

(Translation)
Brief Statement of Financial Results at the Interim
for the Fiscal Year Ending March 31, 2006 (Consolidated)



October 27, 2005

Company Name: **TAKEFUJI CORPORATION**

Stock Listings: Tokyo Stock Exchange, First Section / London Stock Exchange

Code Number: 8564

URL: <http://www.takefuji.co.jp>

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Meeting of Board of Directors for Approval of the Interim Results: October 27, 2005

Application of the U.S.A. GAAP: No

1. Business Results at the Interim for the Fiscal Year Ending March 31, 2006 (From April 1, 2005 to September 30, 2005)

(1) Consolidated Operating Results

Note: Figures are rounded to the nearest appropriate unit.

	Operating Revenues		Operating Income		Ordinary Income	
	millions of yen	%	millions of yen	%	millions of yen	%
Interim Period ended Sept. 2005	176,978	(-2.8)	55,428	(9.8)	59,209	(10.4)
Interim Period ended Sept. 2004	182,127	(-8.7)	50,461	(-6.5)	53,621	(-21.3)
Fiscal Year ended Mar. 2005	360,121	(-6.3)	116,437	(-5.5)	119,256	(-14.0)

	Net Income		Net Income per Share	Net Income per Share-Diluted
	millions of yen	%	yen	yen
Interim Period ended Sept. 2005	27,374	(-8.5)	194.55	189.18
Interim Period ended Sept. 2004	29,929	(-15.4)	212.65	206.79
Fiscal Year ended Mar. 2005	68,726	(-8.1)	487.94	474.49

Notes: a. Equity in net income or loss of the companies under equity method:

Interim Period ended Sept. 2005 - millions of yen

Interim Period ended Sept. 2004 - millions of yen

Fiscal Year ended Mar. 2005 - millions of yen

b. Average number of shares outstanding during the period:

Interim Period ended Sept. 2005 140,706,052 shares

Interim Period ended Sept. 2004 140,737,513 shares

Fiscal Year ended Mar. 2005 140,722,997 shares

c. Accounting change during the current interim period: No

d. The percentage figures for operating revenues, operating income, ordinary income and net income represent year-on-year changes or interim-on-interim period changes.

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity per Share
	millions of yen	millions of yen	%	yen
Interim Period ended Sept. 2005	1,798,867	967,322	53.8	6,874.77
Interim Period ended Sept. 2004	1,933,777	921,738	47.7	6,550.80
Fiscal Year ended Mar. 2005	1,903,991	960,719	50.5	6,827.41

Note: Number of shares outstanding as of the end of the period:

Interim Period ended Sept. 2005 140,706,051 shares

Interim Period ended Sept. 2004 140,706,077 shares

Fiscal Year ended Mar. 2005 140,706,055 shares

(3) Consolidated Cash Flows

	Operating Cash Flows	Investing Cash Flows	Financing Cash Flows	Cash and Cash Equivalents as of the End of the Interim Period (Fiscal Year)
	millions of yen	millions of yen	millions of yen	millions of yen
Interim Period ended Sept. 2005	53,312	42,257	-115,305	136,558
Interim Period ended Sept. 2004	42,052	10,873	-38,723	128,735
Fiscal Year ended Mar. 2005	103,083	41,039	-102,440	155,436

(4) Scope of Consolidation and Application of Equity Method during the Current Interim Period

Consolidated subsidiaries:	9 companies
Non-consolidated subsidiaries accounted for by the equity method:	-
Affiliates accounted for by the equity method:	-

(5) Changes in Scope of Consolidation and Application of Equity Method during the Current Interim Period

Consolidated Subsidiaries (New):	-	Affiliates (New):	-
Consolidated Subsidiaries (Excluded):	1	Affiliates (Excluded):	-

2. Forecasts of Consolidated Operating Results for the Fiscal Year ending March 31, 2006 (From April 1, 2005 to March 31, 2006)

	Operating Revenues	Ordinary Income	Net Income
	millions of yen	millions of yen	millions of yen
Fiscal Year ending March 31, 2006 (full year)	350,000	126,600	67,200

Reference data: Forecast net income per share (full year) :477.15 yen

Forecasts of Takefuji Corporation (the "Company")

The forecasts and figures in forward-looking statements contained in this Brief Statement of Financial Results at the Interim for the fiscal year ending March 31, 2006 in regard to the Company's plans and strategies are based on management's assumptions and beliefs in light of the best information currently available and involve risk and uncertainty which may have an impact on the Company's future operating results. Actual results may differ from those in the forward-looking statements as a result of various factors.

Supplementary Information

1. Takefuji Group

The Takefuji Group consists of Takefuji Corporation and 9 subsidiaries, which are subject to consolidation as of September 30, 2005. Consumer Finance is the core business of the Group while subsidiaries undertake other miscellaneous business operations. The following description explains the positioning and role of each Group company.

Consumer finance:

Direct cash loan business:

Takefuji Corporation, one of the largest scale consumer finance company in Japan in terms of both the number of accounts and the outstanding loan balance, has concentrated since its establishment on making popular, convenient and on-the-spot small-scale consumer loans that require borrowers to provide neither collateral nor guaranties and has developed a nation-wide branch network through local communities in order to meet various customer needs.

Credit card business:

The Company runs a credit card business that is deeply rooted into regional communities by offering opportunities of credit card use as “Useful card for life” to such customers who had few chances to hold credit card before and advancing the development of franchise outlet.

Other Businesses:

Golf course management:

Take One Country Club Ltd. deals with management of sports facilities of golf course and providing loan facilities to Takefuji Corporation.

Real estate rental business:

As a part of group strategy for efficient use of real estate in possession, Takefuji Corporation and TDS Co., Ltd. undertake real estate business such as development, administration and rent.

Venture capital business:

TWJ Euro Co., Ltd. and TWJ VC Co., Ltd. were established in U.K. and U.S.A , respectively, in order to invest in venture businesses mainly in Europe and mainly in the U.S.A, respectively. TWJ Co., Ltd. was established as a venture capital subsidiary for investments in Japan and overseas.

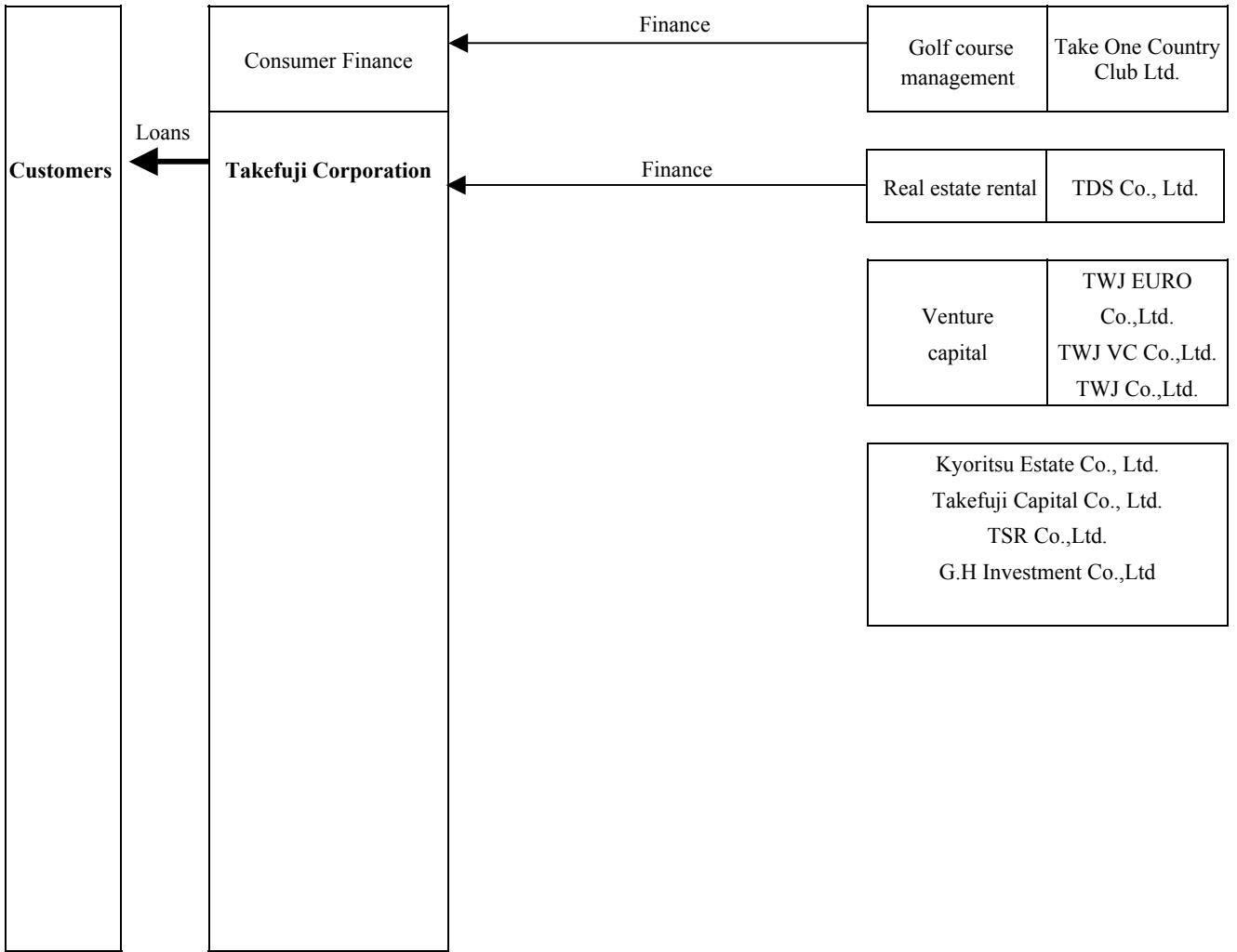
Others

Kyoritsu Estate Co., Ltd. Takefuji Capital Co., Ltd. TSR Co.,Ltd. G.H investment Co.,Ltd.

Takefuji Bull Mart Co., Ltd. was deconsolidated since the Company’s investment in Takefuji Bull Mart Co., Ltd. was sold in July 2005.

In addition to the above, three related companies deal with managing and leasing of real estate.

The Chart of Takefuji Group



2. Management Policy

(1) Fundamental Corporate Management Policy

Since the Company's establishment, our basic corporate philosophy has focused on the primary importance of the customer first and on management efficiency. These policies have formed the core of our operations, including the expansion of marketing efforts, staff training and the opening of new offices, in highly practical terms.

As we consider all customers to be of primary importance, we work to put ourselves in their shoes and to respond to every need with complete sincerity and utmost effort. On this basis, we have developed our systems to not only ensure customer satisfaction but also to motivate our staff, enabling us to thrive as a consumer financial institution in providing unsecured small loans. It would therefore not be an overstatement to say that gratitude to our customers and the cheerful and sincere approach we take has made our business what it is today. To this end, we have developed educational programs that cover our management philosophy and strategy, compliance issues and the high level of service that enables our staff to consistently work well with customers at all times and places. These programs are run continually and target all job descriptions and ranks.

