

Japan Securities Finance Co.,Ltd.

Consolidated Financial Results for the First half ended September 30, 2001

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 103-0025, Japan

Phone : +81-3-3666-3184

1. Financial Results for the first half of Fiscal 2001 (April 1, 2001-September 30, 2001)

(1) Results of operations

(Millions of yen, except per-share figures, rounded down to nearest million)

	Operating revenue		Operating profit		Ordinary profit	
	(% change from previous year)		(% change)		(% change)	
First half of Fiscal 2001	15,617	19.1	1,222	△40.7	2,293	△14.8
First half of Fiscal 2000	13,112	-	2,061	-	2,692	-
Fiscal 2000	31,568		2,964		4,098	

	Net income		Net income per share	Net income per share
	(% change)			(fully diluted)
First half of Fiscal 2001	1,970	△14.2	17.42	
First half of Fiscal 2000	2,296	-	19.41	-
Fiscal 2000	2,837		24.17	-

Notes: 1. Gain/loss on investments based on equity method: ¥801million

(First half of fiscal 2000: ¥271million, fiscal 2000: ¥505million)

2. Average number of shares outstanding (consolidated): 113,104,523

(First half of fiscal 2000: 118,272,801, fiscal 2000: 117,389,650)

3. Changes in accounting method: Not applicable

4: Percentage figures shown in the operating revenue, operating profit, ordinary profit and net income columns indicate year-on-year changes for those items.

(2) Financial position

(Millions of yen, rounded down to nearest million)

	Total assets	Shareholders' equity	Equity ratio	Equity per share (Yen)
As of Sep. 30, 2001	6,132,293	119,485	3.3	1,065.33
As of Sep. 30, 2000	6,698,885	120,410	3.5	1,018.07
As of Mar. 31, 2001	8,257,653	118,582	2.6	1,045.03

Notes: Number of shares outstanding as of Sep. 30, 2001 (consolidated): 112,158,648

(As of Sep. 30, 2000: 118,272,765, as of Mar. 31, 2001: 113,473,378)

(3)Cash flows

(Millions of yen, rounded down to nearest million)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
F i r s t h a l f o f F i s c a l 2 0 0 1	5,579	△2	△1,398	14,404
F i r s t h a l f o f F i s c a l 2 0 0 0	△2,472	668	△1,062	3,937
F i s c a l 2 0 0 0	2,029	4,399	△3,007	10,226

(4)Included in scope of consolidation or applicable under equity method

Consolidated subsidiaries : 3

Non-consolidated subsidiaries : 0

Affiliates : 2

(5)Changes in scope of consolidation or equity method

Consolidated subsidiaries

Newly included : 0

Newly exempted : 0

Affiliates (based on equity method)

Newly included : 0

Newly exempted : 0

2.Forecast for fiscal 2001(April 1,2001—March 31,2002)

(Millions of yen, rounded down to nearest million)

	Operating Revenue	Ordinary Profit	Net income
Full-year	30,000	3,400	2,800

Note : Forecast net income per share : ¥24.96

Consolidated Balance Sheets

[Assets]	<i>First half Sep. 30, 2001</i>		<i>First half Sep. 30, 2000</i>		<i>Fiscal 2000 Mar. 31, 2001</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Current Asset	6,007,512	98.0	6,583,573	98.3	8,138,745	98.6
Cash and Bank Deposits	14,427		3,896		10,264	
Call Loans	154,200		200,000		335,000	
Securities	493,755		163,735		440,884	
Loans	1,083,114		1,311,356		1,322,003	
Securities Lent	1,809,301		2,045,762		2,428,340	
Securities in Custody	339,291		260,441		535,230	
Securities on Deposit	410,630		950,476		654,554	
Deferred Tax Assets	233		289		304	
Collateral Money for Securities Borrowed	1,701,059		1,640,578		2,411,734	
Other Current Assets	2,590		8,819		1,544	
Less : Allowance for Bad Debts	1,088		1,779		1,919	
Fixed Assets	124,780	2.0	115,312	1.7	118,907	1.4
Tangible Fixed Assets	6,228		6,104		6,045	
Intangible Fixed Assets	1,228		467		948	
Investments, etc.	117,421		108,760		112,013	
Less : Allowance for Bad Debts	98		20		99	
Total Assets	6,132,293	100.0	6,698,885	100.0	8,257,653	100.0

