

Japan Securities Finance Co.,Ltd.

Consolidated Financial Results for the First half ended September 30, 2002

Name : Japan Securities Finance Co.,Ltd.

Listing : First Section, Tokyo Stock Exchange

Stock code number : 8511

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1. Financial Results for the first half of Fiscal 2002 (April 1, 2002 - September 30, 2002)

(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 2002	15,605	0.1	3,253	166.1	3,518	53.4
First half of Fiscal 2001	15,617	19.1	1,222	40.7	2,293	14.8
Fiscal 2001	31,686		2,308		3,804	

	Net income		Net income per share	Net income per share
	(% change)			(fully diluted)
First half of Fiscal 2002	2,076	5.4	19.46	
First half of Fiscal 2001	1,970	14.2	17.42	-
Fiscal 2001	2,989		26.75	-

Notes: 1. Gain/loss on investments based on equity method: ¥31 million

(First half of fiscal 2001: ¥801 million, fiscal 2001: ¥1,049 million)

2. Average number of shares outstanding (consolidated): 106,701,095

(First half of fiscal 2001: 113,104,523, fiscal 2001: 111,750,660)

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, 2002	3,809,512	118,603	4.1	1,124.61
As of Sep. 30, 2001	6,132,293	119,485	3.3	1,065.33
As of Mar. 31, 2002	6,878,309	117,103	3.0	1,089.27

Notes: Number of shares outstanding as of Sep. 30, 2002 (consolidated): 105,461,704

(As of Sep. 30, 2001: 112,158,648, as of Mar. 31, 2002: 107,506,693)

(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 2	18,830	1,132	1,344	38,328
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 s c a l 2 0 0 1	13,588	1,482	3,321	21,975

(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 2002(April 1,2002 - March 31,2003)

(Millions of yen, rounded down to nearest million)

	Operating Revenue	Ordinary Profit	Net income
Full-year	27,000	4,500	2,500

Note : Forecast net income per share : ¥23.71

Consolidated Balance Sheets

[Assets]	<i>First half Sep.30,2002</i>		<i>First half Sep.30,2001</i>		<i>Fiscal 2001 Mar.31,2002</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Current Asset	3,596,700	94.4	6,007,512	98.0	6,575,435	95.6
Cash and Bank Deposits	38,376		14,427		22,013	
Call Loans	178,400		154,200		291,400	
Securities	1,017,663		493,755		606,781	
Loans	590,289		1,083,114		920,927	
Securities Lent	587,269		1,809,301		2,250,092	
Securities in Custody	128,775		339,291		162,972	
Securities on Deposit	193,258		410,630		602,236	
Deferred Tax Assets	464		233		247	
Collateral Money for Securities Borrowed	860,594		1,701,059		1,717,327	
Other Current Assets	2,168		2,588		2,348	
Less : Allowance for Bad Debts	559		1,088		913	
Fixed Assets	212,811	5.6	124,780	2.0	302,873	4.4
Tangible Fixed Assets	7,084		6,228		7,004	
Intangible Fixed Assets	2,415		1,228		1,599	
Investments, etc.	203,405		117,421		294,358	
Less : Allowance for Bad Debts	94		98		88	
Total Assets	3,809,512	100.0	6,132,293	100.0	6,878,309	100.0

[Liabilities and Shareholders' Equity]	<i>First half Sep.30,2002</i>		<i>First half Sep.30,2001</i>		<i>Fiscal 2001 Mar.31,2002</i>	
	(millions of yen):	(% ratio)	(millions of yen):	(% ratio)	(millions of yen):	(% ratio)
Current Liabilities	3,680,346:	96.6	6,007,901:	98.0	6,754,178:	98.2
Call Money	825,900:		727,100:		768,000:	
Short-Term Borrowing	244,330:		378,751:		577,651:	
Commercial Paper	155,500:		82,000:		53,000:	
Collateral Money for Securities Lent	1,028,471:		1,869,029:		2,070,994:	
Collateral Securities Deposited	481,204:		758,772:		1,008,677:	
Securities Borrowed	428,098:		1,741,249:		1,908,624:	
Other Liabilities	516,841:		450,999:		367,231:	
Fixed Liabilities	10,562:	0.3	4,905:	0.1	7,026:	0.1
Allowance for Employees Retirement Benefits	3,335:		3,401:		3,423:	
Other Fixed Liabilities	7,226:		1,504:		3,603:	
Total Liabilities	3,690,908:	96.9	6,012,807:	98.1	6,761,205:	98.3
Shareholders' Equity						
Capital Stock	10,000:	0.3	10,000:	0.2	10,000:	0.1
Capital Reserve	5,181:	0.1	5,181:	0.1	5,181:	0.1
Consolidated Earned Surplus	101,485:	2.7	101,740:	1.7	100,847:	1.5
Losses from Revaluation of Land	12:	0.0			12:	0.0
Gains from Revaluation of Other Securities	2,147:	0.1	2,563:	0.0	1,088:	0.0
Self-Stock	198:	0.0	0:	0.0	1:	0.0
Total Shareholders' Equity	118,603:	3.1	119,485:	1.9	117,103:	1.7
Total Liabilities and Shareholders' Equity	3,809,512:	100.0	6,132,293:	100.0	6,878,309:	100.0

