

June 2, 2015

To Shareholders

President  
Eizo Kobayashi  
JAPAN SECURITIES FINANCE CO., LTD.  
1-2-10, Nihonbashi-Kayabacho, Chuo-ku, Tokyo, Japan

**NOTICE OF THE 105<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**~*extract*

Dear Shareholders,

You are hereby advised of the convocation of the 105<sup>th</sup> Ordinary General Meeting of Shareholders of the Company, details of which are indicated below. We hope very much that you will be able to attend this Meeting.

In order to exercise your rights, please review the attached reference materials, and indicate your approval or disapproval of the proposals on the enclosed document, then return it or vote on the Internet site (<http://www.e-sokai.jp>) by 5:20 p.m. Japan Standard Time on 23<sup>rd</sup> June, 2015.

We are pleased to announce you that we participate in the ICJ voting platform, improving the voting environment for all our shareholders. The ICJ is offering access to the world's most widely used and sophisticated electronic voting platform, ADP's Proxy Edge voting platform.

**Details**

**1. Date and Time:** 10:00 a.m. on Wednesday, 24<sup>th</sup> June, 2015

**2. Venue:** JAPAN SECURITIES FINANCE CO., LTD., Conference Room  
1-2-10 Nihonbashi-Kayabacho, Chuo-ku, Tokyo, Japan

**3. Agenda for the Meeting****Items to be reported:**

**Report 1:** The 105<sup>th</sup> fiscal year (from Apr. 1, 2014 to Mar. 31, 2015)

Business Report, Consolidated Financial Statements and Report of audits of the consolidated financial statements by the Independent Auditor and the Board of Auditors.

**Report 2:** The 105<sup>th</sup> fiscal year (from Apr. 1, 2014 to Mar. 31, 2015)

Financial Statements.

**Items to be resolved:**

**Agenda 1:** Appropriation of Retained Earnings

**Agenda 2:** Election of ten Directors

**Agenda 3:** Election of two Auditors

**Agenda 4:** Election of one Substitute Auditor

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Note: This English version is not a legally accurate translation of the original Japanese text.

## REFERENCE DOCUMENTS PERTAINING TO EXERCISE OF VOTING RIGHTS

### Agenda and Reference Information

#### **Agenda 1: Appropriation of Retained Earnings**

The Company proposes the appropriation of retained earnings in the following manner.

##### Year-end dividend

The Company determines the rate of dividend in accordance with the company's dividend policy for distributing dividend by taking account of its financial results, while considering its shareholders' equity and appropriate internal reserves as a financial institution.

With respect to dividends for the term, profits excluding special factors arising from a merger with Osaka Securities Finance Co.,Ltd. in the previous fiscal year were increased in real terms, Company's year-end dividends will be calculated at 8 yen per share. Accordingly, annual dividends which include the interim dividends of 7 yen per share will be calculated at 15 yen per share.

##### (1) Type of dividend asset

Cash

##### (2) Allocation of dividend assets and total amount of allocation

8 yen per share of common stock

Total amount of payout: 798,639,264 yen

##### (3) Effective date of dividend payment

June 25, 2015

## Agenda 2: Election of ten Directors

As the term of office of ten directors will expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes the election of ten directors.

The candidates are as listed below.

