

Financial Highlights (Consolidated)

2nd Quarter, Fiscal Year ended March 31, 2018

Invast Securities Co., Ltd.

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- 1. Quarterly Financial Results Summary**
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 - 3. Policies on shareholder returns and dividends**
 - 4. Mission/Vision and Management Strategies**



Quarterly Financial Results Summary (Jul.-Sept. 2017)

Quarterly Financial Highlights

(key points from 2Q results, fiscal year ended March 31, 2018)

Main takeaways from financial results of 2Q FY2018 (Jul-Sept)

- **989 million yen in operating revenues (+4.9% from 1Q)**
 - Domestic Financial Service (INV) posted 753 million yen in net operating revenues (+6.0% from 1Q), and segment profit of 67 million yen (+67.4% from 1Q)
 - Overseas Business (Australian subsidiary IFS) posted 230 million yen in net operating revenues (+0.7% from 1Q), and segment profit of 44 million yen (-18.4% from 1Q)
 - Trading profit was 790 million yen, +7.2% from 1Q. Performance was strong for over-the-counter FX platform “ST 24” services and for IFS which has built a stable income structure
 - Transaction volume for FX market “Click 365” was virtually unchanged from 1Q, and commissions earned increased 0.6% from 1Q to 147 million yen.
 - We also released Money Hatch, and “Triauto ETF” transaction volume and deposited margin are both steadily increasing
- **Sales, general and administrative expenses were 868 million yen (+3.0% from 1Q)**
 - Advertising expenses increased (+39.2%) as we ran a campaign concurrently with the launch of “Money Hatch”
- **112 million yen in operating income (+17.9% from 1Q),
108 million yen in ordinary income (+9.7% from 1Q),
101 million yen in quarterly net income attributable to parent company
shareholders (+8.1% from 1Q)**

Quarterly Summary

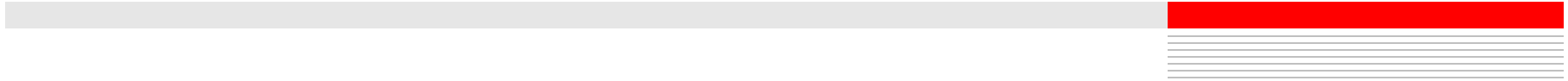
(Millions of yen)	FY 3/17				FY 3/18				Change vs Previous Quarter	Year-on-Year change
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q		
Operating revenues	924	742	833	1,048	943	989			+4.9%	+33.3%
Commissions earned (exchange FX, etc.)	217	162	180	151	146	147			+0.6%	△9.7%
Trading profit and loss (over-the-counter FX)	617	503	565	829	736	790			+7.2%	+57.1%
Interest income	7	5	5	6	11	13			+17.3%	+135.4%
Other operating revenues	82	70	81	61	48	38			△20.7%	△45.6%
Financial expenses	0	2	0	1	4	8			+84.3%	+307.2%
Net operating revenues	924	740	832	1,047	938	981			+4.5%	+32.6%
Selling, general and administrative expenses	848	866	979	893	843	868			+3.0%	+0.3%
Operating income (loss)	75	△126	△146	154	95	112			+17.9%	—%
Ordinary income (loss)	71	△128	△150	137	98	108			+9.7%	—%
Income (loss) before income taxes	77	△128	△128	76	103	108			+5.3%	—%
Net income (loss)	52	△108	△137	73	94	101			+8.1%	—%

Quarterly Selling, general and administrative expenses

(Millions of yen)	FY 3/17				FY 18/3				Change vs Previous Quarter	Year-on-Year change
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q		
Selling, general and administrative expenses	848	866	979	893	843	868			+3.0%	+0.3%
Trading related expenses	212	245	327	208	177	201			+13.7%	△17.9%
(Advertising expenses)	(112)	(154)	(223)	(96)	(83)	(116)			+39.2%	△24.9%
Personnel expenses	233	211	227	243	247	254			+2.6%	+20.0%
Real estate expenses	270	282	301	307	291	291			+0.1%	+3.1%
(IT system expenses)	(224)	(234)	(246)	(248)	(236)	(231)			△2.2%	△1.1%
Clerical expenses	6	9	6	5	6	7			+17.0%	△18.9%
Depreciation expenses	88	84	80	80	78	80			+1.6%	△4.6%
Tax and public charges	23	17	21	30	26	21			△17.7%	+21.5%
Others	14	15	13	17	15	12			△21.4%	△19.7%

