

Annual Report
for the 156th Business Term
April 1, 2016 – March 31, 2017



OAK
CAPITAL

Oak Capital Corporation

To our shareholders:

Please allow me to express my sincere gratitude for your continued support. I hope you have had a healthy and prosperous year.

The domestic stock market has seen erratic ups and downs since the beginning of the year due to currency exchange rate fluctuations and increased interest rates in the US. After that, Great Britain leaving the EU caused it to drop to its historic lows, but following the inauguration of Donald Trump's cabinet it started to recover on hopes of economic growth.

While geopolitical risks are still present, the domestic economy maintains slow but stable growth, and it is expected that growth ratios and ROE of domestic listed companies shall keep improving.

Having said that, since the segment we target for our investments, namely emerging companies with market capitalization of less than 1.5 billion JPY and listed small- to medium-sized businesses, is still experiencing financing difficulties, the financial and growth support we provide continues to play an important role. We shall continue to contribute to society through helping businesses to increase their corporate value.

We want to be an investment bank that keeps growing, and we shall continue to reinforce our business investments division to improve the stability of profit generation while we keep innovating to further increase profitability. We shall persist to further increase our corporate value and our value to shareholders through reinforcing growth capability, profitability and stability by expanding our business.

I hope we can continue to enjoy your support and patronage in the future.

June 2017

Hiroyasu Takei

Representative Director, Chairman and CEO

Business summary:

The non-consolidated business results we have booked in the last business year (April 1, 2016 – March 31, 2017) are as follows: business income (sales): 8,968 billion JPY; operating profit: 0.961 billion JPY; ordinary profit: 0.937 billion JPY; current net income: 1.07 billion JPY. Our consolidated business results are as follows: sales: 8,958 billion JPY; operating profit: 0.955 billion JPY; ordinary profit: 0.815 billion JPY; current net income for mother company shareholders: 0.885 billion JPY. In comparison with the preceding business year we have achieved growth of both income and profits. Our investment banking operations continue to provide funding necessary to emerging companies as well as small and medium-size firms to support their support business strategies, mergers/acquisitions and business partnerships.

As the result of those investments we have achieved 1.873 billion JPY of capital gains and 27.2% ROI.

Growth strategy:

We aim to capture the future trends of financial markets and to be an investment bank that continues growing even in a volatile business environment. To achieve that, we plan to keep on creating innovative investment structures by widening the scope of our investments, acquiring businesses, expanding our foreign investments and continuing to invest in both domestic and foreign brands.

Return to shareholders:

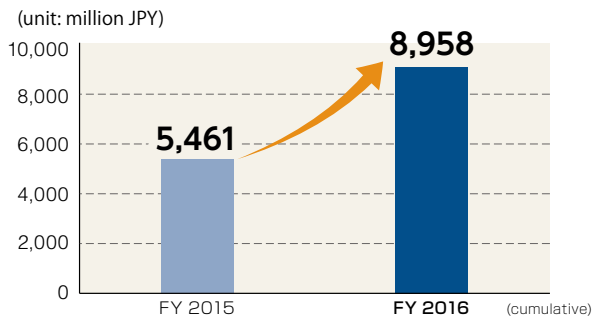
We shall further expand our business and continue to increase our corporate value and our value to shareholders. We shall strive to provide a payout ratio of 30% and to offer plentiful incentives to our shareholders.

IR programs:

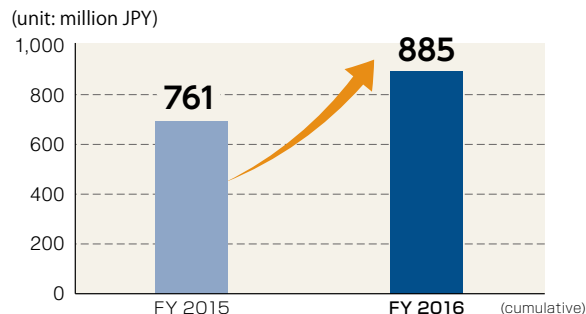
Aiming to foster the interest in our business and investments, in addition to programs aimed at institutional investors we also take part in IR events organized by the Tokyo Stock Exchange and large media outlets, creating chances to communicate with individual investors.