These policies will continue to serve us in future, allowing for fast and appropriate responses to our customers' needs while continually developing our business in logical and efficient ways as we maintain and promote highly effective compliance-based management.

(2) Fundamental Corporate Policy for Distributing Profits

While we continue to strengthen our qualitative and managerial base through management efficiency, we view the return of profits to our stockholders as an important issue. It is our basic policy to repay our stockholders by distributing stable profits over a long period.

With respect to dividends for the current term, we decided an increase in interim dividends from the 50 yen per share we paid as last year's interim dividend, to 115 yen per share. The final dividend will be the same as the interim dividends, so that the annual dividend forecast will be 230 yen per share (100 yen per share for the previous year) based on the above policy.

We will use our internal reserve for loan provision to bolster our financial position and also to invest in providing high levels of customer service. We believe that this approach will contribute to future profitability and enable an even greater return on investment for our investors. We will take every step to maximize stockholder value.

(3) Corporate Management Strategy in the Longer Term

In the consumer finance industry, the number of personal bankruptcies continued to decline thanks to the falling unemployment rate and the improved employment situation accompanying the economic upturn and stricter credit controls. However, with intensifying competition between companies as a result of the financial shake-up, which brought, among other things, business and capital tie-ups between major banking groups and our competitors, we have seen an increase in the number of claims for the return of excess repayments caused by problems under Article 43 in the Money-Lending Control Law, and the 2006 review of the maximum interest rate under the Capital Subscription Law. These factors have brought sweeping change to the industry. Each company is looking for a way to respond quickly and effectively to future changes.

Within this environment, so that we can continue to practice and develop effective management, we have redoubled our focus on improving quality and on tightening loan management. Meanwhile, we are instituting a stricter loan management policy to improve loan quality and help ensure future profits. Our strategy will continue to be based on the practical application of these policies, taking full advantage of our knowledge and experience as a leader in the consumer small unsecured loan industry.

In practical terms, we will begin with strict adherence to a loan limit of ¥1 million and we will systemize

and accelerate loan management. Together with ATM tie-ups with regional financial institutions, we will expand our deposit network at partner convenience stores and other outlets, find new channels to attract new customers by promoting useful, regionally linked credit cards and issuing co-branded cards, and bolster convenience through the use of the Internet and mobile phones.

In the area of Corporate Social Responsibility (CSR), based on our founding principle of wanting to help our customers, we intend to become actively involved whenever we see an opportunity to make a social contribution. Meanwhile, in our PR activities, in April this year we resumed TV commercials, and will continue to advertise via the Internet with the new Takefuji dancers, who were introduced in July. We will strengthen the card business through major operating alliances and M&A, advance into the secured loan business, examine investments in venture business and thereby diversify our earnings sources in the future.

We will continue to move toward our goal of one trillion yen in shareholders' equity, achieving our corporate motto and creating a more attractive company than any other companies, enabling us to meet all of our customers' expectations as we strive to become an even bigger and better enterprise.

(4) Challenges for the Company

Looking at future economic trends, we see an economic recovery driven by stronger corporate profits and a rise in stock prices, backed by an increase in private sector demand and other factors. Still, uncertainties remain, including the sharp rise in crude oil prices, which will impact the domestic and international economy. Whether the Japanese economy can rid itself of deflation or not remains to be seen.

In light of these conditions, and as we continue to monitor trends in multiple indebtedness and personal bankruptcies, we will continue to focus on implementing stricter loan management, reviewing loan limits, returning to the basics for customer consultations, and improving the collection of debts in arrears, keeping a balance between loan provision and collection, which are the fundamentals of our business. Our focus will be on the primary importance of the customer, which will enable us to continue offering the necessary financial counseling.

In addition, as part of strengthened compliance measures, we are planning to further increase awareness of compliance among our employees by finalizing the internal control system, expanding existing compliance courses for all the Company and taking other steps. We are determined to commit ourselves to fulfilling obligations so that all employees and directors observe the law and the Company's rules, building a system that is consistently based on corporate ethics and high transparency.

We will continue to earnestly address these issues, effectively analyzing the changing economic and corporate environment and diversifying consumer needs, building on our attractiveness as a consumer financial institution and involving ourselves in new business areas and corporate philanthropic activities.

(5) Basic Stance on Corporate Governance, and Action Taken

1) Basic stance on corporate governance

The Company believes that, in essence, corporate governance consists of unremitting efforts to improve the efficiency, transparency and soundness of its management operations and to implement scrupulous legal compliance, focusing on the establishment and constant practice of corporate ethics, while at the same time listening to the opinions of its shareholders, investors, creditors, business partners, customers, employees and other many stakeholders, in accordance with our basic founding principles of always putting the customer first and pursuing management efficiency, as described earlier. The Company is in the process of strengthening and expanding its corporate governance organization to enable legitimate, immediate and effective responses to developments in a rapidly changing business environment.

2) Action taken to enhance corporate governance

1. The tenure of directors is one year, a period chosen to make directors aware of their managerial responsibilities and to clarify responsibility for the execution of duties. Two external directors have been

appointed to provide more neutral/objective supervision and restraint.

2.The executive committee meets once a week, giving senior directors, directors and executive directors in charge of related segments, corporate auditors and others a forum for discussing important matters concerning business execution with the aim of accelerating business execution.

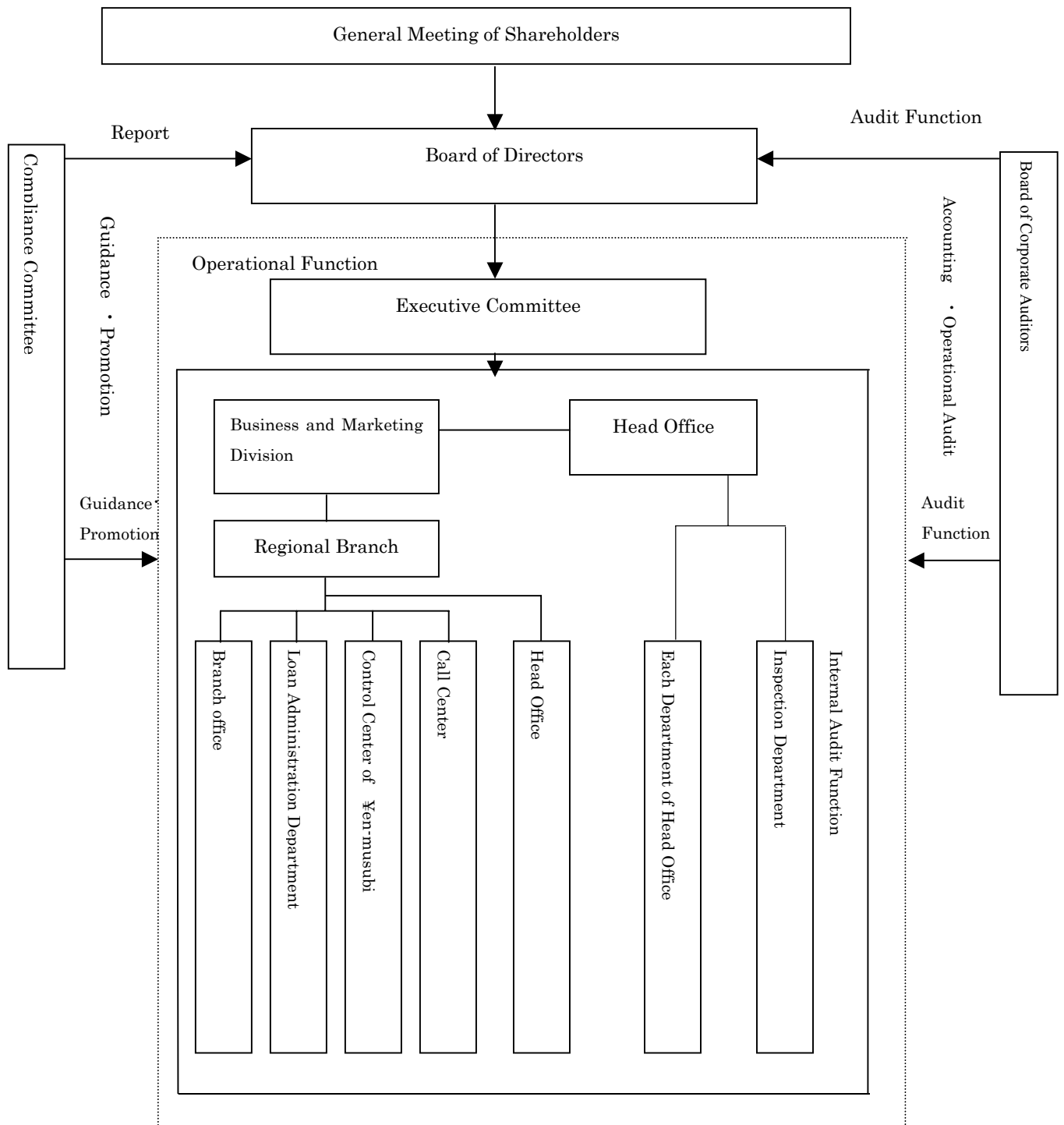
3.The Company has a corporate auditor system based on the provisions of the Commercial Code and other relevant laws and ordinances. In cooperation with the internal auditing division (inspection division) and account auditors, the Board of Auditors conducts in a timely and appropriate manner rigorous audits of the fairness and validity of the execution of duties by directors. Three of the four auditors are external auditors. ChuoAoyama PricewaterhouseCoopers (CPA Motohiro Sato, CPA Shinichi Kishi and CPA Tetsu Shimamura) gives auditing service to the Company with the assistance of 11 CPAs, 8 assistant accountants and 7 others.

4.The Compliance Committee consists of eight members, including four outside members, and has sought to improve our compliance system and achieve fair and proper business operations. Other measures taken to strengthen our compliance system include establishing a hotline for contacting external lawyers, encouraging employees to obtain compliance officer accreditation and improving training (once a week) by compliance officers appointed at head office departments and every branch.

5.Aiming to instill an awareness of corporate governance among staff at the manager level, once a month we hold meetings of general managers and section chiefs, with directors also in attendance. The purpose of these meetings is to facilitate an understanding of the company environment, to analyze and study problems, to make plans for business execution and to monitor the progress of plans.

6.As part of our responsibility to improve disclosure, we are pursuing the fast, fair, accurate and timely disclosure of corporate information using the Internet. We also undertake timely, pertinent and transparent investor relations activities.

The following is a diagram of our corporate governance structure.



(6)The statement of principles about the relation of a related person concerned.

The buildings which a related person concerned holds are rented about a part of branch. In the dealings concerned, 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.

3. Business Performance and Financial Condition

(1) Business Performance

1) General business performance for the interim period under review

During the interim period, the Japanese economy experienced a further improvement in corporate profits, consumer spending and the employment situation, spurred by a steady increase in private sector demand and the completion of adjustments in the IT sector. Overall, the domestic economy showed a moderate recovery. There are concerns about the hurricane damage in the United States and the sharp rise in crude oil prices, both of which occurred in the latter part of this first half. However, overall economic trends now look positive, reflecting expectations for an acceleration of structural reforms following the general election for the House of Representatives as well as rising stock prices and other factors.

