



Code Number : 8564

June 10, 2008

To our shareholder,

Notice to Convene the 41st Annual General Shareholders' Meeting

You are cordially invited to our 41st Annual Shareholders' Meeting scheduled to be held as follows.

If you are unable to attend the meeting on that day, you can exercise voting right by submitting 'document for voting', after reading the material enclosed with the convocation notice. We would ask you to complete and forward the enclosed 'document for voting' back to us by 6 PM, on Thursday June 26, 2008 after closely reviewing the contents of the reference materials below.

Yours sincerely,

Takefuji Corporation

Hikaru Kondo, Representative Director & President

Notes

1. **Schedule** 10:00 am on June 27, 2008, Friday
2. **Venue** Takefuji Corporation Head Office's Conference Room
15-1, Nishi-Shinjuku 8-Chome, Shinjuku-ku, Tokyo
3. **Agenda for the meeting**

Reporting items

1. Report on the operations, consolidated balance sheet and consolidated income statement for the 41st fiscal year and the results of audits of the consolidated financial statements by the external auditor and the Board of Corporate Auditor
2. Report on the non-consolidated balance sheet and non-consolidated income statement for the 41st fiscal year

Resolution items

- Proposition No.1:** Appropriation of retained earnings at the end of 41st fiscal year
Proposition No.2: Partial revision of the Articles of Incorporation
Proposition No.3: Appointment of thirteen directors on board
Proposition No.4: Appointment of one corporate substitute auditor
Proposition No.5: Offer of retirement benefits for retired directors
Proposition No.6: Determination of stock option compensation for directors and details of the compensation

Prior to attending the meeting on June 27, please submit the enclosed form to exercise voting right to one of our receptionists at ground floor.

If we find any revisions in the reference documents for annual shareholders' meeting, the non-consolidated balance sheet and non-consolidated income statement, consolidated balance sheet and consolidated income statement, we will notify the modifications or changes on our website (address:<http://www.takefuji.co.jp/>) in internet.



(Attached documents)

Report on the Business Operations

(from April 1 2007 to March 31, 2008)

1. Overview of Business Performance

(1) Takefuji Group's business operation and results in FY ended March 2008

During the fiscal year under review, the Japanese economy continued on a gentle path toward recovery, underpinned by production and exports in the private corporate sector, but factors such as the global financial turmoil triggered by the U.S. sub-prime mortgage issue and soaring prices of oil and other resources and raw materials fanned concerns about a slowdown in the economy.

In the consumer finance industry, Article 2 of the Amendment of the Money Lending Business Control and Regulation Law was enforced in December 2007. With the adoption of new infrastructure, the establishment of the Japan Financial Services Association (“JFSA”) as an authorized corporation, and the self-regulatory rules formulated by the JFSA, the industry entered a new era, shifting from legal regulation to self-regulation. Meanwhile, a large number of claims for interest refunds continue to squeeze the profits of every consumer finance company, and business conditions remain severe, with no let-up in the reduction of the loan balance due to stricter lending criteria or the withdrawal of small-to-medium sized lenders from the market, and with the trend towards contraction of the consumer finance market.

In this environment, Takefuji pushed ahead with initiatives aimed at differentiating itself from other consumer finance companies by bolstering its compliance system in the spirit of the amendments of the law, including the establishment of internal rules based on the amended Money Lending Business Law and the self-regulatory rules of the JFSA, the development of its internal control system and internal auditing system accompanied by restructuring to ensure the effectiveness of rules, and the provision of training for all employees aimed at more thoroughgoing compliance. We also took action in anticipation of future stage of the law enforcement, including the tightening lending criteria, the prohibition of offers of loans that in total exceed one third of the borrower's annual income and the lowering of the maximum lending rate for new customers to 18% or less. We also sought to bolster our counseling capabilities through the expansion of Customer Relations Office to provide services which give sense of security. Takefuji also sought to curb credit costs through efforts in areas such as the streamlining of its organization through the integration and closure of branch offices and the integration of Regional Loan Collection Offices and Call Centers, and the improvement of loan quality through the establishment of Regional Branch Examination Section and the inauguration of Regional Loan Collection Centers.

As a result of the above initiatives, the balance of direct cash loans to customers at the end of the year was 1,195,328 million yen (down by 16.5% from the previous year-end) and the number of customer



accounts stood at 1,833 thousand (down by 13.8%).

Herewith operating revenues on a consolidated basis for the year amounted to 270,479 million yen, (decreased by 17.8% from the previous year), operating income is 44,781 million yen (operating loss was 165,030 million yen at the previous year), ordinary income is 42,285 million yen (ordinary loss was 163,764 million yen) and net income is 14,105 million yen (net loss was 481,274 million yen) because of recorded loss on liquidation of the structured finance transaction by liquidation of in-substance defeasance of 29,691 million yen in the section of extraordinary losses.

(2) Takefuji Group's conditions of investment in equipment in FY ended March 2008

Investment in equipment the Takefuji Group made during the fiscal year under review totaled 3,783 million yen. This investment was directly primarily to activities related to the development of a new online system.

(3) Takefuji Group's financial conditions in FY ended March 2008

Regarding funding for the current consolidated fiscal year, we worked to reduce assets by lowering interest bearing debt in the first-half of the fiscal year, and focused on liquidity in the second-half of the fiscal year, due to the increasing anxiety over the liquidity in the financial market, in connection with sub-prime mortgage issues.

We stably raised long-term and short-term funds of 56.5 billion yen from financial institutions. As for the in-substance defeasance implemented in the first-half of the current consolidated fiscal year, the said structured finance transaction was liquidated and 30 billion yen is on balance sheets as Bonds payable for 30 billion yen of unsecured domestic straight bonds, series No. 8 for 20 years. As a result, after adjusting the Bonds issuance difference, the total amount of interest bearing debt is 539,364 million yen, decreased by 58,476 million yen year-on-year comparison and the average current maturity is 6 years and 3 months. We will continue our efforts to diversify fund raising resources and rationalize our fund raising structure, maintain a stable financial position and raise funds in a flexible and efficient manner, mindful of liquidity.

(4) Takefuji Group's future major issues

The operating environment surrounding the Takefuji Group is expected to remain difficult. The Takefuji Group nonetheless aims on this occasion to go back to its "customers first" grassroots and to bolster its internal control system with comprehensive compliance. To offer services that are reliable and safe for customers to use, we will accelerate our activities to establish a suitable infrastructure, including systems in response to the phased enforcement of the amended Money Lending Business Law. We will also seek to bolster our compliance system. At the same time, we will work to develop a "middle-risk, middle-return" type of business in compliance with the spirit of legal amendments by introducing a broad array of products that correspond to lowering of the maximum legal lending rate and the introduction of



aggregate debt control. In addition to expanding our services from a customer perspective, we will accurately address the needs of sound borrowers by designing products geared to local market characteristics and needs based on regional marketing and by reviewing our lending criteria.

We will also seek to improve operating receivables by bolstering counseling services and responding meticulously and individually to the specific needs of each customer. At the same time, we will work to reduce our costs by basing our store and other networks on productivity and efficiency, reviewing our personnel distribution and taking other steps.

Adding to such efforts, we will endeavor to bolster corporate governance with the establishment of an internal control system, take steps to improve cooperation among the Board of Directors, the Risk Management Committee and Risk Management Subcommittees and to step up our business screening system, and comprehensively manage risks for avoidance and control.

The Takefuji Group is resolved to make united efforts to take the actions described above. At the same time, the Takefuji Group will work to increase corporate value and maximize shareholder value by stepping up its corporate social responsibility (CSR) activities, based on its founding spirit of “gratitude” and its philosophy of “earning the trust of and contributing to people and communities.” We ask our shareholders to continue their support for our activities.

(5) Takefuji Group’s historical business results and financial condition for recent 3 fiscal years

Item	Fiscal Year	FY2005	FY2006	FY2007	FY2008
		(Ended March 2005)	(Ended March 2006)	(Ended March 2007)	(Consolidated) (Ended March 2008)
Operating revenues	(mil yen)	360,121	351,259	328,920	270,479
Ordinary income or loss	(mil yen)	119,256	92,248	-163,764	42,285
Net income or loss	(mil yen)	68,726	46,924	-481,274	14,105
Net income or loss per share	(yen)	487.94	333.18	-3,420.42	100.63
Total ass	(mil yen)	1,903,991	1,770,909	1,583,172	1,392,899
Net assets	(mil yen)	960,719	973,626	457,714	433,776

- <Notes>
- For fiscal year ended March 2006, ordinary income decreased because of the posting of provision for losses for refund of interest received from customers, etc. Also, net income decreased by adopting “the accounting standard for impairment of fixed assets” (“Opinion on establishment of asset-impairment accounting standards” (by Business Accounting Council on August 9, 2002)) “Implementation guidance for accounting standard for impairment of fixed assets” (Implementation guidance No.6 of corporate accounting standard on October 31, 2003).
 - The Takefuji Group recorded an ordinary loss and a net loss in the 40th fiscal year, owing to factors such as changes in accounting standards concerning claims for interest refunds. In the same fiscal year, the Group also began to applying the Accounting Standard for Presentation of Net Assets in the Balance Sheet (Accounting Standard No. 5



issued on December 9, 2005) and the Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet (Implementation Guidance on Accounting Standard No. 8 issued on December 9, 2005).

3. For an overview of fiscal year ended March 2008, please refer to “(1) Takefuji Group’s business operation and results in FY ended March 2008” above.

(6) Significant parent and consolidated subsidiaries of Takefuji Corporation

1) Relation with parent company

There is nothing to report.

2) Major subsidiaries subject to consolidation

Company name	Issued capital	Equity ownership percentage	Core business
Kyoritsu Estate Co., Ltd.	¥ 10 mil	100% (indirectly)	Others
TWJ VC Co., LTD.	US\$ 1,960 thousand	100%	Venture capital
Takefuji Capital Co., Ltd.	¥ 15 mil	100%	Others
Take One Co. Ltd.	¥ 9,290 mil	100%	Golf course management
G.H Investment Co., Ltd.	¥ 3,000 mil +HK\$ 1,000	100%	Others
TWJ Co., Ltd.	¥ 15,000 mil	100%	Venture Capital
TWJ EURO Co., LTD.	£ 50 thousand	100%	Venture Capital
TDS Co., Ltd.	¥ 8,800 mil	100%	Real estate rental

<Notes> 1. Kyoritsu Estate Co., Ltd. is a 100 % subsidiary of Take One Co., Ltd.

2. TSR Co., Ltd. completed its liquidation on December 14, 2007.

(7) Major business segments of Takefuji Corporation (As of March 31, 2008)

Consumer Finance is the core business of the Group while subsidiaries undertake other miscellaneous business operations.

Segment	Business
Consumer finance	Direct cash loan business, Credit card business
Others	Golf course management, Real estate development; management; rental business, Venture capital business

(8) Takefuji Group’s Major branches and offices (As of March 31, 2008)

- 1) Takefuji Corporation



Head office	15-1, Nishi-Shinjuku 8-Chome, Shinjuku-Ku, Tokyo		
Regional Office	Sapporo, Sendai, Tokyo, Yokohama, Nagoya, Osaka, Okayama, Fukuoka		
Branch office	47 prefectures 1,500 of	{ Manned office 360 Unmanned office 1,139 (including automatic quick loan application machines) Internet 1	
Others	CDs, ATMs 53,938 in total		{ Takefuji 1,618 Tie-up 52,320
	Unmanned contract machines 1,500		

2) Subsidiaries

Kyoritsu Estate Co., Ltd.	Itabashi-ku, Tokyo
TWJ VC Co., LTD.	Delaware, USA
Takefuji Capital Co., Ltd.	Chuo-ku, Tokyo
Take One Co., Ltd.	Shinjuku-ku, Tokyo (Golf course; Tsuru-city, Yamanashi pref.)
G.H Investment Co., Ltd.	Hong Kong, China
TWJ Co., Ltd.	Shinjuku-ku, Tokyo
TWJ EURO Co., LTD.	London, UK
TDS Co., Ltd.	Shimogyo-ku, Kyoto

(9) Employees of Takefuji Group (As of March 31, 2008)

No. of employees	YoY change	Average age	Av. length of service
2,643	-295	32 years 2 months	7 years 1 month

<Notes> 1. No. of employees means a number of full-timers, and part-timers (890) are excluded from the above-mentioned employees.

2. The Company had 2,625 employees (295 persons less than the figure at the end of the previous fiscal year).



(10) Main sources of Borrowings and the amount of the Company (As of March 31, 2008)

Name	Amount borrowed
Take Co., Ltd	¥ 116,445 mil
Bull Capital Co., Ltd.	¥ 113,688 mil
ING Bank N.V.	¥ 20,000 mil
American Family Life Assurance Company Japan	¥ 20,000 mil
Scotiabank	¥ 16,000 mil
UBS AG Bank	¥ 10,000 mil

<Note> Besides the borrowings stated above, several syndicated loans managed by BNP Paribas Bank (with an outstanding amount of ¥25,000 million) exist.

2. Stock Information (As of March 31, 2008)

- (1) Total number of shares to be issued by the Company** **430,000,000 shs**
- (2) Number of shares outstanding at year-end** **137,648,593 shs (excludes treasury stock of 9,646,607)**
- (3) Number of stockholders** **46,667**
- (4) Principal shareholders (shareholders holding one-tenth or more of outstanding shares excluding treasury stocks)**

No corresponding shareholder exists. The ten largest shareholders are as listed below.

