

(TRANSLATION)

Brief Statement of Financial Results
for the Fiscal Year Ended March 2004 (Consolidated)

April 28, 2004

Forward-looking Statement

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ended March 2004 (the "Brief Statement") with respect to ACOM's plans and strategies and other statements that are not historical facts but are forward-looking statements about the future performance of ACOM 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 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:	Tokyo Stock Exchange
Code No.:	8572
Location of the head office:	Tokyo
URL	http://ir.acom.co.jp/
Reference:	
Position of the representative	President & Chief Executive Officer
Name	Shigeyoshi Kinoshita
Position of the person in charge:	General Manager of Corporate Planning Department
Name:	Yoshinori Matsubara
Telephone No.:	(03) 3270 – 3423
Date of the board of directors' meeting for the account settlement:	April 28, 2004
U.S. accounting standards:	Not adopted

Note: All amounts under minimum units appearing in each of the tables have been disregarded, except for per share amounts throughout this Brief Statement (Consolidated) and the Annexed Materials.

1. Consolidated Business Results for the Fiscal Year (from April 1, 2003 to March 31, 2004)

(1) Consolidated Operating Results

(Millions of yen)

	Operating Income		Operating Profit		Income Before Extraordinary Items	
3/04	434,968	(0.6%)	120,391	(17.9%)	118,773	(17.7%)
3/03	437,572	5.5%	146,695	(14.3%)	144,244	(16.1%)

	Net Income (Millions of yen)	Net Income per Share (Yen)	Net Income per Share Diluted (Yen)	Return on Equity	Income Before Extraordinary Items to Total Assets	Income Before Extraordinary Items to Operating Income
3/04	70,319 (6.4%)	487.78	487.70	10.5%	5.6%	27.3%
3/03	75,096 (21.5%)	513.09	--	12.2%	6.6%	33.0%

Notes: 1. Loss on investment in equity-method: 2,716 million in fiscal year March 2004 and 3,577 million yen in fiscal year March 2003
 2. Average outstanding shares (consolidated): 144,089,082 in fiscal March 2004 and 146,283,363 in fiscal March 2003
 3. Change in accounting policies: none
 4. Regarding operating income, operating profit, income before extraordinary items, and net income, the figures in percentages show growth of change from previous fiscal year.

(2) Consolidated Financial Status

(Millions of yen)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity	Shareholder's Equity per Share (Yen)
3/04	2,075,389	697,166	33.6%	4,855.99
3/03	2,183,414	644,431	29.5%	4,405.09

Note: Outstanding shares (consolidated) at fiscal year-end were 143,561,072 in fiscal March 2004 and 146,283,331 in fiscal March 2003.

(3) Consolidated Cash Flow Status

(Millions of yen)

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at the End of Year
3/04	164,158	(5,398)	(166,105)	158,873
3/03	47,550	(8,191)	7,906	166,739

(4) Scope of Consolidation and Equity Method

Number of consolidated subsidiaries:	16
Number of unconsolidated subsidiaries accounted for under equity method:	0
Number of consolidated affiliates accounted for under equity method:	3

(5) Change in Scope of Consolidation and Equity Method

Consolidated subsidiaries (addition):	--
Consolidated subsidiaries (exclusion):	--
Affiliates accounted for under equity method (addition):	--
Affiliates accounted for under equity method (exclusion):	--

2. Forecasts for the Next Fiscal Year (from April 1, 2004 to March 31, 2005)

(Millions of yen)

	Operating Income	Income before Extraordinary Items	Net Income
Interim	212,000	63,300	36,500
Annual	421,000	127,600	73,500

Reference: The forecasted net income per share (annual): 461.23 yen

Note: In the calculation of the projected net income per share, the estimated average number of shares issued during current fiscal year is used and same amount of bonus to directors at the prior fiscal year is subtracted.

Annexed Materials

1. State of Business Group

The ACOM Group consists of ACOM CO., LTD., 16 subsidiaries, and 3 affiliates as well as 1 other related company and 1 subsidiary of the other related company. The Group's main line of business is financial services such as loan business, credit card business, installment sales finance, guarantee business, and servicing business. Other business lines include rental operations, advertising agency, real estate-related operations, and insurance agency.

The following table explains the positioning of each Group Company.

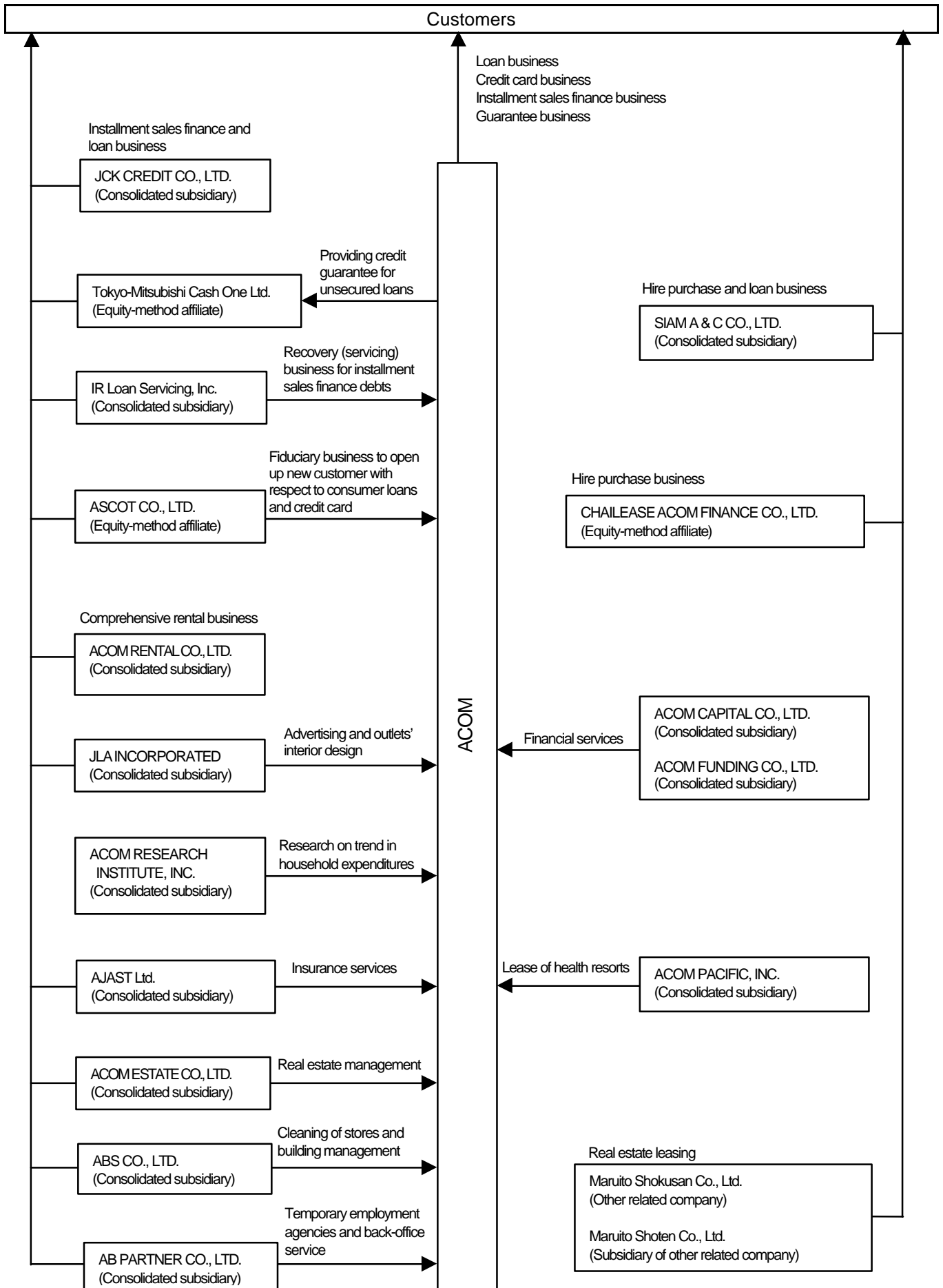
Segment	Company	Business	Classification	
Financial service businesses	Loan business	ACOM CO., LTD.	Loan business including unsecured loan and secured loan	———
		JCK CREDIT CO., LTD.		Consolidated subsidiary
		SIAM A&C CO., LTD.	Unsecured loan business in Thailand	Equity-method affiliate
		Tokyo-Mitsubishi Cash One Ltd.	Unsecured loan business	
	Credit card business	ACOM CO., LTD.	Credit card business mainly of ACOM MasterCard as the main commodity	———
	Installment sales finance business	ACOM CO., LTD.	Installment sales finance service	———
		JCK CREDIT CO., LTD.		Consolidated subsidiary
		SIAM A&C CO., LTD.	Hire purchase business in Thailand	Equity-method affiliate
		CHAILEASE ACOM FINANCE CO., LTD.	Hire purchase business in Taiwan	
	Guarantee business	ACOM CO., LTD.	Affiliations with banks, etc. to provide credit guarantees for personal loans	———
	Servicing business	IR Loan Servicing, Inc.	Loan recovery (servicing) business	Consolidated subsidiary
	Others	ASCOT CO., LTD.	Fiduciary business to open up, on the Internet, new customers with respect to consumer loans, business loans, and credit card	Equity-method affiliate
		ACOM CAPITAL CO., LTD.	Financial services for ACOM (Special Purpose Company)	
ACOM FUNDING CO., LTD.				
Other Businesses	Rental business	ACOM RENTAL CO., LTD.	Comprehensive rental business	Consolidated subsidiary
	Others	JLA INCORPORATED	Advertising agency, interior design and construction of service outlets	
		ACOM ECONOMIC RESEARCH INSTITUTE, INC.	Survey and research on trends in household expenditures	
		AJAST Ltd.	Insurance agency business	
		ACOM ESTATE CO., LTD.	Real estate management	
		ABS CO., LTD.	Maintenance of buildings and other property	
		AB PARTNER CO., LTD.	Temporary employment agencies and back-office services	
		ACOM PACIFIC, INC.	Lease of health resorts in Guam (U.S.A.)	
		AVRS CO., LTD.	———	
		ACOM (U.S.A.) INC.		
		ACOM INTERNATIONAL, INC.		
		Maruito Shokusan Co., Ltd.	Real estate leasing	
	Maruito Shoten Co., Ltd.	Subsidiary of other related company		

Notes: 1. AVRS CO., LTD., ACOM (USA) INC., and ACOM INTERNATIONAL, INC. suspended its operation, and further business scheme is under consideration.

2. ACOM ECONOMIC RESEARCH INSTITUTE, INC. was merged into ACOM RENTAL CO., LTD. on April 1, 2004.

3. ACOM sold all of its holding shares of ASCOT CO., LTD. on April 19, 2004.

Diagram of Business of ACOM Group



Note: AVRS CO., LTD., ACOM (USA) INC., and ACOM INTERNATIONAL, INC. suspended its operation, therefore, they are eliminated from the diagram.

2. Management Policy

(1) Basic management policy

We, ACOM Group, were founded with the motto “Extending the feeling of confidence from people to people,” in which we have placed our corporate philosophy of “Serving humanity”, “Putting the customer first”, and “Creative and innovative management” to deepen mutual trust between all stakeholders and achieve growth in concert with society.

We find ourselves in an environment that includes a sluggish recovery in household income and consumption, declining birth rates and an aging society, a rapidly expanding information superhighway, and fiercer global competition. We are conscious of the direction in which the world is moving, coping efficiently with changes in the business environment, and are working hard at building up solid management infrastructures to grow together with society.

In March 2004, Mitsubishi Tokyo Financial Group, Inc. (MTFG) and ACOM agreed to form a strategic business and capital alliance in the retail business arena in order to strengthen our competitive edge and to raise profitability in the consumer credit market, while also contributing to the sound development of the consumer finance market in Japan.

The main elements of the business alliance will be conducted between ACOM and MTFG’s subsidiary, The Bank of Tokyo-Mitsubishi, Ltd. (BTM), in the following business fields: ACOM will be entrusted with the loan guarantee business of BTM in respect of the latter’s consumer finance business and settlement funds for small businesses; with encouraging mutual cooperation in expanding business tie-ups related to ACOM’s guarantee and loan servicing businesses with corporates and financial institutions; with advancing the effective mutual use of networks and infrastructure; and with reviewing and promoting the international development of the consumer finance business, particularly in Asia.

Also, from the viewpoint of a business alliance that should be long term, wide ranging and tightly knit, while promoting a closer partnership, ACOM issued new shares by third party allocation and transferred treasury stock MTFG in April 2004. Through this business and capital alliance, ACOM will act as MTFG’s core corporate partner in the consumer finance business.

(A) Observance of Business ethics (Compliance)

We continue to regard the achievement of thorough compliance as a key management task. In April 1998, we established the Business Ethics Office, and also published the “ACOM Code of Business Ethics” – a document we distributed to all managers and staff. Furthermore, in November 2002, we completed the appointment of a compliance officer in each of the departments, offices, and outlets, to promote a strong system of compliance across the company. Additionally, we drew up a new “Three-year Plan for Ethical Business Practices” in April 2003, which is currently implemented company-wide.

We are also pleased to announce that in June 2003 a total of 805 group employees succeeded in passing a financial licensing examination, the Financial Business Proficiency Examination for Compliance Officers (Consumer Finance Course) administered by the Kinzai Institute for Financial Affairs, Inc.

According to the results of questionnaires circulated within the company, efforts to improve business ethics have shown steady progress, reflecting the aforementioned measures taken. We firmly believe that observance of social responsibility is critical and imperative for the long-term growth of our corporate group. With this in mind, all our managers and staff of all the departments will work in unison with sincerity to observe business ethics (compliance) through continued education and enlightenment for all manager sand staff.

(B) Improving the quality of our loan portfolio through enhanced customer management and branch network

In the area of the credit screening and credit management operations, we will continue to face tough challenges in the environment where personal bankruptcies and debt adjustment proceedings remain high due to deteriorating employment and personal income. Nevertheless, improvements to our computerized credit screening system and the introduction of a segment-based customer management system illustrate our commitment to achieving better credit control and maintaining a sound loan portfolio.

Also, since October 2003, we have been giving particular attention to nurturing counseling staff specializing in offering counseling and advice to customers in respect of repayment, and actually we are focusing on putting this into practice.

Our corporate group will endeavor to build a relationship of trust in a true sense with our customers through our sincere customer services, which will lead to improvement of the quality of our loan portfolio. To achieve this goal, we plan to establish and introduce new models of staffed outlets.

(C) Low-cost operations through radical business reforms

We have focused on cost-cutting operations in pursuit of high profitability through reduction of office expenses by introducing the MUJINKUN automatic application machines and promoting the efficient use of personnel.

Low-cost operation is one of our main efforts towards becoming a company that is cost-competitive. To achieve this goal, we will verify the cost-effectiveness of the group as a whole and review fundamental operations to promote efficiency by utilizing information technology at the Contact Center.

(D) Nurturing financial professionals

In preparation for future business growth, we will endeavor to nurture financial professionals with financial expertise in our corporate group and personnel who will be responsible for future management by implementing systematic job rotations, on-the-job training, and educational programs.

(E) Improving profitability by expanding financial peripherals businesses

To grow our business further, we will aggressively invest our resources in financial peripherals such as credit, loan guarantee, loan servicing, and international businesses, all of which are expected to be future revenue sources for our group. Furthermore, we seek to urgently develop a system for the all-out operation of the call center entrusted business.

(2) Basic policy on profit distribution

With regard to profit distribution to shareholders, it is our basic policy to continue to pay dividends on a consistent basis, taking into consideration the economic and financial situation, trends of the industry sector, and our own performance.

Based on this policy, we paid an interim dividend of 40 yen per share for the half-year period ended September 30, 2003. We intend to repeat this payment at the end of the current fiscal year, making a projected dividend for the full financial year of 80 yen per share. Retained earnings will be allocated to strategic investments to enhance our business base, including optimal relocation of branches and booths, improvements to the business structure to achieve a low-cost operation system, construction of a unified administration system, and development of new businesses.

In June 2003, we repurchased a total of 2,722,210 shares in ACOM, of which 1,002,600 shares were purchased directly from shareholders through a tender offer, and 1,719,610 shares were procured in the market. The 1,002,600 shares acquired via the tender offer were subsequently retired in the same month.

(3) Reduction in the number of shares comprising a trading unit

At a meeting of the board of directors held on February 18, 2002, a reduction from 100 to 10 shares comprising a single trading unit was approved. This measure, intended to increase the liquidity of ACOM's shares and expand the range of investors, took effect on May 1, 2002.

We will continue to consider appropriate measures to reduce the number of shares comprising a trading unit, taking into account the trends in the stock market and ACOM's share prices.

(4) Performance goals and indicators

We have adopted a series of performance goals and indicators intended to guide the ACOM group toward the achievement of higher shareholder value and the continuation of stable business operations. In this context, special emphasis is placed on a consolidated return on shareholders' equity (ROE). Similarly, we are intent on improving such indicators of overall management performance as shareholders' equity ratio, ratio of income before extraordinary items to total assets, ratio of income before extraordinary items to operating income, and net income per share.

(5) Medium- to long-term business strategy

The business environment surrounding our corporate group is anticipated to continue to be difficult due to the change in the social structure including the declining birth rate and the graying of society, in addition to the deterioration in employment

reflecting the drastic post-bubble structural reforms in the industry and a concern for the continuing high rate of personal bankruptcies. Against this backdrop, we have coined the phrase "Best Life Partner" to describe our vision for the business over the medium term. With a focus on the consumer credit market as a whole, we will continue to develop our loan business, credit card business, and installment sales finance business as core operations. By offering sophisticated financial services, we hope to win the complete satisfaction and trust of our customers.

We have accumulated a wealth of know-how on the consumer finance business over the years. In addition, the development of MUJINKUN has equipped us with considerable expertise in the areas of systems and IT, while our measures to concentrate business processes demonstrate our proficiency in cutting costs. With this strength as a foundation, we are making efforts to establish a mid-term growth base upon which we will expand our financial business through the alliance with MTFG, the loan guarantee business, loan servicing business, and financial peripherals such as the call center operation business.

(6) Corporate governance

The board of directors and executive management meetings continue to provide swift and accurate decisions on important matters relating to the company and our entire corporate group. Our governance structure also supports responsive and efficient management in individual divisions.

At the meeting of the board of directors held after the Annual General Meeting of Shareholders in June 2003, the board approved the introduction of an executive officer system, which took effect the same month. This measure is aimed at speeding up management decision-making, strengthening the monitoring role of the board, making day-to-day decision-making more responsive, and clarifying exactly where powers and responsibilities lie. By separating the decision-making roles from the day-to-day running of the company, we have put a management structure in place that will enable quick and correct responses to the challenges that we face.

