



# *1Q Ending March 31, 2015*

## *Results Briefing*



July 30, 2014  
Okasan Securities Group Inc.

The objective of the document is to provide information on the results of the 1st quarter year ending March 31, 2015 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 2014. 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

	<b>Operating revenues</b>	<b>Net operating revenues</b>	<b>Operating income</b>	<b>Ordinary income</b>
	million yen	million yen	million yen	million yen
<b>FY15.3 1Q</b>	<b>21,586 ( -33.8%)</b>	<b>21,296 ( -33.9%)</b>	<b>5,174 ( -65.2%)</b>	<b>5,363 ( -64.3%)</b>
<b>FY14.3 1Q</b>	<b>32,597 (132.1%)</b>	<b>32,196 (135.4%)</b>	<b>14,875 ( - %)</b>	<b>15,035 (128.3times)</b>

	<b>Net Income</b>	<b>Net income per share</b>	<b>R O E (annualized)</b>	<b>Comprehensive income</b>
	million yen	yen		million yen
<b>FY15.3 1Q</b>	<b>2,825 ( -66.2%)</b>	<b>14.27</b>	<b>8.8%</b>	<b>3,559 ( -66.0%)</b>
<b>FY14.3 1Q</b>	<b>8,363 ( - %)</b>	<b>42.22</b>	<b>29.1%</b>	<b>10,468 ( - %)</b>

	<b>Total assets</b>	<b>Net assets</b>	<b>Equity ratio</b>
	million yen	million yen	
<b>FY15.3 1Q</b>	<b>650,166</b>	<b>151,474</b>	<b>19.5%</b>
<b>FY14.3</b>	<b>613,134</b>	<b>152,839</b>	<b>21.0%</b>



## Financial highlights of 1st Quarter year ending March 2015

### <Overview>

- Operating revenues decreased by 33.8% year on year (YoY), to 21,586 million yen. This was due to strong revenues from stock brokerage commissions in the same quarter of the previous year.
- Ordinary income decreased by 64.3% YoY, to 5,363 million yen.
- Quarterly net profit decreased by 66.2% YoY, to 2,825 million yen.

### <Fees and Commissions>

- Brokerage commissions decreased by 65.6% YoY. This fall was due to strong revenues from equity brokerage commissions in the same quarter of the previous year.
- Underwriting fees increased by 35.6% YoY. Large-scale public offerings and an increased share in bond underwriting were the main contributors to this increase.
- Distribution commissions decreased by 17.8% YoY. Other commissions increased by 6.0% YoY.

### <Net Trading Income>

- Trading income from equities decreased by 27.4% YoY. Trading income from bonds decreased 24.7% YoY.
- Although the trading volume of foreign equity transactions (mainly US equities) increased, revenues from propriety trading in Japanese equities and bonds decreased.

### <SG&A expenses>

- Selling, general, and administrative expenses all decreased by 6.9% YoY. This was mainly due to a reduction in expenses related to personnel and trading.



# Operating Revenues

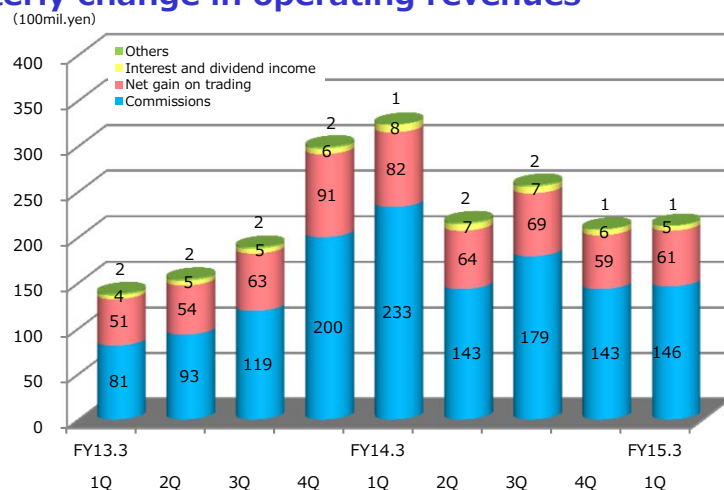
(In millions of yen)

	FY14.3	FY15.3	vs.FY14.3
	1Q	1Q	1Q
<b>Operating revenues</b>	32,597	21,586	-33.8%
<b>Commissions</b>	23,306	14,697	-36.9%
Brokerage	11,381	3,915	-65.6%
Underwriting	147	200	35.6%
Distribution	7,981	6,556	-17.8%
Others	3,796	4,025	6.0%
<b>Net gain on trading</b>	8,238	6,140	-25.5%
Equities	4,402	3,196	-27.4%
Bonds	3,923	2,954	-24.7%
Others	-87	-10	-
<b>Interest and dividend income</b>	863	560	-35.0%
<b>Others</b>	189	188	-0.5%

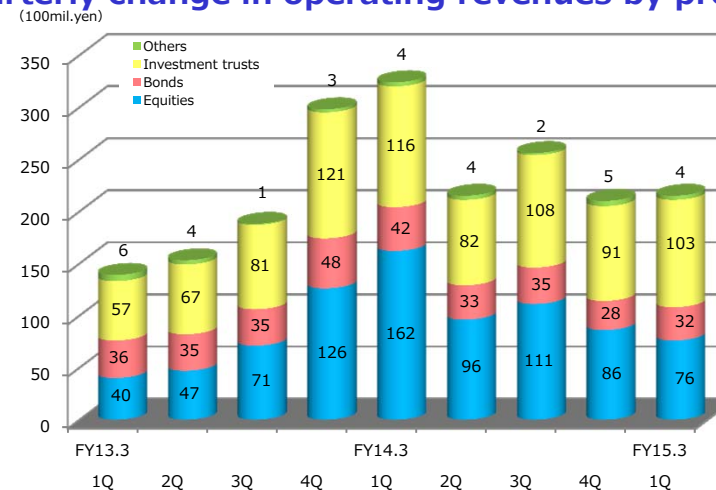
(In millions of yen)

	FY14.3				FY15.3	vs.FY14.3
	1Q	2Q	3Q	4Q	1Q	4Q
<b>Operating revenues</b>	32,597	21,760	25,844	21,184	21,586	1.9%
<b>Commissions</b>	23,306	14,391	17,934	14,357	14,697	2.4%
Brokerage	11,381	5,899	6,595	4,635	3,915	-15.5%
Underwriting	147	57	145	174	200	14.9%
Distribution	7,981	4,723	7,185	5,541	6,556	18.3%
Others	3,796	3,711	4,008	4,006	4,025	0.5%
<b>Net gain on trading</b>	8,238	6,444	6,996	5,983	6,140	2.6%
Equities	4,402	3,361	4,058	3,413	3,196	-6.4%
Bonds	3,923	3,092	3,185	2,503	2,954	18.0%
Others	-87	-9	-247	66	-10	-
<b>Interest and dividend income</b>	863	706	709	668	560	-16.2%
<b>Others</b>	189	217	203	174	188	8.0%

