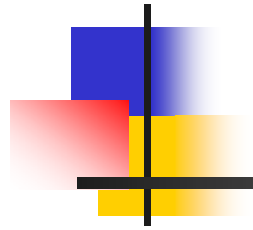




Financial Presentation for FY2007

Japan Securities Finance Co.,Ltd

This document is the English translation for non-Japanese investors convenience. Although Japan Securities Finance intend to faithfully translate the Japanese documents into English, the accuracy and correctness of translation are not guaranteed, so you are kindly encouraged to refer to the original Japanese documents.



Financial Presentation

Financial Summary for Mar2008

Y mil

	Parent			Consolidated		
	Mar2008	Mar2007	Change	Mar2008	Mar2007	Change
Operating Revenues	38,989	35,010	+3,979 (+11.4%)	50,582	43,523	+7,058 (+16.2%)
EX Premium Charges	31,126	27,842	+3,284 (+11.8%)	42,719	36,355	+6,363 (+17.5%)
Operating Profit	7,614	9,084	▲1,470 (▲16.2%)	2,345	9,642	▲7,296 (▲75.7%)
Recurring Income	8,071	9,951	▲1,880 (▲18.9%)	2,852	9,447	▲6,595 (▲69.8%)
Net Income	4,938	6,785	▲1,846 (▲27.2%)	▲1,300	4,155	▲5,456 (▲131.3%)

Operating Revenues by Each Business

	Ymil	
	Mar07	Mar08
Margin Loan Business	23,186	23,156
	(53.3%)	(45.8%)
Interest on Loans	10,954	10,581
Interest on collateral money of securities procured	1,345	1,683
Fees on Lending Securities	10,224	10,383
Premium Charges	7,168	7,862
Lending Fees	3,056	2,520
Bond Financing and General Loans Business	1,254	1,428
	(2.9%)	(2.8%)
Bond financing & General Loans	938	1,016
Loans for Negotiable Margin Transactions	315	412
Securities Lending Business	5,093	6,297
	(11.7%)	(12.5%)
General Stock Lending	1,441	848
Bond Lending	3,651	5,448
Trust Business	6,981	10,844
	(16.0%)	(21.4%)
Interest on Loans	2,964	3,833
Trust Charges	177	198
Bond Trading	3,095	5,317
Real Estate Management Business	1,014	1,118
	(2.3%)	(2.2%)
Others	5,993	7,736
	(13.8%)	(15.3%)
Bond Trading (Parent only)	5,038	6,767
Operating Revenues	43,523	50,582
(exclude Premium Charges)	36,355	42,719

【Margin Loan】

- As a result of weak standardized margin buying transactions, margin loan balance decreased and Interest on loans decreased slightly, while the hike of loan rate.

【Bond Financing and General Loans】

- Loans for negotiable margin transactions and Loans to individuals or corporations extended well.

【Securities Lending】

- Stock lending was sluggish as stock borrowing demands declined.
- Bond lending business extended because lending rate was hiked.

【Trust Bank】

- Interest on loans increased because of the hike of loan rate.
- Coupon income of JGB increased.

【Others】

- Increased because of the rise of JGB coupon

Financial Highlights for Mar08

1 Margin Loan Balance decreased, while profit margin was expanded.

- Avg. Margin Loan Balance for FY07:Y917bn(▲Y527bn, YoY)
Avg. Stock Loan Balance for FY07 :Y591bn(▲Y132bn, YoY)
- Margin Loan Rate : Mar08 1.11% → Mar07 1.02%

2 Impairment of Securities by JSF Trust Bank

Impairment of ▲Y6,587mil for CDO, Equity and REIT

3 Improvement of Gain/Loss in Equity Method

Equity Method Companies' performance improved

Mar08: Gain in Equity Method +Y255mil Mar07: Loss in Equity Method ▲Y431mil

4 Special Factors

Net Wing Securities was excluded from Equity-method

Extra-ordinary gain 1,037mil

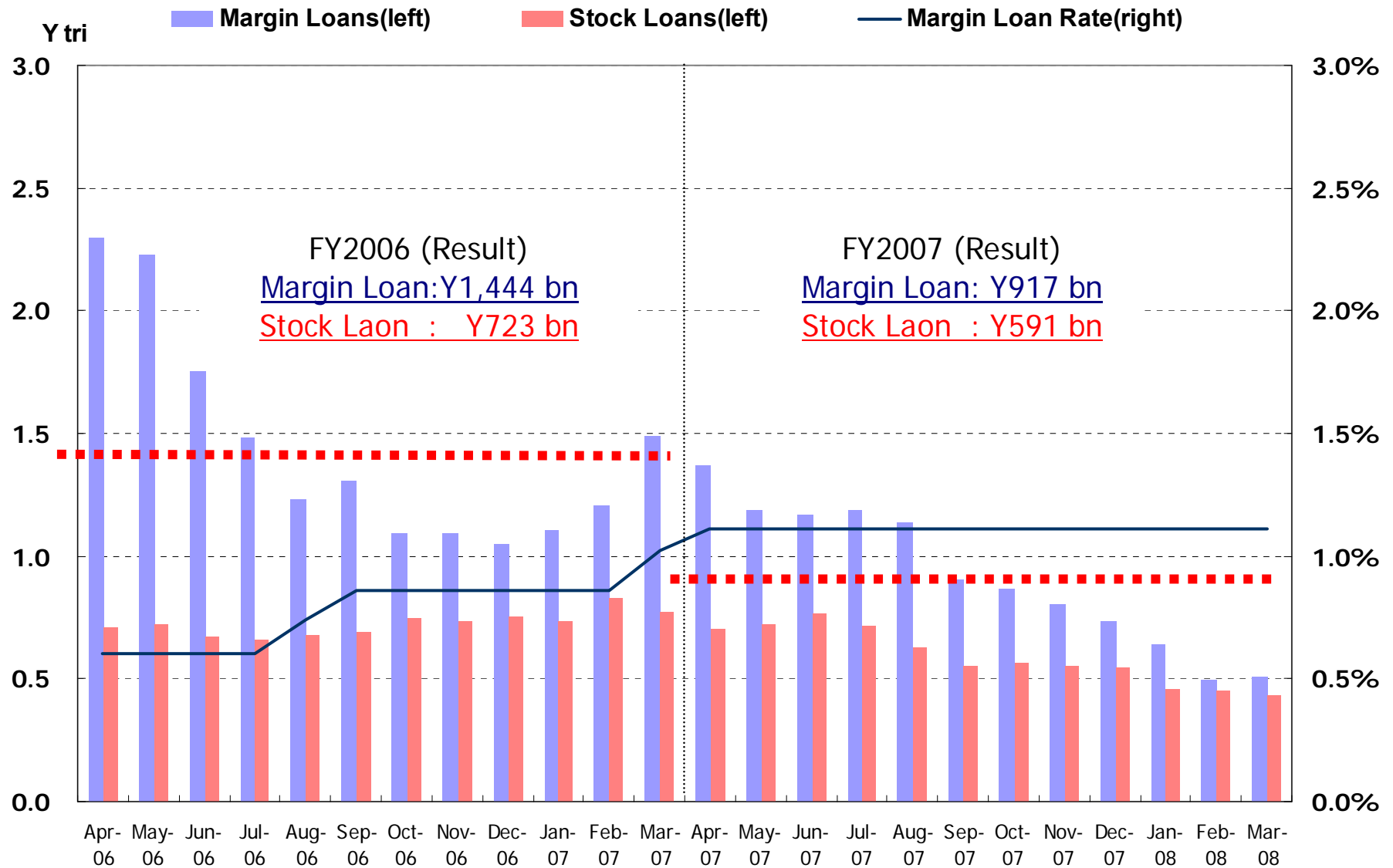
“Gain by transfer of equity interests of affiliated company”

