

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for Fiscal 2008

Name : JAPAN SECURITIES FINANCE CO., LTD.

Listing : 1st Section, Tokyo Stock Exchange

Stock code number : 8511

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1. Consolidated Financial Results for Fiscal 2008 (April 1, 2008 – March 31, 2009)

(Millions of yen, rounded down to nearest million)

(1) Consolidated Results of Operations

(% change from previous year)

	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)
Fiscal 2008	44,299	△12.4	△4,797	—	△5,479	—	△7,503	—
Fiscal 2007	50,582	16.2	2,345	△75.7	2,852	△69.8	△1,300	—

	Net Income or Loss(△) per Share	Net Income per Share	Return on Equity	Recurring Income or Loss(△) /Total Assets	Operating Income Or Loss(△)/Operating Revenues
	EPS (Yen)	(Yen) (fully diluted)	ROE (%)	ROA (%)	(%)
Fiscal 2008	△80.33	—	△6.9	△0.1	△10.8
Fiscal 2007	△13.15	—	△1.1	0.1	4.6

Reference: Gain/loss on investments based on equity method: ¥△951million (Fiscal 2007: ¥255million)

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2008	5,293,277	107,232	2.3	1,158.32
Fiscal 2007	5,093,837	111,303	2.5	1,125.72

Reference: Shareholders Equity: ¥107,232million (Fiscal 2007: ¥111,303million)

(3) Consolidated Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at end of Year
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal 2008	6,179	△739	△7,111	2,957
Fiscal 2007	4,417	△1,958	△2,688	4,628

2. Dividends

	Dividends per Share			Total Cash Dividends (Full-year) (Millions of Yen)	Dividends Payout Ratio		Dividends on Equity (Consolidated) DOE (%)
	Interim (Yen)	Year-End (Yen)	Annual (Yen)		(Non-Consolidated) (%)	(Consolidated) (%)	
Fiscal 2007	13.00	13.00	26.00	2,583	52.3	—	2.2
Fiscal 2008	10.00	10.00	20.00	1,861	70.7	—	1.8
Fiscal 2009 (Forecast)	7.00	7.00	14.00		68.6	48.0	

3. Consolidated Forecast for fiscal 2009(April 1,2009—March 31,2010)

(% change from previous year)

	Operating Revenues		Operating Income		Recurring Income		Net Income		Net Income per Share EPS (Yen)
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	
Interim	22,000	△5.5	2,000	—	2,300	—	1,500	—	16.20
Full-year	37,000	△16.5	3,600	—	4,100	—	2,700	—	29.17

4. Others

(1) Changes in the scope of important consolidation for by the equity method (yes/no):No

(2) Changes in accounting method

①Changes in accounting method such as accounting standards: Yes

②Others: Yes

(3) Number of shares

①Number of shares outstanding (Including treasury stock)

as of Mar.31, 2009 : 93,700,000 (Fiscal 2007: 99,704,000)

②Number of Treasury stock shares

as of Mar.31, 2009 :1,124,104 (Fiscal 2007: 831,013)

Consolidated Balance Sheets

【Assets】	<i>Fiscal 2008</i> <i>Mar.31,2009</i>	<i>Fiscal 2007</i> <i>Mar.31,2008</i>
	(millions of yen)	(millions of yen)
I Current Assets	4,861,332	4,742,801
Cash	2,957	4,628
Call Loans	7,000	24,000
Short-term Investments	2,697,282	1,980,835
Short-term Loans Receivable	503,070	1,131,385
Securities Lent	460,437	431,516
Securities in Custody	23,000	8,750
Securities in Deposit	94,262	256,731
Deferred Tax Assets	536	300
Collateral Money for Securities Borrowed	1,042,222	900,506
Other Current Assets	33,382	4,984
Allowance for Doubtful Receivables	△ 2,820	△ 838
II Non-current Assets	431,945	351,036
Tangible Non-current Assets	6,965	7,111
Intangible Non-current Assets	1,611	2,545
Investments, etc.	424,150	341,422
Allowance for Doubtful Receivables	△ 782	△ 42
Total Assets	5,293,277	5,093,837