No.	Name (Date of birth)	Brief personal history & Significant concurrent positions	Shares of JSF owned
1	Minoru Masubuchi (Nov. 3, 1943)	<p>May. 1993 Adviser to Governor of Market Operations Dept, Bank of Japan (BOJ)</p> <p>May. 1994 Director-General of Financial and Payment System Dept., BOJ</p> <p>Jul. 1998 Executive Director of BOJ</p> <p>Jul. 2002 Standing Adviser of IBM Japan, Ltd.</p> <p>Jun. 2004 President of JSF</p> <p>Jun. 2005 Director of JSF Trust and Banking Co., Ltd.</p> <p>Jun. 2006 Director of Japan Information Processing Service Co., Ltd. (to the present)</p> <p>Jun. 2008 Director of Nihon Building Co., Ltd. (to the present)</p> <p>Jun. 2010 Director of Tokyo Rope Manufacturing Co., Ltd. (to the present)</p> <p>Jun. 2012 Chairperson of JSF (to the present)</p> <p>(Significant concurrent positions)</p> <ul style="list-style-type: none"> <li>- Director of Nihon Building Co., Ltd.</li> <li>- Director of Japan Information Processing Service Co., Ltd.</li> <li>- Director of Tokyo Rope Manufacturing Co., Ltd.</li> </ul>	63,700
2	Takao Hotta (Jan. 1, 1946)	<p>Jul. 1997 Secretary-General of the Executive Bureau, Securities and Exchange Surveillance Commission</p> <p>Jul. 1998 Director-General of the Mint Bureau. Ministry of Finance</p> <p>Jul. 1999 Senior Director of Tokyo Financial Exchange Inc.</p> <p>Jun. 2003 Executive Deputy President of Japan Tobacco Inc.(JT)</p> <p>Jun. 2005 Representative Director-Executive Deputy President of JT</p> <p>May 2007 Advisor of Osaka Securities Finance Company, Ltd. (OSF)</p> <p>Jun. 2007 President of OSF</p> <p>Jun. 2011 Auditor of Mazda Motor Corporation, Ltd. (to the present)</p> <p>Jul. 2013 Vice Chairperson of JSF (to the present)</p> <p>(Significant concurrent positions)</p> <ul style="list-style-type: none"> <li>- Auditor of Mazda Motor Corporation, Ltd.</li> </ul>	21,203

No.	Name (Date of birth)	Brief personal history & Significant concurrent positions		Shares of JSF owned
3	Eizo Kobayashi (Sep. 8, 1948)	May 1999	Director-General of Personnel and Corporate Affairs Dept., BOJ	30,500
		May 2000	Director-General of Bank Examination and Surveillance Dept., BOJ	
		Jun. 2002	Executive Director of BOJ	
		May 2006	Senior Advisor of Aflac Japan	
		Jul. 2007	Vice Chairman of Aflac Japan	
		May 2010	Adviser of JSF	
		Jun. 2010	Senior Managing Director of JSF, Responsibility for Risk Management Dept	
		Jun. 2012	President of JSF,	
		Jun. 2013	President of JSF	
			Responsibility for Execution of Business, Responsibility for Audit Dept and Compliance Dept (to the present)	
			(Significant concurrent positions)	
			- Director of Cross Plus Inc.	
			- Director of Shinhan Bank Japan	
			- Director of Anicom Holdings, Inc.	
4	Hiroshi Asakura (Nov. 1, 1955)	Apr. 1978	Joined JSF	41,400
		Jun. 2002	General Manager of Planning Dept	
		Jun. 2005	General Manager of Margin Loan Dept	
		Jun. 2006	Executive Officer & General Manager of Margin Loan Dept	
		Oct. 2006	Director of JBIS Holdings, Inc.	
		Feb. 2008	Executive Officer & General Manager of Loan Dept	
		Jun. 2009	Managing Director of JSF	
			Responsibility for Treasury Dept, Margin Loan Dept and Loan Dept	
		Jun. 2011	Auditor of Japan Information Processing Service Co., Ltd.	
		Jun. 2013	Senior Managing Director of JSF	
			Responsibility for Treasury Dept, Margin Loan Dept and Loan Dept	
		Jul. 2013	Senior Managing Director of JSF	
			Responsibility for Treasury Dept, Margin Loan Dept, Institutional Sales Dept and Retail Business Dept (to the present)	
5	Yasufumi Oda (Nov. 6, 1953)	Jul. 2005	Associate Director-General of Financial System and Bank Examination Dept., BOJ	6,443
		Jun. 2010	Associate General Manager Planning Dept., OSF	
		Jun. 2011	Director and General Manager Planning Dept., OSF	
		Jun. 2012	Managing Director and General Manager Planning Dept. OSF	
		Jun. 2013	Managing Director of JSF, General Manager of Osaka branch (to the present)	

