



Financial Presentation for 1Q, FY2010

Japan Securities Finance Co.,Ltd

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Financial Summary

Financial Summary FY2010, 1Q

¥ mil

	Parent			Consolidated		
	FY2009 1Q	FY2010 1Q	Change	FY2009 1Q	FY2010 1Q	Change
Operating Revenues	6,437	5,044	▲1,393 (▲21.6%)	8,296	6,418	▲1,878 (▲22.6%)
EX Premium Charges	4,602	4,049	▲553 (▲12.0%)	6,462	5,423	▲1,038 (▲16.1%)
Operating Expenses	3,301	2,205	▲1,095	3,917	2,825	▲1,091
General & Administrative Expenses	1,707	1,607	▲100	2,358	1,920	▲438
Operating Profit	1,428	1,230	▲197 (▲13.8%)	2,020	1,671	▲348 (▲17.2%)
Gain or Loss in Equity-Method	—	—	—	▲336	60	+397
Recurring Income	1,713	1,500	▲212 (▲12.4%)	1,809	1,839	+30 (+1.7%)
Extraordinary Profit or Loss	219	▲13	▲233	▲0	557	+558
Net Income	1,229	965	▲263 (▲21.4%)	1,032	1,818	+786 (+76.2%)

Operating Revenues by Each Business

	¥ mil	
	Jun-09	Jun-10
Securities Finance Business	6,399	5,020
Margin Loan Business	3,766	2,522
	(45.4%)	(39.3%)
Interest on Loans	730	940
Interest on collateral money of securities procured	638	245
Fees on Lending Securities	2,331	1,269
Premium Charges	1,834	994
Lending Fees	496	275
Bond Financing and General Loans Business	332	279
	(4.0%)	(4.3%)
Bond financing & General Loans	202	183
Loans for Negotiable Margin Transactions	50	54
Securities Lending Business	437	416
	(5.3%)	(6.5%)
General Stock Lending	72	92
Bond Lending	365	324
Others	1,864	1,801
	(22.5%)	(28.1%)
Bond Trading (Parent only)	1,832	1,781
Trust Business	1,623	1,146
	(19.6%)	(17.9%)
Interest on Loans	379	287
Trust Charges	55	75
Bond Trading	1,164	747
Real Estate Management Business	273	251
	(3.3%)	(3.9%)
Operating Revenues	8,296	6,418
(excluded Premium Charges)	6,462	5,423

【Margin Loan】

- Although Interest on loans increased, premium charges decreased.

【Bond Financing and General Loans】

- Loan to individuals and corporations decreased.
- Loan to securities companies was steady.

【Securities Lending】

- Borrowing demands of stock lending increased.
- Interest on collateral money of bond lending decreased because of a decline of trading rates.

【Others】

- Coupon income on JGBs decreased slightly.

【Trust Bank】

- Loan balance to government increased.
- Interest on loans decreased because of a decline of trading rates.

Financial Highlights for FY2010, 1Q

1 As the outstanding balance of standardized margin selling transactions declined, Stock Loan Balance decreased.

Avg. Margin Loan Balance for FY2010, 1Q : ¥369bn (▲¥ 88bn, YoY)

Avg. Stock Loan Balance for FY2010, 1Q : ¥252bn (▲¥ 210bn, YoY)

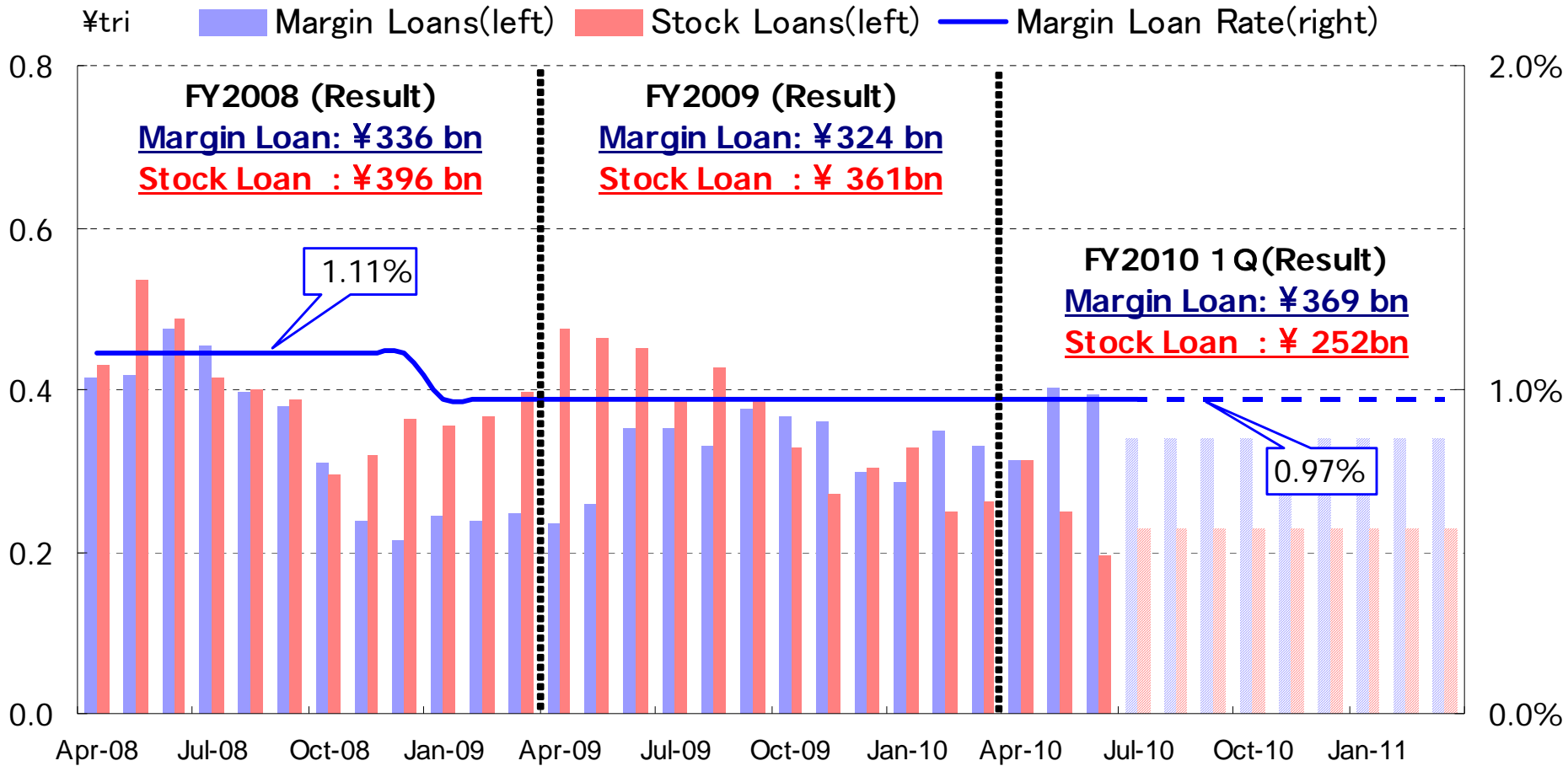
2 Booked Profit in Equity-Method

Booked Profit in Equity-Method of ¥60mil due to recovery from deficit of JBIS Holdings.

3 Extraordinary Profit increased due to reversal of allowance of doubtful receivables

Booked reversal of allowance of doubtful receivables of ¥570mil in Extraordinary Profit, due to repayment of large credit in JSF Trust Bank.

