

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for the First Quarter ended June 30, 2022

Name : Japan Securities Finance Co., Ltd.

Listing : Tokyo Stock Exchange Prime Market

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 2022 (April 1, 2022 - June 30, 2022)

(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 2022	11,092	49.8	1,783	21.4	2,199	10.8	2,063	16.0
First Quarter of Fiscal 2021	7,406	6.7	2,268	41.2	2,464	40.0	1,778	35.2
Fiscal 2021	30,138	2.5	6,235	30.5	7,164	28.9	5,174	30.3

Note : Comprehensive Income Fiscal2022 1Q : ¥539million(- %) Fiscal2021 1Q : ¥90million (- %)

	Net Income per Share	Net Income per Share
	EPS (Yen)	(Yen) (fully diluted)
First Quarter of Fiscal 2022	23.10	—
First Quarter of Fiscal 2021	19.38	—
Fiscal 2021	56.61	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	(Millions of Yen)	(Millions of Yen)	(%)
As of Jun.30, 2022	14,263,073	137,245	1.0
Fiscal 2021	14,168,656	137,996	1.0

Reference : Shareholders Equity Fiscal2022 1Q : ¥137,245million Fiscal2021 : ¥137,996million

2. Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Annual (Yen)
Fiscal 2021	15.00	15.00	30.00
Fiscal 2022 (Forecast)	16.00	16.00	32.00

Note : Amendment of Forecast None

3. Consolidated Estimated Figures for fiscal 2022(April 1,2022 - March 31,2023)

	Operating Income (Millions of yen)	Recurring Income (Millions of yen)	Net Income (Millions of yen)	Net Income per Share EPS (Yen)
Full-year	6,500	7,400	5,600	65.03

Note: Amendment of Estimated Figures Yes

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
 - Changes in accounting policies caused by revision of accounting standards: Yes
 - 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, 2022 : 96,000,000 as of Mar.31, 2022 : 96,000,000

Number of Treasury stocks

as of Jun.30, 2022 : 6,628,144 as of Mar.31, 2022 : 6,683,572

Average number of shares

For three months ended Jun.30, 2022 : 89,320,621

For three months ended Jun.30, 2021 : 91,771,612

(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]	Fiscal 2021 Mar.31,2022	First Quarter Jun.30,2022
	(millions of yen)	(millions of yen)
Current Assets	13,083,009	13,304,451
Cash	1,299,070	1,280,055
Call Loans	-	-
Short-term Investments	109,724	119,650
Operating Loans	891,485	941,499
Receivables under resale agreements	3,928,146	4,923,323
Collateral Money for Securities Borrowed	6,499,422	5,638,717
Other Current Assets	355,293	401,324
Allowance for Doubtful Receivables	△ 133	△ 118
Non-current Assets	1,085,646	958,621
Investments in Securities	1,042,496	905,809
Other Non-current Assets	43,245	52,904
Allowance for Doubtful Receivables	△ 95	△ 92
Total Assets	14,168,656	14,263,073

[Liabilities and Net Assets]	Fiscal 2021 Mar.31,2022	First Quarter Jun.30,2022
	(millions of yen)	(millions of yen)
Current Liabilities	14,015,456	14,115,148
Call Money	1,858,400	1,811,000
Short-term Borrowings	239,210	168,010
Commercial Paper	496,000	461,500
Payables under repurchase agreements	5,544,898	6,465,606
Collateral Money for Securities Lent	4,706,496	4,234,477
Borrowed Money from Trust Account	1,031,412	874,660
Other Current Liabilities	139,039	99,894
Non-current Liabilities	15,202	10,680
Long-term Borrowings	4,000	4,000
Deferred Tax Liabilities	3,011	2,693
Derivatives Liabilities	7,054	2,865
Other Non-current Liabilities	1,136	1,121
Total Liabilities	14,030,659	14,125,828
Shareholders' Equity	129,719	130,453
Accumulated Other Comprehensive Income	8,277	6,791
Net Unrealized Gain on Other Securities	9,920	△ 43
Deferred Losses on Hedges	△ 1,967	6,477
Others	324	357
Total Net Assets	137,996	137,245
Total Liabilities and Net Assets	14,168,656	14,263,073

