



Financial Presentation for 3Q, FY2009

Japan Securities Finance Co.,Ltd

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Financial Summary

Financial Summary for 3Q, FY2009

¥ mil

	Parent			Consolidated		
	FY2008 1Q-3Q	FY2009 1Q-3Q	Change	FY2008 1Q-3Q	FY2009 1Q-3Q	Change
Operating Revenues	27,186	16,398	▲10,788 (▲39.7%)	34,704	21,530	▲13,174 (▲38.0%)
EX Premium Charges	19,056	11,879	▲7,176 (▲37.7%)	26,574	17,011	▲9,564 (▲36.0%)
Operating Expenses	18,818	8,156	▲10,661	31,485	10,478	▲21,006
General & Administrative Expenses	5,985	5,073	▲912	7,480	6,124	▲1,356
Operating Income	2,383	3,169	+785 (+33.0%)	▲4,262	4,926	+9,188
Gain or Loss in Equity-Method	—	—	—	▲261	▲942	▲681
Recurring Income	3,414	3,581	+166 (+4.9%)	▲4,284	4,165	+8,450
Net Income	2,367	2,365	▲2 (▲0.1%)	▲5,798	2,500	+8,299

Operating Revenues by Each Business

¥ mil

	Dec-08	Dec-09
Margin Loan Business	14,483	10,091
	(41.7%)	(46.9%)
Interest on Loans	3,250	2,515
Interest on collateral money of securities procured	1,460	1,439
Fees on Lending Securities	9,444	5,780
Premium Charges	8,130	4,519
Lending Fees	1,313	1,261
Bond Financing and General Loans Business	941	944
	(2.7%)	(4.4%)
Bond financing & General Loans	740	584
Loans for Negotiable Margin Transactions	153	147
Securities Lending Business	4,257	1,135
	(12.3%)	(5.3%)
General Stock Lending	411	243
Bond Lending	3,845	892
Trust Business	7,137	4,445
	(20.6%)	(20.6%)
Interest on Loans	2,759	1,025
Trust Charges	160	178
Bond Trading	3,979	3,180
Real Estate Management Business	824	779
	(2.4%)	(3.6%)
Others	7,060	4,133
	(20.3%)	(19.2%)
Bond Trading (Parent only)	6,552	4,050
Operating Revenues	34,704	21,530
(excluded Premium Charges)	26,574	17,011

【Margin Loan】

• As margin loan balance declined and margin loan rate was lowered, Interest on loans decreased.

【Bond Financing and General Loans】

• Loan to individuals and securities companies decreased.

【Securities Lending】

• Interest on collateral money of bond lending decreased because of a decline of trading rates.
• Borrowing demands of stock certificates declined.

【Trust Bank】

• Loan balance to government decreased.

【Others】

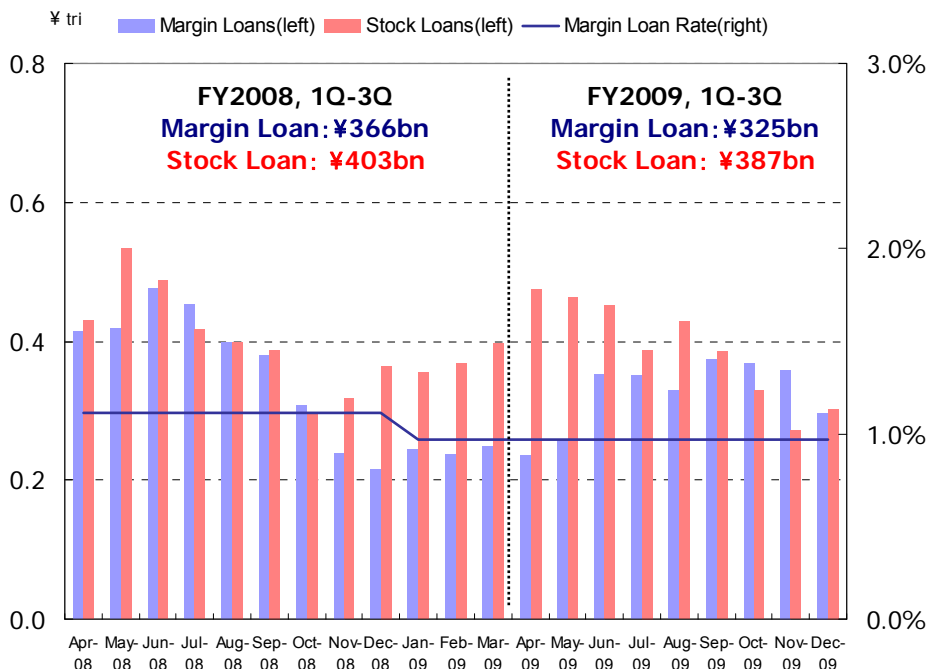
• Coupon income on JGBs decreased.

Financial Highlights for 3Q, FY2009

1 Margin Loan Balance for 1Q – 3Q , FY2009

	Avg. Margin Loan	Avg. Stock Loan	Loan Rate (as of Dec)	Policy Rate (as of Dec)
	¥ bn	¥ bn		
FY2009, 1Q-3Q	325	387	0.97%	0.10%
YoY	-41	-15	-0.14%	-
[Reference] FY2008, 1Q-3Q	366	403	1.11%	0.10%

	¥ mil		
	Dec-08	Dec-09	Change
Margin Loan Business	14,483	10,091	-30.3%
Interest on Loans	3,250	2,515	-22.6%
Interest on collateral money of securities procured	1,460	1,439	-1.4%
Fees on Lending Securities	9,444	5,780	-38.8%
Premium Charges	8,130	4,519	-44.4%
Lending Fees	1,313	1,261	-4.0%



- ◆ Interest on Loans decreased, due to a decline of margin loan balance and reduction of loan rate.
- ◆ Lending fees were almost as same as last term, while Premium Charges decreased.

Financial Highlights for 3Q, FY2009

2 Decrease of Operating Expenses and General & Administrative Expenses

[Operating Expenses] ▲66.7%, YoY

* Interest paid for funding money decreased largely, due to a decline of market rate.

* Valuation loss of securities decreased significantly, which was the main factor of last year's deficit.

[General & Administrative Expenses] ▲18.1%, YoY

* Depreciation Cost for system investment and Credit Cost decreased.

	FY2008 1Q-3Q	FY2009 1Q-3Q	change
General & Administrative Expenses	7,480	6,124	-1,356
Depreciation	1,177	772	-405
Provision for loan reserve	1,060	106	-953

¥ mil

3 Booked Loss in Equity-Method

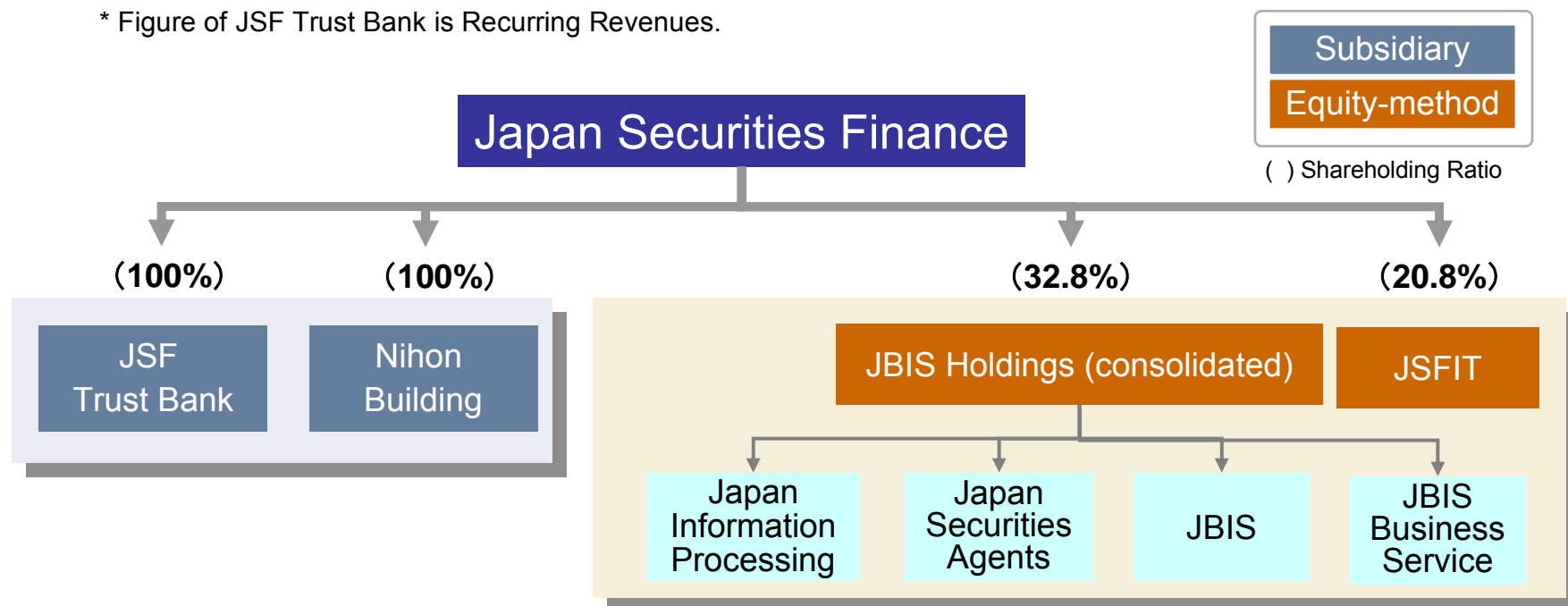
- ◆ Operating Revenues of JBIS holdings decreased, because of the reduction of IT investment in information service industry and the continuing severe management environment in securities industry.
- ◆ One of its subsidiary company booked extraordinary losses, due to impairment of fixed assets and personnel reduction.
- ◆ As a result, JBIS Holdings booked deficit in 3Q, and JSF booked Loss in Equity-Method of ¥942mil.

