

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the First Quarter ended June 30, 2008

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 First Quarter of Fiscal 2008(April 1,2008-June 30,2008)

(1)Consolidated Results of Operations

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

	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)
First Quarter of Fiscal 2008	10,981	—	1,465	—	1,689	—	1,094	—
First Quarter of Fiscal 2007	12,958	39.9	2,743	△16.3	4,330	31.1	3,260	43.7
Fiscal 2007	50,582	—	2,345	—	2,852	—	△1,300	—

	Net Income or Loss (△) per Share EPS	Net Income per Share
	(Yen)	(Yen) (fully diluted)
First Quarter of Fiscal 2008	11.45	—
First Quarter of Fiscal 2007	33.03	—
Fiscal 2007	△13.15	—

(2)Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of Jun.30, 2008	4,793,328	105,510	2.6	1,127.48
As of Jun.30, 2007	6,434,632	123,488	2.5	1,250.84
Fiscal 2007	5,093,837	111,303	2.5	1,125.72

Note: Equity Ratio = Equity capital / Liabilities(*) & Net assets × 100
(* Excluding Collateral money for securities lent, Securities borrowed, etc.)

2.Dividends

	Dividends per Share		
	Interim (Yen)	Year-End (Yen)	Annual (Yen)
Fiscal 2007	13.00	13.00	26.00
Fiscal 2008 (Forecast)	10.00	10.00	20.00

Note : Amendment of Forecast None

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

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

	Operating Revenues		Operating Income		Recurring Income		Net Income		Net Income per Share
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	EPS (Yen)
Interim	21,000	—	2,000	—	2,300	—	1,400	—	14.86
Full-year	41,000	△18.9	2,600	10.9	3,400	19.2	2,000	—	21.41

Note : Amendment of Forecast None

4. Others

- (1) Changes in the scope of important consolidation for by the equity method (yes/no):No
- (2) Adoption of simplified accounting methods and specified accounting methods for quarterly consolidated financial statements : No
- (3) Changes in accounting policies for quarterly consolidated financial statements:
 - ①Changes according to revision of accounting standards: Applicable
 - ②Others: Applicable
- (3) Number of Issued Shares(common stock)
 - ①Number of issued shares (Including treasury stock)
As of Jun.30, 2008 : 99,704,000 Fiscal 2007: 99,704,000
 - ②Number of Treasury stocks
As of Jun.30, 2008 : 6,123,246 Fiscal 2007: 831,013
 - ③Average number of shares
For three months ended Jun.30, 2008 : 95,557,606
For three months ended Jun.30, 2007 : 98,725,308

※For the explanation about appropriate usage of business forecast and other special notes from the current consolidated fiscal year, JSF has adopted “Accounting Standard for quarterly financial statements” (ASBJ Statement No.12) and “Implementation Guidance for accounting standards for quarterly financial statements” (ASBJ Guidance No.14). Moreover, the quarterly consolidated financial statements are made in accordance with rules of “quarterly consolidated financial statements”.

Consolidated Balance Sheets

[Assets]	First Quarter Jun.30,2007		First Quarter Jun.30,2008		Fiscal 2007 Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Assets	5,986,338	93.0	4,388,806	91.6	4,742,801	93.1
Cash	21,646		13,346		4,628	
Call Loans	62,000		4,000		24,000	
Short-term Investments	1,549,842		1,758,477		1,980,835	
Short-term Loans Receivable	1,836,563		1,106,846		1,131,385	
Securities Lent	786,888		460,711		431,516	
Securities in Custody	80,755		30,000		8,750	
Securities in Deposit	646,051		239,422		256,731	
Deferred Tax Assets	472		85		300	
Collateral Money for Securities Borrowed	997,306		770,437		900,506	
Other Current Assets	5,371		6,365		4,984	
Allowance for Doubtful Receivables	△ 561		△ 885		△ 836	
II Non-current Assets	448,293	7.0	404,521	8.4	351,036	6.9
Investments, etc.	438,509		395,234		341,422	
Allowance for Doubtful Receivables	△ 32		△ 45		△ 42	
Total Assets	6,434,632	100.0	4,793,328	100.0	5,093,837	100.0

