

EARNINGS REPORT FOR FIRST TWO QUARTERS OF FISCAL 2014

(April 1 to September 30, 2014)

(consolidated on the basis of Japanese accounting standards)

Released on October 29, 2014

(English translation for reference purposes only)

Name of Company: Ichiyoshi Securities Co., Ltd.

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

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

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

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Date of filing First Two Quarters Report: November 13, 2014(scheduled)

Dividend payment date: November 25, 2014 (scheduled) (for interim dividends payable to shareholders of record as of September 30, 2014)

Supplementary information on quarterly earnings: Provided.

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

1. Outline of Consolidated Business Result for First Two Quarters of Fiscal 2014 (from April 1 to September 30, 2014)

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

--- First two quarters ended ---

	Sept. 30, 2014	Sept. 30, 2013

	(% year-to-year change in brackets)	
Operating revenue	9,845 (- 25.5)	13,222 (+ 85.7)
Net operating revenue	9,813 (- 25.6)	13,195 (+ 86.1)
Operating income	1,621 (- 67.9)	5,044 (--)
Current income	1,689 (- 66.9)	5,096 (--)
Net income	1,826 (- 65.2)	5,255 (--)
Earnings per share	41.94yen	120.77yen
Diluted earnings per share (adjusted for shares potentially issuable)	41.62yen	119.74yen

Note: Comprehensive income for first two quarters of fiscal 2014: 1,230 million yen (- 75.0%*)

Comprehensive income for first two quarters of fiscal 2013: 4,927 million yen (--%*)

(* = Change from the year-earlier period)

(2) Consolidated financial condition

	As of Sept. 30 2014	As of March 31 2014

Total assets (in millions of yen)	51,352	48,723
Net worth (in millions of yen)	32,686	32,263
Equity ratio	63.3%	66.0%

Note: Shareholders' equity as of September 30, 2014: 32,524 million yen.

Shareholders' equity as March 31, 2014: 32,157 million yen.

2. Dividend

--- Fiscal year ended ---		
	March 31, 2015	March 31, 2014

Per-share dividend: (Please see notes below)		
1 st quarter	---	---
2 nd quarter	21.00yen	45.00yen
3 rd quarter	---	---
Final	---	27.00yen
Annual total	---	72.00yen

Notes: (i) Ichiyoshi Securities Co., Ltd. (the “**Company**”) declares dividends payable to shareholders of record as of September 30 (interim dividends) and March 31 (final dividends) of each fiscal year, but not to shareholders as of June 30 and December 31 of each fiscal year.

(ii) It is not the Company's practice to give an earnings or dividend forecast well before a business term ends.

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

Since the forecast of earnings in financial-instruments trading, the main-line business of the Company and its group companies, is hard to make due to volatile factors in the market, the Company does not provide such forecast prior to the end of each business quarter. Instead, the Company intends to release preliminary earnings figures after the end of each business quarter as and when such figures become available.

Points to Note

(1) Changes in material subsidiaries (including a change in scope of consolidation): None.

(2) Application of an accounting treatment unique to the preparation of quarterly financial statements: None.

(3) Changes in accounting policies and accounting estimates and re-presentations of modifications:

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

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

(iii) Changes in accounting estimates: None.

(iv) Re-presentations of modifications: None.

(For further details, please refer to “(3) Changes in accounting policies and estimates and re-presentation of modifications” in “**II. Matters Concerning Summary Information**” elsewhere hereinafter.)

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

(i) Number of shares issued as of September 30, 2014: 44,431,386 shares (including treasury shares)

Number of shares issued as of March 31, 2014: 44,431,386 shares (including treasury shares)

(ii) Number of treasury shares as of September 30, 2014: 667,516 shares.

Number of treasury shares as of March 31, 2014: 910,070 shares.

(iii) Average number of shares outstanding during the first two quarters of fiscal 2014: 43,562,607 shares.

Average number of shares outstanding during the first two quarters of fiscal 2013: 43,515,261 shares.

