

I. Summary of the Interim Financial Results for the Fiscal Year ending March 2007

On Wednesday, November 1st, Takefuji Corporation (“the Company”) published its interim financial results for the Fiscal Year ending March 2007, at the Kabuto Press Club in the Tokyo Stock Exchange. On the following day, Thursday, November 2nd, the Company held an IR explanatory meeting on its interim financial results at the “Roppongi Academy Hills 49” Tower Hall, and the highest record of 279 institutional investors, analysts and journalists in total attended. We would like to take this opportunity to express our sincere gratitude to all. The summary of the interim financial results and the full-year forecasts for the current fiscal year ending March 2007 are as follows:



[Key Operational Numbers and Major Profit / Loss Items on Non-Consolidated Basis]

Item	FY 9/2005	FY 9/2006	Change ratio (%)	2007/3 Forecast (revised)	Achievement (ratio %)
Direct cash loans (mil.)	1,577,078	1,518,789	▲3.7	1,476,314	—
No. of loan customer accounts	2,404,389	2,268,706	▲5.6	2,133,947	—
No. of new customer account	135,225	116,881	▲13.6	235,000	49.7
Credit losses (mil.)	42,142	(*)31,841	—	95,700	33.3
Ratio of Credit losses (%)	2.67	2.10	▲57bps	6.48	32.4
Collection of previous credit losses (mil.)	3,230	3,147	▲2.6	4,900	64.2
Operating revenue (mil.)	175,916	170,162	▲3.3	333,700	51.0
Operating expenses (mil.)	121,091	103,590	▲14.5	208,100	49.8
Operating income (mil.)	54,824	66,572	21.4	125,600	53.0
Ordinary income (mil.)	56,397	66,657	18.2	125,200	53.2
Net income (mil.)	19,365	▲144,474	—	▲109,900	—

* This amount excludes ¥15,328 million losses on principle of consumer loans resulted from claim for refunds for overpayment that are carried back from “allowance for losses for refunds for claimed overpayment”

[Brief Statement of Financial Results at the Interim \(Consolidated/Non-consolidated\)](#)

[Financial Reports for the Interim Period \(Non-consolidated\)](#)

In this first-half of the fiscal year, the Japanese economy in general enjoyed a turnaround. Moderate economic growth driven by private-sector demand is expected to continue in the last-half. However, for the consumer finance industry, the process for the amendments of the Investment Law and the Moneylending Control Law is approaching the final stage.

The current draft suggests policies that will give a serious impact onto the industry, such as a severe reduction of the ceiling rate and the restriction on total lending amount.

The industry should face a movement of restructuring, in which only some companies could survive. Under these difficult circumstances, Takefuji is reviewing its lending criteria and broadening its product lineup in a bid to increase channels to new customers and to encourage quality customers to use its services. In addition, the Company will actively consider M&A and new business in the area of retail financial services, which is expected to show synergy with Takefuji’s core consumer financing operation, making effective use of its own abundant capital, shareholders’ equity.

And to expand its sources of revenues, Takefuji will be building a new business model, one geared to the current operating environment. The enforcement and strengthening of corporate governance and compliance will remain a priority issue for management. The Company is enhancing its operating performance and its corporate value with comments and advice from outside experts, so that we are aiming to be a Comprehensive Retail Financing Institution.

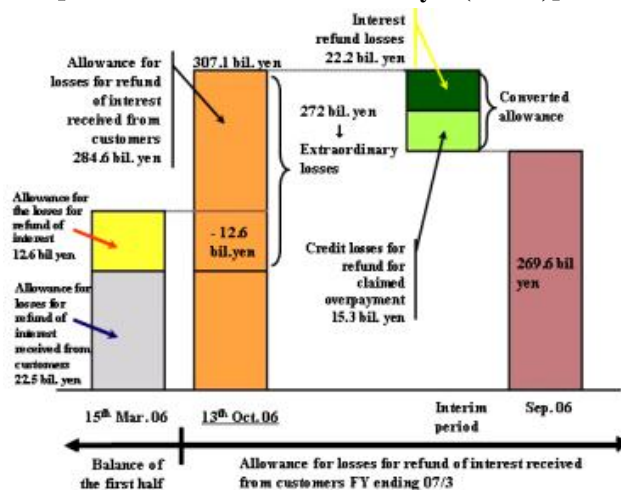
On Wednesday, 13th Oct. the revisions, made in light of recent developments in our business performance and the public announcement of the Accounting Treatment for Calculation of Reserves Relating to Losses at Consumer Finance Companies, etc., Resulting from Interest Repayment Claims by the Japanese Institute of Certified Public Accountants (JICPA).

Applying this new accounting guideline retrospectively to the beginning of the current fiscal year in April and we add ¥284.6 billion of “allowance for losses for refund for all possible loss for refund of interest that should be deducted from direct cash loans to customers, expected to arise in the future” as extraordinary losses.

