



# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

Term  Item	First half of Fiscal 2005 (As of Sept. 30, 2005)		First half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2005 (As of Mar. 31, 2006)	
	Value	%	Value	%	Value	%
<b>(ASSETS)</b>						
<b>I. Current assets</b>						
Cash and deposits	46,927		56,075		66,314	
Notes and installment accounts receivable	1,113,351		1,551,743		1,487,013	
Other trade receivables	483		486		459	
Inventory	79,099		131,702		122,267	
Deferred income taxes	7,653		16,972		10,618	
Short-term loans	24,542		100		1,027	
Prepaid expenses and other current assets	16,990		30,962		39,922	
Allowance for losses on receivables	(43,094)		(57,521)		(58,189)	
<b>Total current assets</b>	<b>1,245,953</b>	<b>76.3</b>	<b>1,730,520</b>	<b>80.7</b>	<b>1,669,434</b>	<b>80.9</b>
<b>II. Fixed assets</b>						
Property and equipment, at cost:						
Equipment for lease	153,635		157,075		158,580	
Buildings	18,310		17,899		18,327	
Land	6,375		8,270		8,250	
Construction in progress	772		827		1,704	
Other tangible fixed assets	13,033		13,219		13,078	
<b>Total property and equipment</b>	<b>192,127</b>	<b>11.8</b>	<b>197,291</b>	<b>9.2</b>	<b>199,940</b>	<b>9.7</b>
Intangible assets:						
Leaseholds	971		970		971	
Software	23,214		31,632		28,200	
Other intangible fixed assets	281		1,622		280	
<b>Total intangible assets</b>	<b>24,467</b>	<b>1.5</b>	<b>34,225</b>	<b>1.6</b>	<b>29,453</b>	<b>1.5</b>
Investments and other assets:						
Investment securities	108,212		112,480		103,004	
Long-term loans	29,396		29,211		29,909	
Lease deposits	8,306		8,563		8,760	
Deferred income taxes	13,339		28,374		16,610	
Other	15,677		11,017		13,349	
Allowance for losses on receivables	(5,725)		(7,098)		(7,759)	
Allowance for losses of investments	—		(381)		(381)	
<b>Total Investments and other assets</b>	<b>169,206</b>	<b>10.3</b>	<b>182,167</b>	<b>8.5</b>	<b>163,492</b>	<b>7.9</b>
<b>Total fixed assets</b>	<b>385,801</b>	<b>23.6</b>	<b>413,685</b>	<b>19.3</b>	<b>392,886</b>	<b>19.1</b>
<b>III. Deferred assets</b>						
Bond issue costs	490		507		414	
Development costs	350		-		-	
<b>Total deferred assets</b>	<b>840</b>	<b>0.1</b>	<b>507</b>	<b>0.0</b>	<b>414</b>	<b>0.0</b>
<b>Total assets</b>	<b>1,632,595</b>	<b>100.0</b>	<b>2,144,713</b>	<b>100.0</b>	<b>2,062,735</b>	<b>100.0</b>

