

(Translation)
Brief Statement of Financial Results at the Interim
for the Fiscal Year Ending March 31, 2007 (Consolidated)



November 1, 2006

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: November 1, 2006

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

1. Business Results at the Interim for the Fiscal Year Ending March 31, 2007 (From April 1, 2006 to September 30, 2006)

(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. 2006	170,570	(-3.6)	66,906	(20.7)	67,061	(13.3)
Interim Period ended Sept. 2005	176,978	(-2.8)	55,428	(9.8)	59,209	(10.4)
Fiscal Year ended Mar. 2006	351,259	(-2.5)	87,785	(-24.6)	92,248	(-22.6)

	Net Income (Loss)		Net Income (Loss) per Share	Net Income per Share-Diluted
	millions of yen	%	yen	yen
Interim Period ended Sept. 2006	(144,228)	-	(1,025.03)	-
Interim Period ended Sept. 2005	27,374	(-8.5)	194.55	189.18
Fiscal Year ended Mar. 2006	46,924	(-31.7)	333.18	323.99

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

Interim Period ended Sept. 2006	-	millions of yen
Interim Period ended Sept. 2005	-	millions of yen
Fiscal Year ended Mar. 2006	-	millions of yen

b. Average number of shares outstanding during the period:

Interim Period ended Sept. 2006	140,706,016	shares
Interim Period ended Sept. 2005	140,706,052	shares
Fiscal Year ended Mar. 2006	140,706,045	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. 2006	1,755,587	809,736	46.1	5,754.81
Interim Period ended Sept. 2005	1,798,867	967,322	53.8	6,874.77
Fiscal Year ended Mar. 2006	1,770,909	973,626	55.0	6,919.26

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

Interim Period ended Sept. 2006	140,706,007	shares
Interim Period ended Sept. 2005	140,706,051	shares
Fiscal Year ended Mar. 2006	140,706,025	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. 2006	36,896	-1,054	-44,270	98,694
Interim Period ended Sept. 2005	53,312	42,257	-115,305	136,558
Fiscal Year ended Mar. 2006	90,784	42,376	-183,177	107,022

(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):	-	Affiliates (Excluded):	-

2. Forecasts of Consolidated Operating Results for the Fiscal Year ending March 31, 2007 (From April 1, 2006 to March 31, 2007)

	Operating Revenues	Ordinary Income	Net Income (Loss)
	millions of yen	millions of yen	millions of yen
Fiscal Year ending March 31, 2007 (full year)	334,600	125,900	(109,500)

Reference data: Forecast net income per share (full year) :-778.22 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, 2007 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, 2006. 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.

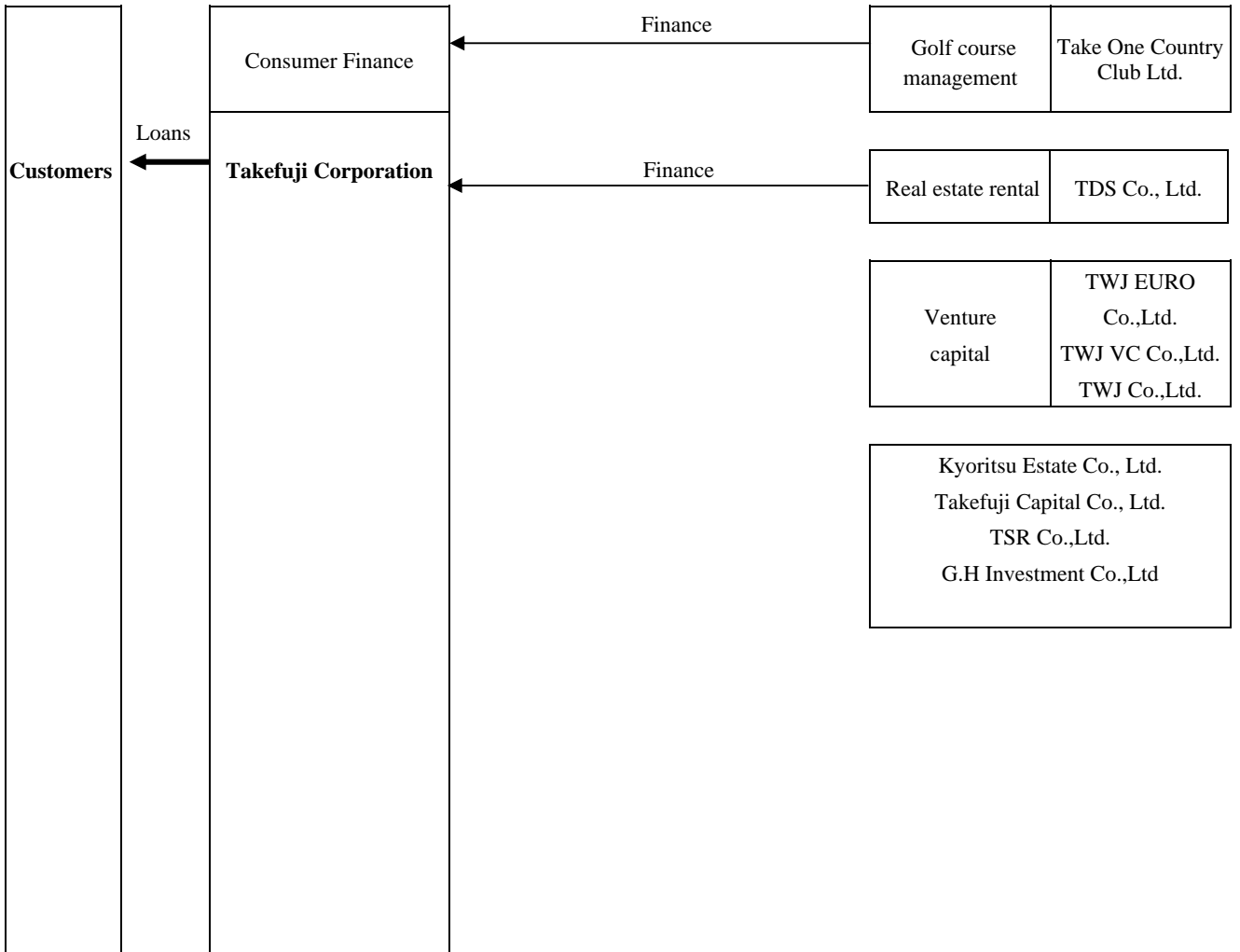
Others

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

Note:

As of September 30, 2006, 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 its establishment, Takefuji Corporation (the “Company”) has focused on the primary importance of the customer first and on management efficiency as basic corporate philosophy. These policies have formed the core of our operations, including the expansion of marketing efforts, staff training and the management of branch 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 the utmost effort. On this basis, we have developed systems not only to ensure customer satisfaction but also to motivate our staff, enabling us to thrive as a consumer financial institution in providing unsecured small lot loans. We aim to engender a cheerful and sincere approach from all of our employees that expresses our gratitude to our customers. To this end, we have developed educational programs that cover our management philosophy and strategy, compliance systems and the high level of services that our staff consistently work well with customers at all times and every places. These programs are designed and targeted to meet the requirement of every level of employees and managers.