The company's statutory auditors, in addition to attending meetings of the board and other important meetings, carry out investigations into the administrative affairs and assets of the company, and also conduct management audits. Furthermore, we are working to strengthen governance by promoting greater cooperation between the statutory auditors' meeting of the company, statutory auditors of the subsidiaries, our internal audit department, the accounting auditors, and our corporate lawyers.

By conducting rigorous disclosure to investors and analysts through our IR activities both at home and abroad, we are committed to raising transparency for the benefit of all our stakeholders.

3. Business Results and Financial Position

(1) Business results

(A) Business results for this fiscal year

The Japanese economy during this consolidated fiscal year saw a moderate recovery trend, reflecting the increase in export and private capital expenditure and improving corporate earnings. On the other hand, the business environment still remained difficult due to the slow recovery of household income and consumption, and an increase in personal bankruptcies and debt adjustment proceedings caused by the deterioration in the employment and income environment.

While maintaining a focus on our core loan business, we spent the period trying to increase our share of the total consumer finance market and broaden our revenue base. We worked to raise quality at, and facilitate cooperation between, our credit card and installment sales finance businesses, and also expanded our loan guarantee and servicing businesses. In October 2002, we carried out a radical reform of our customer-related processes and infrastructure by shifting functions to new Contact Centers in order to create a brand new operational structure. During this period, we continued to develop this structure by making our staffing division at head office more efficient, speeding up processes, and trimming costs.

In addition to reforming our governance by reducing the number of directors and adopting the executive officer system, we also consolidated and reorganized our departmental structure with an eye on strengthening and streamlining our

organization. We have abolished Business Headquarters with a view to accelerating business decision-making, combined the Installment Sales Finance Business Department and Credit Card Development Department to develop and improve the efficiency of these businesses, and conducted an organizational reform including the consolidation of departments at Head Office to clarify, strengthen, and improve the efficiency of the departments at Head Office. In addition, we continued with the construction of an accounting system that represents the second phase in a project to establish a company-wide unified administration system.

Under those circumstances, we recorded a consolidated operating income for this fiscal year of 434.968 billions of yen (a decrease of 0.6% compared to the previous consolidated fiscal year), operating expenses of 314.577 billions of yen (an increase of 8.1% from the previous fiscal year), an income before extraordinary items of 118.773 billions of yen (a decrease of 17.7 %) and a net income of 70.319 billions of yen (a decrease of 6.4%).

(a) Loan business

Our consumer loan business forms the core of the group's activities, and our goal is to offer a service that accurately reflects changing market conditions. To this end, we focused our efforts on revenue generation through a new operational structure, optimizing the location of the outlets, and expanding the ATM and cash dispenser network.

With regard to credit management, we have taken concerted actions for improvement and strict control of our loan portfolio, including toughening up loan screening, nurturing counselors specializing in consultation on repayment, and further improving the counseling business. Despite such efforts, the non-consolidated bad debt write-offs ratio reached 6.38%, an increase of 1.82 percentage point over the previous fiscal year, in an adverse environment where personal bankruptcies and debt adjustment proceedings are increasing as a result of the decline in employment and personal income.

As a result, the consolidated balance of loans receivables outstanding dropped to 1,623.154 billions of yen, a decrease of 37.101 billions of yen (a 2.2% decrease from the end of the previous fiscal year) during the fiscal year. Interest on loans receivable was 384.284 billions of yen (decreased by 1.6% from the end of the previous fiscal year).

(b) Credit card business and installment sales finance business

In the credit card business, in addition to continuing to promote the ACOM MasterCard, which can be issued instantly through automatic issuing machines linked with our MUJINKUN automated loan application machines, we started issuing the affiliated credit cards of seven companies, including K's value MasterCard from K's Denki Corp. and TOTAL CAR LIFE MasterCard from AUTOBACS SEVEN CO., LTD.

In our installment sales finance business, despite the concentrated efforts through the strengthened tie-up arrangement between our Credit Sales Department and JCK CREDIT CO., LTD., a wholly-owned subsidiary, to increase the number of new participating stores, the volume of sales was less than the previous fiscal year, reflecting decreased sales in the participating stores due to weak private consumption.

As a result, the consolidated balance of installment sales receivables outstanding dropped by 51.499 billions of yen during the period to 228.299 billions of yen (a decrease of 18.4% from the end of the previous fiscal year). Total fees from the credit card business and installment sales financing were 27.837 billions of yen (a 7.8% decrease from the end of the previous fiscal year).

(c) Guarantee business

We entered the guarantee business in May 2001 with the aim of broadening the revenue base of our financial services business. At the end of the period, we had ties with 10 banks and one corporation, including the new business alliance with The Hokuriku Bank, Ltd. agreed in October 2003. The balance of guaranteed loan receivables during the period increased by 43.048 billions of yen to reach 100.971 billions of yen. Fees from credit guarantees were 4.503 billions of yen (an increase of 170.1% from the previous fiscal year) and operating income of guarantee business which includes consignment fees of guarantee business stood at 5.037 billions of yen (an increase of 169.8% from the previous fiscal year).

By combining our expertise in credit screening for individuals with the brand recognition of our partner financial

institutions, this business facilitates credit provision that is both quick and easy. We will expand this business further in the future, with a focus on tie-ups with regional banks.

(d) Loan servicing business

With a view to further diversify our financial services, we entered the loan servicing business on July 2001 through an equity investment in IR Loan Servicing, Inc. The business is growing with the establishment of the Osaka Branch in January 2002, and the Fukuoka Branch in October 2003 which houses the Contact Center equipped with cutting-edge IT technology. Furthermore, we broadened our revenue base by aggressively starting the payment guidance service for accounts receivable including personal loans in arrears, products purchased via mail order and telephone bills.

The collection of purchased receivables stood at 2.088 billions of yen (an increase of 377.9% compared to the end of the previous fiscal year), and the operating income of loan servicing business including the consignment fees amounted to 2.786 billions of yen (an increase of 201.2% compared o the end of the previous fiscal year).

(e) Other businesses

The balance of loans receivables outstanding at Tokyo Mitsubishi Cash One Ltd. stood at 38.994 billions of yen as of the end of this fiscal period, an increase 19.506 billions of yen during the period. This institution was launched in March 2002 with capital from the Bank of Tokyo Mitsubishi Ltd., the Mitsubishi Trust and Banking Corporation, DC CARD Co., Ltd., JACCS Co., Ltd., and ACOM. In addition to the traditional methods of customer access such as telephone, Internet, facsimile, and mailing, the institution opened their Shinjuku Nishiguchi sales branch, the first staffed outlet, in November 2002, and subsequently the Shibuya sales branch in April 2003. After entering into an agency agreement with ACOM in March 2004, Tokyo Mitsubishi Cash One has expanded its over-the-counter operation by setting up customer desks within ACOM's three sales branches at Ikebukuro Nishiguchi, Shinjuku Alta-Mae, and Kawasaki Ekimae. In addition, it has focused on improving customer convenience by providing a card delivery service at the tourist service offices of Kinki Nippon Tourist Co., Ltd. and ACOM's staffed offices.

In March 2004, Tokyo Mitsubishi Cash One Ltd. completed both a capital reduction of 17 billions of yen and a capital increase of 10 billions of yen by allocating new shares to a third party. As a result, we accounted for loss on revaluation of investments in affiliates of 5.95 billions of yen and made additional investments of 4 billions of yen in this institution.

By fusing our consumer credit know-how with the brand strength of major financial institutions, we will continue to push out of our traditional territory to offer innovative new financial services.

(B) Forecast for the next full fiscal year

For the next full financial year, we anticipate facing a continued difficult economic environment due to the weak private consumption reflecting the deterioration in employment and private income, and the uncertainty caused by concerns over the further progress of deflation.

The consumer finance business also looks to be entering a critical phase. Competition is stiffening with the entry of firms from other sectors. Despite these challenges, we are committed to extending the scope of our operations and to winning the trust and satisfaction of customers as their "Best Life Partner."

The environment in which we operate is changing rapidly, and we must be able to respond appropriately. Bearing this in mind, we will exploit to the fullest the credit screening know-how of our employees and our network of branches, MUJINKUNs, and ATMs – the key elements that comprise our business infrastructure. We will also continue to strengthen our management, expand and improve the services we offer, and maintain a stable and secure revenue base.

For the next full fiscal year, we are forecasting a consolidated operating income of 421 billions of yen (3.2% down on the last full fiscal year), income before extraordinary items of 127.6 billions of yen (7.4% up) and a net income of 73.5 billions of yen (4.5% up).

(C) Risks relating to business

(a) Regulatory risks relating to lending rates

The maximum interest rate chargeable by our corporate group is primarily governed by two laws: the Acceptance of Contributions, Money Deposits, and Interest Law (hereinafter referred to as "ACMI") and the Interest Rate Restriction Law (IRRL). Under the current ACMI, a moneylending company is prohibited from entering into a loan agreement of, or receiving, the interest rate exceeding 29.2% per annum. A criminal penalty shall be imposed on violations of the laws. This maximum interest rate, according to the law, may be "reviewed and modified at the end of the three-year period (January 2007) after enforcement of the amended Regulation of the Moneylending Business Law (RMBL) and ACMI, taking into consideration the capital requirements and other economic and financial situations, and the business practice of moneylending companies of setting the interest rates according to the financial strength or credit status of those in need of funds."

The interest rates charged by our corporate group in all of our loan products are lower than the ACMI interest rate ceilings. If, however, the maximum interest rates under the ACMI should be reduced below the current interest rates charged by our corporate group, the performance of, and income from, our loan business may be adversely affected.

(b) Regulatory risks relating to our business

Our loan business and installment sales business are governed by the RMBL and the Law Concerning Installment Sales (LCIS), respectively. The RMBL requires registration of moneylenders, issue of a written receipt for each payment, and the return of loan certificates to borrowers. It also regulates excessive marketing and collection activities. Administrative punishments or penalties are imposed on violations of each of the provisions. The LCIS requires a description of the terms and conditions of the transaction, the issue of a written document, and prevention of excessive purchase beyond paying capacity. A penalty shall be imposed on failures to comply with the provisions.

In the event that part of our business needs to be restricted due to changes in our business rules following amendment of the laws, our loan business and installment sales business and the overall performance may be adversely affected.

(c) Risks relating to loans receivable

As of the end of this consolidated fiscal year, an appropriate allowance for bad debts was stated against loans receivable and installment sales receivable which accounted for 89.2% of the total assets based on the estimation of borrower's conditions and the values of assets pledged as security etc. However, depending on the future Japanese economic climate and market environment, and also provided that progress is made in the legal arrangements relating to the Specific Receivables Arbitration Law and the Civil Rehabilitation Law, there will be a risk of rescheduling repayments and an increase in uncollectible loans as more individual debtors (including customers of our corporate group) may seek protection under such laws. As a result, the allowance for the bad debts of our corporate group may increase, generating negative impacts on our profitability.

(2) Financial situation

The financial situation as of the end of this consolidated fiscal period saw a decrease of 108.025 billions of yen in total assets, an increase of 52.734 billions of yen in shareholders' equity, and a 4.1 percentage point gain to 33.6% in the shareholders' equity ratio, compared to the end of the previous consolidated fiscal period, respectively.

The decrease in total assets is mainly attributable to a decrease of 108.837 billions of yen in current assets, the breakdown for which gives a decrease of 37.101 billions of yen in loans receivable and 51.499 billions of yen in installment sales receivables, and an increase of 23.327 billions of yen in the allowance for bad debts.

Total liabilities decreased by 161.231 billions of yen. The decrease consists of 145.333 billions of yen in interest-bearing debt such as loans and straight bonds, 11.971 billions of yen in deferred income on installment sales, 4.927 billions of yen in accrued income taxes, and 3.39 billions of yen in allowance for employees' retirement benefits due to the termination of a welfare pension plan.

(A) Consolidated cash flows during this fiscal period

Our holdings in cash and cash equivalents (cash) during the period recorded a drop of 7.865 billions of yen to end at 158.873 billions of yen. A breakdown of cash flows during the period is as follows:

(Cash flows from operating activities)

Our operations generated net cash of 164.158 billions of yen. The increase factors include 120.332 billions of yen in income before income taxes, an increase in allowance for bad debts of 22.812 billions of yen, an increase in assets of 36.945 billions of yen from the decrease in the balance of loans receivables outstanding of financial business, and an increase in assets of 51.338 billions of yen from the decrease in installment receivables outstanding. The decrease factors include a decrease in assets of 11.952 billions of yen from the decrease in the balance of deferred income on installment sales and the decrease in income taxes of 60.77 billions of yen.

(Cash flows from investing activities)

Net cash used in investing activities decreased by 5.398 billions of yen. This principally consists of the decrease of 2.285 billions of yen resulted from that the purchase of marketable securities including the equity in Tokyo Mitsubishi Cash One Ltd. exceeds the gains on sales of marketable securities. It is also attributable to 2.159 billions of yen in acquisition of tangible fixed assets relating to equipment in the outlets, such as new ATMs to handle new bank notes.

(Cash flows from financing activities)

Financing activities recorded a net cash outflow of 166.105 billions of yen. Outflows to repay loans and redeem bonds exceeded inflows from loans and new bond issues by 140.233 billions of yen. Another important factors included 11.592 billions of yen in payment of dividends and 11.066 billions of yen used to repurchase our own shares.

(B) Cash flow forecast for the next fiscal year

We anticipate that our operating activities will generate net cash of 124.5 billions of yen during the next consolidated fiscal year, reflecting the projected increase in cash in our financial business, current business conditions, and the plan we formulated to improve the quality of our loan portfolio. Net cash used in investing activities is forecasted to be outflow of 5.2 billions of yen, as a result of outlet-related investment and the renewal of ATMs to handle new bank notes. Cash flows from financing activities are expected to decrease by 132 billions of yen, reflecting the plans for our financial services business. Totaling those estimates means that the consolidated holdings in cash and cash equivalents will likely record a fall of 12.7 billions of yen during the next consolidated fiscal year.

4. Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

Subject	Term	Prior consolidated fiscal year (As of March 31, 2003)		This consolidated fiscal year (As of March 31, 2004)		Change	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
	(Assets)		%		%		%
I.	Current assets	2,072,855	94.9	1,964,018	94.6	(108,837)	(5.3)
	Cash and time deposits	86,966		77,930		(9,035)	(10.4)
	Trade notes and accounts receivable	493		499		6	1.3
	Loans receivable	1,660,256		1,623,154		(37,101)	(2.2)
	Installment receivables	279,798		228,299		(51,499)	(18.4)
	Marketable securities	1,079		1,146		67	6.2
	Inventories	8,339		12,362		4,023	48.2
	Deferred tax assets	40,264		47,804		7,539	18.7
	Short-term loans	81,028		80,996		(32)	(0.0)
	Other current assets	24,246		24,768		522	2.2
	Allowances for bad debts	(109,617)		(132,945)		(23,327)	21.3
II.	Fixed assets	109,158	5.0	111,370	5.4	2,212	2.0
	Tangible fixed assets	56,412	2.6	53,264	2.6	(3,148)	(5.6)
	Buildings and structures	21,583		19,642		(1,941)	(9.0)
	Vehicles and delivery equipment	10		6		(4)	(41.3)
	Equipment and furniture	15,723		14,773		(950)	(6.0)
	Land	19,094		18,841		(252)	(1.3)
	Intangible fixed assets	1,455	0.1	1,446	0.1	(8)	(0.6)
	Leasehold	274		274		--	--
	Telephone rights	1,112		1,112		0	0.0
	Other intangible fixed assets	67		58		(8)	(12.9)
	Investments and other assets	51,290	2.3	56,660	2.7	5,369	10.5
	Investments in securities	24,509		33,475		8,965	36.6
	Long-term loans	1,100		1,068		(32)	(2.9)
	Deferred tax assets	4,095		1,044		(3,050)	(74.5)
	Guaranty money deposited	10,890		10,406		(483)	(4.4)
	Prepaid pension expenses	2,680		1,924		(756)	(28.2)
	Other investments	10,947		11,146		199	1.8
	Allowance for bad debts	(2,931)		(2,404)		526	(18.0)
III.	Deferred assets	1,400	0.1	--	--	(1,400)	--
	Bond discount	1,400		--		(1,400)	--
	Total Assets	2,183,414	100.0	2,075,389	100.0	(108,025)	(4.9)

(Millions of yen)

Subject	Term	Prior consolidated fiscal year (As of March 31, 2003)		This consolidated fiscal year (As of March 31, 2004)		Change	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
			%		%		%
	(Liabilities)						
I.	Current liabilities	490,904	22.5	428,456	20.7	(62,447)	(12.7)
	Notes and accounts payable	4,934		5,221		287	5.8
	Short-term loans	29,413		21,779		(7,634)	(26.0)
	Current portion of long-term loans	318,761		292,375		(26,385)	(8.3)
	Commercial paper	10,000		--		(10,000)	--
	Current portion of bonds and notes	40,388		40,000		(388)	(1.0)
	Accounts payable on transferred specified claims	2,900		--		(2,900)	--
	Accrued income taxes	31,849		26,922		(4,927)	(15.5)
	Deferred tax liabilities	0		2		2	--
	Allowance for loss on guaranteed loans receivable	474		1,865		1,391	293.5
	Deferred income on installment sales	37,642		25,671		(11,971)	(31.8)
	Other current liabilities	14,540		14,619		79	0.5
II.	Fixed liabilities	1,047,614	48.0	948,830	45.7	(98,783)	(9.4)
	Straight bonds	285,735		255,720		(30,015)	(10.5)
	Long-term loans	752,705		684,696		(68,009)	(9.0)
	Deferred tax liabilities	7		2,393		2,385	--
	Allowance for employees' retirement benefits	3,671		281		(3,390)	(92.3)
	Allowance for directors' and corporate auditors' retirement benefits	1,071		977		(93)	(8.7)
	Other fixed liabilities	4,422		4,761		339	7.7
	Total liabilities	1,538,519	70.5	1,377,287	66.4	(161,231)	(10.5)
	(Minority interests in consolidated subsidiaries)						
	Minority interests in consolidated subsidiaries	463	0.0	935	0.0	471	101.7
	(Shareholders' equity)						
I.	Common stock	17,282	0.8	17,282	0.8	--	--
II.	Capital surplus	25,772	1.2	25,772	1.2	--	--
III.	Earned surplus	606,622	27.8	661,536	31.9	54,914	9.1
IV.	Securities valuation adjustment	75	0.0	5,823	0.3	5,748	--
V.	Foreign currency translation adjustments	(1,518)	(0.1)	(2,150)	(0.1)	(632)	41.6
VI.	Treasury stock	(3,803)	(0.2)	(11,099)	(0.5)	(7,295)	191.8
	Total shareholders' equity	644,431	29.5	697,166	33.6	52,734	8.2
	Total liabilities, minority interests, and shareholders' equity	2,183,414	100.0	2,075,389	100.0	(108,025)	(4.9)

