

# Interim Report 2010

Six months ended September 30, 2009

**ACOM CO., LTD.**



# Corporate Philosophy

Based on our twin mottos of  
“respecting other people” and “putting the customer first,”  
we will continue to  
pursue an innovative and creative style of  
corporate management aimed at  
helping our customers realize happier and  
more fulfilling personal lives.

In 1936, ACOM was founded on the ideal of  
“extending the feeling of confidence from people to people.”  
Since then, we have always sought to develop our business  
by establishing an unshakable mutual trust between our customers and us.

ACOM is an acronym created from  
the following three words:



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### Notes:

#### 1. Forward-Looking Statements

The figures contained in this interim report 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 belief in light of the information currently available to it and involve risks and uncertainties and actual results may differ from those in the forward-looking statements as a result of various facts. 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 the ACOM's debt and legal limits on interest rates charged by ACOM.

2. All amounts are truncated to the nearest expressed unit.

3. Percentage figures are a result of rounding.

# At a Glance

From a consumer finance company to a comprehensive financial services provider

Segment Overview

Composition of Operating Revenue  
(Six months ended September 30, 2009)

## LOAN BUSINESS

The loan business, centering on unsecured loans for consumers, is the ACOM Group's (the "Group") core business, accounting for 87.7% of consolidated operating revenue in the interim period ended September 30, 2009. ACOM has acquired advanced credit screening expertise based on data from more than 9 million customers it has served in the past. We are utilizing this expertise to extend loans through various channels, including branches, our automatic contract machines, our ATMs, affiliated ATMs, the Internet, and mobile phones.

Moving quickly to address new laws governing the maximum interest rates on loans, ACOM is working hard to attract new customers. In May 2009, ACOM took over the loan business of DC Cash One Ltd. ("DCC1"), a consolidated subsidiary. Under this efficient business structure, we are pursuing a double-brand strategy centering on "ACOM" and "Cash One."

Overseas, EASY BUY Public Company Limited ("EASY BUY"), our subsidiary in The Kingdom of Thailand, holds a top-class position in that market as a provider of unsecured loans to individuals. In December 2007, ACOM and The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") jointly acquired PT. Bank Nusantara Parahyangan, Tbk. ("Bank BNP"), a bank in The Republic of Indonesia. We will further cultivate markets in Asia, where economic growth is expected in the future.



## DIVERSIFIED FINANCIAL SERVICES

### Guarantee Business

ACOM provides guarantees on unsecured personal loans via alliances with financial institutions, centering on prominent regional banks. By combining the brand power and sales channels offered by the banks with ACOM's credit screening and collection expertise related to unsecured consumer loans, we are able to provide guarantee arrangements tailored to the needs of alliance partners, from product planning to loan collection. ACOM continues to steadily increase its balance of guaranteed receivables, which totaled ¥313.5 billion at September 30, 2009. ACOM also had tie-ups with 16 banks at interim period-end.

### Credit Card Business

In 1998, ACOM acquired principal membership of MasterCard International and entered the credit card business in the following year with the issue of an ACOM credit card. In this business, we have continued promoting credit card issuance, mainly to our loan customers. At the same time, we have formed credit card alliances with large-scale retail chains and other companies with strong customer-drawing power, with a view to enhancing the profitability of our alliance card business. However, due to rapidly changing business conditions in recent years, as well as declining profitability of the alliance card business, we have adopted a policy of gradually canceling alliances. In line with this, we are encouraging alliance cardholders to switch to an ACOM credit card. As of September 30, 2009, there were 467 thousand holders of cards issued by the Group.

### Installment Sales Finance Business

In this segment, the Group specializes in installment sales finance services to facilitate the purchase of items through agreements we have with affiliated retailers. When a customer wishes to purchase an item, we pay the retailer in advance, and the customer reimburses us in subsequent installments. Due to the diversifying purchasing needs of customers, we offer a broad range of payment options in addition to regular installments. These include extra repayments or lump-sum repayments at bonus time.

In Asia, where there is significant growth potential, EASY BUY, our subsidiary in The Kingdom of Thailand, has enhanced its credit screening model in order to improve the quality of its credit portfolio and attract more customers.

On April 1, 2007, our domestic installment sales finance business was reorganized into a new company, AFRESH CREDIT CO., LTD. ("AFRESH CREDIT"), which combines the entire Group's business foundation and expertise related to installment sales finance. In this way, we are working to build a new base for our installment sales finance business.

### Loan Servicing Business

In March 2001, ACOM entered the loan servicing business by taking an equity stake in IR Loan Servicing, Inc. ("IR Loan Servicing"), a joint venture with RISA Partners, Inc. The primary income sources in this business are commissions received from banks, life insurers, and other financial institutions for handling their debt collection activities on consignment, as well as marginal profit derived from recovery of loans purchased.

In addition to the purchase of loans and debt collection services, IR Loan Servicing is developing a comprehensive loan servicing business, including backup servicing, corporate revitalization services, and payment guide services. In these endeavors, IR Loan Servicing takes full advantage of ACOM's loan servicing and consumer credit management expertise, acquired over many years, as well as the latest consulting techniques.

### Banking Business

Bank BNP, a consolidated subsidiary of ACOM, is engaged in the banking business in The Republic of Indonesia.



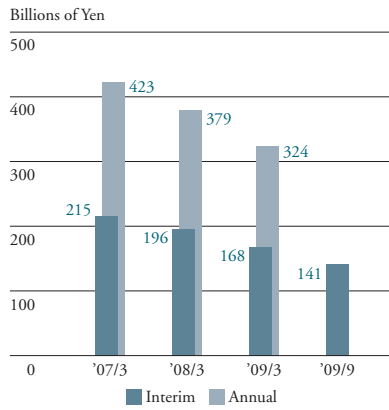
# Financial Highlights

ACOM CO., LTD. and Subsidiaries

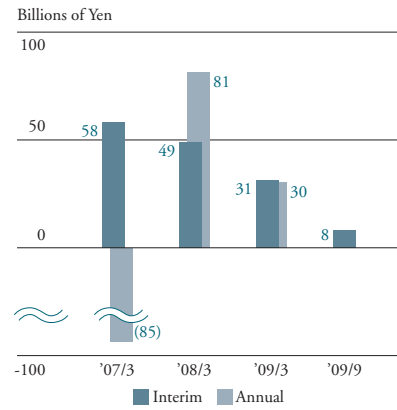
	Millions of Yen				
	2007/3	2008/3	2008/9	2009/3	2009/9
<b>Profit and Loss Related:</b>					
Operating Revenue	¥ 423,652	¥ 379,706	¥ 168,501	¥ 324,396	¥ 141,722
Operating Expenses	508,755	298,054	137,430	293,666	133,652
Provision of Allowance for Doubtful Accounts <sup>*1</sup>	137,595	115,848	39,212	87,899	61,094
Provision for Loss on Interest Repayment <sup>*2</sup>	200,147	19,620	19,590	52,157	8,705
Other Operating Expenses	171,013	162,586	78,628	153,610	63,853
Operating Income (Loss)	(85,102)	81,651	31,070	30,729	8,069
Net Income (Loss)	(437,972)	35,406	25,901	13,662	2,440
<b>Cash Flow Related:</b>					
Net Cash Provided by Operating Activities	99,944	126,183	37,190	66,989	25,010
Net Cash Provided by (Used in) Investing Activities	308	8,250	9,962	19,417	(7,843)
Net Cash Provided by (Used in) Financing Activities	(53,464)	(128,678)	(60,667)	(104,900)	2,984
Free Cash Flow	100,252	134,433	47,152	86,406	17,167
<b>Balance Sheet Related:</b>					
Total Assets	2,031,829	1,861,505	1,731,812	1,605,567	1,557,490
Receivables Outstanding <sup>*3</sup>	1,734,139	1,561,839	1,466,313	1,384,193	1,312,532
Total Amount of Non-Performing Loans	149,453	136,396	127,430	128,223	123,233
Allowance for Doubtful Accounts	128,798	119,882	103,904	93,037	95,962
Provision for Loss on Interest Repayment	490,000	374,800	320,500	283,400	218,200
Net Assets <sup>*4</sup>	450,073	463,725	478,366	452,406	448,953
<b>Per Share:</b>					
Yen					
Net Income (Loss), Basic	¥ (2,786.19)	¥ 225.24	¥ 164.77	¥ 86.91	¥ 15.55
Net Assets <sup>*4</sup>	2,863.16	2,950.01	3,043.15	2,831.36	2,836.14
Cash Dividends	100.00 <sup>*8</sup>	100.00 <sup>*8</sup>	50.00	70.00 <sup>*8</sup>	5.00
<b>Financial Ratios:</b>					
%					
<b>Profitability</b>					
Operating Income Margin	(20.1)	21.5	—	9.5	—
ROE <sup>*5</sup>	(63.6)	7.7	—	3.0	—
<b>Efficiency</b>					
ROA1 (Net Income to Total Assets) <sup>*5</sup>	(21.2)	1.8	—	0.8	—
ROA2 (Net Income to Receivables Outstanding) <sup>*5</sup>	(24.5)	2.1	—	0.9	—
<b>Stability</b>					
Ratio of Shareholders' Equity	22.2	24.9	—	27.7	—
Bad Debt Ratio (Gross Basis) [Non-Consolidated] <sup>*6</sup>	9.4	9.4	—	9.9	—
Bad Debt Coverage Ratio [Non-Consolidated] <sup>*7</sup>	85.6	87.0	—	72.3	—

