ACOM CO., LTD.

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Annual Report 2013

Year ended March 31, 2013

Challenges for a New Stage

Contents

Financial Highlights

ACOM CO., LTD. and Subsidiaries

	Millions of Yen				
	2009/3	2010/3	2011/3	2012/3	**2013/3**
Profit and Loss Related:					
Operating Revenue	324,396	278,795	245,831	210,456	**193,028**
Operating Expenses	293,666	272,732	430,617	179,570	**172,067**
Provision of Allowance for Doubtful Accounts *1	87,899	89,654	78,136	34,725	**34,260**
Provision for Loss on Interest Repayment *2	52,157	58,362	243,456	48,807	**42,968**
Other Operating Expenses	153,610	124,716	109,025	96,038	**94,839**
Operating Income (Loss)	30,729	6,063	(184,785)	30,885	**20,961**
Net Income (Loss)	13,662	(7,239)	(202,648)	21,464	**20,839**
Balance Sheet Related:					
Total Assets	1,605,567	1,482,520	1,302,758	1,212,461	**1,165,576**
Receivable Outstanding *3	1,384,193	1,231,949	1,016,280	895,181	**820,919**
Total Amount of Non-performing Loans	128,223	116,694	104,128	80,163	**64,814**
Allowance for Dobtful Accounts	93,037	70,449	71,369	48,882	**44,521**
Net Assets	452,406	439,269	243,599	264,915	**286,710**

	Yen				
Per Share:					
Net Income (Loss), Basic	86.91	(46.18)	(1,293.54)	137.01	**133.02**
Net Assets	2,831.36	2,773.59	1,516.95	1,645.35	**1,785.88**
Cash Dividends	70	10	0	0	**0**

	%				
Financial Ratios:					
Operating Margin	9.5	2.2	(75.2)	14.7	**10.9**
ROE *4	3.0	(1.6)	(60.3)	8.7	**7.8**
Operating Efficiency *5	14.0	14.0	31.4	15.2	**16.1**
ROA1 (Net Income to Total Assets) *4	0.8	(0.5)	(14.6)	1.7	**1.8**
ROA2 (Net Income to Receivables Outstanding) *4	0.9	(0.6)	(18.0)	2.2	**2.4**
Shareholders' Equity Ratio	27.7	29.3	18.2	21.3	**24.0**
Non-performing Loans Ratio (Gross Basis) [Non-Consolidated] *6	9.9	9.9	10.9	9.3	**8.4**
Non-performing Coverage Ratio [Non-Consolidated] *7	72.3	56.5	63.9	55.4	**59.9**

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. ROE and ROA are calculated using the simple average of beginning and end of term balance sheet figures.
5. Operating efficiency = Operating expenses excluding provision of allowance for doubtful accounts / Average of beginning and end of term receivables outstanding
6. Non-performing loans ratio (Gross basis) = Total amount of non-performing loans / Loans receivable plus loans to borrowers in bankruptcy or under reorganization
7. Non-performing 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 result may differ from those in the forward-looking statements as a result 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.

Letter to Shareholders

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.

Shigeyoshi Kinoshita
Chairman, President & Chief Executive Officer

The Outline of Consolidated Financial Results for the Fiscal Year Ended March 2013

Operating revenue in our mainstay loan business continued to decrease due to decrease in loans receivable and decline in average loan yield while the impacts of the full enforcement of the Money Lending Business Act have decreased.

Guarantee business, on the other hand, saw an increase in operating revenue from following two factors: 1). stable increase in guaranteed receivables mainly in "BANQUIC," card loan provided by The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"), 2). commencing guarantee business for Jibun Bank Corporation ("Jibun Bank") upon transfer of a part of our loan balance. Moreover, overseas business also saw increase in its operating revenue following smooth expansions in overseas. Nonetheless, overall consolidated operating revenue decreased by 8.3% year-on-year to 193.0 billion yen.

On the expense front, financial expenses were 22.2 billion yen, down 7.7% year-on-year, owing to decrease in borrowings and improvement in funding environment. Provision for bad debts also saw year-on-year decrease of 1.3% to 34.2 billion yen. Although there was not any writeback of provision made in response to the Great East Japan Earthquake in this fiscal year, the quality of our loan portfolio improved on global level.

Other operating expenses, on the other hand, saw year-on-year increase of 0.9% to 72.5 billion yen. Other operating expenses increased, despite implementation of cost reduction measures, due to following two factors: 1). implementation of aggressive strategic investments such as promotion of marketing strategies aiming to recover top-line in domestic loan business where we see "signs for a favorable turn," 2). increase in operational costs of overseas business due to its scale expansion.

However, 42.9 billion yen of additional provision for loss on interest repayment was made as we have taken deceleration of decrease in the number of requests for interest repayment into consideration. Therefore, overall operating expenses was 172.0 billion yen, down 4.2% year-on-year.

As a result, operating income and ordinary income were 20.9 billion yen and 21.8 billion yen, respectively.

Although we booked gain on transfer from business divestitures in extraordinary income due to transaction with Jibun Bank while income taxes-deferred decreased, net income was 20.8 billion yen, down 2.9% year-on-year.

We regarded expansion of shareholder's equity as task of the highest priority for viewpoint of improving management stability and security for future implementation of growth strategies. ACOM truly regrets to inform that we decided to make no dividend payment for the fiscal year ended March 2013.

As for the fiscal year ending March 2014, no dividend payment is planned for the second quarter. Dividend payment for the fourth quarter is undecided at this point.

However, we hope to resume dividend payment as soon as we can conclude that growth in our mainstay three businesses – our core loan business, combined with guarantee and overseas businesses – are stabilized and the possibility of impairment to shareholders' equity due to requests for interest repayment is eradicated.

Current Environment Surrounding ACOM Group

As banks and IT enterprises are making aggressive entries into the domestic consumer finance market, the competitive nature of market is undergoing changes. Moreover, the issue of requests for interest repayment, which has critical impact on ACOM's business operation, is still far from being resolved. Although the number of requests is on steady decreasing trend, the pace of decrease is decelerating.

The market scale continues to shrink since the full enforcement of Money Lending Business Act. However, some signs for a favorable turn, such as increases in the number of new customers at major consumer lenders and the volume of loans receivable hitting the bottom, began to be seen at last. Non-bank companies are shifting their gears toward investments for future growth in domestic market while they further promoted expansions in offshore market, mainly in Southeast Asia where remarkable economic growth is marked.

With regard to ACOM, the outlook of the issues of requests for interest repayment remains unclear. Nonetheless, the pace of decline in loans receivable in loan business further slowed down; the receivables outstanding is finally seeing the bottom as balances as of March 31, 2013, April 30, 2013 and May 31, 2013 increased in month-on-month basis. Moreover, guarantee and overseas businesses are expanding steadily.

The Group will aggressively strive to bring its loan business back to steady growth trend as it maintains close alliance with MUFG Group while it aims for balance between managerial security and investments for future growth. Moreover, the Group will aim to further increase its guaranteed receivables and promotion of overseas business.

Business Alliance with MUFG Group in Progress

In September 2008, ACOM, MUFG, and BTMU 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.

Various measures were taken to reorganize and enhance efficiency in the alliance. As a 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. Furthermore, unsecured card loan guarantee business of Mitsubishi UFJ NICOS Co., Ltd. was integrated into ACOM in October 2010.

On May 12, 2012, ACOM conducted an absorption-type split in which a part of its card loan business, provided under Cash One brand, was transferred to Jibun Bank. Jibun Bank entrusted ACOM with guarantee business of transferred business in return. Moreover, as we have announced in "Notification of Basic Agreement Formed to Jointly Run a Guarantee Business with The Bank of Tokyo-Mitsubishi UFJ, Ltd." and "Notification of Final Agreement Formed to Jointly Run a Guarantee Business between ACOM CO., LTD. and The Bank of Tokyo-Mitsubishi UFJ, Ltd." on September 27, 2012 and May 29, 2013, respectively, we plan to succeed guarantee business from Mobit Co., Ltd. The procedures for succession – arrangements with guarantee partners, establishment of new guarantee company, construction of operational systems and etc. – are making steady progresses. We plan to succeed the business in the second half of fiscal year ending March 2014.

We will further pursue close business alliance with MUFG group as its core consumer finance and guarantee company.

Formation of New Mid-term Management Plan

The ACOM Group regards guarantee and overseas businesses as its main businesses in addition to mainstay loan business. The Group has provided in its new mid-term management plan to construct a solid management base to materialize stable growth in the three main businesses.

It was provided under the previous mid-term management plan that the group would achieve 1.3 trillion yen of receivables in loan and guarantee businesses combined by the end of fiscal year ended March 2013. The Group was successful to achieve this target.

Under the new mid-term management plan, the Group aims to increase abovementioned balance to 1.6 trillion yen by the end of fiscal year ending March 2016, with long-term target of 2.0 trillion yen.

The targets for both EASY BUY and Bank BNP are continuous growth in receivables outstanding while improvement of qualities of loan portfolios is placed as principal measure.

Loan business aims to increase its loan balance through aggressive marketing measures in following three years while guarantee and overseas businesses grow furthermore. With these factors combined, the Group aims to increase its revenue in the fiscal year ending March 2015. The mid-term management plan provides to attain operating revenue exceeding 210.0 billion yen in the fiscal year ending March 2016, the last year in the mid-term management plan, as its goal.

ACOM Group's Vision

Under management vision of "becoming the `leading company` which provides prime satisfactions to as many customers as possible and win trust in the consumer finance industry," 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.

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 win trust from the market" by further strengthening the brand of "safety and trust."

We humbly ask for your ongoing support as we embrace the challenges for the future.

Shigeyoshi Kinoshita

Chairman, President & Chief Executive Officer

ACOM in the New Stage

Three years have passed since the full enactment of revised Money Lending Business Act in June, 2010. While consumer finance market is still in a shrinking trend, other unfavorable factors such as intensifying competitions in the market and issues on requests for interest repayment remain.

However, there are some indications for a favorable turn. The impact of revision in Money Lending Business Act has become limited as seen in increase in extension of loans owing to increase in the number of new customers and decline in the ratio of customers in breach of regulation on total borrowing amount. The loans receivable as of March 31, 2013 have finally made a turn for increase in month-on-month basis for the first time in six years and ten months.

ACOM aims to become the leading company trusted from society in “personal loan market,” which consist of loan business and guarantee business. Concurrently, ACOM will implement business structure reform to steadily improve profitability under close cooperation with MUFG Group.

Concurrently, ACOM will strive to further expand business scale of its overseas business which is making a stable continuous growth.

Issue of Interest Repayment

The annual number of requests for interest repayment for fiscal year ended March 2013 remained in a decreasing trend and decreased by 18.8% year-on-year to 73,500, roughly 300 per business day. This was in line with our initial estimate. When we take a look at the composition of requests, the number of requests from existing customers is decreasing steadily. Nonetheless, the pace of decrease is decelerating for requests from customers who have already paid off their debts. Therefore, the overall pace of decrease is slowing down.

The annual amount of interest repayment for the fiscal year ended March 2013 was 70.5 billion yen while there was 21.6 billion yen of waiver of repayment associated with requests. Therefore, total of 92.1 billion yen was used from 200.2 billion yen of provision for loss on interest repayment.

ACOM has reassessed the estimated amount of interest repayment for customers who have fully paid off their debts and made additional provision of 42.9 billion yen at the year-end. As a result, the remaining amount of provision as of March 31, 2013 is 151.0 billion yen. This amount will cover for four years of interest repayment in the future.

We plan to compare our estimate and actual amount requested every quarter to see whether more provision is necessary since requests for interest repayment are highly sensitive of changes in external factors.

Raising Stakes in EASY BUY Public Company Limited

EASY BUY is a strategic subsidiary which will become the central figure of ACOM’s foreign bases in the future. ACOM raised its stakes in EASY BUY from 49% to 71% in order to further heighten management efficiency through enhanced controlling power in the fiscal year ended March 2013.

EASY BUY is implementing aggressive marketing activities such as opening numerous application booths designed exclusively for new applications while improving quality of loan portfolio through enhanced credit screening model. Owing to these endeavors, it is growing steadily with loans receivable that grew by 7.0% year-on-year to 29.5 billion baht (increase of 23.2% to 83.2 billion yen, when translated to yen) and operating revenue increased by 8.7% year-on-year to 8.9 billion baht (increase of 6.6% to 22.9 billion yen, when translated to yen), thus increasing its contribution to consolidated results.

Business Highlights

The ACOM Group mainly operates loan business and has fostered highly sophisticated expertise in credit screening and loan collection from this business. Fully utilizing these expertise, the Group also operates guarantee business, loan servicing business and financial business at overseas.

Loan and Credit Card Business

In its core loan business, ACOM has established a highly sophisticated expertise in credit screening based on data from more than 9 million customers it has served in the past in addition to expertise fostered over long experience.

In addition to these expertise, we have constructed diverse marketing channel. First, there are ACOM's own outlets, automatic contract machines and ATMs easily accessible for borrowing and making repayments. This accessibility is further enhanced through our alliance ATMs with convenience stores and financial institutions. We also have online services through personal computers, mobile and smart phones and call center.

Moreover, ACOM entered into credit card business following acquisition of principal membership of MasterCard International in 1998. However, we have suspended alliances for alliance cards with large-scale retail chains due to recent rapid changes in business environment. ACOM currently focuses on issuance of its own cards.

Guarantee Business

ACOM has forged alliances with banks, mainly The Bank of Tokyo-Mitsubishi UFJ, Ltd. and top-tier regional banks, and provides guarantee on unsecured personal loans provided by these alliance partners. The main source of revenue in this business is guarantee fees received on guaranteed receivables.

After business reorganization within MUFG Group to centralize guarantee business of unsecured card loans to ACOM, we have steadily increased guaranteed receivables by providing guarantee schemes tailored to the needs of alliance partners, from product planning to loan management.

We also provide guarantees on business loans. The alliance partners comprise of 22 banks as of March 31, 2013.

Loan Servicing Business

The primary sources of revenue in our loan servicing business consist of marginal profit from recovery of purchased receivables, combined with commissions received for handling debt collection activities on consignment from banks and other financial institutions. IR Loan Servicing, Inc. operates a comprehensive loan servicing business which takes full advantage of expertise in loan servicing in both consumer and business loans.

Financial Businesses at Overseas

EASY BUY Public Company Limited, a subsidiary in Kingdom of Thailand established in 1996, first focused on installment sales finance business. However, it shifted focus to loan business since 2001. "Umay+ Card", a loan card brand launched as a part of initiatives to differentiate its service in the industry, is well recognized and sustains market share over 20%, clearly showing growth of loan business to the main business.

PT. Bank Nusantara Parahyangan, Tbk., an Indonesian bank which was jointly acquired with The Bank of Tokyo-Mitsubishi UFJ, Ltd. in 2007, focused on lending to SMEs. Its assets, the number of employees and branches have more than doubled since acquisition.

Social Contribution Activity

ACOM's Social Contribution Activity Policy

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

In line with this philosophy, ACOM aims to build good relations with local communities and become the "company next door" and a "corporate citizen in harmony with society" through its wide range of social activities comprising of social welfare, regional contribution, and other.

Culture and Arts

Barrier-free Concerts Enjoyable by Everyone Regardless of Age and Handicaps

Helping with Smiles, "ACOM 'Miru" Concert Monogatari"

"ACOM 'Miru' Concert Monogatari" contains our three wishes to: "do something for others", "see other people's smiling faces" and "establish a harmonious relationship with society."

"ACOM 'Miru' Concert Monogatari" is a creative form of art performance which creates a fantastic world by integrating "shadow pictures" that give shapes to light, "harmony" made by live performance and "narration" that gives lives to shadow pictures. Performers and audiences can share emotions and feel spiritual exchanges by enjoying the presence of handmade stages.

As a part of its social contribution activities, ACOM began to hold "ACOM 'Miru' Concert Monogatari" performances all over Japan since 1994. The first intended audiences were parents and their children. However, as we wished to give delight to more diverse audience, we made the performances barrier-free event through means of on-stage sign language interpretation, expanded reserved seats for wheelchair users, etc.

Since the first performance in 1994, we held over 170 performances, inviting over 160,000 audiences.

Social Welfare

ACOM encourages active involvements of its employees in social contribution activities in order to materialize its foundation spirit of the "Circle of Trust."

The "ACOM Bluebird Fund" is one such activity that began at employees' suggestion in 1984. Employees can make donations on their will to collection boxes placed at each workplace. Their contributions are donated to social welfare organizations and community chests in disaster-stricken areas.

Investor Information as of March 31, 2013

Stock Listing
First Section of Tokyo Stock Exchange
Transfer Agent
Mitsubishi UFJ Trust and Banking Corporation
General Shareholders' Meeting
June 25, 2013
Authorized Shares
532,197,400(*)
Outstanding Shares
159,628,280(*)
Number of Shareholders
11,666

(*)With effect on October 1, 2013, ACOM plans to execute stock split and amendment to the number of shares that constitute one unit. There will be no substantive change in the amount of trading unit.
For the details, please refer to the news release, "Notification of Stock Split, Amendment to the Number of Shares that Constitute One Unit and Partial Amendments to the Articles of Incorporation" disclosed on June 21, 2013.

ADR (American Depositary Receipts) Information
Type: Sponsored Level-1 Program
ADR Ratio: 4ADRs : 1 Ordinary Share(*)
Symbol: ACMUY
CUSIP: 004845202
Market: The U.S. Market for OTC (Over-the-Counter)
Depositary Bank: The Bank of New York Mellon
101 Barclay Street, 22W, NEW YORK, NY10286, U.S.A.
Toll Free # for Domestic Calls:
1-888-BNY-ADRS 1-866-234-6936
Number for International Calls:
201-680-6825
URL http://www.adrbnymellon.com/

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Annual Securities Report

(The 36th fiscal year)

ACOM CO., LTD.

Annual Securities Report

This document has been outputted and printed by adding table of contents and page numbers to the data contained in the Annual Securities Report which has been submitted through the usage of Electronic Disclosure for Investors' NETwork (EDINET) that is stipulated in Article 27-30-2 of the Financial Instruments and Exchange Act of Japan.

This document is a translation of the Annual Securities Report (original text: Japanese) submitted to Prime Minister pursuant to Article 24-1 of the Financial Instruments and Exchange Act. It does not bear any responsibility pertaining to the aforementioned Financial Instruments and Exchange Act regarding the content of the English text. We recommend that the determination of the authenticity of the content be based on the Japanese text of the 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 25, 2013
[Accounting Period]	The 36th Fiscal Year (from April 1, 2012 to March 31, 2013)
[Company Name]	ACOM Kabushiki-Kaisha
[Company Name in English]	ACOM CO., LTD. (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
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[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	32nd fiscal year	33rd fiscal year	34th fiscal year	35th fiscal year	36th fiscal year
Period of account	March 2009	March 2010	March 2011	March 2012	March 2013
Operating revenue	324,396	278,795	245,831	210,456	193,028
Ordinary income (loss)	32,648	7,917	(183,506)	32,219	21,835
Net income (loss)	13,662	(7,239)	(202,648)	21,464	20,839
Comprehensive income	—	—	(194,813)	21,566	24,793
Net assets	452,406	439,269	243,599	264,915	286,710
Total assets	1,605,567	1,482,520	1,302,758	1,212,461	1,165,576
Net assets per share (yen)	2,831.36	2,773.59	1,516.95	1,645.35	1,785.88
Net income (loss) per share (yen)	86.91	(46.18)	(1,293.54)	137.01	133.02
Diluted net income per share (yen)	86.91	—	—	—	—
Shareholders' equity ratio (%)	27.72	29.31	18.24	21.26	24.00
Return on equity (%)	3.07	(1.65)	(60.30)	8.67	7.75
Price earnings ratio (times)	31.99	—	—	13.50	20.29
Net cash provided by operating activities	66,989	63,431	97,249	48,421	2,245
Net cash provided by (used in) investing activities	19,417	(6,175)	(2,746)	10,981	53,030
Net cash used in financing activities	(104,900)	(55,280)	(65,069)	(28,554)	(40,414)
Cash and cash equivalents at end of period	131,477	133,723	162,910	193,441	208,969
Number of employees [Average number of temporary workers, etc.]	6,266 [732]	6,145 [453]	5,571 [232]	5,537 [193]	5,766 [219]

(Notes)
1. "Diluted net income per share" is not shown here for the 33rd fiscal year, 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. "Diluted net income per share" is not shown here for the 35th fiscal year and 36th fiscal year, since there was no dilutive security.

4. “Price earnings ratio” is not shown here for the 33rd and 34th fiscal years, since the Company posted net losses.
5. Operating revenues are presented exclusive of consumption tax.

(2) Financial data etc. of the Filing Company

(Millions of yen, unless otherwise stated)

Fiscal period	32nd fiscal year	33rd fiscal year	34th fiscal year	35th fiscal year	36th fiscal year
Period of account	March 2009	March 2010	March 2011	March 2012	March 2013
Operating revenue	262,120	238,215	207,767	173,837	155,927
Ordinary income (loss)	29,165	6,495	(189,551)	26,461	18,456
Net income (loss)	16,928	(10,056)	(204,929)	20,853	21,952
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	440,398	426,597	228,283	248,606	269,861
Total assets	1,423,187	1,368,028	1,181,063	1,085,904	1,013,280
Net assets per share (yen)	2,801.62	2,723.05	1,457.18	1,586.90	1,722.58
Dividends per share (yen) [Of the above, interim dividends per share] (Yen)	70.00 [50.00]	10.00 [5.00]	— [—]	— [—]	— [—]
Net income (loss) per share (yen)	107.69	(64.15)	(1,308.10)	133.11	140.13
Diluted net income per share (yen)	—	—	—	—	—
Shareholders’ equity ratio (%)	30.94	31.18	19.33	22.89	26.63
Return on equity (%)	3.84	(2.32)	(62.59)	8.75	8.47
Price earnings ratio (times)	25.81	—	—	13.89	19.26
Dividend payout ratio (%)	65.00	—	—	—	—
Number of employees [Average number of temporary workers, etc.]	2,636 [460]	2,610 [399]	1,876 [194]	1,756 [171]	1,685 [204]

(Notes)
1. “Diluted net income per share” is not shown here for the 33rd fiscal year, 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. “Diluted net income per share” is not shown here for the 35th and 36th fiscal years, since there was no dilutive security.
4. “Price earnings ratio” is not shown here for the 33rd and 34th fiscal years, since the Company posted net losses.
5. “Dividend payout ratio” is not shown here for the 33rd and 34th fiscal years, since the Company posted net losses.
6. “Diluted net income per share” is not shown here for the 32nd fiscal year, since there was no dilutive security with dilutive effect.
7. 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 headquarters 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 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	June	Was granted the "Privacy Mark" authorized by Japan Information Processing Development Corporation (JIPDEC).
2004	Dec.	Moved headquarters 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."
2005	April	"SIAM A&C CO., LTD." changed its corporate name to "EASY BUY Public Company Limited" (present, a consolidated subsidiary).
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. (present, equity-method affiliate), 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.
2012 April	“AC Ventures Co., Ltd.,” was dissolved due to absorption-type merger with the Company where the Company 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 7 subsidiaries 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.