Extra-ordinary loss ▲Y965mil

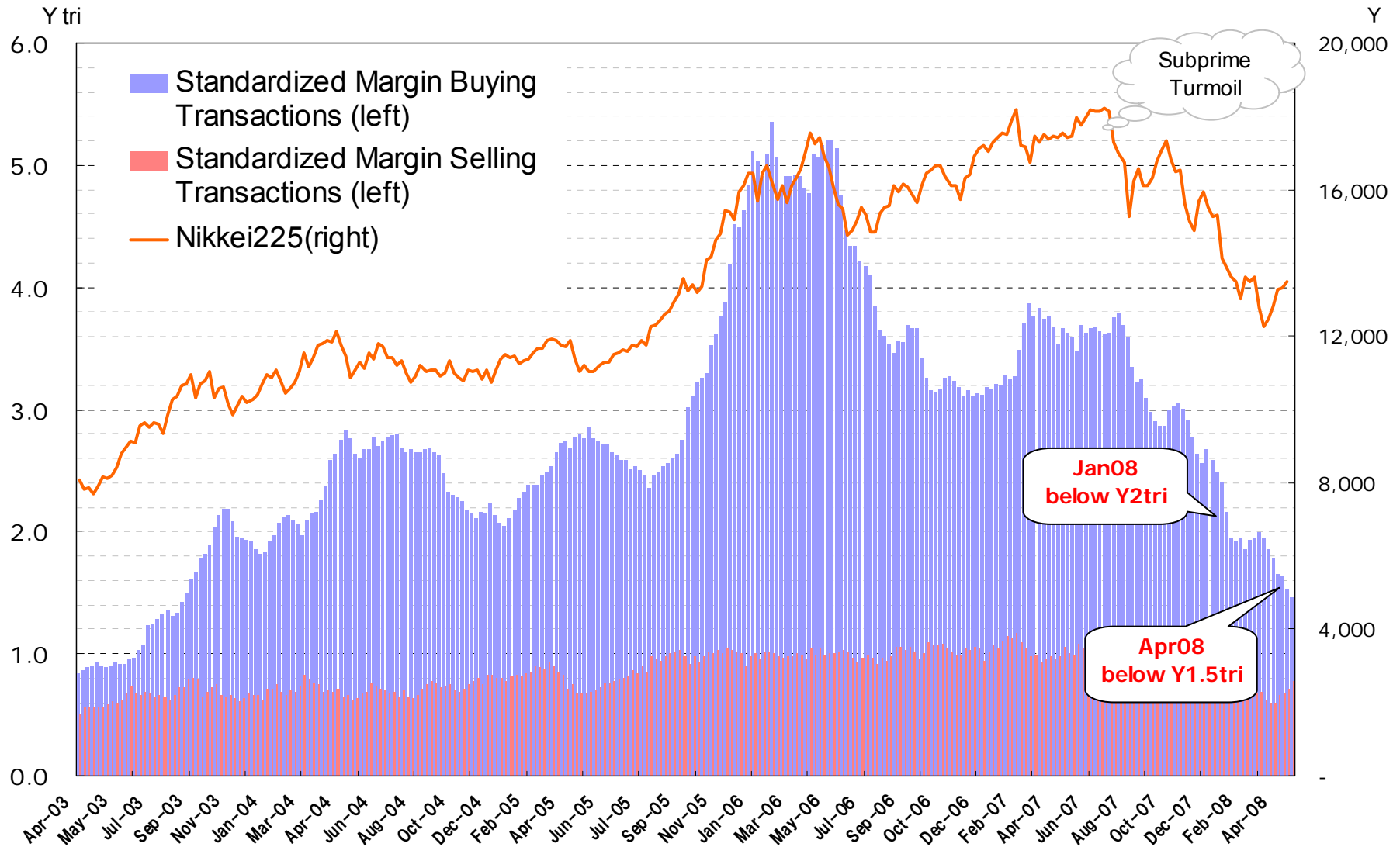
”Dilution loss from changes in equity interest”

		Mar08	Mar07
		Y mil	Y mil
Gain on sale of equity	Parent	-	306
Dividends, etc	Parent	376	789
Reversal of allowance for doubtful receivables	Parent	110	790
	Con	-	576
Gain by transfer of equity interests	Con	1,037	-
Dilution loss in equity interest	Con	-965	-1,276

Avg. Balance of Margin Loans and Stock Loans



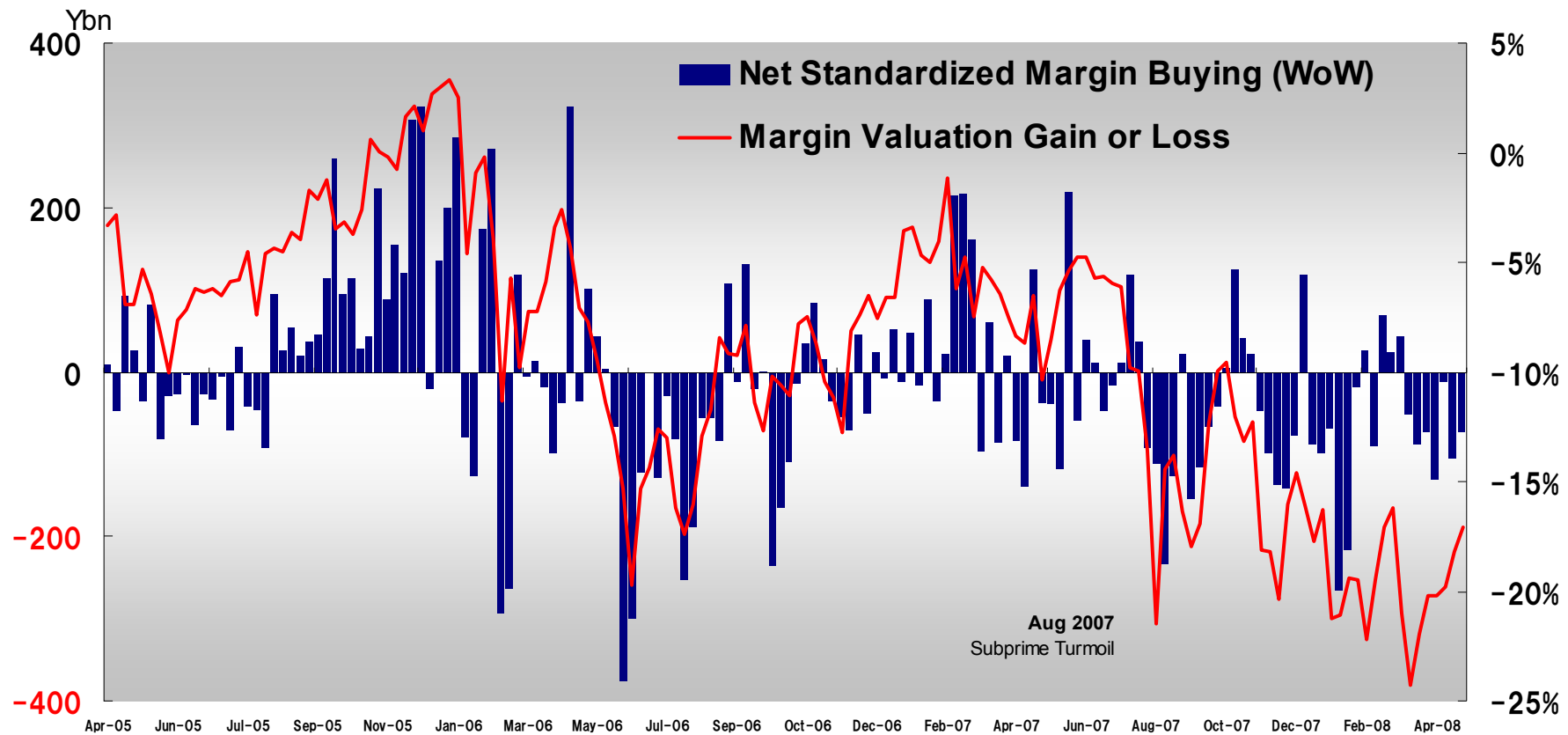
Outstanding Balance of Standardized Margin Transactions (TSE+JDQ)



Margin Valuation Gain or Loss

- ◆ Expansion of Margin Valuation Loss → Individual Investors are in wait-and-see stance
- ◆ Downside Risk of Stock Market → Retreat of Investment Mind

Improvement of Margin Valuation Loss by stock price upward, retreat of downside risk → Expect to proceed to new buying phase



Financial Results of JSF Trust Bank

Financial Results Mar08

Y mil

	Mar08	Mar07	change
Recurring Revenues	11,206	7,125	+4,080
Recurring Income	▲5,965	120	▲6,086
Net Income	▲6,254	69	▲6,323
Equity Ratio	9.80%	13.22%	

- ◆ Raised loan rate, following the hike of market rates
- ◆ Impairment for ▲Y6,587mil, because the offered price of securitization products and the market price of equities fell
- ◆ Withdraw of deferred tax assets

Impairment of Securities at JSF Trust Bank

◆ Impairment of Securities Holdings with Banking Account

- The price of CDOs which is offered by a sales broker has fallen sharply by reflecting the world wide credit squeeze, JSF Trust & Bank decided to book the impairment of ▲Y6bn for the 3 issues of CDOs.
- Also booked the impairment for Equities and REIT.

● Securities Holdings

Ymil

	Mar-07	Mar-08	change	Notes
JGB	545,365	520,221	-25,143	
less than 1Y	471,291	482,789	11,498	
over 1Y	74,074	37,432	-36,642	
Short-term Bond	65,930	0	-65,930	
Corporate Bond	7,706	33,387	25,681	
Equity	4	1,973	1,969	Impairment:Y65mil
Other Securities	130	36,124	35,994	
Foreign Securities	0	24,058	24,058	Euroyen bonds
Investment Fund	0	1,965	1,965	Impairment:Y518mil
CDO	0	9,972	9,972	Impairment:Y6,003mil
others	130	126	-3	
Total	619,137	591,706	-27,430	

● CDOs

as of the end of Mar-08

Ymil

Issue	Principal	Rating	Maturity	Imparment
Self Managed CDO Credit-Linked Note	4,000	AAA	2014/9/25	-1,888
Self Managed CDO Credit-Linked Note	4,000	AA	2014/9/25	-2,022
Self Managed CDO Credit-Linked Note	4,000	A	2014/9/25	-2,092
Synthetic Portfolio Note	4,000	AAA	2017/6/20	—
Total	16,000			-6,003

*CDOs don't underlie subprime loan

Business Organization of JSF Trust Bank

source: JSF Trust Bank Disclosure2007

Trustee Department

Expand trust estate of “customers' segregated money trust” or “securities trust” by strengthening business promotion, and introduce new trust products.

Business Development Department

Concentrate on indirect financing including syndicated credit, and pile up loan assets.
Strengthen examination skill and credit control.

Treasury Department

Corresponding Basel II regulation, realize advanced investment measures including new products and expand profit basis.

