

《Straight translation》

## Consolidated Financial Statements for the Fiscal Year Ended March 31, 2006

May 18, 2006

**Listed company name**

**Credit Saison Co., Ltd.**

Stock exchange listings: Tokyo

Code number: 8253

Location of headquarters: Tokyo

(URL <http://www.saisoucard.co.jp>)

Representative: Hiroshi Rinno, President and CEO

Responsible person/Title: Shinji Hojo/Director in charge of Finance and Accounting dept.

Inquiries to: Harumi Okada/General Manager, Public Relations Office Phone: (03) 3982-0700

Board of Directors meeting: May 18, 2006

Adoption of U.S. accounting standards: No

### 1. Consolidated Results for Fiscal 2005 (April 1, 2005 to March 31, 2006)

(1) Consolidated Operating Results (Note: All amounts are rounded down to the nearest million yen)

	Operating revenues (¥ million)	Year-on-year change [%]	Operating income (¥ million)	Year-on-year change [%]	Ordinary income (¥ million)	Year-on-year change [%]
Fiscal 2005	274,666	[14.3]	69,575	[18.7]	71,149	[25.9]
Fiscal 2004	240,385	[9.1]	58,590	[8.5]	56,514	[6.7]

	Net income (¥ million)	Year-on-year change [%]	Earnings per share (¥)	Earnings per share (diluted) (¥)	Return on equity [%]	Ordinary income/total assets [%]	Ordinary income/net sales [%]
Fiscal 2005	42,219	32.7	237.29	220.65	[12.8]	[4.0]	[25.9]
Fiscal 2004	31,818	41.9	185.00	180.21	[11.4]	[3.9]	[23.5]

Notes:

- Equity in earnings of affiliates: ¥ 1,671 million (Fiscal 2004: ¥ (1,840) million)
- Average number of shares issued and outstanding (consolidated) 177, 044,313 : shares (Fiscal 2004: 171,064,011 shares)
- Changes in accounting methods: Adopted
- Year-on-year change for operating revenues, operating income, ordinary income and net income is based on the previous fiscal year.

### (2) Consolidated Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity /total assets [%]	Shareholders' equity per share (¥)
Fiscal 2005	2,062,735	360,717	17.5	2,014.20
Fiscal 2004	1,512,949	301,309	19.9	1,721.35

Notes: 1. Total number of shares issued and outstanding at the end of period (consolidated) 178, 983,982: shares  
(Fiscal 2004: 174,943,518 shares)

### (3) Consolidated Cash Flows (Millions of Yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal 2005	(96,907)	(121,241)	229,875	66,314
Fiscal 2004	(24,714)	(113,648)	119,260	54,307

### (4) Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 11 companies

Unconsolidated subsidiaries accounted for by the equity method: None

Affiliated companies accounted for by the equity method: 6 companies

### (5) Changes in Scope of Consolidation and Application of Equity Method

Consolidated (New): 1 companies

(Eliminated): None

Equity method: (New): 2 companies

(Eliminated): 1 companies

### 2. Projected Results for Fiscal 2006 (April 1, 2006 to March 31, 2007)

(Millions of Yen)

	Operating revenues	Ordinary income	Net income
Interim period	162,000	34,500	16,500
Fiscal 2005	328,000	75,000	39,000