The Company became a financial institution that has close ties with the communities in which we operate. Since our founding, we have been involved in a number of different social contribution programs and environmental protection activities that convey our appreciation for the support we have received from the community.

These policies will continue to remain with us and will enable us to provide detailed and accurate responses to our customers’ needs, while continually developing our business in efficient ways. In addition, they further enhance our endeavors to fulfill our corporate social responsibility and our corporate governance and compliance systems. Through these initiatives, we are committed to improve our corporate value to meet the confidence of our shareholders.

(2) Fundamental corporate policy for distributing profits

We consider the stable profit returns to shareholders is most important capital policy and it is our basic understanding to provide stable dividend over a long period to shareholders continuously Based on the above policy, interim dividends for the fiscal year ending March 31, 2007 will be 115 yen per share same as previous year and dividends for the fiscal year end are also planned to be 115 yen per share totaling 230 yen for full year dividend.

In order to make efficient use of capital, the Company has been distributing stable returns to shareholders, strengthening the operational base to utilize the equity to grow our assets to bolster further financial position, investment in offering high levels of customer service and also making strategic investment to enhance our income base. We believe that this approach will contribute to increase corporate value and maximize shareholder value over the medium and long term and assist to provide a greater return to our shareholders.

(3) Concept and policy of lowering minimum trading unit

We lowered the minimum trading unit to 10 shares from 100 shares in August 2001 to increase the liquidity of our shares in the stock market and develop a better investment environment for individual investors.

We will maintain the current minimum trading unit for future. But we will also react appropriately in accordance with the situation of the stock market and the trend of our stock price.

(4) Target management indices

Our longstanding objective has been to achieve 1 trillion yen in shareholders’ equity. We also aim to improve our return on assets (ROA) and return on equity (ROE) to establish a firm business foundation

and further enhance management efficiency.

(5) Long-term corporate management strategy

We strive to construct a business profile with a high efficient and profitable consumer finance business at its core business. To this end, we have taken various measures, such as adherence to strict credit standard, expanding the network of automatic teller machines at business partners, enhancing the channels for acquiring new customers, and improving customer convenience through the use of IT and the Internet technology.

Furthermore, we aim to increase our corporate value over the medium and long terms by expanding our earnings base through the diversification and the proper allocation of management resources into such areas such as the credit card business including M&A, the secured loan business and venture capital investments. For this purpose, we may introduce an aggressive capital policy and maintain and strengthen IR activities in Japan and overseas.

(6) Matters relating to the parent company

There is no applicable item.

(7) Basic guidelines regarding relationships with related parties

A number of branch offices of the Company have a tenancy agreement for its premises owned by related parties. All the terms and conditions are evaluated in the market price same manner as general transactions in public by taking into consideration such factors as market situations and conditions.

3. Business Performance and Financial Condition

(1) Business Performance

1) Overview of the first half of fiscal 2006

During the first half of the current fiscal year, the Japanese economy continued to its recovery. An increase in capital investment in the private sector was backed by improved corporate earnings and more robust employment conditions and consumer spending.

Despite these circumstances, the environment surrounding the consumer finance industry became increasingly challenging, given the sharp increase in claims for refunds of overpayments that followed the strict interpretation of the requirements for deemed payment provided in Article 43 of the Moneylending Control Law by the Supreme Court. Moreover, the debate increasingly turned against moneylenders in the ongoing discussions for the amendment of the Capital Subscription Law, as heard in the claims that the major reason for multiple debt obligations is the high interest rates of moneylenders.

In this environment, the Takefuji Group continued to work to prevent multi-debt and to educate borrowers through such measures as restrictions of broadcasting hours on TV advertisement and the appealing the “Stop over-borrowing!” media campaign as voluntary initiatives for the healthy development of the consumer finance market supported by seven leading consumer finance companies. We also took steps to improve our internal control system, placing the highest priority on compliance and a swift and appropriate response to revisions in government and ministerial ordinances. To improve the customer convenience, we also bolstered our services for sound borrowers with such measures as the introduction of IT tools to commence the “Keitai Yen-musubi” service.

As a result of the above initiatives, the balance of direct cash loans at the end of the current interim period was 1,518,789 million yen (down 1.4% from the previous year-end). The number of customer accounts stood at 2,269 thousand (down 2.3%).

Operating revenue on a consolidated basis for the interim period amounted to 170,570 million yen, declining 3.6% from the previous interim period. Ordinary income increased by 13.3% from the previous interim period, to 67,061 million yen. Mainly due to the change of accounting treatment related re-claimed refund of over paid interest to customers, net loss of 144,228 million yen was recorded.

As of September 30, 2006, the Company operates a network of 523 manned branch offices (523 at the end of the previous year), 1,362 unmanned offices (1,364), one internet shop (1), 10 of quick loan application machines (10), 2,023 owned ATMs (2,025) and 43,985 inter-linked CDs and ATMs (43,425).

2) Forecast for operations and major issues in fiscal 2006

While there are some concerns over the business outlook for the future, such as movements in the US economy and domestic interest rates, we expect the Japanese economy to continue to show moderate growth, led by private-sector demand.

In the consumer finance industry, the amendment of the Capital Subscription Law and the Moneylending Control Law is in its final stages. While a transitional period for approximate three years was included in a draft revision proposed by the ruling parties, the revision also contains provisions that will have a significant impact on the consumer finance industry. These include a substantial reduction in the maximum legal lending rate and the introduction of total amount control. It is anticipated that the industry will be subject to a continuing process of consolidation and reorganization.

The challenges represented by these business conditions are unprecedented, and the Takefuji Group will respond with a full commitment to strengthening its small, unsecured and non-guaranteed consumer loan business by building business with new customers and by attracting quality clients through such measures as reviewing credit screening policies, diversifying the product mix, and expanding sales channels. In addition, we aim to expand and strengthen our earnings base by creating a new business model with consumer finance services as the core, based on the effective use of our ample capital to aggressively engage in new businesses

as well as mergers and acquisitions delivering high synergy for our core business.

