



# *1Q Ending March 31, 2017*

## *Results Briefing*



July 29, 2016  
Okasan Securities Group Inc.

The objective of the document is to provide information on the results of the 1st quarter fiscal year ending March 31, 2017 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 2016. 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
FY17.3 1Q	19,242 ( -21.5%)	18,975 ( -21.4%)	2,718 ( -61.1%)	2,930 ( -62.3%)
FY16.3 1Q	24,521 ( 13.6%)	24,143 ( 13.4%)	6,994 ( 35.2%)	7,783 ( 45.1%)

	Profit attributable to owners of parent	Net income per share	R O E (annualized)	Comprehensive income
	million yen	yen		million yen
FY17.3 1Q	2,877 ( -38.0%)	14.52	8.0%	△2,053 ( - %)
FY16.3 1Q	4,640 ( 64.2%)	23.44	12.8%	8,358 ( 134.8%)

	Total assets	Net assets	Equity ratio
	million yen	million yen	
FY17.3 1Q	521,637	165,645	26.9%
FY16.3	515,743	172,097	28.4%



## Financial highlights of the 1st quarter fiscal year ending March 2017

### <Overview>

- Operating revenues fell 21.5% year on year (YoY) to 19,242 million yen. Fees and commissions fell 32.1% YoY, while Net trading income rose 7.5% YoY.
- Ordinary income decreased by 62.3% YoY to 2,930 million yen.
- Profit attributable to owners of parent decreased by 38.0% YoY to 2,877 million yen.

### <Fees and Commissions>

- Brokerage commissions decreased by 29.3% YoY. Commissions on domestic equities decreased.
- Underwriting fees decreased by 4.8% YoY.
- Distribution commissions fell 48.8% YoY due to lower sales of investment trusts.
- Other commissions decreased by 19.6% YoY due to an decrease in custodian fees on the balance of investment trusts.

### <Net Trading Income>

- Trading income from equities rose by 7.9% YoY due to a increase in foreign equity transactions (mainly US equities).
- Trading income from bonds fell 3.9% YoY due to a decrease in foreign bonds transactions.

### <SG&A expenses>

- Selling, general, and administrative expenses fell 5.2% YoY, due mainly to an decrease in personnel expenses and trading-related expenses.



# Operating Revenues

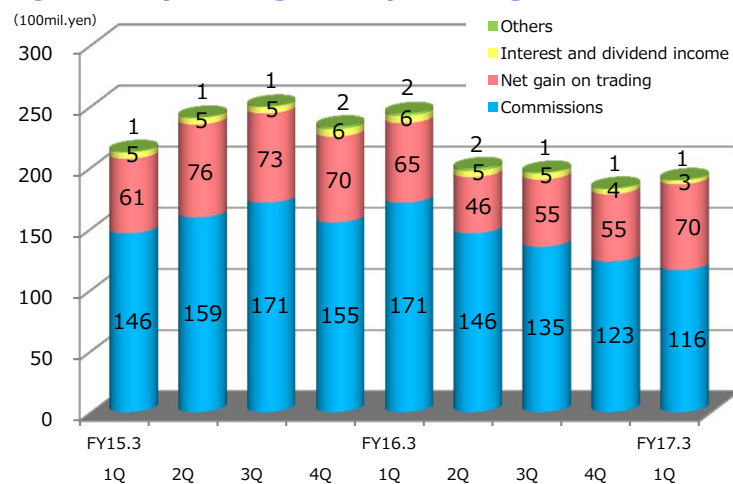
(In millions of yen)

	FY16.3 1QTOTAL	FY17.3 1QTOTAL	vs.FY16.3 1QTOTAL
<b>Commissions</b>	17,122	<b>11,630</b>	<b>-32.1%</b>
Brokerage	6,325	<b>4,468</b>	<b>-29.3%</b>
Underwriting	51	<b>48</b>	<b>-4.8%</b>
Distribution	5,235	<b>2,681</b>	<b>-48.8%</b>
Others	5,511	<b>4,432</b>	<b>-19.6%</b>
<b>Net gain on trading</b>	6,546	<b>7,037</b>	<b>7.5%</b>
Equities	3,388	<b>3,656</b>	<b>7.9%</b>
Bonds	3,250	<b>3,123</b>	<b>-3.9%</b>
Others	-92	<b>257</b>	<b>-</b>
<b>Interest and dividend income</b>	622	<b>379</b>	<b>-39.0%</b>
<b>Others</b>	229	<b>194</b>	<b>-15.4%</b>
<b>Operating revenues</b>	<b>24,521</b>	<b>19,242</b>	<b>-21.5%</b>

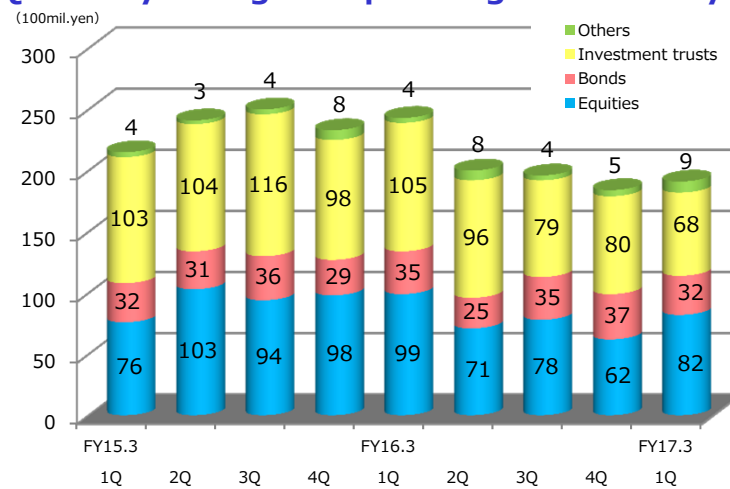
(In millions of yen)

	FY16.3				FY17.3		vs.FY16.3
	1Q	2Q	3Q	4Q	1Q	4Q	
<b>Commissions</b>	17,122	14,678	13,545	12,320	<b>11,630</b>		<b>-5.6%</b>
Brokerage	6,325	5,098	5,201	4,180	<b>4,468</b>		<b>6.9%</b>
Underwriting	51	79	332	82	<b>48</b>		<b>-41.5%</b>
Distribution	5,235	4,060	2,900	3,550	<b>2,681</b>		<b>-24.5%</b>
Others	5,511	5,439	5,110	4,507	<b>4,432</b>		<b>-1.7%</b>
<b>Net gain on trading</b>	6,546	4,637	5,510	5,539	<b>7,037</b>		<b>27.0%</b>
Equities	3,388	2,082	2,372	2,032	<b>3,656</b>		<b>79.9%</b>
Bonds	3,250	2,271	3,169	3,431	<b>3,123</b>		<b>-9.0%</b>
Others	-92	283	-31	75	<b>257</b>		<b>242.7%</b>
<b>Interest and dividend income</b>	622	592	526	495	<b>379</b>		<b>-23.4%</b>
<b>Others</b>	229	203	168	188	<b>194</b>		<b>3.2%</b>
<b>Operating revenues</b>	<b>24,521</b>	<b>20,111</b>	<b>19,750</b>	<b>18,544</b>	<b>19,242</b>		<b>3.8%</b>

