

Business Result for Fiscal Year to March 31, 2014

(consolidated on the basis of Japanese accounting standards)

Released on April 28, 2014

(English translation for reference purposes only)

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

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

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

Date of annual shareholders' meeting: June 21, 2014 (scheduled)

Payment date for final dividends: May 27, 2014 (scheduled)

Filing date of annual securities report: June 24, 2014 (scheduled)

Supplemental information on business result: Provided.

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

Inquiry to: Mr. Masao Sugiura, Operating Officer in charge of Finance & Planning

Tel: (03) 3555-9589 (URL <http://www.ichiyoshi.co.jp/>)

1. Consolidated Business Result for Fiscal Year Ended March 31, 2014

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

	--- Fiscal year ended --- March 31, 2014	March 31, 2013
	(% year-to-year)	
Operating revenue	25,241 (+ 38.1)	18,283 (+ 26.9)
Net operating revenue	25,191 (+ 38.2)	18,228 (+ 27.1)
Operating income	8,826(+ 143.1)	3,631 (--)
Current income	8,977(+ 139.8)	3,743 (--)
Net income	8,268(+ 143.7)	3,392 (--)
Earnings per share	190.04yen	78.26yen
Earnings per share on a diluted basis (adjusted for shares potentially issuable)	188.40yen	78.15yen
Net return on equity	27.8%	13.4%
Current income as % of total assets	19.4%	9.6%
Operating income as % of operating Revenue	35.0%	19.9%

Notes: Comprehensive income for each fiscal year:

8,060 million yen for fiscal year ended March 31, 2014.

4,528 million yen for fiscal year ended March 31, 2013.

Investment gains or loss by an equity method:

None for fiscal year ended March 31, 2014.

-35 million yen for fiscal year ended March 31, 2013.

(2) Consolidated financial condition

	--- As of March 31 --- 2014	2013
Total assets (in millions of yen)	48,723	43,751
Net worth (in millions of yen)	32,263	27,431
Equity ratio	66.0%	62.5%
Net worth per share	738.88yen	626.39yen

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

32,157 million yen at March 31, 2014
27,357 million yen at March 31, 2013

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

	--- Fiscal year ended ---	
	March 31, 2014	March 31, 2013
Cash flow from operating activities	6,453	514
Cash flow from investing activities	871	- 333
Cash flow from financing activities	-3,322	- 1,184
Cash and cash equivalents at end of the term	13,239	9,238

2. Dividend

	--- Fiscal year ended ---		
	March 31, 2014	March 31, 2013	March 31, 2015 (Forecast*)

Per-share dividend:			
Interim dividend	45.00yen	10.00 yen	--
Final dividend	27.00yen	22.00 yen	--
Annual total	72.00yen	32.00 yen	--
Total dividend payout	3,131 million yen	1,390 million yen	--
Payout ratio (consolidated)	37.9%	40.9%	--
Total dividend payout as % of net worth	10.5%	5.5%	--

Notes: *= Forecast is not provided because it is not a practice of Ichiyoshi Securities Co., Ltd. to give earnings or dividend forecast.

**3. Outlook for Consolidated Business Result for Fiscal Year ending
March 31, 2015(from April 1, 2014 to March 31, 2015)**

Since the forecast of earnings in financial-instruments trading, the main-line business of Ichiyoshi Securities Co., Ltd. (the “Company”) and its group companies is hard to make due to changes in securities market conditions, the Company does not provide such forecast prior to the end of each quarterly and annual business term. Instead, the Company releases preliminary earnings figures after the end of each business term as and when such figures become available.

Points to note:

(1) Changes in material subsidiaries (resulting in a change in scope of consolidation):

None.

(2) Changes in accounting policies and estimates and re-presentation 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: None.
- (iv) Re-presentations of modifications: None.

(For further information, please refer to “(5) Notes to Consolidated Financial Statements” under “IV. Consolidated Financial Statements” contained elsewhere hereunder.)

(3) Number of issued shares (common stock)

- (a) Number of issued shares at the end of each fiscal year (including treasury shares):
 - 44,431,386 shares at March 31, 2014
 - 44,431,386 shares at March 31, 2013
- (b) Number of treasury shares at the end of each fiscal year:
 - 910,070 shares at March 31, 2014
 - 756,676 shares at March 31, 2013
- (c) Average number of shares outstanding during the term:
 - 43,507,619 shares for fiscal year ended March 31, 2014
 - 43,347,895 shares for fiscal year ended March 31, 2013

[Referential information]

1. Outline of Non-consolidated Business Result (parent company basis)

(1) Business result for fiscal year ended March 31, 2014 (in millions of yen with fractions less than a million yen discarded, except for per-share figures)

	--- Fiscal year ended ---	
	March 31, 2014	March 31, 2013
	(% year-to-year)	
Operating revenue	23,640 (+ 39.0)	17,008 (+ 27.9)
Net operating revenue	23,601 (+ 39.1)	16,966 (+ 28.0)
Operating income	8,670(+ 145.6)	3,530 (--)
Current income	8,820(+ 140.1)	3,674 (--)
Net income	8,146(+ 140.5)	3,386 (--)
Earnings per share	187.23yen	78.10yen
Earnings per share on a diluted basis		
(adjusted for shares potentially issuable)	185.62yen	78.00yen
Net return on equity	27.6%	13.4%

(2) Financial condition

	--- As of March 31 ---	
	2014	2013

Total assets (in millions of yen)	47,620	42,816
Net worth (in millions of yen)	31,923	27,228
Equity ratio	66.9%	63.5%
Net worth per share	731.96yen	622.56yen
Capital adequacy ratio	575.4%	514.5%

Shareholders' equity at the end of each fiscal year:

31,855 million yen as of March 31, 2014

27,190 million yen as of March 31, 2013.