Name	Shareholders' Equity in the company	
	No. of shs	Ownership ratio
	(Unit: 1,000 shs)	(%)
Mellon Bank Treaty Clients Omnibus	7,805	5.67
Daio Co., Ltd.	7,746	5.63
Marutake Sangyo Ltd.	7,459	5.42
Taketeru Takei	6,941	5.04
Hiroko Takei	4,927	3.58
Toshiki Takei	4,866	3.54
Japan Trustee Services Bank, Ltd.	4,453	3.23
Northern Trust Company (AVFV) Sub account American Client	4,217	3.06
Bank of NY Treaty Jasdic	3,938	2.86
The Master Trust Bank of Japan, Ltd.	3,149	2.29

<Notes> 1. The Company holds Treasury stock of 9,647 thousand shares, which is excluded from the Principal shareholders list



above.

2. Ownership ratio is calculated by deducting Treasury stock
3. We have received a copy of report for large holdings (change report No.2) as of January 12, 2007 from Mackenzie Financial Corporation and the co-owner, and it says that they hold the shares as describes below. Since we are unable to confirm the substantial number of shares they hold at the end of fiscal year. We do not regard them as "principal shareholders" above.

1) Large Holders

Name or corporation	Mackenzie Financial Corporation
Address	150 Bloor Street West, Suite 810, Toronto, Ontario, Canada
The holding number of shares	4,001,160 shares
Holding ratio of shares	2.72%

2) Large Holders

Name or corporation	Mackenzie Cundill Investment Management Ltd.
Address	2200-1055 West Hastings Street, Vancouver, British Columbia, Canada
The holding number of shares	5,176,830 shares
Holding ratio of shares	3.51%

3) Large Holders

Name or corporation	Mackenzie Cundill Investment Management (Bermuda) Ltd.
Address	22 Victoria Street, P.O. Box 1179, Hamilton, Bermuda
The holding number of shares	1,117,140 shares
Holding ratio of shares	0.76%

4. We have received a copy of report for large holdings (change report No.4) as of October 19, 2007 from Brandes investment partners LP, and it says that they hold the shares as describes below. But we cannot confirm the substantial number of shares they hold at the end of fiscal year. So, we don't regard them as "principal shareholders" above.

Large Holders

Name or corporation	Brandes Investment Partners LP
Address	11988 El Camino Real, Suite 500, San Diego, CA U.S.A
The holding number of shares	15,893,078 shares
Holding ratio of shares	10.79%

3. Warrants of Takefuji Group

(1) State of stock subscription rights owned by directors of the Company which were issued as compensation for duty execution

There is nothing to report.



(2) Stock subscription rights issued to employees and other as compensation for execution of duties during the fiscal year under review

Date of issuance resolution	November 8, 2007	
Number of stock acquisition rights	53,675 rights	
Type and number of shares subject to stock acquisition rights	536,750 shares of common stock (10 shares per one stock subscription right)	
Payment for stock acquisition rights	No payment is required in exchange for stock acquisition rights (issuance without compensation).	
Value of property invested for the exercise of stock acquisition rights	¥28,250 per one stock acquisition right (¥2,825 per share)	
Exercise period for stock acquisition rights	From November 9, 2009 to November 8, 2011	
Exercise conditions for stock acquisition rights	(Notes)	
State of issuance to employees and the like	Number of rights recipients	2,507 employees of the Company
	Number of issued rights	53,675 rights
	Number of shares subject to the rights	536,750 shares of common stock

- <Notes>
- Parties to which stock acquisition rights have been allotted (hereinafter referred to as “stock acquisition right holders”) must remain as directors, auditors or employees of the Company, or stay in corresponding positions at the Company until the exercise of stock acquisition rights.
 - Stock acquisition right holders may exercise stock acquisition rights after relinquishing their positions stated in Note 1 above, up to six months after the latter of the start of the exercise period or the date on which the position was relinquished, provided the exercise falls within the exercise period for such rights, when the Board of Directors agree that justifiable grounds exist, including retirement on reaching the age limit.
 - Heirs to stock acquisition right holders may exercise stock acquisition rights for up to six months after the latter of the start of the exercise period or the date of death, when the stock acquisition right holders satisfy the condition stated in Note 1 above at the time of their death. Heirs may also exercise stock acquisition rights within the period prescribed in Note 2 above, when they become eligible to exercise the rights based on the condition set in Note 2 above.
 - Dispositions such as pledging shall be permitted for stock acquisition rights.
 - Other conditions pertaining to the exercise of stock acquisition rights shall be set out in the Stock Acquisition Rights Allotment Agreement concluded by and between the Company and stock acquisition right holders.

(3) Other significant matters pertaining to stock acquisition rights, etc.

Not applicable



4. Company Executives

(1) Profiles of directors and auditors (As of March 31, 2008)

Name	Title and responsibilities	Other positions held such as representative of other company
Hikaru Kondo	Representative Director & President	
Taketeru Takei	Representative Director & Senior Managing Director Business & Marketing Division as GM Training and Education Dept. as GM New Office Development Dept. as GM Secretariat Office Corporate Social Responsibility Promotion Office as GM	Representative Director TWJ. Co. Ltd. Director of Asuka International Foundation Director Daio Co., Ltd.
Katsunori Aita	Director & Executive Officer Personnel Dept. as GM Corporate Planning Dept. as GM Customer Relations Office as GM	
Kengo Sato	Director & Executive Officer Loan Administration Dept. Legal Dept. Advertising Dept.	
Tsunefumi Shindo	Director & Executive Officer Information System Dept. Credit Card Business Dept.	
Satoru Shishido	Director & Executive Officer (in charge of the Inspection Department)	
Mikio Yamamoto	Director & Executive Officer (in charge of the General Affairs Department)	
Akiko Hokazono	Director & Executive Officer (assistant manager of the Business& Marketing Division)	
Shigefumi Nakamura	Director & Executive Officer (in charge of the	



	Accounting Department and Finance Department)	
Akiyuki Nagase	Independent Director	Representative Director and President of Nagase Brothers Inc.; Representative Director and President of Yotsuya-Otsuka Inc.; Director Tokyo Seiko School President and representative director, Itoman Swimming School Co., Ltd..
Toshiyuki Tsuchiya	Corporate Auditor	
Takeshi Kasai	Corporate Auditor	
Hiroshi Hirai	Corporate Auditor	
Yoshihiro Ogura	Auditor	Attorney at law

- <Notes>
1. Independent Director Akiyuki Nagase is an outside board member as defined in Article 2, Paragraph 15, of the Companies Act.
 2. The three corporate auditors, Masakuni Saito, Toshiyuki Tsuchiya, and Yoshihiro Ogura, are outside auditors as defined in Article 2, Paragraph 16 of the Companies Act.
 3. Auditor Toshiyuki Tsuchiya has extensive business experience at securities companies and other financial institutions, and possesses knowledge of adequate levels with regard to finance and accounting.
 4. Auditor Takeshi Kasai had been responsible for finance and accounting operations at a listed company (trading company) for many years. Kasai possesses appropriate knowledge of finance and accounting.
 5. Auditor Hiroshi Hirai had served as a director in charge of finance and accounting at the Company for many years. Hirai possesses appropriate knowledge of finance and accounting.
 6. Changes in directors and auditors during the fiscal year under review are as follows:
 - (1) Appointment
 - 1) Mr. Mikio Yamamoto, Ms. Akiko Hokazono and Mr. Shigefumi Nakamura were appointed as new directors of the Company and took up the appointments at the 40th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007.
 - 2) Mr. Hiroshi Hirai was appointed as a new auditor of the Company and took up the appointment at the 40th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007.
 - (2) Retirement
 - 1) Mr. Usao Kamano retired as director at the close of the 40th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007.
 - 2) Mr. Masakuni Saito retired as auditor at the close of the 40th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007.



(2) Compensation paid to directors and auditors

Classification	Number of recipients	Compensation
Directors	10 persons	144 million yen
Corporate Auditors	4 persons	33 million yen
Total	14 persons	177 million yen
(Outside directors)	(3 persons)	(24 million yen)

- <Notes>
1. A resolution was passed at the 28th Regular General Shareholders Meeting held on June 29, 1995, setting a ceiling on annual compensation for directors of 450 million yen (this does not, however, include compensation for employees).
 2. A resolution was passed at the 29th Regular General Shareholders Meeting held on June 18, 1996, setting a ceiling on annual compensation for corporate auditors of 60 million yen.
 3. Compensation includes 32 million yen (27 million yen for 10 directors and 5 million yen for 4 corporate auditors) in transfers to allowance for directors' retirement bonuses, which was booked as expenses.
 4. In addition to the above, 139 million yen was paid as compensation (including bonuses) to 7 employees also serving as directors.
 5. In addition to the above, the following was paid as directors retirement bonuses based on a resolution passed at the 40th Regular General Shareholders Meeting held on June 28, 2007:
 - 4 million yen to 1 retiring director.
 - 11 million yen to 1 retiring corporate auditor (of which 11 million yen was paid to the independent corporate auditor).

(3) Items related to outside directors and auditors

1) Independent Director Akiyuki Nagase

(i) Concurrently held positions at other companies such as managing director

Serving as representative director and president of Nagase Brothers Inc. and representative director and president of Yotsuya-Otsuka Inc., and Itoman Swimming School. Co., Ltd. There are no special relationships between the Company and Nagase Brothers Inc., Yotsuya-Otsuka Inc., or Itoman Swimming School Co., Ltd.

(ii) Concurrently held positions at companies such as independent director

There is nothing to report.

(iii) Relationship with parties such as those doing substantial business with the Company

There is nothing to report.

(iv) Main activities during the fiscal year

Attended 11 of the 19 board of director meetings, and provided advice and made proposals from an objective perspective independent from management in order to ensure appropriate and fair decision making by the board of directors.

(v) Summary of the limited liability contract



There is nothing to report.

2) Corporate auditor Toshiyuki Tsuchiya

(i) Concurrently held positions at other companies such as managing director

There is nothing to report.

(ii) Concurrently held positions at companies such as independent director

There is nothing to report.

(iii) Relationship with parties such as those doing substantial business with the Company

There is nothing to report.

(iv) Main activities during the fiscal year

Attended all 19 meetings of the Board of Directors and all 14 meetings of the Board of Auditors, provide appropriate opinions to ensure compliance with laws, regulations, and the Articles of Incorporation with respect to the execution of duties by directors, and commented on audit methods and other matters, including the execution of duties by other corporate auditors.

(v) Summary of the limited liability contract

There is nothing to report.

3) Auditor Yoshihiro Ogura

(i) Concurrently held positions at other companies such as managing director

There is nothing to report.

(ii) Concurrently held positions at companies such as independent director

Serves as outside auditor at Tokyo Aircraft Instrument Co. Ltd.

(iii) Relationship with parties such as those doing substantial business with the Company

There is nothing to report.

(iv) Main activities during the fiscal year

Attended 15 of the 19 board of directors meetings and all 14 of the board of auditors meetings and appropriately gave opinion to ensure appropriate business from the perspective as a lawyer.

(v) Summary of the limited liability contract

There is nothing to report.



5. Auditing Firm

(1) Name and changes in name of auditing firm

Ernst & Young ShinNihon

<Notes> Changes in accounting auditors during the fiscal year under review are as follows:

1. Appointment

Ernst & Young ShinNihon was appointed as the new accounting auditor and assumed office at the 40th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007.

2. Retirement

Certified public accountant Kiichi Matsumoto and MISUZU Audit Corporation retired as temporary accounting auditors at the close of the 40th Ordinary General Meeting of Shareholders of the Company held on June 28, 2007.

Mr. Matsumoto and MISUZU engaged in no audit or similar activities concerning the fiscal year under review.

(2) Summary of limited liability contract

There is nothing to report.

(3) Amounts of accounting auditor and other fees for the term

	Amount paid
Amounts of accounting auditor and other fees for the term	¥62 million
Total of monies and other asset profits payable by the Company and its subsidiaries to accounting auditor	¥130 million

<Notes> 1. "Accounting auditor and other fees for the term" includes audit fees under the Financial Instruments Exchange Law.

2. Amounts stated above include consumption tax.

(4) Details of activities of the accounting auditor involving compensation other than those set out in Article 2-1 of the Certified Public Accountants Law

1) The Company is receiving from the accounting auditor agreed procedural services for bona fide transferred receivables in connection with funding.

2) From the accounting auditor the Company received internal regulation advisory services related to financial reporting.

(5) Policy for determining dismissal or non-reappointment of accounting auditors

When there are impediments to the accounting auditor's performance of duties and when adjudged necessary, the Board of Directors, with the concurrence of the Audit Committee or at its request, convenes a general shareholders meeting for the purpose of dismissal or non-reappointment of the accounting auditor.

When the Audit Committee deems that all items under Article 340-1 of the Company Law apply to the accounting auditor, the Committee, with the concurrence of all members, dismisses the accounting auditor. In this event, auditors selected by the Audit Committee render reports on the dismissal and reasons therefore at the first general shareholders meeting convened after the dismissal.



6. Company structure and policy

(1) Structures for assuring congruence of directors' job performance with laws, ordinances and the Articles of Incorporation, and for the appropriateness of other work

Based on Article 362-4-6 of the Companies Act and Articles 100-1 and 100-3 of its implementing regulations, the following Internal Control Basic Policy has been adopted.

1) Structure for assuring congruence of director and employee job performance with laws, ordinances and the Articles of Incorporation

- (i) To accomplish congruence of director, executive officer and employee job performance with laws, ordinances and the Articles of Incorporation, and to fulfill social responsibilities, “Basic policy for risk control by compliance management,” “Code of Ethics,” “Standards of Conduct” and others are to be prescribed and made known to directors, executive officers and employees, thereby deepening compliance with laws, ordinances and social ethics.
- (ii) Establish a Compliance Committee comprising outside employed persons, examine important compliance problems, and present reports and proposals on the results and countermeasures to the Board of Directors. Establish a “Compliance general control unit” under the Compliance Committee to operate as the Committee’s secretariat and carry out general supervision of all-Company activity related to compliance promotion.
- (iii) Position a “Compliance responsible officer” in each branch, block, control center and head office department, who will ascertain the compliance situation, problems, etc., render reports, implement countermeasure consultations and conduct education. In each department and branch appoint a “Compliance officer,” who by using the Compliance Manual implements weekly training following a curriculum prescribed in a compliance program incorporating the basic mental attitude, content of laws and ordinances, case studies and others, and strive for more thoroughgoing compliance.
- (iv) In order to enable early discovery of problems and prompt countermeasures, establish and operate a compliance hotline as a means whereby employees directly provide information on legally dubious conduct and the like.
- (v) The Company shall cut off all relationships with antisocial forces, which threaten the order and security of civil society, and respond resolutely to such forces in close cooperation with the police and other external organizations.

