



# *2Q Ending March 31, 2013*

## *Results Briefing*



October 26, 2012  
Okasan Securities Group Inc.

The objective of the document is to provide information on the results of the 2<sup>nd</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 September 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.



## *1. Business Results Overviews (Consolidated)*



## Financial Summary

	Operating revenues	Net operating revenues	Operating income	Ordinary income
	million yen	million yen	million yen	million yen
FY13.3 2Q	29,646 ( 3.5%)	28,867 ( 3.7%)	746 ( -)	1,130( 823.9%)
FY12.3 2Q	28,637 ( -6.3%)	27,831 ( -6.3%)	△412 ( -)	122( -90.8%)

	Net Income	Net income per share	R O E (annualized)	Comprehensive income
	million yen	yen		million yen
FY13.3 2Q	△1,816 ( -)	△9.17	△4.0%	△1,152( -)
FY12.3 2Q	△714 ( -)	△3.56	△1.6%	△1,300( -)

	Total assets	Net assets	Equity ratio
	million yen	million yen	
FY13.3 2Q	578,758	109,309	15.6%
FY12.3	556,388	112,016	16.6%



## Financial highlights of 2<sup>nd</sup> Quarter year ending March 2013

### <Overview>

- Operating revenues for the first half (cumulative total for the first and the second quarter) of fiscal 2012 year increased 3.5% from a year ago to 29,646 million yen.
- The Company posted an ordinary income of 1,130 million yen, 9.2 times from a year ago. However, due to a 2,352 million yen's valuation (impairment) loss on investment securities, the Company recorded a net loss of 1,816 million yen for the first half.

### <Fees and Commissions>

- Brokerage commissions were down 8.9% YoY, as domestic equities saw lower trading value, and taxation change in the capital gain from the FX trading caused the "Click 365" (i.e., exchange-traded FX market) trading to contract.
- Fees for underwriting and secondary distributions jumped 4.8 times from a year ago thanks to large deals of initial public offerings.
- Distribution commissions fell 16.8% YoY because sales of investment trust funds in the same period of last year were exceptionally high.
- Other commissions earned were down 8.1% YoY, due primarily to a decline in custodian fees.

### <Net Trading Income>

- Net trading income from equities and other securities rose 42.7% YoY, driven by an increase in the US equities.
- Net trading income from bonds and other instruments increased 47.3% YoY, driven by increased sales of yen-denominated structured bonds.

### <SG&A expenses>

- Selling, general and administrative expenses decreased 0.4% YoY due mainly to a decline in real estate-related expenses.



# Operating Revenues

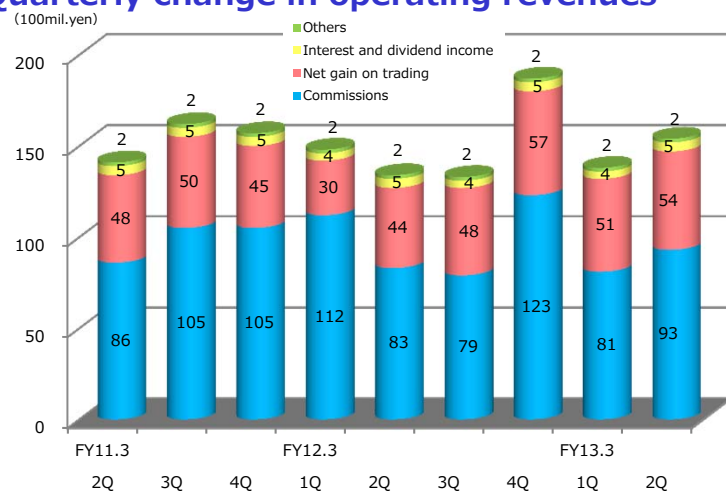
(In millions of yen)

	FY12.3	FY13.3	vs.FY12.3
	2Q	2Q	2Q
<b>Operating revenues</b>	28,637	<b>29,646</b>	<b>3.5%</b>
<b>Commissions</b>	19,670	<b>17,477</b>	<b>-11.1%</b>
Brokerage	4,801	<b>4,376</b>	<b>-8.9%</b>
Underwriting	49	<b>239</b>	<b>382.2%</b>
Distribution	8,689	<b>7,230</b>	<b>-16.8%</b>
Others	6,129	<b>5,631</b>	<b>-8.1%</b>
<b>Net gain on trading</b>	7,448	<b>10,638</b>	<b>42.8%</b>
Equities	2,736	<b>3,904</b>	<b>42.7%</b>
Bonds	4,516	<b>6,652</b>	<b>47.3%</b>
Others	196	<b>81</b>	<b>-58.7%</b>
<b>Interest and dividend income</b>	993	<b>1,022</b>	<b>2.8%</b>
<b>Others</b>	524	<b>507</b>	<b>-3.1%</b>

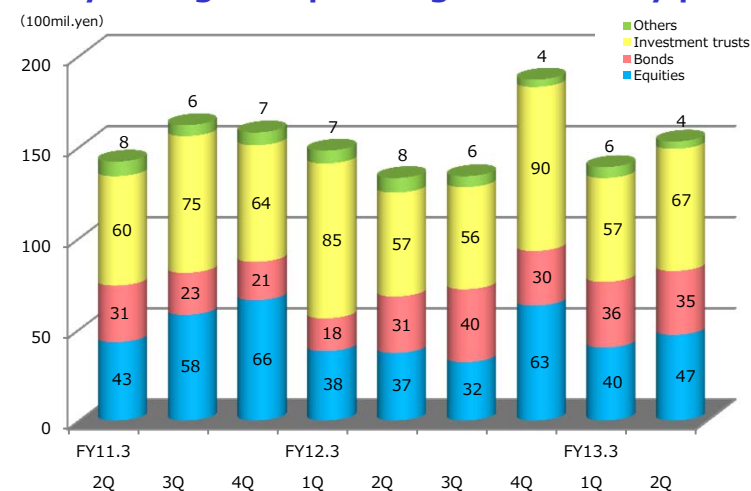
(In millions of yen)

	FY12.3				FY13.3			vs.FY13.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
<b>Operating revenues</b>	15,013	13,623	13,515	18,911	14,046	<b>15,600</b>		<b>11.1%</b>
<b>Commissions</b>	11,277	8,392	7,934	12,341	8,122	<b>9,355</b>		<b>15.2%</b>
Brokerage	2,447	2,353	2,059	3,019	2,186	<b>2,189</b>		<b>0.1%</b>
Underwriting	20	28	41	30	26	<b>213</b>		<b>719.2%</b>
Distribution	5,703	2,986	3,107	6,313	3,198	<b>4,031</b>		<b>26.0%</b>
Others	3,105	3,023	2,726	2,979	2,710	<b>2,920</b>		<b>7.7%</b>
<b>Net gain on trading</b>	3,022	4,426	4,846	5,777	5,193	<b>5,445</b>		<b>4.9%</b>
Equities	1,413	1,322	1,100	3,134	1,725	<b>2,178</b>		<b>26.3%</b>
Bonds	1,609	2,906	3,770	2,771	3,352	<b>3,299</b>		<b>-1.6%</b>
Others	-1	198	-23	-128	114	<b>-33</b>		<b>-</b>
<b>Interest and dividend income</b>	448	545	475	518	476	<b>545</b>		<b>14.5%</b>
<b>Others</b>	265	259	258	274	254	<b>253</b>		<b>-0.4%</b>

