

# Result Review on 1<sup>st</sup> Qtr of Fiscal 2018 that ends in March 2019

July 27, 2018

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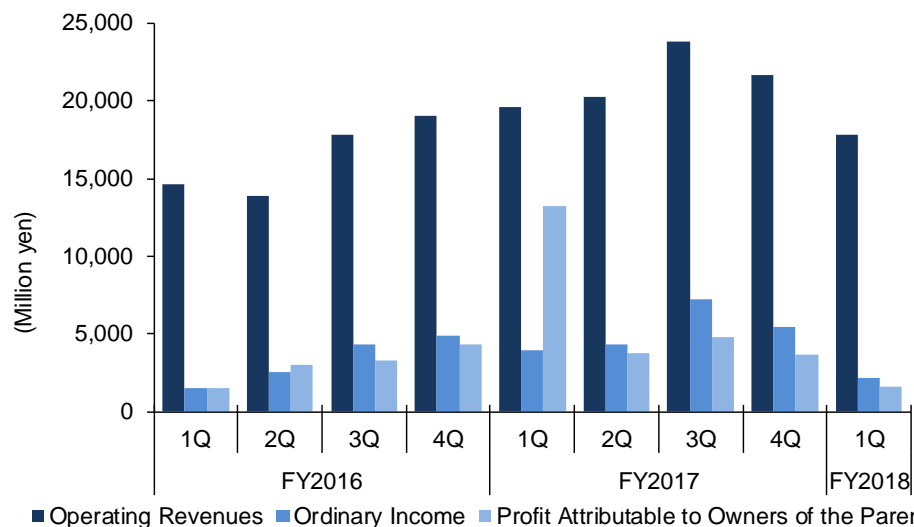
Note: At the end of the fiscal year ended March 31, 2018, the Company finalized provisional accounting treatment related to the business combination. The consolidated financial statements for the fiscal year ended March 31, 2018 reflect the finalized provisional accounting treatment.

# Overview of Consolidated Financial Results

# Financial Summary (Consolidated)

	FY2016				FY2017				(Million yen)	Q on Q =100	Y on Y =100
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY2018		
	Apr. - Jun. '16	Jul. - Sep. '16	Oct. - Dec. '16	Jan. - Mar. '17	Apr. - Jun. '17	Jul. - Sep. '17	Oct. - Dec. '17	Jan. - Mar. '18	Apr. - Jun. '18		
<b>Operating Revenues</b>	14,642	13,912	17,790	19,067	19,581	20,249	23,808	21,621	<b>17,855</b>	83	91
<b>Net Operating Revenue</b>	14,289	13,598	17,301	18,538	18,922	19,782	23,117	21,096	<b>17,244</b>	82	91
SG&A Expenses	13,190	12,921	13,521	14,596	15,802	16,107	16,828	16,734	<b>15,765</b>	94	100
<i>(Operating Revenues = 100)</i>	90	93	76	77	81	80	71	77	<b>88</b>	-	-
<b>Operating Income</b>	1,099	676	3,779	3,942	3,120	3,674	6,289	4,362	<b>1,479</b>	34	47
Non-operating Income	421	1,899	570	1,043	843	709	937	1,203	<b>735</b>	61	87
Non-operating Expenses	8	79	-4	79	32	68	13	85	<b>76</b>	89	238
<b>Ordinary Income</b>	1,512	2,496	4,354	4,906	3,931	4,315	7,213	5,480	<b>2,138</b>	39	54
<i>(Operating Revenues = 100)</i>	10	18	24	26	20	21	30	25	<b>12</b>	-	-
Extraordinary Income	576	1,335	88	935	11,161	524	39	316	<b>79</b>	25	1
Extraordinary Loss	0	-0	-0	9	177	22	108	932	<b>58</b>	6	33
<b>Income Before Income Taxes</b>	2,088	3,831	4,442	5,832	14,915	4,817	7,144	4,864	<b>2,159</b>	44	14
<i>(Operating Revenues = 100)</i>	14	28	25	31	76	24	30	22	<b>12</b>	-	-
Income Taxes - Current & Deferred	722	871	1,054	1,544	1,703	1,011	2,312	1,205	<b>557</b>	46	33
<b>Profit Attributable to Owners of the Parent</b>	1,455	2,973	3,262	4,299	13,198	3,764	4,790	3,643	<b>1,554</b>	43	12
<i>(Operating Revenues = 100)</i>	10	21	18	23	67	19	20	17	<b>9</b>	-	-

Note: At the end of the fiscal year ended March 31, 2018, the Company finalized provisional accounting treatment related to the business combination. The quarterly consolidated financial statements for the fiscal year ended March 31, 2018 reflect the finalized provisional accounting treatment.



## [Quarter on Quarter]

- Operating Revenues: ¥17,855 Mill., down 17% from the preceding quarter (QoQ)
- Profit Attributable to Owners of the Parent: ¥1,554 Mill., down 57% QoQ
- Recorded positive Ordinary Income consecutively for 31 quarters

## [Year on Year]

- Operating Revenues: down 9% from the preceding fiscal year (YoY)
- Profit Attributable to Owners of the Parent: down 88% YoY

# Operating Revenues (Consolidated)

[Quarter on Quarter]

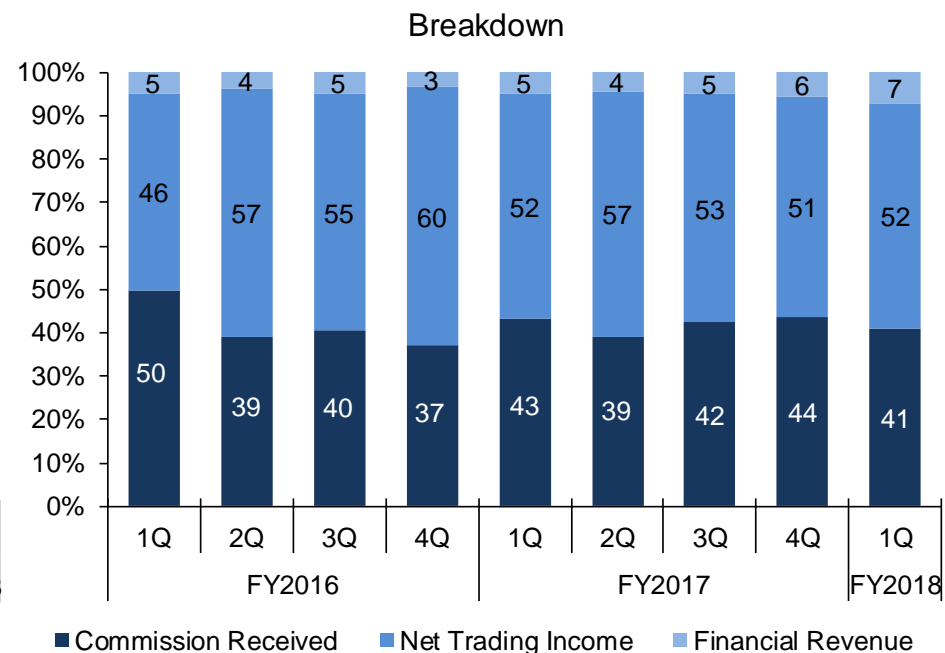
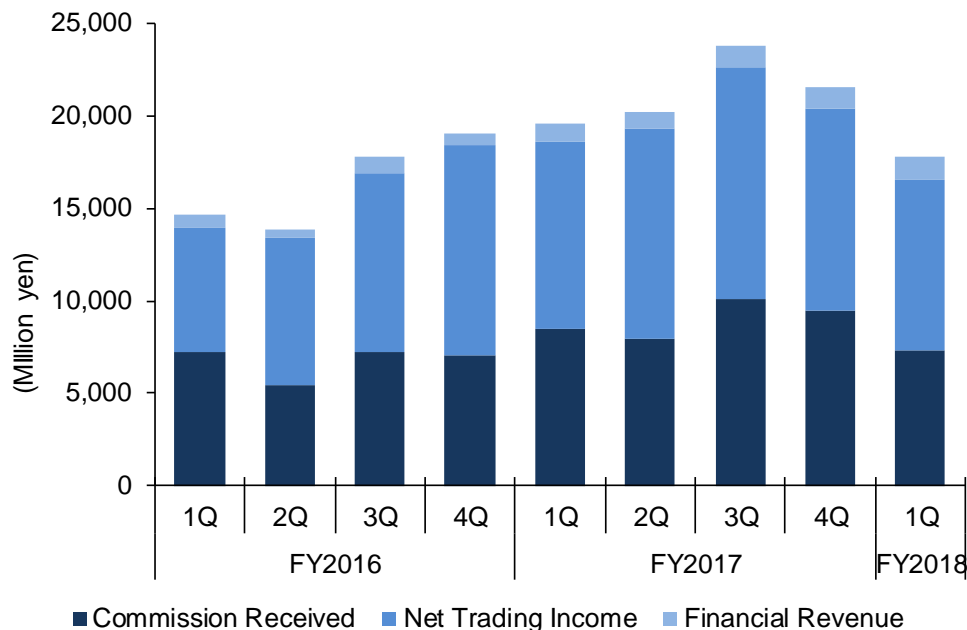
■ Commissions Received: ¥7,330 Mill., down 22% QoQ; Net Trading Income: ¥9,264Mill., down 15% QoQ

[Year on Year]

■ Commissions Received: down 13% YoY; Net Trading Income: down 9% YoY

(Million yen)

	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Commission Received	7,271	5,421	7,189	7,052	8,464	7,914	10,076	9,452	<b>7,330</b>	78	87
Net Trading Income	6,671	7,972	9,723	11,369	10,143	11,465	12,547	10,938	<b>9,264</b>	85	91
Financial Revenue	699	518	877	645	973	870	1,185	1,230	<b>1,260</b>	102	129
<b>Total Operating Revenue</b>	<b>14,642</b>	<b>13,912</b>	<b>17,790</b>	<b>19,067</b>	<b>19,581</b>	<b>20,249</b>	<b>23,808</b>	<b>21,621</b>	<b>17,855</b>	<b>83</b>	<b>91</b>



# Commission Received (Consolidated)

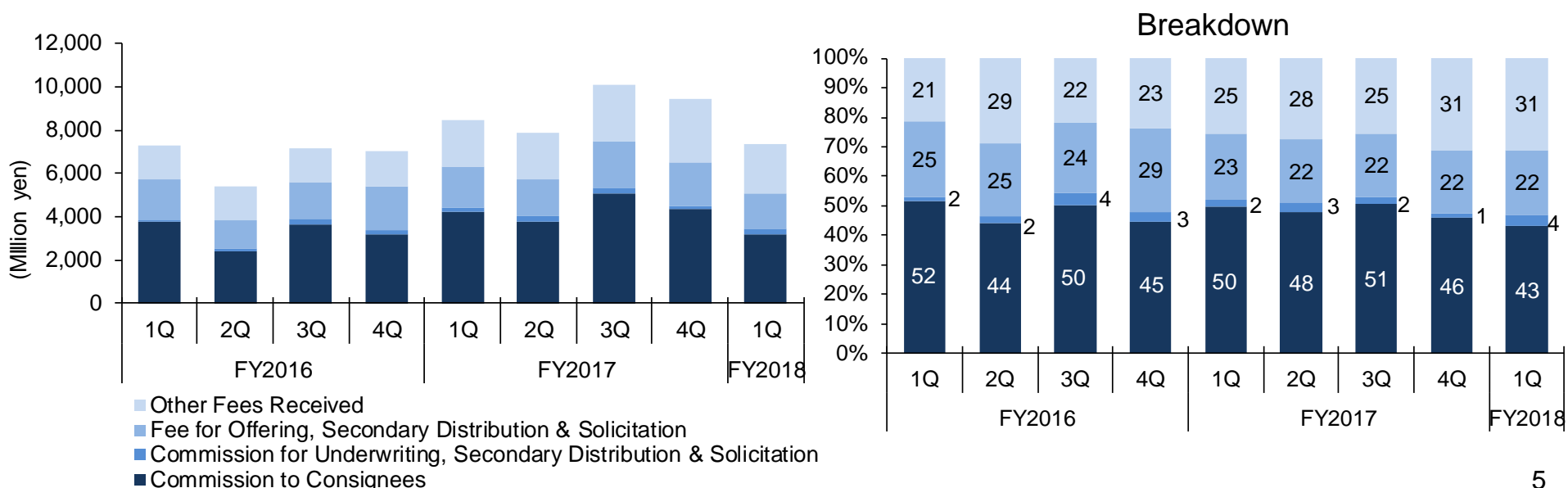
[Quarter on Quarter]

