FINANCIAL SECTION

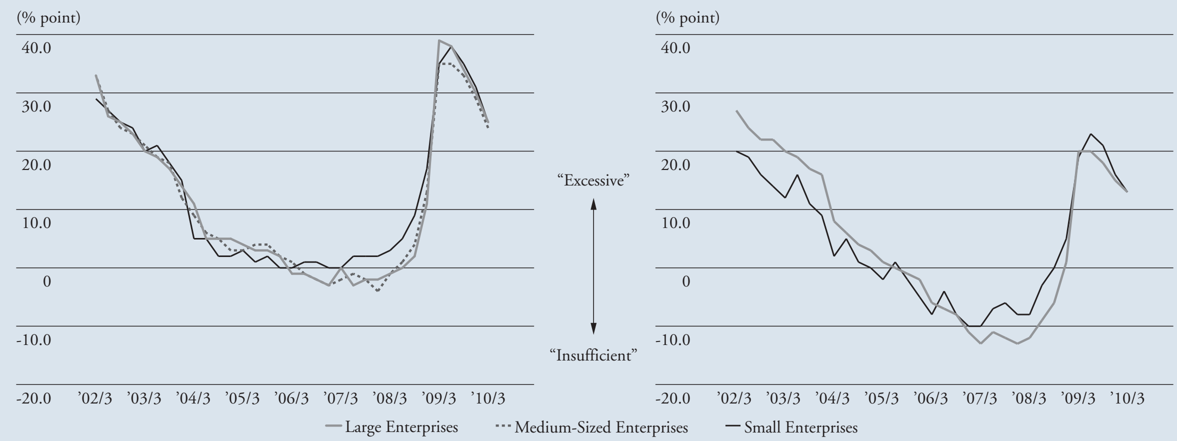
Management's Discussion and Analysis

Operating Environment

In fiscal 2009, ended March 31, 2010, the Japanese economy showed signs of turning around, driven by such factors as an upturn in production spurred by increased exports and government stimulus measures, as well as improvements in corporate earnings. In general, however, the economy failed to demonstrate a real recovery sentiment, with the unemployment rate remaining at a high level and worker salaries declining. In the consumer finance industry, the ongoing high level of interest repayment claims placed direct pressure on management. The incremental enactment of the revised Money Lending Business Act, moreover, caused the consumer credit market to shrink and profitability to decline, underscoring the increasingly severe business climate.

Trends in the TANKAN Survey (Quarterly)

Production Capacity D.I. (Overall Industry) *Employment Conditions D.I. (Overall Industry)*



* From the March 2004 TANKAN survey, the Bank of Japan revised the companies subject to the survey.

Review and Analysis of Consolidated Results

Overall Performance

In fiscal 2009, the ACOM Group (hereinafter, "the Group") reported a 14.1% year-on-year decline in operating revenue, to ¥278.7 billion, due mainly to declines in the balance of accounts receivable-operating loans and average loan yield over the period.

Operating expenses decreased 7.1%, to ¥272.7 billion, owing to a ¥22.5 billion decline in operating costs. This was despite a ¥6.2 billion increase in provision for loss on interest repayment and a ¥1.7 billion rise in provision of allowance for doubtful accounts. Accordingly, operating income fell 80.3%, to ¥6.0 billion.

The Group reported a net loss of ¥7.2 billion for the year, a deterioration of ¥20.9 billion from the previous fiscal year. This was due mainly to business structure improvement expenses of ¥10.1 billion, which contrasted with a ¥5.7 billion year-on-year decline in loss on sales of stocks of subsidiaries and affiliates.

The Group is seeking to build a framework for the next stage of growth and reinforce its business foundation, with a specific focus on four areas: maintaining its customer base and earnings foundation in the core loan business, responding appropriately to the revised Money Lending Business Act, pursuing cost structural reforms, and promoting its business alliance with the MUFG Group.

In November 2009, the Group announced its new "Strengthening Business Management Policy," a set of management reinforcement measures, aimed at further enhancing Group-wide operating efficiency and building robust earnings power. Under the measures, we have since taken various actions, including consolidating our outlets and encouraging voluntary retirement among employees.

With respect to the business alliance with MUFG Group, in April 2009 the credit guarantee business of DC Cash One Ltd. was transferred to Mitsubishi UFJ NICOS Co., Ltd. The following month, DCC1 was merged into ACOM. Also in April 2009, RELATES CO., LTD., a wholly owned ACOM subsidiary, was merged into MU Communications Co., Ltd., which immediately became an equity-method affiliate of ACOM. In September 2009, meanwhile, ACOM took over the unsecured card loan guarantee business of The Mitsubishi UFJ Home Loan Credit Co., Ltd.

Results by Segment

1
Operating Revenue and Receivables Outstanding

Loan Business

In fiscal 2009, loan receivables outstanding declined 10.8% from the previous fiscal year, to ¥1,173.5 billion, and operating revenue decreased 13.5%, to ¥240.0 billion.

On a non-consolidated basis, loan receivables outstanding decreased 5.8%, to ¥1,103.9 billion, and operating revenue fell 10.2%, to ¥219.6 billion. The average loan yield of unsecured consumer loans during the year was 18.41%, down 91 basis points from the previous year.

In Japan, the Group adopted a rigorous approach in preparing for the full enforcement of the revised Money Lending Business Act. At the same time, we focused on three core issues aimed at reforming our business model: strengthen our sales and service capabilities, expand our new customer base, and maintain and improve the quality of our loan assets. We also stepped up efforts to further promote our management reinforcement measures. For example, we expedited measures to enhance the efficiency of our office network, by reducing the number of concentrated operating centers from four to two, and also by reorganizing our network of staffed and unstaffed outlets.

EASY BUY Public Company Limited, which handles the Group's loan business in Thailand, opened numerous new booths dedicated to accepting new loan applications and actively advanced its sales initiatives, including by boosting new applications. As a result, the balance of accounts receivable-operating loans in EASY BUY's loan business grew 7.4% on a local-currency basis.

Guarantee Business

In this segment, guaranteed receivables outstanding amounted to ¥317.2 billion, up 119.8% from a year earlier. Fees from credit guarantees rose 62.6%, to ¥12.4 billion, and operating revenue in this segment (including commissions from guarantee services) climbed 22.9%, to ¥14.2 billion.

During the year, we focused on the core issues of expanding its business scope and boosting operating revenue, as well as improving its earnings structure. To this end, we worked to support the sales activities of existing alliance partners while cultivating potential new partners. In July 2009, we reorganized our business promotion system with the aim of boosting operational and personnel efficiency and reinforcing our ability to service defaulted loans once ACOM assumes the guaranteed debts.

In September 2009, ACOM took over the unsecured card loan guarantee business of The Mitsubishi UFJ Home Loan Credit Co., Ltd. In January 2010, we began providing guarantees for Loan Service, a personal loan service offered by Seven Bank, Ltd., bringing our network of alliance partners in the guarantee business to 17. We also worked to increase the balance of guaranteed receivables, including by supporting sales promotion activities for loan products offered by existing alliance partners, centering on BANQUIC, an unsecured card loan offered by BTMU.

Loan Servicing Business

In the loan servicing business, the total collection of purchased receivables was down 22.1% year on year, to ¥12.2 billion, and operating revenue (including commissions on consigned purchases) fell 21.9%, to ¥12.8 billion.

Conditions surrounding the loan servicing sector became increasingly severe during the year, as the impact of a sudden credit crunch, sparked by the subprime loan crisis in the United States, caused the Japanese real estate market to deteriorate sharply. In this environment, IR Loan Servicing, Inc., which handles the Group's loan servicing business, adopted a policy of strengthening profitability and reinforcing its loan servicing capabilities. It has also been sharing its know-how in servicing of small claims with ACOM in order to reinforce its overall servicing system for small claims. At the same time, it worked to optimize its portfolio of operating assets while reducing its holdings of purchased claims secured by real estate.

Credit Card Business

In the credit card business, card shopping receivables outstanding declined 18.2% from a year earlier, to ¥26.5 billion, and operating revenue was down 15.4%, to ¥3.9 billion.

In fiscal 2009, ACOM tightened controls over issuance of credit cards to our loan customers in order to maintain and improve the soundness of its credit portfolio. We also encouraged existing alliance cardholders to switch to an ACOM credit card as their card renewal date approaches. As a result, the total number of cardholders at fiscal year-end was 374 thousands, down 208 thousands from a year earlier, and the transaction volume fell 28.9%, to ¥11.9 billion.

Installment Sales Finance Business

Installment receivables outstanding in this segment declined 10.5% from a year earlier, to ¥31.8 billion, and operating revenue fell 19.8%, to ¥4.0 billion.

AFRESH CREDIT CO., LTD., which handles this business in Japan, sought to address a revision of the Installment Sales Act by maintaining its business scope and boosting profitability while tightening controls of its alliance partners. However, AFRESH CREDIT's transaction volume declined 7.9%, to ¥23.3 billion, and the year-end balance of installment receivables was down 7.5%, to ¥30.2 billion.

Consolidated subsidiary EASY BUY, which handles this business in Thailand, focused on reassessment of alliance partners and improving the soundness of its credit portfolio. On a local-currency basis, EASY BUY's operating revenue declined 52.4%, and its installment receivables outstanding fell 47.1%.

Banking Business

In the banking business, Bank BNP, a consolidated subsidiary in Indonesia, posted a 40.1% year-on-year increase in lending, to ¥25.3 billion, and generated operating revenue of ¥3.5 billion.

In addition to establishing and reinforcing its risk management and compliance frameworks, Bank BNP placed priority on promotion of loans to small and medium-sized companies, its core target market, and sales of unsecured loan products.

Operating Revenue by Segment

	Millions of Yen		yoy %
	FY2009	FY2008	
Loan Business	**240,041**	277,628	**(13.5)**
Credit Card Business	**3,967**	4,690	**(15.4)**
Installment Sales Finance Business	**4,002**	4,989	**(19.8)**
Guarantee Business	**14,295**	11,629	**22.9**
Loan Servicing Business	**12,844**	16,446	**(21.9)**
Rental Business	—	3,436	—
Other Businesses	**97**	2,183	**(95.5)**

Receivables Outstanding by Segment

	Millions of Yen		yoy %
	FY2009	FY2008	
Loan Business	**1,173,545**	1,316,166	**(10.8)**
Credit Card Business	**26,554**	32,446	**(18.2)**
Installment Sales Finance Business	**31,850**	35,580	**(10.5)**
Loan Servicing Business	**15,310**	20,923	**(26.8)**
Banking Business	**25,331**	18,081	**40.1**

2 Consolidated Operating Expenses

In fiscal 2009, consolidated operating expenses amounted to ¥272.7 billion, down 7.1% from the previous fiscal year. Within this total, financial expenses totaled ¥22.1 billion, largely unchanged from the previous year. By contrast, there was a ¥7.9 billion combined increase in provision of allowance for doubtful accounts and provision for loss on interest repayment. However, this was compensated for by cuts in operating costs. As a result, operating income fell 80.3%, to ¥6.0 billion.

Breakdown of Consolidated Operating Expenses

	Millions of Yen		
	FY2009	FY2008	yoy
Operating Expenses	**272,732**	293,666	**(20,934)**
Financial Expenses	**22,194**	22,204	**(10)**
Cost of Purchased Receivable	**6,885**	10,727	**(3,842)**
Cost of Sales	—	4,040	—
Other Operating Expenses	**243,652**	256,693	**(13,041)**
Advertising Expenses	**7,236**	11,297	**(4,061)**
Provision of Allowance for Doubtful Accounts	**74,068**	85,548	**(11,480)**
Provision for Loss on Guarantees	**2,110**	2,351	**(241)**
Provision for Loss on Interest Repayment	**58,362**	52,157	**6,205**
Employees' Salaries and Bonuses	**22,628**	26,567	**(3,939)**
Retirement Benefit Expenses	**2,303**	885	**1,418**
Provision for Directors' Retirement Benefits	**16**	38	**(22)**
Welfare Expenses	**3,360**	3,912	**(552)**
Rent Expenses	**10,095**	11,438	**(1,343)**
Depreciation	**2,449**	2,788	**(339)**
Commission Fee	**29,820**	36,572	**(6,752)**
Amortization of Goodwill	**306**	687	**(381)**
Other	**17,418**	22,447	**(5,029)**

3
Non-Operating Income (Expenses), Extraordinary Income (Loss), Net Income (Loss)

Total other income, net, edged down ¥0.6 billion, to ¥1.8 billion, largely reflecting a decline in dividend income.

Among extraordinary items, there was a ¥10.1 billion business structure improvement expense, despite a ¥5.7 billion decline in the loss on sales of stocks of subsidiaries and affiliates. This resulted in a net loss of ¥7.2 billion, a deterioration of ¥20.9 billion from the previous fiscal year.

Financial Position

Balance Sheets

At March 31, 2010, consolidated total assets amounted to ¥1,482.5 billion, down ¥123.0 billion from a year earlier. Net assets declined ¥13.1 billion, to ¥439.2 billion. Shareholders' equity (total net assets - stock options - minority interests at the end of fiscal year) was down ¥10.5 billion, to ¥434.5 billion. As a result, the shareholders' equity ratio increased 1.6 percentage points, to 29.3%.

Assets

Total current assets declined ¥126.8 billion year on year, while noncurrent assets increased ¥3.7 billion. Main factors in the decline in current assets included a ¥142.6 billion decrease in accounts receivable-operating loans, a ¥9.6 billion fall in accounts receivable-installment, a ¥5.6 billion decline in purchased receivables, a ¥5.2 billion decrease in short-term investment securities, and a ¥5.0 billion fall in deferred tax assets. The main factor boosting noncurrent assets was an increase in goodwill accompanying the transfer of business from MULC.

Liabilities

Total current liabilities increased ¥22.9 billion year on year, and total noncurrent liabilities fell ¥132.8 billion. Accordingly, total liabilities were down ¥109.9 billion. Main factors holding down liabilities included a ¥46.6 billion decline in interest-bearing debt (including loans and bonds), a ¥78.9 billion decrease in the provision for loss on interest repayment, and a ¥3.0 billion fall in deferred tax liabilities.

Net Assets

Total shareholders' equity declined ¥12.4 billion, due mainly to an ¥11.1 billion decrease in retained earnings, which outweighed a ¥1.8 billion increase in total valuation and translation adjustments. Accordingly, net assets declined ¥13.1 billion year on year.

Cash Flows

At March 31, 2010, cash and cash equivalents stood at ¥133.7 billion, up 1.7% from a year earlier.

Net cash provided by operating activities amounted to ¥63.4 billion. This was because factors boosting cash flows ¥146.2 billion decrease in accounts receivable-operating loans, a ¥9.7 billion decrease in accounts receivable-installment, and a ¥5.6 billion decrease in purchased receivables exceeded factors holding down cash flows, notably a ¥0.9 billion loss before income taxes, a ¥22.8 billion decrease in allowance for doubtful accounts, and a ¥78.9 billion decrease in provision for loss on interest repayment.

Net cash used in investing activities totaled ¥6.1 billion. This was mainly because outlays for business transfers exceeded proceeds from business transfers by ¥4.5 billion. Also, outlays for purchases of shares in subsidiaries exceeded proceeds from sales of shares in subsidiaries by ¥3.4 billion.

Net cash used in financing activities was ¥55.2 billion. This was mainly because repayments of loans and redemption of bonds outweighed proceeds from loans and bond issuance by ¥50.0 billion, while cash dividends paid amounted to ¥3.9 billion.

Cash Flows

	Millions of Yen		
	FY2009	FY2008	yoy
Net Cash Provided by (Used in) Operating Activities	**63,431**	66,989	**(3,558)**
Net Cash Provided by (Used in) Investing Activities	**(6,175)**	19,417	**(25,592)**
Net Cash Provided by (Used in) Financing Activities	**(55,280)**	(104,900)	**49,620**

Business Risks

The following report on "business-related risks" details potential risks to the Group's operations based on our assumptions and views as of the submission date of this financial statement.

However, the following report does not include all potential risks. With future changes in economic and business conditions affecting the consumer finance industry, there may be new risks that arise from various uncertain factors. Note, however, that forward-looking statements regarding business-related risks are based on our assumptions and views as of the submission date of this financial statement.

1
Financial Results

The business performance of the Group may be influenced by changes, fluctuations and modifications—and the degree of these—in the each of the items 1) to 8) listed below.

(a) Increase or decrease in number of customer accounts and average loan balance per customer accounts
(b) Changes in judicial rulings and legal regulations applicable to the consumer finance industry
(c) Changes in average contracted interest rates received from customers
(d) Changes in number of requests for interest repayments, as well as amounts requested
(e) Competition with other companies
(f) Rate of default by customers
(g) The Company's ability to procure funds and costs involved
(h) Advertising expenses, personal expenses, and other expenses

2
Impact of Amendments to the Money Lending Business Act and Installment Sales Act

With the "Act to Partially Amend the Regulations Governing Money Lending Business Act," the revised Money Lending Business Act came into force on December 19, 2007, and stronger regulations on actions, solicitations and collections have been imposed on our industry. On June 18, 2010, full enforcement of the revised Money Lending Business Act commenced, prohibiting agreements on interest rates exceeding those stipulated in the Interest Rate Restriction Act and placing restrictions on loans exceeding one-third of a customer' annual income. The lower yield from enforcement of these provisions is expected to reduce interest on consumer loans and the stricter regulations on lending to decrease the Company's operating loans receivable.

In addition, the revised Installment Sales Act came into force on December 1, 2009, pursuant to the "Act to Partially Amend the Act on Specified Commercial Transactions and the Installment Sales Act." The revisions include stricter regulations such as a requirement to make more stringent checks on the capacity of customers to pay and an obligation to supervise affiliate branches. There is a possibility that these revisions will impact on the performance of Group companies operating domestic credit card and installment sales finance businesses.

3
Status of Interest Repayment

The interest rates charged on some loan products by the Company, in which customers entered into contracts before June 17, 2007, exceed the interest rate ceilings specified in the Interest Rate Restriction Act. In addition, several consumers have taken legal action against consumer finance companies, including the Company, calling for a reimbursement of payments made, asserting that such payments do not meet a part of the requirements set forth in Article 43 of the Money Lending Business Act. In some recent court precedents, the plaintiffs' demands were accepted.

In case our customers request a reduction in the loan amount or reimbursement of excess interest paid, citing obligations for maximum interest rates under the Interest Rate Restrictions Act, the Company may accept to write off such loan or reimburse payments. The costs of write-off and reimbursing repayments (hereinafter referred to as "loss on interest repayment") have remained at high level as of the end of the current fiscal year.

Future potential for loss on interest repayment, further booking of the provision for loss on interest repayment, and court rulings from lawsuits demanding refunds of interest paid that put the Company and other finance companies at a clear disadvantage, could have an impact on the Group's business performance.

4
Fund Procurement

(A)
Fund Procurement

The Group primarily secures the necessary funds for its operations and liabilities repayments through cash provided by operating activities, as well as financing activities such as borrowings from financial institutions, including banks and insurance companies, and direct financing from capital markets, including via bond issues. At the end of the fiscal year under review, 47.2% of the Group's outstanding interest-bearing liabilities had been resourced from the 10 largest of our creditor banks and other financial institutions (excluding those from syndicated loans). While the Group has steadily diversified its funding resources in recent years, there is no assurance that its existing main banks and lenders will not change their current lending policy due to a potential reorganization of the financial industry 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.

Although the Group has not experienced any serious difficulties procuring funds over the last few years, if our credit rating is lowered, it may become more expensive and difficult for us to procure funds through public offerings or private placements, and this may impact on the performance of the Group.

(B)
Interest Rate on Fund Procurement

While interest rates on our fund procurement may fluctuate due to the market environment or other factors, our maximum lending interest rate is limited, according to rules stipulated by the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates, irrespective of fluctuations in interest rates on fund procurement.

In order to minimize interest-rate risks, the Group takes various measures, including the use of swap contracts, and observes a policy of maintaining fixed-interest borrowings as a ratio of total borrowings at 90% or higher, to mitigate the influence of factors such as interest fluctuations. However, possible increases in interest rates may have a negative impact on our business performance in the future.

5
Allowance for Doubtful Accounts

Loans receivable of consumer loans and accounts receivable-installment constitute the majority of total assets of the Group. For this reason, we book allowance for doubtful accounts, based on the conditions of customers and the estimates of pledged collateral value at the end of the fiscal year.

An increase of payment delays and uncollected loans receivable might occur as a result of potential future changes in economic conditions, the market environment, and the social structure in Japan as well as increases in the number of individuals (including loan customers of the Group) pursuing remedies under legal guardianship pursuant to revisions in legislation, including “Bankruptcy Act,” “Act on Concerning Specific Conciliation,” “Civil Rehabilitation Act,” and “Judicial Scrivener Act.” Such events may require further increases in the allowance for doubtful accounts, which may have a negative effect on the business performance of the Group.

6
Issues Concerning Multiple Debtors

The group addresses the issues concerning multiple debtors, who take out excessive loans or credit-card loans from multiple consumer credit companies, mainly by ways of “promoting consumer enlightenment activities,” “improvement of counseling functions for consumer loan customers,” “implementation of more rigorous credit administration,” “reduction in maximum lending interest rate,” “review of the content of advertisement.” Nevertheless, business performance of the Group may be negatively influenced in cases where the number of multiple debtors increases due to factors such as economic, employment, and market conditions in Japan or other external factors, which leads to an increase in the allowance for doubtful accounts due to increase in uncollectible loans.

7
Information Systems

The Group relies on computer systems and networks to manage of information relating to our business, including data on our branch network and customers, in order to provide services to customers and to manage our marketing activities. In case our service for customers are hindered by factors such as damage to the communications infrastructure, the hardware, or the software used for these systems and networks resulting from human error, natural disasters, power outages, computer viruses, etc. or the suspension of support services provided by telecommunications carriers or computer systems companies, it may potentially impact on the performance of the Group. For example, it may result in a decline in new customers, delays in the repayment of loans, and a loss of trust in the Group.

In addition, the Group has a backup center for general ledger system, in order to avoid the possibility of business interruptions. However, it is possible that the Group's business may be suspended in the event of a large scale natural disaster, such as earthquake or flood.

8
Management of Personal Information

The Group, including the Company and its main subsidiaries, are now regarded as businesses handling personal information as defined by the "Act on the Protection of Personal Information." In the management of personal information, we have ensured management and control structure under "Policy for Protection of Personal Information" and "Regulation for Protection of Personal Information." The Company was granted the Privacy Mark authorized by Japan Information Processing Development Corporation (JIPDEC).

As for the management of Computer Center, we have formulated rigorous 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 have introduced the framework of Information Security Management System (ISMS) certification for the operation and maintenance of the Computer Center.

Nonetheless, if personal information is leaked to a third party for any reason whatsoever, the negative effects may not be limited to a worsening of business performance arising from a decline in the reputation of the Group or compensation for damages. In the case of a violation of regulations concerning the handling of personal information, the Group may be also subjected to administrative recommendations, and orders.

9
Business and Capital Alliance with MUFG

In March 2004 we entered into a strategic business and capital alliance with MUFG. MUFG later raised its stake in the Company, and after completing the necessary procedures, the Company became a consolidated subsidiary of MUFG in December 2008. This means that if laws and regulations governing banks, such as the Banking Act, are changed, Group companies may become subject to restrictions concerning the business fields in which they operate.

In addition, if rival companies of similar business enter into similar business and capital alliances with other banks etc., there are possibilities that the Group may face intensified completion, depending on the nature of these alliances.

10
Investments

To date, the Group has stepped up its entry into new markets and broadened the scale of its involvement in the consumer credit market, including through the formation of joint ventures. The prospect of potential profits obtained from such investments is uncertain and not all of the Groups' new joint businesses or expansion is necessarily successful. Although the Group regularly reviews the profitability and growth potential of each business, possibilities still remain that such reviews may prompt us withdraw from new joint businesses or reduce allocation of human and other resources to such businesses in the future. In the case where a joint business falls short of its profit target, there is a risk that the Group may not be able to recoup its existing investments.

In addition, in the event that the price of equity securities held by the Group drops substantially, there is a possibility that losses may be incurred, which could potentially affect the Group's business results and perhaps reduce its owner's equity ratio.

11
Disposal of Our Shares by Major Shareholders, etc.

Shigeyoshi Kinoshita, our president and chief executive officer, along with members of his families and affiliated companies together holds around 40% of our issued/outstanding shares. In addition, MUFG also holds around 40% of our issued/outstanding shares (including indirect holdings). If these shareholders dispose of some of their shares in the future, the market supply of our shares will increase, and this may have an adverse impact on our share price.

Financial Information

1
Basis of Preparation of the Consolidated Financial Statements

(1)

The consolidated financial statements of the Company are prepared in accordance with the "Regulations Concerning the Terminology, Forms and Preparation Methods of the Consolidated Financial Statements" (Ordinance of the Finance Ministry No.28 of 1976, hereinafter referred to as the "Regulations of Consolidated Financial Statements") and the "Ordinance on Reorganization of Accounting Methods for Special Finance Corporations, etc." (Ordinance of General Administrative Agency of the Cabinet/the Finance Ministry No. 32 of 1999).

The consolidated financial statements for the prior fiscal year (from April 1, 2008 to March 31, 2009) have been prepared in accordance with the regulation before amendment, whereas the consolidated financial statements for the current fiscal year (from April, 2009 to March 31, 2010) have been prepared in accordance with the Regulations on Consolidated Financial Statements after amendment.

(2)

The non-consolidated financial statements of the Company are prepared in accordance with the "Regulations Concerning Terminology, Forms, and Preparation Methods of Non-Consolidated Financial Statements" (Ordinance of the Finance Ministry No.59 of 1963, hereinafter referred to as the "Regulations of Non-Consolidated Financial Statements") and the "Ordinance on Reorganization of Accounting Methods for Special Finance Corporations, etc." (Ordinance of General Administrative Agency of the Cabinet/the Finance Ministry No. 32 of 1999).

The non-consolidated financial statements for the prior fiscal year (from April 1, 2008 to March 31, 2009) have been prepared in accordance with the regulation before amendment and the non-consolidated financial statements for the current fiscal year (from April 1, 2009 to March 31, 2010) have been prepared in accordance with the Regulations on Non-Consolidated Financial Statements after amendment.

2
Audit Reports

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, the Company's consolidated financial statements and non-consolidated financial statements for the prior fiscal year (from April 1, 2008 to March 31, 2009) were audited by Ernst & Young ShinNihon LLC, whereas those for the current fiscal year (from April 1, 2009 to March 31, 2010) were audited by Deloitte Touche Tohmatsu LLC.

As of July 1, 2009, Deloitte Touche Tohmatsu was transformed into a Limited Liability Company and changed its corporate name to Deloitte Touche Tohmatsu LLC.

There have been changes in the Company's auditor/certified public accountant as follows:

Consolidated financial statements for the 32nd fiscal year and non-consolidated financial statements for the 32nd fiscal year: Ernst & Young ShinNihon LLC

Consolidated financial statements for the 33rd fiscal year and non-consolidated financial statements for the 33rd fiscal year: Deloitte Touche Tohmatsu LLC

In addition, the Company has submitted an extraordinary report concerning this change. The items reported in the document are as follows:

(1)

Change in Auditor/Certified Public Accountant

1) Name of the newly appointed auditor/certified public accountant
   Deloitte Touche Tohmatsu
2) Name of the retiring auditor/certified public accountant
   Ernst & Young ShinNihon LLC

(2)

Date of the change: June 25, 2009 (the date of the 32nd Ordinary General Meeting of Shareholders)

(3)

In case the appointed auditor/certified public accountant is no longer serving in that position:

1) The date on which the retiring auditor/certified public accountant became the appointed auditor/certified public accountant in the most recent incident: June 20, 2008
2) Content of audit report or internal control audit report prepared by the retiring auditor/certified public accountant
   Not applicable.
3) Reason and history of the decision for the change
   The appointment of Ernst & Young ShinNihon LLC, which served as the Company's accounting auditor, will expire on June 25, 2009, at the completion of the 32nd Ordinary General Meeting of Shareholders. Upon the expiration, the Company will submit a proposal on the appointment of accounting auditor, and at the 32nd Ordinary General Meeting of Shareholders Deloitte Touche Tohmatsu LLC will be appointed.
4) Opinion of the retiring auditor/certified public accountant on the listed items in audit report or internal control audit report on the reason and history of the change stated in 3) above
   Ernst & Young ShinNihon LLC responded that it had no opinions.

