

# Quarterly Securities Report

(The third quarter of the 39th fiscal year)

ACOM CO., LTD.

# Quarterly Securities Report

1. This document has been outputted and printed by adding a table of contents and page numbers to the data contained in the quarterly securities report which has been submitted through the usage of Electronic Disclosure for Investors' NETwork (EDINET) that is stipulated in Article 27-30-2 of the Financial Instruments and Exchange Act of Japan.
2. This document encloses at the end both the quarterly review report that has been attached to the quarterly securities report submitted through the abovementioned method as well as the confirmation which has been submitted at the same time as that of the abovementioned quarterly securities report.

This document is a translation of the Third Quarter Securities Report (original text: Japanese) submitted to the Prime Minister pursuant to Article 24-4-7 of the Financial Instruments and Exchange Act. It does not bear any responsibility pertaining to the aforementioned Financial Instruments and Exchange Act regarding the content of the English text. We recommend that the determination of the authenticity of the content be based on the Japanese text of the Third Quarter Securities Report.

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[Cover]

[Document Submitted]

Quarterly Securities Report (“Shihanki-Hokokusho”)

[Article of the Applicable Law Requiring Submission of This Document]

Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan

[Submitted to]

Director, Kanto Local Finance Bureau

[Date of Submission]

February 12, 2016

[Quarterly Accounting Period]

Third Quarter of the 39th Fiscal Year (from October 1, 2015, to December 31, 2015)

[Company Name]

ACOM Kabushiki-Kaisha

[Company Name in English]

ACOM CO., LTD. (the “Company”)

[Position and Name of Representative]

Shigeyoshi Kinoshita, Chairman, President & CEO

[Location of Head Office]

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[Phone No.]

03-5533-0811 (main)

[Contact for Communications]

Takashi Kiribuchi, Executive Officer, Chief General Manager of Treasury Department

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Takashi Kiribuchi, Executive Officer, Chief General Manager of Treasury Department

[Place Where Available for Public Inspection]

Tokyo Stock Exchange, Inc.  
(2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

## Part I Information on the Company

### I. Overview of the Company

#### 1. Key Financial Data and Trends

(Millions of yen, unless otherwise stated)

| Fiscal period                           | For the nine months ended December 31, 2014 | For the nine months ended December 31, 2015 | 38th fiscal year                     |
|---|---|---|--------------------------------------|
| Period of account                       | From April 1, 2014 to December 31, 2014     | From April 1, 2015 to December 31, 2015     | From April 1, 2014 to March 31, 2015 |
| Operating revenue                       | 162,541                                     | 177,924                                     | 219,289                              |
| Ordinary income                         | 38,681                                      | 41,516                                      | 14,747                               |
| Profit attributable to owners of parent | 34,958                                      | 35,538                                      | 12,864                               |
| Comprehensive income                    | 39,130                                      | 33,468                                      | 22,835                               |
| Net assets                              | 344,610                                     | 358,713                                     | 328,315                              |
| Total assets                            | 1,152,857                                   | 1,166,374                                   | 1,190,368                            |
| Basic earnings per share (yen)          | 22.31                                       | 22.68                                       | 8.21                                 |
| Diluted earnings per share (yen)        | —   | —   | —                                    |
| Shareholders' equity ratio (%)          | 28.68                                       | 29.58                                       | 26.26                                |

| Fiscal period                  | For the third quarter of the 38th fiscal year | For the third quarter of the 39th fiscal year |
|--------------------------------|---|---|
| Period of account              | From October 1, 2014 to December 31, 2014     | From October 1, 2015 to December 31, 2015     |
| Basic earnings per share (yen) | 4.38  | 1.10  |

- (Notes)
1. Operating revenue is presented exclusive of consumption tax, etc.
  2. Key financial data and trends of the Filing Company are not stated since the Filing Company has prepared its quarterly consolidated financial statements.
  3. "Diluted earnings per share" is not stated since there is no dilutive security.
  4. Effective from the three months ended June 30, 2015, the Company has adopted the "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013) in respect to provisions stated in Paragraph 39, etc. Accordingly, "net income" has been renamed to "profit attributable to owners of parent."

#### 2. Description of Business

During the nine months ended December 31, 2015, there was no material change in the businesses conducted by the Company Group (the Company and its subsidiaries and affiliates).

There was no change in the status of the Company's major subsidiaries and affiliates, either.