Although regulations are expected to be tightened with the amendment of related laws, the Takefuji Group had already established strict voluntary rules for its credit screening policy and credit corrections before the Moneylending Control Law was introduced and today strictly adheres to a limit of one million yen for unsecured loans. We will continue to reinforce our compliance system to provide customers with quality consumer finance services so that they can use our services with a feeling of security. In the meantime, we will seek to increase our corporate value by bolstering corporate governance and promoting social responsibility (CSR) activities.

The forecasts for the consolidated fiscal year ending March 31, 2007 are as follows. Operating revenues are expected to be 334,600 million yen, decreasing 4.7% from the fiscal year ended March 31, 2006. Recurring profit is expected to reach 125,900 million yen, increasing 36.5% year-on-year, and net loss will be 109,500 million yen.

(2) Financial condition

In fund procurement in the first half of the fiscal year under review, Takefuji borrowed a total of 91.8 billion yen from financial institutions, including long-term stable funds of 44.9 billion yen and commitment lines of 400 million dollars (46.9 billion yen), on the premise of shrinking liquidity funds on hand. As a result, the total amount of interest-bearing debt after deduction of discount on bonds amounted to 616.4 billion yen (down 77.2 billion from the first half of the previous fiscal year), and the average current maturity of borrowings was six years and one month. We will continue to procure funds with better terms, continuing to closely monitor interest rate movements and reducing financial expenses.

Moody's and Standard & Poor's have given the company ratings of Baa1 and BBB, respectively.

Consolidated cash and cash equivalents (hereinafter called "the funds") at the end of the current interim period decreased by 8,328 million yen to 98,694 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 36,896 million yen (53,312 million yen for the previous interim period). The principal sources of these cash flows are as follows; Loss before income taxes of 205,075 million yen (37,365 million yen of income before income taxes), reflecting 247,062 million yen of increase in Allowance for losses for refund of interest received from customers in accordance with "Treatment related auditing as to provision of allowance for losses for re-claimed refund of interest in the accounting of consumer finance companies", 291,961 million yen (336,193 million yen) of direct cash loans to customers, 266,076 million yen (285,719 million yen) of collection of loans from customers and 33,235 million yen (18,461 million yen) of the income taxes paid.

(Cash flows from investing activities)

The funds used in investing activities were 1,054 million yen (42,257 million yen provided for the previous interim period). This was mainly due to 1,048 million yen of acquisition of tangible and intangible fixed assets.

(Cash flows from financing activities)

The funds used in financing activities were 44,270 million yen (115,305 million yen for the previous interim period). This was mainly due to the proceeds from long-term borrowings of 71,300 million yen (264,440 million yen), repayments of long-term borrowings of 61,388 million yen (219,219 million yen) and redemption of bonds of 38,000 million yen (153,490 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 Law Concerning the Protection of Personal Information
 5. Impact of other business relating law and regulations
- 2) Risks Associated with Claims for Refunds of Overpayments
- 3) Fund procurement and interest rates of funds procured
 1. Risk relating to reduction of external ratings
 2. Restrictive financial covenant on fund procurement
 3. Risk relating to rising interest rates on fund procurement
- 4) The problem related to multi-debt borrowers
- 5) Deregulation
- 6) The possible risks on 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
- 7) 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.
- 8) Asset risk
 1. Exchange rate risk
 2. Risks associated with venture capital investments
- 9) Significant litigation

4. Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

Item of accounts	Note	Previous Interim Period as of Sept. 30, 2005		Current Interim Period as of Sept.30, 2006		Previous Fiscal Year as of Mar. 31, 2006		
		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		64,062		68,695		67,023		
2 Direct cash loans to customers	*1,2,7	1,577,078		1,518,789		1,540,046		
3 Installment receivables		440		577		494		
4 Securities		-		6		5		
5 Inventories		263		330		376		
6 Accrued interest income on direct cash loans to customers		12,162		13,395		12,305		
7 Short-term loans receivable		72,996		29,998		40,000		
8 Deferred income tax assets		16,255		26,334		19,502		
9 Other current assets		27,505		19,748		22,936		
Less: allowance for credit losses		-158,981		-162,719		-150,430		
Total current assets		1,611,779	89.6	1,515,153	86.3	1,552,258	87.7	
II Fixed assets								
1 Tangible fixed assets	*5							
(1) Buildings and structures	*1	9,776		8,886		9,315		
(2) Land	*1	35,093		35,093		35,093		
(3) Other tangible fixed assets		5,374	50,244	5,543	49,522	5,385	49,794	
2 Intangible fixed assets			5,958		5,444		5,769	
3 Investments and other assets								
(1) Investments in securities		29,020		27,289		32,432		
(2) Long-term deposit		-		42,830		31,058		
(3) Deferred income tax assets		19,268		106,836		17,139		
(4) Other investments		8,605	56,894	8,514	185,468	9,769	90,398	
Total fixed assets			113,095	6.3	240,434	13.7	145,960	8.2
III Deferred charges								
			73,993	4.1	-	-	72,692	4.1
Total assets			1,798,867	100.0		1,755,587	100.0	

Item of accounts	Note	Previous Interim Period as of Sept. 30, 2005		Current Interim Period as of Sept. 30, 2006		Previous Fiscal Year as of Mar. 31, 2006	
		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 Current portion of bonds		38,000		30,000		68,000	
2 Current portion of long-term borrowings	*1	119,118		107,451		113,986	
3 Accrued income taxes		32,343		27,728		27,169	
4 Allowance for losses for refund of interest received from customers		-		-		22,500	
5 Allowance for bonuses		892		787		754	
6 Allowance for bonuses for directors		-		22		-	
7 Other current liabilities		14,398		17,091		14,615	
Total current liabilities		204,751	11.4	183,079	10.4	247,024	13.9
II Fixed Liabilities							
1 Bonds		258,567		157,178		228,567	
2 Long-term borrowings	*1	351,861		321,750		305,304	
3 Deferred income tax liabilities		422		146		201	
4 Allowance for losses for refund of interest received from customers		-		269,562		-	
5 Allowance for retirement benefits of employees		2,847		3,064		3,060	
6 Allowance for retirement benefits of directors and corporate auditors		86		103		104	
7 Other fixed liabilities		13,011		10,970		13,024	
Total fixed liabilities		626,794	34.8	762,772	43.5	550,260	31.1
Total liabilities		831,545	46.2	945,851	53.9	797,283	45.0
Shareholders' Equity							
I Common stock		30,478	1.7	-	-	30,478	1.7
II Capital surplus		52,263	2.9	-	-	52,263	2.9
III Retained earnings		918,418	51.1	-	-	921,787	52.1
IV Net unrealized gains on investments in securities		7,018	0.4	-	-	9,767	0.6
V Foreign currency translation adjustments		-80	-0.0	-	-	107	0.0
VI Treasury stock		-40,776	-2.3	-	-	-40,776	-2.3
Total shareholders' equity		967,322	53.8	-	-	973,626	55.0
Total liabilities and shareholders' equity		1,798,867	100.0	-	-	1,770,909	100.0

