

# **EARNINGS REPORT FOR FIRST TWO QUARTERS OF FISCAL 2012**

**( April 1 to September 30, 2012 )**

(consolidated on the basis of Japanese accounting standards)

Released on October 29, 2012

(English translation for reference purposes only)

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

Listed on: Tokyo Stock Exchange (1<sup>st</sup> Section) & Osaka Securities Exchange (1<sup>st</sup> Section)

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Date of filing First Two Quarters Report: November 13, 2012 (scheduled)

Dividend payment date: November 26, 2012 (scheduled) (for interim dividends payable to shareholders of record as of September 30, 2012)

Supplementary information on quarterly earnings: Provided.

Business result-reporting meeting: Planned for analysts and institutional investors.

## **1. Outline of Consolidated Business Result for First Two Quarters of Fiscal 2012 (from April 1 to September 30, 2012)**

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

--- First two quarters ended ---

	Sep. 30, 2012	Sep. 30, 2011
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	(% year-to-year change in brackets)	
Operating revenue	7,118 ( - 1.9 )	7,256 (+18.9)
Net operating revenue	7,092 ( - 1.8 )	7,223 (+19.0)
Operating income	78(+ 328.3)	18 ( --)
Current income	84(+ 546.0)	13 ( --)
Net income	47 ( --)	4 ( --)
Earnings per share	1.09yen	0.09yen
Diluted earnings per share (adjusted for shares potentially issuable)	--	--
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Note: Comprehensive income for first two quarters of fiscal 2012: - 1 million yen ( -- %\*)

Comprehensive income for first two quarters of fiscal 2011: - 7 million yen ( -- %\*)

(\* = Change from the year-earlier period)

## (2) Consolidated financial condition

	As of Sep. 30 2012	As of March 31 2012
Total assets (in millions of yen)	31,770	34,091
Net worth (in millions of yen)	22,714	23,486
Equity ratio	71.3%	68.7%

Note: Shareholders' equity as of September 30, 2012: 22,636 million yen.

Shareholders' equity as of March 31, 2012: 23,409 million yen.

## 2. Dividend

	--- Fiscal year ended ---	
	March 31, 2013	March 31, 2012
Per-share dividend: (See notes below)		
1 <sup>st</sup> quarter	---	---
2 <sup>nd</sup> quarter	10.00yen	10.00yen
3 <sup>rd</sup> quarter	---	---
Final	---	10.00yen
Annual total	---	20.00yen

Notes: (i) Ichiyoshi Securities Co., Ltd. (the "**Company**") declares dividends payable to shareholders of record as of September 30 (interim 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 the Company's practice to give an earnings or dividend forecast well before a business term ends.

## 3. Outlook for Consolidated Business Result for Fiscal 2012 (from April 1, 2012 to March 31, 2013)

Since the forecast of earnings in financial-instruments trading, the main-line business of the Company 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 business quarter. Instead, the Company intends to release preliminary earnings figures after the end of each business quarter as and when such figures become available.

## 4. Points to Note

(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 accounting estimates and re-presentations of modifications:

(i) Changes in accounting policies resulting from revisions to accounting standards: Yes.

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

(iii) Changes in accounting estimates: Yes.

(iv) Re-presentations of modifications: None.

(Effective from the first quarter of fiscal 2012, the Company has made a change to

depreciation method on tangible assets. That change belongs to “Cases where it is difficult to distinguish between changes in accounting policies and changes in accounting estimates.” For further information, please refer to “**(3) Changes in accounting policies and accounting estimates and re-presentation of modifications**” under “**II. Other Summary Information (Points to Note)**” contained elsewhere hereunder.)

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

(i) Number of shares issued as of September 30, 2012: 44,431,386 shares (including treasury shares).

Number of shares issued as of March 31, 2012: 44,431,386 shares (including treasury shares).

(ii) Number of treasury shares as of September 30, 2012: 1,445,424 shares.

Number of treasury shares as of March 31, 2012: 575,144 shares.

(iii) Average number of shares issued during the first two quarters of fiscal 2012: 43,608,823 shares.

Average number of shares issued during the first two quarters of fiscal 2011: 43,898,225 shares.

**Additional points to 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 business quarter as stated in “**3. Outlook for Consolidated Business Result for Fiscal 2012 (from April 1, 2012 to March 31, 2013)**” on page 2, the Company does not provide a dividend forecast.

