

Quarterly Securities Report

(The second quarter of the 40th 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 Second 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 Second 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]

November 14, 2016

[Quarterly Accounting Period]

Second Quarter of the 40th Fiscal Year (from July 1, 2016, to September 30, 2016)

[Company Name]

ACOM Kabushiki-Kaisha

[Company Name in English]

ACOM CO., LTD. (the “Company”)

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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 six months ended September 30, 2015	For the six months ended September 30, 2016	39th fiscal year
Period of account	From April 1, 2015 to September 30, 2015	From April 1, 2016 to September 30, 2016	From April 1, 2015 to March 31, 2016
Operating revenue	118,407	121,023	237,683
Ordinary income	37,179	38,484	16,200
Profit attributable to owners of parent	33,814	35,927	14,598
Comprehensive income	34,504	31,245	12,888
Net assets	362,349	369,023	338,132
Total assets	1,203,896	1,166,819	1,175,063
Basic earnings per share (yen)	21.58	22.93	9.32
Diluted earnings per share (yen)	—	—	—
Shareholders' equity ratio (%)	28.71	30.42	27.52
Net cash provided by (used in) operating activities	(18,953)	(20,953)	(43,045)
Net cash provided by (used in) investing activities	(1,300)	(1,852)	(2,368)
Net cash provided by (used in) financing activities	22,042	17,836	6,589
Cash and cash equivalents at the end of period	123,819	77,413	83,275

Fiscal period	For the second quarter of the 39th fiscal year	For the second quarter of the 40th fiscal year
Period of account	From July 1, 2015 to September 30, 2015	From July 1, 2016 to September 30, 2016
Basic earnings per share (yen)	10.77	11.95

- (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.

2. Description of Business

During the six months ended September 30, 2016, 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 six months ended September 30, 2016.

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 second 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 six months ended September 30, 2016, the Japanese economy showed signs of gradual improvement in the employment environment, as well as steady movement 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 the concerns of downside risks in overseas economies triggered by the UK's decision to leave the EU, the unclear economic outlook of China and other emerging nations in Asia and the resource-rich nations, 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 there are some signs that the market is slowly expanding.

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

Consolidated operating revenue for the six months ended September 30, 2016, increased to 121,023 million yen (up 2.2% year-on-year) primarily due to increases in interest on operating loans and revenue from credit guarantee. Operating expenses increased to 82,756 million yen (up 1.6% year-on-year) primarily due to an increase in provision of allowance for doubtful accounts. As a result, operating income increased to 38,266 million yen (up 3.7% year-on-year) and ordinary income increased to 38,484 million yen (up 3.5% year-on-year). Meanwhile, profit attributable to owners of parent increased to 35,927 million yen (up 6.2% year-on-year) due to a decrease of income taxes-deferred.

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 778,934 million yen as of September 30, 2016 (up 2.5% year-on-year, up 1.5% from the prior fiscal year-end) and accounts receivable - installment amounted to 32,280 million yen (up 30.7% year-on-year, up 15.9% from the prior fiscal year-end).

As a result, the business segment's operating revenue was 67,636 million yen (up 1.8% year-on-year) due primarily to increases in interest on operating loans. The segment posted operating income of 22,978 million yen (up 1.9% year-on-year) for the six months ended September 30, 2016.

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 1,058,866 million yen as of September 30, 2016 (up 14.3% year-on-year, up 7.2% from the prior fiscal year-end).

As a result, the business segment's operating revenue was 27,332 million yen (up 15.4% year-on-year) for the six months ended September 30, 2016, due primarily to an increase in revenue from credit guarantee. Operating income was 8,291 million yen (up 15.0% 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 worked to expand revenue based on the strengthened internal control structure. Further, we have continued surveys for future business development in new regions such as the Socialist Republic of Vietnam, where we have established a representative office.

As a result, operating revenue amounted to 22,756 million yen (down 6.5% year-on-year) for the six months ended September 30, 2016, while operating income was 6,247 million yen (up 9.9% year-on-year), mainly due to decreases in both operating revenue and operating expenses on the impact of foreign exchange rate fluctuations attributable to the stronger yen.

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 3,305 million yen (up 2.2% year-on-year) for the six months ended September 30, 2016, mainly due to an increase in amount of collection from purchased receivables. However, operating income was 526 million yen (down 51.4% year-on-year), due primarily to an increase in provision of allowance for doubtful accounts under operating expenses.

(2) Analysis of financial position

Compared with the end of the prior fiscal year, total assets decreased by 8,243 million yen while net assets increased by 30,890 million yen as of September 30, 2016. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets decreased by 6,440 million yen and noncurrent assets decreased by 1,802 million yen. Consequently, total assets decreased by 8,243 million. The breakdown of major increases and decreases in current assets is as follows: loans receivable of banking business (down 10,172 million yen), cash and deposits (down 6,887 million yen), accounts receivable - installment (up 4,331 million yen), deferred tax assets (up 1,927 million yen), and accounts receivable - operating loans (up 1,817 million yen). The breakdown of major decreases in noncurrent assets is as follows: goodwill (down 492 million yen), software (down 488 million yen), and buildings and structures (down 268 million yen).

(Liabilities)

Current liabilities increased by 5,634 million yen and noncurrent liabilities decreased by 44,768 million yen. Consequently, total liabilities decreased by 39,134 million yen. The breakdown of major increases and decreases in liabilities is as follows: provision for loss on interest repayment (down 35,256 million yen), deposits of banking business (down 8,889 million yen), and loans and bonds payable (up 6,695 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 35,927 million yen mainly due to an increase of retained earnings, accumulated other comprehensive income decreased by 4,383 million yen, and non-controlling interests decreased by 653 million yen. As a result, total net assets increased by 30,890 million yen, and the shareholders' equity ratio increased by 2.9 percentage points to 30.4%.

(3) Status of cash flows

Cash and cash equivalents ("funds") as of September 30, 2016, decreased by 5,862 million yen (down by 7,375 million yen year-on-year) during the six months ended September 30, 2016, from the value at the end of the prior fiscal year to 77,413 million yen. The changes in the respective cash flows and the reasons thereof are as follows:

(Net cash provided by (used in) operating activities)

With respect to net cash used in operating activities, funds saw a decrease of 20,953 million yen (down by 1,999 million yen year-on-year), reflecting funds-decreasing factors such as a decrease of 35,256 million yen in provision for loss on interest repayment, an increase of 18,878 million yen in accounts receivable - operating loans, and an increase of 4,395 million yen in accounts receivable - installment, as well as funds-increasing factors such as 38,436 million yen in income before income taxes, a decrease of 4,663 million yen in loans receivable of banking business, and an increase of 3,309 million yen in allowance for doubtful accounts.

(Net cash provided by (used in) investing activities)

With respect to net cash used in investing activities, funds saw a decrease of 1,852 million yen (down by 551 million yen year-on-year). This was due primarily to the purchase of property, plant and equipment (959 million yen), the purchase of intangible assets (591 million yen), and the purchase of investment securities (364 million yen).

(Net cash provided by (used in) financing activities)

With respect to net cash provided by financing activities, funds saw an increase of 17,836 million yen (down by 4,206 million yen year-on-year). This was due primarily to the fact that proceeds from loans, issuance of bonds and others were more than the repayments of loans payable and payments at maturity of bonds by 18,386 million yen.

(4) Business and financial issues to address

The six months ended September 30, 2016, saw no significant change in business and financial issues to address, or presented new issue that the Company needed to address.

(5) Research and development activities

Not applicable

(6) Consolidated operating results

1) Operating revenue by business segment

Business segment		For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)		For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)		
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)	
Financial service businesses	Japan	Loan business	64,662	54.6	65,410	54.1
		Credit card business	1,800	1.5	2,225	1.8
		Guarantee business	23,686	20.0	27,332	22.6
		Loan servicing business	3,235	2.7	3,305	2.7
		Others	504	0.4	0	0.0
	Overseas	Loan business	19,608	16.6	18,732	15.5
		Installment loan business	72	0.1	54	0.0
		Banking business	4,836	4.1	3,961	3.3
Total		118,407	100.0	121,023	100.0	

(Note) Category of business above applies the category of business stated in “Segments and related information” in [Notes] of “1. Quarterly Consolidated Financial Statements” of “IV. Financial Information.”

2) Transaction volume and receivables outstanding at the end of the period of the financial service business segments

(a) Transaction volume

Business segment		For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)		For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Japan	Loan business	190,877	67.4	190,394	68.6
	Credit card business	11,114	3.9	14,350	5.2
	Loan servicing business	2,460	0.9	2,266	0.8
Overseas	Loan business	45,887	16.2	44,724	16.1
	Installment loan business	396	0.1	236	0.1
	Banking business	32,615	11.5	25,436	9.2
Total		283,351	100.0	277,409	100.0

(Notes) 1. Category of business above applies the category of business stated in “Segments and related information” in [Notes] of “1. Quarterly Consolidated Financial Statements” of “IV. Financial Information.”

2. Details and transaction volume of the above financial service business segments are as follows:

Loan business Provision of loans directly to customers. The scope of this segment’s transaction volume is the amount of loans to customers.

