

Quarterly Securities Report

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

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[Article of the Applicable Law Requiring Submission of This Document]	Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan
[Submitted to]	Director, Kanto Local Finance Bureau
[Date of Submission]	February 13, 2015
[Quarterly Accounting Period]	The Third Quarter of the 38th Fiscal Year (from October 1, 2014 to December 31, 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
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[Phone No.]	03-5533-0811 (main)
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[Place Where Available for Public Inspection]	Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data and Trends

(Millions of yen, unless otherwise stated)

Fiscal period	For the nine months ended December 31, 2013	For the nine months ended December 31, 2014	37th fiscal year
Period of account	From April 1, 2013 to December 31, 2013	From April 1, 2014 to December 31, 2014	From April 1, 2013 to March 31, 2014
Operating revenue	150,968	162,541	202,240
Ordinary income	47,676	38,681	15,567
Net income	43,309	34,958	10,632
Comprehensive income	46,743	39,130	15,619
Net assets	333,796	344,610	306,726
Total assets	1,072,309	1,152,857	1,155,203
Net income per share (yen)	27.65	22.31	6.79
Diluted net income per share (yen)	—	—	—
Shareholders' equity ratio (%)	30.26	28.68	25.48

Fiscal period	For the third quarter of the 37th fiscal year	For the third quarter of the 38th fiscal year
Period of account	From October 1, 2013 to December 31, 2013	From October 1, 2014 to December 31, 2014
Net income per share (yen)	9.34	4.38

- (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 net income per share" is not stated since there is no dilutive stock.
 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 income per share" was 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 nine months ended December 31, 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 nine months ended December 31, 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 third quarter, no material business agreement, etc. was finalized or concluded.

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

(1) Analysis of business results

During the nine months ended December 31, 2014, the Japanese economy saw positive trends of gradual improvement in the employment environment and consumer spending mainly due to the effects from economic growth strategies by the government. However, the possibility of an economic downturn remained, with factors including the prolonged backlash from last-minute demand spurred by the consumption tax hike, the scale-down of quantitative easing in the United States, the change in the economies of emerging nations represented by China and concern over a downturn overseas arising from the Middle East and Ukrainian situations.

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

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

Consolidated operating revenue for the nine months ended December 31, 2014, was 162,541 million yen (up 7.7% year-on-year), due primarily to an increase in revenue from credit guarantee attributable to contributions from the newly added MU Credit Guarantee Co., LTD. starting its operation in March 2014 and a steady increase in the guaranteed receivables. However, operating expenses were 124,367 million yen (up 19.6% year-on-year) due primarily to the posting of provision for loss on interest repayment with regard to portions that exceeded the amount initially projected for the nine months ended December 31, 2014 because of persistently higher-than-expected requests for interest repayment, and an increase in provision of allowance for doubtful accounts. As a result, operating income was 38,173 million yen (down 18.7% year-on-year), ordinary income was 38,681 million yen (down 18.9% year-on-year), and net income was 34,958 million yen (down 19.3% 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 including the installment of automatic contract machines at ATM corners of The Bank of Tokyo-Mitsubishi UFJ, Ltd. and the commencement of the 30 Days Zero-Interest-Rate Services for new customers. Accounts receivable-operating loans amounted to 739,698 million yen as of December 31, 2014 (up 2.9% year-on-year, up 1.9% compared with the end of the prior fiscal year).

As a result, the business segment's operating revenue was 96,718 million yen (up 1.4% year-on-year) due primarily to an increase in gain on bad debts recovered. However, the segment posted operating income of 21,416 million yen (down 34.7% year-on-year) for the nine months ended December 31, 2014, mainly due to the posting of provision for loss on interest repayment and an increase in provision of allowance for doubtful accounts under operating expenses.

2) Guarantee business

In the guarantee business, the guaranteed receivables in the guarantee operation was 829,658 million

yen as of December 31, 2014, (up 28.2% year-on-year, up 10.3% compared with the end of the prior fiscal year) due to contributions from the newly added MU Credit Guarantee Co., LTD. starting its operation in March 2014 and a steady increase in the guaranteed receivables.

As a result, the business segment's operating revenue was 29,826 million yen (up 40.6% year-on-year) for the nine months ended December 31, 2014, due primarily to an increase in revenue from credit guarantee. Operating income was 8,021 million yen (up 30.2% year-on-year).

3) Overseas financial business

In the overseas financial business, accounts receivable-operating loans increased because the loan business of EASY BUY Public Company Limited in the Kingdom of Thailand steadily progressed, and we made efforts to strengthen the internal control structure of the banking business of PT. Bank Nusantara Parahyangan, Tbk. in the Republic of Indonesia. Further, 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 market analysis primarily at local representative offices.

