

## Summary of Financial Results for the Third Quarter Ended December 31, 2023 [Japanese GAAP] (Consolidated)

February 5, 2024

Company name : Japan Securities Finance Co., Ltd. Listing : Tokyo Stock Exchange  
 Securities code : 8511 URL: <https://www.jsf.co.jp>  
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Scheduled filing date of quarterly financial statements: February 9, 2024

Scheduled date for commencement of dividend payments: -

Preparation of supplementary explanatory materials on quarterly financial statements: Yes

Convening of quarterly financial results briefing: None

(Millions of yen, rounded down to nearest million)

### 1. Consolidated Financial Results for the Third Quarter of Fiscal 2023 (April 1, 2023 - December 31, 2023)

#### (1) Consolidated Operating Results

(% change from year-on-year for those items)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of Yen)	(% change)	(Millions of Yen)	(% change)	(Millions of Yen)	(% change)	(Millions of Yen)	(% change)
<b>3<sup>rd</sup> Quarter of Fiscal 2023</b>	<b>37,041</b>	<b>17.1</b>	<b>8,945</b>	<b>33.4</b>	<b>9,735</b>	<b>28.4</b>	<b>7,060</b>	<b>19.4</b>
3 <sup>rd</sup> Quarter of Fiscal 2022	31,638	41.5	6,704	33.3	7,584	34.8	5,911	46.6

(Note) Comprehensive income: Fiscal 2023 3Q : ¥11,023 million (317.3%) Fiscal 2022 3Q : ¥2,641 million (△20.5%)

	Net income per share	Net income per share - diluted
	(Yen)	(Yen)
<b>3<sup>rd</sup> Quarter of Fiscal 2023</b>	<b>82.25</b>	—
3 <sup>rd</sup> Quarter of Fiscal 2022	66.71	—

#### (2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio
	(Millions of Yen)	(Millions of Yen)	(%)
<b>3<sup>rd</sup> Quarter of Fiscal 2023</b>	<b>16,802,503</b>	<b>141,231</b>	<b>0.8</b>
Fiscal 2022	14,056,217	135,728	1.0

(Reference) Net worth Fiscal 2023 3Q : ¥141,231 million Fiscal 2022 : ¥135,728 million

### 2. Dividends

	Dividends per Share				
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Year-end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal 2022	-	16.00	-	16.00	32.00
Fiscal 2023	-	17.00	-		
Fiscal 2023 (Forecast)				30.00	47.00

(Notes) Revision to most recently published dividend forecast: Yes

## Consolidated Performance Forecast for Fiscal 2023 (April 1, 2023 – March 31, 2024)

(% change from the previous fiscal year)

	Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	9,800	54.2	10,800	42.1	7,800	30.7	91.30

(Notes) Revision to most recently published performance forecast: Yes

See section “1. (3) Future Outlook” in the attached materials regarding the details.

### \* Notes

- (1) Changes in scope of significant consolidated subsidiaries (changes in the case of specified subsidiaries accompanying change in the scope of consolidation) : None
- (2) Adoption of specified accounting methods for quarterly consolidated financial statements : None
- (3) Changes in accounting policies and changes or restatement of accounting estimates
  - ① Changes in accounting policies caused by revision of accounting standards : None
  - ② Changes in accounting policies other than ① : None
  - ③ Changes in accounting estimates : None
  - ④ Restatements : None
- (4) Number of issued and outstanding shares (common stock)
  - ① Number of issued and outstanding shares (including treasury stock)  
as of Dec. 31, 2023 : 88,000,000 as of Mar. 31, 2023 : 96,000,000
  - ② Number of treasury stock shares  
as of Dec. 31, 2023 : 3,528,970 as of Mar. 31, 2023 : 9,803,815
  - ③ Average number of shares (quarter-to-date)  
for nine months ended Dec. 31, 2023 : 85,843,168  
for nine months ended Dec. 31, 2022 : 88,626,661

(Note) The number of treasury stock shares deducted in the calculation of the number of treasury stock shares at the end of the period and the average number of issued and outstanding shares during the period (quarter-to-date) includes the shares of the Company held by the Share Benefit Trust (BBT).

Note: Summary of quarterly financial results is not subject to quarterly review by a certified public accountant or auditing firm.

Note: Explanation on proper use of business performance forecasts and other notes

The Company does not disclose earnings forecasts due to the fact that the performance of its securities finance business, the Group's core business, is significantly affected by trends in the stock market, interest rates, and other factors. Instead, for the purpose of disclosing information appropriate for the Group's type of business, we provide estimates calculated based the outstanding balance of margin loans business and other assumptions.

