

I. Summary of the Financial Results for the 39th Business Year

On Wednesday, April 26, Takefuji Corporation published its financial results for the 39th business year ended March 2006 at the Kabuto Press Club in the Tokyo Stock Exchange. On the following day, Thursday, April 27, the Company held an IR Explanatory Meeting on its financial results at the Roppongi Academy Hills 49 Tower Hall, attracting a record turnout of 237 institutional investors, analysts and journalists. We would like to take this opportunity to once again express our sincere gratitude to all concerned. The summary of non-consolidated financial results for the fiscal year ended March 31, 2006 and the forecast for the fiscal year ending March 31, 2007 are as follows:



【Key Operational Numbers and Major Profit / Loss Items on Non-consolidated basis】

Item	05/03 Results	06/03 Results	Increase/ Decrease (%)	07/03 Forecast	Increase/ Decrease (%)
Direct cash loan balance (Mil yen)	1,568,725	1,540,046	▲1.8	1,555,046 (+ 15 Bil yen)	1.0
No. of loan customer A/Cs	2,442,560	2,322,917	▲4.9	2,356,217 (+ 33,300)	1.4
No. of new loan customer A/Cs	247,908	263,303	6.2	355,000	34.8
Amount of bad debts written-off (Mil yen)	112,858	108,504	▲3.9	102,000	▲6.0
Ratio of bad debts written-off (%) (Gross credit losses ratio)	7.19	7.04	▲15bp	6.56	▲48bp
Amount collected from loans previously written-off (Mil yen)	8,213	6,559	▲20.1	6,300	▲3.9
Net credit losses ratio (%)	6.67	6.62	▲5bp	6.15	▲47bp
Operating revenues (Mil yen)	356,825	349,766	▲1.9	349,800	0.0
Operating expenses (Mil yen)	242,119	262,948	8.6	233,400	▲11.2
Operating income (Mil yen)	114,706	86,817	▲24.3	116,400	34.1
Ordinary income (Mil yen)	117,773	89,766	▲23.8	115,500	28.7
Net income (Mil yen)	66,711	39,080	▲41.4	68,300	74.8

Brief Statement of Financial Results for the FY ended March 31, 2006 (Consolidated/Non-consolidated) Financial Report for the Fiscal Year ended March 2006 (Non Consolidated)

During the fiscal year under review, the consumer finance industry in Japan experienced continuing high levels of bad debt expense, despite some decline in personal bankruptcies. The industry also anticipates a sharp increase in the amount of refund for claimed overpayment interest. Amid a major move towards the revision to the Moneylending Control Law and to the ceiling rate, the industry will confront a challenging situation in the future. Meanwhile, the consumer finance market is becoming increasingly competitive with a series of new entrants from a broad variety of business sectors, including not only the banking and credit loan sector but also the IT industry. The environment surrounding the industry is increasingly difficult. Remaining committed to compliance with the Moneylending Control Law and other legislation and to paying heed to the issues associated with multiple debt, the Company will strive as one to best meet the monetary needs of consumers.

In this environment, the Company will maintain solid management and continue to boost the customer counseling functions, to further improve the credit quality of the loan portfolio. A curtailment of the revolving loan repayment period is under discussion as a means of discouraging people from taking on multiple debts. Aware that a prolonged revolving loan repayment puts a greater burden on customers, the Company has a policy for a limit on the repayment period for any revolving loan not exceeding 500,000 yen at three years and that for any revolving loan of more than 500,000 yen at four years. Takefuji will remain consistently committed to cordial services and counseling customers from their standpoint. At the current interest rate level, the unsecured loan limit will be maintained at one million yen on the basis of rigid credit standards, and risk diversification will be pursued. Depending on developments with respect to the lending rate limit, the Company is considering the possibility of reviewing its credit standards and its array of products and increasing the flexibility of its sales /marketing structure.

In addition, continuously placing top managerial priority on corporate governance and statutory compliance, Takefuji will bolster its internal control system and further boost awareness of statutory compliance. After attaining the equity capital target of one trillion yen that is anticipated within the current fiscal year, the Company will further endeavor to make effective use of its capital, actively study business expansion and new products in the retail sector, which is expected to produce high synergy with its core business, and cultivate new businesses to diversify sources of revenues. The capital policy will continue to be based on the long-term stable redistribution of profits. The Company will take comprehensive action to maintain and indeed increase the annual dividend of 230 yen and to maximize shareholder value.

II. Monthly Business Results for April 2006

Unit of amount: (millions of yen)	April 2005	March 2006	April 2006	Ratio/ No. of YoY change	Ratio/ No. of change from March 06
Direct cash loans outstanding	1,574,829	1,540,046	1,542,238	-2.1%	0.1%
Installment (credit) A/Cs receivable	359	494	476	32.6%	-3.6%
No. of loan customer A/Cs	2,443,080	2,322,917	2,324,328	-4.9%	0.1%
No. of new loan customer A/Cs	19,766	21,894	18,187	-8.0%	—
No. of branch office	1,892	1,898	1,897	(+5)	(-1)
Manned	527	523	523	(-4)	(0)
Unmanned	1,364	1,374	1,373	(+9)	(-1)
Internet	1	1	1	(0)	(0)
No. of unmanned loan contract machines(Yen-musubi machines)	1,892	1,888	1,887	(-5)	(-1)

The Company's results at the end of April are as discussed above. At the moment, seven leading companies in the consumer finance industry, including Takefuji, are undertaking a voluntary initiative designed to bolster the soundness of the consumer finance market. As part of this initiative, they have been running a campaign to discourage excessive borrowing, aimed at preventing multiple debts. This attempt includes voluntary restraints on the time slots and frequency of TV commercials. The restrictions have been in effect since Saturday, April 1. They directly address a number of questions concerning those in need of money to help them establish healthy household budget management. As an effort to tackle the issue of multiple debts, Takefuji launched the Customer Counseling Office in April 2002, to offer advice in response to phone and email inquiries from consumers. Since its launch, it has received a significant number of inquiries. The Company is working to boost convenience for customers and to offer quick and appropriate advice in an effort to help customers address any issues they are facing.

