This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

Convocation Notice

Securities Code: 8572
June 1, 2016

To Shareholders with Voting Rights

Shigeyoshi Kinoshita
Chairman & President
ACOM CO., LTD.
1-1, Marunouchi 2-chome,
Chiyoda-ku, Tokyo, Japan

CONVOCATION NOTICE FOR 39th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 39th Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

Even if you are unable to attend the meeting, you can still exercise your voting rights by mail or via the Internet. Please exercise your voting rights after a careful review of the Reference Documents for the General Meeting of Shareholders presented hereunder.

1. **Date and Time:** Thursday, June 23, 2016 at 10:00 a.m.
2. **Place:** MY PLAZA HALL, 4th floor, Meiji Yasuda Seimei Building (Marunouchi MY PLAZA), located at 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
3. **Agenda of the Meeting:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements, and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Company Auditors for the 39th fiscal year (from April 1, 2015 to March 31, 2016)
2. Non-consolidated Financial Statements for the 39th fiscal year (from April 1, 2015 to March 31, 2016)

Proposal to be resolved:

Proposal: Election of Eight Directors

4. Internet-based disclosure on the Company's website:

(1) In accordance with relevant laws and regulations, and the provisions of Article 15 of the Articles of Incorporation of the Company, the Company has posted the following information on its website on the Internet, and so these notes have not been included in this notice. Therefore, the documents attached to this notice are part of the documents audited by the Company Auditors and Accounting Auditor in preparing the Audit Report.
- Notes to the Consolidated Financial Statements
- Notes to the Non-consolidated Financial Statements

(2) If there is any amendment to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements, such amendment will be posted on the Company's website on the Internet.

The Company's website (Japanese): http://www.acom.co.jp/corp/ir_index.html
*Please access the following for information in English: http://www.acom.co.jp/corp/english/ir_index.html

- If you exercise your voting rights by proxy, you may only delegate your voting rights to a proxy who is a shareholder holding voting rights in the Company. In such cases, only one proxy is allowed.
- We kindly ask you to bring this Notice and other documents we mail you in advance, where possible. These documents will be available at the meeting venue, but in limited supply. Thank you for your understanding.

Reference Documents for General Meeting of Shareholders

Proposal and references

Proposal: Election of Eight Directors

All eight Directors will complete their terms of office at the conclusion of this General Meeting of Shareholders, so the Company proposes that eight Directors be elected.

Policy and procedures for nominating candidates for Directors

Policy: The Company nominates candidates with a wealth of experience, sophisticated insight and high-level expertise, for effective management supervision, based on the principle of the right person in the right place.

Procedures: Directors shall be elected in accordance with the aforementioned policy by a resolution of the Board of Directors, following examination and proposal by the Director Evaluation Committee comprising Representative Directors and Independent Outside Directors.

List of candidates for Directors:

No.	Name	Current position and assignment at the Company, and significant concurrent positions	Remarks
1	Shigeyoshi Kinoshita	Chairman, President and Chief Executive Officer	Reappointed
2	Toshiaki Kajiura	Deputy Chairman In charge of Compliance Dept. and Internal Audit Dept.	Reappointed
3	Masataka Kinoshita	Managing Director and Executive Managing Officer Head of Credit Business Promotion Division and in charge of Business Planning Dept., Business Promotion Dept., East Japan Business Promotion Dept., West Japan Business Promotion Dept. and Compliance for Credit Business Promotion Office	Reappointed
4	Kazuo Fukumoto	Managing Director and Executive Managing Officer In charge of Treasury Dept., General Affairs Dept. and System Development & Administration Division	Reappointed
5	Teruyuki Sagehashi	Managing Director and Executive Managing Officer In charge of Corporate Planning Dept., Finance Dept. and Human Resources Dept.	Reappointed
6	Mitsuhiro Umezu	Director (Significant concurrent position) Associate Professor, Faculty of Business and Commerce, Keio University Outside Director of SAN-AI OIL CO., LTD.	Reappointed (Independent Outside Director)
7	Hitoshi Shimbo	Director (Significant concurrent position) Attorney at law Nozomi Sogo Attorneys at Law	Reappointed (Independent Outside Director)
8	Atsushi Murakami	Director (Significant concurrent position) Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc. Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Outside Director, JCB Co., Ltd. Outside Director, Bank of Ayudhya Public Company Limited	Newly appointed

(Reference) Criteria for determining the independence of Outside Directors

The Company's evaluation in selecting candidates for Independent Outside Directors is focused on whether the candidate meets the independence criteria set forth by the Tokyo Stock Exchange and whether the candidate has sufficient experience, sophisticated insight and high-level expertise.

