

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Second Quarter ended September 30, 2011

Name : Japan Securities Finance Co.,Ltd.

Listing : First Section, Tokyo Stock Exchange

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(Millions of yen, rounded down to nearest million)

1.Consolidated Financial Results for the First Quarter of Fiscal 2011(April 1,2011-September 30,2011)

(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 2011	11,476	△3.6	2,759	1.3	2,795	△2.5	2,256	△15.0
Second Quarter of Fiscal 2010	11,904	△24.4	2,724	△28.1	2,868	△18.3	2,655	18.7
Fiscal 2010	22,848	△18.0	3,655	△38.0	3,345	△35.4	3,492	△2.2

Reference:Comprehensive Income: Fiscal2011 2Q:¥2,224million(△29.6%) Fiscal2010 2Q: ¥3,159million(-%)

	Net Income per Share	Net Income per Share
	EPS (Yen)	(Yen) (fully diluted)
Second Quarter of Fiscal 2011	24.38	—
Second Quarter of Fiscal 2010	28.69	—
Fiscal 2010	37.73	—

(2)Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	(Millions of Yen)	(Millions of Yen)	(%)
A s o f Sep.30, 2011	5,285,318	116,500	2.4
A s o f Sep.30, 2010	5,683,757	115,164	2.2
Fiscal 2010	7,078,138	114,927	1.7

Reference: Shareholders Equity: ¥116,500million (Fiscal2010: ¥114,927million)

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 2010	7.00	7.00	14.00
Fiscal 2011 (Forecast)	7.00	7.00	14.00

Note : Amendment of Forecast None

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

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

	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		3,100		3,200		2,500	27.01

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, 2011 : 93,700,000 Fiscal 2010: 93,700,000
 - ②Number of Treasury stocks
As of Sep.30, 2011 : 1,142,480 Fiscal 2010: 1,142,118
 - ③Average number of shares
For six months ended Sep.30, 2011 : 92,557,728
For six months ended Sep.30, 2010 : 92,559,456

Consolidated Balance Sheets

【Assets】	Second Quarter Sep.30,2010	Second Quarter Sep.30,2011	Fiscal 2010 Mar.31,2011
	(millions of yen)	(millions of yen)	(millions of yen)
I Current Assets	4,805,348	4,077,335	5,685,741
Cash	17,237	12,200	44,400
Short-term Investments	2,315,986	2,481,343	3,126,870
Short-term Loans Receivable	699,626	429,189	568,893
Securities Lent	226,415	188,779	197,941
Securities in Custody	31,033	31,000	37,191
Securities in Deposit	167,464	150,271	190,416
Deferred Tax Assets	698	501	681
Collateral Money for Securities Borrowed	1,344,908	780,676	1,516,586
Other Current Assets	3,437	4,175	4,153
Allowance for Doubtful Receivables	△ 1,460	△ 803	△ 1,393
II Non-current Assets	878,408	1,207,983	1,392,396
Investments, etc.	871,929	1,201,697	1,385,566
Allowance for Doubtful Receivables	△ 1,453	△ 1,243	△ 815
Total Assets	5,683,757	5,285,318	7,078,138

【Liabilities and Net Assets】	Second Quarter Sep.30,2010	Second Quarter Sep.30,2011	Fiscal 2010 Mar.31,2011
	(millions of yen)	(millions of yen)	(millions of yen)
I Current Liabilities	5,517,335	5,152,778	6,935,810
Call Money	1,494,700	1,218,500	1,264,300
Short-term Borrowings	2,572,510	2,773,910	4,049,010
Commercial Paper	33,500	7,500	7,500
Collateral Money for Securities Lent	947,377	702,309	1,165,936
Collateral Securities Deposited	277,758	237,766	305,083
Securities Borrowed	145,196	131,443	119,020
Securities Lent Opposite Account	1,958	841	1,444
Other Current Liabilities	44,334	80,507	23,514
II Non-current Liabilities	51,256	16,039	27,400
Long-term Borrowings	45,000	10,500	21,500
Liabilities for Retirement and Severance Benefits	2,380	2,386	2,414
Other Non-Current Liabilities	3,876	3,153	3,485
Total Liabilities	5,568,592	5,168,818	6,963,211
Total Net Assets	115,164	116,500	114,927
Total Liabilities and Net Assets	5,683,757	5,285,318	7,078,138