Credit card business Provision of general financial services through the use of credit cards, based on comprehensive credit administration. The scope of transaction volume is the total amount of credit.

Loan servicing business The amount of purchased receivables.

Installment loan business Provision of financial services without using credit cards. Each transaction of this service involves customer screening and review. The scope of transaction volume is the sum of credit amount and commission fees.

Banking business Provision of loans directly to customers. The scope of this segment’s transaction volume is the amount of loans to customers.

(b) Receivables outstanding

Business segment		Prior second quarter (As of September 30, 2015)		Current second quarter (As of September 30, 2016)		Prior fiscal year (As of March 31, 2016)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Japan	Loan business	760,173	77.0	778,991	78.3	767,196	76.9
	Credit card business	24,691	2.5	32,280	3.3	27,855	2.8
	Loan servicing business	9,490	0.9	11,290	1.1	10,709	1.1
Overseas	Loan business	132,715	13.4	124,976	12.6	134,954	13.5
	Installment loan business	640	0.1	444	0.0	538	0.0
	Banking business	60,016	6.1	46,402	4.7	56,575	5.7
Total		987,728	100.0	994,386	100.0	997,828	100.0

(Note) Category of business above applies the category of business stated in “Segments and related information” in [Notes] of “1. Quarterly Consolidated Financial Statements” of “IV. Financial Information.”

3) Number of outlets

Category	Prior second quarter (As of September 30, 2015)	Current second quarter (As of September 30, 2016)	Prior fiscal year (As of March 31, 2016)
Outlets	1,244	1,238	1,244

4) Number of customer accounts

Business segment		Prior second quarter (As of September 30, 2015)	Current second quarter (As of September 30, 2016)	Prior fiscal year (As of March 31, 2016)
Japan	Loan business	1,408,598	1,428,510	1,409,926
	Credit card business	235,722	283,954	254,534
	Loan servicing business	332,556	343,874	336,266
Overseas	Loan business	1,129,795	1,164,260	1,150,661
	Installment loan business	15,253	11,037	12,558
	Banking business	20,095	29,308	22,000

(Notes) 1. Category of business above applies the category of business stated in “Segments and related information” in [Notes] of “1. Quarterly Consolidated Financial Statements” of “IV. Financial Information.”

2. The numbers of customer accounts by business segment shown above are as follows:

Loan business Number of accounts receivable - operating loans

Credit card business Number of “MasterCard®” holders

Loan servicing business Number of accounts with outstanding purchased receivables

Installment loan business Number of contracts with outstanding accounts receivable - installment

Banking business Number of loan accounts with outstanding loans receivable of banking business

5) Breakdown of accounts receivable - operating loans

(a) By loan type

Loan type	Prior second quarter (As of September 30, 2015)					Current second quarter (As of September 30, 2016)					Prior fiscal year (As of March 31, 2016)					
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)	
Consumer loans	Unsecured loans (excluding housing loans)	2,535,045	99.9	883,153	98.9	17.53	2,589,903	99.9	895,953	99.1	17.29	2,557,476	99.9	893,301	99.0	17.45
	Secured loans (excluding housing loans)	3,306	0.1	9,566	1.1	11.88	2,834	0.1	7,865	0.9	11.73	3,072	0.1	8,690	1.0	11.78
	Housing loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Subtotal	2,538,351	100.0	892,719	100.0	17.47	2,592,737	100.0	903,819	100.0	17.24	2,560,548	100.0	901,992	100.0	17.40
Commercial loans	Unsecured loans	6	0.0	5	0.0	14.46	4	0.0	4	0.0	14.29	6	0.0	4	0.0	14.63
	Secured loans	36	0.0	164	0.0	9.05	29	0.0	144	0.0	8.89	33	0.0	153	0.0	8.99
	Subtotal	42	0.0	169	0.0	9.21	33	0.0	148	0.0	9.04	39	0.0	158	0.0	9.17
Total	2,538,393	100.0	892,889	100.0	17.47	2,592,770	100.0	903,967	100.0	17.24	2,560,587	100.0	902,150	100.0	17.40	

(b) By industry

Industry	Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Agriculture, forestry and fishery	3	0.0	7	0.0	1	0.0	1	0.0	2	0.0	6	0.0
Construction	11	0.0	24	0.0	8	0.0	20	0.0	10	0.0	21	0.0
Manufacturing	4	0.0	7	0.0	3	0.0	6	0.0	4	0.0	7	0.0
Electricity, gas; heat supply; water supply	—	—	—	—	—	—	—	—	—	—	—	—
Information and communications	1	0.0	5	0.0	1	0.0	5	0.0	1	0.0	5	0.0
Transport and postal services	2	0.0	12	0.0	2	0.0	12	0.0	2	0.0	12	0.0
Wholesale and retail	8	0.0	22	0.0	7	0.0	17	0.0	8	0.0	20	0.0
Finance and insurance	3	0.0	23	0.0	2	0.0	22	0.0	3	0.0	23	0.0
Real estate, and goods rental and leasing	1	0.0	26	0.0	1	0.0	26	0.0	1	0.0	26	0.0
Accommodation, and food and beverage services	3	0.0	18	0.0	3	0.0	18	0.0	3	0.0	18	0.0
Education and educational support	—	—	—	—	—	—	—	—	—	—	—	—
Healthcare and welfare	1	0.0	0	0.0	1	0.0	0	0.0	1	0.0	0	0.0
Multiple services	—	—	—	—	—	—	—	—	—	—	—	—
Other services (Does not fall under any other category)	5	0.0	21	0.0	4	0.0	15	0.0	4	0.0	16	0.0
Individuals	2,538,351	100.0	892,719	100.0	2,592,737	100.0	903,819	100.0	2,560,548	100.0	901,992	100.0
Specified nonprofit organization	—	—	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—
Total	2,538,393	100.0	892,889	100.0	2,592,770	100.0	903,967	100.0	2,560,587	100.0	902,150	100.0

(Note) Commercial loans to sole proprietors are included in corresponding categories other than “Individuals.”

(c) By collateral type

Collateral	Prior second quarter (As of September 30, 2015)		Current second quarter (As of September 30, 2016)		Prior fiscal year (As of March 31, 2016)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Securities (Stocks included in the above)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Credit (Deposits included in the above)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
Merchandise	—	—	—	—	—	—
Real estate	9,675	1.1	7,932	0.9	8,766	1.0
Foundations	—	—	—	—	—	—
Others	55	0.0	77	0.0	77	0.0
Subtotal	9,730	1.1	8,010	0.9	8,844	1.0
Guarantee	—	—	—	—	—	—
Unsecured	883,158	98.9	895,957	99.1	893,306	99.0
Total	892,889	100.0	903,967	100.0	902,150	100.0

(d) By loan term

Loan term		Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Revolving	2,405,913	94.8	829,997	93.0	2,463,872	95.0	843,468	93.3	2,429,694	94.9	839,891	93.1
	Due within 1 year	921	0.0	134	0.0	817	0.1	99	0.0	977	0.0	135	0.0
	Due after 1 year through 5 years	78,742	3.1	19,695	2.2	73,295	2.8	17,643	2.0	76,012	3.0	18,688	2.1
	Due after 5 years through 10 years	17,997	0.7	8,612	1.0	22,981	0.9	11,462	1.2	20,054	0.8	9,912	1.1
	Due after 10 years through 15 years	31,438	1.3	24,682	2.7	28,894	1.1	23,242	2.6	30,696	1.2	24,636	2.7
	Due after 15 years through 20 years	35	0.0	30	0.0	43	0.0	36	0.0	44	0.0	37	0.0
	Due after 20 years through 25 years	5	0.0	5	0.0	5	0.0	4	0.0	5	0.0	4	0.0
	Due after 25 years	—	—	—	—	—	—	—	—	—	—	—	—
	Subtotal	2,535,051	99.9	883,158	98.9	2,589,907	99.9	895,957	99.1	2,557,482	99.9	893,306	99.0
Secured loans	Revolving	2,610	0.1	7,190	0.8	2,205	0.1	5,794	0.7	2,400	0.1	6,455	0.7
	Due within 1 year	19	0.0	72	0.0	15	0.0	52	0.0	23	0.0	88	0.0
	Due after 1 year through 5 years	144	0.0	197	0.0	140	0.0	245	0.0	145	0.0	226	0.0
	Due after 5 years through 10 years	335	0.0	815	0.1	293	0.0	678	0.1	317	0.0	747	0.1
	Due after 10 years through 15 years	66	0.0	304	0.1	71	0.0	304	0.0	69	0.0	310	0.1
	Due after 15 years through 20 years	36	0.0	195	0.0	26	0.0	132	0.0	28	0.0	147	0.0
	Due after 20 years through 25 years	132	0.0	954	0.1	110	0.0	788	0.1	122	0.0	859	0.1
	Due after 25 years	—	—	—	—	3	0.0	12	0.0	1	0.0	8	0.0
	Subtotal	3,342	0.1	9,730	1.1	2,863	0.1	8,010	0.9	3,105	0.1	8,844	1.0
Revolving	2,408,523	94.9	837,187	93.8	2,466,077	95.1	849,263	94.0	2,432,094	95.0	846,346	93.8	
Due within 1 year	940	0.0	206	0.0	832	0.1	151	0.0	1,000	0.0	224	0.0	
Due after 1 year through 5 years	78,886	3.1	19,893	2.2	73,435	2.8	17,888	2.0	76,157	3.0	18,914	2.1	
Due after 5 years through 10 years	18,332	0.7	9,428	1.1	23,274	0.9	12,141	1.3	20,371	0.8	10,660	1.2	
Due after 10 years through 15 years	31,504	1.3	24,987	2.8	28,965	1.1	23,546	2.6	30,765	1.2	24,946	2.8	
Due after 15 years through 20 years	71	0.0	226	0.0	69	0.0	168	0.0	72	0.0	185	0.0	
Due after 20 years through 25 years	137	0.0	959	0.1	115	0.0	793	0.1	127	0.0	864	0.1	
Due after 25 years	—	—	—	—	3	0.0	12	0.0	1	0.0	8	0.0	
Total	2,538,393	100.0	892,889	100.0	2,592,770	100.0	903,967	100.0	2,560,587	100.0	902,150	100.0	
Average term per contract	—				—				—				