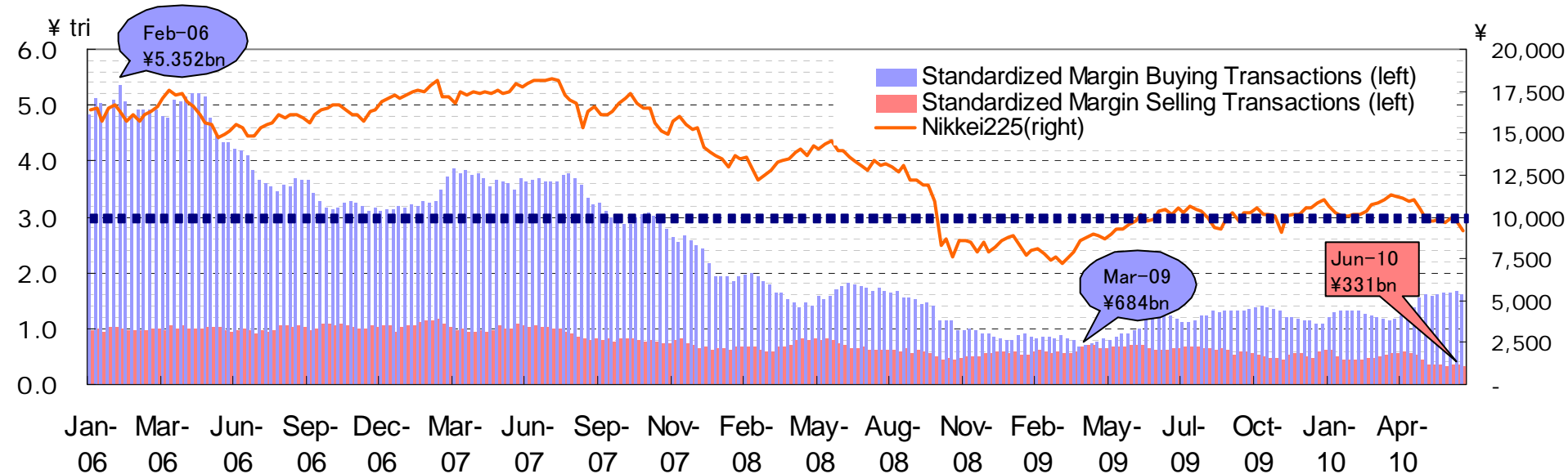
Avg. Outstanding Balance of Margin Loans and Stock Loans



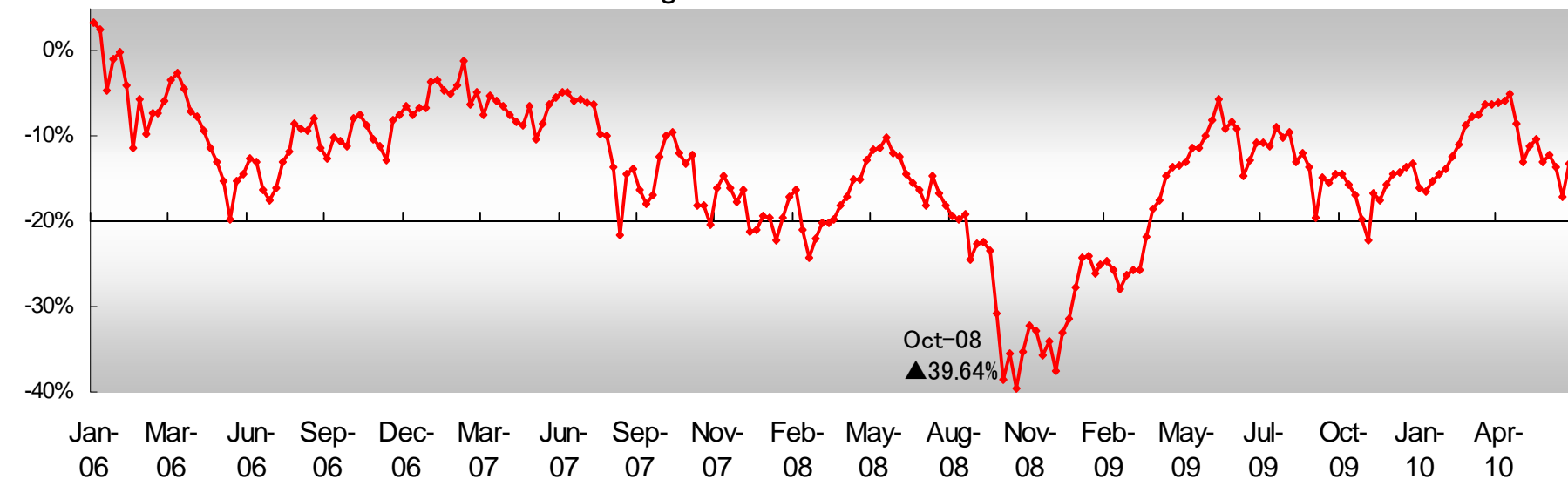


Outstanding Balance of Standardized Margin Transactions (TSE+JDQ)

(TSE+JDQ)



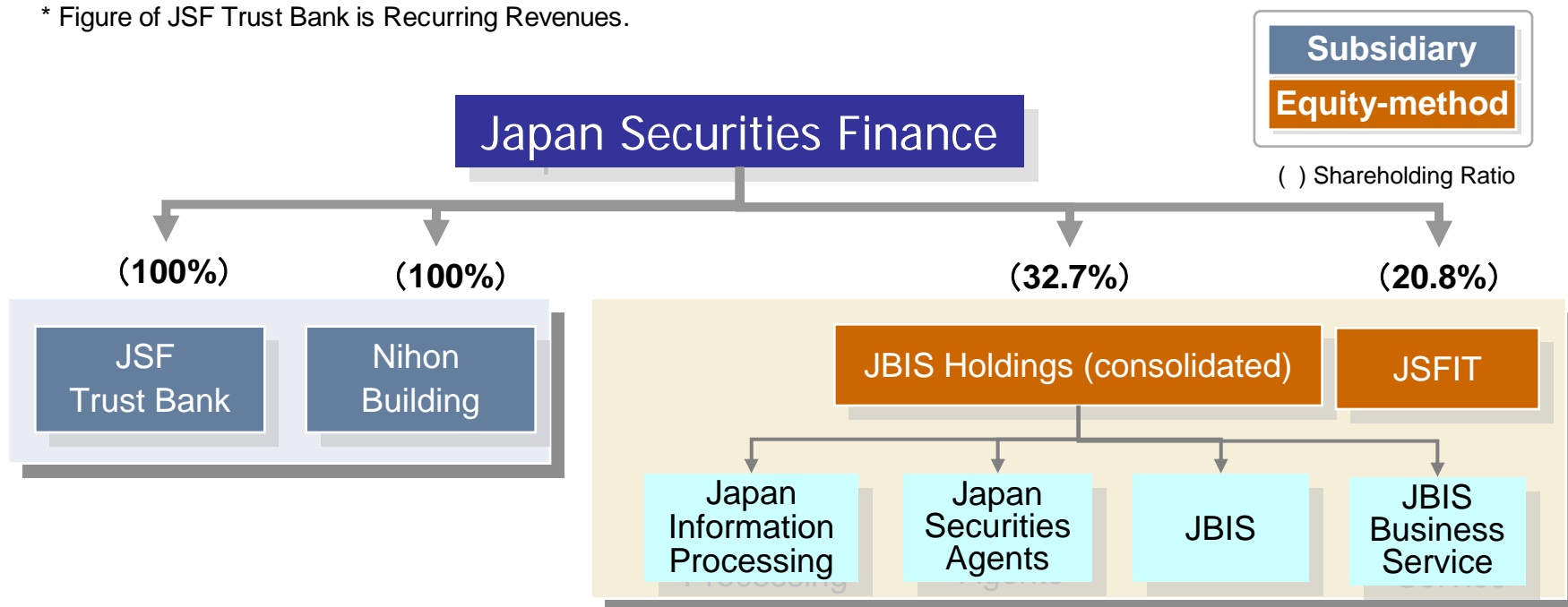
Margin Valuation Gain or Loss



Financial Results of Group Companies

	Shareholding Ratio	FY2010, 1Q Results		
		Operating Revenues*	Recurring Income	Net Income
Consolidated		6,418	1,839	1,818
JSF	-	5,044	1,500	965
JSF Trust Bank	100%	1,147	312	883
Nihon Building	100%	336	144	91
Equity-method	-	Loss in Equity-Method		60

* Figure of JSF Trust Bank is Recurring Revenues.



