



Brief Statement of First Quarter Financial Results  
for the Fiscal Year Ending March 2007 (Consolidated)

July 28, 2006

**Forward-looking Statement**

The statements and figures contained in this Brief Statement of First Quarter Financial Results for the fiscal year ending March 2007 (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

- 1) Simplified Accounting Policies: Not adopted
- 2) Change in Accounting Policies: None
- 3) Change in Scope of Consolidation and Equity Method: Changed
  - Consolidated subsidiaries (addition): —
  - 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, 2006 to June 30, 2006)

### (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%
6/06 (1Q)	108,587	(1.7)	16,537	(62.0)	17,875	(59.6)	10,698	(58.5)
6/05 (1Q)	110,512	2.7	43,560	28.0	44,222	32.0	25,784	34.2
3/06 (Annual)	445,431		110,392		113,011		65,595	

	Net Income per Share (First Quarter) (Yen)	Net Income per Share Diluted (First Quarter) (Yen)
6/06 (1Q)	68.06	68.04
6/05 (1Q)	163.27	163.18
3/06 (Annual)	416.69	416.50

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)]

Japan's economy during the first quarter of the consolidated fiscal year continued to show signs of a steady recovery overall, with rising corporate investment against a backdrop of high corporate earnings and firm personal consumption reflecting a bounceback in employment and wages. Nevertheless, the business environment in which the Group operated was severe, with the government moving toward regulated interest rates and revising relevant laws and the consumer financing industry as a whole suffering from a negative image fostered by newspaper and media coverage. These prompted great concern among customers, shareholders, and other parties concerned. The Group will continue to ensure thorough compliance with all laws and regulations and will respond appropriately to revisions in the laws and to other changes in the business environment.

In this consolidated fiscal year, active business efforts were made both in Japan and overseas while implementing the basic policies of firmly inculcating business ethics (compliance), expanding the scope of business and enhancing revenue bases by marshalling the Group's full capabilities, increasing the scale of business by strengthening sales service competitiveness, improving cost competitiveness by implementing operational reforms, and training professional personnel.

For the first quarter of the consolidated fiscal year, operating income was 108,587 million yen (down 1.7% year-on-year), income before extraordinary items 17,875 million yen (down 59.6% year-on-year), and quarterly net income 10,698 million yen (down 58.5% year-on-year). The principal factor behind this decline in income was the substantial rise in interest repayment related expenses and bad debt related expenses arising from interest repayment in the Company's loan business vis-à-vis the first quarter of the previous fiscal year.

## (2) Consolidated Financial Status

	Total Assets (Millions of yen)	Net Assets (Millions of yen)	Ratio of Shareholders' Equity	Net Assets Per Share (Yen)
6/06 (1Q)	2,044,719	916,785	44.6%	5,802.23
6/05 (1Q)	2,009,613	871,782	43.4%	5,553.35
3/06 (Annual)	2,106,681	927,722	44.0%	5,901.70

## [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
06/6 (1Q)	15,166	626	(16,897)	96,332
6/05 (1Q)	4,807	1,352	(65,795)	86,423
3/06 (Annual)	100,226	(44,973)	(104,389)	97,399

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

Total assets for the first quarter were down by 61,961 million yen and net assets down by 15,810 million yen from the end of the preceding consolidated fiscal year, with the ratio of shareholders' equity up 0.6 points to 44.6%.

Current assets fell by 35,244 million yen and fixed assets dropped by 26,717 million yen, the primary factors for the fall in current assets being payments for redemptions of straight bonds (10,000 million yen), an increase in the allowance for bad debts (9,374 million yen), a decrease in the installment receivable balance (7,852 million yen), and a decrease in short-term loans (5,453 million yen); the drop in fixed assets was principally due to a decrease in investment securities (25,872 million yen).

Liabilities saw a 46,151 million yen decline from the end of the previous consolidated accounting year attributable to a decrease in interest-bearing debt of 13,836 million yen, a decrease in accrued income tax of 21,412 million yen, and a decrease in deferred tax liability of 10,044 million yen.

