

## Brief Financial Statements for the First Half of Fiscal 2007

November 15, 2007

Stock exchange listings: Tokyo  
(URL <http://www.saisoncard.co.jp>)

**Listed company name**                      **Credit Saison Co., Ltd.**

Code number: 8253

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Note: All amounts are rounded down to the nearest million yen.

### 1. Consolidated Results for First Half of Fiscal 2007 (April 1, 2007 to September 30, 2007)

(1) Consolidated Operating Results (% represents year-on-year change)

	Operating revenues (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)	
		(yoy%)		(yoy%)		(yoy%)
First half of fiscal 2007	177,379	7.1	32,132	(19.4)	32,975	(23.6)
First half of fiscal 2006	165,662	29.6	39,867	18.6	43,187	23.2
Fiscal 2006	333,683	—	75,201	—	80,157	—

	Net income (¥ million)	(yoy%)	Earnings per share (¥)	Earnings per share (diluted) (¥)
First half of fiscal 2007	12,228	—	68.02	65.99
First half of fiscal 2006	(5,898)	—	(32.90)	—
Fiscal 2006	14,821	—	82.79	80.31

(For reference) Equity in earnings of affiliates:

First half of fiscal 2007: ¥689 million    First half of fiscal 2006: ¥927 million    Fiscal 2006: ¥ 1,775 million

(2) Consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio [%]	Net assets per share (¥)
First half of fiscal 2007	2,387,497	406,809	15.8	2,098.52
First half of fiscal 2006	2,144,713	375,210	16.5	1,973.62
Fiscal 2006	2,299,607	399,828	16.2	2,077.69

(For reference) Equity (Net assets excluding minority interests in consolidated subsidiaries):

First half of fiscal 2007: 377,507 million    First half of fiscal 2006: 354,058 million    Fiscal 2006: 373,159 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
First half of fiscal 2007	(21,002)	(60,950)	79,172	61,978
First half of fiscal 2006	44,169	(44,143)	(10,484)	55,912
Fiscal 2006	11,990	(82,800)	66,834	62,397

### 2.Dividends

Effective date	Dividends per share(¥)		
	End of interim period	End of fiscal year	Full year
Fiscal 2006	—	28.00	28.00
Fiscal 2007	—		28.00
Fiscal 2007(Projected)		28.00	

### 3.Projected Results for Fiscal 2007 (April 1, 2007 to March 31, 2008)

(% represents year-on-year change)

	Operating revenues (¥million)		Operating income (¥million)		Ordinary income (¥million)		Net income (¥million)		Earnings per share (¥)
		(yoy%)		(yoy%)		(yoy%)		(yoy%)	
Fiscal 2007	345,000	3.4	56,400	(25.0)	56,000	(30.1)	23,000	55.2	127.85

#### 4.Others

- (1) Changes of significant subsidiaries during fiscal year (Changes in Scope of Consolidation): None
- (2) Accounting change for consolidated financial statements (Significant Accounting Policies for Consolidated Financial Statements)
  - a. Changes in accordance with revision of accounting standard : Yes
  - b. Other than a. : Yes
- (3) Number of shares issued (common stock):
  - a. Number of shares issued at the end of fiscal year (including treasury stock):  
 First half of fiscal 2007: 181,609,225 shares    First half of fiscal 2006: 181,133,325 shares  
 Fiscal 2006: 181,312,925 shares
  - b. Treasury stocks at the end of fiscal year  
 First half of fiscal 2007: 1,716,767 shares    First half of fiscal 2006: 1,737,867 shares  
 Fiscal 2006: 1,710,347 shares

#### Reference: Summary of Non-consolidated Financial Statements

##### 1. Results for the First Half of Fiscal 2007(April 1, 2007 to September 30, 2007)

(1) Operating results (% represents year-on-year change)

	Operating revenues (¥ million)		Operating income (¥ million)		Ordinary income (¥ million)	
		(yoy%)		(yoy%)		(yoy%)
First half of fiscal 2007	140,875	6.9	18,538	(29.1)	20,728	(29.4)
First half of fiscal 2006	131,808	31.7	26,142	7.6	29,377	17.8
Fiscal 2006	270,275	—	51,442	—	56,632	—

	Net income (¥ million)		Earnings per share (¥)
		(yoy%)	
First half of fiscal 2007	12,758	—	70.89
First half of fiscal 2006	(6,295)	—	(35.07)
Fiscal 2006	10,221	—	57.03

(For reference) Volume of new contracts: First half of fiscal 2007: ¥3,070,523 million    First half of fiscal 2006: ¥2,662,400 million  
 Fiscal 2006: ¥ 5,491,515 million

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio (%)	Net assets per share (¥)
First half of fiscal 2007	2,026,948	354,871	17.5	1,970.44
First half of fiscal 2006	1,837,447	334,701	18.2	1,863.35
Fiscal 2006	1,962,996	349,754	17.8	1,945.22

(For reference) Equity (Net assets excluding minority interests in consolidated subsidiaries):  
 First half of fiscal 2007: 354,871 million    First half of fiscal 2006: 334,701 million    Fiscal 2006: 349,754 million

##### 2. Projected Results for Fiscal 2007 (April 1, 2007- March 31, 2008)

(% represents year-on-year change)