■ Quarterly change in operating revenues



■ Quarterly change in operating revenues by product





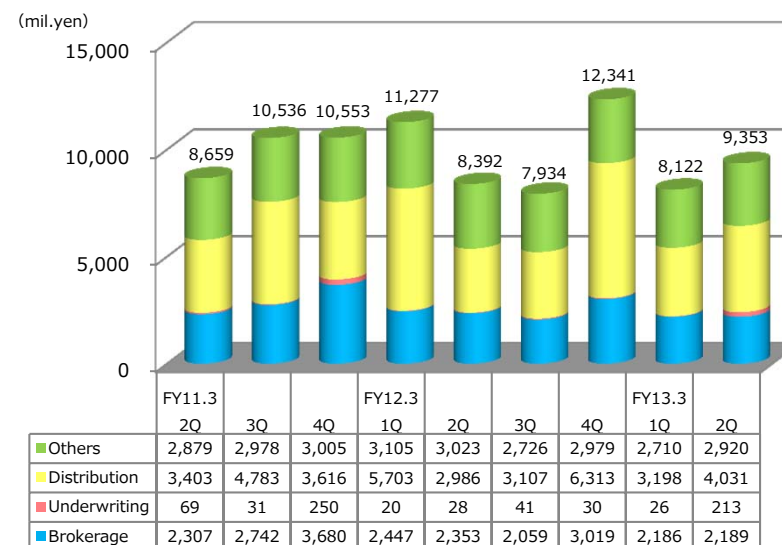
## Fees and Commissions Received

### ■ Fees and commissions received

(In millions of yen)

Items	FY12.3 2Q	FY13.3 2Q	vs.FY12.3 2Q
Brokerage	4,801	<b>4,376</b>	-8.9%
Equities	4,187	<b>4,072</b>	-2.7%
Bonds	9	<b>11</b>	24.9%
Others	604	<b>292</b>	-51.7%
Underwriting	49	<b>239</b>	382.2%
Equities	19	<b>203</b>	932.4%
Bonds	30	<b>36</b>	21.1%
Distribution	8,689	<b>7,230</b>	-16.8%
Beneficiary Certificates	8,652	<b>7,170</b>	-17.1%
Others	6,129	<b>5,631</b>	-8.1%
Beneficiary Certificates	5,683	<b>5,246</b>	-7.7%
<b>Total</b>	<b>19,670</b>	<b>17,477</b>	<b>-11.1%</b>

### ■ Fees and commissions received (quarterly)



- Brokerage commissions were down 8.9% YoY. Equity brokerage commissions declined 2.7% YoY reflecting lower trading value of domestic equities. Other brokerage commissions showed a sharp 51.7% 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, effective in January, 2012.
- Fees for underwriting and secondary distributions jumped 4.8 times from a year ago due to contribution of large initial public offering deals. Furthermore, in the area of fixed income, the Company actively underwrote agency bonds and industrial bonds.
- Distribution commissions fell 16.8% YoY because sales of investment trust funds in the same period of last year were exceptionally high.
- Other commissions earned were down 8.1% year on year, due to a decline in custodian fees.

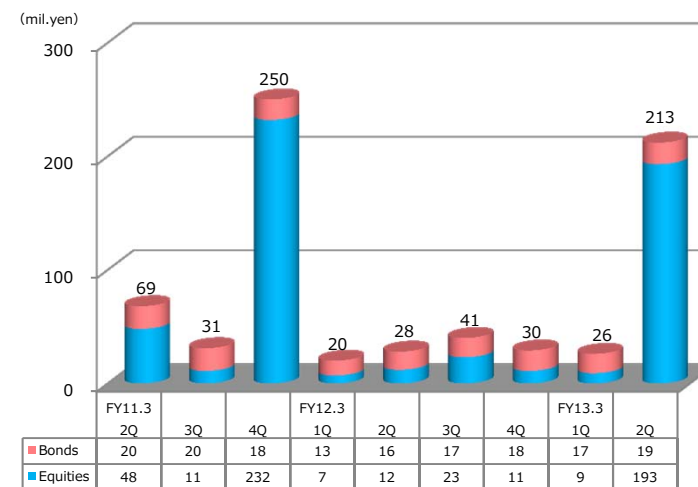


# Fees and Commissions Received by Category

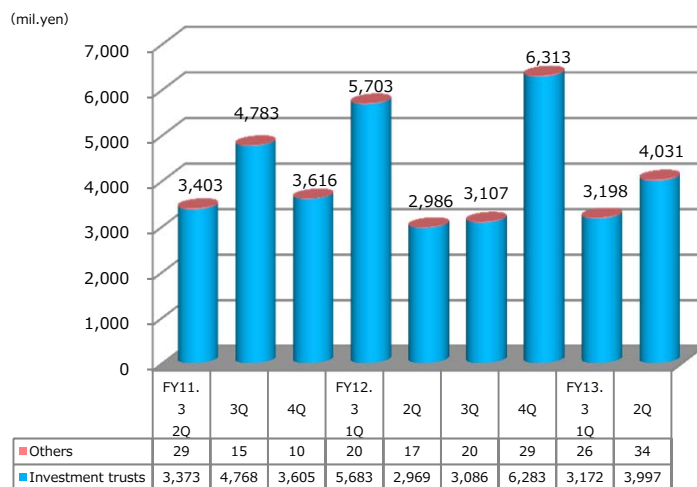
## ■ Brokerage



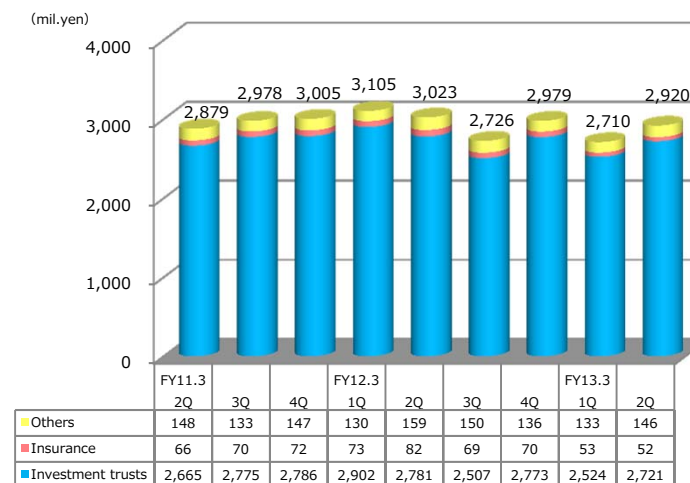
## ■ Underwriting



## ■ Distribution



## ■ Others





## Net Trading Income

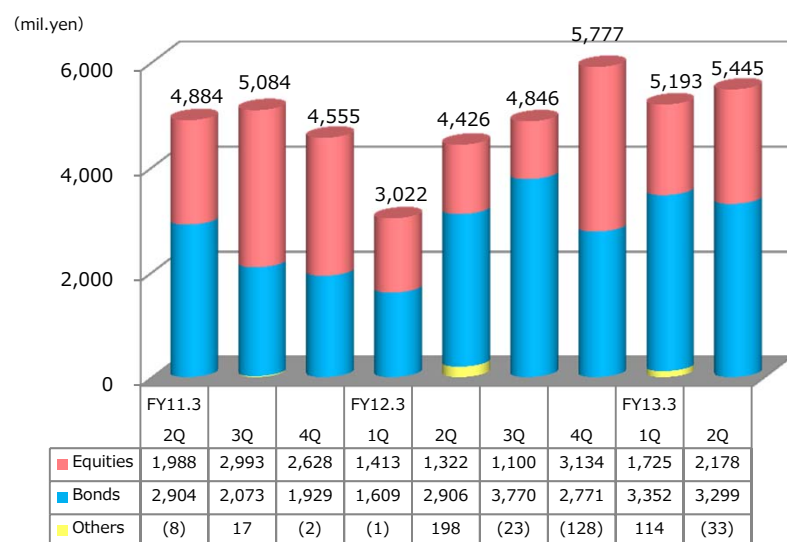
(In millions of yen)

