

# JAPAN SECURITIES FINANCE CO., LTD.

## Consolidated Financial Results for Fiscal 2010

Name : JAPAN SECURITIES FINANCE CO., LTD.

Listing : 1st 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 Fiscal 2010 (April 1,2010 – March 31,2011)

#### (1) Consolidated Results of Operations

(% change from previous year)

	Operating Revenues		Operating Income		Recurring Income		Net Income	
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)
<b>Fiscal 2010</b>	<b>22,848</b>	<b>△18.0</b>	<b>3,655</b>	<b>△38.0</b>	<b>3,345</b>	<b>△35.4</b>	<b>3,492</b>	<b>△2.2</b>
Fiscal 2009	27,868	△37.1	5,898	—	5,182	—	3,572	—

Reference: Comprehensive Income: ¥3,574million (Fiscal 2009: ¥6,835million)

	Net Income per Share		Return on Equity	Recurring Income / Total Assets	Operating Income / Operating Revenues
	EPS (Yen)	(Yen) (fully diluted)	ROE (%)	ROA (%)	(%)
<b>Fiscal 2010</b>	<b>37.73</b>	—	<b>3.1</b>	<b>0.1</b>	<b>16.0</b>
Fiscal 2009	38.59	—	3.2	0.1	21.2

Reference: Gain/loss on investments based on equity method: ¥△484million (Fiscal 2009: ¥△916million)

#### (2) Consolidated Financial Position

	Total assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
<b>Fiscal 2010</b>	<b>7,078,138</b>	<b>114,927</b>	<b>1.7</b>	<b>1,241.68</b>
Fiscal 2009	5,479,610	112,656	2.3	1,217.13

Reference: Shareholders Equity: ¥114,927million (Fiscal 2009: ¥112,656million)

#### (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)
<b>Fiscal 2010</b>	<b>28,058</b>	<b>△352</b>	<b>△1,311</b>	<b>44,400</b>
Fiscal 2009	17,443	△806	△1,588	18,005

## 2. Dividends

	Dividends per Share			Total Cash Dividends (Full-year) (Millions of Yen)	Dividends Payout Ratio (Consolidated) (%)	Dividends on Equity (Consolidated) DOE (%)
	Interim (Yen)	Year-End (Yen)	Annual (Yen)			
Fiscal 2009	7.00	7.00	14.00	1,302	36.3	1.2
<b>Fiscal 2010</b>	<b>7.00</b>	<b>7.00</b>	<b>14.00</b>	<b>1,302</b>	<b>37.1</b>	<b>1.1</b>
Fiscal 2011 (Forecast)	7.00	7.00	14.00		46.3	

## 3. Consolidated Estimated Figures for fiscal 2011(April 1,2011 – March 31,2012)

(% change from previous year)

	Operating Income		Recurring Income		Net Income		Net Income per Share
	(Millions of yen)	(% change)	(Millions of yen)	(% change)	(Millions of yen)	(% change)	EPS (Yen)
Full-year	2,800	△23.4	3,200	△4.4	2,800	△19.8	30.25

## 4. Others

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

(2) Changes in accounting policies for consolidated financial statements:

①Changes according to revision of accounting standards: Yes

②Others: No

(3) Number of Issued Shares (common stock)

①Number of issued shares (Including treasury stock)

As of Mar.31, 2011 : 93,700,000 (Fiscal 2009: 93,700,000)

②Number of Treasury stocks

As of Mar.31, 2011 :1,142,118 (Fiscal 2009: 1,140,308)

③Average number of shares

Fiscal 2010 : 92,558,965 (Fiscal 2009 : 92,561,035)

### Consolidated Balance Sheets

【Assets】	<i>Fiscal 2010</i> <i>Mar.31,2011</i>	<i>Fiscal 2009</i> <i>Mar.31,2010</i>
	(millions of yen)	(millions of yen)
<b>I Current Assets</b>	<b>5,685,741</b>	<b>4,842,517</b>
Cash	44,400	18,005
Short-term Investments	3,126,870	2,811,225
Short-term Loans Receivable	568,893	655,567
Securities Lent	197,941	309,933
Securities in Custody	37,191	36,622
Securities in Deposit	190,416	193,849
Deferred Tax Assets	681	935
Collateral Money for Securities Borrowed	1,516,586	815,373
Other Current Assets	4,153	3,089
Allowance for Doubtful Receivables	△ 1,393	△ 2,085
<b>II Non-current Assets</b>	<b>1,392,396</b>	<b>637,092</b>
Tangible Non-current Assets	6,528	6,655
Intangible Non-current Assets	1,117	1,479
Investments, etc.	1,385,566	630,978
Allowance for Doubtful Receivables	△ 815	△ 2,020
<b>Total Assets</b>	<b>7,078,138</b>	<b>5,479,610</b>

