



2Q Ending March 31, 2017

Results Briefing



October 28, 2016
Okasan Securities Group Inc.

The objective of the document is to provide information on the results of the 2nd 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 September 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 2Q	38,565 (- 13.6%)	38,011 (- 13.5%)	5,617 (- 43.8%)	6,266 (- 43.7%)
FY16.3 2Q	44,632 (- 2.9%)	43,923 (- 3.1%)	9,995 (- 21.9%)	11,126 (- 15.9%)

	Profit attributable to owners of parent	Net income per share	R O E (annualized)	Comprehensive income
	million yen	yen		million yen
FY17.3 2Q	4,788 (- 24.0%)	24.14	6.6%	3,477 (- 44.4%)
FY16.3 2Q	6,299 (- 13.4%)	31.84	8.7%	6,254 (- 34.2%)

	Total assets	Net assets	Equity ratio
	million yen	million yen	
FY17.3 2Q	472,830	171,040	30.6%
FY16.3	515,743	172,097	28.4%



Financial highlights of the 2nd quarter fiscal year ending March 2017

<Overview>

- Operating revenues fell 13.6% year on year (YoY) to 38,565 million yen. Net trading income rose 38.5% YoY, Fees and commissions fell 30.9% YoY.
- Ordinary income decreased by 43.7% YoY to 6,266 million yen.
- Profit attributable to owners of parent decreased by 24.0% YoY to 4,788 million yen.

<Fees and Commissions>

- Brokerage commissions decreased by 32.3% YoY. Commissions on domestic equities decreased.
- Underwriting fees increased by 21.4% YoY.
- Distribution commissions fell 41.4% YoY due to lower sales of investment trusts.
- Other commissions decreased by 21.3% YoY due to an decrease in custodian fees on the balance of investment trusts.

<Net Trading Income>

- Trading income from equities rose by 70.2% YoY due to a increase in foreign equity transactions (mainly US equities).
- Trading income from bonds rose 7.1% YoY.

<SG&A expenses>

- Selling, general, and administrative expenses fell 4.5% YoY, due mainly to an decrease in trading-related expenses and personnel expenses.



Operating Revenues

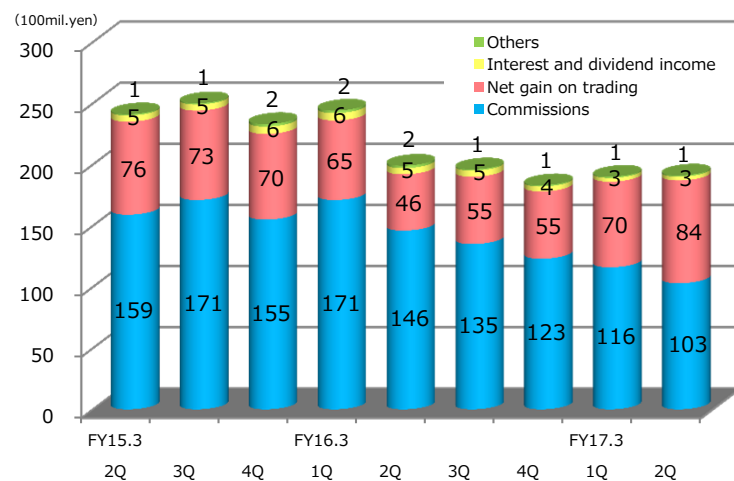
(In millions of yen)

	FY16.3 2QTOTAL	FY17.3 2QTOTAL	vs.FY16.3 2QTOTAL
Commissions	31,800	21,959	-30.9%
Brokerage	11,423	7,729	-32.3%
Underwriting	130	158	21.4%
Distribution	9,295	5,451	-41.4%
Others	10,950	8,619	-21.3%
Net gain on trading	11,183	15,494	38.5%
Equities	5,470	9,308	70.2%
Bonds	5,521	5,915	7.1%
Others	191	270	41.3%
Interest and dividend income	1,215	720	-40.7%
Others	433	391	-9.6%
Operating revenues	44,632	38,565	-13.6%

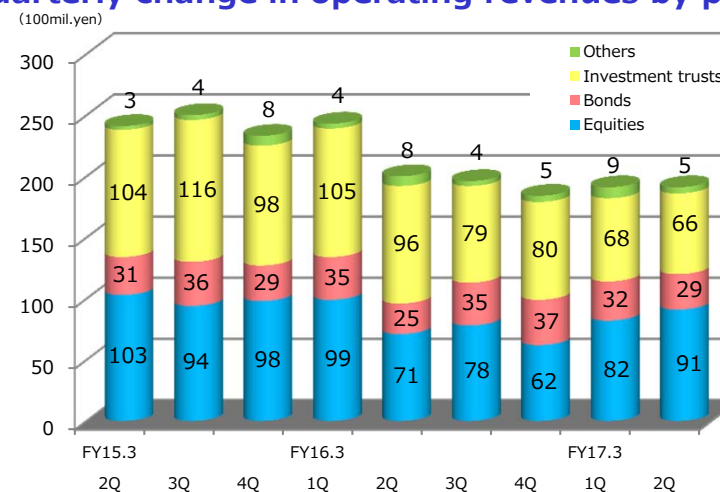
(In millions of yen)

	FY16.3				FY17.3			vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
	17,122	14,678	13,545	12,320	11,630	10,328	-11.2%	
	6,325	5,098	5,201	4,180	4,468	3,260	-27.0%	
	51	79	332	82	48	109	127.1%	
	5,235	4,060	2,900	3,550	2,681	2,770	3.3%	
	5,511	5,439	5,110	4,507	4,432	4,187	-5.5%	
	6,546	4,637	5,510	5,539	7,037	8,456	20.2%	
	3,388	2,082	2,372	2,032	3,656	5,652	54.6%	
	3,250	2,271	3,169	3,431	3,123	2,792	-10.6%	
	-92	283	-31	75	257	12	-95.3%	
	622	592	526	495	379	340	-10.3%	
	229	203	168	188	194	197	1.5%	
	24,521	20,111	19,750	18,544	19,242	19,323	0.4%	

Quarterly change in operating revenues



Quarterly change in operating revenues by product





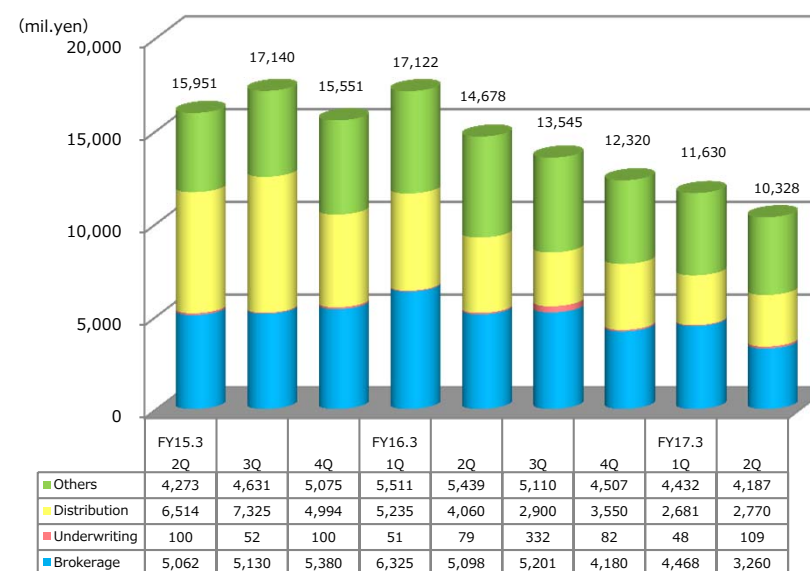
Fees and Commissions Received

■ Fees and commissions received

(In millions of yen)

