

(Translation)  
**Brief Statement of Financial Results at the Interim**  
**for the Fiscal Year Ending March 31, 2006 (Non-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>

Head Office: 15-1 Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo 163-8654, Japan

Representative personnel: **Hikaru Kondo, President**

Administrative personnel to contact: **Tatsumi Matsunaga, Executive Officer of Public Relation Department**

Tel: +81-3-3365-8030

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

Payment of Interim Dividends: Starting from December 5, 2005

Interim-dividend System: Adopted

Unit of Trade for Stocks: One block of 10

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

**(1) Non-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	175,916	(-2.5)	54,824	(10.6)	56,397	(7.3)
Interim Period ended Sept. 2004	180,477	(-8.8)	49,580	(-6.6)	52,568	(-21.7)
Fiscal Year ended Mar. 2005	356,825	(-6.4)	114,706	(-5.6)	117,773	(-14.4)

	Net Income		Net Income per Share
	millions of yen	%	yen
Interim Period ended Sept. 2005	19,365	(-33.5)	137.63
Interim Period ended Sept. 2004	29,127	(-16.0)	206.96
Fiscal Year ended Mar. 2005	66,711	(-10.3)	473.63

Note: (a) Average number of shares outstanding during the period:

September 30, 2005 140,706,052 shares

September 30, 2004 140,737,513 shares

March 31, 2005 140,722,997 shares

(b) Accounting change during the current interim period: None

(c) 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) Dividends**

	Interim Dividend per Share	Annual Dividend per Share
	yen	yen
Interim Period ended Sept. 2005	115.00	-
Interim Period ended Sept. 2004	50.00	-
Fiscal Year ended Mar. 2005	-	100.00

**(3) Non-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	1,807,543	962,849	53.3	6,842.98
Interim Period ended Sept. 2004	1,966,562	926,565	47.1	6,585.11
Fiscal Year ended Mar. 2005	1,913,832	964,956	50.4	6,857.52

Note: (a) Number of shares outstanding as of the end of the period:

September 30, 2005 140,706,051 shares

September 30, 2004 140,706,077 shares

March 31, 2005 140,706,055 shares  
 (b) Number of shares held by the Company as of the end of the period:  
 September 30, 2005 6,589,149 shares  
 September 30, 2004 6,589,123 shares  
 March 31, 2005 6,589,145 shares

**2. Forecasts of Non -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	Total Annual Dividend	
				Year-end Dividend	
Fiscal Year ending March 31, 2006 (full year)	Millions of yen 348,600	millions of yen 123,600	millions of yen 59,100	yen 115.00	yen 230.00

(Reference Data) Forecast net income per share (full year) : 419.58 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 the best information currently available and management's assumptions and beliefs with regard to various factors with 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.

