

FINANCIAL INFORMATION

For Fiscal Year Ended March 31, 2016
(Consolidated)

KYOKUTO SECURITIES CO., LTD.

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BUSINESS RESULTS FOR FISCAL YEAR ENDED MARCH 31, 2016

Name 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, Managing Director TEL: (03) 3666-5130
Scheduled date of annual meeting of shareholders: June 24, 2016
Scheduled date of commencement of payment of dividends: June 3, 2016
Scheduled date of filing of securities report: June 27, 2016

1. Consolidated Results for Fiscal Year Ended March 31, 2016 (Year from April 1, 2015 to March 31, 2016)**(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 March 31, 2015	FY ended March 31, 2016
Operating income	13,361 (-3.9)	10,222 (-23.5)
Net operating income	12,956 (-2.7)	10,104 (-22.0)
Operating profit	6,273 (-8.4)	3,420 (-45.5)
Ordinary profit	6,326 (-16.0)	4,276 (-32.4)
Net profit	5,659 (-29.2)	2,867 (-49.3)
Earnings per share	177.41 yen	89.87 yen
Earnings per share (diluted)	—	—
Return on equity	13.1%	6.6%
Return on assets	6.6%	4.7%
Gross profit margin	46.9%	33.5%

Notes: 1. Comprehensive income: FY ended March 31, 2015: 5,180 million yen (-8.8%)
FY ended March 31, 2016: 2,924 million yen (-43.5%)

2. Investment profit or loss on equity method: FY ended March 2015: None.

FY ended March 2016: None.

(2) Consolidated Financial Condition

	FY ended March 31, 2015	FY ended March 31, 2016
Total assets (Millions of Yen)	99,232	83,011
Net assets (Millions of Yen)	50,099	45,605
Shareholders' equity ratio	44.5%	51.8%
Net assets per share	1,382.67 yen	1,348.46 yen

(Notes) Shareholders' equity: FY ended March 2015: 44,109 million yen

FY ended March 2016: 43,017 million yen

(3) Consolidated Cash Flows

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016
Cash flow from operating activities	6,588	1,039
Cash flow from investing activities	-7,417	9,507
Cash flow from financing activities	423	-13,732
Cash & Cash equivalents balance	11,793	8,400

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 2015	—	¥45.00	—	¥45.00	¥90.00	¥2,871 million	50.7%	6.7%
FY 2016	—	¥40.00	—	¥30.00	¥70.00	¥2,233 million	77.9%	5.1%

3. Forecast of Consolidated Business Results for Fiscal Year Ending March 31, 2017

(Year from April 1, 2016 to March 31, 2017)

The Kyokuto Securities and its consolidated subsidiaries do 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 5 companies have been added to the scope of full/partial consolidation:

- (a) FE Fund 15-go Investment Limited Partnership;
- (b) FE Fund 16-go Investment Limited Partnership;
- (c) Godogaisha Feeeal Shougyou Kaihatsu Tokumei Kumiai(TK);
- (d) FE Fund 17-go Investment Limited Partnership and
- (e) Godogaisha GK65 Tokumei Kumiai(TK)

The following 6 companies have been removed from the scope of full/partial consolidation:

- (a) Godogaisha Alkaios Tokumei Kumiai(TK);
- (b) Godogaisha Feeeal Asahikawa Kaihatsu Tokumei Kumiai(TK);
- (c) Godogaisha Hepburn Tokumei Kumiai(TK);
- (d) FE Fund 11-go Investment Limited Partnership;
- (e) Godogaisha Bolero Tokumei Kumiai(TK) and
- (f) FE Fund 10-go Investment Limited Partnership

There are 11 consolidated subsidiaries as of March 31, 2016.

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

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

Please refer to page 19 for further information.

(3) Number of shares outstanding (common stock)

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

March 31, 2016: 32,779,000	March 31, 2015: 32,779,000
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- (b) Number of treasury shares

March 31, 2016: 877,402	March 31, 2015: 877,402
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- (c) Average number of shares outstanding

FY ended March 31, 2016: 31,901,598	FY ended March 31, 2015: 31,901,601
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Please refer to page 20 for further information.

(Referential Information)

1. Non-Consolidated Results for Fiscal Year Ended March 31, 2016 (Year from April 1, 2015 to March 31, 2016)

(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, 2015		FY ended March 31, 2016	
Operating income	10,854	(-11.2)	8,371	(-22.9)
Net operating income	10,448	(-10.3)	8,252	(-21.0)
Operating profit	5,278	(-11.3)	2,938	(-44.3)
Ordinary profit	5,967	(-18.4)	4,179	(-30.0)
Net profit	5,269	(-32.3)	2,634	(-50.0)
Earnings per share	165.18 yen		82.59 yen	
Earnings per share (diluted)	—		—	

(2) Non-consolidated Financial Condition

	FY ended March 31, 2015	FY ended March 31, 2016
Total assets (Millions of Yen)	76,388 million yen	69,128 million yen
Net assets (Millions of Yen)	42,065 million yen	40,741 million yen
Shareholders' equity ratio	55.1%	58.9%
Net assets per share	1,318.60 yen	1,277.11 yen
Net capital regulation ratio	429.3%	473.2%

(Notes) Shareholders' equity: FY ended March 31, 2015: 42,065 million yen

FY ended March 31, 2016: 40,741 million yen

*Review of certified public accountants:

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

*Explanation concerning forecast of business results:

The operating income of the Kyokuto Securities and its consolidated subsidiaries 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 11.9% and 11.4% of consolidated net operating income in the fiscal years ended March 31, 2016 and 2015, respectively. Similarly, 40.3% and 48.4% 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 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.

I. BUSINESS RESULTS

1. Business Results

During the consolidated cumulative fiscal year (i.e., the period of twelve months from April 1, 2015 to March 31, 2016, hereinafter referred to “the fiscal year”), the Japanese economy, although it is still on the track of recovery, slowed its momentum chiefly because the external demand has been weakened with a downturn of Asian economies during the latter half of the fiscal year.

