Annual Report 2011

Year ended March 31, 2011

ACOM CO., LTD.

Going Forward to the Next Phase of Growth

Contents

Financial Highlights

ACOM CO., LTD. and Subsidiaries

	Millions of Yen				
	2007/3	2008/3	2009/3	2010/3	**2011/3**
Profit and Loss Related:					
Operating Revenue	423,652	379,706	324,396	278,795	**245,831**
Operating Expenses	508,755	298,054	293,666	272,732	**430,617**
Provision of Allowance for Doubtful Accounts *1	137,595	115,848	87,899	89,654	**78,136**
Provision for Loss on Interest Repayment *2	200,147	19,620	52,157	58,362	**243,456**
Other Operating Expenses	171,013	162,586	153,610	124,716	**109,025**
Operating Income (Loss)	(85,102)	81,651	30,729	6,063	**(184,785)**
Net Income (Loss)	(437,972)	35,406	13,662	(7,239)	**(202,648)**
Balance Sheet Related:					
Total Assets	2,031,829	1,861,505	1,605,567	1,482,520	**1,302,758**
Receivables Outstanding *3	1,734,139	1,561,839	1,384,193	1,231,949	**1,016,280**
Total Amount of Non-performing Loans	149,453	136,396	128,223	116,694	**104,128**
Allowance for Doubtful Accounts	128,798	119,882	93,037	70,449	**71,369**
Net Assets *4	457,165	472,144	452,406	439,269	**243,599**
	Yen				
Per Share:					
Net Income (Loss), Basic	(2,786.19)	225.24	86.91	(46.18)	**(1,293.54)**
Net Assets *4	2,863.16	2,950.01	2,831.36	2,773.59	**1,516.95**
Cash Dividends	100	100	70	10	**0**
	%				
Financial Ratios:					
Operating Margin	(20.1)	21.5	9.5	2.2	**(75.2)**
ROE *5	(63.6)	7.7	3.0	(1.6)	**(60.3)**
Operating Efficiency *6	20.8	11.1	14.0	14.0	**31.4**
ROA1 (Net Income to Total Assets) *5	(21.2)	1.8	0.8	(0.5)	**(14.6)**
ROA2 (Net Income to Receivables Outstanding) *5	(24.5)	2.1	0.9	(0.6)	**(18.0)**
Shareholders' Equity Ratio	22.2	24.9	27.7	29.3	**18.2**
Non-performing Loans Ratio (Gross Basis) [Non-Consolidated] *7	9.4	9.4	9.9	9.9	**10.9**
Non-performing Coverage Ratio [Non-Consolidated] *8	85.6	87.0	72.3	56.5	**63.9**

Notes: 1. The amount of provision of allowance for doubtful accounts is the sum of bad debts expenses, increase or decrease in allowance for accounts receivable-operating loans, and increase or decrease in provision for loss on guarantees. In addition, the amount of provision of allowance for doubtful accounts includes loss on sales of accounts receivable-operating loans from the fiscal year ended March 31, 2009.
2. Provision for loss on interest repayment represents the sum of interest repayments, ACOM's voluntary waiver of repayments accompanied with interest repayment, and increase or decrease in provision for loss on interest repayment.
3. Receivables outstanding indicates the sum of receivables outstanding of the loan business, credit card business, and installment sales finance business.
4. Net assets excludes minority interests in consolidated subsidiaries.
5. ROE and ROA are calculated using the simple average of beginning and end of term balance sheet figures.
6. Operating efficiency = Operating expenses excluding provision of allowance for doubtful accounts / Average of beginning and end of term receivables outstanding
7. Non-performing loans ratio (Gross basis) = Total amount of non-performing loans / Loans receivable plus loans to borrowers in bankruptcy or under reorganization
8. Non-performing loans coverage ratio = Allowance for doubtful accounts / Total amount of non-performing loans

Notes:

1. **Forward-Looking Statements**
The figures contained in this annual report with respect to ACOM's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of ACOM which are based on management's assumptions and belief in light of the information currently available to it and involve risks and uncertainties and actual results may differ from those in the forward-looking statements as a results of various facts. Potential risks and uncertainties include, without limitation, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest Rate Restriction Law, the level of interest rates paid on the ACOM's debt and legal limits on interest rates charged by ACOM.
2. All amounts are truncated to the nearest expressed unit.
3. Percentage figures are a result of rounding.

In our relentless quest to seize the No.1 share of the personal loan market, we will respond appropriately to changing business conditions and embrace the challenge of transforming our business model in our closer alliance with the MUFG Group, guided by our "Strengthening Business Management Policy".

I send my deepest condolences to all victims of the Great East Japan Earthquake. I pray for the earliest rehabilitation of stricken areas.

Shigeyoshi Kinoshita
Chairman, President & Chief Executive Officer

The Outline of the Consolidated Financial Results for the Fiscal Year Ended March 2011

At the consolidated financial results for the fiscal year ended March 2011, operating revenue was 245,831 million yen, down 11.8% year-on-year. This was attributable to a decrease in the balance of accounts receivable-operating loans and a decrease in average loan yield leading to declining proceeds from interest on operating loans.

On the other hand, operating expenses were up 57.9% year-on-year to 430,617 million yen. Although provision of allowance for doubtful accounts decreased by 11,517 million yen year-on-year, provision for loss on interest repayment increased by 185,094 million yen year-on-year.

The remaining balance of the provision for loss on interest repayment at the end of fiscal year ended March 2011 was calculated to be 283,300 million yen using our conventional method. This calculation took increase in requests for interest repayment in consideration, which arose from factors such as the full enforcement of revised Money Lending Business Act in June 2010, and a major rival filing for bankruptcy protection.

Moreover, calculation based on estimate of future interest repayments leads to close value of provision. Therefore, we believe that the validity and sufficiency of provision is confirmed.

Consequently, operating loss and ordinary loss were184,785 million yen and 183,506 million yen, respectively. Moreover, net loss of 202,648 million yen was recorded due to booking of extraordinary losses such as loss on valuation of investment securities and asset retirement obligations.

Due to net loss of 202,648 million yen, dividend payment was not made for the fiscal year ended March 2011.

As for the fiscal year ending March 2012, ACOM truly regrets to inform that no dividend payments are planned. Although consolidated net income of 42.9 billion yen is expected, expansion of shareholder's equity is task of the highest priority for implementation of future growth strategies in view of improving management stability and security.

We will make group-wide efforts to swiftly recover the business performance. We look forward to your ongoing support as we embrace the challenges for the future.

Further Strengthening Business Management

Prior to proclamation of revised Money Lending Business Act in December 2006, ACOM anticipated the effects of decrease in balance of unsecured loans receivable outstanding and drop in average loan yield. Therefore, ACOM has addressed "Group Management Reform" while taking measures to strengthen its internal control system. Moreover, ACOM has reacted promptly to rapidly changing business environment such as being the forerunner of the industry to implement lowering the maximum interest rate in June 2007.

However, business environment surrounding us is increasing in severity from that of period when "Group Management Reform" was announced. For example, requests for interest repayment have stayed at high level, and the balance of accounts receivable-operating loans has been decreasing. Under such business environment, ACOM decided to pursue the strengthening business management policy in November 2009. ACOM promoted drastic cost reduction policy by restructuring business outlets, improving personnel efficiency, and reducing other operation costs.

Therefore, operation cost at the fiscal year March 2012 is expected to be below 60 billion yen, achieving cost reduction exceeding 50% compared to that of the fiscal year ended March 2006. ACOM will strive for further improvements in management efficiency.

Business and Capital Alliance with MUFG Group in Progress

In September 2008, Mitsubishi UFJ Financial Group, Inc. ("MUFG"), The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"), and ACOM agreed to position ACOM as the core company in the consumer loan business within the consumer finance segment of the MUFG group based on mutual understanding that closer alliance is necessary. The repositioning was done to also establish ACOM's competitive advantages in consumer finance industry and materialize consumer finance segment with potential for massive growth in the MUFG group. Afterward, in December 2008, ACOM became a consolidated subsidiary of MUFG to expand guarantee business of loans provided by banks, segment where future growth is expected.

As part of alliance strategy, the loan business of DC Cash One Ltd. was integrated into ACOM in May 2009. In September 2009, ACOM succeeded unsecured card loan guarantee business of The Mitsubishi UFJ Home Loan Credit Co., Ltd. Mitsubishi UFJ NICOS's unsecured card loan guarantee business was integrated into ACOM in October, 2010. Business alliance emphasized on "selection and concentration" aiming for reorganization and improving efficacy within the MUFG group is making a steady progress.

ACOM Group's Management Vision

We have set management vision in medium term management plan of "becoming the `leading company` which provide prime satisfactions to as many customers as possible and earn trust in the personal loan market."

Three components emphasized in the management vision		
1. Customers first, which is the basis of our business and a constituent of our corporate philosophy. This also reflects each and every member of ACOM's intention to provide prime satisfactions to as many customers as possible.	2. Concentrate our management resources to "personal loan market" regardless of the nature of business segment.	3. Establish a solid brand image of "leading company which earns trust from the market" by further strengthening the brand of "safety and trust."

Under this management vision, ACOM is going to respond precisely to the environmental changes while attempting to transform its business model. We will keep moving to materialize the company with the "top share" in personal loan market.

We look forward to your ongoing support as we embrace the challenges for the future.

Shigeyoshi Kinoshita

Shigeyoshi Kinoshita
Chairman, President & Chief Executive Officer

New Institutional Framework and Drastic Transitions in Business Environment

The business environment surrounding ACOM Group is severe as shown by tightening of regulations by the full enforcement of revised Money Lending Business Act in June 2010, and number of requests for interest repayment staying at high level, etc.

Under such business environment, ACOM has taken various measures in response to the revised Money Lending Business Act, such as being the forerunner in the industry lowering the maximum lending interest rate, notifying the details of revision of the Act, modifying credit screening system, commencing drastic cost structure reform, and making provision for loss on interest repayment, etc.

The Group will react precisely to environmental transitions with a view to become the leading company in personal loan market that earn trust from society while conquering quest for future growth through aggressive challenges to transform its business model.

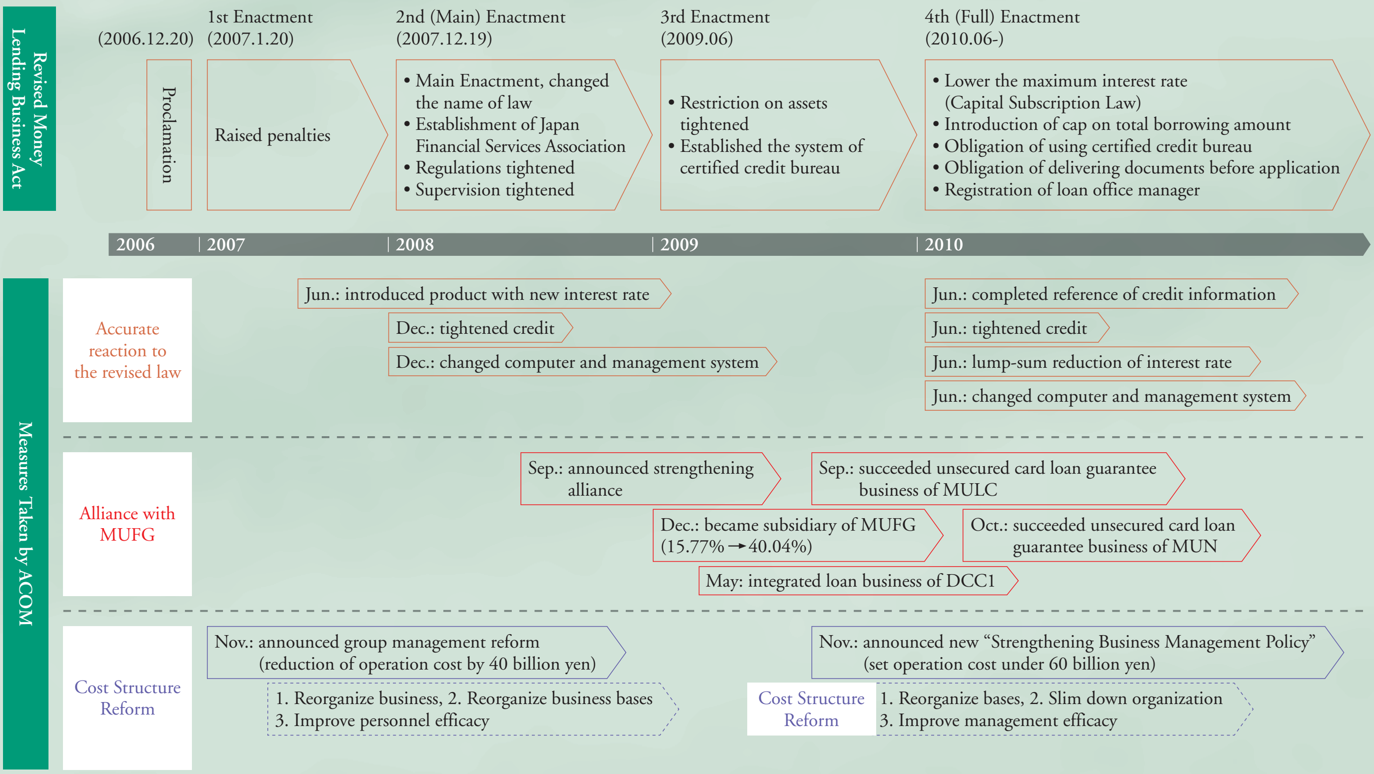
I. Impact of the Revised Money Lending Business Act

The Money Lending Business Act was revised and enacted in a phased manner in order to contribute to appropriate management of national economy, protecting benefit of consumers, and tightening regulations for behavior and registration while the significance of settling issues of multiple debtors and roles played by consumer finance industry were taken into consideration.

The revision was proclaimed in December 2006, followed by raises in penalties under the first enforcement in January 2007. The second (main) enforcement was conducted in December 2007 with foundation of new financial services association, and tightening in behavior and supervision regulations. Thereafter, prerequisite amount of capital for registration was increased while certified credit bureau was founded under the third enforcement in June 2009. The revision was completed under the fourth enforcement in June 2010 with introduction of regulations on interest rate and total borrowing amount.

Interest rate in consumer credit market was formerly under dual regulations stipulated in “Interest Rate Restriction Law” and “Capital Subscription Law.” However, the maximum interest rate under Capital Subscription Law was lowered to that of Interest Rate Restriction Law by the full enforcement of revised Money Lending Business Act. Business environment changed dramatically due to application of price regulation due to reduction of maximum interest rate and quantitative regulation due to regulation on total borrowing amount.

ACOM has taken various measures in response to environmental changes such as being the forerunner in the industry to introduce product with the maximum interest rate within the range in Interest Rate Restriction Law in June 2007, announcing accurate information about the revised Act such as broadcasting commercials to improve public awareness on regulation on total borrowing amount, and modification of credit screening standard regarding regulation on total borrowing amount, etc.



Note: MUFG=Mitsubishi UFJ Financial Group, Inc., DCC1=DC Cash One Ltd., MULC=The Mitsubishi UFJ Home Loan Credit Co., Ltd., MUN=Mitsubishi UFJ NICOS Co., Ltd.

II. Issue of Requests for Interest Repayment

The issue of requests for interest repayment, which roots back to ruling by the Supreme Court in January 2006 prior to full enforcement of the revised Act, has been a matter of significant impact to consumer finance industry and credit card industry in a past few years. It is recognized as "business task of the highest priority" at present.

The number of requests for interest repayment had shown year-on-year decrease for 11 consecutive months, from November 2009 to September 2010. However, it returned to increase after a major rival filed for bankruptcy protection and introduction of regulation on total borrowing amount in last fall. Consequently, we have made substantial amount of additional provision for loss on interest repayment at the end of previous fiscal year to prepare for possible loss on interest repayment in the future. We presume that the number of requests for interest repayment to decrease as the impact of a major rival filing for bankruptcy protection began to subside and receivables outstanding are replaced by those contracted within interest rates under "Interest Rate Restriction Law."

ACOM Group's New Initiatives

I. Concentration of Management Resources to Personal Loan Market

Although personal loan market, in which consumer finance companies operate their business, is going through drastic changes, social needs for speedy and convenient financial services collateralized on consumer credit will never disappear.

ACOM is pursuing a "Selection and Concentration" strategy in targeted domain, and expedites restructuring rock-solid business foundation to stand reduction of operating revenue caused by reduced maximum loan balance and interest rate and average loan yield.

ACOM recognizes that loan business, which has been defined as its core business, and guarantee business, in which ACOM guarantees card loans provided by banks, are closely correlated and thus share market in common. ACOM defines this market as "the personal loan market" and has medium term vision of being "the company with the highest share in the personal loan market" with receivables outstanding of unsecured loans and credit guarantees combined.

II. Became a Consolidated Subsidiary of MUFG and Expedites "Selection and Concentration"

Mitsubishi UFJ Financial Group, Inc. (MUFG) and ACOM reinforced strategic business and capital alliance in September 2008. This reinforcement was executed to further contribute to sound development of domestic consumer finance market by establishing consumer finance business with "competitive advantages" of compliance and profitability combined through enhancing internal control structure and profitability by mutual utilization of expertise and business base in effective manner.

MUFG, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), and ACOM reached an agreement in September 2008 to make ACOM the core consumer finance arm of the MUFG Group - thus further reinforcing the strategic business and capital alliance between ACOM and MUFG in the retail sector, formed back in March 2004. ACOM consequently became a consolidated subsidiary of MUFG in December 2008.

Thereafter, management resources are concentrated into loan business, guarantee business, loan servicing business, and overseas business to enhance management efficiency and profitability.

III. Reform in Cost Structure and Suitable Allotment of Management Resources

ACOM was quick to envisage that the revised Money Lending Business Act would lead to declines in the balance of accounts receivable-operating loans and average loan yield. For this reason, in November 2006 we announced our "Group Management Reform" and have been working to reform our cost structure. As a result, we reached our operating cost reduction target one year ahead of schedule.

However, business conditions have since become more severe than expected in November 2006. Therefore, we formulated a new set of management reinforcement measures. Under the measures, we will strive to reduce operating costs to 60.0 billion yen or less by the year ending March 2012. To achieve this, we will reorganize our office network, enhance personnel efficiency, and otherwise reduce costs through drastic reassessments focusing on economic rationality.

For the fiscal year ending March 2012, we forecast to achieve the reduction of operating costs to about 59.0 billion yen (more than 50% reduction compared to operation costs in the fiscal year ended March 2006) due to the office network reorganization and personnel efficiency enhancement.

Restructuring Internal Organization and Strengthening Business Foundation for Next Growth of ACOM Group

Management resources are concentrated into four areas: its mainstay loan business, the second mainstay guarantee business, loan servicing and overseas businesses. ACOM commits to build a stable earning base by further strengthening the business management. Moreover, we restructure internal organization and strengthen business foundation for the next growth.

Loan Business

In loan business, which is the core business of ACOM, we have strived to transform our business model by enhancing cultivation of new customers with view of maximum interest rate of 18%. Concurrently, ACOM has defined its task of highest priority as acceleration of improving the soundness of its loan portfolio by enhancing transactions with customers of high quality through application of credit screening and interest strategies corresponding to customer needs and environmental changes.

As part of such efforts, we have conducted drastic review of credit screening model for new contracts in April 2007 and have been operating under more stringent model since then.

Receivables outstanding for unsecured loans for consumers have seen year-on-year decreases around 11% in a few years before the full enforcement of the revised Money Lending Business Act due to tightening of credit screening and requests for interest repayment. However, consumers shunned spending and loans due to economic slowdown and some customers were suspended from additional loans by regulation on total borrowing amount. These factors accelerated decrease, resulting year-end balance of 878.7 billion yen, down 18.2% year-on-year.

As for the fiscal year ending March 2012, ACOM presumes that decrease in receivables outstanding to some degree is inevitable. However, we also estimate that the rate of decrease to fall down as increase in additional uses of loan can be expected due to decrease in requests for interest repayment and decrease in number of people with balance exceeding restricted amount, leading to year-end balance of 742.6 billion yen, down 15.5% year-on-year. We assume the decrease in receivables outstanding to terminate in the fiscal year ending March 2013 and revert to gradual recovery.

Guarantee Business

In guarantees business where future growth is expected, the scheme to integrate credit guarantee business of card loan products into ACOM as a part of functional reorganization and improving efficiency based on strategic business and capital alliance on September 2008 was attained as initially planned.

ACOM took over the unsecured card loan guarantee business with balance around 180.0 billion yen from Mitsubishi UFJ Home Loan Credit in October 2009. Subsequently, ACOM succeeded unsecured card loan guarantee business with balance around 110.0 billion yen from Mitsubishi UFJ NICOS.

Moreover, ACOM has expanded guaranteed receivables by actively supporting sales promotion activities of loan products offered by existing alliance partners, centering on “BANQUIC” provided by BTMU. As a result, year-end guaranteed receivables increased 39.8% year-on-year to 443.4 billion yen, providing operating revenue of 22.4 billion yen, up 57.1% year-on-year. ACOM currently affiliates with 19 banks.

ACOM will continue to expand guarantee business through further alliance with regional banks in top tier and those in close relationship with MUFG.

Overseas Business Initiatives

ACOM Group mainly operates the business in Southeast Asia. We promote growth strategy for loan business in the Kingdom of Thailand and loan business through banking business in Republic of Indonesia.

EASY BUY Public Company Limited, which mainly operates loan business in the Kingdom of Thailand, was anxious about an increase in NPL due to the political instability. However, based on sound credit screening measures, it maintained the quality of its loan portfolio and proactively undertakes other sales activities.

PT. Bank Nusantara Parahyangan, Tbk., a bank in Republic of Indonesia that the company is running as a joint venture with BTMU, improved and expanded its risk-management and compliance structures and pursued a vision of becoming a nationwide bank focused on retail banking.

As a result, operating revenue and operating income for overseas business were 25,801 million yen and 4,018 million yen, respectively. Overseas business has been making steady progress that the ratio of overseas revenue exceeded 10% of ACOM Group operating revenue.

Social Contribution Activity

ACOM aims to establish itself as a corporate group that provide prime satisfactions to customers and earn confidence from society as a sound corporate citizen through advanced comprehensive financial services.

ACOM's Social Contribution Activity Policy

Guided by the basic principle of the "Circle of Trust" spirit on which it was founded, the ACOM Group embraces a corporate philosophy emphasizing contribution to enriched cultural lifestyles.

In line with this philosophy, ACOM aims to build good relations with society and become "the Company next door" and a "corporate citizen in harmony with society" through its wide range of social contribution activities, including social welfare and community contribution.

Culture and Arts

Our most prominent initiatives in this area are our barrier-free concert performances, "Miru Concert Monogatari".

Preparation and support for these concerts are provided not only by ACOM employees, but also by citizens and other volunteers from local authorities in the regions where the concerts are held. The performances can be fully enjoyed not only by all audiences from different generations, but also by those with handicaps. We make it a barrier-free event by providing on-stage sign language interpretation, expanding reserved seats for wheelchair users, etc.

Since the first performance held in 1994, based on our wishes to "do something for others," "see many people's smiling faces," and "build close relationships with local communities", over 150 performances have been held, inviting over 140,000 audiences.

For Further Information, Please Contact;

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Annual Securities Report

(The 34th fiscal year)

ACOM CO., LTD.

Annual Securities Report

[Cover]

[Document Submitted]	Annual Securities Report (“Yukashoken Hokokusho”)
[Article of the Applicable Law Requiring Submission of This Document]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Submitted to]	Director, Kanto Local Finance Bureau
[Date of Submission]	June 24, 2011
[Quarterly Accounting Period]	The 34th Fiscal Year (from April 1, 2010 to March 31, 2011)
[Company Name]	ACOM Kabushiki-Kaisha
[Company Name in English]	ACOM CO., LTD. (“ACOM” or the “Company”)
[Position and Name of Representative]	Shigeyoshi Kinoshita, Chairman, President & CEO
[Location of Head Office]	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
[Phone No.]	03-5533-0811 (main)
[Contact for Communications]	Takashi Kiribuchi, Chief General Manager of Treasury Department
[Nearest Contact]	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo
[Phone No.]	03-5533-0811 (main)
[Contact for Communications]	Takashi Kiribuchi, Chief General Manager of Treasury Department
[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data and Trends

(1) Consolidated financial data, etc.

(Millions of yen, unless otherwise stated)

Fiscal period	30th fiscal year	31st fiscal year	32nd fiscal year	33rd fiscal year	34th fiscal year
Period of account	March 2007	March 2008	March 2009	March 2010	March 2011
Operating revenue	423,652	379,706	324,396	278,795	245,831
Ordinary income (loss)	(81,944)	83,120	32,648	7,917	(183,506)
Net income (loss)	(437,972)	35,406	13,662	(7,239)	(202,648)
Comprehensive income	—	—	—	—	(194,813)
Net assets	457,165	472,144	452,406	439,269	243,599
Total assets	2,031,829	1,861,505	1,605,567	1,482,520	1,302,758
Net assets per share (yen)	2,863.16	2,950.01	2,831.36	2,773.59	1,516.95
Net income (loss) per share (yen)	(2,786.19)	225.24	86.91	(46.18)	(1,293.54)
Diluted net income per share (yen)	—	225.23	86.91	—	—
Shareholders’ equity ratio (%)	22.15	24.91	27.72	29.31	18.24
Return on equity (%)	(63.57)	7.74	3.07	(1.65)	(60.30)
Price earnings ratio (times)	—	11.74	31.99	—	—
Net cash provided by operating activities	99,944	126,183	66,989	63,431	97,249
Net cash provided by (used in) investing activities	308	8,250	19,417	(6,175)	(2,746)
Net cash used in financing activities	(53,464)	(128,678)	(104,900)	(55,280)	(65,069)
Cash and cash equivalents at end of period	146,383	152,221	131,477	133,723	162,910
Number of employees [Average number of temporary workers, etc.]	5,907 [998]	6,277 [699]	6,266 [732]	6,145 [453]	5,571 [232]

(Notes)
1. “Diluted net income per share” is not shown here for the 30th and the 33rd fiscal years, since the Company posted net loss per share.
2. “Diluted net income per share” is not shown here for the 34th fiscal year, since the Company posted net loss per share, and there was no dilutive security.
3. “Price earnings ratio” is not shown here for the 30th, the 33rd and the 34th fiscal years, since the Company posted net loss.
4. Operating revenues are presented exclusive of consumption tax.

(2) Financial data etc. of the Filing Company

(Millions of yen, unless otherwise stated)

Fiscal period	30th fiscal year	31st fiscal year	32nd fiscal year	33rd fiscal year	34th fiscal year
Period of account	March 2007	March 2008	March 2009	March 2010	March 2011
Operating revenue	370,769	317,116	262,120	238,215	207,767
Ordinary income (loss)	(86,183)	82,319	29,165	6,495	(189,551)
Net income (loss)	(439,463)	33,518	16,928	(10,056)	(204,929)
Capital stock	63,832	63,832	63,832	63,832	63,832
Total number of outstanding shares (thousands of shares)	159,628	159,628	159,628	159,628	159,628
Net assets	443,797	451,321	440,398	426,597	228,283
Total assets	1,861,285	1,620,468	1,423,187	1,368,028	1,181,063
Net assets per share (yen)	2,823.24	2,871.10	2,801.62	2,723.05	1,457.18
Dividends per share (Yen) [Of the above, interim dividends per share] (Yen)	100.0 [70.00]	100.0 [50.00]	70.00 [50.00]	10.00 [5.00]	— (—)
Net Income (loss) per share (Yen)	(2,795.68)	213.23	107.69	(64.15)	(1,308.10)
Diluted net income per share (yen)	—	—	—	—	—
Shareholders’ equity ratio (%)	23.84	27.85	30.94	31.18	19.33
Return on equity (%)	(64.28)	7.48	3.84	(2.32)	(62.59)
Price earnings ratio (times)	—	12.40	25.81	—	—
Dividend payout ratio (%)	—	46.89	65.00	—	—
Number of employees [Average number of temporary workers, etc.]	2,956 [520]	2,774 [373]	2,636 [460]	2,610 [399]	1,876 (194)

(Notes)
1. “Diluted net income per share” is not shown here for the 30th and the 33rd fiscal years, since the Company posted net loss per share.
2. “Diluted net income per share” is not shown here for the 34th fiscal year, since the Company posted net loss per share, and there was no dilutive security.
3. “Price earnings ratio” is not shown here for the 30th, the 33rd and the 34th fiscal years, since the Company posted net loss.
4. “Dividend payout ratio” is not shown here for the 30th, the 33rd and the 34th fiscal years, since the Company posted net loss.
5. “Diluted net income per share” is not shown here for the 31st and the 32nd fiscal years, since there were no residual securities with dilutive effect.
6. Operating revenues are presented exclusive of consumption tax.

2. ACOM History

Year/Month		ACOM History
1978	Oct.	"ACOM CO., LTD." was founded with paid-in capital of 500 million yen as the business of consumer finance, and established its office in Nihonbashi, Chuo-ku, Tokyo.
1978	Dec.	Acquired 69 consumer finance outlets and receivable-outstanding from "Maruito Co., Ltd." and "Joy Co., Ltd.," and started consumer finance business.
1979	Dec.	Installed an automatic teller machine (ATM), which provides a 24-hour/365-day service, at the Ginza branch (located in Ginza, Chuo-ku), as the first in the industry.
1983	Dec.	Registered to Kanto Local Finance Bureau as a money-lending company along with enforcement of "Money-Lending Business Control and Regulations Law."
1984	Aug.	Moved headquarter location to Fujimi, Chiyoda-ku, Tokyo.
1986	Dec.	Established "ACOM (U.S.A.) INC." (present, consolidated subsidiary) in Delaware, U.S.A.as the business of real estate lease.
1992	Mar.	Absorbed "N.S.K. Shinpan Co., Ltd." and started the business of installment sales finance, golf membership mortgage loan, and commercial loan.
1993	July	Installed "MUJINKUN," automatic contract machine, at the Shinjuku branch and the Hakata branch as the first in Japan.
1993	Oct.	Listed ACOM shares on the over-the-counter market at Japan Securities Dealers Association.
1994	Dec.	Listed ACOM shares on the second section of the Tokyo Stock Exchange.
1996	Sep.	Established "SIAM A&C CO., LTD." as a joint venture of hire purchase business in Kingdom of Thailand.
1996	Sep.	Listed ACOM shares on the first section of the Tokyo Stock Exchange.
1998	July	Acquired principal membership of MasterCard International (currently, MasterCardWorldwide) and obtained a license to issue credit cards.
1999	April	Started issuing MasterCard®.
2000	Oct.	Acquired all shares of "JUKI CREDIT CO., LTD."
2000	Nov.	Established "A B PARTNER CO., LTD." as the business of temporary employment agencies and back-office services.
2001	Mar.	Invested capital in "IR Loan Servicing, Inc." (present, consolidated subsidiary) to advance into the servicing business.
2001	Aug.	Established "Tokyo-Mitsubishi Cash One Ltd." with "The Bank of Tokyo-Mitsubishi, Ltd." (present, "The Bank of Tokyo-Mitsubishi UFJ, Ltd."), "The Mitsubishi Trust and Banking Corporation" (present, "The Mitsubishi UFJ Trust and Banking Corporation"), "DC CARD Co., Ltd." (present, "Mitsubishi UFJ NICOS Co., Ltd."), and "JACCS CO., LTD."
2001	Sep.	JUKI CREDIT CO., LTD. changed its corporate name to "JCK CREDIT CO., LTD."
2004	Mar.	Reached an agreement with respect to a strategic business and capital alliance with "Mitsubishi Tokyo Financial Group, Inc." (present, "Mitsubishi UFJ Financial Group, Inc.").
2004	May	Was granted the "Privacy Mark" authorized by Japan Information Processing Development Corporation (JIPDEC).
2004	Dec.	Moved headquarter location to Marunouchi, Chiyoda-ku, Tokyo.
2005	Jan.	Acquired shares in "Tokyo-Mitsubishi Cash One Ltd." and changed its corporate name into "DC Cash One Ltd."
2005	Jan.	Established "RELATES CO., LTD.," which operated entrusted call center functions from banks.
2005	Mar.	Acquired all shares of "MTB Capital Co., Ltd." and changed its corporate name to "AC Ventures Co., Ltd." (present, consolidated subsidiary).
2005	April	"SIAM A&C CO., LTD." changed its corporate name to "EASY BUY Public Company Limited" (present, a consolidated subsidiary).
2005	Sep.	Established "PKU-ACOM Financial Information Research Center" jointly with Peking University in China.
2007	April	"JCK CREDIT CO., LTD." succeeded to installment sales finance business split up from ACOM and changed its corporate name into "AFRESH CREDIT CO., LTD." (present, consolidated subsidiary).
2007	Dec.	Jointly acquired "PT. Bank Nusantara Parahyangan, Tbk." (present, consolidated subsidiary) in Republic of Indonesia with "The Bank of Tokyo-Mitsubishi UFJ, Ltd."
2008	Feb.	Acquired all shares of "IR Loan Servicing, Inc."
2008	Sep.	Agreed upon further strengthening strategic business and capital alliance with "Mitsubishi UFJ Financial Group, Inc." and "The Bank of Tokyo-Mitsubishi UFJ, Ltd."