# 1. Non-Consolidated Financial Statements

## (1) Non-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)	Compo- sition Ratio (%)	Amount (millions of yen)	Compo- sition Ratio (%)	Amount (millions of yen)	Compo- sition Ratio (%)	
<b>Assets:</b>								
I Current assets								
1 Cash in hand and at banks	*1	49,197		52,645		66,660		
2 Direct cash loans to customers	*1.2.7	1,606,220		1,577,078		1,568,725		
3 Installment receivables		306		440		357		
4 Inventories		240		258		214		
5 Short-term loans receivable		74,997		72,996		84,988		
6 Deferred income tax assets		38,153		16,243		24,565		
7 Other current assets		49,062		39,212		27,616		
Allowance for credit losses		-155,840		-158,981		-137,000		
Total current assets		1,662,336	84.5	1,599,890	88.5	1,636,126	85.5	
II Fixed assets								
1 Tangible fixed assets								
(1) Land	*1	40,279		23,132		40,279		
(2) Other tangible fixed assets	*1	17,544		14,551		16,698		
Total tangible fixed assets		57,823		37,683		56,977		
2 Intangible fixed assets		5,453		5,956		5,312		
3 Investments and other assets								
(1) Investments in subsidiaries and affiliates		97,791		38,433		72,767		
(2) Other investments and assets		66,562		51,587		67,355		
Total investments and other assets		164,353		90,021		140,123		
Total fixed assets		227,629	11.6	133,660	7.4	202,411	10.6	
III Deferred charges								
1. Discount on bonds		76,597		73,993		75,296		
Total deferred charges		76,597	3.9	73,993	4.1	75,296	3.9	
Total assets		1,966,562	100.0	1,807,543	100.0	1,913,832	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)	Compo- sition Ratio (%)	Amount (millions of yen)	Compo- sition Ratio (%)	Amount (millions of yen)	Compo- sition Ratio (%)
<b>Liabilities:</b>							
I Current Liabilities							
1 Short-term borrowings		42,550		14,250		14,250	
2 Current maturities of bonds		56,367		38,000		30,000	
3 Current portion of long-term borrowings	*1	110,231		119,118		97,325	
4 Accrued income taxes		28,853		31,690		16,690	
5 Allowance for bonuses		1,109		892		886	
6 Other current liabilities		14,695		14,381		14,723	
Total current liabilities			253,805 12.9		218,331 12.1		173,874 9.1
II Fixed liabilities							
1 Bonds		356,567		258,567		356,567	
2 Long-term borrowings	*1	400,737		351,861		389,021	
3 Deferred income tax liabilities		10,371		-		12,160	
4 Allowance for retirement benefits of employees		2,411		2,844		2,612	
5 Allowance for retirement benefits of directors and corporate auditors		65		86		74	
6 Other fixed liabilities		16,041		13,006		14,568	
Total fixed liabilities			786,192 40.0		626,364 34.6		775,002 40.5
Total liabilities			1,039,997 52.9		844,694 46.7		948,877 49.6

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 (%)	
<b>Shareholders' Equity:</b>								
I Common stock			30,478	1.5	30,478	1.7	30,478	1.6
II Capital surplus								
1 Additional paid-in capital		52,263			52,263		52,263	
Total capital surplus			52,263	2.7	52,263	2.9	52,263	2.7
III Retained earnings								
1 Legal reserve		7,619			7,619		7,619	
2 General reserve		821,961			874,961		821,961	
3 Unappropriated retained earnings		41,822			31,639		72,371	
Total retained earnings			871,402	44.3	914,219	50.6	901,951	47.1
IV Net unrealized gains on investments in securities			13,198	0.7	6,664	0.4	21,039	1.1
V Treasury stock			-40,776	-2.1	-40,776	-2.3	-40,776	-2.1
Total shareholders' equity			926,565	47.1	962,849	53.3	964,956	50.4
Total liabilities and shareholders' equity			1,966,562	100.0	1,807,543	100.0	1,913,832	100.0

**(2) Non-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)	Com- position Ratio (%)	Amount (millions of yen)	Com- position Ratio (%)	Amount (millions of yen)	Com- position Ratio (%)			
I Operating revenues										
1 Interest income on direct cash loans to customers		175,890		171,962		347,474				
2 Commissions earned		22		31		50				
3 Other financial income		42		208		144				
4 Other operating income		4,523		3,715		9,157				
Total operating revenues		180,477	100.0	175,916	100.0	356,825	100.0			
II Operating expenses										
1 Financial expenses		12,327		10,424		23,876				
2 Other operating expenses	*1	118,570		110,668		218,243				
Total operating expenses		130,897	72.5	121,091	68.8	242,119	67.9			
Operating income		49,580	27.5	54,824	31.2	114,706	32.1			
III Non-operating income	*2	3,249	1.8	1,636	0.9	3,593	1.0			
IV Non-operating expenses	*3	260	0.1	63	0.0	526	0.1			
Ordinary income		52,568	29.2	56,397	32.1	117,773	33.0			
V Extraordinary income	*4	212	0.1	28,264	16.1	4,017	1.1			
VI Extraordinary losses	*5.7	123	0.1	55,855	31.8	8,363	2.3			
Income before income taxes		52,658	29.2	28,806	16.4	113,426	31.8			
Corporate taxes, inhabitants taxes and enterprise taxes		26,953		32,791		40,115				
Corporate income taxes refunded		-		-10,043		-				
Deferred income tax expenses		-3,423	23,530	13.1	-13,307	9,441	5.4	6,600	46,715	13.1
Net income		29,127	16.1	19,365	11.0	66,711	18.7			
Retained earnings brought Forward		12,695		12,274		12,695				
Interim dividend		-		-		7,035				
Unappropriated retained earnings at the end of the interim period (fiscal year)		41,822		31,639		72,371				

