

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Second Quarter ended September 30, 2010

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 Second Quarter of Fiscal 2010(April 1,2010-September 30,2010)

(1)Consolidated Results of Operations

(% change from year-on-year for those items)

	Operating Revenues		Operating Income		Recurring Income		Net Income	
	(millions of Yen)	(% change)	(millions of Yen)	(% change)	(millions of Yen)	(% change)	(millions of Yen)	(% change)
Second Quarter of Fiscal 2010	11,904	△24.4	2,724	△28.1	2,868	△18.3	2,655	18.7
Second Quarter of Fiscal 2009	15,749	△32.4	3,790	—	3,512	—	2,238	—
Fiscal 2009	27,868	△37.1	5,898	—	5,182	—	3,572	—

	Net Income per Share		Net Income per Share	
	EPS	(Yen)	(Yen)	(fully diluted)
Second Quarter of Fiscal 2010	28.69			—
Second Quarter of Fiscal 2009	24.18			—
Fiscal 2009	38.59			—

(2)Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
A s o f September.30, 2 0 1 0	5,683,757	115,164	2.2	1,244.23
A s o f September.30, 2 0 0 9	5,339,446	111,551	2.4	1,205.17
Fiscal 2009	5,479,610	112,656	2.3	1,217.13

Note: Shareholders Equity: ¥115,164 million (Fiscal 2009: ¥112,656 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 2009	7.00	7.00	14.00
Fiscal 2010	7.00		14.00
Fiscal 2010 (Forecast)		7.00	

Note : Amendment of Forecast None

3. Consolidated Estimated Figures for fiscal 2010(April 1,2010—March 31,2011)

	Operating Income	Recurring Income	Net Income	Net Income per Share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	EPS (Yen)
Full-year	3,100	3,500	3,300	35.65

4. Others

- (1) Changes in the scope of important consolidation for subsidiaries(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: No
 - ②Others: No
- (4) Number of Issued Shares(common stock)
 - ①Number of issued shares (Including treasury stock)
As of Sep.30, 2010 : 93,700,000 Fiscal 2009 : 93,700,000
 - ②Number of Treasury stocks
As of Sep.30, 2010 : 1,140,843 Fiscal 2009 : 1,140,308
 - ③Average number of shares
For six months ended Sep.30, 2010 : 92,559,456
For six months ended Sep.30, 2009 : 92,561,560

Consolidated Balance Sheets

【Assets】	Second Quarter Sep.30,2009	Second Quarter Sep.30,2010	Fiscal 2009 Mar.31,2010
	(millions of yen)	(millions of yen)	(millions of yen)
I Current Assets	4,849,949	4,805,348	4,842,517
Cash	12,019	17,237	18,005
Call Loans	2,000	—	—
Short-term Investments	2,160,302	2,315,986	2,811,225
Short-term Loans Receivable	639,541	699,626	655,567
Securities Lent	376,101	226,415	309,933
Securities in Custody	30,594	31,033	36,622
Securities in Deposit	214,573	167,464	193,849
Deferred Tax Assets	616	698	935
Collateral Money for Securities Borrowed	1,414,694	1,344,908	815,373
Other Current Assets	2,311	3,437	3,089
Allowance for Doubtful Receivables	△ 2,805	△ 1,460	△ 2,085
II Non-current Assets	489,496	878,408	637,092
Investments, etc.	481,999	871,929	630,978
Allowance for Doubtful Receivables	△ 795	△ 1,453	△ 2,020
Total Assets	5,339,446	5,683,757	5,479,610

【Liabilities and Net Assets】	Second Quarter Sep.30,2009	Second Quarter Sep.30,2010	Fiscal 2009 Mar.31,2010
	(millions of yen)	(millions of yen)	(millions of yen)
I Current Liabilities	5,173,830	5,517,335	5,312,542
Call Money	1,396,400	1,494,700	1,344,300
Short-term Borrowings	1,540,710	2,572,510	2,443,810
Commercial Paper	17,500	33,500	27,500
Payables under Repurchase Agreements	698,230	—	86,192
Collateral Money for Securities Lent	767,994	947,377	824,158
Collateral Securities Deposited	384,728	277,758	328,755
Securities Borrowed	234,436	145,196	208,376
Securities Lent Opposite Account	2,104	1,958	3,273
Other Current Liabilities	131,726	44,334	46,174
II Non-current Liabilities	54,064	51,256	54,410
Long-term Borrowings	48,500	45,000	48,500
Liabilities for Retirement and Severance Benefits	2,397	2,380	2,415
Other Non-Current Liabilities	3,166	3,876	3,495
Total Liabilities	5,227,894	5,568,592	5,366,953
Total Net Assets	111,551	115,164	112,656
Total Liabilities and Net Assets	5,339,446	5,683,757	5,479,610

