

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Third Quarter ended December 31, 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 Third Quarter of Fiscal 2008(April 1,2008-December31,2008)

(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)
Third Quarter of Fiscal 2008	34,704	—	△4,262	—	△4,284	—	△5,798	—
Third Quarter of Fiscal 2007	38,512	23.1	7,570	1.7	8,392	15.9	4,909	59.9
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)
Third Quarter of Fiscal 2008	△61.90	—
Third Quarter of Fiscal 2007	49.66	—
Fiscal 2007	△13.15	—

(2)Consolidated Financial Position

	Total Assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity Ratio (%)	Net Assets per Share (Yen)
As of Dec.31, 2008	4,806,286	109,581	2.7	1,183.69
As of Dec.31, 2007	5,195,229	122,370	2.9	1,237.65
Fiscal 2007	5,093,837	111,303	2.5	1,125.72

Note: Shareholders Equity: ¥109,581million (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)			

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	43,000	△15.0	△5,000	—	△5,000	—	△7,100	—	△76.01

Note : Amendment of Forecast Yes

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 Dec.31, 2008 : 93,700,000 Fiscal 2007 : 99,704,000
 - ②Number of Treasury stocks
As of Dec.31, 2008 : 1,123,397 Fiscal 2007 : 831,013
 - ③Average number of shares
For nine months ended Dec.31, 2008 : 93,677,207
For nine months ended Dec.31, 2007 : 98,875,339

※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】	Third Quarter Dec.31,2007		Third Quarter Dec.31,2008		Fiscal 2007 Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Assets	4,821,401	92.8	4,378,999	91.1	4,742,801	93.1
Cash	7,434		1,481		4,628	
Call Loans	8,000		7,000		24,000	
Short-term Investments	1,238,422		1,579,669		1,980,835	
Short-term Loans Receivable	1,311,377		648,917		1,131,385	
Securities Lent	519,932		378,491		431,516	
Securities in Custody	26,732		205,000		8,750	
Securities in Deposit	401,381		95,102		256,731	
Deferred Tax Assets	325		267		300	
Collateral Money for Securities Borrowed	1,155,275		1,456,527		900,506	
Other Current Assets	153,179		8,369		4,984	
Allowance for Doubtful Receivables	△ 659		△ 1,827		△ 838	
II Non-current Assets	373,827	7.2	427,286	8.9	351,036	6.9
Investments, etc.	364,250		418,562		341,422	
Allowance for Doubtful Receivables	△ 30		△ 114		△ 42	
Total Assets	5,195,229	100.0	4,806,286	100.0	5,093,837	100.0

【Liabilities and Stockholders' Equity】	Third Quarter Dec.31,2007		Third Quarter Dec.31,2008		Fiscal 2007 Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
I Current Liabilities	5,017,706	96.6	4,643,998	96.6	4,927,488	96.7
Call Money	2,283,900		1,501,400		1,857,600	
Short-term Borrowings	620,760		621,610		894,910	
Commercial Paper	54,000		—		68,000	
Payables under Repurchase Agreements	—		726,516		341,942	
Collateral Money for Securities Lent	989,203		1,076,927		1,029,100	
Collateral Securities Deposited	743,505		236,023		508,587	
Securities Borrowed	198,573		441,277		184,262	
Securities Lent Opposite Account	5,967		1,292		4,149	
Other Current Liabilities	121,796		38,950		38,935	
II Non-current Liabilities	55,151	1.0	52,705	1.0	55,045	1.1
Long-term Borrowings	51,000		48,500		51,000	
Liabilities for Retirement and Severance Benefits	2,764		2,569		2,756	
Other Non-Current Liabilities	1,387		1,636		1,289	
Total Liabilities	5,072,858	97.6	4,696,704	97.7	4,982,534	97.8
Total Net Assets	122,370	2.4	109,581	2.3	111,303	2.2
Total Liabilities and Stockholders' Equity	5,195,229	100.0	4,806,286	100.0	5,093,837	100.0

