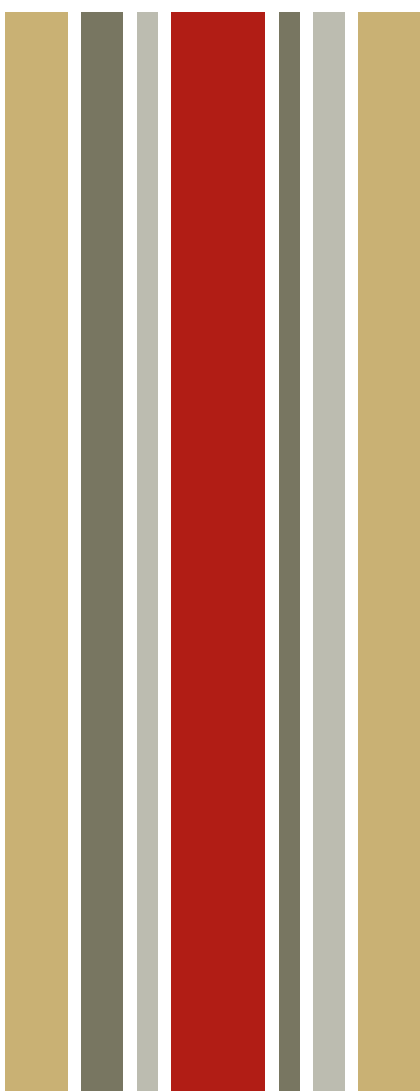


2014

Investors' Guide

For the Fiscal Year Ended March 31, 2014



CREDO

(Mission Statement)

Management Philosophy

Remain a firm of customers' trust and choice

Management Objective

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

Action Guidelines



Gratitude



Integrity



Courage



Responsiveness



Continuity

Long Term Good Relation

For Our Employees

Respecting employees' individuality and striving for human resource cultivation

The Ichiyoshi Spirit

Fighting on with passion and sincerity

Job Satisfaction

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

For Our Customers

Aiming to be every customer's first choice

Customer Prioritization

Always providing advice with sincerity from the customer's standpoint

Quality Services

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

For Our Shareholders

Striving for continuous improvement in performance and corporate value

Return to Shareholders

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

Information Disclosure

Ensuring business management transparency through appropriate disclosure and investor relation activities

For Society

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

Social Responsibility

Complying with laws and regulations and behaving with high ethical standards

Social Contribution

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

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Forward-Looking Statements

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

Message from the President

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



We are determined to be “number one” for each and every one of our customers, and so focus on providing services not in our own interests but from the perspective of the customer.

Our advisory services begin with direct meetings with our customers, and we are proud to be the securities brokerage that most values sales activities based on direct interaction. We listen carefully to every customer in order to understand her/his ideas, and would like her/him to understand the personality of our advisors in return, so that a relationship of trust will develop.

It is this relationship of trust with the customer that enables us to propose specific investment products and to play the main role of an advisor as a securities broker. The “Ichiyoshi standard” requires us not to recommend, to individual investors, excessively high risk products or those with a too complex investing scheme, even if those products are generally popular in the market. We are proud to insist on this standard, believing that it is the mission of everybody on the sell side. In an uncertain market, we do our best to propose products that give our customers more “sense of security” for their investment needs.

We believe that the trust built through our sales activities and sense of security resulting from product provision based on the Ichiyoshi standard are the source of continuing relationships with customers, and therefore Ichiyoshi advocates “Long Term Good Relation.” The implementation of this philosophy enables us to gain the support of many customers, driving corporate growth. In the same way, paying a stable dividend and other attractive returns to our shareholders enable us to build good long-term relationships.

Through the support of our customers and shareholders coupled with our efforts in the securities business, we aim to contribute to the development of both capital markets and regional society.

The company’s officers and employees are strongly united in their commitment to ensure that Ichiyoshi “remains a firm of customers’ trust and choice” through the implementation of these transparent corporate activities with pride, and we ask for your continued guidance and support.



July 2014

Yasuaki Yamasaki

President, Representative Executive Officer

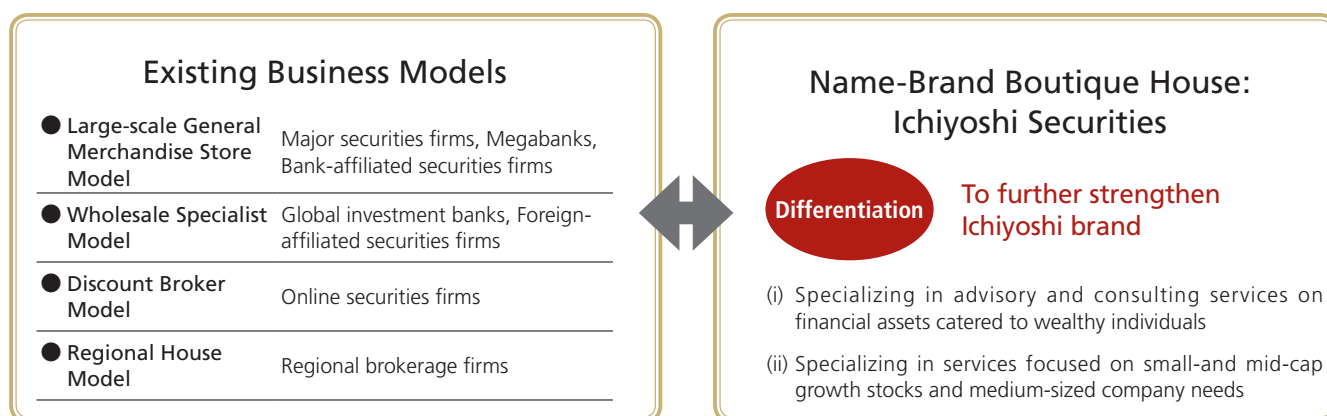
Ichiyoshi's Differentiation Strategy and New Medium-term Management Plan

1. Differentiation Strategy

① Strategy of Ichiyoshi Securities

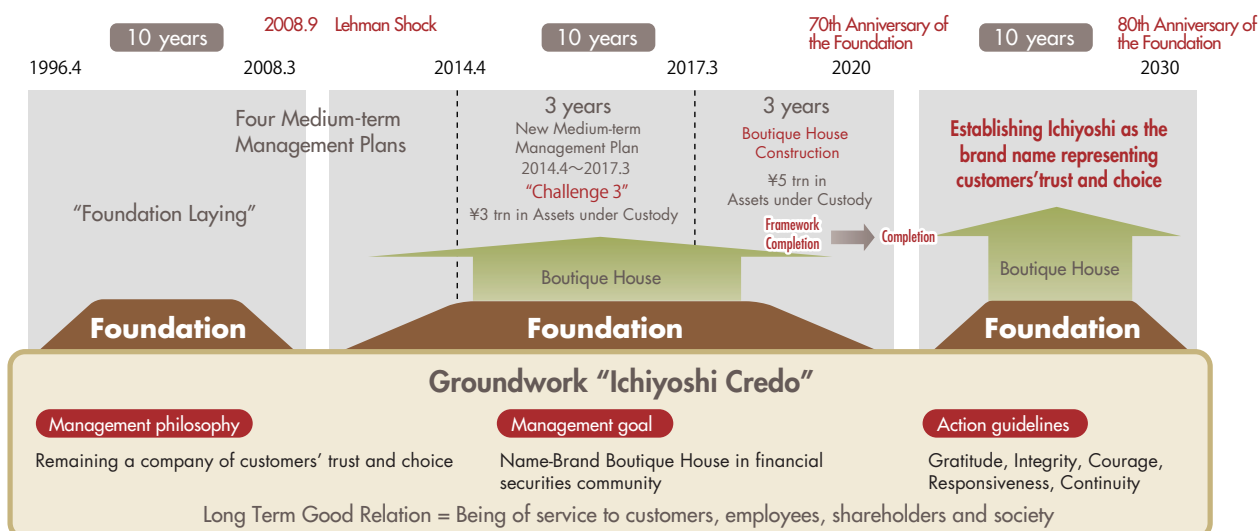
We aim to clearly distinguish Ichiyoshi Securities from conventional brokerage firms that compete using economies of scale and discount marketing methods and to establish ourselves as a “boutique securities house” providing financial asset management services catered to each individual customer.

