

# **Brand New Takefuji**

**Medium-Term Business Plan and Financial Results  
for the 3rd Quarter Ended December 31, 2008  
(Non-Consolidated Basis)**

**Investor Presentation**

February 13, 2009  
**TAKEFUJI CORPORATION**

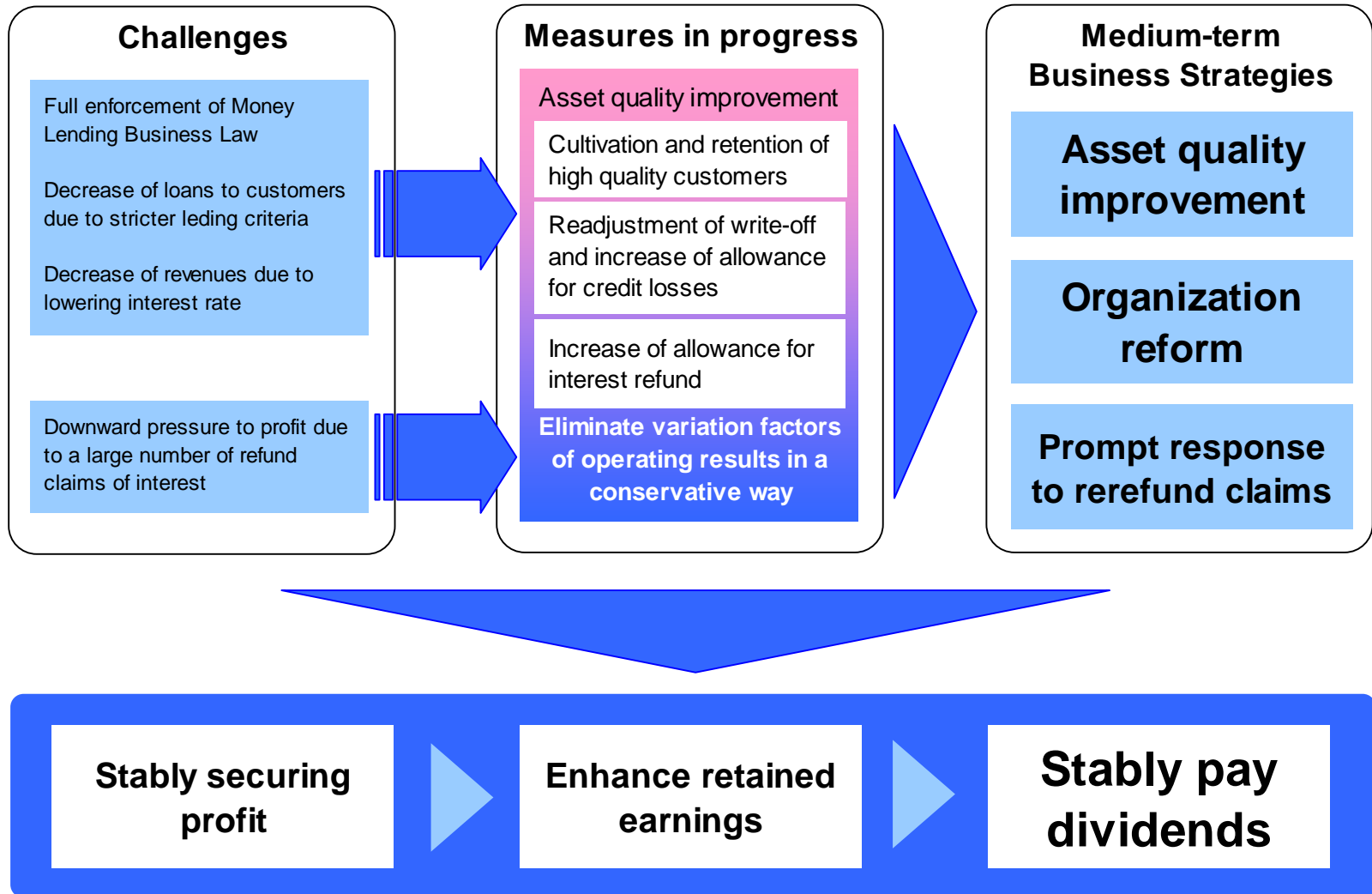


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# Solutions for Management Challenges





# Outline of Medium-Term Business Plan

**Stably secure profit after full enforcement of Money Lending Business Law**

**Asset quality improvement: aiming to improve Non-Performing Loans Ratio**

**Retention of high quality customers through benecere card**

- Restrain the decrease of loans to customers and loan customer accounts
- Obtain new customers

**Reduce total loans past-due**

- Enhance collection management system
- Readjust write-off bad debts early

**Reorganization: consolidate to 100 manned branches and readjustment for effective reorganization**

**Reduce branch offices**

- Reform organization and system
- Appropriate allocation of personnel

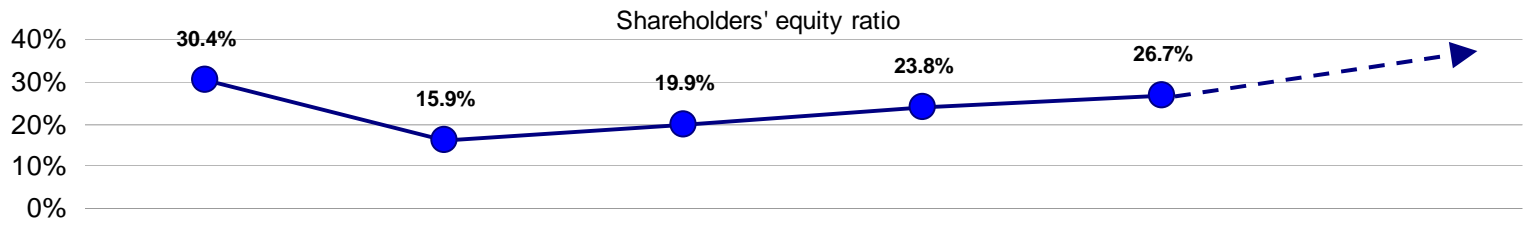
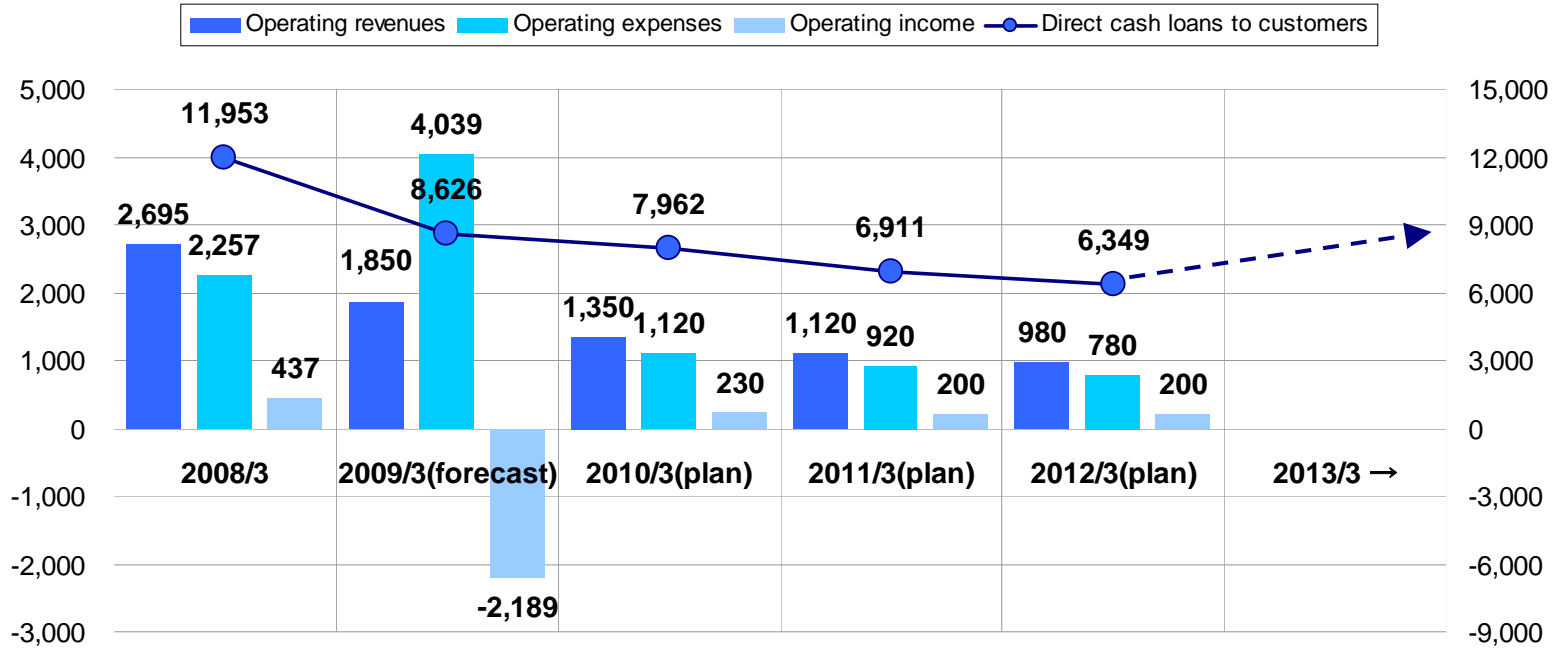
**Refund claims: Toward settlement before law suit as majority**