Promote stabilization and diversification of cash funding scheme.

Financial Instruments Department (established in Apr07)

Invest in various products and earn profits, corresponding to change in financial markets.

JBIS Holdings

Japan Information Processing
「IT Management Business」
Japan Securities Agents
「Business Process Outsourcing Business」



● Results of Management Integration

- > **Integration of securities operating business**
 - Combined to JIP's system (SIGMA21)
- > **Integration of Management Sources**
 - Sale of JIP's head office building to readjust head office function

Y mil

Mar08	Consolidated	Parent
Operating Revenues	47,668	934
Recurring Income	2,558	506
Net Income	1,878	477

Extra-ordinary Profit

Gain from the sale of fixed assets

Extra-ordinary Loss

Withdraw of negative goodwill

Retirement loss, Valuation loss and Impairment loss of software

System process cost

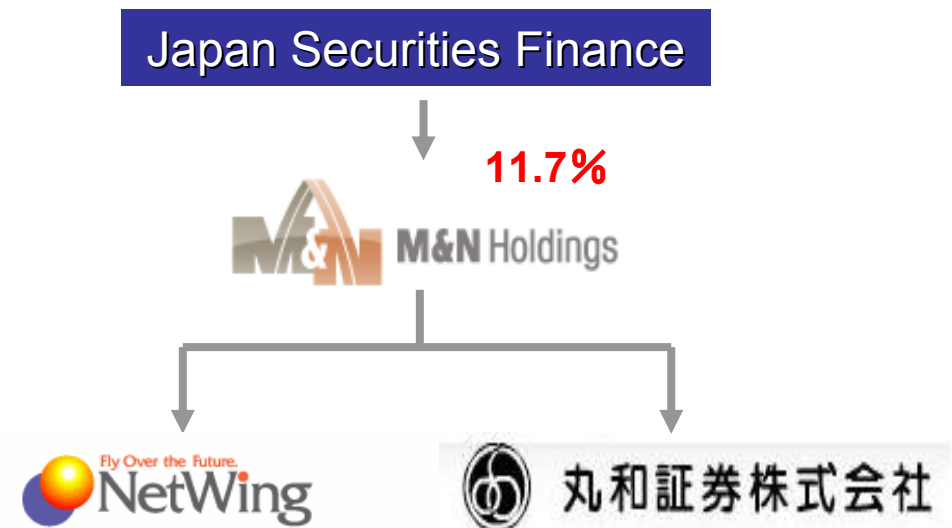
Valuation loss of investment securities

Business Integration of NetWing Securities and Maruwa Securities

October 1, 2007

Established M&N Holdings

- ◆ Net Wing Securities is out of equity-method company from 3Q.
(Shareholding ratio:25.3% →11.7%)
- ◆ “Gain by transfer of equity interests of affiliated company” : Y1,037mil
- ◆ “Dilution loss from changes in equity interest” : ▲Y965mil



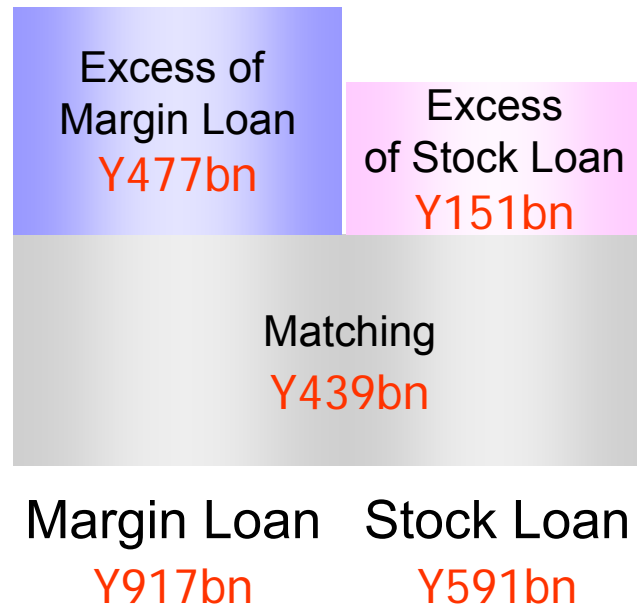
Forecast for Mar09

Y mil

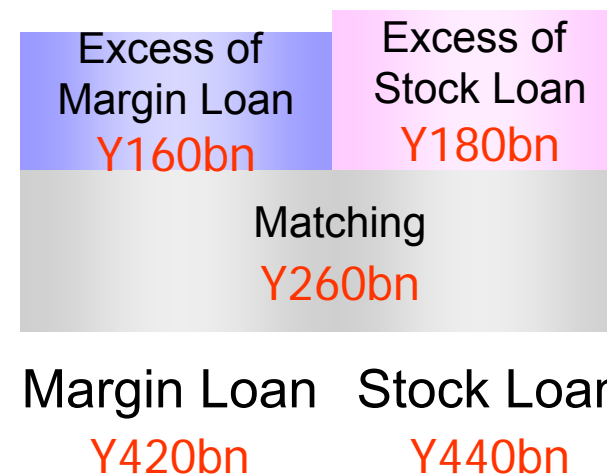
	Parent			Consolidated		
	Mar09	Mar08	change	Mar09	Mar08	change
Operating Revenues	31,000	38,989	▲7,989 (▲20.5%)	41,000	50,582	▲9,582 (▲18.9%)
Operating profit	2,300	7,614	▲5,314 (▲69.8%)	2,600	2,345	+254 (+10.9%)
Recurring Income	3,400	8,071	▲4,671 (▲57.9%)	3,400	2,852	+547 (+19.2%)
Net Income	2,300	4,938	▲2,638 (▲53.4%)	2,000	▲1,300	+3,300 (-)
EPS (Yen)	24.13	49.71		21.09	▲13.15	
Pre-conditions	Margin Loan balance : Y420bn Stock Loan balance : Y440bn					

Assumption Balance of Loans for Margin Transactions

FY2007 Results



FY2008 Assumption



Preconditions

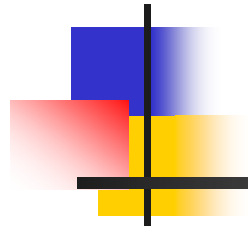
- Loan Rate: 1.11%
- Interest on Collateral Money: 0%
- Lending Fee: 0.40%

Forecast of Group Companies

Ymil

	Shareholding Ratio	Mar08 Results			Mar09 Forecast		
		Operating Revenues*	Recurring Income	Net Income	Operating Revenues*	Recurring Income	Net Income
Consolidated		50,582	2,852	▲ 1,300	41,000	3,400	2,000
JSF	-	38,989	8,071	4,938	31,000	3,400	2,300
JSF Trust Bank	100%	11,206	▲ 5,965	▲ 6,254	9,800	▲ 230	▲ 230
Nihon Building	100%	1,481	641	971	1,470	610	330
JBIS Holdings(Parent)	32.7%	934	506	477	1,000	490	450

* Figure of JSF Trust Bank is Recurring Revenues.



Management Matters

Administrative Order from the FSA

14Dec, 2007 Administrative Order from the Financial Services Agency

- **Unfair adjustment of stock procurement through bidding**

- **Business Improvement Order**

1. In light of the contents confirmed by the Securities and Exchange Surveillance Commission, inspect the basic reasons and strengthen its compliance and internal control system after clarifying where responsibility lies.
 - (1) Examine Internal Control system and Compliance system, and clarify where responsibility lies.
 - (2) Implement training or other measures to raise managements' and employees' awareness of protecting investors, to obey regulations established by the company and to operate its business fairly and adequately.
 - (3) Secure the effect of inspection function by drastic improvement or reinforcement of internal inspection department.
 - (4) Examine the room for the improvement to secure the fairness and adequacy in relation to the company's related regulations or business operations.
 - (5) Prepare for the after the fact verification regarding the trade records of the stock procurement thorough bidding operation.
 - (6) In light of the above, formulate and implement measures to prevent recurrence.
 - (7) Announce the improved actions.
2. Regarding 1. above, report the measures with writing by 13 Feb 2008, and report the enforcement and improvement every 2 months.