No.	Name (Date of birth)	Brief personal history & Significant concurrent positions		Shares of JSF owned
6	Toshihiro Oritate (Dec. 6, 1957)	Jan. 2002	General Manager of Aomori Branch, BOJ	11,500
		Jul. 2006	Deputy Director-General of Personnel and Corporate Affairs Dept, BOJ	
		Apr. 2008	Director-General of Payment and Settlement Systems Dept, BOJ	
		Nov. 2009	Director-General of Currency Issue Dept, BOJ	
		Jun. 2010	Director-General of Personnel and Corporate Affairs Dept, BOJ	
		May. 2012	Advisor of JSF	
		Jun. 2012	Managing Director of JSF Responsibility for General Affairs Dept, Accounting Dept and Affiliates	
		Jun. 2013	Managing Director of JSF Responsibility for General Affairs Dept, Accounting Dept, Affiliates and International Relations (to the present)	
7 <sup>*</sup>	Tomoyoshi Sugaya (Oct. 20, 1958)	Apr. 1981	Joined JSF	32,100
		Jun. 2007	General Manager of Accounting Dept	
		Jun. 2009	Executive Officer & General Manager of Accounting Dept	
		Jun. 2013	Senior Executive Officer & General Manager of Treasury Dept (to the present)	
8	Takashi Imai (Dec. 23, 1929)	Jun. 1993	President of Nippon Steel Corp.	4,000
		Apr. 1998	Chairman of Nippon Steel Corp.	
		May 1998	Chairman of Nippon Keidanren (Japan Business Federation)	
		May 2002	Honorary Chairman of Nippon Keidanren (to the present)	
		Jun. 2002	Director of JSF (to the present)	
		Apr. 2003	Director & Senior Adviser / Honorary Chairman of Nippon Steel Corp.	
		Jun. 2003	Senior Adviser (Sodanyaku) / Honorary Chairman of Nippon Steel Corp.	
		Jun. 2008	Senior Adviser (Shayuu) / Honorary Chairman of Nippon Steel Corp. (to the present)	
		(Significant concurrent positions)		
		- Director of Nippon Television Holdings, Inc.		
		- Auditor of Nippon Life Insurance Co.		
		- Director of Tokyo Financial Exchange Inc.		

No.	Name (Date of birth)	Brief personal history & Significant concurrent positions		Shares of JSF owned
9	Tetsuo Mae (Jul. 25, 1945)	Jun. 2003	Deputy President of Daiwa Securities Co., Ltd. & Executive Officer of Daiwa Securities Group Inc.	3,000
		Jun. 2004	Deputy President of Daiwa Securities Co., Ltd. & Director & Corporate Executive Officer, Deputy President of Daiwa Securities Group Inc.	
		Apr. 2008	Adviser of Daiwa Securities Co., Ltd.	
		Jul. 2010	Chairman of Japan Securities Dealers Association	
		Jul. 2011	Chairman of Japan Investor Protection Fund	
		Jun. 2013	Chairman of NPO-APROSIS (Association for Promoting Securities Investment and Study) (to the present)	
		Jul. 2013	Adviser of Daiwa Securities Co., Ltd. (to the present) Adviser of Japan Securities Dealers Association (to the present)	
		Jun. 2014	Director of JSF (to the present) (Significant concurrent positions) - Chairman of NPO-APROSIS	
10 <sup>*</sup>	Eiko Shinotsuka (May. 1, 1942)	Apr. 1993	Professor at Faculty of Human Life and Environmental Sciences of Ochanomizu University	—
		Apr. 1998	Member of the Policy Board, Bank of Japan	
		Apr. 2001	Visiting Research Fellow of Japan Center for Economic Research (to the present)	
		Jan. 2002	Professor at Faculty of Letters and Education of Ochanomizu University	
		Jul. 2005	Outside Auditor of Sumitomo Life Insurance Co.	
		Mar. 2008	Emeritus professor of Ochanomizu University (to the present)	
		Apr. 2009	Executive Director of Japan Legal Support Center	
		Apr. 2010	Commissioners of the National Personnel Authority	
		May. 2013	Adviser of the National Personnel Authority (to the present)	

Note 1: Person shown with asterisk (\*) is a new candidate of Directors.

Note 2: The Company has no conflict of interest with each candidate.

Note 3: Takashi Imai, Tetsuo Mae and Eiko Shinotsuka are candidates for outside directors.

Note 4: Reasons for recommending them as candidates for outside directors are as follows.