2. Outlook for non-consolidated business result for fiscal year ending March 31, 2015(from April 1, 2014 to March 31, 2015

Since the forecast of earnings in financial-instruments trading is hard to make due to changes in securities market conditions, the Company does not provide such forecast prior to the end of each quarterly and annual business term. Instead, the Company releases preliminary earnings figures after the end of each business term as and when such figures become available.

Additional points to note:

1. The financial figures contained herein are released without being audited by certified public accountants as required by the Financial Instruments and Exchange Law. Those figures are being audited by certified public accountants 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 quarterly and annual business term as stated in "3. Outlook for Consolidated Business Result for Fiscal 2015 (from April 1, 2014 to March 31, 2015)" on page 2, the Company does not provide a dividend forecast.

I. Analysis on Business Result and Financial Condition

1. Analysis on Consolidated Business Result

During the fiscal year ended March 31, 2014, the economic climate of Japan, the U.S. and European nations gradually took on a brighter tone. Global stock markets initially moved in reaction to fears over the tapering of the U.S. QE but started to turn upward on the progress of the U.S. congressional budgetary talks seen from October 2013. In

December, while the FOMC of the U.S. decided on the tapering of the QE, the Fed at the same time indicated its stance of keeping up an easy-monetary policy, helping stock markets in advanced nations take on a firmer tone towards the end of the year. As the year turned, however, there arose a slew of overshadowing factors, including the weaker economic conditions of the U.S. caused by the winter cold wave, uncertainty over the outlook of the Chinese economy and the escalation of the Ukrainian tensions, forcing temporary corrections in global stock prices. Towards the end of the fiscal year, however, global stock markets gradually got back on recovery path.

The Japanese stock market moved upward from the beginning of 2013 in expectation of a brighter economic climate due to the growth strategies of the Abenomics and the BoJ's extra-scale monetary easing. While undergoing corrections in May on concerns over the tapering of the U.S. QE, however, the Nikkei Stock Average on the Tokyo Stock Exchange ended the year of 2013 at 16,291yen, a two-year high.

In the foreign exchange market, the yen weakened from the beginning of 2013, recording 105yen per 1 U.S. dollar at the end of the year and closing at 103yen per 1 U.S. dollar on March 31, 2014.

With respect to the Japanese emerging-stock market, the Nikkei JASDAQ Average recorded a year-high in May 2013 and thereafter went through correctional periods. As the year turned, the Nikkei JASDAQ Average registered 2,192yen in January 2014, a two-year high. Thereafter, however, the emerging-stock market underwent correctional stages, with Nikkei JASDAQ Average ending the fiscal year at 2,004yen.

The average daily turnover on the Tokyo Stock Exchange (which includes the merged Osaka Securities Exchange) was 2,946.7 billion yen, up 88.8% from the previous fiscal year. The average daily turnover on the JASDAQ market increased 277.4% to 114.6 billion yen.

Against such background, the Company attained the stock brokerage volume of 2,283.9 billion yen for the fiscal year ended March 31, 2014, up 69.2% from the previous fiscal year. With respect to corporate client business, the Company actively strove to obtain corporate mandates for management and underwriting of IPOs and follow-on financings. Resultantly, the Company acquired mandates for 5 lead-managements (2 lead-managements for IPOs and 3 lead-managements for follow-on financings). With regard to investment trust funds, the Company achieved a smooth distribution of equity funds (both domestic and foreign equity funds), including "Pictet Emerging Nations Income Stock Fund." The Company started to market "Nippon Fukkatsu Seichokabu Fund (which literally means Japan Recovery/Growth Stock Fund) in May 2013, and "Nippon Chukogatakabu Active Fund" (which literally means Japan Small- and Mid-Cap Active Fund) in December 2013, both adding to the Company's fund promotion list relating to Japanese stocks.

Resultantly, net operating revenue for the fiscal year ended March 31, 2014,

amounted to 25,191 million yen, up 38.2% from the previous fiscal year. Operating cost and expenses recorded 16,365 million yen, up 12.1%. Hence, operating income registered 8,826 million yen (up143.1%), and current income registered 5,234 million yen (up139.8%), a strong increase from 3,743 million yen for the previous fiscal year. Customers' assets in the Company's custody as at March 31, 2014 stood at 1,650.4 billion yen, up 11.7% from March 31, 2013.

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

(1) Commissions

Total commissions for the fiscal year ended March 31, 2014 amounted to 23,349 million yen, up 38.9% from the previous fiscal year ended March 31, 2013.

(i) Brokerage commissions

Total brokerage commissions on stocks rose 75.0% to 9,249 million yen. Of these commissions, those on small- and mid-cap stocks (consisting of stocks listed on Second Sections of the Tokyo Stock Exchange <which includes the merged Second Section of the Osaka Securities Exchange>), TSE Mothers and OSE JASDAQ Market) accounted for 24.8%, up from 15.2% for the previous fiscal year.

(ii) Commissions from underwriting and solicitation to specified investors

In the primary market, the Company participated in the management and underwriting of 32 initial public offerings (IPO's)(of which the Company lead-managed 2), as against 21 IPO's in the previous fiscal year. In the secondary market (for follow-on financing), the Company participated in 16 deals on a management and underwriting basis (of which the Company lead-managed 3), as against 8 deals in the previous fiscal year. As a result, total commissions from underwriting of stocks and bonds and solicitation to specified investors recorded 1,108 million yen, up 362.2% from 239 million yen for the previous fiscal year.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 905 (of which 32 were lead-managed by the Company) as of March 31, 2014.

(iii) Commissions from distribution and solicitation to specified investors

Commissions from distribution and solicitation to specified investors rose 11.2% to 7,879 million yen as commissions from distribution of investment funds increased 10.9 % to 7,841 million yen.

(iv) Commissions from other sources

The trailer fees on investment funds rose 17.4% to 4,336 million yen as the outstanding balances of investment funds at the end of the fiscal year grew 8.5% to 759.9 billion yen. With the addition of investment management fees from Ichiyoshi Asset Management Co. Ltd., commissions from insurance policy sales, fees from

research unbundling and fees from IPO assistance, total commissions from other sources amounted to 4,954 million yen, up 19.2%.