## Quarterly change in operating revenues



## Quarterly change in operating revenues by product





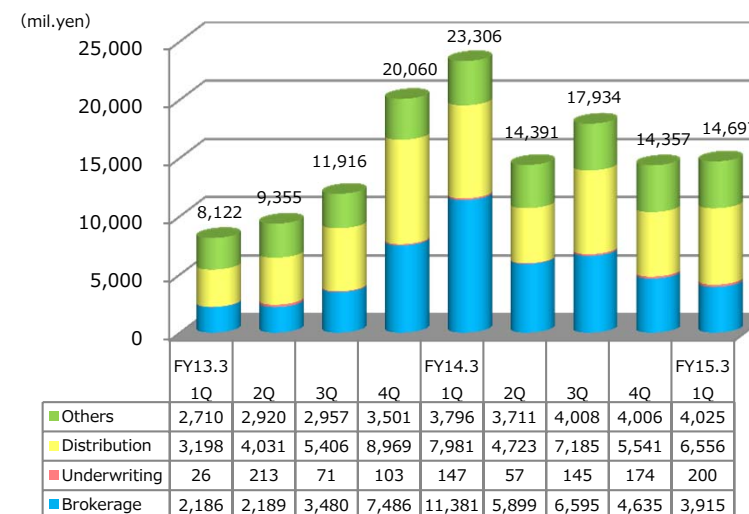
## Fees and Commissions Received

### ■ Fees and commissions received

(In millions of yen)

Items	FY14.3 1Q	FY15.3 1Q	vs.FY14.3 1Q
Brokerage	11,381	<b>3,915</b>	<b>-65.6%</b>
Equities	11,076	<b>3,846</b>	<b>-65.3%</b>
Bonds	3	<b>1</b>	<b>-67.8%</b>
Others	301	<b>67</b>	<b>-77.4%</b>
Underwriting	147	<b>200</b>	<b>35.6%</b>
Equities	119	<b>168</b>	<b>40.5%</b>
Bonds	28	<b>32</b>	<b>14.5%</b>
Distribution	7,981	<b>6,556</b>	<b>-17.8%</b>
Beneficiary Certificates	7,946	<b>6,520</b>	<b>-18.0%</b>
Others	3,796	<b>4,025</b>	<b>6.0%</b>
Beneficiary Certificates	3,555	<b>3,751</b>	<b>5.5%</b>
<b>Total</b>	<b>23,306</b>	<b>14,697</b>	<b>-36.9%</b>

### ■ Fees and commissions received (quarterly)

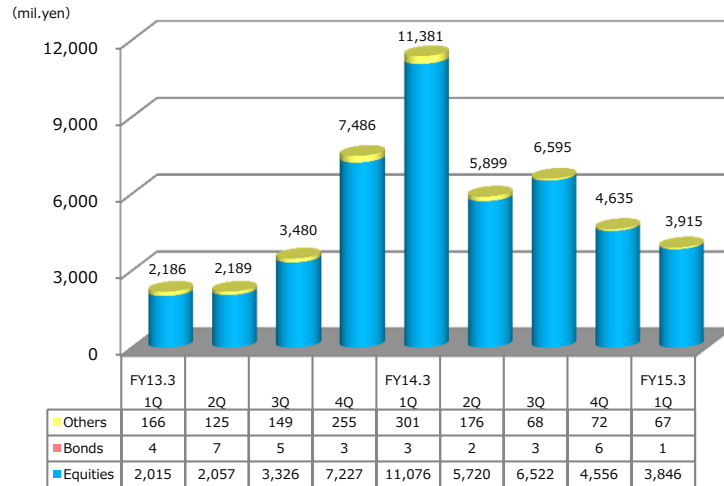


- Brokerage commissions decreased by 65.6% YoY, due to a decrease in stock brokerage commissions.
- Underwriting fees increased by 35.6% YoY. This was as a result of landing a large-scale equity finance deal, in addition to efforts to raise our company's share as lead manager for issues of municipal bonds.
- Distribution commissions decreased by 17.8% YoY, due to lower sales of investment trusts.
- Other commissions came almost entirely from custodian fees accrued on the balance of investment trusts, and increased by 6.0% YoY.

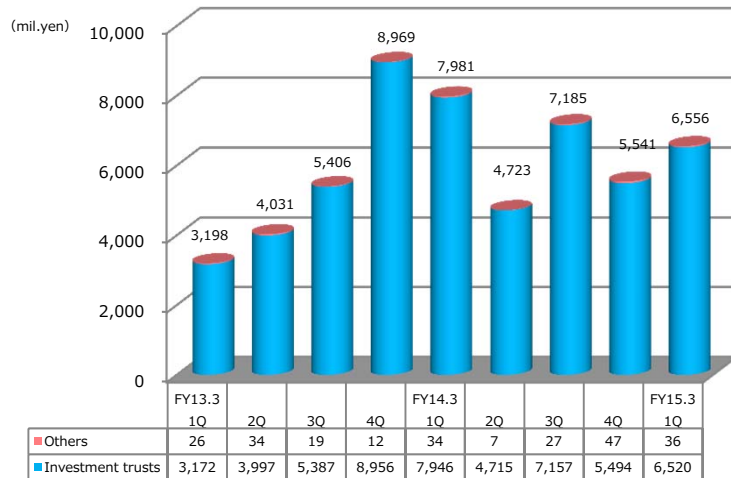


# Fees and Commissions Received by Category

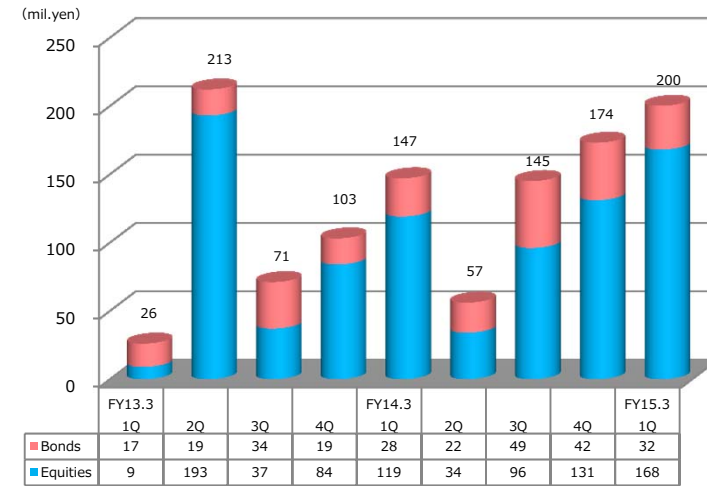
## ■ Brokerage



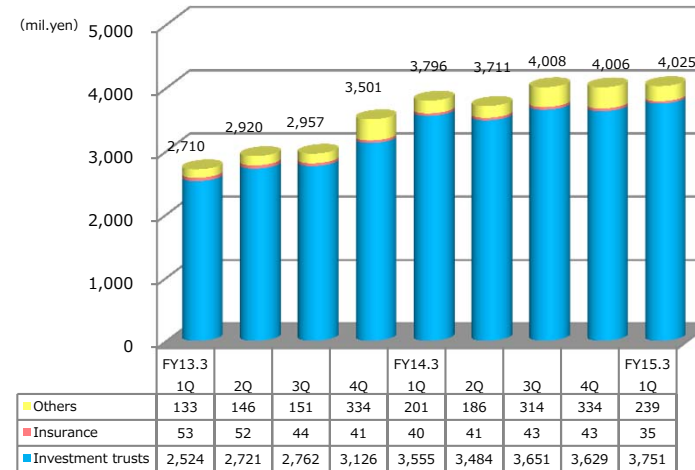
## ■ Distribution



## ■ Underwriting



## ■ Others





## Net Trading Income

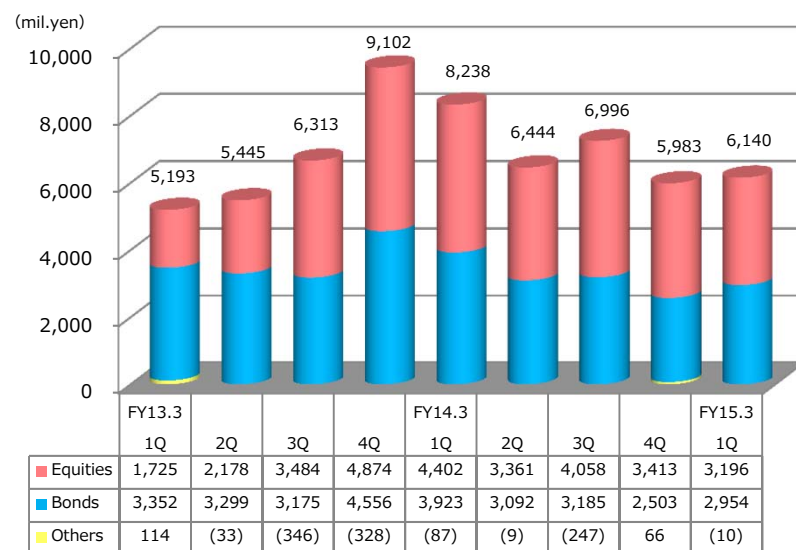
(In millions of yen)