Additional points to note:

1. Quarterly earnings figures included in this report are released without being reviewed by certified public accountants as required by the Financial Instruments and Exchange Law. Those figures are being reviewed at the time of this release.
2. For the same reason that the Company does not provide earnings forecast prior to the end of each business quarter as stated in “**3. Outlook for Consolidated Business Result for Fiscal 2014 (from April 1, 2014 to March 31, 2015)**” on page 2, the Company does not provide a dividend forecast.

I. Qualitative Information on Business Result for First Two Quarters of Fiscal 2014

1. Information on Business Result

During the first two quarters of fiscal 2014, the Japanese economy floundered through a slow recovery stage with demand suffering in reaction to the last-minute demand increase before the hike in the consumption tax while the US economy continued its recovery pace and the Eurozone showed signs of stalling. Against such background, the Fed of the US indicated its intention of maintaining a near-zero interest rate policy for a considerable period of time after ending its asset-purchase program, pushing stock prices upward amid prevailing geopolitical risks.

In the meantime, the Japanese stock market suffered from a series of negative factors, including reduced expectations for additional monetary easing by the Bank of Japan, a weaker demand in reaction to the last-minute demand increase before the consumption tax hike and rising geopolitical risks, pushing the Nikkei Stock Average on the Tokyo Stock Exchange (the TSE) down to a year-low of 13,910yen on April 14. The stock market continued its directionless fluctuation through the middle of May, but thereafter gradually and cautiously regained strength on news of improvements in Chinese economic indexes and rallying US stock prices. On August 8, as the news of airstrikes in Iraq spread, demands for the yen swelled in the currency market, pushing the yen sharply higher to 101yen per the US dollar and sending stock prices downward amid the selloff pressure with the Nikkei Stock Average hitting a low of 14,778yen. But the selloff was short-lived. In September, there came the steady US economic data and arose expectations for the review of the investment portfolios of Government Pension Investment Fund. Furthermore, the yen declined to 109yen per the US dollar, a six-year low, boosting share prices of export-related companies. Reflecting these factors, the Nikkei Stock Average recorded 16,374yen on September 25, 2014, exceeding 16,291yen (the year-high) it registered on December 30, 2013. The Stock Average ended the term at 16,173yen.

The Japanese emerging-stock markets underwent corrections towards May but, after having cleared correctional periods, staged an upward movement. The Nikkei JASDAQ Stock Average registered 2,356yen, a year-high, on September 22, and ended the term at 2,323yen. The TSE Mothers Index hit a year-low of 635yen on May 19, and thereafter recovered, ending the term at 931yen.

The average daily turnover on the TSE (which includes the merged Osaka Securities Exchange) for the first two quarters of fiscal 2014 was 2,327.9 billion yen, down 24.6% from the

comparable period of fiscal 2013, and that on the JASDAQ Stock Market was 102.2 billion yen, down 17.2%.

Against such background, the stock brokerage volume of the Company slid to 978.8 billion yen, down 19.8% from the year-earlier period. Among its activities, the Company carried out a series of measures relating to both retail and wholesale sectors to realize the Medium-Term Management Plan “Challenge 3.” Placing stress on the growth of customers’ assets in custody, the Company exerted efforts on distribution of investment trust funds in particular on a fresh-cash basis. Furthermore, company-wide promotional campaigns with officers and employees united were organized for fund distribution. In the wholesale sector, the Company expedited synergistic cooperation between the corporate clients division and the investment banking division to actively participate in management and underwriting syndicates. Through such cooperation, the Company lead-managed one initial public offering and one follow-on financing.

With regard to investment trust funds, the Company attained favorable results in distribution of “LM Australia Monthly Distribution Fund,” “Pictet Emerging Nation Income Stock Fund” (monthly-paying fund), “HSBC Newleaders Sovereign Open” (monthly-paying fund) in particular.

As a result of these activities, net operating revenue for the first two quarters of fiscal 2014 amounted to 9,813 million, down 25.6% from the first two quarters of fiscal 2013. Operating cost and expenses amounted to 8,191 million yen, up 0.5 %. Hence, operating income registered 1,621 million yen, down 67.9% from the first two quarters of fiscal 2013.

Customers’ assets in the Company’s custody as at September 30, 2014 stood at 1,777.8 billion yen, up 7.7% from March 31, 2014.