Reference: Estimated earnings per share (fiscal 2006): ¥ 217.90

\*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	Fiscal 2004 (As of March 31, 2005)		Fiscal 2005 (As of March 31, 2006)		Increase (Decrease)
	Value	%	Value	%	Value
<b>(ASSETS)</b>					
<b>I. Current assets</b>					
Cash and deposits	54,307		66,314		12,006
Notes and accounts receivable	1,037,069		1,487,013		449,943
Other trade receivables	1,046		459		(587)
Inventory	-		122,267		122,267
Merchandise	54,175		-		(54,175)
Deferred income taxes	17,902		10,618		(7,283)
Short-term loans	15,125		1,027		(14,098)
Prepaid expenses and other current assets	16,383		39,922		23,539
Allowance for losses on receivables	(41,483)		(58,189)		(16,705)
<b>Total current assets</b>	<b>1,154,527</b>	<b>76.3</b>	<b>1,669,434</b>	<b>80.9</b>	<b>514,907</b>
<b>II. Fixed assets</b>					
Property and equipment, at cost:					
Equipment for lease	145,281		158,580		13,299
Buildings	19,069		18,327		(742)
Land	6,375		8,250		1,874
Construction in progress	1,304		1,704		399
Other tangible fixed assets	13,705		13,078		(626)
<b>Total property and equipment</b>	<b>185,737</b>	<b>12.3</b>	<b>199,940</b>	<b>9.7</b>	<b>14,203</b>
Intangible assets:					
Leaseholds	971		971		-
Software	18,696		28,200		9,504
Other intangible fixed assets	282		280		(1)
<b>Total intangible assets</b>	<b>19,950</b>	<b>1.3</b>	<b>29,453</b>	<b>1.5</b>	<b>9,502</b>
Investments and other assets:					
Investment securities	98,612		103,004		4,392
Long-term loans	29,324		29,909		585
Lease deposits	8,606		8,760		154
Deferred income taxes	5,223		16,610		11,386
Other	15,375		13,349		(2,026)
Allowance for losses on receivables	(5,486)		(7,759)		(2,273)
Allowance for losses of investment	-		(381)		(381)
<b>Total Investments and other assets</b>	<b>151,655</b>	<b>10.0</b>	<b>163,492</b>	<b>7.9</b>	<b>11,837</b>
<b>Total fixed assets</b>	<b>357,342</b>	<b>23.6</b>	<b>392,886</b>	<b>19.1</b>	<b>35,544</b>
<b>III. Deferred assets</b>					
Bond issue costs	379		414		34
Development costs	700		-		(700)
<b>Total deferred assets</b>	<b>1,079</b>	<b>0.1</b>	<b>414</b>	<b>0.0</b>	<b>(665)</b>
<b>Total assets</b>	<b>1,512,949</b>	<b>100.0</b>	<b>2,062,735</b>	<b>100.0</b>	<b>549,785</b>

Item	Term	Fiscal 2004 (As of March 31, 2005)		Fiscal 2005 (As of March 31, 2006)		Increase (Decrease)
		Value	%	Value	%	Value
(LIABILITIES)						
I. Current liabilities						
Notes and accounts payable		102,510		180,221		77,710
Short-term loans		389,525		470,857		81,331
Current portion of long-term loans		64,224		58,775		(5,448)
Current portion of bonds		32,080		15,925		(16,155)
Commercial paper		57,000		113,000		56,000
Current portion of payables under securitized lease receivables		3,000		12,000		9,000
Accrued taxes on income		13,213		7,097		(6,115)
Allowance for bonuses		1,740		2,256		516
Allowance for losses of business downsizing				352		352
Allowance for loss of interest repayment				2,305		2,305
Unearned income		3,388		4,244		856
Accrued expenses and other current liabilities		44,039		33,135		(10,903)
Total current liabilities		710,722	47.0	900,169	43.6	189,447
II. Long-term liabilities						
Bonds		152,760		216,472		63,712
Long-term loans		298,337		475,349		177,011
Payables under securitized lease receivables		30,000		48,000		18,000
Accrued pension and severance costs		7,121		7,403		282
Retirement allowance for directors and statutory auditors		796		855		58
Allowance for losses on guarantees		1,253		1,741		488
Allowance for defective on guarantees		59		35		(24)
Allowance for permanent points		-		29,023		29,023
Consolidation adjustments		487		194		(293)
Other long-term liabilities		6,177		6,302		124
Total long-term liabilities		496,993	32.8	785,375	38.1	288,382
Total liabilities		1,207,715	79.8	1,685,545	81.7	477,830
(Minority interests)						
Minority interests		3,924	0.3	16,471	0.8	12,547
(Shareholders' equity)						
I. Common stock		69,526	4.6	74,458	3.6	4,932
II. Capital surplus		73,148	4.8	78,176	3.8	5,028
III. Retained earnings		155,101	10.2	194,179	9.4	39,078
IV. Unrealized gain (loss) on other securities		7,263	0.5	18,057	0.9	10,793
V. Treasury stock, at cost		(3,729)	(0.2)	(4,155)	(0.2)	(425)
Total shareholders' equity		301,309	19.9	360,717	17.5	59,407
Total liabilities and shareholders' equity		1,512,949	100.0	2,062,735	100.0	549,785

