

## Brief Statement of First Quarter Financial Results for the Fiscal Year Ending March 2009

August 7, 2008

### Forward-looking Statement

The statements and figures contained in this Brief Statement of First Quarter Financial Results for the fiscal year ending March 2009 (the "Brief Statement") with respect to ACOM's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of ACOM which are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest-Rate Restriction Law, the level of interest rates paid on ACOM's debt, and legal limits on interest rates charged by ACOM.

Name of the company: ACOM CO., LTD. ("ACOM" or the "Company")

Stock market: First Section of Tokyo Stock Exchange

Code Number: 8572

Location of the head office: Tokyo

URL: <http://www.acom.co.jp/ir/english/>

Position of the representative: President & Chief Executive Officer  
Name: Shigeyoshi Kinoshita

Position of the person in charge: Chief General Manager of Public Relations Department  
Name: Takashi Kiribuchi  
Telephone Number: (03) 5533-0631

Registration date of quarterly securities report: August 13, 2008

Note: 1. All amounts under minimum units appearing in each of the tables have been disregarded throughout this brief statement and the annexed materials.

Note: 2. The figures in percentages show the year-on-year change from previous first quarter.

1. Consolidated Business Results for the First Quarter Accounting Period (from April 1, 2008 to June 30, 2008)

(1) Consolidated Business Results (Accumulated)

	Operating Revenue		Operating Income		Ordinary Income		Net Income (First Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
06/2008 (1Q)	85,400	—	25,410	—	26,149	—	20,029	—
06/2007 (1Q)	99,060	(8.8)	20,539	24.2	21,341	19.4	13,268	24.0

	Net Income per Share (First Quarter)	Net Income per Share Diluted (First Quarter)
	(Yen)	(Yen)
06/2008 (1Q)	127.42	127.42
06/2007 (1Q)	84.41	84.41

(2) Consolidated Financial Status

	Total Assets	Net Assets	Ratio of Shareholders' Equity	Net Assets Per Share
	(Millions of yen)	(Millions of yen)	%	(Yen)
06/2008 (1Q)	1,771,141	485,634	27.0	3,037.52
03/2008 (Annual)	1,861,505	472,144	24.9	2,950.01

<Reference> Owners' Equity: 477,480 million yen (06/2008) 463,725 million yen (03/2008)

2. Dividend Status

(Report Date)	Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
03/2008	—	50.00	—	50.00	100.00
03/2009	—	—	—	—	—
03/2009 (Forecast)	—	50.00	—	50.00	100.00

<Note> Amendment to dividend forecast: None

3. Forecasts for the Fiscal Year Ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

	(Millions of yen)									
	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)	
First Half	169,000	—	31,300	—	32,000	—	21,000	—	133.59	
Annual	325,000	(14.4%)	54,600	(33.1%)	56,200	(32.4%)	43,300	22.3%	275.45	

(The figures in percentage show year-on-year change from the same prior periods.)

<Note> Amendment to business results forecast: None

4. Others

(1) Change in important subsidiaries during the first quarter (Change in scope of consolidation): None

(2) Adoption of simplified accounting treatment and preparation of quarterly consolidated financial statements: Adopted

[Note] Please refer to [Qualitative Information/Financial Statements] on page 5, "4. Others:" in this brief statement.

(3) Changes on the basis of consolidated financial statements preparation

A) Related to accounting standard revisions etc.: Applicable

B) Other changes: Applicable

[Note] Please refer to [Qualitative Information/Financial Statements] on page 5, "4. Others:" in this brief statement.

(4) Outstanding shares (common shares)

A) Number of shares outstanding (including treasury stock)

First Quarter of FY March 31, 2009: 159,628,280 shares FY March 31, 2008: 159,628,280 shares

B) Number of treasury stock at the end of period

First Quarter of FY March 31, 2009: 2,433,801 shares FY March 31, 2008: 2,433,798 shares

C) Number of average shares outstanding (accumulated quarterly consolidated period)

First Quarter of FY March 31, 2009: 157,194,480 shares First Quarter of FY March 31, 2008: 157,194,481 shares

[Qualitative Information/Financial Statements]

## 1. Qualitative Information on Consolidated Business Results

In the first quarter of the consolidated fiscal year ending March 31, 2009, the Japanese economy continued to stall amid sluggish consumer spending, stagnant exports and deteriorated corporate earnings following a surge in material costs, oil in particular, and a moderate rise in consumer prices. Reflecting increasing concern over the economic downturn on the back of the fears of an economic recession in the United States, fluctuations of stock and foreign exchange markets, and the trend in oil prices, the business environment in which we operate remain harsh with requests for interest repayments in the loan business and a sustained high level of bad debts expenses from voluntary waiver of repayments due to those requests.

Against this background, the ACOM Group continues to promote aggressive business activities both at home and overseas domains based on our mid-term management policy that focuses on "Establishment of a management base geared toward long-term stable growth by boosting price competitiveness through precise measures against the revised Money-lending Business Law and reforming our cost structure as well as the development of relief and confidence brand."

Operating revenue for the first quarter of the consolidated fiscal year ending March 31, 2009, was 85,400 million yen (representing a decrease of 13.8% year on year), reflecting in large part a decrease in interest on operating loans in our loan business compared with the same period of the previous year.

