

FINANCIAL INFORMATION

For Fiscal Year Ended March 31, 2014
(Consolidated)

KYOKUTO SECURITIES CO., LTD.

This English version is referential translation of the substantial part of the original Japanese text of the Summary Report on the Business Results for the Fiscal Year Ended March 31, 2014, and is not legally accurate translation. The original Japanese text will prevail in any difference regarding their meanings. The Kyokuto Securities Co., Ltd. does not guarantee the accuracy and/or the completeness of the translation and shall have no liability for any errors or omissions therein.

BUSINESS RESULTS FOR FISCAL YEAR ENDED MARCH 31, 2014Name of listed company: **Kyokuto Securities Co., Ltd.** (URL: <http://www.kyokuto-sec.co.jp>)

Listed stock exchange: First Section, Tokyo Stock Exchange Stock code number: 8706

Company's representative: Kazuhiro KIKUCHI, President and Chief Executive Officer

Contact person: Shunzo KAYANUMA, Executive Officer

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Scheduled date of annual meeting of shareholders: June 26, 2014

Scheduled date of commencement of payment of dividends: June 5, 2014

Scheduled date of filing of securities report: June 27, 2014

1. Consolidated Results for Fiscal Year Ended March 31, 2014 (Year from April 1, 2013 to March 31, 2014)**(1) Consolidated business results** (Millions of yen with fractions less than a million yen discarded)

(The figures in the parenthesis are percentage increase/decrease from the previous fiscal year)

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
Operating income	12,207 (23.4)	13,905 (13.9)
Net operating income	12,081 (23.7)	13,320 (10.3)
Operating profit	7,008 (53.5)	6,847 (-2.3)
Ordinary profit	7,236 (52.6)	7,529 (4.1)
Net profit	5,170 (106.6)	7,996 (54.7)
Earnings per share	162.06 yen	250.67 yen
Earnings per share (diluted)	—	—
Return on equity	14.1%	19.4%
Return on assets	10.5%	8.9%
Gross profit margin	57.4%	49.2%

Notes: 1. Comprehensive income: FY ended Mar. 31, 2013: 8,601 million yen (236.5%)

FY ended Mar. 31, 2014: 5,681million yen (-33.9%)

2. Investment profit or loss on equity method: FY ended March 2013: None.

FY ended March 2014: None.

(2) Consolidated financial condition

	FY ended March 31, 2013	FY ended March 31, 2014
Total assets (Millions of Yen)	77,754	92,080
Net assets (Millions of Yen)	40,293	46,269
Shareholders' equity ratio	51.8%	45.9%
Net assets per share	1,263.01 yen	1,323.78 yen

(Notes) Shareholders' equity: FY ended March 2013: 40,292 million yen

FY ended March 2014: 42,230 million yen

(3) Consolidated cash flows

(Millions of yen)

	FY ended March 31, 2013	FY ended March 31, 2014
Cash flow from operating activities	-5,795	-4,730
Cash flow from investing activities	-90	429
Cash flow from financing activities	3,252	4,967
Cash & Cash equivalents balance	10,707	12,883

2. Matters Concerning Dividends

Record date	Dividends per share					Total amount of annual dividends	Dividends payout ratio (consolidated)	Dividends on net assets (consolidated)
	End of 1Q	End of 2Q	End of 3Q	End of Period	Annual Total			
FY 2012	—	¥10.00	—	¥72.00	¥82.00	¥2,615 million	50.6%	7.1%
FY 2013	—	¥70.00	—	¥56.00	¥126.00	¥4,019 million	50.3%	9.7%

3. Forecast of Consolidated Business Results for Fiscal Year Ending March 31, 2015

(Year from April 1, 2014 to March 31, 2015)

The Kyokuto Securities Group does not disclose forecast of business results. Please refer to page 4 for further information.

Notes*(1) Changes in important subsidiary companies** (i.e., changes in scope of consolidation) : Yes

The following 7 companies have been added to the scope of full/partial consolidation:

- (a) Godogaisha Alkaio
- (b) Godogaisha Feeeal Asahikawa Kaihatsu;
- (c) Tozai Select 7 Godogaisha
- (d) Kamiyacho Investment Godogaisha; and
- (e) Godogaisha Walkure
- (f) FE Fund 10-go Investment Limited Partnership
- (g) Godogaisha Bolero

The following company has been removed from the scope of full/partial consolidation:

- (a) Tozai Select 7 Godogaisha

(2) Changes in accounting policies, changes in accounting estimates, or retrospective restatements

- (a) Any changes caused by amendments to accounting standards: Yes. (Please see Page 19)
- (b) Any changes other than (a): None.
- (c) Any changes in accounting estimates: None
- (d) Retrospective restatements: None

(3) Number of shares outstanding (common stock)

- (a) Number of shares outstanding (including treasury shares)

March 31, 2014: 32,779,000

March 31, 2013: 32,779,000

- (b) Number of treasury shares

March 31, 2014: 877,386

March 31, 2013: 876,861

- (c) Average number of shares outstanding

FY ended March 31, 2014: 31,901,774

FY ended March 31, 2013: 31,902,204

[Please see Page 19 “Per share data” for the number of shares used for computation of earnings per share (consolidated basis).]

(Referential Information)**1. Non-Consolidated Results for Fiscal Year Ended March 31, 2014 (Year from April 1, 2013 to March 31, 2014)****(1) Non-consolidated business results** (Millions of yen with fractions less than a million yen discarded)

(The figures in the parenthesis are percentage increase/decrease from the previous fiscal year)

	FY ended March 31, 2013		FY ended March 31, 2014	
Operating income	12,387	(22.9)	12,229	(−1.3)
Net operating income	12,262	(23.2)	11,645	(−5.0)
Operating profit	7,150	(50.9)	5,952	(−16.8)
Ordinary profit	7,559	(51.1)	7,310	(−3.3)
Net profit	5,490	(163.5)	7,781	(41.7)
Earnings per share	172.12	yen	243.93	yen
Earnings per share (diluted)		—		—

(2) Non-consolidated financial condition

	FY ended March 31, 2013	FY ended March 31, 2014
Total assets (Millions of Yen)	74,949 million yen	81.163 million yen
Net assets (Millions of Yen)	38,852 million yen	40,576 million yen
Shareholders' equity ratio	51.8%	50.0%
Net assets per share	1,217.86 yen	1,271.93 yen
Net capital regulation ratio	422.1%	368.6%