- Notes: 1. The amount of provision of allowance for doubtful accounts is the sum of bad debts expenses, increase or decrease in allowance for accounts receivable-operating loans, and increase or decrease in provision for loss on guarantees. In addition, the amount of provision of allowance for doubtful account includes loss on sales of accounts receivable-operating loans from the fiscal year ended March 31, 2009.
2. Provision for loss on interest repayment indicates the sum of interest repayment and bad debts expenses carried by ACOM's voluntary waiver of repayments, and increase or decrease in provision for loss on interest repayment.
3. Receivables outstanding indicates the sum of receivables outstanding of the loan business, credit card business, and installment sales finance business.
4. Net assets excludes minority interests.
5. ROE and ROA are calculated using the simple average of beginning and end of term balance sheet figures.
6. Bad debt ratio (Gross basis) = Total amount of non-performing loans / Receivables outstanding plus loans to borrowers in bankruptcy or under reorganization
7. Bad debt coverage ratio = Allowance for doubtful accounts / Total amount of non-performing loans
8. Annual cash dividends per share

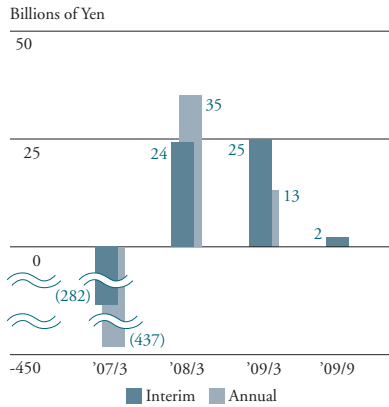
### Operating Revenue



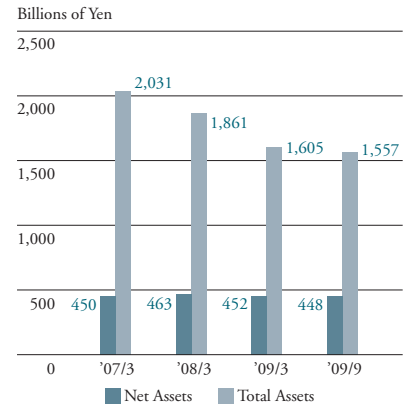
### Operating Income (Loss)



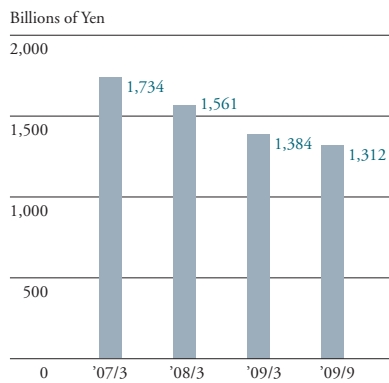
### Net Income (Loss)



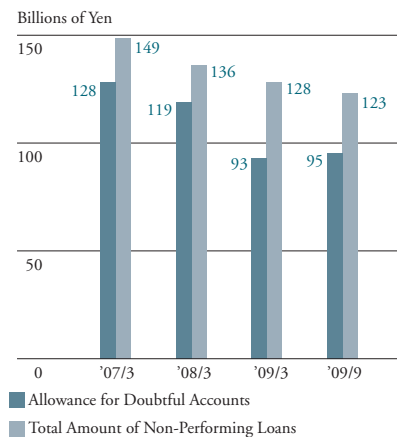
### Net Assets\* and Total Assets



### Receivables Outstanding\*\*



### Allowance for Doubtful Accounts and Total Amount of Non-Performing Loans



# Message from the Management



Shigeyoshi Kinoshita  
President & CEO

## Fiscal 2009—First Half Review

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In the period under review—the six months ended September 30, 2009—the Japanese economy was characterized by major ongoing declines in corporate earnings, together with continued severity in employment and worker income conditions. This was despite a turnaround in exports and production. The business environment surrounding us has been unforgiving as well as the Group has faced high level of requests for interest repayment and has been impacted significantly by the Money Lending Business Act (restrictions on the maximum interest rate as well as total loan balance), which will be fully enacted by June 2010. The situation has not been limited to the consumer finance industry, but the credit card and installment sales finance sectors as well, where balance of receivables and earnings are declining dramatically.

Consolidated operating revenue for the period amounted to ¥141.7 billion, down 15.9% year on year. This was due to a decline in inter-

est on operating loans stemming from a decrease in the balance of accounts receivable-operating loans and a fall in average loan yield over the period. Despite a ¥21.8 billion increase in provision of allowance for doubtful accounts, operating expenses declined 2.7%, to ¥133.6 billion, owing mainly to a ¥10.8 billion decline in provision for loss on interest repayment and a ¥15.1 billion decrease in other operating expenses.

As a result, operating income fell 74.0% year on year to ¥8.0 billion. Net income dropped 90.6%, to ¥2.4 billion, partially due to an increase in income taxes-deferred.

On a non-consolidated basis, operating revenue declined 11.1%, to ¥121.4 billion year on year, operating income decreased 77.6%, to ¥6.2 billion year on year, and net income fell 89.9%, to ¥2.1 billion on a year-on-year basis, due to the same reasons that affected the Group's consolidated performance.

## Update on Loss on Interest Repayment

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On a non-consolidated basis, total loss on interest repayment (total sum of the amount of interest repayment and ACOM's voluntary waiver of repayments arising from interest repayment) amounted to ¥73.9 billion in the two-quarter period under review—consisting of ¥39.2 billion in the first quarter and ¥34.6

billion in the second quarter. From February through July 2009, the number of requests for interest repayment hovered at a high of more than 12,500 cases per month. In August and September, however, the numbers declined to previous-year levels.

ACOM projects that cumulative loss on interest repayment for the third and fourth quarters will be ¥71.2 billion. Based on this projection, we have revised our initial plan for the reversal of pro-

visions in the current fiscal year from ¥132.0 billion to ¥145.0 billion. For the entire fiscal year, we expect the total provision for loss on interest repayment to be ¥31.6 billion.

## Full-Year Outlook; Shareholder Return

In the lead-up to the full enactment of the Money Lending Business Act, the loan market segment of the consumer finance industry continues to shrink. On a consolidated basis, ACOM forecasts that 67.7% of customers will switch to new-interest-rate-type loans, down from its initial forecast of 76.7%. After also factoring in the loan guarantee business of The Mitsubishi UFJ Home Loan Credit Co., Ltd. (“MULC”), which we succeeded in September 2009, we forecast total operating revenue of ¥276.4 billion, up ¥16.0 billion from our initial projection.

