

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for the First Quarter ended June 30, 2023

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 2023 (April 1, 2023 - June 30, 2023)

(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 2023	13,682	23.3	3,068	72.0	3,364	53.0	2,453	18.9
First Quarter of Fiscal 2022	11,092	49.8	1,783	Δ21.4	2,199	Δ10.8	2,063	16.0
Fiscal 2022	42,518	41.1	6,354	1.9	7,601	6.1	5,966	15.3

Note: Comprehensive Income Fiscal2023 1Q:¥4,825million(794.8%) Fiscal2022 1Q: ¥539million (—%)

	Net Income per Share EPS (Yen)	Net Income per Share (Yen) (fully diluted)
First Quarter of Fiscal 2023	28.46	—
First Quarter of Fiscal 2022	23.10	—
Fiscal 2022	67.76	—

(2) Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)
As of Jun.30, 2023	13,981,306	139,243	1.0
Fiscal 2022	14,056,217	135,728	1.0

Reference: Shareholders Equity Fiscal2023 1Q: ¥139,243million Fiscal2022 : ¥135,728million

2. Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Annual (Yen)
Fiscal 2022	16.00	16.00	32.00
Fiscal 2023 (Forecast)	17.00	17.00	34.00

Note: Amendment of Forecast None

3. Consolidated Estimated Figures for fiscal 2023(April 1,2023—March 31,2024)

	Operating Income (Millions of yen)	Recurring Income (Millions of yen)	Net Income (Millions of yen)	Net Income per Share EPS (Yen)
Full-year	8,400	9,400	6,700	77.65

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
 - ①Changes in accounting policies caused by revision of accounting standards: No
 - ②Changes in accounting policies other than ①: No
 - ③Changes in accounting estimates: No
 - ④Restatement: No
- (4) Number of Issued Shares(common stock)
 - ①Number of issued shares (Including treasury stock)
as of Jun.30, 2023 : 88,000,000 as of Mar.31, 2023 : 96,000,000
 - ②Number of Treasury stocks
as of Jun.30, 2023 : 1,676,916 as of Mar.31, 2023 : 9,803,815
 - ③Average number of shares
For three months ended Jun.30, 2023 : 86,203,358
For three months ended Jun.30, 2022 : 89,320,621

(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 2022 Mar.31,2023	First Quarter Jun.30,2023
	(millions of yen)	(millions of yen)
I Current Assets	13,261,853	13,215,801
Cash	1,598,274	977,883
Call Loans	-	13,000
Short-term Investments	71,013	127,255
Operating Loans	955,550	899,856
Receivables under resale agreements	3,561,406	3,833,638
Collateral Money for Securities Borrowed	6,669,821	6,948,217
Other Current Assets	405,951	416,125
Allowance for Doubtful Receivables	△ 165	△ 174
II Non-current Assets	794,364	765,504
Investments in Securities	745,621	719,733
Other Non-current Assets	48,824	45,849
Allowance for Doubtful Receivables	△ 81	△ 78
Total Assets	14,056,217	13,981,306

【Liabilities and Net Assets】	Fiscal 2022 Mar.31,2023	First Quarter Jun.30,2023
	(millions of yen)	(millions of yen)
I Current Liabilities	13,682,448	13,601,845
Call Money	2,190,400	1,116,200
Short-term Borrowings	92,010	82,010
Commercial Paper	451,000	487,145
Payables under repurchase agreements	4,781,801	6,218,698
Collateral Money for Securities Lent	5,073,776	4,364,092
Borrowed Money from Trust Account	871,335	1,187,608
Other Current Liabilities	222,126	146,090
II Non-current Liabilities	238,040	240,216
Long-term Borrowings	232,700	232,700
Deferred Tax Liabilities	2,196	3,393
Derivatives Liabilities	2,013	3,020
Other Non-current Liabilities	1,131	1,102
Total Liabilities	13,920,489	13,842,062
I Shareholders' Equity	129,925	131,070
II Accumulated Other Comprehensive Income	5,802	8,173
Net Unrealized Gain on Other Securities	△ 4,300	2,270
Deferred Losses on Hedges	9,782	5,587
Others	320	315
Total Net Assets	135,728	139,243
Total Liabilities and Net Assets	14,056,217	13,981,306