(Notes) Shareholders' equity: FY ended March 2013: 38,852 million yen

FY ended March 2014: 40,576 million yen

***Explanation concerning forecast of business results:**

The Kyokuto Securities Group's operating income consists mainly of commission revenue and gain/loss on principal trading, and substantial part of its income comes from business activities in the equity and fixed income securities markets. The amount of income we earned from our business in the equity market accounted for 14.9% (12.1% as commissions and 2.8% as gains on trading) and 9.1% (6.3% as commissions and 2.8% as gains on trading) of consolidated net operating income in the fiscal years ended March 2014 and 2013, respectively. Similarly, 57.2% and 73.5% of consolidated net operating income in the two fiscal years respectively were derived from our business activity in the bond market. While we have endeavored to make our revenue structure resilient to market changes by diversifying revenue sources such as those from investment banking business, our operating income is still susceptible to trends of the securities markets, and thus may fluctuate unexpectedly, depending on the market situation. In addition, we have, while adhering to a business model of face-to-face consultation, offered varied financial products in response to the evolving needs of customers. In this course of business, we at times take relatively heavy positions of foreign currency-denominated fixed-income securities, exposing ourselves to risk of recording large amount of unrealized gains or loss that may be caused by unexpected, sudden changes in foreign exchange markets.

Movement of securities markets and foreign exchange markets is influenced by various factors, including, among others, overseas and/or domestic political or economic developments, corporate performance, interest rates, taxation and so forth. Accordingly, in order to predict the group's future business results, we need to grasp future movements of the markets by properly foreseeing these factors—that can hardly be done. In addition, as for investment banking business, it is almost impossible for us to predict every future business opportunity. We believe that disclosing earnings forecast in such circumstance where there is a high probability that the forecast sharply deviates from the actual outcome due to many uncertain factors may well result in sending a wrong message to the market, thereby causing adverse influence on investment judgment of investors and shareholders to the ultimate detriment of fair price discovery.

For the reasons mentioned in the above, we refrain from disclosing earnings forecast and instead, we will endeavor to disclose actual business results as early as possible. We will disclose preliminary consolidated results by around tenth business day following the end of each fiscal year or quarter, by which business result figures are expected to be available.

I. BUSINESS RESULTS

1. Business Results

During the fiscal year ended March 31, 2014 (Hereinafter called the “period”), the Japanese economy sustained a modest recovery. Domestic consumption has been pushed up due to sentiment effect of selection of Tokyo for the 2020 Olympic Games, wealth effect associated with rising stock prices and last-minute demand before consumption tax hike toward the end of the fiscal year. On the other hand, there were patchy factors outside Japan. Signs of economic recovery have been shown in Europe and Asia, while economic slow-down continues in China and policy shift to tapering off its monetary quantitative easing in the US with continued economic recovery. Also, political conflicts or inter-regional tension were seen in some of the Middle-East, Eastern Europe and Asian countries..

The stock market kept bullish and the Nikkei Average closed with a steady rise. This trend was mainly supported by strong overseas markets including the US where the S&P 500 index renewed its historical high record and continued weaker Japanese yen. The Japanese yen continued to remain weak and the 10-year government bond yield showed a slight increase from the previous fiscal year-end.

In this environment, we kept endeavoring to offer “in-season financial products” based on our “Face to Face” business model, in response to customers’ varied needs. Our efforts resulted in very good performance for the fiscal year: The Kyokuto Securities group’s consolidated earnings for the period recorded steady growth from the previous period, with operating income increasing 13.9% to 13,905 million yen, net operating income expanding 10.3% to 13,320 million yen, ordinary profit increasing 4.1% to 7,529 million yen, and net profit surging 54.7% to 7,996 million yen.

Details of the period’s results are as follows:

(1) Commission Revenue

The total commission revenue for the period jumped 39.8% to 2,860 million yen from the previous period, as shown in below:

(a) Brokerage commissions

We earned 1,556 million yen (up 117.2%) as brokerage commissions on equity securities. As a result, total amount of brokerage commissions including those on fixed-income securities amounted to 1,590 million yen (up 117.5%).

(b) Fees for underwriting, selling and sales solicitation to professional investors

We earned 46 million yen (up 60.2%) for underwriting, selling and sales solicitation to professional investors.

(c) Fees for handling of offering, selling and sales solicitation to professional investors

Fees for handling of offering, selling and sales solicitation to professional investors fell 0.8% to 821 million yen.

(d) Other fees

Other fees consisting mainly of trailer fees and those derived from investment banking business decreased 12.2% to 401 million yen.

(2) Gains/Loss on Trading

Gains on trading in equity-related securities increased 8.2% to 371 million yen. On the other hand, gains on bond trading dropped by 14.1% to 7,613 million yen. Deducting losses of 0 million yen (135 million yen gains for the last year) on other trading, the total gains decreased 14.6% to 7,984 million yen.

(3) Gains/Loss on Private Equity and Other Securities

Our consolidated subsidiary company, the FE Invest, Co., Ltd. recorded gain of 120 million yen (losses of 428 million yen for the last year) on private equity and other securities.

(4) Interest and Dividend Income

The period’s net interest and dividend income dropped 13.1% to 754 million yen, deducting 584 million yen of losses from 1,338 million yen of gross income.

(5) Other Operating Income

Other operating income consisting mostly of rent on real estate and fees earned by our consolidated subsidiaries totaled 1,601 million yen (up 544.1%).

(6) Operating Expenses

Operating expenses for the period increased 27.6% to 6,473 million yen.

(7) Non-operating Income/Expenses

Non-operating income for the period consisting mainly of dividends on investment securities totaled 854 million yen (up 171.3%), while non-operating expenses amounted to 172 million yen (up 97.7%). As a result, we recorded net non-operating gains of 682 million yen (up 199.5%).

(8) Extraordinary Profits/Loss

We realized extraordinary profit of 5,023 million yen (up 239.1%) which mostly came from gains on sales of investment securities. The amount of extraordinary loss, on the other hand, amounted to 824 million yen (up 73.2%) due mainly to impairment loss. Consequently, we recorded net extraordinary gains of 4,199 million yen (up 317.5%).

