



# *Ending March 31, 2016*

## *Results Briefing*



April 28, 2016  
Okasan Securities Group Inc.

The objective of the document is to provide information on the results of the fiscal year ending March 31, 2016 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 March 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
FY16.3	82,927 ( -12.4%)	81,617 ( -12.6%)	14,158 ( -46.2%)	17,396 ( -36.1%)
FY15.3	94,632 ( -6.7%)	93,402 ( -6.6%)	26,294 ( -19.7%)	27,209 ( -20.6%)

	Profit attributable to owners of parent	Net income per share	R O E	Comprehensive income
	million yen	yen		million yen
FY16.3	11,068 ( -21.5%)	55.94	7.6%	8,225 ( -65.0%)
FY15.3	14,099 ( -18.4%)	71.20	10.3%	23,520 ( 2.5%)

	Total assets	Net assets	Equity ratio	Net Assets per share
	million yen	million yen		
FY16.3	515,743	172,097	28.4%	739.82
FY15.3	649,489	171,411	22.2%	728.26



## Financial highlights of fiscal year ending March 2016

### <Overview>

- Operating revenues fell 12.4% year on year (YoY) to 82,927 million yen. Revenues from distribution commissions on investment trusts and foreign equities decreased.
- Ordinary income decreased by 36.1% YoY to 17,396 million yen.
- Profit attributable to owners of parent decreased by 21.5% YoY to 11,068 million yen.

### <Fees and Commissions>

- Brokerage commissions increased by 6.7% YoY. Commissions on domestic equities and other transactions rose.
- Underwriting fees increased by 20.2% YoY, due in part to the initial public offerings of three companies in the Japan Post Group.
- Distribution commissions fell 38.0% YoY due to lower sales of investment trusts. In contrast, other commissions increased by 14.2% YoY due to an increase in custodian fees on the balance of investment trusts.

### <Net Trading Income>

- Trading income from equities fell by 39.5% YoY due to a decrease in foreign equity transactions (mainly US equities).
- Trading income from bonds rose 2.4% YoY.

### <SG&A expenses>

- Selling, general, and administrative expenses rose 0.5% YoY, due mainly to an increase in trading-related expenses.



## Operating Revenues

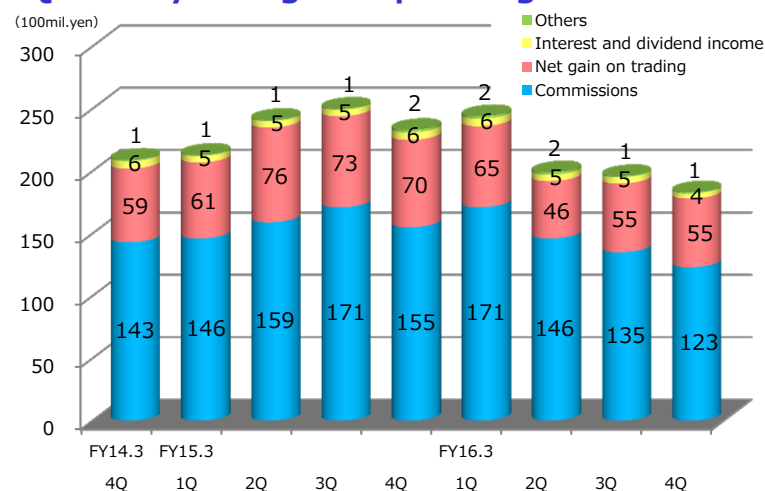
(In millions of yen)

	FY15.3	FY16.3	vs.FY15.3
	TOTAL	TOTAL	TOTAL
<b>Commissions</b>	63,341	57,665	-9.0%
Brokerage	19,489	20,804	6.7%
Underwriting	454	545	20.2%
Distribution	25,391	15,747	-38.0%
Others	18,006	20,568	14.2%
<b>Net gain on trading</b>	28,180	22,233	-21.1%
Equities	16,327	9,875	-39.5%
Bonds	11,836	12,122	2.4%
Others	16	235	-
<b>Interest and dividend income</b>	2,339	2,237	-4.4%
<b>Others</b>	770	790	2.7%
<b>Operating revenues</b>	94,632	82,927	-12.4%

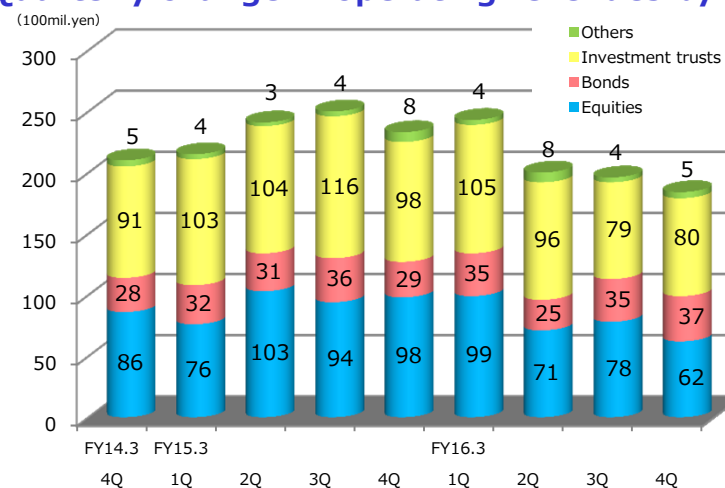
(In millions of yen)

	FY15.3				FY16.3				vs.FY15.3
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	3Q
<b>Commissions</b>	14,697	15,951	17,140	15,551	17,122	14,678	13,545	12,320	-9.0%
Brokerage	3,915	5,062	5,130	5,380	6,325	5,098	5,201	4,180	-19.6%
Underwriting	200	100	52	100	51	79	332	82	-75.3%
Distribution	6,556	6,514	7,325	4,994	5,235	4,060	2,900	3,550	22.4%
Others	4,025	4,273	4,631	5,075	5,511	5,439	5,110	4,507	-11.8%
<b>Net gain on trading</b>	6,140	7,647	7,329	7,063	6,546	4,637	5,510	5,539	0.5%
Equities	3,196	4,898	4,087	4,144	3,388	2,082	2,372	2,032	-14.3%
Bonds	2,954	2,823	3,353	2,705	3,250	2,271	3,169	3,431	8.3%
Others	-10	-75	-111	212	-92	283	-31	75	-
<b>Interest and dividend income</b>	560	591	582	605	622	592	526	495	-5.9%
<b>Others</b>	188	183	190	208	229	203	168	188	11.9%
<b>Operating revenues</b>	21,586	24,373	25,242	23,429	24,521	20,111	19,750	18,544	-6.1%

### ■ Quarterly change in operating revenues



### ■ Quarterly change in operating revenues by product





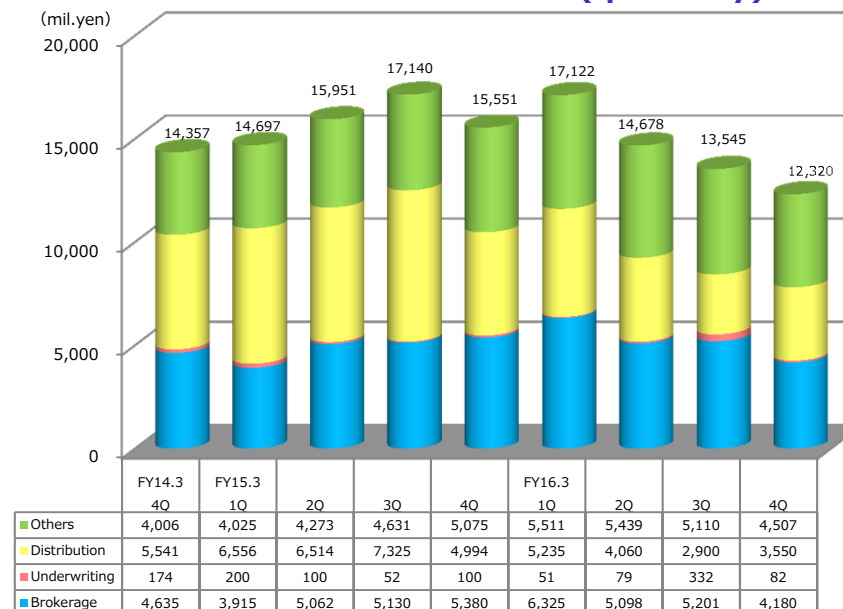
## Fees and Commissions Received

### ■ Fees and commissions received

(In millions of yen)

