

January 30, 2023

3rd Quarter of Fiscal Year Ending March 31, 2023 Results Briefing

The objective of the document is to provide information on the results of the 3rd quarter of the fiscal year ending March 31, 2023 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 December 2022. 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.

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01. Business Results Overviews (Consolidated)

Financial highlights of 3rd quarter of fiscal year ending March 2023

(Cumulative: Nine months from April 1, 2022 to December 31, 2022)

<Year-on-year comparison (vs. 3rd quarter of FY ended March 2022 (Cumulative: Nine months from April 1, 2021 to December 31, 2021))>

- Operating revenue decreased by 12.7% year on year (YoY). Over the same period, net operating revenue decreased by 13.3%. Equities trading income and brokerage commission decreased due to decline of trading volume of individual customers, in response to unstable market environment both domestic and overseas.
- Selling, general, and administrative expenses decreased by 0.8% YoY from lower depreciation, personnel expenses, and others.
- Realized ordinary loss from decreased revenue. Profit attributable to owners of parent decreased by 36.8% YoY, despite recording extraordinary profit.

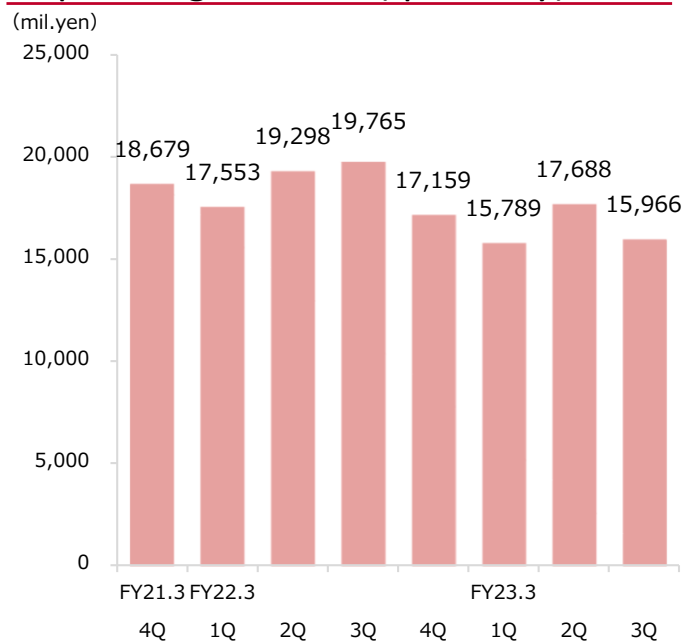
| | (In millions of yen) | | | | | | | | (In millions of yen) | | | |
|--|----------------------|--------|--------|--------|--------|--------|---------------|---------------|----------------------|---------------|---------------|-----------|
| | FY22.3 | | | | FY23.3 | | | | vs.FY23.3 | FY22.3 | FY23.3 | vs.FY22.3 |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 2Q | 3QTOTAL | 3QTOTAL | 3QTOTAL | |
| Operating revenue | 17,553 | 19,298 | 19,765 | 17,159 | 15,789 | 17,688 | 15,966 | -9.7% | 56,618 | 49,444 | -12.7% | |
| Net operating revenue | 17,268 | 19,002 | 19,492 | 16,833 | 15,427 | 17,329 | 15,610 | -9.9% | 55,763 | 48,367 | -13.3% | |
| SG&A | 16,501 | 16,951 | 17,273 | 16,894 | 16,957 | 16,808 | 16,550 | -1.5% | 50,726 | 50,316 | -0.8% | |
| Operating profit | 767 | 2,051 | 2,218 | -60 | -1,530 | 521 | -939 | - | 5,036 | -1,948 | - | |
| Ordinary profit | 955 | 2,907 | 2,364 | 671 | -1,440 | 1,224 | -489 | - | 6,227 | -705 | - | |
| Profit attributable to owners of parent | 433 | 2,063 | 1,457 | 6,118 | -772 | 803 | 2,466 | 206.9% | 3,954 | 2,498 | -36.8% | |
| EPS (YEN) | 2.19 | 10.42 | 7.36 | 30.90 | -3.90 | 3.95 | 11.75 | - | 19.98 | 12.26 | - | |
| BPS (YEN) | 831.21 | 855.70 | 855.40 | 847.85 | 824.60 | 823.21 | 844.48 | - | 855.40 | 844.48 | - | |
| ROE (annualized) | | | | | | | | | 3.1% | 1.9% | - | |

Performance by Quarter (Consolidated)

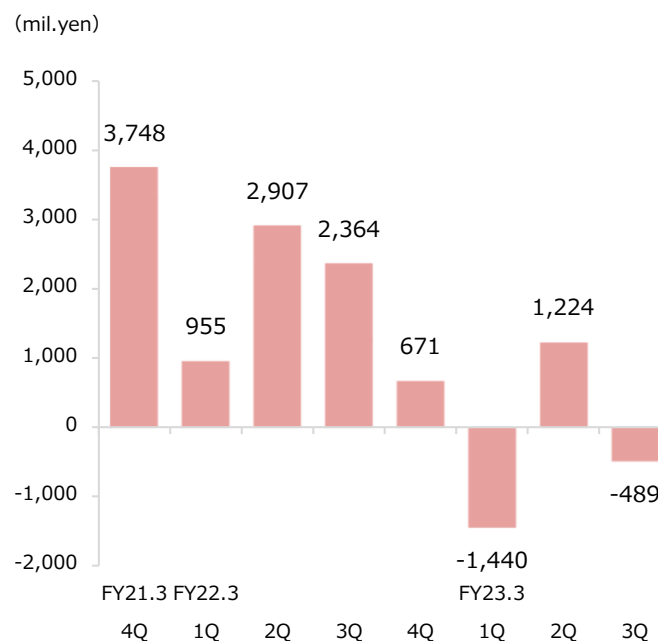
<Compared to previous quarter (vs. 2nd quarter of the fiscal year ending March 2023)>

- Operating revenue decreased by 9.7% from the previous quarter. Net operating revenue decreased by 9.9% quarter on quarter (QoQ). Brokerage commission related to domestic stocks increased. On the other hand, net trading income and investment trust related profits decreased from to the previous quarter.
- Selling, general, and administrative expenses decreased by 1.5% QoQ, due to lower depreciation, personnel expenses, and others.
- Realized ordinary loss from decreased revenue. Profit attributable to owners of parent increased 206.9% QoQ, due to recording of extraordinary profit by gain on change in equity from conversion of a consolidated subsidiary to a joint venture company.

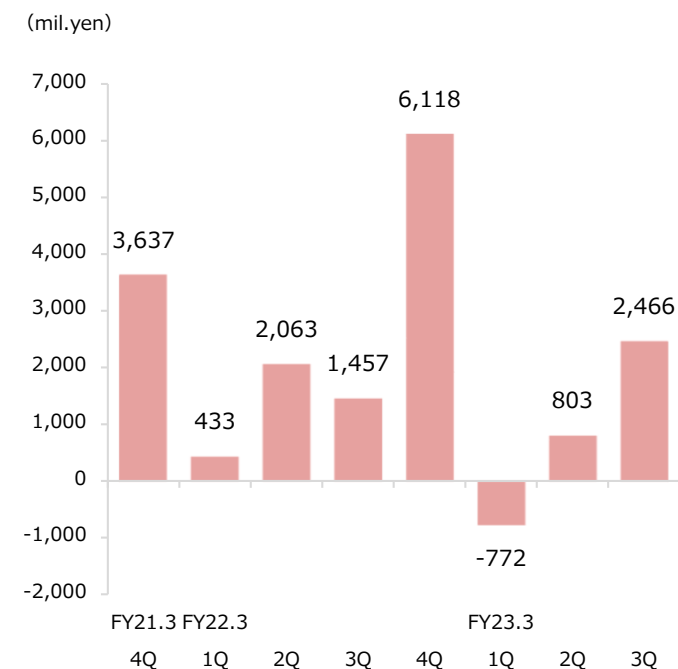
Operating revenue (quarterly)



Ordinary profit (quarterly)



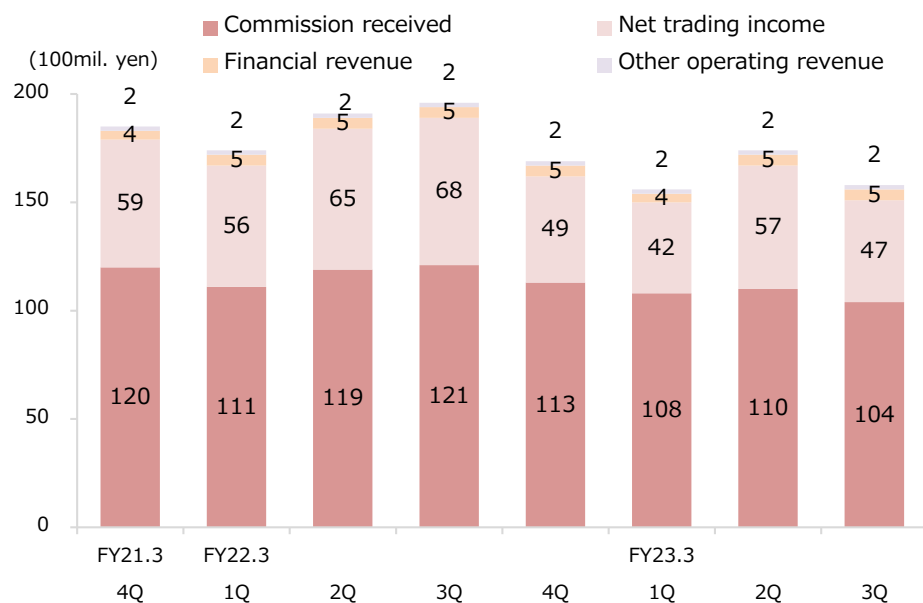
Profit attributable to owners of parent (quarterly)