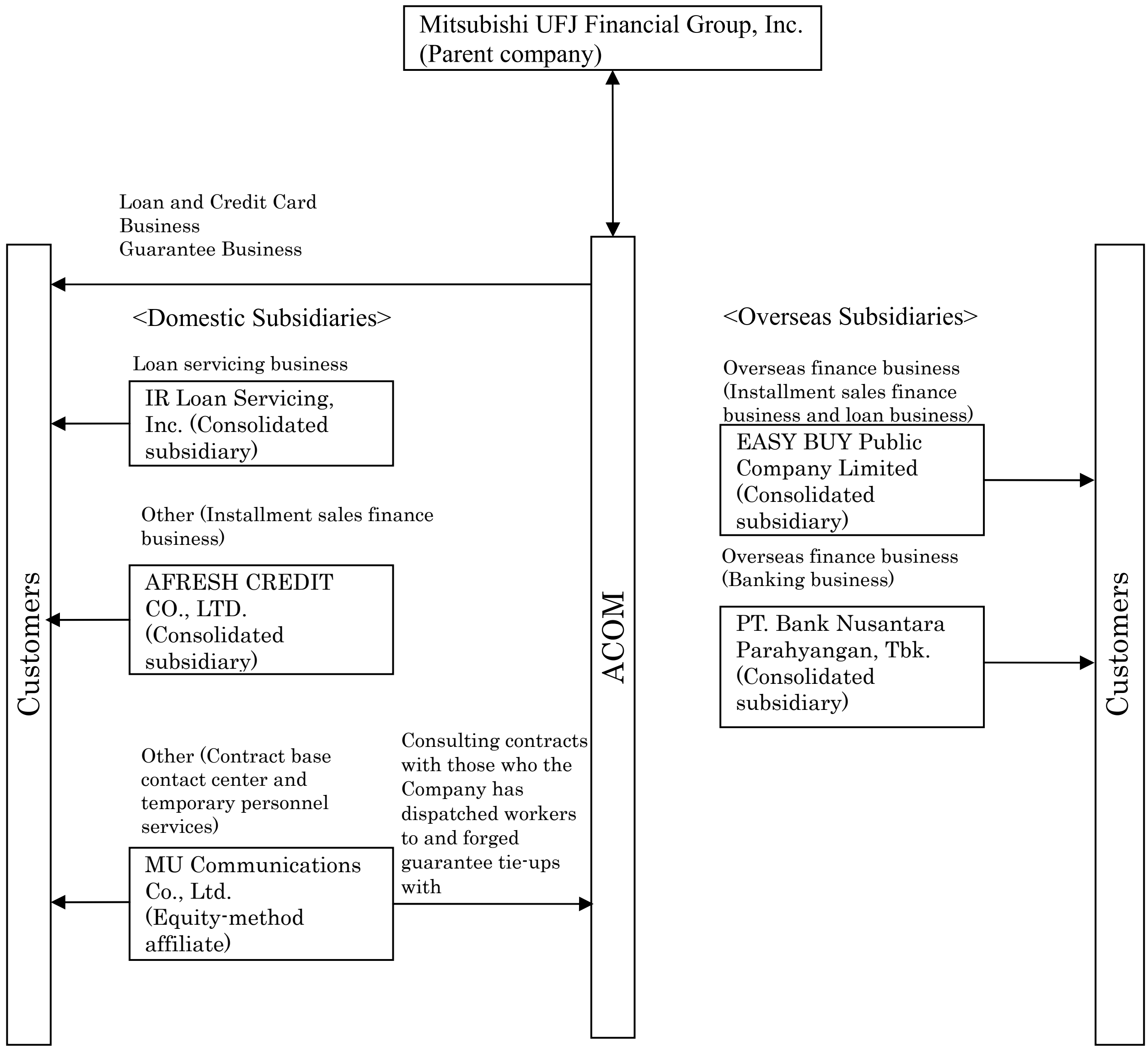
The table below explains the positioning of group companies and their relevant segments.

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.

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

(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. is currently suspending its operation; therefore, it is eliminated from the diagram.
2. This diagram does not include both General Incorporated Association Mirai Capital and Power investments LLC as they were established as Special Purpose Company.
3. The installment sales finance business conducted by AFRESH CREDIT CO., LTD. has suspended acceptance of new contracts as the company is withdrawing from the business.
4. The Company merged AC Ventures Co., Ltd., via absorption-type merger with April 1, 2012, as the effective date.

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	2,139,378	Bank holding company	—	40.19 (2.61)	Temporary transfers of employees to the Company: 3	—	Business management, business and capital alliance	—
(Consolidated subsidiary) IR Loan Servicing, Inc.	Chiyoda-ku, Tokyo	520	Loan servicing business	100	—	Temporary transfer of employees to the said company: 20	Financial loan to said company	Transfer of loan	—
AFRESH CREDIT CO., LTD.	Chiyoda-ku, Tokyo	100	Other	100	—	Temporary transfer of employees to the said company: 13	—	—	—
EASY BUY Public Company Limited (Note) 4	Bangkok, Kingdom of Thailand	(Million THB) 3,900	Overseas finance business	71	—	Temporary transfer of employees to the said company: 9	Loan guarantee to the said company	—	—
PT. Bank Nusantara Parahyangan, Tbk.	Bandung, Republic of Indonesia	(Million IDR) 208,257	Overseas finance business	60.31	—	Temporary transfer of employees to the said company: 3	Holding of subordinated loans issued by the said company	—	—
ACOM (U.S.A.) INC. (Note) 5	Delaware, U.S.A.	(Million USD) 34	Other	100	—	—	—	—	—
General Incorporated Association Mirai Capital (Note) 6	Shibuya-ku, Tokyo	3	Loan servicing business	0 (100)	—	—	—	—	—
Power Investments LLC (Note) 7	Shibuya-ku, Tokyo	0	Loan servicing business	0 (100)	—	—	—	—	—
(Equity-method affiliate) MU Communications Co., Ltd.	Shibuya-ku, Tokyo	1,020	Other	23.15	—	Temporary transfer of employees to the said company:10	—	Consulting contracts with those who the Company has dispatched workers to and forged guarantee tie-ups with	—

(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. Paid in capital of EASY BUY Public Company Limited increased from THB 300 million to THB 3,900 million as a result of a capital increase through a shareholder allocation on October 31, 2012.

The operating revenue of EASY BUY Public Company Limited (excluding intragroup operating revenue among consolidated subsidiaries) exceeds 10% of the total operating revenue for the consolidated financial statements.

Key performance information:

(1) Operating revenue	22,903 million yen (THB 8,911 million)
(2) Ordinary income	6,809 million yen (THB 2,649 million)
(3) Net income	5,005 million yen (THB 1,947 million)
(4) Net assets	15,943 million yen (THB 5,653 million)
(5) Total assets	86,331 million yen (THB 30,613 million)

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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.
8. AC Ventures Fourth, Fifth and Sixth Investment Partnerships, which were dissolved as of April 1, 2012, subsequently went through a dissolution proceeding. The proceeding was completed as of September 27, 2012.
9. MTBC Third Investment Partnership was dissolved as of December 14, 2012, and its dissolution proceeding was completed as of December 27, 2012.

5. Employees

(1) Consolidated Companies

As of March 31, 2013

Name of business segment	Number of employees
Loan and credit card business	1,249 (197)
Guarantee business	117 (7)
Loan servicing business	143 (2)
Overseas finance business	3,922 (6)
Others	16 (7)
Company-wide (common)	319 (0)
Total	5,766 (219)

(Notes) 1. The number of employees represents the number of workers employed by the consolidated companies and includes 770 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 196).

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, 2013

Number of employees	Average age (years old)	Average length of service (years)	Average annual salary (Thousands of yen)
1,685 (204)	40.7	16.1	6,353

Name of business segment	Number of employees
Loan and credit card business	1,249 (197)
Guarantee business	117 (7)
Company-wide (common)	319 (0)
Total	1,685 (204)

(Notes) 1. The number of employees represents the number of workers employed by the Company and includes 92 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 184.)

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.

(3) Status of labor union

Relationship between management and labor is stable.

II. Business Overview

1. Summary of Results

(1) Business results

During the consolidated fiscal year ended March 31, 2013, Japanese economy showed signs of recovery due to factors such as an improvement in the export environment and the effect of economic and monetary policies. However, uncertainty over business prospects remained due to factors such as the continuing severe employment situation and the impact of deflation.

In the consumer finance industry, even though the shrinking trend of market continues amid a continuously severe business conditions marked by a slowdown in the decrease in requests for interest repayment, signs of recovery are at long last being observed recently in the conditions of loans and new applications.

In such an environment, under its 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," the Group mainly promoted the operations in loan, credit guarantee and loan servicing businesses in Japan, while in overseas region, it also promoted operations in loan business in Kingdom of Thailand and banking business in Republic of Indonesia.

With effect on May 12, 2012, part of the Company's card loan business, operating under the brand name of Cash One, was demerged (absorption-type demerger) and taken over by Jibun Bank Corporation (hereinafter "Jibun Bank"). Along with this, the Company accepted entrustment of the guarantee business of this demerged business.

For the consolidated fiscal year under review, operating revenue was 193,028 million yen (down 8.3% year-on-year), mainly due to a decrease in interest on consumer loans. Operating expenses were 172,067 million yen (down 4.2% year-on-year), as financial expenses, provision for loss on interest repayment and provision of allowance for doubtful accounts were reduced. The Group posted an operating income of 20,961 million yen (down 32.1% year-on-year) and an ordinary income of 21,835 million yen (down 32.2% year-on-year).

Income before income taxes and minority interests was 27,506 million yen (down 17.6% year-on-year) and net income was 20,839 million yen (down 2.9% year-on-year), due to recording of gain on transfer from business divestitures with Jibun Bank, gain on sales of shares of parent company, and gain on sales of investment securities, under extraordinary income.

(2) Status of financial service businesses

1) Loan and credit card business

The loan business and credit card business segment in Japan posted an operating revenue of 131,083 million yen (down 13.1% year-on-year). This is, in large part, attributable to lower interest income from consumer loans and lower revenue from the credit card business than the prior fiscal year, as the Company suffered a decrease in consumer loans as well as lower average yields and accounts receivable-installment. Despite operating expenses for the segment was 129,972 million yen (down 6.6% year-on-year) due to decreases in provision for loss on interest repayment, provision of allowance for doubtful accounts and general administrative expenses, operating income was 1,110 million yen (down 10,528 million yen year-on-year).

2) Guarantee business

During the fiscal year under review, this business segment strived to strengthen guarantee business with existing business partners, principally The Bank of Tokyo-Mitsubishi UFJ, Ltd. As a result, the segment steadily increased the balance of credit guarantees, posting an operating revenue of 24,422 million yen (up 6.4% year-on-year). Although the amount of provision for loss on guarantees and provision of allowance for doubtful accounts in operating expenses for the segment increased from the prior fiscal year, operating income was 11,305 million yen (up 0.4% year-on-year).

3) Loan servicing business

This business segment's operating revenue was 7,090 million yen (down 5.6% year-on-year) due primarily to a decrease in the amount collected from purchased receivables compared to the prior fiscal year stemming from such factors as a downturn and intensified competition in the purchased receivables market. Meanwhile, operating income was 604 million yen (up 8.9% year-on-year), due to decreased operating expenses attributable to decreases in cost of purchased receivables, provision of allowance for doubtful accounts and general administrative expenses.

4) Overseas finance business

Among financial businesses conducted overseas, in the loan business in the Kingdom of Thailand, EASY BUY Public Company Limited actively conducted sales activities while maintaining the soundness of loan portfolio, and consumer loans continued to show stable growth. In addition, the banking business in the Republic of Indonesia also showed substantial increases in small-lot commercial loans and unsecured consumer loans. As a result, the segment's operating revenue and operating income were 29,356 million yen (up 8.4% year-on-year) and 7,149 million yen (up 15.3% year-on-year), 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 15,527 million yen (up 8.0% year-on-year) to 208,969 million yen.

With respect to net cash provided by operating activities, funds saw an increase of 2,245 million yen, reflecting funds-increasing factors such as 27,506 million yen in income before income taxes and minority interests, a decrease of 34,313 million yen in loans receivable of consumer loans, and an increase of 13,502 million yen in deposits of banking business, as well as funds-decreasing factors such as a decrease of 49,200 million yen in provision for loss on interest repayment, an increase of 10,063 million yen in trading account securities, and an increase of 9,127 million yen in loans receivable of banking business.

With respect to net cash provided by investing activities, funds saw an increase of 53,030 million yen. This was primarily due to 46,717 million yen in proceeds from business transfer and the fact that the amount of proceeds from sales of investment securities was 7,761 million yen more than the payments for purchase of investment securities.

With respect to net cash used in financing activities, funds saw a decrease of 40,414 million yen. This was primarily due to the fact that the total amount of proceeds from loans and issuance of bonds was 39,805 million yen less than the repayments of loans receivable and payments at maturity of bonds.

2. Consolidated Operating Results
(1) Operating revenue by business segment

Business segment			For the prior fiscal year (from April 1, 2011 to March 31, 2012)		For the current fiscal year (from April 1, 2012 to March 31, 2013)	
			Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Financial service businesses	Japan	Loan business	147,883	70.3	128,450	66.5
		Credit card business	2,900	1.4	2,632	1.4
		Guarantee business	22,950	10.9	24,422	12.7
		Loan servicing business	7,495	3.6	7,078	3.7
		Others	1,812	0.8	935	0.5
	Overseas	Loan business	21,526	10.2	22,833	11.8
		Installment sales finance business	340	0.2	269	0.1
		Banking business	5,548	2.6	6,404	3.3
Total			210,456	100.0	193,028	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.

(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, 2011 to March 31, 2012)		For the current fiscal year (from April 1, 2012 to March 31, 2013)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Japan	Loan business	311,000	78.1	320,955	71.5
	Credit card business	8,532	2.1	8,812	2.0
	Loan servicing business	3,218	0.8	2,634	0.6
	Others	190	0.1	—	—
Overseas	Loan business	53,740	13.5	69,029	15.4
	Installment sales finance business	904	0.2	1,131	0.2
	Banking business	20,835	5.2	46,478	10.3
Total		398,422	100.0	449,041	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.
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, 2012)		As of the end of the current fiscal year (March 31, 2013)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Japan	Loan business	799,888	84.5	717,114	81.3
	Credit card business	18,482	1.9	16,580	1.9
	Loan servicing business	10,159	1.1	8,489	1.0
	Others	8,499	0.9	3,104	0.3
Overseas	Loan business	67,603	7.1	83,278	9.4
	Installment sales finance business	708	0.1	842	0.1
	Banking business	41,518	4.4	52,501	6.0
Total		946,860	100.0	881,911	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.

(3) Number of outlets

Category	As of the end of the prior fiscal year (March 31, 2012)	As of the end of the current fiscal year (March 31, 2013)
Outlets	1,188	1,204

(4) Number of customer accounts

Business segment		As of the end of the prior fiscal year (March 31, 2012)	As of the end of the current fiscal year (March 31, 2013)
Japan	Loan business	1,579,000	1,429,014
	Credit card business	170,188	147,465
	Loan servicing business	318,124	321,455
	Others	51,790	21,238
Overseas	Loan business	847,262	941,591
	Installment sales finance business	22,929	23,345
	Banking business	15,694	30,712

(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.

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, 2012)					As of the end of the current fiscal year (March 31, 2013)				
		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)	2,420,615	99.8	848,347	97.8	17.82	2,365,707	99.8	784,485	98.0	17.64
	Secured loans (excluding housing loans)	5,561	0.2	18,612	2.1	12.38	4,824	0.2	15,444	1.9	12.23
	Housing loans	—	—	—	—	—	—	—	—	—	—
	Subtotal	2,426,176	100.0	866,959	99.9	17.70	2,370,531	100.0	799,929	99.9	17.54
Commercial loans	Unsecured loans	12	0.0	11	0.0	14.82	9	0.0	9	0.0	14.46
	Secured loans	74	0.0	520	0.1	7.99	65	0.0	453	0.1	7.48
	Subtotal	86	0.0	531	0.1	8.14	74	0.0	463	0.1	7.63
Total		2,426,262	100.0	867,491	100.0	17.69	2,370,605	100.0	800,393	100.0	17.53

2) By industry

Industry	As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Agriculture, forestry and fishery	3	0.0	17	0.0	3	0.0	15	0.0
Construction	21	0.0	53	0.0	18	0.0	40	0.0
Manufacturing	11	0.0	25	0.0	9	0.0	23	0.0
Electricity; gas; heat supply; water supply	—	—	—	—	—	—	—	—
Information and communications	1	0.0	5	0.0	1	0.0	5	0.0
Transport and postal services	3	0.0	12	0.0	2	0.0	9	0.0
Wholesale and retail	14	0.0	101	0.0	13	0.0	90	0.0
Finance and insurance	5	0.0	35	0.0	5	0.0	31	0.0
Real estate, and goods rental and leasing	8	0.0	189	0.0	7	0.0	182	0.0
Restaurants, accommodation, and food and beverage services	6	0.0	26	0.0	4	0.0	23	0.0
Education and educational support	—	—	—	—	—	—	—	—
Healthcare and welfare	2	0.0	0	0.0	1	0.0	0	0.0
Multiple services	—	—	—	—	—	—	—	—
Other services (not belong to any other category)	12	0.0	62	0.0	11	0.0	38	0.0
Individuals	2,426,176	100.0	866,959	100.0	2,370,531	100.0	799,929	100.0
Specified nonprofit organization	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—
Total	2,426,262	100.0	867,491	100.0	2,370,605	100.0	800,393	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, 2012)		As of the end of the current fiscal year (March 31, 2013)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Securities (Stocks included in the above)	— (—)	— (—)	— (—)	— (—)
Credit (Deposits included in the above)	— (—)	— (—)	— (—)	— (—)
Merchandise	—	—	—	—
Real estate	19,036	2.2	15,807	2.0
Foundations	—	—	—	—
Others	96	0.0	90	0.0
Subtotal	19,132	2.2	15,898	2.0
Guarantee	—	—	—	—
Unsecured	848,359	97.8	784,495	98.0
Total	867,491	100.0	800,393	100.0

4) By loan term

Loan period		As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		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	2,239,229	92.3	788,319	90.9	2,233,232	94.2	733,674	91.7
	Due within 1 year	2,892	0.1	294	0.0	1,284	0.1	148	0.0
	Due after 1 year through 5 years	131,029	5.4	29,307	3.4	65,893	2.8	12,489	1.5
	Due after 5 years through 10 years	24,881	1.0	13,290	1.5	36,003	1.5	18,912	2.4
	Due after 10 years through 15 years	22,581	1.0	17,136	2.0	29,288	1.2	19,261	2.4
	Due after 15 years through 20 years	11	0.0	8	0.0	11	0.0	6	0.0
	Due after 20 years through 25 years	3	0.0	1	0.0	5	0.0	2	0.0
	Due after 25 years	1	0.0	0	0.0	—	—	—	—
	Subtotal	2,420,627	99.8	848,359	97.8	2,365,716	99.8	784,495	98.0
Secured loans	Revolving	4,633	0.2	14,850	1.7	3,948	0.2	12,100	1.5
	Due within 1 year	10	0.0	21	0.0	18	0.0	34	0.0
	Due after 1 year through 5 years	197	0.0	474	0.1	180	0.0	407	0.1
	Due after 5 years through 10 years	383	0.0	1,133	0.1	388	0.0	1,112	0.1
	Due after 10 years through 15 years	76	0.0	412	0.0	74	0.0	373	0.0
	Due after 15 years through 20 years	98	0.0	566	0.1	79	0.0	455	0.1
	Due after 20 years through 25 years	238	0.0	1,673	0.2	202	0.0	1,414	0.2
	Due after 25 years	—	—	—	—	—	—	—	—
	Subtotal	5,635	0.2	19,132	2.2	4,889	0.2	15,898	2.0
Due within 1 year		2,902	0.1	315	0.0	1,302	0.1	182	0.0
Due after 1 year through 5 years		2,375,088	97.9	832,953	96.0	2,303,253	97.2	758,672	94.8
Due after 5 years through 10 years		25,264	1.1	14,423	1.7	36,391	1.5	20,025	2.5
Due after 10 years through 15 years		22,657	0.9	17,548	2.0	29,362	1.2	19,635	2.4
Due after 15 years through 20 years		109	0.0	575	0.1	90	0.0	461	0.1
Due after 20 years through 25 years		241	0.0	1,675	0.2	207	0.0	1,416	0.2
Due after 25 years		1	0.0	0	0.0	—	—	—	—
Total		2,426,262	100.0	867,491	100.0	2,370,605	100.0	800,393	100.0
Average term per contract		3 years and 7 months				3 years and 9 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, 2012)		As of the end of the current fiscal year (March 31, 2013)	
	Outstanding balance (Millions of yen)	Average interest rate (%)	Outstanding balance (Millions of yen)	Average interest rate (%)
Borrowings from financial institutions, etc.	441,551	2.78	456,160	2.71
Others	222,481	2.95	176,362	2.92
(Corporate bonds, CPs)	(222,481)	(2.95)	(176,362)	(2.92)
Total	664,032	2.84	632,523	2.77
Owners' equity	513,188	—	480,521	—
(Capital stock)	(63,832)	(—)	(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 22,291 million yen (32,792 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, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		Beginning balance	Amount procured	Amount repaid	Final balance	Beginning balance	Amount procured	Amount repaid	Final balance
Borrowings	City banks, etc.	109,251	56,765	34,337	131,679	131,679	102,262	81,758	152,183
	Regional banks	11,540	7,900	7,352	12,088	12,088	23,950	8,983	27,054
	Trust banks	159,765	56,292	49,103	166,955	166,955	44,630	43,730	167,855
	Foreign banks	16,585	39,220	45,017	10,787	10,787	52,158	42,884	20,061
	Life insurance companies	40,497	9,800	20,011	30,286	30,286	13,000	16,133	27,153
	Non-life insurance companies	2,088	—	1,988	100	100	1,500	100	1,500
	Business corporations (leasing and financing companies, etc.)	875	3,000	750	3,125	3,125	3,000	1,730	4,395
	Other financial institutions	133,901	16,250	63,620	86,530	86,530	13,425	43,995	55,959
		(38,250)	(—)	(5,457)	(32,792)	(32,792)	(—)	(10,500)	(22,291)
Subtotal		474,503	189,227	222,179	441,551	441,551	253,925	239,316	456,160
Corporate bonds (including current portion of bonds payable)		222,644	81,091	81,254	222,481	222,481	43,327	89,447	176,362
Subtotal		222,644	81,091	81,254	222,481	222,481	43,327	89,447	176,362
Total		697,147	270,319	303,433	664,032	664,032	297,253	328,763	632,523

(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, 2012)	As of the end of the current fiscal year (March 31, 2013)
Outlets		1,044	1,046
	Staffed outlets	39	39
	Unstaffed outlets	1,005	1,007
MUJINKUN corners		1,044 locations (1,056)	1,046 locations (1,064)
ATMs and CDs		48,592	53,235
	Proprietary	1,102	1,103
	Tie-up	47,490	52,132
	(Number of tie-up companies)	(14)	(16)

(Note) In addition to the above 1,046 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 39 as of March 31, 2012), 6 cash dispensers/automated teller machines installed outside outlets (6 as of March 31, 2012) and 1 service center (1 as of March 31, 2012) for the various applications and registration acceptance via automatic contract machines and other means as outlets.

(ii) Number of customer accounts

Business segment		As of the end of the prior fiscal year (March 31, 2012)	As of the end of the current fiscal year (March 31, 2013)
Loan business		1,575,021	1,426,709
Credit card business	Credit cards	170,188	147,465

(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 business segment

Business segment			For the prior fiscal year (from April 1, 2011 to March 31, 2012)		For the current fiscal year (from April 1, 2012 to March 31, 2013)	
			Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Loan Business			147,883	85.1	128,450	82.4
	Unsecured loans		145,427	83.7	126,434	81.1
		Consumer	145,425	83.7	126,432	81.1
		Commercial	2	0.0	1	0.0
	Secured loans		2,455	1.4	2,016	1.3
Credit card business			2,900	1.7	2,632	1.7
Guarantee business			22,950	13.2	24,422	15.6
Others			104	0.0	421	0.3
Total			173,837	100.0	155,927	100.0

(ii) Interest on consumer loans by region

Region	For the prior fiscal year (from April 1, 2011 to March 31, 2012)		For the current fiscal year (from April 1, 2012 to March 31, 2013)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Hokkaido	5,034	3.6	4,561	3.8
Tohoku	8,769	6.3	7,395	6.2
Kanto	56,139	40.3	44,796	37.7
Chubu	20,448	14.7	18,226	15.3
Kinki	24,152	17.4	21,583	18.1
Chugoku	6,658	4.8	6,006	5.1
Shikoku	3,468	2.5	3,115	2.6
Kyushu	14,538	10.4	13,282	11.2
Total	139,211	100.0	118,968	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, 2011 to March 31, 2012)		For the current fiscal year (from April 1, 2012 to March 31, 2013)	
			Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Loan business	Unsecured loans		310,943	97.3	320,901	97.3
		Consumer loans	310,943	97.3	320,901	97.3
		Commercial loans	—	—	—	—
	Secured loans		57	0.0	54	0.0
	Subtotal		311,000	97.3	320,955	97.3
Credit card business	Credit cards		8,532	2.7	8,812	2.7
Total			319,532	100.0	329,768	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, 2012)		As of the end of the current fiscal year (March 31, 2013)	
			Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Loan business	Unsecured loans		779,965	95.4	700,833	95.6
		Consumer loans	779,954	95.4	700,823	95.6
		Commercial loans	11	0.0	9	0.0
	Secured loans		19,132	2.3	15,898	2.1
	Subtotal		799,098	97.7	716,731	97.7
Credit card business	Credit cards		18,482	2.3	16,580	2.3
Total			817,580	100.0	733,311	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, 2012)			As of the end of the current fiscal year (March 31, 2013)		
	Total amount	Unsecured loans	Secured loans	Total amount	Unsecured loans	Secured loans
Beginning balance	902,200	878,778	23,421	799,098	779,965	19,132
Loans made during the period	311,000	310,943	57	320,955	320,901	54
Collection during the period	338,688	334,910	3,778	316,886	313,897	2,988
Transfer of claims on bankruptcy and reorganization, etc.	1,421	1,341	79	549	515	34
Write-off of bad debts during the period	73,034	72,545	488	42,046	41,781	265
Other decrease	958	958	—	43,840	43,840	—
Final balance	799,098	779,965	19,132	716,731	700,833	15,898
Average loans receivable	851,697	830,316	21,380	740,946	723,331	17,614

(Note) "Other decrease" is the result of the transfer of receivables.