## II. Business Overview

### 1. Risks Related to Business

There were no significant events or conditions which may cast significant doubt about the going-concern assumption, or other events having material impact on the Company's operations, during the nine months ended December 31, 2015.

There were no significant changes to the "Risks Related to Business" described in the Securities Report for the prior fiscal year.

### 2. Material Business Agreements, etc.

During the current third quarter, no material business agreement, etc. was finalized or concluded.

### 3. Analyses of Consolidated Business Results, Financial Position and Cash Flows

#### (1) Analysis of business results

During the nine months ended December 31, 2015, the Japanese economy showed signs of gradual improvement in corporate earnings and the employment environment, as well as hints of recovery in consumer spending due to the effects of various economic policies implemented by the government. However, the possibility of an economic downturn remained, due to possibility of downturns in overseas economies due to unclear economic outlook of emerging nations in Asia, represented by China, and adverse impact of drop in crude oil price and other factors.

In the consumer finance industry, business conditions continued to be severe, due to factors including requests for interest repayment remaining at a high level, although recovery in the conditions of loans and new applications has begun to curb the shrinking trend of the market.

In such an environment, under its management vision of "strive to become the leading company in personal loan market which provides prime satisfaction to utmost number of customers and win their trust in return," the Company Group has positioned its loan business, guarantee business and overseas financial business as the three core business categories and strives to increase market shares in the consumer loan market.

Consolidated operating revenue for the nine months ended December 31, 2015, increased to 177,924 million yen (up 9.5% year-on-year), due primarily to increases in interest on consumer loans and revenue from credit guarantee. Meanwhile, operating expenses increased to 136,974 million yen (up 10.1% year-on-year) due primarily to the addition made to provision for loss on interest repayment linked to a slower-than-expected decrease in requests for interest repayment, and an increase in provision of allowance for doubtful accounts. As a result, operating income increased to 40,950 million yen (up 7.3% year-on-year) and ordinary income increased to 41,516 million yen (up 7.3% year-on-year). Moreover, the Company recorded loss on liquidation of a subsidiary accrued under extraordinary loss resulting from the liquidation of ACOM (U.S.A.) INC., a dormant consolidated subsidiary of the Company, in the third quarter of the fiscal year ending March 31, 2016. Consequently, profit attributable to owners of parent increased to 35,538 million yen (up 1.7% year-on-year).

Business results for each segment are as follows:

#### 1) Loan and credit card business

In the domestic loan and credit card business, we made efforts to improve product/service functions, gather and acquire new customers, promote sales of credit cards (AC MasterCard) and maintain the soundness of loan portfolio. Accounts receivable - operating loans amounted to 760,383 million yen as of December 31, 2015 (up 2.8% year-on-year, up 1.8% from the prior fiscal year-end) and accounts receivable - installment amounted to 26,199 million yen (up 29.2% year-on-year, up 21.3% from the prior fiscal year-end).

As a result, the business segment's operating revenue was 100,161 million yen (up 3.6% year-on-year) due primarily to increases in interest on consumer loans and gain on bad debts recovered. However, the segment posted operating income of 19,279 million yen (down 10.0% year-on-year) for the nine months ended December 31, 2015, mainly due to the addition made to provision for loss on interest repayment under operating expenses.

## 2) Guarantee business

In the guarantee business, we worked on the promotion of new guarantee tie-ups and measures to enhance partnerships with existing partners. The total balance of guaranteed receivables in the guarantee operation of the Company and MU Credit Guarantee Co., LTD. was 948,986 million yen as of December 31, 2015 (up 14.4% year-on-year, up 10.2% from the prior fiscal year-end).

As a result, the business segment's operating revenue was 35,839 million yen (up 20.2% year-on-year) for the nine months ended December 31, 2015, due primarily to an increase in revenue from credit guarantee. Operating income was 10,997 million yen (up 37.1% year-on-year).

## 3) Overseas financial business

In the overseas financial business, the loan business of EASY BUY Public Company Limited in the Kingdom of Thailand has progressed steadily, resulting in increased amount of accounts receivable - operating loans. In regard to the banking business of PT. Bank Nusantara Parahyangan, Tbk. in the Republic of Indonesia, we have focused on improving the quality of loan portfolio as well as strengthening its internal control structure. Further in anticipation of future business development in China where vigorous internal demand is expected, and in Vietnam with its powerful growth potential, surveys on various local laws/regulations and market analysis are being conducted continuously primarily at local representative offices.