Consolidated Balance Sheets

ACOM CO., LTD. and Subsidiaries

	Millions of Yen	
	As of March 31, 2009	**As of March 31, 2010**
Assets		
Current assets		
Cash and deposits *3	91,273	**83,747**
Loans receivable of consumer loans *1, *4, *5, *6, *8	1,316,166	**1,173,545**
Loans receivable of banking business *7	18,081	**25,331**
Accounts receivable-installment *9	68,027	**58,404**
Purchased receivables	20,923	**15,310**
Short-term investment securities	26,990	**21,700**
Shares of parent company	5,805	**5,976**
Operational investment securities	3,198	**1,966**
Trading account securities	4,106	**2,421**
Merchandise and finished goods	1,042	**1,036**
Raw materials and supplies	169	**103**
Deferred tax assets	31,672	**26,589**
Short-term loans receivable *10	14,995	**29,992**
Other	24,281	**31,491**
Allowance for doubtful accounts	(91,553)	**(69,262)**
Total current assets	1,535,181	**1,408,356**
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	37,648	**31,453**
Accumulated depreciation	(25,630)	**(22,229)**
Buildings and structures, net	12,018	**9,224**
Vehicles	64	**64**
Accumulated depreciation	(22)	**(25)**
Vehicles, net	42	**38**
Equipment	33,034	**27,809**
Accumulated depreciation	(20,505)	**(16,718)**
Equipment, net	12,529	**11,091**
Land	6,518	**6,535**
Lease assets	1,168	**1,529**
Accumulated depreciation	(795)	**(1,023)**
Lease assets, net	373	**506**
Total property, plant and equipment	31,481	**27,396**
Intangible assets		
Goodwill	—	**7,469**
Leasehold right	4	**4**
Telephone subscription right	715	**219**
Other	4	**4**
Total intangible assets	724	**7,697**
Investments and other assets		
Investment securities *2	19,859	**22,085**
Deferred tax assets	324	**484**
Guarantee deposits	9,643	**8,660**
Prepaid pension cost	4,517	**3,757**
Other *8	5,318	**5,268**
Allowance for doubtful accounts	(1,484)	**(1,187)**
Total investments and other assets	38,179	**39,069**
Total noncurrent assets	70,385	**74,163**
Total assets	1,605,567	**1,482,520**

	Millions of Yen	
	As of March 31, 2009	**As of March 31, 2010**
Liabilities		
Current liabilities		
Notes and accounts payable-trade	1,012	**760**
Short-term loans payable *11	29,164	**4,112**
Current portion of long-term loans payable *1, *11	147,831	**183,976**
Current portion of bonds payable	57,800	**51,654**
Deposits of banking business	27,376	**34,574**
Lease obligations	5	**61**
Income taxes payable	306	**792**
Deferred tax liabilities	—	**3**
Provision for loss on guarantees *13	2,351	**8,275**
Provision for directors' retirement benefits	30	**—**
Unearned income *12	4,353	**3,809**
Other	16,602	**21,791**
Total current liabilities	286,835	**309,811**
Noncurrent liabilities		
Bonds payable	193,463	**191,249**
Long-term loans payable *1, *11	380,957	**331,577**
Lease obligations	7	**250**
Deferred tax liabilities	5,277	**2,240**
Provision for retirement benefits	146	**144**
Provision for directors' retirement benefits	35	**33**
Provision for loss on interest repayment	283,400	**204,500**
Other	3,037	**3,442**
Total noncurrent liabilities	866,325	**733,439**
Total liabilities	1,153,160	**1,043,250**
Net assets		
Shareholders' equity		
Capital stock	63,832	**63,832**
Capital surplus	76,010	**76,010**
Retained earnings	335,061	**323,894**
Treasury stock	(18,507)	**(19,793)**
Total shareholders' equity	456,396	**443,944**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(7,631)	**(6,161)**
Foreign currency translation adjustment	(3,691)	**(3,266)**
Total valuation and translation adjustments	(11,322)	**(9,428)**
Minority interests	7,331	**4,753**
Total net assets	452,406	**439,269**
Total liabilities and net assets	1,605,567	**1,482,520**

Consolidated Statements of Operations

ACOM CO., LTD. and Subsidiaries

	Millions of Yen	
	For the fiscal year ended March 31, 2009	**For the fiscal year ended March 31, 2010**
Operating revenue		
Interest on consumer loans	269,673	**231,839**
Interest on loans of banking business	2,394	**2,649**
Revenue from credit card business	4,311	**3,547**
Revenue from installment sales finance business	4,018	**3,485**
Revenue from credit guarantee	7,637	**12,419**
Collection from purchased receivable	15,764	**12,273**
Other financial revenue		
Interest on deposits	156	**56**
Interest on securities	580	**488**
Interest on loans	210	**35**
Gain on trading account securities	—	**116**
Gain on valuation of derivatives	—	**264**
Other	654	**176**
Total other financial revenue	1,602	**1,139**
Net sales	6,104	**—**
Other operating revenue	12,888	**11,441**
Total operating revenue	324,396	**278,795**
Operating expenses		
Financial expenses		
Interest expenses	13,095	**12,933**
Interest expenses of banking business	2,180	**2,296**
Interest on bonds	5,560	**5,088**
Amortization of bond issuance cost	81	**269**
Loss on valuation of derivatives	618	**—**
Other	667	**1,606**
Total financial expenses	22,204	**22,194**
Cost of purchased receivable	10,727	**6,885**
Cost of sales	4,040	**—**
Other operating expenses		
Advertising expenses	11,297	**7,236**
Provision of allowance for doubtful accounts	85,548	**74,068**
Provision for loss on guarantees	2,351	**2,110**
Bad debts expenses	—	**13,476**
Provision for loss on interest repayment	52,157	**58,362**
Employees' salaries and bonuses	26,567	**22,628**
Retirement benefit expenses	885	**2,303**
Provision for directors' retirement benefits	38	**16**
Welfare expenses	3,912	**3,360**
Rent expenses	11,438	**10,095**
Depreciation	2,788	**2,449**
Commission fee	36,572	**29,820**
Amortization of goodwill	687	**306**
Other	22,447	**17,418**
Total other operating expenses	256,693	**243,652**
Total operating expenses	293,666	**272,732**
Operating income	30,729	**6,063**

	Millions of Yen	
	For the fiscal year ended March 31, 2009	**For the fiscal year ended March 31, 2010**
Non-operating income		
Interest income	358	**265**
Dividends income	1,070	**476**
Amortization of negative goodwill	—	**513**
House rent income	399	**396**
Other	297	**331**
Total non-operating income	2,126	**1,984**
Non-operating expenses		
Interest expenses	9	**0**
Loss on investments in partnership	—	**24**
Foreign exchange losses	140	**—**
Rent property expenses	—	**24**
Equity in losses of affiliates	—	**17**
Loss on disposal of supplies	—	**16**
Other	56	**46**
Total non-operating expenses	207	**130**
Ordinary income	32,648	**7,917**
Extraordinary income		
Gain on sales of noncurrent assets *1	1	**113**
Gain on sales of investment securities	781	**628**
Gain on sales of subsidiaries and affiliates' stocks *2	1,714	**—**
Gain on transfer from business divestitures *3	—	**1,323**
Other *4	24	**8**
Total extraordinary income	2,522	**2,074**
Extraordinary loss		
Loss on sales of noncurrent assets *5	4	**16**
Loss on retirement of noncurrent assets *6	521	**467**
Impairment loss *7	933	**4**
Loss on sales of investment securities	81	**70**
Loss on sales of stocks of subsidiaries and affiliates *8	5,799	**—**
Loss on valuation of investment securities	573	**87**
Amortization of goodwill *9	2,751	**—**
Business structure improvement expenses *10	—	**10,167**
Other *11	594	**116**
Total extraordinary losses	11,261	**10,929**
Income (loss) before income taxes and minority interests	23,909	**(937)**
Income taxes-current	718	**797**
Income taxes-deferred	9,146	**4,432**
Total income taxes	9,864	**5,229**
Minority interests in income	383	**1,071**
Net income (loss)	13,662	**(7,239)**

Consolidated Statements of Changes in Net Assets

ACOM CO., LTD. and Subsidiaries

	Millions of Yen	
	For the fiscal year ended March 31, 2009	**For the fiscal year ended March 31, 2010**
Shareholders' equity		
Capital stock		
Balance at the end of previous period	63,832	**63,832**
Changes of items during the period		
Total changes of items during the period	—	**—**
Balance at the end of current period	63,832	**63,832**
Capital surplus		
Balance at the end of previous period	76,010	**76,010**
Changes of items during the period		
Total changes of items during the period	—	**—**
Balance at the end of current period	76,010	**76,010**
Retained earnings		
Balance at the end of previous period	337,454	**335,061**
Changes of items during the period		
Dividends from surplus	(15,719)	**(3,927)**
Net income (loss)	13,662	**(7,239)**
Change of scope of consolidation	(335)	**—**
Total changes of items during the period	(2,392)	**(11,166)**
Balance at the end of current period	335,061	**323,894**
Treasury stock		
Balance at the end of previous period	(18,507)	**(18,507)**
Changes of items during the period		
Purchase of treasury stock	(0)	**(1,285)**
Total changes of items during the period	(0)	**(1,285)**
Balance at the end of current period	(18,507)	**(19,793)**
Total shareholders' equity		
Balance at the end of previous period	458,789	**456,396**
Changes of items during the period		
Dividends from surplus	(15,719)	**(3,927)**
Net income (loss)	13,662	**(7,239)**
Purchase of treasury stock	(0)	**(1,285)**
Change of scope of consolidation	(335)	**—**
Total changes of items during the period	(2,392)	**(12,452)**
Balance at the end of current period	456,396	**443,944**

	Millions of Yen	
	For the fiscal year ended March 31, 2009	**For the fiscal year ended March 31, 2010**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	4,500	**(7,631)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(12,131)	**1,469**
Total changes of items during the period	(12,131)	**1,469**
Balance at the end of current period	(7,631)	**(6,161)**
Foreign currency translation adjustment		
Balance at the end of previous period	435	**(3,691)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,126)	**424**
Total changes of items during the period	(4,126)	**424**
Balance at the end of current period	(3,691)	**(3,266)**
Total valuation and translation adjustments		
Balance at the end of previous period	4,935	**(11,322)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(16,257)	**1,893**
Total changes of items during the period	(16,257)	**1,893**
Balance at the end of current period	(11,322)	**(9,428)**
Minority interests		
Balance at the end of previous period	8,419	**7,331**
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,087)	**(2,578)**
Total changes of items during the period	(1,087)	**(2,578)**
Balance at the end of current period	7,331	**4,753**
Total net assets		
Balance at the end of previous period	472,144	**452,406**
Changes of items during the period		
Dividends from surplus	(15,719)	**(3,927)**
Net income (loss)	13,662	**(7,239)**
Purchase of treasury stock	(0)	**(1,285)**
Change of scope of consolidation	(335)	**—**
Net changes of items other than shareholders' equity	(17,345)	**(684)**
Total changes of items during the period	(19,738)	**(13,136)**
Balance at the end of current period	452,406	**439,269**

Consolidated Statements of Cash Flows

ACOM CO., LTD. and Subsidiaries

	Millions of Yen	
	For the fiscal year ended March 31, 2009	**For the fiscal year ended March 31, 2010**
Net cash provided by operating activities		
Income (loss) before income taxes and minority interests	23,909	**(937)**
Depreciation and amortization	2,982	**2,451**
Impairment loss	933	**4**
Amortization of goodwill	3,439	**306**
Amortization of negative goodwill	—	**(513)**
Decrease in allowance for doubtful accounts	(24,593)	**(22,855)**
Increase in provision for loss on guarantees	159	**406**
Decrease in provision for retirement benefits	(18)	**(4)**
Decrease in provision for directors' retirement benefits	(51)	**(32)**
Decrease in provision for loss on interest repayment	(91,400)	**(78,900)**
Interest and dividend income	(1,428)	**(742)**
Interest expense	9	**0**
Amortization of bond issuance costs	81	**269**
Foreign exchange losses (gains)	(325)	**105**
Equity in losses of affiliates	—	**17**
Loss (gain) on sales of property, plant and equipment	3	**(110)**
Loss on retirement of property, plant and equipment	521	**467**
Gain on sales of investment securities	(700)	**(557)**
Loss on sales of stocks of subsidiaries and affiliates	4,084	**—**
Loss on valuation of investment securities	573	**87**
Business structure improvement expenses	—	**10,167**
Increase in accounts receivable-trade	(4)	**—**
Decrease in loans receivable of consumer loans	139,066	**146,282**
Increase in loans receivable of banking business	(5,658)	**(3,460)**
Decrease in accounts receivable-installment	10,481	**9,785**
Decrease in purchased receivables	9,715	**5,612**
Decrease in investment securities for sale	442	**1,232**
Decrease (increase) in trading account securities	(4,422)	**2,282**
Decrease in inventories	92	**75**
Increase in other current assets	(824)	**(7,601)**
Decrease (increase) in prepaid pension costs	(755)	**759**
Decrease in notes and accounts payable-trade	(372)	**(255)**
Increase (decrease) in deposits of banking business	(794)	**1,765**
Decrease in unearned income	(642)	**(565)**
Increase (decrease) in other current liabilities	543	**(1,509)**
Increase (decrease) by other operating activities	2,210	**(268)**
Subtotal	67,260	**63,762**
Interest and dividend income received	1,388	**769**
Interest expense paid	(9)	**(0)**
Business structure improvement expenses paid	—	**(981)**
Income taxes refunds	116	**449**
Income taxes paid	(1,732)	**(568)**
Income taxes paid for prior periods	(33)	**—**
Net cash provided by operating activities	66,989	**63,431**

	Millions of Yen	
	For the fiscal year ended March 31, 2009	**For the fiscal year ended March 31, 2010**
Net cash provided by (used in) investing activities		
Payments into time deposits	(600)	**—**
Proceeds from withdrawal of time deposits	1,000	**1**
Purchase of short-term investment securities	(400)	**—**
Proceeds from redemption of securities	12,559	**—**
Purchase of property, plant and equipment	(1,135)	**(850)**
Proceeds from sales of property, plant and equipment	26	**816**
Purchase of investment securities	(3,785)	**—**
Proceeds from sales of investment securities	4,591	**1,044**
Purchase of investments in subsidiaries	—	**(3,640)**
Proceeds from sales of investments in subsidiaries	—	**170**
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation *2	7,141	**—**
Payments for transfer of business *4	—	**(5,200)**
Proceeds from transfer of business *3	—	**680**
Increase by other investing activities	18	**801**
Net cash provided by (used in) investing activities	19,417	**(6,175)**
Net cash used in financing activities		
Proceeds from short-term loans payable	217,993	**82,296**
Repayments of short-term loans payable	(238,415)	**(107,995)**
Proceeds from issuance of bonds	14,918	**48,518**
Payments at maturity of bonds	(40,000)	**(58,190)**
Receipt for appropriation on payments at maturity of straight bonds	10,000	**–**
Proceeds from long-term loans payable	137,569	**135,769**
Repayments of long-term loans payable	(191,014)	**(150,458)**
Repayments of finance lease obligations	(267)	**(7)**
Purchase of treasury stock	(0)	**(1,285)**
Cash dividends paid	(15,684)	**(3,927)**
Net cash used in financing activities	(104,900)	**(55,280)**
Effect of exchange rate change on cash and cash equivalents	(2,250)	**375**
Net increase (decrease) in cash and cash equivalents	(20,744)	**2,350**
Cash and cash equivalents at beginning of period	152,221	**131,477**
Decrease in cash and cash equivalents resulting from change of scope of consolidation	—	**(104)**
Cash and cash equivalents at end of period *1	131,477	**133,723**

Significant matters providing the basis for the preparation of consolidated financial statements

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
1. The scope of consolidation	All subsidiaries are consolidated. Number of consolidated subsidiaries:16 JLA CO., LTD. and ACOM RENTAL CO., LTD., which were consolidated subsidiaries until the prior fiscal year, were excluded from consolidated subsidiaries as ACOM's ownership of voting rights ratio on stocks of both companies decreased to less than 15% due to sale of shares on December 25, 2008. MTBC First Investment Partnership, which was a consolidated subsidiary until the prior fiscal year, was excluded from consolidated subsidiaries on December 26, 2008 as it was liquidated due to the termination of partnership based on a contract of partnership.	All subsidiaries are consolidated. Number of consolidated subsidiaries:14 RELATES CO., LTD., which was a consolidated subsidiary until the prior fiscal year, is excluded from consolidated subsidiaries as it was merged into MU Communications Co., Ltd. as of April 1, 2009. DC Cash One Ltd. which was a consolidated subsidiary until the prior fiscal year, is excluded from consolidated subsidiaries as it was merged into the Company by absorption as of May 1, 2009.
2. Application of the equity-method	There is no equity-method-affiliate.	Number of equity-method-affiliate: 1 RELATES CO., LTD., which was a consolidated subsidiary until prior fiscal year, is included in equity-method-affiliates, as it was merged into MU Communications Co., Ltd. on April 1, 2009 and the Company's percentage of voting rights in RELATES CO., LTD. has decreased.
3. Accounting period of consolidated subsidiaries	Fiscal date of the following consolidated subsidiaries ends on December 31: ACOM (U.S.A.) INC. EASY BUY Public Company Limited PT. BANK NUSANTARA PARAHYANGAN, Tbk. General Incorporated Association Mirai Capital Power Investments LLC MTBC Second Investment Partnership MTBC Third Investment Partnership AC Ventures Fourth Investment Partnership AC Ventures Sixth Investment Partnership Fiscal date of the following consolidated subsidiaries ends on February 28 : AC Ventures Fifth Investment Partnership Consolidated financial statements hereof are prepared by using financial statements as of the abovementioned settlement date and important matters that occurred between the settlement date and the consolidated settlement date are subject to the adjustment necessary for consolidation.	Fiscal date of the following consolidated subsidiaries ends on December 31: ACOM (U.S.A.) INC. EASY BUY Public Company Limited PT. Bank Nusantara Parahyangan, Tbk. General Incorporated Association Mirai Capital Power Investments LLC MTBC Second Investment Partnership MTBC Third Investment Partnership AC Ventures Fourth Investment Partnership AC Ventures Sixth Investment Partnership Fiscal date of the following consolidated subsidiaries ends on February 28 : AC Ventures Fifth Investment Partnership Consolidated financial statements hereof are prepared by using financial statements as of the abovementioned settlement date and important matters that occurred between the settlement date and the consolidated settlement date are subject to the adjustment necessary for consolidation.

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
4. Significant accounting policies (1) Evaluation methods for significant assets 1) Marketable and investment securities	Trading securities: Market value method (the cost of securities sold is computed using the moving average method) Held-to-maturity securities: Amortization cost method (straight-line method) Available-for-sales securities: Securities with market quotations: Stated at market value at the end of the fiscal year (Unrealized gains or losses net of applicable taxes are comprehensively reported as a component of net assets and the cost of securities sold is computed using the moving average method) Securities without market quotations: Stated at cost by the moving-average method The investments in limited investment partnerships and other similar partnerships (those deemed as “securities” according to the Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported, using the equity method, based on the latest financial statements available as at the closing dates stipulated by the respective partnership contracts.	Same as the left
2) Derivative financial instruments	Swap transactions: Fair value method	Same as the left
3) Inventories	Purchased receivables: Stated at cost, on an individual specified cost basis Merchandise: Paintings: Stated at the lower cost, on an individual specified cost basis or net selling value Other merchandise: Mainly at the lower cost, based on the last purchase invoice price method Supplies: Mainly at cost, based on the first-in first-out method	— Merchandise: Paintings: Stated at the lower cost, on an individual specified cost basis or net selling value Other merchandise: Mainly at the lower cost, based on the last purchase invoice price method Supplies: Mainly at cost, based on the first-in first-out method (Additional information) Certain domestic subsidiary records allowance for doubtful accounts for purchased receivables from the current fiscal year. The amount of provision of such allowance for doubtful accounts is 2,440 million yen.
(2) Depreciation methods for significant assets 1) Property, plant and equipment (excluding lease assets)	The Company and its domestic consolidated subsidiaries mainly use the declining balance method, and overseas consolidated subsidiaries use straight-line method. Useful lives of assets are principally as follows: Buildings and structures: 3 to 47 years Vehicles: 4 to 8 years Equipment: 2 to 20 years	Same as the left

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
2) Intangible assets (excluding lease assets)	The Company and its domestic consolidated subsidiaries use straight-line method.	Same as the left
3) Lease assets	Lease assets concerning transfer ownership finance lease transactions: Depreciated by the same depreciation method applied to noncurrent assets owned by the Company. Lease assets concerning non-transfer ownership finance lease transactions: Depreciated by the straight-line method, defining the lease term of respective assets as their useful lives, without residual value. Among lease assets concerning non-transfer ownership finance lease transactions, lease transactions that commenced prior to March 31, 2008 are reported by the same method applied to operating lease.	Same as the left
4) Long-term prepaid expenses	The Companies use equal installments method over the estimated useful life.	Same as the left
5) Deferred assets	Bond issuance cost: These costs are fully charged to income when they are paid.	Same as the left
(3) Accounting policies for significant allowances and provisions		
1) Allowance for doubtful accounts	To provide for potential loss on loans receivable of consumer loans and other receivable, the Companies make an allowance for the expected amount of irrecoverable loans. Allowances for ordinary bad debts are computed, 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.	Same as the left
2) Provision for loss on guarantees	To provide for loss on guarantees, the Company and certain consolidated subsidiaries make an allowance for potential losses at the end of the fiscal year.	Same as the left
3) Provision for retirement benefits	To provide for employees' retirement benefits, the Company and its domestic consolidated subsidiaries make a provision for estimated retirement benefits for this fiscal year, based on the projected retirement benefit obligations and related pension assets as of the end of this fiscal year. Past service liabilities are charged to expenses, using the straight-line method, over the determined years (5 years) that are no longer than average remaining service years of the employees at the time of occurrence. Actuarial differences are amortized evenly using the straight-line method over the determined years (5 years) that are no longer than the average remaining service years of employees, beginning from the fiscal year following the time of occurrence. Certain overseas consolidated subsidiaries make provisions for estimated retirement benefits at the end of this fiscal year, based on projected retirement obligations at the end of the fiscal year.	Same as the left

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
		(Changes in accounting policy) The Company adopted "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" (ASBJ Statement No.19, issued on July 31, 2008) from current fiscal year. As actuarial differences will be amortized from the next fiscal year, this change has had no effect on operating income, ordinary income and loss before income taxes and minority interests. In addition, as the new discount rate for the computation of retirement benefit obligations, amended as a result of the adoption of this accounting standard, is the same as that used before, it has had no effect on the actuarial differences to retirement benefit obligations.
4) Provision for directors' retirement benefits	Certain domestic consolidated subsidiaries make provisions for a necessary amount of directors' retirement benefits at the end of each fiscal year, in accordance with the Company's internal rules. (Additional information) The Company resolved at the Board of Directors meeting held on March 18, 2008 to abolish the retirement benefit for directors and corporate auditors. In addition, it was approved and determined at the Ordinary General Meeting of Shareholders held on June 20, 2008 that provision for directors' retirement benefits shall be paid on their retirement date to those who are incumbent as of the end of the Ordinary General Meeting of Shareholders, according to the terms of office up to the date of the said Ordinary General Meeting of Shareholders. Therefore, a total of 631 million yen listed under "provision for directors' retirement benefits" was transferred to "Other" under noncurrent liabilities.	Certain domestic consolidated subsidiaries make provisions for a necessary amount of directors' retirement benefits at the end of each fiscal year, in accordance with the Company's internal rules.
5) Provision for loss on interest repayment	To prepare for potential loss on interest repayment in the future, the Company estimates and provides a reasonable amount of provision for loss on interest repayment, in consideration of the past actual results and the latest interest repayment situations.	Same as the left
(4) Accounting policies for significant revenue and expenses	Interest on consumer loans Interest on consumer loans is recorded on an accrual basis. Accrued interest on consumer loans is recorded, using the interest rate stipulated in the Interest Rate Restriction Act or the contracted interest rate of the Company, whichever the lower. Revenue from credit card business Fees from customers: Recorded by the credit balance method. Fees from member stores: Recorded as fees at the time of transaction. Revenue from installment sales finance business Fees from customers and member stores: Recorded mainly by the sum-of-digits method on a due date basis.	Interest on consumer loans Same as the left Revenue from credit card business Same as the left Revenue from installment sales finance business Same as the left

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
	Revenue from credit guarantee Recorded by the credit balance method. (Note) Details of each recording method are as follows: Credit balance method: Fees to be recorded as income are calculated pursuant to the prescribed rates applicable to the relevant credit balance. Sum-of-digits method: Total fees are proportionally divided by the total sum of the number of installment payments. Each divided amount is recorded as an income at every due date.	Revenue from credit guarantee Same as the left
(5) Accounting policies for translation of significant foreign currency assets and liabilities into Japanese yen used in preparing the financial statements of consolidated companies on which consolidated financial statements are based	Foreign currency monetary claims and obligations are translated into Japanese yen, using the spot exchange rates on the closing date of consolidated accounting and the resulting translation gains and losses are recognized as income and expenses. Assets and liabilities and income and expenses of overseas subsidiaries are translated into Japanese yen at the spot exchange rates on the account closing date and average exchange rates respectively. The resulting translation gains and losses are recorded as foreign currency translation adjustments and minority interests under the net assets section.	Same as the left
(6) Significant hedge accounting method	1) Hedge accounting method The Company adopts the deferred hedge accounting. The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income. The currency swap which qualify for hedge accounting and meet specific matching criteria are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts qualify for hedge accounting. 2) Hedging instruments and hedging items Interest rate-related items Hedging instruments: Interest-rate swap agreements Hedging items: Loans payable and bonds with variable interest rates Currency-related items Hedging instruments: Currency swap agreements Hedging items: Foreign currency loans payable 3) Hedging policy In accordance with the Company's internal rules and those of its subsidiaries, the Company and its subsidiaries enter into derivatives contracts to hedge against various risks. These contracts include the following: Interest-rate swaps to hedge against the risk of fluctuations in interest	1) Hedge accounting method Same as the left 2) Hedging instruments and hedging items Interest rate-related items Hedging instruments: Interest-rate swap agreements Hedging items: Loans payable and bonds with variable interest rates Bonds with fixed interest rates Currency-related items Hedging instruments: Currency swap agreements Hedging items: Foreign currency loans payable 3) Hedging policy In accordance with the Company's internal rules and those of its subsidiaries, the Company and its subsidiaries enter into derivatives contracts to hedge against various risks. These contracts include the following: Interest-rate swaps to hedge against the risk of fluctuations in interest