5) Breakdown of operating loans

(i) By loan type

Loan type		As of the end of the prior fiscal year (March 31, 2012)					As of the end of the current fiscal year (March 31, 2013)				
		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)	1,569,374	99.6	779,954	97.6	17.05	1,421,811	99.7	700,823	97.8	16.52
	Secured loans (excluding housing loans)	5,561	0.4	18,612	2.3	12.38	4,824	0.3	15,444	2.1	12.23
	Housing loans	—	—	—	—	—	—	—	—	—	—
	Subtotal	1,574,935	100.0	798,566	99.9	16.94	1,426,635	100.0	716,267	99.9	16.43
Commercial loans	Unsecured loans	12	0.0	11	0.0	14.82	9	0.0	9	0.0	14.46
	Secured loans	74	0.0	520	0.1	7.99	65	0.0	453	0.1	7.48
	Subtotal	86	0.0	531	0.1	8.14	74	0.0	463	0.1	7.63
Total		1,575,021	100.0	799,098	100.0	16.94	1,426,709	100.0	716,731	100.0	16.42

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

Occupation	As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Clerical work	216,943	13.8	132,278	17.0	193,482	13.6	117,910	16.8
Marketing	149,032	9.5	101,625	13.0	129,318	9.1	87,240	12.4
Sales	89,291	5.7	34,965	4.5	84,398	5.9	32,696	4.7
Labor	554,441	35.3	258,342	33.1	521,734	36.7	243,552	34.7
Drivers	90,877	5.8	49,306	6.3	81,063	5.7	43,983	6.3
Technicians & engineers	98,289	6.3	58,701	7.5	85,554	6.0	50,478	7.2
Management	197,661	12.6	86,432	11.1	174,556	12.3	75,012	10.7
Hospitality & service	59,117	3.8	20,124	2.6	52,715	3.7	17,936	2.6
Others	113,723	7.2	38,176	4.9	98,991	7.0	32,011	4.6
Total	1,569,374	100.0	779,954	100.0	1,421,811	100.0	700,823	100.0

(iii) By industry

Industry	As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Agriculture, forestry and fishery	3	0.0	17	0.0	3	0.0	15	0.0
Construction	21	0.0	53	0.0	18	0.0	40	0.0
Manufacturing	11	0.0	25	0.0	9	0.0	23	0.0
Electricity; gas; heat supply; water supply	—	—	—	—	—	—	—	—
Information and communications	1	0.0	5	0.0	1	0.0	5	0.0
Transport and postal services	3	0.0	12	0.0	2	0.0	9	0.0
Wholesale and retail	14	0.0	101	0.0	13	0.0	90	0.0
Finance and insurance	5	0.0	35	0.0	5	0.0	31	0.0
Real estate, and goods rental and leasing	8	0.0	189	0.0	7	0.0	182	0.0
Restaurants, accommodation, and food and beverage services	6	0.0	26	0.0	4	0.0	23	0.0
Education and educational support	—	—	—	—	—	—	—	—
Healthcare and welfare	2	0.0	0	0.0	1	0.0	0	0.0
Multiple services	—	—	—	—	—	—	—	—
Other services (not belong to any other category)	12	0.0	62	0.0	11	0.0	38	0.0
Individuals	1,574,935	100.0	798,566	100.0	1,426,635	100.0	716,267	100.0
Specified nonprofit organization	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—
Total	1,575,021	100.0	799,098	100.0	1,426,709	100.0	716,731	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, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		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	210,311	13.4	79,452	10.2	210,684	14.8	83,494	11.9
	30-39	318,964	20.3	161,011	20.6	283,025	19.9	144,082	20.6
	40-49	288,112	18.4	193,332	24.8	262,419	18.5	172,057	24.5
	50-59	203,961	13.0	147,699	18.9	179,062	12.6	127,645	18.2
	60 years and older	139,375	8.9	66,841	8.6	125,461	8.8	59,260	8.5
	Subtotal	1,160,723	74.0	648,338	83.1	1,060,651	74.6	586,541	83.7
Female	18-19 years	—	—	—	—	—	—	—	—
	20-29	72,575	4.6	21,018	2.7	68,077	4.8	20,555	2.9
	30-39	100,502	6.4	31,931	4.1	86,739	6.1	27,334	3.9
	40-49	95,468	6.1	32,359	4.2	85,440	6.0	28,292	4.0
	50-59	76,525	4.9	27,414	3.5	65,665	4.6	22,815	3.3
	60 years and older	63,581	4.0	18,892	2.4	55,239	3.9	15,284	2.2
	Subtotal	408,651	26.0	131,616	16.9	361,160	25.4	114,282	16.3
Total		1,569,374	100.0	779,954	100.0	1,421,811	100.0	700,823	100.0

(v) By collateral type

Collateral accepted	As of the end of the prior fiscal year (March 31, 2012)		As of the end of the current fiscal year (March 31, 2013)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Securities	—	—	—	—
(Stocks included in the above)	(—)	(—)	(—)	(—)
Credit	—	—	—	—
(Deposits included in the above)	(—)	(—)	(—)	(—)
Merchandise	—	—	—	—
Real estate	19,036	2.4	15,807	2.2
Foundations	—	—	—	—
Others	96	0.0	90	0.0
Subtotal	19,132	2.4	15,898	2.2
Guarantee	—	—	—	—
Unsecured	779,965	97.6	700,833	97.8
Total	799,098	100.0	716,731	100.0

(vi) By loan amount

Loan amount		As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		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	202,049	12.8	12,291	1.5	189,592	13.3	11,742	1.6
	Due over 100,000 yen through 300,000 yen	416,791	26.5	89,371	11.2	389,440	27.3	83,105	11.6
	Due over 300,000 yen through 500,000 yen	571,701	36.3	242,763	30.4	481,403	33.8	205,509	28.7
	Due over 500,000 yen	378,845	24.0	435,539	54.5	361,385	25.3	400,475	55.9
	Subtotal	1,569,386	99.6	779,965	97.6	1,421,820	99.7	700,833	97.8
Secured loans	Due within 1 million yen	653	0.0	367	0.1	666	0.0	363	0.0
	Due over 1 million yen through 5 million yen	4,096	0.3	11,847	1.5	3,521	0.3	10,003	1.4
	Due over 5 million yen through 10 million yen	757	0.1	5,085	0.6	597	0.0	4,005	0.6
	Due over 10 million yen through 50 million yen	128	0.0	1,751	0.2	104	0.0	1,445	0.2
	Due over 50 million yen through 100 million yen	1	0.0	80	0.0	1	0.0	80	0.0
	Due over 100 million yen	—	—	—	—	—	—	—	—
	Subtotal	5,635	0.4	19,132	2.4	4,889	0.3	15,898	2.2
Total		1,575,021	100.0	799,098	100.0	1,426,709	100.0	716,731	100.0
Average loans receivable per contract (Thousands of yen)		—	—	507	—	—	—	502	—
	Unsecured loans	—	—	496	—	—	—	492	—
	Secured loans	—	—	3,395	—	—	—	3,251	—

(vii) By loan term

Loan term		As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		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	1,432,434	91.0	724,598	90.7	1,303,163	91.3	651,523	90.9
	Due within 1 year	1,698	0.1	234	0.0	1,025	0.1	145	0.0
	Due after 1 year through 5 years	88,414	5.6	24,928	3.1	52,816	3.7	11,122	1.6
	Due after 5 years through 10 years	24,245	1.5	13,057	1.6	35,513	2.5	18,772	2.6
	Due after 10 years through 15 years	22,580	1.4	17,136	2.2	29,287	2.1	19,261	2.7
	Due after 15 years through 20 years	11	0.0	8	0.0	11	0.0	6	0.0
	Due after 20 years through 25 years	3	0.0	1	0.0	5	0.0	2	0.0
	Due after 25 years	1	0.0	0	0.0	—	—	—	—
	Subtotal	1,569,386	99.6	779,965	97.6	1,421,820	99.7	700,833	97.8
Secured loans	Revolving	4,633	0.3	14,850	1.9	3,948	0.3	12,100	1.7
	Due within 1 year	10	0.0	21	0.0	18	0.0	34	0.0
	Due after 1 year through 5 years	197	0.0	474	0.1	180	0.0	407	0.1
	Due after 5 years through 10 years	383	0.1	1,133	0.1	388	0.0	1,112	0.1
	Due after 10 years through 15 years	76	0.0	412	0.0	74	0.0	373	0.0
	Due after 15 years through 20 years	98	0.0	566	0.1	79	0.0	455	0.1
	Due after 20 years through 25 years	238	0.0	1,673	0.2	202	0.0	1,414	0.2
	Due after 25 years	—	—	—	—	—	—	—	—
	Subtotal	5,635	0.4	19,132	2.4	4,889	0.3	15,898	2.2
Due within 1 year		1,708	0.1	255	0.0	1,043	0.1	179	0.0
Due after 1 year through 5 years		1,525,678	96.9	764,852	95.7	1,360,107	95.3	675,153	94.2
Due after 5 years through 10 years		24,628	1.6	14,190	1.8	35,901	2.5	19,885	2.8
Due after 10 years through 15 years		22,656	1.4	17,548	2.2	29,361	2.1	19,635	2.7
Due after 15 years through 20 years		109	0.0	575	0.1	90	0.0	461	0.1
Due after 20 years through 25 years		241	0.0	1,675	0.2	207	0.0	1,416	0.2
Due after 25 years		1	0.0	0	0.0	—	—	—	—
Total		1,575,021	100.0	799,098	100.0	1,426,709	100.0	716,731	100.0
Average term per contract		3 years and 3 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.

(viii) By interest rate

Interest rate		As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		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.	119,936	7.6	45,044	5.7	98,303	6.9	38,263	5.4
	10-19% p.a.	1,190,365	75.6	616,063	77.1	1,158,399	81.2	593,537	82.8
	20-21% p.a.	5,780	0.4	5,670	0.7	3,553	0.2	3,403	0.5
	22-23% p.a.	13,775	0.9	15,306	1.9	8,740	0.6	9,383	1.3
	24-25% p.a.	55,256	3.5	34,268	4.3	33,545	2.4	19,568	2.7
	26-27% p.a.	175,903	11.2	61,013	7.6	115,634	8.1	35,705	5.0
	28-29.20% p.a.	8,371	0.5	2,599	0.3	3,646	0.3	971	0.1
	Subtotal	1,569,386	99.6	779,965	97.6	1,421,820	99.7	700,833	97.8
Secured loans	Lower than 10% p.a.	549	0.0	2,706	0.3	551	0.0	2,497	0.4
	10-11% p.a.	609	0.1	3,021	0.4	533	0.0	2,492	0.3
	12-13% p.a.	1,782	0.1	6,199	0.8	1,534	0.1	5,042	0.7
	14-15% p.a.	2,690	0.2	7,188	0.9	2,268	0.2	5,852	0.8
	16-18% p.a.	5	0.0	16	0.0	3	0.0	13	0.0
	19-23% p.a.	—	—	—	—	—	—	—	—
	Subtotal	5,635	0.4	19,132	2.4	4,889	0.3	15,898	2.2
Total		1,575,021	100.0	799,098	100.0	1,426,709	100.0	716,731	100.0

(ix) By product type

Product type		As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		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)	1,432,434	90.9	724,598	90.7	1,303,163	91.4	651,523	90.9
	Individual contract type	136,940	8.7	55,356	6.9	118,648	8.3	49,300	6.9
	Commercial loans	12	0.0	11	0.0	9	0.0	9	0.0
	Subtotal	1,569,386	99.6	779,965	97.6	1,421,820	99.7	700,833	97.8
Secured loans	Real estate card loans	5,235	0.4	16,365	2.1	4,550	0.3	13,547	1.9
	Mortgage loans	375	0.0	2,518	0.3	316	0.0	2,111	0.3
	Loans backed by securities or golf club memberships	20	0.0	96	0.0	18	0.0	90	0.0
	Commercial loans	5	0.0	151	0.0	5	0.0	148	0.0
	Subtotal	5,635	0.4	19,132	2.4	4,889	0.3	15,898	2.2
Total		1,575,021	100.0	799,098	100.0	1,426,709	100.0	716,731	100.0

(x) By region

Region		As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		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	58,056	3.7	26,125	3.3	57,052	4.0	25,611	3.6
	Tohoku	97,122	6.1	45,972	5.8	91,634	6.4	42,711	6.0
	Kanto	640,984	40.7	324,451	40.6	528,713	37.1	266,737	37.2
	Chubu	198,196	12.6	108,150	13.5	193,196	13.5	103,626	14.4
	Kinki	300,282	19.0	144,564	18.1	280,421	19.7	133,943	18.7
	Chugoku	69,296	4.4	35,210	4.4	68,388	4.8	34,525	4.8
	Shikoku	37,373	2.4	18,469	2.3	36,459	2.6	17,807	2.5
	Kyushu	168,077	10.7	77,023	9.6	165,957	11.6	75,869	10.6
	Subtotal	1,569,386	99.6	779,965	97.6	1,421,820	99.7	700,833	97.8
Secured loans	Hokkaido	294	0.0	810	0.1	243	0.0	651	0.1
	Tohoku	343	0.0	965	0.1	291	0.0	771	0.1
	Kanto	1,991	0.1	7,462	0.9	1,742	0.1	6,195	0.9
	Chubu	781	0.1	2,756	0.4	675	0.1	2,288	0.3
	Kinki	1,393	0.1	4,577	0.6	1,220	0.1	3,886	0.5
	Chugoku	247	0.0	823	0.1	211	0.0	689	0.1
	Shikoku	98	0.0	286	0.0	91	0.0	246	0.0
	Kyushu	488	0.1	1,450	0.2	416	0.0	1,168	0.2
	Subtotal	5,635	0.4	19,132	2.4	4,889	0.3	15,898	2.2
Total		1,575,021	100.0	799,098	100.0	1,426,709	100.0	716,731	100.0

(xi) Operating loans per outlet and per employee

Item	As of the end of the prior fiscal year (March 31, 2012)		As of the end of the current fiscal year (March 31, 2013)	
	Number of loan contracts	Outstanding balance (Millions of yen)	Number of loan contracts	Outstanding balance (Millions of yen)
Per loan business outlet	40,385	20,489	36,582	18,377
Per loan business employee	1,859	943	1,700	854

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

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

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 847 and 839, respectively.

6) Number of outlets and employees by region

(i) Number of outlets by region

Region	As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
	Total	Proportion (%)	Loan outlets	Proportion (%)	Total	Proportion (%)	Loan outlets	Proportion (%)
Hokkaido	1	2.6	1	2.6	1	2.6	1	2.6
Tohoku	3	7.7	3	7.7	3	7.7	3	7.7
Kanto	15	38.5	15	38.5	15	38.5	15	38.5
Chubu	6	15.4	6	15.4	6	15.4	6	15.4
Kinki	7	17.9	7	17.9	7	17.9	7	17.9
Chugoku	2	5.1	2	5.1	2	5.1	2	5.1
Shikoku	1	2.6	1	2.6	1	2.6	1	2.6
Kyushu	4	10.2	4	10.2	4	10.2	4	10.2
Total	39	100.0	39	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

Region	As of the end of the prior fiscal year (March 31, 2012)				As of the end of the current fiscal year (March 31, 2013)			
	Total	Proportion (%)	Loan outlets	Proportion (%)	Total	Proportion (%)	Loan outlets	Proportion (%)
Hokkaido	6	0.3	6	0.7	7	0.4	7	0.8
Tohoku	17	1.0	17	2.0	19	1.1	19	2.3
Kanto	1,236	70.4	496	58.5	1,194	70.9	485	57.8
Chubu	31	1.8	31	3.7	31	1.8	31	3.7
Kinki	428	24.4	259	30.6	391	23.2	254	30.3
Chugoku	11	0.6	11	1.3	13	0.8	13	1.5
Shikoku	5	0.3	5	0.6	6	0.4	6	0.7
Kyushu	22	1.2	22	2.6	24	1.4	24	2.9
Total	1,756	100.0	847	100.0	1,685	100.0	839	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, 2012)		As of the end of the current fiscal year (March 31, 2013)	
	Outstanding balance (Millions of yen)	Average interest rate (%)	Outstanding balance (Millions of yen)	Average interest rate (%)
Borrowings from financial institutions, etc.	410,991	2.60	415,570	2.49
Others	200,836	2.70	154,253	2.59
(Corporate bonds, CPs)	(200,836)	(2.70)	(154,253)	(2.59)
Total	611,827	2.63	569,824	2.52
Owners' equity	496,236	—	462,074	—
(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 22,291 million yen borrowings by liquidation of receivables (32,792 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, 2012)				As of the end of the current fiscal year (March 31, 2013)			
		Beginning balance	Amount procured	Amount repaid	Final balance	Beginning balance	Amount procured	Amount repaid	Final balance
Borrowings	City banks, etc.	99,261	53,982	30,384	122,859	122,859	90,364	71,192	142,031
	Regional banks	11,540	7,900	7,352	12,088	12,088	23,950	8,983	27,054
	Trust banks	156,528	52,308	48,308	160,528	160,528	44,630	43,630	161,528
	Foreign banks	7,000	1,000	6,400	1,600	1,600	3,000	1,600	3,000
	Life insurance companies	40,497	9,800	20,011	30,286	30,286	13,000	16,133	27,153
	Non-life insurance companies	2,088	—	1,988	100	100	1,500	100	1,500
	Business corporations (leasing and financing companies, etc.)	875	3,000	750	3,125	3,125	3,000	1,730	4,395
	Other financial institutions	123,023 (38,250)	16,250 (—)	58,867 (5,457)	80,405 (32,792)	80,405 (32,792)	12,500 (—)	43,995 (10,500)	48,909 (22,291)
Subtotal		440,812	144,240	174,060	410,991	410,991	191,944	187,364	415,570
Corporate bonds (including current portion of bonds payable)		202,840	79,250	81,254	200,836	200,836	25,000	71,582	154,253
Subtotal		202,840	79,250	81,254	200,836	200,836	25,000	71,582	154,253
Total		643,652	223,490	255,314	611,827	611,827	216,944	258,947	569,824

(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

Under the 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,” the Group aims to step up its compliance-first business attitude and is currently preparing a three-year medium-term management plan, of which the first year is the fiscal year ending March 31, 2014, to ensure stable long-term growth.

In the medium-term management plan, loan business, guarantee business and overseas finance business are positioned as the three core business categories. The Group aims to achieve a total market scale of 1,600 billion yen for the domestic loan and guarantee businesses and, at the same time, expand the overseas finance business mainly in the Kingdom of Thailand and the Republic of Indonesia.

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 securities report.

However, the risks described below may not cover all potential risks. 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 prompt and timely 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 securities report.

(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 9) listed below.

1) Increase or decrease in number of customer accounts and average loan balance per customer account
2) Changes in judicial rulings and legal regulations applicable to the consumer finance industry
3) Changes in average contracted interest rates received from customers in the loan business
4) Changes in number of requests for interest repayment, as well as amounts we will pay, in the loan business
5) Competition with other companies
6) Rate of default by customers
7) The Company’s ability to procure funds and costs involved
8) Cost levels for advertising expenses, personnel expenses, and other expenses
9) Occurrence of large-scale accidents and disasters

(2) 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.

Although the interest exceeding the interest ceilings specified in the Interest Rate Restriction Act is stipulated to be invalid, before the revised Money Lending Business Act was fully reinforced on June 18, 2010, it was determined under the Interest Rate Restriction Act that debtors who had voluntarily paid said excessive interest could not request for interest reimbursement. In addition, Article 13 of the supplementary provisions of the Money Lending Business Act before its full enforcement stipulated that such payment of interest exceeding the interest ceilings could be deemed an effective interest repayment under the condition that certain requirements be satisfied.

However, the verdict handed down by the Supreme Court on January 13, 2006, stated that in the case of a delayed repayment of the agreed interest, to which a contractual clause of “forfeiture of benefit of time” was attached, said payment of the interest exceeding the interest ceilings could be considered enforced without satisfying the “deemed repayment requirements,” which need specific voluntariness in payment. Consequently, by reason of the above verdict of the Supreme Court, several consumers have taken legal action against consumer finance companies, calling for a reimbursement of payments made, 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. Although the costs of write-off and reimbursing repayments (hereinafter referred to as “loss on interest repayment”) have followed a declining undertone year after year, close attention should be paid to the number of requests for interest repayment. 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.

(3) 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.

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 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.

(4) 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.

(5) 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.

(6) Information systems

The Group relies on computer systems and networks to manage information relating to our business, including data on our store 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.

(7) 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 Institute for Promotion of Digital Economy and Community (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.

(8) 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.

(9) 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.

(10) Disposal of our shares by major shareholders, etc.

MUFG and the MUFG Group hold around 40% of our issued/outstanding shares. In addition, Shigeyoshi Kinoshita, our chairman, president and chief executive officer, along with members of his families and affiliated companies together, holds around 40% of our issued/outstanding shares. 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.

(11) Accidents and disasters

Although we endeavor to verify and improve various measures to cope with the occurrence of accidents and disasters due to external factors including natural disasters such as large-scale earthquakes, wind and flood damage and the prevalence of infectious diseases such as new types of influenza, the occurrence of these phenomena could have a negative effect on the business performance of the Group attributable to damage to our store and facilities and/or physical damage to employees or customers.

5. Material Business Agreements, etc.

(Company split of the card loan business)

Pursuant to the resolution at a Board of Directors Meeting held on January 20, 2012, the Company authorized Jibun Bank to succeed a part of the Company's card loan business by means of a company split as of May 12, 2012. Details are stated in (Notes to business combinations) in 1. Consolidated Financial Statements, etc. of V. Financial Information.

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 46,885 million yen and total liabilities decreased by 68,679 million yen, whereas net assets increased by 21,794 million yen as of March 31, 2013. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets decreased by 42,652 million yen while noncurrent assets decreased by 4,233 million yen. The breakdown of major increases and decreases in current assets is as follows: loans receivable of consumer loans (down 67,098 million yen), accounts receivable-installment (down 7,163 million yen), shares of parent company (down 5,025 million yen), short-term loans receivable (up 19,995 million yen), loans receivable of banking business (up 10,983 million yen) and trading account securities (up 10,543 million yen). The breakdown of major increases and decreases in noncurrent assets is as follows: investment securities (down 4,937 million yen), prepaid pension cost (down 1,506 million yen), software (up 1,521 million yen) and goodwill (up 1,372 million yen).

(Liabilities)

With regard to the liabilities account, changes in current and noncurrent liabilities were an increase of 58,718 million yen and a decrease of 127,398 million yen, respectively, resulting in a decrease of 68,679 million yen in total liabilities. The breakdown of major increases and decreases in liabilities include: provision for loss on interest repayment (down 49,200 million yen), loans and bonds payable (down 31,509 million yen) and deposits of banking business (up 15,883 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 20,839 million yen mainly due to an increase in retained earnings and accumulated other comprehensive income increased by 1,175 million yen, while minority interests decreased by 220 million yen. As a result, total net assets increased by 21,794 million yen and the shareholders' equity ratio increased by 2.7 percentage points year-on-year to 24.0%.