## (Cash Flows)

Cash and cash equivalents at the end of the first quarter (hereinafter collectively referred to as "cash") dropped by 1,066 million yen from the end of the previous consolidated fiscal year to stand at 96,332 million yen.

Cash flow from operating activities showed an increase of 15,166 million yen. Quarterly net income before taxes was 17,917 million yen and the allowance for bad debt rose by 8,991 million yen; cash was boosted by a decline in the installment receivable balance (8,909 million yen) and a decline in loans outstanding (3,314 million yen) but diminished by the payment of income taxes (25,822 million yen).

Cash flow due to investment activities increased by 626 million yen, primarily due to the acquisition and sale of investment securities exceeding 602 million yen.

Cash flow from financing activities fell by 16,897 million yen, primarily due to a 15,995 million yen decline in cash from the assumption of interest-bearing debts and repayment expenditures, despite increases from dividend payments (10,905 million yen) and payments for straight bond redemptions (10,000 million yen).

## (Reference)

### Change in Scope of Consolidation (from April, 1 2006 to March 31, 2007)

(Millions of yen)

	Operating income	Income before extraordinary items	Net income
September 30, 2006	218,100	56,400	33,000
March 31, 2007	438,300	113,900	66,600

(Reference) Estimate of net income per share as of March 31, 2007: 423.47 yen

## [Qualitative Information on Earnings Forecasts]

Forecasts of the consolidated business results for the term ending March 2007 released with other financial statements on April 27, 2006 have been posted. A separate review of the forecasted figures is to be conducted in light of revisions in the Money Lending Business Control and Regulation Law and other developments.

## 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, 2005)		This first quarter consolidated accounting period (As of June 30, 2006)		Prior consolidated fiscal year (As of March 31, 2006)		Changes	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
			%				%		%
(Assets)									
I. Current assets		1,896,053	94.3	1,868,480	91.4	1,903,724	90.4	(35,244)	(1.9)
Cash and time deposits		64,965		74,789		70,402		4,387	6.2
Loans receivables		1,688,899		1,701,404		1,703,172		(1,768)	(0.1)
Installment receivables		170,705		123,603		131,456		(7,852)	(6.0)
Inventories		20,103		19,658		21,507		(1,848)	(8.6)
Deferred tax assets		26,291		40,081		42,591		(2,510)	(5.9)
Short-term loans		21,498		21,543		26,997		(5,453)	(20.2)
Other current assets		26,250		25,858		36,681		(10,823)	(29.5)
Allowances for bad debts		(122,661)		(138,459)		(129,084)		(9,374)	7.3
II. Fixed assets		113,559	5.7	176,239	8.6	202,956	9.6	(26,717)	(13.2)
Tangible fixed assets		51,479		51,372		52,002		(630)	(1.2)
Intangible fixed assets		1,383		1,268		1,268		(0)	(0.0)
Investments and other assets		60,696		123,599		149,686		(26,087)	(17.4)
Investments in securities		39,867		101,915		127,787		(25,872)	(20.2)
Other fixed assets		20,829		21,684		21,898		(214)	(1.0)
Total Assets		2,009,613	100.0	2,044,719	100.0	2,106,681	100.0	(61,961)	(2.9)
(Liabilities)									
I. Current liabilities		415,461	20.7	433,553	21.2	468,670	22.3	(35,116)	(7.5)
Short-term loans		38,500		45,944		51,729		(5,785)	(11.2)
Current portion of long-term loans		246,842		222,345		229,633		(7,288)	(3.2)
Commercial paper		20,000		50,000		50,000		-	-
Current portion of bonds and notes		65,460		55,000		55,000		-	-
Accrued income taxes		7,104		4,963		26,375		(21,412)	(81.2)
Allowance for loss on interest repayments		-		25,000		23,700		1,300	5.5
Deferred income on installment sales		17,178		10,160		11,485		(1,324)	(11.5)
Other current liabilities		20,375		20,140		20,746		(605)	(2.9)
II. Fixed liabilities		717,671	35.7	694,380	34.0	705,415	33.5	(11,034)	(1.6)
Straight bonds		205,000		209,060		210,000		(940)	(0.4)
Long-term loans		505,280		468,399		468,222		177	0.0
Deferred tax liabilities		2,053		12,019		22,062		(10,042)	(45.5)
Other fixed liabilities		5,338		4,902		5,131		(229)	(4.5)
Total liabilities		1,133,133	56.4	1,127,934	55.2	1,174,085	55.8	(46,151)	(3.9)

