

JAPAN SECURITIES FINANCE CO., LTD.

Consolidated Financial Results for Fiscal 2011

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 2011 (April 1,2011 – March 31,2012)

(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)
Fiscal 2011	20,229	△11.5	3,039	△16.9	2,387	△28.7	779	△77.7
Fiscal 2010	22,848	△18.0	3,655	△38.0	3,345	△35.4	3,492	△2.2

Reference: Comprehensive Income: Fiscal 2010: ¥1,862million (△47.9%) Fiscal 2010: ¥3,574million(△47.7%)

	Net Income per Share		Return on Equity	Recurring Income /Total Assets	Operating Income /Operating Revenues
	EPS (Yen)	(Yen) (fully diluted)	ROE (%)	ROA (%)	(%)
Fiscal 2011	8.42	—	0.7	0.0	15.0
Fiscal 2010	37.73	—	3.1	0.1	16.0

Reference: Equity in earnings/losses of affiliates: ¥△868million (Fiscal 2010: ¥△484million)

(2) Consolidated Financial Position

	Total assets	Net Assets	Equity Ratio	Net Assets per Share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
Fiscal 2011	4,931,285	115,546	2.6	1,245.83
Fiscal 2010	7,078,138	114,927	1.7	1,241.68

Reference: Shareholders Equity: ¥115,546million (Fiscal 2010: ¥114,927million)

(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 2011	△34,252	1,274	△1,310	10,110
Fiscal 2010	28,058	△352	△1,311	44,400

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 2010	7.00	7.00	14.00	1,302	37.1	1.1
Fiscal 2011	7.00	7.00	14.00	1,302	166.3	1.1
Fiscal 2012 (Forecast)	7.00	7.00	14.00		93.0	

3. Consolidated Estimated Figures for fiscal 2012(April 1,2012—March 31,2013)

(% 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	1,700	△44.1	2,100	△12.0	1,400	79.6	15.05

4. Others

- (1) Changes in the scope of important consolidation for subsidiaries (yes/no):No
- (2) Changes in accounting policies and changes or restatement of accounting estimates
 - ①Changes in accounting policies caused by revision of accounting standards: No
 - ②Changes in accounting policies other than ①: No
 - ③Changes in accounting estimates: No
 - ④Restatement: No
- (3) Number of Issued Shares(common stock)
 - ①Number of issued shares (Including treasury stock)
as of Mar.31, 2012 : 93,700,000 as of Mar.31, 2011 : 93,700,000
 - ②Number of Treasury stocks
as of Mar.31, 2012 : 953,256 as of Mar.31, 2011 : 1,142,118
 - ③Average number of shares
Fiscal 2011 : 92,558,008 Fiscal 2010 : 92,558,965

Consolidated Balance Sheets

【Assets】	<i>Fiscal 2011 Mar.31,2012</i>	<i>Fiscal 2010 Mar.31,2011</i>
	(millions of yen)	(millions of yen)
I Current Assets	3,965,288	5,685,741
Cash	20,107	44,400
Short-term Investments	1,934,129	3,126,870
Short-term Loans Receivable	453,784	568,893
Securities Lent	260,080	197,941
Securities in Custody	31,379	37,191
Securities in Deposit	134,968	190,416
Deferred Tax Assets	401	681
Collateral Money for Securities Borrowed	1,127,046	1,516,586
Other Current Assets	4,191	4,153
Allowance for Doubtful Receivables	△ 802	△ 1,393
II Non-current Assets	965,996	1,392,396
Investments, etc.	959,594	1,385,566
Allowance for Doubtful Receivables	△ 1,020	△ 815
Total Assets	4,931,285	7,078,138

【Liabilities and Net Assets】	<i>Fiscal 2011 Mar.31,2012</i>	<i>Fiscal 2010 Mar.31,2011</i>
	(millions of yen)	(millions of yen)
I Current Liabilities	4,802,861	6,935,810
Call Money	1,388,600	1,264,300
Short-term Borrowings	1,833,210	4,049,010
Commercial Paper	33,500	7,500
Collateral Money for Securities Lent	1,100,016	1,165,936
Collateral Securities Deposited	241,035	305,083
Securities Borrowed	184,389	119,020
Securities Lent Opposite Account	1,003	1,444
Other Current Liabilities	21,105	23,514
II Non-current Liabilities	12,877	27,400
Long-term Borrowings	7,500	21,500
Liabilities for Retirement and Severance Benefits	2,390	2,414
Other Non-Current Liabilities	2,986	3,485
Total Liabilities	4,815,738	6,963,211
Total Net Assets	115,546	114,927
Total Liabilities and Net Assets	4,931,285	7,078,138

