

Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2026 [Japanese GAAP] (Consolidated)

February 12, 2026

Company name : Japan Securities Finance Co., Ltd. Listing : Tokyo Stock Exchange
 Securities code : 8511 URL: <https://www.jsf.co.jp>
 Representative: (Title) Representative Executive Officer & President (Name) Shigeki Kushida
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Scheduled date to file semi-annual securities report: -
 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 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated Operating Results

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

	Operating revenues (Millions of Yen)	Operating profit (% change)	Operating profit (Millions of Yen)	Ordinary profit (Millions of Yen)	Ordinary profit (% change)	Profit attributable to owners of parent (Millions of Yen)	Profit attributable to owners of parent (% change)	
Third Quarter of Fiscal 2025	79,154	97.7	10,604	9.9	11,444	9.5	8,123	-8.1
Third Quarter of Fiscal 2024	40,046	7.6	9,646	5.8	10,450	7.3	8,840	25.2

(Note) Comprehensive income: Third Quarter of Fiscal 2025: 10,501 millions of yen (687.0%)

Third Quarter of Fiscal 2024: 1,334 millions of yen (-87.9%)

	Net income per share (Yen)	Net income per share - diluted (Yen)
Third Quarter of Fiscal 2025	99.12	—
Third Quarter of Fiscal 2024	105.83	—

(2) Consolidated Financial Position

	Total assets (Millions of Yen)	Net assets (Millions of Yen)	Shareholders' equity ratio (%)
Third Quarter of Fiscal 2025	15,905,768	136,002	0.9
Fiscal 2024	13,769,589	134,346	1.0

(Reference) Net worth: Third Quarter of Fiscal 2025: 136,002 millions of yen

Fiscal 2024: 134,346 millions of yen

2. Dividends

	Dividends per Share				
	First Quarter (Yen)	Second Quarter (Yen)	Third Quarter (Yen)	Year-end (Yen)	Annual (Yen)
Fiscal 2024	-	42.00	-	42.00	84.00
Fiscal 2025	-	40.00	-		
Fiscal 2025 (Forecast)				46.00	86.00

(Note 1) Revision to most recently published dividend forecast: Yes

(Note 2) Second Quarter of Fiscal 2024: Ordinary dividend 34.00 yen Special dividend 8.00 yen
Fiscal 2024 End of the period: Ordinary dividend 34.00 yen Special dividend 8.00 yen

3. Consolidated Performance Forecast for Fiscal 2025 (April 1, 2025—March 31, 2026)

(% 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	13,900	22.7	14,900	19.1	10,500	1.2	128.31

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

* 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
 - (i) Changes in accounting policies caused by revision of accounting standards: None
 - (ii) Changes in accounting policies other than (i): None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None

(4) Number of issued and outstanding shares (common stock)

- (i) Number of issued and outstanding shares (including treasury stock)

as of Dec. 31, 2025: 88,000,000	as of Mar. 31, 2025: 88,000,000
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- (ii) Number of treasury stock shares

as of Dec. 31, 2025: 6,479,945	as of Mar. 31, 2025: 5,601,375
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- (iii) Average number of shares (quarter-to-date)

for three months ended Dec. 31, 2025: 81,956,692	for three months ended Dec. 31, 2024: 83,539,368
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(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 and BBT-RS).

Note: Quarterly financial report 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 performance forecasts contained in this document are based on information available at the present and certain assumptions deemed reasonable by the company. These statements are not intended to serve as a guarantee for the achievement of the forecasted performance. Additionally, actual performance may differ significantly due to a variety of factors.

1. Qualitative Information on the Current Quarter Results

(1) Review of Operating Results

(Results for the Third Quarter of Fiscal Year Ending March 2026)

In the third quarter cumulative consolidated accounting period, our group posted an increase in its consolidated gross operating profit to 16,316 million yen (up 7.8% year-on-year). This was due to robust performance in security finance operations, such as loans for margin transactions and equity repo transactions, driven by a robust stock market and increased demand for financing brought on by rising market interest rates. As a result, our consolidated operating profit increased to 10,604 million yen (up 9.9% year-on-year), and our consolidated ordinary profit also increased to 11,444 million yen (up 9.5% year-on-year). The profit attributable to owners of the parent amounted to 8,123 million yen (a decrease of 8.1% year-on-year) due to the absence of the extraordinary gain of 1,828 million yen recorded in the same period of the previous year.

