

Consolidated Financial Summary (for the six months ended September 30, 2015)

October 30, 2015

Company Name: Tokai Tokyo Financial Holdings, Inc.
 Stock Listings: First sections of the Tokyo Stock Exchange and Nagoya Stock Exchange
 Stock Code: 8616 URL <http://www.tokaitokyo-fh.jp/>
 Representative: Tateaki Ishida, President & CEO
 Contact: Tetsuji Oono
 General Manager - Finance Planning Department
 Telephone: (03) 3517-8391

Expected date for submission of quarterly report: November 10, 2015
 Scheduled day of commencing dividend payment: November 27, 2015
 Quarterly earnings supplementary explanatory documents: Available
 Quarterly results briefing planned: Available (for financial analysts and institutional investors)

(Figures are rounded down to the nearest one million yen and those in parentheses are negative figures.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2015**(1) Consolidated Results of Operation**

(Percentage represents comparison change to the corresponding previous quarterly period.)

	Operating revenue		Net operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended										
September 30, 2015	36,620	(6.1)	36,037	(5.7)	8,448	(24.9)	10,062	(22.2)	7,855	(7.6)
September 30, 2014	38,989	(22.3)	38,203	(22.2)	11,250	(39.0)	12,929	(35.9)	8,498	(41.3)

(Note) Comprehensive income Six-month period ended September 30, 2015: 6,963 million yen [(21.5%)]
 Six-month period ended September 30, 2014: 8,872 million yen [(42.5%)]

	Net income per share	Diluted net income per share
	yen	yen
Six months ended		
September 30, 2015	29.56	29.52
September 30, 2014	31.96	31.87

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of				
September 30, 2015	611,275	155,595	25.1	581.37
March 31, 2015	458,106	157,351	33.8	579.91

(Reference) Shareholders' equity September 30, 2015: 153,355 million yen March 31, 2015: 154,633 million yen

2. Dividends

(Base date)	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	End of year	Annual
Fiscal year	yen	yen	yen	yen	yen
Ended March 31, 2015	—	14.00	—	20.00	34.00
Ending March 31, 2016	—	14.00			
Ending March 31, 2016 (Forecast)			—	—	—

(Note) 1) Revision to the dividend forecast that has been disclosed lastly: None

2) Dividend of 20.00 yen per share for the year ended March 31, 2015 includes commemorative dividend of 4.00 yen.

3) Dividend forecast for the fiscal year ending March 31, 2016 has not been determined.

3. Forecast of Consolidated Operating Results for Fiscal 2015 (from April 1, 2015 to March 31, 2016)

The Group operates principally in the financial instruments business, and its operating results are likely to be affected by market fluctuations. Due to such nature of its business and consequential difficulty in predicting its performance, the Group does not disclose the forecast of operating results.

* Notes

(1) Important Changes in Subsidiaries during the Term (Changes Pursuant to the Subsidiaries that Lead to a Change in the Scope of Consolidation): None

New : None

Exclusion : None

(2) Application of Special Accounting Treatments in Preparing Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies or Estimates and Retrospective Restatements

1) Changes in accounting policies in accordance with revision of accounting standards: Yes

2) Changes in accounting policies other than item 1) above: None

3) Change in accounting estimates: None

4) Retrospective restatements: None

(4) Number of Shares Issued (Common Stock)

1) Number of shares issued at the end of the term including treasury stock (shares)

As of September 30, 2015:	280,582,115	As of March 31, 2015	280,582,115
---------------------------	-------------	----------------------	-------------

2) Number of treasury stock at the end of the term (shares)

As of September 30, 2015:	16,784,365	As of March 31, 2015	13,929,529
---------------------------	------------	----------------------	------------

3) Average number of shares outstanding (for the six months)

Six months ended September 30, 2015:	265,755,004	Six months ended September 30, 2014:	265,919,973
--------------------------------------	-------------	--------------------------------------	-------------

* Quarterly review procedure implementation progress status

This quarterly earnings report is exempt from the quarterly review procedure that is required under the Financial Instruments and Exchanges Act. At the time of the disclosure of this Consolidated Financial Summary, we have not finished the review procedure process.

* Note to proper use of forecast of operating results and other special remarks

Dividends for the fiscal year ending March 31, 2016 have not been determined because it is difficult to forecast operating results, as described similarly in "3.Forecast of Consolidated Operating Results for fiscal 2015."