## (2) Consolidated Statements of Income

(Millions of yen)

Term Item	Fiscal 2004 April 1, 2004 to March 31, 2005		Fiscal 2005 April 1, 2005 to March 31, 2006		Year-on-year change
	Value	%	Value	%	%
I. Operating revenues					
Financing and administration fees		183,618		214,449	116.8
Income from merchandise sales					
Entertainment sales	108,546		143,547		
Cost of entertainment sales	91,556	16,989	125,663	17,884	105.3
Income from real estate					
Real estate sales	52,178		70,132		
Cost of real estate sales	39,547	12,631	51,771	18,361	145.4
Income from leases					
Leases sales	57,535		65,622		
Cost of leases sales	50,732	6,803	58,479	7,142	105.0
Income from other business					
Other sales	13,432		6,888		
Cost of other sales	5,348	8,083	2,050	4,837	59.8
Financial revenues		12,258		11,990	97.8
Total operating revenues		240,385	100.0	274,666	100.0
114.3					
II. Operating expenses					
Selling, general and administrative expenses		172,024	71.5	193,125	70.3
Financial cost		9,771	4.1	11,965	4.4
Total operating expenses		181,795	75.6	205,090	74.7
Operating income		58,590	24.4	69,575	25.3
118.7					
III. Non-operating income		2,163	0.9	4,296	1.6
198.6					
IV. Non-operating expenses		4,238	1.8	2,722	1.0
64.2					
Ordinary income		56,514	23.5	71,149	25.9
125.9					

**(2) Consolidated Statements of Income**

V. Extraordinary gains							
Gain on sale of fixed assets	853			23			
Gain on sale of investment securities	946			473			
Gain on sale of securities of affiliates	-			8,380			
Net gain on changes in equity interest	2,371			6,395			
Gain on sale of investments	779			305			
Gain on changes in pension and severance cost plan	282			-			
Other	-	5,234	2.2	69	15,646	5.7	298.9
VI. Extraordinary losses							
Loss from sale of fixed assets	646			961			
Loss on impairment of fixed assets	1,155			79			
Loss on evaluation of investment securities	4,782			3,125			
Loss on evaluation of securities of affiliates	-			293			
Loss on sale of investment securities	579			387			
Provision for allowance for losses of business downsizing	-			476			
Provision for allowance for losses of interest repayment	-			2,305			
Amortization of goodwill	-			24,857			
Provision for allowance for losses of receivables	-			3,037			
Provision for allowance for losses of investment	-			381			
Loss on membership rights	18			-			
Adjustment from changes in revenue recognition	143			-			
Other	-	7,326	3.1	96	36,001	13.1	491.4
Income (loss) before income taxes and minority interests		54,421	22.6		50,795	18.5	93.3
Income taxes, current	23,238			16,375			
Income taxes, deferred	(1,413)	21,824	9.1	(9,418)	6,956	2.5	31.9
Minority interests		778	0.3		1,619	0.6	208.0
Net income (loss)		31,818	13.2		42,219	15.4	132.7

**(3) Consolidated Statements of Retained Earnings**

(Millions of yen)

Item	Term	Fiscal 2004		Fiscal 2005	
		April 1, 2004 to March 31, 2005		April 1, 2005 to March 31, 2006	
		Value		Value	
(Capital Surplus)					
I. Capital surplus at the beginning of period			67,133		73,148
II. Increase in capital surplus					
Gain on disposal of treasury stock		159		98	
Conversion of convertible bonds		3,389		-	
Exercise of stock option		2,465	6,014	4,929	5,028
III. Capital surplus at the end of period			73,148		78,176
(Retained Earnings)					
I. Retained earnings at the beginning of period			126,719		155,101
II. Increase in retained earnings					
Net Income		31,818		42,219	
Increase in addition of subsidiaries to the scope of consolidation		-		310	
Increase in addition of affiliated companies to the scope of application of equity method		-	31,818	220	42,751
III. Decrease in retained earnings					
Cash dividends		3,058		3,498	
Bonuses to directors and statutory auditors'		171		174	
Resulting from addition of affiliated companies to the scope of application of equity method		207	3,436	-	3,672
IV. Unappropriated retained earnings at the end of period			155,101		194,179