■ Quarterly change in operating revenues



■ Quarterly change in operating revenues by product





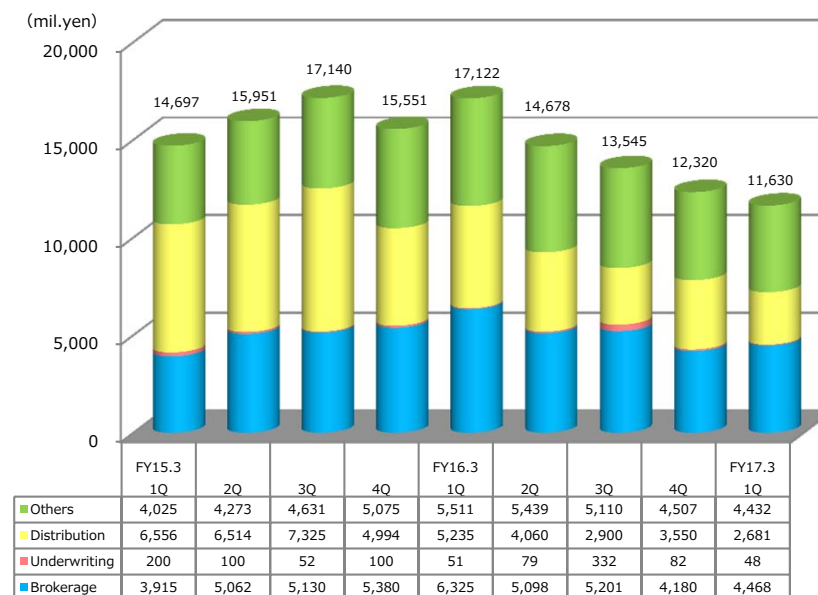
## Fees and Commissions Received

### ■ Fees and commissions received

(In millions of yen)

Items	FY16.3 1QTOTAL	FY17.3 1QTOTAL	vs.FY16.3 1QTOTAL
Brokerage	6,325	4,468	-29.3%
Equities	6,112	4,198	-31.3%
Bonds	1	1	-14.4%
Others	210	268	27.3%
Underwriting	51	48	-4.8%
Equities	31	25	-19.8%
Bonds	19	23	19.0%
Distribution	5,235	2,681	-48.8%
Beneficiary Certificates	5,216	2,637	-49.4%
Others	5,511	4,432	-19.6%
Beneficiary Certificates	5,159	3,935	-23.7%
<b>Total</b>	<b>17,122</b>	<b>11,630</b>	<b>-32.1%</b>

### ■ Fees and commissions received (quarterly)



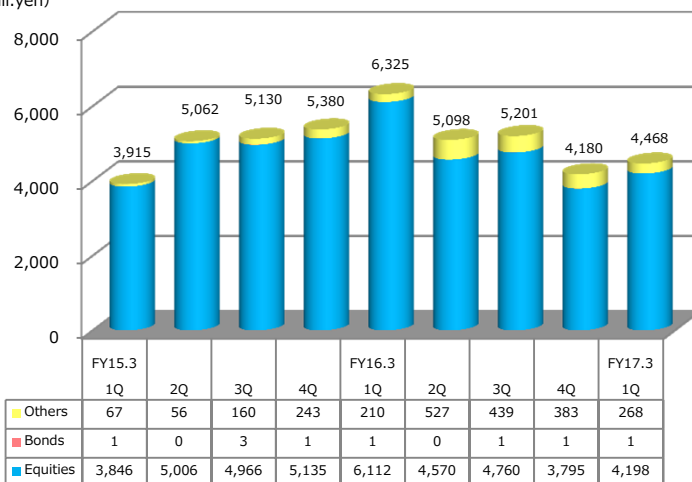
- Brokerage commissions fell by 29.3% YoY due to a decrease in domestic equity brokerage commissions.
- Underwriting fees decreased by 4.8% YoY.
- Distribution commissions fell 48.8% YoY due to lower sales of investment trusts.
- Other commissions fell by 19.6% YoY due to a decrease in custodian fees.



# Fees and Commissions Received by Category

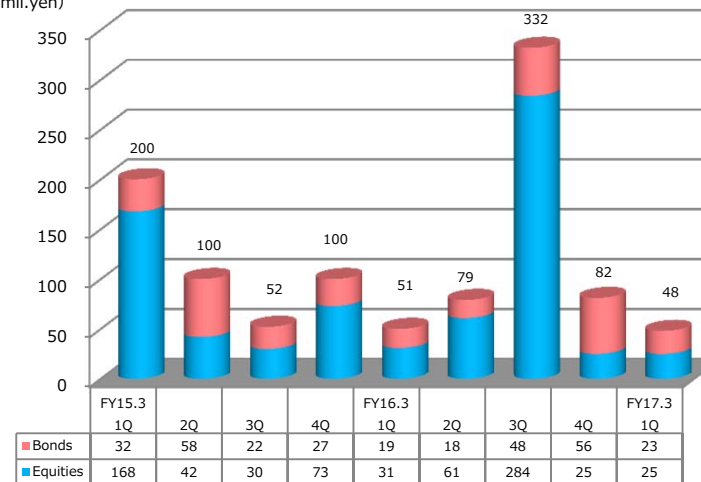
## ■ Brokerage

(mil.yen)



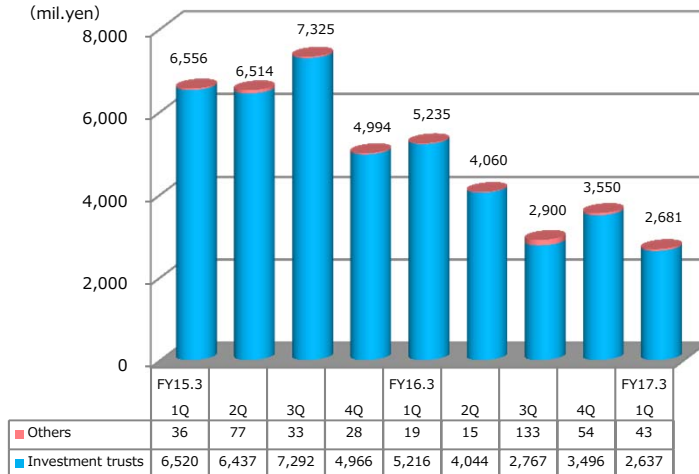
## ■ Underwriting

(mil.yen)



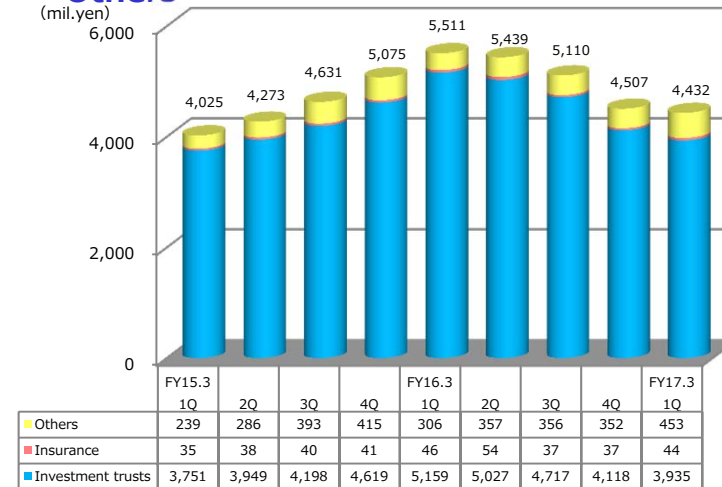
## ■ Distribution

(mil.yen)



## ■ Others

(mil.yen)





## Net Trading Income

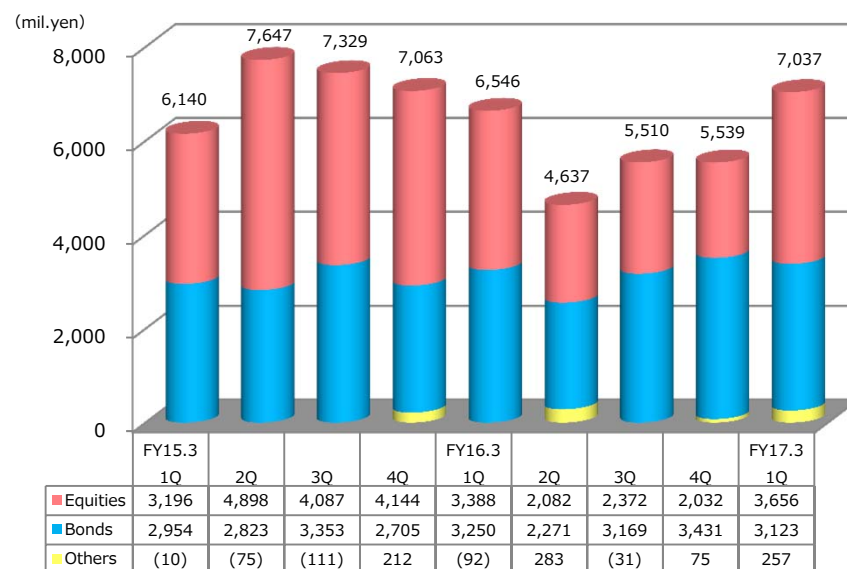
(In millions of yen)

