

Quarterly Securities Report

(The first quarter of the 38th 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 First 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 First Quarter Securities Report.

Contents

| | |
|---|----|
| [Cover] | 1 |
| Part I Information on the Company | 2 |
| I. Overview of the Company | 2 |
| 1. Key Financial Data and Trends | 2 |
| 2. Description of Business | 2 |
| II. Business Overview | 3 |
| 1. Risks Related to Business | 3 |
| 2. Material Business Agreements, etc. | 3 |
| 3. Analyses of Consolidated Business Results, Financial Position and Cash Flows | 3 |
| III. Information on the Filing Company | 6 |
| 1. Information on the Company's Shares. | 6 |
| 2. Directors | 7 |
| IV. Financial Information | 8 |
| 1. Quarterly Consolidated Financial Statements | 9 |
| 2. Others | 22 |
| Part II Information on Guarantors for the Filing Company | 23 |

| | |
|---|--|
| [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] | August 14, 2014 |
| [Quarterly Accounting Period] | First Quarter of the 38th Fiscal Year (from April 1, 2014, to June 30, 2014) |
| [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] | 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo |
| [Phone No.] | 03-5533-0811 (main) |
| [Contact for Communications] | Takashi Kiribuchi, Chief General Manager of Treasury Department |
| [Nearest Contact] | 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo |
| [Phone No.] | 03-5533-0811 (main) |
| [Contact for Communications] | Takashi Kiribuchi, 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 three months ended June 30, 2013 | For the three months ended June 30, 2014 | 37th fiscal year |
|------------------------------------|---|---|---|
| Period of account | From April 1, 2013 to June 30, 2013 | From April 1, 2014 to June 30, 2014 | From April 1, 2013 to March 31, 2014 |
| Operating revenue | 49,191 | 52,653 | 202,240 |
| Ordinary income | 15,803 | 15,442 | 15,567 |
| Net income | 14,165 | 13,991 | 10,632 |
| Comprehensive income | 18,264 | 14,853 | 15,619 |
| Net assets | 305,334 | 320,333 | 306,726 |
| Total assets | 1,103,524 | 1,120,496 | 1,155,203 |
| Net income per share (yen) | 9.04 | 8.93 | 6.79 |
| Diluted net income per share (yen) | — | — | — |
| Shareholders' equity ratio (%) | 26.87 | 27.52 | 25.48 |

- (Notes)
1. Operating revenue is presented exclusive of consumption tax.
 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 net income per share" is not stated since there is no dilutive security.
 4. As of October 1, 2013, the Company executed a stock split where each share of its common stock was split into 10 shares. In association therewith, "Net assets per share" and "Net income per share" were calculated supposing that the stock split was conducted at the beginning of the fiscal year ended March 31, 2014.

2. Description of Business

During the three months ended June 30, 2014, 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 three months ended June 30, 2014.

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 first 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 three months ended June 30, 2014, Japanese economy showed signs of gradual improvement in the employment environment and consumer spending due to the effects from economic growth strategies by the government. However, the possibility of an economic downturn remained, with factors including the backlash from last-minute demand spurred by the consumption tax hike, the change in the economies of emerging nations represented by China and concern over a downturn overseas arising from the Iraqi and Ukrainian situations.

In the consumer finance industry, amid the continuation of shrinking trend of market, business conditions continued to be severe, including requests for interest repayment remaining at high level although signs of recovery are at long last observed in the conditions of loans and new applications.

In such an environment, under its management vision of "aiming to become the leading company that gives prime satisfactions to as many customers as possible and trusted in the consumer loan market," the Company Group has positioned its loan business, guarantee business and overseas finance business as the three core business categories and strives to increase market shares in the consumer loan market.

Consolidated operating revenue for the three months ended June 30, 2014, increased to 52,653 million yen (up 7.0% year-on-year), due primarily to an increase in revenue from credit guarantee. However, operating expenses increased to 37,338 million yen (up 11.3% year-on-year) due primarily to an increase in provision of allowance for doubtful accounts. As a result, operating income decreased to 15,315 million yen (down 2.0% year-on-year), ordinary income decreased to 15,442 million yen (down 2.3% year-on-year), and net income decreased to 13,991 million yen (down 1.2% 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, enhance promotions and maintain the soundness of loan portfolio. Accounts receivable-operating loans amounted to 734,186 million yen as of June 30, 2014 (up 2.0% year-on-year, up 1.1% compared with the end of the prior fiscal year).