- (1) Takashi Imai is nominated in the expectation of his abundant experience and wide knowledge in economic circles as well as his objective standpoint which is independent from executive directors. He has been our outside director since June 2002 and acted for 13 years at the conclusion of this meeting.
- (2) Tetsuo Mae is nominated in the expectation of his abundant experience and wide knowledge in securities circles as well as his objective standpoint which is independent from executive directors. He also holds the post of the chairman of NPO-APROSIS. The Company pays annual charge of 300,000 yen for this organization as the associate member. He has been our outside director since June 2014 and acted for 1 year at the conclusion of this meeting.
- (3) Eiko Shinotsuka is nominated in the expectation of her advanced expert knowledge and abundant experience in finance and economics as well as her objective standpoint which is independent from executive directors. Although She has no experience in corporate

management in any way other than as an outside auditor, we believe in consideration of her careers mentioned above that she will perform her duties appropriately as an outside director.

Note 5: Takashi Imai and Tetsuo Mae are Independent Directors as defined by the Tokyo Stock Exchange. If Takashi Imai, Tetsuo Mae and Eiko Shinotsuka elected as proposed, Takashi Imai and Tetsuo Mae will continue to be Independent Directors, Eiko Shinotsuka will be a new Independent Director.

### Agenda 3: Election of two Auditors

As the term of office of two Auditors, Masao Iguchi and Toshio Kamiyama, will expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes the election of two auditors.

The candidates are as listed below.

The consent of the Board of Auditors has been obtained for this proposal.

The consent of the Board of Auditors has been obtained for this proposal.				
No.	Name (Date of birth)	Brief personal history & Significant concurrent positions		Shares of JSF owned
* 1	Masayuki Hamada (Sep. 17, 1956)	Apr. 1980	Joined JSF	34,900
		Jun. 2005	General Manager of Planning Dept	
		Jun. 2008	Executive Officer & General Manager of Planning Dept	
		Jun. 2009	Managing Director of JSF Trust and Banking Co., Ltd.	
2	Toshio Kamiyama (Nov. 18, 1941)	Feb. 1969	Registered certified public accountant	30,500
		Feb. 1969	Representative of Kamiyama CPA Office (to the present)	
		May. 1969	Registered certified tax accountant	
		Jul. 1992	Director of the Japanese Institute of Certified Public Accountants	
		Feb. 1995	Representative Chairman of Japanese Accountants School (to the present)	
		Aug. 2001	Commissioner of JICPA for objection inquiry	
		Aug. 2001	Commissioner of CPA examination	
		Jun. 2003	Auditor of JSF (to the present)	
		Jul. 2004	Auditor of JICPA	
		(Significant concurrent positions)		
		- Representative of Kamiyama CPA Office		
		- Representative Chairman of Japanese Accountants School		

Note 1: Person shown with asterisk (\*) is a new candidate of Auditors.

Note 2: The Company has no conflict of interest with each candidate.

Note 3: Masayuki Hamada is scheduled to retire JSF Trust and Banking Co., Ltd. Managing Director at this year June 23 date.

Note 4: Toshio Kamiyama is a candidate for an outside auditor.

The Company asks for his election in expectation of his special knowledge and abundant experience as Certificated Public Accountant and Certified Tax Accountant. He has been our outside auditor since June 2003 and acted for 12 years as of the end of this meeting.

He is an Independent Auditor as defined by the Tokyo Stock Exchange. If he is elected as proposed, he will continue to be an Independent Auditor.

#### Agenda 4: Election of one Substitute Auditor

At the commencement of this Ordinary General Meeting of Shareholders, the decision of the 104th Ordinary General Meeting of Shareholders held on June 25th, 2014 to elect Masato Denawa as Substitute Auditor will expire. Accordingly, the Company proposes the reappointment of Masato Denawa as Substitute Auditor in order to provide for the possible case scenario in which the number of incumbent auditors provided by laws or regulations becomes insufficient.

The candidate is as listed below.

The consent of the Board of Auditors has been obtained for this proposal.

