

# Financial Highlights

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Fiscal Year ends Mar 2013

Invast Securities Co., Ltd.

# FY ends Mar 2013 Highlight

## ■ Ordinary income stood at 639 million yen (an increase of 455 million yen year on year)

## ■ ST24, an automatic over-the-counter foreign exchange margin trading service, grew strongly as a key earnings driver

- Trading income in the over-the-counter foreign exchange margin trading service business (FX24 and ST24) increased significantly to 2,496 million yen (an increase of 1,636 million yen year on year)
- Improved earnings capability achieved by diversifying our earnings stream that continued to be generated predominantly by Click 365, an exchange-traded foreign exchange margin contract service business

## ■ Expanded our business platform effectively on the back of absorption-type corporate partition transactions conducted with competitor firms: Achieved improved earnings capability

- On the back of the absorption-type corporate partition transactions conducted with Star Kawase Securities Co., Ltd. and Mita Securities Co., Ltd., respectively, through which their trading service businesses were succeeded by Invast Securities in November and December 2012, customer margin deposits held by the Company grew significantly to 77,693 million yen (an increase of 25,340 million yen year on year)
- Trading in the customer accounts taken over by the Company through the above-mentioned absorption-type corporate partition transactions gained full momentum, starting from the fourth quarter of FY ending Mar 2013

## ■ Our shareholder return policy: Repurchase the Company's own shares as treasury stock and distribute the surplus as dividend

- Repurchased the Company's own shares as treasury stock to improve capital efficiency and pursue a flexible capital policy
- Aim to distribute the surplus to shareholders as a dividend in a sustained manner; targeting a payout ratio of 30% or so
- Will submit a draft resolution for the payment of a per-share dividend of 3,000 yen for FY ending Mar. 2013 to the 54<sup>th</sup> Ordinary General Meeting of Shareholders

## ■ Established a local subsidiary in Australia (wholly-owned subsidiary of the Company)

Aim to expand our business platform in diverse ways by delivering high-quality foreign exchange margin trading services in overseas markets

# Summary of Financial Results FY ends Mar 2013

## 【Financial Highlights】

(Millions of Yen)	FY 2012	FY 2013	(Changes %)
Operating Revenue	2,943	3,753	127.5
(Commission Received)	2,052	1,230	59.9
(Net Trading Income)	860	2,496	290.2
Selling, general and administrative expense	2,777	3,152	113.5
Operating Income	155	592	380.3
Ordinary Income	183	639	348.2
Net Income	188	600	319.2

(Millions of Yen)	Mar 31, 2012	Dec 31, 2012	(Changes %)
Net Assets	8,983	11,384	126.7
Net Assets per share	1,398.48	1,813.27	129.7
Total amount of deposited margin	52,353	77,693	148.4

Note: As a one-hundred-for-one common stock split was implemented by the Company as of April 1, 2013 as the effective date, net assets per share were calculated as if the stock split concerned had been conducted on the first day of the year ended March 31, 2012.

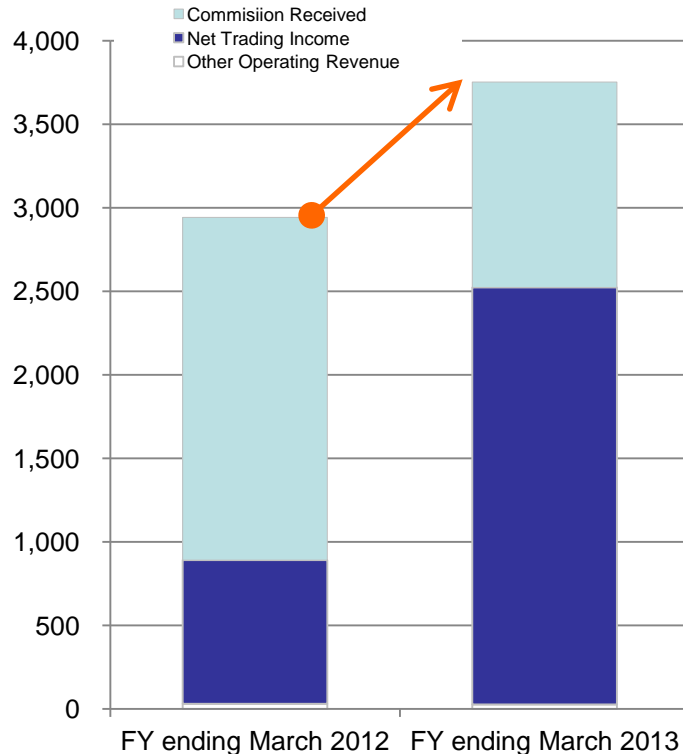
# Operating Revenue

Operating revenue for FY ended March 2013 stood at 3,753 million yen (an increase of 809 million yen year on year).