Quarterly Segment Summary

(Millions of yen)	FY 3/17				FY 3/18				Change vs Previous Quarter	Year-on-Year change
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q		
Domestic Financial Service (I N V)										
Net operating revenues	782	603	655	728	710	753			+6.0%	+24.8%
Segment profit or loss	64	△131	△174	31	40	67			+67.4%	—%
Overseas Financial Service (I F S)										
Net operating revenues	144	139	177	319	229	230			+0.7%	+65.7%
Segment profit or loss	10	5	27	122	54	44			△18.4%	+790.8%



Half term Financial Results Summary (Apr.-Sept. 2017)



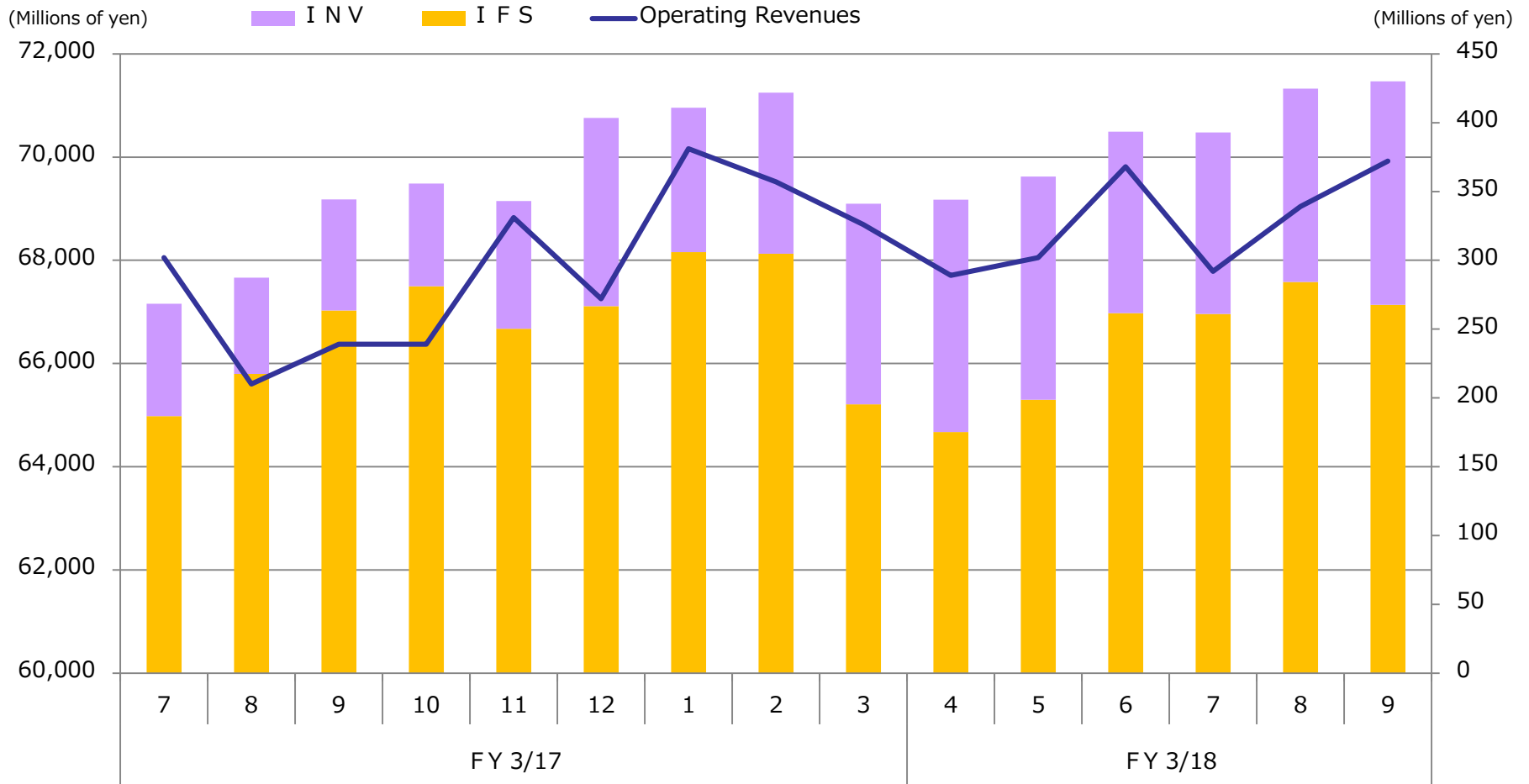
Consolidated Financial Results Summary

(Millions of yen)	FY 3/17 2 Q	FY 3/18 2 Q	Year-on-Year change
Operating revenues	1,666	1,932	+15.9%
Commissions earned (exchange FX, etc.)	379	293	△22.8%
Trading profit and loss (over-the-counter FX, etc)	1,120	1,527	+36.3%
Interest income	13	25	+90.3%
Other operating revenues	152	86	△43.4%
Financial expenses	2	12	+400.7%
Net operating revenues	1,664	1,919	+15.4%
Selling, general and administrative expenses	1,715	1,712	△0.2%
Operating income (loss)	△50	207	—