<table>
<tr><th>No.</th><th>Name (date of birth) and other remarks</th><th colspan="2">Career summary, position, assignment, and significant concurrent positions</th></tr>
<tr><td rowspan="2">1</td><td>Reappointed
Shigeyoshi Kinoshita
(April 14, 1949)

Cumulative years of service as Director of the Company:
33 years
Record of attendance at the Board of Directors meetings in the fiscal year ended March 31, 2016:
Attendance at 19 out of 20 meetings (95%)
Number of shares of the Company held:
30,007,260 shares</td><td>April 1973
April 1978
February 1983

May 1984

August 1986
June 1988

October 1991

October 1992

October 1996

June 2000
June 2003

June 2010</td><td>Joined Marubeni Corporation
Joined Japan Consumer Finance Co., Ltd.
Director and Chief General Manager, General Affairs Dept. of the Company
Director and Chief General Manager, Accounting Dept. of the Company
Managing Director of the Company
Managing Director and Head of Business Promotion Division of the Company
Representative and Senior Managing Director of the Company
Representative and Senior Managing Director and Head of the Loan Sales Division of the Company
Representative Director and Deputy President of the Company
Representative Director and President of the Company
President and Chief Executive Officer of the Company (to present)
Chairman, President and Chief Executive Officer of the Company (to present)</td></tr>
<tr><td colspan="3">[Reason for nomination as a candidate for Director]
As President, Mr. Shigeyoshi Kinoshita has an excellent track record of serving as the driving force of the Company and the Group for a number of years, backed by his wealth of experience and sophisticated insight in general management. It is believed he will contribute further to the growth and development of the Company and the Group. Therefore, the Company proposes his election as a Director.</td></tr>
</table>

No.	Name (date of birth) and other remarks	Career summary, position, assignment, and significant concurrent positions
2	Reappointed Toshiaki Kajiura (April 8, 1953) Cumulative years of service as Director of the Company: 5 years Record of attendance at the Board of Directors meetings in the fiscal year ended March 31, 2016: Attendance at 20 out of 20 meetings (100%) Number of shares of the Company held: 10,000 shares	April 1977 Joined The Mitsubishi Trust and Banking Corporation (MTB) February 1999 General Manager, Nagasaki Branch of MTB June 2001 General Manager, Business Integration Office of MTB November 2001 General Manager, Osaka Sales Division II of MTB March 2004 General Manager, Investment Planning Division of MTB June 2004 Executive Officer and General Manager, Investment Planning Division of MTB June 2004 Executive Officer and Assistant General Manager, Asset Management and Administration Planning Division of Mitsubishi Tokyo Financial Group, Inc. June 2005 Executive Officer and General Manager, Corporation Finance Division of MTB June 2005 Executive Officer and General Manager of Trust Business Planning Division, and Assistant General Manager, Corporate Business Planning Division of Mitsubishi Tokyo Financial Group, Inc. October 2005 Executive Officer and General Manager, Corporation Finance Division of Mitsubishi UFJ Trust and Banking Corporation (MUTB) October 2005 Executive Officer and General Manager, Trust Business Planning Division, Corporate Business Planning Division, and Corporate Business Division I of Mitsubishi UFJ Financial Group, Inc. April 2006 Executive Officer and General Manager, Corporate Business Promotion Division of MUTB June 2007 Managing Director of MUTB June 2009 Managing Executive Officer of MUTB June 2010 Senior Managing Executive Officer of MUTB June 2011 Deputy Chairman of the Company (to present) (Assignment) In charge of Compliance Dept. and Internal Audit Dept.
	[Reason for nomination as a candidate for Director] Mr. Toshiaki Kajiura has an excellent track record in the banking business and is an experienced Director, and based on that experience he is expected to be instrumental in strengthening the function of the Board of Directors. Therefore, the Company proposes his election as a Director.	

