

*2Q Ending March 31, 2019*

# *Results Briefing*

The objective of the document is to provide information on the results of the 2nd quarter fiscal year ending March 31, 2019 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 2018. 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.

October 30, 2018  
OKASAN SECURITIES GROUP INC.



# Outline

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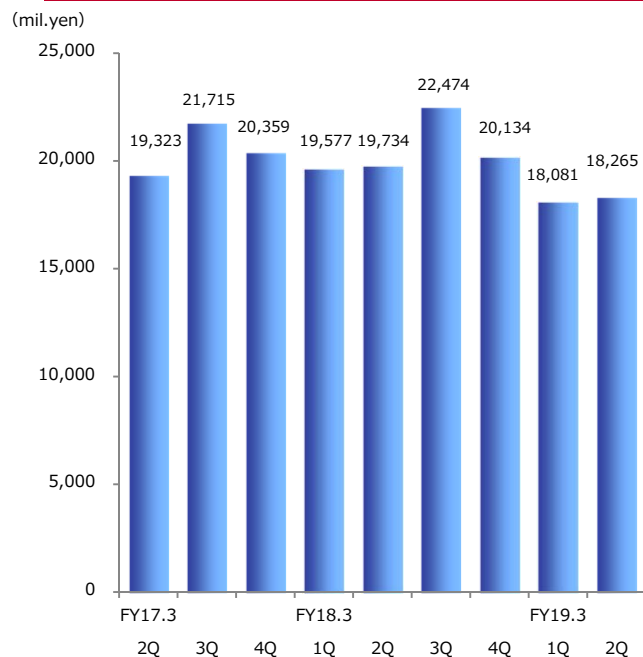
# 1 *Business Results Overviews (Consolidated)*

# Financial Summary

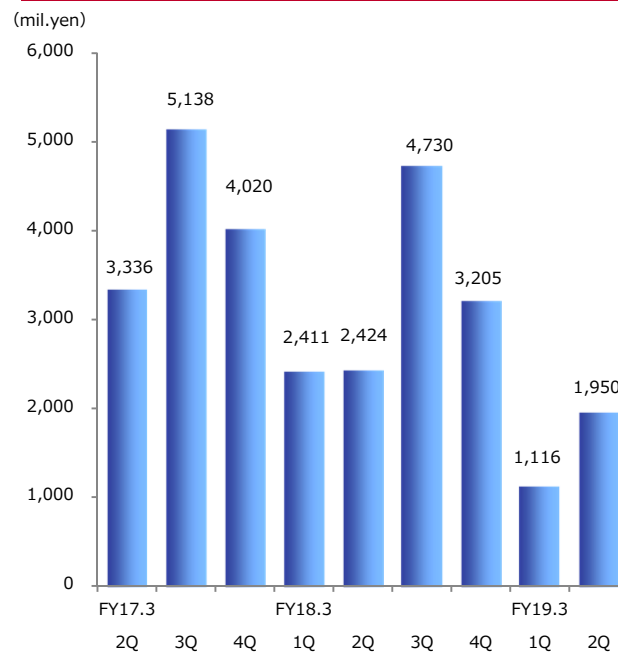
## <Highlights>

- Compared to the same period last year, revenues decreased while profits increased; compared to the previous quarter, both revenues and profits increased.
- **Operating revenues fell 7.5% year on year (YoY) to 36,346 million yen.**  
Both revenue from investment trusts and revenue from brokerage commissions on equities declined.
- **Ordinary income fell 36.6% YoY to 3,067 million yen.**  
Selling, general and administrative expenses fell 3.1% YoY. Personnel expenses and Real estate expenses increased; Office expenses and Depreciation expenses decreased.  
Profit attributable to owners of parent increased 13.9% YoY to 1,544 million yen.

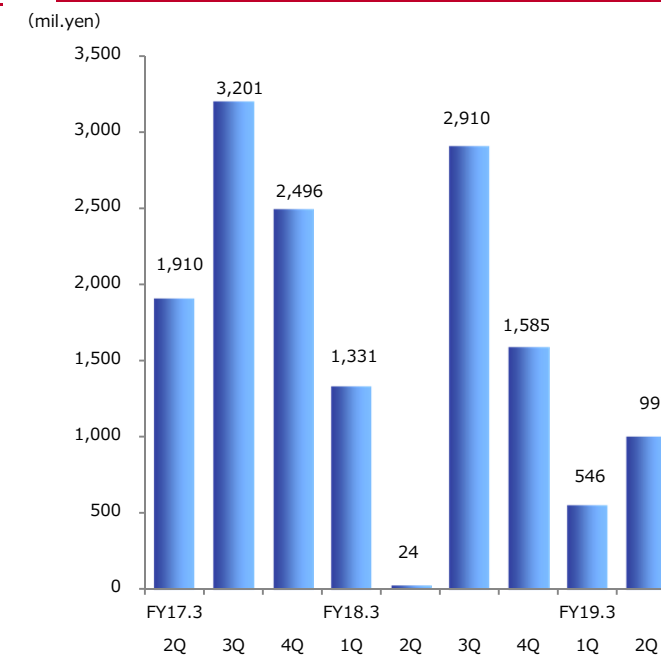
## Operating revenues (quarterly)



## Ordinary income (quarterly)



## Profit attributable to owners of parent (quarterly)



# Financial highlights of the 2<sup>nd</sup> quarter fiscal year ending March 2019

(In millions of yen)

	FY18.3 2QTOTAL	FY19.3 2QTOTAL	vs.FY18.3 2QTOTAL
Operating revenues	39,312	<b>36,346</b>	<b>-7.5%</b>
Net operating revenues	38,739	<b>35,789</b>	<b>-7.6%</b>
SG&A	34,274	<b>33,203</b>	<b>-3.1%</b>
Operating income	4,464	<b>2,586</b>	<b>-42.1%</b>
Ordinary income	4,835	<b>3,067</b>	<b>-36.6%</b>
Profit attributable to owners of	1,356	<b>1,544</b>	<b>13.9%</b>

	FY18.3 2QTOTAL	FY19.3 2QTOTAL
EPS (YEN)	6.85	<b>7.79</b>
BPS (YEN)	774.84	<b>779.94</b>
ROE (annualized)	1.7%	<b>2.0%</b>

(In millions of yen)

	FY18.3				FY19.3		
	1Q	2Q	3Q	4Q	1Q	2Q	vs.FY19.3 1Q
Operating revenues	19,577	19,734	22,474	20,134	18,081	<b>18,265</b>	<b>1.0%</b>
Net operating revenues	19,294	19,444	22,146	19,872	17,843	<b>17,946</b>	<b>0.6%</b>
SG&A	17,040	17,233	17,514	17,248	16,850	<b>16,352</b>	<b>-3.0%</b>
Operating income	2,253	2,210	4,631	2,623	992	<b>1,594</b>	<b>60.7%</b>
Ordinary income	2,411	2,424	4,730	3,205	1,116	<b>1,950</b>	<b>74.7%</b>
Profit attributable to owners of	1,331	24	2,910	1,585	546	<b>997</b>	<b>82.6%</b>

	FY18.3				FY19.3	
	1Q	2Q	3Q	4Q	1Q	2Q
EPS (YEN)	6.72	0.12	14.70	8.01	2.76	<b>5.03</b>
BPS (YEN)	789.78	774.84	796.48	791.46	771.02	<b>779.94</b>

# Operating Revenues

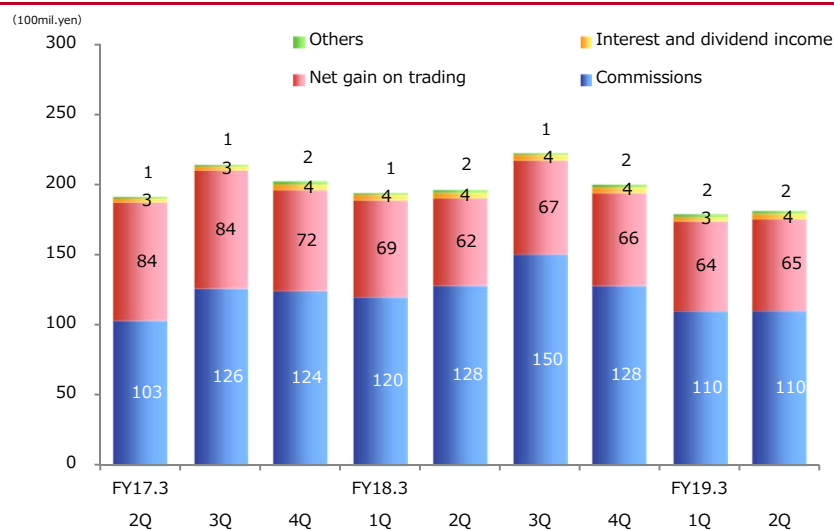
(In millions of yen)

	FY18.3 2QTOTAL	FY19.3 2QTOTAL	vs.FY18.3 2QTOTAL
<b>Commissions</b>	24,859	<b>22,081</b>	<b>-11.2%</b>
Brokerage	8,766	<b>7,697</b>	<b>-12.2%</b>
Underwriting	397	<b>235</b>	<b>-40.7%</b>
Distribution	7,216	<b>5,787</b>	<b>-19.8%</b>
Others	8,479	<b>8,361</b>	<b>-1.4%</b>
<b>Net gain on trading</b>	13,167	<b>12,961</b>	<b>-1.6%</b>
Equities	8,739	<b>8,290</b>	<b>-5.1%</b>
Bonds	4,619	<b>4,645</b>	<b>0.6%</b>
Others	-191	<b>24</b>	<b>-</b>
<b>Interest and dividend income</b>	871	<b>877</b>	<b>0.7%</b>
<b>Others</b>	414	<b>426</b>	<b>2.9%</b>
<b>Operating revenues</b>	39,312	<b>36,346</b>	<b>-7.5%</b>