By contrast, we have made a ¥39.7 billion upward revision of our initial forecast for operating expenses, to ¥267.9 billion, reflecting our projection of ¥31.6 billion in total provision for loss on interest repayment. As a result, we have made a ¥23.7 billion downward revision of our initial operating income forecast, to ¥8.5 billion. We have also made a ¥43.6 billion downward revision of our net income forecast, reflecting ¥14.0 billion in expenses associated with further strengthening our business management. Accordingly, we project a net loss of ¥11.4 billion for the year.

Similarly, on a non-consolidated basis, we project operating income of ¥6.3 billion (down ¥23.8 billion from the initial forecast) and a net loss of ¥11.9 billion (down ¥42.1 billion from the initial forecast).

In light of our business performance, we regret to announce that our planned annual dividends will be limited to ¥10.00 per share, consisting of a ¥5.00 interim dividend and a ¥5.00 year-end dividend.

### Full-Year Forecasts for FY2009

	Billions of Yen			
	Consolidated		Non-Consolidated	
	Forecast	YoY Change (%)	Forecast	YoY Change (%)
Operating Revenue . .	¥ 276.4	-14.8	¥ 237.6	-9.4
Operating Income . .	8.5	-72.3	6.3	-76.6
Net Loss . . . . .	(11.4)	—	(11.9)	—

## Status of Business Alliance with MUFG Group

ACOM is committed to building a consumer finance business with overwhelming competitive strength. At the same time, in order for Mitsubishi UFJ Financial Group, Inc. (“MUFG”) to position the consumer loan business as a key growth area, it is necessary to further deepen our ties with each other. Based on this premise, ACOM, MUFG, and BTMU formed a strategic business and capital alliance back in March 2004 to “reposition ACOM as a core company in the consumer loan business within the consumer finance segment of the MUFG Group.” Based on an agreement to further strengthen this alliance, ACOM became a consolidated subsidiary of MUFG in December 2008.

In April 2009, the credit card guarantee business of DCC1, then a consolidated subsidiary of ACOM, was transferred to Mitsubishi

UFJ NICOS Co., Ltd. (“MUN”). At the same time, RELATES CO., LTD., a consolidated subsidiary that is entrusted with call center functions, was merged into MU Communications Co., Ltd. (“MUCC”), the call center arm of BTMU, and thus became an equity-method affiliate.

In May 2009, ACOM took over the loan business of DCC1, and in September 2009 ACOM inherited the unsecured card loan guarantee business of MULC.

In these ways, the Group continues to steadily promote its business alliance with the MUFG Group. Here, we are targeting a strategy based on “select and focus,” consistent with our commitment to reorganizing our functional capabilities and enhancing efficiency.

## Further Strengthening Our Business Management

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As the full enactment of the Money Lending Business Act approaches, we at ACOM have sought to further reinforce our internal control system. We have also acted quickly to address changes in the business environment, including the reduction of the maximum interest rate in June 2007, ahead of other companies. In preparation for revisions to money-lending-related laws, we announced “Group Management Reform” in November 2006 and have been implementing such reforms with a view to completion in the year ending March 2011.

As a result, we expect to reach our initial target of a ¥40.0 billion reduction in operational costs in the year ending March 2010—one year ahead of schedule.

However, the business environment surrounding ACOM, characterized by the high requests for interest repayment and a declining balance of unsecured loans, has become increasingly severe since the “Group Management Reform” was formulated. For this reason, we will further strengthen our business management reform in order to build

a rock-solid earning power. At the same time, we will lay the groundwork for the next stage of growth and reinforce our business foundation.

Specifically, we will reduce the number of staffed outlets from 118 to 45 and the number of unstaffed outlets from 1,448 to 1,200, while lowering the number of sales centers from four to two. Through such reorganization and concentration of our business network, we are targeting an annual cost reduction of ¥3.1 billion. By also strengthening the functions of our unstaffed outlets, we will create a suitable balance between maintaining high-quality customer service and enhancing efficiency. In addition, we will make a further ¥8.6 billion cost reduction through improvements in human resource efficiency, and we will target a ¥20.4 billion reduction in other costs, such as computer expenses and advertising expenses.

By implementing the aforementioned measures, we are confident that we can lower our annual operational costs to ¥60.0 billion for the year ending March 2012, down ¥32.1 billion from the year ended March 2009.

## Toward a “New ACOM”

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ACOM plays an important role as a supplier of small-lot funds that are necessary to support the broad national economy. We also serve a key function as the core company within the consumer finance segment of the MUFG Group.

To thoroughly carry out these roles, especially in these times of unprecedented adversity, we will concentrate our business resources into three areas: our core business in unsecured loans; the guarantee business, positioned as the next core business; and the loan servicing

business. Meanwhile, we will make further substantial reductions to our operational costs in order to rebuild a rock-solid earnings structure.

At the same time, we will maximize synergies with the MUFG Group while expediting growth strategies in Asia, including The Kingdom of Thailand and The Republic of Indonesia.

We look forward to the ongoing support of all shareholders as we embrace the challenges of the future.



Shigeyoshi Kinoshita  
President & Chief Executive Officer

# Review and Analysis of Consolidated Results

## Overall Performance

In the first half of fiscal 2009—the six-month period ended September 30, 2009—the Group reported operating revenue of ¥141.7 billion, down ¥26.7 billion (15.9%) from the previous corresponding period. This was due mainly to a decline in interest on operating loans in the loan business. At the same time, there was a ¥3.7 billion (2.7%) decrease in operating expenses, to ¥133.6 billion. Accordingly, operating income amounted to ¥8.0 billion, down ¥23.0 billion (74.0%).

The Group also reported gain on transfer from business divestitures and reported a decline in loss on termination of sale and purchase agreement of preferred beneficiary interest that was booked at the end of the first of the previous fiscal year. However, income taxes-deferred rose ¥2.0 billion year on year. As a result, net income for the period fell ¥23.4 billion (90.6%), to ¥2.4 billion.

## Operating Revenue and Receivables Outstanding by Segment

### Loan Business

In the period under review, operating revenue from the Group's core loan business declined 13.8%, to ¥124.3 billion, on a year-on-year basis. This was despite the merger of DCC1 into the Group in May 2009. Interest on operating loans declined 14.3%, to ¥120.0 billion, due to a ¥145.8 billion (10.5%) decrease in the balance of accounts receivable-operating loans, to ¥1,248.0 billion.

During the period, ACOM acquired 87 thousand new customers. While this figure was 3.2% lower than the previous corresponding period, it generally reflects the projection. Moreover, we made steady progress in enhancing the soundness of our loan portfolio thanks to adoption of stricter lending criteria and upgrading of our loan counseling services. In addition, we maintained the quality of services provided to customers, including the establishment of a dedicated inquiry reception system following the DCC1 merger, and we made substantial reductions in operating costs. However, the amount of requests for interest repayment remained at high levels. Such interest repayment amounted to ¥48.8 billion for the first half period, with ACOM's voluntary waiver of repayments caused by such repayment totaling ¥25.0 billion.

Since releasing new-interest-rate-type loans in June 2007, the Group has actively encouraged existing customers to switch to the

new loan products with interest rates of 18% or less. In the period under review, the ratio of balance of loans receivables with interest rates of 18% or less grew 1,180 basis points, from 45.8% to 57.6%. This was partially due to the DCC1 merger. Meanwhile, the average loan yield during the period for unsecured loans declined 89 basis points, from 19.56% to 18.67%.

EASY BUY, a consolidated subsidiary in The Kingdom of Thailand, pursued a proactive sales approach, setting up numerous dedicated loan application booths to facilitate loan applications from new customers. During the period, the balance of EASY BUY's loan receivables increased 14.8% on a local-currency (Thai baht) basis.