* Also see "Topics 2: IR Forums" on Page 5

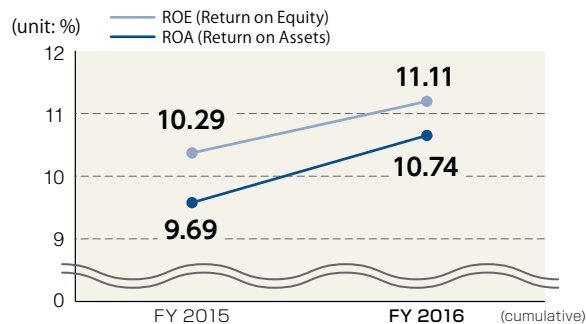
Consolidated sales



Consolidated net income



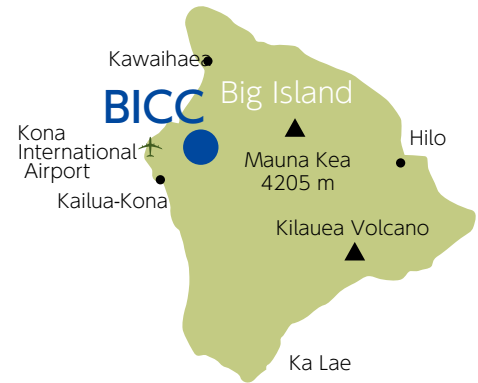
ROE • ROA



Note: Figures for previous fiscal year are based on non-consolidated business results.



Big Island Country Club



■ Big Island Country Club
Address: 71-1420 Mamalahoa Hwy., Kailua Kona
Business hours: every day 7:00 AM – 5:00 PM
Tel: (808)325-5044
Please see www.bigislandcountryclub.com for details.

Hawaii Island, the largest one of the Hawaiian Archipelago, is often affectionately referred to as “the Big Island”, and is the birthplace of Kamehameha The Great, who unified the islands to establish the Kingdom of Hawaii.

Big Island Country Club is located in the Kailua-Kona area on the western coast of Big Island, on a plateau 610 m above sea level

with very little rainfall and an average of 300 fair weather days per year, providing a unique playing location offering beautiful ocean and mountain views and refreshing breeze. The 18-hole course has been designed by Pete Dye to provide a strategic playing experience.

The property spans more than 400 acres (as much as 30 Tokyo Domes) and is a home to Nene geese, which are a state bird of Hawaii and an endangered species, with only about 1,000 specimens alive. The course and its surroundings are rich in lush vegetation, including countless Jacaranda trees that bloom between March and May and are sometimes referred to as “cherry blossoms of Hawaii”.

Christofle

PARIS



■Aoyama Store:

Address: Aoyama T&E, 3-6-20 Kita-Aoyama, Minato-ku, 107-0061 Tokyo
 Business hours: 11:00 AM – 7:30 PM (every day except New Year holidays)
 Tel: 03-3499-5031

Christofle, a long-established French silverware maker founded in 1830, was granted a title of Purveyor to the Royal Household after providing its products to Louis Philippe, the king of France. Later they have also

provided tableware to Napoleon III for use during dinner parties at Tuileries Palace, and their products have been used and praised by many other famous historical figures, making the company one of the best-known providers of silverware in the world. Since its inception, Christofle has emphasized ingenuity, tradition and quality, and has strived to always provide highest quality products in accordance with the motto of Charles Christofle, its founder – “the only quality is top quality”. The company now provides a wide range of products to bring more shine to its customers’ lifestyles – from cutlery and tableware to home décor, gifts and jewelry.

Organized by Toyo Keizai Inc.

IR forums organized with special support of Oak Capital

April 13, 2017 (Thursday), JP Tower Hall & Conference

The IR forum organized by Toyo Keizai Inc. with special support of Oak Capital has been attended by more than 500 visitors.

In addition to keynote addresses by Mr. Daisuke Tanita, the former CEO of Tanita Corporation and Mr. Jitsuro Terashima, the head of Japan Research Institute, Ltd., booths of 10 investment recipients of Oak Capital were set up, which created a space for attendees to communicate directly with IR representatives of each business.