**Early settlement by mainly settling before law suit**



# Perspective of Estimated Profit

Despite the current fiscal year's large loss, stably secure profit by eliminating variation factors of operating results in a conservative way including increase of allowance for losses for refund of interest received from customers.





# Summary of the 3<sup>rd</sup> Quarter Financial Results and Full Year Forecast

ITEMS (million yen)	2007/12	2008/3	2008/12	2009/3 forecast	Eliminate variation factors in a conservative way prior to Medium-Term Business Plan
Direct cash loans to customers	1,294,114	1,195,328	<b>995,958</b>	862,600	
Operating revenues	209,472	269,452	<b>146,397</b>	185,000	Readjustment of NPLs write-off Impact on profit - ¥14.8 billion
Operating expenses	178,764	225,711	<b>328,079</b>	403,900	
Provision for credit losses	67,154	90,984	<b>59,045</b>	119,600	Provision for credit losses Impact on profit - ¥29.3 billion
Provision for refund of interest received from customers	53,789	57,854	<b>214,387</b>	214,500	
Operating income	30,708	43,741	<b>-181,682</b>	-218,900	Provision for interest refund Impact on profit - ¥160 billion
Ordinary income	29,915	40,666	<b>-186,347</b>	-223,600	
Income before income taxes	28,638	8,978	<b>-189,292</b>	-239,000	Liquidation of all deferred tax assets (Increase of deferred income taxes)
Net income	33,391	13,064	<b>-215,064</b>	-264,800	Impact on profit - ¥25.4 billion



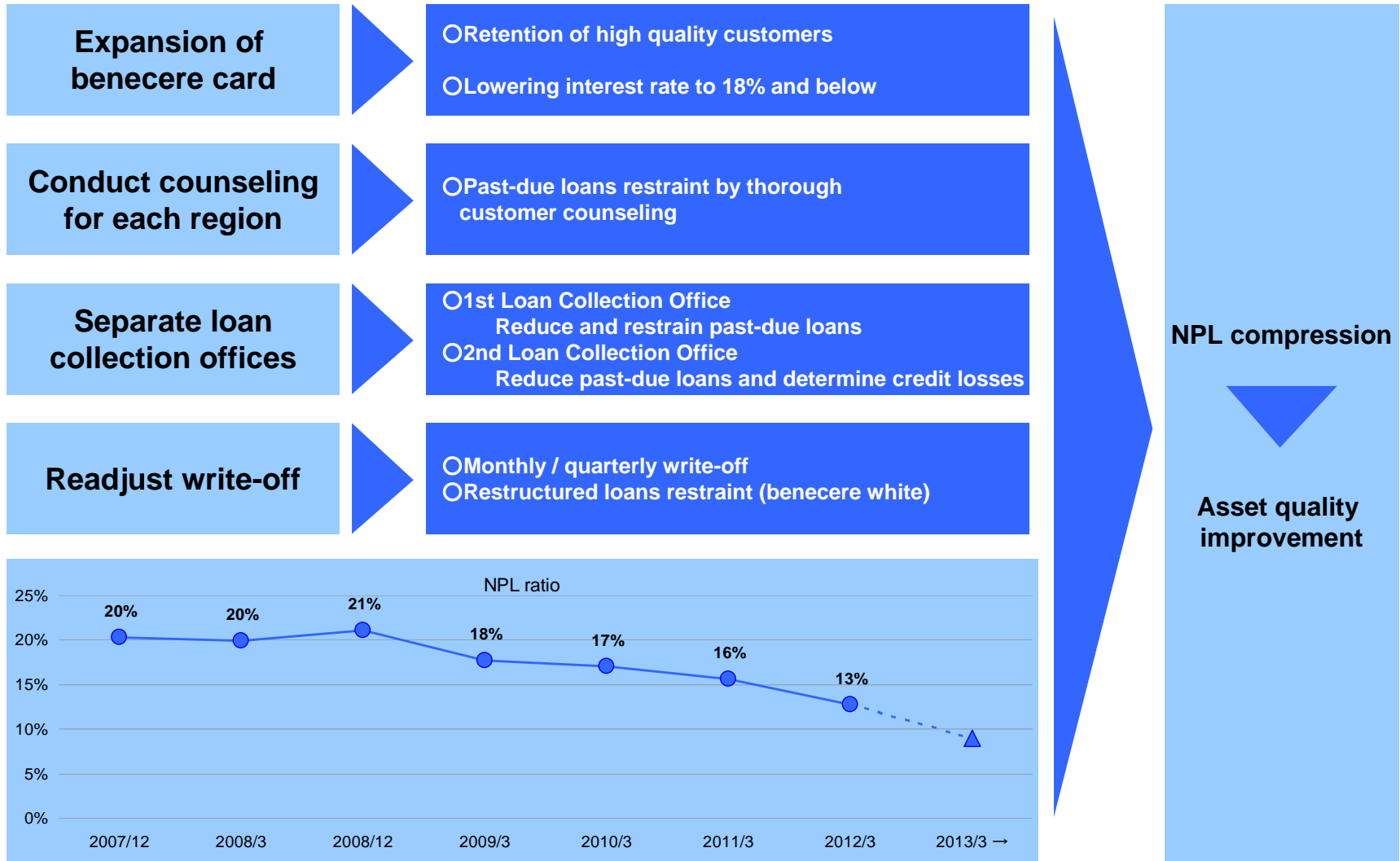


# Business Performance

ITEMS (million yen)	2007/12	2008/3	<b>2008/12</b>	2009/3 forecast
Direct cash loans to customers	1,294,114	1,195,328	<b>995,958</b>	<b>862,600</b>
Number of loan customer accounts	1,970,539	1,833,316	<b>1,645,046</b>	<b>1,462,000</b>
Number of new customer accounts	125,694	143,115	<b>72,957</b>	<b>90,000</b>
NPL	262,396	237,880	<b>209,649</b>	<b>153,000</b>
NPL ratio	20.3%	19.9%	<b>21.0%</b>	<b>17.7%</b>
Credit losses write-offs	47,177	98,248	<b>86,093</b>	<b>135,000</b>
Ratio of credit losses write-offs	3.6%	8.2%	<b>8.6%</b>	<b>15.7%</b>

