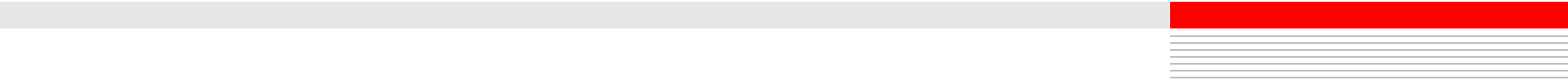


# Financial Highlights (Consolidated)

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4th Quarter, Fiscal Year ended March 31, 2018

Invast Securities Co., Ltd.

- 
- 1. Summary of 4 Q Financial Results**
  - 2. Annual Financial Results Summary**
  - 3. Policies on shareholder returns and dividends**
  - 4. Topics**
  - 5. Mission/Vision and Management Strategies**



# Summary of 4 Q Financial Results

## (Jan.-Mar. 2018)

# Quarterly Financial Highlights

(key points from 4 Q results, fiscal year ended March 31, 2018)

## Main takeaways from financial results of 4 Q FY2018 (Jan-Mar 2018)

- **1.214 billion yen in operating revenues (+15.9% from the same quarter of the previous year)**
  - Domestic financial service (INV) posted 887 million yen in net operating revenues (+21.8% from the same quarter of the previous year) and segment profit of 214 million yen (+573.8% year-on-year)
  - Overseas Financial Service (Australian subsidiary IFS) posted 304 million yen in net operating revenues (-4.9% from the same quarter of the previous year), and segment profit of 72 million yen (-40.4% year-on-year)
    - Trading profit was 924 million yen (+11.5% year-on-year); “TriAuto ETF” transaction volumes soared with high stock prices globally since the new year began, and subsidiary IFS showed stable performance
    - Commissions earned by FX market “Click 365” increased to 172 million yen (+13.9% year-on-year)
- **900 million yen in sales, general and administrative expenses (+0.9% from the same quarter of the previous year)**
  - Advertising expenses increased (+17.6% year-on-year) compared to the same quarter of the previous year when promotional activities were constrained
  - Depreciation decreased (-34.0% year-on-year) due to depreciation of client-related assets having been completed
- **287 million yen in operating income (+86.5% from the same quarter of the previous year)**  
**276 million yen in ordinary income (+100.7% year-on-year)**  
**280 million yen in quarterly net income attributable to parent company shareholders (+281.4% year-on-year)**
  - Posted an extraordinary loss of 1 million yen from disposal of fixed assets



# Quarterly Summary

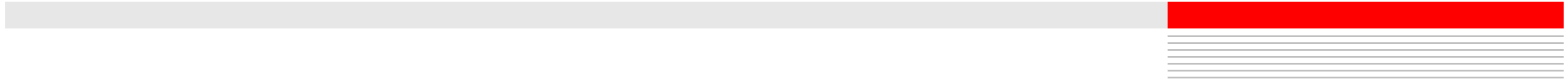
(Millions of yen)	FY 3/17				FY 3/18				Change vs Previous Quarter	Year-on-Year change
	1 Q	2 Q	3 Q	4 Q	1 Q	2 Q	3 Q	4 Q		
Operating revenues	924	742	833	1,048	943	989	1,018	1,214	+19.2%	+15.9%
Commissions earned (exchange FX, etc.)	217	162	180	151	146	147	139	172	+23.5%	+13.9%
Trading profit and loss (over-the-counter FX)	617	503	565	829	736	790	821	924	+12.6%	+11.5%
Interest income	7	5	5	6	11	13	25	31	+23.1%	+396.3%
Other operating revenues	82	70	81	61	48	38	33	86	+161.7%	+41.4%
Financial expenses	0	2	0	1	4	8	17	26	+53.5%	+2,430.8%
Net operating revenues	924	740	832	1,047	938	981	1,001	1,188	+18.6%	+13.5%
Selling, general and administrative expenses	848	866	979	893	843	868	895	900	+0.6%	+0.9%
Operating income (loss)	75	△126	△146	154	95	112	106	287	+171.0%	+86.5%
Ordinary income (loss)	71	△128	△150	137	98	108	91	276	+201.2%	+100.7%
Income (loss) before income taxes	77	△128	△128	76	103	108	128	275	+113.4%	+260.1%
Net income (loss)	52	△108	△137	73	94	101	120	280	+132.3%	+281.4%