	Operating revenues (¥million)		Operating income (¥million)		Ordinary income (¥million)		Net income (¥ million)		Earnings per share (¥)
		(yoy%)		(yoy%)		(yoy%)		(yoy%)	
Fiscal 2007	278,000	2.9	34,500	(32.9)	37,500	(33.8)	22,000	115.2	122.16

(For reference) Volume of new contracts: Fiscal 2007 6,310,000 million

The above projected results are based on future prospects and the assumptions and forecasts on which plans are based. The actual results may differ from the above projected results depending on various factors in the future.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

Term Item	First half of Fiscal 2006 (As of Sept. 30, 2006)		First half of Fiscal 2007 (As of Sept. 30, 2007)		Fiscal 2006 (As of Mar. 31, 2007)	
	Value	%	Value	%	Value	%
<b>(ASSETS)</b>						
<b>I. Current assets</b>						
Cash and deposits	56,075		42,066		55,961	
Installment accounts receivable	1,551,743		1,739,046		1,672,904	
Other trade receivables	486		1,167		532	
Securities	—		15,000		1,499	
Inventory	131,702		160,856		147,956	
Deferred income taxes	16,972		25,766		19,471	
Short-term loans	100		5,901		5,225	
Other	30,962		35,420		33,963	
Allowance for losses on receivables	(57,521)		(72,946)		(65,206)	
Total current assets	1,730,520	80.7	1,952,279	81.8	1,872,306	81.4
<b>II. Fixed assets</b>						
<b>Tangible fixed assets:</b>						
Equipment for lease	157,075		165,878		163,107	
Buildings	17,899		17,244		16,620	
Land	8,270		11,531		11,531	
Construction in progress	827		1,670		1,953	
Other	13,219		12,085		12,738	
Total Tangible fixed assets	197,291	9.2	208,411	8.7	205,952	9.0
<b>Intangible fixed assets:</b>						
Leaseholds	970		970		970	
Software	31,632		37,217		35,922	
Other	1,622		5,697		4,155	
Total intangible fixed assets	34,225	1.6	43,885	1.9	41,049	1.8
<b>Investments and other assets:</b>						
Investment securities	112,480		107,351		106,274	
Long-term loans	29,211		28,532		29,340	
Lease deposits	8,563		8,587		8,431	
Deferred income taxes	28,374		34,746		31,840	
Other	11,017		8,096		9,655	
Allowance for losses on receivables	(7,098)		(4,714)		(5,366)	
Allowance for losses of investments	(381)		(381)		(381)	
Total Investments and other assets	182,167	8.5	182,219	7.6	179,793	7.8
Total fixed assets	413,685	19.3	434,516	18.2	426,794	18.6
<b>III. Deferred assets</b>						
Bond issue costs	507		702		505	
Total deferred assets	507	0.0	702	0.0	505	0.0
<b>Total assets</b>	<b>2,144,713</b>	<b>100.0</b>	<b>2,387,497</b>	<b>100.0</b>	<b>2,299,607</b>	<b>100.0</b>

Item	Term	First Half of Fiscal 2006 (As of Sept. 30, 2006)		First Half of Fiscal 2007 (As of Sept. 30, 2007)		Fiscal 2006 (As of Mar. 31, 2007)	
		Value	%	Value	%	Value	%
<b>(LIABILITIES)</b>							
<b>I. Current liabilities</b>							
Notes and accounts payable		208,974		226,978		237,261	
Short-term loans		354,811		389,404		381,708	
Current portion of long-term loans		42,108		57,615		52,528	
Current portion of bonds		40,995		30,275		42,445	
Commercial paper		102,000		110,000		101,300	
Current portion of payables under securitized lease receivables		11,500		16,334		12,116	
Accrued taxes on income		21,635		20,655		36,360	
Allowance for bonuses		2,469		2,380		2,159	
Allowance for director's bonuses		87		49		160	
Allowance for losses on interest repayment		12,147		12,517		11,246	
Allowance for loss of business structure reforms		—		1,624		—	
Allowance for losses on collecting gift tickets		—		108		—	
Unearned income		4,546		5,399		5,126	
Other		34,349		46,665		41,709	
Total current liabilities		835,624	39.0	920,009	38.6	924,122	40.2
<b>II. Long-term liabilities</b>							
Bonds		229,240		274,465		232,497	
Long-term loans		580,068		666,256		619,827	
Payables under securitized lease receivables		42,500		26,165		35,883	
Accrued pension and severance costs		6,850		5,923		6,492	
Retirement allowance for directors and statutory auditors		851		178		940	
Allowance for losses on guarantees		2,167		2,980		2,543	
Allowance for losses on warranty of defects		31		42		49	
Allowance for permanent points		32,374		39,654		36,205	
Allowance for losses on interest repayment		33,758		36,135		34,656	
Negative goodwill		149		429		107	
Other		5,888		8,450		6,451	
Total long-term liabilities		933,878	43.5	1,060,679	44.4	975,656	42.4
<b>Total liabilities</b>		<b>1,769,502</b>	<b>82.5</b>	<b>1,980,688</b>	<b>83.0</b>	<b>1,899,778</b>	<b>82.6</b>