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

Item	Term	Fiscal 2004 April 1, 2004 to March 31, 2005	Fiscal 2005 April 1, 2005 to March 31, 2006
		Value	Value
<b>I. Cash flows from operating activities</b>			
Income (loss) before income taxes		54,421	50,795
Adjustments to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities:			
Depreciation and amortization		42,439	50,809
Amortization of consolidation adjustments		(203)	(255)
Amortization of deferred assets		1,035	1,192
Increase in allowance for losses on accounts receivables		7,722	6,961
Increase in allowance for retirement benefits		(277)	(172)
Increase (decrease) in allowance for permanent points		-	6,630
Increase (decrease) in allowance for interest repayment		-	2,305
Increase in other allowances		503	1,671
Interest and dividend income		(10,777)	(12,415)
Interest expenses		10,447	12,199
Equity in (earnings) losses of affiliates		1,840	(1,671)
Foreign exchange (gain) loss		(134)	151
Amortization of goodwill		-	24,857
Realized (gain) loss on sale of investment securities		(725)	(8,945)
Loss on evaluation of investment securities		4,782	3,419
Net gain on changes in equity interest		(2,371)	(6,395)
Loss on impairment of fixed assets		1,155	79
Loss on disposal of fixed asset		17,513	18,970
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable		(146,654)	(187,686)
Proceeds from liquidation of trade receivable		30,000	-
(Increase) decrease in inventories		(16,397)	(35,915)
(Increase) decrease in other assets		(762)	(12,595)
Increase (decrease) in payables		8,323	7,249
Increase (decrease) in other liabilities		7,414	1,192
Directors' and statutory auditors' bonuses		(173)	(183)
Subtotal		9,122	(77,752)
Interest and dividends received		10,544	12,677
Interest paid		(10,090)	(11,683)
Income taxes paid		(34,290)	(22,584)
Net cash provided by (used in) operating activities		(24,714)	(99,342)
<b>II. Cash flows from investing activities</b>			
Payments for purchases of investment securities		(29,503)	(49,462)
Proceeds from sales of investment securities		4,912	22,019
Payments for purchases of fixed assets		(91,698)	(92,803)
Proceeds from sales of fixed assets		1,467	517
Payment for long-term loans		(4,700)	(2,490)
Proceeds from collection of short-term and long-term loans		7,757	1,495
Proceeds from merger and acquisition		-	2,398
(Increase) decrease in other assets		(1,881)	(481)
Net cash provided by (used in) investing activities		(113,648)	(118,806)

Item	Term	Fiscal 2004 April 1, 2004 to March 31, 2005	Fiscal 2005 April 1, 2005 to March 31, 2006
		Value	Value
III. Cash flows from financing activities			
Increase (decrease) in short-term loans		12,401	(81,091)
Increase (decrease) in commercial paper		(14,000)	56,000
Proceeds from long-term debt		117,020	236,003
Repayments of long-term debt		(23,817)	(74,440)
Proceeds from issuance of bonds		43,968	79,523
Repayment of bonds		(20,462)	(32,492)
Proceeds from payables under securitized lease receivables		-	30,000
Repayment of payables under securitized lease receivables		(3,127)	(3,000)
Proceeds from payments from minority shareholders		5,002	12,811
Proceeds from sales of treasury stock		427	307
Payment for purchase treasury stock		(22)	(19)
Proceeds from issuance of stock		4,931	9,862
Cash dividends paid		(3,058)	(3,498)
Dividends paid to minorities		(4)	(88)
Net cash provided by (used in) financing activities		119,260	229,875
IV. Translation Gain on cash and cash equivalents		(11)	24
V. Increases (decrease) in cash and cash equivalents		(19,113)	11,750
VI. Cash and cash equivalents, at the beginning of year		73,421	54,307
VII. Increases in cash and cash equivalents resulting from addition of subsidiaries to the scope of consolidation		-	255
VIII. Cash and cash equivalents, at the end of year		54,307	66,314