Item of accounts	Note	Previous Interim Period as of Sept. 30, 2005		Current Interim Period as of Sept. 30, 2006		Previous Fiscal Year as of Mar. 31, 2006	
		Amount (millions of yen)	Com- position Ratio (%)	Amount (millions of yen)	Com- position Ratio (%)	Amount (millions of yen)	Com- position Ratio (%)
Net assets :							
I Shareholders' Equity							
1 Common stock		-	-	30,478	1.7	-	-
2 Capital surplus		-	-	52,263	3.0	-	-
3 Retained earnings		-	-	761,334	43.3	-	-
4 Treasury stock		-	-	-40,776	-2.3	-	-
Total Shareholders' Equity		-	-	803,299	45.7	-	-
II Valuation and foreign currency translation adjustment							
1 Net unrealized gains on investments in securities		-	-	6,806	0.4	-	-
2 Deferred hedge gains or losses		-	-	-419	-0.0	-	-
3 Foreign currency translation adjustments		-	-	50	0.0	-	-
Total Valuation and foreign currency translation adjustment		-	-	6,437	0.4	-	-
Total net assets		-	-	809,736	46.1	-	-
Total liabilities and net assets		-	-	1,755,587	100.0	-	-

(2) Interim Consolidated Statements of Income

Item of accounts	Note	Previous Interim Period from Apr.1 to Sept. 30, 2005		Current Interim Period from Apr. 1 to Sept. 30, 2006		Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006			
		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		171,962		164,877		341,463			
2 Commissions earned		30		42		65			
3 Other financial income		221		1,625		736			
4 Other operating income		4,765		4,026		8,995			
Total operating revenues		176,978	100.0	170,570	100.0	351,259	100.0		
II Operating expenses									
1 Financial expenses									
(1) Borrowing interest expenses		4,035		4,690		8,750			
(2) Bond interest expenses		5,635		5,048		10,665			
(3) Other financial expenses		590	10,259	627	10,365	1,130	20,546		
2 Other operating expenses									
(1) Advertising expenses		6,233		5,777		12,298			
(2) Provision of allowance for credit losses		64,123		56,661		121,934			
(3) Provision of allowance for losses for refund of interest received from customers		-		-		22,500			
(4) Losses for refund of interest received from customers		-		-		18,699			
(5) Wages and bonuses		8,305		7,731		16,848			
(6) Provision of allowance for bonuses		892		787		754			
(7) Provision of allowance for bonuses for directors		-		22		-			
(8) Provision of allowance for retirement benefits of employees		447		211		895			
(9) Provision of allowance for retirement benefits of directors and corporate auditors		11		15		30			
(10) Temporary employment cost		534		699		1,202			
(11) Rent		3,736		3,556		7,331			
(12) Depreciation and amortization		1,633		1,708		3,401			
(13) Outside service fees		5,222		5,212		10,615			
(14) Others		20,154	111,291	10,918	93,299	26,421	242,928		
Total operating expenses			121,550	68.7		103,664	60.8	263,474	75.0
Operating income			55,428	31.3		66,906	39.2	87,785	25.0

Item of accounts	Note	Previous Interim Period from Apr.1 to Sept. 30, 2005			Current Interim Period from Apr. 1 to Sept.30, 2006			Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006		
		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		2,522			203		2,668			
2 Insurance dividends received		-			-		129			
3 Profit on investments in partnerships		365			91		-			
4 Foreign exchange gains		857			100		1,602			
5 Other non-operating income		141	3,886	2.2	109	503	278	4,678	1.3	
IV Non-operating expenses										
1 Loss on sales of securities		42			-		44			
2 Loss on sales or disposal of fixed assets		58			30		76			
3 Loss on investments in partnerships		-			-		43			
4 Option fees		-			316		47			
5 Other non-operating expenses		5	105	0.1	2	348	6	215	0.0	
Ordinary income			59,209	33.4		67,061		92,248	26.3	
V Extraordinary income										
1 Gain on sales of investments in securities		28,264			-		28,264			
2 Gain on redemption of bonds		189	28,452	16.1	-	-	189	28,452	8.1	
VI Extraordinary losses										
1 Loss on devaluation of investments in securities		28			99		29			
2 Loss on redemption of bonds		2,418			-		2,418			
3 Loss on impairment of fixed assets	*2	47,525			-		47,525			
4 Provision of allowance for losses for refund of interest received from customers		-			272,038		-			
5 Others		327	50,297	28.4	-	272,137	327	50,298	14.4	
Income before income taxes			37,365	21.1		-		70,402	20.0	
Loss before income taxes			-	-		205,075		-	-	
Corporate taxes, inhabitants taxes and enterprise taxes		33,336			33,423		49,907			
Corporate taxes refunded		-10,043			-		-10,043			
Deferred income tax expenses		-13,302	9,991	5.6	-94,271	-60,847	-16,386	23,478	6.6	
Net income			27,374	15.5		-		46,924	13.4	
Net loss			-	-		144,228		-	-	

(3) Interim Consolidated Statements of Retained Earnings and Interim Consolidated Statement of Changes in Net Assets
Interim Consolidated Statements of Retained Earnings

		Previous Interim Period from Apr.1 to Sept.30, 2005		Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006	
Item of accounts	Note	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
II Capital Surplus at the end of the interim period (fiscal year)			52,263		52,263
(Retained earnings)					
I Retained earnings at the beginning of the interim period (fiscal year)			898,141		898,141
II Increase in retained earnings					
1 Net income		27,374	27,374	46,924	46,924
III Decrease in retained earnings					
1 Dividends		7,035		23,216	
2 Bonuses to directors		62	7,097	62	23,278
IV Retained earnings at the end of the interim period (fiscal year)			918,418		921,787

Interim Consolidated Statement of Changes in Net Assets

Current Interim Period (from April 1 to September 30, 2006)

(millions of yen)

	Shareholders' Equity					Valuation and foreign currency translation adjustment		
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' Equity	Net unrealized gains on Investments in securities	Deferred hedge gains or losses	Foreign currency translation adjustments
Balance as of March 31, 2006	30,478	52,263	921,787	-40,776	963,753	9,767	-	107
Changes of items during interim period								
Dividends (Note)	-	-	-16,181	-	-16,181	-	-	-
Bonuses for directors (Note)	-	-	-45	-	-45	-	-	-
Net loss	-	-	-144,228	-	-144,228	-	-	-
Acquisition of treasury stock	-	-	-	-0	-0	-	-	-
Net changes of items other than shareholders' equity	-	-	-	-	-	-2,961	-419	-57
Total changes of items during interim period	-	-	-160,454	-0	-160,454	-2,961	-419	-57
Balance as of September 30, 2006	30,478	52,263	761,334	-40,776	803,299	6,806	-419	50

Note: Items represent disposal of retained earnings at the General meeting in June 2006.