Furthermore, financial results are disclosed as soon as reasonable estimates can be made for each quarter.

See section “1. (3) Future Outlook” in the attached materials regarding the details.

## 1. Qualitative Information on the Current Quarter Results

### (1) Review of Operating Results

#### (Financial and Economic Environment)

During the current third quarter consolidated cumulative period (from April 1, 2023 to December 31, 2023), the economic environment was characterized by downside risks due to the impact of monetary tightening in various countries in the United States and European countries, concerns over a rapid slowdown in the Chinese economy and other factors. However, the economy continued to recover, supported by improvements in corporate earnings and inbound demand.

Looking at the stock market, the Nikkei 225 (closing price) started at 28,188 yen at the beginning of the period, and fell to its lowest point of the period at 27,472 yen on April 6<sup>th</sup> due to concerns over rapid economic slowdown leading to a decline in US stocks. However, thereafter buyers prevailed, and the market rose, driven by a sense of relief over the Bank of Japan's continued monetary easing policy and expectations over the various initiatives by listed companies to realize capital costs and stock price conscious management, reaching its highest point of the period at 33,753 yen on July 3<sup>rd</sup>. Subsequently, the market softened due to tensions in the Middle East, but rallied again in November on speculation of the end of US interest rate hikes and strong corporate performance, to close at 33,464 yen at the end of December.

Looking at the standardized margin trading purchase balance on the Tokyo market and markets (TSE, NSE, and PTS) during this period, as stock prices rose, the balance gradually decreased from the 2.17 trillion yen range at the beginning of the period, to in the 1.96 trillion yen range on May 19<sup>th</sup>, its bottom for the period. However, the balance subsequently increased due to expectations for a rise in stock prices, reaching its peak for the period in the 2.59 trillion yen range at the end of October, but with the rise in stock prices, profit-taking prevailed and the balance settled at the 2.29 trillion yen range at the end of December. Meanwhile, the standardized margin trading sales balance increased from the 530 billion yen range at the beginning of the period to reach its peak for the period in the 780 billion yen range on May 19<sup>th</sup>. However, the balance subsequently decreased, reaching its bottom for the period in the 510 billion yen range on October 6<sup>th</sup>, and settled at the 550 billion yen range at the end of December.

#### (Results in Third Quarter of Fiscal Year Ending March 2024)

Under this market environment, in the current third quarter consolidated cumulative period our Group posted an increase in consolidated operating revenue to 37,041 million yen (up 17.1% year-on-year), and an increase in consolidated operating profits to 8,945 million yen (up 33.4% year-on-year), and an increase in consolidated ordinary profits to 9,735 million yen (up 28.4% year-on-year), due to an increase in margin transaction balances for both loans and securities lending, and continued strong performance in securities financing business, mainly in Bond repo and gensaki transactions and equity repo transactions. Although the profit attributable to owners of parent for the quarter did not include the special profit that accompanied a change to the retirement benefit system recorded in the previous period, it increased to 7,060 million yen (up 19.4% year-on-year).

An overview of business conditions in each segment during the current third quarter consolidated cumulative period is as follows.

#### - Securities Finance Business

Operating revenue for securities financing services reached 34,134 million yen (up 18.3% year-on-year).

Looking at operating revenues by business segment, operating revenue for margin transactions business reached 8,672 million yen (up 64.5% year-on-year). With an increase in margin transaction balances, with loan balances averaging 269.1 billion yen during the period (an increase of 16.4 billion yen year-on-year) and securities lending balances, averaging 255.0 billion yen during the period (an increase of 69.8 billion yen year-on-year), both interest on loans and securities lending fees increased, resulting in increased revenues.

Operating revenue for the securities financing business reached 21,755 million yen (up 38.3% year-on-year). Among these, bond repo and gensaki transactions (19,016 million yen, up 40.7% year-on-year) increased significantly due to continued strong transaction needs due to tight supply and demand

for government bonds. Equity repo transactions and the like (1,320 million yen, up 17.2% year-on-year) increased as balances remained at high levels. General stock lending (771 million yen, up 31.9% year-on-year) and loans for negotiable margin transactions (185 million yen, up 94.8% year-on-year) increased due to a high level of outstanding balances accompanying the robust stock market. Retail loans (461 million yen, up 14.1% year-on-year) increased due to the robust stock market and increased balances as the result of successful improvements in product quality.