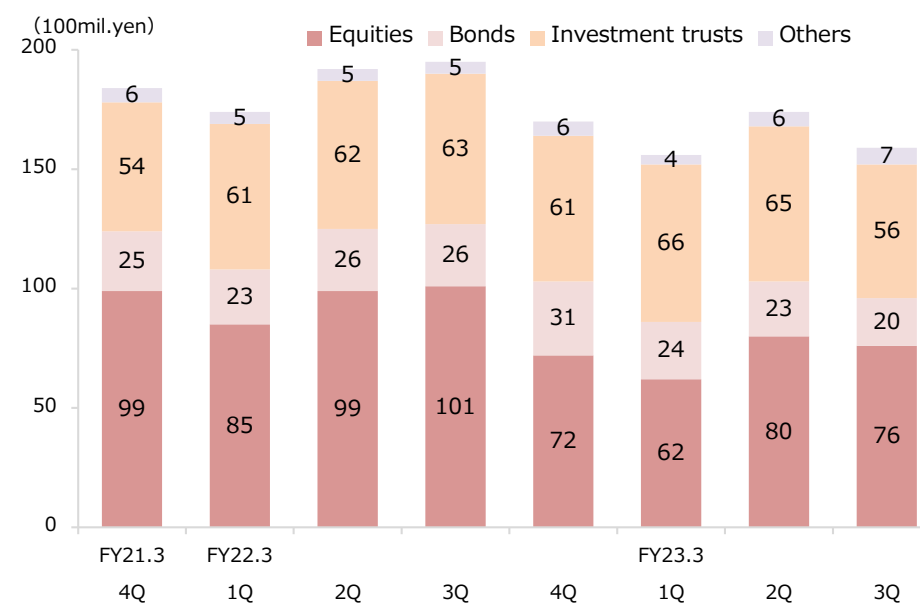
Operating Revenue I

| | (In millions of yen) | | | | (In millions of yen) | | | | (In millions of yen) | | |
|----------------------------|----------------------|--------|--------|--------|----------------------|--------|---------------|---------------|----------------------|---------------|---------------|
| | FY22.3 | | | | FY23.3 | | | | vs.FY23.3 | | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 2Q | FY22.3 | FY23.3 | vs.FY22.3 |
| | | | | | | | | | 3QTOTAL | 3QTOTAL | 3QTOTAL |
| Commission received | 11,153 | 11,952 | 12,108 | 11,384 | 10,807 | 11,098 | 10,411 | -6.2% | 35,214 | 32,317 | -8.2% |
| Brokerage | 4,686 | 5,008 | 5,026 | 4,244 | 3,830 | 3,867 | 4,143 | 7.1% | 14,721 | 11,840 | -19.6% |
| Underwriting | 108 | 291 | 350 | 356 | 37 | 168 | 235 | 39.4% | 749 | 441 | -41.1% |
| Distribution | 2,543 | 2,794 | 2,761 | 2,906 | 3,159 | 3,060 | 2,371 | -22.5% | 8,098 | 8,591 | 6.1% |
| Others | 3,815 | 3,859 | 3,969 | 3,876 | 3,780 | 4,001 | 3,661 | -8.5% | 11,644 | 11,443 | -1.7% |
| Net trading income | 5,610 | 6,542 | 6,882 | 4,985 | 4,245 | 5,769 | 4,753 | -17.6% | 19,035 | 14,768 | -22.4% |
| Equities | 3,522 | 4,347 | 4,429 | 2,359 | 2,152 | 3,735 | 3,025 | -19.0% | 12,298 | 8,914 | -27.5% |
| Bonds | 2,122 | 2,213 | 2,508 | 2,717 | 2,265 | 2,156 | 1,656 | -23.2% | 6,844 | 6,078 | -11.2% |
| Others | -34 | -17 | -55 | -91 | -172 | -122 | 70 | - | -107 | -224 | - |
| Financial revenue | 531 | 563 | 538 | 546 | 498 | 584 | 577 | -1.1% | 1,633 | 1,660 | 1.6% |
| Others | 258 | 238 | 237 | 243 | 237 | 236 | 224 | -5.1% | 734 | 698 | -4.9% |
| Operating revenue | 17,553 | 19,298 | 19,765 | 17,159 | 15,789 | 17,688 | 15,966 | -9.7% | 56,618 | 49,444 | -12.7% |

Quarterly change in operating revenue

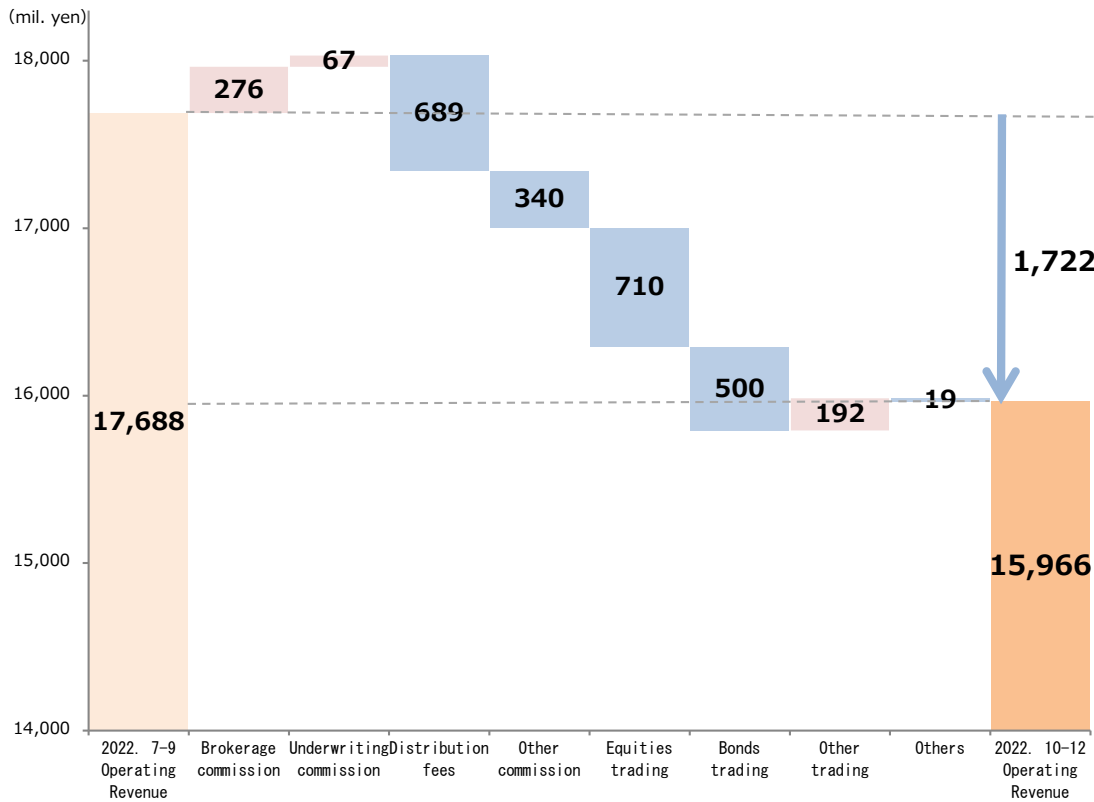


Quarterly change in operating revenue by product

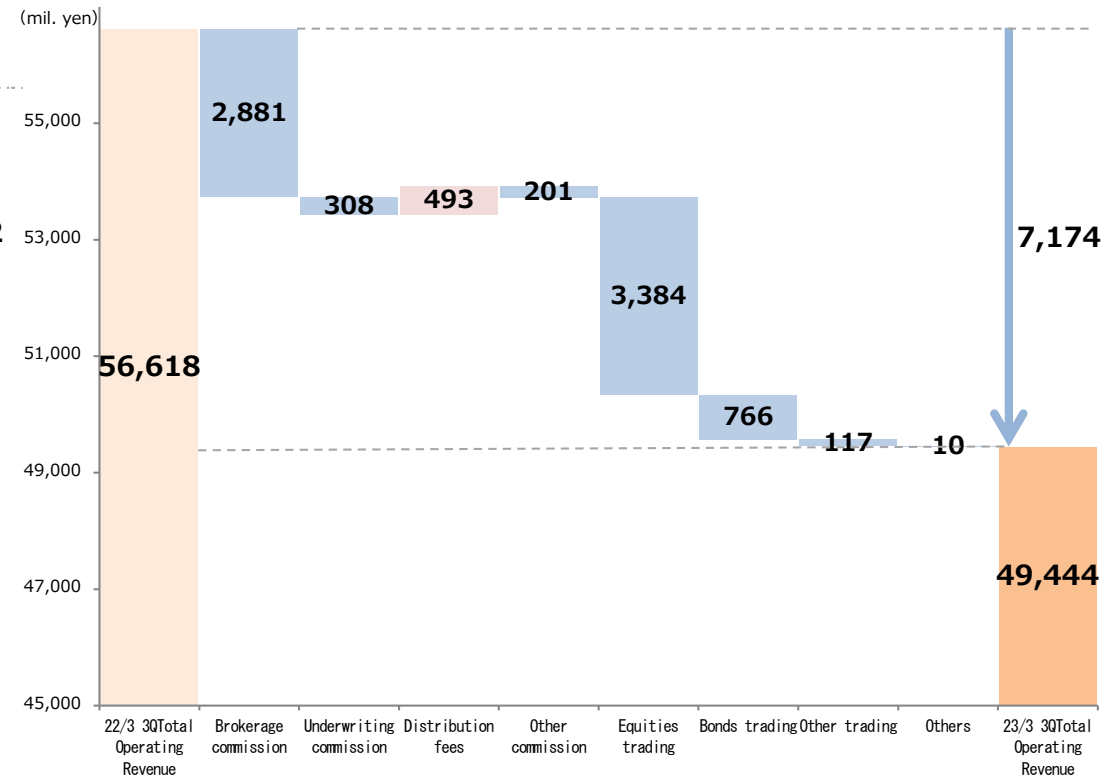


Operating Revenue II

Changing factors of operating revenue (vs. FY23.3 2Q)



Changing factors of operating revenue (vs. FY22.3 3Qtotal)



Fees and Commission Received

<Compared to previous quarter>

Brokerage commission increased by 7.1% from the previous quarter, due to increase of domestic equities brokerage commission. Underwriting commission increased by 39.4% QoQ. Factors such as lead manager projects and underwriting of corporate bonds contributed to earnings. Distribution fees decreased by 22.5% QoQ, owing to lower sales of publicly offered investment trusts. Other commission decreased by 8.5% QoQ, in rebound of recording of takeover bids related revenues in the previous quarter and other factors.

