business channel diversification is one of the eight basic strategies (growth strategies) of the New Medium-term Management Plan. By diversifying our business channels, we are aiming to create a network of regional brokerage firms with which we share our management philosophy and sales strategies.

Having established Advisory Divisions for Kishu, Shinshu and Kyushu, we have strengthened our capability to propose investment ideas to individual customers in the regions.





# Director/Executive Officer/Operating Officer

(As of June 18, 2011)



Board of Directors

From left to right in the back row: Takashi Ishikawa, Akira Gokita, Kenro Kakeya and Kota Sakurai

From left to right in the front row: Nobutaka Tanaami, Masashi Takehi and Yasuaki Yamasaki

Directors		Executive Officers		Operating Officers	
Masashi Takehi	Chairman of the Board Member of the Nominating Committee the Remuneration Committee	President & Chief Executive Officer	Masashi Takehi	Senior Operating Officers	Osamu Akagi
Nobutaka Tanaami		Senior Managing Executive Officer	Nobutaka Tanaami		Masaki Yano
Yasuaki Yamasaki		Managing Executive Officers	Yasuaki Yamasaki	Operating Officers	Tsutomu Nakao
Takashi Ishikawa	Member of the Audit Committee		Toshihiko Takaishi		Mikio Nio
Akira Gokita*	Member of the Nominating Committee the Remuneration Committee the Audit Committee	Executive Officers	Hisato Hatanaka		Hiroshi Ryugen
Kenro Kakeya*	Member of the Nominating Committee the Remuneration Committee		Shiro Tateishi		Kiyotaka Mochida
Kota Sakurai*	Member of the Audit Committee		Shigeru Akiba		Koichi Tanaka
					Masao Sugiura
					Hirohumi Tamada

\*Outside director

# Management Squarely Focused on Shareholder Value

## Corporate Governance

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

Japan Corporate Governance Research Institute ("JCGR") conducted its 9th survey on the 2010 corporate governance systems of all companies listed on the First Section of the Tokyo Stock Exchange and published the result of the survey as JCG Index 2010, in which Ichiyoshi obtained 71 points and was ranked 8th among 127 companies which made replies for the poll.

### The 9th Corporate Governance Survey

Top 20 companies in "JCG Index of Corporate Governance 2010"

Previous Rank	Rank	JCGIndex	Company Name
2	1	80	SONY CORPORATION
2	2	78	Sumida Corporation
6	3	77	Nissen Holdings Co., Ltd.
2	3	77	Daiwa Securities Group Inc.
9	5	75	OMRON Corporation
1	6	74	TOSHIBA CORPORATION
8	7	72	PARCO CO., LTD.
18	8	71	Ichiyoshi Securities Co., Ltd.
7	8	71	TEIJIN LIMITED
11	8	71	Eisai Co., Ltd.
20	8	71	RICOH COMPANY, LTD.
—	8	71	ORIX Corporation
13	8	71	Nomura Holdings, Inc.
—	14	69	(*)
13	15	68	Konica Minolta Holdings, Inc.
38	15	68	NIDEC CORPORATION
38	15	68	MITSUI & CO., LTD.
—	15	68	AUTOBACS SEVEN CO.,LTD.
23	19	67	COSMO OIL COMPANY, LIMITED
56	19	67	TDK Corporation
2	19	67	AEON Co., Ltd.

Source: Japan Corporate Governance Research Institute, Inc. (JCGR)

\*Company name omitted at the company's request

#### ◆ The Japan Corporate Governance Research Institute

Japan Corporate Governance Research Institute, Inc. (JCGR) is a non-profit organization (NPO) established on April 1, 2003, with the mission of promoting deeper common understanding of corporate governance practices in a global economy. The institute publishes the annual "JCGIndex," which provides an outline of corporate governance in Japan through surveys tracking the status of corporate governance at individual Japanese companies.

#### Criteria in assessment of governance – based on "JCGR Corporate Governance Principles"

- (i) Governance from the perspective of shareholders' benefit
- (ii) Clear goals for corporate performance
- (iii) A structure to ensure the fulfillment of the CEO's responsibility
- (iv) Existence and governability of the board of directors in which the independent directors take initiatives
- (v) Management that enables the CEO to achieve corporate goals

#### ◆ The JCGIndex

Since 2002, JCGR has conducted an annual corporate governance survey consisting of approximately 50 questions which are delivered to all the listed companies on the First Section of the Tokyo Stock Exchange. The survey responses provide quantifiable data on the status of corporate governance in Japan.

- (vi) Effective compliance-observance system and internal audit system and CSR awareness
- (vii) Accountability to shareholders
- (viii) Appropriate disclosure to shareholders through IR activities
- (ix) Transparency through disclosure to the other stakeholders

The research center then groups and summarizes the data in four categories: I Corporate objectives and CEO responsibility, II Structure and function of board of directors, III Management system and IV Transparency and communication with shareholders. The sum of the point totals in the four categories are then added to create the JCGIndex, with 100 as the highest possible number of points.

