

Financial Highlights (Consolidated)

2nd Quarter Fiscal Year ends Mar. 2016

Invest Securities Co., Ltd.

Financial Highlights

□ Consolidated Ordinary Profit and Loss: 215 million yen

Non-consolidated Ordinary Profit and Loss: 331 million yen

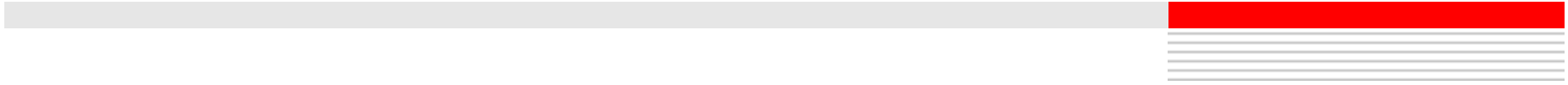
- While the company posted an operating loss in the last term due to sluggish trading, triggered by a low-volatility market in the first half of the last fiscal year, and a prior investment in TriAutoFX, released in February last year, its performance has recovered in the current term owing to a brisk foreign exchange market, resulting from confusion over the situation in Greece, an uncertain outlook for the Chinese economy, and anticipation about an interest rate rise in the US, and cost control.

□ Continuous Increase in Operating Income and Client Assets from Consolidated Overseas Subsidiaries (IFS)

- Consolidated operating income was 256 million yen in the second quarter (January to June 2015) of this fiscal year.
- Client assets exceeded 40 million Australian dollars, reaching 41.74 million Australian dollars (as of the end of September 2015), increased by four times, compared to those in December 2014.

□ Change in Dividend Policy

- The company has decided to pay interim dividends.
- A consolidated dividend payout ratio of 30% or a consolidated dividend on equity ratio (DOE) of 4%.



Financial Highlights(Consolidated)

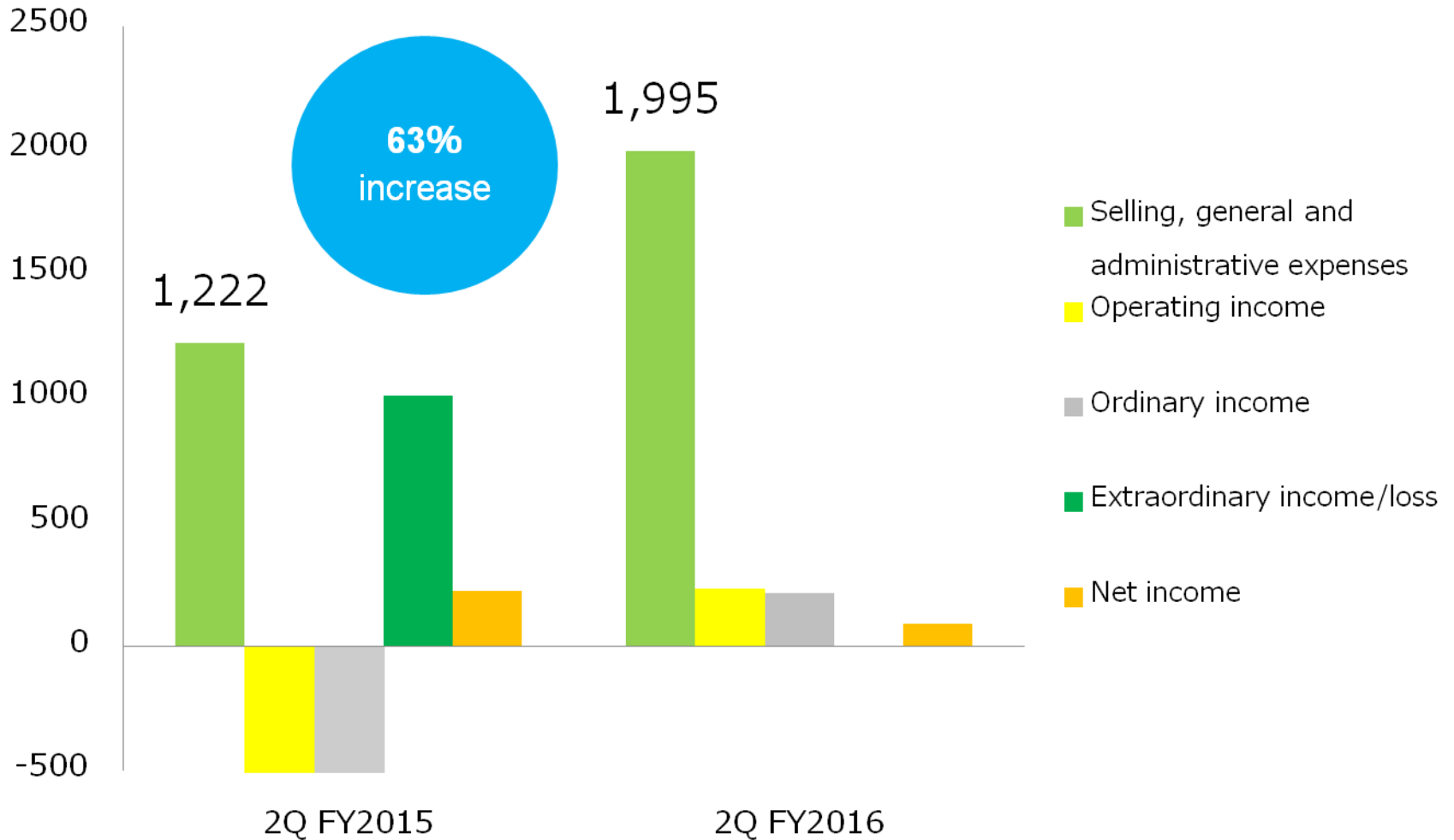
Summary of Financial Results 2Q FY ends Mar. 2016

