

(TRANSLATION)

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

November 8, 2006

Forward-looking Statement

The statements and figures contained in this Brief Statement of Interim 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: Tokyo Stock Exchange

Code Number: 8572

Location of the head office: Tokyo

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

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

Date of the board of directors' meeting for the account settlement: November 8, 2006

Name of parent and other related companies: Mitsubishi UFJ Financial Group, Inc., (Code No.:8306), 4 other companies

Percentage of shares of voting stock of the Company owned by the parent and other related companies: 15.20%

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, 2006 to September 30, 2006)

(1) Consolidated Operating Results

(Millions of yen)

| | Operating Income | | Operating Profit | | Income Before Extraordinary Items | |
|----------------|------------------|--------|------------------|---------|-----------------------------------|---------|
| 9/06 (Interim) | 215,880 | (2.8%) | 58,211 | (26.1%) | 60,016 | (24.9%) |
| 9/05 (Interim) | 222,182 | 2.6% | 78,792 | 0.2% | 79,916 | 2.7% |
| 3/06 (Annual) | 445,431 | | 110,392 | | 113,011 | |

| | Net Income (loss) (Millions of yen) | | Net Income (loss) per Share (Yen) | Net Income per Share Diluted (Yen) |
|----------------|--|------|--------------------------------------|---------------------------------------|
| 9/06 (Interim) | (282,140) | — | (1,794.86) | — |
| 9/05 (Interim) | 46,351 | 3.9% | 294.29 | 294.15 |
| 3/06 (Annual) | 65,595 | | 416.69 | 416.50 |

Notes: 1. Gain (loss) on investments in equity-method: 465 million yen in 9/06 (interim), 251 million yen in 9/05 (interim), and 734 million yen in 3/06 (annual)

2. Average outstanding shares during the period (consolidated): 157,193,605 shares in 9/06 (interim), 157,501,805 shares in 9/05 (interim), and 157,337,635 shares in 3/06 (annual)

3. Change in accounting policies: Adopted

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

(2) Consolidated Financial Status

(Millions of yen)

| | Total Assets | Net Assets | Ratio of Shareholders' Equity | Net Assets per Share (Yen) |
|----------------|--------------|------------|-------------------------------|----------------------------|
| 9/06 (Interim) | 2,065,535 | 621,969 | 29.8% | 3,910.19 |
| 9/05 (Interim) | 2,081,360 | 905,547 | 43.5% | 5,762.61 |
| 3/06 (Annual) | 2,106,681 | 927,722 | 44.0% | 5,901.70 |

Note: Number of shares issued at the end of the period (consolidated): 157,194,337 shares in 9/06 (interim), 157,142,039 shares in 9/05 (interim), and 157,190,055 shares in 3/06 (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 |
|----------------|---------------------------|---------------------------|---------------------------|--|
| 9/06 (Interim) | 51,812 | 353 | (54,330) | 96,646 |
| 9/05 (Interim) | 41,548 | (43,678) | (51,375) | 92,661 |
| 3/06 (Annual) | 100,226 | (44,973) | (104,389) | 97,399 |

(4) Scope of Consolidation and Equity Method

| | |
|--|----|
| Number of consolidated subsidiaries: | 21 |
| Number of unconsolidated subsidiaries accounted for under equity method: | — |
| Number of unconsolidated affiliates accounted for under equity method: | 1 |

(5) Change in Scope of Consolidation and Equity Method

| | |
|---|---|
| Consolidated subsidiaries (addition): | 5 |
| Consolidated subsidiaries (exclusion): | 1 |
| Affiliates accounted for under equity method (addition): | — |
| Affiliates accounted for under equity method (exclusion): | — |

2. Forecasts for the Fiscal Year Ending March 31, 2007 (from April 1, 2006 to March 31, 2007)

(Millions of yen)

| | Operating Income | Income before Extraordinary Items | Net Income |
|--------|------------------|-----------------------------------|------------|
| Annual | 425,000 | 96,700 | (257,300) |

Reference: Forecasted net income (loss) per share (annual): (1,636.83) yen

1. State of Business Group

The ACOM Group consists of ACOM CO., LTD., 21 subsidiaries (including investing business association), and 1 affiliate as well as 2 other related companies and 3 subsidiaries of 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 business, advertising agency, real estate-related business, and insurance agency business. The following table explains the positioning of each group company.

| Segment | Company Name | Business Outline | Classification | |
|------------------------------|--|---|---|-------------------------------|
| Financial Service Businesses | Loan Business | ACOM CO., LTD. | Loan business including unsecured loan and secured loan | ——— |
| | | DC Cash One Ltd. | Unsecured loan business | Consolidated subsidiary |
| | | JCK CREDIT CO., LTD. | | Equity-method affiliate |
| | | DC Card Co., Ltd. | | |
| | | EASY BUY Public Company Limited | Unsecured loan business in Thailand | Consolidated subsidiary |
| | Credit Card Business | ACOM CO., LTD. | Credit card business of which the principal commodity is ACOM MasterCard® | ——— |
| | | DC Card Co., Ltd. | Credit card business of which the principal commodity is DC CARD | Equity-method affiliate |
| | Installment Sales Finance Business | ACOM CO., LTD. | Installment sales finance business | ——— |
| | | JCK CREDIT CO., LTD. | | |
| | | EASY BUY Public Company Limited | Hire purchase business in Thailand | Consolidated subsidiary |
| | Guarantee Business | ACOM CO., LTD. | Guarantee business for personal loan of banks, etc. | ——— |
| | | DC Cash One Ltd. | | |
| | | DC Card Co., Ltd. | Loan guarantee business for banks, etc. | Equity-method affiliate |
| | Loan Servicing Business | IR Loan Servicing, Inc. | Loan recovery (servicing) business | Consolidated subsidiary |
| | | Yugensekinin-Chukanhojin Mirai Capital* | Loan recovery (servicing) business (Special Purpose Company) | |
| | | Power Investments LLC | | |
| | Others | RELATES CO., LTD. | Entrusted with call center functions of banks, etc. | Consolidated subsidiary |
| | | AC Ventures Co., Ltd. | Development, investment, promotion and support of venture companies | |
| | | ACOM FUNDING CO., LTD. | Financial services for ACOM (Special Purpose Company) | |
| | Other Businesses | Rental business | ACOM RENTAL CO., LTD. | Comprehensive rental business |
| 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 properties | |
| | | AB PARTNER CO., LTD. | Back-office services | |
| | | ACOM PACIFIC, INC. | ——— | |
| | | ACOM (U.S.A.) INC. | | |
| ACOM INTERNATINAL, 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 | | |
| | Maruito Shokusan Co., Ltd. | Real estate leasing | Other related company | |
| | Maruito Shoten Co., Ltd. | | Subsidiary of other related company | |

Notes: 1. ACOM (U.S.A.) INC. suspended their operation; therefore, outlines of their businesses are omitted above.

2. IR Loan Servicing, Inc. established 2 Special Purpose Companies, (1) Power Investments LLC on August 24, 2006 and (2) Mirai Capital on August 28, 2006, in order to purchase monetary claims, etc.

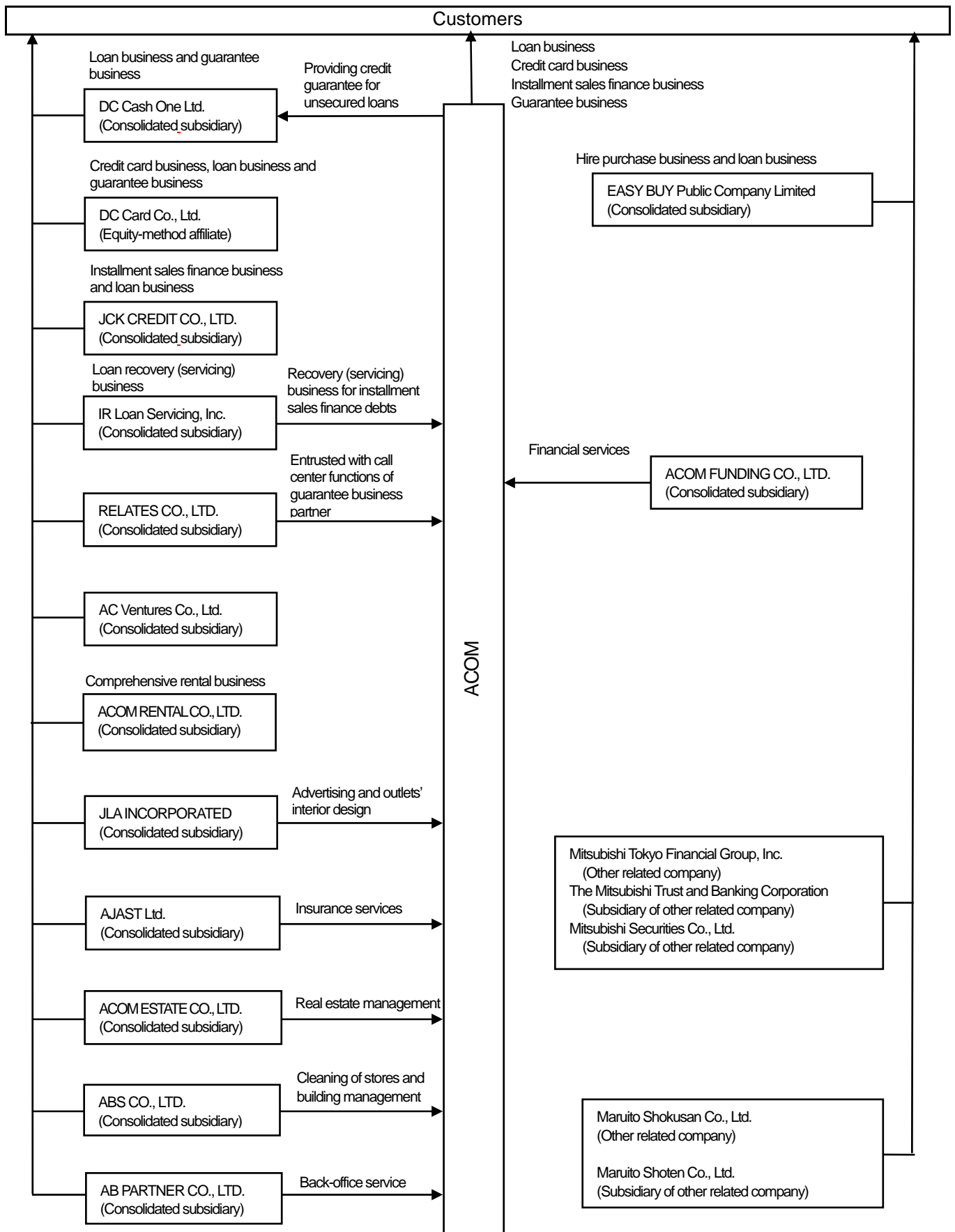
3. Following the announcement "PITF No. 20 Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations" (Accounting Standards Board of Japan, September 8, 2006), three new Investment Partnerships (MTBC First, Second, and Third Investment Partnerships) are included as consolidated subsidiary companies from this interim consolidated fiscal year.

4. AJAST Ltd. abolished its insurance agency business including clerical services on October 2, 2006.

5. AB PARTNER CO., LTD. started insurance agency business including clerical services on October 2, 2006.

*"Yugensekinin-Chukanhojin Mirai Capital" is exact name of registrant as specified in its charter

Diagram of Business of ACOM Group



- Note: 1. ACOM (USA) INC., ACOM INTERNATIONAL, INC. and ACOM PACIFIC, INC. suspended its operation, therefore, they are eliminated from the diagram.
 2. Investing business association is omitted as it operates funds.
 3. This diagram doesn't include 2 Special Purpose Companies, Power Investments LLC and Yugensekinin-Chukanhojin Mirai Capital, established by IR Loan Servicing, Inc., in order to purchase loans, etc.

2. Management Policy

(1) Basic management policy

We, ACOM Group, were founded under the motto “Extending the feeling of confidence from person to person” in which we place 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.

(A) Spreading business ethics (Compliance)

ACOM Group positions strict compliance with business ethics as one of our most important management challenges and promotes the adoption of business ethics based on the “ACOM Ethical Codes for Business” and “Business Ethics Three-Year Plan.” We will further push forward for the deeper permeation of business ethics (compliance) in all departments and staff in order for the ACOM Group to achieve long-term growth and fulfill our social responsibilities into the future.

(B) Expanding business fields and strengthening the revenue base through mobilization of the Group’s total management resources

ACOM Group focuses on promoting its group management by enhancing coordination among respective ACOM Group businesses, centered on its financial service companies and taking advantage of the synergy effect created by its tie-up with Mitsubishi UFJ Financial Group, Inc. (hereafter, “MUFG”) to the fullest, aiming at expanding the scale of its financial service business. ACOM Group will also proactively push ahead with its efforts to enter new business fields by leveraging the varied business expertise it has cultivated over the years and by strengthening its revenue base and expanding its business fields.

(C) Expanding the scale of business by strengthening competitiveness in service quality

Under the motto of “Putting the customer first,” ACOM Group will further strengthen its competitiveness in service quality by restructuring and implementing business strategies that are capable of coping with rapidly changing market trends (customers, regulatory requirements, intensified competition etc.) in order to improve its asset quality and expand its scale of business. We will also try to improve our credit screening techniques by, for example, enhancing our computer credit screening system and clarifying our customer segments into smaller categories.

(D) Reinforcing competitive edge by promoting operational reforms

We have focused on cost-cutting operations and pursuit of high profitability through reduction of outlet expenses by introducing the “MUJINKUN” (automatic contract machines) and promoting the efficient use of personnel. We will enhance our cost competitiveness by conducting reforms in business operations at all of our group companies, and further promoting low-cost operations in the future. To achieve these goals, we are conducting a full-scale review of our existing business operations in an effort to create a more robust system framework.

(E) Nurturing professionals

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

(2) Basic policy on profit distribution

With regard to profit distribution to shareholders, it is our basic policy to attempt aggressive and continuous profit distribution with enhanced dividends, taking into consideration the economic and financial situation and our own performance.

Also, as a goal for returns to shareholders, ACOM Group advocates “a medium term plan which, based on the targeted shareholders’ equity ratio, aims at maintaining no less than 30% net income ratio against the total amount of treasury stock purchased, plus the dividend payments thereon, every fiscal year.”

Based on both the idea that the loss of this interim financial results and the expected financial results of this fiscal year is temporary and this fundamental policy mentioned above, it intends to pay an interim dividend of 70 yen per share, and 30 yen per share for the end of fiscal year, meaning a dividend of 100 yen per share annually. 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, and further development of new businesses.

(3) Policy concerning 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, taking into account the trends in the stock market and ACOM’s share prices.

(4) Target indicators

ACOM Group has adopted a series of target indicators intended to guide the ACOM Group toward the achievement of higher shareholder value and the continuation of stable business management. In this context, special emphasis is placed on return on equity (ROE), return on assets (ROA) and shareholders' equity ratio. Similarly, ACOM Group is also intent on improving other indicators such as the ratio of income before extraordinary items to total assets, the ratio of income before extraordinary items to operating income, and net income per share.

(5) Medium-to-long term corporate management strategies

The business environment surrounding ACOM Group will continue to be harsh due to structural changes in our society as represented by the declining birthrate and the aging population, intensifying competition, regulatory revisions etc. Under this business climate, ACOM Group has set up its corporate image for the medium term as the "Best Life Partner", which aims at successfully gaining the highest satisfaction and confidence from its customers through its advanced comprehensive financial services that cover all the consumer credit markets, including loan, credit card, and installment sales finance business.

ACOM Group also intends to broaden and develop its diversified financial business lines, such as new financial business generated from business alliances with MUFG Group, guarantee business, loan servicing business, and call center operation business. Its accumulated technologies and expertise concerning consumer finance, IT technologies for channel development and cost saving methods through centralization of businesses will work as effective weapons for the accomplishment of the aforementioned objectives and will serve for the development of ACOM Group's medium-term growth potential.

(6) Problems to be tackled

Current consumer credit market is that a will for consumption is expected to increase due to the steady economic recovery, however, the amendment of the Law concerning regulation etc. of Money Lending Business (hereinafter, Money Lending Control Law) is approaching under the circumstances such as the expansion of the wage gap and aggressive borderless competition over industries. Especially, the reduction in interest cap will affect ACOM group widely.

ACOM will tackle with group-wide management reformation dealing with the problems mentioned above. Presupposing further thoroughness of business compliance, this management reformation is aimed at realization of both strengthening sales services and improving management efficiency by drastic cost structure reformation of ACOM group. In addition, ACOM will construct new business model of loan business under the new law of amendment of lending business regulation law, secure long-term and stable earnings, and build management base for a step for next growth.

(7) Matters related to the Parent Company, etc.

(A) Business names, etc. of the Parent Company, etc.

| Business name or name of Parent Company, etc. | Attribute | Percentage of ownership of voting rights held by the Parent Company, etc. (%) | Stock Exchange, etc. under which the Parent Company (etc.)'s stock is listed |
|---|---|---|--|
| Maruito Shokusan, Co., Ltd. | Applicable other company where listed company is the affiliate of the other company | 19.86 (2.46) | — |
| Mitsubishi UFJ Financial Group, Inc. | Same as the above | 15.20 (2.01) | Tokyo Stock Exchange First Section Osaka Stock Exchange First Section Nagoya Stock Exchange First Section New York Stock Exchange (U.S.A) |
| Maruito Shoten Co., Ltd. | Same as the above | 2.46 (—) | — |
| Mitsubishi UFJ Trust and Banking Corporation | Same as the above | 2.00 (—) | — |
| Mitsubishi UFJ Securities Co., Ltd. | Same as the above | 0.00 (—) | Tokyo Stock Exchange First Section Osaka Stock Exchange First Section Nagoya Stock Exchange First Section |

(Note) The figures in () under the percentage of ownership of voting rights held by the Parent Company, etc. column indicates percentage of indirect ownership.

(B) Business name or name of entity among parent company, etc., that is considered to have the most influence on ACOM, and the reason.

| Business name or corporate name | Reason |
|--------------------------------------|---|
| Mitsubishi UFJ Financial Group, Inc. | <p>*The ownership percentage of voting rights of Mitsubishi UFJ Financial Group, Inc. in ACOM is 15.20% in total, together with percentages of its subsidiaries, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Securities Co., Ltd.</p> <p>*ACOM and Mitsubishi UFJ Financial Group, Inc. engage in a business alliance in the retail field.</p> <p>*One of Mitsubishi UFJ Financial Group, Inc.'s directors concurrently holds an outside director position at ACOM.</p> |

(C) ACOM's position in relation to the Group Companies of the Parent Company, etc. and ACOM's relationship with the Parent Company, etc. and other listed companies

(a) ACOM's position in relation to the Group Companies of the Parent Company, etc.

The aims of ACOM's business tie-up with MUFG are to boost revenue by strengthening and enhancing our competitiveness in the consumer finance market within retail business, and to contribute to the sound development of Japan's consumer finance market. A capital alliance between the two companies is also in place in order to maintain an even closer and more comprehensive business tie-up over a long period. As Mitsubishi UFJ Financial Group, Inc. owns 15.20% of voting rights in ACOM, together with its subsidiaries, Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Securities Co., Ltd., ACOM is now an equity-method affiliate of MUFG.

ACOM secures its management independency in determining its business operations and management judgment. ACOM has a basic concept of establishing sound, transparent and efficient management with focused efforts on "thoroughness of "Compliance", "Expansion of Internal Control System", "Strengthening of Risk Management Structure", "Positive Promotion of Disclosure", etc. In addition, ACOM established its "Corporate Governance Structure", which includes several measures. Apart from the functions of the Board of Directors' monitoring and supervision of business execution and the Corporate Auditor's surveillance of business execution, ACOM introduced an executive officer system in June 2003 with the intention of enhancing business execution functions and clearly separate the functions between supervision and business execution. This also enhanced the internal control system through regular discussions by the Board of Directors, Executive Management, Affiliate Firms Adjustment meeting, and the Business Ethics Committee.

(b) Other relationships concerning the listed company and the Parent Company

ACOM started loan business from 1978 through the transfer of loan claims and operational outlets from Maruito Co, Ltd., a company belonging to Maruito Group. Maruito Shoten Co. Ltd. is a subsidiary of Maruito Shokusan Co., Ltd.; both companies do not have a business relationship or transactions with ACOM.

3. Business Results and Financial Position

(1) Business results

(A) Interim business results for the current fiscal year

Japan's economy during the first half of the current consolidated fiscal year consistently showed signs of a steady recovery overall, thanks to the continued increase in capital investment. This was against a backdrop of high corporate earnings and firm consumer spending, reflecting an improved employment situation and wage levels. Nevertheless, the business environment surrounding the Group was increasingly severe, with the government moving toward revising relevant laws, including regulated interest rates, the consumer financing industry as a whole suffering from a negative image fostered by newspaper and media coverage, and fiercer competition particularly in the loan business.

Under such circumstances, the Group has adopted the following management policies for the current fiscal year: "Expanding the scope and strengthening revenue bases by vigorous engagement of the entire Group"; "Building up the scale of operations by strengthening competitiveness in sales and services"; "Reinforcing cost competitiveness by promoting operational reforms"; "Professional development in human resources"; and "Firmly establishing business ethics in the Group (Compliance)". In the field of the loan business, we have put our best efforts towards realizing key objectives such as "improving asset quality", "enhancing our ability to attract new customers", and "improving efficiency by streamlining operations", and have also implemented a two-brand marketing strategy with DC Cash One Ltd. (hereinafter referred to as "DC Cash One"). In the credit card business, the guarantee business and the loan serving business, the Group has given priority to working on further cultivation of customer groups different from those of the loan business. On the overseas business front, we have been proactively engaged in focused actions in the Asian region, while our active involvement in the existing overseas operations has continued.

The business results of the first half of the current consolidated fiscal year recorded operating income of 215,880 million yen (down 2.8% year-on-year), operating expenses of 157,668 million yen (up 10.0% year-on-year), income before extraordinary items of 60,016 million yen (down 24.9% year-on-year), and interim net loss of 282,140 million yen. The factors behind the results include an increase in losses on interest repayments and an increase in written-off bad debts constituted primarily by the principal amount of loans written off when reimbursing interest payments in the loan business; and inclusion of 317,061 million yen transferred to the allowance for loss on interest repayments (357.5 billion yen) to be reserved for interest repayments, and the principal amount of loans written-off arising out of future interest repayment claims for extraordinary losses, pursuant to the "Audit procedures of consumer financing companies concerning the allowance for losses caused by interest repayments claims", an announcement issued by the Japanese Institute of Certified Public Accountants on October 13, 2006.

The main strategic measures that have been taken by the Group during the first half of the current consolidated fiscal year are described below.

(Streamlining operations)

We have outsourced to IBM Japan, Ltd. (hereinafter referred to as IBM Japan), reforms to the back-office operations of our sales operation, a major task of which consists of managing contract documents with customers of the loan business, the credit card and installment sales finance businesses, and the guarantee business of the Company, utilizing a BTO (Business transformation outsourcing) of IBM Japan, Ltd. Through this streamlining effort, we expect to realize a productivity gain of approximately 15% in our sales administration.

