

# Japan Securities Finance Co.,Ltd.

## Consolidated Financial Results for the First half ended September 30, 2004

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 2004 (April 1, 2004-September 30, 2004)

#### (1) Results of operations

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

	Operating revenues		Operating income		Ordinary profit	
	(% change from previous year)		(% change)		(% change)	
<b>First half of Fiscal 2004</b>	<b>18,362</b>	<b>24.5</b>	<b>5,674</b>	<b>151.7</b>	<b>5,658</b>	<b>185.7</b>
First half of Fiscal 2003	14,748	△5.5	2,254	△30.7	1,980	43.7
Fiscal 2003	30,896		5,995		6,548	

	Net income		Net income per share	Net income per share (fully diluted)
	(% change)			
<b>First half of Fiscal 2004</b>	<b>3,282</b>	<b>212.1</b>	<b>33.19</b>	-
First half of Fiscal 2003	1,051	△49.4	10.41	-
Fiscal 2003	4,001		38.76	-

Notes: 1. Gain/loss on investments based on equity method: ¥△138million

(First half of fiscal 2003: ¥△517million, fiscal 2003: ¥152million)

2. Average number of shares outstanding (consolidated): 98,884,473

(First half of fiscal 2003: 100,995,337, fiscal 2003: 100,274,417)

3. Changes in accounting method: Not applicable

4: Percentage figures shown in the operating revenues, operating income, 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	Stockholders' equity	Equity ratio	Equity per share (Yen)
<b>As of Sep. 30, 2004</b>	<b>9,030,078</b>	<b>119,579</b>	<b>1.6</b>	<b>1,209.49</b>
As of Sep. 30, 2003	7,356,357	107,217	1.8	1,075.39
Fiscal 2003	10,062,162	114,200	1.4	1,151.52

Notes: Number of shares outstanding as of Sep. 30, 2004 (consolidated): 98,867,244

(As of Sep. 30, 2003: 99,700,392, Fiscal 2003: 99,073,741)

**(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>First half of Fiscal 2004</b>	<b>4,606</b>	<b>△926</b>	<b>△715</b>	<b>38,331</b>
First half of Fiscal 2003	88,939	4,270	△1,446	115,435
Fiscal 2003	9,952	3,544	△1,801	35,366

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

Consolidated subsidiaries : 3

Non-consolidated subsidiaries : 0

Affiliates : 3

**(5)Changes in scope of consolidation or equity method**

Consolidated subsidiaries

Newly included : 0

Newly exempted : 0

Affiliates (based on equity method)

Newly included : 1

Newly exempted : 0

**2. Forecast for fiscal 2004 (April 1, 2004—March 31, 2005)**

(Millions of yen, rounded down to nearest million)

	Operating Revenues	Ordinary Profit	Net income
Full-year	32,500	7,900	4,500

Note : Forecast net income per share : ¥44.20

### *Consolidated Balance Sheets*

[Assets]	<i>First half Sep. 30, 2004</i>		<i>First half Sep. 30, 2003</i>		<i>Fiscal 2003 Mar. 31, 2004</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Current Assets</b>	7,604,196	84.2	4,921,162	66.9	7,344,042	73.0
Cash	38,333		115,437		35,368	
Call Loans	212,000		124,000		333,000	
Short-term Investments	1,057,152		756,915		857,590	
Short-term Loans Receivable	2,317,937		1,779,980		2,480,332	
Securities Lent	520,716		620,900		639,824	
Securities in Custody	221,664		205,960		374,761	
Securities in Deposit	822,778		443,361		757,591	
Deferred Tax Assets	836		742		782	
Collateral Money for Securities Borrowed	2,290,634		866,798		1,839,526	
Other Current Assets	123,181		7,858		26,171	
Allowance for doubtful receivables	1,039		793		906	
<b>Non-current Assets</b>	1,425,881	15.8	2,435,195	33.1	2,718,119	27.0
Tangible Non-current Assets	6,779		6,959		7,035	
Intangible Non-current Assets	4,535		4,173		4,116	
Investments, etc.	1,414,652		2,424,172		2,707,055	
Allowance for doubtful receivables	85		110		87	
<b>Total Assets</b>	9,030,078	100.0	7,356,357	100.0	10,062,162	100.0

[Liabilities and Stockholders' Equity]	<i>First half Sep. 30, 2004</i>		<i>First half Sep. 30, 2003</i>		<i>Fiscal 2003 Mar. 31, 2004</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Current Liabilities</b>	8,896,430	98.5	7,235,358	98.3	9,942,934	98.8
Call Money	1,512,800		1,087,200		1,428,400	
Bills Sold	2,558,600		1,453,600		2,461,600	
Short-term Borrowings	934,320		973,320		1,223,820	
Commercial Paper	224,000		148,000		210,000	
Payables under Repurchase Agreements	21,579		195,327		82,265	
Collateral Money Received for Securities Lent	1,657,190		1,806,103		2,009,414	
Collateral Securities Deposited	1,219,740		794,588		1,100,666	
Securities Borrowed	343,799		475,634		671,510	
Other Current Liabilities	424,399		301,585		755,257	
<b>Non-current Liabilities</b>	14,068	0.2	13,782	0.2	5,028	0.1
Liabilities for Retirement and Severance Benefits	4,095		4,102		4,214	
Other Non-Current Liabilities	9,973		9,680		814	
<b>Total Liabilities</b>	8,910,499	98.7	7,249,140	98.5	9,947,962	98.9
Common Stock	10,000	0.1	10,000	0.1	10,000	0.1
Additional Paid-in Capital	5,181	0.1	5,181	0.1	5,181	0.0
Retained Earnings	105,235	1.2	99,331	1.4	101,927	1.0
Losses on Revaluation of Land	150	0.0	13	0.0	13	0.0
Net Unrealized Gain (Loss) on Other Securities	745	0.0	7,086	0.1	2,698	0.0
Treasury Stock	243	0.0	197	0.0	197	0.0
<b>Total Stockholders' Equity</b>	119,579	1.3	107,217	1.5	114,200	1.1
<b>Total Liabilities and Stockholders' Equity</b>	9,030,078	100.0	7,356,357	100.0	10,062,162	100.0

