



# *1Q Ending March 31, 2011*

# *Results Briefing*



July 28, 2010  
Okasan Securities Group Inc.

The objective of the document is to provide information on the results of the 1st quarter year ending March 31, 2011 and not to offer investments in securities issued by Okasan Securities Group Inc.  
The document has been prepared based on data as of the end of June 2010. Okasan Securities Group Inc. does not accept responsibility for any omissions or errors in data, statements, etc. in this document.  
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## *1. Business Results Overviews (Consolidated)*

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## Financial Summary

	Operating revenues	Net operating revenues	Operating income	Ordinary income
	million yen    %	million yen    %	million yen    %	million yen    %
FY11. 3 1Q	16,172 (-14.0)	15,741 (-14.0)	1,063 ( -71.9)	1,604 ( -58.3)
FY10. 3 1Q	18,811 (+24.6)	18,308 (+26.0)	3,778 (14.7times)	3,844 (+298.4)

	Net Income	Total assets	Net assets	Equity ratio
	million yen    %	million yen	million yen	%
FY11. 3 1Q	1,606 ( -9.3)	500,662	114,614	19.0
FY10. 3 1Q	1,770 (+141.0)	518,695	114,399	18.4

	Net income per share	Net assets per share	ROE (annualized)
	yen	yen	%
FY11. 3 1Q	7.86	466.23	6.7
FY10. 3 1Q	8.66	468.13	7.5



# Financial highlights of 1<sup>st</sup> Quarter year ending March 2011

## <Overview >

- Operating revenues were down 14.0% year on year, to ¥16,172 million. The decline is mainly attributed to lower stock brokerage commissions due to the bear market, and lower trading income concomitant with a declining trading volume of foreign bonds.
- Selling, general and administrative (“SG&A”) expenses edged up by 1.0% year on year, with ordinary profits down by 41.7% year on year to ¥1,604 million. As a refund of the previous fiscal year’s corporate tax failed to cover all the considerable impact of the decline in revenues, the 1st quarter net income fell by 9.3% year on year to ¥1,606 million.

## <Fees and Commissions >

- Brokerage commissions were down 30.5% year on year. Forex commissions rose, but stock brokerage commissions eroded.
- Underwriting fees and selling concessions were down 7.0% year on year. Underwriting of Government guaranteed bonds and municipal bonds rose, but large-scale equity finance was absent in this quarter.
- Placement commissions edged up 0.2% year on year. Other fees and commissions were up 23.6% year on year due to a rise in custodian fees.

## <Net trading Profits >

- The net gain from trading of equity and other securities was down 18.9% year on year. Trading was active in the US shares (including ADRs of Brazilian shares) and European shares, which a weaker Euro supported. However, major declines in domestic stock trading income had repercussions.
- The net gain from fixed income securities and other instruments fell 41.8% year on year due to such factors as a decline in the trading volume of foreign currency denominated bonds.

## <SG&A expenses >

- Cost management contributed to reduction in real estate related expenses and in back-office costs but due to increases in such things as transaction costs concomitant with the Okasan Online Securities business expansion and increases in depreciation costs concomitant with the operation of the new core system, SG&A expenses were up by 1.0% year on year.

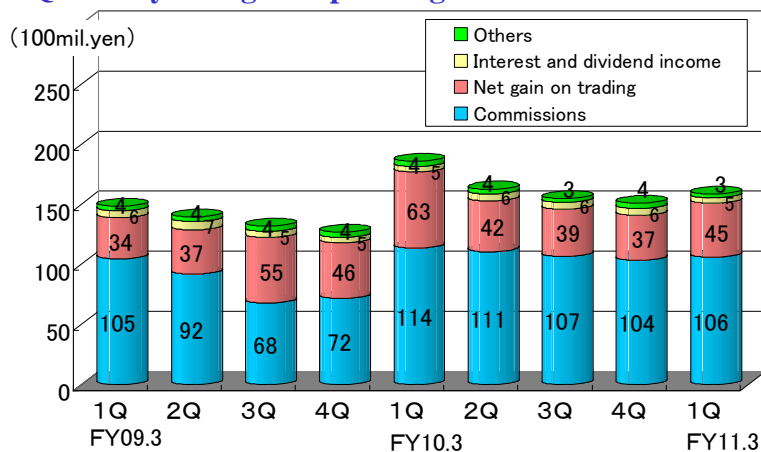


# Operating Revenues

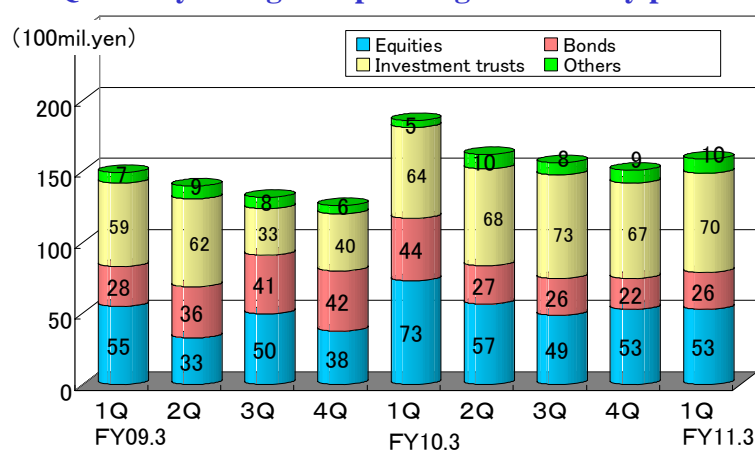
(In millions of yen)	FY10.3 1Q	FY11.3 1Q	vs.FY10.3 1Q
<b>Operating revenues</b>	18,811	16,172	-14.0%
<b>Commissions</b>	11,485	10,620	-7.5%
Brokerage	4,709	3,274	-30.5%
Underwriting	55	51	-7.0%
Distribution	4,319	4,326	0.2%
Others	2,400	2,966	23.6%
<b>Net gain on trading</b>	6,321	4,575	-27.6%
Equities	2,508	2,035	-18.9%
Bonds	4,184	2,433	-41.8%
Others	-370	106	-
<b>Interest and dividend income</b>	578	597	3.2%
<b>Others</b>	425	379	-10.8%

FY10.3				FY11.3	vs.FY10.3
1Q	2Q	3Q	4Q	1Q	4Q
18,811	16,410	15,764	15,249	16,172	6.1%
11,485	11,129	10,785	10,446	10,620	1.7%
4,709	3,885	2,888	3,049	3,274	7.4%
55	31	243	343	51	-85.1%
4,319	4,431	4,792	4,131	4,326	4.7%
2,400	2,781	2,859	2,921	2,966	1.5%
6,321	4,231	3,970	3,759	4,575	21.7%
2,508	1,690	1,744	1,859	2,035	9.5%
4,184	2,492	2,254	1,884	2,433	29.1%
-370	48	-28	15	106	606.7%
578	640	622	635	597	-6.0%
425	408	386	408	379	-7.1%