Furthermore, on July 21, 2006, the board members agreed to abolish of the insurance agency AJAST Ltd., a consolidated subsidiary of the Group, and to start the aforementioned business at AB PARTNER CO., LTD., another consolidated subsidiary, in order to improve the efficiency of the management of the entire Group. The decision was carried out as planned on October 2, 2006.

(Overseas business development)

As part of the collaboration with The Bank of Tokyo-Mitsubishi UFJ, Ltd. in the Asian region, the Group initiated actions toward joint acquisition of a controlling interest in "PT. BANK NUSANTARA PARAHYANGAN Tbk.", a bank in the Republic of Indonesia, by the end of December, 2006, in accordance with the decision to enter into negotiations with existing shareholders of the bank.

In addition, since September, 2005, when the "PKU-ACOM Financial Information Research Center" was jointly established with Beijing University, a leading university representing academic institutions in China, the Group has been participating in joint research on consumer finance and financial information systems in China. With the aims of market research and collecting information in China and Vietnam, both countries which are expected to experience and sustain high levels of growth and development, (Vietnam, following in China's footsteps, is considered a "China Plus One country"), we opened the Beijing Representative Office (located in Beijing, the People's Republic of China) in August 2006, and the Ho Chi Minh City Representative Office (located in Ho Chi Minh City, the Socialist Republic of Vietnam) in July 2006.

(Loan business)

In the field of the loan business that constitutes our core financial business, we have put our best efforts towards realizing key objectives such as "improving asset quality", "enhancing our ability to attract new customers", and "improving efficiency by streamlining operations". Our slogan is "Striving toward innovative competitiveness".

To improve asset quality, we have been making efforts towards building up our counseling skill through counseling service training, under the counselor accreditation system established as an internal system, and have modified operational procedures in conjunction with the automatic dial callout system introduced in March of the previous year. With such efforts, we are implementing efficient and effective counseling practices.

To enhance our ability to attract new customers, we have been promoting sales and marketing strategies, including the introduction of "MUJINKUN" automatic contract machines and "QUICK MUJIN" automatic loan application machines. In addition, we have launched a DC Cash One agency in each of our staffed branch offices.

With the aim of improving efficiency by streamlining operations, following the integration of the four service centers of Fukuoka, Hiroshima, Kumamoto and Okinawa (a central operation center of automatic contract machines, etc.) in the previous fiscal year, another seven service centers, namely Shizuoka, Gifu, Nagoya, Kyoto, Osaka, Hyogo, and Shikoku have been integrated into the Nishi-Nihon Service Center (located in Fukuoka city).

Meanwhile, EASY BUY Public Company Limited (hereinafter referred to as EASY BUY), which conducts a financial service business in Thailand, embarked on a pilot sale of loan products by a revolving method in June of this year, and launched a full-scale sale in August. The interim figures of operating income and profit of EASY BUY were down on a year-on-year basis, primarily because EASY BUY adopted the July 2005 regulation concerning interest ceilings governed by the central bank of Thailand ahead of schedule in January of this year.

As a result of the above, loan receivables at the end of the first half of this fiscal year have decreased by 10,750 million yen during the semi-annual term to 1,692,422 million yen (a 0.6 % decrease compared to the end of the previous fiscal year), while interest on loan receivables amounts to 188,184 million yen (down 3.9 % year-on-year).

(Credit card and installment sales finance businesses)

In the credit card business, we have put an emphasis on sales promotion of the ACOM MasterCard®, as well as improving the efficiency and productivity of other tie-up cards, focusing on restructuring targeted promotion and marketing systems. As a result, the number of cardholders increased to 1,285 thousand (a 2.5% increase from the end of the previous fiscal year),

however, the total handling value was down by 3,447 million yen on a year-on-year basis due to decreases in individual transaction values.

In the installment sales finance business, the Group has made stronger efforts to cultivate new membership and promote further improvement in managerial efficiency, through strengthening our coordination with a wholly-owned subsidiary, JCK CREDIT CO., LTD, in conjunction with our enhanced marketing targeting existing member stores which has continued from the prior fiscal year. As a result, we were able to curb the year-on-year decline in the total handling value to a figure of 1,155 million yen.

The balance of installment account receivables fell by 17,418 million yen during the semiannual period to stand at 114,037 million yen (a 13.3 % decrease compared to the end of the previous year) at the end of the first half of this fiscal year, while the fees from the credit card business for the same period totaled 2,992 million yen (a 4.8 % decline compared to the end of the previous year), and the fees from installment sales finance totaled 4,496 million yen (down 38.3 % year-on-year).

(Guarantee business)

In the guarantee business, with the focused objectives of “enhancing systems for business promotion” and “achieving low-cost operations”, the Group has worked on expanding their scale of operations by providing operational support to existing guarantee business partners of ours, and acquiring new business partners, under close cooperation with a wholly-owned subsidiary RELATES CO., LTD.

With 14 financial institutions as our guarantee business partners, the consolidated balance of guaranteed loan receivables at the end of the first half of the current consolidated fiscal year was 98,754 million yen, while fees from credit guarantees for the same period amounted to 293 million yen (up 14.8 % year-on-year), and operating income of the guarantee business which includes commissions for credit guarantee amounted to 4,289 million yen (up 42.4 % year-on-year).

(Loan servicing business)

In the loan servicing business, we have been expanding to business areas including back-office outsourcing services and temporary staffing services, on top of our core businesses of management and collection of purchased receivables and loan servicing activities under contract, following the basic policies of “enhanced ability to acquire deals”, and “enhanced servicing ability”.

During the current interim period, collection of purchased receivables associated with large corporate loans was strong, which has boosted the collection of purchased receivables to 6,973 million yen (up 41.3 % year-on-year) during the first six months of the current fiscal year, and the operating income of the loan servicing business for the same period to 7,226 million yen (up 35.8 % year-on-year), including commissions.

(B) Forecast for this full financial year

The business environment surrounding us is expected to continue to be tough for the coming future. Despite the foregoing, we continuously exert our corporate-wide best efforts to realize “The Best Life Partner,” a corporate image capable of acquiring great customer confidence and satisfaction through continuous expansion of our business fields and group-wide management reconfirmation.

With respect to forecast for this full financial year, it is estimated that our consolidated operating income will amount to 425 billion yen (decreased by 4.6% year on year), income before extraordinary items will stand at 96.7 billion yen (decreased by 14.4% year on year), and loss in net income to be 257.3 billion yen.

(2) Financial position

At this interim accounting period, our total assets and shareholders' equity had decreased by 41,145 and 293,157 million yen respectively compared with the end of the previous consolidated financial year. Ratio of shareholders' equity decreased 14.2 points to 29.8%.

(Assets)

Regarding major changes in current assets during the first six-month accounting period of the current fiscal year, loan receivables showed a decrease of 10,750 million yen, installment account receivables decreased by 17,418 million yen, suspense payments for redemption of debentures decreased by 10 billion yen, and the allowance for bad debts decreased by 25,246 million yen. Thus overall, current assets fell by 5,653 million yen. Fixed assets decreased by 35,491 million yen, for reasons including a decrease of 33,583 million yen in the value of investments in securities caused by a drop in the market values of such securities.

(Liabilities)

In terms of the liability account, interest-bearing liabilities including loans and straight bonds decreased by 51,150 million yen, while the allowance for loss on interest repayments recorded as current liabilities, causing an increase of 333.8 billion yen. Hence, the total amount of liabilities increased by 269,479 million yen.

(Net Assets)

In the shareholders' equity account, the earned surplus amount decreased by 293,178 million yen due to the interim net loss, which led to a decline of 293,157 million yen in the shareholders' equity. In addition, securities valuation adjustment decreased by 19,892 million yen. As a result, the net assets decreased by 310,625 million yen.

(A) Status of our cash flows during the current six-month consolidated accounting period

Cash and cash equivalents (hereinafter collectively referred to as "funds") during the first half of the current fiscal year declined by 753 million yen, to a figure of 96,646 million yen at the end of the same period. The changes in the respective cash flows and the reasons thereof are as follows:

(Cash flows from operating activities)

The cash flow from operating activities showed an increase of 51,812 million yen at the end of the aforementioned period, primarily due to: a 257,223 million yen interim net loss before income tax; a decrease in funds of 25,850 million yen due to a decrease in the allowance for bad debts; an increase in funds of 333,800 billion yen due to an increase in the allowance for loss on interest repayments; an increase in funds of 12,296 million yen due to decreased disbursement of loan receivables; an increase in funds of 18,475 million yen resulting from decreased installment account receivables; and income taxes paid totaling 25,818 million yen.

(Cash flow from investing activities)

Funds from investing activities recorded an increase of 353 million yen at the end of the aforementioned financial period. This was primarily because the amount paid for the purchase of fixed assets exceeded the amount of sales of fixed assets, causing a decrease of 1,139 million yen, and the proceeds from sales of investments in securities exceeded the original cost of investments in securities, causing an increase of 1,350 million yen.

(Cash flow from financing activities)

Funds from financing activities showed a 5,433 million yen decline at the end of the aforementioned financial period, primarily due to the fact that the total payment amount for loan repayments and redemption of bonds exceeded the total amount of revenues resulting from proceeds from loans and the issue of bonds by 43,309 million yen, as well as due to dividend payments of 11,009 million yen.

(B) Outlook for the full-year cash flow

With respect to the full-year cash flow for the current fiscal year, the annual cash flow from our operating activities is estimated to show an increase of 96.0 billion yen through the current consolidated fiscal year, primarily due to implementation of business strategies that attach preferential importance to the promotion of loans and installment sales finance, and credit card business while the annual cash flow from investing activities is estimated to show a decline of 6.0 billion yen due to the acquisition of marketable securities. The annual cash flow from our financial activities is estimated to decline by 82.0 billion yen as a result of decreased interest-bearing liabilities.

In total, the estimated cash and cash equivalents at the end of the current fiscal year will show an increase of 8.0 billion yen when compared to the end of previous fiscal year.

(3) Risks relating to business

The following statement regarding business-related risks details potential risks to our group's operations based on our assumptions and views concerning the submission date of financial statements. In addition, in view of providing disclosure to investors, we will include risks that may possibly not be associated with our operations.

However, the following risks do not include all potential risks. With future changes in the economic conditions and environment regarding the consumer finance industry, there may be new risks that arise from various uncertainty factors.

Note, however, that the above forward-looking statements regarding business-related risks is based on our assumptions and views as of the submission date of the financial statements.

(A) Issues related to our business

(a) Maintain the level and growth rate of profitability

Whether or not we can maintain a level and the growth rate of profitability equivalent to our past business performance depends on various factors including those listed below.

1. Changes in the overall consumer finance market.
2. Growth rate in the number of customer accounts and average balance.
3. Decrease in the maximum interest rate chargeable by loan business and changes in the legal framework concerning the consumer finance industry.
4. Fluctuations in the average contracted interest rate received from clients in the loan business.
5. Fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest-Rate Restriction Law in the loan business (herein after referred to as "the portion exceeding the interest rate ceiling")
6. Completion among
7. The rate of default by customers.
8. Our credit screening ability with regard to our customers, based on a credit database.
9. Overall Japanese economic conditions.
10. Our maximum amount of borrowing available through financing and our financing costs.
11. The level of our advertising, personnel, and other expenses.

(b) Business Results

We are focused on promoting efficiency for the customer, including the introduction of automatic contract machines, prompt ACOM MasterCard issuance, and expansion of the ATM and cash dispenser network mainly within financial institutions. Moreover, we are formulating activities such as branding and public relations in the mass media in order to improve our corporate image. As a result, we have achieved satisfactory results in expanding our business contents.

The Group achieved increases in both sales and profit until the fiscal year ended March 2002. However, for the succeeding several years, the financial results of the Group were unstable, alternating between increased profit and decreased profit. This was due to increases in the allowance for bad debts caused by the rise in legal proceedings related to bad debt write-offs, such as personal bankruptcies and civil rehabilitation proceedings. This was against the backdrop of a deteriorating business environment with unemployment rates running high and personal income decreasing, and a prolonged slump in the national economy. During the first half of the current consolidated fiscal year, Japan's economy was steadily recovering overall thanks to a continued increase in capital investment, reflecting high corporate earnings and firm consumer spending stemming from the improved employment situation and higher wage levels. Nevertheless, a steep loss was recorded in the business results of the current interim consolidated accounting period, primarily because of increased losses on repayments on the portion of interest exceeding interest ceilings in the loan business, as well as allocation of the allowance for loss on interest repayments to be reserved for future repayment risk.

We will make our efforts to respond swiftly to changes in the business environment and promote efficiency through cost reduction while strengthening our credit screening and counseling functions. However, our performance may be influenced by factors such as changes in the Japanese economic conditions, the consumer finance market, and the competitive situation.

(B) Legal restrictions

Loan business (consumer finance business), as our group's core activity, is governed by the following laws: Regulations Governing Money Lending Business Law (hereinafter referred to as "RMBL") and the Acceptance of Contributions, Money Deposits, and Interest Law (hereinafter referred to as "ACMI"). Our credit card business and installment sales business are governed by the Law Concerning Installment Sales (hereinafter referred to as "LCIS"). The aforementioned laws govern each business, in all aspects of operation.

(a) Regulations regarding RMBL and LCIS

Each company engaged in loan business in ACOM Group shall be registered as an eligible money lender pursuant to Article 3 of RMBL. RMBL stipulates several restrictions on loan business, including prohibition of excessive lending, restrictions on indication of lending conditions, prohibition of excessive advertising, issue and delivery of documents and receipts for each payment of principal and interest on the loan, maintenance of book-keeping, restrictions on receipt of blank power of attorney, restriction on excessive collection activities, and the return of loan certificates to borrowers. RMBL defines administrative punishments (suspension of all or part of operations, or revocation of the money lending license) and penalties for money lenders in violation of these provisions.

In addition, the LCIS requires a description of the terms and conditions of the transaction, the issue of a written document, and prevention of excessive purchasing beyond paying capacity. A penalty will be imposed on failures to comply with the provisions.

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

(b) Regulations regarding lending rates

The maximum interest rate chargeable by ACOM Group is regulated by ACMI. According to the law, this maximum interest rate may be “reviewed and modified at the end of the three-year period (January 2007) following enforcement of the amended RMBL and ACMI, taking into consideration the capital requirements and other economic and financial situations and the money lending company business practice of setting interest rates according to the financial strength or credit status of those in need of funds.”

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

(c) Increase of losses from reimbursement of the portion of interest in excess of the interest ceiling to customers

Apart from the interest rate ceilings defined by ACMI, Article 1, Section 1 of the Interest Rate Restriction Law (hereinafter referred to as “IRRL”) specifies that, under any loan agreement, the portion of interest that is higher than the interest rate ceiling (If the principal is less than 100,000 yen, the interest is 20% per annum. From 100,000 yen up to 1 million yen, 18% per annum. Over 1 million yen, 15% per annum) is deemed invalid. Section 2 of the above Article stipulates that in the case wherein the debtor voluntarily pays the portion of interest in excess of the interest ceiling as specified above, he/she cannot claim reimbursement of the said interest.

According to Article 43 of RMBL, given that a written document is issued at the inception of the contract as prescribed by law and that the payment of interest fulfills the conditions set forth therein, the interest is deemed to be reimbursable, notwithstanding the provisions in Article 1, Section 1 of IRRL.

A portion of the maximum interest rate chargeable by ACOM Group exceeds the interest rate ceilings specified in IRRL. In the event that our customers (including agents such as lawyers) apply for a court-mandated rehabilitation or personal bankruptcy, they may deny the payment of the portion exceeding the interest rate ceiling, or seek reimbursement of the said portion that has already been paid to ACOM Group. In some cases, ACOM Group writes off such debts or reimburses such portion of the interest.

In addition, several consumers have taken legal action against consumer finance companies, including ACOM, calling for a reimbursement of the portion of interest exceeding the interest rate ceiling, asserting that such portion of interest does not meet a part of the requirements set forth in Article 43 of RMBL. Recently, in some of court precedents, plaintiffs’ demands were accepted.

Under this situation, customers have been increasingly refusing payment of the portion of interest exceeding the interest rate ceiling and/or calling for reimbursement of such portion already paid year by year, and this trend might be accelerated in the future. The increasing cases of claims might cause a negative effect on ACOM Group’s business performance.

(C) Financing

(a) Financing

ACOM Group primarily secures the necessary funds for operations and debt repayments not only through cash provided by operating activities, but also through financing activities such as borrowings from financial institutions—including banks and insurance companies—and direct financing from capital markets, including bond issues. As of the end of this accounting period, 49.3% of our corporate group’s outstanding interest-bearing debt is resourced from the top 10 lender banks and other financial institutions (excluding those from syndicated loans). While our corporate group has steadily diversified its funding resources in recent years, there is no assurance that the existing main banks and lenders to our corporate group will not change their current lending policy toward us due to a potential reorganization of financial groups in Japan or other factors. Furthermore, there is no assurance that capital markets will always be available as a reliable financing resource in the future.

Our corporate group has not experienced significant difficulties in raising money in recent years, however, if our company’s credit rating was to be downgraded by a credit rating agency, this may cause an increase in interest costs and have a negative effect on our fund raising capabilities in both public and private placement bond markets. Such events would consequently have a significant influence on our business performance.

(b) Borrowing rate of interest

While our borrowing interest rates may fluctuate due to the market environment or other factors, the maximum lending interest rate is limited to 29.2% according to the rules stipulated by the Investment Deposit and Interest Rate Law, irrespective of fluctuations in borrowing interest rates. In order to minimize interest-rate risks, our corporate group takes

various measures, including the use of interest caps and interest rate swap contracts, to mitigate the possible influence of interest-rate fluctuations or other factors in accordance with the principle of securing 80% or more of fixed interest rate based debt among the total debt. However, a possible rising of interest rates might have a negative impact on our business performance in the future.

(D) Allowance for bad debts

In respect of loans receivable and installment sales receivable constituting a majority of total assets of our corporate group, we set up an allowance for bad debts based on the conditions of borrowers and the estimates of pledged collateral value as of the end of this accounting period.

An increase of payment delays and uncollected loans receivable might occur due to future changes in economic conditions, the market environment, and the social structure in Japan. There may also be potential increases in the number of individuals (including loan customers of our corporate group) pursuing remedies under the guardianship of the laws by a revision of legal systems including the Bankruptcy Act, the Law Concerning Specific Conciliation, the Civil Rehabilitation Law, and the Judicial Scrivener Law. For these reasons, an increase in our allowance for bad debts may cause a negative effect on the business performance of our corporate group.

(E) Problem of multiple debtors

For the purpose of addressing the problem of debtors who take out heavy loans or credit-card loans from multiple consumer credit companies, the "Liaison Group of Consumer Finance Companies" announced five urgent tasks, constituting "Promotion of consumer enlightenment activities," "Improvement of counseling functions for consumer loan customers," "Further rigorous credit administration," "Review of advertising content," and "Implementation of disclosure." The group has been taking a serious approach to solving the problems of individual bankruptcies and heavy debtors, as seen by the "Japan Consumer Counseling Fund," which was founded by the leadership of the group on June 13, 1997, with the aim of improving our counseling functions. Moreover, our corporate group has been striving to prevent an increase in heavy debtors and the occurrence of unrecoverable loans by implementing a review of personal credit data obtained from a personal credit information agency on a regular basis, for determining initial and subsequent credit limits for each individual borrower.

In the case wherein the number of multiple debtors increases due to future changes in economic conditions or the market environment in Japan or other factors, an increase in the allowance for bad debts may cause a negative effect on the business performance of our corporate group.

(F) Information system

For the purpose of creating new business, supplying services to customers, and business management, etc., our corporate group is dependent on and has increased its reliance on internal and external information and technical systems. Many new loan customers have opened a loan account through our "MUJINKUN" automatic contract machines, and many prefer to access their loan accounts through ATMs installed by our company and affiliated consumer loan facilities' ATMs to enjoy the services offered.

Our corporate group is further increasing reliance on cutting-edge software, systems, and networks for managing the various components constituting the retail branch network, customers, and account data. ACOM Group is diversifying its operational risks so that we will be able to avoid the negative impact from potential damage or discontinuation of running communication lines, hardware and software problems arising from errors, natural disasters, power blackouts and similar events, or disruptions to support services from third parties, including telecommunications carriers and Internet providers. However, such disruptions, breakdowns, delays or other interruptions to information or technical systems might affect consumer reliance through a reduction in the number of new customers opening accounts or an increase in the number of payment delays on unpaid balances, and consequently such events may cause a negative effect on the business performance of ACOM Group.

In addition, our company has a backup center for the payment and settlement system, in order to avoid any occurrence of business discontinuation. However, it might be possible for our company's business to be suspended in the event of a natural disaster such as an earthquake or flood.

(G) Management of personal information

Upon the full enforcement of the "Law Concerning the Protection of Personal Information" from April 1, 2005, our group's main subsidiaries, including our company, are now regarded as businesses handling personal information as defined by the law. In the management of personal information, including customer information within our corporate group, we have formulated thoroughgoing safety measures for physical security, including controls on entering and leaving the computer center, and for information security, such as controlling access to computer systems. Moreover, we acquired Information Security Management System (ISMS) certification for the operation and maintenance of the Computer Center.

However, when private information is disclosed to other people for any reason whatsoever, the negative effects might not be limited to a worsening of business performance arising from a decline in the reputation of our group or compensation for damages. In the case of a violation of regulations concerning business handling personal information, our company may be subjected to recommendations, orders, and provisions.

(H) Business and capital alliance with Mitsubishi UFJ Financial Group, Inc.

In April 2004, our company entered into a business and capital alliance agreement with Mitsubishi Tokyo Financial Group, Inc. (Present: Mitsubishi UFJ Financial Group, Inc.) In the event of future changes in the legal system governing banks, including a Banking Law change, it might be possible that restrictions shall be applied to certain business areas currently available to our company, its subsidiaries or affiliate companies when a certain ratio or more of total outstanding shares of our company is held by the bank.

Moreover, when another company competing with us in the same business field concludes a similar business and capital alliance agreement with a bank or financial institution, the competition with our group is expected to be keener according to such contractual coverage.

(I) Investment

Our corporate group has so far increased investments in new businesses, including the establishment of joint ventures in new markets and the expansion of our share in the consumer loan market. Since the prospect for profits obtained from such investments is uncertain, there is no assurance that our corporate group will be able to set up or expand new joint businesses successfully.

Our corporate group makes a regular review of the profitability and potential growth of each business. It might be possible that such reviews will make us withdraw from new joint businesses or may require a decrease in human or visible resources allocated to such businesses in the future. In the case wherein a joint business falls short of its profit target, there is a risk that our corporate group will not be able to recoup its existing investments.

In addition, in the event that the stock price of marketable securities which ACOM holds drops substantially, there is a possibility of deteriorating ACOM Group's business results due to the generation of losses from holding marketable securities and a decline in shareholders' equity ratio.