In the consumer finance industry, bad debt-related costs began to decline thanks to the fall in the number of personal bankruptcies and the capped unemployment rate. But the reorganization of the industry, operating alliances with companies in different fields and company takeovers such as business and capital tie-ups between competitors and large domestic and overseas financial institutions continued to gather strength, and competition within the industry is expected to grow even tougher in the future.

Taking into consideration this environment, the Company is continuing to focus on bolstering the quality of loan. In addition to following our original course of adopting a tighter credit screening policy, we are strictly maintaining our credit ceiling of one million yen per borrower. At the same time, we are giving due consideration to dealing with the problem of multiple debt obligations, individual bankruptcies, and bad debt.

We are also working to expand our customer services through a number of initiatives. These include raising customer traffic by expanding our network of automated loan contracting machines at convenience stores, made possible through tie-ups with banks, and expanding the use of the Internet Yen Shop.

Takefuji is also seeking to expand its lineup of original customer services, for example, a credit settlement service that uses mobile phone infrared communications, free lending of mobile phones with electronic money called “Benkei-kun,” the issuance of co-branded cards and the expansion of credit card operations using the MasterCard brand.

As a result of the above initiatives, the balance of direct cash loans at the end of the current interim period was 1,577,078 million yen on a consolidated basis (up 0.5% from the previous fiscal year-end). The number of customer accounts stood at 2,404 thousand (falling 1.6%), and operating revenues on consolidated basis for the current interim period amounted to 176,978 million yen, (decreasing 2.8% from the previous interim period). Due to decline of expenses related credit losses etc., ordinary income for the current interim period was 59,209 million yen (rose 10.4% from the previous interim period), and due to gain of 28,264 million yen on the sales of stocks of OMC Card Inc. and others as extraordinary income and impairment loss on fixed assets of 47,525 million yen etc., net income for the current interim period was 27,374 million yen (a decline of 8.5% from the previous interim period).

At the end of the current interim period, the Company operates through a network of 523 manned branch offices (528 at the end of the previous fiscal year), 1,364 unmanned offices (1,364), one Internet shop (1), 2,025 owned ATMs (2,029) and 36,672 inter-linked CDs and ATMs (36,191).

2) Full year outlook

Since its foundation, Takefuji has been guided by a corporate philosophy based on the ideals of putting the customer first and achieving and maintaining operational efficiency. As a consumer finance company that extends small, unsecured and un-guaranteed loans to customers, we will strengthen the card business through major alliances and M&A, diversify our earnings sources including the secured loan business and investments in venture business, and continue to strengthen and perfect our corporate governance and

compliance system.

The forecasts for the full year are as follows: Operating revenues will be 350,000 million yen, decreasing 2.8% from the previous accounting term. Ordinary income will be 126,600 million yen, rising 6.2%, and net income will be 67,200 million yen, down 2.2%.

(2) Financial Condition

Fund procurement has become increasingly diversified, and we have been focusing on ensuring long-term stability in financing. During 2005, with an emphasis on improving procurement terms, we substantially redeemed a total of 60 billion yen in bonds, which consisted of the unsecured bond of 30 billion yen (second issuance) and the unsecured bond of 30 billion yen (fourth issuance), by way of an in-substance defeasance in April to reduce interest on bonds in the future. We also set up commitment lines of 1.5 billion U.S. dollars and 2.0 billion U.S. dollars without financial covenants resulting from the use of trusts of direct cash loans to customers in July and September, respectively, and replaced existing borrowings and bonds with financial covenants of 0.5 billion U.S. dollars and 1.46 billion U.S. dollars. As a result, the ratio of borrowings and bonds with financial covenants to all interest-bearing debt (including bonds) declined substantially, from 41% at the end of March 2005 to 15% at the end of September 2005. We successfully secured stable long-term funds, as the amount of unused commitment line also reached 1.57 billion U.S. dollars in total. We remain committed to procuring funds with superior terms and quality. The Company got the rating of Baa1 from Moody's and BBB from Standard & Poor's respectively.

Consolidated cash and cash equivalents (hereinafter called "the funds") at the end of the current interim period decreased by 18,878 million yen to 136,558 million yen compared to the end of the previous year.

The situation and sources of cash flows by each activity for the current interim period are as follows;

(Cash flows from operating activities)

The funds provided by operating activities were 53,312 million yen (42,052 million yen for the previous interim period). The principal sources of these cash flows are as follows; Income before income taxes of 37,365 million yen (53,718 million yen), reflecting 47,525 million yen of impairment loss on fixed assets that was caused by the adoption of impairment accounting on fixed assets, 336,193 million yen (360,466 million yen) of increase in direct cash loans to customers, 285,719 million yen (291,406 million yen) of collection of loans from customers and 18,461 million yen (18,913 million yen) of the income taxes paid.

(Cash flows from investing activities)

The funds provided by investing activities were 42,257 million yen (10,873 million yen for the previous interim period). This was mainly due to proceeds from sales of investment in securities of 41,294 million yen (33 million yen).

(Cash flows from financing activities)

The funds used in financing activities were 115,305 million yen (38,723 million yen for the previous interim period). This was mainly due to the proceeds from long-term borrowings of 264,440 million yen (53,500 million yen), redemption of bonds of 153,490 million yen (693 million yen) and repayments of long-term borrowings of 219,219 million yen (76,807 million yen).

(3) Approaches to Business Risk and Other Forms of Risk

The major business risks that confront Takefuji Group and that could potentially have a significant impact on results, the stock price and the financial position are as follows;

- 1) Legal regulations
 1. Registration for the moneylending business
 2. Risks associated with the regulation of loan interest rates
 3. Risk relating to business restrictions under the Moneylending Control Law
 4. Impact of the revised Civil Rehabilitation Law
 5. Impact of the revision of the Bankruptcy Law
 6. Impact of the revision of the Judicial Scriveners Law
 7. Impact of the Special Conciliation Law
 8. Impact of the Law Concerning the Protection of Personal Information
- 2) Fund procurement and interest rates of funds procured
 1. Risk relating to reduction of ratings
 2. Restrictive financial covenant on fund procurement
 3. Risk relating to rising interest rates on fund procurement
- 3) The problem of people with excessive debts
- 4) Deregulation
- 5) Transition of operating results
 1. Risks associated with economic trends
 2. Risk of growth in bad debts
 3. Decline in the number of new customers
 4. Risk concerning market competition
- 6) Disruptions and malfunctions in information network systems, Internet service and other technology-based systems
 1. Fires and natural disasters
 2. Protection of customer data
 3. Damage resulting from computer viruses
 4. Damage caused by forged cards, etc.
- 7) Asset risk
 1. Exchange rate risk
 2. Risks associated with venture capital investments
- 8) Significant litigation

4. Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

Item of accounts	Note	Previous Interim Period as of Sept. 30, 2004		Current Interim Period as of Sept.30, 2005		Previous Fiscal Year as of Mar. 31, 2005		
		Amount (millions of yen)	Com- position Ratio (%)	Amount (millions of yen)	Com- position Ratio (%)	Amount (millions of yen)	Com- position Ratio (%)	
Assets:								
I Current assets								
1 Cash in hand and at banks	*1	57,270		64,062		73,980		
2 Direct cash loans to customers	*1,2,8	1,606,220		1,577,078		1,568,725		
3 Installment receivables		306		440		357		
4 Securities		22,789		-		320		
5 Inventories		246		263		220		
6 Accrued interest income on direct cash loans to customers		12,138		12,162		12,113		
7 Short-term loans receivable		74,997		72,996		84,988		
8 Deferred income tax assets		38,181		16,255		24,582		
9 Other current assets		15,071		27,505		15,981		
Less: allowance for credit losses		-155,840		-158,981		-137,000		
Total current assets		1,671,379	86.4	1,611,779	89.6	1,644,267	86.4	
II Fixed assets								
1 Tangible fixed assets	*5							
(1) Buildings and structures	*1	17,323		9,776		16,649		
(2) Land	*1	69,523		35,093		69,523		
(3) Other tangible fixed assets		12,430	99,276	5,374	50,244	12,149	98,321	
2 Intangible fixed assets			5,455		5,958		5,313	
3 Investments and other assets								
(1) Investments in securities		58,533		29,020		65,219		
(2) Deferred income tax assets		-		19,268		-		
(3) Other investments	*7	14,182	72,715	8,605	56,894	7,936	73,155	
Total fixed assets			177,446		113,095		176,789	9.3
III Deferred charges			84,953		73,993		82,935	4.3
Total assets			1,933,777	100.0			1,903,991	100.0

Item of accounts	Note	Previous Interim Period as of Sept. 30, 2004		Current Interim Period as of Sept. 30, 2005		Previous Fiscal Year as of Mar. 31, 2005	
		Amount (millions of yen)	Com- position Ratio (%)	Amount (millions of yen)	Com- position Ratio (%)	Amount (millions of yen)	Com- position Ratio (%)
Liabilities:							
I Current liabilities							
1 Short-term borrowings		5,000		-		-	
2 Current portion of bonds	*1	57,743		38,000		31,369	
3 Current portion of long-term borrowings	*1	110,231		119,118		97,325	
4 Accrued income taxes		29,161		32,343		16,920	
5 Allowance for bonuses		1,109		892		887	
6 Other current liabilities		15,022		14,398		15,095	
Total current liabilities		218,268	11.3	204,751	11.4	161,596	8.5
II Fixed Liabilities							
1 Bonds	*1	424,371		258,567		423,686	
2 Long-term borrowings	*1	340,149		351,861		328,433	
3 Deferred income tax liabilities		10,723		422		12,293	
4 Allowance for retirement benefits of employees		2,415		2,847		2,615	
5 Allowance for retirement benefits of directors and corporate auditors		65		86		74	
6 Other fixed liabilities	*7	16,048		13,011		14,575	
Total fixed liabilities		793,772	41.0	626,794	34.8	781,677	41.0
Total liabilities		1,012,039	52.3	831,545	46.2	943,273	49.5
Shareholders' Equity							
I Common stock		30,478	1.6	30,478	1.7	30,478	1.6
II Capital surplus		52,263	2.7	52,263	2.9	52,263	2.7
III Retained earnings		866,379	44.8	918,418	51.1	898,141	47.2
IV Net unrealized gains on investments in securities		13,540	0.7	7,018	0.4	20,858	1.1
V Foreign currency translation adjustments		-147	-0.0	-80	-0.0	-246	-0.0
VI Treasury stock		-40,776	-2.1	-40,776	-2.3	-40,776	-2.1
Total shareholders' equity		921,738	47.7	967,322	53.8	960,719	50.5
Total liabilities and shareholders' equity		1,933,777	100.0	1,798,867	100.0	1,903,991	100.0

