

1Q Ending March 31, 2021

Results Briefing

The objective of the document is to provide information on the results of the 1st quarter fiscal year ending March 31, 2021 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 2020. 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 30, 2020
OKASAN SECURITIES GROUP INC.



Outline

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1 *Business Results Overviews (Consolidated)*

Financial Summary

<Compared to previous quarter (vs. 4th quarter of the fiscal year ended March 2020)>

Operating revenues fell 8.9% from the previous quarter to 15,269 million yen.

- Brokerage commissions increased with dramatic growth in domestic and foreign stock transactions. However, income from investment trusts and foreign bonds declined.

Selling, general, and administrative expenses decreased over the same period by 5.9%. Ordinary income fell 63.1% to 549 million yen.

Net income attributable to owners of parent was 526 million yen due to factors including the recording of reversal of security transaction responsibility reserve.

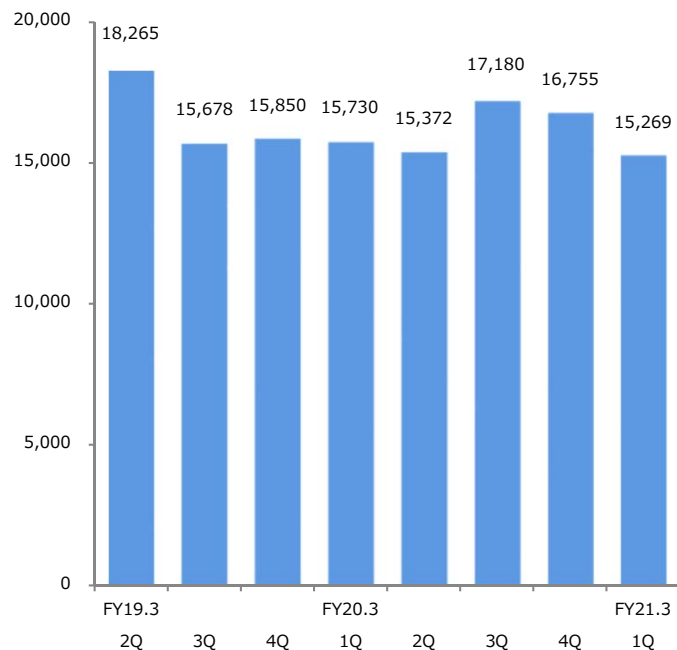
<Year-on-year comparison (vs. 1st quarter of the fiscal year ended March 2020)>

Operating revenues fell 2.9% year on year (YoY). Over the same period, fees and commissions grew 13.5%, while net gain on trading fell 29.4%.

Selling, general, and administrative expenses fell 5.4% over the same period. Ordinary income increased approximately 2.5-fold.

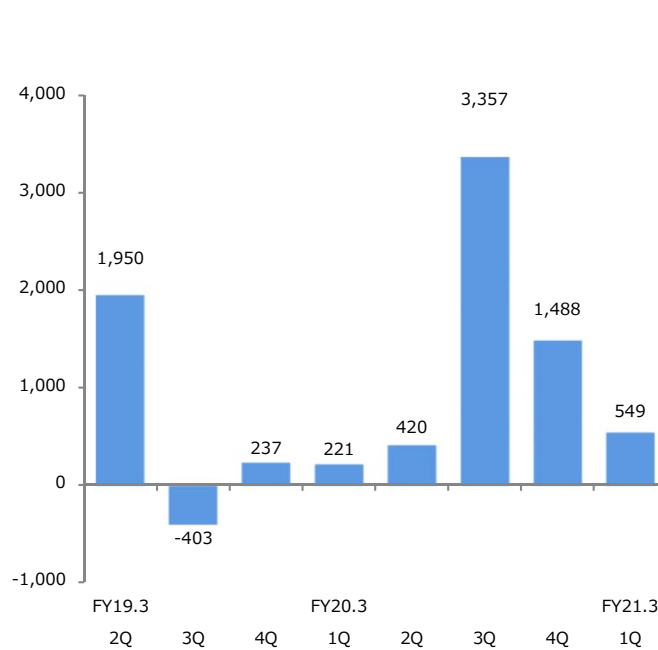
Operating revenues (quarterly)

(mil.yen)



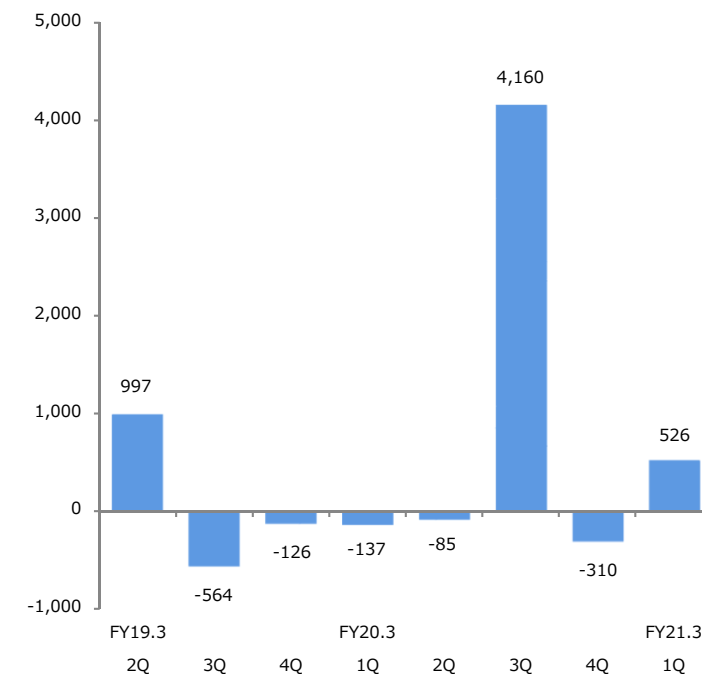
Ordinary income (quarterly)

(mil.yen)



Profit attributable to owners of parent (quarterly)

(mil.yen)



Financial highlights of the 1st quarter fiscal year ending March 2021

(In millions of yen)

| | FY20.3 | FY21.3 | vs.FY20.3 |
|---|---------|---------------|---------------|
| | 1QTOTAL | 1QTOTAL | 1QTOTAL |
| Operating revenues | 15,730 | 15,269 | -2.9% |
| Net operating revenues | 15,509 | 14,990 | -3.3% |
| SG&A | 15,508 | 14,673 | -5.4% |
| Operating income | 1 | 316 | ※ - |
| Ordinary income | 221 | 549 | 148.4% |
| Profit attributable to owners of parent | -137 | 526 | - |
| EPS (YEN) | -0.69 | 2.66 | - |
| BPS (YEN) | 738.69 | 799.74 | - |
| ROE (annualized) | - | 1.3% | - |

(In millions of yen)

| | FY20.3 | | | | FY21.3 | vs.FY20.3 |
|---|--------|--------|--------|--------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 4Q |
| Operating revenues | 15,730 | 15,372 | 17,180 | 16,755 | 15,269 | -8.9% |
| Net operating revenues | 15,509 | 15,121 | 16,921 | 16,500 | 14,990 | -9.2% |
| SG&A | 15,508 | 15,334 | 15,546 | 15,590 | 14,673 | -5.9% |
| Operating income | 1 | -212 | 1,374 | 909 | 316 | -65.2% |
| Ordinary income | 221 | 420 | 3,357 | 1,488 | 549 | -63.1% |
| Profit attributable to owners of parent | -137 | -85 | 4,160 | -310 | 526 | - |
| EPS (YEN) | -0.69 | -0.43 | 21.04 | -1.57 | 2.66 | - |
| BPS (YEN) | 738.69 | 753.15 | 806.79 | 787.78 | 799.74 | - |

※) In case of percentage changes from the previous year being equal to or higher than 1,000%, they are not shown.

Operating Revenues

(In millions of yen)

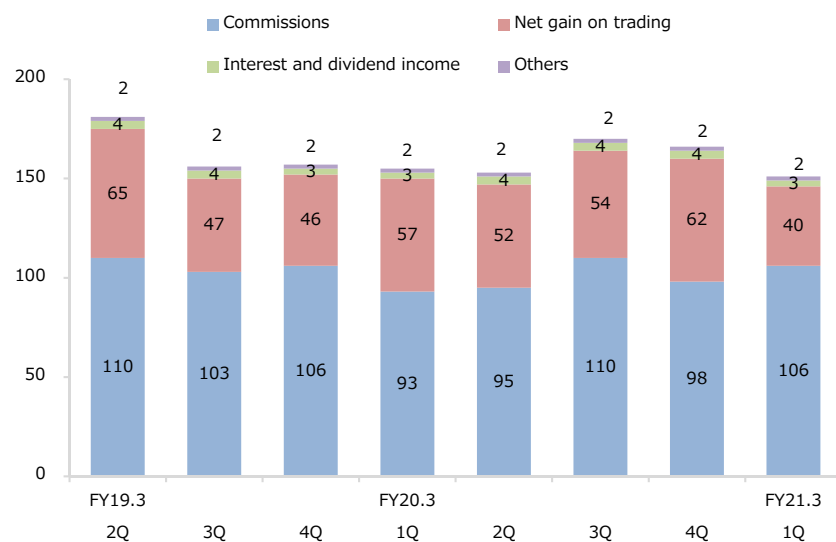
| | FY20.3 1QTOTAL | FY21.3 1QTOTAL | vs.FY20.3 1QTOTAL |
|-------------------------------------|-------------------|-------------------|----------------------|
| Commissions | 9,350 | 10,610 | 13.5% |
| Brokerage | 3,335 | 5,669 | 70.0% |
| Underwriting | 73 | 45 | -38.3% |
| Distribution | 2,210 | 1,716 | -22.4% |
| Others | 3,730 | 3,179 | -14.8% |
| Net gain on trading | 5,779 | 4,081 | -29.4% |
| Equities | 2,267 | 1,924 | -15.1% |
| Bonds | 3,503 | 2,229 | -36.4% |
| Others | 9 | -73 | - |
| Interest and dividend income | 376 | 364 | -2.9% |
| Others | 224 | 212 | -5.3% |
| Operating revenues | 15,730 | 15,269 | -2.9% |