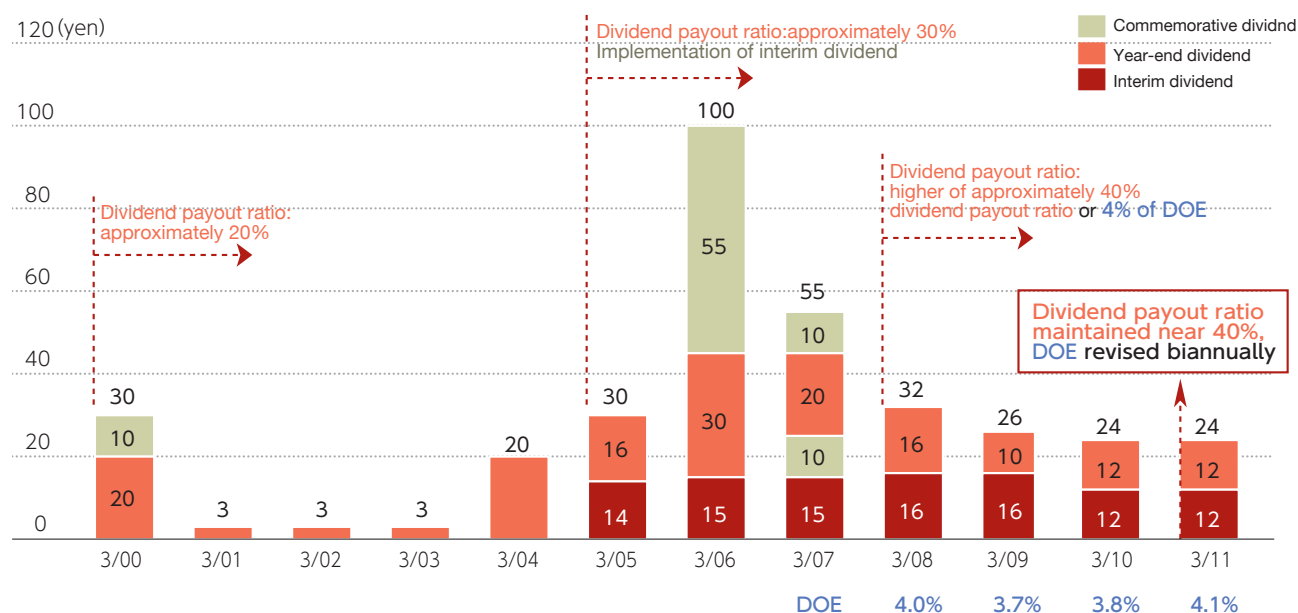


## Shareholder Return Policy

The appropriate distribution of profits to shareholders and the corporate governance have been deeply ingrained elements of our management policies from our inception.

In addition to our annual year-end dividend, we commenced interim dividend payments in fiscal year 2005. In fiscal year 2008, we adopted a policy of distributing dividends approximately equal to the higher of a 40% payout ratio or 4% of dividend on equity (DOE). As part of our ongoing efforts to enhance shareholder equity, we also implement a stock retirement policy and between September 1998 and January 2009 reacquired and retired 15.49 million shares, representing approximately 27.9% of the total number of shares outstanding.

### Dividend Conditions



### Retirement of shares

Reference: total number of shares issued as of March 31, 2011 44,431,386 shares

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

## Information on Consolidated Subsidiaries

### Ichiyoshi Research Institute Inc.

Ichiyoshi Research Institute (IRI) specializes in research of small- and mid-cap growth stocks, which is the competitive edge of the Ichiyoshi Securities Group.

IRI's team of 17 (as of March 31, 2011) highly knowledgeable and experienced analysts specialize in research and analysis of emerging growth companies and small- and mid-cap growth stocks listed on the first and second sections of the Tokyo Stock Exchange (TSE) and the Osaka Securities Exchange (OSE) as well as stocks listed on the JASDAQ, Mothers, and Hercules markets.

Our research expertise in small- and mid-cap stocks consistently receives high evaluations in analyst rankings and in 2010 our small- and mid-cap analysts ranked third in the influential "Nikkei Veritas Analysts Ranking 2010," as the ranking edged closer to the top from eighth place in the previous year. The number of our analysts receiving rankings also grew to 12, from 7 in the prior year. IRI's research capabilities are also highly regarded abroad, and in 2010 it earned the number one ranking for the seventh straight year in the "Emerging Market Access Ranking" category of Japanese edition of Euromoney magazine's "Best Research House Ranking."

► <http://www.ichiyoshi-research.co.jp/>

#### Best Research House Rankings by Euromoney

Emerging Market Access Ranking

Ranking	Company	Index
1	ICHIYOSHI RESEARCH INSTITUTE INC.	33.54%
2	Nomura Securities Co.,Ltd.	11.79%
3	Mizuho Securities Co., Ltd.	8.77%
4	Daiwa Securities Group Inc.	8.57%
5	Tokai Tokyo Research Center Co., Ltd.	6.77%
6	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	4.35%
7	Merrill Lynch Japan Securities Co., Ltd.	4.33%
8	Okasan Securities Co., Ltd.	2.99%
9	Citigroup Global Markets Japan Inc.	2.60%
10	Barclays Capital Japan Ltd.	2.47%

Source: Euromoney, No. 82, Spring 2011

### Ichiyoshi Investment Management Co., Ltd.

Ichiyoshi Investment Management (IIM) develops asset management business incorporating the Ichiyoshi Group's expertise, identifying growth companies and managing investment portfolios. IIM focus on long-term investment centered on emerging growth companies poised for dramatic growth. IIM provides investment advice to the Ichiyoshi Public Venture Fund, Ichiyoshi Growth I and Invesco Mid/Small Growth Fund and also plays an active role in other funds, including the Ichiyoshi Small- to Medium-Cap Stock Recovery Fund, known as "Little Heroes".