Financial Results of Group Companies

¥ mil

	Shareholding Ratio	FY2009, 1Q-3Q Results		
		Operating Revenues*	Recurring Income	Net Income
Consolidated		21,530	4,165	2,500
JSF	-	16,398	3,581	2,365
JSF Trust Bank	100%	4,447	1,068	1,067
Nihon Building	100%	1,063	445	259
Equity-method	-	Loss in Equity-Method		▲ 942

* Figure of JSF Trust Bank is Recurring Revenues.



Financial Results for JSF Trust Bank

¥mil

	FY2008 1Q-3Q	FY2009 1Q-3Q	change
Recurring Revenues	7,223	4,447	▲2,775
Trust charges	162	179	+16
Recurring Income	▲7,096	1,068	+8,165
Net Income	▲7,073	1,067	+8,140
Equity Ratio		17.37%	

Financial Highlights for 3Q, FY2009

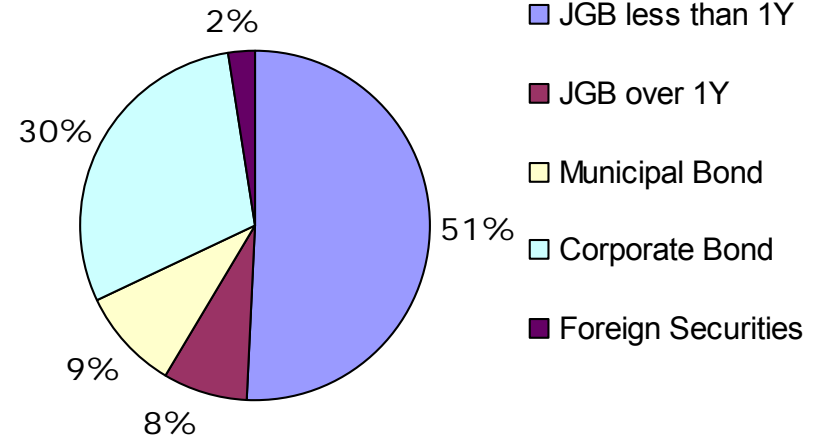
- ◆ Trust charges remained at the same level, while strengthening the expansion of trust business.
- ◆ Recurring revenues decreased, due to decrease of loan balance to government or lowered market rate.
- ◆ Booked provision for loan loss reserve of ¥ 367mil, due to the deterioration of borrowers' business conditions.
- ◆ Valuation loss of securities disappeared, which was the main factor of last year's deficit.
- ◆ Recurring Income turned into the black, thanks to a decline of funding costs or the gain on the sale of bonds.

Main Assets of JSF Trust Bank

● Securities Holdings

	Mar-09	Sep-09	Dec-09	Notes
JGB	877,724	802,388	616,513	
less than 1Y	837,866	706,880	536,172	
over 1Y	39,858	95,507	80,341	
Short-term Bond	0	0	0	
Municipal Bond	50,259	70,479	99,112	
Corporate Bond	140,174	240,183	311,755	Government Guaranteed Bond
Equity	4	4	4	
Other Securities	26,027	25,008	25,170	
Foreign Securities	22,938	22,135	22,234	Euroyen Bond
Investment Fund	0	0	0	
CDO	2,864	2,654	2,717	including "redemption in progress" CDOs
others	223	217	217	
Total	1,094,189	1,138,063	1,052,555	

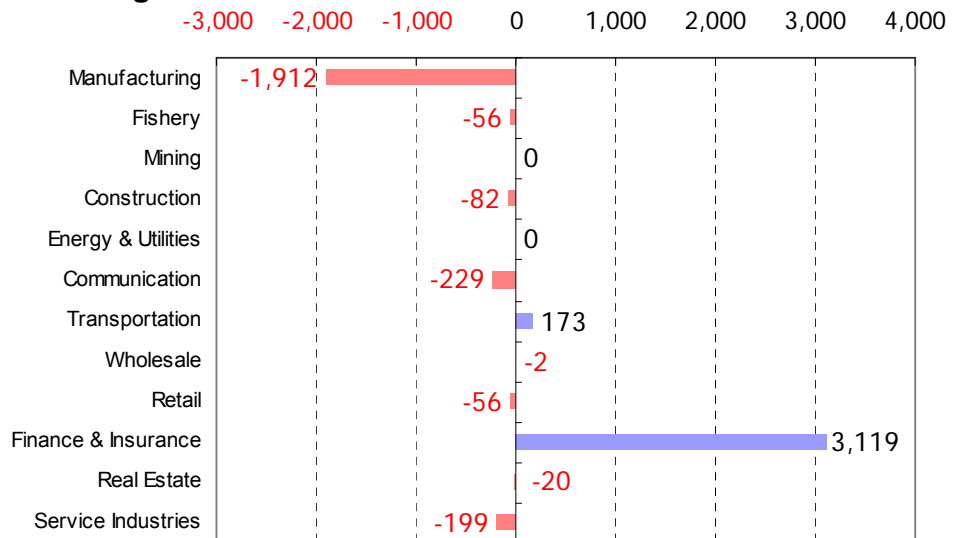
● Ratio of Securities (as of Dec-09)



● Loan Balance by Industry

	Mar-09		Sep-09		Dec-09	
	Loan Balance	ratio	Loan Balance	ratio	Loan Balance	ratio
Manufacturing	34,782	18.2%	33,779	17.5%	31,867	15.1%
Fishery	1,377	0.7%	1,322	0.7%	1,266	0.6%
Mining	672	0.4%	624	0.3%	624	0.3%
Construction	4,776	2.5%	4,593	2.4%	4,511	2.1%
Energy & Utilities	1,993	1.0%	1,995	1.0%	1,995	0.9%
Communication	3,152	1.6%	2,674	1.4%	2,445	1.2%
Transportation	14,140	7.4%	14,602	7.6%	14,775	7.0%
Wholesale	—	0.0%	4,417	0.0%	4,415	0.0%
Retail	2,614	1.4%	2,302	1.2%	2,246	1.1%
Finance & Insurance	8,302	4.3%	6,217	3.2%	9,336	4.4%
Real Estate	9,250	4.8%	8,236	4.3%	8,216	3.9%
Service Industries	1,968	1.0%	1,331	0.7%	1,132	0.5%
Governments	108,090	56.6%	110,830	57.4%	127,544	60.6%
Total	191,122		192,927		210,378	
(exclude Governments)	83,032		82,097		82,833	

● Change of Loan Balance (as compared with Sep-09, ex government)