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

(1) Commissions

Total commissions for the first two quarters of fiscal 2014 amounted to 8,982 million yen, down 27.0% from the year-earlier period.

(i) Brokerage commissions

Total brokerage commissions on stocks fell 43.0% to 3,022 million yen. Brokerage commissions on small- and medium-cap stocks (stocks listed on the Second Section of the TSE, TSE Mothers and JASDAQ) recorded 907 million yen, accounting for 30.2% of total brokerage commissions on stocks, up from 21.4% for the comparable period of fiscal 2013.

(ii) Commissions from underwriting and solicitation to specified investors

In the primary market, the Company managed 13 initial public offerings (“IPOs”) (of which the Company lead-managed one), as compared to 9 IPOs in the year-earlier period. In the secondary market, the Company participated in 2 deals on a management basis (of which the Company lead-managed one), as compared to 6 deals (of which the Company lead-managed two) in the year-earlier period. As a result, total commissions from underwriting and solicitation to specified investors amounted to 360 million yen, down 0.1% from the year-earlier period.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 918 (of which 34 were lead-managed) as of September 30, 2014.

(iii) Commissions from distribution and solicitation to specified investors

As commissions from distribution of investment trust funds amounted to 2,771 million yen, down 33.1%, commissions from distribution and solicitation to specified investors recorded 2,840 million yen, down 31.6%.

(iv) Commissions from other sources

As the outstanding balance of investment trust funds at the end of the period under review increased to 817.1billion yen, the trailer fees grew 7.8% to 2,320 million yen. With the addition of investment advisory fees from Ichiyoshi Asset Management Co., Ltd., fees from research-unbundling, commissions from sales of insurance policies and fees from IPO-assistances, total commissions from other sources amounted to 2,700 million yen, up 11.9%.

(2) Gains or loss on trading

Trading in stocks, etc. recorded net gains of 32 million yen, down 62.6% from the year-earlier period. Trading in bonds and foreign exchange, etc. registered net gains of 66 million yen, down 18.9%. As a result, total net gains on trading amounted to 99 million yen, down 41.4%.

(3) Interest and dividend income

Interest and dividend income amounted to 94 million yen, down 2.6%, mainly as a result of margin transactions.

Resultantly, net operating revenue for the first two quarters of fiscal 2014 registered 9,813 million yen, down 25.6%.

(4) Operating cost and expenses

While personnel-related expenses declined in conjunction with the reduction of brokerage turnover, property-related expenditure and clerical expenses increased. As a result, operating cost and expenses amounted to 8,191 million yen, up 0.5%.

Resultantly, operating income for the first two quarters of fiscal 2014 recorded 1,621 million yen, down 67.9%.

(5) Non-operating income and expenses

The Company recorded non-operating income of 82 million yen mostly in the form of investment gains on investment partnerships and dividends on investment securities, and non-operating expenses of 14 million yen mainly in the form of investment loss on investment partnerships. Thus, net operating income stood at 67 million yen, up 29.8%.

Resultantly, current income for the first two quarters of fiscal 2014 registered 1,689 million yen, down 66.9%.

(6) Extraordinary income and loss

The Company registered extraordinary income of 1,159 million yen mostly in the form of gains on sales of investment securities and gain on negative goodwill, and extraordinary loss of 37 million yen chiefly in the form of transfer to reserve for financial instruments transaction liabilities. Thus, net extraordinary income amounted to 1,121 million yen, up 8.8%.

As a result of these activities, income before taxes and tax adjustments for the first two quarters of fiscal 2014 recorded 2,810 million yen, and net income (after deduction of corporate income taxes, resident's taxes and enterprise taxes in the aggregate amount of 819 million yen and after deduction of corporate tax adjustments in the amount of 159 million yen) recorded 1,826 million yen, down 65.2% from the year-earlier period.

2. Information on Financial Condition

i. Condition of Assets, Liabilities and Net Worth

(a) Current assets

Current assets amounted to 43,668 million yen as of September 30, 2014, an increase of 3,608 million yen (up 9.0%) from March 31, 2014, as cash and deposits rose by 6,040 million yen while margin transaction assets slid by 1,683 million yen.