Name (Date of birth)	Brief personal history & Significant concurrent positions	Shares of JSF owned
Masato Denawa (Feb. 5, 1964)	Apr. 1990 Registered Lawyer (Daiichi Tokyo Bar Association) Joined Okinobu & Ishihara Law Office (currently, Spring Partners)	—
	Jan. 1999 Partner attorney at Spring Partners (to the present)	
	Jun. 2000 Auditor of Kinkan Co., Ltd. (to the present)	
	Apr. 2002 Lecturer at Keio Univ. Faculty of Law.	
	Jul. 2007 Director of Advise Link Co., Ltd. (to the present)	
	Sep. 2007 Auditor of Japan Prime Realty Investment Corp. (to the present)	
	Jun. 2008 Substitute Auditor of JSF (to the present)	
	Apr. 2009 Lecturer at Keio Law School	
	Apr. 2011 Practicing-Attorney-Professor for Civil Advocacy at the Legal Training and Research Institute of the Supreme Court of Japan	
	Apr. 2013 Practicing-Attorney-Senior Professor for Civil Advocacy at the Legal Training and Research Institute of the Supreme Court of Japan	
	Sep. 2014 Lecturer at Keio Law School (to the present)	

Note 1: The Company has no conflict of interest with a candidate.

Note 2: Masato Denawa is a candidate for substitute outside auditor.

The Company asks for his election in expectation of his special knowledge and abundant experience as a lawyer.



## CONSOLIDATED BALANCE SHEETS

**As of March 31, 2015**

Millions of Yen

<b>ASSETS</b>	
<b>Current assets:</b>	
Cash	31,792
Short-term investments	588,813
Operating loans	883,101
Deferred tax assets	390
Collateral money for securities borrowed	974,973
Other current assets	5,686
Allowance for doubtful receivables	(339)
<b>Total current assets</b>	<b>2,484,418</b>
<b>Non-current assets:</b>	
<b>Tangible non-current assets:</b>	
Buildings and structures	2,947
Tools, furniture and fixtures	362
Land	3,264
Leased assets	119
Construction in progress	333
	<b>7,027</b>
<b>Intangible non-current assets:</b>	
Software	627
Software in progress	1,736
Other intangible non-current assets	23
	<b>2,387</b>
<b>Investments and other assets:</b>	
Investments in securities	987,897
In-house loan	87
Fixed operating claims	1,800
Other investments and other assets	775
Allowance for doubtful receivables	(1,792)
	<b>988,768</b>
<b>Total non-current assets</b>	<b>998,183</b>
<b>Total Assets</b>	<b>3,482,601</b>

**As of March 31, 2015**

Millions of Yen

<b>LIABILITIES AND NET ASSETS</b>	
<b>Current liabilities:</b>	
Call Money	1,587,600
Short-term borrowings	436,510
Current portion of Long-term borrowings	3,000
Commercial paper	440,000
Accrued income taxes	298
Allowance for bonuses (Employees)	502
Allowance for bonuses (Directors & Executive Officers)	108
Collateral money received for securities lent	788,716
Other current liabilities	72,988
<b>Total current liabilities</b>	<b>3,329,124</b>
<b>Non-current liabilities:</b>	
Long-term Borrowings	2,000
Deferred tax liabilities	7,189
Deferred tax liabilities for land revaluation	78
Allowance for officers retirement rewards	50
Liabilities for retirement and severance benefit	2,537
Asset retirement obligations	48
Derivative financial instruments	3,693
Other non-current liabilities	733
<b>Total non-current liabilities</b>	<b>16,331</b>
<b>Total liabilities</b>	<b>3,345,456</b>
<b>Net assets:</b>	
<b>Shareholders' equity</b>	
Common stock	10,000
Capital surplus	11,470
Retained earnings	103,608
Treasury stock	(114)
<b>Total shareholders' equity</b>	<b>124,964</b>
<b>Accumulated other comprehensive income</b>	
Net unrealized gain on other securities	14,787
Deferred loss on hedges	(2,766)
Gain on revaluation of land	163
Accumulated amount for adjustment retirement and severance benefit	(4)
<b>Total accumulated other comprehensive income</b>	<b>12,180</b>
<b>Total net assets</b>	<b>137,145</b>
<b>Total liabilities and net assets</b>	<b>3,482,601</b>