► <http://www.ichiyoshiim.jp/>

### Ichiyoshi Business Service Co., Ltd.

In order to promote operational efficiency and cost cutting in all aspects of the Ichiyoshi Securities group, the business service subsidiary is engaged in the outsourced operations (back-office and real-estate management). It also provides integrated agency services based on financial product brokerage, real-estate brokerage, insurance and back-office management.

► <http://www.ichiyoshi-bs.co.jp/>

## Social Contributions

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

Creating a vibrant world,  
with towns of  
abundant verdure



公益財団法人  
森林文化協会

Encouraging a sense  
of caring



あしなが育英会



Supporting the training  
of guide dogs



公益財団法人  
日本盲導犬協会

Offering children  
in developing countries  
a more promising future



公益財団法人 プラン・ジャパン

Medical support  
for those suffering in  
miserable conditions



©V.Dupont

世界の医療団



Protecting lifestyles  
and the global environment



FoE Japan

The Ichiyoshi Securities Group is eager to play a beneficial role providing support to people affected by the Great East Japan Earthquake and relief and reconstruction efforts in stricken areas.

### ◆ Donations

On April 1, the Ichiyoshi Securities Group donated ¥10 million and Ichiyoshi executives and employees contributed an additional ¥3 million to Japanese Red Cross Society.

### ◆ Relief Supplies

Ichiyoshi executives and employees voluntarily collected and donated some 220 boxes of clothing, blankets, essential daily goods and other supplies to help the relief effort. The boxes were shipped to affiliate Daihoku Securities in Iwate Prefecture and then distributed to our customers and others in stricken areas.

### ◆ Ichiyoshi Point Service Points Conversion to Relief Funds

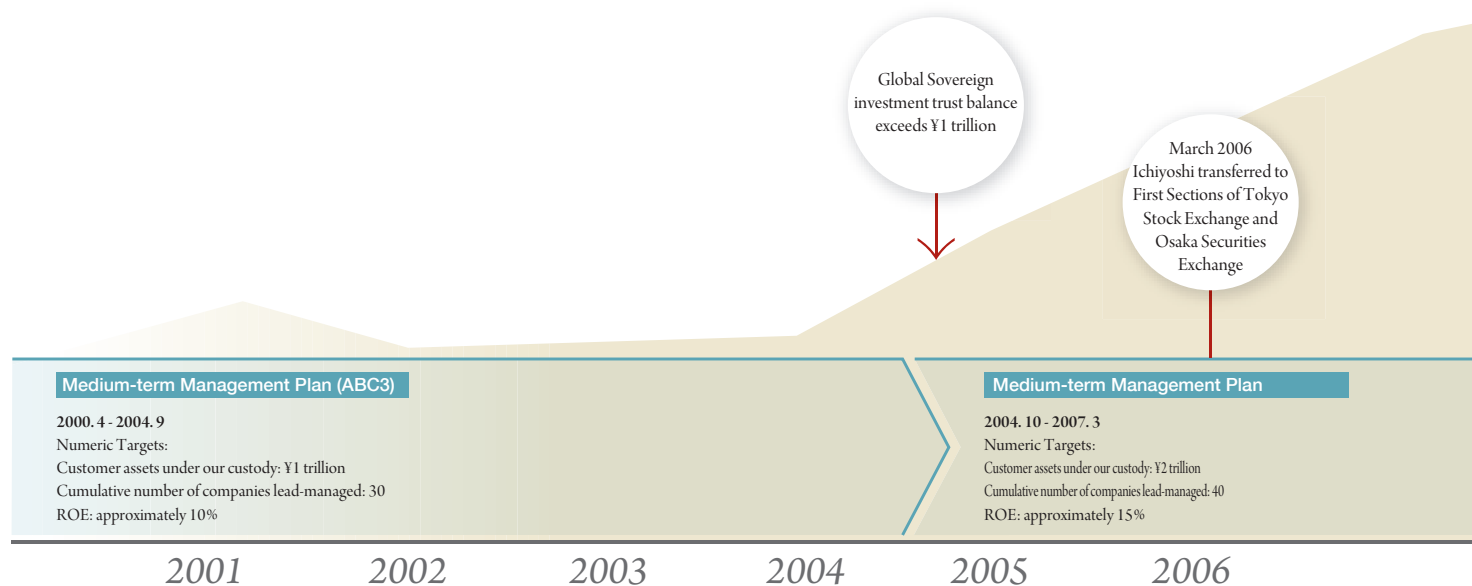
The Ichiyoshi Points Service, in which customers receive points for business transactions, was modified so customers could convert points into a cash relief donation. Planned to remain in effect from April 1 to September 22, 2011, the service enables customers to convert 10,000 points into a ¥10,000 cash donation to Japanese Red Cross Society.