(2) Interim Consolidated Statements of Income

Item of accounts	Note	Previous Interim Period from Apr.1 to Sept. 30, 2004		Current Interim Period from Apr. 1 to Sept. 30, 2005		Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005			
		Amount (millions of yen)	Compo- sition Ratio (%)	Amount (millions of yen)	Compo- sition Ratio (%)	Amount (millions of yen)	Compo- sition Ratio (%)		
I Operating revenues									
1 Interest income on direct cash loans to customers		175,890		171,962		347,474			
2 Commissions earned		22		30		49			
3 Other financial income		64		221		195			
4 Other operating income		6,151		4,765		12,404			
Total operating revenues		182,127	100.0	176,978	100.0	360,121	100.0		
II Operating expenses									
1 Financial expenses									
(1) Borrowing interest expenses		4,375		4,035		8,374			
(2) Bond interest expenses		6,919		5,635		13,570			
(3) Other financial expenses		613	11,907	590	10,259	1,192	23,136		
2 Other operating expenses									
(1) Advertising expenses		2,664		6,233		6,479			
(2) Provision of allowance for credit losses		72,474		64,123		124,907			
(3) Wages and bonuses		9,220		8,305		19,262			
(4) Provision of allowance for bonuses		1,109		892		887			
(5) Provision of allowance for retirement benefits of employees		351		447		701			
(6) Provision of allowance for retirement benefits of directors and corporate auditors		21		11		30			
(7) Temporary employment cost		460		534		1,439			
(8) Rent		3,970		3,736		7,729			
(9) Depreciation and amortization		1,746		1,633		3,598			
(10) Outside service fees		5,345		5,222		10,654			
(11) Others		22,397	119,758	20,154	111,291	44,864	220,548		
Total operating expenses			131,665	72.3		121,550	68.7	243,684	67.7
Operating income			50,461	27.7		55,428	31.3	116,437	32.3

Item of accounts	Note	Previous Interim Period from Apr.1 to Sept. 30, 2004		Current Interim Period from Apr. 1 to Sept.30, 2005		Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005				
		Amount (millions of yen)		Com- position Ratio (%)	Amount (millions of yen)		Com- position Ratio (%)	Amount (millions of yen)		Com- position Ratio (%)
III Non-operating income										
1 Dividends income received		150			2,522			258		
2 Profit on investments in partnerships		2,466			365			2,782		
3 Foreign exchange gains		622			857			57		
4 Other non-operating income		200	3,438	1.9	141	3,886	2.2	266	3,363	0.9
IV Non-operating expenses										
1 Loss on sales of securities		-			42			-		
2 Bonds issue costs		220			-			220		
3 Loss on sales or disposal of fixed assets		28			58			249		
4 Other non-operating expenses		30	278	0.2	5	105	0.1	76	545	0.1
Ordinary income			53,621	29.4		59,209	33.4		119,256	33.1
V Extraordinary income										
1 Gain on sales of investments in securities		-			28,264			3,804		
2 Gain on redemption of bonds		-			189			-		
3 Gain on reversal of allowance for retirement benefits of directors and corporate auditors		212	212	0.1	-	28,452	16.1	212	4,017	1.1
VI Extraordinary losses										
1 Loss on redemption of securities		-			-			7,254		
2 Loss on devaluation of investments in securities		116			28			78		
3 Loss on redemption of bonds		-			2,418			-		
4 Loss on impairment of fixed assets	*2	-			47,525			-		
5 Others		-	116	0.0	327	50,297	28.4	-	7,332	2.0
Income before income taxes			53,718	29.5		37,365	21.1		115,940	32.2
Corporate taxes, inhabitants taxes and enterprise taxes		27,213			33,336			40,604		
Corporate taxes refunded		-			-10,043			-		
Deferred income tax expenses		-3,424	23,789	13.1	-13,302	9,991	5.6	6,610	47,214	13.1
Net income			29,929	16.4		27,374	15.5		68,726	19.1

(3) Interim Consolidated Statements of Retained Earnings

		Previous Interim Period from Apr.1 to Sept.30, 2004		Current Interim Period from Apr. 1 to Sept. 30, 2005		Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005	
Item of accounts	Note	Amount (millions of yen)		Amount (millions of yen)		Amount (millions of yen)	
(Capital Surplus)							
I Capital surplus at the beginning of the interim period (fiscal year)			52,263		52,263		52,263
II Capital Surplus at the end of the interim period (fiscal year)			52,263		52,263		52,263
(Retained earnings)							
I Retained earnings at the beginning of the interim period (fiscal year)			843,536		898,141		843,536
II Increase in retained earnings							
1 Net income		29,929	29,929	27,374	27,374	68,726	68,726
III Decrease in retained earnings							
1 Dividends		7,041		7,035		14,076	
2 Bonuses to directors		45	7,086	62	7,097	45	14,121
IV Retained earnings at the end of the interim period (fiscal year)			866,379		918,418		898,141

(4) Interim Consolidated Statements of Cash Flows

		Previous Interim Period from Apr.1 to Sept.30, 2004	Current Interim Period from Apr. 1 to Sept.30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
Item of accounts	Note	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)
I Cash flows from operating activities				
Income before income taxes		53,718	37,365	115,940
Depreciation and amortization		1,747	1,633	3,598
Loss on impairment of fixed assets		-	47,525	-
Gain on participation in leveraged lease in partnerships		-1,487	-138	-1,707
Increase or decrease in allowance for employees' retirement benefits		175	232	376
Increase or decrease in allowance for retirement benefits of directors and corporate auditors		-295	11	-286
Increase or decrease in allowance for credit losses		19,554	21,981	714
Write-offs		41,585	42,142	112,858
Non-operating interest income and dividend income		-150	-2,522	-258
Loss on sales or disposal of tangible fixed assets		28	58	249
Loss on sales of securities		-	42	-
Loss on redemption of securities		-	-	7,254
Gain on sales of investments in securities		-	-28,264	-3,804
Loss on devaluation of investments in securities		116	28	78
Gain on redemption of bonds		-	-189	-
Loss on redemption of bonds		-	2,418	-
Increase or decrease in accrued interest income on loans to customers		11,594	-49	11,619
Direct cash loans made to customers		-360,466	-336,193	-682,434
Direct cash loans collected from customers		291,406	285,719	579,629
Others		3,290	-2,548	3,543
Sub total		60,815	69,250	147,370
Non-operating interest income and dividend income received		150	2,522	258
Income taxes paid		-18,913	-18,461	-44,545
Net cash provided by operating activities		42,052	53,312	103,083

		Previous Interim Period from Apr.1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept.30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
Item of accounts	Note	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)
II Cash flows from investing activities				
Increase or decrease in pledged bank deposits		12,096	3,032	12,095
Payments for purchase of tangible fixed assets		-712	-265	-1,232
Payments for purchase of intangible fixed assets		-630	-1,313	-1,068
Proceeds from sales and redemption of securities		-	278	22,746
Payments for purchase of investments in securities		-278	-279	-3,256
Proceeds from sales and redemption of investments in securities		33	41,294	10,389
Payments for acquisition of investments in partnerships		-195	-515	-195
Proceeds from collection of investments in partnerships		569	-	1,377
Others		-10	25	182
Net cash provided by investing activities		10,873	42,257	41,039
III Cash flows from financing activities				
Net increase or decrease in short-term borrowings		-21,000	-	-26,000
Proceeds from long-term borrowings		53,500	264,440	97,500
Repayments of long-term borrowings		-76,807	-219,219	-145,429
Proceeds from issuance of bonds		14,080	-	14,080
Repayments for redemption of bonds		-693	-153,490	-27,753
Acquisition or sales of treasury stock, net		-762	-0	-762
Cash dividends paid		-7,041	-7,035	-14,076
Net cash used in financing activities		-38,723	-115,305	-102,440

		Previous Interim Period from Apr.1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept.30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
Item of accounts	Note	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)
IV Effect of exchange rate changes on cash and cash equivalents		641	858	-137
V Increase or decrease in cash and cash equivalents		14,844	-18,878	41,545
VI Cash and cash equivalents at the beginning of the interim period (fiscal year)		113,892	155,436	113,892
VII Cash and cash equivalents at the end of the interim period (fiscal year)	*	128,735	136,558	155,436

Significant Accounting Policies for Interim Consolidated Financial Statements

Previous Interim Period from Apr. 1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
<p>1. Scope of consolidation</p> <p>As of September 30, 2004, the number of consolidated subsidiaries were 10 as listed below;</p> <p>Kyoritsu Estate Co., Ltd. TWJ VC Co., Ltd. Takefuji Capital Co., Ltd. Take One Country Club Ltd. TSR Co., Ltd. G.H Investment Co., Ltd. TWJ Co., Ltd. TWJ EURO Co., Ltd. TDS Co., Ltd. Takefuji Bull Mart Co., Ltd.</p> <p>2. Application of the equity method No entities are subject to the equity method of accounting.</p> <p>3. The interim period - end of consolidated subsidiaries The interim period - end date of each subsidiary listed hereunder is as follows; TWJ Co., Ltd.: August 31 Take One Country Club Ltd.: July 31 TSR Co., Ltd.: June 30 G. H Investment Co., Ltd.: June 30</p> <p>For these consolidated subsidiaries, their financial statements at the above-mentioned interim period-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.</p>	<p>1. Scope of consolidation</p> <p>As of September 30, 2005, the number of consolidated subsidiaries were 9 as listed below;</p> <p>Kyoritsu Estate Co., Ltd. TWJ VC Co., Ltd. Takefuji Capital Co., Ltd. Take One Country Club Ltd. TSR Co., Ltd. G.H Investment Co., Ltd. TWJ Co., Ltd. TWJ EURO Co., Ltd. TDS Co., Ltd.</p> <p>The Company sold all the stock of Takefuji Bull Mart Co.,Ltd on July 15, 2005. Therefore its financial statements as of July 15, 2005 are used for consolidation.</p> <p>2. Application of the equity method The same as the previous interim period.</p> <p>3. The interim period - end of consolidated subsidiaries The same as the previous interim period.</p>	<p>1. Scope of consolidation</p> <p>As of March 31, 2005, the number of consolidated subsidiaries were 10 as listed below;</p> <p>Kyoritsu Estate Co., Ltd. TWJ VC Co., Ltd. Takefuji Capital Co., Ltd. Take One Country Club Ltd TSR Co., Ltd. G.H Investment Co., Ltd. TWJ Co., Ltd. TWJ EURO Co., Ltd. TDS Co., Ltd. Takefuji Bull Mart Co., Ltd.</p> <p>2. Application of the equity method No entities are subject to the equity method of accounting.</p> <p>3. The fiscal year - end of consolidated subsidiaries The fiscal year-end date of each subsidiary listed hereunder is as follows; TWJ Co., Ltd.: February 28 Take One Country Club Ltd.: January 31 TSR Co., Ltd.: December 31 G.H Investment Co., Ltd. : December 31</p> <p>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.</p>

