

EARNINGS REPORT FOR FIRST QUARTER OF FISCAL 2013

(April 1 to June 30, 2013)

(consolidated on the basis of Japanese accounting standards)

Released on July 26, 2013

(English translation for reference purposes only)

Name of Company: **Ichiyoshi Securities Co., Ltd.**

Listed on: Tokyo Stock Exchange (1st Section) (Stock code: 8624)

Corporate representative: Mr. Yasuaki Yamasaki, President & Representative Executive Officer

Inquiry to: Mr. Kiyotaka Mochida, Operating Officer in charge of Finance and Planning

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Date of filing First Quarter Report: August 13, 2013 (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 2013 (from April 1 to June 30, 2013)

(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, 2013	June 30, 2012

	(% year-to-year change in brackets)	
Operating revenue	7,655(+135.5)	3,251 (-9.1)
Net operating revenue	7,640(+135.9)	3,239 (-9.0)
Operating income	3,456 (--)	- 354 (--)
Current income	3,487 (--)	- 324 (--)
Net income	4,151 (--)	- 337 (--)
Earnings per share	95.27yen	- 7.70yen
Diluted earnings per share (adjusted for shares potentially issuable)	94.46yen	--

Note: Comprehensive income for first quarter of fiscal 2013: 3,742 million yen.

Comprehensive income for first quarter of fiscal 2012: - 410 million yen.

(2) Consolidated financial condition

	As of June 30 2013	As of March 31 2013

Total assets (in millions of yen)	47,039	43,751
Net worth (in millions of yen)	29,790	27,431
Equity ratio	63.2%	62.5%

Note: Shareholders' equity as of June 30, 2013: 29,723 million yen.

Shareholders' equity as of March 31, 2013: 27,357 million yen.

2. Dividend

--- Fiscal year ended ---
March 31, 2014 March 31, 2013

Per-share dividend: (See notes below)

1 st quarter	---	---
2 nd quarter	---	10.00yen
3 rd quarter	---	---
Final	---	22.00yen
Annual total	---	32.00yen

Notes: (i) Ichiyoshi Securities Co. Ltd. (the "Company") 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 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 2013 (from April 1, 2013 to March 31, 2014)

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

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 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, 2013: 44,431,386 shares (including treasury shares)
Number of shares issued as of March 31, 2013: 44,431,386 shares (including treasury shares)
 - (ii) Number of treasury shares as of June 30, 2013: 988,429 shares.
Number of treasury shares as of March 31, 2013: 756,676 shares.
 - (iii) Average number of shares outstanding during the first quarter of fiscal 2013:
43,576,145 shares.
Average number of shares outstanding during the first quarter of fiscal 2012:
43,856,242 shares.

Additional points to note:

1. Quarterly earnings figures included in this report are released without being reviewed by certified public accountants as required by the Financial Instruments and Exchange Law. Those figures are being reviewed at the time of this release.
2. For the same reason that the Company does not provide an earnings forecast prior to the end of each quarter as stated in “**3. Outlook for Consolidated Business Result for Fiscal 2013 (from April 1, 2013 to March 31, 2014)**” on page 2, the Company does not provide a dividend forecast.

I. Qualitative Information on Business Result for First Quarter of Fiscal 2013

(1) Information on Business Result

During the first quarter of fiscal 2013, stock prices showed an upward trend globally on monetary easing in Japan, the U.S. and Europe despite worries over the outlook of the Chinese economy. As Mr. Ben Bernanke, Chairman of the Federal Reserve Board, indicated on May 22 the possibility of earlier tapering of the QE3 and further hinted at starting such tapering before the end of the year on June 19, however, stock prices turned bearish on corrections globally. As global markets gradually discounted the tapering of the QE3, however, stock prices rebounded from the bottom they recorded in June.

The Japanese stock market reacted favorably to the “quantitative and qualitative monetary easing measures” announced on April 4 by the Bank of Japan under the new Governor Mr. Haruhiko Kuroda and also to the new economic strategy of the Shinzo Abe government, and stock prices thereafter quickened their upward pace, with the Nikkei Stock Average recording 15,942yen, a year high, on May 23. Then, Mr. Bernanke’s remarks poured cold water on the Japanese stock market, forcing it to undergo corrections. The strengthening of the yen below 100yen per 1 US dollar and the continued weakening of the Chinese economic data further accelerated such corrections, with the Nikkei Stock Average losing more than 20% from its year high. Following the global trend, the Nikkei Stock Average rebounded from its low of 12,415yen recorded on June 13, and ended the first quarter at 13,677yen.