### Guarantee Business

In April 2009, the credit card guarantee business of DCC1, then a consolidated subsidiary, was integrated into the operations of MUN. On September 1, 2009, meanwhile, ACOM succeeded the unsecured card loan guarantee business of MULC. During the period under review, the Group sought to provide sales support to existing alliance partners while cultivating new partners, with central priority on expanding its business scale and operating revenue and improving its earnings structure. In July 2009, we also reorganized our business promotion system, with a view to improving administrative and human

### ACOM Group's Loan Business

Loan Business	Millions of Yen					
	Operating Revenue		Receivables Outstanding		Number of Customer Accounts	
	FY2009 (Interim)	YoY Change (%)	FY2009 (Interim)	YoY Change (%)	FY2009 (Interim)	YoY Change (%)
ACOM CO., LTD. ....	¥ 113,718	-11.0	¥ 1,176,080	-5.3	2,170,800	-3.4
DC Cash One Ltd. ....	1,063	-84.0	—	—	—	—
EASY BUY Public Company Limited . . . . .	9,555	-2.1	67,092	2.1	815,801	20.5
Total . . . . .	124,337	-13.8	1,248,014	-10.5	2,999,603	-3.8

Note: ACOM obtained all the stocks of DCC1, previously a consolidated subsidiary of ACOM, and DCC1 became a wholly owned subsidiary of ACOM as of April 1, 2009. DCC1 was merged into ACOM as of May 1, 2009.

In April 2009, the credit card guarantee business of DCC1, then a consolidated subsidiary, was integrated into the operations of MUN. On September 1, 2009, meanwhile, ACOM succeeded the unsecured card loan guarantee business of MULC. During the period under review, the Group sought to provide sales support to existing alliance partners while cultivating new partners, with central priority on expanding its business scale and operating revenue and improving its earnings structure. In July 2009, we also reorganized our business promotion system, with a view to improving administrative and human resources efficiency and reinforcing our loan collection capabilities.

### *Loan Servicing Business*

In the period under review, IR Loan Servicing, a wholly owned subsidiary, sought to improve its operating asset portfolio by promoting restraint and processing of real estate-secured receivables. It also reorganized its network and reassigned personnel by consolidating its Osaka branch into its Tokyo head office. In addition, IR Loan Servicing strove to improve the foundation of its servicing system and its loan collection capabilities, which center on unsecured, small-lot loans.

As a result, in the period under review, the total amount of collection from purchased receivables declined 27.0%, to ¥5.8 billion year on year. Moreover, revenue in the loan servicing business (including commissions from services) fell 27.0%, to ¥6.1 billion.

### *Credit Card Business*

In the credit card business, we continued adopting more stringent controls for issuing credit cards to loan customers, in order to maintain and improve the soundness of our credit portfolio.

As a result, the number of ACOM MasterCard holders declined by 234 thousand during the period under review, to 465 thousand, and the balance of credit card receivables outstanding fell ¥5.7 billion (16.4%), to ¥29.4 billion. Revenue in the credit card business segment declined 15.9%, to ¥2.0 billion.

### *Installment Sales Finance Business*

In Japan, the Group's installment sales finance business is handled by AFRESH CREDIT. Responding accurately to a revision of the Installment Sales Act, AFRESH CREDIT focused on the following as its key business measures: maintaining the scope and enhancing the profitability of this business and strengthening its management of existing member stores. It also adopted an aggressive sales approach to potential member stores as personal consumption continued to stagnate. However, the balance of installment receivables of EASY BUY, based in The Kingdom of Thailand, declined 57.7%, to ¥2.2 billion.

Consequently, the Group's total balance of installment receivables slipped ¥35.0 billion, or 5.7%, and revenue in installment sales finance business fell 20.8%, to ¥2.0 billion.

### *Banking Business*

In the banking business, ACOM works in cooperation with BTMU in the operation of Bank BNP, based in The Republic of Indonesia. With a medium-term vision of becoming a nationwide bank that focuses on the retail segment of the market, Bank BNP actively promoted lending and sales of unsecured loan products to small and medium-sized enterprises, which represent its core business. It also improved and expanded its risk management and compliance frameworks.

## *Operating Revenue by Segment*

	Millions of Yen			
	FY2009 (Interim)	YoY Change	FY2008	FY2008 (Interim)
Loan Business . . . . .	¥ 124,337	¥ (19,885)	¥ 277,628	¥ 144,222
Guarantee Business . . . . .	5,251	(464)	11,629	5,715
Loan Servicing Business . . . . .	6,118	(2,263)	16,446	8,382
Credit Card Business . . . . .	2,075	(392)	4,690	2,467
Installment Sales Finance Business . . . . .	2,065	(543)	4,989	2,608
Banking Business . . . . .	1,815	129	3,390	1,685
Other Financial Businesses . . . . .	54	(506)	1,127	560
Other Businesses . . . . .	4	(2,854)	4,493	2,858

## *Receivables Outstanding by Segment*

	Millions of Yen			
	FY2009 (Interim)	YoY Change	FY2008	FY2008 (Interim)
Loan Business . . . . .	¥ 1,248,014	¥ (145,896)	¥ 1,316,166	¥ 1,393,910
Loan Servicing Business . . . . .	18,353	(7,208)	20,923	25,561
Credit Card Business . . . . .	29,468	(5,771)	32,446	35,239
Installment Sales Finance Business . . . . .	35,049	(2,114)	35,580	37,164
Banking Business . . . . .	20,479	(1,344)	18,081	21,824

During the period under review, loans receivables in the banking business declined ¥1.3 billion (6.2%), to ¥20.4 billion. Nevertheless, its revenue increased ¥0.1 billion (7.7%), to ¥1.8 billion on a year-on-year basis.

### Operating Expenses

In the two-quarter period under review, consolidated operating expenses amounted to ¥133.6 billion, down 2.7% from the previous corresponding period. The impact from requests for interest repayment, which remained at high levels since hitting the highest point in the fourth quarter of the previous fiscal year, caused bad debts expenses to increase. Accordingly, the provision of allowance for doubtful accounts increased by ¥21.8 billion, to ¥61.0 billion, from

the previous corresponding period. ACOM also made a ¥8.7 billion provision for loss on interest repayment after a suitability evaluation of its provision for loss on interest repayment in consideration of its track record of repaying interest on full-payment claims. However, this was ¥10.8 billion below the figure of the previous corresponding period. By contrast, other operating expenses (excluding financial expenses, provision of allowance for doubtful accounts, and provision for loss on interest repayment) declined 19.2%, to ¥52.6 billion, thanks to concerted management efforts.

### Other Income (Expenses)

Total other income, net, jumped ¥1.3 billion, to ¥2.4 billion, due largely to recording of gain on transfer from business divestitures.

## Financial Position

### Balance Sheets

At September 30, 2009, total assets were ¥48.0 billion lower than at March 31, 2009. For the period, shareholders' equity declined ¥0.7 billion and shareholders' equity ratio edged up 80 basis points, to 28.5%. A detailed breakdown of assets, liabilities, and net assets is given below.

In the assets section, total current assets declined ¥54.7 billion, while property, plant and equipment, net decreased ¥1.0 billion, and intangible assets increased ¥7.7 billion. Main factors leading to the decline in current assets included a ¥68.1 billion fall in accounts receivable-operating loans, a ¥6.1 billion decrease in short-term investment securities, a ¥3.5 billion drop in accounts receivable-installment, and a ¥3.2 billion decline in deferred tax assets. Other factors included a ¥19.9 billion rise in short-term loans receivable and a ¥6.2 billion increase in cash and deposits. The primary cause of the increase in investments and other assets was ACOM's succession of the unsecured card loan guarantee business of MULC.

In the liabilities section, total current liabilities rose ¥16.2 billion, but total noncurrent liabilities declined ¥60.8 billion, leading to a ¥44.6 billion decrease in total liabilities. Main reasons for the decline in total liabilities included a ¥65.2 billion fall in provision for loss on interest repayment, which contrasted with an ¥11.7 billion increase in bonds and loans payable and a ¥7.4 billion rise in deposits of banking business.

For net assets, total shareholders' equity declined ¥1.9 billion, due

mainly to the purchase of ¥1.2 billion in treasury stock. Total valuation and translation adjustments grew ¥1.2 billion, while minority interests fell ¥2.6 billion. As a result, net assets were down ¥3.4 billion.

### Cash Flows

At September 30, 2009, cash and cash equivalents stood at ¥151.9 billion, up ¥13.6 billion from March 31, 2009. Details of cash flows for the period are given below.