## Quarterly change in operating revenues



## Quarterly change in operating revenues by product





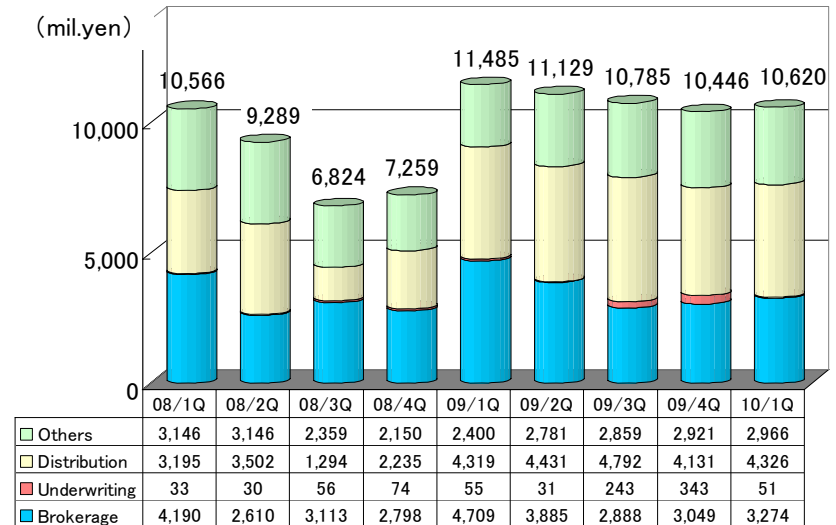
# Fees and Commissions Received

## ■ fees and commissions received

(In millions of yen)

Items	FY10.3 1Q	FY11.3 1Q	VS.10.3 1Q
Brokerage	4,709	3,274	-30.5%
Equities	4,397	2,880	-34.5%
Bonds	16	5	-67.9%
Others	295	389	31.5%
Underwriting	55	51	-7.0%
Equities	41	31	-24.6%
Bonds	14	20	44.3%
Distribution	4,319	4,326	0.2%
Investment trusts	4,310	4,307	-0.1%
Others	2,400	2,966	23.6%
Investment trusts	2,167	2,728	25.9%
Total	11,485	10,620	-7.5%

## ■ Fees and commissions received (quarterly)

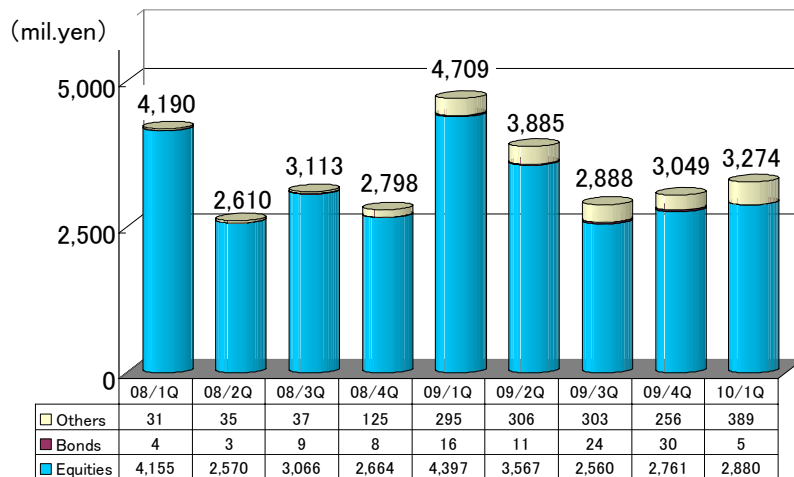


- Brokerage commissions were down 30.5% year on year. The bear market led to plunge in the equities brokerage commissions, which declined 34.5% year on year. On the other hand, other brokerage commissions increased by 31.5%, due to the expansion of forex broking in Okasan Online Securities.
- Underwriting fees and selling concessions declined 7.0% year on year, reflecting a dearth of major equity financing.
- Investment trust fund sales centered on the “Asia and Oceania High Yield and Growth Stock Open”, managed by Okasan Asset Management. Distribution fees edged up by 0.2%.
- Other fees and commissions rose 23.6% year on year due to an increase in custodian fee revenue thanks to the recovery of the balance of outstanding investment trust funds.

