

(TRANSLATION)

Brief Statement of Interim Financial Results  
for the Fiscal Year Ending March 2005 (Consolidated)

November 01, 2004

**Forward-looking Statement**

The statements and figures contained in this Brief Statement of Interim Financial Results for the fiscal year ending March 2005 (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 Number: 8572

Location of the head office: Tokyo

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

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 Number: (03) 3270 – 3423

Date of the board of directors' meeting for the account settlement: November 01, 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 Interim Accounting Period (from April 1, 2004 to September 30, 2004)

### (1) Consolidated Operating Results

(Millions of yen)

	Operating Income		Operating Profit		Income Before Extraordinary Items	
9/04 (Interim)	216,650	(1.0%)	78,645	30.4%	77,839	30.7%
9/03 (Interim)	218,875	0.6%	60,325	(26.7%)	59,533	(26.4%)
3/04 (Annual)	434,968		120,391		118,773	

	Net Income (Millions of yen)		Net Income per Share (Yen)	Net Income per Share Diluted (Yen)
9/04 (Interim)	44,606	35.5%	283.32	283.19
9/03 (Interim)	32,918	(24.5%)	227.63	—
3/04 (Annual)	70,319		487.78	487.70

Notes: 1. Equity in earnings of affiliated companies: -1,037 million yen in 9/04 (interim), -1,394 million yen in 9/03 (interim), and -2,716 million yen in 3/04 (annual)

2. Average outstanding shares (consolidated): 157,442,962 shares in 9/04 (interim), 144,614,219 shares in 9/03 (interim), and 144,089,082 shares in 3/04 (annual)

3. Change in accounting polices: Adopted

4. Regarding operating income, operating profit, income before extraordinary items, net profit of this interim accounting period, the figures in percentages show growth of change from previous interim accounting period.

### (2) Consolidated Financial Status

(Millions of yen)

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity	Shareholder's Equity per Share (Yen)
9/04 (Interim)	2,030,451	832,825	41.0%	5,261.21
9/03 (Interim)	2,093,701	663,663	31.7%	4,622.86
3/04 (Annual)	2,075,389	697,166	33.6%	4,855.99

Note: Outstanding shares (consolidated): 158,295,587 shares in 9/04 (interim), 143,561,085 shares in 9/03 (interim), and 143,561,072 shares in 3/04 (annual).

### (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
9/04 (Interim)	68,229	(4,050)	(72,965)	150,131
9/03 (Interim)	77,769	(1,935)	(117,938)	124,639
3/04 (Annual)	164,158	(5,398)	(166,105)	158,873

### (4) Scope of Consolidation and Equity Method

Number of consolidated subsidiaries:	15
Number of unconsolidated subsidiaries accounted for under equity method:	-
Number of unconsolidated affiliates accounted for under equity method:	2

### (5) Change in Scope of Consolidation and Equity Method

Consolidated subsidiaries (addition):	-
Consolidated subsidiaries (exclusion):	1
Affiliates accounted for under equity method (addition):	-
Affiliates accounted for under equity method (exclusion):	1

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

(Millions of yen)

	Operating Income	Income before Extraordinary Items	Net Income
Annual	428,700	137,000	78,300

Reference: The forecasted net income per share (annual): 494.68 yen

Note: The estimated average number of shares issued during current fiscal year is used to calculate the forecasted net income per share, and same amount of bonus to directors at the prior fiscal year is subtracted from unappropriated retained earnings.

\* "Combination of Operations and Reorganization to Strengthen the Consumer Finance Business" was announced on October 29, 2004, nevertheless, the forecasts above do not reflect its effect as the effect on business result is being examined in details at present.

Annexed Materials

1. State of Business Group

The ACOM Group consists of ACOM CO., LTD., 15 subsidiaries, and 2 affiliates as well as 2 other related company and 3 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 business, guarantee business, and loan servicing business. Other business lines include rental operations, advertising agency, real estate-related operations, and insurance agency.

The following table explains the positioning and role of each Group Company in terms of segment classification.

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	———
	Loan servicing business	IR Loan Servicing, Inc.	Loan servicing business	Consolidated subsidiary
	Others	ACOM CAPITAL CO., LTD.	———	Consolidated subsidiary
ACOM FUNDING CO., LTD.		Financial services for ACOM (Special Purpose Company)		
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	
		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.				
Other Related Company	Mitsubishi Tokyo Financial Group, Inc.	Bank holding company	Other related company	
	The Mitsubishi Trust and Banking Corporation	Trust bank business	Subsidiary of other related company	
	Mitsubishi Securities Co., Ltd.	Securities business	Other related company	
	Maruito Shokusan Co., Ltd.	Real estate leasing		
	Maruito Shoten Co., Ltd.		Subsidiary of other related company	

Notes: 1. AVRS CO., LTD., ACOM (USA) INC., ACOM INTERNATIONAL, INC. and ACOM CAPITAL CO., LTD. suspended their operation, and therefore, their businesses are not listed above.

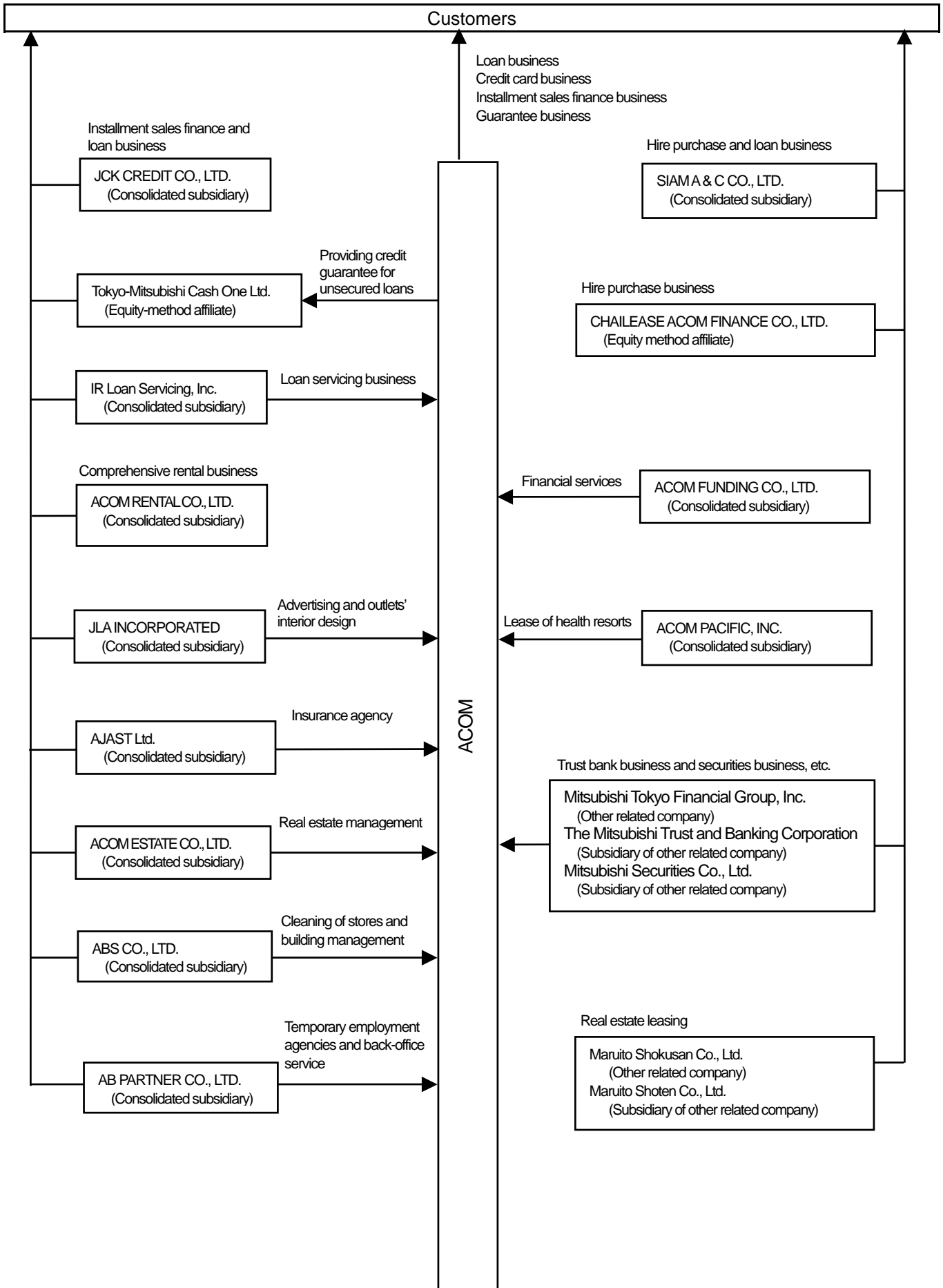
2. Among the other related companies above, Mitsubishi Tokyo Financial Group, Inc., The Mitsubishi Trust and Banking Corporation and Mitsubishi Securities Co., Ltd. submit their financial report.

3. Acom Economic Research Institute, Inc. was merged into ACOM RENTAL CO., LTD. on April 1, 2004.

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

5. Mitsubishi Tokyo Financial Group, Inc. held ACOM's shares as of April 20, 2004, and the ratio to total right to vote is 15.1% by adding the ACOM stock held by The Mitsubishi Trust and Banking Corporation and Mitsubishi Securities Co., Ltd.

Diagram of Business of ACOM Group



Note: AVRS CO., LTD., ACOM (USA) INC., and ACOM INTERNATIONAL, INC. and ACOM CAPITAL CO., LTD. suspended their operation, therefore, their businesses are not listed above.

## 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 declining birth rates and an aging society, structural change in employment form, 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.

### **(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 a total of 1,051 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. June 2003 and 2004. Furthermore, we have received “Excellent Group Result Commendation” by them 2 years in a row.

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 managers and 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 court-sanctioned debt reorganizations remain high even though we saw some improvement. 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 intend to urgently develop a system for the complete 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 45 yen per share for the half-year period ended September 30, 2004. We intend to repeat this payment at the end of the current fiscal year, making a projected dividend for the full financial year of 90 yen per share. Retained earnings will be allocated to strategic investments to enhance our business base, including optimal relocation of business outlets, improvements to the business structure to achieve a low-cost operation system, construction of a unified administration system, and development of new businesses.

In order to execute flexible capital management according to the changes in the business environment, we repurchased 984,840 shares of our common stock on the Tokyo Stock Exchange in August and September 2004.

### **(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 Mitsubishi Tokyo Financial Group, Inc. ("MTFG"), the loan guarantee business, loan servicing business, and financial peripherals such as the call center operation business.

### **(6) Challenges we face**

Rising exports and private sector capital spending have helped keep the domestic economy on a gentle recovery track, and corporate earnings continue to improve. The recovery in household budgets and spending, however, remains slight, and the environment in which ACOM Group does business continues to be harsh. Demand for consumer credit is soft,

and the number of personal bankruptcies and court-sanctioned debt reorganizations remains high. In addition, our market is undergoing major structural changes as, for example, competition intensifies with the entry of firms from other sectors.

To survive this tough environment, ACOM Group is focusing on the following core strategies: securing business ethical conduct and full compliance, improving asset quality through better interaction with customers and an optimized branch network, cutting costs through a radical overhaul of our operations, developing a staff of true finance professionals, and growing our peripheral financial businesses to boost our revenue-generating capacity. We are also working to increase shareholder value via a tie-up with MTFG group. This partnership, which is diversifying our business portfolio, enhancing our creditworthiness and strengthening our brand, should make our business stronger and solidify our Income base.

## (7) Corporate governance

In line with our founding principle of “expanding the circle of trust”, ACOM’s philosophy is based on respect for humanity, putting the customer first, and creative and innovative management. Our fundamental aims are to increase mutual trust among our stakeholders and develop our business in concert with society at large. To achieve these aims, we are working to enhance our governance by:

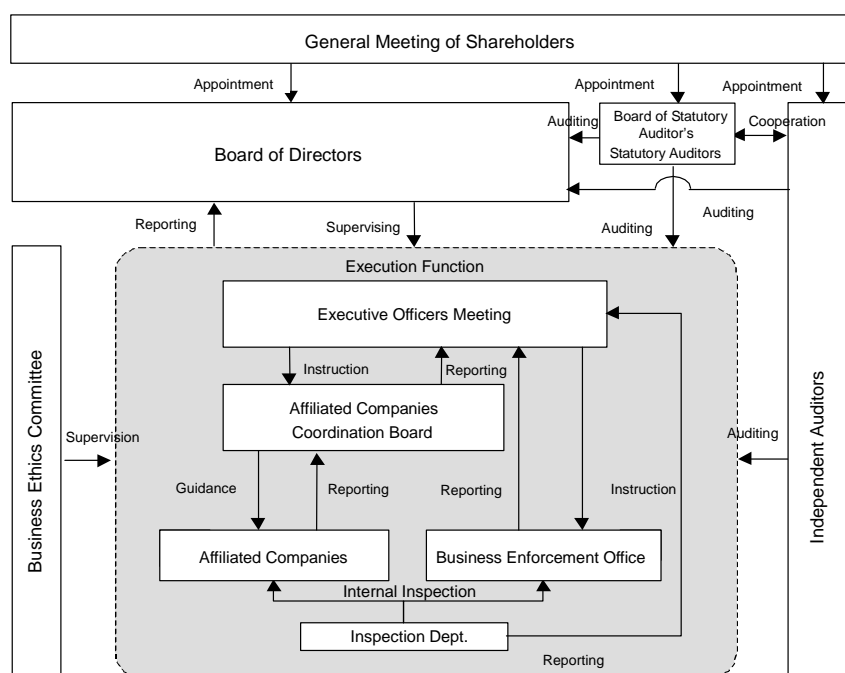
- \* Speeding up decision-making and clarifying where executive responsibility and authority lies.
- \* Establishing strong compliance and risk-management systems that derive their strength from impeccable ethics.
- \* Securing and maintaining sound and transparent management through a policy of initiative Investor Relations activities.

### (A) Corporate management system and internal control systems

#### (a) Corporate management system

1. The Board of Directors comprises (as of September 30th, 2004) 11 directors. The number of directors is therefore small, which supports speedy decision-making and mutual monitoring.
2. In June 2003 we adopted the executive officer system, which has served to speed up business execution, clarify where responsibility and authority lies, and improve the management of individual departments and business divisions.
3. Our company employs the statutory auditor system, and has a Board of Statutory Auditor’s comprising four auditors (three of whom are outsiders) tasked with monitoring the activities of directors and executive officers.