	FY14.3 1Q	FY15.3 1Q	vs.FY14.3 1Q
<b>Equities</b>	4,402	<b>3,196</b>	<b>-27.4%</b>
Domestic equities	1,925	<b>246</b>	<b>-87.2%</b>
Foreign equities	2,476	<b>2,950</b>	<b>19.1%</b>
<b>Bonds and others</b>	3,923	<b>2,954</b>	<b>-24.7%</b>
Domestic bonds	553	<b>310</b>	<b>-43.9%</b>
Foreign bonds	3,369	<b>2,643</b>	<b>-21.5%</b>
<b>Others</b>	-87	<b>-10</b>	<b>-</b>
<b>Net gain on trading</b>	<b>8,238</b>	<b>6,140</b>	<b>-25.5%</b>

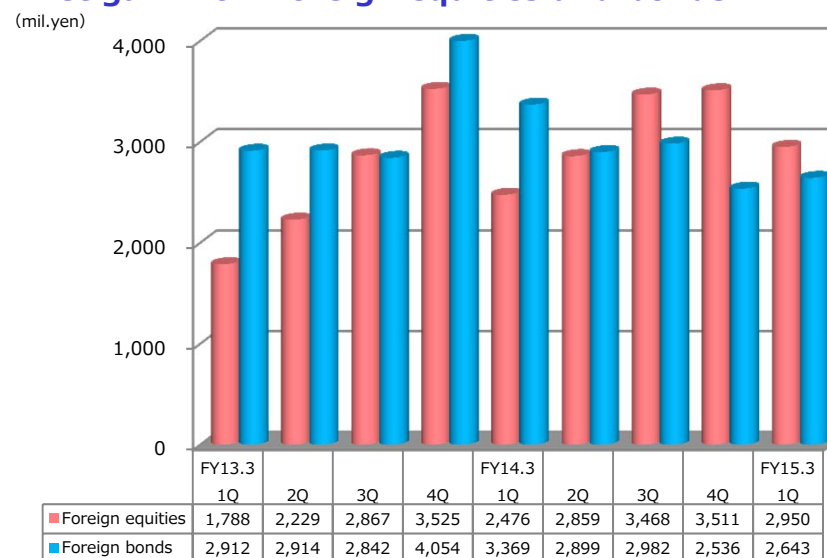
(In millions of yen)

	FY14.3				FY15.3		vs.FY14.3
	1Q	2Q	3Q	4Q	1Q	4Q	
<b>Equities</b>	4,402	3,361	4,058	3,413	<b>3,196</b>		<b>-6.4%</b>
Domestic equities	1,925	502	590	-98	<b>246</b>		<b>-</b>
Foreign equities	2,476	2,859	3,468	3,511	<b>2,950</b>		<b>-16.0%</b>
<b>Bonds and others</b>	3,923	3,092	3,185	2,503	<b>2,954</b>		<b>18.0%</b>
Domestic bonds	553	192	203	-33	<b>310</b>		<b>-</b>
Foreign bonds	3,369	2,899	2,982	2,536	<b>2,643</b>		<b>4.2%</b>
<b>Others</b>	-87	-9	-247	66	<b>-10</b>		<b>-</b>
<b>Net gain on trading</b>	<b>8,238</b>	<b>6,444</b>	<b>6,996</b>	<b>5,983</b>	<b>6,140</b>		<b>2.6%</b>

### Net gain by Products



### Net gain from foreign equities and bonds







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

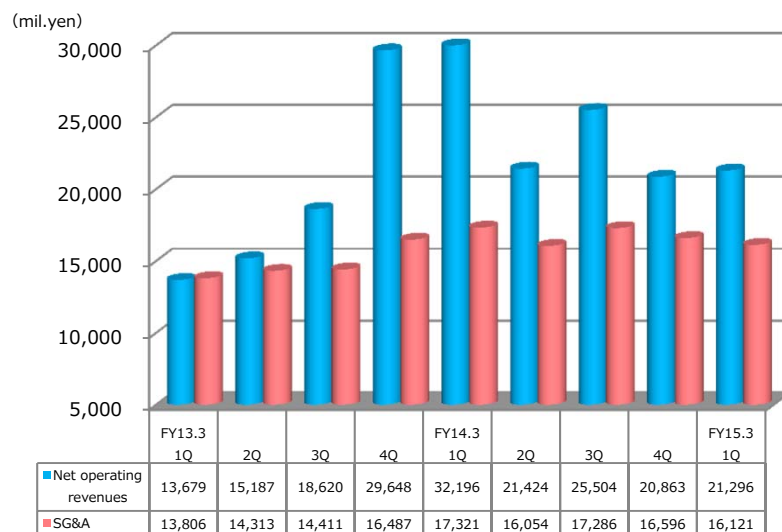
(In millions of yen)

	FY14.3	FY15.3	vs.FY14.3
	1Q	1Q	1Q
Trading related expenses	3,635	<b>3,055</b>	<b>-16.0%</b>
Personnel expenses	9,069	<b>8,420</b>	<b>-7.2%</b>
Real estate expenses	1,401	<b>1,470</b>	<b>5.0%</b>
Office expenses	1,240	<b>1,229</b>	<b>-0.9%</b>
Depreciation expenses	1,020	<b>991</b>	<b>-2.8%</b>
Taxes and dues	216	<b>183</b>	<b>-15.5%</b>
Others	736	<b>770</b>	<b>4.6%</b>
<b>SG&amp;A</b>	<b>17,321</b>	<b>16,121</b>	<b>-6.9%</b>

(In millions of yen)

	FY14.3				FY15.3	vs.FY14.3
	1Q	2Q	3Q	4Q	1Q	4Q
Trading related expenses	3,635	3,231	3,344	3,115	<b>3,055</b>	<b>-1.9%</b>
Personnel expenses	9,069	8,242	8,864	8,663	<b>8,420</b>	<b>-2.8%</b>
Real estate expenses	1,401	1,565	1,643	1,543	<b>1,470</b>	<b>-4.7%</b>
Office expenses	1,240	1,146	1,448	1,115	<b>1,229</b>	<b>10.2%</b>
Depreciation expenses	1,020	1,019	951	1,052	<b>991</b>	<b>-5.8%</b>
Taxes and dues	216	175	182	151	<b>183</b>	<b>21.2%</b>
Others	736	672	851	955	<b>770</b>	<b>-19.4%</b>
<b>SG&amp;A</b>	<b>17,321</b>	<b>16,054</b>	<b>17,286</b>	<b>16,596</b>	<b>16,121</b>	<b>-2.9%</b>

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



- Trading-related expenses decreased by 16.0% YoY, due to a decrease in variable expenses. They include fees paid to exchanges due to the lower trading volume, as well as the advertising expenses.
- Personnel expenses decreased by 7.2% YoY, due to a reduction in salaries and performance-related bonuses.



