

# Japan Securities Finance Co.,Ltd.

## Consolidated Financial Results for the First half ended September 30, 2003

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 2003 (April 1, 2003 - September 30, 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)	
<b>First half of Fiscal 2003</b>	<b>14,748</b>	<b>5.5</b>	<b>2,254</b>	<b>30.7</b>	<b>1,980</b>	<b>43.7</b>
First half of Fiscal 2002	15,605	0.1	3,253	166.1	3,518	53.4
Fiscal 2002	28,661		4,805		4,719	

	Net income		Net income per share	Net income per share
	(% change)			(fully diluted)
<b>First half of Fiscal 2003</b>	<b>1,051</b>	<b>49.4</b>	<b>10.41</b>	-
First half of Fiscal 2002	2,076	5.4	19.46	-
Fiscal 2002	1,746		15.86	-

Notes: 1. Gain/loss on investments based on equity method: ¥ 517 million  
(First half of fiscal 2002: ¥ 31 million, fiscal 2002: ¥ 459 million)

2. Average number of shares outstanding (consolidated): 100,995,337  
(First half of fiscal 2002: 106,701,095, fiscal 2002: 105,250,697)

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)
<b>As of Sep. 30, 2003</b>	<b>7,356,357</b>	<b>107,217</b>	<b>1.8</b>	<b>1,075.39</b>
As of Sep. 30, 2002	3,809,512	118,603	4.1	1,124.61
Fiscal 2002	4,031,339	118,361	3.5	1,169.05

Notes: Number of shares outstanding as of Sep. 30, 2003 (consolidated): 99,700,392

(As of Sep. 30, 2002: 105,461,704, Fiscal 2002: 101,180,670)

**(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
<b>F i r s t h a l f o f F i s c a l 2 0 0 3</b>	<b>88,939</b>	<b>4,270</b>	<b>1,446</b>	<b>115,435</b>
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 s c a l 2 0 0 2	12,096	7,396	3,003	23,671

**(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 2003(April 1,2003 - March 31,2004)**

(Millions of yen, rounded down to nearest million)

	Operating Revenue	Ordinary Profit	Net income
Full-year	30,000	5,000	3,000

Note : Forecast net income per share : ¥29.32

### *Consolidated Balance Sheets*

[Assets]	<i>First half Sep. 30, 2003</i>		<i>First half Sep. 30, 2002</i>		<i>Fiscal 2002 Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Current Asset</b>	4,921,162	66.9	3,596,700	94.4	3,456,005	85.7
Cash and Bank Deposits	115,437		38,376		23,698	
Call Loans	124,000		178,400		300,000	
Securities	756,915		1,017,663		997,258	
Loans	1,779,980		590,289		645,761	
Securities Lent	620,900		587,269		493,339	
Securities in Custody	205,960		128,775		83,171	
Securities on Deposit	443,361		193,258		108,412	
Deferred Tax Assets	742		464		448	
Collateral Money for Securities Borrowed	866,798		860,594		782,893	
Other Current Assets	7,858		2,168		21,626	
Less : Allowance for Bad Debts	793		559		605	
<b>Fixed Assets</b>	2,435,195	33.1	212,811	5.6	575,333	14.3
Tangible Fixed Assets	6,959		7,084		6,906	
Intangible Fixed Assets	4,173		2,415		4,192	
Investments, etc.	2,424,172		203,405		564,344	
Less : Allowance for Bad Debts	110		94		109	
<b>Total Assets</b>	7,356,357	100.0	3,809,512	100.0	4,031,339	100.0

<b>[Liabilities and Shareholders' Equity]</b>	<i>First half Sep. 30, 2003</i>		<i>First half Sep. 30, 2002</i>		<i>Fiscal 2002 Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Current Liabilities</b>	7,235,358	98.4	3,680,346	96.6	3,907,164	96.9
Call Money	1,087,200		825,900		918,500	
Bills sold	1,453,600		413,500		297,500	
Short-Term Borrowing	973,320		244,330		674,820	
Commercial Paper	148,000		155,500		85,100	
Borrowings on Gensaki transaction	195,327		-		246,637	
Collateral Money for Securities Lent	1,806,103		1,028,471		893,460	
Collateral Securities Deposited	794,588		481,204		332,139	
Securities Borrowed	475,634		428,098		352,784	
Other Liabilities	301,585		103,341		106,223	
Fixed Liabilities	13,782	0.2	10,562	0.2	5,812	0.1
Allowance for Employees Retirement Benefits	3,446		3,335		3,397	
Other Fixed Liabilities	10,335		7,226		2,414	
<b>Total Liabilities</b>	<b>7,249,140</b>	<b>98.5</b>	<b>3,690,908</b>	<b>96.9</b>	<b>3,912,977</b>	<b>97.1</b>
Capital Stock	10,000	0.1	10,000	0.3	10,000	0.2
Capital Surplus	5,181	0.1	5,181	0.1	5,181	0.1
Earned Surplus	99,331	1.4	101,485	2.7	99,494	2.5
Losses from Revaluation of Land	13	0	12	0.0	12	0.0
Gains from Revaluation of Other Securities	7,086	0.1	2,147	0.1	3,894	0.1
Self-Stock	197	0	198	0.0	196	0.0
<b>Total Shareholders' Equity</b>	<b>107,217</b>	<b>1.5</b>	<b>118,603</b>	<b>3.1</b>	<b>118,361</b>	<b>2.9</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>7,356,357</b>	<b>100.0</b>	<b>3,809,512</b>	<b>100.0</b>	<b>4,031,339</b>	<b>100.0</b>