As a result, the business segment's operating revenue was 31,883 million yen (up 0.7% year-on-year) due primarily to an increase in gain on bad debts recovered. However, the segment posted operating income of 10,010 million yen (down 10.6% year-on-year) for the three months ended June 30, 2014, mainly due to an increase in provision of allowance for doubtful accounts under operating expenses.

2) Guarantee business

In the guarantee business, the balance of credit guarantees in the guarantee operation was 778,804 million yen as of June 30, 2014, (up 28.5% year-on-year, up 3.5% compared with the end of the prior fiscal year) due to a steady increase in the balance of our credit guarantees and contributions from the newly added MU Credit Guarantee Co., LTD. starting from its operational launch in March 2014.

As a result, the business segment's operating revenue increased by 2,787 million yen year-on-year to 9,173 million yen (up 43.6% year-on-year) for the three months ended June 30, 2014, due primarily to an increase in the balance of credit guarantees in the guarantee operation. However, operating income only increased by 206 million yen year-on-year to 2,385 million yen (up 9.5% year-on-year) mainly due to a year-on-year increase in operating expenses chiefly attributable to the partial refinement of the method of allocating the expenses of back-office sections, etc. of the Company to each reported segment effective from the second quarter of the fiscal year ended March 31, 2014.

3) Overseas financial business

In the overseas financial business, its operations were proactively carried out in the pursuit of expanding the loan business in the Kingdom of Thailand and the banking business in the Republic of Indonesia. Anticipating future business development in China with projected vigorous internal demand and in Vietnam with its powerful growth potential, surveys are being conducted continuously on various local laws/regulations and risks, and market analysis primarily at local representative offices.

As a result, operating revenue amounted to 10,003 million yen (up 9.6% year-on-year) for the three months ended June 30, 2014, mainly due to increases in interest on consumer loans and interest on loans of banking business. However, operating income was 2,432 million yen (down 3.0% year-on-year) due primarily to increases in provision of allowance for doubtful accounts and interest expense for deposits of banking business under operating expenses.

4) Loan servicing business

In the loan servicing business, competition has intensified in the purchased receivables market against the backdrop of a decreasing disposal of bad debts at financial institutions. We have therefore endeavored to strengthen our business structure and increase profitability.

As a result, the business segment's operating revenue was 1,560 million yen (down 9.9% year-on-year) for the three months ended June 30, 2014, mainly due to a decrease in amount of collection from purchased receivables. However, operating income was 525 million yen (compared with operating loss of 143 million yen a year earlier), due primarily to a decrease in provision of allowance for doubtful accounts under operating expenses.

Effective from the second quarter of the fiscal year ended March 31, 2014, the method of allocating the expenses of back-office sections, etc. of the Filing Company to each reported segment has been partially refined. Compared with the segment income figures that would have been obtained by the method before it was refined, the segment income for the three months ended June 30, 2014, of the loan and credit card business increased by 757 million yen, that of the guarantee business decreased by 679 million yen and that of the overseas financial business decreased by 70 million yen.

(2) Analysis of financial position

Compared with the end of the prior fiscal year, total assets decreased by 34,707 million yen while net assets increased by 13,606 million yen as of June 30, 2014. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets decreased by 36,942 million yen while noncurrent assets increased by 2,235 million yen, and total assets decreased by 34,707 million. The breakdown of major increases and decreases in current assets is as follows: cash and deposits (down by 37,913 million yen), short-term loans receivable (down by 9,999 million yen), accounts receivable-operating loans (up by 8,100 million yen) and loans receivable of banking business (up by 2,733 million yen). The breakdown of major increases and decreases in noncurrent assets is as follows: net defined benefit asset (up by 3,638 million yen), investment securities (up by 883 million yen), and goodwill (down by 2,682 million yen).

