



MEMBERSHIP
May 10, 2005

Year-End Financial Statements (Non-Consolidated)

For the year ended March 31, 2005

AIFUL Corporation

Stock Code: 8515

(URL <http://www.aiful.co.jp>)

Representative:

Inquiries:

Date of the Board of Directors' meeting to approve financial statements:

Date of the annual shareholders' meeting:

Commencement of the interim dividends payment:

The Company adopted the "Tangen" unit system:

Stock Exchange: Tokyo, Osaka

Headquarters: Kyoto City

Yoshitaka Fukuda

President and Chief Executive Officer

Kenichi Kayama

General Manager, Public Relations Department

TEL (03) 4503-6050

May 10, 2005

June 24, 2005

Yes

Yes (One "Tangen" of stock at Aiful Corporation is equivalent to 50 shares)

I. Non-Consolidated Business Results for the Year Ended March 31, 2005 (April 1, 2004 - March 31, 2005)

1. Non-Consolidated Operating Results

(In millions of yen - except per share data)

| | Operating Revenue | | Operating Income | | Ordinary Income | |
|-------------------------------------|-------------------|------|------------------|---------|-----------------|--------|
| Fiscal Year Ended March 31, 2005 | 340,615 | 1.7% | 107,581 | 13.0% | 112,533 | 13.7% |
| Fiscal Year Ended March 31, 2004 | 334,977 | 3.2% | 95,238 | (10.9)% | 98,932 | (7.6)% |

| | Net Income | | Net Income per Share (Yen) | Diluted Net Income per Share (Yen) | Net Income to Shareholders' Equity Ratio | Ordinary Income to Shareholder's Equity Ratio | Operating Revenue to Ordinary Income Ratio |
|-------------------------------------|------------|--------|----------------------------------|--|--|---|--|
| Fiscal Year Ended March 31, 2005 | 67,301 | 26.8% | 710.94 | 710.88 | 12.2% | 5.8% | 33.0% |
| Fiscal Year Ended March 31, 2004 | 53,086 | (4.0)% | 560.82 | - | 10.7% | 5.2% | 29.5% |

Notes: 1. Average number of shares during: Fiscal year ended March 31, 2005: 94,453,068 shares
Fiscal year ended March 31, 2004: 94,467,918 shares

2. Changes in accounting policies: No

3. Percentage figures shown for operating revenue, operating income, ordinary income and net income show year-on-year change

4. Figures have been rounded down to the nearest unit.

2. Dividend Information

| | Dividends per Share (in Yen) | | | Total Dividends (Million Yen) | Dividend Payout Ratio (%) | Dividend on Equity (%) |
|-------------------------------------|------------------------------|---------|----------|----------------------------------|------------------------------|---------------------------|
| | | Interim | Year-end | | | |
| Fiscal year ended March 31, 2005 | 60.00 | 30.00 | 30.00 | 5,668 | 8.4% | 1.0% |
| Fiscal year ended March 31, 2004 | 60.00 | 30.00 | 30.00 | 5,668 | 10.7% | 1.1% |

3. Non-Consolidated Financial Position

(In millions of yen - rounded down, except where noted)

| | Total Assets | Shareholders' Equity | Shareholders' Equity Ratio (%) | Shareholders' Equity per Share (Yen) |
|-------------------------------------|--------------|----------------------|-----------------------------------|---|
| Fiscal Year Ended March 31, 2005 | 2,033,547 | 584,308 | 28.7 | 6,187.74 |
| Fiscal Year Ended March 31, 2004 | 1,870,075 | 522,904 | 28.0 | 5,534.17 |

Notes: 1. Number of shares issued and outstanding: Fiscal year ended March 31, 2005: 94,405,535 shares
Fiscal year ended March 31, 2004: 94,467,134 shares

2. Total number of treasury stocks at the end of the fiscal period: Fiscal year ended March 31, 2005: 284,465 shares
Fiscal year ended March 31, 2004: 222,866 shares

II. Fiscal Year 2006 Full Year Forecast (April 1, 2005 - March 31, 2006)

(In millions of yen – rounded down, except where noted)

| | Operating Revenue | Ordinary Income | Net Income | Dividends per Share (in Yen) | | |
|---|-------------------|-----------------|------------|------------------------------|----------|-------|
| | | | | Interim | Year-End | |
| Interim Period Ending, September 30, 2005 | 173,434 | 56,779 | 35,472 | 30.00 | – | – |
| Fiscal Year Ending March 31, 2006 | 349,578 | 121,000 | 74,351 | – | 30.00 | 60.00 |

Reference:

Forecast for earnings per share for fiscal year 2006 year ending March 31, 2006: 525.04

Calculations based on 141,608,302 shares, which includes the 47,345,000 increase in the number of shares due to the stock split detailed on page 55.

Caution Relating to Results Forecasts:

The above forecasts are based on the information available to management at the time they were made, and estimates involving uncertain factors thought likely to have an effect on future results. Actual results can differ materially from these forecasts for a variety of reasons.

(Supplementary Data)**I. Non-Consolidated Financial Statements****1. Non-Consolidated Balance Sheets**

(In millions of yen - rounded down, except where noted)

| Category | Note No. | End of previous fiscal year (As of Mar. 31, 2004) | | End of current fiscal year (As of Mar. 31, 2005) | |
|--|----------|--|-----------|---|-----------|
| | | Amount | % | Amount | % |
| (Assets) | | | | | |
| I. Current assets | | | | | |
| 1. Cash and cash equivalents | | 60,425 | | 67,535 | |
| 2. Loans | *1, 2, 4 | 1,451,638 | | 1,471,767 | |
| 3. Real estate for sale | *1 | 181 | | 168 | |
| 4. Pre-paid expenses | | 3,687 | | 3,437 | |
| 5. Deferred tax assets | | 13,629 | | 8,203 | |
| 6. Accrued income | | 11,501 | | 11,558 | |
| 7. Short-term loans | *3 | 20,178 | | 5,187 | |
| 8. Other | *1 | 21,150 | | 18,118 | |
| 9. Allowance for bad debts | | (81,693) | | (81,928) | |
| Total current assets | | 1,500,700 | 80.3 | 1,504,048 | 74.0 |
| II. Fixed assets | | | | | |
| 1. Tangible fixed assets | | | | | |
| (1) Buildings | | 23,302 | | 23,298 | |
| Total accumulated depreciation | | (10,893) | 12,409 | (11,437) | 11,861 |
| (2) Structures | | 4,751 | | 4,741 | |
| Total accumulated depreciation | | (2,707) | 2,044 | (2,952) | 1,789 |
| (3) Machinery | | 161 | | 161 | |
| Total accumulated depreciation | | (24) | 137 | (43) | 117 |
| (4) Equipment and fixtures | | 15,024 | | 16,156 | |
| Total accumulated depreciation | | (5,640) | 9,383 | (7,251) | 8,904 |
| (5) Land | | | 5,612 | | 5,612 |
| (6) Construction in process account | | | 57 | | 209 |
| Total tangible fixed assets | | | 29,643 | | 28,495 |
| 2. Intangible fixed assets | | | | | |
| (1) Software | | | 10,404 | | 11,113 |
| (2) Telephone rights | | | 446 | | 361 |
| (3) Other | | | 9 | | 9 |
| Total intangible fixed assets | | | 10,860 | | 11,484 |
| 3. Investment and other fixed assets | | | | | |
| (1) Investment securities | | | 14,323 | | 19,318 |
| (2) Stock in affiliated companies | | | 114,864 | | 131,754 |
| (3) Investments in equity other than capital stock | | | 1,718 | | - |
| (4) Claims in bankruptcy | | | 22,925 | | 25,278 |
| (5) Long-term loans | | | 1,120 | | 1,080 |
| (6) Long-term loans to shareholders and employees | | | 22 | | 22 |
| (7) Long-term loans to affiliated companies | | | 157,086 | | 298,223 |
| (8) Long-term prepaid expenses | | | 4,774 | | 3,193 |
| (9) Deferred tax assets | | | 769 | | 14 |
| (10) Lease deposits and guarantees | | | 8,118 | | 8,716 |
| (11) Loss on deferred hedge | | | 18,974 | | 18,970 |
| (12) Other | | | 1,984 | | 1,451 |
| (13) Allowance for bad debts | | | (18,264) | | (19,124) |
| Total investment and other fixed assets | | | 328,417 | 17.5 | 488,898 |
| Total fixed assets | | | 368,921 | 19.7 | 528,877 |
| III. Deferred assets | | | | | |
| Bond issuing expenses | | | 453 | | 621 |
| Total deferred assets | | | 453 | 0.0 | 621 |
| Total assets | | | 1,870,075 | 100.0 | 2,033,547 |

