

## Summary of Consolidated Financial Results For the First Quarter of 2009 (January 1, 2009 – March 31, 2009)

May 13, 2009

Described below is the English abstract of the financial results (Tanshin Report) that was released today in Japan. The translation is prepared and provided for readers' convenience only. Therefore, all readers are strongly advised to refer to the original version in Japanese for complete and accurate information. In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.

Listed company name :	Secured Capital Japan Co., Ltd.
Listed stock market :	Tokyo Stock Exchange, First Section
Stock code :	2392
URL :	<a href="http://www.securedcapital.co.jp/">http://www.securedcapital.co.jp/</a>
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### 1. Summary of consolidated financial results for the first quarter of 2009 (January 1, 2009 – March 31, 2009)

#### (1) Consolidated financial results (Year to date)

	Revenues		Operating income		Ordinary income		Net income	
	Millions ¥	%	Millions ¥	%	Millions ¥	%	Millions ¥	%
Three months ended March 2009	982	—	-13	—	-194	—	338	—
Three months ended March 2008	1,513	-11.9	469	-35.8	416	-42.5	192	-44.3

	Earnings per share	Diluted earnings per share
	¥	¥
Three months ended March 2009	2,787.17	—
Three months ended March 2008	1,587.88	1,259.73

There are dilutive shares for the first quarterly period. However the diluted EPS calculation requires the gain from the early redemption of convertible bonds to be excluded, which results in a negative amount for the period. Thus, the amount is omitted.

#### (2) Consolidated financial position

	Total assets	Net assets	Capital ratio	Net assets per share
	Millions ¥	Millions ¥	%	¥
As of March 31, 2009	54,021	12,092	14.7	65,221.84
As of December 31, 2008	53,365	11,791	14.0	61,585.54

Reference: Shareholders' equity (millions ¥) As of March 31, 2009: 7,924 As of December 31, 2008: 7,483

### 2. Dividend position

	Dividend per share				
	At the end of the first quarter	At the end of the second quarter	At the end of the third quarter	At the end of the year	Annual total
	¥	¥	¥	¥	¥
Year ended December 2008	0.00	0.00	0.00	0.00	0.00
Year ended December 2009	0.00	—	—	—	—
Year ending December 2009 (Forecast)	—	0.00	0.00	1,000.00	1,000.00

### 3. Consolidated forecast for the fiscal year ending December 2009 (January 1, 2009 – December 31, 2009)

	Revenues		Operating income		Ordinary income		Net income		Earnings per share
	Millions¥	%	Millions¥	%	Millions¥	%	Millions¥	%	¥
Six months	—	—	—	—	—	—	—	—	—
Full year	6,730	15.9	2,700	275.9	1,680	908.3	1,250	-	10,287.56

### 4. Others

#### (1) Changes in scope of consolidation

New included subsidiaries	Not applicable
Excluded subsidiaries	Not applicable

#### (2) Adoption of simplified accounting procedures

Not applicable
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#### (3) Changes in accounting policies from the last consolidated fiscal year

Changes based on the amendment of accounting principles	Commencing with the current period, the "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan(ASBJ) Statement No.12), and the "Guidance on Accounting Standard for Quarterly Financial Reporting "(ASBJ Guidance No.14) are applied. Also, the quarterly consolidated financial statements are prepared in accordance with the "Regulation for Quarterly Consolidated Financial Statements."
Changes not based on the amendment of accounting principles	Not applicable

#### (4) Number of shares outstanding at the end of the period

	As of March 31 ,2009	As of December 31, 2008
Common stock (including treasury stock)	121,506	121,506
Treasury stock	—	—

Average number of shares during the period (Cumulative from the beginning of the fiscal year)

	As of March 31 ,2009	As of March 31, 2008
Common stock (Including treasury stock)	121,506	121,452

## 5. Consolidated financial statements

### (1) Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2009	As of December 31, 2008
(Assets)		
I Current assets		
1 Cash and cash equivalents	4,278,524	3,061,257
2 Accounts receivable	561,987	461,199
3 Securities	2,016,540	2,086,290
4 Purchased loans	280,369	280,692
5 Other receivable	126,848	113,980
6 Deferred tax assets	70,908	76,725
7 Other assets	1,664,527	1,755,009
Allowance for doubtful accounts	-359,882	-334,361
Total current assets	8,639,824	7,500,794
II Non-current assets		
1 Property and equipment		
(1) Building	12,031,074	12,109,121
(2) Furniture and equipment	37,506	40,674
(3) Land	18,382,261	18,382,261
Total property and equipment	30,450,842	30,532,057
2 Intangible assets		
(1) software	6,150	6,892
Total Intangible assets	6,150	6,892
3 Investments and other assets		
(1) Investment securities	7,182,288	7,782,662
(2) Other securities of affiliates	4,323,496	3,989,818
(3) Long-term loans receivable	2,087,604	2,107,695
(4) Security deposits	288,824	288,102
(5) Deferred tax assets	724,250	796,423
(6) Others	317,777	361,284
Total investments and other assets	14,924,242	15,325,988
Total non-current assets	45,381,235	45,864,938
Total assets	54,021,059	53,365,732