■ Commission to Consignees: ¥3,157 Mill., down 27% QoQ; Commission for Underwriting, Secondary Distribution & Solicitation: ¥1,595 Mill., down 22% QoQ; Other Fees Received: ¥2,278 Mill., down 22% QoQ;

[Year on Year]

■ Commission to Consignees: down 25% YoY; Commission for Underwriting, Secondary Distribution & Solicitation: down 16% YoY; Other Fees Received: up 6% YoY

	(Million yen)										
	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Commission to Consignees	3,748	2,402	3,624	3,154	4,198	3,792	5,089	4,334	<b>3,157</b>	73	75
Commission for Underwriting, Secondary Distribution & Solicitation	112	111	284	230	200	236	239	134	<b>299</b>	223	150
Fee for Offering, Secondary Distribution & Solicitation	1,848	1,336	1,720	2,010	1,909	1,705	2,179	2,050	<b>1,595</b>	78	84
Other Fees Received	1,561	1,570	1,559	1,657	2,156	2,178	2,567	2,933	<b>2,278</b>	78	106
<b>Commission Received</b>	<b>7,271</b>	<b>5,421</b>	<b>7,189</b>	<b>7,052</b>	<b>8,464</b>	<b>7,914</b>	<b>10,076</b>	<b>9,452</b>	<b>7,330</b>	<b>78</b>	<b>87</b>



# Net Trading Income (Consolidated)

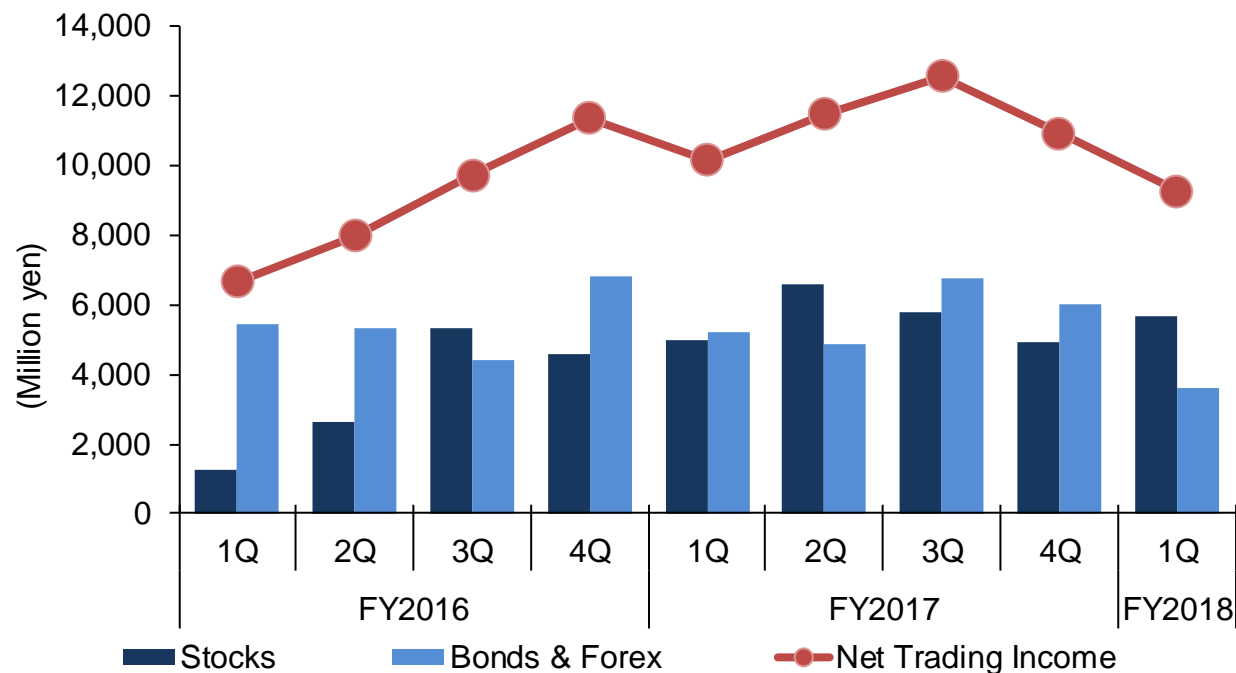
[Quarter on Quarter]

■ Net Trading Income on Trading of Stocks: ¥5,679 Mill., up 16% QoQ; Net Trading Income on Trading of Bonds & Forex: ¥3,584 Mill., down 41% QoQ

[Year on Year]

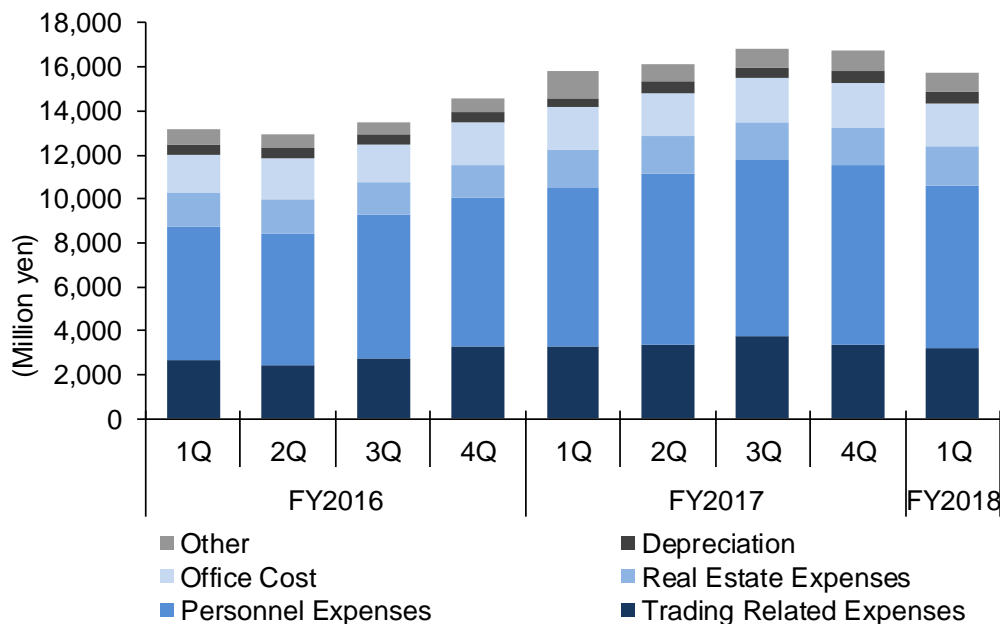
■ Net Trading Income on Trading of Stocks: up 15% YoY; Net Trading Income on Trading of Bonds & Forex: down 31% YoY

	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Stocks	1,246	2,644	5,319	4,567	4,953	6,600	5,767	4,905	<b>5,679</b>	116	115
Bonds & Forex	5,424	5,327	4,403	6,801	5,190	4,864	6,779	6,033	<b>3,584</b>	59	69
Net Trading Income	6,671	7,972	9,723	11,369	10,143	11,465	12,547	10,938	<b>9,264</b>	85	91



# Selling, General and Administrative Expenses (Consolidated)

	(Million yen)											Q on Q 4Q FY2017 =100	Y on Y 1Q FY2017 =100
	FY2016				FY2017				FY2018				
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q				
Trading Related Expenses	2,654	2,466	2,747	3,318	3,292	3,377	3,786	3,369	<b>3,183</b>		94	97	
Personnel Expenses	6,046	5,984	6,538	6,766	7,196	7,741	7,971	8,201	<b>7,422</b>		91	103	
Real Estate Expenses	1,626	1,503	1,461	1,480	1,715	1,718	1,694	1,668	<b>1,766</b>		106	103	
Office Cost	1,675	1,912	1,710	1,917	1,976	1,987	2,026	2,052	<b>1,945</b>		95	98	
Depreciation	454	430	446	440	424	505	468	545	<b>532</b>		98	125	
Other	734	623	616	673	1,196	776	880	896	<b>915</b>		102	77	
<b>Total SG&amp;A Expenses</b>	<b>13,190</b>	<b>12,921</b>	<b>13,521</b>	<b>14,596</b>	<b>15,802</b>	<b>16,107</b>	<b>16,828</b>	<b>16,734</b>	<b>15,765</b>		<b>94</b>	<b>100</b>	



## [Quarter on Quarter]

- SG&A Expenses: ¥15,765 Mill., down 6% QoQ.
- Trading Related Expenses: ¥3,183 Mill., down 6% QoQ
- Personnel Expenses: ¥7,422 Mill., down 9% QoQ

## [Year on Year]

- SG&A Expenses: virtually flat YoY
- Trading Related Expenses: down 3% YoY
- Personnel Expenses: up 3% YoY



# Non-operating Income & Expenses, Extraordinary Income & Loss

[Quarter on Quarter]

■ Non-operating Income: ¥735 Mill., down 39% QoQ

	(Million yen)										
	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Non-operating Income	421	1,899	570	1,043	843	709	937	1,203	<b>735</b>	61	87
Share of Profit of Entities Accounted for Using Equity Method	78	1,296	337	346	392	328	687	555	<b>325</b>	59	83
Other	343	602	233	697	451	380	249	648	<b>410</b>	63	91
Non-operating Expenses	8	79	-4	79	32	68	13	85	<b>76</b>	89	238

[Quarter on Quarter]