Year/Month		ACOM History
2008	Dec.	Became a consolidated subsidiary of “Mitsubishi UFJ Financial Group, Inc.” as the parent company.
2009	April	“RELATES CO., Ltd.” was dissolved due to absorption-type merger with “MU Communication Co., Ltd.,” a subsidiary of “The Bank of Tokyo-Mitsubishi UFJ, Ltd.,” where “MU Communication Co., Ltd.” was the surviving company.
2009	May	“DC Cash One Ltd.” was dissolved due to absorption-type merger with the Company where the Company was the surviving company.
2010	Aug.	“A B PARTNER CO., LTD.” was dissolved due to absorption-type merger with “IR Loan Servicing, Inc.,” where “IR Loan Servicing, Inc.” was the surviving company.

3. Description of Business

ACOM is a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (hereinafter, “MUFG”), and MUFG is the “Parent company” of ACOM.

The ACOM Group consists of ACOM and 12 subsidiaries (including investment partnerships) and 1 affiliate. The Group’s main line of business is [loan and credit card business, guarantee business, loan servicing business and overseas finance business].

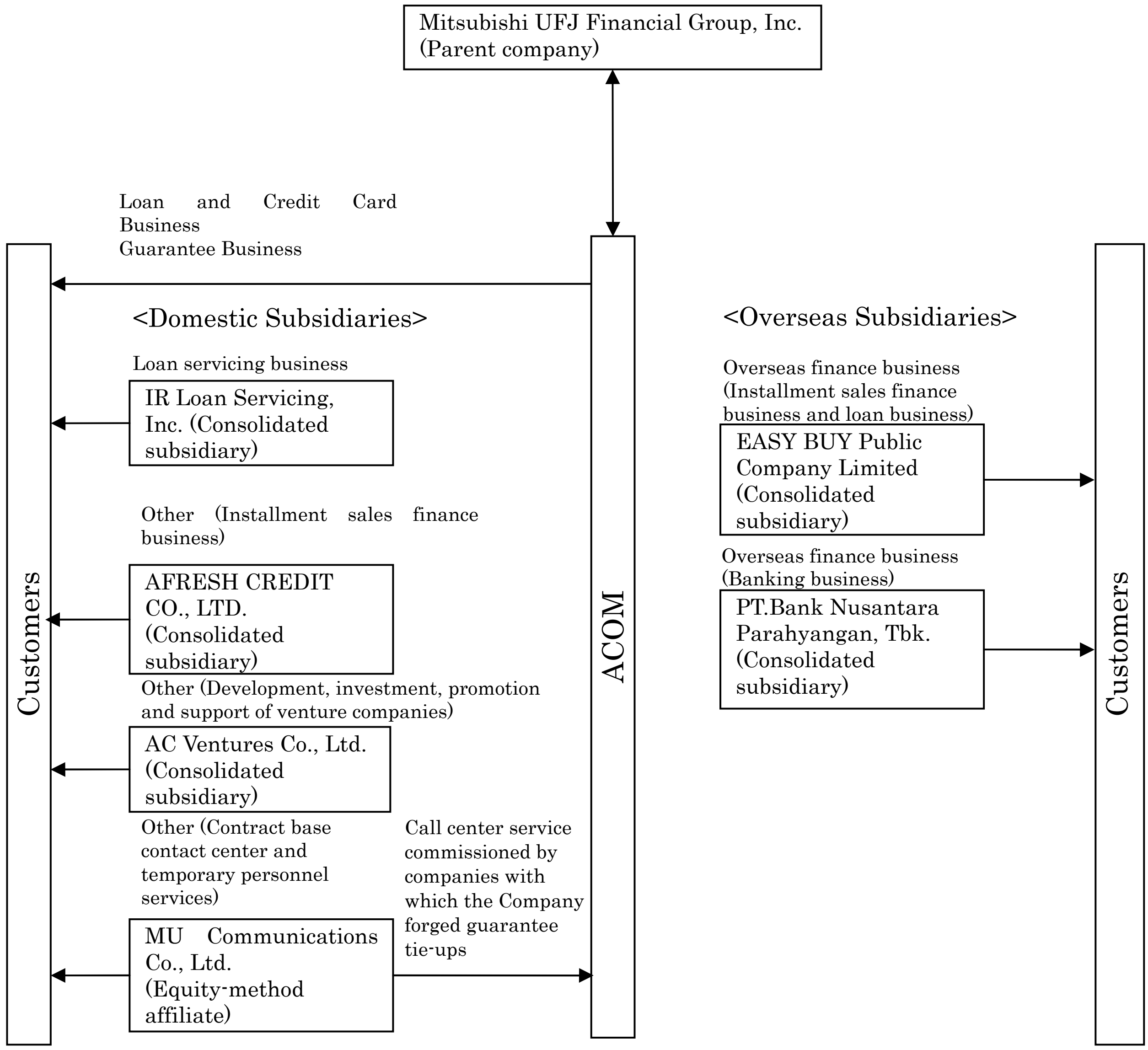
The table below explains the positioning of group companies and their relevant segments.

The following four segments are consistent with those stated in [Notes], (1) Consolidated Financial Statements in 1. Consolidated Financial Statements, etc. of V. Financial Information.

<table>
<tr><th>Segment</th><th>Company Name</th><th>Business Outline</th><th>Classification</th></tr>
<tr><td rowspan="2">Loan and Credit Card Business</td><td rowspan="2">ACOM CO., LTD.</td><td>Loan business including
unsecured loan and secured loan</td><td rowspan="3">—</td></tr>
<tr><td>Credit card business of which
the principal commodity is
MasterCard®</td></tr>
<tr><td>Guarantee Business</td><td>ACOM CO., LTD.</td><td>Guarantee business for personal loan of banks, etc.</td></tr>
<tr><td rowspan="3">Loan Servicing Business</td><td>IR Loan Servicing, Inc.</td><td>Loan servicing business</td><td rowspan="9">Consolidated subsidiary</td></tr>
<tr><td>General Incorporated Association Mirai Capital</td><td rowspan="2">Purchase, management, and disposal of monetary claims (Special Purpose Company)</td></tr>
<tr><td>Power Investments LLC</td></tr>
<tr><td rowspan="3">Overseas Finance Business</td><td rowspan="2">EASY BUY
Public Company Limited</td><td>Unsecured loan business
in Kingdom of Thailand</td></tr>
<tr><td>Hire purchase business in Kingdom of Thailand</td></tr>
<tr><td>PT.Bank Nusantara Parahyangan, Tbk.</td><td>Banking business in Republic of Indonesia</td></tr>
<tr><td rowspan="4">Others</td><td>AFRESH CREDIT CO., LTD.</td><td>Installment sales finance business</td></tr>
<tr><td>AC Ventures Co., Ltd.</td><td>Development, investment, promotion and support of venture companies</td></tr>
<tr><td>ACOM (U.S.A.) INC.</td><td>—</td></tr>
<tr><td>MU Communications Co., Ltd.</td><td>Contract base contact center and temporary personnel services</td><td>Equity-method affiliate</td></tr>
</table>

(Note) ACOM (U.S.A.) INC. is currently suspending its operation.

The diagram below illustrates the businesses of the ACOM Group companies.



(Notes)
1. ACOM (U.S.A.) INC. suspended its operation; therefore, it is eliminated from the diagram.
2. Investment partnerships are omitted as they operate funds.
3. This diagram does not include both General Incorporated Association Mirai Capital and Power investments LLC as they were established as Special Purpose Company.
4. The Company's consolidated subsidiary A B PARTNER CO., LTD. was merged into IR Loan Servicing, Inc., another consolidated subsidiary of the Company, as of August 1, 2010.
5. The installment sales finance business conducted by AFRESH CREDIT CO., LTD. has gradually suspended acceptance of new contracts as the company is preparing for withdrawal from the business.

4. Information on Subsidiaries and Affiliates

Company name	Location	Paid in capital (Million yen)	Principal business	Ratio of voting rights holding (held)		Relationship			
				Ratio of voting rights holding (%)	Ratio of voting rights held (%)	Concurrent positions held by Directors and temporary transfers of employees	Financial assistance	Business transaction	Lease of facilities
(Parent company) Mitsubishi UFJ Financial Group, Inc. (Note) 3	Chiyoda-ku, Tokyo	2,137,476	Bank holding company	—	40.18 (2.60)	Temporary transfers of employees to the Company :4	—	Business management, business and capital alliance	—
(Consolidated subsidiary) IR Loan Servicing, Inc.	Chiyoda-ku, Tokyo	520	Loan servicing business	100	—	Concurrent position held by 1 Director; Temporary transfer of employees to the said company:23	Financial loan and loan guarantee to the said company	Transfer of loan	—
AFRESH CREDIT CO., LTD.	Chiyoda-ku, Tokyo	500	Other	100	—	Concurrent position held by 1 Director; Temporary transfer of employees to the said company:62	Financial loan to the said company	—	—
AC Ventures Co., Ltd.	Chiyoda-ku, Tokyo	100	Other	100	—	Temporary transfer of employees to the said company:2	—	—	Rent office from the Company
EASY BUY Public Company Limited (Note) 4	Bangkok, Kingdom of Thailand	(Thousand Thai Baht) 200,000	Overseas finance business	49	—	Concurrent position held by 1 Director; Temporary transfer of employees to the said company:10	Financial loan and loan guarantee to the said company	—	—
PT.Bank Nusantara Parahyangan, Tbk.	Bandung, Republic of Indonesia	(Million Rupiah) 208,257	Overseas finance business	60.30	—	Temporary transfer of employees to the said company:3	—	—	—
ACOM (U.S.A.) INC. (Note) 5	Delaware, U.S.A.	(Thousand US dollars) 34,000	Other	100	—	—	—	—	—
AC Ventures Fourth Investment Partnership	Chiyoda-ku, Tokyo	4,000	Other	100 (10)	—	—	—	—	—
AC Ventures Fifth Investment Partnership	Chiyoda-ku, Tokyo	1,000	Other	100 (10)	—	—	—	—	—
AC Ventures Sixth Investment Partnership	Chiyoda-ku, Tokyo	2,000	Other	100 (10)	—	—	—	—	—

MTBC Third Investment Partnership	Chiyoda-ku, Tokyo	2,000	Other	0 (10)	—	—	—	—	—
General Incorporated Association Mirai Capital (Note) 6	Minato-ku, Tokyo	3	Loan servicing business	0 (100)	—	—	—	—	—
Power Investments LLC (Note) 7	Setagaya-ku, Tokyo	0	Loan servicing business	0 (100)	—	—	—	—	—
(Equity-method affiliate) MU Communications Co., Ltd.	Shibuya-ku, Tokyo	1,990	Other	15	—	Temporary transfer of employees to the said company:15	—	Consulting contracts with companies with which the Company forged guarantee tie-ups	—

(Notes) 1. Name of business segments of consolidated subsidiaries in the box of "Principal business" are the same as those stated in the segment information.
2. The ratio of voting rights held indirectly is shown in parentheses "( )" in the box of "Ratio of voting rights holding (held)."
3. The Company files Securities Reports.
4. It is considered a subsidiary because the Company substantially controls its management even though the Company's shareholding ratio is less than 50%.
5. ACOM (U.S.A.) INC. is currently suspending its operation.
6. General Incorporated Association Mirai Capital is a subsidiary of IR Loan Servicing Inc., which is a consolidated subsidiary of the Company.
7. Power Investments LLC is a subsidiary of General Incorporated Association Mirai Capital., which is a consolidated subsidiary of the Company.

5. Employees

(1) Consolidated Companies

As of March 31, 2011

Name of business segment	Number of employees
Loan and credit card business	1,502 <160>
Guarantee business	106 <34>
Loan servicing business	185 <7>
Overseas finance business	3,435 <7>
Others	75 <24>
Company-wide (common)	268 <0>
Total	5,571 <232>

(Notes) 1. The number of employees represents the number of workers employed by the consolidated companies and includes 842 contracted workers.

2. The bracketed figure is the average number of temporary workers during the current fiscal year.
(The average number of employees during the current fiscal year calculated on the 8-working-hour per day basis was 211).

3. The employees in the Company-wide (common) section are those belonging to the administration department of the Filing Company and thus do not fall into any business segment.

(2) The Filing Company

As of March 31, 2011

Number of employees	Average age	Average length of service	Average annual salary (Thousands of yen)
1,876 <194>	39.0	14.3 years	6,255

Name of business segment	Number of employees
Loan and credit card business	1,502 <160>
Guarantee business	106 <34>
Company-wide (common)	268 <0>
Total	1,876 <194>

(Notes) 1. The number of employees represents the number of workers employed by the Company and includes 117 contracted workers.

2. Bonus and extra remuneration are included in the average annual salary.

3. The bracketed figure is the average number of temporary workers during the current fiscal year.
(The average number of employees during the current fiscal year calculated on the 8-working-hour per day basis was 176).

4. The employees in the Company-wide (common) section are those belonging to the administration department of the Head Office and thus do not fall into any business segment.

5. The total number of employees fell by 734 from the previous fiscal year, due to the fact that the Company solicited voluntary retirements as part of its Strengthening Business Management Policy.

(3) Status of labor union

Relationship between management and labor is stable.

II. Business Overview

1. Summary of Results

(1) Business results

During this consolidated fiscal year ended March 31, 2011, Japanese economy turned into recovery phase reflecting recovery in export and production and improving corporate profits. However, it is still in severe condition due to employment condition and deflation.

The consumer finance industry has strengthened the business management. It was urged to revise and improve efficiency of business earning structure, reacting to introduction of cap on total borrowing amount due to full enactment of Money Lending Business Act and requests for interest repayment.

The Great East Japan Earthquake which struck Japan in March, 2011 not only damaged the directly stricken areas, but also tremendously affects economic activities all over Japan with additional problems of electric power supply resulting from nuclear power plants incidents.

The Company expresses our heartfelt condolences to all victims of the disaster and prays for earliest recovery of stricken areas.

The Company immediately established headquarters for disaster control after occurrence of the Great East Japan Earthquake. It swiftly devises and takes measures for customers and outlet management such as gathering damage information. We will continue to react promptly to aid stricken customers as we recognize the damages done to them.

The Group set new management vision of “aiming to become the leading company that gives prime satisfactions to as many customers as possible and trusted in the consumer loan market.” In domestic region, the Group mainly promoted the operations in loan, credit guarantee, and loan servicing business. In overseas region, the Group also promoted operations in loan business in the Kingdom of Thailand and banking business in Republic of Indonesia.

Furthermore, the Group focused on key issues. These include not only taking precise measures in response to the revised Money Lending Business Act and relevant laws but also strengthening the Group's business foundation and earning base, promoting cost structure reform, transforming the business model to center on the loan business and promoting the alliance with the MUFG Group.

As described earlier, the fiscal year under review saw a tough business environment, therefore consolidated operating revenue for this fiscal year decreased 32,964 million yen year-on-year, to 245,831 million yen (down 11.8%), primarily due to a decrease in interest on consumer loans.

Meanwhile, operating expenses increased 157,885 million yen year-on-year, to 430,617 million yen (up 57.9%), although partly offset by a decrease in provision of allowance for doubtful accounts and general administrative expenses, principally as the Company posted a provision for loss on interest repayment of 243,456 million yen in anticipation of a rise in future loss on interest repayments. As a result, the Company posted an operating loss of 184,785 million yen and an ordinary loss of 183,506 million yen.

In addition, the Company posted an extraordinary loss of 16,740 million yen, chiefly comprising a loss on valuation of stocks of parent company, loss on valuation of investment securities, loss on adjustment for changes of accounting standard for asset retirement obligations, etc. As a result, it recorded a net loss of 202,648 million yen for the fiscal year under review.

(2) Status of financial service businesses

1) Loan and credit card business

In the loan business, the Group has focused on extensive preparations to response to the full-scale enforcement of the Money Lending Business Act, revised on June 18, 2010, concurrently with an emphasis on the reform of our sales business models to improve credit screening model and management method for loan portfolio, and increase new customers. As a part of value-added service to loan customers, the Company issued credit card.

For the response to the full-scale enforcement of the Money Lending Business Act, the Company changed the computer system and operations in loan business. The Company also tried to reduce the burden of the customers who cannot make new borrowings due to the revised act. The Company offered the reduction of each payment amounts and extension of each payment date if needed.

Requests for interest repayment that has direct impact on revenue decreased in the first half. However, it increased again and stayed at high level due to the large consumer finance company that filed for bankruptcy.

As a result, during the fiscal year under review, the business segment's operating revenue was 184,272 million yen, but the segment made an operating loss of 196,975 million yen as it posted a provision for loss on interest repayment of 243,456 million yen.

2) Guarantee business

The Company strengthened cooperation with existing business partners and stepped taken to find new business partners. During this fiscal year under review, the Company newly commenced guarantee business for consumer loan provided by The Iyo Bank, Ltd. in July, 2010 and The Daisan Bank, Ltd in November, 2010.

Moreover, the Company succeeded a part of unsecured card loan guarantee business of Mitsubishi UFJ NICOS Co., Ltd. ("MUN") by means of a company split as part of the business reorganization within the MUFG Group. Consequently, the Company has conducted the succeeded business since October 2010.

As a result, the business segment's operating revenue and operating income for the fiscal year under review were 22,461 million yen and 5,808 million yen, respectively.

3) Loan servicing business

In a tough business environment for the loan servicing industry in general, IR Loan Servicing, Inc. which operates servicing business, worked to maximize the synergy effect to improve the collection capability function within the Group. It also worked to reduce its holdings of purchased claims secured by real estate, to strengthen purchase and collection capability, and to strengthen efficiency and revenue basis.

As a result, the business segment's operating revenue and operating income for the fiscal year under review were 8,966 million yen and 552 million yen, respectively.

To improve the efficiency of its Group assets and strengthen the financial foundations of its subsidiaries, IR Loan Servicing, Inc. merged A B PARTNER CO., LTD., a subsidiary of the Company, by absorption-type merger in August, 2010.

4) Overseas finance business

EASY BUY Public Company Limited, which mainly operates loan business in the Kingdom of Thailand, was anxious about an increase in non-performing loan due to the political instability. However, based on sound credit screening measures, it maintained the quality of its loan portfolio and proactively undertook other sales activities.

PT. Bank Nusantara Parahyangan, Tbk., a bank in the Republic of Indonesia that the Company is running as a joint venture with The Bank of Tokyo-Mitsubishi UFJ, Ltd. (hereinafter, "BTMU"), has assiduously worked on the improvement and expansion of its risk management and compliance systems, as well as implemented various measures to expand its market, with a vision to become a nationwide bank that focuses on retail banking.

As a result, the segment's operating revenue and operating income were 25,801 million yen and 4,018 million yen, respectively.

(3) Status of cash flows during the current fiscal year

Cash and cash equivalents ("funds") at the end of the fiscal year under review increased by 29,186 million yen to 162,910 million yen (up 21.8 % year-on-year). The changes in the respective cash flows and the reasons thereof are as follows:

With respect to net cash provided by operating activities, funds saw an increase of 97,249 million yen. This was mainly attributable to 199,638 million yen of loss before income taxes and minority interests, an increase of 78,800 million yen in provision for loss on interest repayment, an increase of 199,678 million yen due to decrease in loans receivable of consumer loans, an increase of 14,433 million yen due to decrease in accounts receivable-installment and an increase of 11,792 million yen due to increase in deposits of banking business.

With respect to net cash used in investing activities, funds saw a decrease of 2,746 million yen. This was primarily due to the payments of 4,650 million yen for transfer of business together with the proceeds from the collection of guarantee deposits as a result of staffed and unstaffed outlets realignment, implemented as part of the Company's Strengthening Business Management Policy.

With respect to net cash used in financing activities, funds saw a decrease of 65,069 million yen. This was primarily due to the fact that the total amount of proceeds from loans and issuance of bonds was 64,431 million yen less than the repayments of interest bearing debt and payments at maturity of bonds, along with cash dividends paid of 784 million yen.

2. Consolidated Operating Results

(1) Operating revenue by business segment

Business segment			For the prior fiscal year (from April 1, 2009 to March 31, 2010)		For the current fiscal year (from April 1, 2010 to March 31, 2011)	
			Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Financial service businesses	Japan	Loan business	220,684	79.2	180,778	73.5
		Credit card business	3,949	1.4	3,403	1.4
		Guarantee business	14,295	5.1	22,461	9.1
		Loan servicing business	12,844	4.6	8,945	3.7
		Others	3,292	1.2	3,490	1.4
	Overseas	Loan business	19,357	6.9	21,077	8.6
		Installment sales finance business	815	0.3	527	0.2
		Banking business	3,547	1.3	4,193	1.7
Other businesses			9	0.0	954	0.4
Total			278,795	100.0	245,831	100.0

(Note) Category of business above applies the category of business stated in “Segment information” in 1. Consolidated Financial Statements, etc. of V. Financial Information. The presentation of the prior fiscal year follows that of the current fiscal year.

(2) Transaction volume and outstanding receivables at the end of the fiscal year of the financial service business segments

1) Transaction volume

Business segment		For the prior fiscal year (from April 1, 2009 to March 31, 2010)		For the current fiscal year (from April 1, 2010 to March 31, 2011)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Japan	Loan business	441,811	81.0	280,953	73.7
	Credit card business	11,971	2.2	9,127	2.4
	Loan servicing business	2,963	0.6	2,476	0.6
	Others	23,322	4.3	13,887	3.6
Overseas	Loan business	49,776	9.1	52,557	13.8
	Installment sales finance business	1,621	0.3	1,142	0.3
	Banking business	13,761	2.5	21,210	5.6
Total		545,228	100.0	381,356	100.0

(Notes) 1. Category of business above applies the category of business stated in “Segment information” in 1. Consolidated Financial Statements, etc. of V. Financial Information. The presentation of the prior fiscal year follows that of the current fiscal year.

2. Details and transaction volume of the above Financial Service business segments are as follows:

Loan business	Provision of loans directly to customers. The scope of this segment's transaction volume is the amount of loans to customers.
Credit card business	Provision of general financial services through the use of credit cards, based on comprehensive credit administration. The scope of transaction volume is the total amount of credit.
Loan servicing business	The amount of purchased receivables.
Installment sales finance business	Provision of financial services without using credit cards. Each transaction of this service involves customer screening and review. The scope of transaction volume is the sum of credit amount and commission fees.
Banking business	Provision of loans directly to customers. The scope of this segment's transaction volume is the amount of loans to customers.

2) Receivables outstanding

Business segment		As of the end of the prior fiscal year (March 31, 2010)		As of the end of the current fiscal year (March 31, 2011)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Japan	Loan business	1,106,655	87.0	903,707	85.1
	Credit card business	26,485	2.1	21,625	2.0
	Loan servicing business	15,310	1.2	11,931	1.1
	Others	30,287	2.4	21,336	2.0
Overseas	Loan business	66,889	5.2	68,621	6.5
	Installment sales finance business	1,631	0.1	989	0.1
	Banking business	25,331	2.0	33,405	3.2
Total		1,272,592	100.0	1,061,618	100.0

(Note) Category of business above applies the category of business stated in "Segment information" in 1. Consolidated Financial Statements, etc. of V. Financial Information. The presentation of the end of the prior fiscal year follows that of the end of the current fiscal year.

(3) Number of outlets

Category	As of the end of the prior fiscal year (March 31, 2010)	As of the end of the current fiscal year (March 31, 2011)
Outlets	1,492	1,277

(4) Number of customer accounts

Business segment		As of the end of the prior fiscal year (March 31, 2010)	As of the end of the current fiscal year (March 31, 2011)
Japan	Loan business	1,957,854	1,718,769
	Credit card business	373,513	235,118
	Loan servicing business	293,636	303,339
	Others	144,542	108,776
Overseas	Loan business	762,657	786,404
	Installment sales finance business	45,399	29,383
	Banking business	4,516	7,278

(Notes) 1. Category of business above applies the category of business stated in “Segment information” in 1. Consolidated Financial Statements, etc. of V. Financial Information. The presentation of the end of the prior fiscal year follows that of the end of the current fiscal year.

2. The numbers of customer accounts by business segment shown above are as follows:

Loan business	Number of loan accounts with loans receivable
Credit card business	Number of credit card “MasterCard®” holders
Loan servicing business	Number of accounts with outstanding purchased receivables
Installment sales finance business	Number of contracts with outstanding accounts receivable-installment
Banking business	Number of loan accounts with outstanding loans receivable of banking business

(5) Breakdown of loans receivable of consumer loans

1) By loan type

Loan type		As of the end of the prior fiscal year (March 31, 2010)					As of the end of the current fiscal year (March 31, 2011)				
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)
Consumer loans	Unsecured loans (excluding housing loans)	2,712,863	99.7	1,144,469	97.5	19.72	2,498,607	99.7	948,890	97.6	18.64
	Secured loans (excluding housing loans)	7,515	0.3	28,381	2.4	12.56	6,466	0.3	22,851	2.3	12.50
	Housing loans	—	—	—	—	—	—	—	—	—	—
	Subtotal	2,720,378	100.0	1,172,851	99.9	19.54	2,505,073	100.0	971,742	99.9	18.50
Commercial loans	Unsecured loans	32	0.0	38	0.0	21.88	17	0.0	17	0.0	22.22
	Secured loans	101	0.0	655	0.1	8.91	83	0.0	570	0.1	8.47
	Subtotal	133	0.0	694	0.1	9.64	100	0.0	587	0.1	8.87
Total		2,720,511	100.0	1,173,545	100.0	19.54	2,505,173	100.0	972,329	100.0	18.49

2) By industry

Industry	As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Construction	32	0.0	85	0.0	23	0.0	61	0.0
Manufacturing	12	0.0	30	0.0	12	0.0	27	0.0
Electricity; gas; heat supply; water supply	—	—	—	—	—	—	—	—
Information and communications	3	0.0	10	0.0	1	0.0	5	0.0
Transportation	5	0.0	28	0.0	3	0.0	9	0.0
Wholesale and retail	24	0.0	152	0.0	18	0.0	120	0.0
Finance and insurance	7	0.0	46	0.0	6	0.0	41	0.0
Real estate	9	0.0	195	0.0	8	0.0	192	0.0
Restaurants and hotels	8	0.0	28	0.0	6	0.0	26	0.0
Healthcare and welfare	4	0.0	13	0.0	2	0.0	2	0.0
Education and educational support	1	0.0	1	0.0	1	0.0	0	0.0
Multiple services	—	—	—	—	—	—	—	—
Other services (not belong to any other category)	23	0.0	73	0.0	16	0.0	75	0.0
Individuals	2,720,378	100.0	1,172,851	100.0	2,505,073	100.0	971,742	100.0
Others	5	0.0	26	0.0	4	0.0	23	0.0
Total	2,720,511	100.0	1,173,545	100.0	2,505,173	100.0	972,329	100.0

(Note) Commercial loans to sole proprietors are included in corresponding categories other than "Individuals."

3) By collateral type

Collateral	As of the end of the prior fiscal year (March 31, 2010)		As of the end of the current fiscal year (March 31, 2011)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Securities (Stocks included in the above)	0 (0)	0.0 (0.0)	— (—)	— (—)
Credit (Deposits included in the above)	— (—)	— (—)	— (—)	— (—)
Merchandise	—	—	—	—
Real estate	28,893	2.5	23,317	2.4
Foundations	—	—	—	—
Others	142	0.0	103	0.0
Subtotal	29,036	2.5	23,421	2.4
Guarantee	—	—	—	—
Unsecured	1,144,508	97.5	948,908	97.6
Total	1,173,545	100.0	972,329	100.0

4) By loan term

Loan period		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Revolving	2,511,880	92.3	1,090,158	92.9	2,316,572	92.5	893,197	91.9
	Due within 1 year	2,926	0.1	318	0.0	3,086	0.1	390	0.0
	Due after 1 year through 5 years	181,920	6.7	45,541	3.9	160,444	6.4	44,704	4.6
	Due after 5 years through 10 years	16,037	0.6	8,403	0.7	16,940	0.7	8,839	0.9
	Due after 10 years through 15 years	118	0.0	79	0.0	1,569	0.0	1,769	0.2
	Due after 15 years through 20 years	11	0.0	6	0.0	11	0.0	5	0.0
	Due after 20 years through 25 years	3	0.0	0	0.0	2	0.0	0	0.0
	Due after 25 years	—	—	—	—	—	—	—	—
	Subtotal	2,712,895	99.7	1,144,508	97.5	2,498,624	99.7	948,908	97.6
Secured loans	Revolving	6,583	0.3	23,766	2.0	5,518	0.3	18,708	1.9
	Due within 1 year	13	0.0	55	0.0	13	0.0	40	0.0
	Due after 1 year through 5 years	168	0.0	436	0.0	201	0.0	472	0.1
	Due after 5 years through 10 years	315	0.0	1,026	0.1	357	0.0	1,117	0.1
	Due after 10 years through 15 years	79	0.0	478	0.1	72	0.0	427	0.0
	Due after 15 years through 20 years	133	0.0	841	0.1	116	0.0	705	0.1
	Due after 20 years through 25 years	325	0.0	2,432	0.2	272	0.0	1,949	0.2
	Due after 25 years	—	—	—	—	—	—	—	—
	Subtotal	7,616	0.3	29,036	2.5	6,549	0.3	23,421	2.4
Due within 1 year		2,939	0.1	373	0.0	3,099	0.1	431	0.1
Due after 1 year through 5 years		2,700,551	99.3	1,159,902	98.8	2,482,735	99.1	957,083	98.4
Due after 5 years through 10 years		16,352	0.6	9,429	0.8	17,297	0.7	9,956	1.0
Due after 10 years through 15 years		197	0.0	558	0.1	1,641	0.1	2,196	0.2
Due after 15 years through 20 years		144	0.0	848	0.1	127	0.0	711	0.1
Due after 20 years through 25 years		328	0.0	2,432	0.2	274	0.0	1,950	0.2
Due after 25 years		—	—	—	—	—	—	—	—
Total		2,720,511	100.0	1,173,545	100.0	2,505,173	100.0	972,329	100.0
Average term per contract		3 years and 5 months				3 years and 5 months			

(Note) The Company’s revolving loan contracts are automatically renewed for every three years. Therefore, they are categorized as Due after 1 year through 5 years

(6) Breakdown of funds

1) Breakdown by funding sources

Funding sources, etc.	As of the end of the prior fiscal year (March 31, 2010)		As of the end of the current fiscal year (March 31, 2011)	
	Outstanding balance (Millions of yen)	Average interest rate (%)	Outstanding balance (Millions of yen)	Average interest rate (%)
Borrowings from financial institutions, etc.	519,665	2.33	474,503	2.54
Others (Corporate bonds, CPs)	242,903 (242,903)	2.35 (2.35)	222,644 (222,644)	2.68 (2.68)
Total	762,569	2.34	697,147	2.59
Owners' equity (Capital stock)	717,136 (63,832)	— (—)	601,208 (63,832)	— (—)

(Notes) 1. "Owners' equity" was calculated by deducting total liabilities, the amount of minority interests in the "net assets" section, and the planned amount of dividend from total assets, and then adding the total amount of reserves (including reserves under special laws).