Items	FY16.3 2QTOTAL	FY17.3 2QTOTAL	vs.FY16.3 2QTOTAL
Brokerage	11,423	7,729	-32.3%
Equities	10,682	7,304	-31.6%
Bonds	2	9	254.2%
Others	737	415	-43.7%
Underwriting	130	158	21.4%
Equities	92	80	-12.8%
Bonds	37	77	104.8%
Distribution	9,295	5,451	-41.4%
Beneficiary Certificates	9,260	5,367	-42.0%
Others	10,950	8,619	-21.3%
Beneficiary Certificates	10,187	7,727	-24.1%
Total	31,800	21,959	-30.9%

■ Fees and commissions received (quarterly)

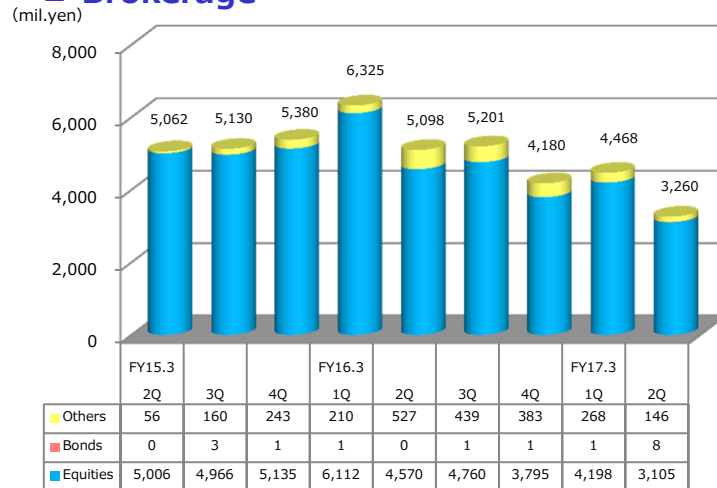


- Brokerage commissions fell by 32.3% YoY due to a decrease in domestic equity brokerage commissions.
- Underwriting fees decreased by 21.4% YoY.
- Distribution commissions fell 41.4% YoY due to lower sales of investment trusts.
- Other commissions fell by 21.3% YoY due to a decrease in custodian fees.

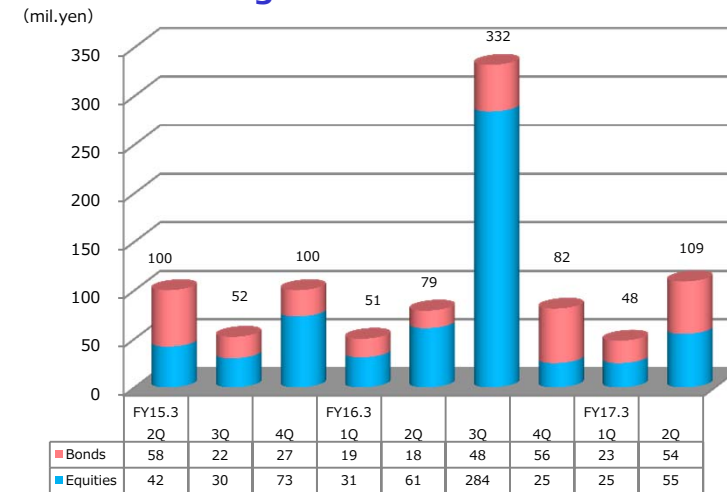


Fees and Commissions Received by Category

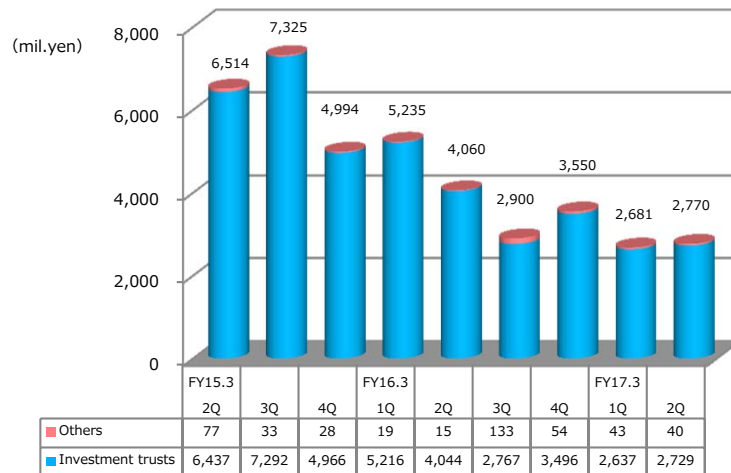
■ Brokerage



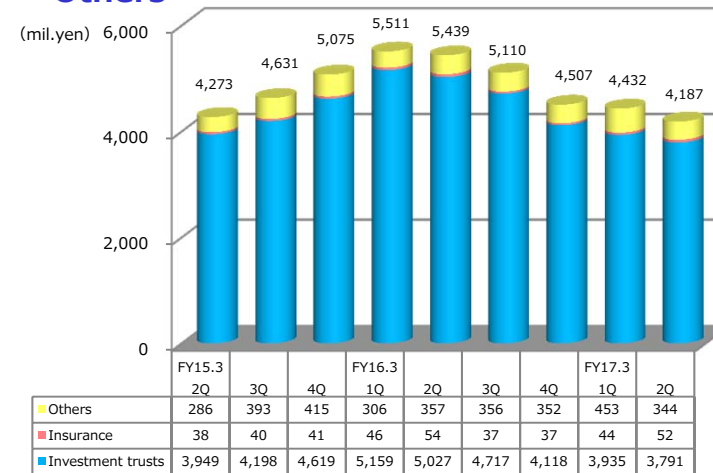
■ Underwriting



■ Distribution



■ Others





Net Trading Income

(In millions of yen)

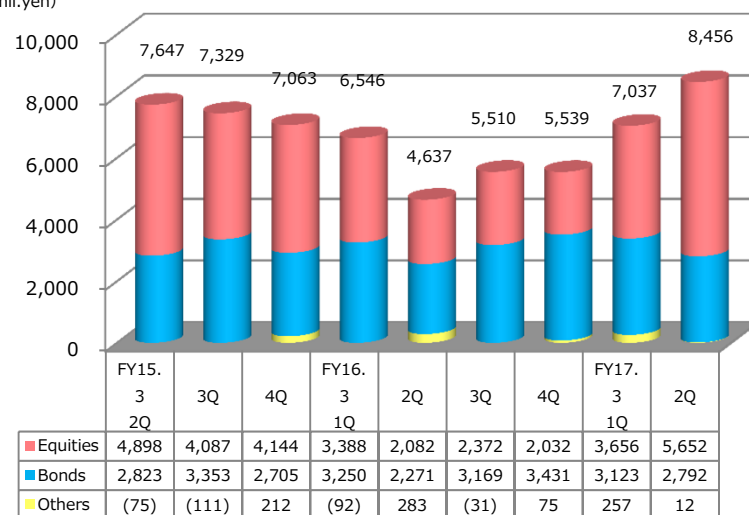
	FY16.3	FY17.3	vs.FY16.3
	2QTOTAL	2QTOTAL	2QTOTAL
Equities	5,470	9,308	70.2%
Domestic equities	468	393	-16.0%
Foreign equities	5,001	8,915	78.3%
Bonds and others	5,521	5,915	7.1%
Domestic bonds	314	1,140	263.1%
Foreign bonds	5,206	4,775	-8.3%
Others	191	270	41.3%
Net gain on trading	11,183	15,494	38.5%

