

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Third Quarter ended December 31, 2015

Name : Japan Securities Finance Co.,Ltd.

Listing : First Section, Tokyo Stock Exchange

Stock code number : 8511

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(Millions of yen, rounded down to nearest million)

1.Consolidated Financial Results for the Third Quarter of Fiscal 2015(April 1,2015-December31,2015)

(1)Consolidated Results of Operations

(% change from year-on-year for those items)

	Operating Revenues		Operating Income		Recurring Income		Net Income	
	(millions of Yen)	(% change)	(millions of Yen)	(% change)	(millions of Yen)	(% change)	(millions of Yen)	(% change)
Third Quarter of Fiscal 2015	16,148	9.8	2,120	▲12.9	2,946	▲18.6	2,392	▲21.4
Third Quarter of Fiscal 2014	14,704	4.0	2,435	33.1	3,619	64.2	3,042	▲45.2
Fiscal 2014	20,300	3.8	3,025	17.8	4,230	35.6	3,520	▲43.3

Reference:Comprehensive Income: Fiscal2015 3Q:¥3,708million(▲42.7%) Fiscal2014 3Q: ¥6,468million(▲5.2%)

	Net Income per Share EPS (Yen)	Net Income per Share (Yen) (fully diluted)
Third Quarter of Fiscal 2015	24.22	—
Third Quarter of Fiscal 2014	29.08	—
Fiscal 2014	33.94	—

(2)Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)
A s o f Dec.31, 2015	3,721,964	137,568	3.7
Fiscal 2014	3,482,601	137,145	3.9

Reference: Shareholders Equity:¥137,568million (Fiscal2014: ¥137,145million)

2. Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Annual (Yen)
Fiscal 2014	7.00	8.00	15.00
Fiscal 2015	8.00	8.00	16.00
Fiscal 2015 (Forecast)			

Note : Amendment of Forecast None

3. Consolidated Estimated Figures for fiscal 2015(April 1,2015— March 31,2016)

	Operating Income (Millions of yen)	Recurring Income (Millions of yen)	Net Income (Millions of yen)	Net Income per Share EPS (Yen)
Full-year	2,100	2,900	2,300	23.37

4. Others

- (1) Changes in the scope of important consolidation for subsidiaries (yes/no):No
- (2) Adoption of specified accounting methods for quarterly consolidated financial statements : No
- (3) Changes in accounting policies and changes or restatement of accounting estimates
 - ①Changes in accounting policies caused by revision of accounting standards: Yes
 - ②Changes in accounting policies other than ①: No
 - ③Changes in accounting estimates: No
 - ④Restatement: No
- (4) Number of Issued Shares(common stock)
 - ①Number of issued shares (Including treasury stock)
as of Dec.31, 2015 : 100,000,000 as of Mar.31, 2015 : 100,000,000
 - ②Number of Treasury stocks
as of Dec.31, 2015 : 2,683,149 as of Mar.31, 2015 : 181,071
 - ③Average number of shares
For nine months ended Dec.31, 2015 : 98,756,812
For nine months ended Dec.31, 2014 : 104,617,186

Consolidated Balance Sheets

【Assets】	Third Quarter Dec.31,2015	Fiscal 2014 Mar.31,2015
	(millions of yen)	(millions of yen)
I Current Assets	2,853,184	2,484,418
Cash	554,612	31,792
Call Loans	3,000	—
Short-term Investments	387,201	588,813
Operating Loans	601,270	883,101
Deferred Tax Assets	174	390
Collateral Money for Securities Borrowed	1,300,187	974,973
Other Current Assets	7,091	5,686
Allowance for Doubtful Receivables	△ 352	△ 339
II Non-current Assets	868,779	998,183
Investments in Securities	858,219	987,897
Other Non-current Assets	12,234	12,078
Allowance for Doubtful Receivables	△ 1,674	△ 1,792
Total Assets	3,721,964	3,482,601