Trading income in the over-the-counter foreign exchange margin trading service business (ST24 and FX24) grew strongly to 2,496 million yen (an increase of 1,636 million yen year on year). Commission received in the exchange-traded foreign exchange margin contract service business (Click 365) declined to 1,163 million yen (a decrease of 831 million yen year on year), affected by the Government's tax system unification measure and intensifying commission rate competition among brokers. Conversely, trading in the customer accounts taken over by the Company through absorption-type corporate partition transactions conducted with Star Kawase Securities Co., Ltd. and Mita Securities Co., Ltd. gained full momentum in the fourth quarter of FY ending Mar 2013 (an increase of 261 million yen compared with the third quarter of FY ending Mar 2013); partly helped by the favorable foreign exchange market conditions. We seek to achieve improved earnings capability on the back of our effective business platform expansion measure based on the above-mentioned absorption-type corporate partition transactions

FY ending Mar 2013: Year-on-year comparison

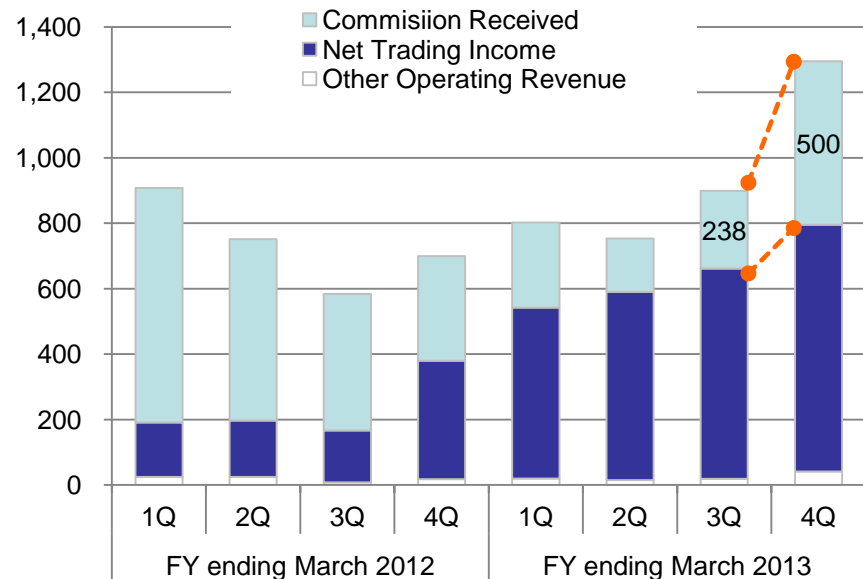
(millions of Yen)



FY ended Mar 2013

(millions of Yen)

	FY ended Mar 2013				
	Q1	Q2	Q3	Q4	Cumulative
Commission Received	260	163	238	500	1,163
Net Trading Income	522	575	642	754	2,496
Other Operating Revenue	19	14	18	41	93