(In millions of yen)

	FY16.3				FY17.3		vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
	3,388	2,082	2,372	2,032	3,656	5,652	54.6%
	305	163	55	280	291	102	-64.9%
	3,082	1,918	2,316	1,751	3,365	5,549	64.9%
	3,250	2,271	3,169	3,431	3,123	2,792	-10.6%
	276	37	246	507	623	516	-17.2%
	2,973	2,233	2,922	2,924	2,499	2,275	-9.0%
	-92	283	-31	75	257	12	-95.3%
	6,546	4,637	5,510	5,539	7,037	8,456	20.2%

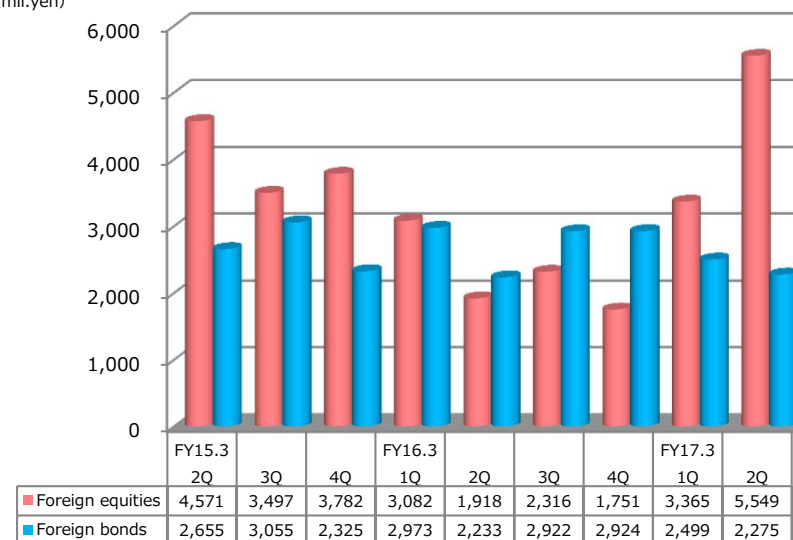
Net gain by Products

(mil.yen)



Net gain from foreign equities and bonds

(mil.yen)





SG&A : Selling, General and Administrative Expenses

(In millions of yen)

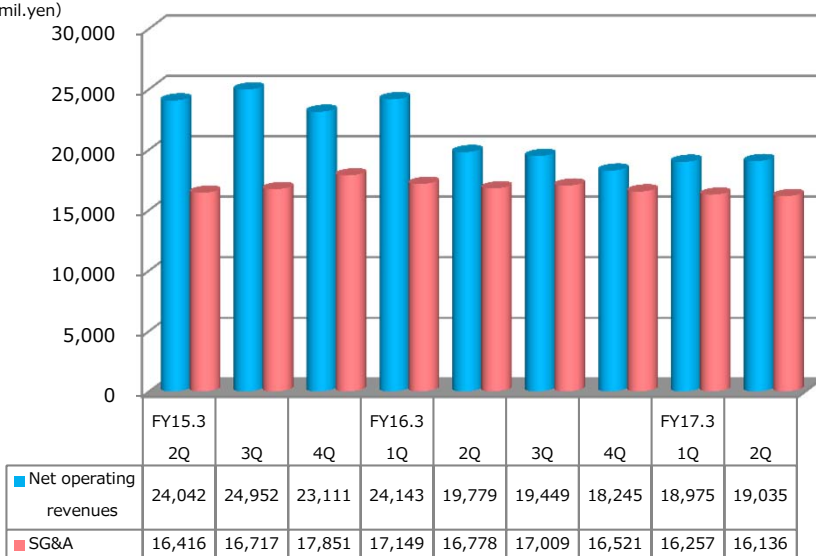
	FY16.3 2QTOTAL	FY17.3 2QTOTAL	vs.FY16.3 2QTOTAL
Trading related expenses	7,527	6,439	-14.5%
Personnel expenses	16,706	15,819	-5.3%
Real estate expenses	3,092	3,336	7.9%
Office expenses	2,794	2,995	7.2%
Depreciation expenses	1,635	1,770	8.3%
Taxes and dues	454	595	31.2%
Others	1,718	1,436	-16.4%
SG&A	33,928	32,393	-4.5%

(In millions of yen)

	FY16.3				FY17.3			vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
Trading related expenses	3,754	3,773	3,828	3,408	3,189	3,249		1.9%
Personnel expenses	8,493	8,213	8,349	8,275	7,901	7,917		0.2%
Real estate expenses	1,562	1,529	1,583	1,597	1,706	1,629		-4.5%
Office expenses	1,323	1,471	1,460	1,432	1,485	1,509		1.6%
Depreciation expenses	905	730	771	851	881	889		0.9%
Taxes and dues	253	200	211	180	303	292		-3.6%
Others	858	859	804	774	788	648		-17.8%
SG&A	17,149	16,778	17,009	16,521	16,257	16,136		-0.7%

Change in net operating revenues and SG&A

(mil.yen)



- Trading-related expenses fell 14.5% YoY, due to an increase in variable expenses related to the asset management business and securities business.
- Personnel expenses fell 5.3% YoY due to decreases in bonuses and other expenses.
- Real estate expenses were up 7.9% YoY, mainly due to relocations of branches.
- Office expenses rose 7.2% YoY due to increased subcontracting costs.
- Depreciation expenses rose 8.3% YoY.



Balance Sheet Summary (1)

	(In millions of yen)			(In millions of yen)							
	FY16.3 4Q	FY17.3 2Q	vs.FY16.3 4Q	FY16.3				FY17.3			
				1Q	2Q	3Q	4Q	1Q	2Q	vs.FY17.3 1Q	
Current assets	435,187	394,102	-41,085	586,417	516,310	496,424	435,187	447,376	394,102	-53,274	
Cash and deposits	57,300	57,070	-230	54,498	52,195	55,409	57,300	58,144	57,070	-1,074	
Cash segregated as deposits	58,842	61,891	3,049	65,566	61,118	61,741	58,842	56,890	61,891	5,001	
Trading products	170,851	114,302	-56,549	232,211	152,853	162,997	170,851	153,621	114,302	-39,319	
Receivables on margin transactions	42,341	35,062	-7,279	56,053	55,392	49,401	42,341	38,901	35,062	-3,839	
Receivables on collateralized securities transactions	95,461	114,661	19,200	168,743	184,426	156,026	95,461	125,694	114,661	-11,033	
Other current assets	10,390	11,114	724	9,343	10,323	10,847	10,390	14,124	11,114	-3,010	
Fixed assets	80,555	78,727	-1,828	86,434	81,320	88,053	80,555	74,261	78,727	4,466	
Tangible fixed assets	19,594	19,291	-303	18,897	18,963	19,553	19,594	19,688	19,291	-397	
Intangible fixed assets	9,869	10,351	482	7,895	8,766	9,296	9,869	10,186	10,351	165	
Investments and other assets	51,091	49,085	-2,006	59,642	53,590	59,202	51,091	44,387	49,085	4,698	
Total assets	515,743	472,830	-42,913	672,852	597,630	584,477	515,743	521,637	472,830	-48,807	

- Current assets decreased 41.0 billion yen from the end of the previous fiscal year mainly due to decrease in Trading products.
- Fixed assets decreased 1.8 billion yen from the end of the previous fiscal year due to decrease in Investments and other assets.
- Total assets decreased 42.9 billion yen from the end of the previous fiscal year.
- Current liabilities decreased 37.9 billion yen from the end of the previous fiscal year mainly due to decrease in Short-term borrowings, Payables on collateralized securities transactions.
- Fixed liabilities decreased 2.6 billion yen from the end of the previous fiscal year.
Total liabilities decreased by 41.8 billion yen.
- Net assets decreased 1.0 billion yen from the end of the previous fiscal year mainly due to decrease in Accumulated other comprehensive income.