The stock market moved steadily in the first part of the period and the Nikkei Average reached to near 21,000 yen level in June and August. In the latter half of the fiscal year, however, the stock prices showed volatile movements due to such factors as concern over a global effect of weakened Chinese economy, geopolitical risks, sharp drop in oil prices and the US's rate hike in December. As a result, the Nikkei Average closed at 16,758 yen at the end of the fiscal year, which was 13 % lower than the level at the previous fiscal year end. On the other hand, since the Bank of Japan announced its negative interest rate policy in late January, the 10-year Japanese government bond yield reached to Δ 0.05% at the end of the fiscal year, the negative rate for the first time ever. The Japanese yen appreciation pressure became high in the latter half of the fiscal year. The yen/dollar rate closed at the level of 112.50, more than 7 yen appreciation from the end of the previous fiscal year.

In this environment, we kept endeavoring to offer unique “in-season financial products”, in response to customers' varied needs as well as maintaining active financial management from the view point of effective management of shareholders' equity. The consolidated business results for the fiscal year were; operating income recording 10,222 million yen (down 23.5%), net operating income also decreasing to 10,104 million yen (down 22.0%), ordinary profit sharply decreasing to 4,276 million yen (down 32.4%), and net profit attributable to owners of the parent company halved to 2,867 million yen (down 49.3%).

Details of the period's results are as follows:

(1) Commission Revenue

The total commission revenue for the period slightly decreased 3.0% to 2,696 million yen from the previous period, as shown in below:

(a) Brokerage commissions

We earned 1,196 million yen (down 6.2%) as brokerage commissions on equity securities. As a result, total amount of brokerage commissions including those on investment trusts was 1,281 million yen (down 2.6%).

(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 36 million yen (up 101.3%).

(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 4.8% to 947 million yen.

(d) Other fees

Other fees consisting mainly of trailer fees were 430 million yen (down 4.4%).

(2) Gain/Loss on Trading

Trading in equity-related securities resulted in loss of 40 million yen (gain of 170 million yen for the corresponding previous period). Gain on bond trading decreased 35.0% to 4,071 million yen. Adding profits of 1 million yen (down 65.5%) on other trading, the total gain decreased 37.4% to 4,032 million yen.

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

Our consolidated subsidiary company, the FE Invest, Co., Ltd. recorded a loss of 1 million yen (gain of 2 million yen for the last year) on private equity and other securities.

(4) Interest and Dividend Income

The net interest and dividend income increased 29.9% to 1,482 million yen, by deducting 118 million yen of losses from 1,600 million yen of gross income.

(5) Other Operating Income

Other operating income consisting of fees and rent on real estate earned by consolidated subsidiaries totaled 1,893 million yen (down 26.9%).

(6) Operating Expenses

Operating expenses for the period were 6,684 million yen (up 0.0%).

(7) Non-operating Income/Expenses

Non-operating income for the period, consisting mainly of dividends on investment securities totaled 1,153 million yen (up 86.2%), while non-operating expenses amounted to 297 million yen (down 47.5%), including interest payments. As a result, we recorded net non-operating profit of 856 million yen (up 1,514.0%).

(8) Extraordinary Profit/Loss

We realized extraordinary profit of 3,038 million yen (down 9.6%) which were gains on sales of investment securities and fixed assets. With the amount of extraordinary loss being 1,103 million yen (down 5.3%). We recorded net extraordinary gain of 1,934 million yen (down 11.9%).

2. Financial Condition

(1) Assets

The total assets as of March 31, 2016 decreased 16,221 million yen to 83,011 million yen from 99,232 million yen as of March 31, 2015. Current assets decreased 6,145 million yen to 57,403 million yen from 63,548 million yen. The main factors were cash and bank deposits shrank 3,393 million yen to 8,400 million yen from 11,793 million yen and assets pertaining to margin transactions declined by 3,131 million yen to 5,561 million yen from 8,693 million yen. Fixed assets shrank by 10,079 million yen to 25,567 million yen from 35,646 million yen, due to decreases in tangible fixed assets through a sale of fixed assets at the consolidated subsidiaries, which decreased 6,400 million yen to 19,447 million yen from 25,848 million yen and in investment securities from 3,066 million yen to 4,262 million yen from 7,328 million yen.

(2) Liabilities

The total liabilities as of March 31, 2016 shrank by 11,727 million yen to 37,405 million yen from 49,132 million yen as of March 31, 2015. Current liabilities decreased 12,536 million yen to 31,767 million yen from 44,304 million yen. The main factors were short-term borrowings decreased 8,187 million yen to 21,345 million yen from 29,533 million yen, liabilities pertaining to margin transactions decreased 2,761 million yen to 367 million yen from 3,128 million yen and payables to customers and others decreased 1,834 million yen to 7,370 million yen from 9,204 million yen. Fixed liabilities increased 808 million yen to 5,610 million yen from 4,801 million yen as of March 31, 2015. The main factors were deferred tax liabilities decreased 557 million yen to 134 million yen from 691 million yen and other fixed liabilities decreased 487 million yen to 464 million yen from 951 million yen, but on the other hand, long-term borrowings at the consolidated subsidiaries involving a purchase of fixed assets increased 1,865 million yen to 4,511 million yen from 2,646 million yen.

(3) Net Assets

Net assets as of March 31, 2016 decreased 4,493 million yen to 45,605 million yen from 50,099 million yen as of March 31, 2015, due to an increase in retained earnings which accumulated 155 million yen to 33,592 million yen from 33,436 million yen, on the other hand, decreases in non-controlling interests, which decreased 3,402 million yen to 2,587 million yen from 5,990 million yen and in unrealized gains on other securities which decreased 1,246 million yen to 262 million yen from 1,509 million yen.