Differentiation is the key to win fierce competition in the financial service industry



② Establishment of Name- Brand Boutique House

Just as an innovative boutique brokerage house, Edward Jones has achieved dramatic growth in the United States from late 1980s, Ichiyoshi has been aiming to establish itself as a pioneering “Name-Brand Boutique House” in the last 10 years or so, by specializing in investment advisory services to individual investors and in services to medium-sized corporate customers.



2. New Medium-term Management Plan “Challenge 3”

With government policy in place to promote the flow of funds from savings to investment, what is most required of Japanese securities brokerages is to develop their business in line with the needs of customers. We see this as offering expanded business opportunities for Ichiyoshi, given its strong track record of honest provision of services that prioritize the relationship of trust with the customer.

In this situation, we drew up the New Medium-term Management Plan (“Challenge 3”) covering the period from April 1, 2014 through March 31, 2017, centering on accumulating customer assets under custody.

Outline of Challenge 3

Numerical Targets

(Period: April 2014 – March 2017)

Customer assets
under custody

JPY 3
trn

Number of
lead-managed companies

in 50
companies

Return on
equity

approximately
15%

Eight Basic Strategies

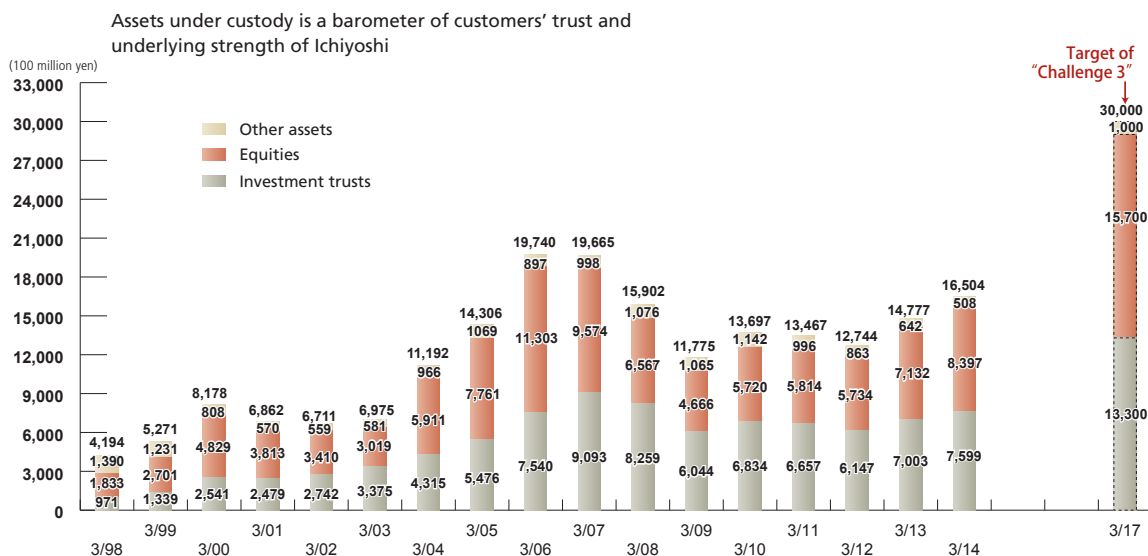
Area	Detail
1 Implementation of Ichiyoshi Credo Corporate philosophy	"Firm of customers' trust and choice" continuously striven for.
2 Expansion of business base	"Increase in customers' assets in custody," "Relationship with high net-worth customers" and "Locally-focused activities."
3 Continuous improvement 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 All-Ichiyoshi resource integration	"Synergistic business development among the Company, Ichiyoshi Research Institute and Ichiyoshi Asset Management Co. with stress placed on small- and mid-cap growth companies."
6 Practical promotion of legal compliance	"Promotion of compliance to the extent that customers feel safe and at ease with Ichiyoshi."
7 Diversification of business channels	"Tie-up with local securities firms on a continuous base."
8 Nurturing and training of human resources	"10 year-based training program," "Increase in frequency of collective training," "Expansion of self-enlightenment assistance program and encouragement of participation in the program."

3. Broadening Customer Base

We aim to expand the business platform by growing customer assets under custody. Specifically, we are proposing carefully selected products and investment advisory services accurately tailored to the market environment based on long-term relationships with retail customers.

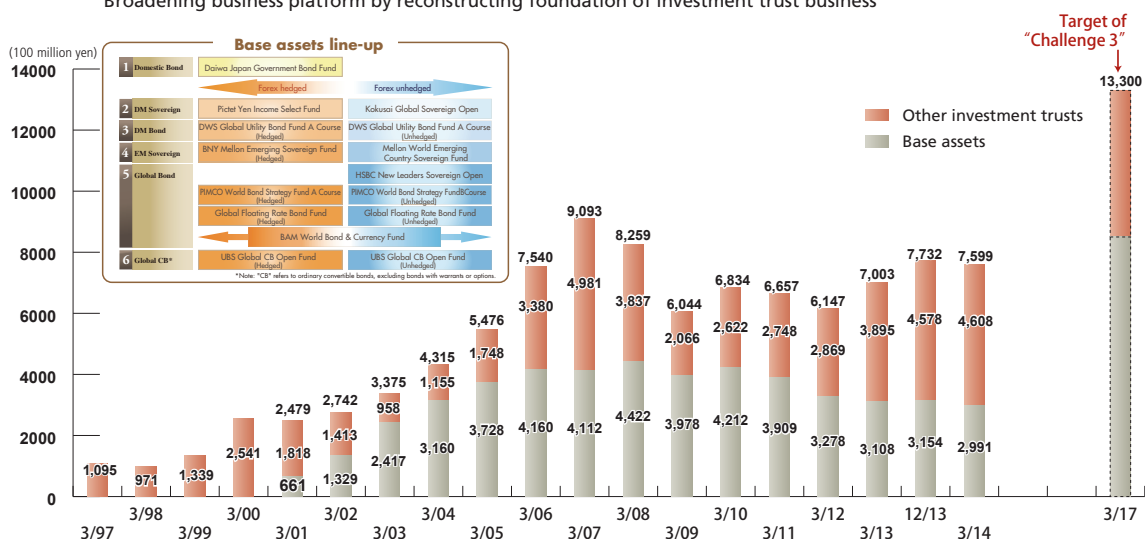
We see customer assets under custody as a barometer for “customers’ trust” and the “underlying strength of Ichiyoshi,” and so position them as an important indicator. We are now continuing to build the trust of customers in an attempt to achieve the JPY 3 trillion target for customer assets under custody in our new medium-term business plan.