(Thousands of yen)

	As of March 31, 2009	As of December 31, 2008
(Liabilities)		
I Current liabilities		
1 Short-term borrowings	3,353,000	3,600,000
2 Accrued expense	200,613	171,575
3 Income tax payable	262,046	201,032
4 Deposits payable	404,828	516,625
5 Accrued bonus	49,999	56,750
6 Other liabilities	370,635	348,793
Total current liabilities	4,641,124	4,894,775
II Non-current liabilities		
1 Bond	4,605,487	4,605,487
2 Convertible bond	6,650,000	6,000,000
3 Long-term borrowings	22,000,000	22,000,000
4 Deposit from silent partners	4,031,446	4,074,080
5 Others	200	—
Total non-current liabilities	37,287,134	36,679,567
Total liabilities	41,928,258	41,574,343
(Net assets)		
I Shareholders' equity		
1 Common stock	1,200,779	1,200,779
2 Additional paid-in capital	1,168,729	1,168,729
3 Retained earnings	6,010,583	5,672,419
Total shareholders' equity	8,380,091	8,041,927
II Unrealized valuations and re-measurement		
1 Unrealized gains on available for sale securities	-173,574	-50,666
2 Foreign currency translation adjustments	-281,671	-508,248
Total unrealized valuations and re-measurement	-455,246	-558,914
III Stock options	2,306	2,306
IV Non-controlling interests	4,165,648	4,306,069
Total net assets	12,092,800	11,791,389
Total liabilities and net assets	54,021,059	53,365,732

## (2) Consolidated statements of income

(Thousands of yen)

Three months ended March 2009	
I Revenues	982,545
II Cost of sales	283,005
Gross profit	699,539
III Selling, general and administrative expenses	712,853
Operating income (loss)	-13,314
IV Non-operating income	
1 Interest income	5,205
2 Dividend income	2,488
3 Equity in earnings of affiliated companies	4,706
4 Others	1,581
Total Non-operating income	13,983
V Non-operating expenses	
1 Interest expenses	147,932
2 Bond interest expenses	5,178
3 Bond issuance expenses	14,042
4 Financing commissions	26,017
5 Others	2,094
Total Non-operating expenses	195,264
Ordinary income (loss)	-194,595
VI Extraordinary gain	
1 Gain on redemption of bonds	822,500
2 Others	232
Total Extraordinary gain	822,732
VII Extraordinary loss	
1 Loss on valuation of investment securities	11,233
2 Loss on closure of office	8,947
3 Others	856
Total Extraordinary loss	21,037
Income before silent partnership distribution and income taxes	607,100
Income allocations to silent partnership	15,654
Income before income taxes	591,445
Income taxes	
1 Income taxes - current	259,622
2 Income taxes - deferred	-34,840
Total Income taxes	224,782
Non-controlling interests in earnings of subsidiaries	28,004
Net income	338,658

## (3) Consolidated statements of cash flows

(Thousands of yen)

	Three months ended March 2009
<b>I Operating activities</b>	
Income before income taxes	591,445
Depreciation and amortization	78,418
Increase (decrease) in accrued bonus	-6,750
Increase in allowance for doubtful accounts	25,754
Operating interest income	-153,413
Interest and dividend income	-7,694
Operating and bond interest expenses	153,110
Gain on redemption of bonds	-822,500
Loss on valuation of operating investment securities	69,814
Loss on valuation of investment securities	11,233
Increase (decrease) in accounts receivable	-75,800
Increase (decrease) in other receivable	-13,868
Increase (decrease) in consumption tax receivable	94,549
Increase (decrease) in deposit payable	12,089
Increase (decrease) in consumption tax payable	12,310
Increase (decrease) in accrued expenses	-111,796
Equity in earnings (losses) of silent partnerships	364,826
Income allocations to silent partnerships	15,654
Operating interest received	173,188
Others -net	30,870
Sub total	441,443
Interest and dividend received	5,786
Interest paid	-158,968
Income taxes paid	-238,012
Net cash provided by operating activities	50,248
<b>II Investing activities</b>	
Purchases of other securities of affiliates	-65,982
Proceeds from sales and redemptions of other securities of affiliates	79,029
Proceeds from redemption of investment in silent partnership	19,529
Proceeds from redemptions of money trust	17,973

Collections of loans receivable	20,000
Others –net	1,300
Net cash provided by investing activities	71,850
III Financing activities	
Increase (decrease) in short-term borrowings	-247,000
Proceeds from issuance of bonds	2,997,300
Redemption of bonds	-1,527,500
Distribution to non-controlling interests	-74,510
Others -net	-58,382
Net cash provided by financing activities	1,089,907
IV Foreign currency translation adjustments in cash and cash equivalents	9,974
V Net increase(decrease) in cash and cash equivalents	1,221,980
VI Cash and cash equivalents at the beginning of period	3,061,257
VII Decrease by exclusion of consolidated subsidiaries	-4,714
VIII Cash and cash equivalents at the end of period	4,278,524