【Liabilities and Net Assets】	<i>Fiscal 2008 Mar.31,2009</i>	<i>Fiscal 2007 Mar.31,2008</i>
	(millions of yen)	(millions of yen)
I Current Liabilities	5,133,479	4,927,488
Call Money	1,387,800	1,857,600
Short-term Borrowings	1,676,310	894,910
Commercial Paper	15,000	68,000
Payables under Repurchase Agreements	637,881	341,942
Collateral Money for Securities Lent	791,540	1,029,100
Collateral Securities Deposited	244,306	508,587
Securities Borrowed	332,259	184,262
Securities Lent Opposite Account	1,133	4,149
Other Current Liabilities	47,247	38,935
II Non-current Liabilities	52,565	55,045
Long-term Borrowings	48,500	51,000
Liabilities for Retirement and Severance Benefits	2,584	2,756
Other Non-Current Liabilities	1,480	1,289
Total Liabilities	5,186,044	4,982,534
Total Net Assets	107,232	111,303
Total Liabilities and Net Assets	5,293,277	5,093,837

Consolidated Statement of Operations

	<i>Fiscal 2008 Apr. 1, 2008- Mar. 31, 2009</i>	<i>Fiscal 2007 Apr. 1, 2007- Mar. 31, 2008</i>
	(millions of yen)	(millions of yen)
Operating Revenues	44,299	50,582
Interest on Loans	8,451	16,217
Interest on Collateral Money for Securities Borrowed	6,233	7,797
Fees on Lending Securities	14,208	11,758
Other Operating Revenues	15,405	14,808
Operating Expenses	37,690	39,437
Interest on Borrowing	15,571	20,365
Interest on Commercial Paper	141	579
Fees on Borrowing Securities	12,008	8,473
Other Operating Expenses	9,968	10,018
Operating Profit	6,609	11,144
General and Administrative Expenses	11,406	8,799
Operating Income	△ 4,797	2,345
Non-operating Revenues	292	520
Non-operating Expenses	975	13
Recurring Income	△ 5,479	2,852
Extraordinary Profit	26	1,037
Extraordinary Loss	778	986
Net Income before Income Taxes	△ 6,231	2,903
Current Income Taxes	1,646	3,322
Deffered Income Taxes	△ 373	881
Net Income	△ 7,503	△ 1,300

Consolidated Average Outstanding Balance of Loans

	Fiscal 2008 Apr.1,2008- Mar.31,2009		Fiscal 2007 Apr.1,2007- Mar.31,2008		Increase(Decrease)	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	336.3	41.7	917.2	61.2	△ 580.8	△ 63.3
Bond Financing & General Loans	51.8	6.4	76.9	5.1	△ 25.0	△ 32.6
Loans for Negotiable Margin Transactions	14.2	1.8	34.3	2.3	△ 20.0	△ 58.5
Sales under Repurchase Agreements	0.0	0.0	48.3	3.2	△ 48.3	△ 99.8
Trust Bank Loans	410.8	50.9	448.9	30.0	△ 38.1	△ 8.5
Other Loans	7.7	1.0	7.5	0.5	2.0	3.3
Total	806.8	100.0	1,498.9	100.0	△ 692.1	△ 46.2
Securities Lent for Margin Transactions	396.1	—	591.0	—	△ 194.8	△ 33.0

Business Information for Consolidated Operating Revenues

	Fiscal 2008 Apr.1,2008- Mar.31,2009		Fiscal 2007 Apr.1,2007- Mar.31,2008		Increase(Decrease)	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	19,638	44.3	23,156	45.8	△ 3,517	△ 15.2
(Interest on Loans)	3,899	8.8	10,581	20.9	△ 6,682	△ 63.1
(Interest on Collateral Money of Securities Borrowed)	1,992	4.5	1,683	3.3	309	18.4
(Fees on Lending Securities)	13,278	30.0	10,383	20.5	2,894	27.9
Bond Financing and General Loans	1,275	2.9	1,428	2.8	△ 153	△ 10.7
Securities Lending	4,848	10.9	6,297	12.5	△ 1,448	△ 23.0
(Stocks)	462	1.0	848	1.7	△ 386	△ 45.5
(Bonds)	4,386	9.9	5,448	10.8	△ 1,062	△ 19.5
Trust Banking	8,780	19.8	10,844	21.4	△ 2,063	△ 19.0
(Interest on Loans)	3,348	7.6	3,833	7.6	△ 485	△ 12.7
(Trust Charges)	209	0.5	198	0.4	11	5.6
Real Estate Leasing	1,091	2.5	1,118	2.2	△ 27	△ 2.5
Other Business	8,664	19.6	7,736	15.3	927	12.0
Total	44,299	100.0	50,582	100.0	△ 6,282	△ 12.4