(2) Gains or Loss on Trading

Trading on stocks, etc. recorded gains of 200 million yen, up 268.7%, and trading on bonds, foreign exchange, etc. registered gains of 145 million yen, down 30.7%. Consequently, total gains on trading amounted to 345 million yen, up 31.1%.

(3) Interest and Dividend Income

Interest and dividend income rose 66.9% to 249 million yen, reflecting a increase in outstanding balances of advances for margin transactions, and interest expenses dropped 8.5% to 50 million yen. As a result, net interest and dividend income amounted to 199 million yen, up 110.6%.

(4) Operating Cost and Expenses

Operating cost and expenses increased 12.1% to 16,365 million yen as personnel expenses rose in parallel with increased brokerage revenue and transaction-related expenses grew in conjunction with expanded trades.

(5) Non-operating Income and Expenses

The Company registered non-operating income of 194 million yen, including an investment income of 125 million yen from investment partnerships and non-operating expenses of 43 million yen, including an investment loss of 40 million yen from investment partnerships. As a result, net non-operating income for the fiscal year ended March 31, 2014 registered 151 million yen.

As a result of these operations and factors, current income for the fiscal year ended March 31, 2014, amounted to 8,977 million yen.

(6) Extraordinary Income and Loss

The Company recorded an extraordinary income of 1,088 million yen from sales of investment securities, and extraordinary loss of 43 million yen, including a transfer of 33 million yen to reserve for financial instruments transaction liabilities. As a result, net extraordinary income for the fiscal year ended March 31, 2014 amounted to 1,045 million yen.

Consequently, income before taxes and tax adjustments for the fiscal year ended March 31, 2014 recorded 10,023 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes, totaling 2,359 million yen, and after

allowing for corporate tax adjustments of 607 million yen, and after deduction of minority interests of 3 million yen) registered 8,268 million yen, an increase of 4,875 million yen from 3,392 million yen for the previous fiscal year.

2. Analysis on Consolidated Financial Condition

(1) Condition of Assets, Liabilities and Net Worth

(i) Current assets

Current assets amounted to 40,060 million yen as of March 31, 2014, an increase of 5,522 million yen (up 16.0%) from March 31, 2013, as cash and deposits swelled by 4,205 million yen and margin transaction assets rose by 3,290 million yen while advance payments for subscription decreased by 2,131 million yen and segregated cash and statutory deposits slid by 1,002 million yen.

(ii) Fixed assets

Fixed assets stood at 8,662 million yen as of March 31, 2014, a decline of 549 million yen (down 6.0%), as the amount of investment securities dropped by 534 million yen due to their partial sales.

As a result, total assets registered 48,723 million yen as of March 31, 2014, an increase of 4,972 million yen (up 11.4%) from March 31, 2013.

(iii) Liabilities

Current liabilities stood at 15,033 million yen as of March 31, 2014, a rise of 275 million yen (up 1.9%) from March 31, 2013. The rise resulted from a growth of 2,342 million yen in cash payable to customers, an increase of 1,856 million yen in income taxes payable, an addition of 643 million yen in deposits from customers and an increment of 559 million yen in borrowings pledged by securities while margin transaction liabilities decreased by 54 billion yen.

(iv) Long-term liabilities

Long-term liabilities recorded 1,283 million yen as of March 31, 2014, a reduction of 169 million yen (down 11.7%) from March 31, 2013.

(v) Statutory reserves

Statutory reserves registered 142 million yen as of March 31, 2014, a rise of 33 million yen (up 30.6%) from March 31, 2013.

(vi) Net worth

Net worth amounted to 32,263 million yen as of March 31, 2014, a gain of 4,832 million yen (up 17.6%) from March 31, 2013. The gain resulted as the Company recorded net income of 8,268 million yen for the fiscal year while the Company paid dividends in the amount of 2,917 million yen, acquired treasury shares in the amount of 374 million yen and registered valuation difference of 212 million yen on available-for-sale securities in connection with sales of investment securities.

As a result, equity ratio as of March 31, 2014 recorded 66.0%, and capital adequacy

ratio as of the same date, as defined by the securities regulator, registered 575.4%.

(2) Cash Flow

Cash flow from operating activities for the fiscal year ended March 31, 2014 recorded a positive figure of 6,453 million yen, an increase of 5,938 million yen from the previous fiscal year, as income before taxes and tax adjustments for the fiscal year rose while advances for margin purchases swelled. Cash flow from investing activities registered a positive figure of 871 million yen, a rise of 1,205 million yen, due to proceeds from sales of investment securities. Cash flow from financing activities recorded a negative figure of 3,322 million yen, a decline of 2,138 million yen, as a result of dividend payments and acquisition of treasury shares.

Consequently, the amount of cash and cash equivalents as of March 31, 2014, stood at 13,239 million yen, a growth of 4,001 million yen from the end of the previous fiscal year (March 31, 2013).

3 Basic Policy on Earnings Distribution and Dividends

One of the Company's core management policies is to make an appropriate earnings distribution to its shareholders.

With respect to dividends, the Company places its stress on a continuous stream of dividend payments. Thus, under the Company's current dividend policy, an amount of dividend per share will be equal to either approximately 40% of 1 earnings per share (namely, payout ratio of approximately 40%) or approximately 4% of equity per share (namely, DOE of approximately 4%), whichever is larger, and calculated semi-annually. When adopting the DOE of approximately 4%, the half of it (namely, approximately 2%) will be used for such semi-annual calculation.

Under this policy, an interim dividend per share of 45.00yen was paid to the shareholders of record as of September 30, 2013, and a final dividend per share of 27.00yen is to be paid to the shareholders of record as of March 31, 2014. The both interim and final dividends are based on the payout ratio of 40%.

4. Risks relating to business

We consider that the following risks exist with respect to the business result and financial condition of the Company and its group companies (the "Ichiyoshi group") that may affect investors' judgment materially.

