

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for Fiscal 2014

Name : JAPAN SECURITIES FINANCE CO., LTD.

Listing : 1st 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 Fiscal 2014 (April 1, 2014 – March 31, 2015)

(1) Consolidated Results of Operations

(% change from previous year)

	Operating Revenues		Operating Income		Recurring Income		Net Income	
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)
Fiscal 2014	20,300	3.8	3,025	17.8	4,230	35.6	3,520	▲43.3
Fiscal 2013	19,566	10.7	2,568	43.7	3,119	22.0	6,211	249.4

Reference: Comprehensive Income: Fiscal 2014: ¥8,079million (15.8%) Fiscal 2013: ¥6,978million (63.9%)

	Net Income per Share		Return on Equity	Recurring Income / Total Assets	Operating Income / Operating Revenues
	EPS (Yen)	(Yen) (fully diluted)	ROE (%)	ROA (%)	(%)
Fiscal 2014	33.94	—	2.6	0.1	14.9
Fiscal 2013	60.35	—	4.9	0.1	13.1

Reference: Equity in earnings/losses of affiliates: ¥▲144million (Fiscal 2013: ¥179million)

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2014	3,482,601	137,145	3.9	1,373.94
Fiscal 2013	3,914,388	135,227	3.5	1,260.43

Reference: Shareholders Equity: ¥137,145million (Fiscal 2013: ¥135,227million)

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of Year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2014	△58,989	△1,085	△6,207	26,787
Fiscal 2013	△27,055	△1,078	△1,610	93,069

2. Dividends

	Dividends per Share			Total Cash Dividends (Full-year) (Millions of Yen)	Dividends Payout Ratio (Consolidated) (%)	Dividends on Equity (Consolidated) DOE (%)
	Interim (Yen)	Year-End (Yen)	Annual (Yen)			
Fiscal 2013	7.00	7.00	14.00	1,502	23.2	1.1
Fiscal 2014	7.00	8.00	15.00	1,516	44.2	1.1
Fiscal 2015 (Forecast)	8.00	8.00	16.00		61.4	

3. Consolidated Estimated Figures for fiscal 2015(April 1,2015—March 31,2016)

(% change from previous year)

	Operating Income		Recurring Income		Net Income		Net Income per Share
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	EPS (Yen)
1 Q – 2 Q	1,500	△14.7	1,800	△19.3	1,400	△24.9	14.03
Full-year	2,600	△14.1	3,200	△24.4	2,600	△26.2	26.05

4. Others

- (1) Changes in the scope of important consolidation for subsidiaries (yes/no):No
- (2) Changes in accounting policies and changes or restatement of accounting estimates
 - ①Changes in accounting policies caused by revision of accounting standards: Yes
 - ②Changes in accounting policies other than ①: No
 - ③Changes in accounting estimates: No
 - ④Restatement: No
- (3) Number of Issued Shares(common stock)
 - ①Number of issued shares (Including treasury stock)
as of Mar.31, 2015 : 100,000,000 as of Mar.31, 2014 : 107,307,763
 - ②Number of Treasury stocks
as of Mar.31, 2015 : 181,071 as of Mar.31, 2014 : 20,761
 - ③Average number of shares
Fiscal 2014 : 103,726,291 Fiscal 2013 : 102,915,579

Consolidated Balance Sheets

【Assets】	<i>Fiscal 2013 Mar.31,2014</i>	<i>Fiscal 2014 Mar.31,2015</i>
	(millions of yen)	(millions of yen)
I Current Assets	2,708,883	2,484,418
Cash	93,069	31,792
Short-term Investments	408,571	588,813
Operating Loans	897,825	883,101
Deferred Tax Assets	525	390
Collateral Money for Securities Borrowed	1,303,154	974,973
Other Current Assets	6,105	5,686
Allowance for Doubtful Receivables	△ 369	△ 339
II Non-current Assets	1,205,505	998,183
Investments in Securities	1,196,822	987,897
Other Non-current Assets	11,658	12,078
Allowance for Doubtful Receivables	△ 2,975	△ 1,792
Total Assets	3,914,388	3,482,601

