

**Consolidated Financial Summary (for the three months ended June 30, 2016)**

July 29, 2016

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: August 9, 2016  
 Scheduled day of commencing dividend payment: —  
 Quarterly earnings supplementary explanatory documents: Available  
 Quarterly results briefing planned: None

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

**1. Consolidated Financial Results for the Three Months Ended June 30, 2016****(1) Consolidated Results of Operation**

(Figures in percentages denote the year-on-year change.)

	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	%
Three months ended										
June 30, 2016	14,642	(29.3)	14,289	(29.9)	1,099	(81.0)	1,512	(77.2)	1,455	(71.8)
June 30, 2015	20,702	7.5	20,395	8.0	5,797	10.6	6,625	5.6	5,155	20.7

(Note) Comprehensive income Three-month period ended June 30, 2016: (19) million yen [—%]  
 Three-month period ended June 30, 2015: 7,559 million yen [82.8%]

	Net income per share	Diluted net income per share
	yen	yen
Three months ended		
June 30, 2016	5.52	5.52
June 30, 2015	19.33	19.30

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio	Net assets per share
	million yen	million yen	%	yen
As of				
June 30, 2016	641,555	150,996	23.2	566.70
March 31, 2016	568,548	155,204	26.9	580.16

(Reference) Shareholders' equity June 30, 2016: 148,982 million yen March 31, 2016: 153,089 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, 2016	—	14.00	—	14.00	28.00
Ending March 31, 2017	—				
Ending March 31, 2017 (Forecast)		—	—	—	—

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

2) Dividend forecast for the fiscal year ending March 31, 2017 has not been determined.

**3. Forecast of Consolidated Operating Results for Fiscal 2016 (from April 1, 2016 to March 31, 2017)**

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 June 30, 2016:	280,582,115	As of March 31, 2016:	280,582,115
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2) Number of treasury stock at the end of the term (shares)

As of June 30, 2016:	17,686,798	As of March 31, 2016:	16,706,568
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3) Average number of shares outstanding (for the three months)

Three months ended June 30, 2016:	263,553,041	Three months ended June 30, 2015:	266,737,053
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\* 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, 2017 have not been determined because it is difficult to forecast operating results, as described similarly in "3.Forecast of Consolidated Operating Results for Fiscal 2016."

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## 1. Qualitative Information for the First Quarter Ended June 30, 2016

### (1) Review of Operating Results

**Japanese Economy** During the first three months of the consolidated fiscal year ending March 31, 2017 (April 1 to June 30, 2016), the economy showed a slight deceleration affected by the decline in stock markets and rising yen that had continued since the beginning of the year. Particularly, the corporate sector showed clear deterioration as attested by significantly worsened business confidence in the March *Tankan* Survey (a short-term economic survey of enterprises in Japan) that the Bank of Japan announced on April 1. The household sector also showed rising tendency to withhold consumption amid concerns about the future. Furthermore, inbound tourism consumption by foreigners also sharply declined as the higher yen steeply reduced the per tourist spending. In response to such development, Prime Minister Abe announced that he would mobilize all possible economic measures, and declared on June 1 the further postponement of the consumption tax hike of which enforcement had been slated for April 2017 now to October 2019.

**Looking Abroad** The overall economic trend indicated further stagnation. In the United States, in general, economy maintained a robust tone, but the pace of employment growth slowed down, suggesting that 7-year long economic expansion was finally losing its steam. While China and emerging countries dragged stagnant mood from the previous year, the UK's decision to leave EU most remarkably cast the cloud of uncertainty spreading over the European economy

**Japanese Stock Market** The Nikkei Stock Average started in the ¥16,700 level in April, climbed temporarily to just over ¥17,600, but then the following turn of events reversed the trend.; The Bank of Japan's decision on April 28 to shelve the implementation of additional monetary easing measures, Unexpectedly significant breakthrough by Mr. Donald Trump as the U.S. presidential candidate of the Republican Party, Receded likelihood of an additional interest rate hike by the FRB (Federal Reserve Board), Appreciation of the yen due to buying as a risk-free asset. As a result, the Nikkei Stock Average recorded a low of the ¥14,800 level on June 24, immediately following the outcome of Brexit referendum decision and it closed June transactions at ¥15,575. The average daily transaction volume in the First Section of the Tokyo Stock Exchange during the subject three months (i.e. April through June) was ¥2,439.1 billion, falling below the ¥2,931.7 billion recorded during the same period last year.