Items	FY15.3 TOTAL	FY16.3 TOTAL	vs.FY15.3 TOTAL
Brokerage	19,489	20,804	6.7%
Equities	18,954	19,239	1.5%
Bonds	6	5	-24.2%
Others	528	1,560	195.1%
Underwriting	454	545	20.2%
Equities	313	401	28.2%
Bonds	140	143	2.2%
Distribution	25,391	15,747	-38.0%
Beneficiary Certificates	25,216	15,525	-38.4%
Others	18,006	20,568	14.2%
Beneficiary Certificates	16,519	19,023	15.2%
<b>Total</b>	<b>63,341</b>	<b>57,665</b>	<b>-9.0%</b>

### ■ Fees and commissions received (quarterly)

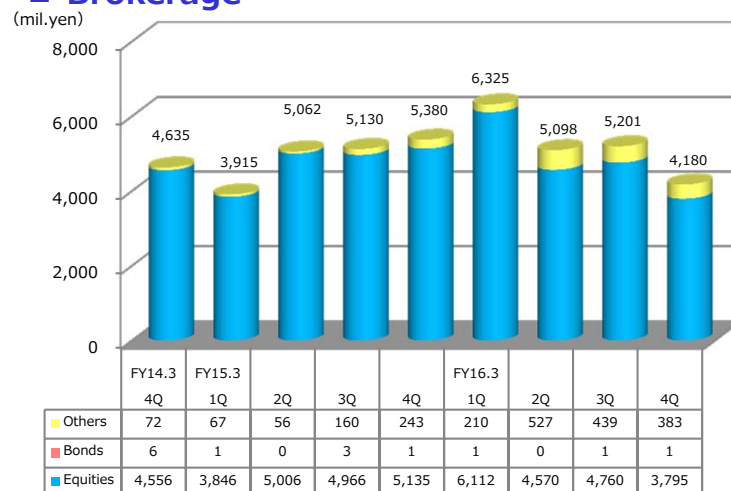


- Brokerage commissions increased by 6.7% YoY. In response to brisk business in domestic equity markets, Equity and ETF brokerage commissions rose.
- Underwriting fees increased by 20.2% YoY. Okasan Securities served as a managing underwriter in the domestic special category for the November initial public offerings of three companies in the Japan Post Group.
- Distribution commissions fell 38.2% YoY due to lower sales of investment trusts.
- Other commissions grew by 14.2% YoY, driven by higher custodian fees resulting from the high balance of investment trusts.

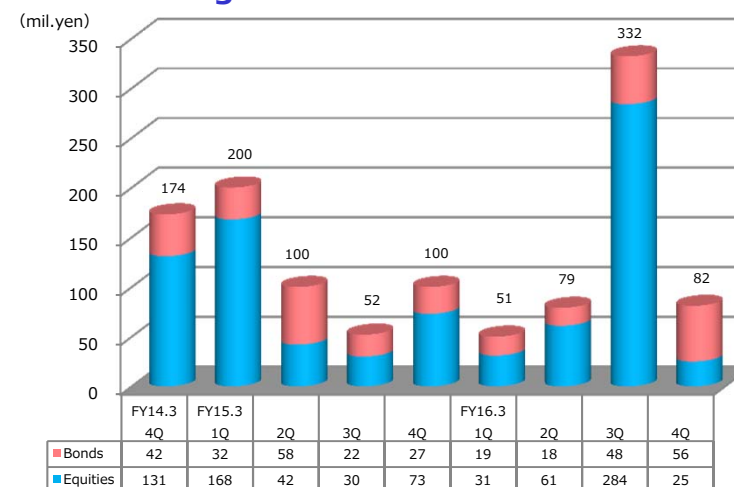


# Fees and Commissions Received by Category

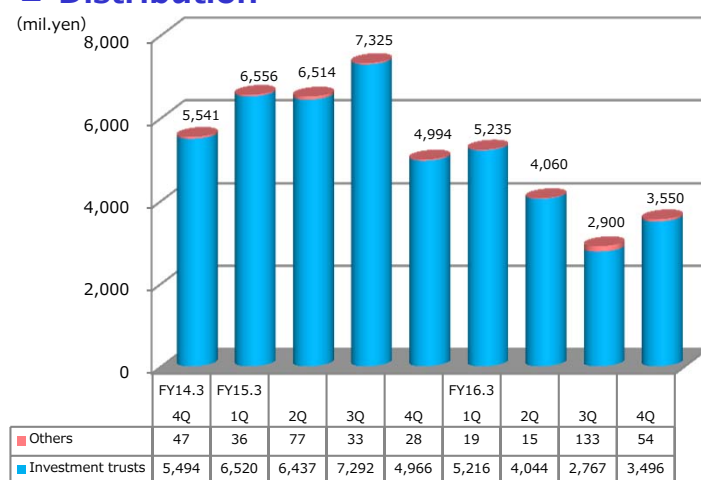
## ■ Brokerage



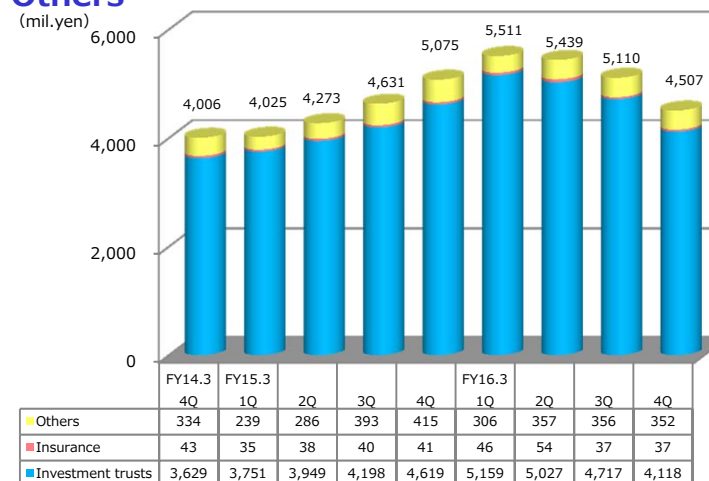
## ■ Underwriting



## ■ Distribution



## ■ Others





## Net Trading Income

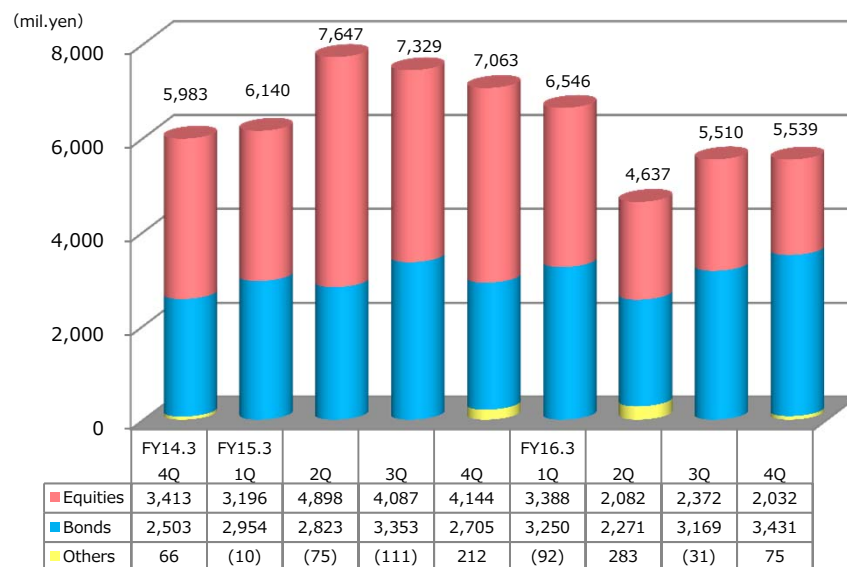
(In millions of yen)