東洋経済主催 IRフォーラム2017
変革期における企業の成長戦略への挑戦
CHALLENGE FOR GROWTH STRATEGY

TOKYO 4/13 [THU]

新たなイノベーションと価値向上に挑む、これからの事業成長の在りかた

“IoT”や“ビッグデータ”など、デジタルテクノロジーの進化が高次元生産産業を牽引し、産業の発展を拡大させるサービス、ビジネスモデルの創出やと創出されています。また、非注目をされている、インハウンドビジネスにおいても、今後の更なる発展の伸びが期待されており、大きなビジネスチャンスといえます。このような変革期において、これからの日本企業が安心・希望としていかに新たなイノベーションを創出し、更なる事業成長や取組を始めるかが重要となります。本フォーラムは、今まさに急激な変化に向けて取り組んでいる企業や産業をゲストに迎え、持続的な成長や再生を遂げるために必要なマネジメントのあり方について考える場となります。

開催概要
 日時 2017年4月13日(木)
 セミナー ▶13:00~17:20(受付12:30)
 展示エリア ▶12:30~17:30(受付12:30)
 会場 JPタワーホール&カンファレンス
700名 (セミナー 定員500名)
 参加対象 個人投資家および機関投資家、企業の経営者、経理幹部または財務、MSA、事業開発担当者などの担当部門長やご担当の方々
 参加料 **無料** (セミナーの参加は事前登録制)
 ※展示エリアのみのご参加は事前登録は不要です。
 主催 東洋経済新報社
 特別協賛 Oakキャピタル株式会社 OAK CAPITAL

特別講演
企業の再生と成長
 ~赤字企業を世界NO.1に!
 株式会社タニタ 創設取締役社長、経営コンサルタント
谷田 大輔 氏

特別講演
これからの日本経済
 ~世界の構造転換と日本の道徳~
 一般財団法人日本総合研究所 会長
寺島 実郎 氏

特別講演
インダストリー 4.0 (第4次産業革命)
 ジャパンブランド (インハウンド・カルチャラン)
 [モデレーター]
 フリーキャスター 叶内 文子氏
 株式会社タニタ 取締役社長
インダストリー 4.0 (第4次産業革命)
 ジャパンブランド (インハウンド・カルチャラン)

出展企業
 レポート
 タレント **ホビーオロゴン** 氏

※本フォーラムにご参加の皆様へ企業情報をお寄せいただくものであり、個別企業の株式購入、投資を勧めるものではありません。

お問い合わせ 東洋経済新報社 フォーラム事務局
 03-3246-5599 (土日祝日を除く 10:00~18:00)



Panel discussion



Keynote address



Exhibition hall



(お申し込み方法) 右記のURLよりお申し込みください。 <http://toyokeizai.net/sp/ir2017/>

Seminars for managers of listed companies

As part of supporting growth of listed companies, we have been holding executive seminars for managers of such businesses. The seminars, attended by approximately 30 persons each time, cover latest relevant topics and feature a variety of lectures as well as opportunities for open discussion and Q&A sessions.

Previously held seminars

- No. 1, February 2013: "Cross-border strategies for current times"
- No. 2, July 2013: "Global strategies for current times"
- No. 3, December 2013: "M&A as growth strategy"
- No. 4, March 2014: "Business strategies for successful M&A"
- No. 5, July 2014: "Growth strategies"
- No. 6, November 2014: "Innovation and business creativity for continuous growth"
- No. 7, July 2015: "Roles of business strategies and top management"
- No. 8, May 2016: "Strong organizational management to revolutionize business and create growth"
- No. 9, March 2017: "Creating change - overcoming business obstacles and achieving growth"



Seminar venue

PRINEXUS 株式会社フロンテックス × OAKキャピタル株式会社

「時代をどう変えるか、世の中の不を解消して高成長へ進む」
2017年03月15日(水曜日) 13:00(受付) 13:30 ~ 16:30
■参加無料■

※上市企業の取締役・執行役員以上の方にご限定させていただきます

経営環境の変化に柔軟に対応しながら戦略を推進し、成果を出し続けるには、強い組織や人材育成は必要不可欠といえます。成長企業には、個々のリーダーシップを発揮することにより、経営課題を解決し、目標を達成することが求められます。