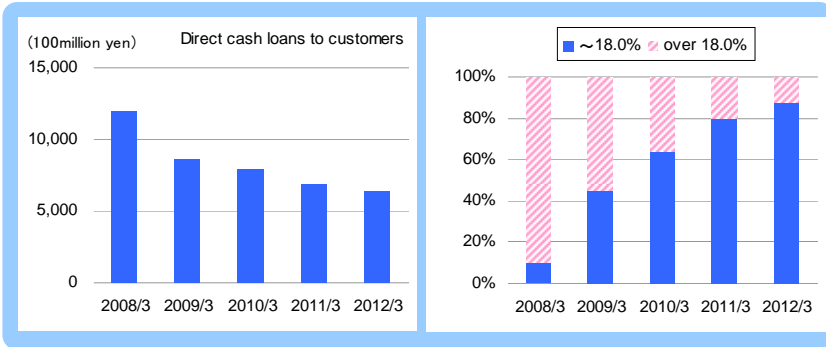


# Compressing NPLs

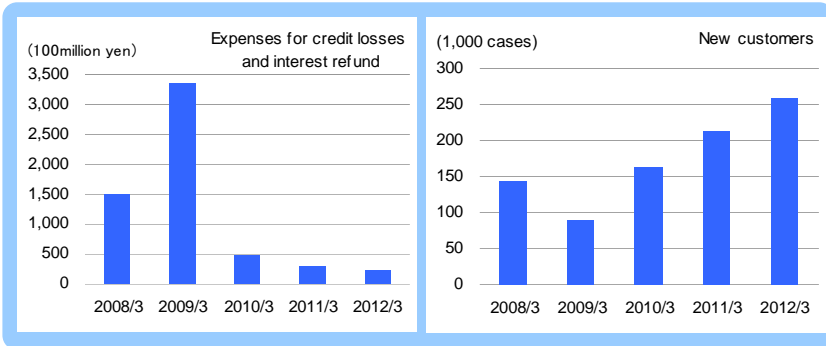




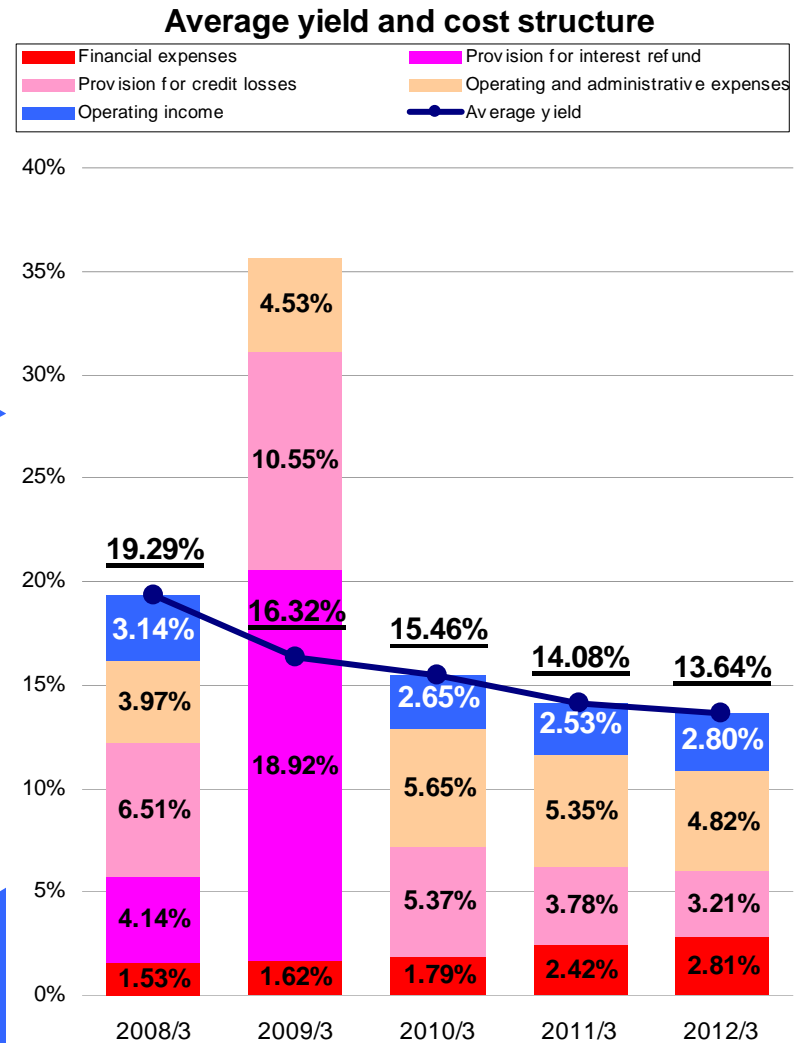
# Earnings Environment and Securing Profit



**Measures for credit losses and for refund claims and increase of new customers with benecere**

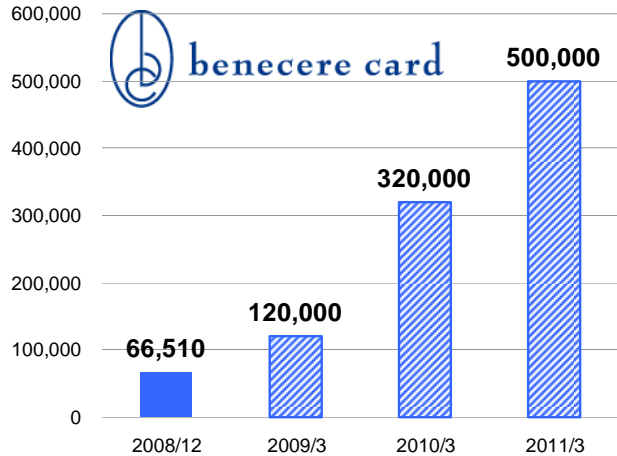


**Stably secure profit**





# benecere Strategies



Successful new customer acquisition and switching of existing customers due to advantages including service point and CSR function

Increase of target demographic due to renewed CM



### New customer profile by Age

Age Group	~H20.3	H20.10~
20~29	26.8	20.9
30~39	25.9	25.7
40~49	21.8	25.8
50~59	17.6	20.0
60~	8.0	7.5