(In millions of yen)

| | FY20.3 | | | | FY21.3 | vs.FY20.3 |
|--|--------|--------|--------|--------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 4Q |
| | 9,350 | 9,513 | 11,029 | 9,839 | 10,610 | 7.8% |
| | 3,335 | 3,165 | 4,137 | 4,294 | 5,669 | 32.0% |
| | 73 | 99 | 155 | 56 | 45 | -19.0% |
| | 2,210 | 2,520 | 3,127 | 1,879 | 1,716 | -8.7% |
| | 3,730 | 3,727 | 3,609 | 3,609 | 3,179 | -11.9% |
| | 5,779 | 5,204 | 5,455 | 6,256 | 4,081 | -34.8% |
| | 2,267 | 2,279 | 2,785 | 3,175 | 1,924 | -39.4% |
| | 3,503 | 2,935 | 2,953 | 2,614 | 2,229 | -14.7% |
| | 9 | -10 | -283 | 466 | -73 | - |
| | 376 | 434 | 459 | 431 | 364 | -15.5% |
| | 224 | 219 | 236 | 226 | 212 | -6.3% |
| | 15,730 | 15,372 | 17,180 | 16,755 | 15,269 | -8.9% |

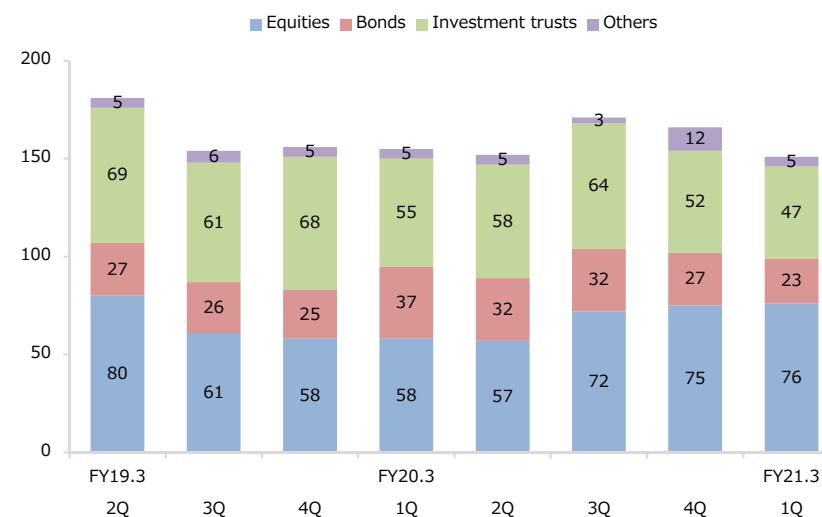
Quarterly change in operating revenues

(100mil.yen)



Quarterly change in operating revenues by product

(100mil.yen)



Fees and Commissions Received

<Compared to previous quarter>

Brokerage commissions increased 32.0% from the previous quarter. Domestic and foreign stock transactions grew dramatically, driven primarily by individual investors.

Underwriting fees fell 19.0% over the same period.

Distribution commissions fell 8.7% over the same period due to lower sales of investment trusts.

Other commissions fell 11.9% from the previous quarter.

<<Year-on-year comparison (cumulative)>>

Brokerage commissions rose 70.0% YoY.

Underwriting fees fell 38.3% YoY. While we served as lead underwriter on some deals during this period, this decline was driven by decreases in both numbers and amounts of underwriting transactions.

Distribution commissions fell 22.4% YoY due to lower sales of investment trusts.

Other commissions declined 14.8% YoY due to decreased trust fees and other factors.

(In millions of yen)

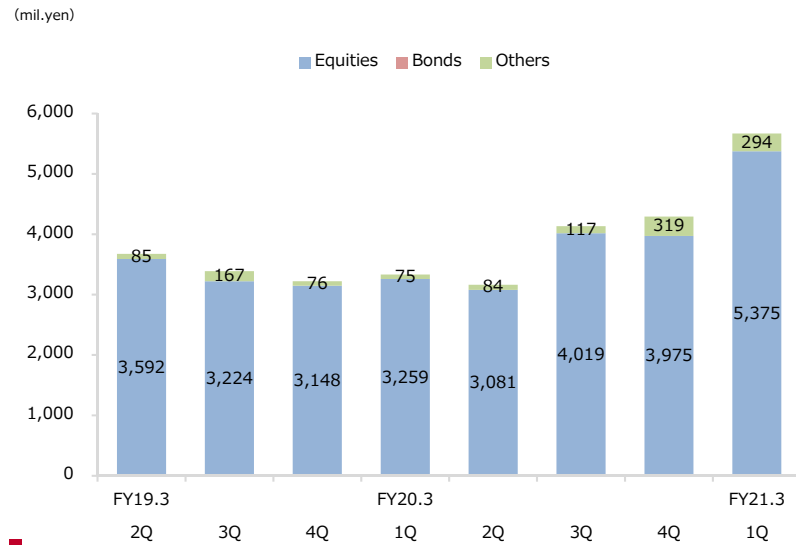
| | FY20.3 1QTOTAL | FY21.3 1QTOTAL | vs.FY20.3 1QTOTAL |
|--------------------------|-------------------|-------------------|----------------------|
| Brokerage | 3,335 | 5,669 | 70.0% |
| Equities | 3,259 | 5,375 | 64.9% |
| Bonds | 0 | 0 | 195.0% |
| Others | 75 | 294 | 290.7% |
| Underwriting | 73 | 45 | -38.3% |
| Equities | 16 | 13 | -20.7% |
| Bonds | 56 | 32 | -43.4% |
| Distribution | 2,210 | 1,716 | -22.4% |
| Beneficiary Certificates | 2,131 | 1,712 | -19.7% |
| Others | 3,730 | 3,179 | -14.8% |
| Beneficiary Certificates | 3,393 | 2,814 | -17.1% |
| Total | 9,350 | 10,610 | 13.5% |

(In millions of yen)

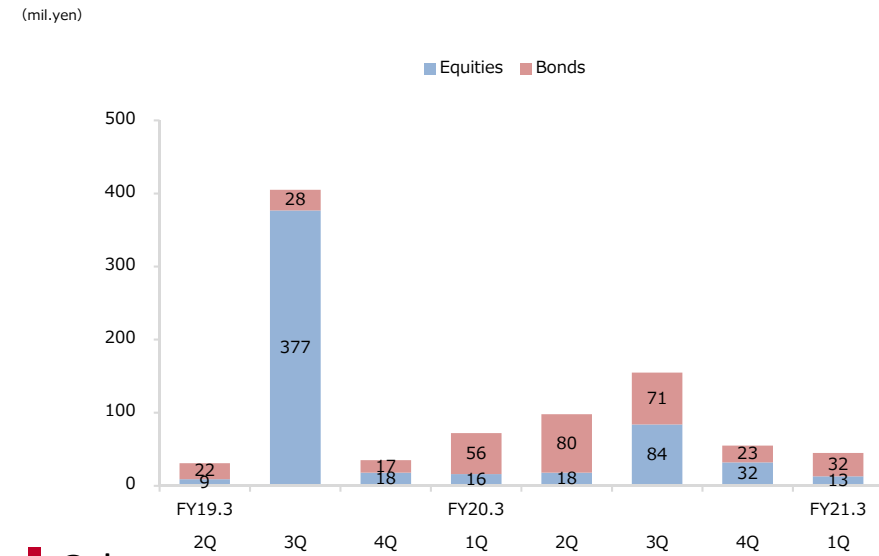
| | FY20.3 | | | | FY21.3 | vs.FY20.3 |
|--------------------------|--------|-------|--------|-------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 4Q |
| Brokerage | 3,335 | 3,165 | 4,137 | 4,294 | 5,669 | 32.0% |
| Equities | 3,259 | 3,081 | 4,019 | 3,975 | 5,375 | 35.2% |
| Bonds | 0 | 0 | 0 | 0 | 0 | 436.7% |
| Others | 75 | 84 | 117 | 319 | 294 | -7.9% |
| Underwriting | 73 | 99 | 155 | 56 | 45 | -19.0% |
| Equities | 16 | 18 | 84 | 32 | 13 | -58.8% |
| Bonds | 56 | 80 | 71 | 23 | 32 | 34.2% |
| Distribution | 2,210 | 2,520 | 3,127 | 1,879 | 1,716 | -8.7% |
| Beneficiary Certificates | 2,131 | 2,421 | 3,094 | 1,864 | 1,712 | -8.2% |
| Others | 3,730 | 3,727 | 3,609 | 3,609 | 3,179 | -11.9% |
| Beneficiary Certificates | 3,393 | 3,338 | 3,255 | 3,102 | 2,814 | -9.3% |
| Total | 9,350 | 9,513 | 11,029 | 9,839 | 10,610 | 7.8% |

Fees and Commissions Received by Category

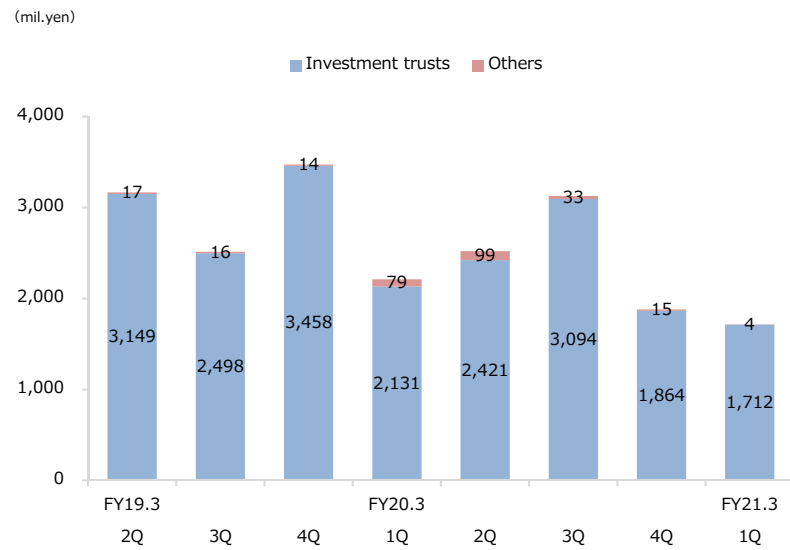
Brokerage



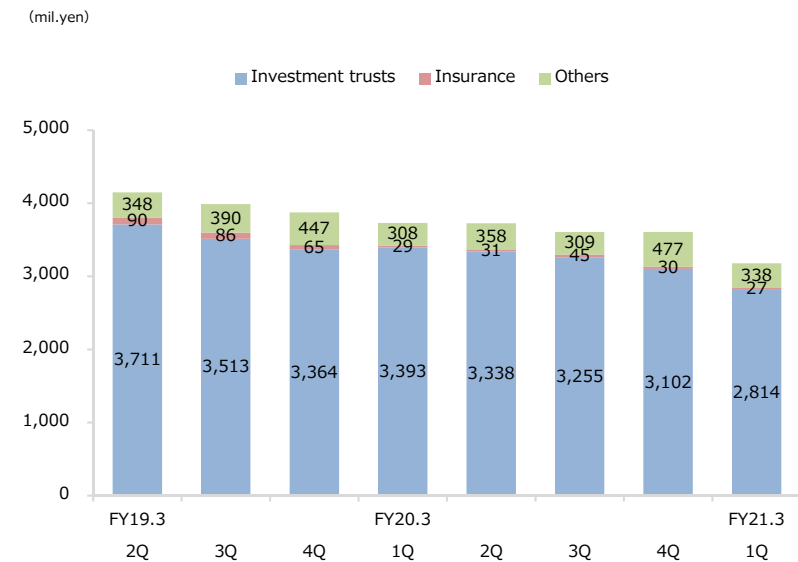
Underwriting



Distribution



Others



Net Trading Income

(In millions of yen)

