

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Second Quarter ended September 30, 2008

Name : Japan Securities Finance Co.,Ltd.

Listing : First Section, Tokyo Stock Exchange

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(Millions of yen, rounded down to nearest million)

1.Consolidated Financial Results for the Second Quarter of Fiscal 2008(April 1,2008-September 30,2008)

(1)Consolidated Results of Operations

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

	Operating Revenues		Operating Income or Loss (△)		Recurring Income or Loss (△)		Net Income or Loss (△)	
	(millions of Yen)	(% change)	(millions of Yen)	(% change)	(millions of Yen)	(% change)	(millions of Yen)	(% change)
Second Quarter of Fiscal 2008	23,282	—	△1,751	—	△1,453	—	△2,391	—
Second Quarter of Fiscal 2007	26,597	30.7	5,365	4.0	6,306	22.8	4,083	43.0
Fiscal 2007	50,582	—	2,345	—	2,852	—	△1,300	—

	Net Income or Loss (△) per Share EPS (Yen)	Net Income per Share (Yen) (fully diluted)
	Second Quarter of Fiscal 2008	△25.38
Second Quarter of Fiscal 2007	41.36	—
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 September.30, 2008	4,897,246	111,375	2.6	1,203.03
As of September.30, 2007	5,346,779	123,484	2.9	1,250.81
Fiscal 2007	5,093,837	111,303	2.5	1,125.72

Note: Shareholders Equity: ¥111,375million (Fiscal 2007: ¥111,303 million)

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	10.00		20.00
Fiscal 2008 (Forecast)		10.00	

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 or Loss (△)		Recurring Income or Loss (△)		Net Income or Loss (△)		Net Income or Loss (△) per Share EPS (Yen)
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	
Full-year	42,000	△17.0	△5,100	—	△4,500	—	△5,800	—	△62.09

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
- (4) Number of Issued Shares(common stock)
 - ①Number of issued shares (Including treasury stock)
As of Sep.30, 2008 : 93,700,000 Fiscal 2007 : 99,704,000
 - ②Number of Treasury stocks
As of Sep.30, 2008 : 1,121,305 Fiscal 2007 : 831,013
 - ③Average number of shares
For six months ended Sep.30, 2008 : 94,229,884
For six months ended Sep.30, 2007 : 98,724,683

※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】	Second Quarter Sep.30,2007		Second Quarter Sep.30,2008		Fiscal 2007 Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Assets	4,974,317	93.0	4,546,934	92.8	4,742,801	93.1
Cash	15,508		4,559		4,628	
Call Loans	54,000		24,000		24,000	
Short-term Investments	1,263,308		1,471,517		1,980,835	
Short-term Loans Receivable	1,517,633		940,364		1,131,385	
Securities Lent	536,669		419,409		431,516	
Securities in Custody	27,470		0		8,750	
Securities in Deposit	551,824		223,651		256,731	
Deferred Tax Assets	462		435		300	
Collateral Money for Securities Borrowed	984,056		1,341,077		900,506	
Other Current Assets	24,053		123,228		4,984	
Allowance for Doubtful Receivables	△ 669		△ 1,308		△ 838	
II Non-current Assets	372,462	7.0	350,312	7.2	351,036	6.9
Investments, etc.	362,790		341,225		341,422	
Allowance for Doubtful Receivables	△ 40		△ 75		△ 42	
Total Assets	5,346,779	100.0	4,897,246	100.0	5,093,837	100.0

【Liabilities and Net Assets】	Second Quarter Sep.30,2007		Second Quarter Sep.30,2008		Fiscal 2007 Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Liabilities	5,168,535	96.7	4,731,052	96.6	4,927,488	96.7
Call Money	1,773,000		1,884,300		1,857,600	
Short-term Borrowings	916,560		890,210		894,910	
Commercial Paper	60,000		0		68,000	
Payables under Repurchase Agreements	31,138		618,810		341,942	
Collateral Money for Securities Lent	1,165,419		647,342		1,029,100	
Collateral Securities Deposited	938,923		446,412		508,587	
Securities Borrowed	169,450		191,420		184,262	
Securities Lent Opposite Account	7,591		5,228		4,149	
Other Current Liabilities	106,453		47,328		38,935	
II Non-current Liabilities	54,759	1.0	54,818	1.1	55,045	1.1
Long-term Borrowings	51,000		51,000		51,000	
Liabilities for Retirement and Severance Benefits	2,761		2,538		2,756	
Other Non-Current Liabilities	997		1,280		1,289	
Total Liabilities	5,223,294	97.7	4,785,871	97.7	4,982,534	97.8
Total Net Assets	123,484	2.3	111,375	2.3	111,303	2.2
Total Liabilities and Stockholders' Equity	5,346,779	100.0	4,897,246	100.0	5,093,837	100.0