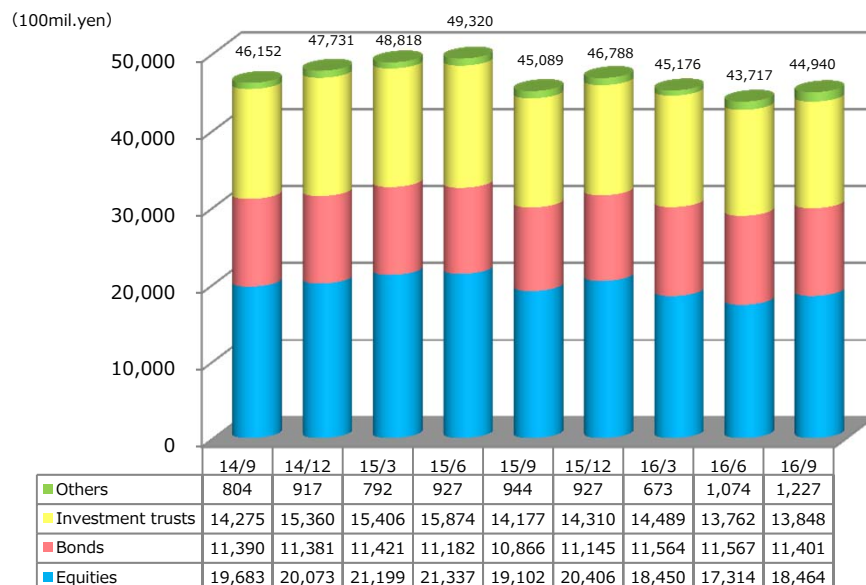
Balance Sheet Summary (2)

	(In millions of yen)			(In millions of yen)							
	FY16.3 4Q	FY17.3 2Q	vs.FY16.3 4Q	FY16.3				FY17.3			
				1Q	2Q	3Q	4Q	1Q	2Q	1Q	
Current liabilities	310,957	273,015	-37,942	464,455	396,221	375,256	310,957	326,616	273,015	-53,601	
Trading liabilities	77,206	94,484	17,278	108,373	107,043	89,400	77,206	110,365	94,484	-15,881	
Payables on margin transactions	10,468	11,953	1,485	11,148	10,060	8,023	10,468	7,418	11,953	4,535	
Payables on collateralized securities transactions	24,737	–	-24,737	120,780	70,161	69,904	24,737	50,415	–	-50,415	
Deposits received	27,528	34,516	6,988	53,189	49,767	52,691	27,528	34,942	34,516	-426	
Guarantee deposits received	36,284	32,842	-3,442	41,330	38,203	40,583	36,284	35,735	32,842	-2,893	
Short-term borrowings	109,534	76,566	-32,968	85,197	105,384	72,971	109,534	56,588	76,566	19,978	
Other current liabilities	25,197	22,651	-2,546	44,436	15,600	41,680	25,197	31,150	22,651	-8,499	
Fixed liabilities	30,045	27,445	-2,600	30,927	28,635	30,684	30,045	28,046	27,445	-601	
Long-term borrowings	12,300	10,538	-1,762	9,210	8,828	9,698	12,300	12,286	10,538	-1,748	
Net defined benefit liability	5,626	5,692	66	5,303	5,298	5,326	5,626	5,666	5,692	26	
Other fixed liabilities	12,119	11,215	-904	16,413	14,508	15,660	12,119	10,093	11,215	1,122	
Financial instruments transaction reserve	2,642	1,329	-1,313	2,629	2,630	2,631	2,642	1,329	1,329	–	
Total liabilities	343,645	301,790	-41,855	498,012	427,487	408,572	343,645	355,992	301,790	-54,202	
Common stock	18,589	18,589	–	18,589	18,589	18,589	18,589	18,589	18,589	–	
Capital surplus	12,982	13,157	175	12,813	12,982	12,982	12,982	13,100	13,157	57	
Retained earnings	106,668	106,583	-85	100,240	101,898	104,854	106,668	104,673	106,583	1,910	
Treasury stock	-3,789	-3,637	152	-3,734	-3,777	-3,785	-3,789	-3,633	-3,637	-4	
Accumulated other comprehensive income	11,911	10,153	-1,758	18,410	15,377	17,261	11,911	7,528	10,153	2,625	
Subscription rights to shares	87	161	74	–	92	92	87	78	161	83	
Minority interests	25,648	26,032	384	28,520	24,980	25,910	25,648	25,307	26,032	725	
Total net assets	172,097	171,040	-1,057	174,839	170,143	175,905	172,097	165,645	171,040	5,395	
Total liabilities&net assets	515,743	472,830	-42,913	672,852	597,630	584,477	515,743	521,637	472,830	-48,807	

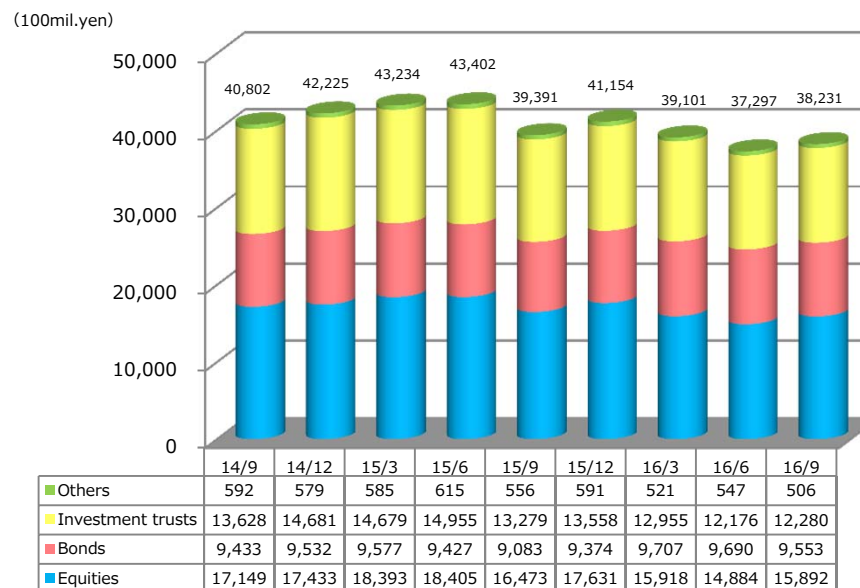


Assets under custody (Consolidated)

■ Assets under Custody



■ Retail Assets under Custody



- On a consolidated basis, customers' assets under custody decreased to 4,494.0 billion yen, down 23.6 billion yen from the end of the previous fiscal year.
- Retail customers' assets under custody decreased to 3,823.1 billion yen, down 87.0 billion yen from the end of the previous fiscal year.