Being aware of these risks, the Ichiyoshi group is determined to prevent them from occurring and to be prepared against the occurrence of any such risk.

Any statement about future herein is being made on the basis of the Company's judgment as of the end of the fiscal year (March 31, 2014).

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

There is a possibility that the Company's brokerage commissions will decrease as transactions shrink when prices of stocks and bonds decline in domestic or foreign markets. The Company's activities in the primary market may also be similarly affected in such conditions.

(2) Market risk

There is a possibility that the Company will incur a loss due to price fluctuations of securities owned caused by changes in stock prices, interest rates and forward exchange rates as the Company is engaged in trading for its own account.

(3) Credit risk (counterparty risk)

There is a possibility that the Ichiyoshi group will incur a loss when default (or decline in creditworthiness) occurs on its counterparty.

(4) Liquidity risk

There is a possibility that the Ichiyoshi group will incur a loss when it faces a liquidity problem due to a change in the financial condition or when it is forced to borrow funds at rates much higher than normal under such circumstances.

(5) Clerical risk

There is a possibility that the Ichiyoshi group will incur a loss due to a mistake in clerical work or as a result of a human error, accident or wrongful behavior although the Ichiyoshi group is exerting its efforts to put in place extensive working manuals and improve on its compliance system.

(6) System risk

There is a possibility that the Ichiyoshi group will incur a loss as a result of breakdown or malfunction of, or a fire breakout or electric power failure on, or an improper access to, its computer system.

(7) Legal risk

There is a possibility that the Ichiyoshi group will incur a loss or face a liquidation or administrative disciplinary action as a result of its violation of rules, regulations or laws.

(8) Information-related risk

There is a possibility that the Ichiyoshi group will incur a loss or face a deterioration of its reputation in connection with insider trading, leakage of internal information or improper information disclosure.

(9) Competition risk

The securities industry is faced with serious competition which is expected to heighten further hereafter. Hence, there is a possibility that the Ichiyoshi group's business result and financial condition will be affected when the Ichiyoshi group cannot get an upper hand in such competition.

(10) Risk from amendments to legal system

There is a possibility that the Ichiyoshi group's business result and financial

condition will be affected by potential amendments to the current legal system surrounding the securities industry.

(11) Risk from disasters

There is a possibility that the Ichiyoshi group's business result and its financial condition may suffer when disasters, such as an earthquake and fire, break out, obstructing the Ichiyoshi group's business activities or doing damages to the Ichiyoshi group's officers and employees.

II. State of Ichiyoshi Group

The Ichiyoshi group, consisting of Ichiyoshi Securities Co., Ltd. (the "Company") and its three consolidated subsidiaries, is principally engaged in investment and financial services chiefly associated with financial-instruments.

The Company is directly engaged in buying and selling of, and dealing in, securities (such buying and selling of, and dealing in, securities are called hereinafter as "securities transactions"), acting as agent or broker for securities transactions, underwriting and distributing publicly-offered or privately-placed securities and carrying out other securities-related businesses. Thus, the Company provides wide-ranging services matching varying needs of its customers relating to securities and investments.

In conjunction with the above-mentioned activities by the Company, the three consolidated subsidiaries perform their respective functions: Ichiyoshi Research Institute Inc. undertakes research and data/information collection relating to small- and mid-cap growth companies; Ichiyoshi Asset Management Co., Ltd. provides asset-management services through investment administration and advisories; and Ichiyoshi Business Service Co., Ltd. undertakes peripheral services for the Ichiyoshi group, provides real estate renting/broking/management services, deals in office supplies and goods and acts as agent for financial-instruments trading.

In April, 2014, Ichiyoshi Asset Management Co., Ltd. entered into investment trust business in order to set up and manage unique types of investment trust funds focused on small- and mid-cap growth companies. The combination of the investment trust business with the existing asset management business at Ichiyoshi Asset Management Co., Ltd. will optimize the synergy among the Company and its group companies, further contributing to customer satisfaction with asset and fund management.

List of 4 Companies in the Ichiyoshi Group

Parent company: **Ichiyoshi Securities Co., Ltd.** - financial-instruments

trading business

Consolidated subsidiaries:

Ichiyoshi Research Institute Inc. – information services
(85.0% owned, of which 12.5% is indirectly owned)

Ichiyoshi Asset Management Co., Ltd. – investment
management and advisories
(97.0% owned, of which 2.0% is indirectly owned)

Ichiyoshi Business Service Co., Ltd. – property renting/
broking/management, sales of office supplies and financial-
instruments trading agency.
(100.0% owned)

III. Management Policy

1. Basic Policy

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

The Company's credo (corporate philosophy):

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

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

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

2. Triangular Pyramid Management

The Company is promoting "Triangular Pyramid Management" --- with the research division forming the base of the pyramid, and the retail, wholesale and support/products divisions forming their respective facets of the pyramid, and the pyramid itself is firmly supported by the back-office division. This management style is intended to maximize the capability of each division/subsidiary and enhance the co-working synergy of all the divisions/subsidiaries. This synergistic process will also raise the quality of the Company's

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

2. Medium-term Management Plan

The Company effected its medium-term management plan, titled "Challenge for Recovery," covering the two-year period to March 31, 2014, to further strengthen the foundation for a "Name-brand Boutique House."

Among several targets set out in the said medium-term management plan, however, customers' assets in custody as of March 31, 2014 recorded 1,650.4 billion yen as against the target of 2,000 billion yen and the cumulative number of lead managed companies as of the same date registered 32 as against the target of 35 while the return on equity for the fiscal year ended March 31, 2014 rose to 27.6% as against the target of 10%.

As the Japanese securities industry faces oncoming business environments under the government policy of promoting "Capital Flow from Savings to Investments," the industry is strongly urged to perform business models laid out to match customers' needs and requirements. Thus, the Company as a firm having historically and persistently offered financial services with customers' trust placed among its first priorities believes that it is comfortably suited for oncoming business opportunities.