Financial Results for JSF Trust Bank

¥mil

	FY2009 1Q	FY2010 1Q	change
Recurring Revenues	1,626	1,147	▲479
Recurring Income	205	312	+107
Extraordinary Profit	—	570	+570
Net Income	205	883	+678
Equity Ratio	18.08%	21.66%	

Financial Highlights for FY2010, 1Q

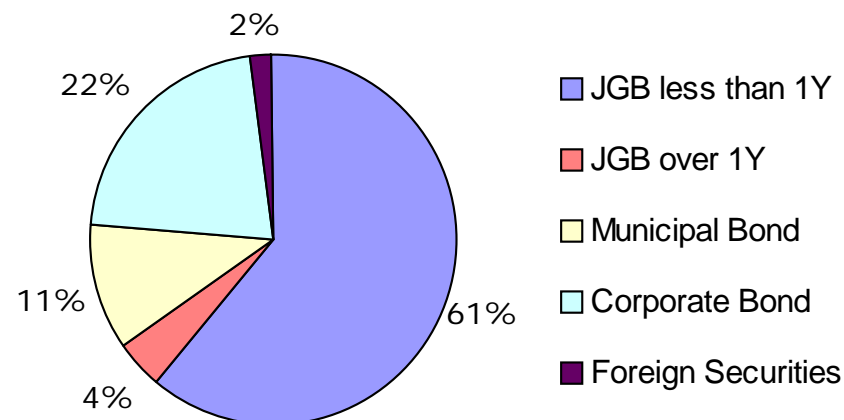
- ◆ Recurring Revenues decreased due to lowered interest rate.
- ◆ Both Recurring Income and Net Income increased due to reversal of allowance of doubtful receivables of ¥570mil (Booked provision for loan loss reserve of ¥584mil in FY2009 1Q).

Main Assets of JSF Trust Bank

● Securities Holdings

	Sep-09	Mar-10	Jun-10	Notes
JGB	802,388	897,766	789,835	
less than 1Y	706,880	847,870	739,938	
over 1Y	95,507	49,895	49,896	
Short-term Bond	0	0	0	
Municipal Bond	70,479	105,029	134,393	
Corporate Bond	240,183	313,267	267,691	Government Guaranteed Bond
Equity	4	4	4	
Other Securities	25,008	25,437	25,417	
Foreign Securities	22,135	22,331	22,429	Euroyen Bond
Investment Fund	0	0	0	
CDO	2,654	2,732	2,614	including "redemption in progress" CDOs
others	217	373	373	
Total	1,138,063	1,341,505	1,217,341	

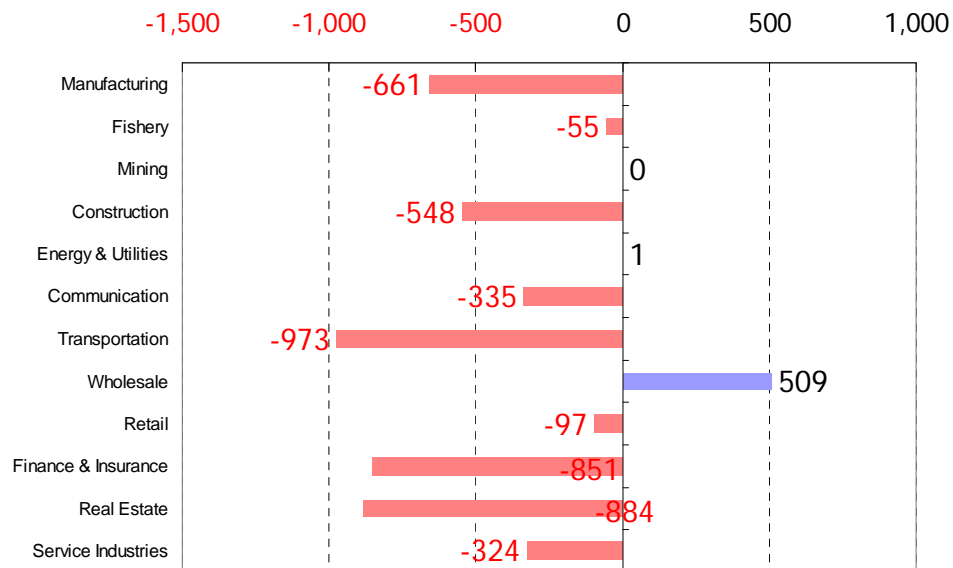
● Ratio of Securities(as of Jun-10)



● Loan Balance by Industry

	Sep-09		Mar-10		Jun-10	
	Loan Balance	ratio	Loan Balance	ratio	Loan Balance	ratio
Manufacturing	33,779	17.5%	33,241	12.7%	32,580	10.2%
Fishery	1,322	0.7%	166	0.1%	111	0.0%
Mining	624	0.3%	576	0.2%	576	0.2%
Construction	4,533	2.4%	3,419	1.3%	2,871	0.9%
Energy & Utilities	1,995	1.0%	1,996	0.8%	1,997	0.6%
Communication	2,674	1.4%	2,608	1.0%	2,273	0.7%
Transportation	14,602	7.6%	11,773	4.5%	10,800	3.4%
Wholesale	4,417	2.3%	4,414	1.7%	4,923	1.5%
Retail	2,302	1.2%	1,595	0.6%	1,498	0.5%
Finance & Insurance	6,217	3.2%	13,061	5.0%	12,210	3.8%
Real Estate	8,236	4.3%	4,641	1.8%	3,757	1.2%
Service Industries	1,331	0.7%	877	0.3%	553	0.2%
Governments	110,830	57.4%	184,164	70.1%	245,047	76.8%
Total	192,927		262,535		319,199	
(exclude Governments)	82,097		78,371		74,152	

● Change of Loan Balance (as compared with Mar-10, ex government)



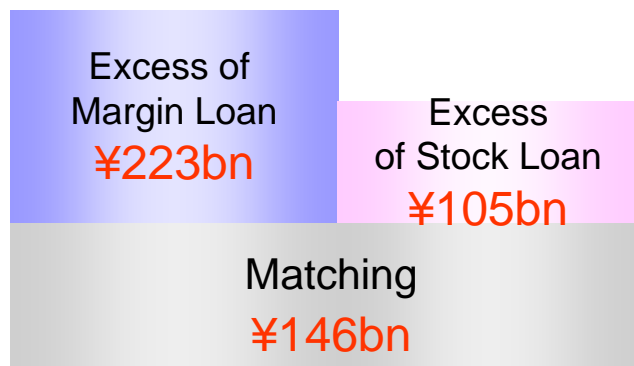
Estimated Figures for FY2010

¥mil

	Parent			Consolidated		
	FY2010 1Q Results	FY2010 1Q-2Q	FY2010 1Q-4Q	FY2010 1Q Results	FY2010 1Q-2Q	FY2010 1Q-4Q
Operating Profit	1,230	1,600	1,900	1,671	2,300	2,900
Recurring Income	1,500	1,900	2,400	1,839	2,500	3,700
Net Income	965	1,200	1,500	1,818	2,200	3,000
EPS (Yen)	10.38	12.90	16.12	19.64	23.77	32.41
Preconditions	Margin Loan balance:¥340bn, Stock Loan balance:¥230bn Loan Rate:0.97% Interest on Collateral Money:0%, Lending Fee:0.40%					

