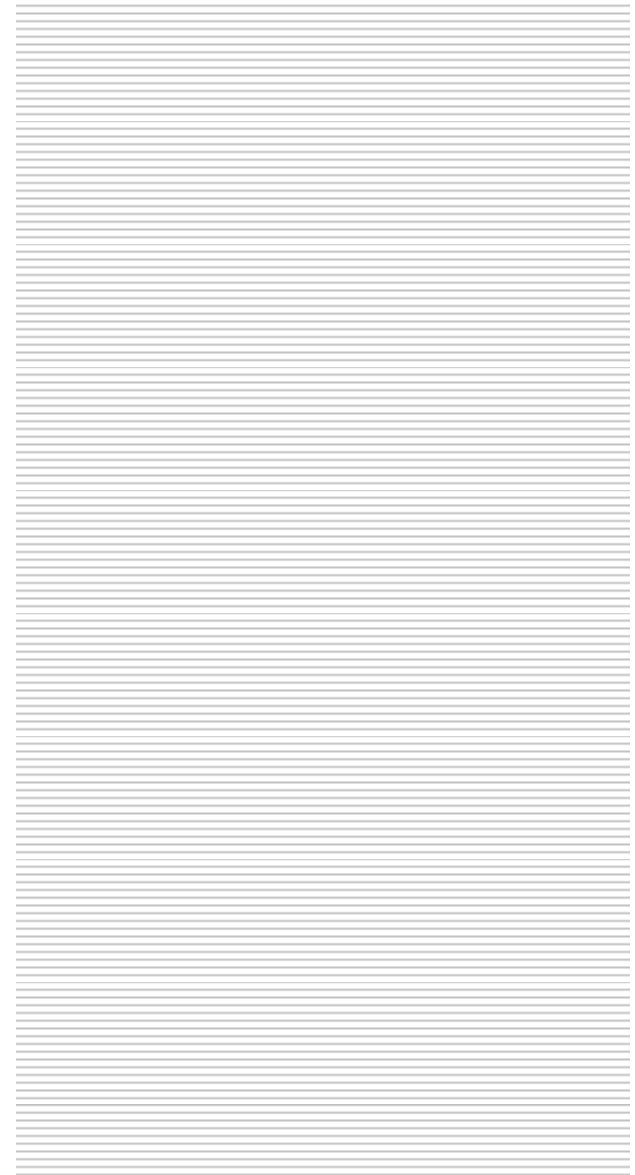


## Financial Highlights (Consolidated)

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The Fiscal Year ends Mar 2015

Invast Securities Co., Ltd.





# Financial Highlights for the Fiscal Year Ended March 2015

## ■ Consolidated ordinary loss of 74 million yen (non-consolidated ordinary loss of 157 million yen)

- In the first half of the fiscal year ended March 31, 2015, Invast Securities recorded a consolidated operating loss of 552 million yen, affected by the lackluster foreign market trading conditions, which were due to the low volatility market that persisted from February to late August 2014 as well as the Company's prior investment in the TriAuto FX service launched in February the same year.
- Foreign exchange market activities picked up from September 2014 onwards, allowing operating revenue to rise, which led the Company to record 478 million yen in consolidated operating income for the second half of the year under review, returning to operating profitability on a non-consolidated basis for the second half.
- The outstanding balance of customer deposit assets at IFS (the Australian subsidiary) grew rapidly. Prior investment, however, resulted in the overseas financial business segment posting an operating loss of 242 million yen for the fiscal year ended March 31, 2015:

1 Q (Apr – Jun 2014)  $\triangle$ 495 million yen

2 Q (Jul – Sept 2014)  $\triangle$ 57 million yen

3 Q (Oct – Dec 2014) 267 million yen

4 Q (Jan – Mar 2015) 210 million yen

## ■ A total of 1,070 million yen in extraordinary income was recorded following the sale of certain investment securities

- Consolidated net income stood at 496 million yen (728 million yen on a non-consolidated basis)

## ■ Shareholder return policy and dividends

- Management concluded that the best way to return more profits to shareholders would be to curb excessive internal reserves by increasing shareholder dividends, achieving reduced taxation on specified family company internal reserves.
- Reflecting the above-mentioned conclusion, the Company is now considering revising its dividend policy, which aims to consistently return profits to shareholders based on a consolidated payout ratio of around 30%.
- The Company plans to pay a per-share dividend of 71 yen (payout ratio of 83.4%) for the fiscal year under review.