Net cash provided by operating activities amounted to ¥25.0 billion. In addition to ¥10.5 billion in income before income taxes, a number of factors boosted operating cash flows. These included a ¥65.2 billion decrease in provision for loss on interest repayment, a ¥73.2 billion decrease in accounts receivable-operating loans, a ¥3.7 billion decrease in accounts receivable-installment, and a ¥3.2 billion increase in deposits of banking business.

Net cash used in investing activities totaled ¥7.8 billion. This was due mainly to an outlay of ¥5.2 billion—the price paid for succeeding the unsecured card loan guarantee business of MULC—as well as ¥3.5 billion in purchases of investments in a subsidiary.

Net cash provided by financing activities was ¥2.9 billion. This was mainly because proceeds from loans outweighed repayments of loans and redemption of bonds by ¥7.4 billion. In addition, cash dividends paid totaled ¥3.1 billion.

### Cash Flows

	Millions of Yen			
	FY2009 (Interim)	YoY Change	FY2008	FY2008 (Interim)
Net Cash Provided by Operating Activities	¥ 25,010	¥ (12,180)	¥ 66,989	¥ 37,190
Net Cash Provided by (Used in) Investing Activities	(7,843)	(17,805)	19,417	9,962
Net Cash Provided by (Used in) Financing Activities	2,984	63,651	(104,900)	(60,667)

# Interim Consolidated Balance Sheets

ACOM CO., LTD. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	As of September 30, 2009	As of March 31, 2009 (Summary)	As of September 30, 2009
<b>Assets</b>			
<b>Current assets</b>			
Cash and deposits *3	97,527	91,273	1,081,110
Loans receivable of consumer loans *2,*5	1,248,014	1,316,166	13,834,541
Loans receivable of banking business	20,479	18,081	227,014
Accounts receivable-installment	64,518	68,027	715,197
Short-term investment securities	20,890	26,990	231,570
Shares of parent company	5,879	5,805	65,170
Operational investment securities	3,126	3,198	34,652
Trading account securities	7,937	4,106	87,983
Merchandise and finished goods	1,039	1,042	11,517
Raw materials and supplies	96	169	1,064
Purchased receivables	18,353	20,923	203,447
Deferred tax assets	28,383	31,672	314,632
Short-term loans receivable	34,990	14,995	387,872
Other	23,753	24,281	263,307
Allowance for doubtful accounts	(94,583)	(91,553)	(1,048,475)
<b>Total current assets</b>	<b>1,480,405</b>	<b>1,535,181</b>	<b>16,410,652</b>
<b>Noncurrent assets</b>			
<b>Property, plant and equipment</b>			
Buildings and structures, net *1	11,123	12,018	123,301
Equipment, net *1	12,368	12,529	137,102
Land	6,533	6,518	72,419
Other, net *1	362	415	4,012
<b>Total property, plant and equipment</b>	<b>30,386</b>	<b>31,481</b>	<b>336,836</b>
<b>Intangible assets</b>			
Goodwill	7,729	—	85,677
Other	715	724	7,925
<b>Total intangible assets</b>	<b>8,444</b>	<b>724</b>	<b>93,603</b>
<b>Investments and other assets</b>			
Investment securities	21,329	19,859	236,437
Deferred tax assets	169	324	1,873
Guarantee deposits	9,119	9,643	101,086
Prepaid pension cost	3,589	4,517	39,784
Other *5	5,423	5,318	60,115
Allowance for doubtful accounts	(1,378)	(1,484)	(15,275)
<b>Total investments and other assets</b>	<b>38,253</b>	<b>38,179</b>	<b>424,043</b>
<b>Total noncurrent assets</b>	<b>77,085</b>	<b>70,385</b>	<b>854,506</b>
<b>Total assets</b>	<b>1,557,490</b>	<b>1,605,567</b>	<b>17,265,159</b>

See page 16 for the accompanying notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	As of September 30, 2009	As of March 31, 2009 (Summary)	As of September 30, 2009
<b>Liabilities</b>			
<b>Current liabilities</b>			
Notes and accounts payable-trade .....	1,061	1,012	11,761
Short-term loans payable .....	16,046	29,164	177,873
Current portion of long-term loans payable *2 .....	147,043	147,831	1,630,007
Current portion of bonds payable .....	80,000	57,800	886,819
Deposits of banking business .....	34,838	27,376	386,187
Income taxes payable .....	373	306	4,134
Provision for loss on guarantees *4 .....	7,826	2,351	86,753
Unearned income .....	4,239	4,353	46,990
Other .....	11,669	16,638	129,353
<b>Total current liabilities</b> .....	<b>303,099</b>	<b>286,835</b>	<b>3,359,926</b>
<b>Noncurrent liabilities</b>			
Bonds payable .....	164,179	193,463	1,819,964
Long-term loans payable *2 .....	413,682	380,957	4,585,766
Deferred tax liabilities .....	5,993	5,277	66,433
Provision for retirement benefits .....	160	146	1,773
Provision for directors' retirement benefits .....	24	35	266
Provision for loss on interest repayment .....	218,200	283,400	2,418,800
Other .....	3,197	3,044	35,439
<b>Total noncurrent liabilities</b> .....	<b>805,437</b>	<b>866,325</b>	<b>8,928,466</b>
<b>Total liabilities</b> .....	<b>1,108,536</b>	<b>1,153,160</b>	<b>12,288,393</b>
<b>Net assets</b>			
<b>Shareholders' equity</b>			
Capital stock .....	63,832	63,832	707,593
Capital surplus .....	76,010	76,010	842,589
Retained earnings .....	334,357	335,061	3,706,429
Treasury stock .....	(19,793)	(18,507)	(219,410)
<b>Total shareholders' equity</b> .....	<b>454,407</b>	<b>456,396</b>	<b>5,037,213</b>
<b>Valuation and translation adjustments</b>			
Valuation difference on available-for-sale securities .....	(6,989)	(7,631)	(77,474)
Foreign currency translation adjustment .....	(3,102)	(3,691)	(34,386)
<b>Total valuation and translation adjustments</b> .....	<b>(10,092)</b>	<b>(11,322)</b>	<b>(111,872)</b>
<b>Minority interests</b> .....	<b>4,639</b>	<b>7,331</b>	<b>51,424</b>
<b>Total net assets</b> .....	<b>448,953</b>	<b>452,406</b>	<b>4,976,754</b>
<b>Total liabilities and net assets</b> .....	<b>1,557,490</b>	<b>1,605,567</b>	<b>17,265,159</b>

# Interim Consolidated Statements of Income

ACOM CO., LTD. and Subsidiaries

	Millions of Yen		Thousands of
	For the six months ended September 30, 2008	For the six months ended September 30, 2009	U.S. Dollars (Note 2) For the six months ended September 30, 2009
<b>Operating revenue</b>			
Interest on consumer loans	140,206	120,094	1,331,271
Interest on loans of Banking business	1,104	1,285	14,244
Credit card revenue	2,250	1,863	20,651
Per-item revenue	2,161	1,784	19,776
Revenue from credit guarantee	3,663	4,289	47,544
Collection from purchased receivable	7,998	5,835	64,682
Other financial revenue *1	724	800	8,868
Net sales	3,656	—	—
Other operating revenue	6,733	5,768	63,939
<b>Total operating revenue</b>	<b>168,501</b>	<b>141,722</b>	<b>1,571,023</b>
<b>Operating expenses</b>			
Financial expenses *2	10,795	11,160	123,711
Cost of purchased receivable	5,521	3,198	35,450
Cost of sales	1,990	—	—
Other operating expenses *3	119,122	119,292	1,322,381
<b>Total operating expenses</b>	<b>137,430</b>	<b>133,652</b>	<b>1,481,565</b>
<b>Operating income</b>	<b>31,070</b>	<b>8,069</b>	<b>89,446</b>
<b>Non-operating income</b>			
Interest income	174	128	1,418
Dividends income	563	331	3,669
Amortization of negative goodwill	—	513	5,686
House rent income	202	198	2,194
Other	153	119	1,319
<b>Total non-operating income</b>	<b>1,094</b>	<b>1,291</b>	<b>14,311</b>
<b>Non-operating expenses</b>			
Interest expenses	7	0	0
Equity in losses of affiliates	—	24	266
Foreign exchange losses	38	53	587
Loss on investments in capital	23	—	—
Other	16	55	609
<b>Total non-operating expenses</b>	<b>86</b>	<b>134</b>	<b>1,485</b>
<b>Ordinary income</b>	<b>32,078</b>	<b>9,227</b>	<b>102,283</b>
<b>Extraordinary income</b>			
Gain on sales of noncurrent assets	0	2	22
Gain on sales of investment securities	640	458	5,077
Gain on transfer from business divestitures	—	1,323	14,665
Other	16	6	66
<b>Total extraordinary income</b>	<b>658</b>	<b>1,790</b>	<b>19,842</b>
<b>Extraordinary loss</b>			
Loss on sales of noncurrent assets	1	9	99
Loss on retirement of noncurrent assets	240	337	3,735
Impairment loss	91	—	—
Loss on valuation of investment securities	—	43	476
Restructuring loss	—	87	964
Loss on cancellation of senior beneficial interest purchase and sale agreement	195	—	—
Other	49	12	133
<b>Total extraordinary losses</b>	<b>578</b>	<b>490</b>	<b>5,431</b>
<b>Income before income taxes and minority interests</b>	<b>32,157</b>	<b>10,527</b>	<b>116,694</b>
Income taxes-current	666	270	2,993
Income taxes-deferred	4,871	6,890	76,377
<b>Total income taxes</b>	<b>5,537</b>	<b>7,161</b>	<b>79,381</b>
<b>Minority interests in income</b>	<b>718</b>	<b>926</b>	<b>10,264</b>
<b>Net income</b>	<b>25,901</b>	<b>2,440</b>	<b>27,047</b>