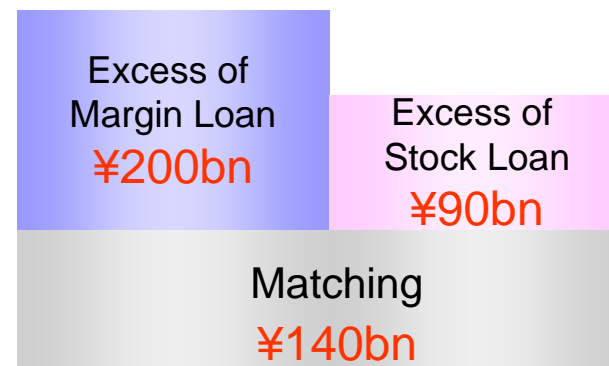
Precondition Balance of Margin Loans

FY2010,1Q Results



Margin Loan Stock Loan
¥369bn ¥252bn

FY2010 Precondition



Margin Loan Stock Loan
¥340bn ¥230bn

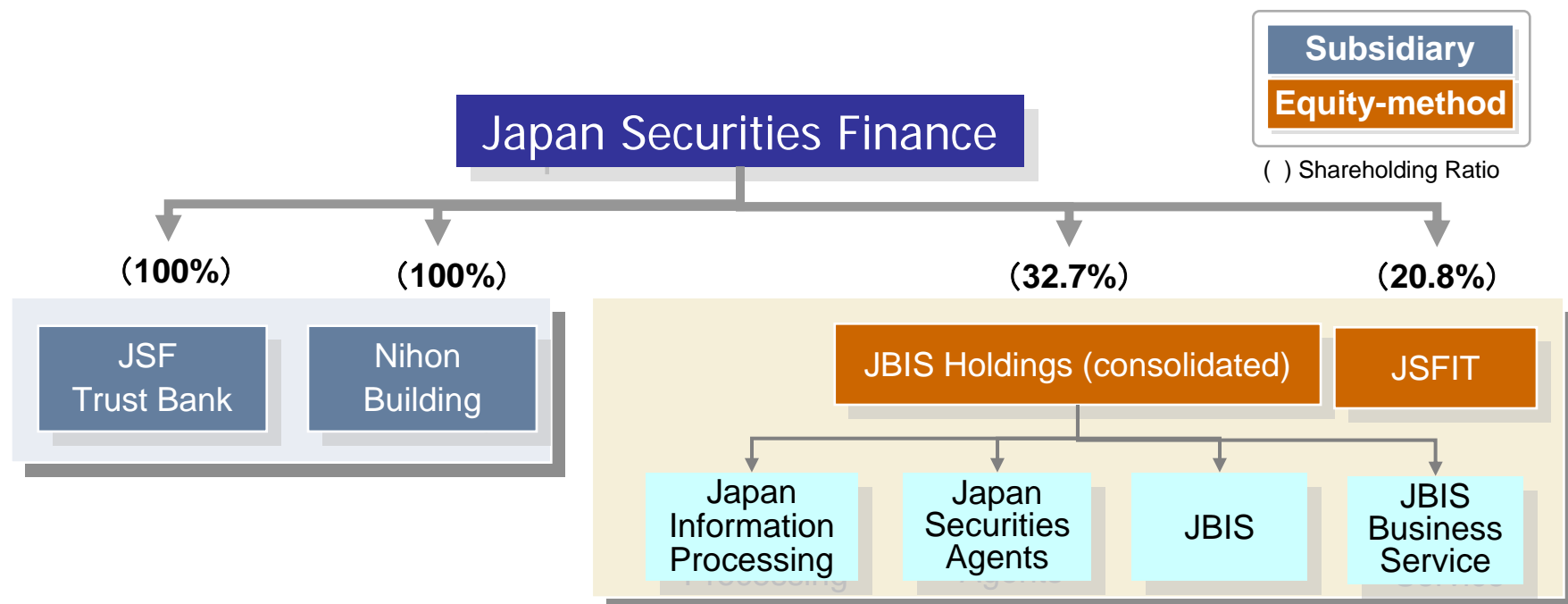
Preconditions

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

Consolidated Estimated Figures

¥ mil

	Shareholding Ratio	FY2010, 1Q Results			FY2010 Estimated Figures		
		Operating Profit	Recurring Income	Net Income	Operating Profit	Recurring Income	Net Income
Consolidated		1,671	1,839	1,818	2,900	3,700	3,000
JSF	-	1,230	1,500	965	1,900	2,400	1,500
JSF Trust Bank	100%	-	312	883	-	584	1,054
Nihon Building	100%	126	144	91	360	400	220





Appendix

End of Margin Loan Business for JASDAQ market

Apr 2004

Start margin loan business for JASDAQ market

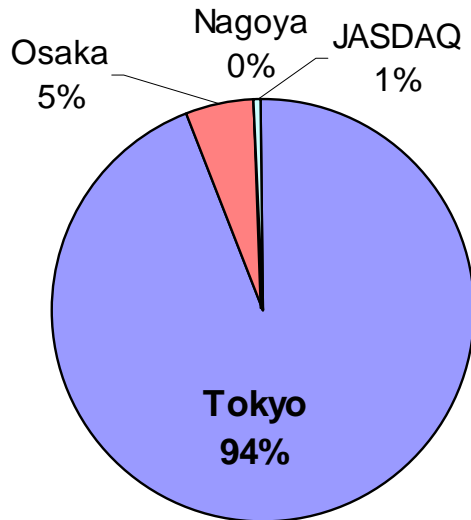
Apr 2010

Management integration of OSE and JASDAQ

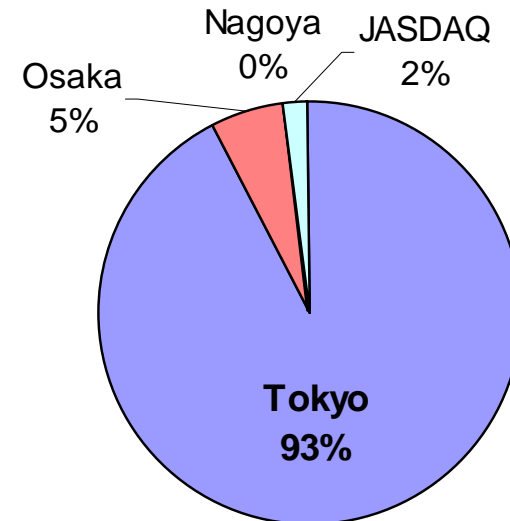
Oct 12 2010

Market integration of Hercules market and JASDAQ market
End of Margin Loan Business for JASDAQ market

Share of Standardized Margin
Selling Transaction



Share of Standardized Margin
Buying Transaction



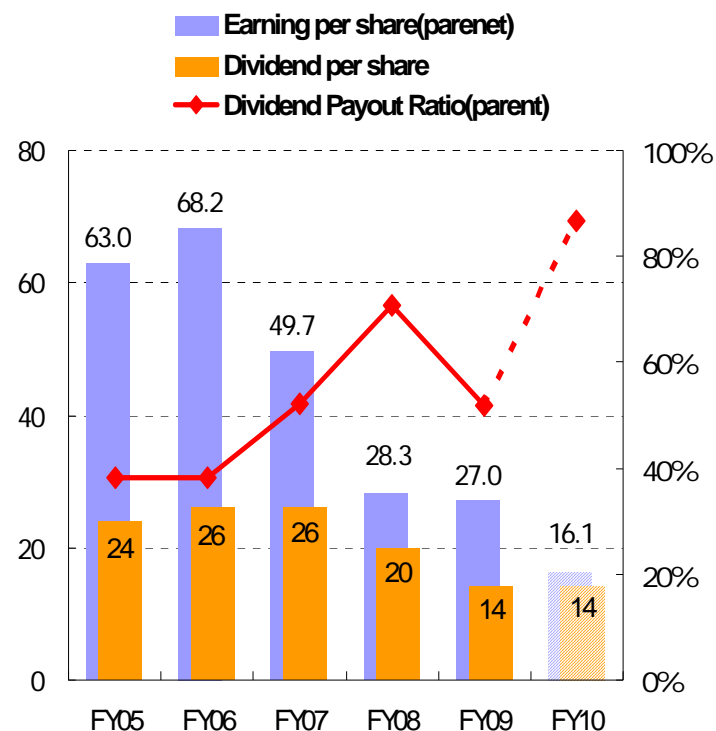
Dividend Policy

◆ Dividend Policy

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

FY2010 Forecast: Annual ¥14 (Interim ¥7, year-end ¥7)