(Millions of yen)

	2Q FY 2015		2Q FY 2016		Year-on-year change	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Operating revenues	1,130	1,222	1,756	1,995	155%	163%
Commissions earned (exchange FX, etc.)	281	281	509	524	181%	186%
Trading profit and loss (over-the-counter FX)	667	744	1,040	1,250	155%	168%
Selling, general and administrative expenses	1,526	1,803	1,429	1,762	93%	97%
Operating income	△395	△581	326	232	-	-
Ordinary income	△372	△552	331	215	-	-
Extraordinary income/loss	1,012	1,012	-	-	-	-
Net income	403	223	209	93	51%	41%

Comparison of Financial Results (Consolidated)

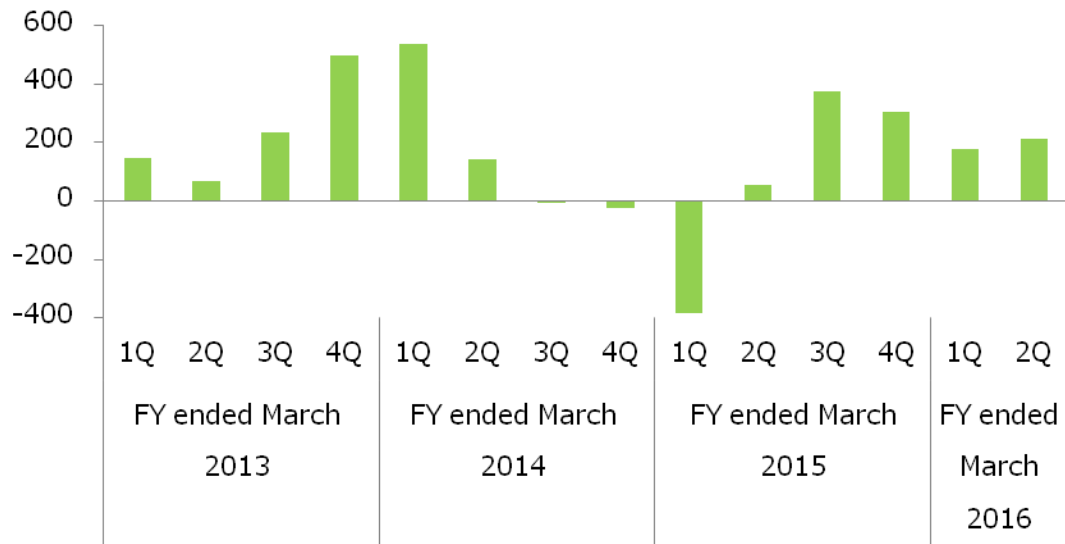
(Millions of yen)