#### (b) Corporate governance chart



(c) Corporate management and internal control systems

(Board of Directors)

The Board of Directors passes resolutions on matters referred to it, reports on important matters, and monitors the performance of individual directors. The Board of Directors normally meets once a month, but also convenes on other occasions when this is necessary.

(Board of Statutory Auditors)

The Board of Statutory Auditors receives reports concerning important audit-related matters, holds discussions, and passes resolutions. The Board of Statutory Auditors determines auditing policy and schedules, upon which it bases its audit of the performance of directors and executive officers. Audit activities include attending meetings of the Board of Directors, attending other important meetings, and examining the operations and assets of the company. The Board of Statutory Auditors normally meets once a month, but also convenes on other occasions when this is necessary.

(Executive Officers Meetings)

At Executive Officers Meetings, executive officers discuss, in accordance with basic policies determined by the Board of Directors, important matters concerning the management of the company and its affiliated companies and determine or approve courses of action. They also coordinate key matters relating to business execution at all the company's departments and divisions. Executive Officers Meetings are normally held three times a month, but are also held on other occasions when this is necessary.

(Affiliated Companies Coordination Board)

The Affiliated Companies Coordination Board comprises executive officers and representatives of other group companies. It discusses important matters concerning the management of group companies, maintains communication with them, and coordinates important matters concerning the execution of their business. The Affiliated Companies Coordination Board normally meets once a month, but also convenes on other occasions when this is necessary.

(Business Ethics Committee)

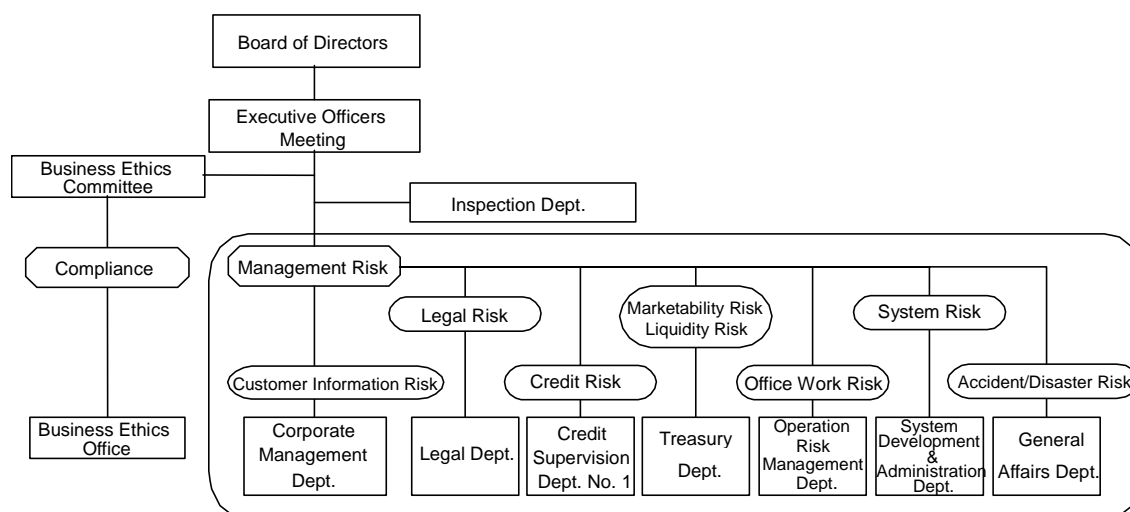
The Business Ethics Committee, which is made up of pre-appointed executive officers, formulates basic compliance policies and draws up concrete measures for their implementation. It also develops compliance education programs and verifies that our governance complies with corporate governance best practice. The Business Ethics Committee meets when convened by its chairperson, one of its members, or its own administrative office.

**(B) Risk management**

As the environment in which we do business changes, the risks we face are becoming more complex and diverse, and the establishment and maintenance of a robust risk-management framework is perhaps management's most important task. Such a framework is crucial for enabling us to understand the risks we face, maintain sound management of our company, keep our earnings stable, and continue to grow the business.

Our core risk-management policy is defined in our Business Risk Management Regulations. We are also clarifying the risks we need to manage, the departments responsible for managing them, and the risk-management techniques that should be used. In addition, we have also entrusted overall responsibility for risk management to the Corporate Management Department, which is tasked with the centralized management of operational risk. These measures demonstrate our commitment to the development of a strong and unified risk-management system.

(Risk-management chart)



### 3. Business results and financial position

#### (1) Business results

##### (A) Business results for the current interim accounting period

This half-year period saw aggregate demand in the domestic economy continue to recover, driven by higher exports and private sector capital spending. The increase in production boosted employment, and private consumption, which had hitherto been lagging, also recovered somewhat. Recently however, the world economy, especially the U.S., has slowed slightly. In addition, negative signs have also begun to appear: swelling inventories at electronic-component manufacturers and soaring oil prices, for example. Overall though, while worries certainly existed, the economy would be described as having been in a recovery phase.

Against this backdrop, the Group focused on developing organic cooperation between, and raising quality at, our core loan business and credit card and installment sales finance businesses. In addition, through the expansion of businesses such as our loan guarantee and loan servicing businesses, we worked to broaden our revenue base by increasing our share of the total consumer credit market. We also took steps to speed up and streamline our operations. As an example, we renewed customer-related processes and infrastructure, and continued to cut costs, by centralizing customer-related functions at four Contact Centers across the country.

As for overall strategy, in March this year we signed a strategic partnership deal with MTFG and the Bank of Tokyo Mitsubishi, Ltd. We have also established the new Retail Strategy Planning Office to develop concrete ideas for tie-ups with MTFG Group, as well as the new Guarantee Business Department to bolster the transaction ability of our guarantee business with partners, conduct effective screening, and manage performing loans. Organizational change has also been effected with the upgrading of the Legal Office to full department status (Legal Department) and the combining of the old Marketing Development Department and Loan Business Management Department. We have also taken steps to improve the efficiency of our back-office operations with the construction of a new accounting system (which went online in August this year), part of a far-reaching plan to establish a company-wide unified system to handle all aspects of our business.

The events outlined above have led to us to report interim consolidated operating income of 216.65 billion yen (a decrease of 1.0 % year on year), operating expenses of 138.004 billion yen (a decrease of 13.0 % year on year), income before extraordinary items of 77.839 billion yen (an increase of 30.7% year on year), and net income of 44.606 billion yen (an increase of 35.5% year on year).

##### (a) Loan business

The loan business is the Group's core business, and we have focused our energies on promoting business by improving cooperation between our contact centers and our branches, optimizing our branch network in terms of the location and number of branches, and expanding our network of ATMs and cash dispensers so that we can offer a service that adapts to changing market conditions.

In the area of credit management, we have worked hard to improve the management and quality of our loan asset portfolio by focusing continuously on severe credit screening. We have, for example, improved our counseling service by making a nationwide effort to encourage customers to discuss their repayment problems with, and seek the advice of professional counselors. As a result of these efforts, our unconsolidated bad debt write-offs ratio recorded a year-on-year drop of 0.26 percentage points to 3.00%.

On a consolidated basis the balance of outstanding loans receivable increased 5.002 billion yen (an increase of 0.3% increase from the end of previous fiscal year) during the period to reach 1,628.157 billion yen at the close of books. Interest on loans receivable was 190.214 billion yen (a decrease of 1.9 % year on year).

(b) Credit card and installment sales finance businesses

In the credit card business, in addition to promoting the ACOM MasterCard®, which can be issued instantly through automatic issuing machine linked with our Mujinkun automated loan application machine, we have also seen the launch of two more tie-up cards: We have joined forces with P-Up Co., Ltd., which operates the chain of “Teluru” cell phone specialty stores in the Tokyo area, to issue the Teluru Club MasterCard®, and have also launched the Livian Club MasterCard® with Eternal Bridal Co., Ltd., a provider of wedding information services.

In the installment sales finance business, we have opened new sub-offices in Takamatsu and Yokohama, which are under the jurisdiction of the Hiroshima Business Office and the Tokyo Business Office respectively (Both business offices are under the control of the Credit Card / Installment Business Department.). Although we focused our efforts on acquiring new participating stores by boosting cooperation with JCK CREDIT CO., LTD., a 100%-owned subsidiary, the volume of installment sales finance we provided ended down on the same period last year.

On a consolidated basis, the balance of installment receivable dropped by 33.398 billion during the period to 194.9 billion yen (a decrease of 14.6% year on year). The fees from the credit card and installment sales finance businesses totaled 11.573 billion yen (a decrease of 20.9% year on year).

(c) Loan guarantee business

We entered the loan guarantee business in May 2001, and in June this year strengthened the business through the launch of the Guarantee Business Department as a centralized unit responsible for business transaction between ACOM and partners, screening loans, and managing guaranteed loans in arrears. At the end of this interim period, we had loan guarantee agreements with 10 banks and one other company, and the balance of guaranteed loans receivable increased by 20.333 billion yen during the period to 121.305 billion yen. As a result, fees from credit quarantees were 3.168 billion yen (an increase of 64.2% year on year), and operating income of the loan guarantee business which includes consignment fees of loan guarantee business stood at 3.511 billion yen (an increase of 62.0% year on year).

This business, which combines ACOM's expertise in credit screening for individuals with the brand recognition of our partner financial institutions, facilitates speedy and convenient loan products. We aim to expand this business further in the future, with a focus on partnerships with regional banks.

(d) Loan servicing business

We launched our loan servicing business in July 2001 via an equity stake in IR Loan Servicing, Inc. The main activity of the business is the purchase of loans, but it is expanding its horizons by entering other businesses: loan servicing agent service, payment guidance services, temporary staffing, back-up servicing, corporate revitalization services, and so on.

For this interim period, the collection of purchased receivables was 3.699 billion yen (an increase of 441.7% year on year). The operating income of loan servicing business, which includes items such as consignment fees, were 4.033 billion yen (an increase of 313.3% year on year).

(d) Other

In March 2002 operations began at Tokyo Mitsubishi Cash One, Ltd., a company established with capital from ACOM, the Bank of Tokyo Mitsubishi, Ltd., Mitsubishi Trust and Banking Corporation, DC CARD Co., Ltd. and JACCS Co., Ltd.

Based on an agency agreement with this company, we have expanded its network by newly installing exclusive Tokyo Mitsubishi Cash One counters in 21 of our branches. In addition, ties with financial institutions have seen us expand our ATM network. All of this is evidence of our commitment to making life for our customers as convenient as possible, and helped the balance of outstanding loan receivables rise by 10.436 billion yen to 49.431 billion yen during this interim period.

By fusing our consumer credit know-how with the brand strength of major financial institutions, we intend to continue to offer new financial services that straddle the old boundaries in financial services.

## **(B) Forecast for this full financial year**

We expect severe conditions to continue until the end of this financial year. Demand for consumer credit will likely remain soft, and we expect that there will continue to be high numbers of personal bankruptcies and court-sanctioned debt reorganizations.

In addition, competition in the consumer credit market is likely to intensify, with companies from other business sectors expected to make a concerted drive to grab a slice of it. Nevertheless, we are committed to extending the scope of our operations and to winning the trust and satisfaction of customers as their “best life partner”.

In the second half of this fiscal year, we focus on strengthening our group earning power by concentrating function which drastically strengthen consumer finance business with MTFG group and promoting reorganization, etc. We also expand total security system and system IT base corresponding to expansion of financial peripheral businesses, and we promote drastic business reform. From the viewpoint of the expansion of headquarters function and efficiency improvement of operation, we will integrate our headquarters function which has been distributed to several places at the present and the shift of headquarter is scheduled in December this year. The environment in which we operate is changing rapidly, and we must be able to respond appropriately. With this in mind, we will exploit to the fullest the credit business 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 this full financial year, we are forecasting consolidated operating income of 428.7 billion yen (a decrease of 1.4% year on year), 137 billion yen (an increase of 15.3% year on year) in income before extraordinary items, and net income of 78.3 billion yen (an increase of 11.3% year on year).

## **(2) Financial position**

At the end of this interim period, our total assets had dropped by 44.937 billion yen compared with the end of the previous consolidated financial year. Shareholders' equity increased by 135.659 billion yen and shareholders' equity ratio increased 7.4 points to 41.0%.

A breakdown of the decline in our total assets reveals that short-term loans fell by 51.6 billion yen, installment sales receivable dropped by 33.398 billion yen, deferred tax assets fell by 10.805 billion yen, and cash and cash equivalents increased by 42.945 billion yen. Overall, current assets declined by 40.849 billion. As for fixed assets, investments in securities fell by 2.728 billion yen, and prepaid pension expenses dropped by 1.363 billion yen, with fixed assets declining by 4.087 billion yen overall.

Total liabilities declined by 180.94 billion yen. Chief factors were a 164.52 billion yen drop in interest-bearing liabilities such as loans and bonds, a 6.59 billion yen fall in deferred income on installment sales, and a 5.161 billion yen drop in accrued income taxes.

Regarding shareholders' equity, a strategic business and capital alliance that we agreed in May of this year with MTFG and the Bank of Tokyo Mitsubishi, Ltd. led to a 9.31 billion yen of capital injection from MTFG in April. In exchange for the funds, we supplied MTFG with both new shares, via the third-party allocation. As a result of this transaction, we have added 46.55 billion yen into our common stock and capital surplus respectively.

The transfer of our treasury stock to MTFG led us to include a 4.135 billion yen of net gain on disposal of treasury stock in capital surplus. In addition, we disposed treasury stock of 7.297 billion yen and repurchased our shares with total purchased value of 6.999 billion yen.

#### **(A) Interim cash flows**

Our consolidated holdings of cash and cash equivalents (cash) recorded a drop during this interim period of 8.742 billion yen to end the period at 150.131 billion yen. Details of the different cash flows and the reasons for these flows are given below.

##### **(Cash flows from operating activities)**

Our operations generated net cash of 68.29 billion yen. Interim net income before income taxes was 76.478 billion yen and there was a decrease in the allowance for bad debts of 5.393 billion yen. Among factors increasing cash was a 33.224 billion yen drop in the balance of installment sales receivable. Factors reducing cash included a 5.231 billion yen increase in loans receivable, a drop of 6.571 billion yen in deferred income on installment sales, and 26.545 billion yen in income tax payments.

##### **(Cash flows from investing activities)**

We saw the outflow of net cash used in investing activities of 4.05 billion yen. 3.987 billion yen, the bulk of the outflow, went on acquiring property and equipment, mainly new ATMs that can handle the new bank notes.