# Non-Consolidated Financial Statements for the Fiscal Year Ended March 31, 2006

May 18, 2006

## Listed company name

**Credit Saison Co., Ltd.**

Stock exchange listings: Tokyo

Code number: 8253

Location of headquarters: Tokyo

(URL <http://www.saisoncard.co.jp>)

Representative: Hiroshi Rinno, President and CEO

Responsible person/Title: Shinji Hojo, Director in charge of Finance and Accounting dept.

Inquiries to: Hanumi Okada, General Manager, Public Relations Office

Phone: (03) 3982-0700

Board of Directors meeting: May 18, 2006

Interim dividend system: Adopted

General Meeting of Shareholders: June 27, 2006

Round-lot system: Adopted

## 1. Results for Fiscal 2005 (April 1, 2005 - March 31, 2006)

### (1) Operating results

(Round lot: 100 shares)

	Operating revenues (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
Fiscal 2005	216,453	[13.8]	49,865	[6.9]	50,762	[8.0]
Fiscal 2004	190,248	[8.3]	46,659	[4.1]	46,985	[4.3]

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)	Earnings per share (diluted) (¥)	Return on equity (%)	Ordinary income/total assets (%)	Ordinary income/net revenues (%)
Fiscal 2005	27,131	[5.2]	152.21	150.43	[8.5]	[3.3]	[23.5]
Fiscal 2004	25,798	[5.7]	149.78	145.92	[9.2]	[3.8]	[24.7]

#### Notes:

1. Average number of shares issued outstanding during the term: 177,264,152 shares (Fiscal 2005: 171,376,525 shares)
2. Volume of new contracts: ¥4,183,697 million (Fiscal 2005 : ¥3,383,680 million) (Year-on-year change: [23.6]%)
3. Changes in accounting methods: Adopted
4. Year-on-year changes for operating revenues, operating income, ordinary income and net income are based on the previous fiscal year.

### (2) Dividends

	Annual dividends per share (¥)			Annual total dividends (¥ million)	Payout ratio (%)	Dividend rate for shareholders' equity (%)
		Interim	Year-end			
Fiscal 2005	26.00	00.00	26.00	4,659	17.1	1.4
Fiscal 2004	20.00	00.00	20.00	3,503	13.6	1.2

### (3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ Total assets (%)	Shareholders' equity per share (¥)
Fiscal 2005	1,761,666	341,423	19.4	1904.13
Fiscal 2004	1,290,066	298,502	23.1	1,703.39

Notes: 1. Total number of shares outstanding: As of March 31, 2006: 179,228,038 shares As of March 31, 2005: 175,164,359 shares

2. Total number of treasury stock: As of March 31, 2006: 1,488,587 shares As of March 31, 2005: 1,454,466 shares

## 2. Projected Results for Fiscal 2006 (April 1, 2006 - March 31, 2007)

	Operating revenues (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)		
				Interim	Year-end	
Interim period	132,000	25,000	14,500	00.00		
Fiscal 2006	268,000	55,500	32,000		28.00	28.00

Notes: Volume of new contracts Interim period: ¥ 2,688,000 million Fiscal 2006: ¥5,573,000 million

(Reference) Estimated earnings per share (fiscal 2006): ¥177.07

\* 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.