(Millions of yen)

Subject	Term	Prior first quarter consolidated accounting period (As of June 30, 2005)		This first quarter consolidated accounting period (As of June 30, 2006)		Prior consolidated fiscal year (As of March 31, 2006)		Changes	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
			%		%		%		%
(Minority interests in consolidated subsidiaries)									
Minority interests in consolidated subsidiaries		4,697	0.2	-	-	4,873	0.2		
	(Shareholders' equity)								
I. Common stock		63,832	3.2	-	-	63,832	3.0		
II. Capital surplus		76,458	3.8	-	-	76,020	3.6		
III. Earned surplus		747,210	37.2	-	-	776,021	36.9		
IV. Securities valuation adjustment		6,370	0.3	-	-	31,886	1.5		
V. Foreign currency translation adjustments		(2,092)	(0.1)	-	-	(1,498)	(0.1)		
VI. Treasury stock		(19,997)	(1.0)	-	-	(18,538)	(0.9)		
Total shareholders' equity		871,782	43.4	-	-	927,722	44.0		
Total liabilities, minority interests, and shareholders' equity		2,009,613	100.0	-	-	2,106,681	100.0		
	(Net assets)								
I. Shareholders' equity		-	-	897,016	43.9	-	-		
Common stock		-	-	63,832	3.1	-	-		
Capital surplus		-	-	76,011	3.7	-	-		
Earned surplus		-	-	775,682	38.0	-	-		
Treasury stock		-	-	(18,509)	(0.9)	-	-		
II. Valuation and translation adjustments		-	-	15,059	0.7	-	-		
Securities valuation adjustment		-	-	16,481	0.8	-	-		
Deferred gains (losses) on hedges		-	-	(1)	(0.0)	-	-		
Foreign currency translation adjustments		-	-	(1,420)	(0.1)	-	-		
III. Minority interests		-	-	4,709	0.2	-	-		
Total net assets		-	-	916,785	44.8	-	-		
Total liabilities and net assets		-	-	2,044,719	100.0	-	-		

## (2) Summarized Consolidated Income Statements

(Millions of yen)

Subject	Term	Prior first quarter consolidated accounting period From April 1, 2005 to June 30, 2005		This first quarter consolidated accounting period From April 1, 2006 to June 30, 2006		Changes		Prior consolidated fiscal year From April 1, 2005 to March 31, 2006	
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
			%		%		%		%
I. Operating income		110,512	100.0	108,587	100.0	(1,924)	(1.7)	445,431	100.0
Interest on loans receivable		97,615		94,888		(2,726)	(2.8)	389,387	
Fees from credit card business		1,573		1,502		(71)	(4.5)	6,211	
Fees from installment sales finance business		3,773		2,426		(1,347)	(35.7)	13,733	
Fees on guaranteed loans receivable		1,245		1,415		170	13.7	5,203	
Collection of purchased receivables		2,289		3,678		1,389	60.7	13,322	
Other financial income		3		4		0	27.1	49	
Sales		1,799		1,945		146	8.1	7,681	
Other operating income		2,213		2,726		513	23.2	9,841	
II. Operating expenses		66,952	60.6	92,050	84.8	25,097	37.5	335,039	75.2
Financial expenses		5,342		5,009		(333)	(6.2)	20,711	
Cost of purchased receivables		1,300		2,261		960	73.8	8,064	
Cost of sales		1,145		1,460		315	27.5	5,126	
Other operating expenses		59,162		83,318		24,155	40.8	301,136	
Operating profit		43,560	39.4	16,537	15.2	(27,022)	(62.0)	110,392	24.8
III. Non-operating income		684	0.6	1,347	1.3	663	96.9	2,759	0.6
IV. Non-operating expenses		22	0.0	9	0.0	(12)	(56.0)	140	0.0
Income before extraordinary items		44,222	40.0	17,875	16.5	(26,346)	(59.6)	113,011	25.4
V. Extraordinary income		0	0.0	221	0.2	221	-	411	0.1
VI. Extraordinary losses		52	0.0	178	0.2	126	240.3	1,363	0.3
Income before income taxes for the first quarter accounting period (fiscal year)		44,169	40.0	17,917	16.5	(26,251)	(59.4)	112,059	25.2
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		5,963	16.7	4,739	6.9	(1,223)	(59.3)	47,389	10.5
Deferred income taxes		12,456		2,755		(9,701)		(968)	
Gain (loss) on minority interests in consolidated subsidiaries		(35)	(0.0)	(275)	(0.3)	(240)	680.9	43	0.0
Net income for the first quarter accounting period (fiscal year)		25,784	23.3	10,698	9.9	(15,085)	(58.5)	65,595	14.7