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Annual Dividend per share	¥24	¥26	¥26	¥20	¥14	¥14
(year-end)	¥14	¥14	¥13	¥10	¥7	¥7
(interim)	¥10	¥12	¥13	¥10	¥7	¥7
Parent : EPS	¥63.0	¥68.2	¥49.7	¥28.3	¥27.0	¥16.1
Parent : DPR	38.1%	38.1%	52.3%	70.7%	51.9%	86.8%
Consolidated : DPR	49.0%	61.8%	-	-	36.3%	43.2%
Consolidated : DOE	1.9%	2.1%	2.2%	1.8%	1.2%	-

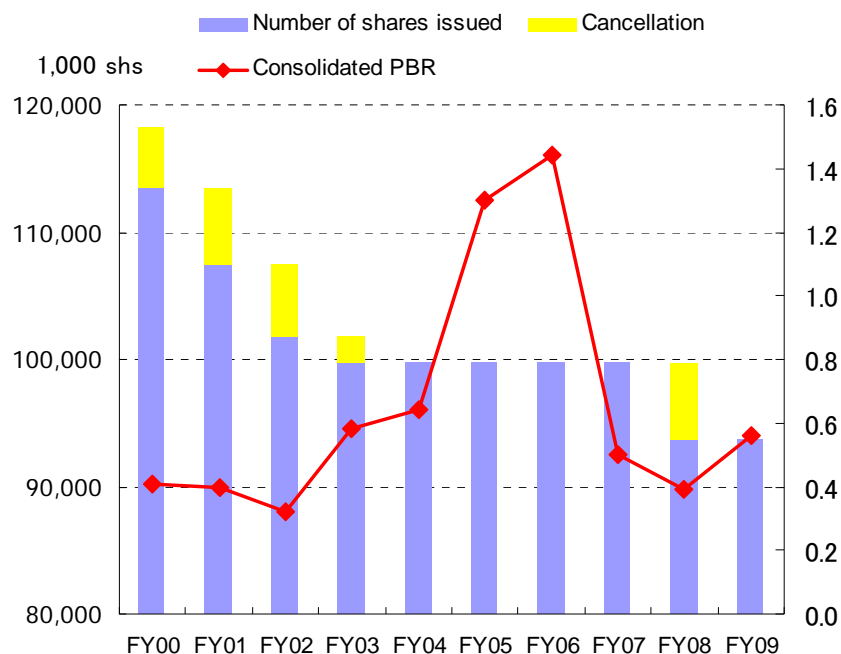


Share Buyback Program

	start	end	total shares purchased	amount	cancellation	shares issued
			shs	¥ mil	shs	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

	1,000 shs	
	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
FY09	93,700	—



Operating Revenues by Each Business

¥ mil

	Mar-06	Mar-07	Mar-08	Mar-09	Jun-09	Mar-10	Jun-10
Securities Finance Business	29,075	34,917	38,619	34,427	6,399	20,817	5,020
Margin Loan Business	22,993	23,186	23,156	19,638	3,766	12,954	2,522
	(61.8%)	(53.3%)	(45.8%)	(44.3%)	(45.4%)	(46.5%)	(39.3%)
Interest on Loans	10,158	10,954	10,581	3,899	730	3,324	940
Interest on collateral money of securities procured	892	1,345	1,683	1,992	638	1,774	245
Fees on Lending Securities	11,226	10,224	10,383	13,278	2,331	7,337	1,269
Premium Charges	8,468	7,168	7,862	11,568	1,834	5,773	994
Lending Fees	2,757	3,056	2,520	1,710	496	1,563	275
Bond Financing and General Loans Business	864	1,254	1,428	1,275	332	1,234	279
	(2.3%)	(2.9%)	(2.8%)	(2.9%)	(4.0%)	(4.4%)	(4.3%)
Bond financing & General Loans	842	938	1,016	951	202	767	183
Loans for Negotiable Margin Transactions	22	315	412	191	50	204	54
Securities Lending Business	2,699	5,093	6,297	4,848	437	1,454	416
	(7.3%)	(11.7%)	(12.5%)	(10.9%)	(5.3%)	(5.2%)	(6.5%)
General Stock Lending	1,465	1,441	848	462	72	308	92
Bond Lending	1,234	3,651	5,448	4,386	365	1,146	324
Others	2,517	5,993	7,736	8,664	1,864	5,174	1,801
	(6.8%)	(13.8%)	(15.3%)	(19.6%)	(22.5%)	(18.6%)	(28.1%)
Bond Trading (Parent only)	2,328	5,038	6,767	8,129	1,832	5,077	1,781
Trust Business	4,286	6,981	10,844	8,780	1,623	6,016	1,146
	(11.5%)	(16.0%)	(21.4%)	(19.8%)	(19.6%)	(21.6%)	(17.9%)
Interest on Loans	1,382	2,964	3,833	3,348	379	1,330	287
Trust Charges	161	177	198	209	55	249	75
Bond Trading	2,210	3,095	5,317	4,935	1,164	4,342	747
Real Estate Management Business	871	1,014	1,118	1,091	273	1,034	251
	(2.3%)	(2.3%)	(2.2%)	(2.5%)	(3.3%)	(3.7%)	(3.9%)
Operating Revenues	37,226	43,523	50,582	44,299	8,296	27,868	6,418
(excluded Premium Charges)	28,757	36,355	42,719	32,731	6,462	22,095	5,423

※Operating Revenues by 3 Segments (Securities Finance Business, Trust Business, Real Estate Management Business) Released from Jun-2010