##### **(Cash flows from financing activities)**

Financing activities registered a net cash outflow of 72.965 billion yen. One of the primary reasons was that the repayment of loans and the redemption of bonds exceeded new bond issuance by 164,182 billion yen. This was tempered, however, by a 92.625 billion yen inflow from the issue of new stock to MTFG, a 11.423 billion yen inflow from the gain on disposal of treasury stock, and a 7.007 billion yen of outflow from repurchase of our shares.

#### **(B) Cash flow forecast for the full financial year**

We are forecasting that the cash flows from operating activities will increase by 125.5 billion yen for the full financial year. This figure reflects a plan that calls for us to decrease the balance of installment sales receivable mainly in installment sales finance business. Investing activities are expected to use net cash of 9.3 billion yen, reflecting plans to invest continually from the first half of this fiscal year in ATMs that can handle the new bank notes as well as new equipment for our branches. Financing activities are forecasted to use net cash of 133.8 billion yen, and this figure reflects the earnings plan for our financial services operations such as the decrease of liability with interest. We are therefore predicting that our holdings of cash and cash equivalents will end the financial year 17.6 billion yen lower than they were a year earlier.

4. Interim Consolidated Financial Statements  
(1) Interim Consolidated Balance Sheets

(Millions of yen)

Subject	Term	Prior interim consolidated accounting period (As of September 30, 2003)		This interim consolidated accounting period (As of September 30, 2004)		Prior consolidated fiscal year (As of March 31, 2004)		Changes	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
			%		%		%		%
(Assets)									
I. Current assets		1,985,490	94.8	1,923,168	94.7	1,964,018	94.6	(40,849)	(2.1)
Cash and time deposits		72,679		120,876		77,930		42,945	55.1
Trade notes and accounts receivable		475		402		499		(97)	(19.4)
Loans receivable		1,642,488		1,628,157		1,623,154		5,002	0.3
Installment receivables		259,601		194,900		228,299		(33,398)	(14.6)
Marketable securities		55		1,091		1,146		(55)	(4.8)
Inventories		9,655		13,579		12,362		1,216	9.8
Deferred tax assets		43,176		36,999		47,804		(10,805)	(22.6)
Short-term loans		55,843		29,298		80,996		(51,697)	(63.8)
Other current assets		25,052		25,236		24,768		467	1.9
Allowances for bad debts		(123,537)		(127,373)		(132,945)		5,571	(4.2)
II. Fixed assets		107,005	5.1	107,283	5.3	111,370	5.4	(4,087)	(3.7)
Tangible fixed assets		55,023	2.6	53,240	2.6	53,264	2.6	(23)	(0.0)
Buildings and structures		20,695		18,637		19,642		(1,004)	(5.1)
Equipment and furniture		15,228		16,054		14,773		1,280	8.7
Land		19,091		18,528		18,841		(313)	(1.7)
Other tangible fixed assets		8		20		6		14	229.3
Intangible fixed assets		1,450	0.1	1,387	0.1	1,446	0.1	(58)	(4.0)
Investments and other assets		50,530	2.4	52,654	2.6	56,660	2.7	(4,005)	(7.1)
Investments in securities		27,707		30,746		33,475		(2,728)	(8.2)
Deferred tax assets		1,913		1,026		1,044		(18)	(1.7)
Guaranty money deposited		10,601		10,229		10,406		(177)	(1.7)
Prepaid pension expenses		1,237		561		1,924		(1,363)	(70.8)
Other investments		10,750		12,636		12,214		422	3.5
Allowance for bad debts		(1,681)		(2,545)		(2,404)		(140)	5.8
III. Deferred assets		1,206	0.1	—	—	—	—	—	—
Bond discount		1,206		—		—		—	
Total Assets		2,093,701	100.0	2,030,451	100.0	2,075,389	100.0	(44,937)	(2.2)

(Millions of yen)

Subject	Term	Prior interim consolidated accounting period (As of September 30, 2003)		This interim consolidated accounting period (As of September 30, 2004)		Prior consolidated fiscal year (As of March 31, 2004)		Change	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
	(Liabilities)		%		%		%		%
I.	Current liabilities	487,740	23.3	387,494	19.1	428,456	20.7	(40,962)	(9.6)
	Notes and accounts payable	4,081		3,708		5,221		(1,512)	(29.0)
	Short-term loans	13,416		9,708		21,779		(12,071)	(55.4)
	Current portion of long-term loans	351,280		273,208		292,375		(19,167)	(6.6)
	Current portion of bonds and notes	40,386		45,300		40,000		5,300	13.3
	Accounts payable on transferred specified claims	2,900		—		—		—	—
	Accrued income taxes	28,793		21,760		26,922		(5,161)	(19.2)
	Deferred tax liabilities	0		0		2		(2)	(71.3)
	Allowance for loss on debt guarantees	989		2,540		1,865		675	36.2
	Deferred income on installment sales	32,395		19,080		25,671		(6,590)	(25.7)
	Other current liabilities	13,496		12,187		14,619		(2,431)	(16.6)
II.	Fixed liabilities	941,502	45.0	808,852	39.8	948,830	45.7	(139,977)	(14.8)
	Straight bonds	300,681		240,300		255,720		(15,420)	(6.0)
	Long-term loans	630,938		561,535		684,696		(123,161)	(18.0)
	Deferred tax liabilities	13		1,296		2,393		(1,097)	(45.8)
	Allowance for employees' retirement benefits	4,240		285		281		4	1.6
	Allowance for directors' and corporate auditors' retirement benefits	940		790		977		(187)	(19.2)
	Other fixed liabilities	4,688		4,645		4,761		(116)	(2.4)
	Total liabilities	1,429,242	68.3	1,196,347	58.9	1,377,287	66.4	(180,940)	(13.1)
	(Minority interests in consolidated subsidiaries)								
	Minority interests in consolidated subsidiaries	795	0.0	1,278	0.1	935	0.0	343	36.7
	(Shareholders' equity)								
I.	Common stock	17,282	0.8	63,832	3.1	17,282	0.8	46,550	269.3
II.	Capital surplus	25,772	1.2	76,458	3.8	25,772	1.2	50,685	196.7
III.	Eamed surplus	629,878	30.1	700,365	34.5	661,536	31.9	38,828	5.9
IV.	Securities valuation adjustment	3,340	0.2	5,067	0.2	5,823	0.3	(755)	(13.0)
V.	Foreign currency translation adjustments	(1,511)	(0.1)	(2,097)	(0.1)	(2,150)	(0.1)	52	(2.5)
VI.	Treasury stock	(11,098)	(0.5)	(10,801)	(0.5)	(11,099)	(0.5)	297	(2.7)
	Total shareholders' equity	663,663	31.7	832,825	41.0	697,166	33.6	135,659	19.5
	Total liabilities, minority interests, and shareholders' equity	2,093,701	100.0	2,030,451	100.00	2,075,389	100.0	(44,937)	(2.2)

## (2) Interim Consolidated Income Statements

(Millions of yen)

Subject	Term	Prior interim consolidated accounting period From April 1, 2003 to September 30, 2003		This interim consolidated accounting period From April 1, 2004 to September 30, 2004		Change		Prior consolidated fiscal year From April 1, 2003 to March 31, 2004	
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
			%		%		%		%
I. Operating income		218,875	100.0	216,650	100.00	(2,225)	(1.0)	434,968	100.0
Interest on loans receivable		193,837		190,214		(3,623)	(1.9)	384,284	
Fees from credit card business		2,858		3,064		206	7.2	5,808	
Fees from installment sales finance business		11,779		8,508		(3,271)	(27.8)	22,029	
Fees on guaranteed loans receivable		1,929		3,168		1,239	64.2	4,503	
Collection of purchased receivables		682		3,699		3,016	441.7	2,088	
Other financial income		8		27		18	234.9	20	
Sales		3,505		3,674		168	4.8	7,970	
Other operating income		4,274		4,293		19	0.4	8,263	
II. Operating expenses		158,550	72.4	138,004	63.7	(20,545)	(13.0)	314,577	72.3
Financial expenses		13,632	6.2	11,753	5.4	(1,878)	(13.8)	26,910	6.2
Cost of purchased receivables		402	0.2	2,606	1.2	2,203	546.8	1,317	0.3
Cost of sales		2,079	0.9	2,300	1.1	220	10.6	4,934	1.1
Other operating expenses		142,435	65.1	121,344	56.0	(21,090)	(14.8)	281,414	64.7
Operating profit		60,325	27.6	78,645	36.3	18,319	30.4	120,391	27.7
III. Non-operating income		732	0.3	821	0.4	88	12.1	1,297	0.3
Interest income		109		105		(4)	(3.9)	204	
Dividends received		109		180		71	65.5	168	
Gains on sale of marketable securities		67		15		(52)	(77.3)	67	
Rent from corporate residence		232		242		9	4.2	471	
Other non-operating income		213		277		63	29.9	385	
IV. Non-operating expenses		1,524	0.7	1,626	0.8	102	6.7	2,915	0.7
Interest expenses		13		8		(4)	(34.5)	23	
Stock issue expenses		—		474		474	—	—	
Loss on investments in equity-method affiliates		1,394		1,037		(356)	(25.6)	2,716	
Other non-operating expenses		116		105		(11)	(9.5)	174	
Income before extraordinary items		59,533	27.2	77,839	35.9	18,306	30.7	118,773	27.3
V. Extraordinary income		183	0.1	1	0.0	(182)	(99.5)	3,331	0.8
Gains on sale of fixed assets		0		1		0	486.6	2	
Gains on sale of investments in securities		168		—		(168)	—	379	
Gains on maturity of investment trusts		15		—		(15)	—	15	
Net gain on termination of welfare pension plans		—		—		—	—	2,933	
VI. Extraordinary losses		697	0.3	1,362	0.6	665	95.4	1,771	0.4
Loss on sale of fixed assets		9		18		8	88.4	297	
Loss on disposal of fixed assets		231		480		249	107.4	603	
Impairment loss		—		456		456	—	—	
Loss on sale of investments in securities		—		38		38	—	—	
Loss on revaluation of investments in marketable securities		171		267		95	55.6	341	
Loss on liquidation of investment in trusted real property		241		78		(163)	(67.6)	241	
Other extraordinary losses		42		23		(19)	(46.1)	288	
Income before income taxes		59,020	27.0	76,478	35.3	17,457	29.6	120,332	27.7
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		28,727	11.8	21,245	14.5	(7,481)	22.1	55,533	11.4
Deferred income taxes		(2,941)		10,240		13,181		(6,048)	
Gain (loss) on minority interests in consolidated subsidiaries		316	0.2	385	0.2	69	22.0	528	0.1
Net income		32,918	15.0	44,606	20.6	11,688	35.5	70,319	16.2

## (3) Interim Consolidated Statements of Surplus

(Millions of yen)

Subject	Term	Prior interim consolidated accounting period From April 1, 2003 to September 30, 2003		This interim consolidated accounting period From April 1, 2004 to September 30, 2004		Prior consolidated fiscal year From April 1, 2003 to March 31, 2004	
		Amount		Amount		Amount	
(Capital Surplus)							
I.	Capital surplus at the beginning of the fiscal year		25,772		25,772		25,772
II.	Increase in capital surplus						
	Increase in capital stock	—		46,550		—	
	Net gain on disposal of treasury stock	—	—	4,135	50,685	—	—
III.	Capital surplus at the end of the interim accounting period and fiscal year		25,772		76,458		25,772
(Earned Surplus)							
I.	Earned surplus at the beginning of the fiscal year		606,622		661,536		606,622
II.	Increase in earned surplus						
	Net income	32,918	32,918	44,606	44,606	70,319	70,319
III.	Decrease in earned surplus						
	Dividends	5,851		5,742		11,593	
	Directors' bonus	40		35		40	
	Retirement of treasury stock	3,771	9,662	—	5,778	3,771	15,405
IV.	Earned surplus at the end of the interim accounting period and fiscal year		629,878		700,365		661,536

## (4) Interim Consolidated Statements of Cash Flows

(Millions of yen)

Subject	Term	Prior interim consolidated accounting period	This interim consolidated accounting period	Change	Prior consolidated fiscal year
		From April 1, 2003 to September 30, 2003	From April 1, 2004 to September 30, 2004		From April 1, 2003 to March 31, 2004
		Amount	Amount	Amount	Amount
I. Cash flows from operating activities					
Income before income taxes		59,020	76,478	17,457	120,332
Depreciation and amortization		2,526	2,486	(40)	5,245
Impairment loss		—	456	456	—
Increase (decrease) in allowance for bad debts		12,661	(5,393)	(18,055)	22,812
Increase in allowance for loss on debt guaranteed loans receivable		515	675	160	1,391
Increase in allowance for employees' retirement benefits		567	6	(560)	(3,389)
Increase (decrease) in allowance for directors' and statutory auditors' retirement benefits		(131)	(187)	(56)	(93)
Non-operating interest and dividends income		(218)	(285)	(67)	(372)
Loss (gain) on sales of marketable securities		(67)	(15)	52	(67)
Non-operating interest expense		13	8	(4)	23
Amortization of bond discount		193	—	(193)	384
Bond-issue expenses		166	—	(166)	232
Amortization of stock issue expenses		—	474	474	—
Loss (gain) on foreign currency exchanges		19	(16)	(35)	47
Loss (gain) on investments in equity-method		1,394	1,037	(356)	2,716
Loss (gain) on sales of tangible fixed assets		9	17	7	294
Loss on disposal of tangible fixed assets		231	480	249	603
Loss (gain) on sales of investments in securities		(168)	38	206	(379)
Loss on revaluation of investments in securities		171	267	95	341
Loss on liquidation of investments in trusted real property		241	78	(163)	241
Decrease (increase) in notes and accounts receivable		18	97	78	(6)
Decrease (increase) in loans outstanding		17,950	(5,231)	(23,181)	36,945
Decrease (increase) in installment sales receivables		20,384	33,224	12,840	51,338
Decrease (increase) in inventories		(1,315)	(1,216)	98	(4,023)
Decrease (increase) in other current assets		(861)	(770)	91	(291)
Increase (decrease) in notes and accounts payable		(860)	(1,505)	(644)	293
Increase (decrease) in deferred income on installment sales		(5,268)	(6,571)	(1,303)	(11,952)
Increase (decrease) in other current liabilities		(849)	(1,754)	(905)	(432)
Bonus paid to directors		(40)	(35)	4	(40)
Increase (decrease) in other operating activities		3,026	1,634	(1,391)	2,364
Subtotal		109,329	94,479	(14,850)	224,560
Non-operating interest and dividends received		199	303	103	389
Non-operating interest paid		(11)	(8)	3	(21)
Income taxes paid		(31,748)	(26,545)	5,202	(60,770)
Cash used in operating activities		77,769	68,229	(9,540)	164,158

