

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for Fiscal 2006

Name : Japan Securities Finance Co., Ltd.

Listing : First Section, Tokyo Stock Exchange

Stock code number : 8511

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1. Consolidated Financial Results for Fiscal 2006 (April 1, 2006 – March 31, 2007)

(Millions of yen, rounded down to nearest million)

(1) Consolidated Results of Operations

(% change from previous year)

	Operating Revenues		Operating Income		Recurring Income		Net Income	
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)
Fiscal 2006	43,523	16.9	9,642	8.0	9,447	13.9	4,155	△16.1
Fiscal 2005	37,226	3.0	8,926	△12.0	8,293	△13.4	4,952	△10.3

	Net Income per Share	Net Income per Share	Return on Equity	Recurring Income	Operating Income
	(Yen)	(Yen) (fully diluted)	ROE (%)	∕ Total Assets ROA (%)	∕ Operating Revenues (%)
Fiscal 2006	42.09	—	3.4	0.2	22.2
Fiscal 2005	48.93	—	4.0	0.1	24.0

Reference: Gain/loss on investments based on equity method: ¥△431million (Fiscal 2005: ¥△815million)

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity Ratio	Equity per Share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2006	7,423,179	122,876	2.3	1,244.62
Fiscal 2005	9,722,382	118,961	1.7	1,205.27

Reference: Shareholders Equity: ¥122,876million (Fiscal 2005: ¥—million)

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents end of Year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2006	4,503	△762	△2,594	4,857
Fiscal 2005	△87,764	△1,746	△2,620	3,823

2. Dividends

	Dividends per Share			Total Cash Dividends (Full-year) (Millions of Yen)	Dividends Payout Ratio		Dividends on Equity (Consolidated) DOE (%)
	Interim (Yen)	Year-End (Yen)	Annual (Yen)		(Non-Consolidated) (%)	(Consolidated) (%)	
Fiscal 2005	10.00	14.00	24.00	2,385	38.1	49.0	1.9
Fiscal 2006	12.00	14.00	26.00	2,583	38.1	61.8	2.1
Fiscal 2007 (Forecast)	13.00	13.00	26.00		39.7	36.2	

3. Consolidated Forecast for fiscal 2007(April 1,2007 – March 31,2008)

(% change from previous year)

	Operating Revenues		Operating Income		Recurring Income		Net Income		Net Income per Share (Yen)
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	
Interim	28,000	37.5	5,500	6.6	6,900	34.4	4,700	64.6	47.61
Full-year	57,000	31.0	11,600	20.3	13,000	37.6	7,100	70.8	71.81

4. Others

(1) Changes in scope of important subsidiaries

Consolidated subsidiaries

Newly exempted : 1 (JSF INFORMATION TECHNOLOGY CO.,LTD)

(2) Changes in accounting method

① Changes in accounting method such as accounting standards: Applicable

② Others: Not applicable

(3) Number of shares

① Number of shares outstanding (Including treasury stock)

as of Mar.31, 2007 : 99,704,000 (Fiscal 2005: 99,704,000)

② Number of Treasury stock shares

as of Mar.31, 2007 :977,940 (Fiscal 2005: 1,104,905)

Consolidated Balance Sheets

【Assets】	Fiscal 2006 Mar.31,2007		Fiscal 2005 Mar.31,2006	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Assets	7,001,258	94.3	9,026,381	92.8
Cash	4,857		3,823	
Call Loans	130,200		118,000	
Short-term Investments	898,761		1,365,935	
Short-term Loans Receivable	2,028,633		3,194,928	
Securities Lent	713,295		705,150	
Securities in Custody	161,317		193,722	
Securities in Deposit	1,114,258		1,740,415	
Deferred Tax Assets	696		855	
Collateral Money for Securities Borrowed	1,919,194		1,662,232	
Other Current Assets	30,777		42,624	
Allowance for Doubtful Receivables	△ 734		△ 1,307	
II Non-current Assets	421,921	5.7	696,001	7.2
Tangible Non-current Assets	7,215		7,530	
Intangible Non-current Assets	2,796		3,838	
Investments, etc.	411,944		684,673	
Allowance for Doubtful Receivables	△ 34		△ 41	
Total Assets	7,423,179	100.0	9,722,382	100.0