# Consolidated Financial Highlights: A Decade of Growth

## Ichiyoshi Securities Co., Ltd. and Consolidated Subsidiaries

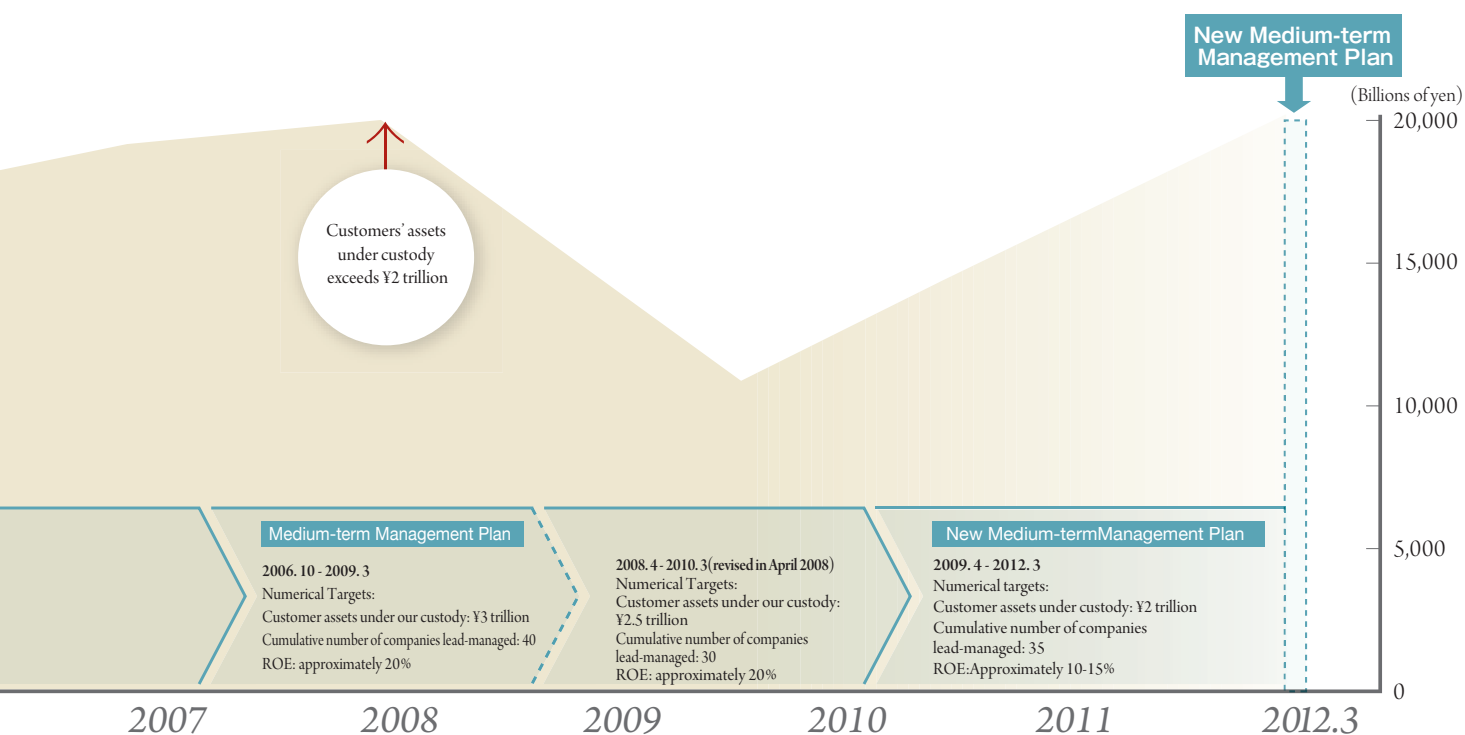
For the years ended March 31 or as of March 31	2001	2002	2003	2004	
For the Year					
Operating revenue	12,627	10,689	9,565	19,561	
Current income (loss)	△2,203	△2,947	△3,476	4,671	
Net income (loss)	△2,565	△3,577	△4,112	4,596	
At Year-End					
Total assets	86,982	47,358	39,096	61,406	
Net worth	38,690	33,309	28,268	32,520	
Per Share Data					
Net income (loss)(Yen)	△48.01	△69.91	△85.62	101.07	
Net worth (Yen)	727.68	688.03	597.04	708.83	
Cash dividends (Non-consolidated)(Yen)	3	3	3	20	
Key Indicators					
Net return on equity (%)	△6.3	△9.9	△13.4	15.1	
Equity ratio (%)	76.2	70.3	72.3	53.0	
Other Performance Indicators					
Customer assets under our custody (billions of yen)	686.2	671.1	697.5	1,119.2	
Of which, customers' investment trust assets (billions of yen)	247.9	274.2	337.5	431.5	
Number of customer accounts	88,849	93,791	99,701	112,089	
Cumulative number of companies lead- and co-managed	511	580	620	663	
Of which, number of companies lead-managed	7	8	10	15	

## Customer Assets under our Custody



(Millions of yen)

	2005	2006	2007	2008	2009	2010	2011
	21,734	27,569	25,482	21,489	14,256	15,744	13,101
	5,477	9,855	6,498	1,872	△ 3,261	140	△ 1,499
	4,967	5,757	3,848	1,087	△ 4,804	40	△ 1,575
	62,669	88,736	65,577	50,078	36,596	37,254	35,607
	35,591	40,571	39,318	35,570	28,156	26,917	24,672
	107.14	122.64	81.09	22.90	△ 106.03	0.93	△ 36.12
	759.64	858.11	826.71	775.38	640.42	619.13	560.19
	30	100	55	32	26	24	24
	14.6	15.1	9.6	2.9	△ 15.1	0.1	△ 6.1
	56.8	45.7	59.9	70.9	76.7	72.1	69.1
	1,430.6	1,974.0	1,966.5	1,590.2	1,177.5	1,369.7	1,346.7
	547.6	754.0	909.3	825.9	604.4	683.4	665.7
	128,206	135,726	144,021	150,457	155,490	153,675	163,191
	710	743	783	812	821	828	832
	20	23	25	26	27	27	27



# Consolidated Balance Sheets

(As of March 31, 2011 and 2010)

(Millions of yen)