Other revenue came in at 3,706 million yen (down 52.8% year-on-year). This was due to a decline in profits from the sale of government bonds held as part of the portfolio replacement carried out in the previous period in our securities investment business, which is conducted from a standpoint of securing liquidity and strengthening the revenue base for our margin transaction business and securities financing business. However, operating expenses also decreased due to a decline in losses from the sale of foreign bonds held.

- Trust and Banking Business

Operating revenue for our trust banking business came in at 2,288 million yen (up 5.3% year-on-year). Custodian type trust services continued to perform well and trust fees increased.

- Real Estate Leasing Business

Operating revenue for our real estate leasing business reached 619 million yen (up 1.7% year-on-year).

(2) Overview of Financial Status

(Status of Assets, Liabilities, and Net Assets)

As of the end of the third quarter of the consolidated accounting period (December 31, 2023), total assets amounted to 16,802.5 billion yen (an increase of 2,746.2 billion yen year-on-year), total liabilities amounted to 16,661.2 billion yen (an increase of 2,740.7 billion yen year-on-year), and total net assets amounted to 141.2 billion yen (an increase of 5.5 billion yen year-on-year).

The main factors for this are as follows.

- Assets:

Cash and deposits decreased by 96.2 billion yen, year-on-year, due to a decrease in deposits to the current account at the Bank of Japan.

Operating loans increased by 117.6 billion yen, year-on-year, due to an increase in loans at JSF Trust and Banking Co., Ltd.

Securities purchased under resale agreements increased by 2,641.4 billion yen, year-on-year, due to an increase in bond gensaki transactions.

Cash collateral provided for securities borrowed decreased by 55.9 billion yen, year-on-year, due to a decrease in the term end balance for equity repo transactions.

- Liabilities:

Call money and commercial paper decreased respectively by 589.0 billion yen and 35.9 billion yen, year-on-year, as the result of flexible funding conducted in line with changes in loans and other assets on the asset side.

Securities sold under repurchase agreements increased by 3,736.6 billion yen, year-on-year, due to an increase in bond gensaki transactions.

Cash collateral received for securities loaned decreased by 668.8 billion yen, year-on-year, due to a decrease in bond repo transactions.

Borrowed money from trust accounts increased by 143.2 billion yen, year-on-year, due to an increase in standby funds in the trust accounts at JSF Trust and Banking Co., Ltd.

- Net assets:

Shareholders' equity increased by 1.5 billion yen, year-on-year, due to the recognition of quarterly net income and other factors.

Other accumulated comprehensive income increased by 3.9 billion yen year-on-year, as a result of an improvement in deferred gains or losses on hedges and unrealized gains or losses on available-for-sale securities incidental to price fluctuations in securities and other assets held.

[Reference]

Status of the Group's Operating Revenues by Business Sector

	Previous 3 <sup>rd</sup> Quarter Consolidated Cumulative period (from April 1, 2022 to December 31, 2022)		Current 3 <sup>rd</sup> Quarter Consolidated Cumulative period (from April 1, 2023 to December 31, 2023)		Previous Consolidated Fiscal Year (Full Year) (from April 1, 2022 to March 31, 2023)	
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Securities Finance Business	28,855	91.2	34,134	92.2	38,594	90.8
Loans for margin transactions	5,271	16.7	8,672	23.4	8,003	18.8
Interest on loans	1,211	3.8	1,289	3.5	1,619	3.8
Interest on collateral money for securities borrowed	408	1.3	645	1.7	565	1.3
Premium charges	2,852	9.0	5,706	15.4	4,711	11.1
Lending fees	597	1.9	819	2.2	808	1.9
Securities financing	15,729	49.7	21,755	58.7	21,952	51.6
Loans for negotiable margin transactions	95	0.3	185	0.5	149	0.4
Equity repo transactions	1,126	3.6	1,320	3.6	1,529	3.6
Retail loans	404	1.3	461	1.2	544	1.3
General stock lending	584	1.8	771	2.1	799	1.9
Bond repo and gensaki transactions	13,518	42.7	19,016	51.3	18,929	44.5
Other	7,854	24.8	3,706	10.0	8,638	20.3
Trust and Banking Business	2,173	6.9	2,288	6.2	3,115	7.3
Interest on loans	20	0.1	26	0.1	32	0.1
Trust fees	1,011	3.2	1,129	3.1	1,347	3.2
Other	1,142	3.6	1,131	3.1	1,734	4.1
Real Estate Leasing Business	608	1.9	619	1.7	808	1.9
Total	31,638	100.0	37,041	100.0	42,518	100.0

