

# Japan Securities Finance Co.,Ltd.

## Consolidated Financial Results for Fiscal 2003

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

#### (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 2003	30,896	7.8	5,995	24.7	6,548	38.8
Fiscal 2002	28,661	△9.5	4,805	108.2	4,719	24.1

	Net income		Net income per share	Net income per share (fully diluted)	Return on equity	Ordinary profit/ Total assets	Ordinary profit/ Operating revenue
	(% change)						
Fiscal 2003	4,001	129.2	38.76	-	3.4	0.1	21.2
Fiscal 2002	1,746	△41.6	15.86	-	1.5	0.1	16.5

Notes: 1. Gain/loss on investments based on equity method: ¥152million (fiscal2002: ¥△459million)

2. Average number of shares outstanding (consolidated): 100,274,417 (fiscal2002: 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 (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 2003	10,062,162	114,200	1.4	1,151.52
Fiscal 2002	4,031,339	118,361	3.5	1,169.05

Note: Number of shares outstanding at year-end (consolidated): 99,073,741 (fiscal2002: 101,180,670)

**(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 2003	9,952	3,544	△1,801	35,366
Fiscal 2002	12,096	△7,396	△3,003	23,671

**(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 2004 (April 1, 2004—March 31, 2005)**

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

	Operating Revenue	Ordinary Profit	Net income
Interim	16,000	3,000	1,500
Full-year	30,000	5,900	3,300

Note : Forecast net income per share : ¥32.15

### Consolidated Balance Sheets

[Assets]	<i>Fiscal 2003</i> <i>Mar. 31, 2004</i>		<i>Fiscal 2002</i> <i>Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Current Asset</b>	7,344,042	73.0	3,456,005	85.7
Cash and Bank Deposits	35,368		23,698	
Call Loans	333,000		300,000	
Securities	857,590		997,258	
Loans	2,480,332		645,761	
Securities Lent	639,824		493,339	
Securities in Custody	374,761		83,171	
Securities on Deposit	757,591		108,412	
Deferred Tax Assets	782		448	
Collateral Money for Securities Borrowed	1,839,526		782,893	
Other Current Assets	26,171		21,626	
Less : Allowance for Bad Debts	906		605	
<b>Fixed Assets</b>	2,718,119	27.0	575,333	14.3
Tangible Fixed Assets	7,035		6,906	
Intangible Fixed Assets	4,116		4,192	
Investments, etc.	2,706,968		564,344	
Less : Allowance for Bad Debts	87		109	
<b>Total Assets</b>	10,062,162	100.0	4,031,339	100.0

[Liabilities and Shareholders' Equity]	<i>Fiscal 2003 Mar.31,2004</i>		<i>Fiscal 2002 Mar.31,2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Current Liabilities</b>	9,947,962	98.9	3,907,164	96.9
Call Money	1,428,400		918,500	
Short-Term Borrowing	1,223,820		674,820	
Borrowings on Gensaki transaction	82,265		246,637	
Commercial Paper	210,000		85,100	
Collateral Money for Securities Lent	2,009,414		893,460	
Collateral Securities Deposited	1,100,666		332,139	
Securities Borrowed	671,510		352,784	
Other Liabilities	3,216,857		403,723	
<b>Fixed Liabilities</b>	5,028	0.0	5,812	0.1
Deferred Income Tax Liabilities	135		1,106	
Allowance for Employees Retirement Benefits	3,471		3,397	
Other Fixed Liabilities	1,421		1,307	
<b>Total Liabilities</b>	9,947,962	98.9	3,912,977	97.1
Capital Stock	10,000	0.2	10,000	0.2
Capital Surplus	5,181	0.1	5,181	0.1
Earned Surplus	101,927	2.5	99,494	2.5
Gains from Revaluation of Other Securities	2,698	0.1	3,894	0.1
Self-Stock	197	0.0	196	0.0
<b>Total Shareholders' Equity</b>	114,200	2.8	118,361	2.9
<b>Total Liabilities and Shareholders' Equity</b>	10,062,162	100.0	4,031,339	100.0

**Consolidated Statement of Income**

	<i>Fiscal 2003</i> <i>Mar. 31, 2004</i>		<i>Fiscal 2002</i> <i>Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Operating Revenues</b>	30,896	100.0	28,661	100.0
Interest on Loans	6,109		4,727	
Interest on Collateral Money for Securities Borrowed	1,459		1,820	
Fees on Lending Securities	10,034		13,576	
Other Operating Revenues	13,293		8,537	
<b>Operating Expenses</b>	16,482	53.3	15,747	54.9
Interest on Borrowing	1,293		884	
Interest on Commercial Paper	40		56	
Fees on Borrowing Securities	7,318		11,229	
Other Operating Expenses	7,829		3,576	
<b>General and Administrative Expenses</b>	8,418	27.2	8,108	28.3
<b>Operating Profit</b>	5,995	19.4	4,805	16.8
Non-Operating Profit	570	1.8	401	1.4
Non-Operating Expenses	17	0.1	487	1.7
<b>Ordinary Profit</b>	6,548	21.2	4,719	16.5
Extraordinary Profit	340	1.1	504	1.8
Extraordinary Loss	48	0.2	1,761	6.1
<b>Income before Taxes</b>	6,841	22.1	3,462	12.1
Corporate, Residence and Enterprise Taxes	3,264	10.6	1,786	6.2
Adjustments for Corporate Taxes, etc.	425	1.4	71	0.2
<b>Net Income</b>	4,001	12.9	1,746	6.1

**Consolidated Average Outstanding Balance of Loans**

	<i>Fiscal 2003</i>		<i>Fiscal 2002</i>	
	<i>Apr. 1, 2003-Mar. 31, 2004</i>		<i>Apr. 1, 2002-Mar. 31, 2003</i>	
	(100 millions of yen)	(% ratio)	(100 millions of yen)	(% ratio)
Loans for Margin Transactions	6,506	41.3	4,094	72.7
Bond Financing	36	0.2	79	1.4
General Loans	425	2.7	457	8.1
Trust Bank Loans	8,688	55.2	598	10.6
Loans on Gensaki transaction	48	0.3	372	6.6
Other Loans	35	0.2	31	0.6
<b>Total</b>	<b>15,740</b>	<b>100.0</b>	<b>5,635</b>	<b>100.0</b>

**Segment Information for Consolidated Operating Revenues**

	<i>Fiscal 2003</i>		<i>Fiscal 2002</i>	
	<i>Apr. 1, 2003-Mar. 31, 2004</i>		<i>Apr. 1, 2002-Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Securities Finance Business</b>	<b>27,519</b>	<b>89.1</b>	<b>25,296</b>	<b>88.3</b>
Loans for Margin Transactions	14,146	45.8	16,680	58.2
(Interest on Loans)	4,060	13.1	2,535	8.8
Bond financing and General Loans	958	3.1	1,238	4.3
Securities Lent	1,517	4.9	1,409	4.9
(Stocks Lent)	725	2.3	638	2.2
(Bonds Lent)	792	2.6	770	2.7
Trust Banking Business	4,680	15.1	3,122	10.9
(Trust Fee)	229	0.7	206	0.7
Real Estate Business	962	3.1	980	3.4
Others	5,254	17.0	1,864	6.5
<b>Information Service Business</b>	<b>3,376</b>	<b>10.9</b>	<b>3,365</b>	<b>11.7</b>
<b>Total</b>	<b>30,896</b>	<b>100.0</b>	<b>28,661</b>	<b>100.0</b>