In contrast, despite a slight increase in financial expenses and the cost of purchased receivables on a year-on-year basis, operating expenses decreased by 18,530 million yen mainly due to a drop in the provision of allowance for doubtful accounts. As a result, operating income and ordinary income amounted to 25,410 million yen (an increase of 23.7% year on year) and 26,149 million yen (an increase of 22.5% year on year), respectively. While extraordinary income decreased by 2,297 million yen compared with the same period last year as a result of reduced gains on sales of investment securities, etc., net income increased by 51.0% year on year to 20,029 million yen as income taxes for prior periods decreased by 7,320 million yen and income taxes-deferred increased by 3,399 million yen.

## 2. Qualitative Information on Changes in Consolidated Financial Position

### (1) Financial Position

Compared with the end of prior consolidated fiscal year, total assets decreased by 90,363 million yen while owners' equity had increased by 13,755 million yen at the end of this first quarter consolidated accounting period. The ratio of shareholders' equity increased 2.1 percentage point to 27.0%. Details of changes in assets, liabilities and net assets are as follows:

#### (Assets)

Current assets decreased by 93,405 million yen while noncurrent assets increased by 3,041 million yen. The breakdown of major decreases is as follows: accounts receivable-operating loans (down by 51,550 million yen), short-term investment securities (down by 26,425 million yen), deferred tax assets (down by 6,845 million yen), short-term loans receivable (down by 4,800 million yen), accounts receivable-installment (down by 4,790 million yen), other current assets from deposit on redemption of straight bonds (down by 9,615 million yen), a decrease in the allowance for doubtful accounts (down by 8,024 million yen) and an increase in trading accounts securities (up 7,052 million yen). The principal contributor to an increase in noncurrent assets was investment securities (up 4,372 million yen).

#### (Liabilities)

With regard to the liabilities account, changes in current, noncurrent, and total liabilities were decreases by 79,025 million yen, 24,827 million yen, and 103,835 million yen, respectively. The breakdown of major decreases in liabilities includes: loans and bonds payable showed a decrease of 59,584 million yen, provision for loss on interest repayment decreased by 34,764 million yen, deposits of banking business decreased by 6,763 million yen.

#### (Net Assets)

Changes in the net assets accounts include increase in the shareholders' equity by 12,169 million yen as retained earnings showed increase of 12,169 million yen. As a result, the net assets increased by 13,489 million yen.

### (2) Status of cash flows during the current consolidated accounting period

Cash and cash equivalents (hereinafter, "funds") at the end of this first quarter consolidated accounting period decreased by 17,636 million yen to 134,585 million yen. The changes in the respective cash flow and the reasons thereof are as follows:

#### (Cash flow from operating activities)

Funds from operating activities showed an increase of 15,243 million yen. The increase was mainly attributable to 26,711 million yen in income before income taxes, a decrease of 7,062 million yen in the allowance for doubtful accounts, a decrease of

34,764 million yen in provision for loss on interest repayment, in addition to an increase of 38,717 million yen due to a decrease in accounts receivable-operating loans and a decrease of 7,555 million yen reflecting an increase in trading account securities.

(Cash flow from investing activities)

Funds from investing activities saw an increase of 12,888 million yen. This was primarily because proceeds from redemption of securities exceeded purchase of short-term investment securities by 12,618 million yen.

(Cash flow from financing activities)

Funds from financing activities saw decrease of 45,085 million yen. This was primarily because the total payment amount for repayment of interest-bearing debt and redemption of bonds exceeded the total amount of revenue resulting from proceeds from loans and bonds by 37,232 million yen, and cash dividends paid of 7,781 million yen.

### 3. Qualitative Information on the Forecast for the Consolidated Business Results

The business performance for the first quarter of the current consolidated fiscal year includes uncertain risk factors such as a change in requests for interest repayments, although profits were greater than projected as a result of the less-than-expected provision of allowance for doubtful accounts, etc. Taking all those factors into consideration, we made no change to the forecast for consolidated business results for both the second quarter and the full consolidated fiscal year, which we announced on May 8, 2008.

#### 4. Others

(1) Change in Important Subsidiaries during the First Quarter (Change in Scope of Consolidation): None

(2) Adoption of Simplified Accounting Treatment and Preparation of Quarterly Consolidated Financial Statements:  
Not adopted

(3) Changes on the Basis of Consolidated Financial Statements Preparation

##### Changes in Accounting Standard

###### <The Accounting Standard for Quarterly Financial Reporting>

The "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan [ASBJ] Statement No. 12, March 14, 2007) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007) have been applied from the current consolidated fiscal year ending March 31, 2009. In addition, quarterly consolidated financial statements were prepared in accordance with the "Regulations of Quarterly Consolidated Financial Statements on Terms, Forms and Preparation Method" (Cabinet Office Ordinance No. 64, 2007; hereinafter, "Regulations on Quarterly Consolidated Financial Statements").

###### <The Accounting Standard for Measurement of Inventories>

With regard to inventories held for sale in the ordinary course of business, paintings were previously stated at cost on an individual specified cost basis, and other merchandise was mainly measured at cost based on the last purchase price method. However, with the Company's adoption of the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9, July 5, 2006) from the first quarter for fiscal year ending March 31, 2009, paintings are measured at cost on an individual specified cost basis (balance sheet value is stated by writing down the carrying value based upon lowered profitability), and other merchandise are mainly stated by the last purchase price method (balance sheet value is stated by writing down the carrying value based upon lowered profitability).