	2011	2010
<b>(Assets)</b>		
<b>Current assets</b>	<b>27,541</b>	<b>29,234</b>
Cash and bank deposits	13,199	9,226
Segregated cash and statutory deposits	2,845	3,111
Trading assets	373	425
Securities	373	425
Contracted trades	8	33
Margin transaction assets	8,254	9,994
Advances for margin transactions	8,125	8,912
Cash deposits as collateral for securities borrowed	129	1,082
Advance payments for customers on trades	24	70
Advance payments for subscription	2,051	5,419
Short-term loans	11	8
Corporate tax receivable	4	—
Accrued income	613	841
Deferred tax assets	5	6
Other current assets	160	109
Allowances for doubtful accounts	△11	△12
<b>Fixed assets</b>	<b>8,066</b>	<b>8,020</b>
Tangible fixed assets	4,401	4,295
Buildings	1,675	1,772
Fixtures and equipment	824	836
Land	1,895	1,678
Lease assets, net	5	6
Intangible fixed assets	580	607
Goodwill	139	—
Computer software	439	604
Telephone subscription rights	2	2
Investments, etc.	3,084	3,118
Investment securities	1,733	1,762
Long-term loans	66	66
Cash deposits as guarantee for long-term credits	1,277	1,275
Deferred tax assets	6	12
Other investments	15	97
Allowances for doubtful accounts	△16	△97
<b>Total assets</b>	<b>35,607</b>	<b>37,254</b>

# Consolidated Balance Sheets

(As of March 31, 2011 and 2010)

(Millions of yen)

	2011	2010
<b>(Liabilities)</b>		
<b>Current liabilities</b>	<b>10,031</b>	<b>9,402</b>
Trading liabilities	2	4
Derivatives	2	4
Margin transaction liabilities	3,992	4,244
Borrowings for margin transactions	3,602	3,064
Cash received for loaned securities	390	1,179
Borrowings against securities as collateral	—	34
Cash received for borrowed-securities transactions	—	34
Cash payable to customers	3,955	2,534
Deposits from customers (for committed trades)	676	873
Short-term borrowings	210	210
Lease obligations	1	1
Corporate taxes payable	93	89
Accrued bonuses to employees	399	455
Reserve for point service program	203	272
Other current liabilities	496	682
<b>Long-term liabilities</b>	<b>799</b>	<b>796</b>
Long-term borrowings	498	438
Lease obligations	3	5
Deferred tax liabilities	8	19
Revaluation-related deferred tax liabilities	40	40
Accrued retirement benefits for employees	198	221
Accrued retirement benefits for officers	39	55
Other long-term liabilities	10	16
<b>Statutory reserves</b>	<b>102</b>	<b>138</b>
Reserve for financial instrument transaction liabilities	102	138
<b>Total liabilities</b>	<b>10,934</b>	<b>10,337</b>
<b>(Net worth)</b>		
<b>Shareholders' equity</b>	<b>26,467</b>	<b>28,758</b>
Common stock	14,577	14,577
Capital surplus	8,322	8,255
Retained earnings	3,822	6,441
Treasury stock	△256	△517
<b>Difference on valuation and conversion</b>	<b>△1,859</b>	<b>△1,882</b>
Other securities valuation difference	1	△22
Land revaluation difference	△1,860	△1,860
<b>Subscription rights to shares</b>	<b>33</b>	<b>11</b>
<b>Minority interests</b>	<b>31</b>	<b>30</b>
<b>Total net worth</b>	<b>24,672</b>	<b>26,917</b>
<b>Total of liabilities and net worth</b>	<b>35,607</b>	<b>37,254</b>



# Consolidated Income Statements

(Years Ended March 31, 2011 and 2010)

(Millions of yen)

	2011	2010
<b>Operating revenue</b>	13,101	15,744
Commissions	11,567	13,912
Brokerage commissions	4,245	5,128
Commissions from underwriting, secondary-market sales, and the sale of investment products to specific risk-taking investors	44	143
Commissions on the handling of financial products, including sales commissions on transactions with specific risk-taking investors	2,660	3,736
Commissions from other sources	4,616	4,903
Gains or loss on trading	583	934
Interest and dividend income	177	252
Other operating income	773	645
<b>Interest expenses</b>	57	83
<b>Net operating revenue</b>	13,043	15,661
<b>Operating costs and expenses</b>	14,656	15,427
Transaction-related expenses	1,412	1,463
Personnel expenses	7,936	8,580
Property-related expenses	1,750	1,757
Clerical expenses	2,183	2,142
Depreciation	656	711
Public charges	147	172
Other	569	598
<b>Operating income or loss</b>	△ 1,612	233
<b>Non-operating income</b>	215	90
Dividends on investment securities	17	19
Insurance premium refunded and dividend income	14	28
Equity in Earnings of Affiliated Companies	158	—
Reversal of expired dividends	6	17
Interest on refund of income taxes and other	0	10
Other	17	14
<b>Non-operating expenses</b>	101	183
Loss on investments in partnership	88	174
Other	13	9
<b>Current income or loss</b>	△ 1,499	140
<b>Extraordinary income</b>	106	109
Gains on sales of fixed assets	—	9
Gains on sales of investment securities	21	19
Gain on revision of retirement benefit plan	6	—
Gain on reversal of subscription rights to shares	—	45
Reversal of allowances for doubtful accounts	5	—
Reversal of reserve for financial instrument transaction liabilities	48	29
Gain on step acquisitions	5	—
Gain from prior period adjustment	19	—
Other	—	4
<b>Extraordinary expenses</b>	99	160
Loss on write-off of fixed assets	1	20
Loss on abandonment of fixed assets	—	10
Valuation loss on investment securities	4	23
Losses on redemption of investment securities	1	—
Loss on liquidation of golf memberships	7	0
Transfer to allowances for doubtful accounts	—	71
Impairment loss	64	—
Loss from prior period adjustment	21	—
Other	—	34
<b>Income or loss before taxes and minority interests</b>	△ 1,492	89
<b>Income taxes, resident's taxes &amp; enterprise taxes</b>	75	56
<b>Income tax adjustments</b>	6	△ 5
<b>Net income tax</b>	82	51
<b>Net loss before minority interests</b>	△ 1,574	—
<b>Minority interests</b>	1	△ 2
<b>Net income or loss</b>	△ 1,575	40