2. "Borrowings from financial institutions, etc" as of the end of the current fiscal year includes 38,250 million yen (20,000 million yen as of the end of the prior fiscal year) borrowings by liquidation of receivables.

2) Breakdown by financial institution

(Millions of yen)

Financial institution		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Beginning balance	Amount procured	Amount repaid	Final balance	Beginning balance	Amount procured	Amount repaid	Final balance
Borrowings	City banks, etc.	142,223	19,910	39,472	122,661	122,661	36,003	49,413	109,251
	Regional banks	18,927	2,500	6,391	15,036	15,036	4,800	8,296	11,540
	Trust banks	178,005	41,852	52,878	166,978	166,978	40,586	47,799	159,765
	Foreign banks	18,844	87,080	90,464	15,460	15,460	42,435	41,310	16,585
	Life insurance companies	76,510	14,000	27,690	62,820	62,820	8,300	30,623	40,497
	Non-life insurance companies	9,072	—	984	8,088	8,088	—	6,000	2,088
	Business corporations (leasing and financing companies, etc.)	1,372	—	372	1,000	1,000	1,000	1,125	875
	Other financial institutions	112,999 (—)	38,744 (20,000)	24,122 (—)	127,621 (20,000)	127,621 (20,000)	49,158 (22,000)	42,878 (3,749)	133,901 (38,250)
Subtotal		557,952	204,088	242,375	519,665	519,665	182,284	227,446	474,503
Corporate bonds (including current portion of bonds payable)		251,263	49,920	58,280	242,903	242,903	32,000	52,259	222,644
Subtotal		251,263	49,920	58,280	242,903	242,903	32,000	52,259	222,644
Total		809,215	254,008	300,655	762,569	762,569	214,284	279,706	697,147

(Notes) 1. "City banks, etc." include Shinsei Bank, Limited and Aozora Bank, Ltd.

2. Figures in parentheses in the "Other financial institutions" are borrowings by liquidation of receivables.

3. Amounts procured and repaid by overseas subsidiaries are stated after foreign currency translation adjustment.

(7) Operating results of the Filing Company

1) The number of outlets and customer accounts by business segment

(i) The number of outlets and cash dispensers/automated teller machines

Category		As of the end of the prior fiscal year (March 31, 2010)	As of the end of the current fiscal year (March 31, 2011)
Outlets		1,353	1,141
	Staffed outlets	45	39
	Unstaffed outlets	1,308	1,102
MUJINKUN corners		1,353 locations (1,359)	1,141 locations (1,148)
ATMs and CDs		95,674	50,593
	Proprietary	1,417	1,201
	Tie-up	94,257	49,392
	(Number of tie-up companies)	(103)	(16)
Machines used for settlement under agency agreements		8,804	8,973
(Number of counterparties)		(1)	(1)

(Notes) 1. In addition to the above 1,141 loan business outlets, based on the Money Lending Business Act, we registered 39 automatic contract machines (MUJINKUN corners) installed in staffed outlets (they stood at 45 as of March 31, 2010), 7 cash dispensers/automated teller machines installed outside outlets (9 as of March 31, 2010) and 1 service center (1 as of March 31, 2010) as outlets.

2. The number of “machines used for settlement under agency agreements” represents the number of machines for receiving payments at convenience stores.

(ii) Number of customer accounts

Business segment		As of the end of the prior fiscal year (March 31, 2010)	As of the end of the current fiscal year (March 31, 2011)
Loan business		1,948,949	1,712,560
Credit card business	Credit cards	373,513	235,118

(Note) The numbers of customer accounts by business segment shown above are as follows:

Loan business — Number of loan accounts with loans receivable

Credit card business

Credit cards — Number of “MasterCard®” holders

2) Breakdown of operating revenue

(i) Operating revenue by division

Division	Account		For the prior fiscal year (from April 1, 2009 to March 31, 2010)		For the current fiscal year (from April 1, 2010 to March 31, 2011)	
			Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Financial service businesses	Interest on consumer loans		212,839	89.4	173,209	83.4
		Unsecured loans	209,265	87.9	170,154	81.9
		Consumer	209,258	87.9	170,150	81.9
		Commercial	6	0.0	3	0.0
		Secured loans	3,574	1.5	3,055	1.5
	Credit card revenue		3,529	1.5	2,889	1.4
	Revenue from credit guarantee		12,736	5.3	20,477	9.8
Other businesses	Net sales of merchandise		—	—	952	0.5
Others	Other financial revenue		85	0.0	81	0.0
	Other operating revenue		9,024	3.8	10,157	4.9
		Collection of bad debts previously written-off	7,625	3.2	8,826	4.2
		Others	1,399	0.6	1,330	0.7
Total			238,215	100.0	207,767	100.0

(Notes) 1. Card shopping receivables for MasterCard® are included in “Credit card revenue.”
2. “Net sales of merchandise” in “Other businesses” represents sales of paintings.

(ii) Interest on consumer loans by region

Area	For the prior fiscal year (from April 1, 2009 to March 31, 2010)		For the current fiscal year (from April 1, 2010 to March 31, 2011)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Hokkaido	7,749	3.6	6,231	3.6
Tohoku	15,085	7.1	11,952	6.9
Kanto	83,161	39.1	68,990	39.8
Chubu	31,484	14.8	25,434	14.7
Kinki	37,818	17.8	30,199	17.4
Chugoku	10,344	4.9	8,330	4.8
Shikoku	5,204	2.4	4,286	2.5
Kyushu	21,989	10.3	17,784	10.3
Total	212,839	100.0	173,209	100.0

(Note) The prefectures belonging to each region are as follows:
Hokkaido: Hokkaido
Tohoku: Aomori, Iwate, Miyagi, Akita, Yamagata and Fukushima
Kanto: Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo and Kanagawa
Chubu: Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Nagano, Gifu, Shizuoka and Aichi
Kinki: Mie, Shiga, Kyoto, Osaka, Hyogo, Nara and Wakayama
Chugoku: Tottori, Shimane, Okayama, Hiroshima and Yamaguchi
Shikoku: Tokushima, Kagawa, Ehime and Kochi
Kyushu: Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima and Okinawa

Total amount for each region is calculated based on the locations of sales outlets.

3) Transaction volume and outstanding receivables at the end of the fiscal year for the financial service business segments

(i) Transaction volume

Business segment		For the prior fiscal year (from April 1, 2009 to March 31, 2010)		For the current fiscal year (from April 1, 2010 to March 31, 2011)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Loan business	Unsecured loans	437,533	97.1	280,745	96.8
	Consumer loans	437,533	97.1	280,745	96.8
	Commercial loans	—	—	—	—
	Secured loans	983	0.2	208	0.1
	Subtotal	438,517	97.3	280,953	96.9
Credit card business	Credit cards	11,971	2.7	9,127	3.1
Total		450,489	100.0	290,081	100.0

(Note) Details and transaction volume of the above Financial Service business segments are as follows:

Loan business	Provision of loans by the Filing Company directly to customers. The scope of this segment's transaction volume is the amount of loans to customers.
Credit card business	Provision of general financial services through the use of credit cards, based on comprehensive credit administration. The scope of transaction volume is the total amount of credit.

(ii) Receivables outstanding

Business segment		As of the end of the prior fiscal year (March 31, 2010)		As of the end of the current fiscal year (March 31, 2011)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Loan business	Unsecured loans	1,074,933	95.1	878,778	95.1
	Consumer loans	1,074,894	95.1	878,761	95.1
	Commercial loans	38	0.0	17	0.0
	Secured loans	29,036	2.6	23,421	2.6
	Subtotal	1,103,969	97.7	902,200	97.7
Credit card business	Credit cards	26,485	2.3	21,625	2.3
Total		1,130,455	100.0	923,826	100.0

4) Increase/decrease and outstanding balance of operating loans

(Millions of yen)

Item	As of the end of the prior fiscal year (March 31, 2010)			As of the end of the current fiscal year (March 31, 2011)		
	Total amount	Unsecured loans	Secured loans	Total amount	Unsecured loans	Secured loans
Beginning balance	1,171,893	1,137,146	34,747	1,103,969	1,074,933	29,036
Loans made during the period	438,517	437,533	983	280,953	280,745	208
Other increase	77,304	77,304	—	—	—	—
Collection during the period	450,904	445,029	5,875	369,408	364,421	4,986
Transfer of claims on bankruptcy and reorganization, etc.	2,156	2,032	123	2,073	1,958	114
Write-off of bad debts during the period	130,685	129,990	695	111,241	110,518	722
Final balance	1,103,969	1,074,933	29,036	902,200	878,778	23,421
Average loans receivable	1,168,958	1,136,861	32,097	1,016,978	990,606	26,372

(Notes) 1. "Other increase" as of the end of the prior fiscal year is the result of the absorption-type merger.
2. "Total amount" and the amount of write-off of bad debts in "Unsecured loans" as of the end of the current fiscal year include 3,502 million yen of receivables recognized as bad debts the Company sold (the amount of this item at the end of the prior fiscal year was 3,539 million yen.)

5) Breakdown of operating loans

(i) By loan type

Loan type		As of the end of the prior fiscal year (March 31, 2010)					As of the end of the current fiscal year (March 31, 2011)				
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)
Consumer loans	Unsecured loans (excluding housing loans)	1,941,301	99.6	1,074,894	97.3	19.31	1,705,994	99.6	878,761	97.4	18.01
	Secured loans (excluding housing loans)	7,515	0.4	28,381	2.6	12.56	6,466	0.4	22,851	2.5	12.50
	Housing loans	—	—	—	—	—	—	—	—	—	—
	Subtotal	1,948,816	100.0	1,103,275	99.9	19.14	1,712,460	100.0	901,613	99.9	17.87
Commercial loans	Unsecured loans	32	0.0	38	0.0	21.88	17	0.0	17	0.0	22.22
	Secured loans	101	0.0	655	0.1	8.91	83	0.0	570	0.1	8.47
	Subtotal	133	0.0	694	0.1	9.64	100	0.0	587	0.1	8.87
Total		1,948,949	100.0	1,103,969	100.0	19.13	1,712,560	100.0	902,200	100.0	17.86

(ii) Breakdown of unsecured consumer loans by consumers' occupation

Occupation	As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Clerical work	260,966	13.5	176,568	16.4	232,241	13.6	145,829	16.6
Marketing	194,746	10.0	145,732	13.6	166,446	9.8	116,562	13.3
Sales	105,594	5.4	47,445	4.4	94,833	5.6	38,898	4.4
Personnel management	658,948	34.0	339,370	31.6	589,154	34.5	282,566	32.1
Drivers	116,879	6.0	69,408	6.5	100,825	5.9	56,027	6.4
Technicians &Engineers	124,280	6.4	82,912	7.7	108,451	6.4	67,054	7.6
Management	260,880	13.4	129,641	12.1	221,545	13.0	102,623	11.7
Hospitality & service	80,432	4.2	30,611	2.8	67,130	3.9	23,616	2.7
Others	138,576	7.1	53,204	4.9	125,369	7.3	45,583	5.2
Total	1,941,301	100.0	1,074,894	100.0	1,705,994	100.0	878,761	100.0

(iii) By industry

Industry	As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Construction	32	0.0	85	0.0	23	0.0	61	0.0
Manufacturing	12	0.0	30	0.0	12	0.0	27	0.0
Electricity; gas; heat supply; water supply	—	—	—	—	—	—	—	—
Information and communications	3	0.0	10	0.0	1	0.0	5	0.0
Transportation	5	0.0	28	0.0	3	0.0	9	0.0
Wholesale and retail	24	0.0	152	0.0	18	0.0	120	0.0
Finance and insurance	7	0.0	46	0.0	6	0.0	41	0.0
Real estate	9	0.0	195	0.0	8	0.0	192	0.0
Restaurants and hotels	8	0.0	28	0.0	6	0.0	26	0.0
Healthcare and welfare	4	0.0	13	0.0	2	0.0	2	0.0
Education and educational support	1	0.0	1	0.0	1	0.0	0	0.0
Multiple services	—	—	—	—	—	—	—	—
Other services (not belong to any other category)	23	0.0	73	0.0	16	0.0	75	0.0
Individuals	1,948,816	100.0	1,103,275	100.0	1,712,460	100.0	901,613	100.0
Others	5	0.0	26	0.0	4	0.0	23	0.0
Total	1,948,949	100.0	1,103,969	100.0	1,712,560	100.0	902,200	100.0

(Note) Commercial loans to sole proprietors are included in corresponding categories other than "Individuals."

(iv) Breakdown of unsecured consumer loans receivable by consumers' sex and age

Sex and age		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Male	18-19 years	—	—	—	—	—	—	—	—
	20-29	243,398	12.5	89,585	8.3	214,058	12.6	75,210	8.6
	30-39	413,092	21.3	235,801	21.9	356,037	20.9	185,328	21.1
	40-49	341,967	17.6	261,256	24.3	307,786	18.0	217,206	24.7
	50-59	258,482	13.3	206,082	19.2	225,499	13.2	170,284	19.4
	60 years and older	162,036	8.4	84,824	7.9	149,986	8.8	75,153	8.5
	Subtotal	1,418,975	73.1	877,550	81.6	1,253,366	73.5	723,183	82.3
Female	18-19 years	—	—	—	—	—	—	—	—
	20-29	93,478	4.8	28,532	2.7	79,347	4.6	22,584	2.6
	30-39	133,217	6.9	49,747	4.6	113,529	6.7	38,373	4.4
	40-49	116,342	6.0	47,197	4.4	102,508	6.0	37,568	4.3
	50-59	101,584	5.2	43,373	4.0	86,687	5.1	33,689	3.8
	60 years and older	77,705	4.0	28,492	2.7	70,557	4.1	23,362	2.6
	Subtotal	522,326	26.9	197,343	18.4	452,628	26.5	155,578	17.7
Total		1,941,301	100.0	1,074,894	100.0	1,705,994	100.0	878,761	100.0

(v) By collateral type

Collateral accepted	As of the end of the prior fiscal year (March 31, 2010)		As of the end of the current fiscal year (March 31, 2011)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Securities (Stocks included in the above)	0 (0)	0.0 (0.0)	— (—)	— (—)
Credit (Deposits included in the above)	— (—)	— (—)	— (—)	— (—)
Merchandise	—	—	—	—
Real estate	28,893	2.6	23,317	2.6
Foundations	—	—	—	—
Others	142	0.0	103	0.0
Subtotal	29,036	2.6	23,421	2.6
Guarantee	—	—	—	—
Unsecured	1,074,933	97.4	878,778	97.4
Total	1,103,969	100.0	902,200	100.0

(vi) By loan amount

Loan amount		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Due within 100,000 yen	207,738	10.6	13,769	1.3	197,503	11.5	12,272	1.4
	Due after 100,000 yen through 300,000 yen	461,637	23.7	102,548	9.3	428,737	25.0	91,336	10.1
	Due after 300,000 yen through 500,000 yen	835,564	42.9	382,378	34.6	698,379	40.8	303,585	33.6
	Due after 500,000 yen	436,394	22.4	576,236	52.2	381,392	22.3	471,584	52.3
	Subtotal	1,941,333	99.6	1,074,933	97.4	1,706,011	99.6	878,778	97.4
Secured loans	Due within 1 million yen	566	0.0	301	0.0	623	0.0	343	0.0
	Due after 1 million yen through 5 million yen	5,605	0.3	17,284	1.6	4,801	0.3	14,307	1.6
	Due after 5 million yen through 10 million yen	1,230	0.1	8,476	0.8	965	0.1	6,527	0.7
	Due after 10 million yen through 50 million yen	214	0.0	2,893	0.2	159	0.0	2,162	0.3
	Due after 50 million yen through 100 million yen	1	0.0	80	0.0	1	0.0	80	0.0
	Due after 100 million yen	—	—	—	—	—	—	—	—
	Subtotal	7,616	0.4	29,036	2.6	6,549	0.4	23,421	2.6
Total		1,948,949	100.0	1,103,969	100.0	1,712,560	100.0	902,200	100.0
Average loans receivable per contract (Thousands of yen)		—	—	566	—	—	—	526	—
	Unsecured loans	—	—	553	—	—	—	515	—
	Secured loans	—	—	3,812	—	—	—	3,576	—

(vii) By loan term

Loan term		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Revolving	1,791,937	91.9	1,026,424	93.0	1,561,548	91.2	827,280	91.7
	Due within 1 year	2,882	0.2	310	0.0	3,063	0.2	388	0.1
	Due after 1 year through 5 years	131,144	6.7	40,188	3.7	123,666	7.2	40,863	4.5
	Due after 5 years through 10 years	15,239	0.8	7,923	0.7	16,153	0.9	8,471	0.9
	Due after 10 years through 15 years	117	0.0	79	0.0	1,568	0.1	1,768	0.2
	Due after 15 years through 20 years	11	0.0	6	0.0	11	0.0	5	0.0
	Due after 20 years through 25 years	3	0.0	0	0.0	2	0.0	0	0.0
	Due after 25 years	—	—	—	—	—	—	—	—
	Subtotal	1,941,333	99.6	1,074,933	97.4	1,706,011	99.6	878,778	97.4
Secured loans	Revolving	6,583	0.4	23,766	2.2	5,518	0.4	18,708	2.1
	Due within 1 year	13	0.0	55	0.0	13	0.0	40	0.0
	Due after 1 year through 5 years	168	0.0	436	0.0	201	0.0	472	0.1
	Due after 5 years through 10 years	315	0.0	1,026	0.1	357	0.0	1,117	0.1
	Due after 10 years through 15 years	79	0.0	478	0.0	72	0.0	427	0.0
	Due after 15 years through 20 years	133	0.0	841	0.1	116	0.0	705	0.1
	Due after 20 years through 25 years	325	0.0	2,432	0.2	272	0.0	1,949	0.2
	Due after 25 years	—	—	—	—	—	—	—	—
	Subtotal	7,616	0.4	29,036	2.6	6,549	0.4	23,421	2.6
Due within 1 year		2,895	0.2	365	0.0	3,076	0.2	428	0.0
Due after 1 year through 5 years		1,929,832	99.0	1,090,815	98.8	1,690,933	98.7	887,324	98.4
Due after 5 years through 10 years		15,554	0.8	8,949	0.8	16,510	1.0	9,589	1.1
Due after 10 years through 15 years		196	0.0	558	0.1	1,640	0.1	2,196	0.2
Due after 15 years through 20 years		144	0.0	848	0.1	127	0.0	711	0.1
Due after 20 years through 25 years		328	0.0	2,432	0.2	274	0.0	1,950	0.2
Due after 25 years		—	—	—	—	—	—	—	—
Total		1,948,949	100.0	1,103,969	100.0	1,712,560	100.0	902,200	100.0
Average term per contract		3 years and 1 month				3 years and 1 month			

(Note) The Company’s revolving loan contracts are automatically renewed for every three years. Therefore, they are categorized as Due after 1 year through 5 years

(viii) By interest rate

Interest rate		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Lower than 10% p.a.	143,760	7.4	46,661	4.2	136,849	8.0	47,891	5.3
	10-19% p.a.	1,020,800	52.4	638,435	57.8	1,140,720	66.6	618,455	68.5
	20-21% p.a.	17,182	0.9	17,059	1.6	9,511	0.5	9,745	1.1
	22-23% p.a.	37,438	1.9	41,718	3.8	21,621	1.3	25,093	2.8
	24-25% p.a.	160,385	8.2	107,207	9.7	90,165	5.3	60,176	6.7
	26-27% p.a.	538,979	27.6	214,177	19.4	293,183	17.1	112,092	12.4
	28-29.20% p.a.	22,789	1.2	9,672	0.9	13,962	0.8	5,323	0.6
	Subtotal	1,941,333	99.6	1,074,933	97.4	1,706,011	99.6	878,778	97.4
Secured loans	Lower than 10% p.a.	608	0.0	3,546	0.3	557	0.0	2,996	0.3
	10-11% p.a.	795	0.1	4,503	0.4	694	0.1	3,639	0.4
	12-13% p.a.	2,418	0.1	9,587	0.9	2,081	0.1	7,667	0.9
	14-15% p.a.	3,787	0.2	11,378	1.0	3,211	0.2	9,100	1.0
	16-18% p.a.	8	0.0	20	0.0	6	0.0	17	0.0
	19-23% p.a.	—	—	—	—	—	—	—	—
	Subtotal	7,616	0.4	29,036	2.6	6,549	0.4	23,421	2.6
Total		1,948,949	100.0	1,103,969	100.0	1,712,560	100.0	902,200	100.0

(ix) By product type

Product type		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Comprehensive contract type (Card loans)	1,791,937	91.9	1,026,424	93.0	1,561,548	91.2	827,280	91.7
	Individual contract type	149,364	7.7	48,469	4.4	144,446	8.4	51,481	5.7
	Commercial loans	32	0.0	38	0.0	17	0.0	17	0.0
	Subtotal	1,941,333	99.6	1,074,933	97.4	1,706,011	99.6	878,778	97.4
Secured loans	Real estate card loans	7,068	0.4	25,056	2.3	6,089	0.4	20,192	2.3
	Mortgage loans	514	0.0	3,682	0.3	433	0.0	2,974	0.3
	Loans backed by securities or golf club memberships	29	0.0	146	0.0	22	0.0	103	0.0
	Commercial loans	5	0.0	151	0.0	5	0.0	151	0.0
	Subtotal	7,616	0.4	29,036	2.6	6,549	0.4	23,421	2.6
Total		1,948,949	100.0	1,103,969	100.0	1,712,560	100.0	902,200	100.0

(x) By region

Region		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Hokkaido	68,875	3.5	34,590	3.1	60,858	3.5	28,249	3.1
	Tohoku	125,001	6.4	67,307	6.1	108,833	6.4	54,300	6.0
	Kanto	796,274	40.9	444,454	40.3	703,732	41.1	367,051	40.7
	Chubu	237,381	12.2	145,681	13.2	208,825	12.2	118,719	13.2
	Kinki	390,829	20.1	209,924	19.0	337,640	19.7	169,094	18.7
	Chugoku	82,779	4.2	47,531	4.3	72,576	4.2	38,435	4.3
	Shikoku	44,378	2.3	24,548	2.2	39,292	2.3	20,164	2.2
	Kyushu	195,816	10.0	100,895	9.2	174,255	10.2	82,763	9.2
	Subtotal	1,941,333	99.6	1,074,933	97.4	1,706,011	99.6	878,778	97.4
Secured loans	Hokkaido	403	0.0	1,263	0.1	351	0.0	1,003	0.1
	Tohoku	485	0.0	1,495	0.1	407	0.0	1,200	0.1
	Kanto	2,644	0.2	11,233	1.0	2,282	0.1	9,079	1.0
	Chubu	1,095	0.1	4,239	0.4	895	0.1	3,282	0.4
	Kinki	1,820	0.1	6,759	0.6	1,649	0.1	5,703	0.6
	Chugoku	350	0.0	1,265	0.1	286	0.0	996	0.1
	Shikoku	127	0.0	404	0.1	108	0.0	333	0.1
	Kyushu	692	0.0	2,375	0.2	571	0.1	1,821	0.2
	Subtotal	7,616	0.4	29,036	2.6	6,549	0.4	23,421	2.6
Total		1,948,949	100.0	1,103,969	100.0	1,712,560	100.0	902,200	100.0

(xi) Operating loans per outlet and per employee

Item	As of the end of the prior fiscal year (March 31, 2010)		As of the end of the current fiscal year (March 31, 2011)	
	Number of loan contracts	Outstanding balance (Millions of yen)	Number of loan contracts	Outstanding balance (Millions of yen)
Per loan business outlet	43,309	24,532	43,911	23,133
Per loan business employee	1,366	774	1,758	926

(Notes) 1. Loans receivable per loan business outlet = $\frac{\text{Loans receivable at the end of the period}}{\text{Number of staffed loan outlets at the end of the period}}$

2. Loans receivable per loan business employee= $\frac{\text{Loans receivable at the end of the period}}{\text{Number of employees at the end of the period}}$

The number of employees at the end of the period is the number of employees who work at the contact centers and the loan business outlets. The numbers at the end of the prior fiscal year and at the end of the current fiscal year are 1,426 and 974, respectively.

6) Number of outlets and employees by region

(i) Number of outlets by region

Area	As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
	Total	Proportion (%)	Loan outlets	Proportion (%)	Total	Proportion (%)	Loan outlets	Proportion (%)
Hokkaido	2	4.4	2	4.4	1	2.6	1	2.6
Tohoku	5	11.1	5	11.1	3	7.7	3	7.7
Kanto	17	37.8	17	37.8	15	38.5	15	38.5
Chubu	6	13.4	6	13.4	6	15.4	6	15.4
Kinki	8	17.8	8	17.8	7	17.9	7	17.9
Chugoku	2	4.4	2	4.4	2	5.1	2	5.1
Shikoku	1	2.2	1	2.2	1	2.6	1	2.6
Kyushu	4	8.9	4	8.9	4	10.2	4	10.2
Total	45	100.0	45	100.0	39	100.0	39	100.0

(Note) The above number of outlets in each region is the number of staffed outlets.

(ii) Number of employees by region

Area	As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
	Total	Proportion (%)	Loan outlets	Proportion (%)	Total	Proportion (%)	Loan outlets	Proportion (%)
Hokkaido	12	0.5	12	0.9	7	0.4	7	0.7
Tohoku	42	1.6	42	2.9	18	0.9	18	1.9
Kanto	1,681	64.4	711	49.9	1,297	69.1	571	58.6
Chubu	42	1.6	42	2.9	34	1.8	34	3.5
Kinki	774	29.6	562	39.4	476	25.4	300	30.8
Chugoku	16	0.6	16	1.1	13	0.7	13	1.3
Shikoku	7	0.3	7	0.5	5	0.3	5	0.5
Kyushu	36	1.4	34	2.4	26	1.4	26	2.7
Total	2,610	100.0	1,426	100.0	1,876	100.0	974	100.0

(Note) The number of employees of “Loan outlets” is the number of employees at the end of the fiscal year working at contact centers and loan business outlets.

7) Breakdown of funds

(i) Breakdown by funding sources

Funding sources	As of the end of the prior fiscal year (March 31, 2010)		As of the end of the current fiscal year (March 31, 2011)	
	Outstanding balance (Millions of yen)	Average interest rate (%)	Outstanding balance (Millions of yen)	Average interest rate (%)
Borrowings from financial institutions, etc.	483,887	2.17	440,812	2.38
Others	221,500	2.10	202,840	2.46
(Corporate bonds, CPs)	(221,500)	(2.10)	(202,840)	(2.46)
Total	705,387	2.14	643,652	2.41
Owners' equity	700,284	—	583,253	—
(Capital stock)	(63,832)	(—)	(63,832)	(—)

(Notes) 1. "Owners' equity" was calculated by deducting total liabilities and the planned amount of dividend from total assets, and then adding the total amount of reserves (including reserves under special laws).

2. "Borrowings from financial institutions, etc" as of the end of the current fiscal year includes 38,250 million yen borrowings by liquidation of receivables (20,000 million yen as of the end of the prior fiscal year).

(ii) Breakdown by financial institution

(Millions of yen)

Financial institution		As of the end of the prior fiscal year (March 31, 2010)				As of the end of the current fiscal year (March 31, 2011)			
		Beginning balance	Amount procured	Amount repaid	Final balance	Beginning balance	Amount procured	Amount repaid	Final balance
Borrowings	City banks, etc.	79,365	63,250	34,858	107,757	107,757	31,816	40,312	99,261
	Regional banks	18,222	2,500	5,979	14,743	14,743	4,800	8,003	11,540
	Trust banks	149,541	64,080	51,043	162,578	162,578	38,920	44,970	156,528
	Foreign banks	6,000	2,000	3,000	5,000	5,000	5,000	3,000	7,000
	Life insurance companies	76,510	14,000	27,690	62,820	62,820	8,300	30,623	40,497
	Non-life insurance companies	9,072	—	984	8,088	8,088	—	6,000	2,088
	Business corporations (leasing and financing companies, etc.)	1,000	—	—	1,000	1,000	1,000	1,125	875
	Other financial institutions	106,024 (—)	38,500 (20,000)	22,622 (—)	121,901 (20,000)	121,901 (20,000)	42,500 (22,000)	41,378 (3,749)	123,023 (38,250)
Subtotal		445,734	184,330	146,176	483,887	483,887	132,336	175,411	440,812
Corporate bonds (including current portion of bonds payable)		235,000	36,500	50,000	221,500	221,500	32,000	50,660	202,840
Subtotal		235,000	36,500	50,000	221,500	221,500	32,000	50,660	202,840
Total		680,734	220,830	196,176	705,387	705,387	164,336	226,071	643,652

(Notes) 1. “City banks, etc.” include Shinsei Bank, Limited and Aozora Bank, Ltd.
2. Figures in parentheses in the “Other financial institutions” are borrowings by liquidation of receivables.

3. Issues to be Addressed

The Group aims to step up compliance while enhancing management efficiency through the radical reform of its cost structure in order to respond properly to the changes in the operating environment.

We will aggressively focus on measures such as enhancement of sales and service capabilities, construction of new loan business model fit after the full enactment of revised Money Lending Business Act, and expansion of guarantee business, etc. in order to secure long-term stable profit and establish a business foundation for future growth.

There are no specified basic policies regarding the way of being of those who are in control of decision-making concerning finances and businesses, however, research is being conducted under the current legal system for possible measures against M&A that can potentially lower company assets or shareholders value.

4. Risks Related to Business

The following report on “Risks Related to Business” 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 risks described below may not cover all potential risks. On the other hand, as there may be new risks arising from various uncertain factors such as future changes in economic and business conditions affecting the consumer finance industry, from the viewpoint of positive disclosure to the investors, we disclose what may not be such risk factors but we believe are important for the investors in making their investment-related decisions. The forward-looking statements included in the following description 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.

1) Increase or decrease in number of customer accounts and average loan balance per customer accounts
2) Changes in judicial rulings and legal regulations applicable to the consumer finance industry
3) Changes in average contracted interest rates received from customers
4) Changes in number of requests for interest repayments, as well as amounts requested
5) Competition with other companies
6) Rate of default by customers
7) The Company’s ability to procure funds and costs involved
8) 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 Restriction 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

1) Fund procurement

The Group 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, etc. and direct financing from capital markets, including via bond issues.

At the end of the fiscal year under review, 49.2% 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.

There is the possibility that our ability to procure funds may decrease due to changes in credit rating and its rank. In that case, the fund procurement costs might increase and the amount of funding may be restricted. As a result, it may have a negative impact on our business performance in the future.

2) Interest rate on fund procurement

While interest rates on our fund procurement may fluctuate due to the market environment or other factors, 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 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 competition, 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.

5. Material Business Agreements, etc.

(1) Succession of the unsecured card loan guarantee business

As a part of reorganization and streamlining of business functions of MUFG Group based on the agreement concluded between the Company, MUFG and BTMU on September 8, 2008 to further enhance business and capital alliance, the Board of Directors resolved at its meeting held on May 13, 2010 to conclude the basic agreement for succeeding a part of unsecured card loan guarantee business of Mitsubishi UFJ NICOS Co., Ltd. by means of the company split, and the Company concluded the agreement with MUN as of the same day.

The Board of Directors resolved at its meeting held on August 23, 2010 to succeed a part of unsecured card loan guarantee business of MUN by means of the company split, and the Company concluded the company split agreement with MUN as of the same day, and succeeded the business as of October 1, 2010. Details are stated in “Notes to business combinations, etc.” in 1. Consolidated Financial Statements, etc. of V. Financial Information.