	FY12.3 2Q	FY13.3 2Q	vs. FY12.3 2Q
<b>Equities</b>	2,736	<b>3,904</b>	<b>42.7%</b>
Domestic equities	256	<b>-113</b>	-
Foreign equities	2,479	<b>4,018</b>	<b>62.1%</b>
<b>Bonds and others</b>	4,516	<b>6,652</b>	<b>47.3%</b>
Domestic bonds	589	<b>825</b>	<b>40.1%</b>
Foreign bonds	3,926	<b>5,826</b>	<b>48.4%</b>
<b>Others</b>	196	<b>81</b>	<b>-58.7%</b>
<b>Net gain on trading</b>	7,448	<b>10,638</b>	<b>42.8%</b>

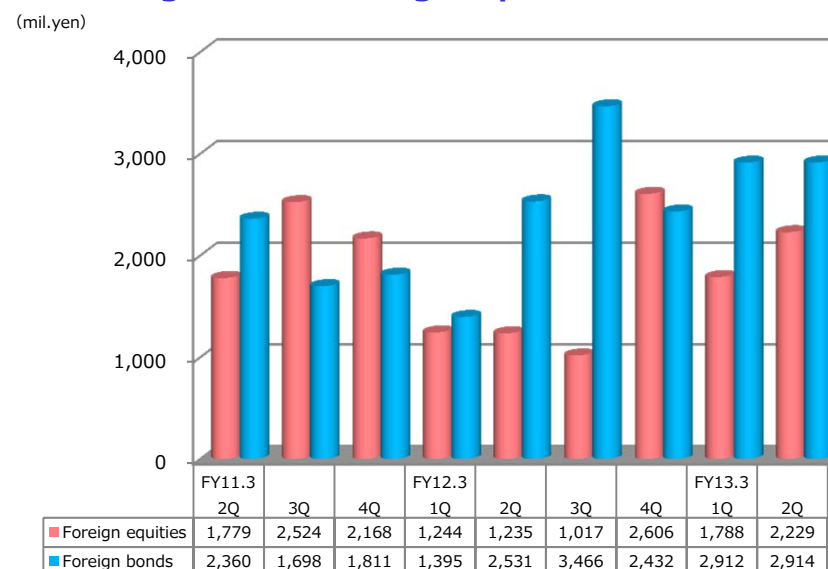
(In millions of yen)

	FY12.3				FY13.3			vs. FY13.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
<b>Equities</b>	1,413	1,322	1,100	3,134	1,725	<b>2,178</b>	<b>26.3%</b>	
Domestic equities	169	87	82	528	-62	<b>-51</b>	-	
Foreign equities	1,244	1,235	1,017	2,606	1,788	<b>2,229</b>	<b>24.7%</b>	
<b>Bonds and others</b>	1,609	2,906	3,770	2,771	3,352	<b>3,299</b>	<b>-1.6%</b>	
Domestic bonds	214	374	303	338	440	<b>385</b>	<b>-12.5%</b>	
Foreign bonds	1,395	2,531	3,466	2,432	2,912	<b>2,914</b>	<b>0.1%</b>	
<b>Others</b>	-1	198	-23	-128	114	<b>-33</b>	-	
<b>Net gain on trading</b>	3,022	4,426	4,846	5,777	5,193	<b>5,445</b>	<b>4.9%</b>	

### Net gain by Products



### Net gain from foreign equities and bonds







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

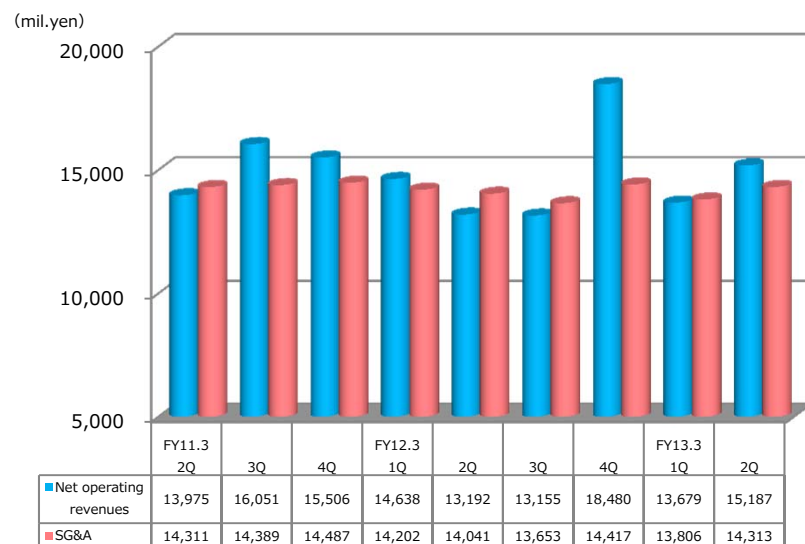
(In millions of yen)

	FY12.3 2Q	FY13.3 2Q	vs.FY12.3 2Q
Trading related expenses	5,095	<b>5,127</b>	<b>0.6%</b>
Personnel expenses	13,830	<b>13,926</b>	<b>0.7%</b>
Real estate expenses	3,124	<b>2,915</b>	<b>-6.7%</b>
Office expenses	2,663	<b>2,748</b>	<b>3.2%</b>
Depreciation expenses	1,946	<b>1,946</b>	<b>-0.0%</b>
Taxes and dues	267	<b>272</b>	<b>1.7%</b>
Others	1,315	<b>1,184</b>	<b>-10.0%</b>
<b>SG&amp;A</b>	<b>28,244</b>	<b>28,120</b>	<b>-0.4%</b>

(In millions of yen)

	FY12.3				FY13.3			vs.FY13.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
Trading related expenses	2,520	2,574	2,469	2,739	2,470	<b>2,656</b>	<b>7.5%</b>	
Personnel expenses	6,984	6,845	6,743	7,068	6,828	<b>7,098</b>	<b>4.0%</b>	
Real estate expenses	1,558	1,565	1,464	1,448	1,467	<b>1,447</b>	<b>-1.4%</b>	
Office expenses	1,341	1,321	1,279	1,362	1,340	<b>1,407</b>	<b>5.0%</b>	
Depreciation expenses	976	970	990	1,001	971	<b>974</b>	<b>0.3%</b>	
Taxes and dues	137	130	118	151	128	<b>143</b>	<b>11.7%</b>	
Others	682	633	587	645	599	<b>584</b>	<b>-2.5%</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>14,313</b>	<b>3.7%</b>	

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



- Selling, general and administrative expenses decreased 0.4% YoY.
- Trading related expenses increased 0.6% YoY, with revenue increasing.
- Personnel expenses increased 0.7% YoY reflecting salary increase due to improved performance.
- Real estate-related expenses were down 6.7% YoY due mainly to less spending on equipment and fixtures.
- Office expenses increased 3.2% YoY due mainly to development of the main system.
- Other expenses decreased 10.0% YoY due primarily to a fall in research expense.



## Balance Sheet Summary (1)

	(In millions of yen)			(In millions of yen)							
	FY12.3	FY13.3	vs.FY12.3	FY12.3				FY13.3			vs.FY13.3
	4Q	2Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
<b>Current assets</b>	505,304	<b>528,214</b>	<b>22,910</b>	483,967	486,017	543,560	505,304	660,958	<b>528,214</b>	<b>-132,744</b>	
Cash and deposits	45,898	<b>38,061</b>	<b>-7,837</b>	34,892	38,291	35,422	45,898	41,617	<b>38,061</b>	<b>-3,556</b>	
Cash segregated as deposits	42,750	<b>42,585</b>	<b>-165</b>	41,669	39,884	38,680	42,750	39,550	<b>42,585</b>	<b>3,035</b>	
Trading products	185,667	<b>226,537</b>	<b>40,870</b>	187,803	201,840	228,746	185,667	302,851	<b>226,537</b>	<b>-76,314</b>	
Receivables on margin transactions	33,533	<b>38,459</b>	<b>4,926</b>	44,291	37,449	34,223	33,533	36,983	<b>38,459</b>	<b>1,476</b>	
Receivables on collateralized securities transactions	186,086	<b>170,584</b>	<b>-15,502</b>	164,342	157,783	194,093	186,086	227,979	<b>170,584</b>	<b>-57,395</b>	
Other current assets	11,367	<b>11,986</b>	<b>618</b>	10,968	10,766	12,394	11,367	11,975	<b>11,986</b>	<b>11</b>	
<b>Fixed assets</b>	51,084	<b>50,543</b>	<b>-541</b>	52,463	52,013	50,609	51,084	49,861	<b>50,543</b>	<b>682</b>	
Tangible fixed assets	16,305	<b>16,476</b>	<b>171</b>	16,369	16,512	16,354	16,305	16,430	<b>16,476</b>	<b>46</b>	
Intangible fixed assets	8,399	<b>7,966</b>	<b>-433</b>	9,154	8,831	8,547	8,399	8,215	<b>7,966</b>	<b>-249</b>	
Investments and other assets	26,379	<b>26,099</b>	<b>-280</b>	26,939	26,668	25,707	26,379	25,215	<b>26,099</b>	<b>884</b>	
<b>Total assets</b>	556,388	<b>578,758</b>	<b>22,370</b>	536,431	538,030	594,170	556,388	710,819	<b>578,758</b>	<b>-132,061</b>	