Status of the Group's Transaction Balances by Business Sector (Average Balance)

	Previous 3 <sup>rd</sup> Quarter Consolidated Cumulative period (from April 1, 2022 to December 31, 2022)	Current 3 <sup>rd</sup> Quarter Consolidated Cumulative period (from April 1, 2023 to December 31, 2023)	Previous Consolidated Fiscal Year (Full Year) (from April 1, 2022 to March 31, 2023)
	(billions of yen)	(billions of yen)	(billions of yen)
Loans for margin transactions	252.6	269.1	254.7
Securities loaned for margin transactions	185.2	255.0	188.9
Securities financing	11,634.9	12,787.7	11,473.9
Loans for negotiable margin transactions	17.1	34.6	18.8
Equity repo transactions	687.6	764.3	697.7
Retail loans	16.4	19.7	16.7
General stock lending	52.1	125.2	63.3
Bond repo and gensaki transactions	10,861.5	11,843.7	10,677.2
Trust Bank Loans	546.8	597.0	539.9

### (3) Future Outlook

The Company does not disclose earnings forecasts due to the fact that the performance of its securities finance business, the Group's core business, is significantly affected by trends in the stock market, interest rates, and other factors. Instead, for the purpose of disclosing information appropriate for the Group's type of business, we provide estimates calculated based the outstanding balance of margin loans business and other assumptions.

As the margin transactions business and securities financing business for the current third quarter cumulative period are performing at levels exceeding our expectations, we have revised our estimates for operating profits, ordinary profits, and profits attributable to owners of parent upwards from the previously announced estimates (announced in November 2023).

<Estimates, etc.>

(Note) Revision of consolidated performance estimates, etc. in the current quarter: Yes

[Estimates for Consolidated Performance]

(Full Year)

	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
	(millions of yen)	(millions of yen)	(millions of yen)	(yen)
Previous Estimate (A)	8,900	9,800	7,000	81.48
Revised Estimate (B)	9,800	10,800	7,800	91.30
Increase/Decrease (B-A)	900	1,000	800	
Increase/Decrease Rate (%)	10.1	10.2	11.4	
(Reference) Actual Results in Previous Period (C)	6,354	7,601	5,966	67.76
Increase/Decrease (B-C)	3,445	3,198	1,833	
Increase/Decrease Rate (%)	54.2	42.1	30.7	

[Balances for Margin Transaction Business Serving as Premise for Estimates]

Average balance of margin transactions: Loans 270 billion yen (+10 billion yen),  
Securities lending 250 billion yen (+10 billion yen)

Margin transaction interest rates, etc. : Loan interest rate 0.6% per annum,  
Securities borrowing fees 0% per annum,  
Securities lending fees 0.4% per annum

(Note: Figures in parentheses are compared to the balances serving as the premise in the previously announced estimates.)

2. Quarterly Consolidated Financial Statements and Notes  
(1) Quarterly Consolidated Balance Sheet

	(millions of yen)	
	Fiscal 2022 as of Mar. 31, 2023	Current 3Q as of Dec. 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,598,274	1,502,000
Call loans	—	5,000
Securites	71,013	271,317
Operating loans	955,550	1,073,159
Securities purchased under resale agreements	3,561,406	6,202,851
Cash collateral provided for securities borrowed	6,669,821	6,613,887
Other	405,951	486,338
Allowance for doubtful accounts	△ 165	△ 108
Total current assets	13,261,853	16,154,445
Non-current assets		
Property, plant and equipment	5,997	5,838
Intangible assets	916	736
Investments and other assets		
Investment securities	745,621	598,692
Bad debts	81	74
Retirement benefit asset	1,180	1,300
Other	40,648	41,489
Allowance for doubtful accounts	△ 81	△ 74
Total investments and other assets	787,450	641,483
Total non-current assets	794,364	648,057
<b>Total Assets</b>	<b>14,056,217</b>	<b>16,802,503</b>
<b>Liabilities</b>		
Current liabilities		
Call money	2,190,400	1,601,400
Short-term borrowings	92,010	82,010
Current portion of long-term borrowings	1,000	—
Commercial papers	451,000	415,066
Securities sold under repurchase agreements	4,781,801	8,518,461
Cash collateral received for securities lent	5,073,776	4,404,948
Income taxes payable	750	814
Provision for bonuses	495	284
Provision for bonuses for directors and other officers	107	—
Borrowed money from trust account	871,335	1,014,540
Other	219,774	169,802
Total current liabilities	13,682,448	16,207,328