	FY16.3 1QTOTAL	FY17.3 1QTOTAL	vs.FY16.3 1QTOTAL
<b>Equities</b>	3,388	<b>3,656</b>	<b>7.9%</b>
Domestic equities	305	<b>291</b>	<b>-4.6%</b>
Foreign equities	3,082	<b>3,365</b>	<b>9.2%</b>
<b>Bonds and others</b>	3,250	<b>3,123</b>	<b>-3.9%</b>
Domestic bonds	276	<b>623</b>	<b>125.7%</b>
Foreign bonds	2,973	<b>2,499</b>	<b>-15.9%</b>
<b>Others</b>	-92	<b>257</b>	<b>-</b>
<b>Net gain on trading</b>	<b>6,546</b>	<b>7,037</b>	<b>7.5%</b>

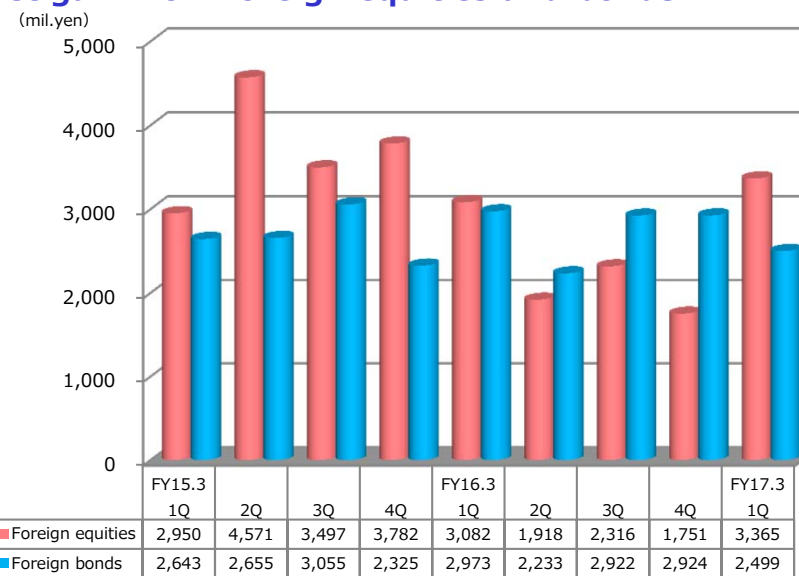
(In millions of yen)

	FY16.3				FY17.3		vs.FY16.3
	1Q	2Q	3Q	4Q	1Q	4Q	
<b>Equities</b>	3,388	2,082	2,372	2,032	<b>3,656</b>		<b>79.9%</b>
Domestic equities	305	163	55	280	<b>291</b>		<b>3.9%</b>
Foreign equities	3,082	1,918	2,316	1,751	<b>3,365</b>		<b>92.2%</b>
<b>Bonds and others</b>	3,250	2,271	3,169	3,431	<b>3,123</b>		<b>-9.0%</b>
Domestic bonds	276	37	246	507	<b>623</b>		<b>22.9%</b>
Foreign bonds	2,973	2,233	2,922	2,924	<b>2,499</b>		<b>-14.5%</b>
<b>Others</b>	-92	283	-31	75	<b>257</b>		<b>242.7%</b>
<b>Net gain on trading</b>	<b>6,546</b>	<b>4,637</b>	<b>5,510</b>	<b>5,539</b>	<b>7,037</b>		<b>27.0%</b>

### Net gain by Products



### Net gain from foreign equities and bonds







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

(In millions of yen)

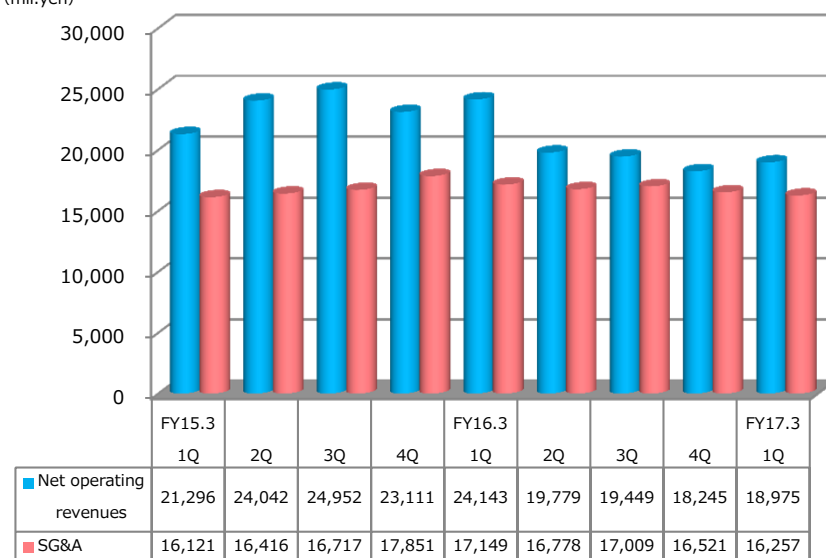
	FY16.3 1QTOTAL	FY17.3 1QTOTAL	vs.FY16.3 1QTOTAL
Trading related expenses	3,754	<b>3,189</b>	<b>-15.0%</b>
Personnel expenses	8,493	<b>7,901</b>	<b>-7.0%</b>
Real estate expenses	1,562	<b>1,706</b>	<b>9.3%</b>
Office expenses	1,323	<b>1,485</b>	<b>12.3%</b>
Depreciation expenses	905	<b>881</b>	<b>-2.6%</b>
Taxes and dues	253	<b>303</b>	<b>19.7%</b>
Others	858	<b>788</b>	<b>-8.1%</b>
<b>SG&amp;A</b>	<b>17,149</b>	<b>16,257</b>	<b>-5.2%</b>

(In millions of yen)

	FY16.3				FY17.3		vs.FY16.3
	1Q	2Q	3Q	4Q	1Q	4Q	
Trading related expenses	3,754	3,773	3,828	3,408	<b>3,189</b>		<b>-6.4%</b>
Personnel expenses	8,493	8,213	8,349	8,275	<b>7,901</b>		<b>-4.5%</b>
Real estate expenses	1,562	1,529	1,583	1,597	<b>1,706</b>		<b>6.8%</b>
Office expenses	1,323	1,471	1,460	1,432	<b>1,485</b>		<b>3.7%</b>
Depreciation expenses	905	730	771	851	<b>881</b>		<b>3.5%</b>
Taxes and dues	253	200	211	180	<b>303</b>		<b>68.3%</b>
Others	858	859	804	774	<b>788</b>		<b>1.8%</b>
<b>SG&amp;A</b>	<b>17,149</b>	<b>16,778</b>	<b>17,009</b>	<b>16,521</b>	<b>16,257</b>		<b>-1.6%</b>

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

(mil.yen)



- Trading-related expenses fell 15.0% YoY, due to an increase in variable expenses related to the securities business and asset management business.
- Personnel expenses fell 7.0% YoY due to decreases in bonuses and other expenses.
- Real estate expenses were up 9.3% YoY, mainly due to relocations of branches.
- Office expenses rose 12.3% YoY due to increased subcontracting costs.
- Depreciation expenses fell 2.6% YoY.