## ■ Accepted the transfer of deposited margins totaling approx. 2,800 million yen from Rakuten Bank, Ltd. in November 2014

The balance of deposited margins increased in the fiscal year under review as the Company accepted the transfer of customer accounts from Rakuten Bank, Ltd. owing to the termination of its "Click 365" service.

# Summary of Financial Results for the Fiscal Year Ended March 2015

## Financial highlights

	The term ended March 2013 (April 1, 2013 to March 31, 2014)		The term ended March 2013 (April 1, 2014 to March 31, 2015)		Year-on-year change	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Operating revenues (in millions of yen)	4,165	4,213	3,174	3,474	76.2%	82.5%
Commissions earned (exchange FX, etc.)	1,339	1,339	864	863	64.5%	64.5%
Trading profit and loss (over-the-counter FX)	2,578	2,620	1,862	2,140	72.2%	81.7%
Selling, general and administrative expenses (- ditto-)	3,702	4,018	3,051	3,594	82.4%	89.4%
Operating income (-ditto-)	461	193	122	△119	—	—
Ordinary income (-ditto-)	544	264	157	△74	—	—
Extraordinary income/loss (-ditto-)	3,791	3,791	989	989	26.1%	26.1%
Net income (-ditto-)	4,212	3,931	728	496	17.3%	12.6%

	March 31, 2014		December 31, 2014		Year-on-year change	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Net assets (in millions of yen)	13,532	13,239	12,411	11,903	91.7%	89.9%
Net assets per share (yen)	2,314.52	2,264.28	2,114.86	2,028.40	—	—
Margins received (in millions of yen)	74,645	75,395	68,812	69,734	92.2%	92.5%

\* The Company recorded a 1,051 million yen in extraordinary income on the sale of investment securities as it sold part of its investment securities holdings in the second quarter under review.

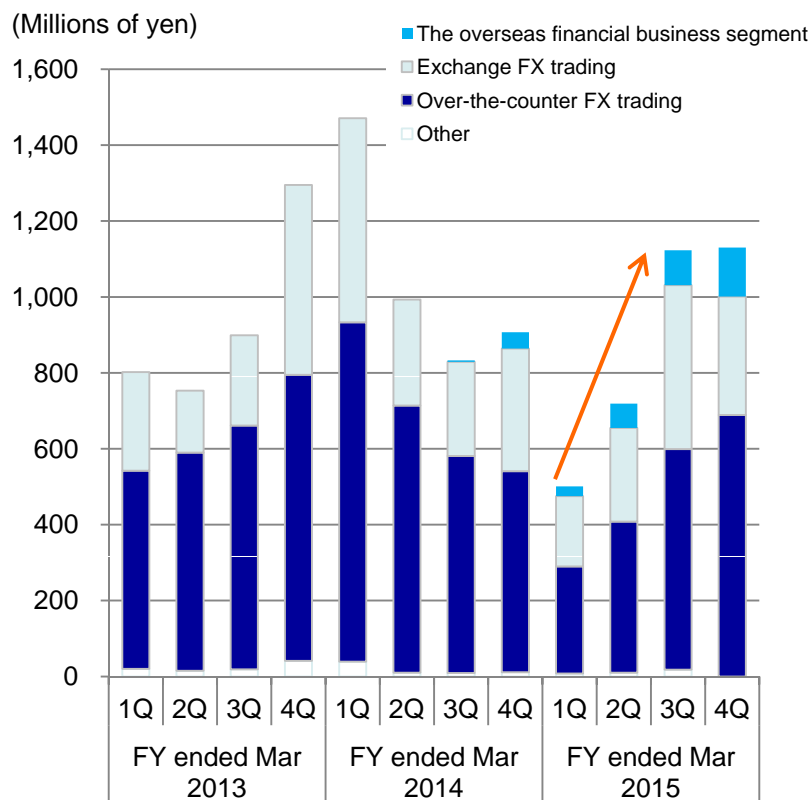
\* The financial closing date of IFS is December 31, causing its financial results to become incorporated into Invest Securities' consolidated financial results with a time lag of three months. Hence, the consolidated financial results for the second quarter of the fiscal year ending March 2015 are designed to reflect IFS's financial results for the period from January to December 2014.