(Liabilities)

With regard to the liabilities account, changes in current, noncurrent, and total liabilities were decreases of 60,026 million yen, increases of 11,712 million yen, and decreases of 48,313 million yen, respectively. The breakdown of major increases and decreases in liabilities include: loans and bonds payable (down by 33,961 million yen), provision for loss on interest repayment (down by 17,159 million yen), deposits of banking business (up by 1,812 million yen), and deferred tax liabilities (up by 1,446 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 14,816 million yen, mainly due to an increase of retained earnings, accumulated other comprehensive income decreased by 818 million yen, and minority interests decreased by 391 million yen. As a result, total net assets increased by 13,606 million yen, and the shareholder's equity ratio increased by 2.0 percentage points to 27.5%.

(3) Business and financial issues to address

The three months ended June 30, 2014, 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 first quarter (June 30, 2014) | As of the submission date (August 14, 2014) | 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 April 1, 2014, to June 30, 2014 | — | 1,596,282 | — | 63,832 | — | 72,322 |

(6) Major shareholders

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

(7) Status of voting rights

Details of registered shareholders as of June 30, 2014, have not yet been confirmed, and therefore we are unable to present the status of voting rights on that date. The information regarding voting rights presented below relates to the shareholders registered as of March 31, 2014.

1) Issued shares

As of March 31, 2014

| Classification | Number of shares (Shares) | Number of voting rights (Units) | Details |
|--|--|------------------------------------|---------|
| Shares without voting rights | — | — | — |
| Shares with limited voting rights (treasury stock, etc.) | — | — | — |
| Shares with limited voting rights (others) | — | — | — |
| Shares with full voting rights (treasury stock, etc.) | (Treasury stock) Common stock 29,668,300 | — | — |
| Shares with full voting rights (others) | Common stock 1,566,599,100 | 15,665,991 | — |
| Shares less than one unit | Common stock 15,400 | — | — |
| Total number of shares issued | 1,596,282,800 | — | — |
| Total voting rights held by all shareholders | — | 15,665,991 | — |

- (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 59 shares of treasury stock held by the Company.

2) Treasury stock, etc.

As of March 31, 2014

| Shareholder | Address of shareholder | Number of shares held under own name (Shares) | Number of shares held under the names of others (Shares) | Total (Shares) | Percentage of shares held to the total number of issued shares (%) |
|------------------------------------|--|--|--|-------------------|---|
| (Treasury stock) ACOM CO., LTD. | 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo | 29,668,300 | — | 29,668,300 | 1.85 |
| Total | — | 29,668,300 | — | 29,668,300 | 1.85 |

2. Directors

There was no change in directors during the three months ended June 30, 2014, 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; hereinafter “the Regulations for Quarterly Consolidated Financial Statements”) 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).

For the current first quarter (from April 1, 2014, to June 30, 2014) and for the three months ended June 30, 2014 (from April 1, 2014, to June 30, 2014), pursuant to Article 7, Paragraph 2 of the Supplementary Provisions of the “Cabinet Office Ordinance Partially Amending the Regulations Concerning the Terminology, Forms and Preparation Methods of Financial Statements” (Cabinet Office Ordinance No. 22 dated March 28, 2014), statements pertaining to Article 20 and Article 22, Item (3) are prepared in accordance with the “Regulations for Quarterly Consolidated Financial Statements” after the amendment. Comparative information is prepared in accordance with the “Regulations for Quarterly Consolidated Financial Statements” before the amendment.

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 first quarter (from April 1, 2014, to June 30, 2014) and for the three months ended June 30, 2014 (from April 1, 2014, to June 30, 2014) were reviewed by Deloitte Touche Tohmatsu LLC.

