



JF JAPAN OTC FUND INC.

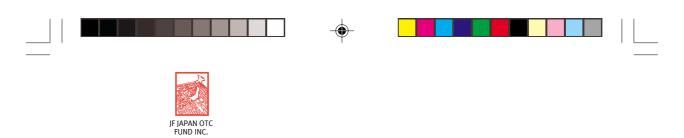
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For the period ended 30 June		2001	2000
	Note	JPY	JPY
Operating Activities			
Dividend received		14,033,313	9,147,420
Interest received on deposits		862,744	131,992
Management fee paid		(55,937,172)	(140,696,654)
Net interest paid on swap		(10,843,301)	(12,580,379)
Withholding tax paid		(3,726,381)	(2,910,460)
Interest paid on long-term bank loan		(5,884,687)	(4,894,235)
Interest paid on short-term			
bank loans and overdrafts		(55,506)	(6,195,156)
Directors' fees paid		(5,595,795)	(3,869,860)
Custodian fee paid		(1,223,401)	(2,565,565)
Registrar fee paid		(368,560)	(391,938)
Depositary fee on share subdivision		(19,550,841)	-
Others		(10,981,657)	(19,125,385)
Net Cash Outflow from			
Operating Activities	a	(99,271,244)	(183,950,220)
Investing Activities			
Purchase of available-for-sale securities		(3,856,948,353)	(6,530,456,496)
Sale of available-for-sale securities		2,909,513,534	11,463,306,888
Net Cash (Outflow)/Inflow from			
InvestingActivities		(947,434,819)	4,932,850,392
Financing Activities			
Payments in respect of			
shares repurchased		(17,067,881)	(660,574,999)
Long-term loan repayment		(1,000,000,000)	-
Net Cash Outflow from			
Financing Activities		(1,017,067,881)	(660,574,999)
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(Decrease)/Increase in cash and			
cash equivalents		(2,063,773,944)	4,088,325,173
Cash and cash equivalents			
at 1 January		1,861,899,595	(1,867,098,449)
Effect of exchange rate changes		(373,966)	(1,490,004)
Cash and cash equivalents at 30 June	b	(202,248,315)	2,219,736,720
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The notes on pages 18 to 23 form part of these financial statements.





Cash Flow Statement (continued) (unaudited)

Fo	r the period ended 30 June	2001	2000
		JPY	JPY
No a	tes to the Cash Flow Statement Reconciliation of net income/(loss) for the period to Net Cash Outflow from Operating Activities		
	Net income/(loss) for the period Net realised loss/(gain) on sale of	467,423,759 (12,175,509,808)	
	available-for-sale securities Net change in unrealised gain/loss	837,612,327	(2,433,517,739)
	on available-for-sale securities	(1,397,595,015)	14,448,313,100
	Net foreign currency translation loss Increase in accounts receivable	373,966	1,490,004
	and prepayments	(4,390,744)	(3,495,943)
	Decrease in accounts payable	(2,695,537)	(21,229,834
	Net Cash Outflow from		
	OperatingActivities	(99,271,244)	(183,950,220)
b	Cash and cash equivalents		
	Short-term deposits	-	2,209,017,563
	Cash at bank Short-term bank loans and	40,860,378	10,820,792
	overdrafts - unsecured	(243,108,693)	(101,635
		(202.248.315)	2,219,736,720

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