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	56,528	44,268
Cash segregated as deposits	26,267	35,167
Cash segregated as deposits for customers	25,105	34,405
Cash segregated as deposits for others	1,161	761
Trading products	198,053	245,495
Trading securities and other	195,803	242,013
Derivatives	2,250	3,481
Trade date accrual	—	20,640
Margin transaction assets	38,758	59,194
Loans on margin transactions	35,985	46,176
Cash collateral pledged for securities borrowing on margin transactions	2,773	13,018
Loans secured by securities	79,468	149,456
Cash collateral pledged for securities borrowed	79,468	149,456
Advances paid	95	27
Short-term guarantee deposits	9,675	11,091
Short-term loans receivable	98	119
Short-term investment securities	10	—
Accrued income	1,744	1,648
Deferred tax assets	1,283	421
Other	3,378	1,518
Allowance for doubtful accounts	(35)	(45)
Total current assets	415,327	569,004
Noncurrent assets		
Property, plant and equipment	8,841	8,877
Intangible assets	2,130	1,901
Investments and other assets	31,806	31,493
Investment securities	26,786	26,295
Long-term guarantee deposits	1,969	2,002
Net defined benefit asset	2,411	2,542
Other	1,988	2,000
Allowance for doubtful accounts	(1,349)	(1,348)
Total noncurrent assets	42,778	42,271
Total assets	458,106	611,275

(Unit: million yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Trading products	70,125	170,710
Trading securities and other	63,271	165,028
Derivatives	6,854	5,681
Trade date accrual	10,901	—
Margin transaction liabilities	10,674	10,437
Borrowings on margin transactions	7,810	8,959
Cash received for securities lending on margin transactions	2,864	1,478
Loans payable secured by securities	4,805	64,683
Cash received on debt credit transaction of securities	3,805	64,683
Borrowings on Gensaki transaction	999	—
Deposits received	24,468	37,684
Guarantee deposits received	7,230	11,368
Short-term loans payable	98,228	96,552
Short-term bonds payable	8,300	8,300
Current portion of bonds payable	37,701	32,690
Income taxes payable	2,558	1,619
Provision for bonuses	3,807	2,212
Provision for directors' bonuses	101	23
Other	4,082	3,505
Total current liabilities	282,986	439,788
Noncurrent liabilities		
Bonds payable	6,103	4,710
Long-term loans payable	7,800	7,800
Deferred tax liabilities	1,792	1,340
Provision for directors' retirement benefits	104	76
Net defined benefit liability	547	500
Other	1,031	1,026
Total noncurrent liabilities	17,379	15,453
Reserves under the special laws		
Reserve for financial products transaction liabilities	388	437
Total reserves under the special laws	388	437
Total liabilities	300,755	455,679
Net assets		
Shareholders' equity		
Capital stock	36,000	36,000
Capital Surplus	33,469	33,474
Retained earnings	82,140	84,662
Treasury stock	(3,639)	(6,419)
Total shareholders' equity	147,970	147,717
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,978	3,010
Foreign currency translation adjustment	69	139
Remeasurements of defined benefit plans	2,614	2,497
Total accumulated other comprehensive income	6,663	5,647
Subscription rights to shares	196	265
Non-controlling interests	2,522	1,965
Total net assets	157,351	155,595
Total liabilities and net assets	458,106	611,275

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Six months ended September 30)

(Unit: million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Operating revenue		
Commission received	21,638	19,008
Commission to consignees	9,468	9,126
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	301	232
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	8,743	6,460
Other fees received	3,125	3,189
Net trading income	15,533	16,020
Financial revenue	1,817	1,592
Total operating revenue	38,989	36,620
Financial expenses	786	582
Net operating revenue	38,203	36,037
Selling, general and administrative expenses		
Trading related expenses	5,334	6,322
Personal expenses	13,628	12,800
Real estate expenses	2,989	2,973
Office cost	2,982	3,287
Depreciation	909	919
Taxes and dues	315	450
Provision of allowance for doubtful accounts	—	8
Other	793	826
Total selling, general and administrative expenses	26,952	27,589
Operating income	11,250	8,448
Non-operating income		
Dividends income	456	341
Rent income	299	294
Equity in earnings of affiliates	744	714
Gain on investments in partnership	87	256
Other	137	75
Total non-operating income	1,725	1,681
Non-operating expenses		
Loss on investments in partnership	22	40
Loss on abandonment of noncurrent assets	17	—
Foreign exchange losses	—	18
Other	6	7
Total non-operating expenses	46	67
Ordinary income	12,929	10,062

(Unit: million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Extraordinary income		
Gain on sales of noncurrent assets	—	0
Gain on sales of investment securities	6	1,471
Gain on reversal of subscription rights to shares	0	—
Total extraordinary income	7	1,472
Extraordinary loss		
Loss on sales of investment securities	—	4
Loss on valuation of securities	8	0
Loss on valuation of golf club membership	0	—
Provision of reserve for financial products transaction liabilities	45	48
Total extraordinary loss	53	53
Income before income taxes	12,883	11,481
Income taxes-current	3,604	2,545
Income taxes-deferred	669	956
Total income taxes	4,273	3,502
Profit	8,609	7,978
Profit attributable to non-controlling interests	110	123
Profit attributable to owners of parent	8,498	7,855