(2) Analysis of business results

In the fiscal year under review, we recorded operating revenue of 193,028 million yen (down 8.3% year-on-year), operating income of 20,961 million yen, ordinary income of 21,835 million yen, and net income of 20,839 million yen. Details of year-on-year changes in primary accounts are as follows:

(Operating revenue)

Operating revenue decreased by 17,428 million yen from the prior fiscal year with a 19,055 million yen decrease in interest on consumer loans and a 938 million yen decrease in per-item revenue.

The decrease in interest on consumer loans was mainly attributable to a continued decrease in operating loans of the Company by 82,367 million yen and a decline in the average loan yield during the current fiscal year, despite the limited impact of full enactment of Money Lending Business Act.

(Operating expenses)

Operating expenses decreased by 7,503 million yen from the prior fiscal year. This is mainly due to a 1,851 million yen decrease in financial expenses and a 5,398 million yen decrease in other operating expenses.

Factors for the decrease in other operating expenses include a 5,838 million yen decrease in provision for loss on interest repayment and a 2,231 million yen decrease in provision of allowance for doubtful accounts.

(Non-operating income/expenses)

Non-operating income decreased by 429 million yen, and non-operating expenses increased by 30 million yen from the prior fiscal year. Either did not change significantly.

(Extraordinary income/loss)

Extraordinary income increased by 3,630 million yen mainly as a result of posting a 2,900 million yen in gain on transfer from business divestitures and a 1,815 million yen in gain on sales of shares of parent company. Extraordinary loss decreased by 882 million yen from the prior fiscal year. A major factor for the decrease in extraordinary loss was a decrease of 913 million yen in loss on sales of investment securities.

(Tax etc.)

In comparison with the prior fiscal year, income taxes-current increased by 836 million yen without significant change. Income taxes-deferred decreased by 6,032 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 15,527 million yen (up 8.0%) from the prior fiscal year to 208,969 million yen. Cash flows from each activity are as follows.

(Net cash provided by operating activities)

Funds from operating activities saw an increase of 2,245 million yen. Major factors of this increase were funds-increasing factors such as 27,506 million yen in income before income taxes and minority interests, a decrease of 34,313 million yen in loans receivable of consumer loans, and an increase of 13,502 million yen in deposits of banking business, as well as funds-decreasing factors such as a decrease of 49,200 million yen in provision for loss on interest repayment, an increase of 10,063 million yen in trading account securities, and an increase of 9,127 million yen in loans receivable of banking business.

(Net cash provided by investing activities)

Funds from investing activities saw an increase of 53,030 million yen. This was primarily due to 46,717 million yen in proceeds from business transfer and the fact that the amount of proceeds from sales of investment securities was 7,761 million yen more than the payments for purchase of investment securities.

(Net cash used in financing activities)

Funds from financing activities saw a decrease of 40,414 million yen. This was primarily due to the fact that the total amount of proceeds from loans and issuance of bonds was 39,805 million yen less than the repayments of loans receivable and payments at maturity of bonds.

III. Equipment and Facilities

1. Status of Capital Expenditures, etc.

During this fiscal year, there was no noteworthy capital investment or 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, 2013

Business Place (Location)	Name of business segments	Details of major facilities and equipment	Book value (Millions of yen)					Number of employees [temporary workers]
			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	86	8,963	—	4	9,053	247 [—]
ACOM Ikegami Building (Ota-ku, Tokyo)	Corporate wide (shared)	Other facilities and equipment	301	10	—	—	312	—
Minami Kashiwa Company Residence (Kashiwa-shi, Chiba) 8 other residential buildings	Corporate wide (shared)	Company residence	1,731	5	6,121 (13,285.03)	—	7,858	—
Kinugawa Health Resort (Kinugawa Onsen Ohara, Nikko-shi, Tochigi) 8 other resorts	Corporate wide (shared)	Health resorts	128	0	38 (506.17)	—	166	—
Nishishinjuku (Shinjuku-ku, Tokyo) and 1,045 other outlets	Loan and credit card business	Outlets, Other facilities and equipment	3,459 44	234 44	— —	974 —	4,669 88	892 [108]

(Notes) 1. Part of the building has been on lease since December 2004 and the leasing fee is 494 million yen.
2. The rent for part of the building and property other than the above (Note) 1 that is on lease is 5,191 million yen.
3. Consumption tax is not included in the above amounts.
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)
Head office (Chiyoda-ku, Tokyo) and 1 other building	Corporate wide (shared)	Computers	—	4 years	0	0
		Automatic contract machines	1	5 years	0	1
		Office equipment	—	4 years	0	—
		Vehicles	—	3 years	3	5
Nishishinjuku (Shinjuku-ku, Tokyo) and 1,045 other outlets	Loan and credit card business	Automatic contract machines	622	5 years	284	1,066

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

(2) Domestic subsidiaries

Not applicable.

(3) Overseas subsidiaries

Not applicable.

3. Plans for Equipment Introduction, Disposals, etc.

(1) Major equipment introduction, etc.

Not applicable.

(2) Major equipment disposal, etc.

Not applicable.

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

(Note) Pursuant to the resolution at a Board of Directors Meeting held on June 21, 2013, the Company shall partially amend the Articles of Incorporation associated with stock split. Consequently, the total number of shares authorized to be issued of the Company will increase by 4,789,776,600 shares to 5,321,974,000 shares as of October 1, 2013.

2) Total number of shares issued

Class	As of the end of the current fiscal year (March 31, 2013)	As of the submission date (June 25, 2013)	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	—	—

(Note) Pursuant to the resolution at a Board of Directors Meeting held on June 21, 2013, the number of shares constituting one unit of the Company shall be amended from 10 shares to 100 shares with October 1, 2013, as the effective date.

(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, 2013

Classification	Status of shares (the number of minimum unit is 10 shares)								Status of shares below unit (shares)
	Govern-ment and local municipal-ities	Japanese financial institutions and insurance companies	Financial instruments business operators	Other Japanese corporations	Foreign corporations, etc.		Individuals, others	Total	
					Others	Individuals			
Number of shareholders	—	32	42	84	256	5	11,054	11,473	—
Number of shares held (Units)	—	1,178,441	58,726	11,687,248	982,173	43	2,056,052	15,962,683	1,450
Ratio of shares held (%)	—	7.38	0.37	73.22	6.15	0.00	12.88	100.00	—

(Notes) 1. 2,966,733 shares of treasury stocks include 296,673 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, 2013

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
Foundation of Kinoshita Memorial Enterprise	6-2-14 Motomachi-dori, 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	3,259	2.04
Shigeyoshi Kinoshita	Minato-ku, Tokyo	3,239	2.02
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	2,679	1.67
Total	—	127,201	79.68

(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, 2013

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 2,966,730	—	—
Shares with full voting rights (others)	Common stock 156,660,100	15,666,010	—
Shares of less than one unit	Common stock 1,450	—	—
Total number of shares issued	159,628,280	—	—
Total voting rights held by all shareholders	—	15,666,010	—

(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, 2013

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	2,966,730	—	2,966,730	1.85
Total	—	2,966,730	—	2,966,730	1.85

(9) Details of stock option plans

Not applicable.

2. Status of Acquisition of Treasury Stock, etc.
Class of stocks, etc.: Common stock

(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
Not applicable.

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

Category	Current fiscal year		Current term	
	Number of shares (shares)	Total disposition amount (Thousands of yen)	Number of shares (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	2,966,733	—	2,966,733	—

(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, 2013, to the submission date of the Securities Report.

3. Basic Policy on Dividends

With regard to the Company's policy on dividends, we intend to ensure stable and continuous profit distribution to the shareholders, taking into consideration the Company's business performance and the shareholders' equity as well as the business environment surrounding the Company.

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.

Considering that increasing owners' equity is our top-priority issue from the standpoint of improving the stability and safety of corporate management to realize our future growth strategy, 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	32nd	33rd	34th	35th	36th
Year end	March 2009	March 2010	March 2011	March 2012	March 2013
Highest (yen)	4,400	2,975	1,880	1,906	2,735
Lowest (yen)	2,270	1,089	773	980	1,379

(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 2012	November	December	January 2013	February	March
Highest (yen)	2,424	2,540	2,560	2,619	2,418	2,735
Lowest (yen)	1,924	2,058	2,161	2,268	2,145	2,180

(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 April 1978 December 1980 February 1983 May 1984 August 1986 June 1988 October 1991 October 1992 October 1996 June 2000 June 2003 June 2010	Joined Marubeni Corporation Joined Japan Consumer Finance Co., Ltd. Joined the Company Director and Chief General Manager, General Affairs Dept. of the Company Director and Chief General Manager, Accounting Dept. of the Company Managing Director of the Company Managing Director and Head of Business Promotion Division of the Company Representative Director and Senior Managing Director of the Company Representative Director and Senior Managing Director and Head of the Loan Sales Division of the Company Representative Director and Deputy President of the Company Representative Director and President of the Company President and Chief Executive Officer of the Company (to present) Chairman and President of the Company (to present)	(Note) 2	3,239

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	1

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: Corporate Planning Dept., Finance Dept., Treasury Dept., and General Affairs Dept.	Kiyoshi Tachiki	November 17, 1951	March 1975 April 1999 April 2000 April 2002 June 2002 June 2003 June 2004 June 2006 June 2006 April 2007 June 2013 June 2013	Joined Maruito Co., Ltd. General Manager, Business Development Dept. of the Company Chief General Manger, Business Development Dept. of the Company Chief General Manager, Market Development Dept. of the Company Director and Chief General Manager, Market Development Dept. of the Company Executive Officer and Chief General Manager, Market Development Dept. of the Company Executive Officer and Chief Officer, Retail Strategy Planning Office of the Company Managing Director of the Company Executive Managing Officer and Chief Officer, Retail Strategy Planning Office of the Company Executive Managing Officer of the Company Senior Managing Director of the Company (to present) Senior Executive Managing Officer (to present)	(Note) 2	5
Senior Managing Director & Senior Executive Managing Officer	Head of Credit Supervision Division In charge of: Credit Supervision Dept. I, Credit Supervision Dept. II, and Compliance for Credit Supervision Office	Satoru Tomimatsu	January 4, 1952	October 1975 April 2000 September 2000 June 2002 June 2003 June 2004 December 2004 June 2005 April 2007 June 2012 June 2013 June 2013	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 Executive Managing Officer and Head of Credit Business Promotion Division of the Company Executive Managing Officer and Head of Credit Supervision Division of the Company Senior Managing Director of the Company (to present) Senior Executive Managing Officer and Head of Credit Supervision 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: Business Process Management Dept., Corporate Risk Management Dept., Compliance Dept. and Chief General Manager of Business Process Management 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 April 2012	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 Director of AFRESH CREDIT CO., LTD. Executive Managing Officer and Chief General Manager, Business Process Management Dept. of the Company (to present)	(Note) 2	1
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	Kazuo Fukumoto	February 27, 1958	March 1980 April 2002 June 2003 October 2005 April 2007 June 2012 June 2013	Joined the Company General Manager, Corporate Management Dept. of the Company Chief General Manager, Corporate Management Dept. of the Company Executive Officer and Chief General Manager, Corporate Management Dept. of the Company Executive Officer and Chief General Manager, Corporate Planning Dept. of the Company Executive Managing Officer and Head of Credit Business Promotion Division of the Company (to present) Managing 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)
Director		Tadachiyo Osada	October 26, 1956	April 1980 October 2002 April 2004 May 2006 May 2006 June 2006 June 2006 May 2009 May 2009 May 2010 May 2012 May 2012 June 2012 June 2013	Joined The Mitsubishi Bank, Limited General Manager, Ebisu Commercial Banking Office of The Bank of Tokyo-Mitsubishi, Ltd. (BTM) General Manager, Small and Medium-Sized Company Division of BTM General Manager, Retail Banking Business Planning Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) General Manager, Retail Business Planning Division, Integrated Retail Banking Business Group of Mitsubishi UFJ Financial Group, Inc. (MUFG) Executive Officer and General Manager, Retail Banking Business Planning Division of BTMU Executive Officer and General Manager, Retail Business Planning Division, Integrated Retail Banking Business Group of MUFG Executive Officer and General Manager, Corporate Business Operation Division of BTMU Executive Officer and General Manager, Corporate Business Development Division of MUFG Managing Executive Officer and Deputy Chief Executive, Retail Banking Business Unit of BTMU Managing Executive Officer and Chief Executive, Retail Banking Business Unit of BTMU Managing Officer and Group Head, Integrated Retail Banking Business Group of MUFG (to present) Managing Director (Representative Director) and Chief Executive, Retail Banking Business Unit of BTMU (to present) Director of the Company (to present)	(Note) 2	—
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	—

Title	Position	Name	Date of birth	Career summary		Term	Number of shares of the Company held (Thousands)
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 Full-time 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 (“*riji*”) 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 June 2012	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) Auditor of ARATA CORPORATION (to present)	(Note) 3	—
Total							3,247

(Notes) 1. Company Auditors Shinichi Yasuda, Eiji Oshima, and Takashi Doi are all Outside Company Auditors.

2. The term of office for Directors is from the end of the Ordinary General Meeting of Shareholders for the fiscal year 2013 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year 2014.
3. The term of office for Company Auditors is from the end of the Ordinary General Meeting of Shareholders for the fiscal year 2011 to the conclusion of the Ordinary 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 25, 2013, Executive officers who are not Directors are as follows:

Title	Name	Position
Executive Managing Officer	Etsuro Tabuchi	Special Mission
Executive Managing Officer	Teruyuki Sagehashi	In charge of Human Resources Dept., System Development & Administration Dept., and Chief General Manager of System Development & Administration Dept.
Executive Managing Officer	Michio Atsuda	In charge of Overseas Business Dept., Guarantee Business Dept., and Chief General Manager of Overseas Business Dept.
Executive Officer	Yoshiharu Kita	Chief General Manager of Internal Audit Dept.
Executive Officer	Noriyoshi Watanabe	Chief General Manager of Corporate Planning Dept.
Executive Officer	Yoshinori Matsubara	Chief General Manager of Finance Dept.
Executive Officer	Satoru Miyakawa	Chief General Manager of General Affairs Dept.
Executive Officer	Tomomi Uchida	Chief General Manager of Business Promotion Dept.
Executive Officer	Makoto Kondo	Vice in charge of Guarantee Business Dept.
Executive Officer	Yasuhiro Kamura	Chief General Manager of East Japan Business Promotion 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) Corporate Governance Structure

(i) An overview of corporate governance structure and reasons for employing the said structure

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. The reason for adopting the aforementioned corporate governance structure is to establish a system in which external surveillance on the management is fully functional because objective and neutral surveillance of the management is conducted, and the fairness, soundness, and transparency of the management are ensured due to the implementation of audit by Outside Company Auditors.

The organs installed by the Company are as follows:

(A) Board of Directors

The Company has a reduced-size Board of Directors with seven 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. The Board monitors the execution of duties 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 Company has concluded a limited liability agreement with each Outside Company Auditor, which limits the liability for damage under Article 423, Paragraph 1, of the Companies Act to the extent of the amount stipulated in the law, in accordance with the provision of Article 427, Paragraph 1, of the Act.

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. 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 fifteen executive officers, eight of whom are directors in office, and five of the seven 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, executive officers in charge of departments, and the Director in charge of the Internal Audit Department. In the presence of Company Auditors, the Executive Officers' Meeting discusses and makes decisions related to the execution of business operations delegated by the Board of Directors and deliberates in advance resolutions for proposal to the Board of Directors in accordance with basic policies determined by the Board of Directors.

The Executive Officers' Meeting assembles three times a month, in principle, and more as deemed necessary.

(E) Affiliated Companies Reporting Board

The Affiliated Companies Reporting Board consists of executive officers who serve concurrently as directors, executive officers in charge of departments, the Director in charge of the Internal Audit Department and the directors of the subsidiaries designated by the President and Chief Executive Officer. In the presence of Company Auditors, the Affiliated Companies Reporting Board reports on important matters pertaining to the management of subsidiaries and the execution of their business.

The Board meets once every quarter, 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. In the presence of Company Auditors, it discusses and makes recommendations about the following compliance-related matters.

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

- 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 the correction of major violations, actions for improvement and recurrence prevention measures; and
- Important items related to other compliance issues.

(b) Director Evaluation Committee

Compensations and bonuses for directors are subject to evaluation by the Director Evaluation Committee, which consists of the Chairman, Deputy Chairman, President, and director in charge of Human Resources Department. The Board of Directors discusses and determines compensation and bonuses for directors by taking into account the results of such evaluations in accordance with the internal rules covering remuneration and bonuses for directors.

(c) Risk Management Committee

The Risk Management Committee consists of executive officers who serve concurrently as directors and the Director in charge of the Internal Audit Department. In the presence of Company Auditors, based on authority bestowed upon it by the Executive Officers' Meeting, the Committee discusses and approves the status of improvement of the Company's risk management approach, the matters related to risk management priority measures and other important items related to risk management, such as evaluations of 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.

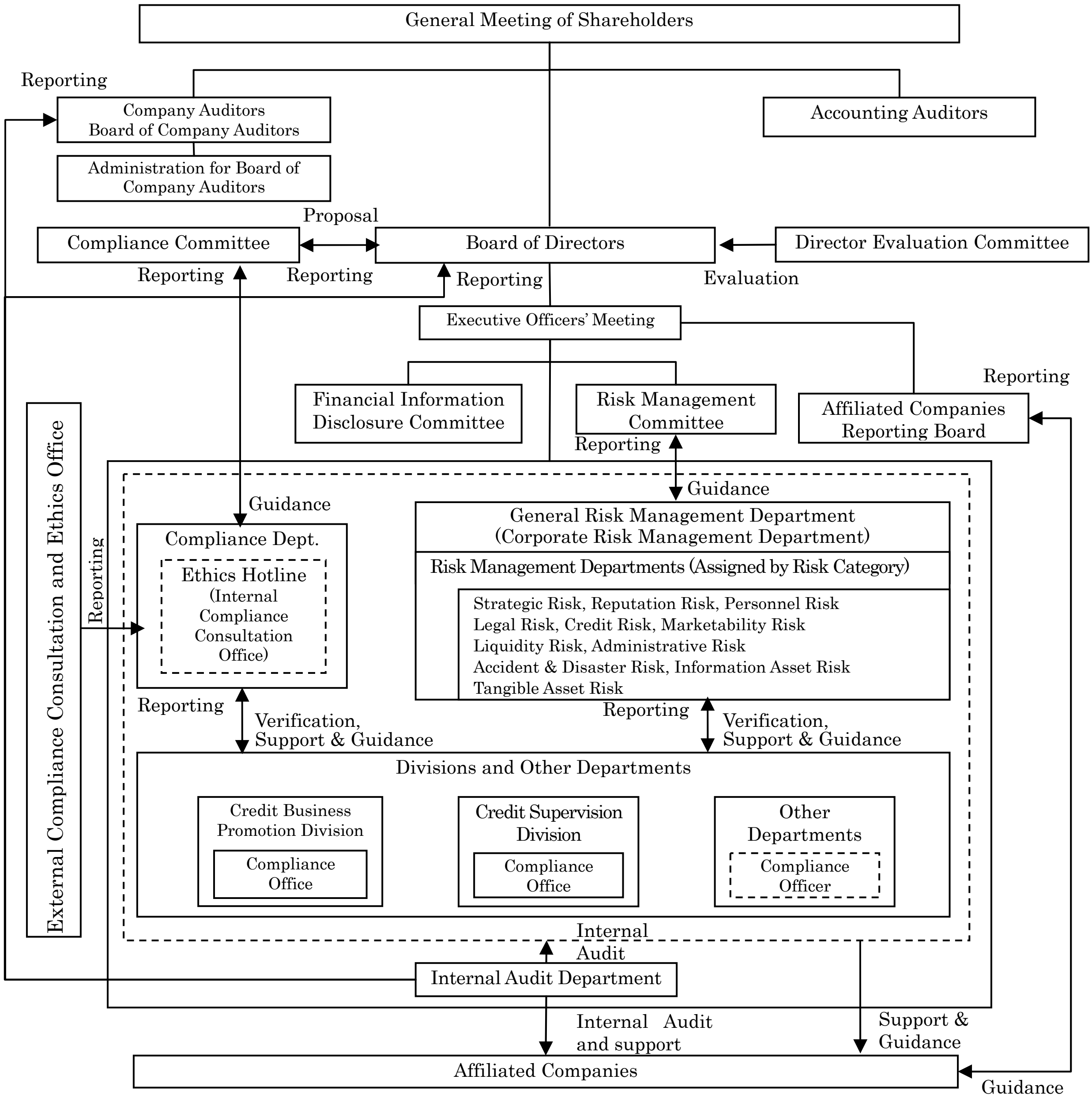
(d) Financial Information Disclosure Committee

The Financial Information Disclosure Committee is presided over by the Executive Officer who serve concurrently as a director in charge of the Treasury Department as the committee chairperson and consists of executive officers who serve concurrently as directors in office that are in charge of the relevant departments and chief general managers of the 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 improvement 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 before the Board meeting on matters for proposal to the Board of Directors regarding the financial information to be disclosed.

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

(ii) Corporate governance structure and internal control system structure

(As of June 25, 2013)



(iii) Other corporate governance related matters

(A) Basic stance on internal control system and the improvement of such system

The Company resolved as described below to improve its internal control system to ensure the appropriateness of its business activities, in accordance with Article 362, Paragraph 4, Item 6, and Paragraph 5 of the Companies Act, as well as Article 100, Paragraphs 1 and 3, of the Enforcement Regulations of the Companies Act.

The Company is making efforts to periodically evaluate the status of improvement of the internal control system, take remedial measures as necessary, review the system to respond to changes in the business environment, etc. and improve the effectiveness of the internal control system.

[Basic Policy of Establishing ACOM Group's Internal Control System]

1. System to ensure that execution of duties by the Directors and employees complies with laws, regulations and the Articles of Incorporation of the Company
   (1) 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.
   (2) 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.
   (3) 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.
   (4) The Company formulates and promotes compliance initiatives based on company-wide and division/department-specific compliance plans, while managing its progress.
   (5) 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.
   (6) 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.
   (7) 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.
   (8) 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.

2. System concerning storage and management of information on the execution of duties by Directors

(1) 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.

(2) 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.

3. Rules concerning loss risk management and other systems

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

(2) 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.

(3) 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.

(4) 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.

4. System to ensure efficient execution of duties by the Directors

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

(2) 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.

(3) 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.

5. System to ensure the propriety of business carried out by the group consisting of the Company, parent company and subsidiaries

(1) 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.

(2) 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").

(3) 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.

(4) 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.

6. 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

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

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

(3) 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.

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

7. System for reporting to Company Auditors by the Directors and employees, and other systems for reporting to Company Auditors
   (1) 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.
   (2) 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.
   (3) Company Auditors may ask Directors and employees to report matters other than the above-mentioned ones if needed.

8. Other systems to ensure that audits are effectively implemented by Company Auditors
   (1) 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.
   (2) 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.
   (3) 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.
   (4) 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.

(B) 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 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 soundness 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 Corporate Risk Management 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.

2) Internal Audits and Audits by Company Auditors

(i) 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.

(ii) 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 monitor and verify the condition of internal control systems.

The Company Auditors form close relationships with Company Auditors of domestic group companies to facilitate the sharing of information.

Company Auditor Shigeru Sato has abundant knowledge about financial and accounting affairs with his experience of having worked as Executive Officer and Chief General Manager, Treasury Dept. of the Company. Company Auditor Shinichi Yasuda has abundant knowledge about financial and accounting affairs with his long experience of having worked in the field of financial operations at Meiji Yasuda Life Insurance Company. Company Auditor Eiji Oshima has abundant knowledge about financial and accounting affairs as he served as a full-time Auditor of Mitsubishi Corporation after having worked as General Manager of Investor Relations of that company for many years.

(iii) Collaboration between Company Auditors and Accounting Auditors

Company Auditors hold regular meetings with accounting auditors 16 times a year to confirm the accounting auditors' 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.

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

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

3) 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 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.

Although the Company does not have specific standards or policies regarding the independence of Outside Company Auditors from the Company in designating such Outside Company Auditors, the Company designates them with reference to the standards regarding the independency of independent directors/auditors stipulated by the Tokyo Stock Exchange.

With regard to the collaboration between the audits by the Outside Company Auditors and the internal audits, as well as that between the audits by the Company Auditors and the Accounting Auditors, refer to (ii), (iii) and (iv) of the preceding item 2).