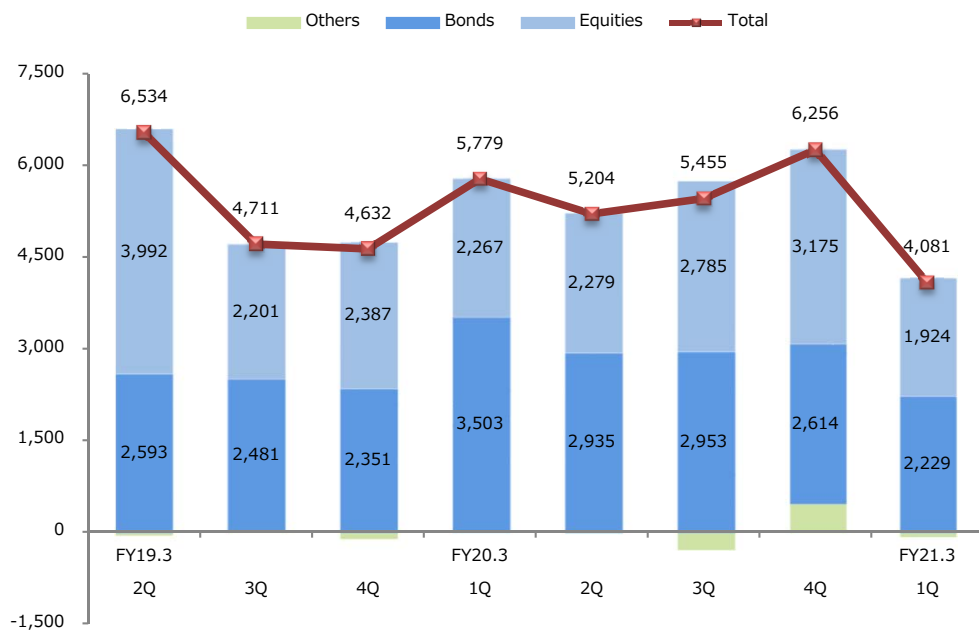
| | FY20.3 | FY21.3 | vs.FY20.3 |
|----------------------------|---------|---------|-----------|
| | 1QTOTAL | 1QTOTAL | 1QTOTAL |
| Equities | 2,267 | 1,924 | -15.1% |
| Domestic equities | -18 | 262 | - |
| Foreign equities | 2,286 | 1,662 | -27.3% |
| Bonds and others | 3,503 | 2,229 | -36.4% |
| Domestic bonds | 381 | 470 | 23.2% |
| Foreign bonds | 3,121 | 1,759 | -43.6% |
| Others | 9 | -73 | - |
| Net gain on trading | 5,779 | 4,081 | -29.4% |

(In millions of yen)

| | FY20.3 | | | | FY21.3 | | vs.FY20.3 |
|--|--------|-------|-------|-------|--------|----|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 4Q | |
| | 2,267 | 2,279 | 2,785 | 3,175 | 1,924 | | -39.4% |
| | -18 | 44 | 158 | 179 | 262 | | 45.9% |
| | 2,286 | 2,235 | 2,626 | 2,995 | 1,662 | | -44.5% |
| | 3,503 | 2,935 | 2,953 | 2,614 | 2,229 | | -14.7% |
| | 381 | 343 | 262 | 311 | 470 | | 50.8% |
| | 3,121 | 2,591 | 2,690 | 2,303 | 1,759 | | -23.6% |
| | 9 | -10 | -283 | 466 | -73 | | - |
| | 5,779 | 5,204 | 5,455 | 6,256 | 4,081 | | -34.8% |

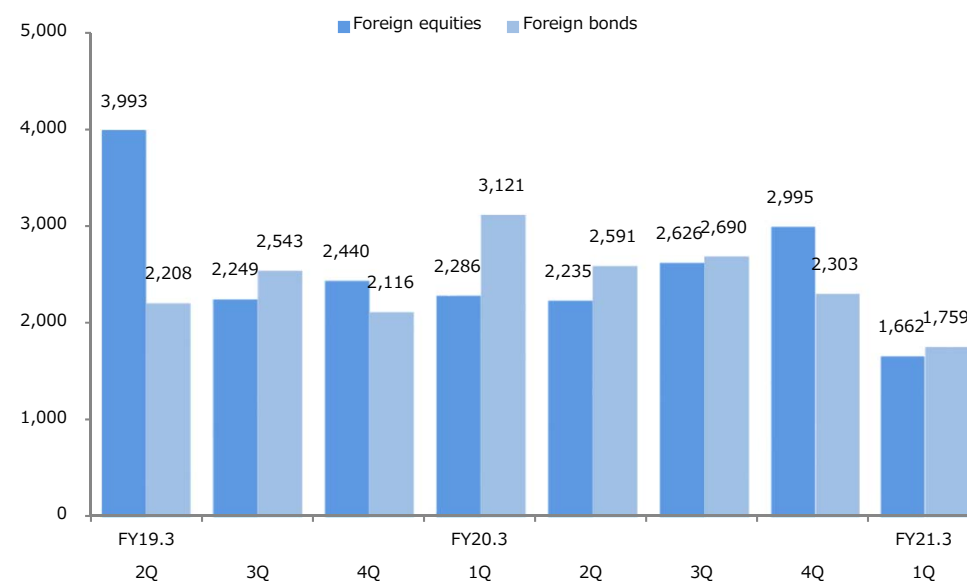
Net gain by Products

(mil.yen)



Net gain from foreign equities and bonds

(mil.yen)



SG&A : Selling, General and Administrative Expenses

<Compared to previous quarter>

Selling, general, and administrative expenses fell 5.9% from the previous quarter.

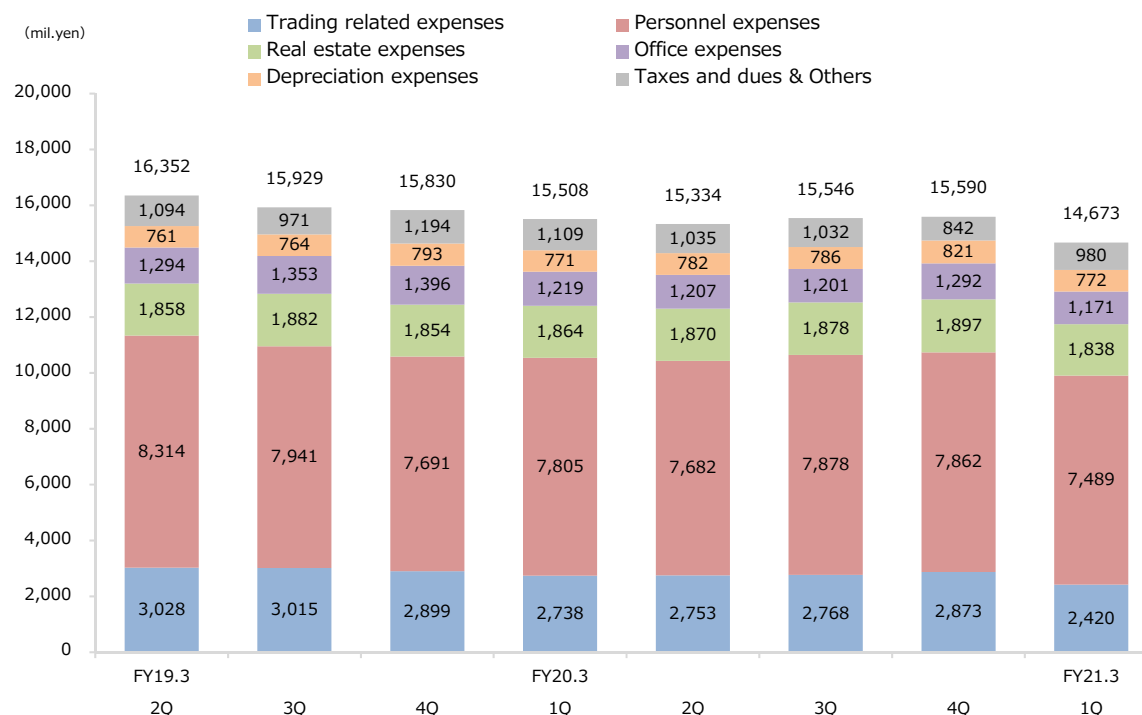
- Trading-related expenses declined 15.8% over the same period due to lower advertising expenses and other factors.

<Year-on-year comparison (cumulative)>

Selling, general, and administrative expenses were down 5.4% YoY, due mainly to factors such as lower trading-related expenses and personnel expenses.

- Trading-related expenses were down 11.6% YoY due to lower commission expenses and advertising expenses.
- Personnel expenses were down 4.0% YoY. Real estate expenses were down 1.4% YoY.
- Office expenses were down 4.0% YoY. Depreciation expenses were up 0.2% YoY.
- Other expenses were down 14.8% YoY. Contributing factors included lower research expenses and human resource development expenses.