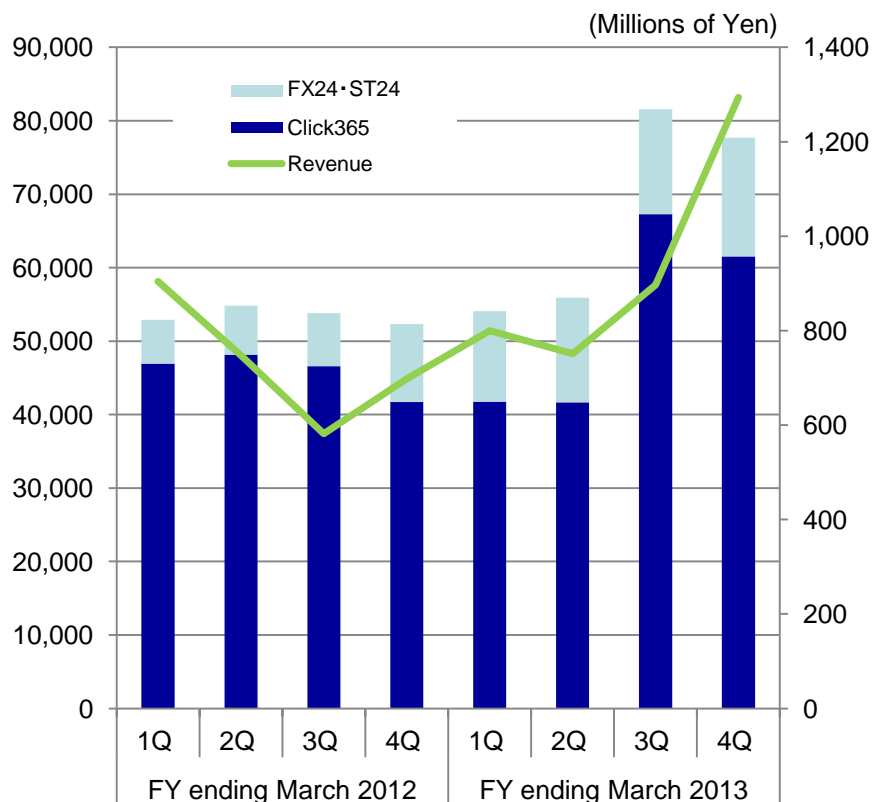


# Total amount of deposited margin

The total balance of deposited margin for all the Company's business segments amounted to 77,693 million yen for FY ended Mar 2013 (an increase of 25,340 million yen year on year)

The balance of the deposited margin for "Click 365," the exchange-traded foreign exchange margin contract service business, grew to 61,535 million yen for FY ended Mar 2013 (an increase of 19,810 million yen year on year) as a result of the absorption-type corporate partition transactions previously implemented by the Company with Star Kawase Securities Co., Ltd. and Mita Securities Co., Ltd.

The balance of deposited margin for the "FX24" and "ST24" services and others in the over-the-counter foreign exchange margin trading service business stood at 16,158 million yen for the year under review (in increase of 5,530 million yen year on year)



## FY ended Mar 2012

(Millions of Yen)

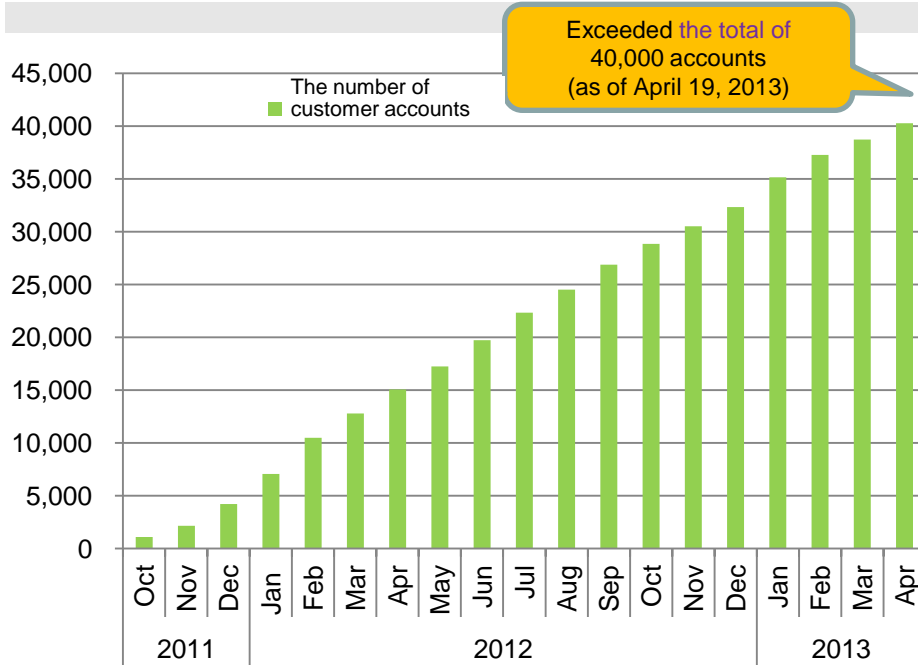
	1Q	2Q	3Q	4Q
Click365	46,924	48,157	46,589	41,724
FX24-ST24	5,991	6,682	7,240	10,628
Total	52,916	54,839	53,829	52,353