【Liabilities and Shareholders' Equity】	<i>First half Sep.30,2001</i>		<i>First half Sep.30,2000</i>		<i>Fiscal 2000 Mar.31,2001</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Current Liabilities	6,007,901	98.0	6,573,454	98.1	8,133,899	98.5
Call Money	727,100		762,760		950,100	
Short-Term Borrowing	378,751		280,278		443,016	
Commercial Paper	82,000		168,200		181,500	
Collateral Money for Securities Lent	1,869,029		2,019,961		2,450,336	
Collateral Securities Deposited	758,772		1,452,787		1,055,021	
Securities Borrowed	1,741,249		1,792,893		2,500,579	
Other Liabilities	451,000		96,575		553,347	
Fixed Liabilities	4,905	0.1	5,020	0.1	5,171	0.1
Deferred Income Tax Liabilities	-		552		250	
Allowance for Employees Retirement Benefits	3,401		3,111		3,459	
Other Fixed Liabilities	1,504		1,357		1,460	
Total Liabilities	6,012,807	98.1	6,578,475	98.2	8,139,070	98.6
Shareholders' Equity						
Capital Stock	10,000	0.2	10,000	0.1	10,000	0.1
Capital Reserve	5,181	0.1	5,181	0.1	5,181	0.1
Consolidated Earned Surplus	101,740	1.7	102,672	1.5	101,268	1.2
Gains from Revaluation of Other Securities	2,563	0.0	2,557	0.0	2,132	0.0
Self-Stock	0	0.0	0	0.0	0	0.0
Total Shareholders' Equity	119,485	1.9	120,410	1.8	118,582	1.4
Total Liabilities and Shareholders' Equity	6,132,293	100.0	6,698,885	100.0	8,257,653	100.0

Consolidated Statement of Income

	<i>First half Sep.30,2001</i>		<i>First half Sep.30,2000</i>		<i>Fiscal 2000 Mar.31,2001</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	15,617	100.0	13,112	100.0	31,568	100.0
Interest on Loans	3,186		5,208		10,678	
Interest on Collateral Money for Securities	1,459		992		4,586	
Fees on Lending Securities	7,657		4,262		9,722	
Other Operating Revenues	3,313		2,648		6,580	
Operating Expenses	10,450	66.9	7,253	55.3	20,836	66.0
Interest on Borrowing	1,022		1,181		6,356	
Interest on Commercial Paper	78		154		690	
Fees on Borrowing Securities	7,540		3,826		9,178	
General and Administrative Expenses	3,944	25.3	3,796	29.0	7,767	24.6
Other Operating Expenses	1,808		2,090		4,610	
Operating Profit	1,222	7.8	2,061	15.7	2,964	9.4
Non-Operating Profit	1,075	6.9	636	4.9	1,147	3.6
Non-Operating Expenses	5	0.0	6	0.0	12	0.0
Ordinary Profit	2,293	14.7	2,692	20.5	4,098	13.0
Extraordinary Profit	830	5.3	1,589	12.1	1,477	4.7
Extraordinary Loss	327	2.1	468	3.6	1,048	3.3
Income before Taxes	2,796	17.9	3,813	29.1	4,527	14.3
Corporate, Residence and Enterprise Taxes	808	5.2	1,820	13.9	2,288	7.2
Adjustments for Corporate Taxes, etc.	18	0.1	302	2.3	597	1.9
Net Income	1,970	12.6	2,296	17.5	2,837	9.0

Consolidated Average Outstanding Balance of Loans

	<i>First half Apr. 1, 2001 - Sep. 30, 2001</i>		<i>First half Apr. 1, 2000 - Sep. 30, 2000</i>		<i>Fiscal 2000 Apr. 1, 2000 - Mar. 31, 2001</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	5,433	44.3	9,695	84.9	7,908	68.9
Bond Financing	102	0.8	519	4.5	616	5.4
General Loans	610	5.0	768	6.7	720	6.3
Trust Bank Loans	194	1.6	156	1.4	163	1.4
Other Loans	5,935	48.3	274	2.4	2,063	18.0
Total	12,276	100.0	11,414	100.0	11,472	100.0

Segment Information for Consolidated Operating Revenues

	<i>First half Apr. 1, 2001 - Sep. 30, 2001</i>		<i>First half Apr. 1, 2000 - Sep. 30, 2000</i>		<i>Fiscal 2000 Apr. 1, 2000 - Mar. 31, 2001</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	13,900	89.0	11,410	87.0	27,866	88.3
Loans for Margin Transactions	9,918	63.5	7,242	55.2	15,754	49.9
(Interest on Loans)	1,788	11.4	3,499	26.7	6,289	19.9
Bond financing and General Loans	839	5.4	1,035	7.9	2,088	6.6
Securities Lent	1,047	6.7	1,595	12.2	4,961	15.7
(Stocks Lent)	351	2.2	665	5.1	1,119	3.5
(Bonds Lent)	696	4.5	930	7.1	3,841	12.2
Trust Banking Business	840	5.4	852	6.5	2,426	7.7
(Trust Fee)	85	0.5	75	0.6	156	0.5
Real Estate Business	470	3.0	464	3.5	930	2.9
Others	784	5.0	218	1.7	1,705	5.4
Information Service Business	1,716	11.0	1,702	13.0	3,701	11.7
Total	15,617	100.0	13,112	100.0	31,568	100.0