(4) Cash Flow

During the period, net cash in-flow in operating activities amounted to 1,039 million yen, due mainly to a decrease of statutory deposits. Net cash in-flow in investing activities amounted to 9,507 million yen, reflecting a sale of fixed assets at the consolidated subsidiaries. Net cash out-flow in financing activities amounted to 13,732 million yen, due mainly to a payment of long-term borrowings at the consolidated subsidiaries. As a result, the amount of cash and cash equivalents decreased 3,393 million yen from the previous period to 8,400 million yen as of the end of the period.

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. It has been our policy to pay such amount of dividends computed by a two methods whichever is higher, which are the consolidated dividend payout ratio aiming at 50% or more or a target DOE (dividends on equity) ratio of 2% or more, in a full of consideration to net capital as well as the medium and long-term trends of business performance and stock prices.

Pursuant to the payout policy, we have decided to pay to shareholders year-end dividends of 30 yen per share (or total annual dividends of 70 yen).

Dividends will be retained earnings.

II. STATE OF KYOKUTO GROUP

Income of the Kyokuto Securities Co., Ltd. (“Company”) and its group companies (“Kyokuto group”) 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 Kyokuto group’s business activities come under the single business segment—the “investment/financial services business”.

Its group companies are “Kyokuto Property Co., Ltd”, “FE Invest Co., LTD.” and “Kyokuto Securities Research Institute Inc.”

(1) Financial Products Trading Business

The Company conducts the financial instruments business in Japan.

(2) Real Estate Business

The Kyokuto Property Co., Ltd. is engaged in real estate business, particularly leasing the office spaces and related facilities for the Company’s main and sales offices.

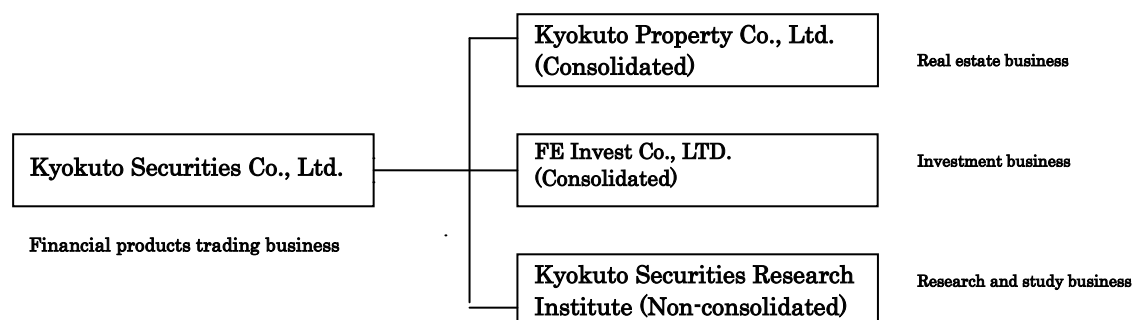
(3) Investment Business

The FE Invest Co., LTD. conducts investment business for the purpose of helping support enhancing and strengthening the Company’s investment businesses.

(4) Research and Study Business

The Kyokuto Securities Research Institute Inc. provides research and study services relating to economies and financial capital markets of both domestic abroad, mainly for the Company.

Kyokuto Group



(Notes)

1. In addition to the above, 9 (nine) Tokumei Kumiai (TK) -Anonymous partnership- and the likes are consolidated.
2. Non-consolidated subsidiary above is a non-equity method affiliated company.
3. Other than above, as non-consolidated subsidiaries, there are 2 (two) investment limited partnerships which are non-equity method affiliated companies. Also, as affiliated companies, there 1 (one) stock corporation and 1 (one) investment limited partnership which are non-equity method affiliated companies.

III. BUSINESS POLICY

1. Basic Business Policy

Since its foundation, the Kyokuto group has kept it as its basic business policy to attain stable growth by adhering to a sound financial base 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 Kyokuto 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. Business Challenges

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

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

We will continue to make efforts to strengthen customers’ credibility by strengthening “ability to offer in-season financial products” and “a wide variety of consulting functionalities”, as well as improving “our thorough, friendly services”, and play a role of mainstay in the capital markets. Also by these measures, we commit ourselves to achieve our goals - “to increase new customer” and “to expand clients’ assets” which are the base for our long-term and stable revenue sources.

(2) Improvement of profitability and diversification of revenues by effective financial operations

In view of efficient use of shareholders’ equity, we have sought to attain effective financial operations. We will take swift actions to enter into new business areas as a core source of revenues of the time to time and continue to do our best toward improving our earning power and diversifying our revenue sources, under an appropriate risk management.

(3) Enhancement of risk management and corporate governance

In view of going along with confidence of all stakeholders and contributing to further development of the capital markets, we commit ourselves to enhance our compliance capabilities by continuously conducting a review of our internal systems or rules in order for all executives and employees to work in their businesses with higher ethical standards.

Also, while risks to be controlled are diversified, we will make our effort to further strengthen and streamline our risk management functionalities aiming at ensuring our financial soundness and enhancing our enterprise value.

Further, in order to achieving a sustainable growth and a mid-tem and long-term improvement of enterprise value, we will continue to strive for further enhancement of corporate governance system.

IV. BASIC POLICY REGARDING A SELECTION OF ACCOUNTING STANDARDS

The Company and its consolidated subsidiaries do not operate business activities outside Japan, nor do we conduct fund raising in overseas markets. We, therefore, apply Japanese GAAP as accounting standards. We do not consider an application of IFRS (International Financial Reporting Standards).

V. CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated Balance Sheets

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016
Assets		
Current assets:		
Cash and bank deposits	11,793	8,400
Segregated cash and statutory deposits	8,344	7,843
Trading assets	30,897	30,656
Trading securities, etc.	30,897	30,656
Net receivables pertaining to contracts to be settled	544	1,597
Private equity and other securities	13	12
Money held in trust	1,652	1,985
Assets pertaining to margin transactions	8,693	5,561
Loans to customers on margin transactions	7,420	5,483
Cash collateral to finance companies for securities borrowed	1,272	78
Receivables from other firms and customers	10	2
Short-term guarantee deposits	116	31
Accounts receivable	527	120
Accrued income	524	406
Deferred tax assets	204	147
Other current assets	232	641
Provision for doubtful debts	—6	—3
Total current assets	63,548	57,403
Fixed assets:		
Tangible fixed assets	25,848	19,447
Buildings	7,939	4,032
Vehicles	4	3
Fixtures and equipment	422	398
Land	17,460	14,992
Other tangible fixed assets	21	21
Intangible fixed assets	57	47
Computer software	33	23
Other intangible assets	23	23
Investments and other assets	9,740	6,072
Investment securities	7,328	4,262
Long-term loans	1,296	793
Long-term guarantee deposits	510	486
Net defined benefit asset	497	416
Deferred tax assets	18	17
Other investments	133	139
Provision for doubtful debts	—44	—43
Total fixed assets	35,646	25,567
Deferred assets:	37	40
Total assets	99,232	83,011

(Kyokuto Securities)
(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016
Liabilities		
Current liabilities:		
Trading liabilities	4	—
Short positions of securities	4	—
Liabilities pertaining to margin transactions	3,128	367
Borrowings for margin transactions	1,771	193
Cash collateral for borrowed securities sold short	1,357	174
Payables to customers and others	9,204	7,370
Customers' margin deposits	571	1,050
Accounts for non-received securities	172	104
Short-term borrowings	29,533	21,345
Accrued income taxes	585	774
Accrued bonuses to employees	306	256
Other current liabilities	796	498
<u>Total current liabilities</u>	44,304	31,767
Fixed liabilities		
Long-term borrowings	2,646	4,511
Long-term payables	457	449
Deferred tax liabilities	691	134
Net defined benefit liability	54	49
Other fixed liabilities	951	464
<u>Total fixed liabilities</u>	4,801	5,610
Statutory reserve		
Financial instruments trading liability reserve	27	27
<u>Total statutory reserve</u>	27	27
<u>Total liabilities</u>	49,132	37,405
Net Assets		
Shareholders' equity		
Capital stock	5,251	5,251
Capital surplus	4,774	4,774
Retained earnings	33,436	33,592
Treasury stock	-863	-863
<u>Total shareholders' equity</u>	42,599	42,755
<u>Accumulated other comprehensive income</u>		
Unrealized gains of other securities	1,509	262
<u>Total accumulated other comprehensive income</u>	1,509	262
<u>Minority interests</u>	5,990	2,587
<u>Total net assets</u>	50,099	45,605
<u>Total liabilities and net assets</u>	99,232	83,011

2. Consolidated Income Statement

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016
Operating income		
Commissions and fees	2,779	2,696
Brokerage commissions	1,315	1,281
Fees for underwriting, selling and sales solicitation to professional investors	18	36
Fees for handling of offering, selling and sales solicitation to professional investors	995	947
Other fees	450	430
Net gains or loss on trading	6,440	4,032
Net gains or loss on private equity and other securities	2	-1
Interest and dividend income	1,546	1,600
Other operating income	2,591	1,893
Total operating income	13,361	10,222
Financial expenses	405	118
Net operating income	12,956	10,104
Operating expenses		
Transaction-related expenses	685	705
Personnel expenses	3,175	3,236
Real estate-related expenses	830	736
Data processing and office supplies	559	596
Depreciation and amortization	477	332
Miscellaneous taxes and dues	219	263
Other	734	812
Total operating expenses	6,683	6,684
Operating profit or loss	6,273	3,420
Non-operating income		
Dividends received	99	272
Gains on investments in limited partnerships	72	-
Interest on securities	286	716
Interest on loans	105	96
Other	55	68
Total non-operating income	619	1,153
Non-operating expenses		
Interest paid	292	190
Loss on investments in Tokumei Kumiai (TK)	3	-
Amortization of opening expenses	262	94
Other	7	12
Total non-operating expenses	566	297
Ordinary profit or loss	6,326	4,276

Extraordinary profit		
Gains on sale of investment securities	2,113	1,522
Gains on sale of fixed assets	1,248	1,515
Total extraordinary profit	3,361	3,038
Extraordinary loss		
Loss on valuation of investment securities	31	1,101
Loss on disposal of fixed assets	3	1
Loss on valuation of assets	1,059	—
Provision of financial instruments trading liability reserve	6	0
Other	65	0
Total extraordinary loss	1,165	1,103
Income before taxes	8,522	6,211
Corporate tax, residential tax and business tax	2,609	1,971
Adjustments for corporate tax, etc.	172	67
Total corporate tax, etc.	2,782	2,039
Net profit or loss	5,739	4,171
Profit or loss attributable to non-controlling interest	80	1,304
Net profit or loss attributable to owners of parent company	5,659	2,867

(Consolidated Comprehensive Income Statement)

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016
Net profit before minority interests	5,739	4,171
Other comprehensive income		
Unrealized gains/loss on other securities	-558	-1,246
Total other comprehensive income	-558	-1,246
Comprehensive income	5,180	2,924
Consisting of:		
Comprehensive income pertaining to shareholders of parent company	5,100	1,620
Comprehensive income pertaining to minority shareholders	80	1,304

3. Changes in Consolidated Shareholders' Equity

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

(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	30,999	- 863	40,162
Cumulative effects of changes in accounting policies					-
Restated balance	5,251	4,774	30,999	- 863	40,162
Total increase/decrease during the fiscal year					
Dividends paid			- 3,222		- 3,222
Net profit/loss for the fiscal year			5,659		5,659
Acquisition of treasury stocks				- 0	- 0
Net change in the items other than shareholders' equity					
Total increase/decrease during the fiscal year	-	-	2,437	- 0	2,437
Balance as of the end of the fiscal year	5,251	4,774	33,436	- 863	42,599

