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(English translation for reference purposes only)

EARNINGS REPORT FOR FIRST QUARTER OF FISCAL 2017

(April 1 to June 30, 2017)

(Consolidated under Japanese GAAP)

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

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

Corporate representative: Mr. Minoru Kobayashi, President & Representative Executive Officer

Inquiry to: Mr. Shoichi Yamazaki, Operating Officer in charge of Finance and Planning

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Date of filing First Quarter Report: August 14, 2017 (scheduled)

Preparation of Supplementary documents for quarterly earnings: Provided.

Quarterly earnings-reporting meeting: None.

(Figures less than one million yen are rounded down)

1. Outline of Consolidated Business Result for First Quarter of Fiscal 2017 (from April 1 to June 30, 2017)

(1) Highlights of consolidated business result (in millions of yen except for per-share figures)
(% shows year-on-year changes)

	Operating Revenue (%)	Net operating Revenue (%)	Operating Income (%)	Current Income (%)
First quarter of fiscal 2017	5,866 (+11.2)	5,491 (+11.7)	1,143 (+43.2)	1,165 (+41.8)
First quarter of fiscal 2016	5,273 (- 9.2)	4,917 (- 9.4)	798 (- 31.2)	821 (- 32.0)

Notes: Comprehensive income: For the first quarter of fiscal 2017: 799 million yen (+71.5%)

For the first quarter of fiscal 2016: 466 million yen (- 44.7%)

	Net income attributable to owners of parent (%)	Earnings per share	Earnings per share – fully diluted
First quarter of fiscal 2017	785 (42.2)	18.43yen	18.41yen
First quarter of fiscal 2016	552 (-32.4)	12.79yen	12.77yen

(2) Consolidated financial condition (in millions of yen)

	Total assets	Net assets	Equity ratio
As of June. 30, 2017	50,546	33,226	65.1%
As of Mar. 31, 2017	53,706	33,099	61.1%

Notes: Shareholders' equity: As of June 30, 2017: 32,918 million yen

As of March 31, 2017: 32,802 million yen

2. Dividends

	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal 2016 ended March 31, 2017		15.00yen		16.00yen	31.00yen
Fiscal 2017 ending March 31, 2018		***		***	***

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

(ii) It is not the Company's practice to give an earnings or dividend forecast. Hence, ***.

3. Information Deemed Useful for Investors to Grasp Outlook for Business Result for Fiscal 2017 (from April 1, 2017 to March 31, 2018)

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

Points to note:

- (1) Changes in material subsidiaries (including changes in special subsidiaries leading to a change in scope of consolidation): None.
- (2) Application of an accounting treatment unique to the preparation of quarterly financial statements: None.
- (3) Changes in accounting policies and estimates and re-presentation of revisions:
 - (i) Changes in accounting policies resulting from revisions to accounting standards: None.
 - (ii) Changes other than those in (i): None.
 - (iii) Changes in accounting estimates: None.
 - (iv) Re-presentation of revisions: None.
- (4) Number of shares issued (common stock):
 - (i) Number of shares issued as of June 30, 2017: 44,431,386 shares (including treasury shares)
Number of shares issued as of March 31, 2017: 44,431,386 shares (including treasury shares)
 - (ii) Number of treasury shares as of June 30, 2017: 1,781,178 shares.
Number of treasury shares as of March 31, 2017: 1,786,050 shares.
 - (iii) Average number of shares outstanding during the first quarter of fiscal 2017:
42,646,549 shares.
Average number of shares outstanding during the first quarter of fiscal 2016:
43,211,107 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.
2. Explanation for proper use of earnings forecast and other special points to note:

For the same reason that the Company does not provide an earnings forecast prior to the end of each quarter as stated in “ **3.Information Deemed Useful for Investors to Grasp Outlook for Business Result for Fiscal 2017(from April 1, 2017 to March 31, 2018)** ” on page 2, the Company does not provide a dividend forecast.