### *Consolidated Statement of Income*

	<i>First half Apr. 1, 2004- Sep. 30, 2004</i>		<i>First half Apr. 1, 2003- Sep. 30, 2003</i>		<i>Fiscal 2003 Apr. 1, 2003- Mar. 31, 2004</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Operating Revenues</b>	18,362	100.0	14,748	100.0	30,896	100.0
Interest on Loans	4,706		2,364		6,109	
Interest on Collateral Money for Securities Borrowed	498		806		1,459	
Fees on Lending Securities	5,255		5,959		10,034	
Other Operating Revenues	7,902		5,618		13,293	
<b>Operating Expenses</b>	8,086	44.0	8,187	55.5	16,482	53.3
Interest on Borrowing	795		514		1,293	
Interest on Commercial Paper	16		19		40	
Fees on Borrowing Securities	3,533		4,639		7,318	
Other Operating Expenses	3,740		3,013		8,418	
<b>Operating Profit</b>	10,276	56.0	6,561	44.5	14,413	46.7
General and Administrative Expenses	4,601		4,306		7,829	
<b>Operating Income</b>	5,674	30.9	2,254	15.3	5,995	19.4
Non-operating Income	125	0.7	250	1.7	570	1.9
Non-operating Expenses	141	0.8	524	3.6	17	0.1
<b>Ordinary Profit</b>	5,658	30.8	1,980	13.4	6,548	21.2
Extraordinary Profit	221	1.2	231	1.6	340	1.1
Extraordinary Loss	327	1.8	18	0.1	48	0.1
<b>Net Income before Income Taxes</b>	5,551	30.2	2,193	14.9	6,841	22.2
Current Income Taxes	2,147	11.7	1,456	9.9	3,264	10.6
Deffered Income Taxes	122	0.7	315	2.1	425	1.4
<b>Net Income</b>	3,282	17.9	1,051	7.1	4,001	13.0

### *Consolidated Average Outstanding Balance of Loans*

	<i>First half Apr. 1, 2004- Sep. 30, 2004</i>		<i>First half Apr. 1, 2003- Sep. 30, 2003</i>		<i>Fiscal 2003 Apr. 1, 2003- Mar. 31, 2004</i>	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	1,188.0	47.4	448.0	39.9	650.6	41.4
Bond Financing	1.4	0.1	0.8	0.1	3.6	0.2
General Loans	43.0	1.7	40.5	3.6	42.5	2.7
Trust Bank Loans	1,262.2	50.3	624.3	55.5	868.8	55.2
Sales under repurchase agreements	6.8	0.3	7.1	0.6	4.8	0.3
Other Loans	5.6	0.2	3.3	0.3	3.5	0.2
<b>Total</b>	<b>2,507.3</b>	<b>100.0</b>	<b>1,124.2</b>	<b>100.0</b>	<b>1,574.0</b>	<b>100.0</b>

### *Segment Information for Consolidated Operating Revenues*

	<i>First half Apr. 1, 2004- Sep. 30, 2004</i>		<i>First half Apr. 1, 2003- Sep. 30, 2003</i>		<i>Fiscal 2003 Apr. 1, 2003- Mar. 31, 2003</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
<b>Securities Financing Business</b>	<b>16,906</b>	<b>92.1</b>	<b>13,218</b>	<b>89.6</b>	<b>27,519</b>	<b>89.1</b>
Loans for Margin Transactions	8,445	46.0	7,443	50.5	14,146	45.8
(Interest on Loans)	3,675	20.0	1,407	9.5	4,060	13.1
Bond Financing and General Loans	449	2.4	478	3.2	958	3.1
Securities Lending	1,007	5.5	826	5.6	1,517	4.9
(Stocks)	534	2.9	380	2.6	725	2.3
(Bonds)	472	2.6	445	3.0	792	2.6
Trust Banking	4,895	26.7	1,459	9.9	4,680	15.1
(Trust Charges)	124	0.7	99	0.7	229	0.7
Real Estate Leasing	472	2.6	489	3.3	962	3.1
Other Business	1,635	8.9	2,521	17.1	5,254	17.0
<b>Information Processing Business</b>	<b>1,456</b>	<b>7.9</b>	<b>1,529</b>	<b>10.4</b>	<b>3,376</b>	<b>10.9</b>
<b>Total</b>	<b>18,362</b>	<b>100.0</b>	<b>14,748</b>	<b>100.0</b>	<b>30,896</b>	<b>100.0</b>