(Millions of yen)

Subject	Term	Prior interim consolidated accounting period	This interim consolidated accounting period	Change	Prior consolidated fiscal year
		From April 1, 2003 to September 30, 2003	From April 1, 2004 to September 30, 2004		From April 1, 2003 to March 31, 2004
		Amount	Amount	Amount	Amount
II. Cash flow from investing activities					
Additions to time deposit		(2,700)	(34)	2,666	(2,463)
Maturity of time deposit		22	43	21	2,451
Purchase of marketable securities		—	—	—	(5)
Proceeds from sale of marketable securities		249	43	(206)	254
Purchase of tangible fixed assets		(1,372)	(3,987)	(2,614)	(2,159)
Proceeds from sale of tangible fixed assets		27	5	(21)	60
Purchase of investment securities		(71)	(1)	69	(4,690)
Proceeds from sale of investment securities		2,010	168	(1,841)	2,404
Proceeds from collection of loans		15	17	2	32
Increase in other investments		(422)	(2,650)	(2,228)	(1,671)
Decrease in other investments		303	2,345	2,042	383
Increase (decrease) in other investment activities		4	—	(4)	4
Net cash provided by (used in) investing activities		(1,935)	(4,050)	(2,114)	(5,398)
III. Cash flow from financing activities					
Proceeds from short-term loans		17,635	18,674	1,039	38,872
Repayments of short-term loans		(33,773)	(30,580)	3,192	(46,385)
Proceeds from issue of commercial paper		10,000	—	(10,000)	10,000
Payments for redemption of commercial paper		(20,000)	—	20,000	(20,000)
Proceeds from issue of straight bonds		24,833	—	(24,833)	34,767
Payments for redemption of straight bonds		(10,196)	(10,000)	196	(63,074)
Proceeds from long-term debt		95,368	18,680	(76,688)	350,602
Repayments of long-term debt		(184,672)	(160,957)	23,714	(445,015)
Proceeds from stock issue by the Company		—	92,625	92,625	—
Proceeds from subsidiary's shares issued to minority shareholders		85	—	(85)	85
Gain on disposal of treasury stock		—	11,423	11,423	—
Payments for purchase of treasury stock		(11,066)	(7,007)	4,059	(11,066)
Cash dividends paid by the Company		(5,850)	(5,741)	109	(11,592)
Cash dividends paid to minority shareholders		(80)	(27)	53	(135)
Increase (decrease) in other financing activities		(223)	(56)	167	(3,162)
Net cash provided by financing activities		(117,938)	(72,965)	44,973	(166,105)
IV. Effect of exchange rate change on cash and cash equivalents		4	44	40	(520)
V. Increase (decrease) in cash and cash equivalents		(42,100)	(8,742)	33,358	(7,865)
VI. Cash and cash equivalents at the beginning of the year		166,739	158,873	(7,865)	166,739
VII. Cash and cash equivalents at the end of the interim accounting period and fiscal year		124,639	150,131	25,492	158,873

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

(A) Extent of consolidation

Number of consolidated subsidiaries: 15

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

Acom Economic Research Institute, Inc., which was a consolidated subsidiary in the prior consolidated fiscal year, is excluded from consolidated subsidiaries as it was merged into ACOM RENTAL CO., LTD. on April 1, 2004.

(B) Application of the equity method

Number of equity method affiliates: 2

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

ASCOT CO., LTD., which was an equity method affiliate in the prior consolidated fiscal year, is excluded from equity method affiliates as ACOM sold of its holding shares of ASCOT CO., LTD. on April 19, 2004.

CHAILEASE ACOM FINANCE CO., LTD. closes its account for the interim period on June 30, and uses the financial statements as of this date.

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

The interim periods of the following consolidated subsidiaries end on June 30:

ACOM (U.S.A.) INC.

ACOM INTERNATIONAL, INC.

ACOM PACIFIC, INC.

SIAMA&C CO., LTD.

ACOM CAPITAL CO., LTD.

ACOM FUNDING CO., LTD.

The interim 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 interim 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 interim accounting period

(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) 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

(3) Derivative transactions

Option transaction ... Market value

Swap transaction ... Market value

(b) Depreciation of property, plant and equipment

(1) Tangible fixed assets

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

At overseas consolidated subsidiaries ... Straight-line method

(Depreciable life)

Buildings and structures ... 3 to 50 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

Stock issue expenses... Entire amount expensed as incurred

(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.

Overseas consolidated subsidiaries make an allowance as necessary having considered the likelihood of recovery on an individual basis.

(2) Allowance for loss on debt guarantees

In providing allowance for loss on debt guarantees, the Company makes an allowance as necessary having considered the likelihood of losses at the end of the interim consolidated accounting period.

(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 end of the consolidated fiscal year. Adjustments are made to determine the amounts applicable to the end of interim consolidated accounting period.

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 interim accounting period.

(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 interim accounting period in accordance with the Company's internal rules.

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

Foreign-currency-denominated monetary claims and liabilities are converted into yen using the spot market rate for the interim 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 interim 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 significant 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) 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) Changes in accounting policies

(Accounting standards relating to the impairment of fixed assets)

From this interim consolidated accounting period we have applied accounting standards relating to the impairment of fixed assets as defined in the "Written Opinion Concerning the Establishment of Accounting Standards Relating to the Impairment of Fixed Assets" (Business Accounting Council, August 9th, 2002) and "Application Guidelines for the Accounting Standards Relating to the Impairment of Fixed Assets" (Accounting Standards Board of Japan, October 31st, 2003). As a consequence, the figure we have reported for interim income before income taxes is 456 million yen lower than it would have been had we not applied these standards. In addition, and further to the provisions of the revised Rules Concerning Interim Consolidated Financial Statements, total impairment losses have been directly deducted from the carrying values of the assets concerned.

(7) Additional information

The promulgation on March 31st, 2003 of the "Law to Partially Revise Local Enterprise Taxes" (9th law of 2003) has resulted in the introduction, from the business year beginning April 1st, 2004, of a system whereby local enterprise taxes may also be levied on amounts other than the entity's net revenues or income, a system referred to as "Pro Forma Standard Taxation". This has led to the introduction of value-added taxes and taxes on capital, and from this interim consolidated accounting period we have charged these new taxes to "Other Operating Expenses" in accordance with the "Accounting Procedures for the Reporting of the Pro Forma Standard Taxation Components of Local Enterprise Taxes on the Income Statement" (12th Report on Practical Implementation, Accounting Standards Board of Japan, February 13th, 2004). As a consequence, the figure we have reported for other operating expenses is 492 million yen higher than it would have been, while the figures reported for operating profit, profit before extraordinary items, and interim income before income taxes are all 492 million yen lower.

## (8) Notes to Interim Consolidated Balance Sheets

Prior interim consolidated accounting period (As of September 30, 2003)	This interim consolidated accounting period (As of September 30, 2004)	Prior consolidated fiscal year (As of March 31, 2004)
1. Cumulative depreciation of tangible fixed assets	1. Cumulative depreciation of tangible fixed assets	1. Cumulative depreciation of tangible fixed assets
44,591 million yen	45,100 million yen	46,207 million yen
2. Assets pledged as security	2. Assets pledged as security	2. Assets pledged as security
(Millions of yen)	(Millions of yen)	(Millions of yen)
(1) Pledged assets	(1) Pledged assets	(1) Pledged assets
Cash and time deposits	523,644	598,145
Loan receivable	<93,219>	<118,852>
	[ 34,016]	[ 32,999]
Buildings and structures	1,974	2,029
Land	5,984	6,074
Total	531,604	606,250
	<93,219>	<118,852>
	[ 34,016]	[ 32,999]
(2) Secured liabilities	(2) Secured liabilities	(2) Secured liabilities
Short-term loans	1,000	1,000
	<1,000>	<1,000>
Current portion of long-term loans	145,702	153,979
	<34,207>	<43,091>
Current portion of bonds and notes	369,172	436,207
Bonds	<57,891>	<74,434>
Long-term loans	[ 23,880]	[ 23,880]
Total	515,874	591,186
	<93,098>	<118,525>
	[ 23,880]	[ 23,880]
Figures in brackets represent amounts engaged in transfer of liabilities	Figures in brackets represent amounts engaged in transferring assignment of claims and figures in the brackets "[ ]" represent amounts relating to securitization.	Figures in brackets represent amounts engaged in transferring assignment of claims and figures in the brackets "[ ]" represent amounts relating to securitization.
3. Contingent liabilities	3. Contingent liabilities	3. Contingent liabilities
(1) Amount of guaranteed loans of guarantee business	(1) Amount of guaranteed loans of guarantee business	(1) Amount of guaranteed loans of guarantee business
(Millions of yen)	(Millions of yen)	(Millions of yen)
Guaranteed loans	121,305	100,971
Allowance for loss on debt guarantees	2,540	1,865
Net	118,765	99,106
(2) Amount of guaranteed liabilities of affiliated companies	(2) Amount of guaranteed liabilities of affiliated companies	(2) Amount of guaranteed liabilities of affiliated companies
CHAILEASE ACOM FINANCE CO., LTD.	CHAILEASE ACOM FINANCE CO., LTD.	CHAILEASE ACOM FINANCE CO., LTD.
789 million yen	981 million yen	864 million yen
4. Notes endorsed for payment	4. —	4. Notes endorsed for payment
5 million yen		3 million yen

Prior interim consolidated accounting period (As of September 30, 2003)	This interim consolidated accounting period (As of September 30, 2004)	Prior consolidated fiscal year (As of March 31, 2004)
<p>5. 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 656,843 million yen at the end of the interim consolidated accounting period. This included a total of 419,782 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the interim consolidated 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>Note that consolidated subsidiaries do not extend revolving credit-line loans.</p>	<p>5. 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 730,728 million yen at the end of the interim consolidated accounting period. This included a total of 486,642 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the interim consolidated 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>Note that consolidated subsidiaries do not extend revolving credit-line loans.</p>	<p>5. 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 consolidated fiscal year. 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 consolidated fiscal year.</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>Note that consolidated subsidiaries do not extend revolving credit-line loans.</p>

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<p>6. Status of bad debts of loans receivable</p> <p>Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to borrowers in bankruptcy include 6,764 million yen for debtors who have petitioned for bankruptcy as of the end of the interim consolidated accounting period, 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 20,666 million yen. Under the policies stipulated in Japan's tax laws, 12,921 million yen of this amount would be classified as loans overdue by three months or more, 2,298 million yen as restructured loans and 5,447 million yen as loans no longer in arrears.</p> <p>Accrued interest on the loans of domestic 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>6. Status of bad debts of loans receivable</p> <p>Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to borrowers in bankruptcy include 5,793 million yen for debtors who have petitioned for bankruptcy as of the end of the interim consolidated accounting period, 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 22,857 million yen. Under the policies stipulated in Japan's tax laws, 12,895 million yen of this amount would be classified as loans overdue by three months or more, 3,939 million yen as restructured loans and 6,022 million yen as loans no longer in arrears.</p> <p>Accrued interest on the loans of domestic 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>6. Status of bad debts of loans receivable</p> <p>Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy 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 million 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 domestic consolidated subsidiaries is added up according to the policies stipulated in Japan's corporation tax law, and that of overseas consolidated subsidiaries is added up according to the policies stipulated in accounting standards applicable in countries where they operate.</p>																																																						
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<p>7. 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;">55,843 million yen</p> <p>Market value of marketable securities purchased at the end of the interim consolidated accounting period</p> <p style="text-align: right;">55,841 million yen</p>	<p>7. 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;">29,298 million yen</p> <p>Market value of marketable securities purchased at the end of the interim consolidated accounting period</p> <p style="text-align: right;">29,298 million yen</p>	<p>7. 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>																		
<p>8. 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 5 financial institutions and designated commitment line contracts with 12 financial institutions. As of the end of the current interim consolidated accounting period, the unexercised portion of facilities based on these contracts was as follows.</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Agreed amount of agreement for overdraft and commitment line</td> <td style="text-align: right;">325,383</td> </tr> <tr> <td><u>Amount of borrowing</u></td> <td style="text-align: right;"><u>28,764</u></td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">296,618</td> </tr> </table>	Agreed amount of agreement for overdraft and commitment line	325,383	<u>Amount of borrowing</u>	<u>28,764</u>	Unused amount	296,618	<p>8. 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 6 financial institutions and designated commitment line contracts with 15 financial institutions. As of the end of the current interim consolidated accounting period, the unexercised portion of facilities based on these contracts was as follows.</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Agreed amount of agreement for overdraft and commitment line</td> <td style="text-align: right;">249,799</td> </tr> <tr> <td><u>Amount of borrowing</u></td> <td style="text-align: right;"><u>35,570</u></td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">214,229</td> </tr> </table>	Agreed amount of agreement for overdraft and commitment line	249,799	<u>Amount of borrowing</u>	<u>35,570</u>	Unused amount	214,229	<p>8. 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 6 financial institutions and designated commitment line contracts with 15 financial institutions. As of the end of the current consolidated accounting period, the unexercised portion of facilities based on these contracts was as follows.</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">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>	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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### (9) Notes to Interim Consolidated Income Statements