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

| | (Millions of yen) | |
|--------------------------------------|---|--|
| | Prior fiscal year (As of March 31, 2014) | Current first quarter (As of June 30, 2014) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 130,208 | 92,294 |
| Accounts receivable-operating loans | *2 828,622 | *2 836,723 |
| Loans receivable of banking business | 60,338 | 63,072 |
| Accounts receivable-installment | 18,111 | 18,805 |
| Purchased receivables | 8,846 | 8,432 |
| Short-term investment securities | 17,085 | 17,690 |
| Trading account securities | 2,495 | 2,358 |
| Merchandise and finished goods | 325 | 325 |
| Raw materials and supplies | 69 | 73 |
| Deferred tax assets | 20,022 | 20,299 |
| Short-term loans receivable | 9,999 | — |
| Other | 49,285 | 49,693 |
| Allowance for doubtful accounts | (45,128) | (46,429) |
| Total current assets | 1,100,281 | 1,063,339 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 7,129 | 6,939 |
| Equipment, net | 10,877 | 10,923 |
| Land | 6,235 | 6,242 |
| Other, net | 1,075 | 1,060 |
| Total property, plant and equipment | 25,318 | 25,165 |
| Intangible assets | | |
| Goodwill | 10,865 | 8,182 |
| Software | 6,400 | 7,128 |
| Other | 43 | 43 |
| Total intangible assets | 17,309 | 15,354 |
| Investments and other assets | | |
| Investment securities | 1,787 | 2,671 |
| Net defined benefit asset | 1,028 | 4,667 |
| Deferred tax assets | 156 | 56 |
| Guarantee deposits | 5,817 | 5,807 |
| Other | *2 4,174 | *2 4,088 |
| Allowance for doubtful accounts | (672) | (656) |
| Total investments and other assets | 12,292 | 16,636 |
| Total noncurrent assets | 54,921 | 57,156 |
| Total assets | 1,155,203 | 1,120,496 |

| | (Millions of yen) | |
|---|---|--|
| | Prior fiscal year (As of March 31, 2014) | Current first quarter (As of June 30, 2014) |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 240 | 191 |
| Short-term loans payable | 48,187 | 8,117 |
| Current portion of long-term loans payable | 164,273 | 150,335 |
| Current portion of bonds | 51,926 | 44,573 |
| Deposits of banking business | 74,516 | 76,329 |
| Income taxes payable | 1,189 | 1,710 |
| Provision for loss on guarantees | *1 5,907 | *1 6,059 |
| Asset retirement obligations | 9 | 13 |
| Deferred installment income | 93 | 88 |
| Other | 15,003 | 13,900 |
| Total current liabilities | 361,347 | 301,321 |
| Noncurrent liabilities | | |
| Bonds payable | 136,088 | 163,190 |
| Long-term loans payable | 219,491 | 219,788 |
| Deferred tax liabilities | 1,608 | 3,072 |
| Provision for directors' retirement benefits | 27 | 20 |
| Provision for loss on interest repayment | 124,100 | 106,940 |
| Net defined benefit liability | 220 | 224 |
| Asset retirement obligations | 4,544 | 4,551 |
| Other | 1,049 | 1,052 |
| Total noncurrent liabilities | 487,128 | 498,841 |
| Total liabilities | 848,476 | 800,162 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 63,832 | 63,832 |
| Capital surplus | 76,010 | 73,671 |
| Retained earnings | 173,398 | 190,554 |
| Treasury stock | (19,793) | (19,793) |
| Total shareholders' equity | 293,447 | 308,264 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 22 | 22 |
| Foreign currency translation adjustment | (756) | (1,086) |
| Remeasurements of defined benefit plans | 1,679 | 1,191 |
| Total accumulated other comprehensive income | 945 | 127 |
| Minority interests | 12,333 | 11,941 |
| Total net assets | 306,726 | 320,333 |
| Total liabilities and net assets | 1,155,203 | 1,120,496 |

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
Three months ended June 30

| | (Millions of yen) | |
|---|---|---|
| | For the three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013) | For the three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014) |
| Operating revenue | | |
| Interest on consumer loans | 34,819 | 35,070 |
| Interest on loans of banking business | 1,688 | 2,018 |
| Revenue from credit card business | 539 | 601 |
| Revenue from installment sales finance business | 85 | 26 |
| Revenue from credit guarantee | 5,722 | 8,309 |
| Collection from purchased receivable | 1,427 | 1,268 |
| Other financial revenue | *1 435 | *1 290 |
| Other operating revenue | 4,472 | 5,069 |
| Total operating revenue | 49,191 | 52,653 |
| Operating expenses | | |
| Financial expenses | *2 5,752 | *2 4,994 |
| Cost of purchased receivable | 563 | 482 |
| Other operating expenses | 27,244 | 31,861 |
| Total operating expenses | 33,560 | 37,338 |
| Operating income | 15,630 | 15,315 |
| Non-operating income | | |
| Interest income | 35 | 30 |
| Dividends income | 8 | 10 |
| Equity in earnings of affiliates | 7 | 10 |
| House rent income | 83 | 79 |
| Other | 45 | 27 |
| Total non-operating income | 179 | 158 |
| Non-operating expenses | | |
| Interest expenses | 5 | 5 |
| Foreign exchange losses | — | 22 |
| Other | 1 | 3 |
| Total non-operating expenses | 6 | 31 |
| Ordinary income | 15,803 | 15,442 |