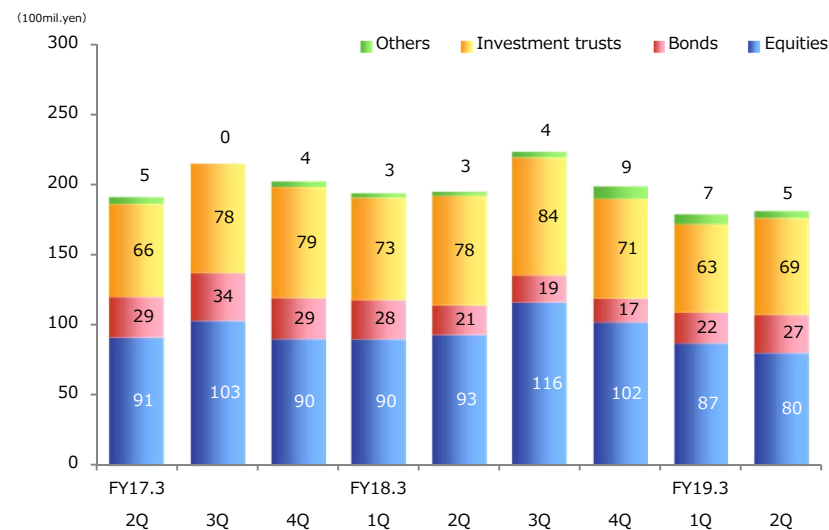
(In millions of yen)

	FY18.3				FY19.3		vs.FY19.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
	12,027	12,831	15,055	12,862	11,054	<b>11,027</b>	<b>-0.2%</b>
	4,386	4,379	6,185	5,211	4,018	<b>3,678</b>	<b>-8.5%</b>
	80	316	177	54	203	<b>32</b>	<b>-84.2%</b>
	3,338	3,877	4,297	3,158	2,620	<b>3,167</b>	<b>20.9%</b>
	4,221	4,257	4,395	4,437	4,211	<b>4,149</b>	<b>-1.5%</b>
	6,919	6,248	6,767	6,606	6,426	<b>6,534</b>	<b>1.7%</b>
	4,371	4,367	4,979	4,811	4,298	<b>3,992</b>	<b>-7.1%</b>
	2,645	1,974	1,794	1,664	2,052	<b>2,593</b>	<b>26.4%</b>
	-97	-93	-5	131	76	<b>-51</b>	<b>-</b>
	434	436	462	412	388	<b>488</b>	<b>25.8%</b>
	196	217	189	253	211	<b>214</b>	<b>1.4%</b>
	19,577	19,734	22,474	20,134	18,081	<b>18,265</b>	<b>1.0%</b>

## Quarterly change in operating revenues



## Quarterly change in operating revenues by product



# Fees and Commissions Received

- Brokerage commissions fell 12.2% YoY. Domestic equity brokerage commissions decreased.
- Underwriting fees fell 40.7% YoY. In a rebound from large deals in the same quarter last year, underwriting fees on POs fell dramatically.
- Distribution commissions fell 19.8% YoY due to lower sales of investment trusts.
- Other commissions declined 1.4% YoY.

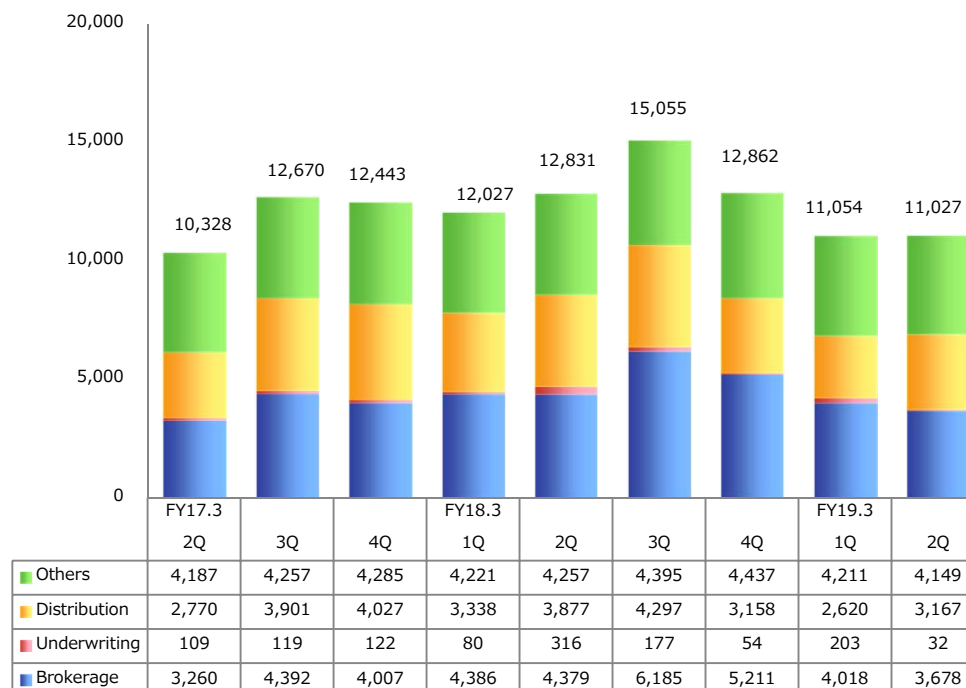
## Fees and commissions received

(In millions of yen)

	FY18.3 2QTOTAL	FY19.3 2QTOTAL	vs.FY18.3 2QTOTAL
<b>Brokerage</b>	8,766	<b>7,697</b>	<b>-12.2%</b>
Equities	8,607	<b>7,530</b>	<b>-12.5%</b>
Bonds	1	<b>1</b>	<b>15.5%</b>
Others	157	<b>165</b>	<b>4.8%</b>
<b>Underwriting</b>	397	<b>235</b>	<b>-40.7%</b>
Equities	346	<b>172</b>	<b>-50.1%</b>
Bonds	50	<b>62</b>	<b>23.2%</b>
<b>Distribution</b>	7,216	<b>5,787</b>	<b>-19.8%</b>
Beneficiary Certificates	7,152	<b>5,695</b>	<b>-20.4%</b>
<b>Others</b>	8,479	<b>8,361</b>	<b>-1.4%</b>
Beneficiary Certificates	7,865	<b>7,450</b>	<b>-5.3%</b>
<b>Total</b>	<b>24,859</b>	<b>22,081</b>	<b>-11.2%</b>

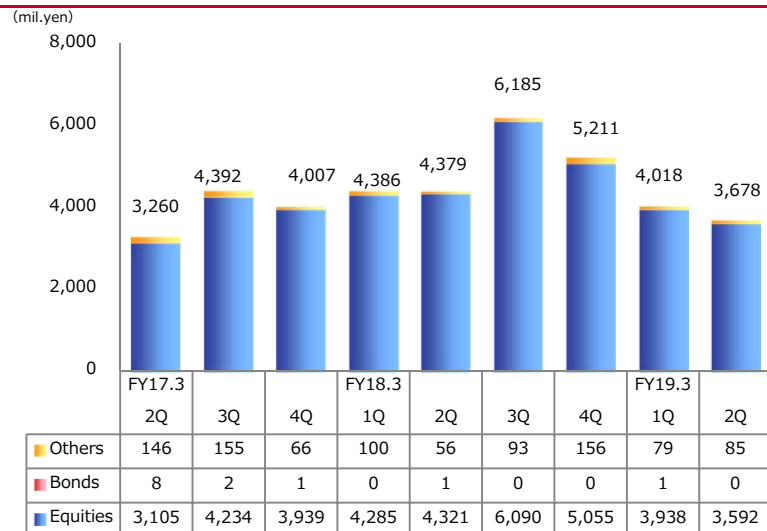
## Fees and commissions received (quarterly)

(mil.yen)