(Note) “Average term per contract” is not calculated since revolving loan contracts are included in the table above.

6) Breakdown of funds

(a) Breakdown by funding sources

Funding sources, etc.	Prior second quarter (As of September 30, 2015)		Current second quarter (As of September 30, 2016)		Prior fiscal year (As of March 31, 2016)	
	Outstanding balance (Millions of yen)	Average interest rate (%)	Outstanding balance (Millions of yen)	Average interest rate (%)	Outstanding balance (Millions of yen)	Average interest rate (%)
Borrowings from financial institutions, etc.	436,151	1.78	435,265	1.52	438,811	1.63
Others (Corporate bonds, CPs)	232,577 (232,577)	1.48 (1.48)	220,000 (220,000)	1.19 (1.19)	209,758 (209,758)	1.49 (1.49)
Total	668,729	1.68	655,265	1.41	648,570	1.59
Owners' equity (Capital stock)	477,780 (63,832)	— (—)	478,280 (63,832)	— (—)	479,894 (63,832)	— (—)

- (Notes) 1. "Owners' equity" was calculated by deducting total liabilities, the amount of non-controlling interests in the "net assets" section, and the planned amount of dividend from total assets, and then adding the total amount of reserves (including reserves under special laws).
2. "Borrowings from financial institutions, etc." as of September 30, 2015, includes 2,285 million yen borrowings by liquidation of receivables.

(b) Breakdown by financial institution

(Millions of yen)

Financial institution		Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
		Beginning balance	Amount procured	Amount repaid	Final balance	Beginning balance	Amount procured	Amount repaid	Final balance	Beginning balance	Amount procured	Amount repaid	Final balance
Borrowings	City banks, etc.	148,727	16,443	26,605	138,565	137,737	21,750	18,352	141,135	148,727	28,638	39,628	137,737
	Regional banks	37,591	8,900	7,314	39,177	38,435	5,800	6,835	37,400	37,591	16,000	15,156	38,435
	Trust banks	157,809	33,266	33,461	157,614	163,931	17,318	17,489	163,761	157,809	56,052	49,930	163,931
	Foreign banks	29,992	50,499	45,052	35,438	37,768	52,818	59,003	31,583	29,992	109,284	101,508	37,768
	Life insurance companies	22,031	5,500	6,165	21,366	21,862	4,000	5,302	20,560	22,031	11,500	11,669	21,862
	Non-life insurance companies	3,348	1,000	329	4,019	3,672	—	82	3,590	3,348	1,000	676	3,672
	Business corporations (leasing and financing companies, etc.)	3,502	—	932	2,570	3,840	500	679	3,661	3,502	2,202	1,864	3,840
	Other financial institutions	40,537 (5,036)	10,460 (—)	13,597 (2,750)	37,399 (2,285)	31,564 (—)	13,734 (—)	11,724 (—)	33,574 (—)	40,537 (5,036)	22,718 (—)	31,691 (5,036)	31,564 (—)
Subtotal	443,540	126,068	133,457	436,151	438,811	115,922	119,468	435,265	443,540	247,395	252,124	438,811	
Commercial papers	—	—	—	—	—	4,999	—	4,999	—	—	—	—	
Corporate bonds (including current portion of bonds payable)	203,313	38,175	8,911	232,577	209,758	21,720	16,477	215,000	203,313	43,836	37,391	209,758	
Subtotal	203,313	38,175	8,911	232,577	209,758	26,719	16,477	220,000	203,313	43,836	37,391	209,758	
Total	646,854	164,243	142,368	668,729	648,570	142,642	135,946	655,265	646,854	291,231	289,515	648,570	

- (Notes)
1. “City banks, etc.” includes Shinsei Bank, Limited and Aozora Bank, Ltd.
 2. Figures in parentheses in “Other financial institutions” are borrowings by liquidation of receivables.
 3. Amounts procured and repaid by overseas subsidiaries are stated after foreign currency translation adjustment.

7) Operating results of the Filing Company

(a) The number of outlets and customer accounts by business segment

(i) The number of outlets and automated teller machines

Category	Prior second quarter (As of September 30, 2015)	Current second quarter (As of September 30, 2016)	Prior fiscal year (As of March 31, 2016)
Outlets	1,083	1,089	1,085
Staffed outlets	39	39	39
Unstaffed outlets	1,044	1,050	1,046
Automatic contract corners	1,083 locations (1,110)	1,089 locations (1,123)	1,085 locations (1,119)
ATMs	63,171	64,957	64,156
Proprietary	1,111	1,107	1,112
Tie-up	62,060	63,850	63,044
(Number of tie-up companies)	(18)	(18)	(18)

(Note) In addition to the above 1,089 loan business outlets, based on the Money Lending Business Act, we registered automatic contract machines installed in staffed outlets (39 automatic contract corners (they stood at 39 as of September 30, 2015, and 39 as of March 31, 2016)), 6 automated teller machines installed outside outlets (6 as of September 30, 2015, and 6 as of March 31, 2016) and 1 service center (1 as of September 30, 2015, and 1 as of March 31, 2016) for the various applications and registration acceptance via automatic contract machines and other means as outlets.

(ii) Number of customer accounts

Business segment	Prior second quarter (As of September 30, 2015)	Current second quarter (As of September 30, 2016)	Prior fiscal year (As of March 31, 2016)
Loan business	1,408,379	1,428,381	1,409,768
Credit card business	235,722	283,954	254,534

(Note) The numbers of customer accounts by business segment shown above are as follows:

Loan business Number of accounts receivable - operating loans

Credit card business Number of "MasterCard®" holders

(b) Breakdown of operating revenue

(i) Operating revenue by business segment

Business segment	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)		For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)		For the prior fiscal year (From April 1, 2015 to March 31, 2016)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Loan business	64,662	74.1	65,410	71.9	129,385	73.8
Unsecured loans	64,049	73.4	64,938	71.4	128,260	73.1
Consumer	64,049	73.4	64,937	71.4	128,259	73.1
Commercial	0	0.0	0	0.0	0	0.0
Secured loans	612	0.7	472	0.5	1,125	0.7
Credit card business	1,800	2.1	2,225	2.5	3,785	2.1
Guarantee business	20,141	23.1	23,197	25.5	41,500	23.7
Merchandise sales	490	0.6	—	—	490	0.3
Others	106	0.1	98	0.1	218	0.1
Total	87,202	100.0	90,931	100.0	175,380	100.0

(ii) Interest on operating loans by region

Region	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)		For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)		For the prior fiscal year (From April 1, 2015 to March 31, 2016)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Hokkaido	2,215	3.8	2,203	3.8	4,422	3.8
Tohoku	3,603	6.2	3,659	6.2	7,236	6.2
Kanto	21,398	37.0	21,912	37.3	43,039	37.1
Chubu	8,459	14.6	8,386	14.3	16,893	14.5
Kinki	11,145	19.3	11,630	19.8	22,512	19.4
Chugoku	2,911	5.1	2,898	4.9	5,819	5.0
Shikoku	1,493	2.6	1,477	2.5	2,987	2.6
Kyushu	6,596	11.4	6,556	11.2	13,201	11.4
Total	57,821	100.0	58,725	100.0	116,112	100.0

(Note) The prefectures belonging to each region are as follows:

Hokkaido:	Hokkaido
Tohoku:	Aomori, Iwate, Miyagi, Akita, Yamagata and Fukushima
Kanto:	Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo and Kanagawa
Chubu:	Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Nagano, Gifu, Shizuoka and Aichi
Kinki:	Mie, Shiga, Kyoto, Osaka, Hyogo, Nara and Wakayama
Chugoku:	Tottori, Shimane, Okayama, Hiroshima and Yamaguchi
Shikoku:	Tokushima, Kagawa, Ehime and Kochi
Kyushu:	Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima and Okinawa

Total amount for each region is calculated based on the locations of sales outlets.