<table>
<tr><th>No.</th><th>Name (date of birth) and other remarks</th><th>Career summary, position, assignment, and significant concurrent positions</th></tr>
<tr><td rowspan="2">3</td><td>Reappointed
Masataka Kinoshita
(September 19, 1977)

Cumulative years of service as Director of the Company:
1 year
Record of attendance at the Board of Directors meetings in the fiscal year ended March 31, 2016:
Attendance at 14 out of 14 meetings (100%)
*The Board of Directors meetings held before his assumption of office on June 24, 2015 are not counted.
Number of shares of the Company held:
10,203,120 shares</td><td>September 2005 Joined the Company
October 2009 General Manager, Credit Supervision Division of the Company
January 2010 General Manger, Corporate Planning Dept. of the Company
April 2010 General Manager, Guarantee Business Dept. of the Company
April 2012 General Manager, Business Promotion Dept. of the Company
April 2013 Chief General Manager, Business Planning Dept. of the Company
April 2014 Executive Officer and Chief General Manager, Business Planning Dept. of the Company
June 2014 Executive Managing Officer, Deputy Head of Credit Business Promotion Division, and Chief General Manager, Business Planning Dept. of the Company
April 2015 Executive Managing Officer and Deputy Head of Credit Business Promotion Division
June 2015 Managing Director of the Company (to present)
June 2015 Executive Managing Officer and Head of Credit Business Promotion Division of the Company (to present)
(Assignment)
Head of Credit Business Promotion Division and in charge of Business Planning Dept., Business Promotion Dept., East Japan Business Promotion Dept., West Japan Business Promotion Dept. and Compliance for Credit Business Promotion Office</td></tr>
<tr><td colspan="2">[Reason for nomination as a candidate for Director]
Mr. Masataka Kinoshita has served as General Manager of the loan business and the guarantee business as well as Executive Officer, and has the wealth of knowledge and track record necessary to promote operations accurately and efficiently. Since assuming the position of Director, he has used that knowledge and experience to ably perform his role and responsibilities and is expected to contribute to the implementation of strategies towards the further business growth and enhanced business performance of the Company. Therefore, the Company proposes his election as a Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name (date of birth) and other remarks</th><th>Career summary, position, assignment, and significant concurrent positions</th></tr>
<tr><td rowspan="2">4</td><td>Reappointed

Kazuo Fukumoto
(February 27, 1958)

Cumulative years of service as Director of the Company:
3 years

Record of attendance at the Board of Directors meetings in the fiscal year ended March 31, 2016:
Attendance at
20 out of 20 meetings
(100%)

Number of shares of the Company held:
10,000 shares</td><td>March 1980 Joined the Company
April 2002 General Manager, Corporate Management Dept. of the Company
June 2003 Chief General Manager, Corporate Management Dept. of the Company
October 2005 Executive Officer and Chief General Manager, Corporate Management Dept. of the Company
April 2007 Executive Officer and Chief General Manager, Corporate Planning Dept. of the Company
June 2012 Executive Managing Officer and Head of Credit Business Promotion Division of the Company
June 2013 Managing Director of the Company (to present)
June 2015 Executive Managing Officer of the Company (to present)
(Assignment)
In charge of Treasury Dept., General Affairs Dept. and System Development & Administration Division</td></tr>
<tr><td colspan="2">[Reason for nomination as a candidate for Director]
Mr. Kazuo Fukumoto has a wealth of experience and excellent insight, serving as General Manager of the Corporate Planning and Management divisions as well as Executive Officer for a number of years and coordinating all credit business operations as Executive Officer and Head of Credit Business Promotion Division. He is well versed in the operations of the Company, and since assuming the position of Director, he has used his knowledge and experience to ably perform his role and responsibilities. He is expected to contribute to the implementation of strategies towards the further business growth and enhanced business performance of the Company. Therefore, the Company proposes his election as a Director.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name (date of birth) and other remarks</th><th>Career summary, position, assignment, and significant concurrent positions</th></tr>
<tr><td rowspan="2">5</td><td>Reappointed
Teruyuki Sagehashi
(October 27, 1955)