# Consolidated Statements of Shareholders' Equity

(Years Ended March 31, 2011 and 2010)

2011

(Millions of yen)

	Shareholders' equity					Difference on valuation and conversion			Stock acquisition rights	Minority interests	Total net worth
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Other securities valuation difference	Land revaluation difference	Total of difference on valuation and conversion			
Balance at March 31, 2010	14,577	8,255	6,441	△517	28,758	△22	△1,860	△1,882	11	30	26,917
Changes during the year:											
Cash dividends			△1,043		△1,043						△1,043
Net income			△1,575		△1,575						△1,575
Purchase of treasury stock				△8	△8						△8
Disposal of treasury stock		66		268	335						335
Retirement of treasury stock		—		—	—						—
Difference			—		—		—	—			—
Changes in items other than those in shareholders' equity (net)						23		23	21	1	46
Total changes during the year	—	66	△2,618	260	△2,291	23	—	23	21	1	△2,244
Balance at March 31, 2011	14,577	8,322	3,822	△256	26,467	1	△1,860	△1,859	33	31	24,672

2010

(Millions of yen)

	Shareholders' equity					Difference on valuation and conversion			Stock acquisition rights	Minority interests	Total net worth
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Other securities valuation difference	Land revaluation difference	Total of difference on valuation and conversion			
Balance at March 31, 2009	14,577	8,255	7,521	△271	30,082	16	△2,016	△2,000	39	33	28,156
Changes during the year:											
Cash dividends			△964		△964						△964
Net income			40		40						40
Purchase of treasury stock				△245	△245						△245
Disposal of treasury stock		—		—	—						—
Retirement of treasury stock		—		—	—						—
Difference			△155		△155		155	155			—
Changes in items other than those in shareholders' equity (net)						△38		△38	△28	△2	△69
Total changes during the year	—	—	△1,079	△245	△1,324	△38	155	117	△28	△2	△1,238
Balance at March 31, 2010	14,577	8,255	6,441	△517	28,758	△22	△1,860	△1,882	11	30	26,917

# Consolidated Cash Flow Statements

(Years Ended March 31, 2011 and 2010)

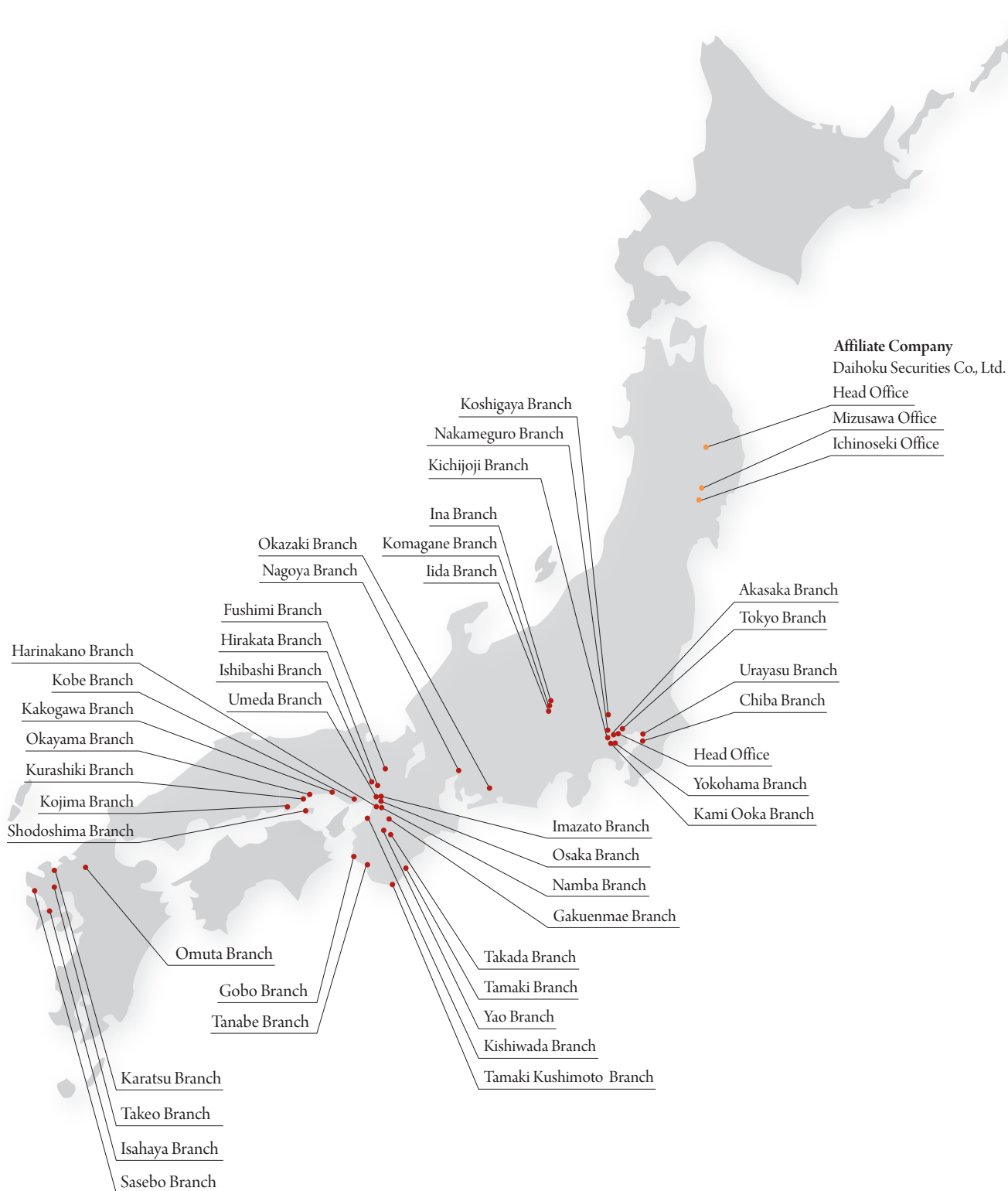
(Millions of yen)