## Balance Sheet Summary (1)

	(In millions of yen)			(In millions of yen)						
	FY14.3 4Q	FY15.3 1Q	vs. FY14.3 4Q	FY14.3				FY15.3		vs. FY14.3
				1Q	2Q	3Q	4Q	1Q	4Q	
<b>Current assets</b>	543,326	579,777	36,451	635,060	650,515	540,453	543,326	579,777	36,451	
Cash and deposits	49,466	45,742	-3,724	44,734	46,777	48,603	49,466	45,742	-3,724	
Cash segregated as deposits	56,743	61,509	4,766	71,990	71,802	66,283	56,743	61,509	4,766	
Trading products	213,986	187,903	-26,083	259,988	249,587	176,196	213,986	187,903	-26,083	
Receivables on margin transactions	61,603	56,666	-4,937	65,939	65,133	70,378	61,603	56,666	-4,937	
Receivables on collateralized securities transactions	150,379	150,048	-331	180,562	184,562	148,323	150,379	150,048	-331	
Other current assets	11,145	77,906	66,761	11,845	32,652	30,668	11,145	77,906	66,761	
<b>Fixed assets</b>	69,808	70,388	580	64,297	67,158	73,821	69,808	70,388	580	
Tangible fixed assets	19,077	18,906	-171	17,162	17,584	18,866	19,077	18,906	-171	
Intangible fixed assets	8,305	8,180	-125	8,085	8,797	8,611	8,305	8,180	-125	
Investments and other assets	42,426	43,300	874	39,049	40,777	46,343	42,426	43,300	874	
<b>Total assets</b>	613,134	650,166	37,032	699,358	717,674	614,274	613,134	650,166	37,032	

- Current assets increased by 36.4 billion yen from the end of the previous fiscal year due to an increase in unsettled trading accounts (other current assets). Fixed assets increased by 500 million yen from the end of the previous fiscal year owing to growth in investment securities, etc.
- Current liabilities increased by 38.4 billion yen YoY, due to an increase in collateralized securities borrowings, etc. Fixed liabilities decreased 100 million yen YoY. Total liabilities increased by 38.3 billion yen.
- Net assets decreased by 1.3 billion yen from the end of the previous fiscal year due to a decrease in retained earnings.



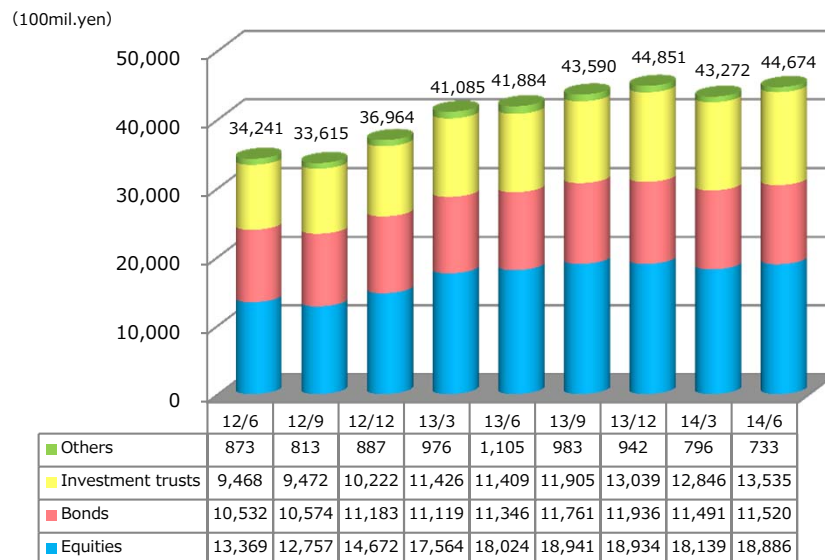
## Balance Sheet Summary (2)

	(In millions of yen)			(In millions of yen)						
	FY14.3 4Q	FY15.3 1Q	vs.FY14.3 4Q	FY14.3				FY15.3 1Q	vs.FY14.3 4Q	
				1Q	2Q	3Q	4Q			
<b>Current liabilities</b>	431,466	<b>469,961</b>	<b>38,495</b>	529,755	543,350	428,983	431,466	<b>469,961</b>	<b>38,495</b>	
Trading liabilities	144,687	<b>143,321</b>	<b>-1,366</b>	168,407	182,827	126,342	144,687	<b>143,321</b>	<b>-1,366</b>	
Payables on margin transactions	14,954	<b>17,071</b>	<b>2,117</b>	17,434	20,143	17,865	14,954	<b>17,071</b>	<b>2,117</b>	
Payables on collateralized securities transactions	24,262	<b>83,235</b>	<b>58,973</b>	51,968	62,822	24,658	24,262	<b>83,235</b>	<b>58,973</b>	
Deposits received	29,186	<b>39,460</b>	<b>10,274</b>	42,761	42,451	50,545	29,186	<b>39,460</b>	<b>10,274</b>	
Guarantee deposits received	35,804	<b>33,861</b>	<b>-1,943</b>	43,643	41,349	42,029	35,804	<b>33,861</b>	<b>-1,943</b>	
Short-term borrowings	158,878	<b>146,397</b>	<b>-12,481</b>	148,754	178,615	153,507	158,878	<b>146,397</b>	<b>-12,481</b>	
Other current liabilities	23,692	<b>6,613</b>	<b>-17,079</b>	56,786	15,140	14,033	23,692	<b>6,613</b>	<b>-17,079</b>	
<b>Fixed liabilities</b>	26,502	<b>26,331</b>	<b>-171</b>	27,859	28,177	30,657	26,502	<b>26,331</b>	<b>-171</b>	
Long-term borrowings	8,415	<b>8,355</b>	<b>-60</b>	11,510	11,045	10,975	8,415	<b>8,355</b>	<b>-60</b>	
Reserves for retirement benefits	-	-	-	5,690	5,685	5,689	-	-	-	
Net defined benefit liability	5,190	<b>5,136</b>	<b>-54</b>	-	-	-	5,190	<b>5,136</b>	<b>-54</b>	
Other fixed liabilities	12,896	<b>12,840</b>	<b>-56</b>	10,659	11,447	13,992	12,896	<b>12,840</b>	<b>-56</b>	
<b>Financial instruments transaction reserve</b>	2,326	<b>2,398</b>	<b>72</b>	1,677	1,715	2,223	2,326	<b>2,398</b>	<b>72</b>	
<b>Total liabilities</b>	460,294	<b>498,691</b>	<b>38,397</b>	559,292	573,243	461,863	460,294	<b>498,691</b>	<b>38,397</b>	
Common stock	18,589	<b>18,589</b>	-	18,589	18,589	18,589	18,589	<b>18,589</b>	-	
Capital surplus	12,913	<b>12,913</b>	-	12,912	12,913	12,913	12,913	<b>12,913</b>	-	
Retained earnings	91,223	<b>89,191</b>	<b>-2,032</b>	82,308	85,182	88,825	91,223	<b>89,191</b>	<b>-2,032</b>	
Treasury stock	-3,701	<b>-3,704</b>	<b>-3</b>	-3,662	-3,679	-3,694	-3,701	<b>-3,704</b>	<b>-3</b>	
Accumulated other comprehensive income	9,745	<b>10,048</b>	<b>303</b>	7,560	8,401	11,402	9,745	<b>10,048</b>	<b>303</b>	
Minority interests	24,069	<b>24,435</b>	<b>366</b>	22,356	23,023	24,374	24,069	<b>24,435</b>	<b>366</b>	
<b>Total net assets</b>	152,839	<b>151,474</b>	<b>-1,365</b>	140,065	144,430	152,411	152,839	<b>151,474</b>	<b>-1,365</b>	
<b>Total liabilities&amp;net assets</b>	613,134	<b>650,166</b>	<b>37,032</b>	699,358	717,674	614,274	613,134	<b>650,166</b>	<b>37,032</b>	