Prior interim consolidated accounting period (From April 1, 2002 to September 30, 2003)	This interim consolidated accounting period (From April 1, 2003 to September 30, 2004)	Prior consolidated fiscal year (From April 1, 2003 to March 31, 2004)																																																																
<p>1. Other principal financial income</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Interest on deposits</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Interest on loans</td> <td style="text-align: right;">4</td> </tr> </table>	Interest on deposits	3	Interest on loans	4	<p>1. Other principal financial income</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Interest on deposits</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Interest on loans</td> <td style="text-align: right;">7</td> </tr> <tr> <td>Effect of currency exchange</td> <td style="text-align: right;">16</td> </tr> </table>	Interest on deposits	3	Interest on loans	7	Effect of currency exchange	16	<p>1. Other principal financial income</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Interest on deposits</td> <td style="text-align: right;">9</td> </tr> <tr> <td>Interest on loans</td> <td style="text-align: right;">11</td> </tr> </table>	Interest on deposits	9	Interest on loans	11																																																		
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4. Gains on sales of fixed assets are from the sale of equipment and furniture.	4. Breakdown of gains on sales of fixed assets (Millions of yen) Equipment and furniture 0 Other 0 <u>Total 1</u>	4. Breakdown of gains on sales of fixed assets (Millions of yen) Building and structures 0 Equipment and furniture 0 Other 1 <u>Total 2</u>																		
5. Breakdown of loss on sales of fixed assets (Millions of yen) Buildings and structures 2 Equipment and furniture 3 Lands 3 <u>Total 9</u>	5. Breakdown of loss on sales of fixed assets (Millions of yen) Equipment and furniture 17 Other 1 <u>Total 18</u>	5. Breakdown of loss on sales of fixed assets (Millions of yen) Buildings and structures 62 <44> Equipment and furniture 5 <—> Lands 229 <144> Intangible fixed assets 0 <—> <u>Total 297 &lt;188&gt;</u> Amount in brackets represent the amount sold to a consolidated subsidiary, ACOM ESTATE CO., LTD.																		
6. Loss on disposal of fixed assets mainly consists of transfer of operating outlets, remodeling of interior and change of sings. The breakdown thereof is set out below (Millions of yen) Buildings and structures 214 Equipment and furniture 17 <u>Total 231</u>	6. Loss on disposal of fixed assets mainly consists of transfer of operating outlets, remodeling of interior and change of sings. The breakdown thereof is set out below (Millions of yen) Buildings and structures 271 Equipment and furniture 209 <u>Total 480</u>	6. Loss on disposal of fixed assets mainly consists of transfer of operating outlets, remodeling of interior and change of sings. The breakdown thereof is set out below (Millions of yen) Buildings and structures 544 Equipment and furniture 59 <u>Total 603</u>																		
7. —	7. Impairment loss Our Group has reported impairment loss for this interim accounting period as below: (1) Assets recognized as having suffered impairment <table border="1" data-bbox="603 1173 1026 1592"> <thead> <tr> <th>Location</th> <th>Usage</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Osaka City Kita-ku</td> <td>Leasehold Building</td> <td>Land and Buildings etc.</td> </tr> <tr> <td>Hokkaido Abuta-gun</td> <td>Welfare/ Leisure Facilities</td> <td>Land and Buildings etc.</td> </tr> <tr> <td>Osaka City Nishiyodogawa- ku</td> <td>Store</td> <td>Buildings and Lease</td> </tr> <tr> <td>Kawasaki City Kawasaki-ku</td> <td>Leasehold Building</td> <td>Land</td> </tr> <tr> <td>Yokohama City Naka-ku</td> <td>Leasehold Building</td> <td>Land</td> </tr> </tbody> </table> (2) Method of grouping assets The smallest units our Group has adopted for the grouping of fixed assets are as below: (a) For the loan business (part of our financial services business): regional business departments (b) For the installment sales finance business (part of our financial services business): business offices (c) For other financial or non-financial businesses: departments etc. For leasehold estate and property to be sold, the smallest units are the individual assets themselves. Our headquarter and welfare/leisure facilities for our employees are treated as common assets because they do not generate their own cash flows.	Location	Usage	Type	Osaka City Kita-ku	Leasehold Building	Land and Buildings etc.	Hokkaido Abuta-gun	Welfare/ Leisure Facilities	Land and Buildings etc.	Osaka City Nishiyodogawa- ku	Store	Buildings and Lease	Kawasaki City Kawasaki-ku	Leasehold Building	Land	Yokohama City Naka-ku	Leasehold Building	Land	7. —
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<p>8. Breakdown of other extraordinary losses</p> <p style="text-align: right;">(Millions of yen)</p> <table border="0"> <tr> <td>Valuation loss of golf club memberships</td> <td style="text-align: right;">11</td> </tr> <tr> <td>Provision for default of golf club memberships</td> <td style="text-align: right;">17</td> </tr> <tr> <td>Temporary amortization of long-term prepaid expenses</td> <td style="text-align: right;">13</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>42</u></td> </tr> </table>	Valuation loss of golf club memberships	11	Provision for default of golf club memberships	17	Temporary amortization of long-term prepaid expenses	13	<u>Total</u>	<u>42</u>	<p>(3) Process through which impairment loss was recognized</p> <p>We recognized impairment loss on some of leasehold estate where there had been a significant decline in the asset's current value or profitability. We also recognized impairment loss on property to be sold because the expected sale prices were significantly lower than the assets' carrying values. No indications of impairment were observed in units comprising groups of assets, such as business departments and business offices.</p> <p>(4) Amounts of impairment loss</p> <table border="0"> <tr> <td>Buildings and structures</td> <td style="text-align: right;">88</td> </tr> <tr> <td>Land</td> <td style="text-align: right;">314</td> </tr> <tr> <td>Intangible fixed asset</td> <td style="text-align: right;">54</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>456</u></td> </tr> </table> <p>(5) Calculation of recovery price</p> <p>The recovery price is measured by either the higher of the sum of the expected future net cash flows or net realizable value. The sum of the expected future net cash flows is calculated by discounting at a rate of 7% the cash flows that the asset will generate in the future, while net realizable value is assessed by, for example, a real estate appraiser.</p> <p>8. Breakdown of other extraordinary losses</p> <p style="text-align: right;">(Millions of yen)</p> <table border="0"> <tr> <td>Valuation loss of golf club memberships</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Provision for default of golf club memberships</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Loss on sales of golf club memberships</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Temporary amortization of long-term prepaid expenses</td> <td style="text-align: right;">19</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>23</u></td> </tr> </table>	Buildings and structures	88	Land	314	Intangible fixed asset	54	<u>Total</u>	<u>456</u>	Valuation loss of golf club memberships	0	Provision for default of golf club memberships	1	Loss on sales of golf club memberships	0	Temporary amortization of long-term prepaid expenses	19	<u>Total</u>	<u>23</u>	<p>8. Breakdown of other extraordinary losses</p> <p style="text-align: right;">(Millions of yen)</p> <table border="0"> <tr> <td>Valuation loss of golf club memberships</td> <td style="text-align: right;">43</td> </tr> <tr> <td>Provision for default of golf club memberships</td> <td style="text-align: right;">217</td> </tr> <tr> <td>Temporary amortization of long-term prepaid expenses</td> <td style="text-align: right;">27</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>288</u></td> </tr> </table>	Valuation loss of golf club memberships	43	Provision for default of golf club memberships	217	Temporary amortization of long-term prepaid expenses	27	<u>Total</u>	<u>288</u>
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<p>9. Basis for classification of financial income and expenditure on the interim consolidated income statements</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>9. Basis for classification of financial income and expenditure on the interim consolidate income statements</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 that has no relationship to operating income.</p>	<p>9. Basis for classification of financial income and expenditure on the consolidated income statements</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 Interim Consolidated Statements of Cash Flows

Prior interim consolidated accounting period (From April 1, 2002 to September 30, 2003)	This interim consolidated accounting period (From April 1, 2004 to September 30, 2004)	Prior consolidated fiscal year (From April 1, 2003 to March 31, 2004)
1. Relationship between cash and cash equivalents at the end of the interim accounting period and interim consolidated balance sheet items as at September 30, 2003.	1. Relationship between cash and cash equivalents at the end of the interim accounting period and interim consolidated balance sheet items as at September 30, 2004.	1. Relationship between cash and cash equivalents at the end of the year and consolidated balance sheet items as at March 31, 2004.
(Millions of yen)	(Millions of yen)	(Millions of yen)
Cash and time deposits 72,679	Cash and time deposits 120,876	Cash and time deposits 77,930
Marketable securities 55	Marketable securities 1,091	Marketable securities 1,146
Short-term loans 55,843	Short-term loans 29,298	Short-term loans 80,996
Time deposits and certificates of which term of deposit is more than three months (2,739)	Time deposits and certificates of which term of deposit is more than three months (63)	Time deposits and certificates of which term of deposit is more than three months (72)
Bank deposits pledged as collateral (1,194)	Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase (1,071)	Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase (1,126)
Cash and cash equivalents 124,639	Cash and cash equivalents 150,131	Cash and cash equivalents 158,873

(9) Segment Information

(A) Business segment information

Prior interim consolidated accounting period (from April 1, 2003 to September 30, 2003)

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

Operating income for this interim consolidated accounting period in financial service business accounts for 95.6% of total. (95.2% for prior interim consolidated accounting period and 95.3% for prior consolidated fiscal year.) Operating profit for this interim consolidated accounting period in financial service business accounts for 99.4% of total. (99.5% for prior interim consolidated accounting period and 99.6% for prior consolidated fiscal year.)

This Interim consolidated accounting period (from April 1, 2004 to September 30, 2004)

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

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

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

Operating income for this interim consolidated accounting period in financial service business accounts for 94.4% of total. (95.3% for prior consolidated fiscal year.) Operating profit for this interim consolidated accounting period in financial service business accounts for 99.2% of total. (99.6% for prior consolidated fiscal year.)

(B) Geographical segment information

Prior interim consolidated accounting period (from April 1, 2003 to September 30, 2003)

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

This interim consolidated accounting period (from April 1, 2004 to September 30, 2004)

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

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

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

(C) Overseas sales

Prior interim consolidated accounting period (from April 1, 2003 to September 30, 2003)

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

This interim consolidated accounting period (from April 1, 2004 to September 30, 2004)

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

Prior 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 interim consolidated accounting period (From April 1, 2003 to September 30, 2003)	This interim consolidated accounting period (From April 1, 2004 to September 30, 2004)	Prior 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 (Millions of yen)</p> <table border="1"> <thead> <tr> <th></th> <th>Equivalent of Acquisition</th> <th>Equivalent of depreciation</th> <th>Equivalent of residual value</th> </tr> </thead> <tbody> <tr> <td>Machinery</td> <td>7</td> <td>1</td> <td>5</td> </tr> <tr> <td>Equipment and delivery equipment</td> <td>203</td> <td>111</td> <td>92</td> </tr> <tr> <td>Equipment and furniture</td> <td>7,445</td> <td>4,065</td> <td>3,379</td> </tr> <tr> <td>Total</td> <td>7,655</td> <td>4,178</td> <td>3,476</td> </tr> </tbody> </table>		Equivalent of Acquisition	Equivalent of depreciation	Equivalent of residual value	Machinery	7	1	5	Equipment and delivery equipment	203	111	92	Equipment and furniture	7,445	4,065	3,379	Total	7,655	4,178	3,476	<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 (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>178</td> <td>94</td> <td>84</td> </tr> <tr> <td>Equipment and furniture</td> <td>7,045</td> <td>4,601</td> <td>2,443</td> </tr> <tr> <td>Total</td> <td>7,224</td> <td>4,696</td> <td>2,528</td> </tr> </tbody> </table>		Equivalent of acquisition cost	Equivalent of depreciation	Equivalent of residual value	Machinery	178	94	84	Equipment and furniture	7,045	4,601	2,443	Total	7,224	4,696	2,528	<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 (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>7</td> <td>2</td> <td>4</td> </tr> <tr> <td>Vehicles and delivery equipment</td> <td>197</td> <td>123</td> <td>73</td> </tr> <tr> <td>Equipment and furniture</td> <td>7,772</td> <td>4,398</td> <td>3,374</td> </tr> <tr> <td>Total</td> <td>7,976</td> <td>4,523</td> <td>3,452</td> </tr> </tbody> </table>		Equivalent of acquisition cost	Equivalent of depreciation	Equivalent of residual value	Machinery	7	2	4	Vehicles and delivery equipment	197	123	73	Equipment and furniture	7,772	4,398	3,374	Total	7,976	4,523	3,452
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## (11) Marketable Securities

## (A) Bonds held to maturity with market quotations

(Millions of yen)

Type \ Term	Prior interim consolidated accounting period (As of September 30, 2003)			This interim consolidated accounting period (As of September 30, 2004)			Prior consolidated fiscal year (As of March 31, 2004)		
	Amount recorded on consolidated balance sheet	Market price	Unrealized gain (loss)	Amount recorded on consolidated balance sheet	Market price	Unrealized gain (loss)	Amount recorded on consolidated balance sheet	Market price	Unrealized gain (loss)
(a) Government/municipal	—	—	—	—	—	—	—	—	—
(b) Corporate	—	—	—	—	—	—	—	—	—
(c) Miscellaneous	4,000	4,101	101	4,000	4,114	114	4,000	4,112	112
Total	4,000	4,101	101	4,000	4,114	114	4,000	4,112	112

## (B) Other marketable securities with market quotation

(Millions of yen)

Type \ Term	Prior interim consolidated accounting period (As of September 30, 2003)			This interim consolidated accounting period (As of September 30, 2004)			Prior consolidated fiscal year (As of March 31, 2004)		
	Original cost	Amount recorded on consolidated balance sheet	Unrealized gain (loss)	Original cost	Amount recorded on consolidated balance sheet	Unrealized gain (loss)	Original cost	Amount recorded on consolidated balance sheet	Unrealized gain (loss)
(a) Stocks	12,227	17,837	5,609	11,876	20,420	8,543	12,007	21,692	9,685
(b) Bonds									
Government/municipal	80	85	4	81	86	4	81	86	4
Corporate	1,312	1,349	37	1,665	1,674	8	1,692	1,740	48
Miscellaneous	5	5	(0)	5	5	(0)	5	5	(0)
(c) Other	2,092	2,048	(44)	2,100	2,106	5	2,096	2,157	61
Subtotal	15,718	21,325	5,607	15,729	24,291	8,562	15,881	25,682	9,800

Note: In prior interim consolidated accounting period, impairment loss of 166 million yen was recorded with respect to other securities with market prices.

In this interim consolidated accounting period, impairment loss of 267 million yen was recorded with respect to other securities with market prices.

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

Impairment loss is recorded when (i) the market price of a given marketable security fell below 50% of its original cost, and is deemed unlikely to recover to the level of the cost, or (ii) the market price fell below 30% to 50% of the cost, and the rate of decline remained 30% or higher during the past one year.

## (C) Principal marketable securities where there is no market quotation

Type \ Term	Prior interim consolidated accounting period (As of September 30, 2003)	This interim consolidated accounting period (As of September 30, 2004)	Prior consolidated fiscal year (As of March 31, 2004)
	Amount recorded on interim consolidated balance sheet	Amount recorded on interim consolidated balance sheet	Amount recorded on consolidated balance sheet
Other marketable securities			
Unlisted securities (excluding OTC securities)	926	538	803

## (12) Derivative Transaction

Prior interim consolidated accounting period (from April 1, 2003 to September 30, 2003)

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

This Interim consolidated accounting period (from April 1, 2004 to September 30, 2004)

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

Prior 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.