(millions of yen)

	Consolidated profits & losses	Year-on-year comparison	Rate of increase/decrease
Operating revenues (Excluding premium charges)	73,136	35,995	96.9%
Including premium charges	79,154	39,108	97.7%
Operating expenses (Excluding premium charges)	56,836	34,816	158.1%
Including premium charges	62,838	37,931	152.3%
Gross profit	16,316	1,177	7.8%
General and administrative expenses	5,711	219	4.0%
Operating profit	10,604	958	9.9%
Non-operating income	840	36	4.6%
Ordinary profit	11,444	994	9.5%
Extraordinary income	-	-1,828	-100.0%
Profit before income taxes etc.	11,444	-833	-6.8%
Profit attributable to owners of the parent	8,123	-717	-8.1%

(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, 2025), total assets amounted to 15,905.7 billion yen (an increase of 2,136.1 billion yen from the previous fiscal year-end), due to an increase in securities purchased under resale agreements. Total liabilities amounted to 15,769.7 billion yen (an increase of 2,134.5 billion yen from the previous fiscal year-end), due to an increase in securities sold under repurchase agreements. Total net assets amounted to 136.0 billion yen (an increase of 1.6 billion yen from the previous fiscal year-end) due to a decrease in accumulated other comprehensive income.

[Reference]

Status of the Group's Gross Profits by Business Sector

	Previous Third Quarter Consolidated Cumulative Period (from April 1, 2024 to December 31, 2024)		Current Third Quarter Consolidated Cumulative Period (from April 1, 2025 to December 31, 2025)		Previous Consolidated Fiscal Year (Full Year) (from April 1, 2024 to March 31, 2025)	
	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)	Amount (Millions of yen)	Composition ratio (%)
Securities Finance Business	12,110	78.5	12,919	77.7	14,905	77.9
Loans for margin transactions (Excluding premium charges)	3,196	20.7	4,635	27.9	4,390	22.9
Securities financing	5,363	34.8	5,267	31.7	7,351	38.4
Equity repo transactions, etc.	1,312	8.5	1,555	9.4	1,762	9.2
Bond repo and gensaki transactions	2,936	19.0	2,370	14.3	4,060	21.2
Loans for negotiable margin transactions	239	1.5	302	1.8	358	1.9
General stock lending	490	3.2	604	3.6	664	3.5
Retail loans	384	2.5	434	2.6	505	2.6
Other	3,550	23.0	3,015	18.1	3,164	16.5
Trust and Banking Business	2,413	15.6	2,876	17.3	3,043	15.9
Real Estate Leasing Business	906	5.9	832	5.0	1,185	6.2
Total (Non-Consolidated)	15,431	100.0	16,628	100.0	19,134	100.0
Total (Consolidated)	15,138	—	16,316	—	18,746	—

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

	Previous Third Quarter Consolidated Cumulative Period (from April 1, 2024 to December 31, 2024)	Current Third Quarter Consolidated Cumulative Period (from April 1, 2025 to December 31, 2025)	Previous Consolidated Fiscal Year (Full Year) (from April 1, 2024 to March 31, 2025)
Loans for margin transactions	(billions of yen) 383.6	(billions of yen) 355.8	(billions of yen) 370.8
Securities loaned for margin transactions	154.7	241.7	159.5
Securities financing	11,923.2	13,074.0	12,215.8
Equity repo transactions, etc.	804.1	1,026.2	806.9
Bond repo and gensaki transactions	11,009.6	11,951.1	11,299.6
Loans for negotiable margin transactions	41.1	44.5	44.6
General stock lending	43.5	21.2	39.2
Retail loans	24.8	30.8	25.3
Trust Bank Loans	174.3	84.2	175.7

(3) Future Outlook

In light of recent performance trends and other factors, the company has revised its fiscal 2025 earnings forecast which was originally disclosed on May 15, 2025. Driven by a robust stock market, profits are expected to exceed the previous forecast as securities financing, centered on the loans for margin transaction, performed better than anticipated.

Reflecting this revised outlook, our consolidated operating profit is expected to increase to 13,900 million yen (up 12.1% over our previous outlook), and our consolidated ordinary profit is also expected to increase to 14,900 million yen (up 12.9% over our previous outlook). The profit attributable to owners of the parent is expected to reach to 10,500 million yen (an increase of 11.7 over our previous outlook).

For more details, please see the "Notice on Revisions to Full-Year Consolidated Earnings Forecast" released on February 12, 2026.