科目	2011	2010
<b>I. Cash flow from operating activities</b>		
Net income or loss before taxes and minority interests	△ 1,492	89
Depreciation	656	711
Losses or gains on trading account	4	△ 1
Increase or decrease in accrued bonuses for employees	△ 56	56
Increase or decrease in accrued retirement benefits for employees	△ 22	0
Increase or decrease in allowances for doubtful accounts	△ 82	53
Increase or decrease in reserve for point service program	△ 69	△ 125
Increase or decrease in accrued retirement benefits for officers	△ 15	8
Interest and dividend income	△ 44	△ 40
Interest expenses	15	11
Equity in losses (earnings) of affiliated companies	△ 158	—
Impairment loss	64	—
Gains on sales of investment securities	△ 17	△ 19
Losses on valuation of investment securities	1	23
Gains on sales of fixed assets	—	△ 9
Loss on write-off of fixed assets	1	20
Losses on valuation of golf membership	7	0
Gain on reversal of subscription rights to shares	—	△ 45
Increase or decrease in reserve for financial instrument transaction liabilities	△ 48	△ 29
Decrease or increase in segregated cash in trust for customers	1,533	180
Increase or decrease in cash payable to customers and customers' deposits (for committed trades)	△ 74	△ 104
Decrease or increase in short-term loans	△ 2	4
Increase or decrease in trading assets	54	△ 14
Net decrease or increase in margin transaction assets and liabilities	1,489	△ 2,402
Decrease or increase in subscription moneys	3,382	△ 4,495
Others	260	551
Sub-total	5,388	△ 5,577
Interest and dividend income	44	41
Interest expenses	△ 16	△ 10
Taxes paid or refunded	△ 57	330
<b>Cash flow from operating activities</b>	<b>5,358</b>	<b>△ 5,215</b>
<b>II. Cash flow from investing activities</b>		
Acquisition of tangible fixed assets	△ 357	△ 141
Sales of tangible fixed assets	—	29
Acquisition of intangible fixed assets	△ 112	△ 121
Acquisition of investment securities	—	△ 15
Sales of investment securities	93	106
Purchase of stocks of subsidiaries and affiliates	△ 55	△ 96
Long-term loans	△ 21	△ 48
Collection of long-term loans	20	25
Others	1	51
<b>Cash flow from investing activities</b>	<b>△ 430</b>	<b>△ 210</b>
<b>III. Cash flow from financing activities</b>		
Increase or decrease in short-term borrowings	△ 172	—
Increase or decrease in Long-term borrowings	90	454
Repayment of long-term loans payable	△ 30	△ 15
Repayments of lease obligations	△ 1	△ 0
Acquisition of Company's Common shares	△ 0	△ 245
Payment of dividends	△ 1,039	△ 961
<b>Cash flow from financing activities</b>	<b>△ 1,152</b>	<b>△ 768</b>
<b>IV. Conversion differences related to cash and cash equivalents</b>	<b>△ 12</b>	<b>56</b>
<b>V. Increase or decrease in cash and cash equivalents</b>	<b>3,762</b>	<b>△ 6,137</b>
<b>VI. Balance of cash and cash equivalents at beginning of the term</b>	<b>9,156</b>	<b>15,294</b>
<b>VII. Increase in cash and cash equivalents resulting from the merger</b>	<b>227</b>	<b>—</b>
<b>VIII. Balance of cash and cash equivalents at end of the term</b>	<b>13,146</b>	<b>9,156</b>