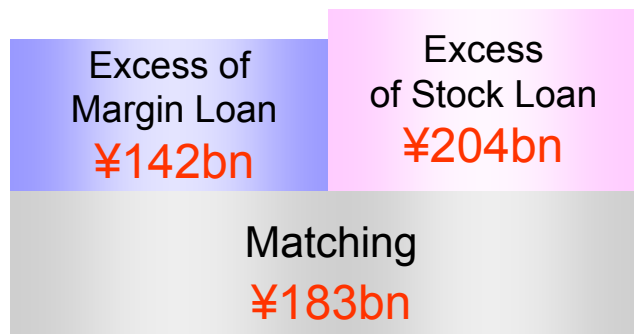


Estimated Figures for FY2009

	Parent				Consolidated			
	3Q Result	FY2009 estimated (announced on 9/Nov/09)	FY2009 estimated (announced on 3/Feb/10)	difference	3Q Result	FY2009 estimated (announced on 9/Nov/09)	FY2009 estimated (announced on 3/Feb/10)	difference
¥ mil								
Operating Income	3,169	3,500	3,400	▲ 100	4,926	4,900	4,800	▲ 100
Recurring Income	3,581	3,900	3,800	▲ 100	4,165	4,900	4,000	▲ 900
Net Income	2,365	2,400	2,400	—	2,500	3,200	2,200	▲ 1,000
EPS (Yen)	25.42	25.79	25.79		27.02	34.57	23.77	
Preconditions	Margin Loan balance:¥310bn (▲¥30bn) Stock Loan balance:¥370bn (▲¥30bn) Loan Rate:0.97%, Interest on Collateral Money:0%, Lending Fee:0.40% (no change)							

Precondition Balance of Margin Loans

1Q-3Q, FY2009 Results



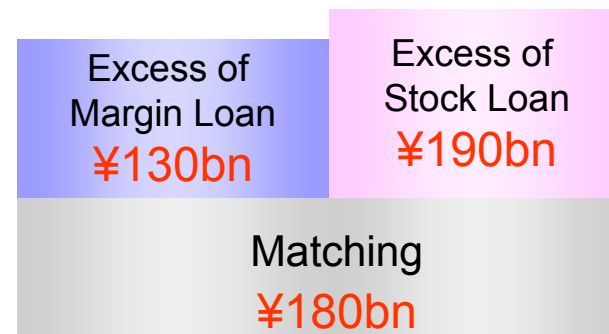
Margin Loan Stock Loan
 ¥325bn ¥387bn

Jan-10 Results



Margin Loan Stock Loan
 ¥284bn ¥328bn

FY2009 Precondition



Margin Loan Stock Loan
 ¥310bn ¥370bn

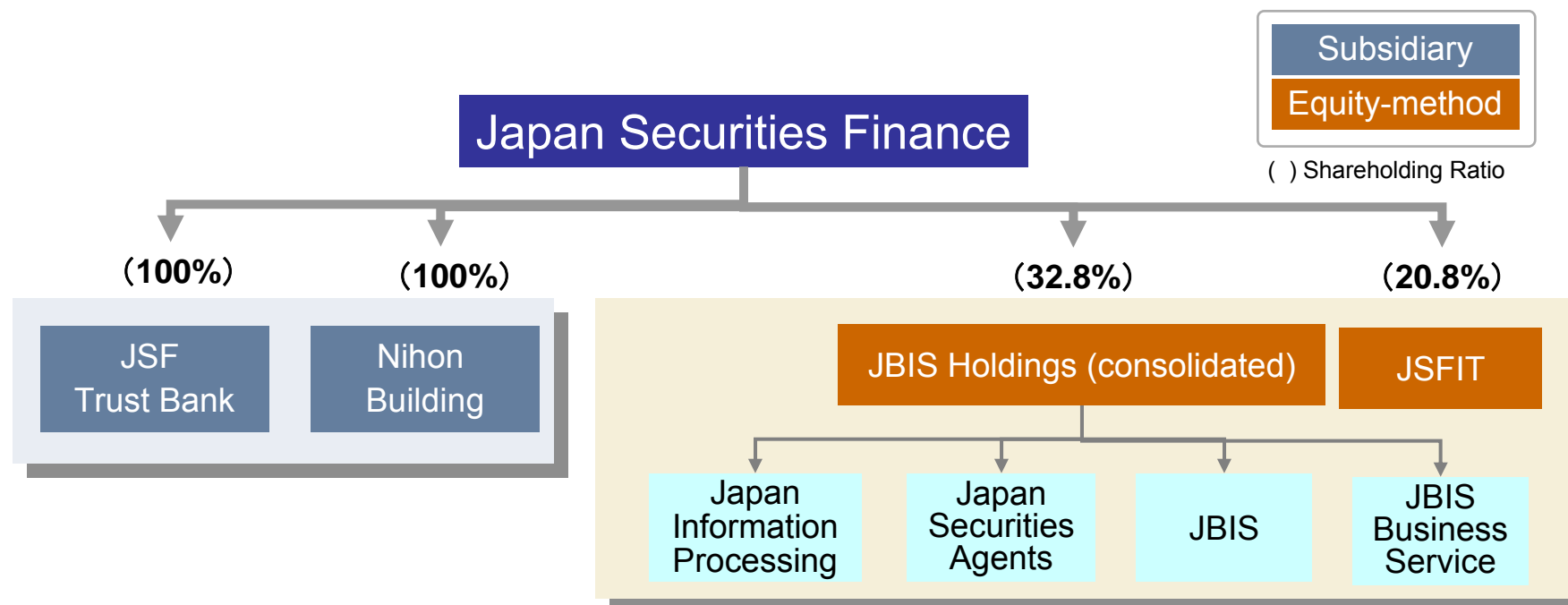
Preconditions

- Loan Rate:0.97%
- Interest on Collateral Money:0%
- Lending Fee:0.40%

Consolidated Estimated Figures

¥ mil

	Shareholding Ratio	FY2009, 1Q-3Q Results			FY2009 Estimated Figures		
		Operating Income	Recurring Income	Net Income	Operating Income	Recurring Income	Net Income
Consolidated		4,926	4,165	2,500	4,800	4,000	2,200
JSF	-	3,169	3,581	2,365	3,400	3,800	2,400
JSF Trust Bank	100%	-	1,068	1,067	-	701	700
Nihon Building	100%	414	445	259	500	540	300





Appendix

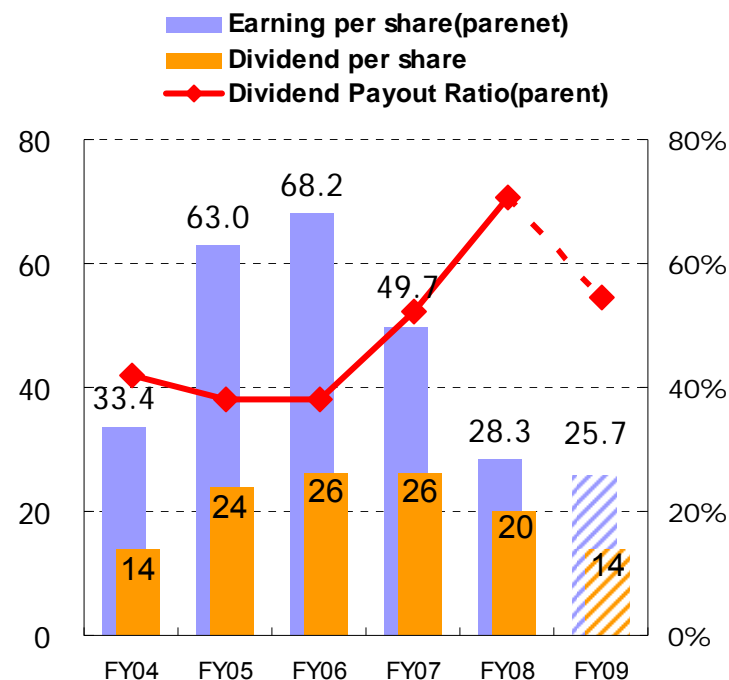
Dividend Policy

◆ Dividend Policy

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

FY2009 Forecast: **Annual ¥14 (Interim ¥7, year-end ¥7)**

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Annual Dividend per share	¥14	¥24	¥26	¥26	¥20	¥14
(year-end)	¥14	¥14	¥14	¥13	¥10	¥7
(interim)	—	¥10	¥12	¥13	¥10	¥7
Parent : EPS	¥33.4	¥63.0	¥68.2	¥49.7	¥28.3	¥25.7
Parent : DPR	41.8%	38.1%	38.1%	52.3%	70.7%	54.3%
Consolidated : DPR	25.9%	49.0%	61.8%	-	-	58.9%
Consolidated : DOE	1.1%	1.9%	2.1%	2.2%	1.8%	-