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
	rates relating to their loans payable and bonds with variable interest rates for the purpose of protecting cash flows. Currency swaps to hedge against the risk of fluctuations in exchange rates relating to loans payable and interest on loans. Currency swap contracts to hedge against the risk of fluctuations in exchanges rates relating to foreign currency loans payable for the purpose of protecting cash flows. 4) Method for evaluating hedging effectiveness With regard to interest rate-related hedging, important requirements concerning hedging instruments and hedging items are closely matched with each other. Also, the Company can assume that fluctuations in interest rates and cash flows are fully offset by the fluctuations in hedging instruments on an ongoing basis since the implementation of hedging contracts. Therefore, the judgment of hedging effectiveness is omitted. On currency-related hedging, currency swap contracts are entered into on the same conditions as hedged items, thus the Company can assume that fluctuations in exchange rates or cash flows are fully offset by the fluctuations of hedge instruments. Therefore, the judgment of hedging effectiveness is omitted.	rates relating to their loans payable and bonds with variable interest rates for the purpose of protecting cash flows. Interest rate swaps to hedge against the risk of fluctuations in fair value, relating to loans payable and bonds with fixed interest rates. Currency swaps to hedge against the risk of fluctuations in exchange rates relating to loans payable and interest on loans. Currency swap contracts to hedge against the risk of fluctuations in exchanges rates relating to foreign currency loans payable for the purpose of protecting cash flows. 4) Method for evaluating hedging effectiveness Same as the left
(7) Other significant accounting policies for the preparation of consolidated financial statements	Accounting method for consumption tax Transactions subject to consumption tax are recorded at the amount exclusive of consumption tax. However, consumer tax and other taxes imposed on non tax-deductible assets are recorded as an expense for the fiscal year they were incurred. In addition, accrued consumption tax is included in "Other" in current assets on the consolidated balance sheets and unpaid consumption tax is included in "Other" in current liabilities on the consolidated balance sheets.	Accounting method for consumption tax Same as the left
5. The valuation of assets and liabilities of consolidated subsidiaries	Assets and liabilities of consolidated subsidiaries are valued using the full market value method.	Same as the left
6. Amortization of goodwill and negative goodwill	Goodwill and negative goodwill are amortized by the equal installments method over a 5 year period. However, goodwill amounts that are not significantly large are amortized in full in the fiscal year in which they arise.	Goodwill is amortized by the equal installments method over a 15 year period. Immaterial goodwill and negative goodwill are charged to income for the year in which they arise.
7. Cash and cash equivalents in the consolidated statements of cash flows	Cash and cash equivalents include cash at hand, demand deposits at banks and highly liquid short-term investments with negligible risk of fluctuation in value and maturities of less than three months.	Same as the left

Changes in Method of Accounting

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
<The Accounting Standard for Measurement of Inventories> Prior to April 1, 2008, inventories were stated at cost, determined by the average method. In July 2006, ASBJ issued ASBJ Statement No.9, "Accounting Standard for Measurement of Inventories," which was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price. The Company applied the new accounting standard for measurement of inventories effective April 1, 2008. The effect of this change was to decrease income before income taxes and minority interests for the year ended March 31, 2009 by 6 million yen.	—
<The Accounting Standard for Lease Transactions> In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007. Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions. The Company applied the revised accounting standard effective April 1, 2008, In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. The effect of this change was to decrease operating income by 0 million yen, ordinary income by 0 million yen, and income before income taxes and minority interests by 0 million yen.	—
<Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements> In May 2006, ASBJ issued ASBJ Practical Issues Task Force (PITF) No.18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements." PITF No.18 prescribes: (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or the generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net	—

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
income is accounted for in accordance with Japanese GAAP unless they are not material: 1) amortization of goodwill; 2) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; 3) expensing capitalized development costs of R&D; 4) cancellation of the fair value model accounting for property, plant, and equipment and investment properties and incorporation of the cost model accounting; 5) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and 6) exclusion of minority interests from net income, if contained. PITF No.18 was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. The Company applied this accounting standard effective April 1, 2008. The impact of their change on operating income, ordinary income and income before income taxes and minority interests was none.	
<Changes in Translation Method of Income and Expenses of Overseas Subsidiaries into Yen> Income and expenses of overseas subsidiaries were formerly translated into yen using the spot exchange rates on the closing date of consolidated accounting. However, in order to average the impact of temporary fluctuations of foreign exchange on periodic profit and loss, and to appropriately reflect the quarterly and the annual profit and loss within the consolidated financial statements, income and expenses of overseas subsidiaries are translated into Japanese yen based on average exchange rates of the accounting period from the current fiscal year. The impact of this change on operating income, ordinary income and income before income taxes and minority interests was an increase of 249 million yen, 258 million yen, and 256 million yen, respectively.	—

Changes in Presentation

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
<Consolidated Balance Sheets> To accompany the coming into effect of Cabinet Office Ordinance for revisions to financial statement regulations (Cabinet Office Ordinance No.50, issued on August 7, 2008), items presented in the prior fiscal years as “Inventories” are to be separately presented as “Merchandise and finished goods” and “Raw materials and supplies” from the current fiscal year under review. “Merchandise and finished goods” and “Raw materials and supplies” included in “Inventories” for the prior fiscal year were 1,274 million yen and 114 million yen, respectively.	**<Consolidated Balance Sheets>** —
<Consolidated Statements of Income> “House rent income,” which was presented as “Rent income of company housing” up to the prior fiscal year, has been changed and presented as “House rent income” since the current fiscal year to improve the comparability of financial statements following the introduction of XBRL into EDINET. House rent income excluding rent from Company’s residence was included in “Others” of non-operating income and the amount was 24 million yen for the prior fiscal year. “Loss on investments in partnership,” which was separately presented up to prior fiscal year, has been included in “Other” of non-operating expenses, as it did not exceed 10 percent of the total non-operating expenses since current fiscal year. Loss on investments in partnership for the current fiscal year was 3 million yen. “Loss on liquidation of investment securities,” which was separately presented up to prior fiscal year, has been included in “Other” of extraordinary loss as it did not exceed 10 percent of the total extraordinary loss since the current fiscal year. Loss on liquidation of investment securities for the current fiscal year was 9 million yen.	**<Consolidated Statements of Operations>** Effective from the current fiscal year, “Revenue from credit card business (sogo-assen-syueki)” and “Revenue from installment sales finance business (kohin-assen-syueki)” have been presented as “Revenue from credit card business (hokatsu-shinyokonyu-assen-syueki)” and “Revenue from installment sales finance business (kobetsu-shinyokonyu-assen-syueki),” respectively, due to the revision to the Installment Sales Act. “Net sales” in operating revenue and “Cost of sales” in operating expenses had been separately listed up to the prior fiscal year. However, their relative importance decreased due to the exclusion in the prior fiscal year of JLA CO., LTD. (engaged in real estate-related business as well as shop design, construction and building maintenance businesses) and ACOM RENTAL CO., LTD. (engaged in rental business) from the scope of consolidation. Therefore, effective from for the current fiscal year, “Net sales” in operating revenue has been included in “Other operating revenue,” and “Cost of sales” in operating expenses has been included in “Other operating expenses.” “Net sales” and “Cost of sales” for the current fiscal year were 334 million yen and 1,578 million yen, respectively. “Foreign exchange losses” had been separately listed as an item of non-operating expenses up to the prior fiscal year. However, currently it does not account for more than 10 percent of total non-operating expenses. Therefore, it has been included in “Other” in non-operating expenses effective from the current fiscal year. Foreign exchange losses for the current fiscal year were 11 million yen. “Loss on investments in partnership,” which had been included in “Other” of non-operating expenses up to the prior fiscal year, has exceeded 10 percent of total non-operating expenses. For that reason, it is separately listed effective from the current fiscal year. Loss on investments in partnership for the prior fiscal year was 3 million yen. “Loss on disposal of supplies,” which had been included in “Other” in non-operating expenses up to the prior fiscal year, has exceeded 10 percent of total non-operating expenses. For that reason, it is separately listed effective from the current fiscal year. Loss on disposal of supplies for the prior fiscal year was 5 million yen.
<Consolidated Statements of Cash Flows> Due to “Loss on liquidation of investment securities,” which was separately presented up to the prior fiscal year, has been included in “Other” of extraordinary loss since the current fiscal year in consolidated statements of income, “Loss on liquidation of investment securities” of operating activities in consol-	**<Consolidated Statements of Cash Flows>** —

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
idated statements of cash flows has been included in “Increase (decrease) by other operating activities” since the current fiscal year. “Loss on liquidation of investment securities” for the current fiscal year was 9 million yen. “Payment of increase in other investment” and “Proceeds from decrease in other investment,” which were separately presented in investing activities up to the prior fiscal year, have been included in “Increase by other investment activities” since the current fiscal year as they are insignificant. “Payment of increase in other investment” and “Proceeds from decrease in other investment” for the current fiscal year were minus 368 million yen and 385 million yen, respectively. “Repayments of finance lease obligations,” which was included in “Other, net” of financing activities in the prior fiscal year, has been separately presented since the current fiscal year as “Lease obligations” has been accounted for consolidated balance sheets. “Repayments of finance lease obligations” for prior fiscal year was minus 325 million yen.	

Notes

(Notes to Consolidated Balance Sheets)

For the prior fiscal year (March 31, 2009)	For the current fiscal year (March 31, 2010)
*1. Pledged assets (Millions of Yen) (1) Assets pledged as collateral Loans receivable of consumer loans 28,963 <931>	*1. Pledged assets (Millions of Yen) (1) Assets pledged as collateral Loans receivable of consumer loans 45,678 [37,878]
(2) Secured obligations Current portion of long-term loans payable 21,160 <930> Long-term loans payable 7,798 <—> Total 28,958 <930> Figures in brackets “< >” represent amount of assigned receivables.	(2) Secured obligations Current portion of long-term loans payable 9,209 [3,749] Long-term loans payable 18,588 [16,250] Total 27,798 [20,000] Figures in brackets “[ ]” represent amount concerning liquidation of receivables. In addition, the loans receivable of consumer loans of 37,878 million yen shown above have been transferred by trust for the purpose of liquidation, whose right of ownership has been transferred to the trust bank (trustees).
*2. —	*2. Amount of subsidiaries and affiliates’ stocks included in investment securities (Millions of Yen) 269
*3. Cash and deposits include 1,777 million yen of reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia.	*3. Cash and deposits include 1,711 million yen of reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia.
*4. Amounts of loans receivable of consumer loans by the categories of loan methods Loans receivable of consumer loans were made by the method of loan on deed.	*4. Same as the left
*5. Amount of unsecured consumer loans in loans receivable of consumer loans (Millions of Yen) 1,281,372	*5. Amount of unsecured consumer loans in loans receivable of consumer loans (Millions of Yen) 1,144,469
*6. Commitment line contracts for loans receivable of consumer loans 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 508,817 million yen at the end of the accounting period. This included a total of 325,000 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year. 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.	*6. Commitment line contracts for loans receivable of consumer loans 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 449,399 million yen at the end of the accounting period. This included a total of 274,032 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year. 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.

For the prior fiscal year (March 31, 2009)	For the current fiscal year (March 31, 2010)
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.	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.
*7. Commitment line contracts for loans receivable of banking business The consolidated subsidiary PT. BANK NUSANTARA PARAHYANGAN, Tbk. has concluded a savings overdraft agreement pledging to lend funds up to an established limit when such financing is requested by a customer (as long as this lending does not violate conditions stipulated in the agreements) and a commitment line agreement on loans. The balance of undrawn lines of credit based on these agreements is 7,153 million yen as of the end of the current fiscal year. A certain portion of commitment 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 consolidated subsidiaries of the Company. Contracts contain provisions allowing the consolidated subsidiaries of 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.	*7. Commitment line contracts for loans receivable of banking business The consolidated subsidiary PT. Bank Nusantara Parahyangan, Tbk. has concluded a savings overdraft agreement pledging to lend funds up to an established limit when such financing is requested by a customer (as long as this lending does not violate conditions stipulated in the agreements) and a commitment line agreement on loans. The balance of undrawn lines of credit based on these agreements is 10,395 million yen as of the end of the current fiscal year. A certain portion of commitment 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 consolidated subsidiaries of the Company. Contracts contain provisions allowing the consolidated subsidiaries of 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.
*8. Status of non-performing loans in loans receivable of consumer loans Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to bankrupt parties include 1,484 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 doubtful accounts. 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, non-performing loans included additional 62,673 million yen. Under the policies stipulated in Japan's tax laws, 16,648 million yen of this amount would be classified as loans overdue by three months or more, 14,080 million yen as restructured loans and 31,944 million yen as loans no longer in arrears. Accrued interest is charged on operating loans of the consolidated subsidiaries in Japan in the same manner as set forth in Japan's tax laws and accrued interest on those of the consolidated subsidiaries overseas are accounted for in accordance with tax laws in countries in question.	*8. Status of non-performing loans in loans receivable of consumer loans Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to bankrupt parties include 1,098 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 doubtful accounts. 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, non-performing loans included additional 45,696 million yen. Under the policies stipulated in Japan's tax laws, 15,623 million yen of this amount would be classified as loans overdue by three months or more, 5,618 million yen as restructured loans and 24,454 million yen as loans no longer in arrears. Accrued interest is charged on operating loans of the consolidated subsidiaries in Japan in the same manner as set forth in Japan's tax laws and accrued interest on those of the consolidated subsidiaries overseas are accounted for in accordance with tax laws in countries in question.

For the prior fiscal year (March 31, 2009)	For the current fiscal year (March 31, 2010)

For the prior fiscal year (March 31, 2009)

(Millions of Yen)

Category	Amount	Classification criteria
Loans to bankrupt parties	<4,405> 4,405	Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.
Loans in arrears	<17,752> 80,425	Other loans exclusive of accrued interest, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.
Loans overdue by three months or more	<19,460> 2,811	Loans other than the above that are overdue by three months or more.
Restructured loans	<54,660> 40,580	Loans other than the above that are restructured on favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of outstanding balance.
Total	<96,278> 128,223	—

Figures in brackets “< >” represent the balance of non-performing loans when loans exclusive of accrued interest are calculated according to the policies set forth in the general directives concerning Corporation Tax Act.

For the current fiscal year (March 31, 2010)

(Millions of Yen)

Category	Amount	Classification criteria
Loans to bankrupt parties	<3,112> 3,112	Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.
Loans in arrears	<17,969> 63,666	Other loans exclusive of accrued interest, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.
Loans overdue by three months or more	<19,016> 3,392	Loans other than the above that are overdue by three months or more.
Restructured loans	<52,140> 46,522	Loans other than the above that are restructured on favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of outstanding balance.
Total	<92,239> 116,694	—

Figures in brackets “< >” represent the balance of non-performing loans when loans exclusive of accrued interest are calculated according to the policies set forth in the general directives concerning Corporation Tax Act.

For the prior fiscal year (March 31, 2009)

*9. Balances of accounts receivable-installment by business categories
(Millions of Yen)

Fees from the credit card business	32,446
Fees from installment sales finance business	35,580
Total	68,027

For the current fiscal year (March 31, 2010)

*9. Balances of accounts receivable-installment by business categories
(Millions of Yen)

Fees from the credit card business	26,554
Fees from installment sales finance business	31,850
Total	58,404

For the prior fiscal year (March 31, 2009)

*10. Financial assets received as freely disposable securities

The Company entered into “Repurchase agreement” transactions (to purchase debt securities under resale agreements) and received marketable securities as securities for the money repayable from the sellers. Market value of marketable securities purchased at the end of the fiscal year is 14,997 million yen.

For the current fiscal year (March 31, 2010)

*10. Financial assets received as freely disposable securities

The Company entered into “Repurchase agreement” transactions (to purchase debt securities under resale agreements) and received marketable securities as securities for the money repayable from the sellers. Market value of marketable securities purchased at the end of the fiscal year is 29,993 million yen.

For the prior fiscal year (March 31, 2009)

*11. Agreements for overdraft and commitment facilities

For efficient procurement of working capital, the Company and some of its subsidiaries maintain overdraft contract with four financial institutions and designated commitment line contracts with 18 financial institutions. As of the end of the current fiscal year, the unexercised portion of facilities based on these contracts was as follows:

(Millions of Yen)

Amount of agreement for overdraft and commitment line	176,258
Amount of borrowing	57,741
Total	118,516

For the current fiscal year (March 31, 2010)

*11. Agreements for overdraft and commitment facilities

For efficient procurement of working capital, the Company and some of its subsidiaries maintain overdraft contract with three financial institutions and designated commitment line contracts with 17 financial institutions. As of the end of the current fiscal year, the unexercised portion of facilities based on these contracts was as follows:

(Millions of Yen)

Amount of agreement for overdraft and commitment line	161,869
Amount of borrowing	39,985
Total	121,884

For the prior fiscal year (March 31, 2009)	For the current fiscal year (March 31, 2010)

For the prior fiscal year (March 31, 2009)

*12. The balance of unearned income belongs to the installment sales finance business. The breakdown of the amount during the period was as follows:

(Millions of Yen)

Balance at the end of prior period	Accrued during the period	Realized during the period	Balance at the end of current period
(215)	(233)	(258)	(189)
5,344	4,147	5,138	4,353

Figures in parentheses “( )” represent fees from member outlets.

*13. Contingent liabilities (Millions of Yen)

(1) Outstanding guarantee obligation in the guarantee business

Guarantee obligation	144,351
Provision for loss on guarantees	2,351
Net	142,000

(2) Outstanding guarantee obligation in the banking business

389

For the current fiscal year (March 31, 2010)

*12. The balance of unearned income belongs to the installment sales finance business. The breakdown of the amount during the period was as follows:

(Millions of Yen)

Balance at the end of prior period	Accrued during the period	Realized during the period	Balance at the end of current period
(189)	(345)	(328)	(205)
4,353	3,494	4,038	3,809

Figures in parentheses “( )” represent fees from member outlets.

*13. Contingent liabilities (Millions of Yen)

Outstanding guarantee obligation in the guarantee business	317,240
Outstanding guarantee obligation in the banking business	574
Provision for loss on guarantees	8,275
Net	309,539

(Notes to Consolidated Statements of Operations)

<table>
<tr><th>For the prior fiscal year
(from April 1, 2008 to March 31, 2009)</th><th>For the current fiscal year
(from April 1, 2009 to March 31, 2010)</th></tr>
<tr><td>*1. Breakdown of gain on sales of noncurrent assets
(Millions of Yen)
Buildings and structures 0
Equipment 1
Telephone subscription right 0
Total 1</td><td>*1. Breakdown of gain on sales of noncurrent assets
(Millions of Yen)
Buildings and structures 0
Vehicles 3
Equipment 109
Total 113</td></tr>
<tr><td>*2. Gain on sales of subsidiaries and affiliates' stocks results from transferring stock of ACOM RENTAL CO., LTD.</td><td>*2. —</td></tr>
<tr><td>*3. —</td><td>*3. Gain on transfer from business divestitures was attributable to the divestitures of DC Cash One Ltd.'s credit guarantee business, which was succeeded by Mitsubishi UFJ NICOS Co., Ltd.</td></tr>
<tr><td>*4. Breakdown of other extraordinary income
(Millions of Yen)
Gains on sales of golf club memberships 3
Gain on reversal of allowance for doubtful accounts for golf club memberships 15
Gain on transfer of business 5
Total 24

Gain on transfer of business results from gain on transfer of casualty and life insurance agency business of AB PARTNER CO., LTD.</td><td>*4. Breakdown of other extraordinary income
(Millions of Yen)
Gains on sales of golf club memberships 3
Gain on reversal of allowance for doubtful accounts for golf club memberships 0
Gain on collection of guarantee deposits 4
Total 8</td></tr>
<tr><td>*5. Breakdown of loss on sale of noncurrent assets
(Millions of Yen)
Vehicles 2
Equipment 1
Total 4</td><td>*5. Breakdown of loss on sale of noncurrent assets
(Millions of Yen)
Buildings and structures 0
Equipment 2
Telephone subscription right 13
Total 16</td></tr>
<tr><td>*6. Loss on retirement of noncurrent assets mainly consists of transfer of operating outlets, remodeling of interior and change of signboards. The breakdown thereof is set out below.
(Millions of Yen)
Buildings and structures 425
Equipment 96
Total 521</td><td>*6. Loss on retirement of noncurrent assets mainly consists of transfer of operating outlets, remodeling of interior and change of signboards. The breakdown thereof is set out below.
(Millions of Yen)
Buildings and structures 341
Equipment 122
Land 2
Total 467</td></tr>
</table>

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)

*7. Impairment loss

The following loss on impairment of noncurrent assets was recorded for the current fiscal year:

(1) Assets recognized as having suffered impairment

Location	Usage	Type
Hiroshima-shi, Hiroshima	Leasehold building	Land and buildings etc.
Osaka-shi, Osaka	Leasehold building	Land
Kawasaki-shi, Kanagawa	Business property	Buildings and equipment
Chuo-ku, Tokyo, etc.	Business property	Buildings, equipment, telephone subscription right, long-term prepaid expenses and lease assets

(2) Method of grouping assets

The smallest units our Group has adopted for the grouping of assets are as bellow:

(a) For the loan business:
each companies (or the Company: regional divisions)

(b) For the installment sales finance and guarantee businesses:
each companies

(c) For other financial or non-financial businesses:
each businesses

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

(3) Process through which impairment loss was recognized

We recognized impairment loss on property to be sold because the expected sale prices were significantly lower than the assets' carrying values.

We also recognized impairment loss on some of leasehold estate where we had resolved not to renew a lease contract because of deterioration.

We also recognized impairment loss on business properties where we had resolved business withdrawal and business restructuring.

(4) Amounts of impairment loss

	(Millions of Yen)
Buildings	131
Equipment	11
Land	176
Telephone subscription right	1
Long-term prepaid expenses	570
Lease assets	42
Total	933

For the current fiscal year (from April 1, 2009 to March 31, 2010)

*7. Impairment loss

The following loss on impairment of noncurrent assets was recorded for the current fiscal year:

(1) Assets recognized as having suffered impairment

Location	Usage	Type
Chuo-ku, Tokyo, etc.	Business property	Buildings, equipment and telephone subscription right

(2) Method of grouping assets

The smallest units our Group has adopted for the grouping of assets are as bellow:

(a) For the loan business: each companies

(b) For the installment sales finance and guarantee businesses:
each companies

(c) For other financial or non-financial businesses:
each businesses

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

(3) Process through which impairment loss was recognized

We recognized impairment loss on business properties where we had resolved business withdrawal.

(4) Amounts of impairment loss

	(Millions of Yen)
Buildings and structures	0
Equipment	3
Telephone subscription right	0
Total	4

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
(5) Calculation method of recovery value The recovery value of the property to be sold is measured by net realizable value. Net realizable value is assessed by price based on the recent sales result. The recovery value of the property for lease 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. The recovery value of the property excluding above is measured to be zero as there are no expectation to use and future net cash flows are below zero.	(5) Calculation method of recovery value The recovery value of telephone subscription right is measured by net realizable value. The recovery value of the property excluding above is measured to be zero as there are no expectation to use and future net cash flows are below zero.
*8. Loss on sales of subsidiaries and affiliates' stocks results from the transfer of JLA CO., LTD.	*8. —
*9. Amortization of goodwill results from the decrease in valuation on the stock of subsidiary, PT. BANK NUSANTARA PARAHYANGAN, Tbk.	*9. —
*10. —	*10. Business structure improvement expenses were the expenditures required for the implementation of the Strengthening Business Management Policy. Details of the expenses are shown below. (Millions of Yen) Special extra retirement payments 5,305 Re-employment assistance expenses 760 Sales and operation base restructuring costs 2,205 Loss on retirement of noncurrent assets 1,415 Impairment loss 481 Total 10,167 The above loss on retirement of noncurrent assets was related to the closedown, relocation and renovation of operation bases. Details are as follows: (Millions of Yen) Buildings 886 Structures 387 Equipment 142 Total 1,415 The above impairment loss was due to the suspension of telephone subscription right that, as a result, became a dormant asset, in line with the Company's operation base restructuring program. The recovery value is estimated based on the net realizable value.

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
*11. Breakdown of other extraordinary loss (Millions of Yen) Loss on valuation of merchandise 6 Loss on redemption of trust beneficiary 20 Loss on liquidation of investment securities 9 Loss on sales of golf club memberships 0 Loss on valuation of golf club memberships 1 Loss on redemption of golf club memberships 0 Loss on repayments of guarantee deposits 11 Loss on resignation of membership of resort facilities 38 Temporary amortization of long-term prepaid expenses 28 Loss on termination of sale and purchase agreement of preferred beneficiary right 195 Loss on business withdrawal 8 Restructuring loss 272 Total 594 Loss on business withdrawal results from loss related to the withdrawal of JLA CO., LTD. from the internet café business and restructuring loss results from loss related to restructuring of loan and guarantee businesses of DC Cash One Ltd.	*11. Breakdown of other extraordinary loss (Millions of Yen) Loss on valuation of golf club memberships 0 Provision of allowance for doubtful accounts for golf club memberships 0 Restructuring loss 87 Temporary amortization of long-term prepaid expenses 28 Total 116 Restructuring loss results from loss related to restructuring of loan business of DC Cash One Ltd.
*12. Basis for classification of financial revenue and financial expenses on consolidated statements of income (1) Financial revenue stated as operating revenue Includes all financial revenue earned by the Company and its subsidiaries engaged in the financial service business, excluding dividends and interest on investment securities.	*12. Same as the left
(2) Financial expenses stated as operating expenses Include all financial expenses spent by the Company and its subsidiaries engaged in the financial service business, excluding interest expense, etc. which have no relationship to operating revenue.	

(Notes to Consolidated Statements of Changes in Net Assets)

For the prior fiscal year (from April 1 2008 to March 31, 2009)

1. Matters related to outstanding shares

Class of shares	As of March 31, 2008	Increase	Decrease	As of March 31, 2009
Common stock	159,628,280 shares	—	—	159,628,280 shares

2. Matters related to treasury shares

Class of shares	As of March 31, 2008	Increase	Decrease	As of March 31, 2009
Common stock	2,433,798 shares	91	—	2,433,889 shares

(Outline for the change)

91 shares of increase are due to purchase of shares of less than one unit.

3. Matters related to stock acquisition rights, etc.

Not applicable.

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
General Shareholders' Meeting held on June 20, 2008	Common stock	7,859	50.00	March 31, 2008	June 23, 2008
Board of Directors' Meeting held on November 6, 2008	Common stock	7,859	50.00	September 30, 2008	December 4, 2008

(2) Dividends whose record date falls in the current fiscal year but whose effective date comes after March 31, 2009

Resolution	Class of shares	Source of dividends	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
General Shareholders' Meeting held on June 25, 2009	Common stock	Retained earnings	3,143	20.00	March 31, 2009	June 26, 2009

For the current fiscal year (from April 1, 2009 to March 31, 2010)

1. Matters related to outstanding shares

Class of shares	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock	159,628,280 shares	—	—	159,628,280 shares

2. Matters related to treasury stock

Class of shares	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock	2,433,889 shares	532,787	—	2,966,676 shares

(Outline for the change)

Breakdown of amounts of increase is as follows:

Increase due to purchase of shares from shareholders who oppose merger of the Company and DC Cash One Ltd.

520,911shares

Increase due to purchase of shares from shareholders who oppose succession of the guarantee business from The Mitsubishi UFJ Home Loan Credit Co., Ltd.

11,855shares

Purchase of shares of less than one unit

21 shares

3. Matters related to stock acquisition rights, etc.

Not applicable.