(4) Interim Consolidated Statements of Cash Flows

		Previous Interim Period from Apr.1 to Sept.30, 2005	Current Interim Period from Apr. 1 to Sept.30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
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		37,365	-	70,402
Loss before income taxes		-	-205,075	-
Depreciation and amortization		1,633	1,708	3,401
Loss on impairment of fixed assets		47,525	-	47,525
Gain or loss on investment in partnerships		-138	-17	369
Increase or decrease in allowance for employees' retirement benefits		232	4	445
Increase or decrease in allowance for retirement benefits of directors and corporate auditors		11	-1	30
Increase or decrease in allowance for credit losses		21,981	12,289	13,430
Increase or decrease in allowance for losses for refund of interest received from customers		-	247,062	22,500
Write-offs		42,142	31,841	108,504
Interest refunded to customers (portion of damaged principal)		-	15,328	-
Non-operating interest income and dividend income		-2,522	-203	-2,668
Loss on sales of securities		42	-	44
Loss on sales or disposal of tangible fixed assets		58	30	76
Gain on sales of investments in securities		-28,264	-	-28,264
Loss on devaluation of investments in securities		28	99	29
Gain on redemption of bonds		-189	-	-189
Loss on redemption of bonds		2,418	-	2,418
Increase or decrease in accrued interest income on loans to customers		-49	-1,090	-192
Direct cash loans made to customers		-336,193	-291,961	-651,803
Direct cash loans collected from customers		285,719	266,076	572,036
Increase or decrease in long-term deposit		-	-11,772	-31,058
Others		-2,548	4,717	-7,434
Sub total		69,250	69,034	119,600
Non-operating interest income and dividend income received		2,522	203	2,668
Income taxes paid		-18,461	-33,235	-40,591
Income taxes refunded		-	894	9,107
Net cash provided by operating activities		53,312	36,896	90,784

		Previous Interim Period from Apr.1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept.30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
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 time deposit		-	-	500
Increase or decrease in pledged bank deposits		3,032	-	3,032
Payments for purchase of tangible fixed assets		-265	-574	-752
Payments for purchase of intangible fixed assets		-1,313	-474	-1,833
Proceeds from sales and redemption of securities		278	-	278
Payments for purchase of investments in securities		-279	-315	-655
Proceeds from sales and redemption of investments in securities		41,294	321	42,126
Payments for acquisition of investments in partnerships		-515	-43	-515
Proceeds from collection of investments in partnerships		-	20	103
Others		25	11	93
Net cash provided by investing activities		42,257	-1,054	42,376
III Cash flows from financing activities				
Proceeds from long-term borrowings		264,440	71,300	265,740
Repayments of long-term borrowings		-219,219	-61,388	-272,209
Repayments for redemption of bonds		-153,490	-38,000	-153,490
Acquisition or sales of treasury stock, net		-0	-0	-0
Cash dividends paid		-7,035	-16,181	-23,216
Net cash used in financing activities		-115,305	-44,270	-183,177
IV Effect of exchange rate changes on cash and cash equivalents		858	100	1,603
V Increase or decrease in cash and cash equivalents		-18,878	-8,328	-48,414
VI Cash and cash equivalents at the beginning of the interim period (fiscal year)		155,436	107,022	155,436
VII Cash and cash equivalents at the end of the interim period (fiscal year)	*	136,558	98,694	107,022

Significant Accounting Policies for Interim Consolidated Financial Statements

Previous Interim Period from Apr. 1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
<p>1. Scope of consolidation As of September 30, 2005, the number of consolidated subsidiaries were 9 as listed below; 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. 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 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 As of September 30, 2006, the number of consolidated subsidiaries were 9 as listed below; 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>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 As of March 31, 2006, the number of consolidated subsidiaries were 9 as listed below; Kyoritsu Estate Co., Ltd. TWJ VC Co., Ltd. Takefuji Capital Co., Ltd. Take One Co., Ltd. TSR Co., Ltd. G.H Investment Co., Ltd. TWJ Co., Ltd. TWJ EURO Co., Ltd. TDS Co., Ltd. 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 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, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
<p>4. Significant accounting policies (1) Valuation and computation of significant assets A Securities 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. 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 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>(3) Accounting for deferred charges Discount on bonds is amortized over the period until redemption.</p>	<p>4. Significant accounting policies (1) Valuation and computation of significant assets A Securities 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 net assets, and the cost of securities sold is computed using the moving average method.</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 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>(3) -</p>	<p>4. Significant accounting policies (1) Valuation and computation of significant assets A Securities Other securities: Where there is a market quotation- Market value as determined by the quoted price at the end of the fiscal year. The difference between the acquisition cost and the market value, 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 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>(3) Accounting for deferred charges Discount on bonds is amortized over the period until redemption.</p>

Previous Interim Period from Apr. 1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
<p>(4) Basis of calculating allowances 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>(4) Basis of calculating allowances 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>(Additional Information) From the current interim period, the Company records allowance for losses for refund of interest received from customers for expected portion of loss for refund of interest that should be deducted from direct cash loans to customers in accordance with “Application of auditing for provision of allowance for losses for re-claimed refund of interest in the accounting of consumer finance companies” of the industry audit practice committee report No.37 by the Japanese institute of certified public accountants.</p> <p>With this change, the portion of expected losses for refund of interest of 12,531 million yen that was included in allowance for credit losses at the beginning of the fiscal year is converted to allowance for losses for refund of interest received from customers.</p>	<p>(4) Basis of calculating allowances 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>