The Japanese emerging-stock markets staged a bullish performance from the beginning of the first quarter, recording 2,152yen on May 15, a year high. Thereafter, however, the markets went through correctional periods, and ended the first quarter at 1,765yen. The TSE Mothers Index recorded 1,083, a year high, on May 8, and ended the first quarter at 660.

The average daily turnover on the Tokyo Stock Exchange for the first quarter of fiscal 2013 was 3,513.8 billion yen, up 188.2% from the comparable period of fiscal 2012, and that on the OSE JASDAQ Stock Market was 148.4 billion yen, up 629.3%.

Against such background, the Company continued to ride on market trends and attained the stock brokerage volume of 747.6 billion yen for the first quarter of fiscal 2013, up 219.6 % from the first quarter of fiscal 2012. With respect to corporate client business, the Company actively participated in management and underwriting of IPOs and follow-on financings amid a continuous flow of large deals. In particular, the Company helped list Nomura Real Estate Master Fund Corporation (in which the Company is the major investor).

With regard to investment trust funds, the Company designated 11 funds as basic and stable assets of customers (customers’ basic assets) and placed them at the center of its promotional activities. Included among the basic assets that the Company actively promoted were “Pictet Global Income Stock Fund” (which mainly invests in global public utilities stocks), “Nippon

Recovery and Growth Stock Fund” (which was launched in May) and “HSBC New Leaders Sovereign Open.” Resultantly, the total amount of fund sales for the first quarter of fiscal 2013 recorded 88.9 billion yen, up 57.5% from the first quarter of fiscal 2012.

As a result of these activities, net operating revenue for the first quarter of fiscal 2013 amounted to 7,640 million, up 135.9% from the first quarter of fiscal 2012. Operating cost and expenses amounted to 4,183 million yen, up 16.4%. Hence, current income registered 3,487 million yen, a strong reversal from a loss of 324 million yen for the first quarter of fiscal 2012.

Customers’ assets in the Company’s custody as at June 30, 2013 stood at 1,508.4 billion yen, up 2.1% from March 31, 2013.

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

i. Commissions

Total commissions for the first quarter of fiscal 2013 amounted to 7,156 million yen, up 145.1% from the year-earlier period.

(a) Brokerage commissions

Total brokerage commissions on stocks increased 300.4% to 3,391 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 20.5% of total brokerage commissions on stocks, up from 14.8% for the comparable period of fiscal 2012.

(b) Commissions from underwriting and solicitation to specified investors

In the primary market, the Company participated in 3 initial public offerings (“IPOs”) on a management and underwriting basis as against 2 participations in the year-earlier period. In the secondary follow-on financings, the Company participated in 2 deals (one of which the Company lead-managed) on a management and underwriting basis. As a result, total commissions from underwriting and solicitation to specified investors amounted to 238 million yen, a big increase from commissions of 1 million yen for the comparable period of fiscal 2012.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 872 (of which 30 were lead-managed) as of June 30, 2013.

(c) Commissions from distribution and solicitation to specified investors

As commissions from distribution of investment trusts which pay out income monthly recorded 2,276 million yen, up 116.4% from the year-earlier period, total commissions from distribution and solicitation to specified investors rose 115.3% to 2,282 million yen.

(d) Commissions from other sources

As the outstanding balance of investment trust funds at the end of the period (June 30, 2013) grew 19.9% to 696.2 billion yen, the trailer fees rose 23.5% to 1,093 million yen. With the addition of investment advisory fees from Ichiyoshi Asset Management Co., Ltd., commissions from insurance policy sales, fees from research-unbundling and IPO assistance fees, total commissions from other sources amounted to 1,201 million yen, up 20.1%.

ii. Gains or loss on trading

Trading in stocks, etc. recorded net gains of 68 million yen, up 863.5% from the year-earlier period. Trading in bonds and foreign exchange, etc. registered net gains of 43 million yen, up 95.5%. As a result, total net gains on trading amounted to 112 million yen, up 280.3%.