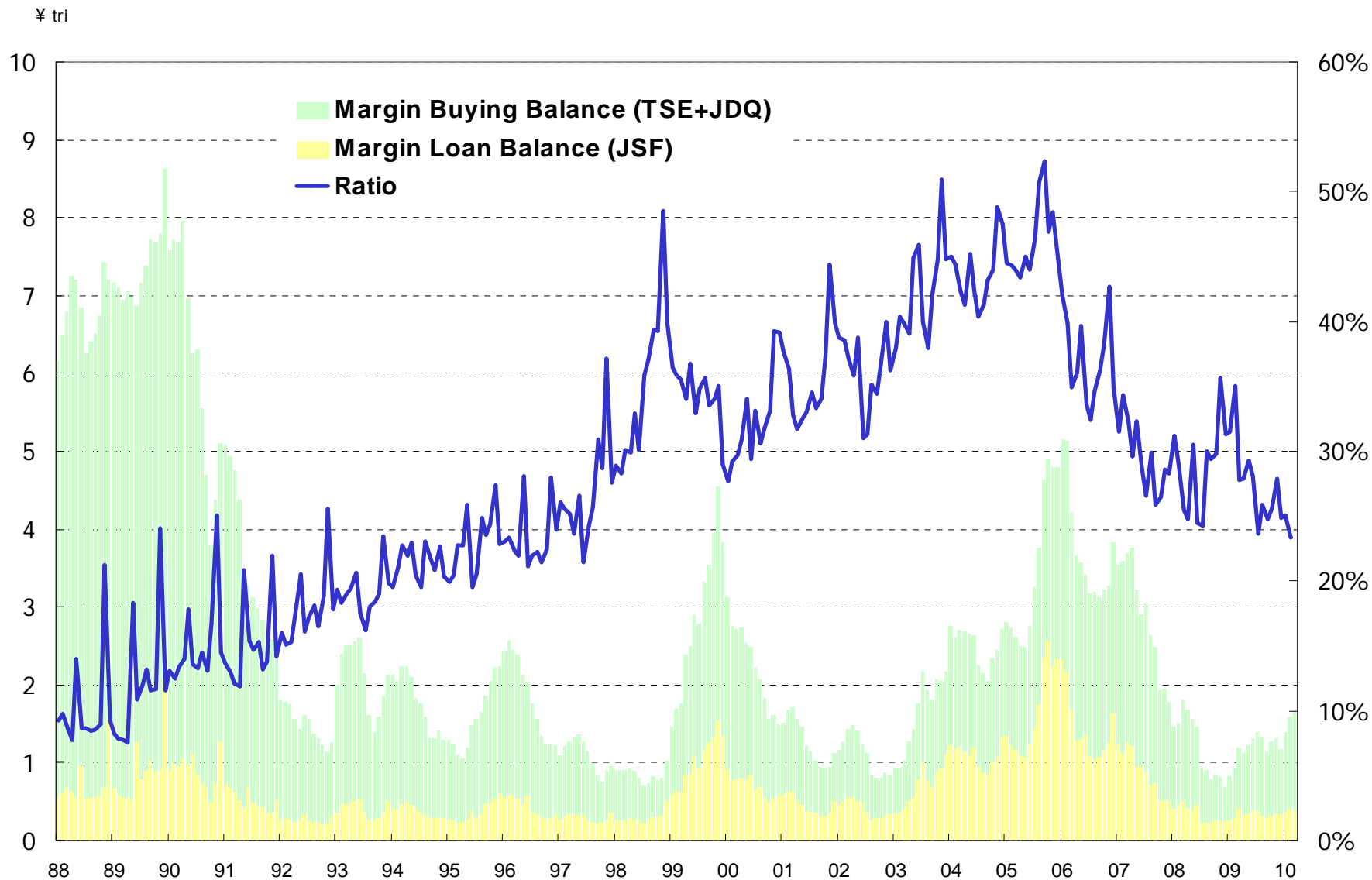
Avg. & Outstanding Loan Balance

¥ mil

		FY2006	FY2007	FY2008	FY2009 1Q	FY2009	FY2010 1Q
Margin Loans	avg.	1,444,347	917,219	336,324	281,977	324,205	369,982
	term-end	1,634,700	508,587	244,306	418,865	328,755	387,018
Bond Financing & General Loans	avg.	79,425	76,941	51,887	48,693	46,863	50,389
	term-end	79,859	68,594	53,141	50,351	51,448	51,051
Loans for negotiable margin transactions	avg.	33,770	34,374	14,282	18,275	17,173	20,997
	term-end	40,309	25,154	18,714	20,470	20,944	21,507
Sales under repurchase agreement	avg.	8,923	48,390	88	219	302	0
	term-end	0	0	0	0	0	0
Trust Bank Loans	avg.	711,937	448,938	410,822	217,012	215,308	295,159
	term-end	306,572	546,702	191,122	226,128	260,862	318,249
Others	avg.	7,300	7,500	7,749	14,500	14,500	14,500
	term-end	7,500	7,500	14,500	14,500	14,500	14,500
Total	avg.	2,251,934	1,498,990	806,872	562,403	601,180	730,031
	term-end	2,028,633	1,131,385	503,070	709,845	655,567	770,819
Stock Loans	avg.	723,840	591,023	396,181	462,693	361,388	252,371
	term-end	702,702	419,503	459,098	386,279	306,394	184,655

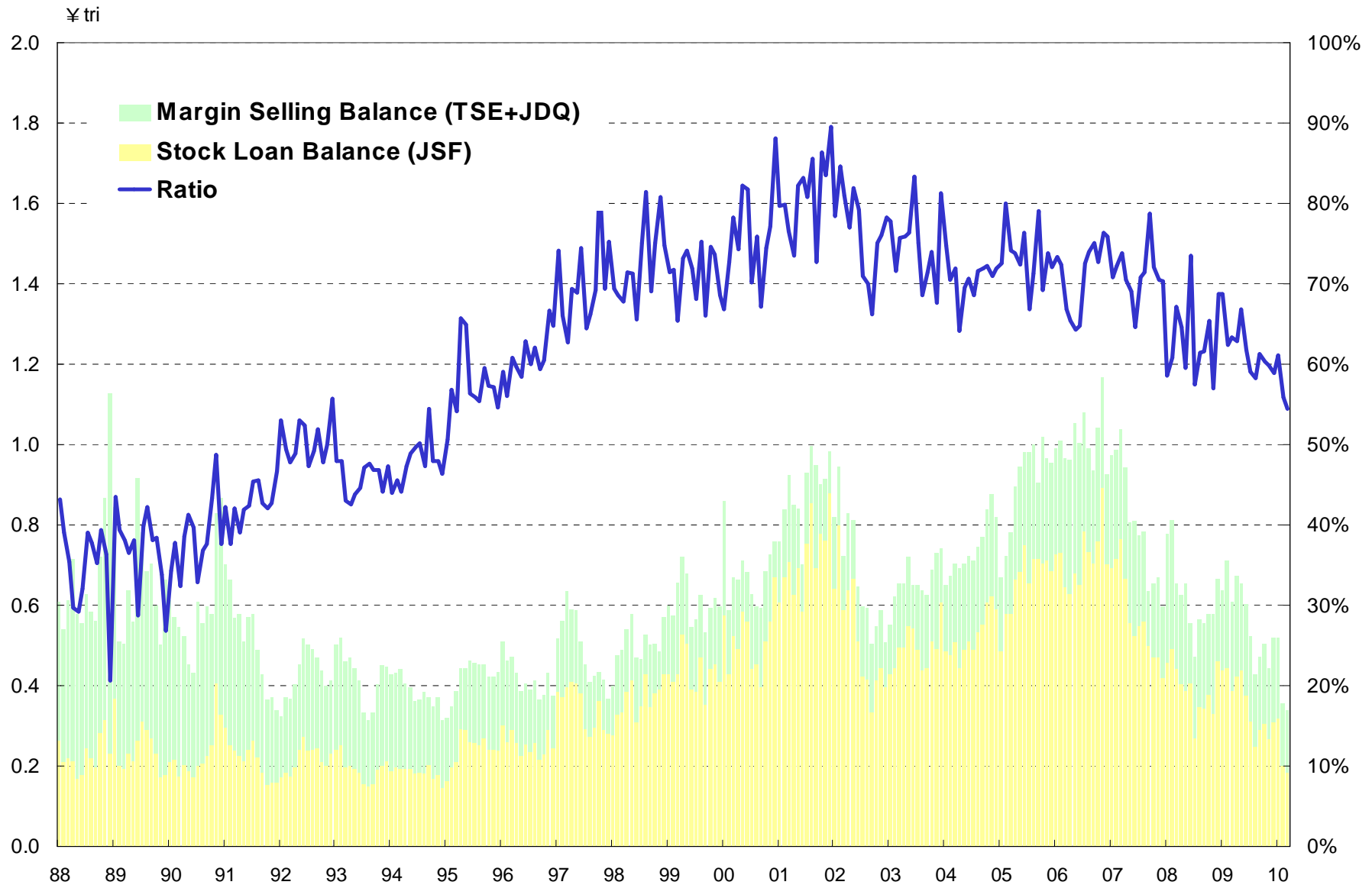
Margin Buying Transactions & JSF Margin Loans

(TSE+JDQ)



Margin Selling Transactions & JSF Stock Loans

(TSE+JDQ)



Securities Account

	Mar-10	notes
Assets		
	¥mil	
Loans	770,819	
Margin Loans	387,018	margin loan
Bond Financing & General Loans	51,051	
Loans for Negotiable Margin Transaction	21,507	
Others	14,500	
Trust Bank Loans	318,249	
Collateral Money of Securities Borrowed	806,129	
Stock Loan	57,282	Excess of stock loan
Securities Account		
Securities Lent	196,431	
Loans for Margin Transactions	184,655	stock loan
Bond Lending	0	
Securities in Custody	40,065	
Bond	31,000	
Equity	9,065	
Securities in Deposit	261,859	Excess of margin loan
Total of Securities Account	498,355	

	Mar-10
Liabilities	
	¥mil
Collateral Money of Securities Lent	678,585
Margin Loans	184,655
Securities Account	
Collateral Securities Deposited	387,018
Securities Borrowed	100,837
Loans for Margin Transactions	59,496
Bond Borrowing	31,000
Securities Lent Opposite Account	10,499
Total of Securities Account	498,355