Measures to Business Improvement Order

Feb2008

- 
- ◆ **Business Improvement Report to the FSA**
 - **Preparation for Compliance system**
 - **Ensure the effectiveness of Internal Audit function**
 - **Fairness and adequacy of stock procurement operation**
 - **Preparation to record the stock procurement operation**

Dec2007

- ◆ **Administrative Order from the Financial Services Agency (Business Improvement Order)**

Jun2007

- ◆ **Inspection by the Securities and Exchange Surveillance Commission**

Mid-term Management Plan

Management Achievement (amended in May08)

➤ Achieve Recurring Income **Y3.4bn** in FY2008

Preconditions

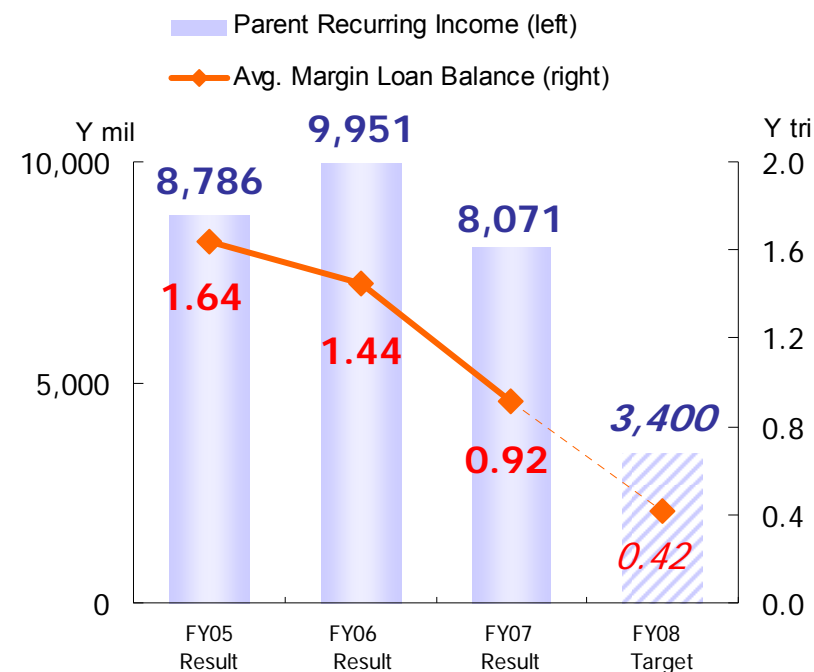
- ✓ Avg. Margin Loan Balance for Y420bn in FY2008
- ✓ Short-term interest rates keep its present level of 0.50%

Preconditions

	FY2007	MMP FY2008
Avg. Margin Loan Balance	Y917bn	Y420bn
Short-term Interest Rate	0.50%	0.50%

Business Strategy

1. Strengthen Margin Loan Business
2. Expand secured loan and stock loan through JSFNET
3. Boost Loans for Negotiable Margin Transactions and Loans to individuals through internet facility
4. Offer low-priced and good quality service by strengthening cash funding sources and effecting organization and business operation
5. Active action for Securities Settlement Systems Reform
6. Strengthen Corporate Governance and Risk Management, and Enhance Compliance Program
7. Review capital tie-up with group companies for synergy and unrestricted management



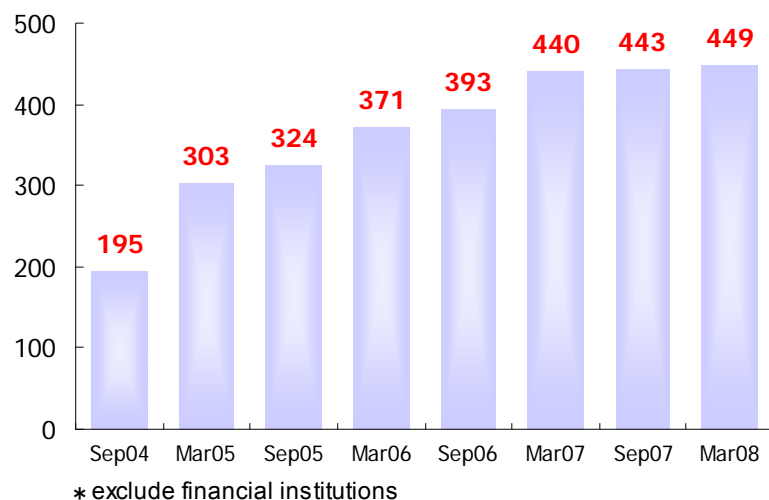
Increase the number of Loanable Issues

- ◆ Improve the convenience of Loans for Margin Transactions by increasing the number of loanable issues

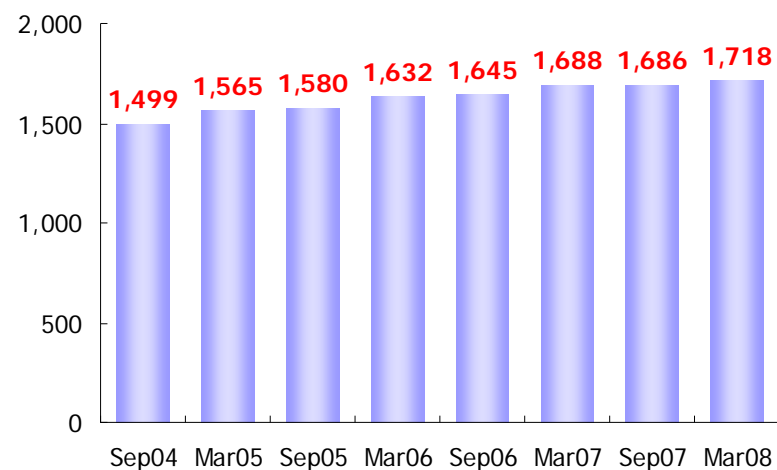
→ Increase the customers for borrowing stock certificates
(449 customers as of Mar08)

The number of Loanable Issues 1,718 (+30 from Mar07)

Customers for Stock Borrowing Agreement



Loanable Issues (TSE+JDQ)



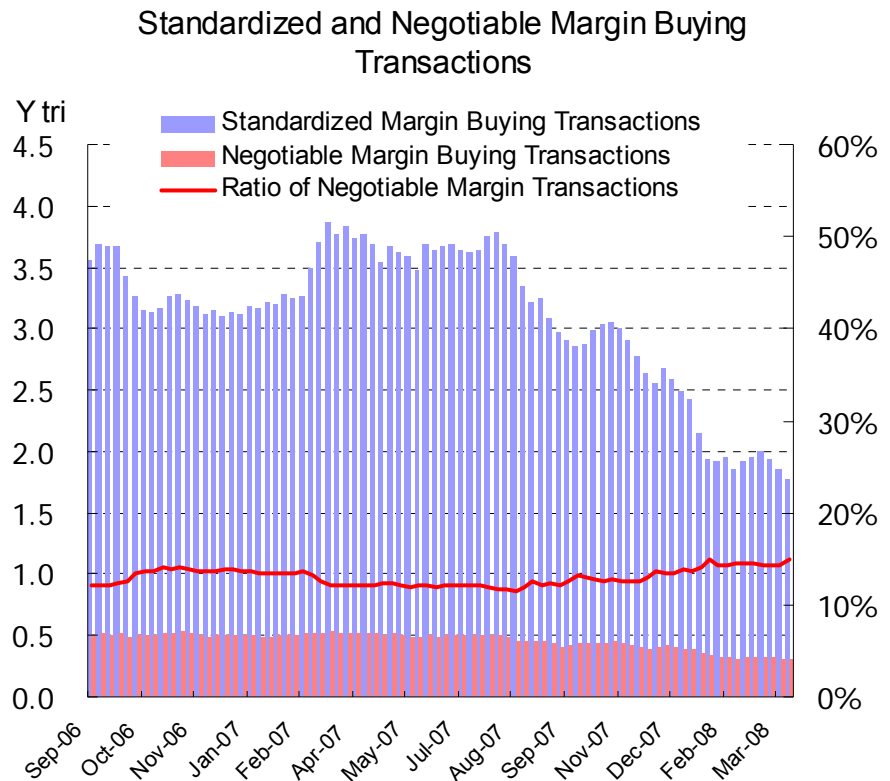
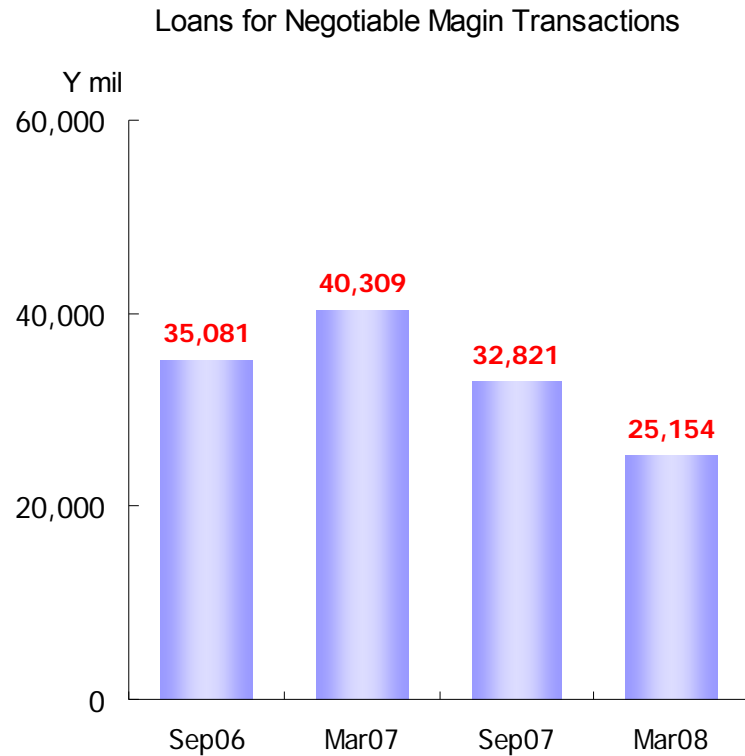
- ◆ Select foreign stocks to Loans for Margin Transactions

Loans for Negotiable Margin Transactions

- ◆ Loans for Negotiable Margin Transactions

Outstanding Loan Balance as of Mar08 : Y25bn

- ✓ Negotiable Margin Buying Balance are stagnant due to sluggish stock market



Expand Secured Loan

- ◆ Alliance for large amount secured loans on securities to customers
- ◆ Offer low rate loan on securities to customers who have safekeeping deposit in securities companies
- ◆ Effective funding for listed company owners to utilize company's own stocks

★ Alliance with Nomura Securities (announced on 27Apr07)