### New customer profile by Annual Income

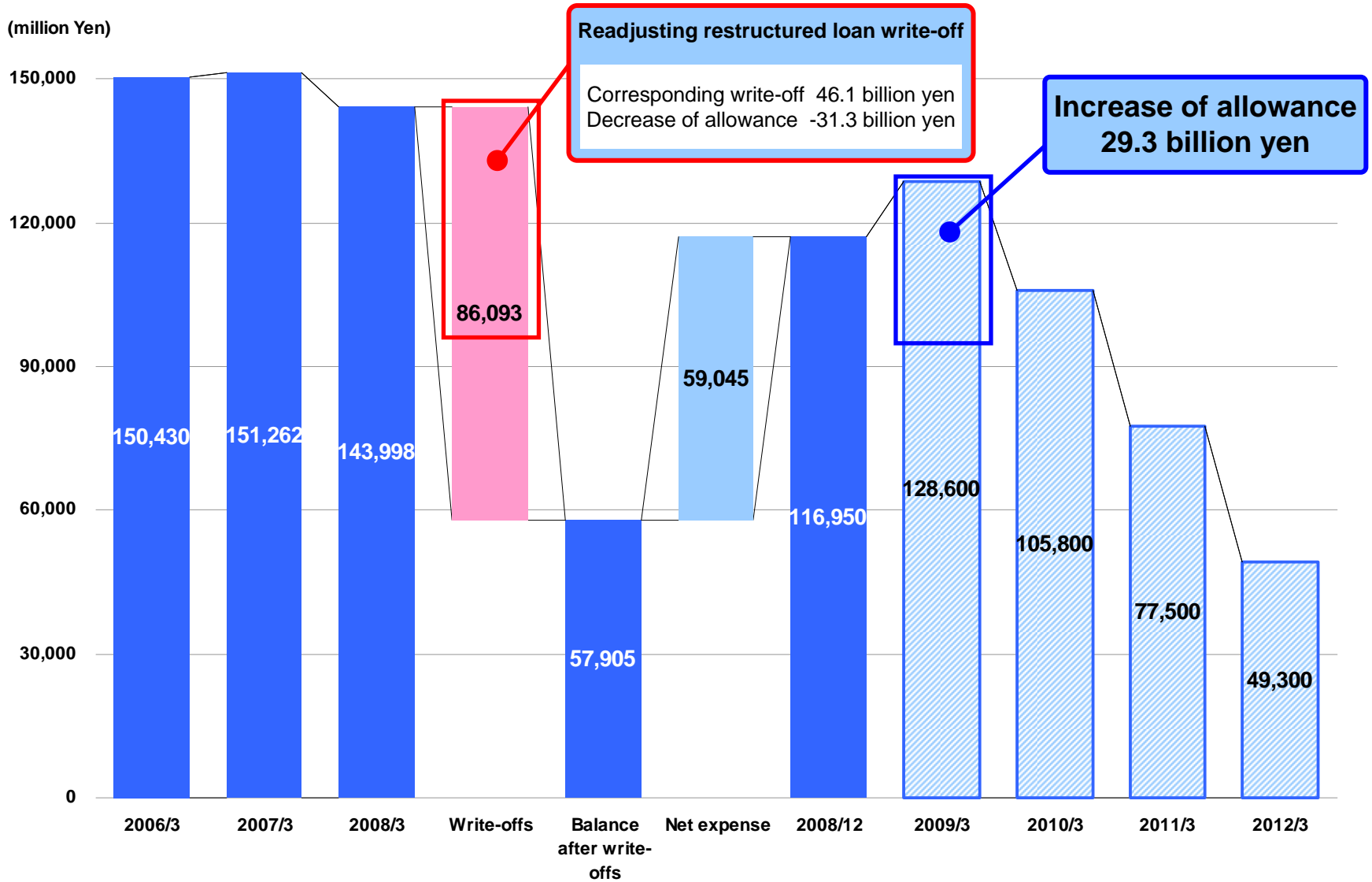
Annual Income	~H20.3	H20.10~
~200	2.1	3.4
~300	13.6	13.4
~400	28.4	23.5
~500	24.9	19.1
500~	31.0	40.6

### New customer profile by No. of Other Lenders in Use (Lenders Exchange)

Period	0~2	3~4
H19.1~H20.9	74.7	25.3
H20.10~12	84.0	16.0



# Readjusting Write-Off and Balance of Allowance for Credit Losses





# Organization Reform

## Construction of “Area-free” lending and collection system

### Enhancement of corporate networks

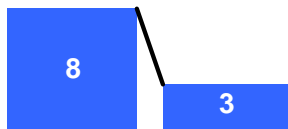
Promote corporate internal networks.

### Appropriate allocation of personnel

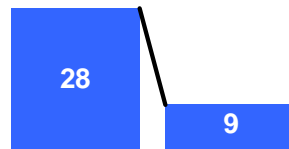
Bolster personnel at branches in major cities and at large-size branches. Bolster personnel at loan collection offices

## Organization reform

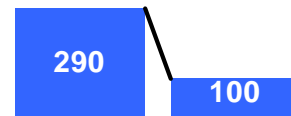
No. of regional branches



No. of blocks

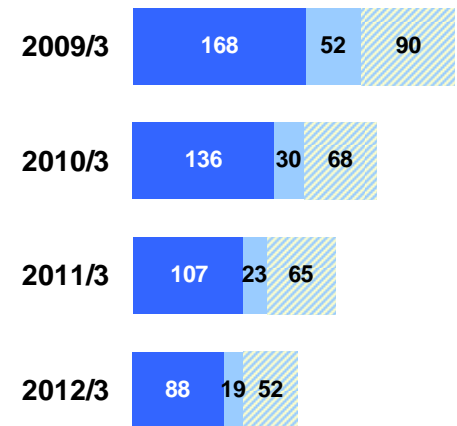


No. of manned branch offices



Cost saving in 3 years 15 billion yen

Salaries , rent and others(100million yen)



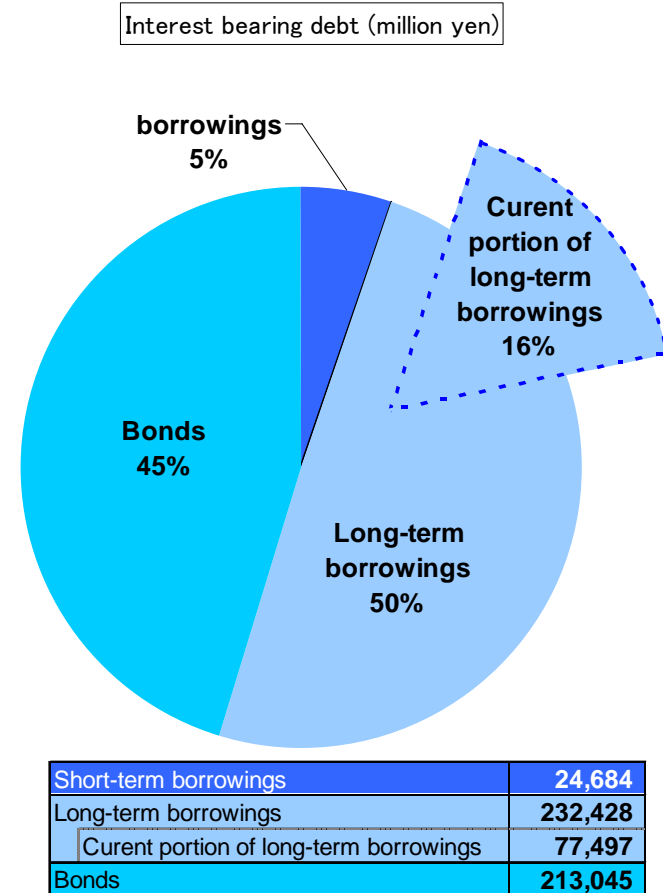
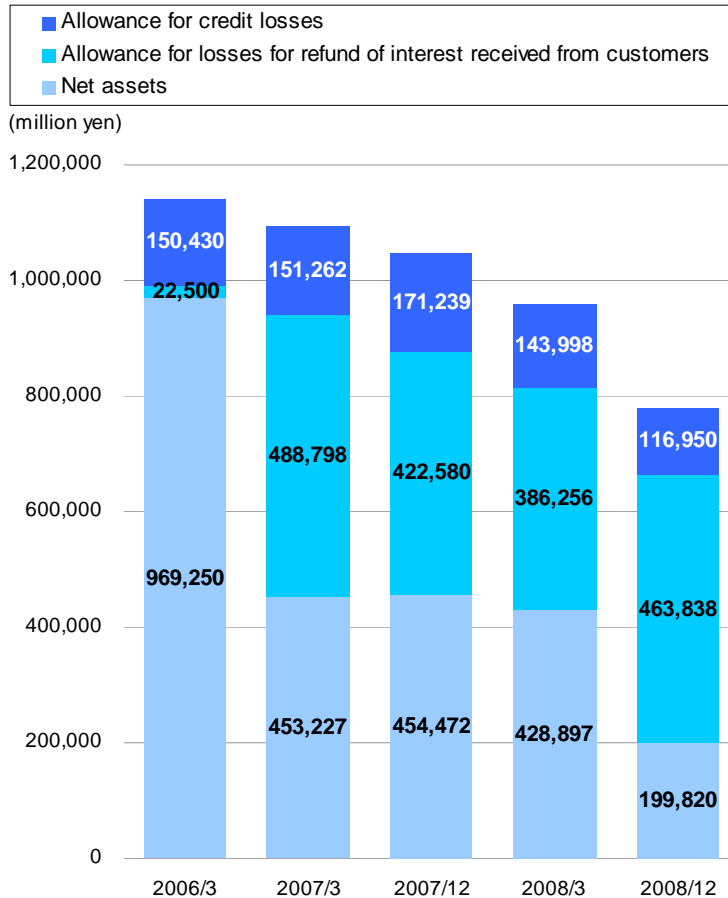
## Cost cut by concentrating operation bases