Item	Term	First Half of Fiscal 2006 (As of Sept. 30, 2006)		First Half of Fiscal 2007 (As of Sept. 30, 2007)		Fiscal 2006 (As of Mar. 31, 2007)	
		Value	%	Value	%	Value	%
(Net Asset)							
<b>I . Shareholder's equity</b>							
Common stock		75,005	3.5	75,640	3.2	75,230	3.3
Capital Surplus		78,723	3.7	81,286	3.4	80,876	3.5
Retained earnings		183,409	8.5	211,327	8.9	204,129	8.9
Treasury Stock		(4,207)	(0.2)	(6,058)	(0.3)	(6,047)	(0.3)
Total Shareholder's equity		332,930	15.5	362,195	15.2	354,189	15.4
<b>II . Valuation and translation adjustments</b>							
Unrealized gains(losses) on other securities		21,035	1.0	15,376	0.6	19,152	0.8
Deferred gains (losses) on hedges		92	0.0	(64)	(0.0)	(182)	(0.0)
Total valuation and translation adjustments		21,127	1.0	15,311	0.6	18,969	0.8
<b>III . Minority Interests</b>							
		21,152	1.0	29,301	1.2	26,669	1.2
<b>Total net assets</b>		375,210	17.5	406,809	17.0	399,828	17.4
<b>Total liabilities and net assets</b>		2,144,713	100.0	2,387,497	100.0	2,299,607	100.0

## (2) Consolidated Statements of Income

(Millions of yen)

Item	First half of Fiscal 2006 (As of Sept. 30, 2006)		First half of Fiscal 2007 (As of Sept. 30, 2007)		Fiscal 2006 (As of Mar. 31, 2007)		
	Value	%	Value	%	Value	%	
<b>I. Operating revenues</b>							
Financing and administration fees		132,578		—		274,230	
Income from entertainment							
Entertainment sales	71,605		—		126,070		
Cost of entertainment sales	62,224	9,380	—	—	109,196	16,874	
Income from real estate							
Real estate sales	58,556		—		94,517		
Cost of real estate sales	46,712	11,843	—	—	74,647	19,869	
Income from leases							
Leases sales	34,346		—		68,831		
Cost of leases sales	30,802	3,544	—	—	62,067	6,763	
Income from other business							
Other sales	3,040		—		6,532		
Cost of other sales	171	2,869	—	—	342	6,190	
Credit services businesses fees		—		125,444		—	
Income from finance businesses							
Revenue from finance businesses	—		55,114		—		
Cost of finance businesses	—	—	33,597	21,516	—	—	
Income from businesses of real estate							
Revenue from real estate businesses	—		62,737		—		
Cost of real estate businesses	—	—	45,424	17,312	—	—	
Income from entertainment businesses							
Revenue from entertainment businesses	—		58,718		—		
Cost of entertainment businesses	—	—	51,395	7,323	—	—	
Income from other businesses							
Revenue from other businesses	—		819		—		
Cost of other businesses	—	—	—	819	—	—	
Financial revenues		5,446		4,962		9,755	
<b>Total operating revenues</b>		165,662	100.0	177,379	100.0	333,683	100.0
<b>II. Operating expenses</b>							
Selling, general and administrative expenses		118,316	71.4	134,695	75.9	242,149	72.6
Financial cost		7,478	4.5	10,551	6.0	16,332	4.9
<b>Total operating expenses</b>		125,794	75.9	145,247	81.9	258,481	77.5
<b>Operating income</b>		39,867	24.1	32,132	18.1	75,201	22.5
<b>III. Non-operating income</b>		4,540	2.7	2,139	1.2	7,770	2.3
<b>IV. Non-operating expenses</b>		1,220	0.7	1,296	0.7	2,814	0.8
<b>Ordinary income</b>		43,187	26.1	32,975	18.6	80,157	24.0

Item	Term	First half of Fiscal 2006 (As of Sept. 30, 2006)		First half of Fiscal 2007 (As of Sept. 30, 2007)		Fiscal 2006 (As of Mar. 31, 2007)				
		Value	%	Value	%	Value	%			
<b>V. Extraordinary gains</b>										
Gain on sale of investment securities		9		324		3,399				
Redemption profit of investment securities		276		1,390		276				
Reversal of allowance for losses of business downsizing		390		—		395				
Gain on reversal allowance for accounts receivable		145		—		1,103				
Net gain on changes in equity interest		—		—		707				
Other		—	822	0.5	26	1,741	1.0	—	5,882	1.8
<b>VI. Extraordinary losses</b>										
Loss from sale of fixed assets		211		190		243				
Impairment loss of property and equipment, other assets		299		449		2,369				
Loss on evaluation of investment securities		96		1,632		575				
Loss on evaluation of capital		55		—		55				
Loss on sale of investment securities		—		4		35				
Loss on business structure reforms		—		2,440		—				
Allowance for interest repayment losses		40,924		—		40,924				
Depreciation of lease assets		5,447		—		5,447				
Loss on change of shareholder's equity		1,719		66		2,719				
Provision for loss of collecting gift tickets		—		111		—				
Others		61	48,815	29.5	47	4,943	2.8	58	52,429	15.7
<b>Income (loss) before income taxes and minority interests</b>			(4,805)	(2.9)		29,772	16.8		33,610	10.1
Income taxes, current		20,686		19,779		41,688				
Income taxes, deferred		(22,130)	(1,444)	(0.8)	(6,037)	13,741	7.8	(27,418)	14,270	4.3
<b>Minority interests</b>			2,537	1.5		3,803	2.1		4,518	1.4
<b>Net income (loss)</b>			(5,898)	(3.6)		12,228	6.9		14,821	4.4