(c) Transaction volume and receivables outstanding at the end of the period for the financial service business segments

(i) Transaction volume

Business segment		For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)		For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)		For the prior fiscal year (From April 1, 2015 to March 31, 2016)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Loan business	Unsecured loans	190,854	94.5	190,380	93.0	376,923	94.2
	Consumer loans	190,854	94.5	190,380	93.0	376,923	94.2
	Commercial loans	—	—	—	—	—	—
	Secured loans	23	0.0	13	0.0	42	0.0
	Subtotal	190,877	94.5	190,394	93.0	376,966	94.2
Credit card business		11,114	5.5	14,350	7.0	23,381	5.8
Total		201,991	100.0	204,744	100.0	400,348	100.0

(Note) Details and transaction volume of the above financial service business segments are as follows:

Loan business Provision of loans by the Filing Company directly to customers. The scope of this segment's transaction volume is the amount of loans to customers.

Credit card business Provision of general financial services through the use of credit cards, based on comprehensive credit administration. The scope of transaction volume is the total amount of credit.

(ii) Receivables outstanding

Business segment		Prior second quarter (As of September 30, 2015)		Current second quarter (As of September 30, 2016)		Prior fiscal year (As of March 31, 2016)	
		Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Loan business	Unsecured loans	750,363	95.6	770,924	95.0	758,283	95.4
	Consumer loans	750,358	95.6	770,920	95.0	758,278	95.4
	Commercial loans	5	0.0	4	0.0	4	0.0
	Secured loans	9,730	1.3	8,010	1.0	8,844	1.1
	Subtotal	760,094	96.9	778,934	96.0	767,127	96.5
Credit card business		24,691	3.1	32,280	4.0	27,855	3.5
Total		784,786	100.0	811,215	100.0	794,982	100.0

(d) Increase/decrease and outstanding balance of accounts receivable - operating loans

(Millions of yen)

Item	Prior second quarter (As of September 30, 2015)			Current second quarter (As of September 30, 2016)			Prior fiscal year (As of March 31, 2016)		
	Total amount	Unsecured loans	Secured loans	Total amount	Unsecured loans	Secured loans	Total amount	Unsecured loans	Secured loans
Beginning balance	747,139	736,436	10,703	767,127	758,283	8,844	747,139	736,436	10,703
Loans made during the period	190,877	190,854	23	190,394	190,380	13	376,966	376,923	42
Collection during the period	161,979	161,031	948	162,308	161,518	789	324,832	323,040	1,792
Transfer of claims on bankruptcy and reorganization, etc.	235	230	5	236	229	7	483	470	13
Write-off of bad debts during the period	15,706	15,664	41	16,043	15,991	51	31,661	31,565	96
Other decreases	—	—	—	—	—	—	—	—	—
Final balance	760,094	750,363	9,730	778,934	770,924	8,010	767,127	758,283	8,844
Average loans receivable	751,659	741,388	10,270	771,933	763,418	8,514	757,167	747,347	9,819

(e) Breakdown of accounts receivable - operating loans

(i) By loan type

Loan type	Prior second quarter (As of September 30, 2015)					Current second quarter (As of September 30, 2016)					Prior fiscal year (As of March 31, 2016)					
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Average contracted interest rate (%)	
Consumer loans	Unsecured loans (excluding housing loans)	1,405,031	99.8	750,358	98.7	15.89	1,425,514	99.8	770,920	99.0	15.78	1,406,657	99.8	758,278	98.9	15.82
	Secured loans (excluding housing loans)	3,306	0.2	9,566	1.3	11.88	2,834	0.2	7,865	1.0	11.73	3,072	0.2	8,690	1.1	11.78
	Housing loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	Subtotal	1,408,337	100.0	759,925	100.0	15.84	1,428,348	100.0	778,785	100.0	15.74	1,409,729	100.0	766,969	100.0	15.78
Commercial loans	Unsecured loans	6	0.0	5	0.0	14.46	4	0.0	4	0.0	14.29	6	0.0	4	0.0	14.63
	Secured loans	36	0.0	164	0.0	9.05	29	0.0	144	0.0	8.89	33	0.0	153	0.0	8.99
	Subtotal	42	0.0	169	0.0	9.21	33	0.0	148	0.0	9.04	39	0.0	158	0.0	9.17
Total	1,408,379	100.0	760,094	100.0	15.84	1,428,381	100.0	778,934	100.0	15.74	1,409,768	100.0	767,127	100.0	15.78	

(ii) Breakdown of unsecured consumer loans by consumers' occupation

Occupation	Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Clerical work	196,512	14.0	129,394	17.2	201,271	14.1	132,606	17.2	197,681	14.0	130,763	17.3
Marketing	124,849	8.9	89,342	11.9	125,544	8.8	90,653	11.8	123,877	8.8	89,758	11.8
Sales	93,019	6.6	37,769	5.0	97,528	6.8	39,519	5.1	95,015	6.8	38,637	5.1
Labor	536,051	38.1	271,327	36.2	548,251	38.5	282,172	36.6	539,201	38.3	275,808	36.4
Drivers	77,435	5.5	46,343	6.2	77,095	5.4	46,996	6.1	76,862	5.5	46,511	6.1
Technicians and engineers	85,461	6.1	53,984	7.2	87,337	6.1	55,241	7.2	85,664	6.1	54,444	7.2
Management	159,597	11.4	76,230	10.2	159,361	11.2	77,695	10.1	158,532	11.3	76,559	10.1
Hospitality service	50,445	3.6	18,699	2.5	52,494	3.7	19,635	2.5	51,102	3.6	19,108	2.5
Others	81,662	5.8	27,266	3.6	76,633	5.4	26,398	3.4	78,723	5.6	26,686	3.5
Total	1,405,031	100.0	750,358	100.0	1,425,514	100.0	770,920	100.0	1,406,657	100.0	758,278	100.0

(iii) By industry

Industry	Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Agriculture, forestry and fishery	3	0.0	7	0.0	1	0.0	1	0.0	2	0.0	6	0.0
Construction	11	0.0	24	0.0	8	0.0	20	0.0	10	0.0	21	0.0
Manufacturing	4	0.0	7	0.0	3	0.0	6	0.0	4	0.0	7	0.0
Electricity; gas; heat supply; water supply	—	—	—	—	—	—	—	—	—	—	—	—
Information and communications	1	0.0	5	0.0	1	0.0	5	0.0	1	0.0	5	0.0
Transport and postal services	2	0.0	12	0.0	2	0.0	12	0.0	2	0.0	12	0.0
Wholesale and retail	8	0.0	22	0.0	7	0.0	17	0.0	8	0.0	20	0.0
Finance and insurance	3	0.0	23	0.0	2	0.0	22	0.0	3	0.0	23	0.0
Real estate, and goods rental and leasing	1	0.0	26	0.0	1	0.0	26	0.0	1	0.0	26	0.0
Accommodation, and food and beverage services	3	0.0	18	0.0	3	0.0	18	0.0	3	0.0	18	0.0
Education and educational support	—	—	—	—	—	—	—	—	—	—	—	—
Healthcare and welfare	1	0.0	0	0.0	1	0.0	0	0.0	1	0.0	0	0.0
Multiple services	—	—	—	—	—	—	—	—	—	—	—	—
Other services (Does not fall under any other category)	5	0.0	21	0.0	4	0.0	15	0.0	4	0.0	16	0.0
Individuals	1,408,337	100.0	759,925	100.0	1,428,348	100.0	778,785	100.0	1,409,729	100.0	766,969	100.0
Specified nonprofit organization	—	—	—	—	—	—	—	—	—	—	—	—
Others	—	—	—	—	—	—	—	—	—	—	—	—
Total	1,408,379	100.0	760,094	100.0	1,428,381	100.0	778,934	100.0	1,409,768	100.0	767,127	100.0

(Note) Commercial loans to sole proprietors are included in corresponding categories other than "Individuals."