★ Alliance with Shinko Securities (announced on 23Jul07)

★ Alliance with Mitsubishi UFJ Securities (announced on 10Mar08)

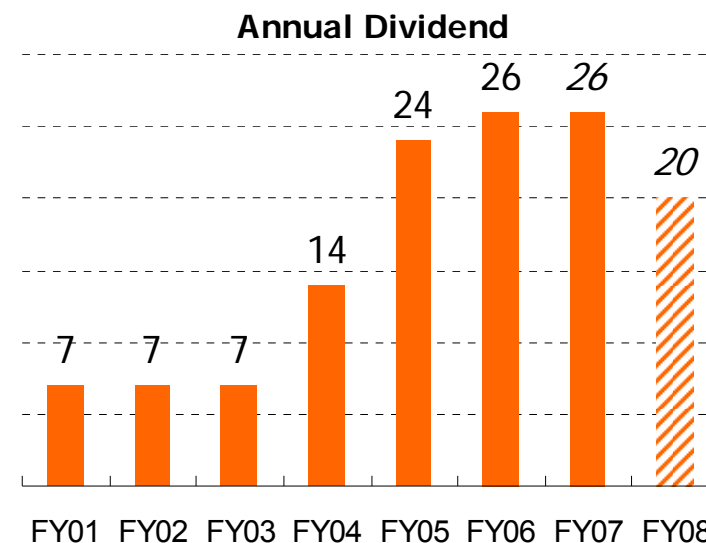
Dividend Policy

◆ Dividend Policy

Basically, Dividend Payout Ratio of about 40% on Parent Financial Results, and considering Consolidated DPR or Dividend on Equity (DOE) Ratio.

FY2007 : Annual Y26 (Interim Y13、year-end Y13)

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Annual Dividend per share	Y14	Y24	Y26	Y26	Y20
(year-end)	Y14	Y14	Y14	Y13	Y10
(interim)	—	Y10	Y12	Y13	Y10
Parent : DPR	41.8%	38.1%	38.1%	52.3%	82.9%
Consolidated : DPR	25.9%	49.0%	61.8%	-	94.8%
Consolidated : DOE	1.1%	1.9%	2.1%	2.2%	



Share Buyback Program

Resolution of share buyback program

(announced on 24 Mar 08)

- Reason: Flexible capital management
- Number of shares to be acquired: up to 5 million shs
- Ratio to total shares issued: 5.0%
- Total value to be acquired: ¥3bn
- Schedule: from 1 Apr 08 to 25 Jun 08

Result of share buyback program

(announced on 21 Apr 08)

- Total numbers of shares acquired: 4,312,800 shs
- Total value of acquisition: ¥2,999mil
- Total number of shares issued: 99,704,000 shs
- Treasury stocks held: 4,666,836 shs (4.6%)

Resolution of share buyback program

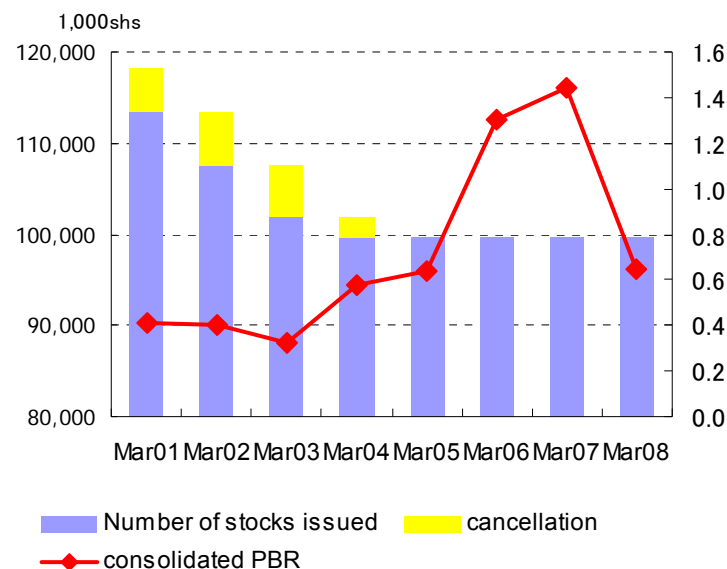
(announced on 13 May 08)

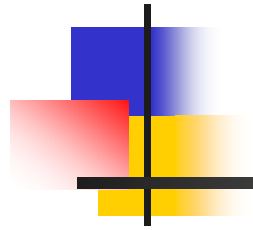
- Reason: Flexible capital management
- Number of shares to be acquired: up to 1 million shs
- Total value to be acquired: ¥1bn
- Schedule: from 14 May 08 to 25 Jun 08

Number of stocks issued and cancellation

Unit: 1,000 shs

	Number of stocks issued	cancellation
Mar01	113,474	4,800
Mar02	107,509	5,965
Mar03	101,810	5,699
Mar04	99,704	2,106
Mar05	99,704	0
Mar06	99,704	0
Mar07	99,704	0
Mar08	99,704	0





Appendix

Operating Revenues by Each Business

Ymil

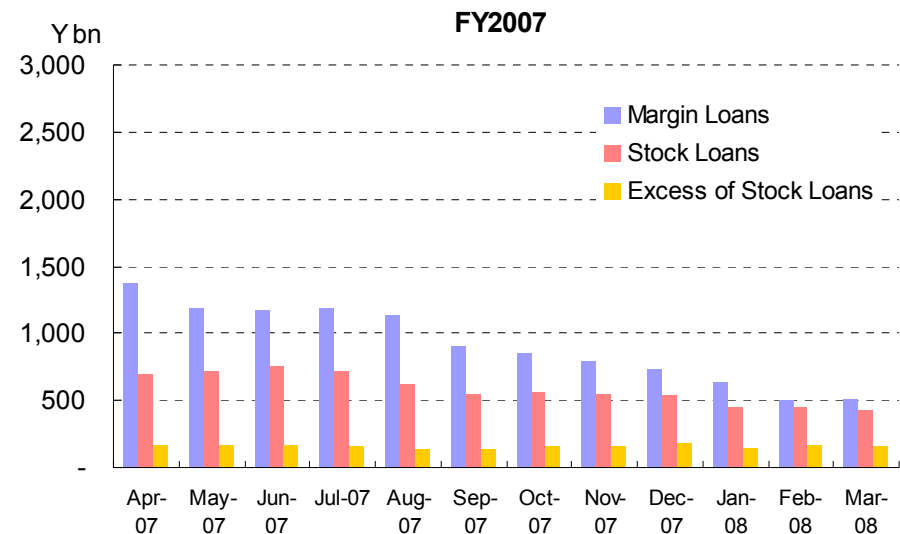
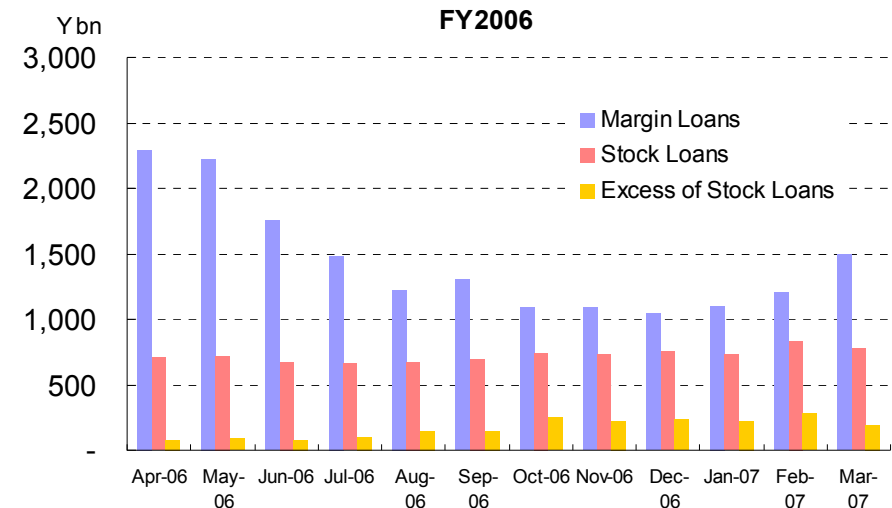
	Mar04	Mar05	Mar06	Mar07	Sep07	Mar08
Margin Loan Business	14,146	17,309	22,993	23,186	13,081	23,156
	(45.8%)	(47.9%)	(61.8%)	(53.3%)	(49.2%)	(45.8%)
Interest on Loans	4,060	6,794	10,158	10,954	6,652	10,581
Interest on collateral money of securities procured	1,238	889	892	1,345	814	1,683
Fees on Lending Securities	8,454	9,040	11,226	10,224	5,320	10,383
Premium Charges	6,322	6,773	8,468	7,168	3,874	7,862
Lending Fees	2,132	2,267	2,757	3,056	1,446	2,520
Bond Financing and General Loans Business	958	887	864	1,254	728	1,428
	(3.1%)	(2.5%)	(2.3%)	(2.9%)	(2.7%)	(2.8%)
Bond financing & General Loans	958	887	842	938	500	1,016
Loans for Negotiable Margin Transactions	-	-	22	315	227	412
Securities Lending Business	1,517	1,926	2,699	5,093	3,721	6,297
	(4.9%)	(5.3%)	(7.3%)	(11.7%)	(14.0%)	(12.5%)
General Stock Lending	725	1,015	1,465	1,441	483	848
Bond Lending	792	910	1,234	3,651	3,237	5,448
Trust Business	4,680	8,205	4,286	6,981	5,003	10,844
	(15.1%)	(22.7%)	(11.5%)	(16.0%)	(18.8%)	(21.4%)
Interest on Loans	1,078	1,067	1,382	2,964	1,667	3,833
Trust Charges	229	227	161	177	100	198
Bond Trading	2,880	6,424	2,210	3,095	2,498	5,317
Real Estate Management Business	962	938	871	1,014	559	1,118
	(3.1%)	(2.6%)	(2.3%)	(2.3%)	(2.1%)	(2.2%)
Others	5,244	3,910	2,517	5,993	3,504	7,736
	(17.0%)	(10.8%)	(6.8%)	(13.8%)	(13.2%)	(15.3%)
Bond Trading (Parent only)	4,868	3,738	2,328	5,038	3,074	6,767
Operating Revenues	30,896	36,145	37,226	43,523	26,597	50,582
(exclude Premium Charges)	24,574	29,372	28,757	36,355	22,722	42,719

