

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the First Quarter ended June 30, 2020

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 First Quarter of Fiscal 2020(April 1,2020 - June 30,2020)

(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)
First Quarter of Fiscal 2020	7,937	4.3	1,606	4.3	1,759	1.5	1,315	3.9
First Quarter of Fiscal 2019	7,612	22.4	1,540	1.5	1,733	8.6	1,265	10.1
Fiscal 2019	29,101	19.7	4,129	3.7	4,894	3.0	3,556	5.6

Reference:Comprehensive Income: Fiscal2020 1Q: ¥261million(- %) Fiscal2019 1Q ¥18million (98.8%)

	Net Income per Share	Net Income per Share
	EPS (Yen)	(Yen) (fully diluted)
First Quarter of Fiscal 2020	14.34	
First Quarter of Fiscal 2019	13.66	
Fiscal 2019	38.48	

(2)Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	(Millions of Yen)	(Millions of Yen)	(%)
As of Jun.30, 2020	9,732,369	125,945	1.3
Fiscal 2019	9,814,494	136,687	1.3

Reference: Shareholders Equity: ¥125,945million (Fiscal2019: ¥126,687million)

2.Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Annual (Yen)
Fiscal 2019	11.00	11.00	22.00
Fiscal 2020 (Forecast)	11.00	11.00	22.00

Note : Amendment of Forecast None

3. Consolidated Estimated Figures for fiscal 2020(April 1,2020 - March 31,2021)

	Operating Income (Millions of yen)	Recurring Income (Millions of yen)	Net Income (Millions of yen)	Net Income per Share EPS (Yen)
Full-year	3,100	3,800	2,700	29.43

Notes

- (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

Changes in accounting policies caused by revision of accounting standards: No

Changes in accounting policies other than : No

Changes in accounting estimates: No

Restatement: No

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

Number of issued shares (Including treasury stock)

as of Jun.30, 2020 : 100,000,000 as of Mar.31, 2020 : 100,000,000

Number of Treasury stocks

as of Jun.30, 2020 : 8,251,584 as of Mar.31, 2020 : 8,278,844

Average number of shares

For three months ended Jun.30, 2020 : 91,732,200

For three months ended Jun.30, 2019 : 92,669,031

(Note)The number of treasury stocks to be deducted from the calculation of the number of treasury stocks at the end of the period and the average number of shares outstanding during the period (cumulative quarter) includes our shares held by the Share Benefit Trust (BBT).

Note : Quarterly financial report is not subject to quarterly review by a certified public accountant or auditing firm.

Note : Explanations and other special notes concerning the appropriate use of business performance forecasts.

The Company does not disclose earnings forecasts because the performance of the securities finance business, which is the Group's main business, is significantly affected by trends in the stock market, interest rates, and other factors.

In addition, for the purpose of disclosing information according to the type of business of the Group, the figures calculated on the basis of the outstanding balance of Margin Loan business and other assumptions are presented.

Financial results are disclosed as soon as reasonable estimates can be made quarterly.

Consolidated Balance Sheets

[Assets]	<i>First Quarter Jun.30,2020</i>	<i>Fiscal 2019 Mar.31,2020</i>
	(millions of yen)	(millions of yen)
Current Assets	8,902,370	9,015,273
Cash	1,217,753	1,299,935
Call Loans	-	75,000
Short-term Investments	57,770	68,292
Operating Loans	926,181	687,679
Receivables under resale agreements	2,556,319	2,747,396
Collateral Money for Securities Borrowed	3,880,337	3,877,826
Other Current Assets	264,474	259,805
Allowance for Doubtful Receivables	△ 466	△ 662
Non-current Assets	829,999	799,221
Investments in Securities	810,307	790,182
Other Non-current Assets	19,837	9,187
Allowance for Doubtful Receivables	△ 145	△ 148
Total Assets	9,732,369	9,814,494

[Liabilities and Net Assets]	<i>First Quarter Jun.30,2020</i>	<i>Fiscal 2019 Mar.31,2020</i>
	(millions of yen)	(millions of yen)
Current Liabilities	9,571,244	9,648,590
Call Money	980,800	1,176,795
Short-term Borrowings	70,556	101,473
Commercial Paper	294,000	366,000
Payables under repurchase agreements	3,801,751	3,923,414
Collateral Money for Securities Lent	3,174,811	3,104,029
Borrowed Money from Trust Account	1,129,949	869,488
Other Current Liabilities	119,375	107,389
Non-current Liabilities	35,179	39,216
Long-term Borrowings	3,000	3,000
Deferred Tax Liabilities	6,683	5,463
Derivatives Liabilities	23,152	28,385
Other Non-current Liabilities	2,343	2,367
Total Liabilities	9,606,424	9,687,807
Shareholders' Equity	127,964	127,653
Accumulated Other Comprehensive Income	△ 2,019	△ 965
Net Unrealized Gain on Other Securities	19,966	20,277
Deferred Losses on Hedges	△ 21,100	△ 20,308
Others	△ 885	△ 934
Total Net Assets	125,945	126,687
Total Liabilities and Net Assets	9,732,369	9,814,494