## 5. Actual results

### (1) Operating income by segment

(Millions of yen)

Item	Term	Prior interim consolidated accounting period		This interim consolidated accounting period		Change		Prior consolidated fiscal year	
		From April 1, 2003 to September 30, 2003		From April 1, 2004 to September 30, 2004				From April 1, 2003 to March 31, 2004	
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
Finance Service Business		215,665	98.5	213,294	98.5	(2,370)	(1.1)	427,698	98.3
Loan business		197,486	90.2	193,749	89.4	(3,737)	(1.9)	391,259	90.0
Credit card business		2,890	1.3	3,123	1.5	232	8.1	5,876	1.3
Installment sales finance business		12,144	5.6	8,877	4.1	(3,267)	(26.9)	22,738	5.2
Guarantee business		2,167	1.0	3,511	1.6	1,344	62.0	5,037	1.2
Loan servicing business		975	0.4	4,033	1.9	3,057	313.3	2,786	0.6
Others		0	0.0	0	0.0	0	—	0	0.0
Other business		3,210	1.5	3,355	1.5	145	4.5	7,269	1.7
Rental business		1,687	0.8	1,717	0.8	29	1.8	3,527	0.8
Others		1,523	0.7	1,638	0.7	115	7.6	3,742	0.9
Total		218,875	100.0	216,650	100.00	(2,225)	1.0	434,968	100.0

### (2) Other statistics

Item	Term	Prior interim consolidated accounting period		This interim consolidated accounting period		Prior consolidated fiscal year		Change (YTD)	
		[From April 1, 2003 to September 30, 2003]		[From April 1, 2004 to September 30, 2004]		[From April 1, 2003 to March 31, 2004]		[From September 30, 2003 to September 30, 2004]	
		(As of September 30, 2003)		(As of September 30, 2004)		(As of March 31, 2004)		Amount	Percentage
Receivables outstanding (Millions of yen)		Amount	Amount	Amount	Amount	Amount	Percentage	Amount	Percentage
		1,904,745	1,830,314	1,857,536	(27,222)	(1.5)			
Loan business		1,642,488	1,628,157	1,623,154	5,002	0.3			
Credit card business		44,863	48,973	46,731	2,242	5.0			
Credit card		44,087	48,336	45,941	2,394	5.2			
Others		775	637	789	(151)	(19.2)			
Installment sales finance		214,738	145,927	181,567	(35,640)	(19.6)			
Servicing business		2,655	7,256	6,082	1,173	19.3			
Number of customer accounts									
Loan business		3,155,453	3,214,903	3,161,894	53,009	1.7			
Credit card business		982,503	1,196,546	1,071,681	124,865	11.7			
Credit card		975,865	1,190,132	1,064,492	125,640	11.8			
Others		6,638	6,414	7,189	(775)	(10.8)			
Installment sales finance business		960,210	863,342	886,110	(22,768)	(2.6)			
Loan servicing business		14,851	49,097	31,851	17,246	54.1			
Rental business		[ 8,322]	[ 7,268]	[ 13,038]	[ (1,054)]	[ (12.7)]			
Allowance for bad debts (millions of yen)*		125,218	129,918	135,350	(5,431)	(4.0)			
Allowance for loss on guaranteed loans receivable (millions of yen)		989	2,540	1,865	675	36.2			
Bad debt write-offs (millions of yen)		[ 59,574]	[ 56,248]	[ 116,519]	[ (3,326)]	[ (5.6)]			
Number of outlets		1,791	1,767	1,764	3	0.2			
Number of employees		6,199	6,318	6,161	157	2.5			

Notes: 1. Number of customer accounts refers to followings:

- (1) Loan business: Number of loan accounts with receivables outstanding
- (2) Credit card business  
Credit card: 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 "Allowance for bad debts" mentioned above is the sum of "Allowance for bad debts" listed in current assets and "Allowance for bad debts" listed in fixed assets on Balance Sheet.

Brief Statement of Interim Financial Results  
for the Fiscal Year Ending March 2005 (Non-consolidated)

November 01, 2004

**Forward-looking Statement**

The statements and figures contained in this Brief Statement of Interim Financial Results for the fiscal year ending March 2005 (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 number:	8572
Location of the head office:	Tokyo
URL	<a href="http://ir.acom.co.jp/english/">http://ir.acom.co.jp/english/</a>
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 Number:	(03) 3270 – 3423
Date of the board of directors' meeting for the account settlement:	November 01, 2004
Date of the interim dividend payment:	December 06, 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 Interim Accounting Period (from April 1, 2004 to September 30, 2004)

### (1) Operating Results

(Millions of yen)

	Operating Income		Operating Profit		Income Before Extraordinary Items	
9/04 (Interim)	202,207	(2.6%)	76,104	31.2%	76,750	30.0
9/03 (Interim)	207,507	(0.8%)	58,004	(28.2%)	59,020	(27.8%)
3/04 (Annual)	411,799		115,880		117,799	

	Net income (Millions of yen)		Net Income per Share (Yen)
9/04 (Interim)	45,115	34.0	286.55
9/03 (Interim)	33,663	(25.7%)	232.78
3/04 (Annual)	65,648		455.36

Notes: 1. Average number of shares issued: 157,442,962 shares in 9/04 (interim), 144,614,219 shares in 9/03 (interim), and 144,089,082 shares in 3/04 (annual).  
 2. Change in accounting policies: Adopted  
 3. Regarding operating income, operating profit, income before extraordinary items, net income of this fiscal year, the figures in percentages show growth from the previous interim accounting period.

### (2) Dividends

	Interim Cash Dividends per Share (Yen)	Annual Cash Dividends per Share (Yen)
9/04 (Interim)	45.00	—
9/03 (Interim)	40.00	—
3/04 (Annual)	—	80.00

### (3) Non-Consolidated Financial Position

(Millions of yen)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share (Yen)
9/04 (Interim)	1,979,128	830,210	41.9%	5,244.69
9/03 (Interim)	2,036,162	665,349	32.7%	4,634.61
3/04 (Annual)	2,019,648	694,082	34.4%	4,834.51

Notes: 1. Number of shares issued at fiscal year-end: 158,295,587 shares in 9/04 (interim), 143,561,085 shares in 9/03 (interim), and 143,561,072 shares in 3/04 (annual).  
 2. Number of treasury shares at fiscal year-end: 1,332,693 shares in 9/04 (interim), 2,067,195 shares in 9/03 (interim), and 2,067,208 shares in 3/04 (annual).

## 2. Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2005 (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	
				Year-end Dividends	(Yen)
Annual	398,700	134,400	78,700	45.00	90.00

Reference: Projected net income per share (annual): 497.20 yen

Note: The estimated average number of shares issued during current fiscal year is used to calculate the forecasted net income per share, and same amount of bonus to directors at the prior fiscal year is subtracted from unappropriated retained earnings. "Combination of Operations and Reorganization to Strengthen the Consumer Finance Business" was announced on October 29, 2004, nevertheless, the forecasts above do not reflect its effect as the effect on business result is being examined in details at present.

5. Interim Non-Consolidated Financial Statements  
(1) Interim Non-Consolidated Balance Sheets

(Millions of yen)

Subject	Term	Prior interim accounting period (As of September 30, 2003)		This interim accounting period (As of September 30, 2004)		Prior consolidated fiscal year (As of March 31, 2004)		Changes	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
			%		%		%		%
(Assets)									
I. Current assets		1,881,264	92.4	1,836,509	92.8	1,870,175	92.6	(33,666)	(1.8)
Cash and time deposits		57,756		111,924		69,015		42,909	62.2
Loans receivable		1,633,600		1,614,243		1,612,799		1,443	0.1
Installment sales receivables		181,297		137,633		159,907		(22,274)	(13.9)
Merchandise		6,560		5,861		5,879		(17)	(0.3)
Deferred tax assets		41,773		35,645		46,530		(10,884)	(23.4)
Other current assets		78,195		52,361		103,044		(50,683)	(49.2)
Allowances for bad debts		(117,920)		(121,160)		(127,000)		5,840	(4.6)
II. Fixed assets		154,897	7.6	142,618	7.2	149,472	7.4	(6,854)	(4.6)
Tangible fixed assets		40,934		39,330		39,190		140	0.4
Land		8,309		7,984		8,023		(38)	(0.5)
Other tangible fixed assets		32,625		31,346		31,166		179	0.6
Intangible fixed assets		1,210		1,147		1,206		(58)	(4.8)
Investments and other assets		114,432		104,679		111,476		(6,796)	(6.1)
Allowance for bad debts		(1,680)		(2,540)		(2,400)		(140)	5.8
Total Assets		2,036,162	100.0	1,979,128	100.0	2,019,648	100.0	(40,520)	(2.0)

(Millions of yen)

Subject	Term	Prior interim accounting period (As of September 30, 2003)		This interim accounting period (As of September 30, 2004)		Prior consolidated fiscal year (As of March 31, 2004)		Changes	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
			%		%		%		%
(Liabilities)									
I. Current liabilities		450,548	22.1	359,007	18.2	398,005	19.7	(38,998)	(9.8)
Accounts payable		1,578		1,260		1,035		224	21.7
Short-term loans		1,500		2,500		11,500		(9,000)	(78.3)
Current portion of long-term loans		341,349		268,071		285,304		(17,233)	(6.0)
Current portion of bonds and notes		40,000		40,000		40,000		—	—
Accounts payable on transferred specified claims		2,900		—		—		—	—
Accrued income taxes		27,981		20,899		26,319		(5,419)	(20.6)
Allowance for loss on debt guarantees		989		2,540		1,865		675	36.2
Deferred income on installment sales		22,106		12,503		17,276		(4,772)	(27.6)
Other current liabilities		12,143		11,231		14,704		(3,472)	(23.6)
II. Fixed liabilities		920,264	45.2	789,909	39.9	927,560	45.9	(137,650)	(14.8)
Straight bonds		265,000		235,000		245,000		(10,000)	(4.1)
Long-term loans		647,201		550,975		678,285		(127,310)	(18.8)
Allowance for employees' retirement benefits		3,780		—		—		—	—
Allowance for directors' and corporate auditors' retirement benefits		836		688		867		(179)	(20.7)
Other fixed liabilities		3,445		3,246		3,407		(161)	(4.7)
Total liabilities		1,370,812	67.3	1,148,917	58.1	1,325,566	65.6	(176,648)	(13.3)
(Shareholders' equity)									
I. Common stock		17,282	0.8	63,832	3.2	17,282	0.9	46,550	269.3
II. Capital surplus		25,772	1.3	76,458	3.9	25,772	1.3	50,685	196.7
Additional paid-in capital		25,772		72,322		25,772		46,550	180.6
Other capital surplus		—		4,135		—		4,135	—
III. Earned surplus		630,084	30.9	695,663	35.1	656,326	32.5	39,337	6.0
Legal reserve		4,320		4,320		4,320		—	—
Voluntary reserve		570,000		620,000		570,000		50,000	8.8
Unappropriated retained earnings		55,764		71,343		82,006		(10,662)	(13.0)
IV. Securities valuation adjustment		3,308	0.2	5,057	0.3	5,799	0.3	(742)	(12.8)
V. Treasury stock		(11,098)	(0.5)	(10,801)	(0.6)	(11,099)	(0.6)	297	(2.7)
Total shareholders' equity		665,349	32.7	830,210	41.9	694,082	34.4	136,128	19.6
Total liabilities and shareholders' equity		2,036,162	100.0	1,979,128	100.0	2,019,648	100.0	(40,520)	(2.0)

## (2) Interim Non-Consolidated Income Statements

(Millions of yen)

Subject	Term	Prior interim accounting period From April 1, 2003 to September 30, 2003		This interim accounting period From April 1, 2004 to September 30, 2004		Change		Prior fiscal year From April 1, 2003 to March 31, 2004	
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
			%		%		%		%
I. Operating income		207,507	100.0	202,207	100.0	(5,300)	(2.6)	411,799	100.0
Interest on loans receivable		191,358		186,804		(4,553)	(2.4)	379,332	
Fees from credit card business		2,812		3,019		206	7.3	5,714	
Fees from installment sales finance business		7,335		5,221		(2,114)	(28.8)	13,799	
Fees on guaranteed loans receivables		1,929		3,168		1,239	64.2	4,503	
Other financial income		7		26		18	246.7	18	
Sales		50		18		(32)	(64.4)	735	
Other operating income		4,013		3,948		(64)	(1.6)	7,695	
II. Operating expenses		149,502	72.0	126,102	62.4	(23,400)	(15.7)	295,918	71.9
Financial expenses		13,138	6.3	11,364	5.6	(1,774)	(13.5)	26,115	6.4
Cost of Sales		50	0.0	17	0.0	(32)	(65.0)	731	0.2
Other operating expenses		136,314	65.7	114,721	56.8	(21,593)	(15.8)	269,072	65.3
Operating profit		58,004	28.0	76,104	37.6	18,100	31.2	115,880	28.1
III. Non-operating income		1,130	0.5	1,217	0.6	86	7.7	2,086	0.5
IV. Non-operating expenses		114	0.1	571	0.2	456	399.7	167	0.0
Income before extraordinary items		59,020	28.4	76,750	38.0	17,730	30.0	117,799	28.6
V. Extraordinary income		183	0.1	0	0.0	(183)	(99.8)	3,198	0.8
VI. Extraordinary Losses		725	0.3	1,087	0.6	361	49.8	7,861	1.9
Income before income taxes		58,478	28.2	75,663	37.4	17,185	29.4	113,136	27.5
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		27,890	12.0	20,400	15.1	(7,490)	23.1	54,160	11.6
Deferred income taxes		(3,075)		10,148		13,223		(6,671)	
Net income		33,663	16.2	45,115	22.3	11,451	34.0	65,648	15.9
Retained earnings carried forward from the previous period		25,871		26,228		356	1.4	25,871	
Retirement of treasury stock		3,771		—		(3,771)	—	3,771	
Interim dividends		—		—		—	—	5,742	
Unappropriated retained earnings		55,764		71,343		15,579	27.9	82,006	

(3) Significant Items Relating to the Preparation of Interim Non-Consolidated Financial Statements

(A) Valuation and computation of assets

(a) Valuation and computation of marketable securities

Securities of subsidiaries and affiliates ... Cost as determined by the moving average method

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

Other marketable securities

Where there is a market price

Market value as determined by the quoted price at the end of the interim accounting period

(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 the inventories

Merchandise ... Cost on an individual specified cost basis

(c) Valuation and computation of derivative transactions

Option transaction ... Market value

Swap transaction ... Market value

(B) Depreciation of the fixed assets

(a) Tangible fixed assets and building and structures in trust ... Declining balance method

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

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

(C) 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 debt guarantees

In providing allowance for loss on debt guarantees, the Company makes an allowance as necessary having considered the likelihood of losses at the end of the interim accounting period.