Scrap and build manned branches from 290 to 100

Consolidate blocks from 28 to 9, regional branches from 8 to 3



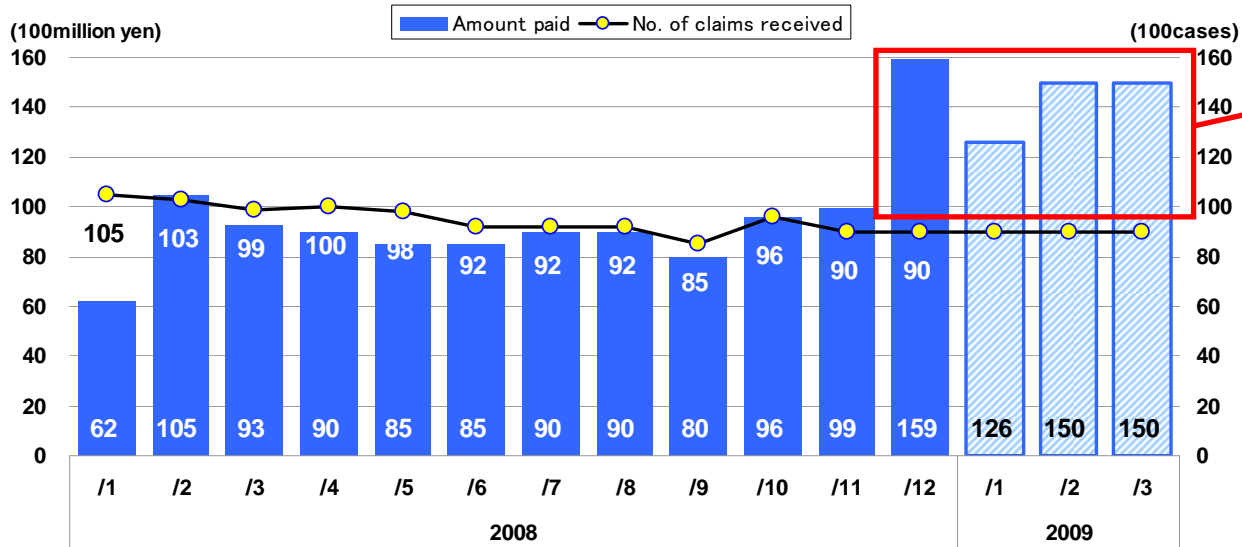
# Financial Position



All short-term borrowings are for subsidiaries' surplus fund operation. Funding structure improved. 96.7 billion yen of cash in hand for current portion of long-term borrowings. Enough cash flow with 30 – 35 billion yen of monthly collection.