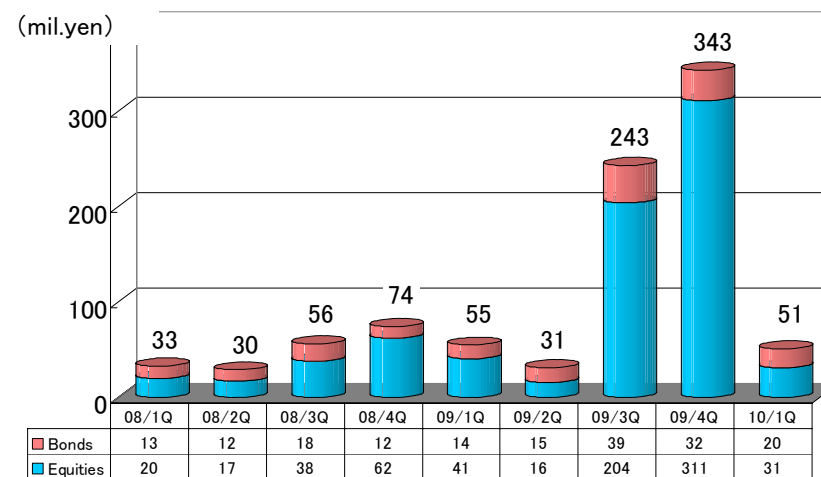


# Fees and Commissions Received by Category

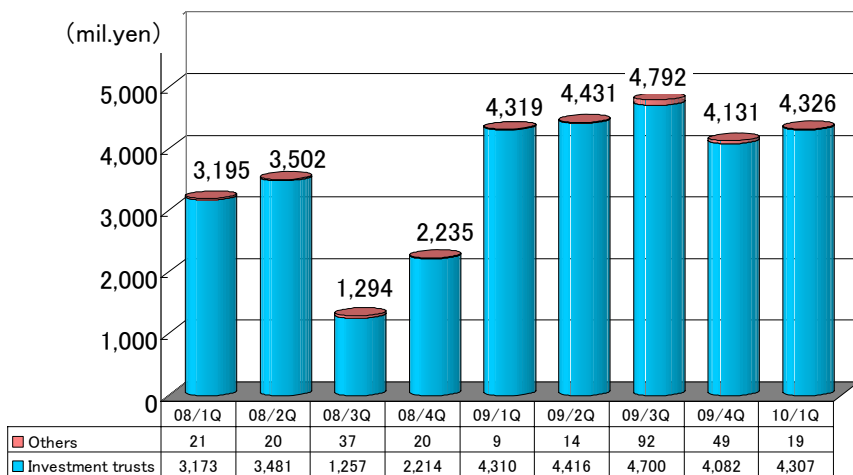
## ■ Brokerage



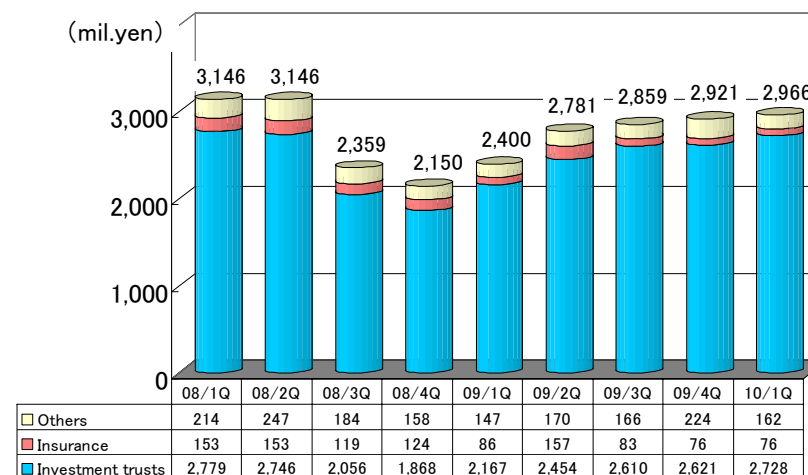
## ■ Underwriting



## ■ Distribution



## ■ Others



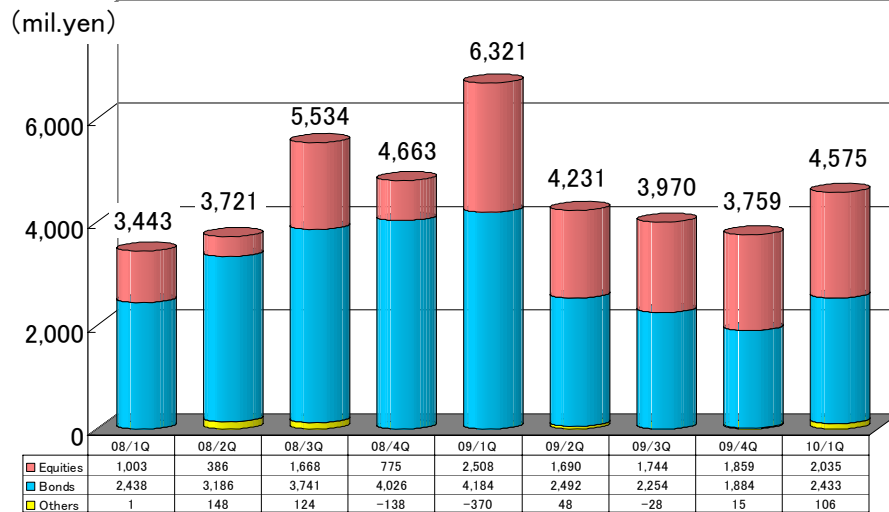


## Net gain(loss) on Trading

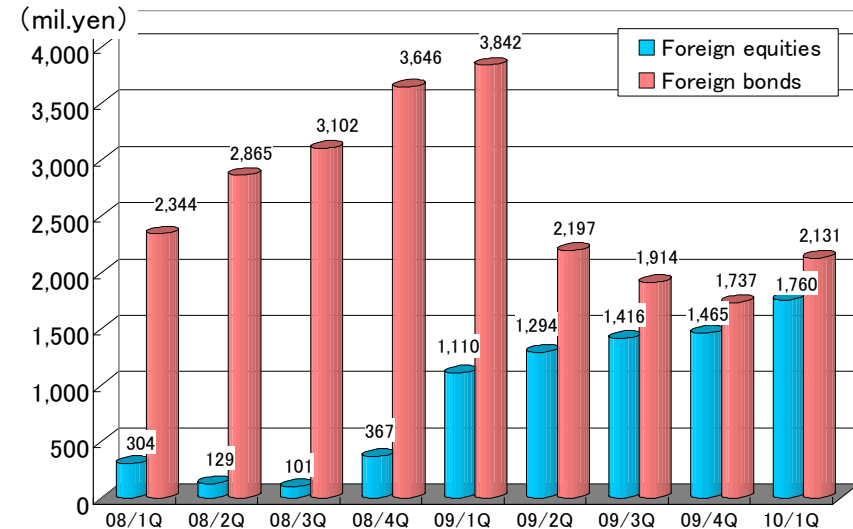
(In millions of yen)	FY10.3	FY11.3	vs.FY10.3
	1Q	1Q	1Q
<b>Net gain on trading</b>	<b>6,321</b>	<b>4,575</b>	<b>-27.6%</b>
<b>Equities</b>	<b>2,508</b>	<b>2,035</b>	<b>-18.9%</b>
Domestic equities	1,397	274	-80.4%
Foreign equities	1,110	1,760	58.6%
<b>Bonds and others</b>	<b>4,184</b>	<b>2,433</b>	<b>-41.8%</b>
Domestic bonds	341	302	-11.4%
Foreign bonds	3,842	2,131	-44.5%
<b>Others</b>	<b>-370</b>	<b>106</b>	<b>-</b>

FY10.3				FY11.3	vs.FY10.3
1Q	2Q	3Q	4Q	1Q	4Q
6,321	4,231	3,970	3,759	4,575	21.7%
2,508	1,690	1,744	1,859	2,035	9.5%
1,397	396	327	394	274	-30.5%
1,110	1,294	1,416	1,465	1,760	20.2%
4,184	2,492	2,254	1,884	2,433	29.1%
341	294	340	146	302	106.8%
3,842	2,197	1,914	1,737	2,131	22.7%
-370	48	-28	15	106	606.7%

### Net gain by Products



### Net gain from foreign stocks and bonds





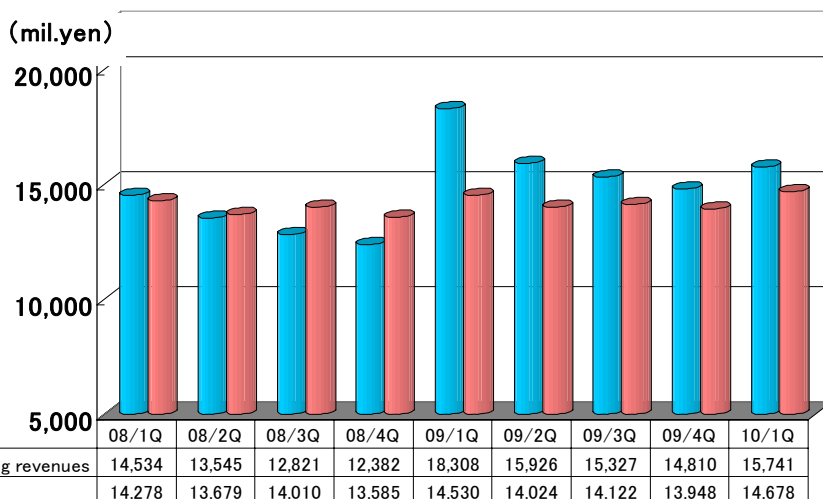


## SG&A : Selling, General and Administrative Expenses

(In millions of yen)	FY10.3 1Q	FY11.3 1Q	vs.FY10.3 1Q
<b>SG&amp;A</b>	14,530	14,678	1.0%
Trading related expenses	2,554	2,793	9.4%
Personnel expenses	7,440	7,405	-0.5%
Real estate expenses	1,658	1,531	-7.7%
Administrative expenses	1,515	1,395	-7.9%
Depreciation expenses	631	791	25.3%
Taxes and dues	169	140	-16.9%
Others	561	620	10.5%

FY10.3				FY11.3	vs.FY10.3
1Q	2Q	3Q	4Q	1Q	4Q
14,530	14,024	14,122	13,948	14,678	5.2%
2,554	2,605	2,607	2,645	2,793	5.6%
7,440	6,996	7,180	6,927	7,405	6.9%
1,658	1,626	1,589	1,579	1,531	-3.0%
1,515	1,474	1,394	1,401	1,395	-0.4%
631	663	689	718	791	10.2%
169	153	134	134	140	4.5%
561	504	528	541	620	14.6%

### Change in net operating revenues and SG&A



- Trading related expenses were up 9.4% year on year, due mainly to the increases in stock exchange membership fees and a rise in payment to the custodians in proportion to the business expansions in investment trust funds and Okasan Online Securities.

- Real estate expenses decreased 7.7%, thanks to the results of negotiations on the rent renewal of branch offices.

- Administrative expenses were down 7.9%, due mainly to the reduction in the office work outsourcing expenses. The reduction is attributed to the start of operation in the core computer system, ODIN.

- In contrast, depreciation expenses rose 25.3% year on year, due mainly to the ODIN.