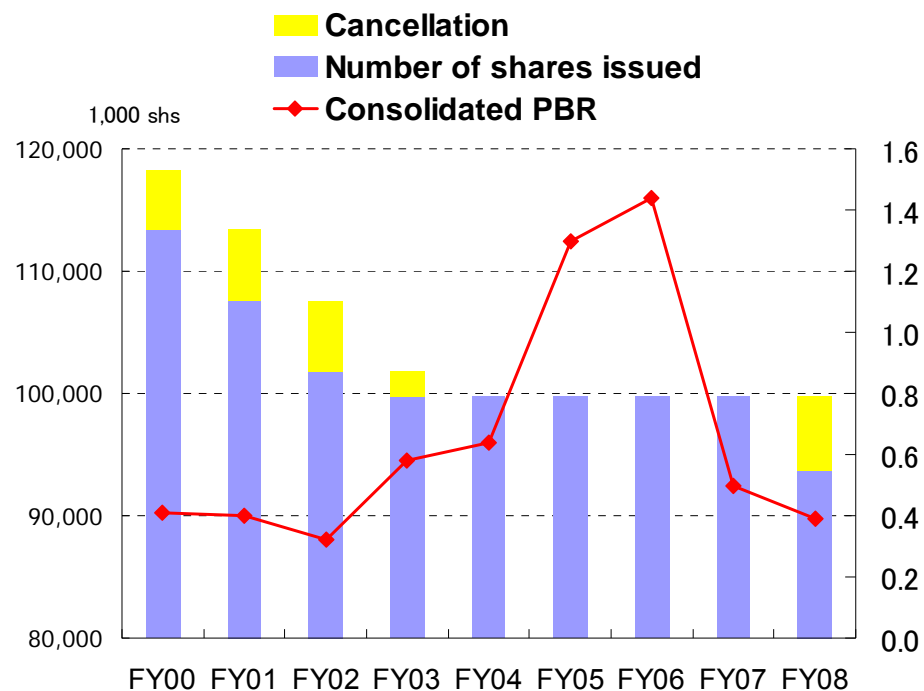


Share Buyback Program

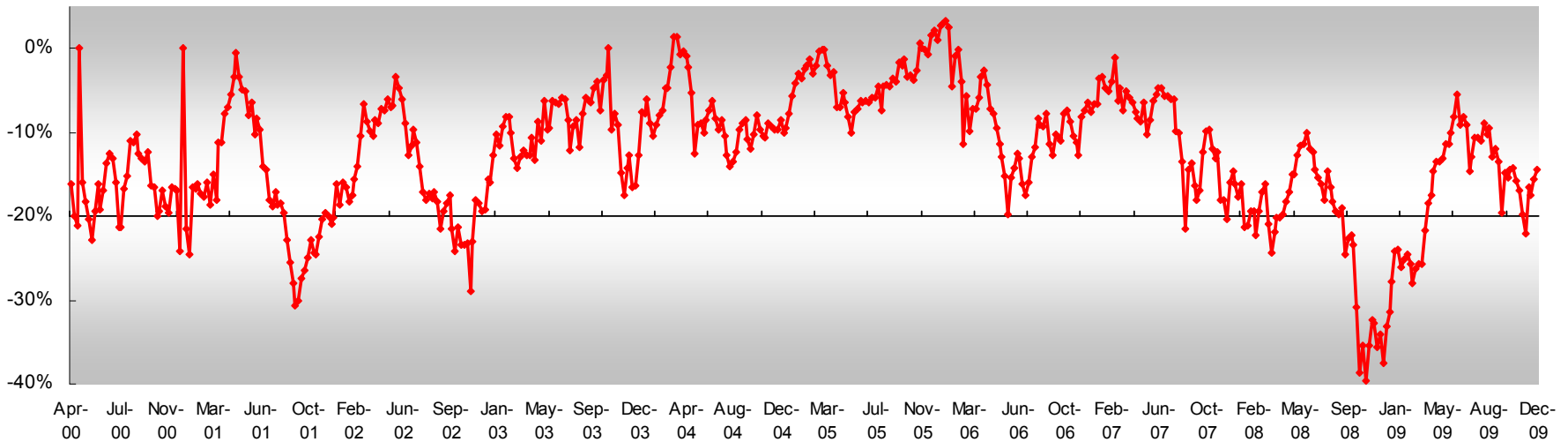
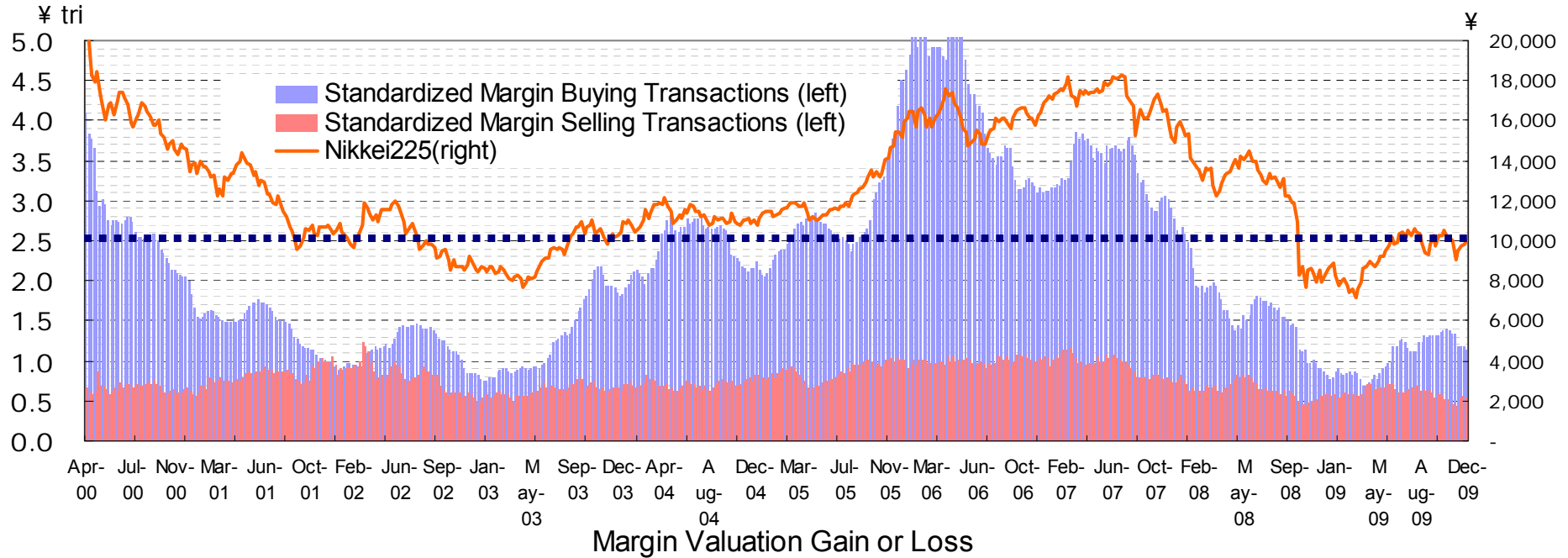
	start	end	total shares purchased shs	amount ¥ mil	cancellation shares shs	shares issued shs
FY2008	2008/4/1	2008/4/18	4,312,800	2,999		99,704,000
	2008/5/15	2008/6/11	978,900	999		99,704,000
	2008/6/27	2008/7/25	1,000,000	881		99,704,000
	2008/9/24				6,004,000	93,700,000
			6,291,700	4,881		

Number of shares issued and Cancellation

	Number of shares issued	Cancellation
FY00	113,474	4,800
FY01	107,509	5,965
FY02	101,810	5,699
FY03	99,704	2,106
FY04	99,704	—
FY05	99,704	—
FY06	99,704	—
FY07	99,704	—
FY08	93,700	6,004



Outstanding Balance of Standardized Margin Transactions (TSE+JDQ)



Main Points of 2nd MMP (FY2009~FY2011)

• Corporate Idea

As a special institution of securities finance business, recognizing sincerely its public task, Japan Securities Finance has a mission to contribute for the development of securities market by capturing actively various needs in securities industry and financial industry and viewing long-term interest for participants or users of securities market.