As a result, operating revenue was 36,445 million yen (up 17.2% year-on-year) for the nine months ended December 31, 2015, mainly due to increase in interest on consumer loans, and operating income was 8,789 million yen (up 17.4% year-on-year).

## 4) Loan servicing business

In the loan servicing business, IR Loan Servicing, Inc. has endeavored to strengthen its business structure and increase profitability amid intensified competition in the purchased receivables market against the backdrop of a decreasing disposal of bad debts at financial institutions.

As a result, the business segment's operating revenue was 4,804 million yen (up 0.9% year-on-year) for the nine months ended December 31, 2015, mainly due to an increase in amount of collection from purchased receivables. In addition to the above, due primarily to a decrease in provision of allowance for doubtful accounts under operating expenses, operating income was 1,418 million yen (up 41.8% year-on-year).

## (2) Analysis of financial position

Compared with the end of the prior fiscal year, total assets decreased by 23,994 million yen while net assets increased by 30,397 million yen as of December 31, 2015. Details of changes in assets, liabilities and net assets are as follows:

### (Assets)

Current assets decreased by 22,080 million yen while noncurrent assets decreased by 1,914 million yen, and total assets decreased by 23,994 million yen. The breakdown of major increases and decreases in current assets is as follows: cash and deposits (down by 18,860 million yen), loans receivable of banking business (down by 11,606 million yen), short-term investment securities (down by 3,860 million yen), accounts receivable - operating loans (up by 8,177 million yen), and accounts receivable - installment (up by 4,434 million yen). The breakdown of major decreases in noncurrent assets is as follows: software (down by 929 million yen), goodwill (down by 738 million yen), and buildings and structures (down by 568 million yen).

### (Liabilities)

Current liabilities decreased by 50,342 million yen, whereas noncurrent liabilities decreased by 4,049 million yen. Consequently, total liabilities decreased by 54,392 million yen. The breakdown of major increases and decreases in liabilities include: provision for loss on interest repayment (down by 34,493 million yen), deposits of banking business (down by 18,536 million yen), and provision for loss on guarantees (up by 531 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 35,445 million yen due to an increase of retained earnings, accumulated other comprehensive income decreased by 3,013 million yen, and non-controlling interests decreased by 2,034 million yen. As a result, total net assets increased by 30,397 million yen, and the shareholders' equity ratio increased by 3.3 percentage points to 29.6%.

(3) Business and financial issues to address

The nine months ended December 31, 2015, saw no significant change in business and financial issues to address, or presented new issue that the Company needed to address.

(4) Research and development activities

Not applicable



III. Information on the Filing Company  
1. Information on the Company's Shares

(1) Total number of shares, etc.

1) Total number of shares

| Class        | Total number of shares authorized to be issued |
|--------------|--|
| Common stock | 5,321,974,000                                  |
| Total        | 5,321,974,000                                  |

2) Total number of shares issued

| Class        | As of the end of the current third quarter (December 31, 2015) | As of the submission date (February 12, 2016) | Stock exchange on which the Company is listed | Description   |
|--------------|--|---|---|---|
| Common stock | 1,596,282,800  | 1,596,282,800                                 | First Section of the Tokyo Stock Exchange     | These are the Company's standard shares with no restricted rights. One unit of stock constitutes 100 common shares. |
| Total        | 1,596,282,800  | 1,596,282,800                                 | —   | —   |

(2) Status of the stock acquisition rights

Not applicable

(3) Status in the exercise of bonds with stock acquisition rights with exercise price amendment

Not applicable

(4) Rights plans

Not applicable

(5) Changes in the total number of shares issued and the amount of capital stock and other

(Millions of yen, unless otherwise stated)

| Period                                    | Changes in the total number of shares issued (Thousands of shares) | Balance of the total number of shares issued (Thousands of shares) | Changes in capital stock | Balance of capital stock | Changes in legal capital surplus | Balance of legal capital surplus |
|---|--|--|--------------------------|--------------------------|----------------------------------|----------------------------------|
| From October 1, 2015 to December 31, 2015 | —  | 1,596,282  | —                        | 63,832                   | —                                | 72,322                           |

(6) Major shareholders

No entry is made, since the current quarter was the third quarter.

(7) Status of voting rights

Details of registered shareholders as of December 31, 2015, have not yet been confirmed; therefore, we are unable to present the situation of voting rights on that date. The information regarding voting rights presented below relates to the shareholders registered as of September 30, 2015.