Consolidated Statement of Operations

	First Quarter Apr.1,2021- Jun.30,2021	First Quarter Apr.1,2022- Jun.30,2022	Fiscal 2021 Apr.1,20201- Mar.31,2022
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	7,406	11,092	30,138
Interest on Loans	693	601	2,708
Interest on Receivables under Resale Agreements	1,303	2,227	5,714
Interest on Collateral Money for Securities Borrowed	502	611	2,250
Fees on Lending Securities	2,286	2,548	9,457
Other Operating Revenues	2,621	5,104	10,006
Operating Expenses	3,620	7,530	16,533
Interest on Borrowing & Commercial Paper	208	204	747
Interest on Payables under Repurchase Agreements	807	1,419	3,614
Fees on Borrowing Securities	2,239	2,515	9,357
Other Operating Expenses	364	3,392	2,814
Operating Profit	3,785	3,562	13,604
General and Administrative Expenses	1,517	1,778	7,368
Operating Income	2,268	1,783	6,235
Non-operating Revenues	206	415	959
Non-operating Expenses	10	0	29
Recurring Income	2,464	2,199	7,164
Extraordinary Profit	40	671	40
Extraordinary Loss	0	-	58
Net Income before Income Taxes	2,504	2,870	7,147
Current Income Taxes	495	421	2,071
Deferred Income Taxes	229	385	△ 98
Net Income	1,778	2,063	5,174

Outstanding Balance of Transactions by Group Business (Average Balance)

	First Quarter Apr.1,2021 - Jun.30,2021	First Quarter Apr.1,2022 - Jun.30,2022	Fiscal 2021 Apr.1,2021 - Mar.31,2022
	(billions of yen)	(billions of yen)	(billions of yen)
Loans for Margin Transactions	296.9	248.5	283.1
Securities Lent for Margin Transactions	181.6	156.1	175.5
Securities Financing	8,873.2	11,318.5	9,969.7
Loans for Negotiable Margin Transactions	16.7	18.2	21.5
Loans to Securites Companies	402.6	682.6	585.9
Loans to Retail	13.6	15.5	14.9
General Stock Lending	15.5	36.2	47.5
Bond Lending (Repo/Gensaki transactions ,etc)	8,424.7	10,565.7	9,299.7
Trust Bank Loans	723.2	552.1	682.4

Business Information for Consolidated Operating Revenues

	First Quarter Apr.1,2021 - Jun.30,2021		First Quarter Apr.1,2022 - Jun.30,2022		Fiscal 2021 Apr.1,2021 - Mar.31,2022	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	6,504	87.8	10,174	91.7	26,558	88.1
Loans for Margin Transactions	1,553	21.0	1,480	13.3	6,118	20.3
(Interest on Loans)	469	6.3	393	3.5	1,793	5.9
(Interest on Collateral Money of Securities Borrowed)	110	1.5	103	0.9	446	1.5
(Premium Charges)	684	9.2	757	6.8	2,832	9.4
(Lending Fees)	193	2.6	167	1.5	748	2.5
Securities Financing	3,549	47.9	4,814	43.4	15,368	51.0
(Loans for Negotiable Margin Transactions)	29	0.4	31	0.3	156	0.5
(Loans to Securites Companies)	235	3.2	369	3.3	1,196	4.0
(Loans to Retail)	120	1.6	129	1.2	510	1.7
(General Stock Lending)	174	2.3	175	1.6	657	2.2
(Bond Lending)	2,989	40.4	4,107	37.0	12,846	42.6
Other Business	1,401	18.9	3,880	35.0	5,071	16.8
Trust Banking Business	688	9.3	710	6.4	2,737	9.1
(Interest on Loans)	40	0.5	10	0.1	91	0.3
(Trust Charges)	307	4.2	324	2.9	1,266	4.2
(Others)	340	4.6	375	3.4	1,380	4.6
Real Estate Management Business	214	2.9	208	1.9	841	2.8
Total	7,406	100.0	11,092	100.0	30,138	100.0