#### 4. Going concern assumption

Not applicable

#### 5. Segment information

##### 1. Business segment information

Three months ended March 31, 2009

(Thousands of yen)

	Real estate investment management	Loan investment and asset management	Total	Eliminations or non-allocatable expenses	Consolidated total
Revenues	790,717	191,827	982,545	—	982,545
Operating expenses	824,396	104,264	928,660	67,199	995,859
Operating income(loss)	-33,678	87,563	53,885	-67,199	-13,314

##### 2. Geographical segment information

Three months ended March 31, 2009

(Thousands of yen)

	Japan	North America	Total	Eliminations or non-allocatable expenses	Consolidated total
Revenues	688,327	303,392	991,720	-9,175	982,545
Operating expenses	927,453	10,381	937,835	58,024	995,859
Operating income(loss)	-239,126	293,011	53,885	-67,199	-13,314

##### 3. Overseas sales

Three months ended March 31, 2009

	North America	Total
I Revenues from oversea customers	¥304,714 thousand	¥304,714 thousand
II Consolidated revenues	—	¥982,545 thousand
III Portion of revenues from oversea customers	31.0%	31.0%

#### 6. Notes on significant changes in the amount of Shareholders' equity

Not applicable

(Reference)

(Consolidated statements of income)

(Thousands of yen)

	Three months ended
	March 31, 2008
	Amount
I Revenues	1,513,807
II Cost of sales	136,722
Gross profit	1,377,085
III Selling, general and administrative expenses	907,390
Operating income	469,694
IV Non-operating income	16,439
V Non-operating expenses	69,730
Ordinary income	416,404
VI Extraordinary loss	147
Income before silent partnership distribution and income taxes	416,256
Income allocations to silent partnership	-6,294
Income before income taxes	422,550
Income taxes	
- current	228,726
- deferred	-61,134
Non-controlling interests in earnings of subsidiaries	62,106
Net income	192,852

Consolidated statements of cash flows

(Thousands of yen)

	Three months ended March 31, 2008
	Amount
I Operating activities	
Income before income taxes	422,550
Depreciation and amortization	8,873
Increase (decrease) in accrued bonus	96,000
Increase in allowance for doubtful accounts	4,500
Interest and dividend income	-176,990
Interest expenses	110,981
Loss on disposition of fixed assets	147
Increase (decrease) in accounts receivable	306,464
Increase (decrease) in other receivable	40,980
Increase (decrease) in entrusted properties	-23,469,103
Increase (decrease) in other current assets	-314,373
Increase (decrease) in accrued expense	-128,583
Increase (decrease) in deposit payable	95,945
Increase (decrease) in advance received	126,911
Equity in earnings (losses) of silent partnerships	-73,144
Income allocations to silent partnerships	-6,294
Others	-761,068
Sub total	-23,716,203
Interest and dividend received	163,946
Interest paid	-69,566
Income taxes paid	-1,331,263
Net cash used in operating activities	-24,953,086

	Three months ended March 31, 2008
	Amount
II Investing activities	
Purchases of fixed assets	-9,316
Purchases of software	-862
Proceeds from sales and redemption of investment securities	5,588
Purchases of other securities of affiliates	-287,543
Proceeds from sales and redemption of other securities of affiliates	293,330
Investments in silent partnership	-251,295
Proceeds from redemption of investment in silent partnership	8,349
Contributions to capital	-3,000
Proceeds from transfers and sales of capital contributions	1,000
Purchases of money trust	-1,500,000
Proceeds from redemption of money trust	357,324
Payments for loans issued	-17,101
Collections of loans receivable	20,000
Others	-5,121
Net cash used in investing activities	-1,388,647
III Financing activities	
Increase (decrease) in short-term borrowings	-287,000
Proceeds from long-term borrowings	22,023,000
Proceeds from issuance of bonds	520,800
Redemption of bonds	-38,545
Dividends paid	-138,279
Proceeds from non-controlling interests	550,143
Distribution to non-controlling interests	-53,265
Contributions received from silent partners	1,033,864
Others	515
Net cash provided by financing activities	23,611,233
IV Foreign currency translation adjustments in cash and cash equivalents	6,395
V Net increase(decrease) in cash and cash equivalents	-2,724,105
VI Cash and cash equivalents at the beginning of period	4,402,843
VII Cash and cash equivalents at the end of period	1,678,738

(Segment information)

1. Business segment information

Three months ended March 31, 2008

(Thousands of yen)

	Real estate investment management	Loan investment and asset management	Total	Eliminations or non-allocatable expenses	Consolidated total
Revenues	1,164,425	349,382	1,513,807	—	1,513,807
Operating expenses	763,397	192,141	955,538	88,573	1,044,112
Operating income	401,028	157,240	558,268	-88,573	469,694

2. Geographical segment information

Three months ended March 31, 2008

(Thousands of yen)

	Japan	North America	Total	Eliminations or non-allocatable expenses	Consolidated total
Revenues	1,279,263	234,543	1,513,807	—	1,513,807
Operating expenses	955,538	—	955,538	88,573	1,044,112
Operating income	323,724	234,543	558,268	-88,573	469,694