I. Outline of Business Result

(1) Outline of Business Result for First Quarter of Fiscal 2017

During the first quarter of fiscal 2017, the Japanese economy kept up an upward momentum sustained by various factors such as a mild recovery in consumer consumption and business equipment investment amid an improvement on employment situation on the back of labor shortage and a steady trend in exports. While there were temporarily some concerns about the effects of rising geopolitical risks and the U.S. and European political instability on the global economy, the U.S. and European economies managed to continue on their recovery path as well.

The Japanese stock market initially suffered from rising geopolitical risks caused by the North Korean problem and a stronger yen against the U.S. dollar, with the Nikkei Stock Average on the Tokyo Stock Exchange (the “TSE”) recording 18,224yen on April 17, the lowest since the beginning of the year. As an independent centrist candidate won the French presidential election and outlooks for domestic corporate earnings improved, however, the Nikkei Stock Average went up close to 20,000yen in mid-May. Undergoing small corrections on concerns over negative factors such as the Russiagate in the U.S. thereafter, the Nikkei Stock Average registered 20,177yen on June 2, the highest in one year and half since December 1, 2015, riding the crest of higher prices of leading IT-related stocks. As the FOMC (the Federal Open Market Committee of the U.S.) at its meeting in June decided to move toward gradually raising official rates and starting to squeeze the Fed holdings of assets accumulated through quantitative easing within the year, the yen began to weaken against the U.S. dollar, pushing the Nikkei Stock Average up to 20,318yen on June 20, the highest since the beginning of the year. Thereafter, the Nikkei Stock Average stayed near the plateau and closed the first quarter at 20,033yen.

On the foreign currency market, the yen registered 108yen per the U.S. dollar on April 17, echoing the U.S. government rhetoric against the stronger dollar. As the lack of clarity in the European political situation eased off, the yen recorded 114yen per the U.S. dollar on May 9. While the yen thereafter strengthened to 108yen per the U.S. dollar reflecting confusion around the U.S. administration temporarily, the yen started to weaken as the FOMC raised an official rate in June and closed the first quarter at 112yen per the U.S. dollar.

The Japanese emerging-stock markets continued their upward trend on the back of good demand-supply relationship, with the Nikkei JASDAQ Stock Average recording 3,274yen on June 27, a year-high, and closing the first quarter at 3,251yen. The TSE Mothers Index recorded 1,214 on June 23, a year-high, and closed the first quarter at 1,181.

The average daily turnover on the TSE for the first quarter of fiscal 2017 was 2,716 billion yen, up 11.4% from the comparable period of fiscal 2016, and that on the TSE Mothers market was 128.4 billion yen, down 35.3%, and that on the JASDAQ market was 64.2 billion yen, up 31.5%.

In such circumstances, with respect to stocks, the Company placed in its core proposal to customers asset-backed stocks with stress on stability and dividends under negative-interest environments, taking advantage of the Company’s strength in research on small-and medium-cap growth stocks. The Company has thus continued to take various measures to meet with customers’ needs. The stock brokerage volume of the Company for the first quarter of fiscal 2017 rose to 580.6 billion yen, up 7.4% from the year-earlier quarter.

With regard to investment trust funds, “Dream Collection,” a fund wrap account vehicle, showed a favorable performance as a core asset in customers’ medium- to long-term asset management. Its outstanding balance as of June 30 registered more than 63 billion yen. “Ichiyoshi Small- and Medium-Cap Growth Stock Fund,” launched in June 2016 fully taking advantage of synergy between Ichiyoshi Research Institute Inc. and Ichiyoshi Asset Management Co., Ltd. recorded a favorable performance. Its outstanding balance as of June 30 registered more

than 71 billion yen.

In February this year, the Company launched another fund “Ichiyoshi Japan High Dividend Stock and J REIT Fund”. The fund got to a good start and had an outstanding balance of more than 13 billion yen as of June 30.