Ordinary income (loss)	△57	207	—
Income (loss) before income taxes	△50	211	—
Net income (loss)	△55	195	—

Non-Consolidated Financial Results Summary

(Millions of yen)	FY 3/17 2Q	FY 3/18 2Q	Year-on-Year change
Operating revenues	1,388	1,477	+6.3%
Commissions earned (exchange FX, etc.)	363	241	△33.6%
Trading profit and loss (over-the-counter FX, etc)	872	1,134	+30.1%
Interest income	1	12	+766.3%
Other operating revenues	151	88	△41.7%
Financial expenses	2	12	+400.7%
Net operating revenues	1,386	1,464	+5.6%
Selling, general and administrative expenses	1,453	1,356	△6.7%
Operating income (loss)	△66	107	—
Ordinary income (loss)	△62	115	—
Income (loss) before income taxes	△56	119	—
Net income (loss)	△61	103	—

Operating Revenues and Balance of Deposited Margin (Consolidated)



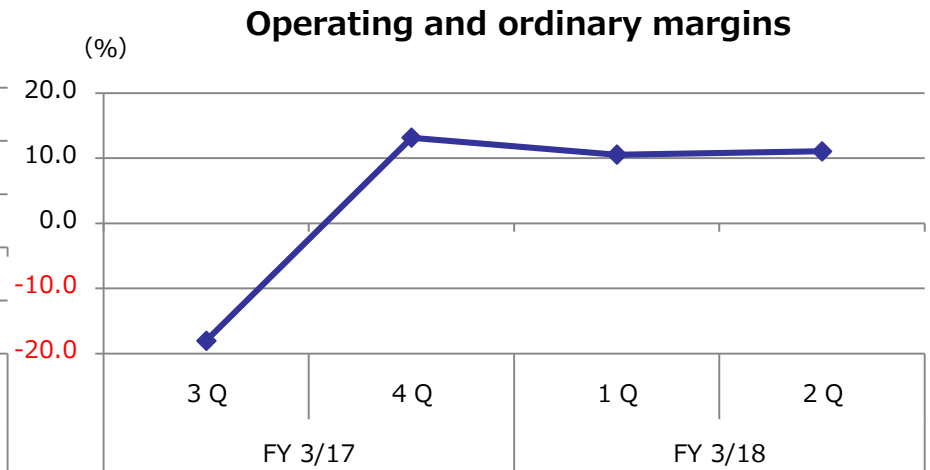
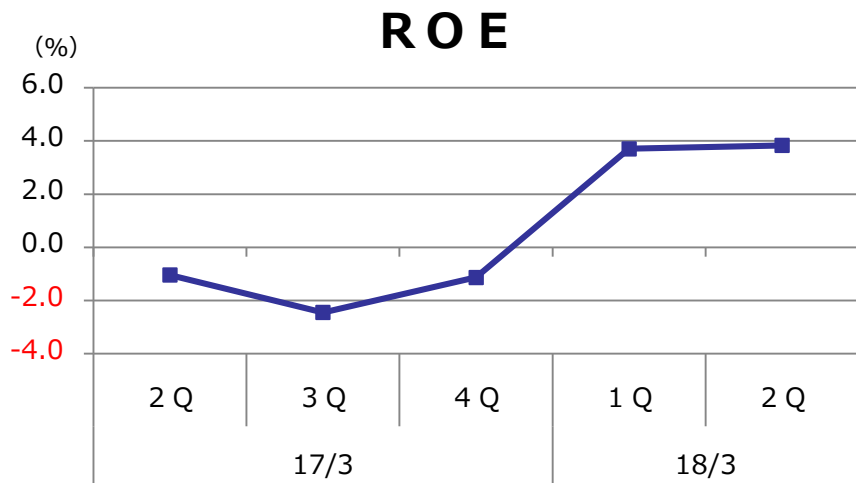
- (Notes) 1. The above figures are consolidated with a three-month delay because the consolidated subsidiary company IFS ends its financial year on December 31.
 2. The operating revenues, etc. of IFS are converted into yen using the monthly average exchange rate.