Avg. & Outstanding Loan Balance

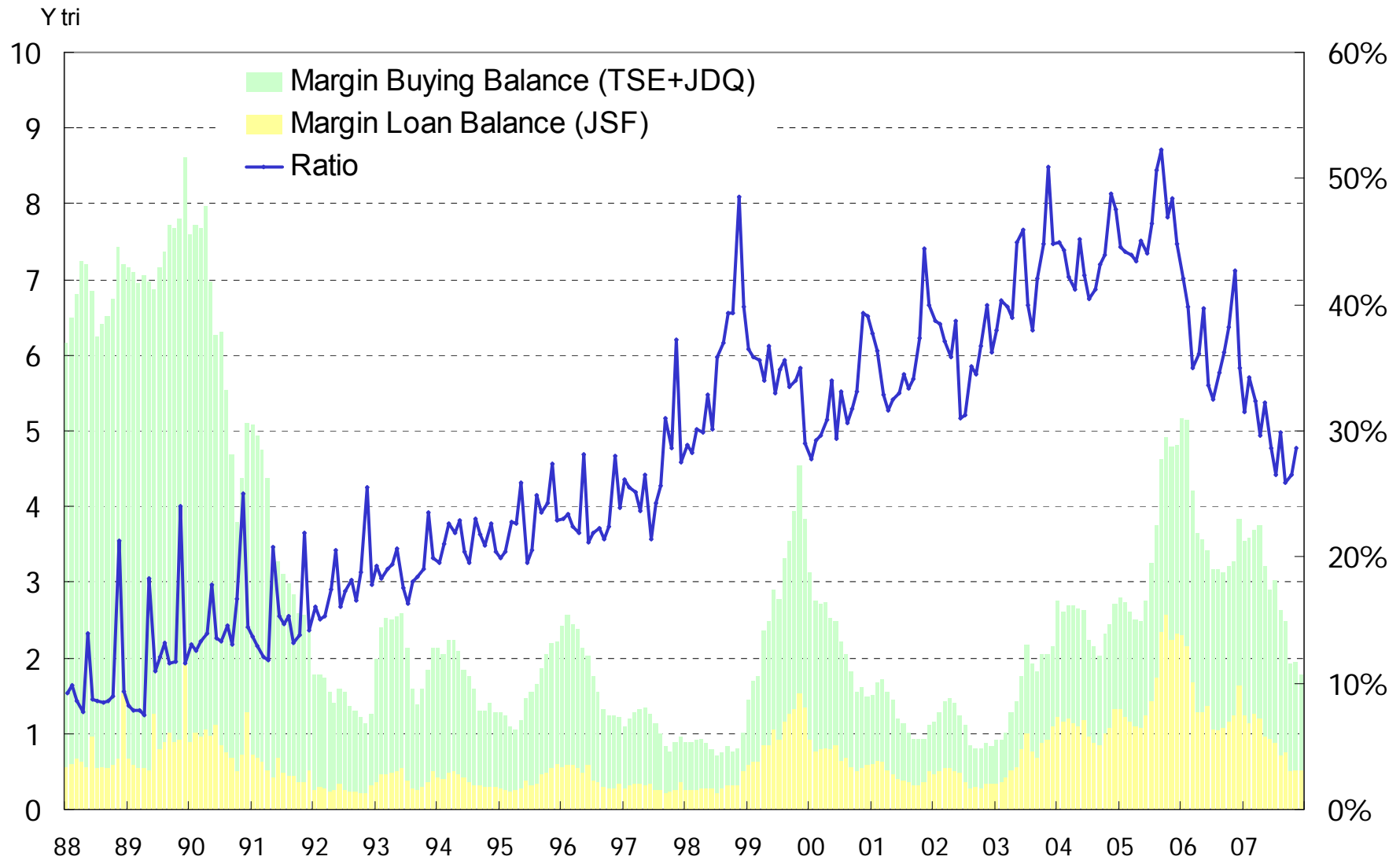
		Ymil				
		FY2004	FY2005	FY2006	FY2007 Interim	FY2007
Margin Loans	avg.	1,098,660	1,637,698	1,444,347	1,157,854	917,219
	term-end	1,386,619	2,328,082	1,634,700	938,923	508,587
Bond Financing	avg.	3,527	1,831	830	121	119
	term-end	2,042	19,029	27	20	17
General Loans	avg.	41,806	44,605	78,595	80,688	76,822
	term-end	45,592	78,269	79,832	74,658	68,577
Loans for negotiable margin transactions	avg.	-	2,559	33,770	38,267	34,374
	term-end	-	25,340	40,309	32,821	25,154
Sales under repurchase agreement	avg.	6,707	53,865	8,923	55,634	48,390
	term-end	0	12,000	-	-	0
Trust Bank Loans	avg.	1,158,065	1,016,474	711,937	389,259	448,938
	term-end	1,076,242	751,967	306,572	496,531	546,702
Others	avg.	5,599	5,578	7,300	7,500	7,500
	term-end	5,578	5,578	7,500	7,500	7,500
Total	avg.	2,314,366	2,760,053	2,251,934	1,691,058	1,498,990
	term-end	2,528,075	3,194,928	2,028,633	1,517,633	1,131,385
Stock Loans	avg.	538,249	651,097	723,840	680,602	591,023
	term-end	593,713	686,971	702,702	522,951	419,503

Avg. Outstanding Balance of Loans for Margin Transactions (TSE+JDQ)

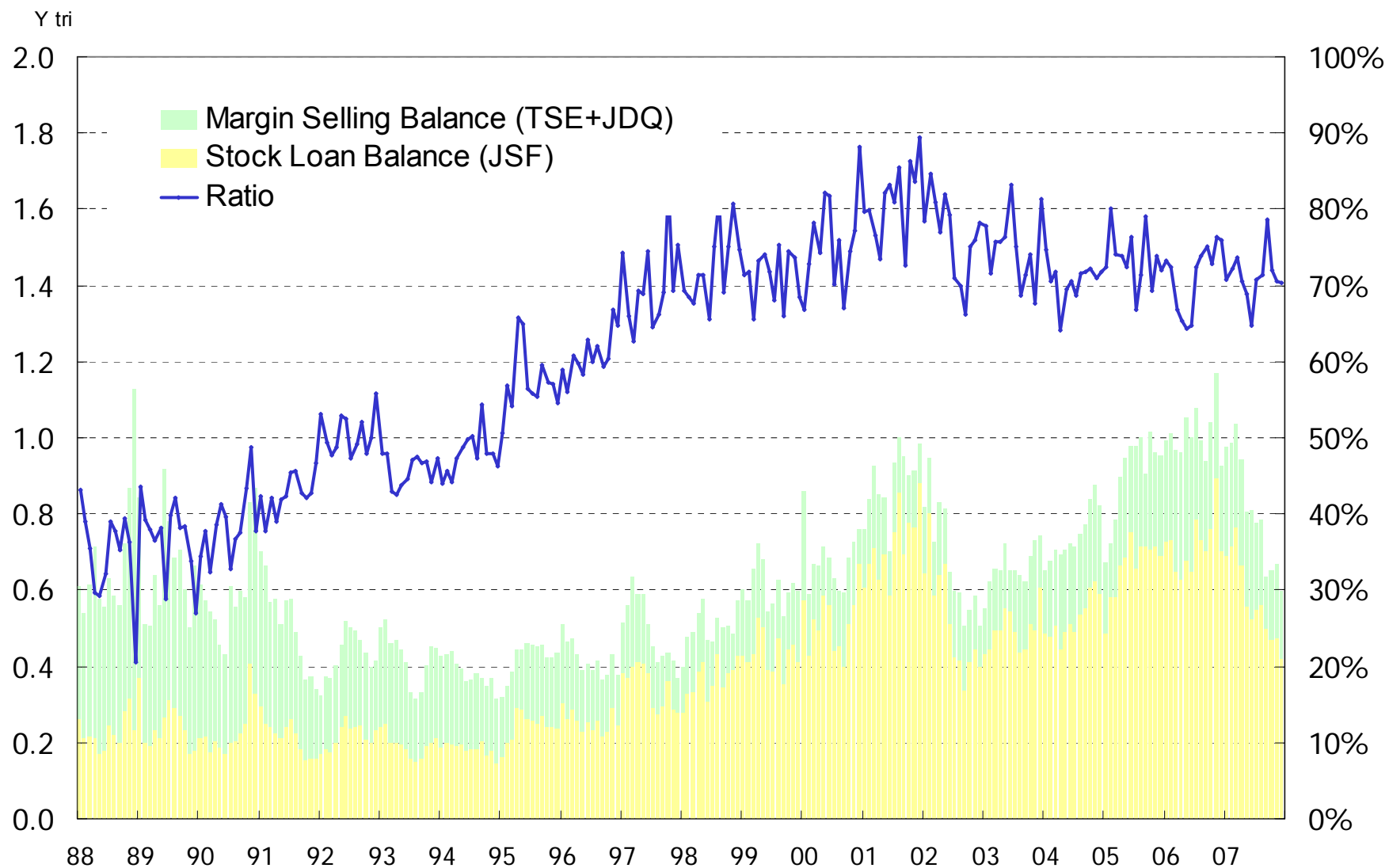
	Margin Loans	Stock Loans	Excess of Stock Loans
	Ymil	Ymil	Ymil
Apr-05	1,292,532	499,829	127,463
May-05	1,305,067	499,983	123,740
Jun-05	1,204,245	555,151	155,245
Jul-05	1,129,026	603,556	185,565
Aug-05	1,063,898	686,895	243,755
Sep-05	1,138,582	717,519	260,159
Oct-05	1,379,057	678,944	178,868
Nov-05	1,589,823	705,198	164,850
Dec-05	2,114,206	734,854	122,397
Jan-06	2,611,080	706,533	79,309
Feb-06	2,551,836	734,126	69,810
Mar-06	2,316,552	694,530	85,632
FY2005	1,637,513	651,097	150,092
Apr-06	2,294,542	708,695	75,874
May-06	2,229,296	721,095	87,682
Jun-06	1,748,999	674,312	80,837
Jul-06	1,481,506	658,691	101,626
Aug-06	1,229,058	674,969	140,631
Sep-06	1,308,239	691,172	151,350
Oct-06	1,091,038	744,862	242,487
Nov-06	1,093,410	733,064	220,904
Dec-06	1,050,376	754,347	239,771
Jan-07	1,105,548	731,699	227,184
Feb-07	1,207,793	826,589	284,189
Mar-07	1,489,599	773,684	187,771
FY2006	1,444,227	723,840	169,501
Apr-07	1,365,354	700,067	167,136
May-07	1,183,300	718,665	167,657
Jun-07	1,169,562	762,655	171,847
Jul-07	1,184,015	717,193	155,468
Aug-07	1,138,913	629,082	128,628
Sep-07	904,412	555,178	134,789
Oct-07	863,062	564,925	157,495
Nov-07	801,016	552,819	163,241
Dec-07	736,691	544,574	179,844
Jan-08	641,992	458,907	144,942
Feb-08	498,383	453,083	171,725
Mar-08	510,595	432,894	157,965
FY2007	917,156	591,023	158,313



