

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Second Quarter ended September 30, 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 Second Quarter of Fiscal 2015(April 1,2015-September 30,2015)

(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)
Second Quarter of Fiscal 2015	11,492	13.7	1,724	△2.0	2,104	△5.7	1,734	△7.0
Second Quarter of Fiscal 2014	10,107	8.6	1,758	81.6	2,230	81.9	1,865	△62.6
Fiscal 2014	20,300	3.8	3,025	17.8	4,230	35.6	3,520	△43.3

Reference:Comprehensive Income: Fiscal2015 2Q:¥1,494million(△28.5%) Fiscal2014 2Q:¥2,088million(△51.4%)

	Net Income per Share		Net Income per Share	
	EPS	(Yen)	(Yen)	(fully diluted)
Second Quarter of Fiscal 2015	17.48			—
Second Quarter of Fiscal 2014	17.66			—
Fiscal 2014	33.94			—

(2)Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio	
	(Millions of Yen)		(Millions of Yen)		(%)	
A s o f Sep.30, 2015	3,373,007		136,790		4.1	
Fiscal 2014	3,482,601		137,145		3.9	

Reference: Shareholders Equity: ¥136,790million (Fiscal2014: ¥137,145million)

Equity Ratio = Equity capital / Liabilities & Net assets × 100

2. Dividends

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

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	2,200	2,900	2,300	23.28

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 Sep.30, 2015 : 100,000,000 as of Mar.31, 2015 : 100,000,000
 - ②Number of Treasury stocks
as of Sep.30, 2015 : 1,682,642 as of Mar.31, 2015 : 181,071
 - ③Average number of shares
For six months ended Sep.30, 2015 : 99,243,462
For six months ended Sep.30, 2014 : 105,631,031

Consolidated Balance Sheets

【Assets】	Second Quarter Sep.30,2015	<i>Fiscal 2014</i> <i>Mar.31,2015</i>
	(millions of yen)	(millions of yen)
I Current Assets	2,617,731	2,484,418
Cash	71,846	31,792
Short-term Investments	360,533	588,813
Operating Loans	704,116	883,101
Deferred Tax Assets	296	390
Collateral Money for Securities Borrowed	1,475,427	974,973
Other Current Assets	5,895	5,686
Allowance for Doubtful Receivables	△ 384	△ 339
II Non-current Assets	755,276	998,183
Investments in Securities	744,894	987,897
Other Non-current Assets	12,063	12,078
Allowance for Doubtful Receivables	△ 1,682	△ 1,792
Total Assets	3,373,007	3,482,601

【Liabilities and Net Assets】	Second Quarter Sep.30,2015	Fiscal 2014 Mar.31,2015
	(millions of yen)	(millions of yen)
I Current Liabilities	3,219,076	3,329,124
Call Money	1,099,000	1,587,000
Short-term Borrowings	415,210	439,510
Commercial Paper	326,000	440,000
Collateral Money for Securities Lent	1,340,831	788,716
II Non-current Liabilities	17,140	16,331
Long-term Borrowings	3,000	2,000
Liabilities for Retirement and Severance Benefits	41	50
Other Non-Current Liabilities	14,099	14,281
Total Liabilities	3,236,217	3,345,456
Total Net Assets	136,790	137,145
Total Liabilities and Net Assets	3,373,007	3,482,601

Consolidated Statement of Income

	Second Quarter Apr. 1, 2014- Sep. 30, 2014	Second Quarter Apr. 1, 2015- Sep. 30, 2015	<i>Fiscal 2014</i> <i>Apr. 1, 2014- Mar. 31, 2015</i>
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	10,107	11,492	20,300
Interest on Loans	2,499	2,263	4,890
Interest on Collateral Money for Securities Borrowed	982	1,008	1,947
Fees on Lending Securities	3,233	4,546	6,938
Other Operating Revenues	3,392	3,674	6,523
Operating Expenses	4,629	5,747	9,450
Interest on Borrowing & Commercial Paper	1,816	1,570	3,460
Fees on Borrowing Securities	2,381	3,558	5,123
Other Operating Expenses	432	618	866
Operating Profit	5,477	5,745	10,849
General and Administrative Expenses	3,719	4,021	7,824
Operating Income	1,758	1,724	3,025
Non-operating Revenues	552	409	1,361
Non-operating Expenses	80	29	156
Recurring Income	2,230	2,104	4,230
Extraordinary Profit	61	—	61
Extraordinary Loss	—	—	6
Net Income before Income Taxes	2,292	2,104	4,285
Current Income Taxes	227	260	443
Deferred Income Taxes	199	108	321
Net Income	1,865	1,734	3,520

Consolidated Average Outstanding Balance of Loans

	Second Quarter Apr.1,2014- Sep.30,2014		Second Quarter Apr.1,2015 - Sep.30,2015		Fiscal 2014 Apr.1,2014 - Mar.31,2015	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	406.9	58.1	442.3	61.8	428.3	57.6
Bond Financing & General Loans	198.9	28.4	189.9	26.5	223.4	30.1
Loans for Negotiable Margin Transactions	32.6	4.7	18.3	2.6	29.1	3.9
Trust Bank Loans	62.5	8.9	50.8	7.1	58.6	7.9
Other Loans	32.5	4.6	32.5	4.6	32.5	4.4
Total	700.9	100.0	715.6	100.0	743.0	100.0
Securities Lent for Margin Transactions	198.3	—	255.6	—	222.0	—

Business Information for Consolidated Operating Revenues

	Second Quarter Apr.1,2014- Sep.30,2014		Second Quarter Apr.1,2015 - Sep.30,2015		Fiscal 2014 Apr.1,2014 - Mar.31,2015	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	8,534	84.5	9,712	84.5	17,162	84.5
Loans for Margin Transactions	4,627	45.8	5,810	50.6	9,667	47.6
(Interest on Loans)	1,589	15.7	1,512	13.2	3,111	15.3
(Interest on Collateral Money of Securities Borrowed)	287	2.8	351	3.1	611	3.0
(Fees on Lending Securities)	2,470	24.4	3,704	32.2	5,389	26.5
Bond Financing and General Loans	1,043	10.3	984	8.5	2,107	10.4
Securities Lending	1,180	11.7	1,164	10.2	2,294	11.3
(Stocks)	314	3.1	513	4.5	784	3.9
(Bonds)	865	8.6	651	5.7	1,509	7.4
Other Business	1,683	16.7	1,752	15.2	3,094	15.2
Trust Banking Business	1,126	11.1	1,388	12.1	2,269	11.2
(Interest on Loans)	105	1.0	75	0.7	186	0.9
(Trust Charges)	258	2.6	315	2.7	545	2.7
(Others)	762	7.5	998	8.7	1,537	7.6
Real Estate Management Business	446	4.4	391	3.4	868	4.3
Total	10,107	100.0	11,492	100.0	20,300	100.0