

*1Q Ending March 31, 2018*

# *Results Briefing*

The objective of the document is to provide information on the results of the 1st quarter fiscal year ending March 31, 2018 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 2017. 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.

July 28, 2017

OKASAN SECURITIES GROUP INC.



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# 1 *Business Results Overviews (Consolidated)*

## Financial Summary

	Operating revenues	Net operating revenues	Operating income	Ordinary income
	million yen	million yen	million yen	million yen
FY18.3 1Q	19,577 ( 1.7%)	19,294 ( 1.7%)	2,253 ( -17.1%)	2,411 ( -17.7%)
FY17.3 1Q	19,242 ( -21.5%)	18,975 ( -21.4%)	2,718 ( -61.1%)	2,930 ( -62.3%)
	Profit attributable to owners of parent	Net income per share	R O E (annualized)	Comprehensive income
	million yen	yen		million yen
FY18.3 1Q	1,331 ( -53.7%)	6.72	3.4%	5,414 ( - % )
FY17.3 1Q	2,877 ( -38.0%)	14.52	8.0%	△2,053 ( - % )
	Total assets	Net assets	Equity ratio	
	million yen	million yen		
FY18.3 1Q	514,505	178,772	30.4%	
FY17.3	552,844	178,256	28.4%	

# Financial highlights of the 1st quarter fiscal year ending March 2018

(In millions of yen)

	FY17.3	FY18.3	vs.FY17.3
	1QTOTAL	1QTOTAL	1QTOTAL
<b>Operating revenues</b>	<b>19,242</b>	<b>19,577</b>	<b>1.7%</b>
Commissions	11,630	12,027	3.4%
Net gain on trading	7,037	6,919	-1.7%
Interest and dividend income	379	434	14.4%
Service fee and other revenues	194	196	1.0%
Interest expenses	267	283	6.0%
Net operating revenues	18,975	19,294	1.7%
<b>SG&amp;A</b>	<b>16,257</b>	<b>17,040</b>	<b>4.8%</b>
Operating income	2,718	2,253	-17.1%
Non-operating income	276	196	-28.8%
Non-operating expenses	64	39	-38.3%
<b>Ordinary income</b>	<b>2,930</b>	<b>2,411</b>	<b>-17.7%</b>
Extraordinary gain	1,609	213	-86.7%
Extraordinary loss	55	41	-26.0%
Net profit, before taxes	4,484	2,584	-42.4%
Income taxes	733	346	-52.8%
Adjustment amount for income taxes	361	635	75.9%
Net profit	3,389	1,602	-52.7%
Profit attributable to non-controlling interests	511	271	-47.0%
<b>Profit attributable to owners of parent</b>	<b>2,877</b>	<b>1,331</b>	<b>-53.7%</b>

(In millions of yen)

	FY17.3				FY18.3		vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	4Q	
<b>Operating revenues</b>	<b>19,242</b>	<b>19,323</b>	<b>21,715</b>	<b>20,359</b>	<b>19,577</b>		<b>-3.8%</b>
Commissions	11,630	10,328	12,670	12,443	12,027		-3.3%
Net gain on trading	7,037	8,456	8,480	7,297	6,919		-5.2%
Interest and dividend income	379	340	368	404	434		7.4%
Service fee and other revenues	194	197	196	214	196		-8.4%
Interest expenses	267	287	296	327	283		-13.5%
Net operating revenues	18,975	19,035	21,418	20,032	19,294		-3.7%
<b>SG&amp;A</b>	<b>16,257</b>	<b>16,136</b>	<b>16,366</b>	<b>16,545</b>	<b>17,040</b>		<b>3.0%</b>
Operating income	2,718	2,898	5,052	3,486	2,253		-35.4%
Non-operating income	276	461	120	576	196		-66.0%
Non-operating expenses	64	23	34	42	39		-7.1%
<b>Ordinary income</b>	<b>2,930</b>	<b>3,336</b>	<b>5,138</b>	<b>4,020</b>	<b>2,411</b>		<b>-40.0%</b>
Extraordinary gain	1,609	15	26	756	213		-71.8%
Extraordinary loss	55	119	119	332	41		-87.7%
Net profit, before taxes	4,484	3,232	5,045	4,444	2,584		-41.9%
Income taxes	733	1,513	1,339	1,910	346		-81.9%
Adjustment amount for income taxes	361	-433	300	-429	635		-
Net profit	3,389	2,152	3,405	2,963	1,602		-45.9%
Profit attributable to non-controlling interests	511	242	203	467	271		-42.0%
<b>Profit attributable to owners of parent</b>	<b>2,877</b>	<b>1,910</b>	<b>3,201</b>	<b>2,496</b>	<b>1,331</b>		<b>-46.7%</b>

## <Highlights>

- Operating revenues rose 1.7% year on year (YoY) to 19,577 million yen. Net trading income fell 1.7% YoY, while fees and commissions rose 3.4% YoY.
- Ordinary income decreased 17.7% YoY to 2,411 million yen.
- Profit attributable to owners of parent decreased 53.7% YoY to 1,331 million yen, as a reaction to the large amount recorded as reversal of financial instruments transaction liability reserves in the same period of the previous fiscal year.

# Operating Revenues

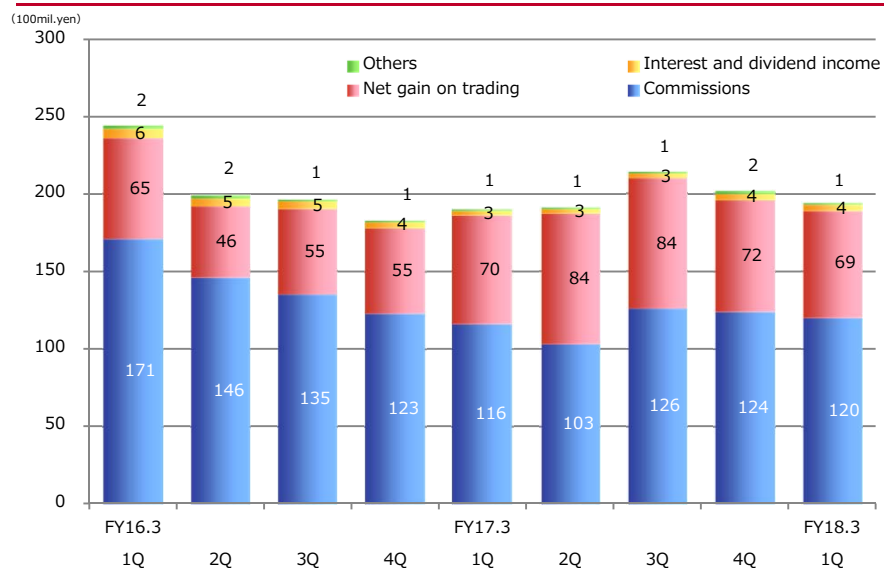
(In millions of yen)

	FY17.3	FY18.3	vs.FY17.3
	1QTOTAL	1QTOTAL	1QTOTAL
<b>Commissions</b>	11,630	<b>12,027</b>	<b>3.4%</b>
Brokerage	4,468	<b>4,386</b>	<b>-1.8%</b>
Underwriting	48	<b>80</b>	<b>66.0%</b>
Distribution	2,681	<b>3,338</b>	<b>24.5%</b>
Others	4,432	<b>4,221</b>	<b>-4.8%</b>
<b>Net gain on trading</b>	7,037	<b>6,919</b>	<b>-1.7%</b>
Equities	3,656	<b>4,371</b>	<b>19.6%</b>
Bonds	3,123	<b>2,645</b>	<b>-15.3%</b>
Others	257	<b>-97</b>	<b>-</b>
<b>Interest and dividend income</b>	379	<b>434</b>	<b>14.4%</b>
<b>Others</b>	194	<b>196</b>	<b>1.0%</b>
<b>Operating revenues</b>	19,242	<b>19,577</b>	<b>1.7%</b>

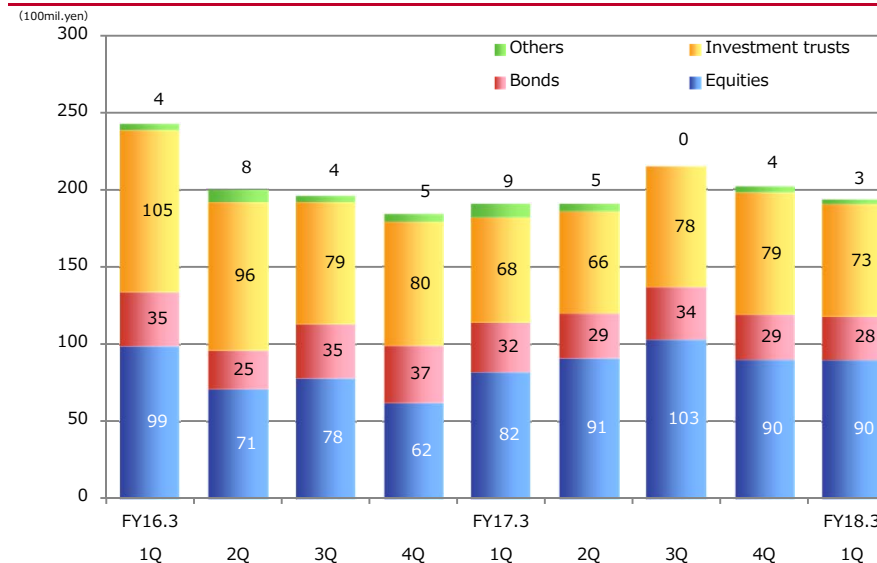
(In millions of yen)