Consolidated Statement of Operations

	Second Quarter Apr.1,2010- Sep.30,2010	Second Quarter Apr.1,2011- Sep.30,2011	Fiscal 2010 Apr.1,2010- Mar.31,2011
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	11,904	11,476	22,848
Interest on Loans	2,772	1,757	4,765
Interest on Collateral Money for Securities Borrowed	986	891	2,273
Fees on Lending Securities	2,501	2,283	5,572
Other Operating Revenues	5,644	6,543	10,237
Operating Expenses	5,247	5,128	11,327
Interest on Borrowing & Commercial Paper	2,626	2,792	5,768
Fees on Borrowing Securities	1,935	1,706	4,247
Other Operating Expenses	685	629	1,310
Operating Profit	6,657	6,348	11,521
General and Administrative Expenses	3,932	3,588	7,865
Operating Income	2,724	2,759	3,655
Non-operating Revenues	149	128	187
Non-operating Expenses	6	92	497
Recurring Income	2,868	2,795	3,345
Extraordinary Profit	755	1	1,297
Extraordinary Loss	29	25	47
Net Income before Income Taxes	3,593	2,770	4,596
Current Income Taxes	778	368	884
Deferred Income Taxes	160	145	219
Net Income	2,655	2,256	3,492

Consolidated Average Outstanding Balance of Loans

	Second Quarter Apr.1,2010 - Sep.30,2010		Second Quarter Apr.1,2011 - Sep.30,2011		Fiscal 2010 Apr.1,2010 - Mar.31,2011	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	332.9	46.4	247.4	51.8	293.4	44.6
Bond Financing & General Loans	48.3	6.7	45.9	9.6	45.8	7.0
Loans for Negotiable Margin Transactions	19.0	2.6	19.3	4.1	18.4	2.8
Trust Bank Loans	322.5	44.9	171.8	36.0	303.7	46.2
Other Loans	14.5	2.0	12.5	2.6	14.4	2.2
Total	718.4	100.0	477.7	100.0	657.4	100.0
Securities Lent for Margin Transactions	211.9	—	191.6	—	228.0	—

Business Information for Consolidated Operating Revenues

	Second Quarter Apr.1,2010 - Sep.30,2010		Second Quarter Apr.1,2011 - Sep.30,2011		Fiscal 2010 Apr.1,2010 - Mar.31,2011	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	9,183	77.1	8,079	70.4	17,558	76.8
Loans for Margin Transactions	4,517	37.9	3,449	30.1	8,922	39.0
(Interest on Loans)	1,698	14.3	1,006	8.8	2,809	12.3
(Interest on Collateral Money of Securities Borrowed)	379	3.2	309	2.7	826	3.6
(Fees on Lending Securities)	2,183	18.3	1,942	16.9	4,807	21.0
Bond Financing and General Loans	561	4.7	407	3.5	1,047	4.6
Securities Lending	781	6.6	836	7.3	1,754	7.7
(Stocks)	164	1.4	109	1.0	331	1.5
(Bonds)	617	5.2	726	6.3	1,422	6.2
Other Business	3,323	27.9	3,385	29.5	5,834	25.5
Trust Banking Business	2,225	18.7	2,985	26.0	4,360	19.1
(Interest on Loans)	592	5.0	406	3.5	1,079	4.7
(Trust Charges)	150	1.3	152	1.3	308	1.4
(Others)	1,483	12.4	2,426	21.2	2,972	13.0
Real Estate Management Business	494	4.2	411	3.6	930	4.1
Total	11,904	100.0	11,476	100.0	22,848	100.0