**Japanese Bond Market** Starting at negative 0.04% in April, the yield on the 10-year JGB, the benchmark for long-term interest rates, continued to fall on the back of the appreciation of the yen, lower stock prices and the fallen long-term interest rates in the U.S., reaching negative 0.24% on June 29, and closed at negative 0.23% at the end of June.

**Foreign Exchange Market** The appreciation of the yen against the U.S. dollar continued, starting at the ¥112 level in April, temporarily reaching near ¥99 on June 24 before closing June transactions at the ¥103 level.

**Ambitious 5:** Since April 2012, the Group has been executing 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 introducing new service capabilities and expanding global network for better customer convenience to be offered while upholding its fundamental philosophy intact.

**Alliance Move:** As the fulfillment of domestic alliance strategies under the business plan, Tokai Tokyo Financial Holdings, Inc. ("the Company") established "Hokuhoku Tokai Tokyo Securities Preparation Co., Ltd." in April 2016 with the aim of creating a new securities firm through joint investment with Hokuhoku Financial Group, Inc.

Furthermore, the Company established "TOKAI TOKYO GLOBAL INVESTMENTS PTE. LTD." in Singapore in May for the purpose of improving the Group's both efficiency of investment management and the competence of proprietary investment operation.

The Company's consolidated operating results for the period were as follows:

(Commissions received)

During the period under review, total Commissions received decreased 34.2%, to ¥7,271 million (Percentage indicates a year-on-year change. The same shall apply hereinafter in this section (1).):

(i) Commission to consignees:

Total Commissions to consignees earned by the Group decreased 26.2%, to ¥3,748 million, out of which Commissions to consignees on stock were ¥3,454 million, a 28.7% decrease, due to a decline in transactions by individual investors. The value of stock brokered by Tokai Tokyo Securities, a subsidiary of the Company, decreased 10.9%, to ¥961.7 billion while the volume of stock brokered decreased 26.8%, to 1,020 million shares.

(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 ¥112 million, a 3.1% decrease, out of which Commission on stocks increased 87.0%, to ¥22 million, whereas Commission on bonds fell 13.6%, to ¥89 million.

(iii) Fee for offering, secondary distribution and solicitation for selling and others for professional investors:  
Fees for offering, secondary distribution and solicitation for selling and others for professional investors totaled ¥1,848 million, a decrease of 56.7%. Fees from beneficiary certificates under this category decreased 57.5%, to ¥1,810 million due to a decrease in sales of investment trusts.

(iv) Other fees received:

Other fees earned under this category decreased 1.2%, to ¥1,561 million, whereas agency commissions from investment trusts fell to ¥986 million, a decrease of 17.9%.

(Net trading income)

In the period under review, trading of stocks posted a profit of ¥1,246 million, a decrease of 74.2%, which was mainly attributable to the decrease of trading of foreign stock (centering on U.S. stocks). On the other hand, trading of bonds and forex including mainly trading of foreign currency-denominated bonds and structured bonds recorded a profit of ¥5,424 million, an increase of 39.4%. As a result, Net trading income totaled ¥6,671 million, a decrease of 23.5%.

(Net financial revenue)

In the period under review, Financial revenue was ¥699 million, down 25.3%. Financial expenses increased 15.1%, to ¥352 million, resulting in Net financial revenue of ¥346 million, down 45.0%.

(Selling, general and administrative expenses)

Under Selling, general and administrative expenses for the period under review, Trading related expenses decreased 22.4%, to ¥2,654 million, due to a decrease in broker commissions paid to JV securities firms in line with decreases in sales volume of foreign bonds; Personnel expenses decreased 13.4%, to ¥6,046 million reflecting a decrease in performance-linked compensation paid. On the other hand, Office cost increased 6.1%, to ¥1,675 million reflecting an increase in subcontracting costs of accounting systems, etc.; Depreciation increased 1.2%, to ¥454 million due to establishment of new branches, etc.; and Real estate expenses rose 9.4%, to ¥1,626 million. As a result, Selling, general and administrative expenses were ¥13,190 million, down 9.6%.

