



Brief Statement of First Quarter Financial Results  
for the Fiscal Year Ending March 2006 (Consolidated)

July 28, 2005

**Forward-looking Statement**

The statements and figures contained in this Brief Statement of First Quarter Financial Results for the fiscal year ending March 2006 (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: First Section of Tokyo Stock Exchange

Code Number: 8572

Location of the head office: Tokyo

URL: <http://www.acom.co.jp/ir/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) 5533-0631

1. Items Relating to the Preparation of Brief Statement of Quarter Financial Results

Simplified Accounting Policies: Not adopted

Change in Accounting Policies: None

Change in Scope of Consolidation and Equity Method: Changed

Consolidated subsidiaries (addition): 2

Consolidated subsidiaries (exclusion): 1

Affiliates accounted for under equity method (addition): —

Affiliates accounted for under equity method (exclusion): —

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

## 2. Consolidated Business Results for the First Quarter Accounting Period (from April 1, 2005 to June 30, 2005)

### (1) Consolidated Operating Results

	Operating Income		Operating Profit		Income Before Extraordinary Items		Net Income (First Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
6/05 (1Q)	110,512	2.7	43,560	28.0	44,222	32.0	25,784	34.2
6/04 (1Q)	107,558	(1.7)	34,025	25.0	33,503	24.3	19,220	32.2
3/05 (Annual)	433,965		144,361		143,347		81,533	

	Net Income per Share (First Quarter) (Yen)	Net Income per Share Diluted (First Quarter) (Yen)
6/05 (1Q)	163.27	163.18
6/04 (1Q)	123.32	123.27
3/05 (Annual)	516.24	515.96

Note: Regarding operating income, operating profit etc., the figures in percentages show the year-on-year change from previous first quarter.

### [Qualitative Information on Progress in Business Results (Consolidated)]

The Japanese economy as a whole continued on a gradual recovery line during the first quarter of the current consolidated accounting period, supported by sustained capital spending in the private sector, with high-level corporate earnings as the background, and steady development of consumer spending due to improvement in employment and alleviated fear of declining wages, although the export increase suffered some slowdown and the oil price hike worked as a negative factor. Under these circumstances, our Group continued to expand its business areas and scale and strengthen its profit bases, having the entire consumer credit market in perspective and holding the loan business as the core of various financial service businesses such as credit card business, installment sales finance business, guarantee business and loan servicing business under fundamental policies of: expansion of business areas and enforcement of profit bases by intensifying promotion of group management; expansion of business scale by strengthening the competitiveness of sales services; strengthening of cost competitiveness by drastic reform of business; cultivation of professional staff; and fixation of business ethics (compliance). The first quarter result for the consolidated accounting period recorded operating income of 110,512 million yen (an increase of 2.7% year-on-year), income before extraordinary items of 44,222 million yen (an increase of 32.0% year-on-year) and net income of 25,784 million yen (an increase of 34.2% year-on-year).

## (2) Consolidated Financial Status

	Total Assets (Millions of yen)	Shareholders' Equity (Millions of yen)	Ratio of Shareholders' Equity	Shareholders' Equity Per Share (Yen)
6/05 (1Q)	2,009,613	871,782	43.4%	5,553.35
6/04 (1Q)	2,057,125	815,875	39.7%	5,122.26
3/05 (Annual)	2,077,334	863,760	41.6%	5,456.40

## [Consolidated Cash Flow Status]

	From Operating Activities	From Investing Activities	From Financing Activities	(Millions of yen) Cash and Cash Equivalents At the End of Year
6/05 (1Q)	4,807	1,352	(65,795)	86,423
6/04 (1Q)	18,703	(2,008)	(8,864)	166,656
3/05 (Annual)	141,014	(17,350)	(136,508)	145,920