| Category | Note No. | End of previous fiscal year (As of Mar. 31, 2004) | | End of current fiscal year (As of Mar. 31, 2005) | |
|--|----------|--|-------|---|-------|
| | | Amount | % | Amount | % |
| (Liabilities) | | | | | |
| I. Current liabilities | | | | | |
| 1. Notes payable - trade | | 4,161 | | 4,598 | |
| 2. Short-term debts | | 8,500 | | 15,000 | |
| 3. Current portion of bonds | | 90,000 | | 94,000 | |
| 4. Current portion of long-term debts | *1 | 327,815 | | 348,065 | |
| 5. Trade accounts payable | | 5,918 | | 6,348 | |
| 6. Income taxes payable | | 24,660 | | 22,544 | |
| 7. Accrued expenses payable | | 4,669 | | 4,565 | |
| 8. Deposits | | 387 | | 428 | |
| 9. Income in advance | | 2 | | 3 | |
| 10. Reserve for accrued bonuses | | 2,397 | | 2,386 | |
| 11. Other | | 292 | | 343 | |
| Total current liabilities | | 468,806 | 25.0 | 498,285 | 24.5 |
| II Long-term liabilities | | | | | |
| 1. Bonds | | 355,000 | | 374,890 | |
| 2. Long-term debts | *1 | 502,413 | | 556,659 | |
| 3. Allowance for retirement benefits for employees | | 806 | | 319 | |
| 4. Allowance for retirement benefits for directors | | 1,220 | | 1,209 | |
| 5. Interest swaps | | 18,832 | | 17,834 | |
| 6. Other | | 91 | | 41 | |
| Total long-term liabilities | | 878,365 | 47.0 | 950,954 | 46.8 |
| Total liabilities | | 1,347,171 | 72.0 | 1,449,239 | 71.3 |
| (Shareholders' equity) | | | | | |
| I. Common stock | *5 | 83,317 | 4.5 | 83,317 | 4.1 |
| II. Capital surplus | | | | | |
| Capital reserves | | 90,225 | | 90,225 | |
| Total Capital surplus | | 90,225 | 4.8 | 90,225 | 4.4 |
| III. Retained earnings | | | | | |
| 1. Earned surplus reserves | | 1,566 | | 1,566 | |
| 2. Voluntary reserves | | | | | |
| General reserve | | 292,322 | | 336,822 | |
| 3. Unappropriated retained earnings | | 53,174 | | 70,156 | |
| Total retained earnings | | 347,062 | 18.6 | 408,545 | 20.1 |
| IV. Differences in evaluation of other marketable securities | | 4,361 | 0.2 | 5,284 | 0.3 |
| V. Treasury stock | *7 | (2,062) | (0.1) | (3,063) | (0.2) |
| Total shareholders' equity | | 522,904 | 28.0 | 584,308 | 28.7 |
| Total liabilities and shareholders' equity | | 1,870,075 | 100.0 | 2,033,547 | 100.0 |

2. Non-Consolidated Statement of Income

(In millions of yen - rounded down, except where noted)

| Category | Note No. | Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | | Current fiscal year (Apr. 1, 2004 to Mar. 31, 2005) | |
|--|----------|---|-------|--|-------|
| | | Amount | % | Amount | % |
| I. Operating revenue | | | | | |
| 1. Interest on loans to customers | | 326,978 | 97.6 | 330,528 | 97.0 |
| 2. Financial revenue - other | | | | | |
| (1) Interest on deposits | | 6 | | 1 | |
| (2) Interest on marketable securities | | 1 | | 0 | |
| (3) Interest on loans | | 47 | | 111 | |
| (4) Other | | 3 | 0.0 | 0 | 0.0 |
| 3. Operating revenue – other | | | | | |
| (1) Sales of real estate | | 50 | | - | |
| (2) Bad debt write-off recovery | | 3,738 | | 4,090 | |
| (3) Other | | 4,150 | 2.4 | 5,883 | 3.0 |
| Total operating revenue | | 334,977 | 100.0 | 340,615 | 100.0 |
| II. Operating expenses | | | | | |
| 1. Financial expenses | | | | | |
| (1) Interest expenses | | 21,284 | | 21,092 | |
| (2) Interest on bonds | | 9,903 | | 8,743 | |
| (3) Other | | 2,297 | 10.0 | 2,758 | 9.6 |
| 2. Cost of sales | | | | | |
| (1) Cost of sales of real estate | | 137 | 0.1 | - | 0.0 |
| 3. Operating Expenses – other | | | | | |
| (1) Advertising expenses | | 13,696 | | 14,978 | |
| (2) Commissions | | 10,832 | | 11,966 | |
| (3) Loan losses | | 9,352 | | 9,549 | |
| (4) Transfer to allowance for bad debts | | 99,871 | | 87,835 | |
| (5) Director's salaries and remuneration | | 453 | | 442 | |
| (6) Salaries for employees | | 19,481 | | 19,701 | |
| (7) Bonus for employees | | 2,448 | | 2,300 | |
| (8) Transfer to reserve for accrued bonuses | | 2,397 | | 2,386 | |
| (9) Transfers to allowance for retirement benefits for directors | | 120 | | 76 | |
| (10) Welfare expenses | | 3,869 | | 3,646 | |
| (11) Expenses for retirement benefits for employees | | 11 | | 1,368 | |
| (12) Rent fees | | 6,393 | | 6,557 | |
| (13) Land rent | | 7,531 | | 7,458 | |
| (14) Supplies | | 1,859 | | 1,027 | |
| (15) Repairs | | 4,085 | | 4,709 | |
| (16) Communication expenses | | 4,159 | | 2,438 | |
| (17) Insurance premiums | | 4,102 | | 4,411 | |
| (18) Depreciation expenses | | 4,874 | | 6,751 | |
| (19) Consumption tax | | 3,055 | | 3,219 | |
| (20) Other | | 7,519 | 61.5 | 9,611 | 58.8 |
| Total operating expenses | | 239,739 | 71.6 | 233,034 | 68.4 |
| Operating income | | 95,238 | 28.4 | 107,581 | 31.6 |
| III. Non-operating income | | | | | |
| 1. Interest on loans | *4 | 3,839 | | 4,095 | |
| 2. Dividends received | | 62 | | 116 | |
| 3. Dividends on insurance | | 192 | | 765 | |
| 4. Gain on investment in anonymous association | *1 | 10 | | - | |
| 5. Miscellaneous | | 471 | 1.4 | 669 | 1.6 |
| IV. Non-operating expenses | | | | | |
| 1. Loss on valuation of real estate for sale | | 17 | | 12 | |
| 2. Loss on investment in anonymous association | *5 | 747 | | 610 | |
| 3. Miscellaneous | | 117 | 0.3 | 71 | 0.2 |
| Ordinary income | | 98,932 | 29.5 | 112,533 | 33.0 |
| V. Extraordinary income | | | | | |
| 1. Gain on sale of investment securities | | 669 | | 685 | |
| 2. Allowance for bad debts from previous year | | 2 | | 0 | |
| 3. Gain from transfer of agency portion of employees' pension fund to government | | - | 0.2 | 207 | 0.3 |

