

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for the Second Quarter ended September 30, 2022

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 2022 (April 1, 2022 - September 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)
Second Quarter of Fiscal 2022	21,081	40.0	4,526	31.5	5,135	33.3	4,110	49.7
Second Quarter of Fiscal 2021	15,056	1.5	3,442	24.8	3,851	26.7	2,745	25.5
Fiscal 2021	30,138	2.5	6,235	30.5	7,164	28.9	5,174	30.3

Note : Comprehensive Income Fiscal2022 2Q : ¥1,642million(51.3%) Fiscal2021 2Q : ¥3,375million(3.4%)

	Net Income per Share EPS (Yen)	Net Income per Share (Yen) (fully diluted)
Second Quarter of Fiscal 2022	46.09	—
Second Quarter of Fiscal 2021	29.91	—
Fiscal 2021	56.61	—

(2)Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)
As of Sep.30, 2022	15,059,474	137,177	0.9
Fiscal 2021	14,168,656	137,996	1.0

Reference : Shareholders Equity Fiscal2022 2Q : ¥137,447million 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	16.00		
Fiscal 2022 (Forecast)		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	7,500	5,700	64.34

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 Sep.30, 2022 : 96,000,000 as of Mar.31, 2022 : 96,000,000
 - Number of Treasury stocks
 - as of Sep.30, 2022 : 7,662,957 as of Mar.31, 2022 : 6,683,572
 - Average number of shares
 - For six months ended Sep.30, 2022 : 89,194,627
 - For six months ended Sep.30, 2021 : 91,789,104

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	Second Quarter Sep.30,2022
	(millions of yen)	(millions of yen)
Current Assets	13,083,009	14,147,688
Cash	1,299,070	1,681,902
Call Loans	-	-
Short-term Investments	109,724	63,130
Operating Loans	891,485	940,539
Receivables under resale agreements	3,928,146	4,756,391
Collateral Money for Securities Borrowed	6,499,422	6,284,149
Other Current Assets	355,293	421,654
Allowance for Doubtful Receivables	△ 133	△ 78
Non-current Assets	1,085,646	911,786
Investments in Securities	1,042,496	855,100
Other Non-current Assets	43,245	56,772
Allowance for Doubtful Receivables	△ 95	△ 86
Total Assets	14,168,656	15,059,474

[Liabilities and Net Assets]	Fiscal 2021 Mar.31,2022	Second Quarter Sep.30,2022
	(millions of yen)	(millions of yen)
Current Liabilities	14,015,456	14,913,090
Call Money	1,858,400	2,358,000
Short-term Borrowings	239,210	82,010
Commercial Paper	496,000	505,500
Payables under repurchase agreements	5,544,898	5,909,427
Collateral Money for Securities Lent	4,706,496	4,923,879
Borrowed Money from Trust Account	1,031,412	983,171
Other Current Liabilities	139,039	151,102
Non-current Liabilities	15,202	8,937
Long-term Borrowings	4,000	4,000
Deferred Tax Liabilities	3,011	2,156
Derivatives Liabilities	7,054	1,709
Other Non-current Liabilities	1,136	1,071
Total Liabilities	14,030,659	14,922,027
Shareholders' Equity	129,719	131,638
Accumulated Other Comprehensive Income	8,277	5,808
Net Unrealized Gain on Other Securities	9,920	△ 5,097
Deferred Losses on Hedges	△ 1,967	10,554
Others	324	351
Total Net Assets	137,996	137,447
Total Liabilities and Net Assets	14,168,656	15,059,474

Consolidated Statement of Income

	Second Quarter Apr.1,2021- Sep.30,2021	Second Quarter Apr.1,2022- Sep.30,2022	Fiscal 2021 Apr.1,2021- Mar.31,2022
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	15,056	21,081	30,138
Interest on Loans	1,377	1,229	2,708
Interest on Receivables under Resale Agreements	2,630	5,019	5,714
Interest on Collateral Money for Securities Borrowed	1,066	1,309	2,250
Fees on Lending Securities	4,691	5,792	9,457
Other Operating Revenues	5,290	7,731	10,006
Operating Expenses	8,159	12,973	16,533
Interest on Borrowing & Commercial Paper	389	440	747
Interest on Payables under Repurchase Agreements	1,657	3,052	3,614
Fees on Borrowing Securities	4,569	5,895	9,357
Other Operating Expenses	1,543	3,584	2,814
Operating Profit	6,897	8,108	13,604
General and Administrative Expenses	3,454	3,581	7,368
Operating Income	3,442	4,526	6,235
Non-operating Revenues	420	612	959
Non-operating Expenses	11	3	29
Recurring Income	3,851	5,135	7,164
Extraordinary Profit	40	671	40
Extraordinary Loss	16	—	58
Net Income before Income Taxes	3,875	5,806	7,147
Current Income Taxes	1,034	1,415	2,071
Deferred Income Taxes	96	280	△ 98
Net Income	2,745	4,110	5,174

Outstanding Balance of Transactions by Group Business (Average Balance)

	Second Quarter Apr.1,2021 - Sep.30,2021	Second Quarter Apr.1,2022 - Sep.30,2022	Fiscal 2021 Apr.1,2021 - Mar.31,2022
	(billions of yen)	(billions of yen)	(billions of yen)
Loans for Margin Transactions	291.8	252.4	283.1
Securities Lent for Margin Transactions	188.0	185.9	175.5
Securities Financing	9,246.0	11,558.6	9,969.7
Loans for Negotiable Margin Transactions	18.2	17.4	21.5
Loans to Securites Companies	484.1	695.2	585.9
Loans to Retail	14.2	16.0	14.9
General Stock Lending	33.8	34.0	47.5
Bond Lending (Repo/Gensaki transactions ,etc)	8,695.4	10,795.9	9,299.7
Trust Bank Loans	698.3	555.9	682.4

Business Information for Consolidated Operating Revenues

	Second Quarter Apr.1,2021 - Sep.30,2021		Second Quarter Apr.1,2022 - Sep.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	13,263	88.1	19,191	91.1	26,558	88.1
Loans for Margin Transactions	3,215	21.4	3,640	17.3	6,118	20.3
(Interest on Loans)	925	6.1	805	3.8	1,793	5.9
(Interest on Collateral Money of Securities Borrowed)	243	1.6	272	1.3	446	1.5
(Premium Charges)	1,460	9.7	2,011	9.5	2,832	9.4
(Lending Fees)	401	2.7	398	1.9	748	2.5
Securities Financing	7,245	48.1	10,371	49.2	15,368	51.0
(Loans for Negotiable Margin Transactions)	69	0.5	65	0.3	156	0.5
(Loans to Securites Companies)	541	3.6	757	3.6	1,196	4.0
(Loans to Retail)	248	1.7	264	1.3	510	1.7
(General Stock Lending)	321	2.1	329	1.6	657	2.2
(Bond Lending)	6,063	40.3	8,954	42.5	12,846	42.6
Other Business	2,802	18.6	5,179	24.6	5,071	16.8
Trust Banking Business	1,369	9.1	1,482	7.0	2,737	9.1
(Interest on Loans)	56	0.4	20	0.1	91	0.3
(Trust Charges)	618	4.1	664	3.2	1,266	4.2
(Others)	694	4.6	797	3.8	1,380	4.6
Real Estate Management Business	423	2.8	407	1.9	841	2.8
Total	15,056	100.0	21,081	100.0	30,138	100.0