**(1) Non-Consolidated Balance Sheets**

(Millions of yen)

Term Item	Fiscal 2004 (As of March 31, 2005)		Fiscal 2005 (As of March 31, 2006)		Increase (Decrease)
	Value	%	Value	%	Value
	<b>(ASSETS)</b>				
I. Current assets					
Cash and deposits	34,480		37,001		2,521
Installment accounts receivable	922,420		1,364,763		442,343
Merchandise	935		667		(268)
Supplies	608		1,012		403
Prepaid expenses	464		641		177
Deferred income taxes	14,876		6,657		(8,219)
Other receivable	11,033		25,182		14,149
Other current assets	1,972		9,761		7,788
Allowance for losses on receivables	(36,696)		(53,246)		(16,550)
Total Current assets	950,095	73.6	1,392,442	79.0	442,346
II. Fixed assets					
Property and equipment, at cost:					
Equipment for lease	145,397		158,645		13,247
Buildings	6,234		6,152		(81)
Vehicles	0		0		
Fixtures and equipment	7,458		7,276		(182)
Land	3,654		3,642		(12)
Construction in progress	1,287		1,466		178
Total Property and equipment	164,033	12.7	177,183	10.1	13,149
Intangible assets:					
Leaseholds	15		15		
Software	18,004		27,124		9,120
Other intangible fixed assets	250		248		(1)
Total Intangible assets	18,269	1.4	27,389	1.6	9,119
Investments and other assets:					
Investment securities	59,709		76,271		16,562
Investment in subsidiaries and affiliates	53,079		39,898		(13,180)
Investment in capital	51		51		-
Investment in capital of affiliates	-		55		55
Long-term loans	28,252		28,223		(28)
Long-term loans to subsidiaries and affiliates	7,275		5,000		(2,275)
Long-term prepaid expenses	3,352		3,950		598
Lease deposits	3,085		2,874		(211)
Deferred income taxes	1,557		12,663		11,106
Other long-term investments	1,611		1,529		(81)
Allowance for losses on receivable	(1,270)		(4,112)		(2,842)
Allowance for losses of investment	-		(2,054)		(2,054)
Total investments and other assets	156,703	12.2	164,352	9.3	7,649
Total fixed assets	339,007	26.3	368,925	21.0	29,917
III. Deferred assets					
Bond issue costs	263		298		34
Development costs	700		-		(700)
Total deferred assets	963	0.1	298	0.0	(665)
Total assets	1,290,066	100.0	1,761,666	100.0	471,599

Term Item	Fiscal 2004 (As of March 31,2005)		Fiscal 2005 (As of March 31,2006)		Increase (Decrease)
	Value	%	Value	%	Value
	<b>(LIABILITIES)</b>				
I. Current liabilities					
Notes payable	1,538		1,937		399
Accounts payable	99,007		177,051		78,043
Short-term loans	244,766		353,769		109,002
Current portion of long-term loans	55,221		40,903		(14,318)
Current portion of bonds	30,000		10,000		(20,000)
Commercial paper	57,000		113,000		56,000
Current portion of payables under securitized lease receivables	3,000		12,000		9,000
Other Payable	4,249		2,690		(1,558)
Accrued expenses	31,563		17,880		(13,682)
Accrued taxes on income	10,202		365		(9,837)
Withholdings	2,676		3,536		860
Advance received	65		181		116
Allowance for bonuses	1,333		1,783		449
Allowance for losses of interest repayment	-		2,090		2,090
Unearned income	3,388		4,244		856
Other current liabilities	718		911		192
Total current liabilities	544,730	42.2	742,345	42.1	197,614
II. Long-term liabilities					
Bonds	140,000		200,000		60,000
Long-term loans	268,573		391,370		122,797
Payables under securitized lease receivables	30,000		48,000		18,000
Accrued pension and severance costs	5,804		6,164		360
Retirement allowance for directors and statutory auditors	539		593		54
Allowance for losses on guarantees	1,253		1,741		488
Allowance for permanent points	-		29,023		29,023
Lease deposits received	521		769		247
Other long-term liabilities	142		235		92
Total Long-term liabilities	446,833	34.7	677,896	38.5	231,063
Total liabilities	991,564	76.9	1,420,242	80.6	428,678
<b>(SHAREHOLDERS' EQUITY)</b>					
I. Common stock	69,526	5.4	74,458	4.2	4,932
II. Capital surplus					
Additional paid-in capital	72,933		77,863		4,929
Other capital surplus					
Net gain on disposal of treasury stock	0		0		0
Total capital surplus	72,933	5.6	77,863	4.4	4,929
III. Retained earnings					
Legal reserve	3,020		3,020		-
Voluntary reserves					
General reserve	114,455		135,455		21,000
Unappropriated retained earnings at end of period	34,824		37,322		2,497
Total retained earnings	152,299	11.8	175,797	10.0	23,497
IV. Unrealized gain (loss) on investment securities	7,162	0.6	16,871	1.0	9,709
V. Treasury common stock	(3,419)	(0.3)	(3,567)	(0.2)	(148)
Total shareholders' equity	298,502	23.1	341,423	19.4	42,920
Total liabilities and shareholders' equity	1,290,066	100.0	1,761,666	100.0	471,599