(b) Fixed assets

Fixed assets stood at 7,684 million yen as of September 30, 2014, a decline of 978 million yen (down 11.3%) from March 31, 2014, chiefly because the Company sold investment securities in the amount of 1,033 million yen.

As a result, total assets registered 51,352 million yen as of September 30, 2014, an increase of 2,629 million yen (up 5.4%) from March 31, 2014

(c) Current liabilities

Current liabilities stood at 17,484 million yen as of September 30, 2014, a rise of 2,451 million yen (up 16.3%) from March 31, 2014. The rise resulted from a growth of 6,147 million yen in cash payable to customers and a decline of 1,120 million yen in margin transaction liabilities and a reduction of 1,404 million yen in income taxes payable.

(d) Long-term liabilities

Long-term liabilities recorded 1,018 million yen as of September 30, 2014, a decline of 265 million yen (down 20.7%) from March 31, 2014. The decline resulted from a reduction of 342 million yen in deferred tax liabilities and a rise of 102 million yen in reserve for retirement benefits for consolidated subsidiaries' officers.

(e) Statutory reserves

Statutory reserves registered 163 million yen as of September 30, 2014, an increase of 21 million yen from March 31, 2014.

(f) Net worth

Net worth amounted to 32,686 million yen as of September 30, 2014, a growth of 422 million yen (up 1.3%) from March 31, 2014. The growth resulted from recording of net income of 1,826 million yen for the first two quarters while the Company paid dividends in the amount of 1,175 million yen and recorded a reduction of 616 million yen in valuation difference on available-for-sale securities in connection with the sales of investment securities.

As a result, equity ratio as of September 30, 2014 recorded 63.3%, and capital adequacy ratio as of the same date, as defined by the securities regulator, registered 585.3%.

ii. Condition of Cash Flow

Cash flow from operating activities for the first two quarters of fiscal 2014 amounted to 6,012 million yen, a decline of 1,300 million yen from the comparable year-earlier period, as income before taxes and tax adjustments and cash payable to customers increased. Cash flow from investing activities registered 748 million yen, a decline of 125 million yen, due chiefly to income from sales of investment securities. Cash flow from financing activities recorded a negative figure of 1,164 million yen, a rise of 212 million yen, mainly due to dividend payments.

After all these activities, the amount of cash and cash equivalents as of September 30, 2014, stood at 19,246 million yen, an increase of 6,007 million yen (of which 405 million yen resulted from the exchange of stocks) from the end of the previous fiscal year.

3. Information Relating to Consolidated Business Forecast

Since the forecast of earnings in financial-instruments trading, the main-line business of the Company and its group companies, is hard to make due to volatile factors in the market, the Company does not provide such forecast prior to the end of each business quarter. Instead, the Company intends to release preliminary earnings figures around the middle of the month following the end of each quarter.

II Other Summary Information (Points to Note)

- (1) Changes in material subsidiaries for the first two quarters of fiscal 2014: None.
- (2) Application of an accounting treatment unique to the preparation of quarterly financial statements: None.
- (3) Changes in accounting policies and accounting estimates and re-presentation of modifications:

The Company started to apply “Accounting Standard for Retirement Benefit” (Corporate Accounting Standard No. 26, dated May 17, 2012, hereinafter called as “ASRB”) as it refers to its Item 35 and “Application Guidelines for Accounting Standard for Retirement Benefit” (Application Guideline No. 25 for Corporate Accounting Standard for Retirement Benefit, dated May 17, 2012) as it refers to its Item 67, effective from the first quarter of fiscal 2014.

Accordingly, the Company revised calculation methods for retirement benefit liability and service cost. As a result of such revision, the Company changed the period attribution for retirement benefit estimated value from straight-line attribution to benefit formula method and changed the determination method for discount rate from the one based on average remaining service period to the single weighted average rate of discount based on estimated benefit periods and amount of benefits applicable to each estimated benefit payment period.

Following transitional treatment stipulated in Item 37 of ASRB, the Company added to retained earnings the amount of financial impact arising from changes in calculation methods for retirement benefit liability and service cost at the beginning of the first quarter.

