

# Financial Highlights (Consolidated)

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3<sup>rd</sup> Quarter Fiscal Year ends Mar 2015

Invest Securities Co., Ltd.

■ **Ordinary income for the 3<sup>rd</sup> quarter of fiscal year ended March 2015 stood at 272 million yen. Ordinary income for the nine months to December 31, 2014 amounted to a negative 284 million yen**

Operating loss attributable to a low volatility market that persisted from February to late August 2014 has been in the process of being eliminated smoothly, supported by the increased operating revenue resulting from the buoyant foreign exchange market from September 2014 onwards

Ordinary income

1<sup>st</sup> quarter (from April 1 to June 30, 2014) -495 million yen

2<sup>nd</sup> quarter (from July 1 to September 30, 2014) -57 million yen

3<sup>rd</sup> quarter (from October 1 to December 31, 2014) 267 million yen → cumulative 3<sup>rd</sup> quarter (from April 1 to December 31, 2014) -284 million yen

■ **Received a transfer of deposited margin totaling approx. 2,800 million yen from Rakuten Bank, Ltd. in November 2014**

Invast Securities achieved increased deposited margin as a result of receiving the transfer of customer accounts from Rakuten Bank, Ltd. following the termination of its Click 365 service

■ **Recorded 1,022 million yen in extraordinary income on the sale of part of investment securities**

■ **Overseas financial business segment**

The balance of deposited margin for the overseas financial business segment amounted to 1,146 million yen as of September 30, 2014. Invast Securities recorded 218 million yen in segment operating loss owing to its prior investment

# Summary of Financial Results for the 3<sup>rd</sup> Quarter Fiscal Year Ended March 2015

## Summary of Financial Results

	3Q FY2014 (from April 1, 2013 to December 31, 2013)		3Q FY2015 (from April 1, 2014 to December 31, 2014)		Year-on-year change	
	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated
Operating revenues (in millions of yen)	3,300	3,304	2,161	2,343	65.4%	70.9%
Commissions earned (exchange FX, etc.)	1,112	1,112	587	587	52.7%	52.7%
Trading profit and loss (over-the-counter FX)	2,091	2,094	1,236	1,398	59.1%	66.7%
Selling, general and administrative expenses (-ditto-)	2,795	2,985	2,255	2,652	80.6%	88.8%
Operating income (-ditto-)	503	317	△94	△308	—	—
Ordinary income (-ditto-)	580	389	△59	△284	—	—
Extraordinary income/loss (-ditto-)	3,659	3,659	1,022	1,022	27.9%	27.9%
Net income (-ditto-)	3,892	3,702	588	333	14.3%	9.0%

	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	12,239	11,734	90.4%	88.6%
Net assets per share (yen)	2,314.52	2,264.28	2,111.52	1,999.49	91.2%	88.3%
Margins received (in millions of yen)	74,645	75,395	72,146	73,149	96.6%	97.0%

\* The Company recorded 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 September 2014.

# Operating Revenue

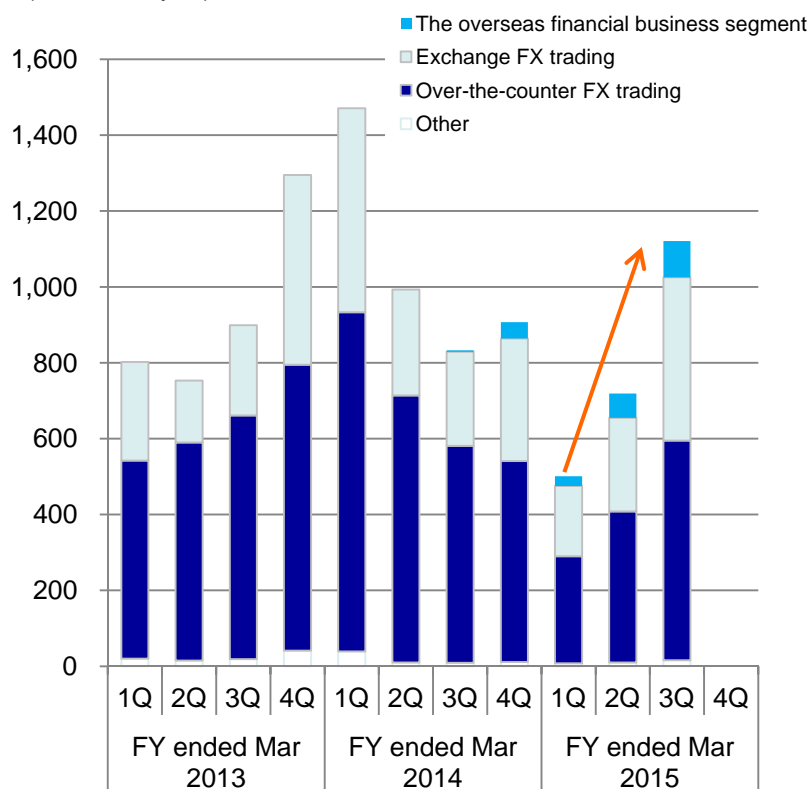
Operating revenue for the cumulative third quarter of the fiscal year ending March 2015 (from April 1 to December 31, 2014) stood at 2,343 million yen. A low volatility market in the first quarter resulted in operating revenue declining significantly to a level equivalent to 70.9% of that for the same period a year ago, a period of the Abenomics-driven market. Yet, yen weakness from autumn 2014 onwards revived energy and momentum in the foreign exchange market, and trading volume and operating revenue in the third quarter grew smoothly.