## FY ended Mar 2013

(Millions of Yen)

	1Q	2Q	3Q	4Q
Click365	41,752	41,661	67,299	61,535
FX24-ST24	12,326	14,259	14,271	16,158
Total	54,078	55,921	81,571	77,693

# Auto-trading margin FX 「ST24」



**Unique features of the auto-trading margin FX “ST24”**

- (1) Wide-ranging strategy offerings (trading programs)**
  - Domestic and overseas strategies totaling more than 1,500
  - Includes Invest Securities’ proprietary strategies totaling over 100 that are available from the Company alone
- (2) The “My ST24” program that allows the user to search for strategies intuitively**
  - Released “My ST24 ver. 2.0” in March 2013 as a program with highly-enhanced strategic search functions
- (3) All services are commission-free**
  - All services are available commission-free such as strategy and platform use fees and trade commission

- The trade support system developed by Invest Securities on a proprietary basis
  - An overhaul of “My ST24” (March 2013)
- Offers wide-ranging strategies unavailable from competitor firms (trading programs)
- Implements cash back campaigns and issues highly popular strategy (trading program) ranking reports
- Consequently, the number of customer accounts grew steadily, exceeding the 40,000 mark (as of April 19, 2013)
- Achieved business expansion as the key earnings driver



An overhaul of the trading support tool dedicated to “ST24” that had previously been developed on a proprietary basis “My ST24 ver. 2.0” was launched on March 21, 2013 as a new service offering

Business Succession from STARKAWASE SECURITIES CO., LTD. and MITA SECURITIES CO., LTD. through the Corporate Partition (Simplified Absorption).

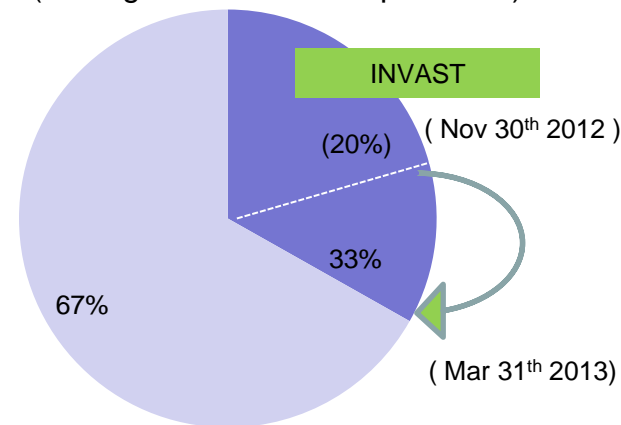
**FX24**

**M&A**  
**STARKAWASE SECURITIES CO., LTD.**  
 \* Effective Day : November 25, 2012

**Click 365**

**M&A**  
**(1) STARKAWASE SECURITIES CO., LTD.**  
**(2) MITA SECURITIES Co., Ltd.**  
 \* Effective Day : December 2, 2012

The customer margin deposit market share of the “Click 365” service, the exchange-traded foreign exchange margin contract service (among relevant service providers)



- ❑ The balance of customer margin deposits for all players in this market segment as of March 31, 2013 stood at 77,600.93 million yen (an increase of 25,340 million yen year on year)
- ❑ During the period after the earlier-mentioned absorption-type corporate partition transactions, the customer margin deposit market share of the “Click 365” service, the exchange-traded foreign exchange margin contract service, rose to 33%, up from 20% prior to the deal (among the relevant service providers) (as of March 31, 2013)
- ❑ Trading in the customer accounts taken over by Invast Securities through the absorption-type corporate partition gained full momentum, starting from the fourth quarter of FY ended March 2013, a development whose effects, coupled with those of the favorable foreign exchange market conditions, are reflected in the Company’s earnings

# Establishment of a subsidiary

## ■ Subsidiary Guidance

- We will provide the high-quality FX services and expand our customer base.
- First, we will establish the subsidiary in Australia and begin the process of registration for the financial license.