## Balance Sheet Summary (1)

(In millions of yen)	FY10.3	FY11.3	vs.FY10.3	FY10.3				FY11.3	vs.FY10.3
	1Q	1Q	1Q	1Q	2Q	3Q	4Q	1Q	4Q
<b>Current assets</b>	465,575	448,013	-17,562	465,575	449,539	464,101	445,082	448,013	2,931
Cash and due from banks	37,249	39,519	2,270	37,249	39,169	40,500	41,440	39,519	-1,921
Fund deposits	40,948	50,100	9,152	40,948	47,440	48,197	57,700	50,100	-7,600
Trading products	163,121	156,861	-6,259	163,121	157,795	160,019	142,869	156,861	13,992
Margin transaction assets	49,283	48,743	-540	49,283	48,901	38,704	44,337	48,743	4,406
Loans receivable secured by securities	159,087	142,099	-16,988	159,087	139,321	167,129	137,065	142,099	5,034
Other current assets	15,885	10,688	-5,196	15,885	16,910	9,549	21,668	10,688	-10,980
<b>Fixed assets</b>	53,119	52,648	-471	53,119	51,477	51,131	54,413	52,648	-1,765
Tangible fixed assets	15,854	16,022	168	15,854	16,012	15,933	16,000	16,022	22
Intangible fixed assets	9,678	10,361	683	9,678	9,971	10,130	10,426	10,361	-65
Investment and other assets	27,587	26,264	-1,323	27,587	25,493	25,068	27,986	26,264	-1,722
<b>Total assets</b>	518,695	500,662	-18,033	518,695	501,016	515,232	499,495	500,662	1,167

• Current assets decreased ¥17.5 billion from a year ago, due mainly to the plunged loans receivable secured by securities. Because of the increase in customer segregated trust accounts, fund deposits increased.

• Fixed assets decreased ¥0.4 billion from a year ago, due to decreased investments and other assets brought about by reduction in investment securities. Such a decrease completely absorbed any increase in tangible fixed assets and intangible fixed assets.



## Balance Sheet Summary(2)

(In millions of yen)	FY10.3			FY10.3				FY11.3		vs.FY10.3
	1Q	1Q	vs.FY10.3 1Q	1Q	2Q	3Q	4Q	1Q	4Q	
<b>Current liabilities</b>	381,009	368,578	-12,431	381,009	364,042	378,864	366,335	368,578	2,243	
Trading products	127,850	112,943	-14,906	127,850	130,259	130,416	100,447	112,943	12,496	
Margin transaction liabilities	25,638	17,162	-8,476	25,638	22,786	17,949	25,383	17,162	-8,221	
Loans payable secured by securities	77,565	42,755	-34,809	77,565	35,024	53,602	32,821	42,755	9,933	
Deposits received	18,459	19,774	1,315	18,459	18,559	18,444	22,871	19,774	-3,096	
Received margins	28,873	33,300	4,427	28,873	28,728	30,847	29,746	33,300	3,554	
Short-term loans payable	97,703	130,293	32,589	97,703	122,114	112,161	147,325	130,293	-17,032	
Other current liabilities	4,918	12,347	7,428	4,918	6,568	15,442	7,739	12,347	4,608	
<b>Fixed liabilities</b>	22,801	16,516	-6,284	22,801	21,945	21,172	16,727	16,516	-210	
Long-term loans payable	11,139	4,612	-6,527	11,139	10,529	9,905	4,960	4,612	-348	
Reserves for retirement benefits	4,931	5,045	114	4,931	4,940	4,949	4,972	5,045	73	
Other fixed liabilities	6,730	6,859	128	6,730	6,476	6,317	6,794	6,859	64	
Statutory reserve	486	952	466	486	532	695	855	952	97	
<b>Total liabilities</b>	404,296	386,047	-18,249	404,296	386,521	400,731	383,917	386,047	2,130	
<b>Common stock</b>	18,589	18,589	—	18,589	18,589	18,589	18,589	18,589	—	
<b>Capital surplus</b>	12,918	12,909	-8	12,918	12,918	12,918	12,918	12,909	-8	
<b>Earned surplus</b>	64,348	65,461	1,113	64,348	65,110	65,309	65,363	65,461	98	
<b>Treasury stock</b>	-1,864	-1,878	-14	-1,864	-1,868	-1,873	-1,876	-1,878	-1	
<b>Valuation and translation adjustments</b>	1,691	199	-1,492	1,691	846	491	1,314	199	-1,115	
<b>Minority interest</b>	18,714	19,332	617	18,714	18,899	19,065	19,268	19,332	64	
<b>Total net assets</b>	114,399	114,614	215	114,399	114,495	114,501	115,577	114,614	-963	
<b>Total liabilities&amp;net assets</b>	518,695	500,662	-18,033	518,695	501,016	515,232	499,495	500,662	1,167	

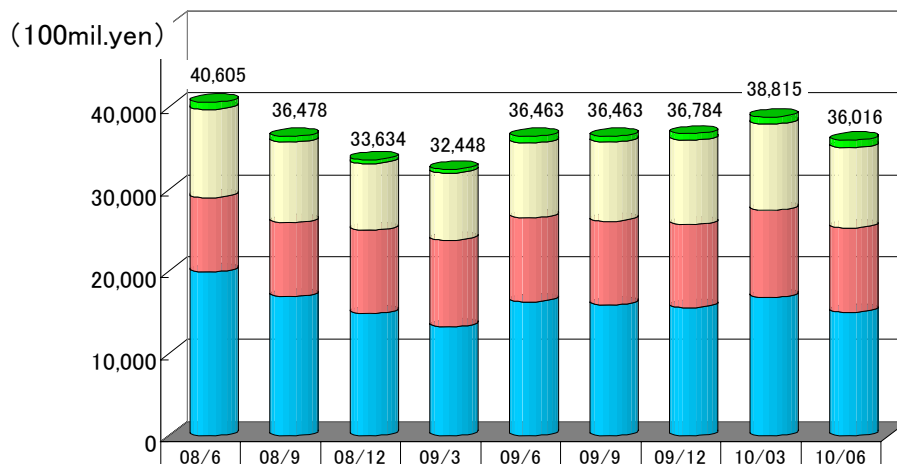
- Current liabilities decreased ¥12.4 billion from a year ago, due to declining balance on loans payable secured by securities and trading products, with such decrease partly offset by an increase in short-term loans payable. Fixed liabilities decreased ¥6.2 billion from a year ago, due mainly to declining balance on long-term loans payable.

- Net assets decreased ¥0.2 billion from a year ago, due mainly to decreases in valuation and translation adjustments, with such decrease partly offset by an increase in earned surplus.