# Operating Revenue

Operating revenue for the fiscal year ended March 2015 stood at 3,474 million yen.

Net operating revenue in the overseas financial business segment (IFS) grew steadily during the year under review, amounting to 311 million yen (649.9% compared to the previous year).

As foreign exchange market volatility remained low during the first quarter of the fiscal year under review, operating revenue declined significantly for the year. However, in the third and fourth quarters, operating revenue recovered to 1,123 million yen (134.8% compared to the previous year) and 1,130 million yen (124.4% compared to the previous year), respectively.



## FY ended March 2014 [Consolidated] (Millions of yen)

	Term ended March 2014				
	1Q	2Q	3Q	4Q	Total
Exchange FX trading	538	279	248	323	1,390
Over-the-counter FX trading	894	707	572	530	2,703
Other	43	10	9	11	73
The overseas financial business segment	-	-	4	43	47
<b>Total</b>	<b>1,476</b>	<b>995</b>	<b>833</b>	<b>908</b>	<b>4,213</b>

## FY ended March 2015 [Consolidated] (Millions of yen)

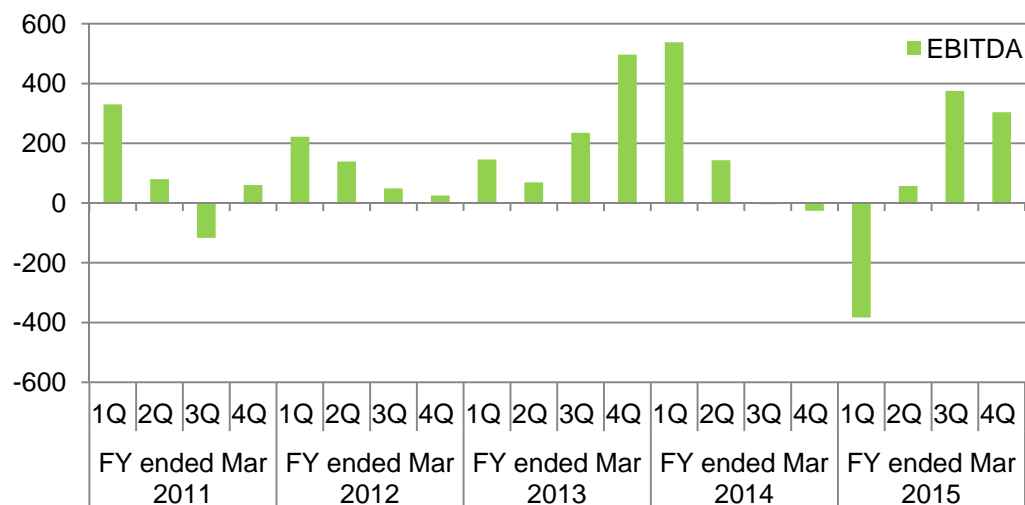
	Term ended March 2015				
	1Q	2Q	3Q	4Q	Total
Exchange FX trading	185	247	432	312	1,177
Over-the-counter FX trading	282	398	581	689	1,950
Other	8	10	18	0	36
The overseas financial business segment	26	64	92	129	311
<b>Total</b>	<b>502</b>	<b>719</b>	<b>1,123</b>	<b>1,130</b>	<b>3,474</b>

# Earnings metrics

## EBITDA

(Millions of yen)

	FY ended March 2012 [Non-consolidated]				FY ended March 2013 [Non-consolidated]				FY ended March 2014 [Consolidated]				FY ended March 2015 [Consolidated]			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net income before taxes	176	79	-18	-45	100	0	158	389	471	49	3,528	6	47	413	277	177
Extraordinary income/loss	8	0	-1	-0	23	0	0	-13	24	-0	3,635	132	542	470	9	-33
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	54	60	66	70	69	69	76	93	91	93	102	98	111	114	107	93
EBITDA	222	139	48	24	146	69	235	497	538	143	-4	-26	-383	57	375	304