1) Issued shares

As of September 30, 2015

| Classification  | Number of shares<br>(Shares)                   | Number of voting<br>rights (Units) | Details |
|---|--|------------------------------------|---------|
| Shares without voting rights                                | —  | —                                  | —       |
| Shares with limited voting<br>rights (treasury stock, etc.) | —  | —                                  | —       |
| Shares with limited voting<br>rights (others)               | —  | —                                  | —       |
| Shares with full voting rights<br>(treasury stock, etc.)    | (Treasury stock)<br>Common stock<br>29,668,500 | —                                  | —       |
| Shares with full voting rights<br>(others)                  | Common stock<br>1,566,598,300                  | 15,665,983                         | —       |
| Shares less than one unit                                   | Common stock<br>16,000                         | —                                  | —       |
| Total number of shares issued                               | 1,596,282,800                                  | —                                  | —       |
| Total voting rights held by all<br>shareholders             | —  | 15,665,983                         | —       |

- (Notes) 1. The number of shares of common stock in the “Shares with full voting rights (others)” box includes 3,000 shares (30 units of voting rights) held by Japan Securities Depository Center, Inc.  
2. The number of shares of common stock in the “Shares less than one unit” box includes 92 shares of treasury stock held by the Company.

2) Treasury stock, etc.

As of September 30, 2015

| Shareholder                        | Address of<br>shareholder                           | Number of<br>shares held<br>under own name<br>(Shares) | Number of<br>shares held<br>under the names<br>of others<br>(Shares) | Total<br>(Shares) | Percentage of<br>shares held to<br>the total<br>number of<br>issued shares<br>(%) |
|------------------------------------|---|--|--|-------------------|---|
| (Treasury stock)<br>ACOM CO., LTD. | 1-1, Marunouchi<br>2-chome,<br>Chiyoda-ku,<br>Tokyo | 29,668,500   | —  | 29,668,500        | 1.85  |
| Total                              | —   | 29,668,500   | —  | 29,668,500        | 1.85  |

2. Directors

There was no change in directors for the nine months ended December 31, 2015, after the filing date of the securities report for the prior fiscal year.

#### IV. Financial Information

##### 1. Basis of preparation of the quarterly consolidated financial statements

The quarterly consolidated financial statements of the Company are prepared in accordance with the “Regulations Concerning the Terminology, Forms and Preparation of Quarterly Consolidated Financial Statements” (Cabinet Office Ordinance No. 64, 2007) and the “Ordinance on Reorganization of Accounting Methods for Special Finance Corporations, etc.” (Ordinance of General Administrative Agency of the Cabinet/the Finance Ministry No. 32 of 1999).

##### 2. Audit and review reports

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, the Company’s quarterly consolidated financial statements for the current third quarter (from October 1, 2015, to December 31, 2015) and for the nine months ended December 31, 2015 (from April 1, 2015, to December 31, 2015) were reviewed by Deloitte Touche Tohmatsu LLC.

1. Quarterly Consolidated Financial Statements  
(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

|                                       | Prior fiscal year<br>(As of March 31, 2015) | Current third quarter<br>(As of December 31, 2015) |
|---------------------------------------|---|--|
| Assets                                |   |  |
| Current assets                        |   |  |
| Cash and deposits                     | 119,835                                     | 100,975  |
| Accounts receivable - operating loans | *2 877,427                                  | *2 885,604   |
| Loans receivable of banking business  | 64,582                                      | 52,976   |
| Accounts receivable - installment     | 22,295                                      | 26,729   |
| Purchased receivables                 | 8,473                                       | 9,809  |
| Short-term investment securities      | 8,000                                       | 4,139  |
| Trading account securities            | 1,804                                       | 1,032  |
| Merchandise and finished goods        | 325   | —  |
| Raw materials and supplies            | 65  | 68   |
| Deferred tax assets                   | 25,189                                      | 25,965   |
| Other                                 | 56,833                                      | 58,473   |
| Allowance for doubtful accounts       | (52,923)                                    | (55,946)   |
| Total current assets                  | 1,131,909                                   | 1,109,829  |
| Noncurrent assets                     |   |  |
| Property, plant and equipment         |   |  |
| Buildings and structures, net         | 6,549                                       | 5,981  |
| Equipment, net                        | 10,277                                      | 10,228   |
| Land                                  | 6,249                                       | 6,226  |
| Other, net                            | 1,138                                       | 943  |
| Total property, plant and equipment   | 24,215                                      | 23,379   |
| Intangible assets                     |   |  |
| Goodwill                              | 7,443                                       | 6,705  |
| Software                              | 7,081                                       | 6,151  |
| Other                                 | 43  | 43   |
| Total intangible assets               | 14,568                                      | 12,900   |
| Investments and other assets          |   |  |
| Investment securities                 | 4,467                                       | 5,162  |
| Net defined benefit asset             | 6,474                                       | 6,855  |
| Deferred tax assets                   | 57  | 19   |
| Guarantee deposits                    | 5,772                                       | 5,706  |
| Other                                 | *2 3,559                                    | *2 3,177   |
| Allowance for doubtful accounts       | (656)                                       | (656)  |
| Total investments and other assets    | 19,675                                      | 20,264   |
| Total noncurrent assets               | 58,459                                      | 56,545   |
| Total assets                          | 1,190,368                                   | 1,166,374  |