III. Commitment to Social Contribution: Takefuji Volunteerism Month

In 2005, Takefuji launched the Takefuji Volunteer Month scheme to encourage and help its employees to take part in volunteer activities.

The second Takefuji Volunteerism Month started with beach cleaning operations on Saturday, April 29. Apart from that, an approximate total of 80 employees were set to join on-street fundraising activities for seeing-eye dogs, park cleaning activities, a volunteer walk and forest voluntary action.

1. Beach Cleaning Operations on April 29

As in the previous spring, a total of 17 people, consisting of Takefuji staff and their family members, joined the beach cleaning operations at Kugenuma Beach in Kanagawa Prefecture, entitled "Spring 2006 Clean-Up Campaign" and organized by the Japan Environmental Action Network (JEAN). As a large number of volunteers are engaged in cleaning activities on a routine basis, Kugenuma Beach appears to have little trash. Even so, 250 participants collected around 10,800 cigarette butts in one hour to help further attenuate the impact on the environment.



2. Fund-raising with Japan Guide Dog Association from April 29 to May 28

Other Takefuji employees and their family members participated in a spring campaign with on-street fundraising to increase access to seeing-eye dogs. Organized by the Japan Guide Dog Association (JGDA), the activities are conducted in the Tokyo metropolitan area every weekend and public holidays within a one-month period starting at the end of April. They sought donations together with other volunteers and JGDA staff. According to the JGDA, there were 957 seeing-eye dogs in service all over Japan as of March 31, 2005, compared with around 7,800 visually disabled people who would like to have seeing-eye dogs. Trained dogs are still very much in short supply. Since 1984, Takefuji has been making monetary contributions to the guide dog cultivation project. With the hope of meeting as much demand for seeing-eye dogs as possible, the Company will continue to provide assistance in various forms.



A series of the activities conducted by Takefuji were reported in the *FujiSankei Business* newspaper on Sunday, March 26. The article gave high marks to the Company, describing it as “a financial institution enthusiastic about community-based social contribution activities.” As an embodiment of its gratitude to a society that has supported and nurtured Takefuji, every single staff member is determined to take active part in social contribution activities.

IV. Notice of IR Explanatory Meetings for Retail Investors

This fiscal year, the Company will begin holding IR Briefings for personal investors. They will be held at three cities across the country, as follows.

- [Nagoya]** Date: Thursday, May 18, from 1:30 p.m. to 2:30 p.m.
Venue: Chuden Hall in the Chubu Electric Power Company Head Office Building
- [Tokyo]** Date: Saturday, May 20, from 1:20 p.m. to 2:05 p.m.
Venue: Tokyo Shoken Kaikan
- [Osaka]** Date: Friday, May 26, from 1:30 p.m. to 2:30 p.m.
Venue: Oval Hall in the Mainichi Shimbun Building



The meetings in Nagoya and Osaka will be held with the help of the Institute for Securities Education and Public Relations of the Japan Securities Dealers Association (Chubu Branch: 052-251-3891, Kansai Branch: 06-6202-3188) while the meeting in Tokyo will be held with the assistance of Finantec Communications Co., Ltd. (Tokyo IPO, IR Office: 03-3560-5469). Please note that some meetings are already sold out. Taking into consideration the fact that the number of personal shareholders was double the figure one year earlier as of the end of March 2006, the Company will step up IR activities for personal investors as well as those for institutional investors and practice fair disclosure with speed and consistency as part of its commitment to increasing corporate transparency.

BAMBOO NEWS



Volleyball Lesson for Elementary Schoolchildren

The Takefuji Bamboo, a volleyball team in the women's category of the Japanese V-League, held a volleyball coaching session in the city of Kanuma in Tochigi Prefecture on Saturday, April 1. With the participation of Akihisa Ishihara, team coach, five staff members and 20 players, this event had been planned as part of the joint project of the Kanuma and Awano City Governments. At the Kanuma Municipal General Gymnasium, also known as the Forest Arena, a total of 260 elementary school volleyball players and their instructors gathered. The Bamboo enjoyed a meaningful exchange.



Participation in 55th Kurowashi-ki All-Japan Volleyball Championship

The Takefuji Bamboo were among the 32 male and female teams, ranging from teams consisting of high school pupils to those competing in the Japanese V-League, which took part in the 55th Kurowashi-ki (Black Eagle Flag) All-Japan Volleyball Championship that opened on Monday, May 1. The Bamboo were unfortunately beaten by the Hisamitsu Pharmaceutical Springs, to end the tournament in third place. However, Chie Yoshizawa was chosen as one of the best six players and Yuki Ishikawa won a Wakawashi (Young Eagle) Prize, which is the top rookie award in the championship. These are signs of a promising future for the team. Without contenting itself with this outcome, the Bamboo will endeavor to continue improving. We are grateful for your continued support.