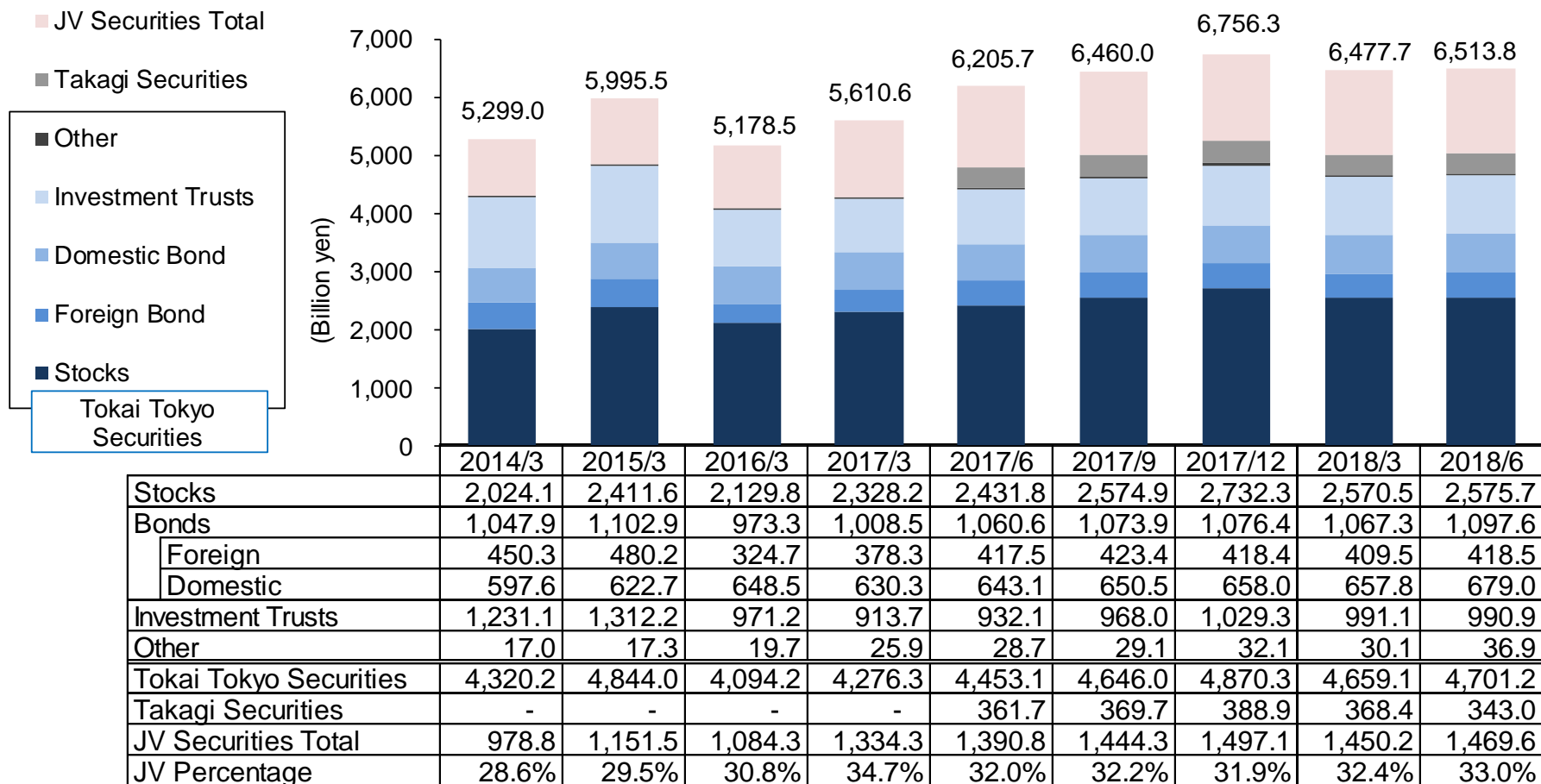
■ Extraordinary Income: ¥79 Mill., down 75% QoQ

	(Million yen)										
	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Extraordinary Income	576	1,335	88	935	11,161	524	39	316	<b>79</b>	25	1
Extraordinary Loss	0	-0	-0	9	177	22	108	932	<b>58</b>	6	33

# Asset under Custody

[Year on Year]

- The total volume of the Asset under Custody for Tokai Tokyo Securities was ¥4,701.2 billion, up 6% YoY
- The total volume of the Asset under Custody for all the JVs combined was ¥1,469.6 billion, up 6% YoY



\* JV Securities : YM Securities, Hamagin Tokai Tokyo Securities, Nishi-Nippon City Tokai Tokyo Securities, Senshu Ikeda Tokai Tokyo Securities, Hokuhoku Tokai Tokyo Securities, and Utsunomiya Securities (all equity method affiliates)

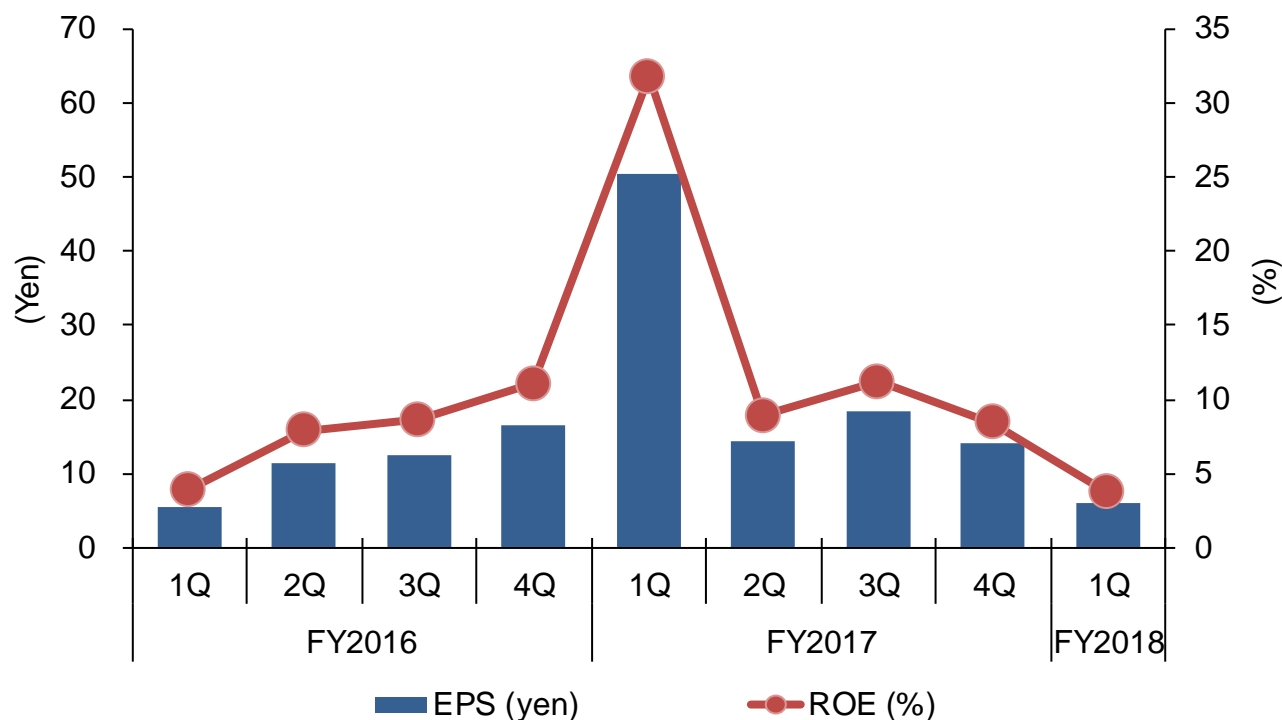
\* JV Percentage: Percentage of JV for retail business

# Performance Indicators (Consolidated)

	FY2016				FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
EPS (yen)	5.52	11.32	12.44	16.40	50.43	14.38	18.32	14.03	<b>6.02</b>
BPS (yen)	566.70	574.26	576.97	593.47	633.91	646.96	653.11	668.18	<b>648.49</b>
ROE (%)	3.9	7.9	8.6	11.1	31.8	8.9	11.2	8.4	<b>3.7</b>
Dividend Per Share (Yen)	-	12.00	-	14.00	-	14.00	-	24.00	-

\*ROE is annualized

Note: At the end of the fiscal year ended March 31, 2018, the Company finalized provisional accounting treatment related to the business combination. The quarterly consolidated financial statements for the fiscal year ended March 31, 2018 reflect the finalized provisional accounting treatment.



# Balance Sheet (Consolidated)

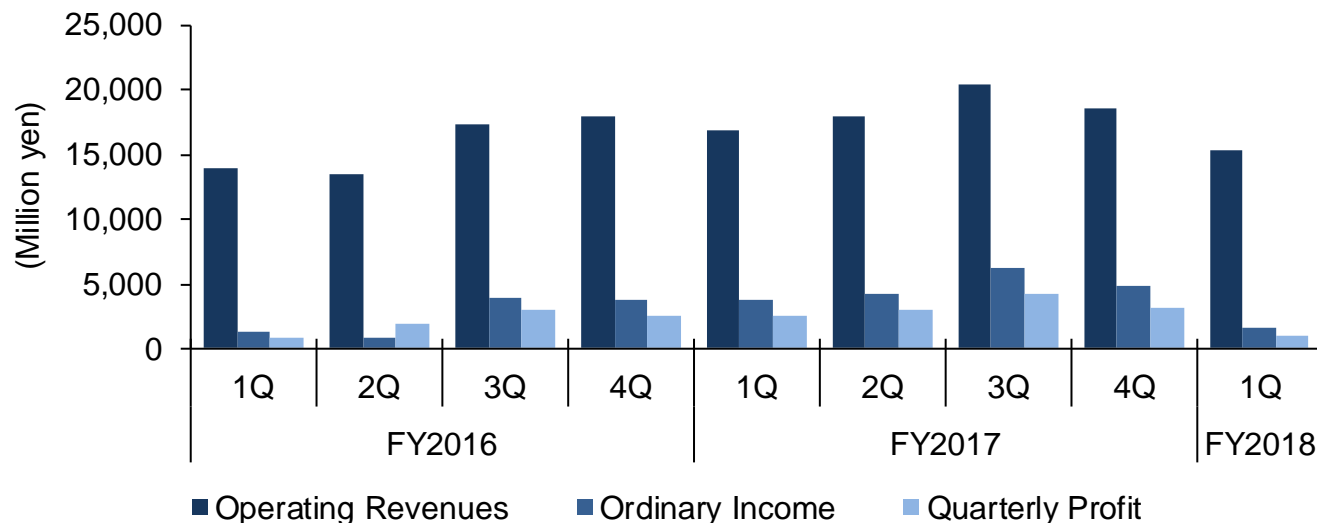
(Million yen)	As of Mar 31, 2018	As of <b>Jun 30, 2018</b>	Increase (Decrease)
<b>Current Assets</b>	902,103	<b>939,137</b>	37,034
Cash & Deposits	90,594	<b>48,648</b>	-41,946
Cash Segregated as Deposit	45,830	<b>49,730</b>	3,900
Trading Products	388,099	<b>512,061</b>	123,962
Margin Transaction Assets	57,297	<b>57,752</b>	455
Loans Secured by Securities	289,117	<b>241,027</b>	-48,090
Other	31,164	<b>29,917</b>	-1,247
<b>Non-current Assets</b>	62,429	<b>66,310</b>	3,881
Property, Plant & Equipment	8,127	<b>8,044</b>	-83
Intangible Assets	5,486	<b>5,381</b>	-105
Investments & Other Assets	48,815	<b>52,884</b>	4,069
Investment Securities	40,969	<b>45,204</b>	4,235
Net Defined Benefit Asset	3,542	<b>3,561</b>	19
Other	4,302	<b>4,118</b>	-184
<b>Total Assets</b>	964,533	<b>1,005,448</b>	40,915