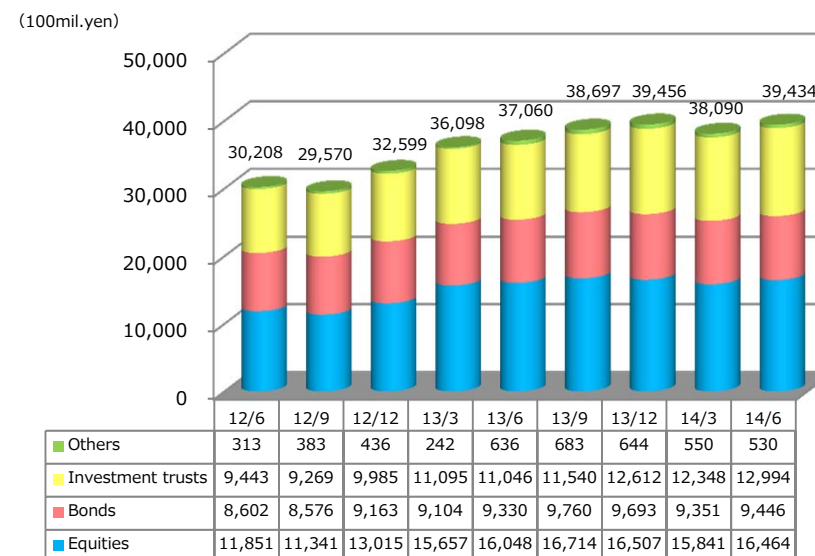


## Assets under custody (Consolidated)

### ■ Assets under Custody



### ■ Retail Assets under Custody



- On a consolidated basis, customers' assets under custody increased by 140.2 billion yen from the end of the previous fiscal year to 4,467.4 billion yen. An increase in stock prices boosted the market value of assets under custody, and also contributed to growth in the balance of investment trusts.
- Retail customers' assets under custody increased by 134.4 billion yen from the end of the previous fiscal year to 3,943.4 billion yen.



## *2. Reference Data*



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

(In millions of yen)

Items	FY14.3	FY15.3	vs.FY14.3
	1Q	1Q	1Q
<b>Operating revenues</b>	<b>26,004</b>	<b>17,031</b>	<b>-34.5%</b>
Commissions	18,533	10,735	-42.1%
Brokerage	9,333	2,942	-68.5%
Underwriting	147	199	35.6%
Distribution	7,504	6,034	-19.6%
Others	1,547	1,558	0.7%
Net gain on trading	6,856	5,883	-14.2%
Equities	3,246	3,053	-5.9%
Bonds	3,697	2,839	-23.2%
Others	-87	-10	-
Interest and dividend income	614	411	-33.0%
Financial expenses	400	271	-32.0%
Net operating revenues	25,604	16,759	-34.5%
<b>SG&amp;A</b>	<b>13,243</b>	<b>12,229</b>	<b>-7.7%</b>
Trading related expenses	2,669	2,040	-23.6%
Personnel expenses	6,656	6,364	-4.4%
Real estate expenses	1,430	1,438	0.6%
Administrative expenses	2,035	1,945	-4.4%
Depreciation expenses	109	112	3.4%
Taxes and dues	129	97	-24.5%
Others	212	230	8.1%
Operating income	12,360	4,529	-63.4%
Non-operating income	105	100	-3.9%
Non-operating expenses	1	7	538.8%
<b>Ordinary income</b>	<b>12,464</b>	<b>4,623</b>	<b>-62.9%</b>
Extraordinary gain	8	-	-
Extraordinary loss	6	43	544.2%
Net profit, before taxes	12,466	4,580	-63.3%
Income taxes	4,013	556	-86.1%
Adjustment amount for income taxes	779	1,154	48.1%
<b>Net profit</b>	<b>7,673</b>	<b>2,869</b>	<b>-62.6%</b>

(In millions of yen)

Items	FY14.3				FY15.3	vs.FY14.3
	1Q	2Q	3Q	4Q	1Q	4Q
<b>Operating revenues</b>	<b>26,004</b>	<b>17,039</b>	<b>20,689</b>	<b>16,506</b>	<b>17,031</b>	<b>3.2%</b>
Commissions	18,533	10,638	13,714	10,307	10,735	4.2%
Brokerage	9,333	4,697	5,244	3,477	2,942	-15.4%
Underwriting	147	57	145	167	199	19.2%
Distribution	7,504	4,364	6,770	5,109	6,034	18.1%
Others	1,547	1,519	1,554	1,551	1,558	0.5%
Net gain on trading	6,856	5,903	6,466	5,717	5,883	2.9%
Equities	3,246	3,062	3,738	3,292	3,053	-7.3%
Bonds	3,697	2,850	2,975	2,357	2,839	20.4%
Others	-87	-9	-247	66	-10	-
Interest and dividend income	614	497	508	482	411	-14.7%
Financial expenses	400	325	334	310	271	-12.6%
Net operating revenues	25,604	16,713	20,354	16,196	16,759	3.5%
<b>SG&amp;A</b>	<b>13,243</b>	<b>12,376</b>	<b>13,193</b>	<b>12,693</b>	<b>12,229</b>	<b>-3.7%</b>
Trading related expenses	2,669	2,205	2,472	2,124	2,040	-4.0%
Personnel expenses	6,656	6,301	6,781	6,538	6,364	-2.7%
Real estate expenses	1,430	1,509	1,529	1,459	1,438	-1.4%
Administrative expenses	2,035	1,938	1,980	2,002	1,945	-2.8%
Depreciation expenses	109	102	116	142	112	-21.1%
Taxes and dues	129	98	109	96	97	1.0%
Others	212	220	203	329	230	-30.1%
Operating income	12,360	4,337	7,161	3,503	4,529	29.3%
Non-operating income	105	80	111	96	100	4.2%
Non-operating expenses	1	1	7	6	7	16.7%
<b>Ordinary income</b>	<b>12,464</b>	<b>4,416</b>	<b>7,265</b>	<b>3,592</b>	<b>4,623</b>	<b>28.7%</b>
Extraordinary gain	8	-8	-	-	-	-
Extraordinary loss	6	156	296	104	43	-58.7%
Net profit, before taxes	12,466	4,251	6,969	3,487	4,580	31.3%
Income taxes	4,013	2,377	2,171	1,830	556	-69.6%
Adjustment amount for income taxes	779	-714	655	-637	1,154	-
<b>Net profit</b>	<b>7,673</b>	<b>2,588</b>	<b>4,142</b>	<b>2,294</b>	<b>2,869</b>	<b>25.1%</b>



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

<Volume of equity trading / Number of shares>

(In millions of shares)

Items	FY14.3					FY15.3		vs.FY14.3 1Q	vs.FY14.3 4Q
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL		
( Dealing )	592	383	426	416	1,818	409	409	-30.9%	-1.7%
( Brokerage )	13,182	7,821	7,764	4,326	33,094	2,847	2,847	-78.4%	-34.2%
Total	13,774	8,204	8,191	4,742	34,912	3,256	3,256	-76.4%	-31.3%
Brokerage ratio	95.7%	95.3%	94.7%	91.2%	94.8%	87.4%	87.4%	-8.3p	-3.8p