• Management Policy

- (1) Establish solid social reliance by sound business management, with recognizing social responsibility such as influence on securities market or investors and completing compliance, corporate governance and control of management risk.
- (2) Maintain solid amount of shareholders equity to secure the stability of management and the soundness of financial condition required as a securities finance company offering margin loan business which is an infrastructure of securities market.

Enforce stable and long-term return to shareholders with considering profit situations or investment plans totally.

- (3) Promote improvement of margin loan business systematically and operationally to enhance its competitiveness.

Strengthen profitability of JSF group with expanding securities-related services by JSF and its group companies.

From 1st MMP to 2nd MMP

• Corporate Idea

As a special institution of securities finance business, recognizing sincerely its public task, Japan Securities Finance has a mission to contribute for the development of securities market by capturing actively various needs in securities industry and financial industry and viewing long-term interest for participants or users of securities market.



Increase the number of Loanable Issues

Increase the number of Loanable Issues to improve convenience and to strengthen competitiveness of Margin Loan Business

☆ If Increases the number of Loanable Issues,

Improve convenience・・・Issues eligible for short sale increase, then expect increase of margin transactions

Strengthen competitiveness・・・expect increase of outstanding balance, if securities companies use margin loan more.

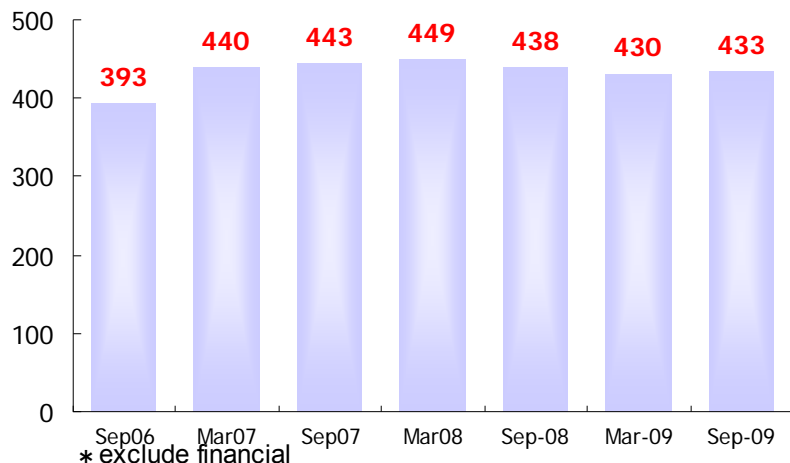
☆ To increase the number of Loanable Issues

- Reinforce stock borrowing team and boost approach to listed companies
- Select foreign stocks or listed investment funds (ETFs) to Loans for Margin Transactions by close connection with stock exchanges

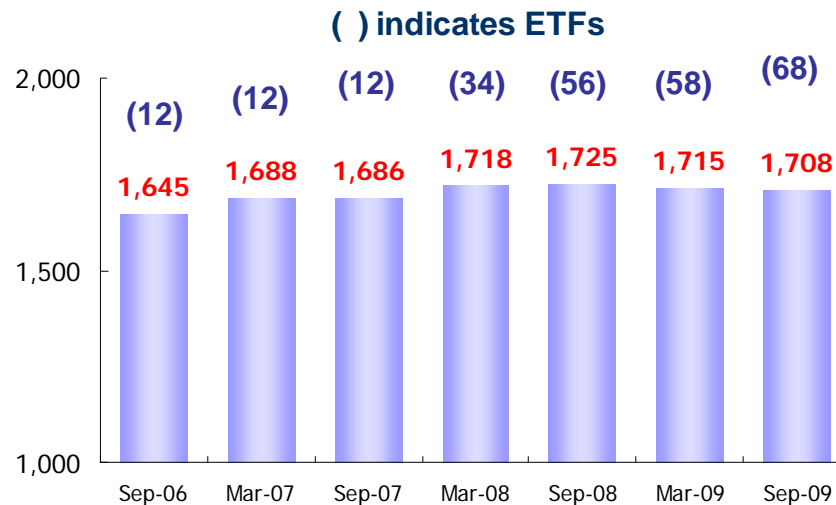
The number of customers for borrowing stock certificates:433

Loanable Issues: 1,708 (as of Sep-09)

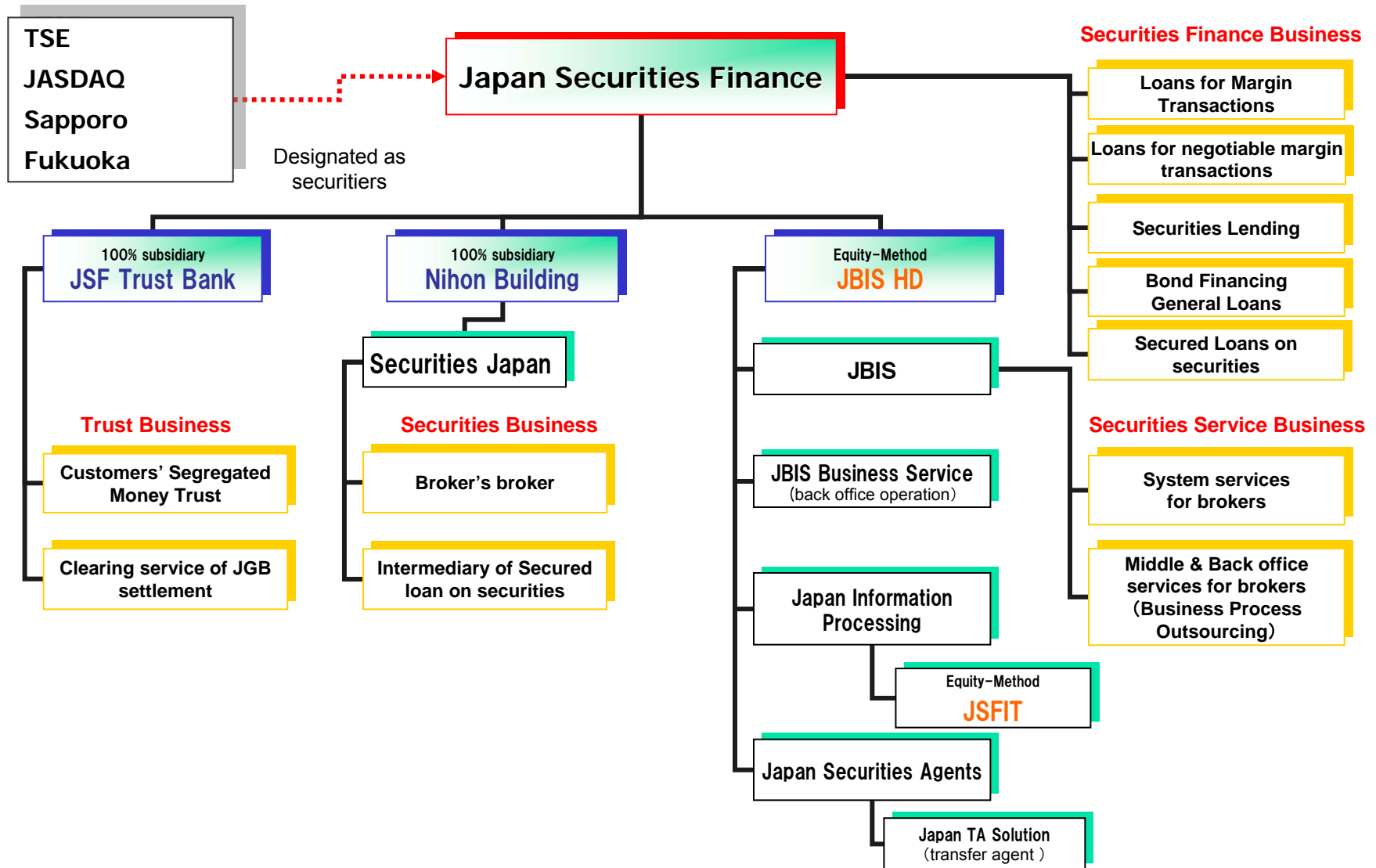
Customers for Stock Borrowing Agreement



The Number of Loanable Issues (TSE+JDQ)