iii. Interest and dividend income

Interest and dividend income rose 59.4% to 58 million yen chiefly due to an increase in average

advances for margin transactions during the quarter. Interest expenses grew 28.1% to 14 million yen. As a result, net interest and dividend income recorded 43 million yen, up 73.7%.

iv. Operating cost and expenses

While the Company continued cost-reduction efforts, personnel expenses and transaction-related expenses associated with expanded brokerages increased. As a result, operating cost and expenses amounted to 4,183 million yen, up 16.4%.

v. Non-operating income and expenses

The Company recorded non-operating income of 30 million yen, up 4.5% from the year-earlier period. It mostly consisted of dividends on investment securities.

vi. Extraordinary income and loss

The Company registered extraordinary income of 1,030 million yen, mostly in the form of gains on sales of investment securities.

As a result of these activities, income before income taxes for the first quarter of fiscal 2013 registered 4,518 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes in the aggregate amount of 359 million yen and after deduction of corporate adjustments in the amount of 7 million yen) recorded 4,151 million yen, a big reversal from a loss of 337 million for the year-earlier period.

(2) Information on Financial Condition

i. Condition of Assets, Liabilities and Net Worth

(a) Current assets

Current assets amounted to 38,749 million yen as of June 30, 2013, a rise of 4,211 million yen (up 12.2%) from March 31, 2013, as cash and deposits swelled by 4,226 million yen and margin transaction assets grew by 3,376 million yen while advance payments for subscription decreased by 2,501 million yen and segregated cash and statutory deposits declined by 1,029 million yen.

(b) Fixed assets

Fixed assets stood at 8,289 million yen as of June 30, 2013, a decline of 923 million yen (down 10.0%) from March 31, 2013, as the Company sold investment securities in the amount of 698 million yen and cash deposits as guarantee for long-term credits decreased by 141 million yen through the refunding of the same amount in connection with the relocation of a branch.

As a result, total assets registered 47,039 million yen as of June 30, 2013, a growth of 3,288 million yen (up 7.5%) from March 31, 2013.

(c) Current liabilities

Current liabilities stood at 15,932 million yen as of June 30, 2013, a rise of 1,174 million yen (up 8.0%) from March 31, 2013. The rise resulted from a growth of 4,713 million yen in cash payable to customers and a decline of 3,881 million yen in margin transaction liabilities.

(d) Long-term liabilities

Long-term liabilities recorded 1,207 million yen as of June 30, 2013 a decline of 246 million yen (down 16.9%) from March 31, 2013. The decline resulted from a decrease of 243 million yen in deferred tax liabilities.

(e) Statutory reserves

Statutory reserves registered 108 million yen as of June 30, 2013, equal to the amount as of March 31, 2013.

(f) Net worth

Net worth amounted to 29,790 million yen as of June 30, 2013, an increase of 2,359 million yen (up 8.6%) from March 31, 2013. The increase resulted from recording of net income of 4,151 million yen for the first quarter while the Company paid dividends in the amount of 960 million yen, acquired treasury shares in the amount of 436 million yen and reduced the valuation difference of 409 million yen on other securities (securities other than those for trading) in connection with the sales of investment securities.

As a result, equity ratio as of June 30, 2013 recorded 63.2%, and capital adequacy ratio as of the same date, as defined by the securities regulator, registered 555.0%.

(3) Qualitative Information on Outlook of Consolidated Business Result

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 quarter. Instead, the Company intends to release preliminary earnings figures around the middle of the month immediately following the end of each quarter.