	As of Mar 31, 2018	As of <b>Jun 30, 2018</b>	Increase (Decrease)
<b>Current Liabilities</b>	704,507	<b>749,276</b>	44,769
Trading Products	281,709	<b>218,435</b>	-63,274
Trade Date Accrual	21,952	<b>66,111</b>	44,159
Margin Transaction Liabilities	19,413	<b>16,791</b>	-2,622
Loans Payable Secured by Securities	197,538	<b>247,640</b>	50,102
Deposits Received	35,794	<b>46,954</b>	11,160
Guarantee Deposits Received	12,794	<b>13,365</b>	571
Short-term Loans Payable	78,752	<b>86,419</b>	7,667
Short-term Bonds Payable	12,000	<b>16,000</b>	4,000
Current Portion of Bonds	29,594	<b>30,199</b>	605
Provision for Bonuses	3,283	<b>1,037</b>	-2,246
Other	11,673	<b>6,321</b>	-5,352
<b>Non-current Liabilities</b>	84,564	<b>85,727</b>	1,163
Bonds Payable	16,200	<b>17,150</b>	950
Long-term Loans Payable	64,906	<b>64,767</b>	-139
Deferred Tax Liabilities	1,716	<b>2,086</b>	370
Provision for Directors' Retirement Benefits	63	<b>80</b>	17
Net Defined Benefit Liability	208	<b>206</b>	-2
Other	1,468	<b>1,436</b>	-32
<b>Reserves under Special Laws</b>	611	<b>617</b>	6
<b>Total Liabilities</b>	789,683	<b>835,622</b>	45,939
<b>Net Assets</b>	174,849	<b>169,825</b>	-5,024
Shareholders' Equity	167,531	<b>162,885</b>	-4,646
Accumulated other Comprehensive Income	5,097	<b>4,655</b>	-442
Subscription Rights to Shares	556	<b>581</b>	25
Minority Interests	1,664	<b>1,703</b>	39
<b>Total Liabilities &amp; Net Assets</b>	964,533	<b>1,005,448</b>	40,915

# Overview of Tokai Tokyo Securities

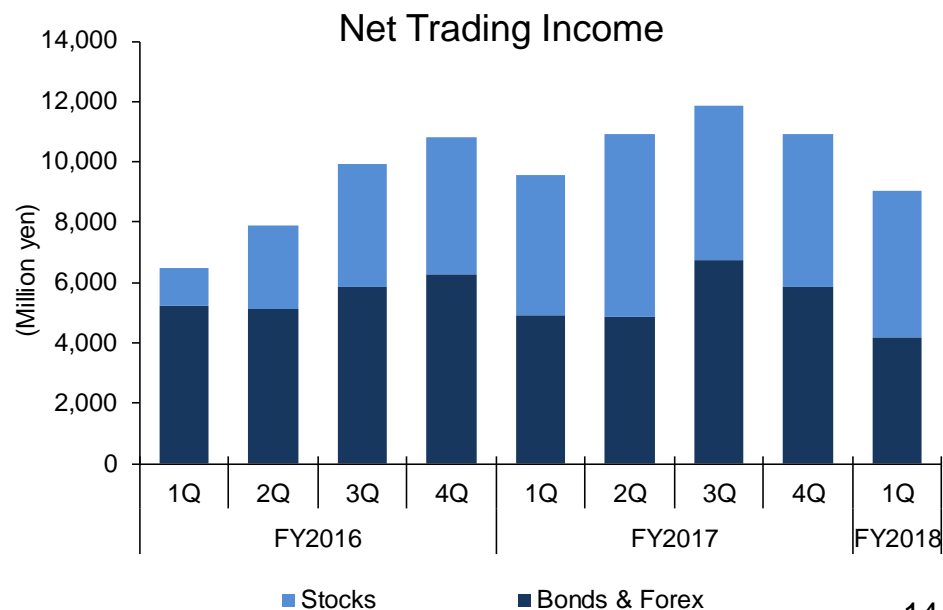
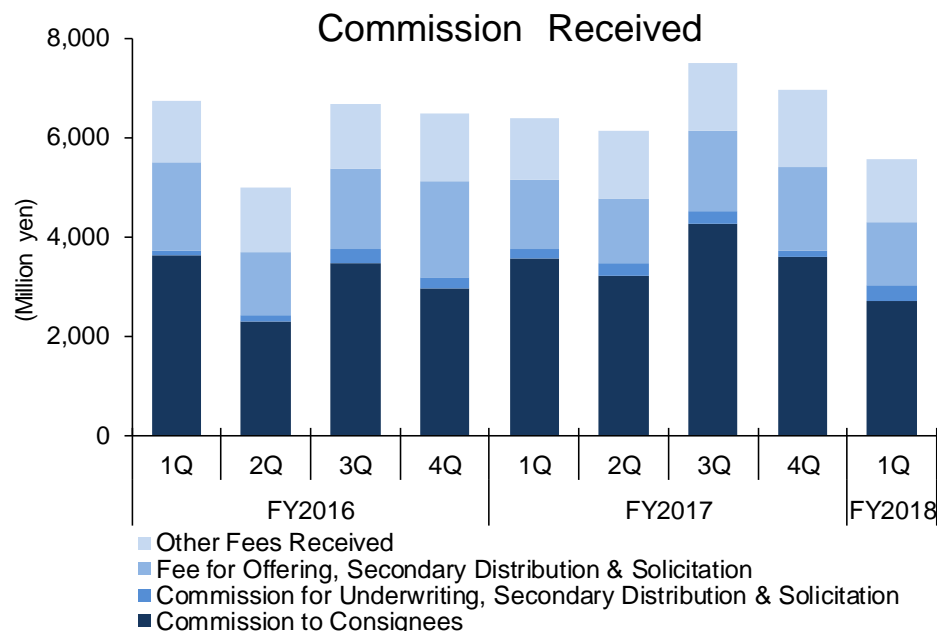
# Financial Summary

	(Million yen)									Q on Q	Y on Y
	FY2016				FY2017				FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q		
Apr. - Jun. '16	Jul. - Sep. '16	Oct. - Dec. '16	Jan. - Mar. '17	Apr. - Jun. '17	Jul. - Sep. '17	Oct. - Dec. '17	Jan. - Mar. '18	Apr. - Jun. '18	4Q FY2017 =100	1Q FY2017 =100	
<b>Operating Revenues</b>	13,953	13,400	17,302	17,873	16,874	17,890	20,346	18,567	<b>15,374</b>	83	91
<b>Net Operating Revenue</b>	13,306	12,773	16,528	17,133	16,061	17,177	19,485	17,873	<b>14,577</b>	82	91
SG&A Expenses	12,194	11,991	12,674	13,422	12,381	13,026	13,285	13,185	<b>13,099</b>	99	106
<i>(Operating Revenues = 100)</i>	87	89	73	75	73	73	65	71	<b>85</b>	-	-
<b>Operating Income</b>	1,112	782	3,853	3,710	3,680	4,151	6,200	4,687	<b>1,477</b>	32	40
Non-operating Income	130	133	139	121	138	134	109	112	<b>123</b>	110	89
Non-operating expenses	6	0	1	9	7	1	1	11	<b>3</b>	27	43
<b>Ordinary Income</b>	1,236	915	3,991	3,823	3,811	4,284	6,307	4,788	<b>1,598</b>	33	42
<i>(Operating Revenues = 100)</i>	9	7	23	21	23	24	31	26	<b>10</b>	-	-
Extraordinary Income	7	1,417	-0	-7	-	-	-	-	-	-	-
Extraordinary Loss	-	-	-	11	-	-	79	201	<b>6</b>	3	-
<b>Income Before Income Taxes</b>	1,243	2,333	3,991	3,803	3,811	4,284	6,228	4,587	<b>1,592</b>	35	42
<i>(Operating Revenues =100)</i>	9	17	23	21	23	24	31	25	<b>10</b>	-	-
Income Taxes - Current & Deferred	416	339	936	1,249	1,227	1,334	2,029	1,407	<b>546</b>	39	44
<b>Quarterly Profit</b>	827	1,993	3,055	2,554	2,584	2,950	4,198	3,179	<b>1,045</b>	33	40
<i>(Operating Revenues =100)</i>	6	15	18	14	15	16	21	17	<b>7</b>	-	-



# Operating Revenues

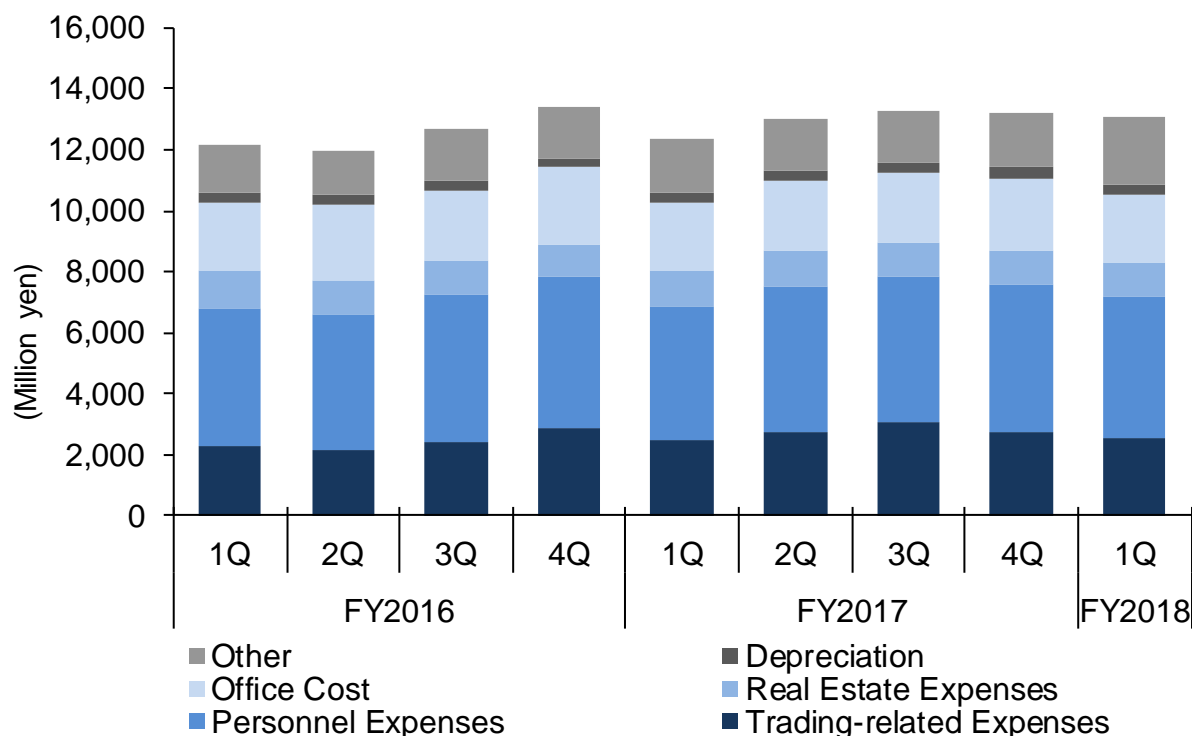
	(Million yen)										Q on Q 4Q FY2017 =100	Y on Y 1Q FY2017 =100
	FY2016				FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q			
Commission Received	6,748	4,984	6,670	6,497	6,411	6,144	7,502	6,965	<b>5,577</b>		80	87
Commission to Consignees	3,617	2,307	3,479	2,965	3,554	3,235	4,280	3,605	<b>2,723</b>		76	77
Commission for Underwriting, Secondary Distribution & Solicitation	111	108	283	229	195	228	237	133	<b>296</b>		223	152
Fee for Offering, Secondary Distribution & Solicitation	1,776	1,283	1,628	1,916	1,415	1,309	1,610	1,687	<b>1,288</b>		76	91
Other Fees Received	1,243	1,285	1,278	1,386	1,246	1,370	1,374	1,539	<b>1,268</b>		82	102
Net Trading Income	6,511	7,901	9,935	10,825	9,567	10,924	11,842	10,942	<b>9,056</b>		83	95
Stocks	1,288	2,757	4,057	4,536	4,662	6,069	5,102	5,098	<b>4,893</b>		96	105
Bonds & Forex	5,222	5,144	5,877	6,289	4,904	4,856	6,739	5,844	<b>4,162</b>		71	85
Financial Revenue	693	514	696	550	895	821	1,001	659	<b>741</b>		112	83
<b>Total Operating Revenue</b>	<b>13,953</b>	<b>13,400</b>	<b>17,302</b>	<b>17,873</b>	<b>16,874</b>	<b>17,890</b>	<b>20,346</b>	<b>18,567</b>	<b>15,374</b>		<b>83</b>	<b>91</b>