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 at Meiji Yasuda Life Insurance Company. 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 long tenure 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/company auditor.
Takashi Doi	- No special interests in the Company - In light of 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/company auditor.

4) 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)	167	167	—	—	—	9
Company Auditors (excluding Outside Company Auditors)	19	19	—	—	—	1
Outside Directors and Outside Company Auditors	39	39	—	—	—	3
Total	225	225	—	—	—	13

(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.

5) 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.
Not applicable.

(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.

Prior fiscal year:
Special investment securities
Not applicable.

Deemed shareholdings
Not applicable.

Current fiscal year:
Special investment securities
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 prior and current fiscal years.

	Prior 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	793	843	3	16	(Note)
Securities other than the above	3,563	0	114	437	0

(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.
Not applicable.

6) Status of Accounting Audits

(i) 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.

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

CPAs: 12 persons
Assistant certified public accountants, etc. 7 persons
Other staff: 10 persons

7) Resolution Requirement for Election of Directors

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

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) 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.

9) 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.

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) 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.

(2) Details of Compensation for Auditors

1) Details of Compensation for Certified Public Accountants

Classification	Prior fiscal year		Current fiscal year	
	Compensation in accordance with audit certification (Thousands of yen)	Compensation in accordance with non-audit certification (Thousands of yen)	Compensation in accordance with audit certification (Thousands of yen)	Compensation in accordance with non-audit certification (Thousands of yen)
The Filing Company	114,750	—	110,100	—
Consolidated subsidiary	24,600	—	16,400	—
Total	139,350	—	126,500	—

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 "the Regulations for 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).

(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) 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).

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 fiscal year (from April 1, 2012 to March 31, 2013) were audited by Deloitte Touche Tohmatsu LLC.

3. Specific efforts to secure the appropriateness of the consolidated financial statements, etc.

As specific efforts to secure the appropriateness of the consolidated financial statements, etc., the Company holds membership in the Financial Accounting Standards Foundation, etc., and attends seminars provided by the Accounting Standards Board of Japan, etc., to ensure the correct understanding of the corporate accounting standards and prepare to accommodate any changes in accounting standards, etc.

1. Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

1) Consolidated Balance Sheet

(Millions of yen)

		As of March 31, 2012		As of March 31, 2013
Assets				
Current assets				
Cash and deposits	*3	121,726	*3	117,819
Loans receivable of consumer loans	*2,*6,*9,*10	867,491	*2,*6,*9,*10	800,393
Loans receivable of banking business	*7	41,518	*7	52,501
Accounts receivable-installment	*11	27,690	*11	20,526
Purchased receivables		10,159		8,489
Short-term investment securities		37,043		35,951
Shares of parent company		5,025		—
Operational investment securities		902		—
Trading account securities		394		10,938
Merchandise and finished goods		334		325
Raw materials and supplies		81		88
Deferred tax assets		20,750		18,932
Short-term loans receivable	*5	39,991	*5	59,986
Other		34,402		34,696
Allowance for doubtful accounts		(47,934)		(43,725)
Total current assets		1,159,577		1,116,925
Noncurrent assets				
Property, plant and equipment				
Buildings and structures		31,499		31,059
Accumulated depreciation		(23,973)		(24,085)
Buildings and structures, net		7,525		6,973
Vehicles		58		36
Accumulated depreciation		(41)		(28)
Vehicles, net		16		8
Equipment		23,445		23,002
Accumulated depreciation		(13,478)		(13,085)
Equipment, net		9,967		9,916
Land		6,413		6,275
Lease assets		2,200		2,188
Accumulated depreciation		(1,358)		(1,207)
Lease assets, net		841		980
Total property, plant and equipment		24,764		24,155
Intangible assets				
Goodwill		10,397		11,769
Leasehold right		4		4
Software		—		1,521
Telephone subscription right		39		37
Other		2		2
Total intangible assets		10,443		13,335
Investments and other assets				
Investment securities	*1	6,678	*1	1,741
Deferred tax assets		—		100
Guarantee deposits		6,032		5,854
Prepaid pension cost		1,506		—
Other	*10	4,407	*10	4,260
Allowance for doubtful accounts		(948)		(796)
Total investments and other assets		17,675		11,160
Total noncurrent assets		52,884		48,651
Total assets		1,212,461		1,165,576

(Millions of yen)

		As of March 31, 2012		As of March 31, 2013
Liabilities				
Current liabilities				
Notes and accounts payable-trade		195		216
Short-term loans payable	*8	4,008	*8	36,259
Current portion of long-term loans payable	*2,*8	166,193	*2,*8	184,346
Current portion of bonds payable		87,103		83,157
Deposits of banking business		50,841		66,725
Lease obligations		231		318
Income taxes payable		1,125		1,400
Deferred tax liabilities		7		4
Provision for loss on guarantees	*4	6,230	*4	5,010
Asset retirement obligations		26		34
Deferred installment income	*12	886	*12	327
Other		15,862		13,630
Total current liabilities		332,711		391,429
Noncurrent liabilities				
Bonds payable		135,378		93,204
Long-term loans payable	*2,*8	271,349	*2,*8	235,554
Lease obligations		682		754
Deferred tax liabilities		950		589
Provision for retirement benefits		91		424
Provision for directors' retirement benefits		20		25
Provision for loss on interest repayment		200,200		151,000
Asset retirement obligations		4,405		4,462
Other		1,756		1,421
Total noncurrent liabilities		614,835		487,436
Total liabilities		947,546		878,866
Net assets				
Shareholders' equity				
Capital stock		63,832		63,832
Capital surplus		76,010		76,010
Retained earnings		141,927		162,766
Treasury stock		(19,793)		(19,793)
Total shareholders' equity		261,976		282,815
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		712		8
Foreign currency translation adjustment		(4,925)		(3,045)
Total accumulated other comprehensive income		(4,213)		(3,037)
Minority interests		7,151		6,931
Total net assets		264,915		286,710
Total liabilities and net assets		1,212,461		1,165,576

2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statement of Income)

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Operating revenue		
Interest on consumer loans	158,530	139,474
Interest on loans of banking business	4,701	5,542
Revenue from credit card business	2,440	2,231
Revenue from installment sales finance business	1,547	609
Revenue from credit guarantee	20,626	21,726
Collection from purchased receivable	6,666	6,015
Other financial revenue		
Interest on deposits	55	87
Interest on securities	78	162
Interest on loans	54	36
Gain on valuation of derivatives	389	200
Other	598	621
Total other financial revenue	1,176	1,108
Other operating revenue	14,766	16,319
Total operating revenue	210,456	193,028
Operating expenses		
Financial expenses		
Interest expenses	12,050	11,760
Interest expenses of banking business	2,808	2,797
Interest on bonds	6,741	6,018
Amortization of bond issuance cost	424	180
Other	2,120	1,536
Total financial expenses	24,145	22,293
Cost of purchased receivable	3,013	2,759
Other operating expenses		
Advertising expenses	5,877	8,296
Provision of allowance for doubtful accounts	31,959	29,728
Provision for loss on guarantees	2,766	4,532
Provision for loss on interest repayment	48,807	42,968
Employees' salaries and bonuses	15,602	15,614
Retirement benefit expenses	2,860	2,973
Provision for directors' retirement benefits	9	7
Welfare expenses	2,287	2,235
Rent expenses	6,957	6,582
Depreciation	1,812	1,656
Commission fee	20,778	19,184
Amortization of goodwill	984	1,425
Other	11,706	11,807
Total other operating expenses	152,412	147,013
Total operating expenses	179,570	172,067
Operating income	30,885	20,961

(Millions of yen)

		For the fiscal year ended March 31, 2012		For the fiscal year ended March 31, 2013
Non-operating income				
Interest income		281		190
Dividends income		436		267
Equity in earnings of affiliates		10		—
House rent income		255		343
Other		433		187
Total non-operating income		1,418		988
Non-operating expenses				
Interest expenses		12		18
Equity in losses of affiliates		—		44
Loss on investments in partnerships		7		25
Loss on insurance cancellation		31		14
Other		33		10
Total non-operating expenses		84		114
Ordinary income		32,219		21,835
Extraordinary income				
Gain on sales of noncurrent assets	*1	34	*1	48
Gain on sales of shares of parent company		—		1,815
Gain on sales of investment securities		2,536		1,083
Gain on sales of subsidiaries and affiliates' stocks		—		356
Gain on transfer from business divestitures		—		2,900
Other	*2	3	*2	1
Total extraordinary income		2,574		6,205
Extraordinary loss				
Loss on sales of noncurrent assets	*3	4	*3	32
Loss on retirement of noncurrent assets	*4	176	*4	88
Impairment loss	*5	187	*5	176
Loss on sales of investment securities		1,042		128
Loss on valuation of investment securities		0		91
Other	*6	5	*6	16
Total extraordinary losses		1,417		534
Income before income taxes and minority interests		33,377		27,506
Income taxes-current		2,127		2,963
Income taxes-deferred		7,753		1,721
Total income taxes		9,881		4,684
Income before minority interests		23,496		22,821
Minority interests in income		2,032		1,982
Net income		21,464		20,839

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Income before minority interests	23,496	22,821
Other comprehensive income		
Valuation difference on available-for-sale securities	(523)	(704)
Foreign currency translation adjustment	(1,406)	2,676
Total other comprehensive income	* (1,930)	* 1,972
Comprehensive income	21,566	24,793
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	20,116	22,014
Comprehensive income attributable to minority interests	1,450	2,778

3) Consolidated Statement of Changes in Net Assets

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current 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 beginning of current period	120,463	141,927
Changes of items during the period		
Net income	21,464	20,839
Total changes of items during the period	21,464	20,839
Balance at the end of current period	141,927	162,766
Treasury stock		
Balance at the beginning of current period	(19,793)	(19,793)
Changes of items during the period		
Purchase of treasury stock	(0)	—
Total changes of items during the period	(0)	—
Balance at the end of current period	(19,793)	(19,793)
Total shareholders' equity		
Balance at the beginning of current period	240,512	261,976
Changes of items during the period		
Net income	21,464	20,839
Purchase of treasury stock	(0)	—
Total changes of items during the period	21,464	20,839
Balance at the end of current period	261,976	282,815

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	1,235	712
Changes of items during the period		
Net changes of items other than shareholders' equity	(523)	(704)
Total changes of items during the period	(523)	(704)
Balance at the end of current period	712	8
Foreign currency translation adjustment		
Balance at the beginning of current period	(4,100)	(4,925)
Changes of items during the period		
Net changes of items other than shareholders' equity	(824)	1,880
Total changes of items during the period	(824)	1,880
Balance at the end of current period	(4,925)	(3,045)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,865)	(4,213)
Changes of items during the period		
Net changes of items other than shareholders' equity	(1,347)	1,175
Total changes of items during the period	(1,347)	1,175
Balance at the end of current period	(4,213)	(3,037)
Minority interests		
Balance at the beginning of current period	5,951	7,151
Changes of items during the period		
Net changes of items other than shareholders' equity	1,199	(220)
Total changes of items during the period	1,199	(220)
Balance at the end of current period	7,151	6,931
Total net assets		
Balance at the beginning of current period	243,599	264,915
Changes of items during the period		
Net income	21,464	20,839
Purchase of treasury stock	(0)	—
Net changes of items other than shareholders' equity	(148)	955
Total changes of items during the period	21,316	21,794
Balance at the end of current period	264,915	286,710

4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Net cash provided by operating activities		
Income before income taxes and minority interests	33,377	27,506
Depreciation and amortization	1,812	1,656
Impairment loss	187	176
Amortization of goodwill	984	1,425
Decrease in allowance for doubtful accounts	(21,978)	(5,118)
Decrease in provision for loss on guarantees	(2,592)	(1,220)
Increase in provision for retirement benefits	49	322
Increase in provision for directors' retirement benefits	1	4
Decrease in provision for loss on interest repayment	(83,100)	(49,200)
Interest and dividends income	(718)	(457)
Interest expenses	12	18
Amortization of bond issuance costs	424	180
Foreign exchange losses (gains)	380	(111)
Equity in (earnings) losses of affiliates	(10)	44
Gain on sales of property, plant and equipment	(30)	(15)
Loss on retirement of property, plant and equipment	176	87
Gain on sales of shares of parent company	—	(1,815)
Gain on sales of investment securities	(1,493)	(955)
Gain on sales of subsidiaries and affiliates' stocks	—	(356)
Loss on valuation of investment securities	0	91
Gain on transfer from business divestitures	—	(2,900)
Decrease in loans receivable of consumer loans	98,113	34,313
Increase in loans receivable of banking business	(10,498)	(9,127)
Decrease in accounts receivable-installment	16,183	7,272
Decrease in purchased receivables	1,771	1,670
Decrease in investment securities for sale	314	423
Increase in trading account securities	(0)	(10,063)
Increase in inventories	(10)	(5)
Decrease in other current assets	4,635	461
Decrease in prepaid pension costs	1,731	1,506
Increase (Decrease) in notes and accounts payable-trade	(22)	15
Increase in deposits of banking business	10,562	13,502
Decrease in deferred installment income	(1,586)	(571)
Increase (Decrease) in other current liabilities	4,047	(2,978)
Decrease by other operating activities	(2,267)	(643)
Subtotal	50,456	5,139
Interest and dividends income received	716	456
Interest expenses paid	(12)	(18)
Business structure improvement expenses paid	(245)	—
Income taxes refunds	182	443
Income taxes paid	(2,676)	(3,775)
Net cash provided by operating activities	48,421	2,245

(Millions of yen)

	For the fiscal year ended March 31, 2012	For the fiscal year ended March 31, 2013
Net cash provided by investing activities		
Purchase of property, plant and equipment	(693)	(617)
Proceeds from sales of property, plant and equipment	81	171
Proceeds from sales of shares of parent company	—	6,499
Proceeds from sales of investment securities	11,210	6,213
Purchase of subsidiaries' stocks	—	(6,328)
Proceeds from sales of subsidiaries' stocks	—	1,376
Proceeds from transfer of business	—	*2 46,717
Increase (Decrease) by other investing activities	382	(1,002)
Net cash provided by investing activities	10,981	53,030
Net cash used in financing activities		
Proceeds from short-term loans payable	36,119	88,469
Repayments of short-term loans payable	(35,108)	(57,019)
Proceeds from issuance of bonds	82,757	38,543
Payments at maturity of bonds	(81,254)	(87,863)
Proceeds from long-term loans payable	156,230	158,640
Repayments of long-term loans payable	(187,074)	(180,575)
Proceeds from stock issuance to minority shareholders	136	—
Repayments of finance lease obligations	(175)	(269)
Purchase of treasury stock	(0)	—
Cash dividends paid	(0)	(0)
Cash dividends paid to minority shareholders	(185)	(339)
Net cash used in financing activities	(28,554)	(40,414)
Effect of exchange rate change on cash and cash equivalents	(317)	666
Net increase in cash and cash equivalents	30,530	15,527
Cash and cash equivalents at beginning of period	162,910	193,441
Cash and cash equivalents at end of period	*1 193,441	*1 208,969

[Notes]

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

1. The scope of consolidation

All subsidiaries are consolidated.

Number of consolidated subsidiaries: 7

The names of the consolidated subsidiaries are omitted because they are shown in “4. Information on Subsidiaries and Affiliates” under “I. Overview of the Company.”

AC Ventures Co., Ltd., which had been a consolidated subsidiary until the fiscal year ended March 31, 2012, was absorbed by the Company as of April 1, 2012. The four related investment partnerships have also been excluded from consolidation, because the dissolution thereof was completed during the fiscal year ended March 31, 2013.

2. Application of the equity-method

Number of equity-method affiliates: 1

The name of the equity-method affiliate is omitted because it is shown in “4. Information on Subsidiaries and Affiliates” under “I. Overview of the Company.”

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

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.

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-sale 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.

2) Derivative financial instruments

Swap transactions:

Fair value method

3) 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

(2) Depreciation methods for significant assets

1) Property, plant and equipment (excluding lease assets)

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:	2 to 8 years
Equipment:	2 to 20 years

2) Intangible assets (excluding lease assets)

The Companies use the straight-line method.

Software for internal use is amortized over an estimated useful life of 5 years.

3) Lease assets

Lease assets concerning transfer ownership finance lease transactions:

Depreciated using the same depreciation method applied to noncurrent assets owned by the Company.

Lease assets concerning non-transfer ownership finance lease transactions:

Depreciated using the straight-line method, defining the lease term of respective assets as their useful lives, without residual value.

4) Long-term prepaid expenses

The Companies use the equal installment method over the estimated useful life.

5) Deferred assets

Bond issuance cost:

These costs are fully charged to income when they are paid.

(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 receivables, 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.

2) Provision for loss on guarantees

To provide for loss on guarantees, the Company makes an allowance for potential losses at the end of the fiscal year.

3) Provision for retirement benefits

To provide for employees' retirement benefits, the Companies 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 (Primarily, 5 years) that are no longer than the average remaining service years of employees, beginning from the fiscal year following the time of occurrence.

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.

5) Provision for loss on interest repayment

To prepare for potential loss on interest repayment in the future, the Company estimates and provides a reasonable amount of provision for loss on interest repayment, in consideration of the past actual results and the latest interest repayment situations.

(4) 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.

(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.

(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 agreement is recognized and included in interest expenses or income.

The currency swaps that qualify for hedge accounting and meet specific matching criteria are used to hedge the foreign currency fluctuations and 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

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.

(7) Method and period of amortization of goodwill

Goodwill is amortized in equal installments over a 10 to 15 year period. However, immaterial goodwill is entirely amortized for the fiscal year of occurrence.

(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, unpaid consumption tax is included in “Other” in current liabilities on the consolidated balance sheet.

(New accounting pronouncements)

Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012) and Guidance on the Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012)

(1) Overview

Under the new Accounting Standard mentioned above, actuarial gains and losses and past service costs that are yet to be recognized as profits or losses are recognized within the net asset section after being adjusted for tax effects, and any difference between retirement benefit obligations and plan assets would be recognized as a liability or asset. Regarding the method of attributing expected benefits to fiscal periods, the new Standard allows choosing the benefit formula basis, in addition to the straight-line basis. There is also an amendment to the method of calculating the discount rate.

(2) Effective date

The new Accounting Standard and Guidance will be applied effective from the end of the fiscal year ending March 31, 2014, except that amendments relating to the determination of retirement benefit obligations and service cost will be applied effective from the beginning of the fiscal year ending March 31, 2015.

(3) Effect of the application of the new Accounting Standard

An effect of applying the new Accounting Standard on the Company’s consolidated financial statements is currently under assessment.

(Changes in method of accounting)

<Changes in method of accounting that are difficult to distinguish from changes in accounting estimates>

Due to the revision of the Corporation Tax Act, the Company and its domestic consolidated subsidiaries have replaced the method of depreciation for property, plant and equipment obtained on or after April 1, 2012 with the method according to the revised Corporation Tax Act, effective from the fiscal year ended March 31, 2013.

The effects of this change on consolidated operating income, ordinary income and income before income taxes and minority interests are immaterial.

(Changes in presentation)

<Consolidated statement of income>

"Loss on disposal of supplies" had been separately listed as an item within non-operating expenses up to the prior fiscal year. As it does not currently account for more than 10% of total non-operating expenses, it has been included in "Other" in non-operating expenses effective from the current fiscal year.

To reflect this change in the consolidated statement of income for the prior fiscal year, 8 million yen stated as "Loss on disposal of supplies" under "Non-operating expenses" in the consolidated statement of income for the prior fiscal year has been reclassified into "Other."

"Loss on investments in partnerships" was included in "Other" in non-operating expenses for the prior fiscal year. As it currently exceeds 10% of total non-operating expenses, it has been separately listed as an item within non-operating expenses effective from the current fiscal year.

To reflect this change in the consolidated statement of income for the prior fiscal year, 7 million yen of loss on investments in partnerships included in "Other" in non-operating expenses has been reclassified by being separately stated as "Loss on investments in partnerships."

(Notes to Consolidated Balance Sheet)

*1. Amount of subsidiaries and affiliates' stocks included in investment securities (Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Investment securities	299	254

*2. Pledged assets

(1) Assets pledged as collateral (Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Loans receivable of consumer loans	65,644 [65,644]	59,240 [59,240]

(2) Secured obligations (Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Current portion of long-term loans payable	10,500 [10,500]	10,500 [10,500]
Long-term loans payable	22,291 [22,291]	11,791 [11,791]
Total	32,792 [32,792]	22,291 [22,291]

Figures in brackets "[ ]" represent amount concerning liquidation of receivables. In addition, loans receivable of consumer loans shown above have been transferred by trust for the purpose of liquidation, whose right of ownership has been transferred to the trust bank (trustees).

*3. Reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia.

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Cash and deposits	4,272	4,332

*4. Contingent liabilities (Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Outstanding guarantee obligation in the guarantee business	483,282	586,521
Outstanding guarantee obligation in the banking business	1,238	933
Provision for loss on guarantees	6,230	5,010
Net	478,291	582,444

*5. Financial assets received as freely disposable securities

Prior fiscal year (As of March 31, 2012)

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 was 39,993 million yen.

Current fiscal year (As of March 31, 2013)

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 was 59,990 million yen.

*6. Commitment line contracts for loans receivable of consumer loans

Prior fiscal year (As of March 31, 2012)

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 284,757 million yen at the end of the accounting period. This included a total of 156,546 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.

Current fiscal year (As of March 31, 2013)

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 288,163 million yen at the end of the accounting period. This included a total of 145,862 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.

*7. Commitment line contracts for loans receivable of banking business

Prior fiscal year (As of March 31, 2012)

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 12,440 million yen as of the end of the 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.

Current fiscal year (As of March 31, 2013)

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 15,688 million yen as of the end of the fiscal year.

A certain portion of commitment line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the consolidated subsidiaries of the Company.

Contracts contain provisions allowing the consolidated subsidiaries of the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

*8. Agreements for overdraft and commitment facilities

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Amount of agreement for overdraft and commitment line	143,784	180,210
Amount of borrowing	25,057	62,695
Net	118,726	117,515

*9. Amount of unsecured consumer loans in loans receivable of consumer loans (Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Unsecured consumer loans in loans receivable of consumer loans	848,347	784,485

*10. 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 those to debtors who have petitioned for bankruptcy as of the end of the fiscal year, but have not yet declared bankrupt. This entire amount is charged to the allowance for doubtful accounts.

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Loans to debtors who have petitioned for bankruptcy, but have not yet declared bankrupt	400	255

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Loans to bankrupt parties	1,494	1,030
Loans in arrears	30,948	23,064
Loans overdue by three months or more	2,007	2,832
Restructured loans	45,712	37,886
Total	80,163	64,814

Notes:

1. Loans to bankrupt parties refer to loans to bankrupt parties, parties in rehabilitation and reorganization, and others which are loans where interest is not accrued.
2. Loans in arrears refer to other loans where interest is not accrued, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.

3.Loans overdue by three months or more refer to loans other than the above that are overdue by three months or more.

4.Restructured loans refer to 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 an outstanding balance.

*11. Balances of accounts receivable-installment by business categories (Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Fees from the credit card business	18,482	16,580
Fees from installment sales finance business	9,207	3,946
Total	27,690	20,526

*12. Balance of deferred installment income

The balance of deferred installment income belongs entirely to the installment sales finance business.
The breakdown of the amount during the period is as follows:

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Balance at the beginning of period	2,482 (119)	886 (18)
Accrued during the period	97 (14)	94 (1)
Realized during the period	1,693 (114)	653 (15)
Balance at the end of period	886 (18)	327 (4)

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

(Notes to Consolidated Statement of Income)

*1. Breakdown of gain on sales of noncurrent assets

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Buildings and structures	1	25
Vehicles	0	9
Equipment	15	2
Land	16	11
Total	34	48

*2. Other extraordinary income results from sales of golf club memberships.

*3. Breakdown of loss on sales of noncurrent assets

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Buildings and structures	—	7
Equipment	4	0
Land	—	24
Total	4	32

*4. 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)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Buildings and structures	158	81
Equipment	18	6
Lease assets	—	0
Telephone subscription right	—	1
Total	176	88

*5. Impairment loss

The following losses on impairment of noncurrent assets are recorded.