	(millions of yen)	
	Fiscal 2022 as of Mar. 31, 2023	Current 3Q as of Dec. 31, 2023
<b>Non-current liabilities</b>		
Long-term borrowings	232,700	447,900
Deferred tax liabilities	2,196	4,115
Deferred tax liabilities for land revaluation	74	74
Provision for share awards for directors and other officers	240	186
Retirement benefit liability	217	237
Asset retirement obligations	56	57
Derivatives liabilities	2,013	802
Other	542	568
Total non-current liabilities	238,040	453,942
<b>Total Liabilities</b>	<b>13,920,489</b>	<b>16,661,271</b>
<b>Net Assets</b>		
<b>Shareholders' equity</b>		
Share capital	10,000	10,000
Capital surplus	8,878	5,181
Retained earnings	118,702	120,066
Treasury shares	△ 7,655	△ 3,781
Total shareholders' equity	129,925	131,467
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	△ 4,300	△ 4,036
Deferred gains or losses on hedges	9,782	13,494
Revaluation reserve for land	168	168
Remeasurements of defined benefit plans	152	138
Total accumulated other comprehensive income	5,802	9,764
<b>Total net assets</b>	<b>135,728</b>	<b>141,231</b>
<b>Total liabilities and net assets</b>	<b>14,056,217</b>	<b>16,802,503</b>

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Comprehensive Income Statement  
(Quarterly Consolidated Income Statement)  
(Nine Months Ended December 31, 2023)

	(millions of yen)	
	Previous 3Q Apr. 1, 2022- Dec. 31, 2022	Current 3Q Apr. 1, 2023- Dec. 31, 2023
<b>Operating revenue</b>		
Interest on loans receivable	1,844	2,079
Interest income on securities purchased under resale agreements	7,573	11,277
Interest income on cash collateral provided for securities borrowed	1,890	2,274
Securities lending fees	8,729	13,440
Other operating revenue	11,599	7,969
<b>Total operating revenue</b>	<b>31,638</b>	<b>37,041</b>
<b>Operating expenses</b>		
Interest expenses	753	1,335
Interest expenses on securities sold under repurchase agreements	4,553	5,740
Securities borrowing fees	8,935	14,736
Other operating expenses	5,341	799
<b>Total operating expenses</b>	<b>19,582</b>	<b>22,612</b>
<b>Operating gross profit</b>	<b>12,055</b>	<b>14,429</b>
<b>General and administrative expenses</b>	<b>5,350</b>	<b>5,483</b>
<b>Operating profit</b>	<b>6,704</b>	<b>8,945</b>
<b>Non-operating income</b>		
Interest income	192	170
Dividend income	198	234
Share of profit of entities accounted for using equity method	232	348
Gain on investments in investment partnerships	156	19
Other	109	35
<b>Total non-operating income</b>	<b>888</b>	<b>809</b>
<b>Non-operating expenses</b>		
Commission for purchase of treasury shares	6	7
Loss on investments in investment partnerships	1	11
Other	—	—
<b>Total non-operating expenses</b>	<b>8</b>	<b>19</b>
<b>Ordinary profit</b>	<b>7,584</b>	<b>9,735</b>
<b>Extraordinary income</b>		
Gain on sale of investments in securities	—	18
Gain on revision of retirement benefit plan	671	—
<b>Total extraordinary income</b>	<b>671</b>	<b>18</b>
<b>Profit before income taxes</b>	<b>8,256</b>	<b>9,754</b>
<b>Income taxes - current</b>	<b>1,883</b>	<b>2,535</b>
<b>Income taxes - deferred</b>	<b>460</b>	<b>158</b>
<b>Total income taxes</b>	<b>2,344</b>	<b>2,693</b>
<b>Profit</b>	<b>5,911</b>	<b>7,060</b>
<b>Profit attributable to non-controlling interests</b>	<b>—</b>	<b>—</b>
<b>Profit attributable to owners of parent</b>	<b>5,911</b>	<b>7,060</b>

(Quarterly Consolidated Comprehensive Income Statement)  
(Nine Months Ended December 31, 2023)

	(millions of yen)	
	Previous 3Q Apr.1,2022- Dec. 31, 2022	Current 3Q Apr.1,2023- Dec. 31, 2023
Profit	5,911	7,060
Other comprehensive income		
Net unrealized valuation difference on available-for-sale securities	△ 27,034	240
Deferred gains or losses on hedges	23,751	3,712
Remeasurements of defined benefit plans, net of tax	16	△ 12
Share of other comprehensive income of entities accounted for using equity method	△ 3	22
Total other comprehensive income	△ 3,270	3,962
Comprehensive income	2,641	11,023
Comprehensive income attributable to owners of parent	2,641	11,023
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Regarding Quarterly Consolidated Financial Statements  
(Notes Regarding Going Concern Assumptions)  
Not applicable.