As for credit losses that accommodate with refund for claimed overpayment which posted as a part of operating expenses until previous fiscal year, we convert the losses for refund of interest to the allowance for losses for refund for claimed overpayment. It avoids effect to the operating losses and shows real figure of our ordinary income.

【Allowance for losses : 269.6billion yen (06.9.30)】

【Extraordinary losses : 272billion yen】



(billion)

Allowance for losses for refund of for claimed overpayment		Extraordinary losses	
Allowance as of April 1 st , 2006	307.1	Extraordinary losses FY07/3	284.6
Interest refund losses	-22.2	The losses for refund of interest included in the allowance for credit losses	-12.6
Credit losses for refund for claimed overpayment	-15.3		
Allowance as of Sep. 30, 2006	269.6	Total Extraordinary losses	272.0

II. Monthly Business Results for October 2006

The outstanding loan balance at the end of October 2006 showed monthly growth of approximately 12.5 billion yen on a branch-office basis. October 2006 was the first month since November 2005 in which the entire Company and all its branch offices achieved their sales targets. We believe that this excellent result was attributable to the continued increase in the motivation of employees to practice Takefuji's traditional customer care and to be painstaking in their sales efforts. Moreover, as following with "Royal Plan" (interest rate at 21.535%) for existing customers, we launched new products, "Dream Plan 011" (interest rate at 18%) for new customers by Tuesday, November 7 and Gold Loan" (interest rate at 9.125%) for existing customers by Thursday, November 9. Especially, this Gold Loan is designed to express our thanks to repeat customers for their years of support. Please refer to the news release for further details. Based on the understanding that a single incident or complaint involving management has the potential to lead to the collapse or bankruptcy of a company, we continue to make every possible effort to ensure compliance with laws and regulations so that we can significantly reduce the risk of problems. Under the same slogan of continuity, we will enhance our internal control and carry out the necessary research and development so that we can create products and services that prioritize customers' convenience and needs from different perspectives and anticipating the market five or ten years from now, in accordance with Takefuji's founding principle of "Customers First."

Unit of amount: millions of yen)	2005/10	2006/03	2006/10	Ratio/ No. of YoY change	Ratio/ No. of change from March 06
Direct Cash Loans	1,585,843	1,540,046	1,529,883	-3.5%	-0.7%
Installment Receivable	433	494	568	31.2%	15.0%
No of customer accts	2,418,817	2,322,917	2,277,833	-5.8%	-1.9%
No of New Accts	22,831	21,894	20,733	-9.2%	-
No of branch office	1,888	1,898	1,896	(+8)	(-2)
Manned	523	523	523	(0)	(0)
Unmanned	1,364	1,374	1,372	(+8)	(-2)
Internet	1	1	1	(0)	(0)
No. of unmanned loan contract machines (Yen-musubi machines)	1,888	1,888	1,886	(-2)	(-2)

III. Social Contribution Activities

(1) Participation in joint action for the removal of illegal advertisements organized by the Tokyo Metropolitan Government

On Monday, October 16, Takefuji dispatched some of its employees to take part in the joint action for the removal of illegal advertisements, as a member of the Tokyo Association of Moneylenders. Organized by the Tokyo Metropolitan Government, the action was launched in fiscal 1997 with the aim of establishing the Japanese capital as a place with zero tolerance against illegal outdoor advertisements, in response to the growing interest among locals in landscaping the city. The police department, civic organizations and road administrators and public organizations jointly conducted intensive activities to remove signboards and stickers left on utility poles and elsewhere as well as other types of unlawful advertisements. In this year's campaign, the Tokyo Association of Moneylenders participated in the activities performed in 14 wards and cities during the period from Monday, October 2 to Thursday, October 27. Not only do illegal advertisements degrade the streetscapes; they also create an image of poor public security. We hope that these activities will help increase public interest in keeping the entire community clean and free of illegal advertisements.



(2) Welfare bazaar at the Shibuya Kuminsai community festival, offering socks, towels and T-shirts, etc.

Since fiscal 2004, Takefuji has been donating food and drink, clothing and other daily household items to various welfare organizations and facilities through Tokyo Charity Bank several times a year. We recently contributed 80 different beverages and clothing items to the Shibuya Hommachi Sagyosho workshop, a welfare facility for the intellectually challenged located in Shibuya, Tokyo. Some of the donated items were offered to the welfare bazaar at the Shibuya Kuminsai community festival in the Yoyogi Park on Friday and Saturday, 3rd and 4th November. This year marked the 29th in the series of this annual festival. With the involvement of embassies of countries located within the ward and other municipalities in close ties with the ward authority, this festival offers diverse attractions including music and dance performance, and attracts a large number of visitors, some traveling considerable distances to attend. On its first day, Takefuji employees assisted the staff from the facility and local volunteers with sales activities. The customer service skills and friendly smiles they have developed at Takefuji contributed to producing positive results. Takefuji will continue its commitment to community-based activities that contribute to society.