EBITDA

	FY ended March 2013 [Non-consolidated]				FY ended March 2014 [Consolidated]				FY ended March 2015 [Consolidated]				FY ended March 2016 [Consolidated]	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net income before taxes	100	0	158	389	471	49	3,528	6	47	413	277	177	90	124
Extraordinary income/loss	23	0	0	-13	24	0	3,635	132	542	470	9	-33	0	0
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	69	69	76	93	91	93	102	98	111	114	107	93	89	88
EBITDA	146	69	235	497	538	143	-4	-26	-383	57	375	304	180	212

(Millions of yen)

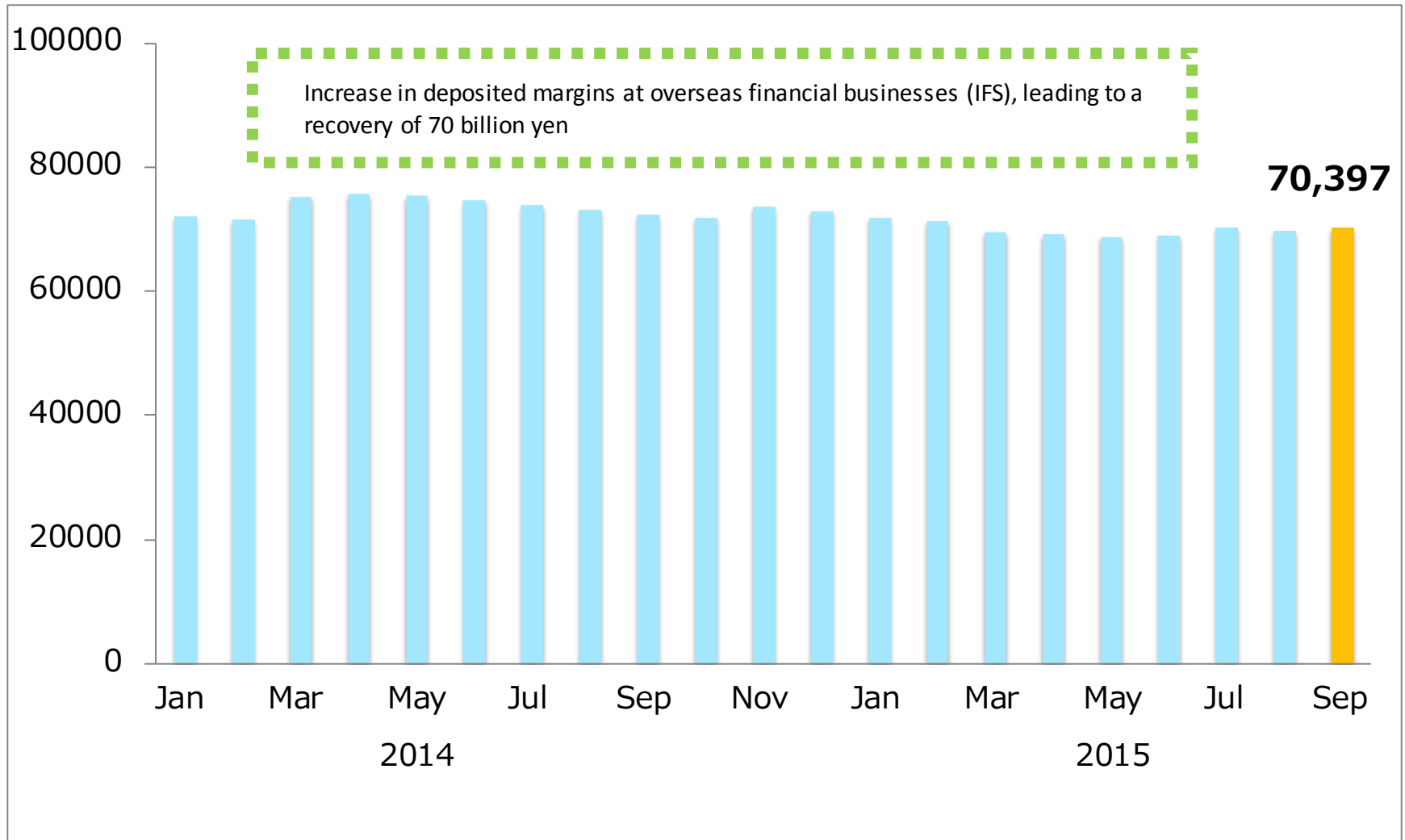