【Liabilities and Net Assets】	<i>Fiscal 2013 Mar.31,2014</i>	<i>Fiscal 2014 Mar.31,2015</i>
	(millions of yen)	(millions of yen)
I Current Liabilities	3,767,416	3,329,124
Call Money	1,596,600	1,587,000
Short-term Borrowings	509,510	439,510
Commercial Paper	429,000	440,000
Collateral Money for Securities Lent	1,185,725	788,716
II Non-current Liabilities	11,744	16,331
Long-term Borrowings	3,000	2,000
Liabilities for Retirement and Severance Benefits	55	50
Other Non-current Liabilities	8,688	14,281
Total Liabilities	3,779,160	3,345,456
Total Net Assets	135,227	137,145
Total Liabilities and Net Assets	3,914,388	3,482,601

Consolidated Statement of Operations

	<i>Fiscal 2013</i> <i>Apr. 1, 2013-</i> <i>Mar. 31, 2014</i>	<i>Fiscal 2014</i> <i>Apr. 1, 2014-</i> <i>Mar. 31, 2015</i>
	(millions of yen)	(millions of yen)
Operating Revenues	19,566	20,300
Interest on Loans	5,784	4,890
Interest on Collateral Money for Securities Borrowed	2,031	1,947
Fees on Lending Securities	5,314	6,938
Other Operating Revenues	6,436	6,523
Operating Expenses	8,747	9,450
Interest on Borrowing & Commercial Paper	3,938	3,460
Fees on Borrowing Securities	3,940	5,123
Other Operating Expenses	868	866
Operating Profit	10,818	10,849
General and Administrative Expenses	8,249	7,824
Operating Income	2,568	3,025
Non-operating Revenues	550	1,361
Non-operating Expenses	0	156
Recurring Income	3,119	4,230
Extraordinary Profit	4,411	61
Extraordinary Loss	809	6
Net Income before Income Taxes	6,721	4,285
Current Income Taxes	254	443
Deffered Income Taxes	255	321
Net Income	6,211	3,520

Consolidated Average Outstanding Balance of Loans

	Fiscal 2013 Apr. 1, 2013- Mar. 31, 2014		Fiscal 2014 Apr. 1, 2014- Mar. 31, 2015		Increase(Decrease)	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	490.6	65.5	428.3	57.6	62.3	△ 12.7
Bond Financing & General Loans	157.2	21.0	223.4	30.1	66.2	42.1
Loans for Negotiable Margin Transactions	36.2	4.8	29.1	3.9	△ 7.0	△ 19.5
Trust Bank Loans	77.6	10.4	58.6	7.9	△ 18.9	△ 24.4
Other Loans	23.0	3.1	32.5	4.4	9.4	40.7
Total	748.5	100.0	743.0	100.0	△ 5.5	△ 0.7
Securities Lent for Margin Transactions	176.4	—	222.0	—	45.5	25.8

Business Information for Consolidated Operating Revenues

	Fiscal 2013 Apr. 1, 2013- Mar. 31, 2014		Fiscal 2014 Apr. 1, 2014- Mar. 31, 2015		Increase(Decrease)	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	16,363	83.6	17,162	84.5	799	4.9
Loans for Margin Transactions	9,240	47.2	9,667	47.6	427	4.6
(Interest on Loans)	4,012	20.5	3,111	15.3	△ 900	△ 22.4
(Interest on Collateral Money of Securities Borrowed)	436	2.2	611	3.0	174	40.0
(Fees on Lending Securities)	4,132	21.1	5,389	26.5	1,256	30.4
Bond Financing and General Loans	1,959	10.0	2,107	10.4	147	7.5
Securities Lending	2,217	11.3	2,294	11.3	76	3.5
(Stocks)	425	2.2	784	3.9	358	84.3
(Bonds)	1,791	9.1	1,509	7.4	△ 282	△ 15.7
Other Business	2,946	15.1	3,094	15.2	148	5.0
Trust Banking Business	2,322	11.9	2,269	11.2	△ 53	△ 2.3
(Interest on Loans)	317	1.6	186	0.9	△ 131	△ 41.3
(Trust Charges)	485	2.5	545	2.7	60	12.4
(Others)	1,519	7.8	1,537	7.6	18	1.2
Real Estate Management Business	880	4.5	868	4.3	△ 12	△ 1.4
Total	19,566	100.0	20,300	100.0	733	3.8