

# CONSOLIDATED FINANCIAL INFORMATION

For First Six Months (April 1 – Sept. 30, 2014)  
of Fiscal Year Ending March 31, 2015

***KYOKUTO SECURITIES CO., LTD.***

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October 29, 2014

**CONSOLIDATED RESULTS FOR THE FIRST SIX MONTHS (APR-SEPT. 2014)  
OF THE FISCAL YEAR ENDING MARCH 31, 2015 (SUMMARY)**

Name of company: **Kyokuto Securities Co., Ltd.**  
 Listed Stock Exchange: Tokyo Stock Exchange  
 Stock code number: 8706 URL: <http://www.kyokuto-sec.co.jp>  
 Company's representative: Kazuhiro KIKUCHI, President and Chief Executive Officer  
 Contact person: Shunzo KAYANUMA, Executive Officer TEL: (03) 3666-5130  
 Scheduled date of filing of quarterly securities report: November 13, 2014  
 Scheduled date of commencement of payment of dividends: November 27, 2014

**1. Consolidated Results for First Three Months (April 1- June 30, 2014) of the Fiscal Year 2014**

**(1) Consolidated Business Results** (Millions of yen with fractions less than a million yen discarded.)

	<b>Six months ended September 30, 2013</b>	<b>Six months ended September 30, 2014</b>
Operating income	7,029 (62.5)	7,178 (2.1)
Net operating income	6,732 (57.8)	6,994 (3.9)
Operating profit	3,371 (82.3)	3,745 (11.1)
Ordinary profit	3,803 (96.5)	3,968 (4.3)
Net profit	5,078 ( 314.8)	2,968(-41.5)
Earnings per share	159.20 yen	93.06 yen
Earnings per share (diluted)	—	—

Note: 1. The figures in the parenthesis are percentage increase/decrease from the corresponding period of the previous fiscal year.

2. Comprehensive income: Six Months ended September 30, 2014: 2,941 million yen (1.0%)  
 Six Months ended September 30, 2013: 2,912 million yen (147.2%)

**(2) Consolidated Financial Condition**

	<b>September 30, 2014</b>	<b>March 31, 2014</b>
Total assets (Millions of yen)	106,396	92,080
Net assets (Millions of yen)	48,129	46,269
Shareholders' equity ratio	40.8%	45.9%
Net assets per share	1,359.37 yen	1,323.78 yen

Note: Shareholders' equity:

September 30, 2014: 43,365 million yen. March 31, 2014: 42,230 million yen.

**2. Matters Concerning Dividends**

(Record date)	Dividends per share				
	End of 1 <sup>st</sup> Qr.	End of 2 <sup>nd</sup> Qr.	End of 3 <sup>rd</sup> Qr.	End of FY	Annual Total
FY2013	—	70.00 yen	—	56.00 yen	126.00 yen
FY2014	—	45.00yen	—		

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

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

The Kyokuto Group does not disclose forecast of business results. Please see “3. Forecast of Consolidated Business Results for Fiscal Year Ending March 31, 2015” on page 5 for further information.

#### **(Notes)**

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

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

- (a) Godogaisha Hepburn
- (b) FE Fund 11-go Investment Limited

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

- (a) Kamiyacho Investment Godogaisha

(Note) Please refer to “4. Matters concerning notes to summary information (1) Changes in scope of consolidation and application of equity method” on page 6 for further information.

#### **(2) Application of any accounting treatments peculiar to preparation of quarterly consolidated financial statements**

The Company has not applied any accounting treatments peculiar to preparation of quarterly consolidated financial statements.

#### **(3) Changes in accounting policies, changes in accounting estimates, or retrospective restatements**

(a) Any changes caused by amendments to accounting standards: None

(b) Any changes other than (a): None.

(c) Any changes in accounting estimates: None.

(d) Retrospective restatements: None.

#### **(4) Number of shares outstanding (common stock)**

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

September 30, 2014: 32,779,000                      March 31, 2014: 32,779,000

(b) Number of treasury shares

September 30, 2014: 877,402                      March 31, 2014: 877,386

(c) Average number of shares outstanding

April 1 – September 30, 2014: 31,901,604                      April 1 – September 30, 2013: 31,901,933

#### **\*Quarterly review:**

The quarterly earnings figures included herein are disclosed without being reviewed by certified public accountants as required by the Financial Instruments and Exchange Law. The figures in quarterly consolidated financial statements are being reviewed by certified public accountants at the time of this release.