Customer assets under custody (total)



Customer assets under custody (investment trusts)

Broadening business platform by reconstructing foundation of investment trust business



4. Product Strategy

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

In addition, for almost two decades, we have steadfastly implemented our basic principle regarding products for individual customers, which we believe is essential to building a relationship of trust with our customers. Details are as follows:

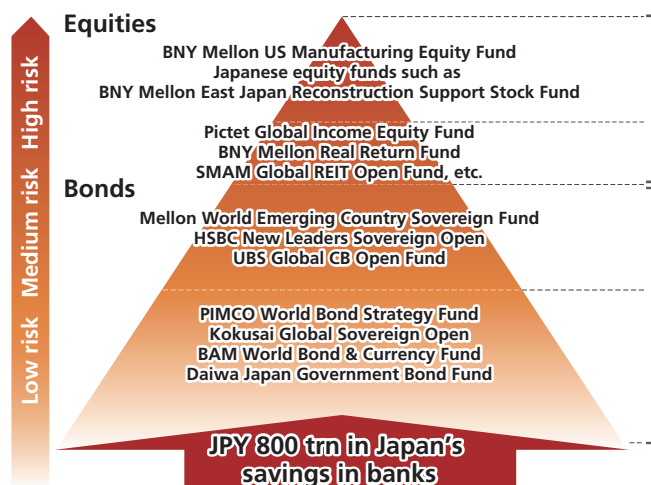
(1) Diversified portfolio which is built on a platform of base assets (i.e. stability-oriented investment trust funds)

Basic principle on advising individuals is to focus on portfolio oriented approach designed to meet the needs of each customer.

(2) Basic principle regarding products for individual customers

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

- We do not deal publicly offered structured bonds
- We broke highly rated bonds only; we do not deal non-investment grade bonds
- We do not offer privately placed funds
- We do not solicit single name of foreign equities; instead, foreign equity exposure should be constructed by investment trust funds
- Investment trust managers should be chosen for their trustworthiness and consistency
- We do not solicit futures or options
- We do not broke or deal foreign exchange margin trades



Actively-managed assets
(JPY 461 bln)

Base assets
(JPY 299 bln)

**Proposal for a portfolio
that meets each customer's needs**

Combination with
high-risk, high-return
assets
+
Aiming for long-term
growth based
on relatively stable assets

The amount in () refers to customer under custody as 31/3/2014.

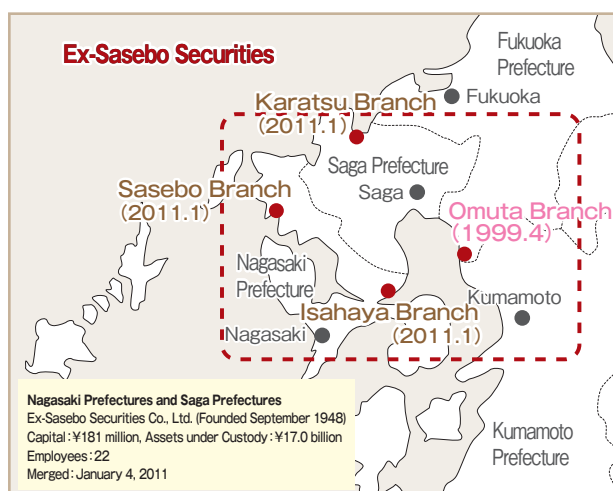
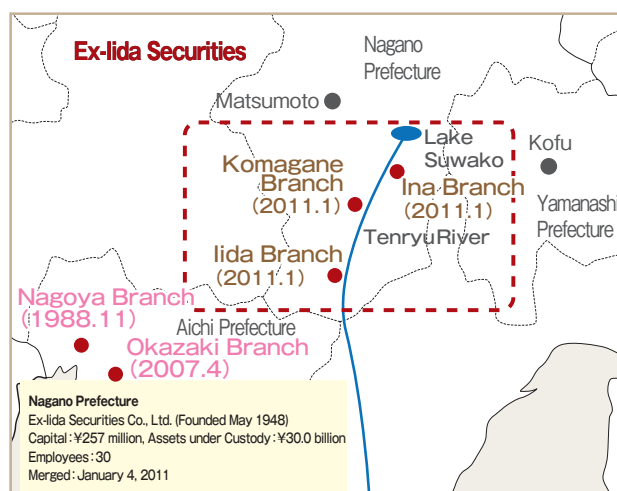
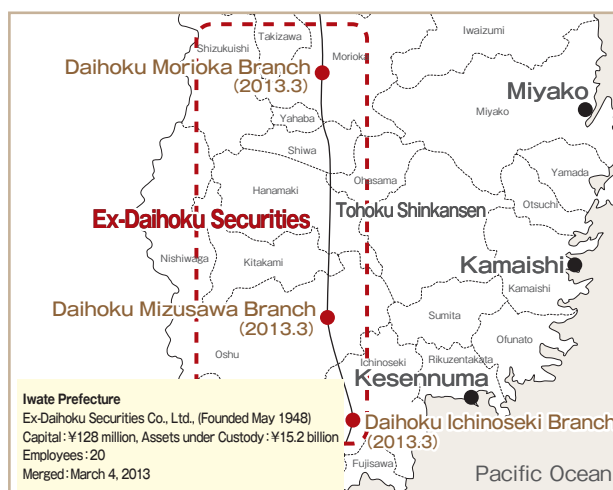
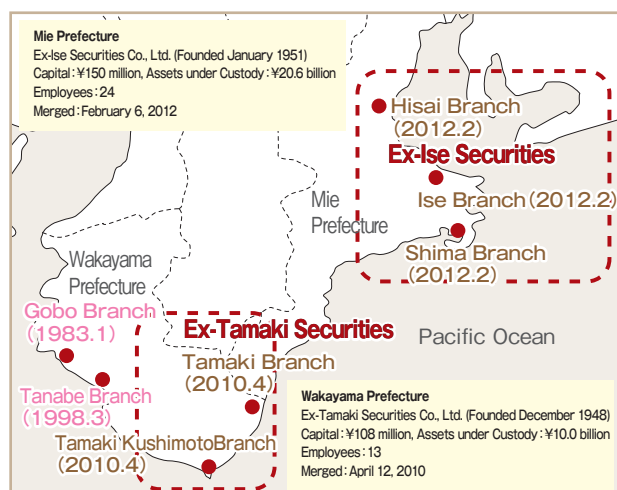
5. Growth Strategy

Ichiyoshi aims to be a brand boutique house in the financial and securities industry. Our two main strategies are to specialize in offering financial asset management services to high net worth individuals, and to also specialize in serving the needs for small- and mid-cap growth stocks and those of mid-tier companies. From this perspective, we provide differentiated services and products to customers. To achieve these two specialization strategies, we will open new local area offices, in addition to existing offices, aiming to provide securities services firmly rooted in and closely tailored to local regional areas.

We also plan initiatives to make it easier for older customers who have considerable needs for securities investment to make transactions with a sense of security. We therefore aim to implement our unique growth strategy based on these two specialization strategies with a focus on local areas and older customers.

Diversification in Marketing Channels

Part of the growth strategy in our new medium-term business plan is for channel diversification, so we are looking to build a network with regional securities brokerages that share our management philosophy and marketing strategy. We therefore plan a local shift of management resources to expand marketing networks and improve our brand power in local areas.



