

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Second Quarter ended September 30, 2019

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 2019(April 1,2019—September 30,2019)

(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 2019	14,393	19.4	2,368	6.4	2,758	2.4	2,070	6.4
Second Quarter of Fiscal 2018	12,052	△6.6	2,226	△8.0	2,695	△1.0	1,946	△12.6
Fiscal 2018	24,321	△7.6	3,981	2.6	5,046	7.7	3,765	△10.9

Reference:Comprehensive Income: Fiscal2019 2Q:¥154million(△89.8%) Fiscal2018 2Q:¥1,511million(△63.7%)

	Net Income per Share	Net Income per Share
	EPS (Yen)	(Yen) (fully diluted)
Second Quarter of Fiscal 2019	22.35	—
Second Quarter of Fiscal 2018	20.59	—
Fiscal 2018	40.03	—

(2)Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	(Millions of Yen)	(Millions of Yen)	(%)
As of Sep.30, 2019	7,252,271	139,846	1.9
Fiscal 2018	5,291,372	140,793	2.7

Reference: Shareholders Equity: ¥139,846million (Fiscal2018: ¥140,793million)

2. Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Annual (Yen)
Fiscal 2018	11.00	11.00	22.00
Fiscal 2019	11.00		
Fiscal 2019 (Forecast)		11.00	22.00

Note : Amendment of Forecast No

3. Consolidated Estimated Figures for fiscal 2019(April 1,2019—March 31,2020)

	Operating Income (Millions of yen)	Recurring Income (Millions of yen)	Net Income (Millions of yen)	Net Income per Share EPS (Yen)
Full-year	3,900	4,700	3,500	37.80

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: No
 - 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, 2019 : 100,000,000 as of Mar.31, 2019 : 100,000,000
 - ②Number of Treasury stocks
as of Sep.30, 2019 : 7,478,146 as of Mar.31, 2019 : 7,330,865
 - ③Average number of shares
For six months ended Sep.30, 2019 : 92,652,315
For six months ended Sep.30, 2018 : 94,547,034

Consolidated Balance Sheets

【Assets】	Second Quarter Sep.30,2019	<i>Fiscal 2018</i> <i>Mar.31,2019</i>
	(millions of yen)	(millions of yen)
I Current Assets	6,578,606	4,776,406
Cash	1,063,906	990,670
Call Loans	100,000	100,000
Short-term Investments	224,282	238,643
Operating Loans	772,680	668,894
Receivables under resale agreements	1,658,914	546,542
Collateral Money for Securities Borrowed	2,589,631	2,137,589
Other Current Assets	170,019	94,802
Allowance for Doubtful Receivables	828	736
II Non-current Assets	673,665	514,965
Investments in Securities	664,363	505,163
Other Non-current Assets	9,504	10,035
Allowance for Doubtful Receivables	202	233
Total Assets	7,252,271	5,291,372

【Liabilities and Net Assets】	Second Quarter Sep.30,2019	Fiscal 2018 Mar.31,2019
	(millions of yen)	(millions of yen)
I Current Liabilities	7,069,912	5,115,112
Call Money	1,231,352	1,016,460
Short-term Borrowings	40,344	16,547
Commercial Paper	129,000	214,000
Payables under repurchase agreements	2,309,168	1,453,352
Collateral Money for Securities Lent	2,359,889	1,563,430
Borrowed Money from Trust Account	892,215	743,329
Other Current Liabilities	107,943	107,993
II Non-current Liabilities	42,512	35,467
Long-term Borrowings	4,000	4,000
Deferred Tax Liabilities	10,136	10,075
Liabilities for Retirement and Severance Benefits	—	41
Other Non-current Liabilities	28,376	21,350
Total Liabilities	7,112,425	5,150,579
I Shareholders' Equity	127,600	126,631
II Accumulated Other Comprehensive Income	12,245	14,161
Net Unrealized Gain on Other Securities	31,433	29,171
Deferred Losses on Hedges	18,407	14,133
Others	780	876
Total Net Assets	139,846	140,793
Total Liabilities and Net Assets	7,252,271	5,921,372

Consolidated Statement of Income

	Second Quarter Apr.1,2018- Sep.30,2018	Second Quarter Apr.1,2019- Sep.30,2019	<i>Fiscal 2018</i> <i>Apr.1,2018- Mar.31,2019</i>
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	12,052	14,393	24,321
Interest on Loans	1,505	1,038	2,698
Interest on Collateral Money for Securities Borrowed	754	985	1,509
Fees on Lending Securities	5,955	6,639	11,699
Other Operating Revenues	3,837	5,730	8,414
Operating Expenses	5,748	7,923	12,284
Interest on Borrowing & Commercial Paper	445	557	1,526
Fees on Borrowing Securities	4,361	5,684	8,970
Other Operating Expenses	941	1,681	1,787
Operating Profit	6,303	6,470	12,037
General and Administrative Expenses	4,077	4,102	8,056
Operating Income	2,226	2,368	3,981
Non-operating Revenues	471	397	1,081
Non-operating Expenses	3	6	15
Recurring Income	2,695	2,758	5,046
Extraordinary Loss	41	—	41
Net Income before Income Taxes	2,654	2,758	5,005
Current Income Taxes	421	462	842
Deferred Income Taxes	286	225	397
Net Income	1,946	2,070	3,765

Consolidated Average Outstanding Balance of Loans

	Second Quarter Apr.1,2018 - Sep.30,2018		Second Quarter Apr.1,2019 - Sep.30,2019		Fiscal 2018 Apr.1,2018 - Mar.31,2019	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	326.0	39.1	202.3	25.7	284.2	35.7
General Loans	94.0	11.3	88.9	11.3	81.1	10.2
Loans for Negotiable Margin Transactions	11.8	1.4	9.9	1.3	10.6	1.3
Trust Bank Loans	413.5	49.6	496.9	63.0	431.2	54.1
Total	833.7	100.0	788.2	100.0	796.6	100.0
Securities Lent for Margin Transactions	261.6	—	341.6	—	261.6	—

Business Information for Consolidated Operating Revenues

	Second Quarter Apr.1,2018 - Sep.30,2018		Second Quarter Apr.1,2019 - Sep.30,2019		Fiscal 2018 Apr.1,2018 - Mar.31,2019	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	10,247	85.0	12,219	84.9	20,969	86.3
Loans for Margin Transactions	4,707	39.1	6,280	43.6	9,661	39.7
(Interest on Loans)	1,031	8.6	653	4.5	1,799	7.4
(Interest on Collateral Money of Securities Borrowed)	331	2.8	599	4.2	708	2.9
(Fees on Lending Securities)	3,175	26.4	4,889	34.0	6,819	28.0
General Loans	659	5.5	575	4.0	1,242	5.1
Securities Lending	3,281	27.2	3,173	22.1	6,480	26.7
(Stocks)	907	7.5	454	3.2	1,517	6.2
(Bonds)	2,374	19.7	2,718	18.9	4,962	20.4
Other Business	1,598	13.2	2,189	15.2	3,586	14.8
Trust Banking Business	1,364	11.3	1,724	12.0	2,467	10.1
(Interest on Loans)	33	0.3	21	0.1	58	0.2
(Trust Charges)	371	3.1	383	2.7	746	3.1
(Others)	958	7.9	1,319	9.2	1,662	6.8
Real Estate Management Business	441	3.7	450	3.1	884	3.6
Total	12,052	100.0	14,393	100.0	24,321	100.0