As a result, operating revenue was 31,102 million yen (up 6.9% year-on-year) for the nine months ended December 31, 2014, mainly due to increases in interest on operating loans and interest on loans of banking business, and operating income was 7,484 million yen (up 2.0% year-on-year).

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 4,763 million yen (down 5.6% year-on-year) for the nine months ended December 31, 2014, mainly due to a decrease in amount of collection from purchased receivables. However, operating income was 1,000 million yen (up 45.4% year-on-year), due primarily to a decrease 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 2,345 million yen while net assets increased by 37,883 million yen as of December 31, 2014. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets decreased by 6,050 million yen and noncurrent assets increased by 3,704 million yen. Therefore, total assets decreased by 2,345 million yen. The breakdown of major increases and decreases in current assets is as follows: cash and deposits (down by 23,103 million yen), short-term loans receivable (down by 9,999 million yen), short-term investment securities (down by 5,495 million yen), accounts receivable-operating loans (up by 28,555 million yen), and accounts receivable-installment (up by 2,850 million yen). The breakdown of major increases and decreases in noncurrent assets is as follows: net defined benefit asset (up by 4,103 million yen), investment securities (up by 2,474 million yen), and goodwill (down by 3,175 million yen).

(Liabilities)

With regard to the liabilities account, changes in current, noncurrent, and total liabilities were decreases of 81,433 million yen, increases of 41,205 million yen, and decreases of 40,228 million yen, respectively. The breakdown of major increases and decreases in liabilities include: provision for loss on interest repayment (down by 40,275 million yen), loans and bonds payable (down by 4,477 million yen), and deferred tax liabilities (up by 2,136 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 35,782 million yen mainly due to an increase of retained earnings, accumulated other comprehensive income increased by 510 million yen, and minority interests increased by 1,589 million yen. As a result, total net assets increased by 37,883 million yen, and the shareholders' equity ratio increased by 3.2 percentage points to 28.7%.

(3) Business and financial issues to address

The nine months ended December 31, 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 third quarter (December 31, 2014)	As of the submission date (February 13, 2015)	Stock exchange on which the Company is listed	Description
Common stock	1,596,282,800	1,596,282,800	First Section of the Tokyo Stock Exchange	These are the Company's standard shares with no restricted rights. One unit of stock constitutes 100 common shares.
Total	1,596,282,800	1,596,282,800	—	—

(2) Status of the stock acquisition rights

Not applicable

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

Not applicable

(4) Rights plans

Not applicable

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

(Millions of yen, unless otherwise stated)

Period	Changes in the total number of shares issued (Thousands of shares)	Balance of the total number of shares issued (Thousands of shares)	Changes in capital stock	Balance of capital stock	Changes in legal capital surplus	Balance of legal capital surplus
From October 1, 2014 to December 31, 2014	—	1,596,282	—	63,832	—	72,322

(6) Major shareholders

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

(7) Status of voting rights

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

1) Issued shares

As of September 30, 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 29,668,400	—	—
Shares with full voting rights (others)	Common stock 1,566,599,300	15,665,993	—
Shares less than one unit	Common stock 15,100	—	—
Total number of shares issued	1,596,282,800	—	—
Total voting rights held by all shareholders	—	15,665,993	—

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

2) Treasury stock, etc.

As of September 30, 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	29,668,400	—	29,668,400	1.85
Total	—	29,668,400	—	29,668,400	1.85

2. Directors

There was no change in directors for the nine months ended December 31, 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 third quarter (from October 1, 2014, to December 31, 2014) and for the nine months ended December 31, 2014 (from April 1, 2014, to December 31, 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 third quarter (from October 1, 2014, to December 31, 2014) and for the nine months ended December 31, 2014 (from April 1, 2014, to December 31, 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 third quarter (As of December 31, 2014)
Assets		
Current assets		
Cash and deposits	130,208	107,105
Accounts receivable-operating loans	*2 828,622	*2 857,178
Loans receivable of banking business	60,338	61,190
Accounts receivable-installment	18,111	20,962
Purchased receivables	8,846	8,804
Short-term investment securities	17,085	11,589
Trading account securities	2,495	1,444
Merchandise and finished goods	325	325
Raw materials and supplies	69	79
Deferred tax assets	20,022	22,184
Short-term loans receivable	9,999	—
Other	49,285	54,696
Allowance for doubtful accounts	(45,128)	(51,329)
Total current assets	1,100,281	1,094,231
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,129	6,675
Equipment, net	10,877	11,382
Land	6,235	6,240
Other, net	1,075	1,200
Total property, plant and equipment	25,318	25,499
Intangible assets		
Goodwill	10,865	7,689
Software	6,400	6,921
Other	43	43
Total intangible assets	17,309	14,655
Investments and other assets		
Investment securities	1,787	4,262
Net defined benefit asset	1,028	5,132
Deferred tax assets	156	63
Guarantee deposits	5,817	5,789
Other	*2 4,174	*2 3,859
Allowance for doubtful accounts	(672)	(635)
Total investments and other assets	12,292	18,471
Total noncurrent assets	54,921	58,626
Total assets	1,155,203	1,152,857