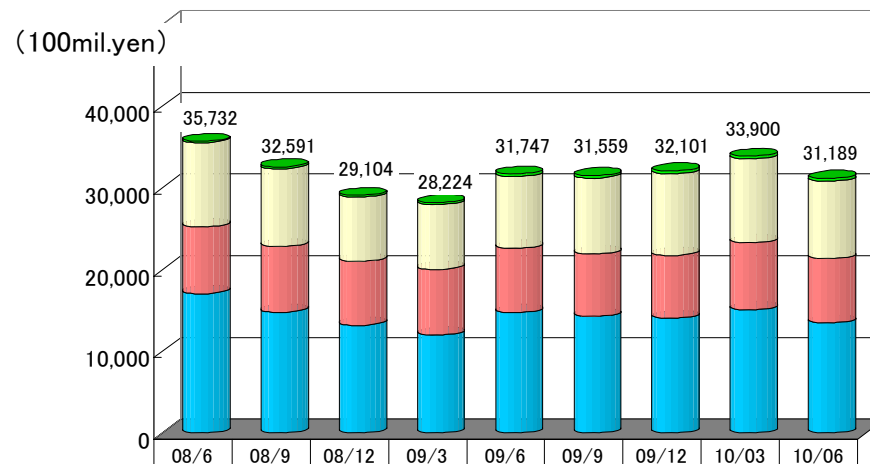
# Assets under custody (Consolidated)

## Assets under Custody



Others	846	733	476	440	803	700	794	828	916
Investment trusts	10,749	9,797	8,167	8,215	9,134	9,650	10,290	10,512	9,793
Bonds	9,052	9,028	10,127	10,531	10,240	10,185	10,081	10,617	10,257
Equities	19,958	16,920	14,864	13,262	16,286	15,928	15,619	16,858	15,050

## Retail Assets under Custody



Others	170	211	199	254	330	341	355	351	387
Investment trusts	10,305	9,549	7,894	7,932	8,770	9,247	9,960	10,235	9,464
Bonds	8,147	8,002	7,795	8,022	7,865	7,687	7,736	8,182	7,872
Equities	17,110	14,829	13,216	12,016	14,782	14,284	14,050	15,132	13,466

• The customers' assets under custody in the consolidated basis were ¥3,601.6 billion, a decline of ¥44.7 billion from a year ago. Of these assets, retail assets account for ¥3,118.9 billion, a decline of ¥55.8 billion from a year ago.

• In the breakdown by product, equities were down ¥123.6 billion and investment trust funds were up ¥65.9 billion for the company overall. In retail accounts, equities were down ¥131.6 billion and investment trust funds were up ¥69.4 billion. Despite of a steady rise in the balance of investment trust funds, the equities balance is severely suffered from the backdrop in the stock market .



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## *2. Reference Data*

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# Performance by quarter (non-consolidated: Okasan Securities)

(In millions of yen)

Items	FY10. 3	FY11. 3	vs.FY10.3
	1 Q	1 Q	1 Q
<b>Operating revenues</b>	14,747	12,562	-14.8%
Commissions	9,038	7,816	-13.5%
Brokerage	3,491	2,151	-38.4%
Underwriting	55	51	-7.4%
Distribution	4,136	4,071	-1.6%
Others	1,354	1,542	13.9%
Net gain on Trading	5,314	4,254	-19.9%
Equities	1,855	1,832	-1.2%
Bonds	3,832	2,319	-39.5%
Others	-373	102	—
Interest and dividend income	394	491	24.7%
Financial expenses	330	382	15.7%
Net operating revenues	14,416	12,180	-15.5%
<b>SG&amp;A</b>	11,577	11,546	-0.3%
Trading related expenses	2,225	2,235	0.5%
Personnel expenses	5,415	5,456	0.8%
Real estate expenses	1,452	1,364	-6.1%
Administrative expenses	2,084	2,084	0.0%
Depreciation expenses	83	105	26.5%
Taxes and dues	85	72	-15.3%
Others	231	227	-1.6%
Operating income	2,839	633	-77.7%
Non-operating income	94	161	70.5%
Non-operating expenses	2	29	1047.4%
Ordinary income	2,931	766	-74.0%
Extraordinary gain	69	29	-58.2%
Extraordinary loss	3	465	13752.7%
Net profit, before taxes	2,997	330	-89.0%
Income taxes	-262	-64	—
Adjustment amount for income taxes	1,465	482	-67.1%
Net profit	1,794	-87	—

(In millions of yen)

Items	FY10. 3				FY11. 3	vs.FY10.3
	1 Q	2 Q	3 Q	4 Q	1 Q	4 Q
<b>Operating revenues</b>	14,747	12,940	12,348	11,827	12,562	6.2%
Commissions	9,038	8,636	8,283	7,929	7,816	-1.4%
Brokerage	3,491	2,900	1,991	2,108	2,151	2.0%
Underwriting	55	31	243	339	51	-85.0%
Distribution	4,136	4,187	4,531	3,951	4,071	3.0%
Others	1,354	1,517	1,516	1,530	1,542	0.8%
Net gain on Trading	5,314	3,776	3,542	3,364	4,254	26.5%
Equities	1,855	1,422	1,490	1,624	1,832	12.8%
Bonds	3,832	2,309	2,084	1,728	2,319	34.2%
Others	-373	46	-32	11	102	827.3%
Interest and dividend income	394	526	522	533	491	-7.9%
Financial expenses	330	394	374	386	382	-1.0%
Net operating revenues	14,416	12,545	11,974	11,440	12,180	6.5%
<b>SG&amp;A</b>	11,577	11,420	11,537	11,459	11,546	0.8%
Trading related expenses	2,225	2,285	2,333	2,278	2,235	-1.9%
Personnel expenses	5,415	5,191	5,403	5,312	5,456	2.7%
Real estate expenses	1,452	1,428	1,418	1,394	1,364	-2.2%
Administrative expenses	2,084	2,149	2,032	2,101	2,084	-0.8%
Depreciation expenses	83	93	107	113	105	-7.1%
Taxes and dues	85	80	67	70	72	2.9%
Others	231	192	174	189	227	20.1%
Operating income	2,839	1,125	436	-18	633	—
Non-operating income	94	80	40	89	161	80.9%
Non-operating expenses	2	15	14	10	29	190.0%
Ordinary income	2,931	1,189	462	60	766	1176.7%
Extraordinary gain	69	-2	-66	0	29	—
Extraordinary loss	3	3	84	180	465	158.3%
Net profit, before taxes	2,997	1183	311	-120	330	—
Income taxes	-262	830	-164	450	-64	-114.2%
Adjustment amount for income taxes	1,465	-276	394	-390	482	—
Net profit	1,794	629	81	-179	-87	—



# Volume of equity trading (non-consolidated: Okasan Securities)

## <Volume of equity trading / Number of shares>

(In millions of shares)

Items	FY10.3					FY11.3		
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	vs. FY10.3 1Q	vs. FY10.3 4Q
Total	3,574	5,487	6,172	6,644	21,877	6,735	188.4%	101.4%
( dealing )	1,944	1,462	1,155	1,338	5,899	1,314	67.6%	98.2%
( Brokerage )	1,630	4,024	5,017	5,306	15,977	5,420	332.4%	102.1%
Brokerage ratio	45.6%	73.3%	81.3%	79.9%	73.0%	80.5%	+34.9p	+0.6p

Trading volume increased w with the commencement of brokerage business for Japanese equities at Okasan Online Securities on July 21, 2009.

## <Volume of equity trading / Total value>

(In millions of yen)

Items	FY10.3					FY11.3		
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	vs. FY10.3 1Q	vs. FY10.3 4Q
Total	1,751,489	2,881,576	2,989,035	3,148,449	10,770,549	3,410,548	194.7%	108.3%
( dealing )	912,294	663,684	582,283	664,101	2,822,362	694,378	76.1%	104.6%
( Brokerage )	839,195	2,217,892	2,406,751	2,484,349	7,948,187	2,716,170	323.7%	109.3%
Brokerage ratio	47.9%	77.0%	80.5%	78.9%	73.8%	79.6%	+31.7p	+0.7p

Trading volume increased w with the commencement of brokerage business for Japanese equities at Okasan Online Securities on July 21, 2009.