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	1,435,297	2,072,544
Call loans	10,000	5,000
Securities	96,241	66,506
Operating loans	796,827	727,396
Securities purchased under resale agreements	6,441,120	7,294,170
Cash collateral provided for securities borrowed	4,307,086	4,965,907
Other	92,480	68,760
Allowance for doubtful accounts	-111	-137
Total current assets	<u>13,178,942</u>	<u>15,200,148</u>
Non-current assets		
Property, plant and equipment	5,578	5,495
Intangible assets	618	535
Investments and other assets		
Investment securities	544,475	653,082
Bad debts	63	56
Retirement benefit asset	3,832	3,905
Deferred tax assets	857	761
Other	35,283	41,838
Allowance for doubtful accounts	-63	-56
Total investments and other assets	<u>584,450</u>	<u>699,588</u>
Total non-current assets	<u>590,647</u>	<u>705,619</u>
Total assets	<u>13,769,589</u>	<u>15,905,768</u>

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Call money	1,506,000	2,313,400
Short-term borrowings	92,005	92,000
Current portion of long-term borrowings	1,000	—
Commercial papers	438,466	490,011
Securities sold under repurchase agreements	8,044,038	8,599,126
Cash collateral received for securities lent	2,549,554	3,242,751
Income taxes payable	1,547	979
Provision for bonuses	550	307
Provision for bonuses for directors (and other officers)	103	—
Borrowed money from trust account	575,934	603,125
Other	106,460	107,643
Total current liabilities	13,315,661	15,449,345
Non-current liabilities		
Long-term borrowings	315,600	316,600
Deferred tax liabilities	1,354	2,473
Deferred tax liabilities for land revaluation	76	76
Provision for share awards for directors (and other officers)	222	62
Retirement benefit liability	269	233
Asset retirement obligations	58	59
Derivative liabilities	1,500	406
Other	498	508
Total non-current liabilities	319,581	320,420
Total liabilities	13,635,242	15,769,765
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	5,194	5,194
Retained earnings	125,323	126,642
Treasury shares	-7,764	-9,805
Total shareholders' equity	132,754	132,031
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-11,778	-7,464
Deferred gains or losses on hedges	11,673	9,896
Revaluation reserve for land	165	165
Remeasurements of defined benefit plans	1,531	1,373
Total accumulated other comprehensive income	1,592	3,970
Total net assets	134,346	136,002
Total liabilities and net assets	13,769,589	15,905,768

(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Comprehensive Income Statement

(Quarterly Consolidated Income Statement)

(Millions of yen)

	Previous Third Quarter Consolidated Cumulative Period (from April 1, 2024 to December 31, 2024)	Current Third Quarter Consolidated Cumulative Period (from April 1, 2025 to December 31, 2025)
Operating revenue		
Interest on loans	3,969	5,969
Interest income on securities purchased under resale agreements	6,110	21,476
Interest income on cash collateral provided for securities borrowed	7,727	20,375
Securities lending fees	5,924	8,578
Other	16,314	22,754
Total operating revenue	40,046	79,154
Operating expenses		
Interest expenses	11,080	22,097
Interest expenses on securities sold under repurchase agreements	4,552	25,936
Securities borrowing fees	6,601	9,495
Other	2,673	5,310
Total operating expenses	24,907	62,838
Operating gross profit	15,138	16,316
General and administrative expenses	5,492	5,711
Operating profit	9,646	10,604
Non-operating income		
Dividend income	276	307
Share of profit of entities accounted for using equity method	460	281
Gain on investments in investment partnerships	53	153
Other	44	123
Total non-operating income	835	865
Non-operating expenses		
Commission for purchase of treasury shares	7	6
Loss on investments in investment partnerships	24	18
Other	0	0
Total non-operating expenses	32	25
Ordinary profit	10,450	11,444
Extraordinary income		
Gain on sale of non-current assets	1,163	—
Gain on sale of investment securities	664	—
Total extraordinary income	1,828	—
Profit before income taxes	12,278	11,444
Income taxes - current	3,137	3,209
Income taxes - deferred	301	111
Total income taxes	3,438	3,321
Profit	8,840	8,123
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	8,840	8,123

(Quarterly Consolidated Comprehensive Income Statement)

(Millions of yen)

	Previous Third Quarter Consolidated Cumulative Period (from April 1, 2024 to December 31, 2024)	Current Third Quarter Consolidated Cumulative Period (from April 1, 2025 to December 31, 2025)
Profit	8,840	8,123
Other comprehensive income		
Valuation difference on available-for-sale securities	-5,428	4,242
Deferred gains or losses on hedges	-1,940	-1,777
Remeasurements of defined benefit plans, net of tax	-148	-150
Share of other comprehensive income of entities accounted for using equity method	11	63
Total other comprehensive income	-7,506	2,377
Comprehensive income	1,334	10,501
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,334	10,501
Comprehensive income attributable to non- controlling interests	—	—

(3) Notes Regarding Quarterly Consolidated Financial Statements
(Segment Information)

I. Previous Third Quarter Consolidated Cumulative Period (from April 1, 2024 to December 31, 2024)

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	35,896	3,520	630	40,046
Internal operating revenues or balance of transfers among segments	102	70	294	467
Total	35,998	3,590	924	40,513
Segment profit (ordinary profit)	9,349	1,418	569	11,336