(2) Consolidated Income Statements

(Millions of yen)

Subject	Term	Prior consolidated fiscal year 〔 From April 1, 2002 to March 31, 2003 〕		This consolidated fiscal year 〔 From April 1, 2003 to March 31, 2004 〕		Change	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
			%		%		%
I. Operating income		437,572	100.0	434,968	100.0	(2,604)	(0.6)
Interest on loans receivable		390,710		384,284		(6,426)	(1.6)
Fees from credit card business		5,071		5,808		737	14.5
Fees from installment sales finance business		25,120		22,029		(3,091)	(12.3)
Fees on guaranteed loans receivable		1,667		4,503		2,836	170.1
Collection of purchased receivables		436		2,088		1,651	377.9
Other financial income		27		20		(6)	(24.1)
Sales		6,344		7,970		1,626	25.6
Other operating income		8,194		8,263		69	0.8
II. Operating expenses		290,877	66.5	314,577	72.3	23,699	8.1
Financial expenses		30,562	7.0	26,910	6.2	(3,652)	(11.9)
Cost of purchased receivables		66	0.0	1,317	0.3	1,251	--
Cost of sales		3,795	0.9	4,934	1.1	1,139	30.0
Other operating expenses		256,452	58.6	281,414	64.7	24,961	9.7
Operating profit		146,695	33.5	120,391	27.7	(26,304)	(17.9)
III. Non-operating income		1,380	0.3	1,297	0.3	(83)	(6.0)
Interest income		193		204		11	5.9
Dividends received		171		168		(3)	(2.1)
Gains on sale of securities		73		67		(5)	(7.9)
Rent from Company's residence		433		471		38	8.9
Other non-operating income		508		385		(123)	(24.3)
IV. Non-operating expenses		3,831	0.8	2,915	0.7	(916)	(23.9)
Interest expenses		36		23		(13)	(35.6)
Bond issue expenses		4		--		(4)	--
Loss on investments in equity-method		3,577		2,716		(860)	(24.1)
Loss on investments in investing business association		130		67		(62)	(48.0)
Other non-operating expenses		82		106		24	30.1
Income before extraordinary items		144,244	33.0	118,773	27.3	(25,471)	(17.7)
V. Extraordinary income		5	0.0	3,331	0.8	3,325	--
Gains on sale of fixed assets		0		2		2	--
Gains on sales of investment in marketable securities		0		379		379	--
Gains on maturity of Investment trusts		5		15		9	171.7
Net gain on termination of welfare pension plans		--		2,933		2,933	--
VI. Extraordinary losses		9,836	2.3	1,771	0.4	(8,064)	(82.0)
Loss on sale of fixed assets		5,897		297		(5,599)	(95.0)
Loss on disposal of fixed assets		855		603		(251)	(29.4)
Loss on revaluation of investments in marketable securities		2,710		341		(2,369)	(87.4)
Loss on liquidation of investment in trusted real property		--		241		241	--
Other extraordinary losses		372		288		(84)	(22.8)
Income before income taxes		134,414	30.7	120,332	27.7	(14,081)	(10.5)
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		70,157	13.5	55,533	11.4	(14,624)	(16.1)
Deferred income taxes		(11,179)		(6,048)		5,131	
Gain (loss) on minority interests in consolidated subsidiaries		339	0.0	528	0.1	188	55.6
Net income		75,096	17.2	70,319	16.2	(4,777)	(6.4)

(3) Consolidated Statements of Retained Earnings

(Millions of yen)

Subject	Term	Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003)		This consolidated fiscal year (From April 1, 2003 to March 31, 2004)	
		Amount		Amount	
Capital surplus					
I.	Capital surplus at the beginning of the fiscal year		25,772		25,772
II	Capital surplus at the end of the fiscal year		25,772		25,772
Earned surplus					
I.	Earned surplus at the beginning of the fiscal year		543,276		606,622
II	Increase in earned surplus				
	Net income	75,096	75,096	70,319	70,319
III	Decrease in earned surplus				
	Dividends	11,702		11,593	
	Directors' bonus	47		40	
	Retirement of treasury stock	--	11,750	3,771	15,405
IV	Earned surplus at the end of the fiscal year		606,622		661,536

(4) Consolidated Statements of Cash Flows

(Millions of yen)

Subject	Term	Prior consolidated fiscal year	This consolidated fiscal year	Change
		(From April 1, 2002 to March 31, 2003)	(From April 1, 2003 to March 31, 2004)	
		Amount	Amount	Amount
I. Cash flows from operating activities				
Income before income taxes		134,414	120,332	(14,081)
Depreciation and amortization		6,043	5,245	(798)
Amortization of consolidation adjustment account		4	--	(4)
Increase in allowance for bad debts		31,572	22,812	(8,759)
Increase in allowance for loss on guaranteed loans receivable		461	1,391	929
Increase (decrease) in allowance for employees' retirement Benefits		498	(3,389)	(3,887)
Increase (decrease) in allowance for directors' and statutory auditors' retirement benefits		90	(93)	(184)
Non-operating interest and dividends income		(365)	(372)	(7)
Loss on sales of marketable securities		(73)	(67)	5
Non-operating interest expense		36	23	(13)
Amortization of bond discount		386	384	(2)
Bond-issue expenses		256	232	(24)
Loss on foreign currency exchanges		137	47	(89)
Loss on investments in equity-method		3,577	2,716	(860)
Loss on sales of tangible fixed assets		5,897	294	(5,602)
Loss on disposal of tangible fixed assets		855	603	(251)
Gain on sales of investments in securities		(0)	(379)	(379)
Loss on revaluation of investments in marketable securities		2,710	341	(2,369)
Loss on liquidation of investment in trusted real property		--	241	241
Increase in notes and accounts receivable		(14)	(6)	7
Decrease (Increase) in loans outstanding		(41,705)	36,945	78,651
Decrease (increase) in installment sales receivables		(10,653)	51,338	61,992
Increase in inventories		(983)	(4,023)	(3,039)
Increase in other current assets		(1,554)	(291)	1,263
Decrease in prepaid pension expenses		991	756	(234)
Increase (decrease) in notes and accounts payable		(1,618)	293	1,912
Decrease in deferred income on installment sales		(1,740)	(11,952)	(10,212)
Decrease in other current liabilities		(1,735)	(432)	1,303
Bonus paid to directors		(47)	(40)	7
Increase in other operating activities		1,124	1,607	482
Subtotal		128,566	224,560	95,994
Non-operating interest and dividends received		368	389	21
Non-operating interest paid		(33)	(21)	11
Income taxes paid		(81,350)	(60,770)	20,580
Cash used in operating activities		47,550	164,158	116,607

(Millions of yen)

Subject	Term	Prior consolidated fiscal year	This consolidated fiscal year	Change
		(From April 1, 2002 to March 31, 2003)	(From April 1, 2003 to March 31, 2004)	
		Amount	Amount	Amount
II. Cash flow from investing activities				
Additions to time deposit		(63)	(2,463)	(2,399)
Maturity of time deposit		71	2,451	2,380
Purchase of marketable securities		(5)	(5)	--
Proceeds from sale of marketable securities		518	254	(264)
Purchase of tangible fixed assets		(4,389)	(2,159)	2,230
Proceeds from sale of tangible fixed assets		550	60	(490)
Purchase of investment securities		(6,020)	(4,690)	1,329
Proceeds from sale of investment securities		134	2,404	2,270
Proceeds from collection of loans		51	32	(19)
Increase in other investments		(1,023)	(1,671)	(647)
Decrease in other investments		1,931	383	(1,548)
Increase in other investment activities		52	4	(47)
Net cash provided by (used in) investing activities		(8,191)	(5,398)	2,793
III. Cash flow from financing activities				
Proceeds from short-term loans		86,232	38,872	(47,359)
Repayments of short-term loans		(75,830)	(46,385)	29,444
Proceeds from issue of commercial paper		40,000	10,000	(30,000)
Payments for redemption of commercial paper		(40,000)	(20,000)	20,000
Proceeds from issue of straight bonds		35,580	34,767	(812)
Payments for redemption of straight bonds		(34,386)	(63,074)	(28,687)
Payments for redemption of convertible bonds		(50,000)	--	50,000
Appropriation of deposit for redemption of convertible bonds		50,000	--	(50,000)
Proceeds from long-term debt		342,220	350,602	8,382
Repayments of long-term debt		(333,086)	(445,015)	(111,929)
Net proceeds from issuance of a subsidiary's stock		28	85	56
Payments for purchase of treasury stock		(1)	(11,066)	(11,065)
Cash dividends paid by the parent company		(11,700)	(11,592)	108
Cash dividends paid to minority shareholders		(149)	(135)	13
Decrease in other financing activities		(1,000)	(3,162)	(2,162)
Net cash provided by financing activities		7,906	(166,105)	(174,011)
IV. Effect of exchange rate change on cash and cash equivalents		(689)	(520)	169
V. Increase (decrease) in cash and cash equivalents		46,576	(7,865)	(54,441)
VI. Cash and cash equivalents at the beginning of the year		120,163	166,739	46,576
VII. Cash and cash equivalents at the end of the year		166,739	158,873	(7,865)

(5) Significant Items Relating to the Preparation of Consolidated Financial Statements

(A) Extent of consolidation

Number of consolidated subsidiaries: 16

For the names of consolidated subsidiaries, please refer to the section entitled "1. State of Business Group."

(B) Application of the equity-method

Number of equity-method affiliates: 3

For the names of equity-method affiliates, please refer to the section entitled "1. State of Business Group."

CHALEASE ACOM FINANCE CO., LTD. closes its accounts on December 31, and uses the financial statements as of this date.

(C) Matters relating to fiscal year, etc. of subsidiaries

Settlement date of the following consolidated subsidiaries end on December 31:

ACOM (U.S.A.) INC.

ACOM INTERNATIONAL, INC.

ACOM PACIFIC, INC.

SIAM A&C CO., LTD.

ACOM CAPITAL CO., LTD.

ACOM FUNDING CO., LTD

Consolidated financial statements hereof are prepared by using financial statements as of the above mentioned settlement date and important matters that occurred between the settlement date and the consolidated settlement date are subject to the adjustment necessary for consolidation.

(D) Significant accounting policies

(a) Valuation and computation of assets

(1) Marketable securities

Securities held to maturity ... Amortized cost method (straight-line method)

Other securities

Where there is a market price

Market value as determined by the quoted price at the end of the fiscal year

(The difference between the carrying value and the market value is included in equity)

(Cost of securities sold is computed using the moving average method)

Where there is no market price

Cost determined by the moving average method

(2) Derivative transactions

Option transaction ... Market value

Swap transaction Market value

(3) Inventories

Purchased receivables ... Cost on an individual specified cost basis

Merchandise

Paintings ... Cost on an individual specified cost basis

Others merchandise ... Cost based on the last purchase price method

Miscellaneous items ... Cost based on the first-in first-out method

(b) Depreciation of property, plant and equipment

(1) Tangible fixed assets

At the Company, its domestic and overseas consolidated subsidiaries ... Declining balance method

At overseas consolidated subsidiaries ... Straight-line method

(Depreciable life)

Buildings and structures ... 3 to 50 years

Vehicles and delivery equipment ... 4 to 6 years

Equipment and furniture ... 2 to 20 years

(2) Intangible fixed assets ... Straight-line method

(3) Long-term prepaid expenses ... Amortized in equal installments

(4) Deferred assets

Bond issue expenses ... Entire amount expensed as incurred

Bond discounts ... Amortized over the redemption period

(c) Basis for calculating allowances

(1) Allowance for bad debts

In providing for bad debts, the Company and its domestic consolidated subsidiaries make an allowance for ordinary bad debts based on the historical rate of default. For specific debts where recovery is doubtful, the Company considers the likelihood of recovery on an individual basis, making an allowance for the amount regarded as irrecoverable.

Consolidated subsidiaries at overseas make an allowance as necessary having considered the likelihood of recovery on an individual basis.

(2) Allowance for loss on guaranteed receivables

In providing allowance for loss on guaranteed loans receivable, the Company makes an allowance as necessary having considered the likelihood of losses at the end of this consolidated fiscal year.

(3) Allowance for retirement benefits

The Company and its domestic consolidated subsidiaries make provisions for retirement benefits based on projected retirement obligations and pension fund asset at the balance sheet date. Adjustments are made to determine the amounts applicable to the end of this consolidated fiscal year.

Past service liabilities have been recognized evenly over the five years (a period not exceeding the expected average remaining working lives of the employee) from the time of occurrence.

Actuarial losses have been recognized evenly over the five years (a period not exceeding the expected average remaining working lives of the employees) following the respective fiscal years when such losses are identified.

An Overseas consolidated subsidiary makes provisions for retirement benefits based on projected retirement obligations at the end of the fiscal year. Adjustments are made to determine the amounts applicable to the end of this fiscal year.

(Additional information)

On March 26, 2004, "ACOM welfare pension plan", which the Company and some of domestic consolidated subsidiaries join, was disorganized with the authorization by a Minister of Health, Labour and Welfare. In addition, on October 27, 2003, "Japan sogo finance industrial welfare pension plan", which some of consolidated subsidiaries join, was disorganized with the authorization by a Minister of Health, Labour and Welfare. As a result, 2,933 million yen of net gain on termination of welfare pension plans is included in the balance of extraordinary income.

(4) Allowance for directors' and statutory auditors' retirement benefits

The Company and its domestic consolidated subsidiaries make provisions for directors' and corporate auditors' retirement benefits at the end of the fiscal year in accordance with the Company's internal rules.

(d) Currency translation standards for significant foreign-currency-denominated assets or liabilities used in preparing the financial statements of consolidated companies on which consolidated financial statements are based

Foreign-currency-denominated monetary claims and liabilities are converted into yen using the spot market rate for the consolidated accounting date, and differences in currency translation are added up as profit or loss.

The assets and liabilities, and profit and expenses of overseas subsidiaries and others are converted into yen using the spot market rate for the consolidated accounting date, and differences in currency translation are added up as minority shareholders' interest and as currency translation adjustment accounts under shareholders' equity.

(e) Accounting for lease transactions

The Company and its domestic consolidated subsidiaries account for finance leases where ownership of the leased asset is not transferred to the lessee as operating leases.

(f) Accounting for hedging activities

(1) Accounting for hedging activities

Deferred hedge accounting has been adopted.

Interest-rate swaps and currency swaps when meet certain conditions are accounted for according to exceptional treatments.

(2) Hedging instruments and items hedged

Interest related derivatives

Hedging instruments ... Interest-rate swaps agreements and interest-rate caps

Items hedged ... Loans with variable interest rates

Currency related derivatives

Hedging instruments ... Currency swaps agreements

Items hedged ... Loans denominated in foreign currency

(3) Hedging policy

The Company and consolidated subsidiaries enter into derivative contracts such as interest-rate swap agreements in order to hedge against the risk of fluctuations in interest rates relating to its variable-rate loans.

The Company and consolidated subsidiaries enter into derivative contracts such as currency swap agreements in order to hedge against the risk of fluctuations in foreign currency exchange rates relating to its foreign currency loans.

Derivative transactions are entered into in compliance with the Companies' internal rules.

(4) Evaluating the efficacy of hedging activities

The performance of the hedging instruments and the items hedged is monitored primarily using the same criteria. As it can be assumed that changes in interest rates and foreign currency exchange rates are fully offset by changes in cash flows from hedging instruments, further evaluation is not required.

(g) Other significant accounting policies for the preparation of consolidated financial statements

(1) Basis of recognition of income and expenses

Interest on loans receivable

Interest on loans receivable is recognized on an accrual basis.

Accrued interest on loans receivable is recognized at the lower of the interest rate stipulated in the Interest Restriction Law of Japan or the contracted interest rate of the Company.

Income from credit card business

Fees from customers ... Recognized mainly by credit-balance method

Fees from member outlets ... Recognized as fees when treated

Income from installment sales finance business

Fees from customers and member outlets ... Recognized by sum-of-the months' digits method on a due date basis

Fees on guaranteed loans receivable ... Recognized by credit-balance method

(2) Treatment of consumption tax, etc

Consumption tax is treated outside of the financial statements.

However, non-deductible consumption tax and others relating to assets is recognized as an expense during the year in which it is incurred.

(E) Matters Relating to Evaluation of Consolidated Subsidiaries' Assets and Liabilities

The market value method applies to the evaluation of consolidated subsidiaries' assets and liabilities, over-all.

(F) Matters Relating to Amortization of Consolidated Adjustment Account

Consolidated adjustment account is amortized in full when occurred because the amount thereof is small.

(G) Matters Relating to Treatment of Profit Appropriation, etc.

Consolidated companies' profit appropriation or loss depositions are subject to those that are settled during the relevant consolidated fiscal year.

(H) Cash and Cash Equivalents as Stated in Consolidated Statements of Cash Flows

Cash and cash equivalents include cash at hand, highly liquid deposits at banks and short-term investments with negligible risk of fluctuation in value and maturities of less than three months.