Although the company reported an EBITDA loss in the same period of the previous year due to a prior investment in the start of TriAutoFX as well as sluggish trading, resulting from low volatility in the foreign exchange market, EBITDA has increased in the current period owing to a brisk foreign exchange market with a steady level of advertising and publicity expenses.

Note: EBITDA was calculated by the formula of:
 Net income before taxes – extraordinary income/loss + Interest expense + Depreciation = EBITDA. This represents an income metric that illustrates what level of cash flow was generated by capital including borrowed capital

Total deposited margin

(Millions of yen)





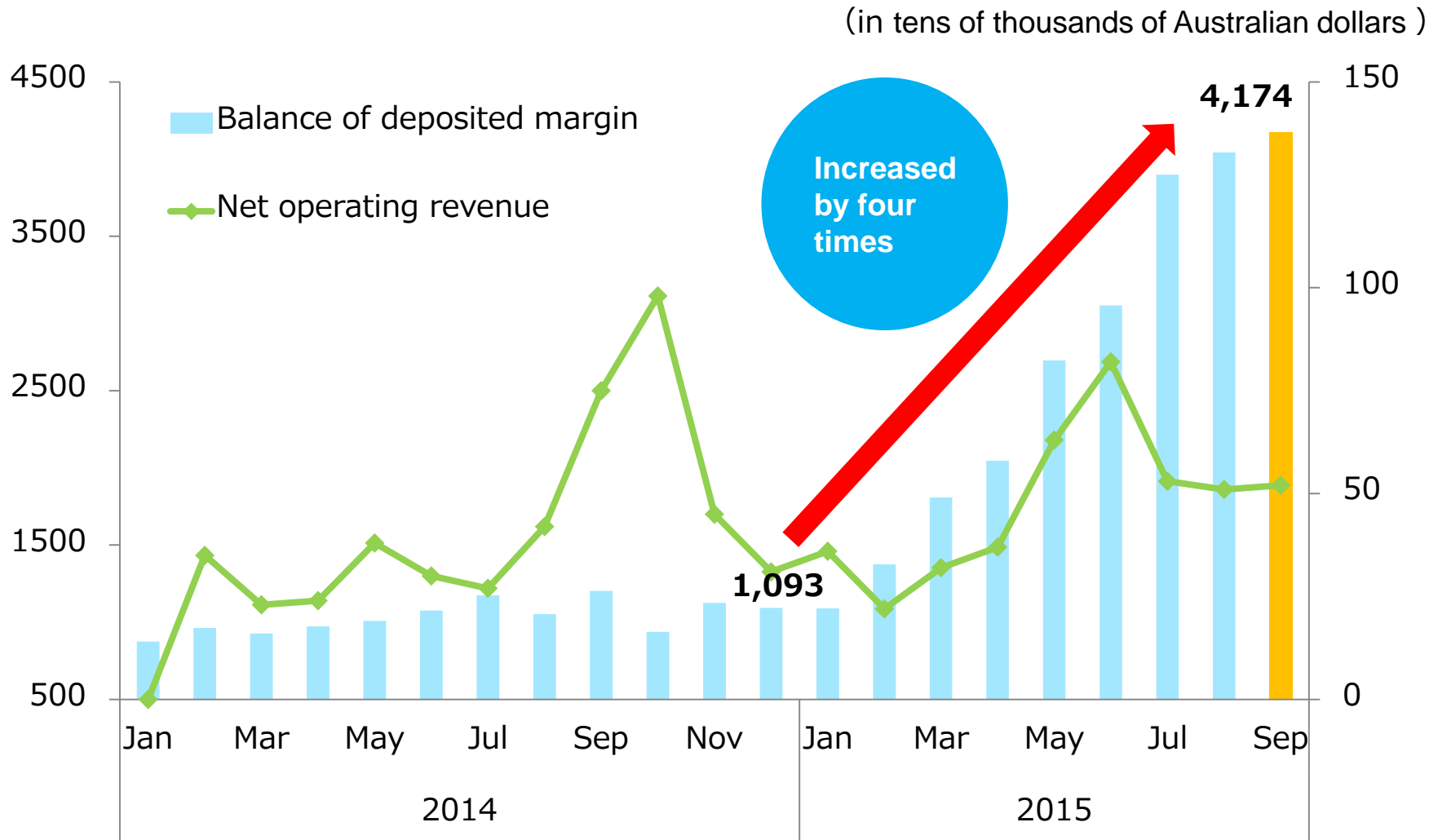
INVEST FINANCIAL SERVICES PTY LTD.