(J) Significant dispute cases

As of the end of this accounting period, our company faces a significant pending litigation in facing accusations in a class-action lawsuit. In this case, the complaint requests us to refund the price paid to a participating store (one company) for goods and services related to our installment sales finance business.

Although the aggregate amount claimed in the case does not have a significant impact on the business performance of our corporate group, it might be possible that similar lawsuits could be brought successively and such occurrence could have an impact on the creditworthiness of our corporate group in future.

(K) Disposal of shares of our company held by Kyosuke Kinoshita, Chairman, Shigeyoshi Kinoshita, President & CEO and other family members, etc.

As of September 30, 2006, Kyosuke Kinoshita, Chairman of our company and Shigeyoshi Kinoshita, President & CEO of our company, in conjunction with other family members and associated companies, own approximately 40% of the total outstanding shares of our company. If these stockholders dispose of a part of their stockholdings at this point, there is the possibility that the stock price of our company may receive a negative effect from an increased supply of our stocks in the market.

(L) Shares of our company held by Kyosuke Kinoshita, Chairman, Shigeyoshi Kinoshita, President & CEO, and the family members, etc.

Since the Kinoshita family and others own or control approximately 40% of the total outstanding shares of our company, they may assert a dominant influence on important decision-making that will impact the business activities of our company, including significant business transactions such as transfer of the controlling stake in our company, restructuring of business operations, investment in other businesses or assets, or the terms and conditions of future financing.

(M) Deregulation

As the legal regulations currently governing the consumer loan industry have been further tightened, including the revision of Money Lending Control Law on January 16, 2004, and a drastic change in market share is not expected by new entrants from outside the industry, we do not expect that new entrants from outside the industry will make a significant change to our market share or have an impact on the business performance of our corporate group in the foreseeable future.

However, if the regulations are relaxed in future, a new situation of competition might occur in the consumer loan industry, and this could have an impact on the business performance of our corporate group.

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

(Millions of yen)

| Subject | Term | Prior interim consolidated accounting period (As of September 30, 2005) | | This interim consolidated accounting period (As of September 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 | | 1,904,071 | 91.5 | 1,898,070 | 91.9 | 1,903,724 | 90.4 | (5,653) | (0.3) |
| Cash and time deposits | | 82,676 | | 74,854 | | 70,402 | | 4,452 | 6.3 |
| Trade notes and accounts receivable | | 438 | | 311 | | 432 | | (120) | (27.9) |
| Loans receivable | | 1,697,962 | | 1,692,422 | | 1,703,172 | | (10,750) | (0.6) |
| Installment accounts receivable | | 158,079 | | 114,037 | | 131,456 | | (17,418) | (13.3) |
| Marketable securities | | 1,201 | | 28 | | 721 | | (693) | (96.0) |
| Inventories | | 21,966 | | 4,149 | | 21,507 | | (17,358) | (80.7) |
| Purchased receivables | | — | | 20,898 | | — | | 20,898 | — |
| Deferred tax assets | | 29,445 | | 45,579 | | 42,591 | | 2,987 | 7.0 |
| Short-term loans | | 9,999 | | 21,791 | | 26,997 | | (5,205) | (19.3) |
| Other current assets | | 25,011 | | 27,835 | | 35,527 | | (7,691) | (21.6) |
| Allowances for bad debts | | (122,712) | | (103,838) | | (129,084) | | 25,246 | (19.6) |
| II. Fixed assets | | 177,288 | 8.5 | 167,464 | 8.1 | 202,956 | 9.6 | (35,491) | (17.5) |
| Tangible fixed assets | | 50,301 | 2.4 | 50,766 | 2.4 | 52,002 | 2.5 | (1,235) | (2.4) |
| Buildings and structures | | 18,988 | | 18,618 | | 19,204 | | (585) | (3.0) |
| Equipment and furniture | | 14,298 | | 15,201 | | 15,787 | | (586) | (3.7) |
| Land | | 16,999 | | 16,937 | | 16,999 | | (61) | (0.4) |
| Other tangible fixed assets | | 14 | | 9 | | 11 | | (1) | (15.7) |
| Intangible fixed assets | | 1,381 | 0.1 | 1,240 | 0.1 | 1,268 | 0.0 | (27) | (2.2) |
| Investments and other assets | | 125,605 | 6.0 | 115,458 | 5.6 | 149,686 | 7.1 | (34,228) | (22.9) |
| Investments in securities | | 105,527 | | 94,203 | | 127,787 | | (33,583) | (26.3) |
| Deferred tax assets | | 1,065 | | 1,292 | | 1,127 | | 164 | 14.6 |
| Guaranty money deposited | | 10,389 | | 10,379 | | 10,503 | | (124) | (1.2) |
| Prepaid pension expenses | | 292 | | 1,257 | | 1,667 | | (409) | (24.5) |
| Other investments and assets | | 11,095 | | 10,528 | | 11,135 | | (607) | (5.5) |
| Allowance for bad debts | | (2,764) | | (2,203) | | (2,535) | | 331 | (13.1) |
| Total Assets | | 2,081,360 | 100.0 | 2,065,535 | 100.0 | 2,106,681 | 100.0 | (41,145) | (2.0) |

(Millions of yen)

| Subject | Term | Prior interim consolidated accounting period (As of September 30, 2005) | | This interim consolidated accounting period (As of September 30, 2006) | | Prior consolidated fiscal year (As of March 31, 2006) | | Change | |
|---------|--|--|-------------------|---|-------------------|--|-------------------|----------|------------|
| | | Amount | Composition ratio | Amount | Composition ratio | Amount | Composition ratio | Amount | Percentage |
| | | | % | | % | | % | | % |
| | (Liabilities) | | % | | % | | % | | % |
| I. | Current liabilities | 497,086 | 23.9 | 409,653 | 19.8 | 468,670 | 22.3 | (59,017) | (12.6) |
| | Notes and accounts payable | 4,631 | | 3,233 | | 4,777 | | (1,544) | (32.3) |
| | Short-term loans | 74,600 | | 46,752 | | 51,729 | | (4,977) | (9.6) |
| | Current portion of long-term loans | 247,672 | | 213,485 | | 229,633 | | (16,417) | (7.0) |
| | Commercial paper | 30,000 | | 60,000 | | 50,000 | | 10,000 | 20.0 |
| | Current portion of bonds and notes | 85,340 | | 35,000 | | 55,000 | | (20,000) | (36.4) |
| | Accrued income taxes | 22,712 | | 23,549 | | 26,375 | | (2,826) | (10.7) |
| | Deferred tax liabilities | 0 | | — | | 7 | | (7) | — |
| | Allowance for loss on debt guarantees | 1,524 | | 1,895 | | 1,647 | | 248 | 15.0 |
| | Allowance for loss on interest repayments | — | | — | | 23,700 | | (23,700) | — |
| | Deferred income on installment sales | 15,796 | | 8,987 | | 11,485 | | (2,498) | (21.8) |
| | Other current liabilities | 14,809 | | 16,750 | | 14,313 | | 2,436 | 17.0 |
| II. | Fixed liabilities | 673,940 | 32.4 | 1,033,912 | 50.1 | 705,415 | 33.5 | 328,496 | 46.6 |
| | Straight bonds | 205,000 | | 209,060 | | 210,000 | | (940) | (0.4) |
| | Long-term loans | 451,651 | | 449,136 | | 468,222 | | (19,085) | (4.1) |
| | Deferred tax liabilities | 11,995 | | 13,397 | | 22,062 | | (8,664) | (39.3) |
| | Allowance for employees' retirement benefits | 289 | | 295 | | 318 | | (22) | (7.2) |
| | Allowance for directors' and corporate auditors' retirement benefits | 803 | | 862 | | 851 | | 10 | 1.2 |
| | Allowance for loss on interest repayments | — | | 357,500 | | — | | 357,500 | — |
| | Other fixed liabilities | 4,200 | | 3,659 | | 3,961 | | (301) | (7.6) |
| | Total liabilities | 1,171,027 | 56.3 | 1,443,565 | 69.9 | 1,174,085 | 55.8 | 269,479 | 23.0 |

| Subject \ Term | Prior interim consolidated accounting period (As of September 30, 2005) | | This interim consolidated accounting period (As of September 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 | 4,785 | 0.2 | — | — | 4,873 | 0.2 | | |
| (Shareholders' equity) | | | | | | | | |
| I. Common stock | 63,832 | 3.1 | — | — | 63,832 | 3.0 | | |
| II. Capital surplus | 76,121 | 3.6 | — | — | 76,020 | 3.6 | | |
| III. Earned surplus | 767,777 | 36.9 | — | — | 776,021 | 36.9 | | |
| IV. Securities valuation adjustment | 18,655 | 0.9 | — | — | 31,886 | 1.5 | | |
| V. Foreign currency translation adjustments | (1,962) | (0.1) | — | — | (1,498) | (0.1) | | |
| VI. Treasury stock | (18,877) | (0.9) | — | — | (18,538) | (0.9) | | |
| Total shareholders' equity | 905,547 | 43.5 | — | — | 927,722 | 44.0 | | |
| Total liabilities, minority interests, and shareholders' equity | 2,081,360 | 100.0 | — | — | 2,106,681 | 100.0 | | |
| (Net assets) | | | | | | | | |
| I. Shareholders' equity | | | 604,177 | 29.3 | | | | |
| Common stock | | | 63,832 | 3.1 | | | | |
| Capital surplus | | | 76,010 | 3.7 | | | | |
| Earned surplus | | | 482,842 | 23.4 | | | | |
| Treasury stock | | | (18,508) | (0.9) | | | | |
| II. Valuation and translation adjustments | | | 10,482 | 0.5 | | | | |
| Securities valuation adjustment | | | 11,993 | 0.6 | | | | |
| Deferred gains (losses) on hedges | | | (3) | (0.0) | | | | |
| Foreign currency translation adjustments | | | (1,507) | (0.1) | | | | |
| III. Minority interests | | | 7,309 | 0.3 | | | | |
| Total net assets | | | 621,969 | 30.1 | | | | |
| Total liabilities and net assets | | | 2,065,535 | 100.0 | | | | |

(2) Interim Consolidated Income Statements

(Millions of yen)

| Subject | Term | Prior interim consolidated accounting period From April 1, 2005 to September 30, 2005 | | This interim consolidated accounting period From April 1, 2006 to September 30, 2006 | | Change | | Prior consolidated fiscal year From April 1, 2005 to March 31, 2006 | |
|--|------|---|------------|--|------------|-----------|------------|---|------------|
| | | Amount | Percentage | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| | | | % | | % | | % | | % |
| I. Operating income | | 222,182 | 100.0 | 215,880 | 100.0 | (6,302) | (2.8) | 445,431 | 100.0 |
| Interest on loans receivable | | 195,781 | | 188,184 | | (7,597) | (3.9) | 389,387 | |
| Fees from credit card business | | 3,144 | | 2,992 | | (152) | (4.8) | 6,211 | |
| Fees from installment sales finance business | | 7,291 | | 4,496 | | (2,795) | (38.3) | 13,733 | |
| Fees on guaranteed loans receivable | | 2,530 | | 2,903 | | 373 | 14.8 | 5,203 | |
| Collection of purchased loans receivable | | 4,936 | | 6,973 | | 2,037 | 41.3 | 13,322 | |
| Other financial income | | 15 | | 30 | | 14 | 90.2 | 49 | |
| Sales | | 3,809 | | 4,838 | | 1,028 | 27.0 | 7,681 | |
| Other operating income | | 4,673 | | 5,461 | | 788 | 16.9 | 9,841 | |
| II. Operating expenses | | 143,390 | 64.5 | 157,668 | 73.0 | 14,278 | 10.0 | 335,039 | 75.2 |
| Financial expenses | | 10,472 | 4.7 | 10,136 | 4.7 | (335) | (3.2) | 20,711 | 4.6 |
| Cost of purchased loans receivable | | 2,732 | 1.2 | 4,287 | 2.0 | 1,555 | 56.9 | 8,064 | 1.8 |
| Cost of sales | | 2,448 | 1.1 | 3,321 | 1.5 | 872 | 35.6 | 5,126 | 1.2 |
| Other operating expenses | | 127,736 | 57.5 | 139,922 | 64.8 | 12,185 | 9.5 | 301,136 | 67.6 |
| Operating profit | | 78,792 | 35.5 | 58,211 | 27.0 | (20,581) | (26.1) | 110,392 | 24.8 |
| III. Non-operating income | | 1,246 | 0.6 | 1,823 | 0.8 | 577 | 46.3 | 2,759 | 0.6 |
| Interest income | | 139 | | 207 | | 68 | 48.8 | 329 | |
| Dividends received | | 168 | | 513 | | 345 | 204.9 | 484 | |
| Gains on investments in equity-method | | 251 | | 465 | | 214 | 85.3 | 734 | |
| Income from anonymous association agreement | | 234 | | — | | (234) | — | — | |
| Rent from corporate residence | | 246 | | 249 | | 2 | 1.2 | 493 | |
| Other non-operating income | | 205 | | 386 | | 180 | 87.9 | 717 | |
| IV. Non-operating expenses | | 123 | 0.1 | 18 | 0.0 | (104) | (84.8) | 140 | 0.0 |
| Interest expenses | | 3 | | 0 | | (3) | (95.8) | 5 | |
| Loss on investments in investing business association | | 77 | | 4 | | (73) | (94.8) | 71 | |
| Other non-operating expenses | | 41 | | 14 | | (27) | (65.2) | 64 | |
| Income before extraordinary items | | 79,916 | 36.0 | 60,016 | 27.8 | (19,899) | (24.9) | 113,011 | 25.4 |
| V. Extraordinary income | | 400 | 0.2 | 221 | 0.1 | (179) | (44.8) | 411 | 0.1 |
| Gains on sale of fixed assets | | 223 | | 0 | | (222) | (99.8) | 224 | |
| Gains on sale of investments in securities | | 177 | | 198 | | 20 | 11.6 | 177 | |
| Other extraordinary income | | — | | 22 | | 22 | — | 9 | |
| VI. Extraordinary losses | | 743 | 0.4 | 317,461 | 147.1 | 316,717 | — | 1,363 | 0.3 |
| Loss on sale of fixed assets | | 364 | | 40 | | (324) | (89.0) | 468 | |
| Loss on disposal of fixed assets | | 345 | | 272 | | (72) | (21.1) | 802 | |
| Impairment loss | | — | | 8 | | 8 | — | 4 | |
| Loss on sale of investments in securities | | — | | 18 | | 18 | — | — | |
| Loss on revaluation of investments in securities | | — | | 33 | | 33 | — | — | |
| Special Provision for loss on interest repayments | | — | | 317,061 | | 317,061 | — | — | |
| Other extraordinary losses | | 33 | | 26 | | (7) | (21.5) | 88 | |
| Income (loss) before income taxes | | 79,572 | 35.8 | (257,223) | (119.2) | (336,796) | — | 112,059 | 25.2 |
| Income taxes (corporation tax, inhabitants' tax and enterprise tax) | | 22,078 | 14.9 | 23,063 | 11.5 | 984 | (25.1) | 47,389 | 10.5 |
| Deferred income taxes | | 11,057 | | 1,739 | | (9,317) | | (968) | |
| Minority interests in earnings of consolidated subsidiaries | | 86 | 0.0 | 115 | 0.0 | 28 | 33.6 | 43 | 0.0 |
| Net income | | 46,351 | 20.9 | (282,140) | (130.7) | (328,492) | — | 65,595 | 14.7 |

(3) Consolidated Statements of Retained Earnings

(Millions of yen)

| Subject | Term | Prior interim consolidated accounting period (From April 1, 2005 to September 30, 2005) | | Prior consolidated fiscal year (From April 1, 2005 to March 31, 2006) | |
|-----------------|---|--|---------|--|---------|
| | | Amount | | Amount | |
| Capital surplus | | | | | |
| I. | Capital surplus at the beginning of the fiscal year | | 76,458 | | 76,458 |
| II. | Decrease in capital surplus | | | | |
| | Net loss on disposal of treasury stock | 336 | 336 | 438 | 438 |
| III. | Capital surplus at the end of the interim accounting period and fiscal year | | 76,121 | | 76,020 |
| Earned surplus | | | | | |
| I. | Earned surplus at the beginning of the fiscal year | | 730,168 | | 730,168 |
| II. | Increase in earned surplus | | | | |
| | Net income | 46,351 | 46,351 | 65,595 | 65,595 |
| III. | Decrease in earned surplus | | | | |
| | Dividends | 8,706 | | 19,706 | |
| | Bonuses to directors | 36 | 8,743 | 36 | 19,742 |
| IV. | Earned surplus at the end of the interim accounting period and fiscal year | | 767,777 | | 776,021 |

(4) Summarized Consolidated Statement of Changes in Net Assets
 This Interim Accounting Period (From April 1, 2006 to September 30, 2006)

(Millions of yen)

| | Shareholders' equity | | | | Total shareholders' equity |
|--|----------------------|-----------------|----------------|----------------|----------------------------|
| | Common stock | Capital surplus | Earned surplus | Treasury stock | |
| Balance as of March 31, 2006 | 63,832 | 76,020 | 776,021 | (18,538) | 897,334 |
| Changes during this interim accounting period | | | | | |
| Dividends from surplus (note) | | | (11,003) | | (11,003) |
| Bonuses to directors (note) | | | (34) | | (34) |
| Net income (loss) for this interim accounting period | | | (282,140) | | (282,140) |
| Acquisition of treasury stock | | | | (0) | (0) |
| Disposal of treasury stock | | (9) | | 30 | 21 |
| Total changes during this interim accounting period | | (9) | (293,178) | 30 | (293,157) |
| Balance as of September 30, 2006 | 63,832 | 76,010 | 482,842 | (18,508) | 604,177 |

| | 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 interim accounting period | | | | | | |
| Dividends from surplus (note) | | | | | | (11,003) |
| Bonuses to directors (note) | | | | | | (34) |
| Net income (loss) for the this interim accounting period | | | | | | (282,140) |
| Acquisition of treasury stock | | | | | | (0) |
| Disposal of treasury stock | | | | | | 21 |
| Net changes of items other than shareholders' equity during this interim accounting period | (19,892) | (3) | (8) | (19,904) | 2,436 | (17,468) |
| Total changes during this interim accounting period | (19,892) | (3) | (8) | (19,904) | 2,436 | (310,625) |
| Balance as of September 2006 | 11,993 | (3) | (1,507) | 10,482 | 7,309 | 621,969 |

Note: Items represent disposal of retained earnings at the Annual Shareholders' Meeting in June 2006.

(5) 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, 2005 to September 30, 2005 | From April 1, 2006 to September 30, 2006 | | From April 1, 2005 to March 31, 2006 |
| | | Amount | Amount | | Amount |
| I. Cash flows from operating activities | | | | | |
| Income (loss) before income taxes | | 79,572 | (257,223) | (336,796) | 112,059 |
| Depreciation and amortization | | 2,277 | 2,016 | (260) | 4,805 |
| Impairment loss | | — | 8 | 8 | 4 |
| Increase (decrease) in allowance for bad debts | | (4,830) | (25,850) | (21,019) | 1,084 |
| Increase (decrease) in allowance for loss on debt guaranteed loans receivable | | (34) | 248 | 282 | 89 |
| Increase (decrease) in allowance for loss of interest repayments | | — | 333,800 | 333,800 | 23,700 |
| Increase (decrease) in allowance for employees' retirement benefits | | 32 | (31) | (64) | 51 |
| Increase (decrease) in allowance for directors' and statutory auditors' retirement benefits | | (44) | 10 | 54 | 3 |
| Non-operating interest and dividends income | | (308) | (721) | (413) | (814) |
| Non-operating interest expense | | 3 | 0 | (3) | 5 |
| Amortization of bond-issue expenses | | 193 | 40 | (152) | 383 |
| Loss (gain) on foreign currency exchanges | | (9) | 0 | 10 | (36) |
| Loss (gain) on investments in equity-method | | (251) | (465) | (214) | (734) |
| Loss (gain) on sales of tangible fixed assets | | 141 | 15 | (126) | 144 |
| Loss on disposal of tangible fixed assets | | 345 | 272 | (72) | 802 |
| Loss (gain) on sales of investments in securities | | (177) | (179) | (1) | (177) |
| Loss on revaluation of investments in securities | | — | 33 | 33 | — |
| Decrease (increase) in notes and accounts receivable | | 123 | 120 | (2) | 129 |
| Decrease (increase) in loans receivable | | (17,778) | 12,296 | 30,075 | (21,697) |
| Decrease (increase) in installment accounts receivable | | 18,698 | 18,475 | (222) | 47,101 |
| Decrease (increase) in inventories | | (3,269) | (58) | 3,211 | (4,803) |
| Decrease (Increase) in purchased receivables | | — | (3,474) | (3,474) | — |
| Decrease (increase) in other current assets | | (25) | (594) | (569) | (268) |
| Increase (decrease) in notes and accounts payable | | (1,449) | (1,553) | (104) | (1,343) |
| Increase (decrease) in deferred income on installment sales | | (2,035) | (2,732) | (697) | (6,741) |
| Increase (decrease) in other current liabilities | | (2,969) | 2,425 | 5,395 | (3,724) |
| Bonus paid to directors | | (36) | (34) | 2 | (36) |
| Increase (decrease) in other operating activities | | 889 | 12 | (876) | (911) |
| Subtotal | | 69,057 | 76,858 | 7,801 | 149,074 |
| Non-operating interest and dividends received | | 355 | 772 | 417 | 852 |
| Non-operating interest paid | | (4) | (0) | 4 | (5) |
| Income taxes paid | | (27,859) | (25,818) | 2,040 | (49,695) |
| Cash used in operating activities | | 41,548 | 51,812 | 10,264 | 100,226 |

(Millions of yen)

| Subject | Term | Prior interim consolidated accounting period From April 1, 2005 to September 30, 2005 | This interim consolidated accounting period From April 1, 2006 to September 30, 2006 | Change | Prior consolidated fiscal year From April 1, 2005 to March 31, 2006 |
|--|------|--|---|----------|--|
| | | Amount | Amount | Amount | Amount |
| II. Cash flow from investing activities | | | | | |
| Additions to time deposit | | (10) | — | 10 | (10) |
| Maturity of time deposit | | 46 | — | (46) | 112 |
| Proceeds from sale of securities | | — | 576 | 576 | 590 |
| Purchase of tangible fixed assets | | (1,793) | (1,197) | 595 | (4,227) |
| Proceeds from sale of tangible fixed assets | | 791 | 58 | (733) | 798 |
| Purchase of investments in securities | | (45,630) | (257) | 45,373 | (46,078) |
| Proceeds from sale of investments in securities | | 946 | 1,031 | 85 | 1,796 |
| Proceeds from collection of loans | | 34 | — | (34) | 34 |
| Increase in other investments | | (289) | (500) | (211) | (1,214) |
| Decrease in other investments | | 2,227 | 643 | (1,584) | 3,200 |
| Increase (decrease) in other investment activities | | (0) | — | 0 | 24 |
| Net cash provided by (used in) investing activities | | (43,678) | 353 | 44,031 | (44,973) |
| III. Cash flow from financing activities | | | | | |
| Proceeds from short-term loans | | 140,032 | 168,667 | 28,635 | 262,945 |
| Repayments of short-term loans | | (101,602) | (174,326) | (72,724) | (248,009) |
| Proceeds from issue of commercial paper | | 70,000 | 110,000 | 40,000 | 160,000 |
| Payments for redemption of commercial paper | | (60,000) | (100,000) | (40,000) | (130,000) |
| Proceeds from issue of straight bonds | | 29,807 | 9,018 | (20,788) | 59,615 |
| Payments for redemption of straight bonds | | (15,300) | (30,000) | (14,700) | (71,040) |
| Payments for deposit on redemption of straight bonds | | — | — | — | (10,000) |
| Proceeds from deposit on redemption of straight bonds | | — | 10,000 | 10,000 | — |
| Proceeds from long-term debt | | 44,520 | 81,575 | 37,054 | 171,962 |
| Repayments of long-term debt | | (141,612) | (118,244) | 23,368 | (271,851) |
| Gain on disposal of treasury stock | | 783 | 21 | (762) | 1,020 |
| Payments for purchase of treasury stock | | (9,207) | (0) | 9,207 | (9,207) |
| Cash dividends paid by the Company | | (8,705) | (11,009) | (2,303) | (19,694) |
| Increase (decrease) in other financing activities | | (91) | (33) | 57 | (130) |
| Net cash provided by financing activities | | (51,375) | (54,330) | (2,955) | (104,389) |
| IV. Effect of exchange rate change on cash and cash equivalents | | 246 | (38) | (284) | 616 |
| V. Increase (decrease) in cash and cash equivalents | | (53,258) | (2,203) | 51,055 | (48,520) |
| VI. Cash and cash equivalents at the beginning of the year | | 145,920 | 97,399 | (48,520) | 145,920 |
| VII. Increase in cash and cash equivalents due to inclusion of new consolidated subsidiaries | | — | 1,450 | 1,450 | — |
| VIII. Cash and cash equivalents at the end of the interim accounting period and fiscal year | | 92,661 | 96,646 | 3,985 | 97,399 |

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

(A) Extent of consolidation

Number of consolidated subsidiaries: 21

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

From this interim consolidated accounting period, pursuant to "PITF No. 20 Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations (issued by the Accounting Standards Board of Japan on September 8, 2006)," MTBC First Investment Partnership, MTBC Second Investment Partnership and MTBC Third Investment Partnership became consolidated subsidiaries.