## CONSOLIDATED STATEMENTS OF OPERATIONS

<i>For the year ended March 31, 2015</i>	Millions of Yen
<b>Operating revenues</b>	<b>20,300</b>
<b>Operating expenses</b>	<b>9,450</b>
<b>Operating profit</b>	<b>10,849</b>
General and administrative expenses	7,824
<b>Operating income</b>	<b>3,025</b>
<b>Non-operating revenues</b>	
Interest received and dividends received	398
Rental fees	50
Gain on investment in investment partnership	591
Gain on bad debts recovered	270
Miscellaneous revenues	51
	<b>1,361</b>
<b>Non-operating expenses</b>	
Interest expenses	0
Equity in losses of affiliates	144
Miscellaneous expenses	12
	<b>156</b>
<b>Recurring income</b>	<b>4,230</b>
<b>Extraordinary profit</b>	
Gain on sales of investment securities	22
Subsidy income	38
	<b>61</b>
<b>Extraordinary loss</b>	
Loss on retirement of non-current assets	6
	<b>6</b>
<b>Income before income taxes</b>	<b>4,285</b>
<b>Income taxes</b>	
Current	443
Deferred	321
	<b>764</b>
<b>Income before minority interests</b>	<b>3,520</b>
<b>Minority interests</b>	<b>-</b>
<b>Net income</b>	<b>3,520</b>

## CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Millions of Yen

	Shareholders' equity				Total shareholders' equity
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	
Balance at April 1, 2014	10,000	16,026	101,595	(16)	127,606
Cumulative effects of changes in accounting policies			64		64
Restated balance	10,000	16,026	101,660	(16)	127,606
Changes arising during the year:					
Cash dividends			(1,469)		(1,469)
Net Income			3,520		3,520
Change of scope of equity method			(103)	0	(102)
Purchase of treasury stock				(4,654)	(4,654)
Retirement of Treasury stock		(4,555)		4,555	—
Net changes other than shareholders' equity					
Total changes during the year	—	(4,555)	1,947	(97)	(2,706)
Balance at March 31, 2015	10,000	11,470	103,608	(114)	124,964

	Accumulated other comprehensive income					Total net assets
	Net unrealized gain or loss on securities	Deferred gains or losses on hedges	Gain on revaluation of land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at April 1, 2014	8,346	(597)	155	(282)	7,621	135,227
Cumulative effects of changes in accounting policies						64
Restated balance	8,346	(597)	155	(282)	7,621	135,292
Changes arising during the year						
Cash dividends						(1,469)
Net Income						3,520
Change of scope of equity method						(102)
Purchase of treasury stock						(4,654)
Retirement of Treasury stock						—
Net changes other than shareholders' equity	6,440	(2,168)	7	278	4,558	4,558
Total changes during the year	6,440	(2,168)	7	278	4,558	1,852
Balance at March 31, 2015	14,787	(2,766)	163	(4)	12,180	137,145

## NON-CONSOLIDATED BALANCE SHEETS

**As of March 31, 2015**

Millions of Yen

<b>ASSETS</b>	
<b>Current assets:</b>	
Cash	1,249
Call loans	20,000
Short-term investments	238,216
Loan for margin transactions	541,052
Bond financing and General loans	254,717
Other loans	32,500
Prepaid expenses	42
Deferred tax assets	360
Collateral money for securities borrowed	986,464
Accrued revenue	1,034
Other current assets	605
Allowance for doubtful receivables	(273)
<b>Total current assets</b>	<b>2,075,968</b>
<b>Non-current assets:</b>	
<b>Tangible non-current assets:</b>	<b>2,113</b>
Buildings and structures	540
Tools, furniture and fixtures	276
Land	830
Leased assets	119
Construction in progress	345
<b>Intangible non-current assets:</b>	<b>2,158</b>
Software	343
Software in progress	1,792
Other intangible non-current assets	22
<b>Investments and other assets:</b>	<b>800,813</b>
Investments in securities	772,780
Shares in affiliates	26,893
Derivatives	701
Fixed operating claims	1,568
Other investments and other assets	437
Allowance for doubtful receivables	(1,569)
<b>Total non-current assets</b>	<b>805,085</b>
<b>Total Assets</b>	<b>2,881,053</b>