(2) Conclusion of “Entrusted Business Service Agreement” for improving efficiency of operations in sales back-office

The Company entrusted IBM Japan, Ltd. with clerical work in the sales back-office through its consolidated subsidiary A B PARTNER CO., LTD. with an eye to achieving “further efficiency,” “improvement in quality” and “strengthening of flexibility,” through the BTO (business transformation outsourcing) scheme. However, the contract was changed to a direct contract between the Company and IBM Japan, Ltd. as of May 1, 2010.

A B PARTNER CO., LTD. was merged into IR Loan Servicing, Inc., a consolidated subsidiary, on August 1, 2010.

The outline of this agreement is as follows:

Consigner: ACOM CO., LTD.
Consignee: IBM Japan, Ltd.
Contract date: July 28, 2006
Name of major agreements: IBM Entrusted Service Agreement
IBM Entrusted Business Service Agreement
Period of entrustment: from August 1, 2006, to July 31, 2016 (for ten years)
Major entrusted business: Digitalizing contract documents
Verification, acceptance and storage of contract-related documents
Referral and delivery of customer files
Restitution and delivery of contract documents, etc.

6. Research and Development Activities

Not applicable.

7. Analyses of Consolidated Business Results, Financial Position and Cash Flows

(1) Analysis of financial position

Compared with the end of the prior fiscal year, total assets decreased by 179,761 million yen while net assets decreased by 195,670 million yen as of March 31, 2011. The shareholders’ equity ratio was 18.2%.

Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets decreased by 176,514 million yen while noncurrent assets decreased by 3,246 million yen. The breakdown of major increases and decreases in current assets is as follows: loans receivable of consumer loans (down by 201,215 million yen), accounts receivable-installment (down by 14,453 million yen), purchased receivables (down by 3,378 million yen), cash and deposits (up 16,327 million yen), loans receivable of banking business (up 8,073 million yen), short-term investment securities (up 4,490 million yen) and short-term loans receivable (up 9,998 million yen). The breakdown of major increases and decreases in noncurrent assets is as follows: goodwill (up 3,911 million yen), investment securities (down by 3,189 million yen) and guarantee deposits (down by 1,786 million yen).

(Liabilities)

With regard to the liabilities account, changes in current, noncurrent, and total liabilities were an increase of 11,916 million yen, an increase of 3,991 million yen, and an increase of 15,908 million yen, respectively. The breakdown of major increases and decreases in liabilities include: provision for loss on interest repayment (up 78,800 million yen), loans and bonds payable (down by 65,422 million yen), deposits of banking business (up 8,626 million yen) and asset retirement obligations (up 4,475 million yen).

(Net assets)

In terms of net assets, shareholders' equity decreased 203,431 million yen mainly due to a decrease of 203,431 million yen in retained earnings, while accumulated other comprehensive income and minority interests increased 6,563 million yen and 1,198 million yen, respectively. As a result, net assets decreased by 195,670 million yen.

(2) Analysis of business results

In the fiscal year under review, we recorded operating revenue of 245,831 million yen (down 11.8% year-on-year), operating loss of 184,785 million yen, ordinary loss of 183,506 million yen, and net loss of 202,648 million yen. Details of year-on-year changes in primary accounts are as follows:

(Operating revenue)

Operating revenue decreased 32,964 million yen from the prior fiscal year with a 39,184 million yen decrease in interest on consumer loans, a 3,994 million yen decrease in collection from purchased receivable and a 8,057 million yen increase in revenue from credit guarantee.

Interest on consumer loans decreased mainly as a result of a fall in operating loans of the Company by 201,769 million yen during the current fiscal year, due to the impact of introducing cap on total borrowing amount in accordance with full enactment of Money Lending Business Act and claims for interest repayment hovering at a high level, as well as a decline in the yield rate caused by reduced interest on loans.

(Operating expenses)

Operating expenses increased 157,885 million yen from the prior fiscal year. This is mainly due to a 340 million yen increase in financial expenses, a 3,483 million yen decrease in cost of purchased receivable and a 161,028 million yen increase in other operating expenses.

Factors for the increase in other operating expenses include a decrease of 12,968 million yen in bad debt expenses, and a decrease of 12,547 million yen in general and administrative expenses such as personnel expenses, rent expenses and advertising expenses, offset by the recorded provision for loss on interest repayments of 243,456 million yen (185,094 million yen higher than the prior fiscal year) in light of rising claims for refunds of overcharged interest, etc.

(Non-operating income/expenses)

Non-operating income decreased 614 million yen, and non-operating expenses decreased 39 million yen from the prior fiscal year. Either did not change significantly.

(Extraordinary income/loss)

Extraordinary income decreased 1,465 million yen and extraordinary loss increased 5,810 million yen from the prior fiscal year.

Major factors for the increase in extraordinary loss include the recorded loss on valuation of stocks of parent company of 5,481 million yen, an increase of 4,613 million yen in loss on valuation of investment securities, and the recorded loss on adjustment for changes of accounting standard for asset retirement obligations of 4,050 million yen, although the business structure improvement expenses due to the implementation of the Strengthening Business Management Policy decreased 8,639 million yen.

(Tax etc.)

In comparison with the prior fiscal year, income taxes-current increased 1,256 million yen. Income taxes-deferred decreased 4,963 million yen from the prior fiscal year.

(3) Status of cash flows

Cash and cash equivalents (hereinafter "funds") as of the end of this fiscal year increased by 29,186 million yen (up 21.8%) from the prior fiscal year to 162,910 million yen. Cash flows from each activity are as follows.

(Net cash provided by operating activities)

Funds from operating activities saw an increase of 97,249 million yen, influenced by factors including loss before income taxes and minority interests of 199,638 million yen, an increase in provision for loss on interest repayment of 78,800 million yen, together with an increase of 199,678 million yen due to decrease in loans receivable of consumer loans, an increase of 14,433 million yen due to a decrease in accounts receivable-installment, and an increase of 11,792 million yen reflecting an increase in deposits of banking business.

(Net cash used in investing activities)

Funds flows from investing activities saw a decrease of 2,746 million yen. This decrease was mainly attributable to 4,650 million yen of payments for transfer of the business and proceeds from the collection of guarantee deposits due to realignment of staffed and unstaffed outlets, conducted as part of the Strengthening Business Management Policy.

(Net cash used in financing activities)

Funds from financing activities showed a decrease of 65,069 million yen, primarily due to the expenditure in the form of repayment of loans payable and redemption of bonds surpassing the proceeds from loans payable and issuance of bonds by 64,431 million yen, together with cash dividends paid of 784 million yen.

III. Equipment and Facilities

1. Status of Capital Expenditures, etc.

The total amount increased in property, plant and equipment and intangible asset was 2,083 million yen. The total amount spent on capital expenditure for this fiscal year was 1,072 million yen. The Company adopted the “Accounting Standard for Asset Retirement Obligations” from the current fiscal year. Accordingly, the recording of retirement expenses corresponding to the asset retirement obligations under the relating property, plant and equipment has resulted in an increase of 1,010 million yen in the carrying amount of property, plant and equipment.

Segmental capital expenditure is as follows:

1) Loan and credit card business

The total amount spent on capital expenditure for this fiscal year was 597 million yen, primarily for the replacement of automatic contract machines and steps taken to improve aged and deteriorated advertising signs and billboards.

There was no major disposal or sale of important equipment to report.

2) Guarantee business

During this fiscal year, there was no major capital investment or disposal or sale of important equipment to report.

3) Loan servicing business

During this fiscal year, there was no major capital investment or disposal or sale of important equipment to report.

4) Financial business conducted overseas

The total amount spent on capital expenditure for this fiscal year was 351 million yen. Major capital investments include an expenditure of 213 million yen for the building of new operating offices and interior finish work associated with office relocation by EASY BUY Public Company Limited and an expenditure of 138 million yen for the purchase of office appliances by PT. Bank Nusantara Parahyangan, Tbk.

There was no disposal or sale of important equipment to report.

5) Other

The total amount spent on capital expenditure for this fiscal year was 101 million yen. The expenditure was primarily for renewal of air-conditioning equipment in the Filing Company’s Computer Center.

There was no disposal or sale of important equipment to report.

2. Situation of Major Equipment

The major equipment in ACOM Group is the following:

(1) The Filing Company

As of March 31, 2011

Business Place (Location)	Name of business segments	Details of major facilities and equipment	Book value (Millions of yen)					Number of employees [temporary workers, others]
			Buildings and structures	Furniture and fixtures	Property [Area in m^2]	Leased Assets	Total	
Head Office (Note) 1 (Chiyoda-ku, Tokyo)	Corporate wide (shared)	Other facilities and equipment	117	9,284	—	1	9,403	231 [—]
ACOM Ikegami Building (Ota-ku, Tokyo)	Corporate wide (shared)	Other facilities and equipment	271	32	—	—	304	—
Minami Kashiwa Company Residence (Kashiwa-shi, Chiba) 9 other residential buildings	Corporate wide (shared)	Company residence	1,936	9	6,156 (13,303.54)	—	8,102	—
Kinugawa Health Resort (Kinugawa Onsen Ohara, Nikko-shi, Tochigi) 20 other resorts	Corporate wide (shared)	Health resorts	384	0	254 (39,463.84)	—	639	—
Nishishinjuku (Shinjuku-ku, Tokyo) and 1,140 Other Branches	Loan and credit card business	Outlets, facilities and equipment	4,564 75	551 6	—	657	5,855	986 [159.6]

(Notes) 1. Part of the building has been on lease since December 2004 and the leasing fee is 530 million yen.
2. The rent for part of the building and property other than the above (Note) 1 that is on lease is 6,533 million yen.
3. Consumption tax is not included in the above amount.
4. There are no major facilities that are not operating.
5. Major facilities on lease other than the consolidated subsidiaries stated above are:

Business Place (Location)	Name of business segments	Details of major facilities and equipment	Number of units	Lease period	Annual leasing fee (Millions of yen)	Lease contracts with receivable outstanding (Millions of yen)
ACOM Ikegami Building (Ota-ku, Tokyo) 9 other buildings	Corporate wide (shared)	Computers	—	4 years	2	0
		Automatic contract machines	5	4 years	0	—
			1	5 years	0	2
		Office equipment	—	3 years	5	1
Nishishinjuku (Shinjuku-ku, Tokyo) and 1,140 Other Branches	Loan and credit card business	Computers	—	4 years	2	0
		Automatic contract machines	412	4 years	35	26
			293	5 years	78	713
		Office equipment	—	3 years	1	—

(Note) Consumption tax is not included in the above amount.

(2) Domestic subsidiaries

Not applicable.

(3) Overseas subsidiaries

Not applicable.

3. Plans for Equipment Introduction, Disposals, etc.

(1) Major equipment introduction, etc.

Name of the company	Business place (location)	Name of business segment	Details of major facilities and equipment		Planned investment		Funding source	Date of installation	Planned completion
					Total amount (Millions of yen)	Paid amount (Millions of yen)			
The Filing Company	Head Office (Chiyoda-ku, Tokyo)	Loan and Credit card business	Transfer of outlets	Unstaffed outlets	120	–	Own capital	July 2011	January 2012

(Note) Consumption tax is not included in the above amount.

(2) Major equipment disposal, etc.

Name of the company	Business place (location)	Name of business segment	Details of major facilities and equipment		Planned investment		Funding source	Date of installation	Planned completion
					Total amount (Millions of yen)	Paid amount (Millions of yen)			
The Filing Company	Head Office (Chiyoda-ku, Tokyo)	Loan and Credit card business	Closing down of outlets	Unstaffed outlets	470	–	Own capital	May 2011	March 2012

IV. Information on the Filing Company

1. Information on the Company's Shares
(1) Total number of shares, etc.
1) Total number of shares

Class	Total number of shares authorized to be issued
Common stock	532,197,400
Total	532,197,400

2) Total number of shares issued

Class	As of the end of the current fiscal year (March 31, 2011)	As of the submission date (June 24, 2011)	Stock exchange on which the Company is listed	Description
Common stock	159,628,280	159,628,280	First Section of the Tokyo Stock Exchange	These are the Company's standard shares with no restricted rights. One unit of stock constitutes 10 common shares.
Total	159,628,280	159,628,280	—	—

(2) Status of the stock acquisition rights
Not applicable.

(3) Status in the exercise of bonds with stock acquisition rights with exercise price amendment
Not applicable.

(4) Rights plans
Not applicable.

(5) Changes in the total number of shares issued and the amount of capital stock and other

(Millions of yen, unless otherwise stated)

Period	Changes in the total number of shares issued (Thousand shares)	Balance of the total number of shares issued (Thousand shares)	Changes in capital stock	Balance of capital stock	Changes in legal capital surplus	Balance of legal capital surplus
From April 1, 2004 to March 31, 2005 (Note)	14,000	159,628	46,550	63,832	46,550	72,322

(Note) Third-party allotment: Issue price: 6,650 yen, amount to be included in capital: 3,325 yen, allocated to: Mitsubishi Tokyo Financial Group, Inc. (presently, "Mitsubishi UFJ Financial Group, Inc.").

(6) Status of shareholders

As of March 31, 2011

Classification	Status of shares (the number of minimum unit is 10 shares)								Status of shares below unit (shares)
	Govern-ment and local municipalities	Japanese financial institutions and insurance companies	Financial instruments business operator	Other Japanese corporations	Foreign corporations, etc.		Individuals, others	Total	
					Other	Individual			
Number of shareholders	—	38	34	93	190	14	12,657	13,026	—
Number of shares held (Unit)	—	1,142,348	28,268	11,692,638	927,998	139	2,171,293	15,962,684	1,440
Ratio of shares held (%)	—	7.16	0.18	73.25	5.81	0	13.60	100.00	—

(Notes) 1. 2,966,693 shares of treasury stocks include 296,669 units in the “Individuals, others” box and 3 shares in the “Status of shares below unit” box.

2. The number of shares in the “Other Japanese corporations” box includes 30 units of shares under the name of Japan Securities Depository Center, Inc.

(7) Major shareholders

As of March 31, 2011

Name	Address	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of issued shares (%)
Mitsubishi UFJ Financial Group, Inc.	2-7-1 Marunouchi, Chiyoda-ku, Tokyo	58,872	36.88
Maruito Shokusan Co., Ltd.	1-2-3 Minato-machi, Naniwa-ku, Osaka City	27,346	17.13
Maruito Co., Ltd.	1-2-3 Minato-machi, Naniwa-ku, Osaka City	12,553	7.86
Kinoshita Memorial Foundation	6-2-14 Moto-machi, Chuo-ku, Kobe City	9,219	5.77
Maruito Shoten Co., Ltd.	1-2-3 Minato-machi, Naniwa-ku, Osaka City	3,873	2.42
Kyosuke Kinoshita	Ota-ku, Tokyo	3,240	2.02
Shigeyoshi Kinoshita	Minato-ku, Tokyo	3,220	2.01
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	3,157	1.97
NOBUKA CO., LTD.	1-2-3 Minato-machi, Naniwa-ku, Osaka City	3,000	1.87
Japan Trustee Services Bank, Ltd. (Trust account 4)	1-8-11 Harumi, Chuo-ku, Tokyo	2,654	1.66
Total	—	127,137	79.64

(Notes) 1. In addition to the shares above, the Company owns 2,966 thousand shares of treasury stocks (1.85%).

2. In “Number of shares held,” figures less than one thousand are truncated

(8) Status of voting rights

1) Issued shares

As of March 31, 2011

Classification	Number of shares (shares)	Number of voting rights (units)	Details
Shares without voting rights	—	—	—
Shares with limited voting rights (treasury stock, etc.)	—	—	—
Shares with limited voting rights (others)	—	—	—
Shares with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock 2,966,690	—	—
Shares with full voting rights (others)	Common stock 156,660,150	15,666,015	—
Shares of less than one unit	Common stock 1,440	—	—
Total number of shares issued	159,628,280	—	—
Total voting rights held by all shareholders	—	15,666,015	—

(Notes) 1. The number of shares of common stock in the "Shares with full voting rights (others)" box includes 300 shares (30 units of voting rights) held by Japan Securities Depository Center, Inc.
2. The number of shares of common stock in the "Shares of less than one unit" box includes 3 shares of treasury stock held by the Company.

2) Treasury stock, etc.

As of March 31, 2011

Shareholder	Address of shareholder	Number of shares held under own name (shares)	Number of shares held under the names of others (shares)	Total (shares)	Percentage of shares held to the total number of issued shares (%)
(Treasury stock) ACOM CO., LTD.	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	2,966,690	—	2,966,690	1.85
Total	—	2,966,690	—	2,966,690	1.85

(9) Details of stock option plans

Not applicable.

2. Status of Acquisition of Treasury Stock, etc.

Class of stocks, etc. Acquisition of common shares under Article 155, Paragraph 7 of Companies Act.

(1) Status of the acquisition of treasury stock resolved at shareholders' meetings

Not applicable.

(2) Status of the acquisition of treasury stock resolved at the meetings of the Board of Directors

Not applicable.

(3) Details of the acquisition of treasury stock not based on the resolutions of shareholders' meetings or the meetings of the Board of Directors

Category	Number of shares	Total amount (thousands of yen)
Treasury stock acquired during this fiscal year under review	17	20
Treasury stock acquired during this current period	9	10

(Note) Treasury stock acquired during the current period does not include the number of shares acquired for purchase of shares less than one unit from June 1, 2011 to the submission date of securities report.

(4) Status of the disposition and holding of acquired treasury stock

Category	Current fiscal year		Current term	
	Number of shares	Total disposition amount (Thousands of yen)	Number of shares	Total disposition amount (Thousands of yen)
Acquired treasury stock for which subscribers were solicited	—	—	—	—
Acquired treasury stock that was disposed of	—	—	—	—
Treasury stock transferred due to merger, stock exchange or corporate separation	—	—	—	—
Others	—	—	—	—
Number of shares of treasury stock held	2,966,693	—	2,966,702	—

(Note) The number of treasury stock acquired during the current term does not include the number of shares acquired for purchase of shares less than one unit from June 1, 2011, to the submission date of the Securities Report.

3. Basic Policy on Dividends

With regard to the Company's policy on dividends, it is our basic policy to attempt stable and continuous profit distribution to the shareholders, taking the Company's business performance and the shareholders' equity as well as the economic and financial situation into consideration.

We basically pay dividends twice a year: an interim dividend and a year-end dividend. The amount of interim dividend is decided by the Board of Directors, and that of year-end dividend is decided by the general meeting of shareholders.

In light of posting a net loss of 202,648 million yen for the fiscal year under review, we sincerely regret to advise our shareholders that the Company has decided to suspend the payment of dividends for this fiscal year.

The Group is committed to unified vigorous progress for the achievement of its long-term stable growth.

A provision to the effect that the Company may pay an interim dividend is provided for in the Articles of Incorporation

4. Changes in Share Prices

(1) Highest and lowest share prices by fiscal year during the recent five years

Fiscal Year	30th	31st	32nd	33rd	34th
Year end	March 2007	March 2008	March 2009	March 2010	March 2011
Highest (yen)	7,500	5,490	4,400	2,975	1,880
Lowest (yen)	3,670	2,080	2,270	1,089	773

(Note) The highest and lowest share prices are marked on the first section of the Tokyo Stock Exchange.

(2) Highest and lowest share prices by month during the recent six months

Month	October 2010	November	December	January 2011	February	March
Highest (yen)	1,310	1,086	1,034	1,600	1,880	1,481
Lowest (yen)	851	773	881	1,018	1,390	841

(Note) The highest and lowest share prices are marked on the first section of the Tokyo Stock Exchange.

5. Directors

Title	Position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Chairman, President, & CEO		Shigeyoshi Kinoshita	April 14, 1949	April 1973	Joined Marubeni Corporation	(Note) 2	3,220
				April 1978	Joined Japan Consumer Finance Co., Ltd.		
				December 1980	Joined the Company		
				February 1983	Director and Chief General Manager, General Affairs Dept. of the Company		
				May 1984	Director and Chief General Manager, Accounting Dept. of the Company		
				August 1986	Managing Director of the Company		
				June 1988	Managing Director and Head of Business Promotion Division of the Company		
				October 1991	Representative Director and Senior Managing Director of the Company		
				October 1992	Representative Director and Senior Managing Director and Head of the Loan Sales Division of the Company		
				October 1996	Representative Director and Deputy President of the Company		
				June 2000	Representative Director and President of the Company		
				June 2003	President and Chief Executive Officer of the Company (to present)		
				June 2010	Chairman and President of the Company (to present)		

Title	Position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Deputy Chairman	In Charge of Internal Audit Dept.	Toshiaki Kajiura	April 8, 1953	April 1977 February 1999 June 2001 November 2001 March 2004 June 2004 June 2004 June 2005 June 2005 October 2005 October 2005 April 2006 June 2007 June 2009 June 2010 June 2011	Joined The Mitsubishi Trust and Banking Corporation (MTB) General Manager, Nagasaki Branch of MTB General Manager, Business Integration Office of MTB General Manager, Osaka Sales Division II of MTB General Manager, Investment Planning Division of MTB Executive Officer and General Manager, Investment Planning Division of MTB Executive Officer and Assistant General Manager, Asset Management and Administration Planning Division of Mitsubishi Tokyo Financial Group, Inc. Executive Officer and General Manager, Corporation Finance Division of MTB Executive Officer and General Manager of Trust Business Planning Division, Assistant General Manager, Corporate Business Planning Division of Mitsubishi Tokyo Financial Group, Inc. Executive Officer and General Manager, Corporation Finance Division of Mitsubishi UFJ Trust and Banking Corporation (MUTB) Executive Officer and General Manager, Trust Business Planning Division, Corporate Business Planning Division, and Corporate Business Division I of Mitsubishi UFJ Financial Group, Inc. Executive Officer and General Manager, Corporate Business Promotion Division of MUTB Managing Director of MUTB Managing Executive Officer of MUTB Senior Managing Executive Officer of MUTB Deputy Chairman of the Company (to present)	(Note) 2	—

Title	Position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Senior Managing Director & Senior Executive Managing Officer	In Charge of: Human Resources Dept., General Affairs Dept.	Shigeru Akaki	September 5, 1949	September 1974 April 1997 May 2000 June 2000 June 2003 June 2003 June 2008 June 2008	Joined Maruito Co., Ltd. General Manager, Human Resources Dept. of the Company President of ACOM Health Insurance Society Director and Chief General Manager, Human Resources Dept. of the Company Managing Director of the Company Executive Managing Officer of the Company Senior Managing Director of the Company (to present) Senior Executive Managing Officer of the Company (to present)	(Note) 2	0
Managing Director & Executive Managing Officer	Head of Credit Business Promotion Division In charge of: Business Planning Dept., Business Promotion Dept., East Japan Business Promotion Dept., West Japan Business Promotion Dept., and Compliance for Credit Business Promotion Office	Satoru Tomimatsu	January 4, 1952	October 1975 April 2000 September 2000 June 2002 June 2003 June 2004 December 2004 June 2005 April 2007	Joined Maruito Co., Ltd. General Manager, Public Relations Dept. of the Company Chief General Manager, Public Relations Dept. of the Company Director and Chief General Manager, Public Relations Dept. of the Company Executive Officer and Chief General Manager, Credit Business Management Dept. of the Company Executive Officer and Chief General Manager, Business Promotion Dept. of the Company Executive Managing Officer of the Company Managing Director of the Company (to present) Executive Managing Officer and Head of Credit Business Promotion Division of the Company (to present)	(Note) 2	—

Title	Position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Managing Director & Executive Managing Officer	In charge of: Corporate Planning Dept., Finance Dept., Treasury Dept.	Kiyoshi Tachiki	November 17, 1951	March 1975	Joined Maruito Co., Ltd.	(Note) 2	5
				April 1999	General Manager, Business Development Dept. of the Company		
				April 2000	Chief General Manger, Business Development Dept. of the Company		
				April 2002	Chief General Manager, Market Development Dept. of the Company		
				June 2002	Director and Chief General Manager, Market Development Dept. of the Company		
				June 2003	Executive Officer and Chief General Manager, Market Development Dept. of the Company		
				June 2004	Executive Officer and Chief Officer, Retail Strategy Planning Office of the Company		
				June 2006	Managing Director of the Company (to present)		
				June 2006	Executive Managing Officer and Chief Officer, Retail Strategy Planning Office of the Company		
				April 2007	Executive Managing Officer of the Company (to present)		
Managing Director & Executive Managing Officer	Head of Credit Supervision Division In charge of: Credit Supervision Dept. I, Credit Supervision Dept. II, Compliance for Credit Supervision Office	Shozo Tanaka	April 18, 1950	January 1975	Joined Maruito Co., Ltd.	(Note) 2	2
				June 1998	Head of West Japan Division of Loan Business Promotion Division of the Company		
				April 2002	Head of Osaka and West Japan Division of Credit Business Promotion Division of the Company		
				June 2002	Director and Head of Osaka Branch and West Japan Division of the Company		
				October 2002	Director and General Manager, Business Promotion Dept. No.3 and Business Promotion Dept. No.4 of the Company		
				April 2003	Director and Chief General Manager, Credit Supervision Dept. II of the Company		
				June 2003	Executive Officer and Chief General Manager, Credit Supervision Dept. II of the Company		
				April 2007	Executive Officer and Chief General Manager, Credit Supervision Dept. I of the Company		
				June 2007	Managing Director of the Company (to present)		
				June 2007	Executive Managing Officer and Head of Credit Supervision Division of the Company (to present)		
				February 2008	Director of IR Loan Servicing, Inc. (to present)		

Title	Position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Managing Director & Executive Managing Officer	In charge of: Guarantee Business Dept., Special Mission of Overseas Business	Masahiko Shinshita	June 24, 1951	April 1975 December 2000 April 2001 July 2003 June 2004 March 2005 April 2005 June 2008 June 2008 April 2009 October 2009 October 2009 April 2011	Joined The Mitsubishi Bank, Limited General Manager, Integration Planning Office of The Bank of Tokyo-Mitsubishi, Ltd. (BTM) General Manager, Corporate Administration Division of Mitsubishi Tokyo Financial Group, Inc. General Manager, Legal and Compliance Office of BTM General Manager, Guarantee Business Dept. of the Company Chief General Manager, Guarantee Business Dept. of the Company Executive Officer and Chief General Manager, Guarantee Business Dept. of the Company Managing Director of the Company (to present) Executive Managing Officer and Chief General Manager, Guarantee Business Dept. of the Company Executive Managing Officer of the Company Executive Managing Officer and Chief General Manager, Overseas Business Development Dept. of the Company Director and Chairman of EASY BUY Public Company Limited (to present) Executive Managing Officer of the Company (to present)	(Note) 2	—
Managing Director & Executive Managing Officer	In charge of: Business Process Management Dept., System Development & Administration Dept., Compliance Dept.	Tatsuo Taki	October 7, 1952	April 1975 September 2000 July 2002 June 2004 April 2005 June 2005 April 2007 April 2007 June 2008 June 2008 October 2009 April 2010	Joined The Mitsubishi Trust and Banking Corporation (MTB) General Manager, Hong Kong Branch of MTB Representative Director of Mitsubishi Trust Information Systems Executive Officer and General Manager, Corporate Risk Management Division of MTB Director of DC Cash One Ltd. Managing Director of DC Cash One Ltd. Executive Officer and Chief General Manager, Corporate Management Dept. of the Company Director of IR Loan Servicing, Inc. Managing Director of the Company (to present) Executive Managing Officer and Chief General Manager, Corporate Management Dept. of the Company Executive Managing Officer of the Company (to present) Director of AFRESH CREDIT CO., LTD. (to present)	(Note) 2	1

Title	Position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Director		Tatsunori Imagawa	October 15, 1943	April 1966 January 1990 October 1990 May 1992 February 1993 June 1993 July 1994 April 1996 May 1997 May 1998 March 2001 April 2001 June 2002 May 2003 June 2003 April 2004 June 2004 October 2005 June 2006 April 2007 June 2011	Joined The Mitsubishi Bank, Limited General Manager, Securities Investment Dept. of Treasury and Securities Division of The Mitsubishi Bank, Limited General Manager, Treasury and Securities Division of The Mitsubishi Bank, Limited General Manager, the Americas Integration Dept. of the Americas Division of The Mitsubishi Bank, Limited General Manager, New York Branch and Cayman Branch of The Mitsubishi Bank, Limited Director and Deputy Head, the Americas Division, and General Manager, New York Branch and Cayman Branch of The Mitsubishi Bank, Limited Director and General Manager, Personnel Division of The Mitsubishi Bank, Limited Director and General Manager, Personnel Division of The Bank of Tokyo-Mitsubishi, Ltd. (BTM) Managing Director and General Manager, Corporate Planning Division of BTM Managing Director of BTM Managing Director and General Manager, Assets Management Division of BTM Director of Mitsubishi Tokyo Financial Group, Inc. Senior Managing Director and General Manager, Investment Banking Division and Assets Management Division of BTM Senior Managing Director of Mitsubishi Tokyo Financial Group, Inc. Director of Mitsubishi Securities Co., Ltd. Director and Deputy President of Mitsubishi Tokyo Financial Group, Inc. Director of the Company Director and Deputy President of Mitsubishi UFJ Financial Group, Inc. Corporate Auditor (full-time) of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) (to present) Corporate Auditor, Mitsubishi UFJ Lease & Finance Company Limited (to present) Director of the Company (to present)	(Note) 2	—

Title	Position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
Full-time Company Auditor		Shigeru Sato	January 17, 1952	October 1975 April 1999 June 2000 June 2003 June 2007 June 2008 June 2011	Joined Maruito Co., Ltd. General Manager, Treasury Dept. of the Company Chief General Manager, Treasury Dept. of the Company Executive Officer and Chief General Manager, Treasury Dept. of the Company Executive Managing Officer of the Company Managing Director of the Company Full-time Company Auditor of the Company (to present)	(Note) 3	—
Full-time Company Auditor		Shinichi Yasuda	August 6, 1952	April 1977 April 2000 January 2004 April 2008 June 2010 June 2011	Joined Meiji Life Insurance Company General Manager, Finance Dept. of Meiji Life Insurance Company General Manager, Secretarial Dept. of Meiji Yasuda Life Insurance Company Councilor, Secretarial Dept. of Meiji Yasuda Life Insurance Company Corporate Auditor of IR Loan Servicing, Inc. Full-time Company Auditor of the Company (to present)	(Note) 3	—
Full-time Company Auditor		Eiji Oshima	January 22, 1948	August 1973 July 1994 October 1998 April 1999 October 1999 April 2003 June 2007 June 2011	Joined Mitsubishi Corporation President and Director, Mitsubishi Netherland B.V. President and Director, Mitsubishi Belgium N.V. General Manager, Corporate Communications Dept. of Mitsubishi Corporation General Manager, Investor Relations of Mitsubishi Corporation Senior Vice President and General Manager, Investors Relations of Mitsubishi Corporation Auditor (full time) of Mitsubishi Corporation Full-time Company Auditor of the Company (to present)	(Note) 3	—
Company Auditor		Takashi Doi	August 28, 1955	April 1987 April 2003 April 2005 April 2010 April 2010 April 2010 June 2011	Registered as an attorney-at-law (Daini Tokyo Bar Association) (to present) Chief, Inspection Office of Daini Tokyo Bar Association Director, Secretariat of Daini Tokyo Bar Association Vice President, Daini Tokyo Bar Association Managing Director, Japan Federation of Bar Associations Manager, Kanto Office of Japan Bar Association Company Auditor of the Company (to present)	(Note) 3	—
Total							3,229

(Notes) 1. Company Auditors Shinichi Yasuda, Eiji Oshima, and Takashi Doi are all Outside Company Auditors stipulated under the Article 2-16 of the Companies Act.

2. The term of office for Directors is from the end of the General Meeting of Shareholders for the fiscal

year 2011 to the conclusion of the General Meeting of Shareholders for the fiscal year 2012.