4. Matters related to dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
General Shareholders' Meeting held on June 25, 2009	Common stock	3,143	20.00	March 31, 2009	June 26, 2009
Board of Directors' Meeting held on November 5, 2009	Common stock	783	5.00	September 30, 2009	December 7, 2009

(2) Dividends whose record date falls in the current fiscal year, but whose effective date comes after March 31, 2010

Resolution	Class of shares	Source of dividends	Total amount of dividends (Millions of Yen)	Dividend per share (Yen)	Record date	Effective date
General Shareholders' Meeting held on June 24, 2010	Common stock	Retained earnings	783	5.00	March 31, 2010	June 25, 2010

(Notes to Consolidated Statements of Cash Flows)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)

*1. Relationship between the fiscal-end balance of cash and cash equivalents and the amount of consolidated balance sheet items.

(As of March 31, 2009; millions of yen)

Cash and deposits	91,273
Short-term investment securities	26,990
Short-term loans receivable	14,995
Time deposits with original maturities of more than three months	(4)
Cash reserved for banking business	(1,777)
Cash and cash equivalents	131,477

For the current fiscal year (from April 1, 2009 to March 31, 2010)

*1. Relationship between cash and cash equivalents at the end of accounting period and consolidated balance sheet items as of March 31, 2009.

(As of March 31, 2010; millions of yen)

Cash and deposits	83,747
Short-term investment securities	21,700
Short-term loans receivable	29,992
Time deposits with original maturities of more than three months	(4)
Cash reserved for banking business	(1,711)
Cash and cash equivalents	133,723

For the prior fiscal year

*2. Breakdown of assets and liabilities of subsidiaries which have been excluded from the scope of consolidation due to stock transfer during the current fiscal year

JLA CO., LTD.

(As of December 31, 2008; millions of yen)

Current assets	3,098
Noncurrent assets	14,077
Current liabilities	(501)
Noncurrent liabilities	(884)
Sale price of unsold items	(2,352)
Loss on sales of stocks	(5,799)
Sale price of stocks	7,637
Cash and cash equivalents	(2,472)
Balance: Net proceeds for sale	5,164

ACOM RENTAL CO., LTD.

(As of December 31, 2008; millions of yen)

Current assets	2,464
Noncurrent assets	275
Current liabilities	(630)
Noncurrent liabilities	(27)
Sale price of unsold items	(310)
Gain on sales of stocks	1,714
Sale price of stocks	3,486
Cash and cash equivalents	(1,509)
Balance: Net proceeds for sale	1,976

For the current fiscal year

*2. —

For the prior fiscal year

*3. —

For the current fiscal year

*3. Breakdown of principal liabilities reduced due to the transfer of business in this fiscal year

DC Cash One Ltd.

(As of April 1, 2009; millions of yen)

Current liabilities	(643)
Gain on transfer from business divestitures	1,323
Proceeds from transfer of business	680

For the prior fiscal year

*4. —

For the current fiscal year

*4. Breakdown of principal assets and liabilities that increased or decreased due to the transfer of business in this fiscal year

The Mitsubishi UFJ Home Loan Credit Co., Ltd.

(As of September 1, 2009; millions of yen)

Current assets	3,588
Goodwill	7,772
Current liabilities	(6,161)
Payments for transfer of business	5,200

(Notes to Lease Transactions)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
1. Finance lease transactions (1) Finance lease transactions with ownership transfer 1) Details of lease assets Property, plant and equipment They are servers and ATM of EASY BUY Public Company Limited. 2) Depreciation of lease assets Same depreciation method which we apply to our noncurrent assets	1. Finance lease transactions (1) Finance lease transactions with ownership transfer 1) Details of lease assets Same as the left 2) Depreciation of lease assets Same as the left
(2) Finance lease transactions without ownership transfer 1) Details of lease assets Property, plant and equipment They are mainly vehicles and MUJINKUN of loan business 2) Depreciation of lease assets Depreciated on straight-line method, with the lease periods counted as their useful lives and no residual value.	(2) Finance lease transactions without ownership transfer 1) Details of lease assets Same as the left 2) Depreciation of lease assets Same as the left

For the prior fiscal year (from April 1, 2008 to March 31, 2009)

2. Operating lease transactions

The rental commitments under noncancellable operating leases were as follows:

(Millions of Yen)

Due within 1 year	5
Due after 1 year	6
Total	12

ASBJ Statement No.13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet.
However, the ASBJ Statement No.13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements.
The Company applied the ASBJ Statement No.13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance leases, depreciation expense, interest expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

(1) Acquisition cost, accumulated depreciation, accumulated impairment loss, and net leased property under finance lease

(Millions of Yen)

	Acquisition cost	Accumulated depreciation	Impairment loss	Net leased property
Vehicles	13	9	—	3
Equipment	693	430	10	252
Total	706	440	10	256

For the current fiscal year (from April 1, 2009 to March 31, 2010)

2. Operating lease transactions

The rental commitments under noncancellable operating leases were as follows:

(Millions of Yen)

Due within 1 year	5
Due after 1 year	2
Total	7

ASBJ Statement No.13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet.
However, the ASBJ Statement No.13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements.
The Company applied the ASBJ Statement No.13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance leases, depreciation expense, interest expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

(1) Acquisition cost, accumulated depreciation and net leased property under finance lease

(Millions of Yen)

	Acquisition cost	Accumulated depreciation	Net leased property
Vehicles	8	7	0
Equipment	368	235	132
Total	376	243	133

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
(2) Obligations under finance leases (Millions of Yen) Due within 1 year 120 Due after 1 year 143 Total 264 Allowance for impairment loss on leased property of 10 million yen	(2) Obligations under finance leases (Millions of Yen) Due within 1 year 68 Due after 1 year 68 Total 136
(3) Lease payment, depreciation expense, interest expense and impairment loss under finance leases (Millions of Yen) Lease fee payable 246 Depreciation expense 234 Interest expense 9 Impairment loss 42	(3) Lease payment, reversal of allowance, depreciation expense and interest expense under finance leases (Millions of Yen) Lease payments 121 Reversal of allowance for impairment loss on leased property 10 Depreciation expense 113 Interest expense 3
(4) Method of calculation of depreciation expense under finance leases 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.	(4) Method of calculation of depreciation expense under finance leases Same as the left
(5) Method of calculation of interest expense under finance leases 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 fiscal year.	(5) Method of calculation of interest expense under finance leases Same as the left

(Notes to Financial Instruments)

For the current fiscal year (from April 1, 2009 to March 31 2010)
(Additional Information)

In March 2008, the ASBJ revised ASBJ Statement No.10 "Accounting Standard for Financial Instruments" and issued ASBJ Guidance No.19 "Guidance on Accounting Standard for Financial Instruments and Related Disclosures." This accounting standard and the guidance are applicable to financial instruments and related disclosures at the end of the fiscal years ending on or after March 31, 2010 with early adoption permitted from the beginning of the fiscal years ending before March 31, 2010. The Group applied the revised accounting standard and the new guidance effective March 31, 2010.

1. Financial instruments and related disclosures

(1) Policy for financial instruments

The Group conducts financial service businesses including, but not limited to, loan business, credit card business, installment sales finance business, guarantee business, loan servicing business and banking business. To finance the operation of these businesses, the Group raises funds through indirect financing, i.e. borrowings from financial institutions, as well as direct financing, such as issuing bonds, liquidation of receivables, etc., in light of the market situation and balance between variable interest rates and fixed interest rates. The Group conducts derivative transactions primarily for the purpose of avoiding the risk of fluctuations in interest rates and exchange rates associated with these financing operations, and has a policy not to conduct speculative trading.

(2) Nature and extent of risks arising from financial instruments

Major financial assets held by the Group are loans receivable of consumer loans, loans receivable of banking business and accounts receivable-installment; these assets are exposed to credit risk resulting from customers' default of payments. In addition, the Group holds shares, bonds, investment trusts, investments in partnership, etc. either on a held-to-maturity or portfolio investment basis, while some consolidated subsidiaries hold them for trading purposes. These assets are exposed to the risk of market price fluctuations and some are open to the risks of issuer's credit and interest rate fluctuations.

Financial liabilities including loans payable, bonds and liquid receivables are exposed to liquidity risk, giving some indication of the possibility that the Company Group may not be able to make payment at the due date as a result of a change in the Group's credit standings or the market environment.

Likewise, liabilities with variable interest rates have a certain degree of interest-rate risk, but the Group mitigates this risk through interest rate swap transactions. On the other hand, foreign-currency liabilities are exposed to the risk of fluctuations in foreign currency exchange rates, which is averted with the help of currency swap agreements.

Derivative transactions include interest rate swaps for the purpose of hedging against the risk of fluctuations in interest rates associated with loans payable and bonds; and currency swap that aim to hedge against the risk of fluctuations in exchange rates concerning foreign-currency loans payable. For details of hedging instruments, hedging items, hedging policy and the method for evaluating hedging effectiveness concerning hedge accounting, please refer to aforementioned "Significant matters providing the basis for the preparation of consolidated financial statements, 4. Matters concerning accounting standards, (6) Significant hedge accounting method."

(3) Risk management for financial instruments

1) Credit risk management

According to internal rules, the Company incorporates and operates a structure to cope with individual transaction-based credit administration, credit information management, a credit rating system, a self-assessment system, problem loans and to regularly monitor its credit portfolios. The credit management and credit business promotion divisions separately conduct individual transaction-based screening and credit management, designed to facilitate a mutual surveillance function. In addition, the Company holds regular management meetings to report and discuss important matters on credit risk management and operations. Separately it has a system under which the internal audit department reviews the appropriateness of the Company's credit business operations, ensuring that the Company engages in a proper credit business. Consolidated subsidiaries also have similar management systems in place.

2) Market risk management

The Company and some of its consolidated subsidiaries utilize interest rate swaps to manage the risk of fluctuations in interest payments on their financial liabilities, such as loans payable and bonds. Also, they basically enter into currency swap to hedge against the risk of fluctuations in exchange rate related to their foreign-currency liabilities.

With regard to marketable securities, such as shares and bonds, managements receive regular monitoring reports regarding market trends, market values, issuers' financial standings, etc., in order to constantly review their asset holdings.

The Companies conducts derivative transactions primarily with the aim of optimizing financing costs and adjustment of the fixed/variable interest rates proportion. It has a policy of not to conduct derivatives trading for speculative purposes. Further, execution and administration of derivatives transactions are conducted in accordance with the Company's internal rules that stipulate the trading authority, trading limits, etc., under the basic policy approved at meetings of management. Consolidated subsidiaries also have similar market risk management systems in place.

3) Liquidity risk management associated with financing activities

The Company manages the liquidity risk by reviewing its financing plan on a timely basis according to past financing results, change in market conditions or interest rate situations, etc., based on the financing plan approved at meetings of management. Also for that purpose, it maintains a certain amount of liquidity at all times, secures commitment lines, seeking diversity and appropriate balance of financing methods in light of the market environment. Consolidated subsidiaries also have similar management systems in place.

(4) Supplementary explanations on fair value of financial instruments

Fair value of financial instruments are measured based on the quoted market price, if available, or reasonably assessed value if a quoted market price is not available. Fair value of financial instruments which quoted market price is not available is calculated based on certain assumptions, and the value might differ if different assumptions are used. In addition, the contract amount of the derivative transactions described below in "2. Matters concerning the fair value of financial instruments" does not represent the market risk of the derivative transactions.

2. Fair value of financial instruments

The carrying amount and fair value of financial instruments as of March 31, 2010 as well as the differences between these values are described below. Financial instruments whose fair value appear to be extremely difficult to determine are not included in the table. (See (Note 2))

(Millions of Yen)

	Carrying amount	Fair value	Unrealized gain/loss
(1) Cash and deposits	83,747	83,747	—
(2) Loans receivable of consumer loans	1,173,545		
Allowance for doubtful accounts	(52,745)		
Provision for loss on interest repayment (Write-off of receivables)	(88,700)		
	1,032,099	1,226,231	194,132
(3) Loans receivable of banking business	25,331		
Allowance for doubtful accounts	(227)		
	25,104	27,031	1,927
(4) Accounts receivable-installment	58,404		
Allowance for doubtful accounts	(5,846)		
Unearned income	(3,603)		
	48,954	56,711	7,756
(5) Purchased receivables	15,310		
Allowance for doubtful accounts	(2,440)		
	12,869	12,869	—
(6) Marketable securities, shares of parent company, trading account securities and investment securities			
1) Trading securities	2,421	2,421	—
2) Held-to-maturity securities	2,400	2,597	196
3) Available-for-sales securities	44,847	44,847	—
(7) Short-term loans receivable	29,992	29,993	0
Total assets	1,282,437	1,486,451	204,013
(1) Short-term loans payable	4,112	4,112	—
(2) Deposits of banking business	34,574	34,574	—
(3) Current portion of bonds payable and bonds payable	242,903	237,213	(5,690)
(4) Current portion of long-term loans payable and long-term loans payable	515,553	507,915	(7,637)
Total liabilities	797,144	783,816	(13,327)
Derivative transaction	[358]	[358]	—

(Note 1) The calculation method for the fair value of financial instruments, marketable securities and derivative financial instruments

Assets

(1) Cash and deposits

Deposits without maturity are stated at their carrying amount, as their fair value approximate carrying amount. Deposits with maturity are stated at their carrying amount, as their remaining periods are short (within a year) and their fair value approximate carrying amount.

(2) Loans receivable of consumer loans, (3) loans receivable of banking business and (4) accounts receivable-installment

The fiscal year-end outstanding balances are stated at their net present value, which are calculated by discounting expected future cash flows of the potentially recoverable principal and interest by the current market interest rate. These exclude secured loans and accounts receivable-installment, which are stated at adjusted carrying amount; the expected amount of loan losses on these assets are calculated based on the expected recoverable amount of their collateral securities, hence their fair value approximate their carrying amount at the closing date, less the current expected amount of loan losses. Meanwhile, the assets related to the installment sales finance business at certain consolidated subsidiaries are stated at adjusted carrying amount, as their average remaining periods are roughly one year and their fair value approximate their carrying amount net of an allowance for doubtful accounts.

(5) Purchased receivables

These are stated at adjusted carrying amount. The expected amount of loan losses on these assets are calculated based on either the present value of expected future cash flows or expected recoverable amount of their collateral securities or guarantees; hence their fair value approximate their carrying amount at the closing date, less the current expected amount of loan losses.

(6) Marketable securities, shares of the parent company, trading account securities and investment securities

Shares are stated at the stock exchange quoted price, bonds are stated at either the stock exchange quoted price or the price presented by transacting financial institutions and investment trusts are stated at the official reference price. Certain bonds are stated at amortized cost, as they are redeemed in the short term and their fair value approximate carrying amount. Negotiable deposits are stated at carrying amount, as they are short-term assets and their fair value approximate carrying amount.

For notes to securities according to holding purposes, please refer to the notes "Notes to securities"

(7) Short-term loans receivable

All short-term loans receivable are stated at the price presented by financial institutions.

Liabilities

(1) Short-term loans payable and (2) Deposits of banking business

These assets are stated at carrying amount as they are settled in the short-term and their fair value approximate their carrying amount.

(3) Current portion of bonds payable and bonds payable

Bonds with market value are stated at market price. Bonds without market value and privately offered bonds are stated at the net present value, which is calculated by discounting the compound value (for bonds involved in the interest-rate swaps that meet conditions for exceptional accounting treatments, a principal with interest income at a post-swap interest rate is applied) by the discount rate (i.e. the current market interest rate in consideration of credit risk).

(4) Current portion of long-term loans payable and long-term loans payable

Long-term loans payable are stated at the net present value, which is calculated by discounting the compound value (for loans involved in the interest-rate swap that meet conditions for exceptional accounting treatments and the currency swap that conforms to the requirements of designated transactions, a principal with interest income at a post-swap interest rate is applied) by the discount rate (i.e. the current market interest rate in consideration of credit risk).

Derivatives transactions

Please refer to "Note to derivatives transaction"

(Note 2) Financial instruments whose fair value cannot be reliably determined

(Millions of Yen)

Item	Carrying amount
1) Unlisted shares (*1) (*2)	2,458
2) Investments in investment partnerships (*1) (*3)	54
3) Operational investment securities (*1)	1,966
Total	4,480

(*1) These shares are not included in "Asset (6) Marketable securities, shares of the parent company, trading account securities and investment securities" which contain information about the fair value of financial instruments.

(*2) The fair value of unlisted shares is not disclosed, as they do not have a quoted market price in an active market and it appears to be extremely difficult to determine their fair value.

(*3) The fair value of investments in investment partnerships is not disclosed, as partnerships' assets comprise unlisted shares and other investment instruments whose fair value appear to be extremely difficult to determine.

(Note 3) Maturity analysis for financial assets and securities with contractual maturity

(Millions of Yen)

	Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	83,747	—	—	—	—	—
Loans receivable of consumer loans (*1) (*2)	204,472	194,299	198,582	195,698	193,743	79,531
Loans receivable of banking business	16,151	1,041	1,574	1,717	1,805	3,041
Accounts receivable-installment (*1) (*2)	22,319	11,692	7,669	5,735	5,006	1,772
Marketable securities and Investment securities						
1) Held-to-maturity securities						
(Government bond)	—	391	1,198	529	—	281
2) Available-for-sale securities						
with contractual maturities						
Government bond	—	—	—	—	—	52
Other	21,700	—	—	—	—	—
Short-term loans receivable	29,992	—	—	—	—	—
Total	378,384	207,424	209,024	203,681	200,555	84,678

(*1) Loans receivable of consumer loans and accounts receivable-installment do not include loans whose recovery is doubtful because their redemption schedule is unclear (amount: 88,067 million yen).

(*2) The amounts of loans receivable of consumer loans and accounts receivable-installment in the credit card business are the expected amounts assuming that average minimum payments are to be made on a fixed date in each month.

(Note 4) For scheduled repayment amount of bonds payable, long-term loans payable, lease obligations and other interest-bearing liabilities after the consolidated closing date, please refer to “Schedule of bonds” and “Schedule of loans” in the supplementary schedule for the consolidated financial statements.

(Note to Securities)

For the prior fiscal year

1. Trading securities (as of March 31, 2009)

Category	Amount (Millions of Yen)
Carrying amount at the end of the fiscal year.	4,106
Unrealized gain or loss reported as income or loss for the fiscal year ended March 31, 2009	(108)

2. Held-to-maturity securities (as of March 31, 2009)

(Millions of Yen)

Category	Carrying amount	Market value	Unrealized gain/loss
Market value greater than carrying amount			
(1) Government/municipal	—	—	—
(2) Corporate	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Market value not greater than carrying amount			
(1) Government/municipal	2,021	1,984	(37)
(2) Corporate	—	—	—
(3) Other	—	—	—
Subtotal	2,021	1,984	(37)
Total	2,021	1,984	(37)

3. Available-for-sales securities with market values (as of March 31, 2009)

(Millions of Yen)

Category	Acquisition cost	Carrying amount	Unrealized gain/loss
Acquisition cost not greater than carrying amount			
(1) Stocks	4,033	6,831	2,797
(2) Bonds			
Government/municipal	50	51	0
Corporate	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	4,084	6,882	2,797
Acquisition cost greater than carrying amount			
(1) Stocks	22,797	13,768	(9,028)
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	915	643	(272)
Subtotal	23,713	14,411	(9,301)
Total	27,797	21,293	(6,503)

(Note) Other securities with market values were treated with an impairment loss of 315 million yen.

Impairment losses on stocks are recorded when the market value of a given stock decreases more than 50% of original cost and the market value is deemed unlikely to recover to the level of the original cost. Impairment losses on stocks are also recorded when the market value did not recover for one year after the market value of a given stock decreases more than 30% to 50% of original cost and the market value is deemed unlikely to recover the level of the original cost considering financial condition, financial results, and trends of market value.

4. Available-for-sales securities sold during the fiscal year (from April 2008 to March 31, 2009)

Category	Amount (Millions of Yen)
Amount of proceeds	1,237
Total gains on sales	781
Total losses on sales	81

5. Principal marketable securities without quotation and carrying amount (As of March 31, 2009)

Category	Carrying amount (Millions of Yen)
Held-to-maturity securities	
Unlisted foreign bonds	—
Available-for-sales securities	
Unlisted securities	2,267
Investments in investing business association	82
Certificates of deposit	26,990

6. Redemption schedule for other marketable securities with maturities and held-to-maturity bonds (As of March 31, 2009)

(Millions of Yen)

Category	Due within 1 year	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
(1) Bonds				
Government/municipal	—	1,605	467	—
Corporate	—	—	—	—
Other bonds	—	—	—	—
(2) Certificates of deposit	26,990	—	—	—
(3) Other	9	77	—	—
Total	26,999	1,683	467	—

For the current fiscal year

1. Trading securities (as of March 31, 2010)
   Unrealized gain or loss reported as income or loss for the current fiscal year 116 million yen

2. Held-to-maturity securities (as of March 31, 2009)

(Millions of Yen)

Category	Carrying amount	Market value	Unrealized gain/loss
Market value greater than carrying amount			
(1) Government/municipal	2,400	2,597	196
(2) Corporate	—	—	—
(3) Other	—	—	—
Subtotal	2,400	2,597	196
Market value not greater than carrying amount			
(1) Government/municipal	—	—	—
(2) Corporate	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Total	2,400	2,597	196

3. Available-for-sales securities (as of March 31, 2010)

(Millions of Yen)

Category	Carrying amount	Acquisition cost	Unrealized gain/loss
Acquisition cost not greater than carrying amount			
(1) Stocks	9,252	4,872	4,379
(2) Bonds			
Government/municipal	52	51	0
Corporate	—	—	—
Other	—	—	—
(3) Other	34	30	4
Subtotal	9,339	4,954	4,385
Acquisition cost greater than carrying amount			
(1) Stocks	13,083	21,750	(8,666)
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	724	889	(165)
Subtotal	13,808	22,640	(8,832)
Total	23,147	27,594	(4,447)

4. Available-for-sales securities sold during the fiscal year (from April 2009 to March 31, 2010)

(Millions of Yen)

Category	Amount of proceeds	Total gains on sales	Total losses on sales
(1) Stocks	756	628	70
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	—	—	—
Total	756	628	70

5. Impaired securities that were written down to their fair values
   During this fiscal year, the Company reported a loss of 87 million yen incurred by a write-down of impaired securities (shares classified as “other securities”).

(Note to Derivatives Transactions)

1. Transaction Information

For the prior fiscal year
(From April 1, 2008, to March 31, 2009)

(1) Derivative transactions

The Company and its consolidated subsidiaries enter into derivative transactions for interest-rate swaps and currency swaps.

(2) Derivative transaction principles

The Company and its consolidated subsidiaries do not intend to use derivative transactions for speculative or trading purposes.

(3) Purpose for using derivative transactions

The Company and its consolidated subsidiaries enter into contracts such as interest-rate swap agreements in order to hedge against the risk of fluctuations in interest-rates relating to fixed interest payments and floating interest receivables, and currency swaps agreements in order to hedge against the risk of fluctuation in currencies relating to payments made in Japanese yen and receivables in foreign currency.

The Companies' derivative transactions are accounted for as hedging transactions.

1) Hedging instruments and items hedged

Interest related derivatives

Hedging instruments: Derivative transaction interest-rate swaps agreements

Items hedged: Loans with variable interest rates and straight bonds

Currency related derivatives

Hedging instruments: Currency swaps agreements

Items hedged: Loans in foreign currency

2) Hedging policy

The Company and consolidated subsidiaries enter into derivative contracts such as interest-rate swap agreements, etc. in order to hedge against the risk of fluctuations in interest rates relating to its variable-rate loans and straight bonds, and currency swaps agreements in order to hedge against the risk of fluctuations in foreign currency exchange rates relating to its loans in foreign currency. Derivative transactions are entered into in compliance with the internal rules of the Company and consolidated subsidiaries.

3) Evaluating the efficiency of hedging activities

In regard to interest related derivatives, the performance of the hedging instruments and the items hedged is monitored primarily using the same criteria. As it can be assumed that changes in interest rates and cash flows are fully offset by hedging instruments, further evaluation is not required.

To hedge against the risk of fluctuations in foreign currency exchange rates, currency swaps agreements are concluded on the same conditions as items hedged. As it can be assumed that changes in foreign currency exchange rates and cash flows are fully offset by hedging instruments, further evaluation is not required.

(4) Risk relating to transactions

1) Market risk

Although the Company and its consolidated subsidiaries are engaged in interest rate swap and currency swap agreements, no market risk is anticipated as such derivatives have been entered into in order to offset or mitigate gains or losses resulting from the hedged loan transactions, even though interest rate swap and currency swap agreements are exposed to changes in interest rates and foreign currency exchange rates.

2) Credit risk

The Company and its consolidated subsidiaries do not anticipate nonperformance by any of the counterparties to the above transactions, all of whom are financial institutions which are deemed highly creditworthy.

(5) Management of risk relating to transactions

The Company and its consolidated subsidiaries have established rules for the authorization of derivative transactions and related risk management rules which stipulate the limits on derivative transactions. All derivative transactions have been entered into in compliance with transactions with these rules.

The company's risk management for derivative transactions has been under the control of the Treasury Department of the Company which establishes the position limit for each derivative transaction and monitors the limits. The position limit permissible for each derivative transaction is authorized at the Executive Officers' Meeting when the Company's annual business plan is established.

In addition, same criteria are used to monitor consolidated subsidiaries, and important transactions have been under the control of the Treasury Department of the Company.

(6) Supplementary explanations on matters concerning the market value of transactions

The values of contracts etc. presented in matters concerning the market value of transactions are simply the nominal values of the contracts or the computed notional principals involved in derivative transactions.

These values themselves do not represent the sizes of the risks involved in the derivative transactions.

2. The fair value of derivatives

For the prior fiscal year (As of March 31, 2009)

(1) Currency related derivatives

The currency-related derivative transactions used by part of the consolidated subsidiaries are currency swap which fix the value of foreign-currency borrowings in yen. Because these borrowings include transactions between consolidated companies that are eliminated in consolidation, they are not treated as hedging transactions in the consolidated accounts.

(Millions of Yen)

Category	Type of derivatives	Contract amount	Amount of more than 1 year-period contracts	Fair value	Valuation gain (loss)
Transactions out of the market	Currency swap	8,739	4,034	(618)	(618)

(Notes) 1. Above transactions were marked to market and valuation gains or losses were reported in the consolidated statements of income.
2. Calculation method
Calculation based on the price presented by transacting financial institutions

(2) Interest rate-related derivatives

Fair value information is omitted, as all the interest-rate related derivatives transactions dealt with by the Company and its consolidated subsidiaries qualified for hedge accounting.

For the current fiscal year (As of March 31, 2010)

1. Derivative financial instruments not subject to the application of hedge accounting

(1) Currency-related derivatives

The currency-related derivatives transactions used by part of the consolidated subsidiaries are currency swap transactions with the aim of fixing the value of foreign-currency borrowings in yen. Because these borrowings include transactions between consolidated companies that are eliminated in consolidation, they are not treated as hedging transactions in the consolidated accounts.

(Millions of Yen)

Category	Type of derivatives	Contract amount	Amount of more than 1 year-period contracts	Fair value	Valuation gain (loss)
Transactions out of the market	Currency swap	9,070	9,070	(358)	(358)

(Note) Calculation method for fair value

Calculated based on the price presented by counterparty financial institutions

2. Derivatives transactions subject to the application of hedge accounting

(1) Interest rate-related derivatives

(Millions of Yen)

Hedge accounting method	Type of derivatives	Major hedging items	Contract amount	Amount of more than 1 year-period contracts	Fair value
Interest rate swap which qualify for hedge accounting and meet specific matching criteria	Interest rate swap transactions				
	Fixed interest receivables/ Floating interest payments	Bonds payable	2,760	2,760	14
	Fixed interest payments and floating interest receivables	Long-term loans payable Bonds payable	260,319	204,858	(5,534)
Total			263,079	207,618	(5,520)

(Note) Interest rate swap subject to the application of exceptional treatments are recognized together with hedging items (i.e. bonds payable and long-term loans payable), therefore their fair value are included in the fair value of the relevant long-term loans payable.