(Notes in the Event of Significant Changes in Shareholders' Equity)

Pursuant to a resolution of the Board of Directors adopted at a meeting held on March 20, 2023, the Company cancelled 8,000,000 shares of treasury stock on April 20, 2023, resulting in a decrease in capital surplus of 6,532 million yen and a decrease in treasury stock of 6,532 million yen.

Furthermore, pursuant to a resolution of the Board of Directors adopted at a meeting held on May 9, 2023, the Company disposed of 48,600 shares of treasury stock through third-party allocation to JSF Employees Stock Ownership Plan, with June 30, 2023 as the payment deadline, resulting in an increase in capital surplus of 9 million yen and a decrease in treasury stock of 39 million yen.

In addition, at the Board of Directors meeting held on May 9, 2023, the Company resolved to acquire a total of 3,300,000 shares of treasury stock for a total maximum acquisition cost of 3.3 billion yen, between May 10, 2023 and March 31, 2024, and acquired 1,851,200 shares for 2,733 million yen between May and December 2023.

As a result of these actions and other matters, the Company's capital surplus amounted to 5,181 million yen, its retained earnings amounted to 120,066 million yen, and its treasury stock amounted to 3,781 million yen at the end of the third quarter of the current fiscal year.

(Segment Information)

I. Nine Months Ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

1. Information on the amount of operating revenue and profits or losses for each reporting segment  
(millions of yen)

	Securities Finance Business	Trust and Banking Business	Real Estate Leasing Business	Total
Operating Revenue				
Revenue from sales to outside customers	28,855	2,173	608	31,638
Internal operating revenues or balance of transfers among segments	29	200	291	521
Total	28,885	2,374	900	32,160
Segment profit (ordinary profit)	8,566	1,143	514	10,224

2. Difference between the total amount of profits or losses for each reporting segment and amount recorded in the quarterly consolidated income statement, and the main content of this difference (matters related to difference adjustments)

(millions of yen)

Profits	Amount
Total for reporting segments	10,224
Elimination of inter-segment transactions	△2,872
Equity in gains of affiliates	232
Other adjustments	—
Ordinary profit in the quarterly consolidated income statement	7,584

II. Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Information on the amount of operating revenue and profits or losses for each reporting segment  
(millions of yen)

	Securities Finance Business	Trust and Banking Business	Real Estate Leasing Business	Total
Operating Revenue				
Revenue from sales to outside customers	34,134	2,288	619	37,041
Internal operating revenue or balance of transfers among segments	15	110	293	420
Total	34,149	2,399	912	37,461
Segment profit (ordinary profit)	9,503	1,504	550	11,557

2. Difference between the total amount of profit or loss for each reporting segment and the amount recorded in the quarterly consolidated income statement, and the main content of the difference (matters related to difference adjustments)

(millions of yen)

Profit	Amount
Total for reporting segments	11,557
Elimination of inter-segment transactions	△2,170
Equity in gains of affiliates	348
Other adjustments	—
Ordinary profit in the quarterly consolidated income statement	9,735

(Significant Subsequent Events)

(Own share repurchase)

The Company, at a meeting of its Board of Directors held on February 5, 2024, adopted a resolution, as follows, regarding matters pertaining to its share repurchase plan, pursuant to Article 156 of the Companies Act, as applied following the replacement of terminology, pursuant to Paragraph 3, Article 165 of that Act.

1. Reason for share repurchase

Based on its shareholder return policy (under which it seeks to achieve a total payout ratio of 100% on a cumulative basis in the period from Fiscal 2023 through Fiscal 2025, through the flexible implementation of share buybacks and dividends), and with the upward revision of its estimated performance for the fiscal year ending March 2024, the Company established an additional share repurchase quota.

2. Details of repurchase

1) Stock to be repurchased

JSF common stock

2) Aggregate shares to be repurchased

330,000 shares (maximum)

(0.4% of total issued and outstanding shares (excluding treasury stock))

3) Aggregate amount of repurchase price

JPY 0.5 billion (maximum)

4) Repurchase period

February 6, 2024 through March 31, 2024