

JAPAN SECURITIES FINANCE CO.,LTD.

Consolidated Financial Results for the Second Quarter ended September 30, 2012

Name : Japan Securities Finance Co.,Ltd.

Listing : First Section, Tokyo Stock Exchange

Stock code number : 8511

Address : 1-2-10, Nihonbashi Kayaba-cho, Chuo-ku, Tokyo, Japan 103-0025

Phone : +81-3-3666-3184

(Millions of yen, rounded down to nearest million)

1.Consolidated Financial Results for the Second Quarter of Fiscal 2012(April 1,2012-September 30,2012)

(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 2012	8,682	△24.3	867	△68.6	1,045	△62.6	740	△67.2
Second Quarter of Fiscal 2011	11,476	△3.6	2,759	1.3	2,795	△2.5	2,256	△15.0
Fiscal 2011	20,229	△11.5	3,039	△16.9	2,387	△28.7	779	△77.7

Reference:Comprehensive Income: Fiscal2012 2Q:¥722million(△67.5%)Fiscal2011 2Q: ¥2,224million(△29.6%)

	Net Income per Share	Net Income per Share
	EPS (Yen)	(Yen) (fully diluted)
Second Quarter of Fiscal 2012	7.96	—
Second Quarter of Fiscal 2011	24.38	—
Fiscal 2011	8.42	—

(2)Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio
	(Millions of Yen)	(Millions of Yen)	(%)
A s o f Sep.30, 2012	4,276,392	115,706	3.0
A s o f Sep.30, 2011	5,285,318	116,500	2.4
Fiscal 2011	4,931,285	115,546	2.6

Reference: Shareholders Equity: ¥115,706million (Fiscal2011: ¥115,546million)

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 2011	7.00	7.00	14.00
Fiscal 2012 (Forecast)	7.00	7.00	14.00

Note : Amendment of Forecast None

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

(% 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		1,500		1,700		1,200	12.90

4. Others

- (1) Changes in the scope of important consolidation for subsidiaries (yes/no):No
- (2) Adoption of specified accounting methods for quarterly consolidated financial statements : No
- (3) Changes in accounting policies and changes or restatement of accounting estimates
 - ①Changes in accounting policies caused by revision of accounting standards: Yes
 - ②Changes in accounting policies other than ①: No
 - ③Changes in accounting estimates: Yes
 - ④Restatement: No
- (4) Number of Issued Shares(common stock)
 - ①Number of issued shares (Including treasury stock)
as of Sep.30, 2012 : 93,700,000 as of Mar.31, 2012 : 93,700,000
 - ②Number of Treasury stocks
as of Sep.30, 2012 : 663,382 as of Mar.31, 2012 : 953,256
 - ③Average number of shares
For six months ended Sep.30, 2012 : 93,036,940
For six months ended Sep.30, 2011 : 92,557,728

Consolidated Balance Sheets

【Assets】	Second Quarter Sep.30,2011	Second Quarter Sep.30,2012	Fiscal 2011 Mar.31,2012
	(millions of yen)	(millions of yen)	(millions of yen)
I Current Assets	4,077,335	3,360,534	3,965,288
Cash	12,200	67,762	20,107
Short-term Investments	2,481,343	1,511,818	1,934,129
Short-term Loans Receivable	429,189	398,482	453,784
Securities Lent	188,779	316,240	260,080
Securities in Custody	31,000	2,877	31,379
Securities in Deposit	150,271	93,020	134,968
Deferred Tax Assets	501	378	401
Collateral Money for Securities Borrowed	780,676	967,917	1,127,046
Other Current Assets	4,175	2,778	4,191
Allowance for Doubtful Receivables	△ 803	△ 741	△ 802
II Non-current Assets	1,207,983	915,857	965,996
Investments, etc.	1,201,697	909,415	959,594
Allowance for Doubtful Receivables	△ 1,243	△ 997	△ 1,020
Total Assets	5,285,318	4,276,392	4,931,285