【Liabilities and Stockholders' Equity】	Fiscal 2006 Mar.31,2007		Fiscal 2005 Mar.31,2006	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Liabilities	7,236,278	97.5	9,586,858	98.6
Call Money	2,191,400		1,964,400	
Bills Sold	-		672,400	
Short-term Borrowings	802,530		1,577,820	
Commercial Paper	110,000		-	
Payables under Repurchase Agreements	96,738		114,420	
Collateral Money for Securities Lent	1,949,168		2,462,856	
Collateral Securities Deposited	1,634,700		2,328,082	
Securities Borrowed	349,644		302,380	
Securities Lent Opposite Account	4,525		8,825	
Other Current Liabilities	97,570		155,673	
II Non-current Liabilities	64,024	0.8	16,562	0.2
Long-term Borrowings	60,000		4,500	
Liabilities for Retirement and Severance Benefits	2,990		3,924	
Other Non-Current Liabilities	1,034		8,138	
Total Liabilities	7,300,303	98.3	9,603,421	98.8
Total Net Assets	122,876	1.7	118,961	1.2
Total Liabilities and Net Assets	7,423,179	100.0	9,722,382	100.0

Consolidated Statement of Income

	<i>Fiscal 2006</i> <i>Apr. 1, 2006-</i> <i>Mar. 31, 2007</i>		<i>Fiscal 2005</i> <i>Apr. 1, 2005-</i> <i>Mar. 31, 2006</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	43,523	100.0	37,226	100.0
Interest on Loans	15,229		12,413	
Interest on Collateral Money for Securities Borrowed	4,409		1,226	
Fees on Lending Securities	12,718		13,777	
Other Operating Revenues	11,166		9,808	
Operating Expenses	24,922	57.3	19,142	51.4
Interest on Borrowing	10,914		1,489	
Interest on Commercial Paper	246		35	
Fees on Borrowing Securities	8,182		9,540	
Other Operating Expenses	5,579		8,076	
Operating Profit	18,601	42.7	18,083	48.6
General and Administrative Expenses	8,959	20.6	9,157	24.6
Operating Income	9,642	22.1	8,926	24.0
Non-operating Revenues	251	0.6	196	0.5
Non-operating Expenses	446	1.0	830	2.2
Recurring Income	9,447	21.7	8,293	22.3
Extraordinary Profit	585	1.3	33	0.1
Extraordinary Loss	1,399	3.2	140	0.4
Net Income before Income Taxes	8,633	19.8	8,186	22.0
Current Income Taxes	4,316	9.9	2,996	8.1
Deffered Income Taxes	160	0.4	237	0.6
Net Income	4,155	9.5	4,952	13.3

Consolidated Average Outstanding Balance of Loans

	Fiscal 2006 Apr. 1, 2006- Mar. 31, 2007		Fiscal 2005 Apr. 1, 2005- Mar. 31, 2006		Increase(Decrease)	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	1,444.3	64.2	1,637.6	59.3	△ 193.3	△ 11.8
Bond Financing	0.8	0.0	1.8	0.1	△ 1.0	△ 54.6
General Loans	78.5	3.5	44.6	1.6	33.9	76.2
(Including Loans for Negotiable Margin Transaction)	(33.7)	(1.5)	(2.5)	(0.1)	(31.2)	(1,219.3)
Sales under Repurchase Agreements	8.9	0.4	53.8	2.0	△ 44.9	△ 83.4
Trust Bank Loans	711.9	31.6	1,016.4	36.8	△ 304.5	△ 30.0
Other Loans	7.3	0.3	5.5	0.2	1.7	30.9
Total	2,251.9	100.0	2,760.0	100.0	△ 508.1	△ 18.4
Securities Lent for Margin Transaction	723.8	—	651.0	—	72.7	11.2

Business Information for Consolidated Operating Revenues

	Fiscal 2006 Apr. 1, 2006- Mar. 31, 2007		Fiscal 2005 Apr. 1, 2005- Mar. 31, 2006		Increase(Decrease)	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	23,186	53.3	22,993	61.8	193	0.8
(Interest on Loans)	10,954	25.2	10,158	27.3	795	7.8
(Fees on Lending Securities)	10,224	23.5	11,226	30.2	△ 1,001	△ 8.9
Bond Financing and General Loans	1,254	2.9	864	2.3	389	45.0
Securities Lending	5,093	11.7	2,699	7.3	2,393	88.6
(Stocks)	1,441	3.3	1,465	4.0	△ 23	△ 1.6
(Bonds)	3,651	8.4	1,234	3.3	2,416	195.8
Trust Banking	6,981	16.0	4,286	11.5	2,694	62.9
(Interest on Loans)	2,964	6.8	1,382	3.7	1,581	114.4
(Trust Charges)	177	0.4	161	0.4	16	10.2
Real Estate Leasing	1,014	2.3	871	2.3	142	16.4
Other Business	5,993	13.8	5,510	14.8	483	8.8
(Including Information Processing Business)	610	1.4	2,992	8.0	△ 2,381	△ 79.6
Total	43,523	100.0	37,226	100.0	6,297	16.9