	FY15.3	FY16.3	vs.FY15.3
	TOTAL	TOTAL	TOTAL
<b>Equities</b>	16,327	9,875	-39.5%
Domestic equities	1,526	805	-47.2%
Foreign equities	14,800	9,070	-38.7%
<b>Bonds and others</b>	11,836	12,122	2.4%
Domestic bonds	1,158	1,068	-7.8%
Foreign bonds	10,678	11,054	3.5%
<b>Others</b>	16	235	-
<b>Net gain on trading</b>	28,180	22,233	-21.1%

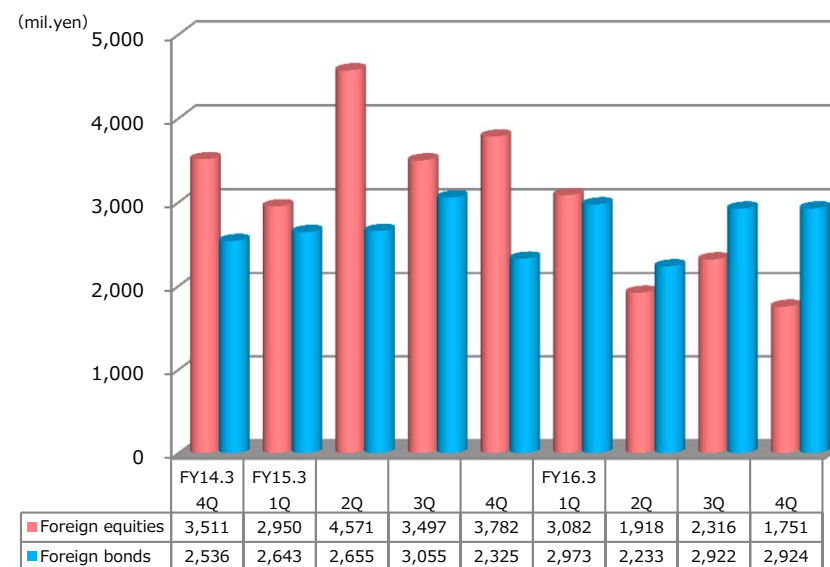
(In millions of yen)

	FY15.3				FY16.3				vs.FY16.3
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	3Q
<b>Equities</b>	3,196	4,898	4,087	4,144	3,388	2,082	2,372	2,032	-14.3%
Domestic equities	246	327	590	362	305	163	55	280	409.1%
Foreign equities	2,950	4,571	3,497	3,782	3,082	1,918	2,316	1,751	-24.4%
<b>Bonds and others</b>	2,954	2,823	3,353	2,705	3,250	2,271	3,169	3,431	8.3%
Domestic bonds	310	168	298	380	276	37	246	507	106.1%
Foreign bonds	2,643	2,655	3,055	2,325	2,973	2,233	2,922	2,924	0.1%
<b>Others</b>	-10	-75	-111	212	-92	283	-31	75	-
<b>Net gain on trading</b>	6,140	7,647	7,329	7,063	6,546	4,637	5,510	5,539	0.5%

### Net gain by Products



### Net gain from foreign equities and bonds







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

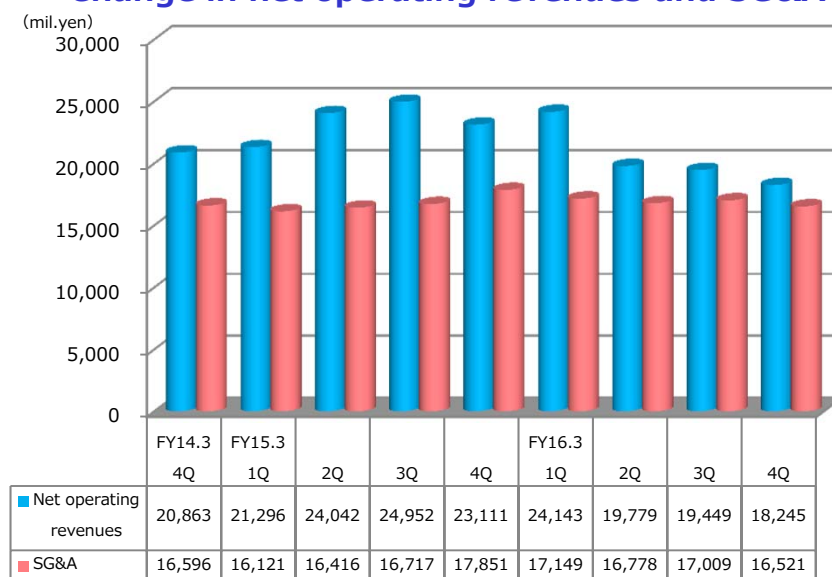
(In millions of yen)

	FY15.3 TOTAL	FY16.3 TOTAL	vs.FY15.3 TOTAL
Trading related expenses	13,518	<b>14,764</b>	<b>9.2%</b>
Personnel expenses	34,440	<b>33,331</b>	<b>-3.2%</b>
Real estate expenses	6,159	<b>6,273</b>	<b>1.9%</b>
Office expenses	5,082	<b>5,687</b>	<b>11.9%</b>
Depreciation expenses	4,042	<b>3,258</b>	<b>-19.4%</b>
Taxes and dues	754	<b>846</b>	<b>12.2%</b>
Others	3,111	<b>3,297</b>	<b>6.0%</b>
<b>SG&amp;A</b>	<b>67,107</b>	<b>67,459</b>	<b>0.5%</b>

(In millions of yen)

	FY15.3				FY16.3				vs.FY16.3 3Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Trading related expenses	3,055	3,024	3,427	4,010	3,754	3,773	3,828	<b>3,408</b>	<b>-11.0%</b>
Personnel expenses	8,420	8,460	8,586	8,972	8,493	8,213	8,349	<b>8,275</b>	<b>-0.9%</b>
Real estate expenses	1,470	1,754	1,490	1,443	1,562	1,529	1,583	<b>1,597</b>	<b>0.9%</b>
Office expenses	1,229	1,236	1,224	1,391	1,323	1,471	1,460	<b>1,432</b>	<b>-1.9%</b>
Depreciation expenses	991	1,005	1,025	1,020	905	730	771	<b>851</b>	<b>10.4%</b>
Taxes and dues	183	195	196	178	253	200	211	<b>180</b>	<b>-14.7%</b>
Others	770	739	766	834	858	859	804	<b>774</b>	<b>-3.7%</b>
<b>SG&amp;A</b>	<b>16,121</b>	<b>16,416</b>	<b>16,717</b>	<b>17,851</b>	<b>17,149</b>	<b>16,778</b>	<b>17,009</b>	<b>16,521</b>	<b>-2.9%</b>

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



- Trading-related expenses were up 9.2% YoY, due mainly to an increase in variable expenses related to the asset management business.
- Personnel expenses fell 3.2% YoY due to decreases in bonuses and other expenses.
- Real estate expenses were up 1.9% YoY, due to new office openings and relocations.
- Office expenses rose 11.9% YoY due to increased subcontracting costs.
- Depreciation expenses fell 19.4% YoY due to the completion of depreciation on certain systems.



## Balance Sheet Summary (1)

(In millions of yen)				(In millions of yen)							
	FY15.3	FY16.3	vs.FY15.3	FY15.3				FY16.3			
	4Q	4Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Current assets</b>	573,679	<b>435,187</b>	<b>-138,492</b>	579,777	612,223	594,151	573,679	586,417	516,310	496,424	<b>435,187</b>
Cash and deposits	55,583	<b>57,300</b>	<b>1,717</b>	45,742	56,935	52,941	55,583	54,498	52,195	55,409	<b>57,300</b>
Cash segregated as deposits	63,610	<b>58,842</b>	<b>-4,768</b>	61,509	61,245	64,349	63,610	65,566	61,118	61,741	<b>58,842</b>
Trading products	216,338	<b>170,851</b>	<b>-45,486</b>	187,903	244,013	225,062	216,338	232,211	152,853	162,997	<b>170,851</b>
Receivables on margin transactions	58,273	<b>42,341</b>	<b>-15,931</b>	56,666	53,373	55,272	58,273	56,053	55,392	49,401	<b>42,341</b>
Receivables on collateralized securities transactions	169,979	<b>95,461</b>	<b>-74,518</b>	150,048	180,824	187,916	169,979	168,743	184,426	156,026	<b>95,461</b>
Other current assets	9,895	<b>10,390</b>	<b>495</b>	77,906	15,830	8,608	9,895	9,343	10,323	10,847	<b>10,390</b>
<b>Fixed assets</b>	75,810	<b>80,555</b>	<b>4,745</b>	70,388	71,854	71,393	75,810	86,434	81,320	88,053	<b>80,555</b>
Tangible fixed assets	18,960	<b>19,594</b>	<b>634</b>	18,906	19,115	19,199	18,960	18,897	18,963	19,553	<b>19,594</b>
Intangible fixed assets	7,585	<b>9,869</b>	<b>2,284</b>	8,180	8,203	8,113	7,585	7,895	8,766	9,296	<b>9,869</b>
Investments and other assets	49,264	<b>51,091</b>	<b>1,827</b>	43,300	44,535	44,080	49,264	59,642	53,590	59,202	<b>51,091</b>
<b>Total assets</b>	649,489	<b>515,743</b>	<b>-133,746</b>	650,166	684,078	665,544	649,489	672,852	597,630	584,477	<b>515,743</b>