(iv) Breakdown of unsecured consumer loans receivable by consumers' sex and age

Sex and age		Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Male	18-19 years	—	—	—	—	—	—	—	—	—	—	—	
	20-29	232,524	16.5	99,161	13.2	247,611	17.4	107,254	13.9	238,489	17.0	102,911	13.6
	30-39	266,417	19.0	153,240	20.4	264,696	18.6	155,490	20.2	263,915	18.8	153,692	20.3
	40-49	257,430	18.3	181,766	24.2	258,255	18.1	185,393	24.0	255,620	18.2	182,375	24.0
	50-59	174,322	12.4	132,072	17.6	170,898	12.0	130,799	17.0	172,150	12.2	131,387	17.3
	60 years and older	116,159	8.3	56,692	7.6	115,785	8.1	57,616	7.5	116,017	8.2	57,498	7.6
	Subtotal	1,046,852	74.5	622,933	83.0	1,057,245	74.2	636,555	82.6	1,046,191	74.4	627,865	82.8
Female	18-19 years	—	—	—	—	—	—	—	—	—	—	—	
	20-29	75,818	5.4	24,399	3.3	82,428	5.8	26,739	3.5	78,077	5.5	25,362	3.4
	30-39	82,221	5.9	29,632	4.0	82,092	5.8	30,256	3.9	81,278	5.8	29,731	3.9
	40-49	89,864	6.4	34,091	4.5	93,346	6.5	36,429	4.7	90,847	6.5	35,143	4.6
	50-59	63,687	4.5	25,457	3.4	64,367	4.5	26,599	3.4	63,972	4.5	26,054	3.4
	60 years and older	46,589	3.3	13,844	1.8	46,036	3.2	14,339	1.9	46,292	3.3	14,122	1.9
	Subtotal	358,179	25.5	127,425	17.0	368,269	25.8	134,364	17.4	360,466	25.6	130,413	17.2
Total	1,405,031	100.0	750,358	100.0	1,425,514	100.0	770,920	100.0	1,406,657	100.0	758,278	100.0	

(v) By collateral type

Collateral accepted	Prior second quarter (As of September 30, 2015)		Current second quarter (As of September 30, 2016)		Prior fiscal year (As of March 31, 2016)	
	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)	Amount (Millions of yen)	Proportion (%)
Securities	—	—	—	—	—	—
(Stocks included in the above)	(—)	(—)	(—)	(—)	(—)	(—)
Credit	—	—	—	—	—	—
(Deposits included in the above)	(—)	(—)	(—)	(—)	(—)	(—)
Merchandise	—	—	—	—	—	—
Real estate	9,675	1.3	7,932	1.0	8,766	1.2
Foundations	—	—	—	—	—	—
Others	55	0.0	77	0.0	77	0.0
Subtotal	9,730	1.3	8,010	1.0	8,844	1.2
Guarantee	—	—	—	—	—	—
Unsecured	750,363	98.7	770,924	99.0	758,283	98.8
Total	760,094	100.0	778,934	100.0	767,127	100.0

(vi) By loan amount

Loan amount		Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Due within 100,000 yen	172,700	12.3	10,663	1.4	175,314	12.3	10,868	1.4	170,790	12.1	10,545	1.4
	Due over 100,000 yen through 300,000 yen	342,611	24.3	72,597	9.6	329,087	23.0	69,259	8.9	331,652	23.5	69,877	9.1
	Due over 300,000 yen through 500,000 yen	468,660	33.3	202,353	26.6	484,619	33.9	209,723	26.9	475,894	33.8	205,566	26.8
	Due over 500,000 yen	421,066	29.9	464,750	61.1	436,498	30.6	481,072	61.8	428,327	30.4	472,293	61.5
	Subtotal	1,405,037	99.8	750,363	98.7	1,425,518	99.8	770,924	99.0	1,406,663	99.8	758,283	98.8
Secured loans	Due within 1 million yen	619	0.0	340	0.1	608	0.1	322	0.0	619	0.0	333	0.1
	Due over 1 million yen through 5 million yen	2,310	0.2	6,178	0.8	1,915	0.1	5,025	0.6	2,111	0.2	5,586	0.7
	Due over 5 million yen through 10 million yen	346	0.0	2,311	0.3	285	0.0	1,913	0.3	313	0.0	2,089	0.3
	Due over 10 million yen through 50 million yen	67	0.0	900	0.1	55	0.0	748	0.1	62	0.0	834	0.1
	Due over 50 million yen through 100 million yen	—	—	—	—	—	—	—	—	—	—	—	—
	Due over 100 million yen	—	—	—	—	—	—	—	—	—	—	—	—
	Subtotal	3,342	0.2	9,730	1.3	2,863	0.2	8,010	1.0	3,105	0.2	8,844	1.2
Total		1,408,379	100.0	760,094	100.0	1,428,381	100.0	778,934	100.0	1,409,768	100.0	767,127	100.0
Average loans receivable per contract (Thousands of yen)		—	—	539	—	—	—	545	—	—	—	544	—
Unsecured loans		—	—	534	—	—	—	540	—	—	—	539	—
Secured loans		—	—	2,911	—	—	—	2,797	—	—	—	2,848	—

(vii) By loan term

Loan term	Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)				
	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	
Unsecured loans	Revolving	1,314,402	93.3	702,560	92.4	1,335,626	93.5	722,809	92.8	1,316,890	93.4	709,894	92.5
	Due within 1 year	912	0.1	133	0.0	811	0.1	99	0.0	971	0.1	135	0.0
	Due after 1 year through 5 years	40,307	2.9	14,361	1.9	37,188	2.6	13,285	1.7	38,045	2.7	13,683	1.8
	Due after 5 years through 10 years	17,940	1.3	8,591	1.1	22,952	1.6	11,446	1.5	20,014	1.4	9,893	1.3
	Due after 10 years through 15 years	31,436	2.2	24,680	3.3	28,893	2.0	23,242	3.0	30,694	2.2	24,633	3.2
	Due after 15 years through 20 years	35	0.0	30	0.0	43	0.0	36	0.0	44	0.0	37	0.0
	Due after 20 years through 25 years	5	0.0	5	0.0	5	0.0	4	0.0	5	0.0	4	0.0
	Due after 25 years	—	—	—	—	—	—	—	—	—	—	—	—
	Subtotal	1,405,037	99.8	750,363	98.7	1,425,518	99.8	770,924	99.0	1,406,663	99.8	758,283	98.8
	Secured loans	Revolving	2,610	0.2	7,190	1.0	2,205	0.2	5,794	0.8	2,400	0.2	6,455
Due within 1 year		19	0.0	72	0.0	15	0.0	52	0.0	23	0.0	88	0.0
Due after 1 year through 5 years		144	0.0	197	0.0	140	0.0	245	0.0	145	0.0	226	0.0
Due after 5 years through 10 years		335	0.0	815	0.1	293	0.0	678	0.1	317	0.0	747	0.1
Due after 10 years through 15 years		66	0.0	304	0.1	71	0.0	304	0.0	69	0.0	310	0.1
Due after 15 years through 20 years		36	0.0	195	0.0	26	0.0	132	0.0	28	0.0	147	0.0
Due after 20 years through 25 years		132	0.0	954	0.1	110	0.0	788	0.1	122	0.0	859	0.1
Due after 25 years		—	—	—	—	3	0.0	12	0.0	1	0.0	8	0.0
Subtotal		3,342	0.2	9,730	1.3	2,863	0.2	8,010	1.0	3,105	0.2	8,844	1.2
Revolving		1,317,012	93.5	709,751	93.4	1,337,831	93.7	728,604	93.6	1,319,290	93.6	716,350	93.4
Due within 1 year	931	0.1	205	0.0	826	0.1	151	0.0	994	0.1	223	0.0	
Due after 1 year through 5 years	40,451	2.9	14,559	1.9	37,328	2.6	13,530	1.7	38,190	2.7	13,909	1.8	
Due after 5 years through 10 years	18,275	1.3	9,407	1.3	23,245	1.6	12,125	1.6	20,331	1.4	10,640	1.4	
Due after 10 years through 15 years	31,502	2.2	24,985	3.3	28,964	2.0	23,546	3.0	30,763	2.2	24,944	3.3	
Due after 15 years through 20 years	71	0.0	226	0.0	69	0.0	168	0.0	72	0.0	185	0.0	
Due after 20 years through 25 years	137	0.0	959	0.1	115	0.0	793	0.1	127	0.0	864	0.1	
Due after 25 years	—	—	—	—	3	0.0	12	0.0	1	0.0	8	0.0	
Total	1,408,379	100.0	760,094	100.0	1,428,381	100.0	778,934	100.0	1,409,768	100.0	767,127	100.0	
Average term per contract			—				—				—		

(Note) “Average term per contract” is not calculated since revolving loan contracts are included in the table above.