Previous Interim Period from Apr. 1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
<p>4. Significant accounting policies</p> <p>(1) Valuation and computation of significant assets</p> <p>A Securities</p> <p>Trading securities: Market value as determined by the quoted price at the end of the interim period. The cost of securities sold is computed using the moving average method.</p> <p>Other securities: Where there is a market quotation- Market value as determined by the quoted price at the end of the interim period. The difference between the acquisition cost and the market value, netted of the related income taxes, is included directly in shareholders' equity, and the cost of securities sold is computed using the moving average method.</p> <p>Where there is no market quotation- Cost as determined by the moving average method.</p> <p>B Inventories Cost based on the last purchase price method.</p> <p>(2) Depreciation of the fixed assets</p> <p>A Tangible fixed assets Depreciation is 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 equipment, furniture and fixtures.</p> <p>B Intangible fixed assets Software costs for internal use are amortized on the straight-line method over 5 years which is the estimated useful life. Other intangible fixed assets are amortized on the straight-line method.</p>	<p>4. Significant accounting policies</p> <p>(1) Valuation and computation of significant assets</p> <p>A Securities</p> <p>Trading securities: -</p> <p>Other securities: Where there is a market quotation- The same as the previous interim period.</p> <p>Where there is no market quotation- The same as the previous interim period.</p> <p>B Inventories The same as the previous interim period.</p> <p>(2) Depreciation of the fixed assets</p> <p>A Tangible fixed assets The same as the previous interim period.</p> <p>B Intangible fixed assets The same as the previous interim period.</p>	<p>4. Significant accounting policies</p> <p>(1) Valuation and computation of significant assets</p> <p>A Securities</p> <p>Trading securities: Market value as determined by the quoted price at the end of the fiscal year. The cost of securities sold is computed using the moving average method.</p> <p>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, netted of the related income taxes, is included directly in shareholders' equity, and the cost of securities sold is computed using the moving average method.</p> <p>Where there is no market quotation- Cost as determined by the moving average method.</p> <p>B Inventories Cost based on the last purchase price method.</p> <p>(2) Depreciation of the fixed assets</p> <p>A Tangible fixed assets Depreciation is 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 equipment, furniture and fixtures.</p> <p>B Intangible fixed assets Software costs for internal use are amortized on the straight-line method over 5 years which is the estimated useful life. Other intangible fixed assets are amortized on the straight-line method.</p>

Previous Interim Period from Apr. 1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
<p>(3) Basis of calculating allowances</p> <p>A 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 of 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.</p> <p>B Allowance for bonuses In providing for bonuses payable to employees, the Company records an allowance for current interim period portion thereof based on the expected payment of bonuses for employees.</p> <p>C 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 sheet date. Actuarial gain or loss is charged or credited to income in the fiscal year next to the year when that was incurred.</p> <p>D Allowance for directors' and corporate auditors' retirement benefits 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 interim period in accordance with the Company's internal rules.</p> <p>(4) Accounting for deferred charges Bond issue costs are expensed as incurred. Discount on bonds is amortized over the period until redemption.</p> <p>(5) 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.</p> <p>(6) Accounting for hedging activities The Company uses financial derivative transactions to reduce its exposure to market risks from fluctuations in interest rates and foreign currency exchange rates related to borrowings, bonds and interest expenses. Currencies and interest swap transactions contracts were accounted for using the special treatment of hedge accounting for interest swaps allowed under the Japanese GAAP.</p>	<p>(3) Basis of calculating allowances</p> <p>A Allowance for credit losses The same as the previous interim period.</p> <p>B Allowance for bonuses The same as the previous interim period.</p> <p>C Allowance for retirement benefits of employees The same as the previous interim period.</p> <p>D Allowance for directors' and corporate auditors' retirement benefits The same as the previous interim period.</p> <p>(4) Accounting for deferred charges Discount on bonds is amortized over the period until redemption.</p> <p>(5) Accounting for lease transactions The same as the previous interim period.</p> <p>(6) Accounting for hedging activities The same as the previous interim period.</p>	<p>(3) Basis of calculating allowances</p> <p>A 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 of 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.</p> <p>B 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.</p> <p>C 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 sheet date. Actuarial gain or loss is charged or credited to income in the fiscal year next to the year when that was incurred.</p> <p>D Allowance for directors' and corporate auditors' retirement benefits 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.</p> <p>(4) Accounting for deferred charges Bond issue costs are expensed as incurred. Discount on bonds is amortized over the period until redemption.</p> <p>(5) 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.</p> <p>(6) Accounting for hedging activities The Company uses financial derivative transactions to reduce its exposure to market risks from fluctuations in interest rates and foreign currency exchange rates related to borrowings, bonds and interest expenses. Currencies and interest swap transactions were accounted for using the special treatment of hedge accounting for interest swaps allowed under the Japanese GAAP.</p>

Previous Interim Period from Apr. 1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
<p>(7) Other significant accounting policies for the preparation of interim consolidated financial statements</p> <p>A Basis of recognition of interest income on direct cash loans Interest income on direct cash loans is recognized on an accrual basis. Accrued interest 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.</p> <p>B Accounting treatment of consumption tax Transactions subject to consumption tax for the Company and its one domestic subsidiary are stated at the amount which includes the related consumption tax. Those for other four domestic subsidiaries are stated at the amount which is net of the related consumption tax.</p> <p>5. Cash and cash equivalents as stated in interim consolidated statements of cash flows Cash and cash equivalents include cash in hand, bank deposits able to be withdrawn on demand and short-term investments with negligible risk of fluctuations in value and original maturity of three months or less.</p>	<p>(7) Other significant accounting policies for the preparation of interim consolidated financial statements</p> <p>A Basis of recognition of interest income on direct cash loans The same as the previous interim period.</p> <p>B Accounting treatment of consumption tax The same as the previous interim period.</p> <p>5. Cash and cash equivalents as stated in interim consolidated statements of cash flows The same as the previous interim period.</p>	<p>(7) Other significant accounting policies for the preparation of consolidated financial statements</p> <p>A Basis of recognition of interest income on direct cash loans Interest income on direct cash loans is recognized on an accrual basis. Accrued interest 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.</p> <p>B Accounting treatment of consumption tax Transactions subject to consumption tax for the Company and its one domestic subsidiary are stated at the amount which includes the related consumption tax. Those for other four domestic subsidiaries are stated at the amount which is net of the related consumption tax.</p> <p>5. Cash and cash equivalents as stated in consolidated statements of cash flows Cash and cash equivalents include cash in hand, bank deposits able to be withdrawn on demand and short-term investments with negligible risk of fluctuations in value and original maturity of three months or less.</p>

Changes in Significant Accounting Policies for Interim Consolidated Financial Statements

Previous Interim Period from Apr. 1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
-	<p>(Accounting standard for impairment of fixed assets)</p> <p>From current interim period, the company has adopted the accounting standard for impairment of fixed assets (“Opinion on establishment of asset-impairment accounting standards”) (by Business Accounting Council on April 9, 2002) and “Implementation guidance for accounting standard for impairment of fixed assets” (Implementation guidance No.6 of corporate accounting standard on October 31, 2003).</p> <p>This adoption resulted in increase of operating revenues and ordinary income by 106 million yen and a decrease of income before income taxes by 47,419 million yen.</p> <p>Accumulated loss on impairment of fixed assets is deducted directly from the book value of each asset in accordance with the revised disclosure rules of interim consolidated financial statements.</p>	-

Reclassification

Previous Interim Period (from April 1, 2004 to September 30, 2004)	Current Interim Period (from April 1, 2005 to September 30, 2005)
<p>(Interim Consolidated Balance Sheets)</p> <p>Deferred income tax liabilities, which had been included in “Other fixed liabilities” until previous interim period, was disclosed separately as such from the current interim period due to the increase in its significance. Deferred income tax liabilities included in “Other fixed liabilities” at the end of the previous interim period was 196 million yen.</p> <p style="text-align: center;">-</p>	<p>(Interim Consolidated Balance Sheets)</p> <p style="text-align: center;">-</p> <p>Investments in limited liability investment partnerships or other similar partnerships (4,154 million yen at the end of the current interim period), which had been included in “Other investments” in the previous interim period, was included in “Investments in securities” from the current interim period in compliance with “The Law that revises a portion of Securities and Exchange Law” (The Law No.97 dated June 9, 2004) enacted on December 1, 2004.</p>

Footnotes to Interim Consolidated Balance Sheets

Previous Interim Period as of Sept. 30, 2004	Current Interim Period as of Sept. 30, 2005	Previous Fiscal Year as of Mar. 31, 2005
*1. The assets pledged as security and the corresponding secured liabilities are as follows:	*1. The assets pledged as security and the corresponding secured liabilities are as follows:	*1. The assets pledged as security and the corresponding secured liabilities are as follows:
Pledged assets (millions of yen)	Pledged assets (millions of yen)	Pledged assets (millions of yen)
Cash in hand and at banks 3,031		Cash in hand and at banks 3,032
Direct cash loans to customers 374,777	Direct cash loans to customers 364,952	Direct cash loans to customers 395,875
Buildings and structures 5,154	Buildings and structures 3,631	Buildings and structures 4,983
Land 18,904	Land 12,688	Land 18,904
Total 401,866	Total 381,270	Total 422,794
Secured liabilities (millions of yen)	Secured liabilities (millions of yen)	Secured liabilities (millions of yen)
Current portion of bonds 1,376	Current portion of long-term borrowings 43,015	Current portion of bonds 1,369
Current portion of long-term borrowings 23,784	Long-term borrowings 205,128	Current portion of long-term borrowings 37,043
Bonds 67,804	Total 248,143	Bonds 67,119
Long-term borrowings 188,807		Long-term borrowings 162,944
Total 281,771		Total 268,475
In addition to the above, direct cash loans to customers of 21,449 million yen may be pledged as collateral for the long-term borrowings of 19,088 million yen, including the current portion thereof, upon requests from financial institutions under agreements.	Amounts stated above include the portion is related to the financing scheme by way of trusts of direct cash loans to customers (Direct cash loans to customers; 318,485 million yen, long-term borrowings (including current portion thereof); 233,940 million yen). In addition to the above, direct cash loans to customers of 17,161 million yen may be pledged as collateral for the long-term borrowings of 13,400 million yen, including the current portion thereof, upon requests from financial institutions under agreements.	In addition to the above, direct cash loans to customers of 20,260 million yen may be pledged as collateral for the long-term borrowings of 16,763 million yen, including the current portion thereof, upon requests from financial institutions under agreements.