Item	Term	First Half of Fiscal 2005 (As of Sept. 30, 2005)		First Half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2005 (As of Mar. 31, 2006)	
		Value	%	Value	%	Value	%
(LIABILITIES)							
I. Current liabilities							
Notes and accounts payable		101,309		208,974		180,221	
Short-term loans		362,101		354,811		470,857	
Current portion of long-term loans		76,956		42,108		58,775	
Current portion of bonds		23,102		40,995		15,925	
Commercial paper		65,000		102,000		113,000	
Current portion of payables under securitized lease receivables		9,000		11,500		12,000	
Accrued taxes on income		13,752		21,635		7,097	
Allowance for bonuses		1,940		2,469		2,256	
Allowance for director's bonuses		—		87		—	
Allowance for loss of business		476		—		—	
Downsizing		—		—		—	
Allowance for losses on interest repayment		—		12,147		2,305	
Unearned income		3,330		4,546		4,244	
Accrued expenses and other current liabilities		21,975		34,349		33,135	
Total current liabilities		678,944	41.6	835,624	39.0	900,169	43.6
II. Long-term liabilities							
Bonds		186,747		229,240		216,472	
Long-term loans		372,095		580,068		475,349	
Payables under securitized lease receivables		24,000		42,500		48,000	
Accrued pension and severance costs		7,023		6,850		7,403	
Retirement allowance for directors and statutory auditors		790		851		855	
Allowance for losses on guarantees		1,412		2,167		1,741	
Allowance for losses on warranty of defects		24		31		35	
Allowance for permanent points		23,857		32,374		29,023	
Allowance for losses on interest repayment		—		33,758		—	
Consolidation adjustments		359		—		194	
Negative goodwill		—		149		—	
Other long-term liabilities		6,038		5,888		6,302	
Total long-term liabilities		622,348	38.1	933,878	43.5	785,375	38.1
Total liabilities		1,301,293	79.7	1,769,502	82.5	1,685,545	81.7
(MINORITY INTERESTS)							
Minority interests		4,553	0.3	—	—	16,471	0.8
(SHAREHOLDERS' EQUITY)							
I. Common stock							
		72,254	4.4	—	—	74,458	3.6
II. Capital surplus							
		75,897	4.6	—	—	78,176	3.8
III. Retained earnings							
		172,332	10.6	—	—	194,179	9.4
IV. Unrealized gain (loss) on other securities							
		10,007	0.6	—	—	18,057	0.9
V. Treasury stock, at cost							
		(3,744)	(0.2)	—	—	(4,155)	(0.2)
Total shareholders' equity		326,748	20.0	—	—	360,717	17.5
Total liabilities and shareholders' equity		1,632,595	100.0	—	—	2,062,735	100.0

Item	Term	First Half of Fiscal 2005 (As of Sept. 30, 2005)		First Half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2005 (As of Mar. 31, 2006)	
		Value	%	Value	%	Value	%
(Net Asset)							
I .Shareholder's equity							
Common stock		—	—	75,005	3.5	—	—
Capital Surplus		—	—	78,723	3.7	—	—
Earned surplus		—	—	183,409	8.5	—	—
Treasury Stock		—	—	(4,207)	(0.2)	—	—
Total Shareholder's equity		—	—	332,930	15.5	—	—
II Valuation and translation adjustments							
Securities valuation adjustment		—	—	21,035	1.0	—	—
Deferred gains (losses) on hedges		—	—	92	0.0	—	—
Total valuation and translation adjustments		—	—	21,127	1.0	—	—
III .Minority Interests		—	—	21,152	1.0	—	—
Total net assets		—	—	375,210	17.5	—	—
Total liabilities and net assets		—	—	2,144,713	100.0	—	—

**(2) Consolidated Statements of Income**

(Millions of yen)

Item	Term	First half of Fiscal 2005 (As of Sept. 30, 2005)		First half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2005 (As of Mar. 31, 2006)		
		Value	%	Value	%	Value	%	
I. Operating revenues								
Financing and administration fees		98,601		132,578		214,449		
Income from entertainment								
Entertainment sales		70,734		71,605		143,547		
Cost of entertainment sales		61,947	8,786	62,224	9,380	125,663	17,884	
Income from real estate								
Real estate sales		32,853		58,556		70,132		
Cost of real estate sales		24,705	8,148	46,712	11,843	51,771	18,361	
Income from leases								
Leases sales		32,100		34,346		65,622		
Cost of leases sales		28,329	3,771	30,802	3,544	58,479	7,142	
Income from other business								
Other sales		4,049		3,040		6,888		
Cost of other sales		1,608	2,441	171	2,869	2,050	4,837	
Financial revenues			6,041		5,446		11,990	
Total operating revenues			127,791	100.0		165,662	100.0	274,666
II. Operating expenses								
Selling, general and administrative expenses			88,637	69.4		118,316	71.4	193,125
Financial cost			5,547	4.3		7,478	4.5	11,965
Total operating expenses			94,184	73.7		125,794	75.9	205,090
Operating income			33,607	26.3		39,867	24.1	69,575
III. Non-operating income			2,904	2.3		4,540	2.7	4,296
IV. Non-operating expenses			1,470	1.2		1,220	0.7	2,722
Ordinary income			35,040	27.4		43,187	26.1	71,149

