

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/>
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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."

Accompanying Materials – Contents

1. Qualitative Information for the Second Quarter Ended September 30, 2015	2
(1) Review of Operating Results	2
(2) Review of the Financial Position	4
(3) Explanation of Forecasts such as Consolidated Financial Forecasts.....	4
2. Summary Information (*Notes).....	5
(1) Changes in Significant Subsidiaries during the Second Quarter Ended September 30, 2015	5
(2) Application of Special Accounting Methods Peculiar to the Preparation of Quarterly Financial Statements	5
(3) Changes in Accounting Principles and Estimates, and Retrospective Restatement	5
3. Consolidated Financial Statements	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Notes to Quarterly Consolidated Financial Statements	11
(Notes on Going Concern Assumption)	11
(Notes for Material Changes in Shareholders' Equity).....	11
4. Supplementary Information	12
(1) Breakdown of Commissions and Trading Profit and Loss.....	12
(2) Comparative Quarterly Consolidated Statements of Income	13

1. Qualitative Information for the Second Quarter Ended September 30, 2015

(1) Review of Operating Results

Japanese Economy During the first six months of the consolidated fiscal year ending March 31, 2016 (April 1 to September 30, 2015), an initial moderate recovery trend on domestic side was somewhat dulled by the slowdown in China and other emerging countries. So, the economy on the whole during the subject period ended on a little subdued note. Consumer spending made a modest recovery helped by mild improvement in employment and personal income as well as by fortuitous benefit of extreme summer heat. Later on, however, consumer sentiment waned amid the rise in food prices and the fall in stock prices in August. Capital expenditure became weakened slightly as the economy lost its heat.

Looking Abroad The trend overall was mildly positive, albeit with slower growth observed in emerging countries. In the United States, consumer-spending supported moderate expansion of economy as a core attribute. But, part of manufacturing industry appeared softened under the pressure of stronger dollar and lower crude oil price. In Europe, monetary easing by the European Central Bank favored the region's economy and brought forward moderate upturn trend. In contrast, the Chinese economy faced a worse-than-expected slowdown burdened foremost by structural adjustments of excessive capital stock.

Japanese Stock Market The Nikkei Stock Average started at around ¥19,100 in April and maintained its upward trend assisted by continued buying from overseas investors, temporarily reaching ¥21,000 on June 24. However, concerns over deceleration of the world economy, primarily in China and to the lesser extent other emerging countries, pulled down the Average sharply in August with intensified overseas investors' selling. It closed on September 30 as low as at ¥17,388 after briefly touching the bottom at ¥17,000 earlier in the same month. The daily average transaction volume in the First Section of the Tokyo Stock Exchange during the subject six months (i.e. April through September) was ¥2,970.5 billion, exceeding the ¥2,060.2 billion recorded during the same period last year.

Japanese Bond Market Starting at above 0.4% in April, the yield on the 10-year JGB, the benchmark for long-term interest rates, fell temporarily to 0.28% under the prospect of additional monetary easing to be implemented by the Bank of Japan. Subsequently, however, the yield rose, briefly reaching 0.545% in June, as the Bank of Japan announced its decision not to repeat monetary easing, and U.S. long-term interest rates went up on the back of the predicted interest rate hike in the U.S. Thereafter, the yield fell again due to the risk avoiding fleeing from the weaker stock markets worldwide, and the heightened prospect of delay of the U.S. interest rate hike. Consequently, the yield closed at 0.350% at the end of September after dropping down momentarily sometime earlier in the same month to 0.320%.

Foreign Exchange Market Above referenced prospect of an interest rate hike in the U.S. caused the dollar to appreciate against the yen to the ¥125 level in June. After appreciating temporarily up to ¥116 in August as the interest rate hike in the U.S. was deemed less likely, the yen closed at ¥119 on September 30.

Since April 2012, the Group has been promoting strategies alongside the business plan, "Ambitious 5," under which it positions the fiscal year ended March 31, 2015 and thereafter as the second stage of the plan, in order to implement further advanced measures.

