



# *1Q Ending March 31, 2013*

## *Results Briefing*



July 27, 2012  
Okasan Securities Group Inc.

The objective of the document is to provide information on the results of the 1<sup>st</sup> quarter year ending March 31, 2013 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 2012. Okasan Securities Group Inc. does not accept responsibility for any omissions or errors in data, statements, etc. in this document.  
The opinions and forecasts included in the document are based on our judgments at the time of writing.  
We make no guarantees regarding the accuracy or completeness of the information, which is subject to change without notice.



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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
FY13.3 1Q	14,046 ( -6.4%)	13,679 ( -6.6%)	△126 ( - %)	117 ( -84.2%)
FY12.3 1Q	15,013 ( -7.2%)	14,638 ( -7.0%)	436 (-58.9%)	742 (-53.8%)

	Net Income	Net income per share	R O E (annualized)	Comprehensive income
	million yen	yen		million yen
FY13.3 1Q	△2,374 ( - %)	△11.98	- %	△1,547 ( - %)
FY12.3 1Q	21 ( -98.6%)	0.11	0.1%	△103 ( - %)

	Total assets	Net assets	Equity ratio
	million yen	million yen	
FY13.3 1Q	710,819	108,917	12.7%
FY12.3	556,388	112,016	16.6%



# Financial highlights of 1st Quarter year ending March 2013

## <Overview>

- Operating revenues for the first quarter of the 2012 fiscal year (the quarter, going forward) amounted to 14,046 million yen, a 6.4% decline from a year earlier due mainly to weaker sales in investment trust funds on the back of sagging global markets, while foreign bonds showed stronger sales.
- The Company posted an ordinary income of 117 million yen, an 84.2% decline from a year earlier. Furthermore, due to 2,351 million yen's devaluation (impairment) loss on investment securities, the Company posted a net loss of 2,374 million yen for the quarter.

## <Fees and Commissions>

- Brokerage commissions were down 10.7% YoY, as domestic equities saw lower trading volume and taxation change in the capital gain from the FX trading caused the "Click 365" (i.e., exchange-traded FX market)" trading to contract.
- Distribution commission fell 43.9% YoY as sales of investment trust funds were caught in the slump due to the depressed global financial and capital markets.
- Other commissions earned were down 12.7% YoY due mainly to a decline in custodian fees.

## <Net Trading Income>

- Net trading income from equities and other securities rose 22.1% YoY. In particular, trading of the US equities increased thanks to large IPO deals on SNS related companies.
- Net trading income from bonds and other instruments almost doubled, with a 108.3% YoY increase, driven by increased sales of structured bonds for both retail and corporate customers.

## <SG&A expenses>

- Selling, general and administrative expenses decreased 2.8% YoY, as a fall in performance-based compensation caused personnel expenses to decrease, as well as a decline in real estate-related expenses and in transaction related expenses stemming from securities business.



# Operating Revenues

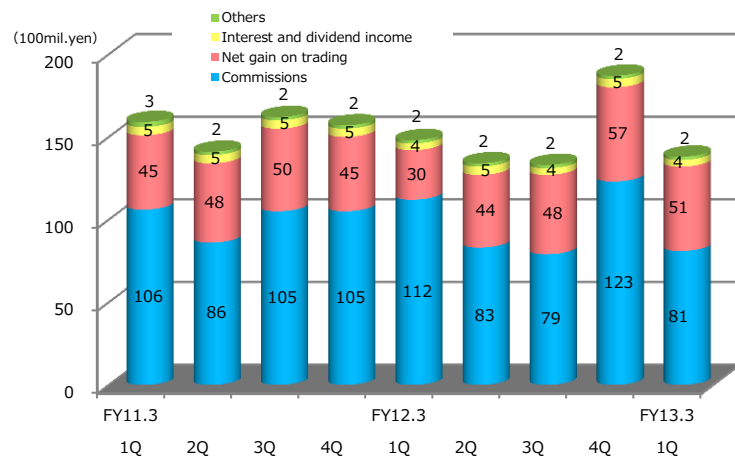
(In millions of yen)

	FY12.3	FY13.3	vs.FY12.3
	1Q	1Q	1Q
<b>Operating revenues</b>	15,013	<b>14,046</b>	<b>-6.4%</b>
<b>Commissions</b>	11,277	<b>8,122</b>	<b>-28.0%</b>
Brokerage	2,447	<b>2,186</b>	<b>-10.7%</b>
Underwriting	20	<b>26</b>	<b>29.5%</b>
Distribution	5,703	<b>3,198</b>	<b>-43.9%</b>
Others	3,105	<b>2,710</b>	<b>-12.7%</b>
<b>Net gain on trading</b>	3,022	<b>5,193</b>	<b>71.8%</b>
Equities	1,413	<b>1,725</b>	<b>22.1%</b>
Bonds	1,609	<b>3,352</b>	<b>108.3%</b>
Others	-1	<b>114</b>	<b>-</b>
<b>Interest and dividend income</b>	448	<b>476</b>	<b>6.2%</b>
<b>Others</b>	265	<b>254</b>	<b>-4.1%</b>

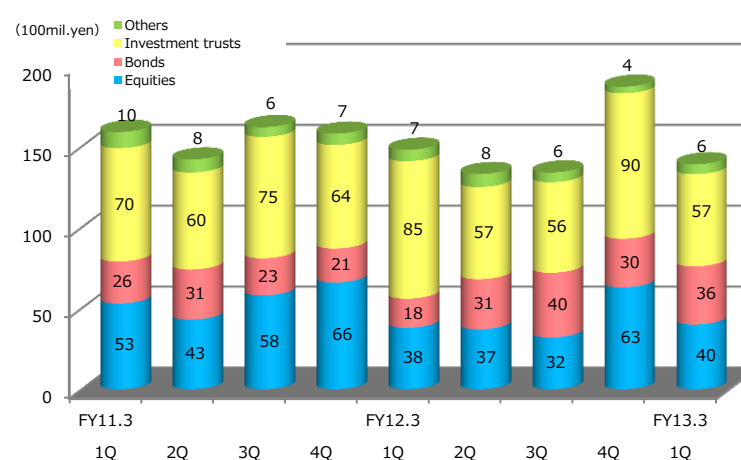
(In millions of yen)

	FY12.3				FY13.3		vs.FY12.3
	1Q	2Q	3Q	4Q	1Q	4Q	
<b>Operating revenues</b>	15,013	13,623	13,515	18,911	<b>14,046</b>		<b>-25.7%</b>
<b>Commissions</b>	11,277	8,392	7,934	12,341	<b>8,122</b>		<b>-34.2%</b>
Brokerage	2,447	2,353	2,059	3,019	<b>2,186</b>		<b>-27.6%</b>
Underwriting	20	28	41	30	<b>26</b>		<b>-13.3%</b>
Distribution	5,703	2,986	3,107	6,313	<b>3,198</b>		<b>-49.3%</b>
Others	3,105	3,023	2,726	2,979	<b>2,710</b>		<b>-9.0%</b>
<b>Net gain on trading</b>	3,022	4,426	4,846	5,777	<b>5,193</b>		<b>-10.1%</b>
Equities	1,413	1,322	1,100	3,134	<b>1,725</b>		<b>-45.0%</b>
Bonds	1,609	2,906	3,770	2,771	<b>3,352</b>		<b>21.0%</b>
Others	-1	198	-23	-128	<b>114</b>		<b>-</b>
<b>Interest and dividend income</b>	448	545	475	518	<b>476</b>		<b>-8.1%</b>
<b>Others</b>	265	259	258	274	<b>254</b>		<b>-7.3%</b>