Change in net operating revenues and SG&A



(In millions of yen)

| | FY20.3 1QTOTAL | FY21.3 1QTOTAL | vs.FY20.3 1QTOTAL |
|--------------------------|-------------------|-------------------|----------------------|
| Trading related expenses | 2,738 | 2,420 | -11.6% |
| Personnel expenses | 7,805 | 7,489 | -4.0% |
| Real estate expenses | 1,864 | 1,838 | -1.4% |
| Office expenses | 1,219 | 1,171 | -4.0% |
| Depreciation expenses | 771 | 772 | 0.2% |
| Taxes and dues | 244 | 243 | -0.4% |
| Others | 865 | 737 | -14.8% |
| SG&A | 15,508 | 14,673 | -5.4% |

(In millions of yen)

| | FY20.3 | | | | FY21.3 | | vs.FY20.3 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|----|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 4Q | |
| Trading related expenses | 2,738 | 2,753 | 2,768 | 2,873 | 2,420 | | -15.8% |
| Personnel expenses | 7,805 | 7,682 | 7,878 | 7,862 | 7,489 | | -4.7% |
| Real estate expenses | 1,864 | 1,870 | 1,878 | 1,897 | 1,838 | | -3.1% |
| Office expenses | 1,219 | 1,207 | 1,201 | 1,292 | 1,171 | | -9.4% |
| Depreciation expenses | 771 | 782 | 786 | 821 | 772 | | -5.9% |
| Taxes and dues | 244 | 156 | 261 | 72 | 243 | | 237.1% |
| Others | 865 | 879 | 771 | 770 | 737 | | -4.3% |
| SG&A | 15,508 | 15,334 | 15,546 | 15,590 | 14,673 | | -5.9% |

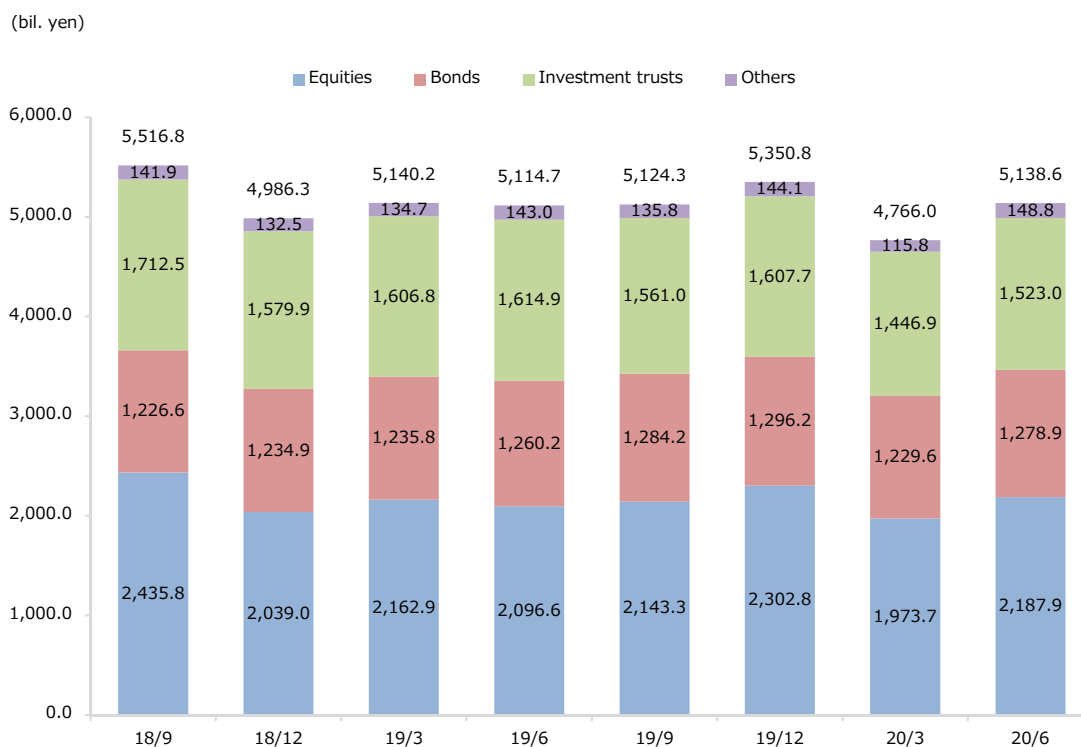
Assets under custody (Consolidated)

<Compared to the end of the previous fiscal year (vs. the end of March 2020)>

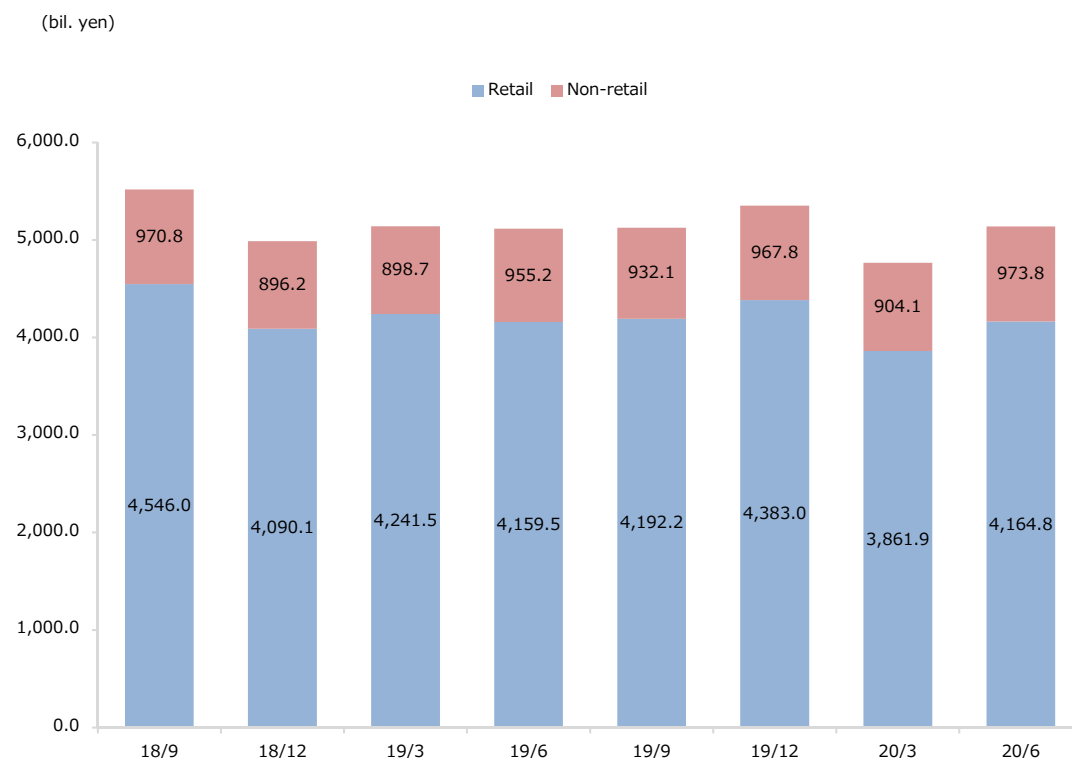
- On a consolidated basis, customers' assets under custody increased 372.6 billion yen from the end of the previous fiscal year to 5,138.6 billion yen.

The balance of assets under custody swelled in response to large-scale recovery from the market downturn spurred by the COVID-19 pandemic. Current balances grew significantly, centered in particular on equities.

Assets under Custody



Retail Assets under Custody



Group status

Results by segment

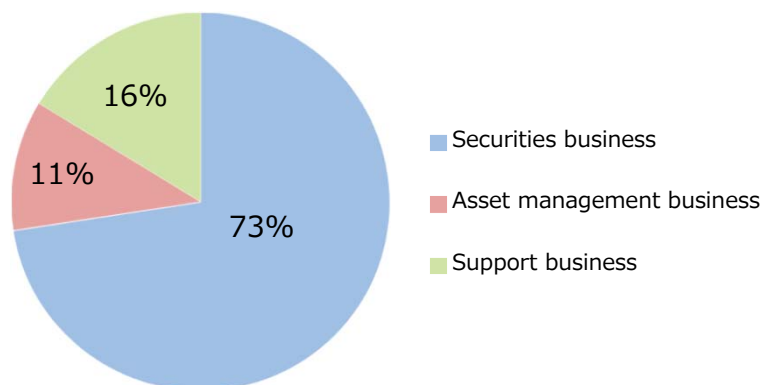
Operating revenues (In millions of yen)

| | FY20.3 | FY21.3 | vs.FY20.3 |
|---------------------------|---------|---------------|---------------|
| | 1QTOTAL | 1QTOTAL | 1QTOTAL |
| Securities business | 13,740 | 13,785 | 0.3% |
| Asset management business | 2,725 | 2,111 | -22.5% |
| Support business | 3,081 | 3,096 | 0.5% |

Segment income(loss) (In millions of yen)

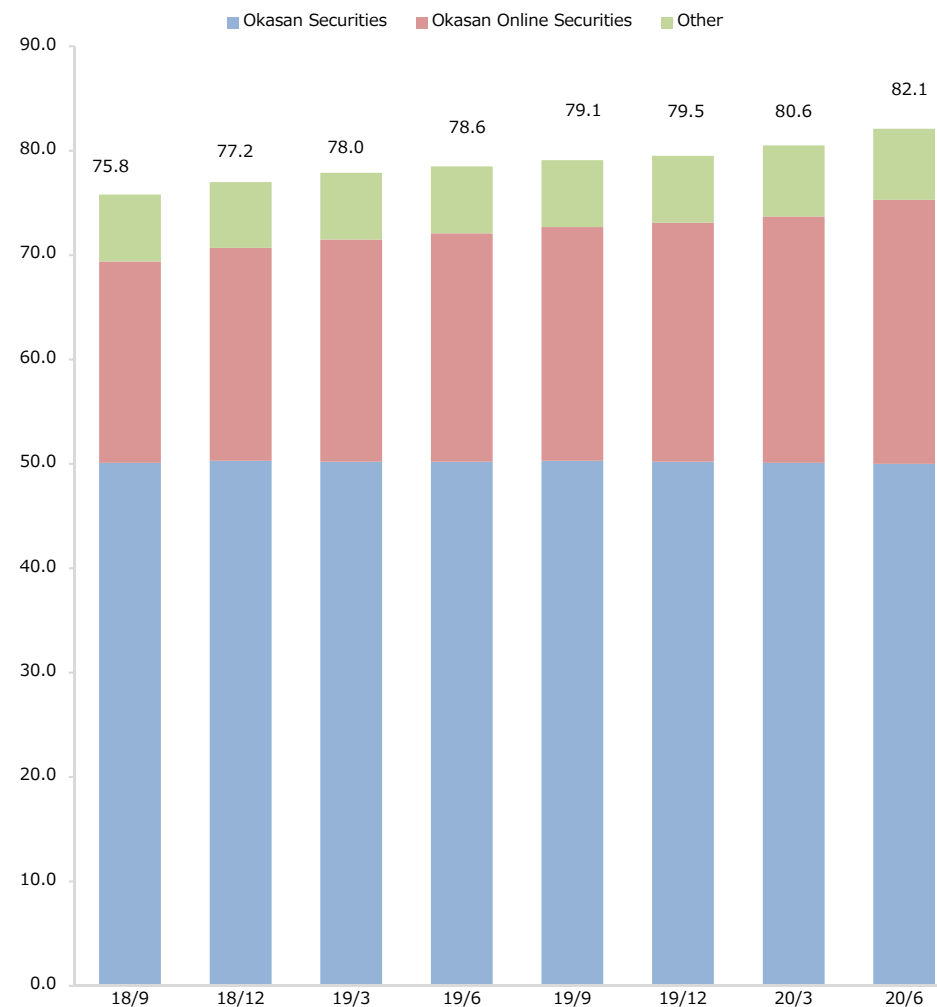
| | FY20.3 | FY21.3 | vs.FY20.3 |
|---------------------------|---------|------------|---------------|
| | 1QTOTAL | 1QTOTAL | 1QTOTAL |
| Securities business | -286 | 257 | - |
| Asset management business | 243 | 16 | -93.3% |
| Support business | 291 | 228 | -21.6% |