4. Significant Accounting Policies Relating to the Financial Statements

| Item | Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Previous fiscal year (Apr. 1, 2004 to Mar. 31, 2005) |
|---|--|---|
| 1. Appraisal standards and methods for principal assets | <p>(1) Subsidiaries stock and stock in affiliated companies Cost method, cost being determined by the moving average method</p> <p>(2) Other marketable securities - Securities valued at market: Market value method based on the market prices on the settlement date. All valuation differences are reflected directly in shareholders' equity, the sale price being computed using the moving average method. - Securities not valued at market: Cost method, cost being determined by the moving average method</p> | <p>(1) Subsidiaries stock and stock in affiliated companies As on left</p> <p>(2) Other marketable securities - Securities valued at market: As on left - Securities not valued at market: As on left</p> |
| 2. Inventories | Real estate for sale Lower-of-cost-or-market method, cost being determined by the specific cost method | Real estate for sale As on left |
| 3. Depreciation methods for depreciable assets | <p>(1) Tangible fixed assets Diminishing balance depreciation method Major useful lives are as follows: Buildings and structures 3-50 years Machinery 3-15 years Equipment and fixtures 3-20 years</p> <p>(2) Intangible fixed assets - Software Straight-line method based on the assumed useful life for internal use (5 years) - Others Straight-line method</p> | <p>(1) Tangible fixed assets As on left</p> <p>(2) Intangible fixed assets As on left</p> |
| 4. Disposal method for deferred assets | Bond issuing expenses Deferred assets are amortized uniformly within the shorter period of either the bonds' redemption period or the longest period (three years) mandated by the Commercial Code. | Bond issuing expenses As on left |
| 5. Accounting standards for allowances and reserves | | |
| (1) Allowance for bad debts | Provision for losses on bad debts is made up to the necessary amount considering the actual percentage of bad loan write-offs for normal claims, and up to the amount forecast to be irrecoverable based on individual assessments of recoverability for doubtful claims. | As on left |
| (2) Reserve for accrued bonuses | Provision for accrued bonuses to employees is made by appropriating an amount based on the estimated total bonuses that will be paid during the fiscal year. | As on left |
| (3) Allowance for retirement benefits for employees | Provision for employees' retirement benefits is made on the basis of forecast retirement benefit obligations and pension assets at the end of the fiscal year. Actuarial differences and past service obligations are generally written off as lump sum expenses in the fiscal year in which they arise. | Provision for employees' retirement benefits is made on the basis of forecast retirement benefit obligations and pension assets at the end of the current fiscal year. Actuarial differences and past service obligations are generally written off as lump sum expenses in the fiscal year in which they arise. |

| Item | Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Previous fiscal year (Apr. 1, 2004 to Mar. 31, 2005) |
|---|--|---|
| | <p>(Supplementary Information) With the enforcement of the Defined Benefit Corporate Pension Law, AIFUL obtained from the Minister of Health, Labour and Welfare an exemption from the obligation on September 25, 2003 to make future payments with respect to the agency portion of employees' pension fund.</p> <p>The estimated amount returned (minimum liability) as of the end of the non-consolidated fiscal year is 2,509 million yen. If AIFUL were to apply the interim measure set forth in the "Practice Guideline Concerning Retirement Benefit Accounting (Interim Report)" (Report of the Accounting Standards Committee of The Japanese Institute of Certified Public Accountants No. 13, Item 44-2), the amount to be recorded as a profit would be 263 million yen.</p> | <p>(Supplementary Information) With the enforcement of the Defined Benefit Corporate Pension Law, AIFUL obtained from the Minister of Health, Labour and Welfare an exemption from the obligation on September 25, 2003 to make future payments with respect to the agency portion of employees' pension fund. The amount returned was confirmed on March 16, 2005.</p> <p>The impact on profit and loss in the fiscal year under review is 207 million yen recorded as extraordinary income. AIFUL obtained authorization on September 30, 2004 from the Minister of Health, Welfare and Labour to dissolve the AIFUL employees' pension fund and to introduce defined contribution pensions, and a new defined contribution pension system and advance retirement benefit system were adopted on October 1, 2004. However, the amount of assets under management per individual to be transferred to the defined contribution pension system with respect to the portion relating to past service had not been determined as of March 31, 2005.</p> |
| (4) Allowance for retirement benefits for directors | The Company provides for retirement benefits for directors by determining the amount to be paid at the end of the fiscal year based on the regulation for the payment of directors' retirement benefits. | As on left |
| 6. Accounting methods for income and expenses | Interest on loans to customers is recorded in accordance with accrual standards. Uncollected interest is recorded at the lower of the maximum legal interest rate and the pertinent Company interest rate. | As on left |
| 7. Accounting treatment for lease transactions | In finance lease transactions, other than those in which the title of the leased asset is deemed to be transferred to the lessee, finance leases are treated according to the method used for ordinary loan transactions, <i>mutatis mutandis</i> . | As on left |
| 8. Hedge accounting methods (1) Hedge accounting methods | The Company uses deferred hedge accounting. However, the Company uses exceptional accounting rules for interest swaps that meet the requirements for exceptional treatment as interest swaps and interest caps. | The Company uses deferred hedge accounting. The Company also applies appropriation treatment to exchange rate fluctuation risk hedge transactions that meet the requirements for appropriation treatment, and exceptional accounting rules for interest swaps that meet the requirements for exceptional treatment as interest swaps and interest caps. |
| (2) Hedging methods and hedged transactions | <p>Hedging methods: Interest caps and interest swaps</p> <p>Hedged transactions: Borrowing that will change the Company's cash flow depending upon changes in market interest rates (floating rate bank borrowing and corporate bonds).</p> | <p>a. Hedging methods: Currency swaps</p> <p>Hedged transactions: Foreign currency-denominated bonds</p> <p>b. Hedging methods: Interest caps and interest swaps</p> <p>Hedged transactions: Borrowing that will change the Company's cash flow depending upon changes in market interest rates (floating rate bank borrowing and corporate bonds).</p> |
| (3) Hedging policy | The Company uses hedge transactions to keep the percentage of fixed interest rate capital at a specified percentage of total capital funds procured. | The Company uses currency swaps as hedge transactions for exchange rate fluctuation risk related to the payment of principal and interest on foreign currency denominated corporate bonds. The Company uses hedge transactions for interest caps and interest swaps to keep the percentage of fixed interest rate capital at a specified percentage of total capital funds procured. |