# 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	895	900	+0.6%	+0.9%
Trading related expenses	212	245	327	208	177	201	234	234	+0.2%	+12.8%
(Advertising expenses)	(112)	(154)	(223)	(96)	(83)	(116)	(137)	(114)	△17.3%	+17.6%
Personnel expenses	233	211	227	243	247	254	252	264	+4.8%	+8.8%
Real estate expenses	270	282	301	307	291	291	296	300	+1.5%	△2.3%
(IT system expenses)	(224)	(234)	(246)	(248)	(236)	(231)	(232)	(230)	△1.0%	△7.5%
Clerical expenses	6	9	6	5	6	7	8	7	△9.2%	+39.3%
Depreciation expenses	88	84	80	80	78	80	70	53	△24.1%	△34.0%
Tax and public charges	23	17	21	30	26	21	24	24	+2.0%	△17.8%
Others	14	15	13	17	15	12	10	15	+50.0%	△14.9%

# 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		
<b>Domestic Financial Service ( I N V )</b>										
Net operating revenues	782	603	655	728	710	753	733	887	+21.0%	+21.8%
Segment profit or loss	64	△131	△174	31	40	67	42	214	+403.5%	+573.8%
<b>Overseas Financial Service ( I F S )</b>										
Net operating revenues	144	139	177	319	229	230	271	304	+12.0%	△4.9%
Segment profit or loss	10	5	27	122	54	44	63	72	+14.6%	△40.4%



# Annual Financial Results Summary

## (Apr.2017-Mar. 2018)



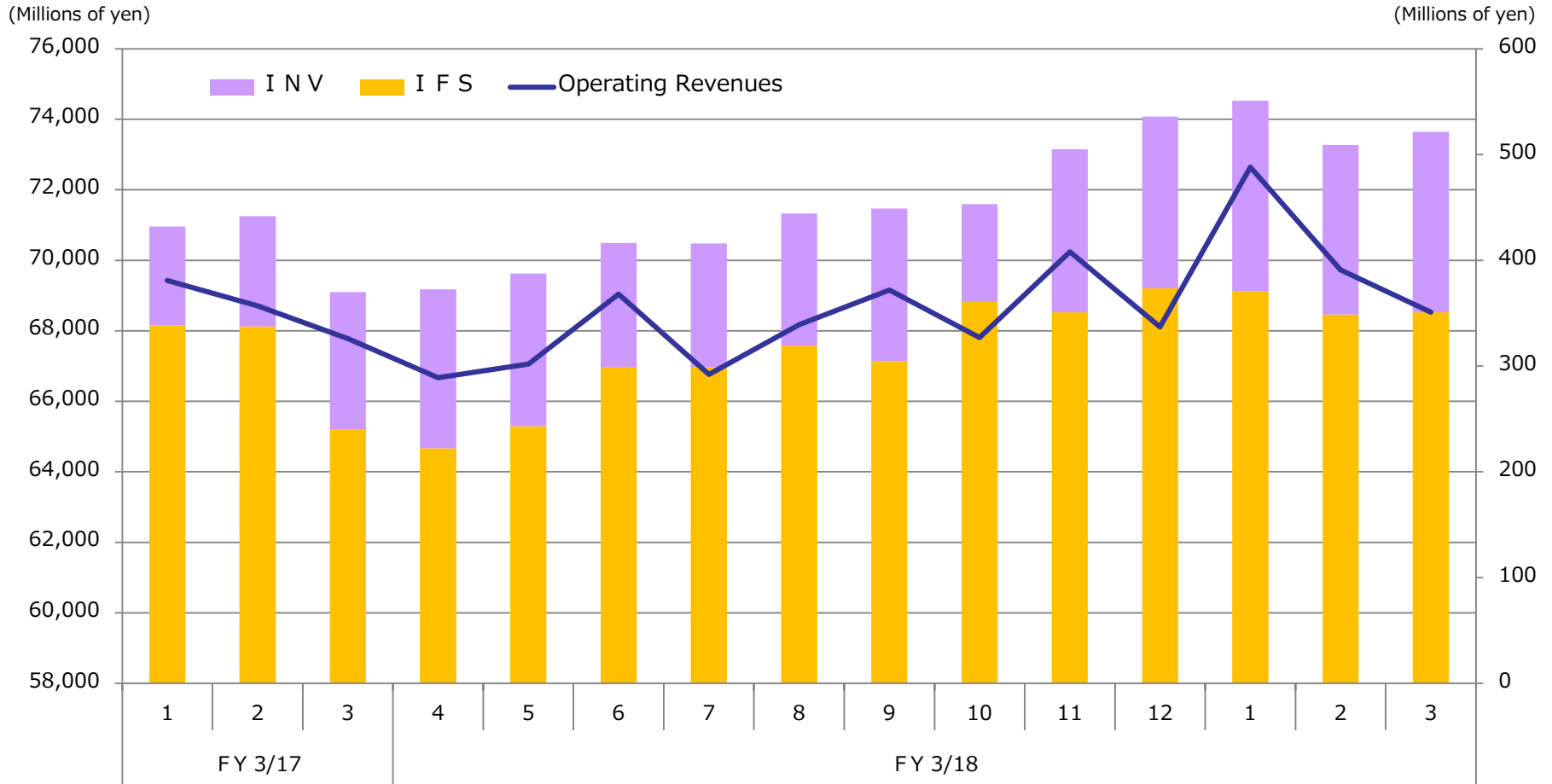
# Consolidated Financial Results Summary