	FY17.3				FY18.3	vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	4Q
	11,630	10,328	12,670	12,443	<b>12,027</b>	<b>-3.3%</b>
	4,468	3,260	4,392	4,007	<b>4,386</b>	<b>9.5%</b>
	48	109	119	122	<b>80</b>	<b>-34.4%</b>
	2,681	2,770	3,901	4,027	<b>3,338</b>	<b>-17.1%</b>
	4,432	4,187	4,257	4,285	<b>4,221</b>	<b>-1.5%</b>
	7,037	8,456	8,480	7,297	<b>6,919</b>	<b>-5.2%</b>
	3,656	5,652	5,726	4,651	<b>4,371</b>	<b>-6.0%</b>
	3,123	2,792	3,275	2,680	<b>2,645</b>	<b>-1.3%</b>
	257	12	-521	-34	<b>-97</b>	<b>-</b>
	379	340	368	404	<b>434</b>	<b>7.4%</b>
	194	197	196	214	<b>196</b>	<b>-8.4%</b>
	19,242	19,323	21,715	20,359	<b>19,577</b>	<b>-3.8%</b>

## Quarterly change in operating revenues



## Quarterly change in operating revenues by product



# Fees and Commissions Received

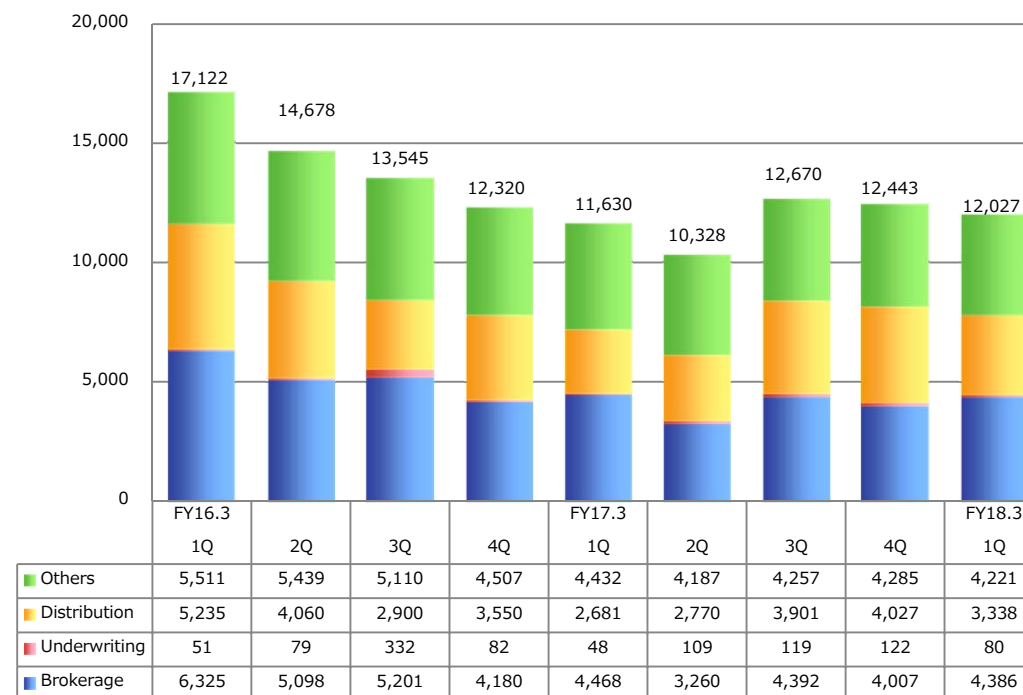
## Fees and commissions received

(In millions of yen)

Items	FY17.3 1QTOTAL	FY18.3 1QTOTAL	vs.FY17.3 1QTOTAL
Brokerage	4,468	4,386	-1.8%
Equities	4,198	4,285	2.1%
Bonds	1	0	-71.1%
Others	268	100	-62.5%
Underwriting	48	80	66.0%
Equities	25	48	93.1%
Bonds	23	32	37.1%
Distribution	2,681	3,338	24.5%
Beneficiary Certificates	2,637	3,308	25.4%
Others	4,432	4,221	-4.8%
Beneficiary Certificates	3,935	3,930	-0.1%
<b>Total</b>	<b>11,630</b>	<b>12,027</b>	<b>3.4%</b>

## Fees and commissions received (quarterly)

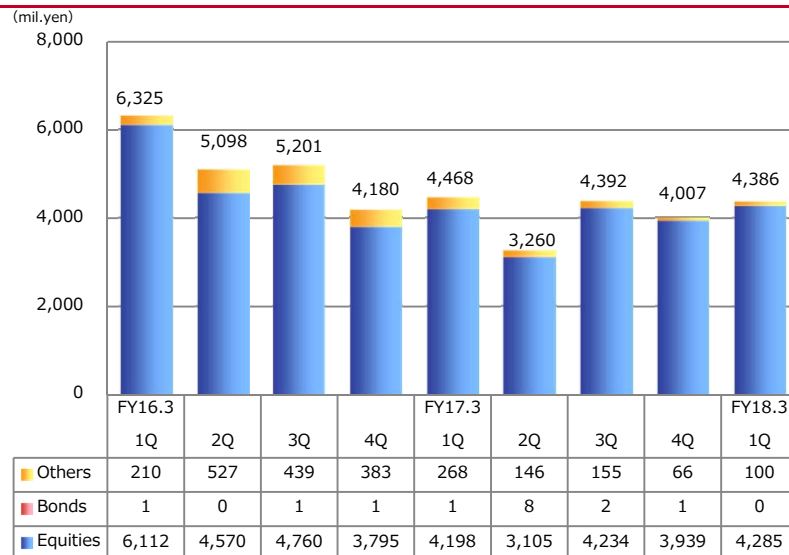
(mil.yen)



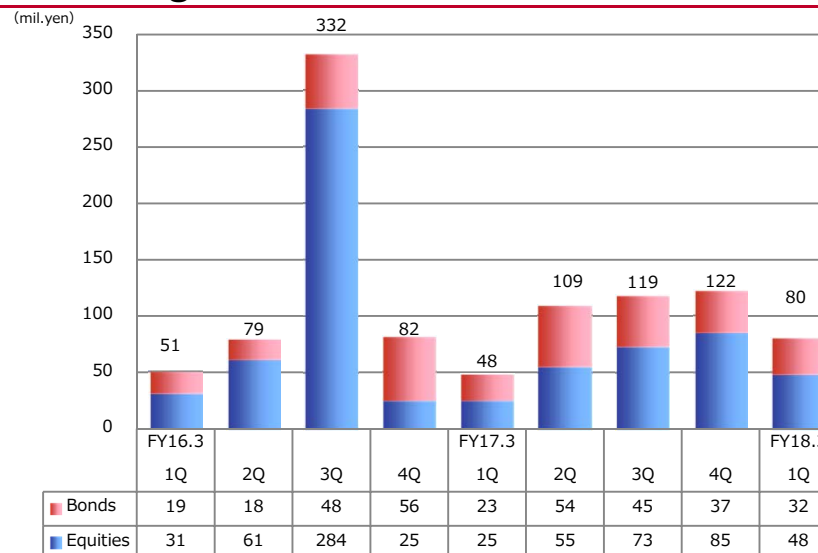
- **Brokerage commissions fell 1.8% YoY. While domestic equity brokerage commissions increased, ETF and other commissions decreased.**
- **Underwriting fees increased 66.0% YoY due in part to having served as the lead managing underwriter on IPOs and POs.**
- **Distribution commissions rose 24.5% YoY due to higher sales of investment trusts.**
- **Other commissions fell 4.8% YoY due to a decrease in FX-related revenues and other revenues.**