## [Qualitative Information on Changes in Financial Position (Consolidated)]

The financial position at the end of the first quarter showed a 1.8-point rise to 43.4% in the shareholders' equity ratio as compared with the end of the last consolidated accounting period. This was due to a decrease of total assets by 67,720 million yen and an increase of shareholders' equity by 8,021 million yen. The main items of the decrease in total assets are the decreases in short-term loans (39,345 million yen), cash and time deposits (20,161 million yen), and deferred tax assets (13,484 million yen), causing a decrease in current assets (63,698 million yen) along with a decrease in fixed assets (4,022 million yen) due to a decrease of investment including securities (2,711 million yen). As to liabilities, interest-bearing liabilities decreased by 47,143 million yen and accrued income taxes decreased by 21,487 million yen, resulting in a decrease of 75,741 million yen in total liabilities.

## (Cash Flows)

Cash and cash equivalents (hereinafter called "funds") at the end of the first quarter decreased by 59,496 million yen, compared with the end of the previous consolidated accounting period, to record 86,423 million yen. Cash flows from operating activities increased by 4,807 million yen. This was the result of net income before income taxes of 44,169 million yen for the quarter, a decrease of funds due to a decrease of 5,011 million yen in allowance for bad debts and an increase of 8,327 million yen in loans receivables, and an increase of funds due to a decrease of 6,606 million yen in installment receivables and payment of income taxes in the amount of 27,079 million yen.

Cash flows from investing activities increased by 1,352 million yen as the cash inflows from decrease of investment (including securities) etc. exceeded the cash outflows from such investment by 2,082 million yen.

Cash flows from financing activities decreased by 65,795 million yen. This is mainly because funds decreased by 47,915 million yen as the cash outflows for repayment of loans and redemption of bonds exceeded the cash inflows from loans and issuance of bonds, and as a result of cash outflows from repurchase of common stock (9,202 million yen) and payment of dividends (8,660 million yen).

## (Reference)

### [Change in Scope of Consolidation]

From this quarter, two investment partnerships established on April 25, 2005 with AC Ventures Co., Ltd., our 100% subsidiary, being an executive member have been included as subjects of consolidation. On the other hand, ACOM CAPITAL CO., LTD., a special purpose company, was liquidated on January 4, 2005 following the change in the method of funding and therefore excluded from subjects of consolidation.

### [Qualitative Information on Earnings Forecasts]

Earnings forecasts were not reviewed.

Results for this quarter under review are closely in line with the mid-term and full-term earnings forecasts previously announced on April 27, 2005.

## 1. Summarized Consolidated Financial Statements

## (1) Summarized Consolidated Balance Sheets

(Millions of yen)