## Balance Sheet Summary (1)

	(In millions of yen)			(In millions of yen)					
	FY16.3	FY17.3	vs.FY16.3	FY16.3				FY17.3	vs.FY16.3
	4Q	1Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q
<b>Current assets</b>	435,187	<b>447,376</b>	<b>12,189</b>	586,417	516,310	496,424	435,187	<b>447,376</b>	<b>12,189</b>
Cash and deposits	57,300	<b>58,144</b>	<b>844</b>	54,498	52,195	55,409	57,300	<b>58,144</b>	<b>844</b>
Cash segregated as deposits	58,842	<b>56,890</b>	<b>-1,952</b>	65,566	61,118	61,741	58,842	<b>56,890</b>	<b>-1,952</b>
Trading products	170,851	<b>153,621</b>	<b>-17,230</b>	232,211	152,853	162,997	170,851	<b>153,621</b>	<b>-17,230</b>
Receivables on margin transactions	42,341	<b>38,901</b>	<b>-3,440</b>	56,053	55,392	49,401	42,341	<b>38,901</b>	<b>-3,440</b>
Receivables on collateralized securities transactions	95,461	<b>125,694</b>	<b>30,233</b>	168,743	184,426	156,026	95,461	<b>125,694</b>	<b>30,233</b>
Other current assets	10,390	<b>14,124</b>	<b>3,734</b>	9,343	10,323	10,847	10,390	<b>14,124</b>	<b>3,734</b>
<b>Fixed assets</b>	80,555	<b>74,261</b>	<b>-6,294</b>	86,434	81,320	88,053	80,555	<b>74,261</b>	<b>-6,294</b>
Tangible fixed assets	19,594	<b>19,688</b>	<b>94</b>	18,897	18,963	19,553	19,594	<b>19,688</b>	<b>94</b>
Intangible fixed assets	9,869	<b>10,186</b>	<b>317</b>	7,895	8,766	9,296	9,869	<b>10,186</b>	<b>317</b>
Investments and other assets	51,091	<b>44,387</b>	<b>-6,704</b>	59,642	53,590	59,202	51,091	<b>44,387</b>	<b>-6,704</b>
<b>Total assets</b>	515,743	<b>521,637</b>	<b>5,894</b>	672,852	597,630	584,477	515,743	<b>521,637</b>	<b>5,894</b>

- Current assets increased 12.1 billion yen from the end of the previous fiscal year mainly due to increase in Receivables on collateralized securities transactions.
- Fixed assets decreased 6.2 billion yen from the end of the previous fiscal year due to decrease in Investments and other assets.
- Total assets increased 5.8 billion yen from the end of the previous fiscal year.
- Current liabilities increased 15.6 billion yen from the end of the previous fiscal year mainly due to increase in trading products, Payables on collateralized securities transactions.
- Fixed liabilities decreased 1.9 billion yen from the end of the previous fiscal year.  
Total liabilities increased by 12.3 billion yen.
- Net assets decreased 6.4 billion yen from the end of the previous fiscal year mainly due to decrease in Accumulated other comprehensive income and Retained earnings.



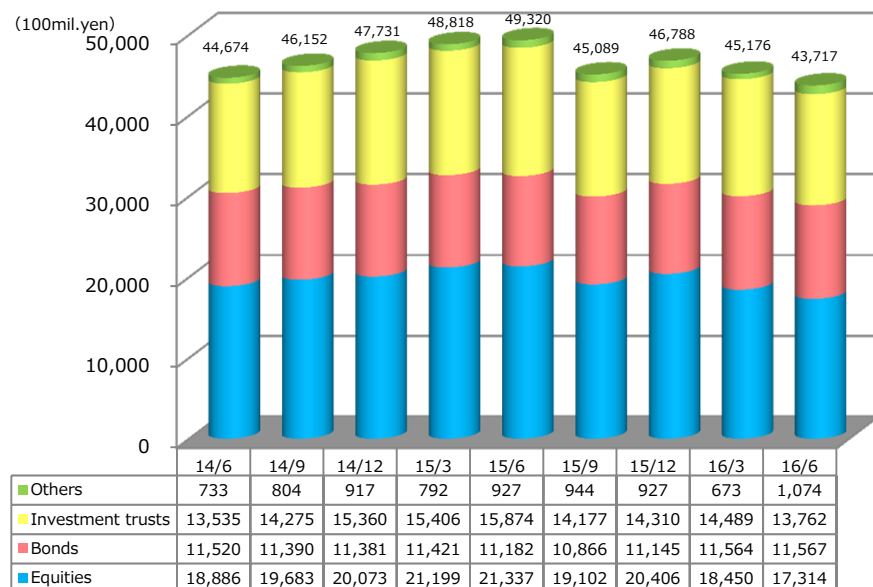
## Balance Sheet Summary (2)

	(In millions of yen)			(In millions of yen)					
	FY16.3 4Q	FY17.3 1Q	vs.FY16.3 4Q	FY16.3				FY17.3 vs.FY16.3	
				1Q	2Q	3Q	4Q	1Q	4Q
<b>Current liabilities</b>	310,957	<b>326,616</b>	<b>15,659</b>	464,455	396,221	375,256	310,957	<b>326,616</b>	<b>15,659</b>
Trading liabilities	77,206	<b>110,365</b>	<b>33,159</b>	108,373	107,043	89,400	77,206	<b>110,365</b>	<b>33,159</b>
Payables on margin transactions	10,468	<b>7,418</b>	<b>-3,050</b>	11,148	10,060	8,023	10,468	<b>7,418</b>	<b>-3,050</b>
Payables on collateralized securities transactions	24,737	<b>50,415</b>	<b>25,678</b>	120,780	70,161	69,904	24,737	<b>50,415</b>	<b>25,678</b>
Deposits received	27,528	<b>34,942</b>	<b>7,414</b>	53,189	49,767	52,691	27,528	<b>34,942</b>	<b>7,414</b>
Guarantee deposits received	36,284	<b>35,735</b>	<b>-549</b>	41,330	38,203	40,583	36,284	<b>35,735</b>	<b>-549</b>
Short-term borrowings	109,534	<b>56,588</b>	<b>-52,946</b>	85,197	105,384	72,971	109,534	<b>56,588</b>	<b>-52,946</b>
Other current liabilities	25,197	<b>31,150</b>	<b>5,953</b>	44,436	15,600	41,680	25,197	<b>31,150</b>	<b>5,953</b>
<b>Fixed liabilities</b>	30,045	<b>28,046</b>	<b>-1,999</b>	30,927	28,635	30,684	30,045	<b>28,046</b>	<b>-1,999</b>
Long-term borrowings	12,300	<b>12,286</b>	<b>-14</b>	9,210	8,828	9,698	12,300	<b>12,286</b>	<b>-14</b>
Net defined benefit liability	5,626	<b>5,666</b>	<b>40</b>	5,303	5,298	5,326	5,626	<b>5,666</b>	<b>40</b>
Other fixed liabilities	12,119	<b>10,093</b>	<b>-2,026</b>	16,413	14,508	15,660	12,119	<b>10,093</b>	<b>-2,026</b>
<b>Financial instruments transaction reserve</b>	2,642	<b>1,329</b>	<b>-1,313</b>	2,629	2,630	2,631	2,642	<b>1,329</b>	<b>-1,313</b>
<b>Total liabilities</b>	343,645	<b>355,992</b>	<b>12,347</b>	498,012	427,487	408,572	343,645	<b>355,992</b>	<b>12,347</b>
Common stock	18,589	<b>18,589</b>	<b>-</b>	18,589	18,589	18,589	18,589	<b>18,589</b>	<b>-</b>
Capital surplus	12,982	<b>13,100</b>	<b>118</b>	12,813	12,982	12,982	12,982	<b>13,100</b>	<b>118</b>
Retained earnings	106,668	<b>104,673</b>	<b>-1,995</b>	100,240	101,898	104,854	106,668	<b>104,673</b>	<b>-1,995</b>
Treasury stock	-3,789	<b>-3,633</b>	<b>156</b>	-3,734	-3,777	-3,785	-3,789	<b>-3,633</b>	<b>156</b>
Accumulated other comprehensive income	11,911	<b>7,528</b>	<b>-4,383</b>	18,410	15,377	17,261	11,911	<b>7,528</b>	<b>-4,383</b>
Subscription rights to shares	87	<b>78</b>	<b>-9</b>	-	92	92	87	<b>78</b>	<b>-9</b>
Minority interests	25,648	<b>25,307</b>	<b>-341</b>	28,520	24,980	25,910	25,648	<b>25,307</b>	<b>-341</b>
<b>Total net assets</b>	172,097	<b>165,645</b>	<b>-6,452</b>	174,839	170,143	175,905	172,097	<b>165,645</b>	<b>-6,452</b>
<b>Total liabilities&amp;net assets</b>	515,743	<b>521,637</b>	<b>5,894</b>	672,852	597,630	584,477	515,743	<b>521,637</b>	<b>5,894</b>