- Current assets decreased 138.4 billion yen from the end of the previous fiscal year due to decrease in Receivables on collateralized securities transactions, trading products and other factors.
- Fixed assets grew 4.7 billion yen from the end of the previous fiscal year due to mainly growth in Intangible fixed assets, investments and other assets.
- Total assets decreased 133.7 billion yen from the end of the previous fiscal year.
- Current liabilities decreased 134.5 billion yen from the end of the previous fiscal year due to decrease in trading products, Payables on collateralized securities transactions and other factors.
- Fixed liabilities grew 80 million yen from the end of the previous fiscal year.  
Total liabilities decreased by 134.4 billion yen.
- Net assets grew 0.6 billion yen from the end of the previous fiscal year due to increase in retained earnings and other factors.



## Balance Sheet Summary (2)

(In millions of yen)

(In millions of yen)

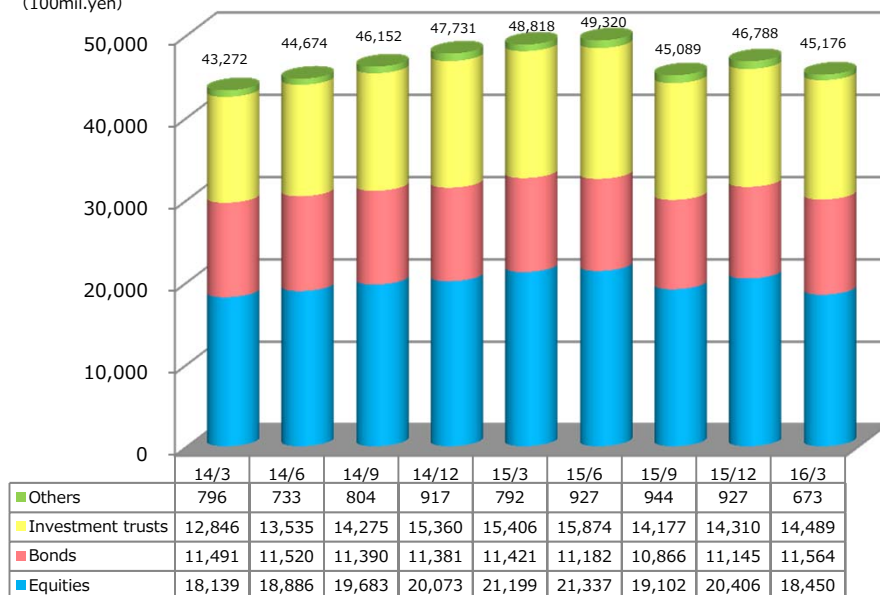
	FY15.3	FY16.3	vs.FY15.3		FY15.3				FY16.3				vs.FY16.3
	4Q	4Q	4Q		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	3Q
Current liabilities	445,495	310,957	-134,538		469,961	499,139	472,877	445,495	464,455	396,221	375,256	310,957	-64,299
Trading liabilities	145,105	77,206	-67,899		143,321	173,876	160,091	145,105	108,373	107,043	89,400	77,206	-12,194
Payables on margin transactions	18,742	10,468	-8,273		17,071	18,497	13,006	18,742	11,148	10,060	8,023	10,468	2,445
Payables on collateralized securities transactions	69,695	24,737	-44,958		83,235	52,114	61,217	69,695	120,780	70,161	69,904	24,737	-45,167
Deposits received	39,490	27,528	-11,962		39,460	51,682	55,349	39,490	53,189	49,767	52,691	27,528	-25,163
Guarantee deposits received	36,678	36,284	-394		33,861	34,160	36,675	36,678	41,330	38,203	40,583	36,284	-4,299
Short-term borrowings	104,795	109,534	4,739		146,397	158,515	125,881	104,795	85,197	105,384	72,971	109,534	36,563
Other cuurent liabilities	30,985	25,197	-5,788		6,613	10,292	20,655	30,985	44,436	15,600	41,680	25,197	-16,483
Fixed liabilities	29,965	30,045	80		26,331	25,041	25,619	29,965	30,927	28,635	30,684	30,045	-639
Long-term borrowings	9,210	12,300	3,090		8,355	6,670	6,660	9,210	9,210	8,828	9,698	12,300	2,602
Net defined benefit liability	5,320	5,626	306		5,136	5,134	5,121	5,320	5,303	5,298	5,326	5,626	300
Other fixed liabilities	15,435	12,119	-3,316		12,840	13,236	13,837	15,435	16,413	14,508	15,660	12,119	-3,541
Financial instruments transaction reserve	2,617	2,642	25		2,398	2,479	2,563	2,617	2,629	2,630	2,631	2,642	11
Total liabilities	478,078	343,645	-134,433		498,691	526,660	501,060	478,078	498,012	427,487	408,572	343,645	-64,927
Common stock	18,589	18,589	—		18,589	18,589	18,589	18,589	18,589	18,589	18,589	18,589	—
Capital surplus	12,913	12,982	68		12,913	12,913	12,913	12,913	12,813	12,982	12,982	12,982	—
Retained earnings	100,472	106,668	6,195		89,191	93,649	98,496	100,472	100,240	101,898	104,854	106,668	1,814
Treasury stock	-3,729	-3,789	-59		-3,704	-3,711	-3,723	-3,729	-3,734	-3,777	-3,785	-3,789	-4
Accumulated other comprehensive income	15,952	11,911	-4,041		10,048	11,002	12,409	15,952	18,410	15,377	17,261	11,911	-5,350
Subscription rights to shares	—	87	87		—	—	—	—	—	92	92	87	-5
Minority interests	27,212	25,648	-1,564		24,435	24,974	25,798	27,212	28,520	24,980	25,910	25,648	-262
Total net assets	171,411	172,097	686		151,474	157,418	164,484	171,411	174,839	170,143	175,905	172,097	-3,808
Total liabilities&net assets	649,489	515,743	-133,746		650,166	684,078	665,544	649,489	672,852	597,630	584,477	515,743	-68,734



## Assets under custody (Consolidated)

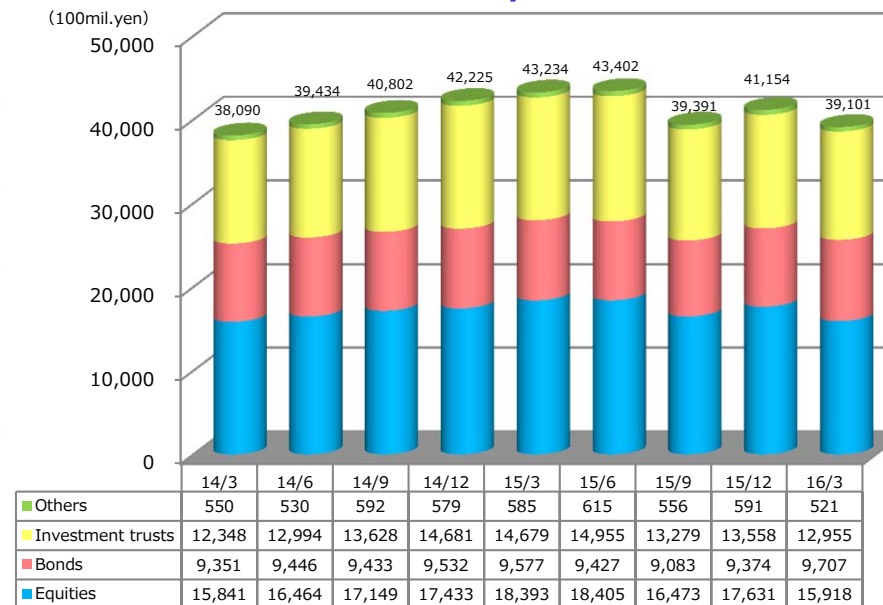
### ■ Assets under Custody

(100mil.yen)