Item	Term	First half of Fiscal 2005 (As of Sept. 30, 2005)		First half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2005 (As of Mar. 31, 2006)			
		Value	%	Value	%	Value	%		
V. Extraordinary gains									
Gain on sale of fixed assets		—		—		23			
Gain on sale of investment securities		413		9		8,853			
Redemption profit of investment securities		—		276		—			
Reversal of allowance for losses of business downsizing		—		390		—			
Gain on changes in pension and severance cost system		—		145		—			
Net gain on changes in equity interest		—		—		6,395			
Gain on sale of investments		305		—		305			
Gain on transfer of operations		69	787	—	822	69	15,646	5.7	
VI. Extraordinary losses									
Loss from sale of fixed assets		620		211		961			
Impairment loss of property and equipment, other assets		31		299		79			
Loss on evaluation of investment securities		6		96		3,419			
Loss on evaluation of capital		—		55		—			
Loss on sale of investment securities		111		—		387			
Allowance for interest repayment losses		—		40,924		2,305			
Depreciation of lease assets		—		5,447		—			
Loss on change of shareholder's equity		—		1,719		—			
Provision for allowance for loss of business downsizing		476		—		476			
Business rights amortization		—		—		24,857			
Allowance for loss on receivable		—		—		3,037			
Amount revision for change basis of recognition of revenues		—		—		381			
Others		—	1,247	61	48,815	96	36,001	13.1	
Income (loss) before income taxes and minority interests		—	34,580	—	(4,805)	—	50,795	18.5	
Income taxes, current		13,175		20,686		16,735			
Income taxes, deferred		(3)	13,171	(22,130)	(1,444)	(9,418)	6,956	2.5	
Minority interests			725		2,537		1,619	0.6	
Net income (loss)			20,683		(5,898)		42,219	15.4	

### (3) Consolidated Statements of Retained Earnings

(Millions of yen)

Item	Term	First half of Fiscal 2005 (As of Sept. 30, 2005)		Fiscal 2005 (As of Mar. 31, 2006)	
		Value		Value	
(Capital Surplus)					
I. Capital surplus at the beginning of period			73,148		73,148
II. Increase in capital surplus					
Gain on disposal of treasury stock		22		98	
Conversion of convertible bonds					
Exercise of stock option		2,727	2,749	4,929	5,028
III. Capital surplus at the end of period			75,897		78,176
(Retained Earnings)					
I. Retained earnings at the beginning of period			155,101		155,101
II. Increase in retained earnings					
Net Income		20,683		42,219	
Resulting from business combination of affiliated companies to the scope of application of consolidation		—		310	
Resulting from business combination of affiliated companies to the scope of application of equity method		220	20,903	220	42,751
III. Decrease in retained earnings					
Cash dividends		3,498		3,498	
Bonuses to directors and statutory auditors'		174	3,672	3,672	
IV. Unappropriated retained earnings at the end of period			172,332		194,179

**(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 income(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 income(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



## (5) Consolidated Statements of Cash Flows

(Millions of yen)