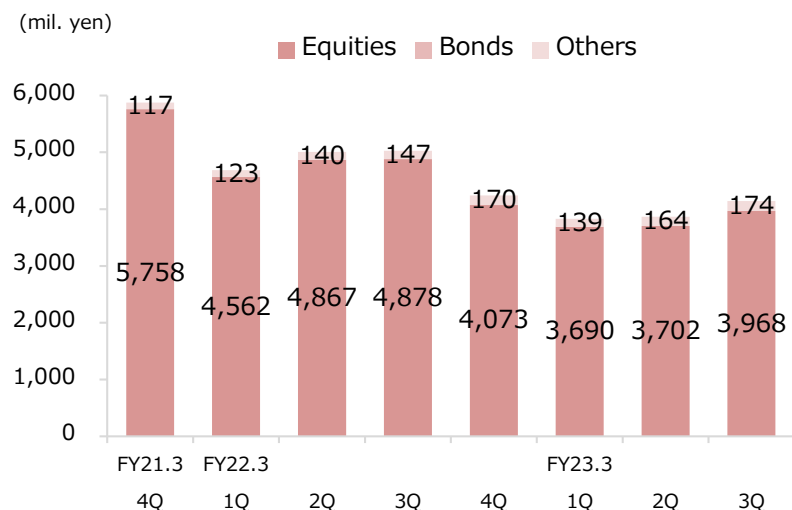
<Year-on-year comparison (cumulative)>

Brokerage commission decreased by 19.6% YoY, due to decrease of commission related to foreign equities transaction and others. Underwriting commission decreased by 41.1% YoY, affected from decrease of finance project of the whole market. Distribution fees increased by 6.1% YoY, due to higher sales of publicly offered investment trusts. Other commission decreased by 1.7% YoY, due to decreased in trust fees and others.

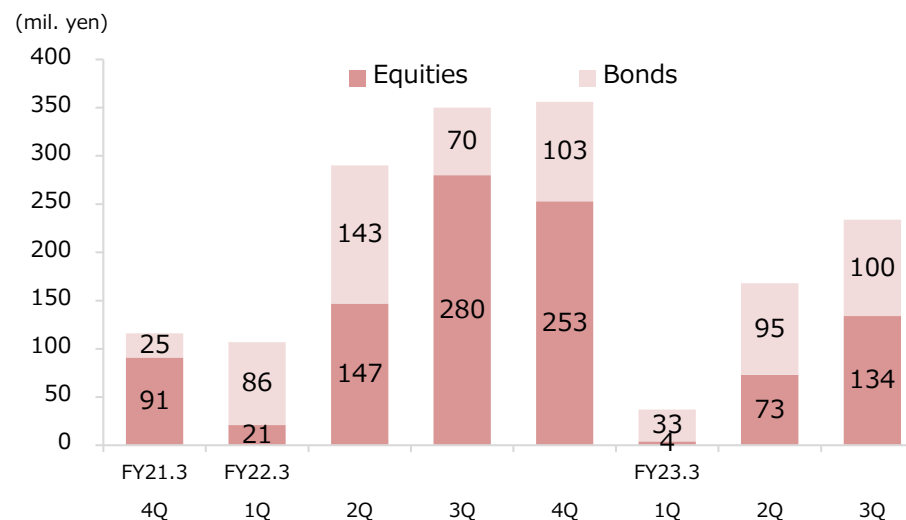
| | (In millions of yen) | | | | | | | | (In millions of yen) | | | |
|--------------------------|----------------------|--------|--------|--------|--------|--------|---------------|---------------|----------------------|---------------|---------------|-----------|
| | FY22.3 | | | | FY23.3 | | | | vs.FY23.3 | FY22.3 | FY23.3 | vs.FY22.3 |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 2Q | 3QTOTAL | 3QTOTAL | 3QTOTAL | |
| Brokerage | 4,686 | 5,008 | 5,026 | 4,244 | 3,830 | 3,867 | 4,143 | 7.1% | 14,721 | 11,840 | -19.6% | |
| Equities | 4,562 | 4,867 | 4,878 | 4,073 | 3,690 | 3,702 | 3,968 | 7.2% | 14,309 | 11,360 | -20.6% | |
| Bonds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -72.0% | 0 | 0 | -27.8% | |
| Others | 123 | 140 | 147 | 170 | 139 | 164 | 174 | 6.1% | 411 | 479 | 16.5% | |
| Underwriting | 108 | 291 | 350 | 356 | 37 | 168 | 235 | 39.4% | 749 | 441 | -41.1% | |
| Equities | 21 | 147 | 280 | 253 | 4 | 73 | 134 | 83.2% | 448 | 212 | -52.7% | |
| Bonds | 86 | 143 | 70 | 103 | 33 | 95 | 100 | 5.6% | 300 | 229 | -23.8% | |
| Distribution | 2,543 | 2,794 | 2,761 | 2,906 | 3,159 | 3,060 | 2,371 | -22.5% | 8,098 | 8,591 | 6.1% | |
| Beneficiary Certificates | 2,538 | 2,599 | 2,750 | 2,697 | 3,155 | 3,036 | 2,245 | -26.1% | 7,888 | 8,437 | 7.0% | |
| Others | 3,815 | 3,859 | 3,969 | 3,876 | 3,780 | 4,001 | 3,661 | -8.5% | 11,644 | 11,443 | -1.7% | |
| Beneficiary Certificates | 3,484 | 3,525 | 3,528 | 3,341 | 3,340 | 3,385 | 3,260 | -3.7% | 10,539 | 9,986 | -5.3% | |
| Total | 11,153 | 11,952 | 12,108 | 11,384 | 10,807 | 11,098 | 10,411 | -6.2% | 35,214 | 32,317 | -8.2% | |

Fees and Commission Received by Category (Quarterly Transition)