Securities-related Business by JSF Group Companies



Operating Revenues by Each Business

	¥ mil						
	Mar-05	Mar-06	Mar-07	Mar-08	Dec-08	Mar-09	Dec-09
Margin Loan Business	17,309	22,993	23,186	23,156	14,483	19,638	10,091
	(47.9%)	(61.8%)	(53.3%)	(45.8%)	(41.7%)	(44.3%)	(46.9%)
Interest on Loans	6,794	10,158	10,954	10,581	3,250	3,899	2,515
Interest on collateral money of securities procured	889	892	1,345	1,683	1,460	1,992	1,439
Fees on Lending Securities	9,040	11,226	10,224	10,383	9,444	13,278	5,780
Premium Charges	6,773	8,468	7,168	7,862	8,130	11,568	4,519
Lending Fees	2,267	2,757	3,056	2,520	1,313	1,710	1,261
Bond Financing and General Loans Business	887	864	1,254	1,428	941	1,275	944
	(2.5%)	(2.3%)	(2.9%)	(2.8%)	(2.7%)	(2.9%)	(4.4%)
Bond financing & General Loans	887	842	938	1,016	740	951	584
Loans for Negotiable Margin Transactions	-	22	315	412	153	191	147
Securities Lending Business	1,926	2,699	5,093	6,297	4,257	4,848	1,135
	(5.3%)	(7.3%)	(11.7%)	(12.5%)	(12.3%)	(10.9%)	(5.3%)
General Stock Lending	1,015	1,465	1,441	848	411	462	243
Bond Lending	910	1,234	3,651	5,448	3,845	4,386	892
Trust Business	8,205	4,286	6,981	10,844	7,137	8,780	4,445
	(22.7%)	(11.5%)	(16.0%)	(21.4%)	(20.6%)	(19.8%)	(20.6%)
Interest on Loans	1,067	1,382	2,964	3,833	2,759	3,348	1,025
Trust Charges	227	161	177	198	160	209	178
Bond Trading	6,424	2,210	3,095	5,317	3,979	4,935	3,180
Real Estate Management Business	938	871	1,014	1,118	824	1,091	779
	(2.6%)	(2.3%)	(2.3%)	(2.2%)	(2.4%)	(2.5%)	(3.6%)
Others	3,910	2,517	5,993	7,736	7,060	8,664	4,133
	(10.8%)	(6.8%)	(13.8%)	(15.3%)	(20.3%)	(19.6%)	(19.2%)
Bond Trading (Parent only)	3,738	2,328	5,038	6,767	6,552	8,129	4,050
Operating Revenues	36,145	37,226	43,523	50,582	34,704	44,299	21,530
(excluded Premium Charges)	29,372	28,757	36,355	42,719	26,574	32,731	17,011

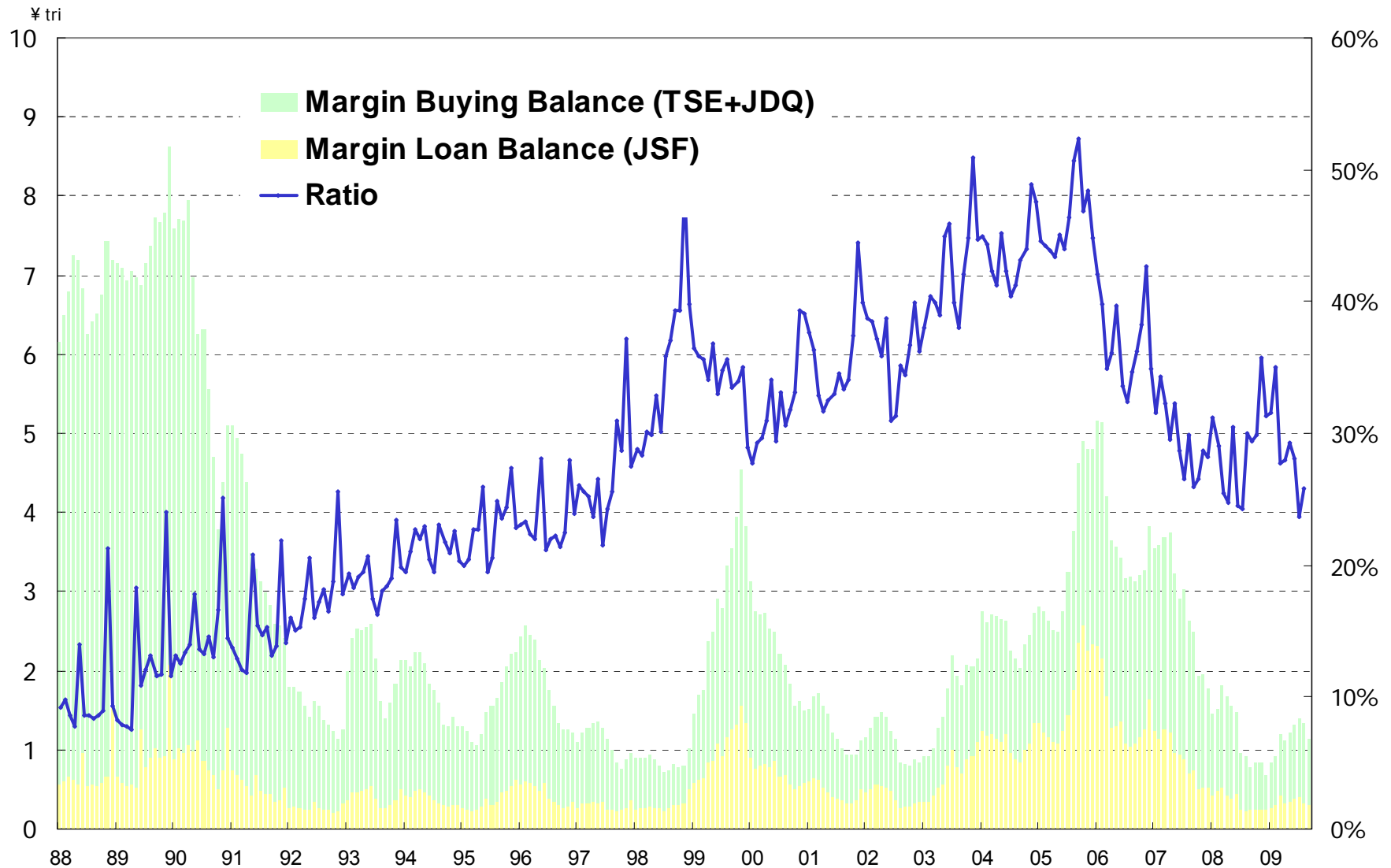
Avg. & Outstanding Loan Balance

¥ mil

		FY2004	FY2005	FY2006	FY2007	FY2008 1Q-3Q	FY2008	FY2009 1Q-3Q
Margin Loans	avg.	1,098,660	1,637,698	1,444,347	917,219	366,794	336,324	325,205
	term-end	1,386,619	2,328,082	1,634,700	508,587	236,023	244,306	293,117
Bond Financing & General Loans	avg.	45,333	46,436	79,425	76,941	54,478	51,887	46,966
	term-end	47,634	97,298	79,859	68,594	41,367	53,141	42,578
Loans for negotiable margin transactions	avg.	-	2,559	33,770	34,374	15,689	14,282	17,149
	term-end	-	25,340	40,309	25,154	8,572	18,714	13,822
Sales under repurchase agreement	avg.	6,707	53,865	8,923	48,390	109	88	401
	term-end	0	12,000	-	0	0	0	0
Trust Bank Loans	avg.	1,158,065	1,016,474	711,937	448,938	453,964	410,822	204,186
	term-end	1,076,242	751,967	306,572	546,702	364,026	191,122	210,378
Others	avg.	5,599	5,578	7,300	7,500	7,500	7,749	14,500
	term-end	5,578	5,578	7,500	7,500	7,500	14,500	14,500
Total	avg.	2,314,366	2,760,053	2,251,934	1,498,990	882,848	806,872	591,259
	term-end	2,528,075	3,194,928	2,028,633	1,131,385	648,917	503,070	560,573
Stock Loans	avg.	538,249	651,097	723,840	591,023	404,154	396,181	387,768
	term-end	593,713	686,971	702,702	419,503	342,198	459,098	289,886