Previous Interim Period from Apr. 1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
B -	<p>B Allowance for losses for refund of interest received from customers In providing for possible losses for refund of interest received from customers exceeding the upper limit of interest rate prescribed under the Interest Rate Restriction Law, the Company records an allowance for losses for refund of interest received from customers based on the anticipated losses for refund reclaim from customers at the end of the current fiscal year.</p> <p>(Additional Information) From the current interim period, the Company records allowance for losses for refund of interest received from customers in accordance with “Application of auditing for provision of allowance for losses for re-claimed refund of interest in the accounting of consumer finance companies” of the industry audit practice committee report No.37 by the Japanese institute of certified public accountants.</p> <p>With this change, the Company recorded 272,038 million yen as provision of allowance for losses for refund of interest received from customers in the section of extra ordinary losses which is the difference between 307,069 million yen that is calculated as the allowance for losses for refund of interest received from customers in accordance with the report above stated at the beginning of the fiscal year and 35,031 (including 12,531 million yen converted from allowance for credit losses at the beginning of the fiscal year) million yen that was calculated as the allowance for losses for refund of interest received from customers in accordance with the previous standard.</p> <p>As a result provision of allowance for credit losses included in the section of operating expenses decreased 22,644 million yen, provision of allowance for losses for refund of interest received from customers decreased 42,778 million yen, operating income and ordinary income increased 65,423 million yen respectively and loss before income taxes increased 206,615 million yen compared with the previous period.</p>	<p>B Allowance for losses for refund of interest received from customers In providing for possible losses for refund of interest received from customers exceeding the upper limit of interest rate prescribed under the Interest Rate Restriction Law, the Company records an allowance for losses for refund of interest received from customers based on the anticipated losses for refund reclaim from customers at the end of the current fiscal year.</p> <p>(Additional Information) Allowance for losses for refund of interest received from customers was recorded from the current fiscal year due to the increased significance of those re-claimed losses on the financial statements, which were related to the interests received from customers exceeding the upper limit of interest rate prescribed under the Interest Rate Restriction Law, resulting from the supreme court decisions on January 13 and 19, 2006 about practical application of the voluntary repayments rules prescribed under Article 43 of the Moneylending Control Law. This resulted in an increase of other operating expenses by 22,500 million yen and in decreases of operating income, ordinary income and income before income taxes by the same amount, respectively.</p>

Previous Interim Period from Apr. 1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
<p>C 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 bonuses The same as the previous interim period.</p>	<p>C 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>D -</p>	<p>D Allowance for bonuses for directors In providing for bonuses payable to directors, the Company records an allowance for current interim period portion thereof based on the expected payment of bonuses for directors. (Changes in accounting policy) The Company applied "Accounting standard for Directors' Bonus" (Statement No.4 of Accounting standards board of Japan on November 29, 2005).</p>	<p>D -</p>
<p>As a result operating income and ordinary income decreased 22 million yen respectively and loss before income taxes increased by the same amount compared with the previous period.</p>	<p>As a result operating income and ordinary income decreased 22 million yen respectively and loss before income taxes increased by the same amount compared with the previous period.</p>	
<p>E 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>E Allowance for retirement benefits of employees The same as the previous interim period.</p>	<p>E 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>F 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>F Allowance for directors' and corporate auditors' retirement benefits The same as the previous interim period.</p>	<p>F 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>(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>(5) Accounting for lease transactions The same as the previous interim period.</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>

Previous Interim Period from Apr. 1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
<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>(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. Interest swap transactions and Currencies and interest swap transactions were accounted for using the deferred hedge method prescribed under the Japanese GAAP. Currencies and interest swap transactions were accounted for using the special treatment of hedge accounting for interest swaps allowed under the Japanese GAAP. The Company evaluates the effectiveness of hedging activities by comparison between accumulated fluctuations in accumulated market quotations and accumulated cash flows of the hedged items and those of the related hedging activities and the resulting ratios in those fluctuations between the hedged items and the related hedging activities. Note that evaluation of the effectiveness about interest swaps accounted for using the special treatment of hedge accounting is omitted due to no requirements under the Japanese GAAP.</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. Interest swap transactions and bond option transaction were accounted for using the deferred hedge method prescribed under the Japanese GAAP. Currencies and interest swap transactions were accounted for using the special treatment of hedge accounting for interest swaps allowed under the Japanese GAAP. The Company evaluates the effectiveness of hedging activities by comparison between accumulated fluctuations in accumulated market quotations and accumulated cash flows of the hedged items and those of the related hedging activities and the resulting ratios in those fluctuations between the hedged items and the related hedging activities. Note that evaluation of the effectiveness about interest swaps accounted for using the special treatment of hedge accounting is omitted due to no requirements under the Japanese GAAP.</p>
<p>(7) Other significant accounting policies for the preparation of interim consolidated financial statements 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>(7) Other significant accounting policies for the preparation of interim consolidated financial statements A Basis of recognition of interest income on direct cash loans The same as the previous interim period.</p>	<p>(7) Other significant accounting policies for the preparation of consolidated financial statements 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>B Accounting treatment of consumption tax The same as the previous interim period.</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>5. Cash and cash equivalents as stated in interim consolidated statements of cash flows The same as the previous interim period.</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, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
<p>(Accounting standard for impairment of fixed assets) 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 August 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). 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. 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> <p style="text-align: center;">-</p>	<p style="text-align: center;">-</p> <p>(Accounting standard for financial services) From current fiscal year, the company has adopted “Accounting standard for financial instruments” (Statement No.10 of Accounting standards board of Japan on August 11, 2006) and “Tentative solution on accounting for deferred assets” (PITF No.19 on August 11, 2006).</p> <p>As a result discount on bonds amounting to 71,389 million yen which were previously recorded as deferred charges is now recorded as deduction from bonds on the balance sheets.</p>	<p>(Accounting standard for impairment of fixed assets) From current fiscal year, 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 August 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). This adoption resulted in increase of operating revenues and ordinary income by 208 million yen and a decrease of income before income taxes by 47,317 million yen. 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 consolidated financial statements.</p> <p style="text-align: center;">-</p>

Previous Interim Period from Apr. 1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
-	<p>(Accounting standard for presentation of net assets in the balance sheet)</p> <p>From current interim period, the company has adopted "Accounting standard for presentation of net assets in the balance sheet" (Statement No.5 on December 9, 2005) and "Guidance on accounting standard for presentation of net assets in the balance sheet" (Guidance No.8 on December 9, 2005) of the accounting standards board of Japan. Shareholders' equity under the previous presentation method amounted to 810,155 million yen.</p> <p>Net assets in the balance sheets for the current interim period have been presented in accordance with the revised disclosure rules of interim consolidated financial statements in accordance with the revision of disclosure rules of interim consolidated financial statements.</p>	-