Yugensekinin-Chukanhojin Mirai Capital and Power Investments LLC were newly established and became consolidated subsidiaries in this consolidated fiscal year.

ACOM PACIFIC INC., which was a consolidated subsidiary until the prior consolidated fiscal year, is excluded from consolidated subsidiaries as it was dissolved during the prior consolidated fiscal year.

(B) Application of the equity method

Number of equity method affiliates: 1

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

(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.

EASY BUY Public Company Limited

ACOM FUNDING CO., LTD.

Yugensekinin-Chukanhojin Mirai Capital

Power Investments LLC

MTBC First Investment Partnership

MTBC Second Investment Partnership

MTBC Third Investment Partnership

AC Ventures Fourth Investment Partnership

The interim period of the following consolidated subsidiary ends on August 31:

AC Ventures Fifth Investment Partnership

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) 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

The equity in limited investment partnership and other similar partnership (deemed as securities by the Article 2, Section 2 of the Securities and Exchange Law) is accounted for by the equity method, based on its latest financial statements available considering the closing dates stipulated by the respective partnership contracts.

(2) Inventories

Purchased loans receivable ... 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 49 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 loss on interest repayments

We estimate and allocate a reasonable amount of repayments to be reserved for future loss on interest repayments, based on the historical data of repayments and recent status of repayments.

(Additional information)

In response to "Audit procedures of consumer financing companies concerning the allowance for loss caused by interest repayments claims (Technical topic report No. 37)," which was issued by the Japanese Institute of Certified Public Accountants on October 13, 2006 to clarify the policy concerning methods for calculating the allowance for loss on interest repayments and the reasonable period of estimation, the method used to compute amounts of the said allowance was changed in this consolidated interim accounting period.

The balance of 317,061 million yen between the allowance amount at the beginning of period computed based on the aforementioned procedures and the allowance amount computed based on the estimation method of the previous consolidated fiscal year (including 33,238 million yen, the amount transferred from the initial balance of the allowance) was included in the extraordinary loss.

As a result, compared to the method utilized in the previous consolidated fiscal year, operating profit and income before extraordinary items increased by 41,754 million yen, and loss before income taxes increased by 275,306 million yen.

(4) 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 some of 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.

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

The Company and some of 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 some of 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 and bonds.

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.

(7) Change in Accounting Policies

(Accounting standards for presentation of net assets in the balance sheet)

“ASBJ Statement No. 5, Accounting Standards for Presentation of Net Assets in the Balance Sheet and its Implementation Guidance (issued by the Accounting Standards Board of Japan on December 9, 2005)” and “ASBJ Guidance No. 8, Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet (issued by the Accounting Standards Board of Japan on December 9, 2005)” have been applied from the current interim consolidated accounting period.

The amount corresponding to the conventional shareholders' equity is 614,663 million yen.

Additionally, the statement of net assets in the current interim consolidated accounting period was prepared in accordance with the revised rules for interim consolidated financial statements in response to the amendment of the regulations concerning such statements.

(Practical application of control criteria and influence criteria to investment associations)

“PITF No. 20 Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations (issued by the Accounting Standards Board of Japan on September 8, 2006)” has been adopted from the current interim

consolidated accounting period.

Comparison of the results based on the above method to those based on the conventional standard is discussed below.

<Interim consolidated balance sheet>

Current assets increased by 2,755 million yen, fixed assets decreased by 278 million yen, current liabilities increased by 14 million yen, and minority interests in consolidated subsidiaries increased by 2,491 million yen.

<Interim consolidated income statements>

Operating income increased by 385 million yen, operating expenses increased by 61 million yen, operating profit and income before extraordinary items increased by 323 million yen, loss before income taxes decreased by 323 million yen, and minority interests in consolidated subsidiaries increased by 323 million yen.

<Interim consolidated statements of cash flows>

The cash flow from operating activities decreased by 288 million yen, and cash and cash equivalents increased by 1,450 million yen due to additional consolidation of subsidiaries, thus the balance of cash and cash equivalents at the end of the interim accounting period increased by 1,162 million yen.

(8) Changes in disclosure methods

(Interim consolidated balance sheet)

“Purchased receivables” which was included and presented in the “Inventories” account of current assets up to the prior interim consolidated accounting period, are now separately presented, as the amount of purchased receivables has exceeded one per cent of the total assets.

The “Purchased receivables” figure of the previous interim consolidated accounting period was 15,930 million yen.

(Interim consolidated statements of cash flows)

“Decrease (increase) in purchased receivables,” which was included in the “Decrease (increase) in inventories” under cash flow for the operating activities up to the prior interim consolidated accounting period, is separately presented in the interim consolidated statements of cash flows as well in accordance with a separate statement of “Purchased receivables.”

The “Decrease (increase) in purchased receivables” of the previous interim consolidated accounting period was a decrease of 3,206 million yen.

(9) Notes to Interim Consolidated Balance Sheets

| Prior interim consolidated accounting period (As of September 30, 2005) | This interim consolidated accounting period (As of September 30, 2006) | Prior consolidated fiscal year (As of March 31, 2006) |
|--|---|--|
| 1. Cumulative depreciation of tangible fixed assets 45,177 million yen | 1. Cumulative depreciation of tangible fixed assets 47,253 million yen | 1. Cumulative depreciation of tangible fixed assets 46,018 million yen |
| 2. Assets pledged as security (Millions of yen) | 2. Assets pledged as security (Millions of yen) | 2. Assets pledged as security (Millions of yen) |
| (1) Pledged assets | (1) Pledged assets | (1) Pledged assets |
| Loans receivable | Loans receivable | Loans receivable |
| 413,416 <62,002> [29,806] | 272,246 <31,764> [24,512] | 340,716 <46,582> [27,623] |
| (2) Secured liabilities | (2) Secured liabilities | (2) Secured liabilities |
| Short-term loans | Short-term loans | Short-term loans |
| Current portion of long-term loans | Current portion of long-term loans | Current portion of long-term loans |
| Long-term loans | Long-term loans | Long-term loans |
| 1,000 <1,000> 142,730 <29,134> [7,960] 259,656 <31,757> [11,940] 403,386 <61,891> [19,900] | 119,359 <19,519> [7,960] 140,297 <12,238> [3,980] 259,656 <31,757> [11,940] | 1,000 <1,000> 130,508 <24,217> [7,960] 197,383 <21,254> [7,960] 328,891 <46,471> [15,920] |
| 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. | Figures in brackets represent amounts engaged in transferring assignment of claims and figures in the brackets "[]" represent amounts relating to securitization. |
| 3. _____ | 3. Bills matured on the last day of the interim consolidated accounting period As to accounting procedures for bills matured on the last day of the interim consolidated accounting period, they were settled on the date of clearance. However, the last day of the current interim consolidated accounting period fell on a banking holiday, therefore, 2 million yen of trade note receivables that matured on the last day of the interim consolidated accounting period are included in the balance at the end of the interim consolidated accounting period. | 3. _____ |
| 4. Contingent liabilities (1) Amount of guaranteed loans of guarantee business (Millions of yen) | 4. Contingent liabilities (1) Amount of guaranteed loans of guarantee business (Millions of yen) | 4. Contingent liabilities (1) Amount of guaranteed loans of guarantee business (Millions of yen) |
| Guaranteed loans | Guaranteed loans | Guaranteed loans |
| Allowance for loss on debt guarantees | Allowance for loss on debt guarantees | Allowance for loss on debt guarantees |
| 83,580 1,524 82,056 | 98,754 1,895 96,858 | 89,894 1,647 88,246 |
| Net | Net | Net |

| Prior interim consolidated accounting period (As of September 30, 2005) | This interim consolidated accounting period (As of September 30, 2006) | Prior consolidated fiscal year (As of March 31, 2006) |
|---|---|--|
| <p>5. Commitment line contracts for loans receivables</p> <p>Loans extended by the Company and some of its consolidated subsidiaries 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 842,013 million yen at the end of the interim consolidated accounting period. This included a total of 572,658 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 and its consolidated subsidiaries.</p> <p>Contracts contain provisions allowing the Company and its consolidated subsidiaries 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. Commitment line contracts for loans receivables</p> <p>Loans extended by the Company and some of its consolidated subsidiaries 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 908,451 million yen at the end of the interim consolidated accounting period. This included a total of 639,242 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 and its consolidated subsidiaries.</p> <p>Contracts contain provisions allowing the Company and its consolidated subsidiaries 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. Commitment line contracts for loans receivables</p> <p>Loans extended by the Company and some of consolidated subsidiaries 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 880,903 million yen at the end of the accounting period. This included a total of 611,480 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the accounting period. A certain portion of revolving credit line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company and consolidated subsidiaries.</p> <p>Contracts contain provisions allowing the Company and consolidated subsidiaries 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> |

| Prior interim consolidated accounting period (As of September 30, 2005) | This interim consolidated accounting period (As of September 30, 2006) | Prior consolidated fiscal year (As of March 31, 2006) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|-------------------------|---------------------------|------------------|--|------------------|--------------------|---|---------------------------------------|-------------------|--|--------------------|--------------------|---|-------|--------------------|--|---|----------|--------|-------------------------|---------------------------|------------------|--|------------------|--------------------|---|---------------------------------------|-------------------|--|--------------------|--------------------|---|-------|----------------------|--|--|----------|--------|-------------------------|---------------------------|------------------|--|------------------|--------------------|---|---------------------------------------|-------------------|--|--------------------|--------------------|---|-------|---------------------|--|
| <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 4,499 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 26,450 million yen. Under the policies stipulated in Japan's tax laws, 13,051 million yen of this amount would be classified as loans overdue by three months or more, 5,915 million yen as restructured loans and 7,484 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 style="text-align: right;">(Millions of yen)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Amount</th> <th>Classification criteria</th> </tr> </thead> <tbody> <tr> <td>Loans to bankrupt parties</td> <td>(8,591) 8,591</td> <td>Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.</td> </tr> <tr> <td>Loans in arrears</td> <td>(11,701) 38,152</td> <td>Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor.</td> </tr> <tr> <td>Loans overdue by three months or more</td> <td>(15,600) 2,548</td> <td>Loans other than the above that are overdue by three months or more.</td> </tr> <tr> <td>Restructured loans</td> <td>(51,438) 45,523</td> <td>Loans on which favorable terms have been granted, such as the waiving of interest to facilitate recovery of the loans other than the above.</td> </tr> <tr> <td>Total</td> <td>(87,331) 94,815</td> <td></td> </tr> </tbody> </table> <p>Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.</p> | Category | Amount | Classification criteria | Loans to bankrupt parties | (8,591) 8,591 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others. | Loans in arrears | (11,701) 38,152 | Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor. | Loans overdue by three months or more | (15,600) 2,548 | Loans other than the above that are overdue by three months or more. | Restructured loans | (51,438) 45,523 | 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 | (87,331) 94,815 | | <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 3,547 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 54,080 million yen. Under the policies stipulated in Japan's tax laws, 19,095 million yen of this amount would be classified as loans overdue by three months or more, 8,289 million yen as restructured loans and 26,694 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 style="text-align: right;">(Millions of yen)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Amount</th> <th>Classification criteria</th> </tr> </thead> <tbody> <tr> <td>Loans to bankrupt parties</td> <td>(7,317) 7,317</td> <td>Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.</td> </tr> <tr> <td>Loans in arrears</td> <td>(15,393) 69,473</td> <td>Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor.</td> </tr> <tr> <td>Loans overdue by three months or more</td> <td>(20,294) 1,199</td> <td>Loans other than the above that are overdue by three months or more.</td> </tr> <tr> <td>Restructured loans</td> <td>(67,411) 59,121</td> <td>Loans on which favorable terms have been granted, such as the waiving of interest to facilitate recovery of the loans other than the above.</td> </tr> <tr> <td>Total</td> <td>(110,418) 137,112</td> <td></td> </tr> </tbody> </table> <p>Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.</p> | Category | Amount | Classification criteria | Loans to bankrupt parties | (7,317) 7,317 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others. | Loans in arrears | (15,393) 69,473 | Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor. | Loans overdue by three months or more | (20,294) 1,199 | Loans other than the above that are overdue by three months or more. | Restructured loans | (67,411) 59,121 | 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 | (110,418) 137,112 | | <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 3,852 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 37,382 million yen. Under the policies stipulated in Japan's tax laws, 12,635 million yen of this amount would be classified as loans overdue by three months or more, 7,205 million yen as restructured loans and 17,541 million yen as loans no longer in arrears.</p> <p>Accrued interest on the loans of consolidated subsidiaries is added up according to the policies stipulated in Japan's corporation tax law. That of overseas consolidated subsidiaries is added up according to the policies stipulated in accounting standards applicable in countries where they operate.</p> <p style="text-align: right;">(Millions of yen)</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Amount</th> <th>Classification criteria</th> </tr> </thead> <tbody> <tr> <td>Loans to bankrupt parties</td> <td>(7,707) 7,707</td> <td>Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.</td> </tr> <tr> <td>Loans in arrears</td> <td>(12,521) 49,904</td> <td>Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor.</td> </tr> <tr> <td>Loans overdue by three months or more</td> <td>(14,631) 1,995</td> <td>Loans other than the above that are overdue by three months or more.</td> </tr> <tr> <td>Restructured loans</td> <td>(61,969) 54,764</td> <td>Loans on which favorable terms have been granted, such as the waiving of interest to facilitate recovery of the loans other than the above.</td> </tr> <tr> <td>Total</td> <td>(96,829) 114,371</td> <td></td> </tr> </tbody> </table> <p>Figures in brackets refer to the balance of delinquent loans computed according to the policies set forth in Japanese tax laws.</p> | Category | Amount | Classification criteria | Loans to bankrupt parties | (7,707) 7,707 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others. | Loans in arrears | (12,521) 49,904 | Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor. | Loans overdue by three months or more | (14,631) 1,995 | Loans other than the above that are overdue by three months or more. | Restructured loans | (61,969) 54,764 | 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 | (96,829) 114,371 | |
| Category | Amount | Classification criteria | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans to bankrupt parties | (8,591) 8,591 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans in arrears | (11,701) 38,152 | Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans overdue by three months or more | (15,600) 2,548 | Loans other than the above that are overdue by three months or more. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Restructured loans | (51,438) 45,523 | 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 | (87,331) 94,815 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Category | Amount | Classification criteria | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans to bankrupt parties | (7,317) 7,317 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans in arrears | (15,393) 69,473 | Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans overdue by three months or more | (20,294) 1,199 | Loans other than the above that are overdue by three months or more. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Restructured loans | (67,411) 59,121 | 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 | (110,418) 137,112 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Category | Amount | Classification criteria | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans to bankrupt parties | (7,707) 7,707 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans in arrears | (12,521) 49,904 | Other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans overdue by three months or more | (14,631) 1,995 | Loans other than the above that are overdue by three months or more. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Restructured loans | (61,969) 54,764 | 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 | (96,829) 114,371 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Prior interim consolidated accounting period (As of September 30, 2005) | This interim consolidated accounting period (As of September 30, 2006) | Prior consolidated fiscal year (As of March 31, 2006) | | | | | | | | | | | | | | | | | | |
|---|--|--|---------------------|---------|---------------|---------|---|--|---------|---------------------|---------|---------------|---------|---|--|---------|---------------------|--------|---------------|---------|
| <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;">9,999 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;">9,999 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;">21,791 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;">21,787 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;">26,997 million yen</p> <p>Market value of marketable securities purchased at the end of the consolidated accounting period</p> <p style="text-align: right;">26,972 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 7 financial institutions and designated commitment line contracts with 20 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: 80%;">Agreed amount of agreement for overdraft and commitment line</td> <td style="text-align: right;">311,710</td> </tr> <tr> <td>Amount of borrowing</td> <td style="text-align: right;">128,797</td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">182,913</td> </tr> </table> | Agreed amount of agreement for overdraft and commitment line | 311,710 | Amount of borrowing | 128,797 | Unused amount | 182,913 | <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 19 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: 80%;">Agreed amount of agreement for overdraft and commitment line</td> <td style="text-align: right;">279,433</td> </tr> <tr> <td>Amount of borrowing</td> <td style="text-align: right;">101,903</td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">177,529</td> </tr> </table> | Agreed amount of agreement for overdraft and commitment line | 279,433 | Amount of borrowing | 101,903 | Unused amount | 177,529 | <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 22 financial institutions. As of the end of this 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: 80%;">Agreed amount of agreement for overdraft and commitment line</td> <td style="text-align: right;">331,853</td> </tr> <tr> <td>Amount of borrowing</td> <td style="text-align: right;">99,004</td> </tr> <tr> <td>Unused amount</td> <td style="text-align: right;">232,849</td> </tr> </table> | Agreed amount of agreement for overdraft and commitment line | 331,853 | Amount of borrowing | 99,004 | Unused amount | 232,849 |
| Agreed amount of agreement for overdraft and commitment line | 311,710 | | | | | | | | | | | | | | | | | | | |
| Amount of borrowing | 128,797 | | | | | | | | | | | | | | | | | | | |
| Unused amount | 182,913 | | | | | | | | | | | | | | | | | | | |
| Agreed amount of agreement for overdraft and commitment line | 279,433 | | | | | | | | | | | | | | | | | | | |
| Amount of borrowing | 101,903 | | | | | | | | | | | | | | | | | | | |
| Unused amount | 177,529 | | | | | | | | | | | | | | | | | | | |
| Agreed amount of agreement for overdraft and commitment line | 331,853 | | | | | | | | | | | | | | | | | | | |
| Amount of borrowing | 99,004 | | | | | | | | | | | | | | | | | | | |
| Unused amount | 232,849 | | | | | | | | | | | | | | | | | | | |