Director/Executive Officer/Operating Officer

(As of June 21, 2014)



Board of Directors

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

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

Directors		Executive Officers		Operating Officers	
Masashi Takehi	Chairman of the Board Member of the Nominating Committee (Committee Chairman), the Remuneration Committee (Committee Chairman)	Executive Chairman	Masashi Takehi	Head Operating Officer	Shigeru Akiba
Yasuaki Yamasaki		President, Representative Executive Officer	Yasuaki Yamasaki	Senior Operating Officer	Masaki Yano
Nobutaka Tanaami		Executive Vice President, Representative Executive Officer	Nobutaka Tanaami	Senior Operating Officer	Toshiyuki Mizunoue
Akira Gokita*	Member of the Nominating Committee, the Remuneration Committee, the Audit Committee	Managing Executive Officer	Toshihiko Takaishi	Senior Operating Officer	Tsutomu Nakao
Kenro Kakeya*	Member of the Nominating Committee, the Remuneration Committee	Managing Executive Officer	Hisato Hatanaka	Senior Operating Officer	Mikio Nio
Takashi Ishikawa*	Member of the Audit Committee (Committee Chairman)	Managing Executive Officer	Shiro Tateishi	Senior Operating Officer	Hiroshi Ryugen
Kota Sakurai*	Member of the Audit Committee			Operating Officer	Kiyotaka Mochida
				Operating Officer	Masao Sugiura
				Operating Officer	Hirofumi Tamada
				Operating Officer	Kazuaki Sato
				Operating Officer	Toru Koyama
				Operating Officer	Kiyohiko Ohtsubo
				Operating Officer	Masayoshi Takahashi
				Operating Officer	Makoto Ishitoko

*Outside director

Management Squarely Focused on Shareholder Value

Corporate Governance

We have made corporate governance a top priority in our business management in order to ensure agility and transparency in all business decision-making, to improve speed and effectiveness of business execution, and to reinforce managerial control.

In its 12th corporate governance survey of all companies listed on the First Section of the Tokyo Stock Exchange (the 2013 Japan Corporate Governance Index (JCG Index)), the Japan Corporate Governance Research Institute(JCGR, chairman:Takaaki Wakasugi) ranked Ichiyoshi No.2 out of 120 companies that replied to the survey, making this the fourth consecutive year in which we have ranked in the top 20.

The 12th Corporate Governance Survey

Top 20 companies in "JCG Index of Corporate Governance 2013"

Rank	2012 rank	JCGIndex	Company
1	4	78	Eisai
2	12	77	Ichiyoshi Securities
3	1	76	Nissen Holdings
4	6	75	Shiseido
4	1	75	Sumida
6	—	74	Nippon Sheet Glass
7	6	73	Toshiba
7	9	73	Sony
9	—	72	Konica Minolta Holdings
9	17	72	Hitachi
11	21	70	Risona Holdings
11	—	70	Yamato Holdings
13	17	69	Terumo
13	9	69	Meitec
15	—	68	* (1 Company)
16	17	67	Lawson
16	9	67	Ricoh
16	—	67	* (1 Company)
19	4	66	Ube Industries
19	32	66	Anritsu
19	—	66	Yamaha

Source: Japan Corporate Governance Research Institute, Inc. (JCGR)
(Ranking data as of December 6, 2013)

*Company name undisclosed
due to the company's request

Japan Corporate Governance Research Institute

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

JCG Index

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

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

- ① Governance from the perspective of shareholders' benefit
- ② Clear goals for corporate performance
- ③ A structure to ensure the fulfillment of the CEO's responsibility
- ④ Existence and governability of the board of directors in which the independent directors take initiatives
- ⑤ Management that enables the CEO to achieve corporate goals
- ⑥ Effective compliance-observance system and internal audit system and CSR awareness
- ⑦ Accountability to shareholders
- ⑧ Appropriate disclosure to shareholders through IR activities
- ⑨ Transparency through disclosure to the other stakeholders

The research center then groups and summarizes the data in four categories:

- I Corporate objectives and CEO responsibility,
- II Structure and function of board of directors,
- III Management system and
- IV Transparency and communication with shareholders.

The sum of the point totals in the four categories are then added to create the JCGIndex, with 100 as the highest possible number of points.

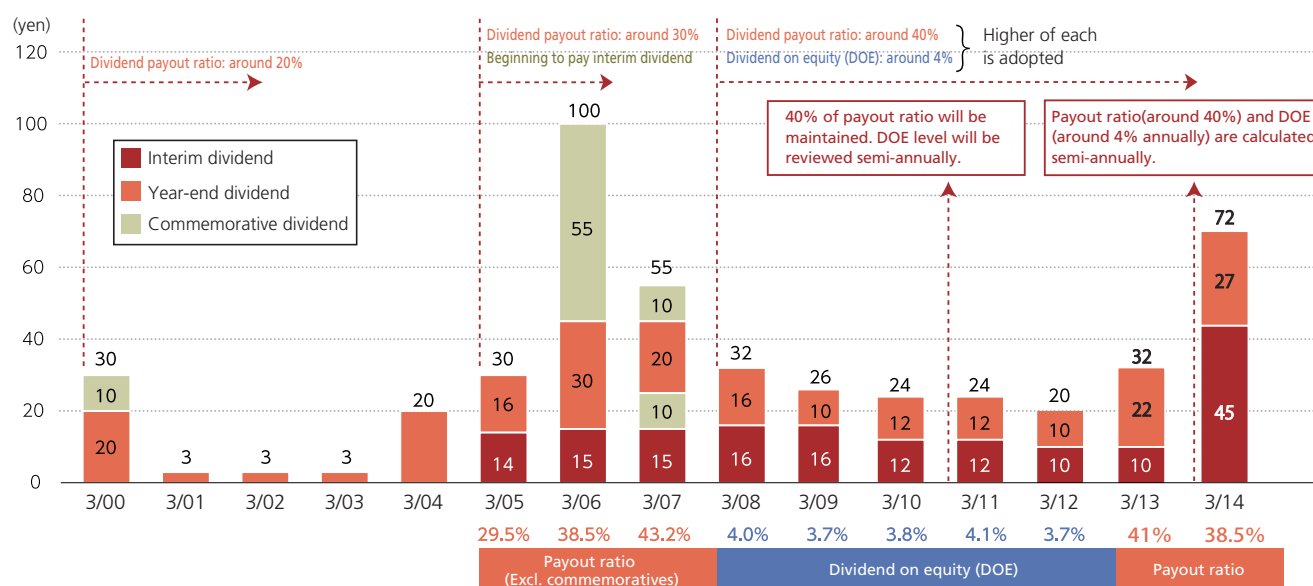
Shareholder Return Policy

Since the beginning, Ichiyoshi has considered the appropriate distribution of profits to shareholders and corporate governance to be key elements of its business.

Aiming to maintain healthy dividend growth, we have set a dividend policy, an amount of dividend per share will be equal to either approximately 40% of earnings per share (namely, the payout ratio of approximately 40%) or approximately 4% of shareholders' equity per share (namely, the 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.

Based on the above dividend policy, we based the dividend per share for the fiscal year ended March 2014 on a payout ratio of around 40%, and paid dividends of ¥45 at the interim and ¥27 at year-end, for a total of ¥72.

Dividend Payout



Retirement of shares

	Bought-back and retired shares	Acquisition price	Retirement ratio
September 1998 - January 2004	11,841,000	264.55 yen	20.2%
January 2008 - March 2008	1,699,200	1,032.31 yen	3.5%
November 2008 - January 2009	1,957,500	673.03 yen	4.2%
Total	15,497,700		Total 27.9%

Note: Shares issued as of March 31, 2014 are 44,431,386 shares, including 910,070 shares of treasury stocks.

Information on Consolidated Subsidiaries

Ichiyoshi Research Institute Inc.

Ichiyoshi Research Institute Inc. (IRI) specializes in research for small- and mid- sized growth companies, where the Ichiyoshi Securities group stands out.

As of March 2014, IRI has 16 analysts, whose career in research exceeds 15 years on average. Coupled with ample experience and expertise in the analyst team, IRI aims to lead the market in terms of both the quality and quantity of the research for growth stocks and small- and mid-cap stocks.