Subject	Term	Prior first quarter consolidated accounting period (As of June 30, 2004)		This first quarter consolidated accounting period (As of June 30, 2005)		Prior consolidated fiscal year (As of March 31, 2005)		Changes	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
			%		%		%		%
(Assets)									
I.	Current assets	1,945,427	94.6	1,896,053	94.3	1,959,752	94.3	(63,698)	(3.3)
	Cash and time deposits	140,499		64,965		85,126		(20,161)	(23.7)
	Loans receivables	1,623,535		1,688,899		1,680,184		8,715	0.5
	Installment receivables	213,282		170,705		176,778		(6,072)	(3.4)
	Inventories	11,687		20,103		18,696		1,406	7.5
	Deferred tax assets	38,266		26,291		39,775		(13,484)	(33.9)
	Short-term loans	26,199		21,498		60,844		(39,345)	(64.7)
	Other current assets	26,043		26,250		26,094		156	0.6
	Allowances for bad debts	(134,086)		(122,661)		(127,747)		5,086	(4.0)
II.	Fixed assets	111,697	5.4	113,559	5.7	117,581	5.7	(4,022)	(3.4)
	Tangible fixed assets	53,715		51,479		52,037		(558)	(1.1)
	Intangible fixed assets	1,444		1,383		1,385		(1)	(0.1)
	Investments and other assets	56,537		60,696		64,158		(3,462)	(5.4)
	Total Assets	2,057,125	100.0	2,009,613	100.0	2,077,334	100.0	(67,720)	(3.3)
(Liabilities)									
I.	Current liabilities	374,581	18.2	415,461	20.7	470,050	22.6	(54,588)	(11.6)
	Short-term loans	10,082		38,500		36,170		2,330	6.4
	Current portion of long-term loans	275,380		246,842		271,250		(24,407)	(9.0)
	Current portion of bonds and notes	45,300		65,460		70,640		(5,180)	(7.3)
	Accrued income taxes	4,268		7,104		28,592		(21,487)	(75.2)
	Deferred income on installment sales	22,082		17,178		17,831		(653)	(3.7)
	Other current liabilities	17,467		40,375		45,566		(5,190)	(11.4)
II.	Fixed liabilities	865,508	42.1	717,671	35.7	738,824	35.6	(21,152)	(2.9)
	Straight bonds	240,340		205,000		205,000		—	—
	Long-term loans	616,045		505,280		525,166		(19,885)	(3.8)
	Other fixed liabilities	9,122		7,391		8,657		(1,266)	(14.6)
	Total liabilities	1,240,089	60.3	1,133,133	56.4	1,208,874	58.2	(75,741)	(6.3)
(Minority interests in consolidated subsidiaries)									
	Minority interests in consolidated subsidiaries	1,160	0.0	4,697	0.2	4,699	0.2	(1)	(0.0)
(Shareholders' equity)									
I.	Common stock	63,832	3.1	63,832	3.2	63,832	3.1	—	—
II.	Capital surplus	76,458	3.7	76,458	3.8	76,458	3.7	—	—
III.	Eamed surplus	674,979	32.8	747,210	37.2	730,168	35.1	17,041	2.3
IV.	Securities valuation adjustment	6,631	0.4	6,370	0.3	6,392	0.3	(21)	(0.3)
V.	Foreign currency translation adjustments	(2,225)	(0.1)	(2,092)	(0.1)	(2,290)	(0.1)	198	(8.7)
VI.	Treasury stock	(3,801)	(0.2)	(19,997)	(1.0)	(10,801)	(0.5)	(9,196)	85.1
	Total shareholders' equity	815,875	39.7	871,782	43.4	863,760	41.6	8,021	0.9
	Total liabilities, minority interests, and shareholders' equity	2,057,125	100.0	2,009,613	100.0	2,077,334	100.0	(67,720)	(3.3)

## (2) Summarized Consolidated Income Statements

(Millions of yen)

Subject	Term	Prior first quarter consolidated accounting period From April 1, 2004 to June 30, 2004		This first quarter consolidated accounting period From April 1, 2005 to June 30, 2005		Changes		Prior consolidated fiscal year From April 1, 2004 to March 31, 2005	
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
			%		%		%		%
I. Operating income		107,558	100.0	110,512	100.0	2,954	2.7	433,965	100.0
Interest on loans receivable		94,624		97,615		2,990	3.2	380,272	
Fees from credit card business		1,511		1,573		62	4.1	6,197	
Fees from installment sales finance business		4,493		3,773		(720)	(16.0)	15,895	
Fees on guaranteed loans receivable		1,513		1,245		(267)	(17.7)	6,871	
Collection of purchased receivables		1,764		2,289		524	29.7	7,757	
Other financial income		12		3		(9)	(73.9)	20	
Sales		1,568		1,799		230	14.7	8,256	
Other operating income		2,069		2,213		144	7.0	8,693	
II. Operating expenses		73,532	68.4	66,952	60.6	(6,580)	(8.9)	289,604	66.7
Financial expenses		6,002		5,342		(659)	(11.0)	22,534	
Cost of purchased receivables		1,286		1,300		13	1.1	5,254	
Cost of sales		799		1,145		345	43.3	5,220	
Other operating expenses		65,444		59,162		(6,281)	(9.6)	256,594	
Operating profit		34,025	31.6	43,560	39.4	9,534	28.0	144,361	33.3
III. Non-operating income		494	0.5	684	0.6	189	38.3	1,454	0.3
IV. Non-operating expenses		1,016	1.0	22	0.0	(994)	(97.8)	2,468	0.6
Income before extraordinary items		33,503	31.1	44,222	40.0	10,718	32.0	143,347	33.0
V. Extraordinary income		—	—	0	0.0	0	—	142	0.1
VI. Extraordinary losses		220	0.2	52	0.0	(168)	(76.2)	3,101	0.7
Income before income taxes for the first quarter accounting period (fiscal year)		33,282	30.9	44,169	40.0	10,887	32.7	140,388	32.4
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		3,820	12.8	5,963	16.7	2,143	33.2	49,777	13.4
Deferred income taxes		10,004		12,456		2,451		8,367	
Gain (loss) on minority interests in consolidated subsidiaries		236	0.2	(35)	(0.0)	(272)	(114.9)	710	0.2
Net income for the first quarter accounting period (fiscal year)		19,220	17.9	25,784	23.3	6,564	34.2	81,533	18.8