# Fees and Commissions Received by Category

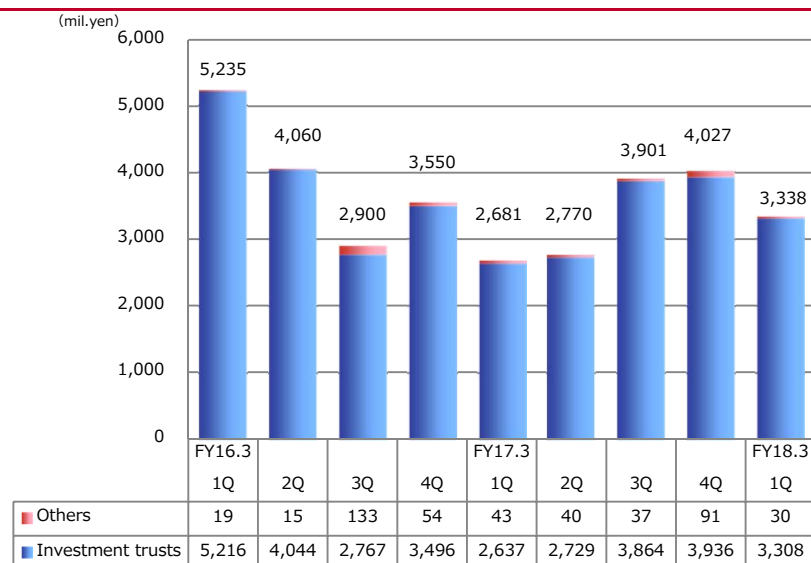
## Brokerage



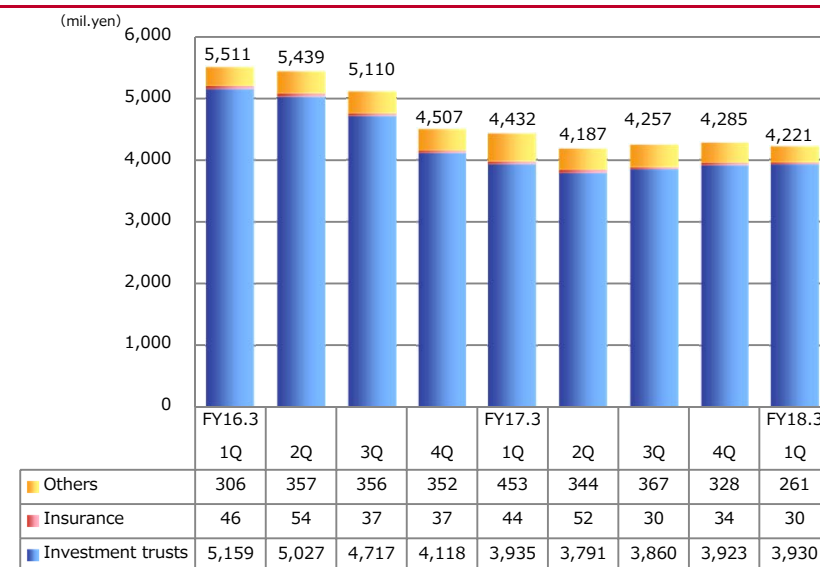
## Underwriting



## Distribution



## Others





# Net Trading Income

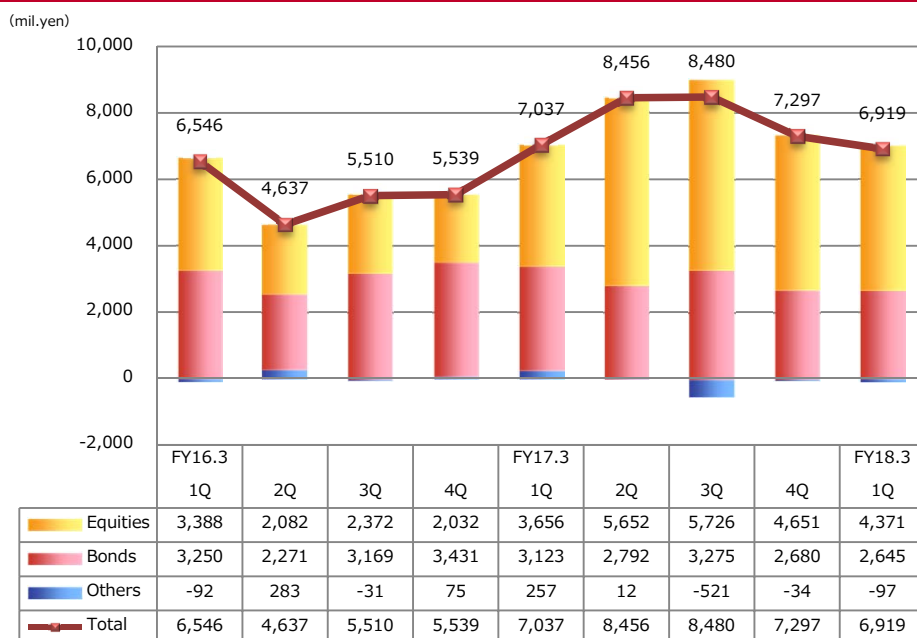
(In millions of yen)

	FY17.3 1QTOTAL	FY18.3 1QTOTAL	vs.FY17.3 1QTOTAL
<b>Equities</b>	3,656	<b>4,371</b>	<b>19.6%</b>
Domestic equities	291	<b>227</b>	<b>-22.0%</b>
Foreign equities	3,365	<b>4,143</b>	<b>23.1%</b>
<b>Bonds and others</b>	3,123	<b>2,645</b>	<b>-15.3%</b>
Domestic bonds	623	<b>158</b>	<b>-74.6%</b>
Foreign bonds	2,499	<b>2,486</b>	<b>-0.5%</b>
<b>Others</b>	257	<b>-97</b>	<b>-</b>
<b>Net gain on trading</b>	<b>7,037</b>	<b>6,919</b>	<b>-1.7%</b>

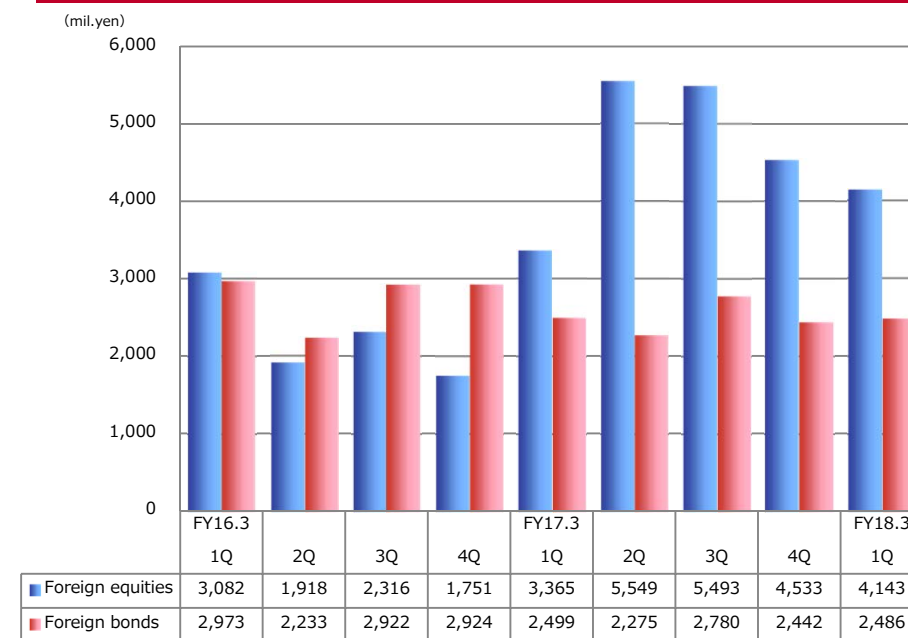
(In millions of yen)

	FY17.3				FY18.3		vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	4Q	
	3,656	5,652	5,726	4,651	<b>4,371</b>		<b>-6.0%</b>
	291	102	233	118	<b>227</b>		<b>92.4%</b>
	3,365	5,549	5,493	4,533	<b>4,143</b>		<b>-8.6%</b>
	3,123	2,792	3,275	2,680	<b>2,645</b>		<b>-1.3%</b>
	623	516	495	237	<b>158</b>		<b>-33.3%</b>
	2,499	2,275	2,780	2,442	<b>2,486</b>		<b>1.8%</b>
	257	12	-521	-34	<b>-97</b>		<b>-</b>
	7,037	8,456	8,480	7,297	<b>6,919</b>		<b>-5.2%</b>

## Net gain by Products



## Net gain from foreign equities and bonds



# SG&A : Selling, General and Administrative Expenses

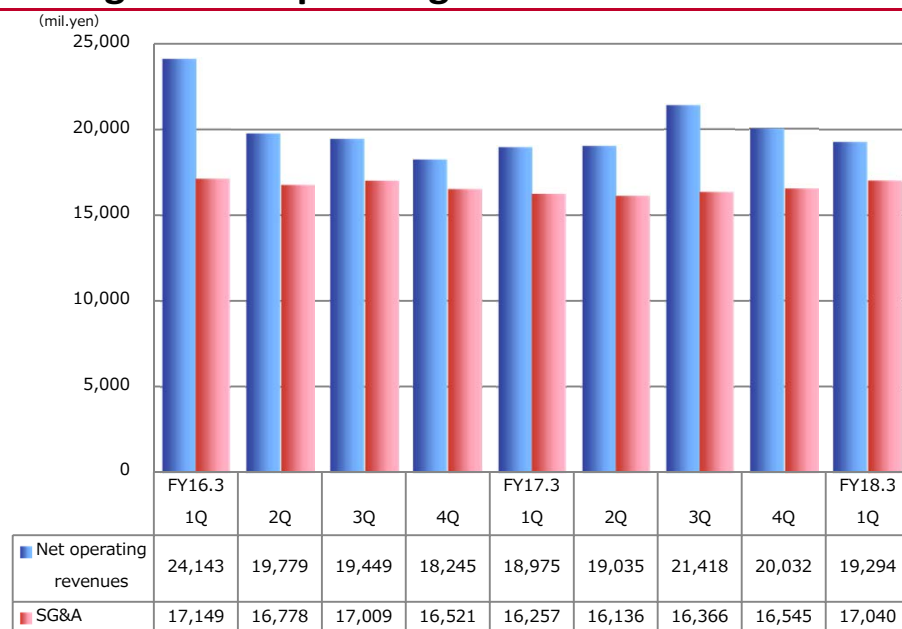
(In millions of yen)

	FY17.3 1QTOTAL	FY18.3 1QTOTAL	vs.FY17.3 1QTOTAL
Trading related expenses	3,189	<b>3,145</b>	<b>-1.4%</b>
Personnel expenses	7,901	<b>8,313</b>	<b>5.2%</b>
Real estate expenses	1,706	<b>1,816</b>	<b>6.4%</b>
Office expenses	1,485	<b>1,633</b>	<b>9.9%</b>
Depreciation expenses	881	<b>964</b>	<b>9.4%</b>
Taxes and dues	303	<b>286</b>	<b>-5.7%</b>
Others	788	<b>881</b>	<b>11.7%</b>
<b>SG&amp;A</b>	<b>16,257</b>	<b>17,040</b>	<b>4.8%</b>

(In millions of yen)

	FY17.3				FY18.3	vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	4Q
Trading related expenses	3,189	3,249	3,224	3,145	<b>3,145</b>	<b>0.0%</b>
Personnel expenses	7,901	7,917	8,239	8,349	<b>8,313</b>	<b>-0.4%</b>
Real estate expenses	1,706	1,629	1,684	1,773	<b>1,816</b>	<b>2.4%</b>
Office expenses	1,485	1,509	1,353	1,424	<b>1,633</b>	<b>14.7%</b>
Depreciation expenses	881	889	875	858	<b>964</b>	<b>12.4%</b>
Taxes and dues	303	292	298	302	<b>286</b>	<b>-5.3%</b>
Others	788	648	691	691	<b>881</b>	<b>27.5%</b>
<b>SG&amp;A</b>	<b>16,257</b>	<b>16,136</b>	<b>16,366</b>	<b>16,545</b>	<b>17,040</b>	<b>3.0%</b>

## Change in net operating revenues and SG&A



- Trading-related expenses were down 1.4% YoY due to declines in variable expenses and other accounts related to the asset management business.
- Personnel expenses were up 5.2% YoY due to increased bonuses, etc.
- Real estate expenses rose 6.4% YoY due to branch relocation and other costs.
- Office expenses increased 9.9% YoY, and depreciation expenses were up 9.4% YoY. System-related expenses and similar expenses increased.
- Other expenses were up 11.7% YoY due to increases in research expenses and other costs.

