

Japan Securities Finance Co.,Ltd.

Consolidated Financial Results for Fiscal 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 fiscal 2002(April 1, 2002-March 31, 2003)

(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)	
Fiscal 2002	28,661	△9.5	4,805	108.2	4,719	24.1
Fiscal 2001	31,686	0.4	2,308	△22.1	3,804	△7.2

	Net income		Net income per share	Net income per share	Return on equity	Ordinary profit/ Total assets	Ordinary profit/ Operating revenue
	(% change)			(fully diluted)			
Fiscal 2002	1,746	△41.6	15.86	-	1.5	0.1	16.5
Fiscal 2001	2,989	5.4	26.75	-	2.5	0.1	12.0

Notes:1. Gain/loss on investments based on equity method: ¥△459million(fiscal2001: ¥1,049million)

2. Average number of shares outstanding(consolidated): 105,250,697 (fiscal2001: 111,750,660)

3. Accounting method is changed from Fiscal 2002.

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(year-end)

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

	Total assets	Shareholders' Equity	Equity ratio	Equity per share(Yen)
Fiscal 2002	4,031,339	118,361	3.5	1,169.05
Fiscal 2001	6,878,309	117,103	3.0	1,089.27

Note: Number of shares outstanding at year-end(consolidated): 101,180,670 (fiscal2001: 107,506,693)

(3)Cash flows

(Millions of yen, except per-share figures, 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
Fiscal 2002	12,096	△7,396	△3,003	23,671
Fiscal 2001	13,588	1,482	△3,321	21,975

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

Consolidated subsidiaries : 3

Nonconsolidated 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 2003(April 1, 2003—March 31, 2004)

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

	Operating Revenue	Ordinary Profit	Net income
Interim	12,000	1,900	1,100
Full-year	25,000	3,200	1,800

Note : Forecast net income per share : ¥17.79

Consolidated Balance Sheets

[Assets]	<i>Fiscal 2002</i> <i>Mar. 31, 2003</i>		<i>Fiscal 2001</i> <i>Mar. 31, 2002</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Current Asset	3,456,005	85.7	6,575,435	95.6
Cash and Bank Deposits	23,698		22,013	
Call Loans	300,000		291,400	
Securities	997,258		606,781	
Loans	645,761		920,927	
Securities Lent	493,339		2,250,092	
Securities in Custody	83,171		162,972	
Securities on Deposit	108,412		602,236	
Deferred Tax Assets	448		247	
Collateral Money for Securities Borrowed	782,893		1,717,327	
Other Current Assets	21,626		2,348	
Less : Allowance for Bad Debts	605		913	
Fixed Assets	575,333	14.3	302,873	4.4
Tangible Fixed Assets	6,906		7,004	
Intangible Fixed Assets	4,192		1,599	
Investments, etc.	564,344		294,358	
Less : Allowance for Bad Debts	109		88	
Total Assets	4,031,339	100.0	6,878,309	100.0

[Liabilities and Shareholders' Equity]	<i>Fiscal 2002 Mar.31,2003</i>		<i>Fiscal 2001 Mar.31,2002</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Current Liabilities	3,907,164	96.9	6,754,178	98.2
Call Money	918,500		768,000	
Short-Term Borrowing	674,820		577,651	
Borrowings on Gensaki transaction	246,637		-	
Commercial Paper	85,100		53,000	
Collateral Money for Securities Lent	893,460		2,070,994	
Collateral Securities Deposited	332,139		1,008,677	
Securities Borrowed	352,784		1,908,624	
Other Liabilities	403,723		367,231	
Fixed Liabilities	5,812	0.1	7,026	0.1
Deferred Income Tax Liabilities	1,106		-	
Allowance for Employees Retirement Benefits	3,397		3,423	
Other Fixed Liabilities	1,307		3,603	
Total Liabilities	3,912,977	97.1	6,761,205	98.3
Shareholders' Equity				
Capital Stock	-		10,000	0.1
Capital Reserve	-		5,181	0.1
Consolidated Earned Surplus	-		100,847	1.5
Gains from Revaluation of Other Securities	-		1,088	0.0
Self-Stock	-		1	0.0
Capital Stock	10,000	0.2	-	
Capital Surplus	5,181	0.1	-	
Earned Surplus	99,494	2.5	-	
Gains from Revaluation of Other Securities	3,894	0.1	-	
Self-Stock	196	0.0	-	
Total Shareholders' Equity	118,361	2.9	117,103	1.7
Total Liabilities and Shareholders' Equity	4,031,339	100.0	6,878,309	100.0

Consolidated Statement of Income

	<i>Fiscal 2002</i> <i>Mar. 31, 2003</i>		<i>Fiscal 2001</i> <i>Mar. 31, 2002</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	28,661	100.0	31,686	100.0
Interest on Loans	4,727		5,357	
Interest on Collateral Money for Securities Borrowed	1,820		3,144	
Fees on Lending Securities	13,576		16,347	
Other Operating Revenues	8,537		6,836	
Operating Expenses	15,747	54.9	21,465	67.7
Interest on Borrowing	884		1,546	
Interest on Commercial Paper	56		89	
Fees on Borrowing Securities	11,229		16,016	
Other Operating Expenses	3,576		3,813	
General and Administrative Expenses	8,108	28.3	7,912	25.0
Operating Profit	4,805	16.8	2,308	7.3
Non-Operating Profit	401	1.4	1,508	4.8
Non-Operating Expenses	487	1.7	12	0.0
Ordinary Profit	4,719	16.5	3,804	12.0
Extraordinary Profit	504	1.8	999	3.2
Extraordinary Loss	1,761	6.1	429	1.4
Income before Taxes	3,462	12.1	4,374	13.8
Corporate, Residence and Enterprise Taxes	1,786	6.2	1,407	4.4
Adjustments for Corporate Taxes, etc.	71	0.2	22	0.1
Net Income	1,746	6.1	2,989	9.4

Consolidated Average Outstanding Balance of Loans

	<i>Fiscal 2002</i>		<i>Fiscal 2001</i>	
	<i>Apr. 1, 2002-Mar. 31, 2003</i>		<i>Apr. 1, 2001-Mar. 31, 2002</i>	
	(100 millions of yen)	(% ratio)	(100 millions of yen)	(% ratio)
Loans for Margin Transactions	4,094	72.7	4,489	39.4
Bond Financing	79	1.4	71	0.6
General Loans	457	8.1	558	4.9
Trust Bank Loans	598	10.6	207	1.8
Loans on Gensaki transaction	372	6.6	6,057	53.1
Other Loans	31	0.6	22	0.2
Total	5,635	100.0	11,406	100.0

Segment Information for Consolidated Operating Revenues

	<i>Fiscal 2002</i>		<i>Fiscal 2001</i>	
	<i>Apr. 1, 2002-Mar. 31, 2003</i>		<i>Apr. 1, 2001-Mar. 31, 2002</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Finance Business	25,296	88.3	28,093	88.7
Loans for Margin Transactions	16,680	58.2	20,567	64.9
(Interest on Loans)	2,535	8.8	2,887	9.1
Bond financing and General Loans	1,238	4.3	1,533	4.8
Securities Lent	1,409	4.9	1,952	6.2
(Stocks Lent)	638	2.2	797	2.5
(Bonds Lent)	770	2.7	1,154	3.6
Trust Banking Business	3,122	10.9	1,670	5.3
(Trust Fee)	206	0.7	188	0.6
Real Estate Business	980	3.4	937	3.0
Others	1,864	6.5	1,432	4.5
Information Service Business	3,365	11.7	3,592	11.3
Total	28,661	100.0	31,686	100.0