Previous Interim Period as of Sept. 30, 2004	Current Interim Period as of Sept. 30, 2005	Previous Fiscal Year as of Mar. 31, 2005
<p>*2. The total outstanding balance 1,606,220 million yen of direct cash loans to customers is only for unsecured loans to individuals.</p> <p>3. Regarding direct cash loans, once a credit limit has been established for a customer, the customer may access his or her credit line on a revolving basis. The unused portion of each customer's credit line as of the end of interim period was 438,737 million yen which included 271,742 million yen of the unused portion of credit line for customers who did not have any loan balance. The credit line of a customer is either increased or decreased by the Company at its discretion based on the credit capacity of the customer. The Company believes that the total unused balance of each customer's credit line does not significantly affect the Company's cash flows in the future.</p> <p>4. The Company borrows long-term funds under committed lines of credit. The Company has available committed lines of credit equal to Yen equivalent of US\$2,500 million. At the end of the current interim period, the Company's outstanding balance under the committed line of credit was Yen equivalent of US\$1,610 million and remaining unused portion was Yen equivalent of \$890 million.</p> <p>*5. The amount of 36,201million yen of accumulated depreciation for tangible fixed assets was netted against acquisition cost on the consolidated balance sheets.</p> <p>6. -</p>	<p>*2. The total outstanding balance 1,577,078 million yen of direct cash loans to customers is only for unsecured loans to individuals.</p> <p>3. Regarding direct cash loans, once a credit limit has been established for a customer, the customer may access his or her credit line on a revolving basis. The unused portion of each customer's credit line as of the end of interim period was 410,609 million yen which included 248,655 million yen of the unused portion of credit line for customers who did not have any loan balance. The credit line of a customer is either increased or decreased by the Company at its discretion based on the credit capacity of the customer. The Company believes that the total unused balance of each customer's credit line does not significantly affect the Company's cash flows in the future.</p> <p>4. The Company borrows long-term funds under committed lines of credit. The Company has available committed lines of credit equal to Yen equivalent of US\$3,500 million. At the end of the current interim period, the Company's outstanding balance under the committed line of credit was Yen equivalent of US\$1,931 million and remaining unused portion was Yen equivalent of \$1,569 million.</p> <p>*5. The amount of 34,996million yen of accumulated depreciation for tangible fixed assets was netted against acquisition cost on the consolidated balance sheets.</p> <p>6. Contingent liabilities Contingent liabilities related to the contracts assuming the obligation of bonds</p> <p>The unsecured bond (second issuance) with term of 7 years</p> <p style="padding-left: 40px;">30,000 million yen</p> <p>The unsecured bond (fourth issuance) with term of 7 years</p> <p style="padding-left: 40px;">30,000 million yen</p>	<p>*2. The total outstanding balance 1,568,725 million yen of direct cash loans to customers is only for unsecured loans to individuals.</p> <p>3. Regarding direct cash loans, once a credit limit has been established for a customer, the customer may access his or her credit line on a revolving basis. The unused portion of each customer's credit line as of the end of fiscal year was 426,479 million yen which included 259,400 million yen of the unused portion of credit line for customers who did not have any loan balance. The credit line of a customer is either increased or decreased by the Company at its discretion based on the credit capacity of the customer. The Company believes that the total unused balance of each customer's credit line does not significantly affect the Company's cash flows in the future.</p> <p>4. The Company borrows long-term funds under committed lines of credit. The Company has available committed lines of credit equal to Yen equivalent of US\$2,500 million. At the end of the current fiscal year, the Company's outstanding balance under the committed line of credit was Yen equivalent of US\$1,610 million and remaining unused portion was Yen equivalent of US\$890 million.</p> <p>*5. The amount of 34,150 million yen of accumulated depreciation for tangible fixed assets was netted against acquisition cost on the consolidated balance sheets.</p> <p>6. -</p>

Previous Interim Period as of Sept. 30, 2004	Current Interim Period as of Sept. 30, 2005	Previous Fiscal Year as of Mar. 31, 2005
<p>*7. The Company's share in loss of anonymous partnerships amounted to 1,308 million yen, of which 1,030 million yen was deducted directly from the investments in those partnerships. The remaining 278 million yen, the excess of the Company's share in losses over the acquisition costs of such investments, were recorded as other fixed liabilities.</p> <p>*8. Delinquent loans receivable</p> <p>Loans to bankrupt borrowers; 473 million yen</p> <p>Loans to bankrupt borrowers are loans under declaration of bankruptcy, reconstruction and similar proceedings and in addition, whose interest is no longer accrued as income since the principal or interest on such loans is unlikely to be repaid in view of the considerable period of delinquencies of the principal and interest, or other circumstances.</p> <p>Delinquent loans; 72,548 million yen</p> <p>Delinquent loans are loans whose interest is no longer accrued as income since the principal or interest on such loans is unlikely to be repaid in view of the considerable period of delinquencies of the principal and interest, or other circumstances and do not include loans to bankrupt borrowers.</p> <p>From the current interim period, interests on delinquent loans past due 180 days or more, which do not include loans to bankrupt borrowers, were no longer accrued as income and consequently, the principals of those delinquent loans were disclosed as indicated above. Please note that the allowance for credit losses was fully provided against the accrued interest income on those delinquent loans before the current interim period.</p> <p>Delinquent loans past due three months or more; 23,697 million yen</p> <p>Delinquent loans past due three months or more are loans which are delinquent for three months or more from the due date of interest or principal under the term of the related loan agreements and do not include loans to bankrupt borrowers and delinquent loans.</p>	<p>*7. -</p> <p>*8. Delinquent loans receivable</p> <p>Loans to bankrupt borrowers; 894 million yen</p> <p>Loans to bankrupt borrowers are loans under declaration of bankruptcy, reconstruction and similar proceedings and in addition, whose interest is no longer accrued as income since the principal or interest on such loans is unlikely to be repaid in view of the considerable period of delinquencies of the principal and interest, or other circumstances.</p> <p>Delinquent loans; 69,452 million yen</p> <p>Delinquent loans are loans whose interest is no longer accrued as income since the principal or interest on such loans is unlikely to be repaid in view of the considerable period of delinquencies of the principal and interest, or other circumstances and do not include loans to bankrupt borrowers.</p> <p>Delinquent loans past due three months or more; 25,835 million yen</p> <p>Delinquent loans past due three months or more are loans which are delinquent for three months or more from the due date of interest or principal under the term of related loan agreements and do not include loans to bankrupt borrowers and delinquent loans.</p>	<p>*7. The Company's share in loss of anonymous partnerships amounted to 1,222 million yen, of which 1,030 million yen was deducted directly from the investments in those partnerships. The remaining 192 million yen, the excess of the Company's share in losses over the acquisition costs of such investments, were recorded as other fixed liabilities.</p> <p>*8. Delinquent loans receivable</p> <p>Loans to bankrupt borrowers; 520 million yen</p> <p>Loans to bankrupt borrowers are loans under declaration of bankruptcy, reconstruction and similar proceedings and in addition, whose interest is no longer accrued as income since the principal or interest on such loans is unlikely to be repaid in view of the considerable period of delinquencies of the principal and interest, or other circumstances.</p> <p>Delinquent loans; 55,961 million yen</p> <p>Delinquent loans are loans whose interest is no longer accrued as income since the principal or interest on such loans is unlikely to be repaid in view of the considerable period of delinquencies of the principal and interest, or other circumstances and do not include loans to bankrupt borrowers.</p> <p>From the current consolidated fiscal year, interests on delinquent loans past due 180 days or more, which do not include loans to bankrupt borrowers, were no longer accrued as income and consequently, the principals of those delinquent loans were disclosed as indicated above. Please note that the allowance for credit losses was fully provided against the accrued interest income on those delinquent loans before the current consolidated fiscal year.</p> <p>Delinquent loans past due three months or more; 21,810 million yen</p> <p>Delinquent loans past due three months or more are loans which are delinquent for three months or more from the due date of interest or principal under the term of related loan agreements and do not include loans to bankrupt borrowers and delinquent loans.</p>

Previous Interim Period as of Sept. 30, 2004	Current Interim Period as of Sept. 30, 2005	Previous Fiscal Year as of Mar. 31, 2005
<p>Restructured loans; 112,137million yen (105,271million yen)</p> <p>Restructured loans are loans with concessionary interest rates, as well as loans with negotiated terms regarding the timing of interest and principal payment and do not include loans to bankrupt borrowers, delinquent loans and delinquent loans past due 3 months or more. The loans classified as restructured loans include loan receivables current or less than 31 days past due, the amount of which is indicated in the parenthesis as above.</p> <p>9. Certain covenants Certain covenants were applied to 240,801 million yen of borrowings and 144,115 million yen of bonds. The Company should repay or redeem the outstanding balance in a lump-sum by acceleration to creditors if the Company could not comply with such covenants as mentioned below. (The strictest conditions only are listed.)</p> <p>(1) in case of the balance of consolidated shareholders' equity being less than 250,000 million yen; (2) in case of the ratio of consolidated shareholders' equity against consolidated total assets being less than 20%; (3) in case of the balance of contingent liabilities being more than 170,000 million yen; (4) in case of the ratio of annual increase amount of contingent liabilities against net income deducting both dividends and bonus to directors being more than 75%; (5) in case of the amount of income before income taxes and extraordinary items being less than the total amount of borrowing interest and bond interest; (6) in case of the total balance of direct cash loans and cash and cash equivalents against the total assets being less than 40%; (7) in case of the ratio of credit losses write-offs being more than 10%; (8) in case of the total balance of real estate and investments in securities against the total assets being more than 40%; (9) in case of the balance of secured borrowings excluding those with collateral of real estate against total current assets being more than 80%; (10) in case of the total balance of borrowings with the security of direct cash loans, the security being in perfection of interests against third parties, exceeding the balance of shareholders' equity.</p>	<p>Restructured loans; 110,130million yen (103,421million yen)</p> <p>Restructured loans are loans with concessionary interest rates, as well as loans with negotiated terms regarding the timing of interest and principal payment. Restructured loans do not include loans to bankrupt borrowers, delinquent loans and delinquent loans past due 3 months or more. The loans classified as restructured loans include loan receivables current or less than 31 days past due, the amount of which is indicated in the parenthesis as above.</p> <p>9. Certain covenants Certain covenants were applied to 53,803 million yen of borrowings and 58,567 million yen of bonds. The Company should repay or redeem the outstanding balance in a lump-sum by acceleration to creditors if the Company could not comply with such covenants as mentioned below. (The strictest conditions only are listed.)</p> <p>(1) in case of the balance of consolidated shareholders' equity being less than 250,000 million yen; (2) in case of the ratio of consolidated shareholders' equity against consolidated total assets being less than 20%; (3) in case of the balance of contingent liabilities being more than 170,000 million yen; (4) in case of the ratio of annual increase amount of contingent liabilities against net income deducting both dividends and bonus to directors being more than 75%; (5) in case of the amount of income before income taxes and extraordinary items being less than the total amount of borrowing interest and bond interest; (6) in case of the total balance of direct cash loans and cash and cash equivalents against the total assets being less than 40%; (7) in case of the ratio of credit losses write-offs being more than 10%; (8) in case of the total balance of real estate and investments in securities against the total assets being more than 40%; (9) in case of the balance of secured borrowings excluding those with collateral of real estate against total current assets being more than 80%; (10) in case of the total balance of borrowings with the security of direct cash loans, the security being in perfection of interests against third parties, exceeding the balance of shareholders' equity.</p>	<p>Restructured loans; 113,287 million yen (106,163 million yen)</p> <p>Restructured loans are loans with concessionary interest rates, as well as loans with negotiated terms regarding the timing of interest and principal payment. Restructured loans do not include loans to bankrupt borrowers, delinquent loans and delinquent loans past due 3 months or more. The loans classified as restructured loans include loan receivables current or less than 31 days past due, the amount of which is indicated in the parenthesis as above.</p> <p>9. Certain covenants Certain covenants were applied to 237,854 million yen of borrowings and 127,055 million yen of bonds. The Company should repay or redeem the outstanding balance in a lump-sum by acceleration to creditors if the Company could not comply with such covenants as mentioned below. (The strictest conditions only are listed.)</p> <p>(1) in case of the balance of consolidated shareholders' equity being less than 250,000 million yen; (2) in case of the ratio of consolidated shareholders' equity against consolidated total assets being less than 20%; (3) in case of the balance of contingent liabilities being more than 170,000 million yen; (4) in case of the ratio of annual increase amount of contingent liabilities against net income deducting both dividends and bonus to directors being more than 75%; (5) in case of the amount of income before income taxes and extraordinary items being less than the total amount of borrowing interest and bond interest; (6) in case of the total balance of direct cash loans and cash and cash equivalents against the total assets being less than 40%; (7) in case of the ratio of credit losses write-offs being more than 10%; (8) in case of the total balance of real estate and investments in securities against the total assets being more than 40%; (9) in case of the balance of secured borrowings excluding those with collateral of real estate against total current assets being more than 80%; (10) in case of the total balance of borrowings with the security of direct cash loans, the security being in perfection of interests against third parties, exceeding the balance of shareholders' equity.</p>