## ■ Quarterly change in operating revenues



## ■ Quarterly change in operating revenues by product





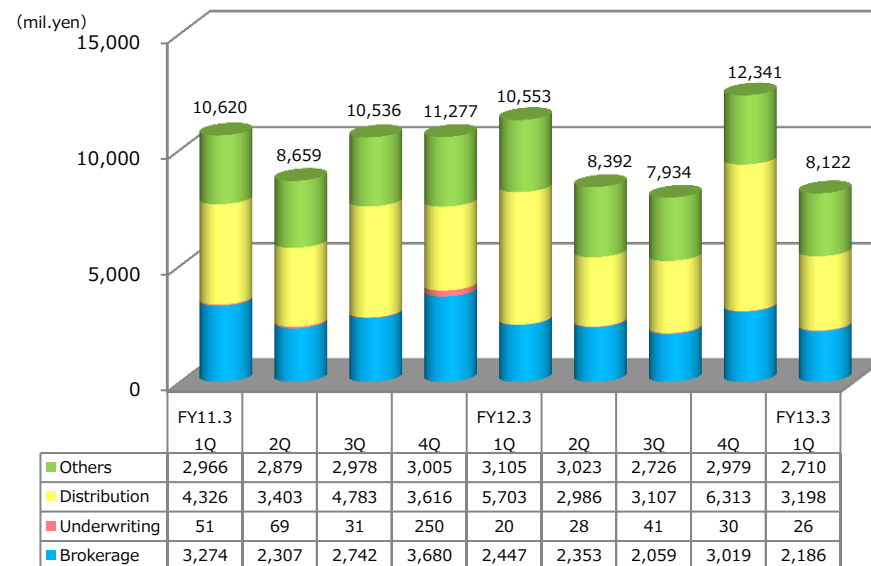
# Fees and Commissions Received

## ■ Fees and commissions received

(In millions of yen)

Items	FY12.3	FY13.3	vs. FY12.3
	1 Q	1 Q	1 Q
Brokerage	2,447	<b>2,186</b>	-10.7%
Equities	2,132	<b>2,015</b>	-5.5%
Bonds	3	<b>4</b>	33.0%
Others	312	<b>166</b>	-46.6%
Underwriting	20	<b>26</b>	29.5%
Equities	7	<b>9</b>	39.7%
Bonds	13	<b>17</b>	24.3%
Distribution	5,703	<b>3,198</b>	-43.9%
Beneficiary Certificates	5,683	<b>3,172</b>	-44.2%
Others	3,105	<b>2,710</b>	-12.7%
Beneficiary Certificates	2,902	<b>2,524</b>	-13.0%
<b>Total</b>	<b>11,277</b>	<b>8,122</b>	<b>-28.0%</b>

## ■ Fees and commissions received (quarterly)

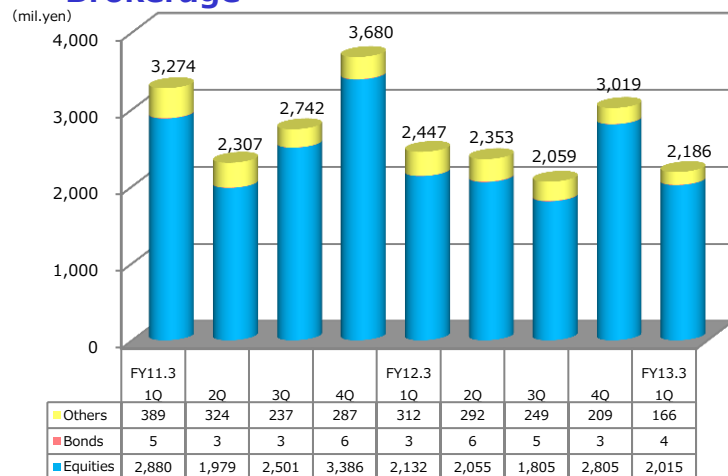


- Brokerage commissions were down 10.7% from a year earlier. Equity brokerage commissions declined 5.5% YoY reflecting lower trading value of domestic equities. Other brokerage commissions showed a sharp 46.6% decline, as trading volume of the "Click 365", an exchange-traded FX margin trading at Tokyo Financial Exchange Inc., plunged due to taxation change in capital gain from FX trading in January, 2012.
- Fees for underwriting and secondary distributions were up 29.5% YoY due to an increase in the number of underwriting deals in contrast with an absence of large deals for public offerings and initial public offerings. In addition, underwriting fees from fixed income securities increased as the Company successfully lead-managed municipal bonds.
- Distribution commissions fell 43.9% YoY due to sluggish sales of investment trust funds on the backdrop of the market's global deterioration.
- Other commissions earned were down 12.7% YoY, due to a decline in custodian fees.