See page 16 for the accompanying notes to consolidated financial statements.

# Interim Consolidated Statements of Cash Flows

ACOM CO., LTD. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	For the six months ended September 30, 2008	For the six months ended September 30, 2009	For the six months ended September 30, 2009
<b>Net cash provided by operating activities</b>			
Income before income taxes and minority interests . . . . .	32,157	10,527	116,694
Depreciation and amortization . . . . .	1,505	1,236	13,701
Impairment loss . . . . .	91	—	—
Amortization of goodwill . . . . .	343	43	476
Amortization of negative goodwill . . . . .	—	(513)	(5,686)
Increase (decrease) in allowance for doubtful accounts . . . . .	(14,811)	2,527	28,012
Increase (decrease) in provision for loss on guarantees . . . . .	37	(43)	(476)
Increase (decrease) in provision for retirement benefits . . . . .	(53)	11	121
Increase (decrease) in provision for directors' retirement benefits . . . . .	(36)	(41)	(454)
Increase (decrease) in provision for loss on interest repayment . . . . .	(54,300)	(65,200)	(722,758)
Interest and dividend income . . . . .	(738)	(460)	(5,099)
Interest expense . . . . .	7	0	0
Amortization of bond issuance costs . . . . .	81	—	—
Foreign exchange losses (gains) . . . . .	(3)	(91)	(1,008)
Equity in (earnings) losses of affiliates . . . . .	—	24	266
Loss (gain) on sales of property, plant and equipment . . . . .	1	(0)	0
Loss on retirement of property, plant and equipment . . . . .	240	337	3,735
Loss (gain) on sales of investment securities . . . . .	(640)	(458)	(5,077)
Loss (gain) on valuation of investment securities . . . . .	18	43	476
Decrease (increase) in accounts receivable-trade . . . . .	117	—	—
Decrease (increase) in loans receivable of consumer loans . . . . .	73,944	73,227	811,739
Decrease (increase) in loans receivable of banking business . . . . .	(2,531)	199	2,205
Decrease (increase) in accounts receivable-installment . . . . .	6,920	3,724	41,281
Decrease (increase) in investment securities for sale . . . . .	(266)	72	798
Decrease (increase) in trading account securities . . . . .	(3,822)	(2,992)	(33,167)
Decrease (increase) in inventories . . . . .	(4)	77	853
Decrease (increase) in purchased receivables . . . . .	5,077	2,570	28,489
Decrease (increase) in other current assets . . . . .	(482)	556	6,163
Decrease (increase) in prepaid pension costs . . . . .	266	927	10,276
Increase (decrease) in notes and accounts payable-trade . . . . .	(169)	44	487
Increase (decrease) in deposits of banking business . . . . .	(5,904)	3,245	35,971
Increase (decrease) in unearned income . . . . .	(585)	(142)	(1,574)
Increase (decrease) in other current liabilities . . . . .	(393)	(4,539)	(50,315)
Increase (decrease) by other operating activities . . . . .	1,381	(520)	(5,764)
Subtotal . . . . .	37,448	24,396	270,435
Interest and dividend income received . . . . .	734	490	5,431
Interest expense paid . . . . .	(7)	(0)	0
Income taxes refund . . . . .	116	442	4,899
Income taxes paid . . . . .	(1,067)	(319)	(3,536)
Income taxes for prior periods paid . . . . .	(33)	—	—
Net cash provided by operating activities . . . . .	37,190	25,010	277,241

See page 16 for the accompanying notes to consolidated financial statements.

Interim Consolidated Statements of Cash Flows  
ACOM CO., LTD. and Subsidiaries

	Millions of Yen		Thousands of U.S. Dollars (Note 2)
	For the six months ended September 30, 2008	For the six months ended September 30, 2009	For the six months ended September 30, 2009
<b>Net cash provided by (used in) investing activities</b>			
Payments into time deposits . . . . .	(600)	—	—
Proceeds from withdrawal of time deposits . . . . .	400	1	11
Purchase of short-term investment securities . . . . .	(400)	—	—
Proceeds from redemption of securities . . . . .	12,908	—	—
Purchase of property, plant and equipment . . . . .	(637)	(684)	(7,582)
Proceeds from sales of property, plant and equipment . . . . .	4	4	44
Purchase of investment securities . . . . .	(3,011)	—	—
Proceeds from sales of investment securities . . . . .	1,169	780	8,646
Purchase of investments in subsidiaries . . . . .	—	(3,577)	(39,651)
Proceeds from sales of investments in subsidiaries . . . . .	—	170	1,884
Payments for transfer of business . . . . .	—	(5,200)	(57,643)
Proceeds from transfer of business . . . . .	—	680	7,537
Payments for increase in other investments . . . . .	(220)	—	—
Receipt for decrease in other investments . . . . .	346	—	—
Increase (decrease) by other investing activities . . . . .	3	(18)	(199)
Net cash provided by (used in) investing activities . . . . .	9,962	(7,843)	(86,941)
<b>Net cash provided by (used in) financing activities</b>			
Proceeds from short-term loans payable . . . . .	121,314	58,053	643,531
Repayments of short-term loans payable . . . . .	(117,198)	(72,286)	(801,308)
Proceeds from issuance of bonds . . . . .	14,918	—	—
Payments at maturity of bonds . . . . .	(40,000)	(8,190)	(90,788)
Receipt for appropriation on payments at maturity of straight bonds . . . . .	10,000	—	—
Proceeds from long-term loans payable . . . . .	70,139	99,310	1,100,875
Repayments of long-term loans payable . . . . .	(111,845)	(69,469)	(770,080)
Repayments of finance lease obligations . . . . .	—	(2)	(22)
Purchase of treasury stock . . . . .	(0)	(1,285)	(14,244)
Cash dividends paid . . . . .	(7,858)	(3,144)	(34,852)
Other, net . . . . .	(137)	—	—
Net cash provided by (used in) financing activities . . . . .	(60,667)	2,984	33,078
<b>Effect of exchange rate change on cash and cash equivalents . . . . .</b>	(453)	384	4,256
<b>Net increase (decrease) in cash and cash equivalents . . . . .</b>	(13,968)	20,536	227,646
<b>Cash and cash equivalents at beginning of period . . . . .</b>	152,221	131,477	1,457,454
<b>Increase (decrease) in cash and cash equivalents</b>			
<b>resulting from change of scope of consolidation . . . . .</b>	—	(104)	(1,152)
<b>Cash and cash equivalents at end of period *1 . . . . .</b>	138,253	151,909	1,683,948

# Notes on Going-Concern Assumption

For the six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)