Its research capabilities are well recognized both in Japan and globally. In the fiscal 2013 year Best Research House Ranking, IRI is ranked top, keeping the top for ten consecutive years, in the access ranking for the growth market segment among all the brokers/markets.

2013 Best Research House Rankings

"Access to growth markets"

Rank	Company	Access ratio
1	Ichiyoshi Research Institute	33.75%
2	Nomura Securities	11.68%
3	Mizuho Securities	8.55%
4	Tokai Tokyo Research Center	7.24%
5	Ace Research Institute	5.54%
6	UBS Securities Japan	5.16%
7	Daiwa Securities Group	4.53%
8	Mitsubishi UFJ Morgan Stanley Securities	3.63%
9	Citigroup Global Markets Japan	3.06%
10	Morgan Stanley MUFG Securities	2.68%

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

Ichiyoshi Asset Management Co., Ltd.

Ichiyoshi Asset Management Co., Ltd. has begun investment trust management operations. In April 2014, Ichiyoshi Asset Management received approval to offer investment trust management services, in addition to the discretionary investment management services and investment advisory services, both of which it had previously offered. The service began with the establishment and management of an investment trust fund investing in small- and mid-cap growth stocks, and privately offered mainly to financial institutions.

▶ <http://www.ichiyoshiam.jp/>

Ichiyoshi Business Service Co., Ltd.

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

▶ <http://www.ichiyoshi-bs.co.jp/>

Ichiyoshi CSR

We think it is important for Ichiyoshi group companies to fulfill their corporate social responsibilities. To this end, they are not only involved in regional activities, but also make regular charitable contributions from earnings and by officers and employees.

In addition, Ichiyoshi is the official partner of the Iwate Big Bulls professional basketball team (franchised in Iwate prefecture) for the 2013-2014 season.

Medical treatment for people suffering in dire circumstances



認定 NPO 法人
世界の医療団

Supporting training of guide dogs



公益財団法人
日本盲導犬協会

Protecting people's lives and global environment



FoE Japan

Supporting children in developing countries for a better future



公益財団法人
プラン・ジャパン

Aiding recovery of Tohoku region by supporting the Iwate Big Bulls side by side with the local population to raise the morale of Iwate Prefecture.



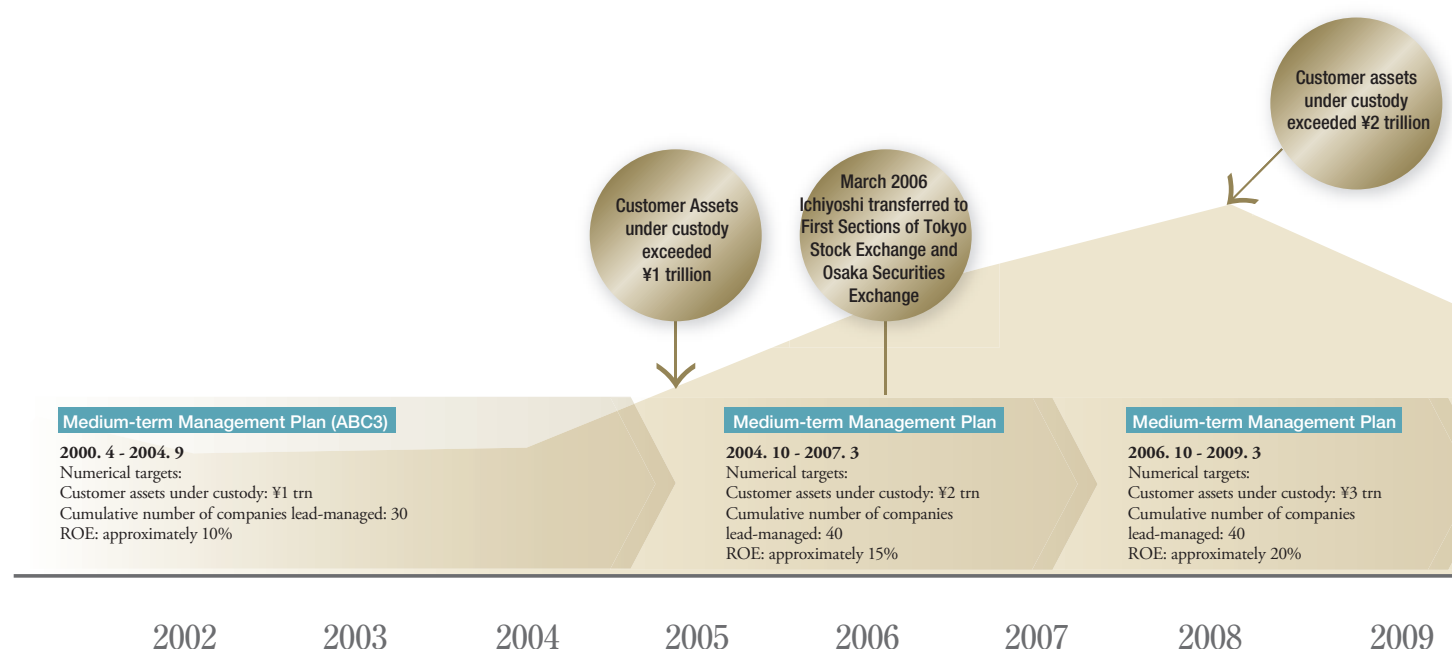
Region and Society		Environment	For Next Generation
Medical NGO, Doctors of the World	Japan Guide Dog Association	FoE Japan	Plan Japan
<p>[Outline of assistance] Support via activities that contribute to provision of very basic medical care such as polio vaccine and drugs to treat malaria, the reconstruction of healthcare facilities and the training of local staff.</p> <p>[Ichiyoshi projects]</p> <ul style="list-style-type: none"> ◆ Improvement of the healthcare service and obstetrics provider and of treatment and prevention of HIV/AIDS in Huila, Angola (October 2009 - January 2010) ◆ Improving access to primary healthcare in the Sahel region: Project aimed at improving access to primary healthcare for infants less than five years old and pregnant women (January 2010 - December 2013) ◆ Laos infant healthcare project: Supporting free healthcare and medical diagnosis for children less than five years old (January 2014 - present) 	<p>[Outline of assistance] To promote the participation in society of people with visual impairment based on the training of guide dogs and the visual impairment rehabilitation program. Provide support via activities that contribute to the welfare of people with visual impairment.</p> <p>[Ichiyoshi projects]</p> <ul style="list-style-type: none"> ◆ Support activities started in FY 2005. Training of "Ichiyoshi guide dogs" began in 2009. ◆ First Ichiyoshi guide dog "Ortega" debuted in March 2010. ◆ Second Ichiyoshi guide dog "Qualite" debuted in March 2012. ◆ Third Ichiyoshi guide dog "Gaudi" debuted in July 2013. 	<p>[Outline of assistance] Assistance via planting and protection activities for mangroves, which serve as a natural protective barrier to damage resulting from global warming in developing countries.</p> <p>[Ichiyoshi projects]</p> <ul style="list-style-type: none"> ◆ "Ichiyoshi Mangrove Afforestation Project" <p>This project started in June 2009 in Java, Indonesia. As of April 2014, cumulative total of 195,000 mangrove trees planted using funds contributed by Ichiyoshi Securities. The project now includes protection of coast from soil erosion and introduction of ecotourism.</p>	<p>[Outline of assistance] Assistance via funding school building construction projects to provide better studying environment for children in developing countries.</p> <p>[Ichiyoshi projects]</p> <ul style="list-style-type: none"> ◆ Neang Teut Elementary School in Cambodia (December 2005) ◆ Beatrice Jimenez Vaquero Elementary School in Ecuador (July 2007) ◆ Panubigan Elementary School in Philippines (February 2008) ◆ Altavista Elementary School in Philippines (November 2008) ◆ A. Hermosa Memorial Elementary School in Philippines (August 2010) ◆ BT Kurinchamunai Primary School in Sri Lanka (November 2013)