2) Matters related to preservation and administration of information on directors' execution of duties

- (i) Following internal document control regulations, record and preserve in written or electromagnetic media information related to the minutes of Board of Directors and other meetings and to circular letter and other director job performance.
- (ii) Such preserved documents shall always be viewable by directors and auditors.



3) Regulations and other structures related to risk control

- (i)The Company shall establish the Risk Management Committee under the Board of Directors in accordance with its risk management regulations. The Committee will plan, draft and discuss basic policies for establishing a risk management organization and ensuring the fair and proper administration of duties. It will also undertake other significant matters concerning risk management, draft measures and present them. Subcommittees shall be set up under the Risk Management Committee for each risk area, and undertake activities, including the collection and assessment of information about risks, and examination of specific responses. The Internal Control Section of the Compliance Administrative Office shall act as the secretariat for the Risk Management Committee, and shall ensure that all employees are informed of matters such discussions and decisions by the Committee.
- (ii) In accordance with decisions made by the Risk Management Committee, each Company department shall take actions such as steps to avoid, restrain or reduce risks, as well as monitoring. Directors in charge of each department shall report on the state of risk management in their departments to the Risk Management Committee, and the Risk Management Committee shall report on the state of Company-wide risk management to the Board of Directors.

4) Structure for assuring efficient execution of directors' duties

Implementation of the following is intended to clarify objectives and accelerate decision making.

- (i) Formulation of job jurisdictions and decision making rules
- (ii) Establishment of a regular business committee comprising directors and executive officers
- (iii) Formulation of intermediate term management plans, setting of earnings objectives based thereon, and implementation of monthly and quarterly earnings management using IT tools
- (iv) Implementation of monthly earnings reviews and improvement policies by the Board of Directors

5) Structure for assuring appropriateness of operations in the corporate group, comprising the Company and its subsidiaries

- (i) Apply the “Basic policy for risk control by compliance management,” “Code of Ethics” and “Standards of Conduct” to all subsidiaries, and work to build a Group compliance structure.
- (ii) The cognizant division in each subsidiary checks and follows the situation of the subsidiary’s compliance with laws and ordinances, risk control and others, and renders reports to the Board of Directors as necessary.
- (iii) The audit department that carries out internal audit functions implements audits of subsidiaries and reports results to the officer in charge of the cognizant division, who as necessary provides improvement guidance and support.



6) Matters related to independence from the Board of Directors of employees when auditors request their placement to assist in audits

- (i) Auditors can issue orders to audit department-affiliated employees on matters necessary for audit work.
- (ii) Employees who have received orders from auditors necessary for audit work are not subject to directives and orders from the Board of Directors in that regard.

7) Structure for director and employee reports to auditors, and for other reports to auditors

- (i) In addition to legally required matters, directors promptly report to auditors matters substantially affecting the Company and its Group, the internal audit situation and the like.
- (ii) The Compliance General Control Unit of the Compliance Administrative Office renders reports to auditors on compliance hotline messages and their content.

8) Other structures for assuring auditors' effective conduct of audits

- (i) Arrange periodic exchanges of views between auditors and representative directors.
- (ii) Arrange links with the audit department that is the internal audit division, for effective execution of audits.

(2) Basic policy for joint stock company governance

1) Content of basic policy

In regard to how decisions on the Company's financial and business policies should be managed, the Company's view is that they are determined by free trading in the stock market. Consequently, judgment as to whether to respond to purchase proposals in conjunction with shifts in joint stock company control rights should in the final analysis be based on the intention of all stockholders.

But in recent years Japan's capital markets have seen the emergence of cases of unilateral large purchases of share certificates and others without the concurrence of target companies' managements. In view of their objectives, these large purchases are clearly detrimental to corporate value and stockholders' joint interests, there is concern that stockholders are in effect coerced into selling, sufficient information and time are not provided for target company directors and stockholders to study the purchase terms or for the directors to propose alternatives, negotiations are necessary with the purchaser to bring about more advantageous terms, and the like. There are not a few cases in which such activity does not contribute to the target's corporate value and the joint interests of stockholders.

Including the above examples, the Company's view is that persons or entities conducting inappropriate large purchases, or similar conduct raising concerns about injury to corporate value and the joint interests of stockholders, are not appropriate for control of decisions about the Company's financial and business policies.



2) Measures for basic policy implementation

In order to encourage ongoing long term investment by multiple investors, and as measures to improve its corporate value and stockholder joint interests, the Company is already implementing the policies shown below. We believe that these measures contribute to realization of the basic policies in 1) above.

(i) “Intermediate and long term management strategy” measures to improve corporate value

In the consumer finance industry, amendments to the Money Lending Business Law have been enforced in stages. The Company expects operating conditions to become extremely difficult in the future, in light of these amendments and additional factors, including a lowering of the maximum lending rate and the introduction of aggregate debt control. In this environment, the Company is resolved to return to its grassroots of a genuine “customer-first” approach that was its founding spirit, combining it with efficient management and focusing on bolstering corporate value across the board.

Specifically, we will step up our activities to establish our business infrastructure, including systems that accommodate the Money Lending Business Law amendments, ahead of our plan. We will also aim to strengthen our internal control organization through stricter compliance. At the same time, we will take steps to transform our core consumer finance business into a “middle-risk, middle-return” type of business. We will also work on cultivating new businesses, including factoring, in an attempt to diversify our earnings sources. At the same time, we will aim for more effective capital use, and aggressively consider M&A and new investment in financial services for individuals, which are likely to generate considerable synergy when they are combined with our core operations. Moreover, we will step up our IR activities in Japan and abroad, make fair disclosure in a speedy and sustained manner, and increase corporate transparency.

(ii) “Corporate governance reinforcement” measures to improve corporate value

As arrangements indispensable for improving corporate value and joint stockholder interests, the Company has long positioned “Corporate governance reinforcement” as an important issue. We are implementing the following policies as specific measures.

(a) Filling out corporate governance

Working to improve corporate value is the Company's basic management policy, in which corporate ethics establishment and filling out corporate governance are considered essential for implementation.

For this reason the “Takefuji Code of Ethics” is prescribed, and instruction in it confirms corporate ethics. We are also promoting all-around strengthening of management transparency and efficiency, improving soundness, deepening compliance and accelerating disclosure.

(b) Corporate governance structure

The Company has elected to have an audit committee, positioned with the Board of Directors



under the General Shareholders meeting, and has set up a Compliance Committee to which outside employed persons are invited. Full scale introduction of an executive officer system in June 2004 is intended to fill out and reinforce work execution functions. Further, we have instituted a normal business committee, in a system for full debate of management issues and prompt decision making.

The audit department in charge of internal audits implements audits periodically and as necessary in relation to overall compliance with related laws and ordinances, protection of personal information and other internal controls, provides as necessary guidance and advice on improvements, and renders reports on the results to the Board of Directors and the Audit Committee.

- (iii) The Company has implemented the foregoing policies centered on intermediate/long term management strategies, but going forward will continue carrying them out more effectively on a medium/long term perspective, and thereby work to improve corporate value and secure joint stockholder interests.

3) Effort to prevent the control of the Company by persons deemed inappropriate in light of the Basic Policy

As a part of its initiatives to prevent parties deemed inappropriate in light of the basic policy outlined in Section 1) above from acquiring control of the Company's financial and business policy decisions, Countermeasures on the Large-Scale Acquisition of Company Shares (hereafter the "Plan") was introduced by resolution at the Board of Directors Meeting held on October 25, 2006, and the Plan was approved at the 40th Ordinary General Meeting of Shareholders held on June 28, 2007.

(i) Outline of the Plan

(a) Establishment of procedures for triggering the Plan

The primary objective of the Plan is to secure and enhance corporate value and the common interest of shareholders. The Plan states that in the event of a share purchase or similar action, the person or persons effecting or proposing a large-scale acquisition (hereafter "Acquirer") shall be required to provide in advance information related to the large-scale share acquisition as it is believed that allowance of sufficient information and sufficient time to enable shareholders to make a proper decision or to enable the Company to negotiate with the potential Acquirer will protect and enhance the corporate value of the Company and the common interests of shareholders.

(b) Use of gratis allotment of Stock Acquisition Rights and the Independent Committee

If an Acquirer effects an Acquisition without complying to the procedures set out in the Basic Plan or otherwise acts in a way that is deemed to be harmful to the Company's corporate value or the common interests of its shareholders (See Section 2 below for details), the Company will allot stock acquisition rights having an exercise condition that does not allow the Acquirers to exercise



and an acquisition provision to the effect that the Company may acquire the stock acquisition rights from persons other than the Acquirers in exchange for shares in the Company by means of a gratis allotment of stock acquisition rights (hereafter “Stock Acquisition Rights”).

To eliminate arbitrary decisions by the Company Board of Directors in implementing the Plan, decisions relating to the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights, or the acquisition of the Stock Acquisition Rights, will be made through the judgment of an Independent Committee composed only of members who are highly independent from the management of the Company, such as (i) an outside director of the Company, ② an outside auditor of the Company, or ③ other experts (experienced business people, government officials, persons familiar with investment banking operations, lawyers, certified public accountants, academic experts, etc.). Transparency will be ensured by timely disclosure to the Company's shareholders.

(c) Exercise of Stock Acquisition Rights and the Company’s acquisition of Stock Acquisition Rights

If a gratis allotment of Stock Acquisition Rights were to take place in accordance with the Plan and either the shareholders other than the Acquirer exercises the Stock Acquisition Rights or the shareholders other than the Acquirer receives shares in the Company in exchange for the Company acquiring the Stock Acquisition Rights, then it would be possible for the ratio of Company shareholder voting rights held by the Acquirer to be diluted by up to 50%.

(ii) Requirements for the gratis allotment of Stock Acquisition Rights

The Company, upon decision of the Company’s Board of Directors, will implement a gratis allotment of Stock Acquisition Rights if an Acquirer or the purchase action meets any of the following requirements. The Independent Committee will determine whether the following requirements have been met.

(a) The Acquisition action is not in compliance with the information disclosure procedures outlined in the Plan, has not allowed sufficient time for assessment by the Independent Committee, or is not in compliance with any other procedure outlined in the Plan;

(b) In the event an acquisition threatens to cause obvious damage the corporate value or the common interest of shareholders through the following or similar actions:

- A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company at an inflated price
- The assumption of temporary control of Company management and compelling management decisions harmful to the Company and beneficial to the Acquirer, such as seeking low-cost acquisition of material Company assets
- The utilization of Company assets as collateral or settlement resources for actions of the Acquirer or companies associated with the Acquirer



- The assumption of temporary control of Company management to bring about a disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price to take advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends;

(c) An acquisition threatens to have the effect of a coercive two-tier takeover (where a person undertaking the takeover attempts to acquire the Company shares by takeover bid or other means offering less favorable conditions in the second step than in the first step, or without disclosing the conditions of the second step) in which the shareholders are coerced into selling their shares of the company despite unfavorable prices or other conditions

(d) Acquisitions that do not provide the Company's Board of Directors with a period of time reasonably necessary to submit an alternative proposal to the Acquisition

(e) Acquisitions in which essential information or any other data considered reasonably necessary to assess the acquisition terms is not provided to Company's shareholders, or the provision of such information (if any) is inadequate

(f) Acquisitions whose terms (including amount and type of consideration for the acquisition, the acquisition timing, post-Acquisition management policies and business plans, and post-Acquisition policies dealing with the Company's employees, business partners customer and any other stakeholders in the Company) are significantly inadequate or inappropriate in light of the Company's fundamental worth

(g) Acquisitions that materially threaten to be against the corporate value of the Company and the common interests of shareholders, by destroying the brand or relationship with shareholders, customers, society and any other stakeholders of the Company, which are indispensable to the generation of the Company's corporate value.

(iii) The Effective Period of the Plan

The Plan shall remain in effect from the conclusion of 40th Ordinary General Meeting of Shareholders held on June 28, 2007 to the conclusion of an Ordinary General Meeting of Shareholders scheduled to be held in June 2010.

(iv) Abolishment, Revision and Amendment to the Plan

The Plan shall, even before the expiration of its effective term, be abolished by resolution of a General Meeting of Shareholders of the Company or by resolution of the Board of Directors, consisting of directors appointed at General Meetings of Shareholders of the Company. As such, the Plan will be abolished if it is deemed to be the will of the shareholders. In addition, during the effective term of the Plan, the Company's Board of Directors may, upon receiving the consent of the Independent Committee, revise or change the Plan as long as it is not against the spirit of the mandate agreed upon when the Plan was approved at the General Meeting of Shareholders.



In the event the Company abolishes, revises or amends the Plan, the Company's Board of Directors and the Independent Committee will promptly provide full disclosure that the abolishment, revision or amendment has occurred and the content and reasons for the abolishment, revision or amendment.

4) Regarding the Board of Directors Decision and Reasons for the Decision in Above Section 3) The Company's Board of Directors have determined, based on the following reasons, that the Plan agrees with the Basic Policy, does not damage the common interest of Company shareholders and is not intended to sustain the positions of the Board of Directors.