**(4) Summarized Consolidated Statement of Changes in Net Assets**  
**This Interim Accounting Period (From April 1, 2006 to September 30, 2006)**

(Millions of yen)

	Shareholders' equity				
	Common Stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance as of March 31,2006	74,458	78,176	194,179	(4,155)	342,659
Changes during this interim accounting period					
New stock issued	547	546	—	—	1,093
Dividends from surplus(note)	—	—	(4,655)	—	(4,655)
Bonuses to directors(note)	—	—	(216)	—	(216)
Net loss for this interim accounting period	—	—	(5,898)	—	(5,898)
Acquisition of treasury stock	—	—	—	(52)	(52)
Disposal of treasury stock	—	0	—	0	0
Net changes in items other than shareholders' equity during this interim accounting period	—	—	—	—	—
Total changes during this interim accounting period	547	546	(10,770)	(52)	(9,728)
Balance as of September 30,2006	75,005	78,723	183,409	(4,207)	332,930

	Valuation and translation adjustments			Minority Interest	Total net assets
	Securities valuation adjustment	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
Balance as of March 31,2006	18,057	—	18,057	16,471	377,189
Changes during this interim accounting period					
New stock issued	—	—	—	—	1,093
Dividends from surplus(note)	—	—	—	—	(4,655)
Bonuses to directors(note)	—	—	—	—	(216)
Net loss for this interim accounting period	—	—	—	—	(5,898)
Acquisition of treasury stock	—	—	—	—	(52)
Disposal of treasury stock	—	—	—	—	0
Net changes in items other than shareholders' equity during this interim accounting period	2,978	92	3,070	4,680	7,750
Total changes during this interim accounting period	2,978	92	3,070	4,680	(1,978)
Balance as of September 30,2006	21,035	92	21,127	21,152	375,210



**(4) Summarized Consolidated Statement of Changes in Net Assets**  
**This Interim Accounting Period (From April 1, 2007 to September 30, 2007)**

(Millions of yen)

	Shareholders' equity				
	Common Stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance as of March 31,2006	75,230	80,876	204,129	(6,047)	354,189
Changes during this interim accounting period					
New stock issued	409	409	—	—	819
Dividends from surplus(note)	—	—	(5,030)	—	(5,030)
Net income for this interim accounting period	—	—	12,228	—	12,228
Acquisition of treasury stock	—	—	—	(3)	(3)
Disposal of treasury stock	—	—	—	(8)	(8)
Net changes in items other than shareholders' equity during this interim accounting period	—	—	—	—	—
Total changes during this interim accounting period	409	409	7,197	(11)	8,005
Balance as of September 30,2007	75,640	81,286	211,327	(6,058)	362,195

	Valuation and translation adjustments			Minority Interest	Total net assets
	Securities valuation adjustment	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
Balance as of March 31,2006	19,152	(182)	18,969	26,669	399,828
Changes during this interim accounting period					
New stock issued	—	—	—	—	819
Dividends from surplus(note)	—	—	—	—	(5,030)
Net income for this interim accounting period	—	—	—	—	12,228
Acquisition of treasury stock	—	—	—	—	(3)
Disposal of treasury stock	—	—	—	—	(8)
Net changes in items other than shareholders' equity during this interim accounting period	(3,775)	118	(3,657)	2,632	(1,024)
Total changes during this interim accounting period	(3,775)	118	(3,657)	2,632	6,980
Balance as of September 30,2007	15,376	(64)	15,311	29,301	406,809

**(4) Summarized Consolidated Statement of Changes in Net Assets**  
**This Interim Accounting Period (From April 1, 2006 to March 31, 2007)**

(Millions of yen)

	Shareholders' equity				
	Common Stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance as of March 31,2006	74,458	78,176	194,179	(4,155)	342,659
Changes during this interim accounting period					
New stock issued	772	771	—	—	1,544
Dividends from surplus(note)	—	—	(4,655)	—	(4,655)
Bonuses to directors(note)	—	—	(216)	—	(216)
Net income for this interim accounting period	—	—	14,821	—	14,821
Acquisition of treasury stock	—	—	—	(19,245)	(19,245)
Disposal of treasury stock	—	1,928	—	17,353	19,281
Net changes in items other than shareholders' equity during this interim accounting period	—	—	—	—	—
Total changes during this interim accounting period	772	2,699	9,949	(1,892)	11,529
Balance as of March 31,2007	75,230	80,876	204,129	(6,047)	354,189

	Valuation and translation adjustments			Minority Interest	Total net assets
	Securities valuation adjustment	Deferred gains (losses) on hedges	Total valuation and translation adjustments		
Balance as of March 31,2006	18,057	—	18,057	16,471	377,189
Changes during this interim accounting period					
New stock issued	—	—	—	—	1,544
Dividends from surplus(note)	—	—	—	—	(4,655)
Bonuses to directors(note)	—	—	—	—	(216)
Net income for this interim accounting period	—	—	—	—	14,821
Acquisition of treasury stock	—	—	—	—	(19,245)
Disposal of treasury stock	—	—	—	—	19,281
Net changes in items other than shareholders' equity during this interim accounting period	1,094	(182)	912	10,197	11,109
Total changes during this interim accounting period	1,094	(182)	912	10,197	22,639
Balance as of March 31,2007	19,152	(182)	18,969	26,669	399,828

## (5) Consolidated Statements of Cash Flows

(Millions of yen)

