

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Second Quarter ended September 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 Second Quarter of Fiscal 2020(April 1,2020—September 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)
Second Quarter of Fiscal 2020	15,291	6.2	2,758	16.5	3,039	10.2	2,186	5.6
Second Quarter of Fiscal 2019	14,393	19.4	2,368	6.4	2,758	2.4	2,070	6.4
Fiscal 2019	29,101	19.7	4,129	3.7	4,894	△3.0	3,556	△5.6

Reference:Comprehensive Income: Fiscal2020 2Q:¥3,494 million(—%) Fiscal2019 2Q:¥154 million(△89.8%)

	Net Income per Share		Net Income per Share	
	EPS	(Yen)	(Yen)	(fully diluted)
Second Quarter of Fiscal 2020	23.83			—
Second Quarter of Fiscal 2019	22.35			—
Fiscal 2019	38.48			—

(2)Consolidated Financial Position

	Total Assets		Net Assets		Equity Ratio	
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(%)	(%)
As of Sep.30, 2020	9,246,627	129,178	129,178	129,178	1.4	1.4
Fiscal 2019	9,814,494	126,687	126,687	126,687	1.3	1.3

Reference: Shareholders Equity: ¥129,178 million (Fiscal2019: ¥126,687 million)

2. Dividends

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

Note : Amendment of Forecast No

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	4,300	5,000	3,500	38.15

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
 - 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
- (4) Number of Issued Shares(common stock)
 - ① Number of issued shares (Including treasury stock)
as of Sep.30, 2020 : 100,000,000 as of Mar.31, 2020 : 100,000,000
 - ② Number of Treasury stocks
as of Sep.30, 2020 : 8,251,832 as of Mar.31, 2020 : 8,278,844
 - ③ Average number of shares
For six months ended Sep.30, 2020 : 91,740,272
For six months ended Sep.30, 2019 : 92,652,315

Consolidated Balance Sheets

【Assets】	Second Quarter Sep.30,2020	<i>Fiscal 2019</i> <i>Mar.31,2020</i>
	(millions of yen)	(millions of yen)
I Current Assets	8,381,420	9,015,273
Cash	794,958	1,299,935
Call Loans	—	75,000
Short-term Investments	36,992	68,292
Operating Loans	1,011,730	687,679
Receivables under resale agreements	2,517,436	2,747,396
Collateral Money for Securities Borrowed	3,789,628	3,877,826
Other Current Assets	231,124	259,805
Allowance for Doubtful Receivables	△ 449	△ 662
II Non-current Assets	865,206	799,221
Investments in Securities	846,328	790,182
Other Non-current Assets	18,990	9,187
Allowance for Doubtful Receivables	△ 112	△ 148
Total Assets	9,246,627	9,814,494

【Liabilities and Net Assets】	Second Quarter Sep.30,2020	Fiscal 2019 Mar.31,2020
	(millions of yen)	(millions of yen)
I Current Liabilities	9,081,366	9,648,590
Call Money	850,900	1,176,795
Short-term Borrowings	96,108	101,473
Commercial Paper	383,000	366,000
Payables under repurchase agreements	3,332,074	3,923,414
Collateral Money for Securities Lent	3,299,773	3,104,029
Borrowed Money from Trust Account	982,941	869,488
Other Current Liabilities	136,568	107,389
II Non-current Liabilities	36,082	39,216
Long-term Borrowings	3,000	3,000
Deferred Tax Liabilities	7,553	5,463
Derivatives Liabilities	23,179	28,385
Other Non-current Liabilities	2,349	2,367
Total Liabilities	9,117,448	9,687,807
I Shareholders' Equity	128,835	127,653
II Accumulated Other Comprehensive Income	342	△ 965
Net Unrealized Gain on Other Securities	23,373	20,277
Deferred Losses on Hedges	△ 22,199	△ 20,308
Others	△ 831	△ 934
Total Net Assets	129,178	126,687
Total Liabilities and Net Assets	9,246,627	9,814,494