### ■ Retail Assets under Custody

(100mil.yen)



- On a consolidated basis, customers' assets under custody decreased to 4,517.6 billion yen, down 364.2 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 3,910.1 billion yen, down 413.3 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	FY15.3 TOTAL	FY16.3 TOTAL	vs.FY15.3 TOTAL
<b>Operating revenues</b>	<b>74,345</b>	<b>61,007</b>	<b>-17.9%</b>
Commissions	45,589	38,078	-16.5%
Brokerage	14,806	16,445	11.1%
Underwriting	448	537	19.9%
Distribution	23,566	14,273	-39.4%
Others	6,768	6,822	0.8%
<b>Net gain on trading</b>	<b>27,039</b>	<b>21,271</b>	<b>-21.3%</b>
Equities	15,761	9,525	-39.6%
Bonds	11,262	11,511	2.2%
Others	15	235	—
Interest and dividend income	1,716	1,657	-3.5%
Financial expenses	1,148	1,210	5.4%
<b>Net operating revenues</b>	<b>73,197</b>	<b>59,796</b>	<b>-18.3%</b>
<b>SG&amp;A</b>	<b>50,633</b>	<b>49,298</b>	<b>-2.6%</b>
Trading related expenses	8,469	8,179	-3.4%
Personnel expenses	26,190	25,227	-3.7%
Real estate expenses	6,072	6,270	3.3%
Administrative expenses	8,040	7,635	-5.0%
Depreciation expenses	499	534	7.0%
Taxes and dues	437	460	5.4%
Others	923	989	7.1%
<b>Operating income</b>	<b>22,563</b>	<b>10,498</b>	<b>-53.5%</b>
Non-operating income	353	266	-24.6%
Non-operating expenses	53	30	-42.2%
<b>Ordinary income</b>	<b>22,863</b>	<b>10,734</b>	<b>-53.1%</b>
Extraordinary gain	—	—	—
Extraordinary loss	180	32	-82.2%
<b>Net profit, before taxes</b>	<b>22,683</b>	<b>10,702</b>	<b>-52.8%</b>
Income taxes	7,621	3,019	-60.4%
Adjustment amount for income t	515	656	27.2%
<b>Net profit</b>	<b>14,545</b>	<b>7,026</b>	<b>-51.7%</b>

(In millions of yen)

FY15.3				FY16.3				vs.FY15.3	
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	3Q	
<b>17,031</b>	<b>19,593</b>	<b>19,958</b>	<b>17,763</b>	<b>18,258</b>	<b>14,344</b>	<b>14,532</b>	<b>13,870</b>	<b>-4.6%</b>	
10,735	11,786	12,542	10,524	11,546	9,529	8,836	8,165	-7.6%	
2,942	3,835	3,823	4,204	5,001	3,969	4,164	3,310	-20.5%	
199	99	51	97	50	75	330	81	-75.5%	
6,034	6,176	6,906	4,447	4,663	3,714	2,655	3,240	22.0%	
1,558	1,673	1,760	1,775	1,831	1,770	1,687	1,532	-9.2%	
<b>5,883</b>	<b>7,374</b>	<b>6,983</b>	<b>6,798</b>	<b>6,244</b>	<b>4,386</b>	<b>5,305</b>	<b>5,335</b>	<b>0.6%</b>	
3,053	4,765	3,911	4,031	3,247	1,983	2,313	1,979	-14.4%	
2,839	2,684	3,183	2,554	3,089	2,119	3,023	3,279	8.5%	
-10	-75	-111	212	-92	283	-31	75	—	
411	432	432	439	466	428	390	370	-5.1%	
271	308	274	293	356	310	274	268	-2.2%	
<b>16,759</b>	<b>19,285</b>	<b>19,683</b>	<b>17,469</b>	<b>17,902</b>	<b>14,034</b>	<b>14,258</b>	<b>13,602</b>	<b>-4.6%</b>	
<b>12,229</b>	<b>12,680</b>	<b>12,745</b>	<b>12,977</b>	<b>12,649</b>	<b>12,158</b>	<b>12,335</b>	<b>12,154</b>	<b>-1.5%</b>	
2,040	2,059	2,214	2,154	2,139	2,030	2,075	1,934	-6.8%	
6,364	6,491	6,585	6,749	6,408	6,236	6,397	6,184	-3.3%	
1,438	1,675	1,486	1,472	1,533	1,562	1,568	1,606	2.4%	
1,945	1,995	2,012	2,087	2,010	1,852	1,826	1,946	6.6%	
112	121	127	137	121	133	136	143	5.1%	
97	122	110	106	139	120	111	89	-19.8%	
230	214	209	269	297	222	220	249	13.2%	
<b>4,529</b>	<b>6,604</b>	<b>6,937</b>	<b>4,491</b>	<b>5,252</b>	<b>1,875</b>	<b>1,922</b>	<b>1,447</b>	<b>-24.7%</b>	
100	95	90	66	71	63	70	61	-12.9%	
7	34	5	5	4	7	8	10	25.0%	
<b>4,623</b>	<b>6,664</b>	<b>7,023</b>	<b>4,552</b>	<b>5,319</b>	<b>1,932</b>	<b>1,984</b>	<b>1,498</b>	<b>-24.5%</b>	
—	—	—	—	—	—	—	—	—	
43	49	49	39	22	—	—	10	—	
<b>4,580</b>	<b>6,615</b>	<b>6,974</b>	<b>4,513</b>	<b>5,297</b>	<b>1,932</b>	<b>1,984</b>	<b>1,488</b>	<b>-25.0%</b>	
556	3,189	1,806	2,068	1,052	1,160	25	780	—	
1,154	-738	727	-627	770	-481	681	-314	—	
<b>2,869</b>	<b>4,164</b>	<b>4,439</b>	<b>3,072</b>	<b>3,474</b>	<b>1,252</b>	<b>1,277</b>	<b>1,022</b>	<b>-20.0%</b>	



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

<Volume of equity trading / Number of shares>

(In millions of shares)

Items	1 Q	2 Q	FY15.3 3 Q	4 Q	TOTAL	1 Q	2 Q	FY16.3 3 Q	4 Q	TOTAL	vs.FY15.3 TOTAL	vs.FY16.3 3 Q
( Dealing )	409	487	375	389	1,662	557	579	541	378	2,057	23.8%	-30.1%
( Brokerage )	2,847	3,665	4,062	3,515	14,091	3,697	3,149	2,754	2,590	12,191	-13.5%	-6.0%
Total	3,256	4,153	4,438	3,905	15,754	4,254	3,728	3,295	2,968	14,248	-9.6%	-9.9%
Brokerage ratio	87.4%	88.3%	91.5%	90.0%	89.4%	86.9%	84.4%	83.6%	87.3%	85.6%	-3.8 p	3.7 p

<Volume of equity trading / Total value>

(In millions of yen)

Items	1 Q	2 Q	FY15.3 3 Q	4 Q	TOTAL	1 Q	2 Q	FY16.3 3 Q	4 Q	TOTAL	vs.FY15.3 TOTAL	vs.FY16.3 3 Q
( Dealing )	416,308	513,918	427,844	470,433	1,828,503	553,726	511,860	635,414	535,728	2,236,730	22.3%	-15.7%
( Brokerage )	1,955,209	2,200,429	2,219,592	2,045,028	8,420,260	2,229,739	1,937,777	1,798,440	1,703,045	7,669,003	-8.9%	-5.3%
Total	2,371,517	2,714,347	2,647,437	2,515,461	10,248,764	2,783,466	2,449,638	2,433,855	2,238,774	9,905,734	-3.3%	-8.0%
Brokerage ratio	82.4%	81.1%	83.8%	81.3%	82.2%	80.1%	79.1%	73.9%	76.1%	77.4%	-4.8 p	2.2 p