Consolidated Statement of Operations

	Third Quarter Apr.1,2007- Dec.31,2007		Third Quarter Apr.1,2008- Dec.31,2008		Fiscal 2007 Apr.1,2007- Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	38,512	100.0	34,704	100.0	50,582	100.0
Interest on Loans	13,191		6,957		16,217	
Interest on Collateral Money for Securities Borrowed	6,293		5,160		7,797	
Fees on Lending Securities	8,391		10,200		11,758	
Other Operating Revenues	10,635		12,386		14,808	
Operating Expenses	24,462	63.5	31,485	90.7	39,437	78.0
Interest on Borrowing & Commercial Paper	16,136		13,833		20,945	
Fees on Borrowing Securities	5,723		8,449		8,473	
Other Operating Expenses	2,602		9,203		10,018	
Operating Profit	14,050	36.5	3,218	9.3	11,144	22.0
General and Administrative Expenses	6,480	16.8	7,480	21.6	8,799	17.4
Operating Income	7,570	19.7	Δ 4,262	Δ 12.3	2,345	4.6
Non-operating Revenues	828	2.1	255	0.8	520	1.0
Non-operating Expenses	6	0.0	278	0.8	13	0.0
Recurring Income	8,392	21.8	Δ 4,284	Δ 12.3	2,852	5.6
Extraordinary Profit	1,199	2.6	26	0.1	1,037	2.1
Extraordinary Loss	973	2.5	496	1.5	986	2.0
Net Income before Income Taxes	8,618	22.4	Δ 4,754	Δ 13.7	2,903	5.7
Current Income Taxes	2,918	7.6	1,139	3.3	3,322	6.6
Deferred Income Taxes	789	2.0	Δ 95	Δ 0.3	881	1.7
Net Income	4,909	12.7	Δ 5,798	Δ 16.7	Δ 1,300	Δ 2.6

Consolidated Average Outstanding Balance of Loans

	Third Quarter Apr.1,2007 - Dec.31,2007		Third Quarter Apr.1,2008 - Dec.31,2008		Fiscal 2007 Apr.1,2007 - Mar.31,2008	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	1,038.2	64.5	366.7	41.5	917.2	61.2
Bond Financing & General Loans	79.6	4.9	54.4	6.2	76.9	5.1
Loans for Negotiable Margin Transactions	36.9	2.3	15.6	1.8	34.3	2.3
Sales under Repurchase Agreements	57.8	3.6	0.1	0.0	48.3	3.2
Trust Bank Loans	427.2	26.5	453.9	51.4	448.9	30.0
Other Loans	7.5	0.5	7.5	0.9	7.5	0.5
Total	1,610.4	100.0	882.8	100.0	1,498.9	100.0
Securities Lent for Margin Transactions	638.2	—	404.1	—	591.0	—

Business Information for Consolidated Operating Revenues

	Third Quarter Apr.1,2007 - Dec.31,2007		Third Quarter Apr.1,2008 - Dec.31,2008		Fiscal 2007 Apr.1,2007 - Mar.31,2008	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	17,826	46.3	14,483	41.7	23,156	45.8
(Interest on Loans)	8,984	23.3	3,250	9.4	10,581	20.9
(Fees on Lending Securities)	7,240	18.8	9,444	27.2	10,383	20.5
Bond Financing and General Loans	1,087	2.8	941	2.7	1,428	2.8
Securities Lending	5,265	13.7	4,257	12.3	6,297	12.5
(Stocks)	702	1.8	411	1.2	848	1.7
(Bonds)	4,563	11.8	3,845	11.1	5,448	10.8
Trust Banking	7,982	20.7	7,137	20.6	10,844	21.4
(Interest on Loans)	2,791	7.2	2,759	8.0	3,833	7.6
(Trust Charges)	149	0.4	160	0.5	198	0.4
Real Estate Leasing	836	2.4	824	2.4	1,118	2.2
Other Business	5,514	14.3	7,060	20.3	7,736	15.3
Total	38,512	100.0	34,704	100.0	50,582	100.0