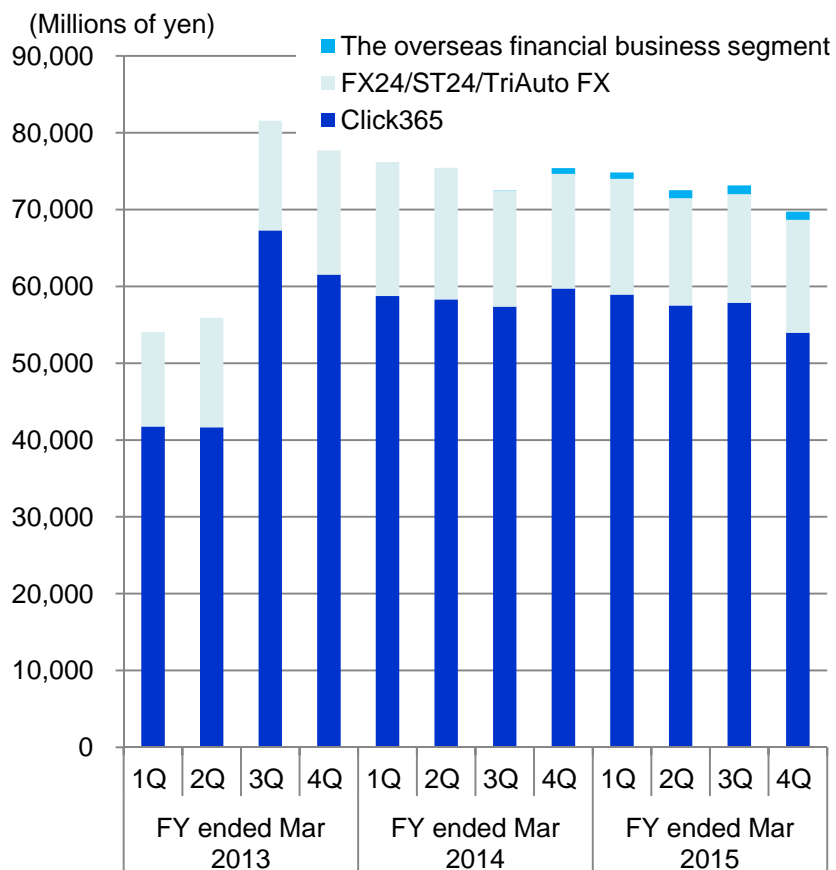


Note: EBITDA was calculated by the formula of: Net income before taxes – extraordinary income/loss + Interest expense + Depreciation = EBITDA. This represents an income metric that illustrates what level of cash flow was generated by capital including borrowed capital

# Total amount of deposited margin

The balance of deposited margin for “Click 365,” the exchange-traded foreign exchange margin contract service business, increased by approx. 2,800 million yen for the fiscal year ended March 2015 as the Company accepted the transfer of customer accounts from Rakuten Bank, Ltd. in November 2014.

The balance of deposited margin in the overseas financial business segment (IFS):  
December 31, 2014 AUD10,930,000 → March 31, 2015 AUD17,850,000



FY ended March 2014 [Consolidated] (Millions of yen)

	1Q	2Q	3Q	4Q
Click 365	58,743	58,314	57,372	59,719
FX24/ST24/TriAuto FX	17,439	17,133	15,040	14,926
The overseas financial business segment	-	-	48	750
Total	76,183	75,448	72,461	75,395

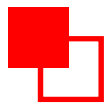
FY ended March 2015 [Consolidated] (Millions of yen)

	1Q	2Q	3Q	4Q
Click 365	58,942	57,514	57,862	53,973
FX24/ST24/TriAuto FX	15,051	13,974	14,140	14,689
The overseas financial business segment	834	1,028	1,146	1,072
Total	74,828	72,517	73,149	69,734



# Our Future Initiatives

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# The Mid-Term Business Plan for the period from FY ending March 2016 to FY ending March 2020

## ■ Aiming to become an integrated global online financial services firm

### ● Grow our foreign exchange trading service business in Japan

1. Grow our foreign exchange (FX) trading service and derivative businesses, securing stable earning capability
  - Grow our over-the-counter FX trading service business, focusing on the “TriAuto” FX service  
Continue to develop functions and improve convenience while providing a 1,000-currency unit and narrower spread trading features
  - Leverage our capital and business partnership and joint development with Tradency Inc. → “New ST24” to pursue technological innovation
2. Build a platform to generate 5 billion yen in annual operating revenue from the FX trading service business