## **I. Qualitative Information and Financial Statements for First Two Quarters of Fiscal 2012**

### **1. Qualitative Information on Consolidated Business Result**

During the first two quarters of fiscal 2012, there arose a slew of market-clouding problems, including a huge trading loss sustained by a leading US bank, fears over potential Greek exit from the euro zone and capital shortages of Spanish commercial banks. Further coupled with the deepening sense of slowdown in the global economy, leading stock markets in the world underwent substantial corrections towards June. Thereafter, however, worries over the outlook for the future abated as European policy-makers made progress on their anti-crisis measures, the US housing market showed signs of improvement and emerging and resources-rich nations lowered their policy rates. In September, there was a conditional agreement reached for the European Central Bank to purchase outstanding government bonds issued by south European nations without limitation (through the so-called “Outright Monetary Transactions”), and the US Federal Reserve Board resolved on its QE3, encouraging investors to turn their eyes from safety assets to risk-on investments. All these favorable developments put global stock markets back on the recovery path towards the end of the period under review.

In Japan, while bond prices rose amid risk-averse sentiments and the yen strengthened, the stock market suffered a decline from the beginning of the period. On June 4, the TOPIX (Tokyo Stock Price Index on the Tokyo Stock Exchange (the “TSE”)) registered 695.51, the lowest in 28

years since December 13, 1983. On the same day, the Nikkei Stock Average on the TSE recorded 8,295yen, a year-low. Thereafter, the Nikkei Stock Average turned upward but generally remained in a narrow range on a gradually-ascending pattern. As the Bank of Japan resolved on a further monetary easing in September, the Nikkei Stock Average regained its pace, ending the period at 8,870yen. With regard to emerging-stock markets in Japan, the Nikkei JASDAQ Stock Average registered 1,282yen, a year-low, on June 4, and thereafter got back on the recovery path, as investment capital flowed into businesses related to domestic demands. Experiencing some intervening corrections, the Nikkei JASDAQ Stock Average ended the period at 1,315yen.

The average daily turnover on the TSE for the first two quarters of fiscal 2012 was 1,137.2 billion yen, down 16.9% from the comparable period of fiscal 2011, and that on the OSE JASDAQ Stock Market was 17.1 billion yen, down 21.4%.

Against such background, the Company designated 9 investment trust funds, including “BAM World Bond and Currency Fund,” as basic assets of customers and placed them at the center of its promotional activities. In addition, the Company exerted its efforts on the distribution of “LM Australia Monthly-Payout Fund,” “Mitsui Sumitomo Global REIT Open” and “Global High-Yield CB Fund” (Global High-Yield CB Fund is the limited-open type fund the Company started to promote in August and September 2012).

As a result of these activities, net operating revenue for the first two quarters of fiscal 2012 amounted to 7,092 million yen. Operating cost and expenses registered 7,014 million yen. Hence, current income recorded 84 million yen.

Customers’ assets in custody as of September 30, 2012 stood at 1,161.1 billion yen, down 8.9% from March 31, 2012.

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

#### **(1) Commissions**

Total commissions for the first two quarters of fiscal 2012 amounted to 6,478 million yen, down 2.0% from the year-earlier period.

##### **(i) Brokerage commissions**

Total brokerage commissions on stocks declined 8.1% to 1,717 million yen. Brokerage commissions on small- and medium-cap stocks (stocks listed on Second Sections of the TSE and Osaka Securities Exchange (the “OSE”), OSE JASDAQ Stock Market, and TSE Mothers) accounted for 15.1% of total brokerage commissions on stocks, down from 20.3% for the comparable period of fiscal 2011.

##### **(ii) Commissions from underwriting and solicitation to specified investors**

In the primary market, the Company managed 7 initial public offerings (“IPOs”), as compared to 3 IPOs in the year-earlier period. In the secondary market, the Company participated in 2 deals on a management basis, as against 7 deals (of which the Company lead-managed 2) in the year-earlier period. As a result, total commissions from underwriting and solicitation to specified investors amounted to 100 million yen, down 73.2% from the year-earlier period.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 854 (of which 29 were lead-managed) as of September 30, 2012.

##### **(iii) Commissions from distribution and solicitation to specified investors**

As commissions from distribution of investment trust funds, such as the ones which pay out income monthly, rose 25.4% to 2,615 million yen, total commissions from distribution and

solicitation to specified investors recorded 2,625 million yen, up 25.7%.

