

Japan Securities Finance Co.,Ltd.

Consolidated Financial Results for Fiscal 2004

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 2004(April 1, 2004-March 31, 2005)

(1) Results of operations

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

	Operating revenues		Operating income		Ordinary income	
	(% change from previous year)		(% change)		(% change)	
Fiscal 2004	36,145	17.0	10,149	69.3	9,579	46.3
Fiscal 2003	30,896	7.8	5,995	24.7	6,548	38.8

	Net income		Net income per share(yen)	Net income per share(yen) (fully diluted)	Return on equity	Ordinary income/ Total assets	Ordinary income/ Operating revenues
	(% change)						
Fiscal 2004	5,519	37.9	54.08	-	4.6	0.1	26.5
Fiscal 2003	4,001	129.2	38.76	-	3.4	0.1	21.2

Notes:1. Gain/loss on investments based on equity method: ¥△777million(fiscal2003: ¥152million)

2. Average number of shares outstanding(consolidated):98,867,139 (fiscal2003: 100,274,417)

3. Changes in accounting method : Not applicable

4. Percentage figures shown in the operating revenues, operating income, ordinary income 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	Stockholders' Equity	Equity ratio	Equity per share(Yen)
Fiscal 2004	9,229,973	126,337	1.7	1,276.04
Fiscal 2003	10,062,162	114,200	1.4	1,151.52

Note: Number of shares outstanding at year-end(consolidated):98,871,887 (fiscal2003: 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
Fiscal 2004	63,084	△1,752	△743	95,955
Fiscal 2003	9,952	3,544	△1,801	35,366

(4)Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries : 3
 Non-consolidated subsidiaries : 0
 Affiliates : 3

(5)Changes in the Scope of Consolidation and Affiliates under 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 2005 (April 1, 2005—March 31, 2006)

(Millions of yen, rounded down to nearest million)

	Operating Revenues	Ordinary Income	Net income
Interim	14,000	2,100	1,100
Full-year	29,000	5,200	3,100

Note : Forecast net income per share : ¥30.17

Consolidated Balance Sheets

[Assets]	<i>Fiscal 2004 Mar. 31, 2005</i>		<i>Fiscal 2003 Mar. 31, 2004</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Current Assets	7,810,626	84.6	7,344,042	73.0
Cash	95,955		35,368	
Call Loans	136,000		333,000	
Short-term Investments	1,085,894		857,590	
Short-term Loans Receivable	2,528,075		2,480,332	
Securities Lent	604,539		639,824	
Securities in Custody	255,467		374,761	
Securities in Deposit	955,998		757,591	
Deferred Tax Assets	1,014		782	
Collateral Money for Securities Borrowed	2,031,907		1,839,526	
Other Current Assets	117,092		26,171	
Allowance for Doubtful Receivables	1,318		906	
Non-current Assets	1,419,347	15.4	2,718,119	27.0
Tangible Non-current Assets	6,973		7,035	
Intangible Non-current Assets	4,454		4,116	
Investments, etc.	1,407,918		2,706,968	
Allowance for Doubtful Receivables	50		87	
Total Assets	9,229,973	100.0	10,062,162	100.0

[Liabilities and Shareholders' Equity]	<i>Fiscal 2004</i> <i>Mar.31,2005</i>		<i>Fiscal 2003</i> <i>Mar.31,2004</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Current Liabilities	9,087,032	98.5	9,942,934	98.8
Call Money	1,410,200		1,428,400	
Bills Sold	2,135,100		2,461,600	
Short-term Borrowings	959,820		1,223,820	
Commercial Paper	172,000		210,000	
Payables under Repurchase Agreements	26,697		82,265	
Collateral Money for Securities Lent	2,328,595		2,009,414	
Collateral Securities Deposited	1,386,619		1,100,666	
Securities Borrowed	423,565		671,510	
Securities Lent Opposite Account	5,820		-	
Other Current Liabilities	238,614		755,257	
Non-current Liabilities	16,603	0.1	5,028	0.1
Long-term Borrowings	2,500		-	
Liabilities for Retirement and Severance Benefits	4,152		4,213	
Other Non-Current Liabilities	9,951		814	
Total Liabilities	9,103,636	98.6	9,947,962	98.9
Total Stockholders' Equity	126,337	1.4	114,200	1.1
Total Liabilities and Stockholders' Equity	9,229,973	100.0	10,062,162	100.0

Consolidated Statements of Income

	<i>Fiscal 2004</i> <i>Mar. 31, 2005</i>		<i>Fiscal 2003</i> <i>Mar. 31, 2004</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Operating Revenues	36,145	100.0	30,896	100.0
Interest on Loans	8,758		6,109	
Interest on Collateral Money for Securities Borrowed	1,177		1,459	
Fees on Lending Securities	11,044		10,034	
Other Operating Revenues	15,164		13,293	
Operating Expenses	16,429	45.5	16,482	53.3
Interest on Borrowing	1,512		1,293	
Interest on Commercial Paper	27		40	
Fees on Borrowing Securities	7,615		7,318	
Other Operating Expenses	7,274		7,829	
Operating Profit	19,715	54.5	14,413	46.7
General and Administrative Expenses	9,566		8,418	
Operating Income	10,149	28.1	5,995	19.4
Non-operating Income	215	0.6	570	1.9
Non-operating Expenses	784	2.2	17	0.1
Ordinary Income	9,579	26.5	6,548	21.2
Extraordinary Profit	279	0.8	340	1.1
Extraordinary Loss	354	1.0	48	0.1
Net Income before Income Taxes	9,505	26.3	6,841	22.2
Current Income Taxes	4,022	11.1	3,264	10.6
Deffered Income Taxes	37	0.1	425	1.4
Net Income	5,519	15.3	4,001	13.0

Consolidated Average Outstanding Balance of Loans

	<i>Fiscal 2004</i>		<i>Fiscal 2003</i>	
	<i>Apr. 1, 2004-Mar. 31, 2005</i>		<i>Apr. 1, 2003-Mar. 31, 2004</i>	
	(billions of yen)	(% ratio)	(billions of yen)	(% ratio)
Loans for Margin Transactions	1,098.6	47.5	650.6	41.4
Bond Financing	3.5	0.2	3.6	0.2
General Loans	41.8	1.8	42.5	2.7
Trust Bank Loans	1,158.0	50.0	868.8	55.2
Sales under Repurchase Agreements	6.7	0.3	4.8	0.3
Other Loans	5.5	0.2	3.5	0.2
Total	2,314.3	100.0	1,574.0	100.0

Segment Information for Consolidated Operating Revenues

	<i>Fiscal 2004</i>		<i>Fiscal 2003</i>	
	<i>Apr. 1, 2004-Mar. 31, 2005</i>		<i>Apr. 1, 2003-Mar. 31, 2004</i>	
	(millions of yen)	(% ratio)	(millions of yen)	(% ratio)
Securities Financing Business	33,178	91.8	27,519	89.1
Loans for Margin Transactions	17,309	47.9	14,146	45.8
(Interest on Loans)	6,794	18.8	4,060	13.1
Bond Financing and General Loans	887	2.5	958	3.1
Securities Lending	1,926	5.3	1,517	4.9
(Stocks)	1,015	2.8	725	2.3
(Bonds)	910	2.5	792	2.6
Trust Banking	8,205	22.7	4,680	15.1
(Trust Charges)	227	0.6	229	0.7
Real Estate Leasing	938	2.6	962	3.1
Other Business	3,910	10.8	5,254	17.0
Information Processing Business	2,966	8.2	3,376	10.9
Total	36,145	100.0	30,896	100.0