(Millions of yen)	FY 3/17	FY 3/18	Year-on-Year change
Operating revenues	3,548	4,166	+17.4%
Commissions earned (exchange FX, etc.)	711	604	△15.0%
Trading profit and loss (over-the-counter FX, etc)	2,516	3,273	+30.1%
Interest income	25	81	+222.6%
Other operating revenues	295	206	△30.1%
Financial expenses	4	56	+1,188.0%
Net operating revenues	3,544	4,109	+16.0%
Selling, general and administrative expenses	3,587	3,508	△2.2%
Operating income (loss)	△42	601	—
Ordinary income (loss)	△70	575	—
Income (loss) before income taxes	△102	615	—
Net income (loss)	△118	597	—

# Non-Consolidated Financial Results Summary

(Millions of yen)	FY 3/17	FY 3/18	Year-on-Year change
Operating revenues	2,774	3,140	+13.2%
Commissions earned (exchange FX, etc.)	670	474	△29.2%
Trading profit and loss (over-the-counter FX, etc)	1,807	2,397	+32.6%
Interest income	2	55	+1,914.1%
Other operating revenues	293	212	△27.6%
Financial expenses	4	56	+1,188.0%
Net operating revenues	2,770	3,084	+11.3%
Selling, general and administrative expenses	2,979	2,718	△8.8%
Operating income (loss)	△209	365	—
Ordinary income (loss)	△217	345	—
Income (loss) before income taxes	△271	348	—
Net income (loss)	△287	299	—

# 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.

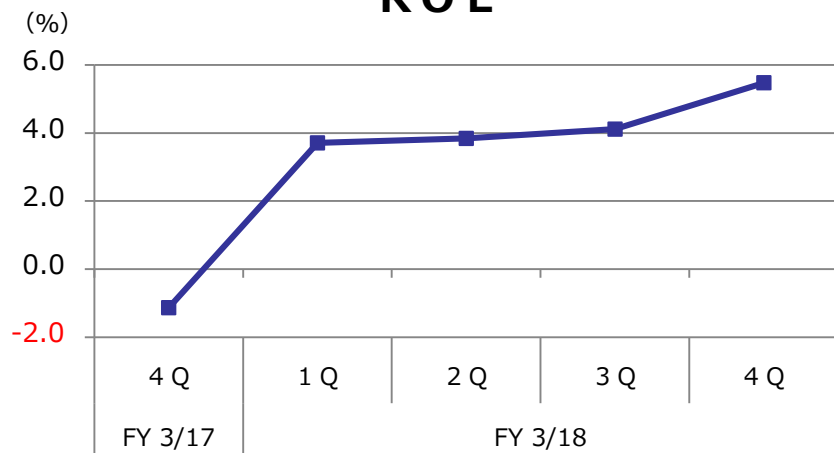
# Major Management Index

	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	4.1	5.8
Operating and ordinary margins (%)	7.7	△17.4	△18.0	13.1	10.5	11.0	9.0	22.7
EBITDA (millions of yen)	159	△44	△70	218	177	188	161	329