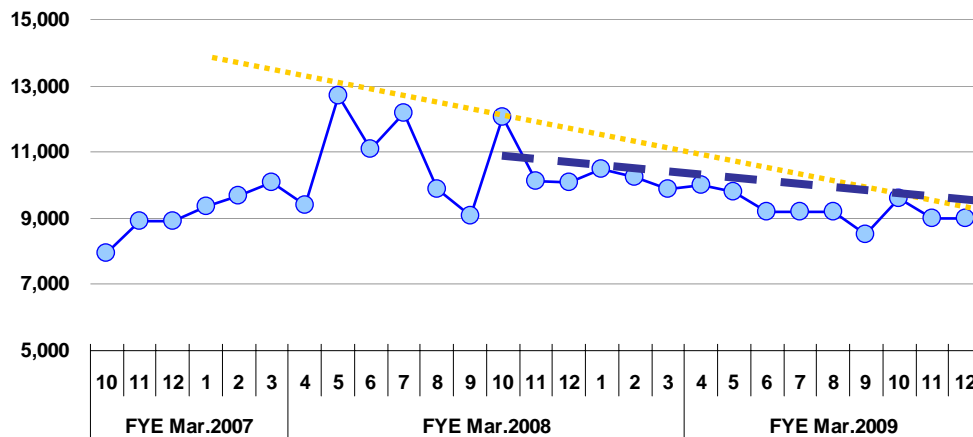


# Refund Claims of Interest Received from Customers



Amount to be paid due to settling mainly before Law suit

No. of claims received

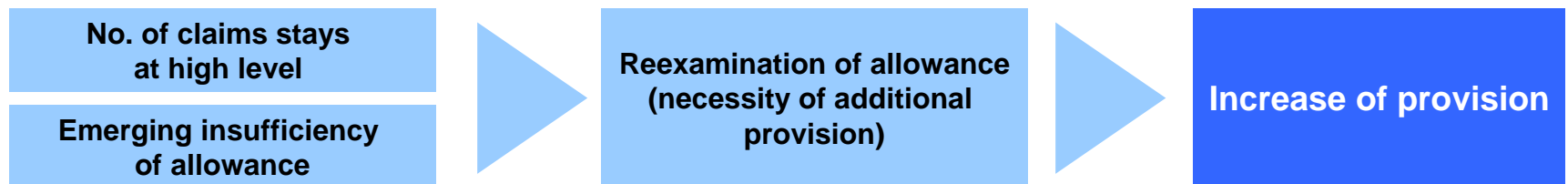
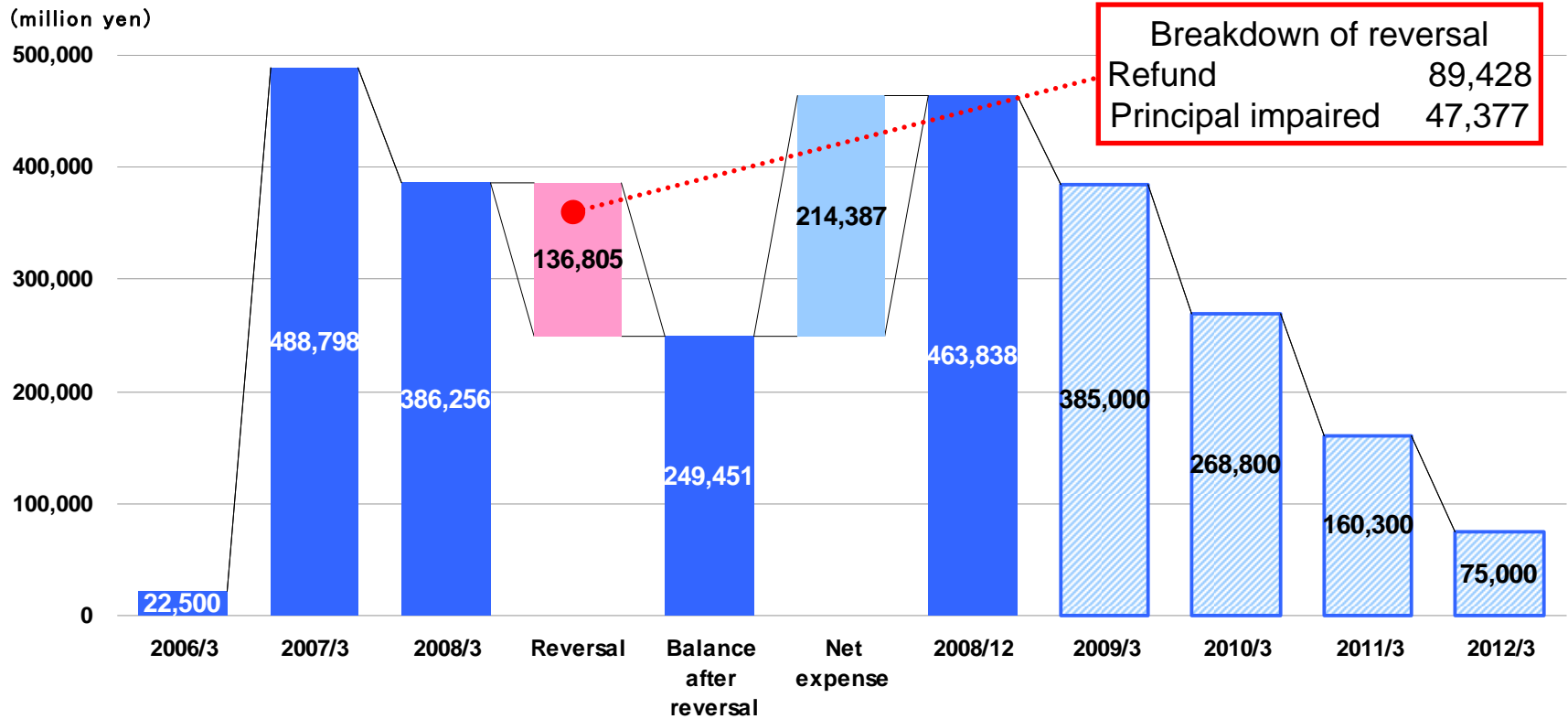


Most recent trend: perspective of current 3<sup>rd</sup> quarter

Trend since peak period perspective employed until 2<sup>nd</sup> quarter

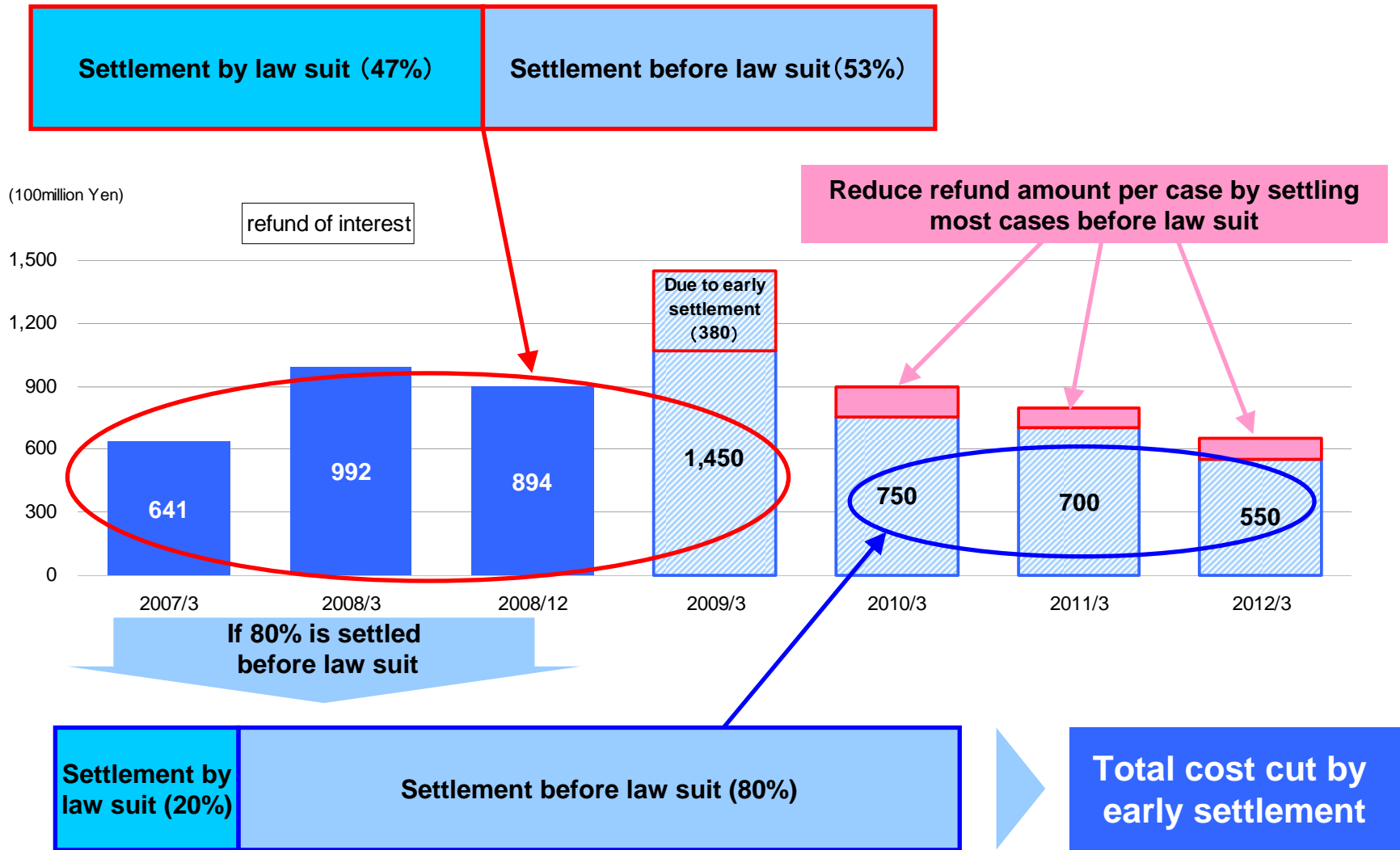


# Allowance for Losses for Refund of Interest Received from Customers





# Prompt Response to Refund of Interest Received from Customers





## Summary of Financial Statements and Three-Year Plan

ITEMS (100million yen)	2008/3	2009/3 forecast	2010/3 plan	2011/3 plan	2012/3 plan
Operating revenues	2,695	1,850	1,350	1,120	980
Operating expenses	2,257	4,039	1,120	920	780
Operating income	437	-2,189	230	200	200
Ordinary income	407	-2,236	230	200	200
Net income	131	-2,648	230	200	200
Direct cash loans to customers	11,953	8,626	7,960	6,910	6,350
Number of loan customer accounts	1,833,316	1,462,000	1,225,000	1,088,000	1,024,000
Number of new customer accounts	143,115	90,000	163,000	213,000	258,000
Allowance for credit losses	1,440	1,286	1,058	775	493
NPL	2,379	1,530	1,360	1,080	810
Credit losses write-offs	982	1,350	697	584	513
Refund of interest received from customers	992	1,450	750	700	550
Interest repaid ( portion of principal impaired )	612	708	413	385	303
Allowance for losses for refund of interest received from customers	3,863	3,850	2,688	1,603	750
Number of employees	2,625	2,500	2,200	2,000	1,800
Manned loan branch offices	360	210	140	100	100
Unmanned loan branch offices	1,139	840	750	650	500