2. Financial Condition**(1) Assets**

The total assets as of March 31, 2014 increased 14,326 million yen to 92,080 million yen from 77,754 million yen as of March 31, 2013. Current assets grew 9,540 million yen to 66,035 million yen from 56,494 million yen, reflecting an increase in trading assets which swelled 8,468 million yen to 32,631 million yen from 24,163 million yen and in cash and bank deposits which increased 2,176 million yen to 12,883 million yen from 10,707 million yen. Private equity and other securities, on the other hand, shrank 2,711 million yen to 12 million yen from 2,724 million yen. Fixed assets increased 4,709 million yen to 25,969 million yen from 21,259 million yen, due mainly to an increase of 10,765 million yen in tangible fixed assets from 4,861 million yen to 15,627 million yen as a result of increase in consolidated subsidiaries, and an decrease in investment securities which dropped 6,175 million yen to 8,168 million yen from 14,343 million yen.

(2) Liabilities

The total liabilities as of March 31, 2014 grew 8,350 million yen to 45,811 million yen from 37,460 million yen as of March 31, 2013. Current liabilities increased 6,727 million yen to 40,591 million yen from 33,863 million yen, due mainly to an increase in short-term borrowings which increased 8,031 million yen to 27,211 million yen from 19,180 million yen and a decrease in payables to customers and others which declined 1,310 million yen to 8,456 million yen from 9,766 million yen. Fixed liabilities increased 1,616 million yen to 5,199 million yen from 3,583 million yen, reflecting an increase in long-term borrowings which grew 2,195 million yen to 3,195 million yen from 1,000 million yen and a decrease in deferred tax liabilities which dropped 857 million yen to 1,135 million yen from 1,993 million yen.

(3) Net Assets

Net assets as of March 31, 2014 increased 5,975 million yen to 46,269 million yen from 40,293 million yen as of March 31, 2013, due to an increase in retained earnings which accumulated 3,465 million yen to 30,999 million yen from 27,533 million yen and in minority interests which rose 4,037 million yen to 4,038 million yen, and on the other hand, a decrease in other accumulated comprehensive income which dropped 1,526 million yen to 2,068 million yen from 3,595 million yen.

(4) Cash Flow

During the period, net cash used in operating activities amounted to 4,730 million yen, due mainly to an increase in trading assets. Net cash provided in investing activities amounted to 429 million yen, reflecting sale of investment securities. Net cash provided by financing activities amounted to 4,967 million yen, due mainly to an increase in short-term borrowings. As a result, the amount of cash and cash equivalents increased 2,176 million yen from the previous period to

12,883 million yen as of the end of the period, reflecting an increase by 2,432 million yen due to an expansion of scope of consolidation.

3. Dividend Payout Policy and Amount of Dividends for the Period

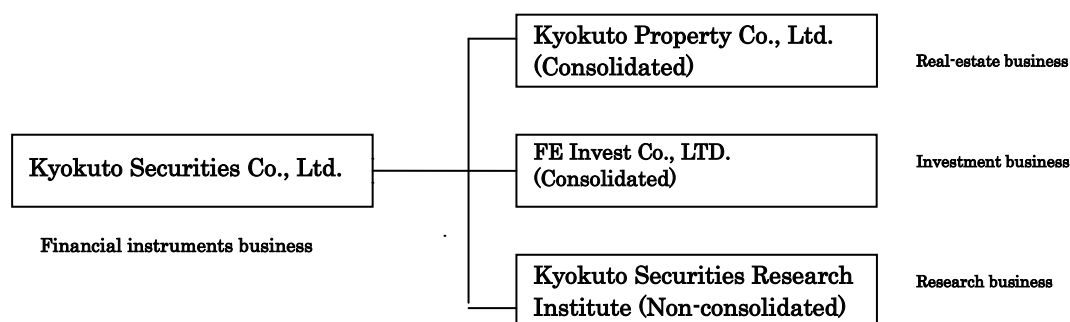
We have maintained as one of our important policies that we will achieve higher distribution of returns to shareholders in order to help attain higher shareholder value. Toward this end, we have adopted a performance-linked dividend policy with the consolidated dividend payout ratio aiming at 50% or more. At the same time, in response to expectations of shareholders who may well wish to enjoy stable dividends, we have maintained a target DOE (dividends on equity) ratio of 2% or more. It has been our policy to pay such amount of dividends computed by the two methods whichever is higher.

Pursuant to the payout policy, we have decided to pay to shareholders year-end dividends of 56 yen per share (or total annual dividends of 126 yen).

II. STATE OF KYOKUTO SECURITIES GROUP

The Kyokuto Securities Group (“Group”) consists of the Kyokuto Securities Co., Ltd. (“Company”) and its 8 (eight) consolidated subsidiaries. The Group’s income comes mainly from securities business including, among other things, agency/principal trading in securities, underwriting, offering and selling of securities and provision of other securities-related services, through which the company offers a wide range of financial and other related services. Accordingly, the Group’s business activities come under the single business segment—the “investment/financial services business”.

Kyokuto Securities Group



(Note) In addition to the above, 6 (six) Tokumei Kumiai (TK) -Anonymous partnership- and the likes are consolidated.

III. BUSINESS POLICY

1. Basic Business Policy

Since its foundation, the Group has kept it as its basic business policy to attain stable growth by adhering to a sound financial base and restoring confidence of customers through face to face business model under its guiding principle—“Credibility forms the base of all business.” We are certain that our business model best suits to the changing environment of “shift from saving to investment” that has been pushed forward under a concerted effort by the government and the private sector. Under our brand slogan--“Let us help you grow your important assets!”--we provide customers with unique products and information and services of high quality and solicits investments by taking due care with respect to suitability and compliance, by which to command higher customer satisfaction and credibility of customers. We will keep endeavoring to respond to the rapidly changing environments and seek better business opportunities toward a sounder business base and higher shareholder value.

2. Benchmark for Performance Assessment

The Group’s basic business policy is to attain stable growth by diversifying revenue sources and expanding into new lines of business in response to the changing environments. We will endeavor to further improve business performance to achieve higher ROE (return on equity) on a consolidated basis.

3. Medium/Long Term Business Strategies

It is expected that from the medium/long term view varied investment needs based on the risk/return considerations will increase, and thus that the role of securities companies will become vitally important. By taking advantage of the environmental changes, we will strive to attain further growth through contribution to fostering individual investors who are willing to participate in the securities market. For this purpose we will pursue the following business strategies:

(1) Pursuit of “Face to Face” business model

To differentiate ourselves from online firms and other medium-sized firms, we need to contribute fully to higher returns on customers’ investments by, based on diversified product lines being abreast of the markets, giving them timely and appropriate investment advice in accordance with market changes.