## Significant Accounting Policies for Interim Non-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><b>1.Valuation and computation of significant assets</b></p> <p>(1) Valuation of securities Investments in subsidiaries and affiliates: Cost as determined by 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>(2) Valuation of inventories Cost based on the last purchase price method</p> <p><b>2. Depreciation of the fixed assets</b></p> <p>(1) 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 15 to 50 years for buildings, 10 years to 30 years for structures and from 4 to 15 years for equipment, furniture and fixtures.</p> <p>(2) 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><b>1.Valuation and computation of significant assets</b></p> <p>(1) Valuation of securities Investments in subsidiaries and affiliates: The same as the previous interim period</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>(2) Valuation of inventories The same as the previous interim period</p> <p><b>2. Depreciation of the fixed assets</b></p> <p>(1) Tangible fixed assets The same as the previous interim period</p> <p>(2) Intangible fixed assets The same as the previous interim period</p>	<p><b>1.Valuation and computation of significant assets</b></p> <p>(1) Valuation of securities Investments in subsidiaries and affiliates: Cost determined by 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 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>(2) Valuation of inventories Cost based on the last purchase price method</p> <p><b>2. Depreciation of the fixed assets</b></p> <p>(1) 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 15 to 50 years for buildings, 10 years to 30 years for structures and from 4 to 15 years for equipment, furnitures and fixtures.</p> <p>(2) 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><b>3. Basis of calculating allowances</b> (1) Allowance for credit losses In providing for possible credit losses on direct cash loans, the Company records an allowance for loans (including delinquent loans past due 30 days or less) based on an actual percentage based on all write-offs, including those arising from personal bankruptcy of customers. With respect to specific loans classified as doubtful such as delinquent loans past due for longer periods, the Company records an allowance for credit losses thereon at the estimated uncollectible amounts based on the write-offs of such loans with similar credit risk ratings over a certain period.</p> <p>(2) 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>(3) 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>(4) 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><b>4. Accounting for deferred charges</b> Bond issue costs are expensed as incurred. Discount on bonds is amortized over the period until redemption.</p> <p><b>5. Accounting for lease transactions</b> 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><b>6. Accounting for hedging activities</b> 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><b>3. Basis of calculating allowances</b> (1) Allowance for credit losses The same as the previous interim period.</p> <p>(2) Allowance for bonuses The same as the previous interim period.</p> <p>(3) Allowance for retirement benefits of employees The same as the previous interim period.</p> <p>(4) Allowance for directors' and corporate auditors' retirement benefits The same as the previous interim period.</p> <p><b>4. Accounting for deferred charges</b> Discount on bonds is amortized over the period until redemption.</p> <p><b>5. Accounting for lease transactions</b> The same as the previous interim period.</p> <p><b>6. Accounting for hedging activities</b> The same as the previous interim period.</p>	<p><b>3. Basis of calculating allowances</b> (1) Allowance for credit losses In providing for possible credit losses on direct cash loans, the Company records an allowance for loans (including delinquent loans past due 30 days or less) based on an actual percentage based on all write-offs, including those arising from personal bankruptcy of customers. With respect to specific loans classified as doubtful such as delinquent loans past due for longer periods, the Company records an allowance for credit losses thereon at the estimated uncollectible amounts based on the write-offs of such loans with similar credit risk ratings over a certain period.</p> <p>(2) 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>(3) 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>(4) 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><b>4. Accounting for deferred charges</b> Bond issue costs are expensed as incurred. Discount on bonds is amortized over the period until redemption.</p> <p><b>5. Accounting for lease transactions</b> 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><b>6. Accounting for hedging activities</b> 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>