	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	2,068	2,068	4,038	46,269
Cumulative effects of changes in accounting policies				-
Restated balance	2,068	2,068	4,038	46,269
Total increase/decrease during the fiscal year				
Dividends paid				- 3,222
Net profit/loss for the fiscal year				5,659
Acquisition of treasury stocks				- 0
Net change in the items other than shareholders' equity	- 558	- 558	1,951	1,392
Total increase/decrease during the fiscal year	- 558	- 558	1,951	3,830
Balance as of the end of the fiscal year	1,509	1,509	5,990	50,099

(Year from April 1, 2015 to March 31, 2016)

(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	33,436	- 863	42,599
Cumulative effects of changes in accounting policies					-
Restated balance	5,251	4,774	33,436	- 863	42,599
Total increase/decrease during the fiscal year					
Dividends paid			- 2,711		- 2,711
Net profit/loss for the fiscal year			2,867		2,867
Acquisition of treasury stocks				-	-
Net change in the items other than shareholders' equity					
Total increase/decrease during the fiscal year	-	-	155	-	155
Balance as of the end of the fiscal year	5,251	4,774	33,592	- 863	42,755

	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	1,509	1,509	5,990	50,099
Cumulative effects of changes in accounting policies				-
Restated balance	1,509	1,509	5,990	50,099
Total increase/decrease during the fiscal year				
Dividends paid				- 2,711
Net profit/loss for the fiscal year				2,867
Acquisition of treasury stocks				-
Net change in the items other than shareholders' equity	- 1,246	- 1,246	- 3,402	- 4,649
Total increase/decrease during the fiscal year	- 1,246	- 1,246	- 3,402	- 4,493
Balance as of the end of the fiscal year	262	262	2,587	45,605

4. Consolidated Cash Flow Statement

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016
Cash Flows from Operating Activities:		
Net profit or loss before taxes	8,522	6,211
Depreciation	477	332
Increase/decrease in liabilities for retirement/severance benefit to employees (– means decrease)	–2	–4
Provision for/reversal of provision for doubtful debts (– means decrease)	–0	–3
Decrease in accrued bonuses to employees (– means decrease)	–24	–50
Interest received/receivable and dividends received	–2,039	–2,428
Interest paid/payable	450	308
Gains on sale of investment securities	–2,113	–1,522
Loss on sale of investment securities	51	–
Gains/loss on valuation of investment securities (– means gains)	31	1,101
Gains/loss on sale of fixed assets (– means gains)	–1,234	–1,515
Loss on disposal of fixed assets	3	1
Impairment loss	1,059	–
Increase/decrease in provision for financial instruments trading liability reserve (– means decrease)	6	0
Amortization of business commencement expenses	262	94
Increase/decrease of statutory deposits (– means increase)	701	500
Increase/decrease of receivables from other firms and customers (– means increase)	–0	8
Increase/decrease of trading assets(– means increase)	1,734	240
Net receivables/payables pertaining to contracts to be settled (– means increase)	–268	–1,053
Increase/decrease of private equity and other securities (– means increase)	0	1
Net increase of money held in trust	–655	–333
Increase/decrease of assets/liabilities pertaining to margin transactions	1,380	370
Increase/decrease of short-term guarantee deposits (– means increase)	75	85
Increase/decrease in accounts receivable	–239	407
Payables to customers and others	711	–1,834
Increase/decrease of trading liabilities (– means decrease)	4	–4
Customers' margin deposits	14	478
Increase/decrease of advances received other firms and customers (– means decrease)	–0	–113
Increase/decrease of guarantee deposits received (– means decrease)	623	–487
Other assets	–490	–25
Other liabilities	126	–279
Other	615	211
Subtotal	9,782	699
Interest and dividends received	2,037	2,428
Interest paid	–468	–340
Payment/receipt of corporate tax, etc. (– means payment)	–4,762	–1,747
Net Positive (Negative) Cash Flows from Operating Activities	6,588	1,039

Cash Flows from Investing Activities		
Payment for acquisition of fixed assets	−20,794	−9,050
Proceeds from sale of fixed assets	10,292	16,648
Payment for acquisition of investment securities	−1,087	−987
Proceeds from sale of investment securities	4,285	1,789
Proceeds from redemption of investment securities	103	873
Loans to customers and others	−221	−1
Income from collection of loans lent	5	210
Other	−0	24
<u>Net Positive (Negative) Cash Flows from Investing Activities</u>	−7,417	9,507
Cash Flows from Financing Activities		
Acquisition of long-term loan	19,031	6,250
Repayment of long-term borrowings	−9,948	−14,451
Increase/decrease in short-term borrowings (− means decrease)	−7,310	1,880
Acquisition of treasury shares	−0	−
Payment of dividends	−3,220	−2,714
Proceed from stock issuance to minority shareholders	2,006	708
Payment to minority shareholders	−54	−4,285
Payment of dividends to minority shareholders	−80	−1,120
<u>Net Positive (Negative) Cash Flows from Financing Activities</u>	423	−13,732
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	−684	−208
Increase/Decrease in Cash and Cash Equivalents (− means decrease)	−1,089	−3,393
Balance of Cash and Cash Equivalents at Beginning of Fiscal Year	12,883	11,793
<u>Balance of Cash and Cash Equivalents at End of Fiscal Year</u>	11,793	8,400

5. Notes on Consolidated Financial Statements

(Matters Related to Going Concern Assumption)

Not applicable.

(Basis of Presenting Consolidated Financial Statements)

Apart from the change described below, principal subsidiaries are listed in the Group's most recent Securities Report (submitted June 24, 2015). Since there are no other major changes, the list is omitted from this report. Please refer to the following website for the list of principal subsidiaries.

