

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Third Quarter ended December 31, 2007

Name : Japan Securities Finance Co.,Ltd.

Listing : First Section, Tokyo Stock Exchange

Stock code number : 8511

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(Millions of yen, rounded down to nearest million)

1.Consolidated Financial Results for the Third Quarter of Fiscal 2007(April 1,2007-December31,2007)

(1)Consolidated Results of Operations

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

	Operating Revenues		Operating Income		Recurring Income		Net Income	
	(millions of Yen)	(% change)	(millions of Yen)	(% change)	(millions of Yen)	(% change)	(millions of Yen)	(% change)
Third Quarter of Fiscal 2007	38,512	23.1	7,570	1.7	8,392	15.9	4,909	59.9
Third Quarter of Fiscal 2006	31,277	13.5	7,445	32.1	7,243	46.5	3,070	10.7
Fiscal 2006	43,523	—	9,642	—	9,447	—	4,155	—

	Net Income per Share (Yen)	Net Income per Share (Yen) (fully diluted)
Third Quarter of Fiscal 2007	49.66	—
Third Quarter of Fiscal 2006	31.10	—
Fiscal 2006	42.09	—

(2)Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)	Equity per Share (Yen)
As of Dec.31, 2007	5,195,229	122,370	2.9	1,237.65
As of Dec.31, 2006	6,086,429	121,155	2.6	1,227.16
Fiscal 2006	7,423,179	122,876	2.3	1,244.62

Note: Equity Ratio = Equity capital / Liabilities(*) & Net assets × 100

(* Excluding Collateral money for securities lent, Securities borrowed, etc.)

(3)Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of 3Q
Third Quarter of Fiscal 2007	11,867	△6,602	△2,687	7,434
Third Quarter of Fiscal 2006	7,615	△743	△2,591	7,992
Fiscal 2006	4,503	△762	△2,594	4,857

2.Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Annual (Yen)
Fiscal 2006	12.00	14.00	26.00
Fiscal 2007	13.00	/	26.00
Fiscal 2007 (Forecast)	/		

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

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

	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)	
Full-year	50,000	14.9	8,000	△17.0	8,500	△ 10.0	4,800	15.5	48.55

4. Others

(1)Changes in the scope of important consolidation for by the equity method (yes/no):No

(2)Adoption of simplified methods in accounting practices(yes/no):Yes

(Details) Basis for the calculation of corporation tax,etc.:

Calculated by multiplying quarterly income before tax,etc.,by the estimated effective consolidated tax rate at the end of the fiscal years.

(3)Any differences between the accounting practices used here and those used in preparing consolidated accounts for the previous business year(yes/no):No

Consolidated Balance Sheets

[Assets]	Third Quarter Dec.31,2006		Third Quarter Dec.31,2007		Fiscal 2006 Mar.31,2007	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Assets	5,646,116	92.8	4,821,401	92.8	7,001,258	94.3
Cash	7,992		7,434		4,857	
Call Loans	18,000		8,000		130,200	
Short-term Investments	1,350,277		1,238,422		898,761	
Short-term Loans Receivable	1,805,591		1,311,377		2,028,633	
Securities Lent	722,791		519,932		713,295	
Securities in Custody	130,610		26,732		161,317	
Securities in Deposit	580,266		401,381		1,114,258	
Deferred Tax Assets	486		325		696	
Collateral Money for Securities Borrowed	1,027,573		1,155,275		1,919,194	
Other Current Assets	3,009		153,179		30,777	
Allowance for Doubtful Receivables	△ 482		△ 659		△ 734	
II Non-current Assets	440,312	7.2	373,827	7.2	421,921	5.7
Tangible Non-current Assets	7,276		7,189		7,215	
Intangible Non-current Assets	3,060		2,418		2,796	
Investments, etc.	430,011		364,250		411,944	
Allowance for Doubtful Receivables	△ 36		△ 30		△ 34	
Total Assets	6,086,429	100.0	5,195,229	100.0	7,423,179	100.0

【Liabilities and Stockholders' Equity】	Third Quarter Dec.31,2006		Third Quarter Dec.31,2007		Fiscal 2006 Mar.31,2007	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Liabilities	5,944,358	97.7	5,017,706	96.6	7,236,278	97.5
Call Money	1,988,300		2,283,900		2,191,400	
Short-term Borrowings	852,280		620,760		802,530	
Commercial Paper	5,000		54,000		110,000	
Payables under Repurchase Agreements	155,154		—		96,738	
Collateral Money for Securities Lent	1,442,048		989,203		1,949,168	
Collateral Securities Deposited	1,081,960		743,505		1,634,700	
Securities Borrowed	348,015		198,573		349,644	
Securities Lent Opposite Account	3,692		5,967		4,525	
Other Current Liabilities	67,907		121,796		97,570	
II Non-current Liabilities	20,915	0.3	55,151	1.0	64,024	0.8
Long-term Borrowings	16,500		51,000		60,000	
Liabilities for Retirement and Severance Benefits	2,982		2,764		2,990	
Other Non-Current Liabilities	1,432		1,387		1,034	
Total Liabilities	5,965,273	98.0	5,072,858	97.6	7,300,303	98.3
Total Net Assets	121,155	2.0	122,370	2.4	122,876	1.7
Total Liabilities and Net Assets	6,086,429	100.0	5,195,229	100.0	7,423,179	100.0