In the light of the circumstances as such, the Company has formulated the following New Medium-Term Management Plan ("Challenge 3") covering the three-year period from April 1, 2014 to March 31, 2017 with an expansion of customers' assets in custody (to 3 trillion yen) as its core target.

Outline of New Medium-Term Management Plan ("Challenge 3")

1. Numerical targets

Customers' assets in custody:	3 trillion yen
Number of lead-managed companies:	50
ROE:	Approximately 15%

2. Period of plan 3 years from April 1, 2014 to March 31, 2017

3. 8 Basic strategies

(1) Execution of "Ichiyoshi Credo"

Corporate philosophy: "Firm of Customers' trust and choice" continuously striven for.

(2) Expansion of business base

"Increase in customers' assets in custody," "Relationship with high net-worth customers" and "Locally-focused activities"

(3)Continuous improvement on revenue-cost structure

Cost-covering through “Increase in trailer fees from investment trust funds” and “revenue from sources other than stock brokerage commissions”

(4)Boosting of earnings from existing business lines

“IPO-related business, including IPO underwriting,” targeted for small- and mid-cap growth companies, “Institutional sales,” “Corporate client business,” “Investment trust business at Ichiyoshi Asset Management Co., Ltd.”

(5)Integrated power of the Ichiyoshi group

“Synergistic business development among the Company, Ichiyoshi Research Institute and Ichiyoshi Asset Management Co., Ltd., with stress placed on small- and medium-cap growth companies”

(6)Practical observance of legal compliance

“Upgrade of compliance to the extent that customers feel quite at ease with the Company”

(7)Diversification of business channels

“Tie-up with local securities firms on a continuous base”

(8)Nurturing and training of human talent

“10-year-based training program,” “Increase in frequency of collective training,” “Expansion of self-enlightenment assistance program and encouragement of participation in the program”

4. Challenges to Be Tackled

The Company aims to be number one choice for each individual customer by building a “Name-brand Boutique House in Finance and Securities.” The Company regards customers’ assets in custody as a barometer of customers’ trust in the Company and aims to attain a sustainable growth through the expansion of customers’ assets in custody..

Specifically, the Company will strive to achieve the New Medium-Term Management Plan on the basis of the afore-mentioned eight basic strategies, and further take the following actions:

- The Company’s officers and employees will share the importance of “Credo” as the “criteria of value” for the everlasting growth of the Company and match their behavior with the Credo, thereby enhancing the brand value of “Ichiyoshi” and expanding customers’ assets in custody as a source of the Company’s growth.
- The Company will enforce concrete actions mentioned in “Advisor Mission Card,” and strengthen the business base through “Expansion of Customer Structure” and “Locally-Focused Customer Services,” and put in place the system in which the Company can satisfy as many customers as possible by use of individually-introduced smart tablets for presentation of the

Company's own investment proposals and also through services relating to inheritance.

- The Company will strengthen its wholesale banking business, such as initial public offering assistance, underwriting and M & A advice, focused on small- and mid-cap growth companies by taking advantage of the research capability of Ichiyoshi Research Institute, Inc., the Company's consolidated subsidiary, and through synergistic cooperation among the investment banking division, the corporate client division and institutional sales division.
- The Company's officers and employees will commit themselves to complying with laws and rules to keep customers assured of their transactions.
- The Company will try to enhance its brand value through joint business with local securities firms and expansion of its branch network.
- The Company will raise the business skill of each employee by increasing the frequency of collective training and regular training programs, and also put in place the system in which the Company trains and nurtures all personnel on a 10-year basis.

. Consolidated Financial Statements

1. Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2014	As of March 31 2013
Current assets		
Cash and bank deposits	13,849	9,644
Segregated cash and statutory deposits	4,569	5,571
Trading assets	999	343
Securities	999	341
Derivatives	—	2
Contracted trades	—	94
Margin transaction assets	14,847	11,557
Advances for margin purchases	14,824	11,232
Cash deposits as collateral for securities borrowed	23	325
Advance payments for customers on trades	3	18
Advance payments for subscription	3,986	6,117
Short-term loans	9	19
Accrued income	1,110	997
Deferred tax assets	616	42
Other current assets	74	138
Allowances for doubtful accounts	-7	-6
	40,060	34,538
Fixed assets		
Tangible fixed assets	4,129	4,115
Buildings	1,370	1,444
Fixtures and equipment	760	670
Land	1,986	1,987
Lease assets, net	12	13
Intangible fixed assets	536	403
Goodwill	88	128
Computer software	446	273
Telephone subscription rights, etc.	1	1
Investments, etc.	3,997	4,693
Investment securities	2,973	3,507
Long-term loans	54	65
Cash deposits as guarantee for long-term credits	958	1,109
Deferred tax assets	5	5
Other investments	16	15
Allowances for doubtful accounts	-10	-10
	8,662	9,212
Total assets	48,723	43,751

	As of March 31 2014	As of March 31 2013
Current liabilities		
Trading liabilities	1	-
Derivatives	1	-
Contracted trades	26	-
Margin transaction liabilities	2,227	7,627
Borrowings for margin transactions	2,095	6,991
Cash received for loaned securities	132	636
Borrowings against securities as collateral	559	-
Borrowings on Gensaki transaction	559	-
Cash payable to customers	6,452	4,110
Deposits from customers (for committed trades)	1,404	760
Short-term borrowings	210	210
Lease obligations	4	4
Income taxes payable	2,271	414
Accrued bonuses to employees	677	559
Other current liabilities	1,197	1,069
	15,033	14,757
Long-term liabilities		
Long-term borrowings	380	420
Lease obligations	8	9
Deferred tax liabilities	525	669
Revaluation-related deferred tax liabilities	35	35
Accrued retirement benefits for employees	—	290
Net defined benefit liability	305	-
Other long-term liabilities	28	28
	1,283	1,453
Statutory reserves		
Reserve for financial instruments transaction liabilities	142	108
	142	108
Total liabilities	16,459	16,320
Net worth		
Shareholders' equity	33,064	28,065
Common stock	14,577	14,577
Capital surplus	8,701	8,676
Retained earnings	10,507	5,157
Treasury stock	-721	-346
Accumulated other comprehensive income	-907	-708
Other securities valuation difference	935	1,147
Land revaluation difference	-1,854	-1,855
Remeasurements of defined benefit plans	12	-
Subscription rights to shares	67	38
Minority interests	39	35
Total net worth	32,263	27,431
Total of liabilities and net worth	48,723	43,751