(2) Currency-related derivatives

(Millions of Yen)

Hedge accounting method	Type of derivatives	Major hedging items	Contract amount	Amount of more than 1 year-period contracts	Fair value
Currency swap which qualify for hedge accounting and meet specific matching criteria	Currency swap	Long-term loans payable	6,136	3,341	734

(Note) Currency swap agreements subject to the application of designation transactions are recognized together with hedging items (i.e. long-term loans payable), therefore their fair value are included in the market value of the relevant long-term loans payable.

(Notes to Retirement Benefits)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
1. Overview of retirement benefit plans The Company and domestic consolidated subsidiaries have two types of defined-benefits retirement plans: defined benefit pension plan and retirement lump sum payment plan. There are also cases when an employee is given a severance pay premium on leaving the company. 3 companies within the consolidated ACOM Group have retirement lump sum payment plan. In addition, as to the defined benefit pension plan, the Group has a jointly managed annuity plan.	1. Overview of retirement benefit plans Same as the left
2. Retirement benefit obligations (As of March 31, 2009: millions of yen) (1) Retirement benefit obligations (20,944) (2) Pension assets 18,735 (3) Unfunded retirement benefit obligations ((1) +(2)) (2,209) (4) Unrecognized past service obligations (43) (5) Unrecognized difference with actuarial obligation 6,624 (6) Difference ((3) + (4) +(5)) 4,371 (7) Prepaid pension cost 4,517 (8) Provision for retirement benefits ((6) - (7)) (146) (Note) Some consolidated subsidiaries use the simplified method for calculating retirement benefit obligations.	2. Retirement benefit obligations (As of March 31, 2010: millions of yen) (1) Retirement benefit obligations (18,022) (2) Pension assets 18,166 (3) Unfunded retirement benefit obligations ((1) +(2)) 143 (4) Unrecognized past service obligations (28) (5) Unrecognized difference with actuarial obligation 3,498 (6) Difference ((3) + (4) +(5)) 3,613 (7) Prepaid pension cost 3,757 (8) Provision for retirement benefits ((6) - (7)) (144) (Note) Some consolidated subsidiaries use the simplified method for calculating retirement benefit obligations.
3. Retirement benefit expenses (Millions of Yen) (1) Service expenses (Note 1) 1,439 (2) Interest expense 389 (3) Expected investment income (691) (4) Recognized past service obligations 13 (5) Difference from change of accounting standards (667) (6) Special severance pay premium 82 (7) Others (Note 2) 319 (8) Retirement benefit expenses ((1)+(2)+(3)+(4)+(5)+(6)+(7)) 885 (Notes) 1. Retirement benefit expenses of consolidated subsidiaries using the simplified method are added up in "(1) service expenses." 2. "Others" are premium paid to a defined-contribution pension plan.	3. Retirement benefit expenses (Millions of Yen) (1) Service expenses (Note 1) 1,310 (2) Interest expense 416 (3) Expected investment income (561) (4) Recognized past service obligations (15) (5) Difference from change of accounting standards 721 (6) Special severance pay premium 140 (7) Others (Note 2) 291 (8) Retirement benefit expenses ((1)+(2)+(3)+(4)+(5)+(6)+(7)) 2,303 (Notes) 1. Retirement benefit expenses of consolidated subsidiaries using the simplified method are added up in "(1) service expenses." 2. "Others" are premium paid to a defined-contribution pension plan.

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
4. Assumptions in calculating retirement benefit obligations (1) Discount rate 2.0% (2) Expected rate of return on investments 3.0% (3) Allocation of projected benefit obligations Straight-line method (4) Years for amortizing past service obligations 5 years Past service obligations 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. (5) Years for amortizing actuarial losses 5 years 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.	4. Assumptions in calculating retirement benefit obligations Same as the left

(Notes to Stock Options, etc.)

For the prior fiscal year (From April 1, 2008 to March 31, 2009)

1. Details and amount of stock options and changes in the amount

(1) Details of stock options

Company Name	The Filling Company
Date of resolution	June 28, 2001
Type and number of eligible persons	Directors of the Company: 19 Employees of the Company: 1,740
Class and number of shares granted	Common stock: 351,800 shares
Grant date	August 1, 2001
Vesting requirement	Continuously employed from the grant date (August 1, 2001) to the vesting date (June 30, 2003)
Vesting period	From August 1, 2001 to June 30, 2003
Exercise period	From July 1, 2003 to June 30, 2008

Company Name	The Filling Company
Date of resolution	June 27, 2003
Type and number of eligible persons	Directors of the Company: 10 Employees of the Company: 1,739
Class and number of shares granted	Common stock: 349,800 shares
Grant date	August 1, 2003
Vesting requirement	Continuously employed from the grant date (August 1, 2003) to the vesting date (June 30, 2005)
Vesting period	From August 1, 2003 to June 30, 2005
Exercise period	From July 1, 2005 to June 30, 2010

Company Name	(Consolidated subsidiary) IR Loan Servicing, Inc.
Date of resolution	August 6, 2004
Type and number of eligible persons	Directors of the subsidiary concerned: 5 Employees of the subsidiary concerned: 30
Class and number of shares granted	Common stock: 133 shares
Grant date	October 1, 2004
Vesting requirement	Listing of the company share, and director/employee being employed on the vesting date (listing date)
Vesting period	From October 1, 2004 to August 31, 2007
Exercise period	From the listing date to August 31, 2010

2. Amount of stock options and changes in this amount

(1) Number of stock options

Company Name	The Filling Company	The Filling Company	(Consolidated subsidiary) IR Loan Servicing, Inc.
Date of resolution	June 28, 2001	June 27, 2003	August 6, 2004
Prior to vesting			
At end of the prior fiscal year (shares)	—	—	59
Granted (shares)	—	—	—
Expired (shares)	—	—	10
Vested (shares)	—	—	—
Unvested balance (shares)	—	—	49
After vesting			
At end of the prior fiscal year (shares)	297,600	122,510	—
Vested (shares)	—	—	—
Exercised (shares)	—	—	—
Expired (shares)	297,600	1,400	—
Unexercised balance (shares)	—	121,110	—

(2) Price information

Company Name	The Filling Company	The Filling Company	(Consolidated subsidiary) IR Loan Servicing, Inc.
Date of resolution	June 28, 2001	June 27, 2003	August 6, 2004
Exercise price (yen)	—	4,931	67,900
Average stock price at exercise (yen)	—	—	—
Fair appraised price on grant date (yen)	—	—	—

For the current fiscal year (from April 1, 2009, to March 31, 2010)

1. Details and amount of stock options and changes in the amount

(1) Details of stock options

Company Name	The Filling Company
Date of resolution	June 27, 2003
Type and number of eligible persons	Directors of the Company: 10 Employees of the Company: 1,739
Class and number of shares granted	Common stock: 349,800 shares
Grant date	August 1, 2003
Vesting requirement	Continuously employed from the grant date (August 1, 2003) to the vesting date (June 30, 2005)
Vesting period	From August 1, 2003 to June 30, 2005
Exercise period	From July 1, 2005 to June 30, 2010

Company Name	(Consolidated subsidiary) IR Loan Servicing, Inc.
Date of resolution	August 6, 2004
Type and number of eligible persons	Directors of the subsidiary concerned: 5 Employees of the subsidiary concerned: 30
Class and number of shares granted	Common stock: 133 shares
Grant date	October 1, 2004
Vesting requirement	Listing of the company share, and director/employee being employed on the vesting date (listing date)
Vesting period	From October 1, 2004 to August 31, 2007
Exercise period	From the listing date to August 31, 2010

2. Amount of stock options and changes in this amount

(1) Number of stock options

Company Name	The Filling Company	(Consolidated subsidiary) IR Loan Servicing, Inc.
Date of resolution	June 27, 2003	August 6, 2004
Prior to vesting		
At end of the prior fiscal year (shares)	—	49
Granted (shares)	—	—
Expired (shares)	—	15
Vested (shares)	—	—
Unvested balance (shares)	—	34
After vesting		
At end of the prior fiscal year (shares)	121,110	—
Vested (shares)	—	—
Exercised (shares)	—	—
Expired (shares)	2,000	—
Unexercised balance (shares)	119,110	—

(2) Price information

Company Name	The Filing company	(Consolidated subsidiary) IR Loan Servicing, Inc.
Date of resolution	June 27, 2003	August 6, 2004
Exercise price (yen)	4,931	67,900
Average stock price at exercise (yen)	—	—
Fair appraised price on grant date (yen)	—	—

(Notes to the Method of Tax Effect Accounting)

For the prior fiscal year (March 31, 2009)	For the current fiscal year (March 31, 2010)

For the prior fiscal year (March 31, 2009)

1. Breakdown of major factors that caused deferred tax assets and liabilities

	(Millions of Yen)
Deferred tax assets:	
Bad debt expenses	15,595
Allowance for doubtful accounts	5,090
Provision for loss on guarantees	1,641
Provision for loss on interest repayment	115,315
Accrued bonuses	1,135
Accrued directors' retirement benefits	256
Unrecognized accrued interest	1,275
Software	7,544
Deferred assets	934
Deferred consumption taxes	351
Loss on valuation of securities	15,387
Loss on valuation of golf club memberships	101
Loss on valuation of inventories	202
Impairment loss	440
Amortization of purchased receivables	431
Retained loss	57,661
Other	840
Deferred tax assets (subtotal)	224,206
Valuation allowance	(189,763)
Total deferred tax assets	34,442
Deferred tax liabilities	
Retained earnings of subsidiaries	4,195
Prepaid pension cost	1,852
Valuation difference on available-for-sale securities	1,124
Other	550
Total deferred tax liabilities	7,723
Balance of net deferred tax assets	26,718

2. Breakdown of items which caused the difference between the statutory tax rate and the effective tax rate after adoption of tax effect accounting.
Omitted as the difference between the statutory tax rate and the effective tax rate as a percentage of income before effective tax rate is less than five-hundredth.

For the current fiscal year (March 31, 2010)

1. Breakdown of major factors that caused deferred tax assets and liabilities

	(Millions of Yen)
Deferred tax assets:	
Bad debt expenses	16,413
Allowance for doubtful accounts	2,987
Provision for loss on guarantees	3,365
Provision for loss on interest repayment	83,211
Accrued bonuses	795
Accrued directors' retirement benefits	256
Unrecognized accrued interest	1,214
Software	7,636
Deferred assets	781
Deferred consumption taxes	308
Loss on valuation of securities	15,324
Loss on valuation of golf club memberships	74
Loss on valuation of inventories	202
Impairment loss	289
Asset adjustment	1,524
Loss on investments in partnership	527
Business structure improvement expenses	806
Retained loss	89,546
Other	687
Deferred tax assets (subtotal)	225,953
Valuation allowance	(197,153)
Total deferred tax assets	28,799
Deferred liabilities:	
Retained earnings of subsidiaries	315
Prepaid pension cost	1,539
Valuation difference on available-for-sale securities	1,731
Other	382
Total deferred tax liabilities	3,968
Balance of net deferred tax assets	24,830

2. Breakdown of items which caused the difference between the statutory tax rate and the effective tax rate after adoption of tax effect accounting.

Normal effective statutory tax rate	40.7 %
(Adjustment)	
Changes in valuation allowance	(1,161.9)%
Amount of absorption-type divestiture and succession of business	142.9 %
Retained earnings of subsidiaries	413.7 %
Difference from tax rates for consolidated subsidiaries	(49.0)%
Inhabitants' per capita taxes	(11.4)%
Other	67.3 %
Actual effective tax rate	(557.6)%

(Notes to Business Combinations etc.)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)
Not applicable.

For the current fiscal year (from April 1, 2009 to March 31, 2010)
Transactions between entities under common control
(Merger of the Company and its consolidated subsidiary, DC Cash One Ltd.)
Based on a resolution at the Board of Directors held on February 19, 2009, the Company made its consolidated subsidiary, DC Cash One Ltd., a wholly owned subsidiary on April 1, 2009, and DC Cash One Ltd. was merged into the Company on May 1, 2009. The summary of the transaction is as follows:

1. Names and businesses of the entities involved, legal form of the business combination, name of entity after the business combination, and outline and objectives of the transaction
   (1) Names and businesses of the entities involved
   1) Successor company
   Name: ACOM CO., LTD.
   Business: Loan business
   2) Dividing company
   Name: DC Cash One Ltd.
   Business: Loan business
   (2) Legal form of the business combination
   Absorption-type merger, with the Company being the successor company and DC Cash One Ltd. being the dividing company.
   (3) Name of entity after the business combination
   ACOM CO., LTD.
   (4) Outline and objectives of the transaction
   On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached an agreement to further strengthen business and capital alliance. This merger was a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG Group.

2. Outline of the applied accounting method
   In accordance with the "Accounting Standard for Business Combinations" (the Business Accounting Council, October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ revised Implementation Guideline No.10, November 15, 2007), the merger was accounted for as a transaction between entities under common control.

3. Details of assets and liabilities transferred from the subsidiary

(As of April 30, 2009; millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Cash and deposits	5,153	Long-term loans payable	73,500
Loans receivable of consumer loans	77,304	Income taxes payable	33
Investment securities	237	Other	1,161
Other	798	Total liabilities	74,695
Total assets	83,494	Net balance of assets	8,799

(Split for Credit Guarantee Business of DC Cash One Ltd., a Consolidated Subsidiary of the Company)

Based on the resolution of the Board of Directors held on January 27, 2009, a consolidated subsidiary of the Company, DC Cash One Ltd., split its guarantee business and transferred it to Mitsubishi UFJ NICOS Co., Ltd. on April 1, 2009. The summary of the transaction is as follows:

1. Name of the company to which the business was transferred, the content of the transferred business, major reason for the business split and outline of the transaction, including the legal form of the split
   (1) Name of the company to which the business was transferred
   Mitsubishi UFJ NICOS Co., Ltd.
   (2) Content of the transferred business
   Guarantee business
   (3) Major reason for the business split
   On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached an agreement to further strengthen business and capital alliance. This business split was a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG Group.
   (4) Outline of the transaction, including the legal form of the split
   Absorption-type company split, with DC Cash One Ltd. being the splitting company and Mitsubishi UFJ NICOS Co., Ltd. being the succeeding company

2. Outline of the applied accounting method
   In accordance with the "Accounting Standard for Business Combinations" (the Business Accounting Council, October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ revised Implementation Guideline No.10, November 15, 2007), the business split was accounted for as a transaction between entities under common control.

3. Details of assets and liabilities of the transferred business:

Guarantee obligation concerning guarantee business	28,628 million yen
Provision for loss on guarantees	643 million yen

(Succession of Unsecured Card Loan Guarantee Business by the Company)

Based on the resolution of the Board of Directors held on July 21, 2009, the Company succeeded the unsecured card loan guarantee business from The Mitsubishi UFJ Home Loan Credit Co., Ltd. by company split on September 1, 2009. The summary of the transaction is as follows:

1. Name and business of the counterparty, legal form of the business combination, and outline and objectives of the transaction
   (1) Name of the counterparty
   The Mitsubishi UFJ Home Loan Credit Co., Ltd.
   (2) Description of the businesses acquired
   Guarantee business consigned by customers of the unsecured card loan offered by The Bank of Tokyo-Mitsubishi UFJ, Ltd.
   (3) Legal form of the business combination
   Absorption-type company split with the Company being the succeeding company and The Mitsubishi UFJ Home Loan Credit Co., Ltd. being the splitting company
   (4) Outline and objectives of the transaction
   On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached an agreement to further strengthen business and capital alliance. This company split was a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG Group.

2. Acquisition cost of the business acquired: 5,200 million yen

3. Amount of goodwill generated, reason thereof, and method and period of amortization
   (1) Amount of goodwill generated: 7,772 million yen
   (2) Reason for the goodwill: excess earnings power anticipated in the future business development of the acquired business
   (3) Method and period of amortization: equal amortization over 15 years

4. Outline of the applied accounting method
   In accordance with the "Accounting Standard for Business Combinations" (the Business Accounting Council, October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ revised Implementation Guideline No.10, November 15, 2007), the company split was accounted for as a transaction between entities under common control.

5. Details of assets and liabilities of the acquired business:

Guarantee obligation concerning guarantee business	188,234 million yen
Provision for loss on guarantees	6,161 million yen

(Segment Information)

[Business segment information]

For the prior fiscal year (from April 1, 2008 to March 31, 2009)

Detailed business segment information is omitted as the operating revenue, the operating income, and the assets of "Financial Service Business" account for more than 90% of the consolidated operating revenue, the consolidated operating income, and the consolidated total assets of the Company and its consolidated subsidiaries, respectively.

For the current fiscal year (from April 1, 2009 to March 31, 2010)

Detailed business segment information is omitted as the operating revenue, the operating income, and the assets of "Financial Service Business" account for more than 90% of the consolidated operating revenue, the consolidated operating income, and the consolidated total assets of the Company and its consolidated subsidiaries, respectively.

[Geographical segment information]

For the prior fiscal year (from April 1, 2008 to March 31, 2009)

Geographical segment information is omitted as the total amount of the operating revenue and the assets in Japan account for more than 90% of the total amount of the consolidated operating revenue and the consolidated total assets of the Company and its consolidated subsidiaries.

For the current fiscal year (from April 1, 2009 to March 31, 2010)

Geographical segment information is omitted as the total amount of the operating revenue and the assets in Japan account for more than 90% of the total amount of the consolidated operating revenue and the consolidated total assets of the Company and its consolidated subsidiaries.

[Overseas operating revenue]

For the prior fiscal year (from April 1, 2008 to March 31, 2009)

Overseas operating revenue information is omitted as the overseas operating revenue accounts for less than 10% of the total consolidated operating revenue of the Company and its consolidated subsidiaries.

For the current fiscal year (from April 1, 2009 to March 31, 2010)

Overseas operating revenue information is omitted as the overseas operating revenue accounts for less than 10% of the total consolidated operating revenue of the Company and its consolidated subsidiaries.

(Information on Related Parties)

For the prior fiscal year (from April 1, 2008, to March 31, 2009)

(Additional Information)

Effective from the current fiscal year, "Accounting Standard for Related Party Disclosures (ASBJ Statement No.11, October 17, 2006)" and "Guidance on Accounting Standard for Related Party Disclosures (ASBJ Guidance No.13, October 17, 2006)" have been applied.

1. Transactions between Related Parties
   (1) Transactions between the Company and its related parties
      (i) Subsidiaries of the Company's parent company and the subsidiaries of other related companies of the Company

(Millions of Yen)

Type	Name	Location	Paid-in capital	Business outline	Ratio of voting rights holding (held)
Companies of the same parent company	Mitsubishi UFJ Trust and Banking Corporation	Chiyoda-ku, Tokyo	324,279	Trust banking business	Direct (2.00 %)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Chiyoda-ku, Tokyo	1,196,295	Banking business	—
	Mitsubishi UFJ Securities Co., Ltd.	Chiyoda-ku, Tokyo	65,518	Securities business	Direct (0.00 %)

(Millions of Yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Companies of the same parent company	Mitsubishi UFJ Trust and Banking Corporation	Borrowing	Borrowing of the capital	Borrowing 52,500 Repayment 59,546	Current portion of long-term loans payable	36,580
					Long-term loans payable	95,948
			Payment of interest	3,440	Other current assets	205
					Other current liabilities	239
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Debt guarantee	Receipt of credit guarantee fees for unsecured loan of the bank	681	Other current assets	246
			Guarantee obligation for unsecured loan issued by the bank	19,170	—	—
	Mitsubishi UFJ Securities Co., Ltd.	Repurchase agreement transaction	Repurchase agreement transaction	Purchase 59,973 Sale 59,973	—	—
			Interest received	23	—	—

(Notes) Terms and conditions of the transaction and its policies

1. Interest rates of the borrowing by Mitsubishi UFJ Trust and Banking Corporation are the money market rates.
2. Guarantee commission rates on the debt guarantees for consumer loan by The Bank of Tokyo-Mitsubishi UFJ, Ltd. is determined after negotiation by taking the market of guarantee commission into consideration.
3. Interest rates on the repurchase agreement transaction with Mitsubishi UFJ Securities Co., Ltd. are the money market rates.

(ii) Directors of the Company and major individual shareholders, etc.

(Millions of Yen)

Type	Name	Location	Paid-in capital	Business outline or occupation	Ratio of voting rights holding (held)
Director	Kyosuke Kinoshita	—	—	Chairman of the Company and also chief director of The Institute for Research on Household Economics	—
Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)	Maruito Shokusan Co., Ltd.	Kita-ku, Osaka City	68	Management of land, buildings, as well as trading, leasing, and mediation	Direct (17.39%) Indirect (2.46%)
	Maruito Co., Ltd.	Kita-ku, Osaka City	384	Development and Rental of housing lots, buildings, and apartment houses	Direct (7.98%)
	JLA CO., LTD.	Chiyoda-ku, Tokyo	100	Real estate related, interior design, construction of service outlets, and maintenance of buildings and other properties	Direct 14.9%
	HOTEL MONTEREY CO, LTD.	Kita-ku, Osaka City	100	Hotel business	—

(Millions of Yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Director	Kyosuke Kinoshita	—	Donation	150	—	—
Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)	Maruito Shokusan Co.,Ltd.	Rental of real estates	Payment of rents	17	—	—
			Payment of lease and guarantee deposits	Deposit 184	Guarantee deposits	184
	Maruito Co., Ltd.	—	Sale of related companies' stock	Sale proceeds 11,148 Net profit from the sale 4,379	—	—
	JLA CO., LTD.	Interior design and construction of service outlets	Purchase equipment and payment of expenses	897	Other current liabilities	562
		Rental of real estates	Payment of rents	153	—	—
			Payment of lease and guarantee deposits	Deposit 38	Guarantee deposits	364
	HOTEL MONTEREY CO, LTD.	Use of facilities (corporate members)	Initial membership fees/guaranty money	—	Other investments and other assets	2
			Annual membership fee etc.	16	Other current liabilities	0

(Notes) 1. Above transaction amounts do not include consumption tax, etc.

2. Terms and conditions of transactions and their policies

(1) The Institute for Research on Household Economics conducts research on household economy. The Company determines the terms and conditions of transactions by comprehensively considering the Institute's business plans and business performance.

(2) Rents for the real estate of Maruito Shokusan Co., Ltd are determined by biennial negotiation with the Company, with reference to local market rates.
(3) The sale price of affiliates stock (JLA CO., LTD. and ACOM RENTAL CO., LTD.) to Maruito Co., Ltd. was determined by obtaining evaluation by an independent third party.
(4) Transactions with JLA CO., LTD. are determined through negotiations with reference to the prevailing market rates. JLA was excluded from Company's consolidated company group due to sale of JLA's stock on December 25, 2008. As a result, only transaction with JLA appears here for the period after JLA was qualified as a subsidiary of a company owned by the directors and their close relative holding the majority of ratio of voting rights.
(5) Transactions with HOTEL MONTEREY CO, LTD. are the same as transactions with any third parties with which we deal with.

(2) Transactions between consolidated subsidiaries of the Company and related parties

(i) Subsidiaries of the Company's parent company and the subsidiaries of other related companies of the Company

(Millions of Yen)

Type	Name	Location	Paid-in capital	Business outline	Ratio of voting rights holding (held)
Companies of the same parent company	Mitsubishi UFJ Trust and Banking Corporation	Chiyoda-ku, Tokyo	324,279	Trust banking business	Direct (2.00 %)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Chiyoda-ku, Tokyo	1,196,295	Banking business	—
	Mitsubishi UFJ Securities Co., Ltd.	Chiyoda-ku, Tokyo	65,518	Securities business	Direct (0.00 %)

(Millions of Yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Companies of the same parent company	Mitsubishi UFJ Trust and Banking Corporation	Borrowing	Borrowing of the capital	Borrowing 42,960 Repayment 44,280	Short-term loans payable	13,500
					Current portion of long-term loans payable	3,000
					Long-term loans payable	13,599
			Payment of interest	827	Other current assets	0
					Other current liabilities	103
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Borrowing	Borrowing of the capital	Borrowing 116,140 Repayment 117,640	Short-term loans payable	4,380
					Current portion of long-term loans payable	6,000
					Long-term loans payable	50,060
			Payment of interest	1,610	Other current assets	41
					Other current liabilities	213
		Debt guarantee	Receipt of credit guarantee fees for credit card issued by the bank	1,037	Other current assets	273
			Guarantee obligation for credit card issued by the bank	28,628	—	—
	Mitsubishi UFJ Securities Co., Ltd.	Repurchase agreement transaction	Repurchase agreement transaction	Purchase 11,890 Sale 12,300	—	—
			Interest received	2	—	—

(Notes) Terms and conditions of the transaction and its policies

1. Interest rates of the borrowing by Mitsubishi UFJ Trust and Banking Corporation are the money market rates.
2. Interest rates of the borrowing by The Bank of Tokyo-Mitsubishi UFJ, Ltd. are the money market rates.
3. Guarantee commission rate of debt guarantees for credit card is determined after negotiation by taking the market of guarantee commission into consideration.
4. Interest rates of Repurchase agreement transaction by Mitsubishi UFJ Securities Co., Ltd. are the money market rates.

(ii) Directors of the Company and major individual shareholders, etc.

(Millions of Yen)

Type	Name	Location	Paid-in capital	Business outline	Ratio of voting rights holding (held)
Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)	JLA CO., LTD.	Chiyoda-ku, Tokyo	100	Real estate related, interior design, construction of service outlets, and maintenance of buildings and other properties	Direct 14.9%

(Millions of Yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)	JLA CO., LTD	Rental of real estates	Payment of rents	19	Other current assets	1
			Payment of lease and guarantee deposits	—	Guarantee deposits	58

(Notes) 1. Above transaction amounts do not include consumption tax, etc.

2. Terms and conditions of transactions and their policies
Transactions with JLA CO., LTD. are determined through negotiations with reference to the prevailing market rates. JLA was excluded from Company's consolidated company group due to sale of JLA's stock on December 25, 2008. As a result, only transaction with JLA appears here for the period after JLA was qualified as a subsidiary of a company owned by the directors and their close relative holding the majority of ratio of voting rights

2. Notes to the parent company or important affiliated companies

(1) Information on the Parent Company

Name of the parent company: Mitsubishi UFJ Financial Group, Inc.

Financial exchanges where securities issued by the parent company are listed:

Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange, and New York Stock Exchange

(2) Financial Statements of other important affiliated company

There is no affiliated company for the current fiscal year.