3. The term of office for Company Auditors is from the end of the General Meeting of Shareholders for the fiscal year 2011 to the conclusion of the General Meeting of Shareholders for the fiscal year 2015.
4. We have an executive officer system in order to establish corporate structure to quickly and accurately respond to issues of management by expanding the scope of corporate governance, strengthened function of the Board of Directors, separating decision making from business execution, and enforcing the function of audit.

   As of June 24, 2011, Executive officers who are not Directors are as follows:

Title	Name	Position
Executive Officer	Etsuro Tabuchi	External Affairs
Executive Officer	Kazuo Fukumoto	Chief General Manager of Corporate Planning Dept.
Executive Officer	Teruyuki Sagehashi	Chief General Manager of System Development & Administration Dept.

5. After the Japan Consumer Finance Inc. changed its company name to NSK Guarantee Inc. on April 1, 1980, ACOM CO., LTD. absorbed it on March 1, 1992.
6. Shares below one thousand shares have been truncated.

6. Corporate Governance

(1) Status of Corporate Governance

1) Basic Policy

The ACOM Group, guided by its lifelong “circle of trust” spirit, maintains an ongoing corporate commitment to respecting other people, putting the customer first, and conducting creative and innovative management. Based on this commitment, we are seeking to deepen mutual trust between our stakeholders and ourselves and thus progress in partnership with society.

In order to meet the expectations of stakeholders and build stronger trust, we will strengthen corporate governance as a key management priority. To this end, we will take steps to enhance the soundness, transparency, and efficiency of our operations and achieve sustained increases in our corporate value.

We recognize that effective internal control systems are essential to creating an appropriate corporate governance framework. Based on this recognition, we are encouraging all members of our organization to join forces in building internal control systems and assuring their effectiveness, under the leadership of the President & CEO.

At the same time, we are constantly evaluating, verifying, and improving the effectiveness of internal control mechanisms already in place.

We introduced a company auditor system in order to achieve the following objectives:

- Supervise the execution of duties by the Directors and the decision making by the Board of Directors that consists of internal Directors who are closely attuned to the Company’s operations, ensuring that the decisions made are appropriate and effective for business execution.
- Ensure proper monitoring of the management from an objective and impartial standpoint by Outside Company Auditors.
- Clearly separate the supervision and business execution functions, and expedite business execution through the introduction of an executive officer system.
- Protect the interests of general shareholders by having independent directors/auditors.

2) The content of the Company’s bodies and development of its internal control system

(As of June 24, 2011)

(i) An overview of corporate governance system and reasons for employing such a system

The Company has a Board of Company Auditors. Of the four Company Auditors, three are Outside Company Auditors. In addition, of the three Full-time Company Auditors, two are Outside Company Auditors. These ensure the independence of audits. All Company Auditors attend Board of Directors meetings, and Full-time Company Auditors divide duties to attend important meetings and committee meetings, ensuring a system in which Company Auditors can offer their opinions. Based on the above, the Company believes that an objective and neutral surveillance of the management is conducted, and by ensuring fairness, health, and transparency of the management, the functions expected of Independent Directors are substituted.

(ii) Overview of Management Entities

(A) Board of Directors and Directors

The Company has a reduced-size Board of Directors with 9 members in order to speed up decision-making and ensure effective mutual monitoring among directors. In the presence of Company Auditors, the Board decides important business management matters, such as management strategies and planning, and also determines basic policies for building corporate governance and internal control systems. On the basis of these management plans and fundamental policies, the Board monitors the performances of the President & CEO and executive officers. It meets once a month in principle, and more as deemed necessary.

(B) Board of Company Auditors and Company Auditors

The Board of Company Auditors consists of four Company Auditors, including three Outside Company Auditors. The internal Company Auditor held the positions of Chief General Manager and Officer in charge of departments related to finance and accounting from April 1999 to June 2011 and has respectable knowledge in finance and accounting.

It meets once a month, in principle, and more as deemed necessary, to receive reports concerning important audit-related matters, hold discussions, and pass resolutions.

To upgrade the Company Auditors’ capabilities, the Company established the Administration for

Board of Company Auditors and assigned persons to assist Company Auditors by providing related support. Decisions regarding their number, appointments and transfers of such persons are made after consultation with the Board of Company Auditors in order to secure independence of these persons.

(C) Executive Officers

The company introduced an executive officer system in June 2003. The Board of Directors appoints executive officers, determines their function, lines of responsibility and authority, and delegates execution of operations to them. In these ways, decision-making and business execution are expedited, while supervision and execution functions are clearly separated. The Company has 10 executive officers, 7 of whom are in office, and 7 of the 9 members of the Board of Directors serve concurrently as executive officers.

(D) Executive Officers’ Meeting

The Executive Officers’ Meeting consists of executive officers who serve concurrently as directors in office and the Director in charge of the Internal Auditor Department. In the presence of Company Auditors, the Executive Officers’ Meeting discusses and makes decisions on important matters related to the execution of business as delegated by the Board of Directors in accordance with basic policies determined by the Board of Directors, and also deliberates in advance resolutions for proposal to the Board of Directors. The Executive Officers’ Meeting assembles three times a month, in principle, and more as deemed necessary.

(E) Affiliated Companies Coordination Board

The Affiliated Companies Coordination Board consists of executive officers who serve concurrently as directors, the Director in charge of the Internal Auditor Department and representatives of ACOM Group companies. In the presence of Company Auditors, the Affiliated Companies Coordination Board discusses important matters concerning the management of affiliated companies, and also coordinates, communicates, and reports on important matters pertaining to the execution of their business. The Board meets once every quarter, and also on the occasion of drawing up a budget, in principle, and more as deemed necessary.

(F) Various committees

(a) Compliance Committee

The Compliance Committee, appointed by the Board of Directors, consists of three experts from outside the Company and two ACOM Directors. It discusses and makes recommendations about the following compliance-related matters.

- Items relating to formulation, revision or abolishment of the ACOM Group Code of Ethics and Code of Conduct
- Important items related to establishment and operation of compliance systems
- Items relating to formulation of basic plans.
- Items relating to correct major violations, prevent their recurrence and make improvements
- Important items related to other compliance issues

The Compliance Committee meets once two months, or six times a year, in principle, and more as deemed necessary.

(b) Director Evaluation Committee

Compensations and bonuses for directors and executive officers who serve concurrently as directors are subject to evaluation by the Director Evaluation Committee, which consists of the Chairman, Deputy Chairman, President, and officer in charge of human resources department. The Board of Directors passes resolutions based on the results of such evaluations, as well as internal rules covering remuneration and bonuses for directors.

(c) Risk Management Committee

The Risk Management Committee consists of executive officers in offices and the Director in charge of the Internal Auditor Department. In the presence of Company Auditors, based on authority bestowed upon it by the Executive Officers’ Meeting, the Committee establishes the Company’s risk management approach, formulates basic risk management plans, and discusses and makes decisions on important items related to risk management, such as evaluations of important risks. As necessary, it participates in Executive Officers' Meetings and Board of Directors Meeting and makes proposals and reports.

The Risk Management Committee meets once every quarter, in principle, and more as deemed necessary.

(d) Financial Information Disclosure Committee

The Financial Information Disclosure Committee consists of executive officers who serve concurrently as directors in office that are in charge of the Treasury Department and Corporate Planning Department, and chief general managers of relevant departments. In the presence of Company Auditors, based on authority bestowed upon it by the Executive Officers' Meeting, the Committee discusses and makes decisions on items related to the establishment of the financial disclosure system in order for the disclosure of the financial information to be made in accordance with the relevant laws in a timely and in an appropriate manner. In addition, the Committee conducts prior consultations regarding the financial information to be disclosed before the Board of Directors meeting.

The Financial Information Disclosure Committee meets once every quarter in principle, and more often deemed necessary.

(iii) Coordination between the internal audits, audits by Company Auditors and accounting audits and relationship between these audits and internal control departments

(A) Internal audits

With an auditing staff of 17 people, the Internal Audit Department verifies, evaluates, and recommends ways to address problems pertaining to compliance status, including observance of relevant laws, internal control initiatives, and other activities of the Company's business execution departments. In addition to ensuring conformity with various rules, the Department obtains an accurate understanding of the risks facing the Company. Based on this understanding, it conducts risk approach audits to evaluate the risk management stance of each relevant entity within the Company, and reports the results of such audits regularly to the Board of Directors and Company Auditors.

In addition, the Internal Audit Department conducts direct audits of affiliated companies in the ACOM Group and provides assistance to auditing staff of such affiliates, thus ensuring establishment of an effective Group auditing system.

(B) Audits by Company Auditors

Based on the Company's auditing policies and auditing plans, Company Auditors attend meetings of the Board of Directors and other important meetings. Through examination of the Company's business and financial situation, Company Auditors audit the execution of business by directors and make appropriate and timely suggestions and recommendations to facilitate establishment of legal compliance and business ethics protocols. In addition, the Company Auditors work together with the accounting auditors and the Internal Audit Department to ensure an accurate grasp of operating status and evaluate the condition of internal control systems.

In addition, the Company Auditors form close relationships with Company Auditors of Group companies to facilitate the sharing of information and ensure appropriate operational behavior throughout the Group.

(C) Collaboration between Company Auditors and Accounting Auditors

Company Auditors hold regular meetings with accounting auditors seven times a year to confirm the accounting auditor's auditing plan for the relevant fiscal year, and receive audit reports and the overview and results of the audit. In addition, the Company promotes collaboration between Company Auditors and accounting auditors by having opinion exchange meetings when necessary, as well as being present at audits.

(D) Collaboration between Company Auditors and the Internal Audit Department

Company Auditors and the Internal Audit Department hold a monthly meeting on internal audit policy, audit plans, and audit results in order to collaborate between them.

(iv) Status of Accounting Audits

(A) Names of Certified Public Accountants (CPAs) who audit the Company's Accounts, the audit corporation to which they belong, and their years of continuous audit service to the Company

Designated employee, managing partner:	Takuji Akiyama, Deloitte Touche Tohmatsu LLC
Designated employee, managing partner:	Tatsuya Hiraki, Deloitte Touche Tohmatsu LLC
Designated employee, managing partner:	Koichiro Watanabe, Deloitte Touche Tohmatsu LLC

*Since all three auditors have served ACOM for less than seven years, their years of service have been omitted.

*The above audit corporation has voluntarily put mechanisms in place to prevent the managing partners from participating in the auditing of the Company's accounts for longer than a certain period of time.

(B) Breakdown of Team Auditing the Company's Accounts

CPAs:	5 persons
Assistant certified public accountants, etc.	11 persons
Other staff:	7 persons

(v) Development of risk management system

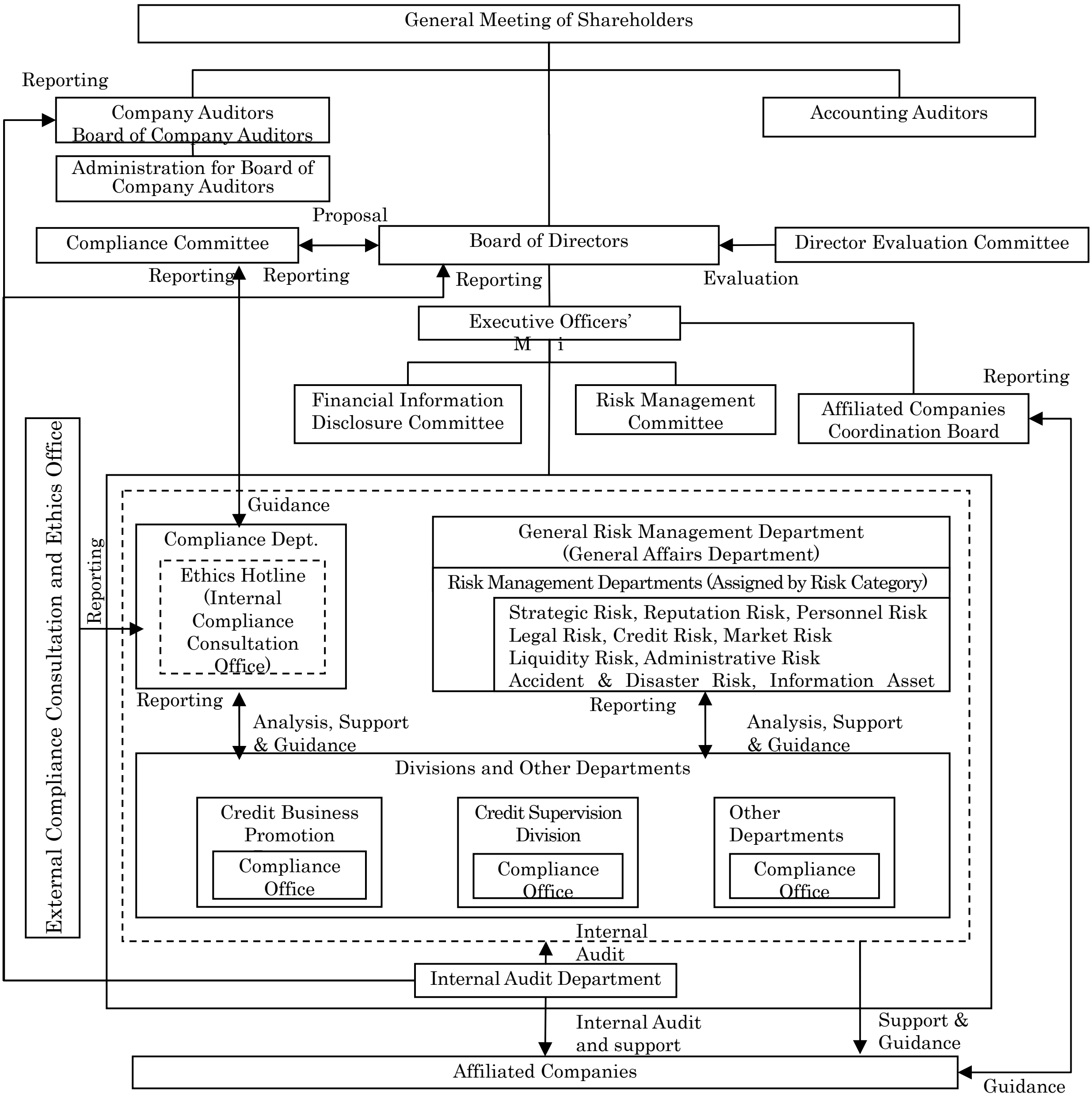
As the management environment surrounding the Company changes, risks to be managed are becoming more complicated and diverse. Under such a circumstance, the Company recognizes that one of the most important tasks of the management is to enhance and strengthen the Company's risk management system in order to fully recognize risks, maintain the health of management, and stably secure profitability and growth.

The Company, under the Risk Management Committee, set basic matters concerning risk management as the Risk Management Regulations to clarify risks to be managed, departments and sections in charge of risk management, while comprehensively controlling and uniformly managing potential risks arising in execution of operations at the General Affairs Department, which comprehensively controls risks, in order to further enhance and strengthen the Company's risk management system.

In addition, with respect to risk management for information assets, such as individual information, the Company, in compliance with its information security management regulations, implements a variety of counter-measures, such as appropriate safety management measures, against potential risks, and strives to secure information security organically and systematically by appointing information security management officers, and deciding the roles of each organization and each manager and employee.

(vi) Corporate Governance and Internal Control System Structure

(As of June 24, 2011)



(vii) Basic stance on internal control system and the development of such a system

The basic policies on the construction of the internal control system were amended and resolved at the Board of Directors held March 22, 2011, as described below:

In addition, the Company will make efforts to periodically evaluate the status of improvement of the internal control system based on the aforementioned basic policies, take remedial measures as necessary, review the basic policies to respond to changes in the business environment, etc. and improve the effectiveness of the internal control system.

(A) System to ensure that execution of duties by the Directors and employees complies with laws, regulations and the Articles of Incorporation of the Company

(a) The Company regards compliance as the highest priority in the corporate management, and establishes the ACOM Group Code of Ethics and Code of Conduct, while developing the rules for compliance and various internal rules and making employees fully aware of them.

(b) The President & CEO of the Company is committed to taking leadership in acting in accordance with the ACOM Group Code of Ethics and the Code of Conduct in order to create a corporate culture that emphasizes compliance.

(c) The Company establishes a committee on compliance, personnel and departments with across-the-board responsibilities for compliance, and a department which exclusively conducts verifications and assistance for compliance in major departments. In addition, personnel responsible for promoting compliance and personnel in charge of compliance are placed in each department.

(d) The Company formulates and promotes compliance initiatives based on company-wide and division/department-specific compliance plans, while managing its progress.

(e) The Company establishes contact points for reporting and inquiry by employees concerning the act of violations or possible violations of compliance in order to prevent, detect early and correct misconduct. Based on the rules for protecting whistleblowers, the Company will make efforts to protect employees who made such report or advice.

(f) In accordance with the basic policy and related rules with respect to antisocial forces, the Company develops a system to prevent relations with antisocial forces and ensure appropriate business operations.

(g) In accordance with the Group's basic policy and related rules for the internal control over financial reporting, the Company develops a system to ensure the accuracy and reliability of financial reporting. The Company also establishes a system to disclose financial information by setting up a committee on disclosure of financial information.

(h) The Company establishes an internal audit department and ensures its independence and specialties. It also develops an internal audit system in accordance with the rules on internal audit. The internal audit department verifies and evaluates the appropriateness and effectiveness of internal controls, reports the results to the Board of Directors and Company Auditors, and provides information, advice and recommendations to related departments.

(B) System concerning storage and management of information on the execution of duties by Directors

(a) In accordance with the rules for confidential information management and related rules, the Company establishes procedures for managing documents related to the execution of duties by the Directors (including electromagnetic records), stores and manages such information in an appropriate manner, ensuring that such documents are available for inspection by directors when necessary.

(b) In order to maintain the appropriateness of information storage and management, the Company appoints personnel responsible for information security management, determines the roles of respective organizations, officers and employees, and stores and manages information in a systematic manner. The Company regularly verifies the status of information storage and management.

(C) Rules concerning loss risk management and other systems

(a) The Company establishes a system for proper and efficient risk management in accordance with the rules for risk management.

(b) In order to manage risks in an integrated manner, the Company establishes a committee on risk management, and personnel and departments with across-the-board responsibilities for risk management. It also establishes departments for risk management by risk category, develops systems for managing each risk, and implements management and operations based on the intensive risk management measures.

(c) The internal audit department audits the status of risk management in each department and reports the results to the Board of Directors and Company Auditors.

(d) The Company establishes a system to minimize economic losses and loss of credibility and to continue or swiftly resume business operations in cases where risks that may have significant internal or external impacts arise.

(D) System to ensure efficient execution of duties by the Directors

(a) The Company formulates management policies and management plans and carries out business management based on appropriate methods.

(b) The Company establishes the Executive Officer's Meeting and various committees so as to conduct decision making concerning the execution of duties delegated from the Board of Directors and prior deliberations on matters to be discussed in the meetings of the Board of the Directors.

(c) The Company introduces an executive officer system and, based on internal rules, determines the division of duties by each organization and the criteria of decision making for each position so as to make decisions more quickly and execute duties more efficiently.

(E) System to ensure the propriety of business carried out by the group consisting of the Company, parent company and subsidiaries

(a) While maintaining independence as a publicly-traded company, the Company coordinates with the parent company through reporting or consultation on the Group's business management in accordance with the rules for consultation and reporting with the parent company. The Company also establishes the Group's business management systems in accordance with the parent company's policy for its group management so as to contribute to the appropriate business operations of both of the groups.

(b) The Company makes the ACOM Group Code of Ethics the entire Group's basic compliance policy. In accordance with the rules for compliance and related rules, the Company provides assistance for the promotion of compliance to subsidiaries, etc. within the Group (hereinafter referred to as "Affiliated Companies").

(c) The Company holds regular meetings with Affiliated Companies, establishes departments for managing Affiliated Companies, and manages and supports Affiliated Companies in accordance with the rules for management of Affiliated Companies, while respecting the independence of each company.

(d) The internal audit department implements audits of Affiliated Companies or supports their audits and contributes to development of the internal control systems of Affiliated Companies.

(F) Matters concerning employees to assist Company Auditors' duties and matters concerning their independence from Directors, in the case where Company Auditors request appointment of such employees

(a) Administration for Board of Company Auditors will be established to assist in the Company Auditors' duties, and assistants for auditors will be appointed.

(b) The number of employees to assist Company Auditors and their requirements will be decided after discussion with the Board of Company Auditors.

(c) Employees to assist Company Auditors will be exclusively in charge of work that assists Company Auditors, and will not be subject to instructions and orders from the Directors and other operational organizations.

(d) Assignment, transfer, evaluation and disciplinary action of employees who assist Company Auditors will be decided after discussion with the Board of Company Auditors.

(G) System for reporting to Company Auditors by the Directors and employees, and other systems for reporting to Company Auditors

(a) In compliance with laws and regulations and the rules regarding reporting to Company Auditors, the Directors and chief general managers of each department will promptly report to Company Auditors such matters as facts which may significantly damage the Company and Affiliated Companies. In addition, they will report matters concerning the execution of duties periodically and when necessary.

(b) Documents used in the decision making provided for in internal rules will be made available for inspection by Company Auditors promptly after making the decision.

(c) Company Auditors may ask Directors and employees to report matters other than the above-mentioned ones if needed.

(H) Other systems to ensure that audits are effectively implemented by Company Auditors

(a) Directors will ensure a system that allows Company Auditors to: attend the Board of Directors meetings, the Executive Officers' meetings, and other important meetings and committees; and have access to the important documents concerning the execution of duties, such as statutory documents.

(b) Directors will have regular meetings with the Board of Company Auditors to exchange opinions on issues with which the company should deal, issues concerning the execution of duties, and primary issues on audits. They will also take actions regarding the matters that the Board of Company Auditors deems necessary to be addressed.

(c) Directors and employees will follow the rules of the Board of Company Auditors and other rules, including audit policies, and cooperate with Company Auditors for inspection and consultation requests.

(d) The internal audit department will establish a cooperation system for exchanging information with Company Auditors as needed in order to contribute to ensuring the effectiveness of audits.

(viii) Relationship with Outside Company Auditors

The Company has three Outside Company Auditors. Their relationship with the Company is as shown in the chart below.

Incidentally, the Company does not appoint Outside Directors. The Company, as described in “(1) 2) (i) An overview of corporate governance system and the reasons for employing such a system,” already has a system in which external surveillance on the management is fully functional due to the implementation of audit by Outside Company Auditors, and for that reason maintains the current system.

Name of Outside Company Auditor	Relations with the Company
Shinichi Yasuda	- No special interests in the Company - He has built considerable experience and knowledge through years of duties in the financial industry (i.e. life insurance company), to which the Company belongs. He also served the Company’s subsidiary as full-time Company Auditor. Therefore, the Company believes that he can contribute to further enhancement of the audit system and corporate governance of the Company.
Eiji Oshima	- No special interests in the Company - With his considerable experience and knowledge gained during his time with Mitsubishi Corporation, as well as his experience as a full-time Auditor at that company, in addition to his international perspective and insights based on long-term experience living and engaging in corporate management overseas, the Company believes that he can contribute to further enhancement of the audit system and corporate governance of the Company. - As he has no potential conflict of interest with general shareholders and meets the independence requirements of the Tokyo Stock Exchange, he has been designated as an independent director/corporate auditor.
Takashi Doi	- No special interests in the Company - With his expert knowledge and experience acquired though years of duties as an attorney-at-law, he is judged as being capable of monitoring corporate management from a legal point of view. Therefore, the Company believes that he can contribute to further enhancement of the audit system and corporate governance of the Company. - As he has no potential conflict of interest with general shareholders and meets the independence requirements of the Tokyo Stock Exchange, he has been designated as an independent director/corporate auditor.

* The Company has concluded a limited liability agreement with each Outside Company Auditor, which limits the liability under Article 423, Paragraph 1 of the Companies Act to the extent of the amount stipulated in the law.

3) Compensation to Directors and Company Auditors

(i) Total amount of compensations by categories for the Filing Company, total amount of compensations by type, and the number of paid officers

Category	Total amount (Millions of yen)	Total amount of compensations by type (Millions of yen)				Number of persons
		Basic salary	Stock option	Bonus	Retirement benefit	
Directors (excluding Outside Directors)	249	249	—	—	—	12
Company Auditors (excluding Outside Company Auditors)	21	21	—	—	—	1
Outside Directors and Outside Company Auditors	45	45	—	—	—	3
Total	316	316	—	—	—	16

(Notes) 1. There are no employee-directors.
2. "Number of persons" represents the cumulative number of directors who received compensation during the current fiscal year.

(ii) Total amount of consolidated compensations by Filing Company's officers

This is not listed because no officers of the Filing Company receive the total of more than 100 million yen of consolidated compensations.

(iii) Policy concerning the decision on the amounts of compensations paid to officers

The Company has no policy concerning the decision on the amounts of compensations paid to officers.

4) Purchase of Treasury Stock

Pursuant to Article 165, Paragraph 2 of the Companies Act, the Company has included in its Articles of Incorporation a clause allowing purchase of its own shares via the market, subject to a resolution of the Board of Directors. Such inclusion was made to permit flexible share buybacks according to the Company's business and financial conditions and other circumstances.

5) Limited Liability Agreement

The Company has signed agreements to limit liability under Article 425, Paragraph 1 of the Companies Act with Outside Company Auditors. The limited liability amount based on such agreement is the minimum liability amount determined in the law.

6) Membership of the Board of Directors

The Articles of Incorporation stipulates the Board of Directors consist of 12 members or less.

7) Resolution Requirement for Election of Directors

The Articles of Incorporation stipulates that voting on resolutions for election of directors shall take place under the presence of shareholders who represent one-third or more of total voting rights, and the majority of the votes of those shareholders and those which are not contingent upon cumulative votes shall be the requisite for adoption of the resolution.

8) Liability Exemption for Directors and Company Auditors

To ensure that directors and Company Auditors can adequately carry out the duties they are entrusted with, as pursuant Article 426, Paragraph 1 of the Companies Act, a provision has been included in the Articles of Incorporation to allow the exemption of Directors (including former Directors) and Company Auditors (including former Company Auditors), by decision of the Board of Directors and within the limits allowed by the law, from liability resulting from dereliction of duty.

9) Special Resolutions at the General Meeting of Shareholders

For purpose of maintaining smooth operation of the General Meeting of Shareholders, the Articles of Incorporation stipulates that special resolutions as pursuant Article 309, Paragraph 2 of the Companies Act, shall be passed if at least two thirds of voting rights are cast in favor, if shareholders representing at least one third of eligible votes are present.

10) Interim Dividend

Pursuant to Article 454, Paragraph 5 of the Companies Act, the Company may, by a resolution of the Board of Directors, pay interim dividends each year with September 30 as the base date.

11) The Company's Position and its Relationship within the Group of the Parent Company

Under a business and capital alliance with MUFG and its subsidiary, The Bank of Tokyo-Mitsubishi UFJ, Ltd., ACOM serves as the core company for the MUFG Group's consumer finance business.

In addition, under a contract relating to corporate management, ACOM engages in consultations and makes reports to MUFG concerning important corporate matters. Nevertheless, while decisions on matters such as management policy and business strategy reflect the corporate management policy of the parent company, these decisions are based on ACOM's own judgments, and as such a certain level of independence as a listed company is ensured.

12) Guidelines for the Protection of Minority Shareholders in Transactions with Controlling Shareholders

Although ACOM engages in transactions with MUFG Group's companies, which include borrowing funds and guaranteeing unsecured card loans, the fairness of these transactions is ensured because they are based on our code of conduct of adhering to fair market rules and proper commercial practices. And like transactions with unrelated companies, they are based on impartial judgments made in accordance with internal rules, etc.

13) Status of securities held by the Company

(i) Regarding investment securities held for other than pure investment purposes, the number of stock names and total value recorded in the balance sheet.
2 stock names 1,180 million yen

(ii) Regarding individual investment securities held for other than pure investment purposes, type of investment, name, the number of shares, value recorded in the balance sheet total, and purpose of holding.

For the prior fiscal year

Special investment securities

Stock name	Number of shares	Value in balance sheet (Millions of yen)	Purpose of holding
Cedyna Financial Corporation	32,085,000	5,326	To establish a friendly relationship

For the current fiscal year

Not applicable.

Deemed shareholdings

Not applicable.

(iii) Regarding investment securities held for pure investment purposes, total value recorded in the balance sheet, total dividend received, total gain or loss on sale, and total valuation gain or loss in the previous and current fiscal years.

	Previous fiscal year (Millions of yen)	Current fiscal year (Millions of yen)			
	Total value in balance sheet	Total value in balance sheet	Total dividend received	Total gain or loss on sale	Total valuation gain or loss
Non-listed securities	952	799	8	95	(Note)
Securities other than the above	11,033	13,966	359	(6)	2,730

(Note) "Total valuation gain or loss" is not shown for non-listed securities, since they have no market value and it is considered extremely difficult to obtain the value of such securities.

(iv) Regarding individual investment securities, of which holding purpose has been changed from pure investment to other than pure investment, name, the number of shares and value recorded in the balance sheet.
Not applicable.

(v) Regarding individual investment securities, of which holding purpose has been changed from other than pure investment to pure investment, name, the number of shares and value recorded in the balance sheet.

Stock name	Number of shares	Value in balance sheet (Millions of yen)
Cedyna Financial Corporation	32,085,000	4,973

(2) Details of Compensation for Auditors

1) Details of Compensation for Certified Public Accountants

Classification	Prior fiscal year		Current fiscal year	
	Compensation in accordance to audit certification (Thousands of yen)	Compensation in accordance to non-audit certification (Thousands of yen)	Compensation in accordance to audit certification (Thousands of yen)	Compensation in accordance to non-audit certification (Thousands of yen)
The Filing Company	101,400	—	111,800	—
Consolidated subsidiary	21,000	900	24,000	—
Total	122,400	900	135,800	—

2) Other important details concerning remuneration
Not applicable.

3) Details of non-audit work against the Filing Company by certified public accountants
Not applicable.

4) Policies concerning auditing remuneration
Not applicable.