(1) Assets recognized as having suffered impairment

Prior fiscal year (from April 1, 2011 to March 31, 2012)

Location	Usage	Type
Toyooka-shi, Hyogo, etc.	Property to be sold	Land, buildings, etc.
Chiyoda-ku, Tokyo, etc.	Dormant assets	Telephone subscription right

Current fiscal year (from April 1, 2012 to March 31, 2013)

Location	Usage	Type
Kawasaki-shi, Kanagawa, etc.	Property to be sold	Land and buildings
Chiyoda-ku, Tokyo	Dormant assets	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 domestic loan, credit card and guarantee business: each business

(b) For other financial businesses: each company

(c) For the overseas financial business: each company

For leasehold estate and property to be sold, the smallest units are the individual assets themselves.
Our headquarters 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 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)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Buildings and structures	65	97
Equipment	0	0
Land	99	78
Telephone subscription right	22	0
Total	187	176

(5) Calculation method of recoverable amount

The recoverable amount of property to be sold is measured by net selling price and evaluated based on an appraisal value provided by a real estate appraiser.
The recoverable amount of telephone subscription right is measured to be zero as we do not expect to use it, and we cannot expect to sell it at the market.

*6. Breakdown of other extraordinary loss

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Loss on sales of golf club memberships	1	15
Loss on valuation of golf club memberships	0	—
Temporary amortization of long-term prepaid expenses	3	1
Total	5	16

*7. Basis for classification of financial revenue and financial expenses on consolidated statement of income

(1) Financial revenue stated as operating revenue

Includes all financial revenue earned by the Company and its subsidiaries engaged in the financial service business, excluding dividends and interest on investment securities.

(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.

(Notes to Consolidated Statement of Comprehensive Income)

* Reclassification adjustment and tax effect relating to other comprehensive income:

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Valuation difference on available-for-sale securities		
Gains (losses) arising during the year	(182)	1,383
Reclassification adjustments	(1,422)	(2,265)
Amount before income tax effect	(1,604)	(881)
Income tax effect	1,081	177
Valuation difference on available-for-sale securities	(523)	(704)
Foreign currency translation adjustment		
Gains (losses) arising during the year	(1,406)	2,676
Total other comprehensive income	(1,930)	1,972

(Notes to Consolidated Statement of Changes in Net Assets)

For the prior fiscal year (from April 1, 2011 to March 31, 2012)

1. Matters related to outstanding shares

(shares)

Class of shares	As of April 1, 2011	Increase	Decrease	As of March 31, 2012
Common stock	159,628,280	—	—	159,628,280

2. Matters related to treasury stock

(shares)

Class of shares	As of April 1, 2011	Increase	Decrease	As of March 31, 2012
Common stock	2,966,693	40	—	2,966,733

(Outline for the change)

40 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

Not applicable.

(2) Dividends whose record date falls in the current fiscal year, but whose effective date comes after March 31, 2012

Not applicable.

For the current fiscal year (from April 1, 2012 to March 31, 2013)

1. Matters related to outstanding shares

(shares)

Class of shares	As of April 1, 2012	Increase	Decrease	As of March 31, 2013
Common stock	159,628,280	—	—	159,628,280

2. Matters related to treasury stock

(shares)

Class of shares	As of April 1, 2012	Increase	Decrease	As of March 31, 2013
Common stock	2,966,733	—	—	2,966,733

3. Matters related to stock acquisition rights, etc.

Not applicable.

4. Matters related to dividends

(1) Dividends paid

Not applicable.

(2) Dividends whose record date falls in the current fiscal year, but whose effective date comes after March 31, 2013

Not applicable.

(Notes to Consolidated Statement of Cash Flows)

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

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Cash and deposits	121,726	117,819
Short-term investment securities	37,043	35,951
Short-term loans receivable	39,991	59,986
Time deposits with original maturities of more than three months	(3)	(4)
Cash reserved for banking business	(4,272)	(4,332)
Bonds to be matured within 1 year	(1,043)	(451)
Cash and cash equivalents	193,441	208,969

*2 Breakdown of principal assets and liabilities that decreased due to the transfer of business in the current fiscal year

Part of the Company's card loan business transferred to Jibun Bank Corporation (as of May 12, 2012)

	(Millions of yen)
Current assets	43,820
Current liabilities	(2)
Gain on transfer of business	2,900
Proceeds from transfer of business	46,717

(Notes to lease transactions)

1. Finance lease transactions

(1) Finance lease transactions that transfer ownership

1) Details of lease assets

Property, plant and equipment

They are servers and ATMs 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 MUJINKUN of loan business.

2) Depreciation of lease assets

Depreciated using the straight-line method, with the lease term of respective assets as their useful lives, with residual value equaling zero.

2. Operating lease transactions

The rental commitments under noncancellable operating leases are as follows:

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Due within 1 year	7	96
Due after 1 year	11	320
Total	18	417

(Notes to financial instruments)

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, 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. Significant accounting policies, (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, management receives 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 conducting 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 regard to the items of which fair values are determined using the market interest rate, the estimated effects of a change of 1 basis point (0.01%) in the fiscal year-end market interest rate on their net asset amount - financial assets after deduction of financial liabilities are as follows. This estimation assumes that there are no changes in any risk variables other than the market interest rate.

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
If the market interest rate had been		
higher by 1 basis point	(84)	(103)
lower by 1 basis point	84	103

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 for 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. 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 well as the differences between these values are described below. Financial instruments whose fair value appears to be extremely difficult to determine are not included in the table. (See (Note 2))

For the prior fiscal year (as of March 31, 2012)

(Millions of yen)

	Carrying amount	Fair value	Unrealized gain/loss
(1) Cash and deposits	121,726	121,726	—
(2) Loans receivable of consumer loans	867,491		
Allowance for doubtful accounts	(34,603)		
Provision for loss on interest repayment (Write-off of receivables)	(42,200)		
	790,688	952,256	161,568
(3) Loans receivable of banking business	41,518		
Allowance for doubtful accounts	(433)		
	41,084	45,963	4,878
(4) Accounts receivable-installment	27,690		
Allowance for doubtful accounts	(3,127)		
Deferred installment income	(870)		
	23,691	29,240	5,549
(5) Purchased receivables	10,159		
Allowance for doubtful accounts	(1,836)		
	8,322	8,322	—
(6) Marketable securities, shares of parent company, trading account securities and investment securities			
1) Trading securities	394	394	—
2) Held-to-maturity securities	1,820	2,002	182
3) Available-for-sale securities	44,645	44,645	—
(7) Short-term loans receivable	39,991	39,993	1
Total assets	1,072,365	1,244,545	172,180
(1) Short-term loans payable	4,008	4,008	—
(2) Deposits of banking business	50,841	50,841	—
(3) Current portion of bonds payable and bonds payable	222,481	224,347	1,865
(4) Current portion of long-term loans payable and long-term loans payable	437,542	437,098	(444)
Total liabilities	714,874	716,295	1,421
Derivative transaction*	[261]	[261]	—

* The receivables and payables attributable to derivative transactions are shown in their net amounts. If the aggregate outcome of the derivative transactions results in net payables, the amount is shown in brackets [ ].

For the current fiscal year (as of March 31, 2013)

(Millions of yen)

	Carrying amount	Fair value	Unrealized gain/loss
(1) Cash and deposits	117,819	117,819	—
(2) Loans receivable of consumer loans	800,393		
Allowance for doubtful accounts	(31,215)		
Provision for loss on interest repayment (Write-off of receivables)	(20,800)		
	748,377	941,666	193,289
(3) Loans receivable of banking business	52,501		
Allowance for doubtful accounts	(542)		
	51,959	59,523	7,563
(4) Accounts receivable-installment	20,526		
Allowance for doubtful accounts	(2,160)		
Deferred installment income	(323)		
	18,043	23,467	5,424
(5) Purchased receivables	8,489		
Allowance for doubtful accounts	(1,815)		
	6,673	6,673	—
(6) Marketable securities, trading account securities and investment securities			
1) Trading securities	10,938	10,938	—
2) Held-to-maturity securities	803	909	105
3) Available-for-sale securities	35,557	35,557	—
(7) Short-term loans receivable	59,986	59,990	3
Total assets	1,050,159	1,256,546	206,386
(1) Short-term loans payable	36,259	36,259	—
(2) Deposits of banking business	66,725	66,725	—
(3) Current portion of bonds payable and bonds payable	176,362	178,667	2,305
(4) Current portion of long-term loans payable and long-term loans payable	419,901	422,133	2,232
Total liabilities	699,248	703,786	4,537
Derivative transaction*	[87]	[87]	—

* The receivables and payables attributable to derivative transactions are shown in their net amounts. If the aggregate outcome of the derivative transactions results in net payables, the amount is shown in brackets [ ].

(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 approximates 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 approximates 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 approximates their carrying amount at the closing date, less the current expected amount of loan losses.

(6) Marketable securities, trading account securities and investment securities

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

For notes to securities according to holding purposes, please refer to "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 approximates 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 treatment 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) The carrying amounts of financial instruments whose fair value cannot be reliably determined

(Millions of yen)

Item	As of March 31, 2012	As of March 31, 2013
1) Unlisted shares (*1) (*2)	2,273	1,098
2) Investments in investment partnerships (*1) (*3)	7	232
3) Operational investment securities (*1)	902	—
Total	3,184	1,331

(*1) These shares are not included in "Asset (6) Marketable securities, 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 appears to be extremely difficult to determine.

(Note 3) Maturity analysis for financial assets and securities with contractual maturity
For the prior fiscal year (as of March 31, 2012)

(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	121,726	—	—	—	—	—
Loans receivable of consumer loans (*1) (*2)	181,663	158,973	150,101	147,102	146,145	25,188
Loans receivable of banking business	22,111	1,777	3,485	2,929	5,069	6,144
Accounts receivable-installment (*1) (*2)	8,816	5,347	4,027	3,480	3,324	549
Marketable securities and Investment securities						
1) Held-to-maturity securities (Government bond)	1,043	439	86	—	—	251
2) Available-for-sale securities with contractual maturities						
Government bond	—	—	—	—	—	56
Other	36,000	—	—	—	—	—
Short-term loans receivable	39,991	—	—	—	—	—
Total	411,352	166,538	157,700	153,512	154,539	32,190

For the current fiscal year (as of March 31, 2013)

(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	117,819	—	—	—	—	—
Loans receivable of consumer loans (*1) (*2)	192,631	150,838	140,757	138,035	136,144	588
Loans receivable of banking business	27,284	2,835	3,532	4,081	5,390	9,378
Accounts receivable-installment (*1) (*2)	5,770	3,815	3,326	3,164	3,121	—
Marketable securities and Investment securities						
1) Held-to-maturity securities (Government bond)	451	89	—	—	262	—
2) Available-for-sale securities with contractual maturities						
Government bond	—	—	—	—	—	57
Other	35,500	—	—	—	—	—
Short-term loans receivable	59,986	—	—	—	—	—
Total	439,444	157,579	147,616	145,281	144,919	10,024

(*1) Loans receivable of consumer loans and accounts receivable-installment do not include loans whose recovery is doubtful because their redemption schedule is unclear (amounts: 45,447 million yen for the prior fiscal year and 30,282 million yen for the current fiscal year).

(*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) Scheduled repayment amount of bonds payable, long-term loans payable, lease obligations and other interest-bearing liabilities after the consolidated closing date

For the prior fiscal year (as of March 31, 2012)

(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
Short-term loans payable	4,008	—	—	—	—	—
Deposits of banking business	50,841	—	—	—	—	—
Current portion of bonds payable and bonds payable	87,103	82,602	51,551	1,225	—	—
Current portion of long-term loans payable and long-term loans payable	166,193	145,816	87,199	28,036	10,298	—
Lease obligations	231	235	235	154	57	—
Total	308,377	228,653	138,985	29,415	10,355	—

For the current fiscal year (as of March 31, 2013)

(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
Short-term loans payable	36,259	—	—	—	—	—
Deposits of banking business	66,725	—	—	—	—	—
Current portion of bonds payable and bonds payable	83,157	51,736	33,008	8,460	—	—
Current portion of long-term loans payable and long-term loans payable	184,346	136,727	63,063	29,163	6,600	—
Lease obligations	318	320	241	145	47	—
Total	370,807	188,784	96,313	37,768	6,647	—

(Notes to securities)

1. Trading securities

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Unrealized loss reported as loss	(1)	(0)

2. Held-to-maturity securities

For the prior fiscal year (as of March 31, 2012)

(Millions of yen)

Category	Carrying amount	Market value	Unrealized gain/loss
Market value greater than carrying amount			
(1) Government/municipal bonds	1,820	2,002	182
(2) Corporate bonds	—	—	—
(3) Other	—	—	—
Subtotal	1,820	2,002	182
Market value not greater than carrying amount			
(1) Government/municipal bonds	—	—	—
(2) Corporate bonds	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Total	1,820	2,002	182

For the current fiscal year (as of March 31, 2013)

(Millions of yen)

Category	Carrying amount	Market value	Unrealized gain/loss
Market value greater than carrying amount			
(1) Government/municipal bonds	803	909	105
(2) Corporate bonds	—	—	—
(3) Other	—	—	—
Subtotal	803	909	105
Market value not greater than carrying amount			
(1) Government/municipal bonds	—	—	—
(2) Corporate bonds	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Total	803	909	105

3. Available-for-sale securities

For the prior fiscal year (as of March 31, 2012)

(Millions of yen)

Category	Carrying amount	Acquisition cost	Unrealized gain/loss
Acquisition cost not greater than carrying amount			
(1) Stocks	7,999	7,094	905
(2) Bonds			
Government/municipal	56	53	3
Corporate	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	8,055	7,147	908
Acquisition cost greater than carrying amount			
(1) Stocks	589	711	(122)
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	589	711	(122)
Total	8,645	7,859	786

For the current fiscal year (as of March 31, 2013)

(Millions of yen)

Category	Carrying amount	Acquisition cost	Unrealized gain/loss
Acquisition cost not greater than carrying amount			
(1) Stocks	0	0	0
(2) Bonds			
Government/municipal	57	53	3
Corporate	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	57	53	3
Acquisition cost greater than carrying amount			
(1) Stocks	—	—	—
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	—	—	—
Subtotal	—	—	—
Total	57	53	3

4. Available-for-sale securities sold during the fiscal year

For the prior fiscal year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

Category	Amount of proceeds	Total gains on sales	Total losses on sales
(1) Stocks	9,913	2,536	795
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	679	—	247
Total	10,593	2,536	1,042

For the current fiscal year (from April 1, 2012 to March 31, 2013)

(Millions of yen)

Category	Amount of proceeds	Total gains on sales	Total losses on sales
(1) Stocks	11,814	2,899	128
(2) Bonds			
Government/municipal	—	—	—
Corporate	—	—	—
Other	—	—	—
(3) Other	—	—	—
Total	11,814	2,899	128

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

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Loss on impairment of securities (shares classified as “Available-for-sale securities”)	0	91

(Notes to derivatives transactions)

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

(1) Currency-related derivatives

For the prior fiscal year (As of March 31, 2012)

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	4,307	—	(261)	(261)

(Note) Calculation method for fair value

Calculated based on the price presented by counterparty financial institutions

For the current fiscal year (As of March 31, 2013)

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	4,553	4,553	(87)	(87)

(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

For the prior fiscal year (As of March 31, 2012)

(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 swaps which qualify for hedge accounting and meet specific matching criteria	Interest rate swap transactions Fixed interest receivables/ Floating interest payments	Bonds payable	2,450	2,450	0
	Fixed interest payments and floating interest receivables	Long-term loans payable Bonds payable	272,211	186,948	(3,847)
Total			274,661	189,398	(3,847)

(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.

For the current fiscal year (As of March 31, 2013)

(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 swaps which qualify for hedge accounting and meet specific matching criteria	Interest rate swap transactions Fixed interest receivables/ Floating interest payments	Bonds payable	2,820	—	(0)
	Fixed interest payments and floating interest receivables	Long-term loans payable Bonds payable	257,504	153,217	(3,646)
Total			260,324	153,217	(3,646)

(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

For the prior fiscal year (As of March 31, 2012)

(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 swaps which qualify for hedge accounting and meet specific matching criteria	Currency swap	Long-term loans payable	6,427	5,496	620

(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, 2013)

(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 swaps which qualify for hedge accounting and meet specific matching criteria	Currency swap	Long-term loans payable	7,327	5,586	(390)

(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)

1. Overview of retirement benefit plans

The Company and 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.

2. Retirement benefit obligations

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
(1) Retirement benefit obligations	(17,910)	(20,307)
(2) Pension assets	16,520	18,932
(3) Unfunded retirement benefit obligations ((1) +(2))	(1,390)	(1,374)
(4) Unrecognized past service obligations	—	—
(5) Unrecognized difference with actuarial obligation	2,805	949
(6) Difference ((3) + (4) +(5))	1,414	(424)
(7) Prepaid pension cost	1,506	—
(8) Provision for retirement benefits ((6) - (7))	(91)	(424)

(Note) Some consolidated subsidiaries use the simplified method for calculating retirement benefit obligations.

3. Retirement benefit expenses

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
(1) Service cost (Note 1)	1,296	1,070
(2) Interest cost	223	246
(3) Expected investment income	(490)	(498)
(4) Recognized past service obligations	(16)	—
(5) Recognized actuarial loss	1,628	1,901
(6) Special severance pay premium	35	34
(7) Others (Note 2)	184	219
(8) Retirement benefit expenses ((1)+(2)+(3)+(4)+(5)+(6)+(7))	2,860	2,973

(Notes)

1. Retirement benefit expenses of consolidated subsidiaries using the simplified method are added up in “(1) service cost.”
2. “Others” mainly consist of premiums paid to a defined-contribution pension plan.

4. Assumptions in calculating retirement benefit obligations

(1) Discount rate

Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Primarily 0.985% to 1.255%	Primarily 0.560%

(2) Expected rate of return on investments

Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Primarily 3.0%	Primarily 3.0%

(3) Allocation of projected benefit obligations: Primarily, straight-line method

(4) Years for amortizing past service obligations: 5 years

Past service obligations have been recognized evenly over the 5 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: Primarily, 5 years

Actuarial losses have been recognized evenly over the 5 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, 2011 to March 31, 2012)

Not applicable.

For the current fiscal year (from April 1, 2012 to March 31, 2013)

Not applicable.

(Notes to the method of tax effect accounting)

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Deferred tax assets		
Bad debt expenses	8,633	6,015
Allowance for doubtful accounts	2,163	1,932
Provision for loss on guarantees	2,368	1,904
Provision for loss on interest repayment	76,096	56,328
Accrued bonuses	522	526
Accrued directors' retirement benefits	73	74
Unrecognized accrued interest	621	455
Software	3,951	3,348
Deferred assets	600	451
Deferred consumption taxes	191	162
Loss on valuation of securities	7,569	376
Loss on valuation of golf club memberships	52	38
Loss on valuation of inventories	177	180
Impairment loss	374	309
Asset adjustment	1,757	1,052
Asset retirement obligations	1,341	1,367
Stock dividends	—	2,359
Provision for retirement benefits	23	140
Retained loss	166,334	176,901
Other	870	446
Deferred tax assets (subtotal)	273,722	254,371
Valuation allowance	(252,345)	(235,279)
Total deferred tax assets	21,377	19,092
Deferred tax liabilities		
Retained earnings of subsidiaries	712	582
Prepaid pension cost	584	—
Valuation difference on available-for-sale securities	184	6
Other	102	63
Total deferred tax liabilities	1,584	652
Balance of net deferred tax assets	19,792	18,439

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

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Normal effective statutory tax rate	40.7%	38.0%
(Adjustment)		
Changes in valuation allowance	(16.5%)	(14.3%)
Dividends income and other items not counted for tax purposes	0.0%	(8.7%)
Retained earnings of subsidiaries	0.7%	(0.5%)
Difference from tax rates for consolidated subsidiaries	(1.8%)	(3.9%)
Reduction in year-end deferred tax assets due to tax-rate changes	4.1%	— %
Withholding income tax relating to dividends from overseas subsidiaries	0.0%	2.7%
Other	2.4%	3.6%
Actual effective tax rate	29.6%	17.0%

(Notes to business combinations)

Based on a resolution of the Board of Directors held on January 20, 2012, the Company concluded a business alliance agreement and an absorption-type company split agreement with Jibun Bank Corporation, (hereinafter "Jibun Bank"), and split a part of its card loan business, which was succeeded by Jibun Bank as of May 12, 2012.

1. Outline of the business divestiture
   (1) Name of the company that succeeds the separated business: Jibun Bank
   (2) Description of the separated business
       A part of the card loan business, provided under the Cash One brand
   (3) The purpose of the business divestiture
       On December 3, 2008, the Company and Jibun Bank commenced an alliance in the guarantee business on unsecured card loans for individuals provided by Jibun Bank. Subsequently, the Company and Jibun Bank, following discussions by both parties on current circumstances and the outlooks of respective business environments, agreed to form a more comprehensive business alliance in order to contribute to further improvements in consumer services and the development of a sound consumer finance market.
       As a part of this business alliance, and with a purpose of expanding the business basis shared by both parties, the Company will transfer a part of its card loan business, provided under "Cash One" brand, to Jibun Bank by means of a company split. Concurrently, Jibun Bank will entrust the guarantee business of this card loan business to the Company.
   (4) Date of the business divestiture
       May 12, 2012
   (5) Outline of the transaction including legal form of the transaction
       Business transfer with cash consideration

2. Outline of the applied accounting method
   (1) The amount of a gain on transfer: 2,900 million yen
   (2) Details and the fair book values of the assets and liabilities of the transferred business
       Assets: Operating loans of 43,501 million yen, etc.
       Liabilities: Deposits received of 2 million yen
   (3) Accounting method applied
       Assuming that the investment in the part of the card loan business transferred has been liquidated, the difference between the market value of assets received as a consideration for the business transfer and the amount equivalent to the shareholders' equity of the transferred business is recognized as a gain or loss on transfer.

3. Name of the reported segment to which the transferred business belonged
   Loan and credit card business

4. Revenue and income from the transferred business on the consolidated statement of income for the current fiscal year
   Operating revenue: 34,283 million yen
   Operating income: 12,863 million yen
   (Note) Because it is difficult to calculate the revenue and income from the transferred business, the revenue and income of the reported segment to which the transferred business belonged during the first quarter when the business divestiture took place are stated.

5. Continuous commitment
   The guarantee services for the unsecured card loans for individuals provided by Jibun Bank will continue to be provided by the Company.

(Notes to asset retirement obligations)
Asset retirement obligations booked in the consolidated balance sheet

(1) Outline of relevant asset retirement obligations
Asset retirement obligations are booked for internal equipment, 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) Changes in asset retirement obligations

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Balance at beginning of year	4,475	4,432
Additional provisions associated with the acquisition of property, plant and equipment	32	80
Reconciliation associated with passage of time	58	52
Reduction associated with meeting asset retirement obligations	(142)	(84)
Difference due to foreign currency translation	(8)	15
Other increases	16	—
Balance at end of year	4,432	4,496

(Segments of an enterprise and related information)

[Segment information]

1. Outline of reported segment information

The reported segments 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. 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."

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 of business segments is based on operating income. The intersegment operating revenue is based on trading prices in the market.

(Changes in method of accounting that are difficult to distinguish from changes in accounting estimates)

Due to the revision of the Corporation Tax Act, the Company and its domestic consolidated subsidiaries have replaced the method of depreciation for property, plant and equipment obtained on or after April 1, 2012 with the method according to the revised Corporation Tax Act, effective from the fiscal year ended March 31, 2013.

The effects of this change on segment income are immaterial.

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

For the prior fiscal year (from April 1, 2011 to March 31, 2012)

(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	150,783	22,950	7,495	27,415	208,643	1,812	210,456
Revenues from transactions with other operating segments	(0)	—	16	(345)	(329)	—	(329)
Total	150,783	22,950	7,511	27,069	208,314	1,812	210,127
Segment income	11,639	11,263	555	6,200	29,659	464	30,123
Segment assets	804,081	19,089	9,338	126,932	959,442	160,959	1,120,402
Other items							
Depreciation	1,395	18	18	397	1,829	14	1,843
Amortization of goodwill	—	984	—	—	984	—	984
Provision for bad debts (Note 2)	18,760	7,288	1,673	7,217	34,940	—	34,940
Provision for loss on interest repayment	48,807	—	—	—	48,807	—	48,807
Increase in property, plant and equipment and intangible assets	524	40	6	433	1,005	—	1,005

(Notes) 1. The “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 and provision for loss on guarantees.