**(iv) Commissions from other sources**

As the outstanding balance of investment trust funds at the end of the period under review increased to 592.7 billion yen while their average outstanding balance during the period decreased, the trailer fees decreased 13.5% to 1,780 million yen. With the addition of investment advisory fees of Ichiyoshi Asset Management Co., Ltd., commissions from sales of variable-annuity insurance policies, fees from research-unbundling and fees from IPO-assistances, total commissions from other sources amounted to 2,013 million yen, down 11.2%.

**(2) Gains or loss on trading**

Trading in stocks, etc. recorded net gains of 15 million yen, down 82.8% from the year-earlier period. Trading in bonds and foreign exchange, etc. registered net gains of 42 million yen, down 21.9%. As a result, total net gains on trading amounted to 57 million yen, down 59.9%.

**(3) Interest and dividend income**

Interest and dividend income declined 3.3% to 76 million yen chiefly due to a decrease in the average outstanding advances for margin transactions. Interest expenses declined 21.3% to 26 million yen. As a result, net interest and dividend income recorded 50 million yen, up 9.7%.

**(4) Operating cost and expenses**

As our efforts for cost reduction across the board bore fruit, operating cost and expenses decreased 2.6% to 7,014 million yen.

As a result of these activities, current income for the first two quarters of fiscal 2012 recorded 84 million yen.

During the period under review, the Company recorded an extraordinary income of 8 million yen (down 75.4% from the year-earlier period) mainly in the form of the same-amount reversal from reserve for financial instruments transaction liabilities and an extraordinary loss of 8 million yen (down 52.6% from the year-earlier period) mainly in the form of the same-amount loss on retirement of fixed assets, resulting in a zero-million yen net extraordinary loss. Consequently, income before income taxes for the first two quarters of fiscal 2012 registered 84 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 32 million yen, tax adjustments of 2 million yen and minority interests of 1 million yen) recorded 47 million yen.

**2. Qualitative Information on Consolidated Financial Condition**

**i. Condition of Assets, Liabilities and Net Worth**

**(a) Current assets**

Current assets amounted to 24,463 million yen as of September 30, 2012, a decrease of 2,005 million yen (down 7.6%) from March 31, 2012, as cash and deposits decreased by 1,378 million yen, segregated cash and statutory deposits declined by 912 million yen and margin transaction assets slid by 885 million yen while subscription payments for investment trust funds increased by 1,132 million yen.

**(b) Fixed assets**

Fixed assets stood at 7,306 million yen as of September 30, 2012, a decline of 315 million yen

(down 4.1%) from March 31, 2012, mainly as a result of depreciation of fixed assets and decline in the market value of investment securities.

As a result, total assets registered 31,770 million yen as of September 30, 2012, a decrease of 2,321 million yen (down 6.8%) from March 31, 2012.

(c) Current liabilities

Current liabilities stood at 8,188 million yen as of September 30, 2012, a decrease of 1,542 million yen (down 15.9%) from March 31, 2012. The decrease resulted chiefly from a decline of 1,185 million yen in margin transaction liabilities and a decline of 368 million yen in cash payable to customers.

(d) Long-term liabilities

Long-term liabilities recorded 771 million yen as of September 30, 2012, up 0.1% from March 31, 2012.

(e) Statutory reserves

Statutory reserves registered 96 million yen as of September 30, 2012, a decrease of 7 million yen (down 7.3%) from March 31, 2012.

(f) Net worth

Net worth amounted to 22,714 million yen as of September 30, 2012, a decrease of 771 million yen (down 3.3%) from March 31, 2012. The decrease mainly resulted from payment of final dividends in the amount of 438 million yen (paid out to shareholders of record as of March 31, 2012) and acquisition of treasury shares in the amount of 330 million yen while the Company registered net income of 47million yen. The dividend payment and the net income had the effect of reducing retained earnings by 391 million yen.

As a result, equity ratio as of September 30, 2012 recorded 71.3%, and capital adequacy ratio as of the same date, as defined by the securities regulator, registered 442.1%.

## **ii. Condition of Cash Flow**

Cash flow from operating activities for the first two quarters of fiscal 2012 amounted to a negative figure of 541 million yen, a rise of 1,801 million yen from the comparable year-earlier period, as subscription payments for investment trust funds increased. Cash flow from investing activities registered a negative figure of 25 million yen, a decline of 66 million yen, due chiefly to acquisition of fixed assets. Cash flow from financing activities recorded a negative figure of 789 million yen, a decline of 180 million yen, mainly due to dividend payments and acquisition of treasury shares.

After all these activities, the amount of cash and cash equivalents as of September 30, 2012, stood at 8,677 million yen, a decrease of 1,369 million yen from the end of the previous fiscal year (March 31, 2012).