# Balance Sheet Summary (1)

(In millions of yen)

	FY17.3	FY18.3	vs.FY17.3
	4Q	1Q	4Q
<b>Current assets</b>	469,948	<b>425,969</b>	<b>-43,979</b>
Cash and deposits	56,700	<b>58,491</b>	<b>1,791</b>
Cash segregated as deposits	65,396	<b>68,146</b>	<b>2,750</b>
Trading products	149,481	<b>151,815</b>	<b>2,334</b>
Receivables on margin transactions	40,260	<b>39,247</b>	<b>-1,013</b>
Receivables on collateralized securities transactions	141,522	<b>98,384</b>	<b>-43,138</b>
Other current assets	16,587	<b>9,883</b>	<b>-6,704</b>
<b>Fixed assets</b>	82,896	<b>88,536</b>	<b>5,640</b>
Tangible fixed assets	19,340	<b>19,298</b>	<b>-42</b>
Intangible fixed assets	12,898	<b>13,174</b>	<b>276</b>
Investments and other assets	50,657	<b>56,062</b>	<b>5,405</b>
<b>Total assets</b>	552,844	<b>514,505</b>	<b>-38,339</b>

(In millions of yen)

	FY17.3				FY18.3	vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	4Q
	447,376	394,102	406,594	469,948	<b>425,969</b>	<b>-43,979</b>
	58,144	57,070	53,676	56,700	<b>58,491</b>	<b>1,791</b>
	56,890	61,891	66,156	65,396	<b>68,146</b>	<b>2,750</b>
	153,621	114,302	133,725	149,481	<b>151,815</b>	<b>2,334</b>
	38,901	35,062	38,793	40,260	<b>39,247</b>	<b>-1,013</b>
	125,694	114,661	103,547	141,522	<b>98,384</b>	<b>-43,138</b>
	14,124	11,114	10,694	16,587	<b>9,883</b>	<b>-6,704</b>
	74,261	78,727	83,836	82,896	<b>88,536</b>	<b>5,640</b>
	19,688	19,291	19,294	19,340	<b>19,298</b>	<b>-42</b>
	10,186	10,351	12,142	12,898	<b>13,174</b>	<b>276</b>
	44,387	49,085	52,399	50,657	<b>56,062</b>	<b>5,405</b>
	521,637	472,830	490,430	552,844	<b>514,505</b>	<b>-38,339</b>

- Total assets were 514.5 billion yen, down 38.3 billion yen from the end of the previous fiscal year. Net assets rose 0.5 billion yen to 178.7 billion yen over the same period.
- Current assets decreased 43.9 billion yen from the end of the previous fiscal year primarily due to lower Receivables on collateralized securities transactions. Fixed assets grew 5.6 billion yen over the same period due to growth in Investments and other assets. Total assets fell 38.3 billion yen over the same period.
- Decreases in Trading liabilities and Short-term borrowings drove current liabilities down 41.3 billion yen from the end of the previous fiscal year. Fixed liabilities rose 2.6 billion yen over the same period. Total liabilities fell 38.8 billion yen over that period.

## Balance Sheet Summary (2)

(In millions of yen)

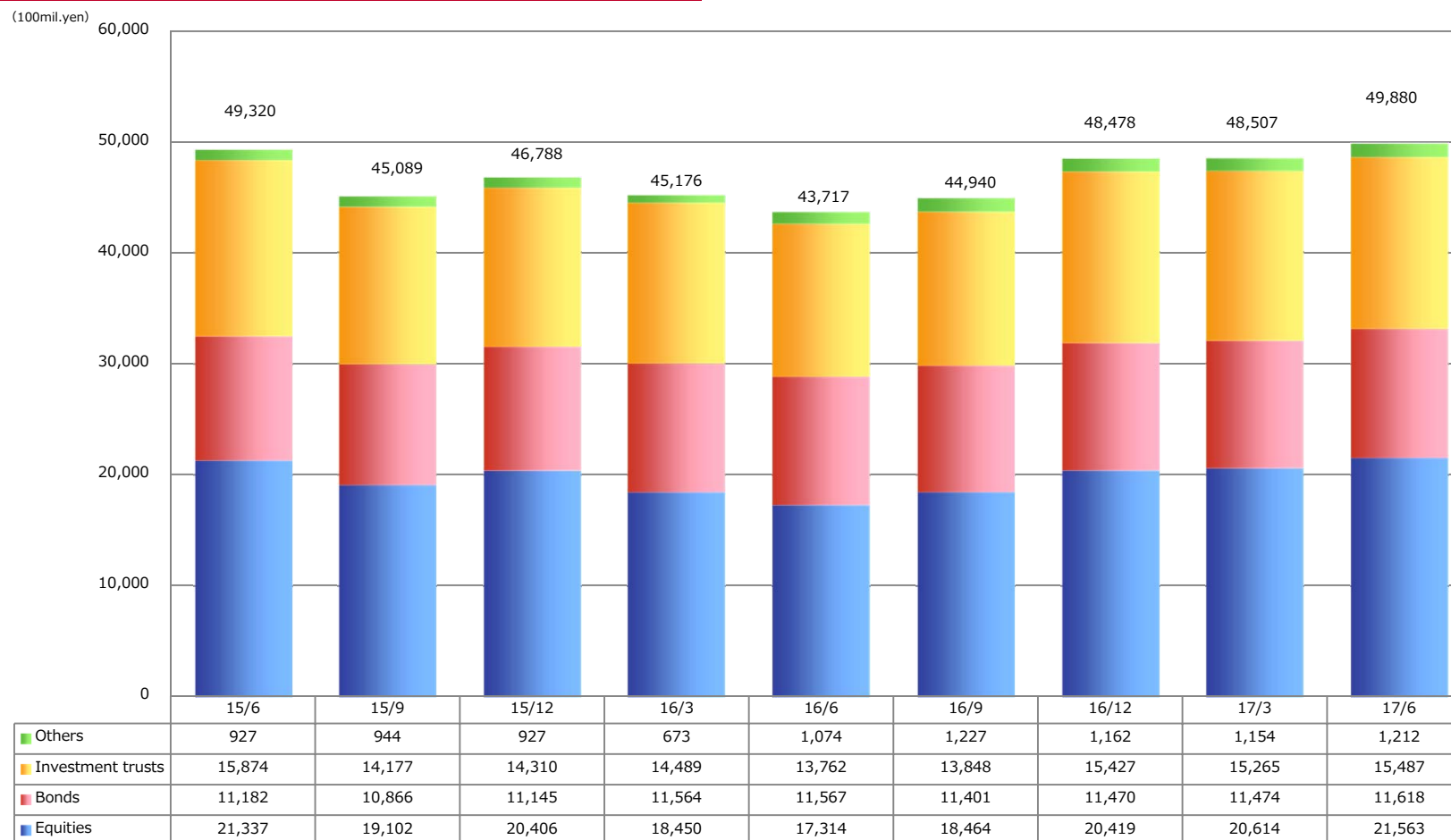
(In millions of yen)

	FY17.3 4Q	FY18.3 1Q	vs.FY17.3 4Q
<b>Current liabilities</b>	345,362	304,023	-41,339
Trading liabilities	138,307	61,249	-77,058
Payables on margin transactions	12,089	10,754	-1,335
Payables on collateralized securities transactions	46,658	60,680	14,022
Deposits received	34,243	45,681	11,438
Guarantee deposits received	35,192	36,926	1,734
Short-term borrowings	69,070	42,418	-26,652
Other current liabilities	9,801	46,314	36,513
<b>Fixed liabilities</b>	27,892	30,548	2,656
Long-term borrowings	9,860	10,652	792
Net defined benefit liability	5,752	6,141	389
Other fixed liabilities	12,280	13,755	1,475
<b>Financial instruments transaction reserve</b>	1,333	1,160	-173
<b>Total liabilities</b>	374,588	335,732	-38,856
Common stock	18,589	18,589	-
Capital surplus	16,422	16,420	-2
Retained earnings	112,282	108,703	-3,579
Treasury stock	-3,785	-3,737	48
Accumulated other comprehensive income	13,250	16,423	3,173
Subscription rights to shares	161	146	-15
Minority interests	21,335	22,226	891
<b>Total net assets</b>	178,256	178,772	516
<b>Total liabilities&amp;net assets</b>	552,844	514,505	-38,339