<b>【Liabilities and Net Assets】</b>	<i>Fiscal 2010 Mar.31,2011</i>	<i>Fiscal 2009 Mar.31,2010</i>
	(millions of yen)	(millions of yen)
<b>I Current Liabilities</b>	<b>6,935,810</b>	<b>5,312,542</b>
Call Money	1,264,300	1,344,300
Short-term Borrowings	4,049,010	2,443,810
Commercial Paper	7,500	27,500
Payables under Repurchase Agreements	—	86,192
Collateral Money for Securities Lent	1,165,936	824,158
Collateral Securities Deposited	305,083	328,755
Securities Borrowed	119,020	208,376
Securities Lent Opposite Account	1,444	3,273
Other Current Liabilities	23,514	46,174
<b>II Non-current Liabilities</b>	<b>27,400</b>	<b>54,410</b>
Long-term Borrowings	21,500	48,500
Liabilities for Retirement and Severance Benefits	2,414	2,415
Other Non-Current Liabilities	3,485	3,495
<b>Total Liabilities</b>	<b>6,963,211</b>	<b>5,366,953</b>
<b>Total Net Assets</b>	<b>114,927</b>	<b>112,656</b>
<b>Total Liabilities and Net Assets</b>	<b>7,078,138</b>	<b>5,479,610</b>

### **Consolidated Statement of Operations**

	<i>Fiscal 2010 Apr. 1, 2010- Mar. 31, 2011</i>	<i>Fiscal 2009 Apr. 1, 2009- Mar. 31, 2010</i>
	(millions of yen)	(millions of yen)
<b>Operating Revenues</b>	<b>22,848</b>	<b>27,868</b>
Interest on Loans	4,765	5,668
Interest on Collateral Money for Securities Borrowed	2,273	3,057
Fees on Lending Securities	5,572	7,817
Other Operating Revenues	10,237	11,325
<b>Operating Expenses</b>	<b>11,327</b>	<b>13,319</b>
Interest on Borrowing	5,740	5,247
Interest on Commercial Paper	28	113
Fees on Borrowing Securities	4,247	6,221
Other Operating Expenses	1,310	1,736
<b>Operating Profit</b>	<b>11,521</b>	<b>14,548</b>
General and Administrative Expenses	7,865	8,650
<b>Operating Income</b>	<b>3,655</b>	<b>5,898</b>
Non-operating Revenues	187	213
Non-operating Expenses	497	929
<b>Recurring Income</b>	<b>3,345</b>	<b>5,182</b>
Extraordinary Profit	1,297	—
Extraordinary Loss	47	41
<b>Net Income before Income Taxes</b>	<b>4,596</b>	<b>5,140</b>
Current Income Taxes	884	1,787
Deffered Income Taxes	219	△ 218
<b>Net Income</b>	<b>3,492</b>	<b>3,572</b>

### Consolidated Average Outstanding Balance of Loans

	Fiscal 2010 Apr.1,2010- Mar.31,2011		Fiscal 2009 Apr.1,2009- Mar.31,2010		Increase(Decrease)	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
<b>Loans for Margin Transactions</b>	293.4	44.6	324.2	53.9	△ 30.7	△ 9.5
<b>Bond Financing &amp; General Loans</b>	45.8	7.0	46.8	7.8	△ 1.0	△ 2.2
Loans for Negotiable Margin Transactions	18.4	2.8	17.1	2.9	1.2	7.2
<b>Sales under Repurchase Agreements</b>	0.0	0.0	0.3	0.1	△ 0.3	△ 100.0
<b>Trust Bank Loans</b>	303.7	46.2	215.3	35.8	88.4	41.1
<b>Other Loans</b>	14.4	2.2	14.5	2.4	△ 0	△ 0.5
<b>Total</b>	<b>657.4</b>	<b>100.0</b>	<b>601.1</b>	<b>100.0</b>	<b>56.3</b>	<b>9.4</b>
Securities Lent for Margin Transactions	228.0	—	361.3	—	△ 133.3	△ 36.9

### Business Information for Consolidated Operating Revenues

	Fiscal 2010 Apr.1,2010- Mar.31,2011		Fiscal 2009 Apr.1,2009- Mar.31,2010		Increase(Decrease)	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	17,558	76.8	20,817	74.7	△ 3,259	△ 15.7
Loans for Margin Transactions	8,922	39.0	12,954	46.5	△ 4,032	△ 31.1
(Interest on Loans)	2,809	12.3	3,324	11.9	△ 515	△ 15.5
(Interest on Collateral Money of Securities Borrowed)	826	3.6	1,774	6.4	△ 948	△ 53.4
(Fees on Lending Securities)	4,807	21.0	7,337	26.3	△ 2,529	△ 34.5
Bond Financing and General Loans	1,047	4.6	1,234	4.4	△ 187	△ 15.2
Securities Lending	1,754	7.7	1,454	5.2	299	20.6
(Stocks)	331	1.5	308	1.1	23	7.5
(Bonds)	1,422	6.2	1,146	4.1	276	24.1
Other Business	5,834	25.5	5,174	18.6	660	12.8
Trust Banking Business	4,360	19.1	6,016	21.6	△ 1,656	△ 27.5
(Interest on Loans)	1,079	4.7	1,330	4.8	△ 250	△ 18.9
(Trust Charges)	308	1.4	249	0.9	58	23.4
(Others)	2,972	13.0	4,436	15.9	△ 1,464	△ 33.0
Real Estate Management Business	930	4.1	1,034	3.7	△ 103	△ 10.1
<b>Total</b>	<b>22,848</b>	<b>100.0</b>	<b>27,868</b>	<b>100.0</b>	<b>△ 5,020</b>	<b>△ 18.0</b>