| Item | Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Previous fiscal year (Apr. 1, 2004 to Mar. 31, 2005) |
|---|---|---|
| (4) Evaluation of hedge effectiveness | The Company determines the effectiveness of its hedging transactions based on a method of ratio analysis covering cumulative changes over a ten-year period. However, no evaluation of the effectiveness of interest swaps based on exceptional accounting rules is conducted. | As on left |
| 9. Other significant accounting policies relating to the financial statements | | |
| (1) Accounting treatment of interest on debt | Interest on debt used to provide consumer loans is accounted for as "interest expenses" in financial expenses. All other interest expenses are accounted for as "interest expenses" in non-operating expenses. | As on left |
| (2) Accounting Methods for leveraged leases | The Company signed a contract in December 1992 in which it participates in an anonymous association involved in the leasing of aircraft. The contract, which involved an investment of 100 million yen, is due to run for a total of 13 years. This amount is recorded in "investments in equity other than capital stock" under investment and other fixed assets on the balance sheets. AIFUL's portion of the losses incurred through this association have been deducted from the value of the investment as recorded on the financial statements, and losses above and beyond this total recorded in "other" under long-term liabilities as a sum of 62 million yen. Net income of 22 million yen has been recorded in "miscellaneous" under non-operating income in the statement of income. | — |
| (3) Accounting treatment of consumption taxes | Consumption taxes are taken out of all Statement of Income items and Balance Sheet items. Consumption taxes for fixed assets that are not subject to the exclusion, however, are included in "other" under investment and other fixed assets, and are written off using the straight-line method over a five-year period. | As on left |

5. Changes in Labeling Method

| Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Current fiscal year (Apr. 1, 2004 to Mar. 31, 2005) |
|---|---|
| — | Notes to the Non-Consolidated Balance Sheets Investments of 819 million yen in limited liability investment partnerships and equivalent partnerships were included in investment securities based on "Practice Guideline Concerning Accounting Standards for Financial Instruments" (Report of the Accounting Standards Committee No. 14). The amount of investment in equity other than capital stock was very small, so it was included in "other" under investment and other fixed assets. |

6. Supplementary Information

| Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Current fiscal year (Apr. 1, 2004 to Mar. 31, 2005) | | | | | | | | | | | | | | |
|---|---|--------------------------------|--|----------------------|----------|----------------------|--------|-------------------------------|--|---------------------|----------|----------------------|--------|------------------------------|--------|
| — | <p>1. On March 31, 2003, “Partial Revisions of Regional Tax Laws” (Law No. 9 of 2003) was published, and with the incorporation of pro forma standard taxation systems into corporate enterprise taxes from the fiscal year commencing April 1, 2004, the corporate enterprise tax levied in proportion to added value and capital will be included under “Other” in “Operating expenses - other” from the current fiscal year in accordance with “Practical Treatment Concerning Presentation of Pro Forma Standard Taxation Portion of Enterprise Tax in Statement of Income,” Practice Report No. 12, February 13, 2004, Accounting Standards Boards of Japan. As a result, “Other operating expenses” increased 876 million yen, and operating income, ordinary income and net income before taxes fell 876 million yen.</p> <p>2. The meeting of the Board of Directors held on February 21, 2005 resolved to undertake a stock split as follows.</p> <p>(1) Splitting procedure The Company’s common shares owned by shareholders whose names are stated or recorded in the final register of shareholders and the register of beneficiary shareholders as of March 31 2005 shall be split 1.5 for each one share.</p> <p>(2) Number and type of shares to be increased due to the stock split 47,345,000 shares of common stock</p> <p>(3) Date of stock split May 23, 2005</p> <p>(4) First date of dividend accrual period April 1, 2005</p> <p>Per share numerical data assuming the implementation of the stock split at the beginning of the previous consolidated fiscal year and at the beginning of the current consolidated fiscal year is as follows.</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">(1) Previous fiscal year (yen)</td> </tr> <tr> <td style="padding-left: 20px;">Net assets per share</td> <td style="text-align: right;">3,689.45</td> </tr> <tr> <td style="padding-left: 20px;">Net income per share</td> <td style="text-align: right;">373.88</td> </tr> <tr> <td colspan="2">(2) Current fiscal year (yen)</td> </tr> <tr> <td style="padding-left: 20px;">Net asset per share</td> <td style="text-align: right;">4,125.16</td> </tr> <tr> <td style="padding-left: 20px;">Net income per share</td> <td style="text-align: right;">473.96</td> </tr> <tr> <td style="padding-left: 20px;">Diluted net income per Share</td> <td style="text-align: right;">473.92</td> </tr> </table> | (1) Previous fiscal year (yen) | | Net assets per share | 3,689.45 | Net income per share | 373.88 | (2) Current fiscal year (yen) | | Net asset per share | 4,125.16 | Net income per share | 473.96 | Diluted net income per Share | 473.92 |
| (1) Previous fiscal year (yen) | | | | | | | | | | | | | | | |
| Net assets per share | 3,689.45 | | | | | | | | | | | | | | |
| Net income per share | 373.88 | | | | | | | | | | | | | | |
| (2) Current fiscal year (yen) | | | | | | | | | | | | | | | |
| Net asset per share | 4,125.16 | | | | | | | | | | | | | | |
| Net income per share | 473.96 | | | | | | | | | | | | | | |
| Diluted net income per Share | 473.92 | | | | | | | | | | | | | | |