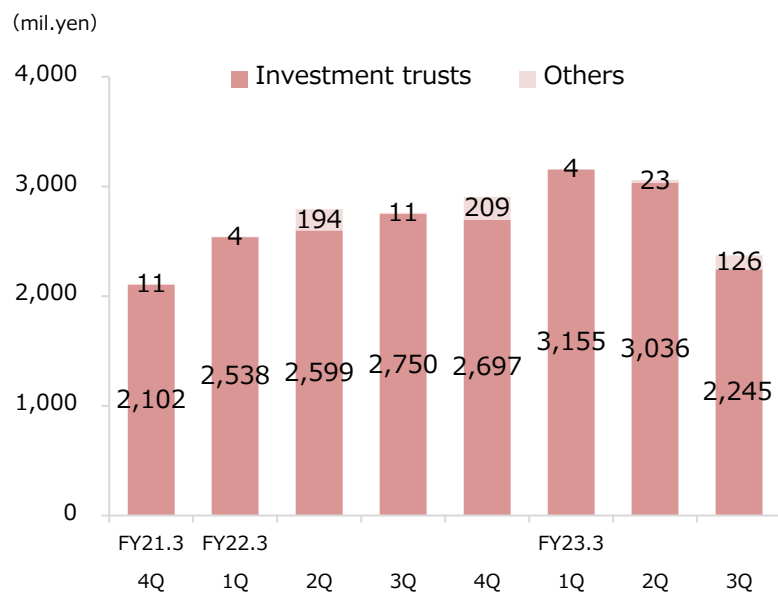
Brokerage



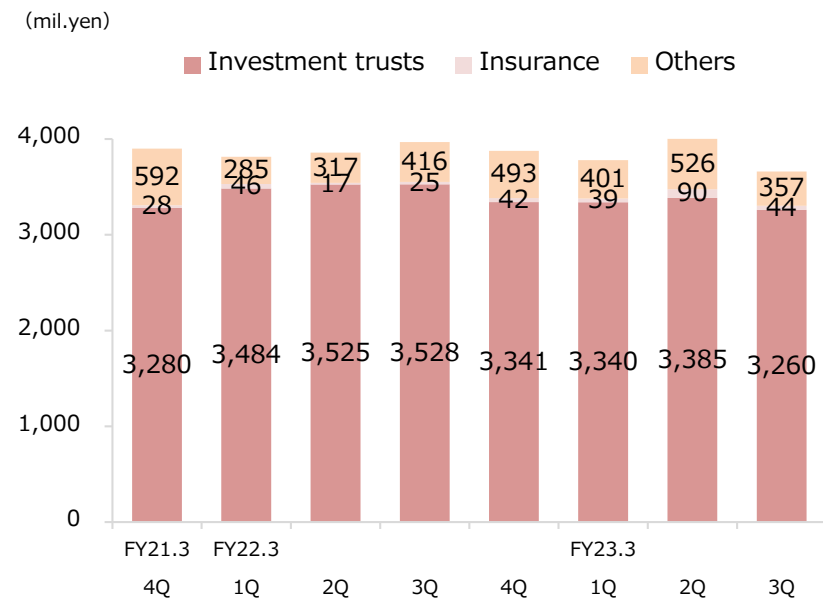
Underwriting



Distribution



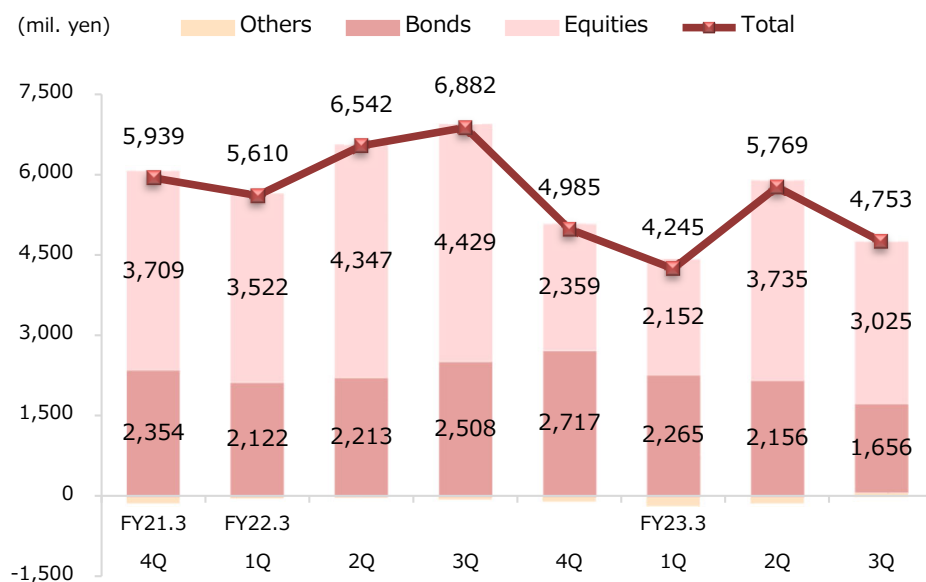
Others



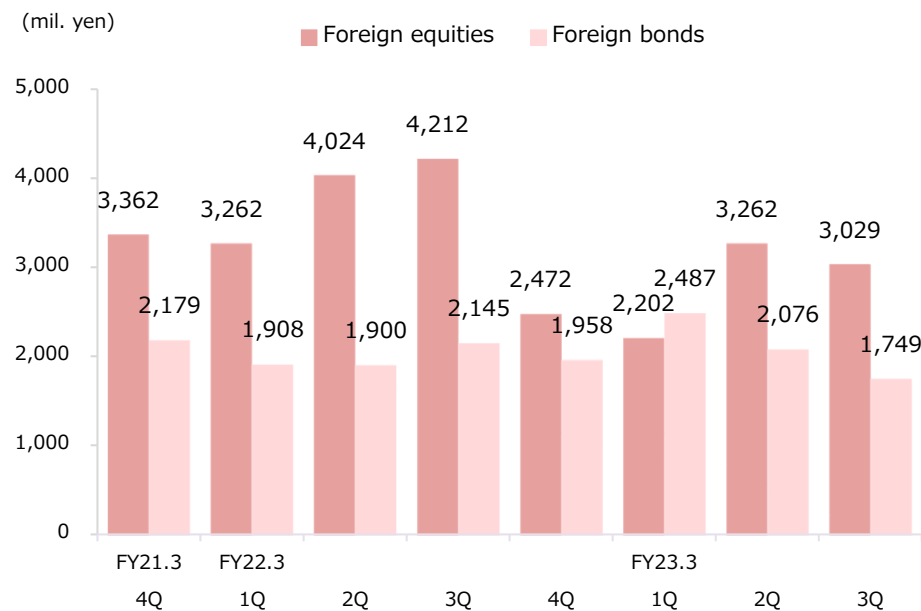
Net Trading Income

| | (In millions of yen) | | | | (In millions of yen) | | | | (In millions of yen) | | |
|---------------------------|----------------------|-------|-------|-------|----------------------|-------|--------------|---------------|----------------------|----------------|-------------------|
| | FY22.3 | | | | FY23.3 | | | | vs.FY23.3 | | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 2Q | FY22.3 3QTOTAL | FY23.3 3QTOTAL | vs.FY22.3 3QTOTAL |
| Equities | 3,522 | 4,347 | 4,429 | 2,359 | 2,152 | 3,735 | 3,025 | -19.0% | 12,298 | 8,914 | -27.5% |
| Domestic equities | 259 | 322 | 216 | -112 | -49 | 473 | -3 | - | 798 | 419 | -47.5% |
| Foreign equities | 3,262 | 4,024 | 4,212 | 2,472 | 2,202 | 3,262 | 3,029 | -7.2% | 11,500 | 8,494 | -26.1% |
| Bonds and others | 2,122 | 2,213 | 2,508 | 2,717 | 2,265 | 2,156 | 1,656 | -23.2% | 6,844 | 6,078 | -11.2% |
| Domestic bonds | 213 | 312 | 363 | 758 | -222 | 79 | -92 | - | 889 | -235 | - |
| Foreign bonds | 1,908 | 1,900 | 2,145 | 1,958 | 2,487 | 2,076 | 1,749 | -15.7% | 5,954 | 6,314 | 6.0% |
| Others | -34 | -17 | -55 | -91 | -172 | -122 | 70 | - | -107 | -224 | - |
| Net trading income | 5,610 | 6,542 | 6,882 | 4,985 | 4,245 | 5,769 | 4,753 | -17.6% | 19,035 | 14,768 | -22.4% |

Net income by products



Net income from foreign equities and bonds



SG&A : Selling, General and Administrative Expenses I

<Compared to previous quarter>

Selling, general, and administrative expenses (SG&A) decreased by 1.5% from the previous quarter, due to lower depreciation, personnel expenses, and others.

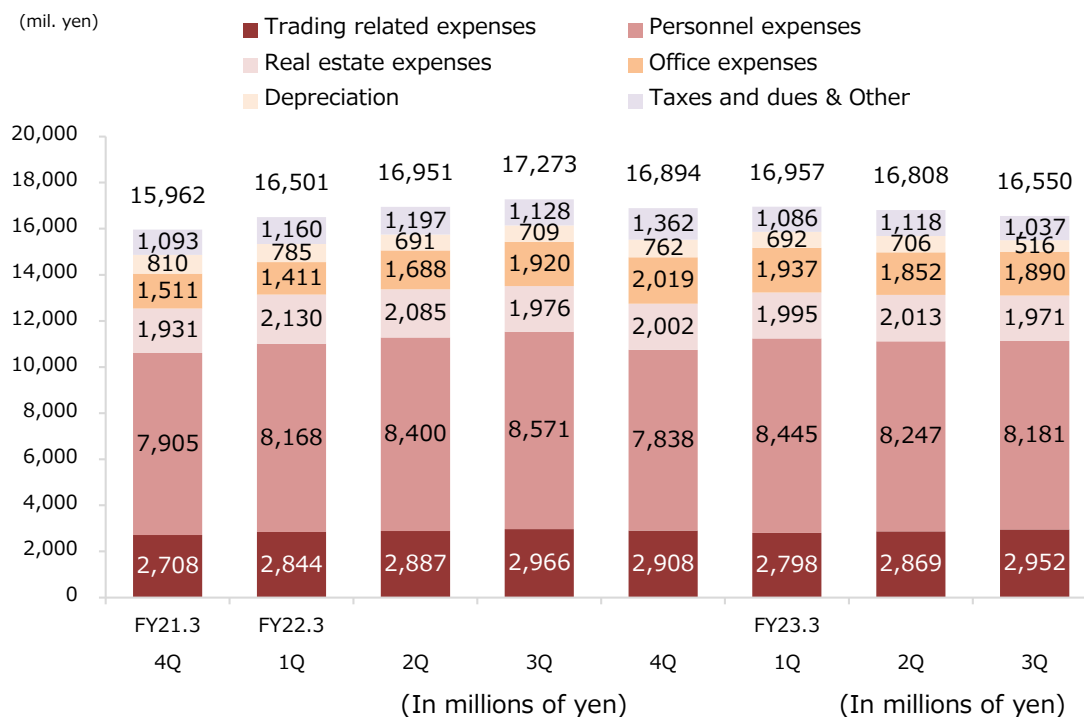
- Depreciation decreased by 27.0% QoQ due to decline of amortization of system related expenses.
- Personnel expenses (including bonus and allowance) decreased by 0.8% QoQ.

<Year-on-year comparison (cumulative)>

While office expenses increased, lower depreciation, personnel expenses and others caused decreased SG&A by 0.8% YoY.

- Office expenses increased by 13.2% YoY due to core operational system transferring related expenses, and others.
- Depreciation decreased 12.4% YoY, and personnel expenses (including bonus and allowance) decreased by 1.1% YoY. Real estate expenses decreased by 3.4% YoY by decline of office and branch related expenses.

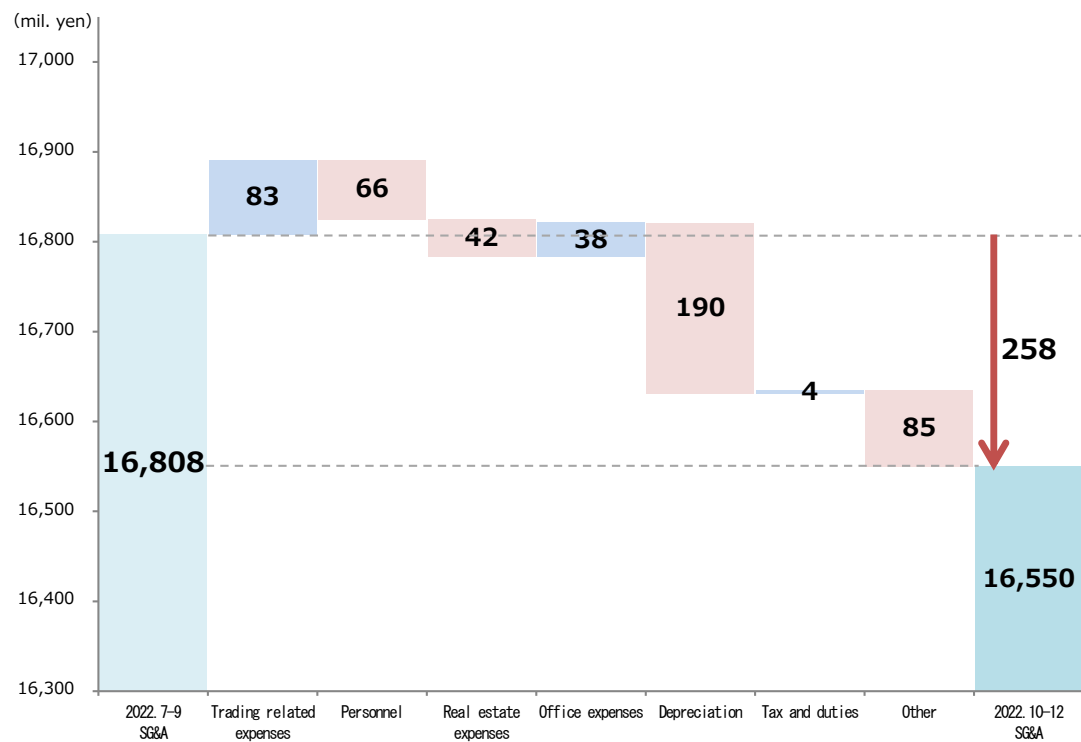
Change in Selling, General and Administrative Expenses



| | FY22.3 | | | | FY23.3 | | | | vs.FY23.3 | | FY22.3 | | | FY23.3 | | | vs.FY22.3 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------|---------------|---------------|---------------|---------|---------|--|--|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 2Q | | | 3QTOTAL | 3QTOTAL | 3QTOTAL | 3QTOTAL | | | |
| Trading related expenses | 2,844 | 2,887 | 2,966 | 2,908 | 2,798 | 2,869 | 2,952 | 2.9% | | 8,698 | 8,620 | -0.9% | | | | | |
| Personnel expenses | 8,168 | 8,400 | 8,571 | 7,838 | 8,445 | 8,247 | 8,181 | -0.8% | | 25,140 | 24,874 | -1.1% | | | | | |
| Real estate expenses | 2,130 | 2,085 | 1,976 | 2,002 | 1,995 | 2,013 | 1,971 | -2.1% | | 6,192 | 5,981 | -3.4% | | | | | |
| Office expenses | 1,411 | 1,688 | 1,920 | 2,019 | 1,937 | 1,852 | 1,890 | 2.0% | | 5,020 | 5,681 | 13.2% | | | | | |
| Depreciation | 785 | 691 | 709 | 762 | 692 | 706 | 516 | -27.0% | | 2,186 | 1,915 | -12.4% | | | | | |
| Taxes and dues | 275 | 293 | 278 | 475 | 257 | 292 | 296 | 1.6% | | 847 | 845 | -0.2% | | | | | |
| Other | 885 | 904 | 850 | 887 | 829 | 826 | 741 | -10.3% | | 2,641 | 2,396 | -9.3% | | | | | |
| SG&A | 16,501 | 16,951 | 17,273 | 16,894 | 16,957 | 16,808 | 16,550 | -1.5% | | 50,726 | 50,316 | -0.8% | | | | | |

SG&A : Selling, General and Administrative Expenses II

Changing factors of SG&A (vs. FY23.3 2Q)



Changing factors of SG&A (vs. FY22.3 3Qtotal)