For the current fiscal year (from April 1, 2009 to March 31, 2010)

1. Transactions between Related Parties
   (1) Transactions between the Company and related parties
      (i) Subsidiaries of the Company's parent company and the subsidiaries of other related companies of the Company

(Millions of Yen)

Type	Name	Location	Paid-in capital	Business outline	Ratio of voting rights holding (held)
Companies of the same parent company	Mitsubishi UFJ Trust and Banking Corporation	Chiyoda-ku, Tokyo	324,279	Trust banking business	Direct (2.01 %)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Chiyoda-ku, Tokyo	1,711,958	Banking business	—
	Mitsubishi UFJ Securities Co., Ltd.	Chiyoda-ku, Tokyo	65,518	Securities business	Direct (0.00 %)

(Millions of Yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Companies of the same parent company	Mitsubishi UFJ Trust and Banking Corporation	Borrowing	Borrowing of the capital	Borrowing 66,080 Repayment 39,580	Current portion of long-term loans payable	39,920
					Long-term loans payable	121,608
			Payment of interest	3,769	Other current assets	121
					Other current liabilities	304
			Assignment of loans receivable of consumer loans for the borrowings from the bank	7,798	—	—
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Borrowing	Borrowing of the capital	Borrowing 57,250 Repayment 6,250	Current portion of long-term loans payable	17,300
					Long-term loans payable	48,100
			Payment of interest	1,433	Other current liabilities	124
		Debt guarantee	Receipt of credit guarantee fees for unsecured loan of the bank	6,496	Other current assets	1,220
			Guarantee obligation for unsecured loan issued by the bank	219,538	—	—
	Mitsubishi UFJ Securities Co., Ltd.	Repurchase agreement transaction	Repurchase agreement transaction	Purchase 104,954 Sale 94,959	Short-term loans receivable	9,994
			Interest received	3	—	—

(Notes) Terms and conditions of the transaction and its policies

1. Interest rates of the borrowing by Mitsubishi UFJ Trust and Banking Corporation are the money market rates. The Company pledged loans receivables as collateral for its bank borrowings which are funded for its loans receivables of consumer loans.
2. Interest rates of the borrowing by The Bank of Tokyo-Mitsubishi UFJ, Ltd. are the money market rates.
   Guarantee commission rates on the debt guarantees for consumer loan by The Bank of Tokyo-Mitsubishi UFJ, Ltd. is determined after negotiation by taking the market of guarantee commission into consideration.
3. Interest rates on the repurchase agreement transaction with Mitsubishi UFJ Securities Co., Ltd. are the money market rates. Mitsubishi UFJ Securities Co., Ltd. changed its name to Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. on May 1, 2010.

(ii) Directors of the Company and major individual shareholders, etc.

(Millions of Yen)

Type	Name	Location	Paid-in capital	Business outline or occupation	Ratio of voting rights holding (held)
Director	Kyosuke Kinoshita	—	—	Chairman of the Company and also chief director of The Institute for Research on Household Economics	—
Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)	Maruito Shokusan Co., Ltd.	Naniwa-ku, Osaka City	68	Management of land, buildings, as well as trading, leasing, and mediation	Direct (17.45%) Indirect (2.47%)
	JLA CO., LTD.	Chiyoda-ku, Tokyo	100	Real estate related, interior design, construction of service outlets, and maintenance of buildings and other properties	Direct 14.9%

(Millions of Yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Director	Kyosuke Kinoshita	—	Donation	140	—	—
Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)	Maruito Shokusan Co.,Ltd.	Rental of real estates	Payment of rents	215	Other investments and other assets	184
	JLA CO., LTD.	Interior design and construction of service outlets	Purchase equipment and payment of expenses	2,462	Other current Liabilities	1,437
		Rental of real estates	Payment of rents	452	—	—
			Repayment of guarantee deposits	Payment 18	Guarantee deposits	346

(Notes) 1. Above transaction amounts do not include consumption tax, etc.

2. Terms and conditions of transactions and their policies

(1) The Institute for Research on Household Economics conducts research on household economy. The Company determines the terms and conditions of transactions by comprehensively considering the Institute's business plans and business performance.

(2) Rents for the real estate of Maruito Shokusan Co., Ltd are determined by biennial negotiation with the Company, with reference to local market rates.

(3) Transactions with JLA CO., LTD are determined through negotiations with reference to the prevailing market rates.

(2) Transactions between consolidated subsidiaries of the Company and related parties

(i) Subsidiaries of the Company's parent company, and the subsidiaries of other related companies of the Company

(Millions of Yen)

Type	Name	Location	Paid-in capital	Business outline	Ratio of voting rights holding (held)
Companies of the same parent company	Mitsubishi UFJ NICOS Co., Ltd.	Chiyoda-ku, Tokyo	109,312	Credit card business	—
	Mitsubishi UFJ Trust and Banking Corporation	Chiyoda-ku, Tokyo	324,279	Trust banking business	Direct (2.01 %)

(Millions of Yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Companies of the same parent company	Mitsubishi UFJ NICOS Co., Ltd.	None	Transfer of business		—	—
			Guarantee obligation concerning guarantee business	28,628		
			Provision for loss on guarantees	643		
			Proceedings of transfer of business	680		
			Gain on transfer of business	1,323		
	Mitsubishi UFJ Trust and Banking Corporation	Borrowing	Borrowing of the capital	Borrowing 15,506 Repayment 15,495	Current portion of long-term loans payable	2,975
					Long-term loans payable	3,341
			Payment of interest	395	Other current liabilities	63

(Notes) Terms and conditions of the transaction and its policies

1. The above business transfer represents deals including the corporate divestiture of the credit guarantee business of DC Cash One Co., Ltd., the Company's consolidated subsidiary, effective on April 1, 2009 and the succession of the business by Mitsubishi UFJ NICOS Co., Ltd. The transfer price was determined through negotiations, referring to the results of the valuation of the business performed by a third-party institution.
2. Interest rates of the borrowing by Mitsubishi UFJ Trust and Banking Corporation are the money market rates.

(ii) Directors of the Company and major individual shareholders, etc.

(Millions of Yen)

Type	Name	Location	Paid-in capital	Business outline	Ratio of voting rights holding (held)
Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)	JLA CO., LTD.	Chiyoda-ku, Tokyo	100	Real estate related, interior design, construction of service outlets, and maintenance of buildings and other properties	Direct 14.9%

(Millions of Yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)	JLA CO., LTD	Rental of real estates	Payment of rent	76	Guarantee deposits	55

(Notes) 1. Above transaction amounts do not include consumption tax, etc.
2. Terms and conditions of transactions and their policies
Transaction with JLA CO., LTD. is determined after negotiation considering the market.

2. Notes to the parent company or other important affiliated companies
(1) Information on the Parent Company
Name of the parent company: Mitsubishi UFJ Financial Group, Inc.
Financial exchanges where securities issued by the parent company are listed:
Tokyo Stock Exchange, Osaka Securities Exchange, Nagoya Stock Exchange, and New York Stock Exchange

(2) Financial Statements of other important affiliated company
Disclosure is omitted as the information for current fiscal year was not significant.

(Notes to Statistics per Share)

Item	For the prior fiscal year (From April 1, 2008 to March 31, 2009)	For the current fiscal year (From April 1, 2009 to March 31, 2010)
Net assets per share	2,831.36 yen	2,773.59 yen
Net income (loss) per share	86.91 yen	(46.18)yen
Diluted net income per share	86.91 yen	Diluted net income per share is not stated since the Company posted net loss per share

(Note) Basis for calculation

1. Net assets per share

(Millions of yen unless otherwise stated)

Item	For the prior fiscal year (As of March 31, 2009)	For the current fiscal year (As of March 31, 2010)
Total net assets	452,406	439,269
Amount deducted from the total net assets	7,331	4,753
[Minority interests included in the above]	[7,331]	[4,753]
Amounts of net assets related to common shares at the end of the fiscal year	445,074	434,515
Number of shares issued	159,628,280 shares	159,628,280 shares
Number of treasury shares	2,433,889 shares	2,966,676 shares
Number of common shares used to calculate net assets per share at the end of the fiscal year	157,194,391 shares	156,661,604 shares

2. Net income or loss per share and diluted net income per share

(Millions of yen unless otherwise stated)

Item	For the prior fiscal year (From April 1, 2008 to March 31, 2009)	For the current fiscal year (From April 1, 2009 to March 31, 2010)
Net income (loss) per share		
Net income (loss)	13,662	(7,239)
Net income (loss) not attributable to common shareholders	—	—
Net income (loss) related to common shares	13,662	(7,239)
Weighted average number of common shares during the fiscal year	157,194,448 shares	156,768,936 shares
Diluted net income per share		
Amount of net income adjustments	(0)	—
[Change in the equity ratio concerning dilutive securities issued by subsidiaries]	[(0)]	[—]
Number of increase in common shares	—	—
Dilutive securities that didn’t have dilutive effects and therefore were not included in the calculation of diluted net income per share	Stock options of the Submitting Company (Stock acquisition rights) 121,110 shares	Stock options of the Submitting Company (Stock acquisition rights) 119,110 shares

(Significant Subsequent Events)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
(Merger of the Company and its consolidated subsidiary, DC Cash One Ltd.) Based on the resolution of the Board of Directors held on February 19, 2009, the Company made its consolidated subsidiary, DC Cash One Ltd., a wholly owned subsidiary, and DC Cash One Ltd. was merged into the Company on May 1, 2009.	The Company resolved the conclusion of basic agreement on succession of credit guarantee business for unsecured loans of Mitsubishi UFJ NICOS Co., Ltd. by company split at the Board of Directors meeting held on May 13, 2010.
1. Purpose of the merger On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached the agreement on "ACOM CO., LTD., Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. to further strengthen business and capital alliance." The merger is a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG group.	1. Purpose of the company split On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached the agreement on "ACOM CO., LTD., Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. to further strengthen business and capital alliance." The merger is a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG group.
2. Schedule of the merger Date of conclusion of merger agreement: March 6, 2009 Date of the merger (effective date): May 1, 2009	2. Business outline and size of the company split Business outline of company split: Credit guarantee business Business results of the division to be succeeded and items and amount of assets and liabilities to be transferred has not been determined at present.
3. Method of the merger Absorption by the Company, as the surviving company and DC Cash One Ltd. was dissolved.	3. Outline of the splitting company for the company split Splitting company: Mitsubishi UFJ NICOS Co., Ltd. Outline (as of March 31, 2009; millions of yen): Assets 3,170,805 Liabilities 2,984,867 Net assets 185,938 Number of employees 3,728 persons (Note) The numbers shown above are based on the consolidated financial statements of each company.
4. Merger ratio Because it is the merger of a wholly owned subsidiary, payments for issuing new shares and merger consideration did not occur.	4. Date of the company split Date of conclusion of company split agreement: Late August, 2010 (scheduled) Date of merger (effective date): October 1, 2010 (scheduled)
5. Amount of assets and liabilities to be succeeded by the merger: (Millions of Yen) Assets 83,494 Liabilities 74,695	
6. Business outline, size, and name of the merged company Name: DC Cash One Ltd. Business outline: Loan business Size (fiscal year ended March 2009): (Millions of Yen) Operating revenue 16,486 Net income 91 Assets 83,320 Liabilities 76,009 Net assets 7,310 Number of employees 95 persons	

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
7. Accounting treatment In accordance with "Accounting Standard for Business Combinations" (issued by the Business Accounting Council on October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ revised Implementation Guidance No.10 issued by ASBJ on November 15, 2007), the Company accounted for the merger as transactions under the common control.	
(Company split for credit guarantee business of a consolidated subsidiary of the Company, DC Cash One Ltd.) Based on the resolution of the Board of Directors held on January 27, 2009, a consolidated subsidiary of the Company, DC Cash One Ltd., decided the company split for credit guarantee business and succession the business to Mitsubishi UFJ NICOS Co., Ltd.	—
1. Purpose of the company split On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached the agreement on "ACOM CO., LTD., Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. to further strengthen business and capital alliance." The merger is a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG group.	
2. Amount of profit and loss (Millions of Yen) Proceeds from transfer of business 1,323	
3. Business outline and size of the company split Business outline to be split: Credit guarantee business Size and business results (fiscal year ended March 2009): (Millions of Yen) Outstanding guarantee obligation in the guarantee business 28,628 Provision for loss on guarantees 643 Revenue from credit guarantee 3,267	
4. Method of the company split DC Cash One Ltd. is the split-up company, and Mitsubishi UFJ NICOS Co., Ltd. became the succession company by a method of absorption split-up.	
5. Date of the company split April 1, 2009	

Consolidated Supplemental Schedules

(Schedule of Bonds)

Company	Description	Date of issuance	Balance at the end of prior fiscal year (Millions of Yen)	Balance at the end of current fiscal year (Millions of Yen)	Interest rate (%)	Collateral	Maturity
The Company	14th Issuance of Domestic Unsecured Bonds (Public Offering)	December 21, 1999	10,000	—	—	—	—
	15th Issuance of Domestic Unsecured Bonds (Public Offering)	February 1, 2000	10,000	—	—	—	—
	18th Issuance of Domestic Unsecured Bonds (Public Offering)	May 10, 2000	10,000	(10,000) 10,000	2.560	—	May 10, 2010
	35th Issuance of Domestic Unsecured Bonds (Public Offering)	June 26, 2002	10,000	(—) 10,000	2.700	—	June 26, 2012
	37th Issuance of Domestic Unsecured Bonds (Public Offering)	April 28, 2003	10,000	(10,000) 10,000	1.090	—	April 28, 2010
	38th Issuance of Domestic Unsecured Bonds (Public Offering)	November 25, 2003	10,000	—	—	—	—
	39th Issuance of Domestic Unsecured Bonds (Public Offering)	November 26, 2004	10,000	(—) 10,000	1.310	—	November 25, 2011
	40th Issuance of Domestic Unsecured Bonds (Public Offering)	February 10, 2005	10,000	(—) 10,000	1.660	—	February 10, 2015
	41st Issuance of Domestic Unsecured Bonds (Public Offering)	May 31, 2005	10,000	(—) 10,000	1.190	—	May 31, 2012
	42nd Issuance of Domestic Unsecured Bonds (Public Offering)	September 21, 2005	10,000	(—) 10,000	1.180	—	September 21, 2012
	43rd Issuance of Domestic Unsecured Bonds (Public Offering)	September 21, 2005	10,000	(10,000) 10,000	0.810	—	September 21, 2010
	44th Issuance of Domestic Unsecured Bonds (Public Offering)	November 18, 2005	10,000	(10,000) 10,000	1.230	—	November 18, 2010
	45th Issuance of Domestic Unsecured Bonds (Public Offering)	January 25, 2006	10,000	(—) 10,000	1.480	—	January 25, 2013
	46th Issuance of Domestic Unsecured Bonds (Public Offering)	February 22, 2006	10,000	(10,000) 10,000	1.370	—	February 22, 2011
	47th Issuance of Domestic Unsecured Bonds (Public Offering)	December 7, 2006	20,000	—	—	—	—
	48th Issuance of Domestic Unsecured Bonds (Public Offering)	January 23, 2007	15,000	(—) 15,000	2.030	—	January 23, 2012
	49th Issuance of Domestic Unsecured Bonds (Public Offering)	February 9, 2007	15,000	(—) 15,000	1.850	—	February 9, 2012
	50th Issuance of Domestic Unsecured Bonds (Public Offering)	April 6, 2007	10,000	(—) 10,000	2.090	—	April 4, 2014
	51st Issuance of Domestic Unsecured Bonds (Public Offering)	June 4, 2007	20,000	(—) 20,000	2.070	—	June 4, 2013
	52nd Issuance of Domestic Unsecured Bonds (Public Offering)	June 17, 2008	15,000	(—) 15,000	3.640	—	June 17, 2011
	3rd Issuance of Domestic Unsecured Bonds (Private Placement)	December 30, 2009	—	(495) 1,500	0.670	—	December 28, 2012
	53rd Issuance of Domestic Unsecured Bonds (Public Offering)	January 29, 2010	—	(—) 10,000	3.540	—	March 29, 2012
	54th Issuance of Domestic Unsecured Bonds (Public Offering)	January 29, 2010	—	(—) 15,000	3.430	—	January 27, 2012
	55th Issuance of Domestic Unsecured Bonds (Public Offering)	March 18, 2010	—	(—) 10,000	3.660	—	March 18, 2013

Company	Description	Date of issuance	Balance at the end of prior fiscal year (Millions of Yen)	Balance at the end of current fiscal year (Millions of Yen)	Interest rate (%)	Collateral	Maturity
EASY BUY Public Company Limited	2nd privately offered unsecured bonds	February 22, 2006	7,800	—	—	—	—
	3rd privately offered unsecured bonds	August 8, 2007	8,463	(1,159) 8,983 [3,255 million baht]	5.710	—	August 8, 2012
	4th privately offered unsecured bonds	August 6, 2009	—	(—) 9,660 [3,500 million baht]	4.900	—	August 6, 2012
	5th privately offered unsecured bonds	September 30, 2009	—	(—) 2,760 [1,000 million baht]	4.350	—	March 15, 2013
Total	—	—	251,263	(51,654) 242,903	—	—	—

(Notes) 1. Figures in brackets "( )" in the columns of "Balance at end of current fiscal year" represent the amounts which are scheduled to be redeemed within one year.

2. Figures in brackets "[ ]" in the columns of "Balance at end of current fiscal year" are stated in a foreign currency.

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2010, is summarized as follows:

(Millions of Yen)

Due within 1 year	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
51,654	80,495	67,994	22,760	20,000

(Schedule of Loans)

Category	Balance at the end of prior fiscal year (Millions of Yen)	Balance at the end of current fiscal year (Millions of Yen)	Average interest rate (%)	Maturity
Short-term loans payable	29,164	4,112	2.22	—
Current portion of long-term loans payable	147,831	183,976	1.77	—
Current portion of lease obligations	5	61	1.67	—
Long-term loans payable (excluding current portion)	380,957	331,577	1.86	From May 23, 2011 to March 31, 2015
Lease obligations (excluding current portion)	7	250	1.64	From May 14, 2011 to March 20, 2015
Other interest-bearing debt (Deposits of banking business)	27,376	34,574	6.64	—
Total	585,342	554,552	—	—

(Notes) 1. To calculate "Average interest rate," fiscal year-end interest rates and balances are used.
2. The redemption schedule of long-term loans payable and lease obligations (excluding current portion) for 5 years subsequent to March 31, 2010, is summarized as follows:

(Millions of Yen)

Category	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years
Long-term loans payable	141,693	98,856	68,823	22,203
Lease obligations	62	62	63	62

(2) Others

Quarterly Information for the current fiscal year

(Millions of yen, unless otherwise stated)

	First Quarter (From April 1, 2009 to June 30, 2009)	Second Quarter (From July 1, 2009 to Sep. 30, 2009)	Third Quarter (From Oct. 1, 2009 to Dec. 31, 2009)	Fourth Quarter (From Jan. 1, 2010 to Mar. 31, 2010)
Operating revenue	70,573	71,159	70,807	76,200
Income (loss) before income taxes and minority interests	11,347	(820)	(1,691)	(9,773)
Net income (loss)	7,262	(4,822)	(801)	(8,878)
Net income (loss) per share (Yen)	46.24	(30.78)	(5.11)	(56.67)

Non-Consolidated Balance Sheets

ACOM CO., LTD.

	Millions of Yen	
	As of March 31, 2009	**As of March 31, 2010**
Assets		
Current assets		
Cash and deposits	69,895	**66,768**
Loans receivable of consumer loans *1, *2, *3, *4, *5	1,171,893	**1,103,969**
Accounts receivable-installment *6	32,228	**26,485**
Short-term investment securities	26,000	**20,900**
Shares of parent company	5,805	**5,976**
Merchandise and finished goods	1,034	**1,034**
Raw materials and supplies	137	**56**
Prepaid expenses	1,804	**1,620**
Deferred tax assets	29,889	**24,959**
Accrued income	9,279	**9,280**
Short-term loans receivable *7	14,995	**29,992**
Other	14,635	**18,302**
Allowance for doubtful accounts	(82,540)	**(60,530)**
Total current assets	1,295,061	**1,248,816**
Noncurrent assets		
Property, plant and equipment		
Buildings	29,046	**24,593**
Accumulated depreciation	(19,998)	**(17,474)**
Buildings, net	9,048	**7,119**
Structures	7,079	**5,597**
Accumulated depreciation	(4,596)	**(3,834)**
Structures, net	2,483	**1,763**
Equipment	31,340	**25,878**
Accumulated depreciation	(19,377)	**(15,385)**
Equipment, net	11,962	**10,492**
Land	6,413	**6,411**
Lease assets	15	**307**
Accumulated depreciation	(4)	**(16)**
Lease assets, net	11	**290**
Total property, plant and equipment	29,920	**26,076**
Intangible assets		
Goodwill	—	**7,469**
Leasehold right	4	**4**
Telephone subscription right	701	**210**
Other	1	**1**
Total intangible assets	707	**7,686**
Investments and other assets		
Investment securities	17,544	**19,358**
Stocks of subsidiaries and affiliates	15,258	**11,524**
Investments in other securities of subsidiaries and affiliates	4,421	**3,163**
Investments in capital	0	**0**
Long-term loans receivable from subsidiaries and affiliates	43,205	**35,425**
Claims provable in bankruptcy, claims provable in rehabilitation and other *5	2,665	**2,123**
Long-term prepaid expenses	663	**635**
Guarantee deposits	8,966	**8,223**
Prepaid pension cost	4,514	**3,766**
Other	1,719	**2,397**
Allowance for doubtful accounts	(1,460)	**(1,170)**
Total investments and other assets	97,498	**85,449**
Total noncurrent assets	128,126	**119,212**
Total assets	1,423,187	**1,368,028**

	Millions of Yen	
	As of March 31, 2009	**As of March 31, 2010**
Liabilities		
Current liabilities		
Accounts payable-trade	281	**212**
Current portion of long-term loans payable *1, *8	134,644	**171,243**
Current portion of bonds payable	50,000	**50,495**
Lease obligations	5	**61**
Accounts payable-other	1,876	**11,050**
Accrued expenses	10,502	**8,674**
Income taxes payable	230	**236**
Deposits received	395	**302**
Unearned revenue	76	**57**
Provision for loss on guarantees *9	3,390	**8,270**
Other	105	**57**
Total current liabilities	201,507	**250,659**
Noncurrent liabilities		
Bonds payable	185,000	**171,005**
Long-term loans payable *1, *8	311,089	**312,644**
Lease obligations	7	**250**
Deferred tax liabilities	1,124	**1,730**
Provision for loss on interest repayment	283,400	**204,500**
Other	659	**641**
Total noncurrent liabilities	781,280	**690,772**
Total liabilities	982,788	**941,431**
Net assets		
Shareholders' equity		
Capital stock	63,832	**63,832**
Capital surplus		
Legal capital surplus	72,322	**72,322**
Other capital surplus	3,687	**3,687**
Total capital surpluses	76,010	**76,010**
Retained earnings		
Legal retained earnings	4,320	**4,320**
Other retained earnings		
General reserve	285,000	**285,000**
Retained earnings brought forward	37,374	**23,390**
Total retained earnings	326,694	**312,710**
Treasury stock	(18,507)	**(19,793)**
Total shareholders' equity	448,030	**432,760**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(7,631)	**(6,162)**
Total valuation and translation adjustments	(7,631)	**(6,162)**
Total net assets	440,398	**426,597**
Total liabilities and net assets	1,423,187	**1,368,028**

Non-Consolidated Statements of Operations

ACOM CO., LTD.

	Millions of Yen	
	For the year ended March 31, 2009	**For the year ended March 31, 2010**
Operating revenue		
Interest on consumer loans	238,231	**212,839**
Revenue from credit card business	4,269	**3,529**
Revenue from credit guarantee	10,551	**12,736**
Other financial revenue		
Interest on deposits	61	**19**
Interest on securities	75	**30**
Interest on loans	210	**35**
Total other financial revenue	347	**85**
Other operating revenue	8,720	**9,024**
Total operating revenue	262,120	**238,215**
Operating expenses		
Financial expenses		
Interest expenses	9,667	**10,726**
Interest on bonds	4,409	**4,302**
Amortization of bond issuance costs	81	**215**
Other	517	**1,395**
Total financial expenses	14,675	**16,639**
Cost of sales		
Beginning goods	1,040	**1,034**
Cost of purchased goods	—	**—**
Total	1,040	**1,034**
Valuation loss on goods	(6)	**—**
Ending goods	1,034	**1,034**
Cost of goods sold	—	**—**
Other operating expenses		
Advertising expenses	8,645	**6,926**
Provision of allowance for doubtful accounts	72,886	**61,163**
Provision for loss on guarantees	3,390	**2,108**
Bad debts expenses	—	**11,785**
Provision for loss on interest repayment	52,157	**58,362**
Employees' salaries and bonuses	19,309	**17,765**
Retirement benefit expenses	682	**2,177**
Provision for directors' retirement benefits	9	**—**
Welfare expenses	3,085	**2,872**
Rent expenses	9,983	**9,087**
Depreciation	2,278	**1,891**
Commission fee	31,605	**28,375**
Amortization of goodwill	—	**302**
Other	16,514	**13,066**
Total other operating expenses	220,547	**215,886**
Total operating expenses	235,223	**232,526**
Operating income	26,896	**5,689**

	Millions of Yen	
	For the year ended March 31, 2009	**For the year ended March 31, 2010**
Non-operating income		
Interest income *1	928	**900**
Interest on securities	34	**5**
Dividends income *1	1,086	**476**
House rent income	398	**418**
Guarantee commission received *1	282	**—**
Other *1	251	**328**
Total non-operating income	2,982	**2,128**
Non-operating expenses		
Interest expenses	0	**0**
Loss on investments in partnership *2	677	**1,247**
Other *2	35	**75**
Total non-operating expenses	713	**1,323**
Ordinary income	29,165	**6,495**
Extraordinary income		
Gain on sales of noncurrent assets *3	0	**109**
Gain on sales of investment securities	781	**628**
Gain on sales of subsidiaries and affiliates' stocks *4	4,379	**154**
Gain on extinguishment of tie-inshares *5	—	**1,453**
Other *6	19	**4**
Total extraordinary income	5,180	**2,350**
Extraordinary loss		
Loss on sales of noncurrent assets *7	1	**8**
Loss on retirement of noncurrent assets *8	526	**437**
Loss on sales of investment securities	81	**70**
Loss on valuation of investment securities	571	**87**
Loss on valuation of stocks of subsidiaries and affiliates *9	3,380	**—**
Business structure improvement expenses *10	—	**10,167**
Other *11	292	**29**
Total extraordinary losses	4,852	**10,800**
Income (loss) before income taxes	29,493	**(1,954)**
Income taxes-current	130	**100**
Income taxes-deferred	12,435	**8,002**
Total income taxes	12,565	**8,102**
Net income (loss)	16,928	**(10,056)**

Non-Consolidated Statements of Changes in Net Assets

ACOM CO., LTD.