## <Shares of total for Tokyo Stock Exchange >

Items	FY10.3					FY11.3		
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	vs. FY10.3 1Q	vs. FY10.3 4Q
Number of shares	0.85%	1.57%	1.80%	2.07%	1.54%	2.03%	+1.18p	-0.04p
Total value	0.76%	1.37%	1.47%	1.51%	1.26%	1.43%	+0.67p	-0.08p

## <Brokerage Commissions Ratio>

(In millions of yen)

Items	FY10.3					FY11.3		
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	vs. FY10.3 1Q	vs. FY10.3 4Q
Commissions	3,436	2,840	1,918	2,032	10,226	2,082	60.6%	102.5%
Commissions Ratio	0.41%	0.13%	0.08%	0.08%	0.13%	0.08%	-0.33p	±0

Brokerage commissions excluded commissions from futures and options.



# Volume of Underwriting, Offering, and Selling (non-consolidated: Okasan Securities)

## <Underwriting>

(In millions of shares, millions of yen)

Items		FY10.3					FY11.3		
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	vs. FY10.3 1Q	vs. FY10.3 4Q
Equities	(Number of shares)	0	0	12	2	14	0	96.7%	—
Equities	(Total value)	1,141	507	6,912	3,045	11,605	7,228	633.4%	237.4%
Bonds	(Total at face value)	137,693	105,394	146,946	176,012	566,045	193,518	140.5%	109.9%
CP, foreign instruments, etc	(Total at face value)	—	—	—	—	—	—	—	—

## <Selling>

(In millions of shares, millions of yen)

Items		FY10.3					FY11.3		
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	vs. FY10.3 1Q	vs. FY10.3 4Q
Equities	(Number of shares)	0	0	12	2	14	0	99.5%	—
Equities	(Total value)	1,193	487	6,775	3,043	11,498	7,160	599.8%	235.3%
Bonds	(Total at face value)	32,296	18,861	26,257	30,985	108,399	40,567	125.6%	130.9%

## <Offering>

(In millions of shares, millions of yen)

Items		FY10.3					FY11.3		
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	vs. FY10.3 1Q	vs. FY10.3 4Q
Equities	(Number of shares)	—	1	1	0	2	—	—	—
Equities	(Total value)	—	276	177	84	537	—	—	—
Bonds	(Total at face value)	138,005	114,175	151,448	177,241	580,869	194,126	140.7%	109.5%
Beneficiary securities	(Total at face value)	441,072	415,633	397,162	385,014	1,638,881	391,174	88.7%	101.6%
CP, foreign instruments, etc	(Total at face value)	—	—	—	—	—	—	—	—

## <Underwriting & Selling Fees Ratio>

(In millions of yen)

Items		FY10.3					FY11.3		
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	vs. FY10.3 1Q	vs. FY10.3 4Q
Equities		41	16	205	308	570	31	75.2%	10.1%
(Averaged Fees Ratio)		1.76%	1.61%	1.50%	5.07%	2.47%	0.22%	-1.54p	-4.85p
Bonds		14	15	38	32	99	20	143.9%	62.5%
(Averaged Fees Ratio)		0.008%	0.012%	0.022%	0.015%	0.015%	0.009%	+0.001p	-0.006p

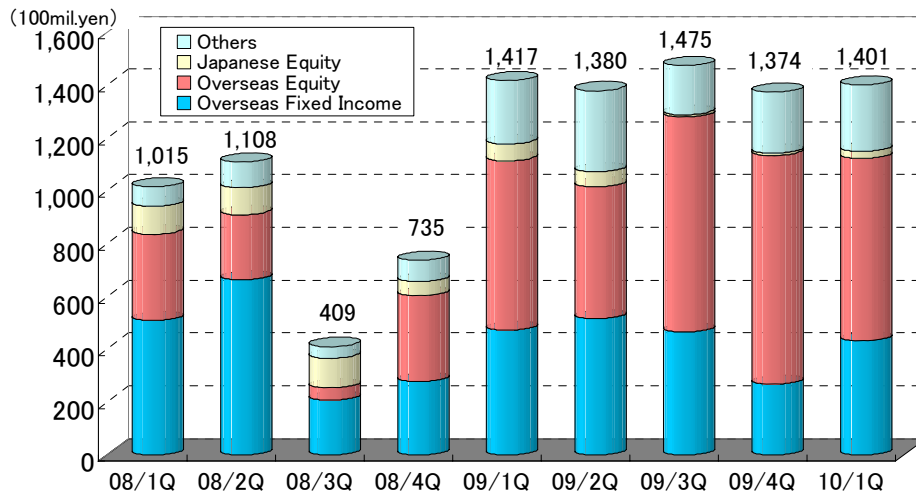




# Investment trusts ▪ Foreign bonds

## (non-consolidated: Okasan Securities)

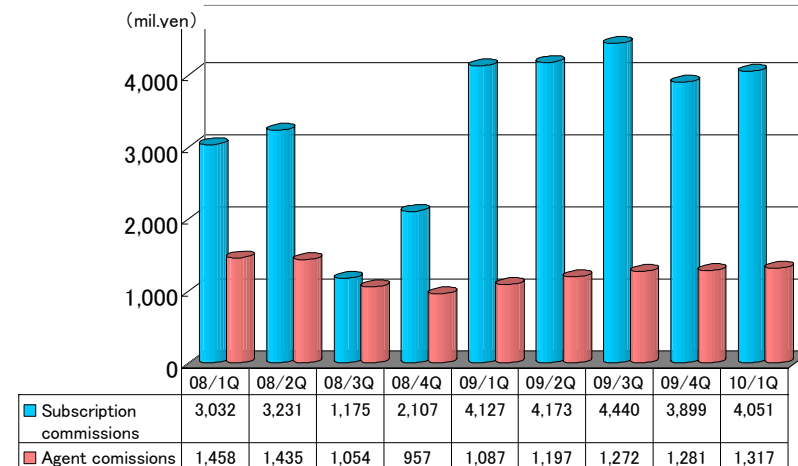
### Investment trusts sales amount



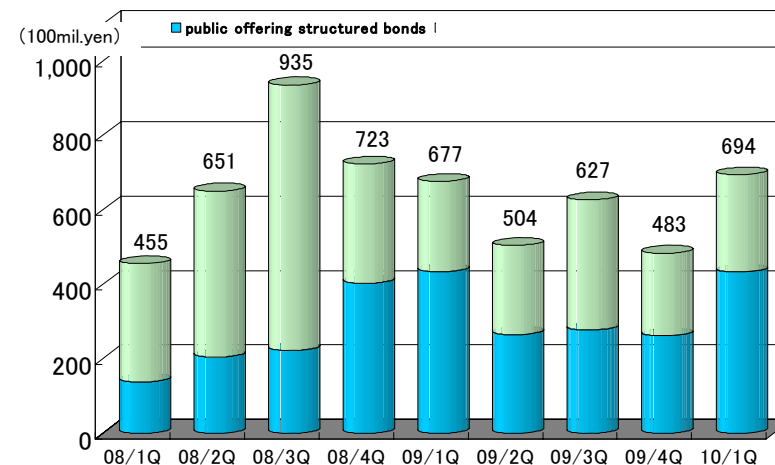
• Sales of Investment trust funds were down 1.1% year on year, to ¥140.1 billion. Sales commissions were down 1.8%, to ¥4,051 million. During the quarter, the funds investing in Asian and Oceanian stocks and bonds were popular.

• Foreign bonds sales were rose 2.6% year on year, to ¥ 69.4 billion. The activities are highlighted by exchangeable bonds and South African rand-denominated bonds for the retail clients and by Euroyen CBs and structured bonds for the corporate clients.