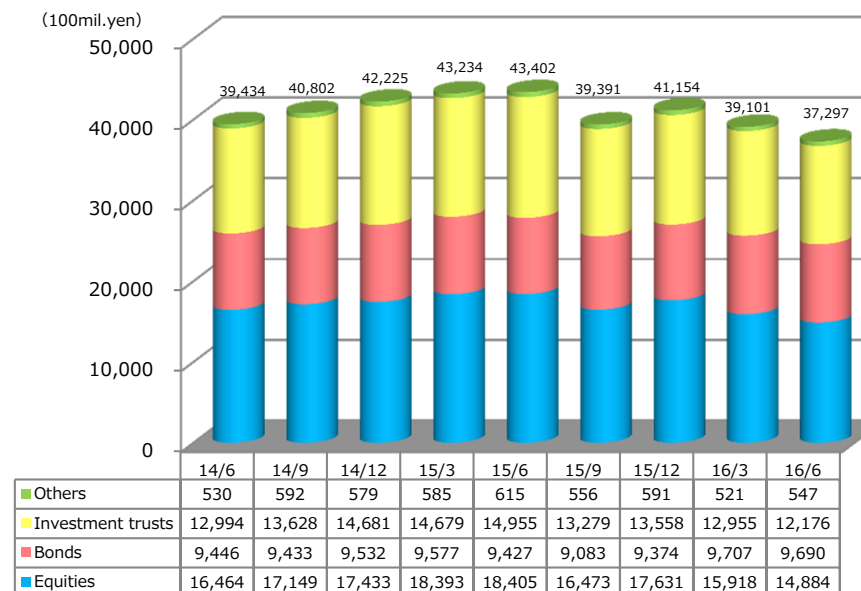


## Assets under custody (Consolidated)

### ■ Assets under Custody



### ■ Retail Assets under Custody



- On a consolidated basis, customers' assets under custody decreased to 4,371.7 billion yen, down 145.9 billion yen from the end of the previous fiscal year. This was due mainly to a decline in the market value of equities.
- Retail customers' assets under custody decreased to 3,729.7 billion yen, down 180.4 billion yen from the end of the previous fiscal year.



## *2. Reference Data*

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

Items	(In millions of yen)			(In millions of yen)					
	FY16.3 1QTOTAL	FY17.3 1QTOTAL	vs.FY16.3 1QTOTAL	FY16.3				FY17.3	vs.FY16.3
				1Q	2Q	3Q	4Q	1Q	4Q
<b>Operating revenues</b>	<b>18,258</b>	<b>14,650</b>	<b>-19.8%</b>	<b>18,258</b>	<b>14,344</b>	<b>14,532</b>	<b>13,870</b>	<b>14,650</b>	<b>5.6%</b>
Commissions	11,546	7,565	-34.5%	11,546	9,529	8,836	8,165	7,565	-7.3%
Brokerage	5,001	3,514	-29.7%	5,001	3,969	4,164	3,310	3,514	6.2%
Underwriting	50	48	-3.9%	50	75	330	81	48	-40.7%
Distribution	4,663	2,397	-48.6%	4,663	3,714	2,655	3,240	2,397	-26.0%
Others	1,831	1,605	-12.4%	1,831	1,770	1,687	1,532	1,605	4.8%
Net gain on trading	6,244	6,818	9.2%	6,244	4,386	5,305	5,335	6,818	27.8%
Equities	3,247	3,576	10.1%	3,247	1,983	2,313	1,979	3,576	80.7%
Bonds	3,089	2,984	-3.4%	3,089	2,119	3,023	3,279	2,984	-9.0%
Others	-92	257	-	-92	283	-31	75	257	242.7%
Interest and dividend income	466	265	-43.0%	466	428	390	370	265	-28.4%
Financial expenses	356	238	-33.0%	356	310	274	268	238	-11.2%
Net operating revenues	17,902	14,411	-19.5%	17,902	14,034	14,258	13,602	14,411	5.9%
<b>SG&amp;A</b>	<b>12,649</b>	<b>12,111</b>	<b>-4.3%</b>	<b>12,649</b>	<b>12,158</b>	<b>12,335</b>	<b>12,154</b>	<b>12,111</b>	<b>-0.4%</b>
Trading related expenses	2,139	1,893	-11.5%	2,139	2,030	2,075	1,934	1,893	-2.1%
Personnel expenses	6,408	5,950	-7.1%	6,408	6,236	6,397	6,184	5,950	-3.8%
Real estate expenses	1,533	1,735	13.2%	1,533	1,562	1,568	1,606	1,735	8.0%
Administrative expenses	2,010	1,911	-4.9%	2,010	1,852	1,826	1,946	1,911	-1.8%
Depreciation expenses	121	133	10.0%	121	133	136	143	133	-7.0%
Taxes and dues	139	177	27.3%	139	120	111	89	177	98.9%
Others	297	309	4.0%	297	222	220	249	309	24.1%
Operating income	5,252	2,300	-56.2%	5,252	1,875	1,922	1,447	2,300	58.9%
Non-operating income	71	155	118.2%	71	63	70	61	155	154.1%
Non-operating expenses	4	33	687.2%	4	7	8	10	33	230.0%
<b>Ordinary income</b>	<b>5,319</b>	<b>2,422</b>	<b>-54.5%</b>	<b>5,319</b>	<b>1,932</b>	<b>1,984</b>	<b>1,498</b>	<b>2,422</b>	<b>61.7%</b>
Extraordinary gain	-	687	-	-	-	-	-	687	-
Extraordinary loss	22	-	-	22	-	-	10	-	-
Net profit, before taxes	5,297	3,109	-41.3%	5,297	1,932	1,984	1,488	3,109	108.9%
Income taxes	1,052	451	-57.1%	1,052	1,160	25	780	451	-42.2%
Adjustment amount for income t	770	345	-55.1%	770	-481	681	-314	345	-
<b>Net profit</b>	<b>3,474</b>	<b>2,312</b>	<b>-33.4%</b>	<b>3,474</b>	<b>1,252</b>	<b>1,277</b>	<b>1,022</b>	<b>2,312</b>	<b>126.2%</b>



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

<Volume of equity trading / Number of shares>

(In millions of shares)

Items	FY16.3					FY17.3		vs.FY16.3	vs.FY16.3
	1Q	2Q	3Q	4Q	TOTAL	1Q	TOTAL	1QTOTAL	4Q
( Dealing )	557	579	541	378	2,057	566	566	1.6%	49.7%
( Brokerage )	3,697	3,149	2,754	2,590	12,191	2,279	2,279	-38.4%	-12.0%
Total	4,254	3,728	3,295	2,968	14,248	2,845	2,845	-33.1%	-4.1%
Brokerage ratio	86.9%	84.4%	83.6%	87.3%	85.6%	80.1%	80.1%	-6.8 p	-7.2 p

<Volume of equity trading / Total value>

(In millions of yen)

Items	FY16.3					FY17.3		vs.FY16.3	vs.FY16.3
	1Q	2Q	3Q	4Q	TOTAL	1Q	TOTAL	1QTOTAL	4Q
( Dealing )	553,726	511,860	635,414	535,728	2,236,730	766,364	766,364	38.4%	43.1%
( Brokerage )	2,229,739	1,937,777	1,798,440	1,703,045	7,669,003	1,793,669	1,793,669	-19.6%	5.3%
Total	2,783,466	2,449,638	2,433,855	2,238,774	9,905,734	2,560,033	2,560,033	-8.0%	14.3%
Brokerage ratio	80.1%	79.1%	73.9%	76.1%	77.4%	70.1%	70.1%	-10.0 p	-6.0 p