(10) Notes to Interim Consolidated Income Statements

| Prior interim consolidated accounting period (From April 1, 2005 to September 30, 2005) | This interim consolidated accounting period (From April 1, 2006 to September 30, 2006) | Prior consolidated fiscal year (From April 1, 2005 to March 31, 2006) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|----------------------------|--------|---------------------------------------|-----|--|----------------------|-----------------------------|----------------------------|--|-----------------------------|------------------|---|----------------------|--------|----------------------------|-------|-----------------------------|--------|---|----------------------|-------|-------------------------|--------|---------------------------------------|-------|---|--------|----------|--------|-----------------------------|-----|--|----|------------------|-------|--------|-------|-----------------------|-------|------|--------|--|----------------------|--------|-------------------------|---------|---------------------------------------|-------|---|--------|----------|--------|-----------------------------|-------|--|----|------------------|-------|--------|--------|-----------------------|-------|------|--------|
| <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: 80%;">Interest on deposits</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Interest on loans</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Effect of currency exchange</td> <td style="text-align: right;">9</td> </tr> </table> | Interest on deposits | 1 | Interest on loans | 4 | Effect of currency exchange | 9 | <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: 80%;">Interest on deposits</td> <td style="text-align: right;">11</td> </tr> <tr> <td>Interest on loans</td> <td style="text-align: right;">16</td> </tr> <tr> <td>Effect of currency exchange</td> <td style="text-align: right;">1</td> </tr> </table> | Interest on deposits | 11 | Interest on loans | 16 | Effect of currency exchange | 1 | <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: 80%;">Interest on deposits</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Interest on loans</td> <td style="text-align: right;">8</td> </tr> <tr> <td>Effect of currency exchange</td> <td style="text-align: right;">36</td> </tr> </table> | Interest on deposits | 4 | Interest on loans | 8 | Effect of currency exchange | 36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on deposits | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on loans | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Effect of currency exchange | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on deposits | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on loans | 16 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Effect of currency exchange | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on deposits | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on loans | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Effect of currency exchange | 36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>2. Principal financial expenses</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Interest paid</td> <td style="text-align: right;">6,809</td> </tr> <tr> <td>Interest on straight bonds</td> <td style="text-align: right;">2,503</td> </tr> <tr> <td>Bond issue expense</td> <td style="text-align: right;">193</td> </tr> </table> | Interest paid | 6,809 | Interest on straight bonds | 2,503 | Bond issue expense | 193 | <p>2. Principal financial expenses</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Interest paid</td> <td style="text-align: right;">6,901</td> </tr> <tr> <td>Interest on straight bonds</td> <td style="text-align: right;">2,430</td> </tr> <tr> <td>Bond issue expense</td> <td style="text-align: right;">40</td> </tr> </table> | Interest paid | 6,901 | Interest on straight bonds | 2,430 | Bond issue expense | 40 | <p>2. Principal financial expenses</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Interest paid</td> <td style="text-align: right;">13,404</td> </tr> <tr> <td>Interest on straight bonds</td> <td style="text-align: right;">5,066</td> </tr> <tr> <td>Bond issue expense</td> <td style="text-align: right;">383</td> </tr> </table> | Interest paid | 13,404 | Interest on straight bonds | 5,066 | Bond issue expense | 383 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest paid | 6,809 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on straight bonds | 2,503 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bond issue expense | 193 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest paid | 6,901 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on straight bonds | 2,430 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bond issue expense | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest paid | 13,404 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest on straight bonds | 5,066 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bond issue expense | 383 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>3. Principal items of operational expenses</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Advertising expenses</td> <td style="text-align: right;">9,754</td> </tr> <tr> <td>Provision for bad debts</td> <td style="text-align: right;">50,064</td> </tr> <tr> <td>Provision for loss on debt guarantees</td> <td style="text-align: right;">786</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">16,857</td> </tr> <tr> <td>Retirement benefit expenses</td> <td style="text-align: right;">1,616</td> </tr> <tr> <td>Provision for directors' and corporate auditors' retirement benefits</td> <td style="text-align: right;">49</td> </tr> <tr> <td>Welfare expenses</td> <td style="text-align: right;">2,068</td> </tr> <tr> <td>Leases</td> <td style="text-align: right;">6,856</td> </tr> <tr> <td>Depreciation expenses</td> <td style="text-align: right;">2,094</td> </tr> <tr> <td>Fees</td> <td style="text-align: right;">15,516</td> </tr> </table> | Advertising expenses | 9,754 | Provision for bad debts | 50,064 | Provision for loss on debt guarantees | 786 | Salaries | 16,857 | Retirement benefit expenses | 1,616 | Provision for directors' and corporate auditors' retirement benefits | 49 | Welfare expenses | 2,068 | Leases | 6,856 | Depreciation expenses | 2,094 | Fees | 15,516 | <p>3. Principal items of operational expenses</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Advertising expenses</td> <td style="text-align: right;">6,727</td> </tr> <tr> <td>Provision for bad debts</td> <td style="text-align: right;">55,260</td> </tr> <tr> <td>Provision for loss on debt guarantees</td> <td style="text-align: right;">1,290</td> </tr> <tr> <td>Special Provision for loss on interest repayments</td> <td style="text-align: right;">13,155</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">16,962</td> </tr> <tr> <td>Retirement benefit expenses</td> <td style="text-align: right;">780</td> </tr> <tr> <td>Provision for directors' and corporate auditors' retirement benefits</td> <td style="text-align: right;">49</td> </tr> <tr> <td>Welfare expenses</td> <td style="text-align: right;">2,090</td> </tr> <tr> <td>Leases</td> <td style="text-align: right;">6,853</td> </tr> <tr> <td>Depreciation expenses</td> <td style="text-align: right;">1,863</td> </tr> <tr> <td>Fees</td> <td style="text-align: right;">17,258</td> </tr> </table> | Advertising expenses | 6,727 | Provision for bad debts | 55,260 | Provision for loss on debt guarantees | 1,290 | Special Provision for loss on interest repayments | 13,155 | Salaries | 16,962 | Retirement benefit expenses | 780 | Provision for directors' and corporate auditors' retirement benefits | 49 | Welfare expenses | 2,090 | Leases | 6,853 | Depreciation expenses | 1,863 | Fees | 17,258 | <p>3. Principal items of operational expenses</p> <p style="text-align: right;">(Millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Advertising expenses</td> <td style="text-align: right;">19,104</td> </tr> <tr> <td>Provision for bad debts</td> <td style="text-align: right;">115,477</td> </tr> <tr> <td>Provision for loss on debt guarantees</td> <td style="text-align: right;">1,647</td> </tr> <tr> <td>Special Provision for loss on interest repayments</td> <td style="text-align: right;">23,700</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">33,640</td> </tr> <tr> <td>Retirement benefit expenses</td> <td style="text-align: right;">3,223</td> </tr> <tr> <td>Provision for directors' and corporate auditors' retirement benefits</td> <td style="text-align: right;">98</td> </tr> <tr> <td>Welfare expenses</td> <td style="text-align: right;">4,223</td> </tr> <tr> <td>Leases</td> <td style="text-align: right;">13,747</td> </tr> <tr> <td>Depreciation expenses</td> <td style="text-align: right;">4,446</td> </tr> <tr> <td>Fees</td> <td style="text-align: right;">32,125</td> </tr> </table> | Advertising expenses | 19,104 | Provision for bad debts | 115,477 | Provision for loss on debt guarantees | 1,647 | Special Provision for loss on interest repayments | 23,700 | Salaries | 33,640 | Retirement benefit expenses | 3,223 | Provision for directors' and corporate auditors' retirement benefits | 98 | Welfare expenses | 4,223 | Leases | 13,747 | Depreciation expenses | 4,446 | Fees | 32,125 |
| Advertising expenses | 9,754 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for bad debts | 50,064 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for loss on debt guarantees | 786 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salaries | 16,857 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retirement benefit expenses | 1,616 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for directors' and corporate auditors' retirement benefits | 49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Welfare expenses | 2,068 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leases | 6,856 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation expenses | 2,094 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fees | 15,516 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advertising expenses | 6,727 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for bad debts | 55,260 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for loss on debt guarantees | 1,290 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Special Provision for loss on interest repayments | 13,155 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salaries | 16,962 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retirement benefit expenses | 780 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for directors' and corporate auditors' retirement benefits | 49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Welfare expenses | 2,090 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leases | 6,853 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation expenses | 1,863 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fees | 17,258 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advertising expenses | 19,104 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for bad debts | 115,477 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for loss on debt guarantees | 1,647 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Special Provision for loss on interest repayments | 23,700 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salaries | 33,640 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retirement benefit expenses | 3,223 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for directors' and corporate auditors' retirement benefits | 98 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Welfare expenses | 4,223 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Leases | 13,747 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation expenses | 4,446 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fees | 32,125 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Prior interim consolidated accounting period (From April 1, 2005 to September 30, 2005) | This interim consolidated accounting period (From April 1, 2006 to September 30, 2006) | Prior consolidated fiscal year (From April 1, 2005 to March 31, 2006) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--------------------------------|---|------------------------|----------------------------|--|---|--|--|---|----------------------------|-----------------------------|---|--------------------------|------------------------------------|--------------------------------|-------------|----------|--|--------------------------|--|-------------------------|-------|------|---------------|------------------------------------|-------------------------|--------------------------|-----|-------------|----------|-------|---|
| <p>4. Breakdown of gains on sales of fixed assets (Millions of yen)</p> <table> <tr><td>Buildings and structures</td><td>0</td></tr> <tr><td>Equipment and furniture</td><td>9</td></tr> <tr><td><u>Land</u></td><td><u>213</u></td></tr> <tr><td>Total</td><td>223</td></tr> </table> | Buildings and structures | 0 | Equipment and furniture | 9 | <u>Land</u> | <u>213</u> | Total | 223 | <p>4. Gains on sales of fixed assets represent profit from sales of equipment and furniture.</p> | <p>4. Breakdown of gains on sales of fixed assets (Millions of yen)</p> <table> <tr><td>Building and structures</td><td>0</td></tr> <tr><td>Other tangible fixed assets</td><td>10</td></tr> <tr><td><u>Land</u></td><td><u>213</u></td></tr> <tr><td>Total</td><td>224</td></tr> </table> | Building and structures | 0 | Other tangible fixed assets | 10 | <u>Land</u> | <u>213</u> | Total | 224 | | | | | | | | | | | | | | | | |
| Buildings and structures | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Land</u> | <u>213</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 223 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building and structures | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other tangible fixed assets | 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Land</u> | <u>213</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 224 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. _____ | <p>5. Breakdown of other extraordinary income (Millions of yen)</p> <table> <tr><td>Gains on maturity of investment trusts</td><td>22</td></tr> <tr><td><u>Gains on sales of golf club membership</u></td><td><u>0</u></td></tr> <tr><td>Total</td><td>22</td></tr> </table> | Gains on maturity of investment trusts | 22 | <u>Gains on sales of golf club membership</u> | <u>0</u> | Total | 22 | <p>5. Breakdown of other extraordinary income (Millions of yen)</p> <table> <tr><td>Gains on settlement of affiliated companies</td><td>7</td></tr> <tr><td><u>Gains on sales of golf club membership</u></td><td><u>1</u></td></tr> <tr><td>Total</td><td>9</td></tr> </table> | Gains on settlement of affiliated companies | 7 | <u>Gains on sales of golf club membership</u> | <u>1</u> | Total | 9 | | | | | | | | | | | | | | | | | | | | |
| Gains on maturity of investment trusts | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Gains on sales of golf club membership</u> | <u>0</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gains on settlement of affiliated companies | 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Gains on sales of golf club membership</u> | <u>1</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>6. Breakdown of loss on sales of fixed assets (Millions of yen)</p> <table> <tr><td>Buildings and structures</td><td>282</td></tr> <tr><td>Equipment and furniture</td><td>9</td></tr> <tr><td><u>Land</u></td><td><u>72</u></td></tr> <tr><td>Total</td><td>364</td></tr> </table> | Buildings and structures | 282 | Equipment and furniture | 9 | <u>Land</u> | <u>72</u> | Total | 364 | <p>6. Breakdown of loss on sales of fixed assets (Millions of yen)</p> <table> <tr><td>Buildings and structures</td><td>0</td></tr> <tr><td>Equipment and furniture</td><td>3</td></tr> <tr><td>Land</td><td>11</td></tr> <tr><td><u>Other tangible fixed assets</u></td><td><u>24</u></td></tr> <tr><td>Total</td><td>40</td></tr> </table> | Buildings and structures | 0 | Equipment and furniture | 3 | Land | 11 | <u>Other tangible fixed assets</u> | <u>24</u> | Total | 40 | <p>6. Breakdown of loss on sales of fixed assets (Millions of yen)</p> <table> <tr><td>Buildings and structures</td><td>283</td></tr> <tr><td>Equipment and furniture</td><td>11</td></tr> <tr><td>Land</td><td>74</td></tr> <tr><td><u>Other tangible fixed assets</u></td><td><u>99</u></td></tr> <tr><td>Total</td><td>468</td></tr> </table> | Buildings and structures | 283 | Equipment and furniture | 11 | Land | 74 | <u>Other tangible fixed assets</u> | <u>99</u> | Total | 468 | | | | |
| Buildings and structures | 282 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Land</u> | <u>72</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 364 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Land | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Other tangible fixed assets</u> | <u>24</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 283 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Land | 74 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Other tangible fixed assets</u> | <u>99</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 468 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>7. 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)</p> <table> <tr><td>Buildings and structures</td><td>230</td></tr> <tr><td><u>Equipment and furniture</u></td><td><u>115</u></td></tr> <tr><td>Total</td><td>345</td></tr> </table> | Buildings and structures | 230 | <u>Equipment and furniture</u> | <u>115</u> | Total | 345 | <p>7. 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)</p> <table> <tr><td>Buildings and structures</td><td>248</td></tr> <tr><td><u>Equipment and furniture</u></td><td><u>24</u></td></tr> <tr><td>Total</td><td>272</td></tr> </table> | Buildings and structures | 248 | <u>Equipment and furniture</u> | <u>24</u> | Total | 272 | <p>7. 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)</p> <table> <tr><td>Buildings and structures</td><td>621</td></tr> <tr><td><u>Equipment and furniture</u></td><td><u>180</u></td></tr> <tr><td>Total</td><td>802</td></tr> </table> | Buildings and structures | 621 | <u>Equipment and furniture</u> | <u>180</u> | Total | 802 | | | | | | | | | | | | | | |
| Buildings and structures | 230 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Equipment and furniture</u> | <u>115</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 345 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 248 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Equipment and furniture</u> | <u>24</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 272 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 621 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Equipment and furniture</u> | <u>180</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 802 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8. _____ | <p>8. Impairment loss Our Group has reported impairment loss for this fiscal year as below: (1) Assets recognized as having suffered impairment</p> <table border="1"> <thead> <tr><th>Location</th><th>Usage</th><th>Type</th></tr> </thead> <tbody> <tr><td>Iwate Hachimantai City</td><td>Welfare/Leisure Facilities</td><td>Land and Buildings etc.</td></tr> <tr><td>Shizuoka Hamamatsu City</td><td>Welfare/Leisure Facilities</td><td>Land and Buildings etc.</td></tr> <tr><td>Mie Toba City</td><td>Welfare/Leisure Facilities</td><td>Land and Buildings etc.</td></tr> </tbody> </table> <p>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.</p> <p>3) Process through which impairment loss was recognized We recognized impairment loss on property to be sold because the 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 (Millions of yen)</p> <table> <tr><td>Buildings and structures</td><td>6</td></tr> <tr><td>Equipment and furniture</td><td>0</td></tr> <tr><td><u>Land</u></td><td><u>1</u></td></tr> <tr><td>Total</td><td>8</td></tr> </table> | Location | Usage | Type | Iwate Hachimantai City | Welfare/Leisure Facilities | Land and Buildings etc. | Shizuoka Hamamatsu City | Welfare/Leisure Facilities | Land and Buildings etc. | Mie Toba City | Welfare/Leisure Facilities | Land and Buildings etc. | Buildings and structures | 6 | Equipment and furniture | 0 | <u>Land</u> | <u>1</u> | Total | 8 | <p>8. Impairment loss Our Group has reported impairment loss for this fiscal year as below: (1) Assets recognized as having suffered impairment</p> <table border="1"> <thead> <tr><th>Location</th><th>Usage</th><th>Type</th></tr> </thead> <tbody> <tr><td>Mie Toba City</td><td>Welfare/Leisure Facilities</td><td>Land and Buildings etc.</td></tr> </tbody> </table> <p>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.</p> <p>3) Process through which impairment loss was recognized We recognized impairment loss on property to be sold because the 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 (Millions of yen)</p> <table> <tr><td>Buildings and structures</td><td>3</td></tr> <tr><td><u>Land</u></td><td><u>0</u></td></tr> <tr><td>Total</td><td>4</td></tr> </table> | Location | Usage | Type | Mie Toba City | Welfare/Leisure Facilities | Land and Buildings etc. | Buildings and structures | 3 | <u>Land</u> | <u>0</u> | Total | 4 |
| Location | Usage | Type | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Iwate Hachimantai City | Welfare/Leisure Facilities | Land and Buildings etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shizuoka Hamamatsu City | Welfare/Leisure Facilities | Land and Buildings etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mie Toba City | Welfare/Leisure Facilities | Land and Buildings etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Land</u> | <u>1</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Location | Usage | Type | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mie Toba City | Welfare/Leisure Facilities | Land and Buildings etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Buildings and structures | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Land</u> | <u>0</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Prior interim consolidated accounting period (From April 1, 2005 to September 30, 2005) | This interim consolidated accounting period (From April 1, 2006 to September 30, 2006) | Prior consolidated fiscal year (From April 1, 2005 to March 31, 2006) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---|--|---|--|----|--------------|-----------|---|---|---|--|---|---|---|--|----|--------------|-----------|--|---|----|--|----|---|----|--|----|--------------|-----------|
| | (5) Calculation of recovery price 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. | (5) Calculation of recovery price 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>8. Breakdown of other extraordinary losses (Millions of yen)</p> <table border="0"> <tr> <td>Valuation loss of golf club memberships</td> <td style="text-align: right;">12</td> </tr> <tr> <td>Provision for default of golf club Memberships</td> <td style="text-align: right;">5</td> </tr> <tr> <td>Temporary amortization of long-term prepaid expenses</td> <td style="text-align: right;">15</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>33</u></td> </tr> </table> | Valuation loss of golf club memberships | 12 | Provision for default of golf club Memberships | 5 | Temporary amortization of long-term prepaid expenses | 15 | <u>Total</u> | <u>33</u> | <p>8. Breakdown of other extraordinary losses (Millions of yen)</p> <table border="0"> <tr> <td>Valuation loss of golf club memberships</td> <td style="text-align: right;">2</td> </tr> <tr> <td>Provision for default of golf club Memberships</td> <td style="text-align: right;">3</td> </tr> <tr> <td>Loss on maturity of golf club memberships</td> <td style="text-align: right;">1</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>26</u></td> </tr> </table> | Valuation loss of golf club memberships | 2 | Provision for default of golf club Memberships | 3 | Loss on maturity of golf club memberships | 1 | Temporary amortization of long-term prepaid expenses | 19 | <u>Total</u> | <u>26</u> | <p>8. Breakdown of other extraordinary losses (Millions of yen)</p> <table border="0"> <tr> <td>Valuation loss of golf club memberships</td> <td style="text-align: right;">15</td> </tr> <tr> <td>Provision for default of golf club memberships</td> <td style="text-align: right;">30</td> </tr> <tr> <td>Loss on maturity of golf club memberships</td> <td style="text-align: right;">15</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>88</u></td> </tr> </table> | Valuation loss of golf club memberships | 15 | Provision for default of golf club memberships | 30 | Loss on maturity of golf club memberships | 15 | Temporary amortization of long-term prepaid expenses | 27 | <u>Total</u> | <u>88</u> |
| Valuation loss of golf club memberships | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for default of golf club Memberships | 5 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Temporary amortization of long-term prepaid expenses | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Total</u> | <u>33</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Valuation loss of golf club memberships | 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for default of golf club Memberships | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loss on maturity of golf club memberships | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Temporary amortization of long-term prepaid expenses | 19 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Total</u> | <u>26</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Valuation loss of golf club memberships | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Provision for default of golf club memberships | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loss on maturity of golf club memberships | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Temporary amortization of long-term prepaid expenses | 27 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <u>Total</u> | <u>88</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>10. Basis for classification of financial income and expenditure on the interim consolidate income statements</p> <p>(1) Financial income stated as operating income 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 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>10. Basis for classification of financial income and expenditure on the interim consolidate income statements</p> <p>(1) Financial income stated as operating income 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 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>10. Basis for classification of financial income and expenditure on the consolidated income statements</p> <p>(1) Financial income stated as operating income 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 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> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(11) Notes to Interim Consolidated Statement of Changes in Net Assets
 This Interim Accounting Period (From April 1, 2006 to September 30, 2006)

(A) Matters related to issued shares

(Shares)

| Type of shares | Prior consolidated fiscal year (As of March 31, 2006) | Increase | Decrease | This interim consolidated accounting period (As of September 30, 2006) |
|----------------|--|----------|----------|---|
| Common shares | 159,628,280 | — | — | 159,628,280 |

(B) Matters related to treasury shares

| Type of shares | Prior consolidated fiscal year (As of March 31, 2006) | Increase | Decrease | This interim consolidated accounting period (As of September 30, 2006) |
|----------------|--|----------|----------|---|
| Common shares | 2,438,225 | 18 | 4,300 | 2,438,943 |

(Outline for the change)

18 shares of increase is owing to purchase of shares in units of less than 10.

4,300 shares of decrease is owing to exercising rights of stock options.

(C) Matters related to stock acquisition rights, etc

| Company | Breakdown | Type of shares aimed of stock acquisition rights | Number of shares aimed of stock acquisition rights | | | | Outstanding at the end of this interim consolidated accounting period |
|--|---|--|--|----------|----------|---|---|
| | | | Prior consolidated fiscal year (As of March 31, 2006) | Increase | Decrease | This interim consolidated accounting period (As of September 30, 2006) | |
| ACOM CO., LTD. | Stock acquisition rights of stock options | Common shares | 130,010 | — | 5,500 | 124,510 | — |
| (Consolidated subsidiary company) IR Loan Servicing, Inc. | Stock acquisition rights of stock options | — | — | — | — | — | — |

(Notes) 1. Potential number of exercising the rights is stated as number of shares aimed of stock acquisition rights

2. Outline for the change of the number of shares aimed of stock acquisition rights

Breakdown of decrease of ACOM CO., LTD. is as follows;

Decrease owing to exercising rights of stock options: 4,300 shares

Decrease owing to lapse of rights of stock options: 1,200 shares

3. The first effective date for exercising stock acquisition rights of stock options of IR Loan Servicing, Inc. is yet to be reached.

4. There is no outstanding of stock acquisition rights of stock options of IR Loan Servicing, Inc. since they are given before the operation of Companies Act.

(D) Matters related to dividends

(a) Dividends paid

| Resolution | Type of shares | Total amount of dividends (millions of yen) | Dividends per share (yen) | Basic date | Effective date |
|---|----------------|--|------------------------------|----------------|----------------|
| Annual shareholders meeting as of June 22, 2006 | Common shares | 11,003 | 70.00 | March 31, 2006 | June 23, 2006 |

(b) Dividends after the end of this interim consolidated accounting period of which basic date belongs to this interim consolidated accounting period

| Resolution | Type of shares | Source of dividends | Total amount of dividends (million of yen) | Dividends per share (yen) | Basic date | Effective date |
|---|----------------|---------------------|---|------------------------------|--------------------|------------------|
| Board of directors as of November 8, 2006 | Common shares | Earned surplus | 11,003 | 70.00 | September 30, 2006 | December 8, 2006 |

(12) Notes to Interim Consolidated Statements of Cash Flows

| Prior interim consolidated accounting period (From April 1, 2005 to September 30, 2005) | This interim consolidated accounting period (From April 1, 2006 to September 30, 2006) | Prior consolidated fiscal year (From April 1, 2005 to March 31, 2006) |
|--|--|---|
| 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, 2005. | 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, 2006. | 1. Relationship between cash and cash equivalents at the end of the year and consolidated balance sheet items as at March 31, 2006. |
| (Millions of yen) | (Millions of yen) | (Millions of yen) |
| Cash and time deposits 82,676 | Cash and time deposits 74,854 | Cash and time deposits 70,402 |
| Marketable securities 1,201 | Marketable securities 28 | Marketable securities 721 |
| Short-term loans 9,999 | Short-term loans 21,791 | Short-term loans 26,997 |
| Time deposits and certificates of which term of deposit is more than three months (15) | Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase (28) | Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase (721) |
| Shares, bonds and stock investment trusts, maturing more than three months after the date of purchase (1,201) | Cash and cash equivalents 96,646 | Cash and cash equivalents 97,399 |
| Cash and cash equivalents 92,661 | | |

(13) Segment Information

(A) Business segment information

Prior interim consolidated accounting period (from April 1, 2005 to September 30, 2005)

This interim consolidated accounting period (from April 1, 2006 to September 30, 2006)

Prior consolidated fiscal year (from April 1, 2005 to March 31, 2006)

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.