## (3) Summarized Consolidated Statements of Cash Flows

(Millions of yen)

Subject	Term	Prior first quarter consolidated accounting period	This first quarter consolidated accounting period	Change	Prior consolidated fiscal year
		From April 1, 2004 to June 30, 2004	From April 1, 2005 to June 30, 2005		From April 1, 2004 to March 31, 2005
		Amount	Amount	Amount	Amount
I.	Cash flows from operating activities				
	Income before income taxes for the first quarter accounting period (fiscal year)	33,282	44,169	10,887	140,388
	Depreciation and amortization	1,285	1,110	(174)	5,234
	Increase (decrease) in allowance for bad debts	1,302	(5,011)	(6,313)	(4,785)
	Decrease (increase) in loans outstanding	(532)	(8,327)	(7,795)	2,064
	Decrease (increase) in installment receivables	14,900	6,606	(8,294)	51,405
	Decrease (increase) in inventories	674	(1,406)	(2,081)	(6,330)
	Increase (decrease) in deferred income on installment sales	(3,575)	(771)	2,803	(7,826)
	Other operating activities	(2,180)	(4,711)	(2,530)	8,891
	Subtotal	45,156	31,657	(13,498)	189,042
	Income taxes paid	(26,648)	(27,079)	(431)	(48,520)
	Others	194	230	35	492
	Cash used in operating activities	18,703	4,807	(13,895)	141,014
II.	Cash flow from investing activities				
	Purchase of tangible fixed assets	(2,480)	(774)	1,705	(6,819)
	Other investment activities	471	2,127	1,655	(10,531)
	Net cash provided by (used in) investing activities	(2,008)	1,352	3,361	(17,350)
III.	Cash flow from financing activities				
	Proceeds from short-term loans	7,946	60,872	52,926	61,782
	Repayments of short-term loans	(19,533)	(58,729)	(39,196)	(71,581)
	Proceeds from issue of straight bonds	—	9,932	9,932	19,859
	Payments for redemption of straight bonds	(10,000)	(15,300)	(5,300)	(40,000)
	Proceeds from long-term debt	10,664	34,524	23,860	83,478
	Repayments of long-term debt	(96,275)	(79,216)	17,058	(294,099)
	Net proceeds from issuance of the Company's stock	92,625	—	(92,625)	92,625
	Net proceeds from disposal of treasury stock	11,423	—	(11,423)	11,423
	Payments for purchase of treasury stock	(0)	(9,202)	(9,202)	(7,007)
	Cash dividends paid by the Company	(5,692)	(8,660)	(2,967)	(12,864)
	Other financing activities	(24)	(16)	7	19,875
	Net cash provided by financing activities	(8,864)	(65,795)	(56,931)	(136,508)
IV.	Effect of exchange rate change on cash and cash equivalents	(47)	138	186	(109)
V.	Increase (decrease) in cash and cash equivalents	7,782	(59,496)	(67,279)	(12,953)
VI.	Cash and cash equivalents at the beginning of the fiscal year	158,873	145,920	(12,953)	158,873
VII.	Cash and cash equivalents at the end of first quarter accounting period (fiscal year)	166,656	86,423	(80,233)	145,920