## **3. Qualitative Information Relating to Consolidated Business Forecast**

Since the forecast of earnings in financial-instruments trading, the main-line business of the Company 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 business quarter. Instead, the Company intends to release preliminary earnings figures around the middle of the month following the end of each quarter.

## **II. Other Summary Information (Points to Note)**

- (1) Changes in material subsidiaries for the first two quarters of fiscal 2012: None.
- (2) Application of an accounting treatment unique to the preparation of quarterly financial statements: None.
- (3) Changes in accounting policies and accounting estimates and re-presentation of modifications:  
(Changes in cases where it is difficult to distinguish between changes in accounting policies and changes in accounting estimates.)  
Effective from the first quarter of fiscal 2012, the Company and its consolidated subsidiaries have made a change to depreciation method on tangible fixed assets acquired on and after April 1, 2012, pursuant to an amendment to the Corporate Tax Law, which permits such change. This change has no material effect on income.
- (4) Additional information:  
(Adoption of consolidated tax return system)  
Effective from the first quarter of fiscal 2012, the Company has adopted consolidated tax return system.

# . Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of September 30 2012	As of March 31 2012
Current assets		
Cash and bank deposits	8,682	10,060
Segregated cash and statutory deposits	2,431	3,344
Trading assets	376	377
Securities	376	376
Derivatives	-	1
Contracted trades	-	12
Margin transaction assets	6,864	7,749
Advances for margin purchases	6,320	7,163
Cash deposits as collateral for securities borrowed	543	586
Advance payments for customers on trades	6	8
Advance payments for subscription	5,160	4,027
Short-term loans	20	8
Accrued income	779	727
Deferred tax assets	17	19
Other current assets	127	136
Allowances for doubtful accounts	-3	-3
	24,463	26,469
Fixed assets		
Tangible fixed assets	4,115	4,224
Buildings	1,484	1,543
Fixtures and equipment	679	728
Land	1,941	1,941
Lease assets, net	9	11
Intangible fixed assets	333	409
Goodwill	96	112
Computer software	234	295
Telephone subscription rights, etc.	1	1
Investments, etc.	2,858	2,987
Investment securities	1,548	1,653
Long-term loans	64	54
Cash deposits as guarantee for long-term credits	1,237	1,266
Deferred tax assets	5	6
Other investments	9	12
Allowances for doubtful accounts	-7	-6
	7,306	7,622
Total assets	31,770	34,091



	As of September 30 2012	As of March 31 2012
Current liabilities		
Trading liabilities	0	-
Derivatives	0	-
Contracted trades	6	-
Margin transaction liabilities	3,198	4,384
Borrowings for margin transactions	2,350	3,420
Cash received for loaned securities	848	963
Cash payable to customers	3,064	3,432
Deposits from customers (for committed trades)	608	503
Short-term borrowings	210	210
Lease obligations	3	3
Income taxes payable	65	81
Accrued bonuses to employees	330	332
Reserve for Point-Service Campaign	159	172
Other current liabilities	542	611
	8,188	9,731
Long-term liabilities		
Long-term borrowings	439	459
Lease obligations	6	8
Deferred tax liabilities	-	1
Revaluation-related deferred tax liabilities	35	35
Accrued retirement benefits for employees	261	232
Other long-term liabilities	28	33
	771	770
Statutory reserves		
Reserve for financial instruments transaction liabilities	96	103
	96	103
Total liabilities	9,056	10,605
Net worth		
Shareholders' equity		
Capital stock	14,577	14,577
Capital surplus	8,319	8,319
Retained earnings	2,242	2,634
Treasury stock	-611	-280
Total Shareholders' equity	24,528	25,250
Other Comprehensive Income		
Other securities valuation difference	-36	14
Land revaluation difference	-1,855	-1,855
Total Other Comprehensive Income	-1,892	-1,841
Subscription rights to shares	43	43
Minority interests	34	32
Total net worth	22,714	23,486
Total of liabilities and net worth	31,770	34,091

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

**Quarterly Consolidated Income Statements**

(in millions of yen)