<Total share within TSE>

Items	1 Q	2 Q	FY15.3 3 Q	4 Q	TOTAL	1 Q	2 Q	FY16.3 3 Q	4 Q	TOTAL	vs.FY15.3 TOTAL	vs.FY16.3 3 Q
Number of shares	0.99%	1.21%	1.09%	1.04%	1.08%	1.10%	0.97%	0.98%	0.75%	0.95%	-0.13 p	-0.23 p
Total value	0.75%	0.81%	0.63%	0.61%	0.69%	0.65%	0.56%	0.61%	0.52%	0.59%	-0.10 p	-0.09 p

<Brokerage Commissions Ratio>

(In millions of yen)

Items	1 Q	2 Q	FY15.3 3 Q	4 Q	TOTAL	1 Q	2 Q	FY16.3 3 Q	4 Q	TOTAL	vs.FY15.3 TOTAL	vs.FY16.3 3 Q
Commissions	2,854	3,755	3,621	3,935	14,166	4,774	3,427	3,720	2,936	14,858	4.9%	-21.1%
Commissions Ratio	0.15%	0.17%	0.16%	0.19%	0.17%	0.21%	0.18%	0.21%	0.17%	0.19%	0.02 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		1Q	2Q	FY15.3 3Q	4Q	TOTAL	1Q	2Q	FY16.3 3Q	4Q	TOTAL	vs.FY15.3 TOTAL	vs.FY16.3 3Q
Equities	(Number of shares)	1	0	0	0	3	0	2	11	0	14	366.7%	-100.0%
Equities	(Total value)	4,613	1,192	714	1,312	7,833	594	1,498	17,624	762	20,479	161.4%	-95.7%
Bonds	(Total at face value)	180,762	191,817	180,955	194,039	747,573	227,055	211,175	254,588	191,210	884,029	18.3%	-24.9%
Domestic and foreign CP	(Total at face value)	—	—	—	—	—	—	—	—	—	—	—	—

## <Selling>

(In millions of shares, millions of yen)

Items		1Q	2Q	FY15.3 3Q	4Q	TOTAL	1Q	2Q	FY16.3 3Q	4Q	TOTAL	vs.FY15.3 TOTAL	vs.FY16.3 3Q
Equities	(Number of shares)	1	0	0	0	3	0	2	10	0	13	333.3%	-100.0%
Equities	(Total value)	4,868	1,287	618	1,212	7,987	603	1,530	15,838	542	18,515	131.8%	-96.6%
Bonds	(Total at face value)	45,283	39,753	42,173	43,116	170,325	44,095	44,412	50,808	51,120	190,435	11.8%	0.6%

## <Offering>

(In millions of shares, millions of yen)

Items		1Q	2Q	FY15.3 3Q	4Q	TOTAL	1Q	2Q	FY16.3 3Q	4Q	TOTAL	vs.FY15.3 TOTAL	vs.FY16.3 3Q
Equities	(Number of shares)	0	—	0	—	0	0	—	—	0	0	—	—
Equities	(Total value)	5	—	0	—	6	1	—	—	1	3	-50.0%	—
Bonds	(Total at face value)	191,531	202,564	190,902	204,559	789,558	237,517	221,696	265,369	194,765	919,350	16.4%	-26.6%
Beneficiary securities	(Total at face value)	584,656	590,039	645,162	549,443	2,369,302	536,182	424,874	437,349	540,033	1,938,439	-18.2%	23.5%
Domestic and foreign CP	(Total at face value)	—	—	—	—	—	—	—	—	—	—	—	—

## <Underwriting & Selling Fees Ratio>

(In millions of yen)

Items		1Q	2Q	FY15.3 3Q	4Q	TOTAL	1Q	2Q	FY16.3 3Q	4Q	TOTAL	vs.FY15.3 TOTAL	vs.FY16.3 3Q
Equities		167	41	28	70	308	30	60	281	24	398	29.2%	-91.5%
(Averaged Fees Ratio)		1.76%	1.69%	2.10%	2.77%	1.95%	2.51%	1.98%	0.84%	1.84%	1.02%	-0.93 p	1.00 p
Bonds		31	58	22	27	139	19	14	48	56	139	0.0%	16.7%
(Averaged Fees Ratio)		0.014%	0.025%	0.010%	0.011%	0.015%	0.007%	0.005%	0.016%	0.023%	0.013%	-0.002 p	0.007 p

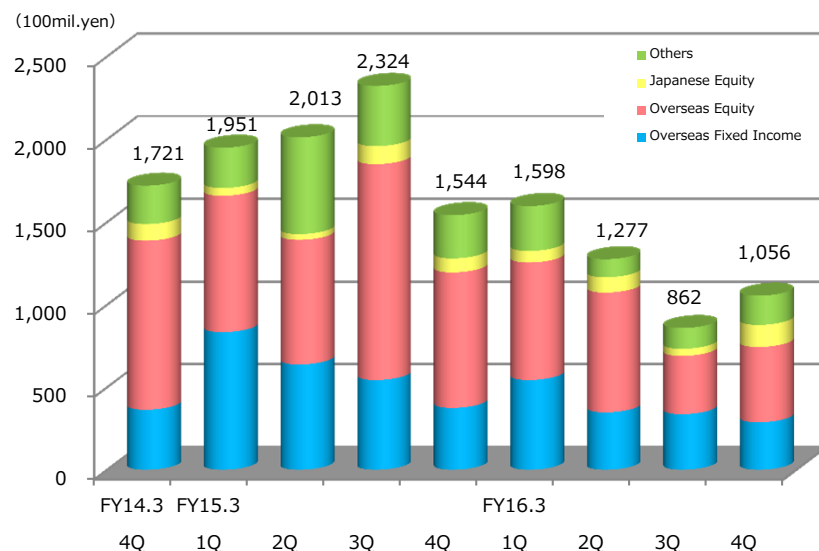




# Investment trusts / Foreign bonds

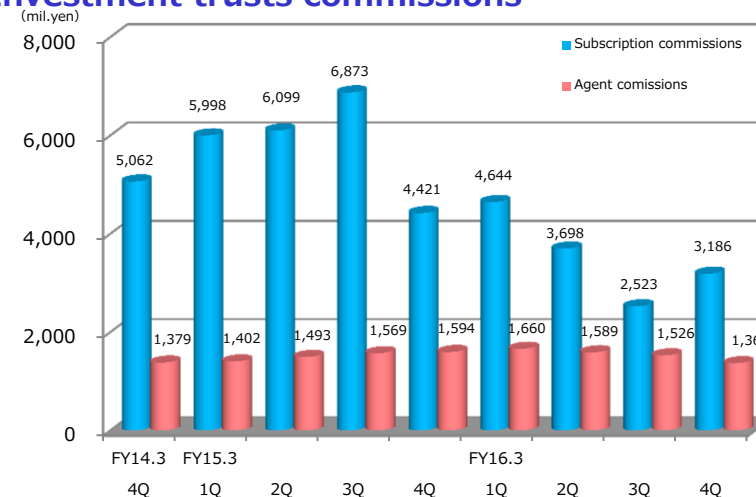
(non-consolidated: Okasan Securities)

## ■ Investment trusts sales amount

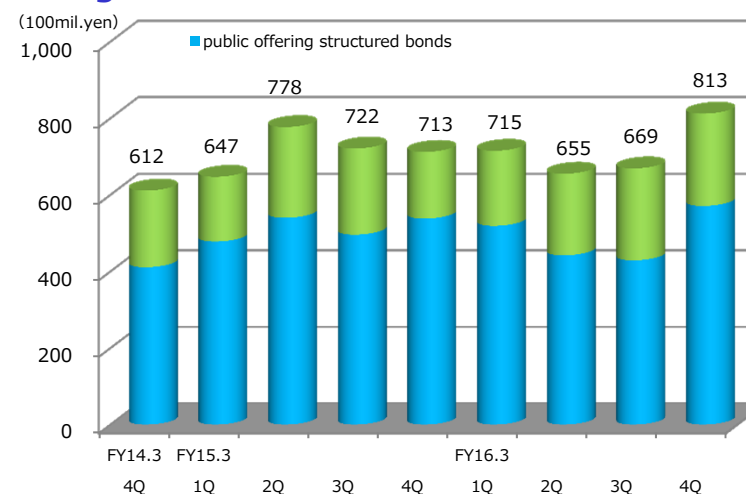


- Investment trust sales fell 38.8% YoY to 479.4 billion yen.
- Sales commissions fell 39.9% YoY to 14,052 million yen. At the same time, the high balance of investment trusts boosted agent commissions by 1.4% to 6,142 million yen.
- Foreign bond sales fell 0.3% YoY to 285.3 billion yen. Sales of foreign currency bonds to retail investors increased, while sales to corporate investors fell.