Operating revenues



Number of accounts in the Group

(10,000 accounts)



| | | | | | | | |
|--------------------------|------|------|------|------|------|------|------|
| Other | 6.4 | 6.3 | 6.4 | 6.4 | 6.4 | 6.8 | 6.8 |
| Okasan Online Securities | 19.3 | 20.4 | 21.3 | 21.9 | 22.4 | 22.9 | 23.6 |
| Okasan Securities | 50.1 | 50.3 | 50.2 | 50.2 | 50.3 | 50.2 | 50.0 |

Statement of Income

(In millions of yen)

| | FY20.3 1QTOTAL | FY21.3 1QTOTAL | vs.FY20.3 1QTOTAL |
|--|-------------------|-------------------|----------------------|
| Operating revenues | 15,730 | 15,269 | -2.9% |
| Commissions | 9,350 | 10,610 | 13.5% |
| Net gain on trading | 5,779 | 4,081 | -29.4% |
| Interest and dividend income | 376 | 364 | -2.9% |
| Service fee and other revenues | 224 | 212 | -5.3% |
| Interest expenses | 220 | 278 | 26.4% |
| Net operating revenues | 15,509 | 14,990 | -3.3% |
| SG&A | 15,508 | 14,673 | -5.4% |
| Operating income | 1 | 316 | ※ - |
| Non-operating income | 265 | 267 | 1.0% |
| Non-operating expenses | 45 | 34 | -22.9% |
| Ordinary income | 221 | 549 | 148.4% |
| Extraordinary gain | 12 | 228 | ※ - |
| Extraordinary loss | 62 | 69 | 12.7% |
| Net profit, before taxes | 171 | 708 | 312.6% |
| Income taxes | 223 | 194 | -13.2% |
| Adjustment amount for income taxes | -92 | -81 | - |
| Net profit | 40 | 596 | ※ - |
| Profit attributable to non-controlling interests | 177 | 69 | -60.7% |
| Profit attributable to owners of parent | -137 | 526 | - |

(In millions of yen)

| | FY20.3 | | | | FY21.3 | vs.FY20.3 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 4Q |
| Operating revenues | 15,730 | 15,372 | 17,180 | 16,755 | 15,269 | -8.9% |
| Commissions | 9,350 | 9,513 | 11,029 | 9,839 | 10,610 | 7.8% |
| Net gain on trading | 5,779 | 5,204 | 5,455 | 6,256 | 4,081 | -34.8% |
| Interest and dividend income | 376 | 434 | 459 | 431 | 364 | -15.5% |
| Service fee and other revenues | 224 | 219 | 236 | 226 | 212 | -6.3% |
| Interest expenses | 220 | 251 | 259 | 254 | 278 | 9.4% |
| Net operating revenues | 15,509 | 15,121 | 16,921 | 16,500 | 14,990 | -9.2% |
| SG&A | 15,508 | 15,334 | 15,546 | 15,590 | 14,673 | -5.9% |
| Operating income | 1 | -212 | 1,374 | 909 | 316 | -65.2% |
| Non-operating income | 265 | 679 | 1,997 | 622 | 267 | -57.0% |
| Non-operating expenses | 45 | 45 | 14 | 43 | 34 | -19.7% |
| Ordinary income | 221 | 420 | 3,357 | 1,488 | 549 | -63.1% |
| Extraordinary gain | 12 | 24 | 1,596 | 28 | 228 | 697.6% |
| Extraordinary loss | 62 | 207 | -177 | 804 | 69 | -91.3% |
| Net profit, before taxes | 171 | 238 | 5,131 | 712 | 708 | -0.6% |
| Income taxes | 223 | 251 | 296 | 532 | 194 | -63.5% |
| Adjustment amount for income taxes | -92 | -86 | 621 | 416 | -81 | - |
| Net profit | 40 | 72 | 4,212 | -236 | 596 | - |
| Profit attributable to non-controlling interests | 177 | 158 | 51 | 74 | 69 | -6.3% |
| Profit attributable to owners of parent | -137 | -85 | 4,160 | -310 | 526 | - |

※) In case of percentage changes from the previous year being equal to or higher than 1,000%, they are not shown.

Balance Sheet Summary

(In millions of yen)

| | FY20.3 | FY21.3 | vs. FY20.3 |
|---|---------|---------|------------|
| | 4Q | 1Q | 4Q |
| Current assets | 368,731 | 425,070 | 56,339 |
| Cash and deposits | 70,538 | 67,603 | -2,934 |
| Cash segregated as deposits | 88,160 | 73,960 | -14,200 |
| Trading products | 123,273 | 110,418 | -12,854 |
| Receivables on margin transactions | 35,295 | 37,664 | 2,369 |
| Receivables on collateralized securities transactions | 32,221 | 116,310 | 84,088 |
| Other current assets | 19,241 | 19,113 | -128 |
| Fixed assets | 71,722 | 76,905 | 5,183 |
| Tangible fixed assets | 18,379 | 18,324 | -55 |
| Intangible fixed assets | 6,026 | 5,696 | -329 |
| Investments and other assets | 47,316 | 52,884 | 5,568 |
| Total assets | 440,453 | 501,976 | 61,523 |

(In millions of yen)

| | FY20.3 | FY21.3 | vs. FY20.3 |
|--|---------|---------|------------|
| | 4Q | 1Q | 4Q |
| Current liabilities | 251,258 | 309,279 | 58,020 |
| Trading liabilities | 67,341 | 87,044 | 19,702 |
| Payables on margin transactions | 15,374 | 13,360 | -2,014 |
| Payables on collateralized securities transactions | 3,181 | 28,001 | 24,819 |
| Deposits received | 39,885 | 53,369 | 13,483 |
| Guarantee deposits received | 32,343 | 36,674 | 4,331 |
| Short-term borrowings | 77,176 | 66,560 | -10,616 |
| Other current liabilities | 15,954 | 24,268 | 8,314 |
| Fixed liabilities | 23,539 | 24,237 | 698 |
| Long-term borrowings | 9,033 | 8,829 | -204 |
| Reserves for retirement benefits | 6,315 | 6,295 | -19 |
| Other fixed liabilities | 8,191 | 9,112 | 921 |
| Financial instruments transaction reserve | 1,207 | 1,044 | -162 |
| Total liabilities | 276,005 | 334,562 | 58,556 |
| Common stock | 18,589 | 18,589 | - |
| Capital surplus | 23,622 | 23,625 | 3 |
| Retained earnings | 109,836 | 108,387 | -1,449 |
| Treasury stock | -3,814 | -3,794 | 19 |
| Accumulated other comprehensive income | 7,579 | 11,409 | 3,829 |
| Subscription rights to shares | 358 | 337 | -21 |
| Minority interests | 8,274 | 8,860 | 585 |
| Total net assets | 164,447 | 167,414 | 2,966 |
| Total liabilities&net assets | 440,453 | 501,976 | 61,523 |

2 Reference Data

Performance by quarter (non-consolidated: Okasan Securities)

(In millions of yen)

| | FY20.3 | FY21.3 | vs.FY20.3 |
|-----------------------------------|---------------|---------------|---------------|
| | 1QTOTAL | 1QTOTAL | 1QTOTAL |
| Operating revenues | 11,984 | 11,321 | -5.5% |
| Commissions | 6,048 | 7,242 | 19.7% |
| Brokerage | 2,538 | 4,345 | 71.2% |
| Underwriting | 73 | 45 | -38.4% |
| Distribution | 1,965 | 1,521 | -22.6% |
| Others | 1,471 | 1,330 | -9.6% |
| Net gain on trading | 5,668 | 3,816 | -32.7% |
| Equities | 2,230 | 1,722 | -22.8% |
| Bonds | 3,429 | 2,167 | -36.8% |
| Others | 9 | -73 | - |
| Interest and dividend income | 266 | 262 | -1.5% |
| Financial expenses | 187 | 232 | 24.0% |
| Net operating revenues | 11,796 | 11,088 | -6.0% |
| SG&A | 11,814 | 10,957 | -7.3% |
| Trading related expenses | 1,775 | 1,524 | -14.1% |
| Personnel expenses | 5,915 | 5,420 | -8.4% |
| Real estate expenses | 1,697 | 1,698 | 0.1% |
| Administrative expenses | 1,927 | 1,905 | -1.1% |
| Depreciation expenses | 109 | 95 | -12.7% |
| Taxes and dues | 147 | 135 | -8.2% |
| Others | 241 | 175 | -27.1% |
| Operating income(loss) | -17 | 131 | - |
| Non-operating income | 146 | 121 | -17.1% |
| Non-operating expenses | 16 | 22 | 33.4% |
| Ordinary income | 111 | 230 | 106.1% |
| Extraordinary gain | - | 126 | - |
| Extraordinary loss | 19 | - | - |
| Net profit, before taxes | 91 | 357 | 289.1% |
| Income taxes | 12 | -30 | - |
| Adjustment amount for income tax: | 55 | 119 | 117.3% |
| Net profit | 24 | 268 | ※ - |