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

As stated in 3. above, the Kyokuto Group does not disclose forecast of business results. Instead, the Kyokuto Group will endeavor to disclose preliminary business results by around tenth business day following the end of each fiscal year or quarter.

## **BUSINESS RESULTS**

### **1. Business Results**

During the second quarter cumulative period (i.e., the period of six months from April 1 to September 30, 2014. Hereinafter called the “period”), the Japanese economy sustained a modest recovery, even under while the influence of reaction to last-minutes purchases before the Consumption Tax hike.

In response to concerns about the negative impact on domestic economy due to the Consumption Tax hike and political unrest in some emerging countries, the stock market showed weak movements during the first part of the period. However, since a decrease in demand due to reaction to last-minutes purchases before the tax hike was less than expected and also a trend of the weaker Yen and stronger Dollar became a tailwind, , the stock prices recovered in the last part of the period and the Nikkei Average closed at above 16,000 yen level.

The 10-year Japanese government bond yield showed a modest decline and closed at the level of 0.52. The Japanese yen moved weaker to the US dollar as well as Euro. Particularly after the summer, the value of Japanese yen sharply dropped and became a mid-109 yen level to a dollar in the end of September.

In this environment, we kept endeavoring to offer unique “in-season financial products” based on our “Face to Face” business model, in response to customers’ varied needs. As a result, the group’s consolidated earnings for the period sustained the same level of the corresponding previous period, with operating income recording 7,178 million yen (up 2.1%), net operating income also slightly increasing to 6,994 million yen (up 3.9%), ordinary profit increasing to 3,968 million yen (up 4.3%), but net profit halved to 2,968 million yen (down 41.5%).

Details of the period’s results are as follows:

#### **(1) Commission Revenue**

The total commission revenue for the period decreased 20.9% to 1,270 million yen, as shown in below:

##### **(a) Brokerage commissions**

We earned 583 million yen (down 35.6%) as brokerage commissions on equity securities. As a result, total amount of brokerage commissions including those on fixed-income securities was 594 million yen (down 35.8%).

##### **(b) Fees on underwriting, selling and sales solicitation to professional investors**

The amount of fees on underwriting, selling and sales solicitation to professional investors was 7 million yen (down 62.6%).

##### **(c) Fees on handling of offering, selling and sales solicitation to professional investors**

Fees on handling of offering, selling and sales solicitation to professional investors decreased 2.0% to 456 million yen.

##### **(d) Other fees**

Other fees consisting mainly of trailer fees and those derived from investment banking business were 212 million yen (up 8.7%).

#### **(2) Gains/Loss on Trading**

Trading in equity-related securities resulted in gains of 144 million yen (down 54.4%). Gains on bond trading increased 9.5% to 3,818 million yen. Adding gains on other trading of 12 million yen (up 126.0%), the total gains increased 4.4% to 3,975 million yen.

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

Our consolidated subsidiary company, the FE Invest, Co., Ltd. recorded a gain of 0 million yen (gain of 94 million yen for the corresponding previous period) on private equity and other securities.

#### **(4) Interest and Dividend Income**

The period’s net interest and dividend income increased 79.5% to 659 million yen.

**(5) Other Operating Income**

Other operating income consisting of fees and rent on real estate earned by consolidated subsidiaries totaled 1,088 million yen (up 27.0%).

**(6) Operating Expenses**

Operating expenses for the period were 3,248 million yen (down 3.3 %).

**(7) Non-operating Income/Expenses**

Non-operating income for the period consisting mainly of dividends on investment securities totaled 378 million yen (down 30.0 %), while non-operating expenses amounted to 156 million yen (up 42.7%), including interest payments. As a result, we recorded net non-operating profit of 222million yen (down 48.4 %).

**(8) Extraordinary Profit/Loss**

We realized extraordinary profit of 482 million yen (down 88.1%), due to sales of investment securities. With the amount of extraordinary loss being 34 million yen (down 95.0%), which came chiefly from loss on valuation of investment securities, we recorded a net extraordinary profit of 448 million yen (down 86.7%).