【Liabilities and Net Assets】	First Quarter Jun.30,2007		First Quarter Jun.30,2008		Fiscal 2007 Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Liabilities	6,276,326	97.5	4,632,953	96.7	4,927,488	96.7
Call Money	1,989,000		1,894,300		1,857,600	
Short-term Borrowings	721,610		682,410		894,910	
Commercial Paper	84,000		45,000		68,000	
Payables under Repurchase Agreements	18,559		164,368		341,942	
Collateral Money for Securities Lent	1,754,140		1,020,761		1,029,100	
Collateral Securities Deposited	1,263,131		527,439		508,587	
Securities Borrowed	242,864		198,699		184,262	
Securities Lent Opposite Account	7,699		3,994		4,149	
Other Current Liabilities	195,320		95,979		38,935	
II Non-current Liabilities	34,816	0.6	54,864	1.1	55,045	1.1
Long-term Borrowings	31,000		51,000		51,000	
Liabilities for Retirement and Severance Benefits	2,773		2,510		2,756	
Other Non-Current Liabilities	1,043		1,354		1,289	
Total Liabilities	6,311,143	98.1	4,687,818	97.8	4,982,534	97.8
Total Net Assets	123,488	1.9	105,510	2.2	111,303	2.2
Total Liabilities and Stockholders' Equity	6,434,632	100.0	4,793,328	100.0	5,093,837	100.0

Consolidated Statement of Income

	First Quarter Apr.1,2007- Jun.30,2007		First Quarter Apr.1,2008- Jun.30,2008		Fiscal 2007 Apr.1,2007- Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	12,958	100.0	10,981	100.0	50,582	100.0
Interest on Loans	4,668		2,569		16,217	
Interest on Collateral Money for Securities Borrowed	2,459		1,486		7,797	
Fees on Lending Securities	2,748		2,750		11,758	
Other Operating Revenues	3,082		4,174		14,808	
Operating Expenses	8,087	62.4	7,392	67.3	39,437	78.0
Interest on Borrowing & Commercial Paper	5,329		4,797		20,945	
Fees on Borrowing Securities	1,773		2,092		8,473	
Other Operating Expenses	984		502		10,018	
Operating Profit	4,870	37.6	3,588	32.7	11,144	22.0
General and Administrative Expenses	2,126	16.4	2,123	19.3	8,799	17.4
Operating Income	2,743	21.2	1,465	13.4	2,345	4.6
Non-operating Revenues	1,586	12.2	230	2.1	520	1.0
Non-operating Expenses	0	0.0	6	0.1	13	0.0
Recurring Income	4,330	33.4	1,689	15.4	2,852	5.6
Extraordinary Profit	193	1.5	26	0.3	1,037	2.1
Extraordinary Loss	8	0.1	6	0.1	986	2.0
Net Income before Income Taxes	4,515	34.8	1,709	15.6	2,903	5.7
Current Income Taxes	898	6.9	321	2.9	3,322	6.6
Deferred Income Taxes	357	2.7	293	2.7	881	1.7
Net Income	3,260	25.2	1,094	10.0	△ 1,300	△ 2.6

Consolidated Average Outstanding Balance of Loans

	First Quarter Apr.1,2007 - Jun.30,2007		First Quarter Apr.1,2008 - Jun.30,2008		Fiscal 2007 Apr.1,2007 - Mar.31,2008	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	1,238.8	72.0	436.0	43.2	917.2	61.2
Bond Financing & General Loans	81.3	4.7	64.8	6.4	76.9	5.1
Loans for Negotiable Margin Transactions	39.6	2.3	25.3	2.5	34.3	2.3
Sales under Repurchase Agreements	74.4	4.3	0.3	0.0	48.3	3.2
Trust Bank Loans	317.8	18.5	500.5	49.6	448.9	30.0
Other Loans	7.5	0.5	7.5	0.8	7.5	0.5
Total	1,720.1	100.0	1,009.2	100.0	1,498.9	100.0
Securities Lent for Margin Transactions	727.0	—	484.0	—	591.0	—

Business Information for Consolidated Operating Revenues

	First Quarter Apr.1,2007 - Jun.30,2007		First Quarter Apr.1,2008 - Jun.30,2008		Fiscal 2007 Apr.1,2007 - Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	6,336	48.9	4,410	40.2	23,156	45.8
(Interest on Loans)	3,523	27.2	1,283	11.7	10,581	20.9
(Fees on Lending Securities)	2,322	17.9	2,519	22.9	10,383	20.5
Bond Financing and General Loans	355	2.7	324	3.0	1,428	2.8
Securities Lending	2,100	16.2	1,121	10.2	6,297	12.5
(Stocks)	246	1.9	160	1.5	848	1.7
(Bonds)	1,854	14.3	961	8.8	5,448	10.8
Trust Banking	2,313	17.9	2,347	21.4	10,844	21.4
(Interest on Loans)	671	5.2	941	8.6	3,833	7.6
(Trust Charges)	51	0.4	52	0.5	198	0.4
Real Estate Leasing	275	2.1	277	2.5	1,118	2.2
Other Business	1,576	12.2	2,498	22.7	7,736	15.3
Total	12,958	100.0	10,981	100.0	50,582	100.0