(B) Geographical segment information

Prior interim consolidated accounting period (from April 1, 2005 to September 30, 2005)

This interim consolidated accounting period (from April 1, 2006 to September 30, 2006)

Prior consolidated fiscal year (from April 1, 2005 to March 31, 2006)

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, 2005 to September 30, 2005)

This interim consolidated accounting period (from April 1, 2006 to September 30, 2006)

Prior consolidated fiscal year (from April 1, 2005 to March 31, 2006)

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

(14) Lease Transactions

| Prior interim consolidated accounting period (From April 1, 2005 to September 30, 2005) | This interim consolidated accounting period (From April 1, 2006 to September 30, 2006) | Prior consolidated fiscal year (From April 1, 2005 to March 31, 2006) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|------------------------------|------------------------------|-----------|-----|----|----|-------------------------|-------|-------|-------|-------|-------|-------|-------|---------------|-----|--------------------|-----|-------|-------|--------------------|-----|----------------------------|-----|--------------------------------|----|---------------|---|--------------------|---|-------|---|---|--|--------------------------------|----------------------------|------------------------------|-----------|-----|----|----|-------------------------|-------|-------|-----|-------|-------|-------|-----|---------------|-----|--------------------|-----|-------|-----|--------------------|-----|----------------------------|-----|--------------------------------|----|--|--|--------------------------------|----------------------------|------------------------------|-----------|-----|----|----|-------------------------|-------|-------|-------|-------|-------|-------|-------|---------------|-----|--------------------|-----|-------|-------|--------------------|-------|----------------------------|-------|--------------------------------|----|
| <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" data-bbox="134 421 566 656"> <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>177</td> <td>82</td> <td>94</td> </tr> <tr> <td>Equipment and furniture</td> <td>5,039</td> <td>3,505</td> <td>1,533</td> </tr> <tr> <td>Total</td> <td>5,216</td> <td>3,588</td> <td>1,628</td> </tr> </tbody> </table> <p>(2) Equivalent balance of the unaccrued lease fees (Millions of yen)</p> <table border="1" data-bbox="197 768 566 853"> <tbody> <tr> <td>Within a year</td> <td>974</td> </tr> <tr> <td>More than one year</td> <td>690</td> </tr> <tr> <td>Total</td> <td>1,665</td> </tr> </tbody> </table> <p>(3) Lease fee payable, equivalent of depreciation and equivalent of interest payable (Millions of yen)</p> <table border="1" data-bbox="197 947 566 1021"> <tbody> <tr> <td>Lease fees payable</td> <td>693</td> </tr> <tr> <td>Equivalent of depreciation</td> <td>660</td> </tr> <tr> <td>Equivalent of interest payable</td> <td>22</td> </tr> </tbody> </table> <p>(4) Method of calculation of equivalent of depreciation Calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and a residual value of zero.</p> <p>(5) Method of calculation of equivalent of interest The equivalent of interest is regarded as the difference between the total lease payments and the amount equivalent to acquisition cost of the asset. The interest method is used to calculate the portion applicable to each accounting period.</p> <p>2. Further payments under operating lease transaction Unaccrued lease fees (Millions of yen)</p> <table border="1" data-bbox="161 1485 566 1559"> <tbody> <tr> <td>Within a year</td> <td>0</td> </tr> <tr> <td>More than one year</td> <td>-</td> </tr> <tr> <td>Total</td> <td>0</td> </tr> </tbody> </table> | | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | Machinery | 177 | 82 | 94 | Equipment and furniture | 5,039 | 3,505 | 1,533 | Total | 5,216 | 3,588 | 1,628 | Within a year | 974 | More than one year | 690 | Total | 1,665 | Lease fees payable | 693 | Equivalent of depreciation | 660 | Equivalent of interest payable | 22 | Within a year | 0 | More than one year | - | Total | 0 | <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" data-bbox="592 421 1024 656"> <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>152</td> <td>82</td> <td>70</td> </tr> <tr> <td>Equipment and furniture</td> <td>3,119</td> <td>2,254</td> <td>865</td> </tr> <tr> <td>Total</td> <td>3,272</td> <td>2,336</td> <td>935</td> </tr> </tbody> </table> <p>(2) Equivalent balance of the unaccrued lease fees (Millions of yen)</p> <table border="1" data-bbox="655 768 1024 853"> <tbody> <tr> <td>Within a year</td> <td>552</td> </tr> <tr> <td>More than one year</td> <td>401</td> </tr> <tr> <td>Total</td> <td>954</td> </tr> </tbody> </table> <p>(3) Lease fee payable, equivalent of depreciation and equivalent of interest payable (Millions of yen)</p> <table border="1" data-bbox="655 947 1024 1021"> <tbody> <tr> <td>Lease fees payable</td> <td>472</td> </tr> <tr> <td>Equivalent of depreciation</td> <td>451</td> </tr> <tr> <td>Equivalent of interest payable</td> <td>12</td> </tr> </tbody> </table> <p>(4) Method of calculation of equivalent of depreciation Calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and a residual value of zero.</p> <p>(5) Method of calculation of equivalent of interest The equivalent of interest is regarded as the difference between the total lease payments and the amount equivalent to acquisition cost of the asset. The interest method is used to calculate the portion applicable to each accounting period.</p> <p>2. _____</p> | | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | Machinery | 152 | 82 | 70 | Equipment and furniture | 3,119 | 2,254 | 865 | Total | 3,272 | 2,336 | 935 | Within a year | 552 | More than one year | 401 | Total | 954 | Lease fees payable | 472 | Equivalent of depreciation | 451 | Equivalent of interest payable | 12 | <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" data-bbox="1050 421 1482 656"> <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>177</td> <td>88</td> <td>89</td> </tr> <tr> <td>Equipment and furniture</td> <td>3,941</td> <td>2,793</td> <td>1,148</td> </tr> <tr> <td>Total</td> <td>4,119</td> <td>2,881</td> <td>1,237</td> </tr> </tbody> </table> <p>(2) Equivalent balance of the unaccrued lease fees (Millions of yen)</p> <table border="1" data-bbox="1114 768 1482 853"> <tbody> <tr> <td>Within a year</td> <td>731</td> </tr> <tr> <td>More than one year</td> <td>532</td> </tr> <tr> <td>Total</td> <td>1,264</td> </tr> </tbody> </table> <p>(3) Lease fee payable, equivalent of depreciation and equivalent of interest payable (Millions of yen)</p> <table border="1" data-bbox="1114 947 1482 1021"> <tbody> <tr> <td>Lease fees payable</td> <td>1,272</td> </tr> <tr> <td>Equivalent of depreciation</td> <td>1,211</td> </tr> <tr> <td>Equivalent of interest payable</td> <td>40</td> </tr> </tbody> </table> <p>(4) Method of calculation of equivalent of depreciation Calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and a residual value of zero.</p> <p>(5) Method of calculation of equivalent of interest The equivalent of interest is regarded as the difference between the total lease payments and the amount equivalent to acquisition cost of the asset. The interest method is used to calculate the portion applicable to each accounting period.</p> <p>2. _____</p> | | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | Machinery | 177 | 88 | 89 | Equipment and furniture | 3,941 | 2,793 | 1,148 | Total | 4,119 | 2,881 | 1,237 | Within a year | 731 | More than one year | 532 | Total | 1,264 | Lease fees payable | 1,272 | Equivalent of depreciation | 1,211 | Equivalent of interest payable | 40 |
| | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Machinery | 177 | 82 | 94 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 5,039 | 3,505 | 1,533 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 5,216 | 3,588 | 1,628 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within a year | 974 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| More than one year | 690 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,665 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lease fees payable | 693 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of depreciation | 660 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of interest payable | 22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within a year | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| More than one year | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Machinery | 152 | 82 | 70 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 3,119 | 2,254 | 865 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 3,272 | 2,336 | 935 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within a year | 552 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| More than one year | 401 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 954 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lease fees payable | 472 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of depreciation | 451 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of interest payable | 12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Machinery | 177 | 88 | 89 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 3,941 | 2,793 | 1,148 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 4,119 | 2,881 | 1,237 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within a year | 731 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| More than one year | 532 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,264 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lease fees payable | 1,272 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of depreciation | 1,211 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of interest payable | 40 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(15) Securities

(A) Bonds held to maturity with market quotations

(Millions of yen)

| Term | Prior interim consolidated accounting period (As of September 30, 2005) | | | This interim consolidated accounting period (As of September 30, 2006) | | | Prior consolidated fiscal year (As of March 31, 2006) | | |
|--------------------------|--|--------------|------------------------|---|--------------|------------------------|--|--------------|------------------------|
| | 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 | 4,092 | 92 | 4,000 | 4,047 | 47 | 4,000 | 4,071 | 71 |
| Total | 4,000 | 4,092 | 92 | 4,000 | 4,047 | 47 | 4,000 | 4,071 | 71 |

(B) Other marketable securities with market quotation

(Millions of yen)

| Term | Prior interim consolidated accounting period (As of September 30, 2005) | | | This interim consolidated accounting period (As of September 30, 2006) | | | Prior consolidated fiscal year (As of March 31, 2006) | | |
|----------------------|--|---|------------------------|---|---|------------------------|--|---|------------------------|
| | 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 | 57,215 | 87,722 | 30,507 | 57,645 | 76,958 | 19,312 | 57,658 | 110,023 | 52,365 |
| (b) Bonds | | | | | | | | | |
| Government/municipal | 82 | 85 | 3 | 82 | 84 | 2 | 82 | 84 | 2 |
| Corporate | 1,116 | 1,115 | (1) | — | — | — | 590 | 591 | 1 |
| Miscellaneous | — | — | — | — | — | — | — | — | — |
| (c) Other | 1,615 | 1,798 | 183 | 1,575 | 1,823 | 247 | 1,637 | 1,984 | 346 |
| Subtotal | 60,029 | 90,722 | 30,693 | 59,304 | 78,866 | 19,562 | 59,968 | 112,684 | 52,715 |

Note: In prior interim consolidated accounting period, no impairment loss was recorded with respect to other securities with market prices.

In the current interim consolidated accounting period, among other securities, those with market prices were treated with an impairment loss of 13 million yen.

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

| Term | Prior interim consolidated accounting period (As of September 30, 2005) | This interim consolidated accounting period (As of September 30, 2006) | Prior consolidated fiscal year (As of March 31, 2006) |
|--|--|---|--|
| | 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) | 472 | 419 | 456 |
| Investments in investing business association | 1,069 | 693 | 666 |
| Investments in anonymous partnership | 1,219 | — | 631 |

(16) Derivative Transaction

Prior interim consolidated accounting period (from April 1, 2005 to September 30, 2005)

This Interim consolidated accounting period (from April 1, 2006 to September 30, 2006)

Prior consolidated fiscal year (from April 1, 2005 to March 31, 2006)

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

(17) Footnotes to statistics per Share

| Prior interim consolidated accounting period (From April 1, 2004 to September 30, 2005) | | This interim consolidated accounting period (From April 1, 2005 to September 30, 2006) | | Prior consolidated fiscal year (From April 1, 2005 to March 31, 2006) | |
|--|----------|---|------------|--|----------|
| | (Yen) | | (Yen) | | (Yen) |
| Net assets per share | 5,762.61 | Net assets per share | 3,910.19 | Net assets per share | 5,901.70 |
| Net income per share | 294.29 | Net income (loss) per share | (1,794.86) | Net income per share | 416.69 |
| Net income per share diluted | 294.15 | Net income per share diluted is not presented since net loss is recorded. | | Net income per share diluted | 416.50 |
| | | (Additional information) | | | |
| | | “ASBJ Statement No. 2 (revised on January 31, 2006) Accounting Standard for Earnings per Share”, and its “Implementation Guidance - ASBJ Guidance No. 4 (revised on January 31, 2006), Guidance on Accounting Standard for Earnings per Share” have been applied from the current interim consolidated accounting period. | | | |
| | | Net asset value per share of the current interim consolidated accounting period computed in accordance with the traditional method is 3,910.21 yen. | | | |

(Note) 1. Net assets per share is calculated based on the following data.

| | Prior interim consolidated accounting period (As of September 30, 2005) | This interim consolidated accounting period (As of September 30, 2006) | Prior consolidated fiscal year (As of March 31, 2006) |
|--|---|--|---|
| Total net assets (millions of yen) | — | 621,969 | — |
| The amounts deducted from total net assets (millions of yen) | — | 7,309 | — |
| [Minority interests included in the above] (millions of yen) | [—] | [7,309] | [—] |
| Amounts of net assets related to common shares at the end of accounting period (millions of yen) | — | 614,660 | — |
| Number of shares issued within common shares | — | 159,628,280 shares | — |
| Number of treasury shares within common shares | — | 2,433,943 shares | — |
| Number of common shares to calculate net assets per share at the end of accounting period | — | 157,194,337 shares | — |

2. Net income (loss) per share and net income (loss) per share diluted are calculated based on the following data.

| | Prior interim consolidated accounting period From April 1, 2005 to September 30, 2005 | This interim consolidated accounting period From April 1, 2006 to September 30, 2006 | Prior consolidated fiscal year From April 1, 2005 to March 31, 2006 |
|--|--|---|--|
| Net income (loss) per share | | | |
| Net income (loss) (millions of yen) | 46,351 | (282,140) | 65,595 |
| Net income not available to common shareholders [Bonuses to directors included in the above] (millions of yen) | — [—] | — [—] | 34 [34] |
| Net income (loss) related to common shares (millions of yen) | 46,351 | (282,140) | (65,561) |
| Weighted average number of common shares during accounting period | 157,501,805 shares | 157,193,605 shares | 157,337,635 shares |
| Net income (loss) per share diluted | | | |
| Net income effect of dilutive securities | — | — | — |
| Number of increase of common shares [Stock options (stock acquisition rights) included in the above] | 76,458 shares [76,458 shares] | — [—] | 70,501 shares [70,501 shares] |
| Residual securities which do not dilute net income per share | Stock options (treasury stock method) 311,000 shares | — | Stock options (treasury stock method) 308,400 shares |

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, 2005 to September 30, 2005 | | From April 1, 2006 to September 30, 2006 | | | | From April 1, 2005 to March 31, 2006 | |
| | | Amount | Percentage | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| Finance Service Business | | 218,830 | 98.5 | 212,642 | 98.5 | (6,187) | (2.8) | 438,886 | 98.5 |
| Loan business | | 199,358 | 89.7 | 191,567 | 88.7 | (7,791) | (3.9) | 396,485 | 89.0 |
| Credit card business | | 3,265 | 1.5 | 3,125 | 1.5 | (139) | (4.3) | 6,462 | 1.4 |
| Installment sales finance business | | 7,759 | 3.5 | 5,185 | 2.4 | (2,574) | (33.2) | 14,839 | 3.3 |
| Guarantee business | | 3,013 | 1.4 | 4,289 | 2.0 | 1,276 | 42.4 | 6,651 | 1.5 |
| Loan servicing business | | 5,323 | 2.4 | 7,226 | 3.3 | 1,903 | 35.8 | 14,117 | 3.2 |
| Others | | 109 | 0.0 | 1,247 | 0.6 | 1,138 | — | 331 | 0.1 |
| Other business | | 3,352 | 1.5 | 3,237 | 1.5 | (115) | (3.4) | 6,544 | 1.5 |
| Rental business | | 2,119 | 0.9 | 2,167 | 1.0 | 47 | 2.3 | 4,318 | 1.0 |
| Others | | 1,233 | 0.6 | 1,070 | 0.5 | (163) | (13.2) | 2,226 | 0.5 |
| Total | | 222,182 | 100.0 | 215,880 | 100.0 | (6,302) | (2.8) | 445,431 | 100.0 |

(2) Other statistics

(a) Receivables outstanding

(Millions of yen)

| Item | Term | Prior interim consolidated accounting period | This interim consolidated accounting period | Prior consolidated fiscal year | Change (YTD) | |
|---------------------------|------|--|---|--------------------------------|--------------|------------|
| | | (As of September 30, 2005) | (As of September 30, 2006) | (As of March 31, 2006) | Amount | Percentage |
| | | Amount | Amount | Amount | | % |
| Loan business | | 1,697,962 | 1,692,422 | 1,703,172 | (10,750) | (0.6) |
| Credit card business | | 49,129 | 47,111 | 48,120 | (1,009) | (2.1) |
| Credit card | | 48,579 | 46,531 | 47,537 | (1,005) | (2.1) |
| Others | | 549 | 579 | 583 | (4) | (0.7) |
| Installment sales finance | | 108,949 | 66,926 | 83,335 | (16,408) | (19.7) |
| Loan servicing business | | 15,930 | 20,898 | 17,423 | 3,474 | 19.9 |
| Total | | 1,871,972 | 1,827,358 | 1,852,053 | (24,694) | (1.3) |

(b) Number of customer accounts

| Item | Term | Prior interim consolidated accounting period | This interim consolidated accounting period | Prior consolidated fiscal year | Change (YTD) | |
|------------------------------------|------|--|---|--|--------------|------------|
| | | [From April 1, 2005 to September 30, 2005] | [From April 1, 2006 to September 30, 2006] | [From April 1, 2005 to March 31, 2006] | Amount | Percentage |
| | | (As of September 30, 2005) | (As of September 30, 2006) | (As of March 31, 2006) | | % |
| Loan business | | 3,443,070 | 3,464,188 | 3,450,636 | 13,552 | 0.4 |
| Credit card business | | 1,226,580 | 1,291,331 | 1,259,509 | 31,822 | 2.5 |
| Credit card | | 1,220,853 | 1,285,319 | 1,253,603 | 31,716 | 2.5 |
| Others | | 5,727 | 6,012 | 5,906 | 106 | 1.8 |
| Installment sales finance business | | 924,944 | 485,142 | 671,742 | (186,600) | (27.8) |
| Loan servicing business | | 190,900 | 217,410 | 200,662 | 16,748 | 8.3 |
| Rental business | | [6,261] | [5,025] | [9,268] | [(1,236)] | [(19.7)] |

Note: 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). Loan servicing business: Number of accounts for purchased loans
- (5). Rental business: Number of users during the fiscal year

(C) Others

| Item | Term | Prior interim consolidated accounting period (As of September 30, 2005) | This interim consolidated accounting period (As of September 30, 2006) | Prior consolidated fiscal year (As of March 31, 2006) | Change (YTD) | |
|--|------|---|--|---|-----------------|------------|
| | | Amount | Amount | Amount | Amount | Percentage |
| Number of outlets | | 1,979 | 2,146 | 2,102 | 44 | 2.1 |
| Number of employees | | 6,731 | 6,814 | 6,796 | 17 | 0.3 |
| Allowance for bad debts (millions of yen)* | | 125,477 | 106,041 | 131,620 | (25,578) | (19.4) |
| Allowance for loss on guaranteed loans receivable (millions of yen) | | 1,524 | 1,895 | 1,647 | 248 | 15.0 |
| Allowance for loss on interest repayments (millions of yen) | | — | 357,500 | 23,700 | 333,800 | — |
| Bad debt write-offs (millions of yen) | | [55,721] | [48,865] | [115,981] | [(6,855)] | [(12.3)] |
| Loss on interest repayments (millions of yen) | | [4,525] | [29,655] | [13,528] | [25,129] | [555.3] |

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.

(TRANSLATION)

Brief Statement of Interim Financial Results
for the Fiscal Year Ending March 2007 (Non-consolidated)

November 8, 2006

Forward-looking Statement

The statements and figures contained in this Brief Statement of Interim 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:: 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

Date of the board of directors' meeting for the account settlement: November 8, 2006

Date of the interim dividend payment: December 8, 2006

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, 2006 to September 30, 2006)

(1) Operating Results

| | | (Millions of yen) | | |
|----------------|------------------|-------------------|-----------------------------------|--|
| | Operating Income | Operating Profit | Income Before Extraordinary Items | |
| 9/06 (Interim) | 190,906 (4.7%) | 56,793 (25.4%) | 58,369 (24.2%) | |
| 9/05 (Interim) | 200,312 (0.9%) | 76,140 0.0% | 77,022 0.4% | |
| 3/06 (Annual) | 396,637 | 106,124 | 108,174 | |

| | Net income (loss) (Millions of yen) | Net Income (loss) per Share (Yen) |
|----------------|--|--------------------------------------|
| 9/06 (Interim) | (282,742) — | (1,798.69) |
| 9/05 (Interim) | 45,757 1.4% | 290.52 |
| 3/06 (Annual) | 64,152 | 407.52 |

Notes: 1. Average outstanding shares during the period: 157,193,605 shares in 9/06 (interim), 157,501,805 shares in 9/05 (interim), and 157,337,635 shares in 3/06 (annual).

2. Change in accounting policies: Adopted

3. Regarding operating income, operating profit, income before extraordinary items and net income above, the figures in percentages show growth from the previous interim accounting period.

(2) Non-Consolidated Financial Position

| | Total Assets (Millions of yen) | Net Assets (Millions of yen) | Ratio of Shareholders' Equity | Net Assets per Share (Yen) |
|----------------|-----------------------------------|---------------------------------|----------------------------------|----------------------------|
| 9/06 (Interim) | 1,906,199 | 609,994 | 32.0% | 3,880.51 |
| 9/05 (Interim) | 1,945,922 | 902,728 | 46.4% | 5,744.67 |
| 3/06 (Annual) | 1,961,462 | 923,408 | 47.1% | 5,874.26 |

Notes: 1. Number of shares issued at the end of the period: 157,194,337 shares in 9/06 (interim), 157,142,039 shares in 9/05 (interim), and 157,190,055 shares in 3/06 (annual).

2. Number of treasury shares at the end of the period: 2,433,943 shares in 9/06 (interim), 2,486,241 shares in 9/05 (interim), and 2,438,225 shares in 3/06 (annual).