**2. Financial Condition**

**(1) Assets**

The total assets as of September 30, 2014 increased 14,316 million yen to 106,396 million yen from 92,080 million yen as of March 31, 2014. Current assets decreased 1,826 million yen to 64,208 million yen from 66,035 million yen. While trading assets slightly increased 2,290 million yen to 34,922 million yen from 32,631 million yen, cash and bank deposits decreased 3,612 million yen to 9,270 million yen from 12,883 million yen. Fixed assets grew 16,024 million yen to 41,994 million yen from 25,969 million yen, due to an increase of tangible fixed assets through a purchase of fixed assets at the consolidated subsidiaries, which increased 15,121 million yen to 30,748 million yen from 15,627 million yen.

**(2) Liabilities**

The total liabilities as of September 30, 2014 grew 12,456 million yen to 58,267 million yen from 45,811 million yen as of March 31, 2014. Current liabilities decreased 2,125 million yen to 38,465 million yen from 40,591 million yen. While payable to customers and others increased 1,081 million yen to 9,537 million yen from 8,456 million yen and debts pertaining to margin transactions increased 1,660 million yen to 2,102 million yen from 442 million yen, short-term borrowings decreased 3,663 million yen to 23,547 million yen from 27,211 million yen and accrued income taxes decreased 1,517 million yen to 1,321 million yen from 2,839 million yen. Fixed liabilities increased 14,579 million yen to 19,778 million yen from 5,199 million yen, reflecting an increase in long-term borrowings involving a purchase of fixed assets, which grew 13,828 million yen to 17,023 million yen from 3,195 million yen.

**(3) Net Assets**

Net assets as of September 30, 2014 increased 1,860 million yen to 48,129 million yen from 46,269 million yen as of March 31, 2014, due to an increase in retained earnings, which increased 1,182 million yen to 32,181 million yen from 30,999 million yen.

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

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

The Kyokuto 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, fiscal policy changes 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.

#### **4. Matters concerning notes to summary information**

##### **(1) Changes in scope of consolidation and application of equity method**

During the period, two companies, i.e. (a) Godogaisha Hepburn and (b) FE Fund 11-go Investment Limited have been newly established and added to the scope of full/partial consolidation, and (c) Kamiyacho Investment Godogaisha has been liquidated and removed from the scope of full/partial consolidation.

##### **(2) Changes in accounting policies—application of accounting standards, etc concerning consolidated financial statement**

There has been no change in accounting principles, procedures or itemization with respect to preparation of quarterly consolidated financial statements

## 5. Quarterly Consolidated Financial Statements

## (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	FY ended Mar. 31, 2014	As of Sept. 30, 2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash and bank deposits	12,883	9,280
Segregated cash and statutory deposits	9,046	8,593
Trading assets	32,631	34,922
Securities inventory, etc.	32,631	34,922
Net receivables pertaining to contracts to be settled	275	561
Private equity and other securities	12	12
Assets pertaining to margin transactions	7,387	7,388
Loans to customers on margin transactions	7,003	5,719
Cash collateral to finance companies for securities borrowed	383	1,669
Other current assets	3,806	3,464
Provision for doubtful debts	—8	—5
<b>Total current assets</b>	<b>66,035</b>	<b>64,208</b>
<b>Fixed assets:</b>		
Tangible fixed assets	15,627	30,748
Buildings	3,900	10,342
Land	11,270	19,924
Other	455	481
Intangible fixed assets	82	68
Investments and other assets	10,260	11,176
Investment securities	8,168	9,032
Other	2,135	2,188
Provision for doubtful debts	—43	—43
<b>Total fixed assets</b>	<b>25,969</b>	<b>41,994</b>
<b>Differed assets</b>	<b>75</b>	<b>194</b>
<b>Total assets</b>	<b>92,080</b>	<b>106,396</b>