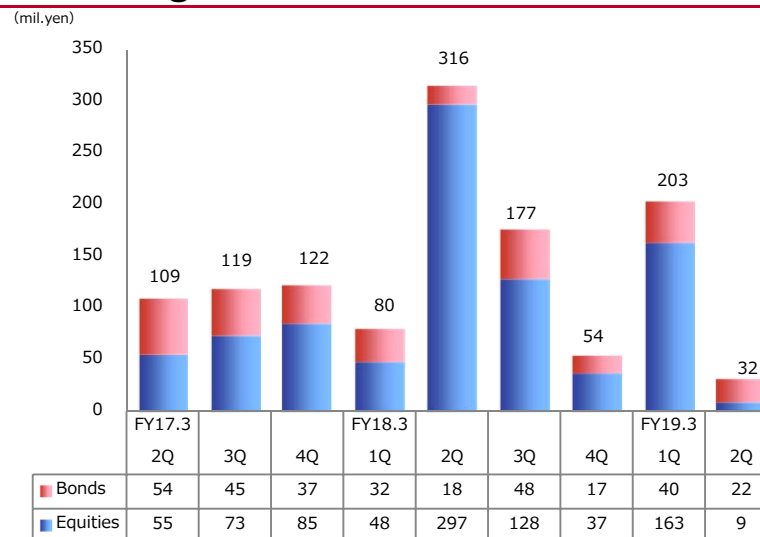


# Fees and Commissions Received by Category

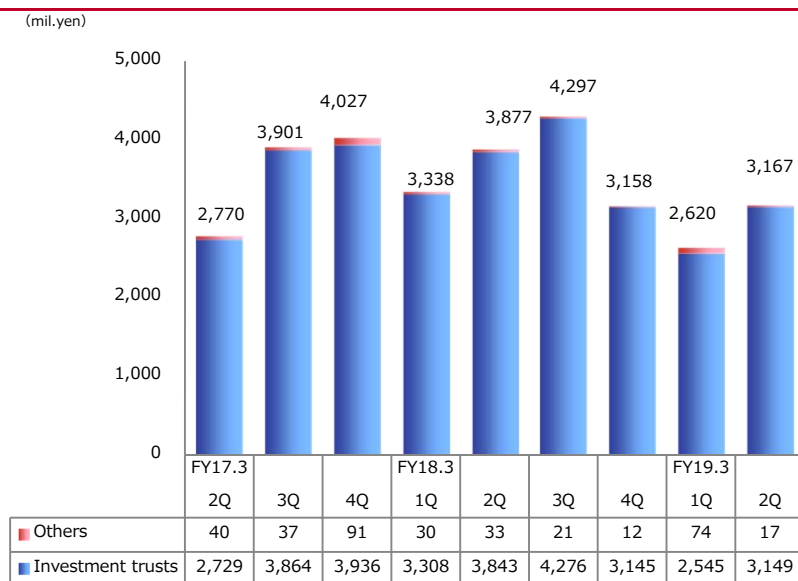
## Brokerage



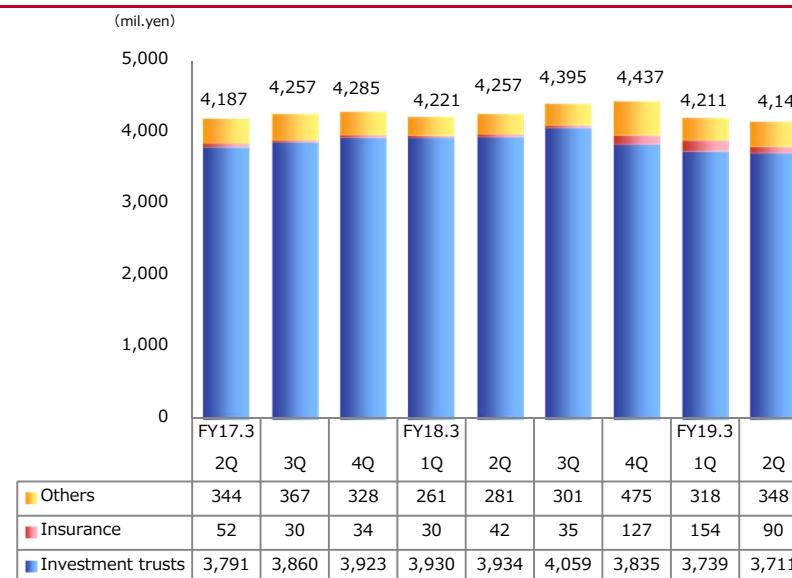
## Underwriting



## Distribution



## Others





# Net Trading Income

(In millions of yen)

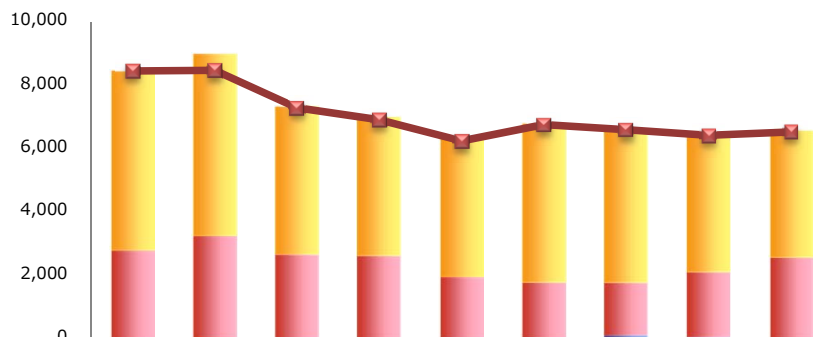
	FY18.3 2QTOTAL	FY19.3 2QTOTAL	vs.FY18.3 2QTOTAL
<b>Equities</b>	8,739	<b>8,290</b>	<b>-5.1%</b>
Domestic equities	526	<b>90</b>	<b>-82.9%</b>
Foreign equities	8,213	<b>8,199</b>	<b>-0.2%</b>
<b>Bonds and others</b>	4,619	<b>4,645</b>	<b>0.6%</b>
Domestic bonds	229	<b>543</b>	<b>137.1%</b>
Foreign bonds	4,390	<b>4,102</b>	<b>-6.6%</b>
<b>Others</b>	-191	<b>24</b>	<b>-</b>
<b>Net gain on trading</b>	13,167	<b>12,961</b>	<b>-1.6%</b>

(In millions of yen)

	FY18.3				FY19.3		vs.FY19.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
	4,371	4,367	4,979	4,811	4,298	<b>3,992</b>	<b>-7.1%</b>
	227	298	265	180	92	<b>-1</b>	<b>-</b>
	4,143	4,069	4,714	4,631	4,205	<b>3,993</b>	<b>-5.0%</b>
	2,645	1,974	1,794	1,664	2,052	<b>2,593</b>	<b>26.4%</b>
	158	70	52	169	159	<b>384</b>	<b>141.5%</b>
	2,486	1,903	1,741	1,494	1,893	<b>2,208</b>	<b>16.6%</b>
	-97	-93	-5	131	76	<b>-51</b>	<b>-</b>
	6,919	6,248	6,767	6,606	6,426	<b>6,534</b>	<b>1.7%</b>

## Net gain by Products

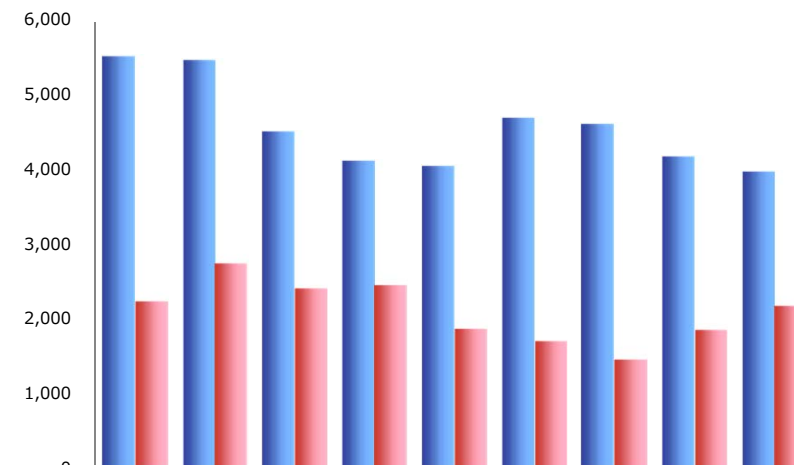
(mil.yen)



	FY17.3 2Q	3Q	4Q	FY18.3 1Q	2Q	3Q	4Q	FY19.3 1Q	2Q
Equities	5,652	5,726	4,651	4,371	4,367	4,979	4,811	4,298	3,992
Bonds	2,792	3,275	2,680	2,645	1,974	1,794	1,664	2,052	2,593
Others	12	-521	-34	-97	-93	-5	131	76	-51
<b>Total</b>	<b>8,456</b>	<b>8,480</b>	<b>7,297</b>	<b>6,919</b>	<b>6,248</b>	<b>6,767</b>	<b>6,606</b>	<b>6,426</b>	<b>6,534</b>

## Net gain from foreign equities and bonds

(mil.yen)



	FY17.3 2Q	3Q	4Q	FY18.3 1Q	2Q	3Q	4Q	FY19.3 1Q	2Q
Foreign equities	5,549	5,493	4,533	4,143	4,069	4,714	4,631	4,205	3,993
Foreign bonds	2,275	2,780	2,442	2,486	1,903	1,741	1,494	1,893	2,208

# SG&A : Selling, General and Administrative Expenses

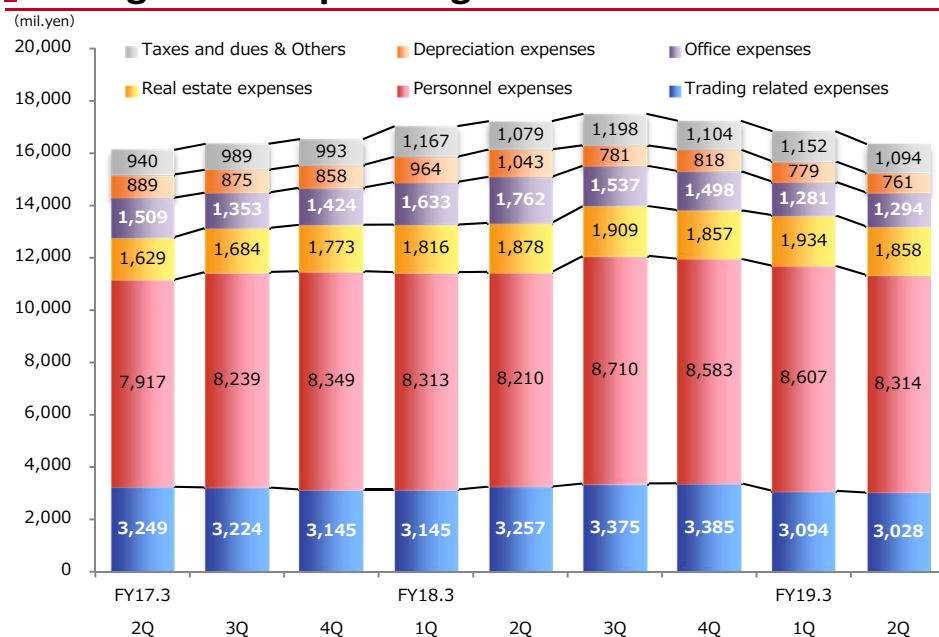
(In millions of yen)

	FY18.3 2QTOTAL	FY19.3 2QTOTAL	vs.FY18.3 2QTOTAL
Trading related expenses	6,403	<b>6,123</b>	<b>-4.4%</b>
Personnel expenses	16,523	<b>16,922</b>	<b>2.4%</b>
Real estate expenses	3,695	<b>3,792</b>	<b>2.6%</b>
Office expenses	3,396	<b>2,575</b>	<b>-24.2%</b>
Depreciation expenses	2,008	<b>1,540</b>	<b>-23.3%</b>
Taxes and dues	622	<b>562</b>	<b>-9.6%</b>
Others	1,625	<b>1,686</b>	<b>3.7%</b>
<b>SG&amp;A</b>	<b>34,274</b>	<b>33,203</b>	<b>-3.1%</b>