	FY17.3				FY18.3	vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	4Q
<b>Current liabilities</b>	326,616	273,015	284,476	345,362	304,023	-41,339
Trading liabilities	110,365	94,484	87,942	138,307	61,249	-77,058
Payables on margin transactions	7,418	11,953	11,474	12,089	10,754	-1,335
Payables on collateralized securities transactions	50,415	-	37,825	46,658	60,680	14,022
Deposits received	34,942	34,516	44,858	34,243	45,681	11,438
Guarantee deposits received	35,735	32,842	35,280	35,192	36,926	1,734
Short-term borrowings	56,588	76,566	45,985	69,070	42,418	-26,652
Other current liabilities	31,150	22,651	21,109	9,801	46,314	36,513
<b>Fixed liabilities</b>	28,046	27,445	28,124	27,892	30,548	2,656
Long-term borrowings	12,286	10,538	9,668	9,860	10,652	792
Net defined benefit liability	5,666	5,692	5,737	5,752	6,141	389
Other fixed liabilities	10,093	11,215	12,718	12,280	13,755	1,475
<b>Financial instruments transaction reserve</b>	1,329	1,329	1,330	1,333	1,160	-173
<b>Total liabilities</b>	355,992	301,790	313,930	374,588	335,732	-38,856
Common stock	18,589	18,589	18,589	18,589	18,589	-
Capital surplus	13,100	13,157	16,422	16,422	16,420	-2
Retained earnings	104,673	106,583	109,785	112,282	108,703	-3,579
Treasury stock	-3,633	-3,637	-3,781	-3,785	-3,737	48
Accumulated other comprehensive income	7,528	10,153	14,261	13,250	16,423	3,173
Subscription rights to shares	78	161	161	161	146	-15
Minority interests	25,307	26,032	21,061	21,335	22,226	891
<b>Total net assets</b>	165,645	171,040	176,500	178,256	178,772	516
<b>Total liabilities&amp;net assets</b>	521,637	472,830	490,430	552,844	514,505	-38,339

# Assets under custody (Consolidated)

## Assets under Custody



- On a consolidated basis, customers' assets under custody increased to 4,988 billion yen, up 137.3 billion yen from the end of the previous fiscal year. An increase in stock prices boosted the market value of assets under custody.

# Group status

## Results by segment

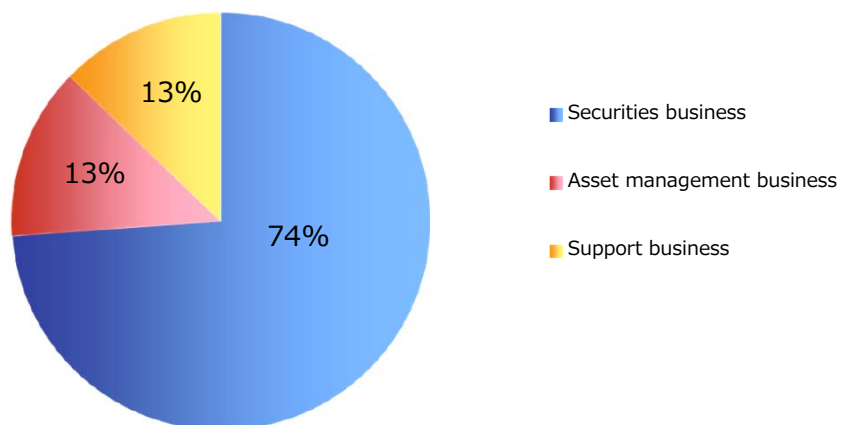
### Operating revenues (In millions of yen)

	FY17.3	FY18.3	vs. FY17.3
	1QTOTAL	1QTOTAL	1QTOTAL
Securities business	16,829	<b>17,285</b>	<b>2.7%</b>
Asset management business	3,272	<b>3,117</b>	<b>-4.8%</b>
Support business	3,023	<b>2,991</b>	<b>-1.0%</b>

### Segment income (In millions of yen)

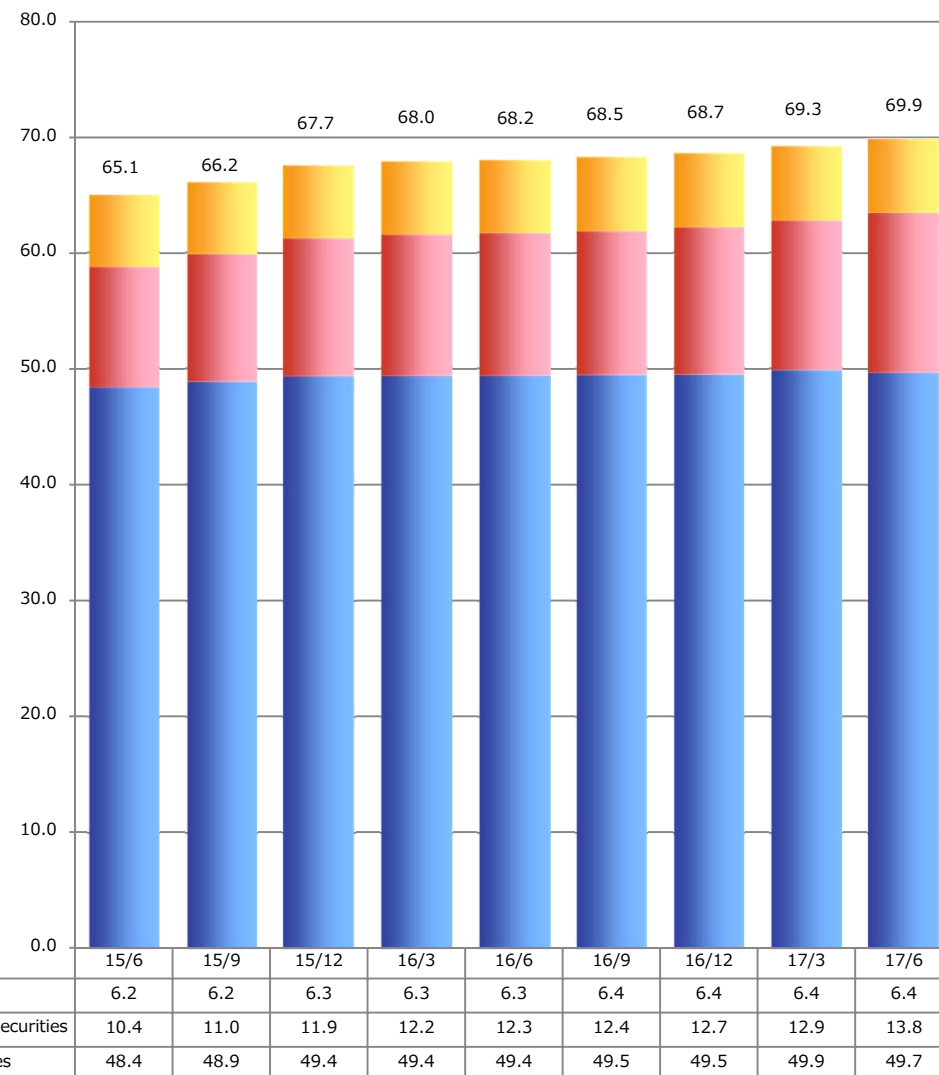
	FY17.3	FY18.3	vs. FY17.3
	1QTOTAL	1QTOTAL	1QTOTAL
Securities business	2,278	<b>2,291</b>	<b>0.6%</b>
Asset management business	408	<b>340</b>	<b>-16.6%</b>
Support business	100	<b>-308</b>	<b>-</b>

### Operating revenues



## Number of accounts in the Group

(10,000 accounts)



## *2 Reference Data*

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

(In millions of yen)

項 目	(In millions of yen)		
	FY17.3 1QTOTAL	FY18.3 1QTOTAL	vs.FY17.3 1QTOTAL
<b>Operating revenues</b>	<b>14,650</b>	<b>15,115</b>	<b>3.2%</b>
Commissions	7,565	8,140	7.6%
Brokerage	3,514	3,371	-4.1%
Underwriting	48	80	65.6%
Distribution	2,397	3,081	28.5%
Others	1,605	1,606	0.1%
Net gain on trading	6,818	6,646	-2.5%
Equities	3,576	4,260	19.1%
Bonds	2,984	2,484	-16.8%
Others	257	-97	-
Interest and dividend income	265	328	23.4%
Financial expenses	238	255	6.9%
Net operating revenues	14,411	14,859	3.1%
<b>SG&amp;A</b>	<b>12,111</b>	<b>12,389</b>	<b>2.3%</b>
Trading related expenses	1,893	1,955	3.3%
Personnel expenses	5,950	6,261	5.2%
Real estate expenses	1,735	1,710	-1.4%
Administrative expenses	1,911	1,834	-4.0%
Depreciation expenses	133	122	-8.1%
Taxes and dues	177	172	-2.5%
Others	309	330	7.1%
Operating income	2,300	<b>2,470</b>	<b>7.4%</b>
Non-operating income	155	78	-49.5%
Non-operating expenses	33	5	-84.9%
<b>Ordinary income</b>	<b>2,422</b>	<b>2,543</b>	<b>5.0%</b>
Extraordinary gain	687	73	-89.3%
Extraordinary loss	-	-	-
Net profit, before taxes	3,109	<b>2,617</b>	<b>-15.8%</b>
Income taxes	451	154	-65.9%
Adjustment amount for income taxes	345	671	94.2%
<b>Net profit</b>	<b>2,312</b>	<b>1,792</b>	<b>-22.5%</b>