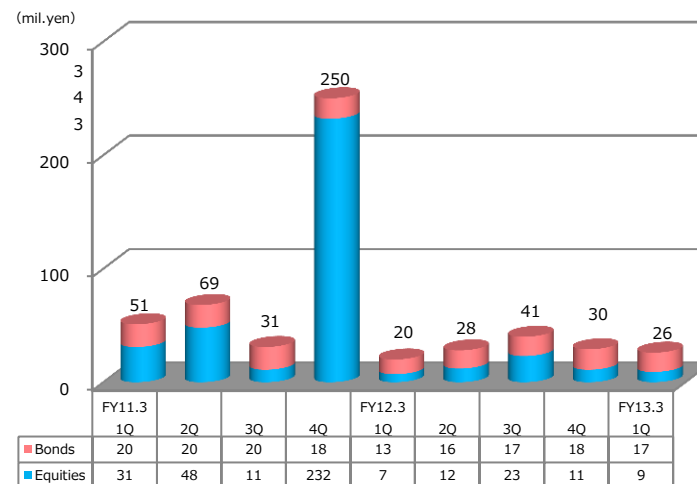


# Fees and Commissions Received by Category

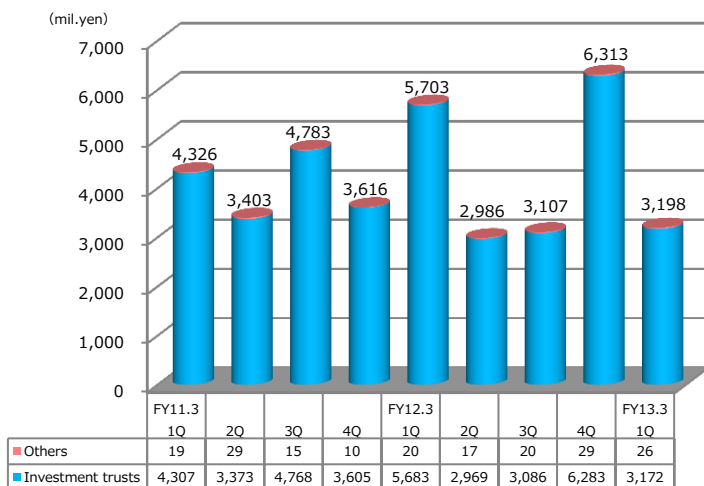
## ■ Brokerage



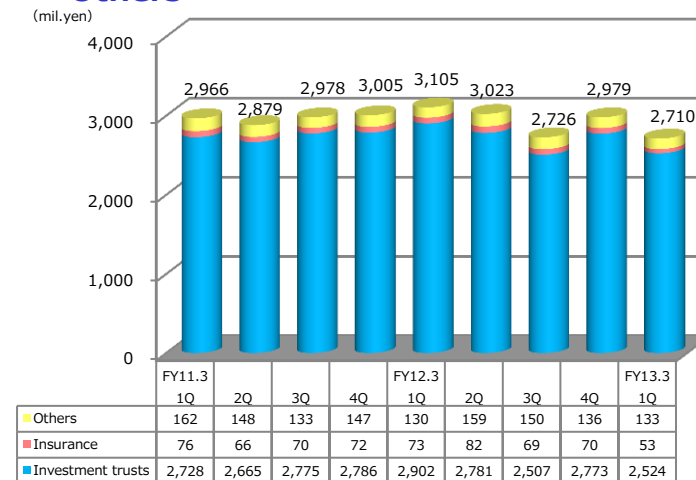
## ■ Underwriting



## ■ Distribution



## ■ Others





# Net Trading Income

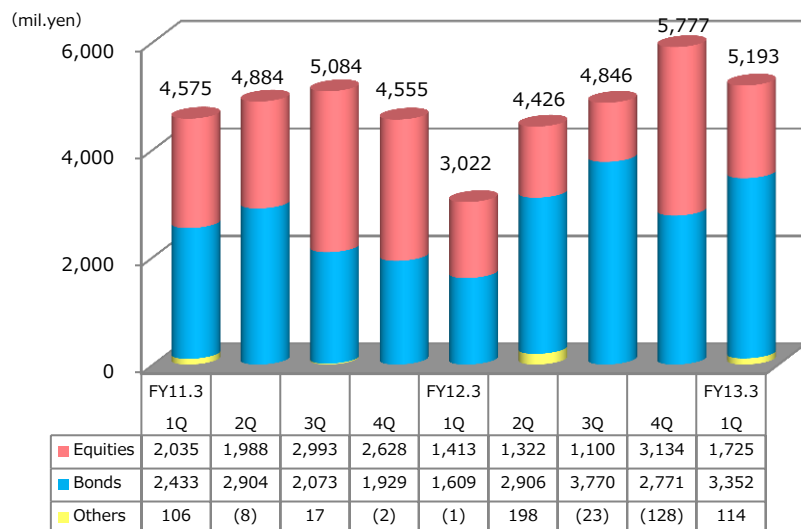
(In millions of yen)

	FY12.3	FY13.3	vs.FY12.3
	1Q	1Q	1Q
<b>Equities</b>	1,413	1,725	22.1%
Domestic equities	169	-62	-
Foreign equities	1,244	1,788	43.7%
<b>Bonds and others</b>	1,609	3,352	108.3%
Domestic bonds	214	440	105.6%
Foreign bonds	1,395	2,912	108.7%
<b>Others</b>	-1	114	-
<b>Net gain on trading</b>	3,022	5,193	71.8%

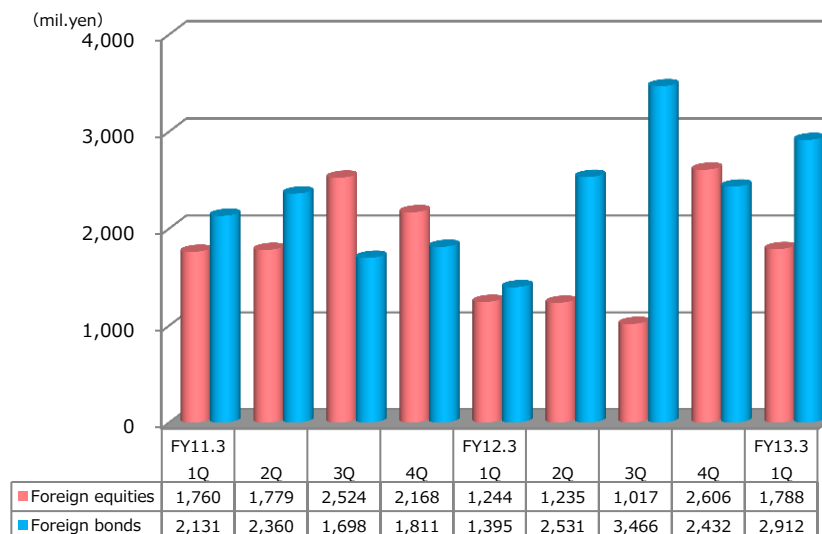
(In millions of yen)

	FY12.3				FY13.3	vs.FY12.3
	1Q	2Q	3Q	4Q	1Q	4Q
	1,413	1,322	1,100	3,134	1,725	-45.0%
	169	87	82	528	-62	-
	1,244	1,235	1,017	2,606	1,788	-31.4%
	1,609	2,906	3,770	2,771	3,352	21.0%
	214	374	303	338	440	30.2%
	1,395	2,531	3,466	2,432	2,912	19.7%
	-1	198	-23	-128	114	-
	3,022	4,426	4,846	5,777	5,193	-10.1%

## Net gain by Products



## Net gain from foreign equities and bonds







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

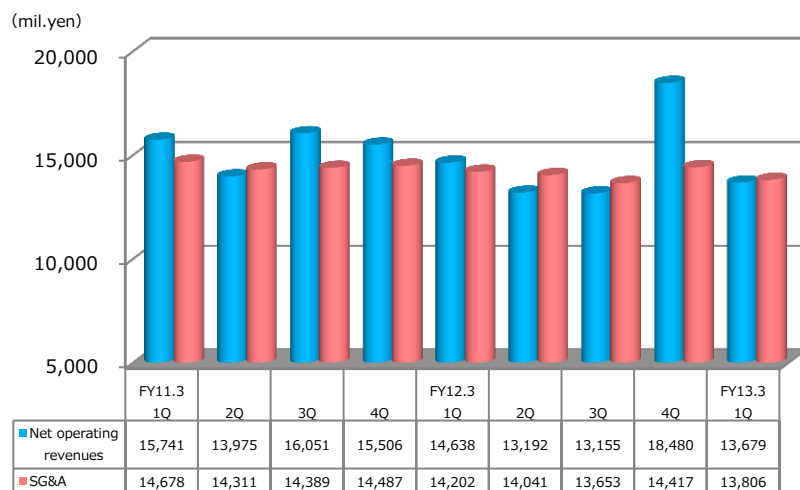
(In millions of yen)

	FY12.3	FY13.3	vs.FY12.3
	1Q	1Q	1Q
Trading related expenses	2,520	<b>2,470</b>	<b>-2.0%</b>
Personnel expenses	6,984	<b>6,828</b>	<b>-2.2%</b>
Real estate expenses	1,558	<b>1,467</b>	<b>-5.8%</b>
Office expenses	1,341	<b>1,340</b>	<b>-0.1%</b>
Depreciation expenses	976	<b>971</b>	<b>-0.4%</b>
Taxes and dues	137	<b>128</b>	<b>-6.4%</b>
Others	682	<b>599</b>	<b>-12.2%</b>
<b>SG&amp;A</b>	<b>14,202</b>	<b>13,806</b>	<b>-2.8%</b>

(In millions of yen)

	FY12.3				FY13.3	vs.FY12.3
	1Q	2Q	3Q	4Q	1Q	4Q
Trading related expenses	2,520	2,574	2,469	2,739	<b>2,470</b>	<b>-9.8%</b>
Personnel expenses	6,984	6,845	6,743	7,068	<b>6,828</b>	<b>-3.4%</b>
Real estate expenses	1,558	1,565	1,464	1,448	<b>1,467</b>	<b>1.3%</b>
Office expenses	1,341	1,321	1,279	1,362	<b>1,340</b>	<b>-1.6%</b>
Depreciation expenses	976	970	990	1,001	<b>971</b>	<b>-3.0%</b>
Taxes and dues	137	130	118	151	<b>128</b>	<b>-15.2%</b>
Others	682	633	587	645	<b>599</b>	<b>-7.1%</b>
<b>SG&amp;A</b>	<b>14,202</b>	<b>14,041</b>	<b>13,653</b>	<b>14,417</b>	<b>13,806</b>	<b>-4.2%</b>

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



- Selling, general and administrative expenses decreased 2.8% YoY as a result of company-wide cost cutting initiatives.
- Trading related expenses decreased 2.0% YoY due mainly to a decline in the commissions paid in respect to securities business.
- Personnel expenses decreased 2.2% YoY due mainly to a fall in performance-related compensation such as employee's bonuses and commission remuneration.
- Real estate-related expenses were down 5.8% from a year earlier due mainly to less expense for equipment and fixtures.