# Selling, General and Administrative Expenses

(Million yen)

	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Trading-related Expenses	2,304	2,184	2,384	2,896	2,513	2,722	3,080	2,723	<b>2,569</b>	94	102
Personnel Expenses	4,476	4,406	4,866	4,927	4,366	4,813	4,740	4,877	<b>4,591</b>	94	105
Real Estate Expenses	1,243	1,152	1,114	1,086	1,140	1,134	1,116	1,090	<b>1,154</b>	106	101
Office Cost	2,255	2,469	2,309	2,508	2,277	2,287	2,292	2,356	<b>2,237</b>	95	98
Depreciation	324	305	315	300	294	378	331	372	<b>339</b>	91	115
Other	1,589	1,473	1,684	1,703	1,787	1,688	1,725	1,765	<b>2,207</b>	125	124
<b>Total SG&amp;A Expenses</b>	<b>12,194</b>	<b>11,991</b>	<b>12,674</b>	<b>13,422</b>	<b>12,381</b>	<b>13,026</b>	<b>13,285</b>	<b>13,185</b>	<b>13,099</b>	<b>99</b>	<b>106</b>



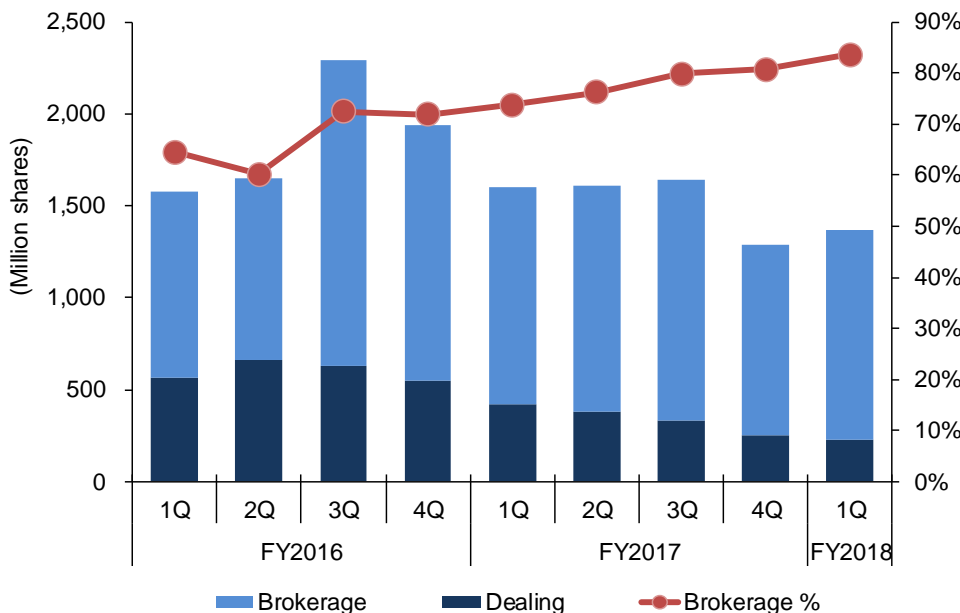


# Stock Trading Volume and Amount

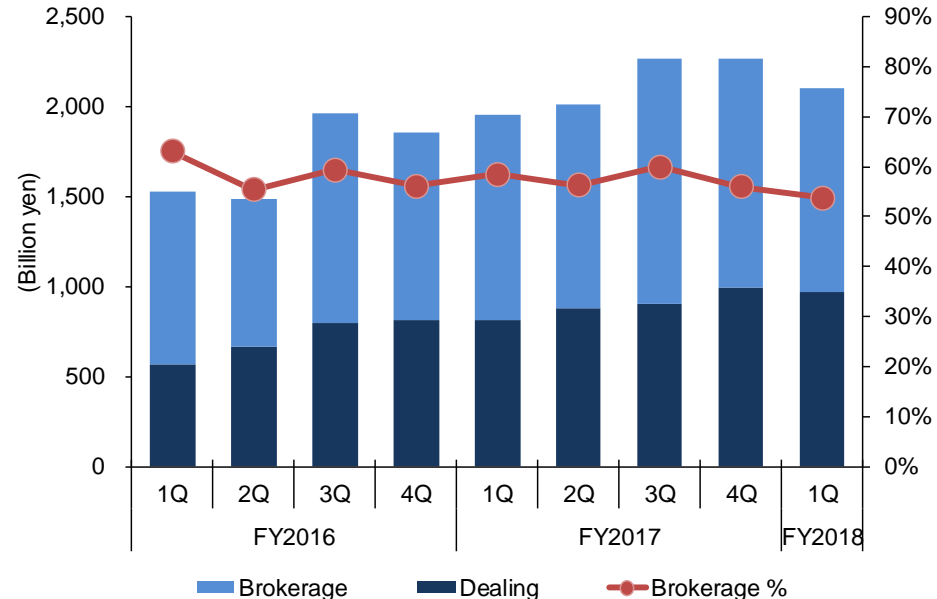
(Million shares, Million yen)

	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Number of Shares	1,581	1,651	2,289	1,935	1,606	1,610	1,646	1,287	<b>1,369</b>	106	85
Dealing	561	658	631	545	421	383	332	248	<b>225</b>	91	53
Brokerage	1,020	993	1,657	1,390	1,184	1,226	1,313	1,039	<b>1,143</b>	110	97
Brokerage %	65%	60%	72%	72%	74%	76%	80%	81%	<b>84%</b>	-	-
Amount	1,525,327	1,491,097	1,962,365	1,858,372	1,954,548	2,010,230	2,271,416	2,266,150	<b>2,101,099</b>	93	107
Dealing	563,596	664,606	796,887	816,435	811,705	878,178	908,354	997,747	<b>972,158</b>	97	120
Brokerage	961,730	826,491	1,165,478	1,041,937	1,142,843	1,132,051	1,363,061	1,268,403	<b>1,128,940</b>	89	99
Brokerage %	63%	55%	59%	56%	58%	56%	60%	56%	<b>54%</b>	-	-

Number of Shares



Amount



# Foreign Stocks

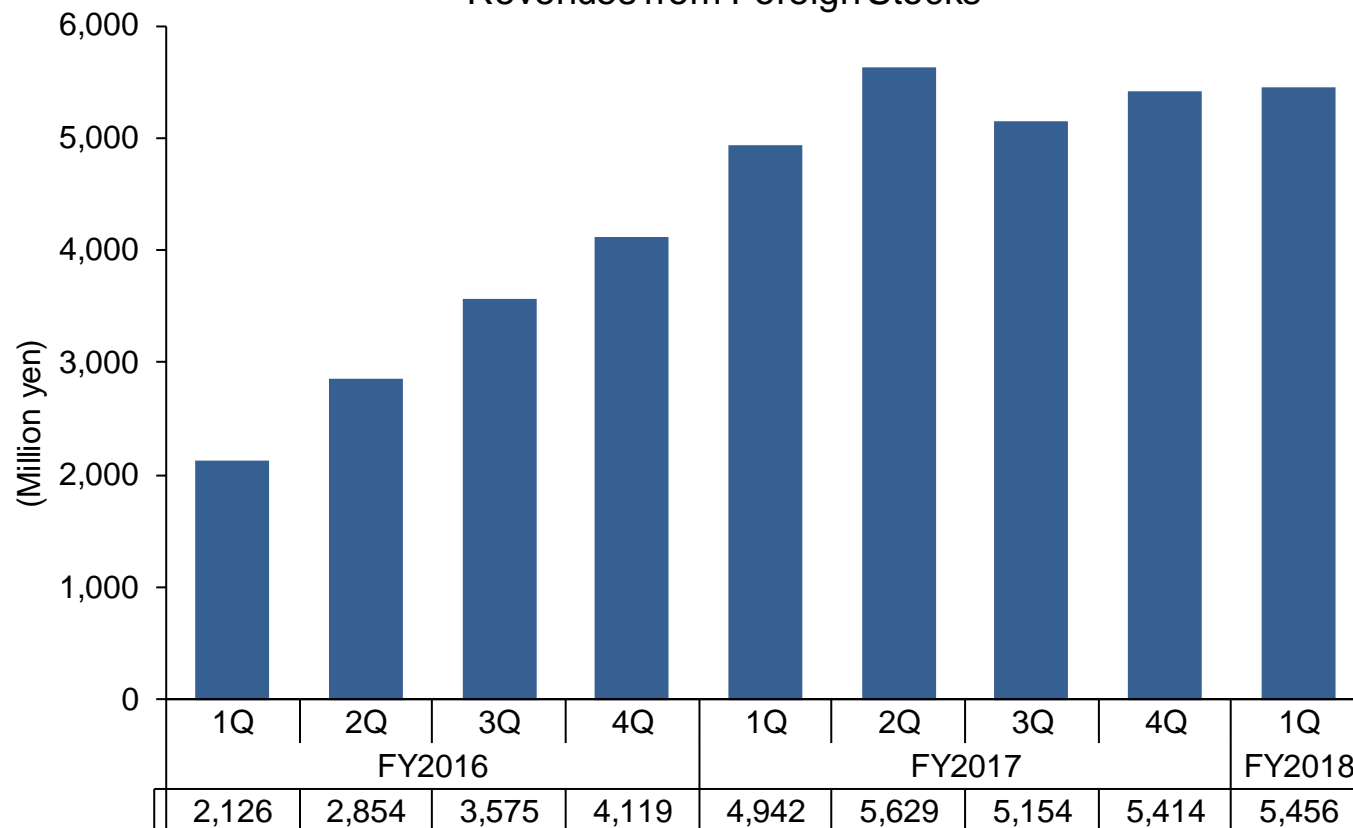
[Quarter on Quarter]

■ Revenues from Foreign Stocks: ¥5,456 Mill., up 1% QoQ

[Year on Year]