With respect to Ichiyoshi Asset Management Co., Ltd., assets under its management continued to increase, with their outstanding balance as of June 30 registering 221.6 billion yen as of June 30, up 23.7% from the year-earlier period.

As a result of these activities, net operating revenue for the first quarter of fiscal 2017 amounted to 5,491 million, up 11.7% from the first quarter of fiscal 2016. Operating cost and expenses amounted to 4,347 million yen, up 5.6%. Hence, operating income registered 1,143 million yen, up 43.2% from the first quarter of fiscal 2016.

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

i. Commissions

Total commissions for the first quarter of fiscal 2017 amounted to 5,376 million yen, up 11.8 % from the year-earlier period.

(a) Brokerage commissions

Total brokerage commissions on stocks rose 19.6% to 2,137 million yen. Brokerage commissions on small- and medium-sized stocks (stocks listed on Second Section of the TSE, TSE Mothers and JASDAQ) registered 564 million yen and accounted for 26.4% of total brokerage commissions on stocks, down from 35.5% for the comparable period of fiscal 2016.

(b) Commissions from underwriting and solicitation to specified investors

In the primary market, the Company participated in 4 initial public offerings on a management and underwriting basis as against 3 participations in the year-earlier period. In the secondary market (for follow-on financing), the Company participated in 1 deal on a management and underwriting basis as against 2 deals (of which one was lead-managed by the Company) in the year-earlier period. As a result, commissions from underwriting and solicitation to specified investors amounted to 8 million yen, down 96.3% from the comparable period of fiscal 2016.

The cumulative number of companies whose offerings were lead- or co-managed by the Company stood at 1,017 (of which 45 were lead-managed by the Company) as of June 30, 2017.

(c) Commissions from distribution and solicitation to specified investors

As commissions from distribution of investment trust funds recorded 1,600 million yen, up 21.8% from the year-earlier period, total commissions from distribution and solicitation to specified investors registered 1,620 million yen, up 22.3%.

(d) Commissions from other sources

The trailer fees related to the outstanding balance of investment trust funds under custody registered 1,041 million yen, down 3.3% from the year-earlier period. Investment trust management fees at Ichiyoshi Asset Management Co., Ltd. recorded 231 million yen, up 156.0%. With the addition of fees from fund wrap accounts, fees from research unbundling, commissions from insurance policy sales and IPO assistance fees, total commissions from other sources amounted to 1,559 million yen, up 12.6%.

ii. Gains or loss on trading

Trading in stocks, etc. recorded net gains of 11 million yen. Trading in bonds and foreign

exchange, etc. registered net gains of 20 million yen, down 48.8%, as distribution of foreign bonds declined. As a result, total net gains on trading amounted to 32 million yen, down 8.0%.

iii. Interest and dividend income

Interest and dividend income rose 19.7% to 67 million yen, due to an increase in the outstanding average of advances for margin purchases. Interest expenses climbed 90.1% to 20 million yen. As a result, net interest and dividend income recorded 46 million yen, up 2.7%.

Resultantly, net operating revenue for the first quarter of fiscal 2017 amounted to 5,491 million yen, up 11.7% from the year-earlier period.

iv. Operating cost and expenses

As personnel-related expenses increased, operating cost and expenses recorded 4,347 million yen, up 5.6%.

v. Non-operating income and expenses

As the Company received dividends of 22 million yen on investment securities, net non-operating income amounted to 21 million yen, down 5.0%.

Resultantly, current income for the first quarter of fiscal 2017 amounted to 1,165 million yen, up 41.8% from the year-earlier period.

vi Extraordinary income and loss

The Company registered an extraordinary income of 60 million yen, mainly in the form of gains on sales of fixed assets, and recorded an extraordinary loss of 65 million yen chiefly in the form of impairment loss on fixed assets. As a result, net extraordinary loss amounted to 4 million yen.