Footnotes to Interim Consolidated Statements of Income

Previous Interim Period from Apr.1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005																											
<p>1. Basis for classification of financial income and expenses on the interim consolidated statements of income</p> <p>(1) Financial income stated as operating revenues Include all financial income excluding dividends and interest and so forth received on investments in securities.</p> <p>(2) Financial expenses Include all financial expenses excluding interest payable which has no relationship with operating revenues.</p> <p>*2. -</p>	<p>1. Basis for classification of financial income and expenses on the interim consolidated statements of income</p> <p>(1) Financial income stated as operating revenues The same as the previous interim period.</p> <p>(2) Financial expenses The same as the previous interim period.</p> <p>*2. Loss on impairment of fixed assets For purposes of recognition and measurement of an impairment loss, the assets used for business are grouped based on each business, and the assets for rent and those not in use are grouped based on each property.</p> <p>Due to the consecutive decline of land price and other factors for the assets not in use, and due to the serious deterioration of profitability and the consecutive decline of land price for a part of the assets for rent and golf course, the book values of those assets were written down to the value that is estimated to be collectible, resulting in recognition of loss on impairment of fixed assets amounting to 47,525 million yen as an extraordinary loss item.</p> <p>Impairment losses by account are as follows: (millions of yen)</p> <table border="1"> <tr><td>Buildings</td><td style="text-align: right;">2,045</td></tr> <tr><td>Structures</td><td style="text-align: right;">4,311</td></tr> <tr><td>Land</td><td style="text-align: right;">34,394</td></tr> <tr><td>Golf course</td><td style="text-align: right;">5,397</td></tr> <tr><td>Construction in progress</td><td style="text-align: right;">1,147</td></tr> <tr><td>Investment in lands</td><td style="text-align: right;">230</td></tr> </table> <p>Impairment losses by classification and location are as follows:</p> <p>Assets not in use (millions of yen)</p> <table border="1"> <thead> <tr> <th>Classification</th> <th>Location</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Land</td> <td>Karuizawa</td> <td style="text-align: right;">243</td> </tr> <tr> <td>Investment in land</td> <td>Aomori rokunohe</td> <td style="text-align: right;">230</td> </tr> <tr> <td>Land and buildings</td> <td>Amamiohshima and other six items</td> <td style="text-align: right;">242</td> </tr> <tr> <td>Total</td> <td></td> <td style="text-align: right;">715</td> </tr> </tbody> </table>	Buildings	2,045	Structures	4,311	Land	34,394	Golf course	5,397	Construction in progress	1,147	Investment in lands	230	Classification	Location	Amount	Land	Karuizawa	243	Investment in land	Aomori rokunohe	230	Land and buildings	Amamiohshima and other six items	242	Total		715	<p>1. Basis for classification of financial income and expenses on the consolidated statements of income</p> <p>(1) Financial income stated as operating revenues Include all financial income excluding dividends and interest and so forth received on investments in securities.</p> <p>(2) Financial expenses Include all financial expenses excluding interest payable which has no relationship with operating revenues.</p> <p>*2. -</p>
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	<p>Assets for rent (millions of yen)</p> <table border="1" data-bbox="564 315 941 938"> <thead> <tr> <th>Classifi- cation</th> <th>Location</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Land</td> <td>Kobe sannomi-ya</td> <td>7,002</td> </tr> <tr> <td>Land and Construct- ion in progress</td> <td>Koujima- chi</td> <td>4,244</td> </tr> <tr> <td>Land</td> <td>Ikebuku- ro</td> <td>2,659</td> </tr> <tr> <td>Land, buildings and structures</td> <td>Komag- ome</td> <td>1,936</td> </tr> <tr> <td>Land, buildings and structures</td> <td>Chiba</td> <td>1,331</td> </tr> <tr> <td>Land, buildings and structures</td> <td>Kanda and other five items</td> <td>861</td> </tr> <tr> <td>Total</td> <td></td> <td>18,034</td> </tr> </tbody> </table> <p>Golf course (millions of yen)</p> <table border="1" data-bbox="564 1032 941 1207"> <thead> <tr> <th>Classific- ation</th> <th>Location</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Land, buildings, structures and course account</td> <td>Yamanas- hi</td> <td>28,775</td> </tr> </tbody> </table> <p>The total impairment losses ; 47,525 million yen</p> <p>Collectible amount is the higher of either net market value or value in use. Net market value is based on the appraisal value by real estate appraiser. Value in use is calculated by discounting future cash flow by 6.1%.</p>	Classifi- cation	Location	Amount	Land	Kobe sannomi-ya	7,002	Land and Construct- ion in progress	Koujima- chi	4,244	Land	Ikebuku- ro	2,659	Land, buildings and structures	Komag- ome	1,936	Land, buildings and structures	Chiba	1,331	Land, buildings and structures	Kanda and other five items	861	Total		18,034	Classific- ation	Location	Amount	Land, buildings, structures and course account	Yamanas- hi	28,775	
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Footnotes to Interim Consolidated Statements of Cash Flows

Previous Interim Period from Apr. 1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
Relationship between cash and cash equivalents at the end of the interim period and interim consolidated balance sheets items as of September 30, 2004;	Relationship between cash and cash equivalents at the end of the interim period and interim consolidated balance sheets items as of September 30, 2005;	Relationship between cash and cash equivalents at the end of the fiscal year and consolidated balance sheets items as of March 31, 2005;
(millions of yen)	(millions of yen)	(millions of yen)
Cash in hand and at banks 57,270	Cash in hand and at banks 64,062	Cash in hand and at banks 73,980
Short-term loans receivable (CD under agreements to resell) 74,997	Short-term loans receivable (CD under agreements to resell) 72,996	Short-term loans receivable (CP under agreements to resell) 84,988
Time deposits with maturities of three months or more -500	Time deposits with maturities of three months or more -500	Time deposits with maturities of three months or more -500
Pledged bank deposits -3,031	Cash and cash equivalents 136,558	Pledged bank deposits -3,032
Cash and cash equivalents 128,735		Cash and cash equivalents 155,436

Footnotes to Lease Transaction

Previous Interim Period from Apr.1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005																																																
<p>Finance lease transactions other than those where ownership of the leased asset is transferred to the lessee.</p> <p>1. Equivalent of acquisition cost, accumulated depreciation and net book value of the leased assets at the end of the interim period (millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Equipment, furniture and fixtures</td> <td style="width: 20%;"></td> </tr> <tr> <td>Acquisition cost</td> <td style="text-align: right;">5,810</td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">4,182</td> </tr> <tr> <td style="border-top: 1px solid black;">Net book value of the leased assets</td> <td style="text-align: right; border-top: 1px solid black;">1,629</td> </tr> </table> <p>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.</p> <p>2. Outstanding lease fee payable at the end of the interim period (millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due within one year</td> <td style="width: 20%; text-align: right;">962</td> </tr> <tr> <td style="border-top: 1px solid black;">Due over one year</td> <td style="text-align: right; border-top: 1px solid black;">666</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">1,629</td> </tr> </table> <p>Note: As the outstanding lease fee payable at the end of the interim period is insignificant compared to the balances of tangible fixed assets at the end of the interim period, the outstanding lease fee payable included the portion of interest thereon.</p> <p>3. Lease fee and equivalent of depreciation</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Lease fee and equivalent of depreciation</td> <td style="width: 20%; text-align: right;">(millions of yen) 689</td> </tr> </table> <p>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.</p>	Equipment, furniture and fixtures		Acquisition cost	5,810	Accumulated depreciation	4,182	Net book value of the leased assets	1,629	Due within one year	962	Due over one year	666	Total	1,629	Lease fee and equivalent of depreciation	(millions of yen) 689	<p>Finance lease transactions other than those where ownership of the leased asset is transferred to the lessee.</p> <p>1. Equivalent of acquisition cost, accumulated depreciation, accumulated impairment loss and net book value of the leased assets at the end of the interim period (millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Equipment, furniture and fixtures</td> <td style="width: 20%;"></td> </tr> <tr> <td>Acquisition cost</td> <td style="text-align: right;">3,816</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Accumulated depreciation</td> <td style="text-align: right; border-bottom: 1px solid black;">2,960</td> </tr> <tr> <td style="border-bottom: 1px solid black;">Net book value of the leased assets</td> <td style="text-align: right; border-bottom: 1px solid black;">856</td> </tr> </table> <p>Note: The same as the previous interim period.</p> <p>2. Outstanding lease fee payable etc. at the end of the interim period</p> <p style="padding-left: 40px;">Outstanding lease fee payable at the end of the interim period</p> <p style="text-align: right;">(millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due within one year</td> <td style="width: 20%; text-align: right;">553</td> </tr> <tr> <td style="border-top: 1px solid black;">Due over one year</td> <td style="text-align: right; border-top: 1px solid black;">303</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">856</td> </tr> </table> <p>Note: The same as the previous interim period.</p> <p>3. Lease fee, a reversal of accumulated impairment loss on leased assets account, equivalent of depreciation and impairment loss</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Lease fee and equivalent of depreciation</td> <td style="width: 20%; text-align: right;">(millions of yen) 470</td> </tr> </table> <p>4. Method of calculation of equivalent of depreciation The same as the previous interim period.</p> <p>(Impairment loss) No impairment loss is recorded for leased assets.</p>	Equipment, furniture and fixtures		Acquisition cost	3,816	Accumulated depreciation	2,960	Net book value of the leased assets	856	Due within one year	553	Due over one year	303	Total	856	Lease fee and equivalent of depreciation	(millions of yen) 470	<p>Finance lease transactions other than those where ownership of the leased asset is transferred to the lessee.</p> <p>1. Equivalent of acquisition cost, accumulated depreciation and net book value of the leased assets at the end of the fiscal year (millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Equipment, furniture and fixtures</td> <td style="width: 20%;"></td> </tr> <tr> <td>Acquisition cost</td> <td style="text-align: right;">5,088</td> </tr> <tr> <td>Accumulated depreciation</td> <td style="text-align: right;">3,753</td> </tr> <tr> <td style="border-top: 1px solid black;">Net book value of the leased assets</td> <td style="text-align: right; border-top: 1px solid black;">1,334</td> </tr> </table> <p>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.</p> <p>2. Outstanding lease fee payable at the end of the fiscal year (millions of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Due within one year</td> <td style="width: 20%; text-align: right;">806</td> </tr> <tr> <td style="border-top: 1px solid black;">Due over one year</td> <td style="text-align: right; border-top: 1px solid black;">529</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">1,334</td> </tr> </table> <p>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.</p> <p>3. Lease fee and equivalent of depreciation</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Lease fee and equivalent of depreciation</td> <td style="width: 20%; text-align: right;">(millions of yen) 1,319</td> </tr> </table> <p>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.</p>	Equipment, furniture and fixtures		Acquisition cost	5,088	Accumulated depreciation	3,753	Net book value of the leased assets	1,334	Due within one year	806	Due over one year	529	Total	1,334	Lease fee and equivalent of depreciation	(millions of yen) 1,319
Equipment, furniture and fixtures																																																		
Acquisition cost	5,810																																																	
Accumulated depreciation	4,182																																																	
Net book value of the leased assets	1,629																																																	
Due within one year	962																																																	
Due over one year	666																																																	
Total	1,629																																																	
Lease fee and equivalent of depreciation	(millions of yen) 689																																																	
Equipment, furniture and fixtures																																																		
Acquisition cost	3,816																																																	
Accumulated depreciation	2,960																																																	
Net book value of the leased assets	856																																																	
Due within one year	553																																																	
Due over one year	303																																																	
Total	856																																																	
Lease fee and equivalent of depreciation	(millions of yen) 470																																																	
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Footnotes to Investments in Securities
Previous interim period as of September 30, 2004