## Balance Sheet Summary (1)

	(In millions of yen)			(In millions of yen)					
	FY12.3	FY13.3	vs.FY12.3	FY12.3				FY13.3	vs.FY12.3
	4Q	1Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q
<b>Current assets</b>	505,304	<b>660,958</b>	<b>155,654</b>	483,967	486,017	543,560	505,304	<b>660,958</b>	<b>155,654</b>
Cash and deposits	45,898	<b>41,617</b>	<b>-4,281</b>	34,892	38,291	35,422	45,898	<b>41,617</b>	<b>-4,281</b>
Cash segregated as deposits	42,750	<b>39,550</b>	<b>-3,199</b>	41,669	39,884	38,680	42,750	<b>39,550</b>	<b>-3,199</b>
Trading products	185,667	<b>302,851</b>	<b>117,184</b>	187,803	201,840	228,746	185,667	<b>302,851</b>	<b>117,184</b>
Receivables on margin transactions	33,533	<b>36,983</b>	<b>3,450</b>	44,291	37,449	34,223	33,533	<b>36,983</b>	<b>3,450</b>
Receivables on collateralized securities transactions	186,086	<b>227,979</b>	<b>41,892</b>	164,342	157,783	194,093	186,086	<b>227,979</b>	<b>41,892</b>
Other current assets	11,367	<b>11,975</b>	<b>607</b>	10,968	10,766	12,394	11,367	<b>11,975</b>	<b>607</b>
<b>Fixed assets</b>	51,084	<b>49,861</b>	<b>-1,222</b>	52,463	52,013	50,609	51,084	<b>49,861</b>	<b>-1,222</b>
Tangible fixed assets	16,305	<b>16,430</b>	<b>125</b>	16,369	16,512	16,354	16,305	<b>16,430</b>	<b>125</b>
Intangible fixed assets	8,399	<b>8,215</b>	<b>-184</b>	9,154	8,831	8,547	8,399	<b>8,215</b>	<b>-184</b>
Investments and other assets	26,379	<b>25,215</b>	<b>-1,164</b>	26,939	26,668	25,707	26,379	<b>25,215</b>	<b>-1,164</b>
<b>Total assets</b>	556,388	<b>710,819</b>	<b>154,431</b>	536,431	538,030	594,170	556,388	<b>710,819</b>	<b>154,431</b>

- Current assets increased 155.6 billion yen from the end of the previous fiscal year (QoQ) due mainly to an increase in trading products (fixed income securities, mostly) and receivables on collateralized securities transactions (repos). Fixed assets decreased 1.2 billion yen QoQ due mainly to an decrease in investment securities and other instruments.
- Current liabilities were up 157.2 billion yen QoQ due mainly to an increase in trading liabilities and payables on collateralized securities transactions. As fixed liabilities remained almost unchanged, total liabilities increased 157.5 billion yen QoQ.
- Net assets were down 3 billion yen QoQ. The decline was attributed to payout of dividends and a periodic loss for the quarter.



## Balance Sheet Summary (2)

(In millions of yen)

	FY12.3	FY13.3	vs.FY12.3
	4Q	1Q	4Q
<b>Current liabilities</b>	417,782	575,043	157,261
Trading liabilities	152,267	200,444	48,176
Payables on margin transactions	16,171	14,065	-2,106
Payables on collateralized securities transactions	61,366	164,650	103,283
Deposits received	18,338	18,969	631
Guarantee deposits received	22,996	25,166	2,170
Short-term borrowings	136,167	130,162	-6,005
Other current liabilities	10,473	21,585	11,112
<b>Fixed liabilities</b>	25,199	25,443	243
Long-term borrowings	13,478	13,493	15
Reserves for retirement benefits	5,275	5,349	74
Other fixed liabilities	6,446	6,600	154
<b>Financial instruments transaction reserve</b>	1,390	1,414	24
<b>Total liabilities</b>	444,372	601,902	157,529
Common stock	18,589	18,589	-
Capital surplus	12,910	12,912	1
Retained earnings	64,490	61,140	-3,350
Treasury stock	-3,581	-3,614	-32
Accumulated other comprehensive income	50	897	846
Minority interests	19,555	18,992	-563
<b>Total net assets</b>	112,016	108,917	-3,098
<b>Total liabilities&amp;net assets</b>	556,388	710,819	154,431

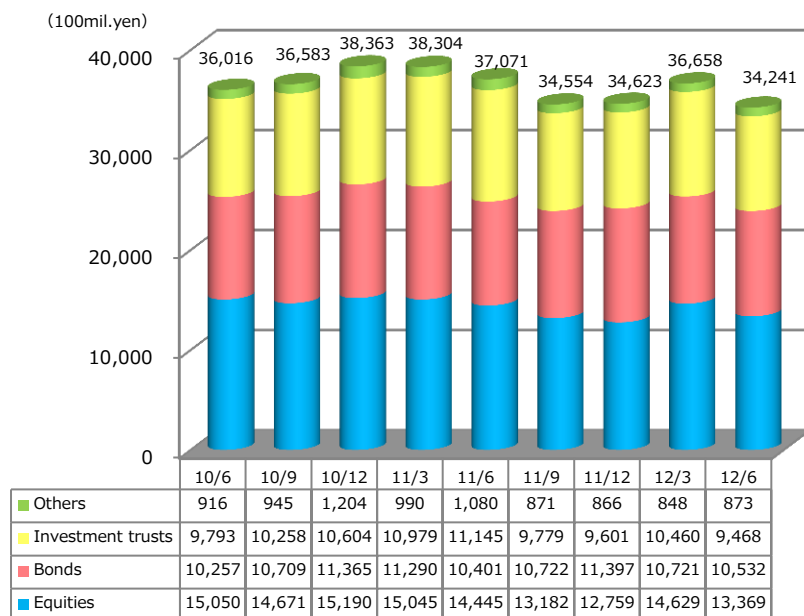
(In millions of yen)

	FY12.3				FY13.3	vs.FY12.3
	1Q	2Q	3Q	4Q	1Q	4Q
<b>Current liabilities</b>	396,615	400,608	458,493	417,782	575,043	157,261
Trading liabilities	144,839	143,469	178,371	152,267	200,444	48,176
Payables on margin transactions	19,760	17,200	11,270	16,171	14,065	-2,106
Payables on collateralized securities transactions	28,967	38,156	70,661	61,366	164,650	103,283
Deposits received	19,613	15,799	16,028	18,338	18,969	631
Guarantee deposits received	26,823	23,818	23,039	22,996	25,166	2,170
Short-term borrowings	145,700	152,263	147,877	136,167	130,162	-6,005
Other current liabilities	10,911	9,899	11,243	10,473	21,585	11,112
<b>Fixed liabilities</b>	27,037	26,051	25,734	25,199	25,443	243
Long-term borrowings	15,233	14,161	14,065	13,478	13,493	15
Reserves for retirement benefits	5,097	5,174	5,231	5,275	5,349	74
Other fixed liabilities	6,706	6,714	6,437	6,446	6,600	154
<b>Financial instruments transaction reserve</b>	1,285	1,323	1,355	1,390	1,414	24
<b>Total liabilities</b>	424,939	427,983	485,583	444,372	601,902	157,529
Common stock	18,589	18,589	18,589	18,589	18,589	-
Capital surplus	12,910	12,910	12,910	12,910	12,912	1
Retained earnings	63,528	62,792	62,219	64,490	61,140	-3,350
Treasury stock	-2,850	-3,097	-3,572	-3,581	-3,614	-32
Accumulated other comprehensive income	-296	-890	-1,147	50	897	846
Minority interests	19,610	19,742	19,588	19,555	18,992	-563
<b>Total net assets</b>	111,492	110,047	108,587	112,016	108,917	-3,098
<b>Total liabilities&amp;net assets</b>	536,431	538,030	594,170	556,388	710,819	154,431