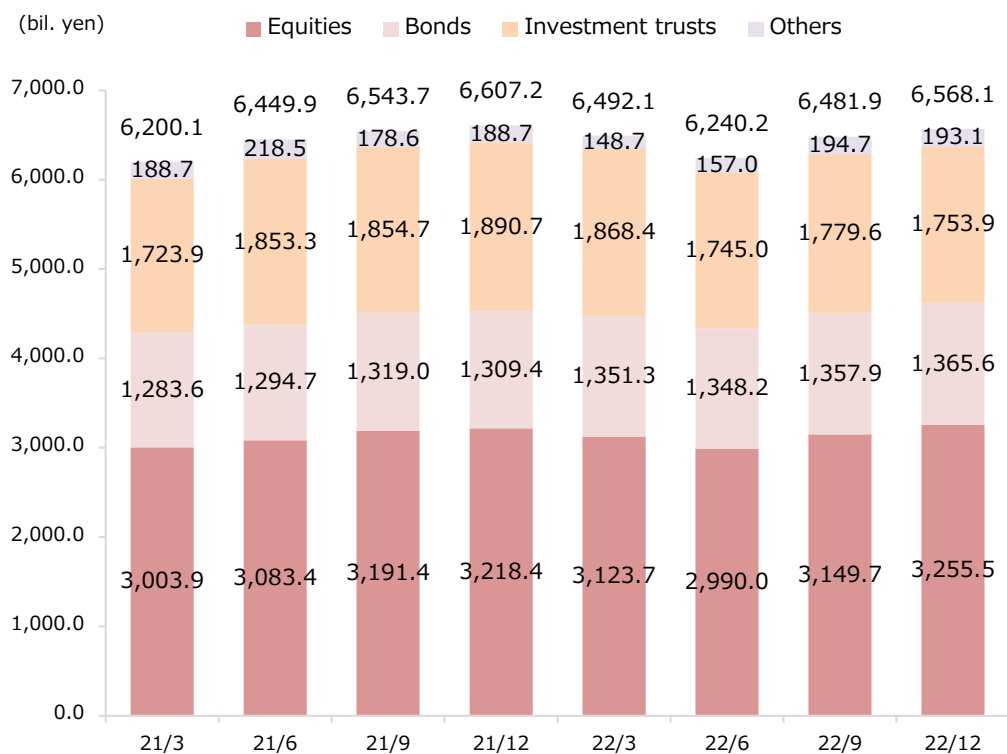


Assets under custody

<Compared to the end of the previous fiscal year (vs. the end of March 2022)>

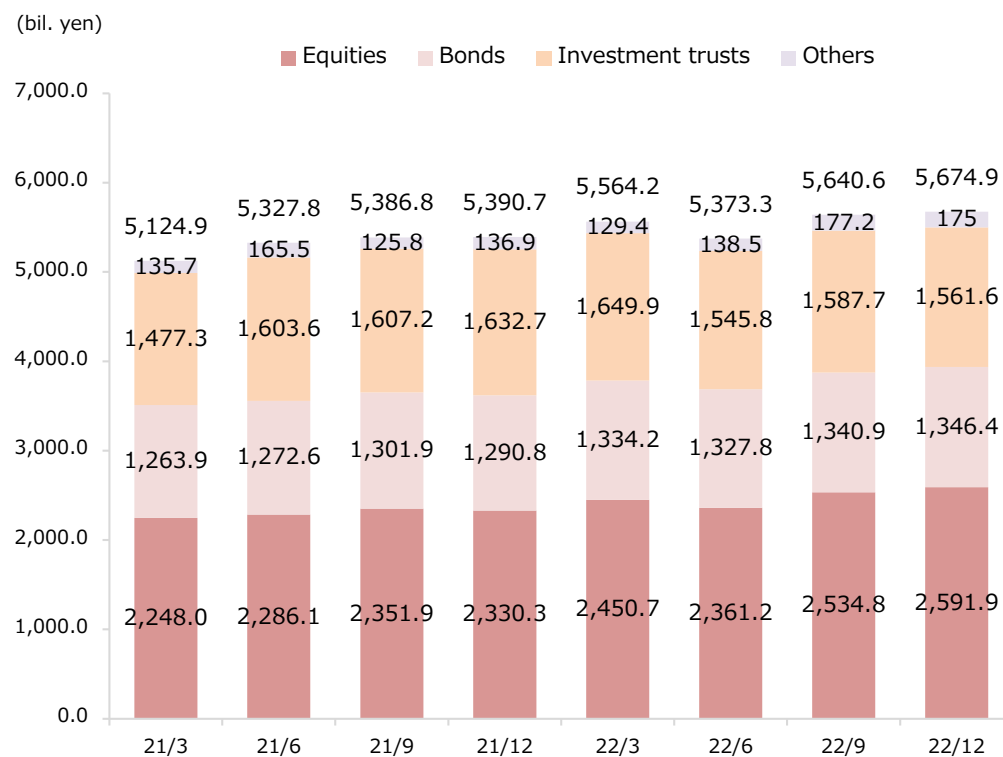
- On a consolidated basis, customers' assets under custody increased 76 billion yen from the end of the previous fiscal year to 6,568.1 billion yen.
- Customers' assets under custody of Okasan Securities increased 110.7 billion yen from the end of the previous fiscal year to 5,674.9 billion yen. Balance increased as a result of succession of Marusan Trade business from Marusan Securities Co., Ltd in July 2022.

Assets under Custody (Consolidated)



※ Including assets under custody of Securities Japan, Inc. from 21/3.

Okasan Securities Assets under Custody (non-consolidated)



※ Including assets under custody of Okasan Online Securities Company from 22/3.

Group status

Results by segment

Operating revenue

(In millions of yen)

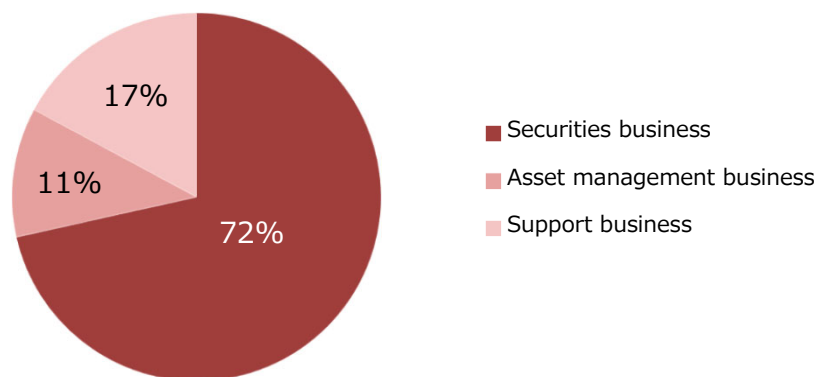
| | FY22.3 | FY23.3 | vs.FY22.3 |
|---------------------------|---------|---------------|---------------|
| | 3QTOTAL | 3QTOTAL | 3QTOTAL |
| Securities business | 51,376 | 44,350 | -13.7% |
| Asset management business | 7,211 | 7,054 | -2.2% |
| Support business | 9,964 | 10,623 | 6.6% |

Segment income

(In millions of yen)

| | FY22.3 | FY23.3 | vs.FY22.3 |
|---------------------------|---------|---------------|---------------|
| | 3QTOTAL | 3QTOTAL | 3QTOTAL |
| Securities business | 5,319 | -2,091 | - |
| Asset management business | 316 | 98 | -68.8% |
| Support business | 259 | 1,182 | 354.8% |

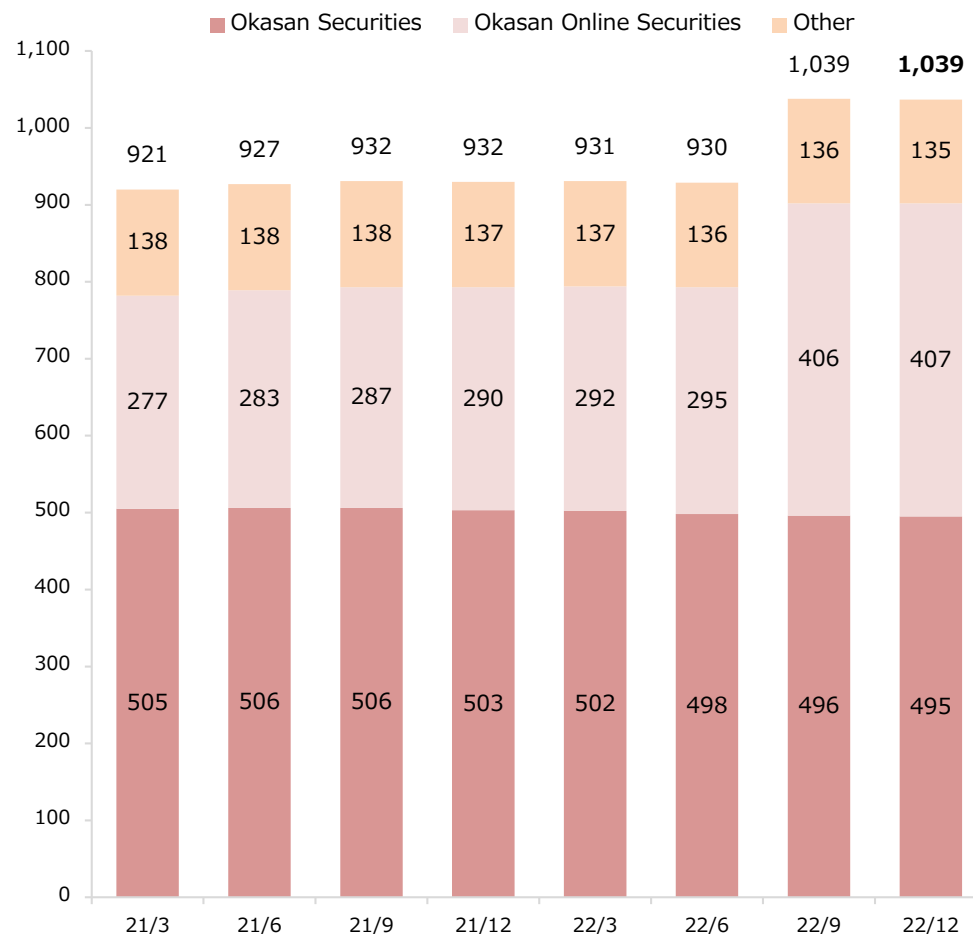
Operating revenue



※ Above results by segment shows figures before consolidation adjustment.

Number of accounts in the Group

(thousands accounts)



※ Including number of accounts of Securities Japan, Inc., as well as its subsidiaries Mitsui Securities and Zukawa Securities, from 21/3.