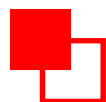
### ● Grow the overseas financial business

1. Achieve stable profitability for IFS as early as possible and build a platform for the firm to generate 3.6 billion yen in annual revenue
2. Have IFS shift from a retail-centric to wholesale-centric business model in a business strategy migration move
3. Make IFS construct a business portfolio by expanding its liquidity provision service and institutional investor service businesses
4. Have IFS expand the provision of the Direct Market Access Contract for Difference (DMACFD) trading service

### ● Successfully penetrate new financial service businesses

1. Expand horizontally from the FX trading service to other financial products → Re-enter the securities-related market, DMACFD trading service, ETF and others
2. Keywords: Online, financial and global
3. Within the next five years, aim to become an organization that generates annual operating revenue comparable to that of the FX trading service from its new financial service businesses





## Highlights

### ◆ Summary:

IFS's net operating revenue for the fiscal year ended December 31, 2014 lacked stability, since most depended heavily on certain big corporate customers. In response, IFS has been continuing its new customer prospecting efforts while striving to expand its customer deposit assets through the launch of the DMACFD trading service. These initiatives have spawned improvements for the firm, paving the way for stable growth in coming years by attaining greater diversification of revenue sources and increased customer deposit assets.

### ◆ Business strategy

IFS will migrate business strategy by shifting from the retail investor FX trading service-centric business model to a BtoB trading service-centric business model; providing a wide range of derivatives financial services to corporate customers.

- ❑ The liquidity provision service business: A type of fee-earning business which involves transmitting price information to other brokers
- ❑ An organizational realignment, primarily focused on providing service offerings dedicated to money managers and corporate investors

### ◆ Entry into new businesses

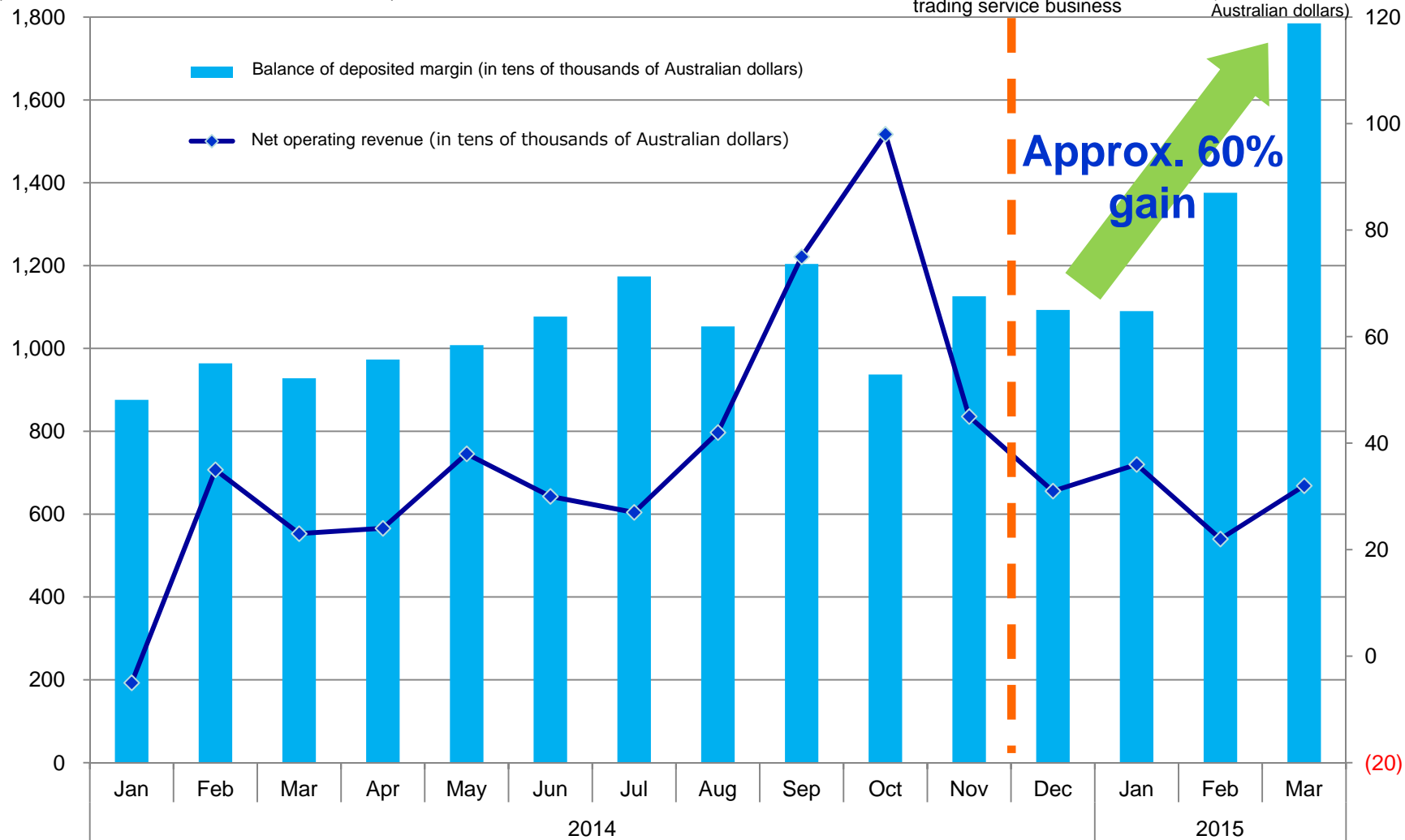
Entry into the Direct Market Access Contract for Difference (DMACFD) trading service business