It is deemed that the aforementioned accounting standard was applied to the measurement of inventories at the beginning of the term. The difference of 6 million yen in inventories at the beginning of the term determined as a result of the said application is included in extraordinary loss. The impact of this change on income before income taxes represents a decrease of 6 million yen.

###### <The Accounting Standard for Lease Transactions>

Finance lease transactions without title transfer were formerly accounted for as operating leases. However, it was permitted that the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, revised on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, revised on March 30, 2007) be applied to the quarterly financial statements relevant to the consolidated fiscal year beginning on or after April 1, 2008. As a result, the Company adopted the aforementioned standard and guidance from the first quarter of the current consolidated fiscal year, capitalizing all finance lease transactions. Provided, however, that finance lease transactions without title transfer (of which the starting dates of lease transaction are prior to the beginning of the consolidated fiscal year 2008) which use the accounting standard and guidance are accounted for as operating leases. In addition, leased assets related to finance lease transactions without title transfer are depreciated on a straight-line basis, with the lease periods counted as their useful lives and no residual value. The impact of this change on operating income, ordinary income and income before income taxes is a decrease of 0 million yen on all counts.

###### <The Practical Solution on Unification of Accounting Policies Applied to Overseas Subsidiaries for Consolidated Financial Statements>

The "Practical Solution on Unification of Accounting Policies Applied to Overseas Subsidiaries for Consolidated Financial Statements" (ASBJ Practical Issues Task Force No. 18, May 17, 2006) has been applied from the first quarter for fiscal year ending March 31, 2009. The impact of this change on operating income, ordinary income and income before income taxes is none.

###### <Changes in Translation Method of Revenues and Expenses of Overseas Subsidiaries into Yen>

Revenues and expenses of overseas subsidiaries were formerly translated into yen using the spot exchange rates as of the settlement date. However, in order to average the impact of temporary fluctuations of foreign exchange on periodic profit and loss, and to appropriately reflect the quarterly profit and loss within the consolidated financial statements, translations into yen are based on average exchange rates of the period from the first quarter for fiscal year ending March 31, 2009. The impact of this change on operating income, ordinary income and income before income taxes was a decrease of 9 million yen, 15 million yen and 15 million yen, respectively.

Additional Information

<Provision for Directors' Retirement Benefits>

The Company resolved at the Board of Directors' held March 18, 2008 to abolish the retirement benefit system for directors and corporate auditors. In addition, it was approved and determined at the Annual Shareholders' Meeting held on June 20, 2008 that allowances for directors' and corporate auditors' retirement benefits shall be paid on their retirement date to those who are incumbent as of the end of the annual shareholders' meeting, according to the terms of office up to the date of the said the annual shareholders' meeting.

Therefore, a total of 631 million yen listed under "Allowance for directors' and corporate auditors' retirement benefits" was transferred to "Other" under Noncurrent liabilities.

## 5. Quarterly Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	This first quarter consolidated accounting period  (As of June 30, 2008)	Summarized consolidated balance sheets in prior consolidated fiscal year  (As of March 31, 2008)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	85,665	85,916
Notes and accounts receivable-trade	279	381
Accounts receivable-operating loans	1,429,366	1,480,917
Loans receivable of banking business	18,610	20,078
Accounts receivable-installment	76,132	80,922
Short-term investment securities	12,619	39,044
Operational investment securities	3,861	3,641
Trading account securities	8,155	1,103
Merchandise	1,225	1,274
Purchased receivables	27,834	30,638
Deferred tax assets	38,211	45,056
Short-term loans receivable	40,664	45,465
Other	25,017	34,632
Allowance for doubtful accounts	(109,908)	(117,932)
<b>Current assets</b>	<b>1,657,735</b>	<b>1,751,141</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	14,788	15,272
Equipment	13,015	14,072
Land	16,955	16,970
Other	648	27
<b>Property, plant and equipment</b>	<b>45,408</b>	<b>46,342</b>
<b>Intangible assets</b>		
Goodwill	3,267	3,439
Other	950	953
<b>Intangible assets</b>	<b>4,217</b>	<b>4,393</b>
<b>Investments and other assets</b>		
Investment securities	44,236	39,864
Deferred tax assets	1,516	1,340
Guarantee deposits	9,400	9,492
Prepaid pension cost	3,683	3,849
Other	6,665	7,032
Allowance for doubtful accounts	(1,723)	(1,950)
<b>Investment and other assets</b>	<b>63,779</b>	<b>59,628</b>
<b>Noncurrent assets</b>	<b>113,405</b>	<b>110,364</b>
<b>Assets</b>	<b>1,771,141</b>	<b>1,861,505</b>

(Millions of yen)

	This first quarter consolidated accounting period (As of June 30, 2008)	Summarized consolidated balance sheets in prior consolidated fiscal year (As of March 31, 2008)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	1,441	1,908
Short-term loans payable	50,310	55,669
Current portion of long-term loans payable	149,818	192,368
Current portion of bonds	19,540	40,000
Deposits of banking business	34,029	40,792
Income taxes payable	190	1,099
Provision for loss on guarantees	2,193	2,192
Deferred installment income	4,748	5,344
Other	14,741	16,664
Current liabilities	277,014	356,040
Noncurrent liabilities		
Bonds payable	245,350	243,956
Long-term loans payable	407,871	400,481
Deferred tax liabilities	11,787	10,509
Provision for retirement benefits	130	197
Provision for directors' retirement benefits	93	771
Provision for loss on interest repayment	340,035	374,800
Other	3,223	2,603
Noncurrent liabilities	1,008,493	1,033,321
Liabilities	1,285,507	1,389,361
<b>Net assets</b>		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	76,010	76,010
Retained earnings	349,623	337,454
Treasury stock	(18,507)	(18,507)
Shareholders' equity	470,959	458,789
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,902	4,500
Foreign currency translation adjustment	(1,380)	435
Valuation and translation adjustments	6,521	4,935
Minority interests	8,153	8,419
Net assets	485,634	472,144
Liabilities and net assets	1,771,141	1,861,505