Consolidated Statement of Operations

	<i>Fiscal 2011 Apr. 1, 2011- Mar. 31, 2012</i>	<i>Fiscal 2010 Apr. 1, 2010- Mar. 31, 2011</i>
	(millions of yen)	(millions of yen)
Operating Revenues	20,229	22,848
Interest on Loans	3,223	4,765
Interest on Collateral Money for Securities Borrowed	1,816	2,273
Fees on Lending Securities	4,648	5,572
Other Operating Revenues	10,541	10,237
Operating Expenses	9,634	11,327
Interest on Borrowing & Commercial Paper	5,087	5,768
Fees on Borrowing Securities	3,540	4,247
Other Operating Expenses	1,006	1,310
Operating Profit	10,594	11,521
General and Administrative Expenses	7,554	7,865
Operating Income	3,039	3,655
Non-operating Revenues	217	187
Non-operating Expenses	869	497
Recurring Income	2,387	3,345
Extraordinary Profit	1	1,297
Extraordinary Loss	454	47
Net Income before Income Taxes	1,934	4,596
Current Income Taxes	816	884
Deffered Income Taxes	339	219
Net Income	779	3,492

Consolidated Average Outstanding Balance of Loans

	Fiscal 2011 Apr.1,2011- Mar.31,2012		Fiscal 2010 Apr.1,2010- Mar.31,2011		Increase(Decrease)	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	218.0	51.6	293.4	44.6	△ 75.3	△ 25.7
Bond Financing & General Loans	50.8	12.0	45.8	7.0	5.0	11.0
Loans for Negotiable Margin Transactions	20.3	4.8	18.4	2.8	1.9	10.5
Trust Bank Loans	141.3	33.4	303.7	46.2	△ 162.4	△ 53.5
Other Loans	12.5	3.0	14.4	2.2	△ 1.8	△ 13.1
Total	422.7	100.0	657.4	100.0	△ 234.6	△ 35.7
Securities Lent for Margin Transactions	184.6	—	228.0	—	△ 43.3	△ 19.0

Business Information for Consolidated Operating Revenues

	Fiscal 2011 Apr.1,2011- Mar.31,2012		Fiscal 2010 Apr.1,2010- Mar.31,2011		Increase(Decrease)	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	15,186	75.1	17,558	76.8	△ 2,371	△ 13.5
Loans for Margin Transactions	6,756	33.4	8,922	39.0	△ 2,166	△ 24.3
(Interest on Loans)	1,783	8.8	2,809	12.3	△ 1,026	△ 36.5
(Interest on Collateral Money of Securities Borrowed)	639	3.2	826	3.6	△ 186	△ 22.6
(Fees on Lending Securities)	3,957	19.6	4,807	21.0	△ 850	△ 17.7
Bond Financing and General Loans	827	4.1	1,047	4.6	△ 220	△ 21.0
Securities Lending	1,701	8.4	1,754	7.7	△ 53	△ 3.0
(Stocks)	219	1.1	331	1.5	△ 112	△ 33.9
(Bonds)	1,482	7.3	1,422	6.2	59	4.2
Other Business	5,901	29.2	5,834	25.5	67	1.2
Trust Banking Business	4,224	20.9	4,360	19.1	△ 135	△ 3.1
(Interest on Loans)	741	3.7	1,079	4.7	△ 338	△ 31.3
(Trust Charges)	300	1.5	308	1.4	△ 7	△ 2.6
(Others)	3,182	15.7	2,972	13.0	210	7.1
Real Estate Management Business	818	4.0	930	4.1	△ 111	△ 12.0
Total	20,229	100.0	22,848	100.0	△ 2,619	△ 11.5