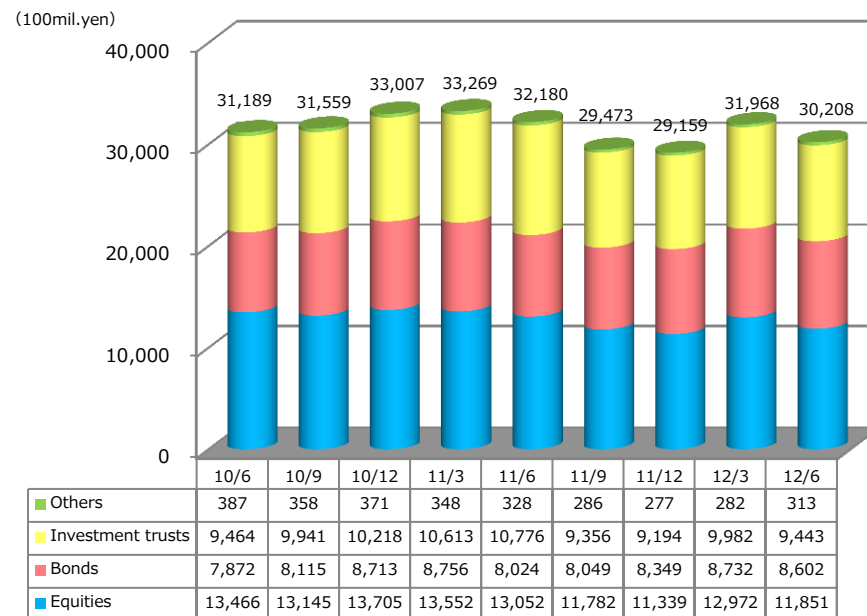


# Assets under custody (Consolidated)

## ■ Assets under Custody



## ■ Retail Assets under Custody



- Customers' assets under custody on a consolidated basis amounted to 3,424.1 billion yen, or a decline of 241.7 billion yen from the end of the previous fiscal year (QoQ, from March-end, 2012), and a drop of 283.0 billion yen from a year earlier (from June-end, 2011). Weaker results were attributed to sluggish equity markets.
- Within these assets, retail assets decreased 176.0 billion yen from the end of the previous fiscal year (QoQ, from March-end, 2012), and 197.2 billion yen from a year earlier (from June-end, 2011) to 3,020.8 billion yen.



## *2. Reference Data*



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

(In millions of yen)

Items	FY12.3	FY13.3	vs.FY12.3
	1Q	1Q	1Q
<b>Operating revenues</b>	<b>11,520</b>	<b>11,060</b>	<b>-4.0%</b>
Commissions	8,463	5,806	-31.4%
Brokerage	1,531	1,464	-4.4%
Underwriting	20	26	27.2%
Distribution	5,409	3,015	-44.3%
Others	1,502	1,300	-13.4%
Net gain on trading	2,720	4,884	79.6%
Equities	1,252	1,645	31.4%
Bonds	1,474	3,123	111.8%
Others	-6	114	-
Interest and dividend income	336	369	9.9%
Financial expenses	336	333	-0.7%
Net operating revenues	11,184	10,726	-4.1%
<b>SG&amp;A</b>	<b>11,261</b>	<b>11,165</b>	<b>-0.8%</b>
Trading related expenses	1,973	2,032	3.0%
Personnel expenses	5,303	5,250	-1.0%
Real estate expenses	1,363	1,454	6.7%
Administrative expenses	2,227	2,028	-8.9%
Depreciation expenses	124	122	-1.6%
Taxes and dues	69	63	-8.1%
Others	198	212	7.1%
Operating income	-77	-439	-
Non-operating income	68	132	94.4%
Non-operating expenses	1	1	-26.4%
<b>Ordinary income</b>	<b>-11</b>	<b>-308</b>	<b>-</b>
Extraordinary gain	-	0	-
Extraordinary loss	42	4	-90.4%
Net profit, before taxes	-53	-312	-
Income taxes	2	147	-
Adjustment amount for income taxes	41	-79	-
<b>Net profit</b>	<b>-96</b>	<b>-379</b>	<b>-</b>

(In millions of yen)

Items	FY12.3				FY13.3	vs.FY12.3
	1Q	2Q	3Q	4Q	1Q	4Q
<b>Operating revenues</b>	<b>11,520</b>	<b>10,282</b>	<b>10,427</b>	<b>15,324</b>	<b>11,060</b>	<b>-27.8%</b>
Commissions	8,463	5,714	5,568	9,487	5,806	-38.8%
Brokerage	1,531	1,478	1,275	2,076	1,464	-29.5%
Underwriting	20	28	41	29	26	-10.3%
Distribution	5,409	2,757	2,965	6,063	3,015	-50.3%
Others	1,502	1,449	1,287	1,316	1,300	-1.2%
Net gain on trading	2,720	4,144	4,494	5,424	4,884	-10.0%
Equities	1,252	1,219	1,004	2,950	1,645	-44.2%
Bonds	1,474	2,730	3,514	2,603	3,123	20.0%
Others	-6	194	-24	-128	114	-
Interest and dividend income	336	423	363	413	369	-10.7%
Financial expenses	336	388	321	393	333	-15.3%
Net operating revenues	11,184	9,893	10,105	14,931	10,726	-28.2%
<b>SG&amp;A</b>	<b>11,261</b>	<b>11,102</b>	<b>10,895</b>	<b>11,489</b>	<b>11,165</b>	<b>-2.8%</b>
Trading related expenses	1,973	1,962	1,950	2,128	2,032	-4.5%
Personnel expenses	5,303	5,209	5,160	5,401	5,250	-2.8%
Real estate expenses	1,363	1,400	1,329	1,316	1,454	10.5%
Administrative expenses	2,227	2,149	2,091	2,171	2,028	-6.6%
Depreciation expenses	124	129	130	134	122	-9.0%
Taxes and dues	69	66	64	91	63	-30.8%
Others	198	184	169	244	212	-13.1%
Operating income	-77	-1,208	-789	3,441	-439	-
Non-operating income	68	55	50	84	132	57.1%
Non-operating expenses	1	5	2	1	1	0.0%
<b>Ordinary income</b>	<b>-11</b>	<b>-1,158</b>	<b>-741</b>	<b>3,524</b>	<b>-308</b>	<b>-</b>
Extraordinary gain	-	-	-	101	0	-
Extraordinary loss	42	13	9	12	4	-66.7%
Net profit, before taxes	-53	-1,171	-751	3,613	-312	-
Income taxes	2	-54	37	1,048	147	-86.0%
Adjustment amount for income taxes	41	-376	-91	492	-79	-
<b>Net profit</b>	<b>-96</b>	<b>-741</b>	<b>-697</b>	<b>2,073</b>	<b>-379</b>	<b>-</b>