(In millions of yen)

| | FY20.3 | | | | FY21.3 | | vs.FY20.3 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|----|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 4Q | |
| Operating revenues | 11,984 | 11,620 | 13,233 | 12,532 | 11,321 | | -9.7% |
| Commissions | 6,048 | 6,185 | 7,619 | 6,254 | 7,242 | | 15.8% |
| Brokerage | 2,538 | 2,382 | 3,181 | 3,146 | 4,345 | | 38.1% |
| Underwriting | 73 | 99 | 154 | 55 | 45 | | -19.2% |
| Distribution | 1,965 | 2,261 | 2,817 | 1,614 | 1,521 | | -5.8% |
| Others | 1,471 | 1,441 | 1,465 | 1,437 | 1,330 | | -7.5% |
| Net gain on trading | 5,668 | 5,119 | 5,286 | 5,978 | 3,816 | | -36.2% |
| Equities | 2,230 | 2,257 | 2,688 | 2,989 | 1,722 | | -42.4% |
| Bonds | 3,429 | 2,872 | 2,881 | 2,522 | 2,167 | | -14.1% |
| Others | 9 | -10 | -283 | 466 | -73 | | - |
| Interest and dividend income | 266 | 315 | 328 | 299 | 262 | | -12.4% |
| Financial expenses | 187 | 212 | 216 | 211 | 232 | | 10.0% |
| Net operating revenues | 11,796 | 11,407 | 13,017 | 12,321 | 11,088 | | -10.0% |
| SG&A | 11,814 | 11,704 | 11,849 | 11,861 | 10,957 | | -7.6% |
| Trading related expenses | 1,775 | 1,786 | 1,829 | 1,876 | 1,524 | | -18.7% |
| Personnel expenses | 5,915 | 5,788 | 5,967 | 5,861 | 5,420 | | -7.5% |
| Real estate expenses | 1,697 | 1,701 | 1,683 | 1,663 | 1,698 | | 2.1% |
| Administrative expenses | 1,927 | 1,945 | 1,926 | 1,978 | 1,905 | | -3.7% |
| Depreciation expenses | 109 | 121 | 123 | 122 | 95 | | -22.0% |
| Taxes and dues | 147 | 147 | 158 | 152 | 135 | | -10.8% |
| Others | 241 | 213 | 161 | 206 | 175 | | -14.7% |
| Operating income(loss) | -17 | -296 | 1,167 | 459 | 131 | | -71.4% |
| Non-operating income | 146 | 99 | 51 | 121 | 121 | | -0.0% |
| Non-operating expenses | 16 | 41 | 1 | 24 | 22 | | -9.9% |
| Ordinary income | 111 | -237 | 1,217 | 555 | 230 | | -58.5% |
| Extraordinary gain | - | - | - | - | 126 | | - |
| Extraordinary loss | 19 | - | - | 502 | - | | - |
| Net profit, before taxes | 91 | -237 | 1,217 | 52 | 357 | | 576.0% |
| Income taxes | 12 | 22 | 94 | 654 | -30 | | - |
| Adjustment amount for income tax: | 55 | -49 | 315 | -380 | 119 | | - |
| Net profit | 24 | -210 | 806 | -220 | 268 | | - |

※) In case of percentage changes from the previous year being equal to or higher than 1,000%, they are not shown.

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

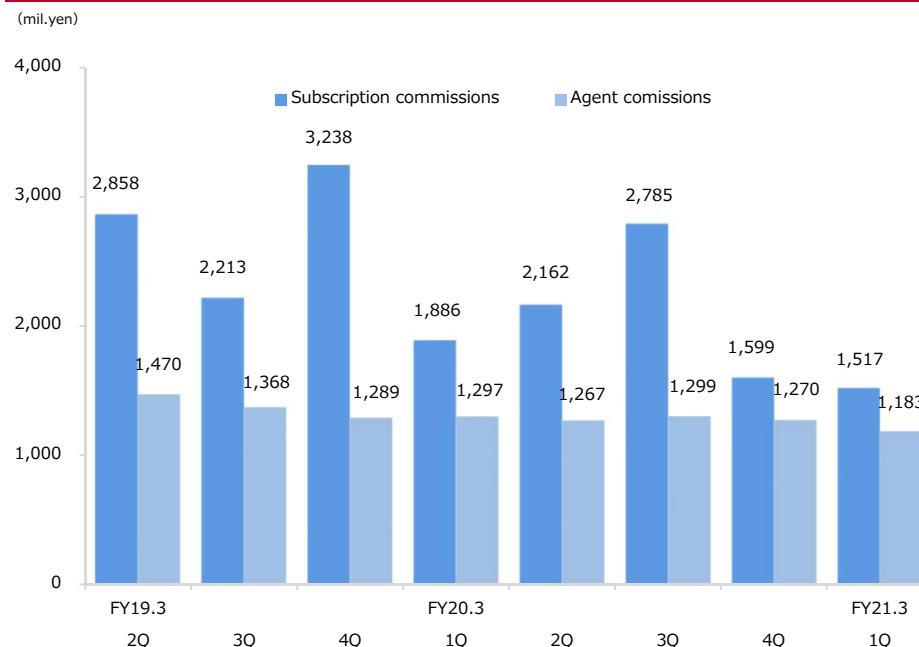
<Compared to previous quarter>

- Investment trust sales fell 7.4% from the previous quarter to 54.9 billion yen. Sales of investment trusts decreased due to lower in-person sales and other factors.
- Subscription commissions fell 5.2% to 1,517 million yen.
- Agent commissions fell 6.9% to 1,183 million yen.
- Foreign bond sales fell 22.2% to 56.6 billion yen.

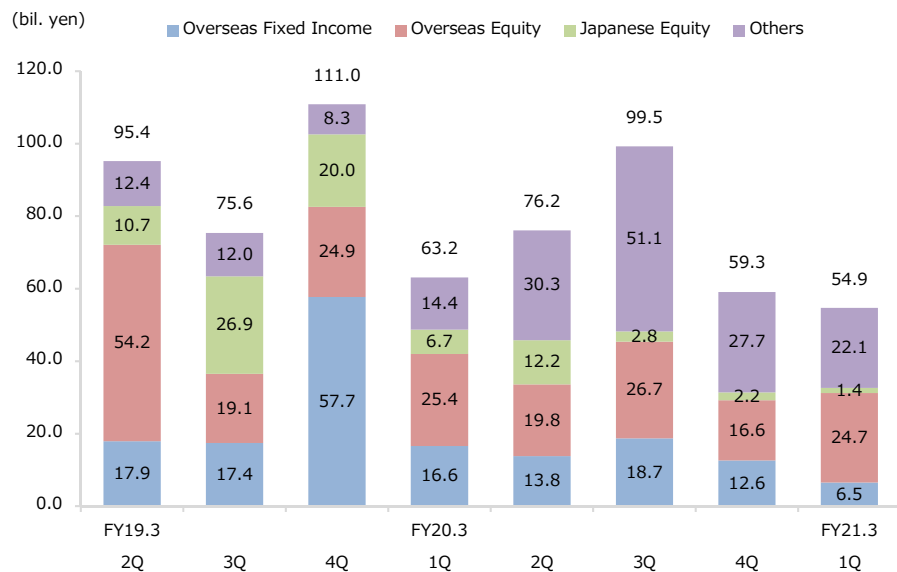
<Year-on-year comparison (cumulative)>

- Investment trust sales fell 13.1% YoY to 54.9 billion yen.
- Subscription commissions fell 19.6% YoY to 1,517 million yen.
- Agent commissions fell 8.7% YoY to 1,183 million yen.
- Foreign bond sales fell 32.3% YoY to 56.6 billion yen, due mainly to lower sales of bonds to individual investors.