(c) Allowance for retirement benefits

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

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.

(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 interim accounting period in accordance with the Company's internal rules.

(D) Currency translation standards for foreign-currency-denominated assets or liabilities

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

(E) 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.

(F) 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.

(G) Other Significant Items Relating to the Preparation of Interim Non-Consolidated Financial Statements

(a) 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

Customer fees ... Recognized by credit balance method.

Merchant fees ... 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 receivables ... Recognized by credit-balance method

(b) 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.

(6) Changes in accounting policies

(Accounting standards relating to the impairment of fixed assets)

From this interim consolidated accounting period we have applied accounting standards relating to the impairment of fixed assets as defined in the "Written Opinion Concerning the Establishment of Accounting Standards Relating to the Impairment of Fixed Assets" (Business Accounting Council, August 9th, 2002) and "Application Guidelines for the Accounting Standards Relating to the Impairment of Fixed Assets" (Accounting Standards Board of Japan, October 31st, 2003). As a consequence, the figure we have reported for interim income before income taxes is 167 million yen lower than it would have been had we not applied these standards. In addition, and further to the provisions of the revised Rules Concerning Interim Consolidated Financial Statements, total impairment losses have been directly deducted from the carrying values of the assets concerned.

(7) Additional information

The promulgation on March 31st, 2003 of the "Law to Partially Revise Local Enterprise Taxes" (9th law of 2003) has resulted in the introduction, from the business year beginning April 1st, 2004, of a system whereby local enterprise taxes may also be levied on amounts other than the entity's net revenues or income, a system referred to as "Pro Forma Standard Taxation". This has led to the introduction of value-added taxes and taxes on capital, and from this interim consolidated accounting period we have charged these new taxes to "Other Operating Expenses" in accordance with the "Accounting Procedures for the Reporting of the Pro Forma Standard Taxation Components of Local Enterprise Taxes on the Income Statement" (12th Report on Practical Implementation, Accounting Standards Board of Japan, February 13th, 2004). As a consequence, the figure we have reported for other operating expenses is 470 million yen higher than it would have been, while the figures reported for operating profit, profit before extraordinary items, and interim income before income taxes are all 470 million yen lower.

(5) Notes to Interim Non-Consolidated Balance Sheets

Prior interim accounting period (As of September 30, 2003)	This interim accounting period (As of September 30, 2004)	Prior fiscal year (As of March 31, 2004)
1. Cumulative depreciation of tangible fixed assets	1. Cumulative depreciation of tangible fixed assets	1. Cumulative depreciation of tangible fixed assets
44,983 million yen	44,962 million yen	46,313 million yen
Cumulative depreciation of buildings and structures in trust which are classified as "Investments and other assets"		Cumulative depreciation of buildings and structures in trust which are classified as "Investments and other assets"
24 million yen		25 million yen
2. Assets pledged as security	2. Assets pledged as security	2. Assets pledged as security
(Millions of yen)	(Millions of yen)	(Millions of yen)
(1) Pledged assets	(1) Pledged assets	(1) Pledged assets
Cash and time deposits	523,644	598,145
Loan receivables	<93,219>	<118,852>
	[ 34,016]	[ 32,999]
<u>Tangible fixed assets</u>	<u>1,912</u>	<u>1,940</u>
Total	525,557	600,086
	<93,219>	<118,852>
	[ 34,016]	[ 32,999]
(2) Secured liabilities	(2) Secured liabilities	(2) Secured liabilities
Short-term loans	1,000	1,000
	<1,000>	<1,000>
Current portion of Long-term loans	145,702	153,979
	<34,207>	<43,091>
Long-term loans	369,172	436,207
	<57,891>	<74,434>
<u>Total</u>	<u>[ 23,880]</u>	<u>[ 23,880]</u>
	515,874	591,186
	<93,098>	<118,525>
	[ 23,880]	[ 23,880]
Figures in brackets represent amounts engaged in transfer of liabilities	Figures in brackets represent amounts engaged in transferring assignment of claims and figures in the brackets "[ ]" represent amounts relating to securitization.	Figures in brackets represent amounts engaged in transferring assignment of claims and figures in the brackets "[ ]" represent amounts relating to securitization.
3. Contingent liabilities	3. Contingent liabilities	3. Contingent liabilities
(1) Amount of guaranteed loans of guarantee business	(1) Amount of guaranteed loans of guarantee business	(1) Amount of guaranteed loans of guarantee business
(Millions of yen)	(Millions of yen)	(Millions of yen)
Guaranteed loans	121,305	100,971
Allowance for loss on debt guarantees	2,540	1,865
<u>Net</u>	<u>118,765</u>	<u>99,106</u>
(2) Amount of guaranteed liabilities of affiliated companies	(2) Amount of guaranteed liabilities of affiliated companies	(2) Amount of guaranteed liabilities of affiliated companies
(Millions of yen)	(Millions of yen)	(Millions of yen)
ACOM ESTATE CO., LTD.	1,032	1,445
JCK CREDIT CO., LTD.	885	1,065
IR Loan Servicing, Inc.	11,520	18,182
SIAM A&C CO., LTD.	23,010	15,223
CHAILEASE ACOM FINANCE CO., LTD.	981	864

Prior interim accounting period (As of September 30, 2003)	This interim accounting period (As of September 30, 2004)	Prior fiscal year (As of March 31, 2004)
<p>4. 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 656,843 million yen at the end of the interim accounting period. This included a total of 419,782 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the interim 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>4. 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 730,728 million yen at the end of the interim accounting period. This included a total of 486,642 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the interim 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>4. 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 fiscal year. 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 fiscal year.</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>5. 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 6,764 million yen for debtors who have petitioned for bankruptcy as of the end of the interim accounting period, 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 20,666 million yen. Under the policies stipulated in Japan's tax laws, 12,921 million yen of this amount would be classified as loans overdue by three months or more, 2,298 million yen as restructured loans and 5,447 million yen as loans no longer in arrears.</p>	<p>5. 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 5,793 million yen for debtors who have petitioned for bankruptcy as of the end of the interim accounting period, 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 22,857 million yen. Under the policies stipulated in Japan's tax laws, 12,895 million yen of this amount would be classified as loans overdue by three months or more, 3,939 million yen as restructured loans and 6,022 million yen as loans no longer in arrears.</p>	<p>5. 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 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 million 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>

Prior interim accounting period (As of September 30, 2003)			This interim accounting period (As of September 30, 2003)			Prior fiscal year (As of March 31, 2004)																				
(Millions of yen)			(Millions of yen)			(Millions of yen)																				
Category	Amount	Classification criteria	Category	Amount	Classification criteria	Category	Amount	Classification criteria																		
Loans to bankrupt parties	(9,065) 9,065	Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation, and others	Loans to bankrupt parties	(9,051) 9,051	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	(10,975) 31,641	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	(12,525) 35,383	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	(14,657) 1,736	Loans other than the above that are overdue by three months or more	Loans overdue by three months or more	(14,988) 2,092	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	(23,647) 21,349	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	(38,228) 34,288	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	(58,345) 63,793		Total	(74,793) 80,815		Total	(70,683) 79,754																			
<p>Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.</p>			<p>Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.</p>			<p>Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.</p>																				
<p>6. Financial assets received as freely disposable securities</p> <p>The Company 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 Other current assets)</p> <p style="text-align: right;">54,993 million yen</p> <p>Market value of marketable securities purchased at the end of the interim accounting period</p> <p style="text-align: right;">54,991 million yen</p>			<p>6. Financial assets received as freely disposable securities</p> <p>The Company 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 Other current assets)</p> <p style="text-align: right;">27,998 million yen</p> <p>Market value of marketable securities purchased at the end of the interim accounting period</p> <p style="text-align: right;">27,998 million yen</p>			<p>6. Financial assets received as freely disposable securities</p> <p>The Company 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 Other current assets)</p> <p style="text-align: right;">79,996 million yen</p> <p>Market value of marketable securities purchased at the end of the fiscal year</p> <p style="text-align: right;">79,792 million yen</p>																				
<p>7. Agreements for overdraft and commitment facilities</p> <p>For efficient procurement of working capital, the Company maintains designated commitment line contracts with 4 financial institutions. As of the end of the current interim accounting period, the unexercised portion of facilities based on these contracts was as follows.</p> <p style="text-align: right;">(Millions of yen)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Agreed amount of agreement for commitment line</td> <td style="text-align: right;">316,005</td> </tr> <tr> <td><u>Amount of borrowing</u></td> <td style="text-align: right;"><u>23,880</u></td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">292,125</td> </tr> </table> <p>There are no overdraft contracts.</p>			Agreed amount of agreement for commitment line	316,005	<u>Amount of borrowing</u>	<u>23,880</u>	Unused amount	292,125	<p>7. Agreements for overdraft and commitment facilities</p> <p>For efficient procurement of working capital, the Company maintains overdraft contract with 1 financial institution and designated commitment line contracts with 2 financial institutions. As of the end of the current interim accounting period, the unexercised portion of facilities based on these contracts was as follows.</p> <p style="text-align: right;">(Millions of yen)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Agreed amount of agreement for commitment line</td> <td style="text-align: right;">233,770</td> </tr> <tr> <td><u>Amount of borrowing</u></td> <td style="text-align: right;"><u>23,880</u></td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">209,890</td> </tr> </table>			Agreed amount of agreement for commitment line	233,770	<u>Amount of borrowing</u>	<u>23,880</u>	Unused amount	209,890	<p>7. Agreements for overdraft and commitment facilities</p> <p>For efficient procurement of working capital, the Company maintains overdraft contract with 1 financial institution and designated commitment line contracts with 2 financial institutions. As of the end of the current fiscal year, the unexercised portion of facilities based on these contracts was as follows.</p> <p style="text-align: right;">(Millions of yen)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Agreed amount of agreement for commitment line</td> <td style="text-align: right;">276,967</td> </tr> <tr> <td><u>Amount of borrowing</u></td> <td style="text-align: right;"><u>28,880</u></td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">248,087</td> </tr> </table>			Agreed amount of agreement for commitment line	276,967	<u>Amount of borrowing</u>	<u>28,880</u>	Unused amount	248,087
Agreed amount of agreement for commitment line	316,005																									
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<u>Amount of borrowing</u>	<u>23,880</u>																									
Unused amount	209,890																									
Agreed amount of agreement for commitment line	276,967																									
<u>Amount of borrowing</u>	<u>28,880</u>																									
Unused amount	248,087																									
<p>8. —</p>			<p>8. New shares issue</p> <p>Issue form Third party allocation</p> <p>Number of new shares issued 14,000,000 common shares</p> <p>Issue price 6,650yen per share</p> <p>Amount included in capital 3,325 yen per share</p>			<p>8. —</p>																				
<p>9. Retirement of treasury stock</p> <p>Shares 1,002,600</p> <p>Purchased amount 3,771 million yen</p>			<p>9. —</p>			<p>9. Retirement of treasury stock</p> <p>Shares 1,002,600</p> <p>Purchased amount 3,771 million yen</p>																				

## (5) Notes to Interim Non-Consolidated Statements of Income

Prior interim accounting period (From April 1, 2003 to September 30, 2003)	This interim accounting period (From April 1, 2004 to September 30, 2004)	Prior fiscal year (From April 1, 2003 to March 31, 2004)
1. Other principal financial income (Millions of yen)	1. Other principal financial income (Millions of yen)	1. Other principal financial income (Millions of yen)
Interest on deposits 3	Interest on deposits 2	Interest on deposits 7
Interest on marketable securities 4	Interest on marketable securities 7	Interest on marketable securities 11
	Effect of currency exchange 16	
2. Principal financial expenses (Millions of yen)	2. Principal financial expenses (Millions of yen)	2. Principal financial expenses (Millions of yen)
Interest paid 8,659	Interest paid 7,811	Interest paid 17,469
Interest on corporate bonds 2,852	Interest on corporate bonds 2,523	Interest on corporate bonds 5,599
Bond issue expenses 132		Bond issue expenses 198
3. Principal items of non-operating income (Millions of yen)	3. Principal items of non-operating income (Millions of yen)	3. Principal items of non-operating income (Millions of yen)
Interest income 358	Interest income 386	Interest income 755
Interest on securities 34	Interest on securities 37	Interest on securities 70
Dividends received 200	Dividends received 258	Dividends received 311
Gains on sales of securities 67	Gains on sales of securities 15	Gains on sales of securities 67
Rent from corporate residence 232	Insurance payment received 26	Insurance payment received 25
	Rent from corporate residence 242	Rent from corporate residence 471
4. Principle items of non-operating expenses (Millions of yen)	4. Principle items of non-operating expenses (Millions of yen)	4. Principle items of non-operating expenses (Millions of yen)
Treasury stock acquisition expenses 42	Stock issue expenses 474	Treasury stock acquisition expenses 42
Loss on investments in investing business association 24	Loss on investments in investing business association 52	Loss on investments in investing business association 67
5. Principle items of extraordinary income (Millions of yen)	5. Extraordinary income represents the gains on sales of fixed assets	5. Principle items of extraordinary income (Millions of yen)
Gains on sales of investment in marketable securities 168		Gains on sales of fixed assets 379
Gain on maturity of investment trusts 15		Gain on maturity of investment trusts 15
		Net gain on termination of a welfare pension plan 2,802
6. Principle items of extraordinary losses (Millions of yen)	6. Principle items of extraordinary losses (Millions of yen)	6. Principle items of extraordinary losses (Millions of yen)
Loss on sales of fixed assets 6	Loss on sales of fixed assets 18	Loss on sales of fixed assets 292
Loss on disposal of fixed assets 268	Loss on disposal of fixed assets 494	Loss on disposal of fixed assets 676
Loss on revaluation of investments in securities 166	Impairment loss 167	Loss on sales of investments in securities 335
Loss on liquidation of investments in trusted real property 241	Loss on sales of investments in securities 38	Loss on revaluation of investments in affiliates 6,026
	Loss on revaluation of investments in securities 267	Loss on revaluation of investments in trusted real property 241
	Loss on liquidation of investments in trusted real property 78	