(i) The requirements of the guidelines with regard to the Anti-Takeover Measures are satisfied

The Plan fully satisfies the three principles set out in the Guidelines Regarding Takeover Defense Measures for the Purposes of Ensuring and Enhancing Corporate Value and the Common Interests of Shareholders released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (i.e., the principle of securing and enhancing the corporate value and common interests of the shareholders, the principle of prior disclosure and reflection of the will of shareholders, and the principle of necessity and proportionality).

(ii) Introduction for the purpose of ensuring and enhancing the common interests of the shareholders

The Plan has been introduced for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of the shareholders by introducing a mechanism that enables the Board of Directors to present an alternative proposal to the shareholders, ensures necessary time and information for the shareholders to decide whether or not to accept such proposal, and for the Board of Directors to negotiate for the benefit of the shareholders on occasions when it receives an acquisition proposal for the shares in the Company from a Acquirer.

(iii) Shareholders opinion will be emphasized

The Company confirmed the intentions of its shareholders with regard to introduction of the Plan at the 40th Ordinary General Meeting of Shareholders held on June 28, 2007. As set out in Section 3-(iii), The Effective Term of the Plan and Section 3)-(iv), Abolishment, Revisions and Amendment to the Plan, the effective period of the Plan shall be the period until the conclusion of an Ordinary General Meeting of Shareholders scheduled to be held in June 2010, and the Plan shall be promptly changed or abolished, even before expiration of the effective term, by resolution of a General Meeting of Shareholders of the Company. In that sense, any changes and details associated with the Plan shall be based on the rational intentions of the Company's shareholders.

The Articles of Incorporation of the Company provide that the term of office of the directors of the Company shall be one (1) year. Therefore, the Company is also able to reflect the intent of the shareholders with respect to the Plan through the exercise of their voting rights concerning the proposal for the election of directors at the ordinary general meetings of shareholders held each



year.

(iv) Disclosure of information and emphasis on the decisions of independent parties

In introducing the Plan, the Company has established an Independent Committee as an organization that will eliminate arbitrary decisions by the Board of Directors and to ensure shareholders of the objectivity and reasonableness of judgments associated with the implementation of the Plan.

The Independent Committee shall be made up of three (3) or more members who are highly independent from the management of the Company and appointed from among ① external corporate directors, ② external corporate auditors and ③ other experts outside the company.

In the event a purchase tender is submitted for Company shares, the Independent Committee, acting in accordance with the Rules of the Independent Committee, will perform substantial judgments as to whether the acquisition would have a detrimental effect on the corporate value and the common interest of shareholders. The Company Board of Directors will give full consideration of the Committee's judgment and pass a resolution pursuant to the Corporation Law of Japan.

The system ensures the transparent application of the Plan for the purpose of protecting corporate value and the common interest of shareholders by establishing a system wherein the Independent Committee strictly monitors the Board of Directors to secure against arbitrary application of the Plan and the Board of Directors provides full disclosure of its decisions to all shareholders.

(v) Reasonable and objective requirements for implementation of the Plan are established

As stated in 3)-(ii) "Requirements for the gratis allotment of Stock Acquisition Rights" above, the Plan is established in a manner that ensures the Company Board of Directors will not implement countermeasures unless reasonable and detailed objective requirements determined in advance are satisfied and the mechanism to secure against arbitrary application of the Plan by the Company Board of Directors has been enforced.

(vi) Obtaining the advice of third-party experts

If an Acquirer emerges, the Independent Committee may seek to obtain the advice of independent third parties (financial advisors, certified public accountants, lawyers, consultants and other experts) at the cost of the Company. This is a mechanism to even more securely enhance the objectivity and fairness of the decisions made by the Independent Committee.

(vii) The term of office of directors of the Company is one year

The term of office of the directors of the Company shall be one year. Therefore, the Company is also able to reflect the intent of the shareholders with respect to the Plan through the exercise of their voting rights concerning the proposal for the election of directors at the ordinary general meetings of shareholders held each year.

(viii) The Plan is not a dead-hand or slow-hand type of defensive measure

As stated in 3-(iv), Abolishment, Revisions and Amendment to the Plan above, the Plan may be



abolished by a person who acquires a large number of share certificates of the shares in the Company through an election at a general meeting of shareholders of directors nominated by that person and through a resolution of the Board of Directors attended by the so-elected directors.

Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be stopped).

Also, as the Company has not adopted a system of staggered terms of office, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which triggering takes more time to stop due to the fact that the members of the Board of Directors cannot be replaced all at once).

Note: The monetary amounts, number of shares, percentages and other figures presented in this report are rounded to the nearest whole number.



Consolidated Balance Sheet

(as of March 31, 2008)

(unit: millions of yen)

Item of accounts	Amount	Item of accounts	Amount
Assets:		Liabilities:	
Current assets	1,263,789	Current liabilities	114,003
Cash in hand and at banks	56,482	Current portion of long –term borrowings	94,274
Direct cash loans to customers	1,195,328	Accrued income taxes	335
Installment receivables	557	Allowance for bonuses	847
Securities	13,000	Other current liabilities	18,548
Inventories	252	Total fixed liabilities	845,121
Accrued interest income on loans to customers	10,862	Bonds	161,083
Short-term loans receivable	83,989	Long term borrowings	284,007
Deferred income tax assets	25,377	Deferred income tax liabilities	4,211
Other current assets	21,939	Allowance for losses for refund of interest received from customers	386,256
Less: Allowance for credit losses	-143,998	Allowance for retirement benefits of employees	3,245
Fixed assets	129,110	Allowance for retirement benefits of directors and corporate auditors	134
Tangible fixed assets	46,986	Other fixed liabilities	6,185
Buildings and Structures	7,225	Total liabilities	959,124
Machinery and Vehicles	57	Net assets	
Equipment, furniture and fixture	4,782	Shareholders' equity	427,861
Land	34,728	Common stock	30,478
Golf course	195	Capital surplus	52,263
Intangible fixed assets	5,234	Retained earnings	393,367
Investment & other assets	76,890	Treasury stock	-48,248



Investments in securities	17,179	Valuation and foreign currency translation adjustments	5,875
Long term deposits	46,556	Net unrealized on other investments in securities, net of taxes	1,619
Other investments and Other assets	13,155	Deferred hedge gains or losses	4,383
		Foreign currency translation adjustment	-128
		Share subscription rights	41
		Total Net assets	433,776
Total Assets	1,392,899	Total Liabilities & Net assets	1,392,899



Consolidated Profit and Loss Statement

(from April 1, 2007 to March 31, 2008)

(Unit: millions of yen)

Item of accounts	Amount	
Operating Revenues		
Interest income on direct cash loans	261,981	
Commissions earned	72	
Other financial income	3,088	
Other operating income	5,339	270,479
Operating Expenses		
Financial Expenses	20,931	
Borrowing interest expenses	10,279	
Bond interest expenses	9,019	
Other financial expenses	1,632	
Other operating expenses	204,767	225,698
Operating income		44,781
Non-operating income		
Dividends income received	1,042	
Profit on investments in partnerships	315	
Interest on income taxes refunds	328	
Other non-operating income	131	1,817
Non operating expenses		
Loss on disposal or sales of fixed assets	62	
Foreign exchange losses	2,574	
Option fees	1,661	
Other non-operating expenses	16	4,314
Ordinary income		42,285
Extraordinary income		
Gain on sales of investments in securities	377	
Gain on sales of fixed assets	8	385
Extraordinary losses		
Loss on devaluation of investments in securities	385	
Loss on impairment of fixed assets	873	



Takefuji Corporation
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Loss on integration or closure of branch offices	1,168	
Loss on liquidation of in-substance transaction	29,691	
Other extraordinary losses	11	32,128
Income before income taxes		10,542
Corporate taxes, inhabitants taxes and enterprise taxes	1,093	
Deferred income tax expense	-4,657	-3,563
Net income		14,105



Consolidated Statement of Changes in Net Assets

(from April 1, 2007 to March 31, 2008)

(Unit: millions of yen)

	Shareholders' equity					Valuation and foreign currency translation adjustments			Share subscription rights
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity	Net unrealized gains on other investments in securities, net of taxes	Deferred hedge gains or losses	Foreign currency translation adjustment	
Balance as of March 31, 2007	30,478	52,263	408,107	-40,776	450,071	6,657	861	125	-
Changes of items during current fiscal year									
Dividends			-16,181		-16,181				
Interim dividends			-12,664		-12,664				
Net income			14,105		14,105				
Acquisition of treasury stock				-7,471	-7,471				
Net changes of items other than shareholders' equity						-5,038	3,522	-253	41
Total changes of items during current fiscal year	-	-	-14,740	-7,471	-22,211	-5,038	3,522	-253	41
Balance as of March 31, 2008	30,478	52,263	393,367	-48,248	427,861	1,619	4,383	-128	41



Notes to Consolidated Financial Statements

1. Significant Accounting Policies for Consolidated Financial Statements

(1) Scope of consolidation

As of March 31, 2008, the number of consolidated subsidiaries were 8 as listed below;

Kyoritsu Estate Co., Ltd.

TWJ VC Co., Ltd.

Takefuji Capital Co., Ltd.

Take One Co., Ltd.

GH Investment Co., Ltd.

TWJ Co., Ltd.

TWJ EURO Co., Ltd.

TDS Co., Ltd.

TSR CO., LTD. was removed from the scope of consolidated following the completion of its liquidation on December 14, 2007. Financial statement items for the company up to this date are consolidated.

(Additional information)

1. Summary of special purpose companies subject to disclosure and summary of transactions using such special purpose companies.

With stabilization of its funding as the objective, the Company is liquidating beneficiary rights on trust supported by operating loans receivable. For their liquidation, the Company is using special purpose joint stock companies. In liquidating beneficiary rights on trust, the Company transfers their preferred portion to the special purpose companies, and receives, as proceeds from the sale of such portion, funds the special purpose companies raise by issuing corporate bonds, using the transferred assets as underlying assets.

The Company also engages in recovery operations for operating loan receivables, and owns the subordinated portion of the beneficiary rights on trust.

The liquidation described above resulted in transaction balances at two special purpose companies as of March 31, 2008. Assets of the concerned special purpose companies totaled 246,686 million yen on their nearest closing date (on a simple aggregation basis). Their liabilities came to 246,665 million yen on the same date (on a simple aggregation basis). The Company holds no voting shares or other rights in either of the two special purpose companies. The Company dispatches no director or employee to either of them.

2. Amounts of transactions with the special purpose companies during the fiscal year under review

The Company processes asset transfer transactions with the special purpose companies subject to disclosure as financing transactions. For this reason, amounts and the like of such transactions with the special purpose companies subject to disclosure are omitted from statement.



(2) Application of the equity method

No entities are subject to the equity method of accounting.

(3) The fiscal year of consolidated subsidiaries

The fiscal year-end date of each subsidiary listed hereunder is as follows;

TWJ Co., Ltd.	February 29
Take One Co., Ltd.	January 31
G.H Investment Co., Ltd	December 31

For these consolidated subsidiaries, their financial statements at the above-mentioned fiscal year-end date are used respectively in the preparation of consolidated financial statements of Takefuji Corporation. Adjustments are made in the consolidated accounts for any significant transactions that occur between these dates and the consolidated balance sheet date.

(4) Significant accounting policies

1) Basis and method of valuation of significant assets

(i) Securities

Other securities:

Where there is a market quotation:

Market value as determined by the quoted price at the end of the fiscal year. The difference between the acquisition cost and the market value, excluding the related income taxes, is included directly in net assets, and the cost of securities sold is computed using the moving average method.

Where there is no market quotation:

Cost as determined by the moving average method.

(ii) Inventories

Cost based on the last purchase price method.

2) Depreciation of the fixed assets

(i) Tangible fixed assets: mainly percentage method

Depreciation is mainly computed on the declining-balance method at rates based on the estimated useful lives of assets, except that the depreciation method for buildings (excluding auxiliary facilities attached to buildings), which were acquired on or after April 1, 1998, is the straight-line method. The range of useful lives is from 10 to 50 years for buildings and structures and from 4 to 15 years for.

(Changes in accounting policy)

In accordance with the revision of the corporate tax laws, the Company has changed from the current fiscal year the method of depreciation for fixed tangible assets acquired on or after April 1, 2007.

As a result, operating income, ordinary income, income before income taxes and net income decreased



by 62 million yen respectively.

(Additional Information)

In accordance with the revision of the corporate tax laws, the residual value (excluding the memorandum price) for properties acquired before March 31, 2007 is depreciated on the straight-line method for 5 years from the succeeding fiscal year after the book value of these properties reach the residual value of 5% calculated on the method before the revision of the tax laws, and is included in the depreciation costs.

As a result, operating income, ordinary income, income before income taxes and net income decreased by 82 million yen respectively.

(ii) Intangible fixed assets: mainly percentage method

Software costs for internal use are amortized on the straight-line method for 5 years, which is the estimated useful life. Other intangible fixed assets are amortized on the straight-line method.

3) Basis of calculating allowances

(i) Allowance for credit losses

In providing for possible credit losses on direct cash loans, the Company records an allowance for loans (including delinquent loans past due 30 days or less) based on an actual percentage based on all write-offs, including those arising from personal bankruptcy of customers. With respect to specific loans classified as doubtful such as delinquent loans past due for longer periods, the Company records an allowance for credit losses thereon at the estimated uncollectible amounts based on the write-offs of such loans with similar credit risk ratings over a certain period.

(Additional Information)

In the previous fiscal year, allowance for credit losses was calculated based upon the total amount of direct cash loans including loans which were subject to “allowance for losses for refund of interest received from customers” and the latter portion deducted afterwards.

As data were accumulated for losses incurred from the refunds of interest to the total write-offs, it became possible to identify these estimated losses separately from the others. Therefore, from the current fiscal year, allowance for credit losses is calculated excluding the amount of loans subject to “allowance for losses for refund of interest received from customers”.

As a result, provisions for credit losses in operating expenses decreased by 13,273 million yen, operating income, ordinary income and income before income taxes increased by 13,273 million yen, and net income increased by 7,897 million yen respectively.