7. Notes

A. Notes to the Non-Consolidated Balance Sheets

| Previous fiscal year (As of Mar. 31, 2004) | Current fiscal year (As of Mar. 31, 2005) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|-------|---------|----------------------|-----|-------|---------|----------------------|--|------------------------------------|---------|-----------------|---------|-------|---------|--|----------------------|--|-------|---------|----------------------|-----|-------|---------|----------------------|--|------------------------------------|---------|-----------------|---------|-------|---------|
| <p>*1 Assets pledged as collateral and corresponding liabilities as below:</p> <p>(1) Assets pledged as collateral</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right;">(In millions of yen)</td> </tr> <tr> <td style="padding-left: 20px;">Loans</td> <td style="text-align: right;">650,629</td> </tr> <tr> <td style="padding-left: 20px;">Real estate for sale</td> <td style="text-align: right;">124</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">650,754</td> </tr> </table> <p>(2) Corresponding liabilities</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right;">(In millions of yen)</td> </tr> <tr> <td style="padding-left: 20px;">Current portion of long-term debts</td> <td style="text-align: right;">173,618</td> </tr> <tr> <td style="padding-left: 20px;">Long-term debts</td> <td style="text-align: right;">306,023</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">479,641</td> </tr> </table> <p>Above amounts include items related to the securitization of loans receivables, 259,797 million yen for outstanding loans receivables, 31,278 million yen for the current portion of long-term debts, and 90,268 million yen for the long-term debts.</p> <p>The matters below are not included in the aforementioned amounts.</p> <ul style="list-style-type: none"> The Company has contracted to offer loans as collateral in response to borrowers’ requests to the sum of 65,438 million yen for the current portion of long-term debts and 69,702 million yen in long-term debts, totaling 135,141 million yen. | (In millions of yen) | | Loans | 650,629 | Real estate for sale | 124 | Total | 650,754 | (In millions of yen) | | Current portion of long-term debts | 173,618 | Long-term debts | 306,023 | Total | 479,641 | <p>*1 Assets pledged as collateral and corresponding liabilities as below:</p> <p>(1) Assets pledged as collateral</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right;">(In millions of yen)</td> </tr> <tr> <td style="padding-left: 20px;">Loans</td> <td style="text-align: right;">712,804</td> </tr> <tr> <td style="padding-left: 20px;">Real estate for sale</td> <td style="text-align: right;">113</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">712,918</td> </tr> </table> <p>(2) Corresponding liabilities</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right;">(In millions of yen)</td> </tr> <tr> <td style="padding-left: 20px;">Current portion of long-term debts</td> <td style="text-align: right;">172,399</td> </tr> <tr> <td style="padding-left: 20px;">Long-term debts</td> <td style="text-align: right;">300,670</td> </tr> <tr> <td style="padding-left: 20px;">Total</td> <td style="text-align: right;">473,070</td> </tr> </table> <p>Above amounts include items related to the securitization of loans receivables, 344,038 million yen for outstanding loans receivables, 33,276 million yen for the current portion of long-term debts, and 100,989 million yen for the long-term debts.</p> <p>The matters below are not included in the aforementioned amounts.</p> <ul style="list-style-type: none"> The Company has contracted to offer loans as collateral in response to borrowers’ requests to the sum of 56,530 million yen for the current portion of long-term debts and 53,354 million yen in long-term debts, totaling 109,884 million yen. | (In millions of yen) | | Loans | 712,804 | Real estate for sale | 113 | Total | 712,918 | (In millions of yen) | | Current portion of long-term debts | 172,399 | Long-term debts | 300,670 | Total | 473,070 |
| (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans | 650,629 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Real estate for sale | 124 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 650,754 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current portion of long-term debts | 173,618 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long-term debts | 306,023 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 479,641 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans | 712,804 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Real estate for sale | 113 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 712,918 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Current portion of long-term debts | 172,399 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long-term debts | 300,670 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 473,070 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Previous fiscal year (As of Mar. 31, 2004) | Current fiscal year (As of Mar. 31, 2005) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------|-------------|-------|----------------------|-------|--------|--------|------------------|--------|--------|--------|---------------------------------------|-------|-------|--------|---------------------------|--------|-----|--------|-------|--------|--------|---------|--|--|-----------------|-------------|-------|----------------------|-------|--------|--------|------------------|--------|--------|--------|---------------------------------------|-------|-------|--------|---------------------------|--------|-----|--------|-------|--------|--------|---------|
| <ul style="list-style-type: none"> The Company has also offered 6,153 million yen in cash and cash equivalents as collateral for swap transactions. The Company has taken Marutoh K.K.'s tangible fixed assets as a pledge for their borrowings. | <ul style="list-style-type: none"> The Company has also offered 4,456 million yen in cash and cash equivalents as collateral for swap transactions. The Company has taken Marutoh K.K.'s tangible fixed assets as a pledge for their borrowings. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *2 Includes 1,081,057 million yen in personal unsecured loans. | *2 Includes 1,093,662 million yen in personal unsecured loans. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *3 Assets accepted as collateral with full rights of disposal and corresponding market values | *3 Assets accepted as collateral with full rights of disposal and corresponding market values | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (In millions of yen) | (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transferred accounts 10,000 | Commercial paper 4,998 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Commercial paper 9,998 | Total 4,998 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total 19,998 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *4 The bad debts included in loans and claims in bankruptcy are shown below: | *4 The bad debts included in loans and claims in bankruptcy are shown below: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (In millions of yen) | (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th></th> <th>Unsecured loans</th> <th>Other loans</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Claims in bankruptcy</td> <td>4,880</td> <td>21,227</td> <td>26,107</td> </tr> <tr> <td>Loans in arrears</td> <td>18,929</td> <td>23,211</td> <td>42,141</td> </tr> <tr> <td>Loans in arrears longer than 3 months</td> <td>8,977</td> <td>3,398</td> <td>12,375</td> </tr> <tr> <td>Loans with adjusted terms</td> <td>37,155</td> <td>104</td> <td>37,260</td> </tr> <tr> <td>Total</td> <td>69,943</td> <td>47,941</td> <td>117,884</td> </tr> </tbody> </table> | | Unsecured loans | Other loans | Total | Claims in bankruptcy | 4,880 | 21,227 | 26,107 | Loans in arrears | 18,929 | 23,211 | 42,141 | Loans in arrears longer than 3 months | 8,977 | 3,398 | 12,375 | Loans with adjusted terms | 37,155 | 104 | 37,260 | Total | 69,943 | 47,941 | 117,884 | <table border="1"> <thead> <tr> <th></th> <th>Unsecured loans</th> <th>Other loans</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Claims in bankruptcy</td> <td>3,780</td> <td>24,364</td> <td>28,144</td> </tr> <tr> <td>Loans in arrears</td> <td>20,261</td> <td>27,960</td> <td>48,221</td> </tr> <tr> <td>Loans in arrears longer than 3 months</td> <td>9,061</td> <td>3,039</td> <td>12,100</td> </tr> <tr> <td>Loans with adjusted terms</td> <td>39,923</td> <td>273</td> <td>40,196</td> </tr> <tr> <td>Total</td> <td>73,025</td> <td>55,637</td> <td>128,662</td> </tr> </tbody> </table> | | Unsecured loans | Other loans | Total | Claims in bankruptcy | 3,780 | 24,364 | 28,144 | Loans in arrears | 20,261 | 27,960 | 48,221 | Loans in arrears longer than 3 months | 9,061 | 3,039 | 12,100 | Loans with adjusted terms | 39,923 | 273 | 40,196 | Total | 73,025 | 55,637 | 128,662 |
| | Unsecured loans | Other loans | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Claims in bankruptcy | 4,880 | 21,227 | 26,107 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans in arrears | 18,929 | 23,211 | 42,141 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans in arrears longer than 3 months | 8,977 | 3,398 | 12,375 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans with adjusted terms | 37,155 | 104 | 37,260 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 69,943 | 47,941 | 117,884 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Unsecured loans | Other loans | Total | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Claims in bankruptcy | 3,780 | 24,364 | 28,144 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans in arrears | 20,261 | 27,960 | 48,221 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans in arrears longer than 3 months | 9,061 | 3,039 | 12,100 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Loans with adjusted terms | 39,923 | 273 | 40,196 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 73,025 | 55,637 | 128,662 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Explanations for each of the above items follow:</p> <p>(Claims in bankruptcy) "Claims in bankruptcy" refers to loans that are included in loans on which principal or interest payments have been continuously late for a considerable period of time for the reasons cited in Article 96, Paragraph 1, Number 3, Items A through E of the Corporate Income Tax Law Execution Ordinance (1965, Ordinance No. 97), or for the reasons set forth in Number 4 of the same paragraph. The Company sets aside a reserve for bad debts that is equivalent to the amount the Company believes it will be unable to recover based on an evaluation of each loan.</p> <p>(Loans in arrears) "Loans in arrears" refers to loans other than claims in bankruptcy for which unpaid interest is not accrued. This excludes loans, however, that are included in loans for which the Company has made arrangements convenient to the borrower for the purpose of reorganization or support of the borrower, such as reduction or exemption of interest or extension of the repayment period on which the Company is periodically receiving payments.</p> <p>(Loans in arrears longer than 3 months) "Loans in arrears longer than 3 months" refers to loans for which the principal or interest payment is three or more months overdue from the day following the scheduled payment date and that are not regarded as claims in bankruptcy or loans in arrears.</p> <p>(Loans with adjusted terms) "Loans with adjusted terms" refers to loans for which the Company has made arrangements convenient to the borrower for the purpose of reorganization or support of the borrower, such as reduction or exemption of interest or extension of the repayment period on which the Company is periodically receiving payments, and that are not regarded as claims in bankruptcy, loans in arrears or loans in arrears longer than 3 months.</p> | <p>Explanations for each of the above items follow:</p> <p>(Claims in bankruptcy) As on left</p> <p>(Loans in arrears) As on left</p> <p>(Loans in arrears longer than 3 months) As on left</p> <p>(Loans with adjusted terms) As on left</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *5 The total amount of stock to be issued by the Company is 373,500,000 shares of common stock. The total number of shares issued and outstanding is 94,690,000 shares of common stock. | *5 The total amount of stock to be issued by the Company is 373,500,000 shares of common stock. The total number of shares issued and outstanding is 94,690,000 shares of common stock. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 Liabilities for guarantee | 6 Liabilities for guarantee | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Liabilities for guarantee relating to personal loans provided by business partner financial institutions: 25,958 million yen | (1) Liabilities for guarantee relating to personal loans provided by business partner financial institutions: 35,267 million yen | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) Liabilities for guarantees related to small business loans provided by business partner financial institutions: 1,358 million yen | (2) Liabilities for guarantees related to small business loans provided by business partner financial institutions: 7,912 million yen | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Previous fiscal year (As of Mar. 31, 2004) | Current fiscal year (As of Mar. 31, 2005) |
|---|--|
| (3) Liabilities for guarantees of debt of affiliated companies: Marutoh K.K. 8,600 million yen | |
| *7 The number of treasury shares held by the Company is 222,866 shares of common stock. | *7 The number of treasury shares held by the Company is 284,465 shares of common stock. |
| 8 Limitation on dividend The increase in net assets as result of setting a market price for assets specified in Item 3 of Article 124 of the Enforcement Regulations of the Commercial Code was 4,361 million yen. | 8 Limitation on dividend The increase in net assets as result of setting a market price for assets specified in Item 3 of Article 124 of the Enforcement Regulations of the Commercial Code was 5,284 million yen. |
| | 9 Profit/loss relating to hedge methods Profit/loss relating to hedge methods is recorded under deferred hedge loss as a net amount. The total deferred hedge loss before being netted out was 19,001 million yen. Deferred hedge profit was 31 million yen. |