Resultantly, net defined benefit liability at the beginning of the first two quarters decreased by 36 million yen, and retained earnings at the beginning of the first two quarters increased by 23 million yen. The effect of the above-mentioned changes on current income and income before tax and tax adjustments for the first two quarters was immaterial.

. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of September 30 2014	As of March 31 2014
Current assets		
Cash and bank deposits	19,890	13,849
Segregated cash and statutory deposits	5,078	4,569
Trading assets	367	999
Securities	367	999
Derivatives	0	—
Margin transaction assets	13,164	14,847
Advances for margin purchases	12,841	14,824
Cash deposits as collateral for securities borrowed	322	23
Advance payments for customers on trades	3	3
Advance payments for subscription	3,443	3,986
Short-term loans	14	9
Accrued income	1,163	1,110
Deferred tax assets	436	616
Other current assets	113	74
Allowances for doubtful accounts	-7	-7
Total Current assets	43,668	40,060
Fixed assets		
Tangible fixed assets	4,182	4,129
Buildings	1,373	1,370
Fixtures and equipment	767	760
Land	2,031	1,986
Lease assets, net	10	12
Intangible fixed assets	514	536
Goodwill	68	88
Computer software	444	446
Telephone subscription rights, etc.	1	1
Investments, etc.	2,987	3,997
Investment securities	1,939	2,973
Long-term loans	49	54
Cash deposits as guarantee for long-term credits	980	958
Deferred tax assets	2	5
Other investments	24	16
Allowances for doubtful accounts	-9	-10
Total Fixed assets	7,684	8,662
Total assets	51,352	48,723

	As of September 30	As of March 31
	2014	2014
Current liabilities		
Trading liabilities	-	1
Derivatives	-	1
Contracted trades	20	26
Margin transaction liabilities	1,107	2,227
Borrowings for margin transactions	516	2,095
Cash received for loaned securities	591	132
Borrowings against securities as collateral	-	559
Borrowings on Gensaki transaction	-	559
Cash payable to customers	12,600	6,452
Deposits from customers (for committed trades)	1,238	1,404
Short-term borrowings	210	210
Lease obligations	3	4
Income taxes payable	866	2,271
Accrued bonuses to employees	545	677
Other current liabilities	891	1,197
Total Current liabilities	17,484	15,033
Long-term liabilities		
Long-term borrowings	361	380
Lease obligations	7	8
Deferred tax liabilities	183	525
Revaluation-related deferred tax liabilities	35	35
Net defined benefit liability	290	305
Provision for directors' retirement benefits	102	-
Other long-term liabilities	39	28
Total Long-term liabilities	1,018	1,283
Statutory reserves		
Reserve for financial instruments transaction liabilities	163	142
Total Statutory reserves	163	142
Total liabilities	18,666	16,459
Net worth		
Shareholders' equity		
Common stock	14,577	14,577
Capital surplus	8,801	8,701
Retained earnings	11,182	10,507
Treasury stock	-529	-721
Total Shareholders' equity	34,032	33,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	318	935
Land revaluation difference	-1,854	-1,854
Remeasurements of defined benefit plans	29	12
Total accumulated other comprehensive income	-1,507	-907
Subscription rights to shares	118	67
Minority interests	43	39
Total net worth	32,686	32,263
Total of liabilities and net worth	51,352	48,723

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

Quarterly Consolidated Income Statements

(in millions of yen)

	Six months ended	
	September 30, 2014	September 30, 2013
Operating revenue		
Commissions	8,982	12,305
Gains or loss on trading	99	169
Interest and dividend income	127	123
Other operating income	637	623
Total Operating revenue	9,845	13,222
Interest expenses	32	26
Net operating revenue	9,813	13,195
Operating cost and expenses		
Transaction-related expenses	813	776
Personnel expenses	4,439	4,688
Property-related expenses	918	751
Clerical expenses	1,397	1,331
Depreciation	212	172
Public charges	90	107
Transfer to allowances for doubtful accounts	0	1
Others	319	322
Total Operating cost and expenses	8,191	8,151
Operating income	1,621	5,044
Non-operating income		
Dividends from investment securities	30	27
Gain on investments in partnership	37	25
Others	14	7
Total Non-operating income	82	59
Non-operating expenses		
Loss on investments in partnership	14	7
Others	0	0
Total Non-operating expenses	14	7
Current income	1,689	5,096
Extraordinary income		
Gains on sales of investment securities	950	1,031
Gain on bargain purchase	208	-
Reversal of reserve for financial instruments transaction liabilities	-	0
Total Extraordinary income	1,159	1,031
Extraordinary expenses		
Transfer to reserve for securities transaction liabilities	19	-
Loss on write-off of fixed assets	9	0
Impairment loss	7	-
Valuation loss on investment securities	0	-
Total Extraordinary expenses	37	0
Income before income taxes	2,810	6,127
Income, inhabitant and enterprise taxes	819	870
Income taxes adjustments	159	1
Total Income Taxes	979	872
Income before minority interests	1,831	5,255
Minority interests	4	-0
Net income	1,826	5,255