	FY ended Mar. 31, 2014	As of Sept. 30, 2014
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Trading liabilities	—	16
Securities inventory, etc	—	7
Derivative contracts	—	8
Liabilities pertaining to margin transactions	442	2,102
Borrowings for margin transactions	14	176
Cash collateral for borrowed securities sold short	427	1,925
Payables to customers and others	8,456	9,537
Short-term borrowings	27,211	23,547
Accrued income taxes	2,839	1,321
Accrued bonuses to employees	331	297
Other current liabilities	1,311	1,643
<b><u>Total current liabilities</u></b>	<b>40,591</b>	<b>38,465</b>
<b>Fixed liabilities</b>		
Long-term borrowings	3,195	17,023
Provision for retirement/severance benefits to employees	56	48
Other fixed liabilities	1,948	2,706
<b><u>Total fixed liabilities</u></b>	<b>5,199</b>	<b>19,778</b>
<b>Statutory reserve</b>		
Financial instruments trading liability reserve	20	23
<b>Total statutory reserve</b>	<b>20</b>	<b>23</b>
<b><u>Total liabilities</u></b>	<b>45,811</b>	<b>58,267</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Capital stock	5,251	5,251
Capital surplus	4,774	4,774
Retained earnings	30,999	32,181
Treasury stock	—863	—863
<b><u>Total shareholders' equity</u></b>	<b>40,162</b>	<b>41,344</b>
<b>Accumulated other comprehensive income</b>		
Unrealized gains on other securities	2,068	2,021
<b><u>Total accumulated other comprehensive income</u></b>	<b>2,068</b>	<b>2,021</b>
<b><u>Minority interests</u></b>	<b>4,038</b>	<b>4,763</b>
<b><u>Total net assets</u></b>	<b>46,269</b>	<b>48,129</b>
<b><u>Total liabilities and net assets</u></b>	<b>92,080</b>	<b>106,396</b>



## (2) Consolidated Income Statement (For First Six Months Ended September 30, 2014)

(Millions of yen)

	6 months ended Sept. 30, 2013	6 months ended Sept. 30, 2014
<b>Operating income</b>		
<b>Commissions and fees</b>	<b>1,605</b>	<b>1,270</b>
Brokerage commissions	925	594
Fees on underwriting, selling and sales solicitation to professional investors	18	7
Fees for handling of offering, selling and sales solicitation to professional investors	466	456
Other fees	195	212
<b>Gains or loss on trading</b>	<b>3,807</b>	<b>3,975</b>
<b>Net gains or loss on private equity and other securities</b>	<b>94</b>	<b>0</b>
<b>Interest and dividend income</b>	<b>664</b>	<b>843</b>
<b>Other operating income</b>	<b>857</b>	<b>1,088</b>
<b>Total operating income</b>	<b>7,029</b>	<b>7,178</b>
<b>Financial expenses</b>	<b>297</b>	<b>184</b>
<b>Net operating income</b>	<b>6,732</b>	<b>6,994</b>
<b>Operating Expenses</b>		
Transaction-related expenses	344	346
Personnel expenses	1,895	1,639
Real estate-related expenses	322	374
Data processing and office supplies	304	278
Depreciation and amortization	100	200
Miscellaneous taxes and dues	142	92
Provision for doubtful debts	12	—
Other	238	317
<b>Total operating expenses</b>	<b>3,360</b>	<b>3,248</b>
<b>Operating Profit</b>	<b>3,371</b>	<b>3,745</b>
<b>Non-operating income</b>		
Dividends received	388	71
Interest on securities	—	145
Gains on investments in limited partnerships	26	84
Other	125	76
<b>Total non-operating income</b>	<b>541</b>	<b>378</b>
<b>Non-operating expenses</b>		
Loss on investments in TK ( <i>Tokumei Kumiai</i> )	50	1
Interest paid	41	115
Amortization of opening expenses	12	36
Other	4	1
<b>Total non-operating expenses</b>	<b>109</b>	<b>156</b>
<b>Ordinary profit</b>	<b>3,803</b>	<b>3,968</b>
<b>Extraordinary profit</b>		
Gains on sales of investment securities	3,970	422
Other	90	60
<b>Total extraordinary profit</b>	<b>4,061</b>	<b>482</b>
<b>Extraordinary loss</b>		
Loss on liquidation of fixed assets	655	—
Loss on valuation of investment securities	0	31
Provision of financial instruments trading liability reserve	1	2
Other	27	—
<b>Total extraordinary loss</b>	<b>685</b>	<b>34</b>
<b>Net profit before taxes</b>	<b>7,179</b>	<b>4,417</b>