	Six months ended	
	Sep. 30, 2012	Sep. 30, 2011
Operating revenue		
Commissions	6,478	6,607
Gains or loss on trading	57	144
Interest and dividend income	76	78
Other operating income	505	425
Total Operating revenue	7,118	7,256
Interest expenses	26	33
Net operating revenue	7,092	7,223
Operating cost and expenses		
Transaction-related expenses	637	662
Personnel expenses	3,813	3,903
Property-related expenses	816	840
Clerical expenses	1,147	1,108
Depreciation	224	296
Public charges	70	75
Transfer to allowances for doubtful accounts	-	0
Others	304	317
Total Operating cost and expenses	7,014	7,204
Operating income	78	18
Non-operating income		
Dividends from investment securities	30	24
Others	9	15
Total Operating income	39	39
Non-operating expenses		
Loss on investments in partnership	27	20
Loss on other sales	1	0
Equity in losses of affiliates	2	17
Others	1	5
Total Non-operating expenses	32	44
Current income	84	13
Extraordinary income		
Gains on sales of investment securities	-	31
Gains on sales of golf membership	-	0
Gains on reversal of subscription rights to shares	0	-
Reversal of allowances for doubtful accounts	-	1
Reversal of reserve for financial instruments transaction liabilities	7	0
Total Extraordinary income	8	32
Extraordinary expenses		
Loss on write-off of fixed assets	5	1
Loss on sales of investment securities	-	1
Loss on valuation of investment securities	2	1
Loss on cancellation of system contracts	-	4
Settlement expenses	-	10
Total Extraordinary expenses	8	18
Income before income taxes	84	27
Income, inhabitant and enterprise taxes	32	21
Income taxes adjustments	2	1
Total Income Taxes	35	22
Income before minority interests	49	5
Minority interests	1	0
Net income	47	4

## Quarterly Consolidated Comprehensive Income Statements

(in millions of yen)

	Six months ended	
	Sep. 30, 2012	Sep. 30, 2011
Income before minority interests	49	5
Other comprehensive income		
Valuation difference on available-for-sale securities	-48	-10
Share of other comprehensive income of associates accounted for using equity method	-2	-2
Total other comprehensive income	-50	-12
Comprehensive income	-1	-7
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	-3	-8
Comprehensive income attributable to minority interests	1	0

### (3) Quarterly Consolidated Cash Flow Statements

(in millions of yen)

	Six months ended	
	Sep. 30, 2012	Sep. 30, 2011
<b>I. Cash flow from operating activities</b>		
Income before income taxes	84	27
Depreciation	224	296
Amortization of goodwill	15	15
Increase or decrease in accrued bonuses for employees	-2	-66
Increase or decrease in accrued retirement benefits for employees	29	17
Increase or decrease in allowances for doubtful accounts	0	-9
Increase or decrease in reserve for Point-Service Campaign	-13	-4
Increase or decrease in accrued retirement benefits for officers	-	-39
Interest and dividend income	-35	-30
Interest expenses	8	9
Equity in earnings or losses of affiliates	2	17
Gains or loss on sales of investment securities	-	-29
Valuation loss on investment securities	2	1
Loss on write-off of fixed assets	5	1
Settlement expenses	-	10
Gains on reversal of subscription rights to shares	-0	-
Increase or decrease in reserve for financial instruments transaction liabilities	-7	-0
Increase or decrease in segregated cash in trust for customers	910	50
Increase or decrease in deposits and guarantee deposits received	-263	-147
Increase or decrease in short-term loans	-11	-0
Net increase or decrease in trading assets	0	31
Net increase or decrease in margin transaction assets and liabilities	-299	803
Increase or decrease in subscription moneys	-1,132	-3,549
Others	-53	298
Sub-total	-535	-2,298
Interest and dividend income	36	31
Interest expenses	-8	-9
Taxes paid	-34	-67
Cash flow from operating activities	-541	-2,343
<b>II. Cash flow from investing activities</b>		
Payments into time deposits	-	-2
Acquisition of tangible fixed assets	-38	-86
Acquisition of intangible fixed assets	-24	-58
Acquisition of investment securities	-2	-53
Sales of investment securities	22	54
Payments of Long-term loans	-31	-
Collection of long-term loans	21	11
Proceeds from purchase of investments in subsidiaries	-	165
Others	28	10
Cash flow from investing activities	-25	40
<b>III. Cash flow from financing activities</b>		
Repayment of long-term loans payable	-19	-19
Repayments of lease obligations	-1	-0
Proceeds from sales of treasury stock	-	0
Acquisition of Company's Common shares	-330	-62
Payment of dividends	-437	-525
Cash flow from financing activities	-789	-608
IV. Conversion differences related to cash and cash equivalents	-12	-178
V. Increase or decrease in cash and cash equivalents	-1,369	-3,089
VI. Balance of cash and cash equivalents at beginning of the term	10,046	13,146
Balance of cash and cash equivalents at end of the term	8,677	10,057

#### (4) Notes Concerning Premises for Continuing Business Enterprise

None for the first two quarters of fiscal 2012.