We will continue to make an effort to strengthen customers’ credibility by improving our thorough, friendly consulting/advisory services and enhancing our ability to offer diverse financial products, which will lead to enlargement of a base of “Kyokuto fans”. Also as a part of our effort to enhance our communication with customers, we intend to enrich the contents of our internet home pages for the convenience of our customers seeking investment information.

(2) Enhancement of revenue structure

To enlarge our customer base and to expand customers’ assets in our custody—these are our retail sector’s major challenging issues for maintaining our sound revenue structure and resiliency. We are certain that we can attain these challenges by offering customer-friendly services and “in-season financial products” to command customers’ confidence, as evidenced by the fact that around 50% of our new customers have been acquired on referrals from our existing customers.

(3) Efficient use of capital to increase shareholder value under proper risk control

In view of efficient use of shareholders’ equity, we have sought to attain effective financial management under proper risk control. We are certain that our positive financial management is essential for one of our important objectives—higher shareholder value. We will keep pursuing efficient use of our capital under more adequate risk control than before toward higher shareholder value, while responding quickly to changing environments and seeking new profit opportunities that will contribute to our resiliency.

(4) Improvement of employee capabilities and skills

To help assure higher revenue under the face to face business model and by expanding into new lines of business, it is critically important to improve varied capabilities and skills of employees and also to hire capable persons.

Toward this end we will continue bettering the employee performance evaluation system, supporting employees’ acquisition of publicly-authorized qualification, and increasing the quality of our education and training programs for employees in such thought that deeper employee satisfaction leads to higher customer satisfaction. Also, we will flexibly employ/allocate capable persons for profit-generating sectors, by which to maintain the Company’s vitality.

(5) Cost cuts

We have kept adhering to cost cuts to build further efficient operational base, with even more drastic cost cut efforts. We will continue seeking every cost-cutting measure toward higher return.

(6) Enhancement of compliance and internal controls

We will keep endeavoring to enhance the existing compliance program and internal control systems.

IV. CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Balance Sheets

(Millions of yen)

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
Assets		
Current assets:		
Cash and bank deposits	10,707	12,883
Segregated cash and statutory deposits	9,604	9,046
Trading assets	24,163	32,631
Securities inventory	24,156	32,631
Derivatives contracts	7	—
Net receivables pertaining to contracts to be settled	1,531	275
Private equity and other securities	2,724	12
Money held in trust	537	997
Assets pertaining to margin transactions	5,646	7,387
Loans to customers on margin transactions	4,814	7,003
Cash collateral to finance companies for securities borrowed	831	383
Receivables from other firms and customers	4	9
Short-term guarantee deposits	485	192
Accounts receivable	128	1,649
Accrued income	491	520
Deferred tax assets	486	366
Other current assets	37	70
Provision for doubtful debts	—53	—8
Total current assets	56,494	66,035
Fixed assets:		
Tangible fixed assets	4,861	15,627
Buildings	511	3,900
Vehicles	9	6
Fixtures and equipment	334	413
Land	4,006	11,270
Other tangible fixed assets	—	35
Intangible fixed assets	106	82
Computer software	82	58
Telephone line subscription rights	24	24
Investments and other assets	16,291	10,260
Investment securities	14,343	8,168
Long-term loans	970	1,080
Long-term guarantee deposits	609	574
Net defined benefit asset	—	305
Deferred tax assets	20	19
Other investments	394	154
Provision for doubtful debts	—46	—43
Total fixed assets	21,259	25,969
Deferred assets:	—	75
Total assets	77,754	92,080

	FY ended Mar. 31 2013	FY ended Mar. 31, 2014
Liabilities		
Current liabilities:		
Trading liabilities	60	—
Short positions of securities	54	—
Derivative contracts	6	—
Liabilities pertaining to margin transactions	831	442
Borrowings for margin transactions	277	14
Cash collateral for borrowed securities sold short	554	427
Payables to customers and others	9,766	8,456
Customers' margin deposits	326	557
Accounts for non-received securities	156	50
Short-term borrowings	19,180	27,211
Accrued income taxes	2,190	2,839
Accrued bonuses to employees	355	331
Other current liabilities	995	703
Total current liabilities	33,863	40,591
Fixed liabilities		
Long-term borrowings	1,000	3,195
Long-term payables	546	484
Deferred tax liabilities	1,993	1,135
Provision for retirement/severance benefits to employees	41	—
Net defined benefit liability	—	56
Other fixed liabilities	1	328
Total fixed liabilities	3,583	5,199
Statutory reserve		
Financial instruments trading liability reserve	13	20
Total statutory reserve	13	20
Total liabilities	37,460	45,811
Net Assets		
Shareholders' equity		
Capital stock	5,251	5,251
Capital surplus	4,774	4,774
Retained earnings	27,533	30,999
Treasury stock	— 862	— 863
Total shareholders' equity	36,697	40,162
Unrealized gains on other securities	3,595	2,068
Minority interests	0	4,038
Total net assets	40,293	46,269
Total liabilities and net assets	77,754	92,080

2. Consolidated Income Statement

(Millions of yen)

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
Operating income		
Commissions and fees	2,046	2,860
Brokerage commissions	731	1,590
Fees for underwriting, selling and sales solicitation to professional investors	29	46
Fees for handling of offering, selling and sales solicitation to professional investors	828	821
Other fees	457	401
Net gains or loss on trading	9,347	7,984
Net gains or loss on private equity and other securities	—428	120
Interest and dividend income	994	1,338
Other operating income	248	1,601
Total operating income	12,207	13,905
Financial expenses	125	584
Net operating income	12,081	13,320
Operating expenses		
Transaction-related expenses	660	675
Personnel expenses	2,981	3,568
Real estate-related expenses	494	708
Data processing and office supplies	515	596
Depreciation and amortization	95	229
Miscellaneous taxes and dues	124	246
Provision for doubtful debts	25	—
Other	175	449
Total operating expenses	5,072	6,473
Operating profit or loss	7,008	6,847
Non-operating income		
Dividends received	140	466
Gains on investments in limited partnerships	103	62
Interest on securities	—	125
Interest on loans	6	92
Other	64	107
Total non-operating income	314	854
Non-operating expenses		
Interest paid	7	76
Loss on investments in <i>Tokumei Kumiai</i> (TK)	59	50
Amortization of opening expenses	—	30
Provision for doubtful debts	12	—
Penalty fees on cancellation of lease contracts	3	—
Other	5	14
Total non-operating expenses	87	172
Ordinary profit or loss	7,236	7,529