For the current fiscal year (from April 1, 2012 to March 31, 2013)

(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	131,083	24,422	7,078	29,507	192,092	935	193,028
Revenues from transactions with other operating segments	—	—	11	(151)	(139)	193	53
Total	131,083	24,422	7,090	29,356	191,952	1,129	193,081
Segment income	1,110	11,305	604	7,149	20,170	308	20,478
Segment assets	724,899	19,108	7,322	162,657	913,988	162,049	1,076,037
Other items							
Depreciation	1,283	29	18	339	1,671	10	1,681
Amortization of goodwill	—	984	—	440	1,425	—	1,425
Provision for bad debts (Note 2)	16,814	9,207	1,556	6,840	34,418	—	34,418
Provision for loss on interest repayment	42,968	—	—	—	42,968	—	42,968
Increase in property, plant and equipment and intangible assets	1,522	547	18	655	2,743	—	2,743

(Notes) 1. The “Others” category is a business segment which is not included in the reported segments and includes installment sales finance business, etc.
2. This item is the sum of provision of allowance for doubtful accounts and provision for loss on guarantees.

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	208,314	191,952
Operating revenue of “Others” category	1,812	1,129
Elimination of intersegment transactions	(16)	(17)
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	345	(36)
Operating revenue on consolidated financial statements	210,456	193,028

(Millions of yen)

Income	For the prior fiscal year	For the current fiscal year
Total reported segments	29,659	20,170
Income of "Others" category	464	308
Elimination of intersegment transactions	524	350
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	237	131
Operating income on consolidated financial statements	30,885	20,961

(Millions of yen)

Assets	For the prior fiscal year	For the current fiscal year
Total reported segments	959,442	913,988
Assets of "Others" category	160,959	162,049
Elimination of intersegment assets	(24,841)	(27,282)
Corporate assets	118,177	117,372
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	(1,276)	(549)
Total assets on consolidated financial statements	1,212,461	1,165,576

(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	1,829	1,671	14	10	(30)	(25)	1,812	1,656
Amortization of goodwill	984	1,425	—	—	0	—	984	1,425
Provision for bad debts	34,940	34,418	—	—	(214)	(157)	34,725	34,260
Provision for loss on interest repayment	48,807	42,968	—	—	—	—	48,807	42,968
Increase of property, plant and equipment and intangible assets	1,005	2,743	—	—	90	213	1,096	2,957

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

[Related information]

For the prior fiscal year (from April 1, 2011 to March 31, 2012)

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 statement of income.

2. Information about geographic areas

(1) Operating revenue

(Millions of yen)

Japan	Overseas	Total
183,029	27,427	210,456

(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 sheet.

3. Information about major customers

No single external customer accounts for more than 10% of operating revenue in consolidated statement of income.

For the current fiscal year (from April 1, 2012 to March 31, 2013)

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 statement of income.

2. Information about geographic areas

(1) Operating revenue

(Millions of yen)

Japan	Overseas	Total
163,508	29,520	193,028

(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 sheet.

3. Information about major customers

No single external customer accounts for more than 10% of operating revenue in consolidated statement of income.

[Information about impairment loss on noncurrent assets of each reported segment]
For the prior fiscal year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Loan and credit card business	Guarantee business	Loan servicing business	Overseas finance business	Others	Corporate/ elimination (Note)	Total
Impairment loss	—	—	—	—	0	187	187

(Note) It is mainly excluded from reported segments that relates to impairment loss of the headquarters and welfare/leisure facilities.

For the current fiscal year (April 1, 2012 to March 31, 2013)

(Millions of yen)

	Loan and credit card business	Guarantee business	Loan servicing business	Overseas finance business	Others	Corporate/ elimination (Note)	Total
Impairment loss	—	—	—	—	—	176	176

(Note) It is mainly excluded from reported segments that relates to impairment loss of the headquarters and welfare/leisure facilities.

[Information about amortization of goodwill and unamortized balance of each reported segment]
For the prior fiscal year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

	Loan and credit card business	Guarantee business	Loan servicing business	Overseas finance business	Others	Corporate/ elimination (Note)	Total
Amortization of goodwill	—	984	—	—	—	—	984
Goodwill at the end of current fiscal year	—	10,397	—	—	—	—	10,397

For the current fiscal year (from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Loan and credit card business	Guarantee business	Loan servicing business	Overseas finance business	Others	Corporate/ elimination (Note)	Total
Amortization of goodwill	—	984	—	440	—	—	1,425
Goodwill at the end of current fiscal year	—	9,412	—	2,356	—	—	11,769

[Information about gain on negative goodwill of each reported segment]
For the prior fiscal year (from April 1, 2011 to March 31, 2012)
Not applicable.

For the current fiscal year (from April 1, 2012 to March 31, 2013)
Not applicable.

[Information on related parties]
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

For the prior fiscal year (from April 1, 2011 to March 31, 2012)

(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	—

(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 52,308 Repayment 52,308	Current portion of long-term loans payable	44,630
					Long-term loans payable	116,898
			Payment of interest	4,089	Other current assets	35
					Other current liabilities	263
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Borrowing	Borrowing of funds	Borrowing 9,182 Repayment 9,182	Current portion of long-term loans payable	17,364
					Long-term loans payable	46,036
			Payment of interest	1,619	Other current liabilities	76
		Debt guarantee	Receipt of credit guarantee fees for unsecured loan of the bank	13,714	Other current assets	1,766
			Guarantee obligation for unsecured loan issued by the bank	358,829	—	—

For the current fiscal year (from April 1, 2012 to March 31, 2013)

(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	—

(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 44,630 Repayment 44,630	Short-term loans payable	13,000
					Current portion of long-term loans payable	47,170
					Long-term loans payable	101,358
			Payment of interest	3,951	Other current assets	5
					Other current liabilities	170
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Borrowing	Borrowing of funds	Borrowing 31,064 Repayment 31,064	Short-term loans payable	16,432
					Current portion of long-term loans payable	37,118
					Long-term loans payable	9,850
			Payment of interest	1,506	Other current liabilities	76
		Debt guarantee	Receipt of credit guarantee fees for unsecured loan of the bank	12,017	Other current assets	3,008
			Guarantee obligation for unsecured loan issued by the bank	398,004	—	—

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

1. Interest rates of the borrowing by Mitsubishi UFJ Trust and Banking Corporation are the money market rates.
2. Interest rates of the borrowing by The Bank of Tokyo-Mitsubishi UFJ, Ltd. are the money market rates.

   Guarantee commission rates on the debt guarantees for consumer loans by The Bank of Tokyo-Mitsubishi UFJ, Ltd. are determined after negotiation by taking the market of guarantee commission into consideration.

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

For the prior fiscal year (from April 1, 2011 to March 31, 2012)

(Millions of yen)

<table>
<tr><th>Type</th><th>Name</th><th>Location</th><th>Paid-in capital</th><th>Business outline or occupation</th><th>Ratio of voting rights holding (held)</th></tr>
<tr><td>Directors and their close relatives</td><td>Kyosuke Kinoshita</td><td>—</td><td>—</td><td>Chief director of The Institute for Research on Household Economics</td><td>—</td></tr>
<tr><td rowspan="2">Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)</td><td>Maruito Shokusan Co., Ltd.</td><td>Naniwa-ku, Osaka City</td><td>68</td><td>Management of land, buildings, as well as trading, leasing, and mediation</td><td>Direct (17.45%) Indirect (2.47%)</td></tr>
<tr><td>JLA CO., LTD.</td><td>Chiyoda-ku, Tokyo</td><td>100</td><td>Real estate related, interior design, construction of service outlets, and maintenance of buildings and other properties</td><td>Direct 14.9%</td></tr>
</table>

(Millions of yen)

<table>
<tr><th>Type</th><th>Name</th><th>Relationship</th><th>Summary of transactions</th><th>Amount of transaction</th><th>Item</th><th>Outstanding amount at the end of the fiscal year</th></tr>
<tr><td>Directors and their close relatives</td><td>Kyosuke Kinoshita</td><td>—</td><td>Donation</td><td>80</td><td>—</td><td>—</td></tr>
<tr><td rowspan="4">Company owned by the directors and their close relative holding the majority of ratio of voting rights (including its subsidiaries)</td><td>Maruito Shokusan Co., Ltd.</td><td>Rental of real estates</td><td>Payment of rent</td><td>215</td><td>Guarantee deposits</td><td>184</td></tr>
<tr><td rowspan="3">JLA CO., LTD.</td><td>Interior design and construction of service outlets</td><td>Purchase of equipment and payment of expenses</td><td>956</td><td>Other current liabilities</td><td>467</td></tr>
<tr><td rowspan="2">Rental of real estates</td><td>Payment of rent</td><td>417</td><td>—</td><td>—</td></tr>
<tr><td>Provision of guarantee deposits</td><td>Deposit 33
Repayment 20</td><td>Guarantee deposits</td><td>355</td></tr>
</table>

For the current fiscal year (from April 1, 2012 to March 31, 2013)

(Millions of yen)

Type	Name	Location	Paid-in capital	Business outline or occupation	Ratio of voting rights holding (held)
Directors and their close relatives	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	—
	Maruito Co., Ltd.	Naniwa-ku, Osaka City	100	Development and rental of land for housing, buildings and apartments	Direct (8.01%)

(Millions of yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Directors and their close relatives	Kyosuke Kinoshita	—	Donation	50	—	—
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 rent	215	Guarantee deposits	184
	JLA CO., LTD.	Interior design and construction of service outlets	Purchase of equipment and payment of expenses	956	Other current liabilities	234
		Rental of real estates	Payment of rent	419	—	—
			Repayment of guarantee deposits	6	Guarantee deposits	349
		—	Sale of company-owned houses for employees	Sales proceeds 13 Loss on sale 22	—	—
	Maruito Co., Ltd.	—	Sale of stocks	Sales proceeds 1,681 Gain on sale 500	—	—

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

2. Terms and conditions of the transactions and its 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.
The prices of company-owned houses for employees sold during the fiscal year were determined using a bidding process.

(4) The prices of stocks (JLA CO., LTD. and ACOM RENTAL CO., LTD.) sold to Maruito Co., Ltd. and during the current fiscal year were determined in consideration of price evaluations by an independent third party.

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

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

For the prior fiscal year (from April 1, 2011 to March 31, 2012)

(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	50	—	—
			Repayment of guarantee deposits	Repayment 17	Guarantee deposits	30

For the current fiscal year (from April 1, 2012 to March 31, 2013)

(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	—

(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	35	—	—
			Repayment of guarantee deposits	Repayment 1	Guarantee deposits	28

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

2. Terms and conditions of transactions and its 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 the current fiscal year is not significant.

(Per share information)

Item	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net assets per share	1,645.35 yen	1,785.88 yen
Net income per share	137.01 yen	133.02 yen

Notes: 1. Diluted net income per share is not stated because there is no dilutive security.

2. The basis for calculation of net income per share is as follows.

(Millions of yen unless otherwise stated)

Item	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net income	21,464	20,839
Net income not attributable to common shareholders	—	—
Net income related to common shares	21,464	20,839
Weighted average number of common shares during the fiscal year	156,661,574 shares	156,661,547 shares

3. The basis for calculation of net assets per share is as follows.

(Millions of yen unless otherwise stated)

Item	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Total net assets	264,915	286,710
Amount deducted from the total net assets [Minority interests included in the above]	7,151 [7,151]	6,931 [6,931]
Amounts of net assets related to common shares at the end of the fiscal year	257,763	279,778
Number of common shares used to calculate net assets per share at the end of the fiscal year	156,661,547 shares	156,661,547 shares

(Significant subsequent events)
(Stock Split and Amendment to the Number of Shares Constituting One Unit)

The Company, at a Board of Directors Meeting held on June 21, 2013, resolved to execute a stock split and an amendment to the number of shares constituting one unit.

1. Purpose for the stock split and the amendment to the number of shares constituting one unit

In accordance with the “Action Plan for Consolidating Trading Units” and the “Decision on the Time Limit to Amend the Number of Shares Constituting One Trading Unit to One Hundred and One Thousand Shares” released on November 27, 2007, and January 19, 2012, respectively, by securities exchanges in Japan, the Company will execute a stock split to make its trading unit 100 shares where each share of its common stock will be split into 10 shares and the number of shares constituting one unit amended from 10 shares to 100 shares. There will be no substantive change in the amount of the trading unit due to the above stock split and the amendment to the number of shares constituting one unit.

2. Outline of the stock split

(1) Method of the stock split

The record date for the stock split shall be September 30, 2013. Each share of the Company’s common stock held by shareholders entered or recorded on the Registry of Shareholders on the record date shall be split into 10 shares.

(2) Number of shares to increase by the stock split

Total number of shares issued before the stock split:	159,628,280 shares
Number of shares to increase by the stock split:	1,436,654,520 shares
Total number of shares issued after the stock split:	1,596,282,800 shares
Total number of shares authorized to be issued after the stock split:	5,321,974,000 shares

(3) Effective date of the stock split

Tuesday, October 1, 2013

3. Outline of the amendment to the number of shares constituting one unit

(1) Number of shares constituting one unit after the amendment

The number of shares constituting one unit shall be amended from 10 shares to 100 shares on the above effective date.

(2) Effective date of the amendment to the number of shares constituting one unit

Tuesday, October 1, 2013

4. Impact on the per share information

Supposing that the stock split was conducted at the beginning of the prior fiscal year, the per share information for the prior fiscal year and the current fiscal year is as follows:

Item	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net assets per share	164.54 yen	178.59 yen
Net income per share	13.70 yen	13.30 yen

5) Consolidated supplemental schedules

[Schedule of bonds]

Company	Description	Date of issuance	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Interest rate (%)	Collateral	Maturity
The Company	35th Issuance of Domestic Unsecured Bonds (Public Offering)	June 26, 2002	10,000	—	—	—	—
	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	—	—	—	—
	42nd Issuance of Domestic Unsecured Bonds (Public Offering)	September 21, 2005	10,000	—	—	—	—
	45th Issuance of Domestic Unsecured Bonds (Public Offering)	January 25, 2006	10,000	—	—	—	—
	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 (20,000)	2.070	—	June 4, 2013
	3rd Issuance of Domestic Unsecured Bonds (Private Placement)	December 30, 2009	510	—	—	—	—
	55th Issuance of Domestic Unsecured Bonds (Public Offering)	March 18, 2010	10,000	—	—	—	—
	56th Issuance of Domestic Unsecured Bonds (Public Offering)	April 30, 2010	20,000	—	—	—	—
	4th Issuance of Domestic Unsecured Bonds (Private Placement)	June 30, 2010	505	175 (175)	0.600	—	June 28, 2013
	57th Issuance of Domestic Unsecured Bonds (Public Offering)	September 17, 2010	10,000	10,000 (10,000)	3.720	—	September 17, 2013
	5th Issuance of Domestic Unsecured Bonds (Private Placement)	February 18, 2011	670	340 (340)	0.650	—	February 18, 2014
	58th Issuance of Domestic Unsecured Bonds (Public Offering)	June 3, 2011	20,000	20,000 (20,000)	3.670	—	June 3, 2013
	59th Issuance of Domestic Unsecured Bonds (Public Offering)	June 15, 2011	13,000	13,000 (13,000)	3.570	—	April 15, 2013
	60th Issuance of Domestic Unsecured Bonds (Public Offering)	July 27, 2011	15,000	15,000 (15,000)	3.850	—	November 27, 2013
	6th Issuance of Domestic Unsecured Bonds (Private Placement)	September 13, 2011	501	303 (198)	0.530	—	September 12, 2014
	61st Issuance of Domestic Unsecured Bonds (Public Offering)	March 6, 2012	30,000	30,000 (—)	2.620	—	March 6, 2015
	7th Issuance of Domestic Unsecured Bonds (Private Placement)	March 13, 2012	650	435 (214)	0.540	—	March 13, 2015
	62nd Issuance of Domestic Unsecured Bonds (Public Offering)	March 5, 2013	—	25,000 (—)	1.070	—	March 4, 2016

Company	Description	Date of issuance	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Interest rate (%)	Collateral	Maturity
EASY BUY Public Company Limited	3rd privately offered unsecured bonds	August 8, 2007	6,945 [2,835 million baht]	—	—	—	—
	1st publicly offered unsecured bonds	August 6, 2009	8,575 [3,500 million baht]	—	—	—	—
	4th privately offered unsecured bonds	September 30, 2009	2,450 [1,000 million baht]	2,820 (2,820) [1,000 million baht]	2.643	—	March 15, 2013
	2nd publicly offered unsecured bonds	December 23, 2011	3,675 [1,500 million baht]	4,230 (1,410) [1,500 million baht]	5.583	—	December 23, 2015
	3rd publicly offered unsecured bonds	March 30, 2012	—	5,188 (—) [1,840 million baht]	5.210	—	February 29, 2016
	4th publicly offered unsecured bonds	July 13, 2012	—	9,870 (—) [3,500 million baht]	5.330	—	February 12, 2016
Total	—	—	222,481	176,362 (83,157)	—	—	—

(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 beginning of current fiscal year" and "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, 2013, 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
83,157	51,736	33,008	8,460	—

[Schedule of loans]

Category	Balance at the beginning of current fiscal year (Millions of yen)	Balance at the end of current fiscal year (Millions of yen)	Average interest rate (%)	Maturity
Short-term loans payable	4,008	36,259	2.60	—
Current portion of long-term loans payable	166,193	184,346	1.94	—
Current portion of lease obligations	231	318	1.87	—
Long-term loans payable (excluding current portion)	271,349	235,554	2.34	From April 4, 2014 to March 30, 2018
Lease obligations (excluding current portion)	682	754	1.95	From April 2, 2014 to March 20, 2018
Other interest-bearing debt (Deposits of banking business)	50,841	66,725	5.12	—
Total	493,306	523,959	—	—

(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, 2013 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	136,727	63,063	29,163	6,600
Lease obligations	320	241	145	47

[Schedule of asset retirement obligations]

The amounts of asset retirement obligations at the beginning and the end of the current fiscal year are not larger than 1% of the total liabilities and net assets at the beginning and the end of the current fiscal year. Therefore, the schedule of asset retirement obligations is not disclosed in accordance with Article 92-2 of the Regulations for Consolidated Financial Statements.

(2) [Others]

Quarterly Information for the current fiscal year

(Millions of yen unless otherwise stated)

Cumulative period	First Quarter (Three months ended June 30, 2012)	Second Quarter (Six months ended Sept. 30, 2012)	Third Quarter (Nine months ended Dec. 31, 2012)	Fourth Quarter (Fiscal year ended March 31, 2013)
Operating revenue	49,484	97,860	145,619	193,028
Income before income taxes and minority interests	20,061	31,808	50,951	27,506
Net income	17,240	27,243	45,331	20,839
Net income per share (Yen)	110.05	173.90	289.36	133.02

Each quarter	First Quarter (From April 1, 2012 to June 30, 2012)	Second Quarter (From July 1, 2012 to Sept. 30, 2012)	Third Quarter (From Oct. 1, 2012 to Dec. 31, 2012)	Fourth Quarter (From Jan. 1, 2013 to March 31, 2013)
Net income (loss) per share (Yen)	110.05	63.85	115.46	(156.34)

2. Non-consolidated Financial Statements, etc.

(1) Non-consolidated Financial Statements

1) Non-consolidated Balance Sheet

(Millions of yen)

		As of March 31, 2012		As of March 31, 2013
Assets				
Current assets				
Cash and deposits		110,294		105,635
Loans receivable of consumer loans	*1,*4,*5,*7	799,098	*1,*4,*5,*7	716,731
Accounts receivable-installment	*8	18,482	*8	16,580
Short-term investment securities		36,000		35,500
Shares of parent company		5,025		—
Merchandise and finished goods		334		325
Raw materials and supplies		48		40
Prepaid expenses		1,234		1,052
Deferred tax assets		19,360		17,464
Accrued income		8,001		9,073
Short-term loans receivable	*3	39,991	*3	59,986
Short-term loans receivable from subsidiaries and affiliates		—		4,600
Current portion of long-term loans receivable from subsidiaries and affiliates		2,773		—
Right to reimbursement		14,477		15,985
Other		2,595		3,190
Allowance for doubtful accounts		(40,280)		(35,110)
Total current assets		1,017,436		951,055
Noncurrent assets				
Property, plant and equipment				
Buildings		25,679		25,164
Accumulated depreciation		(19,698)		(19,814)
Buildings, net		5,981		5,350
Structures		4,858		4,697
Accumulated depreciation		(3,534)		(3,506)
Structures, net		1,323		1,190
Vehicles		2		2
Accumulated depreciation		(2)		(2)
Vehicles, net		0		0
Equipment		21,442		21,085
Accumulated depreciation		(12,060)		(11,759)
Equipment, net		9,382		9,325
Land		6,301		6,159
Lease assets		1,114		1,517
Accumulated depreciation		(273)		(536)
Lease assets, net		841		980
Total property, plant and equipment		23,830		23,007
Intangible assets				
Goodwill		10,397		9,412
Leasehold right		4		4
Software		—		1,479
Telephone subscription right		36		37
Other		1		1
Total intangible assets		10,439		10,934
Investments and other assets				
Investment securities		5,602		1,134
Subsidiaries and affiliates' stocks		12,340		17,860
Investments in other securities of subsidiaries and affiliates		861		—
Long-term loans receivable from subsidiaries and affiliates		4,746		369
Claims provable in bankruptcy, claims provable in rehabilitation and other	*5	1,508	*5	1,184
Long-term prepaid expenses		135		234

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Guarantee deposits	5,737	5,524
Prepaid pension cost	1,538	—
Other	2,645	2,764
Allowance for doubtful accounts	(920)	(790)
Total investments and other assets	34,197	28,282
Total noncurrent assets	68,467	62,224
Total assets	1,085,904	1,013,280

(Millions of yen)

		As of March 31, 2012		As of March 31, 2013
Liabilities				
Current liabilities				
Accounts payable-trade		161		178
Short-term loans payable		—		29,432
Current portion of long-term loans payable	*1,*6	161,511	*1,*6	178,235
Current portion of bonds payable		71,582		78,927
Lease obligations		231		318
Accounts payable-other		5,659		3,159
Accrued expenses		7,114		7,828
Income taxes payable		195		187
Deposits received		275		300
Unearned revenue		16		0
Provision for loss on guarantees	*2	6,230	*2	5,010
Asset retirement obligations		26		34
Other		25		44
Total current liabilities		253,031		303,657
Noncurrent liabilities				
Bonds payable		129,253		75,326
Long-term loans payable	*1,*6	249,479	*1,*6	207,903
Lease obligations		682		754
Deferred tax liabilities		180		6
Provision for retirement benefits		—		303
Provision for loss on interest repayment		200,200		151,000
Asset retirement obligations		4,285		4,284
Other		186		183
Total noncurrent liabilities		584,267		439,762
Total liabilities		837,298		743,419
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		80,000		80,000
Retained earnings brought forward		43,530		65,482
Total retained earnings		127,851		149,803
Treasury stock		(19,793)		(19,793)
Total shareholders' equity		247,900		269,852
Valuation and translation adjustments				
Valuation difference on available-for-sale securities		705		8
Total valuation and translation adjustments		705		8
Total net assets		248,606		269,861
Total liabilities and net assets		1,085,904		1,013,280

2) Non-consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Operating revenue		
Interest on consumer loans	139,211	118,968
Revenue from credit card business	2,440	2,231
Revenue from credit guarantee	20,626	21,726
Other financial revenue		
Interest on deposits	18	26
Interest on securities	31	50
Interest on loans	54	36
Foreign exchange gains	—	307
Total other financial revenue	104	421
Other operating revenue	11,455	12,580
Total operating revenue	173,837	155,927
Operating expenses		
Financial expenses		
Interest expenses	10,288	10,004
Interest on bonds	5,754	4,756
Amortization of bond issuance costs	399	117
Other	1,677	1,432
Total financial expenses	18,118	16,311
Cost of sales		
Beginning goods	334	334
Cost of purchased goods	—	—
Total	334	334
Ending goods	334	334
Valuation loss on goods	—	8
Cost of goods sold	—	8
Other operating expenses		
Advertising expenses	5,327	7,571
Provision of allowance for doubtful accounts	23,229	21,489
Provision for loss on guarantees	2,819	4,532
Provision for loss on interest repayment	48,807	42,968
Employees' salaries and bonuses	11,470	11,283
Retirement benefit expenses	2,638	2,771
Welfare expenses	1,906	1,878
Rent expenses	6,186	5,747
Depreciation	1,413	1,312
Commission fee	19,261	17,606
Amortization of goodwill	984	984
Other	8,668	8,623
Total other operating expenses	132,711	126,770
Total operating expenses	150,830	143,090
Operating income	23,007	12,837