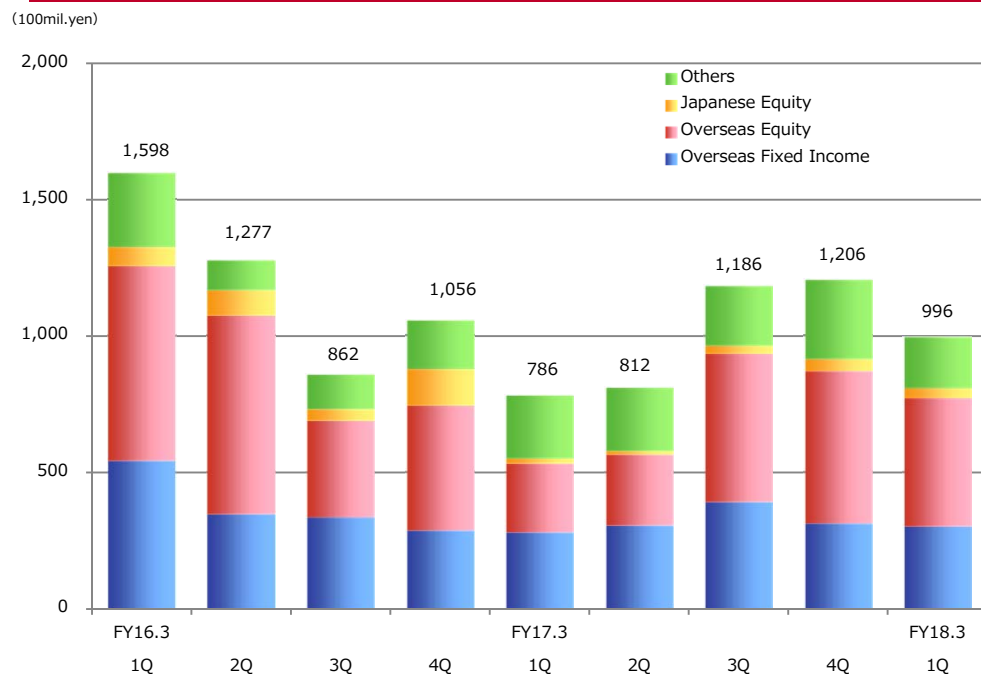
(In millions of yen)

	FY17.3				FY18.3		vs.FY17.3
	1Q	2Q	3Q	4Q	1Q	4Q	
	<b>14,650</b>	<b>15,133</b>	<b>17,109</b>	<b>15,847</b>	<b>15,115</b>		<b>-4.6%</b>
	7,565	6,671	8,637	8,506	8,140		-4.3%
	3,514	2,537	3,360	3,067	3,371		9.9%
	48	109	117	122	80		-34.4%
	2,397	2,492	3,637	3,730	3,081		-17.4%
	1,605	1,531	1,521	1,585	1,606		1.3%
	6,818	8,225	8,217	7,056	6,646		-5.8%
	3,576	5,593	5,634	4,589	4,260		-7.2%
	2,984	2,619	3,104	2,501	2,484		-0.7%
	257	12	-521	-34	-97		-
	265	236	255	285	328		15.1%
	238	260	269	301	255		-15.3%
	14,411	14,873	16,840	15,546	14,859		-4.4%
	<b>12,111</b>	<b>11,994</b>	<b>12,349</b>	<b>12,343</b>	<b>12,389</b>		<b>0.0%</b>
	1,893	1,984	2,029	1,972	1,955		-0.9%
	5,950	5,980	6,255	6,289	6,261		-0.4%
	1,735	1,595	1,667	1,654	1,710		3.4%
	1,911	1,887	1,857	1,876	1,834		-2.2%
	133	134	137	139	122		-12.2%
	177	196	202	198	172		-13.1%
	309	215	199	212	330		55.7%
	2,300	2,878	4,490	3,203	2,470		-22.9%
	155	98	64	121	78		-35.5%
	33	1	15	16	5		-68.8%
	<b>2,422</b>	<b>2,975</b>	<b>4,540</b>	<b>3,308</b>	<b>2,543</b>		<b>-23.1%</b>
	687	-	18	-	73		-
	-	-	-	-	-		-
	3,109	2,975	4,558	3,308	2,617		-20.9%
	451	1,443	1,106	1,664	154		-90.7%
	345	-485	346	-556	671		-
	<b>2,312</b>	<b>2,018</b>	<b>3,105</b>	<b>2,200</b>	<b>1,792</b>		<b>-18.5%</b>



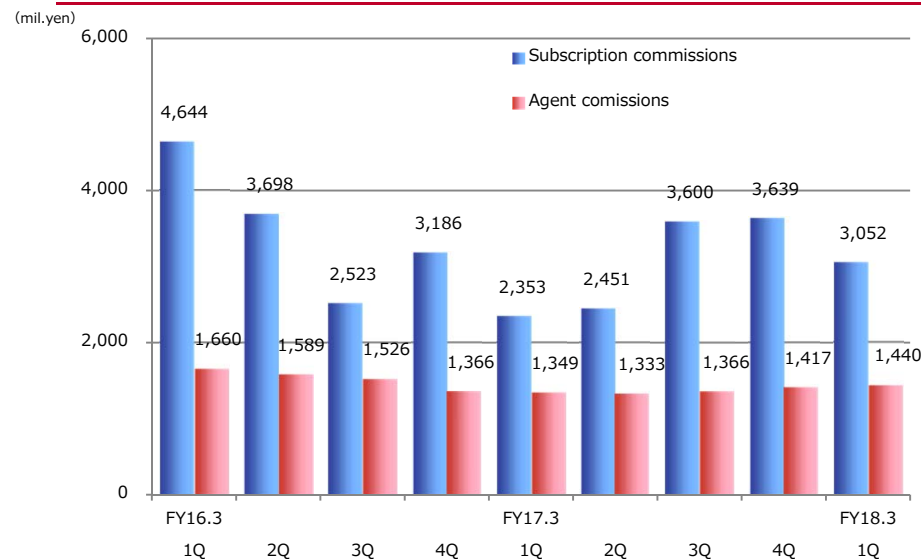
# Investment trusts / Foreign bonds(non-consolidated: Okasan Securities)

## Investment trusts sales amount

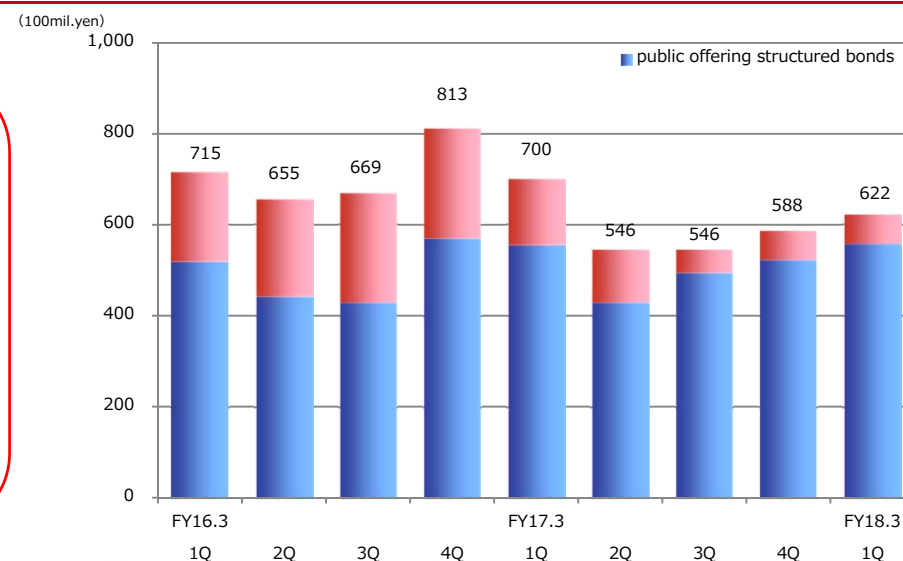


- Investment trust sales (1Q) rose 26.7% YoY to 99.6 billion yen.
- Sales commissions (1Q) rose 29.7% YoY to 3,052 million yen.
- Agent commissions rose 6.8% YoY to 1,440 million yen.
- Foreign bond sales (1Q) fell 11.0% YoY to 62.2 billion yen due to decreases in sales of bonds denominated in emerging-market currencies to retail investors and in sales of foreign bonds and other bonds to corporate investors.