1. Other securities with market quotations (millions of yen)

	Acquisition cost	Book value on interim consolidated balance sheets	Unrealized gain or loss
(1) Stock	24,902	54,667	29,764
(2) Bonds			
National or local government bonds	-	-	-
Corporate bonds	-	-	-
Others	30,000	22,425	-7,575
(3) Others	25	42	17
Total	54,928	77,134	22,206

2. Details of principal securities which are not stated at market quotations (millions of yen)

	Acquisition cost	Book value on interim consolidated balance sheets	Unrealized gain or loss
Other securities			
Unlisted stocks excluding those traded over-the-counter	3,955	3,757	-198
Unlisted foreign mutual funds	58	67	8
Others	5,195	6,037	842

Notes:

1. Difference between acquisition cost and book value on interim consolidated balance sheets is unrealized gain or loss resulting from foreign currency translation on the securities denominated in foreign currencies at the end of current interim period.
2. "Others" of other securities with market quotations are securities held through investments in partnerships.
3. In the current interim period, 116 million yen for other securities with market quotations was recognized as impairment losses. Except for other securities where the market quotations declined by greater than 50% or those where the market quotations declined by between 30% to less than 50% and the market quotations are considered to be recoverable, impairment losses were recognized on other securities.

Current interim period as of September 30, 2005

1. Other securities with market quotations

(millions of yen)

	Acquisition cost	Book value on interim consolidated balance sheets	Unrealized gain or loss
(1) Stock	9,615	20,869	11,253
(2) Bonds			
National or local government bonds	-	-	-
Corporate bonds	-	-	-
Others	-	-	-
(3) Others	25	58	33
Total	9,640	20,927	11,286

2. Details of principal securities which are not stated at market quotations

(millions of yen)

	Acquisition cost	Book value on interim consolidated balance sheets	Unrealized gain or loss
Other securities			
Unlisted stocks excluding those traded over-the-counter	4,128	3,927	-201
Unlisted foreign mutual funds	13	13	-
Others	3,295	4,154	859

Notes:

1. Difference between acquisition cost and book value on interim consolidated balance sheets is unrealized gain or loss resulting from foreign currency translation on the securities denominated in foreign currencies at the end of current interim period.
2. "Others" of other securities with market quotations are securities held through investments in partnerships.
3. In the current interim period, 28 million yen for unlisted foreign mutual funds classified as other securities with no market quotations was recognized as impairment losses. Except for other securities where the market quotations declined by greater than 50% or those where the market quotations declined by between 30% to less than 50% and the market quotations are considered to be recoverable, impairment losses were recognized on other securities.

Previous fiscal year as of March 31, 2005

1. Other securities with market quotations (millions of yen)

	Acquisition cost	Book value on consolidated balance sheets	Unrealized gain or loss
(1) Stock	20,861	56,178	35,317
(2) Bonds			
National or local government bonds	-	-	-
Corporate bonds	-	-	-
Others	-	-	-
(3) Others	25	48	22
Total	20,886	56,225	35,339

2. Details of principal securities which are not stated at market quotations (millions of yen)

	Acquisition cost	Book value on consolidated balance sheets	Unrealized gain or loss
Other securities			
Unlisted stocks excluding those traded over-the-counter	4,460	4,147	-312
Unlisted foreign mutual funds	58	64	6
Others	4,521	4,782	261

Notes:

1. Difference between acquisition cost and book value is unrealized gain or loss resulting from foreign currency translation on the securities denominated in foreign currencies at the end of the fiscal year.
2. "Others" of other securities with market quotations are securities held through investments in partnerships.
3. In the current consolidated fiscal year, 78 million yen for other securities with no market quotations was recognized as impairment losses. Except for other securities where the market quotations declined by greater than 50% or those where the market quotations declined by between 30% to less than 50% and the market quotations are considered to be recoverable, impairment losses were recognized on other securities.

Footnotes to Derivative Transactions

Previous interim period (from Apr.1 to Sept.30, 2004), current interim period (from Apr.1 to Sept. 30, 2005) and previous fiscal year (from Apr.1, 2004 to Mar. 31, 2005)

As the special treatment of hedge accounting is applied to all derivative transactions, footnotes for derivative transactions are not required to be presented.

Footnotes to Segment Information

Segment by industry

Previous interim period (from Apr.1 to Sept.30, 2004), current interim period (from Apr.1 to Sept. 30, 2005) and previous fiscal year (from Apr.1, 2004 to Mar. 31, 2005)

The Takefuji Corporation Group's principal business is providing consumer finance. As consumer finance business represents more than 90% of the Group's combined operating revenues and operating income, industry segment information is not required to be disclosed.

Segment by geographic area

Previous interim period (from Apr.1 to Sept.30, 2004), current interim period (from Apr.1 to Sept. 30, 2005) and previous fiscal year (from Apr.1, 2004 to Mar. 31, 2005)

As operating revenues in Japan represent more than 90% of the Group's combined operating revenues, geographical segment information is not required to be disclosed.

Overseas operating revenues

Previous interim period (from Apr.1 to Sept.30, 2004), current interim period (from Apr.1 to Sept. 30, 2005) and previous fiscal year (from Apr.1, 2004 to Mar. 31, 2005)

As overseas operating revenues are less than 10% of consolidated revenues, those are not required to be disclosed.

Footnotes to Statistics per Share

Previous Interim Period from Apr. 1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept.30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
Net assets per share; 6,550.80 yen Net income per share; 212.65 yen Net income per share –diluted; 206.79 yen	Net assets per share; 6,874.77 yen Net income per share; 194.55 yen Net income per share –diluted; 189.18 yen	Net assets per share; 6,827.41 yen Net income per share; 487.94 yen Net income per share-diluted; 474.49 yen

Note: Basis for calculating net income per share and net income per share –diluted are as follows;

(millions of yen)

	Previous Interim Period from Apr. 1 to Sept. 30, 2004	Current Interim Period from Apr. 1 to Sept. 30, 2005	Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005
Net income per share			
Net income for the interim period (fiscal year)	29,929	27,374	68,726
Net income not available to common shareholders	-	-	62
(Bonuses to directors included in the above)	-	-	(62)
Net income for common stock	29,929	27,374	68,665
Average number of shares outstanding during the current interim period (fiscal year) (thousand shares)	140,738	140,706	140,723
Net income per share –diluted			
Net income effect of dilutive securities	-	-	-
Incremental shares of common stocks from dilutive securities (thousand shares)	3,989	3,989	3,989
(Incremental shares from assumed conversions of convertible bonds included in the above) (thousand shares)	(3,989)	(3,989)	(3,989)

Subsequent events

None

5. Actual Operating Results

(1) Break-down of Operating Revenues

Sources of revenues		Previous Interim Period from Apr. 1 to Sept. 30, 2004		Current Interim Period from Apr.1 to Sept. 30, 2005		Previous Fiscal Year from Apr. 1, 2004 to Mar. 31, 2005	
		Amount (millions of yen)	Composition Ratio(%)	Amount (millions of yen)	Composition Ratio(%)	Amount (millions of yen)	Composition Ratio(%)
Interest income on direct cash loans	Unsecured loans	175,890	96.6	171,962	97.2	347,474	96.5
Commissions earned	Credit card	22	0.0	30	0.0	49	0.0
Other financial income	Interest on bank deposits	64	0.0	220	0.1	194	0.1
	Interest on loans other than direct cash loans	0	0.0	2	0.0	0	0.0
	Sub total	64	0.0	221	0.1	195	0.1
Other operating income	Collection from bad debts previously written-off	4,049	2.2	3,230	1.8	8,213	2.3
	Real estate rent	436	0.3	414	0.3	857	0.2
	Others	1,666	0.9	1,121	0.6	3,335	0.9
	Sub-total	6,151	3.4	4,765	2.7	12,404	3.4
Total		182,127	100.0	176,978	100.0	360,121	100.0

Note : "Others" in other operating income consist mainly of parking lots fee income and golf-course play fee.

(2) Other Highlights Data

Items	Previous Interim Period as of Sept. 30, 2004	Current Interim Period as of Sept. 30, 2005	Previous Fiscal Year as of Mar.31, 2005
Outstanding direct cash loans to customers (millions of yen)	1,606,220	1,577,078	1,568,725
Unsecured loans	1,606,220	1,577,078	1,568,725
Secured loans	-	-	-
Installment receivables (millions of yen)	306	440	357
Number of customer accounts	2,561,537	2,404,389	2,442,560
Unsecured loans	2,561,537	2,404,389	2,442,560
Secured loans	-	-	-
Number of credit card membership member	192,303	245,247	218,957
Number of branches	1,892	1,888	1,893
Manned	528	523	528
Unmanned	1,363	1,364	1,364
Internet Yen shop	1	1	1
Number of unmanned loan contract machines (Yen-musubi machines)	1,892	1,888	1,893
Number of cash dispensers and ATMs	37,806	38,697	38,220
Owned	2,033	2,025	2,029
Other available ATM by on-line network	35,773	36,672	36,191
Number of employees	3,570	3,438	3,491
Write-offs (millions of yen)	41,585	42,142	112,858
Allowance for credit losses (millions of yen)	155,840	158,981	137,000