(Kyokuto Securities)

Extraordinary profit		
Gains on sale of investment securities	1,479	4,919
Reversal of financial instruments trading liability reserve	2	—
Other extraordinary profit	—	104
Total extraordinary profit	1,481	5,023
Extraordinary loss		
Loss on sales of investment securities	175	—
Loss on valuation of investment securities	25	13
Loss on valuation of shares of affiliated company	42	—
Loss on liquidation of affiliated company	169	2
Loss on disposal of fixed assets	9	25
Loss on valuation of assets	44	772
Loss on sales of golf course membership	7	—
Provision of financial instruments trading liability reserve	—	6
Other	0	3
Total extraordinary loss	475	824
Net profit or loss before taxes	8,242	11,729
Corporate tax, residential tax and business tax	3,291	4,394
Adjustments for corporate tax, etc.	—217	127
Total corporate tax, etc.	3,074	4,521
Net profit before minority interests	5,168	7,207
Minority interests	—2	—789
Net profit	5,170	7,996

(Consolidated Comprehensive Income Statement)

	FY ended Mar. 31 2013	FY ended Mar. 31, 2014
Net profit before minority interests	5,168	7,207
Other comprehensive income		
Unrealized gains/loss on other securities	3,433	—1,526
Total other comprehensive income	3,433	—1,526
Comprehensive income	8,601	5,681
Consisting of:		
Comprehensive income pertaining to shareholders of parent company	8,603	6,470
Comprehensive income pertaining to minority shareholders	—2	—789

3. Changes in Consolidated Shareholders' Equity

(Year from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the fiscal year	5,251	4,774	23,639	—862	32,803
Total increase/decrease during the fiscal year					
Dividends paid			—1,276		—1,276
Net profit/loss for the fiscal year			5,170		5,170
Acquisition of treasury stocks				—0	—0
Net change in the items other than shareholders' equity					
Total increase/decrease during the fiscal year	—	—	3,894	—0	3,894
Balance as of the end of the fiscal year	5,251	4,774	27,533	—862	36,697

	Accumulated other comprehensive income		Minority interests	Total net assets
	Unrealized gains/loss on other securities	Total accumulated other comprehensive income		
Balance as of the beginning of the fiscal year	162	162	3	32,968
Total increase/decrease during the fiscal year				
Dividends paid				—1,276
Net profit/loss for the fiscal year				5,170
Acquisition of treasury stocks				—0
Net change in the items other than shareholders' equity	3,433	3,433	—2	3,430
Total increase/decrease during the fiscal year	3,433	3,433	—2	7,324
Balance as of the end of the fiscal year	3,595	3,595	0	40,293

(Year from April 1, 2013 to March 31, 2014)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of the beginning of the fiscal year	5,251	4,774	27,533	—862	36,697
Cumulative effects of changes in accounting policies			—1		—1
Restated balance	5,251	4,774	27,532	—862	36,696
Total increase/decrease during the fiscal year					
Dividends paid			—4,530		—4,530
Net profit/loss for the fiscal year			7,996		7,996
Acquisition of treasury stocks				—0	—0
Net change in the items other than shareholders' equity					
Total increase/decrease during the fiscal year	—	—	3,466	—0	3,465
Balance as of the end of the fiscal year	5,251	4,774	30,999	—863	40,162

	Accumulated other comprehensive income		Minority interests	Total net assets
	Unrealized gains/loss on other securities	Total accumulated other comprehensive income		
Balance as of the beginning of the fiscal year	3,595	3,595	0	40,293
Cumulative effects of changes in accounting policies				—1
Restated balance	3,595	3,595	0	40,292
Total increase/decrease during the fiscal year				
Dividends paid				—4,530
Net profit/loss for the fiscal year				7,996
Acquisition of treasury stocks				—0
Net change in the items other than shareholders' equity	—1,526	—1,526	4,037	2,510
Total increase/decrease during the fiscal year	—1,526	—1,526	4,037	5,976
Balance as of the end of the fiscal year	2,068	2,068	4,038	46,269

4. Consolidated Cash Flow Statement

	FY ended March 31, 2013	FY ended March 31, 2014
Cash Flows from Operating Activities:		
Net profit or loss before taxes	8,242	11,729
Depreciation	95	229
Increase/decrease in provision for retirement/severance benefit to employees (－ means decrease)	10	－
Increase/decrease in liabilities for retirement/severance benefit to employees (－ means decrease)	－	14
Provision for/reversal of provision for doubtful debts (－ means decrease)	27	－48
Decrease in accrued bonuses to employees (－ means decrease)	44	－24
Interest received/receivable and dividends received	－1,112	－1,475
Interest paid/payable	132	209
Gains on sale of investment securities	－1,479	－4,919
Loss on sale of investment securities	175	－
Gains/loss on valuation of investment securities (－ means gains)	25	13
Gains/loss on liquidation of affiliated company (－ means gains)	169	2
loss on valuation of shares of affiliated company	42	－
Gains/loss on sale of fixed assets (－ means gains)	－	－1
Loss on disposal of fixed assets	9	25
Impairment loss	44	772
Increase/decrease in provision for financial instruments trading liability reserve (－ means decrease)	－2	6
Increase/decrease of statutory deposits (－ means increase)	－2,448	572
Increase/decrease of receivables from other firms and customers (－ means increase)	84	－7
Increase/decrease of trading assets (－ means increase)	－7,919	－8,468
Net receivables/payables pertaining to contracts to be settled (－ means increase)	－1,281	1,255
Increase/decrease of private equity and other securities (－ means increase)	1,402	1,302
Net increase of money held in trust	－183	－460
Increase/decrease of assets/liabilities pertaining to margin transactions	－2,825	－2,131
Increase/decrease of short-term guarantee deposits (－ means increase)	－406	293
Payables to customers and others	2,998	－1,408
Increase/decrease of trading liabilities (－ means decrease)	59	－60
Customers' margin deposits	161	231
Increase/decrease of advances received other firms and customers (－ means decrease)	547	－445
Other assets	－477	－406
Other liabilities	161	60
Other	－266	811
Subtotal	－3,967	－2,328
Interest and dividends received	1,107	1,466
Interest paid	－132	－213
Payment/receipt of corporate tax, etc. (－ means payment)	－2,803	－3,654
Net Positive (Negative) Cash Flows from Operating Activities	－5,795	－4,730