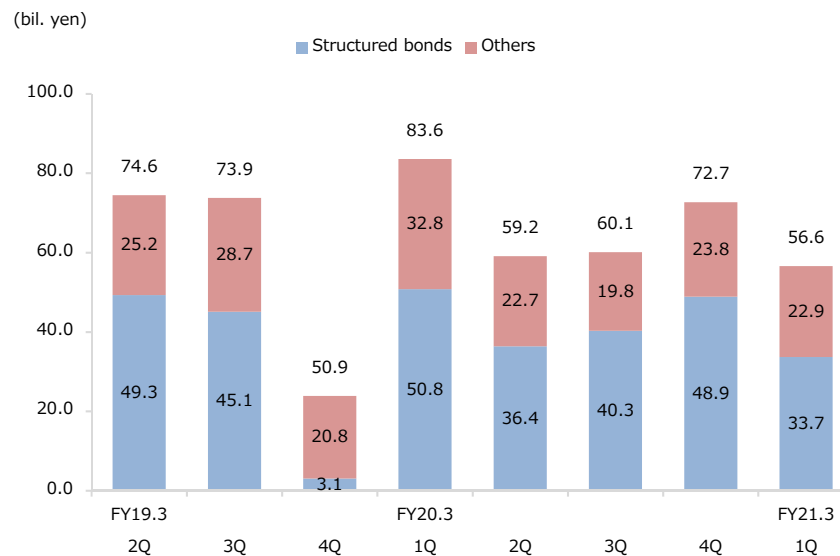
Investment trusts commissions



Investment trusts sales amount



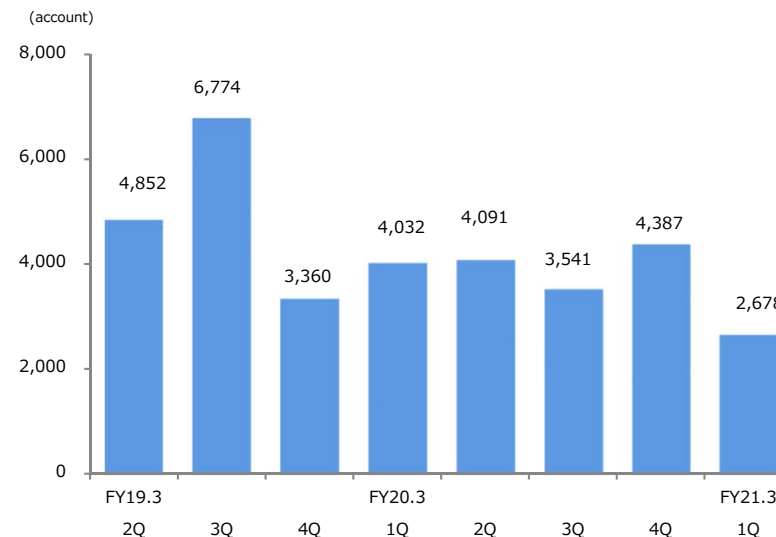
Foreign bonds sales amount



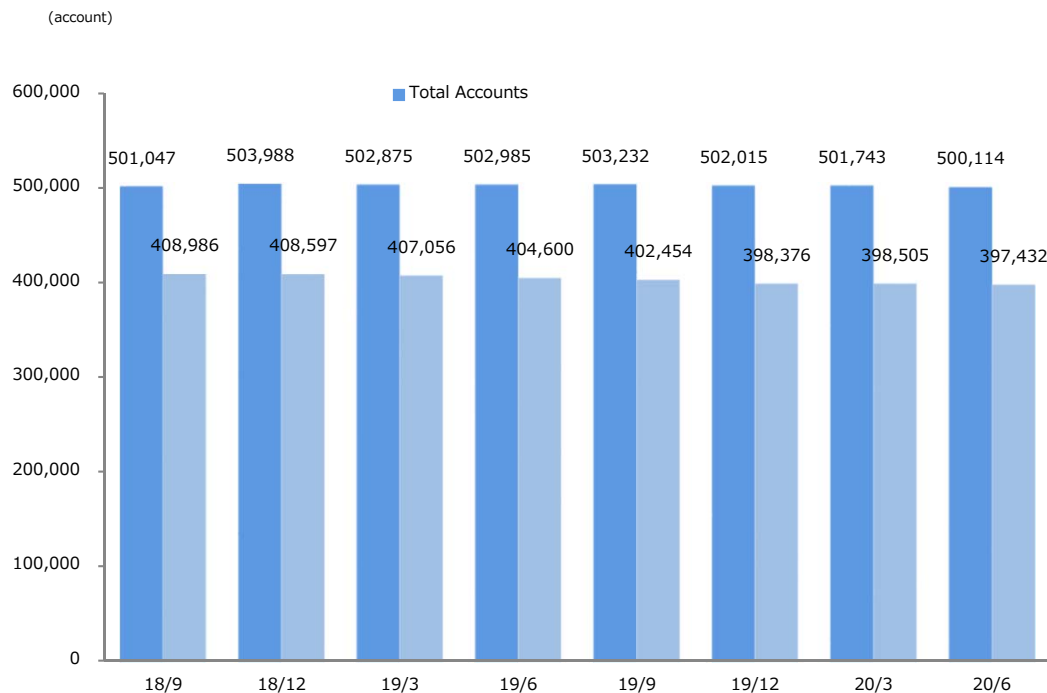
Number of accounts (non-consolidated: Okasan Securities)

- The total number of customer accounts stood at 500,114. The number of accounts with remaining balances stood at 397,432.
- The number of new customer accounts opened in this quarter (April-June) was 2,678, due in part to the impact of lower in-person sales in response to COVID-19.
- Online accounts (73,536 accounts) accounted for 14.7% of the total number of customer accounts.

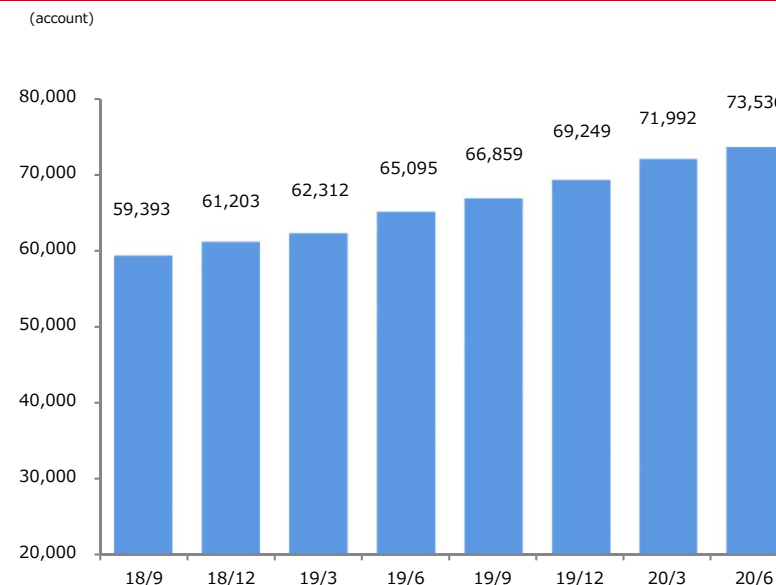
Number of new accounts



Number of customer accounts



Number of online accounts



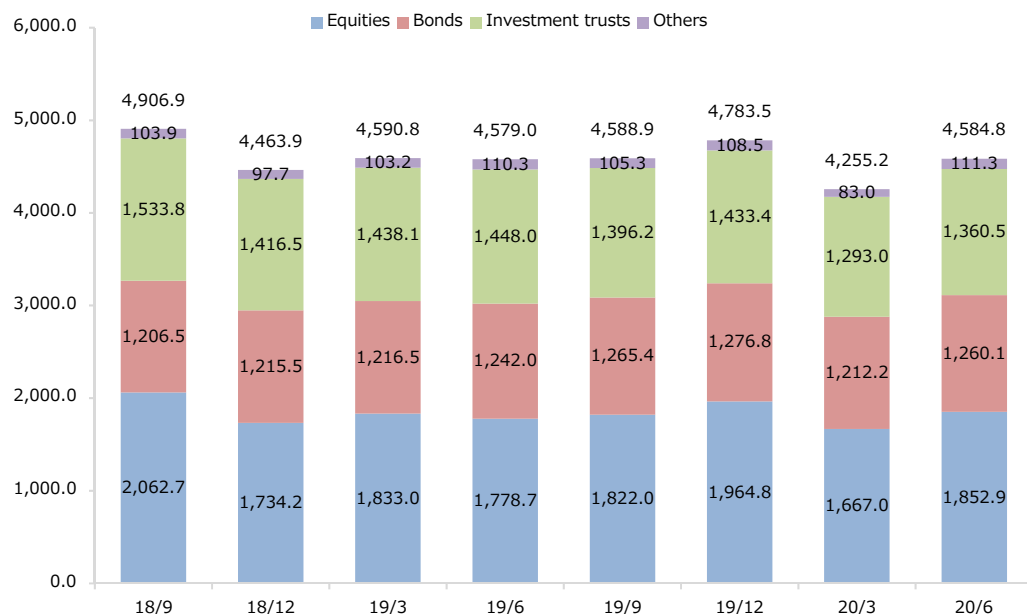
Assets under custody / Net inflow of assets (non-consolidated: Okasan Securities)

<Compared to the end of the previous fiscal year (vs. the end of March 2020)>

- Customers' assets under custody at Okasan Securities increased 329.6 billion yen from the end of the previous fiscal year to 4,584.8 billion yen. The current balance increased substantially, centered on equities.
- Net inflow/outflow of assets (sum of inflow/outflow of cash and securities; individuals only) in this fiscal year (April-June) was an inflow of 9,394 million yen.

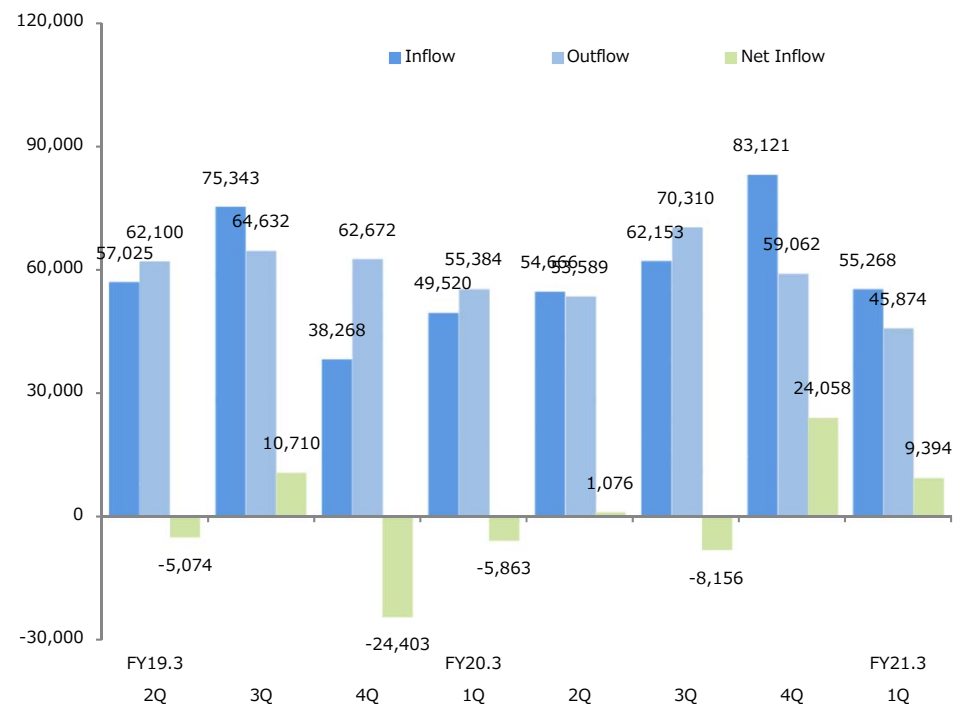
Assets under Custody

(bil. yen)



Net inflow of assets (Individuals)

(mil.yen)



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

<Compared to the end of the previous fiscal year>

The capital adequacy ratio increased 28.3 percentage points from the end of the previous fiscal year to 487.4%.

- This increase in the capital adequacy ratio was due to a decrease in market risk equivalents.

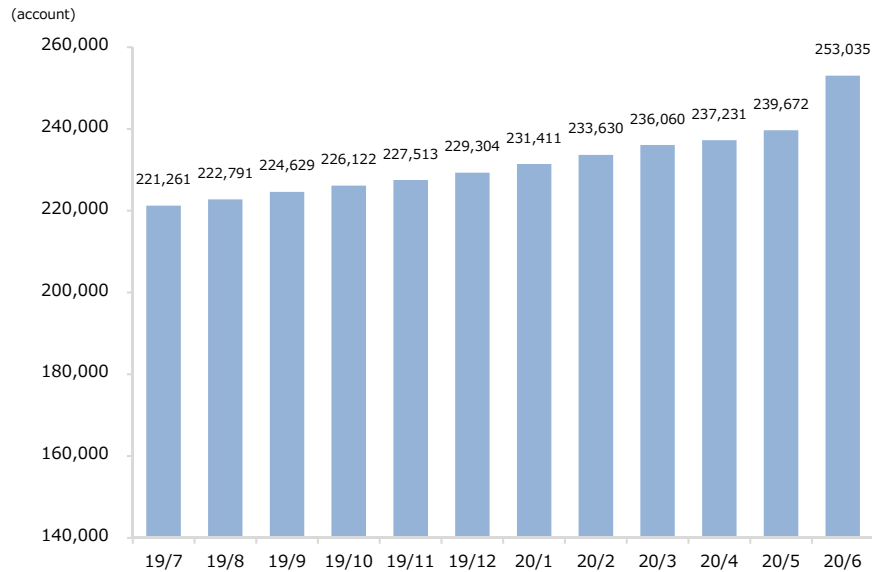
(In millions of yen)

| | | FY20.3 | | | | FY21.3 | vs.FY20.3 | |
|-------------------------------|---|--------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 4Q | |
| Basic items | (A) | 76,472 | 76,261 | 77,068 | 73,844 | 74,112 | 268 | |
| Complementary items | Appraisal gains (losses) etc. | 7 | 7 | 13 | – | – | – | |
| | Security transaction responsibility reserve | 836 | 836 | 836 | 836 | 709 | -127 | |
| | General provision for loan losses | – | – | – | – | – | – | |
| | Short-term subordinated debt | 4,000 | 2,000 | 2,000 | 6,000 | 6,000 | – | |
| Total | (B) | 4,843 | 2,843 | 2,849 | 6,836 | 6,709 | -127 | |
| Assets to be deducted | (C) | 12,243 | 13,757 | 13,349 | 13,007 | 12,839 | -168 | |
| Unfixed equity capital | (A) + (B) – (C) | (D) | 69,072 | 65,347 | 66,568 | 67,672 | 67,982 | 310 |
| Risk equivalents | Market risk equivalents | | 2,780 | 3,246 | 1,988 | 2,015 | 1,326 | -689 |
| | Customer risk equivalents | | 907 | 957 | 1,004 | 958 | 915 | -43 |
| | Basic risk equivalents | | 12,297 | 12,042 | 11,959 | 11,763 | 11,703 | -60 |
| | Total | (E) | 15,985 | 16,246 | 14,952 | 14,737 | 13,945 | -792 |
| Capital adequacy ratio | (D) / (E) × 100 (%) | | 432.0% | 402.2% | 445.1% | 459.1% | 487.4% | 28.3.p |