(Millions of yen)

	For the year ended March 31, 2012		For the year ended March 31, 2013	
Non-operating income				
Interest income	*1	367	*1	197
Interest on securities		5		0
Dividends income	*1	2,620	*1	5,075
Other	*1	774	*1	617
Total non-operating income		3,767		5,890
Non-operating expenses				
Interest expenses		12		18
Loss on investments in partnerships	*2	236	*2	230
Other		63		22
Total non-operating expenses		312		271
Ordinary income		26,461		18,456
Extraordinary income				
Gain on sales of noncurrent assets	*3	27	*3	36
Gain on sales of shares of parent company		—		1,815
Gain on sales of investment securities		2,473		1,083
Gain on sales of subsidiaries and affiliates' stocks		—		877
Gain on transfer from business divestitures		—		2,900
Other	*4	3	*4	1
Total extraordinary income		2,505		6,715
Extraordinary loss				
Loss on sales of noncurrent assets	*5	3	*5	31
Loss on retirement of noncurrent assets	*6	160	*6	76
Impairment loss	*7	187	*7	175
Loss on sales of investment securities		1,020		128
Loss on valuation of investment securities		0		91
Loss on valuation of shares of subsidiaries and affiliates		38		—
Other	*8	5	*8	16
Total extraordinary losses		1,416		521
Income before income taxes		27,550		24,650
Income taxes-current		65		802
Income taxes-deferred		6,632		1,895
Total income taxes		6,697		2,698
Net income		20,853		21,952

3) Non-consolidated Statement of Changes in Net Assets

(Millions of yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current 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 beginning of current 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 beginning of current 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 beginning of current 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 beginning of current 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 beginning of current period	285,000	80,000
Changes of items during the period		
Reversal of general reserve	(205,000)	—
Total changes of items during the period	(205,000)	—
Balance at the end of current period	80,000	80,000
Retained earnings brought forward		
Balance at the beginning of current period	(182,322)	43,530
Changes of items during the period		
Reversal of general reserve	205,000	—
Net income	20,853	21,952
Total changes of items during the period	225,853	21,952
Balance at the end of current period	43,530	65,482
Total retained earnings		
Balance at the beginning of current period	106,998	127,851
Changes of items during the period		
Net income	20,853	21,952
Total changes of items during the period	20,853	21,952
Balance at the end of current period	127,851	149,803

(Millions of yen)

	For the year ended March 31, 2012	For the year ended March 31, 2013
Treasury stock		
Balance at the beginning of current period	(19,793)	(19,793)
Changes of items during the period		
Purchase of treasury stock	(0)	—
Total changes of items during the period	(0)	—
Balance at the end of current period	(19,793)	(19,793)
Total shareholders' equity		
Balance at the beginning of current period	227,047	247,900
Changes of items during the period		
Net income	20,853	21,952
Purchase of treasury stock	(0)	—
Total changes of items during the period	20,852	21,952
Balance at the end of current period	247,900	269,852
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	1,236	705
Changes of items during the period		
Net changes of items other than shareholders' equity	(530)	(697)
Total changes of items during the period	(530)	(697)
Balance at the end of current period	705	8
Total valuation and translation adjustments		
Balance at the beginning of current period	1,236	705
Changes of items during the period		
Net changes of items other than shareholders' equity	(530)	(697)
Total changes of items during the period	(530)	(697)
Balance at the end of current period	705	8
Total net assets		
Balance at the beginning of current period	228,283	248,606
Changes of items during the period		
Net income	20,853	21,952
Purchase of treasury stock	(0)	—
Net changes of items other than shareholders' equity	(530)	(697)
Total changes of items during the period	20,322	21,255
Balance at the end of current period	248,606	269,861

[Notes]

(Significant accounting policies)

1. Evaluation methods for marketable and investment securities

(1) Subsidiaries and affiliates' stocks

Stated at cost by the moving-average method

(2) Available-for-sale 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.

2. Derivative financial instruments

Swap transactions: Fair value method

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

4. Depreciation and amortization methods for noncurrent assets

(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
Vehicles:	2 years
Equipment:	2 to 20 years

(2) Intangible assets (excluding lease assets): Straight-line method

Period of amortization is principally as follows:

Goodwill:	10 to 15 years
Software for internal use:	Estimated useful life of 5 years

(3) Lease assets

Lease assets concerning non-transfer ownership finance lease transactions:

Depreciated using the straight-line method, defining the lease term of respective assets as their useful lives, without residual value.

(4) Long-term prepaid expenses: Equal installment method

5. Accounting method for deferred assets

Bond issuance costs are fully charged to income when they are paid.

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.

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.

(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.

(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.

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.

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.

The currency swaps that qualify for hedge accounting and meet specific matching criteria are used to hedge the foreign currency fluctuations and 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 with variable interest rates

Currency-related items

Hedging instruments:

Currency swap agreements

Hedging items:

Foreign currency loans payable

(3) Hedging policy

In accordance with the Company's internal rules, the Company enters 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 the loans payable with variable interest rates for the purpose of protecting cash flows. Currency swaps to hedge against the risk of fluctuations in exchange rates relating to loans payable and interest on loans. Currency swap contracts to hedge against the risk of fluctuations in exchanges rates relating to foreign currency loans payable for the purpose of protecting cash flows.

(4) Method for evaluating hedging effectiveness

With regard to interest rate-related hedging, important requirements concerning hedging instruments and hedging items are closely matched with each other. Also, the Company can assume that fluctuations in interest rates and cash flows are fully offset by the fluctuations in hedging instruments on an ongoing basis since the implementation of hedging contracts. Therefore, the judgment of hedging effectiveness is omitted. On currency-related hedging, currency swap contracts are entered into on the same conditions as hedged items, thus the Company can assume that fluctuations in exchange rates or cash flows are fully offset by the fluctuations of hedge instruments. Therefore, the judgment of hedging effectiveness is omitted.

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 payable is included in "Other" in current assets on the balance sheet.

(Changes in method of accounting)

<Changes in method of accounting that are difficult to distinguish from changes in accounting estimates>

Due to the revision of the Corporation Tax Act, the Company has replaced the method of depreciation for property, plant and equipment obtained on or after April 1, 2012 with the method according to the revised Corporation Tax Act, effective from the fiscal year ended March 31, 2013.

The effects of this change on operating income, ordinary income and income before income taxes are immaterial.

(Notes to Non-consolidated Balance Sheet)

*1. Pledged assets

(1) Assets pledged as collateral

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Loans receivable of consumer loans	65,644 [65,644]	59,240 [59,240]

(2) Secured obligations

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Current portion of long-term loans payable	10,500 [10,500]	10,500 [10,500]
Long-term loans payable	22,291 [22,291]	11,791 [11,791]
Total	32,792 [32,792]	22,291 [22,291]

Figures in brackets "[ ]" represent amount concerning liquidation of receivables. In addition, loans receivable of consumer loans 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. Contingent liabilities

(1) Outstanding guarantee obligation in the guarantee business

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Guarantee obligation	483,282	586,521
Provision for loss on guarantees	6,230	5,010
Net	477,052	581,511

(2) Outstanding guarantee obligation of affiliated companies

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
EASY BUY Public Company Limited	59,450	62,592

*3. Financial assets received as freely disposable securities

Prior fiscal year (As of March 31, 2012)

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 39,993 million yen.

Current fiscal year (As of March 31, 2013)

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 59,990 million yen.

*4. Commitment line contracts for loans receivable of consumer loans

Prior fiscal year (As of March 31, 2012)

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 257,819 million yen at the end of the accounting period. This included a total of 140,964 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.

Current fiscal year (As of March 31, 2013)

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 251,205 million yen at the end of the accounting period. This included a total of 123,037 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 those to debtors who have petitioned for bankruptcy as of the end of the fiscal year, but have not yet declared bankrupt. This entire amount is charged to the allowance for doubtful accounts.

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Loans to debtors who have petitioned for bankruptcy, but have not yet declared bankrupt	338	232

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Loans to bankrupt parties	1,432	1,007
Loans in arrears	30,159	22,680
Loans overdue by three months or more	727	1,304
Restructured loans	42,006	34,910
Total	74,326	59,902

Notes:

1.Loans to bankrupt parties refer to loans to bankrupt parties, parties in rehabilitation and reorganization, and others which are loans where interest is not accrued.

2.Loans in arrears refer to other loans where interest is not accrued, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.

3.Loans overdue by three months or more refer to loans other than the above that are overdue by three months or more.

4.Restructured loans refer to 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 an outstanding balance.

*6. Agreements for overdraft and commitment facilities

For efficient procurement of working capital, the Company and some of its subsidiaries maintain overdraft contracts and designated commitment line contracts with financial institutions. As of the end of the prior and current fiscal years, the unexercised portion of facilities based on these contracts is as follows. (Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Amount of agreement for overdraft and commitment line	104,600	124,032
Amount of borrowing	－	29,432
Net	104,600	94,600

*7. Amount of unsecured consumer loans in loans receivable of consumer loans (Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Unsecured consumer loans in loans receivable of consumer loans	779,954	700,823

*8. Balances of accounts receivable-installment by business categories

All of accounts receivable-installment is from the credit card business.

(Notes to Non-consolidated Statement of Income)

*1. The business operation results with subsidiaries and affiliates are included into non-operating income as follows:

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Interest income	360	189
Dividends income	2,331	4,954
Guarantee commission received	106	113
House rent income	4	—
Gain on investments in partnerships	—	5
Part-time director's bonus	3	3
Total	2,806	5,266

*2. The business operation results with subsidiaries and affiliates are included into non-operating expenses as follows:

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Loss on investments in partnerships	229	204

*3. Breakdown of gain on sales of noncurrent assets consists of the following.

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Buildings	—	21
Equipment	10	—
Land	16	15
Total	27	36

*4. Other extraordinary income results from sales of golf club memberships.

*5. Breakdown of loss on sales of noncurrent assets consist of the following.

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Buildings	—	9
Equipment	3	0
Land	—	22
Total	3	31

*6. 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)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Buildings	109	37
Structures	33	34
Equipment	17	4
Total	160	76

*7. Impairment loss

The following losses on impairment of noncurrent assets are recorded:

(1) Assets recognized as having suffered impairment

For the prior fiscal year (from April 1, 2011, to March 31, 2012)

Location	Usage	Type
Toyooka-shi, Hyogo, etc.	Property to be sold	Land, buildings, etc.
Chiyoda-ku, Tokyo, etc.	Dormant assets	Telephone subscription right

For the current fiscal year (from April 1, 2012, to March 31, 2013)

Location	Usage	Type
Kawasaki-shi, Kanagawa, etc.	Property to be sold	Land and buildings

(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 headquarters 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.

(4) Amount of impairment loss

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Buildings	65	97
Structures	0	—
Equipment	0	0
Land	99	78
Telephone subscription right	21	—
Total	187	175

(5) Calculation method of recoverable amount

The recoverable amount of property to be sold is measured by net selling price and evaluated based on an appraisal value provided by a real estate appraiser.

*8. Breakdown of other extraordinary loss

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Losses on retirement, including amortization of lease and guarantee deposits	3	1
Loss on sales of golf club memberships	1	15
Loss on valuation of golf club memberships	0	—
Total	5	16

*9. Basis for classification of financial revenue and financial expenses on Non-consolidated statement of income

(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.

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

For the prior fiscal year (from April 1, 2011 to March 31, 2012)

Matters related to treasury stock

(shares)

Class of shares	As of April 1, 2011	Increase	Decrease	As of March 31, 2012
Common stock	2,966,693	40	—	2,966,733

(Outline for the change)

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

For the current fiscal year (from April 1, 2012 to March 31, 2013)

Matters related to treasury stock

(shares)

Class of shares	As of April 1, 2012	Increase	Decrease	As of March 31, 2013
Common stock	2,966,733	—	—	2,966,733

(Notes to lease transactions)
Finance lease transactions
Finance lease transactions that do not transfer ownership
(1) Details of lease assets
Property, plant and equipment
They are mainly MUJINKUN of loan business.
(2) Depreciation of lease assets
Depreciated using the straight-line method, with the lease term of respective assets as their useful lives, with residual value equaling zero.

(Notes to securities)
Subsidiaries and affiliates' stocks
For the prior fiscal year (as of March 31, 2012) (Millions of yen)

Category	Carrying amount	Market value	Difference
Subsidiaries' stocks	2,861	2,971	110
Affiliates' stocks	—	—	—
Total	2,861	2,971	110

For the current fiscal year (as of March 31, 2013) (Millions of yen)

Category	Carrying amount	Market value	Difference
Subsidiaries' stocks	2,861	3,200	338
Affiliates' stocks	—	—	—
Total	2,861	3,200	338

(Note) Subsidiaries and affiliates' stocks whose market values appear to be extremely difficult to determine: (Millions of yen)

Category	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Subsidiaries' stocks	8,979	14,499
Affiliates' stocks	500	500
Total	9,479	14,999

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)

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Deferred tax assets		
Bad debt expenses	8,401	5,783
Allowance for doubtful accounts	573	466
Provision for loss on guarantees	2,368	1,904
Provision for loss on interest repayment	76,096	56,328
Accrued bonuses	475	484
Unrecognized accrued interest	621	455
Software	3,837	3,264
Deferred assets	600	451
Deferred consumption taxes	188	160
Loss on valuation of securities	5,616	376
Loss on valuation of shares of parent company	1,953	—
Loss on valuation of shares of subsidiaries and affiliates	1,204	1,204
Valuation loss on goods	177	180
Impairment loss	374	309
Asset adjustment	1,757	1,052
Asset retirement obligations	1,313	1,341
Stock dividends	—	2,359
Provision for retirement benefits	—	108
Retained loss	165,799	176,473
Other	893	408
Deferred tax assets (subtotal)	272,252	253,114
Valuation allowance	(252,307)	(235,649)
Deferred tax assets (total)	19,944	17,464
Deferred tax liabilities		
Valuation difference on available-for-sale securities	180	6
Prepaid pension cost	584	—
Other	0	—
Total deferred tax liabilities	765	6
Balance of net deferred tax assets	19,179	17,458

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

	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Normal effective statutory tax rate	40.7%	38.0%
(Adjustment)		
Changes in valuation allowance	(19.9%)	(14.8%)
Amortization of goodwill	1.5%	1.5%
Dividends income and other items not counted for tax purposes	(3.3%)	(17.0%)
Reduction in year-end deferred tax assets due to tax-rate changes	4.9%	—%
Withholding income tax relating to dividends from overseas subsidiaries	0.0%	3.0%
Other	0.4%	0.2%
Actual effective tax rate	24.3%	10.9%

(Notes to business combinations)
This information is provided in "Notes to business combinations" for the Consolidated Financial Statements and is therefore omitted here.

(Notes to asset retirement obligations)
Asset retirement obligations booked in the non-consolidated balance sheet

(1) Outline of relevant asset retirement obligations
Asset retirement obligations are booked for internal equipment, 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) Changes in asset retirement obligations

(Millions of yen)

	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Balance at beginning of year	4,324	4,311
Additional provisions associated with the acquisition of property, plant and equipment	25	18
Reconciliation associated with passage of time	56	50
Reduction associated with meeting asset retirement obligations	(111)	(62)
Other increases	16	—
Balance at end of year	4,311	4,319

(Per share information)

Item	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net assets per share	1,586.90 yen	1,722.58 yen
Net income per share	133.11 yen	140.13 yen

Notes: 1. Diluted net income per share is not stated because there is no dilutive security.

2. The basis for calculation of net income per share is as follows.

(Millions of yen unless otherwise stated)

Item	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net income	20,853	21,952
Net income not attributable to common shareholders	—	—
Net income related to common shares	20,853	21,952
Weighted average number of common shares during the fiscal year	156,661,574 shares	156,661,547 shares

3. The basis for calculation of net assets per share is as follows.

(Millions of yen unless otherwise stated)

Item	Prior fiscal year (As of March 31, 2012)	Current fiscal year (As of March 31, 2013)
Total net assets	248,606	269,861
Amount deducted from the total net assets	—	—
Amounts of net assets related to common shares at the end of the fiscal year	248,606	269,861
Number of common shares used to calculate net assets per share at the end of the fiscal year	156,661,547 shares	156,661,547 shares

(Significant subsequent events)

This information is provided in “Significant subsequent events” for the Consolidated Financial Statements and is therefore omitted here.

Supposing that the stock split was conducted at the beginning of the prior fiscal year, the per share information for the prior fiscal year and the current fiscal year is as follows:

Item	Prior fiscal year (From April 1, 2011 to March 31, 2012)	Current fiscal year (From April 1, 2012 to March 31, 2013)
Net assets per share	158.69 yen	172.26 yen
Net income per share	13.31 yen	14.01 yen

4) [Supplemental schedules]

[Schedule of marketable securities]

[Stocks]

Name			Number of shares	Carrying amount (Millions of yen)
Investment securities	Other securities	Japan Credit Information Reference Center Corp.	24,234	737
		Koganei Golf Co., Ltd.	1	40
		Others (41 brands)	1,064,696	65
Total			1,088,931	843

[Bonds]

Name			Total face value (Millions of yen)	Carrying amount (Millions of yen)
Investment securities	Other securities	National government bond (one issue)	58	57
Total			58	57

[Others]

Classification and name			Number of units invested, etc.	Carrying amount (Millions of yen)
Securities	Other securities	Certificate of deposit	—	35,500
		Subtotal	—	35,500
Investment securities	Other securities	Equity in limited investment partnership, etc. (8 brands)	62	232
		Subtotal	62	232
Total			62	35,732

[Schedule of property, plant and equipment, etc.]

(Millions of yen)

Type of asset	Balance at the beginning of current 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	25,679	214	729 (97)	25,164	19,814	660	5,350
Structures	4,858	57	218	4,697	3,506	156	1,190
Vehicles	2	—	—	2	2	0	0
Equipment	21,442	103	460 (0)	21,085	11,759	150	9,325
Land	6,301	—	142 (78)	6,159	—	—	6,159
Lease assets	1,114	407	4	1,517	536	268	980
Total property, plant and equipment	59,399	782	1,555 (175)	58,627	35,620	1,235	23,007
Intangible assets							
Goodwill	12,435	—	—	12,435	3,022	984	9,412
Leasehold right	4	—	—	4	—	—	4
Software	—	1,505	—	1,505	26	26	1,479
Telephone subscription right	36	0	0	37	—	—	37
Other (right to use specific communication channel, etc.)	13	—	—	13	12	—	1
Total intangible assets	12,489	1,506	0	13,995	3,060	1,010	10,934
Long-term prepaid expenses	2,296	346	254	2,387	2,153	41	234

(Note) Figures in brackets "( )" in the column of "Decrease during the period" represent the amounts of impairment losses for the current fiscal year.

[Schedule of allowances]

(Millions of yen)

Category	Balance at beginning of current 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	41,200	27,223	32,401	121	35,900
Provision for loss on guarantees	6,230	4,532	5,752	—	5,010
Provision for loss on interest repayment	200,200	42,968	92,168	—	151,000

(Note) "Decrease during the period (others)" in the amount of "Allowance for doubtful accounts" consists of the following.

Reversal due to payment 100 million yen

Gain on reversal of allowance for doubtful accounts of golf club memberships 21 million yen

(2) Details of major assets and liabilities

(a) Assets

(i) Cash and deposits

(Millions of yen)

Category	Amount
Cash	6,428
Deposits	
Current account	33,135
Savings account	10,339
Call deposit	44,075
Time deposit	11,650
Separate deposit	1
Transfer savings	5
Subtotal	99,206
Total	105,635

(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 $\frac{B}{1/2(A+D)}$
799,098	320,955	316,886	549	43,840	42,046	716,731	28.3	0.4

(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 “Claims provable in bankruptcy, claims provable in rehabilitation and other.”

(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 $\frac{B}{1/2(A+D)}$
18,482	8,812	9,515	19	—	1,178	16,580	34.9	0.5

(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	325

Raw materials and supplies

(Millions of yen)

Category	Amount
Supplies	40

(v) Short-term loans receivable

(Millions of yen)

Category	Amount
Repurchase agreements	59,986

(b) Liabilities

(i) Accounts payable

(Millions of yen)

Customer	Amount	Remarks
Japan Master Card Payment Clearing Association	140	Accounts payable to member outlets
Orient Corporation	34	Accounts payable to member outlets
MasterCard International	2	Accounts payable to member outlets
Total	178	

(ii) Current portion of long-term loans payable

(Millions of yen)

Lenders	Amount
Mitsubishi UFJ Trust and Banking Corporation	47,170
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	37,118
Shinsei Bank, Limited	21,302
Meiji Yasuda Life Insurance Company	13,598
Shinkin Central Bank	8,537
Others	50,509
Total	178,235

(iii) Straight bonds

(Millions of yen)

Description	Amount
40th Issuance of Domestic Unsecured Bonds	10,000
50th Issuance of Domestic Unsecured Bonds	10,000
51st Issuance of Domestic Unsecured Bonds	20,000
57th Issuance of Domestic Unsecured Bonds	10,000
58th Issuance of Domestic Unsecured Bonds	20,000
59th Issuance of Domestic Unsecured Bonds	13,000
60th Issuance of Domestic Unsecured Bonds	15,000
61st Issuance of Domestic Unsecured Bonds	30,000
62nd Issuance of Domestic Unsecured Bonds	25,000
4th Non-public issuance of Domestic Unsecured Bond	175
5th Non-public issuance of Domestic Unsecured Bond	340
6th Non-public issuance of Domestic Unsecured Bond	303
7th Non-public issuance of Domestic Unsecured Bond	435
Total	154,253

(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	101,358
Shinsei Bank, Limited	28,751
Aozora Bank, Ltd.	12,050
Meiji Yasuda Life Insurance Company	11,458
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,850
Other	44,436
Total	207,903

(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

(Notes) 1. The Company, at a Board of Directors Meeting held on June 21, 2013, resolved to conduct a stock split whereby each share of its common stock will be split into 10 shares and the number of shares constituting one unit amended from 10 shares to 100 shares with October 1, 2013, as the effective date.

2. 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:
   (1) The rights upheld in each item of Article 189, Paragraph 2, of the Companies Act;
   (2) The right to demand what is stipulated under Article 166, Paragraph 1, of the Companies Act; and
   (3) The right to receive an allotment of offered shares and offered new stock acquisition 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 Supplement (straight bond) and documents attached thereto

Submitted to the Director-General of the Kanto Local Finance Bureau on February 26, 2013

Submitted to the Director-General of the Kanto Local Finance Bureau on May 31, 2013

(2) Amended Shelf Registration Statements (straight bond)

Submitted to the Director-General of the Kanto Local Finance Bureau on June 21, 2012

Submitted to the Director-General of the Kanto Local Finance Bureau on June 22, 2012

Submitted to the Director-General of the Kanto Local Finance Bureau on August 14, 2012

Submitted to the Director-General of the Kanto Local Finance Bureau on November 14, 2012

Submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2013

(3) Annual Securities Report and documents attached thereto, and Confirmation Letter thereof

The Annual Securities Report for the 35th fiscal year (from April 1, 2011 to March 31, 2012) and documents attached thereto, and Confirmation Letter thereof were submitted to the Director-General of the Kanto Local Finance Bureau on June 21, 2012.

(4) Internal Control Report

The Internal Control Report was submitted to the Director-General of the Kanto Local Finance Bureau on June 21, 2012.

(5) Quarterly Securities Report and Confirmation Letter thereof

The Quarterly Securities Report for the 1st Quarter (from April 1, 2012 to June 30, 2012) of the 36th fiscal year and the Confirmation Letter thereof were submitted to the Director-General of the Kanto Local Finance Bureau on August 14, 2012.

The Quarterly Securities Report for the 2nd Quarter (from July 1, 2012 to September 30, 2012) of the 36th fiscal year and the Confirmation Letter thereof were submitted to the Director-General of the Kanto Local Finance Bureau on November 14, 2012.

The Quarterly Securities Report for the 3rd Quarter (from October 1, 2012 to December 31, 2012) of the 36th fiscal year and the Confirmation Letter thereof were submitted to the Director-General of the Kanto Local Finance Bureau on February 14, 2013.

Part II Information on Guarantors for the Filing Company

Not applicable.