|   | (Millions of yen)                           |  |
|---|---|--|
|   | Prior fiscal year<br>(As of March 31, 2015) | Current third quarter<br>(As of December 31, 2015) |
| <b>Liabilities</b>                                    |   |  |
| Current liabilities                                   |   |  |
| Notes and accounts payable - trade                    | 331   | 424  |
| Short-term loans payable                              | 32,850                                      | 7,774  |
| Current portion of long-term loans payable            | 113,340                                     | 104,004  |
| Current portion of bonds                              | 35,422                                      | 39,805   |
| Deposits of banking business                          | 79,248                                      | 60,711   |
| Income taxes payable                                  | 2,218                                       | 940  |
| Provision for loss on guarantees                      | *1 7,013                                    | *1 7,545   |
| Asset retirement obligations                          | 2   | 64   |
| Deferred installment income                           | 86  | 63   |
| Other   | 13,298                                      | 12,136   |
| Total current liabilities                             | 283,812                                     | 233,470  |
| Noncurrent liabilities                                |   |  |
| Bonds payable   | 167,890                                     | 196,018  |
| Long-term loans payable                               | 297,349                                     | 299,438  |
| Deferred tax liabilities                              | 4,288                                       | 4,802  |
| Provision for directors' retirement benefits          | 28  | 24   |
| Provision for loss on interest repayment              | 102,600                                     | 68,106   |
| Net defined benefit liability                         | 343   | 307  |
| Asset retirement obligations                          | 4,608                                       | 4,547  |
| Other   | 1,130                                       | 945  |
| Total noncurrent liabilities                          | 578,240                                     | 574,191  |
| Total liabilities                                     | 862,053                                     | 807,661  |
| <b>Net assets</b>                                     |   |  |
| Shareholders' equity                                  |   |  |
| Capital stock   | 63,832                                      | 63,832   |
| Capital surplus                                       | 73,671                                      | 73,578   |
| Retained earnings                                     | 189,426                                     | 224,965  |
| Treasury stock  | (19,794)                                    | (19,794)   |
| Total shareholders' equity                            | 307,136                                     | 342,582  |
| Accumulated other comprehensive income                |   |  |
| Valuation difference on available-for-sale securities | 8   | 6  |
| Foreign currency translation adjustment               | 3,546                                       | 737  |
| Remeasurements of defined benefit plans               | 1,896                                       | 1,692  |
| Total accumulated other comprehensive income          | 5,450                                       | 2,437  |
| Non-controlling interests                             | 15,727                                      | 13,693   |
| Total net assets                                      | 328,315                                     | 358,713  |
| <b>Total liabilities and net assets</b>               | <b>1,190,368</b>                            | <b>1,166,374</b>                                   |

(2) Quarterly Consolidated Statement of Income and  
Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
Nine months ended December 31

