

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for Fiscal 2017

Name : JAPAN SECURITIES FINANCE CO., LTD.

Listing : 1st 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 Fiscal 2017 (April 1, 2017 – March 31, 2018)

(1) Consolidated Results of Operations

(% change from previous year)

	Operating Revenues		Operating Income		Recurring Income		Net Income	
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)
Fiscal 2017	26,333	14.2	3,881	38.5	4,685	29.7	4,225	37.3
Fiscal 2016	23,066	4.7	2,802	9.5	3,611	7.8	3,078	16.3

Reference: Comprehensive Income: Fiscal 2017: ¥6,819million (–%) Fiscal 2016: ¥△469million (–%)

	Net Income per Share		Return on Equity	Recurring Income / Total Assets	Operating Income / Operating Revenues
	EPS (Yen)	(Yen) (fully diluted)	ROE (%)	ROA (%)	(%)
Fiscal 2017	44.25	—	3.0	0.1	14.7
Fiscal 2016	31.91	—	2.2	0.1	12.1

Reference: Equity in earnings/losses of affiliates: ¥123million (Fiscal 2016: ¥92million)

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2017	4,960,928	143,811	2.9	1,518.78
Fiscal 2016	4,645,051	139,712	3.0	1,452.64

Reference: Shareholders Equity: ¥143,811million (Fiscal 2016: ¥139,712million)

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of Year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2017	△290,514	△4,440	△2,725	771,469
Fiscal 2016	818,189	△7,507	△1,902	1,069,150

2. Dividends

	Dividends per Share			Total Cash Dividends (Full-year) (Millions of Yen)	Dividends Payout Ratio (Consolidated) (%)	Dividends on Equity (Consolidated) DOE (%)
	Interim (Yen)	Year-End (Yen)	Annual (Yen)			
Fiscal 2016	8.00	10.00	18.00	1,744	56.4	1.2
Fiscal 2017	9.00	17.00	26.00	2,485	58.8	1.8
Fiscal 2018 (Forecast)	11.00	11.00	22.00		67.2	

3. Consolidated Estimated Figures for fiscal 2018(April 1,2018—March 31,2019)

(% change from previous year)

	Operating Income		Recurring Income		Net Income		Net Income per Share EPS (Yen)
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	
Full-year	3,700	△4.7	4,500	△4.0	3,100	△26.6	32.74

4. Others

- (1) Changes in the scope of important consolidation for subsidiaries (yes/no): No
 (2) Changes in accounting policies and changes or restatement of accounting estimates

- ① Changes in accounting policies caused by revision of accounting standards: No
 ② Changes in accounting policies other than ①: No
 ③ Changes in accounting estimates: No
 ④ Restatement: No

- (3) Number of Issued Shares(common stock)

- ① Number of issued shares (Including treasury stock)
 as of Mar.31, 2018 : 100,000,000 as of Mar.31, 2017 : 100,000,000
 ② Number of Treasury stocks
 as of Mar.31, 2018 : 5,311,432 as of Mar.31, 2017 : 3,821,515
 ③ Average number of shares
 Fiscal 2017 : 95,494,358 Fiscal 2016 : 96,481,122

Consolidated Balance Sheets

【Assets】	<i>Fiscal 2016 Mar.31,2017</i>	<i>Fiscal 2017 Mar.31,2018</i>
	(millions of yen)	(millions of yen)
I Current Assets	3,942,440	4,162,254
Cash	1,076,761	777,895
Call Loans	33,000	95,000
Short-term Investments	238,498	60,817
Operating Loans	587,752	1,002,931
Deferred Tax Assets	278	767
Collateral Money for Securities Borrowed	1,930,722	2,168,170
Other Current Assets	75,682	57,790
Allowance for Doubtful Receivables	△ 254	△ 1,118
II Non-current Assets	702,610	798,674
Investments in Securities	690,208	787,231
Other Non-current Assets	13,560	12,121
Allowance for Doubtful Receivables	△ 1,158	△ 678
Total Assets	4,645,051	4,960,928