<Volume of equity trading / Total value>

(In millions of yen)

Items	FY14.3					FY15.3		vs.FY14.3 1Q	vs.FY14.3 4Q
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL		
( Dealing )	525,064	386,038	513,007	441,679	1,865,789	416,308	416,308	-20.7%	-5.7%
( Brokerage )	6,730,523	4,147,819	3,628,151	2,649,551	17,156,045	1,955,209	1,955,209	-71.0%	-26.2%
Total	7,255,587	4,533,857	4,141,159	3,091,230	19,021,834	2,371,517	2,371,517	-67.3%	-23.3%
Brokerage ratio	92.8%	91.5%	87.6%	85.7%	90.2%	82.4%	82.4%	-10.4p	-3.3p

<Total share within TSE>

Items	FY14.3					FY15.3		vs.FY14.3 1Q	vs.FY14.3 4Q
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL		
Number of shares	2.05%	2.11%	2.04%	1.26%	1.89%	0.99%	0.99%	-1.06p	-0.27p
Total value	1.32%	1.35%	1.14%	0.85%	1.17%	0.75%	0.75%	-0.57p	-0.10p

<Brokerage Commissions Ratio>

(In millions of yen)

Items	FY14.3					FY15.3		vs.FY14.3 1Q	vs.FY14.3 4Q
	1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL		
Commissions	9,171	4,594	5,139	3,364	22,270	2,854	2,854	-68.9%	-15.2%
Commissions Ratio	0.14%	0.11%	0.14%	0.11%	0.13%	0.15%	0.15%	+0.01p	+0.04p

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		FY14.3					FY15.3		vs.FY14.3	vs.FY14.3
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Equities	(Number of shares)	1	1	3	3	8	1	1	0.0%	-66.7%
Equities	(Total value)	2,847	1,649	2,908	4,307	11,713	4,613	4,613	62.0%	7.1%
Bonds	(Total at face value)	204,930	155,787	177,122	150,134	687,974	180,762	180,762	-11.8%	20.4%
Domestic and foreign CP	(Total at face value)	-	-	-	-	-	-	-	-	-

## <Selling>

(In millions of shares, millions of yen)

Items		FY14.3					FY15.3		vs.FY14.3	vs.FY14.3
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Equities	(Number of shares)	1	1	3	3	9	1	1	0.0%	-66.7%
Equities	(Total value)	2,730	1,730	2,456	4,333	11,249	4,868	4,868	78.3%	12.3%
Bonds	(Total at face value)	37,185	41,910	41,065	45,619	165,780	45,283	45,283	21.8%	-0.7%

## <Offering>

(In millions of shares, millions of yen)

Items		FY14.3					FY15.3		vs.FY14.3	vs.FY14.3
		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	0.0%	-
Equities	(Total value)	0	0	-	-	0	5	5	-	-
Bonds	(Total at face value)	211,178	162,192	183,462	158,667	715,500	191,531	191,531	-9.3%	20.7%
Beneficiary securities	(Total at face value)	723,400	475,045	702,023	502,176	2,402,645	584,656	584,656	-19.2%	16.4%
Domestic and foreign CP	(Total at face value)	-	-	-	-	-	-	-	-	-

## <Underwriting & Selling Fees Ratio>

(In millions of yen)

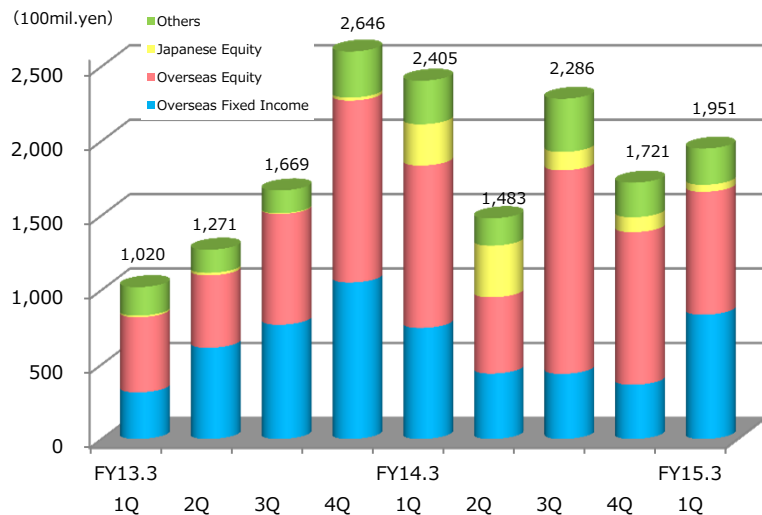
Items		FY14.3					FY15.3		vs.FY14.3	vs.FY14.3
		1 Q	2 Q	3 Q	4 Q	TOTAL	1 Q	TOTAL	1 Q	4 Q
Equities		119	35	96	125	376	167	167	40.3%	33.6%
	(Averaged Fees Ratio)	2.13%	1.04%	1.79%	1.46%	1.64%	1.76%	1.76%	-0.37p	0.30p
Bonds		27	22	48	42	141	31	31	14.8%	-26.2%
	(Averaged Fees Ratio)	0.011%	0.011%	0.022%	0.021%	0.017%	0.014%	0.014%	0.003p	-0.007p