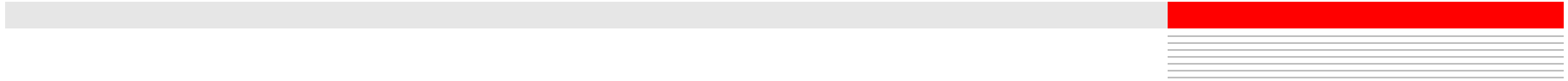
Major Management Index

	FY 3/17				FY 3/18			
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q
ROE (%)	2.0	△1.1	△2.5	△1.1	3.7	3.8		
Operating and ordinary margins (%)	7.7	△17.4	△18.0	13.1	10.5	11.0		
EBITDA (millions of yen)	159	△44	△70	218	177	188		
Capital adequacy ratio (%)	1156.1	1096.5	1068.2	807.2	760.8	806.4		

※ROE data have been annualized.

EBITDA was calculated by the formula of: Net income before taxes – extraordinary income/loss + Interest expense + Depreciation = EBITDA.





Policies on Shareholder Returns and Dividends

Policies on Shareholder Returns and Dividends

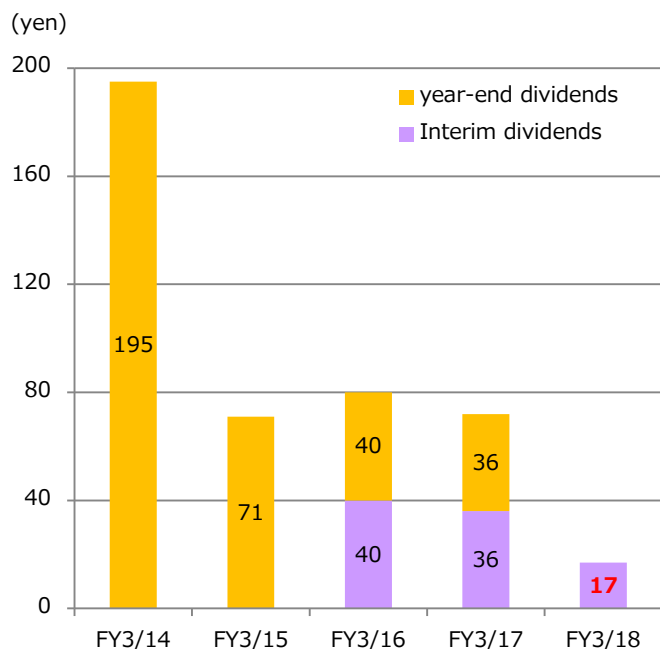
◆ Dividend policy (Policy effective as of FY3/18)

Invast Securities will pay dividends at either **a consolidated dividend payout ratio of 30%** or **a consolidated dividend on equity ratio (DOE) of 2% (annual)**, whichever is higher.

