

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for Fiscal 2007

Name : JAPAN SECURITIES FINANCE CO., LTD.

Listing : 1st Section, Tokyo Stock Exchange

Stock code number : 8511

Address : 1-2-10, Nihonbashi Kayaba-cho, Chuo-ku, Tokyo Japan, 103-0025

Phone : +81-3-3666-3184

1. Consolidated Financial Results for Fiscal 2007 (April 1,2007-March 31,2008)

(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 or Loss(△)	
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)
Fiscal 2007	50,582	16.2	2,345	△75.7	2,852	△69.8	△1,300	—
Fiscal 2006	43,523	16.9	9,642	8.0	9,447	13.9	4,155	△16.1

	Net Income or Less(△) per Share	Net Income per Share	Return on Equity	Recurring Income /Total Assets	Operating Income /Operating Revenues
	EPS (Yen)	(Yen) (fully diluted)	ROE (%)	ROA (%)	(%)
Fiscal 2007	△13.15	—	△1.1	0.1	4.6
Fiscal 2006	42.09	—	3.4	0.2	22.2

Reference: Gain/loss on investments based on equity method: ¥255million (Fiscal 2006: ¥△431million)

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2007	5,093,837	111,303	2.5	1,125.72
Fiscal 2006	7,423,179	122,876	2.3	1,244.62

Reference: Shareholders Equity:¥111,303million (Fiscal 2006: ¥122,876million)

(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 Year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2007	4,417	△1,958	△2,688	4,628
Fiscal 2006	4,503	△762	△2,594	4,857

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 2006	12.00	14.00	26.00	2,583	38.1	61.8	2.1
Fiscal 2007	13.00	13.00	26.00	2,583	52.3	—	2.2
Fiscal 2008 (Forecast)	10.00	10.00	20.00		82.9	94.8	

3. Consolidated Forecast for fiscal 2008(April 1,2008—March 31,2009)

(% change from previous year)

	Operating Revenues		Operating Income		Recurring Income		Net Income		Net Income per Share EPS (Yen)
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	
Interim	21,000	△21.0	1,300	△75.8	1,600	△74.6	1,000	△75.5	10.51
Full-year	41,000	△18.9	2,600	10.9	3,400	19.2	2,000	—	21.09

4. Others

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

(2) Changes in accounting method

①Changes in accounting method such as accounting standards: Applicable

②Others: Not applicable

(3) Number of shares

①Number of shares outstanding (Including treasury stock)

as of Mar.31, 2008 : 99,704,000 (Fiscal 2006: 99,704,000)

②Number of Treasury stock shares

as of Mar.31, 2008 :831,013 (Fiscal 2006: 977,940)

Consolidated Balance Sheets

【Assets】	Fiscal 2007 Mar.31,2008		Fiscal 2006 Mar.31,2007	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Assets	4,742,801	93.1	7,001,258	94.3
Cash	4,628		4,857	
Call Loans	24,000		130,200	
Short-term Investments	1,980,835		898,761	
Short-term Loans Receivable	1,131,385		2,028,633	
Securities Lent	431,516		713,295	
Securities in Custody	8,750		161,317	
Securities in Deposit	256,731		1,114,258	
Deferred Tax Assets	300		696	
Collateral Money for Securities Borrowed	900,506		1,919,194	
Other Current Assets	4,984		30,777	
Allowance for Doubtful Receivables	△ 838		△ 734	
II Non-current Assets	351,036	6.9	421,921	5.7
Tangible Non-current Assets	7,111		7,215	
Intangible Non-current Assets	2,545		2,796	
Investments, etc.	341,422		411,944	
Allowance for Doubtful Receivables	△ 42		△ 34	
Total Assets	5,093,837	100.0	7,423,179	100.0

【Liabilities and Net Assets】	Fiscal 2007 Mar.31,2008		Fiscal 2006 Mar.31,2007	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Liabilities	4,927,488	96.7	7,236,278	97.5
Call Money	1,857,600		2,191,400	
Short-term Borrowings	894,910		802,530	
Commercial Paper	68,000		110,000	
Payables under Repurchase Agreements	341,942		96,738	
Collateral Money for Securities Lent	1,029,100		1,949,168	
Collateral Securities Deposited	508,587		1,634,700	
Securities Borrowed	184,262		349,644	
Securities Lent Opposite Account	4,149		4,525	
Other Current Liabilities	38,935		97,570	
II Non-current Liabilities	55,045	1.1	64,024	0.8
Long-term Borrowings	51,000		60,000	
Liabilities for Retirement and Severance Benefits	2,756		2,990	
Other Non-Current Liabilities	1,289		1,034	
Total Liabilities	4,982,534	97.8	7,300,303	98.3
Total Net Assets	111,303	2.2	122,876	1.7
Total Liabilities and Net Assets	5,093,837	100.0	7,423,179	100.0