(In millions of yen)

	FY18.3				FY19.3			vs.FY19.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q	
	3,145	3,257	3,375	3,385	3,094	<b>3,028</b>		<b>-2.1%</b>
	8,313	8,210	8,710	8,583	8,607	<b>8,314</b>		<b>-3.4%</b>
	1,816	1,878	1,909	1,857	1,934	<b>1,858</b>		<b>-3.9%</b>
	1,633	1,762	1,537	1,498	1,281	<b>1,294</b>		<b>1.0%</b>
	964	1,043	781	818	779	<b>761</b>		<b>-2.3%</b>
	286	336	364	300	273	<b>288</b>		<b>5.5%</b>
	881	743	834	804	879	<b>806</b>		<b>-8.3%</b>
	<b>17,040</b>	<b>17,233</b>	<b>17,514</b>	<b>17,248</b>	<b>16,850</b>	<b>16,352</b>		<b>-3.0%</b>

## Change in net operating revenues and SG&A



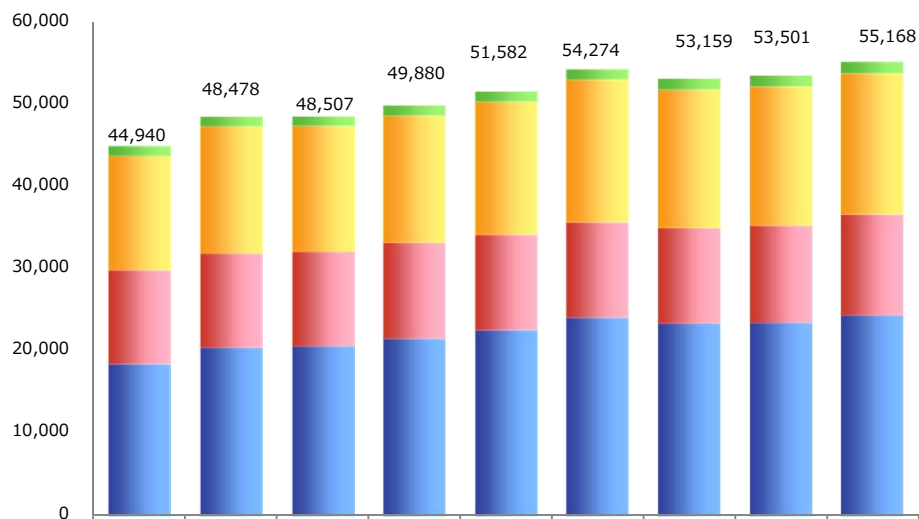
- **Trading-related expenses were down 4.4% YoY.**
- **Personnel expenses were up 2.4% YoY due to increased salary, etc.**
- **Real estate expenses rose 2.6% YoY due to increased rent, etc.**
- **Office expenses decreased 24.2% YoY. Depreciation expenses were down 23.3% YoY. System-related expenses and similar expenses decreased.**

# Assets under custody (Consolidated)

- On a consolidated basis, customers' assets under custody increased to 5,516.8 billion yen, up 200.9 billion yen from the end of the previous fiscal year.
- An increase in stock prices and other factors boosted the market value of assets under custody.

## Assets under Custody

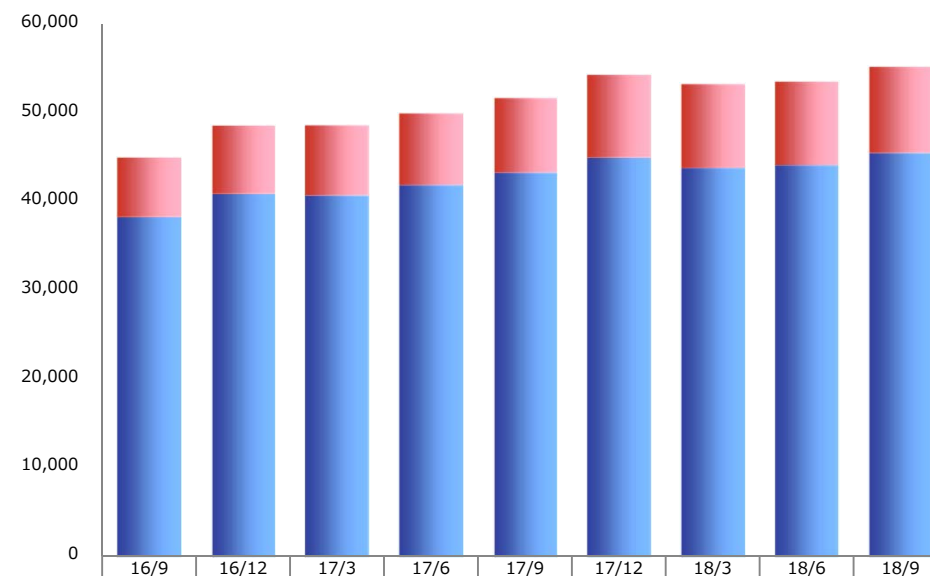
(100mil.yen)



Others	1,227	1,162	1,154	1,212	1,249	1,255	1,338	1,332	1,419
Investment trusts	13,848	15,427	15,265	15,487	16,130	17,327	16,819	16,893	17,125
Bonds	11,401	11,470	11,474	11,618	11,619	11,580	11,598	11,783	12,266
Equities	18,464	20,419	20,614	21,563	22,584	24,112	23,404	23,493	24,358

## Retail Assets under Custody

(100mil.yen)



Non-retail	6,709	7,684	7,862	8,047	8,380	9,330	9,434	9,402	9,708
Retail	38,231	40,794	40,645	41,833	43,202	44,944	43,725	44,099	45,460

# Group status

## Results by segment

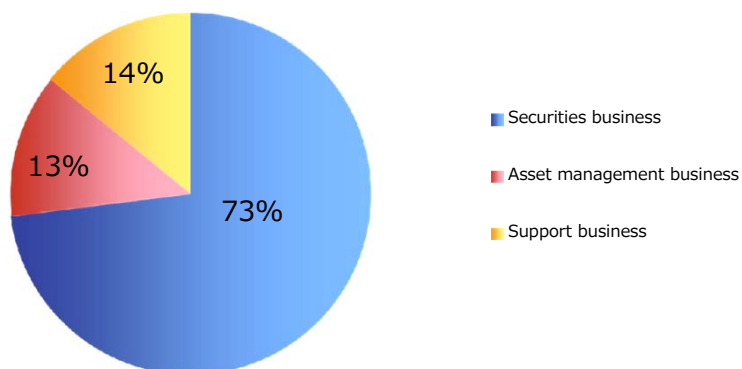
### Operating revenues (In millions of yen)

	FY18.3	FY19.3	vs.FY18.3
	2QTOTAL	2QTOTAL	2QTOTAL
Securities business	34,803	<b>32,281</b>	<b>-7.2%</b>
Asset management business	6,195	<b>5,651</b>	<b>-8.8%</b>
Support business	6,022	<b>6,151</b>	<b>2.1%</b>

### Segment income (In millions of yen)

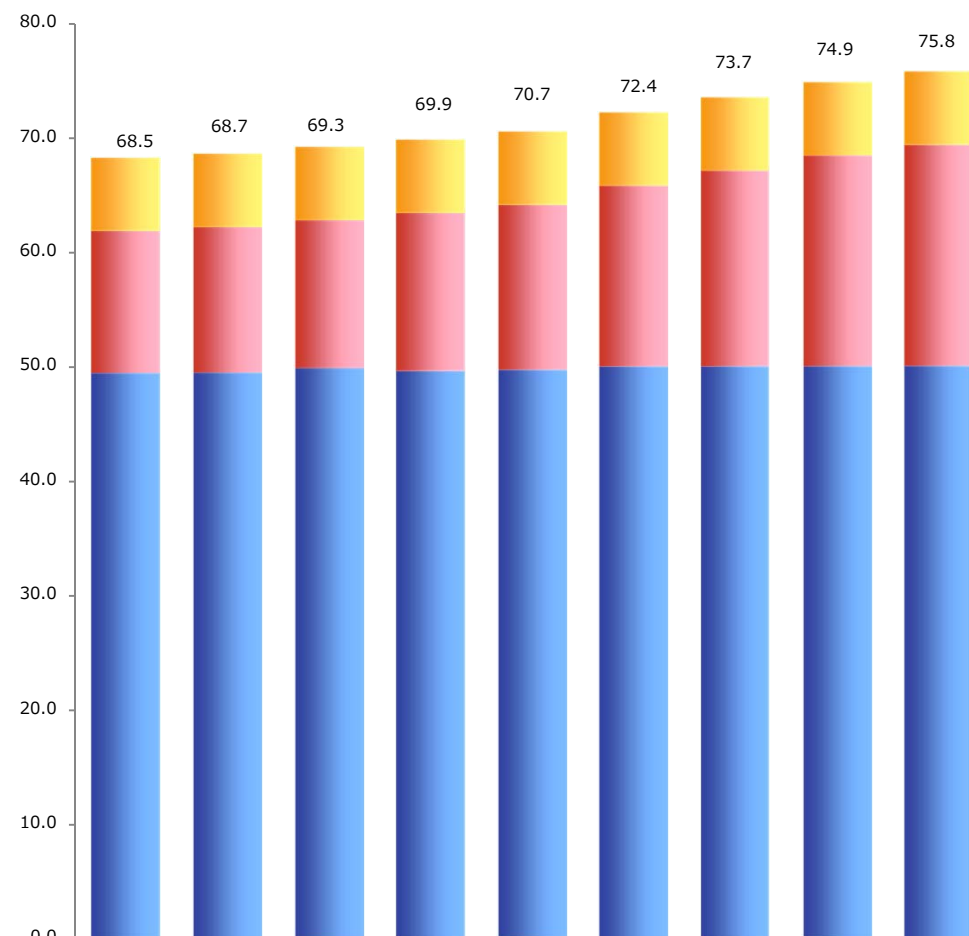
	FY18.3	FY19.3	vs.FY18.3
	2QTOTAL	2QTOTAL	2QTOTAL
Securities business	5,018	<b>1,949</b>	<b>-61.2%</b>
Asset management business	657	<b>504</b>	<b>-23.3%</b>
Support business	-864	<b>570</b>	<b>-</b>