Margin Buying Transactions & JSF Margin Loans (TSE+JDQ)



Margin Selling Transactions & JSF Stock Loans (TSE+JDQ)



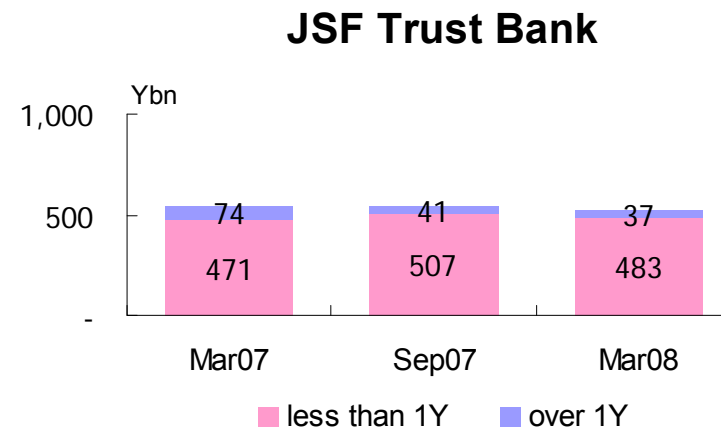
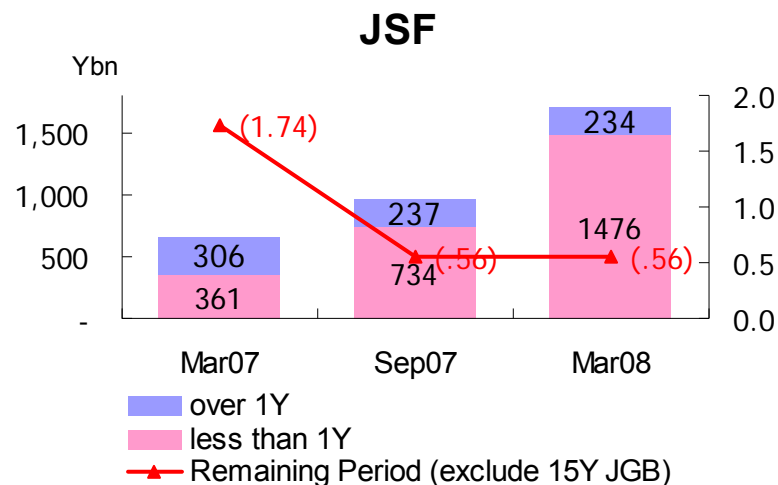
Securities Account

	Mar-08	notes
Assets		
	Y mil	
Loans	584,682	
Margin Loans	508,587	margin loan
Bond Financing	17	
General Loans	68,577	
Loans for Negotiable Margin Transaction	25,154	
Others	7,500	
Collateral Money of Securities Borrowed	860,554	
Stock Loan	165,910	Excess of stock loan
Bond Lending	694,643	
Securities Account		
Securities Lent	431,516	
Loans for Margin Transactions	419,503	stock loan
Bond Lending	5,000	
Securities in Custody	8,750	
Equity	8,750	
Bond	0	
Securities in Deposit	256,731	Excess of margin loan
Total of Securities Account	696,999	

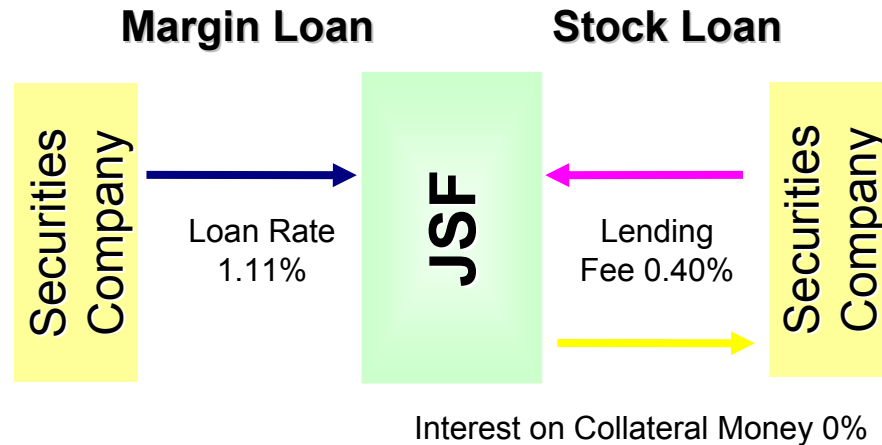
	Mar-08	notes
Liabilities		
	Y mil	
Collateral Money of Securities Lent	979,200	
Margin Loans	419,503	stock loan
Bond Borrowing	552,401	
Securities Account		
Collateral Securities Deposited	508,587	margin loan
Securities Borrowed	184,252	
Loans for Margin Transactions	167,647	Excess of stock loan
Bond Borrowing	5,000	
Others		
Securities Lent Opposite Account	4,149	
Total of Securities Account	696,999	

JGB Balance

		Y mil		
		Mar07	Sep07	Mar08
JSF	JGB Balance	666,327	970,887	1,709,872
	less than 1Y	360,517	733,566	1,475,909
	over 1Y	305,809	237,320	233,963
	(15Y floating JGB)	218,430	187,040	175,408
	Net unrealized gain or loss on securities on B/S	-3,139	-3,415	-5,354
Remaining Period (exclude 15Y JGB)		(1.74)	(.56)	(.56)
JSF Trust Bank	JGB Balance	545,365	548,277	520,221
	less than 1Y	471,291	507,262	482,789
	over 1Y	74,074	41,014	37,432
	Net unrealized gain or loss on securities on B/S	-1,472	-2,596	-4,884