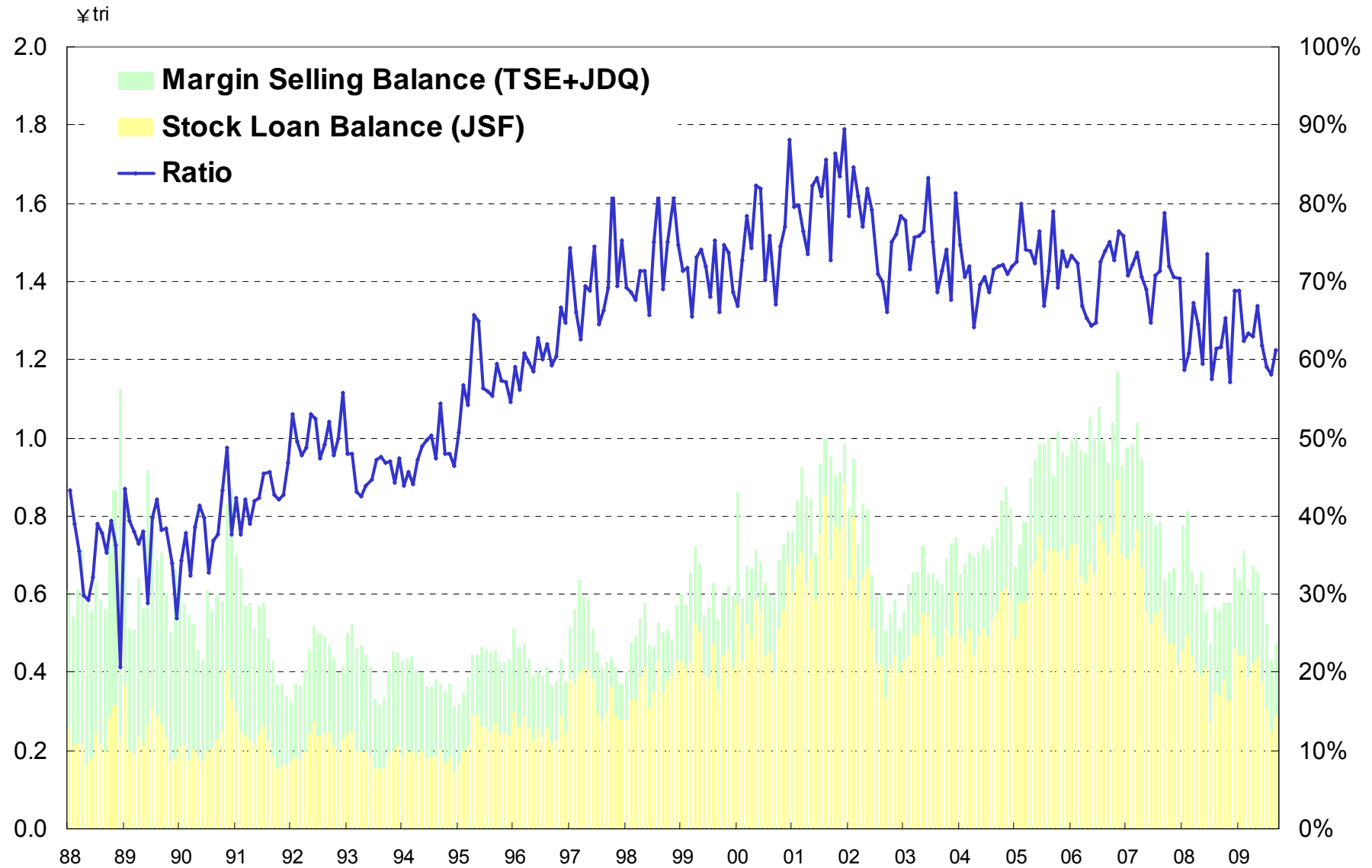
Margin Buying Transactions & JSF Margin Loans

(TSE+JDQ)



Margin Selling Transactions & JSF Stock Loans

(TSE+JDQ)



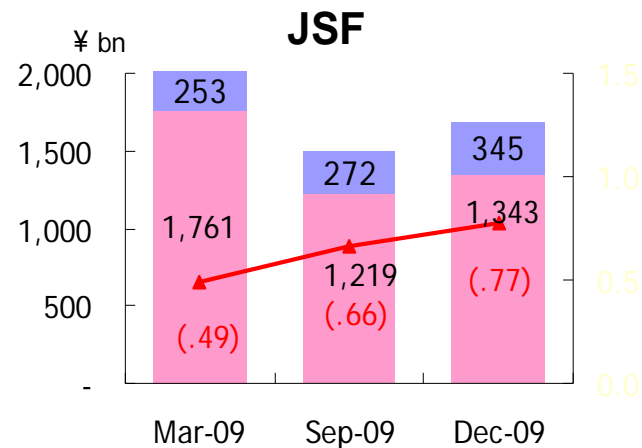
Securities Account

	Dec-09	notes
Assets	¥mil	
Loans	560,573	
Margin Loans	293,117	margin loan
Bond Financing & General Loan	42,578	
Loans for Negotiable Margin Transaction	13,822	
Others	14,500	
Trust Bank Loans	210,378	
Collateral Money of Securities Borrowed	1,060,051	
Stock Loan	154,702	Excess of stock loan
Securities Account		
Securities Lent	297,110	
Loans for Margin Transactions	289,886	stock loan
Bond Lending	0	
Securities in Custody	55,911	
Bond	51,000	
Equity	4,911	
Securities in Deposit	161,645	Excess of margin loan
Total of Securities Account	514,667	

	Dec-09	notes
Liabilities	¥mil	
Collateral Money of Securities Lent	808,368	
Margin Loans	289,886	stock loan
Securities Account		
Collateral Securities Deposited	293,117	margin loan
Securities Borrowed	215,071	
Loans for Margin Transactions	158,414	Excess of stock loan
Bond Borrowing	51,000	
Securities Lent Opposite Account	6,478	
Total of Securities Account	514,667	

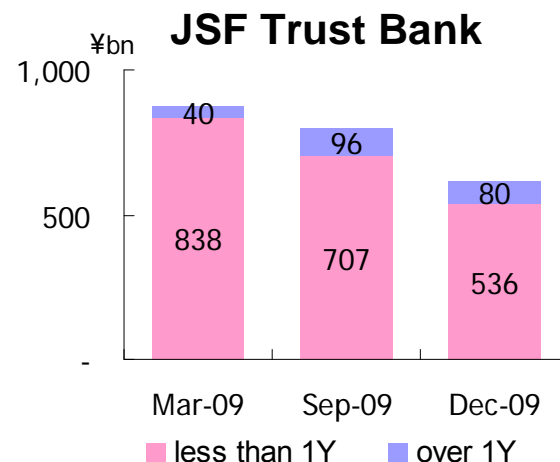
JGB Balance

		¥ mil		
JSF		Mar-09	Sep-09	Dec-09
JGB Balance		2,013,849	1,490,320	1,688,458
	less than 1Y	1,760,788	1,218,803	1,343,126
	over 1Y	253,061	271,517	345,332
	(15Y floating JGB)	188,511	192,516	194,119
Net unrealized gain or loss on securities on B/S		1,716	4,071	5,054
Remaining Period (exclude 15Y JGB)		(.49)	(.66)	(.77)



■ over 1Y
■ less than 1Y
▲ Remaining Period (exclude 15Y JGB)

		¥ mil		
JSF Trust Bank		Mar-09	Sep-09	Dec-09
JGB Balance		877,724	802,388	616,513
	less than 1Y	837,866	706,880	536,172
	over 1Y	39,858	95,507	80,341
	(15Y floating JGB)	39,858	39,863	39,866
Net unrealized gain or loss on securities on B/S		-1,386	-1,097	-798



■ less than 1Y ■ over 1Y

CDOs of JSF Trust Bank

◆ Synthetic Portfolio Note is expected to be redeemed before maturity and in progress