Cash Flows from Investing Activities		
Payment for acquisition of fixed assets	− 94	− 7,907
Proceeds from sale of fixed assets	—	1,319
Payment for acquisition of investment securities	− 3,793	− 4,015
Proceeds from sale of investment securities	3,533	7,378
Proceeds from redemption of investment securities	154	3,764
Loans to customers and others	− 946	− 116
Income from collection of loans lent	6	6
Proceeds from sale of golf course membership	4	—
Withdrawal of time deposit	1,000	—
Other	44	—
Net Positive (Negative) Cash Flows from Investing Activities	− 90	429
Cash Flows from Financing Activities		
Acquisition of long-term loan	1,500	5,095
Repayment of long-term borrowings	− 1,000	− 2,930
Increase/decrease in short-term borrowings (− means decrease)	4,030	6,195
Acquisition of treasury shares	− 0	− 0
Payment of dividends	− 1,277	− 4,523
Proceed from stock issuance to minority shareholders	—	1,250
Payment of dividends to minority shareholders	—	− 117
Net Positive (Negative) Cash Flows from Financing Activities	3,252	4,967
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	231	− 922
Increase/Decrease in Cash and Cash Equivalents (− means decrease)	− 2,402	− 256
Balance of Cash and Cash Equivalents at Beginning of Fiscal Year	13,109	10,707
Increase/decrease in Cash and Cash Equivalents due to Changes in Scope of Consolidation (− means decrease)	—	2,432
Balance of Cash and Cash Equivalents at End of Fiscal Year	10,707	12,883

5. Notes on Consolidated Financial Statements

(Matters Related to Going Concern Assumption)

Not applicable.

(Changes in Accounting Policy)

In this fiscal year, we included the Godogaisha Alkaio, the Godogaisha Feeeal Asahikawa Kaihatsu and the Tozai Select 7 Godogaisha in the scope of consolidation in accordance with the Revised Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22), the Revised Guidance on Disclosures about Certain Special Purpose Entities (ASBJ Guidance No. 15), the Revised Guidance on Determining a Subsidiary and an Affiliate (ASBJ Guidance No. 22), and the Revised Practical Solution on Application of the Control Criteria and Influence Criteria to Investment Associations (ASBJ PITF No.20).

Application of accounting standards, etc to the three consolidated subsidiaries has been effected in accordance with the transitional treatment stipulated in 44-4(3) of the Accounting Standard for Consolidated financial Statements. Evaluation of assets, liabilities and minority interests of the three companies as at the beginning of the period are made on the basis of their appropriate book value derived from their consolidation.

The above-mentioned consolidation had little effect on the retained earnings as at the beginning of the period.

(Segment Information)

For Fiscal Year ended March 31, 2013 (Year from April 1, 2012 to March 31, 2013) and Fiscal Year ended March 31, 2014 (Year from April 1, 2013 to March 31, 2014)

As this corporate group's business activities come under the single business segment—the “investment/financial services business”, statement on this subject matter is omitted.

(Per Share Data)

	FY ended March 31, 2013	FY ended March 31, 2014
Net assets per share	1,263.01 yen	1,323.78 yen
Earnings/loss per share	162.06 yen	250.67 yen

Note: Diluted earnings per share are not applicable because of non-existence of potential shares outstanding having dilution effect.

Data used for computation of the earnings per share in the above table:

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
For earnings per share:		
Net profit (millions of yen)	5,170	7,996
Of which those not belong to shareholders	—	—
Net profit /loss pertaining to common stock	5,170	7,996
Average number of shares outstanding	31,902,204	31,901,774

(Material Subsequent Events)

Sale of material assets

A consolidated subsidiary company, Kamiyacho Investment Godogaisha has sold its fixed asset as follows:

- (1) Reason for sale
Recovery of invested funds through a sale of real estate held by Kamiyacho Investment Godogaisha
- (2) Name of counterparty
Based on the request from the counterparty, disclosure of its specific name is withheld. The counterparty is a company incorporated in Japan and has no relationship with Kyokuto Securities and its group companies, in terms of capital contribution, personnel, funds, technologies, business transactions and the like.
- (3) Type of asset and its use before sale
Type of asset: Building and land in Shinjuku-ku, Tokyo
Its use before sale: Residential apartment
- (4) Date of sale
Date on sales transaction agreement: March 26, 2014
- (5) Amount of sale
1,790 million yen (including sales tax)
- (6) It effect on earnings
Effect of gains on consolidated earnings is minimal.

(Omission of Disclosure)

Notes on lease transactions, transactions with affiliated persons, matters related to financial instruments, derivative transactions, retirement/severance benefits, asset retirement obligations, real estate for rent and special purpose entities being subject to disclosure are omitted, as disclosure thereof in this report is not considered materially important.

[Referential Data]**Referential Data on Consolidated Business Results for FY Ended March 31, 2014****(1) Commissions and fees earned****(a) Commissions and fees by sources**

(Millions of yen)

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014	Change %	
Brokerage commissions	731	1,590	859	117.5
(Equities)	(716)	(1,556)	(840)	(117.2)
(Bonds)	(5)	(2)	(-2)	(-52.6)
Fees for underwriting, selling and sales solicitation to professional investors	29	46	17	60.2
(Equities)	(28)	(46)	(17)	(61.9)
(Bonds)	(0)	(-)	(-0)	(-)
Fees for handling of offering, selling and sales solicitation to professional investors	828	821	-6	-0.8
Other fees	457	401	-55	-12.2
Total	2,046	2,860	814	39.8

(b) Commissions and fees by instruments

(Millions of yen)

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014	Change %	
Equities	755	1,615	860	113.9
Bonds	6	4	-2	-35.1
Beneficiary certificates	1,097	1,207	109	10.0
Other	186	32	-153	-82.4
Total	2,046	2,860	814	39.8

(2) Gains/loss on trading

(Millions of yen)

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014	Change %	
Equities, etc.	343	371	28	8.2
Bonds, etc.	8,867	7,613	-1,253	-14.1
Other	135	-0	-136	-
Total	9,347	7,984	-1,362	-14.6