<Total share within TSE>

Items	FY16.3					FY17.3		vs.FY16.3	vs.FY16.3
	1Q	2Q	3Q	4Q	TOTAL	1Q	TOTAL	1QTOTAL	4Q
Number of shares	1.10%	0.97%	0.98%	0.75%	0.95%	0.83%	0.83%	-0.27 p	0.08 p
Total value	0.65%	0.56%	0.61%	0.52%	0.59%	0.64%	0.64%	-0.01 p	0.12 p

<Brokerage Commissions Ratio>

(In millions of yen)

Items	FY16.3					FY17.3		vs.FY16.3	vs.FY16.3
	1Q	2Q	3Q	4Q	TOTAL	1Q	TOTAL	1QTOTAL	4Q
Commissions	4,774	3,427	3,720	2,936	14,858	3,247	3,247	-32.0%	10.6%
Commissions Ratio	0.21%	0.18%	0.21%	0.17%	0.19%	0.18%	0.18%	-0.03 p	0.01 p

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		FY16.3					FY17.3		vs. FY16.3	vs. FY16.3
		1Q	2Q	3Q	4Q	TOTAL	1Q	TOTAL	1QTOTAL	4Q
Equities	(Number of shares)	0	2	11	0	14	1	1	-	-
Equities	(Total value)	594	1,498	17,624	762	20,479	598	598	0.7%	-21.5%
Bonds	(Total at face value)	227,055	211,175	254,588	191,210	884,029	190,548	190,548	-16.1%	-0.3%
Domestic and foreign CP	(Total at face value)	-	-	-	-	-	-	-	-	-

## <Selling>

(In millions of shares, millions of yen)

Items		FY16.3					FY17.3		vs. FY16.3	vs. FY16.3
		1Q	2Q	3Q	4Q	TOTAL	1Q	TOTAL	1QTOTAL	4Q
Equities	(Number of shares)	0	2	10	0	13	1	1	-	-
Equities	(Total value)	603	1,530	15,838	542	18,515	597	597	-1.0%	10.1%
Bonds	(Total at face value)	44,095	44,412	50,808	51,120	190,435	34,710	34,710	-21.3%	-32.1%

## <Offering>

(In millions of shares, millions of yen)

Items		FY16.3					FY17.3		vs. FY16.3	vs. FY16.3
		1Q	2Q	3Q	4Q	TOTAL	1Q	TOTAL	1QTOTAL	4Q
Equities	(Number of shares)	0	-	-	0	0	0	0	-	-
Equities	(Total value)	1	-	-	1	3	0	0	-100.0%	-100.0%
Bonds	(Total at face value)	237,517	221,696	265,369	194,765	919,350	196,670	196,670	-17.2%	1.0%
Beneficiary securities	(Total at face value)	536,182	424,874	437,349	540,033	1,938,439	393,313	393,313	-26.6%	-27.2%
Domestic and foreign CP	(Total at face value)	-	-	-	-	-	-	-	-	-

## <Underwriting & Selling Fees Ratio>

(In millions of yen)

Items		FY16.3					FY17.3		vs. FY16.3	vs. FY16.3
		1Q	2Q	3Q	4Q	TOTAL	1Q	TOTAL	1QTOTAL	4Q
Equities		30	60	281	24	398	25	25	-16.7%	4.2%
	(Averaged Fees Ratio)	2.51%	1.98%	0.84%	1.84%	1.02%	2.09%	2.09%	-0.42 p	0.25 p
Bonds		19	14	48	56	139	23	23	21.1%	-58.9%
	(Averaged Fees Ratio)	0.007%	0.005%	0.016%	0.023%	0.013%	0.010%	0.010%	0.003 p	-0.013 p

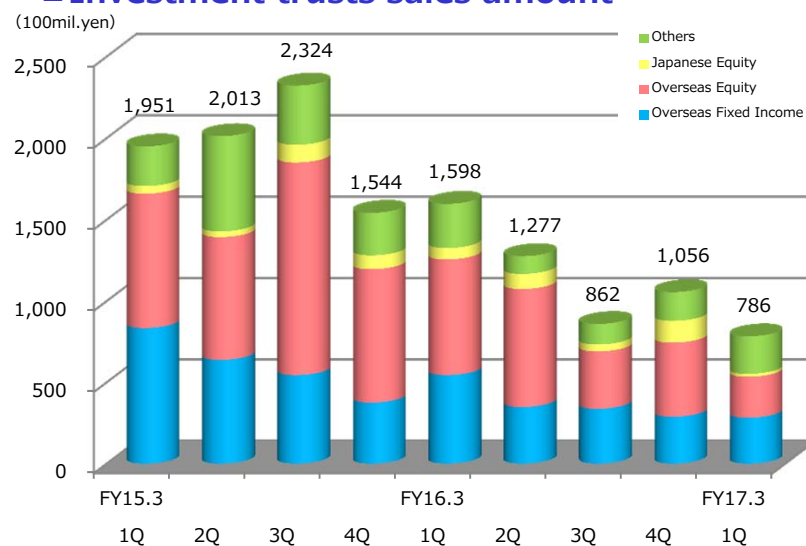




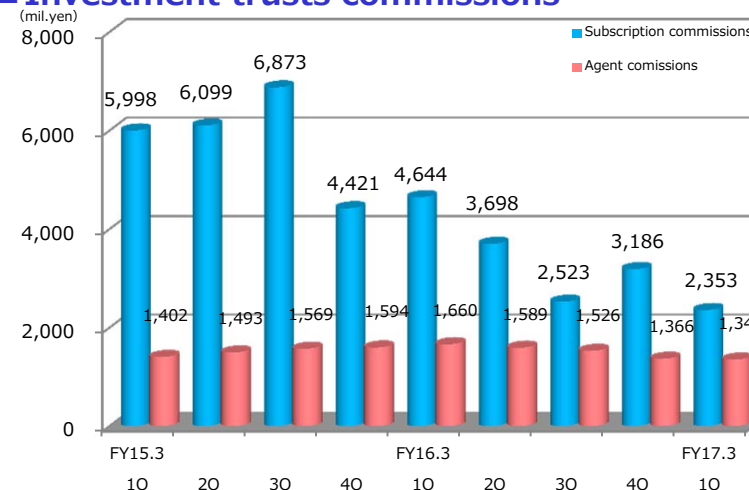
# Investment trusts / Foreign bonds

(non-consolidated: Okasan Securities)