【Liabilities and Net Assets】	Second Quarter Sep.30,2011	Second Quarter Sep.30,2012	Fiscal 2011 Mar.31,2012
	(millions of yen)	(millions of yen)	(millions of yen)
I Current Liabilities	5,152,778	4,148,818	4,802,861
Call Money	1,218,500	1,418,200	1,388,600
Short-term Borrowings	2,773,910	1,383,810	1,833,210
Commercial Paper	7,500	49,000	33,500
Collateral Money for Securities Lent	702,309	859,394	1,100,016
Collateral Securities Deposited	237,766	172,283	241,035
Securities Borrowed	131,443	218,577	184,389
Securities Lent Opposite Account	841	21,277	1,003
Other Current Liabilities	80,507	26,275	21,105
II Non-current Liabilities	16,039	11,866	12,877
Long-term Borrowings	10,500	6,500	7,500
Liabilities for Retirement and Severance Benefits	2,386	2,336	2,390
Other Non-Current Liabilities	3,153	3,030	2,986
Total Liabilities	5,168,818	4,160,685	4,815,738
Total Net Assets	116,500	115,706	115,546
Total Liabilities and Net Assets	5,285,318	4,276,392	4,931,285

Consolidated Statement of Operations

	Second Quarter Apr.1,2011- Sep.30,2011	Second Quarter Apr.1,2012- Sep.30,2012	Fiscal 2011 Apr.1,2011- Mar.31,2012
	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenues	11,476	8,682	20,229
Interest on Loans	1,757	1,485	3,223
Interest on Collateral Money for Securities Borrowed	891	888	1,816
Fees on Lending Securities	2,283	2,335	4,648
Other Operating Revenues	6,543	3,973	10,541
Operating Expenses	5,128	4,190	9,634
Interest on Borrowing & Commercial Paper	2,792	2,080	5,087
Fees on Borrowing Securities	1,706	1,796	3,540
Other Operating Expenses	629	313	1,006
Operating Profit	6,348	4,492	10,594
General and Administrative Expenses	3,588	3,624	7,554
Operating Income	2,759	867	3,039
Non-operating Revenues	128	208	217
Non-operating Expenses	92	30	869
Recurring Income	2,795	1,045	2,387
Extraordinary Profit	1	136	1
Extraordinary Loss	25	126	454
Net Income before Income Taxes	2,770	1,055	1,934
Current Income Taxes	368	239	816
Deferred Income Taxes	145	75	339
Net Income	2,256	740	779

Consolidated Average Outstanding Balance of Loans

	Second Quarter Apr.1,2011 - Sep.30,2011		Second Quarter Apr.1,2012 - Sep.30,2012		Fiscal 2011 Apr.1,2011 - Mar.31,2012	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	247.4	51.8	205.7	54.1	218.0	51.6
Bond Financing & General Loans	45.9	9.6	58.3	15.4	50.8	12.0
Loans for Negotiable Margin Transactions	19.3	4.1	18.2	4.8	20.3	4.8
Trust Bank Loans	171.8	36.0	103.0	27.1	141.3	33.4
Other Loans	12.5	2.6	12.8	3.4	12.5	3.0
Total	477.7	100.0	379.9	100.0	422.7	100.0
Securities Lent for Margin Transactions	191.6	—	159.0	—	184.6	—

Business Information for Consolidated Operating Revenues

	Second Quarter Apr.1,2011 - Sep.30,2011		Second Quarter Apr.1,2012 - Sep.30,2012		Fiscal 2011 Apr.1,2011 - Mar.31,2012	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	8,079	70.4	7,211	83.1	15,186	75.1
Loans for Margin Transactions	3,449	30.1	3,157	36.4	6,756	33.4
(Interest on Loans)	1,006	8.8	838	9.7	1,783	8.8
(Interest on Collateral Money of Securities Borrowed)	309	2.7	257	3.0	639	3.2
(Fees on Lending Securities)	1,942	16.9	1,907	22.0	3,957	19.6
Bond Financing and General Loans	407	3.5	386	4.5	827	4.1
Securities Lending	836	7.3	991	11.4	1,701	8.4
(Stocks)	109	1.0	119	1.4	219	1.1
(Bonds)	726	6.3	871	10.0	1,482	7.3
Other Business	3,385	29.5	2,675	30.8	5,901	29.2
Trust Banking Business	2,985	26.0	1,063	12.2	4,224	20.9
(Interest on Loans)	406	3.5	311	3.6	741	3.7
(Trust Charges)	152	1.3	157	1.8	300	1.5
(Others)	2,426	21.2	593	6.8	3,182	15.7
Real Estate Management Business	411	3.6	407	4.7	818	4.0
Total	11,476	100.0	8,682	100.0	20,229	100.0