(6) Notes to Consolidated Balance Sheets

Prior consolidated fiscal year (As of March 31, 2003)	This consolidated fiscal year (As of March 31, 2004)
<p>1. Cumulative depreciation of tangible fixed assets</p> <p style="text-align: right;">(Millions of yen)</p> <p style="text-align: right;">42,838</p>	<p>1. Cumulative depreciation of tangible fixed assets</p> <p style="text-align: right;">(Millions of yen)</p> <p style="text-align: right;">46,207</p>
<p>2. Value of affiliated company stock in investment securities</p> <p style="text-align: right;">(Millions of yen)</p> <p style="text-align: right;">2,818</p>	<p>2. Value of affiliated company stock in investment securities</p> <p style="text-align: right;">(Millions of yen)</p> <p style="text-align: right;">4,081</p>
<p>3. Assets pledged as security</p> <p style="text-align: right;">(Millions of yen)</p> <p>(1) Pledged assets</p> <p style="padding-left: 20px;">Cash and time deposits 1,194</p> <p style="padding-left: 20px;">Loan receivable 642,524</p> <p style="padding-left: 20px;"><u><137,761></u></p> <p style="padding-left: 20px;">Installment receivables 100</p> <p style="padding-left: 20px;">Buildings and structures 2,172</p> <p style="padding-left: 20px;"><u>Land 6,074</u></p> <p style="padding-left: 20px;">Total 652,067</p> <p style="padding-left: 20px;"><u><137,761></u></p> <p>(2) Secured liabilities</p> <p style="padding-left: 20px;">Short-term loans 1,000</p> <p style="padding-left: 20px;"><u><1,000></u></p> <p style="padding-left: 20px;">Current portion of long-term loans 184,279</p> <p style="padding-left: 20px;"><u><40,324></u></p> <p style="padding-left: 20px;">Current portion of bonds and notes 388</p> <p style="padding-left: 20px;">Straight bonds 24,895</p> <p style="padding-left: 20px;">Long-term loans 423,480</p> <p style="padding-left: 20px;"><u><95,608></u></p> <p style="padding-left: 20px;">Total 634,043</p> <p style="padding-left: 20px;"><u><136,932></u></p> <p>Figures in brackets represent amounts engaged in transferring assignment of claims</p>	<p>3. Assets pledged as security</p> <p style="text-align: right;">(Millions of yen)</p> <p>(1) Pledged assets</p> <p style="padding-left: 20px;">Loan receivable 598,145</p> <p style="padding-left: 20px;"><u><118,852></u></p> <p style="padding-left: 20px;">[32,999]</p> <p style="padding-left: 20px;">Buildings and structures 2,029</p> <p style="padding-left: 20px;"><u>Land 6,074</u></p> <p style="padding-left: 20px;">Total 606,250</p> <p style="padding-left: 20px;"><u><118,852></u></p> <p style="padding-left: 20px;">[32,999]</p> <p>(2) Secured liabilities</p> <p style="padding-left: 20px;">Short-term loans 1,000</p> <p style="padding-left: 20px;"><u><1,000></u></p> <p style="padding-left: 20px;">Current portion of long-term loans 153,979</p> <p style="padding-left: 20px;"><u><43,091></u></p> <p style="padding-left: 20px;">436,207</p> <p style="padding-left: 20px;">Long-term loans <74,434></p> <p style="padding-left: 20px;"><u>[23,880]</u></p> <p style="padding-left: 20px;">Total 591,186</p> <p style="padding-left: 20px;"><u><118,525></u></p> <p style="padding-left: 20px;">[23,880]</p> <p>Figures in brackets represent amounts engaged in transferring assignment of claims and figures in the brackets "[]" represent amounts relating to securitization.</p>
<p>4. Contingent liabilities</p> <p>(1) Amount of guaranteed loans of guarantee business</p> <p style="text-align: right;">(Millions of yen)</p> <p style="padding-left: 20px;">Guaranteed loans 57,926</p> <p style="padding-left: 20px;"><u>Allowance for loss on guaranteed loans (474)</u></p> <p style="padding-left: 20px;">Net 57,452</p> <p>(2) Amount of guaranteed liabilities of affiliated companies</p> <p style="padding-left: 20px;">CHAILEASE ACOM FINANCE CO., LTD. 621 million yen</p>	<p>4. Contingent liabilities</p> <p>(1) Amount of guaranteed loans of guarantee business</p> <p style="text-align: right;">(Millions of yen)</p> <p style="padding-left: 20px;">Guaranteed loans 100,971</p> <p style="padding-left: 20px;"><u>Allowance for loss on guaranteed loans (1,865)</u></p> <p style="padding-left: 20px;">Net 99,106</p> <p>(2) Amount of guaranteed liabilities of affiliated companies</p> <p style="padding-left: 20px;">CHAILEASE ACOM FINANCE CO., LTD. 864 million yen</p>
<p>5. _____</p>	<p>5. Notes endorsed for payment</p> <p style="text-align: right;">3 million yen</p>

Prior consolidated fiscal year (As of March 31, 2003)	This consolidated fiscal year (As of March 31, 2004)
<p>6. Shared Issued The number of common stocks issued at the end of this fiscal year is 146,630 thousands.</p>	<p>6. Shared Issued The number of common stocks issued at the end of this fiscal year is 145,628 thousands.</p>
<p>7. Treasury Stock The number of common stocks for treasury is 347,549.</p>	<p>7. Treasury Stock The number of common stocks for treasury is 2,067,208.</p>
<p>8. Commitment line contracts for loans receivables Loans extended by the Company primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 648,671 million yen at the end of the interim accounting period. This included a total of 410,167 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the accounting period. A certain portion of revolving credit line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company. Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets. Note that consolidated subsidiaries do not extend revolving credit-line loans.</p>	<p>8. Commitment line contracts for loans receivables Loans extended by the Company primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 706,379 million yen at the end of the interim accounting period. This included a total of 452,378 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the accounting period. A certain portion of revolving credit line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company. Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets. Note that consolidated subsidiaries do not extend revolving credit-line loans.</p>

Prior consolidated fiscal year (As of March 31, 2003)	This consolidated fiscal year (As of March 31, 2004)																																				
<p>9. Status of bad debts of loans receivable</p> <p>Losses on unsecured consumer loans to bankrupt parties are written off at the time bankrupt is declared. For this reason, loans to borrowers in bankruptcy include 6,229 millions of yen for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire amount is charged to the allowance for bad debts.</p> <p>In addition, from the point of view of maintaining the soundness of the Company's assets, loans where repayment is doubtful are stated exclusive of accrued interest, and the loans in question are classified as loans in arrears. The Company's policy differs from that set forth in Japan's tax laws, under which accrued interest is charged on loans less than six months in arrears. As a result of the Company's policy, loans in arrears included additional 20,501 millions yen. Under the policies stipulated in Japan's tax laws, 11,999 millions of yen of this amount would be classified as loans overdue by three months or more, 2,070 millions of yen as restructured loans and 6,431 millions of yen as loans no longer in arrears.</p> <p>Accrued interest on the loans of consolidated subsidiaries is added up according to the policies stipulated in Japan's corporation tax law. That of overseas consolidated subsidiaries is added up according to the policies stipulated in accounting standards applicable in countries where they operate.</p> <p style="text-align: right;">(Millions of yen)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Category</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Classification criteria</th> </tr> </thead> <tbody> <tr> <td>Loans to bankrupt parties</td> <td style="text-align: center;">(9,227) 9,227</td> <td>Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.</td> </tr> <tr> <td>Loans in arrears</td> <td style="text-align: center;">(10,800) 31,302</td> <td>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.</td> </tr> <tr> <td>Loans overdue by three months or more</td> <td style="text-align: center;">(13,139) 1,139</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;">(21,192) 19,122</td> <td>Loans on which favorable terms have been granted, such as the waiving of interest.</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">(54,359) 60,791</td> <td style="text-align: center;">/</td> </tr> </tbody> </table> <p>Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.</p>	Category	Amount	Classification criteria	Loans to bankrupt parties	(9,227) 9,227	Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.	Loans in arrears	(10,800) 31,302	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 three months or more	(13,139) 1,139	Loans other than the above that are overdue by three months or more.	Restructured loans	(21,192) 19,122	Loans on which favorable terms have been granted, such as the waiving of interest.	Total	(54,359) 60,791	/	<p>9. Status of bad debts of loans receivable</p> <p>Losses on unsecured consumer loans to bankrupt parties are written off at the time bankrupt is declared. For this reason, loans to borrowers in bankruptcy include 6,281 million yen for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire amount is charged to the allowance for bad debts.</p> <p>In addition, from the point of view of maintaining the soundness of the Company's assets, loans where repayment is doubtful are stated exclusive of accrued interest, and the loans in question are classified as loans in arrears. The Company's policy differs from that set forth in Japan's tax laws, under which accrued interest is charged on loans less than six months in arrears. As a result of the Company's policy, loans in arrears included additional 24,928 millions yen. Under the policies stipulated in Japan's tax laws, 12,571 million yen of this amount would be classified as loans overdue by three months or more, 3,285 million yen as restructured loans and 9,071 million yen as loans no longer in arrears.</p> <p>Accrued interest on the loans of consolidated subsidiaries is added up according to the policies stipulated in Japan's corporation tax law. That of overseas consolidated subsidiaries is added up according to the policies stipulated in accounting standards applicable in countries where they operate.</p> <p style="text-align: right;">(Millions of yen)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Category</th> <th style="text-align: center;">Amount</th> <th style="text-align: center;">Classification criteria</th> </tr> </thead> <tbody> <tr> <td>Loans to bankrupt parties</td> <td style="text-align: center;">(9,280) 9,280</td> <td>Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.</td> </tr> <tr> <td>Loans in arrears</td> <td style="text-align: center;">(12,038) 36,966</td> <td>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.</td> </tr> <tr> <td>Loans overdue by three months or more</td> <td style="text-align: center;">(14,359) 1,787</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;">(35,510) 32,225</td> <td>Loans on which favorable terms have been granted, such as the waiving of interest.</td> </tr> <tr> <td style="text-align: center;">Total</td> <td style="text-align: center;">(71,188) 80,259</td> <td style="text-align: center;">/</td> </tr> </tbody> </table> <p>Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.</p>	Category	Amount	Classification criteria	Loans to bankrupt parties	(9,280) 9,280	Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.	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<p>10. Financial assets received as freely disposable securities</p> <p>The Company and some of its subsidiaries entered into "Gensaki" transactions (to purchase debt securities under resale agreements) and received marketable securities as securities for the money repayable from the sellers.</p> <p>Amount of marketable securities purchased (Stated as short-term loans)</p> <p style="text-align: right;">81,028 million yen</p> <p>Market value of marketable securities purchased at the end of the consolidated accounting period</p> <p style="text-align: right;">81,012 million yen</p>	<p>10. Financial assets received as freely disposable securities</p> <p>The Company and some of its subsidiaries entered into "Gensaki" transactions (to purchase debt securities under resale agreements) and received marketable securities as securities for the money repayable from the sellers.</p> <p>Amount of marketable securities purchased (Stated as short-term loans)</p> <p style="text-align: right;">80,996 million yen</p> <p>Market value of marketable securities purchased at the end of the consolidated accounting period</p> <p style="text-align: right;">80,792 million yen</p>																																				

Prior consolidated fiscal year (As of March 31, 2003)	This consolidated fiscal year (As of March 31, 2004)																
<p>11. Agreements for overdraft and commitment facilities</p> <p>For efficient procurement of working capital, the Company and some of its consolidated subsidiaries maintain overdraft contracts with six financial institutions and designated commitment line contracts with twelve financial institutions. As of the end of this consolidated accounting period, the unexercised portion of facilities based on these contracts was as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Millions of yen)</td> </tr> <tr> <td>Agreed amount of agreement for overdraft and commitment line</td> <td style="text-align: right;">436,503</td> </tr> <tr> <td><u>Amount of borrowing</u></td> <td style="text-align: right;"><u>60,201</u></td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">376,302</td> </tr> </table>		(Millions of yen)	Agreed amount of agreement for overdraft and commitment line	436,503	<u>Amount of borrowing</u>	<u>60,201</u>	Unused amount	376,302	<p>11. Agreements for overdraft and commitment facilities</p> <p>For efficient procurement of working capital, the Company and some of its consolidated subsidiaries maintain overdraft contracts with six financial institutions and designated commitment line contracts with fifteen financial institutions. As of the end of this consolidated accounting period, the unexercised portion of facilities based on these contracts was as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Millions of yen)</td> </tr> <tr> <td>Agreed amount of agreement for overdraft and commitment line</td> <td style="text-align: right;">291,007</td> </tr> <tr> <td><u>Amount of borrowing</u></td> <td style="text-align: right;"><u>38,153</u></td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">252,853</td> </tr> </table>		(Millions of yen)	Agreed amount of agreement for overdraft and commitment line	291,007	<u>Amount of borrowing</u>	<u>38,153</u>	Unused amount	252,853
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(7) Notes to Consolidated Financial Statements of Income

Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003)	This consolidated fiscal year (From April 1, 2003 to March 31, 2004)																																																
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<p>4. Gains on sales of fixed assets results from the sales of equipment and furniture.</p>	<p>4. Breakdown of gains on sales of fixed assets</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Millions of yen)</td> </tr> <tr> <td>Buildings and structures</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Vehicles and delivery equipment</td> <td style="text-align: right;">1</td> </tr> <tr> <td><u>Equipment and furniture</u></td> <td style="text-align: right;"><u>0</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">2</td> </tr> </table>		(Millions of yen)	Buildings and structures	0	Vehicles and delivery equipment	1	<u>Equipment and furniture</u>	<u>0</u>	Total	2																																						
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<p>8. Basis for classification of financial income and expenditure on the statements of income</p> <p>(1) Financial income stated as operating income</p> <p>Include all financial income other than dividends and interest on investments in securities made by the Company and subsidiaries engaged in the financial service business.</p> <p>(2) Financial expenditure stated as operating expenses</p> <p>Include all financial expenditure by the Company and subsidiaries engaged in financial services, other than interest payable which has no relationship to operating income.</p>	<p>8. Basis for classification of financial income and expenditure on the statements of income</p> <p>(1) Financial income stated as operating income</p> <p>Include all financial income other than dividends and interest on investments in securities made by the Company and subsidiaries engaged in the financial service business.</p> <p>(2) Financial expenditure stated as operating expenses</p> <p>Include all financial expenditure by the Company and subsidiaries engaged in financial services, other than interest payable which has no relationship to operating income.</p>																											

(8) Notes to Consolidated Statements of Cash Flows

Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003)	This consolidated fiscal year (From April 1, 2003 to March 31, 2004)																										
<p>1. Relationship between cash and cash equivalents at the end of the year and consolidated balance sheet items as at March 31, 2003.</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tr> <td>Cash and time deposits</td> <td style="text-align: right;">86,966</td> </tr> <tr> <td>Marketable securities</td> <td style="text-align: right;">1,079</td> </tr> <tr> <td>Short-term loans</td> <td style="text-align: right;">81,028</td> </tr> <tr> <td>Time deposits and certificates of which term of deposit is more than three months</td> <td style="text-align: right;">(59)</td> </tr> <tr> <td>Bank deposits pledged as collateral</td> <td style="text-align: right;">(1,194)</td> </tr> <tr> <td>Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase</td> <td style="text-align: right;">(1,079)</td> </tr> <tr> <td><u>Cash and cash equivalents</u></td> <td style="text-align: right;"><u>166,739</u></td> </tr> </table>	Cash and time deposits	86,966	Marketable securities	1,079	Short-term loans	81,028	Time deposits and certificates of which term of deposit is more than three months	(59)	Bank deposits pledged as collateral	(1,194)	Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase	(1,079)	<u>Cash and cash equivalents</u>	<u>166,739</u>	<p>1. Relationship between cash and cash equivalents at the end of the year and consolidated balance sheet items as at March 31, 2004.</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tr> <td>Cash and time deposits</td> <td style="text-align: right;">77,930</td> </tr> <tr> <td>Marketable securities</td> <td style="text-align: right;">1,146</td> </tr> <tr> <td>Short-term loans</td> <td style="text-align: right;">80,996</td> </tr> <tr> <td>Time deposits and certificates of which term of deposit is more than three months</td> <td style="text-align: right;">(72)</td> </tr> <tr> <td>Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase</td> <td style="text-align: right;">(1,126)</td> </tr> <tr> <td><u>Cash and cash equivalents</u></td> <td style="text-align: right;"><u>158,873</u></td> </tr> </table>	Cash and time deposits	77,930	Marketable securities	1,146	Short-term loans	80,996	Time deposits and certificates of which term of deposit is more than three months	(72)	Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase	(1,126)	<u>Cash and cash equivalents</u>	<u>158,873</u>
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(9) Segment Information

(A) Business segment information

Prior consolidated fiscal year (from April 1, 2002 to March 31, 2003)

(Millions of yen)

	Financial Service Business	Other Businesses	Total	Adjustments and Elimination	Consolidated
I. Sales and operating profit / loss					
Sales					
(1) Sales to external customers	431,671	5,901	437,572	—	437,572
(2) Inter segment sales and transfers	—	15,300	15,300	(15,300)	—
Total	431,671	21,201	452,873	(15,300)	437,572
Operating expenses	277,805	20,524	298,330	(7,452)	290,877
Operating profit	153,866	676	154,543	(7,847)	146,695
II. Assets, depreciation expenses and capital expenditure					
Assets	2,118,518	35,893	2,154,411	29,002	2,183,414
Depreciation expenses	5,492	549	6,041	2	6,043
Capital expenditure	4,281	1,361	5,642	(1,131)	4,511

Notes 1. Method of classification of businesses

Businesses are classified according to their types, characteristics and similarities in operating transactions.

2. Principal activities of each business

(1) Financial service business: loan business, credit card business, installment sales finance business, loan guarantee business, etc.

(2) Other businesses: Rental business and management of real estate.

3. Unallocated operating expenses included in "adjustments and elimination" were 7,956 million yen, and the expenses relating to the general affairs and accounting section of the Company.

4. Unallocated corporate assets included in "adjustments and elimination" were 54,666 million yen, and are mainly long-term investments in assets and assets related to the general affairs and accounting section of the Company.

This consolidated fiscal year (from April 1, 2003 to March 31, 2004)

Business segment information is omitted as financial service business accounts for more than 90% of the total of sales, operating profits and assets of all segments.

In this consolidated fiscal year, the sales of financial service business account for 94.4% of the total sales of all segments (95.3% in prior consolidated fiscal year), and the operating profit of financial service business account for 99.2% of total operating profit of all segments (99.6% in prior consolidated fiscal year). The assets of financial service business account for 98.2% of total assets of all segments in this consolidated fiscal year. (98.3% in prior consolidated fiscal year).