Trading profit and loss in the over-the-counter foreign exchange margin trading service business (ST24, FX24 and TriAuto FX) amounted to 1,398 million yen.

Commission received in the exchange-traded foreign exchange margin contract service business (Click 365) totaled 532 million yen.

Net operating revenue in the overseas financial business segment (IFS) for the period from January 1 to September 30, 2014 grew favorably to 182 million yen.

(Millions of yen)



FY ended March 2014 [Consolidated]

(Millions of yen)

	FY 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
Total	1,476	995	833	908	4,213



FY ended March 2015 [Consolidated]

(Millions of yen)

	FY ended March 2015				
	1Q	2Q	3Q	4Q	Total
Exchange FX trading	185	247	432		864
Over-the-counter FX trading	282	398	581		1,261
Other	8	10	18		36
The overseas financial business segment	26	64	92		182
Total	502	719	1,123		2,343

# Total amount of deposited margin

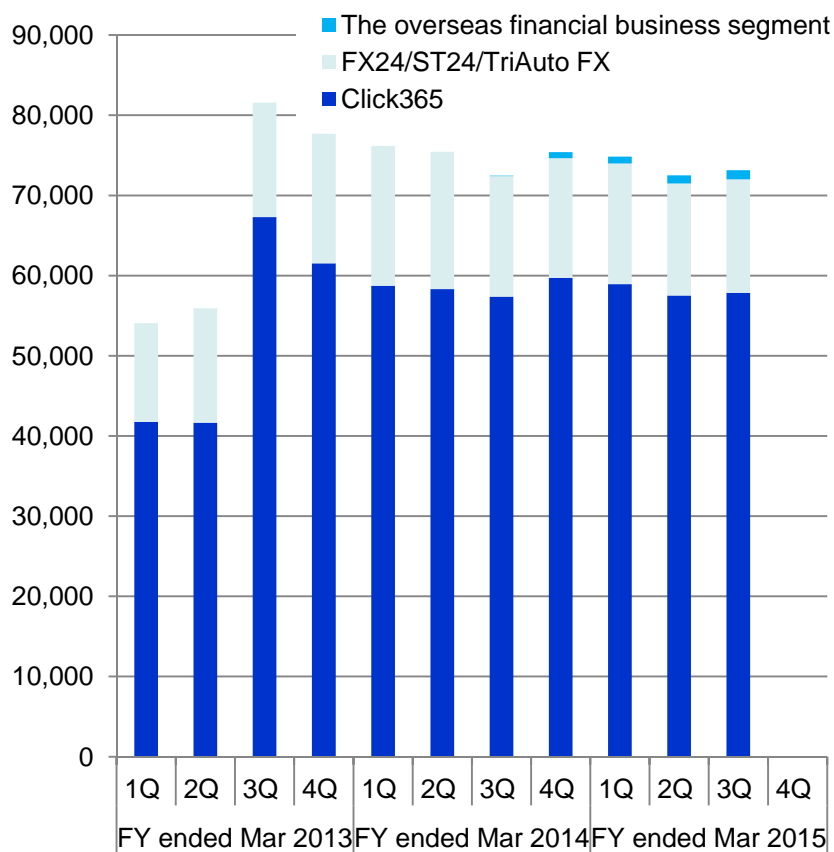
The total balance of deposited margin for all the Company's business segments amounted to 73,149 million yen for the third quarter of the fiscal year ending March 2015.