Item	Term	First Half of Fiscal 2005 (As of Sept. 30, 2005)	First Half of Fiscal 2006 (As of Sept. 30, 2006)	Fiscal 2005 (As of Mar. 31, 2006)
		Value	Value	Value
<b>I. Cash flows from operating activities</b>				
Income (loss) before income taxes		34,580	(4,850)	50,795
Adjustments to reconcile income (loss) before income taxes to net cash provided by (used in) operating activities:				
Depreciation and amortization		24,454	34,107	50,809
Amortization of consolidation adjustments		(127)	—	(255)
Goodwill amortization		—	(35)	—
Amortization of deferred assets		533	142	1,192
Allowance for losses on accounts receivables		1,850	3,871	6,961
Accrued pension and severance costs		(98)	(552)	(172)
Allowance for permanent points		2,871	3,351	6,630
Allowance for losses on interest repayment		—	38,400	2,305
Allowance for other reserves		794	365	1,671
Interest and dividend income		(6,232)	(5,495)	(12,415)
Interest expenses		5,938	7,863	12,199
Equity in( earnings) losses of affiliated companies		(1,439)	(927)	(1,671)
Dividends from Investment business fund		—	(1,554)	—
Foreign exchange (gain) loss		3	(66)	151
Business rights amortization		—	—	24,857
Realized (gain) loss on sale of investment securities		(572)	(478)	(8,945)
Loss on evaluation of investment securities		6	96	3,419
Net gain on changes in equity interest		—	1,719	(6,395)
Impairment loss of property and equipment, other assets		31	299	79
Loss on disposal of property and equipment, other assets		9,696	8,101	18,970
Changes in operating assets and liabilities				
(Increase) decrease in trade receivable		(90,929)	(143,036)	(187,686)
Proceeds from liquidation of trade receivable		—	80,000	—
(Increase) decrease in inventories		(9,078)	(9,403)	(35,915)
(Increase) decrease in other assets		2,459	(1,769)	(12,595)
Increase (decrease) in payables		(1,147)	28,748	7,249
Increase (decrease) in other liabilities		1,537	2,800	1,192
Directors' and statutory auditors' bonuses		(183)	(250)	(183)
Subtotal		(25,050)	41,493	(77,752)
Interest and dividends received		6,421	5,787	12,677
Interest paid		(5,700)	(7,273)	(11,683)
Refund of Income tax		—	10,870	—
Income taxes paid		(12,423)	(6,707)	(22,584)
<b>Net cash provided by (used in) operating activities</b>		<b>(36,752)</b>	<b>44,169</b>	<b>(99,342)</b>

Term	First Half of Fiscal 2005 (As of Sept. 30, 2005)	First Half of Fiscal 2006 (As of Sept. 30, 2006)	Fiscal 2005 (As of Mar. 31, 2006)
Item			
II. Cash flows from investing activities			
Payments for purchases of investment securities	(11,419)	(5,653)	(49,462)
Proceeds from sales of investment securities	4,715	5,778	22,019
Payments for purchases of fixed assets	(48,515)	(46,720)	(92,803)
Proceeds from sales of fixed assets	179	232	517
Payment for long-term loans	(9,527)	(3,800)	(2,490)
Proceeds from short-term and long-term loans	37	5,424	1,495
Income	—	—	2,398
(Increase) decrease in other assets	189	594	(481)
Net cash provided by (used in) investing activities	(64,339)	(44,143)	(118,806)
III. Cash flows from financing activities			
Increase (decrease) in short-term loans	(27,463)	(116,043)	(81,091)
Increase (decrease) in commercial paper	8,000	(11,000)	56,000
Proceeds from long-term debts	109,800	126,300	236,003
Repayments of long-term debts	(23,309)	(38,247)	(74,440)
Proceeds from issuance of bonds	35,755	39,263	79,523
Repayment of bonds	(11,040)	(1,662)	(32,492)
Proceeds from payables under securitized lease receivables	—	—	30,000
Repayment of payables under securitized lease receivables	—	(6,000)	(3,000)
Proceeds from payments from minority shareholders	—	806	12,811
Sales of treasury stock	79	0	307
Purchase of treasury stock	(8)	(5)	(19)
Proceeds from stock issuance	5,455	1,093	9,862
Cash dividends paid	(3,498)	(4,655)	(3,498)
Dividends paid to minorities	(88)	(334)	(88)
Net cash provided by (used in) financing activities	93,683	(10,484)	229,875
IV. Translation Gain on cash and cash equivalents	28	57	24
V. Increases (decrease) in cash and cash equivalents	(7,380)	(10,401)	11,750
VI. Cash and cash equivalents, at the beginning of year	54,307	66,314	54,307
VII. Increases in cash and cash equivalents due to additional consolidation	—	—	255
VIII. Cash and cash equivalents, at the end of year	46,927	55,912	66,314

# Non-Consolidated Financial Statements for the First Half 2006

November 17, 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

Inquiries to: Ayumi Sakamoto, General Manager, Public Relations Office Phone: (03) 3982-0700

Board of Directors meeting: November 17, 2006

Interim dividend system: Adopted

Round-lot system: Adopted

(Round lot: 100 shares)