(Changes in accounting policies)

(Application of accounting standard for business combinations, etc.)

Effective from the beginning of the first quarter of the fiscal year ending March 2016, we adopted the "Revised Accounting Standard for Business Combinations" (Accounting Standard Board of Japan (ASBJ) Statement No. 21 of September 13, 2013, hereinafter referred to as "Accounting Standard for Business Combinations"), "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 of September 13, 2013, hereinafter referred to as "Accounting Standard for Consolidated Financial Statements"), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 of September 13, 2013, hereinafter referred to as "Accounting Standard for Business Divestitures"), etc. In applying these revisions, we changes the accounting policies to record any differences arising from changes of the Kyokuto's ownership in consolidated subsidiaries during the period of continuing control as capital surplus and the corresponding acquisition-related costs are recognized as expenses when incurred for that consolidated year. Also, as for the business combinations after the beginning of the first quarter of this fiscal year, the accounting policy was changed to reflect any retrospective adjustment of purchase price allocations based on the confirmation of provisional accounting treatment in the quarterly consolidated financial statements of the fiscal period in which business combination was conducted. In addition, the presentation method of net profit and the like was changed and the item "minority interests" was changed to "non-controlling interests". In order to reflect these changes, the consolidated financial statements for the previous fiscal year.

As for an application of the "Accounting Standard for Business Combinations" and the like, provisional treatments prescribed in Section 58-2(4) of the "Accounting Standard for Business Combinations", Section 44-5(4) of the "Accounting Standard for Consolidated Financial Statements" and Section 57-4(4) of the "Accounting Standard for Business Divestitures" are observed and these changes are and will be effective from the beginning of the first quarter of this fiscal year.

There is no impact on profits/losses.

(Segment Information)

For Fiscal Year ended March 31, 2015 (Year from April 1, 2014 to March 31, 2015) and Fiscal Year ended March 31, 2016 (Year from April 1, 2015 to March 31, 2016)

As the business activities of the Company and its affiliated companies 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, 2015	FY ended March 31, 2016
Net assets per share	1,382.67 yen	1,348.46 yen
Earnings/loss per share	177.41 yen	89.87 yen

Notes: 1. Diluted earnings per share are not applicable because of non-existence of potential shares outstanding having dilution effect.

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

	FY ended March 31, 2015	FY ended March 31, 2016
For earnings per share:		
Net profit (millions of yen)	5,659	2,867
Of which those not belong to shareholders	—	—
Net profit /loss pertaining to common stock	5,659	2,867
Average number of shares outstanding	31,901,601	31,901,598

(Material Subsequent Events)**Dissolution of Material Subsidiaries and the like**

The following consolidated subsidiaries (Tokumei Kumiai (TK)) of the Company are to be dissolved.

1. Purposes of dissolution of subsidiaries

The following subsidiaries are to be dissolved due to termination of Tokumei Kumiai businesses by selling their beneficial interests in trust investments.

2. Outlines of subsidiaries to be dissolved

- | | |
|-----------------------------------|--|
| (1) Name | : Godogaisha GK65 Tokumei Kumiai (TK) |
| (2) Address | : 3-22-10-201 Toranomom Minato-ku, Tokyo |
| (3) Proprietor | : Godogaisha GK65 |
| (4) Representative of proprietor | : Kazuhiro Matsuzawa, Representative Partner,
General Incorporated Association Zero |
| (5) Year and month of dissolution | : April, 2016 |
| (6) Total amount of liabilities | : 1 million yen |
| (7) Ratio of investment | : 100% |
| (8) Business description | : To acquire, hold and dispose beneficial interests
in trust investments |

(Omission of Disclosure)

Notes on lease transactions, transactions with affiliated persons, matters related to financial instruments, matters relating to securities, derivative transactions, retirement/severance benefits, tax effect accounting, asset retirement obligations, real estate for rent and related parties' information 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, 2016****(1) Commissions and fees earned****(a) Commissions and fees by sources**

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016	Change	
				%
Brokerage commissions	1,315	1,281	-34	-2.6
(Equities)	(1,274)	(1,196)	(-78)	(-6.2)
(Bonds)	(0)	(0)	(0)	(600.5)
(Beneficiary certificates)	(40)	(84)	(43)	(107.6)
Fees for underwriting, selling and sales solicitation to professional investors	18	36	18	101.3
(Equities)	(18)	(36)	(18)	(101.3)
(Bonds)	(-)	(-)	(-)	(-)
Fees for handling of offering, selling and sales solicitation to professional investors	995	947	-47	-4.8
Other fees	450	430	-19	-4.4
Total	2,779	2,696	-83	-3.0

(b) Commissions and fees by instruments

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016	Change	
				%
Equities	1,305	1,244	-61	-4.7
Bonds	1	1	-0	-30.4
Beneficiary certificates	1,449	1,422	-26	-1.8
Other	23	28	5	21.8
Total	2,779	2,696	-83	-3.0

(2) Gains/loss on trading

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016	Change	
				%
Equities, etc.	170	-40	-210	-
Bonds, etc.	6,266	4,071	-2,194	-35.0
Other	3	1	-2	-65.5
Total	6,440	4,032	-2,407	-37.4

(Referential Data)

Consolidated Income Statement for Latest Five Quarters

(Millions of yen)