2. Consolidated Income Statements and Consolidated Comprehensive Income Statements

Consolidated Income Statements

(in millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2013
Operating revenue	25,241	18,283
Commissions	23,349	16,806
Commission to consignees	9,407	5,323
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1,108	239
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	7,879	7,088
Other fees received	4,954	4,155
Gains or loss on trading	345	263
Interest and dividend income	249	149
Other operating income	1,297	1,063
Interest expenses	50	54
Net operating revenue	25,191	18,228
Operating cost and expenses	16,365	14,597
Transaction-related expenses	1,672	1,265
Personnel expenses	9,212	7,992
Property-related expenses	1,503	1,758
Clerical expenses	2,765	2,399
Depreciation	367	446
Public charges	203	162
Transfer to allowances for doubtful accounts	0	2
Others	640	569
Operating income	8,826	3,631
Non-operating income	194	192
Gain on investments in partnership	125	19
Dividends from investment securities	44	141
Insurance and dividends income	10	12
Others	13	19
Non-operating expenses	43	80
Loss on investments in partnership	40	38
Equity in losses of affiliates	-	35
Others	3	6
Current income	8,977	3,743
Extraordinary income	1,088	79
Gains on sales of investment securities	1,088	63
Gain on reversal of subscription rights to shares	-	0
Gain on step acquisitions	-	15
Extraordinary expenses	43	73
Loss on sale of fixed assets	1	-
Loss on write-off of fixed assets	8	10
Loss on sales of investment securities	-	21
Loss on liquidation of golf memberships	-	4
Impairment loss	-	33
Transfer to reserve for securities transaction liabilities	33	4
Income before income taxes	10,023	3,749
Income, inhabitant and enterprise taxes	2,359	376
Income taxes adjustments	-607	-22
Total Income taxes	1,751	354
Income before minority interests	8,271	3,395
Minority interests	3	2
Net income	8,268	3,392

Consolidated Comprehensive Income Statements

(in millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2013
Income before minority interests	8,271	3,395
Other comprehensive income		
Other securities valuation difference	-212	1,134
Land revaluation difference	0	-
Share of other comprehensive income of associates accounted for using equity method	-	-1
Total other comprehensive income	-211	1,133
Comprehensive income	8,060	4,528
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	8,056	4,525
Comprehensive income attributable to minority interests	3	2

3 . Consolidated Statements of Shareholders' Equity

Consolidated Statement of Shareholders' Equity
for the fiscal year ended March 31, 2014
(in millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at 4/1/2013	14,577	8,676	5,157	-346	28,065
Changes in the fiscal year:					
Cash dividends			-2,917		-2,917
Net income			8,268		8,268
Purchase of treasury stock				-473	-473
Disposal of treasury stock		24		98	122
Reversal of revaluation reserve for land			-0		-0
Changes in items other than those in shareholders' equity (net)					
Total changes in the fiscal year	-	24	5,349	-374	4,998
Balance at 3/31/2014	14,577	8,701	10,507	-721	33,064

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net worth
	Other securities valuation difference	Land revaluation difference	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income			
Balance at 4/1/2013	1,147	-1,855	-	-708	38	35	27,431
Changes in the fiscal year:							
Cash dividends							-2,917
Net income							8,268
Purchase of treasury stock							-473
Disposal of treasury stock							122
Reversal of revaluation reserve for land		0		0			-
Changes in items other than those in shareholders' equity (net)	-212		12	-199	29	3	-167
Total changes in the fiscal year	-212	0	12	-199	29	3	4,832
Balance at 3/31/2014	935	-1,854	12	-907	67	39	32,263

Consolidated Statements of Shareholders' Equity
for the fiscal year ended March 31, 2013
(in millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at 4/1/2012	14,577	8,319	2,634	-280	25,250
Changes in the fiscal year:					
Cash dividends			-868		-868
Net income			3,392		3,392
Purchase of treasury stock				-389	-389
Disposal of treasury stock		357		322	680
Reversal of revaluation reserve for land					-
Changes in items other than those in shareholders' equity (net)					
Total changes in the fiscal year	-	357	2,523	-66	2,814
Balance at 3/31/2013	14,577	8,676	5,157	-346	28,065

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net worth
	Other securities valuation difference	Land revaluation difference	Remeasurements of defined benefit plans	Total of accumulated other comprehensive income			
Balance at 4/1/2012	14	-1,855	-	-1,841	43	32	23,486
Changes in the fiscal year:							
Cash dividends							-868
Net income							3,392
Purchase of treasury stock							-389
Disposal of treasury stock							680
Reversal of revaluation reserve for land							-
Changes in items other than those in shareholders' equity (net)	1,133			1,133	-5	2	1,130
Total changes in the fiscal year	1,133	-	-	1,133	-5	2	3,945
Balance at 3/31/2013	1,147	-1,855	-	-708	38	35	27,431