◆ Dividends FY3/18

Interim dividend 17yen

Year-end dividend TBD



◆ Dividend status

	FY3/14	FY3/15	FY3/16	FY3/17	FY3/18
Interim dividends (Yen)	0.0	0.0	40.0	36.0	17.0
Year-end dividends (Yen)	195.0	71.0	40.0	36.0	TBD
Yearly (Yen)	195.0	71.0	80.0	72.0	
Net income (Millions of yen)	3,931	496	△404	△118	
Total dividend (Millions of yen)	1,137	416	469	422	
Dividend payout ratio(%)	30.2	83.4	—	—	
ROE (%)	32.0	4.0	—	—	
DOE (%)	9.6	3.3	4.1	4.0	
Dividend yield(%)※	14.8	6.1	5.9	5.5	

※Calculated using the closing price at the end of each fiscal year



Mission/Vision and Management Strategy

Mission why we do business

Making the world a better place

To make the world a better place by providing people all across the globe with financial solutions that enable happier lives.

The “better place” we envisage is a world where people who work hard can become wealthy, a good society in which talented and motivated students do not need to abandon options due to financial reasons, and a society in which anyone can build assets to become happy.

Our mission is to create solutions that resolve financial issues in the life planning of people across the globe, to support people who face challenges, and to help more people grab opportunities to enrich their lives. We want to contribute to the creation of a better world through the happiness of the people of the world provided from the aspect of finance.

Vision what we want to achieve

Creating financial solutions with a global base of 10 million users by 2025

We aim to create solutions for resolving financial issues starting with asset management and extending to a variety of areas of people’s lives such as raising children, education, gaining employment, getting married and building assets. We want to be a global company with customers across the globe in which talented staff gathered from around the world fulfill their responsibility as true professionals to discuss, decide upon and execute our vision day to day. The first step is to create financial solutions with a global base of 10 million users by 2025.

Our Proposal

Auto-trading service utilizing technology

■ ST24 Full Auto

- Over 6,000 strategies are constantly monitored, and strongly performing strategies that match the conditions provided are automatically selected.
- Each strategy is an automated trading program for algorithmic trading collected from around the globe.

■ TriAuto FX Range Trailing

- Multiple buy orders and sell orders can be set simultaneously within a predetermined price band (price range) to automatically finalize profits and repeat new orders as long as the price fluctuates within that price band.

■ TriAutoETF Auto-trading select

- A simple and easy way to engage in ETF trading, recommended for beginners. Once activated, the auto-pilot function will commence trading based on selected investment themes and trading logic.

■ Money Hatch (An accumulation-type investment management service)

- Use points earned via credit card use as principal to invest
- Automatically accumulate funds for investing by trading FX

Money Hatch

Click here for details

<https://moneyhatch.jp>



Money Hatch screen

Business Strategy to Achieve Our Vision



Business Strategy (Stage 1: 2017-2019)

(1) Boost profitability of existing business

- Strengthen capability to deliver our own unique value-added services (automated trade solutions utilizing technology)
- Prioritize investments in high-profitability businesses with growth potential
- Cost structure improvements such as integrating systems and doing production in-house

(2) Create new business

- Enter new business domains, create second and third main revenue sources after FX
- Seek out businesses that focus on solutions involving people's money (school loan repayment issues)
- M&A, business partnerships, and other arrangements through VC fund investments

(3) Other

- Build our corporate brand
- Bring in top talent that can fuel our global expansion, and strengthen our organizational human resources base

Invast Securities Co., Ltd. (as of Sept 30, 2017)

■ Company name	: INVAST SECURITIES CO., LTD.
■ Head office	: NBF Toranomom Building : 1-6-21 Nishishinbashi, Minato-ku, Tokyo Japan
■ Established	: August 10, 1960
■ Paid in capital	: 5,965,086,800 yen
■ Market listing	: JASDAQ (Code: 8709) (*1) Listed on March 6, 2006
■ President	: President and CEO Takeshi Kawaji
■ 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