Item	Term	First Half of Fiscal 2006 (As of Sept. 30, 2006)	First Half of Fiscal 2007 (As of Sept. 30, 2007)	Fiscal 2006 (As of Mar. 31, 2007)
		Value	Value	Value
<b>I. Cash flows from operating activities</b>				
Income (loss) before income taxes		(4,805)	29,772	33,610
Adjustments to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities:				
Depreciation and amortization		34,107	33,618	64,902
Negative goodwill amortization		(35)	(54)	(69)
Amortization of deferred assets		142	125	297
Allowance for losses on accounts receivables		3,871	7,087	9,824
Accrued pension and severance costs		(552)	(569)	(910)
Allowance for permanent points		3,351	3,449	7,182
Allowance for losses on interest repayment		38,400	2,748	38,398
Allowance for other reserves		365	1,995	612
Interest and dividend income		(5,495)	(3,780)	(9,877)
Interest expenses		7,863	10,537	17,100
Equity in( earnings) losses of affiliated companies		(927)	(689)	(1,775)
Dividends from Investment business fund		(1,554)	(126)	(3,000)
Foreign exchange (gain) loss		(66)	(40)	(60)
Realized (gain) loss on sale of investment securities		(478)	(1,712)	(3,872)
Loss on evaluation of investment securities		96	1,632	575
Net gain on changes in equity interest		1,719	66	2,012
Impairment loss of property and equipment, other assets		299	1,231	2,369
Loss on disposal of property and equipment, other assets		8,101	7,510	14,420
Changes in operating assets and liabilities				
(Increase) decrease in trade receivable		(143,036)	(205,937)	(272,686)
Proceeds from liquidation of trade receivable		80,000	140,000	90,000
(Increase) decrease in inventories		(9,403)	(3,351)	(25,657)
(Increase) decrease in other assets		(1,769)	(1,359)	(5,844)
Increase (decrease) in payables		28,748	(10,279)	57,047
Increase (decrease) in other liabilities		2,800	8,284	5,592
Directors' and statutory auditors' bonuses		(250)	—	(250)
Subtotal		41,493	20,158	19,940
Interest and dividends received		5,787	4,188	9,860
Interest paid		(7,273)	(10,094)	(15,967)
Refund of Income tax		10,870	—	11,026
Income taxes paid		(6,707)	(35,255)	(12,869)
<b>Net cash provided by (used in) operating activities</b>		<b>44,169</b>	<b>(21,002)</b>	<b>11,990</b>

Term	First Half of Fiscal 2006 (As of Sept. 30, 2006)	First Half of Fiscal 2007 (As of Sept. 30, 2007)	Fiscal 2006 (As of Mar. 31, 2007)
Item			
II. Cash flows from investing activities			
Payments for purchases of investment securities	(5,653)	(18,176)	(13,261)
Proceeds from sales of investment securities	5,778	9,125	24,461
Payments for purchases of fixed assets	(46,720)	(51,449)	(96,204)
Proceeds from sales of fixed assets	232	188	385
Payment for long-term loans	(3,800)	(680)	(4,190)
Proceeds from short-term and long-term loans	5,424	807	5,561
(Increase) decrease in other assets	594	(766)	446
Net cash provided by (used in) investing activities	(44,143)	(60,950)	(82,800)
III. Cash flows from financing activities			
Increase (decrease) in short-term loans	(116,043)	208	(89,152)
Increase (decrease) in commercial paper	(11,000)	8,700	(11,700)
Proceeds from long-term debts	126,300	73,300	196,600
Repayments of long-term debts	(38,247)	(21,784)	(58,367)
Proceeds from issuance of bonds	39,263	55,677	58,611
Repayment of bonds	(1,662)	(26,202)	(16,455)
Repayment of payables under securitized lease receivables	(6,000)	(5,500)	(12,000)
Proceeds from payments from minority shareholders	806	44	2,579
Sales of treasury stock	0	—	19,189
Purchase of treasury stock	(5)	(3)	(19,198)
Proceeds from stock issuance	1,093	819	1,544
Cash dividends paid	(4,655)	(5,030)	(4,655)
Dividends paid to minorities	(334)	(1,057)	(161)
Net cash provided by (used in) financing activities	(10,484)	79,172	66,834
IV. Translation Gain on cash and cash equivalents	57	31	58
V. Increases (decrease) in cash and cash equivalents	(10,401)	(2,750)	(3,917)
VI. Cash and cash equivalents, at the beginning of year	66,314	62,397	66,314
VII. Increases in cash and cash equivalents due to additional consolidation	—	1,496	—
VIII. Increases in cash and cash equivalents due to merger	—	835	—
IX. Cash and cash equivalents, at the end of year	55,912	61,978	62,397

# Non-Consolidated Financial Statements

## (1) Non-Consolidated Balance Sheets

(Millions of yen)