- Current assets at the end of the second quarter of fiscal 2012 year (the quarter) increased 22.9 billion yen from the end of the previous fiscal year due principally to an increase in trading assets (fixed income securities, mostly).
- Current liabilities were up 25.9 billion yen from the end of the previous fiscal year due mainly to an increase in payables on collateralized securities transactions and short-term borrowings, while fixed liabilities decreased 0.9 billion yen due to a decrease in long-term borrowing. As a result, total liabilities at the end of the quarter increased 25.0 billion yen from the end of the previous fiscal year.
- Net assets were down 2.7 billion yen from the end of the previous fiscal year.



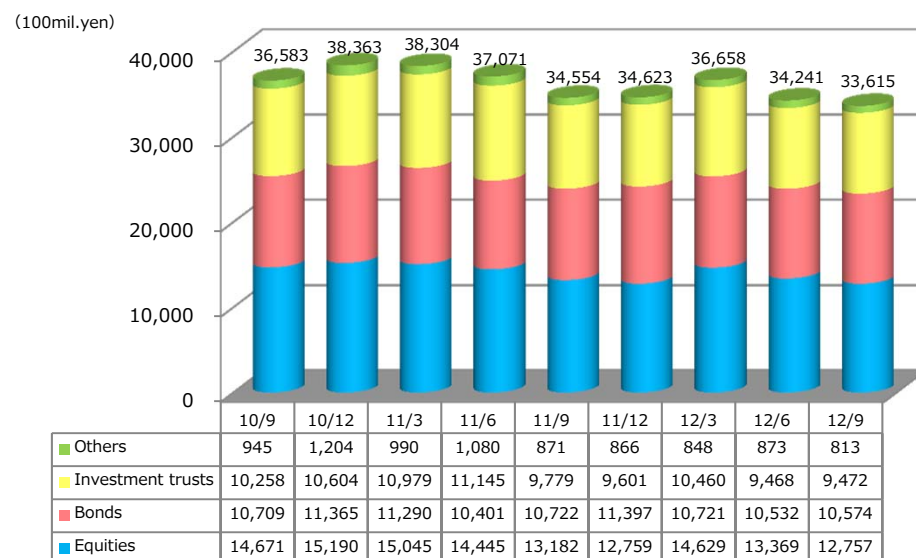
## Balance Sheet Summary (2)

	(In millions of yen)			(In millions of yen)							
	FY 12.3	FY13.3	vs.FY12.3	FY12.3				FY13.3			vs.FY13.3
	4Q	2Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
<b>Current liabilities</b>	417,782	<b>443,719</b>	<b>25,937</b>	396,615	400,608	458,493	417,782	575,043	<b>443,719</b>	<b>-131,324</b>	
Trading liabilities	152,267	<b>156,680</b>	<b>4,413</b>	144,839	143,469	178,371	152,267	200,444	<b>156,680</b>	<b>-43,764</b>	
Payables on margin transactions	16,171	<b>16,764</b>	<b>593</b>	19,760	17,200	11,270	16,171	14,065	<b>16,764</b>	<b>2,699</b>	
Payables on collateralized securities transactions	61,366	<b>80,557</b>	<b>19,191</b>	28,967	38,156	70,661	61,366	164,650	<b>80,557</b>	<b>-84,093</b>	
Deposits received	18,338	<b>19,674</b>	<b>1,336</b>	19,613	15,799	16,028	18,338	18,969	<b>19,674</b>	<b>705</b>	
Guarantee deposits received	22,996	<b>23,495</b>	<b>499</b>	26,823	23,818	23,039	22,996	25,166	<b>23,495</b>	<b>-1,671</b>	
Short-term borrowings	136,167	<b>141,361</b>	<b>5,194</b>	145,700	152,263	147,877	136,167	130,162	<b>141,361</b>	<b>11,199</b>	
Other current liabilities	10,473	<b>5,184</b>	<b>-5,289</b>	10,911	9,899	11,243	10,473	21,585	<b>5,184</b>	<b>-16,401</b>	
<b>Fixed liabilities</b>	25,199	<b>24,282</b>	<b>-917</b>	27,037	26,051	25,734	25,199	25,443	<b>24,282</b>	<b>-1,161</b>	
Long-term borrowings	13,478	<b>12,116</b>	<b>-1,362</b>	15,233	14,161	14,065	13,478	13,493	<b>12,116</b>	<b>-1,377</b>	
Reserves for retirement benefits	5,275	<b>5,450</b>	<b>175</b>	5,097	5,174	5,231	5,275	5,349	<b>5,450</b>	<b>101</b>	
Other fixed liabilities	6,446	<b>6,715</b>	<b>269</b>	6,706	6,714	6,437	6,446	6,600	<b>6,715</b>	<b>115</b>	
<b>Financial instruments transaction reserve</b>	1,390	<b>1,446</b>	<b>56</b>	1,285	1,323	1,355	1,390	1,414	<b>1,446</b>	<b>32</b>	
<b>Total liabilities</b>	444,372	<b>469,448</b>	<b>25,076</b>	424,939	427,983	485,583	444,372	601,902	<b>469,448</b>	<b>-132,454</b>	
Common stock	18,589	<b>18,589</b>	-	18,589	18,589	18,589	18,589	18,589	<b>18,589</b>	-	
Capital surplus	12,910	<b>12,912</b>	<b>2</b>	12,910	12,910	12,910	12,910	12,912	<b>12,912</b>	-	
Retained earnings	64,490	<b>61,698</b>	<b>-2,792</b>	63,528	62,792	62,219	64,490	61,140	<b>61,698</b>	<b>558</b>	
Treasury stock	-3,581	<b>-3,616</b>	<b>-35</b>	-2,850	-3,097	-3,572	-3,581	-3,614	<b>-3,616</b>	<b>-2</b>	
Accumulated other comprehensive income	50	<b>637</b>	<b>587</b>	-296	-890	-1,147	50	897	<b>637</b>	<b>-260</b>	
Minority interests	19,555	<b>19,088</b>	<b>-467</b>	19,610	19,742	19,588	19,555	18,992	<b>19,088</b>	<b>96</b>	
<b>Total net assets</b>	112,016	<b>109,309</b>	<b>-2,707</b>	111,492	110,047	108,587	112,016	108,917	<b>109,309</b>	<b>392</b>	
<b>Total liabilities&amp;net assets</b>	556,388	<b>578,758</b>	<b>22,370</b>	536,431	538,030	594,170	556,388	710,819	<b>578,758</b>	<b>-132,061</b>	