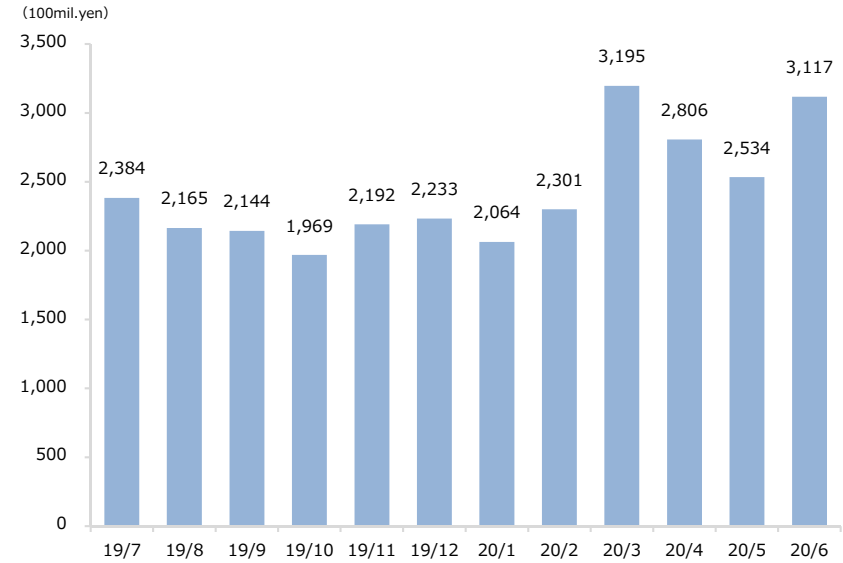
(Note) Short-term subordinated debt consists of subordinated borrowing.

(Reference Data) Okasan Online Securities Data

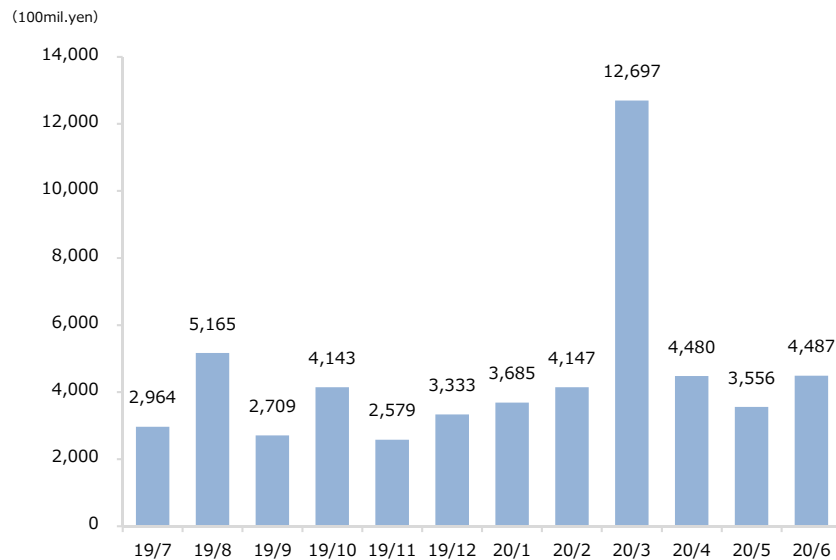
Number of customer accounts



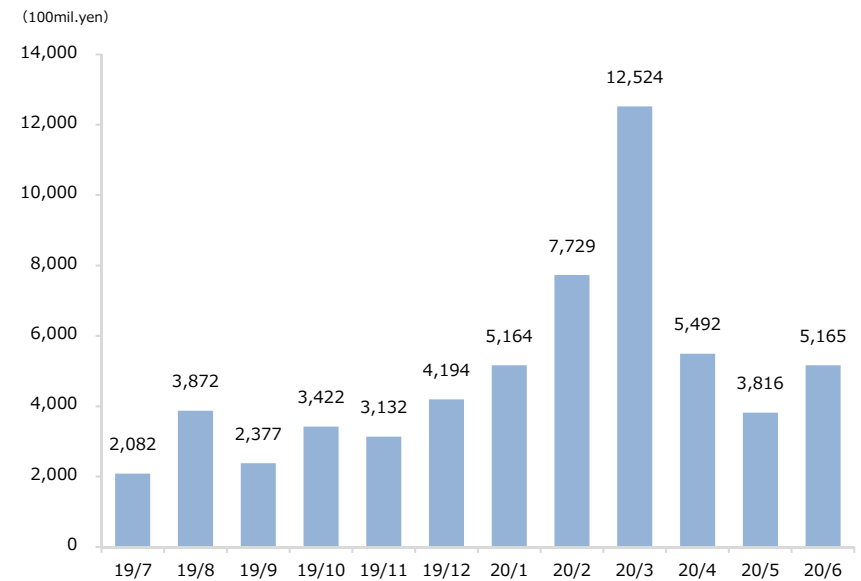
Domestic sales amount of equities by month



“Click 365” contract amount



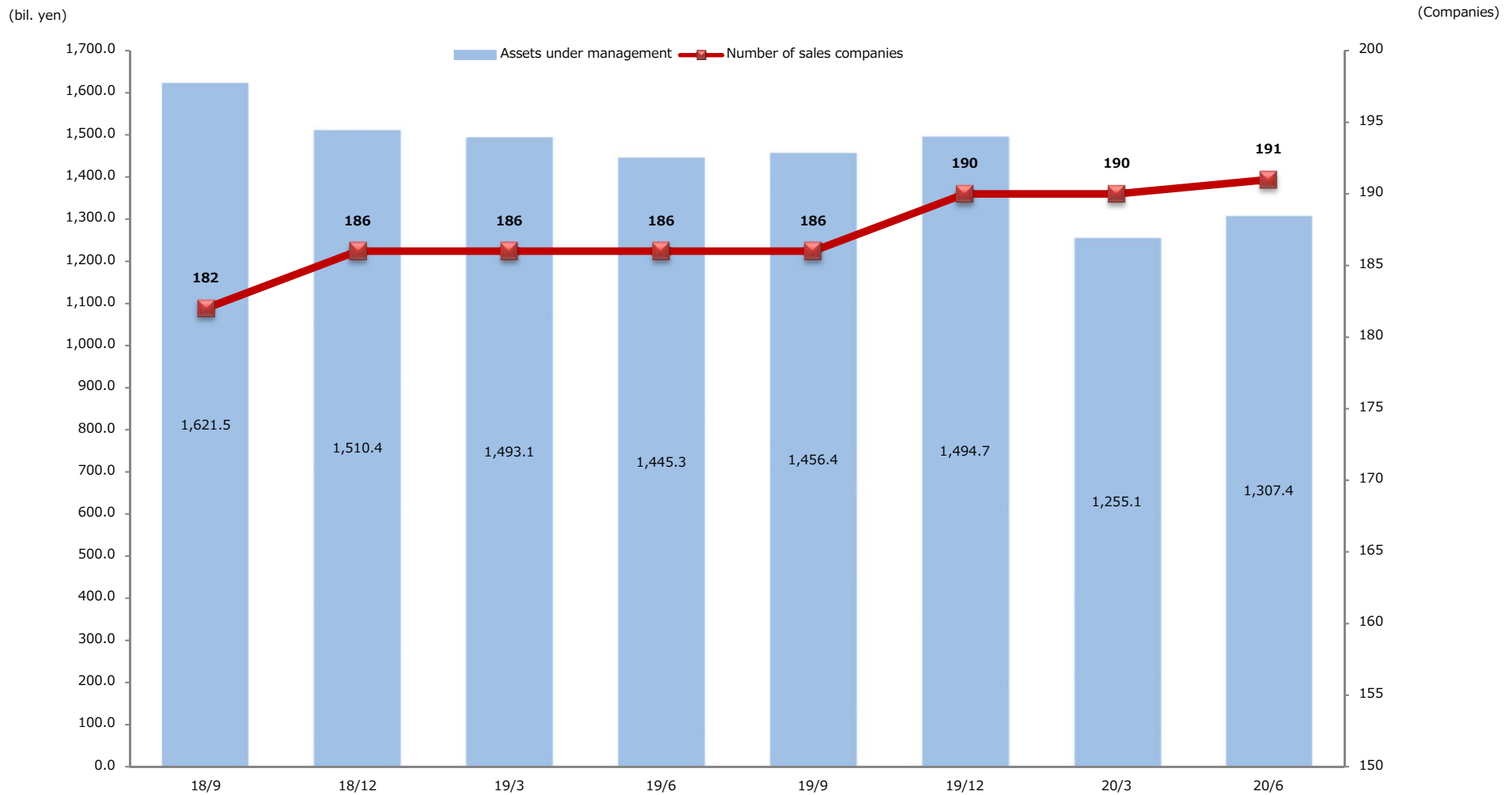
“Click kabu365” contract amount



(Reference Data) Okasan Asset Management Data

Okasan Asset Management's balance of investment trusts managed rose 52.3 billion yen from the end of the previous fiscal year to 1,307.4 billion yen.

Assets managed and number of sales companies



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