| | (Millions of yen) | |
|---|---|---|
| | For the three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013) | For the three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014) |
| Extraordinary income | | |
| Gain on sales of noncurrent assets | 2 | 0 |
| Gain on sales of investment securities | — | 8 |
| Other | 0 | — |
| Total extraordinary income | 2 | 8 |
| Extraordinary loss | | |
| Loss on sales of noncurrent assets | — | 0 |
| Loss on retirement of noncurrent assets | 22 | 12 |
| Loss on sales of investment securities | 0 | — |
| Loss on valuation of investment securities | 7 | 0 |
| Other | 0 | 0 |
| Total extraordinary losses | 30 | 13 |
| Income before income taxes and minority interests | 15,775 | 15,437 |
| Income taxes-current | 880 | 778 |
| Income taxes-deferred | 102 | (42) |
| Total income taxes | 982 | 736 |
| Income before minority interests | 14,792 | 14,701 |
| Minority interests in income | 627 | 709 |
| Net income | 14,165 | 13,991 |

(Quarterly Consolidated Statement of Comprehensive Income)
Three months ended June 30

(Millions of yen)

| | For the three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013) | For the three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014) |
|---|---|---|
| Income before minority interests | 14,792 | 14,701 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (0) | (0) |
| Foreign currency translation adjustment | 3,472 | 253 |
| Remeasurements of defined benefit plans, net of tax | — | (101) |
| Total other comprehensive income | 3,472 | 152 |
| Comprehensive income | 18,264 | 14,853 |
| Comprehensive income attributable to: | | |
| Owners of the parent | 16,781 | 13,993 |
| Minority interests | 1,483 | 860 |

[Notes]

(Changes in method of accounting, etc.)

(Changes in Accounting Policy)

<Application of the accounting standard, etc. for retirement benefits>

Effective from the three months ended June 30, 2014, Paragraph 35 of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; hereinafter the “Accounting Standard”) and Paragraph 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; hereinafter the “Guidance”) have been applied. Accordingly, the calculation methods for retirement benefit obligations and service costs has been revised: the method for period allocation of projected retirement benefit has been changed from the straight-line basis to the benefit formula basis, and the calculation method for the discount rate has been changed from calculation based on a period approximately equal to the average remaining service years of the employees, to calculation using a single weighted average discount rate reflecting the estimated payment period of retirement benefits and the amount thereof for each estimated payment period.

Regarding the application of the Accounting Standard and the Guidance, the effect of the changes in the calculation method for retirement benefit obligations and service costs is reflected in “Retained earnings” at the beginning of three months ended June 30, 2014, in accordance with the transitional treatment provided for in Paragraph 37 of the Accounting Standard.

As a result, net defined benefit asset increased by 3,794 million yen and retained earnings increased by 2,827 million yen, at the beginning of three months ended June 30, 2014. However, the impacts on operating income, ordinary income and income before income taxes and minority interests for the three months ended June 30, 2014, are negligible.

<Application of accounting standard, etc. for business combinations>

“Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013; hereinafter the “Accounting Standard for Business Combinations”), “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; hereinafter the “Accounting Standard for Consolidated Financial Statements”), and “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter the “Accounting Standard for Business Divestitures”) and other accounting standards became applicable from the beginning of the fiscal year starting on or after April 1, 2014. Accordingly, these accounting standards have been applied effective from the three months ended June 30, 2014 (except for the provisions of Paragraph 39 of the Accounting Standard for Consolidated Financial Statements). Following the methods changed in these revised standards, differences due to changes in the Company’s equity interest in subsidiaries that remain under the Company’s control shall be recognized as capital surplus, and acquisition-related costs for a business combination shall be charged to expense in the fiscal years when such costs are incurred. In addition, for any business combination on or after April 1, 2014, acquisition costs based on provisional estimates shall be reflected in the quarterly consolidated financial statements for the quarter of the fiscal year in which the date of the business combination falls.