## 1. Results for the First Half of Fiscal 2006 (April 1, 2006 to September 30, 2006)

### (1) Operating results

	Operating revenues (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
First half of fiscal 2006	131,808	31.7	26,142	7.6	29,377	17.8
First half of fiscal 2005	100,094	7.8	24,296	7.8	24,933	8.6
Fiscal 2005	216,453		49,865		50,762	

	Net income (¥ million)	Year-on-year change (%)	Earnings per share (¥)
First half of fiscal 2006	(6,295)	—	(35.07)
First half of fiscal 2005	14,689	3.2	83.44
Fiscal 2005	27,131		152.21

Notes: 1. Average number of shares issued outstanding during the term: 179,508,323 shares

(First half of fiscal 2005: 176,043,710 shares; Fiscal 2005: 177,264,152 shares)

2. Volume of new contracts: ¥2,662,400 million (First half of fiscal 2005: 1,873,576 shares ;Fiscal 2005: 4,183,697 shares)

(Year-on-year change: 42.1%)

3. Changes in accounting methods: None

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 Interim	Annual dividends per share Year-end
First half of fiscal 2006	00.00	—
First half of fiscal 2005	00.00	—
Fiscal 2005	—	26.00

### (3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ Total assets (%)	Shareholders' equity per share (¥)
First half of fiscal 2006	1,837,447	334,701	18.2	1,863.35
First half of fiscal 2005	1,384,095	317,744	23.0	1,790.66
Fiscal 2005	1,761,666	341,423	19.4	1,904.13

Notes: 1. Total number of shares outstanding: As of September 30, 2006: 179,623,783 shares (First half of fiscal 2005: 177,445,823 shares; Fiscal 2005: 179,228,038 shares)

2. Total number of treasury stock: As of September 30, 2006: 1,509,542 shares (First half of fiscal 2005: 1,476,502 shares; Fiscal 2005: 1,488,587 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 (¥)	
				Year-end	
Fiscal 2006	268,000	56,500	9,400	28.00	28.00

Notes: Volume of new contracts Fiscal 2006 ¥ 5,573,000million (Reference) Estimated earnings per share (fiscal 2006): ¥52.33

\* 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.

# Non-Consolidated Financial Statements

## (1) Non-Consolidated Balance Sheets

(Millions of yen)

Term Item	First half of Fiscal 2005 (As of Sept. 30, 2005)		First half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2006 (As of Mar. 31, 2006)	
	Value	%	Value	%	Value	%
(ASSETS)						
I. Current assets						
Cash and deposits	31,487		41,492		37,001	
Installment accounts receivable	1,005,410		1,416,869		1,364,763	
Inventory	1,537		1,798		1,679	
Other current assets	17,019		37,607		42,242	
Allowance for losses on receivables	(38,509)		(51,224)		(53,246)	
Total Current assets	1,016,946	73.5	1,446,544	78.7	1,392,442	79.0
II. Fixed assets						
Property and equipment, at cost:						
Equipment for lease	153,733		157,120		158,645	
Buildings	6,149		6,066		6,152	
Fixtures and equipment	7,230		7,418		7,276	
Land	3,654		3,642		3,642	
Other property and equipment	691		244		1,466	
Total Property and equipment	171,459	12.4	174,491	9.5	177,183	10.1
Intangible assets:	22,761	1.6	31,956	1.8	27,389	1.6
Investments and other assets:						
Investment in securities	123,359		126,079		116,170	
Investment in capital	107		51		107	
Long-term loans	33,220		33,223		33,223	
Lease deposits	2,812		2,977		2,874	
Other long-term investments	14,068		27,915		18,144	
Allowance for losses on receivable	(1,282)		(4,114)		(4,112)	
Allowance for losses of investment	—		(2,054)		(2,054)	
Total investments and other assets	172,286	12.5	184,078	10.0	164,352	9.3
Total fixed assets	366,507	26.5	390,526	21.3	368,925	21.0
III. Deferred assets						
Bond issue costs	291		376		298	
Development costs	350		—		—	
Total deferred assets	641	0.0	376	0.0	298	0.0
Total assets	1,384,095	100.0	1,837,447	100.0	1,761,666	100.0