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2014)	Current third quarter (As of December 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	240	341
Short-term loans payable	48,187	9,223
Current portion of long-term loans payable	164,273	121,862
Current portion of bonds	51,926	49,712
Deposits of banking business	74,516	74,740
Income taxes payable	1,189	1,659
Provision for loss on guarantees	*1 5,907	*1 6,417
Asset retirement obligations	9	10
Deferred installment income	93	87
Other	15,003	15,857
Total current liabilities	361,347	279,913
Noncurrent liabilities		
Bonds payable	136,088	182,851
Long-term loans payable	219,491	251,839
Deferred tax liabilities	1,608	3,762
Provision for directors' retirement benefits	27	25
Provision for loss on interest repayment	124,100	83,824
Net defined benefit liability	220	248
Asset retirement obligations	4,544	4,592
Other	1,049	1,189
Total noncurrent liabilities	487,128	528,333
Total liabilities	848,476	808,247
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	76,010	73,671
Retained earnings	173,398	211,520
Treasury stock	(19,793)	(19,794)
Total shareholders' equity	293,447	329,230
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	22	5
Foreign currency translation adjustment	(756)	471
Remeasurements of defined benefit plans	1,679	979
Total accumulated other comprehensive income	945	1,456
Minority interests	12,333	13,923
Total net assets	306,726	344,610
Total liabilities and net assets	1,155,203	1,152,857

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

	(Millions of yen)	
	For the nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	For the nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Operating revenue		
Interest on operating loans	105,784	107,009
Interest on loans of banking business	5,647	6,261
Revenue from credit card business	1,647	1,924
Revenue from installment sales finance business	213	78
Revenue from credit guarantee	18,828	26,487
Collection from purchased receivable	4,144	3,874
Other financial revenue	*1 836	*1 988
Other operating revenue	13,865	15,916
Total operating revenue	150,968	162,541
Operating expenses		
Financial expenses	*2 16,006	*2 14,780
Cost of purchased receivable	1,585	1,524
Other operating expenses	86,403	108,062
Total operating expenses	103,996	124,367
Operating income	46,972	38,173
Non-operating income		
Interest income	100	143
Dividend income	9	11
Equity in earnings of affiliates	28	17
House rent income	243	236
Other	356	144
Total non-operating income	738	552
Non-operating expenses		
Interest expenses	15	16
Loss on investments in partnerships	8	11
Other	10	16
Total non-operating expenses	33	44
Ordinary income	47,676	38,681

	(Millions of yen)	
	For the nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	For the nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Extraordinary income		
Gain on sales of noncurrent assets	10	9
Gain on sales of investment securities	0	47
Other	0	0
Total extraordinary income	11	56
Extraordinary loss		
Loss on sales of noncurrent assets	3	9
Loss on retirement of noncurrent assets	127	54
Loss on sales of investment securities	0	—
Loss on valuation of investment securities	7	0
Other	0	0
Total extraordinary losses	140	64
Income before income taxes and minority interests	47,547	38,673
Income taxes-current	1,834	2,508
Income taxes-deferred	524	(1,008)
Total income taxes	2,358	1,499
Income before minority interests	45,188	37,173
Minority interests in income	1,878	2,215
Net income	43,309	34,958

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

	(Millions of yen)	
	For the nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	For the nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Income before minority interests	45,188	37,173
Other comprehensive income		
Valuation difference on available-for-sale securities	119	(16)
Foreign currency translation adjustment	1,435	2,289
Remeasurements of defined benefit plans, net of tax	—	(315)
Total other comprehensive income	1,554	1,957
Comprehensive income	46,743	39,130
Comprehensive income attributable to:		
Owners of the parent	44,712	36,288
Minority interests	2,030	2,842

[Notes]

(Changes in Accounting Policy, etc.)

(Changes in Accounting Policy)

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

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) and Paragraph 67 of the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; hereinafter the “Guidance for Retirement Benefits”) have been applied. Accordingly, the calculation methods for retirement benefit obligations and service costs have been revised: the method for period allocation of projected retirement benefit has been changed from a straight-line basis to a benefit formula basis, and the calculation method for the discount rate has been changed from a calculation based on a period approximately equal to the average remaining service years of the employees, to a 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 for Retirement Benefits, 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 the nine months ended December 31, 2014, in accordance with the transitional treatment provided for in Paragraph 37 of the Accounting Standard for Retirement Benefits.