	Qr. ended March 31, 2015	Qr. ended June 30, 2015	Qr. ended Sept. 30, 2015	Qr. ended Dec. 31, 2015	Qr. ended March 31, 2016
I. Operating income	2,674	3,125	2,209	2,309	2,578
1. Commissions and fees	738	827	700	677	491
2. Gains or loss on trading	881	1,305	799	763	,164
3. Gains on private equity and other securities	2	1	−3	0	0
4. Interest and dividend income	341	349	405	300	545
5. Other operating income	710	642	307	567	377
II. Financial expenses	−258	197	−111	12	20
Net operating income	2,932	2,928	2,321	2,297	2,557
III. Operating Expenses	1,691	1,952	1,674	1,435	1,621
1. Transaction-related expenses	160	192	180	140	192
2. Personnel expenses	740	783	804	760	888
3. Real estate-related expenses	235	215	182	171	167
4. Data processing and office supplies	141	149	151	148	147
5. Depreciation and amortization	135	109	79	73	70
6. Miscellaneous taxes and dues	77	99	91	32	40
7. Provision for doubtful debts	−	−	−	−	−
8. Other	201	403	184	109	115
Operating Profit	1,240	975	647	861	935
IV. Non-operating income	117	393	310	219	230
V. Non-operating expenses	261	100	45	84	66
Ordinary profit	1,096	1,269	911	996	1,099
VI. Extraordinary profit	2,427	2,622	−	380	34
VII. Extraordinary loss	1,125	0	−	1,102	−
Income before taxes	2,398	3,891	911	274	1,134
Corporate tax, residential tax and business tax	926	885	420	211	454
Adjustments for corporate tax, etc.	−150	46	−48	139	−69
Net profit/loss	1,623	2,959	539	−76	748
Profit/loss attributable to non-controlling interest	−20	1,134	55	62	51
Net profit/loss attributable to owners of parent company	1,644	1,825	484	−139	696

V. Non-consolidated Financial Statements

1. Non-consolidated Balance Sheets

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016
Assets		
Current assets:		
Cash and bank deposits	7,468	6,476
Segregated cash and statutory deposits	8,320	7,822
Trading assets	30,897	30,656
Securities inventory	30,897	30,656
Net receivables pertaining to contracts to be settled	544	1,597
Assets pertaining to margin transactions	8,693	5,561
Loans to customers on margin transactions	7,420	5,483
Cash collateral to finance companies for securities borrowed	1,272	78
Receivables from other firms and customers	2	1
Receivables from other firms	2	1
Short-term guarantee deposits	116	31
Short-term loans	20	264
Prepaid expenses	12	19
Other receivables	160	88
Accrued income	546	402
Deferred tax assets	201	144
Other current assets	182	348
Provision for doubtful debts	-6	-3
Total current assets	57,159	53,411
Fixed assets:		
Tangible fixed assets	686	692
Buildings	173	184
Vehicles	4	3
Fixtures and equipment	349	345
Land	159	159
Intangible fixed assets	56	46
Computer software	33	23
Telephone line subscription rights	23	23
Investments and other assets	18,486	14,976
Investment securities	6,625	4,176
Stocks of affiliated companies	5,093	4,936
Capital contribution	1	1
Long-term loans	1,281	786
Long-term loans to affiliated companies	4,510	4,190
Long-term loans to employees	14	6
Long-term guarantee deposits	493	477
Long-term prepaid expenses	0	0
Prepaid pension costs	497	416
Other investments	121	128
Provision for doubtful debts	-152	-143
Total fixed assets	19,229	15,716
Total assets	76,388	69,128

	FY ended March 31, 2015	FY ended March. 31, 2016
Liabilities		
Current liabilities:		
Trading liabilities	4	—
Short positions of securities	4	—
Liabilities pertaining to margin transactions	3,128	367
Borrowings for margin transactions	1,771	193
Cash collateral for borrowed securities sold short	1,357	174
Payables to customers and others	9,011	7,342
Payables to customers	8,250	6,645
Payables to others	760	697
Customers' margin deposits	571	1,050
Accounts for non-received securities	172	104
Short-term borrowings	17,350	16,350
Accrued payments	77	20
Accrued expenses	194	107
Accrued income taxes	552	723
Accrued bonuses to employees	302	252
Other current liabilities	239	428
Total current liabilities	31,605	26,747
Fixed liabilities		
Long-term borrowings	1,500	1,000
Long-term payables	435	429
Deferred tax liabilities	706	140
Provision for retirement/severance benefits to employees	47	40
Other fixed liabilities	0	0
Total fixed liabilities	2,690	1,610
Statutory reserve		
Financial instruments trading liability reserve	27	27
Total statutory reserve	27	27
Total liabilities	34,323	28,386
Net assets		
Shareholders' equity		
Capital stock	5,251	5,251
Capital surplus	4,774	4,774
Retained earnings		
Legal retained earnings	641	641
Other retained earnings		
General reserve	16,271	16,271
Retained earnings brought forward	14,480	14,404
Total retained earnings	31,392	31,316
Treasury stock	—863	—863
Total shareholders' equity	40,555	40,479
Valuation and translation adjustments		
Unrealized gains on securities	1,509	262
Total valuation and translation adjustments	1,509	262
Total net assets	42,065	40,741
Total liabilities and net assets	76,388	69,128

2. Non-consolidated Income Statement

(Millions of yen)