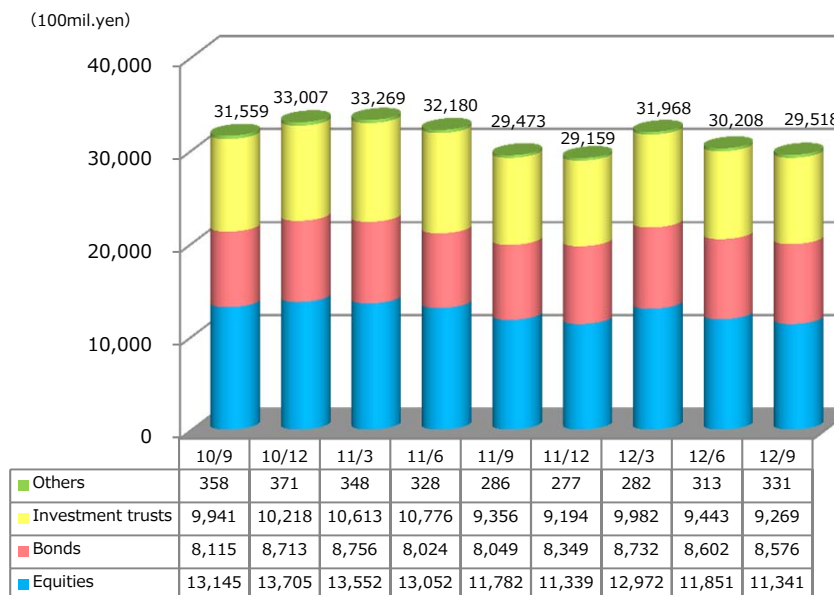


## Assets under custody (Consolidated)

### ■ Assets under Custody



### ■ Retail Assets under Custody



- Customers' assets under custody on the consolidated basis amounted to 3.3615 trillion yen, or a decline of 304.3 billion yen from the end of the previous fiscal year (from March-end, 2012), and a drop of 93.9 billion yen YoY (from September-end, 2011).
- Within these assets, retail assets decreased 245.0 billion yen from the end of the previous fiscal year (from March-end, 2012) and increased 4.5 billion yen YoY (from September-end, 2011), to 2.9518 trillion yen.



## *2. Reference Data*



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

Items	(In millions of yen)			(In millions of yen)						
	FY12.3	FY13.3	vs.FY12.3	FY12.3				FY13.3		vs.FY12.3
	2Q	2Q	2Q	1Q	2Q	3Q	4Q	1Q	2Q	1Q
<b>Operating revenues</b>	<b>21,802</b>	<b>23,465</b>	<b>7.6%</b>	<b>11,520</b>	<b>10,282</b>	<b>10,427</b>	<b>15,324</b>	<b>11,060</b>	<b>12,404</b>	<b>12.2%</b>
Commissions	14,178	12,689	-10.5%	8,463	5,714	5,568	9,487	5,806	6,882	18.5%
Brokerage	3,009	3,020	0.3%	1,531	1,478	1,275	2,076	1,464	1,556	6.3%
Underwriting	49	239	381.6%	20	28	41	29	26	213	719.2%
Distribution	8,167	6,869	-15.9%	5,409	2,757	2,965	6,063	3,015	3,853	27.8%
Others	2,951	2,560	-13.3%	1,502	1,449	1,287	1,316	1,300	1,259	-3.2%
<b>Net gain on trading</b>	<b>6,864</b>	<b>9,998</b>	<b>45.7%</b>	<b>2,720</b>	<b>4,144</b>	<b>4,494</b>	<b>5,424</b>	<b>4,884</b>	<b>5,113</b>	<b>4.7%</b>
Equities	2,471	3,744	51.5%	1,252	1,219	1,004	2,950	1,645	2,098	27.5%
Bonds	4,205	6,172	46.8%	1,474	2,730	3,514	2,603	3,123	3,048	-2.4%
Others	187	81	-56.8%	-6	194	-24	-128	114	-33	-
Interest and dividend income	760	778	2.4%	336	423	363	413	369	408	10.6%
Financial expenses	724	700	-3.3%	336	388	321	393	333	366	9.9%
<b>Net operating revenues</b>	<b>21,078</b>	<b>22,764</b>	<b>8.0%</b>	<b>11,184</b>	<b>9,893</b>	<b>10,105</b>	<b>14,931</b>	<b>10,726</b>	<b>12,038</b>	<b>12.2%</b>
<b>SG&amp;A</b>	<b>22,363</b>	<b>22,597</b>	<b>1.0%</b>	<b>11,261</b>	<b>11,102</b>	<b>10,895</b>	<b>11,489</b>	<b>11,165</b>	<b>11,431</b>	<b>2.4%</b>
Trading related expenses	3,935	4,128	4.9%	1,973	1,962	1,950	2,128	2,032	2,096	3.1%
Personnel expenses	10,513	10,646	1.3%	5,303	5,209	5,160	5,401	5,250	5,395	2.8%
Real estate expenses	2,764	2,919	5.6%	1,363	1,400	1,329	1,316	1,454	1,464	0.7%
Administrative expenses	4,376	4,117	-5.9%	2,227	2,149	2,091	2,171	2,028	2,088	3.0%
Depreciation expenses	254	245	-3.3%	124	129	130	134	122	122	0.0%
Taxes and dues	135	140	3.7%	69	66	64	91	63	76	20.6%
Others	383	398	3.9%	198	184	169	244	212	185	-12.7%
<b>Operating income</b>	<b>-1,285</b>	<b>167</b>	<b>-</b>	<b>-77</b>	<b>-1,208</b>	<b>-789</b>	<b>3,441</b>	<b>-439</b>	<b>606</b>	<b>-</b>
Non-operating income	123	207	68.1%	68	55	50	84	132	75	-43.2%
Non-operating expenses	7	5	-27.2%	1	5	2	1	1	3	200.0%
<b>Ordinary income</b>	<b>-1,169</b>	<b>370</b>	<b>-</b>	<b>-11</b>	<b>-1,158</b>	<b>-741</b>	<b>3,524</b>	<b>-308</b>	<b>678</b>	<b>-</b>
Extraordinary gain	-	0	-	-	-	-	101	0	-	-
Extraordinary loss	55	5	-90.4%	42	13	9	12	4	1	-75.0%
<b>Net profit, before taxes</b>	<b>-1,225</b>	<b>364</b>	<b>-</b>	<b>-53</b>	<b>-1,171</b>	<b>-751</b>	<b>3,613</b>	<b>-312</b>	<b>676</b>	<b>-</b>
Income taxes	-52	179	-	2	-54	37	1,048	147	32	-78.2%
Adjustment amount for income taxes	-335	127	-	41	-376	-91	492	-79	207	-
<b>Net profit</b>	<b>-837</b>	<b>56</b>	<b>-</b>	<b>-96</b>	<b>-741</b>	<b>-697</b>	<b>2,073</b>	<b>-379</b>	<b>436</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 2 Q	vs. FY13.3 1 Q
	1 Q	2 Q	2 Q TOTAL	3 Q	4 Q	TOTAL	1 Q	2 Q	2 Q TOTAL		
( Dealing )	745	592	1,337	408	728	2,473	633	486	1,118	-16.4%	-23.2%
( Brokerage )	5,098	5,117	10,214	4,697	6,300	21,212	4,455	4,660	9,116	-10.7%	4.6%
Total	5,843	5,709	11,552	5,105	7,028	23,686	5,088	5,147	10,235	-11.4%	1.2%
Brokerage ratio	87.2%	89.6%	88.4%	92.0%	89.6%	89.6%	87.6%	90.5%	89.1%	+0.7p	+2.9p

<Volume of equity trading / Total value>

(In millions of yen)

Items	FY12.3						FY13.3			vs. FY12.3 2 Q	vs. FY13.3 1 Q
	1 Q	2 Q	2 Q TOTAL	3 Q	4 Q	TOTAL	1 Q	2 Q	2 Q TOTAL		
( Dealing )	447,422	436,917	884,339	236,309	407,887	1,528,536	341,851	351,809	693,661	-21.6%	2.9%
( Brokerage )	1,900,394	1,926,642	3,827,036	1,660,777	1,977,214	7,465,028	1,770,345	1,752,966	3,523,311	-7.9%	-1.0%
Total	2,347,816	2,363,560	4,711,376	1,897,086	2,385,102	8,993,564	2,112,196	2,104,776	4,216,972	-10.5%	-0.4%
Brokerage ratio	80.9%	81.5%	81.2%	87.5%	82.8%	83.0%	83.8%	83.3%	83.6%	+2.4p	-0.5p