(B) Geographical segment information

Prior consolidated fiscal year (from April 1, 2002 to March 31, 2003) and this consolidated fiscal year (from April 1, 2003 to March 31, 2004)

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

Prior consolidated fiscal year (from April 1, 2002 to March 31, 2003) and this consolidated fiscal year (from April 1, 2003 to March 31, 2004)

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

(10) Lease Transactions

Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003)	This consolidated fiscal year (From April 1, 2003 to March 31, 2004)																																																																
<p>1. Finance lease transactions other than those where ownership of the leased asset is transferred to the lessee</p> <p>(1) Equivalent of acquisition cost, accumulated depreciation and residual value of the leased assets</p> <p style="text-align: right;">(Millions of yen)</p> <table border="1"> <thead> <tr> <th></th> <th>Equivalent of acquisition cost</th> <th>Equivalent of depreciation</th> <th>Equivalent of residual value</th> </tr> </thead> <tbody> <tr> <td>Machinery</td> <td style="text-align: center;">7</td> <td style="text-align: center;">1</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Vehicles and delivery equipment</td> <td style="text-align: center;">222</td> <td style="text-align: center;">119</td> <td style="text-align: center;">103</td> </tr> <tr> <td>Equipment and furniture</td> <td style="text-align: center;">9,265</td> <td style="text-align: center;">5,194</td> <td style="text-align: center;">4,070</td> </tr> <tr> <td>Total</td> <td style="text-align: center;">9,495</td> <td style="text-align: center;">5,315</td> <td style="text-align: center;">4,179</td> </tr> </tbody> </table> <p>(2) Equivalent balance of the unaccrued lease fees</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td>Within a year</td> <td style="text-align: right;">1,924</td> </tr> <tr> <td>More than one year</td> <td style="text-align: right;">2,342</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>4,267</u></td> </tr> </tbody> </table> <p>(3) Lease fee payable, equivalent of depreciation and equivalent of interest payable</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td>Lease fees payable</td> <td style="text-align: right;">3,004</td> </tr> <tr> <td>Equivalent of depreciation</td> <td style="text-align: right;">2,827</td> </tr> <tr> <td>Equivalent of interest payable</td> <td style="text-align: right;">144</td> </tr> </tbody> </table> <p>(4) Method of calculation of equivalent of depreciation</p> <p>Calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and a residual value of zero.</p> <p>(5) Method of calculation of equivalent of interest</p> <p>The equivalent of interest is regarded as the difference between the total lease payments and the amount equivalent to acquisition cost of the asset. The interest method is used to calculate the portion applicable to each accounting period.</p>		Equivalent of acquisition cost	Equivalent of depreciation	Equivalent of residual value	Machinery	7	1	5	Vehicles and delivery equipment	222	119	103	Equipment and furniture	9,265	5,194	4,070	Total	9,495	5,315	4,179	Within a year	1,924	More than one year	2,342	<u>Total</u>	<u>4,267</u>	Lease fees payable	3,004	Equivalent of depreciation	2,827	Equivalent of interest payable	144	<p>1. 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(11) Transactions between Related Parties

This consolidated fiscal year (from April 1, 2003 to March 31, 2004)

(A) Directors and primary individual shareholders, etc.

(Millions of yen)

Attribute	Director	
Name	Kyosuke Kinoshita	
Address	—	
Capital	—	
Occupation	Chairman of the Company and also chief director of The Institute for Research on Household Economics	
Ratio of voting rights holding (held)	—	
Relationship	Directors involved in other business	—
	Business	—
Summary of transactions	Donation	
Amount transacted	192	
Subject	—	
Outstanding amount at the end of the fiscal year	—	

Notes: 1. Conditions of transaction and method, etc. of determination thereof:

The Institute for Research on Household Economics is a public corporation duly approved by the Prime Minister. It synthetically consider its business plan, the necessity of social contribution and the condition of income and expenditure etc., and its determination is based on the approval of Board of Directors.

(B) Subsidiaries, etc.

(Millions of yen)

Attribute	Subsidiary	
Name	ACOM ESTATE CO., LTD.	
Address	Chiyoda-ku, Tokyo	
Capital	7,540	
Summary of business	Purchase and sale, leasing, administration and mediating real estate	
Ratio of voting rights holding (held)	Direct 100%	
Relationship	Directors involved in other business	—
	Business	Leasing to the Company buildings in which offices are located and undertaking of management thereof
Summary of transactions	Assignment of land and buildings, etc.	
Amount transacted	55	
Subject	—	
Outstanding amount at the end of the fiscal year	—	

Attribute	Equity-method affiliate	
Name	Tokyo-Mitsubishi Cash One Ltd.	
Address	Chuo-ku, Tokyo	
Capital	13,000	
Summary of business	Unsecured loan business	
Ratio of voting rights holding (held)	Direct 38.85%	
Relationship	Directors involved in other business	—
	Business	Providing credit guarantee for unsecured loans
Summary of transactions	Guarantee	
Amount transacted	38,994	
Subject	—	
Outstanding amount at the end of the fiscal year	—	

Notes: 1. Amount transacted above does not include consumption tax, etc.

2. Conditions of transaction and method, etc. of determination thereof:

Assignment prices of land and buildings against ACOM ESTATE CO., LTD. were determined, based on the appraisal value estimated by real estate appraisers, after examining equivalent market value thereof.

(12) Notes to the Method of Tax Effect Accounting

Prior consolidated fiscal year (As of March 31, 2003)	This consolidated fiscal year (As of March 31, 2004)
1. The tax effects of temporary differences which give rise to a significant portion of the deferred tax assets and liabilities	1. The tax effects of temporary differences which give rise to a significant portion of the deferred tax assets and liabilities
(Millions of yen)	(Millions of yen)
Deferred tax assets:	Deferred tax assets:
Nondeductible write-offs of bad debts	Nondeductible write-offs of bad debts
11,565	12,954
Amount exceeding the tax limit for the provision for bad debt allowance	Amount exceeding the tax limit for the provision for bad debt allowance
22,234	27,935
Allowance for loss on guaranteed loans receivable	Allowance for loss on guaranteed loans receivable
193	758
Amount exceeding the tax limit for the provision for accrued bonuses	Amount exceeding the tax limit for the provision for accrued bonuses
1,268	1,505
Allowance for directors' and corporate auditors' retirement benefits	Allowance for directors' and corporate auditors' retirement benefits
434	397
Unrecognized accrued interest income	Unrecognized accrued interest income
464	514
Accrued enterprise tax	Accrued enterprise tax
2,716	2,315
Nondeductible depreciation exceeding the tax limit for depreciation of small capital expenditures	Nondeductible depreciation exceeding the tax limit for depreciation of small capital expenditures
189	130
Amount exceeding the tax limit for the amortization of software application	Amount exceeding the tax limit for the amortization of software application
6,199	6,517
Amount exceeding the tax limit for the amortization of deferred consumption tax and other	Amount exceeding the tax limit for the amortization of deferred consumption tax and other
289	286
Nondeductible devaluation of marketable securities	Nondeductible devaluation of marketable securities
42	135
Unrecognized valuation loss on golf club memberships	Unrecognized valuation loss on golf club memberships
171	183
Amount exceeding the tax limit for depreciation	Amount exceeding the tax limit for depreciation
54	81
Elimination of unrealized inter-company profit	Elimination of unrealized inter-company profit
1,336	1,237
Allowance for employees' retirement benefit	Others
1,454	<u>524</u>
Others	Sub total deferred tax assets
<u>261</u>	55,481
Sub total deferred tax assets	Valuation allowance
48,877	<u>(496)</u>
Valuation allowance	Total deferred tax assets
<u>(145)</u>	54,984
Total deferred tax assets	Deferred tax liabilities:
48,732	Retained earnings of subsidiaries
Deferred tax liabilities:	Charge for prepaid pension expenses
Retained earnings of subsidiaries	3,632
3,187	Change in valuation of other marketable securities
Charge for prepaid pension expenses	782
1,085	Change in valuation of other marketable securities
Change in valuation of other marketable securities	3,990
47	Others
Others	<u>126</u>
<u>59</u>	Total deferred tax liabilities
Total deferred tax liabilities	<u>8,531</u>
<u>4,380</u>	Balance of deferred tax assets
Balance of deferred tax assets	<u><u>46,453</u></u>
<u><u>44,352</u></u>	

Prior consolidated fiscal year (As of March 31, 2003)	This consolidated fiscal year (As of March 31, 2004)																
<p>2. Reconciliation between the statutory tax rate and the effective tax rate as a percentage of income before income taxes</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Statutory tax rate</td> <td style="text-align: right;">40.9%</td> </tr> <tr> <td colspan="2">(Adjustment)</td> </tr> <tr> <td>Loss on investments in equity-method affiliates</td> <td style="text-align: right;">1.1%</td> </tr> <tr> <td>Retained earnings of subsidiaries</td> <td style="text-align: right;">0.3%</td> </tr> <tr> <td>Permanently nondeductible expenses, such as entertainment expenses</td> <td style="text-align: right;">0.1%</td> </tr> <tr> <td>Inhabitants' per capita taxes</td> <td style="text-align: right;">0.2%</td> </tr> <tr> <td>Others</td> <td style="text-align: right;"><u>1.3%</u></td> </tr> <tr> <td>Effective tax rate</td> <td style="text-align: right;">43.9%</td> </tr> </table> <p>3. Amended amount of deferred tax assets and deferred tax liabilities by modification of corporation tax rate</p> <p>“Revised Local Tax Law” was proclaimed on March 31, 2003. and “Assessment by Estimation on the Basis of The Size of Business” system will be introduced from fiscal year ending March 31, 2005. This new system will be part of corporation tax, and statutory tax rate for deferred tax assets in fixed assets and deferred tax liabilities in fixed liabilities was changed for the Company and some of its consolidated subsidiaries from this fiscal year. As a result, the amount of deferred tax assets (excluding deferred tax liabilities) is decreased by 54 million yen. The amount of deferred income tax and change in valuation of other marketable securities are increased by 54 million yen and 0 million yen respectively.</p>	Statutory tax rate	40.9%	(Adjustment)		Loss on investments in equity-method affiliates	1.1%	Retained earnings of subsidiaries	0.3%	Permanently nondeductible expenses, such as entertainment expenses	0.1%	Inhabitants' per capita taxes	0.2%	Others	<u>1.3%</u>	Effective tax rate	43.9%	<p>2. Reconciliation between the statutory tax rate and the effective tax rate as a percentage of income before income taxes</p> <p>Omitted as difference between the statutory tax rate and the effective tax rate was less than 5% of the statutory tax rate.</p> <p>3. Amended amount of deferred tax assets and deferred tax liabilities by modification of corporation tax rate</p> <p>“Revised Local Tax Law” was proclaimed on March 31, 2003. and “Assessment by Estimation on the Basis of The Size of Business” system will be introduced from fiscal year ending March 31, 2005. This new system will be part of corporation tax, and statutory tax rate for deferred tax assets in current assets and deferred tax liabilities in current liabilities was changed for the Company and some of its consolidated subsidiaries from this fiscal year. As a result, the amount of deferred tax assets (excluding deferred tax liabilities) is decreased by 210 million yen. The amount of deferred income tax and change in valuation of other marketable securities are increased by 210 million yen and 0 million yen respectively.</p>
Statutory tax rate	40.9%																
(Adjustment)																	
Loss on investments in equity-method affiliates	1.1%																
Retained earnings of subsidiaries	0.3%																
Permanently nondeductible expenses, such as entertainment expenses	0.1%																
Inhabitants' per capita taxes	0.2%																
Others	<u>1.3%</u>																
Effective tax rate	43.9%																

(13) Marketable Securities

(A) Bonds held to maturity with market quotations

(Millions of yen)

Type	Prior consolidated fiscal year: (As of March 31, 2003)			This consolidated fiscal year (As of March 31, 2004)		
	Book value	Market price	Unrealized gain (loss)	Book value	Market price	Unrealized gain (loss)
Market price greater than book value						
(a) Government/municipal	—	—	—	—	—	—
(b) Corporate	—	—	—	—	—	—
(c) Miscellaneous	—	—	—	4,000	4,112	112
Subtotal	—	—	—	4,000	4,112	112
Book value greater than market price						
(a) Government/municipal	—	—	—	—	—	—
(b) Corporate	—	—	—	—	—	—
(c) Miscellaneous	4,000	3,998	(1)	—	—	—
Subtotal	4,000	3,998	(1)	—	—	—
Total	4,000	3,998	(1)	4,000	4,112	112

(B) Other marketable securities with market quotation

(Millions of yen)

Type	Prior consolidated fiscal year (As of March 31, 2003)			This consolidated fiscal year (As of March 31, 2004)		
	Original cost	Book value	Unrealized gain (loss)	Original cost	Book value	Unrealized gain (loss)
Market price greater than book value						
(a) Stocks	4,005	6,148	2,142	9,766	19,656	9,890
(b) Bonds						
Government/municipal	80	87	7	81	86	4
Corporate	1,313	1,356	43	1,692	1,740	48
Miscellaneous	10	10	0	—	—	—
(c) Other	2,004	2,047	43	1,654	1,755	101
Subtotal	7,413	9,650	2,236	13,193	23,238	10,045
Book value greater than market price						
(a) Stocks	8,777	7,060	(1,717)	2,240	2,035	(205)
(b) Bonds						
Government/municipal	—	—	—	—	—	—
Corporate	—	—	—	—	—	—
Miscellaneous	5	5	(0)	5	5	(0)
(c) Other	1,308	912	(395)	441	402	(39)
Subtotal	10,090	7,977	(2,113)	2,688	2,443	(244)
Total	17,504	17,628	123	15,881	25,682	9,800

Note: In prior consolidated accounting period, impairment loss of 2,690 million yen was recorded with respect to other securities with market prices.

In this consolidated accounting period, impairment loss of 242 million yen was recorded with respect to other securities with market prices.

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.

(C) Other marketable securities sold during the consolidated fiscal year

(Millions of yen)

Type	Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003)	This consolidated fiscal year (From April 1, 2003 to March 31, 2004)
Amount of sales	177	1,063
Total gains on sales	87	446
Total losses on sales	14	—

(D) Principal marketable securities where there is no market quotation

Type	Prior consolidated fiscal year: (As of March 31, 2003)	This consolidated fiscal year: (As of March 31, 2004)
	Amount recorded on consolidated balance sheet	Amount recorded on consolidated balance sheet
Other marketable securities Unlisted securities (excluding OTC securities)	1,142	803

(E) Redemption schedule for other marketable securities with maturities and bonds held to maturity

(Millions of yen)

Type	Prior consolidated fiscal year (As of March 31, 2003)				This consolidated fiscal year (As of March 31, 2004)			
	Up to 1 year	More than 1 year and up to 5 years	More than 5 years and up to 10 years	More than 10 years	Up to 1 year	More than 1 year and up to 5 years	More than 5 years and up to 10 years	More than 10 years
(a) Bonds								
Government/municipal, etc.	—	—	87	—	—	86	—	—
Corporate	—	1,356	—	—	602	1,173	—	—
Miscellaneous	15	—	4,000	—	5	—	4,000	—
(b) Other	1,064	587	532	—	519	623	7	—
Total	1,079	1,944	4,620	—	1,126	1,882	4,007	—

(14) Derivative Transaction

(A) Transaction information

Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003)	This consolidated fiscal year (From April 1, 2003 to March 31, 2004)
<p>1. Derivative transactions The Company and its consolidated subsidiaries enter into derivative transactions for interest-rate swap and interest-rate caps, and currency swaps..</p> <p>2. Derivative transaction principles The Company and its consolidated subsidiaries are not intended to use derivative transactions for investment or trading purposes.</p> <p>3. Purpose for using derivative transactions The Company and consolidated subsidiaries enter into derivative contracts such as interest-rate swap agreements in order to hedge against the risk of fluctuations in interest-rates relating to fixed interest payments and floating interest receivables, and currency swaps agreements in order to hedge against the risk of fluctuation in currencies relating to payments made in Japanese Yen and receivables in foreign currency. The Companies hold only long positions in interest rate caps in order to hedge against the risk of fluctuation in market interest rates. The Companies' derivative transactions are accounted for as hedging transactions.</p> <p>(1) Hedging instruments and items hedged Interest related derivatives Hedging instruments Derivative transaction (Interest-rate swaps agreements and interest-rate caps) Items hedged Loans with variable interest rates</p> <p>Currency related derivatives Hedging instruments Currency swaps agreements Items hedged Loans denominated in foreign currency</p> <p>(2) Hedging policy The Company and consolidated subsidiaries enter into derivative contracts such as interest-rate swap agreements, etc. in order to hedge against the risk of fluctuations in interest rate relating to its variable-rate loans, and currency swaps agreements in order to hedge against the risk of fluctuations in foreign currency exchange rates relating to its loans denominated in foreign currency. Derivative transactions are entered into in compliance with the Companies' internal rules.</p> <p>(3) Evaluating the efficacy of hedging activities In regard to interest related derivatives, the performance of the hedging instruments and the items hedged is monitored primarily using the same criteria. As it can be assumed that changes in interest rates and cash flows are fully offset by hedging instruments, further evaluation is not required.</p>	<p>1. Derivative transactions The Company and its consolidated subsidiaries enter into derivative transactions for interest-rate swap, interest-rate caps, and currency swaps.</p> <p>2. Derivative transaction principles The Company and its consolidated subsidiaries are not intended to use derivative transactions for investment or trading purposes.</p> <p>3. Purpose for using derivative transactions The Company and consolidated subsidiaries enter into derivative contracts such as interest-rate swap agreements in order to hedge against the risk of fluctuations in interest-rates relating to fixed interest payments and floating interest receivables, and currency swaps agreements in order to hedge against the risk of fluctuation in currencies relating to payments made in Japanese Yen and receivables in foreign currency. The Companies hold only long positions in interest rate caps in order to hedge against the risk of fluctuation in market interest rates. The Companies' derivative transactions are accounted for as hedging transactions.</p> <p>(1) Hedging instruments and items hedged Interest related derivatives Hedging instruments Derivative transaction (Interest-rate swaps agreements and interest-rate caps) Items hedged Loans with variable interest rates</p> <p>Currency related derivatives Hedging instruments Currency swaps agreements Items hedged Loans denominated in foreign currency</p> <p>(2) Hedging policy The Company and consolidated subsidiaries enter into derivative contracts such as interest-rate swap agreements, etc. in order to hedge against the risk of fluctuations in interest rates relating to its variable-rate loans, and currency swaps agreements in order to hedge against the risk of fluctuations in foreign currency exchange rates relating to its loans denominated in foreign currency. Derivative transactions are entered into in compliance with the Companies' internal rules.</p> <p>(3) Evaluating the efficacy of hedging activities In regard to interest related derivatives, the performance of the hedging instruments and the items hedged is monitored primarily using the same criteria. As it can be assumed that changes in interest rates and cash flows are fully offset by hedging instruments, further evaluation is not required.</p>

Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003),	This consolidated fiscal year (From April 1, 2003 to March 31, 2004)
<p>4. Risk relating to transactions</p> <p>(1) Market risk Although the Company and its consolidated subsidiaries are engaged in interest rate swap and currency swap agreements, no market risk is anticipated as such derivatives have been entered into in order to offset or mitigate gains or losses resulting from the hedged loan transactions, even though interest rate swap and currency swap agreements are exposed to changes in interest rates and foreign currency exchange rates. In addition, the Companies are not exposed to risk on interest rate caps, as the maximum interest rate is capped at the cap rates.</p> <p>(2) Credit risk The Company and its consolidated subsidiaries do not anticipate nonperformance by any of the counterparties to the above transactions, all of whom are financial institutions which are deemed highly creditworthy.</p> <p>5. Management of risk relating to transactions The Company and its consolidated subsidiaries have established rules for the authorization of derivative transactions and related risk management rules which stipulate the limits on derivative transactions. All derivative transactions have been entered into in compliance with these rules.</p> <p>Risk management for derivative transactions has been under the control of the Treasury Department of the Company which establishes the position limit for each derivative transaction and monitors the limits. The position limit permissible for each derivative transaction is authorized at the executive managing directors' meeting when the Company's annual business plan is established. In addition, same criteria are used to monitor consolidated subsidiaries, and important transactions have been under the control of the Treasury Department of the Company.</p>	<p>4. Risk relating to transactions</p> <p>(1) Market risk Although the Company and its consolidated subsidiaries are engaged in interest rate swap and currency swap agreements, no market risk is anticipated as such derivatives have been entered into in order to offset or mitigate gains or losses resulting from the hedged loan transactions, even though interest rate swap and currency swap agreements are exposed to changes in interest rates and foreign currency exchange rates. In addition, the Companies are not exposed to risk on interest rate caps, as the maximum interest rate is capped at the cap rates.</p> <p>(2) Credit risk The Company and its consolidated subsidiaries do not anticipate nonperformance by any of the counterparties to the above transactions, all of whom are financial institutions which are deemed highly creditworthy.</p> <p>5. Management of risk relating to transactions The Company and its consolidated subsidiaries have established rules for the authorization of derivative transactions and related risk management rules which stipulate the limits on derivative transactions. All derivative transactions have been entered into in compliance with these rules.</p> <p>Risk management for derivative transactions has been under the control of the Treasury Department of the Company which establishes the position limit for each derivative transaction and monitors the limits. The position limit permissible for each derivative transaction is authorized at the executive managing directors' meeting when the Company's annual business plan is established. In addition, same criteria are used to monitor consolidated subsidiaries, and important transactions have been under the control of the Treasury Department of the Company.</p>

(B) Matter related to market value, etc. of the derivative transaction

Prior consolidated fiscal year (from April 1, 2002 to March 31, 2003)

Market value information is not required as all of the Company and consolidated subsidiaries' derivative transactions are accounted for as hedging transactions.