Consolidated Statement of Operations

	First Quarter Apr. 1, 2022- Jun. 30, 2022	First Quarter Apr. 1, 2023- Jun. 30, 2023	Fiscal 2022 Apr. 1, 2022- Mar. 31, 2023
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	11,092	13,682	42,518
Interest on Loans	601	698	2,486
Interest on Receivables under Resale Agreements	2,227	3,230	10,683
Interest on Collateral Money for Securities Borrowed	611	774	2,553
Fees on Lending Securities	2,548	6,199	12,844
Other Operating Revenues	5,104	2,779	13,949
Operating Expenses	7,530	8,703	28,765
Interest on Borrowing & Commercial Paper	204	248	1,033
Interest on Payables under Repurchase Agreements	1,419	1,564	6,015
Fees on Borrowing Securities	2,515	6,441	13,456
Other Operating Expenses	3,392	448	8,258
Operating Profit	3,562	4,978	13,753
General and Administrative Expenses	1,778	1,910	7,398
Operating Income	1,783	3,068	6,354
Non-operating Revenues	415	296	1,257
Non-operating Expenses	0	0	10
Recurring Income	2,199	3,364	7,601
Extraordinary Profit	671	—	671
Extraordinary Loss	—	—	—
Net Income before Income Taxes	2,870	3,364	8,273
Current Income Taxes	421	765	1,965
Deferred Income Taxes	385	145	340
Net Income	2,063	2,453	5,966

Outstanding Balance of Transactions by Group Business (Average Balance)

	First Quarter Apr.1,2022 - Jun.30,2022	First Quarter Apr.1,2023 - Jun.30,2023	Fiscal 2022 Apr.1,2022 - Mar.31,2023
	(billions of yen)	(billions of yen)	(billions of yen)
Loans for Margin Transactions	248.5	279.8	254.7
Securities Lent for Margin Transactions	156.1	301.2	188.9
Securities Financing	11,318.5	11,540.9	11,473.9
Loans for Negotiable Margin Transactions	18.2	33.0	18.8
Loans to Securites Companies	682.6	796.3	697.7
Loans to Retail	15.5	18.5	16.7
General Stock Lending	36.2	125.6	63.3
Bond Lending (Repo/Gensaki transactions ,etc)	10,565.7	10,567.3	10,677.2
Trust Bank Loans	552.1	503.1	539.9

Business Information for Consolidated Operating Revenues

	First Quarter Apr.1,2022 - Jun.30,2022		First Quarter Apr.1,2023 - Jun.30,2023		Fiscal 2022 Apr.1,2022 - Mar.31,2023	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	10,174	91.7	12,795	93.5	38,594	90.8
Loans for Margin Transactions	1,480	13.3	4,687	34.3	8,003	18.8
(Interest on Loans)	393	3.5	442	3.2	1,619	3.8
(Interest on Collateral Money of Securities Borrowed)	103	0.9	264	1.9	565	1.3
(Premium Charges)	757	6.8	3,565	26.1	4,711	11.1
(Lending Fees)	167	1.5	318	2.3	808	1.9
Securities Financing	4,814	43.4	6,630	48.5	21,952	51.6
(Loans for Negotiable Margin Transactions)	31	0.3	58	0.4	149	0.4
(Loans to Securites Companies)	369	3.3	422	3.1	1,529	3.6
(Loans to Retail)	129	1.2	146	1.1	544	1.3
(General Stock Lending)	175	1.6	266	1.9	799	1.9
(Bond Lending)	4,107	37.0	5,737	41.9	18,929	44.5
Other Business	3,880	35.0	1,477	10.8	8,638	20.3
Trust Banking Business	710	6.4	683	5.0	3,115	7.3
(Interest on Loans)	10	0.1	10	0.1	32	0.1
(Trust Charges)	324	2.9	364	2.7	1,347	3.2
(Others)	375	3.4	308	2.3	1,734	4.1
Real Estate Management Business	208	1.9	203	1.5	808	1.9
Total	11,092	100.0	13,682	100.0	42,518	100.0