■ Company Name	:	Invast Financial Services Pty Ltd.
■ Location	:	Australia
■ Established	:	February 2013
■ Capital Structure	:	Invast Securities Co., Ltd (100%)
■ Core Business	:	Financial Services Business (mainly derivatives trading)

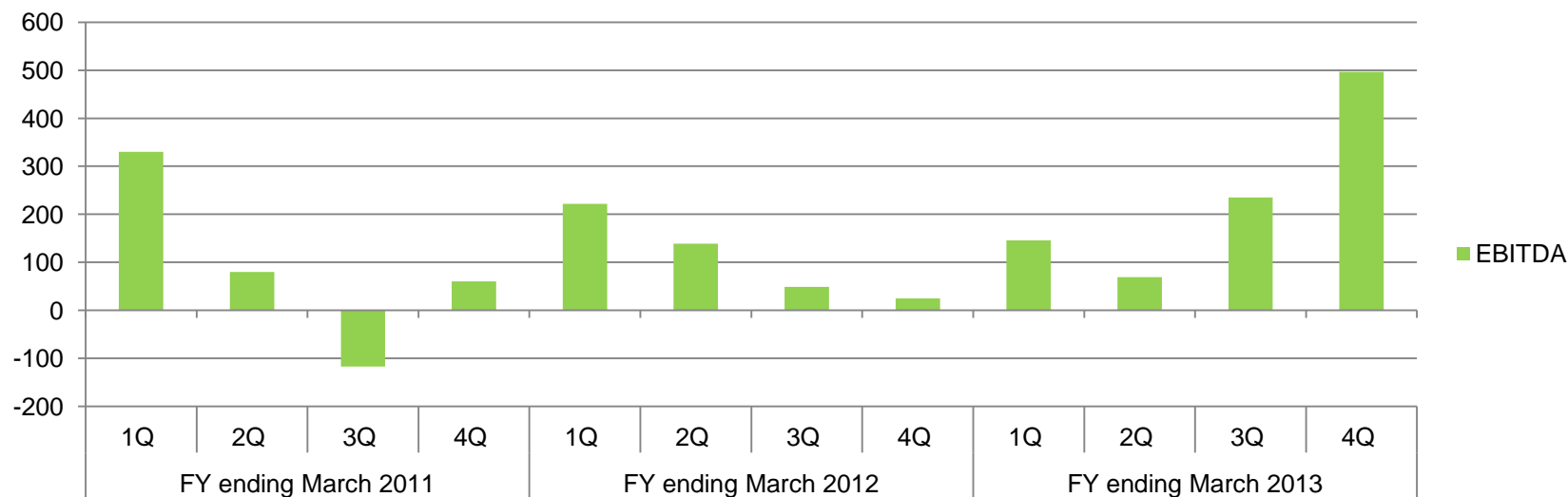




## EBITDA

(Millions of Yen)

	FY ending Mar 2011				FY ending Mar 2012				FY ending Mar 2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net income before taxes	200	-52	-281	-683	176	79	-18	-45	100	0	158	389
Extraordinary income/expense	0	0	-28	-603	8	0	-1	-0	23	0	0	-13
Interest expense	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	130	132	136	140	54	60	66	70	69	69	76	93
<b>EBITDA</b>	<b>330</b>	<b>80</b>	<b>-117</b>	<b>60</b>	<b>222</b>	<b>139</b>	<b>48</b>	<b>24</b>	<b>146</b>	<b>69</b>	<b>235</b>	<b>497</b>



Invast Securities Co., Ltd. (as of Mar 31<sup>th</sup> 2013)

■ 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 JPY
■ Market listing	:	Osaka Stock Exchange JASDAQ(code:8709) Listed on March 6 <sup>th</sup> 2006
■ President	:	President and CEO Takeshi Kawaji
■ Employees	:	62
■ Licenses	:	Financial Instruments Business Operators(Type 1/ Type 2)
■ Membership	:	Japan Securities Dealers Association, Tokyo Financial Exchange, Financial Futures Association of Japan, Japan Investor Protection Fund