|  | (Millions of yen)  |  |
|--|--|--|
|  | For the nine months ended<br>December 31, 2014<br>(From April 1, 2014<br>to December 31, 2014) | For the nine months ended<br>December 31, 2015<br>(From April 1, 2015<br>to December 31, 2015) |
| Operating revenue                                  |  |  |
| Interest on consumer loans                         | 107,009  | 113,793  |
| Interest on loans of banking business              | 6,261  | 6,214  |
| Revenue from credit card business                  | 1,924  | 2,479  |
| Revenue from installment sales finance<br>business | 78   | 69   |
| Revenue from credit guarantee                      | 26,487   | 32,097   |
| Collection from purchased receivable               | 3,874  | 4,020  |
| Other financial revenue                            | *1 988   | *1 910   |
| Other operating revenue                            | 15,916   | 18,340   |
| Total operating revenue                            | 162,541  | 177,924  |
| Operating expenses                                 |  |  |
| Financial expenses                                 | *2 14,780  | *2 13,341  |
| Cost of purchased receivable                       | 1,524  | 1,672  |
| Other operating expenses                           | 108,062  | 121,959  |
| Total operating expenses                           | 124,367  | 136,974  |
| Operating income                                   | 38,173   | 40,950   |
| Non-operating income                               |  |  |
| Interest income                                    | 143  | 228  |
| Dividend income                                    | 11   | 10   |
| Equity in earnings of affiliates                   | 17   | 5  |
| House rent income                                  | 236  | 229  |
| Other  | 144  | 145  |
| Total non-operating income                         | 552  | 618  |
| Non-operating expenses                             |  |  |
| Interest expenses                                  | 16   | 14   |
| Loss on insurance cancellation                     | 8  | 16   |
| Other  | 19   | 21   |
| Total non-operating expenses                       | 44   | 52   |
| Ordinary income                                    | 38,681   | 41,516   |

|  | (Millions of yen)  |  |
|--|--|--|
|  | For the nine months ended<br>December 31, 2014<br>(From April 1, 2014<br>to December 31, 2014) | For the nine months ended<br>December 31, 2015<br>(From April 1, 2015<br>to December 31, 2015) |
| Extraordinary income                             |  |  |
| Gain on sales of noncurrent assets               | 9  | 8  |
| Gain on sales of investment securities           | 47   | 105  |
| Other  | 0  | —  |
| Total extraordinary income                       | 56   | 113  |
| Extraordinary loss                               |  |  |
| Loss on sales of noncurrent assets               | 9  | 3  |
| Loss on retirement of noncurrent assets          | 54   | 47   |
| Loss on valuation of investment securities       | 0  | 0  |
| Loss on liquidation of a subsidiary              | —  | 1,243  |
| Other  | 0  | 0  |
| Total extraordinary losses                       | 64   | 1,295  |
| Income before income taxes                       | 38,673   | 40,334   |
| Income taxes-current                             | 2,508  | 2,375  |
| Income taxes-deferred                            | (1,008)  | (308)  |
| Total income taxes                               | 1,499  | 2,067  |
| Profit   | 37,173   | 38,267   |
| Profit attributable to non-controlling interests | 2,215  | 2,728  |
| Profit attributable to owners of parent          | 34,958   | 35,538   |

(Quarterly Consolidated Statement of Comprehensive Income)  
Nine months ended December 31

|   | (Millions of yen)  |  |
|---|--|--|
|   | For the nine months ended<br>December 31, 2014<br>(From April 1, 2014<br>to December 31, 2014) | For the nine months ended<br>December 31, 2015<br>(From April 1, 2015<br>to December 31, 2015) |
| Profit  | 37,173   | 38,267   |
| Other comprehensive income                            |  |  |
| Valuation difference on available-for-sale securities | (16)   | (1)  |
| Foreign currency translation adjustment               | 2,289  | (4,610)  |
| Remeasurements of defined benefit plans, net of tax   | (315)  | (186)  |
| Total other comprehensive income                      | 1,957  | (4,798)  |
| Comprehensive income                                  | 39,130   | 33,468   |
| Comprehensive income attributable to:                 |  |  |
| Owners of parent                                      | 36,288   | 32,525   |
| Non-controlling interests                             | 2,842  | 943  |



[Notes]

(Supplemental Information)

<Changes in presentation>

Effective from the three months ended June 30, 2015, the Company has adopted the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) in respect to provisions stated in Paragraph 39, etc., and changed the presentation of net income, etc. as well as the presentation of minority interests to non-controlling interests. To reflect these changes in presentation, the quarterly consolidated financial statements for the nine months ended December 31, 2014, and consolidated financial statements for the fiscal year ended March 31, 2015, have been reclassified.

<Adoption of consolidated taxation system>

Effective from the three months ended June 30, 2015, the Company and one of its domestic consolidated subsidiaries have adopted the consolidated tax system.