Reclassification

Previous Interim Period from Apr. 1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006
<p>(Consolidated interim balance sheets)</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, 2005	Current Interim Period as of Sept. 30, 2006	Previous Fiscal Year as of Mar. 31, 2006																																																						
<p>*1. 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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 34,996 million yen of accumulated depreciation for tangible fixed assets was netted against acquisition cost on the consolidated balance sheets.</p>	Pledged assets (millions of yen)		Direct cash loans to customers	364,952	Buildings and structures	3,631	Land	12,688	Total	381,270	Secured liabilities (millions of yen)		Current portion of long-term borrowings	43,015	Long-term borrowings	205,128	Total	248,143	<p>*1. 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The total outstanding balance 1,518,789 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 396,215 million yen which included 239,074 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\$2,098 million and remaining unused portion was Yen equivalent of \$1,402 million.</p> <p>*5. The amount of 36,830 million yen of accumulated depreciation for tangible fixed assets was netted against acquisition cost on the consolidated balance sheets.</p>	Pledged assets (millions of yen)		Direct cash loans to customers	355,670	Buildings and structures	3,394	Land	12,688	Total	371,751	Secured liabilities (millions of yen)		Current portion of long-term borrowings	45,190	Long-term borrowings	208,084	Total	253,273	<p>*1. 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The total outstanding balance 1,540,046 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 404,304 million yen which included 243,407 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 consolidated fiscal year, the Company's outstanding balance under the committed line of credit was Yen equivalent of US\$1,814 million and remaining unused portion was Yen equivalent of US\$1,686 million.</p> <p>*5. The amount of 35,982 million yen of accumulated depreciation for tangible fixed assets was netted against acquisition cost.</p>	Pledged assets (millions of yen)		Direct cash loans to customers	299,312	Buildings and structures	3,509	Land	12,688	Total	315,509	Secured liabilities (millions of yen)		Current portion of long-term borrowings	39,134	Long-term borrowings	185,723	Total	224,857
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<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 30,000 million yen</p> <p>The unsecured bond (fourth issuance) with term of 7 years 30,000 million yen</p> <p>*7. Delinquent loans receivable 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 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 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>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>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 30,000 million yen</p> <p>The unsecured bond (fourth issuance) with term of 7 years 30,000 million yen</p> <p>*7. Delinquent loans receivable Loans to bankrupt borrowers; 1,011 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; 84,393 million yen 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; 38,572 million yen 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>Restructured loans; 99,231million yen (92,403million 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>6. 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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>

Previous Interim Period as of Sept. 30, 2005	Current Interim Period as of Sept. 30, 2006	Previous Fiscal Year as of Mar. 31, 2006
<p>8. 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;</p> <p>(2) in case of the ratio of consolidated shareholders' equity against consolidated total assets being less than 20%;</p> <p>(3) in case of the balance of contingent liabilities being more than 170,000 million yen;</p> <p>(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%;</p> <p>(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;</p> <p>(6) in case of the total balance of direct cash loans and cash and cash equivalents against the total assets being less than 40%;</p> <p>(7) in case of the ratio of credit losses write-offs being more than 10%;</p> <p>(8) in case of the total balance of real estate and investments in securities against the total assets being more than 40%;</p> <p>(9) in case of the balance of secured borrowings excluding those with collateral of real estate against total current assets being more than 80%;</p> <p>(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>8. Certain covenants Certain covenants were applied to 47,114 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;</p> <p>(2) in case of the ratio of consolidated shareholders' equity against consolidated total assets being less than 10%;</p> <p>(3) -</p> <p>(4) -</p> <p>(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;</p> <p>(6) in case of the total balance of direct cash loans and cash and cash equivalents against the total assets being less than 40%;</p> <p>(7) in case of the ratio of credit losses write-offs being more than 20%;</p> <p>(8) in case of the total balance of real estate and investments in securities against the total assets being more than 40%;</p> <p>(9) in case of the balance of secured borrowings excluding those with collateral of real estate against total current assets being more than 80%;</p> <p>(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>8. Certain covenants Certain covenants were applied to 52,836 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 are listed.)</p> <p>(1) in case of the balance of consolidated shareholders' equity being less than 250,000 million yen;</p> <p>(2) in case of the ratio of consolidated shareholders' equity against consolidated total assets being less than 20%;</p> <p>(3) in case of the balance of contingent liabilities being more than 170,000 million yen;</p> <p>(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%;</p> <p>(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;</p> <p>(6) in case of the total balance of direct cash loans and cash and cash equivalents against the total assets being less than 40%;</p> <p>(7) in case of the ratio of credit losses write-offs being more than 10%;</p> <p>(8) in case of the total balance of real estate and investments in securities against the total assets being more than 40%;</p> <p>(9) in case of the balance of secured borrowings excluding those with collateral of real estate against total current assets being more than 80%;</p> <p>(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, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006																																																						
<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. 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. 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. 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: 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 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. -</p>	<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. 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. 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Foot note to Consolidated Statement of Changes in Net Assets

Current Interim Period (from April 1 to September 30, 2006)

1. Type and the total number of issued stocks and type and the number of treasury stocks

	The number at the end of previous fiscal year (thousand shares)	The number increased during current interim period (thousand shares)	The number decreased during current interim period (thousand shares)	The number at the end of current interim period (thousand shares)
Issued stocks				
Common stocks	147,295	-	-	147,295
Total	147,295	-	-	147,295
Treasury stocks				
Common stocks (Note)	6,589	0	-	6,589
Total	6,589	0	-	6,589

Note: 0 thousand shares of increased common stocks represent purchase of under unit stocks.

2. Items regarding dividends

(1) Dividends paid

Resolution	Type of stocks	Total amount of dividends (million yen)	Dividends per share (yen)	Basic date	Effective date
General meeting at June 29, 2006	Common stocks	16,181	115	March 31, 2006	June 29, 2006

(2) Dividends after the end of current interim period of which basic date belongs to current interim period

Resolution	Type of stocks	Total amount of dividends (million yen)	Source of dividends	Dividends per share (yen)	Basic date	Effective date
Board of directors at November 1, 2006	Common stocks	16,181	Retained earnings	115	September 30, 2006	December 4, 2006

Footnotes to Interim Consolidated Statements of Cash Flows

Previous Interim Period from Apr.1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
Relationship between cash and cash equivalents at the end of the interim period and interim consolidated balance sheets items as of September 30, 2005; (millions of yen)	Relationship between cash and cash equivalents at the end of the interim period and interim consolidated balance sheets items as of September 30, 2006; (millions of yen)	Relationship between cash and cash equivalents at the end of the fiscal year and consolidated balance sheets items as of March 31, 2006; (millions of yen)
Cash in hand and at banks 64,062	Cash in hand and at banks 68,695	Cash in hand and at banks 67,023
Short-term loans receivable (CD under agreements to resell) 72,996	Short-term loans receivable (CD under agreements to resell) 29,998	Short-term loans receivable (CD, CP under agreements to resell) 40,000
Time deposits with maturities of three months or more -500	Cash and cash equivalents 98,694	Cash and cash equivalents 107,022
Cash and cash equivalents 136,558		

Footnotes to Lease Transaction

Previous Interim Period from Apr.1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006																																																																		
<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> <tr> <td>Equipment, furniture and Fixtures</td> <td></td> </tr> <tr> <td>Acquisition cost</td> <td>3,816</td> </tr> <tr> <td>Accumulated depreciation</td> <td>2,960</td> </tr> <tr> <td>Net book value of the leased assets</td> <td>856</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. 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Method of calculation of equivalent of deprecation 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>(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	Outstanding lease fee payable at the end of the interim period			(millions of yen)	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. 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Footnotes to Investments in Securities

Previous 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 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.