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><b>7. Other significant accounting policies for the preparation of interim financial statements</b></p> <p>(1) 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, whichever is lower.</p> <p>(2) Accounting treatment of consumption tax Transactions subject to consumption tax are stated at the amount which includes the related consumption tax.</p>	<p><b>7. Other significant accounting policies for the preparation of interim financial statements</b></p> <p>(1) Basis of recognition of interest income on direct cash loans The same as the previous interim period.</p> <p>(2) Accounting treatment of consumption tax The same as the previous interim period.</p>	<p><b>7. Other significant accounting policies for the preparation of financial statements</b></p> <p>(1) 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, whichever is lower.</p> <p>(2) Accounting treatment of consumption tax Transactions subject to consumption tax are stated at the amount which includes the related consumption tax.</p>

#### Changes in Significant Accounting Policies for Interim Non-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 5 million yen and a decrease of income before income taxes by 18,744 million yen.</p> <p>Further, the Company recorded “Loss on devaluation of investments in subsidiaries and affiliates” resulting from recognition of impairment loss on the golf course by a consolidated subsidiary (Take One Country Club Ltd.). This resulted in a decrease of income before income taxes by 34,334 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 non-consolidated financial statements.</p>	-

Footnotes to Non-Consolidated Balance Sheets

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
*1. The assets pledged as security and the corresponding secured liabilities are as follows:			
Pledged assets			
	(millions of yen)	(millions of yen)	(millions of yen)
Cash in hand and at banks	3,031	-	3,032
Direct cash loans to customers	374,777	364,952	395,875
Land	18,904	12,688	18,904
Other tangible fixed assets	5,154	3,631	4,983
Total	<u>401,866</u>	<u>381,270</u>	<u>422,794</u>
Secured liabilities			
	(millions of yen)	(millions of yen)	(millions of yen)
Current portion of long-term borrowings	23,784	43,015	37,043
Long-term borrowings	<u>249,394</u>	<u>205,128</u>	<u>223,532</u>
Total	273,178	248,143	260,575
	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. Investments in affiliated companies of 15 million yen are subject to purchase options by certain contracts.	Amounts stated above include the portion which 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 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. Investments in affiliated companies of 15 million yen are subject to purchase options by certain contracts.
		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	

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
*2. The total outstanding balance of unsecured loans to individuals included in direct cash loans to customers	1,606,220 million yen	1,577,078 million yen	1,568,725 million yen
3. Commitment of direct cash loans	<p>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. 438,737 million yen concerned the contract stated above is unused and 271,742 million yen, which is for the customers whose balance is zero at the end of the interim period, is included in it. 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>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. 410,609 million yen concerned the contract stated above is unused and 248,655 million yen, which is for the customers whose balance is zero at the end of the interim period, is included in it. 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>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. 426,479 million yen concerned the contract stated above is unused and 259,400 million yen, which is for the customers whose balance is zero at the end of the fiscal year, is included in it. 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>
4. Commitment of long-term borrowings	<p>The Company borrows long-term funds under committed lines of credit. The Company has available committed lines of credit equal to 150,000 million yen and yen equivalent of US\$1,000 million, respectively. At the end of the interim period, the Company's outstanding balances under the committed lines of credit were 129,929 million yen and yen equivalent of US\$500 million in total and remaining unused portion was 20,071 million yen and yen equivalent of US\$500 million, respectively.</p>	<p>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 interim period, the Company's outstanding balances under the committed lines of credit were yen equivalent of US\$1,931 million in total and remaining unused portion was yen equivalent of US\$1,569 million.</p>	<p>The Company borrows long-term funds under committed lines of credit. The Company has available committed lines of credit equal to 150,000 million yen and yen equivalent of US\$1,000 million, respectively. At the end of the fiscal year, the Company's outstanding balances under the committed lines of credit were 129,929 million yen and yen equivalent of US\$500 million in total and remaining unused portion was 20,071 million yen and yen equivalent of US\$500 million, respectively.</p>
*5. Accumulated depreciation for tangible fixed assets	34,288 million yen	32,965 million yen	32,128 million yen
6. Contingent liabilities	-	<p>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>30,000 million yen</p> <p>The unsecured bond (fourth issuance) with term of 7 years</p> <p>30,000 million yen</p>	-