Features of Balance Sheet

Features of Assets

(1) Fluctuation of Loan Balance

Loan balance moves everyday because margin loan is over-night loan

(2) Holding JGBs for flexible cash funding

Holding certain amount of JGBs to fund money flexibly in short-term money market

Features of Liabilities

(1) Fluctuation of money funding amount

Need to response flexibly to fluctuating cash demands, because of the fluctuation of margin loan balance

(2) Dependent on market

Cash funding structure is not stable and depends on money market, because no deposits like banks

(3) Funding with low rate

Required to fund in low cost to supply money for securities market stably and flexibly

Assets

Jun-10

◆ Loans	452,569	Margin Loan Loans for negotiable margin transactions Bond financing & General Loans
◆ Short-term Investments	1,277,845	Mainly JGBs, its duration is less than 1 year
◆ Collateral Money of securities borrowed	719,931	Collateral money of bond borrowing Collateral money of excess of Stock Loan
◆ Investments in securities	369,642	Mainly JGBs, its duration is over 1 year

Liabilities

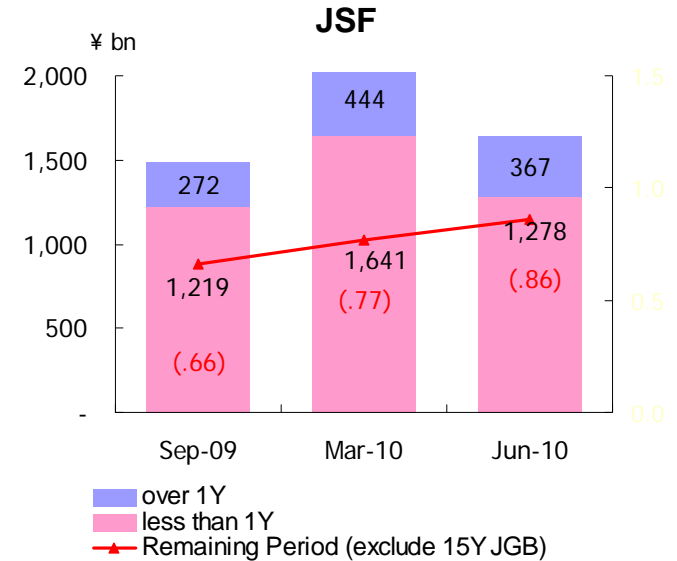
Jun-10

¥ mil

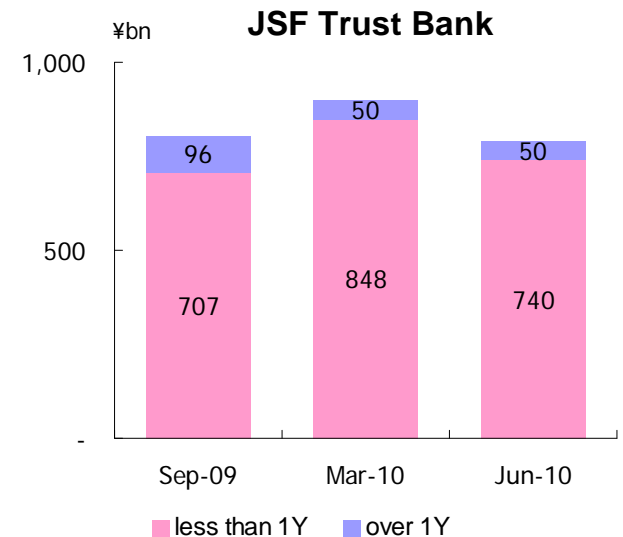
◆ Call Money	1,031,800	
◆ Short-term Borrowings	1,035,790	Borrowings from banks BOJ operation
◆ Repurchase Agreement	93,510	BOJ operation
◆ Collateral Money of securities lent	555,681	Collateral money of bond lending Collateral money of Stock Loan
◆ Long-term Borrowings	2,000	Borrowings from financial institutions
Net Assets	109,933	

JGB Balance

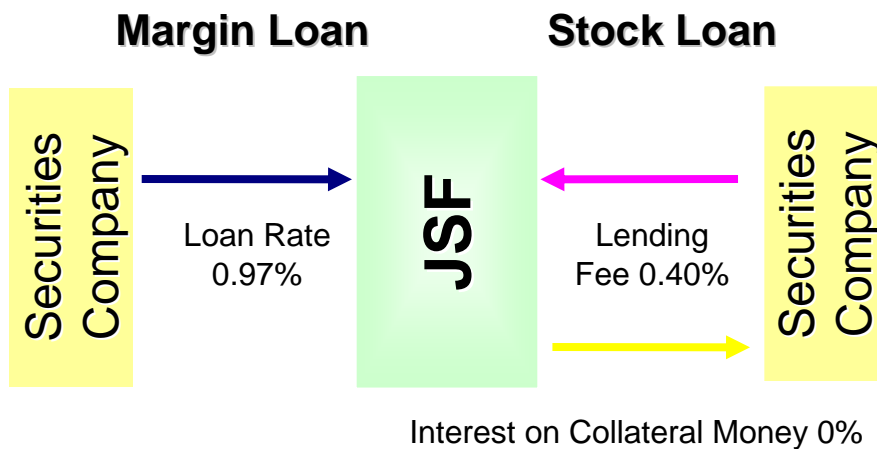
JSF		¥ mil		
		Sep-09	Mar-10	Jun-10
JGB Balance		1,490,320	2,085,612	1,644,387
	less than 1Y	1,218,803	1,641,497	1,277,845
	over 1Y	271,517	444,115	366,542
	(15Y floating JGB)	192,516	193,314	193,320
Net unrealized gain or loss on securities on B/S		4,071	4,422	5,061
Remaining Period (exclude 15Y JGB)		(.66)	(.77)	(.86)



JSF Trust Bank		¥ mil		
		Sep-09	Mar-10	Jun-10
JGB Balance		802,388	897,766	789,835
	less than 1Y	706,880	847,870	739,938
	over 1Y	95,507	49,895	49,896
	(15Y floating JGB)	39,863	39,869	39,872
Net unrealized gain or loss on securities on B/S		-1,097	-1,078	-1,110