II. Matters Concerning Summary Information (Points to Note)

(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 June 30 2013	As of March 31 2013
Current assets		
Cash and bank deposits	13,870	9,644
Segregated cash and statutory deposits	4,541	5,571
Trading assets	447	343
Securities	447	341
Derivatives	0	2
Contracted trades	-	94
Margin transaction assets	14,933	11,557
Advances for margin purchases	14,777	11,232
Cash deposits as collateral for securities borrowed	155	325
Advance payments for customers on trades	171	18
Advance payments for subscription	3,616	6,117
Short-term loans	99	19
Accrued income	934	997
Deferred tax assets	34	42
Other current assets	107	138
Allowances for doubtful accounts	-8	-6
	38,749	34,538
Fixed assets		
Tangible fixed assets	4,066	4,115
Buildings	1,418	1,444
Fixtures and equipment	647	670
Land	1,987	1,987
Lease assets, net	12	13
Intangible fixed assets	374	403
Goodwill	118	128
Computer software	254	273
Telephone subscription rights, etc.	1	1
Investments, etc.	3,849	4,693
Investment securities	2,808	3,507
Long-term loans	61	65
Cash deposits as guarantee for long-term credits	967	1,109
Deferred tax assets	5	5
Other investments	15	15
Allowances for doubtful accounts	-10	-10
	8,289	9,212
Total assets	47,039	43,751

	As of June 30 2013	As of March 31 2013
Current liabilities		
Contracted trades	19	-
Margin transaction liabilities	3,746	7,627
Borrowings for margin transactions	3,436	6,991
Cash received for loaned securities	309	636
Cash payable to customers	8,824	4,110
Deposits from customers (for committed trades)	1,299	760
Short-term borrowings	210	210
Lease obligations	4	4
Income taxes payable	403	414
Accrued bonuses to employees	422	559
Other current liabilities	1,002	1,069
	15,932	14,757
Long-term liabilities		
Long-term borrowings	410	420
Lease obligations	8	9
Deferred tax liabilities	425	669
Revaluation-related deferred tax liabilities	35	35
Accrued retirement benefits for employees	299	290
Other long-term liabilities	28	28
	1,207	1,453
Statutory reserves		
Reserve for financial instruments transaction liabilities	108	108
	108	108
Total liabilities	17,248	16,320
Net worth		
Shareholders' equity		
Common stock	14,577	14,577
Capital surplus	8,697	8,676
Retained earnings	8,348	5,157
Treasury stock	-783	-346
Total Shareholders' equity	30,840	28,065
Othe Comprehensive Income		
Valuation difference on available-for-sale securities	738	1,147
Land revaluation difference	-1,855	-1,855
Total Othe comprehensive income	-1,117	-708
Subscription rights to shares	32	38
Minority interests	35	35
Total net worth	29,790	27,431
Total of liabilities and net worth	47,039	43,751

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

Quarterly Consolidated Income Statements

(in millions of yen)

	Three months ended	
	June 30, 2013	June 30, 2012
Operating revenue		
Commissions	7,156	2,919
Gains or loss on trading	112	29
Interest and dividend income	58	36
Other operating income	328	265
Total Operating revenue	7,655	3,251
Interest expenses	14	11
Net operating revenue	7,640	3,239
Operating cost and expenses		
Transaction-related expenses	401	362
Personnel expenses	2,393	1,924
Property-related expenses	379	409
Clerical expenses	686	586
Depreciation	83	114
Public charges	59	32
Transfer to allowances for doubtful accounts	1	0
Others	178	163
Total Operating cost and expenses	4,183	3,593
Operating income	3,456	-354
Non-operating income		
Dividends from investment securities	26	29
Others	4	4
Total Non-operating income	30	34
Non-operating expenses		
Equity in losses of affiliates	-	5
Others	0	0
Total Non-operating expenses	0	5
Current income	3,487	-324
Extraordinary income		
Gains on sales of investment securities	1,031	-
Gain on reversal of subscription rights to shares	-	0
Reversal of reserve for financial instruments transaction liabilities	0	7
Total Extraordinary income	1,031	8
Extraordinary expenses		
Loss on write-off of fixed assets	0	-
Valuation loss on investment securities	-	2
Total Extraordinary expenses	0	2
Income before income taxes	4,518	-319
Income, inhabitant and enterprise taxes	359	11
Income taxes adjustments	7	6
Total Income Taxes	367	17
Income before minority interests	4,151	-337
Minority interests	-0	0
Net income	4,151	-337

Quarterly Consolidated Comprehensive Income Statements

(in millions of yen)

	Three months ended	
	June 30, 2013	June 30, 2012
Income before minority interests	4,151	-337
Other Comprehensive income		
Valuation difference on available-for-sale securities	-409	-71
Share of other comprehensive income of associates accounted for using equity method	-	-1
Total Other comprehensive income	-409	-73
Comprehensive income	3,742	-410
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,742	-410
Comprehensive income attributable to minority interests	-0	0

(3) Notes Concerning Premises for Continuing Business Enterprise

None for the first quarter of fiscal 2013.