The balance of deposited margin for "Click 365," the exchange-traded foreign exchange margin contract service business, amounted to **57,862 million yen, an increase of approx. 2,800 million yen, as the Company received a transfer of deposited margin from Rakuten Bank, Ltd.**

The balance of deposited margin for the "FX24," "ST24," "TriAuto FX" services and others in the over-the-counter foreign exchange margin trading service business stood at 14,140 million yen.

The balance of deposited margin in the overseas financial business segment (IFS) totaled 1,146 million yen as of September 30, 2014.

(Millions of yen)



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

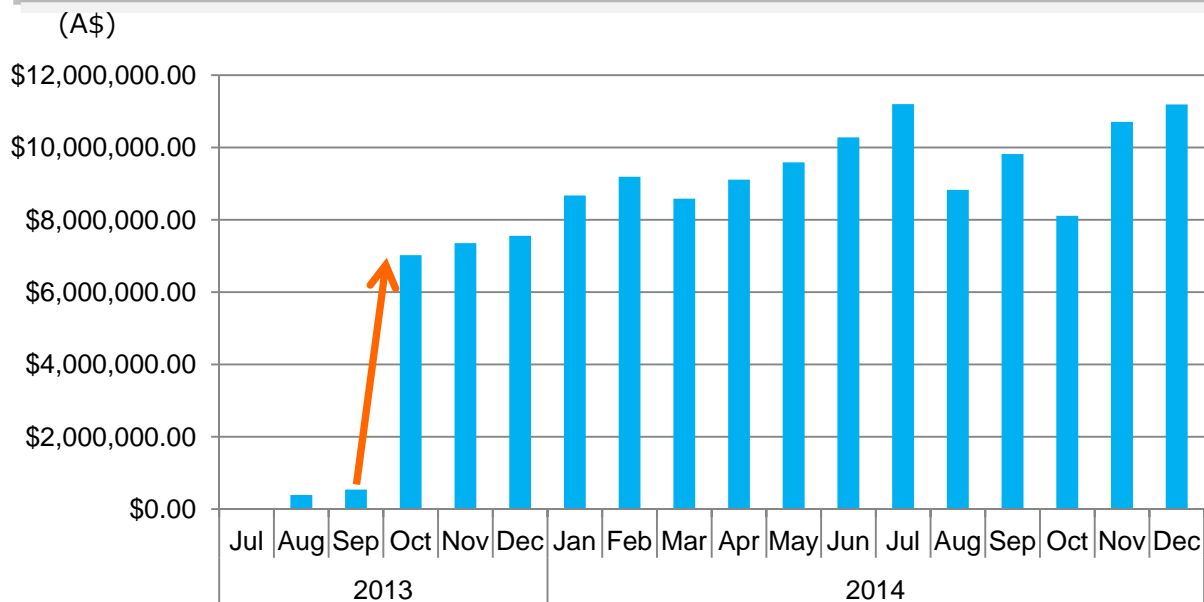
	1Q	2Q	3Q	4Q
Click 365	58,743	58,314	57,372	59,719
FX24/ST24/TriAuto FX	17,439	17,133	15,040	14,926
The overseas financial business segment	-	-	48	750
Total	76,183	75,448	72,461	75,395