- ❑ Launched the DMACFD trading service in December 2014
- ❑ Reinforced sales activities that chiefly target hedge fund and corporate investor customers as the main target segments
  - ⇒ IFS's overall customer deposit assets expanded by approx. 60% in four months following the launch of its DMACFD trading service business



## Grow the overseas financial business: IFS (2)

Balance of customer deposit assets  
(in tens of thousands of Australian dollars)





## Grow the overseas financial business: IFS (3)

Achieve stable profitability → Initiatives toward a platform for generating annual net operating revenue equivalent to 3.6 billion yen

- ◆ IFS to concentrate its business resources on the BtoB business
  1. Principal target customer segments: Overseas financial brokers, hedge funds, money managers and similar
  2. Realign the organization into one facilitating the provision of corporate sales, corporate customer support and sophisticated financial services
  
- ◆ IFS to further expand its DMACFD business
  1. Increase the share gain of the DMACFD market in Oceania
  2. Form a sales team comprising professionals with DMACFD business experience as a unit targeting institutional investors
  3. Hire high-quality professionals equipped with a corporate business career background
  
- ◆ IFS to expand its liquidity provision service business
  1. Prospect new customers and expand the liquidity provision service business that targets overseas FX trading and CFD trading service brokers
  2. Set up a dedicated corporate sales team



## Entry into new financial service businesses

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Explore the prospect of entering new financial service businesses under the theme of “online, financial and global” businesses

◆ Develop investment projects through investment business partnerships

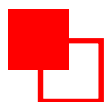
1. As a growth business, which, despite growth potential, is outside the scope of Invast Securities' existing core businesses, we will invest in such business through an investment business partnership scheduled to be formed in the coming weeks.
2. Any investment in a growth business within the scope of the Company's core businesses will be made directly by the parent, in principle.

◆ Aggressive M&A activities

1. Penetrate new financial businesses through M&A deals
2. Strengthen existing businesses through M&A activities

◆ Maximize synergistic effects to be achieved through the capital and business partnership with Tradency Inc.

1. Develop new financial businesses, based on Tradency Inc.'s technological development capabilities
2. Bolster existing businesses, based on Tradency Inc.'s technological development capabilities



## Invast Securities Co., Ltd. (as of March 31, 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	:	51 [Non-consolidated] 66 [Consolidated]
■ Licenses	:	Financial Instruments Business Operators (Type 1/ Type 2) Director-General of Kanto Local Finance Bureau (Kinsho) No. 26
■ Membership	:	Tokyo Financial Exchange