## ■ Investment trusts commissions



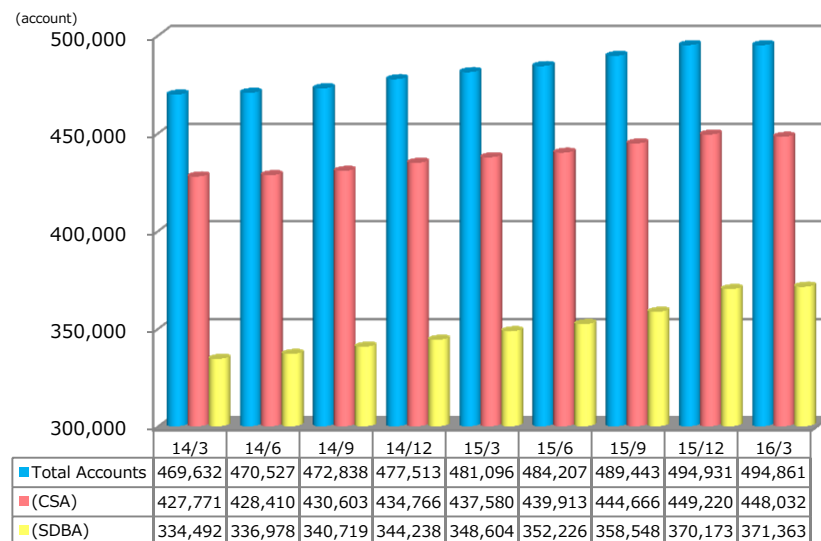
## ■ Foreign bonds sales amount





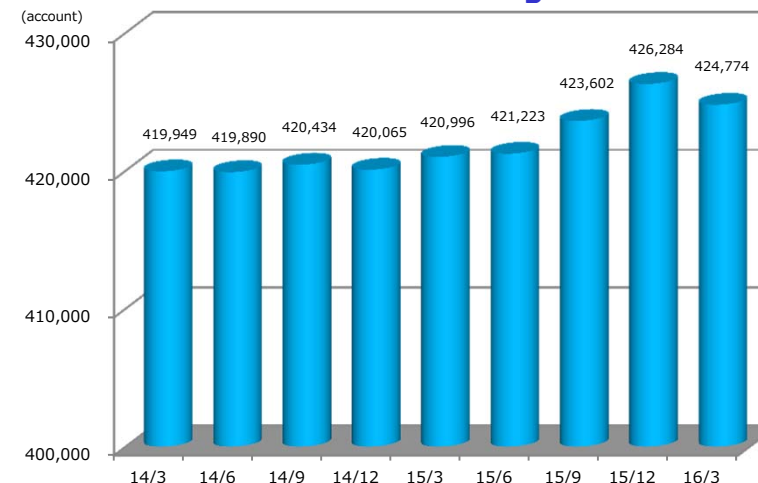
## Number of accounts (non-consolidated: Okasan Securities)

### ■ Number of customer accounts

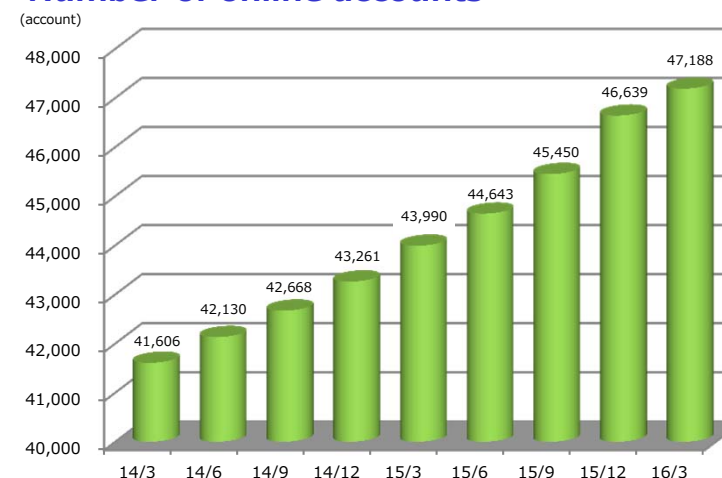


- The total number of customer accounts increased by 2.9% from the end of the previous fiscal year to 494,861.
- The number of accounts with remaining balances increased by 0.9% from the end of the previous fiscal year to 424,774.
- The number of newly opened accounts was 23,884.
- Online accounts (47,188 accounts) accounted for 9.5% of the total number of customer accounts.

### ■ Number of balance remaining accounts



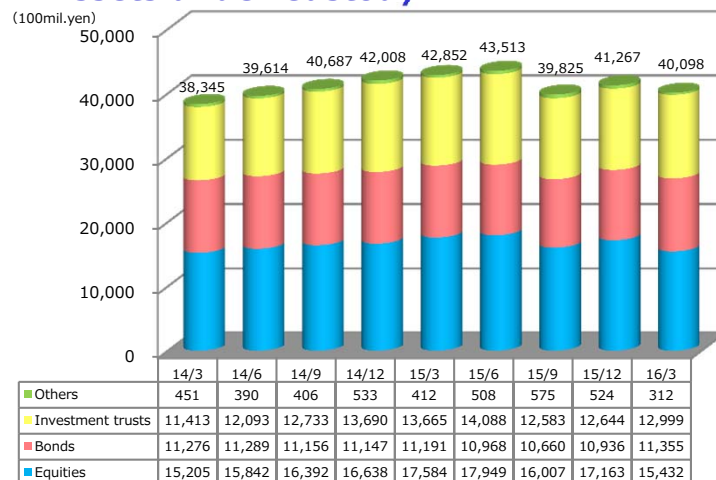
### ■ Number of online accounts



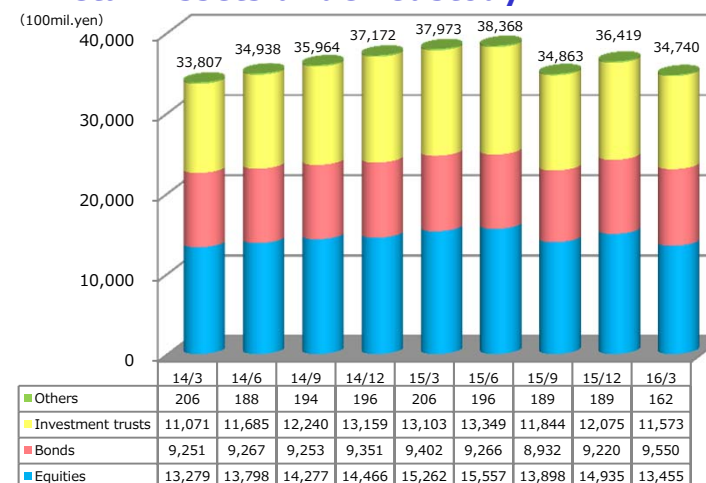


# Assets under custody / Net inflow of assets (non-consolidated: Okasan Securities)

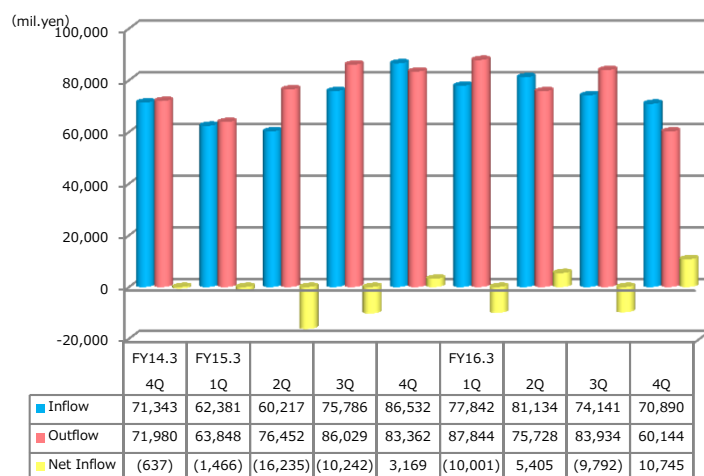
## ■ Assets under Custody



## ■ Retail Assets under Custody



## ■ Net inflow of assets (Individuals)



- Customers' assets under custody at Okasan Securities decreased by 275.4 billion yen from the end of the previous fiscal year to 4,009.8 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 3.6 billion yen.