Application of the Accounting Standard for Business Combinations, etc. is in accordance with the transitional treatment provided for in Paragraph 58-2 (3) of the Accounting Standard for Business Combinations, Paragraph 44-5 (3) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (3) of the Accounting Standard for Business Divestitures. Accordingly, the cumulative effects of an assumed retroactive application of the new accounting standards to all previous fiscal periods, at the beginning of three months ended June 30, 2014, have been adjusted to capital surplus and retained earnings.

Consequently, goodwill decreased by 2,436 million yen, capital surplus decreased by 2,339 million yen and foreign currency translation adjustment decreased by 433 million yen, while retained earnings increased by 335 million yen, at the beginning of three months ended June 30, 2014. In addition, operating income, ordinary income, and income before income taxes and minority interests for the three months ended June 30, 2014, increased by 58 million yen, respectively.

(Notes to Quarterly Consolidated Balance Sheet)

*1. Contingent liabilities

| | (Millions of yen) | |
|---|---|--|
| | Prior fiscal year (As of March 31, 2014) | Current first quarter (As of June 30, 2014) |
| Outstanding guarantee obligation in the guarantee business | 752,185 | 778,804 |
| Outstanding guarantee obligation in the banking business | 1,069 | 868 |
| Provision for loss on guarantees | 5,907 | 6,059 |
| Net | 747,347 | 773,613 |

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

| | (Millions of yen) | |
|--|---|--|
| | Prior fiscal year (As of March 31, 2014) | Current first quarter (As of June 30, 2014) |
| Loans to bankrupt parties | 819 | 786 |
| Loans in arrears | 20,585 | 21,170 |
| Loans overdue by three months or more | 3,519 | 3,530 |
| Restructured loans | 31,778 | 31,410 |
| Total | 56,702 | 56,897 |

(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 on 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 three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013) | For the three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014) |
| Interest on deposits | 21 | 27 |
| Interest on securities | 15 | 39 |
| Interest on loans | 7 | 0 |
| Foreign exchange gains | 219 | 24 |

*2. Major items of financial expenses

| | (Millions of yen) | |
|---|---|---|
| | For the three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013) | For the three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014) |
| Interest expenses | 2,914 | 2,303 |
| Interest on bonds | 1,145 | 849 |
| Amortization of bond issuance costs | 128 | 179 |
| Interest expenses for deposits of banking business | 913 | 1,205 |
| Loss on valuation of derivatives | 216 | 60 |

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 engaged in the financial service business, excluding dividends and interest on investment securities, etc.

(2) Financial expenses stated as operating expenses

Include all financial expenses spent by the Company and its subsidiaries engaged 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 has not been prepared for the three months ended June 30, 2014. The amounts of depreciation (including amortization of intangible assets except goodwill) and amortization of goodwill for the three months are as follows:

| | (Millions of yen) | |
|--------------------------|---|---|
| | For the three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013) | For the three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014) |
| Depreciation | 447 | 840 |
| Amortization of goodwill | 317 | 246 |

(Notes to Shareholders' Equity)

For the three months ended June 30, 2013 (from April 1, 2013, to June 30, 2013)

1. Dividends paid
Not applicable
2. Dividends whose record date falls in the three months ended June 30, 2013, but whose effective date comes after June 30, 2013
Not applicable

For the three months ended June 30, 2014 (from April 1, 2014, to June 30, 2014)

1. Dividends paid
Not applicable
2. Dividends whose record date falls in the three months ended June 30, 2014, but whose effective date comes after June 30, 2014
Not applicable

(Segments of an enterprise and related information)
[Segment information]

I. For the three months ended June 30, 2013 (from April 1, 2013, to June 30, 2013)

1. Operating revenue, income or loss by reported segments

(Millions of yen)

| | Reported segments | | | | | Others (Note) | Total |
|--|-------------------------------------|-----------------------|-----------------------------------|-------------------------------|----------|------------------|--------|
| | Loan and credit card business | Guarantee business | Overseas financial business | Loan servicing business | Subtotal | | |
| Operating revenue | | | | | | | |
| Operating revenue from external customers | 31,656 | 6,386 | 9,101 | 1,730 | 48,875 | 315 | 49,191 |
| Revenues from transactions with other operating segments | — | — | 28 | 2 | 30 | (216) | (185) |
| Total | 31,656 | 6,386 | 9,130 | 1,732 | 48,906 | 99 | 49,006 |
| Segment income (loss) | 11,191 | 2,179 | 2,507 | (143) | 15,733 | (46) | 15,687 |