Cumulative years of service as Director of the Company:
1 year
Record of attendance at the Board of Directors meetings in the fiscal year ended March 31, 2016:
Attendance at 14 out of 14 meetings (100%)
*The Board of Directors meetings held before his assumption of office on June 24, 2015 are not counted.
Number of shares of the Company held:
4,000 shares</td><td>December 1981 Joined the Company
April 2002 General Manager, Corporate Management Dept. of the Company
June 2003 Chief General Manager, Human Resources Dept. of the Company
June 2004 General Manager, Internal Audit Dept. of the Company
April 2005 General Manager, Internal Audit Dept. of the Company
June 2005 Chief General Manager, Internal Audit Dept. of the Company
October 2005 Chief General Manager, Operation Risk Management Dept. of the Company
April 2007 Chief General Manager, Business Operations Planning Dept. of the Company
April 2008 Executive Officer and Chief General Manager, Business Operations Planning Dept. of the Company
April 2010 Executive Officer and Chief General Manager, System Development & Administration Dept. of the Company
June 2012 Executive Managing Officer and Chief General Manager, System Development & Administration Dept. of the Company
April 2014 Executive Managing Officer of the Company (to present)
June 2015 Managing Director of the Company (to present)
(Assignment)
In charge of Corporate Planning Dept., Finance Dept. and Human Resources Dept.</td></tr>
<tr><td colspan="2">[Reason for nomination as a candidate for Director]
Mr. Teruyuki Sagehashi has served as General Manager of the Corporate Management, Human Resources, Internal Audit, Business Operations Planning and System Development & Administration divisions as well as Executive Officer, and has the wealth of experience and extensive insight necessary to streamline and promote the internal control system. Since assuming the position of Director, he has used his knowledge and experience to ably perform his role and responsibilities, and he is expected to contribute to the implementation of strategies towards the further business growth and enhanced business performance of the Company. Therefore, the Company proposes his election as a Director.</td></tr>
</table>

No.	Name (date of birth) and other remarks	Career summary, position, assignment, and significant concurrent positions
6	Reappointed Candidate for Independent Outside Director Mitsuhiro Umezu (May 18, 1957) Cumulative years of service as Outside Director of the Company: 2 years Record of attendance at the Board of Directors meetings in the fiscal year ended March 31, 2016: Attendance at 17 out of 20 meetings (85%) Number of shares of the Company held: 0 shares	April 2005 Assistant Professor, Faculty of Business and Commerce, Keio University April 2007 Associate Professor, Faculty of Business and Commerce, Keio University (to present) June 2007 Outside Director of Nissay Dowa General Insurance Co., Ltd. (currently Aioi Nissay Dowa Insurance Co., Ltd.) April 2010 Outside Director of MS&AD Insurance Group Holdings, Inc. June 2010 Outside Director of SAN-AI OIL CO., LTD. (to present) June 2014 Outside Director of the Company (to present) (Significant concurrent position) Associate Professor, Faculty of Business and Commerce, Keio University Outside Director of SAN-AI OIL CO., LTD.
	[Reason for nomination as a candidate for Outside Director] Mr. Mitsuhiro Umezu has conducted studies in the fields of corporate ethics and applied ethics at university for many years. Therefore, the Company proposes his election as an Outside Director in the anticipation that his deep insights in corporate ethics and extensive experience as an outside director with other companies will benefit the Company's management. Although he does not have any experience in corporate management except as an outside director, it is judged that he will perform his duties as an Outside Director appropriately, for the reasons mentioned above.	