今回のセミナーは、フロンテックスの池森会長をお招きして、不採算事業からの撤退後、迅速な組織再編や改革を行い、企業内大学設立などの数々の体験談や、金銭的実績からみたひびで無選任自体成長のツプメーカーを志すおられた「池森流経営」の真諦について伺います。強い組織と次世代を担う人材をつくるための必要となるツプメンタルの役割およびエッセンスについて、留意点やポイントを解説頂きます。

特別講演 経営者の役割が挑戦と人づの(仮題)

【講師】株式会社フロンテックス 代表取締役 会長 執行役員 **池森賢二** 氏



プロフィール:
1957年、三重県生まれ。1979年、中田経互商株式会社に入社。1979年に退職。1980年に新加坡加地洋行専任社員入籍。翌年株式会社フロンテックス設立。代表取締役社長に就任。独自の市場を創り、設立から10年間で無添加のフロンテックスとVeg Grantを確立。1998年に株式を店頭公開し、翌年に東証一段上場。2005年に名誉会長となる。経営の第一線から退く。その後、同社の経営を立てたため、2013年4月に代表取締役会長執行役員に就任。不採算事業の撤退や組織再編、社員のモチベーション、リーダーシップに関するお話を伺います。現在は一般社団法人日本専売業協会会長とも務める。

主催者講演 「成長戦略を支える投資銀行の役割」

OAKキャピタル株式会社 常務執行役員 投資銀行部 未F 藤行

「組織者にとっての役割」

株式会社フロンテックス IR事業部理事 細川修一

OAKキャピタル株式会社 セミナー記録

- 開催 2011年12月 「これからの時代のクロスボーダー戦略を考える」
- 開催 2013年7月 「これからの時代のグローバル戦略は?」BY「プライベート」-日経パートナー
- 開催 2013年10月 「成長戦略としてのM&A」日本M&Aセンター 池田啓
- 開催 2014年11月 「M&Aを成功に導くための企業戦略」日本M&Aセンター 池田啓
- 開催 2015年7月 「成長戦略」日本M&Aセンター 池田啓
- 開催 2016年11月 「戦略的成長を促すイノベーションと事業戦略」日本M&Aセンター 丸谷香
- 開催 2016年7月 「経営戦略とグローバル展開の役割は?」長良川博 池田啓
- 開催 2016年12月 「経営者成長戦略の役割」福島のメンタル 池田啓



株式会社フロンテックス OAKキャピタル株式会社
 〒104-8547 東京都中央区新富1-1-1 富洲ビル7階 東京都中央区
 〒100-0001 東京都千代田区千代田1-1-1 千代田ビル2階 東京都千代田区千代田
 〒100-0001 東京都千代田区千代田1-1-1 千代田ビル2階 東京都千代田区千代田
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OAKキャピタル株式会社
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 〒100-0001 東京都千代田区千代田1-1-1 千代田ビル2階 東京都千代田区千代田