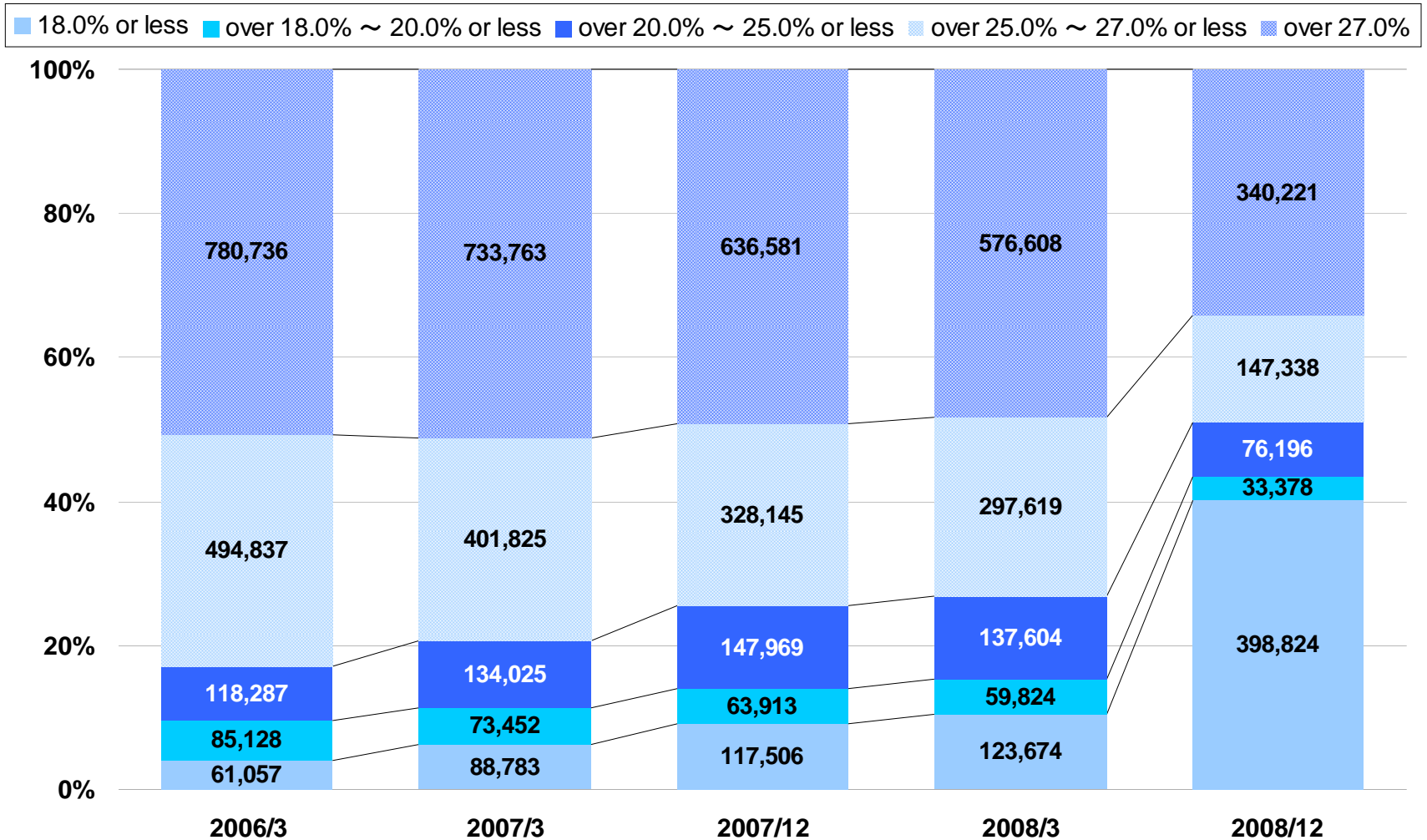


## Summary of Financial Statements (Consolidated)

<b>ITEMS</b>  (million yen)	<b>2007/12</b>	<b>2008/3</b>	2008/12	2009/3 forecast
<b>Operating revenues</b>	<b>210,261</b>	<b>270,479</b>	147,076	185,700
<b>Operating expenses</b>	<b>178,761</b>	<b>225,698</b>	327,995	403,800
<b>Operating income</b>	<b>31,501</b>	<b>44,781</b>	-180,919	-218,100
<b>Ordinary income</b>	<b>31,251</b>	<b>42,285</b>	-185,484	-222,700
<b>Income before income taxes</b>	<b>29,920</b>	<b>10,542</b>	-188,278	-238,000
<b>Net income</b>	<b>34,246</b>	<b>14,105</b>	-214,395	-264,100