## Investment trusts commissions

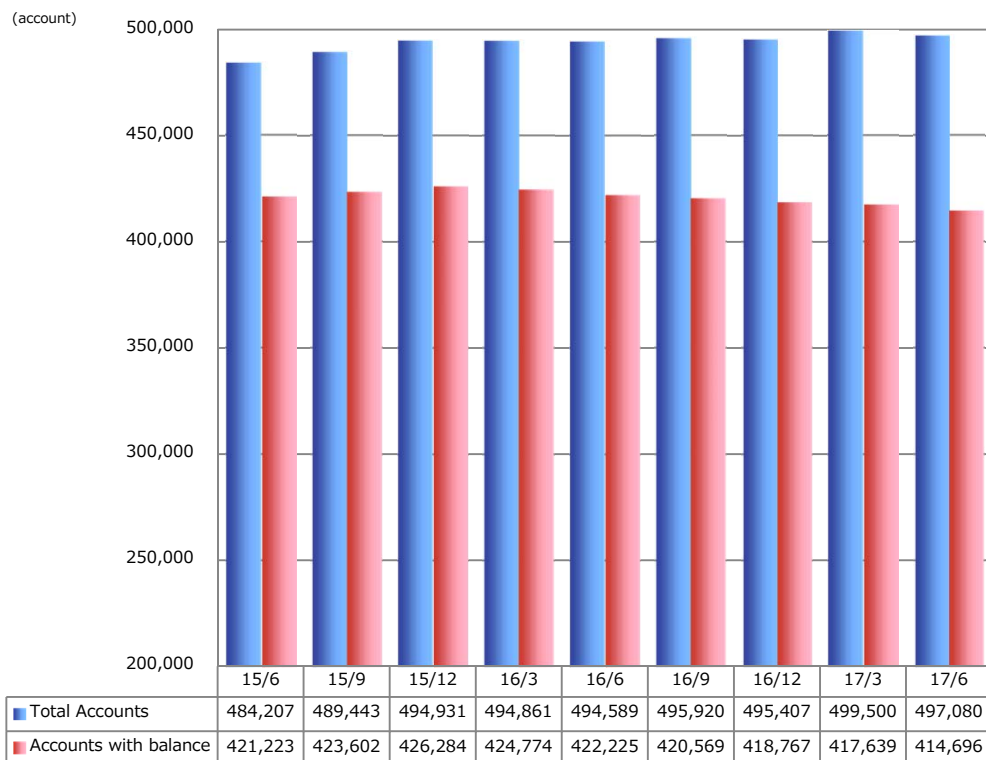


## Foreign bonds sales amount



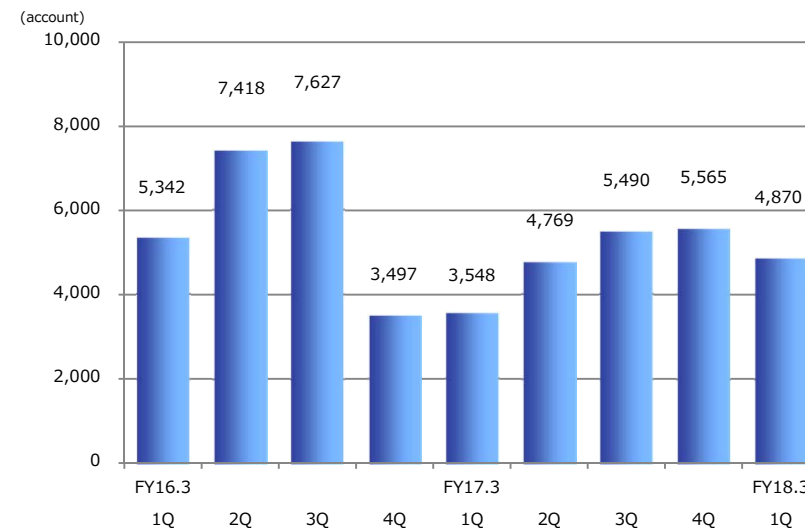
# Number of accounts (non-consolidated: Okasan Securities)

## Number of customer accounts



- The total number of customer accounts decreased slightly from the end of the previous fiscal year to **497,080**.
- The number of accounts with remaining balances decreased slightly from the end of the previous fiscal year to **414,696**.
- Online accounts (**50,878** accounts) accounted for **10.2%** of the total number of customer accounts.

## Number of new accounts



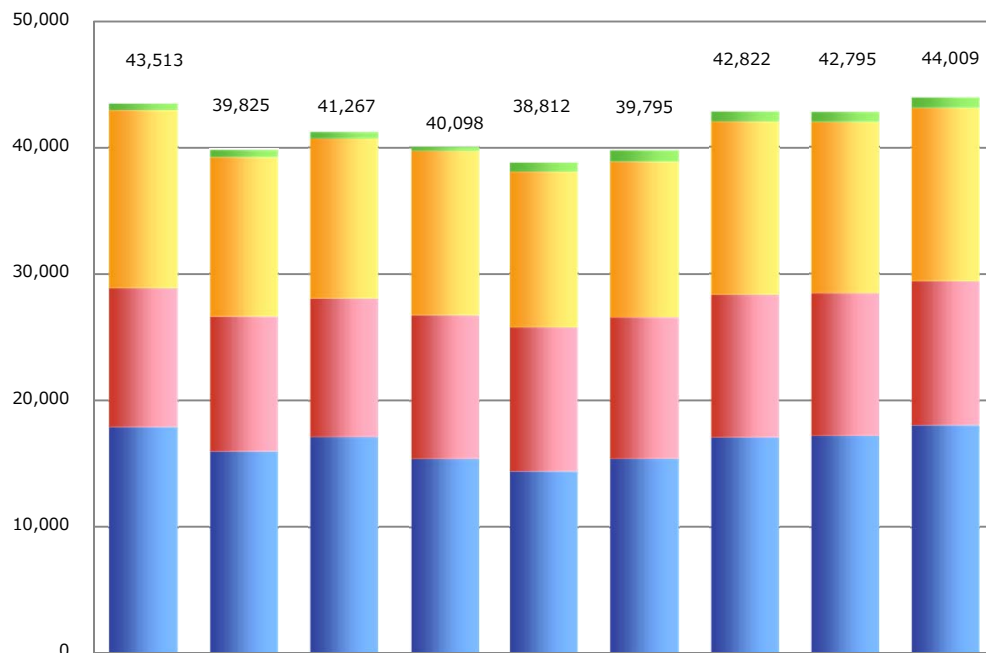
## Number of online accounts



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

## Assets under Custody

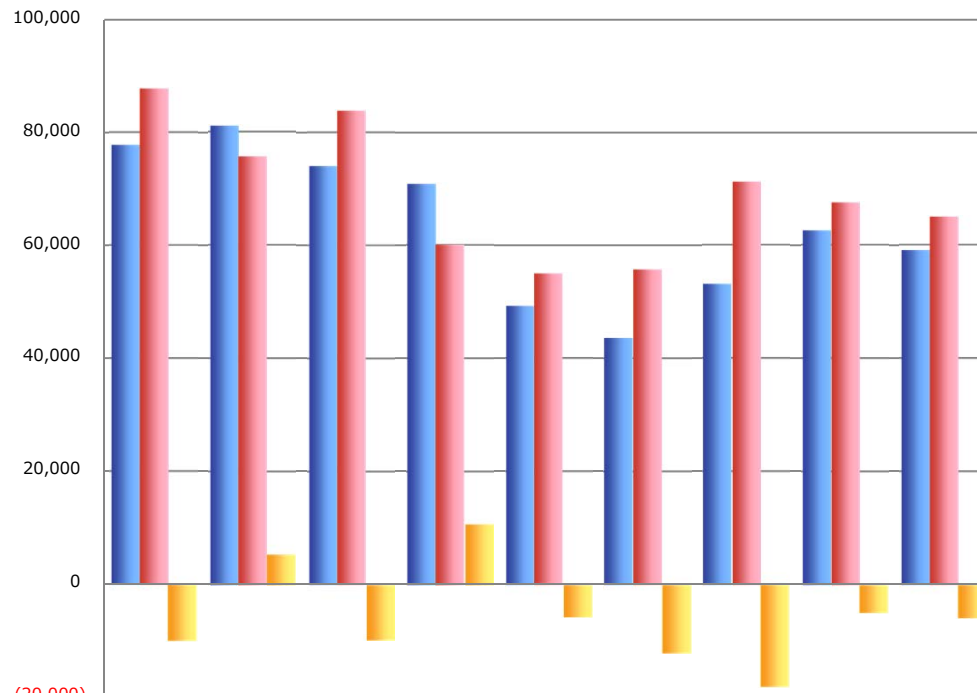
(100mil.yen)



Others	508	575	524	312	708	883	782	794	834
Investment trusts	14,088	12,583	12,644	12,999	12,301	12,291	13,676	13,516	13,696
Bonds	10,968	10,660	10,936	11,355	11,373	11,188	11,251	11,244	11,379
Equities	17,949	16,007	17,163	15,432	14,430	15,433	17,113	17,241	18,100

## Net inflow of assets (Individuals)

(mil.yen)



Inflow	77,842	81,134	74,141	70,890	49,305	43,686	53,192	62,652	59,165
Outflow	87,844	75,728	83,934	60,144	55,039	55,820	71,239	67,571	65,050
Net Inflow	-10,001	5,405	-9,792	10,745	-5,734	-12,134	-18,046	-4,919	-5,885

- Customers' assets under custody at Okasan Securities increased 121.4 billion yen from the end of the previous fiscal year to 4,400.9 billion yen.
- Net inflow/outflow of assets (sum of inflow/outflow of cash and securities; individuals only) for 1Q in this fiscal year was an outflow of 5.8 billion yen.

# Capital Adequacy Requirement Ratio (non-consolidated: Okasan Securities)

(In millions of yen)

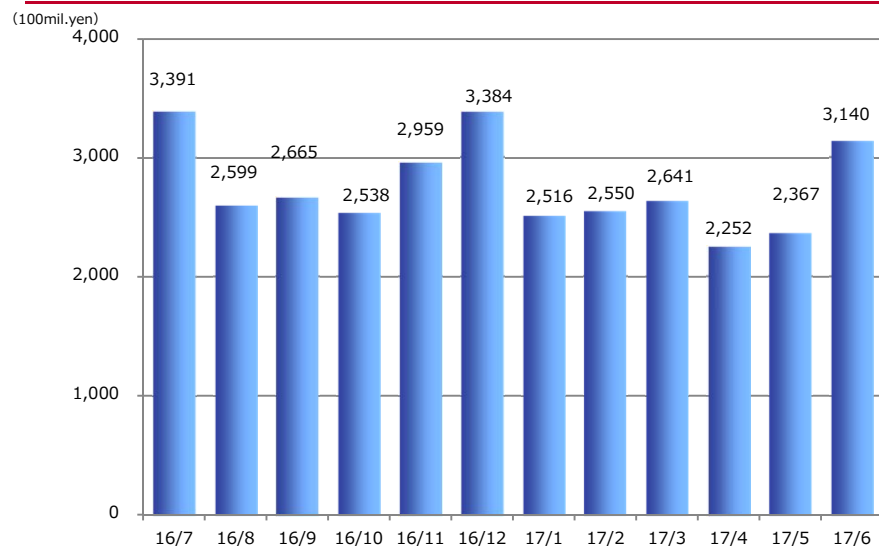
項 目		FY17.3				FY18.3		vs.FY17.3	
		1Q	2Q	3Q	4Q	1Q	4Q		
Basic items	(A)	80,644	82,670	85,777	78,977	80,769		1,792	
Complementary items	Appraisal gains (losses) etc.	–	–	17	19	20		1	
	Security transaction responsibility reserve	800	800	800	800	727		-73	
	General provision for loan losses	6	6	4	4	4		0	
	Short-term subordinated debt	6,000	6,000	6,000	6,000	6,000		–	
Total	(B)	6,806	6,806	6,822	6,824	6,751		-73	
Assets to be deducted	(C)	10,448	10,629	10,591	10,668	10,865		197	
Unfixed equity capital	(A) + (B) – (C)	(D)	77,001	78,847	82,008	75,134	76,656		1,522
Risk equivalents	Market risk equivalents		3,150	1,454	2,248	1,646	2,776		1,130
	Customer risk equivalents		999	925	1,060	1,143	1,009		-134
	Basic risk equivalents		12,373	12,240	12,163	12,081	12,210		129
	Total	(E)	16,524	14,620	15,472	14,871	15,996		1,125
<b>Capital adequacy ratio</b>	<b>(D) / (E) × 100 (%)</b>		<b>465.9%</b>	<b>539.2%</b>	<b>530.0%</b>	<b>505.2%</b>	<b>479.2%</b>		<b>-26.0 p</b>