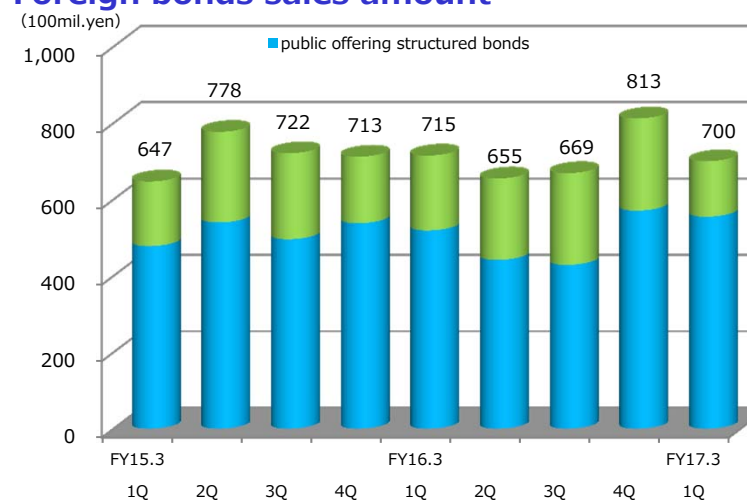
## Investment trusts sales amount



## Investment trusts commissions



## Foreign bonds sales amount

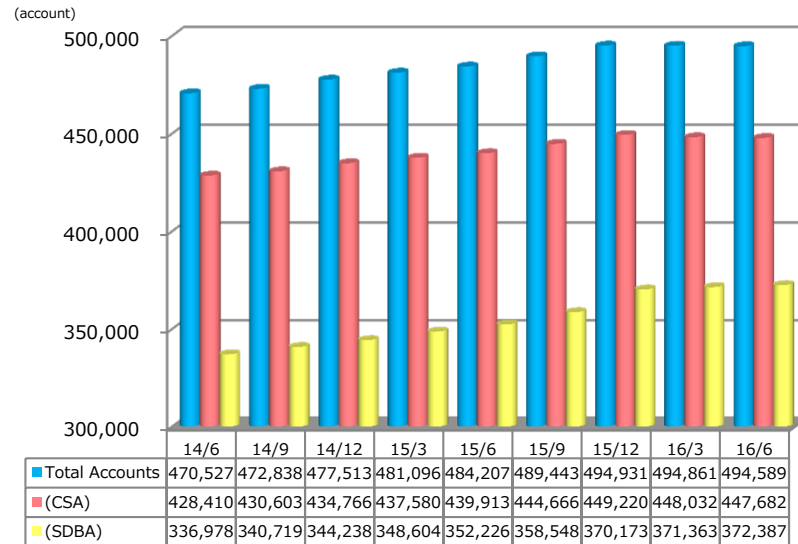


- Investment trust sales (1Q cumulative) fell 50.8% YoY to 78.6 billion yen.
- Sales commissions (1Q cumulative) fell 49.3% YoY to 2,353 million yen. Agent commissions fell 18.7% YoY to 1,349 million yen due to a decrease in balance of investment trusts.
- Foreign bond sales (1Q cumulative) fell 2.2% YoY to 70 billion yen. Sales to retail investors decreased, while sales to corporate investors increased.



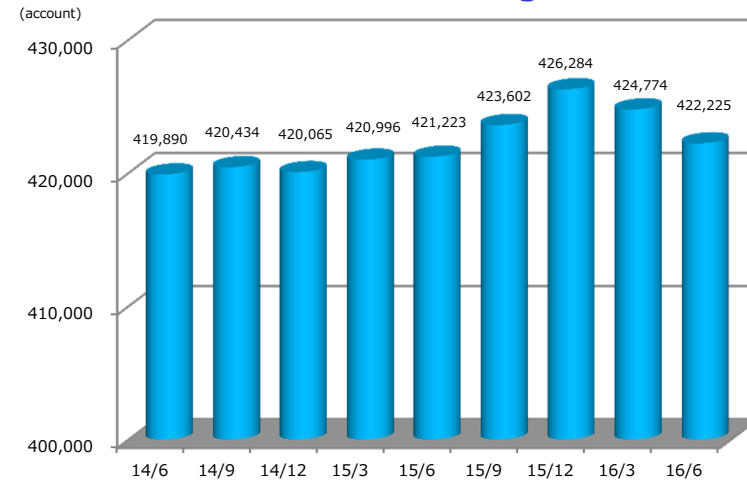
## Number of accounts (non-consolidated: Okasan Securities)

### Number of customer accounts

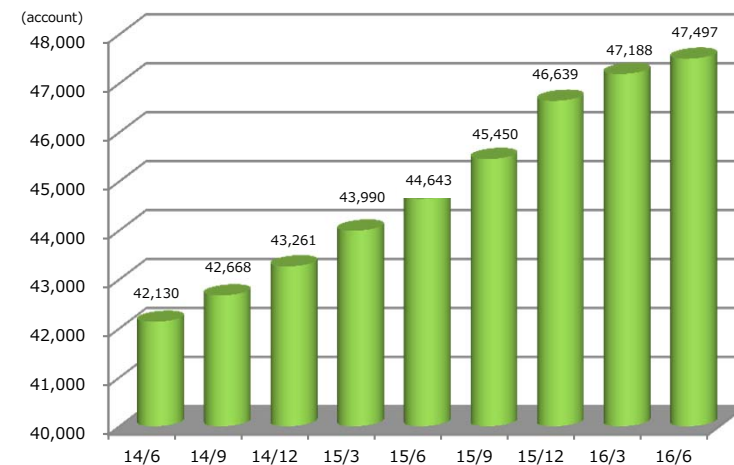


- The total number of customer accounts decreased by 0.1% from the end of the previous fiscal year to 494,589.
- The number of accounts with remaining balances decreased by 0.6% from the end of the previous fiscal year to 422,225.
- The number of newly opened accounts was 3,548.
- Online accounts (47,497 accounts) accounted for 9.6% of the total number of customer accounts.

### Number of balance remaining accounts



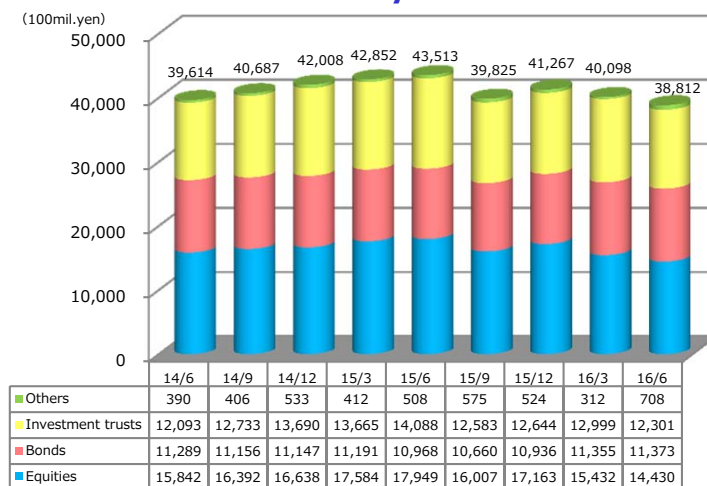
### Number of online accounts



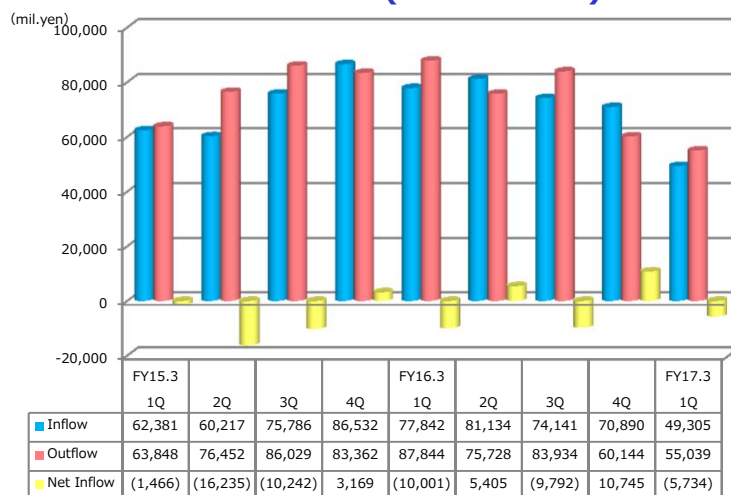


# Assets under custody / Net inflow of assets (non-consolidated: Okasan Securities)

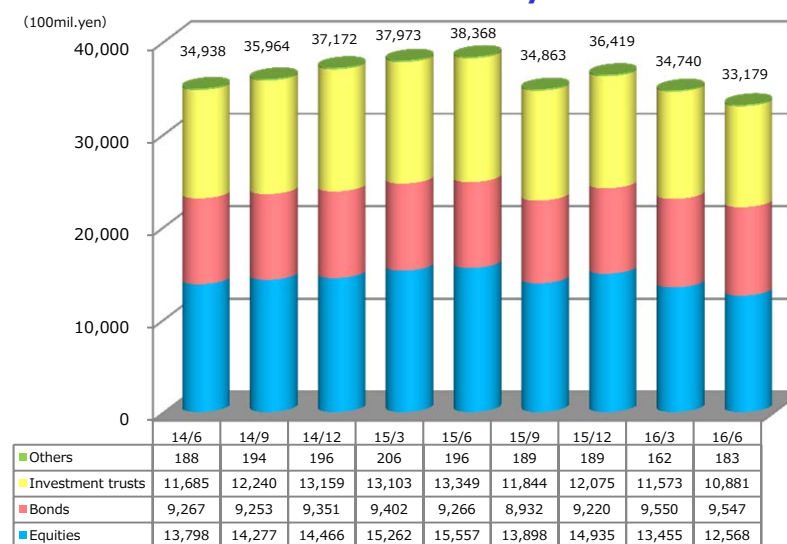
## ■ Assets under Custody



## ■ Net inflow of assets (Individuals)



## ■ Retail Assets under Custody



- Customers' assets under custody at Okasan Securities decreased by 128.6 billion yen from the end of the previous fiscal year to 3,881.2 billion yen.
- Net inflow/outflow of assets (sum of inflow/outflow of cash and securities; individuals only) cumulative over the fiscal year was an outflow of 5.7 billion yen.