(3) Summarized Consolidated Statement of Changes in Net Assets  
This First Quarter Accounting Period (From April 1, 2006 to June 30, 2006)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	63,832	76,020	776,021	(18,538)	897,334
Changes during this first quarter accounting period					
Dividends from surplus			(11,003)		(11,003)
Bonuses to directors			(34)		(34)
Net income for the first quarter accounting period			10,698		10,698
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(8)		28	20
Net changes of items other than shareholders' equity during this first quarter accounting period					
Total changes during this first quarter accounting period		(8)	(338)	28	(318)
Balance as of June 30, 2006	63,832	76,011	775,682	(18,509)	897,016

	Valuation and translation adjustments				Minority interest	Total net assets
	Securities valuation adjustment	Deferred gains (losses) on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance as of March 31, 2006	31,886	-	(1,498)	30,387	4,873	932,595
Changes during this first quarter accounting period						
Dividends from surplus						(11,003)
Bonuses to directors						(34)
Net income for the first quarter accounting period						(10,698)
Acquisition of treasury stock						(0)
Disposal of treasury stock						20
Net changes of items other than shareholders' equity during this first quarter accounting period	(15,404)	(1)	78	(15,327)	(164)	(15,491)
Total changes during this first quarter accounting period	(15,404)	(1)	78	(15,327)	(164)	(15,810)
Balance as of June 30, 2006	16,481	(1)	(1,420)	15,059	4,709	916,785

## (4) Summarized Consolidated Statements of Cash Flows

(Millions of yen)