(ii) Allowance for losses for refund of interest received from customers

In providing for possible losses for refund of interest received from customers exceeding the upper



limit of interest rate prescribed under the Interest Rate Restriction Law, the Company records an allowance for losses for refund of interest received from customers based on the anticipated losses for refund reclaim from customers at the end of the current fiscal year.

(iii) Allowance for bonuses

In providing for bonuses payable to employees, the Company records an allowance for current fiscal year portion thereof based on the expected payment of bonuses for employees.

(iv) Allowance for retirement benefits of employees

The Company records an allowance for retirement benefits based on projected benefit obligations and pension fund assets as at the balance sheets date. Actuarial gain or loss is charged or credited to income in the fiscal year next to the year when that was incurred.

(v) Allowance for retirement benefits of directors and corporate auditors

The Company records an allowance for directors' and corporate auditors' retirement benefits at the amount that would be payable if directors and corporate auditors retired at the end of the fiscal year in accordance with the Company's internal rules.

4) Other significant accounting policies for the preparation of consolidated financial statements

(i) Basis of recognition of interest income on direct cash loans

Interest income on direct cash loans is recognized on an accrual basis. Accrued interest income is recognized at either the contracted rate applied to individual loan or the maximum rate permitted by the Interest Rate Restriction Law in Japan, whichever is lower.

(ii) Accounting for lease transactions

Financial leases, other than those which are deemed to transfer the ownership of the leased assets to the lessees, are accounted for by the method similar to that applicable to operating leases.

(iii) Accounting for hedging activities

The Company uses financial derivative transactions to reduce its exposure to market risks of fluctuations in interest rates and foreign currency exchange rates related to borrowings, bonds and interest expenses. Interest swap transactions and bond option transaction were accounted, using the deferred hedge method prescribed under the Japanese GAAP. Currencies and interest swap transactions were accounted for using the special treatment of hedge accounting for interest swaps allowed under the Japanese GAAP.

The Company evaluates the effectiveness of hedging activities by comparison between



accumulated fluctuations in accumulated market quotations and accumulated cash flows of the hedged items and those of the related hedging activities and the resulting ratios in those fluctuations between the hedged items and the related hedging activities. Note that evaluation of the effectiveness about interest swaps accounted for using the special treatment of hedge accounting is omitted due to no requirements under the Japanese GAAP.

(iv) Accounting treatment of consumption tax

Transactions subject to consumption tax for the Company and its one domestic consolidated subsidiary are stated as amounts that include related consumption tax. Those for four other consolidated subsidiaries in Japan are stated as amounts that exclude such tax.

(5) Revaluation of assets and liabilities of consolidated subsidiaries

The market method is fully applied to revaluation of assets and liabilities of consolidated subsidiaries.

(6) Reclassification

1) Consolidated Balance Sheets

(i) “Corporate taxes, inhabitants taxes and enterprise taxes refundable”, which had been recorded separately in the previous fiscal year, was classified in “Other current assets” in current assets from current fiscal year due to the decreased significance of impact on the financial statement. The amount of “Corporate taxes, inhabitants taxes and enterprise taxes refundable” recorded in the current fiscal year was 4,265 million yen.

(ii) “Certificate of deposit,” which had been classified in “Cash in hand and at banks” in the previous fiscal year, was recorded separately as “Securities,” in accordance with “Practical guidelines on accounting standards for financial instruments” of the accounting practice committee report No. 14 by the Japanese institute of certified public accountants (revised on July 4, 2007). The amount of “Certificate of deposit” in the previous fiscal year was 10,000 million yen and the amount in the current fiscal year was 13,000 million yen.

2) Consolidated Statements of Income

Interest on income taxes refunds included in “Other non-operating income” in the previous fiscal year was disclosed separately from the current consolidated fiscal year because it exceeds more than 10% of the total non-operating income. Interest on income taxes refunds included in “Other non-operating income” in previous fiscal year was 83 million yen.



2. Footnote to Consolidated Balance Sheet

(1) The assets pledged as security are as follows:

	(millions of yen)
Direct cash loans to customers	549,834
Secured liabilities	(millions of yen)
Current portion of long-term borrowings	55,260
Long-term borrowings	174,873
Total	230,133

Amounts stated above include the portion related to the financing scheme by way of trusts of direct cash loans to customers (Direct cash loans to customers, 549,834 million yen; long-term borrowings [including current portion thereof], 230,133 million yen).

(2) Accumulated depreciation on tangible fixed assets:

(millions of yen)
35,265

3. Footnote to Consolidated Statements of Income

Loss on cancellation of the debt assumption agreement was recognized with the liquidation of in-substance defeasance transactions of unsecured domestic straight bonds, series No. 8 for 20 years.

4. Footnotes to Consolidated Statement of Changes in Net Assets

(1) Type and the total number of issued stocks and treasury stocks

	The number at the end of previous fiscal year (thousand shares)	The number increased during current fiscal year (thousand shares)	The number decreased during current fiscal year (thousand shares)	The number at the end of current fiscal year (thousand shares)
Issued stocks				
Common stocks	147,295	-	-	147,295
Total	147,295	-	-	147,295
Treasury stocks				
Common stocks (Note)	6,589	3,057	-	9,647
Total	6,589	3,057	-	9,647



<Note> An increase in treasury stock of 3,075,000 shares consists of 3,057,000 shares of treasury stock acquired on the basis of a Board of Directors resolution and 0 thousand shares purchased as shares of less than one trading unit.

(2) Items regarding dividends

1) Dividends paid

Resolution	Type of stocks	Total amount of dividends (millions of yen)	Dividends per share (yen)	Basic date	Effective date
The Annual General Shareholders' Meeting at June 28, 2007	Common stocks	16,181	115	March 31, 2007	June 29, 2007
Board of directors at November 8, 2007	Common stocks	12,664	90	September 30, 2007	December 5, 2007

2) Dividends after the end of current fiscal year of which basic date belongs to current fiscal year

Resolution	Type of stocks	Total amount of dividends (millions of yen)	Source of dividends	Dividends per share (yen)	Basic date	Effective date
The Annual General Shareholders' Meeting at June 27, 2008	Common stocks	12,388	Retained earnings	90	March 31, 2008	June 30, 2008

3) Share subscription rights and treasury stocks

Item	Details of share subscription rights	Shares for share subscription rights	The number of shares for share subscription rights (shares)				Amount at the end of current fiscal year (millions of yen)
			March 31, 2007	Increase	Decrease	March 31, 2008	
Takefuji	Share subscription rights as stock options	-	-	-	-	-	41
Total		-	-	-	-	-	41

5. Footnotes to Statistics Per Share

Net assets per share: 3,151.03 yen

Net income per share: 100.63 yen

Net income per share-diluted is not presented since there are no potential stocks.

<Note> Basis for calculating net income or net loss per share, net income per share-diluted is as follows:



Net income per share	
Net income for the fiscal year (millions of yen)	14,105
Net income not available to common shareholders (millions of yen)	
Net income for common stock (millions of yen)	14,105
Average number of shares outstanding during the current fiscal year (thousand shares)	140,172
Outline of potential stocks, which are not dilutive and therefore were excluded from the calculation of net income per share-diluted	Share subscription rights as stock options resolved by the board of directors meeting held on November 8, 2007 521,100 shares

6. Footnotes to Stock Options

(1) Amount and account of stock options expensed in the current fiscal year

Other operating expenses 41 million yen

(2) Summary and changes of stock options

Outline of stock options

	Stock options granted in fiscal year ended March 31, 2008
Title and number of grantees	Employees of the Company: 2,507
Type and number of stock options (Note)	Common stocks: 536,750 shares
Grant date	November 29, 2007
Conditions for vesting	Grantees are required to remain directors, corporate auditors or employees of the Company, or in other similar positions until stock options are exercised.
Requisite service period	No requisite service periods have been specified.
Exercise period	From November 9, 2009 to November 8, 2011

<Note> The number of stock options is presented as the number equivalent to common stocks.

7. Figures are Rounded to the Nearest Appropriate Unit



Non-Consolidated Balance Sheet

(as of March 31, 2008)

(Unit: millions of yen)

Item of accounts	Amount	Item of accounts	Amount
Assets:		Liabilities:	
Current assets	1,258,598	Current liabilities	136,647
Cash in hand and at banks	51,354	Short-term borrowings from affiliates	22,884
Direct cash loans to customers	1,195,328	Current portion of long-term borrowings	94,274
Installment receivables	557	Accounts payable-other	9,420
Securities	13,000	Accrued expenses	5,909
Inventories	247	Accrued income taxes	97
Prepaid expenses	1,032	Deposit received	282
Accrued interest income on cash loans to customers	10,862	Unearned income	2,825
Short-term loans receivable	83,989	Allowance for bonuses	845
Accounts receivable-other	5,620	Other current liabilities	111
Deposits	15,029	Fixed liabilities	845,032
Deferred income tax assets	25,364	Bonds	161,083
Other current assets	213	Long-term borrowings	284,007
Less: Allowance for credit losses	-143,998	Long-term accounts payable-other	15
Fixed assets	151,978	Deferred income tax liabilities	4,131
Tangible fixed assets	34,436	Allowance for losses for refund of interest received from customers	386,256
Buildings	6,083	Allowance for retirement benefits of employees	3,240
Structures	848	Allowance for retirement benefits of directors and corporate auditors	134
Vehicles and delivery equipment	4	Long-term unearned income	5,641



Equipment, furniture and fixtures	4,733	Other fixed liabilities	524
Land	22,767	Total liabilities	981,680
Intangible fixed assets	5,229	Net assets:	
Land leasehold rights	503	Shareholders' equity	422,682
Software	4,083	Common stock	30,478
Telephone rights	352	Capital surplus	52,263
Other intangible fixed assets	291	Additional paid-in capital	52,263
Investments and other assets	112,312	Retained earnings	388,188
Investments in securities	14,368	Legal reserve	7,619
Investments in affiliates	38,233	Other retained earnings	380,569
Investments in partnerships	1	General reserve	365,961
Long-term prepaid expenses	589	Retained earnings brought forward	14,609
Investments in real estates	450	Treasury stock	-48,248
Leasehold deposits	4,714	Valuation and foreign currency translation adjustments	6,174
Long-term deposits	46,556	Net unrealized gains on other investments in securities, net of taxes	1,791
Other investments and other assets	7,401	Deferred hedge gains or losses	4,383
		Share subscription rights	41
		Total net assets	428,897
Total assets	1,410,576	Total liabilities and net assets	1,410,576



Non-Consolidated Profit and Loss Statement

(from April 1, 2007 to March 31, 2008)

(Unit: millions of yen)

Item of accounts	Amount	
Operating revenues		
Interest income on direct cash loans	261,981	
Commissions earned	72	
Other financial income	2,930	
Other operating income	4,468	269,452
Operating expenses		
Financial expenses	21,383	
Borrowing interest expenses	10,732	
Bond interest expenses	9,019	
Other financial expenses	1,632	
Other operating expenses	204,328	225,711
Operating income		43,741
Non-operating income		
Dividends income received	204	
Profit on investments in partnership	307	
Interest on income taxes refund	328	
Other non-operating income	130	969
Non-operating expense		
Loss on disposal or sales of fixed assets	59	
Foreign exchange losses	2,307	
Option fees	1,661	
Other non-operating expenses	16	4,044
Ordinary income		40,666
Extraordinary income		
Gain on sales of investments in securities	377	
Gain on dividends income received by subsidiary's liquidation	42	
Gain on sales of fixed assets	8	427
Extraordinary losses		
Loss on devaluation of investments in securities	383	
Loss on impairment of fixed assets	873	
Loss on integration or closure of branch offices	1,168	



Takefuji Corporation
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Loss on liquidation of in-substance defeasance transaction	29,691	32,115
Income before income taxes		8,978
Corporation taxes, inhabitants taxes and enterprise taxes	571	
Deferred income tax expenses	-4,658	-4,086
Net income		13,064



Non-Consolidated Statement of Changes in Net Assets

(from April 1, 2007 to March 31, 2008)

(Unit: millions of yen)

	Shareholders' equity						Valuation and foreign currency translation adjustments		Share subscription rights	
	Common stock	Capital surplus	Retained earnings			Treasury stock	Total shareholders' equity	Net unrealized gains/losses on other investments in securities, net of taxes		Deferred hedge gains or losses
		Additional paid-in capital	Legal reserve	Other retained earnings						
				General reserve	Retained earnings brought forward					
Balance as of March 31, 2007	30,478	52,263	7,619	875,961	-479,611	-40,776	445,934	6,432	861	-
Changes of items during current fiscal year										
General reserve				-510,000	510,000		-			
Dividends					-16,181		-16,181			
Interim dividends					-12,664		-12,664			
Net income					13,064		13,064			
Acquisition of treasury stock						-7,471	-7,471			
Net changes of items other than shareholders' equity								-4,641	3,522	41
Total changes of items during current fiscal year	-	-	-	-510,000	494,220	-7,471	-23,252	-4,641	3,522	41
Balance as of March 31, 2008	30,478	52,263	7,619	365,961	14,609	-48,248	422,682	1,791	4,383	41



Notes to Non-Consolidated Financial Statements

1. Significant Accounting Policies

(1) Basis and method of valuation of securities

1) Investments in subsidiaries and affiliates:

Cost determined by the moving average method.

2) Other securities:

Where there is a market value:

Market value as determined by the quoted price at the end of the fiscal year. The difference between the acquisition cost and the market value, excluding the related income taxes, is included directly in net assets, and cost of securities sold is computed using the moving average method.

Where there is no market value:

Cost as determined by the moving average method.

(2) Basis and method of valuation of inventories

Cost based on the last purchase price method.