## 2. Consolidated Operating Results

### (1) Operating Income by Segment

(Millions of yen)

Segment	Term	Prior first quarter consolidated accounting period From April 1, 2004 to June 30, 2004		This first quarter consolidated accounting period From April 1, 2005 to June 30, 2005		Prior consolidated fiscal year From April 1, 2004 to March 31, 2005	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
Financial service businesses		106,121	98.7%	108,905	98.5%	426,714	98.3%
Loan business		96,419	89.7%	99,428	90.0%	387,348	89.3%
Credit card business		1,514	1.4%	1,631	1.5%	6,311	1.4%
Installment sales finance business		4,622	4.3%	4,006	3.6%	16,622	3.8%
Guarantee business		1,666	1.5%	1,345	1.2%	7,627	1.8%
Loan servicing business		1,899	1.8%	2,466	2.2%	8,762	2.0%
Others		0	0.0%	26	0.0%	42	0.0%
Other businesses		1,436	1.3%	1,606	1.5%	7,250	1.7%
Rental business		841	0.8%	1,041	1.0%	3,781	0.9%
Others		595	0.5%	565	0.5%	3,469	0.8%
<b>Total</b>		<b>107,558</b>	<b>100.0%</b>	<b>110,512</b>	<b>100.0%</b>	<b>433,965</b>	<b>100.0%</b>

### (2) Other Statistics

#### 1) Receivables Outstanding

(Millions of yen)

Segment	Term	Prior first quarter consolidated accounting period	This first quarter consolidated accounting period	Prior consolidated fiscal year
		(As of June 30, 2004)	(As of June 30, 2005)	(As of March 31, 2005)
Loan business		1,623,535	1,688,899	1,680,184
Credit card business		47,747	49,392	49,399
Credit card		47,016	48,822	48,833
Others		730	569	565
Installment sales finance business		165,534	121,313	127,378
Loan servicing business		5,239	14,061	12,723
<b>Total</b>		<b>1,842,057</b>	<b>1,873,667</b>	<b>1,869,685</b>

#### 2) Bad Debts

(Millions of yen)

Category	Term	Prior first quarter consolidated accounting period	This first quarter consolidated accounting period	Prior consolidated fiscal year
		(As of June 30, 2004)	(As of June 30, 2005)	(As of March 31, 2005)
Loans to borrowers in bankruptcy or under reorganization		8,985	8,837	8,906
Loans in arrears		34,899	36,145	37,077
Loans past due for three months or more		2,392	2,823	1,781
Restructured loans		33,480	43,210	36,196
<b>Total</b>		<b>79,757</b>	<b>91,016</b>	<b>83,961</b>

(Category criteria of concerning situations of bad debts)

Loans to borrowers in bankruptcy or under reorganization

Loans to borrowers declared bankrupt, to borrowers under rehabilitation, to borrowers under reorganization, or other similar circumstances, which are part of loans of accrued interest

Loans in arrears

Other delinquent loans exclusive of accrued interest. This category excludes loans on which interest is being waived in support of business restructuring.

Loans past due for three months or more

Loans past due for three months or more that do not fall into the above two categories.

Restructured loans

Loans, other than those in the above three categories, in which favorable terms, such as the reduction of interest, have been granted with a view to promoting recovery of the loans.