At the second stage of the plan, the Group aims to become the "Leading Player in Asia" as a unique and comprehensive financial group by way of reinforcing new service capabilities and expanding global network for better customer convenience to be offered while upholding its fundamental philosophy intact.

Tokai Tokyo Securities Co., Ltd. (hereinafter, "Tokai Tokyo Securities"), the core operating company of the Group, has continued to promote "Customer Profit-focused Business Activity" in addition to "Stable Revenue Generating Business Activity" and "Specifically Designed Marketing Activities Catering to Each Customer Segment" in retail business operations.

As part of the alliance strategies under the business plan, the Tokai Tokyo Financial Holdings, Inc. (the Company) entered into the business cooperation agreement in April with K & N Kenanga Holdings Berhad, which is the largest independent investment bank that operates universal banking in Malaysia. Further, the Company made a capital contribution to the subject bank in May. This business cooperation was intended to upgrade bilateral service providing caliber for the benefit of each own customers, thereby enhancing information-gathering capability and expanding product offering competence.

On the domestic alliance front, Nishi-Nippon City Tokai Tokyo Securities Co., Ltd., a joint venture established by the Company and The Nishi-Nippon City Bank, Ltd., opened its Yukuhashi Branch in June.

Additionally, in order to better serve diverse and sophisticated customer needs, information-gathering functions to help customers solve questions regarding inheritance, taxation and other matters were all gathered into Tokai Tokyo Wealth Consulting Co., Ltd. (The trade name was changed in May from Tokai Tokyo-Sumishin Wealth Partners & Consulting Co., Ltd.) Such functions had been dispersed within the Group until then. The Company provides high quality solutions and comprehensive consulting services not only to Tokai Tokyo Securities' customers but also to the customers of JV securities firms that operate in cooperation with the Company, and to

those of other financial institutions that the Group does business with.

With respect to the Company-wide project of “Provide Female Colleagues with Better Opportunities for the Better Result”, we are proactively putting various ideas into actions to make it easier for child rearing employees to work, as well as giving female workers career development support, while setting numerical targets and action plans to raise the percentage of female managers. In recognition of these efforts, the city of Nagoya presented Tokai Tokyo Securities with “The Certified Company Promoting Advancement of Female Employees” excellence award in January. In September, Tokai Tokyo Securities also received certification from Aichi Prefecture as “The Certified Company Promoting Women’s Workplace” (known as *Aichi Josei Kagayaki Company*).

As a part of activities that contribute to local communities, the Group entered into an official partner agreement with Nagoya Grampus Eight, a Japanese professional football club belonging to J1 League based in the Chubu region, which is the Group’s home market. The Group, as a community-based enterprise aiming to contribute to the local community, will support the efforts of this football club in “promoting local sports” and “activating the local community.”

In Asia, the Group donated relief money to the typhoon-afflicted Philippines in November 2013 through the Metrobank Group, one of our overseas business partners, and a certain international NGO. In June 2015, a new classroom building was completed for an elementary school in Leyte Island in the Philippines using funds donated by the Group. The hand-over ceremony was organized at the elementary school site and an executive member from the Group was invited to the event.

With the aim of proactively promoting the local contribution activities mainly in the Chubu region, which is the Group’s home market, Tokai Tokyo Securities established the “CSR Activity Department*.”

* In October 2015.

In October, the Group marked the 15th anniversary of the establishment of the Tokai Tokyo Financial Group. (In October 2000, Tokai Tokyo Securities was established via the merger between Tokai Maruman Securities and Tokyo Securities.)

With thanks to all stakeholders, the Group will channel the utmost efforts of all Group companies to further improve its corporate value by implementing all the measures associated with the business plan, “Ambitious 5.”

Under these circumstances, the Company’s consolidated operating results for the period were as follows: Operating revenue was ¥36,620 million, a decrease of 6.1% (on a year-on-year basis; hereinafter, the same shall apply), and Net operating revenue was ¥36,037 million, a decrease of 5.7%. As a result, Operating income was ¥8,448 million, a decrease of 24.9%; Ordinary income was ¥10,062 million, a decrease of 22.2%; and Profit attributable to owners of parent was ¥7,855 million, a decrease of 7.6%.