Resultantly, income before taxes and tax adjustments for the first quarter of fiscal 2017 registered 1,160 million yen, up 36.3% from the year-earlier period, and net income attributable to owners of parent (after deduction of corporate income taxes, resident's taxes and enterprise taxes in the aggregate amount of 281 million yen and after deduction of corporate tax adjustments in the amount of 89 million yen) recorded 785 million yen, up 42.2% from the year-earlier period.

Customers' assets in custody as of June 30, 2017 amounted to 1,815 billion yen, an increase of 10.6% from those as of June 30, 2016. Contributing factors were fresh-money purchases of stocks and investment trust funds, fresh-money inflows into fund wrap accounts and the bullish market level.

(2) Information on Financial Condition for the First Quarter of Fiscal 2017

(a) Current assets

Current assets amounted to 44,471 million yen as of June 30, 2017, a fall of 3,062 million yen (down 6.4%) from March 31, 2017, as advance payments for subscription increased by 1,778 million yen and margin transaction assets rose by 791 million yen, while segregated cash and statutory deposits decreased by 3,599 million yen, and cash and deposits decreased by 1,771 million yen.

(b) Fixed assets

Fixed assets stood at 6,075 million yen as of June 30, 2017, a decline of 97 million yen (down 1.6%) from March 31, 2017, as buildings reduced their value by 90 million yen.

As a result, total assets registered 50,546 million yen as of June 30, 2017, a fall of 3,159 million yen (down 5.9%) from March 31, 2017.

(c) Current liabilities

Current liabilities stood at 16,797 million yen as of June 30, 2017, a decline of 3,284 million yen (down 16.4%) from March 31, 2017. The rise resulted as cash payable to customers slid by 2,512 million yen and margin transaction liabilities fell by 1,109 million yen.

(d) Long-term liabilities

Long-term liabilities recorded 341 million yen as of June 30, 2017, a decline of 2 million yen (down 0.8%) from March 31, 2017, as lease obligations rose by 3 million yen and deferred tax liabilities swelled by 3 million yen while long-term borrowings fell by 9 million yen.

(e) Statutory reserves

Statutory reserves registered 180 million yen as of June 30, 2017.

(f) Net worth

Net worth amounted to 33,226 million yen as of June 30, 2017, an increase of 127 million yen (up 0.4%) from March 31, 2017. The increase resulted mainly as the Company recorded net income (attributable to owners of parent) of 785 million yen for the first quarter while the Company paid dividends in the amount of 682 million yen.

II. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(in millions of yen)

	As of March 31 2017	As of June 30 2017
Assets		
Current assets		
Cash and deposits	18,249	16,477
Cash segregated as deposits	9,933	6,333
Trading products	317	503
Trading securities and other	317	503
Trade date accrual	1	-
Margin transaction assets	13,875	14,667
Loans on margin transactions	13,302	13,676
Cash collateral pledged for securities borrowing on margin transactions	573	990
Advances paid	22	13
Cash paid for offering	3,400	5,178
Short-term loans receivable	10	6
Accrued income	1,299	937
Deferred tax assets	317	235
Other current assets	109	120
Allowance for doubtful accounts	△2	△2
Total current assets	47,533	44,471
Non-current assets		
Property, plant and equipment	3,291	3,142
Buildings, net	1,016	926
Equipment	612	604
Land	1,646	1,592
Leased assets, net	16	19
Intangible assets	617	621
Goodwill	8	6
Software	434	535
Software in progress	172	78
Other	1	1
Investments and other assets	2,263	2,311
Investment securities	1,249	1,255
Long-term loans receivable	16	14
Long-term guarantee deposits	914	943
Net defined benefit asset	66	72
Deferred tax assets	2	2
Other	24	32
Allowance for doubtful accounts	△10	△9
Total non-current assets	6,173	6,075
Total assets	53,706	50,546
Liabilities		
Current liabilities		
Trading products	0	0
Derivatives	0	0
Trade date accrual	-	177
Margin transaction liabilities	4,925	3,816
Borrowings on margin transactions	3,802	2,242
Cash received for securities lending on margin transactions	1,123	1,573
Deposits received	11,609	9,096
Guarantee deposits received	1,245	1,544
Accounts for non-received securities and others	0	-
Short-term loans payable	210	210
Lease obligations	4	4
Income taxes payable	333	344
Provision for bonuses	694	423
Other current liabilities	1,057	1,180
Total current liabilities	20,081	16,797
Non-current liabilities		
Long-term loans payable	263	253
Lease obligations	11	15
Deferred tax liabilities	34	38
Deferred tax liabilities for land revaluation	7	7
Other noncurrent liabilities	27	27
Total non-current liabilities	344	341
Reserves under special laws		
Reserve for financial products transaction liabilities	180	180
Total reserves under special laws	180	180
Total liabilities	20,607	17,319
Net assets		
Shareholders' equity		
Capital stock	14,577	14,577
Capital surplus	8,687	8,685
Retained earnings	12,135	12,176
Treasury shares	△1,608	△1,604
Total shareholders' equity	33,792	33,835
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35	56
Revaluation reserve for land	△1,187	△1,125
Remeasurements of defined benefit plans	162	151
Total accumulated other comprehensive income	△990	△917
Subscription rights to shares	231	239
Non-controlling interests	65	68
Total net assets	33,099	33,226
Total liabilities and net assets	53,706	50,546