(viii) By interest rate

Interest rate		Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	10% p.a. or less	71,265	5.1	32,487	4.3	72,361	5.1	34,692	4.4	70,646	5.0	33,116	4.3
	Above 10.0% to 15.0% p.a.	338,196	24.0	350,140	46.0	346,585	24.2	363,630	46.7	343,059	24.3	357,654	46.6
	Above 15.0% to 18.0% p.a.	948,491	67.3	345,412	45.4	975,074	68.3	357,172	45.9	956,023	67.8	349,646	45.6
	Above 18.0% to 20.0% p.a.	2,730	0.2	4,314	0.6	2,035	0.1	3,166	0.4	2,237	0.2	3,548	0.4
	Above 20.0% p.a.	44,355	3.2	18,009	2.4	29,463	2.1	12,262	1.6	34,698	2.5	14,317	1.9
Subtotal		1,405,037	99.8	750,363	98.7	1,425,518	99.8	770,924	99.0	1,406,663	99.8	758,283	98.8
Secured loans	10% p.a. or less	699	0.0	2,776	0.4	629	0.0	2,364	0.3	668	0.0	2,580	0.4
	Above 10.0% to 15.0% p.a.	2,642	0.2	6,952	0.9	2,233	0.2	5,644	0.7	2,436	0.2	6,262	0.8
	Above 15.0% to 18.0% p.a.	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0	1	0.0
	Subtotal	3,342	0.2	9,730	1.3	2,863	0.2	8,010	1.0	3,105	0.2	8,844	1.2
Total		1,408,379	100.0	760,094	100.0	1,428,381	100.0	778,934	100.0	1,409,768	100.0	767,127	100.0

(ix) By product type

Product type		Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Comprehensive contract type (Card loans)	1,314,402	93.3	702,560	92.4	1,335,626	93.5	722,809	92.8	1,316,890	93.4	709,894	92.5
	Individual contract type	90,629	6.5	47,797	6.3	89,888	6.3	48,110	6.2	89,767	6.4	48,383	6.3
	Commercial loans	6	0.0	5	0.0	4	0.0	4	0.0	6	0.0	4	0.0
	Subtotal	1,405,037	99.8	750,363	98.7	1,425,518	99.8	770,924	99.0	1,406,663	99.8	758,283	98.8
Secured loans	Real estate card loans	3,134	0.2	8,352	1.1	2,680	0.2	6,835	0.9	2,910	0.2	7,580	1.0
	Mortgage loans	193	0.0	1,299	0.2	169	0.0	1,097	0.1	181	0.0	1,185	0.2
	Loans backed by securities or golf club memberships	15	0.0	78	0.0	14	0.0	77	0.0	14	0.0	77	0.0
	Commercial loans	—	—	—	—	—	—	—	—	—	—	—	—
	Subtotal	3,342	0.2	9,730	1.3	2,863	0.2	8,010	1.0	3,105	0.2	8,844	1.2
Total		1,408,379	100.0	760,094	100.0	1,428,381	100.0	778,934	100.0	1,409,768	100.0	767,127	100.0

(x) By region

Region		Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
		Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)	Number of loan contracts	Proportion (%)	Outstanding balance (Millions of yen)	Proportion (%)
Unsecured loans	Hokkaido	54,303	3.8	27,523	3.6	53,343	3.7	27,746	3.6	53,271	3.8	27,460	3.6
	Tohoku	87,394	6.2	45,398	6.0	87,174	6.1	46,497	6.0	86,575	6.1	45,780	6.0
	Kanto	523,869	37.2	283,359	37.3	535,362	37.5	291,978	37.5	526,200	37.3	286,590	37.3
	Chubu	183,882	13.1	106,561	14.0	181,237	12.7	106,966	13.7	181,114	12.9	106,229	13.8
	Kinki	291,235	20.7	150,437	19.8	307,655	21.5	159,794	20.5	298,754	21.2	154,989	20.2
	Chugoku	65,979	4.7	36,538	4.8	65,088	4.6	36,947	4.7	65,087	4.6	36,658	4.8
	Shikoku	35,016	2.5	18,609	2.4	34,258	2.4	18,525	2.4	34,443	2.5	18,550	2.4
	Kyushu	163,359	11.6	81,936	10.8	161,401	11.3	82,467	10.6	161,219	11.4	82,025	10.7
	Subtotal	1,405,037	99.8	750,363	98.7	1,425,518	99.8	770,924	99.0	1,406,663	99.8	758,283	98.8
Secured loans	Hokkaido	170	0.0	390	0.0	139	0.0	305	0.0	155	0.0	354	0.0
	Tohoku	208	0.0	498	0.1	173	0.0	370	0.0	191	0.0	438	0.1
	Kanto	1,139	0.1	3,663	0.5	992	0.1	3,077	0.4	1,066	0.1	3,330	0.4
	Chubu	486	0.0	1,471	0.2	431	0.0	1,216	0.2	456	0.0	1,340	0.2
	Kinki	843	0.1	2,414	0.3	726	0.1	2,005	0.3	791	0.1	2,221	0.3
	Chugoku	148	0.0	446	0.1	124	0.0	366	0.0	136	0.0	403	0.1
	Shikoku	59	0.0	157	0.0	55	0.0	130	0.0	59	0.0	151	0.0
	Kyushu	289	0.0	690	0.1	223	0.0	538	0.1	251	0.0	604	0.1
	Subtotal	3,342	0.2	9,730	1.3	2,863	0.2	8,010	1.0	3,105	0.2	8,844	1.2
Total	1,408,379	100.0	760,094	100.0	1,428,381	100.0	778,934	100.0	1,409,768	100.0	767,127	100.0	

(xi) Accounts receivable - operating loans per outlet and per employee

Item	Prior second quarter (As of September 30, 2015)		Current second quarter (As of September 30, 2016)		Prior fiscal year (As of March 31, 2016)	
	Number of loan contracts	Outstanding balance (Millions of yen)	Number of loan contracts	Outstanding balance (Millions of yen)	Number of loan contracts	Outstanding balance (Millions of yen)
Per loan business outlet	36,112	19,489	36,625	19,972	36,147	19,669
Per loan business employee	1,347	727	1,392	759	1,401	762

(Notes)

1. Accounts receivable - operating loans per loan business outlet	=	$\frac{\text{Accounts receivable - operating loans at the end of the period}}{\text{Number of staffed loan outlets at the end of the period}}$
2. Accounts receivable - operating loans per loan business employee	=	$\frac{\text{Accounts receivable - operating loans at the end of the period}}{\text{Number of employees at the end of the period}}$

The number of employees at the end of the period is the number of employees who work at contact center and the loan business outlets. The numbers as of the end of the second quarter of the prior fiscal year, as of the end of the current second quarter and as of the end of the prior fiscal year were 1,045 employees, 1,026 employees and 1,006 employees, respectively.

(f) Number of outlets and employees by region

(i) Number of outlets by region

Region	Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
	Total	Proportion (%)	Loan outlets	Proportion (%)	Total	Proportion (%)	Loan outlets	Proportion (%)	Total	Proportion (%)	Loan outlets	Proportion (%)
Hokkaido	1	2.6	1	2.6	1	2.6	1	2.6	1	2.6	1	2.6
Tohoku	2	5.1	2	5.1	2	5.1	2	5.1	2	5.1	2	5.1
Kanto	16	41.0	16	41.0	16	41.0	16	41.0	16	41.0	16	41.0
Chubu	6	15.4	6	15.4	6	15.4	6	15.4	6	15.4	6	15.4
Kinki	7	17.9	7	17.9	7	17.9	7	17.9	7	17.9	7	17.9
Chugoku	2	5.1	2	5.1	2	5.1	2	5.1	2	5.1	2	5.1
Shikoku	1	2.6	1	2.6	1	2.6	1	2.6	1	2.6	1	2.6
Kyushu	4	10.3	4	10.3	4	10.3	4	10.3	4	10.3	4	10.3
Total	39	100.0	39	100.0	39	100.0	39	100.0	39	100.0	39	100.0

(Note) The above number of outlets in each region is the number of staffed outlets.

(ii) Number of employees by region

Region	Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
	Total	Proportion (%)	Loan outlets	Proportion (%)	Total	Proportion (%)	Loan outlets	Proportion (%)	Total	Proportion (%)	Loan outlets	Proportion (%)
Hokkaido	9	0.5	9	0.9	9	0.5	9	0.8	8	0.4	8	0.8
Tohoku	16	0.8	16	1.5	15	0.8	15	1.5	15	0.8	15	1.5
Kanto	1,388	71.7	613	58.7	1,372	71.6	597	58.2	1,356	71.7	583	57.9
Chubu	41	2.1	41	3.9	36	1.9	36	3.5	39	2.1	39	3.9
Kinki	427	22.1	312	29.8	436	22.7	321	31.3	421	22.2	308	30.6
Chugoku	16	0.8	16	1.5	15	0.8	15	1.5	15	0.8	15	1.5
Shikoku	8	0.4	8	0.8	7	0.4	7	0.7	8	0.4	8	0.8
Kyushu	30	1.6	30	2.9	26	1.3	26	2.5	30	1.6	30	3.0
Total	1,935	100.0	1,045	100.0	1,916	100.0	1,026	100.0	1,892	100.0	1,006	100.0

(Note) The number of employees of "Loan outlets" is the number of employees at the end of the period working at contact center and loan business outlets.

(g) Breakdown of funds

(i) Breakdown by funding sources

Funding sources, etc.	Prior second quarter (As of September 30, 2015)		Current second quarter (As of September 30, 2016)		Prior fiscal year (As of March 31, 2016)	
	Outstanding balance (Millions of yen)	Average interest rate (%)	Outstanding balance (Millions of yen)	Average interest rate (%)	Outstanding balance (Millions of yen)	Average interest rate (%)
Borrowings from financial institutions, etc.	385,097	1.50	383,635	1.25	382,956	1.35
Others	196,000	0.90	185,999	0.83	171,000	0.88
(Corporate bonds, CPs)	(196,000)	(0.90)	(185,999)	(0.83)	(171,000)	(0.88)
Total	581,097	1.30	569,634	1.12	553,956	1.21
Owners' equity	439,789	—	441,968	—	442,399	—
(Capital stock)	(63,832)	(—)	(63,832)	(—)	(63,832)	(—)

(Notes) 1. "Owners' equity" was calculated by deducting total liabilities and the planned amount of dividend from total assets, and then adding the total amount of reserves (including reserves under special laws).