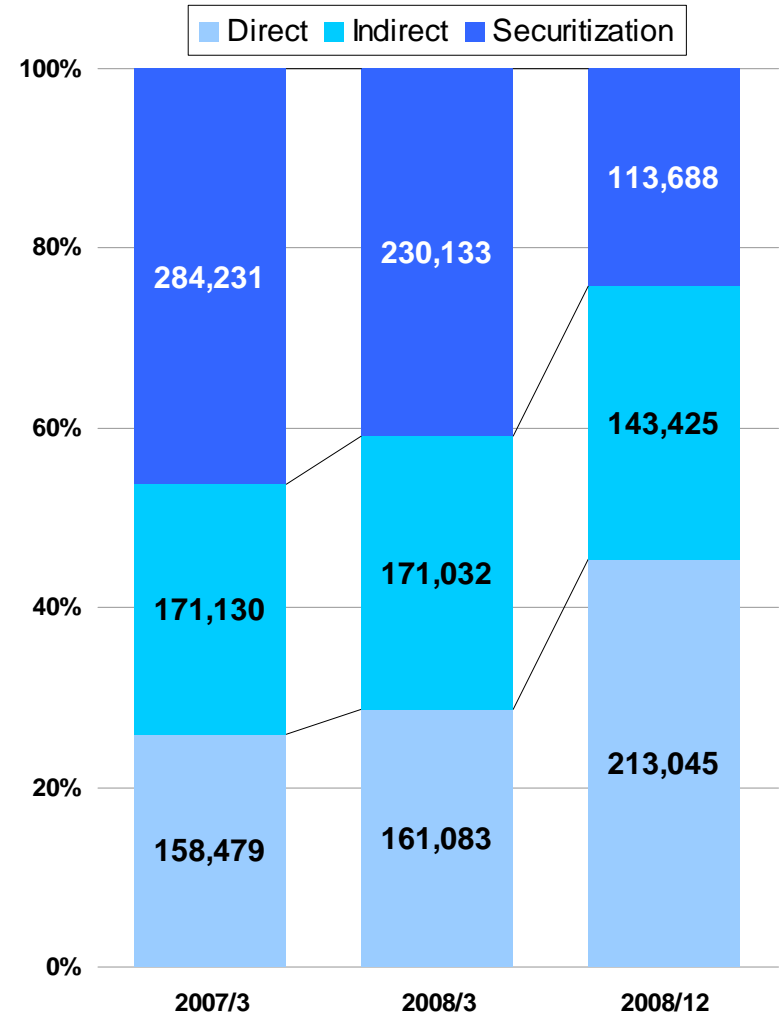
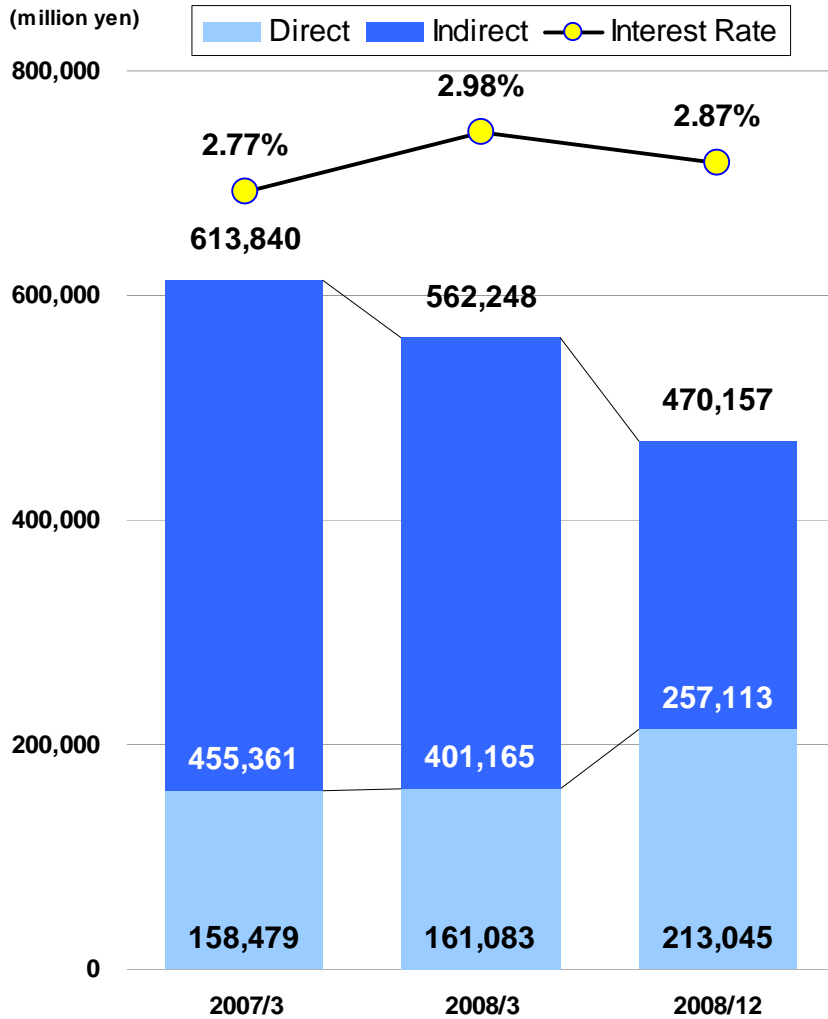


# Composition of Loans by Interest Rate



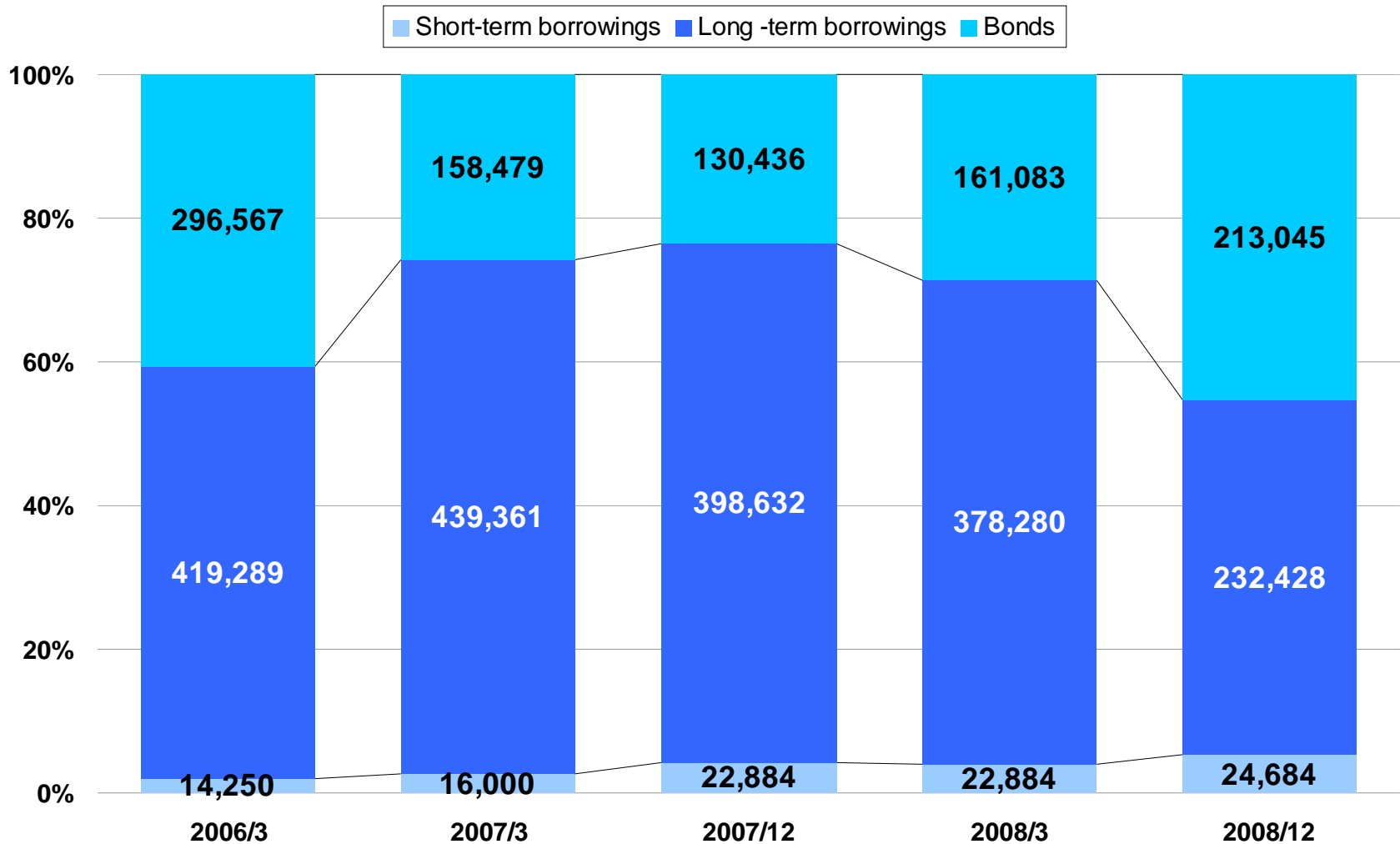


# Funding: by Sources





# Funding: Long / Short-Term Ratio





# Number of Corporate Bankruptcies, Number of Money Lenders