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

None for the first quarter of fiscal 2013.

IV. Supplementary Information**Breakdown of Consolidated Business Result for First Quarter of Fiscal 2013****1. Commissions****(1) Commissions by sources: (in millions of yen)**

	---First quarter ended---		(A) over (B)	Fiscal 2012 ended
	June 30, 2013	June 30, 2012		March 31, 2013
	(A)	(B)	(%)	
Brokerage commissions	3,434	857	+ 300.3	5,323
(Stocks)	(3,391)	(847)	(+ 300.4)	(5,284)
(Bonds)	(0)	(0)	(+ 28.6)	(4)
Commissions from underwriting & solicitation				
to specified investors	238	1	--	239
(Stocks)	(238)	(1)	(--)	(239)
(Bonds)	(--)	(--)	(--)	(0)
Commissions from distribution & solicitation				
to specified investors	2,282	1,059	+ 115.3	7,008
(Beneficiary certificates)	(2,276)	(1,051)	(+ 116.4)	(7,070)
Commissions from Other sources	1,201	1,000	+ 20.1	4,155
(Beneficiary certificates)	(1,093)	(885)	(+ 23.5)	(3,693)
Total	7,156	2,919	+ 145.1	16,806

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

	---First quarter ended---		(A) over (B)	Fiscal 2012 ended
	June 30, 2013	June 30, 2012		March 31, 2013
	(A)	(B)	(%)	
Stocks	3,640	854	+ 326.0	5,554
Bonds	6	8	- 20.7	22
Beneficiary certificates	3,411	1,947	+ 75.2	10,798
Others	97	109	- 10.2	431
Total	7,156	2,919	+ 145.1	16,806

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

	---First quarter ended---		(A) over (B)	Fiscal 2012 ended
	June 30, 2013	June 30, 2012		March 31, 2013
	(A)	(B)	(%)	
Stocks, etc.	68	7	+ 863.5	54
Bonds, foreign exchange, etc.	43	22	+ 95.5	209
(Bonds, etc.)	(34)	(22)	(+ 47.9)	(172)
(Foreign exchange, etc.)	(9)	(- 0)	(--)	(36)
Total	112	29	+ 280.3	263

3 . Quarterly Consolidated Income Statements for Recent Five Quarters

(in millions of yen)

	1st Q (4-6/'12)	2nd Q (7-9/'12)	3rd Q (10-12/'12)	4th Q (1-3/'13)	1st Q (4-6/'13)
Operating revenue	3,251	3,867	4,334	6,830	7,655
Commissions	2,919	3,559	3,949	6,378	7,156
Gains or loss on trading	29	28	81	124	112
Interest and dividend income	36	39	31	41	58
Other operating revenue	265	240	271	286	328
Interest expenses	11	14	14	14	14
Net operating revenue	3,239	3,853	4,320	6,815	7,640
Operating cost and expenses	3,593	3,420	3,643	3,939	4,183
Transaction-related expenses	362	274	311	315	401
Personnel expenses	1,924	1,889	1,961	2,217	2,393
Property-related expenses	409	407	454	488	379
Clerical expenses	586	560	616	635	686
Depreciation	114	110	118	104	86
Public charges	32	37	40	51	59
Reversal of allowances for doubtful accounts	0	-0	-	2	1
Others	163	141	141	122	178
Operating income	-354	432	677	2,875	3,456
Non-operating income	34	4	20	132	30
Non-operating expenses	5	27	1	46	0
Current income	-324	409	696	2,961	3,487
Extraordinary income	8	-	0	71	1,031
Extraordinary expenses	2	6	30	34	0
Income before income taxes	-319	403	666	2,998	4,518
Income, inhabitant and enterprise taxes	11	20	56	287	359
Income taxes adjustments	6	-3	0	-25	7
Income before minority interests	-337	386	609	2,736	4,151
Minority interests	0	1	0	0	-0
Net income	-337	385	609	2,735	4,151

(END)