Prior interim accounting period (From April 1, 2003 to September 30, 2003)	This interim accounting period (From April 1, 2004 to September 30, 2004)	Prior fiscal year (From April 1, 2003 to March 31, 2004)																	
7. —	<p>7. Impairment loss</p> <p>The Company has reported impairment loss for this interim accounting period as below:</p> <p>(1) Assets recognized as having suffered impairment</p> <table border="1" data-bbox="576 398 1007 593"> <thead> <tr> <th>Location</th> <th>Usage</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Hokkaido Abuta-gun</td> <td>Welfare/ Leisure Facilities</td> <td>Land and buildings etc.</td> </tr> <tr> <td>Osaka City Nishiyodogawa-ku</td> <td>Store</td> <td>Buildings and Lease</td> </tr> </tbody> </table> <p>(2) Method of grouping assets</p> <p>The smallest units the Company has adopted for the grouping of fixed assets are as below:</p> <p>(a) For the loan business (part of our financial services business): regional business departments</p> <p>(b) For the installment sales finance business (part of our financial services business): business offices</p> <p>(c) For other financial businesses: department etc.</p> <p>For property to be sold, the smallest units are the individual assets themselves. Our headquarter and welfare/leisure facilities for our employees are treated as common assets because they do not generate their own cash flows.</p> <p>(3) Process through which impairment was recognized</p> <p>We recognized impairment loss on property to be sold because the expected sale prices were significantly lower than the assets' book values.</p> <p>No indications of impairment were observed in units comprising groups of assets, such as business departments and business offices.</p> <p>(4) Calculation of recovery price</p> <table data-bbox="603 1339 999 1480"> <tbody> <tr> <td>Land</td> <td style="text-align: right;">38</td> </tr> <tr> <td>Tangible asset and others</td> <td style="text-align: right;">75</td> </tr> <tr> <td>Intangible asset</td> <td style="text-align: right;">54</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">167</td> </tr> </tbody> </table> <p>(5) Calculation of recovery price</p> <p>The recovery price is estimated by net realizable value and is estimated by, for example, a real estate appraiser.</p>	Location	Usage	Type	Hokkaido Abuta-gun	Welfare/ Leisure Facilities	Land and buildings etc.	Osaka City Nishiyodogawa-ku	Store	Buildings and Lease	Land	38	Tangible asset and others	75	Intangible asset	54	Total	167	7. —
Location	Usage	Type																	
Hokkaido Abuta-gun	Welfare/ Leisure Facilities	Land and buildings etc.																	
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Tangible asset and others	75																		
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<p>8. Depreciation amount</p> <p style="text-align: right;">(Millions of yen)</p> <p>Tangible fixed assets 2,345</p> <p>Intangible fixed assets 4</p>	<p>8. Depreciation amount</p> <p style="text-align: right;">(Millions of yen)</p> <p>Tangible fixed assets 2,250</p> <p>Intangible fixed assets 4</p>	<p>8. Depreciation amount</p> <p style="text-align: right;">(Millions of yen)</p> <p>Tangible fixed assets 4,771</p> <p>Intangible fixed assets 8</p>																	

(6) Notes to Lease Transactions

Prior interim accounting period (From April 1, 2003 to September 30, 2003)	This interim accounting period (From April 1, 2004 to September 30, 2004)	Prior fiscal year (From April 1, 2003 to March 31, 2004)																																																
<p>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>Vehicles and delivery equipment</td> <td style="text-align: right;">197</td> <td style="text-align: right;">108</td> <td style="text-align: right;">89</td> </tr> <tr> <td>Equipment and furniture</td> <td style="text-align: right;">6,717</td> <td style="text-align: right;">3,672</td> <td style="text-align: right;">3,044</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">6,915</td> <td style="text-align: right;">3,781</td> <td style="text-align: right;">3,134</td> </tr> </tbody> </table>		Equivalent of acquisition cost	Equivalent of depreciation	Equivalent of residual value	Vehicles and delivery equipment	197	108	89	Equipment and furniture	6,717	3,672	3,044	Total	6,915	3,781	3,134	<p>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>Vehicles and delivery equipment</td> <td style="text-align: right;">173</td> <td style="text-align: right;">90</td> <td style="text-align: right;">82</td> </tr> <tr> <td>Equipment and furniture</td> <td style="text-align: right;">6,488</td> <td style="text-align: right;">4,187</td> <td style="text-align: right;">2,300</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">6,661</td> <td style="text-align: right;">4,278</td> <td style="text-align: right;">2,383</td> </tr> </tbody> </table>		Equivalent of acquisition cost	Equivalent of depreciation	Equivalent of residual value	Vehicles and delivery equipment	173	90	82	Equipment and furniture	6,488	4,187	2,300	Total	6,661	4,278	2,383	<p>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>Vehicles and delivery equipment:</td> <td style="text-align: right;">191</td> <td style="text-align: right;">120</td> <td style="text-align: right;">71</td> </tr> <tr> <td>Equipment and furniture</td> <td style="text-align: right;">7,041</td> <td style="text-align: right;">3,935</td> <td style="text-align: right;">3,106</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">7,233</td> <td style="text-align: right;">4,055</td> <td style="text-align: right;">3,177</td> </tr> </tbody> </table>		Equivalent of acquisition cost	Equivalent of depreciation	Equivalent of residual value	Vehicles and delivery equipment:	191	120	71	Equipment and furniture	7,041	3,935	3,106	Total	7,233	4,055	3,177
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<p>2. Equivalent of balance of the unaccrued lease fee</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td style="padding-left: 20px;">Within 1 year</td> <td style="text-align: right;">1,592</td> </tr> <tr> <td style="padding-left: 20px;">More than 1 year</td> <td style="text-align: right;">1,605</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">3,197</td> </tr> </tbody> </table>	Within 1 year	1,592	More than 1 year	1,605	Total	3,197	<p>2. Equivalent of balance of the unaccrued lease fee</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td style="padding-left: 20px;">Within 1 year</td> <td style="text-align: right;">1,288</td> </tr> <tr> <td style="padding-left: 20px;">More than 1 year</td> <td style="text-align: right;">1,142</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">2,431</td> </tr> </tbody> </table>	Within 1 year	1,288	More than 1 year	1,142	Total	2,431	<p>2. Equivalent of balance of the unaccrued lease fee</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td style="padding-left: 20px;">Within 1 year</td> <td style="text-align: right;">1,598</td> </tr> <tr> <td style="padding-left: 20px;">More than 1 year</td> <td style="text-align: right;">1,636</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">3,235</td> </tr> </tbody> </table>	Within 1 year	1,598	More than 1 year	1,636	Total	3,235																														
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<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 style="padding-left: 20px;">Lease fee payable</td> <td style="text-align: right;">1,010</td> </tr> <tr> <td style="padding-left: 20px;">Equivalent of depreciation</td> <td style="text-align: right;">952</td> </tr> <tr> <td style="padding-left: 20px;">Equivalent of interest payable</td> <td style="text-align: right;">47</td> </tr> </tbody> </table>	Lease fee payable	1,010	Equivalent of depreciation	952	Equivalent of interest payable	47	<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 style="padding-left: 20px;">Lease fee payable</td> <td style="text-align: right;">909</td> </tr> <tr> <td style="padding-left: 20px;">Equivalent of depreciation</td> <td style="text-align: right;">865</td> </tr> <tr> <td style="padding-left: 20px;">Equivalent of interest payable</td> <td style="text-align: right;">34</td> </tr> </tbody> </table>	Lease fee payable	909	Equivalent of depreciation	865	Equivalent of interest payable	34	<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 style="padding-left: 20px;">Lease fee payable</td> <td style="text-align: right;">1,966</td> </tr> <tr> <td style="padding-left: 20px;">Equivalent of depreciation</td> <td style="text-align: right;">1,860</td> </tr> <tr> <td style="padding-left: 20px;">Equivalent of interest payable</td> <td style="text-align: right;">89</td> </tr> </tbody> </table>	Lease fee payable	1,966	Equivalent of depreciation	1,860	Equivalent of interest payable	89																														
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<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>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>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>Obtained by appropriating the differential between the total lease fee payable and the equivalent of acquisition cost of the leased object, for the lease period by interest method.</p>	<p>5. Method of calculation of equivalent of interest</p> <p>Obtained by appropriating the differential between the total lease fee payable and the equivalent of acquisition cost of the leased object, for the lease period by interest method.</p>	<p>5. Method of calculation of equivalent of interest</p> <p>Obtained by appropriating the differential between the total lease fee payable and the equivalent of acquisition cost of the leased object, for the lease period by interest method.</p>																																																

(8) Marketable Securities (Subsidiary and affiliate stock)

Prior interim accounting period (from April 1, 2003 to September 30, 2003)

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

This interim accounting period (from April 1, 2004 to September 30, 2004)

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

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

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

## 7. Actual Results

### (1) Operating income by segments

(Millions of yen)

Division	Segment	Term		Prior interim accounting period		This interim accounting period		Change		Prior fiscal year	
		Amount	Composition ratio	From April 1, 2003 to September 30, 2003	From April 1, 2004 to September 30, 2004	From April 1, 2004 to September 30, 2004	From April 1, 2004 to September 30, 2004	Amount	Percentage	From April 1, 2003 to March 31, 2004	Composition ratio
Finance Business	Interest on loans receivable	191,358	92.2	186,804	92.4	(4,553)	(2.4)	379,332	92.1		
	Unsecured loans	187,116	90.2	182,987	90.5	(4,129)	(2.2)	370,985	90.1		
	Consumers	187,063	90.2	182,960	90.5	(4,102)	(2.2)	370,894	90.1		
	Commercials	53	0.0	26	0.0	(26)	(49.5)	90	0.0		
	Secured loans	4,241	2.0	3,817	1.9	(424)	(10.0)	8,347	2.0		
	Fees from	10,148	4.9	8,240	4.1	(1,907)	(18.8)	19,514	4.7		
	Credit card business	2,812	1.4	3,019	1.5	206	7.3	5,714	1.4		
	Installment sales financing	7,335	3.5	5,221	2.6	(2,114)	(28.8)	13,799	3.3		
Other Business	Fees from credit guarantees	1,929	0.9	3,168	1.6	1,239	64.2	4,503	1.1		
Other Business	Sales	50	0.0	18	0.0	(32)	(64.4)	735	0.2		
Other Category	Other financial income	7	0.0	26	0.0	18	246.7	18	0.0		
	Other operating income	4,013	2.0	3,948	1.9	(64)	(1.6)	7,695	1.9		
	Collection of bad debts deducted	3,224	1.6	3,072	1.5	(151)	(4.7)	6,083	1.5		
	Others	788	0.4	876	0.4	87	11.1	1,611	0.4		
Total		207,507	100.0	202,207	100.0	(5,300)	(2.6)	411,799	100.0		

Note: Operating income of "ACOM MasterCard®" is included in "Fees from credit card business."

### (2) Other statistics

#### (a) Receivables outstanding at the end of accounting period

(Millions of yen)

Item	Term	Prior interim accounting period	This interim accounting period	Prior fiscal year	Amount of change	
		(As of September 30, 2003)	(As of September 30, 2004)	(As of March 31, 2004)	(YTD)	%
Loans receivable outstanding		1,633,600	1,614,243	1,612,799	1,443	(0.1)
Unsecured loans		1,564,537	1,554,121	1,548,616	5,505	(0.4)
Consumers		1,564,092	1,553,851	1,548,274	5,577	(0.4)
Commercials		445	269	341	(71)	(21.1)
Secured loans		69,063	60,121	64,183	(4,061)	(6.3)
Credit card business		44,115	48,353	45,973	2,380	5.2
ACOM MasterCard®		44,087	48,336	45,941	2,394	5.2
Other		28	17	31	(13)	(42.9)
Installment sales finance business		137,182	89,279	113,934	(24,654)	(21.6)

## (b) Number of customer accounts

(Millions of yen)

Item	Term	Prior interim accounting period (As of September 30, 2003)	This interim accounting period (As of September 30, 2004)	Prior fiscal year (As of March 31, 2004)	Amount of change (YTD)	
Number of loan customer accounts		2,992,710	2,932,749	2,954,073	(21,324)	(0.7%)
	Unsecured loans	2,978,301	2,919,642	2,940,345	(20,703)	(0.7%)
	Consumers	2,977,794	2,919,333	2,939,945	(20,612)	(0.7%)
	Commercials	507	309	400	(91)	(22.8%)
	Secured loans	14,409	13,107	13,728	(621)	(4.5%)
Credit card business		976,072	1,190,334	1,064,699	125,635	11.8%
	ACOM MasterCard®	975,865	1,190,132	1,064,492	125,640	11.8%
	Other	207	202	207	(5)	(2.4%)
Installment sales finance business		436,798	332,357	387,261	(54,904)	(14.2%)

Note: 1. Loan business: The number of loan accounts with receivables outstanding

2. Installment business:

Credit card: Cardholder of ACOM MasterCard®

3. Installment sales finance business: Number of contracts with receivables outstanding

## (c) Number of outlets, MUJINKUN, and Cash Dispenser ("CD")/ATM

Item	Term	Prior interim accounting period (As of September 30, 2003)	This interim accounting period (As of September 30, 2004)	Prior fiscal year (As of March 31, 2004)	Amount of change (YTD)			
Number of outlets		1,738	1,710	1,707	3	0.2%		
	Loan business outlets	1,730	1,702	1,699	3	0.2%		
	Staffed	410	328	381	(53)	(13.9%)		
	Unstaffed	1,320	1,374	1,318	56	4.2%		
	Installment sales finance business	8	8	8	—	—		
Number of MUJINKUN outlets (machines)		<1,720>	1,719	<1,698>	1,697	<1,692>	6	0.4%
Number of CD/ATM		74,079	82,125	76,282	5,843	7.7%		
	Proprietary	2,039	1,844	1,961	(117)	(6.0%)		
	Open 365 days / year	2,033	1,840	1,957	(117)	(6.0%)		
	Open 24 hours / day	1,763	1,616	1,705	(89)	(5.2%)		
	Tie-up	72,040	80,281	74,321	5,960	8.0%		
	Others	8,328	8,509	8,424	85	1.0%		

## (d) Others

Item	Term	Prior interim accounting period (As of September 30, 2003)	This interim accounting period (As of September 30, 2004)	Prior fiscal year (As of March 31, 2004)	Amount of change (YTD)	
Number of employees		4,369	4,237	4,238	(1)	(0.0%)
Allowance for bad debts (millions of yen)		119,600	123,700	129,400	(5,700)	(4.4%)
Allowance for loss on guaranteed loans receivable (millions of yen)		989	2,540	1,865	675	36.2%
Bad debt write-offs (millions of yen)		[ 57,811]	[ 54,114]	[ 112,598]	[ (3,696)]	[ (6.4%)]

Note: The amount of "Allowance for bad debts" mentioned above is the sum of "Allowance for bad debts listed in current assets and "Allowance for bad debts" listed in fixed assets on Balance Sheet.