	FY ended March 31, 2015	FY ended March 31, 2016
Operating income		
Commissions and fees	2,866	2,737
Brokerage commissions	1,315	1,281
Fees for underwriting, selling and sales solicitation to professional investors	18	36
Fees for handling of offering selling and sales solicitation to professional investors	1,062	952
Other fees	470	466
Net gains or loss on trading	6,440	4,032
Interest and dividend income	1,546	1,600
Total operating income	10,854	8,371
Financial expenses	405	118
Net operating income	10,448	8,252
Operating expenses		
Transaction-related expenses	639	642
Personnel expenses	3,026	3,104
Real estate-related expenses	616	606
Data processing and office supplies	598	637
Depreciation and amortization	72	79
Miscellaneous taxes and dues	106	128
Other	110	115
Total operating expenses	5,169	5,314
Operating profit or loss	5,278	2,938
Non-operating income		
Dividends received	99	272
Gains on investment in limited partnerships	92	116
Interest received from affiliated companies	32	31
Interest on securities	286	716
Interest on loans	105	96
Reversal of provision for doubtful debts	11	11
Other	68	34
Total non-operating income	695	1,278
Non-operating expenses		
Loss on investment in TK (Tokumei Kumiai)	—	37
Litigation settlement	5	0
Other	2	0
Total non-operating expenses	7	37
Ordinary profit or loss	5,967	4,179
Extraordinary profit		
Gains on sale of investment securities	2,113	1,522
Total extraordinary profit	2,113	1,522
Extraordinary loss		
Loss on sale of investment securities	51	—
Loss on valuation of investment securities	31	1,101
Loss on disposal of fixed assets	3	1
Provision for financial instruments trading liability reserve	6	0
Total extraordinary loss	92	1,103
Net profit or loss before taxes	7,988	4,598
Corporate tax, residential tax and business tax	2,555	1,905
Adjustments for corporate tax, etc.	162	58
Total corporate tax, etc.	2,718	1,963
Net profit	5,269	2,634

3. Changes in Non-consolidated Shareholders' Equity

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

(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	12,433	29,345	-863	38,508
Total increase/decrease during the fiscal year									
Dividend paid						-3,222	-3,222		-3,222
Net profit/loss for the fiscal year						5,269	5,269		5,269
Acquisition of treasury stocks								-0	-0
Net change in the items other than shareholders' equity									
Total increase/decrease during the fiscal year	-	-	-	-	-	2,047	2,047	-0	2,047
Balance as of the end of the fiscal year	5,251	4,774	4,774	641	16,271	14,480	31,392	-863	40,555

	Valuation and translation adjustments		Total net assets
	Unrealized gains/loss on other securities	Total	
Balance as of the beginning of the fiscal year	2,068	2,068	40,576
Total increase/decrease during the fiscal year			
Dividend paid			-3,222
Net profit/loss for the fiscal year			5,269
Acquisition of treasury stocks			-0
Net change in the items other than shareholders' equity	-558	-558	-558
Total increase/decrease during the fiscal year	-558	-558	1,488
Balance as of the end of the fiscal year	1,509	1,509	42,065

(Year from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity								Total shareholders' equity
	Capital Stock	Capital surplus		Legal retained earnings	Retained earnings		Treasury stock	Total	
		Legal capital surplus	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	14,480	31,392	-863	40,555
Total increase/decrease during the fiscal year									
Dividend paid						-2,711	-2,711		-2,711
Net profit/loss for the fiscal year						2,634	2,634		2,634
Acquisition of treasury stocks								-	-
Net change in the items other than shareholders' equity									
Total increase/decrease during the fiscal year	-	-	-	-	-	-76	-76	-	-76
Balance as of the end of the fiscal year	5,251	4,774	4,774	641	16,271	14,404	31,316	-863	40,479

	Valuation and translation adjustments		Total net assets
	Unrealized gains/loss on other securities	Total	
Balance as of the beginning of the fiscal year	1,509	1,509	42,065
Total increase/decrease during the fiscal year			
Dividend paid			-2,711
Net profit/loss for the fiscal year			2,634
Acquisition of treasury stocks			-
Net change in the items other than shareholders' equity	-1,246	-1,246	-1,246
Total increase/decrease during the fiscal year	-1,246	-1,246	-1,323
Balance as of the end of the fiscal year	262	262	40,741

[Referential Data]**Referential Data on Business Results for FY Ended March 31, 2016****1. Volume/Value of Equity Trading (except trading in derivatives)**

(Million shares/Millions of yen)

	FY ended March 31, 2015(A)		FY ended March 31, 2016(B)		(B)/(A) %	
	Number of shares	Trade value	Number of shares	Trade value	No. of shares	Trade value
Total	3,480	1,165,044	2,556	962,213	-26.5	-17.4
(Agency)	(510)	(320,915)	(390)	(261,570)	(-23.6)	(-18.5)
(Principal)	(2,969)	(844,128)	(2,166)	(700,643)	(-27.0)	(-17.0)
(Agency)/Total (%)	14.7%	27.5%	15.3%	27.2%		
Total/TSE volume (%)	0.24%	0.09%	0.17%	0.06%		
Brokerage comm. per share	2.48 yen		3.04 yen			

2. Volume of Underwriting, Offering and Selling

(Million shares/Millions of yen)

		FY ended March 31, 2015 (A)	FY ended March 31, 2016 (B)	(B)/(A) %
Underwriting	Equities (Number of shares)	0	1	299.4
	Equities (Yen volume)	401	1,731	331.8
	Bonds (Face value)	—	—	—
	CPs, foreign instruments, etc.	—	—	—
Offering/selling	Equities (Number of shares)	0	1	274.1
	Equities (Yen volume)	390	1,576	304.2
	Bonds (Yen volume at face value)	294	115	-60.8
	Beneficiary securities	130,452	137,960	5.8
	CPs, foreign instruments, etc.	8,597	10,216	18.8

3. Net capital regulation ratio

(Millions of yen)

		FY ended March 31, 2015	FY ended March 31, 2016
Basic items	(A)	39,279	39,522
Complementary items	Appraisal difference (appraisal profit) of other securities, etc.	1,509	262
	Financial instruments trading liability reserve	27	27
	Provision for doubtful debts	6	3
	Total (B)	1,543	293
Deductible assets	(C)	16,322	13,609
Unfixed net capital	(A) + (B) - (C) (D)	24,500	26,206
Amount of risk correspondents	Market risk correspondence	3,889	3,905
	Trade party risk correspondence	381	336
	Basic risk correspondence	1,435	1,297
	Total (E)	5,705	5,538
Net capital regulation ratio	(D)/(E) × 100%	429.3%	473.2%

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

	FY ended March 31, 2015	FY ended March 31, 2016
Number of Board members and statutory standing auditors	9	9
Number of employees	240	234