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

<Volume of equity trading / Number of shares>

(In millions of shares)

Items	FY12.3					FY13.3		vs.FY12.3	
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
( Dealing )	745	592	408	728	2,473	633	633	-15.0%	-13.0%
( Brokerage )	5,098	5,117	4,697	6,300	21,212	4,455	4,455	-12.6%	-29.3%
Total	5,843	5,709	5,105	7,028	23,686	5,088	5,088	-12.9%	-27.6%
Brokerage ratio	87.2%	89.6%	92.0%	89.6%	89.6%	87.6%	87.6%	+0.4p	-2.0p

<Volume of equity trading / Total value>

(In millions of yen)

Items	FY12.3					FY13.3		vs.FY12.3	
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
( Dealing )	447,422	436,917	236,309	407,887	1,528,536	341,851	341,851	-23.6%	-16.2%
( Brokerage )	1,900,394	1,926,642	1,660,777	1,977,214	7,465,028	1,770,345	1,770,345	-6.8%	-10.5%
Total	2,347,816	2,363,560	1,897,086	2,385,102	8,993,564	2,112,196	2,112,196	-10.0%	-11.4%
Brokerage ratio	80.9%	81.5%	87.5%	82.8%	83.0%	83.8%	83.8%	+2.9p	+1.0p

<Total share within TSE>

Items	FY12.3					FY13.3		vs.FY12.3	
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Number of shares	1.76%	1.70%	2.01%	1.96%	1.85%	1.73%	1.73%	-0.03p	-0.23p
Total value	1.16%	1.14%	1.19%	1.12%	1.16%	1.13%	1.13%	-0.03p	+0.01p

<Brokerage Commissions Ratio>

(In millions of yen)

Items	FY12.3					FY13.3		vs.FY12.3	
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Commissions	1,497	1,439	1,231	2,041	6,210	1,422	1,422	-5.0%	-30.3%
Commissions Ratio	0.08%	0.07%	0.07%	0.10%	0.08%	0.08%	0.08%	±0p	-0.02p

Brokerage commissions from futures and options are excluded.



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

## <Underwriting>

(In millions of shares, millions of yen)

Items		FY12.3					FY13.3		vs. FY12.3	vs. FY12.3
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Equities	(Number of shares)	0	0	1	0	1	0	0	-	-
Equities	(Total value)	149	318	468	446	1,382	343	343	130.2%	-23.1%
Bonds	(Total at face value)	216,100	202,160	215,444	239,489	873,193	220,043	220,043	1.8%	-8.1%
Domestic and foreign CP	(Total at face value)	-	-	-	-	-	-	-	-	-

## <Selling>

(In millions of shares, millions of yen)

Items		FY12.3					FY13.3		vs. FY12.3	vs. FY12.3
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Equities	(Number of shares)	0	0	1	0	1	0	0	-	-
Equities	(Total value)	150	287	452	352	1,241	249	249	66.0%	-29.3%
Bonds	(Total at face value)	15,211	41,494	45,771	34,517	136,993	32,838	32,838	115.9%	-4.9%

## <Offering>

(In millions of shares, millions of yen)

Items		FY12.3					FY13.3		vs. FY12.3	vs. FY12.3
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Equities	(Number of shares)	0	0	0	-	0	0	0	-	-
Equities	(Total value)	0	1	1	-	2	0	0	-	-
Bonds	(Total at face value)	219,639	206,155	221,471	244,050	891,315	223,903	223,903	1.9%	-8.3%
Beneficiary securities	(Total at face value)	491,306	356,747	333,384	550,663	1,732,101	393,369	393,369	-19.9%	-28.6%
Domestic and foreign CP	(Total at face value)	-	-	-	-	-	-	-	-	-

## <Underwriting & Selling Fees Ratio>

(In millions of yen)

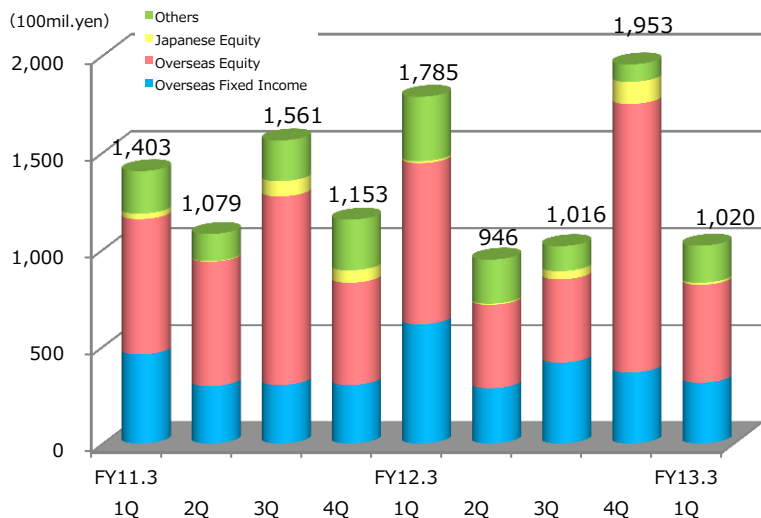
Items		FY12.3					FY13.3		vs. FY12.3	vs. FY12.3
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Equities		7	12	23	11	55	9	9	28.6%	-18.2%
	(Averaged Fees Ratio)	2.35%	1.98%	2.50%	1.38%	2.10%	1.52%	1.52%	-0.83p	+0.14p
Bonds		13	16	17	17	65	16	16	23.1%	-5.9%
	(Averaged Fees Ratio)	0.006%	0.007%	0.007%	0.006%	0.006%	0.006%	0.006%	±0p	±0p