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
*6. Delinquent loans receivable Loans to bankrupt borrowers	<p>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>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>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>
Delinquent loans	<p>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 previous interim period.</p>	<p>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>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 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 previous fiscal year.</p>
Delinquent loans past due three months or more	<p>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>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 the related loan agreements and do not include loans to bankrupt borrowers and delinquent loans.</p>	<p>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 the related loan agreements and do not include loans to bankrupt borrowers and delinquent loans.</p>

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
Restructured loans	<p>112,137 million yen (105,271)</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 three 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>110,130 million yen (103,421)</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 three 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>113,287 million yen (106,163)</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 three 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>

## Footnotes to Non-Consolidated Statements of Income

Items	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
*1. Depreciation			
Tangible fixed assets	1,073 million yen	972 million yen	2,234 million yen
Intangible fixed assets	563	654	1,145
*2. Main items of non-operating income			
Dividends income	379 million yen	396 million yen	454 million yen
Profit on investments in partnerships	2,097	416	2,697
Foreign exchange gains	606	687	177
*3. Main items of non-operating expenses			
Bond issue costs	220 million yen	- million yen	220 million yen
Loss on sales and disposal of fixed assets	28	58	249
*4. Main items of extraordinary income			
Gain on sales of investments in securities	-	28,264 million yen	3,804 million yen
Gain on reversal of allowance for retirement benefits of directors and corporate auditors.	212	-	212
*5. Main items of extraordinary losses			
Loss on redemption of investment in securities	- million yen	- million yen	7,254 million yen
Loss on devaluation of investments in securities	116	28	78
Loss on devaluation of investments in subsidiaries and affiliates	-	34,334	1,031
Loss on redemption of bonds	-	2,418	-
Loss on impairment of fixed assets	-	18,749	-
6. Basis for classification of financial income and expenses on the statements of income	<p>(1) Financial income stated as operating revenues Include all financial income excluding dividends and interest income from affiliated companies and excluding dividends and interest and so forth received on investments in securities.</p> <p>(2) Financial expenses Include all financial expenses by the Company engaged in financial services, other than interest payable which has no relationship with operating revenues.</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>(1) Financial income stated as operating revenues Include all financial revenues excluding dividends and interest received from affiliated companies and excluding dividends and interest and so forth received on investments in securities.</p> <p>(2) Financial expenses Include all financial expenses by the Company engaged in financial services, other than interest payable which has no relationship with operating revenues.</p>

Items	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																									
*7.Loss on impairment of fixed assets	-	<p data-bbox="879 241 1157 483">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 data-bbox="879 506 1157 936">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, 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 18,749 million yen as an extraordinary loss item.</p> <p data-bbox="879 958 1157 1039">Impairment losses by account are as follows: (millions of yen)</p> <table border="1" data-bbox="887 1039 1157 1263"> <tr> <td>Buildings</td> <td style="text-align: right;">257</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">4</td> </tr> <tr> <td>Land</td> <td style="text-align: right;">17,111</td> </tr> <tr> <td>Construct- ion 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 data-bbox="879 1285 1157 1361">Impairment losses by classification and location are as follows:</p> <p data-bbox="879 1384 1157 1442">Assets not in use (millions of yen)</p> <table border="1" data-bbox="887 1442 1157 1765"> <thead> <tr> <th>Classifi- cation</th> <th>Locati- on</th> <th>amount</th> </tr> </thead> <tbody> <tr> <td>Land</td> <td>Karuiz- awa</td> <td style="text-align: right;">243</td> </tr> <tr> <td>Invest- ment in land</td> <td>Aomori rokunohe</td> <td style="text-align: right;">230</td> </tr> <tr> <td>Land and buildings</td> <td>Amam- iohshima 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	257	Structures	4	Land	17,111	Construct- ion in progress	1,147	Investment in lands	230	Classifi- cation	Locati- on	amount	Land	Karuiz- awa	243	Invest- ment in land	Aomori rokunohe	230	Land and buildings	Amam- iohshima and other six items	242	Total		715	-
Buildings	257																											
Structures	4																											
Land	17,111																											
Construct- ion in progress	1,147																											
Investment in lands	230																											
Classifi- cation	Locati- on	amount																										
Land	Karuiz- awa	243																										
Invest- ment in land	Aomori rokunohe	230																										
Land and buildings	Amam- iohshima and other six items	242																										
Total		715																										