Consolidated Statement of Income

	Third Quarter Apr.1,2006- Dec.31,2006		Third Quarter Apr.1,2007- Dec.31,2007		Fiscal 2006 Apr.1,2006- Mar.31,2007	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	31,277	100.0	38,512	100.0	43,523	100.0
Interest on Loans	11,430		13,191		15,229	
Interest on Collateral Money for Securities Borrowed	2,510		6,293		4,409	
Fees on Lending Securities	9,055		8,391		12,718	
Other Operating Revenues	8,280		10,635		11,166	
Operating Expenses	17,204	55.0	24,462	63.5	24,922	57.3
Interest on Borrowing	7,174		15,642		10,914	
Interest on Commercial Paper	131		493		246	
Fees on Borrowing Securities	5,523		5,723		8,182	
Other Operating Expenses	4,374		2,602		5,579	
Operating Profit	14,073	45.0	14,050	36.5	18,601	42.7
General and Administrative Expenses	6,628	21.2	6,480	16.8	8,959	20.6
Operating Income	7,445	23.8	7,570	19.7	9,642	22.1
Non-operating Income	220	0.7	828	2.1	251	0.6
Non-operating Expenses	421	1.3	6	0.0	446	1.0
Recurring Income	7,243	23.2	8,392	21.8	9,447	21.7
Extraordinary Profit	836	2.6	1,199	3.1	585	1.3
Extraordinary Loss	1,379	4.4	973	2.5	1,399	3.2
Net Income before Income Taxes	6,700	21.4	8,618	22.4	8,633	19.8
Current Income Taxes	3,111	9.9	2,918	7.6	4,316	9.9
Deferred Income Taxes	518	1.7	789	2.1	160	0.4
Net Income	3,070	9.8	4,909	12.7	4,155	9.5

Consolidated Average Outstanding Balance of Loans

	Third Quarter Apr.1,2006 - Dec.31,2006		Third Quarter Apr.1,2007 - Dec.31,2007		Fiscal 2006 Apr.1,2006 - Mar.31,2007	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	1,501.4	63.3	1,038.2	64.5	1,444.3	64.2
Bond Financing & General Loans	78.6	3.3	79.6	4.9	79.4	3.5
Loans for Negotiable Margin Transactions	31.8	1.3	36.9	2.3	33.7	1.5
Sales under Repurchase Agreements	6.1	0.3	57.8	3.6	8.9	0.4
Trust Bank Loans	777.2	32.8	427.2	26.5	711.9	31.6
Other Loans	7.2	0.3	7.5	0.5	7.3	0.3
Total	2,370.7	100.0	1,610.4	100.0	2,251.9	100.0
Securities Lent for Loans for Margin Transactions	706.8	—	638.2	—	723.8	—

Business Information for Consolidated Operating Revenues

	Third Quarter Apr.1,2006 - Dec.31,2006		Third Quarter Apr.1,2007 - Dec.31,2007		Fiscal 2006 Apr.1,2006 - Mar.31,2007	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	16,212	51.8	17,826	46.3	23,186	53.3
(Interest on Loans)	8,072	25.8	8,984	23.3	10,954	25.2
(Fees on Lending Securities)	6,923	22.1	7,240	18.8	10,224	23.5
Bond Financing and General Loans	916	2.9	1,087	2.8	1,254	2.9
Securities Lending	3,654	11.7	5,265	13.7	5,093	11.7
(Stocks)	1,213	3.9	702	1.8	1,441	3.3
(Bonds)	2,441	7.8	4,563	11.9	3,651	8.4
Trust Banking	5,069	16.2	7,982	20.7	6,981	16.0
(Interest on Loans)	2,402	7.7	2,791	7.2	2,964	6.8
(Trust Charges)	133	0.4	149	0.4	177	0.4
Real Estate Leasing	732	2.4	836	2.2	1,014	2.3
Other Business	4,691	15.0	5,514	14.3	5,993	13.8
(Including Information Processing Business)	(610)	(2.0)	(—)	(—)	(610)	(1.4)
Total	31,277	100.0	38,512	100.0	43,523	100.0