Corporate tax, inhabitant tax and business tax	2,763	1,301
Adjustments for corporate tax, etc.	102	127
<b>Total corporate tax, etc.</b>	<b>2,865</b>	<b>1,428</b>
<b>Net profit before minority interests</b>	<b>4,313</b>	<b>2,988</b>
Minority interests	— 765	19
<b>Net profit</b>	<b>5,078</b>	<b>2,968</b>

(Consolidated Comprehensive Income Statement)

(Millions of yen)

	6 months ended Sept. 30, 2013	6 months ended Sept. 30, 2014
Net profit before minority interests	4,313	2,988
Other comprehensive income		
Unrealized gains/loss on other securities	— 1,401	— 47
Total other comprehensive income	— 1,401	— 47
<b>Comprehensive income</b>	<b>2,912</b>	<b>2,941</b>
Consisting of:		
Comprehensive income pertaining to shareholders of parent company	3,677	2,921
Comprehensive income pertaining to minority shareholders	— 765	19

(3) Notes relating to quarterly financial statements

(Note on going concern)

Not applicable.

(Note on substantial change in shareholders' equity, if any)

Not applicable.

## [Referential Data]

## 1. Referential Date on Consolidated Business Results for First Six Months Ended September 30, 2014

## (1) Commissions and fees earned

## (a) Commissions and fees by sources

(Millions of yen)

	6 months ended Sept. 30, 2013	6 months ended Sept. 30, 2014	Change		Year ended Mar. 31, 2014
				%	
Brokerage commissions	925	594	-331	-35.8	1,590
(Equities)	(906)	(583)	(-322)	(-35.6)	(1,556)
(Bonds)	(2)	(0)	(-2)	(-99.6)	(2)
Fees for underwriting, selling and sales solicitation to professional investors	18	7	-11	-62.6	46
(Equities)	(18)	(7)	(-11)	(-62.6)	(46)
(Bonds)	(-)	(-)	(-)	(-)	(-)
Fees for handling of offering, selling and sales solicitation to professional investors	466	456	-9	-2.0	821
Other fees	195	212	17	8.7	401
Total	1,605	1,270	-335	-20.9	2,860

## (b) Commissions and fees by instruments

(Millions of yen)

	6 months ended Sept. 30, 2013	6 months ended Sept. 30, 2014	Change		Year ended Mar. 31, 2014
				%	
Equities	930	596	-334	-35.9	1,615
Bonds	3	1	-1	-59.6	4
Beneficiary securities	652	665	13	2.0	1,207
Other	20	8	-12	-59.9	32
Total	1,605	1,270	-335	-20.9	2,860

## (2) Gains/loss on trading

(Millions of yen)

	6 months ended Sept. 30, 2013	6 months ended Sept. 30, 2014	Change		Year ended Mar. 31, 2014
				%	
Equities, etc.	315	144	-171	-54.4	371
Bonds, etc.	3,485	3,818	332	9.5	7,613
Other	5	12	7	126.0	-0
Total	3,807	3,975	168	4.4	7,984

## (3) Consolidated Income Statement for Latest Five Quarters

(Millions of yen)