(Non-operating income and expenses)

Non-operating income for the period under review totaled ¥421 million, down 50.5%. The primary negative factors included a 83.3% decrease in Equity in earnings of affiliates, to ¥78 million, and a 26.1% decrease in Dividends income, to ¥141 million. Meanwhile, Non-operating expenses totaled ¥8 million, down 63.5%.

(Extraordinary income and loss)

Regarding Extraordinary income for the period under review, the primary positive contributing factor was ¥566 million in Gain on sales of investment securities.

As a result, Operating revenue for the period under review decreased 29.3%, to ¥14,642 million; Net operating revenue fell 29.9%, to ¥14,289 million; Operating income shrank 81.0%, to ¥1,099 million; Ordinary income declined 77.2%, to ¥1,512 million; and Profit attributable to owners of parent after deducting Income taxes dropped 71.8%, to ¥1,455 million.

## (2) Review of the Financial Statements

(Assets)

Total assets as of the end of the period increased ¥73,007 million (from the end of the previous consolidated fiscal year; the same shall apply in this section (2)), to ¥641,555 million, out of which Current assets increased ¥74,700 million, to ¥599,958 million. This was primarily attributable on the one hand to increases of ¥12,295 million in Trading products (assets) to ¥271,530 million and ¥69,780 million in Loans secured by securities to ¥203,823 million. On the other hand to decreases of ¥1,854 million in Cash and deposits to ¥43,349 million and ¥6,073 million in Margin transaction assets to ¥35,301 million. Noncurrent assets decreased ¥1,693 million, to ¥41,597 million.

Total assets as of the end of the period increased ¥73,007 million (from the end of the previous consolidated fiscal year; the same shall apply in this section (2)), to ¥641,555 million, out of which Current assets increased ¥74,700 million, to ¥599,958 million. This was primarily the result of the increases of ¥12,295 million in Trading products

(assets) to ¥271,530 million, and ¥69,780 million in Loans secured by securities to ¥203,823 million, offset by the decreases of ¥1,854 million in Cash and deposits to ¥43,349 million, ¥6,073 million in Margin transaction assets to ¥35,301 million. Noncurrent assets decreased ¥1,693 million, to ¥41,597 million.

(Liabilities)

Total liabilities as of the end of the period increased ¥77,214 million, to ¥490,559 million, out of which Current liabilities increased ¥71,276 million, to ¥459,935 million. This was mainly attributable on the one hand to an increase of ¥117,434 million in Trading products (liabilities), to ¥254,546 million, and on the other hand to decreases of ¥36,610 million in Loans payable secured by securities, to ¥31,928 million and ¥11,695 million in Trade date accrual (liabilities), to ¥3,566 million. Noncurrent liabilities increased ¥5,948 million, to ¥30,193 million reflecting an increase of ¥6,000 million in Long-term loans payable, to ¥25,700 million.

Total liabilities as of the end of the period increased ¥77,214 million, to ¥490,559 million, out of which Current liabilities increased ¥71,276 million, to ¥459,935 million. This was mainly the result of increases of ¥117,434 million in Trading products (liabilities), to ¥254,546 million, being offset by the decreases of ¥36,610 million in Loans payable secured by securities, to ¥31,928 million, and ¥11,695 million in Trade date accrual (liabilities), to ¥3,566 million. Noncurrent liabilities increased ¥5,948 million, to ¥30,193 million reflecting an increase of ¥6,000 million in Long-term loans payable, to ¥25,700 million.

(Net assets)

Total net assets as of the end of the period decreased ¥4,207 million, to ¥150,996 million. This was mainly the result of decreases of ¥2,238 million in Retained earnings, to ¥83,298 million and of ¥1,122 million in Valuation difference on available-for-sale securities, to ¥903 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 First Quarter Ended June 30, 2016

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)

Pursuant to an amendment to the Corporation Tax Act, the Company and its domestic consolidated subsidiaries have applied the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (Practical Issues Task Force (PITF) No.32, June 17, 2016) to the first quarter of the consolidated fiscal year under review, thereby changing the depreciation method for facilities attached to buildings and structures acquired on and after April 1, 2016 from the declining-balance method to the straight-line method.