(2) Quarterly Consolidated Statements of Income  
 [The first quarter consolidated accounting period]

(Millions of yen)

	This first quarter consolidated accounting period
	(From April 1, 2008 to June 30, 2008)
<b>Operating revenue</b>	
Interest on operating loans	71,361
Interest on loans of banking business	595
Credit card revenue	1,141
Per-item revenue	1,146
Revenue from credit guarantee	1,805
Collection from purchased receivable	3,845
Other financial revenue	386
Net sales	1,809
Other operating revenue	3,308
<b>Operating revenue</b>	<b>85,400</b>
<b>Operating expenses</b>	
Financial expenses	5,551
Cost of purchased receivable	2,769
Cost of sales	912
Other operating expenses	50,756
<b>Operating expenses</b>	<b>59,990</b>
<b>Operating income</b>	<b>25,410</b>
<b>Non-operating income</b>	
Interest income	88
Dividends income	553
House rent income	101
Other	41
<b>Non-operating income</b>	<b>785</b>
<b>Non-operating expenses</b>	
Interest expenses	4
Foreign exchange losses	27
Loss on insurance cancellation	10
Other	3
<b>Non-operating expenses</b>	<b>46</b>
<b>Ordinary income</b>	<b>26,149</b>
<b>Extraordinary income</b>	
Gain on sales of noncurrent assets	0
Gain on sales of investment securities	632
Other	15
<b>Extraordinary income</b>	<b>648</b>
<b>Extraordinary loss</b>	
Loss on sales of noncurrent assets	1
Loss on retirement of noncurrent assets	56
Loss on valuation of investment securities	16
Other	10
<b>Extraordinary loss</b>	<b>85</b>
<b>Income before income taxes</b>	<b>26,711</b>
Income taxes-current	134
Income taxes-deferred	6,233
<b>Income taxes</b>	<b>6,368</b>
Minority interests in income	313
<b>Net income</b>	<b>20,029</b>

### (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	This first quarter consolidated accounting period (From April 1, 2008 to June 30, 2008)
Net cash provided by (used in) operating activities	
Income before income taxes	26,711
Depreciation and amortization	767
Amortization of goodwill	171
Increase (decrease) in allowance for doubtful accounts	(7,062)
Increase (decrease) in provision for loss on guarantees	1
Increase (decrease) in provision for retirement benefits	(55)
Increase (decrease) in provision for directors' retirement benefits	(46)
Increase (decrease) in provision for loss on interest repayment	(34,764)
Interest and dividends income	(642)
Interest expenses	4
Amortization of bond issuance cost	81
Foreign exchange losses (gains)	(18)
Loss (gain) on sales of property, plant and equipment	1
Loss on retirement of property, plant and equipment	56
Loss (gain) on sales of investment securities	(632)
Loss (gain) on valuation of investment securities	16
Decrease (increase) in notes and accounts receivable-trade	101
Decrease (increase) in operating loans receivable	38,717
Decrease (increase) loans receivable of banking business	(552)
Decrease (increase) in accounts receivable- installment	3,251
Decrease (increase) in investment securities for sale	(219)
Decrease (increase) in trading account securities	(7,555)
Decrease (increase) in inventories	(12)
Decrease (increase) in purchased receivables	2,804
Decrease (increase) in other current assets	(716)
Decrease (increase) in prepaid pension costs	165
Increase (decrease) in notes and accounts payable-trade	(445)
Increase (decrease) in deposits of banking business	(2,867)
Increase (decrease) in deferred installment income	(370)
Increase (decrease) in other current liabilities	(1,454)
Increase (decrease) by other operating activities	221
Subtotal	<u>15,657</u>
Interest and dividends income received	631
Interest expenses paid	(4)
Income taxes refund	2
Income taxes paid	(1,010)
Income taxes for prior periods paid	<u>(33)</u>
Net cash provided by (used in) operating activities	<u>15,243</u>

(Millions of yen)

	This first quarter consolidated accounting period (From April 1, 2008 to June 30, 2008)
Net cash provided by (used in) investment activities	
Payments into time deposits	(600)
Proceeds from withdrawal of time deposits	400
Purchase of short-term investment securities	(400)
Proceeds from sales of short-term investment securities	13,018
Purchase of property, plant and equipment	(304)
Proceeds from sales of property, plant and equipment	4
Proceeds from sales of investment securities	661
Increase by other investment	(62)
Decrease by other investment	170
Increase (decrease) by other investment activities	0
Net cash provided by (used in) investment activities	<u>12,888</u>
Net cash provided by (used in) financing activities	
Increase in short-term loans payable	62,698
Decrease in short-term loans payable	(65,200)
Proceeds from issuance of bonds	14,926
Redemption of bonds	(30,000)
Proceeds from deposit on redemption of bonds	10,000
Proceeds from long-term loans payable	34,430
Repayment of long-term loans payable	(64,088)
Purchase of treasury stock	(0)
Cash dividends paid	(7,781)
Increase (decrease) in other financing activities	(70)
Net cash provided by (used in) financing activities	<u>(45,085)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(683)</u>
Net increase (decrease) in cash and cash equivalents	<u>(17,636)</u>
Cash and cash equivalents	<u>152,221</u>
Cash and cash equivalents	<u>134,585</u>