Not applicable

## Changes in Significant Matters Providing the Basis for the Preparation of Interim Consolidated Financial Statements

Item	For the six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)
1. Changes in matters concerning the scope of consolidation	<p>(1) Changes in the scope of consolidation RELATES CO., LTD., which had been a consolidated subsidiary of the Company until the prior fiscal year, is excluded from the scope of consolidation as it was merged into MU Communications Co., Ltd. on April 1, 2009. In addition, DC Cash One Ltd., which had been a consolidated subsidiary of the Company until the prior fiscal year, was merged into the Company on May 1, 2009.</p> <p>(2) The number of consolidated subsidiaries after the changes 14</p>
2. Changes in matters concerning application of the equity-method	<p>(1) Changes in equity-method affiliates RELATES CO., LTD., which had been a consolidated subsidiary of the Company until the prior fiscal year, is included in equity-method affiliates as it was merged into MU Communications Co., Ltd. on April 1, 2009 and the Company's percentage of voting rights in RELATES CO., LTD. has decreased.</p> <p>(2) The number of equity-method affiliates after the changes 1</p>

## Changes in Presentation

For the six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)
<p><b>&lt;Interim consolidated statements of income&gt;</b></p> <p>“Net sales” in operating revenue and “cost of sales” in operating expenses had been separately listed for the six months ended September 30, 2008. However, their relative importance decreased due to the exclusion in the prior fiscal year of JLA CO., LTD. (engaged in real estate-related business as well as shop design, construction and building maintenance businesses) and ACOM RENTAL CO., LTD. (engaged in rental business) from the scope of consolidation. Therefore, effective from the six months ended September 30, 2009, “net sales” in operating revenue is included in “other operating revenue,” and “cost of sales” in operating expenses is included in “other operating expenses.”</p> <p>For the six months ended September 30, 2009, “net sales” stood at ¥187 million, and “cost of sales” was ¥196 million.</p> <p>“Loss on investments in capital” had been separately listed as an item of non-operating expenses for the six months ended September 30, 2008. However, currently it does not account for more than 20 percent of total non-operating expenses. Therefore, it is included in “other” in non-operating expenses for the six months ended September 30, 2009.</p> <p>“Loss on investments in capital” during the six months ended September 30, 2009, was ¥15 million.</p> <p><b>&lt;Interim consolidated statements of cash flows&gt;</b></p> <p>“Payments for increase in other investments” and “receipt for decrease in other investments,” which had been separately listed within net cash provided by (used in) investing activities for the six months ended September 30, 2008, are currently less significant. For this reason, effective from the six months ended September 30, 2009, they are included in “increase (decrease) by other investing activities.”</p> <p>“Payments for increase in other investments” for the six months ended September 30, 2009, stood at minus ¥221 million, while “receipt for decrease in other investments” was ¥202 million.</p> <p>“Repayments of finance lease obligations,” which had been included in “other, net” in net cash provided by (used in) financing activities for the six months ended September 30, 2008, is listed separately effective from the six months ended September 30, 2009, as it accounts for the entire amount of the “other, net.”</p> <p>“Repayments of finance lease obligations” for the six months ended September 30, 2008, was minus ¥137 million.</p>

# Notes to Consolidated Financial Statements

## 1

### Basis of Presenting the Consolidated Financial Statements

The accompanying consolidated financial statements of ACOM CO., LTD. (the "Company") and its consolidated subsidiaries (together, the "Companies") are prepared on the basis of accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

The accounting records of the Company and its domestic subsidiaries are maintained in accordance with the provisions set forth in the Corporate Law of Japan (Law No. 86, 2005) and in conformity with Japanese GAAP.

The accounts of overseas subsidiaries of the Company are based on the financial statements prepared in conformity with generally accepted accounting principles ("GAAP") prevailing in the countries where the subsidiaries have been incorporated. The accompanying financial statements have not been materially affected by the differences between GAAP prevailing in these countries and Japanese GAAP. Therefore, no adjustments have been reflected in the accompanying consolidated financial statements to present the

accounts of the subsidiaries in compliance with Japanese GAAP.

As permitted under the Financial Instruments and Exchange Law of Japan, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and in U.S. dollars) do not necessarily agree with the sums of the individual amounts.

## 2

### U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts has been made, solely for convenience, as a matter of arithmetical computation only, at the rate of ¥90.21 = US\$1.00, the exchange rate prevailing on September 30, 2009.

The translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

## 3

### Principles of consolidation

In accordance with Japanese consolidation accounting standards, the Company considers any entity in which the Company, directly or indirectly, is able to control operations to be a subsidiary, even if it is less-than-majority owned.

### (Notes to Interim Consolidated Balance Sheet)

As of the end of the current second quarter (September 30, 2009)	As of the end of the prior fiscal year (March 31, 2009)
*1 Accumulated depreciation of property, plant and equipment <div style="text-align: right;">(Millions of Yen)</div> <div style="text-align: right;">46,205</div>	*1 Accumulated depreciation of property, plant and equipment <div style="text-align: right;">(Millions of Yen)</div> <div style="text-align: right;">46,953</div>
*2 Pledged assets (1) Assets pledged as collateral <div style="text-align: right;">(Millions of Yen)</div> <div style="text-align: right;">Loans receivable of consumer loans</div> <div style="text-align: right;">55,688</div> <div style="text-align: right;">&lt;471&gt;</div> <div style="text-align: right;">[38,993]</div> <div style="text-align: right;">(2) Secured obligations</div> <div style="text-align: right;">Current portion of long-term loans payable</div> <div style="text-align: right;">13,761</div> <div style="text-align: right;">&lt;470&gt;</div> <div style="text-align: right;">[1,249]</div> <div style="text-align: right;">Long-term loans payable</div> <div style="text-align: right;">22,927</div> <div style="text-align: right;">&lt;—&gt;</div> <div style="text-align: right;">[18,750]</div> <hr/> <div style="text-align: right;">Total</div> <div style="text-align: right;">36,689</div> <div style="text-align: right;">&lt;470&gt;</div> <div style="text-align: right;">[20,000]</div>	*2 Pledged assets (1) Assets pledged as collateral <div style="text-align: right;">(Millions of Yen)</div> <div style="text-align: right;">Loans receivable of consumer loans</div> <div style="text-align: right;">28,963</div> <div style="text-align: right;">&lt;931&gt;</div> <div style="text-align: right;">(2) Secured obligations</div> <div style="text-align: right;">Current portion of long-term loans payable</div> <div style="text-align: right;">21,160</div> <div style="text-align: right;">&lt;930&gt;</div> <div style="text-align: right;">Long-term loans payable</div> <div style="text-align: right;">7,798</div> <div style="text-align: right;">&lt;—&gt;</div> <hr/> <div style="text-align: right;">Total</div> <div style="text-align: right;">28,958</div> <div style="text-align: right;">&lt;930&gt;</div>

