

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Second Quarter ended September 30, 2014

Name : Japan Securities Finance Co.,Ltd.

Listing : First Section, Tokyo Stock Exchange

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(Millions of yen, rounded down to nearest million)

1.Consolidated Financial Results for the Second Quarter of Fiscal 2014(April 1,2014—September 30,2014)

(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 2014	10,107	8.6	1,758	81.6	2,230	81.9	1,865	△62.6
Second Quarter of Fiscal 2013	9,303	7.2	968	11.7	1,226	17.3	4,986	573.3
Fiscal 2013	19,566	10.7	2,568	43.7	3,119	22.0	6,211	249.4

Reference:Comprehensive Income: Fiscal2014 2Q:¥2,088million(△51.4%) Fiscal2013 2Q: ¥4,298million(495.0%)

	Net Income per Share	Net Income per Share
	EPS (Yen)	(Yen) (fully diluted)
Second Quarter of Fiscal 2014	17.66	—
Second Quarter of Fiscal 2013	50.59	—
Fiscal 2013	60.35	—

(2)Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	(Millions of Yen)	(Millions of Yen)	(%)
A s o f Sep.30, 2014	3,860,690	133,584	3.5
Fiscal 2013	3,914,388	135,227	3.5

Reference: Shareholders Equity: ¥133,584million (Fiscal2013: ¥135,227million)

Equity Ratio = Equity capital / Liabilities & Net assets × 100

2. Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Annual (Yen)
Fiscal 2013	7.00	7.00	14.00
Fiscal 2014	7.00		
Fiscal 2014 (Forecast)		7.00	14.00

Note : Amendment of Forecast None

3. Consolidated Estimated Figures for fiscal 2014(April 1,2014—March 31,2015)

(% change from year-on-year for those items)

	Operating Income		Recurring Income		Net Income		Net Income per Share
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	EPS (Yen)
Full-year	2,400		3,200		2,700		25.93

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: Yes
 - 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 Sep.30, 2014 : 107,307,763 as of Mar.31, 2014 : 107,307,763
 - ②Number of Treasury stocks
as of Sep.30, 2014 : 4,697,148 as of Mar.31, 2014 : 20,761
 - ③Average number of shares
For six months ended Sep.30, 2014 : 105,631,031
For six months ended Sep.30, 2013 : 98,566,538

Consolidated Balance Sheets

【Assets】	Second Quarter Sep.30,2014	Fiscal 2013 Mar.31,2014
	(millions of yen)	(millions of yen)
I Current Assets	2,861,854	2,708,883
Cash	42,601	93,069
Short-term Investments	694,368	408,571
Operating loans	769,407	897,825
Deferred Tax Assets	193	525
Collateral Money for Securities Borrowed	1,351,259	1,303,154
Other Current Assets	4,352	6,105
Allowance for Doubtful Receivables	△ 327	△ 369
II Non-current Assets	998,835	1,205,505
Investments, etc.	992,503	1,200,438
Allowance for Doubtful Receivables	△ 2,211	△ 2,975
Total Assets	3,860,690	3,914,388

【Liabilities and Net Assets】	Second Quarter Sep.30,2014	Fiscal 2013 Mar.31,2014
	(millions of yen)	(millions of yen)
I Current Liabilities	3,713,778	3,767,416
Call Money	1,554,900	1,596,600
Short-term Borrowings	449,510	509,510
Commercial Paper	404,000	429,000
Collateral Money for Securities Lent	1,259,045	1,185,725
II Non-current Liabilities	13,327	11,744
Long-term Borrowings	2,000	3,000
Liabilities for Retirement and Severance Benefits	50	55
Other Non-Current Liabilities	11,276	8,688
Total Liabilities	3,727,105	3,779,160
Total Net Assets	133,584	135,227
Total Liabilities and Net Assets	3,860,690	3,914,388

Consolidated Statement of Income

	Second Quarter Apr.1,2013- Sep.30,2013	Second Quarter Apr.1,2014- Sep.30,2014	Fiscal 2013 Apr.1,2013- Mar.31,2014
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	9,303	10,107	19,566
Interest on Loans	2,744	2,499	5,784
Interest on Collateral Money for Securities Borrowed	981	982	2,031
Fees on Lending Securities	2,356	3,233	5,314
Other Operating Revenues	3,221	3,392	6,436
Operating Expenses	4,150	4,629	8,747
Interest on Borrowing & Commercial Paper	2,001	1,816	3,938
Fees on Borrowing Securities	1,696	2,381	3,940
Other Operating Expenses	453	432	868
Operating Profit	5,153	5,477	10,818
General and Administrative Expenses	4,184	3,719	8,249
Operating Income	968	1,758	2,568
Non-operating Revenues	259	552	550
Non-operating Expenses	2	80	0
Recurring Income	1,226	2,230	3,119
Extraordinary Profit	4,409	61	4,411
Extraordinary Loss	62	—	809
Net Income before Income Taxes	5,573	2,292	6,271
Current Income Taxes	139	227	254
Deferred Income Taxes	447	199	255
Net Income	4,986	1,865	6,211

Consolidated Average Outstanding Balance of Loans

	Second Quarter Apr.1,2013 - Sep.30,2013		Second Quarter Apr.1,2014 - Sep.30,2014		Fiscal 2013 Apr.1,2013 - Mar.31,2014	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	472.9	65.9	406.9	58.1	490.6	65.5
Bond Financing & General Loans	139.0	19.4	198.9	28.4	157.2	21.0
Loans for Negotiable Margin Transactions	35.1	4.9	32.6	4.7	36.2	4.8
Trust Bank Loans	86.4	12.0	62.5	8.9	77.6	10.4
Other Loans	19.2	2.7	32.5	4.6	23.0	3.1
Total	717.7	100.0	700.9	100.0	748.5	100.0
Securities Lent for Margin Transactions	168.9	—	198.3	—	176.4	—

Business Information for Consolidated Operating Revenues

	Second Quarter Apr.1,2013 - Sep.30,2013		Second Quarter Apr.1,2014 - Sep.30,2014		Fiscal 2013 Apr.1,2013 - Mar.31,2014	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	7,792	83.7	8,534	84.5	16,363	83.6
Loans for Margin Transactions	4,196	45.1	4,627	45.8	9,240	47.2
(Interest on Loans)	1,946	20.9	1,589	15.7	4,012	20.5
(Interest on Collateral Money of Securities Borrowed)	177	1.9	287	2.8	436	2.2
(Fees on Lending Securities)	1,748	18.8	2,470	24.4	4,132	21.1
Bond Financing and General Loans	848	9.1	1,043	10.3	1,959	10.0
Securities Lending	1,149	12.3	1,180	11.7	2,217	11.3
(Stocks)	167	1.8	314	3.1	425	2.2
(Bonds)	982	10.5	865	8.6	1,791	9.1
Other Business	1,597	17.2	1,683	16.7	2,946	15.1
Trust Banking Business	1,075	11.6	1,126	11.1	2,322	11.9
(Interest on Loans)	184	2.0	105	1.0	317	1.6
(Trust Charges)	229	2.5	258	2.6	485	2.5
(Others)	661	7.1	762	7.5	1,519	7.8
Real Estate Management Business	436	4.7	446	4.4	880	4.5
Total	9,303	100.0	10,107	100.0	19,566	100.0