Term Item	First half of Fiscal 2005 (As of Sept. 30, 2005)		First half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2006 (As of Mar. 31, 2006)	
	Value	%	Value	%	Value	%
<b>(LIABILITIES)</b>						
<b>I. Current liabilities</b>						
Notes payable	2,265		4,055		1,937	
Accounts payable	98,124		203,885		177,051	
Short-term loans	245,754		261,048		353,769	
Current portion of long-term loans	64,021		28,803		40,903	
Current portion of bonds	20,000		30,000		10,000	
Commercial paper	65,000		100,000		113,000	
Current portion of payables under securitized lease receivables	9,000		11,500		12,000	
Accrued taxes on income	10,199		14,831		365	
Allowance for bonuses	1,327		1,682		1,783	
Allowance for director's bonuses	—		87		—	
Allowance for loss on support of business downsizing of subsidiaries	600		—		—	
Allowance for Interest Repayment	—		11,121		2,090	
Unearned income	3,330		4,546		4,244	
Other current liabilities	16,206		27,661		25,201	
<b>Total current liabilities</b>	<b>535,829</b>	<b>38.7</b>	<b>699,223</b>	<b>38.1</b>	<b>742,345</b>	<b>42.1</b>
<b>II. Long-term liabilities</b>						
Bonds	170,000		215,000		200,000	
Long-term loans	304,323		474,520		391,370	
Payables under securitized lease receivables	24,000		42,500		48,000	
Accrued pension and severance cost	5,742		5,919		6,164	
Retirement allowance for directors and statutory auditors	540		663		593	
Allowance for losses on guarantees	1,412		2,167		1,741	
Allowance for permanent points	23,857		32,374		29,023	
Allowance for Interest Repayment	—		29,250		—	
Other long-term liabilities	646		1,127		1,004	
<b>Total Long-term liabilities</b>	<b>530,521</b>	<b>38.3</b>	<b>803,522</b>	<b>43.7</b>	<b>677,896</b>	<b>38.5</b>
<b>Total liabilities</b>	<b>1,066,351</b>	<b>77.0</b>	<b>1,502,745</b>	<b>81.8</b>	<b>1,420,242</b>	<b>80.6</b>
<b>(SHAREHOLDERS' EQUITY)</b>						
<b>I. Common stock</b>						
	72,254	5.2	—	—	74,458	4.2
<b>II. Capital surplus</b>						
Additional paid-in capital	75,660		—		77,863	
Other additional paid-in capital	0		—		0	
<b>Total capital surplus</b>	<b>75,660</b>	<b>5.5</b>	<b>—</b>	<b>—</b>	<b>77,863</b>	<b>4.4</b>
<b>III. Retained earnings</b>						
Legal reserve	3,020		—		3,020	
Voluntary reserves	135,455		—		135,455	
Unappropriated retained earnings at the end of period	24,880		—		37,322	
<b>Total retained earnings</b>	<b>163,355</b>	<b>11.8</b>	<b>—</b>	<b>—</b>	<b>175,797</b>	<b>10.0</b>
<b>IV. Unrealized gain (loss) on investment securities</b>						
	9,975	0.7	—	—	16,871	1.0
<b>V. Treasury stock</b>						
	(3,501)	(0.2)	—	—	(3,567)	(0.2)
<b>Total shareholders' equity</b>	<b>317,744</b>	<b>23.0</b>	<b>—</b>	<b>—</b>	<b>341,423</b>	<b>19.4</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,384,095</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>1,761,666</b>	<b>100.0</b>

Item	First Half of Fiscal 2005 (As of Sept. 30, 2005)		First Half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2005 (As of Mar. 31, 2006)	
	Value	%	Value	%	Value	%
( NET ASSETS )						
I. Shareholders' Equity						
Common stock	—	—	75,005	4.1	—	—
Additional paid-in capital					—	—
Capital reserves	—		78,410			
Other Additional paid-in capital	—		0			
Total Additional paid-in capital	—	—	78,410	4.3	—	—
Retained earnings						
Legal reserve	—		3,020		—	
Other retained earnings	—		161,671		—	
Other reserves	—		157,455		—	
Deferred on retained earnings	—		4,216		—	
Total Retained earnings	—	—	164,691	8.9	—	—
Treasury stock, at cost	—	—	(3,677)	(0.2)	—	—
Total shareholders' equity	—	—	314,429	17.1	—	—
II. Valuation and translation adjustments						
Unrealized gains(losses) on other securities	—	—	20,270	1.1	—	—
Deferred gains(losses) on hedges	—	—	1	0.0	—	—
Total valuation and translation adjustments	—	—	20,272	1.1	—	—
Total net assets	—	—	334,701	18.2	—	—
Total liabilities and net assets	—	—	1,837,447	100.0	—	—