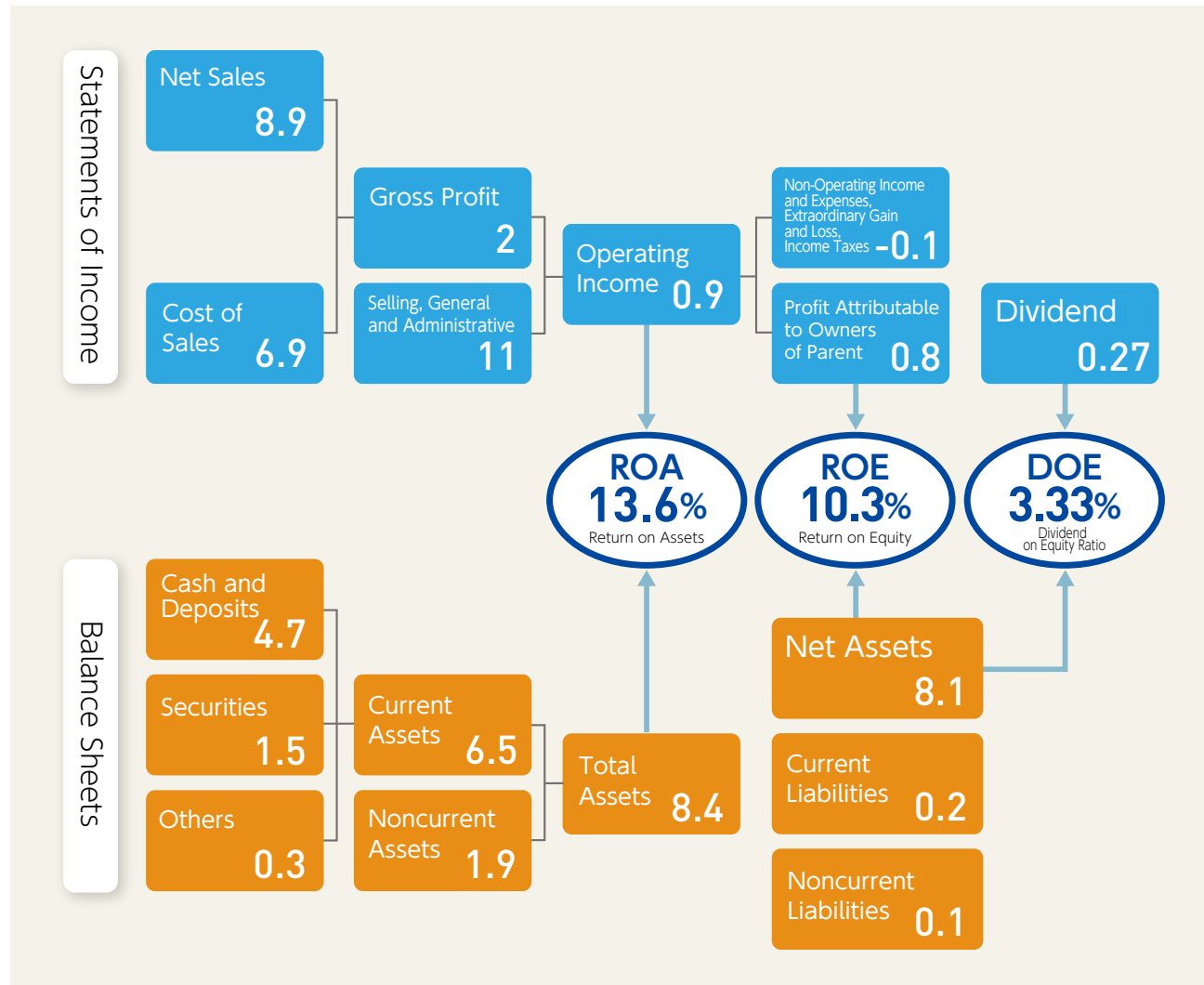
The 9th seminar was organized in cooperation with Pronexus Inc. Mr. Kenji Ikemori, the chairman of Fanci Corporation has attended as a guest speaker and gave a lecture titled "The role of top management is taking challenges and developing staff". We received many comments saying that the lecture was very valuable and full of useful information. The seminar was also a great chance for attendees to network with each other.

Consolidated Financial Statements (Summary)

Note: Monetary amounts have been rounded off beyond the unit indicated.

Correlation Chart for the Statement of Income and Balance Sheet

(Billions of Yen)



Consolidated Financial Statements (Summary)

Consolidated Balance Sheets

(Million of yen)

	Years ended March 31
Assets	
Current Assets	6,477
Noncurrent Assets	1,876
Property, Plant and Equipment	105
Intangible Assets	3
Investments and Other Assets	1,768
Deferred assets	8
Total Assets	8,362
Liabilities	
Current Liabilities	204
Noncurrent Liabilities	93
Total Liabilities	297
Net Assets	
Shareholders' Equity	8,741
Accumulated Other Comprehensive Income	(676)
Total Net Assets	8,065
Total Liabilities and Net Assets	8,362

Consolidated Statements of Income

(Million of yen)

	March 31, 2017
Net Sales	8,958
Gross Profit	2,031
Selling, General and Administrative	1,076
Operating Income	955
Ordinary Income	815
Extraordinary Gain(Loss)	137
Profit before Income Taxes	953
Total Income Taxes	67
Profit Attributable to Owners of Parent	885

Consolidated Statements of Cash Flow

(Million of yen)

	March 31, 2017
Cash Flows from Operating Activities	3,372
Cash Flows from Investing Activities	(98)
Cash Flows from Financing Activities	(265)
Effect of Exchange Rate Change on Cash and Cash Equivalents	(0)
Net Increase (Decrease) in Cash and Cash Equivalents	3,007
Cash and Cash Equivalents at Beginning of Period	1,737
Cash and Cash Equivalents at End of Period	4,745

* The making of the consolidated financial statements for a quarter periods has started in the first quarter of the consolidated fiscal year under review. Therefore, there is no comparison data with those of the previous consolidated fiscal year.