The impact of the adoption of these accounting standards on quarterly financial statements for the first three months ended June 30, 2016, is immaterial.

(4) Additional Information

The “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Implementation Guidance No. 26, March 28, 2016) has been applied from the beginning of the first quarter of the consolidated fiscal year under review.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Unit: million yen)

	As of March 31, 2016	As of June 30, 2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	45,204	43,349
Cash segregated as deposits	28,711	29,006
Cash segregated as deposits for customers	27,905	28,301
Cash segregated as deposits for others	806	705
Trading products	259,234	271,530
Trading securities and other	255,620	263,902
Derivatives	3,613	7,628
Margin transaction assets	41,375	35,301
Loans on margin transactions	31,714	26,638
Cash collateral pledged for securities borrowing on margin transactions	9,660	8,662
Loans secured by securities	134,042	203,823
Cash collateral pledged for securities borrowed	134,042	203,823
Advances paid	76	100
Short-term guarantee deposits	11,696	12,202
Short-term loans receivable	115	143
Accrued income	1,944	1,706
Deferred tax assets	208	341
Other	2,680	2,478
Allowance for doubtful accounts	(31)	(26)
<b>Total current assets</b>	<b>525,258</b>	<b>599,958</b>
<b>Noncurrent assets</b>		
Property, plant and equipment	10,203	10,163
Intangible assets	2,426	2,451
Investments and other assets	30,660	28,982
Investment securities	25,071	23,359
Long-term guarantee deposits	2,089	2,095
Net defined benefit asset	2,697	2,770
Other	2,138	1,177
Allowance for doubtful accounts	(1,335)	(420)
<b>Total noncurrent assets</b>	<b>43,290</b>	<b>41,597</b>
<b>Total assets</b>	<b>568,548</b>	<b>641,555</b>

(Unit: million yen)

	As of March 31, 2016	As of June 30, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products	137,111	254,546
Trading securities and other	129,790	246,918
Derivatives	7,321	7,627
Trade date accrual	15,261	3,566
Margin transaction liabilities	5,708	6,476
Borrowings on margin transactions	3,733	4,650
Cash received for securities lending on margin transactions	1,975	1,825
Loans payable secured by securities	68,538	31,928
Cash received on debt credit transaction of securities	68,538	31,928
Deposits received	18,852	27,480
Guarantee deposits received	10,605	11,160
Short-term loans payable	81,052	74,589
Short-term bonds payable	9,800	10,300
Current portion of bonds	35,855	34,511
Income taxes payable	533	207
Provision for bonuses	1,721	694
Provision for directors' bonuses	41	12
Other	3,575	4,463
<b>Total current liabilities</b>	<b>388,658</b>	<b>459,935</b>
<b>Noncurrent liabilities</b>		
Bonds payable	1,950	1,730
Long-term loans payable	19,700	25,700
Deferred tax liabilities	470	834
Provision for directors' retirement benefits	83	97
Net defined benefit liability	465	471
Other	1,576	1,360
<b>Total noncurrent liabilities</b>	<b>24,245</b>	<b>30,193</b>
<b>Reserves under special laws</b>		
Reserve for financial products transaction liabilities	440	430
<b>Total reserves under special laws</b>	<b>440</b>	<b>430</b>
<b>Total liabilities</b>	<b>413,344</b>	<b>490,559</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	36,000	36,000
Capital surplus	33,473	33,472
Retained earnings	85,537	83,298
Treasury stock	(6,390)	(6,873)
<b>Total shareholders' equity</b>	<b>148,619</b>	<b>145,897</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,026	903
Foreign currency translation adjustment	(10)	(260)
Remeasurements of defined benefit plans	2,454	2,442
<b>Total accumulated other comprehensive income</b>	<b>4,469</b>	<b>3,085</b>
<b>Subscription rights to shares</b>	<b>327</b>	<b>362</b>
<b>Non-controlling interests</b>	<b>1,787</b>	<b>1,651</b>
<b>Total net assets</b>	<b>155,204</b>	<b>150,996</b>
<b>Total liabilities and net assets</b>	<b>568,548</b>	<b>641,555</b>



## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statements of Income

(Three months ended June 30)

(Unit: million yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
<b>Operating revenue</b>		
Commission received	11,046	7,271
Commission to consignees	5,078	3,748
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	116	112
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	4,270	1,848
Other fees received	1,581	1,561
Net trading income	8,719	6,671
Financial revenue	936	699
<b>Total operating revenue</b>	<b>20,702</b>	<b>14,642</b>
<b>Financial expenses</b>	<b>306</b>	<b>352</b>
<b>Net operating revenue</b>	<b>20,395</b>	<b>14,289</b>
<b>Selling, general and administrative expenses</b>		
Trading related expenses	3,419	2,654
Personal expenses	6,983	6,046
Real estate expenses	1,485	1,626
Office cost	1,578	1,675
Depreciation	448	454
Taxes and dues	233	266
Provision of allowance for doubtful accounts	0	—
Other	448	467
<b>Total selling, general and administrative expenses</b>	<b>14,597</b>	<b>13,190</b>
<b>Operating income</b>	<b>5,797</b>	<b>1,099</b>
<b>Non-operating income</b>		
Dividend income	191	141
Rent income	146	147
Share of profit of entities accounted for using equity method	465	78
Gain on investments in partnership	0	—
Other	47	55
<b>Total non-operating income</b>	<b>851</b>	<b>421</b>
<b>Non-operating expenses</b>		
Foreign exchange losses	22	—
Other	1	8
<b>Total non-operating expenses</b>	<b>23</b>	<b>8</b>
<b>Ordinary income</b>	<b>6,625</b>	<b>1,512</b>

(Unit: million yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
<b>Extraordinary income</b>		
Gain on sales of investment securities	794	566
Reversal of reserve for financial products transaction liabilities	—	10
<b>Total extraordinary income</b>	<b>794</b>	<b>576</b>
<b>Extraordinary loss</b>		
Loss on sales of investment securities	2	0
Loss on valuation of investment securities	—	0
Provision of reserve for financial products transaction liabilities	29	—
<b>Total extraordinary loss</b>	<b>31</b>	<b>0</b>
<b>Income before income taxes</b>	<b>7,388</b>	<b>2,088</b>
<b>Income taxes-current</b>	<b>890</b>	<b>4</b>
<b>Income taxes-deferred</b>	<b>1,211</b>	<b>717</b>
<b>Total income taxes</b>	<b>2,101</b>	<b>722</b>
<b>Profit</b>	<b>5,287</b>	<b>1,365</b>
<b>Profit (loss) attributable to non-controlling interests</b>	<b>131</b>	<b>(89)</b>
<b>Profit attributable to owners of the parent</b>	<b>5,155</b>	<b>1,455</b>

Consolidated Statements of Comprehensive Income  
(Three months ended June 30)

(Unit: million yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
<b>Profit</b>	5,287	1,365
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,413	(1,123)
Foreign currency translation adjustment	(82)	(249)
Remeasurements of defined benefit plans	(58)	(11)
Total other comprehensive income	2,272	(1,385)
<b>Comprehensive income</b>	7,559	(19)
<b>(Comprehensive income attributable to)</b>		
Owners of the parent	7,426	71
Non-controlling interests	132	(90)

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

(Notes for Material Changes in Shareholders' Equity)  
Not applicable

#### 4. Supplementary Information

##### (1) Breakdown of Commissions and Trading profit and loss

###### ① Commission received

###### ( i ) By item

(Unit: million yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Yr/Yr	
			Increase (Decrease)	% change
Commission to consignees	5,078	3,748	(1,329)	(26.2) %
Stocks	4,848	3,454	(1,393)	(28.7)
Bonds	7	7	(0)	(5.1)
Beneficiary certificates	222	286	64	28.8
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	116	112	(3)	(3.1)
Stocks	12	22	10	87.0
Bonds	103	89	(14)	(13.6)
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	4,270	1,848	(2,421)	(56.7)
Beneficiary certificates	4,258	1,810	(2,448)	(57.5)
Other fees received	1,581	1,561	(19)	(1.2)
Beneficiary certificates	1,201	986	(215)	(17.9)
<b>Total</b>	<b>11,046</b>	<b>7,271</b>	<b>(3,775)</b>	<b>(34.2)</b>