(Notes to Quarterly Consolidated Balance Sheet)

\*1. Contingent liabilities

|   | (Millions of yen)                           |  |
|---|---|--|
|   | Prior fiscal year<br>(As of March 31, 2015) | Current third quarter<br>(As of December 31, 2015) |
| Outstanding guarantee obligation in the<br>guarantee business | 861,212                                     | 948,986  |
| Outstanding guarantee obligation in the<br>banking business   | 1,109                                       | 769  |
| Provision for loss on guarantees                              | 7,013                                       | 7,545  |
| Net   | 855,308                                     | 942,211  |

\*2. Status of non-performing loans in accounts receivable - operating loans

|  | (Millions of yen)                           |  |
|--|---|--|
|  | Prior fiscal year<br>(As of March 31, 2015) | Current third quarter<br>(As of December 31, 2015) |
| Loans to bankrupt parties                | 745   | 686  |
| Loans in arrears                         | 23,095                                      | 23,828   |
| Loans overdue by three months or<br>more | 4,225                                       | 4,742  |
| Restructured loans                       | 30,111                                      | 28,627   |
| Total                                    | 58,178                                      | 57,884   |

(Notes) 1. Loans to bankrupt parties refer to loans to bankrupt parties, parties in rehabilitation and reorganization, and others which are loans where interest is not accrued.

2. Loans in arrears refer to other loans where interest is not accrued, excluding loans on which interest payment is deferred for the purpose of reconstructing or assisting debtors.

3. Loans overdue by three months or more refer to loans other than the above that are overdue by three months or more.

4. Restructured loans refer to loans other than the above that are restructured by favorable terms for debtors, such as reduction or waiving of interest, in order to facilitate collection of an outstanding balance.

(Notes to Quarterly Consolidated Statement of Income)

\*1. Major items of other financial revenue

|                                  | (Millions of yen)  |  |
|----------------------------------|--|--|
|                                  | For the nine months<br>ended December 31, 2014<br>(From April 1, 2014<br>to December 31, 2014) | For the nine months<br>ended December 31, 2015<br>(From April 1, 2015<br>to December 31, 2015) |
| Interest on deposits             | 101  | 60   |
| Interest on securities           | 123  | 75   |
| Interest on loans                | 3  | 5  |
| Foreign exchange gains           | 113  | —  |
| Gain on valuation of derivatives | —  | 178  |

\*2. Major items of financial expenses

|   | (Millions of yen)  |  |
|---|--|--|
|   | For the nine months<br>ended December 31, 2014<br>(From April 1, 2014<br>to December 31, 2014) | For the nine months<br>ended December 31, 2015<br>(From April 1, 2015<br>to December 31, 2015) |
| Interest expenses                                     | 6,650  | 5,926  |
| Interest on bonds                                     | 2,732  | 2,620  |
| Amortization of bond issuance costs                   | 390  | 293  |
| Interest expenses for deposits of<br>banking business | 3,906  | 3,768  |
| Foreign exchange losses                               | —  | 163  |
| Loss on valuation of derivatives                      | 61   | —  |

3. Basis for classification of financial revenue and financial expenses on quarterly consolidated statement of income is as follows.

(1) Financial revenue stated as operating revenue

Includes all financial revenue earned by the Company and its subsidiaries which engage in the financial service business, excluding dividends and interest on investment securities, etc.

(2) Financial expenses stated as operating expenses

Include all financial expenses incurred by the Company and its subsidiaries which engage in the financial service business, excluding interest, etc. which have no relationship to operating revenue.

(Notes to Quarterly Consolidated Statement of Cash Flows)

Quarterly Consolidated Statement of Cash Flows was not prepared for the nine months ended December 31, 2015. The amounts of depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the nine months are as follows.

|                          | (Millions of yen)  |  |
|--------------------------|--|--|
|                          | For the nine months<br>ended December 31, 2014<br>(From April 1, 2014<br>to December 31, 2014) | For the nine months<br>ended December 31, 2015<br>(From April 1, 2015<br>to December 31, 2015) |
| Depreciation             | 2,744  | 3,073  |
| Amortization of goodwill | 738  | 738  |

(Notes to Shareholders' Equity)

For the nine months ended December 31, 2014 (from April 1, 2014, to December 31, 2014)

1. Dividends paid  
Not applicable
2. Dividends whose record date falls in the nine months ended December 31, 2014, but whose effective date is after December 31, 2014  
Not applicable

For the nine months ended December 31, 2015 (from April 1, 2015, to December 31, 2015)

1. Dividends paid  
Not applicable
2. Dividends whose record date falls in the nine months ended December 31, 2015, but whose effective date is after December 31, 2015  
Not applicable

(Segments and related information)  
[Segment information]