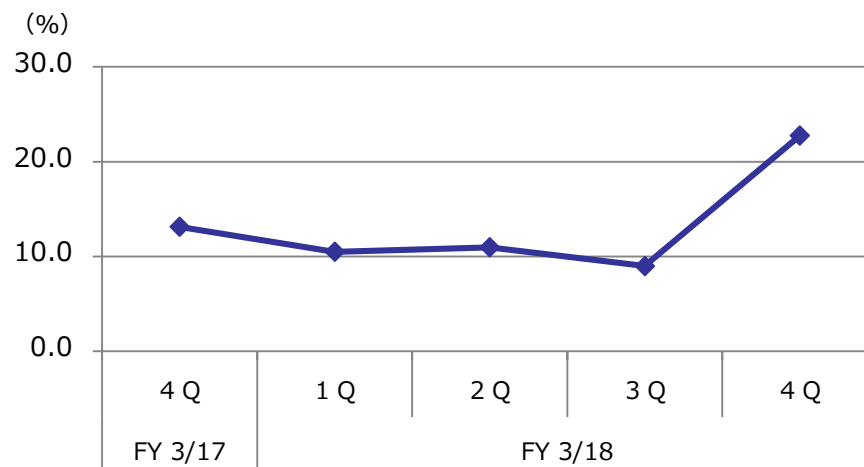
※ROE data have been annualized.

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

## ROE



## Operating and ordinary margins





# Policies on Shareholder Returns and Dividends

# Policies on Shareholder Returns and Dividends

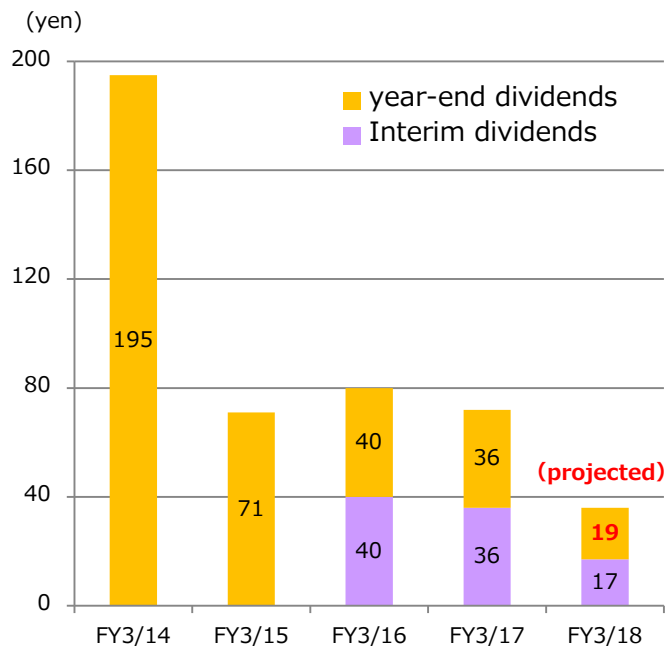
## ◆ Dividend policy (Policy effective as of FY3/18)

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

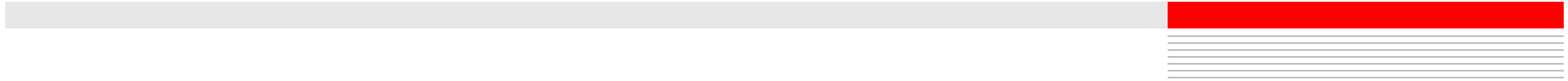
Year-end dividend **19yen (projected)**



## ◆ 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	<b>19.0 (projected)</b>
Yearly (Yen)	195.0	71.0	80.0	72.0	<b>36.0 (projected)</b>
Net income (Millions of yen)	3,931	496	△404	△118	597
Total dividend (Millions of yen)	1,137	416	469	422	211
Dividend payout ratio(%)	30.2	83.4	—	—	35.4
ROE (%)	32.0	4.0	—	—	5.8
DOE (%)	9.6	3.3	4.1	4.0	2.0
Dividend yield(%)※	14.8	6.1	5.9	5.5	3.4

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



# Topics

2017	
April	Began accepting applications for the 2017 Invest mission project, the [Social Action Points Project]
May	Invested in 500 Fintech L.P., a fund operated by US company "500 Startups"
June	Start of "Real Trading Showdown Grand Prix" 10 million yen contest to determine the strongest between FX and ETF
July	Release of Money Hatch The first asset management service in the world that lets you begin investing with zero funds
July	Launched the "Commemorative Campaign for the Release of Money Hatch" in which reserve funds quickly accrue through FX trading
August	Held a media briefing session on the "Money Hatch x Invest Card"
September	"Money Hatch" hits 5,000 users two months after launch
2018	
January	[TriAuto ETF] "Automated ETF Trading Select" version upgrade
February	[Australian subsidiary IFS] Became an official partner of the Australian Men's and Women's Rugby Sevens teams
March	[Australian subsidiary IFS] Awarded Best Specialist Market Prime Broker at the Hedgeweek Global Awards 2018