B. Notes to the Non-Consolidated Statement of Income

| Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Current fiscal year (Apr. 1, 2004 to Mar. 31, 2005) |
|---|--|
| *1 Gains on investments in anonymous association all refer to product fund operating capital and dividend payments. | *1 — |
| *2 Breakdown of loss on sale of tangible fixed assets is as follows. (In millions of yen) | *2 Breakdown of loss on sale of tangible fixed assets is as follows. (In millions of yen) |
| Telephone rights 125 | <u>Telephone rights</u> 69 |
| Other 117 | Total 69 |
| Total 243 | |
| *3 Breakdown of loss on disposal of fixed assets is as follows: (In millions of yen) | *3 Breakdown of loss on disposal of fixed assets is as follows: (In millions of yen) |
| Buildings 239 | Buildings 159 |
| Structures 39 | Structures 27 |
| Equipment and fixtures 35 | Equipment and fixtures 43 |
| Other 70 | Software 113 |
| Total 385 | <u>Other</u> 32 |
| | Total 375 |
| *4 Matters relating to affiliated companies | *4 Matters relating to affiliated companies |
| Interest on loans 3,821 million yen | Interest on loans 4,062 million yen |
| *5 Losses on investments in an anonymous association all refer to valuation losses on commodity funds. | *5 As on left |