Margin Loan Rates



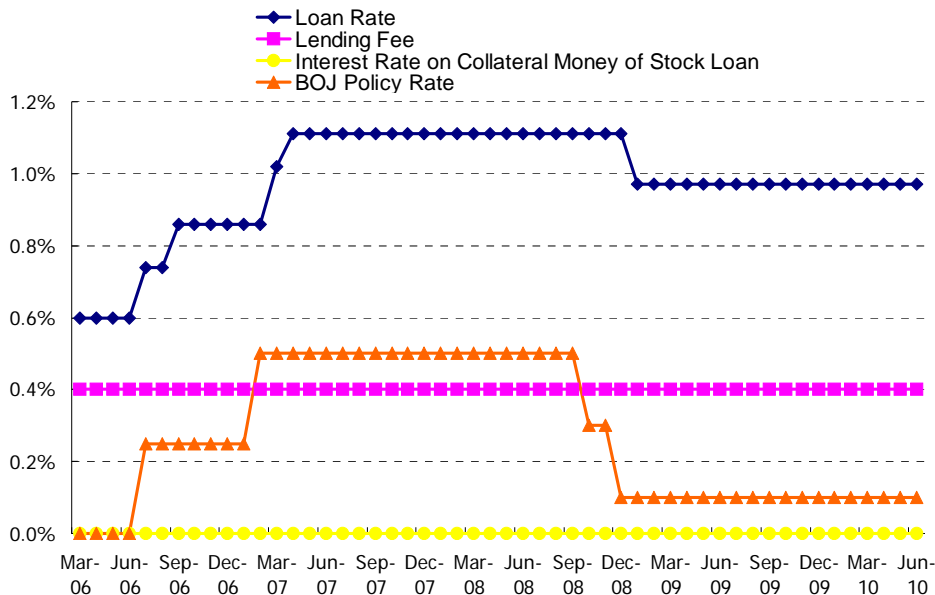
BOJ Policy Interest Rate

- 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%)**

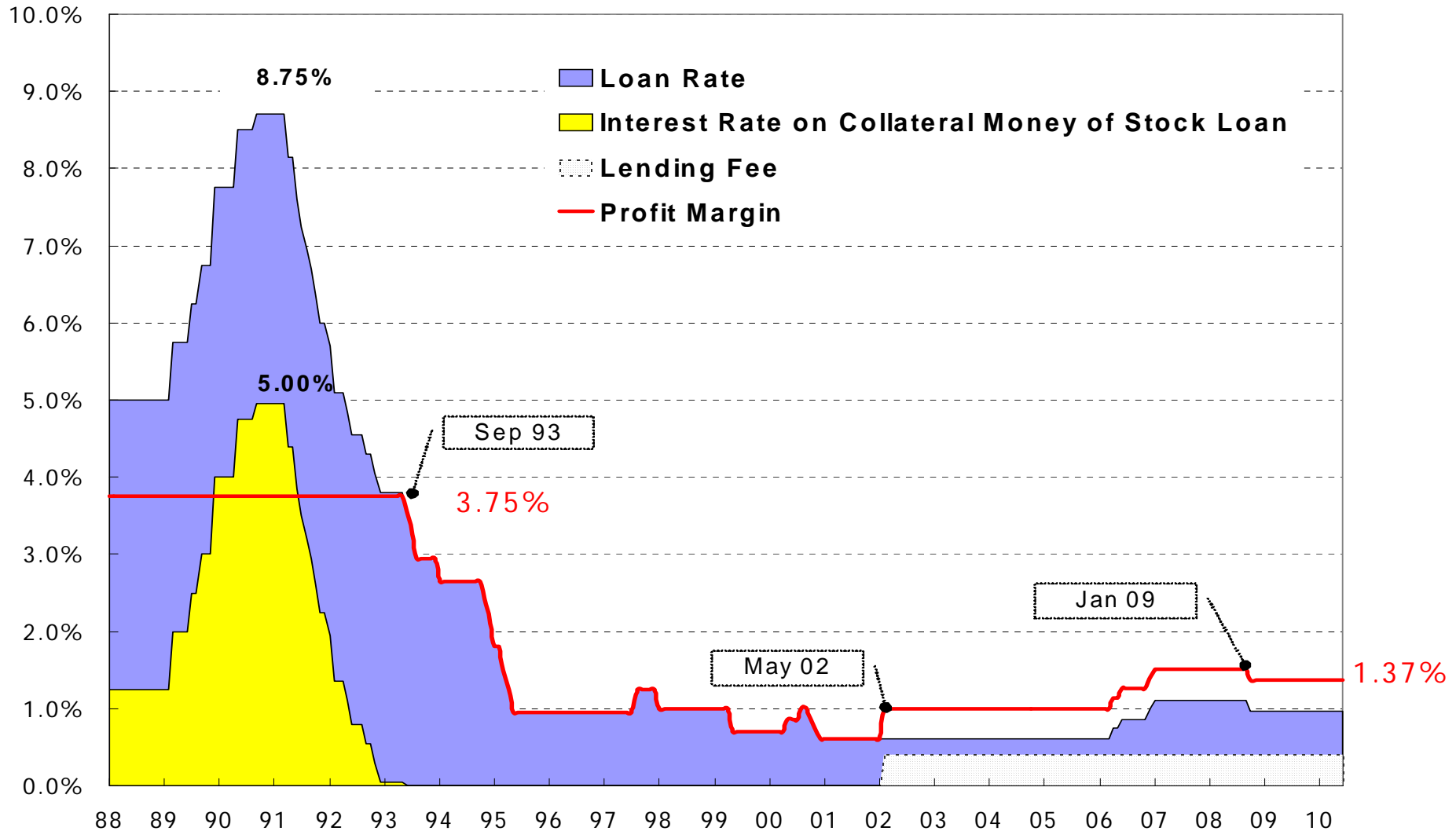
Margin Loan Rate

- 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%)**

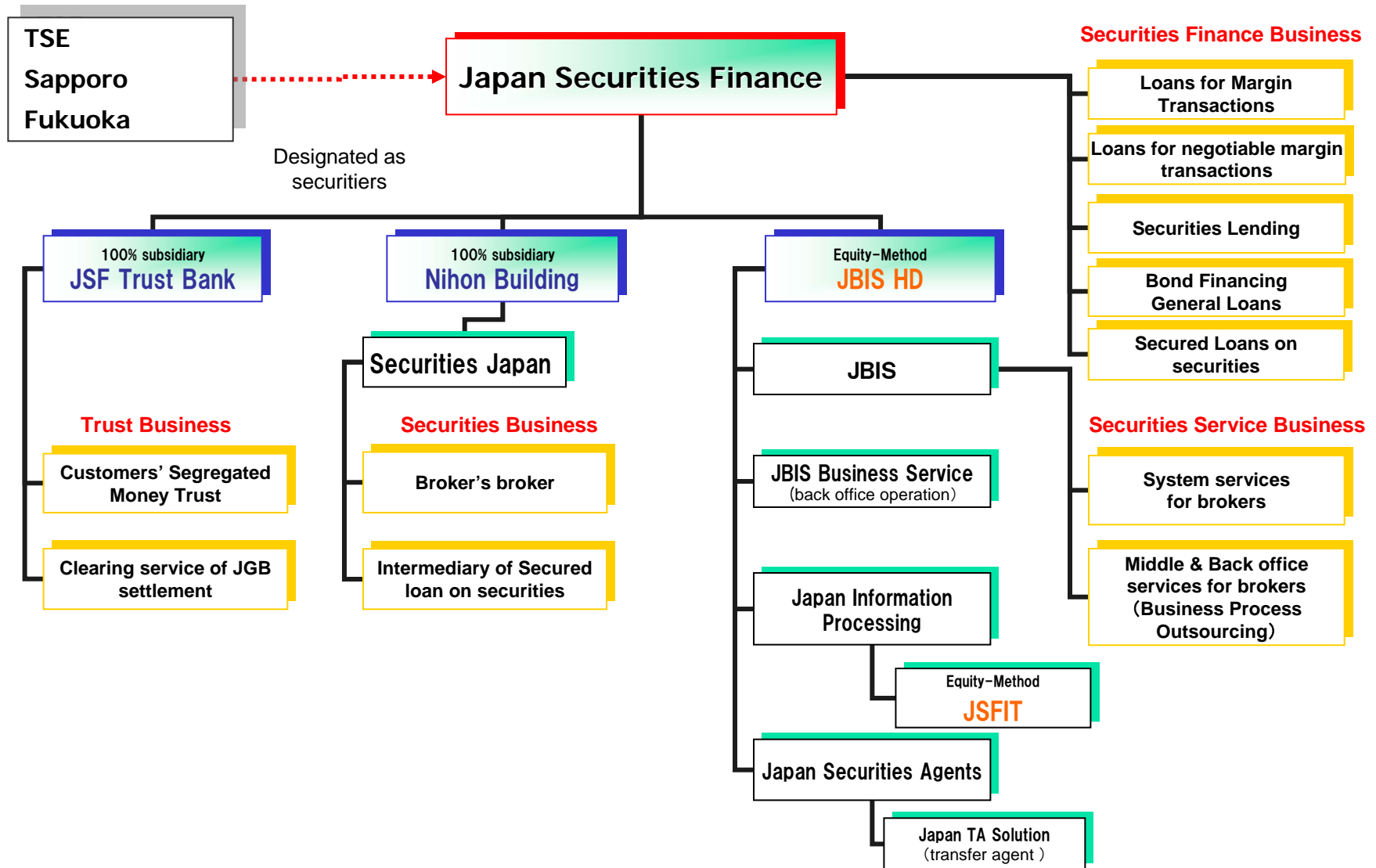
◆ Margin Loan Rates are decided by reflecting the change of market rates and BOJ's Policy Interest Rate.



Loan Rate of Loans for Margin Transactions



Securities-related Business by JSF Group Companies



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.