Subject	Term	Prior first quarter consolidated accounting period	This first quarter consolidated accounting period	Changes	Prior consolidated fiscal year
		From April 1, 2005 to June 30, 2005	From April 1, 2006 to June 30, 2006		From April 1, 2005 to March 31, 2006
		Amount	Amount	Amount	Amount
I.	Cash flows from operating activities				
	Income before income taxes for the first quarter accounting period (fiscal year)	44,169	17,917	(26,251)	112,059
	Depreciation and amortization	1,110	998	(112)	4,805
	Increase (decrease) in allowance for bad debts	(5,011)	8,991	14,002	1,084
	Increase (decrease) in allowance for loss on interest repayments	-	1,300	1,300	23,700
	Decrease (increase) in loans outstanding	(8,327)	3,314	11,642	(21,697)
	Decrease (increase) in installment receivables	6,606	8,909	2,303	47,101
	Decrease (increase) in inventories	(1,406)	1,856	3,262	(4,803)
	Increase (decrease) in deferred income on installment sales	(771)	(1,559)	(787)	(6,741)
	Other operating activities	(4,711)	(1,353)	3,358	(6,433)
	Subtotal	31,657	40,375	8,718	149,074
	Income taxes paid	(27,079)	(25,822)	1,256	(49,695)
	Others	230	614	384	846
	Cash used in operating activities	4,807	15,166	10,359	100,226
II.	Cash flow from investing activities				
	Purchase of tangible fixed assets	(774)	(592)	182	(4,227)
	Purchase of investment securities	-	(120)	(120)	(46,078)
	Proceeds from sale of investment securities	117	722	605	1,796
	Other investment activities	2,010	616	(1,394)	3,536
	Net cash provided by (used in) investing activities	1,352	626	(726)	(44,973)
III.	Cash flow from financing activities				
	Proceeds from short-term loans	60,872	95,443	34,571	262,945
	Repayments of short-term loans	(58,729)	(101,910)	(43,181)	(248,009)
	Proceeds from issue of commercial paper	20,000	50,000	30,000	160,000
	Payments for redemption of commercial paper	(20,000)	(50,000)	(30,000)	(130,000)
	Proceeds from issue of straight bonds	9,932	9,018	(913)	59,615
	Payments for redemption of straight bonds	(15,300)	(10,000)	5,300	(71,040)
	Proceeds from long-term debt	34,524	46,575	12,050	171,962
	Repayments of long-term debt	(79,216)	(55,122)	24,094	(271,851)
	Payments for purchase of treasury stock	(9,202)	(0)	9,202	(9,207)
	Cash dividends paid by the Company	(8,660)	(10,905)	(2,244)	(19,694)
	Other financing activities	(16)	10,003	10,020	(9,109)
	Net cash provided by financing activities	(65,795)	(16,897)	48,898	(104,389)
IV.	Effect of exchange rate change on cash and cash equivalents	138	37	(100)	616
V.	Increase (decrease) in cash and cash equivalents	(59,496)	(1,066)	58,430	(48,520)
VI.	Cash and cash equivalents at the beginning of the fiscal year	145,920	97,399	(48,520)	148,920
VII.	Cash and cash equivalents at the end of first quarter accounting period (fiscal year)	86,423	96,332	9,909	97,399

## 2. Consolidated Operating Results

### (1) Operating Income by Segment

(Millions of yen)

Segment	Term	Prior first quarter consolidated accounting period From April 1, 2005 to June 30, 2005		This first quarter consolidated accounting period From April 1, 2006 to June 30, 2006		Prior consolidated fiscal year From April 1, 2005 to March 31, 2006	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio
Financial service businesses		108,905	98.5 %	106,930	98.5 %	438,886	98.5 %
Loan business		99,428	90.0	96,691	89.0	396,485	89.0
Credit card business		1,631	1.5	1,571	1.5	6,462	1.4
Installment sales finance business		4,006	3.6	2,789	2.6	14,839	3.3
Guarantee business		1,345	1.2	1,945	1.8	6,651	1.5
Loan servicing business		2,466	2.2	3,820	3.5	14,117	3.2
Others		26	0.0	111	0.1	331	0.1
Other businesses		1,606	1.5	1,657	1.5	6,544	1.5
Rental business		1,041	1.0	1,097	1.0	4,318	1.0
Others		565	0.5	560	0.5	2,226	0.5
Total		110,512	100.0	108,587	100.0	445,431	100.0

### (2) Other Statistics

#### 1) Receivables Outstanding

(Millions of yen)

Segment	Term	Prior first quarter consolidated accounting period (As of June 30, 2005)	This first quarter consolidated accounting period (As of June 30, 2006)	Prior consolidated fiscal year (As of March 31, 2006)
		Loan business	1,688,899	1,701,404
Credit card business	49,392	47,725	48,120	
Credit card	48,822	47,140	47,537	
Others	569	584	583	
Installment sales finance business	121,313	75,878	83,335	
Loan servicing business	14,061	15,442	17,423	
Total	1,873,667	1,840,451	1,852,053	

#### 2) Bad Debts

(Millions of yen)

Category	Term	Prior first quarter consolidated accounting period (As of June 30, 2005)	This first quarter consolidated accounting period (As of June 30, 2006)	Prior consolidated fiscal year (As of March 31, 2006)
		Loans to borrowers in bankruptcy or under reorganization	8,837	7,641
Loans in arrears	36,145	57,123	49,904	
Loans past due for three months or more	2,823	2,263	1,995	
Restructured loans	43,210	57,811	54,764	
Total	91,016	124,840	114,371	