# Capital Adequacy Requirement Ratio

(non-consolidated: Okasan Securities)

(In millions of yen)

Items			FY16.3				FY17.3	vs.FY16.3	
			1Q	2Q	3Q	4Q	1Q	4Q	
Basic items		(A)	81,788	83,041	84,318	78,339	80,644	2,305	
Complementary items	Appraisal gains (losses) etc.		31	15	19	-	-	-	
	Security transaction responsibility reserve		1,483	1,483	1,483	1,487	800	-687	
	General provision for loan losses		0	0	0	0	6	6	
	Short-term subordinated debt		8,775	6,800	6,800	6,000	6,000	0	
Total		(B)	10,290	8,299	8,303	7,487	6,806	-681	
Assets to be deducted		(C)	9,548	9,920	9,946	10,282	10,448	166	
Unfixed equity capital		(A) + (B) - (C)	(D)	82,530	81,419	82,675	75,545	77,001	1,456
Risk equivalents	Market risk equivalents		3,629	2,276	2,962	3,038	3,150	112	
	Customer risk equivalents		1,356	1,328	1,198	1,085	999	-86	
	Basic risk equivalents		12,745	12,806	12,759	12,679	12,373	-306	
	Total	(E)	17,731	16,410	16,921	16,803	16,524	-279	
<b>Capital adequacy ratio</b>		<b>(D) / (E) × 100 (%)</b>	<b>465.4%</b>	<b>496.1%</b>	<b>488.5%</b>	<b>449.5%</b>	<b>465.9%</b>	<b>16.4 p</b>	

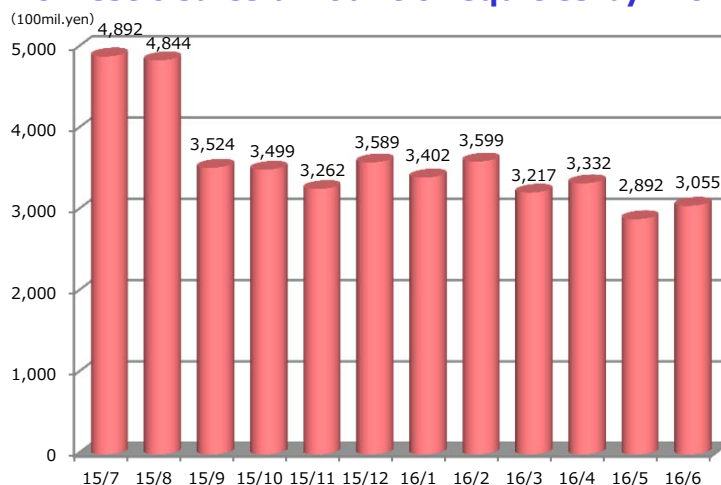
(Note) Short-term subordinated debt consists of subordinated borrowing.

- The capital adequacy ratio at the end of June 2016 increased by 16.4 percentage points from the end of the previous fiscal year.
- Growth in basic items due to periodic profit caused the capital adequacy ratio to rise.

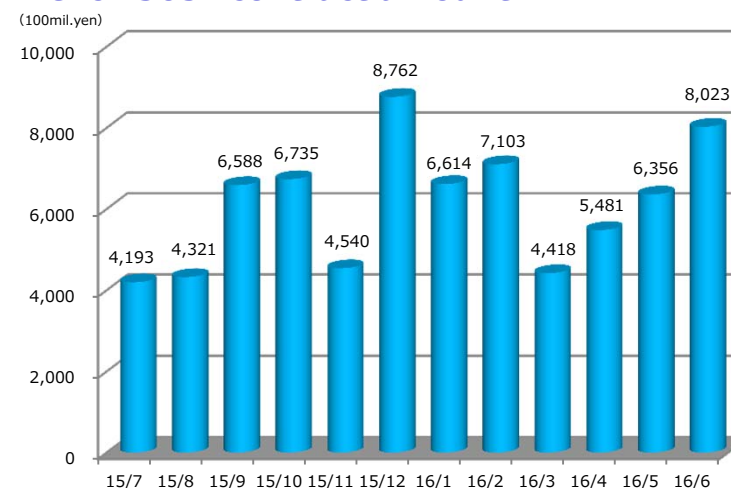


# (Reference Data) Okasan Online Securities Data

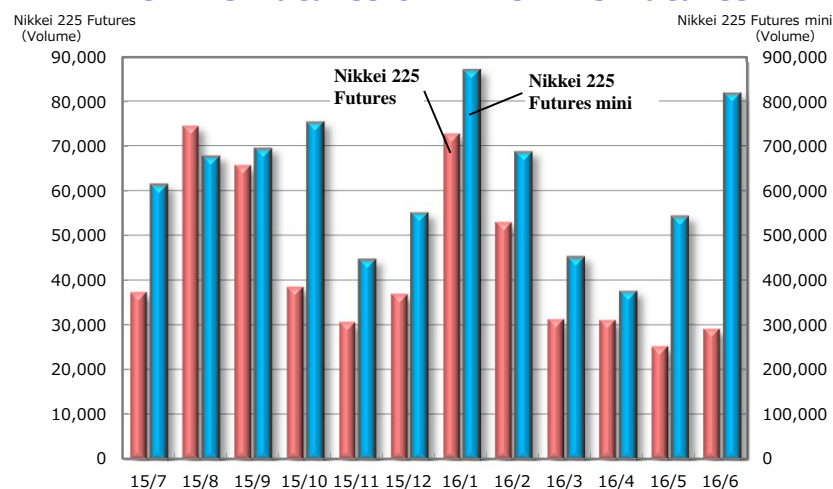
■ Domestic sales amount of equities by month



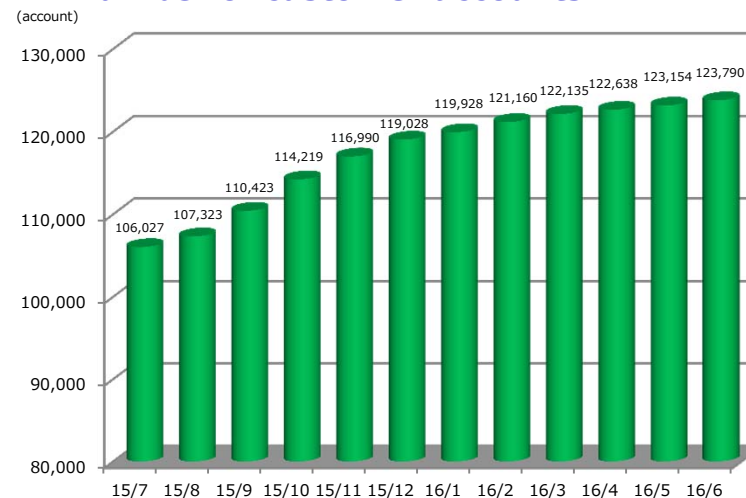
■ "Click 365" contract amount



■ Nikkei 225 Futures & Nikkei 225 Futures mini



■ Number of customer accounts





# MEMO

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