<Total share within TSE>

Items	FY12.3						FY13.3			vs. FY12.3 2 Q	vs. FY13.3 1 Q
	1 Q	2 Q	2 Q TOTAL	3 Q	4 Q	TOTAL	1 Q	2 Q	2 Q TOTAL		
Number of shares	1.76%	1.70%	1.73%	2.01%	1.96%	1.85%	1.73%	1.94%	1.83%	+0.10p	+0.21p
Total value	1.16%	1.14%	1.16%	1.19%	1.12%	1.16%	1.13%	1.29%	1.20%	+0.04p	+0.16p

<Brokerage Commissions Ratio>

(In millions of yen)

Items	FY12.3						FY13.3			vs. FY12.3 2 Q	vs. FY13.3 1 Q
	1 Q	2 Q	2 Q TOTAL	3 Q	4 Q	TOTAL	1 Q	2 Q	2 Q TOTAL		
Commissions	1,497	1,439	2,937	1,231	2,041	6,210	1,422	1,515	2,937	0.0%	6.5%
Commissions Ratio	0.08%	0.07%	0.07%	0.07%	0.10%	0.08%	0.08%	0.08%	0.08%	+0.01p	±0p

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 2Q	vs.FY13.3 1Q
	1 Q	2 Q	2QTOTAL	3 Q	4 Q	TOTAL	1 Q	2 Q	2QTOTAL			
Equities (Number of shares)	0	0	0	1	0	1	0	3	3	–	–	
Equities (Total value)	149	318	467	468	446	1,382	343	10,493	10,836	2220.3%	2959.2%	
Bonds (Total at face value)	216,100	202,160	418,260	215,444	239,489	873,193	220,043	220,333	440,376	5.3%	0.1%	
Domestic and foreign CP (Total at face value)	–	–	–	–	–	–	–	–	–	–	–	

## <Selling>

(In millions of shares, millions of yen)

Items	FY12.3							FY13.3			vs.FY12.3 2Q	vs.FY13.3 1Q
	1 Q	2 Q	2QTOTAL	3 Q	4 Q	TOTAL	1 Q	2 Q	2QTOTAL			
Equities (Number of shares)	0	0	0	1	0	1	0	3	3	–	–	
Equities (Total value)	150	287	437	452	352	1,241	249	10,478	10,727	2354.7%	4108.0%	
Bonds (Total at face value)	15,211	41,494	56,705	45,771	34,517	136,993	32,838	27,721	60,558	6.8%	-15.6%	

## <Offering>

(In millions of shares, millions of yen)

Items	FY12.3							FY13.3			vs.FY12.3 2Q	vs.FY13.3 1Q
	1 Q	2 Q	2QTOTAL	3 Q	4 Q	TOTAL	1 Q	2 Q	2QTOTAL			
Equities (Number of shares)	0	0	0	0	–	0	0	–	0	–	–	
Equities (Total value)	0	1	1	1	–	2	0	–	0	-100.0%	–	
Bonds (Total at face value)	219,639	206,155	425,794	221,471	244,050	891,315	223,903	223,993	447,896	5.2%	0.0%	
Beneficiary securities (Total at face value)	491,306	356,747	848,053	333,384	550,663	1,732,101	393,369	415,054	808,423	-4.7%	5.5%	
Domestic and foreign CP (Total at face value)	–	–	–	–	–	–	–	–	–	–	–	

## <Underwriting & Selling Fees Ratio>

(In millions of yen)

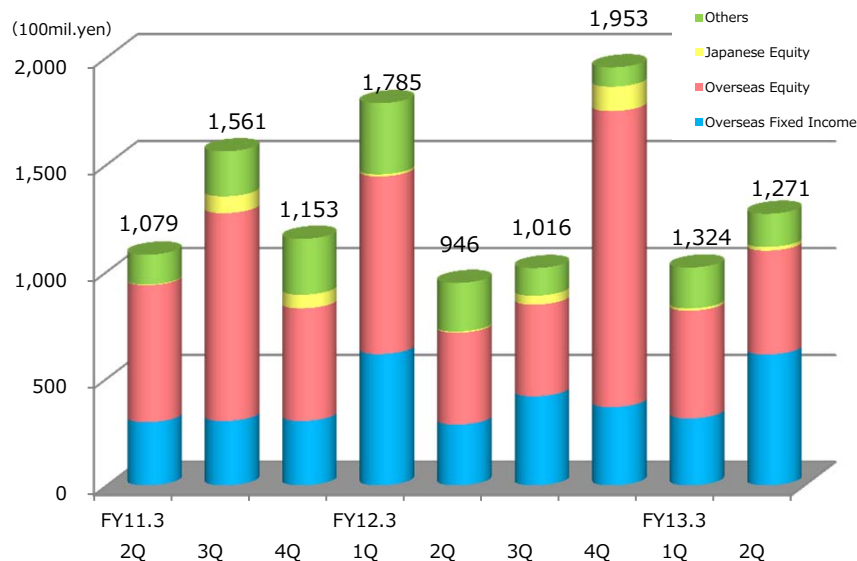
Items	FY12.3							FY13.3			vs.FY12.3 2Q	vs.FY13.3 1Q
	1 Q	2 Q	2QTOTAL	3 Q	4 Q	TOTAL	1 Q	2 Q	2QTOTAL			
Equities	7	12	19	23	11	55	9	194	204	973.7%	2055.6%	
(Averaged Fees Ratio)	2.35%	1.98%	2.10%	2.50%	1.38%	2.10%	1.52%	0.93%	0.95%	-1.15p	-0.59p	
Bonds	13	16	30	17	17	65	16	19	36	20.0%	18.8%	
(Averaged Fees Ratio)	0.006%	0.007%	0.006%	0.007%	0.006%	0.006%	0.006%	0.008%	0.007%	+0.001p	+0.002p	