(Commissions received)

Total Commissions received decreased 12.2%, to ¥19,008 million as detailed below:

(i) Commissions to consignees:

Commissions to consignees for the period under review decreased 3.6%, to ¥9,126 million. Commissions to consignees on stocks earned by the Group was ¥8,542 million, a 7.5% decrease, due to a decline in transactions by individual investors, although the value of stock brokered by Tokai Tokyo Securities expanded 5.5%, to ¥1,919.2 billion.

(ii) Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors:

Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors totaled ¥232 million, a 23.0% decrease, out of which Commission on stocks decreased 31.7%, to ¥71 million, whereas Commission on bonds fell 18.4%, to ¥161 million.

(iii) Fee for offering, secondary distribution and solicitation for selling and others for professional investors:

Fee for offering, secondary distribution and solicitation for selling and others for professional investors totaled ¥6,460 million, a decrease of 26.1%. Fees from beneficiary certificates under this category decreased 26.0%, to ¥6,440 million due to weaker growth in the sales of investment trusts as a whole, although sales were robust with regard to funds for investment in high-yield bonds in U.S. dollars issued mainly by Asian enterprises other than Japan as well as funds for investment in Japanese stock.

(iv) Other fees received:

Other fees earned under this category increased 2.0%, to ¥3,189 million, out of which agency commissions

from beneficiary certificates reached ¥2,386 million, an increase of 2.8%.

(Net trading income)

Trading of stocks for the period under review posted a profit of ¥7,507 million, an increase of 21.4%, which was mainly attributable to the trading of foreign stocks centering on U.S. stock. Trading of bonds and forex recorded a profit of ¥8,512 million, a decrease of 8.9%, due to a decrease in trading of foreign currency-denominated bonds and structured bonds, etc. As a result, Net trading income totaled ¥16,020 million, an increase of 3.1%.

(Net financial revenue)

Financial revenue for the period under review was ¥1,592 million, down 12.4%. Meanwhile, Financial expenses decreased 25.9%, to ¥582 million, resulting in Net financial revenue of ¥1,009 million, down 2.2%.

(Selling, general and administrative expenses)

Under selling, general and administrative expenses for the period, Trading related expenses increased 18.5%, to ¥6,322 million, due to excessive broker commissions paid to partner securities firms in line with increases in the sales of foreign bonds; Personal expenses decreased 6.1%, to ¥12.8 billion; Real estate expenses dropped 0.5%, to ¥2,973 million; Office cost increased 10.3%, to ¥3,287 million; and Depreciation rose 1.0%, to ¥919 million.

As a result, total Selling, general and administrative expenses were ¥27,589 million, up 2.4%.

(Non-operating income and expenses)

Non-operating income for the period under review was ¥1,681 million, down 2.6%. The primary contributory factors were decreases in Dividends income by 25.3%, to ¥341 million, and Equity in earnings of affiliates by 4.1%, to ¥714 million, despite a 194.9% increase in Gain on investments in partnership, to ¥256 million.

(Extraordinary income and loss)

Gain on sales of investment securities of ¥1,471 million was posted under Extraordinary income for the period under review.

(2) Review of the Financial Position

(Assets)

Total assets as of the end of the period increased ¥153,168 million (from the end of the previous consolidated fiscal year; hereinafter, the same shall apply), to ¥611,275 million, out of which Current assets increased ¥153,676 million, to ¥569,004 million. This was primarily attributable on the one hand to increases of ¥8,900 million in Cash segregated as deposits, to ¥35,167 million, ¥47,441 million in Trading products (assets), to ¥245,495 million, and ¥20,640 million in Trade date accrual, turning from liabilities to assets, and ¥20,435 million in Margin transaction assets, to ¥59,194 million, and on the other hand to a decrease of ¥12,260 million in Cash and deposits, to ¥44,268 million. Noncurrent assets decreased ¥507 million, to ¥42,271 million, primarily reflecting a decrease of ¥491 million in Investment securities, to ¥26,295 million due to sale, etc.