(3) Depreciation of the fixed assets

1) Tangible fixed assets: percentage method

Depreciation is mainly computed on the declining-balance method certain, based on the estimated useful lives of assets except that the depreciation method for buildings (excluding auxiliary facilities attached to buildings), which were acquired on or after April 1, 1998, is the straight-line method. The range of useful lives is from 15 to 50 years for buildings, from 10 to 30 years for structures, and from 4 to 15 years for equipment, furniture and fixtures.

(Changes in accounting policy)

In accordance with the revision of the corporate tax laws, the Company has changed from the current fiscal year the

method of depreciation for fixed tangible assets acquired on or after April 1, 2007.

As a result, operating income, ordinary income, income before income taxes and net income decreased by 62 million yen respectively.

(Additional Information)

In accordance with the revision of the corporate tax laws, the residual value (excluding the memorandum price) for properties acquired before March 31, 2007 is depreciated on the straight-line method for 5 years from the succeeding fiscal year after the book value of these properties reach the residual value of 5% calculated on the method before the revision of the tax laws, and is included in the depreciation costs.

As a result, operating income, ordinary income, income before income taxes and net income decreased by 82 million yen respectively.

2) Intangible fixed assets: straight-line method



Software costs for internal use are amortized on the straight-line method for 5 years, which is the estimated useful life. Other intangible fixed assets are amortized on the straight-line method.

(4) Basis of calculating allowances

1) Allowance for credit losses

In providing for possible credit losses on direct cash loans, the Company records an allowance for loans (including delinquent loans past due 30 days or less) based on an actual percentage based on all write-offs, including those arising from personal bankruptcy of customers. With respect to specific loans classified as doubtful such as delinquent loans past due for longer periods, the Company records an allowance for credit losses thereon at the estimated uncollectible amounts based on the write-offs of such loans with similar credit risks ratings over a certain period.

(Additional Information)

In the previous fiscal year, allowance for credit losses was calculated based upon the total amount of direct cash loans including loans which were subject to “allowance for losses for refund of interest received from customers” and the latter portion deducted afterwards.

As data were accumulated for losses incurred from the refunds of interest to the total write-offs, it became possible to identify these estimated losses separately from the others.

Therefore, from the current fiscal year, allowance for credit losses is calculated excluding the amount of loans subject to “allowance for losses for refund of interest received from customers”.

As a result, provisions for credit losses in operating expenses decreased by 13,273 million yen, operating income, ordinary income and income before income taxes increased by 13,273 million yen, and net income increased by 7,897 million yen respectively.

2) Allowance for losses for refund of interest received from customers

In providing for possible losses for refund of interest received from customers exceeding the upper limit of interest rate prescribed under the Interest Rate Restriction Law, the Company records an allowance for losses for refund of interest received from customers based on the anticipated losses for refund reclaim from customers at the end of the current fiscal year.

3) Allowance for bonuses

In providing for bonuses payable to employees, the Company records an allowance for current fiscal year portion thereof based on the expected payment of bonuses for employees.

4) Allowance for retirement benefits of employees

The Company records an allowance for retirement benefits based on projected benefit obligations



and pension fund assets as at the balance sheets date. Actuarial gain or loss is charged or credited to income in the fiscal year next to the year when that was incurred.

5) Allowance for retirement benefits of directors and corporate auditors

The Company records an allowance for directors' and corporate auditors' retirement benefits at the amount that would be payable if directors and corporate auditors retired at the end of the fiscal year in accordance with the Company's internal rules.

(5) Basis of recognition of interest income on direct cash loans

Interest income on direct cash loans is recognized on an accrual basis.

Accrued interest income is recognized at either the contracted rate applied to individual loan or the maximum rate permitted by the Interest Rate Restriction Law in Japan, whichever is lower.

(6) Other significant accounting policies for the preparation of financial statements

1) Accounting for lease transactions

Finance leases, other than those which are deemed to transfer the ownership of the leased assets to the lessees, are accounted for by the method similar to that applicable to operating leases.

2) Accounting for hedging activities

The Company uses financial derivative transactions to reduce its exposure to market risks of fluctuations in interest rates and foreign currency exchange rates related to borrowings, bonds and interest expenses. Interest swap transactions and bond option transaction were accounted for using the deferred hedge method prescribed under the Japanese GAAP. Currencies and interest swap transactions were accounted for using the special treatment of hedge accounting for interest swaps allowed under the Japanese GAAP.

The Company evaluates the effectiveness of hedging activities by comparison between accumulated fluctuations in accumulated market quotations and accumulated cash flows of the hedged items and those of the related hedging activities and the resulting ratios in those fluctuations between the hedged items and the related hedging activities.

Note that evaluation of the effectiveness about interest swaps accounted for using the special treatment of hedge accounting is omitted due to no requirements under the Japanese GAAP.

3) Accounting treatment of consumption tax

Transactions subject to consumption tax are stated at the amount which includes the related consumption tax.

(7) Reclassification

1) Non-Consolidated Balance Sheets



(i) “Corporate taxes, inhabitants taxes and enterprise taxes refundable”, which had been recorded separately in the previous fiscal year, was classified in “Accounts receivable-other” in current assets from current fiscal year due to the decreased significance of impact on the financial statement. The amount of “Corporate taxes, inhabitants taxes and enterprise taxes refundable” recorded in the current fiscal year was 4,264 million yen.

(ii) “Certificate of deposit,” which had been classified in “Cash in hand and at banks” in the previous fiscal year , was recorded separately as “Securities,” in accordance with “Practical guidelines on accounting standards for financial instruments” of the accounting practice committee report No.14 by the Japanese institute of certified public accountants (revised on July 4, 2007). The amount of “Certificate of deposit” in the previous fiscal year was 10,000 million yen and the amount in the current fiscal year was 13,000 million yen.

2) Non-Consolidated Statements of Income

Interest on income taxes refunds included in “Other non-operating income” in the previous fiscal year was disclosed separately from the current fiscal year because it exceeds more than 10% of the total non-operating income.

Interest on income taxes refunds included in “Other non-operating income” in previous fiscal year was 83 million yen.

2. Footnote to Non-Consolidated Balance Sheet

(1) The assets pledged as security are as follows:

	(millions of yen)
Direct cash loans to customers	549,834
Secured liabilities	(millions of yen)
Current portion of long-term borrowings	55,260
Long-term borrowings	174,873
Total	230,133

Amounts stated above include the portion related to the financing scheme by way of trusts of direct cash loans to customers (Direct cash loans to customers, 549,834 million yen; long-term borrowings (including current portion thereof), 230,133 million yen).

(2) Accumulated depreciation on tangible fixed assets:

(millions of yen)
33,237

(3) Monetary receivables from and payables to related companies:



	(millions of yen)
Short-term monetary claims	3
Long-term monetary claims	0
Short-term monetary obligations	22,929

3. Footnotes to Non-Consolidated Profit and Loss Statement

(1) Affiliates transactions

	(millions of yen)
Operating revenues	6
Operating expenses	460
Non-operating transactions	42

(2) Loss on cancellation of the debt assumption agreement was recognized with the liquidation of in-substance defeasance transactions of unsecured domestic straight bonds, series No. 8 for 20 years.

4. Footnotes to Non-Consolidated Statement of Changes in Net Assets

Type and the number of treasury stocks

	The number at the end of previous fiscal year (thousand shares)	The number increased during current fiscal year (thousand shares)	The number decreased during current fiscal year (thousand shares)	The number at the end of current fiscal year (thousand shares)
Common stocks (Note)	6,589	3,057	-	9,647
Total	6,589	3,057	-	9,647

<Note> The factors of the number increased by 3,057 thousand shares are acquisition of treasury stock resolved by the board of directors by 3,057 thousand shares and purchase of under unit stocks by 0 thousand shares.



5. Footnotes to the Deferred Tax Accounting

The tax effects of temporary differences which give rise to significant portions of the deferred income tax assets and liabilities are as follows:

	(millions of yen)
Current deferred income tax assets;	
Direct cash loans to customers	2,945
Accrued interest income on direct cash loans to customers	2,503
Allowance for credit losses	23,910
Allowance for bonuses	342
Other	227
Sub total	29,928
Valuation allowance	-4,257
Total	25,671
Current deferred income tax liabilities;	
Enterprise tax refundable	-307
Net deferred income tax assets	25,364
Fixed deferred income tax assets;	
Tangible fixed assets	7,814
Investments in securities	235
Investments in affiliates	14,323
Allowance for losses for refund of interest received from customers	156,434
Allowance for retirement benefits of employees	1,312
Accumulated deficit	28,919
Other	211
Sub total	209,248
Valuation allowance	-209,176
Total	71
Fixed deferred income tax liabilities;	
Net unrealized gains on other investments in securities, net of taxes	-1,219
Deferred hedge gains or losses	-2,983
Total	-4,202
Net deferred income tax liabilities	-4,131

6. Footnotes to Lease Transactions

Not only fixed assets from the Balance sheet, but also ATM, Unmanned contract machine and other equipments have been used by the lease.

Finance lease transactions other than those where ownership of the leased asset is transferred to the



lessee.

(1) Equivalent of acquisition cost, accumulated depreciation and net book value of the leased assets at the end of the fiscal year

	Equivalent of acquisition cost (millions of yen)	Equivalent of accumulated depreciation (millions of yen)	Equivalent of net book value (millions of yen)
Equipment and furniture	447	443	3
Total	447	443	3

<Note> Equivalent of acquisition cost included the portion of interest thereon as the outstanding lease fee payable is insignificant compared to the balances of tangible fixed assets.

(2) Outstanding lease fee payable at the end of the fiscal year

	(millions of yen)
Due within one year	3
Due over one year	-
Total	3

Note> As the outstanding lease fee payable at the end of the fiscal year is insignificant compared to the balances of tangible fixed assets at the end of the fiscal year, the outstanding lease fee payable included the portion of interest thereon.

(3) Lease fee and equivalent of depreciation: 141 million yen

(4) Method of calculation of equivalent of depreciation

Calculated by using the straight-line method, assuming that the lease period is the useful life of the asset and a residual value is zero.



7. Footnotes to Related Party Transaction

Directors and primary individual shareholders, etc.

Attribution: Directors and their relatives

Name	Ratio of voting rights held	Relationship		Transactions	Amount transacted (millions of yen)	Account	Outstanding balance at the end of the fiscal year (millions of yen)
		Directors involved	Business				
Taketeru Takei	Direct 5.0% Indirect 5.7%	—	—	Condolence money	40	—	—

Attribution: Companies of which directors and their relatives have the majority of the voting rights, including their subsidiaries

Name	Ratio of voting rights held	Relationship		Transactions	Amount transacted (millions of yen)	Account	Outstanding balance at the end of the fiscal year (millions of yen)
		Directors Involved	Business				
Marutake Sangyo Ltd.	Direct 5.4% Indirect 2.3%	—	—	Proceed of sale of land Gain on sale of land	48 13	—	—
Daio Co., Ltd.	Direct 5.6% Indirect 0.0%	Additional post 1	Use of facility	Payment for use of facility	53	Prepaid expense Account payable	4 1
Safeman Ltd.	Direct 0.1%	—	Rent Guarantee money	Rent Guarantee money	2 —	Prepaid expense Guarantee money deposited	0 2
Kyoei Co., Ltd.	Direct 0.0%	—	Rent	Rent	2	—	—

<Notes>1. Consumption taxes are included in the transactions.

- All conditions and methods of the transactions mentioned above are determined by the same way as general transactions in consideration of market supply and demand as well as the trend of market prices and others.
- The rent agreement with Kyoei Co., Ltd. was ended due to the closure of branch office.
- Taketeru Takei, a director of the Company, and his relatives have 100% of voting rights of Safeman Ltd. indirectly through Marutake Sangyo Ltd.
- Taketeru Takei, a director of the Company, and his relatives have 100% of voting rights of Kyoei Co., Ltd. indirectly through Daio Co., Ltd. and Marutake Sangyo Ltd.
- Taketeru Takei, a director of the Company, and his relatives have 100% of voting rights of Daio Co., Ltd. and Marutake Sangyo Ltd. directly or indirectly.



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8. Footnotes to Statistics Per Share

Net assets per share; 3,115.59 yen
 Net income per share; 93.20 yen

Net income per share-diluted is not presented since there are no potential dilutive stocks.

<Note> Basis for calculating net income per share is as follows;

Net income per share	
Net income for the fiscal year (millions of yen)	13,064
Net income not available to common shareholders (millions of yen)	—
Net income for common stock (millions of yen)	13,064
Average number of shares outstanding during the current fiscal year (thousand shares)	140,172
Outline of potential stocks, which are not dilutive and therefore were excluded from the calculation of net income per share-diluted	Share subscription rights as stock options resolved by the board of directors meeting held on November 8, 2007 521,100 shares

9. Figures are Rounded to the Nearest Appropriate Unit.



Takefuji Corporation
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(Transcript of Accounting Auditors' Audit Report on Consolidated Financial Statements)

INDEPENDENT AUDITORS' REPORT

7th May 2008

To the Board of Directors of
Takefuji Corporation

Ernst & Young ShinNihon

Motohiro Sato, CPA
Engagement Partner

Yoshitaka Otawara, CPA
Engagement Partner

Tetsu Shimamura, CPA
Engagement Partner

We have audited, pursuant to Article 444, paragraph 4 of the "Companies Act" of Japan, the financial statements on consolidated basis, which consist of the Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Statement of Changes in Net Assets, Notes to Consolidated Financial Statements of Takefuji Corporation (hereinafter referred to as the "Company") and its subsidiaries for the fiscal year from April 1, 2007 to March 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

As a result of our audit, we admit that we present the condition of property, profit or loss as to the consolidated financial statements of Takefuji and its subsidiaries fairly in all material respects in accordance with auditing standards generally accepted in Japan.

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law of Japan.