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 the nine months ended December 31, 2014. However, the impacts on operating income, ordinary income and income before income taxes and minority interests for the nine months ended December 31, 2014, are negligible.

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

“Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013; hereinafter the “Accounting Standard for Business Combinations”), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013; hereinafter the “Accounting Standard for Consolidated Financial Statements”), and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013; hereinafter the “Accounting Standard for Business Divestitures”), etc. 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 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, readjustment of allocation of acquisition costs due to the settlement of 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 the nine months ended December 31, 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 the nine months ended December 31, 2014. In addition, operating income, ordinary income, and income before income taxes and minority interests for the nine months ended December 31, 2014, each increased by 177 million yen.

(Notes to Quarterly Consolidated Balance Sheet)

*1. Contingent liabilities

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2014)	Current third quarter (As of December 31, 2014)
Outstanding guarantee obligation in the guarantee business	752,185	829,658
Outstanding guarantee obligation in the banking business	1,069	1,031
Provision for loss on guarantees	5,907	6,417
Net	747,347	824,272

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

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2014)	Current third quarter (As of December 31, 2014)
Loans to bankrupt parties	819	752
Loans in arrears	20,585	24,166
Loans overdue by three months or more	3,519	4,333
Restructured loans	31,778	30,581
Total	56,702	59,834

(Notes) 1. Loans to bankrupt parties refer to loans to bankrupt parties, parties in rehabilitation and reorganization, and others 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 assisting reconstructing 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 such loans.

(Notes to Quarterly Consolidated Statement of Income)

*1. Major items of other financial revenue

	(Millions of yen)	
	For the nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	For the nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Interest on deposits	59	101
Interest on securities	85	123
Interest on loans	9	3
Foreign exchange gains	22	113
Gain on valuation of derivatives	102	—

*2. Major items of financial expenses

	(Millions of yen)	
	For the nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	For the nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Interest expenses	8,479	6,650
Interest on bonds	3,053	2,732
Amortization of bond issuance costs	259	390
Interest expenses for deposits of banking business	2,902	3,906
Loss on valuation of derivatives	—	61

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

(1) Financial revenue stated as operating revenue

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

(2) Financial expenses stated as operating expenses

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

(Notes to Quarterly Consolidated Statement of Cash Flows)

Quarterly Consolidated Statement of Cash Flows was not prepared for the nine months ended December 31, 2014. The amounts of depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the nine months are as follows.

	(Millions of yen)	
	For the nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	For the nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Depreciation	1,466	2,744
Amortization of goodwill	962	738

(Notes to Shareholders' Equity)

For the nine months ended December 31, 2013 (from April 1, 2013, to December 31, 2013)

1. Dividends paid
Not applicable
2. Dividends whose record date falls in the nine months ended December 31, 2013, but whose effective date is after December 31, 2013
Not applicable

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

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

(Segments and related information)
[Segment information]

I. For the nine months ended December 31, 2013 (from April 1, 2013, to December 31, 2013)

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	95,408	21,218	29,061	5,038	150,726	242	150,968
Revenues from transactions with other operating segments	—	—	25	5	31	(19)	12
Total	95,408	21,218	29,087	5,043	150,757	222	150,980
Segment income (loss)	32,801	6,161	7,337	687	46,988	(62)	46,925

(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	46,988
Loss of “Others” category	(62)
Elimination of intersegment transactions	195
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	(148)
Operating income in quarterly consolidated statement of income	46,972

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

1. Operating revenue and income or loss by reported segment

(Millions of yen)

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

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

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

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

3. Changes in reported segments, etc.

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

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 nine months ended December 31, 2014, the method of calculating retirement benefit obligations and service costs for reported segments are changed accordingly. The effect of the change on segment income is negligible.

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

As stated in “Changes in Accounting Policy”, in connection with changes in the amount of goodwill at the beginning of the nine months ended December 31, 2014, amounts of goodwill for each reported segment are changed accordingly. Compared with the segment income figure that would have been obtained by the former method, segment income of “Overseas financial business” increased by 177 million yen for the nine months ended December 31, 2014.

(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 nine months ended December 31, 2013 (From April 1, 2013 to December 31, 2013)	For the nine months ended December 31, 2014 (From April 1, 2014 to December 31, 2014)
Net income per share	27.65 yen	22.31 yen
(Basis for calculation)		
Net income	43,309	34,958
Net income not attributable to common shareholders	—	—
Net income related to common stock	43,309	34,958
Weighted average number of common stock during the quarter	1,566,615,131 shares	1,566,614,316 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” was 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 stock.

2. Others
Not applicable

Part II Information on Guarantors for the Filing Company

Not applicable