【Liabilities and Net Assets】	<i>Fiscal 2016 Mar.31,2017</i>	<i>Fiscal 2017 Mar.31,2018</i>
	(millions of yen)	(millions of yen)
I Current Liabilities	4,477,440	4,792,452
Call Money	626,898	771,414
Short-term Borrowings	13,010	15,510
Commercial Paper	185,000	459,000
Collateral Money for Securities Lent	2,492,578	2,505,135
Borrowed Money from Trust Account	1,095,054	961,611
Other Current Liabilities	64,898	79,781
II Non-current Liabilities	27,898	24,665
Long-term Borrowings	4,000	3,000
Deferred Tax Liabilities	9,410	10,395
Liabilities for Retirement and Severance Benefits	41	41
Other Non-current Liabilities	14,446	11,227
Total Liabilities	4,505,339	4,817,117
I Shareholders' Equity	125,314	126,819
II Accumulated Other Comprehensive Income	14,397	16,991
Net Unrealized Gain on Other Securities	19,736	24,484
Deferred Losses on Hedges	△ 5,083	△ 7,242
Others	△ 255	△ 249
Total Net Assets	139,712	143,811
Total Liabilities and Net Assets	4,645,051	4,960,928

Consolidated Statement of Operations

	<i>Fiscal 2016</i> <i>Apr. 1, 2016-Mar. 31, 2017</i>	<i>Fiscal 2017</i> <i>Apr. 1, 2017-Mar. 31, 2018</i>
	(millions of yen)	(millions of yen)
Operating Revenues	23,066	26,333
Interest on Loans	2,599	3,014
Interest on Collateral Money for Securities Borrowed	1,476	1,665
Fees on Lending Securities	11,723	14,014
Other Operating Revenues	7,267	7,639
Operating Expenses	11,892	13,330
Interest on Borrowing & Commercial Paper	1,217	1,259
Fees on Borrowing Securities	8,810	10,406
Other Operating Expenses	1,865	1,664
Operating Profit	11,173	13,002
General and Administrative Expenses	8,371	9,121
Operating Income	2,802	3,881
Non-operating Revenues	814	814
Non-operating Expenses	5	9
Recurring Income	3,611	4,685
Extraordinary Profit	63	133
Extraordinary Loss	116	2
Net Income before Income Taxes	3,558	4,817
Current Income Taxes	577	938
Deffered Income Taxes	△ 97	△ 346
Net Income	3,078	4,225

Consolidated Average Outstanding Balance of Loans

	Fiscal 2016 Apr. 1, 2016- Mar. 31, 2017		Fiscal 2017 Apr. 1, 2017- Mar. 31, 2018		Increase(Decrease)	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	265.4	56.8	350.1	52.2	84.7	31.9
General Loans	44.8	9.6	41.4	6.2	△ 3.4	△ 7.7
Loans for Negotiable Margin Transactions	9.5	2.0	10.0	1.5	0.4	4.8
Trust Bank Loans	149.9	32.1	273.5	40.8	123.6	82.4
Other Loans	7.0	1.5	5.0	0.8	△ 1.9	△ 27.6
Total	467.2	100.0	670.2	100.0	202.9	43.4
Securities Lent for Margin Transactions	291.3	—	366.1		74.7	25.7

Business Information for Consolidated Operating Revenues

	Fiscal 2016 Apr. 1, 2016- Mar. 31, 2017		Fiscal 2017 Apr. 1, 2017- Mar. 31, 2018		Increase(Decrease)	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	19,407	84.1	22,487	85.4	3,080	15.9
Loans for Margin Transactions	10,721	46.5	13,253	50.3	2,532	23.6
(Interest on Loans)	1,694	7.3	2,225	8.5	530	31.3
(Interest on Collateral Money of Securities Borrowed)	887	3.8	1,073	4.1	186	21.0
(Fees on Lending Securities)	7,771	33.7	9,481	36.0	1,710	22.0
General Loans	907	3.9	908	3.5	0	0.1
Securities Lending	4,453	19.3	5,035	19.1	581	13.1
(Stocks)	941	4.1	1,458	5.5	517	54.9
(Bonds)	3,512	15.2	3,576	13.6	64	1.8
Other Business	3,325	14.4	3,290	12.5	△ 34	△ 1.1
Trust Banking Business	2,792	12.1	2,971	11.3	179	6.4
(Interest on Loans)	147	0.6	89	0.3	△ 57	△ 39.1
(Trust Charges)	668	2.9	741	2.8	73	11.0
(Others)	1,977	8.6	2,140	8.1	163	8.3
Real Estate Management Business	865	3.8	873	3.3	7	0.9
Total	23,066	100.0	26,333	100.0	3,267	14.2