Consolidated Statement of Operations

	Second Quarter Apr.1,2009- Sep.30,2009	Second Quarter Apr.1,2010- Sep.30,2010	Fiscal 2009 Apr.1,2009- Mar.31,2010
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	15,749	11,904	27,868
Interest on Loans	2,875	2,772	5,668
Interest on Collateral Money for Securities Borrowed	1,864	986	3,057
Fees on Lending Securities	4,585	2,501	7,817
Other Operating Revenues	6,423	5,644	11,325
Operating Expenses	7,909	5,247	13,319
Interest on Borrowing & Commercial Paper	2,868	2,626	5,361
Fees on Borrowing Securities	3,665	1,935	6,221
Other Operating Expenses	1,374	685	1,736
Operating Profit	7,840	6,657	14,548
General and Administrative Expenses	4,049	3,932	8,650
Operating Income	3,790	2,724	5,898
Non-operating Revenues	153	149	213
Non-operating Expenses	431	6	929
Recurring Income	3,512	2,868	5,182
Extraordinary Profit	1	755	—
Extraordinary Loss	5	29	41
Net Income before Income Taxes	3,507	3,593	5,140
Current Income Taxes	1,200	778	1,787
Deferred Income Taxes	69	160	△ 218
Net Income	2,238	2,655	3,572

Consolidated Average Outstanding Balance of Loans

	Second Quarter Apr.1,2009 - Sep.30,2009		Second Quarter Apr.1,2010 - Sep.30,2010		Fiscal 2009 Apr.1,2009 - Mar.31,2010	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	317.1	53.9	332.9	46.4	324.2	53.9
Bond Financing & General Loans	47.9	8.2	48.3	6.7	46.8	7.8
Loans for Negotiable Margin Transactions	17.7	3.0	19.0	2.6	17.1	2.9
Sales under Repurchase Agreements	0.6	0.1	—	—	0.3	0.1
Trust Bank Loans	207.7	35.3	322.5	44.9	215.3	35.8
Other Loans	14.5	2.5	14.5	2.0	14.5	2.4
Total	587.9	100.0	718.4	100.0	601.1	100.0
Securities Lent for Margin Transactions	431.1	—	211.9	—	361.3	—

Business Information for Consolidated Operating Revenues

	Second Quarter Apr.1,2009 - Sep.30,2009		Second Quarter Apr.1,2010 - Sep.30,2010		Fiscal 2009 Apr.1,2009 - Mar.31,2010	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	11,837	75.1	9,183	77.1	20,817	74.7
Loans for Margin Transactions	7,426	47.1	4,517	37.9	12,954	46.5
(Interest on Loans)	1,638	10.4	1,698	14.3	3,324	11.9
(Interest on Collateral Money of Securities Borrowed)	1,133	7.2	379	3.2	1,774	6.4
(Fees on Lending Securities)	4,351	27.6	2,183	18.3	7,337	26.3
Bond Financing and General Loans	650	4.1	561	4.7	1,234	4.4
Securities Lending	801	5.1	781	6.6	1,454	5.2
(Stocks)	152	1.0	164	1.4	308	1.1
(Bonds)	649	4.1	617	5.2	1,146	4.1
Other Business	2,959	18.8	3,323	27.9	5,174	18.6
Trust Banking Business	3,382	21.5	2,225	18.7	6,016	21.6
(Interest on Loans)	703	4.5	592	5.0	1,330	4.8
(Trust Charges)	114	0.7	150	1.3	249	0.9
(Others)	2,564	16.3	1,483	12.4	4,436	15.9
Real Estate Management Business	529	3.4	494	4.2	1,034	3.7
Total	15,749	100.0	11,904	100.0	27,868	100.0