This consolidated fiscal year (from April 1, 2003 to March 31, 2004)

Market value information is not required as all of the Company and consolidated subsidiaries' derivative transactions are accounted for as hedging transactions.

(15) Retirement Benefits Accounting

Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003)	This consolidated fiscal year (From April 1, 2003 to March 31, 2004)																																		
<p>1. Overview of retirement benefit plans</p> <p>The Company and domestic consolidated subsidiaries have three types of defined-benefits retirement plans: employees' pension fund, tax-qualified retirement annuity plan, and lump-sum severance payment plan. There are also cases when an employee is given a severance pay premium on leaving the company.</p> <p>Four companies within the consolidated ACOM Group have lump-sum severance payment plans. As to the employees' pension fund, the Group also has a jointly established fund and a multi-employer fund. In addition, as to the tax-qualified retirement annuity plan, the Group has a jointly managed annuity plan and one consolidated subsidiary has a separately managed plan.</p> <p>Some of the consolidated subsidiaries have ended the lump-sum severance payment plans in March 2003.</p>	<p>1. Overview of retirement benefit plans</p> <p>The Company and domestic consolidated subsidiaries have three types of defined-benefits retirement plans: prepaid retirement pension plan, tax-qualified retirement annuity plan, and lump-sum severance payment plan. There are also cases when an employee is given a severance pay premium on leaving the company.</p> <p>Four companies within the consolidated ACOM Group have lump-sum severance payment plans. As to the employees' pension fund, the Group also has a jointly established fund and a multi-employer fund. In addition, as to the tax-qualified retirement annuity plan, the Group has a jointly managed annuity plan and one consolidated subsidiary has a separately managed plan.</p> <p>In March 2004, "ACOM welfare pension plan", which the Company and some of domestic consolidated subsidiaries join, was disorganized with the authorization by a minister of Health, Labour and Welfare. In October 2003, "Japan sogo finance industrial welfare pension plan", which some of consolidated subsidiaries join, was disorganized with the authorization by a Minister of Health, Labour and Welfare.</p>																																		
<p>2. Retirement benefit liabilities as of March 31, 2003</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tr> <td>(1) Retirement benefit liabilities</td> <td style="text-align: right;">(34,172)</td> </tr> <tr> <td><u>(2) Pension assets</u></td> <td style="text-align: right;"><u>24,060</u></td> </tr> <tr> <td>(3) Unfunded retirement benefit liabilities (1 + 2)</td> <td style="text-align: right;">(10,112)</td> </tr> <tr> <td>(4) Unrecognized past service liabilities</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">(deduction in liabilities)</td> <td style="text-align: right;">(1,649)</td> </tr> <tr> <td><u>(5) Unrecognized difference with actuarial liability</u></td> <td style="text-align: right;"><u>10,771</u></td> </tr> <tr> <td>(6) Difference (3 + 4 + 5)</td> <td style="text-align: right;">(991)</td> </tr> <tr> <td><u>(7) Prepaid pension expenses</u></td> <td style="text-align: right;"><u>2,680</u></td> </tr> <tr> <td><u>(7) Allowance for retirement benefits (6 - 7)</u></td> <td style="text-align: right;"><u>(3,671)</u></td> </tr> </table> <p>Notes:</p> <ol style="list-style-type: none"> Substitutional portion of the employees' pension fund is included in the above figures. Some consolidated subsidiaries use the simplified method for calculating retirement benefit liabilities. 	(1) Retirement benefit liabilities	(34,172)	<u>(2) Pension assets</u>	<u>24,060</u>	(3) Unfunded retirement benefit liabilities (1 + 2)	(10,112)	(4) Unrecognized past service liabilities		(deduction in liabilities)	(1,649)	<u>(5) Unrecognized difference with actuarial liability</u>	<u>10,771</u>	(6) Difference (3 + 4 + 5)	(991)	<u>(7) Prepaid pension expenses</u>	<u>2,680</u>	<u>(7) Allowance for retirement benefits (6 - 7)</u>	<u>(3,671)</u>	<p>2. Retirement benefit liabilities as of March 31, 2004</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tr> <td>(1) Retirement benefit liabilities</td> <td style="text-align: right;">(21,314)</td> </tr> <tr> <td><u>(2) Pension assets</u></td> <td style="text-align: right;"><u>19,382</u></td> </tr> <tr> <td>(3) Unfunded retirement benefit liabilities (1 + 2)</td> <td style="text-align: right;">(1,932)</td> </tr> <tr> <td>(4) Unrecognized past service liabilities</td> <td style="text-align: right;">310</td> </tr> <tr> <td><u>(5) Unrecognized difference with actuarial liability</u></td> <td style="text-align: right;"><u>3,265</u></td> </tr> <tr> <td>(6) Difference (3 + 4 + 5)</td> <td style="text-align: right;">1,643</td> </tr> <tr> <td><u>(7) Prepaid pension expenses</u></td> <td style="text-align: right;"><u>1,924</u></td> </tr> <tr> <td><u>(8) Allowance for retirement benefits (6 - 7)</u></td> <td style="text-align: right;"><u>(281)</u></td> </tr> </table> <p>Notes:</p> <ol style="list-style-type: none"> Some consolidated subsidiaries use the simplified method for calculating retirement benefit liabilities. 	(1) Retirement benefit liabilities	(21,314)	<u>(2) Pension assets</u>	<u>19,382</u>	(3) Unfunded retirement benefit liabilities (1 + 2)	(1,932)	(4) Unrecognized past service liabilities	310	<u>(5) Unrecognized difference with actuarial liability</u>	<u>3,265</u>	(6) Difference (3 + 4 + 5)	1,643	<u>(7) Prepaid pension expenses</u>	<u>1,924</u>	<u>(8) Allowance for retirement benefits (6 - 7)</u>	<u>(281)</u>
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Prior consolidated fiscal year (From April 1, 2002 to March 31, 2003)	This consolidated fiscal year (From April 1, 2003 to March 31, 2004)																																																																												
<p>3. 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Contributions made by employees to the employees' pension fund are excluded. 2. Retirement benefit expenses of consolidated subsidiaries using the simplified method are added up in "(1) service expenses". 3. Others are premium paid to a defined-contribution pension plan. <p>4. 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5. Actual results

(1) Operating income by segment

(Millions of yen)

Item	Term	Prior consolidated fiscal year 〔 From April 1, 2002 to March 31, 2003 〕		This consolidated fiscal year 〔 From April 1, 2003 to March 31, 2004 〕		Change	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
Financial business		431,671	98.7%	427,698	98.3%	(3,973)	(0.9)
Loan business		398,057	91.0%	391,259	90.0%	(6,798)	(1.7)
Credit card business		5,096	1.2%	5,876	1.3%	780	15.3
Installment sales finance business		25,725	5.9%	22,738	5.2%	(2,987)	(11.6)
Guarantee business		1,866	0.4%	5,037	1.2%	3,170	169.8
Servicing business		925	0.2%	2,786	0.6%	1,861	201.2
Other business		5,901	1.3%	7,269	1.7%	1,368	23.2
Rental business		3,629	0.8%	3,527	0.8%	(102)	(2.8)
Others		2,271	0.5%	3,742	0.9%	1,471	64.8
Total		437,572	100.0%	434,968	100.0%	(2,604)	(0.6)

(2) Other statistics

Item	Term	Prior consolidated fiscal year (As of March 31, 2003)	This consolidated fiscal year (As of March 31, 2004)	Amount of change	
				Amount of change	Percentage
Receivables outstanding (millions of yen)		1,941,244	1,857,536	(83,708)	(4.3)%
Loan business		1,660,256	1,623,154	(37,101)	(2.2)
Credit card business		41,850	46,731	4,880	11.7
Credit card		41,114	45,941	4,826	11.7
Others		735	789	53	7.3
Installment sales finance business		237,948	181,567	(56,380)	(23.7)
Servicing business		1,189	6,082	4,892	411.1
Number of customer accounts					
Loan business		3,161,304	3,161,894	590	0.0
Credit card business		1,021,131	1,071,681	50,550	5.0
Credit card		1,014,845	1,064,492	49,647	4.9
Others		6,286	7,189	903	14.4
Installment sales finance business		991,162	886,110	(105,052)	(10.6)
Servicing business		10,540	31,851	21,311	202.2
Rental business		14,519	13,038	(1,481)	(10.2)
Allowance for bad debts (millions of yen)		112,549	135,350	22,800	20.3
Allowance for loss on guaranteed loans Receivable (millions of yen)		474	1,865	1,391	293.5
Bad debt write-offs (millions of yen)		83,685	116,519	32,833	39.2
Number of outlets		1,762	1,764	2	0.1
Number of employees		6,111	6,161	50	0.8

Notes: 1. The definition of number of customer accounts is as follows,

- (1) Loan business: The number of loan accounts with loan balance outstanding
- (2) Credit card business: Cardholder of ACOM MasterCard
- (3) Installment sales finance business: Number of contracts with receivables outstanding
- (4) Servicing business: Number of accounts for purchased loans
- (5) Rental business: Number of users during the fiscal year

2. The amount of other investment in "Investment and other assets" is included in allowance for bad debts

(TRANSLATION)

Brief Statement of Financial Results
for the Fiscal Year Ended March 2004 (Non-consolidated)

April 28, 2004

Forward-looking Statement

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ended March 2004 (the "Brief Statement") with respect to ACOM's plans and strategies and other statements that are not historical facts but are forward-looking statements about the future performance of ACOM 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 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: Tokyo Stock Exchange

Code No.: 8572

Location of the head office: Tokyo

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

Reference:

Position of the representative President & Chief Executive Officer

Name Shigeyoshi Kinoshita

Position of the person in charge: General Manager of Corporate Planning Department

Name: Yoshinori Matsubara

Telephone No.: (03) 3270 - 3423

Date of the board of directors' meeting for the account settlement: April 28, 2004

Date of the ordinary general meeting of the shareholders: June 24, 2004

Interim-dividend system: Adopted

Unit of share system: Adopted (10 shares for a unit)

Note: All amounts under minimum units appearing in each of the tables have been disregarded, except for per share amounts throughout this Brief Statement (Non-consolidated).

1. Non-Consolidated Business Results for the Fiscal Year (from April 1, 2003 to March 31, 2004)

(1) Operating Results

(Millions of yen)

	Operating Income		Operating Profit		Income Before Extraordinary Items	
3/04	411,799	(1.8%)	115,880	(18.7%)	117,799	(18.5%)
3/03	419,258	4.6%	142,581	(15.6%)	144,502	(15.3%)

	Net income (Millions of yen)		Net Income per Share (Yen)	Net Income per Share Diluted (Yen)	Return on Equity	Income Before Extraordinary Items to Total Assets	Income Before Extraordinary Items to Operating Income
3/04	65,648	(15.3%)	455.36	455.29	9.8%	5.7%	28.6%
3/03	77,489	(18.2%)	529.45	-	12.6%	6.9%	34.5%

Notes: 1. Average number of shares issued: 144,089,082 shares for fiscal year March 2004, 146,283,363 shares for fiscal year March 2003.

2. Change in accounting policies: None

3. Regarding operating income, operating profit, income before extraordinary items and net income, the figures in percentages show growth from the previous fiscal year.

(2) Dividends

	Annual Cash Dividends per Share (Yen)			Total Amount of Annual Cash Dividends (Millions of yen)	Dividends Pay-out Ratio	Ratio of Total Amount of Dividends to Shareholders' Equity
		Interim	Year-end			
3/04	80.00	40.00	40.00	11,484	17.6%	1.7%
3/03	80.00	40.00	40.00	11,702	15.1%	1.8%

(3) Non-Consolidated Financial Position

(Millions of yen)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share (Yen)
3/04	2,019,648	694,082	34.4%	4,834.51
3/03	2,110,009	645,386	30.6%	4,411.62

Notes: 1. Number of shares issued at fiscal year-end: 143,561,072 shares in fiscal 2003, 146,283,331 shares in fiscal 2002.

2. Number of treasury shares at fiscal year-end: 2,067,208 shares in fiscal 2003, 347,549 shares in fiscal 2002.

2. Non-Consolidated Forecast for the Fiscal 2004 (from April 1, 2004 to March 31, 2005)

(Millions of yen)

	Total Operating Income	Income Before Extraordinary Items	Net Income	Annual Cash Dividends per Share (Yen)		
				Interim Dividends	Year-end Dividends	
Interim	200,200	63,000	37,200	40.00	-	-
Annual	396,700	126,000	74,300	-	40.00	80.00

Reference: Projected net income per share (annual): 466.25 yen.

Note: In the calculation of the projected net income per share, the estimated average number of shares issued during current fiscal year is used and same amount of bonus to directors at the prior fiscal year is subtracted.

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

Subject	Term	Prior fiscal year (As of March 31, 2003)		This fiscal year (As of March 31, 2004)		Change	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
(Assets)			%		%		%
I. Current assets		1,962,129	93.0	1,870,175	92.6	(91,953)	(4.7)
Cash and time deposits		70,602		69,015		(1,587)	(2.2)
Loans receivable		1,652,890		1,612,799		(40,091)	(2.4)
Installment sales receivables		194,369		159,907		(34,462)	(17.7)
Marketable securities		1,074		565		(508)	(47.3)
Merchandise		6,610		5,879		(731)	(11.1)
Prepaid expenses		6,759		5,071		(1,688)	(25.0)
Deferred tax assets		38,998		46,530		7,532	19.3
Accrued income		12,189		12,110		(79)	(0.6)
Short-term loans		80,278		79,996		(282)	(0.4)
Short-term loans to affiliates		50		50		--	--
Other current assets		3,075		5,249		2,174	70.7
Allowances for bad debts		(104,770)		(127,000)		(22,230)	21.2
II. Fixed assets		147,880	7.0	149,472	7.4	1,592	1.1
Tangible fixed assets		42,763	2.0	39,190	1.9	(3,573)	(8.4)
Buildings		15,199		13,612		(1,586)	(10.4)
Structures		3,829		3,528		(300)	(7.8)
Vehicles and delivery equipment		8		6		(2)	(31.5)
Equipment and furniture		15,412		14,019		(1,393)	(9.0)
Land		8,313		8,023		(290)	(3.5)
Intangible fixed assets		1,214	0.1	1,206	0.1	(8)	(0.7)
Leasehold		69		69		--	--
Telephone rights		1,078		1,078		0	0.0
Other intangible fixed assets		67		58		(8)	(12.9)
Investments and other assets		103,901	4.9	109,076	5.4	5,175	5.0
Investments in securities		20,344		28,219		7,874	38.7
Investments in affiliates		22,449		20,505		(1,944)	(8.7)
Investments in equity other than capital stock		881		975		93	10.6
Investments in affiliates' equity other than capital stock		1		1		--	--
Long-term loans		1,100		1,068		(32)	(2.9)
Long-term loans to affiliates		32,500		37,750		5,250	16.2
Claims on bankruptcy and reorganization, etc.		2,878		2,843		(35)	(1.2)
Long-term prepaid expenses		2,239		1,541		(698)	(31.2)
Deferred tax assets		5,662		857		(4,804)	(84.9)
Guaranty money deposited		11,160		10,588		(571)	(5.1)
Buildings and structures in trust		62		23		(39)	(62.8)
Land in trust		389		95		(293)	(75.4)
Prepaid pension expenses		2,630		1,887		(742)	(28.2)
Other investments		4,532		5,120		588	13.0
Allowance for bad debts		(2,930)		(2,400)		530	(18.1)
Total Assets		2,110,009	100.0	2,019,648	100.0	(90,361)	(4.3)

(Millions of yen)