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

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

# Overseas subsidiary Invast Financial Services (IFS)

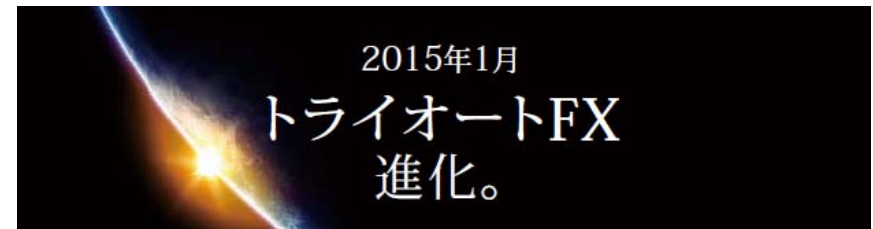
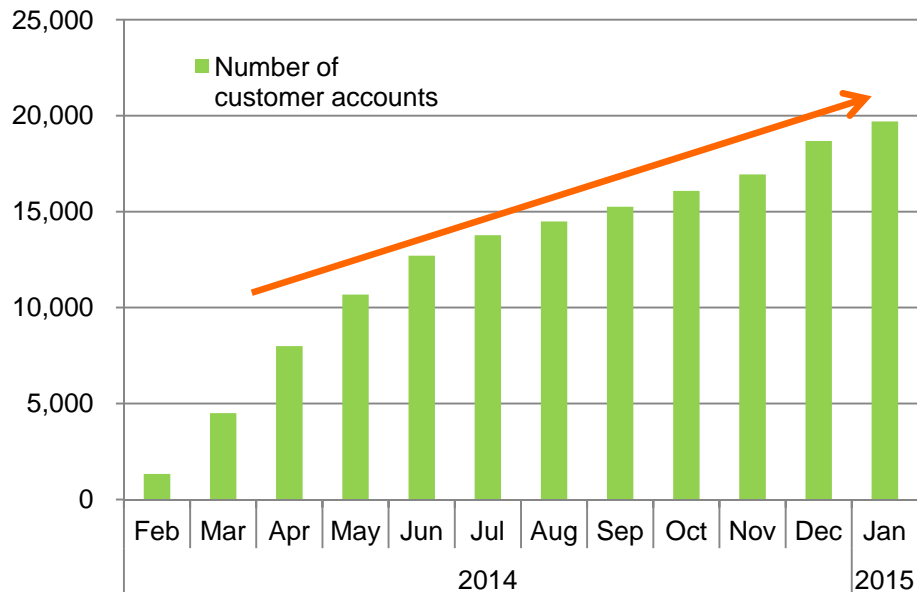
- ◆ Starting from April 2014, IFS began to offer ST24 trading service to overseas customers
- ◆ IFS recorded an amount equivalent to 182 million yen in net operating revenue for the third quarter of the fiscal year ending March 2015 (4 million yen in the same quarter a year ago)
- ◆ The balance of deposited margin as of September 30, 2014 stood at an amount equivalent to 1,146 million yen
- ◆ **IFS conducted a capital increase of A\$2.54 million in October 2014 to make its paid-in capital A\$9 million in view of a further expansion of its business operations**
- ◆ IFS's diverse current customer base in South East Asia consists of customers based in Singapore and China and that in the eurozone comprises those based in the U.K. and France while that in other regions is composed of those based in South Africa and British Virgin Islands



# Launched the new “TriAuto FX” service



- ◆ Launched on March 10, 2014 “TriAuto FX,” a new auto-pilot-based discretionary FX margin trading service (\*began to accept account opening applications from customers, starting from February 15, 2014)
- ◆ This is a new type of FX trading service that allows the trader user to decide on his/her trading direction while the auto-pilot automatically does the rest of the trading process
- ◆ Evolution of TriAuto FX in January 2015: On offer as an FX margin trading service that enables any type of trading method  
With 10 months having passed since TriAuto FX’s rollout, a large scale revamp was carried out in order to better meet customer needs  
Made 1,000 currency units service available; Introduced narrower spreads and the markup commission scheme; Expanded the “Quick Shikake” function; Added the “Shikake” ranking function; Expanded the chart function; Rolled out a smartphone application
- ◆ Launched the Real Trade TriAuto FX Grand Prix (running from January 12 to March 31, 2015)
- ◆ The total number of customer accounts for the TriAuto FX service exceeded the 19,000 mark (as of the end of January 30, 2015)