V. 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, 2009 to March 31, 2010) have been prepared in accordance with the regulation before amendment, whereas the consolidated financial statements for the current fiscal year (from April 1, 2010 to March 31, 2011) 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, 2009 to March 31, 2010) have been prepared in accordance with the regulation before amendment, and the non-consolidated financial statements for the current fiscal year (from April 1, 2010 to March 31, 2011) 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, 2009 to March 31, 2010) and the current fiscal year (from April 1, 2010 to March 31, 2011) were audited by Deloitte Touche Tohmatsu LLC.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

1) Consolidated Balance Sheets

(Millions of yen)

		As of March 31, 2010		As of March 31, 2011
Assets				
Current assets				
Cash and deposits	*3	83,747	*3	100,074
Loans receivable of consumer loans	*1,*4,*5 *6,*8	1,173,545	*1,*4,*5 *6,*8	972,329
Loans receivable of banking business	*7	25,331	*7	33,405
Accounts receivable-installment	*9	58,404	*9	43,951
Purchased receivables		15,310		11,931
Short-term investment securities		21,700		26,190
Shares of parent company		5,976		4,683
Operational investment securities		1,966		1,216
Trading account securities		2,421		414
Merchandise and finished goods		1,036		334
Raw materials and supplies		103		72
Deferred tax assets		26,589		27,906
Short-term loans receivable	*10	29,992	*10	39,991
Other		31,491		39,622
Allowance for doubtful accounts		(69,262)		(70,283)
Total current assets		1,408,356		1,231,841
Noncurrent assets				
Property, plant and equipment				
Buildings and structures		31,453		31,949
Accumulated depreciation		(22,229)		(23,564)
Buildings and structures, net		9,224		8,385
Vehicles		64		59
Accumulated depreciation		(25)		(34)
Vehicles, net		38		24
Equipment		27,809		24,228
Accumulated depreciation		(16,718)		(13,951)
Equipment, net		11,091		10,277
Land		6,535		6,529
Lease assets		1,529		1,970
Accumulated depreciation		(1,023)		(1,233)
Lease assets, net		506		736
Total property, plant and equipment		27,396		25,952
Intangible assets				
Goodwill		7,469		11,381
Leasehold right		4		4
Telephone subscription right		219		62
Other		4		3
Total intangible assets		7,697		11,451
Investments and other assets				
Investment securities	*2	22,085	*2	18,895
Deferred tax assets		484		444
Guarantee deposits		8,660		6,874
Prepaid pension cost		3,757		3,237
Other	*8	5,268	*8	5,147
Allowance for doubtful accounts		(1,187)		(1,086)
Total investments and other assets		39,069		33,512
Total noncurrent assets		74,163		70,916
Total assets		1,482,520		1,302,758

(Millions of yen)

		As of March 31, 2010		As of March 31, 2011
Liabilities				
Current liabilities				
Notes and accounts payable-trade		760		221
Short-term loans payable	*12	4,112	*12	3,375
Current portion of long-term loans payable	*1,*12	183,976	*1,*11,*12	168,514
Current portion of bonds payable		51,654		81,155
Deposits of banking business		34,574		43,200
Lease obligations		61		157
Income taxes payable		792		1,334
Deferred tax liabilities		3		—
Provision for loss on guarantees	*14	8,275	*14	8,822
Asset retirement obligations		—		7
Unearned income	*13	3,809	*13	2,482
Other		21,791		12,456
Total current liabilities		309,811		321,727
Noncurrent liabilities				
Bonds payable		191,249		141,489
Long-term loans payable	*1,*12	331,577	*1,*12	302,613
Lease obligations		250		561
Deferred tax liabilities		2,240		1,745
Provision for retirement benefits		144		49
Provision for directors' retirement benefits		33		18
Provision for loss on interest repayment		204,500		283,300
Asset retirement obligations		—		4,468
Other		3,442		3,184
Total noncurrent liabilities		733,439		737,431
Total liabilities		1,043,250		1,059,159
Net assets				
Shareholders' equity				
Capital stock		63,832		63,832
Capital surplus		76,010		76,010
Retained earnings		323,894		120,463
Treasury stock		(19,793)		(19,793)
Total shareholders' equity		443,944		240,512
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		(6,161)		1,235
Foreign currency translation adjustment		(3,266)		(4,100)
Total accumulated other comprehensive income		(9,428)		(2,865)
Minority interests		4,753		5,951
Total net assets		439,269		243,599
Total liabilities and net assets		1,482,520		1,302,758

2) Consolidated Statements of Operations and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Operations)

(Millions of yen)

	For the fiscal year ended March 31, 2010	For the fiscal year ended March 31, 2011
Operating revenue		
Interest on consumer loans	231,839	192,654
Interest on loans of banking business	2,649	3,464
Revenue from credit card business	3,547	2,893
Revenue from installment sales finance business	3,485	2,926
Revenue from credit guarantee	12,419	20,477
Collection from purchased receivable	12,273	8,278
Other financial revenue		
Interest on deposits	56	23
Interest on securities	488	164
Interest on loans	35	43
Gain on trading account securities	116	21
Gain on valuation of derivatives	264	—
Other	176	780
Total other financial revenue	1,139	1,034
Other operating revenue	11,441	14,101
Total operating revenue	278,795	245,831
Operating expenses		
Financial expenses		
Interest expenses	12,933	11,969
Interest expenses of banking business	2,296	2,000
Interest on bonds	5,088	6,079
Amortization of bond issuance cost	269	197
Loss on valuation of derivatives	—	314
Other	1,606	1,973
Total financial expenses	22,194	22,534
Cost of purchased receivable	6,885	3,401
Other operating expenses		
Advertising expenses	7,236	5,678
Provision of allowance for doubtful accounts	74,068	73,578
Provision for loss on guarantees	2,110	4,051
Bad debts expenses	13,476	507
Provision for loss on interest repayment	58,362	243,456
Employees' salaries and bonuses	22,628	18,088
Retirement benefit expenses	2,303	4,379
Provision for directors' retirement benefits	16	14
Welfare expenses	3,360	2,594
Rent expenses	10,095	8,156
Depreciation	2,449	2,167
Commission fee	29,820	25,836
Amortization of goodwill	306	751
Other	17,418	15,420
Total other operating expenses	243,652	404,681
Total operating expenses	272,732	430,617
Operating income (loss)	6,063	(184,785)

(Millions of yen)

		For the fiscal year ended March 31, 2010		For the fiscal year ended March 31, 2011
Non-operating income				
Interest income		265		269
Dividends income		476		371
Equity in earnings of affiliates		—		19
Amortization of negative goodwill		513		—
House rent income		396		304
Other		331		405
Total non-operating income		1,984		1,369
Non-operating expenses				
Interest expenses		0		6
Equity in losses of affiliates		17		—
Loss on investments in partnership		24		26
Loss on insurance cancellation		—		24
Rent property expenses		24		—
Loss on disposal of supplies		16		11
Other		46		23
Total non-operating expenses		130		90
Ordinary income (loss)		7,917		(183,506)
Extraordinary income				
Gain on sales of noncurrent assets	*1	113	*1	219
Gain on sales of investment securities		628		345
Gain on transfer from business divestitures	*2	1,323	*2	—
Other	*3	8	*3	43
Total extraordinary income		2,074		608
Extraordinary loss				
Loss on sales of noncurrent assets	*4	16	*4	27
Loss on retirement of noncurrent assets	*5	467	*5	179
Impairment loss	*6	4	*6	381
Loss on valuation of shares of parent company		—		5,481
Loss on sales of investment securities		70		255
Loss on valuation of investment securities		87		4,700
Business structure improvement expenses	*7	10,167	*7	1,528
Cumulative effect of accounting change for asset retirement obligations		—		4,050
Other	*8	116	*8	133
Total extraordinary losses		10,929		16,740
Loss before income taxes and minority interests		(937)		(199,638)
Income taxes-current		797		2,053
Income taxes-deferred		4,432		(530)
Total income taxes		5,229		1,523
Loss before minority interests		—		(201,161)
Minority interests in income		1,071		1,486
Net loss		(7,239)		(202,648)

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended March 31, 2010		For the fiscal year ended March 31, 2011
Loss before minority interests	—		(201,161)
Other comprehensive income			
Valuation difference on available-for-sale securities	—		7,397
Foreign currency translation adjustment	—		(1,050)
Total other comprehensive income	—	*2	6,347
Comprehensive income	—	*1	(194,813)
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	—		(196,084)
Comprehensive income attributable to minority interests	—		1,270

3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	For the fiscal year ended March 31, 2010	For the fiscal year ended March 31, 2011
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	335,061	323,894
Changes of items during the period		
Dividends from surplus	(3,927)	(783)
Net loss	(7,239)	(202,648)
Total changes of items during the period	(11,166)	(203,431)
Balance at the end of current period	323,894	120,463
Treasury stock		
Balance at the end of previous period	(18,507)	(19,793)
Changes of items during the period		
Purchase of treasury stock	(1,285)	(0)
Total changes of items during the period	(1,285)	(0)
Balance at the end of current period	(19,793)	(19,793)
Total shareholders' equity		
Balance at the end of previous period	456,396	443,944
Changes of items during the period		
Dividends from surplus	(3,927)	(783)
Net loss	(7,239)	(202,648)
Purchase of treasury stock	(1,285)	(0)
Total changes of items during the period	(12,452)	(203,431)
Balance at the end of current period	443,944	240,512

(Millions of yen)

	For the fiscal year ended March 31, 2010	For the fiscal year ended March 31, 2011
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(7,631)	(6,161)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,469	7,397
Total changes of items during the period	1,469	7,397
Balance at the end of current period	(6,161)	1,235
Foreign currency translation adjustment		
Balance at the end of previous period	(3,691)	(3,266)
Changes of items during the period		
Net changes of items other than shareholders' equity	424	(834)
Total changes of items during the period	424	(834)
Balance at the end of current period	(3,266)	(4,100)
Total accumulated other comprehensive income		
Balance at the end of previous period	(11,322)	(9,428)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,893	6,563
Total changes of items during the period	1,893	6,563
Balance at the end of current period	(9,428)	(2,865)
Minority interests		
Balance at the end of previous period	7,331	4,753
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,578)	1,198
Total changes of items during the period	(2,578)	1,198
Balance at the end of current period	4,753	5,951
Total net assets		
Balance at the end of previous period	452,406	439,269
Changes of items during the period		
Dividends from surplus	(3,927)	(783)
Net loss	(7,239)	(202,648)
Purchase of treasury stock	(1,285)	(0)
Net changes of items other than shareholders' equity	(684)	7,761
Total changes of items during the period	(13,136)	(195,670)
Balance at the end of current period	439,269	243,599

4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2010	For the fiscal year ended March 31, 2011
Net cash provided by operating activities		
Loss before income taxes and minority interests	(937)	(199,638)
Depreciation and amortization	2,451	2,168
Impairment loss	4	381
Amortization of goodwill	306	751
Amortization of negative goodwill	(513)	—
Increase (decrease) in allowance for doubtful accounts	(22,855)	1,050
Increase (decrease) in provision for loss on guarantees	406	(352)
Decrease in provision for retirement benefits	(4)	(93)
Decrease in provision for directors' retirement benefits	(32)	(14)
Increase (decrease) in provision for loss on interest repayment	(78,900)	78,800
Interest and dividends income	(742)	(640)
Interest expenses	0	6
Amortization of bond issuance costs	269	197
Foreign exchange losses (gains)	105	(320)
Equity in (earnings) losses of affiliates	17	(19)
Gain on sales of property, plant and equipment	(110)	(192)
Loss on retirement of property, plant and equipment	467	179
Loss on valuation of shares of parent company	—	5,481
Gain on sales of investment securities	(557)	(89)
Loss on valuation of investment securities	87	4,700
Business structure improvement expenses	10,167	1,528
Cumulative effect of accounting change for asset retirement obligations	—	4,050
Decrease in loans receivable of consumer loans	146,282	199,678
Increase in loans receivable of banking business	(3,460)	(10,508)
Decrease in accounts receivable-installment	9,785	14,433
Decrease in purchased receivables	5,612	3,378
Decrease in investment securities for sale	1,232	750
Decrease in trading account securities	2,282	1,957
Decrease in inventories	75	731
Increase in other current assets	(7,601)	(8,459)
Decrease in prepaid pension costs	759	520
Decrease in notes and accounts payable-trade	(255)	(538)
Increase in deposits of banking business	1,765	11,792
Decrease in unearned income	(565)	(1,324)
Decrease in other current liabilities	(1,509)	(2,714)
Decrease by other operating activities	(268)	(1,879)
Subtotal	63,762	105,754
Interest and dividends income received	769	665
Interest expenses paid	(0)	(6)
Business structure improvement expenses paid	(981)	(7,758)
Income taxes refunds	449	261
Income taxes paid	(568)	(1,667)
Net cash provided by operating activities	63,431	97,249

(Millions of yen)

		For the fiscal year ended March 31, 2010		For the fiscal year ended March 31, 2011
Net cash used in investing activities				
Proceeds from withdrawal of time deposits		1		—
Purchase of property, plant and equipment		(850)		(610)
Proceeds from sales of property, plant and equipment		816		364
Proceeds from sales of investment securities		1,044		556
Purchase of investments in subsidiaries		(3,640)		—
Proceeds from sales of investments in subsidiaries		170		—
Payments for transfer of business	*3	(5,200)	*3	(4,650)
Proceeds from transfer of business	*2	680	*2	—
Increase by other investing activities		801		1,593
Net cash used in investing activities		(6,175)		(2,746)
Net cash used in financing activities				
Proceeds from short-term loans payable		82,296		39,375
Repayments of short-term loans payable		(107,995)		(40,040)
Proceeds from issuance of bonds		48,518		31,804
Payments at maturity of bonds		(58,190)		(51,823)
Proceeds from long-term loans payable		135,769		144,436
Repayments of long-term loans payable		(150,458)		(188,183)
Proceeds from stock issuance to minority shareholders		—		230
Repayments of finance lease obligations		(7)		(84)
Purchase of treasury stock		(1,285)		(0)
Cash dividends paid		(3,927)		(784)
Net cash used in financing activities		(55,280)		(65,069)
Effect of exchange rate change on cash and cash equivalents		375		(246)
Net increase in cash and cash equivalents		2,350		29,186
Cash and cash equivalents at beginning of period		131,477		133,723
Decrease in cash and cash equivalents resulting from change of scope of consolidation		(104)		—
Cash and cash equivalents at end of period	*1	133,723	*1	162,910

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

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
1.The scope of consolidation	All subsidiaries are consolidated. Number of consolidated subsidiaries:14 RELATES CO., LTD., which had been a consolidated subsidiary until the prior fiscal year, was excluded from consolidated subsidiaries as it was merged into MU Communications Co., Ltd. as of April 1, 2009. DC Cash One Ltd. which had been a consolidated subsidiary until the prior fiscal year, was excluded from consolidated subsidiaries as it was merged into the Company by absorption as of May 1, 2009	All subsidiaries are consolidated. Number of consolidated subsidiaries:12 A B PARTNER CO., LTD., which had been a consolidated subsidiary until the prior fiscal year, was excluded from consolidated subsidiaries as it was merged into IR Loan Servicing, Inc. as of August 1, 2010. MTBC Second Investment Partnership, which had been a consolidated subsidiary until the prior fiscal year, was excluded from consolidated subsidiaries as it was liquidated due to the termination of partnership based on a contract of partnership as of December 29, 2010
2. Application of the equity-method	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.	Number of equity-method-affiliate: 1 (Changes in accounting policy) The Company adopted "Accounting Standard for Equity Method of Accounting for Investments" (the Accounting Standards Board of Japan ("ASBJ") Statement No.16 as published on March 10, 2008) and "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method" (ASBJ Practical Issues Task Force ("PITF") No. 24, March 10, 2008) from the current fiscal year. This change has had no effect on consolidated financial statements for the current fiscal year.

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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 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	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
3) Inventories	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.	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
(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	The Company and its domestic consolidated subsidiaries use the declining balance method, and overseas consolidated subsidiaries use straight-line method. Useful lives of assets are principally as follows: Buildings and structures: 2 to 47 years Vehicles: 4 to 8 years Equipment: 2 to 20 years
2) Intangible assets (excluding lease assets)	The Company and its domestic consolidated subsidiaries use straight-line method.	Same as the left

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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 installment 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 defaults. For specific debts where recovery is doubtful, the Company considers the likelihood of recovery on an individual basis.	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 defaults. For specific debts where recovery is doubtful, the Company considers the likelihood of recovery on an individual basis. (Additional information) The Great East Japan Earthquake, which struck on March 11, 2011, may lead to rise in risks related to doubtful accounts. The receivables on customers who reside in stricken areas are categorized by regional and transaction status. Then the likelihood of recovery for such categories is estimated and additional allowance is made for the amount regarded as irrecoverable.

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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
	(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.	—

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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.	Same as the left
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. 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.	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 Revenue from credit guarantee Same as the left

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
(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 quality 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 Bonds with fixed interest rates Currency-related items Hedging instruments: Currency swap agreements Hedging items: Foreign currency loans payable	1) Hedge accounting method Same as the left 2) Hedging instruments and hedging items Same as the left

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
	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 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 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.	3) Hedging policy Same as the left 4) Method for evaluating hedging effectiveness Same as the left

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
(7) Method and period of amortization of goodwill	—	Goodwill is amortized in equal installments over 10 to 15 year period.
(8) 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.
(9) 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.	—
6. Amortization of goodwill and negative goodwill	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.	—

[Changes in method of accounting]

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
―	<The Accounting Standard for Asset Retirement Obligations> The Company adopted “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) from the current fiscal year. The effects of this change on operating loss and ordinary loss were increases of 162 million yen, and that on loss before income taxes and minority interests was an increase of 3,719 million yen, respectively. <The Accounting Standard for Business Combinations> The Company adopted “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial amendments to the Accounting Standard for Research and Development Cost” (ASBJ Statement No. 23, December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No.7, December 26, 2008), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, released on December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Business Divestitures” (ASBJ Guidance No.10, December 26, 2008) from the current fiscal year.

[Changes in presentation]

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
(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 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 was 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.	(Consolidated Statements of Operations) As a result of adoption of the "Cabinet Office Ordinance Partially Revising Regulations on Terminology, Forms and Preparation of Financial Statement" (Cabinet Office Ordinance No. 5, March 24, 2009) based on the "Accounting Standards for Consolidated Financial Statements" (ASBJ Statement No. 22, December 26, 2008), "Loss before minority interests" is posted on the Consolidated Statements of Operations from the current fiscal year. "Rent expenses" 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. "Rent expenses" for the current fiscal year was 9 million yen. "Loss on insurance cancellation," 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 insurance cancellation" for the prior fiscal year was 4 million yen.

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
"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.	

(Additional information)

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
—	<Accounting Standard for Presentation of Comprehensive Income> The Company adopted the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, June 30, 2010). However, the amounts of “Accumulated other comprehensive income” and “Total accumulated other comprehensive income” for prior fiscal year are presented as “Valuation and translation adjustments” and “Total valuation and translation adjustments.”

[Notes]

(Notes to Consolidated Balance Sheets)

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*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).	*1. Pledged assets (Millions of yen) (1) Assets pledged as collateral Loans receivable of consumer loans 73,613 [71,273] (2) Secured obligations Current portion of long-term loans payable 7,795 [5,457] Long-term loans payable 32,792 [32,792] Total 40,588 [38,250] Figures in brackets "[ ]" represent amount concerning liquidation of receivables. In addition, the loans receivable of consumer loans of 71,273 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. Amount of subsidiaries and affiliates' stocks included in investment securities (Millions of yen) 269	*2. Amount of subsidiaries and affiliates' stocks included in investment securities (Millions of yen) 288
*3. Cash and deposits include 1,711 million yen of reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia.	*3. Cash and deposits include 2,971 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) 1,144,469	*5. Amount of unsecured consumer loans in loans receivable of consumer loans (Millions of yen) 948,890

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*6. Commitment line contracts for loans receivable of consumer loans Contracts for loans receivable of consumer 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. 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.	*6. Commitment line contracts for loans receivable of consumer loans Contracts for loans receivable of consumer 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 306,722 million yen at the end of the accounting period. This included a total of 193,719 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. 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.

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*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.	*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 10,140 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.

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*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.	*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 1,055 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 32,917 million yen. Under the policies stipulated in Japan's tax laws, 10,596 million yen of this amount would be classified as loans overdue by three months or more, 5,666 million yen as restructured loans and 16,654 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.

Prior fiscal year
(As of 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.

Current fiscal year
(As of March 31, 2011)

(Millions of yen)

Category	Amount	Classification criteria
Loans to bankrupt parties	<2,436> 2,436	Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.
Loans in arrears	<18,552> 51,470	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	<13,895> 3,298	Loans other than the above that are overdue by three months or more.
Restructured loans	<52,589> 46,922	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	<87,473> 104,128	—

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.

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*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	*9. Balances of accounts receivable-installment by business categories (Millions of yen) Fees from the credit card business 21,639 Fees from installment sales finance business 22,311 Total 43,951
*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.	*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 39,992 million yen.
*11 —	*11 Financial Covenants The Company's loans payable, which violate the financial covenants, are as follows: (1) Syndicated loan borrowed in March 2008 5,500 million yen (Financial covenants related to the rating) (2) Syndicated loan borrowed in September 2009 7,000 million yen (Financial covenants related to the rating) Syndicated loans above were fully paid prior to the due date in April. Therefore, there was no interference with our corporate activities.
*12 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 Net 121,884	*12 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 14 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 146,217 Amount of borrowing 22,812 Net 123,405

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*13 The balance of unearned income belongs to the installment sales finance business. The breakdown of the amount during the period was as follows:	*13 The balance of unearned income belongs to the installment sales finance business. The breakdown of the amount during the period was as follows:

Prior fiscal year (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

Current fiscal year (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
(205)	(254)	(341)	(119)
3,809	1,959	3,286	2,482

Figures in parentheses "( )" represent fees from member outlets.

*14. Contingent liabilities (Millions of yen)

	Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
Outstanding guarantee obligation in the guarantee business	317,240	443,460
Outstanding guarantee obligation in the banking business	574	1,034
Provision for loss on guarantees	8,275	8,822
Net	309,539	435,672

(Notes to Consolidated Statements of Operations)

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
*1. Breakdown of gain on sales of noncurrent assets (Millions of yen) Buildings and structures 0 Vehicles 3 Equipment 109 Total 113	*1. Breakdown of gain on sales of noncurrent assets (Millions of yen) Buildings and structures 0 Vehicles 0 Equipment 219 Total 219
*2. 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.	*2. —
*3. 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	*3. Breakdown of other extraordinary income (Millions of yen) Gains on negative goodwill 2 Gains on sales of golf club memberships 0 Reversal of provision for retirement benefits 41 Total 43
*4. Breakdown of loss on sales of noncurrent assets (Millions of yen) Buildings and structures 0 Equipment 2 Telephone subscription right 13 Total 16	*4. Loss on sales of noncurrent assets results from sales of equipment.
*5. Loss on retirement of noncurrent assets mainly results from 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	*5. Loss on retirement of noncurrent assets mainly results from transfer of operating outlets, remodeling of interior and change of signboards. The breakdown thereof is set out below. (Millions of yen) Buildings and structures 138 Equipment 41 Total 179

Prior fiscal year (from April 1, 2009 to March 31, 2010)

*6. 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
Chiyoda-ku, Tokyo, etc.	Business property	Buildings, equipment, and telephone subscription right

(2) Method of grouping assets

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

(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 business

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) Amount of impairment loss

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

(5) Calculation method of recoverable amount

The recoverable amount of telephone subscription right is measured by net realizable value.

The recoverable amount 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.

Current fiscal year (from April 1, 2010 to March 31, 2011)

*6. 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
Chiyoda-ku, Tokyo	Property to be sold	Equipment
Chiyoda-ku, Tokyo, etc.	Dormant assets	Telephone subscription right, etc.

(2) Method of grouping assets

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

(a) For the domestic loan, credit card and guarantee business: each business

(b) For other financial businesses: each companies

(c) For the overseas financial business: each companies

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 amounts.

Due to the restructuring of operation bases, telephone subscription right, etc. became the dormant assets.

We recognized impairment loss on the idle assets because we cannot collect the assets' carrying amounts through future net cash flows.

(4) Amount of impairment loss

	(Millions of yen)
Equipment	291
Telephone subscription right	89
Other intangible assets	0
Total	381

(5) Calculation method of recoverable amount

The recoverable amount of property to be sold is measured by net selling price and evaluated by the minimum price guaranteed by consigned company and the sale price.

The recoverable amount of telephone subscription right is measured to be one yen as there is no expectation to use, and we cannot sell it at the

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
	market.
*7. 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.	*7. Business structure improvement expenses were the expenditures required for the implementation of Strengthening Business Management Policy as a result of review of the Group's business strategy. Details of the expenses are shown below. (Millions of yen) Special extra retirement payments 460 Re-employment assistance expenses 39 Loss on retirement of noncurrent assets 730 Temporary amortization of long-term prepaid expenses 5 Sales and operation base restructuring costs 214 Impairment loss 76 Total 1,528 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 494 Structures 184 Equipment 51 Total 730 We recognized impairment loss above on business properties where we had resolved business withdrawal. Due to the restructuring of operation base, they became dormant assets. We recognized impairment loss on the dormant assets because we cannot collect the assets' carrying values through future net cash flows. The recoverable amount of the properties is measured to be one or zero yen as there is no expectation to use, and we cannot sell them at the market.

<table>
<tr><th>Prior fiscal year
(from April 1, 2009 to March 31, 2010)</th><th>Current fiscal year
(from April 1, 2010 to March 31, 2011)</th></tr>
<tr><td>*8. 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.</td><td>*8. Breakdown of other extraordinary loss
(Millions of yen)
Loss on disaster 82
Loss on sales of golf club memberships 0
Provision of allowance for doubtful accounts for golf club memberships 0
Temporary amortization of retirement benefit expenses 11
Temporary amortization of long-term prepaid expenses 38
Total 133
Loss on disaster above is expenses paid for removal and recovery of the assets damaged by the Great East Japan Earthquake.</td></tr>
<tr><td>9. Basis for classification of financial revenue and financial expenses on consolidated statements of operations
(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.
(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 expenses, etc. which have no relationship to operating revenue.</td><td>9. Same as the left</td></tr>
</table>

(Notes to Consolidated Statements of Comprehensive Income)

For the current fiscal year (from April 1, 2010 to March 31, 2011)

*1 Total comprehensive income for the year ended March 31, 2010 consists of the following:

	(Millions of yen)
Owners of the parent	(5,345)
Minority interests	1,412
Total comprehensive income	(3,933)

*2 Other comprehensive income for the year ended March 31, 2010 consists of the following:

	(Millions of yen)
Unrealized gain on available-for-sale securities	1,469
Foreign currency translation adjustments	765
Total other comprehensive income	2,234

(Notes to Consolidated Statements of Changes in Net Assets)

For the prior 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 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

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

For the current fiscal year (from April 1, 2010 to March 31, 2011)

1. Matters related to outstanding shares

Class of shares	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock	159,628,280 shares	—	—	159,628,280 shares

2. Matters related to treasury stock

Class of shares	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock	2,966,676 shares	17 shares	—	2,966,693 shares

(Outline for the change)

17 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 24, 2010	Common stock	783	5.00	March 31, 2010	June 25, 2010

(2) Dividends whose record date falls in the current fiscal year, but whose effective date comes after March 31, 2011

Not applicable

(Notes to Consolidated Statements of Cash Flows)

<table>
<tr><th>Prior fiscal year
(from April 1, 2009 to March 31, 2010)</th><th>Current fiscal year
(from April 1, 2010 to March 31, 2011)</th></tr>
<tr><td>*1 Relationship between the fiscal-end balance of cash and cash equivalents and the amount of consolidated balance sheet items.
(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</td><td>*1 Relationship between the fiscal-end balance of cash and cash equivalents and the amount of consolidated balance sheet items.
(As of March 31, 2011; millions of yen)
Cash and deposits 100,074
Short-term investment securities 26,190
Short-term loans receivable 39,991
Time deposits with original maturities of more than three months (4)
Cash reserved for banking business (2,971)
Bonds to be matured within 1 year (370)
Cash and cash equivalents 162,910</td></tr>
<tr><td>*2 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</td><td>*2 —</td></tr>
<tr><td>*3 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</td><td>*3 Breakdown of principal assets and liabilities that increased or decreased due to the transfer of business in this fiscal year
The Mitsubishi UFJ NICOS Co., Ltd.
(As of October 1, 2010; millions of yen)
Current assets 890
Goodwill 4,662
Current liabilities (903)
Payments for transfer of business 4,650</td></tr>
</table>

(Notes to lease transactions)

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
1. Finance lease transactions (1) Finance lease transactions that transfer ownership 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 (2) Finance lease transactions that do not transfer ownership 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, with the lease term of respective assets as their useful lives, with residual value equaling zero.	1. Finance lease transactions (1) Finance lease transactions that transfer ownership 1) Details of lease assets Same as the left 2) Depreciation of lease assets Same as the left (2) Finance lease transactions that do not transfer ownership 1) Details of lease assets Same as the left 2) Depreciation of lease assets Same as the left

Prior 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 expenses and other information of finance lease 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

(2) Obligations under finance leases

(Millions of yen)

Due within 1 year	68
Due after 1 year	68
Total	136

Current fiscal year
(from April 1, 2010 to March 31, 2011)

2. Operating lease transactions

The rental commitments under noncancellable operating leases were as follows:

(Millions of yen)

Due within 1 year	4
Due after 1 year	6
Total	11

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 expenses and other information of finance lease 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
Equipment	235	170	65

(2) Obligations under finance leases

(Millions of yen)

Due within 1 year	50
Due after 1 year	16
Total	67

<table>
<tr><th>Prior fiscal year
(from April 1, 2009 to March 31, 2010)</th><th>Current fiscal year
(from April 1, 2010 to March 31, 2011)</th></tr>
<tr><td>(3) Lease payment, reversal of allowance, depreciation expense and interest expenses under finance leases
(Millions of yen)
Lease payments 121
Reversal of allowance for impairment loss on leased property 10
Depreciation expense 113
Interest expenses 3</td><td>(3) Lease payment, depreciation expense and interest expenses under finance leases
(Millions of yen)
Lease payments 68
Depreciation expense 65
Interest expenses 2</td></tr>
<tr><td>(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.</td><td>(4) Method of calculation of depreciation expense under finance leases
Same as the left</td></tr>
<tr><td>(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.</td><td>(5) Method of calculation of interest expenses under finance leases
Same as the left</td></tr>
</table>

(Notes to financial instruments)

For the prior 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 Group 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.

For the current fiscal year (from April 1, 2010 to March 31 2011)

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 Group 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.

In addition, all the loans receivable of consumer loans, which are the Group's major financial assets, have fixed interest rates, and loans payable and bonds, which are the Group's major financial liabilities, have mainly fixed interest rates, therefore they have low sensitivity to fluctuations in interest rates. That is why the Group does not use a quantitative analysis on the market risk.

With regards to the items of which fair values are determined using the market interest rate, if the interest rate as of March 31, 2011 had been lower by 1 basis point (0.01%), the fair value of their net asset amount financial assets after deduction of financial liabilities would increase by 95 million yen on the condition that all risk variables other than interest rate are constant. To the contrary, if the interest rate had been higher by 1 basis point (0.01%), the net asset amount would decrease by 95 million yen.

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, 2011 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	100,074	100,074	—
(2) Loans receivable of consumer loans	972,329		
Allowance for doubtful accounts	(53,711)		
Provision for loss on interest repayment (Write-off of receivables)	(80,600)		
	838,017	1,040,272	202,254
(3) Loans receivable of banking business	33,405		
Allowance for doubtful accounts	(323)		
	33,081	35,764	2,682
(4) Accounts receivable-installment	43,951		
Allowance for doubtful accounts	(4,534)		
Unearned income	(2,367)		
	37,050	44,248	7,198
(5) Purchased receivables	11,931		
Allowance for doubtful accounts	(2,164)		
	9,767	9,767	—
(6) Marketable securities, shares of parent company, trading account securities and investment securities			
1) Trading securities	414	414	—
2) Held-to-maturity securities	2,203	2,457	253
3) Available-for-sales securities	45,223	45,223	—
(7) Short-term loans receivable	39,991	39,992	1
Total assets	1,105,824	1,318,215	212,390
(1) Short-term loans payable	3,375	3,375	—
(2) Deposits of banking business	43,200	43,200	—
(3) Current portion of bonds payable and bonds payable	222,644	217,597	(5,047)
(4) Current portion of long-term loans payable and long-term loans payable	471,128	470,394	(734)
Total liabilities	740,348	734,567	(5,781)
Derivative transaction	[651]	[651]	—

(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 method, 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 related to repurchase agreement transactions, and they 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)	2,319
2) Investments in investment partnerships (*1) (*3)	23
3) Operational investment securities (*1)	1,216
Total	3,559

(*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 values.

(*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	100,074	—	—	—	—	—
Loans receivable of consumer loans (*1) (*2)	181,134	164,499	164,832	161,909	160,443	51,785
Loans receivable of banking business	20,145	1,508	2,399	1,840	3,063	4,447
Accounts receivable-installment (*1) (*2)	16,428	8,763	5,834	4,443	3,919	1,158
Marketable securities and Investment securities						
1) Held-to-maturity securities (Government bond)	370	1,104	466	—	—	262
2) Available-for-sales securities with contractual maturities						
Government bond	—	—	—	—	—	54
Other	25,820	—	—	—	—	—
Short-term loans receivable	39,991	—	—	—	—	—
Total	383,965	175,875	173,532	168,193	167,426	57,706

(*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: 72,762 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, 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, 2010)

(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 1, 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”).