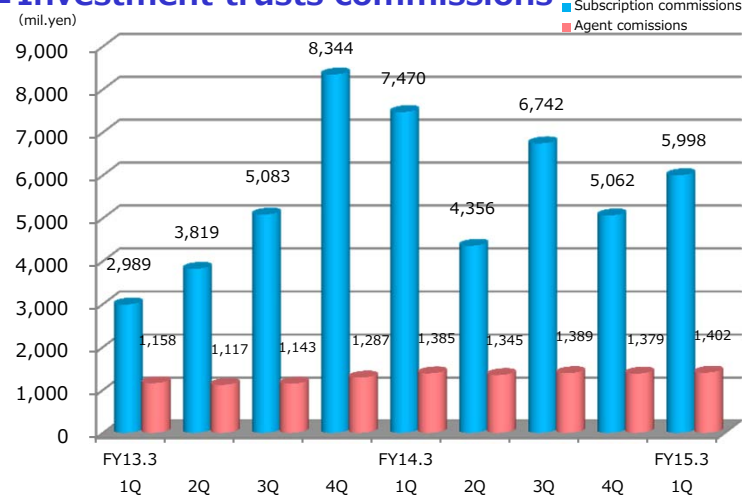


# Investment trusts ▪ Foreign bonds (non-consolidated: Okasan Securities)

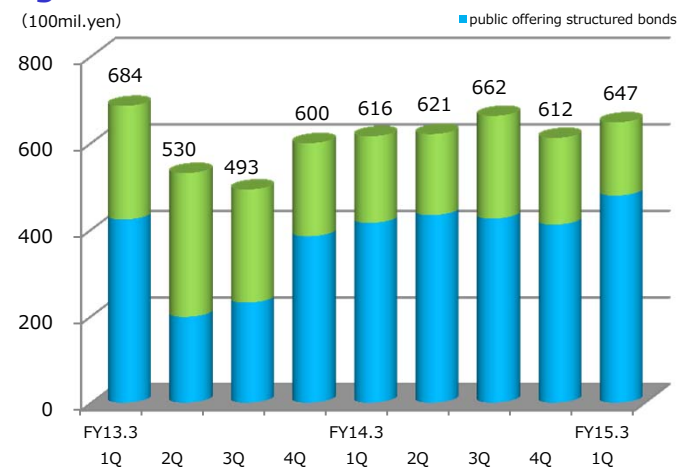
## Investment trusts sales amount



## Investment trusts commissions



## Foreign bonds sales amount



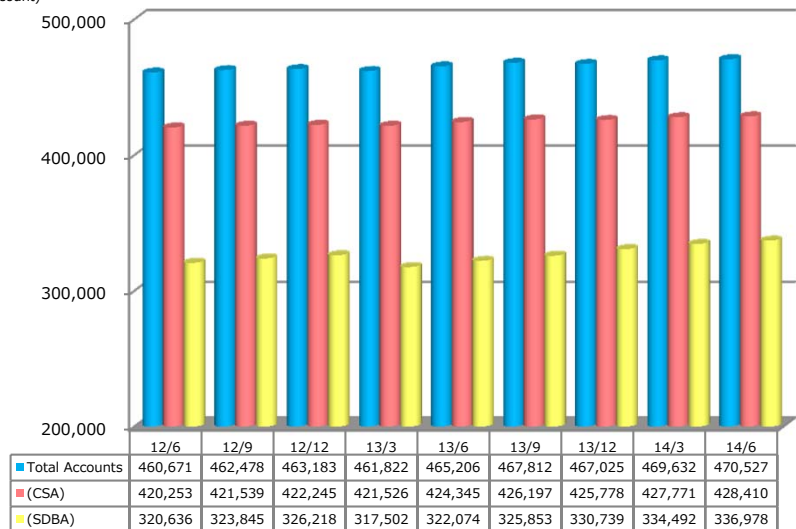
- Investment trust sales (1Q) decreased by 18.9% YoY, to 195.1 billion yen.
- Sales commissions (1Q) decreased by 19.7% YoY, to 5,998 million yen. The biggest selling funds were foreign equity and bond funds.
- Foreign bond sales (1Q) increased by 5.0% YoY, to 64.7 billion yen. Sales of exchangeable bonds to retail investors were particularly strong.



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

## ■ Number of customer accounts

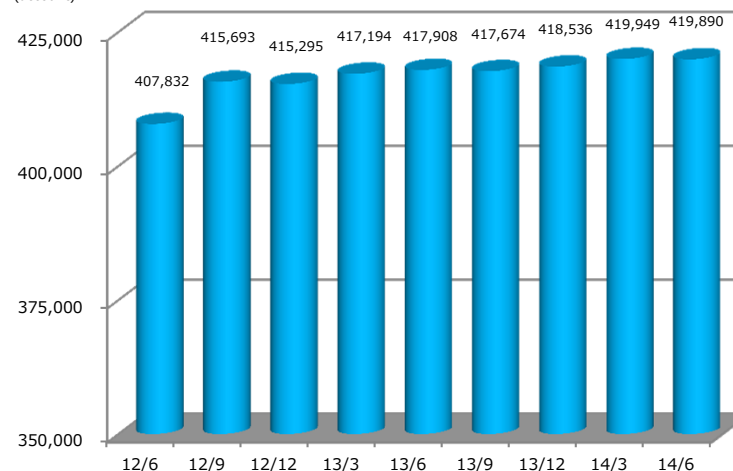
(account)



- The total number of customer accounts increased by 0.2% from the end of the previous fiscal year to 470,527. Meanwhile, the number of accounts with remaining balances slightly decreased from the end of the previous fiscal year to 419,890.
- The number of newly opened accounts in the current fiscal year (1Q) was 4,008.
- Online accounts numbered 42,130 and comprised 9.0% of the total number of customer accounts.

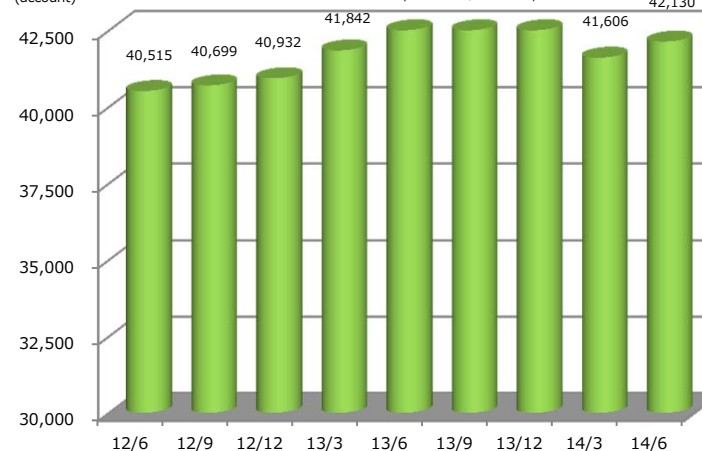
## ■ Number of balance remaining accounts

(account)



## ■ Number of online accounts

(account)



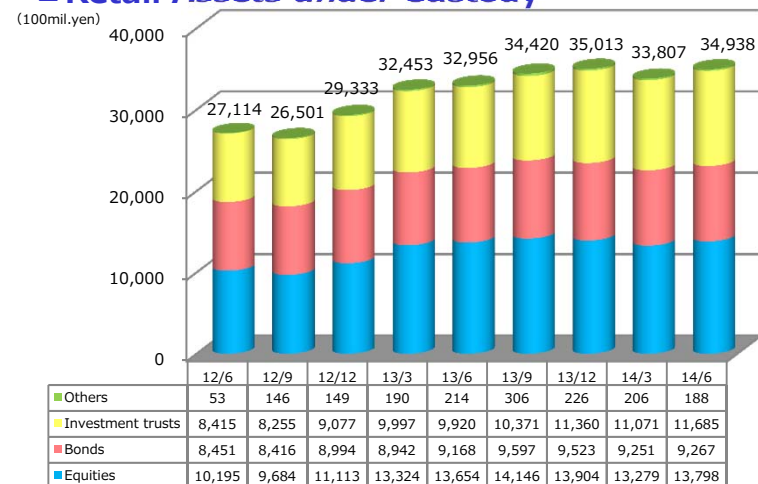


# Assets under custody , Net inflow of client assets (non-consolidated: Okasan Securities)

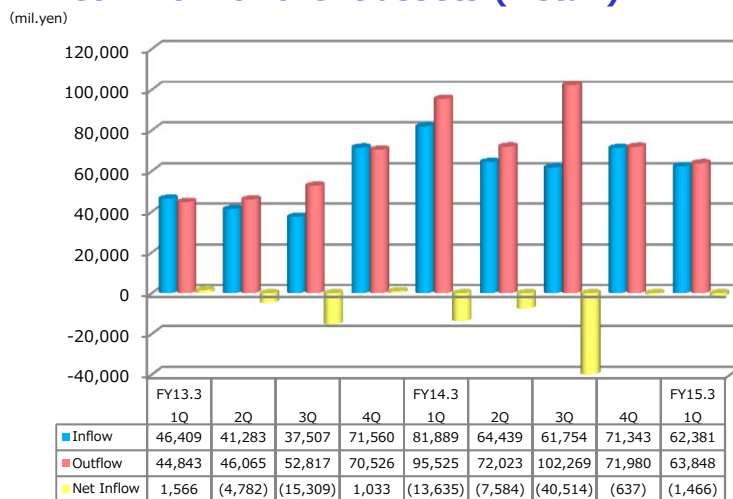
## ■ Assets under Custody



## ■ Retail Assets under Custody



## ■ Net inflow of client assets (Retail)



- Customers' assets under custody increased by 126.9 billion yen from the end of the previous fiscal year to 3,961.4 billion yen at Okasan Securities overall.
- The outflow of funds (sum of the outflow of cash and assets; individual customers only) over 1Q (April-June) was 1.4 billion yen.