Statement of Income

| | (In millions of yen) | | | | | | | | (In millions of yen) | | | |
|--|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|---------------|---------------|-----------|
| | FY22.3 | | | | FY23.3 | | | | vs.FY23.3 | FY22.3 | FY23.3 | vs.FY22.3 |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 2Q | 3QTOTAL | 3QTOTAL | 3QTOTAL | |
| Operating revenue | 17,553 | 19,298 | 19,765 | 17,159 | 15,789 | 17,688 | 15,966 | -9.7% | 56,618 | 49,444 | -12.7% | |
| Commission received | 11,153 | 11,952 | 12,108 | 11,384 | 10,807 | 11,098 | 10,411 | -6.2% | 35,214 | 32,317 | -8.2% | |
| Net trading income | 5,610 | 6,542 | 6,882 | 4,985 | 4,245 | 5,769 | 4,753 | -17.6% | 19,035 | 14,768 | -22.4% | |
| Financial revenue | 531 | 563 | 538 | 546 | 498 | 584 | 577 | -1.1% | 1,633 | 1,660 | 1.6% | |
| Other operating revenue | 258 | 238 | 237 | 243 | 237 | 236 | 224 | -5.1% | 734 | 698 | -4.9% | |
| Financial expenses | 285 | 295 | 273 | 325 | 362 | 358 | 356 | -0.7% | 854 | 1,077 | 26.0% | |
| Net operating revenue | 17,268 | 19,002 | 19,492 | 16,833 | 15,427 | 17,329 | 15,610 | -9.9% | 55,763 | 48,367 | -13.3% | |
| SG&A | 16,501 | 16,951 | 17,273 | 16,894 | 16,957 | 16,808 | 16,550 | -1.5% | 50,726 | 50,316 | -0.8% | |
| Operating profit (loss) | 767 | 2,051 | 2,218 | -60 | -1,530 | 521 | -939 | - | 5,036 | -1,948 | - | |
| Non-operating income | 223 | 891 | 176 | 826 | 141 | 754 | 513 | -32.0% | 1,291 | 1,409 | 9.1% | |
| Non-operating expenses | 35 | 36 | 29 | 94 | 52 | 50 | 62 | 23.7% | 101 | 165 | 64.0% | |
| Ordinary profit (loss) | 955 | 2,907 | 2,364 | 671 | -1,440 | 1,224 | -489 | - | 6,227 | -705 | - | |
| Extraordinary income | 7 | 376 | -0 | 9,295 | 0 | 275 | 2,787 | 913.4% | 383 | 3,063 | 698.4% | |
| Extraordinary losses | 289 | -218 | 44 | 1,108 | 50 | 27 | 3 | -88.1% | 115 | 80 | -30.0% | |
| Profit before income taxes | 674 | 3,502 | 2,319 | 8,858 | -1,490 | 1,472 | 2,295 | 55.9% | 6,495 | 2,277 | -64.9% | |
| Income taxes - current | 224 | 843 | 429 | 2,636 | -101 | 191 | 55 | -71.1% | 1,497 | 144 | -90.3% | |
| Income taxes - deferred | -69 | 443 | 337 | -591 | -606 | 405 | -162 | - | 711 | -363 | - | |
| Profit (loss) | 518 | 2,215 | 1,552 | 6,814 | -782 | 876 | 2,402 | 174.2% | 4,286 | 2,496 | -41.8% | |
| Profit(loss) attributable to non-controlling interests | 85 | 152 | 94 | 695 | -10 | 72 | -63 | - | 332 | -2 | - | |
| Profit(loss) attributable to owners of parent | 433 | 2,063 | 1,457 | 6,118 | -772 | 803 | 2,466 | 206.9% | 3,954 | 2,498 | -36.8% | |

※Okasan Asset Management Co., Ltd. has become an equity method affiliate from a consolidated subsidiary as of the end of 3rd quarter of the fiscal year ending March 2023.

Changes for B/S and P/L are as follows;

B/S : Deconsolidated from 3Q of FY ending March 2023 P/L : Will be deconsolidated from 4Q of FY ending March 2023

Balance Sheet Summary

(In millions of yen)

| Assets | Mar.31, 2022 | Dec.31, 2022 | Changes from Mar.31, 2022 |
|-------------------------------|-----------------|-----------------|------------------------------|
| Current assets | 735,086 | 642,027 | -93,059 |
| Cash and deposits | 86,946 | 68,787 | -18,159 |
| Segregated deposits | 90,874 | 94,228 | 3,354 |
| Trading products | 227,666 | 181,316 | -46,350 |
| Margin transaction assets | 63,432 | 83,314 | 19,882 |
| Loans secured by securities | 228,480 | 181,252 | -47,228 |
| Other current assets | 37,685 | 33,127 | -4,558 |
| Non-current assets | 81,480 | 87,994 | 6,514 |
| Property, plant and equipment | 18,071 | 17,421 | -650 |
| Intangible assets | 4,098 | 5,444 | 1,346 |
| Investments and other assets | 59,310 | 65,129 | 5,819 |
| Total assets | 816,567 | 730,022 | -86,545 |

(In millions of yen)

| Liabilities and net assets | Mar.31, 2022 | Dec.31, 2022 | Changes from Mar.31, 2022 |
|---|-----------------|-----------------|------------------------------|
| Current liabilities | 595,610 | 511,437 | -84,173 |
| Trading products | 225,410 | 168,052 | -57,358 |
| Margin transaction liabilities | 25,421 | 20,999 | -4,422 |
| Borrowings secured by securities | 97,518 | 60,108 | -37,410 |
| Deposits received | 61,423 | 78,093 | 16,670 |
| Guarantee deposits received | 37,002 | 46,415 | 9,413 |
| Short-term borrowings | 138,513 | 111,929 | -26,584 |
| Other current liabilities | 10,320 | 25,839 | 15,519 |
| Non-current liabilities | 29,855 | 28,999 | -856 |
| Long-term borrowings | 11,802 | 12,386 | 584 |
| Retirement benefit liability | 6,407 | 5,982 | -425 |
| Other non-current liabilities | 11,645 | 10,630 | -1,015 |
| Reserves under special laws | 1,241 | 1,242 | 1 |
| Total liabilities | 626,706 | 541,679 | -85,027 |
| Share capital | 18,589 | 18,589 | - |
| Capital surplus | 23,848 | 37,273 | 13,425 |
| Retained earnings | 120,984 | 120,516 | -468 |
| Treasury shares | -3,733 | -10,091 | -6,358 |
| Accumulated other comprehensive income | 8,179 | 9,691 | 1,512 |
| Share acquisition rights | 463 | 421 | -42 |
| Non-controlling interests | 21,528 | 11,941 | -9,587 |
| Total net assets | 189,860 | 188,342 | -1,518 |
| Total liabilities and net assets | 816,567 | 730,022 | -86,545 |

※Okasan Asset Management Co., Ltd. has become an equity method affiliate from a consolidated subsidiary as of the end of 3rd quarter of the fiscal year ending March 2023.

Changes for B/S and P/L are as follows;

B/S : Deconsolidated from 3Q of FY ending March 2023 P/L : Will be deconsolidated from 4Q of FY ending March 2023

02. Reference Data

Performance by quarter (non-consolidated: Okasan Securities)

| | (In millions of yen) | | | | | | | | (In millions of yen) | | | |
|-------------------------------|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|----------------------|---------------|--------------|-----------|
| | FY22.3 | | | | FY23.3 | | | | vs.FY23.3 | FY22.3 | FY23.3 | vs.FY22.3 |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 2Q | 3QTOTAL | 3QTOTAL | 3QTOTAL | |
| Operating revenue | 12,554 | 14,239 | 14,593 | 13,096 | 11,770 | 13,657 | 12,383 | -9.3% | 41,387 | 37,810 | -8.6% | |
| Commission received | 7,001 | 7,764 | 7,841 | 7,970 | 7,475 | 7,778 | 7,257 | -6.7% | 22,607 | 22,512 | -0.4% | |
| Brokerage | 3,011 | 3,239 | 3,204 | 2,969 | 2,647 | 2,756 | 2,998 | 8.8% | 9,456 | 8,401 | -11.1% | |
| Underwriting | 98 | 291 | 349 | 355 | 37 | 167 | 236 | 41.0% | 739 | 441 | -40.3% | |
| Distribution | 2,201 | 2,491 | 2,462 | 2,632 | 2,878 | 2,721 | 2,102 | -22.8% | 7,155 | 7,701 | 7.6% | |
| Others | 1,689 | 1,741 | 1,825 | 2,012 | 1,912 | 2,133 | 1,920 | -10.0% | 5,256 | 5,967 | 13.5% | |
| Net trading income | 5,253 | 6,174 | 6,473 | 4,699 | 3,909 | 5,402 | 4,664 | -13.7% | 17,900 | 13,976 | -21.9% | |
| Equities | 3,227 | 4,041 | 4,085 | 2,157 | 1,967 | 3,467 | 3,015 | -13.0% | 11,354 | 8,450 | -25.6% | |
| Bonds | 2,062 | 2,152 | 2,449 | 2,635 | 2,117 | 2,060 | 1,578 | -23.4% | 6,665 | 5,757 | -13.6% | |
| Others | -37 | -19 | -61 | -93 | -175 | -125 | 69 | - | -119 | -231 | - | |
| Financial revenue | 300 | 300 | 278 | 426 | 385 | 475 | 461 | -2.9% | 879 | 1,321 | 50.3% | |
| Financial expenses | 220 | 196 | 196 | 251 | 287 | 293 | 276 | -5.6% | 614 | 857 | 39.7% | |
| Net operating revenue | 12,334 | 14,042 | 14,396 | 12,844 | 11,482 | 13,363 | 12,106 | -9.4% | 40,773 | 36,952 | -9.4% | |
| SG&A | 11,764 | 11,893 | 12,185 | 12,776 | 13,023 | 12,970 | 13,017 | 0.4% | 35,843 | 39,011 | 8.8% | |
| Trading related expenses | 1,717 | 1,821 | 1,866 | 2,042 | 1,923 | 2,006 | 2,061 | 2.7% | 5,405 | 5,991 | 10.8% | |
| Personnel expenses | 5,617 | 5,819 | 6,106 | 5,511 | 6,073 | 5,908 | 6,054 | 2.5% | 17,544 | 18,036 | 2.8% | |
| Real estate expenses | 2,059 | 1,851 | 1,813 | 1,847 | 1,885 | 1,897 | 1,842 | -2.9% | 5,724 | 5,624 | -1.7% | |
| Office expenses | 1,910 | 1,892 | 1,953 | 2,747 | 2,633 | 2,580 | 2,541 | -1.5% | 5,756 | 7,754 | 34.7% | |
| Depreciation | 136 | 132 | 109 | 111 | 105 | 114 | 119 | 4.1% | 379 | 339 | -10.4% | |
| Taxes and dues | 148 | 186 | 168 | 230 | 141 | 181 | 158 | -12.8% | 503 | 481 | -4.2% | |
| Other | 174 | 188 | 167 | 285 | 261 | 280 | 240 | -14.1% | 530 | 782 | 47.6% | |
| Operating profit (loss) | 569 | 2,149 | 2,210 | 68 | -1,540 | 393 | -910 | - | 4,929 | -2,058 | - | |
| Non-operating income | 124 | 198 | 144 | 74 | 85 | 175 | 490 | 179.2% | 466 | 751 | 60.9% | |
| Non-operating expenses | 18 | 7 | 10 | 35 | 22 | 21 | 0 | -96.5% | 36 | 44 | 21.2% | |
| Ordinary profit (loss) | 675 | 2,341 | 2,343 | 107 | -1,477 | 547 | -421 | - | 5,360 | -1,351 | - | |
| Extraordinary income | - | 44 | - | - | - | - | - | - | 44 | - | - | |
| Extraordinary losses | - | - | - | 51 | - | - | 1 | - | - | 1 | - | |
| Profit before income taxes | 675 | 2,385 | 2,343 | 56 | -1,477 | 547 | -423 | - | 5,404 | -1,352 | - | |
| Income taxes - current | -5 | 864 | 419 | -692 | -227 | -52 | -15 | - | 1,278 | -295 | - | |
| Income taxes - deferred | 246 | -99 | 319 | -297 | -455 | 131 | -190 | - | 467 | -514 | - | |
| Profit (loss) | 433 | 1,621 | 1,604 | 1,045 | -794 | 468 | -216 | - | 3,659 | -542 | - | |