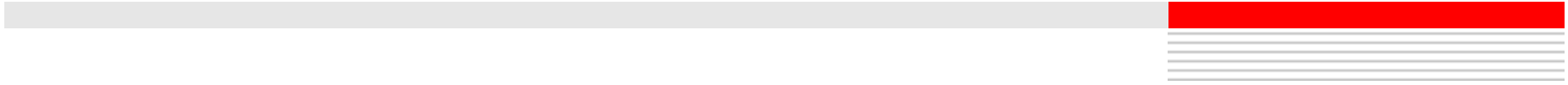
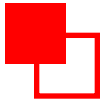
Invast Financial Services (IFS)



- ❑ As the company has changed its business strategy to focus on B-to-B transactions and started dealing with major corporate customers, its consolidated **operating income** has **increased significantly to 256 million yen** in the second quarter (January to June 2015) of this fiscal year, **up 281%, compared to the same period of the previous year.**
- ❑ The amount of deposited margin exceeded 40 million Australian dollars, reaching **41.74 million Australian dollars** (as of the end of September 2015), **increased by four times**, compared to those in December 2014.
- ❑ **Personnel expenses have increased as directors and employees have been hired to enhance and expand the corporate sales division**, resulting in pushing up the break-even point, creating the challenge of making a profit on a non-consolidated basis.
- ❑ Starting **new service “PortfolioInvestor”** for CFD portfolio trading.
- ❑ Building a new website for providing service to corporations on July 17, 2015.

Grow the overseas financial business: IFS





Measures for Returning Profits to Stockholders

Change in Dividend Policy

Dividends **twice a year**: interim and year-end dividends

Consolidated dividend payout ratio of **30%**

or

Consolidated dividend on equity ratio (DOE) of **4% (annually)**.

The higher ratio will be applied to dividends.

- ◆ To improve opportunity to return profits to stockholders
- ◆ To reduce taxation on internal reserves at designated affiliated companies by curbing excessive internal reserves

The Results and Prospects of Dividends

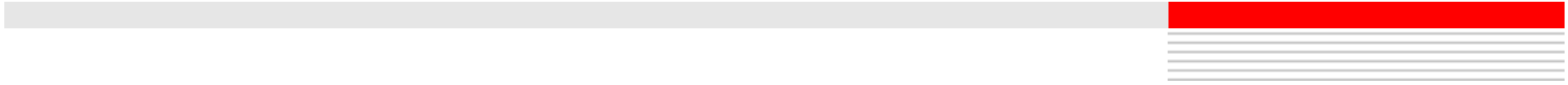
Dividend Yield in the FY ended March 2016 (estimate)

6.53%

*Stock price: A closing price of 1,225 yen a share on October 29, 2015 was used for the calculation.