Takefuji Corporation
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(Transcript of Accounting Auditors' Audit Report on Non-Consolidated Financial Statements)

INDEPENDENT AUDITORS' REPORT

7th May 2008

To the Board of Directors of
Takefuji Corporation

Ernst & Young ShinNihon

Motohiro Sato, CPA
Engagement Partner

Yoshitaka Otawara, CPA
Engagement Partner

Tetsu Shimamura, CPA
Engagement Partner

We have audited, pursuant to Article 436, paragraph 2-1 of the “Companies Act ” of Japan, the financial statements on non-consolidated basis, which consist of the Non-Consolidated Balance Sheet, Non-Consolidated Profit and Loss Statement, Non-Consolidated Statement of Changes in Net Assets, Notes to Non-Consolidated Financial Statements and supplementary statements of Takefuji Corporation (hereinafter referred to as the “Company”) for the 41st fiscal year from April 1, 2007 to March 31, 2008. These financial statements and supplementary schedules are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements and supplementary statements based on our audit.

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

As a result of our audit, we admit that we present the condition of property, profit or loss as to the non-consolidated financial statements and supplementary schedules of Takefuji fairly in all material respects in accordance with auditing standards generally accepted in Japan.

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Law of Japan.



(Transcript of Audit Committee's Audit Report on Consolidated Financial Statements)

AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

The Board of Corporate Auditors has prepared the following report with regard to the discharge of duties by Directors during the 41st fiscal year from April 1, 2007 to March 31, 2008. The Report was prepared on the basis of audit reports by the individual Corporate Auditors and represents a opinion of all the Corporate Auditors after deliberation among them.

1. Methods and scope of audit by the individual Corporate Auditors and by the Board of Corporate Auditors

The Board of Corporate Auditors established auditing policies and auditing plans for the fiscal year for review, and received reports from each individual Corporate Auditors on the discharge of his auditing activities and the result thereof. In addition, it received reports on discharge of duties from Directors and others and from the Independent Auditor, and, as and when necessary, requested their explanations regarding such reports.

Each individual Corporate Auditors, in accordance with the auditing standards for Corporate Auditors set by the Board of Corporate Auditors, communicated with Directors, the internal auditing department of the Company and other employees in the effort of collecting information and creating an environment for auditing. Furthermore, Corporate Auditors attended the meeting of the Board of Directors and other important meetings, received reports from Directors and other employees on discharge of duties and, as and when necessary, requested their explanations with regard to those reports. Corporate Auditors also inspected documents related to important decisions and examined operations and assets at the Company's head offices and major works. Corporate Auditors monitored and examined the systems established in order to ensure that the discharge of duties by Directors to be in compliance with laws and regulations and with the Company's Articles of Incorporation.

Corporate Auditors also monitored and examined the said systems pursuant to Paragraph 1 and 3, Article 100 of the Enforcement Regulations of the Corporation law in order to ensure that the Company's operations to be conducted complaint with the Board Resolution (internal control system). We examined the fundamental policy based on the Article 127 (1) of the Enforcement regulations of the Corporate Law and the measures based on the Article 127 (2) on a basis of the meeting of the board of directors and other discussions. With respect to subsidiaries, Corporate Auditors took steps to facilitate communications with directors and corporate auditors of such subsidiaries and, as and when necessary, received reports from subsidiaries on the status of their businesses. Using the foregoing methods, Corporate Auditors reviewed the Business Report and the supplementary statements thereto for the fiscal year.

In addition, Corporate Auditors monitored and examined as to whether the Independent Auditor maintains their independence and carries out their audits in an appropriate manner.

Corporate auditors received reports from the Independent Auditor on the discharge of their audits and, as and when necessary, requested their explanations regarding those reports.

Corporate Auditors also received reports from the Independent Auditor that they have taken steps for developing the better "system to ensure appropriate discharge of their duties" (as stipulated in Article 159 of the Company Accounting Regulation Ordinance) in compliane with the "Quality Control Standard Relating to Auditing"(adopted by the business Accounting Deliberarion Council on October 28, 2005). When necessary, Corporate Auditors requested their explanations on these reports. Based on the foregoing methods, Corporate Auditors reviewed the financial statements.



For the fiscal year (Non-Consolidated Balance Sheet, Non-Consolidated Profit and Loss Statement, Non-Consolidated Statement of Changes in Net Assets, and Notes to Non-Consolidated Financial Statements) and supplementary statements thereto as well as the consolidated financial statements (Consolidated Balance Sheet, Consolidated Profit and Loss Statement, Consolidated Statement of Changes in Net Assets, and Notes to Consolidated Financial Statements).

2. Result of the Audit

(1) Result of audit of the Report on the Business Operations

1) In our opinion, the Report on the Business Operations and the supplementary statements thereto present fairly the situation of the company, in compliance with the provisions of applicable laws and regulations and the articles of incorporation.

2) In our opinion, there were no wrongful acts or material violations of applicable laws and regulations or the Article of Incorporation in discharge of their duties by Directors.

3) In our opinion, the content of the resolution by the Board of Directors regarding internal control system is appropriate, and, furthermore, there is none to be pointed out in connection with the discharge of duties by directors in terms of the compliance with that internal control system by Directors.

4) In our opinion, fundamental policy for persons to dominate the decision of financial and operational policy described in the Report on the Business Operations is appropriate, and furthermore, there is none to be pointed out. Our measures for the Article 127(2) of the Enforcement regulations of the Corporate Law describes in the Report on the Business Operations is complied with this fundamental policy. And it does not spoil the profit of shareholders and the object is not to maintain the status of the company's directors.

(2) Result of the audit of non-consolidated financial statements and the supplementary statements thereto

In our opinion, the auditing methods used and the audit results presented by Ernst & Young ShinNihon, the accounting auditor, are appropriate.

(3) Result of the audit of consolidated financial statements

In our opinion, the auditing methods used by Ernst & Young ShinNihon, Independent auditor is appropriate.

9th May 2008

Board of Corporate Auditors,	
Takefuji Corporation	
Standing outside auditor	Toshiyuki Tsuchiya
Corporate Auditor (Full Time)	Takeshi Kasai
Corporate Auditor (Full Time)	Hiroshi Hirai
External Auditor	Yoshihiro Ogura



Supplemental Explanation

Proposition No.1: Appropriation of retained earnings at the end of 41st fiscal year

The Company intends to process retained earnings as follows:

Retained earnings

We regard the return of profits to our shareholders as a top management priority.

Our basic policy is to sustain the stable distribution of profits over a long term in recognition of the support we receive from our shareholders.

Based on this policy, we propose the following appropriation of retained earnings for this fiscal term:

- (1) Types of assets to be distributed
Cash
- (2) Allocation of assets to be distributed to shareholders and their total amount
90 yen per share of common stock Total 12,388,373,370 yen
Payment of the amount stated above will bring annual dividends, including interim dividends, to 180 yen per share.
- (3) Effective date of dividend payments
June 30, 2008

Proposition No.2: Partial revision of the Articles of Incorporation

1. Objectives of changes of these Articles of Incorporation

- (1) In order to prepare for business development in future, changes and additional purpose for the Article of Incorporation would be proposed. (Article 2)
- (2) The Company presents a new proposal, by the decision of the Board of Directors, to exempt liability of directors when the requirements defined under laws and ordinances on limitation of liability for the purpose of enabling directors to fully perform their expected duties and to conclude an agreement with outside directors determining the limitation of liabilities defined under laws and ordinances. (Article 29)

The Company has obtained a prior consent of all auditors with respect to establishment of new Article.

- (3) The Company also presents a new proposal, by the decision of the Board of Directors, to exempt liability of auditors when the requirements defined under laws and ordinances on limitation of liability for the purpose of enabling them to fully perform their expected duties and to conclude an agreement with outside auditors determining the limitation of liabilities defined under laws and ordinances. (Article 37)
- (4) Other changes may occur in the numbering and structure of the articles in accordance with these new articles.

2. Description of Changes to Articles of Incorporation

(Underlined portions represent changed portions.)

Current Articles of Incorporation	Proposed Changes
(Purpose)	(Purpose)



<p>Article 2</p> <p>The purpose of the Company shall be to operate the following businesses.</p> <p>1. ~ 31. (Omitted)</p> <p>32. <u>Purchasing Loan Assets</u></p> <p>33. ~ 34. (Omitted) (Newly Added)</p> <p>35. (Omitted) (Newly Added)</p>	<p>Article 2</p> <p>The purpose of the Company shall be to operate the following businesses.</p> <p>1. ~ 31. (No Change)</p> <p>32. <u>Factoring Assets Receivables</u></p> <p>33. ~ 34. (No Change)</p> <p>35. <u>Management and administration of Factoring Assets Receivables Business through acquisition and holding of the stocks of the company of the said business</u></p> <p>36. (No Change)</p> <p><u>(Director exemption from Liability)</u></p> <p><u>Article 29 The Company may, by the decision of the Board of Directors, when the requirements defined under laws and ordinances on limitation of liability, Companies Act, Article 423, Paragraph 1 are met, exempt directors (including former directors) from an amount up to the minimum liability limit as defined by Companies Act Article 426, Paragraph 1.</u></p> <p>2. <u>The Company may enter into contracts with outside directors that limit the extent of liabilities set out in Companies Act, Article 423, Paragraph 1 when requirements defined by Article 427, Paragraph 1 are met. The limit amount of the liabilities in accordance with such contracts shall be the amount defined by the laws and ordinances.</u></p>
<p>Article 29 ~ Article 35 (Omitted) (Newly Added)</p>	<p>Article 30 ~ Article 36 (No Change)</p> <p><u>(Auditor exemption from Liability)</u></p> <p><u>Article 37 The Company may, by the decision of the Board of Directors, when the requirements defined under laws and ordinances on limitation of liability, Companies Act Article 423, Paragraph 1 are met, exempt auditors (including former auditors) from an amount up to the minimum liability limit as defined by Companies Act Article 426, Paragraph 1.</u></p> <p>2. <u>The Company may, enter into contracts with outside</u></p>



<p>Article <u>36</u> ~ Article <u>39</u> (Omitted)</p>	<p><u>auditors that limit the extent of liabilities set out in Companies Act, Article 423, Paragraph 1 are met. The limit amount of the liabilities in accordance with such contracts shall be the amount defined by the laws and orders.</u></p> <p>Article <u>38</u> ~ Article <u>41</u> (No Change)</p>
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Proposition No.3: Appointment of thirteen directors on board

The appointment of thirteen directors below is subject to approval at the ordinary general meeting of shareholders, due to the expiry of the terms of ten directors at the conclusion of this general meeting of shareholders.

No.	Name (Date of Birth)	History & Titles	No. of shares held
1	Takeru Takei (Feb. 2, 1970)	<p>1993 Jun. Joined Takefuji Corporation 1998 Jun. Director and GM of Secretariat Office 1999 Jun. Director and GM of Business and Marketing Division 2000 Jun. Managing Director and GM of Business and Marketing Division In charge of Training and Education Dept. (currently the Training and Education Department) 2002 Jun. Senior Managing Director and GM of Business and Marketing Division In charge of Training and Education (currently the Training and Education Department), Personnel & New Office Development Depts. 2004 Jun. Representative Senior Managing Director and GM of Business and Marketing Division In charge of Business Administration, Training and Education (currently the Training and Education Department), & New Office Development Depts., Secretariat Office & Social Contribution Office (presently CSR Promotion Office) (present post)</p> <p>(Posts held in other corporations etc.) TWJ: Representative Director President of Asuka International Foundation</p>	6,941,400

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2	Katsunori Aita (Jun. 27, 1963)	1988 Apr. Joined Takefuji Corporation 2002 Jun. Director and GM of Sendai Regional Branch 2002 Sep. Deputy GM of Business and Marketing Division 2004 Jun. Director and Executive Officer Deputy GM of Business and Marketing Division 2005 Jun. Director and Executive Officer In charge of Personnel, Corporate Planning & Labor Relations Depts. 2007 Jun. Director and Executive Officer In charge of the Personnel Department and the Corporate Planning Department 2007 Dec. Director and Executive Officer In charge of the Personnel Department, the Corporate Planning Department and the Customer Relations Office (present posts)	6,800
3	Kengo Sato (Jul. 14, 1959)	1983 Apr. Joined Takefuji Corporation 1991 May Deputy GM of Business and Marketing Division 1996 Jun. GM of Osaka Regional Branch 2000 Jun. GM of Loan Administration Dept. 2004 Jun. Executive Officer and GM of Loan Administration Dept. 2005 Jun. Director and Executive Officer In charge of Legal & Loan Administration Depts. 2006 Jun. Director and Executive Officer In charge of Legal, Loan Administration & Advertising Depts. (present post)	190
4	Tsunefumi Shindo (May 18, 1949)	1974 Apr. Joined Oki Electric Industry Co., Ltd. 1993 Apr. Oki Electric Industry Co., Ltd.: GM of System Development Dept. 2000 Oct. Oki Software Co., Ltd.: GM of Information System Project Dept. 2002 Apr. Oki Software Co., Ltd.: GM of Business Dept. 2005 Dec. Was delegated from Oki Electric Industry Co., Ltd. to Takefuji Corporation as GM of Information System Dept. 2006 Mar. Joined Takefuji Corporation as Executive Officer and GM of Information System & Credit Card Business Depts. 2006 Jun. Director and Executive Officer In charge of Information System & Credit Card Business Depts. (present post)	0