### Operating revenues



## Number of accounts in the Group

(10,000 accounts)



Other	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Okasan Online Securities	12.4	12.7	12.9	13.8	14.4	15.8	17.1	18.4	19.3
Okasan Securities	49.5	49.5	49.9	49.7	49.8	50.1	50.1	50.1	50.1

## Statement of Income

(In millions of yen)

	FY18.3	FY19.3	vs.FY18.3
	2QTOTAL	2QTOTAL	2QTOTAL
<b>Operating revenues</b>	<b>39,312</b>	<b>36,346</b>	<b>-7.5%</b>
Commissions	24,859	22,081	-11.2%
Net gain on trading	13,167	12,961	-1.6%
Interest and dividend income	871	877	0.7%
Service fee and other revenues	414	426	2.9%
Interest expenses	572	557	-2.7%
Net operating revenues	38,739	35,789	-7.6%
<b>SG&amp;A</b>	<b>34,274</b>	<b>33,203</b>	<b>-3.1%</b>
Operating income	4,464	2,586	-42.1%
Non-operating income	651	614	-5.7%
Non-operating expenses	280	133	-52.4%
<b>Ordinary income</b>	<b>4,835</b>	<b>3,067</b>	<b>-36.6%</b>
Extraordinary gain	3,343	137	-95.9%
Extraordinary loss	4,864	15	-99.7%
Net profit, before taxes	3,314	3,188	-3.8%
Income taxes	2,310	728	-68.5%
Adjustment amount for income taxes	-924	423	-
Net profit	1,928	2,037	5.6%
Profit attributable to non-controlling interests	572	493	-13.9%
<b>Profit attributable to owners of parent</b>	<b>1,356</b>	<b>1,544</b>	<b>13.9%</b>

(In millions of yen)

	FY18.3				FY19.3		vs.FY19.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
<b>Operating revenues</b>	<b>19,577</b>	<b>19,734</b>	<b>22,474</b>	<b>20,134</b>	<b>18,081</b>	<b>18,265</b>	<b>1.0%</b>
Commissions	12,027	12,831	15,055	12,862	11,054	11,027	-0.2%
Net gain on trading	6,919	6,248	6,767	6,606	6,426	6,534	1.7%
Interest and dividend income	434	436	462	412	388	488	25.8%
Service fee and other revenues	196	217	189	253	211	214	1.4%
Interest expenses	283	289	328	261	238	319	34.0%
Net operating revenues	19,294	19,444	22,146	19,872	17,843	17,946	0.6%
<b>SG&amp;A</b>	<b>17,040</b>	<b>17,233</b>	<b>17,514</b>	<b>17,248</b>	<b>16,850</b>	<b>16,352</b>	<b>-3.0%</b>
Operating income	2,253	2,210	4,631	2,623	992	1,594	60.7%
Non-operating income	196	454	133	624	209	404	93.3%
Non-operating expenses	39	241	34	43	85	48	-43.5%
<b>Ordinary income</b>	<b>2,411</b>	<b>2,424</b>	<b>4,730</b>	<b>3,205</b>	<b>1,116</b>	<b>1,950</b>	<b>74.7%</b>
Extraordinary gain	213	3,129	10	1,711	137	-0	-
Extraordinary loss	41	4,823	3	2,296	2	13	550.0%
Net profit, before taxes	2,584	730	4,738	2,619	1,252	1,936	54.6%
Income taxes	346	1,964	1,168	1,179	238	489	105.5%
Adjustment amount for income taxes	635	-1,559	349	-454	204	218	6.9%
Net profit	1,602	325	3,220	1,894	809	1,227	51.7%
Profit attributable to non-controlling interests	271	301	309	309	263	229	-12.9%
<b>Profit attributable to owners of parent</b>	<b>1,331</b>	<b>24</b>	<b>2,910</b>	<b>1,585</b>	<b>546</b>	<b>997</b>	<b>82.6%</b>

# Balance Sheet Summary

(In millions of yen)

	FY18.3 4Q	FY19.3 2Q	vs.FY18.3 4Q
<b>Current assets</b>	400,112	368,446	-31,666
Cash and deposits	59,847	69,838	9,991
Cash segregated as deposits	68,932	68,279	-653
Trading products	112,137	88,620	-23,517
Receivables on margin transactions	51,478	47,229	-4,249
Receivables on collateralized securities transactions	87,548	81,619	-5,929
Other current assets	20,166	12,859	-7,307
<b>Fixed assets</b>	75,051	76,588	1,537
Tangible fixed assets	19,469	19,389	-80
Intangible fixed assets	5,905	6,352	447
Investments and other assets	49,675	50,846	1,171
<b>Total assets</b>	475,163	445,034	-30,129

(In millions of yen)

	FY18.3 4Q	FY19.3 2Q	vs.FY18.3 4Q
<b>Current liabilities</b>	267,436	239,974	-27,462
Trading liabilities	63,011	39,948	-23,063
Payables on margin transactions	12,005	20,217	8,212
Payables on collateralized securities transactions	19,372	14,475	-4,897
Deposits received	37,484	46,858	9,374
Guarantee deposits received	36,506	36,880	374
Short-term borrowings	89,646	74,375	-15,271
Other current liabilities	9,408	7,218	-2,190
<b>Fixed liabilities</b>	26,391	25,144	-1,247
Long-term borrowings	10,048	8,328	-1,720
Reserves for retirement benefits	6,341	6,366	25
Other fixed liabilities	10,002	10,449	447
<b>Financial instruments transaction reserve</b>	1,286	1,216	-70
<b>Total liabilities</b>	295,114	266,335	-28,779
Common stock	18,589	18,589	0
Capital surplus	16,420	16,466	46
Retained earnings	113,224	109,857	-3,367
Treasury stock	-3,754	-3,682	72
Accumulated other comprehensive income	12,232	13,391	1,159
Subscription rights to shares	235	310	75
Minority interests	23,100	23,765	665
<b>Total net assets</b>	180,048	178,699	-1,349
<b>Total liabilities&amp;net assets</b>	475,163	445,034	-30,129

## *2 Reference Data*



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

(In millions of yen)

	FY18.3 2QTOTAL	FY19.3 2QTOTAL	vs.FY18.3 2QTOTAL
<b>Operating revenues</b>	<b>30,234</b>	<b>27,906</b>	<b>-7.7%</b>
Commissions	16,890	14,570	-13.7%
Brokerage	6,546	5,622	-14.1%
Underwriting	396	235	-40.7%
Distribution	6,685	5,223	-21.9%
Others	3,262	3,489	7.0%
Net gain on trading	12,703	12,734	0.2%
Equities	8,556	8,219	-3.9%
Bonds	4,338	4,490	3.5%
Others	-191	24	-
Interest and dividend income	640	601	-6.1%
Financial expenses	515	501	-2.9%
Net operating revenues	29,718	27,405	-7.8%
<b>SG&amp;A</b>	<b>24,694</b>	<b>25,269</b>	<b>2.3%</b>
Trading related expenses	3,960	3,801	-4.0%
Personnel expenses	12,463	12,955	3.9%
Real estate expenses	3,470	3,491	0.6%
Administrative expenses	3,626	3,871	6.8%
Depreciation expenses	250	242	-3.0%
Taxes and dues	364	334	-8.2%
Others	559	572	2.3%
Operating income	5,023	<b>2,135</b>	<b>-57.5%</b>
Non-operating income	133	84	-36.4%
Non-operating expenses	17	70	306.8%
<b>Ordinary income</b>	<b>5,139</b>	<b>2,149</b>	<b>-58.2%</b>
Extraordinary gain	73	10	-85.9%
Extraordinary loss	-	-	-
Net profit, before taxes	5,213	<b>2,160</b>	<b>-58.6%</b>
Income taxes	1,430	579	-59.5%
Adjustment amount for income taxes	239	183	-23.3%
<b>Net profit</b>	<b>3,543</b>	<b>1,397</b>	<b>-60.6%</b>

(In millions of yen)