4. Consolidated Cash Flow Statements

(in millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2013
I. Cash flow from operating activities		
Income before income taxes	10,023	3,749
Depreciation	367	446
Amortization of Goodwill	40	31
Increase or decrease in accrued bonuses for employees	117	226
Increase or decrease in accrued retirement benefits for employees	-290	58
Increase(decrease) in retirement benefit liabilities	305	-
Increase or decrease in allowances for doubtful accounts	0	7
Increase or decrease in reserve for Point-Service Campaign	-	-172
Interest and dividend income	-67	-157
Interest expenses	16	17
Equity in earnings or losses of affiliates	-	35
Impairment loss	-	33
Gains or loss on sales of investment securities	-1,088	-42
Gains or loss on sales of fixed assets	1	-
Loss on write-off of fixed assets	8	10
Loss on liquidation of golf memberships	-	4
Gains on reversal of subscription rights to shares	-	-0
Increase or decrease in reserve for financial instruments transaction liabilities	33	4
Increase or decrease in segregated cash in trust for customers	920	-2,090
Increase or decrease in deposits and guarantee deposits received	2,986	812
Increase or decrease in short-term loans	9	-10
Increase or decrease in trading assets	-654	34
Net increase or decrease in margin transaction assets and liabilities	-8,690	-563
Increase or decrease in subscription moneys	2,131	-2,089
Increase (decrease) in borrowings secured by securities	559	-
Others	224	91
Sub-total	6,953	436
Interest and dividend income	67	158
Interest expenses	-16	-17
Taxes paid	-550	-63
Cash flow from operating activities	6,453	514
II. Cash flow from investing activities		
Payments into time deposits	-500	-
Proceeds from withdrawal of time deposits	300	-
Acquisition of tangible fixed assets	-194	-154
Sales of tangible fixed assets	1	-
Acquisition of intangible fixed assets	-262	-125
Acquisition of investment securities	-	-327
Sales of investment securities	1,378	189
Long-term loans	-10	-44
Collection of long-term loans	21	33
Others	138	95
Cash flow from investing activities	871	-333
III. Cash flow from financing activities		
Repayment of long-term loans payable	-39	-39
Repayments of lease obligations	-4	-3
Proceeds from exercise of stock option	99	55
Acquisition of Company's Common shares	-473	-330
Payment of dividends	-2,905	-866
Cash flow from financing activities	-3,322	-1,184
IV. Conversion differences related to cash and cash equivalents		
	-1	36
V. Increase or decrease in cash and cash equivalents		
	4,001	-965
VI. Balance of cash and cash equivalents at beginning of the term		
	9,238	10,046
. Increase in cash and cash equivalents resulting from merger		
	-	157
. Balance of cash and cash equivalents at end of the term		
	13,239	9,238

(Material Matters Essential for Preparation of Consolidated Financial Statements)

1. Matters concerning scope of consolidation:

Consolidated subsidiaries: 3 companies

Namely:

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

2. Matters concerning application of an equity method: None

3. Matters concerning fiscal-year account-settlement days of consolidated subsidiaries

The fiscal-year account-settlement days of all consolidated subsidiaries coincide with the consolidated fiscal-year account-settlement day (March 31).

(Changes in Accounting Policy, changes in Accounting Estimate and Re-presentation of Modifications)

Effective from the fiscal year ended March 31, 2014, “Accounting Standards Relating to Retirement Benefit” (Corporate Accounting Standards No. 26, dated May 17, 2012, hereinafter referred to as “Retirement Benefit Accounting”) and “Application Guidelines for Accounting Standards Relating to Retirement Benefit”(Corporate Accounting Application Guidelines No. 25, dated May 17, 2012, hereinafter referred to as “Retirement Benefit Guidelines”) are applied (except for provisions under Item 35 of Retirement Benefit Accounting and under Item 67 of Retirement Benefit Guideline). Accordingly, accrued retirement benefits on the balance sheets are net of pension assets, and unrecognized actuarial difference and unrecognized prior service cost are recorded as net defined benefit liability.

In applying Retirement Benefit Accounting, the Company follows an interim treatment method defined under its Item 37, and the effect of the application is reflected on the remeasurements of defined benefit plan in other accumulated comprehensive income.

As a result, net defined benefit liability in the amount of 305 million yen was recorded as of March 31, 2014, and accumulated other comprehensive income increased by 12 million yen as of the same date. The effect of this application on earnings per share was negligible and omitted from recording.

(Segment Information)

1. Segment information

(For the fiscal year ended March 31, 2014)

Since the Company and its group companies are engaged in one single segment of

business defined as “investment and financial services”, the description of segment information is omitted.

2. Related information

(For the fiscal year ended March 31, 2014)

(1) Information by product and service:

Since investment and financial services defined as one single segment accounted for more than 90% of operating revenue on the consolidated income statement, the description of information by product and service is omitted.

(2) Information by area:

(a) Operating revenue:

Since operating revenue derived from domestic customers accounted for more than 90% of operating revenue on the consolidated income statement, the description of operating revenue by area is omitted.

(b) Tangible fixed assets:

Since there is no tangible fixed asset outside Japan, the description of tangible fixed assets by area is omitted.

(c) Information by major customer:

Since there is no one customer accounting for more than 10% of operating revenue on the consolidated income statement, the description of information by major customer is omitted.

3. Impairment loss information on fixed assets by described segment

(For the fiscal year ended March 31, 2014)

Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services”, the description of impairment loss information on fixed assets by described segment is omitted.

4. Information on depreciated amount and non-depreciated balance of goodwill by described segment

(For the fiscal year ended March 31, 2014)

Since the Company and its group companies are engaged in one single segment of business defined as “investment and financial services”, the description information on depreciated amount and non-depreciated balance of goodwill by described segment is omitted.

5. Information on negative goodwill by described segment

(For the fiscal year ended March 31, 2014)

Since the Company and its group companies are engaged in one single segment of

business defined as “investment and financial services”, the description information on depreciated amount and non-depreciated balance of goodwill by described segment is omitted.