	Millions of Yen	
	For the year ended March 31, 2009	**For the year ended March 31, 2010**
Shareholders' equity		
Capital stock		
Balance at the end of previous period	63,832	**63,832**
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	63,832	**63,832**
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	72,322	**72,322**
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	72,322	**72,322**
Other capital surplus		
Balance at the end of previous period	3,687	**3,687**
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	3,687	**3,687**
Total capital surplus		
Balance at the end of previous period	76,010	**76,010**
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	76,010	**76,010**
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	4,320	**4,320**
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	4,320	**4,320**
Other retained earnings		
General reserve		
Balance at the end of previous period	285,000	**285,000**
Changes of items during the period		
Total changes of items during the period	—	—
Balance at the end of current period	285,000	**285,000**
Retained earnings brought forward		
Balance at the end of previous period	36,165	**37,374**
Changes of items during the period		
Dividends from surplus	(15,719)	**(3,927)**
Net income (loss)	16,928	**(10,056)**
Total changes of items during the period	1,208	**(13,983)**
Balance at the end of current period	37,374	**23,390**
Total retained earnings		
Balance at the end of previous period	325,485	**326,694**
Changes of items during the period		
Dividends from surplus	(15,719)	**(3,927)**
Net income (loss)	16,928	**(10,056)**
Total changes of items during the period	1,208	**(13,983)**
Balance at the end of current period	326,694	**312,710**

	Millions of Yen	
	For the year ended March 31, 2009	**For the year ended March 31, 2010**
Treasury stock		
Balance at the end of previous period	(18,507)	**(18,507)**
Changes of items during the period		
Purchase of treasury stock	(0)	**(1,285)**
Total changes of items during the period	(0)	**(1,285)**
Balance at the end of current period	(18,507)	**(19,793)**
Total shareholders' equity		
Balance at the end of previous period	446,821	**448,030**
Changes of items during the period		
Dividends from surplus	(15,719)	**(3,927)**
Net income (loss)	16,928	**(10,056)**
Purchase of treasury stock	(0)	**(1,285)**
Total changes of items during the period	1,208	**(15,269)**
Balance at the end of current period	448,030	**432,760**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	4,500	**(7,631)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(12,131)	**1,468**
Total changes of items during the period	(12,131)	**1,468**
Balance at the end of current period	(7,631)	**(6,162)**
Total valuation and translation adjustments		
Balance at the end of previous period	4,500	**(7,631)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(12,131)	**1,468**
Total changes of items during the period	(12,131)	**1,468**
Balance at the end of current period	(7,631)	**(6,162)**
Total net assets		
Balance at the end of previous period	451,321	**440,398**
Changes of items during the period		
Dividends from surplus	(15,719)	**(3,927)**
Net income (loss)	16,928	**(10,056)**
Purchase of treasury stock	(0)	**(1,285)**
Net changes of items other than shareholders' equity	(12,131)	**1,468**
Total changes of items during the period	(10,922)	**(13,801)**
Balance at the end of current period	440,398	**426,597**

Significant Accounting Policies

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
1. Evaluation methods for marketable and investment securities	(1) Stocks of subsidiaries and affiliates Stated at cost by the moving-average method (2) Held-to-maturity securities Amortization cost method (straight-line method) (3) Available-for-sales securities 1) Securities with market quotations Stated at market value at the end of the fiscal year (Unrealized gains or losses net of applicable taxes are comprehensively reported as a component of net assets and the cost of securities sold is computed using the moving average method) 2) Securities without market quotations Stated at cost by the moving-average method The investments in limited investment partnerships and other similar partnerships (those deemed as "securities" according to the Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported, using the equity method, based on the latest financial statements available as at the closing dates stipulated by the respective partnership contracts.	Same as the left
2. Derivative financial instruments	Swap transactions: Market value method	Same as the left
3. Evaluation methods for inventories	Merchandise: Stated at the lower cost, on an individual specified cost basis or net selling value Supplies: Mainly at cost, based on the first-in first-out method	Same as the left
4. Depreciation methods for noncurrent assets	(1) Property, plant and equipment (excluding lease assets) Declining balance method Useful lives of assets are principally as follows: Buildings: 3 to 47 years Structures: 3 to 45 years Equipment: 2 to 20 years (2) Intangible assets (excluding lease assets) Straight-line method (3) Lease assets Lease assets concerning non-transfer ownership finance lease transactions: Depreciated by the straight-line method, defining the lease term of respective assets as their useful lives, without residual value. Among lease assets concerning non-transfer ownership finance lease transactions, lease transactions that commenced prior to March 31, 2008 are reported by the same method applied to operating lease. (4) Long-term prepaid expenses Equal installment method	(1) Property, plant and equipment (excluding lease assets) Same as the left (2) Intangible assets (excluding lease assets) Straight-line method Years of depreciation of assets are principally as follows: Goodwill: 15 years (3) Lease assets Same as the left (4) Long-term prepaid expenses Same as the left

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
5. Accounting method for deferred assets	Bond issuance costs are fully charged to income when they are paid.	Same as the left
6. Accounting policies for significant translation of foreign currency assets and liabilities into Japanese yen	Foreign currency monetary claims and obligations are translated into Japanese yen, using the spot exchange rates on the closing date of accounting and the resulting translation gains and losses are recognized as income and expenses.	Same as the left
7. Accounting policies for allowances and provisions	(1) Allowance for doubtful accounts To provide for potential loss on loans receivable of consumer loans and other receivables, the Company makes an allowance for the expected amount of irrecoverable loans. Allowances for ordinary bad debts are computed, 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. (2) Provision for loss on guarantees To provide for loss on guarantees, the Company makes an allowance for potential losses at the end of the fiscal year. (3) Provision for retirement benefits To provide for employees' retirement benefits, the Company makes a provision for estimated retirement benefits for this fiscal year, based on the projected retirement benefit obligations and related pension assets as of the end of this fiscal year. Past service liabilities are charged to expenses, using the straight-line method, over the determined years (5 years) that are no longer than average remaining service years of the employees at the time of occurrence. Actuarial differences are amortized evenly using the straight-line method over the determined years (5 years) that are no longer than the average remaining service years of employees, beginning from the fiscal year following the time of occurrence. As the projected amount of pension fund assets exceeds the amount of projected retirement benefit obligations adjusted by unrecognized past service liabilities and unrecognized actuarial gains or losses, the surplus is recorded as a prepaid pension cost.	(1) Allowance for doubtful accounts Same as the left (2) Provision for loss on guarantees Same as the left (3) Provision for retirement benefits Same as the left (Change in accounting policy) The Company adopted "Partial Amendments to Accounting Standard for Retirement Benefits (Part3)" (ASBJ Statement No.19, issued on July 31, 2008) from current fiscal year. As actuarial differences will be amortized from the next fiscal year, this change has had no effect on operating income, ordinary income and loss before income taxes and minority interests. In addition, as the new discount rate for the computation of retirement benefit obligations, amended as a result of the adoption of this accounting standard, is the same as that used before, it has had no effect on the actuarial differences to retirement benefit obligations.

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
	(4) Provision for directors' retirement benefits (Additional information) The Company resolved at the Board of Directors meeting held on March 18, 2008 to abolish the retirement benefit for directors and corporate auditors. In addition, it was approved and determined at the Ordinary General Meeting of Shareholders held on June 20, 2008 that provision for directors' retirement benefits shall be paid on their retirement date to those who are incumbent as of the end of the Ordinary General Meeting of Shareholders, according to the terms of office up to the date of the said Ordinary General Meeting of Shareholders. Therefore, a total of 631 million yen listed under "provision for directors' retirement benefits" was transferred to "Other" under noncurrent liabilities. (5) Provision for loss on interest repayment To prepare for potential loss on interest repayment in the future, the Company estimates and provides a reasonable amount of provision for loss on interest repayment, in consideration of the past actual results and the latest interest repayment situations.	(4) Provision for directors' retirement benefits — (5) Provision for loss on interest repayment Same as the left
8. Accounting policies for revenue and expenses	(1) Interest on consumer loans Interest on consumer loans is recorded on an accrual basis. Accrued interest on consumer loans is recorded, using the interest rate stipulated in the Interest Rate Restriction Act or the contracted interest rate of the Company, whichever the lower. (2) Revenue from credit card business Fees from customers: Recorded by the credit balance method. Fees from member stores: Recorded as fees at the time of transaction. (3) Revenue from credit guarantee Recorded by the credit balance method. (Note) Details of each recording method are as follows: Credit balance method: Fees to be recorded as income are calculated pursuant to the prescribed rates applicable to the relevant credit balance.	(1) Interest on consumer loans Same as the left (2) Revenue from credit card business Same as the left (3) Revenue from credit guarantee Same as the left
9. Hedge accounting method	(1) Hedge accounting method The Company adopts the deferred hedge accounting. The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income. (2) Hedging instruments and hedging items Hedging instruments: Interest-rate swap agreements	(1) Hedge accounting method Same as the left (2) Hedging instruments and hedging items Same as the left

Item	For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
	Hedging items: Loans payable with variable interest rates (3) Hedging policy In accordance with the Company's internal rules, the Company enters into derivative transactions of interest-rate swaps to hedge against the risk of fluctuations in interest rates relating to the loans payable with variable interest rates for the purpose of protecting cash flows. (4) Method for evaluating hedging effectiveness Important requirements concerning hedging instruments and hedging items are closely matched with each other. Also, the Company can assume that fluctuations in interest rates and cash flows are fully offset by the fluctuations in hedging instruments on an ongoing basis since the implementation of hedging contracts. Therefore, the judgment of hedging effectiveness is omitted.	(3) Hedging policy Same as the left (4) Method for evaluating hedging effectiveness Same as the left
10. Other significant accounting policies as bases for the preparation of financial statements	Accounting method for consumption tax Transactions subject to consumption tax are recorded at the amount exclusive of consumption tax. However, consumer tax and other taxes imposed on non tax-deductible assets are recorded as an expense when incurred. In addition, unpaid consumption tax is included in "Other" in current liabilities on the balance sheet.	Accounting method for consumption tax Transactions subject to consumption tax are recorded at the amount exclusive of consumption tax. However, consumer tax and other taxes imposed on non tax-deductible assets are recorded as an expense when incurred. In addition, accrued consumption tax is included in "Other" in current assets on the balance sheet.

Changes in Method of Accounting

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
<The accounting standard for measurement of inventories> Prior to April 1, 2008, inventories were stated at cost, determined by the average method. In July 2006, ASBJ issued ASBJ Statement No.9, "Accounting Standard for Measurement of Inventories," which was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted. This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price. The Company applied the new accounting standard for measurement of inventories effective April 1, 2008.The effect of this change was to decrease income before income taxes and minority interests for the year ended March 31, 2009 by 6 million yen. **<The accounting standard for lease transactions>** In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007. Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions. The Company applied the accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. The effect of this change was to decrease operating income by 0 million yen, ordinary income by 0 million yen, and income before income taxes by 0 million yen.	—

Changes in Presentation

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
(Non-consolidated Balance Sheets) To accompany the coming into effect of Cabinet Office Ordinance for revisions to financial statement regulations (Cabinet Office Ordinance No.50, issued on August 7, 2008), items presented in the prior fiscal years as "Merchandise" are to be presented as "Merchandise and finished goods" from the current fiscal year under review. In addition, "Raw materials and supplies" was included in "Other" in current assets up to the prior fiscal year. "Raw materials and supplies" for the prior fiscal year was 77 million yen.	**(Non-consolidated Balance Sheets)** —
(Non-consolidated Statements of Income) "Supplies expenses," which was separately presented in other operating expenses up to the prior fiscal year, has been included and reported in "Other" of other operating expenses since the current fiscal year as it was fairly immaterial. "Supplies expenses" for the current fiscal year was 597 million yen. "Insurance income," which was separately presented in non-operating income up to the prior fiscal year, has been included and reported in "Other" of non-operating income since the current fiscal year as it does not account for more than 10 percent of the total non-operating income. "Insurance income" for this fiscal year was 50 million yen. "House rent income," which was presented as "Rent income of company housing" up to the prior fiscal year, has been changed and presented as "House rent income" since the current fiscal year to improve the comparability of financial statements following the introduction of XBRL into EDINET.	**(Non-consolidated Statement of Operations)** Effective from the current fiscal year, "Credit card revenue (sogo-assen-syueki)" has been presented as "Revenue from credit card bussiness(hokatsu-shinyokonyu-assen-syueki)" due to the revision to the Installment Sales Act. "Guarantee commission received," which was separately presented in non-operating income up to the prior fiscal year, has been included and reported in "Other" of non-operating income since this fiscal year as it does not account for more than 10 percent of the total non-operating income. Guarantee commission received for this fiscal year were 129 million yen.

Notes

(Notes to Non-consolidated Balance Sheets)

For the prior fiscal year (March 31, 2009)	For the current fiscal year (March 31, 2010)
*1. Pledged assets (Millions of Yen) (1) Assets pledged as collateral Loans receivable of consumer loans 28,963 <931> (2) Secured obligations Current portion of long-term loans payable 21,160 <930> Long-term loans payable 7,798 <—> Total 28,958 <930> Figures in brackets "< >" represent amount of assigned receivables.	*1. Pledged assets (Millions of Yen) (1) Assets pledged as collateral Loans receivable of consumer loans 45,678 [37,878] (2) Secured obligations Current portion of long-term loans payable 9,209 [3,749] Long-term loans payable 18,588 [16,250] Total 27,798 [20,000] Figures in brackets "[ ]" represent amount concerning liquidation of receivables. In addition, the loans receivable of consumer loans of 37,878 million yen shown above have been transferred by trust for the purpose of liquidation, whose right of ownership has been transferred to the trust bank (trustees).
*2. Amounts of loans receivable of consumer loans by the categories of loan methods Loans receivable of consumer loans were made by the method of loan on deed.	*2. Same as the left
*3. Amount of unsecured consumer loans in loans receivable of consumer loans (Millions of Yen) 1,137,099	*3. Amount of unsecured consumer loans in loans receivable of consumer loans (Millions of Yen) 1,074,894
*4. Commitment line contracts for loans receivable of consumer loans Contracts for loans receivable of consumer loans 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 451,582 million yen at the end of the accounting period. This included a total of 284,567 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year. A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company. Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.	*4. Commitment line contracts for loans receivable of consumer loans Contracts for loans receivable of consumer loans 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 431,167 million yen at the end of the accounting period. This included a total of 265,739 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year. A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company. Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.
*5 Status of non-performing loans in loans receivable of consumer loans Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to bankrupt parties include 1,190 million yen for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire	*5 Status of non-performing loans in loans receivable of consumer loans Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to bankrupt parties include 1,042 million yen for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire

For the prior fiscal year
(March 31, 2009)

amount is charged to the allowance for doubtful accounts.

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, non-performing loans included additional 56,724 million yen. Under the policies stipulated in Japan's tax laws, 15,040 million yen of this amount would be classified as loans overdue by three months or more, 11,655 million yen as restructured loans and 30,027 million yen as loans no longer in arrears.

(Millions of Yen)

Category	Amount	Classification criteria
Loans to bankrupt parties	<3,409> 3,409	Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.
Loans in arrears	<16,117> 72,841	Other loans exclusive of accrued interest, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.
Loans overdue by three months or more	<15,976> 935	Loans other than the above that are overdue by three months or more.
Restructured loans	<50,601> 38,945	Loans other than the above that are restructured on favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of outstanding balance.
Total	<86,104> 116,132	—

Figures in brackets "< >" represent the balance of non-performing loans when loans exclusive of accrued interest are calculated according to the policies set forth in the general directives concerning Corporation Tax Act.

*6. Balances of accounts receivable-installment by business categories
All of accounts receivable-installment is fees from the credit card business.

*7. Financial assets received as freely disposable securities
The Company entered into "Repurchase agreement" transactions (to purchase debt securities under resale agreements) and received marketable securities as securities for the money repayable from the sellers.
Market value of marketable securities purchased at the end of the fiscal year is 14,997 million yen.

For the current fiscal year
(March 31, 2010)

amount is charged to the allowance for doubtful accounts.

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, non-performing loans included additional 43,242 million yen. Under the policies stipulated in Japan's tax laws, 15,417 million yen of this amount would be classified as loans overdue by three months or more, 3,370 million yen as restructured loans and 24,454 million yen as loans no longer in arrears.

(Millions of Yen)

Category	Amount	Classification criteria
Loans to bankrupt parties	<2,767> 2,767	Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.
Loans in arrears	<17,818> 61,060	Other loans exclusive of accrued interest, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.
Loans overdue by three months or more	<16,860> 1,443	Loans other than the above that are overdue by three months or more.
Restructured loans	<47,234> 43,863	Loans other than the above that are restructured on favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of outstanding balance.
Total	<84,680> 109,134	—

Figures in brackets "< >" represent the balance of non-performing loans when loans exclusive of accrued interest are calculated according to the policies set forth in the general directives concerning Corporation Tax Act.

*6. Same as the left

*7. Financial assets received as freely disposable securities
The Company entered into "Repurchase agreement" transactions (to purchase debt securities under resale agreements) and received marketable securities as securities for the money repayable from the sellers.
Market value of marketable securities purchased at the end of the fiscal year is 29,993 million yen.

For the prior fiscal year (March 31, 2009)	For the current fiscal year (March 31, 2010)
*8. Agreements for overdraft and commitment facilities For efficient procurement of working capital, the Company maintains a designated commitment line contract with one financial institution. As of the end of the current fiscal year, the unexercised portion of facilities based on the contract was as follows: (Millions of Yen) Amount of agreement for commitment line 100,000 Amount of borrowing — Net 100,000 There was no overdraft contract.	*8. Agreements for overdraft and commitment facilities For efficient procurement of working capital, the Company maintains overdraft contract with one financial institution and a designated commitment line contract with one financial institution. As of the end of the current fiscal year, the unexercised portion of facilities based on these contracts was as follows: (Millions of Yen) Amount of agreement for overdraft and commitment line 104,600 Amount of borrowing — Net 104,600
*9. Contingent liabilities (1) Outstanding guarantee obligation in the guarantee business (Millions of Yen) Guarantee obligation 193,862 Provision for loss on guarantees 3,390 Net 190,472 (2) Outstanding guarantee obligation of affiliated companies (Millions of Yen) IR Loan Servicing, Inc. 3,372 DC Cash One Ltd. 74,593 EASY BUY Public Company Limited 54,675	*9. Contingent liabilities (1) Outstanding guarantee obligation in the guarantee business (Millions of Yen) Guarantee obligation 317,240 Provision for loss on guarantees 8,270 Net 308,970 (2) Outstanding guarantee obligation of affiliated companies (Millions of Yen) IR Loan Servicing, Inc. 1,500 EASY BUY Public Company Limited 57,658

(Notes to Non-consolidated Statements of Operations)

<table>
<tr><th>For the prior fiscal year
(from April 1, 2008 to March 31, 2009)</th><th>For the current fiscal year
(from April 1, 2009 to March 31, 2010)</th></tr>
<tr><td>*1. The business operation results with subsidiaries and affiliates are included into non-operating income as follows:
(Millions of Yen)
Interest income 919
Dividend income 124
Guarantee commission received 282
Other 30
Total 1,357</td><td>*1. The business operation results with subsidiaries and affiliates are included into non-operating income as follows:
(Millions of Yen)
Interest income 892
Dividend income 134
Guarantee commission received 129
House rent income 23
Total 1,179</td></tr>
<tr><td>*2. The business operation results with subsidiaries and affiliates are included into non-operating expenses as follows:
(Millions of Yen)
Loss on investments in partnership 674
Other 1
Total 675</td><td>*2. The business operation results with subsidiaries and affiliates are included into non-operating expenses as follows:
(Millions of Yen)
Loss on investments in partnership 1,222</td></tr>
<tr><td>*3. Gain on sales of noncurrent assets results from sales of telephone subscription right.</td><td>*3. Gain on sales of noncurrent assets results from sales of equipment.right.</td></tr>
<tr><td>*4. Breakdown of gain on sales of subsidiaries and affiliates' stocks
(Millions of Yen)
JLA CO.,LTD 1,165
ACOM RENTAL CO., LTD. 3,214
Total 4,379</td><td>*4. Gain on sales of subsidiaries and affiliates' stocks results from sales of stock of EASY BUY Public Company Limited.</td></tr>
<tr><td>*5. —</td><td>*5. Gain on extinguishment of tie-in shares results from merger of DC Cash One Ltd.</td></tr>
<tr><td>*6. Breakdown of other extraordinary income
(Millions of Yen)
Gains on sales of golf club memberships 3
Reversal of provision for golf club memberships 15
Total 19</td><td>*6. Breakdown of other extraordinary income
(Millions of Yen)
Gains on sales of golf club memberships 3
Reversal of provision for golf club memberships 0
Total 4</td></tr>
<tr><td>*7. Loss on sales of noncurrent assets results from sales of vehicles.</td><td>*7. Loss on sales of noncurrent assets results from sales of telephone subscription right.</td></tr>
<tr><td>*8. Loss on retirement of noncurrent assets mainly consists of transfer of operating outlets, remodeling of interior and change of signboards.
The breakdown thereof is set out below.
(Millions of Yen)
Buildings 310
Structures 124
Equipment 91
Total 526</td><td>*8. Loss on retirement of noncurrent assets mainly consists of transfer of operating outlets, remodeling of interior and change of signboards.
The breakdown thereof is set out below.
(Millions of Yen)
Buildings 206
Structures 110
Equipment 117
Land 2
Total 437</td></tr>
</table>

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
*9. Loss on valuation of stocks of subsidiaries and affiliates results from revaluation of shares of PT. BANK NUSANTARA PARAHYANGAN, Tbk.	*9. —
*10. —	*10. Business structure improvement expenses were the expenditures required for the implementation of the Strengthening Business Management Policy. Details of the expenses are shown below. (Millions of Yen) Special extra retirement payments 5,305 Re-employment assistance expenses 760 Sales and operation base restructuring costs 2,205 Loss on retirement of noncurrent assets 1,415 Impairment loss 481 Total 10,167 The above loss on retirement of noncurrent assets was related to the closedown, relocation and renovation of sales and operation bases. Details are as follows: (Millions of Yen) Buildings 886 Structures 387 Equipment 142 Total 1,415 The above impairment loss was due to the suspension of telephone subscription right that, as a result, became a dormant asset, in line with the Company's operation base restructuring program. The recovery value is estimated based on the net realizable value.
*11. Breakdown of other extraordinary loss (Millions of Yen) Loss on valuation of goods 6 Loss on redemption of trust beneficiary 20 Loss on sales of golf club memberships 0 Loss on valuation of golf club memberships 1 Loss on redemption of golf club memberships 0 Loss on resignation of membership of resort facilities 38 Temporary amortization of long-term prepaid expenses 29 Loss on termination of sale and purchase agreement of preferred beneficiary right 195 Total 292	*11. Breakdown of other extraordinary loss (Millions of Yen) Loss on valuation of golf club memberships 0 Provision of allowance for doubtful accounts for golf club memberships 0 Temporary amortization of long-term prepaid expenses 28 Total 29
*12. Basis for classification of financial revenue and financial expenses on Non-consolidated statements of operations (1) Financial revenue stated as operating revenue Includes all financial revenue, excluding interest on loans and dividend income related to subsidiaries and affiliates, and dividends and interest on investment securities. (2) Financial expenses stated as operating expenses Include all financial expenses, excluding interest expense, etc. which have no relationship to operating revenue.	*12. Same as the left

(Notes to Non-consolidated Statements of Changes in Net Assets)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)

Matters related to treasury stock

Class of shares	As of March 31, 2008	Increase	Decrease	As of March 31, 2009
Common stock	2,433,798 shares	91 shares	—	2,433,889 shares

(Outline for the change)

91 shares of increase are due to purchase of shares of less than one unit.

For the current fiscal year (from April 1 2009 to March 31, 2010)

Matters related to treasury stock

Class of shares	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock	2,433,889 shares	532,787 shares	—	2,966,676 shares

(Outline for the change)

Breakdown of amounts of increase is as follows:

Increase due to purchase of shares from shareholders who oppose merger of the Company and DC Cash One Ltd. 520,911 shares

Increase due to purchase of shares from shareholders who oppose succession of the guarantee business from The Mitsubishi UFJ Home Loan Credit Co., Ltd. 11,855 shares

Purchase of shares of less than one unit. 21 shares

(Notes to Lease Transactions)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)

Finance lease transactions
Lease assets concerning non-transfer ownership finance lease
(1) Details of lease assets
Property, plant and equipment
They are mainly vehicles and MUJINKUN of loan business
(2) Depreciation of lease assets
Depreciated by the straight-line method, defining the lease term of respective assets as their useful lives, with residual value equaling zero

ASBJ Statement No.13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet However, the ASBJ Statement No.13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The company applied the ASBJ Statement No.13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance leases, depreciation expense, interest expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

1. Acquisition cost, accumulated depreciation and net leased property under finance leases

(Millions of Yen)

	Acquisition cost	Accumulated depreciation	Net leased property
Vehicles	13	9	3
Equipment	455	313	142
Total	469	323	145

2. Obligations under finance leases

(Millions of Yen)

Due within 1 year	79
Due after 1 year	68
Total	148

3. Lease payment, depreciation expense, interest expense under finance leases

(Millions of Yen)

Lease payments	149
Depreciation expense	145
Interest expense	4

4. Method of calculation of depreciation expense under finance leases
Calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and a residual value of zero.

5. Method of calculation of interest expenses under finance leases
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 fiscal year.

For the current fiscal year (from April 1, 2009 to March 31, 2010)

Finance lease transactions
Lease assets concerning non-transfer ownership finance lease
(1) Details of lease assets
Same as the left
(2) Depreciation of lease assets
Same as the left

ASBJ Statement No.13, "Accounting Standard for Lease Transactions" requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet However, the ASBJ Statement No.13 permits leases without ownership transfer of the leased property to the lessee whose lease inception was before March 31, 2008 to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the financial statements. The company applied the ASBJ Statement No.13 effective April 1, 2008 and accounted for such leases as operating lease transactions. Pro forma information of leased property whose lease inception was before March 31, 2008 such as acquisition cost, accumulated depreciation, accumulated impairment loss, obligations under finance leases, depreciation expense, interest expense and other information of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis was as follows:

1. Acquisition cost, accumulated depreciation and net leased property under finance leases

(Millions of Yen)

	Acquisition cost	Accumulated depreciation	Net leased property
Vehicles	8	7	0
Equipment	232	166	66
Total	241	174	67

2. Obligations under finance leases

(Millions of Yen)

Due within 1 year	41
Due after 1 year	26
Total	68

3. Lease payment, depreciation expense, interest expense under finance leases

(Millions of Yen)

Lease payments	85
Depreciation expense	79
Interest expense	2

4. Method of calculation of depreciation expense under finance leases
Same as the left

5. Method of calculation of interest expenses under finance leases
Same as the left

(Notes to Securities)

(Millions of Yen)

Category	Carrying amount	Market value	Difference
Stocks of subsidiaries	2,137	2,137	—
Stocks of affiliates	—	—	—
Total	2,137	2,137	—

(Note) In current fiscal year, among stocks of subsidiaries, those with market value were treated with an impairment loss of 3,380 million yen.

For the current fiscal year (March 31, 2010)
(Additional information)
Effective from the current fiscal year, "Accounting Standard for Financial Instruments" (ASBJ Statement No.10, March 10, 2008) and "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No.19, March 10, 2008).

Stocks of subsidiaries and affiliates

(Millions of Yen)

Category	Carrying amount	Market value	Difference
Stocks of subsidiaries	2,137	1,815	(321)
Stocks of affiliates	—	—	—
Total	2,137	1,815	(321)

(Note) Stocks of subsidiaries and affiliates whose market values appear to be extremely difficult to determine:

Category	Carrying amount
Stocks of subsidiaries	8,887
Stocks of affiliates	500
Total	9,387

For above mentioned stocks, quoted market prices are not available. Accordingly, their market values appear to be extremely difficult to determine.

(Notes to the Method of Tax Effect Accounting)

For the prior fiscal year (March 31, 2009)

1. Breakdown of major factors that caused deferred tax assets and liabilities

(Millions of Yen)

Deferred tax assets	
Bad debt expenses	15,115
Allowance for doubtful accounts	3,302
Provision for loss on guarantees	1,379
Provision for loss on interest repayment	115,315
Accrued bonuses	960
Accrued directors' retirement benefits	256
Unrecognized accrued interest	1,275
Software	7,262
Deferred assets	934
Deferred consumption taxes	330
Loss on valuation of securities	15,387
Loss on valuation of stocks of subsidiaries and affiliates	1,375
Loss on valuation of golf club memberships	101
Valuation loss on goods	202
Impairment loss	98
Retained loss	47,994
Other	334
Deferred tax assets (subtotal)	211,626
Valuation allowance	(179,900)
Deferred tax assets (total)	31,726
Deferred tax liabilities	
Valuation difference on available-for-sale securities	1,124
Prepaid pension cost	1,837
Total deferred tax liabilities	2,961
Balance of net deferred tax assets	28,764

2. Breakdown of items which caused the difference between the statutory tax rate and the effective tax rate after adoption of tax effect accounting
Omitted as the difference between the statutory tax rate and the effective tax rate as a percentage of income before effective tax rate is less than five-hundredth.