2. Reference Data



Performance by quarter (non-consolidated: Okasan Securities)

(In millions of yen)

Items	FY16.3	FY17.3	vs.FY16.3
	2QTOTAL	2QTOTAL	2QTOTAL
Operating revenues	32,603	29,783	-8.6%
Commissions	21,076	14,237	-32.4%
Brokerage	8,970	6,051	-32.5%
Underwriting	125	158	26.0%
Distribution	8,377	4,889	-41.6%
Others	3,602	3,136	-12.9%
Net gain on trading	10,631	15,044	41.5%
Equities	5,231	9,169	75.3%
Bonds	5,208	5,604	7.6%
Others	191	269	41.3%
Interest and dividend income	895	502	-43.9%
Financial expenses	666	499	-25.1%
Net operating revenues	31,936	29,284	-8.3%
SG&A	24,807	24,105	-2.8%
Trading related expenses	4,169	3,877	-7.0%
Personnel expenses	12,645	11,931	-5.6%
Real estate expenses	3,096	3,331	7.6%
Administrative expenses	3,862	3,798	-1.7%
Depreciation expenses	254	268	5.2%
Taxes and dues	259	373	44.1%
Others	519	524	0.9%
Operating income	7,128	5,179	-27.3%
Non-operating income	135	254	88.1%
Non-operating expenses	11	35	203.6%
Ordinary income	7,251	5,398	-25.6%
Extraordinary gain	-	687	-
Extraordinary loss	22	-	-
Net profit, before taxes	7,229	6,085	-15.8%
Income taxes	2,213	1,895	-14.4%
Adjustment amount for income taxes	289	-140	-
Net profit	4,727	4,330	-8.4%

(In millions of yen)

Items	FY16.3				FY17.3		vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
Operating revenues	18,258	14,344	14,532	13,870	14,650	15,133	3.3%
Commissions	11,546	9,529	8,836	8,165	7,565	6,671	-11.8%
Brokerage	5,001	3,969	4,164	3,310	3,514	2,537	-27.8%
Underwriting	50	75	330	81	48	109	127.1%
Distribution	4,663	3,714	2,655	3,240	2,397	2,492	4.0%
Others	1,831	1,770	1,687	1,532	1,605	1,531	-4.6%
Net gain on trading	6,244	4,386	5,305	5,335	6,818	8,225	20.6%
Equities	3,247	1,983	2,313	1,979	3,576	5,593	56.4%
Bonds	3,089	2,119	3,023	3,279	2,984	2,619	-12.2%
Others	-92	283	-31	75	257	12	-95.3%
Interest and dividend income	466	428	390	370	265	236	-10.9%
Financial expenses	356	310	274	268	238	260	9.2%
Net operating revenues	17,902	14,034	14,258	13,602	14,411	14,873	3.2%
SG&A	12,649	12,158	12,335	12,154	12,111	11,994	-1.0%
Trading related expenses	2,139	2,030	2,075	1,934	1,893	1,984	4.8%
Personnel expenses	6,408	6,236	6,397	6,184	5,950	5,980	0.5%
Real estate expenses	1,533	1,562	1,568	1,606	1,735	1,595	-8.1%
Administrative expenses	2,010	1,852	1,826	1,946	1,911	1,887	-1.3%
Depreciation expenses	121	133	136	143	133	134	0.8%
Taxes and dues	139	120	111	89	177	196	10.7%
Others	297	222	220	249	309	215	-30.4%
Operating income	5,252	1,875	1,922	1,447	2,300	2,878	25.1%
Non-operating income	71	63	70	61	155	98	-36.8%
Non-operating expenses	4	7	8	10	33	1	-97.0%
Ordinary income	5,319	1,932	1,984	1,498	2,422	2,975	22.8%
Extraordinary gain	-	-	-	-	687	-	-
Extraordinary loss	22	-	-	10	-	-	-
Net profit, before taxes	5,297	1,932	1,984	1,488	3,109	2,975	-4.3%
Income taxes	1,052	1,160	25	780	451	1,443	220.0%
Adjustment amount for income taxes	770	-481	681	-314	345	-485	-
Net profit	3,474	1,252	1,277	1,022	2,312	2,018	-12.7%



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.FY17.3
	1Q	2Q	2QTOTAL	3Q	4Q	TOTAL	1Q	2Q	2QTOTAL	2QTOTAL	1Q
(Dealing)	557	579	1,137	541	378	2,057	566	572	1,138	0.1%	1.1%
(Brokerage)	3,697	3,149	6,846	2,754	2,590	12,191	2,279	2,081	4,361	-36.3%	-8.7%
Total	4,254	3,728	7,983	3,295	2,968	14,248	2,845	2,653	5,499	-31.1%	-6.7%
Brokerage ratio	86.9%	84.4%	85.8%	83.6%	87.3%	85.6%	80.1%	78.4%	79.3%	-6.5 p	-1.7 p

<Volume of equity trading / Total value>

(In millions of yen)

Items	FY16.3						FY17.3			vs.FY16.3	vs.FY17.3
	1Q	2Q	2QTOTAL	3Q	4Q	TOTAL	1Q	2Q	2QTOTAL	2QTOTAL	1Q
(Dealing)	553,726	511,860	1,065,587	635,414	535,728	2,236,730	766,364	909,226	1,675,590	57.2%	18.6%
(Brokerage)	2,229,739	1,937,777	4,167,517	1,798,440	1,703,045	7,669,003	1,793,669	1,708,568	3,502,237	-16.0%	-4.7%
Total	2,783,466	2,449,638	5,233,104	2,433,855	2,238,774	9,905,734	2,560,033	2,617,794	5,177,827	-1.1%	2.3%
Brokerage ratio	80.1%	79.1%	79.6%	73.9%	76.1%	77.4%	70.1%	65.3%	67.6%	-12.0 p	-4.8 p

<Total share within TSE>

Items	FY16.3						FY17.3			vs.FY16.3	vs.FY17.3
	1Q	2Q	2QTOTAL	3Q	4Q	TOTAL	1Q	2Q	2QTOTAL	2QTOTAL	1Q
Number of shares	1.10%	0.97%	1.03%	0.98%	0.75%	0.95%	0.83%	0.84%	0.83%	-0.20 p	0.01 p
Total value	0.65%	0.56%	0.60%	0.61%	0.52%	0.59%	0.64%	0.62%	0.63%	0.03 p	-0.02 p

<Brokerage Commissions Ratio>

(In millions of yen)

