

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for Fiscal 2015

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 2015 (April 1, 2015 – March 31, 2016)

(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 2015	22,035	8.5	2,558	△15.4	3,349	△20.8	2,645	△24.9
Fiscal 2014	20,300	3.8	3,025	17.8	4,230	35.6	3,520	△43.3

Reference: Comprehensive Income: Fiscal 2015: ¥8,410million (4.1%) Fiscal 2014: ¥8,079million (15.8%)

	Net Income per Share		Return on Equity	Recurring Income / Total Assets	Operating Income / Operating Revenues
	EPS (Yen)	(Yen) (fully diluted)	ROE (%)	ROA (%)	(%)
Fiscal 2015	26.90	—	1.9	0.1	11.6
Fiscal 2014	33.94	—	2.6	0.1	14.9

Reference: Equity in earnings/losses of affiliates: ¥54million (Fiscal 2014: ¥△144million)

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2015	3,249,170	142,030	4.4	1,467.01
Fiscal 2014	3,482,601	137,145	3.9	1,373.94

Reference: Shareholders Equity: ¥142,030million (Fiscal 2014: ¥137,145million)

(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 2015	247,148	△9,959	△3,604	260,371
Fiscal 2014	△58,989	△1,085	△6,207	26,787

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 2014	7.00	8.00	15.00	1,516	44.2	1.1
Fiscal 2015	8.00	8.00	16.00	1,561	59.5	1.1
Fiscal 2016 (Forecast)	8.00	8.00	16.00		73.8	

3. Consolidated Estimated Figures for fiscal 2016(April 1,2016—March 31,2017)

(% 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	1,200	△30.4	1,400	△33.5	1,100	△36.6	11.36	
Full-year	2,000	△21.8	2,700	△19.4	2,100	△20.6	21.69	

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
- 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
- (3) Number of Issued Shares(common stock)
- ① Number of issued shares (Including treasury stock)
as of Mar.31, 2016 : 100,000,000 as of Mar.31, 2015 : 100,000,000
 - ② Number of Treasury stocks
as of Mar.31, 2016 : 3,183,566 as of Mar.31, 2015 : 181,071
 - ③ Average number of shares
Fiscal 2015 : 98,343,854 Fiscal 2014 : 103,726,291

Consolidated Balance Sheets

【Assets】	<i>Fiscal 2014</i> <i>Mar.31,2015</i>	<i>Fiscal 2015</i> <i>Mar.31,2016</i>
	(millions of yen)	(millions of yen)
I Current Assets	2,484,418	2,336,363
Cash	31,792	266,377
Short-term Investments	588,813	431,565
Operating Loans	883,101	567,748
Deferred Tax Assets	390	167
Collateral Money for Securities Borrowed	974,973	1,025,617
Other Current Assets	5,686	45,122
Allowance for Doubtful Receivables	△ 339	△ 236
II Non-current Assets	998,183	912,806
Investments in Securities	987,897	901,595
Other Non-current Assets	12,078	14,197
Allowance for Doubtful Receivables	△ 1,792	△ 1,557
Total Assets	3,482,601	3,249,170

【Liabilities and Net Assets】	<i>Fiscal 2014 Mar.31,2015</i>	<i>Fiscal 2015 Mar.31,2016</i>
	(millions of yen)	(millions of yen)
I Current Liabilities	3,329,124	3,075,453
Call Money	1,587,000	720,900
Short-term Borrowings	439,510	198,010
Commercial Paper	440,000	122,000
Collateral Money for Securities Lent	788,716	1,549,653
II Non-current Liabilities	16,331	31,686
Long-term Borrowings	2,000	3,000
Liabilities for Retirement and Severance Benefits	50	41
Other Non-current Liabilities	14,281	28,644
Total Liabilities	3,345,456	3,107,139
Total Net Assets	137,145	142,030
Total Liabilities and Net Assets	3,482,601	3,249,170

Consolidated Statement of Operations

	<i>Fiscal 2014</i> <i>Apr. 1, 2014-</i> <i>Mar. 31, 2015</i>	<i>Fiscal 2015</i> <i>Apr. 1, 2015-</i> <i>Mar. 31, 2016</i>
	(millions of yen)	(millions of yen)
Operating Revenues	20,300	22,035
Interest on Loans	4,890	4,121
Interest on Collateral Money for Securities Borrowed	1,947	1,662
Fees on Lending Securities	6,938	8,510
Other Operating Revenues	6,523	7,740
Operating Expenses	9,450	11,537
Interest on Borrowing & Commercial Paper	3,460	2,869
Fees on Borrowing Securities	5,123	6,677
Other Operating Expenses	866	1,990
Operating Profit	10,849	10,497
General and Administrative Expenses	7,824	7,939
Operating Income	3,025	2,558
Non-operating Revenues	1,361	813
Non-operating Expenses	156	21
Recurring Income	4,230	3,349
Extraordinary Profit	61	—
Extraordinary Loss	6	—
Net Income before Income Taxes	4,285	3,349
Current Income Taxes	443	458
Deffered Income Taxes	321	245
Net Income	3,520	2,645

Consolidated Average Outstanding Balance of Loans

	Fiscal 2014 Apr. 1, 2014- Mar. 31, 2015		Fiscal 2015 Apr. 1, 2015- Mar. 31, 2016		Increase(Decrease)	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	428.3	57.6	401.4	62.0	Δ 26.9	Δ 6.3
Bond Financing & General Loans	223.4	30.1	162.3	25.1	Δ 61.1	Δ 27.4
Loans for Negotiable Margin Transactions	29.1	3.9	15.5	2.4	Δ 13.6	Δ 46.8
Trust Bank Loans	58.6	7.9	54.5	8.4	Δ 4.1	Δ 7.0
Other Loans	32.5	4.4	28.7	4.5	Δ 3.7	Δ 11.6
Total	743.0	100.0	647.0	100.0	Δ 96.0	Δ 12.9
Securities Lent for Margin Transactions	222.0	—	227.4	—	5.3	2.4

Business Information for Consolidated Operating Revenues

	Fiscal 2014 Apr. 1, 2014- Mar. 31, 2015		Fiscal 2015 Apr. 1, 2015- Mar. 31, 2016		Increase(Decrease)	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	17,162	84.5	17,776	80.6	613	3.6
Loans for Margin Transactions	9,667	47.6	10,579	48.0	912	9.4
(Interest on Loans)	3,111	15.3	2,720	12.3	Δ 390	Δ 12.6
(Interest on Collateral Money of Securities Borrowed)	611	3.0	575	2.6	Δ 36	Δ 5.9
(Fees on Lending Securities)	5,389	26.5	6,840	31.0	1,451	26.9
Bond Financing and General Loans	2,107	10.4	1,753	7.9	Δ 353	Δ 16.8
Securities Lending	2,294	11.3	2,241	10.2	Δ 52	Δ 2.3
(Stocks)	784	3.9	907	4.1	122	15.6
(Bonds)	1,509	7.4	1,334	6.1	Δ 175	Δ 11.6
Other Business	3,094	15.2	3,201	14.5	107	3.5
Trust Banking Business	2,269	11.2	3,451	15.7	1,182	52.1
(Interest on Loans)	186	0.9	144	0.7	Δ 41	Δ 22.5
(Trust Charges)	545	2.7	627	2.8	82	15.0
(Others)	1,537	7.6	2,679	12.2	1,142	74.3
Real Estate Management Business	868	4.3	807	3.7	Δ 61	Δ 7.0
Total	20,300	100.0	22,035	100.0	1,734	8.5