Current interim period (as of September 30, 2006)

1. Other securities with market quotations

(millions of yen)

	Acquisition cost	Book value on interim consolidated balance sheets	Unrealized gain or loss
(1) Stock	9,595	21,016	11,421
(2) Bonds			
National or local government bonds	-	-	-
Corporate bonds	-	-	-
Others	-	-	-
(3) Others	25	64	39
Total	9,619	21,079	11,460

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	4,725	4,651	-75
Unlisted foreign mutual funds	5	6	1
Others	1,469	1,559	89

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 are securities held through investments in partnerships.

3. In the current interim period, 21 million yen for other securities with market quotations and 78 million yen for other securities with no market quotations were 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, 2006)

1. Other securities with market quotations

(millions of yen)

	Acquisition cost	Book value on consolidated balance sheets	Unrealized gain or loss
(1) Stock	9,612	26,106	16,494
(2) Bonds			
National or local government bonds	-	-	-
Corporate bonds	-	-	-
Others	-	-	-
(3) Others	25	77	52
Total	9,637	26,183	16,546

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	4,494	4,389	-104
Unlisted foreign mutual funds	5	5	-
Others	1,797	1,860	62

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 are securities held through investments in partnerships.
3. In the current consolidated fiscal year, 29 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.

Footnotes to Derivative Transactions

Previous interim period (from Apr.1 to Sept.30, 2005)

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

Contract amount of derivative transaction, quotation and gain or loss on evaluation

Type of objects : Bonds

Type of transaction	Previous Fiscal Year from April 1, 2005 to March 31, 2006			Current Interim Period from April 1, to Sept. 30, 2006		
	Contract amount	Quotation	Gain or Loss on evaluation	Contract amount	Quotation	Gain or Loss on evaluation
Bond option						
Buy	80,800			110,800		
Call	(47)	-	-47	(316)	-	-316

Note: 1. Option fees are shown in the parenthesis below the contract amount.

2. Derivative transactions to which hedge accounting is applied are excluded.

Footnotes to Segment Information

Segment by industry

Previous interim period (from Apr.1 to Sept.30, 2005), current interim period (from Apr.1 to Sept. 30, 2006) and previous fiscal year (from Apr.1, 2005 to Mar. 31, 2006)

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, 2005), current interim period (from Apr.1 to Sept. 30, 2006) and previous fiscal year (from Apr.1, 2005 to Mar. 31, 2006)

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, 2005), current interim period (from Apr.1 to Sept. 30, 2006) and previous fiscal year (from Apr.1, 2005 to Mar. 31, 2006)

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, 2005	Current Interim Period from Apr. 1 to Sept.30, 2006	Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
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; 5,754.81 yen Net loss per share; 1,025.03 yen Net income per share-diluted is not presented since net loss is recorded and there are no potential stocks.	Net assets per share; 6,919.26 yen Net income per share; 333.18 yen Net income per share-diluted; 323.99 yen

Note: Basis for calculating net income or loss per share and net income per share-diluted are as follows;

	Previous Interim Period from Apr. 1 to Sept. 30, 2005	Current Interim Period from Apr. 1 to Sept. 30, 2006	(millions of yen) Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006
Net income per share			
Net income for the interim period (fiscal year)	27,374	-	46,924
Net loss	-	144,228	-
Net income not available to common shareholders	-	-	45
(Bonuses to directors included in the above)	-	-	(45)
Net income for common stock	27,374	-	46,880
Net loss for common stock	-	144,228	-
Average number of shares outstanding during the current interim period (fiscal year) (thousand shares)	140,706	140,706	140,706
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
(Incremental shares from assumed conversions of convertible bonds included in the above) (thousand shares)	(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, 2005		Current Interim Period from Apr.1 to Sept. 30, 2006		Previous Fiscal Year from Apr. 1, 2005 to Mar. 31, 2006	
		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	171,962	97.2	164,877	96.7	341,463	97.2
Commissions earned	Credit card	30	0.0	42	0.0	65	0.0
Other financial income	Interest on bank deposits	220	0.1	414	0.2	547	0.2
	Interest on loans other than direct cash loans	2	0.0	21	0.0	5	0.0
	Others	-	-	1,190	0.7	184	0.0
	Sub total	221	0.1	1,625	0.9	736	0.2
Other operating income	Collection from bad debts previously written-off	3,230	1.8	3,147	1.8	6,559	1.9
	Real estate rent	414	0.3	438	0.3	848	0.2
	Others	1,121	0.6	442	0.3	1,589	0.5
	Sub-total	4,765	2.7	4,026	2.4	8,995	2.6
Total		176,978	100.0	170,570	100.0	351,259	100.0

Note : 1. "Others" in other financial income consist mainly of interest received from interest swap transaction.

2. "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, 2005	Current Interim Period as of Sept. 30, 2006	Previous Fiscal Year as of Mar.31, 2006
Outstanding direct cash loans to customers (millions of yen)	1,577,078	1,518,789	1,540,046
Unsecured loans	1,577,078	1,518,789	1,540,046
Secured loans	-	-	-
Installment receivables (millions of yen)	440	577	494
Number of customer accounts	2,404,389	2,268,706	2,322,917
Unsecured loans	2,404,389	2,268,706	2,322,917
Secured loans	-	-	-
Number of credit card membership member	245,247	271,326	254,665
Number of branches	1,888	1,896	1,898
Manned	523	523	523
Unmanned	1,364	1,362	1,364
Internet Yen shop	1	1	1
Quick loan application machines	-	10	10
Number of unmanned loan contract machines (Yen-musubi machines)	1,888	1,886	1,888
Number of cash dispensers and ATMs	38,697	46,008	45,450
Owned	2,025	2,023	2,025
Other available ATM by on-line network	36,672	43,985	43,425
Number of employees	3,438	3,147	3,184
Write-offs (millions of yen)	42,142	31,841	108,504
Interest refunded to customers (portion of damaged principal) (millions of yen)	-	15,328	-
Allowance for credit losses (millions of yen)	158,981	162,719	150,430