Margin Loan Rates

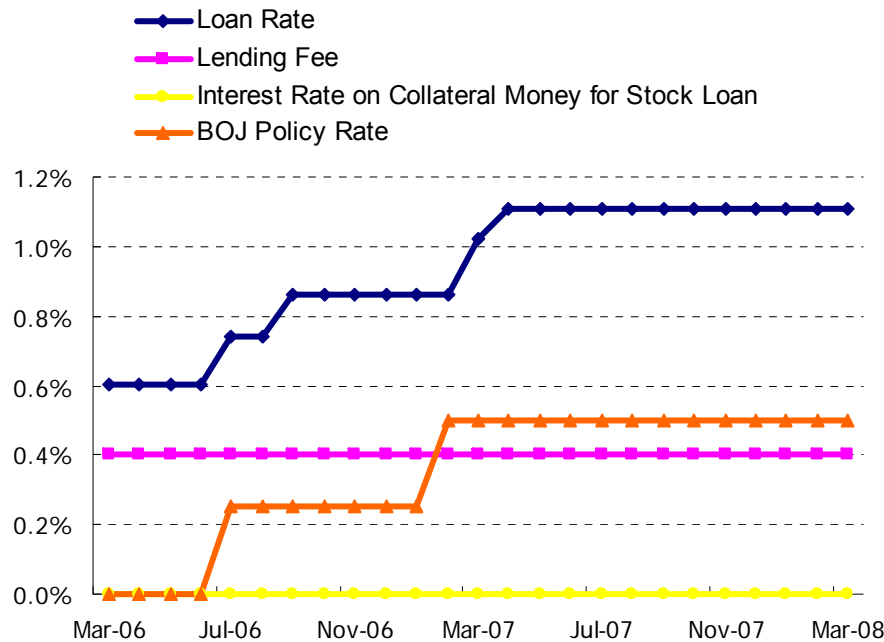


BOJ Policy Interest Rate

- Jul 2006 Uncollateralized O/N Call Rate : **0.25%**
- Feb 2007 Uncollateralized O/N Call Rate : **0.50%**

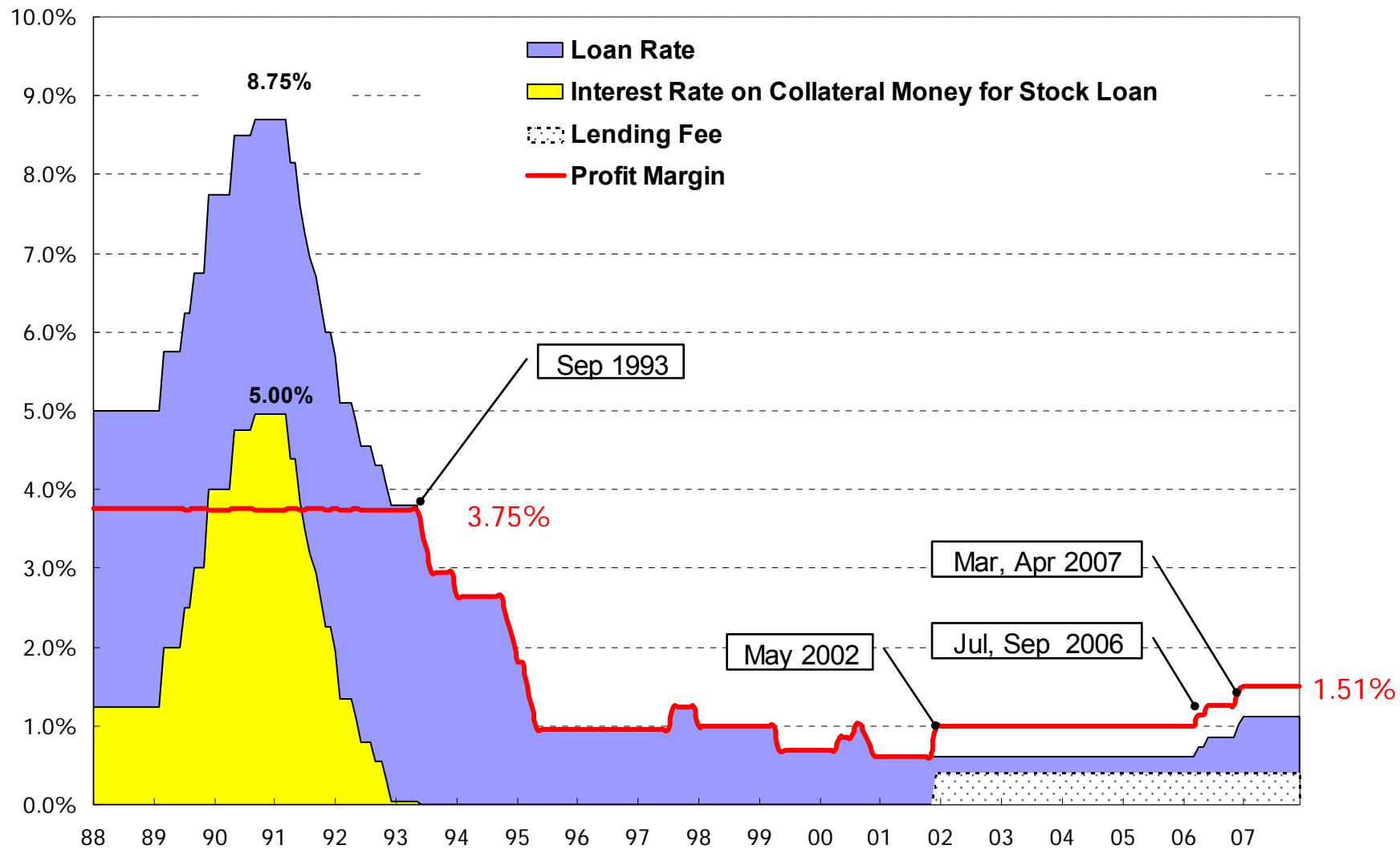
Change of Margin Loan Rate

- 27/Jul/2006 **0.74% (+0.14%)**
- 22/Sep/2006 **0.86% (+0.12%)**
- 15/Mar/2007 **1.02% (+0.16%)**
- 05/Apr/2007 **1.11% (+0.09%)**

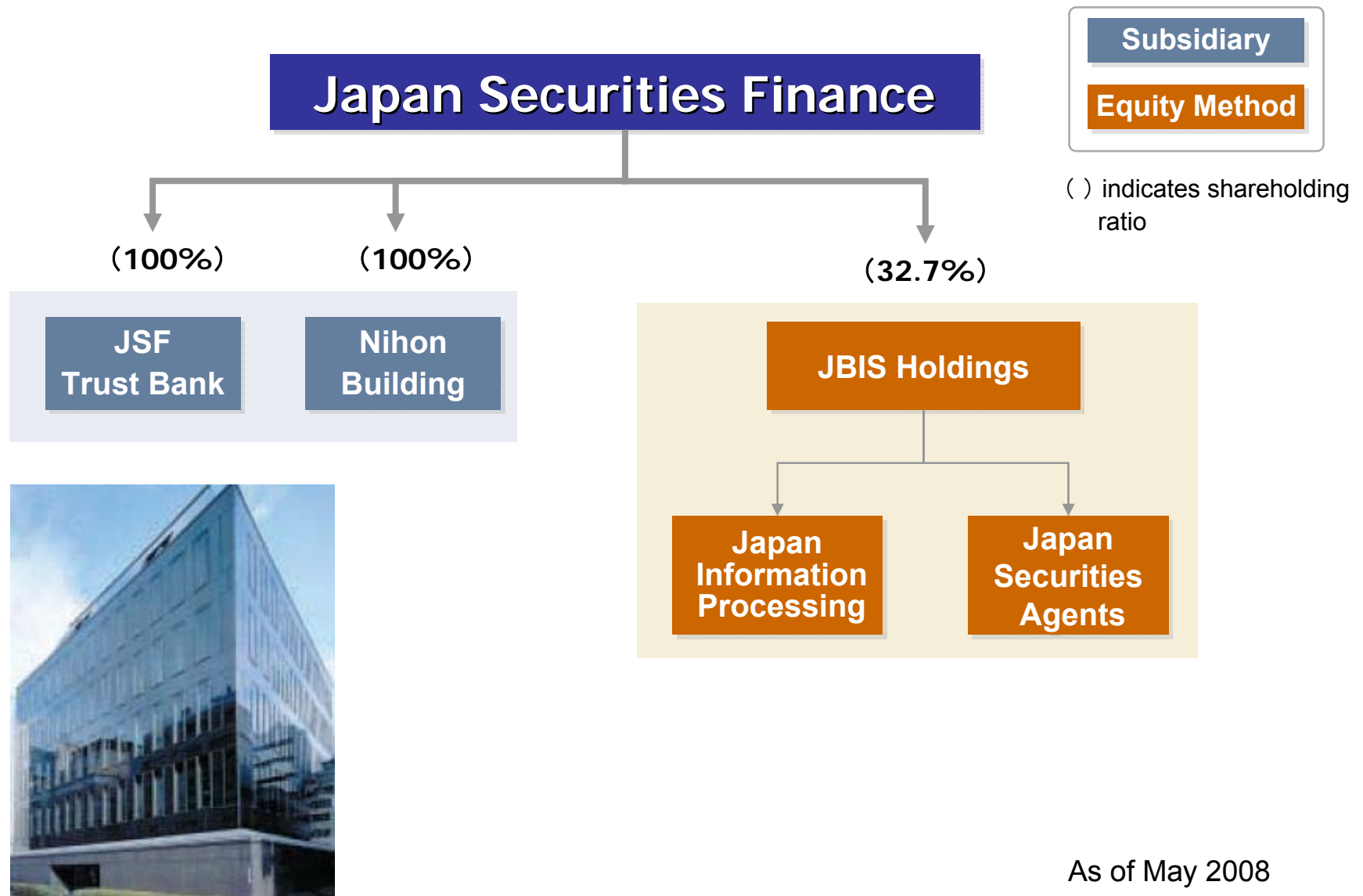


◆ Margin Loan Rates are decided by reflecting the change of market rates and BOJ's Policy Interest Rate.

Loan Rate of Loans for Margin Transactions



JSF Group Companies



As of May 2008

Notice

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