Quarterly Consolidated Comprehensive Income Statements

(in millions of yen)

	Six months ended	
	September 30, 2014	September 30, 2013
Income before minority interests	1,831	5,255
Other Comprehensive income		
Valuation difference on available-for-sale securities	-616	-327
Remeasurements of defined benefit plans, net of tax	16	-
Total Other comprehensive income	-600	-327
Comprehensive income	1,230	4,927
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,226	4,927
Comprehensive income attributable to minority interests	4	-0

(3) Quarterly Consolidated Cash Flow Statements

(in millions of yen)

	Six months ended	
	Sep. 30, 2014	Sep. 30, 2013
I. Cash flow from operating activities		
Income before income taxes	2,810	6,127
Depreciation	212	172
Amortization of goodwill	20	20
Increase or decrease in accrued bonuses for employees	-131	238
Increase or decrease in accrued retirement benefits for employees	-	16
Increase(decrease) in retirement benefit liabilities	-60	-
Increase or decrease in allowances for doubtful accounts	-0	1
Increase or decrease in accrued retirement benefits for officers	102	-
Interest and dividend income	-36	-34
Interest expenses	6	8
Gain on bargain purchase	-208	-
Impairment loss	7	-
Gains or loss on sales of investment securities	-950	-1,031
Valuation loss on investment securities	0	-
Loss on write-off of fixed assets	9	0
Increase or decrease in reserve for financial instruments transaction liabilities	19	-0
Increase or decrease in segregated cash in trust for customers	180	-210
Increase or decrease in deposits and guarantee deposits received	5,213	8,351
Increase or decrease in short-term loans	-4	2
Net increase or decrease in trading assets	70	-121
Net increase or decrease in margin transaction assets and liabilities	725	-7,459
Increase or decrease in subscription moneys	565	1,646
Others	-355	-65
Sub-total	8,195	7,664
Interest and dividend income	36	34
Interest expenses	-6	-8
Taxes paid	-2,212	-378
Cash flow from operating activities	6,012	7,312
II. Cash flow from investing activities		
Payments into time deposits	-	-500
Proceeds from withdrawal of time deposits	-	300
Acquisition of tangible fixed assets	-186	-54
Acquisition of intangible fixed assets	-100	-110
Sales of investment securities	1,059	1,094
Payments of Long-term loans	-4	-4
Collection of long-term loans	10	10
Others	-29	137
Cash flow from investing activities	748	873
III. Cash flow from financing activities		
Repayment of long-term loans payable	-19	-19
Repayments of lease obligations	-2	-2
Proceeds from exercise of stock option	29	74
Proceeds from sales of treasury stock	0	-
Acquisition of Company's Common shares	-0	-473
Payment of dividends	-1,171	-956
Cash flow from financing activities	-1,164	-1,376
IV. Conversion differences related to cash and cash equivalents	5	-10
V. Increase or decrease in cash and cash equivalents	5,601	6,798
VI. Balance of cash and cash equivalents at beginning of the term	13,239	9,238
Increase in cash and cash equivalents for stock exchange	405	-
. Balance of cash and cash equivalents at end of the term	19,246	16,036

(4) Points to Note on Quarterly Consolidated Financial Statements

(Points to Note on Premises for Continuing Business Enterprise)

None for the first two quarters of fiscal 2014.