■ Revenues from Foreign Stocks: up 10% YoY

Revenues from Foreign Stocks



Q on Q	Y on Y
4Q FY2017 =100	1Q FY2017 =100
101	110

# Sales of Foreign Currency Bonds and Structured Bonds

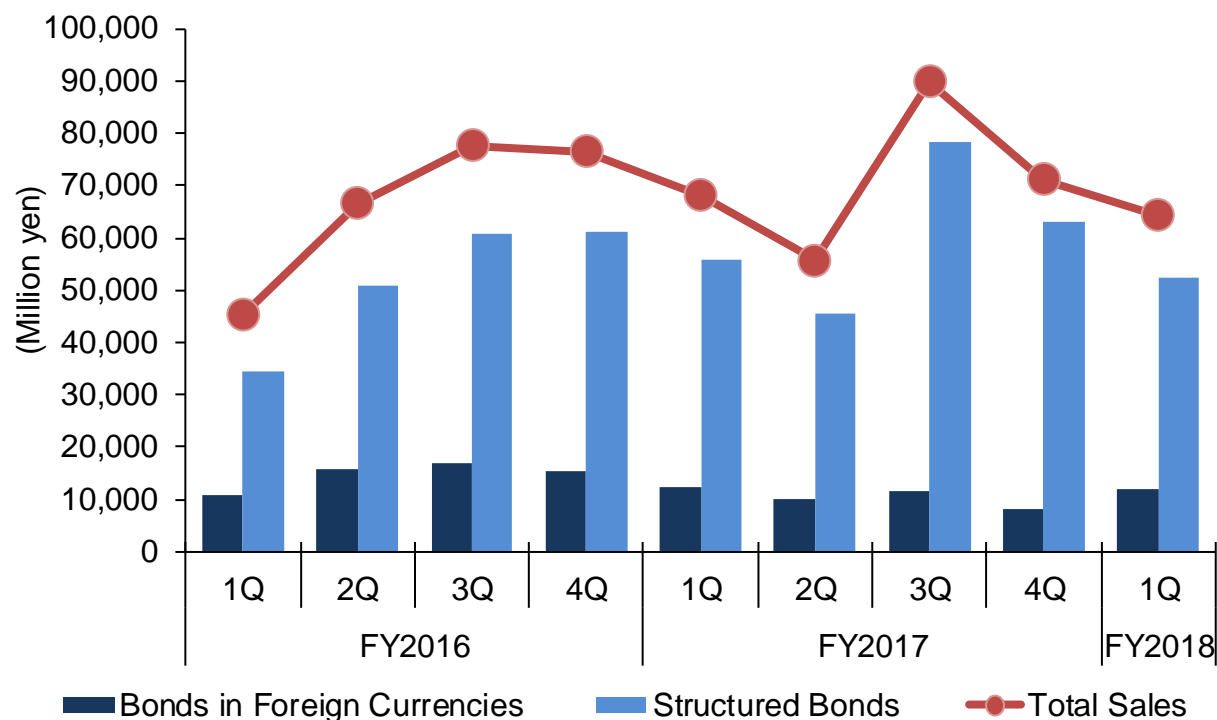
[Quarter on Quarter]

■ Sales of Bonds in Foreign Currencies & Structured Bonds: ¥64,320 Mill., down 10% QoQ

[Year on Year]

■ Sales of Bonds in Foreign Currencies & Structured Bonds: down 6% YoY

	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Bonds in Foreign Currencies	10,883	15,687	17,010	15,385	12,480	10,177	11,486	8,118	<b>12,007</b>	148	96
Structured Bonds	34,380	50,917	60,743	61,129	55,700	45,459	78,389	62,993	<b>52,313</b>	83	94
<b>Total Sales</b>	<b>45,263</b>	<b>66,604</b>	<b>77,753</b>	<b>76,514</b>	<b>68,180</b>	<b>55,636</b>	<b>89,875</b>	<b>71,111</b>	<b>64,320</b>	90	94



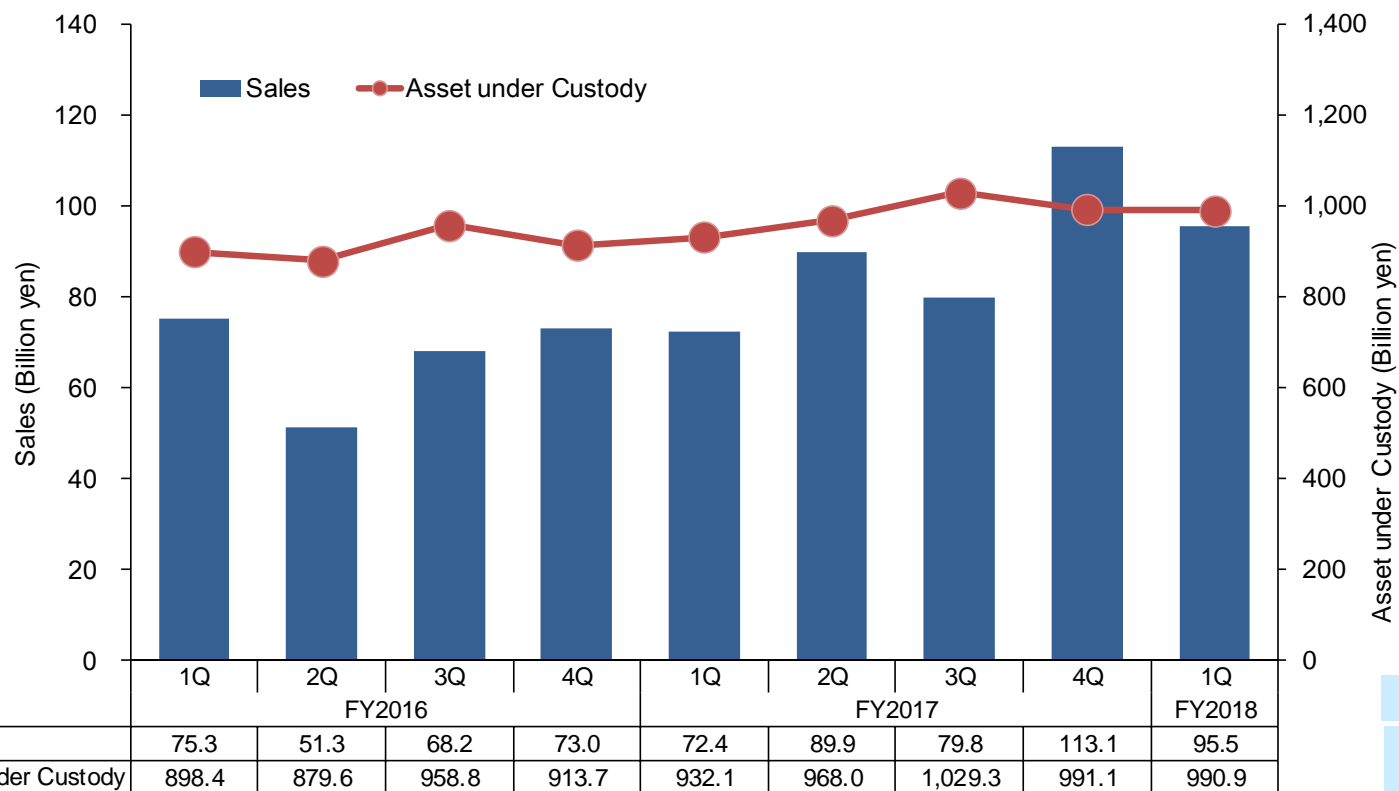
# Investment Trust (Sales and Asset under Custody)

[Quarter on Quarter]

- Sales of investment trusts: ¥95.5 Billion., down 16% QoQ
- Asset under Custody: 990.9 Billion., virtually flat QoQ

[Year on Year]

- Sale of Investment Trusts: up 32% YoY
- Asset under Custody: up 6% YoY



Q on Q	Y on Y
4Q FY2017 =100	1Q FY2017 =100

Sales	84	132
Asset under Custody	100	106

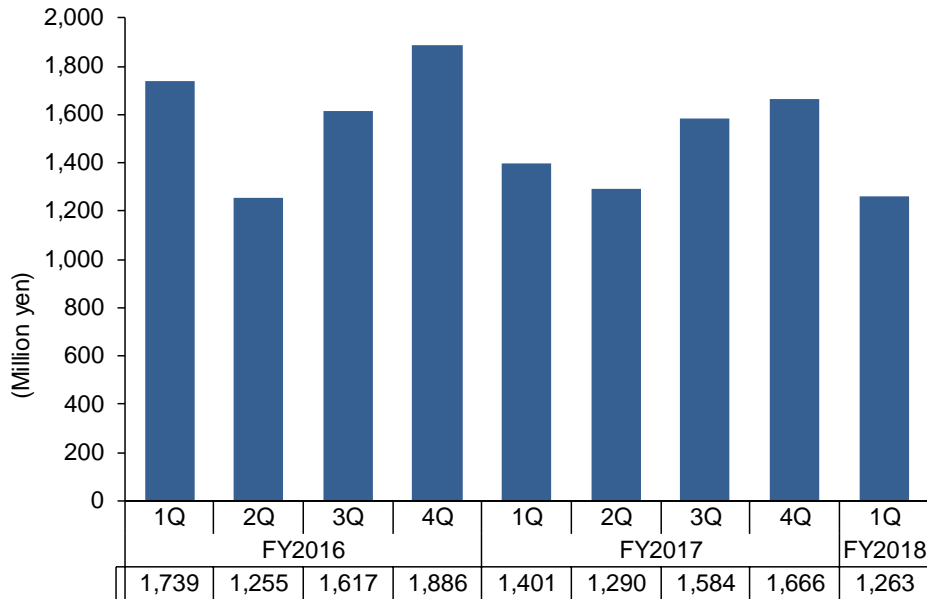
## Sales Commissions

[Quarter on Quarter]

■ Sales Commissions: ¥1,263 Mill., down 24% QoQ

[Year on Year]

■ Sales Commissions: down 10% YoY



Q on Q	Y on Y
4Q FY2017 =100	1Q FY2017 =100
76	90

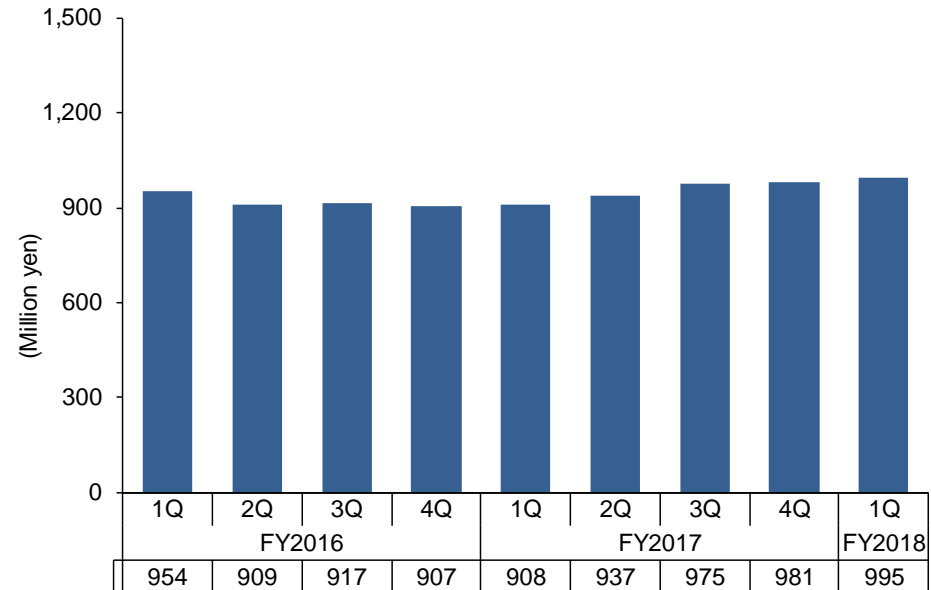
## Agency Commissions

[Quarter on Quarter]

■ Agency Commissions: ¥995 Mill., up 1% QoQ

[Year on Year]