# Release of Money Hatch The first accumulation-type investment service in the world that lets you begin investing with zero funds

## What is “Money Hatch”?

Money Hatch is an accumulation-type investment service that makes it possible to start investing with no funds by using points earned from credit cards and other such consumer rewards programs as principal for investments. Funds accumulated various ways are regularly invested by trading of ETFs (exchange-traded funds) on a weekly basis, and realized gains are then re-invested.

### ■ Start investing with no funds—using points

- Automatic cash conversion of points earned at a 1% rate on purchases made with Invest-issued credit cards
- Cash back on trading through services offered by Invest
- Automatic transfers from services accounts and bank accounts opened at Invest

### ■ Diversified worldwide investment, automatically

- Invest in ETFs (exchange-traded funds) in Japan and worldwide
- With “Global Stock ETF Automated Trading,” configure an automated trading style when getting started on Money Hatch
- Trading uses contracts for difference (CFDs), so there is no foreign exchange risk on investment principal
- Investing is possible in small amounts starting with 0.1 units, with no service charge

### ■ Automated trading with accumulated investments

- Complete automation that follows movements in market prices to buy low, sell high, buy more when prices of holdings fall, and re-invest profits

# Invast Card

## ■ Points on purchases automatically convert to cash and ETF investments each month

- Fully automated conversion requires no procedures whatsoever to convert points into cash
- Points converted to cash automatically become principal for ETF investments

## ■ Points earned at 1.00% rate on purchases

- Earned at 1.50% or more when purchasing on JACCS Mall
  - JACCS Mall features more than 550 popular stores
    - Amazon.co.jp    Rakuten Ichiba/Rakuten Travel
    - Yahoo! Auctions    Yahoo! Shopping    ZOZOTOWN
    - iTunes Store

## ■ Never any annual fees if using the card

- No fees the first year
- No fees every subsequent fiscal year if at least one purchase is made with the card the previous fiscal year

## ■ Extensive lineup of insurance

- Includes domestic travel insurance (insured up to 10 million yen against death and disability, and residual disability)
- Card theft insurance
- Online security service