Financial Highlights 2004 – 2014

Ichiyoshi Securities Co., Ltd. and Consolidated Subsidiaries

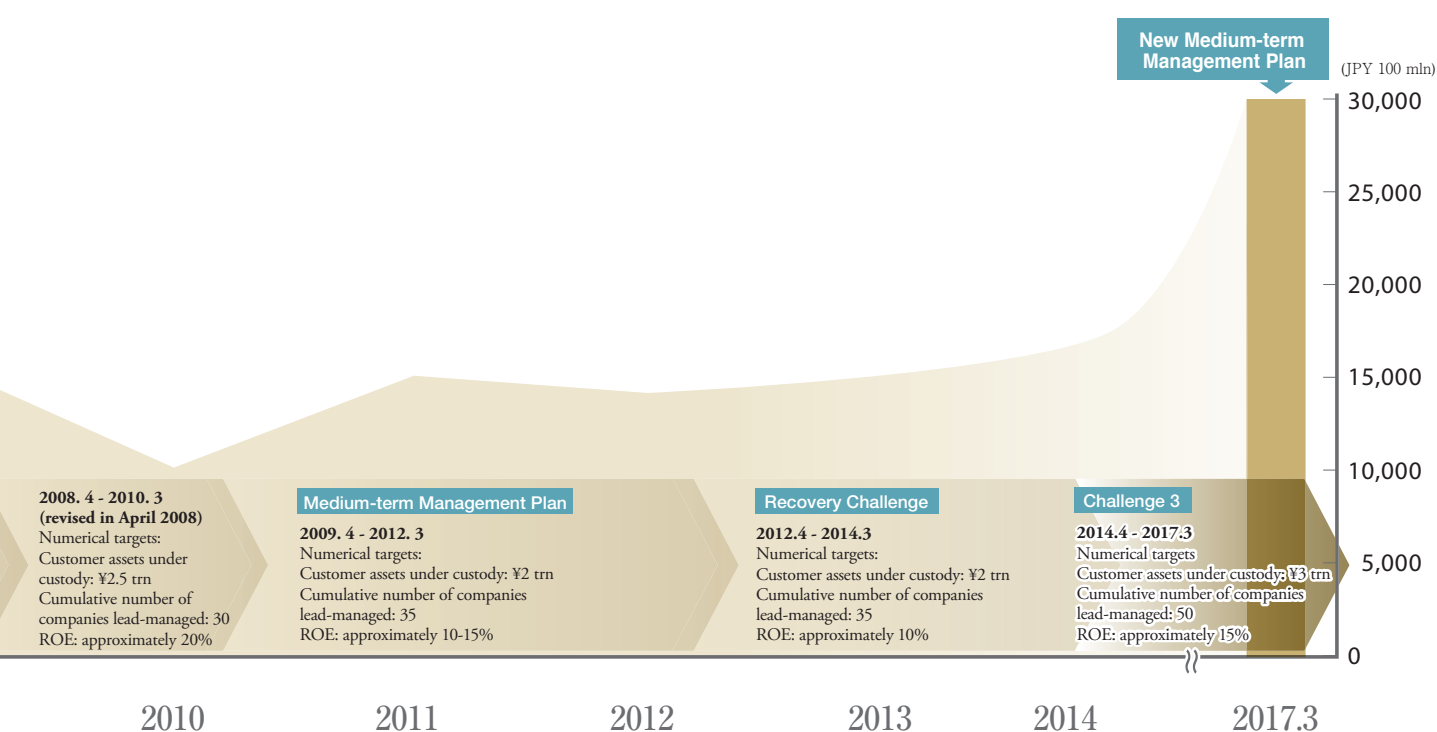
For the years ended March 31 or as of March 31	2004	2005	2006	2007	
For the Year					
Operating revenue	19,561	21,734	27,569	25,482	
Current income (loss)	4,671	5,477	9,855	6,498	
Net income (loss)	4,596	4,967	5,757	3,848	
At Year-End					
Total assets	61,406	62,669	88,736	65,577	
Net worth	32,520	35,591	40,571	39,318	
Per Share Data					
Net income (loss)(yen)	101.07	107.14	122.64	81.09	
Net worth (yen)	708.83	759.64	858.11	826.71	
Cash dividends (Non-consolidated)(yen)	20	30	100	55	
Key Indicators					
Net return on equity (%)	15.1	14.6	15.1	9.6	
Equity ratio (%)	53.0	56.8	45.7	59.9	
Other Performance Indicators					
Customer assets under custody (100 millions of yen)	11,192	14,306	19,740	19,665	
Of which, investment trust assets (100 millions of yen)	4,315	5,476	7,540	9,093	
Number of customer accounts	112,089	128,206	135,726	144,021	
Cumulative number of companies lead- and co-managed	663	710	743	783	
Of which, number of companies lead-managed	15	20	23	25	

Customer Assets under Custody



(Millions of yen)

2008	2009	2010	2011	2012	2013	2014
21,489	14,256	15,744	13,101	14,407	18,283	25,241
1,872	-3,261	140	-1,499	-136	3,743	8,977
1,087	-4,804	40	-1,575	-222	3,392	8,268
50,078	36,596	37,254	35,607	34,091	43,751	48,723
35,570	28,156	26,917	24,672	23,486	27,431	32,263
22.90	-106.03	0.93	-36.12	-5.08	78.26	190.04
775.38	640.42	619.13	560.19	533.78	626.39	738.88
32	26	24	24	20	32	72
2.9	-15.1	0.1	-6.1	-0.9	13.4	27.8
70.9	76.7	72.1	69.1	68.7	62.5	66.0
15,902	11,775	13,697	13,467	12,744	14,777	16,504
8,259	6,044	6,834	6,657	6,147	7,003	7,599
150,457	155,490	153,675	163,191	164,728	165,340	164,144
812	821	828	832	846	869	905
26	27	27	27	29	29	32



Consolidated Balance Sheets

(As of March 31, 2014 and 2013)

(Millions of yen)

	2014	2013
(Assets)		
Current assets	40,060	34,538
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 transactions	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
Fixed assets	8,662	9,212
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	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
Total assets	48,723	43,751

(Millions of yen)

	2014	2013
(Liabilities)		
Current liabilities	15,033	14,757
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
Corporate taxes payable	2,271	414
Accrued bonuses to employees	677	559
Other current liabilities	1,197	1,069
Long-term liabilities	1,283	1,453
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
Statutory reserves	142	108
Reserve for financial instrument transaction liabilities	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

Consolidated Income Statements

(Year ended March 31, 2014 and 2013)

(Millions of yen)

	2014	2013
Operating revenue	25,241	18,283
Commissions	23,349	16,806
Brokerage commissions	9,407	5,323
Commissions from underwriting, secondary-market sales, and the sale of investment products to specific risk-taking investors	1,108	239
Commissions on the handling of financial products, including sales commissions on transactions with specific risk-taking investors	7,879	7,088
Commissions from other sources	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 costs 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
Other	640	569
Operating Income	8,826	3,631
Non-operating income	194	192
Gain on investments in partnership	125	19
Dividends on investment securities	44	141
Insurance premium refunded and dividend income	10	12
Other	13	19
Non-operating expenses	43	80
Loss on investments in partnership	40	38
Equity in losses of affiliates	—	35
Other	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 taxes, resident's taxes & enterprise taxes	2,359	376
Income tax adjustments	—607	—22
Net income tax	1,751	354
Net income before minority interests	8,271	3,395
Minority interests	3	2
Net income	8,268	3,392