(Referential Data)

Consolidated Income Statement for Latest Five Quarters

(Millions of yen)

	Qr. ended Mar. 31, 2013	Qr. ended June 30, 2013	Qr. ended Sept. 30, 2013	Qr. ended Dec. 31, 2013	Qr. ended Mar. 31, 2014
I. Operating income	4,311	3,572	3,456	3,273	3,602
1. Commissions and fees	886	953	652	698	555
2. Gains or loss on trading	3,394	1,997	1,809	1,758	2,419
3. Gains on private equity and other securities	−415	−50	145	26	—
4. Interest and dividend income	289	343	321	328	345
5. Other operating income	157	328	528	461	282
II. Financial expenses	36	109	187	342	−55
Net operating income	4,275	3,462	3,269	2,931	3,657
III. Operating Expenses	1,409	1,640	1,719	1,467	1,645
1. Transaction-related expenses	220	149	195	172	157
2. Personnel expenses	726	990	904	802	870
3. Real estate-related expenses	137	153	169	161	224
4. Data processing and office supplies	140	154	150	151	140
5. Depreciation and amortization	23	47	52	57	72
6. Miscellaneous taxes and dues	41	58	84	42	60
7. Provision for doubtful debts	23	—	12	−12	—
8. Other	95	87	150	91	119
Operating Profit	2,865	1,822	1,549	1,463	2,012
IV. Non-operating income	126	215	325	148	164
V. Non-operating expenses	18	75	34	19	43
Ordinary profit	2,974	1,962	1,840	1,593	2,132
VI. Extraordinary profit	1,454	3,971	89	497	464
VII. Extraordinary loss	297	23	661	4	134
Net profit before taxes	4,132	5,909	1,269	2,087	2,462
Corporate tax, residential tax and business tax	1,998	2,134	628	488	1,142
Adjustments for corporate tax, etc.	−402	122	−20	193	−169
Net profit before minority interests	2,535	3,652	661	1,404	1,490
Loss belonging to minority interests (—)	−1	−5	−759	−1	−22
Net profit	2,537	3,657	1,421	1,405	1,512

V. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

(Millions of yen)

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
Assets		
Current assets:		
Cash and bank deposits	10,183	8,451
Segregated cash and statutory deposits	9,604	9,024
Trading assets	24,163	32,631
Securities inventory	24,156	32,631
Derivatives contracts	7	—
Net receivables pertaining to contracts to be settled	1,531	275
Assets pertaining to margin transactions	5,646	7,387
Loans to customers on margin transactions	4,814	7,003
Cash collateral to finance companies for securities borrowed	831	383
Receivables from other firms and customers	1	2
Receivables from other firms	1	2
Short-term guarantee deposits	485	192
Short-term loans	719	22
Prepaid expenses	16	15
Other receivables	35	1,566
Accrued income	503	555
Deferred tax assets	486	363
Other current assets	0	10
Provision for doubtful debts	—125	—8
Total current assets	53,252	60,491
Fixed assets:		
Tangible fixed assets	645	680
Buildings	159	185
Vehicles	9	6
Fixtures and equipment	317	329
Land	159	159
Intangible fixed assets	106	81
Computer software	82	58
Telephone line subscription rights	23	23
Investments and other assets	20,945	19,910
Investment securities	12,902	7,470
Stocks of affiliated companies	968	5,700
Capital contribution	1	1
Long-term loans	944	1,060
Long-term loans to affiliated companies	5,650	4,838
Long-term loans to employees	25	19
Long-term guarantee deposits	601	555
Long-term prepaid expenses	2	1
Prepaid pension costs	—	305
Other investments	389	117
Provision for doubtful debts	—541	—161
Total fixed assets	21,697	20,672
Total assets	74,949	81,163

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
Liabilities		
Current liabilities:		
Trading liabilities	60	—
Short positions of securities	54	—
Derivative contracts	6	—
Liabilities pertaining to margin transactions	831	442
Borrowings for margin transactions	277	14
Cash collateral for borrowed securities sold short	554	427
Payables to customers and others	9,763	8,296
Payables to customers	9,225	7,744
Payables to others	537	551
Customers' margin deposits	326	557
Accounts for non-received securities	156	50
Short-term borrowings	18,150	25,450
Advances received	290	—
Accrued payments	89	127
Accrued expenses	204	248
Accrued income taxes	2,166	2,800
Accrued bonuses to employees	350	327
Other current liabilities	152	83
Total current liabilities	32,544	38,384
Fixed liabilities		
Long-term borrowings	1,000	500
Long-term payables	535	472
Deferred tax liabilities	1,967	1,159
Provision for retirement/severance benefits to employees	35	49
Other fixed liabilities	0	0
Total fixed liabilities	3,539	2,181
Statutory reserve		
Financial instruments trading liability reserve	13	20
Total statutory reserve	13	20
Total liabilities	36,097	40,586
Net assets		
Shareholders' equity		
Capital stock	5,251	5,251
Capital surplus	4,774	4,774
Retained earnings	26,093	29,345
Treasury stock	—862	—863
Total shareholders' equity	35,257	38,508
Unrealized gains on securities	3,595	2,068
Total net assets	38,852	40,576
Total liabilities and net assets	74,949	81,163

2. Non-consolidated Income Statement

(Millions of yen)

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
Operating income		
Commissions and fees	2,046	2,906
Brokerage commissions	731	1,590
Fees for underwriting, selling and sales solicitation to professional investors	29	46
Fees for handling of offering selling and sales solicitation to professional investors	828	867
Other fees	457	401
Net gains or loss on trading	9,347	7,984
Interest and dividend income	994	1,338
Total operating income	12,387	12,229
Financial expenses	125	584
Net operating income	12,262	11,645
Operating expenses		
Transaction-related expenses	663	656
Personnel expenses	2,852	3,420
Real estate-related expenses	686	650
Data processing and office supplies	554	637
Depreciation and amortization	75	73
Miscellaneous taxes and dues	104	128
Provision for doubtful debts	25	—
Other	150	127
Total operating expenses	5,111	5,692
Operating profit or loss	7,150	5,952
Non-operating income		
Dividends received	139	466
Gains on investment in limited partnerships	103	67
Interest received from affiliated companies	79	49
Provision for doubtful debts	82	496
Other	74	289
Total non-operating income	480	1,370
Non-operating expenses		
Loss on investments in <i>Tokumei Kumiai</i> (TK)	63	—
Penalty fees on cancellation of lease contracts	3	—
Litigation settlement	—	11
Other	5	0
Total non-operating expenses	71	12
Ordinary profit or loss	7,559	7,310
Extraordinary profit		
Gains on sale of investment securities	1,468	4,919
Liquidation of financial instruments trading liability reserve	2	—
Other	—	98
Total extraordinary profit	1,470	5,017
Extraordinary loss		
Loss on sale of investment securities	175	—
Loss on valuation of investment securities	25	13
Loss on liquidation of affiliated company	169	2
Loss on valuation of securities of affiliated company	102	—
Loss on disposal of fixed assets	9	25
Provision for financial instruments trading liability reserve	—	6
Other	8	—
Total extraordinary loss	490	48
Net profit or loss before taxes	8,539	12,280
Corporate tax, residential tax and business tax	3,241	4,325
Adjustments for corporate tax, etc.	—192	173
Total corporate tax, etc.	3,048	4,498
Net profit	5,490	7,781