The "Accounting Standard for Quarterly Financial Reporting" (Accounting Standards Board of Japan [ASBJ] Statement No. 12, March 14, 2007) and "Guidance on Accounting Standard for Quarterly Financial Reporting" (ASBJ Guidance No. 14, March 14, 2007) have been applied from the current consolidated fiscal year ending March 31, 2009. In addition, quarterly consolidated financial statements were prepared in accordance with the "Regulations of Quarterly Consolidated Financial Statements on Terms, Forms and Preparation Method" (Cabinet Office Ordinance No. 64, 2007; hereinafter, "Regulations on Quarterly Consolidated Financial Statements").

(4) Notes Concerning the Premise of a Going Concern  
None

(5) Segment Information

(A) Business segment information

This first quarter consolidated accounting period (from April 1, 2008 to June 30, 2008)

Detailed business segment information is omitted as operating revenue, operating income and assets in financial service business account for more than 90% of total consolidated operating revenue, consolidated operating income and total assets across all segments.

(B) Geographical segment information

This first quarter consolidated accounting period (from April 1, 2008 to June 30, 2008)

Geographical segment information is omitted as sales and assets in Japan account for more than 90% of total consolidated sales and total consolidated assets across all segments.

(C) Overseas sales

This first quarter consolidated accounting period (from April 1, 2008 to June 30, 2008)

Overseas sales information is omitted as overseas sales account for less than 10% of total consolidated sales.

(6) Notes in Case of Any Significant Change in the Amount of Shareholders' Equity  
None

(7) Notes to Consolidated Financial Statements

Notes to Quarterly Consolidated Balance Sheets

This first quarter consolidated accounting period (As of June 30, 2008)	Prior consolidated fiscal year (As of March 31, 2008)
1. Cumulative depreciation of property, plant and equipment  <div style="text-align: right;">(Millions of yen) 48,063</div>	1. Cumulative depreciation of property, plant and equipment  <div style="text-align: right;">(Millions of yen) 47,997</div>
2. Assets pledged as security  <div style="text-align: right;">(Millions of yen)</div>	2. Assets pledged as security  <div style="text-align: right;">(Millions of yen)</div>
(1) Pledged assets	(1) Pledged assets
Accounts receivable-operating	Accounts receivable-operating
loans	loans
<div style="text-align: right;">76,588 &lt;4,590&gt;</div>	<div style="text-align: right;">96,964 &lt;6,660&gt;</div>
(2) Secured liabilities	(2) Secured liabilities
Current portion of long-term loans payable	Current portion of long-term loans payable
Long-term loans payable	Long-term loans payable
<div style="text-align: right;">53,632 &lt;3,887&gt; 22,943 &lt;700&gt;</div>	<div style="text-align: right;">67,993 &lt;5,727&gt; 28,958 &lt;930&gt;</div>
<div style="text-align: right;">Total 76,575 &lt;4,587&gt;</div>	<div style="text-align: right;">Total 96,951 &lt;6,657&gt;</div>
Figures in brackets "<>" represent amounts engaged in transferring assignment of claims.	Figures in brackets "<>" represent amounts engaged in transferring assignment of claims.
3. Cash and deposits include 2,769 million yen of reserve for deposit of consolidated subsidiary based on regulations of Bank Indonesia.	3. Cash and deposits include 3,523 million yen of reserve for deposit of consolidated subsidiary based on regulations of Bank Indonesia.

This first quarter consolidated accounting period (As of June 30, 2008)		Prior consolidated fiscal year (As of March 31, 2008)	
4. Contingent liabilities		4. Contingent liabilities	
(1) Amount of guaranteed receivables of guarantee business (Millions of yen)		(1) Amount of guaranteed receivables of guarantee business (Millions of yen)	
Guaranteed receivables	127,641	Guaranteed receivables	120,639
Provision for loss on guarantees	2,193	Provision for loss on guarantees	2,192
Net	125,448	Net	118,446
(2) Guarantees given of banking business (Millions of yen)		(2) Guarantees given of banking business (Millions of yen)	
	350		279
5. Status of non-performing loans of accounts receivable-operating loans (Millions of yen)		5. Status of non-performing loans of accounts receivable-operating loans (Millions of yen)	
Category	Amount	Classification criteria	
Loans to bankrupt parties	(5,382) 5,382	Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.	
Loans in arrears	(18,594) 79,894	Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor.	
Loans overdue by 3 months or more	(23,286) 3,361	Loans other than the above that are overdue by 3 months or more.	
Restructured loans	(57,765) 45,262	Loans other than the above on which favorable terms have been granted, such as the waiving of interest.	
Total	(105,029) 133,901		
Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.		Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.	
Category	Amount	Classification criteria	
Loans to bankrupt parties	(5,806) 5,806	Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.	
Loans in arrears	(19,866) 81,511	Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor.	
Loans overdue by 3 months or more	(22,042) 3,426	Loans other than the above that are overdue by 3 months or more.	
Restructured loans	(57,724) 45,652	Loans other than the above on which favorable terms have been granted, such as the waiving of interest.	
Total	(105,439) 136,396		