#### (5) Notes in the Event of Material Changes in Shareholders' Capital

None for the first two quarters of fiscal 2012.

### IV. Supplementary Information

#### **Breakdown of Consolidated Business Result for First Two Quarters of Fiscal 2012**

##### 1. Commissions

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

	--First two quarters ended--		(A) over (B)	Fiscal 2011 ended
	Sep. 30, 2012	Sep. 30, 2011		March 31, 2012
	(A)	(B)	(%)	
Brokerage commissions	1,738	1,876	- 7.4	3,917
(Stocks)	(1,717)	(1,869)	(- 8.1)	(3,898)
(Bonds)	( 3)	( 0)	( --)	( 0)
Commissions from underwriting & solicitation				
to specified investors	100	374	- 73.2	414
(Stocks)	(100)	( 374)	( -73.2)	(414)
(Bonds)	( 0)	( --)	( --)	( --)
Commissions from distribution & solicitation				
to specified investors	2,625	2,089	+ 25.7	4,372
(Beneficiary certificates)	(2,615)	(2,085)	( + 25.4)	(4,356)
Other sources	2,013	2,267	- 11.2	4,243
(Beneficiary certificates)	(1,780)	(2,058)	( - 13.5)	(3,831)
Total	6,478	6,607	- 2.0	12,948

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

	--First two quarters ended--		(A) over (B)	Fiscal 2011 ended
	Sep. 30, 2012	Sep. 30, 2011		March 31, 2012
	(A)	(B)	(%)	
Stocks	1,830	2,257	- 18.9	4,341
Bonds	14	5	+ 180.1	20
Beneficiary certificates	4,413	4,150	+ 6.3	8,206
Others	220	194	+ 12.9	379
Total	6,478	6,607	- 2.0	12,948

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

	---First two quarters ended---		(A) over (B)	Fiscal 2011 ended
	Sep. 30, 2012	Sep. 30, 2011		March 31, 2012
	(A)	(B)	(%)	
Stocks, etc.	15	89	- 82.8	226
Bonds, foreign exchange, etc.	42	54	- 21.9	191
(Bonds, etc.)	( 37)	( 89)	( - 58.3)	(205)
(Foreign exchange, etc.)	( 4)	( - 35)	( -- )	( - 14)
Total	57	144	- 59.9	417

### 3 . Quarterly Consolidated Income Statements for Recent Six Quarters

(in millions of yen)

	1st Q (4-6/'11)	2nd Q (7-9/'11)	3rd Q (10-12/'11)	4th Q (1-3/'12)	1st Q (4-6/'12)	2nd Q (7-9/'12)
Operating revenue	3,575	3,680	3,059	4,092	3,251	3,867
Commissions	3,233	3,374	2,740	3,600	2,919	3,559
Gains or loss on trading	73	70	75	197	29	28
Interest and dividend income	39	39	32	34	36	39
Other operating revenue	229	196	210	259	265	240
Interest expenses	14	18	17	16	11	14
Net operating revenue	3,560	3,662	3,042	4,075	3,239	3,853
Operating cost and expenses	3,693	3,511	3,544	3,708	3,593	3,420
Transaction-related expenses	364	298	342	394	362	274
Personnel expenses	1,966	1,936	1,909	1,967	1,924	1,889
Property-related expenses	431	409	421	410	409	407
Clerical expenses	572	535	543	601	586	560
Depreciation	147	149	151	147	114	110
Public charges	35	39	36	37	32	37
Reversal of allowances for doubtful accounts	0	-0	0	0	0	-0
Others	175	142	140	148	163	141
Operating income	-132	150	-502	367	-354	432
Non-operating income	24	14	17	23	34	4
Non-operating expenses	6	38	20	36	5	27
Current income	-113	126	-504	354	-324	409
Extraordinary income	1	31	-	9	8	-
Extraordinary expenses	6	11	3	66	2	6
Income before income taxes	-118	146	-507	298	-319	403
Income, inhabitant and enterprise taxes	9	11	14	18	11	20
Income taxes adjustments	3	-1	1	-17	6	-3
Income before minority interests	-131	136	-524	296	-337	386
Minority interests	0	0	-0	-0	0	1
Net income	-131	135	-523	297	-337	385

( END )