8. Notes to Lease Transaction

| Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Current fiscal year (Apr. 1, 2004 to Mar. 31, 2005) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------------------|--------------------------|-----------------------|-------------------|-------|---|-------------------|------------------------|-----------------------|--------|-------------------|-------|--------|--------|-------|---|--|------------------|--------------------------|-----------------------|----------|-----|----|----|------------------------|-------|-------|-------|-------|-------|-------|-------|
| Notes to finance lease transactions except leases under which the title of the leased asset is deemed to be transferred to the lessee. | Notes to finance lease transactions except leases under which the title of the leased asset is deemed to be transferred to the lessee. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (1) Acquisition cost, accumulated depreciation and period ending balance of lease assets | (1) Acquisition cost, accumulated depreciation and period ending balance of lease assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (In millions of yen) | (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th></th> <th>Acquisition cost</th> <th>Accumulated depreciation</th> <th>Period ending balance</th> </tr> </thead> <tbody> <tr> <td>Vehicles</td> <td style="text-align: right;">259</td> <td style="text-align: right;">206</td> <td style="text-align: right;">53</td> </tr> <tr> <td>Equipment and fixtures</td> <td style="text-align: right;">17,641</td> <td style="text-align: right;">14,131</td> <td style="text-align: right;">3,509</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">17,900</td> <td style="text-align: right;">14,337</td> <td style="text-align: right;">3,562</td> </tr> </tbody> </table> | | Acquisition cost | Accumulated depreciation | Period ending balance | Vehicles | 259 | 206 | 53 | Equipment and fixtures | 17,641 | 14,131 | 3,509 | Total | 17,900 | 14,337 | 3,562 | <table border="1"> <thead> <tr> <th></th> <th>Acquisition cost</th> <th>Accumulated depreciation</th> <th>Period ending balance</th> </tr> </thead> <tbody> <tr> <td>Vehicles</td> <td style="text-align: right;">163</td> <td style="text-align: right;">80</td> <td style="text-align: right;">83</td> </tr> <tr> <td>Equipment and fixtures</td> <td style="text-align: right;">6,187</td> <td style="text-align: right;">5,117</td> <td style="text-align: right;">1,070</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">6,351</td> <td style="text-align: right;">5,198</td> <td style="text-align: right;">1,153</td> </tr> </tbody> </table> | | Acquisition cost | Accumulated depreciation | Period ending balance | Vehicles | 163 | 80 | 83 | Equipment and fixtures | 6,187 | 5,117 | 1,070 | Total | 6,351 | 5,198 | 1,153 |
| | Acquisition cost | Accumulated depreciation | Period ending balance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicles | 259 | 206 | 53 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and fixtures | 17,641 | 14,131 | 3,509 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 17,900 | 14,337 | 3,562 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Acquisition cost | Accumulated depreciation | Period ending balance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicles | 163 | 80 | 83 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equipment and fixtures | 6,187 | 5,117 | 1,070 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 6,351 | 5,198 | 1,153 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (2) Outstanding balance of future lease payments at the end of the period | (2) Outstanding balance of future lease payments at the end of the period | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (In millions of yen) | (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <tbody> <tr> <td>Within one year</td> <td style="text-align: right;">2,498</td> </tr> <tr> <td>Over one year</td> <td style="text-align: right;">1,101</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">3,600</td> </tr> </tbody> </table> | Within one year | 2,498 | Over one year | 1,101 | Total | 3,600 | <table border="1"> <tbody> <tr> <td>Within one year</td> <td style="text-align: right;">915</td> </tr> <tr> <td>Over one year</td> <td style="text-align: right;">267</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">1,183</td> </tr> </tbody> </table> | Within one year | 915 | Over one year | 267 | Total | 1,183 | | | | | | | | | | | | | | | | | | | | |
| Within one year | 2,498 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over one year | 1,101 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 3,600 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within one year | 915 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Over one year | 267 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | 1,183 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (3) Amount of lease fee payments, the amount equivalent to depreciation expenses and the amount equivalent to interest expenses | (3) Amount of lease fee payments, the amount equivalent to depreciation expenses and the amount equivalent to interest expenses | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (In millions of yen) | (In millions of yen) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <tbody> <tr> <td>Lease fee payment</td> <td style="text-align: right;">3,986</td> </tr> <tr> <td>Depreciation expenses</td> <td style="text-align: right;">3,819</td> </tr> <tr> <td>Interest expenses</td> <td style="text-align: right;">103</td> </tr> </tbody> </table> | Lease fee payment | 3,986 | Depreciation expenses | 3,819 | Interest expenses | 103 | <table border="1"> <tbody> <tr> <td>Lease fee payment</td> <td style="text-align: right;">2,565</td> </tr> <tr> <td>Depreciation expenses</td> <td style="text-align: right;">2,455</td> </tr> <tr> <td>Interest expenses</td> <td style="text-align: right;">49</td> </tr> </tbody> </table> | Lease fee payment | 2,565 | Depreciation expenses | 2,455 | Interest expenses | 49 | | | | | | | | | | | | | | | | | | | | |
| Lease fee payment | 3,986 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation expenses | 3,819 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest expenses | 103 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lease fee payment | 2,565 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Depreciation expenses | 2,455 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Interest expenses | 49 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (4) Accounting method for the amount equivalent to depreciation expenses Calculated by assuming the lease term is the depreciable life and depreciating the remaining amount to zero using the fixed amount method. The method for calculating the amount equivalent to depreciation expenses was changed from the sum-of-the-years-digits method to the fixed amount method in the non-consolidated fiscal year. As a result, the amount equivalent to cumulative depreciation expenses is 1,588 million yen less, and the amount equivalent to depreciation expenses is 757 million yen more. | (4) Accounting method for the amount equivalent to depreciation expenses Calculated by assuming the lease term is the depreciable life and depreciating the remaining amount to zero using the fixed amount method. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (5) Accounting method for the amount equivalent to interest expenses Interest expense for lease assets is calculated as the difference between the total lease payments and the acquisition price of the leased assets, with the amount allocated to each accounting period using the interest method. | (5) Accounting method for the amount equivalent to interest expenses As on left | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

9. Marketable Securities

| End of previous fiscal year (As of Mar. 31, 2004) | End of current fiscal year (As of Mar. 31, 2005) |
|---|---|
| Subsidiaries' shares and the shares of affiliated companies do not have a market price. | As on left |

10. Tax Effect Accounting

| End of previous fiscal year (As of Mar. 31, 2004) | | End of current fiscal year (As of Mar. 31, 2005) | |
|--|--|---|--|
| 1 | Principal cause of deferred tax assets and deferred tax liabilities (In millions of yen) | 1 | Principal cause of deferred tax assets and deferred tax liabilities (In millions of yen) |
| | <i>Deferred tax assets (current)</i> | | <i>Deferred tax assets (current)</i> |
| | Excess amount transferred to allowance for bad debts accounts | | Denied amount of bad debts depreciation |
| | 6,732 | | 3,668 |
| | Denied amount of bad debts depreciation | | Accrued enterprise tax |
| | 2,517 | | 1,288 |
| | Accrued enterprise tax | | Unrecorded interest payments due |
| | 1,409 | | 2,162 |
| | Unrecorded interest payments due | | Excess amount transferred to reserve for accrued bonuses |
| | 1,881 | | 968 |
| | Excess amount transferred to reserve for accrued bonuses | | <u>Other</u> |
| | 972 | | 115 |
| | <u>Other</u> | | <u>Total deferred tax assets (current)</u> |
| | 116 | | 8,203 |
| | <u>Total deferred tax assets (current)</u> | | |
| | 13,629 | | <i>Deferred tax assets (fixed)</i> |
| | <i>Deferred tax assets (fixed)</i> | | Excess amount of depreciation and amortization |
| | Excess amount of depreciation and amortization | | 1,635 |
| | 1,605 | | Excess amount transferred to allowance for bad debts accounts |
| | Excess amount transferred to allowance for bad debt accounts | | 550 |
| | 647 | | Amount transferred to allowance for retirement benefits for directors |
| | Amount transferred to allowance for retirement benefits for directors | | 490 |
| | 495 | | <u>Other</u> |
| | <u>Other</u> | | 946 |
| | 998 | | <u>Total deferred tax assets (fixed)</u> |
| | <u>Total deferred tax assets (fixed)</u> | | 3,623 |
| | 3,747 | | <u>Amount offset against deferred tax liabilities (fixed)</u> |
| | <u>Amount offset against deferred tax liabilities (fixed)</u> | | (3,608) |
| | (2,978) | | <u>Net deferred tax assets (fixed)</u> |
| | <u>Net deferred tax assets (fixed)</u> | | 14 |
| | 769 | | <i>Deferred tax liabilities (fixed)</i> |
| | <i>Deferred tax liabilities (fixed)</i> | | Differences in evaluation of other marketable securities |
| | Differences in evaluation of other marketable securities | | 3,608 |
| | 2,978 | | <u>Total of deferred tax liabilities (fixed)</u> |
| | <u>Total of deferred tax liabilities (fixed)</u> | | 3,608 |
| | 2,978 | | <u>Amount offset against deferred tax assets (fixed)</u> |
| | <u>Amount offset against deferred tax assets (fixed)</u> | | (3,608) |
| | (2,978) | | <u>Net deferred tax liabilities (fixed)</u> |
| | <u>Net deferred tax liabilities (fixed)</u> | | - |
| | - | | <u>Total deferred tax assets</u> |
| | <u>Total deferred tax assets</u> | | 8,217 |
| | 14,398 | | |
| 2 | Principal items which caused differences between statutory effective tax rate and income tax charge rate after adoption of tax effect accounting | 2 | Principal items which caused differences between statutory effective tax rate and income tax charge rate after adoption of tax effect accounting |
| | Statutory effective tariff (Adjusted) | | Omitted because the difference between the statutory effective tax rate and income tax charge rate after adoption of tax effect accounting was less than 5%. |
| | 41.9% | | |
| | Tax on reserves | | |
| | 5.3% | | |
| | Tax exemption for IT equipment | | |
| | (2.0)% | | |
| | <u>Other</u> | | |
| | 0.6% | | |
| | Charge rate of income tax after adoption of tax effect accounting | | |
| | 45.8% | | |