Notes to Quarterly Consolidated Statements of Income

This first quarter consolidated accounting period  
(From April 1, 2008 to June 30, 2008)

1. Principal items of other financial revenue	
	(Millions of yen)
Interest on deposits	20
Interest on securities	230
Interest on loans	69
Foreign exchange gains	35

2. Principal financial expenses	
	(Millions of yen)
Interest expenses	3,315
Interest on bonds	1,406
Amortization of bond issuance cost	81
Interest expenses for deposits of banking business	576

3. Principal items of other operating expenses	
	(Millions of yen)
Advertising expenses	2,785
Provision of allowance for doubtful accounts	19,845
Provision for loss on guarantees	604
Employees' salaries and bonuses	6,856
Retirement benefit expenses	228
Provision for directors' retirement benefits	18
Welfare expenses	967
Rent expenses	2,913
Depreciation	704
Commission fee	8,698
Amortization of goodwill	171

4. Basis for classification of financial revenue and expenditure on the statements of income
- (1) Financial revenue stated as operating revenue  
Include all financial revenue other than dividends and interest on investment securities made by the Company and subsidiaries engaged in the financial service business.
- (2) Financial expenses stated as operating expenses  
Include all financial expenses by the Company and subsidiaries engaged in financial services, other than interest expenses which has no relationship to operating revenue.

Notes to Quarterly Consolidated Statements of Cash Flows

This first quarter consolidated accounting period (From April 1, 2008 to June 30, 2008)	
1. Relationship between cash and cash equivalents at the end of accounting period and consolidated balance sheet items as of June 30, 2008.	
(Millions of yen)	
Cash and deposits	85,665
Short-term investment securities	12,619
Short-term loans receivable	40,664
Time deposits which term of deposit is more than 3 months	(605)
Certificates of deposit which term of deposit is more than 3 months	(400)
Cash reserved for deposit of banking business	(2,769)
Shares, bonds and stock investment trusts, maturing more than 3 months after the date of purchase	(589)
Cash and cash equivalents	134,585

Notes to Net Assets

The end of this first quarter consolidated accounting period (June 30, 2008) and this first quarter consolidated accounting period (From April 1, 2008 to June 30, 2008)

(A) Matters related to issued shares

Common shares 159,628,280 shares

(B) Matters related to treasury stock

Common shares 2,433,801 shares

(C) Matters related to subscription rights to shares, etc

None

(D) Matters related to dividends

(a) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividends per share (Yen)	Basic date	Effective date
Annual shareholders' meeting as of June 20, 2008	Common shares	7,859	50.00	March 31, 2008	June 23, 2008

(b) Dividends after the end of this first quarter consolidated accounting period of which basic date belongs to this first quarter consolidated accounting period

None

Note to Short-term Investment Securities

The end of this first quarter consolidated accounting period ( As of June 30, 2008)

While other securities with a market value represent an important asset in our business operations, the values changed significantly from the end of the prior consolidated fiscal year.

(Millions of yen)

Type	Acquisition price	Book value	Unrealized gain (loss)
(a) Stocks	27,488	39,717	12,228
(b) Bonds			
Government/municipal	83	84	0
Corporate	—	—	—
Miscellaneous	—	—	—
(c) Other	1,589	1,601	12
Total	29,161	41,403	12,241

Note: In this first quarter accounting period, among other securities, those with market prices were treated with an impairment loss of 0 million of yen.

Impairment losses on stocks are written off when the market price of a given stock fell more than 50% of original cost and the market price is deemed unlikely to recover the level of the original cost. Impairment losses on stocks are also written off when the market price did not recover the fall out ratio of 30% for one year after the market price of a given stock fell more than 30% to below 50% of original cost and the market price is deemed unlikely to recover the level of the original cost considering financial condition, financial results, and trends of market price.

## Notes to Statistics per Share

## (A) Net assets per share

This first quarter consolidated accounting period (As of June 30, 2008)	Prior consolidated fiscal year (As of March 31, 2008)
(Yen)	(Yen)
Net assets per share 3,037.52	Net assets per share 2,950.01

Note: Net assets per share is calculated based on the following data.

	This first quarter consolidated accounting period (As of June 30, 2008)	Prior consolidated fiscal year (As of March 31, 2008)
Total net assets (Millions of yen)	485,634	472,144
The amounts deducted from total net assets (Millions of yen)	8,153	8,419
[Minority interests included in the above] (Millions of yen)	[8,153]	[8,419]
Amounts of net assets related to common shares at the end of quarterly consolidated accounting period (Millions of yen)	477,480	463,725
Number of common shares to calculate net assets per share at the end of quarterly consolidated accounting period	157,194,479 shares	157,194,482 shares

## (B) Net income per share

This first quarter consolidated accounting period (From April 1, 2008 to June 30, 2008)
(Yen)
Net income per share 127.42
Net income per share diluted 127.42

Note: Net income per share and net income per share diluted are calculated based on the following data.