###### ( ii ) By product

(Unit: million yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Yr/Yr	
			Increase (Decrease)	% change
Stocks	4,868	3,492	(1,376)	(28.3) %
Bonds	125	136	11	9.5
Beneficiary certificates	5,683	3,083	(2,600)	(45.8)
Others	369	558	189	51.4
<b>Total</b>	<b>11,046</b>	<b>7,271</b>	<b>(3,775)</b>	<b>(34.2)</b>

###### ② Net trading income

(Unit: million yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016	Yr/Yr	
			Increase (Decrease)	% change
Stocks	4,828	1,246	(3,582)	(74.2) %
Bonds and Forex	3,890	5,424	1,534	39.4
<b>Total</b>	<b>8,719</b>	<b>6,671</b>	<b>(2,047)</b>	<b>(23.5)</b>

## (2) Comparative Quarterly Consolidated Statements of Income

(Unit: million yen)

	Fiscal 2015				Fiscal 2016
	1st quarter Apr. 1, 2015 - Jun. 30, 2015	2nd quarter Jul. 1, 2015 - Sep. 30, 2015	3rd quarter Oct. 1, 2015 - Dec. 31, 2015	4th quarter Jan. 1, 2016 - Mar. 31, 2016	1st quarter Apr. 1, 2016 - Jun. 30, 2016
Operating revenue					
Commission received	11,046	7,962	8,125	7,133	7,271
Commission to consignees	5,078	4,047	4,162	3,250	3,748
(Stocks)	4,848	3,694	3,757	2,849	3,454
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	116	116	323	327	112
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	4,270	2,190	2,026	1,994	1,848
(Beneficiary certificates)	4,258	2,181	2,013	1,983	1,810
Other fees received	1,581	1,607	1,613	1,560	1,561
(Beneficiary certificates)	1,201	1,184	1,124	1,009	986
Net trading income	8,719	7,300	7,576	6,732	6,671
(Stocks)	4,828	2,678	3,143	1,040	1,246
(Bonds and Forex)	3,890	4,621	4,433	5,692	5,424
Financial revenue	936	655	764	631	699
Total operating revenue	20,702	15,918	16,467	14,496	14,642
Financial expenses	306	276	406	317	352
Net operating revenue	20,395	15,642	16,060	14,179	14,289
Selling, general and administrative expenses					
Trading related expenses	3,419	2,903	2,794	2,675	2,654
Personal expenses	6,983	5,817	6,162	5,925	6,046
Real estate expenses	1,485	1,487	1,471	1,593	1,626
Office cost	1,578	1,709	1,650	1,743	1,675
Depreciation	448	470	466	462	454
Taxes and dues	233	217	216	223	266
Provision of allowance for doubtful accounts	0	8	(8)	—	—
Other	448	377	307	357	467
Total selling, general and administrative expenses	14,597	12,991	13,062	12,982	13,190
Operating income	5,797	2,650	2,997	1,196	1,099
Non-operating income	851	829	503	581	421
Share of profit of entities accounted for using equity method	465	248	242	(8)	78
Other	385	581	260	589	343
Non-operating expenses	23	43	7	36	8
Other	23	43	7	36	8
Ordinary income	6,625	3,436	3,493	1,742	1,512
Extraordinary income	794	677	761	450	576
Extraordinary loss	31	21	2	1	0
Income before income taxes	7,388	4,092	4,252	2,191	2,088
Income taxes-current	890	1,655	559	1,421	4
Income taxes-deferred	1,211	(254)	837	(885)	717
Profit	5,287	2,691	2,856	1,655	1,365
Profit (loss) attributable to non-controlling interests	131	(8)	62	(118)	(89)
Profit attributable to owners of the parent	5,155	2,700	2,793	1,773	1,455