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トライオートFXグランプリ



# Automated FX Trading “ST24”

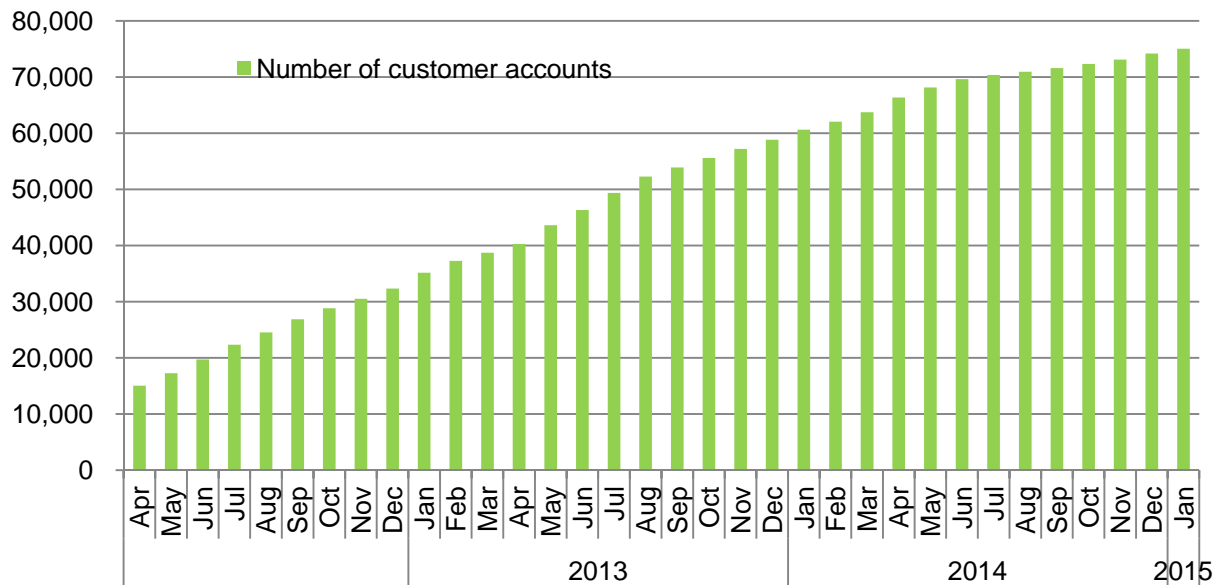
- ◆ The number of incorporated strategies is approx. 9,000, the world’s largest number of strategies offered\*1, supported by a step-by-step addition of new strategies
- ◆ Implement campaign programs in earnest
  - Hold the Strategy Award event, and conduct the Cash Back Campaign program
- ◆ The number of trading accounts exceeded the 70,000 mark (as of January 30, 2015), putting “ST24” on the top spot in terms of the number of trading accounts\*2
- ◆ Concluded a capital and business alliance agreement with Tradency Inc. in August 2014
  - Invast Securities and Tradency are planning to co-develop a higher-quality service “New ST24 (tentative name)”, following which they will provide white-label service for this service offering

\* The Mirror Trader, developed by Israel’s Tradency Inc., is the most prominent platform for selective FX system trading, and has been introduced in more than 20 countries worldwide

\* Strategies refer to trading programs incorporated into trading platforms.

\*1 Among all mirror trader providers (as of November 13, 2013; based on a Tradency survey)

\*2 Among all mirror trader providers in Japan (as of January 16, 2014; based on a Tradency survey)



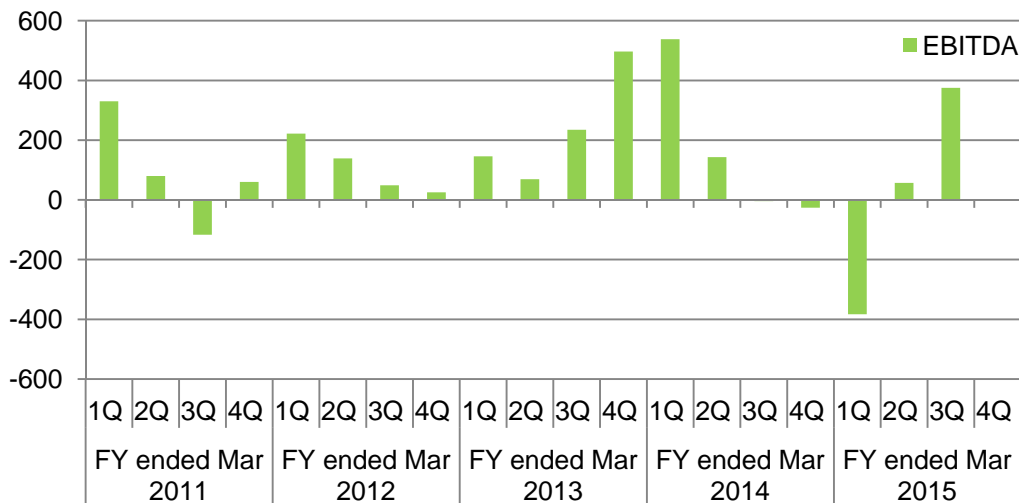


# Earnings metrics

## 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	
Extraordinary income/loss	8	0	-1	-0	23	0	0	-13	24	-0	3,635	132	542	470	9	
Interest expense	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	
EBITDA	222	139	48	24	146	69	235	497	538	143	-4	-26	-383	57	375	



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

Invast Securities Co., Ltd. (as of December 31<sup>th</sup> 2014)

■ 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	:	53 [Non-consolidated] 69 [Consolidated]
■ Licenses	:	Financial Instruments Business Operators (Type 1/ Type 2) Director-General of Kanto Local Finance Bureau (Kinsho) No. 26
■ Membership	:	Tokyo Financial Exchange