■ Agency Commissions: up 10% YoY



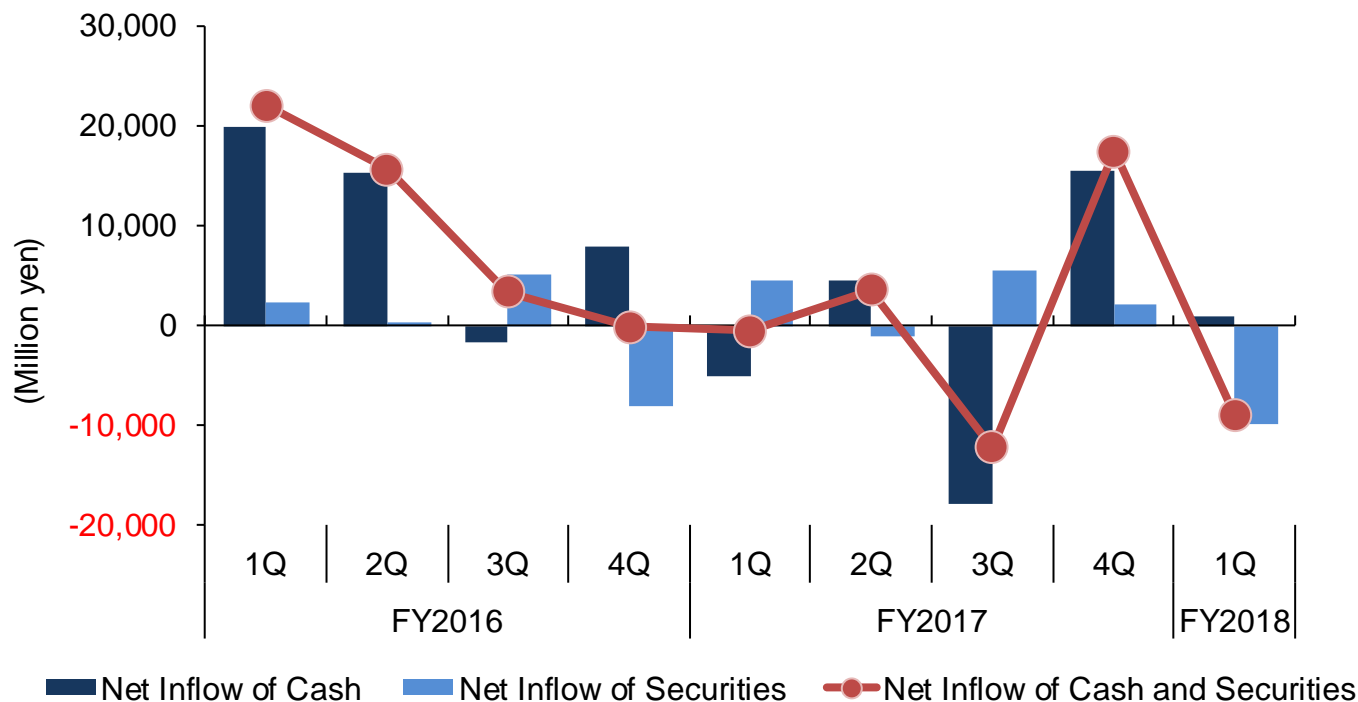
Q on Q	Y on Y
4Q FY2017 =100	1Q FY2017 =100
101	110

# Net Inflow of Cash and Securities (Individuals)

(Million yen)

	FY2016				FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Inflow of Cash	71,380	66,462	74,706	71,865	61,622	64,548	71,471	77,661	65,876
Outflow of Cash	-51,555	-51,144	-76,459	-63,953	-66,706	-59,970	-89,270	-62,194	-64,853
<b>Net Inflow of Cash</b>	<b>19,825</b>	<b>15,318</b>	<b>-1,753</b>	<b>7,912</b>	<b>-5,084</b>	<b>4,578</b>	<b>-17,799</b>	<b>15,467</b>	<b>1,023</b>
Inflow of Securities	6,115	6,475	8,924	9,153	8,572	6,227	12,367	8,314	5,755
Outflow of Securities	-3,880	-6,093	-3,812	-17,160	-3,991	-7,233	-6,759	-6,277	-15,651
<b>Net Inflow of Securities</b>	<b>2,235</b>	<b>382</b>	<b>5,112</b>	<b>-8,007</b>	<b>4,581</b>	<b>-1,006</b>	<b>5,608</b>	<b>2,037</b>	<b>-9,896</b>
<b>Net Inflow of Cash and Securities</b>	<b>22,060</b>	<b>15,700</b>	<b>3,359</b>	<b>-95</b>	<b>-503</b>	<b>3,572</b>	<b>-12,191</b>	<b>17,504</b>	<b>-8,873</b>

\* Excluding the transfer amount to Nishi-Nippon City TT Securities in 2Q FY2016, and the transfer amount to Hokuhoku TT Securities in 4Q FY2016



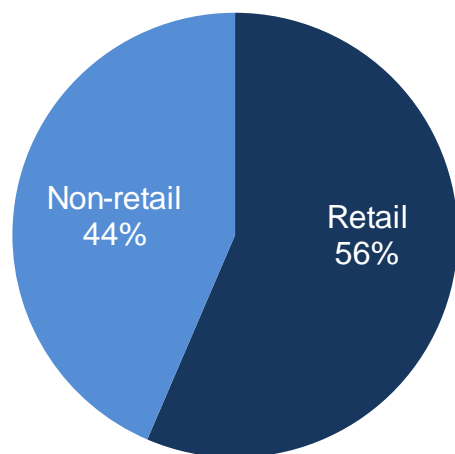
# Overview by Business Segment

## Total Revenue

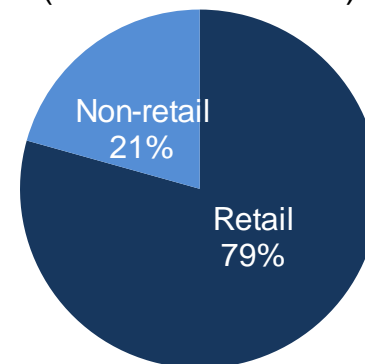
(Million yen)

	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Retail	8,659	8,089	10,328	10,334	10,300	10,085	11,890	10,721	<b>8,943</b>	83	87
%	60	58	58	57	60	55	57	56	<b>56</b>	-	-
Non-retail	5,685	5,777	7,597	7,931	6,939	8,121	8,862	8,337	<b>6,900</b>	83	99
%	40	42	42	43	40	45	43	44	<b>44</b>	-	-
<b>Total</b>	<b>14,343</b>	<b>13,866</b>	<b>17,925</b>	<b>18,266</b>	<b>17,239</b>	<b>18,206</b>	<b>20,753</b>	<b>19,058</b>	<b>15,844</b>	<b>83</b>	<b>92</b>

Revenues  
(1Q FY2018)



Employee Allocation  
(end of June 2018)



\* Numeric data on this slide were compiled based on the following definition.

Retail: Accounted for by Retail Business Company, Wealth Management Company, and Next Generation Business Company

Non-retail: Accounted for by other than any of the above

# Overview by Business Segment

[Quarter on Quarter]

- Revenues from Retail Business Segment: ¥8,943 Mill., down 17% QoQ
- Revenues from Non-retail Business Segment: ¥6,900 Mill., down 17% QoQ (please refer to the previous page)

[Year on Year]

- Revenues from Retail Business Segment: down 13% YoY
- Revenues from Non-retail Business Segment: down 1% YoY (please refer to the previous page)
  - Revenues from Market & Products Segment: down 1% YoY

	(Million yen)										
	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Retail	8,659	8,089	10,328	10,334	10,300	10,085	11,890	10,721	<b>8,943</b>	83	87
Corporate Sales	731	691	781	781	686	625	781	676	<b>606</b>	90	88
Institutional Sales	257	271	295	248	255	259	278	292	<b>274</b>	94	107
Market & Products	3,722	4,187	5,267	6,018	5,126	6,070	6,774	6,235	<b>5,070</b>	81	99
Corporate Finance	236	210	397	359	249	285	348	287	<b>355</b>	124	143
Other	738	418	858	526	624	882	679	846	<b>594</b>	70	95
<b>Total</b>	<b>14,343</b>	<b>13,866</b>	<b>17,925</b>	<b>18,266</b>	<b>17,239</b>	<b>18,206</b>	<b>20,753</b>	<b>19,058</b>	<b>15,844</b>	83	92

\* Numeric data on this slide were compiled based on the following definition.

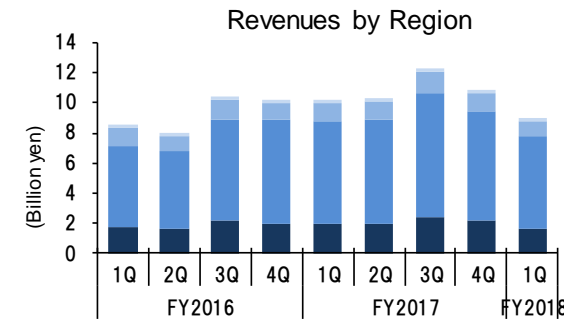
- Retail: Accounted for by Retail Business Company, Wealth Management Company, and Next Generation Business Company
- Corporate Sales: Accounted for by Corporate & Institutional Sales Division excluding Institutional Sales Department
- Institutional Sales: Accounted for by Institutional Sales Department of Corporate & Institutional Sales Division
- Market & Products: Accounted for by Market Division and Products Division of Global Markets Company
- Corporate Finance: Accounted for by Investment Banking Company



# Revenues, Number of Accounts, and Asset under Custody Attained by Each Region (Retail)

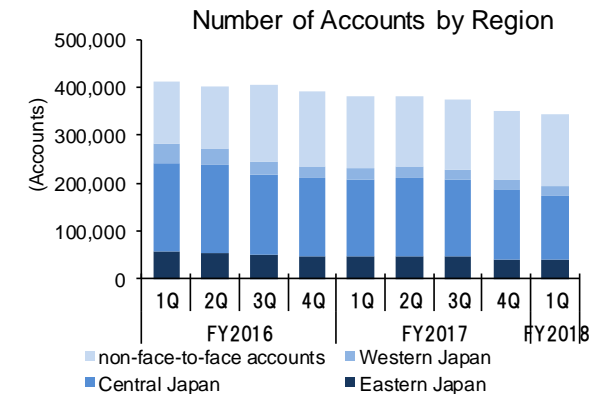
## Revenues by Region

	FY2016				FY2017				(Million yen)	Q on Q 4Q FY2017 =100	Y on Y 1Q FY2017 =100
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q		
Eastern Japan	1,709	1,628	2,183	2,015	1,951	1,968	2,369	2,144	<b>1,678</b>	78	86
%	19.9%	20.3%	20.9%	19.7%	19.1%	19.1%	19.3%	19.8%	<b>18.7%</b>		
Central Japan	5,423	5,169	6,716	6,854	6,846	6,912	8,320	7,310	<b>6,147</b>	84	90
%	63.1%	64.4%	64.3%	67.1%	67.1%	67.1%	67.7%	67.3%	<b>68.7%</b>		
Western Japan	1,251	1,022	1,309	1,097	1,190	1,203	1,381	1,191	<b>957</b>	80	80
%	14.6%	12.7%	12.5%	10.7%	11.7%	11.7%	11.2%	11.0%	<b>10.7%</b>		
non-face-to-face accounts	207	207	245	250	216	222	224	210	<b>171</b>	81	79
%	2.4%	2.6%	2.3%	2.4%	2.1%	2.2%	1.8%	1.9%	<b>1.9%</b>		
<b>Total</b>	<b>8,591</b>	<b>8,026</b>	<b>10,452</b>	<b>10,217</b>	<b>10,204</b>	<b>10,305</b>	<b>12,294</b>	<b>10,856</b>	<b>8,953</b>	<b>82</b>	<b>88</b>