As of the end of the current second quarter (September 30, 2009)		As of the end of the prior fiscal year (March 31, 2009)																																			
Figures in brackets "< >" represent amount of assigned receivables. Figures in brackets "[ ]" represent amount of receivable concerning liquidation of receivables. The consumer loans of ¥38,993 million shown above have been transferred by trust for the purpose of liquidation, whose right of ownership has been transferred to the trust bank (trustees), accordingly.		Figures in brackets "< >" represent amount of assigned receivables.																																			
*3 Cash and deposits include ¥1,493 million of reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia.		*3 Cash and deposits include ¥1,777 million of reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia.																																			
*4 Contingent liabilities  <table border="0" style="width: 100%;"> <tr> <td></td> <td style="text-align: right;">(Millions of Yen)</td> </tr> <tr> <td>Outstanding guarantee obligation in the guarantee business</td> <td style="text-align: right;">313,536</td> </tr> <tr> <td>Outstanding guarantee obligation in the banking business</td> <td style="text-align: right;">632</td> </tr> <tr> <td>Provision for loss on guarantees</td> <td style="text-align: right;">7,826</td> </tr> <tr> <td style="border-top: 1px solid black;">Net</td> <td style="text-align: right; border-top: 1px solid black;">306,341</td> </tr> </table>			(Millions of Yen)	Outstanding guarantee obligation in the guarantee business	313,536	Outstanding guarantee obligation in the banking business	632	Provision for loss on guarantees	7,826	Net	306,341	*4 Contingent liabilities <table border="0" style="width: 100%;"> <tr> <td>(1) Outstanding guarantee obligation in the guarantee business</td> <td style="text-align: right;">(Millions of Yen)</td> </tr> <tr> <td>Guarantee obligation</td> <td style="text-align: right;">144,351</td> </tr> <tr> <td>Provision for loss on guarantees</td> <td style="text-align: right;">2,351</td> </tr> <tr> <td style="border-top: 1px solid black;">Net</td> <td style="text-align: right; border-top: 1px solid black;">142,000</td> </tr> <tr> <td>(2) Outstanding guarantee obligation in the banking business</td> <td style="text-align: right;">389</td> </tr> </table>		(1) Outstanding guarantee obligation in the guarantee business	(Millions of Yen)	Guarantee obligation	144,351	Provision for loss on guarantees	2,351	Net	142,000	(2) Outstanding guarantee obligation in the banking business	389														
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<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Category</th> <th style="width: 15%;">Amount (Millions of Yen)</th> <th style="width: 70%;">Classification criteria</th> </tr> </thead> <tbody> <tr> <td>Loans to bankrupt parties</td> <td style="text-align: center;">&lt;3,862&gt; 3,862</td> <td>Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.</td> </tr> <tr> <td>Loans in arrears</td> <td style="text-align: center;">&lt;19,736&gt; 77,066</td> <td>Other loans exclusive of accrued interest, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.</td> </tr> <tr> <td>Loans overdue by three months or more</td> <td style="text-align: center;">&lt;22,572&gt; 4,266</td> <td>Loans other than the above that are overdue by three months or more.</td> </tr> <tr> <td>Restructured loans</td> <td style="text-align: center;">&lt;52,718&gt; 38,038</td> <td>Loans other than the above that are restructured on favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of outstanding balance.</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: center; border-top: 1px solid black;">&lt;98,889&gt; 123,233</td> <td style="text-align: center; border-top: 1px solid black;">—</td> </tr> </tbody> </table>	Category	Amount (Millions of Yen)	Classification criteria	Loans to bankrupt parties	<3,862> 3,862	Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.	Loans in arrears	<19,736> 77,066	Other loans exclusive of accrued interest, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.	Loans overdue by three months or more	<22,572> 4,266	Loans other than the above that are overdue by three months or more.	Restructured loans	<52,718> 38,038	Loans other than the above that are restructured on favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of outstanding balance.	Total	<98,889> 123,233	—	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Category</th> <th style="width: 15%;">Amount (Millions of Yen)</th> <th style="width: 70%;">Classification criteria</th> </tr> </thead> <tbody> <tr> <td>Loans to bankrupt parties</td> <td style="text-align: center;">&lt;4,405&gt; 4,405</td> <td>Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.</td> </tr> <tr> <td>Loans in arrears</td> <td style="text-align: center;">&lt;17,752&gt; 80,425</td> <td>Other loans exclusive of accrued interest, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.</td> </tr> <tr> <td>Loans overdue by three months or more</td> <td style="text-align: center;">&lt;19,460&gt; 2,811</td> <td>Loans other than the above that are overdue by three months or more.</td> </tr> <tr> <td>Restructured loans</td> <td style="text-align: center;">&lt;54,660&gt; 40,580</td> <td>Loans other than the above that are restructured on favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of outstanding balance.</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: center; border-top: 1px solid black;">&lt;96,278&gt; 128,223</td> <td style="text-align: center; border-top: 1px solid black;">—</td> </tr> </tbody> </table>	Category	Amount (Millions of Yen)	Classification criteria	Loans to bankrupt parties	<4,405> 4,405	Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.	Loans in arrears	<17,752> 80,425	Other loans exclusive of accrued interest, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.	Loans overdue by three months or more	<19,460> 2,811	Loans other than the above that are overdue by three months or more.	Restructured loans	<54,660> 40,580	Loans other than the above that are restructured on favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of outstanding balance.	Total	<96,278> 128,223	—
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**(Notes to Interim Consolidated Statements of Income)**

For the six months ended September 30, 2008 (From April 1, 2008 to September 30, 2008)	For the six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)																																												
<p>*1 Major items of other financial revenue</p> <p align="right">(Millions of Yen)</p> <table> <tr><td>Interest on deposits</td><td align="right">97</td></tr> <tr><td>Interest on securities</td><td align="right">380</td></tr> <tr><td>Interest on loans</td><td align="right">132</td></tr> <tr><td>Foreign exchange gains</td><td align="right">30</td></tr> </table>	Interest on deposits	97	Interest on securities	380	Interest on loans	132	Foreign exchange gains	30	<p>*1 Major items of other financial revenue</p> <p align="right">(Millions of Yen)</p> <table> <tr><td>Interest on deposits</td><td align="right">32</td></tr> <tr><td>Interest on securities</td><td align="right">286</td></tr> <tr><td>Interest on loans</td><td align="right">21</td></tr> <tr><td>Foreign exchange gains</td><td align="right">32</td></tr> <tr><td>Gain on trading account securities</td><td align="right">79</td></tr> <tr><td>Gain on valuation of derivatives</td><td align="right">259</td></tr> </table>	Interest on deposits	32	Interest on securities	286	Interest on loans	21	Foreign exchange gains	32	Gain on trading account securities	79	Gain on valuation of derivatives	259																								
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<p>*4 Basis for classification of financial revenue and financial expenses on interim consolidated statements of income</p> <p>(1) Financial revenue stated as operating revenue Includes all financial revenue earned by the Company and its subsidiaries engaged in the financial service business, excluding dividends and interest on investment securities.</p> <p>(2) Financial expenses stated as operating expenses Include all financial expenses spent by the Company and its subsidiaries engaged in the financial service business, excluding interest which is clearly not corresponding to operating revenue, etc.</p>	<p>*4 Same as left</p>																																												

**(Notes to Interim Consolidated Statements of Cash Flows)**

For the six months ended September 30, 2008 (From April 1, 2008 to September 30, 2008)	For the six months ended September 30, 2009 (From April 1, 2009 to September 30, 2009)
*1 Relationship between the quarter-end balance of cash and cash equivalents and the amount of interim consolidated balance sheet items.	*1 Relationship between the quarter-end balance of cash and cash equivalents and the amount of interim consolidated balance sheet items.
(Millions of Yen)	(Millions of Yen)
Cash and deposits	Cash and deposits
86,062	97,527
Short-term investment securities	Short-term investment securities
19,034	20,890
Short-term loans receivable	Short-term loans receivable
40,755	34,990
Time deposits with original maturities of more than three months	Time deposits with original maturities of more than three months
(605)	(4)
Negotiable certificates of deposit with original maturities of more than three months	Cash reserved for banking business
(400)	(1,493)
Cash reserved for banking business	Cash and cash equivalent
(2,509)	151,909
Bonds, stock investment trusts, and bond investment trusts maturing in more than three months after the date of purchase	
(84)	
<u>Cash and cash equivalent</u>	
138,253	

**(Notes to Shareholders' Equity, etc.)**

As of the end of the current second quarter (September 30, 2009), and for the six months ended September 30, 2009 (from April 1, 2009 to September 30, 2009)

1. Matters related to outstanding shares

Class of shares	As of September 30, 2009
Common stock	159,628,280 shares

2. Matters related to treasury stock

Class of shares	As of September 30, 2009
Common stock	2,966,620 shares

3. Matters related to stock acquisition rights, etc.

Not applicable

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
General Shareholders' Meeting held on June 25, 2009	Common stock	3,143	20.00	March 31, 2009	June 26, 2009	Retained earnings

(2) Dividends whose record date falls in the six months ended September 30, 2009, but whose effective date comes after September 30, 2009:

Resolution	Class of shares	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date	Source of dividends
Board of Directors' Meeting held on November 5, 2009	Common stock	783	5.00	September 30, 2009	December 7, 2009	Retained earnings

