Consolidated Statement of Income

	Second Quarter Apr.1,2019- Sep.30,2019	Second Quarter Apr.1,2020- Sep.30,2020	<i>Fiscal 2020</i> Apr.1,2019- Mar.31,2020
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	14,393	15,291	29,101
Interest on Loans	1,038	1,062	2,168
Interest on Receivables under Resale Agreements	1,151	2,219	3,019
Interest on Collateral Money for Securities Borrowed	985	1,401	2,307
Fees on Lending Securities	6,639	6,866	13,213
Other Operating Revenues	4,578	3,741	8,393
Operating Expenses	7,923	8,777	16,835
Interest on Borrowing & Commercial Paper	557	292	1,251
Interest on Payables under Repurchase Agreements	649	1,462	1,622
Fees on Borrowing Securities	5,684	6,452	11,860
Other Operating Expenses	1,032	570	2,100
Operating Profit	6,470	6,514	12,266
General and Administrative Expenses	4,102	3,755	8,136
Operating Income	2,368	2,758	4,129
Non-operating Revenues	397	287	783
Non-operating Expenses	6	7	18
Recurring Income	2,758	3,039	4,894
Net Income before Income Taxes	2,758	3,039	4,857
Current Income Taxes	462	824	1,259
Deferred Income Taxes	225	28	41
Net Income	2,070	2,186	3,556

Outstanding Balance of Transactions by Group Business (Average Balance)

	First Quarter Apr.1,2019 - Sep.30,2019	First Quarter Apr.1,2020 - Sep.30,2020	Fiscal 2019 Apr.1,2019 - Mar.31,2020
	(billions of yen)	(billions of yen)	(billions of yen)
Loans for Margin Transactions	202.3	209.4	219.9
Securities Lent for Margin Transactions	341.6	314.7	333.9
Securities Financing	3,842.9	6,658.3	4,609.0
Loans for Negotiable Margin Transactions	9.9	7.8	10.4
Loans to Securites Companies	314.6	298.9	309.0
Loans to Individual Investors or Firms	13.9	12.8	13.9
General Stock Lending	65.2	65.3	60.8
Bond Lending (Repo/Gensaki transactions ,etc)	3,439.1	6,273.3	4,214.8
Trust Bank Loans	496.9	543.5	473.8

Business Information for Consolidated Operating Revenues

	First Quarter Apr.1,2019 - Sep.30,2019		First Quarter Apr.1,2020 - Sep.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	12,219	84.9	13,645	89.2	25,369	87.2
Loans for Margin Transactions	6,280	43.6	5,816	38.0	12,517	43.0
(Interest on Loans)	653	4.5	682	4.5	1,420	4.9
(Interest on Collateral Money of Securities Borrowed)	599	4.2	582	3.8	1,178	4.0
(Premium Charges)	4,172	29.0	3,710	24.3	8,255	28.4
(Lending Fees)	717	5.0	669	4.4	1,407	4.8
Securities Financing	3,811	26.5	6,246	40.9	8,835	30.4
(Loans for Negotiable Margin Transactions)	38	0.3	33	0.2	80	0.3
(Loans to Securites Companies)	289	2.0	422	2.8	737	2.5
(Loans to Individual Investors or Firms)	248	1.7	229	1.5	494	1.7
(General Stock Lending)	454	3.2	498	3.3	1,015	3.5
(Bond Lending)	2,780	19.3	5,062	33.1	6,507	22.4
Other Business	2,127	14.8	1,582	10.3	4,016	13.8
Trust Banking Business	1,724	12.0	1,192	7.8	2,832	9.8
(Interest on Loans)	21	0.1	36	0.2	50	0.2
(Trust Charges)	383	2.7	483	3.2	784	2.7
(Others)	1,319	9.2	671	4.4	1,997	6.9
Real Estate Management Business	450	3.1	453	3.0	899	3.0
Total	14,393	100.0	15,291	100.0	29,101	100.0