※ Okasan Securities and Okasan Online Securities integrated as of January 1, 2022.

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

* Excluding data of Okasan Online Securities Company

<Compared to previous quarter>

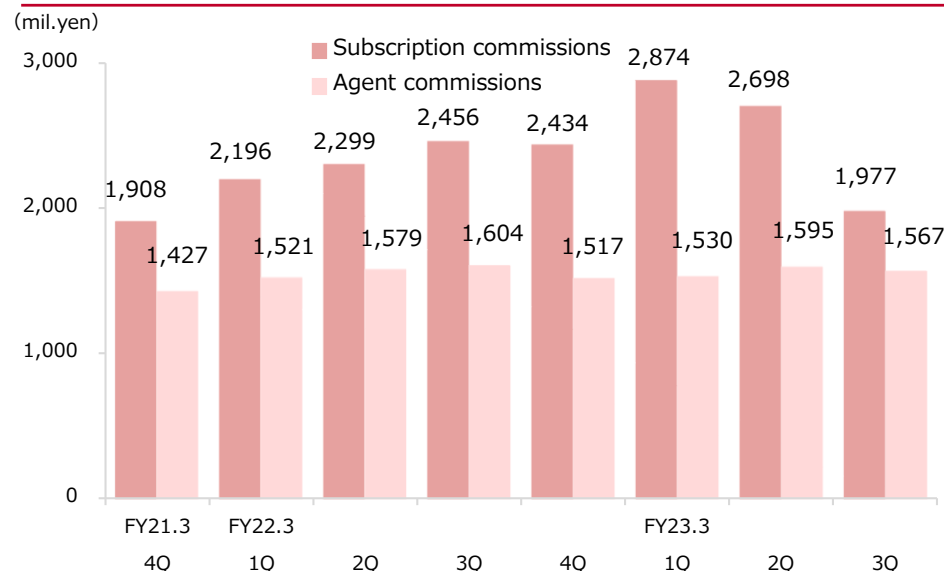
- Investment trust sales decreased by 24.0% from the previous quarter to 70.1 billion yen.
- Subscription commissions decreased by 26.7% QoQ to 1,977 million yen.
- Agent commissions decreased by 1.7% QoQ to 1,567 million yen.
- Foreign bonds sales amount increased by 23.7% QoQ to 60.1 billion yen.

<Year-on-year comparison (cumulative)>

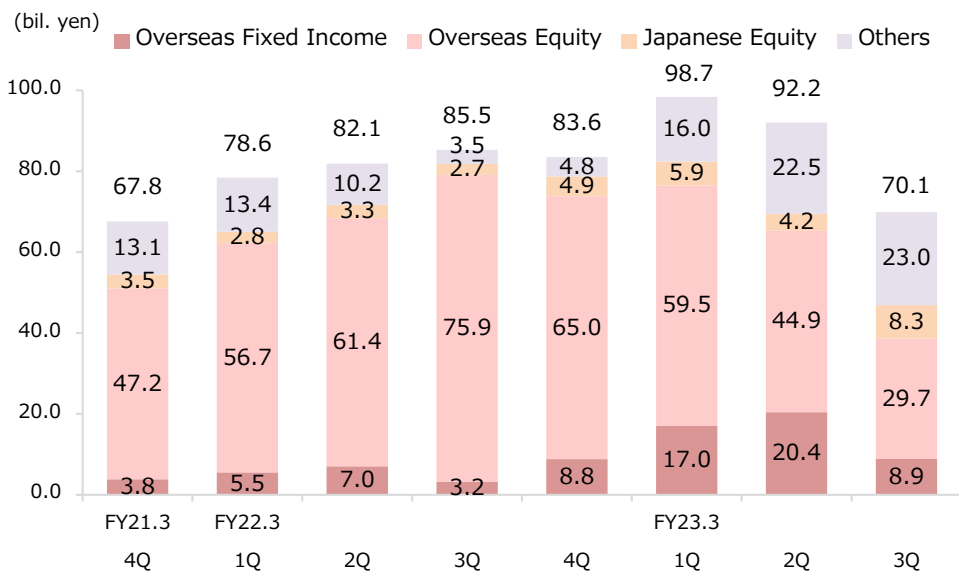
- Investment trust sales increased by 6.0% YoY to 261.1 billion yen.
- Sales increased in foreign bonds funds and mixed asset funds.
- Subscription commissions increased by 8.6% YoY to 7,549 million yen.
- Agent commissions decreased by 0.3% YoY to 4,693 million yen.
- Foreign bonds sales amount remained almost flat at 171.9 billion yen. While sales volume of bonds for corporate customers increased, sales of structured bonds decreased.

Investment trusts commissions

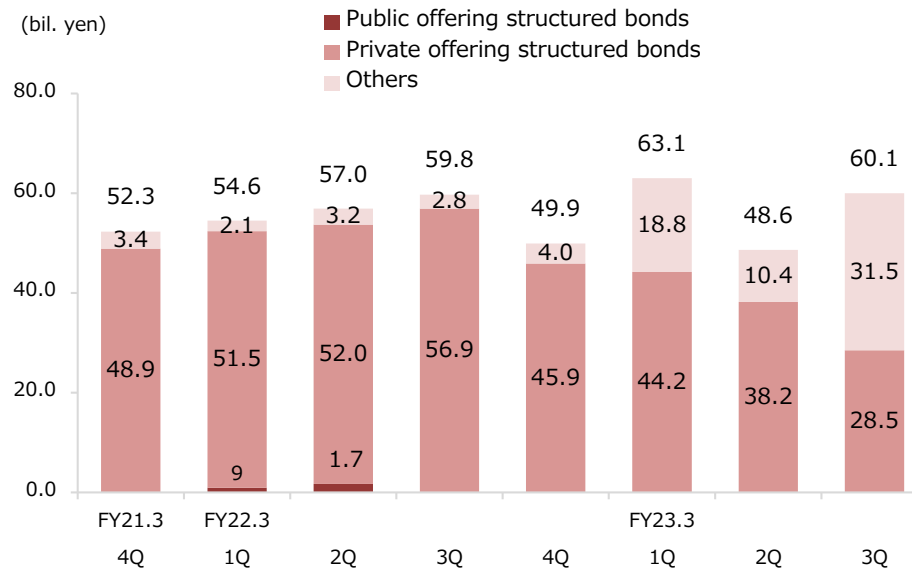
※Including data of Okasan Online Securities Company since FY22.3 4Q



Investment trusts sales amount



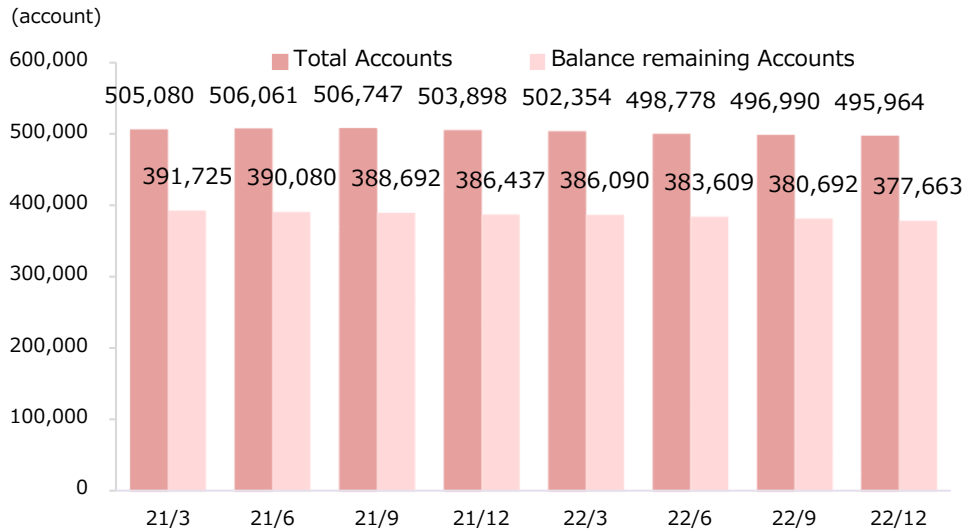
Foreign bonds sales amount



Number of accounts / Net inflow of assets (non-consolidated: Okasan Securities)