11. Per Share Information

| Item | Previous fiscal year | Current fiscal year |
|------------------------------|---|---------------------|
| Net assets per share | 5,534.17 yen | 6,187.74 yen |
| Net income per share | 560.82 yen | 710.94 yen |
| Diluted net income per share | Diluted net income per share for the fiscal year under review has not been included here, as there was no dilutory effect on income at the end of the period. | 710.88 yen |

Basis for calculation of net income per share and diluted income per share

| Item | Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Current fiscal year (Apr. 1, 2004 to Mar. 31, 2005) |
|--|--|--|
| Net Income | 53,086 million yen | 67,301 million yen |
| Amount not attributable to common stock shareholders | 106 million yen | 151 million yen |
| (Includes directors' bonuses distribution of profit) | 106 million yen | 151 million yen |
| Net income relating to common stock | 52,979 million yen | 67,150 million yen |
| Average number of shares of common stock during the period | 94,467,918 shares | 94,453,068 shares |
| Outline of stock not included in diluted net income per share due to lack of dilutory effect | Stock options relating to treasury stock acquisition methods: 204,000 shares | - |

Note: Directors' bonuses for the current fiscal year had not been determined as of the date of publication, so figures may change. The Company will publish the amount when it is determined.

12. Significant Subsequent Events

| Previous fiscal year (Apr. 1, 2003 to Mar. 31, 2004) | Current fiscal year (Apr. 1, 2004 to Mar. 31, 2005) |
|---|--|
| <p>On June 16, 2004, the Company concluded a stock transfer agreement by which it acquired all the shares issued by Wide Corporation (president: Mitsuo Yanagi).</p> <p>As part of the business strategy to become a comprehensive retail financial services company, this acquisition is intended to boost business efficiency and profitability and reinforce Group earnings with the addition of Wide Corporation to the Group.</p> <p>Company name Wide Corporation Headquarters Utsunomiya-shi, Tochigi-ken President Mitsuo Yanagi Establishment May, 1984 Main business Consumer finance Total assets¹ 106,693 million yen² Net assets 12,461 million yen² Capital 2,555 million yen² Major shareholders Sei Saito and others Stock acquisition date June 30, 2004 Shares acquired 32,135 shares Equity share after acquisition 100%</p> | - |
| <p>Notes: 1. Figure includes 36,811 million yen in loans that were dropped from the balance sheet as a result of securitization. 2. Figures as of Mar. 31, 2004</p> | |

III. Results of Operations

1. Operating Revenue

(In millions of yen)

| Item | Period | Previous fiscal year (Apr. 2003 to Mar. 3, 2004) | | Current fiscal year (Apr. 1, 2004 to Mar. 31, 2005) | |
|--------------------------------|-----------------------------------|---|-------|--|-------|
| | | Amount | % | Amount | % |
| Interest on loans to customers | Unsecured loans | 265,959 | 79.4 | 266,930 | 78.3 |
| | Secured loans | 54,663 | 16.3 | 55,875 | 16.4 |
| | Small business loans | 6,355 | 1.9 | 7,722 | 2.3 |
| | Subtotal | 326,978 | 97.6 | 330,528 | 97.0 |
| Financial revenue - other | Interest on deposits | 6 | 0.0 | 1 | 0.0 |
| | Interest on marketable securities | 1 | 0.0 | 0 | 0.0 |
| | Interest on loans | 47 | 0.0 | 111 | 0.0 |
| | Other | 3 | 0.0 | 0 | 0.0 |
| | Subtotal | 58 | 0.0 | 113 | 0.0 |
| Operating revenue - other | Sales of real estate | 50 | 0.0 | - | - |
| | Bad debt write-off recovery | 3,738 | 1.1 | 4,090 | 1.2 |
| | Other | 4,150 | 1.3 | 5,883 | 1.8 |
| | Subtotal | 7,940 | 2.4 | 9,973 | 3.0 |
| Total | | 334,977 | 100.0 | 340,615 | 100.0 |

Note: "Other" included in "Operating revenue - other" consists of clerical fees and real estate rents.

2. Other Operating Indicators

(In millions of yen - except per share data)

| Item | Period | End of previous fiscal year (As of March 31, 2004) | End of current fiscal year (As of March 31, 2005) |
|---|--------|---|--|
| Total amount of loans outstanding | | 1,451,638 | 1,471,767 |
| Unsecured loans | | 1,081,057 | 1,093,662 |
| Secured loans | | 342,637 | 345,180 |
| Small business loans | | 27,943 | 32,924 |
| Number of customer accounts | | 2,246,179 | 2,214,748 |
| Unsecured loans | | 2,131,054 | 2,091,244 |
| Secured loans | | 93,935 | 98,625 |
| Small business loans | | 21,190 | 24,879 |
| Number of branches | | 1,563 | 1,572 |
| Staffed branches | | 544 | 549 |
| Unstaffed branches | | 1,018 | 1,023 |
| Branches for secured loans | | 1 | - |
| Number of "Ojidosan" loan-contracting machines | | 1,557 | 1,561 |
| Automatic processing machines for loan applications | | - | 7 |
| Number of ATMs | | 59,717 | 76,338 |
| Company-owned | | 1,661 | 1,761 |
| Partner-owned | | 58,056 | 74,577 |
| Number of employees | | 3,397 | 3,184 |
| Bad debt write-off | | 91,549 | 91,243 |
| Allowance for bad debts | | 99,958 | 101,053 |
| Net income per share (yen) | | 560.82 | 710.94 |
| Net assets per share (yen) | | 5,534.17 | 6,187.74 |

Notes: 1. Total amount of loans outstanding and the number of customer accounts do not include loans and customer accounts related to claims in bankruptcy.
2. Bad debt write-off does not include losses on claims in bankruptcy, which came to 2,781 million yen in the previous fiscal year, and 5,012 million yen in the current fiscal year.

IV. Changes to the Board of Directors

Changes to the Directors' Positions

Effective April 1, 2005

| Name | New post | Former post |
|---------------------|--|---|
| Sadatoshi Kobayashi | Senior Managing Director, Head of Information Systems Development Department, Head of Information Systems Operating Department | Senior Managing Director, Head of Information Systems Department Administration Office, Head of Inspection Department |
| Shintaro Hashima | Managing Director, Head of General Affairs Department, Head of Legal Department, Head of Compliance Office | Managing Director, Head of Personnel Division, Head of General Affairs Department, Head of Legal Department |
| Koji Imada | Director, Head of East Japan Loan Recovery Department, Head of West Japan Loan Recovery Department | Director, Head of Loan Recovery Department, Head of Credit Assessment Department |
| Masami Munetake | Director, General Manager of Personnel Division | Director, General Manager of East Japan Loan Business Division |
| Yasuo Yanagibashi | Director, Head of Inspection Department, Head of Credit Assessment Department | Director, General Manager of West Japan Loan Business Division, Head of Credit Card Business Department, Head of Management Planning Department |
| Masayuki Sato | Director, Head of Marketing Department | Director |
| Kazumitsu Oishi | Director, General Manager of Loan Business Division | Director |