### 3) Number of Customer Accounts

Segment \ Term	Prior first quarter consolidated accounting period (As of June 30, 2004)	This first quarter consolidated accounting period (As of June 30, 2005)	Prior consolidated fiscal year (As of March 31, 2005)
Loan business	3,177,508	3,423,022	3,406,054
Credit card business	1,074,324	1,209,028	1,197,784
Credit card	1,067,382	1,203,179	1,191,975
Others	6,942	5,849	5,809
Installment sales finance business	874,657	960,816	958,768
Loan servicing business	33,864	161,588	137,808
Rental business	4,259	3,912	11,319

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

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

### 4) Other

Item \ Term	Prior first quarter consolidated accounting period (As of June 30, 2004)	This first quarter consolidated accounting period (As of June 30, 2005)	Prior consolidated fiscal year (As of March 31, 2005)
Number of outlets	1,769	1,911	1,854
Number of employees	6,325	6,780	6,621
Allowance for bad debts (Millions of yen)	136,641	125,446	130,532
Allowance for loss on debt guarantee (Millions of yen)	2,169	1,584	1,558
Bad debt write-offs (Millions of yen)	28,940	26,930	113,566

Note: The amount of allowance for bad debts counted in "Investment and other assets" on the balance sheets is included in "Allowance for bad debts" in the table above.

### 3. Contingent Liabilities (As of June 30, 2005)

Amount of guaranteed loans of guarantee business

Guaranteed loans	80,856 million yen
Allowance for loss on guaranteed loans	1,584 million yen
Net	79,272 million yen

#### [Reference] (Non-consolidated)

(1) Amount of guaranteed loans of guarantee business

Guaranteed loans	144,558 million yen
Allowance for loss on guaranteed loans	2,960 million yen
Net	141,598 million yen

(2) Amount of guaranteed liabilities of affiliated companies

EASY BUY Public Company Limited	32,165 million yen
DC Cash One Ltd.	27,000 million yen
JCK CREDIT CO., LTD.	3,791 million yen
IR Loan Servicing, Inc.	1,200 million yen
JLA INCORPORATED	1,001 million yen
ACOM ESTATE CO., LTD.	315 million yen

4. Summarized Financial Statements (Non-consolidated)  
(1) Summarized Balance Sheets

(Millions of yen)

Subject	Term	Prior interim accounting period (As of June 30, 2004)		This interim accounting period (As of June 30, 2005)		Prior consolidated fiscal year (As of March 31, 2005)		Changes	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
(Assets)			%		%		%		%
I. Current assets		1,854,127	92.5	1,724,165	91.6	1,800,655	92.3	(76,489)	(4.2)
Cash and time deposits		130,034		48,095		71,785		(23,689)	(33.0)
Loans receivable		1,611,833		1,603,842		1,601,773		2,068	0.1
Installment receivables		149,396		112,964		118,867		(5,903)	(5.0)
Deferred tax assets		37,105		24,285		37,896		(13,611)	(35.9)
Short-term loans		25,049		19,998		60,977		(40,978)	(67.2)
Other current assets		28,858		28,699		28,975		(276)	(1.0)
Allowances for bad debts		(128,150)		(113,720)		(119,620)		5,900	(4.9)
II. Fixed assets		150,168	7.5	157,541	8.4	150,969	7.7	6,571	4.4
Tangible fixed assets		39,638		37,765		38,240		(474)	(1.2)
Intangible fixed assets		1,204		1,141		1,143		(1)	(0.1)
Investments and other assets		109,326		118,634		111,585		7,048	6.3
Total Assets		2,004,296	100.0	1,881,707	100.0	1,951,625	100.0	(69,918)	(3.6)
(Liabilities)									
I. Current liabilities		345,408	17.2	351,997	18.7	403,996	20.7	(51,998)	(12.9)
Short-term loans		2,500		2,500		2,500		—	—
Current portion of long-term loans		270,622		240,159		264,581		(24,421)	(9.2)
Current portion of bonds and notes		40,000		60,000		60,000		—	—
Accrued income taxes		3,718		5,502		27,029		(21,526)	(79.6)
Deferred income on installment sales		14,700		7,977		9,122		(1,144)	(12.5)
Other current liabilities		13,867		35,857		40,763		(4,905)	(12.0)
II. Fixed liabilities		845,821	42.2	659,865	35.1	685,327	35.1	(25,461)	(3.7)
Straight bonds		235,000		205,000		205,000		—	—
Long-term loans		606,834		451,305		476,641		(25,336)	(5.3)
Other fixed liabilities		3,986		3,560		3,685		(125)	(3.4)
Total liabilities		1,191,230	59.4	1,011,863	53.8	1,089,323	55.8	(77,460)	(7.1)
(Shareholders' equity)									
I. Common stock		63,832	3.2	63,832	3.4	63,832	3.3	—	—
II. Capital surplus		76,458	3.8	76,458	4.1	76,458	3.9	—	—
III. Earned surplus		669,971	33.4	743,248	39.5	726,426	37.2	16,821	2.3
IV. Securities valuation adjustment		6,605	0.4	6,301	0.3	6,384	0.3	(83)	(1.3)
V. Treasury stock		(3,801)	(0.2)	(19,997)	(1.1)	(10,801)	(0.5)	(9,196)	85.1
Total shareholders' equity		813,066	40.6	869,843	46.2	862,301	44.2	7,542	0.9
Total liabilities and shareholders' equity		2,004,296	100.0	1,881,707	100.0	1,951,625	100.0	(69,918)	(3.6)