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	11,336
Elimination of inter-segment transactions	-1,347
Equity in gains of affiliates	460
Other adjustments	—
Ordinary profit in the quarterly consolidated income statement	10,450

3. Information on impairment losses on fixed assets or goodwill, etc., for each reporting segment
Not applicable.

II. Current Third Quarter Consolidated Cumulative Period (from April 1, 2025 to December 31, 2025)

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	71,433	7,163	557	79,154
Internal operating revenue or balance of transfers among segments	129	40	294	464
Total	71,563	7,204	851	79,619
Segment profit (ordinary profit)	11,492	1,776	615	13,885

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	13,885
Elimination of inter-segment transactions	-2,721
Equity in gains of affiliates	281
Other adjustments	—
Ordinary profit in the quarterly consolidated income statement	11,444

3. Information on impairment losses on fixed assets or goodwill, etc., for each reporting segment
Not applicable.

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

At the Board of Directors meeting held on May 15, 2025, the Company resolved to acquire its own shares, with the total number of shares to be acquired capped at 1,700,000 shares and the total acquisition amount capped at 2.8 billion yen, during the period from May 16, 2025, to March 31, 2026. From May to December 2025, the Company acquired 1,206,800 shares for 2,196 million yen.

As a result of this acquisition and other related activities, treasury shares increased by 2,041 million yen during the current third quarter consolidated cumulative period, and treasury shares amounted to 9,805 million yen as of the end of the consolidated third quarter accounting period.

(Notes Regarding Going Concern Assumptions)

Not applicable.

(Note on the Quarterly Consolidated Statement of Cash Flows)

No quarterly consolidated statement of cash flows has been prepared for the cumulative third quarter consolidated period. However, the depreciation expense for the cumulative third quarter consolidated period (including the amortization of intangible fixed assets excluding goodwill) is as follows.

	Previous 3Q Apr.1,2024- Dec.31,2024	Current 3Q Apr.1,2025- Dec.31,2025
Depreciation	365million of yen	335million of yen

(Additional Information)

(Cancellation of Treasury Stock)

At a meeting held on December 18, 2025, the Board of Directors resolved to cancel treasury stock in accordance with Article 178 of the Companies Act, as follows.

1. Class of shares to be cancelled: Common stock
2. Number of shares to be cancelled: 5,000,000 shares
(5.7% of the total number of shares outstanding prior to cancellation)
3. Date of cancellation: February 20, 2026

[Notes]

The total number of shares outstanding after the cancellation: 83,000,000 shares

(Significant Subsequent Events)

(Expansion of the Share Repurchase Limit)

At a meeting held on February 12, 2026, the Board of Directors resolved to expand the share repurchase limit, as follows, pursuant to the provisions of Article 156 of the Companies Act, as applied by alternative reading in accordance with the provisions of Article 165, Paragraph 3 of the Act.

1. Reason for change

In light of the upward revision to the consolidated full-year financial results forecast of JSF for the fiscal year ending March 31, 2026, the Board of Directors has decided to expand the share repurchase limit under the shareholder return policy (which targets a total payout ratio of 100% on a cumulative basis from FY 2023 to FY 2025 through the payment of dividends and the flexible implementation of share repurchases, whereby dividends will be proactively paid out at a targeted dividend payout ratio of 70%).

2. Modified repurchase plan (changes are underlined)

- 1) Stock to be repurchased: JSF common stock
- 2) Aggregate shares to be repurchased: 2,000,000 shares (maximum, increased by 300,000 shares)
(2.4% of total issued and outstanding shares, excluding treasury stock)
- 3) Aggregate amount of repurchase price: JPY 3.4 billion (maximum, increased by JPY 0.6 billion)
- 4) Repurchase period: May 16, 2025 – March 31, 2026

Reference:

1. Details of the resolution adopted at a meeting of the Board of Directors held on May 15, 2025
 - 1) Stock to be repurchased: JSF common stock
 - 2) Aggregate shares to be repurchased: 1,700,000 shares (maximum)
(2.0% of total issued and outstanding shares, excluding treasury stock)
 - 3) Aggregate amount of repurchase price: JPY 2.8 billion (maximum)
 - 4) Repurchase period: May 16, 2025 – March 31, 2026
2. Cumulative progress on share repurchases pursuant to the above resolution (as of January 31, 2026)
 - 1) Accumulated shares repurchased: 1,351,900 shares
 - 2) Accumulated amount of repurchase price: JPY 2,505,294,000
3. Treasury stock holdings as of January 31, 2026
Total shares outstanding, excl. treasury shares: 81,974,464 shares
Treasury shares: 6,025,536 shares