Subject	Term	Prior fiscal year (As of March 31, 2003)		This fiscal year (As of March 31, 2004)		Change	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
	(Liabilities)		%		%		%
I. Current liabilities		437,363	20.7	398,005	19.7	(39,358)	(9.0)
Accounts payable		1,844		1,035		(808)	(43.8)
Short-term loans		3,500		11,500		8,000	228.6
Current portion of long-term loans		308,791		285,304		(23,487)	(7.6)
Commercial paper		10,000		--		(10,000)	--
Current portion of bonds and notes		40,000		40,000		--	--
Accounts payable on the transferred specified claims		2,900		--		(2,900)	--
Amount payable		1,418		1,402		(16)	(1.1)
Accrued expenses		12,153		12,716		562	4.6
Accrued income taxes		30,231		26,319		(3,912)	(12.9)
Deposit received		259		395		136	52.6
Unearned income		126		67		(58)	(46.5)
Allowance for loss on guaranteed loans receivable		474		1,865		1,391	293.5
Deferred income on installment sales		25,518		17,276		(8,242)	(32.3)
Other current liabilities		144		122		(22)	(15.3)
II. Fixed liabilities		1,027,260	48.7	927,560	45.9	(99,699)	(9.7)
Straight bonds		255,000		245,000		(10,000)	(3.9)
Long-term loans		740,776		678,285		(62,490)	(8.4)
Long-term loans to affiliates		23,880		--		(23,880)	--
Allowance for employees' retirement benefits		3,268		--		(3,268)	--
Allowance for directors' and corporate auditors' retirement benefits		964		867		(97)	(10.1)
Customers' deposit in trust		127		44		(83)	(65.3)
Other fixed liabilities		3,243		3,363		120	3.7
Total liabilities		1,464,623	69.4	1,325,566	65.6	(139,057)	(9.5)
	(Shareholders' equity)						
I. Common stock		17,282	0.8	17,282	0.9	--	--
II. Capital surplus		25,772	1.2	25,772	1.3	--	--
Additional paid-in capital		25,772		25,772		--	--
III. Earned surplus		606,083	28.8	656,326	32.5	50,243	8.3
Legal reserve		4,320		4,320		--	--
Voluntary reserve		500,000		570,000		70,000	14.0
Unappropriated retained earnings		101,762		82,006		(19,756)	(19.4)
IV. Securities valuation adjustment		51	0.0	5,799	0.3	5,748	--
V. Treasury stock		(3,803)	(0.2)	(11,099)	(0.6)	(7,295)	191.8
Total shareholders' equity		645,386	30.6	694,082	34.4	48,696	7.5
Total liabilities and shareholders' equity		2,110,009	100.0	2,019,648	100.0	(90,361)	(4.3)

(2) Non-Consolidated Income Statements

(Millions of yen)

Subject	Term	Prior fiscal year 〔 From April 1, 2002 to March 31, 2003 〕		This fiscal year 〔 From April 1, 2003 to March 31, 2004 〕		Change	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
I. Operating income		419,258	100.0	411,799	100.0	(7,458)	(1.8)
Interest on loans receivable		388,483		379,332		(9,151)	(2.4)
Fees from credit card business		4,986		5,714		727	14.6
Fees from installment sales finance business		16,166		13,799		(2,366)	(14.6)
Fees on guaranteed loans receivables		1,667		4,503		2,836	170.1
Other financial income		26		18		(7)	(28.7)
Sales		105		735		630	600.0
Other operating income		7,822		7,695		(127)	(1.6)
II. Operating expenses		276,677	66.0	295,918	71.9	19,241	7.0
Financial expenses		29,585	7.1	26,115	6.4	(3,469)	(11.7)
Cost of sales		104	0.0	731	0.2	626	596.7
Other operating expenses		246,986	58.9	269,072	65.3	22,085	8.9
Operating profit		142,581	34.0	115,880	28.1	(26,700)	(18.7)
III. Non-operating income		2,118	0.5	2,086	0.5	(31)	(1.5)
Interest income		777		755		(22)	(2.9)
Interest on securities		42		70		28	66.5
Dividends received		329		311		(17)	(5.4)
Gains on sale of securities		73		67		(5)	(7.9)
Insurance payment received		17		25		7	41.5
Rent from Company's residence		432		471		38	8.9
Other non-operating income		445		385		(59)	(13.5)
IV. Non-operating expenses		197	0.0	167	0.0	(29)	(15.0)
Treasury stock acquisition expenses		--		42		42	--
Loss on investments in investing business association		130		67		(62)	(48.0)
Other non-operating expenses		66		56		(9)	(14.8)
Income before extraordinary items		144,502	34.5	117,799	28.6	(26,702)	(18.5)
V. Extraordinary income		5	0.0	3,198	0.8	3,192	--
Gains on sale of fixed assets		--		0		0	--
Gains on sales of investment in marketable securities		0		379		379	--
Gain on maturity of investment trusts		5		15		9	171.7
Net gain on termination of a welfare pension plan		--		2,802		2,802	--

Subject	Term	Prior fiscal year 〔 From April 1, 2002 to March 31, 2003 〕		This fiscal year 〔 From April 1, 2003 to March 31, 2004 〕		Change	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
VI. Extraordinary Losses		9,925	2.4	7,861	1.9	(2,064)	(20.8)
Loss on sale of fixed assets		5,914		292		(5,621)	(95.0)
Loss on disposal of fixed assets		961		676		(285)	(29.7)
Loss on revaluation of investments in marketable securities		2,706		335		(2,370)	(87.6)
Loss on revaluation of investments in affiliates		--		6,026		6,026	--
Other extraordinary losses		342		529		187	54.6
Income before income taxes		134,582	32.1	113,136	27.5	(21,445)	(15.9)
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		68,070	13.6	54,160	11.6	(13,910)	(16.8)
Deferred income taxes		(10,977)		(6,671)		4,306	
Net income		77,489	18.5	65,648	15.9	(11,841)	(15.3)
Retained earnings carried forward from the previous period		30,124		25,871		(4,252)	(14.1)
Retirement of treasury stock		--		3,771		3,771	--
Interim dividends		5,851		5,742		(108)	(1.9)
Unappropriated retained earnings		101,762		82,006		(19,756)	(19.4)

(3) Comparative Proposition of Appropriation of Retained Earnings

Subject	Term	(Millions of yen)		
		Prior fiscal year (as of March 31, 2003)	This fiscal year (as of March 31, 2004)	Change
		Amount	Amount	Amount
I. Unappropriated retained earnings		101,762	82,006	(19,756)
II. The above shall be appropriated as follows:				
Dividends		5,851	5,742	(108)
per share		¥40.00	¥40.00	--
		(Regular dividends: ¥40.00)	(Regular dividends: ¥40.00)	(Regular dividends: --)
Bonus to directors		39	35	(4)
Voluntary reserve		70,000	50,000	(20,000)
III. Unappropriated retained earnings carried forward		25,871	26,228	356

Notes: 1. As of December 5, 2003, the Company paid interim dividends of ¥40.00 per share (regular dividends) amounted to ¥5,742,443,400 in total.

2. The dividends for this fiscal year as shown above will not be paid to 2,067,208 shares of treasury stock.

- (4) Significant Items Relating to the Preparation of Interim Non-Consolidated Financial Statements
- (A) Valuation and computation of marketable securities
- (a) Securities of subsidiaries and affiliates ... Cost as determined by the moving average method
 - (b) Securities held to maturity... Amortized cost method (straight-line method)
 - (c) Other marketable securities
 - Where there is a market price
 - Market value as determined by the quoted price at the end of the fiscal year
(The difference between the carrying value and the market value is included in equity.)
(Cost of securities sold is computed using the moving average method.)
 - Where there is no market price
 - Cost determined by the moving average method
- (B) Valuation and computation of derivative transactions
- Option transaction ... Market value
 - Swap transaction ... Market value
- (C) Valuation and computation of the inventories
- Merchandise ... Cost on an individual specified cost basis
- (D) Depreciation of the fixed assets
- (a) Tangible fixed assets and building and structures in trust ... Declining balance method
(Depreciable life)
 - Buildings ... 3 to 47 years
 - Structure ... 3 to 50 years
 - Vehicles and delivery equipment ... 4 to 6 years
 - Equipment and furniture ... 2 to 20 years
 - Buildings and structures held in trust ... 8 to 50 years
 - (b) Intangible fixed assets ... Straight-line method
 - (c) Long-term prepaid expenses ... Amortized in equal installments
- (E) Method of treatment of deferred assets
- Bond issue expenses ... Entire amount expensed as incurred
- (F) Currency translation standards for foreign-currency-denominated assets or liabilities into yen
- Foreign-currency-denominated monetary claims and liabilities are converted into yen using the spot market rate for the accounting date, and differences in currency translation are added up as profit or loss.
- (G) Basis for calculating allowances
- (a) Allowance for bad debts

In providing for bad debts, the Company makes an allowance for ordinary bad debts based on the historical rate of default. For specific debts where recovery is doubtful, the Company considers the likelihood of recovery on an individual basis, making an allowance for the amount regarded as irrecoverable.
 - (b) Allowance for loss on guaranteed receivables

In providing allowance for loss on guaranteed loans receivable, the Company makes an allowance as necessary having considered the likelihood of losses at the end of the this fiscal year.
 - (c) Allowance for retirement benefits

The Company makes provisions for retirement benefits based on projected retirement obligations and pension fund asset at the balance sheet date. Adjustments are made to determine the amounts applicable to the end of this fiscal year.

As projected pension fund asset exceeds the adjusted amounts of projected benefit obligation by unrecognized projected past service liabilities and unrecognized actuarial gains or losses, the surplus is included in the balance of prepaid pension expenses.

On March 26, 2004, the Company disorganized ACOM welfare pension plan with the authorization by a Minister of Health, Labour and Welfare. As a result, 2,802 million yen of net gain on termination of a welfare pension plan is included in the balance of extraordinary income.
 - (d) Allowance for directors' and statutory auditors' retirement benefits

The Company makes provisions for directors' and statutory auditors' retirement benefits at the end of the fiscal year in accordance with the Company's internal rules.

- (H) Basis of recognition of income and expenses
- (a) Interest on loans receivable
Interest on loans receivable is recognized on an accrual basis.
Accrued interest on loans receivable is recognized at the lower of the interest rate stipulated in the Interest Restriction Law of Japan or the contracted interest rate of the Company.
 - (b) Income from credit card business
Customer fees ... Recognized mainly by credit balance method.
Merchant fees ... Recognized as fees when treated.
 - (c) Income from installment sales finance business
Fees from customers and member outlets ... Recognized by sum-of-the months' digits method on a due date basis
 - (d) Fees on guaranteed loans receivables ... Recognized by credit-balance method
- (I) Accounting for lease transactions
The Company accounts for finance leases where ownership of the leased asset is not transferred to the lessee as operating leases.
- (J) Accounting for hedging activities
- (a) Accounting for hedging activities
Deferred hedge accounting has been adopted.
Interest-rate swaps when meet certain conditions are accounted for according to exceptional treatments.
 - (b) Hedging instruments and items hedged
Hedging instruments ... Interest-rate swaps agreements and interest-rate caps
Items hedged ... Loans with variable interest rates
 - (c) Hedging policy
The Company enters into derivative contracts such as interest-rate swap agreements in order to hedge against the risk of fluctuations in interest rates relating to its variable-rate loans.
 - (d) Evaluating the efficacy of hedging activities
The performance of the hedging instruments and the items hedged is monitored primarily using the same criteria.
As it can be assumed that changes in interest rates are fully offset by changes in cash flows from hedging instruments, further evaluation is not required.
- (K) Other significant accounting policies for the preparation of non-consolidated financial statements
- (a) Treatment of consumption tax
Consumption tax is treated outside of the financial statements
However, non-deductible consumption tax and others relating to assets is recognized as an expense during the year in which it is incurred.

(5) Notes to Non-Consolidated Balance Sheets

Prior fiscal year (As of March 31, 2003)	This fiscal year (As of March 31, 2004)
1. Cumulative depreciation of tangible fixed assets (Millions of yen) 43,482	1. Cumulative depreciation of tangible fixed assets (Millions of yen) 46,313
Cumulative depreciation of buildings and structures in trust which are classified as "Investments" (Millions of yen) 75	Cumulative depreciation of buildings and structures in trust which are classified as "Investments" (Millions of yen) 25
2. Assets pledged as security (Millions of yen)	2. Assets pledged as security (Millions of yen)
(1) Pledged assets	(1) Pledged assets
Cash and time deposits 1,194	598,145
Loan receivable 642,524	Loan receivable <118,852>
<137,761>	[32,999]
Buildings 1,067	Buildings 1,005
Land 934	Land 934
Total 645,721	Total 600,086
<137,761>	<118,852>
	[32,999]
(2) Secured liabilities	(2) Secured liabilities
Short-term loans 1,000	Short-term loans 1,000
<1,000>	<1,000>
Current portion of Long-term loans 184,178	Current portion of Long-term loans 153,979
<40,324>	<43,091>
Long-term loans 423,480	Long-term loans 436,207
<95,608>	<74,434>
Long-term loans to affiliates 23,880	[23,880]
Total 632,538	Total 591,186
<136,932>	<118,525>
	[23,880]
Figures in brackets represent amounts engaged in transferring of assignment of claims	Figures in the brackets "< >" represent amounts engaged in transferring of assignment of claims and figures in the brackets "[]" represent amounts relating to securitization.
3. Authorized shares and issued shares Company's authorized share capital is 533,200 thousand shares. Our articles of incorporation authorize us to reduce same number of shares when cancellation of shares occurs. Company's issued share capital is 146,630 thousand shares.	3. Authorized shares and issued shares Company's authorized common share capital is 532,197 thousand shares. Our articles of incorporation authorize us to reduce same number of shares when cancellation of shares occurs. Company's issued common share capital is 145,628 thousand shares.
4. Treasury stock Company holds 347,549 shares of common stock.	4. Treasury stock Company holds 2,067,208 shares of common stock.
5. Contingent liabilities	5. Contingent liabilities
(1) Amount of guaranteed loans of guarantee business (Millions of yen)	(1) Amount of guaranteed loans of guarantee business (Millions of yen)
Guaranteed loans 57,926	Guaranteed loans 100,971
Allowance for loss on guaranteed loans (474)	Allowance for loss on guaranteed loans (1,865)
Net 57,452	Net 99,106
(2) Amount of guaranteed liabilities of affiliated companies (Millions of yen)	(2) Amount of guaranteed liabilities of affiliated companies (Millions of yen)
ACOM ESTATE CO., LTD. 2,913	JLA INCORPORATED 1,445
JCK CREDIT CO., LTD. 36,354	ACOM ESTATE CO., LTD. 1,065
SIAM A&C CO., LTD. 14,326	JCK CREDIT CO., LTD. 18,182
CHAILEASE ACOM FINANCE CO., LTD. 621	SIAM A&C CO., LTD. 15,223
	CHAILEASE ACOM FINANCE CO., LTD. 864

Prior fiscal year (As of March 31, 2003)	This fiscal year (As of March 31, 2004)
<p>6. Commitment line contracts for loans receivables</p> <p>Loans extended by the Company primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 648,671 million yen at the end of the accounting period. This included a total of 410,167 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the accounting period.</p> <p>A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company.</p> <p>Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.</p> <p>7. Status of bad debts included in loans receivable</p> <p>Losses on unsecured consumer loans to bankrupt parties are written off at the time bankrupt is declared. For this reason, loans to borrowers in bankruptcy include 6,229 millions of yen for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire amount is charged to the allowance for bad debts.</p> <p>In addition, from the point of view of maintaining the soundness of the Company's assets, loans where repayment is doubtful are stated exclusive of accrued interest, and the loans in question are classified as loans in arrears. The Company's policy differs from that set forth in Japan's tax laws, under which accrued interest is charged on loans less than six months in arrears. As a result of the Company's policy, loans in arrears included additional 20,501 millions of yen. Under the policies stipulated in Japan's tax laws, 11,999 millions of yen of this amount would be classified as loans overdue by three months or more, 2,070 million yen as restructured loans and 6,431 million yen as loans no longer in arrears.</p>	<p>6. Commitment line contracts for loans receivables</p> <p>Loans extended by the Company primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 706,379 million yen at the end of the accounting period. This included a total of 452,378 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the accounting period.</p> <p>A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company.</p> <p>Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.</p> <p>7. Status of bad debts included in loans receivable</p> <p>Losses on unsecured consumer loans to bankrupt parties are written off at the time bankrupt is declared. For this reason, loans to borrowers in bankruptcy include 6,281 millions of yen for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire amount is charged to the allowance for bad debts.</p> <p>In addition, from the point of view of maintaining the soundness of the Company's assets, loans where repayment is doubtful are stated exclusive of accrued interest, and the loans in question are classified as loans in arrears. The Company's policy differs from that set forth in Japan's tax laws, under which accrued interest is charged on loans less than six months in arrears. As a result of the Company's policy, loans in arrears included additional 24,928 millions of yen. Under the policies stipulated in Japan's tax laws, 12,571 millions of yen of this amount would be classified as loans overdue by three months or more, 3,285 million yen as restructured loans and 9,071 million yen as loans no longer in arrears.</p>

Prior fiscal year (As of March 31, 2003)			This fiscal year (As of March 31, 2004)		
(Millions of yen)			(Millions of yen)		
Category	Amount	Classification criteria	Category	Amount	Classification criteria
Loans to bankrupt parties	(9,227) 9,227	Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation, and others	Loans to bankrupt parties	(9,280) 9,280	Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation, and others
Loans in arrears	(10,626) 31,128	Other loans stated exclusive of accrued interest, excluding loans on which interest is reduced for the rehabilitation of debtors or support to them.	Loans in arrears	(11,703) 36,632	Other loans stated exclusive of accrued interest, excluding loans on which interest is reduced for the rehabilitation of debtors or support to them.
Loans overdue by three months or more	(13,036) 1,036	Loans other than the above that are overdue by three months or more	Loans overdue by three months or more	(14,209) 1,638	Loans other than the above that are overdue by three months or more
Restructured loans	(21,169) 19,099	Loans on which favorable terms have been granted, such as the waiving of interest to facilitate recovery of the loans other than the above.	Restructured loans	(35,489) 32,204	Loans on which favorable terms have been granted, such as the waiving of interest to facilitate recovery of the loans other than the above.
Total	(54,059) 60,491		Total	(70,683) 79,754	

Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.

8. Financial assets received as freely disposable securities

The Company and some of its subsidiaries entered into "Gensaki" transactions (to purchase debt securities under resale agreements) and received marketable securities as securities for the money repayable from the sellers.

Amount of marketable securities purchased
(Stated as short-term loans)

80,278 million yen

Market value of marketable securities purchased at the end of the fiscal year.

80,262 million yen

9. Agreements for overdraft and commitment facilities

For efficient procurement of working capital, the Company maintains designated commitment line contracts with five financial institutions. As of the end of the current non-consolidated accounting period, the unexercised portion of facilities based on these contracts was as follows.