2. "Borrowings from financial institutions, etc." as of September 30, 2015, includes 2,285 million yen borrowings by liquidation of receivables.

(ii) Breakdown by financial institution

(Millions of yen)

Financial institution		Prior second quarter (As of September 30, 2015)				Current second quarter (As of September 30, 2016)				Prior fiscal year (As of March 31, 2016)			
		Beginning balance	Amount procured	Amount repaid	Final balance	Beginning balance	Amount procured	Amount repaid	Final balance	Beginning balance	Amount procured	Amount repaid	Final balance
Borrowings	City banks, etc.	131,243	14,200	13,656	131,787	130,615	14,000	12,972	131,643	131,243	25,700	26,328	130,615
	Regional banks	36,186	8,900	7,294	37,791	37,156	5,800	6,679	36,277	36,186	16,000	15,030	37,156
	Trust banks	150,808	33,266	33,366	150,708	156,608	16,490	16,590	156,508	150,808	55,730	49,930	156,608
	Foreign banks	5,000	—	1,200	3,800	3,400	—	1,400	2,000	5,000	—	1,600	3,400
	Life insurance companies	22,031	5,500	6,165	21,366	21,862	4,000	5,302	20,560	22,031	11,500	11,669	21,862
	Non-life insurance companies	3,348	1,000	329	4,019	3,672	—	82	3,590	3,348	1,000	676	3,672
	Business corporations (leasing and financing companies, etc.)	3,502	—	932	2,570	2,838	500	556	2,782	3,502	1,200	1,864	2,838
	Other financial institutions	35,796 (5,036)	5,000 (—)	7,740 (2,750)	33,055 (2,285)	26,805 (—)	8,750 (—)	5,280 (—)	30,275 (—)	35,796 (5,036)	10,500 (—)	19,491 (5,036)	26,805 (—)
Subtotal	387,914	67,866	70,683	385,097	382,956	49,540	48,861	383,635	387,914	121,630	126,588	382,956	
Commercial papers	—	—	—	—	—	4,999	—	4,999	—	—	—	—	
Corporate bonds (including current portion of bonds payable)	171,000	25,000	—	196,000	171,000	10,000	—	181,000	171,000	25,000	25,000	171,000	
Subtotal	171,000	25,000	—	196,000	171,000	14,999	—	185,999	171,000	25,000	25,000	171,000	
Total	558,914	92,866	70,683	581,097	553,956	64,539	48,861	569,634	558,914	146,630	151,588	553,956	

(Notes) 1. "City banks, etc." include Shinsei Bank, Limited and Aozora Bank, Ltd.

2. Figures in parentheses in the "Other financial institutions" are borrowings by liquidation of receivables.

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 second quarter (September 30, 2016)	As of the submission date (November 14, 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 July 1, 2016 to September 30, 2016	—	1,596,282	—	63,832	—	72,322

(6) Major shareholders

As of September 30, 2016

Name	Address	Number of shares held (Thousands of shares)	Percentage of shares held to the total number of issued shares (%)
Mitsubishi UFJ Financial Group, Inc.	7-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	588,723	36.88
Maruito Shokusan Co., Ltd.	2-3, Minatomachi 1-chome, Naniwa-ku, Osaka-shi	273,467	17.13
Maruito Co., Ltd.	2-3, Minatomachi 1-chome, Naniwa-ku, Osaka-shi	125,533	7.86
Foundation of Kinoshita Memorial Enterprise	2-14, Motomachi-dori 6-chome, Chuo-ku, Kobe-shi	92,192	5.77
Maruito Shoten Co., Ltd.	2-3, Minatomachi 1-chome, Naniwa-ku, Osaka-shi	38,733	2.42
General Incorporated Association Kyoekai Trust Account	16-7, Ginza 1-chome, Chuo-ku, Tokyo	32,598	2.04
Mitsubishi UFJ Trust and Banking Corporation (Standing proxy: The Master Trust Bank of Japan, Ltd.)	11-3, Hamamatsu-cho 2-chome, Minato-ku, Tokyo	31,572	1.97
Shigeyoshi Kinoshita	Minato-ku, Tokyo	30,007	1.87
NOBUKA CO., LTD.	2-3, Minatomachi 1-chome, Naniwa-ku, Osaka-shi	30,000	1.87
Japan Trustee Services Bank, Ltd. (Trust account 4)	8-11, Harumi 1-chome, Chuo-ku, Tokyo	26,711	1.67
Total	—	1,269,540	79.53

- (Notes) 1. In addition to the shares above, the Company owns 29,668 thousand shares of treasury stocks (1.85%).
2. In “Number of shares held,” figures less than one thousand shares are truncated.

(7) Status of voting rights

1) Issued shares

As of September 30, 2016

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 29,668,500	—	—
Shares with full voting rights (others)	Common stock 1,566,599,000	15,665,990	—
Shares less than one unit	Common stock 15,300	—	—
Total number of shares issued	1,596,282,800	—	—
Total voting rights held by all shareholders	—	15,665,990	—

- (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, 2016

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	29,668,500	—	29,668,500	1.85
Total	—	29,668,500	—	29,668,500	1.85

2. Directors

There was no change in directors for the six months ended September 30, 2016, 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 second quarter (from July 1, 2016, to September 30, 2016) and for the six months ended September 30, 2016 (from April 1, 2016, to September 30, 2016) 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, 2016)	Current second quarter (As of September 30, 2016)
Assets		
Current assets		
Cash and deposits	87,506	80,618
Accounts receivable - operating loans	*2 902,150	*2 903,967
Loans receivable of banking business	56,575	46,402
Accounts receivable - installment	28,393	32,725
Purchased receivables	10,709	11,290
Short-term investment securities	545	355
Trading account securities	692	2,363
Raw materials and supplies	67	59
Deferred tax assets	33,179	35,106
Other	59,903	62,403
Allowance for doubtful accounts	(58,094)	(60,106)
Total current assets	1,121,629	1,115,188
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,826	5,557
Equipment, net	10,580	10,548
Land	6,234	6,222
Other, net	854	685
Total property, plant and equipment	23,495	23,014
Intangible assets		
Goodwill	6,459	5,967
Software	5,973	5,485
Other	42	42
Total intangible assets	12,476	11,495
Investments and other assets		
Investment securities	4,962	4,894
Net defined benefit asset	4,374	4,139
Guarantee deposits	5,632	5,605
Other	*2 3,177	*2 3,208
Allowance for doubtful accounts	(685)	(726)
Total investments and other assets	17,462	17,121
Total noncurrent assets	53,434	51,631
Total assets	1,175,063	1,166,819

(Millions of yen)

	Prior fiscal year (As of March 31, 2016)	Current second quarter (As of September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	385	370
Short-term loans payable	18,286	19,232
Commercial papers	—	4,999
Current portion of long-term loans payable	103,758	102,426
Current portion of bonds	16,700	27,930
Deposits of banking business	63,875	54,985
Income taxes payable	3,136	3,450
Provision for loss on guarantees	*1 8,093	*1 7,757
Asset retirement obligations	14	26
Deferred installment income	64	55
Other	13,214	11,928
Total current liabilities	227,529	233,163
Noncurrent liabilities		
Bonds payable	193,058	187,070
Long-term loans payable	316,766	313,605
Deferred tax liabilities	3,913	3,843
Provision for directors' retirement benefits	26	25
Provision for loss on interest repayment	90,000	54,743
Net defined benefit liability	207	195
Asset retirement obligations	4,546	4,528
Other	881	620
Total noncurrent liabilities	609,401	564,632
Total liabilities	836,930	797,796
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,578	73,578
Retained earnings	204,025	239,953
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	321,641	357,569
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	5
Foreign currency translation adjustment	1,669	(2,615)
Remeasurements of defined benefit plans	57	(37)
Total accumulated other comprehensive income	1,735	(2,648)
Non-controlling interests	14,755	14,101
Total net assets	338,132	369,023
Total liabilities and net assets	1,175,063	1,166,819

(2) Quarterly Consolidated Statement of Income and
Quarterly Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)
Six months ended September 30

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)		For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)	
Operating revenue				
Interest on operating loans		75,509		76,138
Interest on loans of banking business		4,218		3,422
Revenue from credit card business		1,593		2,047
Revenue from installment sales finance business		48		34
Revenue from credit guarantee		20,995		24,389
Collection from purchased receivable		2,674		2,810
Other financial revenue	*1	712	*1	404
Other operating revenue		12,655		11,775
Total operating revenue		118,407		121,023
Operating expenses				
Financial expenses	*2	9,239	*2	7,109
Cost of purchased receivable		1,129		1,144
Other operating expenses	*3	71,120	*3	74,502
Total operating expenses		81,490		82,756
Operating income		36,917		38,266
Non-operating income				
Interest income		146		143
Dividend income		10		7
Equity in earnings of affiliates		5		10
House rent income		154		140
Other		85		61
Total non-operating income		401		364
Non-operating expenses				
Interest expenses		10		6
Foreign exchange losses		95		91
Other		34		48
Total non-operating expenses		139		146
Ordinary income		37,179		38,484