2. Non-Consolidated Forecast for the Fiscal Year Ending March 31, 2007 (from April 1, 2006 to March 31, 2007)

| | | (Millions of yen) | | |
|--------|------------------------|-----------------------------------|------------|--|
| | Total Operating Income | Income Before Extraordinary Items | Net Income | |
| Annual | 370,000 | 92,600 | (258,700) | |

Reference: Projected net income (loss) per share (annual): (1645.73) yen

3. Dividends

| Cash Dividends | Cash Dividends per Share (Yen) | | |
|----------------------|--------------------------------|------------------------|--------|
| | Interim Period | The End of Fiscal Year | Annual |
| 3/06 | 70 | 70 | 140 |
| 3/07 (Actual Result) | 70 | — | 100 |
| 3/07 (Forecast) | — | 30 | |

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

(Millions of yen)

| Subject | Term | Prior interim accounting period (As of September 30, 2005) | | This interim accounting period (As of September 30, 2006) | | Prior consolidated fiscal year (As of March 31, 2006) | | Change | |
|---------------------------------|------|---|-------------------|--|-------------------|--|-------------------|----------|------------|
| | | Amount | Composition ratio | Amount | Composition ratio | Amount | Composition ratio | Amount | Percentage |
| | | | % | | % | | % | | % |
| (Assets) | | | % | | % | | % | | % |
| I. Current assets | | 1,730,230 | 88.9 | 1,710,611 | 89.7 | 1,725,542 | 88.0 | (14,931) | (0.9) |
| Cash and time deposits | | 67,605 | | 58,253 | | 53,981 | | 4,272 | 7.9 |
| Loans receivable | | 1,606,799 | | 1,571,342 | | 1,596,276 | | (24,934) | (1.6) |
| Installment accounts receivable | | 105,374 | | 84,739 | | 93,321 | | (8,582) | (9.2) |
| Merchandise | | 5,721 | | 3,721 | | 3,721 | | — | — |
| Deferred tax assets | | 27,261 | | 42,990 | | 40,244 | | 2,745 | 6.8 |
| Other current assets | | 31,708 | | 45,770 | | 58,165 | | (12,394) | (21.3) |
| Allowances for bad debts | | (114,240) | | (96,206) | | (120,170) | | 23,963 | (19.9) |
| II. Fixed assets | | 215,691 | 11.1 | 195,588 | 10.3 | 235,920 | 12.0 | (40,332) | (17.1) |
| Tangible fixed assets | | 36,595 | | 37,331 | | 38,488 | | (1,156) | (3.0) |
| Land | | 6,550 | | 6,488 | | 6,550 | | (61) | (0.9) |
| Other tangible fixed assets | | 30,044 | | 30,843 | | 31,938 | | (1,094) | (3.4) |
| Intangible fixed assets | | 1,139 | | 991 | | 1,019 | | (27) | (2.7) |
| Investments and other assets | | 180,716 | | 159,464 | | 198,942 | | (39,477) | (19.8) |
| Allowance for bad debts | | (2,760) | | (2,200) | | (2,530) | | 330 | (13.0) |
| Total Assets | | 1,945,922 | 100.0 | 1,906,199 | 100.0 | 1,961,462 | 100.0 | (55,263) | (2.8) |

(Millions of yen)

| Subject | Term | Prior interim accounting period (As of September 30, 2005) | | This interim accounting period (As of September 30, 2006) | | Prior consolidated fiscal year (As of March 31, 2006) | | Change | |
|--|------|---|-------------------|--|-------------------|--|-------------------|----------|------------|
| | | Amount | Composition ratio | Amount | Composition ratio | Amount | Composition ratio | Amount | Percentage |
| | | | % | | % | | % | | % |
| (Liabilities) | | | | | | | | | |
| I. Current liabilities | | 427,805 | 22.0 | 324,256 | 17.0 | 385,572 | 19.6 | (61,316) | (15.9) |
| Accounts payable | | 1,151 | | 1,068 | | 1,187 | | (118) | (10.0) |
| Short-term loans | | 37,000 | | — | | 1,000 | | (1,000) | — |
| Current portion of long-term loans | | 235,862 | | 182,685 | | 207,221 | | (24,536) | (11.8) |
| Commercial paper | | 30,000 | | 60,000 | | 50,000 | | 10,000 | 20.0 |
| Current portion of bonds and notes | | 80,000 | | 35,000 | | 55,000 | | (20,000) | (36.4) |
| Accrued income taxes | | 20,958 | | 22,800 | | 24,937 | | (2,137) | (8.6) |
| Allowance for loss on debt guarantees | | 2,990 | | 3,810 | | 3,330 | | 480 | 14.4 |
| Allowance for loss on interest repayments | | — | | — | | 23,700 | | (23,700) | — |
| Deferred income on installment sales | | 7,007 | | 4,574 | | 5,515 | | (940) | (17.1) |
| Other current liabilities | | 12,835 | | 14,317 | | 13,680 | | 636 | 4.7 |
| II. Fixed liabilities | | 615,387 | 31.6 | 971,949 | 51.0 | 652,481 | 33.3 | 319,467 | 49.0 |
| Straight bonds | | 205,000 | | 200,000 | | 210,000 | | (10,000) | (4.8) |
| Long-term loans | | 399,435 | | 403,467 | | 421,987 | | (18,520) | (4.4) |
| Allowance for directors' and corporate auditors' retirement benefits | | 705 | | 733 | | 736 | | (2) | (0.4) |
| Allowance for loss on interest repayments | | — | | 357,500 | | — | | 357,500 | — |
| Other fixed liabilities | | 10,247 | | 10,248 | | 19,757 | | (9,509) | (48.1) |
| Total liabilities | | 1,043,193 | 53.6 | 1,296,205 | 68.0 | 1,038,053 | 52.9 | 258,151 | 24.9 |

(Millions of yen)

| Subject | Term | Prior interim consolidated accounting period (As of September 30, 2005) | | This interim consolidated accounting period (As of September 30, 2006) | | Prior consolidated fiscal year (As of March 31, 2006) | | Changes | |
|------------------------|---|--|-------------------|---|-------------------|--|-------------------|---------|------------|
| | | Amount | Composition ratio | Amount | Composition ratio | Amount | Composition ratio | Amount | Percentage |
| (Shareholders' equity) | | | | | | | | | |
| I. | Common stock | 63,832 | 3.3 | — | — | 63,832 | 3.3 | | |
| II. | Capital surplus | 76,121 | 3.9 | — | — | 76,020 | 3.9 | | |
| | Additional paid-in capital | 72,322 | | — | | 72,322 | | | |
| | Other capital surplus | 3,799 | | — | | 3,697 | | | |
| III. | Earned surplus | 763,441 | 39.2 | — | — | 770,836 | 39.3 | | |
| | Legal reserve | 4,320 | | — | | 4,320 | | | |
| | Voluntary reserve | 690,000 | | — | | 690,000 | | | |
| | Unappropriated retained earnings | 69,120 | | — | | 76,515 | | | |
| IV. | Securities valuation adjustment | 18,210 | 1.0 | — | — | 31,258 | 1.6 | | |
| V. | Treasury stock | (18,877) | (1.0) | — | — | (18,538) | (1.0) | | |
| | Total shareholders' equity | 902,728 | 46.4 | — | — | 923,408 | 47.1 | | |
| | Total liabilities, minority interests, and shareholders' equity | 1,945,922 | 100.0 | — | — | 1,961,462 | 100.0 | | |
| (Net assets) | | | | | | | | | |
| I. | Shareholders' equity | | | 598,391 | 31.4 | | | | |
| | Common stock | | | 63,832 | 3.4 | | | | |
| | Capital surplus | | | 76,010 | 4.0 | | | | |
| | Additional paid-in capital | | | 72,322 | | | | | |
| | Other capital surplus | | | 3,688 | | | | | |
| | Earned surplus | | | 477,056 | 25.0 | | | | |
| | Legal reserve | | | 4,320 | | | | | |
| | Other earned surplus | | | 472,735 | | | | | |
| | Voluntary reserve | | | 720,000 | | | | | |
| | Earned surplus brought forward | | | (247,264) | | | | | |
| | Treasury stock | | | (18,508) | (1.0) | | | | |
| II. | Valuation and translation adjustments | | | 11,602 | 0.6 | | | | |
| | Securities valuation adjustment | | | 11,602 | 0.6 | | | | |
| | Total net assets | | | 609,994 | 32.0 | | | | |
| | Total liabilities and net assets | | | 1,906,199 | 100.0 | | | | |

(2) Interim Non-Consolidated Income Statements

(Millions of yen)

| Subject | Term | Prior interim accounting period From April 1, 2005 to September 30, 2005 | | This interim accounting period From April 1, 2006 to September 30, 2006 | | Change | | Prior fiscal year From April 1, 2005 to March 31, 2006 | |
|--|------|---|------------|--|------------|-----------|------------|---|------------|
| | | Amount | Percentage | Amount | Percentage | Amount | Percentage | Amount | Percentage |
| | | | % | | % | | % | | % |
| I. Operating income | | 200,312 | 100.0 | 190,906 | 100.0 | (9,405) | (4.7) | 396,637 | 100.0 |
| Interest on loans receivable | | 185,502 | | 177,020 | | (8,482) | (4.6) | 367,619 | |
| Fees from credit card business | | 3,109 | | 2,955 | | (153) | (4.9) | 6,139 | |
| Fees from installment sales finance business | | 3,132 | | 1,913 | | (1,218) | (38.9) | 5,550 | |
| Fees on guaranteed loans receivables | | 4,113 | | 4,780 | | 667 | 16.2 | 8,549 | |
| Other financial income | | 14 | | 27 | | 12 | 83.5 | 46 | |
| Other operating income | | 4,440 | | 4,209 | | (230) | (5.2) | 8,732 | |
| II. Operating expenses | | 124,171 | 62.0 | 134,113 | 70.3 | 9,941 | 8.0 | 290,512 | 73.2 |
| Financial expenses | | 9,296 | 4.6 | 8,511 | 4.5 | (784) | (8.4) | 18,186 | 4.6 |
| Other operating expenses | | 114,875 | 57.4 | 125,602 | 65.8 | 10,726 | 9.3 | 272,325 | 68.6 |
| Operating profit | | 76,140 | 38.0 | 56,793 | 29.7 | (19,347) | (25.4) | 106,124 | 26.8 |
| III. Non-operating income | | 1,030 | 0.5 | 1,638 | 0.9 | 608 | 59.0 | 2,215 | 0.6 |
| IV. Non-operating expenses | | 148 | 0.0 | 62 | 0.0 | (85) | (57.8) | 165 | 0.1 |
| Income before extraordinary items | | 77,022 | 38.5 | 58,369 | 30.6 | (18,653) | (24.2) | 108,174 | 27.3 |
| V. Extraordinary income | | 487 | 0.2 | 242 | 0.1 | (244) | (50.2) | 489 | 0.1 |
| VI. Extraordinary Losses | | 741 | 0.4 | 317,461 | 166.3 | 316,719 | — | 1,424 | 0.4 |
| Income (loss) before income taxes | | 76,768 | 38.3 | (258,849) | (135.6) | (335,618) | — | 107,239 | 27.0 |
| Income taxes (corporation tax, inhabitants' tax and enterprise tax) | | 20,380 | 15.5 | 22,330 | 12.5 | 1,950 | (23.0) | 44,770 | 10.8 |
| Deferred income taxes | | 10,631 | | 1,563 | | (9,068) | | (1,682) | |
| Net income (loss) | | 45,757 | 22.8 | (282,742) | (148.1) | (328,500) | — | 64,152 | 16.2 |
| Retained earnings carried forward from the previous period | | 23,363 | | | | | | 23,363 | |
| Interim dividends | | — | | | | | | 10,999 | |
| Unappropriated retained earnings | | 69,120 | | | | | | 76,515 | |

(3) Summarized Non-Consolidated Statement of Changes in Net Assets

This Interim Accounting Period (From April 1, 2006 to September 30, 2006)

(Millions of yen)

| | Shareholders' equity | | | |
|--|----------------------|----------------------------|-----------------------|-----------------------|
| | Common stock | Capital surplus | | |
| | | Additional paid-in capital | Other capital surplus | Total capital surplus |
| Balance as of March 31, 2006 | 63,832 | 72,322 | 3,697 | 76,020 |
| Changes during this interim accounting period | | | | |
| Dividends from surplus (Note) | | | | |
| Bonuses to directors (Note) | | | | |
| Additions to voluntary reserve (Note) | | | | |
| Net income (loss) for this interim accounting period | | | | |
| Acquisition of treasury stock | | | | |
| Disposal of treasury stock | | | (9) | (9) |
| Total changes during this interim accounting period | | | (9) | (9) |
| Balance as of September 30, 2006 | 63,832 | 72,322 | 3,688 | 76,010 |

| | Shareholders' Equity | | | | | |
|--|----------------------|-------------------------|-----------------------------------|-------------------------|----------------|----------------------------|
| | Legal reserve | Retained earnings | | | Treasury stock | Total shareholders' equity |
| | | Other retained earnings | | Total retained earnings | | |
| | | General reserve | Retained earnings brought forward | | | |
| Balance as of March 31, 2006 | 4,320 | 690,000 | 76,515 | 770,836 | (18,538) | 892,150 |
| Changes during this interim accounting period | | | | | | |
| Dividends from surplus (Note) | | | (11,003) | (11,003) | | (11,003) |
| Bonuses to directors (Note) | | | (34) | (34) | | (34) |
| Additions to voluntary reserve (Note) | | 30,000 | (30,000) | | | |
| Net income (loss) for the this interim accounting period | | | (282,742) | (282,742) | | (282,742) |
| Acquisition of treasury stock | | | | | (0) | (0) |
| Disposal of treasury stock | | | | | 30 | 21 |
| Total changes during this interim accounting period | | 30,000 | (323,780) | (293,780) | 30 | (293,759) |
| Balance as of September 30, 2006 | 4,320 | 720,000 | (247,264) | 477,056 | (18,508) | 598,391 |

| | Valuation and translation adjustments | | Total net assets |
|--|---------------------------------------|---|------------------|
| | Securities valuation adjustment | Total valuation and translation adjustments | |
| Balance as of March 31, 2006 | 31,258 | 31,258 | 923,408 |
| Changes during this interim accounting period | | | |
| Dividends from surplus (Note) | | | (11,003) |
| Bonuses to directors (Note) | | | (34) |
| Additions to voluntary reserve (Note) | | | |
| Net income (loss) for the this interim accounting period | | | (282,742) |
| Acquisition of treasury stock | | | (0) |
| Disposal of treasury stock | | | 21 |
| Net changes of items other than shareholders' equity during this interim accounting period | (19,655) | (19,655) | (19,655) |
| Total changes during this interim accounting period | (19,655) | (19,655) | (313,414) |
| Balance as of September 30, 2006 | 11,602 | 11,602 | 609,994 |

Note: Items represent disposal of retained earnings at the Annual Shareholders Meeting in June 2006.

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

(A) Valuation and computation of assets

(a) Valuation and computation of 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 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

The equity in limited investment partnership and other similar partnership (deemed as securities by the Article 2, Section 2 of the Securities and Exchange Law) is accounted for by the equity method, based on its latest financial statements available considering the closing dates stipulated by the respective partnership contracts.

(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 ... 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 loss on interest repayments

We estimate and allocate a reasonable amount of repayments to be reserved for future loss on interest repayments, based on the historical data of repayments and recent status of repayments.

(Additional information)

In response to "Audit procedures of consumer financing companies concerning the allowance for loss caused by interest repayments claims (Technical topic report No. 37)," which was issued by the Japanese Institute of Certified Public Accountants on October 13, 2006 to clarify the policy concerning methods for calculating the allowance for loss on interest repayments and the reasonable period of estimation, the method used to compute amounts of the said allowance was changed in this consolidated interim accounting period.

The balance of 317,061 million yen between the allowance amount at the beginning of period computed based on the aforementioned procedures and the allowance amount computed based on the estimation method of the previous consolidated fiscal year (including 33,238 million yen, the amount transferred from the initial balance of the allowance) was included in the extraordinary loss.

As a result, compared to the method utilized in the previous consolidated fiscal year, operating profit and income before extraordinary items increased by 41,754 million yen, and loss before income taxes increased by 275,306 million yen.

(d) 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.

(e) 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.

(5) Change in Accounting Policies

(Accounting standards for presentation of net assets in the balance sheet)

"ASBJ Statement No. 5, Accounting Standards for Presentation of Net Assets in the Balance Sheet and its Implementation Guidance (issued by the Accounting Standards Board of Japan on December 9, 2005)" and "ASBJ Guidance No. 8, Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet (issued by the Accounting Standards Board of Japan on December 9, 2005)" have been applied from the current interim consolidated accounting period.

The amount corresponding to the conventional shareholders' equity is 609,994 million yen.

Additionally, the statement of net assets in the current interim consolidated accounting period was prepared in accordance with the revised rules for interim consolidated financial statements in response to the amendment of the regulations concerning such statements.

(6) Notes to Interim Non-Consolidated Balance Sheets

| Prior interim accounting period (As of September 30, 2005) | This interim accounting period (As of September 30, 2006) | Prior fiscal year (As of March 31, 2006) |
|--|--|--|
| 1. Cumulative depreciation of tangible fixed assets 44,322 million yen | 1. Cumulative depreciation of tangible fixed assets 45,573 million yen | 1. Cumulative depreciation of tangible fixed assets 44,719 million yen |
| 2. Assets pledged as security (Millions of yen) | 2. Assets pledged as security (Millions of yen) | 2. Assets pledged as security (Millions of yen) |
| (1) Pledged assets | (1) Pledged assets | (1) Pledged assets |
| Loans receivable | Loans receivable | Loans receivable |
| 413,416 | 272,246 | 340,716 |
| <62,002> | <31,764> | <46,582> |
| [29,806] | [24,512] | [27,623] |
| (2) Secured liabilities | (2) Secured liabilities | (2) Secured liabilities |
| Short-term loans | Current portion of Long-term loans | Short-term loans |
| 1,000 | 119,359 | 1,000 |
| <1,000> | <19,519> | <1,000> |
| 142,730 | [7,960] | 130,508 |
| Current portion of Long-term loans | Long-term loans | Current portion of Long-term loans |
| <29,134> | <12,238> | <24,217> |
| [7,960] | [3,980] | [7,960] |
| 259,656 | 259,656 | 197,383 |
| Long-term loans | Total | Long-term loans |
| <31,757> | <31,757> | <21,254> |
| [11,940] | [11,940] | [7,960] |
| Total | Total | Total |
| 403,386 | 328,891 | 328,891 |
| <61,891> | <46,471> | <46,471> |
| [19,900] | [15,920] | [15,920] |
| 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. | 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 | Guaranteed loans | Guaranteed loans |
| 151,684 | 175,188 | 163,782 |
| Allowance for loss on debt guarantees | Allowance for loss on debt guarantees | Allowance for loss on debt guarantees |
| 2,990 | 3,810 | 3,330 |
| Net | Net | Net |
| 148,694 | 171,378 | 160,452 |
| (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) |
| JLA INCORPORATED | JLA INCORPORATED | JLA INCORPORATED |
| 1,096 | 539 | 1,108 |
| ACOM ESTATE CO., LTD. | JCK CREDIT CO., LTD. | ACOM ESTATE CO., LTD. |
| 225 | 545 | 50 |
| JCK CREDIT CO., LTD. | IR Loan Servicing, Inc. | JCK CREDIT CO., LTD. |
| 2,750 | 7,200 | 1,099 |
| IR Loan Servicing, Inc. | DC Cash One Ltd. | IR Loan Servicing, Inc. |
| 1,200 | 77,939 | 1,200 |
| DC Cash One Ltd. | EASY BUY Public Company Limited | DC Cash One Ltd. |
| 65,356 | 44,093 | 72,733 |
| EASY BUY Public Company Limited | | EASY BUY Public Company Limited |
| 33,790 | | 38,855 |

| Prior interim accounting period (As of September 30, 2005) | This interim accounting period (As of September 30, 2006) | Prior fiscal year (As of March 31, 2006) |
|---|---|---|
| <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 799,930 million yen at the end of the interim accounting period. This included a total of 552,210 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 853,835 million yen at the end of the interim accounting period. This included a total of 610,066 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 834,762 million yen at the end of the fiscal year. This included a total of 587,092 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 4,499 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 24,590 million yen. Under the policies stipulated in Japan's tax laws, 12,481 million yen of this amount would be classified as loans overdue by three months or more, 5,422 million yen as restructured loans and 6,687 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 3,547 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 50,836 million yen. Under the policies stipulated in Japan's tax laws, 18,152 million yen of this amount would be classified as loans overdue by three months or more, 7,422 million yen as restructured loans and 25,241 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 3,852 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 35,090 million yen. Under the policies stipulated in Japan's tax laws, 11,969 million yen of this amount would be classified as loans overdue by three months or more, 6,559 million yen as restructured loans and 16,560 million yen as loans no longer in arrears.</p> |

| Prior interim accounting period (As of September 30, 2005) | | | This interim accounting period (As of September 30, 2006) | | | Prior fiscal year (As of March 31, 2006) | | | | | | | | | | | | | | | | | | | | |
|---|--------------------|--|--|----------------------|--|---|---------------------|--|---|--|--|--|---------|---------------------|--------|---------------|---------|---|--|--|--|---------|---------------------|--------|---------------|---------|
| (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 | (7,924) 7,924 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation, and others | Loans to bankrupt parties | (6,584) 6,584 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation, and others | Loans to bankrupt parties | (7,000) 7,000 | Loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation, and others | | | | | | | | | | | | | | | | | | |
| Loans in arrears | (11,352) 35,943 | 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 | (14,469) 65,306 | 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 | (11,619) 46,709 | 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 | (14,547) 2,066 | Loans other than the above that are overdue by three months or more | Loans overdue by three months or more | (18,720) 567 | Loans other than the above that are overdue by three months or more | Loans overdue by three months or more | (13,080) 1,110 | Loans other than the above that are overdue by three months or more | | | | | | | | | | | | | | | | | | |
| Restructured loans | (50,926) 45,504 | 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 | (66,442) 59,000 | 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 | (61,312) 54,752 | 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 | (84,750) 91,438 | | Total | (106,217) 131,458 | | Total | (93,012) 109,573 | | | | | | | | | | | | | | | | | | | |
| <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 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. Amount of marketable securities purchased (Stated as Other current assets) 7,999 million yen Market value of marketable securities purchased at the end of the interim accounting period 7,999 million yen</p> <p>7. Agreements for overdraft and commitment facilities For efficient procurement of working capital, the Company maintains overdraft contract with 1 financial institution and designated commitment line contracts with 3 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>(Millions of yen)</p> <table> <tr> <td>Agreed amount of agreement for commitment line</td> <td>230,820</td> </tr> <tr> <td>Amount of borrowing</td> <td>69,900</td> </tr> <tr> <td>Unused amount</td> <td>160,920</td> </tr> </table> | | | Agreed amount of agreement for commitment line | 230,820 | Amount of borrowing | 69,900 | Unused amount | 160,920 | <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 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. Amount of marketable securities purchased (Stated as Other current assets) 20,992 million yen Market value of marketable securities purchased at the end of the interim accounting period 20,988 million yen</p> <p>7. Agreements for overdraft and commitment facilities 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>(Millions of yen)</p> <table> <tr> <td>Agreed amount of agreement for commitment line</td> <td>178,050</td> </tr> <tr> <td>Amount of borrowing</td> <td>26,940</td> </tr> <tr> <td>Unused amount</td> <td>151,110</td> </tr> </table> | | | Agreed amount of agreement for commitment line | 178,050 | Amount of borrowing | 26,940 | Unused amount | 151,110 | <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 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. Amount of marketable securities purchased (Stated as Other current assets) 24,997 million yen Market value of marketable securities purchased at the end of the fiscal year aieuo 24,972 million yen</p> <p>7. Agreements for overdraft and commitment facilities For efficient procurement of working capital, the Company maintains overdraft contract with 1 financial institution and designated commitment line contracts with 3 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>(Millions of yen)</p> <table> <tr> <td>Agreed amount of agreement for commitment line</td> <td>236,462</td> </tr> <tr> <td>Amount of borrowing</td> <td>30,920</td> </tr> <tr> <td>Unused amount</td> <td>205,542</td> </tr> </table> | | | Agreed amount of agreement for commitment line | 236,462 | Amount of borrowing | 30,920 | Unused amount | 205,542 |
| Agreed amount of agreement for commitment line | 230,820 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount of borrowing | 69,900 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unused amount | 160,920 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agreed amount of agreement for commitment line | 178,050 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount of borrowing | 26,940 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unused amount | 151,110 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agreed amount of agreement for commitment line | 236,462 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amount of borrowing | 30,920 | | | | | | | | | | | | | | | | | | | | | | | | | |
| Unused amount | 205,542 | | | | | | | | | | | | | | | | | | | | | | | | | |