	FY ended March 2012	FY ended March 2013	FY ended March 2014	FY ended March 2015	FY ended March 2016
Interim dividend	0.0 yen	0.0 yen	0.0 yen	0.0 yen	40.0 yen
Year-end dividend	9.0 yen	30.0 yen	195.0 yen	71.0 yen	40.0 yen (estimate)
Annual dividend	9.0 yen	30.0 yen	195.0 yen	71.0 yen	80.0 yen (estimate)
Dividend payout ratio	30.7%	32.0%	30.2%	83.4%	
ROE	2.1%	5.9%	32.0%	4.0%	
DOE	0.7%	1.9%	9.6%	3.3%	

The estimate for a year-end dividend in FY ended March 2016 has been adjusted as the company pays a dividend of retained earnings for the date of record on September 30, 2015 (interim dividend) along with the recent trend in performance.



Development of Service Going Forward

Spring 2016

Two kinds of new overseas investment services are scheduled to start.

□ **CFD based on selecting foreign stocks**

 Trend Portfolio

□ **The world's first ETF focusing on margin transactions**

“TriAutoETF”

- Just select the stocks you want to buy from the portfolio of US stocks, created by professionals



Screen image

■ “Billionaire” series

- A portfolio of US stocks held by Berkshire Hathaway Inc., led by Warren Edward Buffett, the best investor in the world
- A portfolio of US stocks held by Bill & Melinda Gates Foundation, led by Microsoft founder Bill Gates

■ “Top-rank US university fund” series

■ “Portfolio based on investment themes” series

- US stocks: the big data industry
- US stocks: the cyber security industry
- US stocks: the solar power industry
- US stocks: the Chinese internet and smartphone industry
- US stocks: US stocks with high dividends
- US stocks: companies aggressively purchasing their own shares

* Release of this product is scheduled for the spring of 2016.

The Attractiveness of Trend Portfolio

- ❑ Just select stocks you want to buy from the portfolio of stocks, created by institutional investors.
 - **Berkshire Hathaway Inc. (the world's largest investment company)**
 - **US stocks, the big data industry**
- ❑ Just select the portfolio of stocks and input purchase prices to calculate the number of buying stocks automatically and to purchase stocks at stock exchanges using **the Direct Market Access (DMA) method.**
- ❑ The investment principal remains as the yen. Foreign exchange risks are mitigated, and **no cost is incurred for exchange.**
- ❑ **Brokerage commissions are about one tenth that of those at major internet securities companies.**

What is “TriAutoETF?”

The world’s first ETF focusing on margin transactions

ETF transactions, selected from ETF in each market across the world, based on CFD



* The display screen is an image under development. It will be different from the actual display.

* Release of this product is scheduled for fiscal 2016.

The Attractiveness of “TriAutoETF”

- ❑ **ETF** in the world is provided **with a contract for difference (CFD)**.
- ❑ ETF transactions, **selected from ETF in each market across the world**, mainly in the US market, are available.
- ❑ Trading can be started with selling orders like FX and margin transactions, based on the expectation that prices go down.
- ❑ **Transaction fees, foreign exchange commissions, and management fees are not required.**
- ❑ The amount equivalent to dividends is provided.
- ❑ The investment principal remains as the yen. Foreign exchange risks are mitigated, and **no cost is incurred for exchange.**

Invast Securities Co., Ltd. (as of September 30th 2015)

■ Company name	:	INVEST SECURITIES CO., LTD.
■ Head office	:	NBF Toranomom Building 1-6-21 Nishishinbashi, Minato-ku, Tokyo Japan
■ Established	:	August 10, 1960
■ Paid in capital	:	5,965,080,000 yen
■ Market listing	:	JASDAQ (Code: 8709) (*1) Listed on March 6, 2006
■ President	:	President and CEO Takeshi Kawaji
■ Employees	:	47[Non-consolidated] 70[Consolidated]
■ Licenses	:	Financial Instruments Business Operators (Type 1/ Type 2), Investment Advisory and Agency Business Director-General of Kanto Local Finance Bureau (Kinsho) No. 26
■ Membership	:	Tokyo Financial Exchange