For the current fiscal year

1. Trading securities (as of March 31, 2011)

Unrealized gain or loss reported as income or loss for the current fiscal year 21 million yen

2. Held-to-maturity securities (as of March 31, 2011)

(Millions of yen)

Category	Carrying amount	Market value	Unrealized gain/loss
Market value greater than carrying amount			
(1) Government/municipal	2,203	2,457	253
(2) Corporate	—	—	—
(3) Other	—	—	—
Subtotal	2,203	2,457	253
Market value not greater than carrying amount			
(1) Government/municipal	—	—	—
(2) Corporate	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Total	2,203	2,457	253

3. Available-for-sales securities (as of March 31, 2011)

(Millions of yen)

Category	Carrying amount	Acquisition cost	Unrealized gain/loss
Acquisition cost not greater than carrying amount			
(1) Stocks	6,909	3,680	3,229
(2) Bonds			
Government/municipal	54	52	2
Corporate	—	—	—
Other	—	—	—
(3) Other	32	30	1
Subtotal	6,996	3,763	3,233
Acquisition cost greater than carrying amount			
(1) Stocks	11,740	12,238	(498)
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	666	894	(228)
Subtotal	12,406	13,133	(726)
Total	19,403	16,896	2,506

4. Available-for-sales securities sold during the fiscal year (from April 1, 2010 to March 31, 2011)

(Millions of yen)

Category	Amount of proceeds	Total gains on sales	Total losses on sales
(1) Stocks	900	345	255
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	—	—	—
Total	900	345	255

5. Impaired securities that were written down to their fair values

During this fiscal year, the Company reported a loss of 10,182 million yen incurred by a write-down of impaired securities (shares classified as “other securities”).

(Note to derivatives transactions)
For the prior fiscal year (As of March 31, 2010)
1. Derivatives 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 due after 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 due after 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 due after 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.

For the current fiscal year (As of March 31, 2011)

1. Derivatives 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 local currency. 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 due after 1 year-period contracts	Fair value	Valuation gain (loss)
Transactions out of the market	Currency swap	8,872	5,780	(651)	(651)

(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 due after 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	2,700	2,700	41
	Fixed interest payments and floating interest receivables	Long-term loans payable Bonds payable	254,486	175,478	(4,142)
Total			257,186	178,178	(4,100)

(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 due after 1 year-period contracts	Fair value
Currency swap which qualify for hedge accounting and meet specific matching criteria	Currency swap	Long-term loans payable	4,935	2,691	402

(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)

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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, 2010; millions of yen)	2. Retirement benefit obligations (As of March 31, 2011; millions of yen)
(1) Retirement benefit obligations (18,022)	(1) Retirement benefit obligations (17,612)
(2) Pension assets 18,166	(2) Pension assets 16,142
(3) Unfunded retirement benefit obligations ((1) +(2)) 143	(3) Unfunded retirement benefit obligations ((1) +(2)) (1,470)
(4) Unrecognized past service obligations (28)	(4) Unrecognized past service obligations (16)
(5) Unrecognized difference with actuarial obligation 3,498	(5) Unrecognized difference with actuarial obligation 4,675
(6) Difference ((3) + (4) +(5)) 3,613	(6) Difference ((3) + (4) +(5)) 3,187
(7) Prepaid pension cost 3,757	(7) Prepaid pension cost 3,237
(8) Provision for retirement benefits ((6) - (7)) (144)	(8) Provision for retirement benefits ((6) - (7)) (49)
(Note) Some consolidated subsidiaries use the simplified method for calculating retirement benefit obligations.	(Note) Some consolidated subsidiaries use the simplified method for calculating retirement benefit obligations.
3. Retirement benefit expenses (Millions of yen)	3. Retirement benefit expenses (Millions of yen)
(1) Service expenses (Note 1) 1,310	(1) Service expenses (Note 1) 1,307
(2) Interest expenses 416	(2) Interest expenses 428
(3) Expected investment income (561)	(3) Expected investment income (650)
(4) Recognized past service obligations (15)	(4) Recognized past service obligations (15)
(5) Recognized actuarial loss 721	(5) Recognized actuarial loss 352
(6) Special severance pay premium 140	(6) Special severance pay premium 2,734
(7) Others (Note 2) 291	(7) Others (Note 2) 221
(8) Retirement benefit expenses ((1)+(2)+(3)+(4)+(5)+(6)+(7)) 2,303	(8) Retirement benefit expenses ((1)+(2)+(3)+(4)+(5)+(6)+(7)) 4,379
(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.	(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.

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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 (1) Discount rate 1.255% to 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.

(Notes to stock options, etc.)

For the prior 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 Filing 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 Filing 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)	—	—

For the current fiscal year (from April 1, 2010, to March 31, 2011)

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

(1) Details of stock options

Company Name	The Filing 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 Filing 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)	—	34
Granted (shares)	—	—
Expired (shares)	—	34
Vested (shares)	—	—
Unvested balance (shares)	—	—
After vesting		
At end of the prior fiscal year (shares)	119,110	—
Vested (shares)	—	—
Exercised (shares)	—	—
Expired (shares)	119,110	—
Unexercised balance (shares)	—	—

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)

Prior fiscal year (As of March 31, 2010)		Current fiscal year (As of March 31, 2011)	
1. Breakdown of major factors that caused deferred tax assets and liabilities		1. Breakdown of major factors that caused deferred tax assets and liabilities	
	(Millions of yen)		(Millions of yen)
Deferred tax assets		Deferred tax assets	
Bad debt expenses	16,413	Bad debt expenses	12,000
Allowance for doubtful accounts	2,987	Allowance for doubtful accounts	3,292
Provision for loss on guarantees	3,365	Provision for loss on guarantees	3,568
Provision for loss on interest repayment	83,211	Provision for loss on interest repayment	115,274
Accrued bonuses	795	Accrued bonuses	644
Accrued directors' retirement benefits	256	Accrued directors' retirement benefits	93
Unrecognized accrued interest	1,214	Unrecognized accrued interest	962
Software	7,636	Software	4,853
Deferred assets	781	Deferred assets	754
Deferred consumption taxes	308	Deferred consumption taxes	263
Loss on valuation of securities	15,324	Loss on valuation of securities	19,349
Loss on valuation of golf club memberships	74	Loss on valuation of golf club memberships	71
Loss on valuation of inventories	202	Loss on valuation of inventories	202
Impairment loss	289	Impairment loss	437
Asset adjustment	1,524	Asset adjustment	2,635
Loss on investments in partnership	527	Loss on investments in partnership	508
Business structure improvement expenses	806	Business structure improvement expenses	476
Retained loss	89,546	Asset retirement obligations	1,501
Other	687	Retained loss	140,507
Deferred tax assets (subtotal)	225,953	Other	895
Valuation allowance	(197,153)	Deferred tax assets (subtotal)	308,292
Total deferred tax assets	28,799	Valuation allowance	(278,274)
Deferred tax liabilities		Total deferred tax assets	30,018
Retained earnings of subsidiaries	315	Deferred tax liabilities	
Prepaid pension cost	1,539	Retained earnings of subsidiaries	499
Valuation difference on available-for-sale securities	1,731	Prepaid pension cost	1,318
Other	382	Valuation difference on available-for-sale securities	1,265
Total deferred tax liabilities	3,968	Other	330
Balance of net deferred tax assets	24,830	Total deferred tax liabilities	3,413
		Balance of net deferred tax assets	26,604

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
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%)	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 (40.6%) Retained earnings of subsidiaries (0.1%) Difference from tax rates for consolidated subsidiaries 0.1% Other (0.9%) Actual effective tax rate (0.8%)

(Notes to business combinations etc.)

For the prior 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 of 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

For the current fiscal year (from April 1, 2010 to March 31, 2011)

Transactions between entities under common control

(Succession of unsecured card loan guarantee business by the Company)

Based on a resolution of the Board of Directors held on August 23, 2010, the Company succeeded a part of the unsecured card loan guarantee business from Mitsubishi UFJ NICOS Co., Ltd. by company split on October 1, 2010. 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
   Mitsubishi UFJ NICOS 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 Mitsubishi UFJ NICOS 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: 4,650 million yen

3. Amount of goodwill generated, reason thereof, and method and period of amortization
   (1) Amount of goodwill generated: 4,662 million yen
   (2) Reason for the goodwill: Excess earnings power expected from the future business development of the acquired business
   (3) Method and period of amortization: Equal amortization over 10 years

4. Outline of the applied accounting method
   In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008), 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	109,859 million yen
Provision for loss on guarantees	903 million yen

(Notes to asset retirement obligations)

As of the end of the current fiscal year (March 31, 2011)

Asset retirement obligations booked in the consolidated balance sheets

(1) Outline of relevant asset retirement obligations

Asset retirement obligations are booked for internal equipments, etc. furnished in leased properties where restoration is required in lease contracts.

(2) Calculation method for the amount of relevant asset retirement obligations

Assumed use period of 5 to 16 years following acquisition, and discount rate at market rate (swap rate) corresponding to rebate period are adopted for calculation of asset retirement obligations.

(3) The changes in asset retirement obligations for the year ended March 31, 2011 were as follows.

	(Millions of yen)
Balance at beginning of year(Note)	5,075
Additional provisions associated with the acquisition of property, plant and equipment	4
Reconciliation associated with passage of time	74
Reduction associated with meeting asset retirement obligations	(675)
Difference due to foreign currency translation	(2)
Other increases (decreases)	(1)
Balance at end of year	4,475

(Note) This is the balance at beginning of year due to adoption of “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) from the current fiscal year.

(Segment information)

[Business segment information]

For the prior 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, 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, 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.

[Segment information]

1. Outline of reported segment information

The reported segment of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine distribution of management resources and evaluate their business results.

The Company conducts finance businesses comprised mainly of loan and credit card business in Japan and overseas.

In Japan, the Company mainly conducts guarantee business and loan servicing business in addition to loan and credit card business. In overseas, the Company also conducts finance businesses in Asia.

Accordingly, the Company's reportable segments are "Loan and credit card business," "Guarantee business," "Loan servicing business," and "Overseas finance business."

As for the prior fiscal year, venture capital business is included within the reported segments as its segment loss has increased in significance, however, it is included in "Others" this fiscal year since it became less significant in the amount.

2. Methods of measurement for the amounts of operating revenue, income or loss, assets and other items by reported segments

The accounting treatment regarding the reported business segments are the same as recorded in the "Significant matters providing the basis for the preparation of consolidated financial statements." The income or loss of business segments are based on operating income. The intersegment operating revenue is based on trading prices in the market.

3. Information about operating revenue, income or loss, assets and other items by reported segments

For the prior fiscal year (From April 1, 2009 to March 31, 2010)

(Millions of yen)

	Reported segments						Others (Note 1)	Total
	Loan and credit card business	Guarantee business	Loan servicing business	Venture capital business	Overseas finance business	Subtotal		
Operating revenue								
Operating revenue from external customers	223,490	14,261	12,844	88	23,720	274,404	4,391	278,795
Revenues from transactions with other operating segments	―	350	19	―	(351)	18	2,023	2,041
Total	223,490	14,612	12,863	88	23,368	274,422	6,415	280,837
Segment income (loss)	2,878	2,697	(1,704)	(1,594)	1,485	3,762	854	4,616
Segment assets	1,102,042	14,915	16,035	4,269	110,056	1,247,319	126,153	1,373,472
Other items								
Depreciation	1,876	15	30	1	495	2,419	88	2,507
Amortization of goodwill	―	302	―	―	―	302	―	302
Provision for bad debts (Note 2)	66,947	8,110	4,176	―	10,068	89,303	396	89,699
Provision for loss on interest repayment	58,362	―	―	―	―	58,362	―	58,362
Increase in property, plant and equipment and intangible assets	554	5	15	―	314	889	9	899

(Notes) 1. "Others" category is a business segment which is not included in the reported segments and includes installment sales finance business, and various entrusted back-office (clerical work) services, etc.

2. This item is the sum of provision of allowance for doubtful accounts, provision for loss on guarantees and bad debt expenses.

For the current fiscal year (From April 1, 2010 to March 31, 2011)

(Millions of yen)

	Reported segments					Others (Note 1)	Total
	Loan and credit card business	Guarantee business	Loan servicing business	Overseas finance business	Subtotal		
Operating revenue							
Operating revenue from external customers	184,181	22,461	8,945	25,798	241,386	4,445	245,831
Revenues from transactions with other operating segments	90	–	20	3	115	(213)	(98)
Total	184,272	22,461	8,966	25,801	241,501	4,231	245,733
Segment income (loss)	(196,975)	5,808	552	4,018	(186,596)	689	(185,906)
Segment assets	892,148	19,444	12,235	121,157	1,044,985	147,146	1,192,131
Other items							
Depreciation	1,657	19	24	483	2,185	24	2,209
Amortization of goodwill	–	751	–	–	751	–	751
Provision for bad debts (Note 2)	54,755	12,149	2,210	9,197	78,313	–	78,313
Provision for loss on interest repayment	243,456	–	–	–	243,456	–	243,456
Increase in property, plant and equipment and intangible assets	1,328	23	21	368	1,741	21	1,763

(Notes) 1. "Others" category is a business segment which is not included in the reported segments and includes installment sales finance business, and venture capital business, etc.

2. This item is the sum of provision of allowance for doubtful accounts, provision for loss on guarantees and bad debt expenses.

4. Amount and outline of difference between the total amounts of reported segments and amounts of consolidated financial statements

(Millions of yen)

Operating revenue	For the prior fiscal year	For the current fiscal year
Total reported segments	274,422	241,501
Operating revenue of “Others” category	6,415	4,231
Elimination of intersegment transactions	(2,393)	(263)
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	351	361
Operating revenue on consolidated financial statements	278,795	245,831

(Millions of yen)

Income	For the prior fiscal year	For the current fiscal year
Total reported segments	3,762	(186,596)
Income of “Others” category	854	689
Elimination of intersegment transactions	1,194	735
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	252	385
Operating income or loss on consolidated financial statements	6,063	(184,785)

(Millions of yen)

Assets	For the prior fiscal year	For the current fiscal year
Total reported segments	1,247,319	1,044,985
Assets of “Others” category	126,153	147,146
Elimination of intersegment assets	(55,516)	(41,805)
Corporate assets (Note)	164,402	152,705
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	162	(272)
Total assets on consolidated financial statements	1,482,520	1,302,758

(Note) Corporate assets are assets that belongs to headquarter, but are not included in reported segments.

(Millions of yen)

Other items	Total reported segments		Others		Adjustment amount		Amounts of consolidated financial statements	
	For the prior fiscal year	For the current fiscal year	For the prior fiscal year	For the current fiscal year	For the prior fiscal year	For the current fiscal year	For the prior fiscal year	For the current fiscal year
Depreciation	2,419	2,185	88	24	(58)	(41)	2,449	2,167
Amortization of goodwill	302	751	—	—	4	—	306	751
Provision for bad debts	89,303	78,313	396	—	(44)	(176)	89,654	78,136
Provision for loss on interest repayment	58,362	243,456	—	—	—	—	58,362	243,456
Increase of property, plant and equipment and intangible assets	889	1,741	9	21	41	320	940	2,083

(Note) The adjustment amount of increase of property, plant and equipment and intangible assets is mainly the amount of capital investment in corporate assets.

(Additional information)

The company adopted “Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Guidance No. 20, March 21, 2008) from the current fiscal year.

[Related information]
For the current fiscal year (From April 1, 2010 to March 31, 2011)
1. Information about products and services
Information about products and services is omitted as operating revenue from external customers in "financial service businesses" account for more than 90% of operating revenue in consolidated statements of operations.

2. Information about geographic areas
(1) Operating revenue

(Millions of yen)

Japan	Overseas	Total
220,020	25,811	245,831

(Note) Operating revenue is categorized by country or region based on customers' location.

(2) Property, plant and equipment
Details of property, plant and equipment is omitted as amounts of property, plant and equipment located in Japan account for more than 90% of all property, plant and equipment listed in consolidated balance sheets.

3. Information about major customers
No single external customer accounts for more than 10% of operating revenue in consolidated statements of operations.

[Information about impairment loss on noncurrent assets of each reported segment]
For the current fiscal year (April 1, 2010 to March 31, 2011)

(Millions of yen)

	Loan and credit card business	Guarantee business	Loan servicing business	Overseas finance business	Others	Corporate/ elimination (Note)	Total
Impairment loss	—	—	0	—	—	381	381

(Note) It is mainly excluded from reported segment that relates to impairment loss of headquarters corporate equipment.

In addition, Impairment losses for business structure improvement were, 2 million yen in "Loan and credit card business", 12 million yen in "Other", and 62 million yen in "Corporate/elimination". Hence, 76 million yen in total has been included in "Business structure improvement expenses" under extraordinary loss.
Corporate/elimination is impairment loss related to telephone subscription rights.

[Information about amortization of goodwill and unamortized balance of each reported segment]
For the current fiscal year (From April 1, 2010 to March 31, 2011)

(Millions of yen)

	Loan and credit card business	Guarantee business	Loan servicing business	Overseas finance business	Others	Corporate/ elimination (Note)	Total
Amortization of goodwill	—	751	—	—	—	—	751
Goodwill at the end of current fiscal year	—	11,381	—	—	—	—	11,381

[Information about gain on negative goodwill of each reported segment]
For the current fiscal year (From April 1, 2010 to March 31, 2011)
Not applicable.

[Information on related parties]

For the prior 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 or occupation	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 funds	Borrowing 66,080	Current portion of long-term loans payable	39,920
				Repayment 39,580	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 funds	Borrowing 57,250	Current portion of long-term loans payable	17,300
				Repayment 6,250	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	—	—

(Note) 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 or occupation	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 Provision for loss on guarantees Proceedings of transfer of business Gain on transfer of business	 28,628 643 680 1,323	—	—
	Mitsubishi UFJ Trust and Banking Corporation	Borrowing	Borrowing of funds	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 or occupation	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
Transactions with JLA CO., LTD. are determined through negotiations with reference to the prevailing market rates.

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.

For the current fiscal year (from April 1, 2010 to March 31, 2011)

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 or occupation	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 Morgan Stanley 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 funds	Borrowing 39,920 Repayment 39,920	Current portion of long-term loans payable	52,308
					Long-term loans payable	109,220
			Payment of interest	3,753	Other current assets	79
					Other current liabilities	293
			Assignment of loans receivable of consumer loans for the borrowings from the bank	2,338	—	—
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Borrowing	Borrowing of funds	Borrowing 15,716 Repayment 17,716	Current portion of long-term loans payable	9,182
					Long-term loans payable	54,218
			Payment of interest	1,581	Other current liabilities	112
		Debt guarantee	Receipt of credit guarantee fees for unsecured loan of the bank	14,319	Other current assets	2,012
			Guarantee obligation for unsecured loan issued by the bank	338,158	—	—
	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	Repurchase agreement transaction	Repurchase agreement transaction	Purchase 74,977 Sale 84,972	—	—
			Interest received	3	—	—

(Note) 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 Morgan Stanley 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)
Executive Counselor	Kyosuke Kinoshita	—	—	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
Executive Counselor	Kyosuke Kinoshita	—	Donation	100	—	—
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	212	Guarantee deposits	184
	JLA CO., LTD.	Interior design and construction of service outlets	Purchase equipment and payment of expenses	1,223	Other current Liabilities	517
		Rental of real estates	Payment of rents	436	—	—
			Repayment of guarantee deposits	Payment 3	Guarantee deposits	342

(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 or occupation	Ratio of voting rights holding (held)
Companies of the same parent company	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Chiyoda-ku, Tokyo	1,711,958	Banking business	—

(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	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Borrowing	Borrowing of funds	Borrowing 11,218 Repayment 13,019	Short-term loans payable	270
					Long-term loans payable	10,530
			Payment of interest	607	Other current liabilities	57

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

Interest rates of the borrowing by The Bank of Tokyo-Mitsubishi UFJ, 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)
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.	Interior design and construction of service outlets	Construction expenses	18	—	—
			Payment of rents	60	—	—
		Rental of real estates	Repayment of guarantee deposits	Repayment 7	Guarantee deposits	47

(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.

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.

(Per share information)

Item	For the prior fiscal year (From April 1, 2009 to March 31, 2010)	For the current fiscal year (From April 1, 2010 to March 31, 2011)
Net assets per share	2,773.59 yen	1,516.95 yen
Net loss per share	(46.18) yen	(1,293.54) yen
Diluted net income per share	Diluted net income per share is not stated since the Company posted net loss per share.	Diluted net income per share is not stated since the Company posted net loss per share and there is no dilutive security.

(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, 2010)	For the current fiscal year (As of March 31, 2011)
Total net assets	439,269	243,599
Amount deducted from the total net assets	4,753	5,951
[Minority interests included in the above]	[4,753]	[5,951]
Amounts of net assets related to common shares at the end of the fiscal year	434,515	237,647
Number of shares issued	159,628,280 shares	159,628,280 shares
Number of treasury shares	2,966,676 shares	2,966,693 shares
Number of common shares used to calculate net assets per share at the end of the fiscal year	156,661,604 shares	156,661,587 shares

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

(Millions of yen unless otherwise stated)

Item	For the prior fiscal year (From April 1, 2009 to March 31, 2010)	For the current fiscal year (From April 1, 2010 to March 31, 2011)
Net loss per share		
Net loss	(7,239)	(202,648)
Net loss not attributable to common shareholders	—	—
Net loss related to common shares	(7,239)	(202,648)
Weighted average number of common shares during the fiscal year	156,768,936 shares	156,661,601 shares
Diluted net income per share		
Amount of net income adjustments	—	—
[Change in the equity ratio concerning dilutive securities issued by subsidiaries]	[—]	[—]
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 Filing Company (Stock acquisition rights) 119,110 shares	—

(Significant subsequent events)

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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 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. 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. 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 the splitting company. 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) 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	18th Issuance of Domestic Unsecured Bonds (Public Offering)	May 10, 2000	10,000	—	—	—	—
	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	—	—	—	—
	39th Issuance of Domestic Unsecured Bonds (Public Offering)	November 26, 2004	10,000	(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	—	—	—	—
	44th Issuance of Domestic Unsecured Bonds (Public Offering)	November 18, 2005	10,000	—	—	—	—
	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	—	—	—	—
	48th Issuance of Domestic Unsecured Bonds (Public Offering)	January 23, 2007	15,000	(15,000) 15,000	2.030	—	January 23, 2012
	49th Issuance of Domestic Unsecured Bonds (Public Offering)	February 9, 2007	15,000	(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) 15,000	3.640	—	June 17, 2011
	3rd Issuance of Domestic Unsecured Bonds (Private Placement)	December 30, 2009	1,500	(495) 1,005	0.670	—	December 28, 2012
	53rd Issuance of Domestic Unsecured Bonds (Public Offering)	January 29, 2010	10,000	(10,000) 10,000	3.540	—	March 29, 2012
	54th Issuance of Domestic Unsecured Bonds (Public Offering)	January 29, 2010	15,000	(15,000) 15,000	3.430	—	January 27, 2012

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	55th Issuance of Domestic Unsecured Bonds (Public Offering)	March 18, 2010	10,000	(—) 10,000	3.660	—	March 18, 2013
	56th Issuance of Domestic Unsecured Bonds (Public Offering)	April 30, 2010	—	(—) 20,000	3.350	—	October 30, 2012
	4th Issuance of Domestic Unsecured Bonds (Private Placement)	June 30, 2010	—	(330) 835	0.600	—	June 28, 2013
	57th Issuance of Domestic Unsecured Bonds (Public Offering)	September 17, 2010	—	(—) 10,000	3.720	—	September 17, 2013
	5th Issuance of Domestic Unsecured Bonds (Private Placement)	February 18, 2011	—	(330) 1,000	0.650	—	February 18, 2014
EASY BUY Public Company Limited	3rd privately offered unsecured bonds	August 8, 2007	8,983	(—) 7,654 [2,835 million baht]	5.829	—	August 8, 2012
	4th privately offered unsecured bonds	August 6, 2009	9,660	(—) 9,450 [3,500 million baht]	4.900	—	August 6, 2012
	5th privately offered unsecured bonds	September 30, 2009	2,760	(—) 2,700 [1,000 million baht]	2.643	—	March 15, 2013
Total	—	—	242,903	(81,155) 222,644	—	—	—

(Notes) 1. Figures in brackets "( )" in the columns of "Balance at the 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 the end of current fiscal year" are stated in a foreign currency.

3. The redemption schedule of bonds for 5 years subsequent to March 31, 2011, 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
81,155	88,274	33,215	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	4,112	3,375	2.57	—
Current portion of long-term loans payable	183,976	168,514	1.97	—
Current portion of lease obligations	61	157	1.69	—
Long-term loans payable (excluding current portion)	331,577	302,613	2.04	From April 2, 2012 to March 31, 2016
Lease obligations (excluding current portion)	250	561	1.69	From April 20, 2012 to March 20, 2016
Other interest-bearing debt (Deposits of banking business)	34,574	43,200	5.49	—
Total	554,552	518,422	—	—

(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, 2011, 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	145,471	97,920	47,264	11,956
Lease obligations	158	160	161	80

[Schedule of asset retirement obligations]

(Millions of yen)

Category	Balance at the end of prior fiscal year	Increase during the period	Decrease during the period	Balance at the end of current fiscal year
Based on lease contracts	—	5,155	679	4,475

(Note) The amount of "Increase during the period" includes the asset retirement expenses included in the carrying amount of existing assets as of the beginning of the year in which the accounting standards were initially applied.

(2) [Others]

Quarterly Information for the current fiscal year

(Millions of yen, unless otherwise stated)

	First Quarter (From April 1, 2010 to June 30, 2010)	Second Quarter (From July 1, 2010 to Sep. 30, 2010)	Third Quarter (From Oct. 1, 2010 to Dec. 31, 2010)	Fourth Quarter (From Jan. 1, 2011 to Mar. 31, 2011)
Operating revenue	66,607	62,442	60,680	56,455
Income (loss) before income taxes and minority interests	8,500	(49,161)	1,872	(160,849)
Net income (loss)	6,517	(50,397)	1,772	(160,540)
Net income (loss) per share (Yen)	41.60	(321.70)	11.32	(1,024.76)

2. Non-consolidated Financial Statements, etc.
(1) Non-consolidated Financial Statements
1) Non-consolidated Balance Sheets

(Millions of yen)

		As of March 31, 2010		As of March 31, 2011
Assets				
Current assets				
Cash and deposits		66,768		89,032
Loans receivable of consumer loans	*1,*2,*3 *4,*5	1,103,969	*1,*2,*3 *4,*5	902,200
Accounts receivable-installment	*6	26,485	*6	21,625
Short-term investment securities		20,900		25,000
Shares of parent company		5,976		4,683
Merchandise and finished goods		1,034		334
Raw materials and supplies		56		42
Prepaid expenses		1,620		1,727
Deferred tax assets		24,959		25,992
Accrued income		9,280		8,853
Short-term loans receivable	*7	29,992	*7	39,991
Current portion of long-term loans receivable from subsidiaries and affiliates		—		14,897
Right to reimbursement		—		15,128
Other		18,302		4,254
Allowance for doubtful accounts		(60,530)		(61,870)
Total current assets		1,248,816		1,091,894
Noncurrent assets				
Property, plant and equipment				
Buildings		24,593		26,014
Accumulated depreciation		(17,474)		(19,243)
Buildings, net		7,119		6,771
Structures		5,597		4,849
Accumulated depreciation		(3,834)		(3,450)
Structures, net		1,763		1,399
Equipment		25,878		22,237
Accumulated depreciation		(15,385)		(12,610)
Equipment, net		10,492		9,627
Land		6,411		6,411
Lease assets		307		774
Accumulated depreciation		(16)		(107)
Lease assets, net		290		666
Total property, plant and equipment		26,076		24,876
Intangible assets				
Goodwill		7,469		11,381
Leasehold right		4		4
Telephone subscription right		210		58
Other		1		1
Total intangible assets		7,686		11,446
Investments and other assets				
Investment securities		19,358		16,722
Stocks of subsidiaries and affiliates		11,524		12,248
Investments in other securities of subsidiaries and affiliates		3,163		2,564
Investments in capital		0		—
Long-term loans receivable from subsidiaries and affiliates		35,425		7,596
Claims provable in bankruptcy, claims provable in rehabilitation and other	*5	2,123	*5	1,812
Long-term prepaid expenses		635		401
Guarantee deposits		8,223		6,534
Prepaid pension cost		3,766		3,240
Other		2,397		2,756
Allowance for doubtful accounts		(1,170)		(1,030)
Total investments and other assets		85,449		52,846
Total noncurrent assets		119,212		89,168
Total assets		1,368,028		1,181,063

(Millions of yen)

		As of March 31, 2010		As of March 31, 2011
Liabilities				
Current liabilities				
Accounts payable-trade		212		138
Current portion of long-term loans payable	*1,*9	171,243	*1,*8,*9	159,153
Current portion of bonds payable		50,495		81,155
Lease obligations		61		157
Accounts payable-other		11,050		1,039
Accrued expenses		8,674		8,710
Income taxes payable		236		211
Deposits received		302		233
Unearned revenue		57		37
Provision for loss on guarantees	*10	8,270	*10	8,770
Asset retirement obligations		—		7
Other		57		148
Total current liabilities		250,659		259,761
Noncurrent liabilities				
Bonds payable		171,005		121,685
Long-term loans payable	*1,*9	312,644	*1,*9	281,658
Lease obligations		250		561
Deferred tax liabilities		1,730		1,265
Provision for loss on interest repayment		204,500		283,300
Asset retirement obligations		—		4,316
Other		641		230
Total noncurrent liabilities		690,772		693,017
Total liabilities		941,431		952,779
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		23,390		(182,322)
Total retained earnings		312,710		106,998
Treasury stock		(19,793)		(19,793)
Total shareholders' equity		432,760		227,047
Valuation and translation adjustments				
Valuation difference on available-for-sale securities		(6,162)		1,236
Total valuation and translation adjustments		(6,162)		1,236
Total net assets		426,597		228,283
Total liabilities and net assets		1,368,028		1,181,063

2) Non-consolidated Statements of Operations

(Millions of yen)

	For the year ended March 31, 2010	For the year ended March 31, 2011
Operating revenue		
Interest on consumer loans	212,839	173,209
Revenue from credit card business	3,529	2,889
Revenue from credit guarantee	12,736	20,477
Other financial revenue		
Interest on deposits	19	10
Interest on securities	30	27
Interest on loans	35	43
Total other financial revenue	85	81
Net sales of goods	—	952
Other operating revenue	9,024	10,157
Total operating revenue	238,215	207,767
Operating expenses		
Financial expenses		
Interest expenses	10,726	10,197
Interest on bonds	4,302	5,041
Amortization of bond issuance costs	215	192
Other	1,395	1,909
Total financial expenses	16,639	17,340
Cost of sales		
Beginning goods	1,034	1,034
Cost of purchased goods	—	—
Total	1,034	1,034
Valuation loss on goods	—	—
Ending goods	1,034	334
Cost of goods sold	—	700
Other operating expenses		
Advertising expenses	6,926	5,261
Provision of allowance for doubtful accounts	61,163	62,396
Provision for loss on guarantees	2,108	4,000
Bad debts expenses	11,785	507
Provision for loss on interest repayment	58,362	243,456
Employees' salaries and bonuses	17,765	13,295
Retirement benefit expenses	2,177	4,270
Welfare expenses	2,872	2,139
Rent expenses	9,087	7,318
Depreciation	1,891	1,676
Commission fee	28,375	24,278
Amortization of goodwill	302	751
Other	13,066	11,205
Total other operating expenses	215,886	380,559
Total operating expenses	232,526	398,600
Operating income (loss)	5,689	(190,832)

(Millions of yen)