* Excluding data of Okasan Online Securities Company

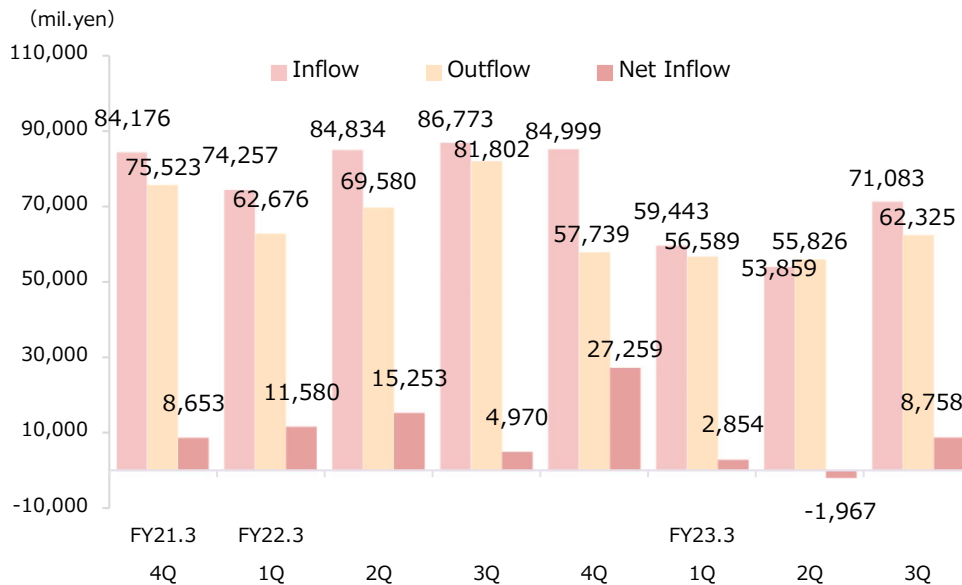
Number of customer accounts



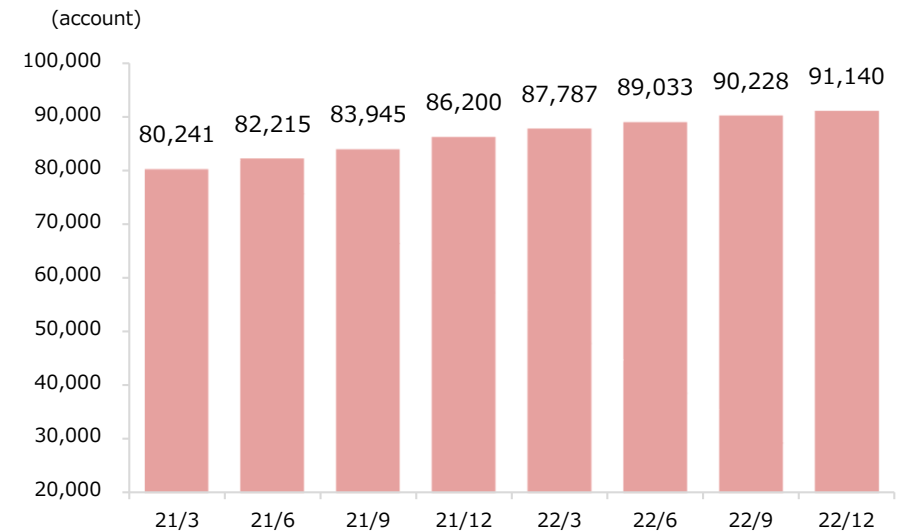
Number of new accounts



Net Asset Inflow (Individual customers)



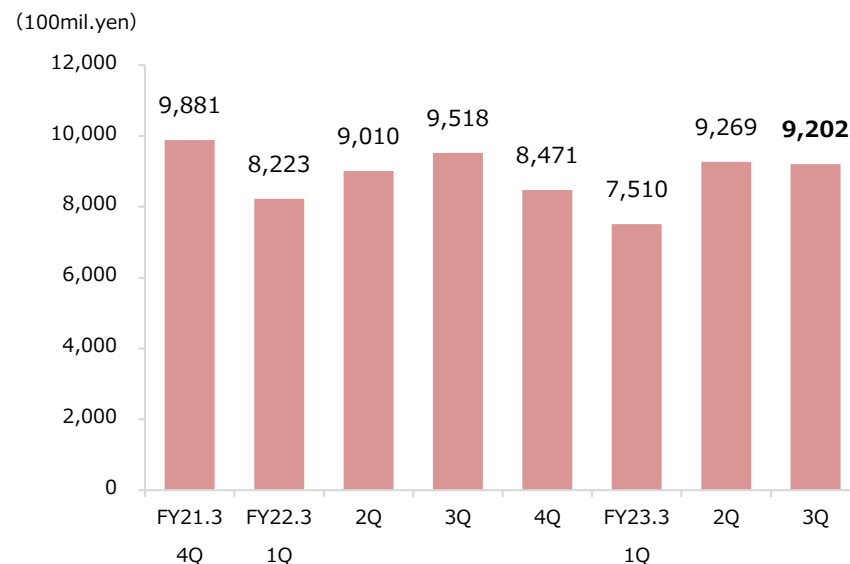
Number of Omni Net accounts (former Online Trade Account)



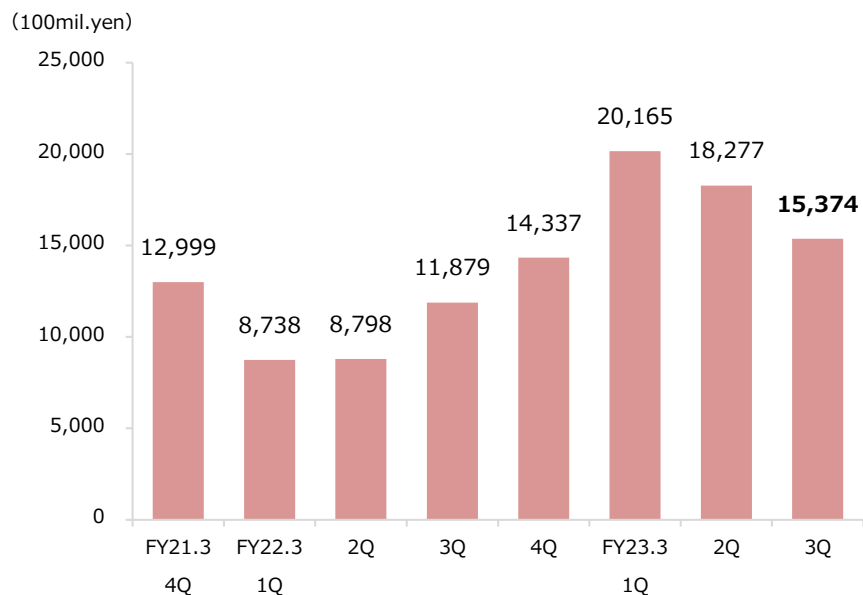
Business Data of Okasan Online Securities Company

- Completed succession of Marusan Trade business from Marusan Securities Co., Ltd. In July 2022.
- Trading volume of domestic equities has increased since the 2nd quarter.
- “Click kabu 365(exchange listed Equity Index Daily Futures contracts)” contract amount increased, compared to the previous quarter. “Click 365(exchange listed FX Daily Futures contracts)” contract amount, though declined from the previous quarter, remained at a high level due to exchange rate fluctuation.

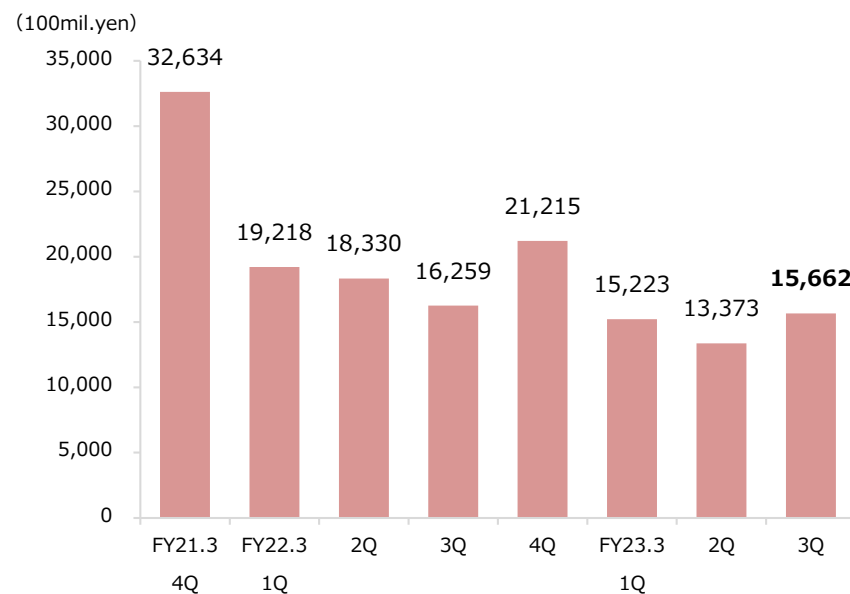
Domestic equities trading volume



“Click 365” contract amount



“Click kabu365” contract amount



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

<Compared to the end of the previous fiscal year>

The capital adequacy requirement ratio declined 8.1 percentage points from the end of the previous fiscal year to 386.8%.

- Lower basic items and lower basic risk equivalents caused decline of the ratio.

(In millions of yen)

| | | FY22.3 | | | | FY23.3 | | | | vs.FY22.3 |
|-------------------------------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|-----------|
| | | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | |
| Basic items | (A) | 71,933 | 73,554 | 75,159 | 76,046 | 75,040 | 75,509 | 75,292 | -754 | |
| Complementary items | Appraisal gains (losses) etc. | 20 | - | - | 10 | 10 | 24 | 24 | 14 | |
| | Security transaction responsibility reserve | 774 | 774 | 774 | 1,130 | 1,130 | 1,130 | 1,131 | 1 | |
| | General provision for loan losses | - | - | - | 15 | 10 | 12 | 14 | -1 | |
| | Short-term subordinated debt | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | - | |
| Total | (B) | 6,794 | 6,774 | 6,774 | 7,156 | 7,151 | 7,166 | 7,170 | 14 | |
| Assets to be deducted | (C) | 13,198 | 13,455 | 13,124 | 13,953 | 14,067 | 14,187 | 14,474 | 521 | |
| Unfixed equity capital | (A) + (B) - (C) | (D) | 65,529 | 66,874 | 68,809 | 69,249 | 68,124 | 68,488 | 67,987 | -1,262 |
| Risk equivalents | Market risk equivalents | 3,165 | 2,139 | 3,316 | 3,287 | 3,533 | 2,454 | 2,868 | -419 | |
| | Customer risk equivalents | 1,099 | 1,253 | 1,155 | 1,509 | 1,502 | 1,626 | 1,659 | 150 | |
| | Basic risk equivalents | 11,494 | 11,653 | 11,678 | 12,738 | 12,635 | 12,859 | 13,046 | 308 | |
| | Total | (E) | 15,759 | 15,046 | 16,150 | 17,534 | 17,672 | 16,940 | 17,574 | 40 |
| Capital adequacy ratio | (D) / (E) ×100 (%) | 415.8% | 444.4% | 426.0% | 394.9% | 385.4% | 404.2% | 386.8% | -8.1p | |

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

※ Okasan Securities and Okasan Online Securities integrated as of January 1, 2022.

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