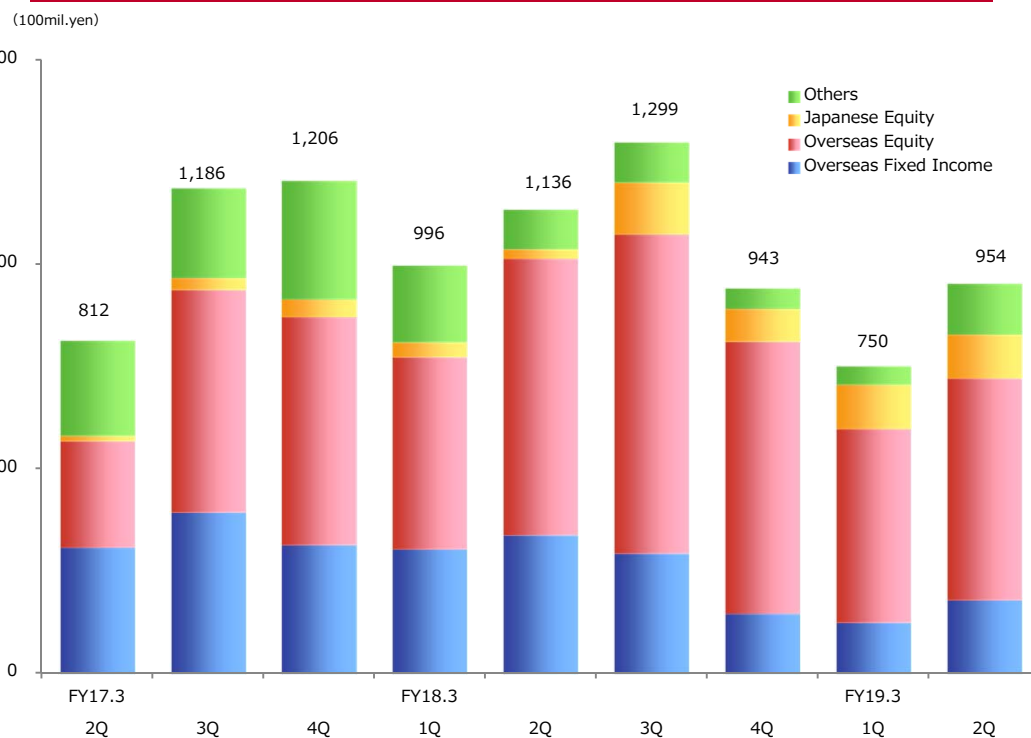
	FY18.3				FY19.3		vs.FY19.3
	1Q	2Q	3Q	4Q	1Q	2Q	1Q
	<b>15,115</b>	<b>15,119</b>	<b>17,576</b>	<b>15,433</b>	<b>13,865</b>	<b>14,041</b>	<b>1.3%</b>
	8,140	8,750	10,695	8,679	7,265	7,305	0.6%
	3,371	3,174	4,751	3,956	2,933	2,689	-8.3%
	80	315	176	54	202	32	-84.2%
	3,081	3,604	4,025	2,877	2,347	2,875	22.5%
	1,606	1,655	1,742	1,790	1,782	1,707	-4.2%
	6,646	6,057	6,563	6,480	6,349	6,384	0.6%
	4,260	4,296	4,916	4,762	4,300	3,918	-8.9%
	2,484	1,854	1,652	1,586	1,973	2,517	27.6%
	-97	-93	-5	131	76	-51	-
	328	311	318	272	249	351	41.0%
	255	260	301	233	211	289	37.0%
	14,859	14,858	17,275	15,199	13,653	13,751	0.7%
	<b>12,389</b>	<b>12,305</b>	<b>12,922</b>	<b>12,739</b>	<b>12,841</b>	<b>12,428</b>	<b>-3.2%</b>
	1,955	2,004	2,074	2,009	1,916	1,885	-1.6%
	6,261	6,201	6,657	6,592	6,604	6,351	-3.8%
	1,710	1,759	1,707	1,671	1,767	1,724	-2.4%
	1,834	1,791	1,879	1,917	1,950	1,920	-1.5%
	122	127	133	131	119	123	3.4%
	172	191	198	152	158	176	11.4%
	330	228	270	263	325	247	-24.0%
	2,470	2,553	4,353	2,459	811	1,323	63.1%
	78	54	71	179	44	40	-9.1%
	5	12	16	12	48	22	-54.2%
	<b>2,543</b>	<b>2,596</b>	<b>4,408</b>	<b>2,626</b>	<b>807</b>	<b>1,342</b>	<b>66.3%</b>
	73	-	-	-73	10	-	-
	-	-	-	46	-	-	-
	2,617	2,596	4,408	2,506	818	1,342	64.1%
	154	1,276	971	1,249	20	559	※-
	671	-431	438	-578	284	-100	-
	<b>1,792</b>	<b>1,751</b>	<b>2,998</b>	<b>1,835</b>	<b>513</b>	<b>883</b>	<b>72.1%</b>



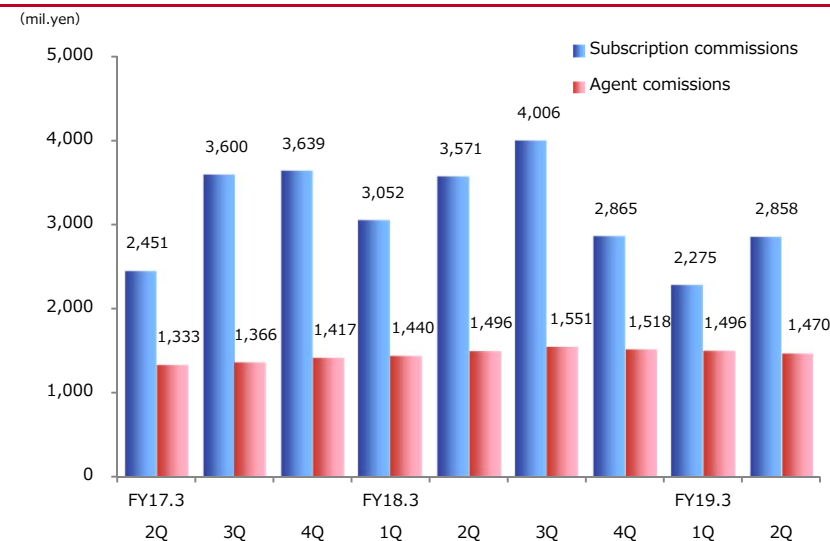
# Investment trusts / Foreign bonds(non-consolidated: Okasan Securities)

- Investment trust sales (2Q cumulative) fell 20.1% YoY to 170.4 billion yen.
- Sales commissions (2Q cumulative) fell 22.5% YoY to 5,133 million yen.  
Agent commissions (2Q cumulative) rose 1.0% YoY to 2,966 million yen.
- Foreign bond sales (2Q cumulative) rose 19.6% YoY to 138.5 billion yen, due mainly to increased sales of foreign currency bonds to retail investors.

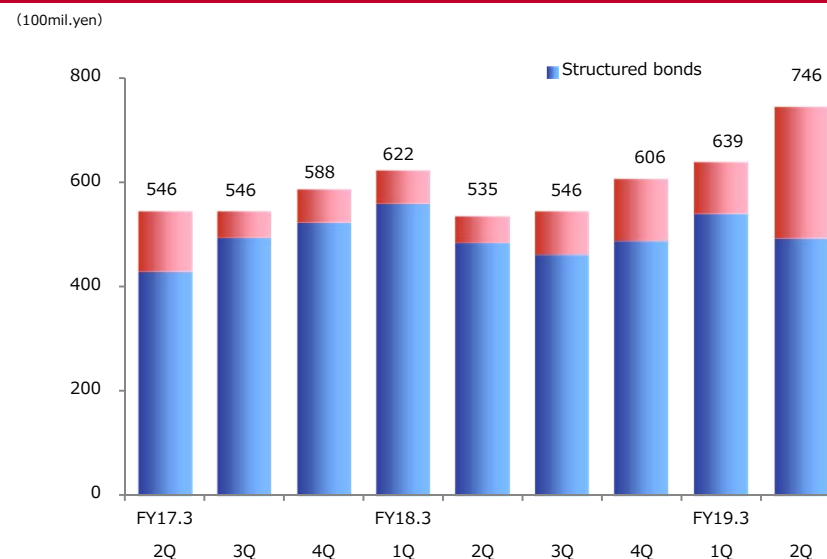
## Investment trusts sales amount



## Investment trusts commissions



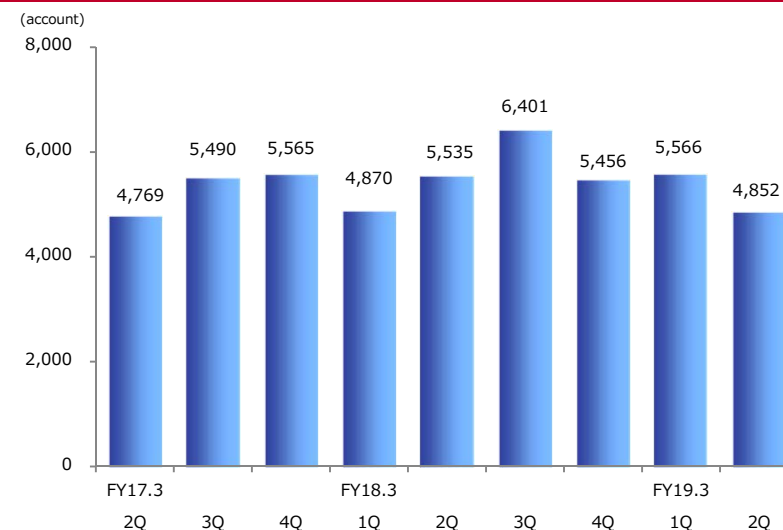
## Foreign bonds sales amount



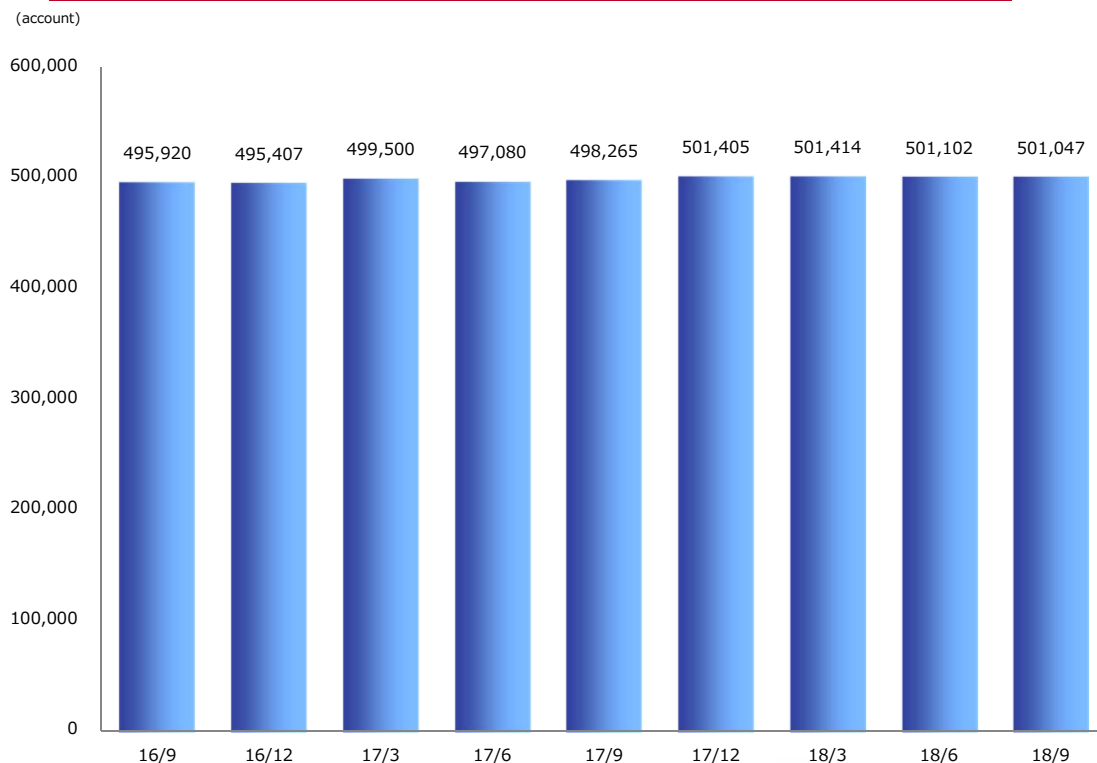
# Number of accounts (non-consolidated: Okasan Securities)

- The total number of customer accounts stood at **501,047**.
- The number of new customer accounts opened (2Q cumulative) was **10,418**.
- Online accounts (**59,393** accounts) accounted for **11.9%** of the total number of customer accounts.