Consolidated Statement of Operations

	Second Quarter Apr. 1, 2007- Sep. 30, 2007		Second Quarter Apr. 1, 2008- Sep. 30, 2008		Fiscal 2007 Apr. 1, 2007- Mar. 31, 2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	26,597	100.0	23,282	100.0	50,582	100.0
Interest on Loans	9,245		5,021		16,217	
Interest on Collateral Money for Securities Borrowed	4,273		3,051		7,797	
Fees on Lending Securities	6,136		6,560		11,758	
Other Operating Revenues	6,942		8,649		14,808	
Operating Expenses	16,931	63.7	20,262	87.0	39,437	78.0
Interest on Borrowing & Commercial Paper	10,625		9,473		20,945	
Fees on Borrowing Securities	4,250		5,351		8,473	
Other Operating Expenses	2,055		5,437		10,018	
Operating Profit	9,666	36.3	3,020	13.0	11,144	22.0
General and Administrative Expenses	4,300	16.1	4,771	20.5	8,799	17.4
Operating Income	5,365	20.2	△ 1,751	△ 7.5	2,345	4.6
Non-operating Revenues	947	3.5	313	1.4	520	1.0
Non-operating Expenses	6	0.0	16	0.1	13	0.0
Recurring Income	6,306	23.7	△ 1,453	△ 6.2	2,852	5.6
Extraordinary Profit	123	0.4	26	0.1	1,037	2.1
Extraordinary Loss	9	0.0	29	0.1	986	2.0
Net Income before Income Taxes	6,420	24.1	△ 1,455	△ 6.2	2,903	5.7
Current Income Taxes	2,109	7.9	1,011	4.4	3,322	6.6
Deferred Income Taxes	227	0.9	△ 75	△ 0.3	881	1.7
Net Income	4,083	15.4	△ 2,391	△ 10.3	△ 1,300	△ 2.6

Consolidated Average Outstanding Balance of Loans

	Second Quarter Apr.1,2007 - Sep.30,2007		Second Quarter Apr.1,2008 - Sep.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	1,157.8	68.5	423.2	43.9	917.2	61.2
Bond Financing & General Loans	80.8	4.8	60.8	6.3	76.9	5.1
Loans for Negotiable Margin Transactions	38.2	2.3	20.1	2.1	34.3	2.3
Sales under Repurchase Agreements	55.6	3.3	0.1	0.0	48.3	3.2
Trust Bank Loans	389.2	23.0	472.3	49.0	448.9	30.0
Other Loans	7.5	0.4	7.5	0.8	7.5	0.5
Total	1,691.0	100.0	964.1	100.0	1,498.9	100.0
Securities Lent for Margin Transactions	680.6	—	442.5	—	591.0	—

Business Information for Consolidated Operating Revenues

	Second Quarter Apr.1,2007 - Sep.30,2007		Second Quarter Apr.1,2008 - Sep.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	13,081	49.2	9,813	42.2	23,156	45.8
(Interest on Loans)	6,652	25.0	2,491	10.7	10,581	20.9
(Fees on Lending Securities)	5,320	20.0	6,125	26.3	10,383	20.5
Bond Financing & General Loans	728	2.7	639	2.7	1,428	2.8
Securities Lending	3,721	14.0	2,417	10.4	6,297	12.5
(Stocks)	483	1.8	292	1.3	848	1.7
(Bonds)	3,237	12.2	2,124	9.1	5,448	10.8
Trust Banking	5,003	18.8	5,009	21.5	10,844	21.4
(Interest on Loans)	1,667	6.3	1,855	8.0	3,833	7.6
(Trust Charges)	100	0.4	103	0.4	198	0.4
Real Estate Leasing	559	2.1	552	2.4	1,118	2.2
Other Business	3,504	13.2	4,850	20.8	7,736	15.3
Total	26,597	100.0	23,282	100.0	50,582	100.0