Consolidated Comprehensive Income Statements

(Year ended March 31, 2014 and 2013)

(Millions of yen)

	2014	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 company	8,056	4,525
Comprehensive income attributable to minority interests	3	2

Consolidated Statements of Shareholders' Equity

(Year ended March 31, 2014 and 2013)

2014

	Shareholders' equity					Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net worth
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Other securities valuation difference	Land revaluation difference	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 31, 2013	14,577	8,676	5,157	-346	28,065	1,147	-1,855	—	-708	38	35	27,431
Changes during the year:												
Cash dividends			-2,917		-2,917							-2,917
Net income (loss)			8,268		8,268							8,268
Purchase of treasury stock				-473	-473							-473
Disposal of treasury stock		24		98	122							122
Reversal of revaluation reserve for land			-0		-0		0		0			—
Changes in items other than those in shareholders' equity (net)						-212		12	-199	29	3	-167
Total changes during the year	—	24	5,349	-374	4,998	-212	0	12	-199	29	3	4,832
Balance at March 31, 2014	14,577	8,701	10,507	-721	33,064	935	-1,854	12	-907	67	39	32,263

2013

	Shareholders' equity					Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net worth
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Other securities valuation difference	Land revaluation difference	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at March 31, 2012	14,577	8,319	2,634	-280	25,250	14	-1,855	—	-1,841	43	32	23,486
Changes during the year:												
Cash dividends			-868		-868							-868
Net income (loss)			3,392		3,392							3,392
Purchase of treasury stock				-389	-389							-389
Disposal of treasury stock		357		322	680							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 during the year	—	357	2,523	-66	2,814	1,133	—	—	1,133	-5	2	3,945
Balance at March 31, 2013	14,577	8,676	5,157	-346	28,065	1,147	-1,855	—	-708	38	35	27,431

Consolidated Cash Flow Statements

(Year ended March 31, 2014 and 2013)

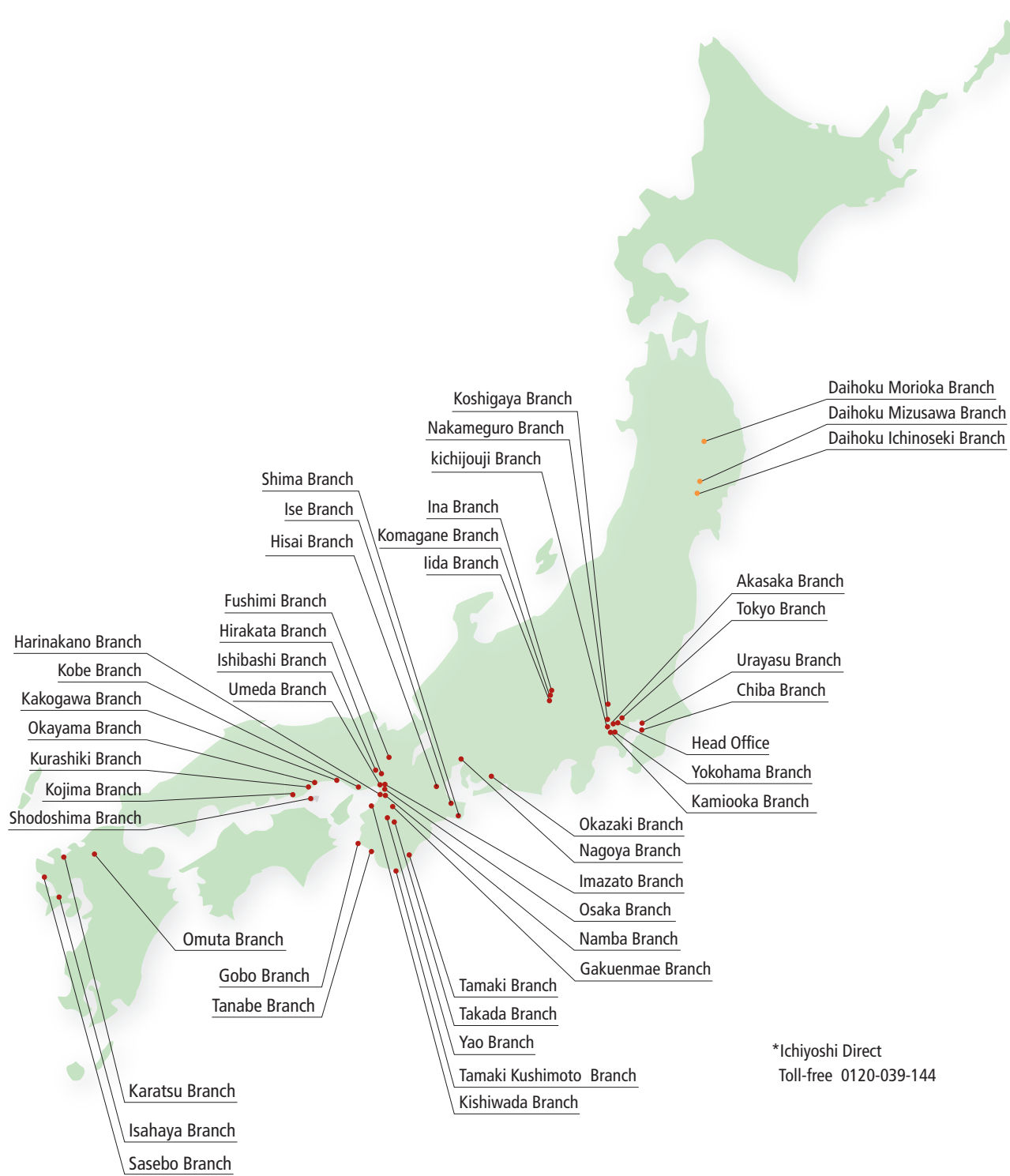
(Millions of yen)

	2014	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 program	—	-172
Interest and dividend income	-67	-157
Interest expenses	16	17
Equity in losses (earnings) of affiliated companies	—	35
Impairment loss	—	33
Gains 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
Losses on valuation of golf membership	—	4
Gain on reversal of subscription rights to shares	—	-0
Increase or decrease in reserve for financial instrument transaction liabilities	33	4
Decrease or increase in segregated cash in trust for customers	920	-2,090
Increase or decrease in cash payable to customers and customers' deposits (for committed trades)	2,986	812
Decrease or increase in short-term loans	9	-10
Increase or decrease in trading assets	-654	34
Net decrease or increase in margin transaction assets and liabilities	-8,690	-563
Decrease or increase 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
VII. Increase in cash and cash equivalents resulting from the merger	—	157
VIII. Balance of cash and cash equivalents at end of the term	13,239	9,238