	This first quarter consolidated accounting period From April 1, 2008 to June 30, 2008
Net income per share	
Net income (Millions of yen)	20,029
Net income not available to common shareholders (Millions of yen)	—
Net income related to common shares (Millions of yen)	20,029
Weighted average number of common shares during accounting period	157,194,480 shares
Net income per share diluted	
Net income effect of dilutive securities (Millions of yen)	(0)
Number of increase of common shares	—
Residual securities which do not dilute net income per share and have important change since the end of prior consolidated fiscal year	—

[Reference]

Financial Statements of Prior Quarter

(1) Summarized Quarterly Consolidated Statements of Income

The prior first quarter consolidated accounting period (From April 1, 2007 to June 30, 2007)

(Millions of yen)

Subject	The quarter accounting period of prior fiscal year (First quarter for fiscal year ended March 2008)
	Amount
I Operating revenue	99,060
Interest on operating loans	85,743
Credit card revenue	1,351
Per-item revenue	1,677
Revenue from credit guarantee	1,641
Collection from purchased receivable	3,396
Other financial revenue	144
Net sales	2,081
Other operating revenue	3,023
II Operating expenses	78,521
Financial expenses	5,374
Cost of purchased receivable	2,206
Cost of sales	1,378
Other operating expenses	69,562
Operating income	20,539
III Non-operating income	813
IV Non-operating expenses	11
Ordinary income	21,341
V Extraordinary income	2,945
VI Extraordinary loss	526
Income before income taxes	23,759
Income taxes-current	158
Income taxes for prior periods	7,320
Income taxes-deferred	2,834
Minority interests in income	178
Net income	13,268

## (2) Summarized Quarterly Consolidated Statements of Cash Flow

The prior first quarter consolidated accounting period (From April 1, 2007 to June 30, 2007)

(Millions of yen)

	The quarter accounting period of prior fiscal year (First quarter for fiscal year ended March 2008)
Subject	Amount
I Net cash provided by (used in) operating activities	
Income before income taxes	23,759
Depreciation and amortization	907
Increase (decrease) in allowance for doubtful accounts	5,569
Increase (decrease) in provision for interest repayment	(34,205)
Decrease (increase) in operating loans	45,410
Decrease (increase) in accounts receivable-installment	4,888
Decrease (increase) in purchased receivables	514
Increase (decrease) in deferred installment income	(680)
Other	(7,655)
Subtotal	38,508
Income taxes paid	(518)
Other	554
Net cash provided by (used in) operating activities	38,544
II Net cash provided by (used in) investment activities	
Purchase of property, plant and equipment	(328)
Proceeds from sales of investment securities	113
Collection of loans receivable	1,000
Other	(466)
Net cash provided by (used in) investment activities	317
III Net cash provided by (used in) financing activities	
Increase in short-term loans payable	75,432
Decrease in short-term loans payable	(90,294)
Redemption of commercial papers	(40,000)
Proceeds from issuance of bonds	29,820
Redemption of bonds	(10,000)
Proceeds from long-term loans payable	11,000
Repayment of long-term loans payable	(48,525)
Cash dividends paid	(4,665)
Other	(89)
Net cash provided by (used in) financing activities	(77,322)
IV Effect of exchange rate change on cash and cash equivalents	140
V Net increase (decrease) in cash and cash equivalents	(38,319)
VI Cash and cash equivalents	146,383
VII Cash and cash equivalents	108,064

## 6. Consolidated Operating Results

### (1) Operating Revenue by Segment

(Millions of yen)

Segment	Term	This first quarter consolidated accounting period ( From April 1, 2008 to June 30, 2008 )		Prior first quarter consolidated accounting period ( From April 1, 2007 to June 30, 2007 )		Prior consolidated fiscal year ( From April 1, 2007 to March 31, 2008 )	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Financial service business		83,989	98.3%	97,525	98.4%	373,182	98.3%
Loan business		73,416	86.0	87,680	88.5	331,476	87.3
Credit card business		1,263	1.5	1,462	1.5	5,437	1.4
Installment sales finance business		1,391	1.6	2,119	2.1	7,682	2.0
Guarantee business		2,738	3.2	2,455	2.5	10,565	2.8
Loan servicing business		4,040	4.7	3,518	3.5	17,026	4.5
Banking business		892	1.0	—	—	—	—
Others		247	0.3	288	0.3	993	0.3
Other business		1,410	1.7	1,535	1.6	6,523	1.7
Rental business		1,075	1.3	1,048	1.1	4,600	1.2
Others		335	0.4	486	0.5	1,923	0.5
<b>Total</b>		<b>85,400</b>	<b>100.0</b>	<b>99,060</b>	<b>100.0</b>	<b>379,706</b>	<b>100.0</b>

### (2) Other Statistics

#### 1) Receivables Outstanding

(Millions of yen)

Segment	Term	This first quarter consolidated accounting period (As of June 30, 2008)		Prior first quarter consolidated accounting period (As of June 30, 2007)		Prior consolidated fiscal year (As of March 31, 2008)	
		Loan business		1,429,366		1,590,705	
Credit card business		36,640		43,493		38,126	
Credit card		36,267		42,920		37,682	
Others		372		572		444	
Installment sales finance business		39,492		54,616		42,795	
Loan servicing business		27,834		25,273		30,638	
Banking business		18,610		—		20,078	
<b>Total</b>		<b>1,551,944</b>		<b>1,714,088</b>		<b>1,612,556</b>	