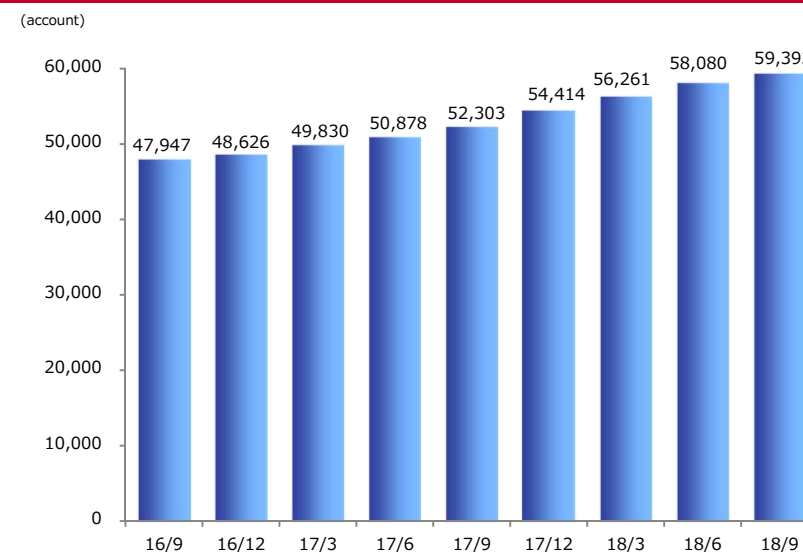
## Number of new accounts



## Number of customer accounts



## Number of online accounts

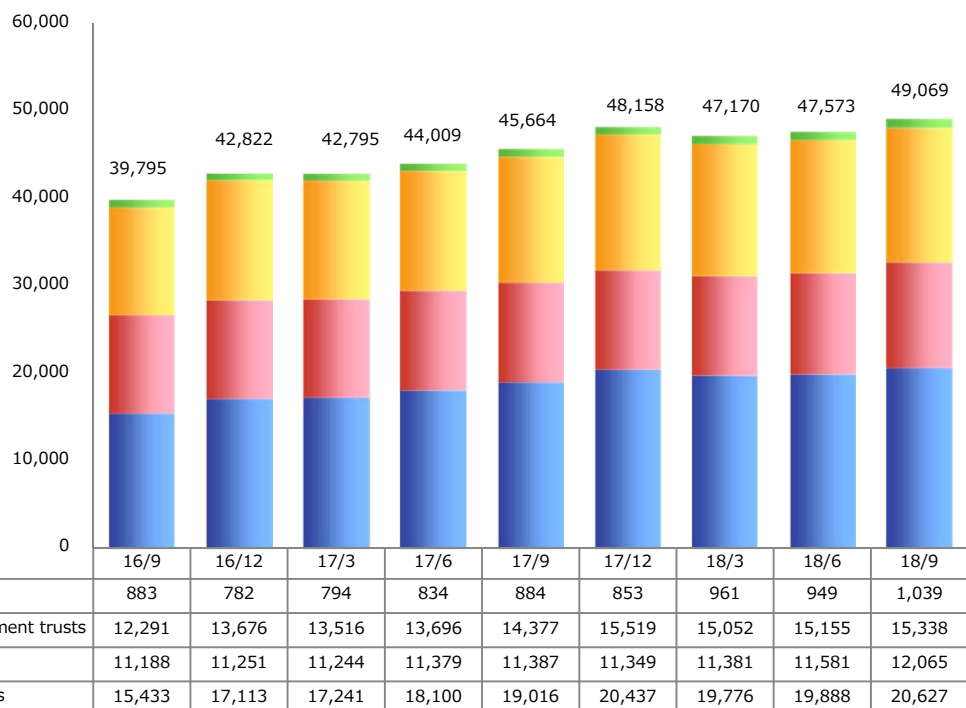


# Assets under custody / Net inflow of assets (non-consolidated: Okasan Securities)

- Customers' assets under custody at Okasan Securities increased 189.9 billion yen from the end of the previous fiscal year to 4,906.9 billion yen.
- Net inflow/outflow of assets (sum of inflow/outflow of cash and securities; individuals only) in this fiscal year (1-2Q total) was an outflow of 2,182 million yen.

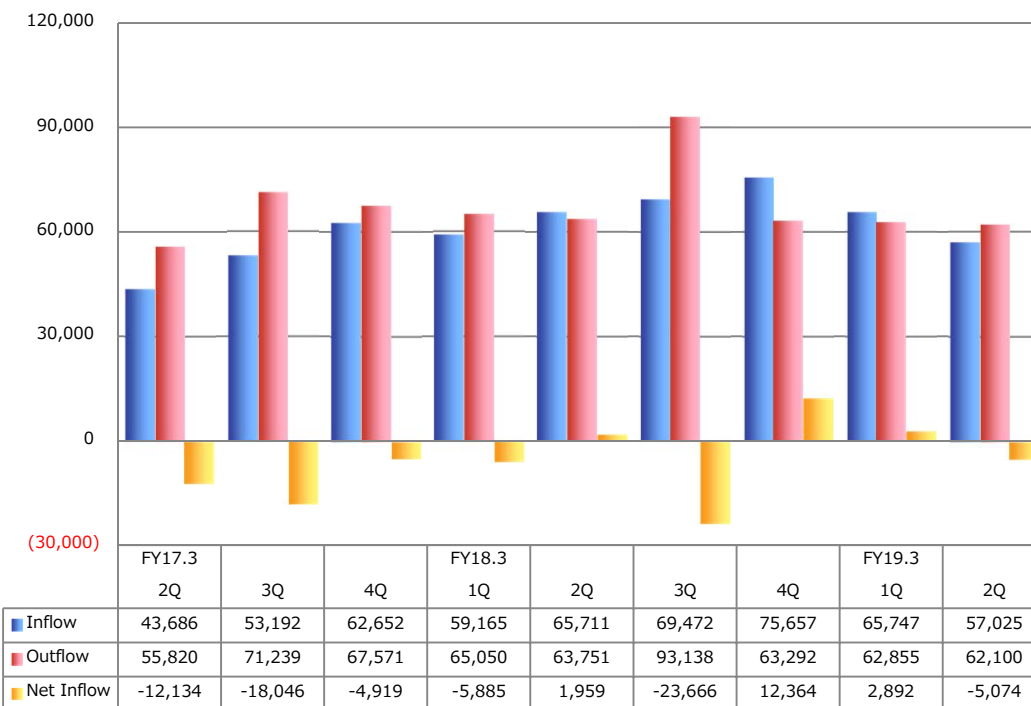
## Assets under Custody

(100mil.yen)



## Net inflow of assets (Individuals)

(mil.yen)



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

- The capital adequacy ratio increased 5.0 percentage points from the end of the previous fiscal year to 473.9%.

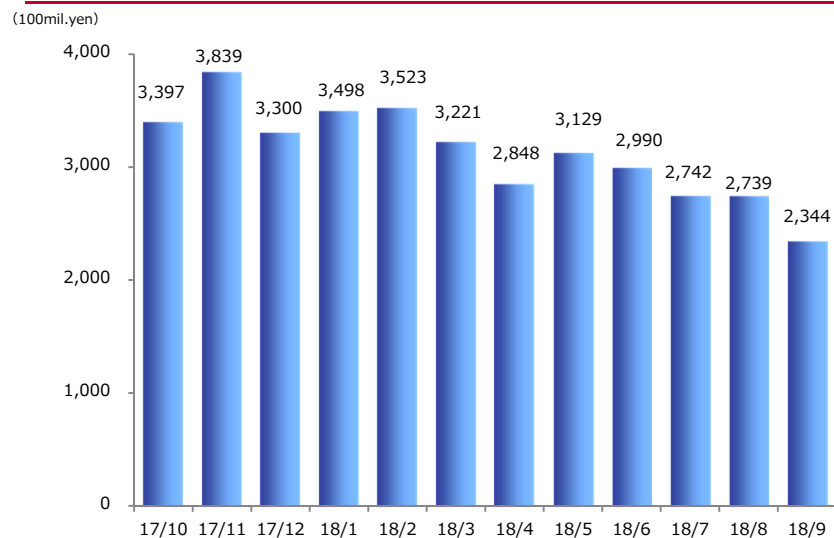
(In millions of yen)