(Liabilities)

Total liabilities as of the end of the period increased ¥154,924 million, to ¥455,679 million, out of which Current liabilities increased ¥156,801 million, to ¥439,788 million. This was mainly attributable on the one hand to increases of ¥100,584 million in Trading products (liabilities), to ¥170,710 million, ¥59,877 million in Loans payable secured by securities, to ¥64,683 million, and ¥13,215 million in Deposits received, to ¥37,684 million, and on the other hand to decreases of ¥10,901 million in Trade date accrual, turning from liabilities to assets, and ¥5,010 million in Current portion of bonds payable, to ¥32,690 million. Noncurrent liabilities decreased ¥1,925 million, to ¥15,453 million, mainly reflecting a decrease of ¥1,393 million in Bonds payable, to ¥4,710 million.

(Net assets)

Total net assets as of the end of the period decreased ¥1,756 million, to ¥155,595 million. This was mainly attributable on the one hand to the increases of ¥2,522 million in Retained earnings, to ¥84,662 million, and ¥2,780 million in Treasury stock (resulting in a decrease in net assets) to negative ¥6,419 million following the purchase of treasury stock according to the resolution made by the Board of Directors, and on the other hand to a decrease of ¥968 million in Valuation difference on available-for-sale securities, to ¥3,010 million.

(3) Explanation of Forecasts such as Consolidated Financial Forecasts

The Company operates principally in the financial instruments business, and its operating results are likely to be affected by market fluctuations. Because of the nature of its business and the consequent difficulty in predicting its future performance, the Company does not disclose forecasts of operating results.

2. Summary Information (*Notes)

(1) Changes in Significant Subsidiaries during the Second Quarter Ended September 30, 2015

Not applicable.

(2) Application of Special Accounting Methods Peculiar to the Preparation of Quarterly Financial Statements

Not applicable.

(3) Changes in Accounting Principles and Estimates, and Retrospective Restatement

(Changes in Accounting Principles)

The “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, September 13, 2013; hereinafter, the “Accounting Standard for Business Combinations”), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; hereinafter, the “Accounting Standard for Consolidated Financial Statements”), and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter, the “Accounting Standard for Business Divestitures”) have been applied from the beginning of the first quarter ended June 30, 2015. Under these accounting standards, the method of recording the amount of difference caused by changes in the Company’s equity shares in subsidiaries, which the Company continues to control, was changed to one in which it is recorded as Capital surplus. The method of recording acquisition-related costs was also changed to one in which they are recognized as expenses in the fiscal year in which they are incurred. In addition, for business combinations carried out on or after the beginning of the first quarter ended June 30, 2015, the accounting method was changed to one in which the allocation of acquisition costs arising from the finalization of the provisional accounting treatment is reflected in the consolidated financial statements for the quarter in which the business combination took place. Furthermore, the presentation method for Net income was changed to Profit and the presentation of Minority interests was changed to Non-controlling interests. To reflect the relevant changes, the consolidated financial statements for the first six months of the previous fiscal year and for the previous fiscal year were restated.

The Company adopted the Accounting Standards for Business Combinations, etc., from the beginning of the first quarter ended June 30, 2015, following transitional treatment as stipulated in Article 58-2 (4) of Accounting Standard for Business Combinations, Article 44-5 (4) of Accounting Standard for Consolidated Financial Statements, and Article 57-4 (4) of Accounting Standard for Business Divestitures.

The impact of the adoption of these accounting standards on quarterly financial statements for the first six months ended September 30, 2015, is immaterial.

3. 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

(3) Notes to Quarterly Consolidated Financial Statements
(Notes on Going Concern Assumption)
Not applicable

(Notes for Material Changes in Shareholders' Equity)

The Company made a resolution at the Board of Directors' meetings held on July 31, 2015 to repurchase the Company's own shares based on the provisions set forth in Article 156 of the Companies Act, as applied by replacing certain items thereof, in accordance with Article 165 Section 3 of the Companies Act, and purchased 3,000,000 shares (purchase price: ¥2,822 million) of the Company. As a result, treasury stock increased ¥2,780 million during the first six-month period of the consolidated fiscal year ending March 31, 2016.

4. 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