Consolidated Statement of Operations

	First Quarter Apr.1,2019- Jun.30,2019	First Quarter Apr.1,2020- Jun.30,2020	<i>Fiscal 2020</i> <i>Apr.1,2019- Mar.31,2020</i>
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	7,612	7,937	29,101
Interest on Loans	517	504	2,168
Interest on Receivables under Resale Agreements	564	1,260	3,019
Interest on Collateral Money for Securities Borrowed	473	698	2,307
Fees on Lending Securities	2,999	3,404	13,213
Other Operating Revenues	3,057	2,069	8,393
Operating Expenses	4,118	4,512	16,835
Interest on Borrowing & Commercial Paper	275	167	1,251
Interest on Payables under Repurchase Agreements	312	872	1,622
Fees on Borrowing Securities	2,491	3,156	11,860
Other Operating Expenses	1,038	316	2,100
Operating Profit	3,493	3,425	12,266
General and Administrative Expenses	1,953	1,818	8,136
Operating Income	1,540	1,606	4,129
Non-operating Revenues	198	171	783
Non-operating Expenses	4	18	18
Recurring Income	1,733	1,759	4,894
Net Income before Income Taxes	1,733	1,759	4,857
Current Income Taxes	152	318	1,259
Deferred Income Taxes	316	126	41
Net Income	1,265	1,315	3,556

Outstanding Balance of Transactions by Group Business (Average Balance)

	First Quarter Apr.1,2019 - Jun.30,2019	First Quarter Apr.1,2020 - Jun.30,2020	Fiscal 2019 Apr.1,2019 - Mar.31,2020
	(billions of yen)	(billions of yen)	(billions of yen)
Loans for Margin Transactions	201.8	199.0	219.9
Securities Lent for Margin Transactions	332.5	295.2	333.9
Securities Financing	3,761.9	6,731.2	4,609.0
Loans for Negotiable Margin Transactions	9.0	7.5	10.4
Loans to Securites Companies	318.3	288.7	309.0
Loans to Individual Investors or Firms	14.2	12.6	13.9
General Stock Lending	68.7	64.0	60.8
Bond Lending (Repo/Gensaki transactions ,etc)	3,351.6	6,358.3	4,214.8
Trust Bank Loans	464.8	473.1	473.8

Business Information for Consolidated Operating Revenues

	First Quarter Apr.1,2019 - Jun.30,2019		First Quarter Apr.1,2020 - Jun.30,2020		Fiscal 2019 Apr.1,2019 - Mar.31,2020	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	6,191	81.3	7,137	89.9	25,369	87.2
Loans for Margin Transactions	2,727	35.8	2,650	33.4	12,517	43.0
(Interest on Loans)	323	4.3	322	4.1	1,420	4.9
(Interest on Collateral Money of Securities Borrowed)	285	3.7	279	3.5	1,178	4.0
(Premium Charges)	1,719	22.6	1,649	20.8	8,255	28.4
(Lending Fees)	347	4.6	312	3.9	1,407	4.8
Securities Financing	1,927	25.3	3,481	43.8	8,835	30.4
(Loans for Negotiable Margin Transactions)	16	0.2	15	0.2	80	0.3
(Loans to Securites Companies)	147	1.9	221	2.8	737	2.5
(Loans to Individual Investors or Firms)	124	1.6	112	1.4	494	1.7
(General Stock Lending)	214	2.8	295	3.7	1,015	3.5
(Bond Lending)	1,426	18.8	2,836	35.7	6,507	22.4
Other Business	1,535	20.2	1,005	12.7	4,016	13.8
Trust Banking Business	1,194	15.7	573	7.2	2,832	9.8
(Interest on Loans)	11	0.2	13	0.2	50	0.2
(Trust Charges)	192	2.5	232	2.9	784	2.7
(Others)	990	13.0	326	4.1	1,997	6.9
Real Estate Management Business	225	3.0	227	2.9	899	3.0
Total	7,612	100.0	7,937	100.0	29,101	100.0