# Capital Adequacy Requirement Ratio

(non-consolidated: Okasan Securities)

(In millions of yen)

Items		FY15.3				FY16.3				vs.FY15.3	
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4Q	
Basic items		(A)	71,637	75,801	80,241	78,313	81,788	83,041	84,318	78,339	26
Complementary items	Appraisal gains (losses) etc.		3	6	13	10	31	15	19	—	-10
	Security transaction responsibility reserve		1,323	1,372	1,422	1,461	1,483	1,483	1,483	1,487	26
	General provision for loan losses		13	12	14	13	0	0	0	0	-13
	Short-term subordinated debt		6,725	4,750	4,750	8,775	8,775	6,800	6,800	6,000	-2,775
	Total	(B)	8,064	6,142	6,199	10,260	10,290	8,299	8,303	7,487	-2,773
Assets to be deducted		(C)	9,469	9,707	9,636	9,392	9,548	9,920	9,946	10,282	890
Unfixed equity capital (A) + (B) – (C)		(D)	70,232	72,235	76,803	79,182	82,530	81,419	82,675	75,545	-3,637
Risk equivalents	Market risk equivalents		2,717	2,837	2,945	3,014	3,629	2,276	2,962	3,038	24
	Customer risk equivalents		1,267	1,282	1,301	1,331	1,356	1,328	1,198	1,085	-246
	Basic risk equivalents		12,864	12,722	12,737	12,595	12,745	12,806	12,759	12,679	84
	Total	(E)	16,850	16,842	16,985	16,941	17,731	16,410	16,921	16,803	-138
Capital adequacy ratio (D) / (E) ×100 (%)			416.7%	428.8%	452.1%	467.3%	465.4%	496.1%	488.5%	449.5%	-17.8 p

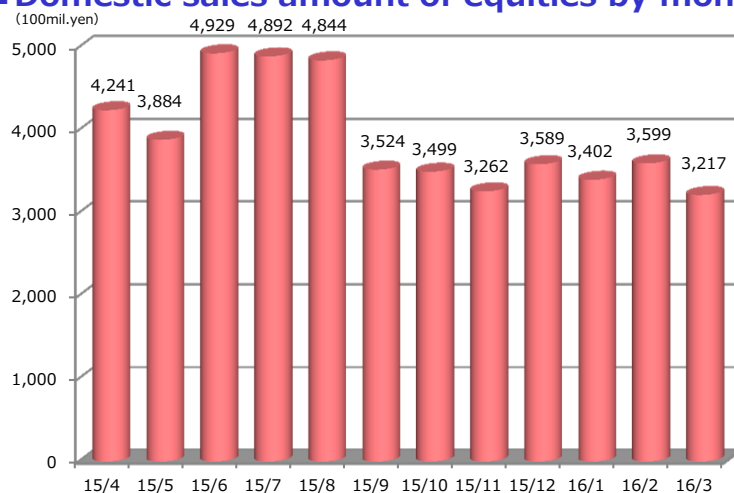
(Note) Short-term subordinated debt consists of subordinated borrowing.

- The capital adequacy ratio at the end of March 2016 decreased by 17.8 percentage points from the end of the previous fiscal year.
- Reduction in Complementary items due to a decrease in Short-term subordinated debt caused the capital adequacy ratio to fall.

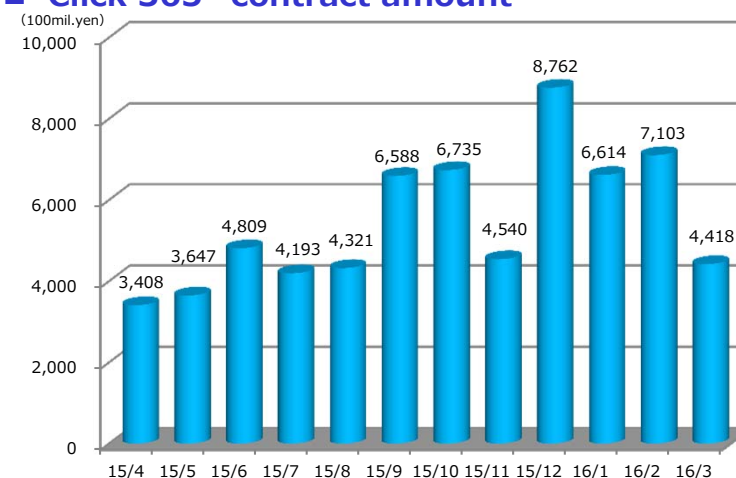


## (Reference Data) Okasan Online Securities Data

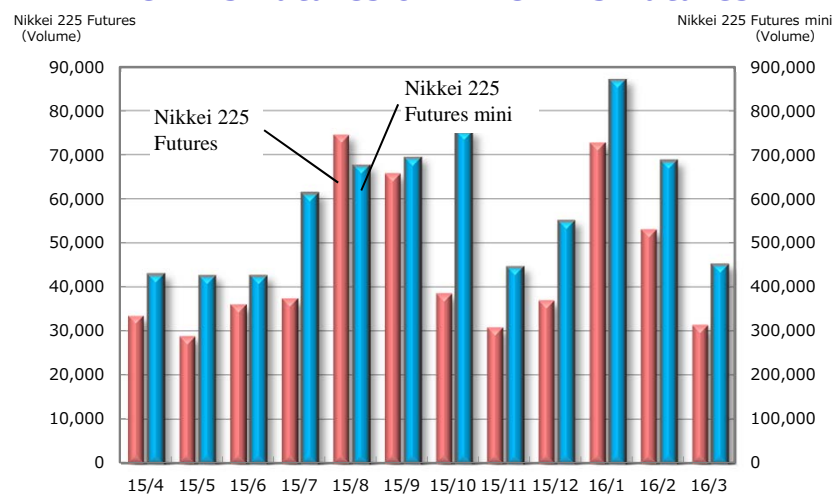
■ Domestic sales amount of equities by month



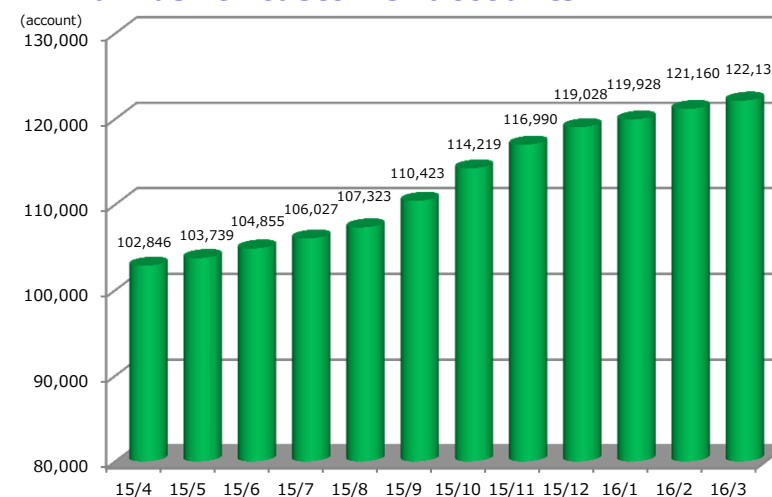
■ "Click 365" contract amount



■ Nikkei 225 Futures & Nikkei 225 Futures mini



■ Number of customer accounts





# MEMO

---



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

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