Consolidated Statement of Income

	<i>Fiscal 2007</i> <i>Apr. 1, 2007-</i> <i>Mar. 31, 2008</i>		<i>Fiscal 2006</i> <i>Apr. 1, 2006-</i> <i>Mar. 31, 2007</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	50,582	100.0	43,523	100.0
Interest on Loans	16,217		15,229	
Interest on Collateral Money for Securities Borrowed	7,797		4,409	
Fees on Lending Securities	11,758		12,718	
Other Operating Revenues	14,808		11,166	
Operating Expenses	39,437	78.0	24,922	57.3
Interest on Borrowing	20,365		10,914	
Interest on Commercial Paper	579		246	
Fees on Borrowing Securities	8,473		8,182	
Other Operating Expenses	10,018		5,579	
Operating Profit	11,144	22.0	18,601	42.7
General and Administrative Expenses	8,799	17.4	8,959	20.6
Operating Income	2,345	4.6	9,642	22.1
Non-operating Revenues	520	1.0	251	0.6
Non-operating Expenses	13	0.0	446	1.0
Recurring Income	2,852	5.6	9,447	21.7
Extraordinary Profit	1,037	2.1	585	1.3
Extraordinary Loss	986	2.0	1,399	3.2
Net Income before Income Taxes	2,903	5.7	8,633	19.8
Current Income Taxes	3,322	6.6	4,316	9.9
Deffered Income Taxes	881	1.7	160	0.4
Net Income	△ 1,300	△ 2.6	4,155	9.5

Consolidated Average Outstanding Balance of Loans

	Fiscal 2007 Apr.1,2007- Mar.31,2008		Fiscal 2006 Apr.1,2006- Mar.31,2007		Increase(Decrease)	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	917.2	61.2	1,444.3	64.2	△527.1	△36.5
Bond Financing and General Loans	76.9	5.1	79.4	3.5	△2.4	△3.1
(Including Loans for Negotiable Margin Transactions)	(34.3)	(2.3)	(33.7)	(1.5)	(0.6)	1.8
Sales under Repurchase Agreements	48.3	3.2	8.9	0.4	39.4	442.3
Trust Bank Loans	448.9	30.0	711.9	31.6	△262.9	△36.9
Other Loans	7.5	0.5	7.3	0.3	0.1	2.7
Total	1,498.9	100.0	2,251.9	100.0	△752.9	△33.4
Securities Lent for Margin Transactions	591.0	—	723.8	—	△132.8	△18.3

Business Information for Consolidated Operating Revenues

	Fiscal 2007 Apr.1,2007- Mar.31,2008		Fiscal 2006 Apr.1,2006- Mar.31,2007		Increase(Decrease)	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	23,156	45.8	23,186	53.3	△30	△0.1
(Interest on Loans)	10,581	20.9	10,954	25.2	△372	3.4
(Fees on Lending Securities)	10,383	20.5	10,224	23.5	158	1.6
Bond Financing and General Loans	1,428	2.8	1,254	2.9	174	13.9
Securities Lending	6,297	12.5	5,093	11.7	1,204	23.6
(Stocks)	848	1.7	1,441	3.3	△592	△41.1
(Bonds)	5,448	10.8	3,651	8.4	1,797	49.2
Trust Banking	10,844	21.4	6,981	16.0	3,862	55.3
(Interest on Loans)	3,833	7.6	2,964	6.8	869	29.3
(Trust Charges)	198	0.4	177	0.4	20	11.5
Real Estate Leasing	1,118	2.2	1,014	2.3	104	10.3
Other Business	7,736	15.3	5,993	13.8	1,742	29.1
(Including Information Processing Business)	—	—	610	1.4	△610	△100.0
Total	50,582	100.0	43,523	100.0	7,058	16.2