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

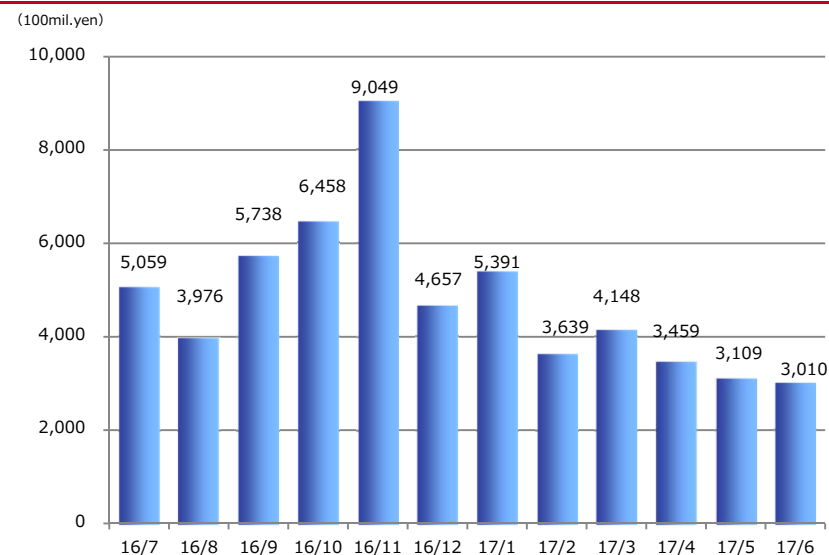
- The capital adequacy ratio decreased 26.0 percentage points from the end of the previous fiscal year to 479.2%.
- The capital adequacy ratio decreased due to increased market risk equivalents and other factors.

# (Reference Data) Okasan Online Securities Data

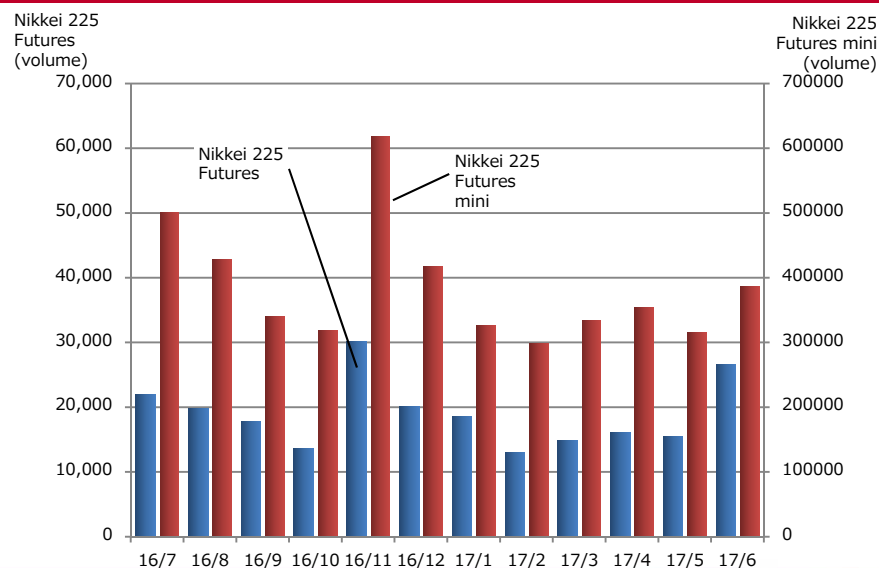
## Domestic sales amount of equities by month



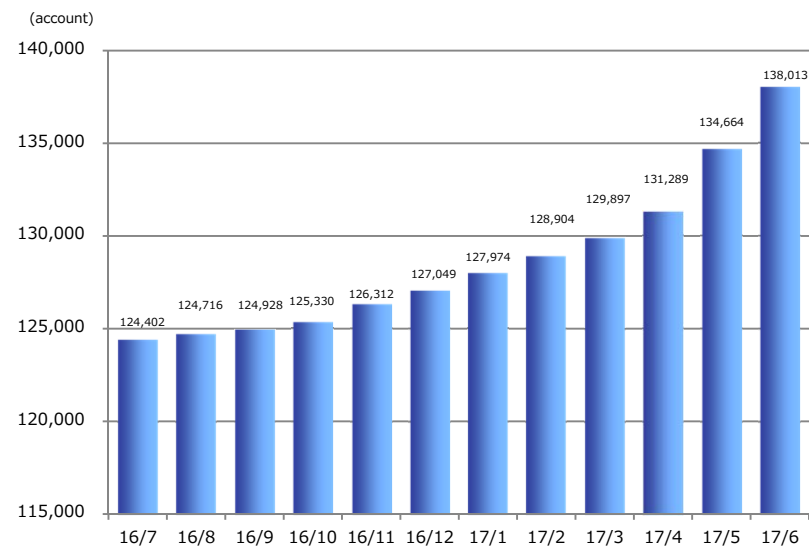
## "Click 365" contract amount



## Nikkei 225 Futures & Nikkei 225 Futures mini

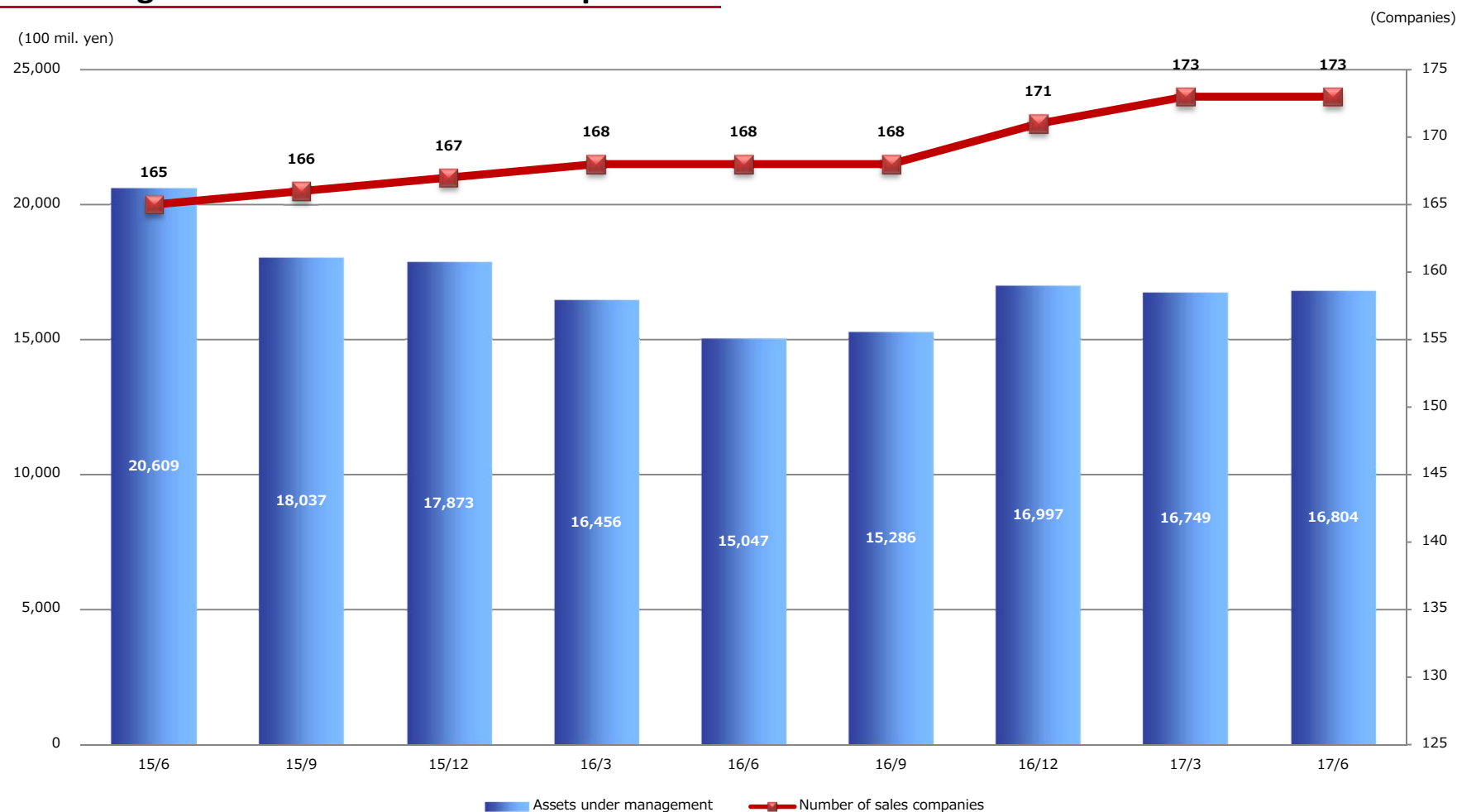


## Number of customer accounts



# (Reference Data) Okasan Asset Management Data

## Assets managed and number of sales companies



- Okasan Asset Management's balance of investment trusts managed rose 5.4 billion yen from the end of the previous fiscal year to 1,680.4 billion yen.

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