3. Changes in Non-consolidated Shareholders' Equity

(Year from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity								
	Capital Stock	Capital surplus		Legal retained earnings	Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Total		Others		Total		
					General reserve	Retained earnings brought forward			
Balance as of the beginning of the fiscal year	5,251	4,774	4,774	641	16,271	4,966	21,878	− 862	31,042
Total increase/decrease during the fiscal year									
Dividend paid						− 1,276	− 1,276		− 1,276
Net profit/loss for the fiscal year						5,490	5,490		5,490
Acquisition of treasury stocks								− 0	− 0
Net change in the items other than shareholders' equity									
Total increase/decrease during the fiscal year	−	−	−	−	−	4,214	4,214	− 0	4,214
Balance as of the end of the fiscal year	5,251	4,774	4,774	641	16,271	9,181	26,093	− 862	35,257

	Valuation and translation adjustments		Total net assets
	Unrealized gains/loss on other securities	Total	
Balance as of the beginning of the fiscal year	164	164	31,207
Total increase/decrease during the fiscal year			
Dividend paid			− 1,276
Net profit/loss for the fiscal year			5,490
Acquisition of treasury stocks			− 0
Net change in the items other than shareholders' equity	3,430	3,430	3,430
Total increase/decrease during the fiscal year	3,430	3,430	7,644
Balance as of the end of the fiscal year	3,595	3,595	38,852

(Year from April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity								
	Capital Stock	Capital surplus		Retained earnings				Treasury stock	Total shareholders equity
		Legal capital surplus	Total	Legal retained earnings	Others		Total		
					General reserve	Retained earnings brought forward			
Balance as of the beginning of the fiscal year	5,251	4,774	4,774	641	16,271	9,181	26,093	— 862	35,257
Total increase/decrease during the fiscal year									
Dividend paid						— 4,530	— 4,530		— 4,530
Net profit/loss for the fiscal year						7,781	7,781		7,781
Acquisition of treasury stocks								— 0	— 0
Net change in the items other than shareholders' equity									
Total increase/decrease during the fiscal year	—	—	—	—	—	3,251	3,251	— 0	3,251
Balance as of the end of the fiscal year	5,251	4,774	4,774	641	16,271	12,433	29,345	— 863	38,508

	Valuation and translation adjustments		Total net assets
	Unrealized gains/loss on other securities	Total	
Balance as of the beginning of the fiscal year	3,595	3,595	38,852
Total increase/decrease during the fiscal year			
Dividend paid			− 4,530
Net profit/loss for the fiscal year			7,781
Acquisition of treasury stocks			− 0
Net change in the items other than shareholders' equity	− 1,526	− 1,526	− 1,526
Total increase/decrease during the fiscal year	− 1,526	− 1,526	1,724
Balance as of the end of the fiscal year	2,068	2,068	40,576

[Referential Data]**1. Volume/Value of Equity Trading (except trading in derivatives)**

(Million shares/Millions of yen)

(Common shares/millions of yen)

	FY ended Mar. 31, 2013(A)		FY ended Mar. 31, 2014 (B)		(B)/(A) %	
	Number of shares	Trade value	Number of shares	Trade value	No. of shares	Trade value
Total	2,741	773,890	3,052	1,344,915	11.3	73.8
(Agency)	(406)	(155,418)	(568)	(348,375)	(39.8)	(124.2)
(Principal)	(2,334)	(618,472)	(2,483)	(996,539)	(6.4)	(61.1)
(Agency)/Total (%)	14.8%	20.1%	18.6%	25.9%		
Total/TSE volume (%)	0.22%	0.10%	0.17%	0.09%		
Brokerage comm. per share	1.72 yen		2.71 yen			

2. Volume of Underwriting, Offering and Selling

(Million shares/Millions of yen)

		FY ended Mar. 31, 2013 (A)	FY ended Mar. 31, 2014 (B)	(B)/(A) %
Underwriting	Equities (Number of shares)	0	0	—54.7
	Equities (Yen volume)	2,739	835	—69.5
	Bonds (Face value)	100	—	—
	CPs, foreign instruments, etc.	—	—	—
Offering/selling	Equities (Number of shares)	1	0	—61.3
	Equities (Yen volume)	15,826	1,069	—93.2
	Bonds (Yen volume at face value)	8,632	959	—88.9
	Beneficiary securities	74,220	107,777	45.2
	CPs, foreign instruments, etc.	4,050	10,017	147.3

3

. Net capital regulation ratio

(Millions of yen)

		FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
Basic items (A)		33,024	36,817
Complementary items	Appraisal difference (appraisal profit) of other securities, etc.	3,595	2,068
	Financial instruments trading liability reserve	13	20
	Provision for doubtful debts	125	8
Total (B)		3,734	2,097
Deductible assets (C)		15,175	16,601
Unfixed net capital (A) + (B) – (C) (D)		21,582	22,313
Amount of risk correspondents	Market risk correspondence	3,324	3,868
	Trade party risk correspondence	508	699
	Basic risk correspondence	1,278	1,485
Total (E)		5,111	6,053
Net capital regulation ratio (D)/(E) × 100%		422.1%	368.6%

4. Number of Board Members/Standing Statutory Auditors and Employees

	FY ended Mar. 31, 2013	FY ended Mar. 31, 2014
Number of Board members and statutory standing auditors	9	9
Number of employees	233	239