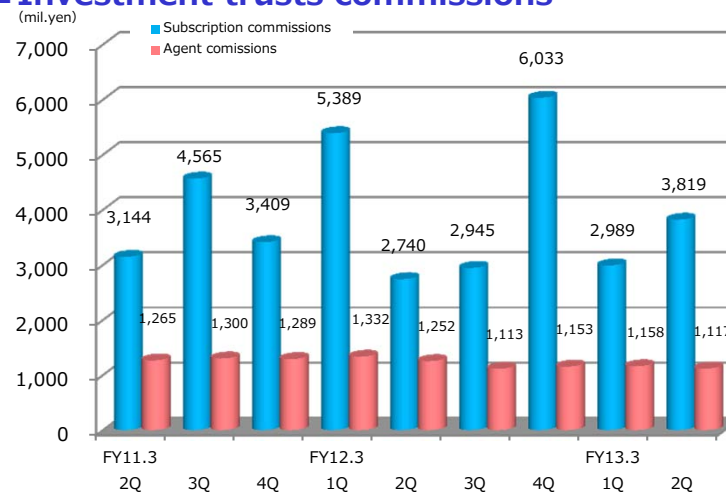


# Investment trusts ▪ Foreign bonds (non-consolidated: Okasan Securities)

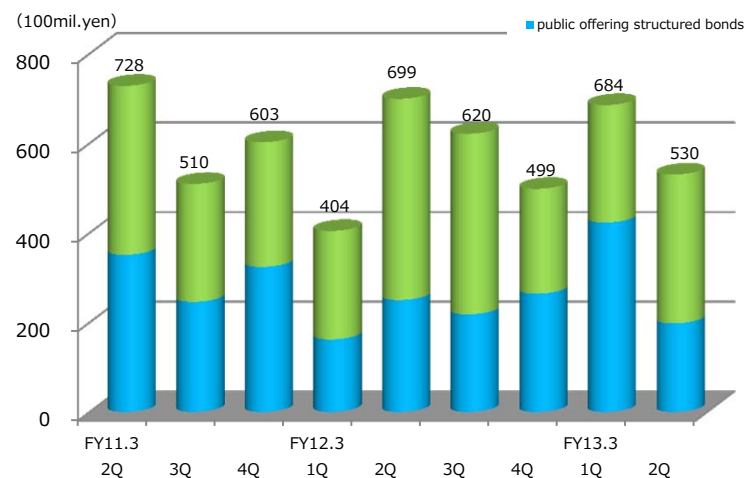
## Investment trusts sales amount



## Investment trusts commissions



## Foreign bonds sales amount

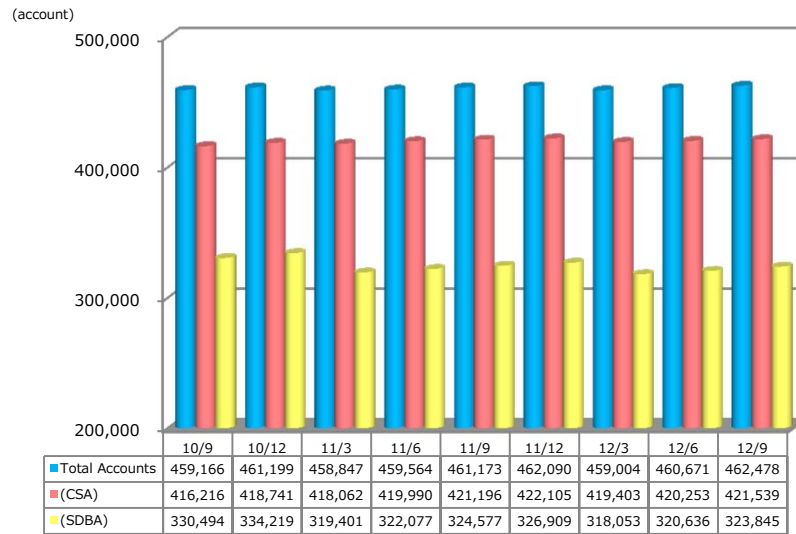


- Sales of investment trust funds declined 16.1% YoY, to 229.1 billion yen, while sales commissions on these funds declined 16.2% YoY, to 6,809 million yen.
- Sales of foreign bonds increased 10% YoY, to 121.4 billion yen, due mainly to increased sales of yen-denominated structured bonds such as EBs.

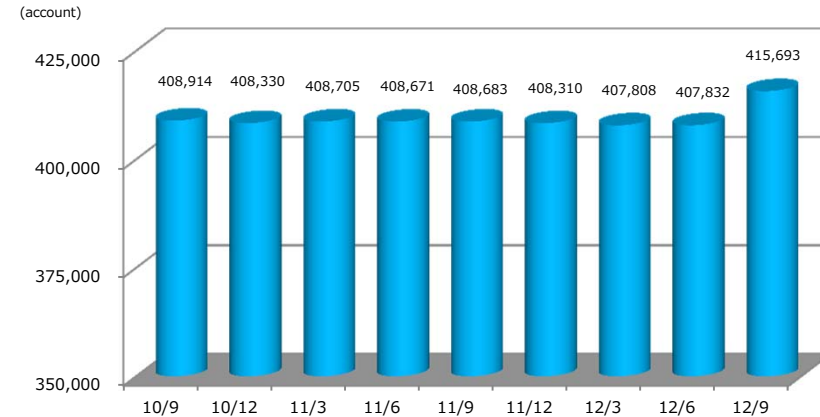


# Number of accounts (non-consolidated: Okasan Securities)

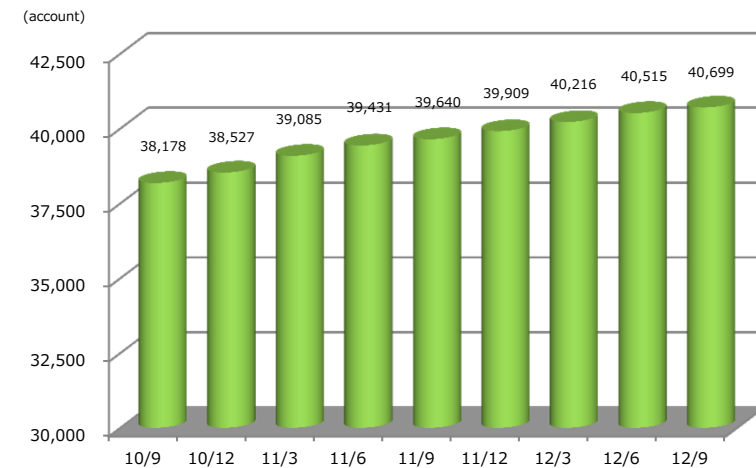
## ■ Number of customer accounts



## ■ Number of balance remaining accounts



## ■ Number of online accounts

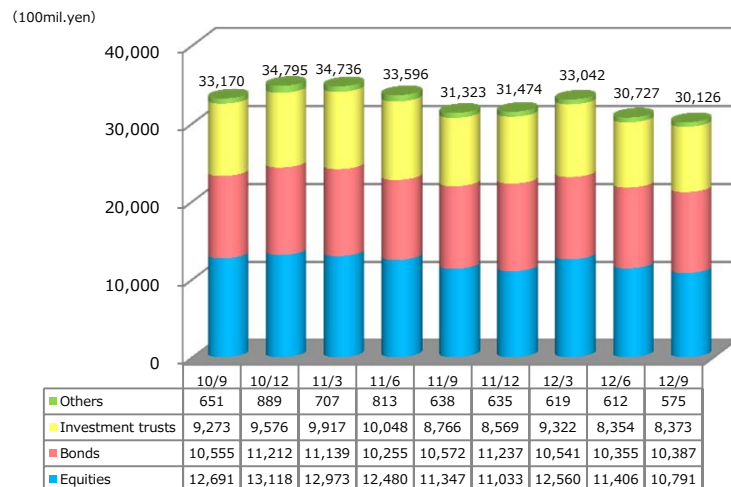


- The total number of customer accounts stood at 462,478 at the end of the quarter (September-end). Those with remaining balance numbered 415,693.
- Customer accounts newly opened during the first half were 8,174.
- Online accounts were 40,699 as at the end of the quarter, comprising 8.8% of the total customer accounts.