Items	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 data-bbox="879 286 1160 338">Assets for rent (millions of yen)</p> <table border="1" data-bbox="879 338 1160 981"> <thead> <tr> <th data-bbox="879 338 991 383">Classifi- cation</th> <th data-bbox="991 338 1070 383">Locati- on</th> <th data-bbox="1070 338 1160 383">Amount</th> </tr> </thead> <tbody> <tr> <td data-bbox="879 383 991 456">Land</td> <td data-bbox="991 383 1070 456">Kobe sanno- miya</td> <td data-bbox="1070 383 1160 456">7,002</td> </tr> <tr> <td data-bbox="879 456 991 553">Land and Construct- ion in progress</td> <td data-bbox="991 456 1070 553">Kouji- machi</td> <td data-bbox="1070 456 1160 553">4,244</td> </tr> <tr> <td data-bbox="879 553 991 604">Land</td> <td data-bbox="991 553 1070 604">Ikebu- kuro</td> <td data-bbox="1070 553 1160 604">2,659</td> </tr> <tr> <td data-bbox="879 604 991 701">Land, buildings and structures</td> <td data-bbox="991 604 1070 701">Koma- gome</td> <td data-bbox="1070 604 1160 701">1,936</td> </tr> <tr> <td data-bbox="879 701 991 797">Land, buildings and structures</td> <td data-bbox="991 701 1070 797">Chiba</td> <td data-bbox="1070 701 1160 797">1,331</td> </tr> <tr> <td data-bbox="879 797 991 920">Land, buildings and structures</td> <td data-bbox="991 797 1070 920">Kanda and other five items</td> <td data-bbox="1070 797 1160 920">861</td> </tr> <tr> <td data-bbox="879 920 991 981">Total</td> <td data-bbox="991 920 1070 981"></td> <td data-bbox="1070 920 1160 981">18,034</td> </tr> </tbody> </table> <p data-bbox="879 1003 1160 1055">The total impairment losses; 18,749 million yen</p> <p data-bbox="879 1077 1160 1290">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	Locati- on	Amount	Land	Kobe sanno- miya	7,002	Land and Construct- ion in progress	Kouji- machi	4,244	Land	Ikebu- kuro	2,659	Land, buildings and structures	Koma- gome	1,936	Land, buildings and structures	Chiba	1,331	Land, buildings and structures	Kanda and other five items	861	Total		18,034	
Classifi- cation	Locati- on	Amount																									
Land	Kobe sanno- miya	7,002																									
Land and Construct- ion in progress	Kouji- machi	4,244																									
Land	Ikebu- kuro	2,659																									
Land, buildings and structures	Koma- gome	1,936																									
Land, buildings and structures	Chiba	1,331																									
Land, buildings and structures	Kanda and other five items	861																									
Total		18,034																									