Company History

▶ October 1948	Registered as a securities dealer under the Securities and Exchange Law
▶ April 1949	Became a regular member of the Osaka Securities Exchange (now Osaka Securities Exchange Co., Ltd.)
▶ August 1950	Changed company name to Ichiyoshi Securities Co., Ltd.
▶ December 1962	Established Ichiyoshi Real Estate Co., Ltd. (name changed to Ichiyoshi Business Service Co., Ltd. in June 1999 (now a consolidated subsidiary))
▶ April 1968	Received licensing as a securities dealer under the amended Securities and Exchange Law
▶ October 1971	Became a regular member of the Tokyo Stock Exchange (now Tokyo Stock Exchange Group, Inc.)
▶ October 1986	Established Ichiyoshi Investment Management Co., Ltd. which took over the research arm of Ichiyoshi Securities
▶ November 1986	Changed overseas office in Hong Kong to a local affiliate, establishing Ichiyoshi International (H.K.) Ltd. (now a consolidated subsidiary)
▶ May 1987	Established Ichiyoshi Research Center Inc. (name changed to Ichiyoshi Research Institute Inc. in April 1990) to take over the research functions of Ichiyoshi Investment Management
▶ April 1989	Listed on the Second Sections of the Tokyo Stock Exchange and the Osaka Securities Exchange
▶ December 1998	Registered as a securities firm under the amended Securities and Exchange Law
▶ July 2000	Changed the expression of the official name of Ichiyoshi Securities Co., Ltd. in Japanese
▶ July 2000	Moved head office to Chuo-ku, Tokyo
▶ July 2000	Changed the expression of the official name of Ichiyoshi Investment Management Co., Ltd. in Japanese
▶ July 2000	Changed the expression of the official name of Ichiyoshi Research Institute Inc. in Japanese
▶ December 2000	Ichiyoshi Investment Management Co., Ltd. became a consolidated subsidiary of the Company
▶ December 2000	Ichiyoshi Research Institute Inc. became a consolidated subsidiary of the Company
▶ June 2003	Adopted a “committees-based company” governance framework
▶ March 2006	Listed on the First Sections of Tokyo Stock Exchange and the Osaka Securities Exchange
▶ July 2006	Ichiyoshi IR Institute Inc. established as a consolidated subsidiary
▶ September 2007	Registered as a financial instruments firm under the Financial Instruments and Exchange Law
▶ February 2009	Introduction of Operating Officers system
▶ August 2009	Liquidated Ichiyoshi IR Institute Inc.
▶ February 2010	Liquidated Ichiyoshi International (H.K.) Ltd.
▶ February 2010	Acquired a substantial stake in Iida Securities Co., Ltd., and made it an equity-method-applied affiliate
▶ April 2010	Merged with Tamaki Securities Co., Ltd.
▶ October 2010	Acquired a substantial stake in Daihoku Securities Co., Ltd., and made it an equity-method-applied affiliate
▶ January 2011	Merged with Iida Securities Co., Ltd.
▶ January 2011	Merged with Sasebo Securities Co., Ltd.
▶ February 2012	Merged with Ise Securities Co., Ltd.
▶ May 2012	Company name of Ichiyoshi Investment Management Co., Ltd. changed to Ichiyoshi Asset Management Co., Ltd.
▶ March 2013	Merged with Daihoku Securities Co., Ltd.
▶ April 2014	Ichiyoshi Asset Management Co., Ltd. started investment management operation for investment trust funds

Sales Network (As of March 31, 2014)



Stock Information

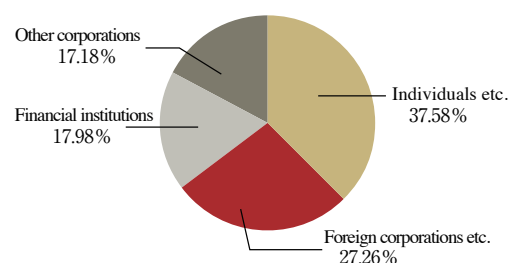
(As of March 31, 2014)

Authorized shares 168,159,000
 Shares Issued 44,431,386 (of which, 910,070 treasury shares)
 Shareholders 14,438

Top 10 shareholders and their holdings

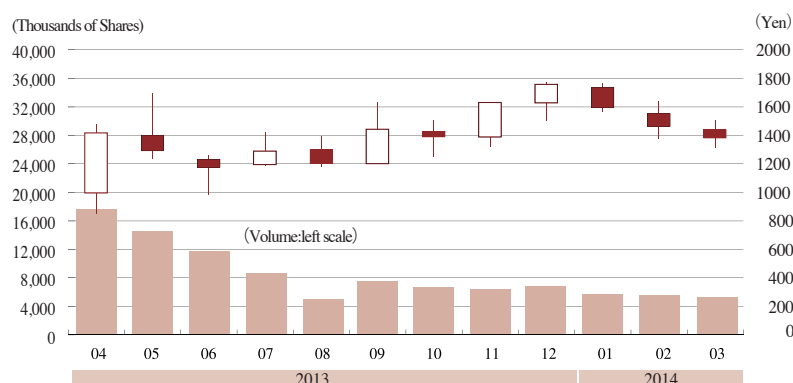
Shareholder	Holdings (000 Shares)	Ownership (%)
Nomura Land and Building Co., Ltd.	5,298	12.17
Northern Trust Company (AVFC) RE 15PCT Treaty Account (Standing Proxy:Tokyo Branch, Hongkong Shanghai Banking)	3,582	8.23
Japan Trustee Services Bank, Ltd. (Trust Account)	2,679	6.15
RBC ISB A / C DUB Non Resident-Treaty Rate (Standing Proxy: Citibank Japan Ltd.)	1,250	2.87
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,042	2.39
Nomura Research Institute, Ltd.	879	2.02
Goldman Sachs and Co. Regular Account(Standing Proxy:Goldman Sachs Japan Co., Ltd.)	636	1.46
The Chase Manhattan Bank N.A. London SL Omnibus Account (Standing Proxy: Settlement Service Division, Mizuho Bank)	493	1.13
State Street Bank and Trust Company 505103 (Standing Proxy: Settlement Service Division, Mizuho Bank)	465	1.07
State Street Bank and Trust Company (Standing Proxy: Settlement Service Division, Mizuho Bank)	446	1.02

Distribution of Shareholders



Note: "Individuals etc." includes the government, regional and municipal governments, and financial instruments business operators. Treasury stocks are also included in this category.

Stock Price (Tokyo Stock Exchange, monthly basis)



Other important notice

In order to implement nimble capital policies in response to changes in managerial environment, the Company, based on the provisions in Articles of Incorporation pursuant to Article 165 (2) of the Companies Act of Japan, and the resolution at the meeting of the Board of Directors held on May 14, 2013, acquired 300,000 shares of treasury stocks (equivalent to 0.67% of total shares issued) for totaled JPY 472,500,000 on May 15, 2013, via TosTNet-3, an off-auction repurchase trading system for treasury stock.

Corporate Data

(As of March 31, 2014)

Company Name Ichiyoshi Securities Co., Ltd. (Ticker: 8624)

Foundation August 18, 1950

Head Office 2-14-1 Hatchobori, Chuo-ku, Tokyo, Japan

Capital Stock ¥14,577 million

Personnel (Consolidated) 861 employees (954 employees)

Listed on Tokyo Stock Exchange(1st Section)

This guide is intended to provide information on Ichiyoshi Securities Co.,Ltd., and is not intended as a solicitation for investment. Please make the final decision on any investment in marketable securities based on information in this guide on your own judgment. Investment in any product etc. mentioned in this guide may require you to pay prescribed commissions for the product (in the case of transactions in equities, up to 1.4040% including tax, of the value of the transaction (minimum commission of ¥3,240 including tax), and in the case of an investment trust, the expenses such as purchase commissions and trust fees set for each trust. Products can incur losses due to change in prices. As commissions etc. and risks may vary according to products, please thoroughly read documents provided before contract conclusion, prospectuses and information for customers for the relevant product.



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

Statements in this report concerning the future do not constitute pledges of business performance.

Information contained in this report is subject to change without prior notification.

July 2014

Ichiyoshi Securities Co., Ltd.

Financial instruments firm registered with the Kanto Local Finance Bureau (registration No. 24)

Member association : Japan Securities Dealers Association, Japan Investment Advisers Association