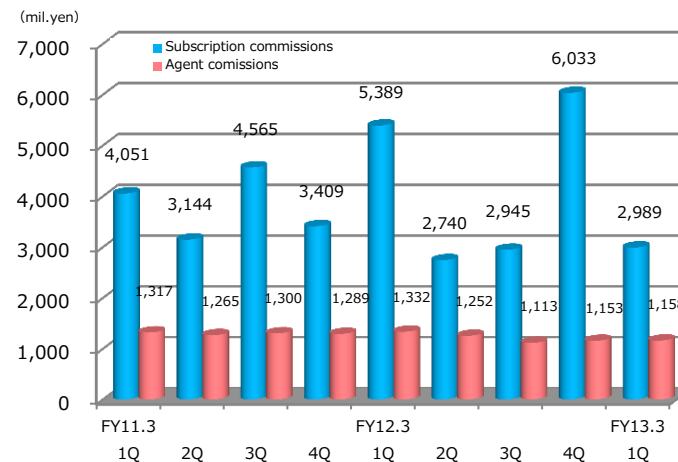


# Investment trusts ▪ Foreign bonds (non-consolidated: Okasan Securities)

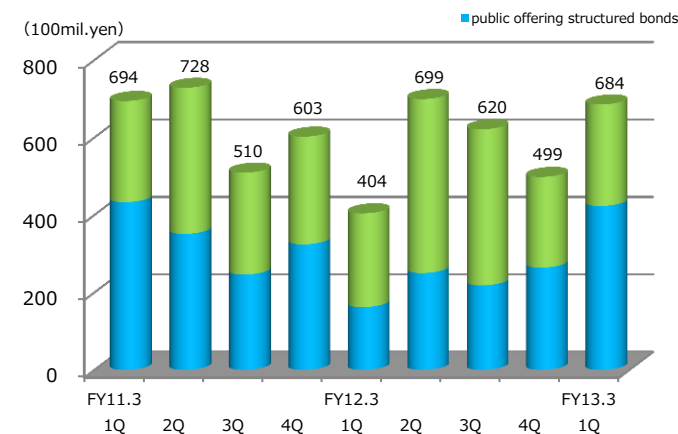
## ■ Investment trusts sales amount



## ■ Investment trusts commissions



## ■ Foreign bonds sales amount

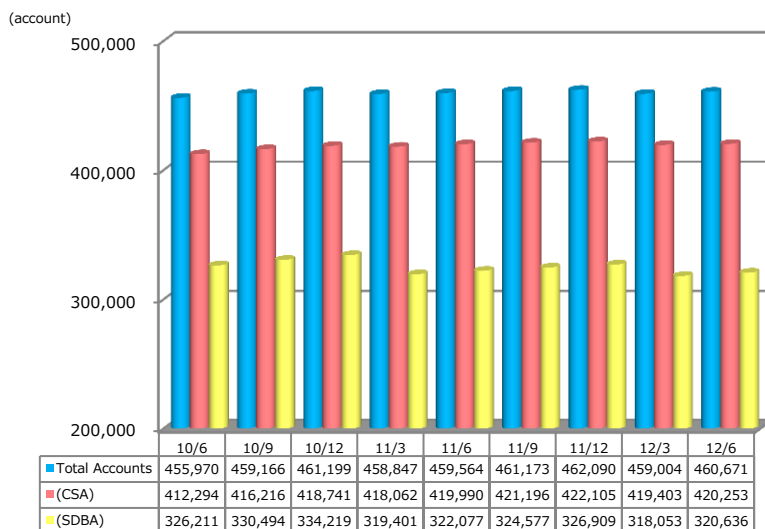


- Sales of investment trust funds in the quarter declined 42.9% YoY to 102.0 billion yen, while sales commissions on these funds declined 44.5% YoY to 2,989 million yen.
- In contrast with a healthy performance in the previous quarter (ending March 2012), marketing environment suddenly deteriorated in the quarter.
- Sales of foreign bonds for the quarter increased 69.3% YoY to 68.4 billion yen, due mainly to increased sales of structured bonds such as EBs for retail investors.



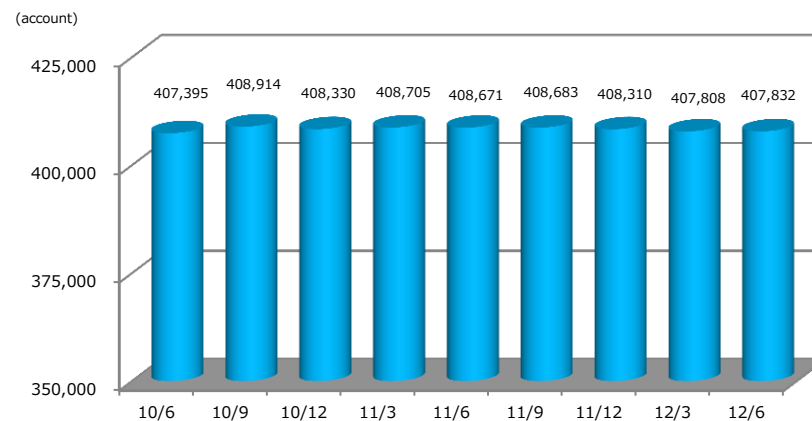
# Number of accounts (non-consolidated: Okasan Securities)

## ■ Number of customer accounts

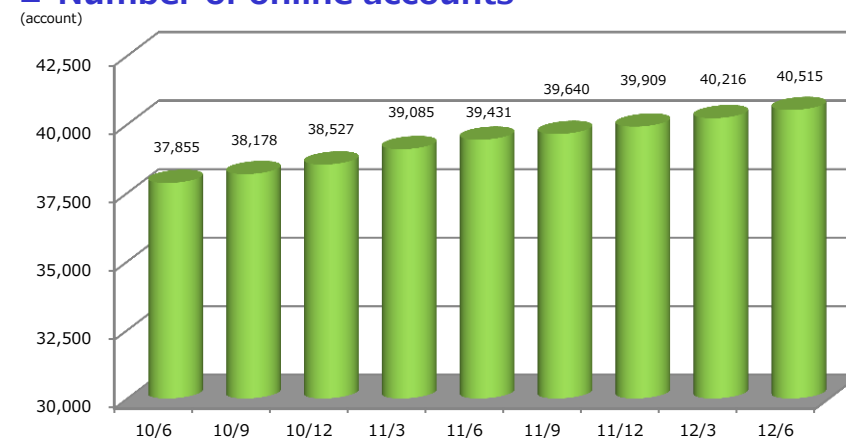


- The total number of customer accounts stood at 460,671 at the end of the quarter, showing a modest increase from the end of the previous fiscal year (QoQ). Those with remaining balance also edged up during the quarter to 407,832.
- The number of customer accounts newly opened during the quarter was 3,824.
- Online accounts were 40,515 as of the end of the quarter, comprising 8.8% of the total customer accounts.

## ■ Number of balance remaining accounts



## ■ Number of online accounts

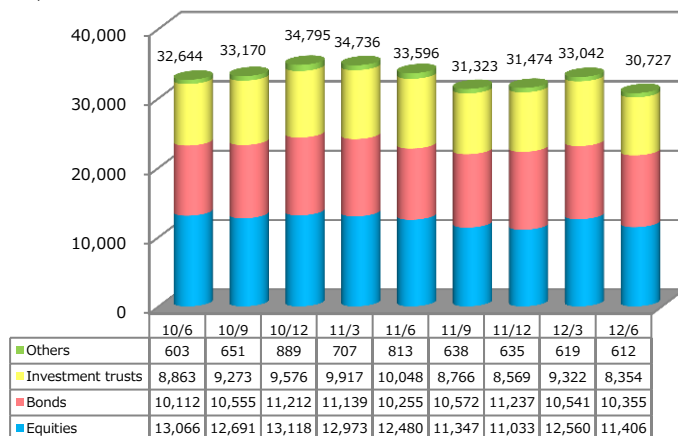




# Assets under custody , Net inflow of client assets (non-consolidated: Okasan Securities)

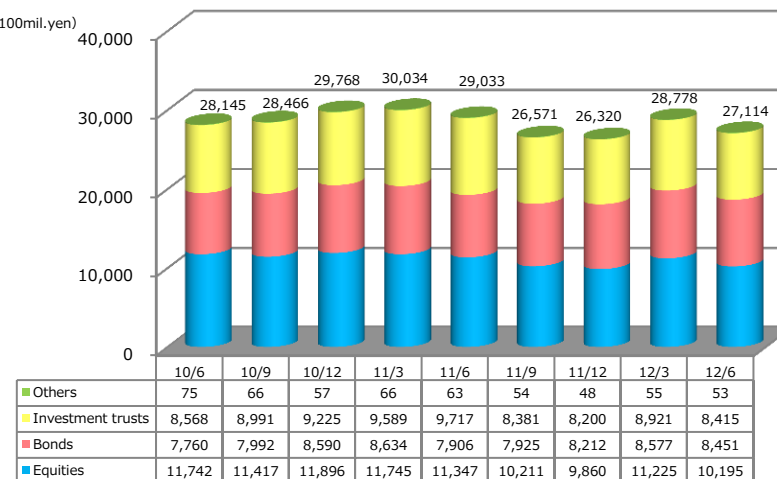
## ■ Assets under Custody

(100mil.yen)