### Footnotes to Lease Transactions

Items	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
Finance lease transactions other than those where ownership of the leased asset is transferred to the lessee.	<p>1. Equivalent of acquisition cost, accumulated depreciation and net book value of the leased assets.</p> <p>Other tangible fixed assets</p> <p>Acquisition cost 5,810 million yen</p> <p>Accumulated depreciation 4,182 million yen</p> <p>Net book value of the leased assets 1,629 million yen</p> <p>Note: Equivalent of acquisition cost included the portion of interest thereon, as the outstanding lease fee payable at the end of the interim period is insignificant compared to the balances of tangible fixed assets.</p> <p>2. Outstanding lease fee payable</p> <p>Due within one year: 962 million yen</p> <p>Due over one year 666 million yen</p> <p>Total 1,629 million yen</p> <p>Note: Outstanding future lease fee payable included the portion of interest thereon, as the outstanding lease fee payable at the end of the interim period is insignificant compared to the balances of tangible fixed assets.</p> <p>3. Lease fee and equivalent of depreciation</p> <p>Lease fee and equivalent of depreciation 689 million yen</p> <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>	<p>1. Equivalent of acquisition cost, accumulated depreciation, accumulated impairment loss and net book value of the leased assets.</p> <p>Other tangible fixed assets</p> <p>Acquisition cost 3,816 million yen</p> <p>Accumulated depreciation 2,960 million yen</p> <p>Net book value of the leased assets 856 million yen</p> <p>Note: The same as the previous interim period.</p> <p>2. Outstanding lease fee payable etc.</p> <p>Outstanding lease fee payable</p> <p>Due within one year: 553 million yen</p> <p>Due over one year 303 million yen</p> <p>Total 856 million yen</p> <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> <p>Lease fee and equivalent of depreciation 470 millions of yen</p> <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>	<p>1. Equivalent of acquisition cost, accumulated depreciation and net book value of the leased assets.</p> <p>Other tangible fixed assets</p> <p>Acquisition cost 5,088 million yen</p> <p>Accumulated depreciation 3,753 million yen</p> <p>Net book value of the leased assets 1,334 million yen</p> <p>Note: Equivalent of acquisition cost included the portion of interest thereon, as the outstanding lease fee payable at the end of the fiscal year is insignificant compared to the balances of tangible fixed assets.</p> <p>2. Outstanding lease fee payable</p> <p>Due within one year: 806 million yen</p> <p>Due over one year 529 million yen</p> <p>Total 1,334 million yen</p> <p>Note: Outstanding future lease fee payable included the portion of interest thereon, as the outstanding lease fee payable at the end of the fiscal year is insignificant compared to the balances of tangible fixed assets.</p> <p>3. Lease fee and equivalent of depreciation</p> <p>Lease fee and equivalent of depreciation 1,319 million yen</p> <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>

**Footnotes to Marketable Securities**

There were no investments in subsidiaries and affiliates with market quotation at the ends of the previous interim period, the current interim period and the previous fiscal year.

### 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; 6,585.11 yen Net income per share; 206.96 yen Net income per share -diluted 201.26 yen	Net assets per share; 6,842.98 yen Net income per share; 137.63 yen Net income per share -diluted 133.83 yen	Net assets per share; 6,857.52 yen Net income per share; 473.63 yen Net income per share-diluted 460.57 yen

Note: Basis for calculating net income per share and net income per share -diluted is 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 (the fiscal year)	29,127	19,365	66,711
Net income not available to common shareholders	-	-	62
(Bonuses to directors included in the above)	-	-	(62)
Net income for common stocks	29,127	19,365	66,650
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

## 2. Actual Operating Results

### (1) Break-down of Operating Revenues

Source 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	97.5	171,962	97.8	347,474	97.4
Commissions earned	Credit card	22	0.0	31	0.0	50	0.0
Other financial income	Interest on bank deposits	42	0.0	206	0.1	144	0.0
	Interest on loans other than direct cash loans	0	0.0	2	0.0	0	0.0
	Sub-total	42	0.0	208	0.1	144	0.0
Other operating income	Collection from bad debts previously written- off	4,049	2.3	3,230	1.8	8,213	2.3
	Real estate rent	437	0.2	415	0.2	859	0.3
	Others	36	0.0	70	0.1	85	0.0
	Sub-total	4,523	2.5	3,715	2.1	9,157	2.6
Total		180,477	100.0	175,916	100.0	356,825	100.0

Note: "Others" in other operating income consist mainly of fees earned.

**(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	3,556	3,424	3,476
Write-offs (millions of yen)	41,585	42,142	112,858
Allowance for credit losses (millions of yen)	155,840	158,981	137,000