#### 2) Number of Customer Accounts

Segment	Term	This first quarter consolidated accounting period (As of June 30, 2008)		Prior first quarter consolidated accounting period (As of June 30, 2007)		Prior consolidated fiscal year (As of March 31, 2008)	
		Loan business		3,154,785		3,369,885	
Credit card business		791,830		1,108,324		871,773	
Credit card		787,597		1,102,648		866,958	
Others		4,233		5,676		4,815	
Installment sales finance business		278,010		410,802		313,664	
Loan servicing business		235,220		236,274		227,587	
Banking business		3,843		—		4,001	
Rental business		2,570		2,983		6,986	

Notes: The definition of number of customer accounts is as follows;

- (1) Loan business: Number of loan accounts with loan balance outstanding
- (2) Credit card business: Cardholder of MasterCard®
- (3) Installment sales finance business: Number of contracts with receivable outstanding
- (4) Loan servicing business: Number of accounts with purchased loans
- (5) Banking business: Number of loan accounts with loans receivable of banking business
- (6) Rental business: Number of users during the period

### 3) Others

Item	Term	This first quarter consolidated accounting period (As of June 30, 2008)	Prior first quarter consolidated accounting period (As of June 30, 2007)	Prior consolidated fiscal year (As of March 31, 2008)
Number of outlets		1,840	1,800	1,840
Number of employees		6,219	5,908	6,277
Allowance for doubtful accounts (Millions of yen)		111,631	134,757	119,883
Provision for loss on guarantees (Millions of yen)		2,193	2,302	2,192
Provision for loss on interest repayment (Millions of yen)		340,035	455,794	374,800
Bad debts expenses (Millions of yen)		27,512	34,068	125,375
Loss on interest repayment (Millions of yen)		34,764	34,205	134,821

[Reference]

Quarterly Non-consolidated Financial Statements

(1) Quarterly Non-consolidated Balance Sheets

(Millions of yen)

	This first quarter accounting period (As of June 30, 2008)	Summarized balance sheets in prior fiscal year (As of March 31, 2008)
<b>Assets</b>		
Current assets		
Cash and deposits	63,699	61,696
Accounts receivable-operating loans	1,279,670	1,318,781
Accounts receivable-installment	36,267	37,683
Short-term investment securities	10,589	23,598
Merchandise	1,034	1,040
Deferred tax assets	36,295	42,325
Other	63,123	78,425
Allowance for doubtful accounts	(99,520)	(106,600)
Current assets	1,391,161	1,456,951
Noncurrent assets		
Property, plant and equipment	31,444	31,967
Intangible assets	705	708
Investments and other assets		
Other	135,908	132,742
Allowance for doubtful accounts	(1,680)	(1,900)
Investment and other assets	134,228	130,842
Noncurrent assets	166,378	163,517
Assets	1,557,540	1,620,468
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	339	437
Current portion of long-term loans payable	136,921	169,343
Current portion of bonds	10,000	40,000
Income taxes payable	100	265
Provision for loss on guarantees	3,510	3,490
Other	10,560	12,004
Current liabilities	161,432	225,540
Noncurrent liabilities		
Bonds payable	235,000	220,000
Long-term loans payable	349,341	345,064
Deferred tax liabilities	4,344	3,036
Provision for directors' retirement benefits	—	678
Provision for loss on interest repayment	340,035	374,800
Other	669	27
Noncurrent liabilities	929,389	943,606
Liabilities	1,090,821	1,169,147
<b>Net assets</b>		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	76,010	76,010
Retained earnings	337,479	325,485
Treasury stock	(18,507)	(18,507)
Shareholders' equity	458,815	446,821
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7,902	4,500
Valuation and translation adjustments	7,902	4,500
Net assets	466,718	451,321
Liabilities and net assets	1,557,540	1,620,468

Note: This quarterly balance sheet was prepared in accordance with the Regulations on Quarterly Non-consolidated Financial Statements, which are not included in the scope of review under the statutory disclosure obligation.

(2) Quarterly Statements of Income  
 [The first quarter accounting period]

(Millions of yen)

	This first quarter accounting period
	(From April 1, 2008 to June 30, 2008)
Operating revenue	
Interest on operating loans	63,304
Credit card revenue	1,128
Revenue from credit guarantee	2,561
Other financial revenue	129
Other operating revenue	2,208
Operating revenue	<u>69,332</u>
Operating expenses	
Financial expenses	3,754
Other operating expenses	41,215
Operating expenses	<u>44,970</u>
Operating income	<u>24,361</u>
Non-operating income	
Interest income	242
Dividends income	569
House rent income	100
Other	108
Non-operating income	<u>1,022</u>
Non-operating expenses	
Interest expenses	0
Loss on insurance cancellation	10
Other	4
Non-operating expenses	<u>15</u>
Ordinary income	<u>25,368</u>
Extraordinary income	
Gain on sales of noncurrent assets	0
Gain on sales of investment securities	632
Other	15
Extraordinary income	<u>648</u>
Extraordinary loss	
Loss on sales of noncurrent assets	1
Loss on retirement of noncurrent assets	55
Loss on valuation of investment securities	16
Other	10
Extraordinary loss	<u>84</u>
Income before income taxes	<u>25,932</u>
Income taxes-current	45
Income taxes-deferred	6,033
Income taxes	<u>6,078</u>
Net income	<u>19,853</u>

Note: This quarterly statements of income was prepared in accordance with the Regulations on Quarterly Non-consolidated Financial Statements, which are not included in the scope of review under the statutory disclosure obligation.