Consolidated Statements of Comprehensive Income
(Six months ended September 30)

(Unit: million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	8,609	7,978
Other comprehensive income		
Valuation difference on available-for-sale securities	382	(968)
Foreign currency translation adjustment	(56)	69
Remeasurements of defined benefit plans	(63)	(116)
Total other comprehensive income	263	(1,015)
Comprehensive income	8,872	6,963
(Comprehensive income attributable to)		
Owners of parent	8,762	6,839
Non-controlling interests	110	123

Supplementary Information

(1) Breakdown of Commissions and Trading profit and loss

① Commission received

(i) By item

(Unit: million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Yr/Yr	
			Increase (Decrease)	% change
Commission to consignees	9,468	9,126	(342)	(3.6) %
Stocks	9,236	8,542	(694)	(7.5)
Bonds	9	15	6	62.9
Beneficiary certificates	221	567	345	156.3
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	301	232	(69)	(23.0)
Stocks	104	71	(33)	(31.7)
Bonds	197	161	(36)	(18.4)
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	8,743	6,460	(2,282)	(26.1)
Beneficiary certificates	8,701	6,440	(2,261)	(26.0)
Other fees received	3,125	3,189	64	2.0
Beneficiary certificates	2,320	2,386	65	2.8
Total	21,638	19,008	(2,629)	(12.2)

(ii) By product

(Unit: million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Yr/Yr	
			Increase (Decrease)	% change
Stocks	9,414	8,660	(754)	(8.0) %
Bonds	257	202	(54)	(21.3)
Beneficiary certificates	11,243	9,393	(1,850)	(16.5)
Others	722	751	29	4.1
Total	21,638	19,008	(2,629)	(12.2)

② Net trading income

(Unit: million yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015	Yr/Yr	
			Increase (Decrease)	% change
Stocks	6,185	7,507	1,322	21.4 %
Bonds and Forex	9,348	8,512	(835)	(8.9)
Total	15,533	16,020	486	3.1

(2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2014			Fiscal 2015	
	2nd quarter Jul. 1, 2014 - Sep. 30, 2014	3rd quarter Oct. 1, 2014 - Dec. 31, 2014	4th quarter Jan. 1, 2015 - Mar. 31, 2015	1st quarter Apr. 1, 2015 - Jun. 30, 2015	2nd quarter Jul. 1, 2015 - Sep. 30, 2015
Operating revenue					
Commission received	10,697	11,844	10,599	11,046	7,962
Commission to consignees	5,228	4,840	4,707	5,078	4,047
(Stocks)	5,132	4,626	4,454	4,848	3,694
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	171	223	254	116	116
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	3,790	5,269	4,092	4,270	2,190
(Beneficiary certificates)	3,779	5,262	4,084	4,258	2,181
Other fees received	1,507	1,510	1,544	1,581	1,607
(Beneficiary certificates)	1,160	1,167	1,168	1,201	1,184
Net trading income	8,269	11,035	8,858	8,719	7,300
(Stocks)	4,267	5,761	4,785	4,828	2,678
(Bonds and Forex)	4,001	5,273	4,073	3,890	4,621
Financial revenue	755	827	544	936	655
Total operating revenue	19,722	23,707	20,003	20,702	15,918
Financial expenses	395	309	230	306	276
Net operating revenue	19,326	23,398	19,772	20,395	15,642
Selling, general and administrative expenses					
Trading related expenses	2,618	3,451	3,407	3,419	2,903
Personal expenses	6,667	7,391	6,982	6,983	5,817
Real estate expenses	1,497	1,468	1,500	1,485	1,487
Office cost	1,524	1,500	1,603	1,578	1,709
Depreciation	468	471	477	448	470
Taxes and dues	173	187	182	233	217
Provision of allowance for doubtful accounts	-	-	26	0	8
Other	368	336	361	448	377
Total selling, general and administrative expenses	13,317	14,808	14,542	14,597	12,991
Operating income	6,008	8,590	5,230	5,797	2,650
Non-operating income	691	731	1,065	851	829
Equity in earnings of affiliates	381	497	427	465	248
Other	310	234	638	385	581
Non-operating expenses	44	5	17	23	43
Other	44	5	17	23	43
Ordinary income	6,656	9,317	6,277	6,625	3,436
Extraordinary income	7	-	702	794	677
Extraordinary loss	24	27	257	31	21
Income before income taxes	6,638	9,289	6,723	7,388	4,092
Income taxes-current	2,613	2,376	3,347	890	1,655
Income taxes-deferred	(306)	784	(640)	1,211	(254)
Profit	4,331	6,128	4,016	5,287	2,691
Profit attributable to non-controlling interests	105	126	17	131	(8)
Profit attributable to owners of parent	4,226	6,002	3,998	5,155	2,700