# Capital Adequacy Requirement Ratio

## (non-consolidated: Okasan Securities)

(In millions of yen)

Items		FY14.3				FY15.3		vs.FY14.3	
		1Q	2Q	3Q	4Q	1Q	4Q		
Basic items		(A)	64,725	67,313	71,456	68,750	71,637	2,887	
Complementary items	Appraisal gains (losses) etc.		0	-	10	2	3	1	
	Security transaction responsibility reserve		905	925	1,220	1,280	1,323	43	
	General provision for loan losses		17	16	17	16	13	-3	
	Short-term subordinated debt		7,900	7,900	7,900	6,725	6,725	-	
Total		(B)	8,823	8,842	9,149	8,025	8,064	39	
Assets to be deducted		(C)	8,847	9,045	9,141	9,114	9,469	355	
Unfixed equity capital		(A) + (B) - (C)	(D)	64,701	67,110	71,464	67,661	70,232	2,571
Risk equivalents	Market risk equivalents		2,959	2,397	3,079	2,780	2,717	-63	
	Customer risk equivalents		1,425	1,535	1,649	1,436	1,267	-169	
	Basic risk equivalents		11,964	12,310	12,415	12,919	12,864	-55	
Total		(E)	16,350	16,243	17,145	17,137	16,850	-287	
<b>Capital adequacy ratio</b>		<b>(D) / (E) × 100 (%)</b>	<b>395.7%</b>	<b>413.1%</b>	<b>416.8%</b>	<b>394.8%</b>	<b>416.7%</b>	<b>+21.9p</b>	

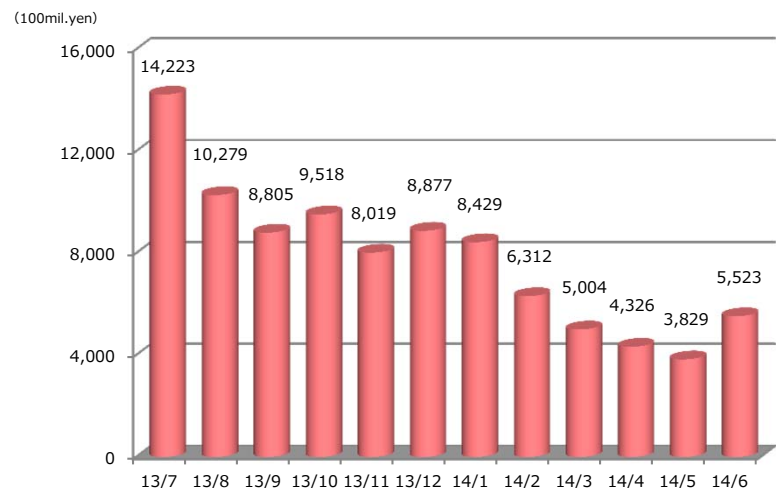
(Note) Short-term subordinated debt consists of subordinated borrowing.

- The capital adequacy ratio at the end of June, 2014 increased by 21.9 percentage points from the end of the previous fiscal year to 416.7%.
- Growth in basic items due to periodic profit caused the capital adequacy ratio to rise.

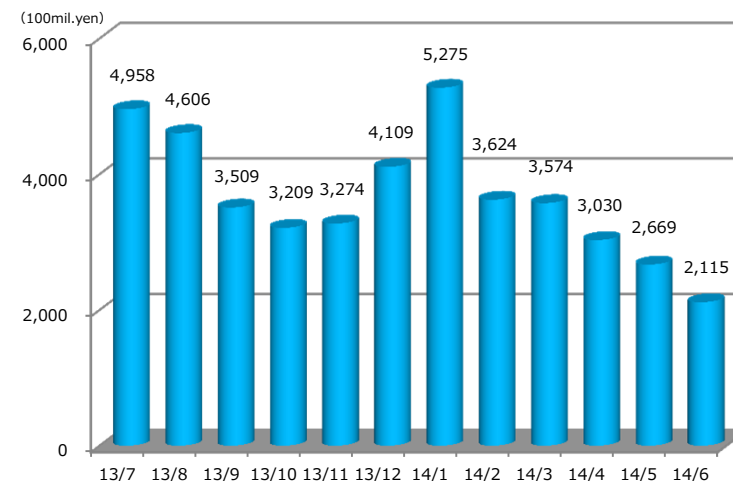


# (Reference Data) Okasan Online Securities Data

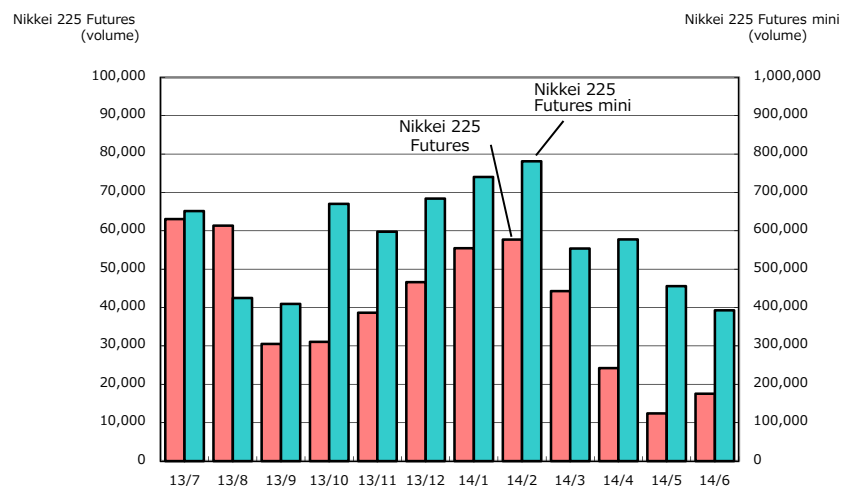
## Domestic sales amount of equities by month



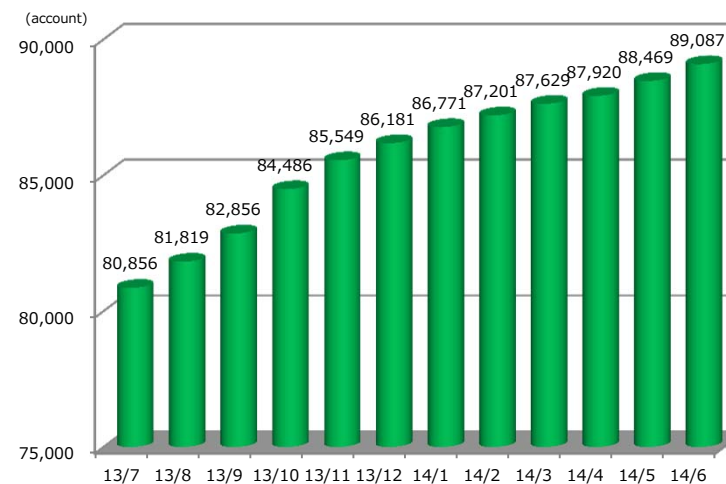
## "Click 365" contract amount



## Nikkei 225 Futures & Nikkei 225 Futures mini



## Number of customer accounts





# MEMO

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**Contact** : Okasan Securities Group Inc.  
Group Public & Investors Relations Dept.  
**Address** : 〒103-0022  
2-2-1 Nihonbashi Muromachi, Chuo-ku, Tokyo

**TEL** : 03-3275-8248 (Direct to PR Dept.)  
**URL** : <http://www.okasan.jp/>