### *Consolidated Statement of Income*

	<i>First half Sep. 30, 2003</i>		<i>First half Sep. 30, 2002</i>		<i>Fiscal 2002 Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Operating Revenues</b>	14,748	100.0	15,605	100.0	28,661	100.0
Interest on Loans	2,364		2,755		4,727	
Interest on Collateral Money for Securities Borrowed	806		1,098		1,820	
Fees on Lending Securities	5,959		7,269		13,576	
Other Operating Revenues	5,618		4,482		8,537	
<b>Operating Expenses</b>	8,187	55.5	8,293	53.1	15,747	54.9
Interest on Borrowing	514		453		884	
Interest on Commercial Paper	19		25		56	
Fees on Borrowing Securities	4,639		5,976		11,229	
General and Administrative Expenses	4,306	29.2	4,058	26.0	3,576	
Other Operating Expenses	3,013		1,838		8,108	28.3
<b>Operating Profit</b>	2,254	15.3	3,253	20.8	4,805	16.8
Non-Operating Profit	250	1.7	273	1.7	401	1.4
Non-Operating Expenses	524	3.6	9	0.1	487	1.7
<b>Ordinary Profit</b>	1,980	13.4	3,518	22.5	4,719	16.5
Extraordinary Profit	231	1.6	349	2.2	504	1.8
Extraordinary Loss	18	0.1	343	2.2	1,761	6.1
<b>Income before Taxes</b>	2,193	14.9	3,523	22.6	3,462	12.1
Corporate, Residence and Enterprise Taxes	1,456	9.9	1,632	10.5	1,786	6.2
Adjustments for Corporate Taxes, etc.	315	2.1	185	1.2	71	0.2
<b>Net Income</b>	1,051	7.1	2,076	13.3	1,746	6.1

### *Consolidated Average Outstanding Balance of Loans*

	<i>First half Apr. 1, 2003- Sep. 30, 2003</i>		<i>First half Apr. 1, 2002- Sep. 30, 2002</i>		<i>Fiscal 2002 Apr. 1, 2002- Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Loans for Margin Transactions	4,480	39.9	5,063	75.9	4,094	72.7
Bond Financing	8	0.1	125	1.9	79	1.4
General Loans	405	3.6	484	7.3	457	8.1
Trust Bank Loans	6,243	55.5	267	4.0	598	10.6
Loans on Gensaki Transaction	71	0.6	699	10.5	372	6.6
Other Loans	33	0.3	30	0.4	31	0.6
<b>Total</b>	<b>11,242</b>	<b>100.0</b>	<b>6,670</b>	<b>100.0</b>	<b>5,635</b>	<b>100.0</b>

### *Segment Information for Consolidated Operating Revenues*

	<i>First half Apr. 1, 2003- Sep. 30, 2003</i>		<i>First half Apr. 1, 2002- Sep. 30, 2002</i>		<i>Fiscal 2002 Apr. 1, 2002- Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Securities Finance Business</b>	<b>13,218</b>	<b>89.6</b>	<b>13,969</b>	<b>89.5</b>	<b>25,296</b>	<b>88.3</b>
Loans for Margin Transactions	7,443	50.5	9,206	59.0	16,680	58.2
(Interest on Loans)	1,407	9.5	1,568	10.0	2,535	8.8
Bond financing and General Loans	478	3.2	689	4.4	1,238	4.3
Securities Lent	826	5.6	799	5.1	1,409	4.9
(Stocks Lent)	380	2.6	342	2.2	638	2.2
(Bonds Lent)	445	3.0	457	2.9	770	2.7
Trust Banking Business	1,459	9.9	1,904	12.2	3,122	10.9
(Trust Fee)	99	0.7	89	0.6	206	0.7
Real Estate Business	489	3.3	465	3.0	980	3.4
Others	2,521	17.1	903	5.8	1,864	6.5
<b>Information Service Business</b>	<b>1,529</b>	<b>10.4</b>	<b>1,636</b>	<b>10.5</b>	<b>3,365</b>	<b>11.7</b>
<b>Total</b>	<b>14,748</b>	<b>100.0</b>	<b>15,605</b>	<b>100.0</b>	<b>28,661</b>	<b>100.0</b>