	For the year ended March 31, 2010		For the year ended March 31, 2011	
Non-operating income				
Interest income	*1	900	*1	676
Interest on securities		5		5
Dividends income	*1	476	*1	371
House rent income	*1	418	*1	311
Other	*1	328	*1	467
Total non-operating income		2,128		1,832
Non-operating expenses				
Interest expenses		0		6
Loss on investments in partnership	*2	1,247	*2	492
Other		75		52
Total non-operating expenses		1,323		552
Ordinary income (loss)		6,495		(189,551)
Extraordinary income				
Gain on sales of noncurrent assets	*3	109	*3	216
Gain on sales of investment securities		628		345
Gain on sales of subsidiaries and affiliates' stocks	*4	154	*4	—
Gain on extinguishment of tie-in shares	*5	1,453	*5	—
Other	*6	4	*6	0
Total extraordinary income		2,350		561
Extraordinary loss				
Loss on sales of noncurrent assets	*7	8	*7	27
Loss on retirement of noncurrent assets	*8	437	*8	165
Impairment loss	*9	—	*9	381
Loss on valuation of shares of parent company		—		5,481
Loss on sales of investment securities		70		255
Loss on valuation of investment securities		87		4,696
Business structure improvement expenses	*10	10,167	*10	1,007
Cumulative effect of accounting change for asset retirement obligations		—		3,941
Other	*11	29	*11	122
Total extraordinary losses		10,800		16,079
Loss before income taxes		(1,954)		(205,069)
Income taxes-current		100		70
Income taxes-deferred		8,002		(210)
Total income taxes		8,102		(140)
Net loss		(10,056)		(204,929)

3) Non-consolidated Statements of Changes in Net Assets

(Millions of yen)

	For the year ended March 31, 2010	For the year ended March 31, 2011
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	37,374	23,390
Changes of items during the period		
Dividends from surplus	(3,927)	(783)
Net loss	(10,056)	(204,929)
Total changes of items during the period	(13,983)	(205,712)
Balance at the end of current period	23,390	(182,322)
Total retained earnings		
Balance at the end of previous period	326,694	312,710
Changes of items during the period		
Dividends from surplus	(3,927)	(783)
Net loss	(10,056)	(204,929)
Total changes of items during the period	(13,983)	(205,712)
Balance at the end of current period	312,710	106,998

(Millions of yen)

	For the year ended March 31, 2010	For the year ended March 31, 2011
Treasury stock		
Balance at the end of previous period	(18,507)	(19,793)
Changes of items during the period		
Purchase of treasury stock	(1,285)	(0)
Total changes of items during the period	(1,285)	(0)
Balance at the end of current period	(19,793)	(19,793)
Total shareholders' equity		
Balance at the end of previous period	448,030	432,760
Changes of items during the period		
Dividends from surplus	(3,927)	(783)
Net loss	(10,056)	(204,929)
Purchase of treasury stock	(1,285)	(0)
Total changes of items during the period	(15,269)	(205,712)
Balance at the end of current period	432,760	227,047
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	(7,631)	(6,162)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,468	7,398
Total changes of items during the period	1,468	7,398
Balance at the end of current period	(6,162)	1,236
Total valuation and translation adjustments		
Balance at the end of previous period	(7,631)	(6,162)
Changes of items during the period		
Net changes of items other than shareholders' equity	1,468	7,398
Total changes of items during the period	1,468	7,398
Balance at the end of current period	(6,162)	1,236
Total net assets		
Balance at the end of previous period	440,398	426,597
Changes of items during the period		
Dividends from surplus	(3,927)	(783)
Net loss	(10,056)	(204,929)
Purchase of treasury stock	(1,285)	(0)
Net changes of items other than shareholders' equity	1,468	7,398
Total changes of items during the period	(13,801)	(198,313)
Balance at the end of current period	426,597	228,283

[Significant accounting policies]

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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.	(1) Stocks of subsidiaries and affiliates Same as the left (2) Held-to-maturity securities — (3) Available-for-sales securities Same as the left
2. Derivative financial instruments	Swap transactions: Fair 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 Years of depreciation of assets are principally as follows: Goodwill: 15 years	(1) Property, plant and equipment (excluding lease assets) Declining balance method Useful lives of assets are principally as follows: Buildings: 2 to 47 years Structures: 3 to 45 years Equipment: 2 to 20 years (2) Intangible assets (excluding lease assets) Straight-line method Years of depreciation of assets are principally as follows: Goodwill: 10 to 15 years

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
	(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	(3) Lease assets Same as the left (4) Long-term prepaid expenses Same as the left
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 defaults. 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.	(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 defaults. For specific debts where recovery is doubtful, the Company considers the likelihood of recovery on an individual basis. (Additional information) The Great East Japan Earthquake, which struck on March 11, 2011, may lead to rise in risks related to doubtful accounts. The receivables on customers who reside in stricken areas are categorized by regional and transaction status. Then the likelihood of recovery for such categories is estimated and additional allowance is made for the amount regarded as irrecoverable. (2) Provision for loss on guarantees Same as the left

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
	(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. (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.	(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.

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
	(4) 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 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

Item	Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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 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.	(1) Hedge accounting method Same as the left (2) Hedging instruments and hedging items Same as the left (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, consumption 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.	Accounting method for consumption tax Transactions subject to consumption tax are recorded at the amount exclusive of consumption tax. However, consumption tax and other taxes imposed on non tax-deductible assets are recorded as an expense when incurred. In addition, consumption tax payable is included in "Other" in current liabilities on the balance sheet.

[Changes in method of accounting]

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
—	<The Accounting Standard for Asset Retirement Obligations> The Company adopted “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) from the current fiscal year. The effects of this change on operating loss and ordinary loss were increases of 136 million yen, and that on loss before income taxes was an increase of 3,590 million yen, respectively. <The Accounting Standard for Business Combinations> The Company adopted “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Partial amendments to the Accounting Standard for Research and Development Cost” (ASBJ Statement No. 23, December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No.7, December 26, 2008), and “Guidance on Accounting Standard for Business Combinations and Business Divestitures” (ASBJ Guidance No.10, December 26, 2008) from the current fiscal year.

[Changes in presentation]

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
(Non-consolidated Balance Sheets) —	(Non-consolidated Balance Sheets) “Current portion of long-term loans receivable from subsidiaries and affiliates,” which had been included in “Long-term loans receivable from subsidiaries and affiliates” in noncurrent assets up to the prior fiscal year, has exceeded one percent of total assets. For that reason, it is separately listed effective from the current fiscal year. “Current portion of long-term loans receivable from subsidiaries and affiliates” for the prior fiscal year was 10,632 million yen. “Right to reimbursement,” which had been included in “Other” in current assets up to the prior fiscal year, has exceeded one percent of total assets. For that reason, it is separately listed effective from the current fiscal year. “Right to reimbursement” for the prior fiscal year was 13,379 million yen. “Investments in capital,” which was separately presented until the prior fiscal year, has been included and reported in “Other” of investments and other assets since the current fiscal year as it was immaterial. “Investments in capital” for the current fiscal year was 0 million yen.
(Non-consolidated Statements of Operations) Effective from the current fiscal year, “Credit card revenue (sogo-assen-syueki)” has been presented as “Revenue from credit card business (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 the current fiscal year was 129 million yen.	(Non-consolidated Statements of Operations) —

[Notes]

(Notes to Non-consolidated Balance Sheets)

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*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).	*1. Pledged assets (Millions of yen) (1) Assets pledged as collateral Loans receivable of consumer loans 73,613 [71,273] (2) Secured obligations Current portion of long-term loans payable 7,795 [5,457] Long-term loans payable 32,792 [32,792] Total 40,588 [38,250] Figures in brackets "[ ]" represent amount concerning liquidation of receivables. In addition, the loans receivable of consumer loans of 71,273 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) 1,074,894	*3. Amount of unsecured consumer loans in loans receivable of consumer loans (Millions of yen) 878,761

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*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 1,042 million yen for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire 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.	*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 283,920 million yen at the end of the accounting period. This included a total of 181,743 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 900 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 31,510 million yen. Under the policies stipulated in Japan's tax laws, 10,472 million yen of this amount would be classified as loans overdue by three months or more, 4,383 million yen as restructured loans and 16,654 million yen as loans no longer in arrears.

Prior fiscal year (As of March 31, 2010)

(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. Balances of accounts receivable-installment by business categories

All of accounts receivable-installment is 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 29,993 million yen.

Current fiscal year (As of March 31, 2011)

(Millions of yen)

Category	Amount	Classification criteria
Loans to bankrupt parties	<2,282> 2,282	Of loans exclusive of accrued interest, loans to bankrupt parties, parties in rehabilitation and reorganization, and others.
Loans in arrears	<18,465> 49,976	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	<12,121> 1,649	Loans other than the above that are overdue by three months or more.
Restructured loans	<48,853> 44,470	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	<81,723> 98,377	—

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 39,992 million yen.

Prior fiscal year (As of March 31, 2010)	Current fiscal year (As of March 31, 2011)
*8 —	*8. Financial Covenants The Company's loans payable, which violate the financial covenants, are as follows: (1) Syndicated loan borrowed in March 2008 5,500 million yen (Financial covenants related to the rating) (2) Syndicated loan borrowed in September 2009 7,000 million yen (Financial covenants related to the rating) Syndicated loans above were fully paid prior to the due date in April. Therefore, these covenants did not interfere with our corporate activities.
*9. 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. 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
*10. 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	*10. Contingent liabilities (1) Outstanding guarantee obligation in the guarantee business (Millions of yen) Guarantee obligation: 443,460 Provision for loss on guarantees: 8,770 Net: 434,690 (2) Outstanding guarantee obligation of affiliated companies (Millions of yen) EASY BUY Public Company Limited: 53,060

(Notes to Non-consolidated Statements of Operations)

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
*1. The business operation results with subsidiaries and affiliates are included into non-operating income as follows: (Millions of yen) Interest income 892 Dividends income 134 Guarantee commission received 129 House rent income 23 Total 1,179	*1. The business operation results with subsidiaries and affiliates are included into non-operating income as follows: (Millions of yen) Interest income 669 Dividends income 146 Guarantee commission received 113 House rent income 9 Part-time director's bonus 3 Total 942
*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	*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 466
*3. Gain on sales of noncurrent assets results from sales of equipment.	*3. Gain on sales of noncurrent assets results from sales of equipment.
*4. Gain on sales of subsidiaries and affiliates' stocks results from sales of stocks of EASY BUY Public Company Limited.	*4. —
*5. Gain on extinguishment of tie-in shares results from merger of DC Cash One Ltd.	*5. —
*6. Breakdown of other extraordinary income (Millions of yen) Gains on sales of golf club memberships 3 Gain on reversal of allowance for for doubtful accounts for golf club memberships 0 Total 4	*6. Gain on other extraordinary income results from sales of golf club memberships.
*7. Loss on sales of noncurrent assets results from sales of telephone subscription right.	*7. Loss on sales of noncurrent assets results from sales of equipment.
*8. Loss on retirement of noncurrent assets mainly results from 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	*8. Loss on retirement of noncurrent assets mainly results from transfer of operating outlets, remodeling of interior and change of signboards. The breakdown thereof is set out below. (Millions of yen) Buildings 79 Structures 46 Equipment 39 Total 165

<table>
<tr><th>Prior fiscal year
(from April 1, 2009 to March 31, 2010)</th><th>Current fiscal year
(from April 1, 2010 to March 31, 2011)</th></tr>
<tr><td>*9. —</td><td>*9. Impairment loss
The following loss on impairment of noncurrent assets was recorded for the current fiscal year:
(1) Assets recognized as having suffered impairment
<table><tr><th>Location</th><th>Usage</th><th>Type</th></tr><tr><td>Chiyoda-ku, Tokyo</td><td>Property to be sold</td><td>Equipment</td></tr><tr><td>Chiyoda-ku, Tokyo, etc.</td><td>Dormant assets</td><td>Telephone subscription right, etc.</td></tr></table>
(2) Method of grouping assets
The smallest units the Company has adopted for the grouping of assets are as below:
(a) For the loan and credit card business: each business
(b) For the guarantee business: each business
For property to be sold, the smallest units are the individual assets themselves. Our headquarter and welfare/leisure facilities for our employees are treated as common assets because they do not generate their own cash flows.

(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 amounts.
Due to the restructuring of operation bases, telephone subscription right, etc. became the dormant assets.
We recognized impairment loss on the dormant assets because we cannot collect the assets’ carrying amounts through future net cash flows.

(4) Amount of impairment loss
<table><tr><th></th><th>(Millions of yen)</th></tr><tr><td>Equipment</td><td>291</td></tr><tr><td>Telephone subscription right</td><td>89</td></tr><tr><td>Other intangible assets</td><td>0</td></tr><tr><td>Total</td><td>381</td></tr></table>
(5) Calculation method of recoverable amount
The recoverable amount of property to be sold is measured by net selling price and evaluated by the minimum price guaranteed by consigned company and the sale price.
The recoverable amount of telephone subscription right is measured to be one yen as there is no expectation to use, and we cannot sell it at the market.</td></tr>
</table>

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
*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 recoverable amount is estimated based on the net realizable value.	*10.Business structure improvement expenses were the expenditures required for the implementation of the Strengthening Business Management Policy last year and for further strengthening business management. Details of the expenses are shown below. (Millions of yen) Loss on retirement of noncurrent assets 727 Temporary amortization of long-term prepaid expenses 5 Sales and operation base restructuring costs 209 Impairment loss 64 Total 1,007 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 492 Structures 184 Equipment 49 Total 727 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 recoverable amount is measured to be one yen as there is no expectation to use, and we cannot sell it at the market.
*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	*11. Breakdown of other extraordinary loss (Millions of yen) Loss on disaster 82 Loss on sales of golf club memberships 0 Provision of allowance for doubtful accounts for golf club memberships 0 Temporary amortization of long-term prepaid expenses 38 Total 122 Loss on disaster above is expenses paid for removal and recovery of the assets damaged by the Great East Japan Earthquake.

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
*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 dividends 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 expenses, 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, 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

For the current fiscal year (from April 1, 2010 to March 31, 2011)

Matters related to treasury stock

Class of shares	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock	2,966,676 shares	17 shares	—	2,966,693 shares

(Outline for the change)

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

(Notes to lease transactions)

<table>
<tr><th>Prior fiscal year
(from April 1, 2009 to March 31, 2010)</th><th>Current fiscal year
(from April 1, 2010 to March 31, 2011)</th></tr>
<tr><td>Finance lease transactions
Finance lease transactions that do not transfer ownership
(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, with the lease term of respective assets as their useful lives, with residual value equaling zero</td><td>Finance lease transactions
Finance lease transactions that transfer ownership
(1) Details of lease assets
Same as the left
(2) Depreciation of lease assets
Same as the left</td></tr>
<tr><td>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 expenses and other information of finance lease 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)
<table>
<tr><th></th><th>Acquisition cost</th><th>Accumulated depreciation</th><th>Net leased property</th></tr>
<tr><td>Vehicles</td><td>8</td><td>7</td><td>0</td></tr>
<tr><td>Equipment</td><td>232</td><td>166</td><td>66</td></tr>
<tr><td>Total</td><td>241</td><td>174</td><td>67</td></tr>
</table>
2. Obligations under finance leases
(Millions of yen)
<table>
<tr><td>Due within 1 year</td><td>41</td></tr>
<tr><td>Due after 1 year</td><td>26</td></tr>
<tr><td>Total</td><td>68</td></tr>
</table>
3. Lease payment, depreciation expense, interest expenses under finance leases
(Millions of yen)
<table>
<tr><td>Lease payments</td><td>85</td></tr>
<tr><td>Depreciation expense</td><td>79</td></tr>
<tr><td>Interest expenses</td><td>2</td></tr>
</table></td>
<td>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 expenses and other information of finance lease 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)
<table>
<tr><th></th><th>Acquisition cost</th><th>Accumulated depreciation</th><th>Net leased property</th></tr>
<tr><td>Equipment</td><td>118</td><td>92</td><td>26</td></tr>
</table>
2. Obligations under finance leases
(Millions of yen)
<table>
<tr><td>Due within 1 year</td><td>26</td></tr>
<tr><td>Due after 1 year</td><td>—</td></tr>
<tr><td>Total</td><td>26</td></tr>
</table>
3. Lease payment, depreciation expense, interest expenses under finance leases
(Millions of yen)
<table>
<tr><td>Lease payments</td><td>42</td></tr>
<tr><td>Depreciation expense</td><td>41</td></tr>
<tr><td>Interest expenses</td><td>0</td></tr>
</table></td></tr>
</table>

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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.	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)

For the prior fiscal year (As of 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) have been adopted.

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.

For the current fiscal year (As of March 31, 2011)

Stocks of subsidiaries and affiliates (Millions of yen)

Category	Carrying amount	Market value	Difference
Stocks of subsidiaries	2,861	3,134	273
Stocks of affiliates	—	—	—
Total	2,861	3,134	273

(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)

Prior fiscal year (As of 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 deferred tax assets	23,228

Current fiscal year (As of March 31, 2011)

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

	(Millions of yen)
Deferred tax assets	
Bad debt expenses	11,801
Allowance for doubtful accounts	957
Provision for loss on guarantees	3,568
Provision for loss on interest repayment	115,274
Accrued bonuses	520
Accrued directors' retirement benefits	93
Unrecognized accrued interest	962
Software	4,665
Deferred assets	754
Deferred consumption taxes	259
Loss on valuation of securities	17,117
Loss on valuation of shares of parent company	2,230
Loss on valuation of stocks of subsidiaries and affiliates	1,375
Valuation loss on goods	202
Impairment loss	437
Asset adjustment	2,635
Loss on investments in partnership	508
Business structure improvement expenses	393
Asset retirement obligations	1,461
Retained loss	139,811
Other	547
Deferred tax assets (subtotal)	305,579
Valuation allowance	(278,256)
Deferred tax assets (total)	27,322
Deferred tax liabilities	
Valuation difference on available-for-sale securities	1,265
Prepaid pension cost	1,318
Other	11
Total deferred tax liabilities	2,595
Balance of deferred tax assets	24,726

Prior fiscal year (As of March 31, 2010)		Current fiscal year (As of March 31, 2011)	
2. Breakdown of items which caused the difference between the statutory tax rate and the effective tax rate after adoption of tax effect accounting		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%	Normal effective statutory tax rate	40.7%
(Adjustment)		(Adjustment)	
Amount of absorption-type merger and succession of business	422.5%	Amount of absorption-type divestiture and succession of business	(0.8%)
Changes in valuation allowance	(869.5%)	Changes in valuation allowance	(39.7%)
Amortization of goodwill	(6.3%)	Amortization of goodwill	(0.2%)
Inhabitants' per capita taxes	(5.3%)	Other	(0.0%)
Other	3.2%	Actual effective tax rate	0.1%
Actual effective tax rate	(414.5%)		

(Notes to business combinations etc.)

For the prior 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 of 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 a 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

For the current fiscal year (from April 1, 2010 to March 31, 2011)

Transactions between entities under common control

(Succession of unsecured card loan guarantee business)

Based on a resolution of the Board of Directors held on August 23, 2010, the Company succeeded a part of the unsecured card loan guarantee business from Mitsubishi UFJ NICOS Co., Ltd. by company split on October 1, 2010. 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
   Mitsubishi UFJ NICOS 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 Mitsubishi UFJ NICOS 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: 4,650 million yen

3. Amount of goodwill generated, reason thereof, and method and period of amortization

(1) Amount of goodwill generated: 4,662 million yen

(2) Reason for the goodwill: Excess earnings power expected from the future business development of the acquired business

(3) Method and period of amortization: Equal amortization over 10 years

4. Outline of the applied accounting method

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008), 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	109,859 million yen
Provision for loss on guarantees	903 million yen

(Notes to asset retirement obligations)

As of the end of the current fiscal year (March 31, 2011)

Asset retirement obligations booked in the non-consolidated balance sheets

(1) Outline of relevant asset retirement obligations

Asset retirement obligations are booked for internal equipments, etc. furnished in leased properties where restoration is required in lease contracts.

(2) Calculation method for the amount of relevant asset retirement obligations

Assumed use period of 16 years following acquisition, and discount rate at market rate (swap rate) corresponding to rebate period are adopted for calculation of asset retirement obligations.

(3) The changes in asset retirement obligations for the year ended March 31, 2011 were as follows.

	(Millions of yen)
Balance at beginning of year (Note)	4,911
Additional provisions associated with the acquisition of property, plant and equipment	1
Reconciliation associated with passage of time	72
Reduction associated with meeting asset retirement obligations	(659)
Other increases (decreases)	(1)
Balance at end of year	4,324

(Note) This is the balance at beginning of year due to adoption of "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21, March 31, 2008) from the current fiscal year.

(Per share information)

Item	For the prior fiscal year (From April 1, 2009 to March 31, 2010)	For the current fiscal year (From April 1, 2010 to March 31, 2011)
Net assets per share	2,723.05 yen	1,457.18 yen
Net loss per share	(64.15 yen)	(1,308.10 yen)
Diluted net income per share	Diluted net income per share is not stated since the Company posted net loss per share.	Diluted net income per share is not stated since the Company posted net loss per share and there is no dilutive security.

(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, 2010)	For the current fiscal year (As of March 31, 2011)
Total net assets	426,597	228,283
Amount deducted from the total net assets	—	—
Amounts of net assets related to common shares at the end of the fiscal year	426,597	228,283
Number of shares issued	159,628,280 shares	159,628,280 shares
Number of treasury shares	2,966,676 shares	2,966,693 shares
Number of common shares used to calculate net assets per share at the end of the fiscal year	156,661,604 shares	156,661,587 shares

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

(Millions of yen unless otherwise stated)

Item	For the prior fiscal year (from April 1, 2009 to March 31, 2010)	For the current fiscal year (from April 1, 2010 to March 31, 2011)
Net loss per share		
Net loss	(10,056)	(204,929)
Net loss not attributable to common shareholders	—	—
Net loss related to common shares	(10,056)	(204,929)
Weighted average number of common shares during the fiscal year	156,768,936 shares	156,661,601 shares
Diluted net income per share		
Amount of net income adjustments	—	—
Number of increase in common shares	— shares	— 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 (Stock acquisition rights) 119,110 shares	—

(Significant subsequent events)

Prior fiscal year (from April 1, 2009 to March 31, 2010)	Current fiscal year (from April 1, 2010 to March 31, 2011)
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 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. 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. 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 the splitting company. 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)	—

4) [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	4,973
		JLA CO., LTD.	22,469	1,133
		KOMATSU LTD.	300,000	847
		T&D Holdings, Inc.	410,620	841
		Shin-Etsu Chemical Co., Ltd.	200,000	827
		Japan Credit Information Reference Center Corp.	24,234	737
		Honda Motor Co., Ltd.	192,000	600
		Chuo Mitsui Trust Holdings, Inc.	1,644,460	485
		Mitsubishi Corporation	200,000	461
		Mizuho Trust & Banking Co., Ltd.	5,000,393	375
		Others (61 brands)	6,611,650	4,664
		Subtotal	46,690,826	15,946
Total			46,690,826	15,946

[Bonds]

		Name	Total face value (Millions of yen)	Carrying amount (Millions of yen)
Investment securities	Other securities	National government bond (one issue)	58	54
		Subtotal	58	54
Total			58	54

[Others]

		Classification and name	Number of units invested, etc.	Carrying amount (Millions of yen)
Securities	Other securities	Certificate of deposit	—	25,000
		Subtotal	—	25,000
Investment securities	Other securities	Securities investment trust beneficiary certificates (6 brands)	909,508,497	698
		Equity in limited investment partnership, etc. (2 brands)	3	23
		Subtotal	909,508,500	721
Total			909,508,500	25,721

[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	24,593	4,121 <3,923>	2,699	26,014	19,243	913	6,771
Structures	5,597	114 <51>	862	4,849	3,450	204	1,399
Equipment	25,878	79	3,720 <291>	22,237	12,610	395	9,627
Land	6,411	—	—	6,411	—	—	6,411
Lease assets	307	466	—	774	107	90	666
Total property, plant and equipment	62,787	4,782 <3,975>	7,282 <291>	60,287	35,411	1,604	24,876
Intangible assets							
Goodwill	7,772	4,662	—	12,435	1,053	751	11,381
Leasehold right	4	—	—	4	—	—	4
Telephone subscription right	210	3	154 <154>	58	—	—	58
Other (right to use specific communication channel, etc.)	13	—	0 <0>	13	12	0	1
Total intangible assets	8,000	4,666	154 <154>	12,511	1,065	751	11,446
Long-term prepaid expenses	3,214	400	560	3,053	2,652	589	401

(Notes) 1. Figure in bracket “< >” in the column of “Increase during the period” represents amount of gain on adjustment for changes of accounting standard for asset retirement obligations.

2. Figure in bracket “< >” in the column of “Decrease during the period” represents amount of impairment loss for the current fiscal year. Of the amount of impairment loss on telephone subscription right, 64 million yen has been disclosed by inclusion in “Business structure improvement expenses” in Non-consolidated Statements of Operations.

3. 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 Mitsubishi UFJ NICOS Co., Ltd. by means of the company split.	4,662

4. 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 business structure improvement.	2,689
Structures	Removal of business outlets due to abolition and structural changes in accordance with business structure improvement.	862
Equipment	Removal of business outlets due to abolition and structural changes in accordance with business structure improvement.	2,880

[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	61,700	66,801	65,512	89	62,900
Provision for loss on guarantees	8,270	4,903	4,403	—	8,770
Provision for loss on interest repayment	204,500	243,456	164,656	—	283,300

(Note) The amount of “Allowance for doubtful accounts” in the column of “Decrease during the period (others),” represents the reversal due to payment.

(2) Details of major assets and liabilities

(a) Assets

(i) Cash and deposits

(Millions of yen)

Category	Amount
Cash	7,441
Deposits	
Current account	10,998
Savings account	20,055
Call deposit	42,400
Time deposit	8,000
Separate deposit	1
Transfer savings	136
Subtotal	81,591
Total	89,032

(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 $\frac{B}{1/2(A+D)}$
1,103,969	280,953	369,408	2,073	3,502	107,738	902,200	26.7	0.3

(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.”

(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 $\frac{B}{1/2(A+D)}$
26,485	9,127	11,230	48	—	2,709	21,625	31.5	0.4

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

(iv) Inventories

Merchandise and finished goods

(Millions of yen)

Category	Amount
Paintings	334

Raw materials and supplies

(Millions of yen)

Category	Amount
Supplies	42

(b) Liabilities

(i) Accounts payable

(Millions of yen)

Customer	Amount	Remarks
Japan Master Card Payment Clearing Association	102	Accounts payable to member outlets
Orient Corporation	35	Accounts payable to member outlets
Total	138	

(ii) Current portion of long-term loans payable

(Millions of yen)

Lenders	Amount
Mitsubishi UFJ Trust and Banking Corporation	52,308
Meiji Yasuda Life Insurance Company	12,296
Aozora Bank, Ltd.	10,638
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,182
Shinsei Bank, Limited	6,832
Others	67,897
Total	159,153

(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
56th Issuance of Domestic Unsecured Bonds	20,000
57th Issuance of Domestic Unsecured Bonds	10,000
3rd Non-public issuance of Domestic Unsecured Bond	1,005
4th Non-public issuance of Domestic Unsecured Bond	835
5th Non-public issuance of Domestic Unsecured Bond	1,000
Total	202,840

(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	109,220
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	54,218
Meiji Yasuda Life Insurance Company	20,288
Aozora Bank, Ltd.	12,781
Shinkin Central Bank	8,987
Other	76,163
Total	281,658

(3) Others

Not applicable.

VI. Stock-Related Administration for the Filing Company

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	In June
Record date	March 31
Record date for distribution from surplus	September 30, March 31
Number of shares constituting one unit	10 shares
Purchase of shares of less than one unit	
Handling office	(Special account) 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation Stock Transfer Agency Department
Transfer agent	(Special account) 4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo Mitsubishi UFJ Trust and Banking Corporation
Forward office	—
Purchasing fee	Amount separately specified as an amount equivalent to the fees pertaining to the entrustment of sale and purchase of shares
Method of public notice	The Company's method of public notice is through electronic public notice. However, if the above-mentioned method of public notice is not possible due to an accident or through other compelling reasons, then Nihon Keizai Shimbun will be adopted as its medium. The Company's electronic public notice is posted on our home page, and the following is the address: http://www.acom.co.jp
Shareholders' privileges	None

(Note) The Company's shareholders, concerning the possession of shares of less than one unit, are not able to exercise their rights other than the rights that are upheld in the following:
The rights upheld in each item of Article 189, Paragraph 2 of the Companies Act;
The right to demand for what is stipulated under Article 166, Paragraph 1 of the Companies Act; and
The right to receive an allotment of offered shares and offered new stock subscription rights in proportion to the number of shares held.

VII. Reference Information on the Filing Company

1. Information on a Parent Company, etc. of the Filing Company
   The Company does not have a parent company or other entity that is provided for in Article 24-7, Paragraph 1of the Financial Instruments and Exchange Act.

2. Other Reference Information
   The Company submitted the following documents during the period from the starting date of the fiscal year under review to the date on which the Annual Securities Report was submitted.

(1) Shelf Registration Supplements (straight bond) and documents attached thereto
Submitted to the Director-General of the Kanto Local Finance Bureau on April 22, 2010
Submitted to the Director-General of the Kanto Local Finance Bureau on September 10, 2010
Submitted to the Director-General of the Kanto Local Finance Bureau on May 27, 2011
Submitted to the Director-General of the Kanto Local Finance Bureau on June 9, 2011

(2) Amended Shelf Registration Statement (straight bond)
Submitted to the Director-General of the Kanto Local Finance Bureau on June 25, 2010
Submitted to the Director-General of the Kanto Local Finance Bureau on August 13, 2010
Submitted to the Director-General of the Kanto Local Finance Bureau on November 12, 2010
Submitted to the Director-General of the Kanto Local Finance Bureau on December 20, 2010
Submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2011
Submitted to the Director-General of the Kanto Local Finance Bureau on March 10, 2011
Submitted to the Director-General of the Kanto Local Finance Bureau on May 27, 2011

(3) Annual Securities Report and documents attached thereto, and Confirmation Letter thereof
The Annual Securities Report for the 33rd fiscal year (from April 1, 2009 to March 31, 2010) and documents attached thereto, and Confirmation Letter thereof were submitted to the Director-General of the Kanto Local Finance Bureau on June 25, 2010.

(4) Correction Report and Confirmation Letter for Annual Securities Report
The Correction Report and Confirmation Letter for the Annual Securities Report for the 33rd fiscal year (from April 1, 2009 to March 31, 2010) were submitted to the Director-General of the Kanto Local Finance Bureau on December 20, 2010.

(5) Internal Control Report
The Internal Control Report was submitted to the Director-General of the Kanto Local Finance Bureau on June 25, 2010.

(6) Quarterly Securities Report and Confirmation Letter thereof
The Quarterly Securities Report for the 1st Quarter (from April 1, 2010 to June 30, 2010) of the 34th fiscal year and the Confirmation Letter thereof were submitted to the Director-General of the Kanto Local Finance Bureau on August 13, 2010.
The Quarterly Securities Report for the 2nd Quarter (from July 1, 2010 to September 30, 2010) of the 34th fiscal year and the Confirmation Letter thereof were submitted to the Director-General of the Kanto Local Finance Bureau on November 12, 2010.
The Quarterly Securities Report for the 3rd Quarter (from October 1, 2010 to December 31, 2010) of the 34th fiscal year and the Confirmation Letter thereof were submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2011.

(7) Extraordinary Securities Report
Pursuant to provisions concerning “results of exercise of voting rights” in Article 19, Paragraph 2, Item 9-2 of the Cabinet Office Ordinance on Disclosure of Corporate Information, etc., an Extraordinary Securities Report was submitted to the Director-General of the Kanto Local Finance Bureau on June 25, 2010.

Part II　Information on Guarantors for the Filing Company

Not applicable.