## ■ No annual ETC card fees, family cards also have no annual fees when used for purchases



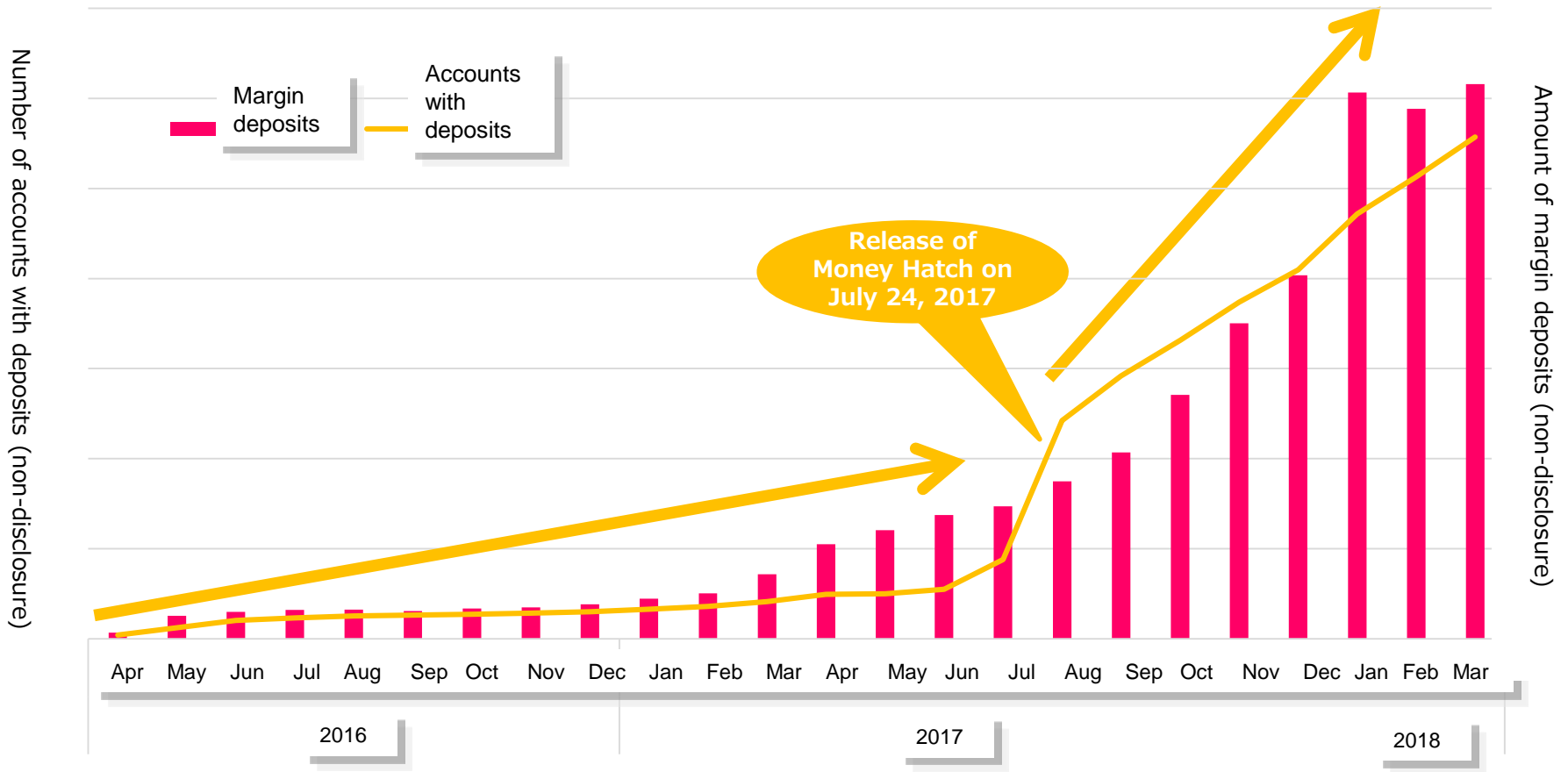


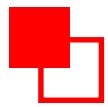
# Effects of Money Hatch yield major growth for TriAuto ETF

Since the release of Money Hatch in July 2017

Number of accounts with deposits: roughly **10 times** increase

Margin deposits: **4.5 times** increase





# 【IFS】 Become Official Partner of the Australian Rugby teams



- IFS has agreed a deal to become Official Partner of the Australian Men's and Women's Rugby 7's teams (Olympic Sport).
- The Women's team are current (Rio) Olympic gold medallists.
- We plan to increase sponsorship as we head to Rugby World Cup in Tokyo 2019/Olympics 2020.





# 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.

# 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

# Efforts to Achieve Our Vision and Progress Check

## Business Strategy (Stage 1: 2017-2019)

### (1) Boost profitability of existing business

- Grow TriAuto ETF as our next main business after FX, and establish an automated global stock ETF trading service
- Making continuous improvements to Automated Trading Select and enhancing its network effect as a platform with social functions in which clients can create and share their own automated trading logic
- Create a roadmap by FY2020 and further enhance technology-driven automated trading, while launching efforts to lower the break-even point through fixed cost reductions, etc.
- IFS is steadily growing in size, and exploring possible new locations in Europe, Asia, etc.

### (2) Create new business

- Release Money Hatch, the accumulation-type investment service that lets you begin investing with zero funds, and exceeded 5,000 users within the first two months  
Finding wide acceptance for the concept of accumulation-type investing in global stock ETFs with points earned at a 1% rate from credit cards
- Invested in 500 Fintech L.P., a fund operated by US company “500 Startups,” and screening at least 300 growing companies
- Also currently planning multiple new business concepts in IFS

### (3) Other

- Hairej Younes assumed the position of CTO to build agile in-house systems for development
- Hired lots of IT engineers capable of having an immediate impact (China, Spain, the US, Thailand, etc.), and formed IT development teams
- Considered varied work styles (allowing side jobs, implementing a discretionary work system), and began implementation in April 2018



## Invast Securities Co., Ltd. (as of Mar 31, 2018)

■ 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



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- The information in this document includes future forecasts. There are various risks and uncertainties inherent in these future forecasts, and the actual future results may differ greatly from what the forecasts predict or suggest.
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