Millions of yen

Agreed amount of agreement for commitment line	427,440
Amount of borrowing	<u>54,880</u>
Unused amount	372,560

There are no overdraft contracts

10. Limitation on dividend

The amount of net asset is increased by 51 million yen due to revaluation of asset into market value which regulated by commercial code No. 290-1-6

11. —

8. Financial assets received as freely disposable securities

The Company and some of its subsidiaries entered into "Gensaki" transactions (to purchase debt securities under resale agreements) and received marketable securities as securities for the money repayable from the sellers.

Amount of marketable securities purchased
(Stated as short-term loans)

79,996 million yen

Market value of marketable securities purchased at the end of the fiscal year.

79,792 million yen

9. Agreements for overdraft and commitment facilities

For efficient procurement of working capital, the Company maintains overdraft contract with one financial institution and designated commitment line contracts with two financial institutions. As of the end of the current non-consolidated accounting period, the unexercised portion of facilities based on these contracts was as follows.

Millions of yen

Agreed amount of agreement for overdraft and commitment line	276,967
Amount of borrowing	<u>28,880</u>
Unused amount	248,087

10. Limitation on dividend

The amount of net asset is increased by 5,799 million yen due to revaluation of asset into market value which regulated by commercial rule code No. 124-3

11. Retirement of treasury stock

Shares	1,002,600
Purchased amount	3,771 million yen

(6) Notes to Non-Consolidated Statements of Income

Prior fiscal year (From April 1, 2002 to March 31, 2003)	This fiscal year (From April 1, 2003 to March 31, 2004)
1. Other principal financial income	1. Other principal financial income
(Millions of yen)	(Millions of yen)
Interest on deposits	Interest on deposits
18	7
Interest on loans	Interest on loans
7	11
2. Principal financial expenses	2. Principal financial expenses
(Millions of yen)	(Millions of yen)
Interest paid	Interest paid
20,887	17,469
Interest on straight bonds	Interest on straight bonds
5,915	5,599
Bond issue expenses	Bond issue expenses
210	198
3. Principal items of operating expenses	3. Principal items of operating expenses
(Millions of yen)	(Millions of yen)
Advertising expenses	Advertising expenses
15,853	13,989
Provision for bad debts	Provision bad debts
105,306	128,251
Provision for loss on guaranteed loans receivables	Provision for loss on guaranteed loans receivables
474	1,865
Bad debts write-offs	Bad debts write-offs
6,327	5,358
Salaries	Salaries
28,584	27,760
Retirement benefit expenses	Retirement benefit expenses
3,827	4,704
Provision for directors' and corporate auditors' retirement benefits	Provision for directors' and corporate auditors' retirement benefits
84	58
Welfare expenses	Welfare expenses
3,480	3,894
Lease	Lease
14,880	13,591
Depreciation expenses	Depreciation expenses
5,777	4,779
Fees	Fees
23,623	24,556
4. The business operation results with subsidiaries and affiliates are included into non-operating income as follows;	4. The business operation results with subsidiaries and affiliates are included into non-operating income as follows;
(Millions of yen)	(Millions of yen)
Interest income	Interest income
732	709
Dividends received	Dividends received
157	143
<u>Other non-operating income</u>	<u>Other non-operating income</u>
90	88
Total	Total
981	942
5. —	5. Breakdown of gains on sales of fixed assets
	(Millions of yen)
	Buildings
	0
	Structures
	0
	<u>Equipment and furniture</u>
	0
	Total
	0

Prior fiscal year (From April 1, 2002 to March 31, 2003)	This fiscal year (From April 1, 2003 to March 31, 2004)																														
<p>6. Breakdown of loss on sales of fixed assets</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tr> <td>Buildings</td> <td style="text-align: right;">557</td> <td style="text-align: right;"><165></td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">4</td> <td style="text-align: right;">< 2></td> </tr> <tr> <td>Equipment and fixture</td> <td style="text-align: right;">1</td> <td style="text-align: right;"><0></td> </tr> <tr> <td><u>Lands</u></td> <td style="text-align: right;"><u>5,351</u></td> <td style="text-align: right;"><u><3,036 ></u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">5,914</td> <td style="text-align: right;"><3,204></td> </tr> </table> <p>Amount in brackets represent the amount sold to a consolidated subsidiary, ACOM ESTATE CO., LTD.</p>	Buildings	557	<165>	Structures	4	< 2>	Equipment and fixture	1	<0>	<u>Lands</u>	<u>5,351</u>	<u><3,036 ></u>	Total	5,914	<3,204>	<p>6. Breakdown of loss on sales of fixed assets</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tr> <td>Buildings</td> <td style="text-align: right;">61</td> <td style="text-align: right;"><44></td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">1</td> <td style="text-align: right;">< -- ></td> </tr> <tr> <td>Equipment and fixture</td> <td style="text-align: right;">0</td> <td style="text-align: right;">< -- ></td> </tr> <tr> <td><u>Lands</u></td> <td style="text-align: right;"><u>229</u></td> <td style="text-align: right;"><u><144></u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;">292</td> <td style="text-align: right;"><188></td> </tr> </table> <p>Amount in brackets represent the amount sold to a consolidated subsidiary, ACOM ESTATE CO., LTD.</p>	Buildings	61	<44>	Structures	1	< -- >	Equipment and fixture	0	< -- >	<u>Lands</u>	<u>229</u>	<u><144></u>	Total	292	<188>
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<p>10. Basis for classification of financial income and expenditure on the statements of income</p> <p>(1) Financial income stated as operating income</p> <p>Include all financial income excluding dividends and interest related to affiliated companies and excluding dividends and interest, etc., received on investment securities.</p> <p>(2) Financial expenditure stated as operating expenses</p> <p>Include all financial expenditure by the Company engaged in financial services, other than interest payable which has no relationship to operating income.</p>	<p>10. Basis for classification of financial income and expenditure on the statements of income</p> <p>(1) Financial income stated as operating income</p> <p>Include all financial income excluding dividends and interest related to affiliated companies and excluding dividends and interest, etc., received on investment securities.</p> <p>(2) Financial expenditure stated as operating expenses</p> <p>Include all financial expenditure by the Company engaged in financial services, other than interest payable which has no relationship to operating income.</p>																														

(7) Notes to Lease Transactions

Prior fiscal year (From April 1, 2002 to March 31, 2003)				This fiscal year (From April 1, 2003 to March 31, 2004)			
Finance lease transactions other than those where ownership of the leased asset is transferred to the lessee				Finance lease transactions other than those where ownership of the leased asset is transferred to the lessee			
1. Equivalent of acquisition cost, accumulated depreciation and residual value of the leased assets				1. Equivalent of acquisition cost, accumulated depreciation and residual value of the leased assets			
(Millions of yen)				(Millions of yen)			
	Equivalent of acquisition cost	Equivalent of depreciation	Equivalent of residual value		Equivalent of acquisition cost	Equivalent of depreciation	Equivalent of residual value
Vehicles and delivery equipment	217	117	100	Vehicles and delivery equipment:	191	120	71
Equipment and furniture	8,509	4,848	3,661	Equipment and furniture	7,041	3,935	3,106
Total	8,727	4,965	3,761	Total	7,233	4,055	3,177
2. Equivalent of balance of the unaccrued lease fee				2. Equivalent of balance of the unaccrued lease fee			
(Millions of yen)				(Millions of yen)			
			1,745				1,598
Within 1 year			2,089	Within 1 year			1,636
More than 1 year			3,835	More than 1 year			3,235
Total				Total			
3. Lease fee payable, equivalent of depreciation and equivalent of interest payable				3. Lease fee payable, equivalent of depreciation and equivalent of interest payable			
(Millions of yen)				(Millions of yen)			
			2,794				1,966
Lease fee payable			2,632	Lease fee payable			1,860
Equivalent of depreciation			125	Equivalent of depreciation			89
Equivalent of interest payable				Equivalent of interest payable			
4. Method of calculation of equivalent of depreciation				4. Method of calculation of equivalent of depreciation			
Calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and a residual value of zero.				Calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and a residual value of zero.			
(5) Method of calculation of equivalent of interest				(5) Method of calculation of equivalent of interest			
The equivalent of interest is regarded as the difference between the total lease payments and the amount equivalent to acquisition cost of the asset. The interest method is used to calculate the portion applicable to each accounting period.				The equivalent of interest is regarded as the difference between the total lease payments and the amount equivalent to acquisition cost of the asset. The interest method is used to calculate the portion applicable to each accounting period.			

(8) Marketable Securities (Subsidiary and affiliate stock)

Prior non-consolidated fiscal year (from April 1, 2002 to March 31, 2003)

There is no subsidiary and affiliate stock for which market prices are available.

This non-consolidated fiscal year (from April 1, 2003 to March 31, 2004)

There is no subsidiary and affiliate stock for which market prices are available.

(9) Notes to the Method of Tax Effect Accounting

Prior fiscal year (As of March 31, 2003)	This fiscal year (As of March 31, 2004)
1. The tax effects of temporary differences which give rise to a significant portion of the deferred tax assets and liabilities <p style="text-align: right;">(Millions of yen)</p>	1. The tax effects of temporary differences which give rise to a significant portion of the deferred tax assets and liabilities <p style="text-align: right;">(Millions of yen)</p>
Deferred tax assets	Deferred tax assets
Nondeductible write-offs of bad debts	Nondeductible write-offs of bad debts
11,564	12,954
Amount exceeding the tax limit for the provision for bad debt allowance	Amount exceeding the tax limit for the provision for bad debt allowance
21,199	26,833
Allowance for loss on guaranteed loan receivables	Allowance for loss on guaranteed loan receivables
193	758
Amount exceeding the tax limit for the provision for accrued bonuses	Amount exceeding the tax limit for the provision for accrued bonuses
1,155	1,359
Allowance for directors' and corporate auditors' retirement benefits	Allowance for directors' and corporate auditors' retirement benefits
390	352
Unrecognized accrued interest income	Unrecognized accrued interest income
464	514
Accrued enterprise tax	Accrued enterprise tax
2,590	2,310
Nondeductible depreciation exceeding the tax limit for depreciation of small capital expenditures	Nondeductible depreciation exceeding the tax limit for depreciation of small capital expenditures
161	100
Amount exceeding the tax limit for the amortization of software application	Amount exceeding the tax limit for the amortization of software application
6,153	6,446
Amount exceeding the tax limit for the amortization of deferred consumption tax and other	Amount exceeding the tax limit for the amortization of deferred consumption tax and other
289	286
Nondeductible devaluation of marketable securities	Nondeductible devaluation of marketable securities
42	135
Unrecognized valuation loss on golf club memberships	Unrecognized valuation loss on golf club memberships
168	181
Allowance for employees' retirement benefits	Allowance for employees' retirement benefits
1,323	1,323
Others	Others
61	227
Total deferred tax assets	Total deferred tax assets
45,760	52,463
Deferred tax liabilities	Deferred tax liabilities
Change in valuation of other marketable securities	Change in valuation of other marketable securities
34	3,978
Charge for prepaid pension expenses	Charge for prepaid pension expenses
1,065	768
Total deferred tax liabilities	Total deferred tax liabilities
1,099	4,747
Balance of deferred tax assets	Balance of deferred tax assets
44,660	47,387
2. Reconciliation between the statutory tax rate and the effective tax rate as a percentage of income before income taxes Omitted as difference between the statutory tax rate and the effective tax rate was less than 5% of the statutory tax rate.	2. Reconciliation between the statutory tax rate and the effective tax rate as a percentage of income before income taxes Omitted as difference between the statutory tax rate and the effective tax rate was less than 5% of the statutory tax rate.
3. Amended amount of deferred tax assets and deferred tax liabilities by modification of corporation tax rate. "Revised Local Tax Law" was proclaimed on March 31, 2003. "and "Assessment by Estimation on the Basis of The Size of Business" system will be introduced from fiscal year ending March 31, 2005. This new system will be part of corporation tax, and statutory tax rate for deferred tax assets in fixed assets and deferred tax liabilities in fixed liabilities was changed from this fiscal year. As a result, the amount of deferred tax assets (excluding deferred tax liabilities) is decreased by 53 million yen. The amount of deferred income tax and change in valuation of other marketable securities are increased by 53 million yen and 0 million yen respectively.	3. Amended amount of deferred tax assets and deferred tax liabilities by modification of corporation tax rate "Revised Local Tax Law" was proclaimed on March 31, 2003. and "Assessment by Estimation on the Basis of The Size of Business" system will be introduced from fiscal year ending March 31, 2005. This new system will be part of corporation tax, and statutory tax rate for deferred tax assets in current assets and deferred tax liabilities in current liabilities was changed from this fiscal year. As a result, the amount of deferred tax assets (excluding deferred tax liabilities) is decreased by 205 million yen. The amount of deferred income tax and change in valuation of other marketable securities are increased by 205 million yen and 0 million yen respectively.

7. Actual Results

(1) Operating income by segments

(Millions of yen)

Division	Segment	Prior fiscal year 〔 From April 1, 2002 to March 31, 2003 〕		This fiscal year 〔 From April 1, 2003 to March 31, 2004 〕		Change	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
Financial business	Interest on loans receivable	388,483	92.7	379,332	92.1	(9,151)	(2.4)
	Unsecured loans	380,090	90.7	370,985	90.1	(9,105)	(2.4)
	Consumers	379,923	90.6	370,894	90.1	(9,028)	(2.4)
	Commercials	167	0.1	90	0.0	(76)	(45.7)
	Secured loans	8,393	2.0	8,347	2.0	(45)	(0.5)
	Fees from Installments	21,153	5.0	19,514	4.7	(1,638)	(7.7)
	Credit card	4,986	1.2	5,714	1.4	727	14.6
	Installment sales finance	16,166	3.8	13,799	3.3	(2,366)	(14.6)
	Fees from guarantee business	1,667	0.4	4,503	1.1	2,836	170.1
	Other business	Sales	105	0.0	735	0.2	630
Others Segment	Other financial income	26	0.0	18	0.0	(7)	(28.7)
	Other operating income	7,822	1.9	7,695	1.9	(127)	(1.6)
	Collection of bad debts deducted	6,430	1.6	6,083	1.5	(347)	(5.4)
	Others	1,391	0.3	1,611	0.4	219	15.8
Total		419,258	100.0	411,799	100.0	(7,458)	(1.8)

Note: Sales amount of "ACOM MasterCard®" is included in the "credit card."

(2) Other statistics

(a) Receivables outstanding at year-end

(Millions of yen)

Item	Term	Prior fiscal year (As of March 31, 2003)	This fiscal year (As of March 31, 2004)	Amount of change	
				Amount	Percentage
Loans receivable outstanding		1,652,890	1,612,799	(40,091)	(2.4)
Unsecured loans		1,582,751	1,548,616	(34,135)	(2.2)
Consumers		1,582,125	1,548,274	(33,850)	(2.1)
Commercials		625	341	(284)	(45.4)
Secured loans		70,139	64,183	(5,955)	(8.5)
Installment receivable outstanding		41,166	45,973	4,806	11.7
Credit Card		41,114	45,941	4,826	11.7
Other		51	31	(20)	(39.1)
Installment sales finance business		153,203	113,934	(39,269)	(25.6)

(b) Number of customer accounts

Item	Term	Prior fiscal year (As of March 31, 2003)	This fiscal year (As of March 31, 2004)	Amount of change	
				Amount of change	Percentage
Loan business		3,032,330	2,954,073	(78,257)	(2.6)
	Unsecured loans	3,017,837	2,940,345	(77,492)	(2.6)
	Consumers	3,017,176	2,939,945	(77,231)	(2.6)
	Commercials	661	400	(261)	(39.5)
	Secured loans	14,493	13,728	(765)	(5.3)
Credit card business		1,015,127	1,064,699	49,572	4.9
	Credit card	1,014,845	1,064,492	49,647	4.9
	Other	282	207	(75)	(26.6)
Installment sales finance business		479,182	387,261	(91,921)	(19.2)

Note: 1. Loan business: The number of loan accounts with loan balance outstanding
2. Credit card business: Cardholder of ACOM MasterCard®
3. Installment sales finance business: Number of contracts with receivables outstanding

(c) Number of outlets, MUJINKUN, and CD/ATM

Item	Term	Prior fiscal year (As of March 31, 2003)	This fiscal year (As of March 31, 2004)	Amount of change	
				Amount of change	Percentage
Number of outlets		1,724	1,707	(17)	(1.0)
	Loan business outlets	1,716	1,699	(17)	(1.0)
	Staffed	468	381	(87)	(18.6)
	Unstaffed	1,248	1,318	70	5.6
	Installment sales finance business	8	8	--	--
Number of MUJINKUN outlets (machines)		1,706 <1,705>	1,692 <1,691>	(14)	(0.8)
Number of CD/ATM		69,215	76,282	7,067	10.2
	Proprietary	2,026	1,961	(65)	(3.2)
	Open 365 days / year	2,020	1,957	(63)	(3.1)
	Open 24 hours / day	1,749	1,705	(44)	(2.5)
	Tie-up	67,189	74,321	7,132	10.6
	Others	7,621	8,424	803	10.5

(d) Others

Item	Term	Prior fiscal year (As of March 31, 2003)	This fiscal year (As of March 31, 2004)	Amount of change	
				Amount of change	Percentage
Number of employees		4,405	4,238	(167)	(3.8)
Allowance for bad debts (Millions of yen)		107,700	129,400	21,700	20.1
Allowance for loss on guaranteed loans receivable (Millions of yen)		474	1,865	1,391	293.5
Bad debt write-off (Millions of yen)		81,608	112,598	30,989	38.0

Note: The amount of other investment in "Investment and other assets" is included in allowance for bad debts

8. Change in Officers

(1) Change in representative directors

No change.

(2) Changes in other officers

(A) Candidates for Directors (as of June 24, 2004)

Director: Junya Fukuda (currently Executive Officer & General Manager of System Development & Administration Department of ACOM CO., LTD.)

Director: Osamu Moriya (currently General Manager of Corporate Management Department of ACOM CO., LTD.)

Director: Tatsunori Imagawa (currently Deputy President of Mitsubishi Tokyo Financial Group, Inc. and Director of Mitsubishi Securities Co., Ltd.)

(B) Candidates for Corporate Auditor (as of June 24, 2004)

Corporate Auditor: Satoshi Ito (currently Managing Director of Meiji General Insurance Co., Ltd.)

(C) Directors scheduled for retirement (as of June 24, 2004)

Director and senior Executive advisor: Hitoshi Kondo

Managing Director & Executive Managing Officer: Tsuneo Tsukada

Scheduled to be inaugurated as President of ACOM ESTATE CO., LTD. and President of AVRS CO., LTD.

(D) Corporate Auditor scheduled for retirement (as of June 24, 2004)

Standing Corporate Auditor: Takehiro Hayashi