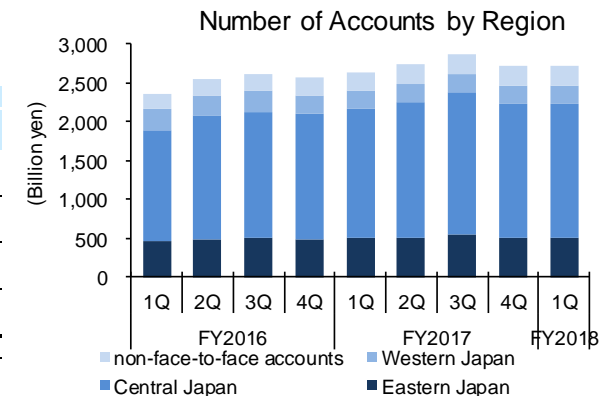
## Number of Accounts by Region

	FY2016				FY2017				(Accounts)	Q on Q 4Q FY2017 =100	Y on Y 1Q FY2017 =100
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q		
Eastern Japan	55,914	55,119	50,348	47,270	46,706	46,312	45,600	41,000	<b>40,413</b>	99	87
%	13.5%	13.7%	12.4%	12.0%	12.3%	12.1%	12.2%	11.7%	<b>11.7%</b>		
Central Japan	186,801	184,552	167,126	165,276	161,153	163,257	160,905	145,320	<b>133,216</b>	92	83
%	45.1%	45.7%	41.3%	42.1%	42.3%	42.8%	42.9%	41.3%	<b>38.6%</b>		
Western Japan	38,771	31,762	29,278	23,899	23,655	23,619	23,229	20,277	<b>19,952</b>	98	84
%	9.4%	7.9%	7.2%	6.1%	6.2%	6.2%	6.2%	5.8%	<b>5.8%</b>		
non-face-to-face accounts	132,300	132,123	158,372	156,221	149,143	148,211	144,956	144,892	<b>151,110</b>	104	101
%	32.0%	32.7%	39.1%	39.8%	39.2%	38.9%	38.7%	41.2%	<b>43.8%</b>		
<b>Total</b>	<b>413,786</b>	<b>403,556</b>	<b>405,124</b>	<b>392,666</b>	<b>380,657</b>	<b>381,399</b>	<b>374,690</b>	<b>351,489</b>	<b>344,691</b>	<b>98</b>	<b>91</b>



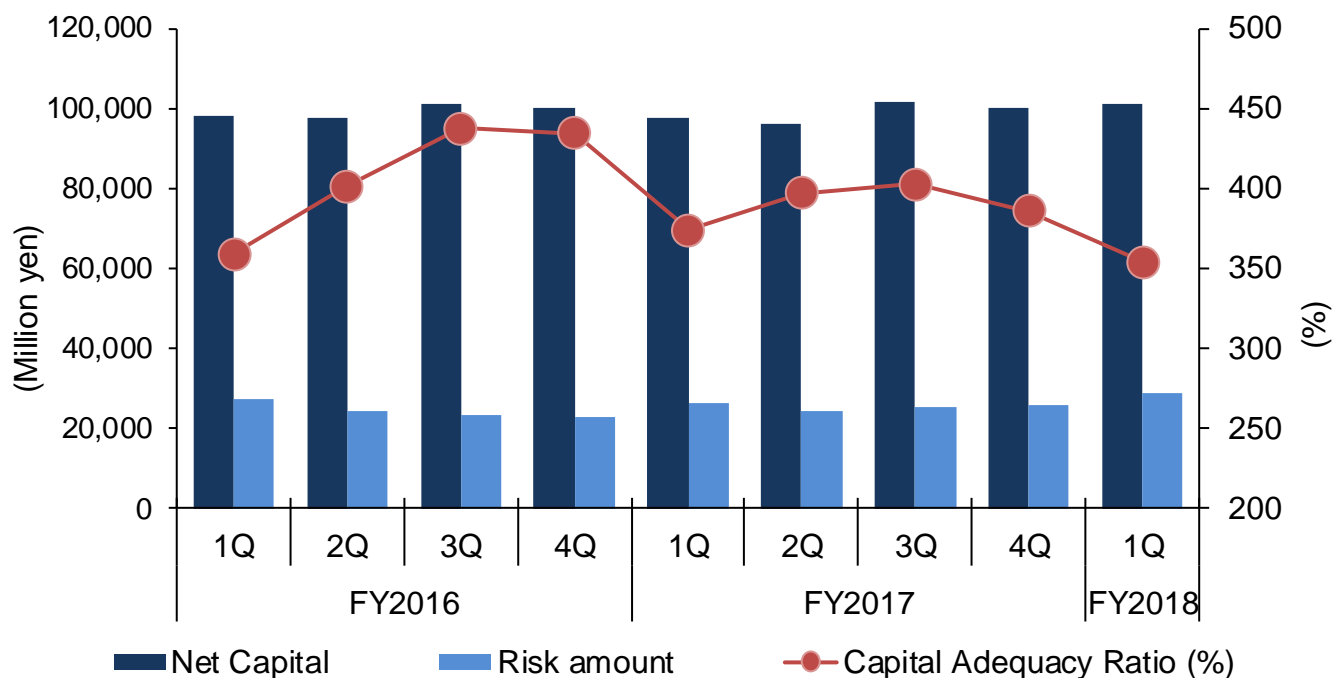
## Asset under Custody by Region

	FY2016				FY2017				(Million yen)	Q on Q 4Q FY2017 =100	Y on Y 1Q FY2017 =100
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY2018		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q		
Eastern Japan	455,630	496,560	511,076	494,284	509,090	518,139	546,104	510,307	<b>507,728</b>	99	100
%	19.4%	19.4%	19.5%	19.2%	19.3%	18.8%	18.9%	18.7%	<b>18.7%</b>		
Central Japan	1,431,775	1,590,674	1,616,608	1,615,099	1,652,179	1,738,549	1,827,493	1,731,485	<b>1,722,490</b>	99	104
%	60.8%	62.1%	61.6%	62.8%	62.6%	63.2%	63.4%	63.5%	<b>63.3%</b>		
Western Japan	275,354	259,614	265,090	229,428	235,665	240,270	245,886	230,465	<b>230,138</b>	100	98
%	11.7%	10.1%	10.1%	8.9%	8.9%	8.7%	8.5%	8.5%	<b>8.5%</b>		
non-face-to-face accounts	191,438	214,506	232,015	232,329	243,970	253,735	262,943	252,620	<b>259,855</b>	103	107
%	8.1%	8.4%	8.8%	9.0%	9.2%	9.2%	9.1%	9.3%	<b>9.6%</b>		
<b>Total</b>	<b>2,354,198</b>	<b>2,561,354</b>	<b>2,624,789</b>	<b>2,571,140</b>	<b>2,640,904</b>	<b>2,750,693</b>	<b>2,882,427</b>	<b>2,724,876</b>	<b>2,720,211</b>	<b>100</b>	<b>103</b>



# Capital Adequacy Ratio

	FY2016				FY2017				FY2018	Q on Q	Y on Y
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	4Q FY2017 =100	1Q FY2017 =100
Capital Adequacy Ratio (%)	358.9	401.3	437.8	434.3	374.2	397.0	402.5	385.6	<b>353.8</b>	92	95
Net Capital	98,346	97,753	101,085	99,931	97,510	96,134	101,724	100,250	<b>101,295</b>	101	104
Risk amount	27,398	24,354	23,089	23,006	26,057	24,210	25,272	25,995	<b>28,623</b>	110	110
Market Risk Amount	12,347	9,912	8,941	8,463	11,318	9,222	10,153	10,292	<b>13,467</b>	131	119
Customer Risk Amount	1,964	1,787	1,645	1,903	1,841	1,906	1,771	2,281	<b>1,732</b>	76	94
Basic Risk Amount	13,086	12,654	12,501	12,639	12,897	13,081	13,348	13,421	<b>13,423</b>	100	104



## Statements of Income

	(Million yen)				
	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
<b>Operating Revenues</b>	1,446	1,309	1,902	1,666	<b>1,309</b>
Commission Received	1,317	1,141	1,590	1,274	<b>903</b>
Commission to Consignees	646	533	802	650	<b>367</b>
Commission for Underwriting, Secondary Distribution & Solicitation	0	8	-	0	-
Fee for Offering, Secondary Distribution & Solicitation	492	415	599	434	<b>354</b>
Other Fees Received	177	184	188	188	<b>182</b>
<b>Net Trading Income</b>	81	131	267	290	<b>351</b>
Stocks	36	108	274	286	<b>341</b>
Bonds & Forex	44	22	-7	4	<b>9</b>
Financial Revenue	46	35	42	99	<b>52</b>
Financial Expenses	10	9	9	5	<b>6</b>
<b>Net Operating Revenue</b>	1,436	1,300	1,893	1,661	<b>1,303</b>
SG&A Expenses	1,989	1,699	1,786	1,642	<b>1,478</b>
Trading-related Expenses	337	346	291	278	<b>222</b>
Personnel Expenses	886	878	952	836	<b>771</b>
Real Estate Expenses	142	139	134	137	<b>127</b>
Office Cost	360	363	358	342	<b>300</b>
Depreciation	2	3	4	28	<b>4</b>
Other	259	-34	44	18	<b>51</b>
<b>Operating Income</b>	<b>-553</b>	<b>-398</b>	106	19	<b>-175</b>
Non-operating Income	159	8	38	5	<b>71</b>
Non-operating Expenses	0	0	1	12	<b>14</b>
<b>Ordinary Income</b>	<b>-393</b>	<b>-390</b>	142	12	<b>-117</b>
Extraordinary Income	43	8,090	37	528	<b>174</b>
Extraordinary Loss	-	-	-	675	<b>17</b>
<b>Income Before Income Taxes</b>	<b>-350</b>	7,699	180	-134	<b>39</b>
Income Taxes - Current & Deferred	195	1,801	49	-122	<b>-113</b>
<b>Quarterly Profit</b>	<b>-545</b>	5,897	130	-11	<b>153</b>

## Stock Trading Amount

	(Million yen)				
	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
Amount	82,693	79,916	116,976	100,651	<b>68,764</b>
Dealing	1,369	9,273	-	-	<b>920</b>
Brokerage	81,323	70,643	116,976	100,651	<b>67,844</b>
Brokerage %	98%	88%	100%	100%	<b>99%</b>

## Asset under Custody and Number of Accounts

	(Billion yen, Accounts)				
	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
Asset under Custody	361.7	369.7	388.9	368.4	<b>343.0</b>
Number of Accounts	53,685	53,636	52,873	52,248	<b>51,430</b>

## Number of Operating Outlets

	(Number of Operating Outlets)				
	FY2017				FY2018
	1Q	2Q	3Q	4Q	1Q
	14	14	14	14	<b>12</b>

# Inquiries to be directed to:

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✧ This material is intended to provide information regarding the Company's most recent operational result but NOT to solicit investment in securities issued by the Company.