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

(in millions of yen)

	Fiscal year ended June 30, 2016	Fiscal year ended June 30, 2017
Operating revenue		
Commission received	4,808	5,376
Net trading income	34	32
Financial revenue	56	67
Other operating revenue	374	390
Total operating revenue	5,273	5,866
Financial expenses	10	20
Other operating expenses	345	354
Net operating revenue	4,917	5,491
Selling, general and administrative expenses		
Trading related expenses	433	430
Personnel expenses	2,292	2,470
Real estate expenses	464	484
Office cost	584	601
Depreciation	98	102
Taxes and dues	75	79
Provision of allowance for doubtful accounts	-	0
Other	169	180
Total selling, general and administrative expenses	4,118	4,347
Operating profit	798	1,143
Non-operating income		
Dividends from investment securities	15	13
Other	6	8
Total non-operating income	22	22
Non-operating expenses		
Other	0	0
Total non-operating expenses	0	0
Ordinary profit	821	1,165
Extraordinary income		
Gain on sales of non-current assets	38	58
Gain on reversal of subscription rights to shares	0	2
Reversal of reserve for financial products transaction liabilities	1	-
Total extraordinary income	40	60
Extraordinary losses		
Loss on retirement of non-current assets	0	3
Loss on valuation of investment securities	-	0
Loss on valuation of golf club membership	11	-
Impairment loss	-	61
Total extraordinary losses	11	65
Profit before income taxes	850	1,160
Income taxes - current	137	281
Income taxes - deferred	158	89
Total income taxes	296	370
Profit	554	789
Profit attributable to non-controlling interests	1	3
Profit attributable to owners of parent	552	785

Quarterly Comprehensive Income Statements

(in millions of yen)

	Fiscal year ended June 30, 2016	Fiscal year ended June 30, 2017
Profit	554	789
Other comprehensive income		
Valuation difference on available-for-sale securities	△91	21
Revaluation reserve for land	8	-
Remeasurements of defined benefit plans, net of tax	△5	△11
Total other comprehensive income	△88	10
Comprehensive income	466	799
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	464	796
Comprehensive income attributable to non-controlling interests	1	3

(3)Notes to Quarterly Consolidated Financial Statements

(Notes concerning premises for continuing business enterprise)

None.

(Notes concerning material changes in shareholders' capital)

None.

(Application of accounting treatment unique to preparation of quarterly financial statements)

None.

(Changes to accounting policy and accounting estimates and re-presentation of revisions)

None.