Items	FY16.3						FY17.3			vs.FY16.3	vs.FY17.3
	1Q	2Q	2QTOTAL	3Q	4Q	TOTAL	1Q	2Q	2QTOTAL	2QTOTAL	1Q
Commissions	4,774	3,427	8,201	3,720	2,936	14,858	3,247	2,380	5,627	-31.4%	-26.7%
Commissions Ratio	0.21%	0.18%	0.20%	0.21%	0.17%	0.19%	0.18%	0.14%	0.16%	-0.04 p	-0.04 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.FY17.3
	1Q	2Q	2QTOTAL	3Q	4Q	TOTAL	1Q	2Q	2QTOTAL	2QTOTAL	1Q	
Equities (Number of shares)	0	2	3	11	0	14	1	0	1	-66.7%	-	
Equities (Total value)	594	1,498	2,092	17,624	762	20,479	598	1,846	2,445	16.9%	208.7%	
Bonds (Total at face value)	227,055	211,175	438,230	254,588	191,210	884,029	190,548	226,658	417,206	-4.8%	19.0%	
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.FY17.3
	1Q	2Q	2QTOTAL	3Q	4Q	TOTAL	1Q	2Q	2QTOTAL	2QTOTAL	1Q	
Equities (Number of shares)	0	2	3	10	0	13	1	0	1	-66.7%	-	
Equities (Total value)	603	1,530	2,133	15,838	542	18,515	597	1,447	2,044	-4.2%	142.4%	
Bonds (Total at face value)	44,095	44,412	88,507	50,808	51,120	190,435	34,710	28,370	63,080	-28.7%	-18.3%	

<Offering>

(In millions of shares, millions of yen)

Items	FY16.3							FY17.3			vs.FY16.3	vs.FY17.3
	1Q	2Q	2QTOTAL	3Q	4Q	TOTAL	1Q	2Q	2QTOTAL	2QTOTAL	1Q	
Equities (Number of shares)	0	-	0	-	0	0	0	0	0	-	-	
Equities (Total value)	1	-	1	-	1	3	0	1	1	0.0%	-	
Bonds (Total at face value)	237,517	221,696	459,214	265,369	194,765	919,350	196,670	236,146	432,817	-5.7%	20.1%	
Beneficiary securities (Total at face value)	536,182	424,874	961,056	437,349	540,033	1,938,439	393,313	344,666	737,980	-23.2%	-12.4%	
Domestic and foreign CP (Total at face value)	-	-	-	-	-	-	-	-	-	-	-	

<Underwriting & Selling Fees Ratio>

(In millions of yen)

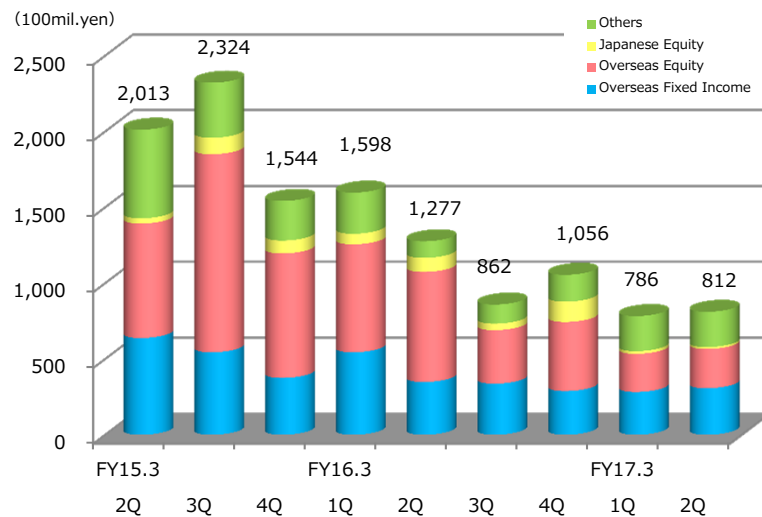
Items	FY16.3							FY17.3			vs.FY16.3	vs.FY17.3
	1Q	2Q	2QTOTAL	3Q	4Q	TOTAL	1Q	2Q	2QTOTAL	2QTOTAL	1Q	
Equities (Averaged Fees Ratio)	30	60	91	281	24	398	25	55	80	-12.1%	120.0%	
Bonds (Averaged Fees Ratio)	2.51%	1.98%	2.15%	0.84%	1.84%	1.02%	2.09%	1.67%	1.78%	-0.37 p	-0.42 p	
Beneficiary securities (Averaged Fees Ratio)	19	14	34	48	56	139	23	54	77	126.5%	134.8%	
Domestic and foreign CP (Averaged Fees Ratio)	0.007%	0.005%	0.006%	0.016%	0.023%	0.013%	0.010%	0.021%	0.016%	0.010 p	0.011 p	



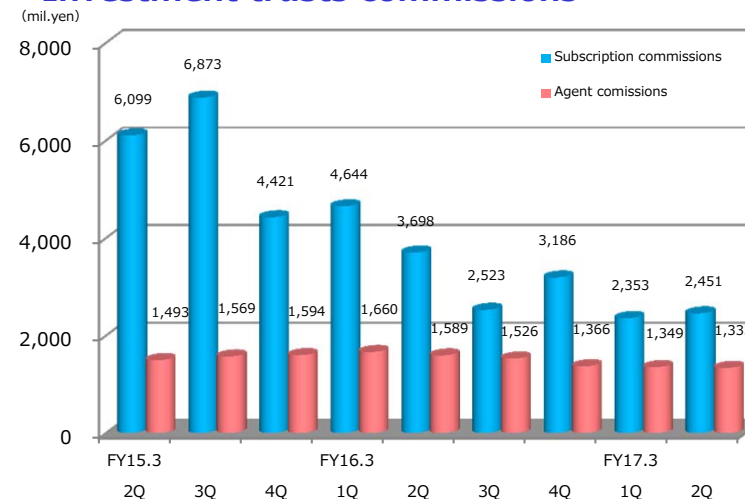
Investment trusts / Foreign bonds

(non-consolidated: Okasan Securities)