(7) Notes to Interim Non-Consolidated Statements of Income

| Prior interim accounting period (From April 1, 2005 to September 30, 2005) | This interim accounting period (From April 1, 2006 to September 30, 2006) | Prior fiscal year (From April 1, 2005 to March 31, 2006) |
|---|--|---|
| 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 loans 4 | Interest on deposits 10 | Interest on loans 8 |
| Effect of currency exchange 9 | Interest on loans 16 | Effect of currency exchange 36 |
| 2. Principal financial expenses (Millions of yen) | 2. Principal financial expenses (Millions of yen) | 2. Principal financial expenses (Millions of yen) |
| Interest paid 5,765 | Interest paid 5,545 | Interest paid 11,142 |
| Interest on corporate bonds 2,413 | Interest on corporate bonds 2,239 | Interest on corporate bonds 4,892 |
| Bond issue expenses 193 | | Bond issue expenses 383 |
| 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 289 | Interest income 282 | Interest income 572 |
| Interest on securities 41 | Interest on securities 48 | Interest on securities 97 |
| Dividends received 229 | Dividends received 589 | Dividends received 544 |
| Insurance payment received 42 | Insurance payment received 28 | Insurance payment received 50 |
| Rent from corporate residence 246 | Rent from corporate residence 249 | Rent from corporate residence 492 |
| 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) |
| Loss on investments in investing business association 120 | Loss on investments in investing business association 50 | Loss on investments in investing business association 124 |
| 5. Principle items of extraordinary income (Millions of yen) | 5. Principle items of extraordinary income (Millions of yen) | 5. Principle items of extraordinary income (Millions of yen) |
| Gains on sales of fixed assets 201 | Gains on sales of fixed assets 198 | Gains on sales of fixed assets 201 |
| Gains on sales of investments in affiliates 286 | Gains on sales of investments in affiliates 21 | Gains on sales of investments in affiliates 286 |
| | Gains on maturity of investment trusts 22 | |
| 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 337 | Loss on sales of fixed assets 38 | Loss on sales of fixed assets 436 |
| Loss on disposal of fixed assets 371 | Loss on disposal of fixed assets 304 | Loss on disposal of fixed assets 871 |
| | Impairment loss 8 | Impairment loss 4 |
| | Loss on revaluation of investments in securities 23 | Loss on settlement of affiliated companies 22 |
| | Special Provision for loss on interest repayments 317,061 | |

| Prior interim accounting period (From April 1, 2005 to September 30, 2005) | This interim accounting period (From April 1, 2006 to September 30, 2006) | Prior fiscal year (From April 1, 2005 to March 31, 2006) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|---|-------|------|------------------------|----------------------------|-------------------------|-------------------------|----------------------------|-------------------------|---------------|----------------------------|-------------------------|------|---|-----------------------------|---|-------|---|---|----------|-------|------|---------------|----------------------------|-------------------------|------|---|-----------------------------|---|-------|---|
| 7. _____ | <p>7. Impairment loss</p> <p>The Company has reported impairment loss for this fiscal year as below:</p> <p>(1) Assets recognized as having suffered impairment</p> <table border="1" data-bbox="576 405 1007 741"> <thead> <tr> <th>Location</th> <th>Usage</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Iwate Hachimantai City</td> <td>Welfare/Leisure Facilities</td> <td>Land and Buildings etc.</td> </tr> <tr> <td>Shizuoka Hamamatsu City</td> <td>Welfare/Leisure Facilities</td> <td>Land and Buildings etc.</td> </tr> <tr> <td>Mie Toba City</td> <td>Welfare/Leisure Facilities</td> <td>Land and Buildings etc.</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="576 1599 1007 1704"> <tr> <td>Land</td> <td style="text-align: right;">1</td> </tr> <tr> <td>Other tangible fixed assets</td> <td style="text-align: right;">6</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">8</td> </tr> </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 | Iwate Hachimantai City | Welfare/Leisure Facilities | Land and Buildings etc. | Shizuoka Hamamatsu City | Welfare/Leisure Facilities | Land and Buildings etc. | Mie Toba City | Welfare/Leisure Facilities | Land and Buildings etc. | Land | 1 | Other tangible fixed assets | 6 | Total | 8 | <p>7. Impairment loss</p> <p>The Company has reported impairment loss for this fiscal year as below:</p> <p>(1) Assets recognized as having suffered impairment</p> <table border="1" data-bbox="1031 405 1461 551"> <thead> <tr> <th>Location</th> <th>Usage</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Mie Toba City</td> <td>Welfare/Leisure Facilities</td> <td>Land and Buildings etc.</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="1031 1599 1461 1704"> <tr> <td>Land</td> <td style="text-align: right;">0</td> </tr> <tr> <td>Other tangible fixed assets</td> <td style="text-align: right;">3</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">4</td> </tr> </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 | Mie Toba City | Welfare/Leisure Facilities | Land and Buildings etc. | Land | 0 | Other tangible fixed assets | 3 | Total | 4 |
| Location | Usage | Type | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Iwate Hachimantai City | Welfare/Leisure Facilities | Land and Buildings etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shizuoka Hamamatsu City | Welfare/Leisure Facilities | Land and Buildings etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mie Toba City | Welfare/Leisure Facilities | Land and Buildings etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Land | 1 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other tangible fixed assets | 6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Location | Usage | Type | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mie Toba City | Welfare/Leisure Facilities | Land and Buildings etc. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Land | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other tangible fixed assets | 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>8. Depreciation amount</p> <p style="text-align: right;">(Millions of yen)</p> <p>Tangible fixed assets 1,987</p> <p>Intangible fixed assets 3</p> | <p>8. Depreciation amount</p> <p style="text-align: right;">(Millions of yen)</p> <p>Tangible fixed assets 1,741</p> <p>Intangible fixed assets 0</p> | <p>8. Depreciation amount</p> <p style="text-align: right;">(Millions of yen)</p> <p>Tangible fixed assets 4,093</p> <p>Intangible fixed assets 6</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(8) Notes to Interim Non-Consolidated Statement of Changes in Net Assets

This Interim Accounting Period (From April, 2006 to September 30, 2006)

(A) Matters for treasury shares

| Type of shares | Prior consolidated fiscal year (As of March 31, 2006) | Increase | Decrease | This interim consolidated accounting period (As of September 30, 2006) |
|----------------|--|----------|----------|---|
| Common shares | 2,438,225 | 18 | 4,300 | 2,433,943 |

(Outline for the change)

18 shares of increase is owing to purchase of shares in units of less than 10.

4,300 shares of decrease is owing to exercising rights of stock options.

(9) Notes to Lease Transactions

| Prior interim accounting period (From April 1, 2005 to September 30, 2005) | This interim accounting period (From April 1, 2006 to September 30, 2006) | Prior fiscal year (From April 1, 2005 to March 31, 2006) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|---|------------------------------|------------------------------|---------------------------------|-------|--|-------------------|-------------------------|----------------------------|-------|--------------------------------|-------|---|-------------------|-------|--|-------|--------------------------------|----------------------------|------------------------------|---------------------------------|-----|----|----|-------------------------|-------|-------|-----|-------|-------|-------|-----|--|--|--------------------------------|----------------------------|------------------------------|---------------------------------|-----|----|----|-------------------------|-------|-------|-----|-------|-------|-------|-------|
| <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>160</td> <td>76</td> <td>84</td> </tr> <tr> <td>Equipment and furniture</td> <td>4,312</td> <td>2,983</td> <td>1,329</td> </tr> <tr> <td>Total</td> <td>4,473</td> <td>3,059</td> <td>1,413</td> </tr> </tbody> </table> | | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | Vehicles and delivery equipment | 160 | 76 | 84 | Equipment and furniture | 4,312 | 2,983 | 1,329 | Total | 4,473 | 3,059 | 1,413 | <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>132</td> <td>76</td> <td>55</td> </tr> <tr> <td>Equipment and furniture</td> <td>2,553</td> <td>1,889</td> <td>663</td> </tr> <tr> <td>Total</td> <td>2,685</td> <td>1,996</td> <td>719</td> </tr> </tbody> </table> | | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | Vehicles and delivery equipment | 132 | 76 | 55 | Equipment and furniture | 2,553 | 1,889 | 663 | Total | 2,685 | 1,996 | 719 | <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>151</td> <td>79</td> <td>71</td> </tr> <tr> <td>Equipment and furniture</td> <td>3,181</td> <td>2,237</td> <td>943</td> </tr> <tr> <td>Total</td> <td>3,333</td> <td>2,317</td> <td>1,015</td> </tr> </tbody> </table> | | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | Vehicles and delivery equipment | 151 | 79 | 71 | Equipment and furniture | 3,181 | 2,237 | 943 | Total | 3,333 | 2,317 | 1,015 |
| | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicles and delivery equipment | 160 | 76 | 84 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 4,312 | 2,983 | 1,329 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 4,473 | 3,059 | 1,413 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicles and delivery equipment | 132 | 76 | 55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 2,553 | 1,889 | 663 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 2,685 | 1,996 | 719 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Equivalent of acquisition cost | Equivalent of depreciation | Equivalent of residual value | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicles and delivery equipment | 151 | 79 | 71 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and furniture | 3,181 | 2,237 | 943 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 3,333 | 2,317 | 1,015 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>2. Equivalent of balance of the unaccrued lease fee</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td>Within 1 year</td> <td style="text-align: right;">855</td> </tr> <tr> <td>More than 1 year</td> <td style="text-align: right;">586</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1,441</td> </tr> </tbody> </table> | Within 1 year | 855 | More than 1 year | 586 | Total | 1,441 | <p>2. Equivalent of balance of the unaccrued lease fee</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td>Within 1 year</td> <td style="text-align: right;">461</td> </tr> <tr> <td>More than 1 year</td> <td style="text-align: right;">270</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">731</td> </tr> </tbody> </table> | Within 1 year | 461 | More than 1 year | 270 | Total | 731 | <p>2. Equivalent of balance of the unaccrued lease fee</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td>Within 1 year</td> <td style="text-align: right;">625</td> </tr> <tr> <td>More than 1 year</td> <td style="text-align: right;">409</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1,035</td> </tr> </tbody> </table> | Within 1 year | 625 | More than 1 year | 409 | Total | 1,035 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within 1 year | 855 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| More than 1 year | 586 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,441 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within 1 year | 461 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| More than 1 year | 270 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 731 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within 1 year | 625 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| More than 1 year | 409 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,035 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>3. Lease fee payable, equivalent of depreciation and equivalent of interest payable</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td>Lease fee payable</td> <td style="text-align: right;">601</td> </tr> <tr> <td>Equivalent of depreciation</td> <td style="text-align: right;">575</td> </tr> <tr> <td>Equivalent of interest payable</td> <td style="text-align: right;">17</td> </tr> </tbody> </table> | Lease fee payable | 601 | Equivalent of depreciation | 575 | Equivalent of interest payable | 17 | <p>3. Lease fee payable, equivalent of depreciation and equivalent of interest payable</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td>Lease fee payable</td> <td style="text-align: right;">403</td> </tr> <tr> <td>Equivalent of depreciation</td> <td style="text-align: right;">387</td> </tr> <tr> <td>Equivalent of interest payable</td> <td style="text-align: right;">8</td> </tr> </tbody> </table> | Lease fee payable | 403 | Equivalent of depreciation | 387 | Equivalent of interest payable | 8 | <p>3. Lease fee payable, equivalent of depreciation and equivalent of interest payable</p> <p style="text-align: right;">(Millions of yen)</p> <table> <tbody> <tr> <td>Lease fee payable</td> <td style="text-align: right;">1,099</td> </tr> <tr> <td>Equivalent of depreciation</td> <td style="text-align: right;">1,052</td> </tr> <tr> <td>Equivalent of interest payable</td> <td style="text-align: right;">30</td> </tr> </tbody> </table> | Lease fee payable | 1,099 | Equivalent of depreciation | 1,052 | Equivalent of interest payable | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lease fee payable | 601 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of depreciation | 575 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of interest payable | 17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lease fee payable | 403 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of depreciation | 387 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of interest payable | 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lease fee payable | 1,099 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of depreciation | 1,052 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equivalent of interest payable | 30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <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> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

(10) Securities (Subsidiary and affiliate stock)

Prior interim accounting period (from April 1, 2005 to September 30, 2005)

This interim accounting period (from April 1, 2006 to September 30, 2006)

Prior fiscal year (from April 1, 2005 to March 31, 2006)

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

(17) Footnotes to statistics per Share

| Prior interim consolidated accounting period (From April 1, 2005 to September 30, 2005) | This interim consolidated accounting period (From April 1, 2006 to September 30, 2006) | Prior consolidated fiscal year (From April 1, 2005 to March 31, 2006) |
|--|---|--|
| (Yen) | (Yen) | (Yen) |
| Net assets per share 5,744.67 | Net assets per share 3,880.51 | Net assets per share 5,874.26 |
| Net income per share 290.52 | Net income (loss) per share (1,798.69) | Net income per share 407.52 |
| Net income per share diluted 290.38 | Net income per share diluted is not presented since net loss is recorded. | Net income per share diluted 407.34 |

(Note) 1. Net assets per share is calculated based on the following data.

| | Prior interim consolidated accounting period (As of September 30, 2005) | This interim consolidated accounting period (As of September 30, 2006) | Prior consolidated fiscal year (As of March 31, 2006) |
|--|---|--|---|
| Total net assets (millions of yen) | — | 609,994 | — |
| The amounts deducted from total net assets (millions of yen) | — | — | — |
| Amounts of net assets related to common shares at the end of accounting period (millions of yen) | — | 609,994 | — |
| Number of shares issued within common shares | — | 159,628,280 shares | — |
| Number of treasury shares within common shares | — | 2,433,943 shares | — |
| Number of common shares to calculate net assets per share at the end of accounting period | — | 157,194,337 shares | — |

2. Net income (loss) per share and net income (loss) per share diluted are calculated based on the following data.

| | Prior interim consolidated accounting period From April 1, 2005 to September 30, 2005 | This interim consolidated accounting period From April 1, 2006 to September 30, 2006 | Prior consolidated fiscal year From April 1, 2005 to March 31, 2006 |
|--|--|---|--|
| Net income (loss) per share | | | |
| Net income (loss) (millions of yen) | 45,757 | (282,742) | 64,152 |
| Net income not available to common shareholders [Bonuses to directors included in the above] (millions of yen) | — [—] | — [—] | 34 [34] |
| Net income (loss) related to common shares (millions of yen) | 45,757 | (282,742) | 64,118 |
| Weighted average number of common shares during accounting period | 157,501,805 shares | 157,193,605 shares | 157,337,635 shares |
| Net income (loss) per share diluted | | | |
| Net income effect of dilutive securities | — | — | — |
| Number of increase of common shares [Stock options (stock acquisition rights) included in the above] | 76,458 shares [76,458 shares] | — [—] | 70,501 shares [70,501 shares] |
| Residual securities which do not dilute net income per share | Stock options (treasury stock method) 311,000 shares | — | Stock options (treasury stock method) 308,400 shares |

7. Actual Results

(1) Operating income by Category

(Millions of yen)

| Division | Category | Term | | Prior interim accounting period | | This interim accounting period | | Change | | Prior fiscal year | |
|------------------|----------------------------------|---------|-------------------|--|-------------------|--|------------|---------|-------------------|--------------------------------------|---|
| | | | | From April 1, 2005 to September 30, 2005 | | From April 1, 2006 to September 30, 2006 | | | | From April 1, 2005 to March 31, 2006 | |
| | | Amount | Composition ratio | Amount | Composition ratio | Amount | Percentage | Amount | Composition ratio | | |
| Finance Business | Interest on loans receivable | 185,502 | 92.6 | 177,020 | 92.7 | (8,482) | (4.6) | 367,619 | 92.7 | | % |
| | Unsecured loans | 182,063 | 90.9 | 173,746 | 91.0 | (8,316) | (4.6) | 360,812 | 91.0 | | % |
| | Consumers | 182,048 | 90.9 | 173,736 | 91.0 | (8,311) | (4.6) | 360,784 | 91.0 | | % |
| | Commercials | 15 | 0.0 | 10 | 0.0 | (5) | (35.3) | 27 | 0.0 | | % |
| | Secured loans | 3,438 | 1.7 | 3,273 | 1.7 | (165) | (4.8) | 6,806 | 1.7 | | % |
| | Fees from | 6,241 | 3.1 | 4,869 | 2.6 | (1,372) | (22.0) | 11,690 | 2.9 | | % |
| | Credit card business | 3,109 | 1.5 | 2,955 | 1.6 | (153) | (4.9) | 6,139 | 1.5 | | % |
| | Installment sales financing | 3,132 | 1.6 | 1,913 | 1.0 | (1,218) | (38.9) | 5,550 | 1.4 | | % |
| | Fees from credit guarantees | 4,113 | 2.1 | 4,780 | 2.5 | 667 | 16.2 | 8,549 | 2.2 | | % |
| Other Business | Sales | — | — | — | — | — | — | — | — | | % |
| Other Category | Other financial income | 14 | 0.0 | 27 | 0.0 | 12 | 83.5 | 46 | 0.0 | | % |
| | Other operating income | 4,440 | 2.2 | 4,209 | 2.2 | (230) | (5.2) | 8,732 | 2.2 | | % |
| | Collection of bad debts deducted | 3,560 | 1.8 | 3,158 | 1.7 | (401) | (11.3) | 6,922 | 1.7 | | % |
| | Others | 880 | 0.4 | 1,050 | 0.5 | 170 | 19.3 | 1,809 | 0.5 | | % |
| Total | | 200,312 | 100.0 | 190,906 | 100.0 | (9,405) | (4.7) | 396,637 | 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 | | Change | |
|------------------------------------|------|---------------------------------|--|--------------------------------|--|------------------------|----------|--------|--------|
| | | (As of September 30, 2005) | | (As of September 30, 2006) | | (As of March 31, 2006) | | (YTD) | |
| | | | | | | | | | % |
| Loans receivable outstanding | | 1,606,799 | | 1,571,342 | | 1,596,276 | (24,934) | | (1.6) |
| Unsecured loans | | 1,551,716 | | 1,519,341 | | 1,542,256 | (22,915) | | (1.5) |
| Consumers | | 1,551,549 | | 1,519,223 | | 1,542,121 | (22,898) | | (1.5) |
| Commercials | | 167 | | 118 | | 134 | (16) | | (12.4) |
| Secured loans | | 55,083 | | 52,000 | | 54,020 | (2,019) | | (3.7) |
| Credit card business | | 48,591 | | 46,536 | | 47,551 | (1,015) | | (2.1) |
| ACOM MasterCard® | | 48,579 | | 46,531 | | 47,537 | (1,005) | | (2.1) |
| Other | | 11 | | 4 | | 14 | (10) | | (67.5) |
| Installment sales finance business | | 56,783 | | 38,202 | | 45,769 | (7,567) | | (16.5) |

(b) Number of customer accounts

(Millions of yen)

| Item | Term | Prior interim accounting period (As of September 30, 2005) | This interim accounting period (As of September 30, 2006) | Prior fiscal year (As of March 31, 2006) | Change (YTD) | |
|------------------------------------|------|---|--|---|--------------|--------|
| Number of loan customer accounts | | 2,888,690 | 2,806,722 | 2,859,176 | (52,454) | (1.8) |
| Unsecured loans | | 2,876,210 | 2,794,625 | 2,846,796 | (52,171) | (1.8) |
| Consumers | | 2,876,016 | 2,794,493 | 2,846,643 | (52,150) | (1.8) |
| Commercials | | 194 | 132 | 153 | (21) | (13.7) |
| Secured loans | | 12,480 | 12,097 | 12,380 | (283) | (2.3) |
| Credit card business | | 1,221,052 | 1,285,516 | 1,253,800 | 31,716 | 2.5 |
| ACOM MasterCard® | | 1,220,853 | 1,285,319 | 1,253,603 | 31,716 | 2.5 |
| Other | | 199 | 197 | 197 | — | — |
| Installment sales finance business | | 244,575 | 173,292 | 208,783 | (32,491) | (15.8) |

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

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

| Item | Term | Prior interim accounting period (As of September 30, 2005) | This interim accounting period (As of September 30, 2006) | Prior fiscal year (As of March 31, 2006) | Change (YTD) | |
|---------------------------------------|------|---|--|---|--------------|--------|
| Number of outlets | | 1,910 | 2,053 | 2,012 | 41 | 2.0 |
| Loan business outlets | | 1,901 | 2,044 | 2,003 | 41 | 2.0 |
| Staffed | | 299 | 242 | 277 | (35) | (12.6) |
| Unstaffed | | 1,602 | 1,802 | 1,726 | 76 | 4.4 |
| QUICK MUJIN | | 111 | 218 | 194 | 24 | 12.4 |
| Installment sales finance business | | 9 | 9 | 9 | — | — |
| Number of MUJINKUN outlets (machines) | | <1,899> 1,898 | <2,051> 2,051 | <2,008> 2,007 | 44 | 2.2 |
| QUICK MUJIN Machines | | < 111> 111 | < 227> 227 | <201> 201 | 26 | 12.9 |
| Number of CD/ATM | | 81,493 | 85,913 | 83,868 | 2,045 | 2.4 |
| Proprietary | | 1,932 | 1,978 | 1,952 | 26 | 1.3 |
| Open 365 days / year | | 1,931 | 1,977 | 1,951 | 26 | 1.3 |
| Open 24 hours / day | | 1,705 | 1,750 | 1,727 | 23 | 1.3 |
| Tie-up | | 79,561 | 83,935 | 81,916 | 2,019 | 2.5 |
| Others | | 8,814 | 8,976 | 8,903 | 73 | 0.8 |

(d) Others

| Item | Term | Prior interim accounting period (As of September 30, 2005) | This interim accounting period (As of September 30, 2006) | Prior fiscal year (As of March 31, 2006) | Change (YTD) [From September 30, 2005 to September 30, 2006] | |
|---|------|---|--|---|---|-----------|
| Number of employees | | 4,067 | 3,767 | 3,911 | (144) | (3.7) |
| Allowance for bad debts (millions of yen) | | 117,000 | 98,406 | 122,700 | (24,293) | (19.8) |
| Allowance for loss on guaranteed loans receivable (millions of yen) | | 2,990 | 3,810 | 3,330 | 480 | 14.4 |
| Allowance for loss on interest repayments (millions of yen) | | — | 357,500 | 23,700 | 333,800 | |
| Bad debt write-offs (millions of yen) | | [51,819] | [42,868] | [107,239] | [(8,951)] | [(17.3)] |
| Loss on interest repayments (millions of yen) | | [4,525] | [29,655] | [13,527] | [25,129] | [555.3] |

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.