(Per-share Data on a consolidated basis)

	--- Fiscal year ended ---	
	March 31, 2014	March 31, 2013
Per-share net worth	738.88yen	626.39yen
Per-share net income	190.04yen	78.26yen
Per-share net income on a diluted basis (adjusted for shares potentially issuable)	188.40yen	78.15yen

Notes: (1) Basis for computation of per-share net income on non-diluted and diluted basis:

	--- Fiscal year ended ---	
	March 31, 2014	March 31, 2013
Per-share net income:		
Net income	8,268 million yen	3,392 million yen
Amount not attributable to shareholders	--	--
Net income related to common shares	8,268 million yen	3,392 million yen
Average no. of outstanding common shares during the fiscal year	43,507 thousand	43,347 thousand

Per-share net income on a diluted basis

(adjusted for potentially issuable shares):

Adjusted net income (in millions of yen)	--	--
No. of common shares increased during the fiscal year (of which issued upon exercise of stock options)	377 thousands (377 thousand)	57 thousand (57 thousand)

Contents of potentially-issuable shares

having no diluting effect and not included
in computation of per-share income on a
diluted basis

Stock option-
related equity warrants --

(1) No. of warrants: 62; No. of

Shares issuable: 6,200 shares.
(resolved on April 16, 2013)
(2) No. of warrants: 4,696; No.
of shares issuable: 469,600 shares
(resolved on November 22, 2013)

(2) Basis for computation of per-share net worth:

	Fiscal year ended	
	March 31, 2014	March 31, 2013
Net worth	32,263 million yen	27,431 million yen
Deductable amount from net worth	106 million yen	73 million yen
(of which amount due to stock options)	67 million yen	38 million yen
(of which amount due to minority interest)	39 million yen	35 million yen
Net worth related to common shares as of the end of fiscal year	32,157 million yen	27,357 million yen
No. of common shares as of the end of fiscal year used for computation of per-share net worth	43,521 thousand	43,674 thousand

(Subsequent Events after March 31, 2014)

None applicable.

V. Supplemental Information

Supplemental information on consolidated business result for the fiscal year ended March 31, 2014:

1. Commissions

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

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2014	March 31, 2013	
	(A)	(B)	(%)
Brokerage commissions	9,407	5,323	+ 76.7
(Stocks)	(9,249)	(5,284)	(+ 75.0)
(Bonds)	(1)	(4)	(- 65.1)
Commissions from underwriting and solicitation to specified investors	1,108	239	+ 362.2
(Stocks)	(1,108)	(239)	(+ 363.1)
(Bonds)	(-)	(0)	(-)

Commissions from distribution			
and solicitation to specified investors	7,879	7,088	+ 11.2
(Beneficiary certificates)	(7,841)	(7,070)	(+ 10.9)
Commissions from other sources	4,954	4,155	+ 19.2
(Beneficiary certificates)	(4,336)	(3,693)	(+ 17.4)
<hr/>			
Total	23,349	16,806	+ 38.9
<hr/>			

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

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2014	March 31, 2013	
	(A)	(B)	(%)
<hr/>			
Stocks	10,400	5,554	+ 87.2
Bonds	39	22	+ 76.5
Beneficiary certificates	12,333	10,798	+ 14.2
Others	576	431	+ 33.6
<hr/>			
Total	23,349	16,806	+ 38.9
<hr/>			

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

	--- Fiscal year ended ---		(A) over (B)
	March 31, 2014	March 31, 2013	
	(A)	(B)	(%)
<hr/>			
Stocks, etc	200	54	+ 268.7
Bonds, foreign exchange, etc	145	209	- 30.7
(Bonds, etc.)	(115)	(172)	(- 32.8)
(Foreign exchange, etc.)	(29)	(36)	(- 20.4)
<hr/>			
Total	345	263	+ 31.1
<hr/>			

2 . Quarterly Consolidated Income Statements for Recent Eight Quarters (in millions of yen)

	1st Q (4-6/'12)	2nd Q (7-9/'12)	3 r d Q (10-12/'12)	4th Q (1-3/'13)	1st Q (4-6/'13)	2nd Q (7-9/'13)	3rd Q (10-12/'13)	4th Q (1-3/'14)
Operating revenue	3,251	3,867	4,334	6,830	7,655	5,566	6,341	5,678
Commissions	2,919	3,559	3,949	6,378	7,156	5,149	5,874	5,169
Gains or loss on trading	29	28	81	124	112	57	100	75
Interest and dividend income	36	39	31	41	58	64	62	63
Other operating revenue	265	240	271	286	328	295	303	370
Interest expenses	11	14	14	14	14	11	12	11
Net operating revenue	3,239	3,853	4,320	6,815	7,640	5,555	6,328	5,666
Operating cost and expenses	3,593	3,420	3,643	3,939	4,183	3,967	4,114	4,099
Transaction-related expenses	362	274	311	315	401	375	470	425
Personnel expenses	1,924	1,889	1,961	2,217	2,393	2,294	2,297	2,226
Property-related expenses	409	407	454	488	379	372	372	378
Clerical expenses	586	560	616	635	686	644	684	749
Depreciation	114	110	118	104	83	88	92	103
Public charges	32	37	40	51	59	47	50	45
Reversal of allowances for doubtful accounts	0	-0	-	2	1	-0	1	0
Others	163	141	141	122	178	144	148	169
Operating income	-354	432	677	2,875	3,456	1,588	2,214	1,567
Non-operating income	34	4	20	132	30	28	30	104
Non-operating expenses	5	27	1	46	0	7	0	35
Current income	-324	409	696	2,961	3,487	1,609	2,243	1,637
Extraordinary income	8	-	0	71	1,031	-	5	52
Extraordinary expenses	2	6	30	34	0	0	33	9
Income before income taxes	-319	403	666	2,998	4,518	1,609	2,215	1,680
Income, inhabitant and enterprise taxes	11	20	56	287	359	511	723	764
Income taxes adjustments	6	-3	0	-25	7	-5	13	-622
Income before minority interests	-337	386	609	2,736	4,151	1,103	1,478	1,538
Minority interests	0	1	0	0	-0	0	0	2
Net income	-337	385	609	2,735	4,151	1,103	1,477	1,535

(END)