### Investment trusts commissions



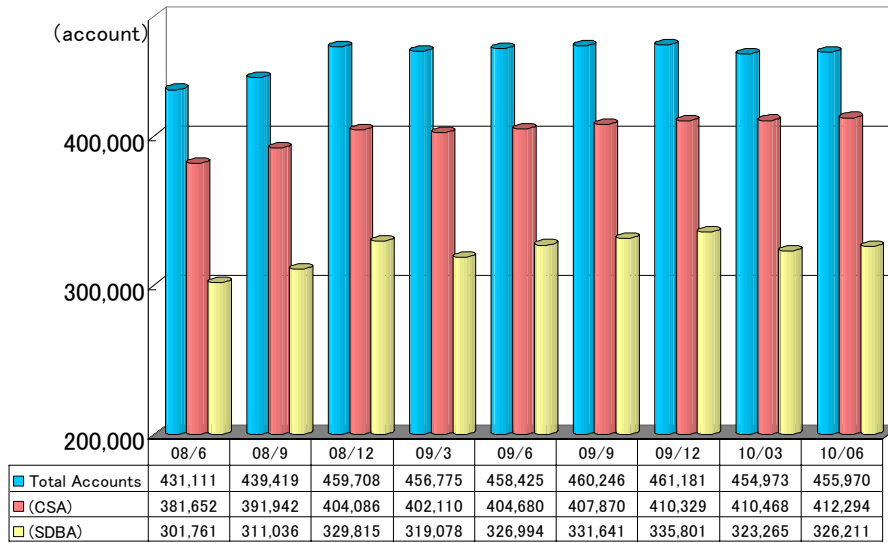
### Foreign bonds sales amount





# Number of accounts (non-consolidated: Okasan Securities)

## Number of customer accounts

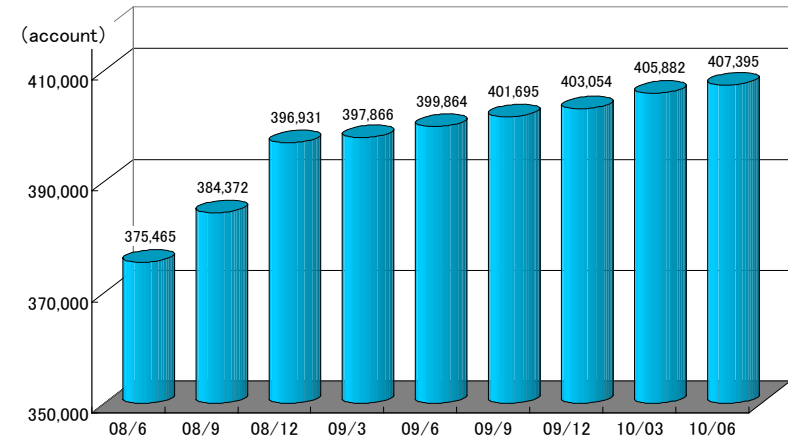


• The overall number of customer accounts was down 0.5% year on year, to 455,970 (number of accounts with a balance remaining increased 1.9% to 407,395).

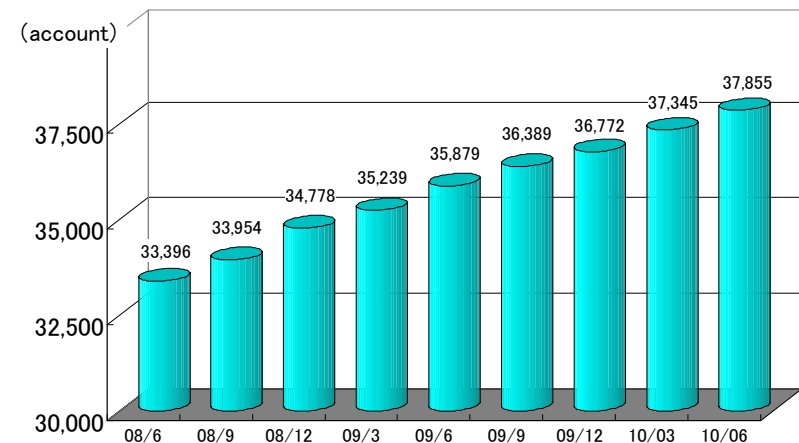
• 4,657 new accounts were opened this quarter.

• Online accounts comprised 8.3% (37,855) of the overall number of accounts.

## Number of balance remaining accounts



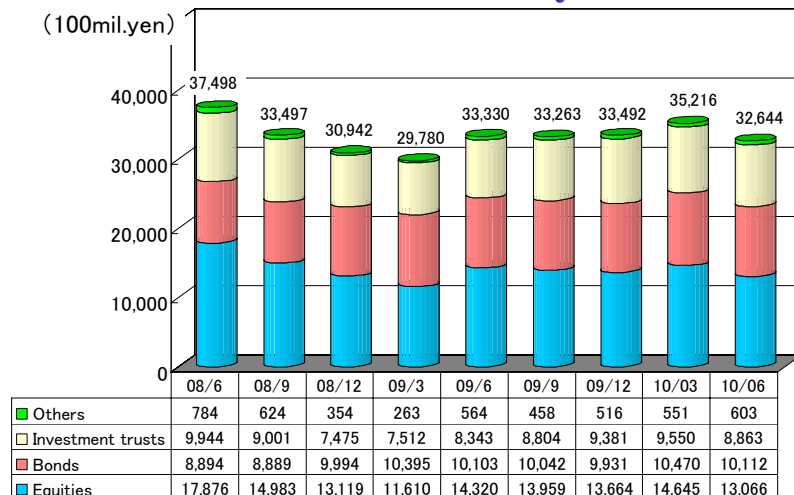
## Number of online accounts



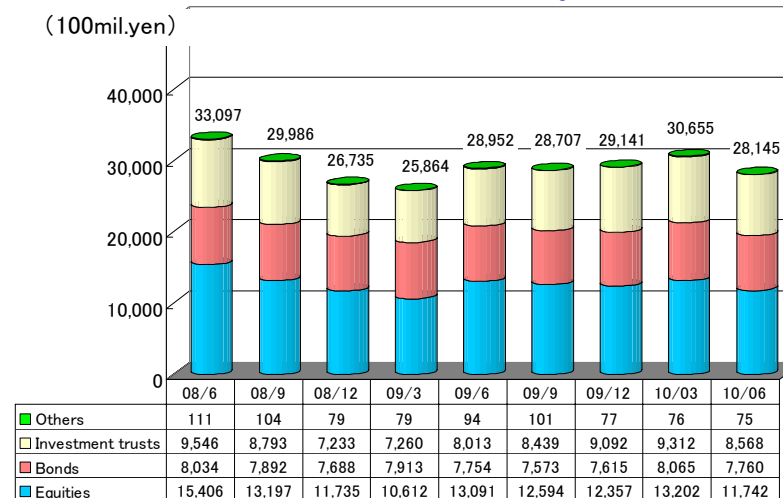


# Assets under custody , Net inflow of client assets (non-consolidated: Okasan Securities)

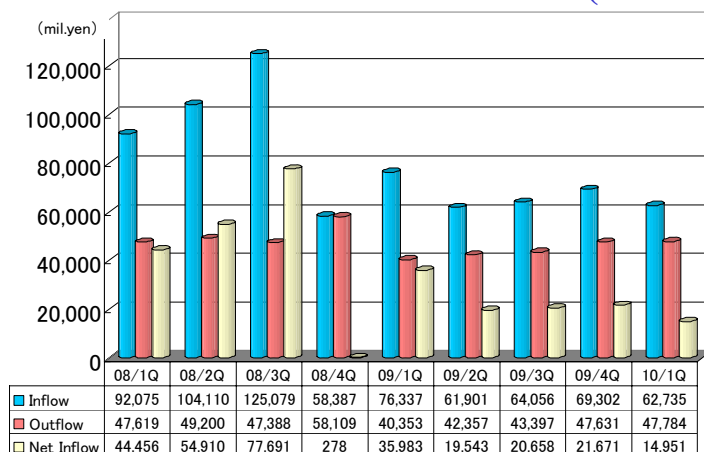
## Assets under Custody



## Retail Assets under Custody



## Net inflow of client assets (Retail)



• Customers' assets under custody for Okasan Securities Co. Ltd., decline ¥68.6 billion year on year, to ¥3,264.4 billion. Of these, retail assets were down ¥80.7 billion year on year, to ¥2,814.5 billion. Again, the decline is influenced from equities.