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Extraordinary income		
Gain on sales of noncurrent assets	0	1
Gain on sales of investment securities	0	—
Total extraordinary income	0	1
Extraordinary loss		
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	10	47
Loss on valuation of investment securities	0	—
Other	0	0
Total extraordinary losses	12	49
Income before income taxes	37,167	38,436
Income taxes-current	1,957	3,170
Income taxes-deferred	(321)	(2,187)
Total income taxes	1,635	982
Profit	35,531	37,453
Profit attributable to non-controlling interests	1,717	1,525
Profit attributable to owners of parent	33,814	35,927

(Quarterly Consolidated Statement of Comprehensive Income)
Six months ended September 30

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Profit	35,531	37,453
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(2)
Foreign currency translation adjustment	(893)	(6,113)
Remeasurements of defined benefit plans, net of tax	(131)	(91)
Total other comprehensive income	(1,026)	(6,207)
Comprehensive income	34,504	31,245
Comprehensive income attributable to:		
Owners of parent	33,094	31,543
Non-controlling interests	1,409	(298)

(3) Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	37,167	38,436
Depreciation and amortization	2,015	2,065
Amortization of goodwill	492	492
Increase (decrease) in allowance for doubtful accounts	2,069	3,309
Increase (decrease) in provision for loss on guarantees	414	(335)
Increase (decrease) in net defined benefit liability	14	16
Increase (decrease) in provision for directors' retirement benefits	(1)	(0)
Increase (decrease) in provision for loss on interest repayment	(32,737)	(35,256)
Interest and dividends income	(156)	(151)
Interest expenses	10	6
Amortization of bond issuance cost	281	87
Foreign exchange losses (gains)	262	112
Equity in (earnings) losses of affiliates	(5)	(10)
Loss (gain) on sales of property, plant and equipment	0	0
Loss on retirement of property, plant and equipment	10	47
Loss (gain) on sales of investment securities	(0)	—
Loss (gain) on valuation of investment securities	0	—
Decrease (increase) in accounts receivable - operating loans	(17,271)	(18,878)
Decrease (increase) in loans receivable of banking business	1,250	4,663
Decrease (increase) in accounts receivable - installment	(3,046)	(4,395)
Decrease (increase) in purchased receivables	(1,016)	(580)
Decrease (increase) in net defined benefit asset	265	236
Decrease (increase) in trading account securities	160	(1,852)
Decrease (increase) in inventories	214	5
Decrease (increase) in other current assets	(2,065)	(3,647)
Increase (decrease) in notes and accounts payable-trade	112	(13)
Increase (decrease) in deposits of banking business	(4,083)	(2,506)
Increase (decrease) in deferred installment income	(10)	(1)
Increase (decrease) in other current liabilities	(1,607)	(605)
Increase (decrease) by other operating activities	151	503
Subtotal	(17,107)	(18,251)
Interest and dividends income received	156	150
Interest expenses paid	(10)	(6)
Income taxes refund	352	—
Income taxes paid	(2,344)	(2,845)
Net cash provided by (used in) operating activities	(18,953)	(20,953)

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(376)	(959)
Proceeds from sales of property, plant and equipment	0	1
Purchase of intangible assets	(575)	(591)
Purchase of investment securities	(580)	(364)
Proceeds from sales of investment securities	0	142
Increase (decrease) by other investing activities	230	(80)
Net cash provided by (used in) investing activities	(1,300)	(1,852)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	45,708	67,994
Repayments of short-term loans payable	(64,866)	(65,047)
Proceeds from issuance of commercial papers	—	4,999
Proceeds from issuance of bonds	38,003	22,512
Payments at maturity of bonds	(8,541)	(12,600)
Proceeds from long-term loans payable	70,128	52,879
Repayment of long-term loans payable	(57,689)	(52,351)
Repayments of finance lease obligations	(229)	(194)
Purchase of treasury stock	(0)	—
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	0
Dividends paid to non-controlling interests	(470)	(355)
Net cash provided by (used in) financing activities	22,042	17,836
Effect of exchange rate change on cash and cash equivalents	(275)	(893)
Net increase (decrease) in cash and cash equivalents	1,513	(5,862)
Cash and cash equivalents at beginning of period	122,306	83,275
Cash and cash equivalents at end of period	* 123,819	* 77,413

[Notes]

(Supplemental Information)

Effective from the three months ended June 30, 2016, the Company has adopted the “Revised Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

(Notes to Quarterly Consolidated Balance Sheet)

*1. Contingent liabilities

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2016)	Current second quarter (As of September 30, 2016)
Outstanding guarantee obligation in the guarantee business	987,508	1,058,866
Outstanding guarantee obligation in the banking business	931	737
Provision for loss on guarantees	8,093	7,757
Net	980,346	1,051,846

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

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2016)	Current second quarter (As of September 30, 2016)
Loans to bankrupt parties	712	712
Loans in arrears	24,051	24,550
Loans overdue by three months or more	4,249	4,198
Restructured loans	28,674	28,799
Total	57,687	58,261

- (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 six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Interest on deposits	42	46
Interest on securities	47	64
Interest on loans	3	—
Interest on deposits with banks	229	110
Gain on valuation of derivatives	203	—

*2. Major items of financial expenses

	(Millions of yen)	
	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Interest expenses	3,973	3,486
Interest on bonds	1,767	1,393
Amortization of bond issuance costs	281	87
Interest expenses for deposits of banking business	2,631	1,824
Foreign exchange losses	174	46

*3. Major expense items of other operating expenses

	(Millions of yen)	
	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Advertising expenses	5,746	5,944
Provision of allowance for doubtful accounts	23,927	27,177
Provision for loss on guarantees	4,678	4,722
Employees' salaries and bonuses	9,465	9,295
Retirement benefit expenses	289	324
Provision for directors' retirement benefits	3	2
Rent expenses	3,451	3,310
Depreciation	2,015	2,065
Commission fee	11,317	11,571
Amortization of goodwill	492	492

4. 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)

* Relationship between the quarter-end balance of cash and cash equivalents and the amount of quarterly consolidated balance sheet items

	(Millions of yen)	
	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Cash and deposits	124,309	80,618
Short-term investment securities	4,656	355
Time deposits with original maturities of more than three months	(6)	(5)
Cash reserved for banking business	(4,983)	(3,200)
Bonds with maturities of more than three months	(156)	(355)
Cash and cash equivalents	123,819	77,413

(Notes to Shareholders' Equity)

For the six months ended September 30, 2015 (from April 1, 2015, to September 30, 2015)

1. Dividends paid
Not applicable

2. Dividends whose record date falls in the six months ended September 30, 2015, but whose effective date is after September 30, 2015
Not applicable

For the six months ended September 30, 2016 (from April 1, 2016, to September 30, 2016)

1. Dividends paid
Not applicable

2. Dividends whose record date falls in the six months ended September 30, 2016, but whose effective date is after September 30, 2016
Not applicable

(Segments and related information)
 [Segment information]

I. For the six months ended September 30, 2015 (from April 1, 2015, to September 30, 2015)

1. Operating revenue and income or loss by reported segment

(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	66,463	23,686	24,517	3,235	117,903	504	118,407
Revenues from transactions with other operating segments	—	—	(189)	—	(189)	93	(96)
Total	66,463	23,686	24,328	3,235	117,713	597	118,311
Segment income	22,552	7,209	5,685	1,082	36,530	369	36,899

(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	36,530
Income of “Others” category	369
Elimination of intersegment transactions	84
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	(66)
Operating income in quarterly consolidated statement of income	36,917

II. For the six months ended September 30, 2016 (from April 1, 2016, to September 30, 2016)

1. Operating revenue and income or loss by reported segment

(Millions of yen)

	Reported segments					Others (Note) 1	Total
	Loan and credit card business	Guarantee business	Overseas financial business	Loan servicing business	Subtotal		
Operating revenue							
Operating revenue from external customers	67,636	27,332	22,748	3,305	121,023	0	121,023
Revenues from transactions with other operating segments	—	—	7	—	7	98	105
Total	67,636	27,332	22,756	3,305	121,030	98	121,128
Segment income	22,978	8,291	6,247	526	38,044	98	38,142

(Notes) 1. The “Others” category refers to operating revenue and income which are not included in the reported segments.

2. Effective from the current second quarter, the “Loan and credit card business” was renamed in the original Japanese (no change in English). The change hereof only affects the segment name and has no impact on segment information. Segment information for the six months ended September 30, 2015 is presented with the renamed segment (no change in English).

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	38,044
Income of “Others” category	98
Elimination of intersegment transactions	52
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	71
Operating income in quarterly consolidated statement of income	38,266

(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 six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Basic earnings per share	21.58 yen	22.93 yen
(Basis for calculation)		
Profit attributable to owners of parent	33,814	35,927
Profit not attributable to common shareholders	—	—
Profit attributable to owners of parent related to common stock	33,814	35,927
Weighted average number of common stock during the quarter	1,566,614,263 shares	1,566,614,208 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