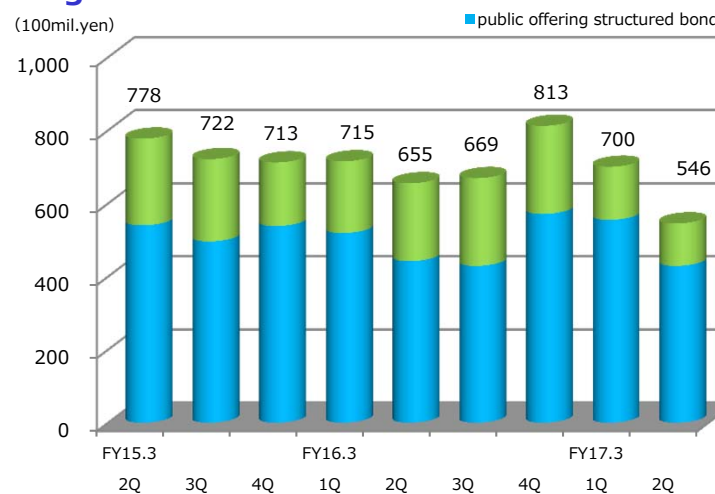
Investment trusts sales amount



Investment trusts commissions



Foreign bonds sales amount

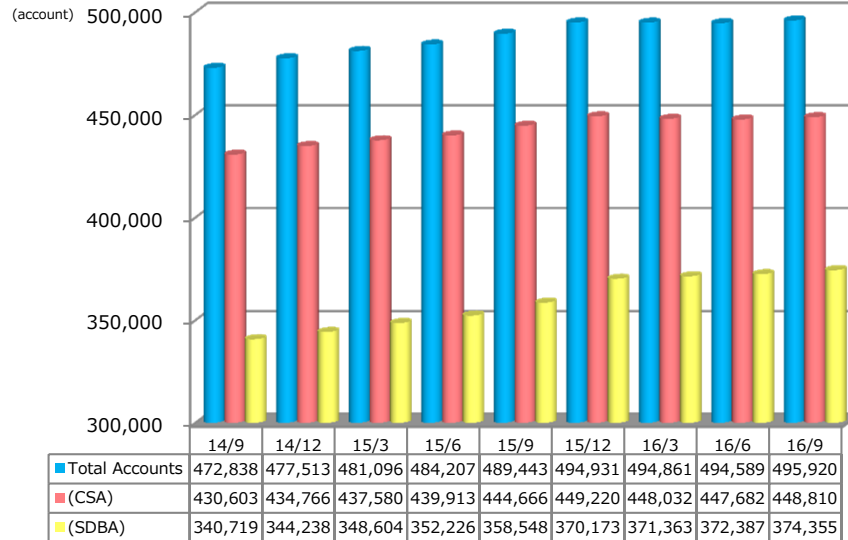


- Investment trust sales (2Q cumulative) fell 44.4% YoY to 159.8 billion yen.
- Sales commissions (2Q cumulative) fell 42.4% YoY to 4,805 million yen. Agent commissions fell 17.4% YoY to 2,682 million yen due to a decrease in balance of investment trusts.
- Foreign bond sales (2Q cumulative) fell 9.1% YoY to 124.6 billion yen. Sales to retail investors decreased, while sales to corporate investors increased.



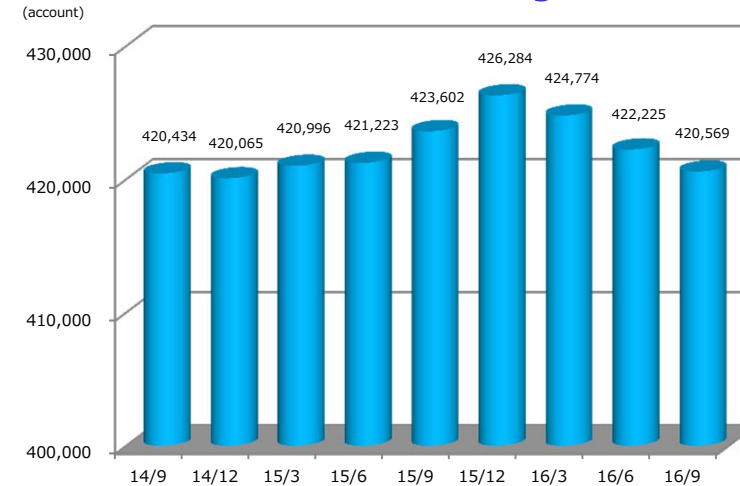
Number of accounts (non-consolidated: Okasan Securities)

Number of customer accounts

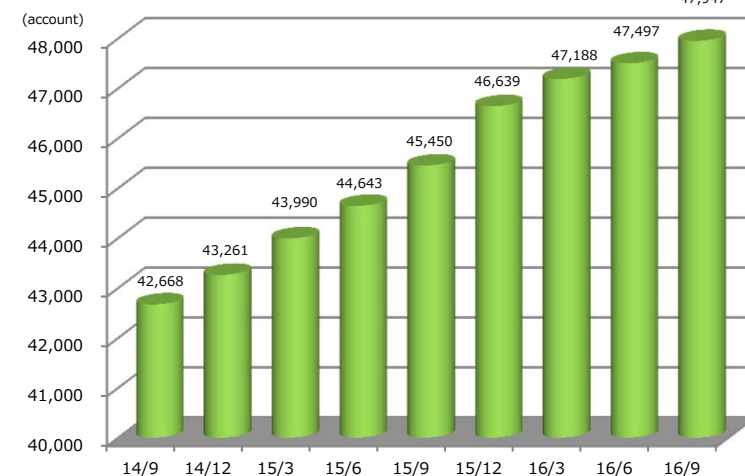


- The total number of customer accounts slightly increased from the end of the previous fiscal year to 495,920.
- The number of accounts with remaining balances decreased by 1.0% from the end of the previous fiscal year to 420,569.
- The number of newly opened accounts(2Q cumulative) was 8,317.
- Online accounts (47,947 accounts) accounted for 9.7% of the total number of customer accounts.

Number of balance remaining accounts



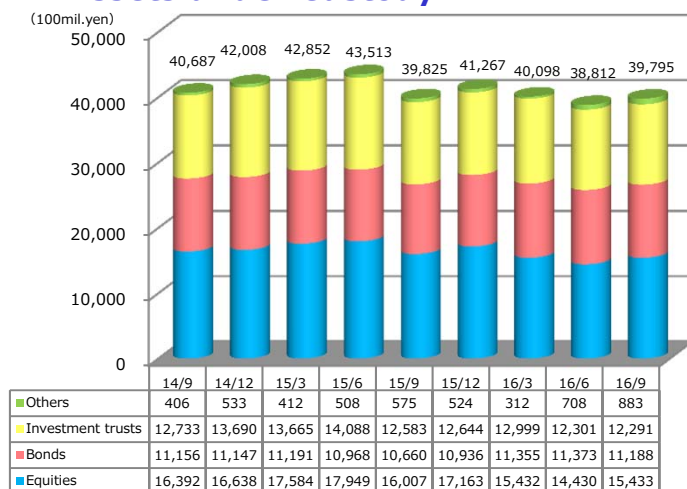
Number of online accounts



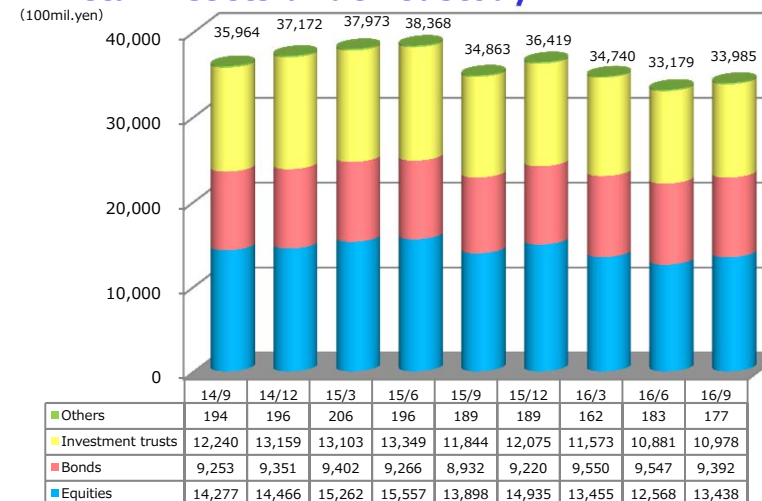


Assets under custody / Net inflow of assets (non-consolidated: Okasan Securities)

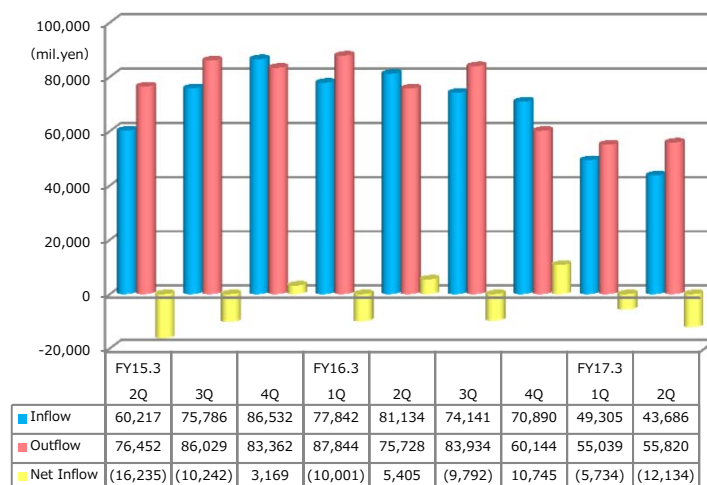
■ Assets under Custody



■ Retail Assets under Custody



■ Net inflow of assets (Individuals)