I. For the nine months ended December 31, 2014 (from April 1, 2014, to December 31, 2014)

1. Operating revenue and income or loss by reported segment

(Millions of yen)

|  | Reported segments                   |                       |                                   |                               |          | Others<br>(Note) | Total   |
|--|-------------------------------------|-----------------------|-----------------------------------|-------------------------------|----------|------------------|---------|
|  | Loan and<br>credit card<br>business | Guarantee<br>business | Overseas<br>financial<br>business | Loan<br>servicing<br>business | Subtotal |                  |         |
| Operating revenue  |                                     |                       |                                   |                               |          |                  |         |
| Operating revenue from<br>external customers                   | 96,718                              | 29,826                | 31,085                            | 4,761                         | 162,392  | 148              | 162,541 |
| Revenues from transactions<br>with other operating<br>segments | —                                   | —                     | 16                                | 2                             | 19       | 84               | 103     |
| Total  | 96,718                              | 29,826                | 31,102                            | 4,763                         | 162,411  | 233              | 162,645 |
| Segment income   | 21,416                              | 8,021                 | 7,484                             | 1,000                         | 37,922   | 207              | 38,129  |

(Note) The “Others” category is a business segment which is not included in the reported segments and includes installment sales finance business, etc.

2. Amount and outline of difference between the total segment income or loss and operating income in quarterly consolidated statement of income

| Income  | Amount (Millions of yen) |
|---|--------------------------|
| Total reported segments   | 37,922                   |
| Income of “Others” category   | 207                      |
| Elimination of intersegment transactions  | 158                      |
| Adjustment due to unification of accounting<br>treatment between parent company and subsidiaries,<br>etc. | (115)                    |
| Operating income in quarterly consolidated<br>statement of income   | 38,173                   |

II. For the nine months ended December 31, 2015 (from April 1, 2015, to December 31, 2015)

1. Operating revenue and income or loss by reported segment

(Millions of yen)

|  | Reported segments                   |                       |                                   |                               |          | Others<br>(Note) | Total   |
|--|-------------------------------------|-----------------------|-----------------------------------|-------------------------------|----------|------------------|---------|
|  | Loan and<br>credit card<br>business | Guarantee<br>business | Overseas<br>financial<br>business | Loan<br>servicing<br>business | Subtotal |                  |         |
| Operating revenue  |                                     |                       |                                   |                               |          |                  |         |
| Operating revenue from<br>external customers                   | 100,161                             | 35,839                | 36,605                            | 4,804                         | 177,411  | 512              | 177,924 |
| Revenues from transactions<br>with other operating<br>segments | —                                   | —                     | (159)                             | —                             | (159)    | 145              | (14)    |
| Total  | 100,161                             | 35,839                | 36,445                            | 4,804                         | 177,252  | 658              | 177,910 |
| Segment income   | 19,279                              | 10,997                | 8,789                             | 1,418                         | 40,484   | 427              | 40,911  |

(Note) The “Others” category refers to operating revenue and income which are not included in the reported segments.

2. Amount and outline of difference between the total segment income or loss and operating income in quarterly consolidated statement of income

| Income  | Amount (Millions of yen) |
|---|--------------------------|
| Total reported segments   | 40,484                   |
| Income of “Others” category   | 427                      |
| Elimination of intersegment transactions  | 120                      |
| Adjustment due to unification of accounting<br>treatment between parent company and subsidiaries,<br>etc. | (81)                     |
| Operating income in quarterly consolidated<br>statement of income   | 40,950                   |

(Per share information)

The amount and basis for calculation of basic earnings per share are as follows:

(Millions of yen, unless otherwise stated)

| Item  | For the nine months ended<br>December 31, 2014<br>(From April 1, 2014<br>to December 31, 2014) | For the nine months ended<br>December 31, 2015<br>(From April 1, 2015<br>to December 31, 2015) |
|---|--|--|
| Basic earnings per share  | 22.31 yen  | 22.68 yen  |
| (Basis for calculation)   |  |  |
| Profit attributable to owners of parent                         | 34,958   | 35,538   |
| Profit not attributable to common shareholders                  | —  | —  |
| Profit attributable to owners of parent related to common stock | 34,958   | 35,538   |
| Weighted average number of common stock during the quarter      | 1,566,614,316 shares   | 1,566,614,245 shares   |

(Note) “Diluted earnings per share” is not stated since there is no dilutive security.

2. Others  
Not applicable

Part II Information on Guarantors for the Filing Company

Not applicable