## (2) Summarized Income Statements

(Millions of yen)

Subject	Term	Prior first quarter accounting period From April 1, 2004 to June 30, 2004		This first quarter accounting period From April 1, 2005 to June 30, 2005		Change		Prior fiscal year From April 1, 2004 to March 31, 2005	
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
			%		%		%		%
I. Operating income		100,865	100.0	99,983	100.0	(882)	(0.9)	402,734	100.0
Interest on loans receivable		93,148		92,630		(517)	(0.6)	372,389	
Fees from credit card business		1,487		1,556		68	4.6	6,113	
Fees from installment sales finance business		2,783		1,669		(1,114)	(40.0)	9,255	
Fees on guaranteed loans receivables		1,513		2,006		493	32.6	6,871	
Other financial income		12		3		(9)	(75.0)	19	
Sales		18		—		(18)	—	158	
Other operating income		1,901		2,116		215	11.3	7,927	
II. Operating expenses		68,185	67.6	57,549	57.6	(10,635)	(15.6)	262,500	65.2
Financial expenses		5,815		4,740		(1,075)	(18.5)	21,591	
Cost of Sales		17		—		(17)	—	157	
Other operating expenses		62,352		52,809		(9,542)	(15.3)	240,751	
Operating profit		32,680	32.4	42,433	42.4	9,753	29.8	140,234	34.8
III. Non-operating income		716	0.7	632	0.7	(83)	(11.7)	2,083	0.5
IV. Non-operating expenses		490	0.5	14	0.0	(476)	(97.0)	622	0.1
Income before extraordinary items		32,906	32.6	43,051	43.1	10,145	30.8	141,695	35.2
V. Extraordinary income		—	—	—	—	—	—	141	0.0
VI. Extraordinary losses		231	0.2	55	0.1	(175)	(75.9)	2,805	0.7
Income before income taxes for the first quarter accounting period (fiscal year)		32,674	32.4	42,995	43.0	10,321	31.6	139,031	34.5
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		3,510	13.1	5,188	17.4	1,678	31.5	47,540	13.9
Deferred income taxes		9,741		12,243		2,501		8,490	
Net income for the first quarter accounting period (fiscal year)		19,422	19.3	25,564	25.6	6,142	31.6	83,001	20.6
Retained earnings carried forward from the previous period		26,228		23,363		(2,864)	(10.9)	26,228	
Interim dividends		—		—		—	—	7,123	
Unappropriated retained earnings for the first quarter accounting period (fiscal year)		45,650		48,928		3,277	7.2	102,106	