III. Supplementary Information For First Quarter of Fiscal 2017

1 . Commissions

(1) Commissions by sources

	First quarters of		Change (%)	(in millions of yen)
	Fiscal 2016(a)	Fiscal 2017(b)	(b) over (a)	Fiscal year ended March 31, 2017
Brokerage commission	1,864	2,187	17.3	7,070
(Stocks)	(1,787)	(2,137)	(19.6)	(6,812)
(Beneficiary certificates)	(76)	(49)	(-34.8)	(258)
Commissions from underwriting and solicitation to specified investors	233	8	-96.3	361
(Stocks)	(233)	(8)	(-96.3)	(361)
Commissions from Distribution and solicitation to specified investors	1,325	1,620	22.3	5,642
(Beneficiary certificates)	(1,313)	(1,600)	(21.8)	(5,556)
Commissions from other Sources	1,385	1,559	12.6	5,782
(Beneficiary certificates*)	(1,249)	(1,455)	(16.4)	(5,189)
Total	4,808	5,376	11.8	18,857

*Breakdown of Beneficiary certificates

	First quarters of		Change (%)	(in millions of yen)
	Fiscal 2016(a)	Fiscal 2017(b)	(b) over (a)	Fiscal year ended March 31, 2017
Trailer fees relating to distribution	1,076	1,041	-3.3	4,174
Trust fees for fund Management	90	231	156.0	545
Fees from wrap-accounts	82	182	121.9	469
Total	1,249	1,455	16.4	5,189

(2) Commissions by products

	First quarters of		Change (%)	(in millions of yen)
	Fiscal 2016(a)	Fiscal 2017(b)	(b) over (a)	Fiscal year ended March 31, 2017
Stocks	2,028	2,153	6.2	7,202
Bonds	11	20	74.9	85
Beneficiary certificates	2,639	3,104	17.6	11,004
Others	128	97	-24.6	564
Total	4,808	5,376	11.8	18,857

2 . Gains or loss on trading

(in millions of yen)

	First quarters of Fiscal 2016(a)	Fiscal 2017(b)	Change (%) (b) over (a)	Fiscal year ended March 31,2017

Stocks, etc.	-5	11		83
Bonds, foreign exchange, etc.	40	20	-48.8	126
(Bonds, etc.)	(40)	(16)	(-58.4)	(106)
(Foreign exchange, etc.)	(-0)	(3)	()	(19)

Total	34	32	-8.0	209

3 . Quarterly Consolidated Income Statements for Recent Five Quarters

(in millions of yen)

	1st Q (4-6/'16)	2nd Q (7-9/'16)	3rd Q 10-12/'16)	4th Q (1-3/'17)	1st Q (4-6/'17)
Operating revenue	5,273	4,772	5,053	5,614	5,866
Commission received	4,808	4,354	4,590	5,104	5,376
Net trading income	34	51	62	61	32
Financial revenue	56	52	65	62	67
Other operating revenue	374	313	335	386	390
Financial expenses	10	13	22	18	20
Other operating expenses	345	290	316	356	354
Net operating revenue	4,917	4,467	4,714	5,238	5,491
Selling, general and administrative expenses	4,118	3,985	4,060	4,181	4,347
Trading related expenses	433	366	379	421	430
Personnel expenses	2,292	2,317	2,309	2,335	2,470
Real estate expenses	464	451	445	454	484
Office cost	584	552	624	633	601
Depreciation	98	99	98	110	102
Taxes and dues	75	67	71	86	79
Provision of allowance for doubtful accounts	—	—	—	—	0
Other	169	131	131	140	180
Operating profit	798	482	654	1,057	1,143
Non-operating income	22	13	28	43	22
Non-operating expenses	0	5	1	17	0
Ordinary profit	821	490	681	1,083	1,165
Extraordinary income	40	2	0	27	60
Extraordinary losses	11	66	0	16	65
Profit before income taxes	850	427	681	1,095	1,160
Income taxes - current	137	99	66	532	281
Income taxes - deferred	158	△139	177	△179	89
Profit	554	467	436	742	789
Profit attributable to non-controlling interests	1	1	2	11	3
Profit attributable to owners of parent	552	465	433	731	785

(END)