	Qr. ended Sept. 30, 2013	Qr. ended Dec. 31, 2013	Qr. ended Mar. 31, 2014	Qr. ended June 30, 2014	Qr. ended Sept. 30, 2014
I. Operating income	3,456	3,273	3,602	3,574	3,604
1. Commissions and fees	652	698	555	565	704
2. Gains or loss on trading	1,809	1,758	2,419	2,175	1,799
3. Gains on private equity and other securities	145	26	—	0	—0
4. Interest and dividend income	321	328	345	498	345
5. Other operating income	528	461	282	334	754
II. Financial expenses	187	342	—55	34	149
Net operating income	3,269	2,931	3,657	3,539	3,454
III. Operating Expenses	1,719	1,467	1,645	1,523	1,724
1. Transaction-related expenses	195	172	157	168	178
2. Personnel expenses	904	802	870	834	804
3. Real estate-related expenses	169	161	224	143	230
4. Data processing and office supplies	150	151	140	134	143
5. Depreciation and amortization	52	57	72	85	114
6. Miscellaneous taxes and dues	84	42	60	34	57
7. Provision for doubtful debts	12	—12	—	—	—
8. Other	150	91	119	121	195
Operating Profit	1,549	1,463	2,012	2,016	1,729
IV. Non-operating income	325	148	164	191	187
V. Non-operating expenses	34	19	43	45	110
Ordinary profit	1,840	1,593	2,132	2,162	1,806
VI. Extraordinary profit	89	497	464	55	426
VII. Extraordinary loss	661	4	134	32	1
Net profits before taxes	1,269	2,087	2,462	2,185	2,231
Corporate tax, residential tax and business tax	628	488	1,142	501	800
Adjustments for corporate tax, etc.	—20	193	—169	223	—96
Net profit before minority interest	661	1,404	1,490	1,460	1,527
Minority interest	—759	—1	—22	—39	58
Net profit	1,421	1,405	1,512	1,499	1,468

## [Referential Data]

## 2. Referential Date on Business Results for First Six Months Ended September 30, 2013

## (1) Volume/value of equity trading (except trading in derivatives)

(Million shares/Millions of yen)

	6 months ended Sept. 30, 2013		6 months ended Sept. 30, 2014		Change %		Year ended Mar. 31, 2014	
	Number of shares	Trade value	Number of shares	Trade value	Number of shares	Trade value	Number of shares	Trade value
Total	1,653	713,273	1,248	467,740	-24.5	-34.4	3,052	1,344,915
(Agency)	(316)	(193,141)	(256)	(135,838)	(-19.0)	(-29.7)	(568)	(348,375)
(Principal)	(1,336)	(520,131)	(991)	(331,901)	(-25.8)	(-36.2)	(2,483)	(996,539)
(Agency)/Total (%)	19.2%	27.1%	20.5%	29.0%			18.6%	25.9%
Total/TSE volume (%)	0.17 %	0.09%	0.18 %	0.08%			0.17%	0.09%
Brokerage commission per share	2.84 yen		2.26yen				2.71 yen	

## (2) Volume of underwriting, offering and selling

(Million shares/Millions of yen)

		6 months ended Sept. 30, 2013	6 months ended Sept. 30, 2014	Change %	Year ended Mar. 31, 2014
Underwriting	Equities (Number of shares)	0	0	-34.3	0
	Equities (Yen volume)	502	175	-65.1	835
	Bonds (Face value)	-	-	-	-
	CPs, foreign instruments, etc.(Face value)	-	-	-	-
Offering/selling	Equities (Number of shares)	0	0	-33.9	0
	Equities (Yen volume)	508	173	-65.8	1,069
	Bonds (Face value)	764	194	-74.6	959
	Beneficiary securities(Face value)	62,722	55,096	-12.2	107,777
	CPs, foreign instruments, etc. (Face value)	2,397	4,058	69.3	10,017

**(3) Net capital regulation ratio**

(Millions of yen)

		Sept. 30, 2013	Sept. 30, 2014	Mar. 31, 2014
Basic items	(A)	35,439	38,021	36,817
Complementary items	Appraisal difference (appraisal profit) of other securities, etc.	2,193	2,021	2,068
	Financial instruments trading liability reserve	15	23	20
	Provision for doubtful debts	42	5	8
	Total (B)	2,251	2,049	2,097
Deductible assets	(C)	16,920	17,152	16,601
Unfixed net capital	(A) + (B) – (C) (D)	20,770	22,919	22,313
Amount of risk correspondents	Market risk correspondence	2,961	4,657	3,868
	Trade party risk correspondence	467	379	699
	Basic risk correspondence	1,379	1,470	1,485
	Total (E)	4,808	6,507	6,053
Net capital regulation ratio	(D)/(E) × 100%	431.9%	352.1%	368.6%

**(4) Number of directors/auditors and employees**

	Sept. 30, 2013	Sept. 30, 2014	Mar. 31, 2014
Directors and auditors	9	9	9
Employees	245	245	239