Item	Term	First half of Fiscal 2006 (As of Sept. 30, 2006)		First half of Fiscal 2007 (As of Sept. 30, 2007)		Fiscal 2007 (As of Mar. 31, 2007)	
		Value	%	Value	%	Value	%
<b>(ASSETS)</b>							
<b>I. Current assets</b>							
Cash and deposits		41,492		30,286		41,185	
Installment accounts receivable		1,416,869		1,590,236		1,527,793	
Securities		—		15,000		—	
Inventory		1,798		1,911		1,904	
Short-term loans		—		2,999		5,000	
Other		37,607		47,095		42,397	
Allowance for losses on receivables		(51,224)		(62,994)		(56,439)	
<b>Total Current assets</b>		<b>1,446,544</b>	<b>78.7</b>	<b>1,624,535</b>	<b>80.2</b>	<b>1,561,842</b>	<b>79.6</b>
<b>II. Fixed assets</b>							
<b>Tangible fixed assets:</b>							
Equipment for lease		157,120		165,924		163,149	
Buildings		6,066		5,317		6,186	
Fixtures and equipment		7,418		7,253		7,942	
Land		3,642		3,642		3,642	
Other		244		538		518	
<b>Total Tangible fixed assets</b>		<b>174,491</b>	<b>9.5</b>	<b>182,676</b>	<b>9.0</b>	<b>181,439</b>	<b>9.2</b>
<b>Intangible fixed assets:</b>		<b>31,956</b>	<b>1.8</b>	<b>41,108</b>	<b>2.0</b>	<b>38,328</b>	<b>2.0</b>
<b>Investments and other assets:</b>							
Investment in securities		126,079		112,567		119,557	
Investment in capital		51		75		51	
Long-term loans		33,223		33,223		33,223	
Lease deposits		2,977		2,883		2,878	
Other		27,915		35,753		31,505	
Allowance for losses on receivable		(4,114)		(4,350)		(4,123)	
Allowance for losses of investment		(2,054)		(2,054)		(2,054)	
<b>Total investments and other assets</b>		<b>184,078</b>	<b>10.0</b>	<b>178,099</b>	<b>8.8</b>	<b>181,038</b>	<b>9.2</b>
<b>Total fixed assets</b>		<b>390,526</b>	<b>21.3</b>	<b>401,884</b>	<b>19.8</b>	<b>400,806</b>	<b>20.4</b>
<b>III. Deferred assets</b>							
Bond issue costs		376		528		347	
<b>Total deferred assets</b>		<b>376</b>	<b>0.0</b>	<b>528</b>	<b>0.0</b>	<b>347</b>	<b>0.0</b>
<b>Total assets</b>		<b>1,837,447</b>	<b>100.0</b>	<b>2,026,948</b>	<b>100.0</b>	<b>1,962,996</b>	<b>100.0</b>

Item	Term	First half of Fiscal 2006 (As of Sept. 30, 2006)		First half of Fiscal 2007 (As of Sept. 30, 2007)		Fiscal 2007 (As of Mar. 31, 2007)	
		Value	%	Value	%	Value	%
<b>(LIABILITIES)</b>							
<b>I. Current liabilities</b>							
Notes payable		4,055		2,563		2,245	
Accounts payable		203,885		223,115		233,495	
Short-term loans		261,048		290,252		279,264	
Current portion of long-term loans		28,803		36,550		40,200	
Current portion of bonds		30,000		20,000		30,000	
Commercial paper		100,000		100,000		97,000	
Current portion of payables under securitized lease receivables		11,500		16,334		12,116	
Accrued taxes on income		14,831		11,385		28,578	
Allowance for bonuses		1,682		1,708		1,711	
Allowance for director's bonuses		87		39		160	
Allowance for Interest repayment		11,121		11,212		10,161	
Allowance for loss on support of business		—		1,624		—	
Structure reforms		—		—		—	
Allowance for losses on collecting gift tickets		—		108		—	
Unearned income		4,546		5,399		5,126	
Other current liabilities		27,661		39,491		33,984	
<b>Total current liabilities</b>		<b>699,223</b>	<b>38.1</b>	<b>759,785</b>	<b>37.5</b>	<b>774,043</b>	<b>39.4</b>
<b>II. Long-term liabilities</b>							
Bonds		215,000		260,000		220,000	
Long-term loans		474,520		541,970		505,670	
Payables under securitized lease receivables		42,500		26,165		35,883	
Accrued pension and severance cost		5,919		5,268		5,665	
Retirement allowance for directors and statutory auditors		663		—		715	
Allowance for losses on guarantees		2,167		2,975		2,537	
Allowance for permanent points		32,374		39,654		36,205	
Allowance for Interest Repayment		29,250		31,810		30,360	
Negative goodwill		—		304		—	
Other		1,127		4,143		2,159	
<b>Total Long-term liabilities</b>		<b>803,522</b>	<b>43.7</b>	<b>912,291</b>	<b>45.0</b>	<b>839,197</b>	<b>42.8</b>
<b>Total liabilities</b>		<b>1,502,745</b>	<b>81.8</b>	<b>1,672,076</b>	<b>82.5</b>	<b>1,613,241</b>	<b>82.2</b>

( NET ASSETS)						
<b>I. Shareholders' Equity</b>						
Common stock	75,005	4.1	75,640	3.8	75,230	3.9
Capital surplus						
Capital reserves	78,410		79,044		78,635	
Other capital surplus	0		1,896		1,896	
Total capital surplus	78,410	4.3	80,940	4.0	80,531	4.1
Retained earnings						
Legal reserve	3,020		3,020		3,020	
Other retained earnings	161,671		185,913		178,188	
Other reserves	157,455		162,455		157,455	
Deferred on retained earnings	4,216		23,458		20,733	
Total Retained earnings	164,691	8.9	188,933	9.3	181,208	9.2
Treasury stock, at cost	(3,677)	(0.2)	(5,580)	(0.3)	(5,577)	(0.3)
Total shareholders' equity	314,429	17.1	339,933	16.8	331,393	16.9
<b>II. Valuation and translation adjustments</b>						
Unrealized gains (losses) on other securities	20,270	1.1	15,002	0.7	18,404	0.9
Deferred gains on hedges	1	0.0	(64)	(0.0)	(43)	(0.0)
Total valuation and translation adjustments	20,272	1.1	14,937	0.7	18,361	0.9
Total net assets	334,701	18.2	354,871	17.5	349,754	17.8
Total liabilities and net assets	1,837,447	100.0	2,026,948	100.0	1,962,996	100.0