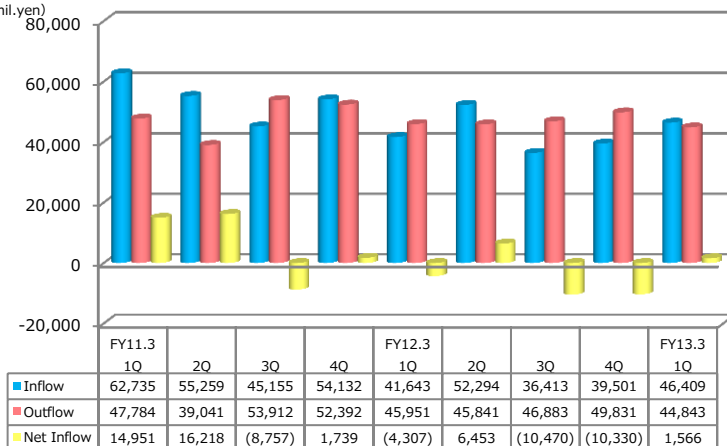
## ■ Retail Assets under Custody

(100mil.yen)



## ■ Net inflow of client assets (Retail)

(mil.yen)



- As of the end of the quarter, customers' assets under custody in Okasan Securities Co., Ltd. were 3,072.7 billion yen, which decreased 231.5 billion yen from the end of the previous fiscal year (QoQ, from March-end, 2012) and decreased 286.9 billion yen YoY (from June-end, 2011).
- The net Inflow of funds (sum of net inflow/outflow of cash and assets under custody: individual customers only) for the quarter was 1.5 billion yen.



# Capital Adequacy Ratio

## (non-consolidated: Okasan Securities)

(In millions of yen)

Items		FY12.3				FY13.3	vs.FY12.3	
		1 Q	2 Q	3 Q	4 Q	1 Q	4Q	
Basic items		(A)	51,723	50,982	50,285	51,350	50,964	-386
Complementary items	Appraisal gains (losses) etc.		51	46	47	-	-	-
	Security transaction responsibility reserve		807	809	809	809	808	-1
	General provision for loan losses		3	2	2	2	2	0
	Short-term subordinated debt		9,500	8,425	8,425	7,900	7,900	-
Total		(B)	10,361	9,283	9,284	8,711	8,711	0
Assets to be deducted		(C)	10,381	10,358	9,960	9,658	9,540	-118
Unfixed equity capital (A) + (B) - (C)		(D)	51,704	49,907	49,608	50,404	50,135	-269
Risk equivalents	Market risk equivalents		2,159	2,331	2,417	2,022	3,507	1,485
	Customer risk equivalents		919	768	746	878	800	-78
	Basic risk equivalents		11,622	11,544	11,482	11,272	11,232	-40
	Total	(E)	14,701	14,644	14,646	14,174	15,539	1,365
<b>Capital adequacy ratio (D) / (E) × 100 (%)</b>			<b>351.7%</b>	<b>340.8%</b>	<b>338.7%</b>	<b>355.6%</b>	<b>322.6%</b>	<b>-33.0 p</b>

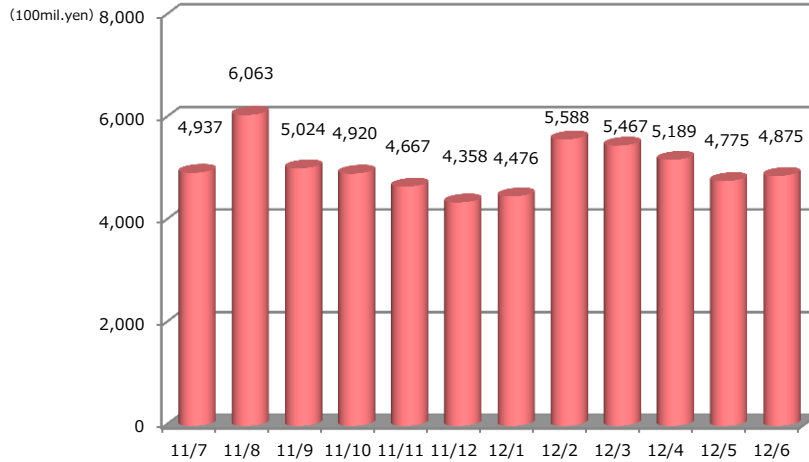
(Note) Short-term subordinated debt consists of subordinated borrowing.

- The capital adequacy requirement ratio dropped 33.0 percentage points from the end of the previous fiscal year (QoQ, from March-end, 2012) to 322.6% as of the end of June, 2012.
- The capital adequacy requirement ratio declined because the market risk equivalent rose owing to an increase in trading assets and Tier 1 capital declined owing to a periodic loss in the quarter.

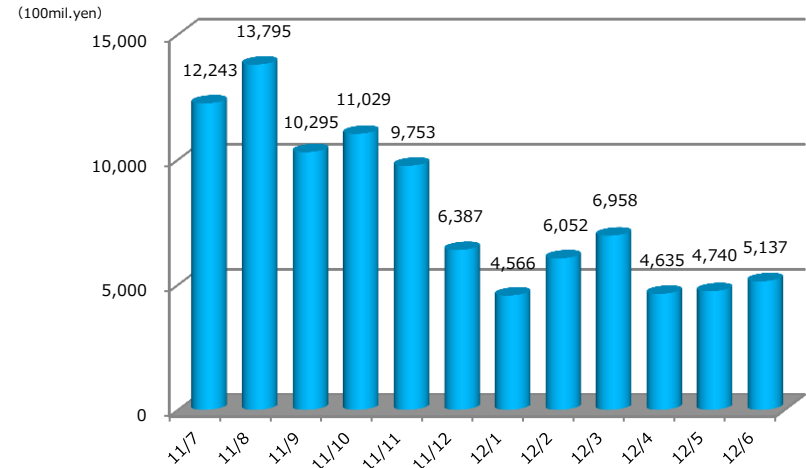


# (Reference Data) Okasan Online Securities Data

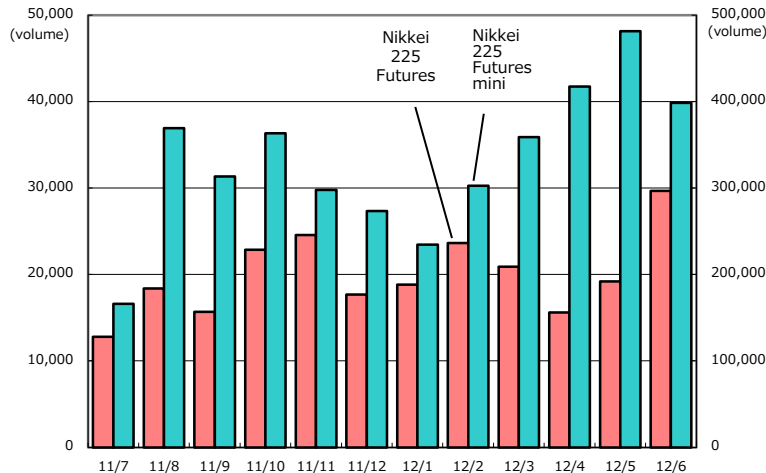
## ■ Domestic sales amount of equities by month



## ■ "Click 365" contract amount



## ■ Nikkei 225 Futures & Nikkei 225 Futures mini



- Monthly trading value of the domestic shares hovered mostly between 400 billion yen and 600 billion yen, with a support from some active investors, while trading by the other participants was generally sluggish.
- The trading volume of "Click 365" plunged after change in the capital gain tax, which became effective in January, 2012.
- The number of traded contracts of both Nikkei225 Futures and Nikkei 225 Mini has increased thanks to launch of the night sessions in Osaka Securities Exchange in July 2011.



# MEMO

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