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5	Satoru Shishido (Jan. 25, 1947)	1965 Apr. Joined Ministry of Finance 1996 Jul. Kanto Local Finance Bureau: Manager of Local Financial 3rd Dept. 1998 Jul. Kanto Local Finance Bureau: Manager of Loan Dept. 1999 Jul. Kanto Local Finance Bureau: GM of Nagano Office 2001 Jul. Kanto Local Finance Bureau: Chief Administrative Inspector of Financial Dept. 2002 Apr. Joined the Association of Employment Development for Senior Citizens as GM of Accounting Dept. 2003 Oct. Joined Japan Organization for Employment of the Elderly and Persons with Disabilities as Contracted General Manager of Accounting 2006 Apr. Joined Takefuji Corporation as Senior Advisor 2006 Jun. Director and Executive Officer In charge of Inspection Dept. & Customer Relations Office 2007 Jun. Director and Executive Officer In charge of Inspection Dept. (present post)	0
6	*Mikio Yamamoto (Jan. 6, 1960)	1982 Apr. Joined Hazama Corporation 2003 Jul. Hazama Corporation: GM of Planning Division, Business Planning Dept. 2005 Jan. Joined Takefuji Corporation as Deputy GM of General Affairs Dept. 2006 Jun. Director and Executive Officer In charge of General Affairs Dept. 2007 Jun. Director and Executive Officer In charge of General Affairs Dept. (present post)	40
7	*Akiko Hokazono (Nov. 15, 1959)	1983 Oct. Joined Takefuji Corporation 1988 Jun. Manager of Kagoshima Izuro Branch OFFICE 1999 Feb. Manager of Kagoshima Block 2006 Sep. Deputy GM of Business and Marketing Division 2007 Jun. Director and Executive Officer Deputy GM of Business and Marketing Division (present post)	690
8	*Shigefumi Nakamura (Jan. 4, 1949)	1972 Apr. Joined TEAC Corporation 1996 Jun. Director and GM of Accounting Dept. 2000 Jun. Managing Director, Corporate Administration 2003 Jun. Managing Director, Consumer & Information Products Business 2005 Jun. Director, Australian Operation and CEO of Australian Subsidiary 2006 Nov. Joined Takefuji Corporation as GM of Finance Dept. 2007 Jun. Director and Executive Officer In charge of the Accounting Department and the Finance Department (present post)	0



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9	Akiyuki Nagase (Sep. 18, 1948)	<p>1974 Apr. Joined Nomura Securities Co., Ltd. 1976 May Founded Nagase Brothers Inc. as Representative Director & President (present post) 1989 Apr. Founded Tokyo Seiko Gakuen as Chairman (present post) 2004 Jun. Takefuji Corporation's Independent Director (present post)</p> <p>(Positions held in other corporations etc.)</p> <p>President and Representative Director of Nagase Brothers Inc. President of Yotsuya Otsuka, Inc. President of Tokyo Seikogakuen President and representative director, Itoman Swimming School Co., Ltd.</p>	0
10	*Akira Kiyokawa (Feb. 17, 1942)	<p>1964 Apr. Joined Nomura Securities Co., Ltd. 1985 Dec. Director, Nomura Securities Co., Ltd. 1993 May Executive director, Nomura Securities Co., Ltd. 1993 Aug. President, Nomura Trust and Banking Co., Ltd. 1999 Jun. President, Nomura Asset Management Co., Ltd. 2000 Nov. President, Nomura Asset Management Co., Ltd. 2002 Jun. Joined Takefuji Corporation as an advisor 2002 Jun. President, Takefuji Corporation 2004 Jun. Retired from the post of president at Takefuji Corporation 2005 Aug. President and representative director, F&K Consulting 2008 May Jointed Takefuji Corporation as an advisor (present post)</p>	3,070
11	*Junichi Yoshida (Jul. 16, 1968)	<p>1988 Feb. Jointed Takefuji Corporation 2001 Aug. Deputy general manager, Nagoya Regional Branch, Takefuji Corporation 2004 Jan. General manager, Compliance Administration Office, Takefuji Corporation 2004 Aug. General manager, Internal Control Office, Takefuji Corporation 2007 Dec. Executive officer and general manager, Internal Control Office, Takefuji Corporation (present post)</p>	0
12	*Tadashi Tojo (Jan. 1, 1955)	<p>1978 Apr. Joined Sanwa Bank, Limited (currently known as Bank of Tokyo-Mitsubishi UFJ, Ltd.) 1985 Nov. Acting general manager, International Department, International Division, Sanwa Bank, Limited 1995 Oct. Deputy manager, Tameike Branch, Sanwa Bank, Limited 1997 Aug. General manager, Planning Department, Corporation Planning Division, YUWA CO., LTD. 2003 Jul. Executive director, YUWA CO., LTD. 2007 Mar. Joined Takefuji Corporation and assumed office as general manager, Examination Department (present post)</p>	2,000



13	*Shigeo Sato (Sep. 29, 1956)	1975 Jul. Joined Nippon Telegraph and Telephone Public Corporation (predecessor to present Nippon Telegraph and Telephone East Corporation) 2004 Jul. Manager, Finance Section, Fukushima General Affairs Department, Nippon Telegraph and Telephone East Corporation 2006 Jun. Manager, Tax and Finance Section, Finance Department, Nippon Telegraph and Telephone East Corporation 2007 May General manager, Accounting Department, Takefuji Corporation (present post)	0
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<Notes> 1. Mr. Taketeru Takei, a candidate for director, is also serving on the board of directors of Daio Corporation, with which the Company has dealings for facility use.

2. There is no special relationship of interest between the Company and other candidates.

3. Mr. Akiyuki Nagase, a candidate for director, is a candidate for outside director within the meaning of Article 2 (3) (vii) of the Enforcement Regulations of the Corporate Code. The reason for Mr. Nagase's candidacy is his expertise in management acquired through many years of experience as President and Representative Director of Nagase Brothers Inc. Mr. Nagase is qualified to furnish the Company with objective advice and suggestions based on his expertise.

During Mr. Akiyuki Nagase's term of office, the Company received a business improvement order from the Kanto Local Finance Bureau, based on the provisions of the Article 24-6-3 of the Money Lending Business Law. Mr. Nagase had made recommendations on a day-to-day basis from a legal observance perspective at Board of Directors meetings. After receiving the order, Mr. Nagase made proposals and expressed his opinions on matters, including reinforcement of the internal control organization toward recurrence prevention.

Mr. Nagase is presently serving as an Independent Director of the Company. He has held the position for three years as of the end of the ordinary general meeting of shareholders.

The Company plans to sign a liability limitation agreement prescribed in Article 423-1 of the Company Law with Mr. Nagase, in accordance with the provisions of Article 427-1 of said Law, when his appointment according to the original plan is approved, on condition of the approval of Item 2 on the agenda, "Partial Revision of the Articles of Incorporation." Provided, however, the ceiling amount of damages based on the agreement shall be such amount set in law.

4. * Newly appointed

Proposition No.4: Appointment of one corporate substitute auditor

With the convocation of this General Meeting of Shareholders, appointment of Mr. Yuichi Omori as a substitute auditor made at the 40th Ordinary General Meeting of Shareholders held on June 28, 2007 will become null and void. The Company requests its shareholders to appoint one new substitute auditor at the General Meeting, to prepare for a case in which the Company does not have the statutory number of auditors.

This proposition has been approved by the Board of Corporate Auditors.

Name (Date of Birth)	History & Titles	No. of shares held
Yuichi Omori (Dec. 9, 1948)	1977 Apr. Public Prosecutor in Tokyo District Public Prosecutors Office 1978 Apr. Public Prosecutor in Maebashi District Public Prosecutors Office 1980 Apr. State Prosecutor in Sendai Legal Affairs Bureau 1983 Apr. Public Prosecutor in Tokyo District Public Prosecutors Office 1984 Apr. Registered as Attorney (present post)	0



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<Notes> 1. The Company has retained as general counsel, Mr. Yuichi Omori, a candidate for substitute auditor.

2. Mr. Omori is a candidate for outside auditor within the meaning of Article 2 (3) (viii) of the Enforcement Regulations of the Corporate Code.

The reason for Mr. Omori's candidacy is that he is qualified to give the Company advice from a legal perspective to ensure that the Company's business is conducted in an appropriate manner, as well as to carry out objective and impartial auditing.

As an expert in corporate legal affairs, we believe that Mr. Omori is capable of adequately carrying out his duties as an outside auditor.

The Company plans to sign a liability limitation agreement prescribed in Article 423-1 of the Company Law with Mr. Omori, in accordance with the provisions of Article 427-1 of said Law, when his appointment as an outside auditor is approved, on the condition of the approval of Item 2 on the agenda, "Partial Revision of the Articles of Incorporation," and Mr. Omori assumes office. Provided, however, the ceiling amount of damages based on the agreement shall be such amount set in law.

Proposition No.5: Retirement Benefits Provision to a Retiring Director

Mr. Hikaru Kondo will retire as director at the conclusion of this General Meeting of Shareholders. As a reward for his service during his term of office, the Company decided to offer him retirement benefits within a reasonable limit set in accordance with the prescribed criteria of the Company. The Company requests its shareholders to leave related matters, including the exact amount of such benefits, the provision period and the provision method, entirely to the discretion of the Board of Directors.

Based on a resolution at the Ordinary General Meeting of Shareholders held on June 28, 2001, the Company paid retirement benefits to Mr. Kondo that corresponded to his term of office as a director until June 2001. On this occasion, the Company intends to offer him retirement benefits that correspond to his term of office that began in June 2004.

The brief personal record of the retiring director is as follows.

Name	History
Hikaru Kondo	1982 Feb. Director 1998 Jun. Managing Director 2001 Jun. Resigned Managing Director 2003 Feb. Rejoined as Executive Officer 2004 Jun. Representative Director (present post) 2005 Mar. Representative Director & President (present post)

Proposition No.6: Determination of stock option compensation for directors and details of the compensation

The amount of compensation for directors of the Company was set at 450 million yen or less per year (excluding salaries paid to directors for their service as employees) with shareholder approval at the 28th Ordinary General Meeting of Shareholders held on June 29, 1995. The amount has since stayed in this range. The Company hereby requests approval of its plan to issue stock acquisition rights within the limit of 20 million yen per year to directors of the Company (excluding outside directors) as stock option compensation, separate from the amount of compensation stated above. The amount of stock option compensation is obtained by multiplying the fair value of one stock acquisition right, calculated on the stock acquisition rights allotment date, by the total number of allotted stock subscription rights. The number of directors is 10 (including one outside director) at present. Their number will rise to 13 (including one outside director) when Item 3 on the agenda, Appointment of 13 Directors, is approved according to the original plan.

1. Reason for Issuing Stock Acquisition Rights to Directors



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The Company is to issue share purchase warrants to directors for their services rendered in order to motivate them to increase corporate value and to focus on shareholders in business management.

2. Contents of share purchase warrants

(1) Type and number of shares to be issued or transferred upon exercise of share purchase warrants

The maximum number of the Company's common stock to be issued by exercising the share purchase warrants, within one year from the ordinary general meeting of shareholders for each fiscal year, is 30,000.

If the Company splits (including allotment of shares without consideration, hereinafter the same) or consolidates its common shares, the number of shares to be issued or transferred upon exercise of the stock purchase warrants shall be adjusted in accordance with the following formula provided, however, that such adjustment shall be made only to the number of shares in respect of which said share purchase warrants have not been exercised at such time, with any fraction of one share occurring upon such adjustment discarded.

Number of shares as adjusted = Number of shares before adjustment x Division or consolidation ratio.

Further to the foregoing, in an inevitable event requiring adjustment of the number of shares to be issued or transferred upon exercise of the stock purchase warrants, the Company will adjust the number of shares within reason as considered necessary.

(2) Total number of share purchase warrants

The maximum number of share purchase warrants to be issued, within one year from the ordinary general meeting of shareholders for each fiscal year, is 3,000.

The number of shares to be issued or transferred per share purchase warrant shall be 10 shares. (In case of adjustment of share numbers provided in (1) takes place, the same adjustment is to be applied.)

(3) Amount to be paid in upon exercise of a share purchase warrants

Persons granted stock purchase warrants shall not be required to pay in any money in exchange for the share purchase warrants.

(4) Value of assets to be paid upon exercise of share purchase warrants and the calculation method

The value of the assets, to be paid upon exercise of share purchase warrants, shall be calculated by multiplying a payable price per share, issued upon exercise of share purchase warrants ("the exercise price"), by the number of shares to be issued or transferred upon exercise of such share purchase warrants.

The exercise price shall be the amount (with any fraction of one yen rounded upward to the nearest one yen) calculated by multiplying the average of the closing prices, in regular trading of the common shares of the Company on the Tokyo Stock Exchange on each day (excluding days on which no trading took place) of the month before the month, that includes the date on which the share purchase warrants are granted, by 1.05, however, that if such amount is less than the closing price on the date, on which the share purchase warrants (if the closing price is not available that day, the closing price on the immediately preceding day) are granted, the exercise price shall be such closing price.

In the event that the Company splits or consolidates its common shares subsequent to the date, on which the share purchase warrants are granted, the exercise price shall be adjusted in accordance with the following formula, with any fraction of one yen occurring upon such adjustment rounded up to the nearest one yen.

Exercise price after adjustment

= Exercise price before adjustment x 1/ Division or consolidation ratio.

Further to the foregoing, in an inevitable event requiring adjustment of the exercise price, subsequent to the date on which the stock purchase warrants are granted, the Company shall adjust the exercise



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price within reason as considered necessary.

(5) Period during which share purchase warrants may be exercised

The period shall be within 2 years from the next day of the day, on which 2 years have passed since the grant date of share purchase warrants.

(6) Restriction on the transfer of share purchase warrants

Any transfer of share purchase warrants shall require the approval of the Board of Directors of the Company.

(7) Fair value of share purchase warrants

The fair value of share purchase warrants is to be calculated, using Black-Scholes model, based upon the conditions including the market price of the Company's stock on the grant date and exercise price.

(8) Other details

Other details regarding share purchase warrants are to be determined at the Board of Directors' meeting, where terms and conditions of share purchase warrants offers will be determined.

Reference

In addition to this matter, Takefuji Corporation plans to issue the same stock options to officers, who are not concurrently directors, upon the resolution of Board of Directors' meeting.