(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 | 15,733 |
| Loss of “Others” category | (46) |
| Elimination of intersegment transactions | 67 |
| Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc. | (125) |
| Operating income in quarterly consolidated statement of income | 15,630 |

II. For the three months ended June 30, 2014 (from April 1, 2014, to June 30, 2014)

1. Operating revenue, income or loss by reported segments

(Millions of yen)

| | Reported segments | | | | | Others (Note) | Total |
|--|-------------------------------------|-----------------------|-----------------------------------|-------------------------------|----------|------------------|--------|
| | Loan and credit card business | Guarantee business | Overseas financial business | Loan servicing business | Subtotal | | |
| Operating revenue | | | | | | | |
| Operating revenue from external customers | 31,883 | 9,173 | 10,000 | 1,558 | 52,616 | 36 | 52,653 |
| Revenues from transactions with other operating segments | — | — | 2 | 1 | 4 | 36 | 41 |
| Total | 31,883 | 9,173 | 10,003 | 1,560 | 52,621 | 73 | 52,695 |
| Segment income | 10,010 | 2,385 | 2,432 | 525 | 15,353 | 44 | 15,398 |

(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 | 15,353 |
| Income of “Others” category | 44 |
| Elimination of intersegment transactions | 55 |
| Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc. | (138) |
| Operating income in quarterly consolidated statement of income | 15,315 |

3. Changes in reported segments, etc.

(Refinement of allocation method of expenses)

Effective from the six months ended September 30, 2013, the method of allocating the expenses of back-office sections, etc. of the Filling Company to each reported segment has been partially refined. Compared with the segment income figures that would have been obtained by the method before it was refined, the segment income for the three months ended June 30, 2014, of the loan and credit card business increased by 757 million yen, that of the guarantee business decreased by 679 million yen and that of the overseas financial business decreased by 70 million yen.

(Application of the accounting standard, etc. for retirement benefits)

As stated in “Changes in Accounting Policy”, in connection with changes in the method of calculating retirement benefit obligations and service costs effective from the three months ended June 30, 2014, the method of calculating retirement benefit obligations and service costs for reported segments are changed in the same manner. The effect of the change on segment income is negligible.

(Application of accounting standard, etc. for business combinations)

As stated in “Changes in Accounting Policy”, in connection with changes in the amount of goodwill at the beginning of three months ended June 30, 2014, amounts of goodwill for each reported segments are changed in the same manner. Compared with the segment income figure that would have been obtained before the changes, segment income for three months ended June 30, 2014, of “Overseas financial business” increased by 58 million yen.

4. Impairment losses on noncurrent assets or goodwill of each reported segment
(Material change in the amount of goodwill)

As stated in “Changes in Accounting Policy”, the Company has adopted of the Revised Accounting Standard for Business Combinations for the three months ended June 30, 2014. This change resulted in a decrease of 2,436 million yen in the amount of goodwill for “Overseas financial business” segment.

(Per share information)

The amount and basis for calculation of net income per share are as follows:

(Millions of yen, unless otherwise stated)

| Item | For the three months ended June 30, 2013 (From April 1, 2013 to June 30, 2013) | For the three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014) |
|--|---|---|
| Net income per share | 9.04 yen | 8.93 yen |
| (Basis for calculation) | | |
| Net income | 14,165 | 13,991 |
| Net income not attributable to common shareholders | — | — |
| Net income related to common stock | 14,165 | 13,991 |
| Weighted average number of common stock during the quarter | 1,566,615,470 shares | 1,566,614,342 shares |

- (Notes)
1. As of October 1, 2013, the Company executed a stock split where each share of its common stock was split into 10 shares. In association therewith, “Net income per share” were calculated supposing that the stock split was conducted at the beginning of the fiscal year ended March 31, 2014.
 2. “Diluted net income 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