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

(Millions of yen)

Term Item	First half of Fiscal 2005 (As of Sept. 30, 2005)		First half of Fiscal 2006 (As of Sept. 30, 2006)		Fiscal 2006 (As of Mar. 31, 2006)		
	Value	%	Value	%	Value	%	
I. Operating revenues							
Financing and administration fees							
Credit cards	32,913		47,790		74,202		
Shopping loans	398		321		748		
Guarantees	1,799		2,468		3,877		
Loans	48,632		63,264		104,099		
Agency services	4,953		6,098		10,368		
Income from leases							
Lease sales	32,147		34,378		65,691		
Cost of lease sales	28,351	3,795	30,184	3,564	58,507	7,183	
Income Other sales							
Other sales	1,891		3,235		4,907		
Cost of other sales	180	1,711	171	3,064	622	4,284	
Financial revenues		5,889		5,235		11,689	
Total operating revenues		100,094	100.0	131,808	100.0	216,453	100.0
II. Operating expenses							
Selling, general and administrative expenses		71,214	71.1	99,224	75.3	156,887	72.5
Financial cost							
Interest expense	4,226		6,071		8,917		
Other expenses	356	4,583	370	6,442	782	9,700	
Total operating expenses		75,797	75.7	105,666	80.2	166,587	77.0
Operating income		24,296	24.3	26,142	19.8	49,865	23.0
III. Non-operating income		1,084	1.1	3,369	2.6	1,620	0.8
IV. Non-operating expenses		447	0.5	133	0.1	723	0.3
Ordinary income		24,933	24.9	29,377	22.3	50,762	23.5
V. Extraordinary gains		406	0.4	591	0.5	12,722	5.9
VI. Extraordinary losses		1,139	1.1	41,367	31.4	36,207	16.8
Net income (loss) before income taxes		24,200	24.2	(11,399)	(8.6)	27,277	12.6
Income taxes, current	9,740		14,159		7,968		
Income taxes, deferred	(229)	9,511	9.5	(19,263)	(5,104)	(7,822)	146
Net income (loss)		14,689	14.7	(6,295)	(4.8)	27,131	12.5
Retained earnings carried forward from preceding year		10,190				10,190	
Unappropriated retained earnings at the end of the year		24,880				37,322	

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

**This Interim Accounting Period(From April1,2006 to September 30,2006)**

(Millions of yen)

	Shareholders' equity									
	Common Stock	Capital surplus			Legal reserve	Earned surplus			Treasury stock	Total shareho lders' equity
		Capital reserve	Other capital reserve	Total capital reserve		Other retained earnings		Total retained earnings		
						Conting ent reserve	Unappro priated 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
Dividends from surplus(note)	—	—	—	—	—	—	(4,659)	(4,659)	—	(4,659)
Bonuses to directors(note)	—	—	—	—	—	—	(150)	(150)	—	(150)
Contingent reserve	—	—	—	—	—	22,000	(22,000)	—	—	—
Net income(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 ot her than shareholders' e quity during this interi m 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
	Securities valuation adjustment	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance as of March 31,2006	16,871	—	16,871	341,423
Changes during this interim accounting period				
New stock issued	—	—	—	1,093
Dividends from surplus(note)	—	—	—	(4,659)
Bonuses to directors(note)	—	—	—	(150)
Contingent reserve	—	—	—	—
Net income(loss)for this interim accounting period	—	—	—	(6,295)
Acquisition of treasury stock	—	—	—	(110)
Disposal of treasury stock	—	—	—	0
Net changes in items other than shareholders' equity during this interim accounting period	3,398	1	3,400	3,400
Total changes during this interim accounting period	3,398	1	3,400	(6,721)
Balance as of September 30,2006	20,270	1	20,272	334,701