

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for the Third Quarter ended December 31, 2022

Name : Japan Securities Finance Co., Ltd.

Listing : Prime Market, 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 Third Quarter of Fiscal 2022 (April 1, 2022—December 31, 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)
Third Quarter of Fiscal 2022	31,638	41.5	6,704	33.3	7,584	34.8	5,911	46.6
Third Quarter of Fiscal 2021	22,362	△3.5	5,029	23.1	5,625	25.3	4,032	23.8
Fiscal 2021	30,138	△2.5	6,235	30.5	7,164	28.9	5,174	30.3

Note : Comprehensive Income Fiscal2022 3Q : ¥2,641million(△20.5%) Fiscal2021 3Q : ¥3,324million(△45.1%)

	Net Income per Share EPS (Yen)	Net Income per Share (Yen) (fully diluted)
Third Quarter of Fiscal 2022	66.71	—
Third Quarter of Fiscal 2021	43.94	—
Fiscal 2021	56.61	—

(2)Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)
As of Dec.31, 2022	13,523,609	135,382	1.0
Fiscal 2021	14,168,656	137,996	1.0

Reference : Shareholders Equity Fiscal2022 3Q : ¥135,382million 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	6,300	7,500	5,800	65.85

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
 - ① Changes in accounting policies caused by revision of accounting standards : Yes
 - 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 Dec.31, 2022 : 96,000,000 as of Mar.31, 2022 : 96,000,000
 - ② Number of Treasury stocks
as of Dec.31, 2022 : 9,363,735 as of Mar.31, 2022 : 6,683,572
 - ③ Average number of shares
For nine months ended Dec.31, 2022 : 88,626,661
For nine months ended Dec.31, 2021 : 91,785,836

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	Third Quarter Dec.31,2022
	(millions of yen)	(millions of yen)
I Current Assets	13,083,009	12,676,898
Cash	1,299,070	851,099
Call Loans	—	—
Short-term Investments	109,724	63,061
Operating Loans	891,485	930,238
Receivables under resale agreements	3,928,146	4,538,639
Collateral Money for Securities Borrowed	6,499,422	5,797,455
Other Current Assets	355,293	496,500
Allowance for Doubtful Receivables	△ 133	△ 95
II Non-current Assets	1,085,646	846,711
Investments in Securities	1,042,496	783,451
Other Non-current Assets	43,245	63,344
Allowance for Doubtful Receivables	△ 95	△ 84
Total Assets	14,168,656	13,523,609

【Liabilities and Net Assets】	Fiscal 2021 Mar.31,2022	Third Quarter Dec.31,2022
	(millions of yen)	(millions of yen)
I Current Liabilities	14,015,456	13,381,874
Call Money	1,858,400	1,360,200
Short-term Borrowings	239,210	42,010
Commercial Paper	496,000	405,500
Payables under repurchase agreements	5,544,898	6,652,628
Collateral Money for Securities Lent	4,706,496	3,779,338
Borrowed Money from Trust Account	1,031,412	1,014,775
Other Current Liabilities	139,039	127,422
II Non-current Liabilities	15,202	6,352
Long-term Borrowings	4,000	3,000
Deferred Tax Liabilities	3,011	1,988
Derivatives Liabilities	7,054	288
Other Non-current Liabilities	1,136	1,075
Total Liabilities	14,030,659	13,388,226
I Shareholders' Equity	129,719	130,376
II Accumulated Other Comprehensive Income	8,277	5,006
Net Unrealized Gain on Other Securities	9,920	△ 17,123
Deferred Losses on Hedges	△ 1,967	21,784
Others	324	345
Total Net Assets	137,996	135,382
Total Liabilities and Net Assets	14,168,656	13,523,609