For the current fiscal year (March 31, 2010)

1. Breakdown of major factors that caused deferred tax assets and liabilities

(Millions of Yen)

Deferred tax assets	
Bad debt expenses	15,872
Allowance for doubtful accounts	981
Provision for loss on guarantees	3,365
Provision for loss on interest repayment	83,211
Accrued bonuses	683
Accrued directors' retirement benefits	256
Unrecognized accrued interest	1,214
Software	7,397
Deferred assets	781
Deferred consumption taxes	304
Loss on valuation of securities	15,324
Loss on valuation of stocks of subsidiaries and affiliates	1,375
Loss on valuation of golf club memberships	74
Valuation loss on goods	202
Impairment loss	281
Asset adjustment	1,524
Loss on investments in partnership	527
Business structure improvement expenses	806
Retained loss	88,832
Other	367
Deferred tax assets (subtotal)	223,385
Valuation allowance	(196,893)
Deferred tax assets (total)	26,491
Deferred tax liabilities	
Valuation difference on available-for-sale securities	1,730
Prepaid pension cost	1,532
Total deferred tax liabilities	3,263
Balance of net deferred tax assets	23,228

2. Breakdown of items which caused the difference between the statutory tax rate and the effective tax rate after adoption of tax effect accounting

Normal effective statutory tax rate	40.7 %
(Adjustment)	
Amount of absorption-type divestiture and succession of business	422.5 %
Changes in valuation allowance	(869.5)%
Amount of depreciation of goodwill	(6.3)%
Inhabitants' per capita taxes	(5.3)%
Other	3.2 %
Actual effective tax rate	(414.5)%

(Notes to Business Combinations etc.)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)
Not applicable.

For the current fiscal year (from April 1, 2009 to March 31, 2010)
Transactions between entities under common control, etc.
(Merger of the Company and its consolidated subsidiary, DC Cash One Ltd.)
Based on a resolution at the Board of Directors held on February 19, 2009, the Company made its consolidated subsidiary, DC Cash One Ltd., a wholly owned subsidiary on April 1, 2009, and DC Cash One Ltd. was merged into the Company on May 1, 2009. The summary of the transaction is as follows:

1. Names and businesses of the entities involved, legal form of the business combination, name of entity after the business combination, and outline and objectives of the transaction
   (1) Names and businesses of the entities involved
      1) Successor company
         Name: ACOM CO., LTD.
         Business: Loan business
      2) Dividing company
         Name: DC Cash One Ltd.
         Business: Loan business
   (2) Legal form of the business combination
      Absorption-type merger, with the Company being the successor company and DC Cash One Ltd. being the dividing company.
   (3) Name of entity after the business combination
      ACOM CO., LTD.
   (4) Outline and objectives of the transaction
      On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached an agreement to further strengthen business and capital alliance. This merger was a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG Group.

2. Outline of the applied accounting method
   In accordance with the "Accounting Standard for Business Combinations" (the Business Accounting Council, October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ revised Implementation Guideline No.10, November 15, 2007), the merger was accounted for as a transaction between entities under common control.

3. Details of assets and liabilities transferred from the subsidiary

(As of April 30, 2009; millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Cash and deposits	5,153	Long-term loans payable	73,500
Loans receivable of consumer loans	77,304	Income taxes payable	33
Investment securities	237	Other	1,161
Other	798	Total liabilities	74,695
Total assets	83,494	Net balance of assets	8,799

(Succession of Unsecured Card Loan Guarantee Business by the Company)

Based on the resolution of the Board of Directors held on July 21, 2009, the Company succeeded the unsecured card loan guarantee business from The Mitsubishi UFJ Home Loan Credit Co., Ltd. by company split on September 1, 2009. The summary of the transaction is as follows:

1. Name and business of the counterparty, legal form of the business combination, and outline and objectives of the transaction
   (1) Name of the counterparty
   The Mitsubishi UFJ Home Loan Credit Co., Ltd.
   (2) Description of the businesses acquired
   Guarantee business consigned by customers of the unsecured card loan offered by The Bank of Tokyo-Mitsubishi UFJ, Ltd.
   (3) Legal form of the business combination
   Absorption-type company split with the Company being the succeeding company and The Mitsubishi UFJ Home Loan Credit Co., Ltd. being the splitting company
   (4) Outline and objectives of the transaction
   On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached an agreement to further strengthen business and capital alliance. This company split was a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG Group.

2. Acquisition cost of the business acquired: 5,200 million yen

3. Amount of goodwill generated, reason thereof, and method and period of amortization
   (1) Amount of goodwill generated: 7,772 million yen
   (2) Reason for the goodwill: excess earnings power anticipated in the future business development of the acquired business
   (3) Method and period of amortization: equal amortization over 15 years

4. Outline of the applied accounting method
   In accordance with the "Accounting Standard for Business Combinations" (the Business Accounting Council, October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ revised Implementation Guideline No.10, November 15, 2007), the company split was accounted for as a transaction between entities under common control.

5. Details of assets and liabilities of the acquired business:

Guarantee obligation concerning guarantee business	188,234 million yen
Provision for loss on guarantees	6,161 million yen

(Per Share Information)

Item	For the prior fiscal year (From April 1, 2008 to March 31, 2009)	For the current fiscal year (From April 1, 2009 to March 31, 2010)
Net assets per share	2,801.62 yen	2,723.05 yen
Net income (loss) per share	107.69 yen	(64.15)yen
Diluted net income per share	Diluted net income per share is not stated as there are no residual securities with dilutive effects.	Diluted net income per share is not stated since the Company posted net loss per share.

(Note) Basis for calculation

1. Net assets per share

(Millions of yen unless otherwise stated)

Item	For the prior fiscal year (As of March 31, 2009)	For the current fiscal year (As of March 31, 2010)
Total net assets	440,398	426,597
Amount deducted from the total net assets	—	—
Amounts of net assets related to common shares at the end of the fiscal year	440,398	426,597
Number of shares issued	159,628,280 shares	159,628,280 shares
Number of treasury shares	2,433,889 shares	2,966,676 shares
Number of common shares used to calculate net assets per share at the end of the fiscal year	157,194,391shares	156,661,604 shares

2. Net income or loss per share and diluted net income per share

(Millions of yen unless otherwise stated)

Item	For the prior fiscal year (from April 1 2008 to March 31 2009)	For the current fiscal year (from April 1 2009 to March 31 2010)
Net income (loss) per share		
Net income (loss)	16,928	(10,056)
Net income (loss) not attributable to common shareholders	—	—
Net income (loss) related to common shares	16,928	(10,056)
Weighted average number of common shares during the fiscal year	157,194,448 shares	156,768,936 shares
Diluted net income per share		
Amount of net income adjustments	—	—
Number of increase in common shares	— share	— share
Dilutive securities that didn't have dilutive effects and therefore were not included in the calculation of diluted net income per share	Stock options (Stock acquisition rights) 121,110 shares	Stock options (Stock acquisition rights) 119,110 shares

(Significant Subsequent Events)

For the prior fiscal year (from April 1, 2008 to March 31, 2009)	For the current fiscal year (from April 1, 2009 to March 31, 2010)
(Merger of the Company and its consolidated subsidiary, DC Cash One Ltd.) Based on the resolution of the Board of Directors held on February 19, 2009, the Company made its consolidated subsidiary, DC Cash One Ltd., a wholly owned subsidiary, and DC Cash One Ltd. was merged into the Company on May 1, 2009.	The Company resolved the conclusion of basic agreement on succession part of credit guarantee business for unsecured loans of Mitsubishi UFJ NICOS Co., Ltd. by company split at the Board of Directors meeting held on May 13, 2010.
1. Purpose of the merger On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached the agreement on "ACOM CO., LTD., Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. to further strengthen business and capital alliance." The merger is a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG group.	1. Purpose of the company split On September 8, 2008, the Company, Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. reached the agreement on "ACOM CO., LTD., Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. to further strengthen business and capital alliance." The merger is a part of this agreement to increase the competitiveness of the consumer finance segment and reorganize the business function of the MUFG group.
2. Schedule of the merger Date of conclusion of merger agreement: March 6, 2009 Date of the merger (effective date): May 1, 2009	2. Business outline and size of the company split Business outline of company split: Credit guarantee business Business results of the division to be succeeded and items and amount of assets and liabilities to be transferred has not been determined at the present stage.
3. Method of the merger Absorption by the Company, as a surviving company and DC Cash One Ltd. was dissolved.	3. Outline of the splitting company for the company split Splitting company: Mitsubishi UFJ NICOS Co., Ltd. Outline (as of March 31, 2009; millions of yen): Assets 3,170,805 Liabilities 2,984,867 Net assets 185,938 Number of employees 3,728 persons (Note) The numbers shown above are based on the consolidated financial statements of each company.
4. Merger ratio Because it is the merger of a wholly owned subsidiary, payments for issuing new shares and merger consideration do not occur.	4. Date of the company split Date of conclusion of company split agreement: Late August, 2010 (scheduled) Date of merger (effective date): October 1, 2010 (scheduled)
5. Amount of assets and liabilities to be succeeded by the merger: (Millions of Yen) Assets 83,494 Liabilities 74,695	
6. Business outline, size, and name of the merged company Name: DC Cash One Ltd. Business outline: Loan business Size (fiscal year ended March 2009): (Millions of Yen) Operating revenue 16,486 Net income 91 Assets 83,320 Liabilities 76,009 Net assets 7,310 Number of employees 95 persons	
7. Accounting treatment In accordance with "Accounting Standard for Business Combinations" (issued by the Business Accounting Council on October 31, 2003) and "Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ revised Implementation Guidance No.10 issued by ASBJ on November 15, 2007), the Company accounted for the merger as transactions under the common control.	

Supplemental Schedules

(Schedule of Marketable Securities)

(Stocks)

		Name	Number of shares	Carrying amount (Millions of Yen)
Investment securities	Other securities	Cedyna Financial Corporation	32,085,000	5,326
		JLA CO., LTD.	22,469	1,133
		Shin-Etsu Chemical Co., Ltd.	200,000	1,086
		T&D Holdings, Inc.	410,620	908
		The Tokyo Electric Power Company, Incorporated	330,096	822
		Japan Credit Information Reference Center Corp.	24,234	737
		Honda Motor Co., Ltd.	192,000	633
		KOMATSU LTD.	300,000	588
		Chuo Mitsui Trust Holdings, Inc.	1,644,460	577
		Mitsubishi Corporation	200,000	490
		Others (63 brands)	11,764,222	6,189
		Subtotal	47,173,101	18,492
Total			47,173,101	18,492

(Bonds)

		Name	Total face value (Millions of Yen)	Carrying amount (Millions of Yen)
Investment securities	Other securities	National government bond (one issue)	58	52
		Subtotal	58	52
Total			58	52

(Others)

		Classification and name	Number of units invested, etc.	Carrying amount (Millions of Yen)
Securities	Other securities	Certificate of deposit	—	20,900
		Subtotal	—	20,900
Investment securities	Other securities	Securities investment trust beneficiary certificates (6 names)	903,627,034	759
		Equity in limited investment partnership, etc. (2 names)	3	54
		Subtotal	903,627,037	813
Total			903,627,037	21,713

(Schedule of Property, Plant and Equipment, etc.)

(Millions of Yen)

Type of asset	Balance at the end of previous period	Increase during the period	Decrease during the period	Balance at the end of current period	Accumulated depreciation or amortization at end of current fiscal year	Depreciation or amortization during the period	Balance at end of current fiscal year, after deduction of accumulated depreciation or amortization
Property, plant and equipment							
Buildings	29,046	158	4,612	24,593	17,474	996	7,119
Structures	7,079	58	1,540	5,597	3,834	278	1,763
Equipment	31,340	96	5,558	25,878	15,385	607	10,492
Land	6,413	—	2	6,411	—	—	6,411
Lease assets	15	291	—	307	16	11	290
Total property, plant and equipment	73,897	604	11,714	62,787	36,711	1,893	26,076
Intangible assets							
Goodwill	—	7,772	—	7,772	302	302	7,469
Leasehold right	4	—	—	4	—	—	4
Telephone subscription right	701	—	490 <481>	210	—	—	210
Other (right to use specific communication channel, etc.)	13	—	—	13	12	0	1
Total intangible assets	719	7,772	490	8,000	314	302	7,686
Long-term prepaid expenses	3,520	388	695	3,214	2,579	135	635

Notes: 1. Figure in bracket "< >" in the column of "Decrease during the period" represents amount of impairment loss for the current fiscal year. The impairment loss is stated in "Business structure improvement expenses" in Non-consolidated Statements of Operations.

2. Detail of major increase during the period is as follows:

(Millions of Yen)

Goodwill	Goodwill resulted from the succession of unsecured card loan guarantee business of The Mitsubishi UFJ Home Loan Credit Co., Ltd. by means of the company split.	7,772

3. Details of major decrease during the period are as follows:

(Millions of Yen)

Buildings	Removal of business outlets due to abolition and structural changes in accordance with improvement of business structure.	2,638
Structures	Removal of business outlets due to abolition and structural changes in accordance with improvement of business structure.	831
Equipment	Removal of business outlets due to abolition and structural changes in accordance with improvement of business structure.	1,795

(Schedule of Allowances)

(Millions of Yen)

Category	Balance at end of prior fiscal year	Increase during the period	Decrease during the period (used for primary purposes)	Decrease during the period (others)	Balance at end of current fiscal year
Allowance for doubtful accounts	84,000	64,553	86,724	128	61,700
Provision for loss on guarantees	3,390	8,270	3,390	—	8,270
Provision for loss on interest repayment	283,400	58,362	137,262	—	204,500

(Note) The amount of "Allowance for doubtful accounts" in the column of "Decrease during the period (others)," includes 0 million yen from the reversal of provision of allowance for doubtful accounts for golf club memberships and 127 million yen from the reversal due to payment.

(Details of Major Assets and Liabilities)

(a) Assets

(i) Cash and deposits

(Millions of Yen)

Category	Amount
Cash	8,479
Deposits	
Current account	9,522
Savings account	14,012
Call deposit	34,500
Separate deposit	1
Transfer savings	252
Subtotal	58,289
Total	66,768

(ii) Loans receivable of consumer loans

(Millions of yen unless otherwise specified)

Balance at the beginning of the fiscal year A	Accrued during the period B	Collected during the period C	Transfer to other accounts	Accounts receivable sold	Loss on bad debt during the period	Balance at the end of the fiscal year D	Collection rate (%) $\frac{C}{A+B}$	Turnover $\frac{B}{1/2(A+D)}$
1,171,893	515,822	450,904	2,156	3,539	127,146	1,103,969	26.7	0.5

(Notes) 1. Breakdown by major customers is stated in "2. Status of Business, 2. Operating Results" and thus is omitted here.
2. "Transfer to other accounts" represents the transfer to "Claim provable in bankruptcy or under reorganization."
3. Amount incurred during the current fiscal year includes a 77,304 million yen of loans receivable of consumer loans received due to the absorption-type merger of DC Cash One Ltd.

(iii) Accounts receivable-installment

(Millions of yen unless otherwise specified)

Balance at the beginning of the fiscal year A	Accrued during the period B	Collected during the period C	Transfer to other accounts	Accounts receivable sold	Loss on bad debt during the period	Balance at the end of the fiscal year D	Collection rate (%) $\frac{C}{A+B}$	Turnover $\frac{B}{1/2(A+D)}$
32,228	11,971	13,944	67	—	3,701	26,485	31.5	0.4

(Note) "Transfer to other accounts" represents the transfer to "Claims provable in bankruptcy, claims provable in rehabilitation and other."

(iv) Inventory assets

Merchandise and finished goods

(Millions of Yen)

Category	Amount
Paintings	1,034
Total	1,034

Raw materials and supplies

(Millions of Yen)

Category	Amount
Supplies	56
Total	56

(b) Liabilities

(i) Accounts payable

(Millions of Yen)

Customer	Amount	Remarks
Japan Master Card Payment Clearing Association	166	Accounts payable to member outlets
Orient Corporation	45	Accounts payable to member outlets
Total	212	

(ii) Current portion of long-term loans payable

(Millions of Yen)

Lenders	Amount
Mitsubishi UFJ Trust and Banking Corporation	39,920
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	17,300
Meiji Yasuda Life Insurance Company	16,720
Aozora Bank, Ltd.	13,618
Shinsei Bank, Limited	11,748
Others	71,937
Total	171,243

(iii) Straight bonds

(Millions of Yen)

Description	Amount
35th Issuance of Domestic Unsecured Bonds	10,000
39th Issuance of Domestic Unsecured Bonds	10,000
40th Issuance of Domestic Unsecured Bonds	10,000
41st Issuance of Domestic Unsecured Bonds	10,000
42nd Issuance of Domestic Unsecured Bonds	10,000
45th Issuance of Domestic Unsecured Bonds	10,000
48th Issuance of Domestic Unsecured Bonds	15,000
49th Issuance of Domestic Unsecured Bonds	15,000
50th Issuance of Domestic Unsecured Bonds	10,000
51st Issuance of Domestic Unsecured Bonds	20,000
52nd Issuance of Domestic Unsecured Bonds	15,000
53rd Issuance of Domestic Unsecured Bonds	10,000
54th Issuance of Domestic Unsecured Bonds	15,000
55th Issuance of Domestic Unsecured Bonds	10,000
3rd Non-public issuance of Domestic Unsecured Bond	1,005
Total	171,005

(Note) Date of issuance, interest rate and other details are stated in “1. Consolidated Financial Statements, etc., (1) Consolidated Financial Statements, 5) Consolidated supplemental schedules, Schedule of bonds.”

(iv) Long-term loans payable

(Millions of Yen)

Lenders	Amount
Mitsubishi UFJ Trust and Banking Corporation	121,608
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	48,100
Meiji Yasuda Life Insurance Company	25,254
Aozora Bank, Ltd.	18,419
Shinkin Central Bank	6,437
Other	92,825
Total	312,644

(Others)

Not applicable.

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

June 23, 2010

To the Board of Directors of ACOM CO., LTD.

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Takuji Akiyama

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Tatsuya Hiraki

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Koichiro Watanabe

[**Audit of Financial Statements**]
Pursuant to the first paragraph of Article 193 2 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements included in the Financial Section, namely, the consolidated balance sheet and the related consolidated statements of operations, changes in net assets and cash flows, and consolidated supplementary schedules of ACOM CO., LTD. and consolidated subsidiaries for the fiscal year from April 1, 2009 to March 31, 2010. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of ACOM CO., LTD. and consolidated subsidiaries as of March 31, 2010, and the consolidated results of their operations and their cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

[**Audit of Internal Control over Financial Reporting**]
Pursuant to the second paragraph of Article 193 2 of the Financial Instruments and Exchange Act, we have audited management's report on internal control over financial reporting of ACOM CO., LTD. as of March 31, 2010. The Company's management is responsible for designing and operating effective internal control over financial reporting and preparing its report on internal control over financial reporting. Our responsibility is to express an opinion on management's report on internal control over financial reporting based on our audit. There is a possibility that material misstatements will not completely be prevented or detected by internal control over financial reporting.

We conducted our audit in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether management's report on internal control over financial reporting is free of material misstatement. An audit includes examining, on a test basis, the scope, procedures and results of assessment of internal control made by management, as well as evaluating the overall presentation of the management's report on internal control over financial reporting. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, management's report on internal control over financial reporting referred to above, which represents that the internal control over financial reporting of ACOM CO., LTD. as of March 31, 2010 is effectively maintained, presents fairly, in all material respects, the assessment of internal control over financial reporting in conformity with assessment standards for internal control over financial reporting generally accepted in Japan.

Our firm and the engagement partners do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

(TRANSLATION)

INDEPENDENT AUDITORS' REPORT

June 23, 2010

To the Board of Directors of ACOM CO., LTD.

Deloitte Touche Tohmatsu LLC

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Takuji Akiyama

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Tatsuya Hiraki

Designated Limited Liability Partner,
Engagement Partner,
Certified Public Accountant: Koichiro Watanabe

Pursuant to the first paragraph of Article 193 2 of the Financial Instruments and Exchange Act, we have audited the financial statements included in the Financial Section, namely, the balance sheet and the related statements of operations, changes in net assets and supplemental schedules of ACOM CO., LTD. for the 33th fiscal year from April 1, 2009 to March 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACOM CO., LTD.as of March 31, 2010, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Our firm and the engagement partners do not have any financial interest in the Company for which disclosure is required under the provisions of the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

The ACOM Group

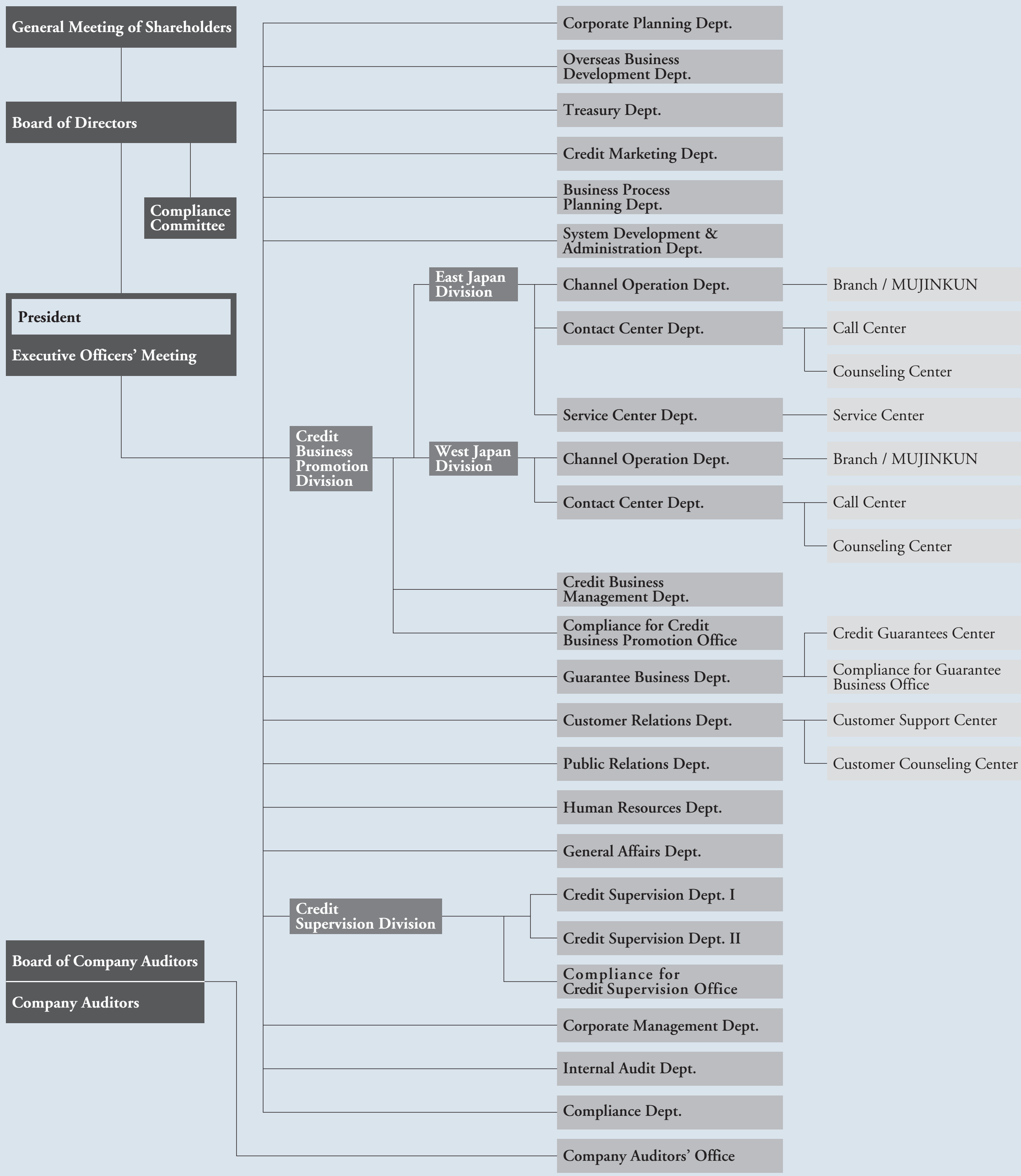
Consolidated Subsidiaries
As of March 15, 2010

AFRESH CREDIT CO., LTD.	Principal Business:	Installment sales finance business
ACOM Iidabashi Bldg.	Incorporated:	Nov. 1971
10-10, Iidabashi 2-chome,	Paid-in Capital:	¥500 million
Chiyoda-ku, Tokyo, Japan	Equity Owned by the Company:	100.00%
IR Loan Servicing, Inc.	Principal Business:	Loan servicing business
Trusty Koujimachi Bldg.	Incorporated:	Jun. 2000
4, Koujimachi 3-chome,	Paid-in Capital:	¥520 million
Chiyoda-ku, Tokyo, Japan	Equity Owned by the Company:	100.00%
AC Ventures Co., Ltd.	Principal Business:	Development, investment, promotion and support of venture companies
Meiji Yasuda Seimei Bldg.	Incorporated:	Apr. 1996
1-1, Marunouchi 2-chome,	Paid-in Capital:	¥100 million
Chiyoda-ku, Tokyo 100-8307, Japan	Equity Owned by the Company:	100.00%
A B PARTNER CO., LTD.	Principal Business:	Entrusted back-office (clerical work) services and insurance agency business
ACOM Fujimi Bldg.	Incorporated:	Nov. 2000
15-11, Fujimi 2-chome,	Paid-in Capital:	¥300 million
Chiyoda-ku, Tokyo, Japan	Equity Owned by the Company:	95.00%
EASY BUY Public Company Limited	Principal Business:	Unsecured loan business and hire purchase business in Kingdom of Thailand
11th, 13th Floor, Ramaland Building	Incorporated:	Sep. 1996
952 Rama IV Road, Suriyawongse,	Paid-in Capital:	THB 200 million
Bangrak, Bangkok 10500, Thailand.	Equity Owned by the Company:	49.00% *[1]
PT. Bank Nusantara*[2]	Principal Business:	Banking business in Republic of Indonesia
Parahyangan, Tbk.	Incorporated:	Jan. 1972
Jl. Ir. H. Juanda No.95 Bandung,	Paid-in Capital:	Indonesian rupiah 158.3 billion
40132 Indonesia	Equity Owned by the Company:	55.68%
ACOM (U.S.A.) INC.	Principal Business:	– *[3]
229 South State Street,	Incorporated:	Dec. 1986
Dover, Kent County	Paid-in Capital:	US$34 million
DE, U.S.A.	Equity Owned by the Company:	100.00%

Notes: 1. ACOM CO., LTD. treated any entity deemed as being substantially controlled by ACOM CO., LTD. as a consolidated subsidiary, even if it is less-than-majority owned.
2. ACOM CO., LTD. acquired 55.41% of issued shares of PT. Bank Nusantara Parahyangan, Tbk. and made it a consolidated subsidiary on December 17, 2007. The ownership ratio at the end of March, 2009 is 55.68%.
3. ACOM (U.S.A.) INC. suspended its operation; therefore, outline of its business is omitted above.
4. DC Cash One Ltd. was merged into ACOM on May 1. 2009.
RELATES CO., LTD. was absorbed by MU Communications Co., Ltd. on April 1, 2009. MU Communications Co., Ltd. became an equity-method affiliate of ACOM CO., LTD. on the same day.

Organization Chart

As of April 1, 2010



Corporate Data

As of March 31, 2010

Company Name:	ACOM CO., LTD.
Incorporated:	October 23, 1978
Established:	April 2, 1936
Paid-in Capital:	¥63,832 million
Business Outline:	Loan, Credit Card, and Loan Guarantee
Number of Employees:	2,610
Head Office:	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8307, Japan
Accounting Auditors:	Deloitte Touche Tohmatsu

For Further Information, Please Contact;

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