**(2) Non-Consolidated Statements of Income**

(Millions of yen)

Item	First half of Fiscal 2006 (As of Sept. 30, 2006)		First half of Fiscal 2007 (As of Sept. 30, 2007)		Fiscal 2007 (As of Mar. 31, 2007)		
	Value	%	Value	%	Value	%	
<b>I. Operating revenues</b>							
Financing and administration fees							
Credit cards	47,790		—		99,725		
Shopping loans	321		—		609		
Guarantees	2,468		—		5,372		
Loans	63,264		—		129,572		
Agency services	6,098		—		12,217		
Income from leases							
Lease sales	34,378		—		68,886		
Cost of lease sales	30,184	3,564	—	—	62,091	6,795	
Income Other sales							
Other sales	3,235		—		6,921		
Cost of other sales	171	3,064	—	—	342	6,579	
Credit services businesses fees							
Credit cards	—		53,414		—		
Shopping loans	—		275		—		
Card cashing	—		53,032		—		
Agency services	—		7,444		—		
Other revenues	—	—	3,158	117,325	—	—	
Income from finance businesses							
Guarantees	—		3,448		—		
Specialty loans	—		11,079		—		
Lease sales	—		36,868		—		
Cost of lease sales	—		33,608		—		
Income from leases	—	—	3,259	17,788	—	—	
Income / loss from real estate businesses							
Revenue from real estate businesses	—		260		—		
Cost of real estate businesses	—	—	272	(11)	—	—	
Income from other businesses							
Revenue from other businesses	—		819		—		
Cost of other businesses	—	—	—	819	—	—	
Financial revenues		5,235		4,953		9,401	
<b>Total operating revenues</b>		<b>131,808</b>	<b>100.0</b>	<b>140,875</b>	<b>100.0</b>	<b>270,275</b>	<b>100.0</b>



<b>II. Operating expenses</b>									
Selling, general and administrative expenses		99,224	75.3		113,021	80.2		204,765	75.8
Financial cost									
Interest expense	6,071			8,278			13,242		
Other expenses	370	6,442	4.9	1,037	9,315	6.6	825	14,067	5.2
Total operating expenses		105,666	80.2		122,336	86.8		218,833	81.0
<b>Operating income</b>		26,142	19.8		18,538	13.2		51,442	19.0
<b>III. Non-operating income</b>		3,369	2.6		2,263	1.6		5,514	2.1
<b>IV. Non-operating expenses</b>		133	0.1		72	0.1		323	0.1
Ordinary income		29,377	22.3		20,728	14.7		56,632	21.0
<b>V. Extraordinary gains</b>		591	0.5		1,731	1.2		1,683	0.6
<b>VI. Extraordinary losses</b>		41,367	31.4		4,260	3.0		41,737	15.5
<b>Net income (loss) before income taxes</b>		(11,399)	(8.6)		18,199	12.9		16,578	6.1
Income taxes, current	14,159			10,540			29,974		
Income taxes, deferred	(19,263)	(5,104)	(3.8)	(5,100)	5,440	3.8	(23,617)	6,357	2.3
<b>Net income (loss)</b>		(6,295)	(4.8)		12,758	9.1		10,221	3.8

**(3) Summarized Non-consolidated Statement of Changes in Net Assets**  
**This Interim Accounting Period (From April 1, 2006 to September 30, 2006)**

(Millions of yen)

	Shareholders' equity									
	Common Stock	Capital surplus			Legal reserve	Earned surplus			Treasury stock	Total shareholders' equity
		Capital reserve	Other capital reserve	Total capital reserve		Other retained earnings		Total retained earnings		
					Contingent reserve	Unappropriated earnings				
Balance as of March 31,2006	74,458	77,863	0	77,863	3,020	135,455	37,322	175,797	(3,567)	324,551
Changes during this interim accounting period										
New stock issued	547	546	—	546	—	—	—	—	—	1,093
Contingent reserve (note)	—	—	—	—	—	22,000	(22,000)	—	—	—
Dividends from surplus (note)	—	—	—	—	—	—	(4,659)	(4,659)	—	(4,659)
Bonuses to directors (note)	—	—	—	—	—	—	(150)	(150)	—	(150)
Net loss for this interim accounting period	—	—	—	—	—	—	(6,295)	(6,295)	—	(6,295)
Acquisition of treasury stock	—	—	—	—	—	—	—	—	(110)	(110)
Disposal of treasury stock	—	—	0	0	—	—	—	—	0	0
Net changes in items other than shareholders' equity during this interim accounting period	—	—	—	—	—	—	—	—	—	—
Total changes during this interim accounting period	547	546	0	546	—	22,000	(33,105)	(11,105)	(110)	(10,121)
Balance as of September 30,2006	75,005	78,410	0	78,410	3,020	157,455	4,216	164,691	(3,677)	314,429