(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, 2005)	This first quarter consolidated accounting period (As of June 30, 2006)	Prior consolidated fiscal year (As of March 31, 2006)
Loan business	3,423,022	3,456,665	3,450,636
Credit card business	1,209,028	1,282,575	1,259,509
Credit card	1,203,179	1,276,566	1,253,603
Others	5,849	6,009	5,906
Installment sales finance business	960,816	560,068	671,742
Loan servicing business	161,588	214,200	200,662
Rental business	3,912	3,090	9,268

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, 2005)	This first quarter consolidated accounting period (As of June 30, 2006)	Prior consolidated fiscal year (As of March 31, 2006)
Number of outlets	1,911	2,130	2,102
Number of employees	6,780	6,863	6,796
Allowance for bad debts (Millions of yen)	125,446	140,883	131,620
Allowance for loss on debt guarantee (Millions of yen)	1,584	1,781	1,647
Allowance for loss on interest repayments (Millions of yen)	-	25,000	23,700
Bad debt write-offs (Millions of yen)	26,930	31,835	115,981

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, 2006)

Amount of guaranteed loans of guarantee business

Guaranteed loans	94,309 million yen
Allowance for loss on guaranteed loans	1,781 million yen
Net	92,528 million yen

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

(1) Amount of guaranteed loans of guarantee business

Guaranteed loans	169,947 million yen
Allowance for loss on guaranteed loans	3,680 million yen
Net	166,267 million yen

(2) Amount of guaranteed liabilities of affiliated companies

DC Cash One Ltd.	75,139 million yen
EASY BUY Public Company Limited	39,496 million yen
IR Loan Servicing, Inc.	2,200 million yen
JCK CREDIT CO., LTD.	794 million yen
JLA INCORPORATED	587 million yen
ACOM ESTATE CO., LTD.	25 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, 2005)		This interim accounting period (As of June 30, 2006)		Prior consolidated fiscal year (As of March 31, 2006)		Changes	
		Amount	Composition ratio	Amount	Composition ratio	Amount	Composition ratio	Amount	Percentage
(Assets)									
I.	Current assets	1,724,165	91.6	1,689,217	89.1	1,725,542	88.0	(36,324)	(2.1)
	Cash and time deposits	48,095		56,436		53,981		2,454	4.5
	Loans receivable	1,603,842		1,586,814		1,596,276		(9,462)	(0.6)
	Installment receivables	112,964		89,792		93,321		(3,528)	(3.8)
	Deferred tax assets	24,285		37,564		40,244		(2,680)	(6.7)
	Short-term loans	19,998		21,043		24,997		(3,953)	(15.8)
	Other current assets	28,699		26,946		36,889		(9,943)	(27.0)
	Allowances for bad debts	(113,720)		(129,380)		(120,170)		(9,210)	7.7
II.	Fixed assets	157,541	8.4	206,419	10.9	235,920	12.0	(29,500)	(12.5)
	Tangible fixed assets	37,765		37,861		38,488		(627)	(1.6)
	Intangible fixed assets	1,141		1,019		1,019		(0)	(0.0)
	Investments and other assets	118,634		167,539		196,412		(28,873)	(14.7)
Total Assets		1,881,707	100.0	1,895,637	100.0	1,961,462	100.0	(65,825)	(3.4)
(Liabilities)									
I.	Current liabilities	351,997	18.7	354,841	18.7	385,572	19.6	(30,730)	(8.0)
	Short-term loans	2,500		-		1,000		(1,000)	-
	Current portion of long-term loans	240,159		197,833		207,221		(9,388)	(4.5)
	Commercial paper	20,000		50,000		50,000		-	-
	Current portion of bonds and notes	60,000		55,000		55,000		-	-
	Accrued income taxes	5,502		4,616		24,937		(20,321)	(81.5)
	Allowance for loss on interest repayments	-		25,000		23,700		1,300	5.5
	Deferred income on installment sales	7,977		5,024		5,515		(491)	(8.9)
	Other current liabilities	15,857		17,367		18,197		(829)	(4.6)
II.	Fixed liabilities	659,865	35.1	633,236	33.4	652,481	33.3	(19,245)	(2.9)
	Straight bonds	205,000		200,000		210,000		(10,000)	(4.8)
	Long-term loans	451,305		423,389		421,987		1,402	0.3
	Other fixed liabilities	3,560		9,847		20,494		(10,647)	(52.0)
Total liabilities		1,011,863	53.8	988,078	52.1	1,038,053	52.9	(49,975)	(4.8)
(Shareholders' equity)									
I.	Common stock	63,832	3.4	-	-	63,832	3.3		
II.	Capital surplus	76,458	4.1	-	-	76,020	3.9		
III.	Eamed surplus	743,248	39.5	-	-	770,836	39.3		
IV.	Securities valuation adjustment	6,301	0.3	-	-	31,258	1.6		
V.	Treasury stock	(19,997)	(1.1)	-	-	(18,538)	(1.0)		
Total shareholders' equity		869,843	46.2	-	-	923,408	47.1		
Total liabilities and shareholders' equity		1,881,707	100.0	-	-	1,961,462	100.0		
(Net assets)									
I.	Shareholders' equity	-	-	891,448	47.0	-	-		
	Common stock	-	-	63,832	3.4	-	-		
	Capital surplus	-	-	76,011	4.0	-	-		
	Eamed surplus	-	-	770,114	40.6	-	-		
	Treasury stock	-	-	(18,509)	(1.0)	-	-		
II.	Valuation and translation adjustments	-	-	16,110	0.9	-	-		
	Securities valuation adjustment	-	-	16,110	0.9	-	-		
Total net assets		-	-	907,559	47.9	-	-		
Total liabilities and net assets		-	-	1,895,637	100.0	-	-		