Consolidated Statement of Income

	<i>First half Sep. 30, 2002</i>		<i>First half Sep. 30, 2001</i>		<i>Fiscal 2001 Mar. 31, 2002</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	15,605	100.0	15,617	100.0	31,686	100.0
Interest on Loans	2,755		3,186		5,357	
Interest on Collateral Money for Securities Borrowed	1,098		1,459		3,144	
Fees on Lending Securities	7,269		7,657		16,347	
Other Operating Revenues	4,482		3,313		6,836	
Operating Expenses	8,293	53.1	10,450	66.9	21,465	67.7
Interest on Borrowing	453		1,022		1,546	
Interest on Commercial Paper	25		78		89	
Fees on Borrowing Securities	5,976		7,540		16,016	
General and Administrative Expenses	4,058	26.0	3,944	25.3	7,912	25.0
Other Operating Expenses	1,838		1,808		3,813	
Operating Profit	3,253	20.8	1,222	7.8	2,308	7.3
Non-Operating Profit	273	1.7	1,075	6.9	1,508	4.8
Non-Operating Expenses	9	0.1	5	0.0	12	0.0
Ordinary Profit	3,518	22.5	2,293	14.7	3,804	12.0
Extraordinary Profit	349	2.2	830	5.3	999	3.2
Extraordinary Loss	343	2.2	327	2.1	429	1.4
Income before Taxes	3,523	22.6	2,796	17.9	4,374	13.8
Corporate, Residence and Enterprise Taxes	1,632	10.5	808	5.2	1,407	4.4
Adjustments for Corporate Taxes, etc.	185	1.2	18	0.1	22	0.1
Net Income	2,076	13.3	1,970	12.6	2,989	9.4

Consolidated Average Outstanding Balance of Loans

	<i>First half Apr. 1, 2002 - Sep. 30, 2002</i>		<i>First half Apr. 1, 2001 - Sep. 30, 2001</i>		<i>Fiscal 2001 Apr. 1, 2001 - Mar. 31, 2002</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	5,063	75.9	5,433	44.3	4,489	39.4
Bond Financing	125	1.9	102	0.8	71	0.6
General Loans	484	7.3	610	5.0	558	4.9
Trust Bank Loans	267	4.0	194	1.6	207	1.8
Loans on Gensaki Transaction	699	10.5	5,912	48.1	6,057	53.1
Other Loans	30	0.4	22	0.2	22	0.2
Total	6,670	100.0	12,276	100.0	11,406	100.0

Segment Information for Consolidated Operating Revenues

	<i>First half Apr. 1, 2002 - Sep. 30, 2002</i>		<i>First half Apr. 1, 2001 - Sep. 30, 2001</i>		<i>Fiscal 2001 Apr. 1, 2001 - Mar. 31, 2002</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	13,969	89.5	13,900	89.0	28,093	88.7
Loans for Margin Transactions	9,206	59.0	9,918	63.5	20,567	64.9
(Interest on Loans)	1,568	10.0	1,788	11.4	2,887	9.1
Bond financing and General Loans	689	4.4	839	5.4	1,533	4.8
Securities Lent	799	5.1	1,047	6.7	1,952	6.2
(Stocks Lent)	342	2.2	351	2.2	797	2.5
(Bonds Lent)	457	2.9	696	4.5	1,154	3.6
Trust Banking Business	1,904	12.2	840	5.4	1,670	5.3
(Trust Fee)	89	0.6	85	0.5	188	0.6
Real Estate Business	465	3.0	470	3.0	937	3.0
Others	903	5.8	784	5.0	1,432	4.5
Information Service Business	1,636	10.5	1,716	11.0	3,592	11.3
Total	15,605	100.0	15,617	100.0	31,686	100.0