Point

Gross profit: During this term, we have provided support to our investment recipients by proposing growth strategies that aim to revitalize the business and foster innovation, offering advice on mergers and acquisitions, supporting IR initiatives and through other means. We were able to successfully drive the corporate value of our recipient companies up, and as a result both our sales and profits have exceeded the previous year's figures. However, due in part to stock market fluctuations, our investment yields were lower than last year, with capital gains of 1.873 billion JPY and ROI of 27.2%.

Point

Cash flows from operating activities: Our cash flows from operating activities show cash inflow of 3.372 billion JPY. The main reasons for that are booking of income before taxes and minority interests as well as improved pace of collecting on our investments.

■ Corporate Data

Company Name Oak Capital Corporation

Founded 1868

Incorporated 1918

Capital Stock ¥4,282 million

Stock Exchange Listing 2nd Section of
Tokyo Stock Exchange 3113 (Listed in 1949)

Brokerage Lead Manager Daiwa Securities Co. Ltd.

Independent Public Accountant

Nihombashi Corporation Certified Public Accountants

Correspondent banks Sumitomo Mitsui Banking Corporation,
Mizuho Bank Ltd.

■ Board of Directors and Corporate Auditors

Representative Director, Chairman and CEO Hiroyasu Takei

Director of the Board Tsutomu Akita Head of Administration and Control Division

Director of the Board Fuyuki Makino Head of Investment Banking Department

Director of the Board*1 Tomoyasu Ozeki Partner of Accenture Corp.

Director of the Board*1 Yoshinori Uda Former Representative Director &
Vice President of NTT DoCoMo, Inc.

Senior Managing Director Yasuyuki Kido Investment Banking Department

Managing Director Yasunori Isomura Business Investment Department

Managing Director Seiichi Kodama Head of IR and PR Office

Standing Corporate Auditor Hideya Takahashi

Corporate Auditor*2 Makoto Sakai Lawyer

Corporate Auditor*2 Motosuke Hirose

Corporate Auditor*2 Sonomi Ueno Lawyer and Certified Public Accountant

*1. Outside director, as provided in Article 2-15 of the Companies Act

*2. Outside corporate auditor, as provided in Article 2-16 of the Companies Act

Total Number of Authorized Shares..... 150,000,000

Total Number of Issued Shares..... 53,675,037

Number of Shareholders..... 22,879

Major Shareholders

Name of shareholders	Ownership of shares	Share ownership ratio
An individual shareholder	2,217	4.13
LMI Co., LTD.	1,014	1.89
Hiroyasu Takei	895	1.67
Kyowa Seika Co., Ltd.	760	1.42
Rakuten Securities, Inc.	602	1.12
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	587	1.09
An individual shareholder	560	1.04
Japan Securities Finance Co., Ltd.	553	1.03
An individual shareholder	360	0.67
An individual shareholder	353	0.66

Note) Percentage shareholding calculations exclude treasury stock (33,997 shares).

Memo for Shareholders

Fiscal year From April 1 to March 31 of the following year

General Ordinary Meeting of Shareholders June of each year

Date for confirming shareholders to receive dividends March 31 (September 30 for interim dividends)

Shareholder registry administrator 26th floor, Kasumigaseki Building, 2-5, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo 100-6026, JAPAN
IR Japan, Inc.
Phone: +81-3-3519-6720

● Providing notification of changes in address, acquisitions of shares less than a single trading unit, additional purchases, etc.
Shareholders should please notify the securities firm with which they hold an account. Shareholders who have opened special accounts because they do not have a securities firm account should notify Sumitomo Mitsui Trust Bank, Limited, which is the account management institution for special accounts.