- Customers' assets under custody at Okasan Securities decreased by 30.3 billion yen from the end of the previous fiscal year to 3,979.5 billion yen.
- Net inflow/outflow of assets (sum of inflow/outflow of cash and securities; individuals only) cumulative over 2Q was an outflow of 17.8 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	2Q	4Q	
Basic items	(A)	81,788	83,041	84,318	78,339	80,644	82,670	4,331	
Complementary items	Appraisal gains (losses) etc.	31	15	19	-	-	-	-	
	Security transaction responsibility reserve	1,483	1,483	1,483	1,487	800	800	-687	
	General provision for loan losses	0	0	0	0	6	6	6	
	Short-term subordinated debt	8,775	6,800	6,800	6,000	6,000	6,000	0	
Total	(B)	10,290	8,299	8,303	7,487	6,806	6,806	-681	
Assets to be deducted	(C)	9,548	9,920	9,946	10,282	10,448	10,629	347	
Unfixed equity capital	(A) + (B) - (C)	(D)	82,530	81,419	82,675	75,545	77,001	78,847	3,302
Risk equivalents	Market risk equivalents	3,629	2,276	2,962	3,038	3,150	1,454	-1,584	
	Customer risk equivalents	1,356	1,328	1,198	1,085	999	925	-160	
	Basic risk equivalents	12,745	12,806	12,759	12,679	12,373	12,240	-439	
	Total	(E)	17,731	16,410	16,921	16,803	16,524	14,620	-2,183
Capital adequacy ratio	(D) / (E) × 100 (%)	465.4%	496.1%	488.5%	449.5%	465.9%	539.2%	89.7 p	

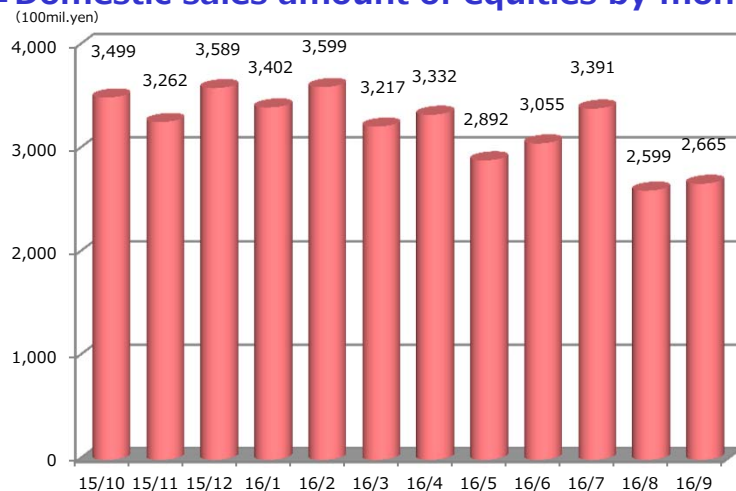
(Note) Short-term subordinated debt consists of subordinated borrowing.

- The capital adequacy ratio at the end of September 2016 increased by 89.7 percentage points from the end of the previous fiscal year.
- Growth in basic items due to periodic profit and decrease in risk equivalents raised the capital adequacy ratio.

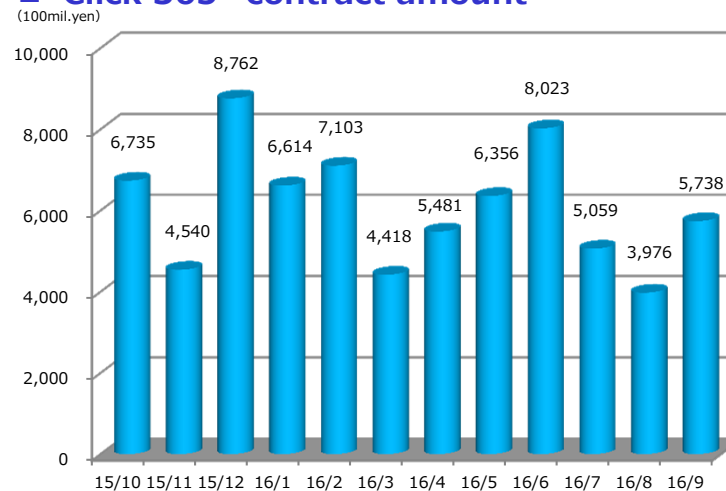


(Reference Data) Okasan Online Securities Data

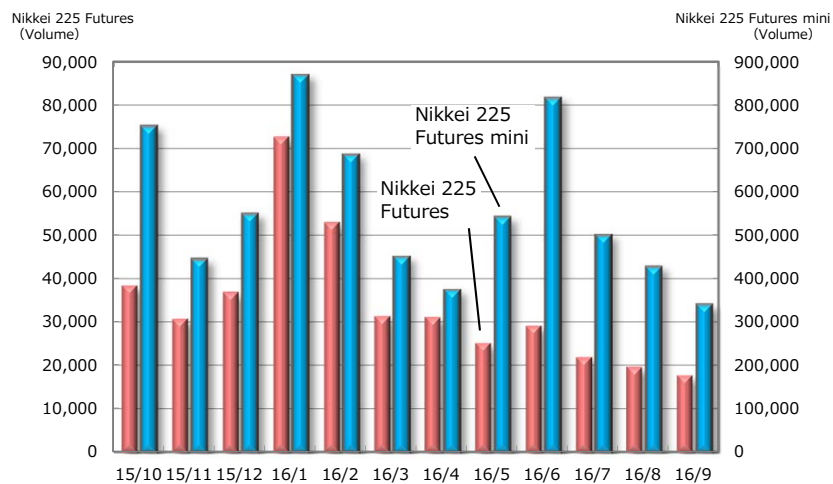
■ Domestic sales amount of equities by month



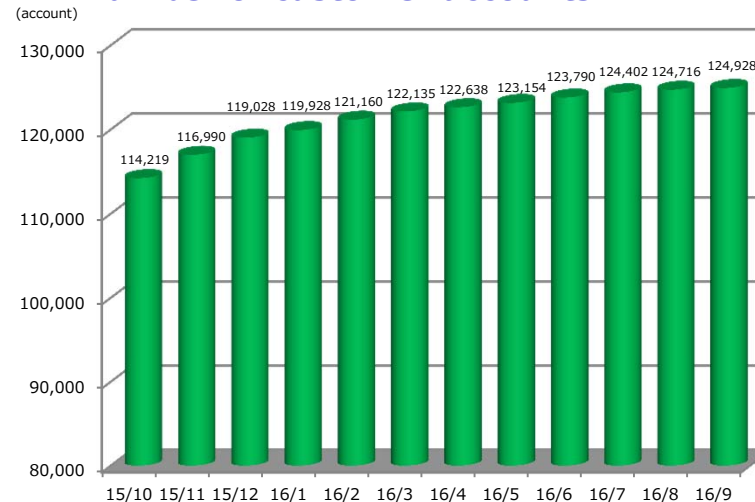
■ "Click 365" contract amount



■ Nikkei 225 Futures & Nikkei 225 Futures mini



■ Number of customer accounts





MEMO



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