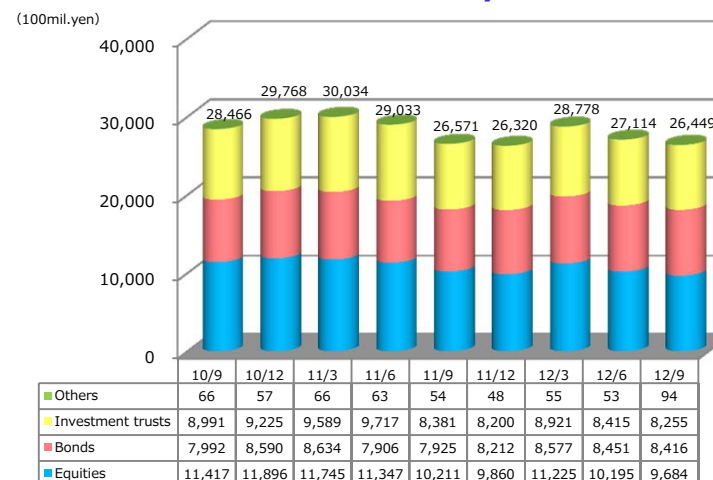


# Assets under custody , Net inflow of client assets (non-consolidated: Okasan Securities)

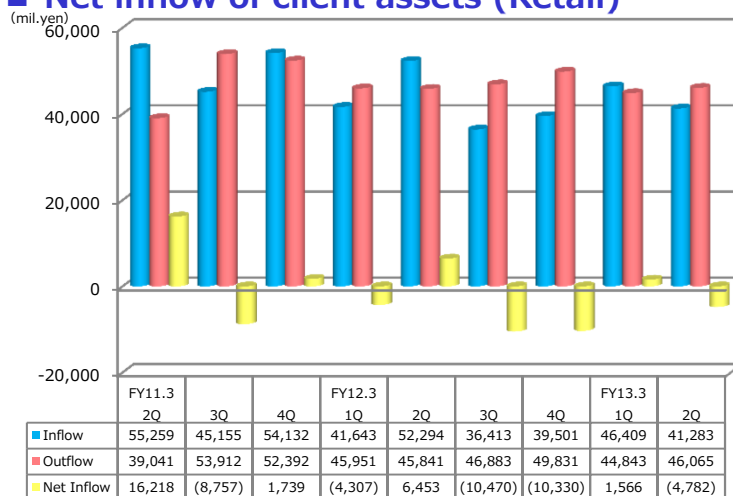
## ■ Assets under Custody



## ■ Retail Assets under Custody



## ■ Net inflow of client assets (Retail)



- At the end of the quarter, customers' assets under custody in Okasan Securities Co., Ltd. were 3.0126 trillion yen, a 291.6 billion yen decline from the end of the previous fiscal year (from March-end, 2012) and a 119.7 billion yen decline YoY (from September-end, 2011).
- The net outflow of funds (sum of net inflow/outflow of cash and assets under custody: individual customers only) for the quarter (July-September) was 4.8 billion yen.



# Capital Adequacy Requirement 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	2 Q	4 Q
Basic items		(A)	51,723	50,982	50,285	51,350	50,964	51,400	50
Complementary items	Appraisal gains (losses) etc.		51	46	47	-	-	-	-
	Security transaction responsibility reserve		807	809	809	809	808	808	-1
	General provision for loan losses		3	2	2	2	2	2	0
	Short-term subordinated debt		9,500	8,425	8,425	7,900	7,900	7,900	-
Total		(B)	10,361	9,283	9,284	8,711	8,711	8,711	0
Assets to be deducted		(C)	10,381	10,358	9,960	9,658	9,540	9,694	36
Unfixed equity capital (A) + (B) - (C)		(D)	51,704	49,907	49,608	50,404	50,135	50,416	12
Risk equivalents	Market risk equivalents		2,159	2,331	2,417	2,022	3,507	1,974	-48
	Customer risk equivalents		919	768	746	878	800	798	-80
	Basic risk equivalents		11,622	11,544	11,482	11,272	11,232	11,265	-7
	Total	(E)	14,701	14,644	14,646	14,174	15,539	14,037	-137
<b>Capital adequacy ratio (D) / (E) x 100 (%)</b>			<b>351.7%</b>	<b>340.8%</b>	<b>338.7%</b>	<b>355.6%</b>	<b>322.6%</b>	<b>359.1%</b>	<b>3.5p</b>

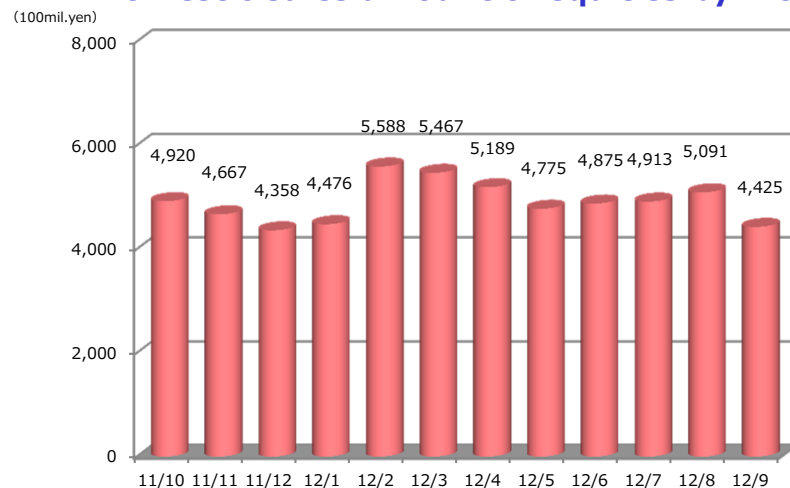
(Note) Short-term subordinated debt consists of subordinated borrowing.

- The capital adequacy requirement ratio as at the end of September, 2012 rose 3.5 percentage points from the end of the previous fiscal year (from March-end, 2011) to 359.1%.
- The capital adequacy requirement ratio as at the end of June, 2012 declined temporarily because a periodic loss for the first quarter was posted and the market risk equivalent rose. For the second quarter, the level of the market risk equivalent fell in addition to a periodic profit for the quarter.

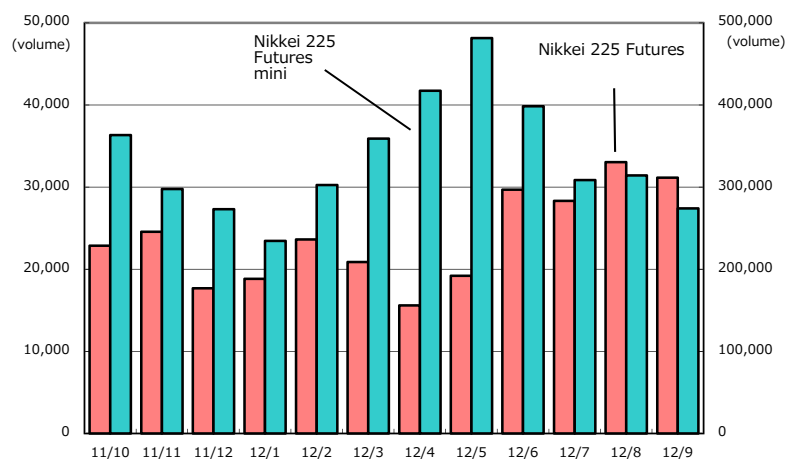


## (Reference Data) Okasan Online Securities Data

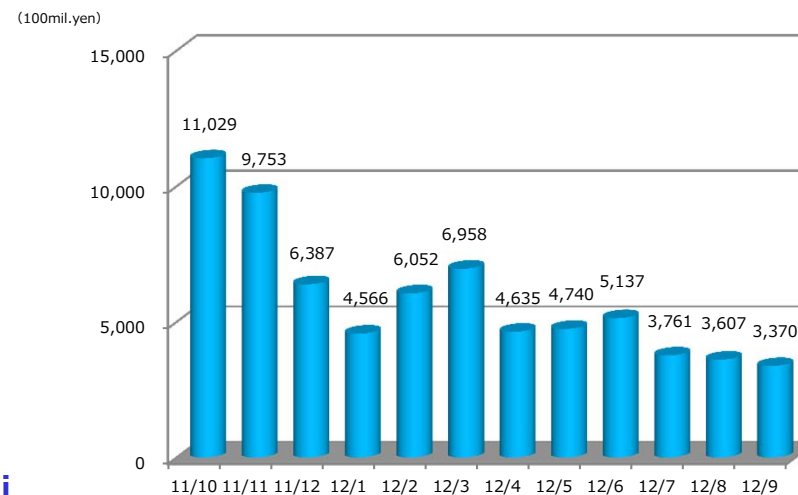
### ■ Domestic sales amount of equities by month



### ■ Nikkei 225 Futures & Nikkei 225 Futures mini



### ■ "Click 365" contract amount



- While trading value remained low in the equity market overall, trading value of domestic shares hovered around 450 billion yen level, thanks to the participation of active investors.
- The trading volume of "Click 365" plunged after change in the capital gain tax, which became effective in January, 2012.
- Increase in Nikkei mini has been decelerating, while Nikkei 225 Futures for this fiscal year keep uptrend.



# MEMO

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