# Company History

▶ October 1948	Registered as a securities dealer under the Securities and Exchange Law
▶ April 1949	Became a regular member of the Osaka Securities Exchange (now Osaka Securities Exchange Co., Ltd.)
▶ August 1950	Changed company name to Ichiyoshi Securities Co., Ltd.
▶ December 1962	Established Ichiyoshi Real Estate Co., Ltd. (name changed to Ichiyoshi Business Service Co., Ltd. in June 1999 (now a consolidated subsidiary))
▶ April 1968	Received licensing as a securities dealer under the amended Securities and Exchange Law
▶ October 1971	Became a regular member of the Tokyo Stock Exchange (now Tokyo Stock Exchange Group, Inc.)
▶ October 1986	Established Ichiyoshi Investment Management Co., Ltd. which took over the research arm of Ichiyoshi Securities
▶ November 1986	Changed overseas office in Hong Kong to a local affiliate, establishing Ichiyoshi International (H.K.) Ltd. (now a consolidated subsidiary)
▶ May 1987	Established Ichiyoshi Research Center Inc. (name changed to Ichiyoshi Research Institute Inc. in April 1990) to take over the research functions of Ichiyoshi Investment Management
▶ April 1989	Listed on the Second Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange
▶ December 1998	Registered as a securities firm under the amended Securities and Exchange Law
▶ July 2000	Changed the expression of the official name of Ichiyoshi Securities Co., Ltd. in Japanese Moved head office to Chuo-ku, Tokyo Changed the expression of the official name of Ichiyoshi Investment Management Co., Ltd. in Japanese Changed the expression of the official name of Ichiyoshi Research Institute Inc. in Japanese
▶ December 2000	Ichiyoshi Investment Management Co., Ltd. became a consolidated subsidiary of the Company Ichiyoshi Research Institute Inc. became a consolidated subsidiary of the Company
▶ June 2003	Adopted a “committees-based company” governance framework
▶ March 2006	On the First Sections of Tokyo Stock Exchange and the Osaka Securities Exchange
▶ July 2006	Ichiyoshi IR Institute Inc. established as a consolidated subsidiary
▶ September 2007	Registered as a financial instruments firm under the Financial Instruments and Exchange Law
▶ February 2009	Introduction of Operating Officers system
▶ August 2009	Liquidated Ichiyoshi IR Institute Inc.
▶ February 2010	Liquidated Ichiyoshi International (H.K.) Ltd.
▶ February 2010	Acquired a substantial stake in Iida Securities Co., Ltd., and made the company an equity-method-applied affiliate
▶ April 2010	Merged with Tamaki Securities Co., Ltd.
▶ October 2010	Acquired a substantial stake in Daihoku Securities Co., Ltd., and made the company an equity-method-applied affiliate
▶ January 2011	Mergered with Iida Securities Co., Ltd.
▶ January 2011	Mergered with Sasebo Securities Co., Ltd.

# Directory



# Stock Information

(As of March 31, 2011)

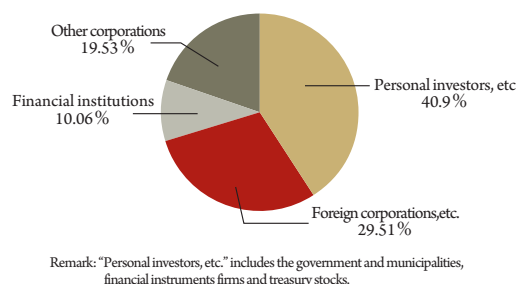
<b>Shares Issued</b>	44,431 thousand
<b>Shareholders</b>	13,822
<b>Shareholder Register Administrator</b>	Mitsubishi UFJ Trust and Banking Corporation
<b>Certified Accountants</b>	Ernst & Young ShinNihon

## Principal Shareholders

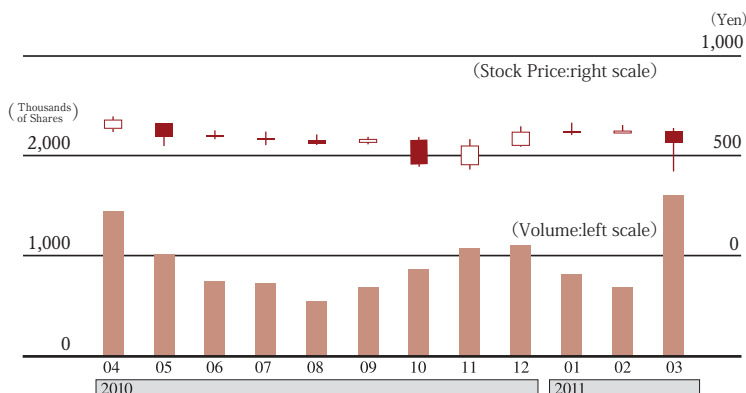
Shareholder	Holdings (Thousands of Shares)	Ownership* (%)
Nomura Land and Building Co., Ltd.	5,298	12.05
State Street Bank and Trust Company (Standing Proxy: Tokyo Branch of Hongkong Shanghai Banking Co., Ltd.)	2,235	5.08
State Street Bank and Trust Company 505223	2,069	4.70
JP Morgan Clearing Corp-Sec	1,466	3.33
Japan Trustee Services Bank, Ltd. (Trust Account)	1,114	2.53
State Street Bank and Trust Company (Standing Proxy: Corporate Financial Sales Division, Mizuho Corporate Bank, Ltd.)	980	2.23
Nomura Research Institute, Ltd.	879	2.00
Sanshin Co., Ltd.	869	1.97
The Master Trust Bank of Japan, Ltd. (Trust Account)	650	1.48
State Street Bank and Trust Company 505103	590	1.34

\* Ichiyoshi Securities holds 580,640 treasury shares, which are not included in the above list.

## Distribution of Shareholders



## Stock Price (Tokyo Stock Exchange, Monthly Basis)



# Corporate Data

(As of March 31, 2011)

<b>Company Name</b>	Ichiyoshi Securities Co., Ltd. (Securities Code No. 8624)
<b>Foundation</b>	August 18, 1950
<b>Head Office</b>	2-14-1 Hatchobori, Chuo-ku, Tokyo, Japan
<b>Capital Stock</b>	¥14,577 million
<b>Personnel (Consolidated)</b>	978 employees
<b>Listed on</b>	Tokyo Stock Exchange(1st Section) Osaka Securities Exchange(1st Section)



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

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

July 2011

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