(Points to Note in the Event of Material Changes in Shareholders' Capital)

None for the first two quarters of fiscal 2014.

IV. Supplementary Information

Breakdown of Consolidated Business Result for First Two Quarters of Fiscal 2014

1. Commissions

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

	---First two quarters ended---		(A) over (B)	Fiscal 2013 ended
	Sep. 30, 2014	Sep. 30, 2013		March 31, 2014
	(A)	(B)	(%)	
Brokerage commissions	3,081	5,380	-42.7	9,407
(Stocks)	(3,022)	(5,305)	(-43.0)	(9,249)
(Bonds)	(-)	(1)	(-)	(1)
Commissions from underwriting & solicitation				
to specified investors	360	361	-0.1	1,108
(Stocks)	(360)	(361)	(-0.1)	(1,108)
(Bonds)	(-)	(-)	(-)	(-)
Commissions from distribution & solicitation				
to specified investors	2,840	4,150	-31.6	7,879
(Beneficiary certificates)	(2,771)	(4,140)	(-33.1)	(7,841)
Other sources	2,700	2,413	11.9	4,954
(Beneficiary certificates)	(2,320)	(2,152)	(7.8)	(4,336)
Total	8,982	12,305	-27.0	23,349

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

	---First two quarters ended---		(A) over (B)	Fiscal 2013 ended
	Sep. 30, 2014	Sep. 30, 2013		March 31, 2014
	(A)	(B)	(%)	
Stocks	3,401	5,688	-40.2	10,400
Bonds	68	11	500.1	39
Beneficiary certificates	5,150	6,366	-19.1	12,333
Others	362	238	51.6	576
Total	8,982	12,305	-27.0	23,349

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

	---First two quarters ended---		(A) over (B)	Fiscal 2013 ended
	Sep. 30, 2014	Sep. 30, 2013		March 31, 2014
	(A)	(B)	(%)	
Stocks, etc.	32	87	-62.6	200
Bonds, foreign exchange, etc.	66	82	-18.9	145
(Bonds, etc.)	(49)	(72)	(-32.8)	(115)
(Foreign exchange, etc.)	(17)	(9)	(86.6)	(29)
Total	99	169	-41.4	345

3 . Quarterly Consolidated Income Statements for Recent Six Quarters

(in millions of yen)

	1st Q (4-6/'13)	2nd Q (7-9/'13)	3rd Q (10-12/'13)	4th Q (1-3/'14)	1st Q (4-6/'14)	2nd Q (7-9/'14)
Operating revenue	7,655	5,566	6,341	5,678	5,082	4,763
Commissions	7,156	5,149	5,874	5,169	4,657	4,324
Gains or loss on trading	112	57	100	75	37	61
Interest and dividend income	58	64	62	63	57	69
Other operating revenue	328	295	303	370	329	307
Interest expenses	14	11	12	11	8	23
Net operating revenue	7,640	5,555	6,328	5,666	5,073	4,739
Operating cost and expenses	4,183	3,967	4,114	4,099	4,115	4,075
Transaction-related expenses	401	375	470	425	432	381
Personnel expenses	2,393	2,294	2,297	2,226	2,209	2,229
Property-related expenses	379	372	372	378	441	476
Clerical expenses	686	644	684	749	714	683
Depreciation	83	88	92	103	102	110
Public charges	59	47	50	45	42	48
Reversal of allowances for doubtful accounts	1	-0	-1	0	0	0
Others	178	144	148	169	172	147
Operating income	3,456	1,588	2,214	1,567	958	663
Non-operating income	30	28	30	104	34	47
Non-operating expenses	0	7	0	35	0	14
Current income	3,487	1,609	2,243	1,637	992	696
Extraordinary income	1,031	—	5	52	468	690
Extraordinary expenses	0	0	33	9	9	27
Income before income taxes	4,518	1,609	2,215	1,680	1,451	1,359
Income, inhabitant and enterprise taxes	359	511	723	764	206	613
Income taxes adjustments	7	-5	13	-622	336	-176
Income before minority interests	4,151	1,103	1,478	1,538	908	922
Minority interests	-0	0	0	2	1	2
Net income	4,151	1,103	1,477	1,535	907	919

(END)