## (2) Non-Consolidated Statements of Income

(Millions of yen)

Term Item	Fiscal 2004 (April 1, 2004 to March 31, 2005)		Fiscal 2005 (April 1, 2005 to March 31, 2006)		Year-on-year change
	Value	%	Value	%	
I. Operating revenues					
Financing and administration fees					
Credit cards	62,616		74,202		118.5
Shopping loans	997		748		75.1
Guarantees	3,203		3,877		121.0
Loans	89,722		104,099		116.0
Agency services	10,326		10,368		100.4
Income from leases					
Lease sales	57,750		65,691		
Cost of lease sales	50,897	6,853	58,507	7,183	104.8
Income Other sales					
Other sales	5,421		4,907		
Cost of other sales	931	4,490	622	4,284	95.4
Financial revenues		12,037		11,689	97.1
Total operating revenues		190,248	100.0	216,453	100.0
II. Operating expenses					
Selling, general and administrative expenses		135,402	71.2	156,887	72.5
Financial cost					
Interest expense	7,531		8,917		
Amortization of bond issue cost	189		301		
Other expenses	466	8,186	4.3	9,700	4.5
Total operating expenses		143,589	75.5	166,587	77.0
Operating income		46,659	24.5	49,865	23.0
III. Non-operating income		1,079	0.6	1,620	0.8
IV. Non-operating expenses		753	0.4	723	0.3
Ordinary income		46,985	24.7	50,762	23.5

Item	Term	Fiscal 2004 (April 1, 2004 to March 31, 2005)		Fiscal 2005 (April 1, 2005 to March 31, 2006)		Year-on- Yearchange
		Value	%	Value	%	
V. Extraordinary gains						
Gain on sales of fixed assets		-		17		
Gain on sales of investment securities		552		406		
Gain on sales of securities of affiliates		-		12,298		
Gain on changes in pension and severance cost plan		217	770	-	12,722	5.9
VI. Extraordinary losses						
Loss on disposal of fixed assets		574		212		
Loss on sales of fixed assets		10		-		
Loss on evaluation of investment securities		4,761		3,125		
Loss on evaluation of securities of affiliates		69		293		
Loss on sales of investment securities		-		24		
Loss on support of business downsizing of subsidiaries		-		1,100		
Provision for Allowance for losses of interest repayment		-		2,090		
Amortization of goodwill		-		24,269		
Provision for allowance for losses of receivable		-		3,037		
Provision for allowance for losses of investment		-		2,054		
Other		159	5,575	-	36,207	16.8
Net income (loss) before income taxes			42,180		27,277	12.6
Income taxes, current		19,537		7,968		
Income taxes, deferred		(3,155)	16,382	(7,822)	146	0.1
Net income (loss)			25,798		27,131	12.5
Retained earnings carried forward from preceding year			9,025		10,190	
Unappropriated retained earnings at the end of the year			34,824		37,322	

**(3) Non-Consolidated Statements of Proposed Appropriation of Retained Earnings**

(Millions of yen)

Item	Term	Fiscal 2004 (April 1, 2004 to March 31, 2005)		Fiscal 2005 (April 1, 2005 to March 31, 2006)	
. Unappropriated retained earnings at the end of the year			34,824		37,322
appropriation					
Cash dividends		3,503		4,659	
Bonuses to directors		130		150	
[Bonuses to statutory auditors included in above]		(15)		(16)	
Voluntary reserves					
General reserve		21,000	24,633	22,000	26,809
. Retained Earnings carried forward			10,190		10,512