• The net inflow of client assets (sum of net inflow of cash and assets under custody: private clients only) during this quarter stood at ¥14.9 billion.



# Capital Adequacy requirement Ratio

## (non-consolidated: Okasan Securities)

(In millions of yen)

Items		FY10.3				FY11.3	vs.FY10.3
		1Q	2Q	3Q	4Q	1Q	4Q
Basic items	(A)	53,639	54,268	54,350	52,670	52,583	-87
Complementary items	Appraisal gains (losses) etc.	35	42	48	48	44	-4
	Security transaction responsibility reserve	347	349	465	579	633	54
	General provision for loan losses	35	42	34	36	8	-28
	Short-term subordinated debt	8,925	8,000	7,625	6,350	5,975	-375
Total (B)		9,343	8,435	8,173	7,014	6,661	-353
Assets to be deducted	(C)	9,263	9,605	9,694	9,437	9,653	216
Unfixed equity capital (A) + (B) - (C) (D)		53,719	53,098	52,829	50,247	49,590	-657
Risk equivalents	Market risk equivalents	1,671	1,410	1,590	1,459	2,663	1,204
	Customer risk equivalents	911	1,147	999	1,058	1,064	6
	Basic risk equivalents	11,620	11,490	11,404	11,524	11,619	95
Total (E)		14,203	14,048	13,993	14,043	15,347	1,304
Capital adequacy requirement ratio (D) / (E) × 100 (%)		378.2%	377.9%	377.5%	357.8%	323.1%	-34.7p

(Note) Short-term subordinated debt consists of subordinated borrowing.

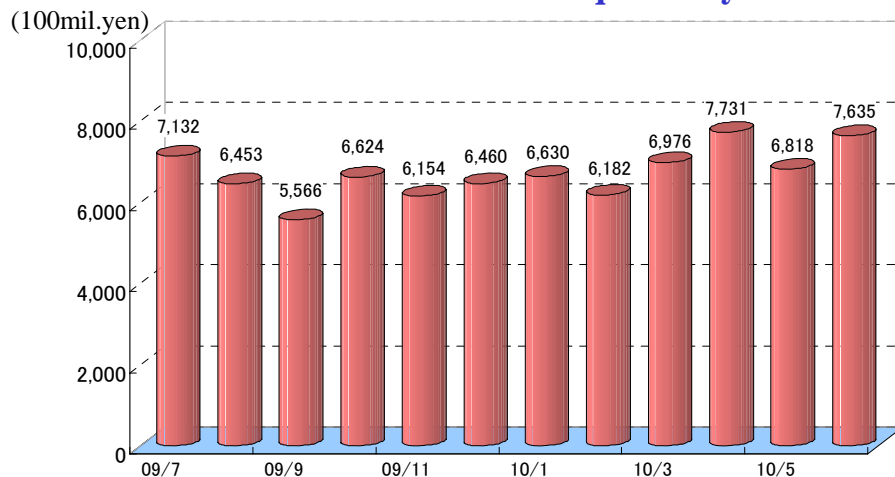
• The capital adequacy requirement ratio as of the end of June 2010 fell 34.7 % points over the end of the previous fiscal year, to 323.1%.

• The unfixed equity capital fell ¥0.6 billion, as a result of net of a decline in complementary items, reflecting the reduced short-term subordinated debt, and a rise in the assets to be deducted. Also, the increased balance of foreign bonds such as Brazilian real-denominated bonds resulted in the substantial increase in the market risk equivalents. As a result, the total risk equivalents rose by ¥1.3 billion, and the capital adequacy requirement ratio declined to 323.1%.

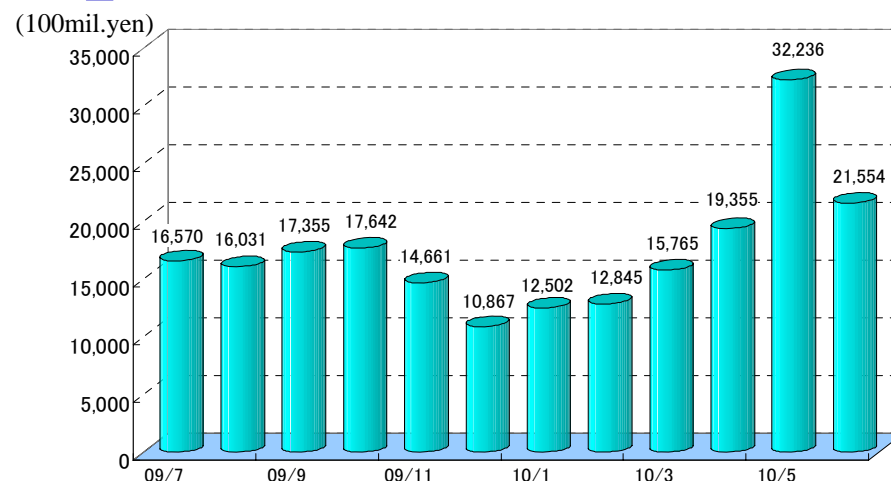


# (Reference Data) Okasan Online Securities Data

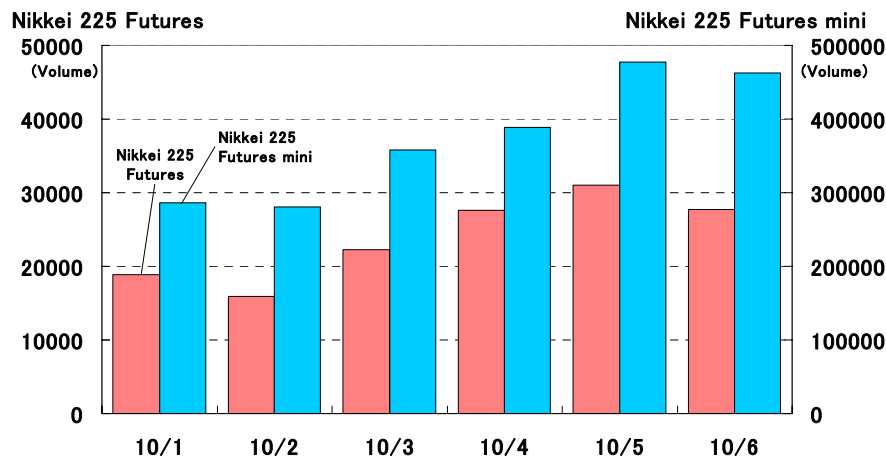
■ Domestic sales amount of equities by month



■ “Click 365” contract amount



■ Nikkei 225 Futures & Nikkei225 Futures mini



• The trading value of the domestic shares in June 2010 stood at ¥763.5 billion, making us ranked at the fifth in the major domestic securities companies specializing in online transactions (according to Okasan estimates).  
 • The traded value via “Click 365” in June 2010 amounted to ¥2,155.4 billion, with 26% market share. Also, the outstanding balance of the received deposits for margin transaction for June 2010 was ¥20.5 billion, the first time to have broken the ¥20 billion mark.



# MEMO

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