【Liabilities and Net Assets】	Third Quarter Dec.31,2015	Fiscal 2014 Mar.31,2015
	(millions of yen)	(millions of yen)
I Current Liabilities	3,565,169	3,329,124
Call Money	1,478,200	1,587,000
Short-term Borrowings	427,210	439,510
Commercial Paper	364,000	440,000
Collateral Money for Securities Lent	1,264,884	788,716
II Non-current Liabilities	19,225	16,331
Long-term Borrowings	3,000	2,000
Liabilities for Retirement and Severance Benefits	41	50
Other Non-Current Liabilities	16,184	14,281
Total Liabilities	3,584,395	3,345,456
Total Net Assets	137,568	137,145
Total Liabilities and Net Assets	3,721,964	3,482,601

Consolidated Statement of Operations

	Third Quarter Apr.1,2014- Dec.31,2014	Third Quarter Apr.1,2015- Dec.31,2015	Fiscal 2014 Apr.1,2014- Mar.31,2015
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	14,704	16,148	20,300
Interest on Loans	3,667	3,280	4,890
Interest on Collateral Money for Securities Borrowed	1,461	1,375	1,947
Fees on Lending Securities	4,649	6,294	6,938
Other Operating Revenues	4,926	5,198	6,523
Operating Expenses	6,647	8,111	9,450
Interest on Borrowing & Commercial Paper	2,656	2,316	3,460
Fees on Borrowing Securities	3,311	4,932	5,123
Other Operating Expenses	678	863	866
Operating Profit	8,057	8,037	10,849
General and Administrative Expenses	5,621	5,916	7,824
Operating Income	2,435	2,120	3,025
Non-operating Revenues	1,283	845	1,361
Non-operating Expenses	98	19	156
Recurring Income	3,619	2,946	4,230
Extraordinary Profit	61	—	61
Extraordinary Loss	—	—	6
Net Income before Income Taxes	3,681	2,946	4,285
Current Income Taxes	333	313	443
Deferred Income Taxes	305	240	321
Net Income	3,042	2,392	3,520

Consolidated Average Outstanding Balance of Loans

	Third Quarter Apr.1,2014 - Dec.31,2014		Third Quarter Apr.1,2015 - Dec.31,2015		Fiscal 2014 Apr.1,2014 - Mar.31,2015	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	412.3	57.3	423.5	62.1	428.3	57.6
Bond Financing & General Loans	214.2	29.8	177.8	26.1	223.4	30.1
Loans for Negotiable Margin Transactions	30.5	4.3	16.7	2.5	29.1	3.9
Trust Bank Loans	60.0	8.4	48.0	7.0	58.6	7.9
Other Loans	32.5	4.5	32.5	4.8	32.5	4.4
Total	719.1	100.0	681.9	100.0	743.0	100.0
Securities Lent for Margin Transactions	210.0	—	240.1	—	222.0	—

Business Information for Consolidated Operating Revenues

	Third Quarter Apr.1,2014 - Dec.31,2014		Third Quarter Apr.1,2015 - Dec.31,2015		Fiscal 2014 Apr.1,2014 - Mar.31,2015	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	12,320	83.8	13,625	84.3	17,162	1977.2
Loans for Margin Transactions	6,575	44.8	8,047	49.8	9,667	1113.7
(Interest on Loans)	2,314	15.8	2,166	13.4	3,111	358.4
(Interest on Collateral Money of Securities Borrowed)	440	3.0	467	2.9	611	70.4
(Fees on Lending Securities)	3,472	23.6	5,113	31.7	5,389	620.9
Bond Financing and General Loans	1,579	10.7	1,419	8.8	2,107	242.7
Securities Lending	1,767	12.0	1,648	10.2	2,294	264.3
(Stocks)	562	3.8	720	4.5	784	90.3
(Bonds)	1,204	8.2	928	5.7	1,509	173.8
Other Business	2,397	16.3	2,509	15.5	3,094	356.5
Trust Banking Business	1,721	11.7	1,918	11.9	2,269	261.4
(Interest on Loans)	147	1.0	106	0.7	186	21.4
(Trust Charges)	401	2.7	473	2.9	545	62.8
(Others)	1,172	8.0	1,338	8.3	1,537	177.1
Real Estate Management Business	662	4.5	605	3.8	868	100.0
Total	14,704	100.0	16,148	100.0	20,300	2338.7