## (2) Summarized Income Statements

(Millions of yen)

Subject	Term	Prior first quarter accounting period From April 1, 2005 to June 30, 2005		This first quarter accounting period From April 1, 2006 to June 30, 2006		Changes		Prior fiscal year From April 1, 2005 to March 31, 2006	
		Amount	Percentage	Amount	Percentage	Amount	Percentage	Amount	Percentage
			%		%		%		%
I. Operating income		99,983	100.0	96,446	100.0	(3,536)	(3.5)	396,637	100.0
Interest on loans receivable		92,630		89,495		(3,134)	(3.4)	367,619	
Fees from credit card business		1,556		1,484		(71)	(4.6)	6,139	
Fees from installment sales finance business		1,669		1,016		(653)	(39.1)	5,550	
Fees on guaranteed loans receivables		2,006		2,346		339	16.9	8,549	
Other financial income		3		3		(0)	(3.5)	46	
Other operating income		2,116		2,101		(15)	(0.7)	8,732	
II. Operating expenses		57,549	57.6	80,164	83.1	22,614	39.3	290,512	73.2
Financial expenses		4,740		4,221		(518)	(10.9)	18,186	
Other operating expenses		52,809		75,942		23,133	43.8	272,325	
Operating profit		42,433	42.4	16,282	16.9	(26,150)	(61.6)	106,124	26.8
III. Non-operating income		632	0.7	1,066	1.1	433	68.5	2,215	0.6
IV. Non-operating expenses		14	0.0	9	0.0	(5)	(35.6)	165	0.1
Income before extraordinary items		43,051	43.1	17,339	18.0	(25,711)	(59.7)	108,174	27.3
V. Extraordinary income		-	-	220	0.2	220	-	489	0.1
VI. Extraordinary losses		55	0.1	176	0.2	120	215.3	1,424	0.4
Income before income taxes for the first quarter accounting period (fiscal year)		42,995	43.0	17,384	18.0	(25,611)	(59.6)	107,239	27.0
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		5,188	17.4	4,420	7.3	(768)	(59.4)	44,770	10.8
Deferred income taxes		12,243		2,648		(9,594)		(1,682)	
Net income for the first quarter accounting period (fiscal year)		25,564	25.6	10,315	10.7	(15,249)	(59.6)	64,152	16.2
Retained earnings carried forward from the previous period		23,363		-				23,363	
Interim dividends		-		-				10,999	
Unappropriated retained earnings for the first quarter accounting period (fiscal year)		48,928		-				76,515	