**As of March 31, 2015**

Millions of Yen

<b>LIABILITIES AND NET ASSETS</b>	
<b>Current liabilities:</b>	
Call Money	1,109,200
Short-term borrowings	365,680
Current portion of Long-term borrowings	3,000
Commercial paper	440,000
Accrued income taxes	84
Allowance for bonuses (Employees)	448
Allowance for bonuses (Directors & Executive Officers)	108
Collateral money received for margin transactions	39,359
Collateral money received for securities lent	753,993
Other current liabilities	32,518
<b>Total current liabilities</b>	<b>2,744,393</b>
<b>Non-current liabilities:</b>	
Deferred tax liabilities	5,262
Deferred tax liabilities for land revaluation	78
Allowance for employees retirement benefits	2,445
Allowance for officers retirement rewards	43
Derivatives liabilities	446
Other non-current liabilities	197
<b>Total non-current liabilities</b>	<b>8,473</b>
<b>Total liabilities</b>	<b>2,752,866</b>
<b>Net assets:</b>	
<b>Shareholders' equity</b>	
<b>Common stock</b>	<b>10,000</b>
<b>Capital surplus</b>	<b>11,470</b>
Additional paid-in capital	5,181
Other capital surplus	6,289
<b>Retained earnings</b>	<b>94,721</b>
Earned surplus reserve	2,278
Other retained earnings	92,443
Reserve for dividends	2,030
Special reserve	77,030
Retained earnings carried forward	13,383
<b>Treasury stock</b>	<b>(106)</b>
<b>Total shareholders' equity</b>	<b>116,085</b>
<b>Valuation and translation adjustments</b>	
<b>Net unrealized gain on other securities</b>	<b>11,436</b>
<b>Deferred Gain or Loss on Hedges</b>	<b>501</b>
<b>Gain on revaluation of land</b>	<b>163</b>
<b>Total valuation and translation adjustments</b>	<b>12,101</b>
<b>Total net assets</b>	<b>128,187</b>
<b>Total liabilities and net assets</b>	<b>2,881,053</b>

## NON-CONSOLIDATED STATEMENTS OF INCOME

<i>For the year ended March 31, 2015</i>	Millions of Yen
<b>Operating revenues</b>	<b>17,185</b>
<b>Operating expenses</b>	<b>8,288</b>
<b>Operating profit</b>	<b>8,897</b>
General and administrative expenses	6,886
<b>Operating income</b>	<b>2,010</b>
<b>Non-operating revenues</b>	
Interest received and dividends received	500
Rental fees	50
Miscellaneous revenues	104
	<b>654</b>
<b>Non-operating expenses</b>	
Miscellaneous expenses	12
	<b>12</b>
<b>Recurring income</b>	<b>2,653</b>
<b>Extraordinary profit</b>	
Gain on sale of investments in securities	22
	<b>22</b>
<b>Extraordinary loss</b>	
	—
<b>Income before income taxes</b>	<b>2,676</b>
<b>Income taxes</b>	
Current	162
Deferred	294
	<b>456</b>
<b>Net income</b>	<b>2,219</b>

# NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

Millions of Yen

	Shareholders' equity										
	Capital surplus				Retained earnings						
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Earned reserves	Other retained earnings			Total retained earnings	Treasury stock	Total shareholders' equity
						Reserve for dividends	Special reserves	Retained earnings carried forward			
Balance at April 1, 2014	10,000	5,181	10,845	16,026	2,278	2,030	77,030	12,648	93,986	(7)	120,006
Cumulative effects of changes in accounting policies								(15)	(15)		(15)
Restated balance	10,000	5,181	10,845	16,026	2,278	2,030	77,030	12,633	93,971	(7)	119,990
Changes arising during the year:											
Cash dividends								(1,469)	(1,469)		(1,469)
Net income								2,219	2,219		2,219
Purchase of treasury stock										(4,654)	(4,654)
Retirement of treasury stock			(4,555)	(4,555)						4,555	—
Net changes other than shareholders' equity											
Total changes during the year	—	—	(4,555)	(4,555)	—	—	—	750	750	(98)	(3,904)
Balance at March 31, 2015	10,000	5,181	6,289	11,470	2,278	2,030	77,030	13,383	94,721	(106)	116,085

	Valuation and translation adjustments				Total net assets
	Net unrealized gain or loss on securities	Deferred gains or losses on hedges	Gain on revaluation of land	Total valuation and translation adjustments	
Balance at April 1, 2014	6,908	—	155	7,064	127,070
Cumulative effects of changes in accounting policies					(15)
Restated balance	6,908	—	155	7,064	127,054
Changes arising during the year:					
Cash dividends					(1,469)
Net income					2,219
Purchase of treasury stock					(4,654)
Retirement of treasury stock					—
Net changes other than shareholders' equity	4,527	501	7	5,037	5,037
Total changes during the year	4,527	501	7	5,037	1,132
Balance at March 31, 2015	11,436	501	163	12,101	128,187