	Valuation and translation adjustments			Total net assets
	Unrealized gain on other securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance as of March 31,2006	16,871	—	16,871	341,423
Changes during the year				
New stock issued	—	—	—	1,093
Contingent reserve (note)	—	—	—	—
Dividends from surplus (note)	—	—	—	(4,659)
Bonuses to directors (note)	—	—	—	(150)
Net loss for the year	—	—	—	(6,295)
Acquisition of treasury stock	—	—	—	(110)
Disposal of treasury stock	—	—	—	0
Net changes in items other than shareholders' equity during the year	3,398	1	3,400	3,400
Total changes during the year	3,398	1	3,400	(6,721)
Balance as of March 31,2007	20,270	1	20,272	334,701

(note) These are net profit distribution items at the May 2007 regular general shareholders' meeting.

### **(3) Summarized Non-consolidated Statement of Changes in Net Assets**

**This Interim Accounting Period (From April 1, 2007 to September 30, 2007)**

(Millions of yen)

	Shareholders' equity									
	Common Stock	Capital surplus			Earned surplus				Treasury stock	Total shareho lders' equity
		Capital reserve	Other capital reserve	Total capital reserve	Legal reserve	Other retained earnings		Total retained earnings		
						Conting ent reserve	Unappro priated earnings			
Balance as of March 31, 2007	75,230	78,635	1,896	80,531	3,020	157,455	20,733	181,208	(5,577)	331,393
Changes during this interim accounting period										
New stock issued	409	409	—	409	—	—	—	—	—	819
Contingent reserve	—	—	—	—	—	5,000	(5,000)	—	—	—
Dividends from surplus (note)	—	—	—	—	—	—	(5,034)	(5,034)	—	(5,034)
Net income for this interim accounting period	—	—	—	—	—	—	12,758	12,758	—	12,758
Disposal of treasury stock	—	—	—	—	—	—	—	—	(3)	(3)
Net changes in items other than shareholders' equity during this interim accounting period	—	—	—	—	—	—	—	—	—	—
Total changes during this interim accounting period	409	409	—	409	—	5,000	2,724	7,724	(3)	8,540
Balance as of September 30, 2007	75,640	79,044	1,896	80,940	3,020	162,455	23,458	188,933	(5,580)	339,933

	Valuation and translation adjustments			Total net assets
	Unrealized gain on other securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance as of March 31, 2007	18,404	(43)	18,361	349,754
Changes during the year				
New stock issued	—	—	—	819
Contingent reserve	—	—	—	—
Dividends from surplus	—	—	—	(5,034)
Net income for the year	—	—	—	12,758
Acquisition of treasury stock	—	—	—	(3)
Net changes in items other than shareholders' equity during the year	(3,402)	(21)	(3,423)	(3,423)
Total changes during the year	(3,402)	(21)	(3,423)	5,117
Balance as of September 31, 2007	15,002	(64)	14,937	354,871

### **(3) Summarized Non-consolidated Statement of Changes in Net Assets**

**This Interim Accounting Period(From April 1, 2007 to March 31, 2007)**

(Millions of yen)

	Shareholders' equity									
	Common Stock	Capital surplus			Earned surplus				Treasury stock	Total shareholders' equity
		Capital reserve	Other capital reserve	Total capital reserve	Legal reserve	Other retained earnings		Total retained earnings		
						Contingent reserve	Unappropriated earnings			
Balance as of March 31,2006	74,458	77,863	0	77,863	3,020	135,455	37,322	175,797	(3,567)	324,551
Changes during this interim accounting period										
New stock issued	772	771	—	771	—	—	—	—	—	1,544
Contingent reserve	—	—	—	—	—	22,000	(22,000)	—	—	—
Dividends from surplus(note)	—	—	—	—	—	—	(4,659)	(4,659)	—	(4,659)
Bonuses to directors(note)	—	—	—	—	—	—	(150)	(150)	—	(150)
Net income for this interim accounting period	—	—	—	—	—	—	10,221	10,221	—	10,221
Acquisition of treasury stock	—	—	—	—	—	—	—	—	(19,303)	(19,303)
Disposal of treasury stock	—	—	1,895	1,895	—	—	—	—	17,293	19,189
Net changes in items other than shareholders' equity during this interim accounting period	—	—	—	—	—	—	—	—	—	—
Total changes during this interim accounting period	772	771	1,895	2,667	—	22,000	(16,588)	5,411	(2,009)	6,842
Balance as of March 31,2007	75,230	78,635	1,896	80,531	3,020	157,455	20,733	181,208	(5,577)	331,393

	Valuation and translation adjustments			Total net assets
	Unrealized gain on other securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance as of March 31,2006	16,871	—	16,871	341,423
Changes during the year				
New stock issued	—	—	—	1,544
Contingent reserve	—	—	—	—
Dividends from surplus(note)	—	—	—	(4,659)
Bonuses to directors(note)	—	—	—	(150)
Net income for the year	—	—	—	10,221
Acquisition of treasury stock	—	—	—	(19,303)
Disposal of treasury stock	—	—	—	19,189
Net changes in items other than shareholders' equity during the year	1,532	(43)	1,489	1,489
Total changes during the year	1,532	(43)	1,489	8,331
Balance as of March 31,2007	18,404	(43)	18,361	349,754