Consolidated Statement of Income

	Third Quarter Apr.1,2021- Dec.31,2021	Third Quarter Apr.1,2022- Dec.31,2022	Fiscal 2021 Apr.1,2021- Mar.31,2022
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	22,362	31,638	30,138
Interest on Loans	2,076	1,844	2,708
Interest on Receivables under Resale Agreements	4,189	7,573	5,714
Interest on Collateral Money for Securities Borrowed	1,648	1,890	2,250
Fees on Lending Securities	6,849	8,729	9,457
Other Operating Revenues	7,598	11,599	10,006
Operating Expenses	11,941	19,582	16,533
Interest on Borrowing & Commercial Paper	558	753	747
Interest on Payables under Repurchase Agreements	2,633	4,553	3,614
Fees on Borrowing Securities	6,732	8,935	9,357
Other Operating Expenses	2,016	5,341	2,814
Operating Profit	10,421	12,055	13,604
General and Administrative Expenses	5,391	5,350	7,368
Operating Income	5,029	6,704	6,235
Non-operating Revenues	604	888	959
Non-operating Expenses	8	8	29
Recurring Income	5,625	7,584	7,164
Extraordinary Profit	40	671	40
Extraordinary Loss	16	—	58
Net Income before Income Taxes	5,649	8,256	7,147
Current Income Taxes	1,413	1,883	2,071
Deferred Income Taxes	202	460	△ 98
Net Income	4,032	5,911	5,174

Outstanding Balance of Transactions by Group Business (Average Balance)

	Third Quarter Apr.1,2021 - Dec.31,2021	Third Quarter Apr.1,2022 - Dec.31,2022	Fiscal 2021 Apr.1,2021 - Mar.31,2022
	(billions of yen)	(billions of yen)	(billions of yen)
Loans for Margin Transactions	290.7	252.6	283.1
Securities Lent for Margin Transactions	183.6	185.2	175.5
Securities Financing	9,625.0	11,634.9	9,969.7
Loans for Negotiable Margin Transactions	20.6	17.1	21.5
Loans to Securites Companies	554.3	687.6	585.9
Loans to Retail	14.7	16.4	14.9
General Stock Lending	44.7	52.1	47.5
Bond Lending (Repo/Gensaki transactions ,etc)	8,990.5	10,861.5	9,299.7
Trust Bank Loans	697.1	546.8	682.4

Business Information for Consolidated Operating Revenues

	Third Quarter Apr.1,2021 - Dec.31,2021		Third Quarter Apr.1,2022 - Dec.31,2022		Fiscal 2021 Apr.1,2021 - Mar.31,2022	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	19,672	88.0	28,855	91.2	26,558	88.1
Loans for Margin Transactions	4,434	19.8	5,271	16.7	6,118	20.3
(Interest on Loans)	1,386	6.2	1,211	3.8	1,793	5.9
(Interest on Collateral Money of Securities Borrowed)	356	1.6	408	1.3	446	1.5
(Premium Charges)	1,877	8.4	2,852	9.0	2,832	9.4
(Lending Fees)	590	2.6	597	1.9	748	2.5
Securities Financing	11,337	50.7	15,729	49.7	15,368	51.0
(Loans for Negotiable Margin Transactions)	112	0.5	95	0.3	156	0.5
(Loans to Securites Companies)	849	3.8	1,126	3.6	1,196	4.0
(Loans to Retail)	383	1.7	404	1.3	510	1.7
(General Stock Lending)	505	2.3	584	1.8	657	2.2
(Bond Lending)	9,486	42.4	13,518	42.7	12,846	42.6
Other Business	3,900	17.5	7,854	24.8	5,071	16.8
Trust Banking Business	2,056	9.2	2,173	6.9	2,737	9.1
(Interest on Loans)	71	0.3	20	0.1	91	0.3
(Trust Charges)	942	4.2	1,011	3.2	1,266	4.2
(Others)	1,042	4.7	1,142	3.6	1,380	4.6
Real Estate Management Business	633	2.8	608	1.9	841	2.8
Total	22,362	100.0	31,638	100.0	30,138	100.0