項	目		FY18.3				FY19.3		vs.FY18.3
			1Q	2Q	3Q	4Q	1Q	2Q	4Q
Basic items		(A)	80,769	82,521	85,519	79,354	79,868	80,752	1,398
Complementary items	Appraisal gains (losses) etc.		20	19	29	17	18	31	14
	Security transaction responsibility reserve		727	727	727	846	836	836	-10
	General provision for loan losses		4	5	6	6	14	14	8
	Short-term subordinated debt		6,000	6,000	6,000	6,000	6,000	6,000	-
	Total	(B)	6,751	6,752	6,762	6,870	6,868	6,881	11
Assets to be deducted		(C)	10,865	10,897	11,111	11,100	11,949	12,086	986
Unfixed equity capital	(A) + (B) - (C)	(D)	76,656	78,375	81,170	75,124	74,788	75,548	424
Risk equivalents	Market risk equivalents		2,776	3,151	3,023	2,225	2,628	1,979	-246
	Customer risk equivalents		1,009	1,127	1,238	1,224	1,161	1,202	-22
	Basic risk equivalents		12,210	12,303	12,412	12,569	12,649	12,756	187
	Total	(E)	15,996	16,583	16,673	16,019	16,438	15,938	-81
<b>Capital adequacy ratio</b>	<b>(D) / (E) × 100 (%)</b>		<b>479.2%</b>	<b>472.6%</b>	<b>486.8%</b>	<b>468.9%</b>	<b>454.9%</b>	<b>473.9%</b>	<b>5.0 p</b>

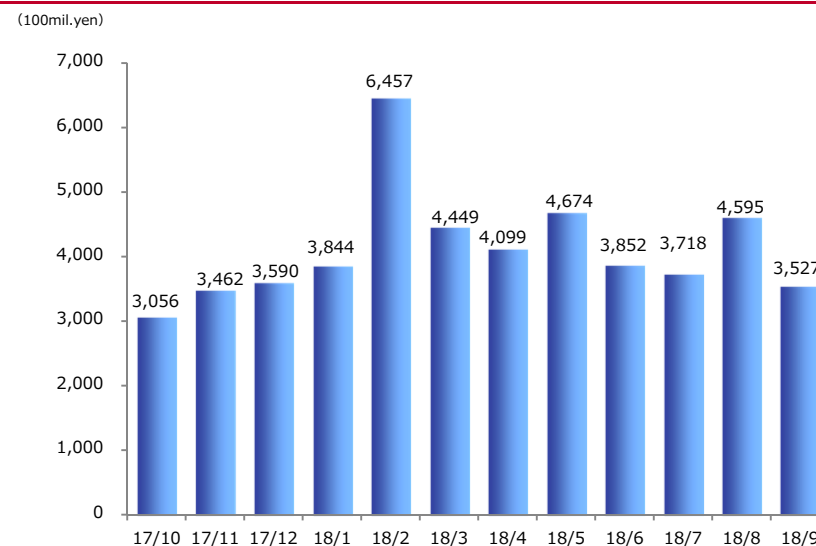
(Note) Short-term subordinated debt consists of subordinated borrowing.

# (Reference Data) Okasan Online Securities Data

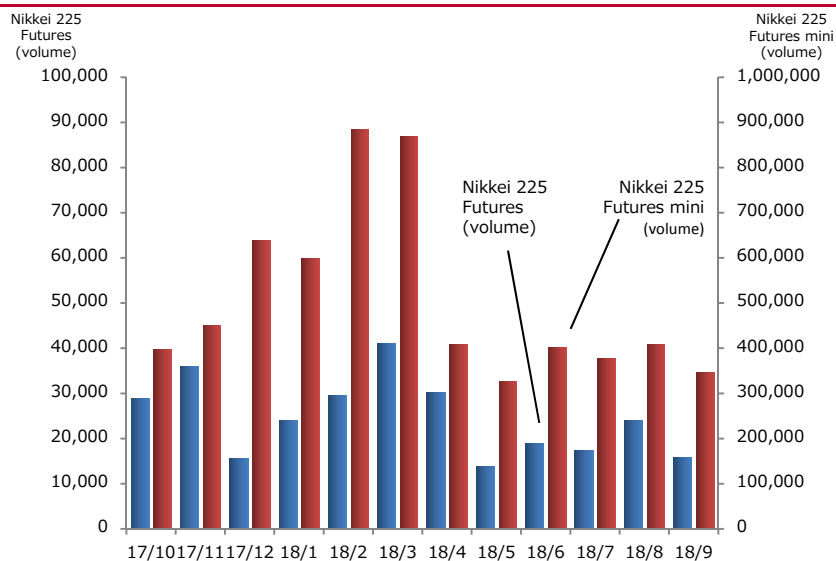
## Domestic sales amount of equities by month



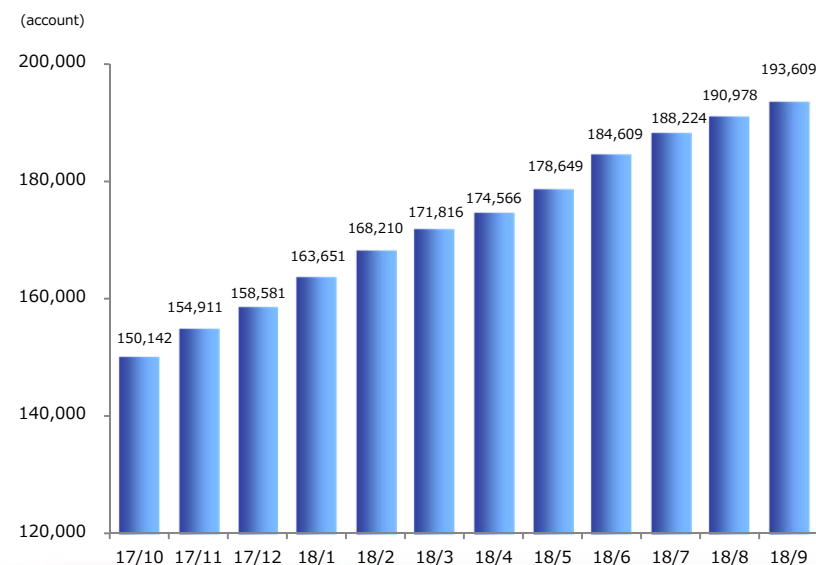
## "Click 365" contract amount



## Nikkei 225 Futures & Nikkei 225 Futures mini



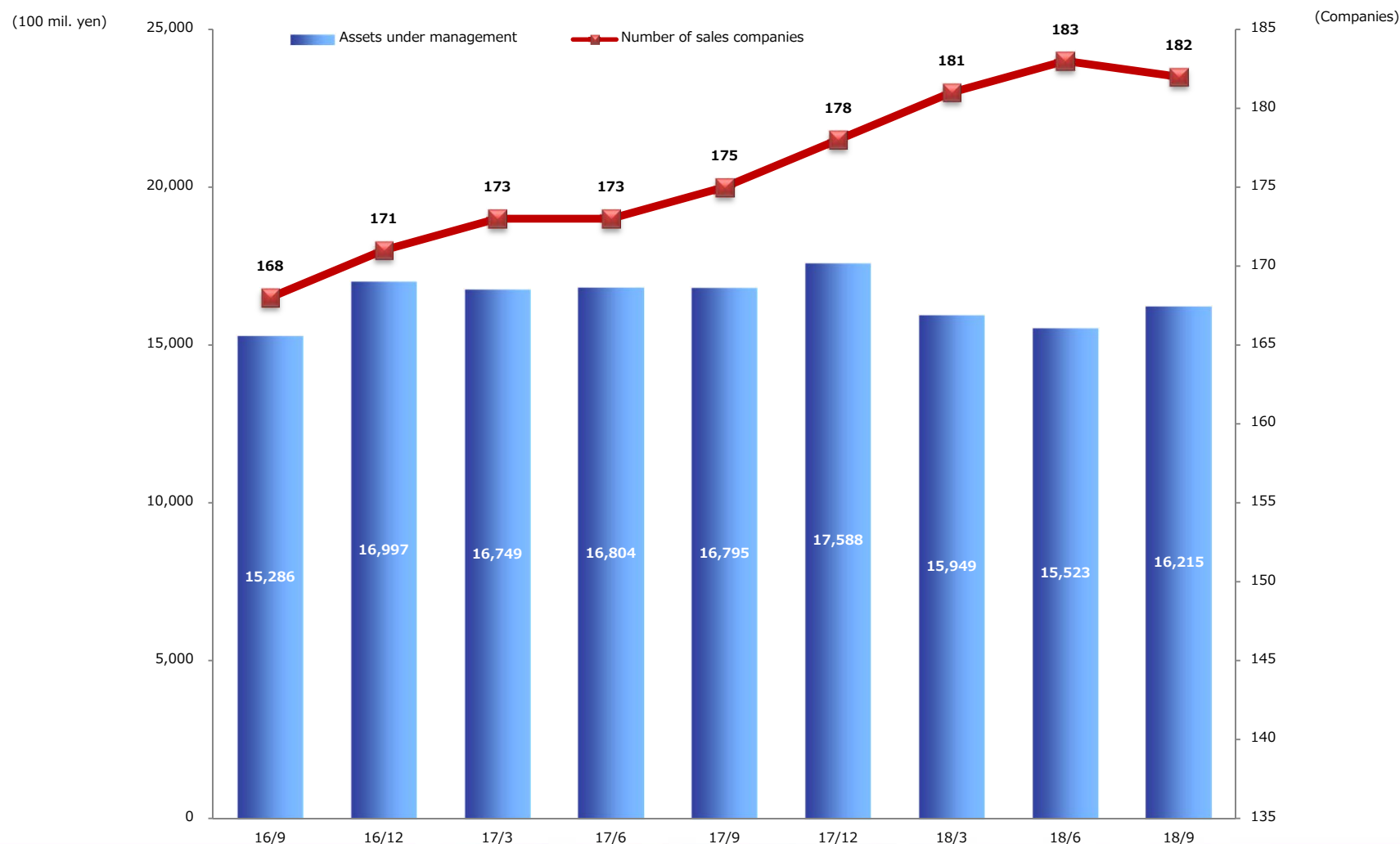
## Number of customer accounts



# (Reference Data) Okasan Asset Management Data

- Okasan Asset Management's balance of investment trusts managed rose 26.6 billion yen from the end of the previous fiscal year to 1,621.5 billion yen.

## Assets managed and number of sales companies



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