● CDOs

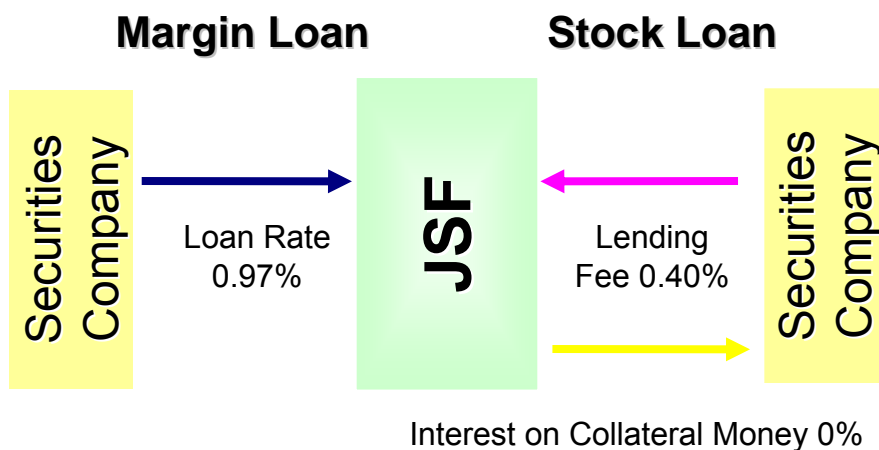
Issue	Original Principal	Mar-08 Balance	Sep-08 Balance	Dec-08 Balance	Mar-09 Balance	Ratings		Maturity	Sep-09 Balance
						original	change		
Self Managed CDO Credit-Linked Note	4,000	2,111	1,047	561	232	AAA	CCC	2014/9/25	232
Self Managed CDO Credit-Linked Note	4,000	1,978	912	419	172	AA	CC	2014/9/25	172
Self Managed CDO Credit-Linked Note	4,000	1,907	794	177	14	A	C	2014/9/25	14
Synthetic Portfolio Note	4,000	3,976	Redemption in progress						
Total	16,000	9,972	2,754	1,157	420				420

* impairment ▲6,003 ▲3,242 ▲1,596 ▲737

* ¥1bn out of ¥4bn of Synthetic Portfolio Note were sold to JSF in Jul/08, because of risk controll matter at JSF Trust Bank.

* The outstanding balance of CDO for ¥420mil was booked in allowance account in Mar-09.

Margin Loan Rates

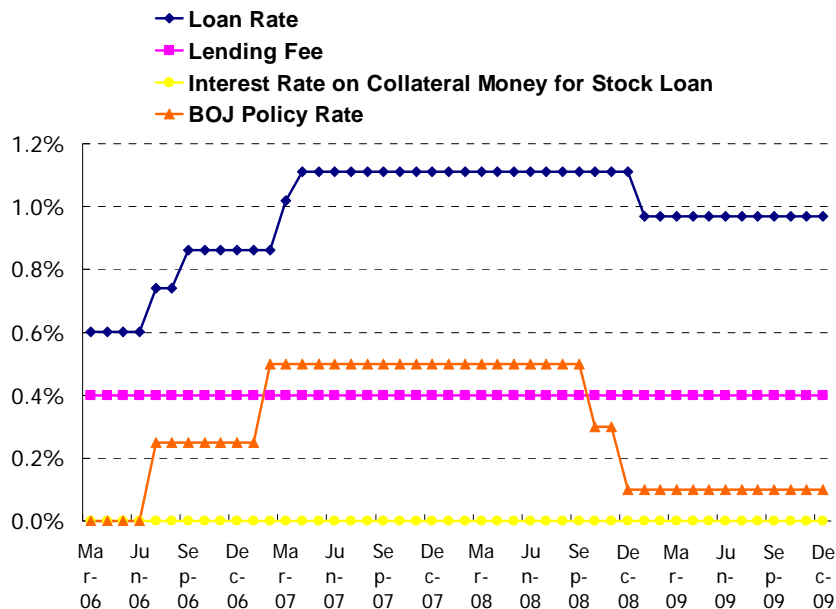


BOJ Policy Interest Rate

- Jul 2006 Uncollateralized O/N Call Rate: **0.25%**
- Feb 2007 Uncollateralized O/N Call Rate: **0.50%**
- Oct 2008 Uncollateralized O/N Call Rate: **0.30% (▲0.20%)**
- Dec 2008 Uncollateralized O/N Call Rate: **0.10% (▲0.20%)**

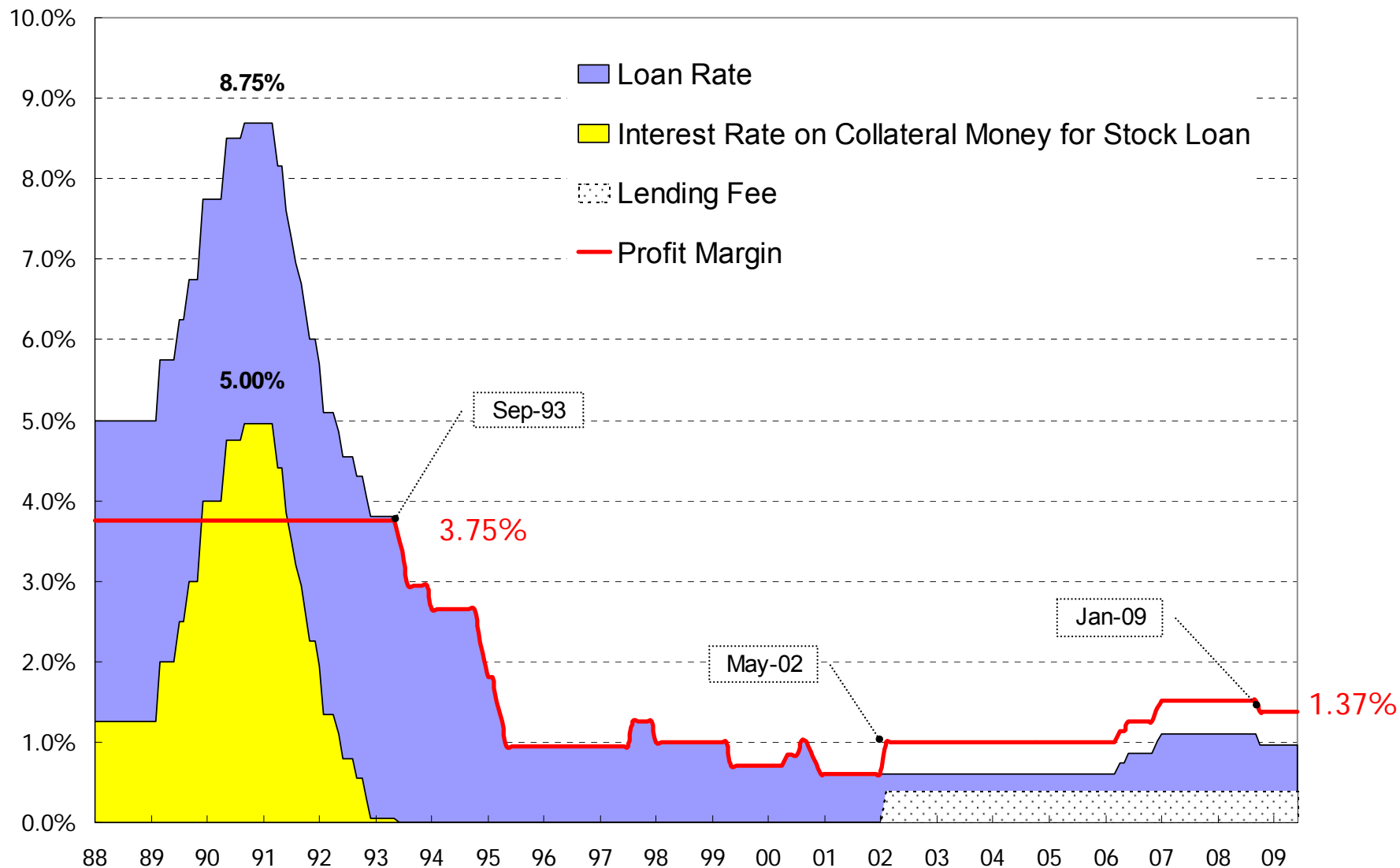
Margin Loan Rate

- 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%)**
- 29/Jan/2009 **0.97% (▲0.14%)**



◆ 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



Notice

This document includes statements for business forecast. These statements don't guarantee company's future achievement and that involve risk or uncertain factors. Company's future achievement may be changed drastically up to stock market or financial conditions.