No.	Name (date of birth) and other remarks	Career summary, position, assignment, and significant concurrent positions
7	Reappointed Candidate for Independent Outside Director Hitoshi Shimbo (July 10, 1952) Cumulative years of service as Outside Director of the Company: 1 year Record of attendance at the Board of Directors meetings in the fiscal year ended March 31, 2016: Attendance at 14 out of 14 meetings (100%) *The Board of Directors meetings held before his assumption of office on June 24, 2015 are not counted. Number of shares of the Company held: 0 shares	April 1983 Appointed Prosecutor, the Tokyo District Public Prosecutor's Office April 1990 Assistant Judge, Tokyo District Court April 1993 Prosecutor, the Tokyo District Public Prosecutor's Office June 1995 Registered as an attorney-at-law (Daini Tokyo Bar Association) (to present) June 1995 Joined Nozomi Sogo Attorneys at Law (to present) March 2009 Outside Company Auditor, EMCOM Holdings Co., Ltd. April 2009 Managing Director, Kanto Federation of Bar Associations April 2012 Vice President, Daini Tokyo Bar Association April 2012 Managing Director, Japan Federation of Bar Associations June 2015 Outside Director of the Company (to present) (Significant concurrent position) Attorney at law Nozomi Sogo Attorneys at Law
	[Reason for nomination as a candidate for Outside Director] Mr. Hitoshi Shimbo, as a legal professional, has thorough knowledge of corporate legal affairs as well as advanced expertise and a wealth of practical experience developed over many years. Therefore, the Company proposes his election as an Outside Director based on the judgment that he is qualified to engage in the further improvement of supervisory functions within the Company. Although he has not been directly involved in corporate management except as an outside company auditor, it is judged that he will perform his duties as an Outside Director appropriately, for the reasons mentioned above.	

No.	Name (date of birth) and other remarks	Career summary, position, assignment, and significant concurrent positions
8	Newly appointed Atsushi Murakami (May 9, 1961) Number of shares of the Company held: 0 shares	April 1984 Joined The Sanwa Bank, Ltd. May 2010 General Manager, Consumer Finance Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2010 General Manager, Consumer Finance Planning Division, Mitsubishi UFJ Financial Group, Inc. June 2010 Executive Officer and General Manager, Consumer Finance Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. June 2010 Executive Officer and General Manager, Consumer Finance Planning Division, Mitsubishi UFJ Financial Group, Inc. June 2011 Outside Director, JCB Co., Ltd. (to present) May 2012 Executive Officer and General Manager, Retail Business Promotion Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2012 Executive Officer and General Manager, Retail Business Promotion Planning Division, Mitsubishi UFJ Financial Group, Inc. May 2013 Executive Officer and General Manager, Retail Banking Planning Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2013 Executive Officer and General Manager, Retail Business Planning Division, Mitsubishi UFJ Financial Group, Inc. May 2014 Managing Executive Officer, Deputy Chief Executive, Retail Banking Business Unit, The Bank of Tokyo-Mitsubishi UFJ, Ltd. May 2014 Executive Officer, Mitsubishi UFJ Financial Group, Inc. May 2015 Outside Director, Bank of Ayudhya Public Company Limited (to present) May 2016 Managing Executive Officer, Chief Executive, Retail Banking Business Unit, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (to present) May 2016 Managing Executive Officer, Group Head, Retail Banking Business Group, Mitsubishi UFJ Financial Group, Inc. (to present) (Significant concurrent position) Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc. Managing Executive Officer, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Outside Director, JCB Co., Ltd. Outside Director, Bank of Ayudhya Public Company Limited
	[Reason for nomination as a candidate for Director] Mr. Atsushi Murakami has served as Executive Officer and General Manager of the retail business including the consumer finance business of Mitsubishi UFJ Financial Group, Inc. and The Bank of Tokyo-Mitsubishi UFJ, Ltd., and it is expected that his wealth of knowledge and experience can be utilized for the further growth of the Company and in the supervision of execution of business. Therefore, the Company proposes his election as a Director.	

Notes: 1. Mr. Atsushi Murakami is a Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc., which is in competition with the Company. There is no conflict of interest between the Company and other candidates.
2. Mr. Toshiaki Kajiura was Senior Managing Executive Officer of Mitsubishi UFJ Trust and Banking Corporation, which has been a subsidiary of the Company's parent company within the past five years.
3. Mr. Atsushi Murakami is Managing Executive Officer, Group Head, Retail Banking Business Group

of Mitsubishi UFJ Financial Group, Inc., which is the Company's parent company, and Managing Executive Officer, Chief Executive, Retail Banking Business Unit of The Bank of Tokyo-Mitsubishi UFJ, Ltd., which is a subsidiary of the Company's parent company.

4. Mr. Mitsuhiro Umezu has made proposals on compliance practice and strengthening its structure, etc. as an outside member of the Compliance Committee of the Company since April 2007.
5. The Company has entered into limited liability agreements with Mr. Mitsuhiro Umezu and Mr. Hitoshi Shimbo that limit their liability for damages under Article 423, Paragraph 1 of the Companies Act, based on the provisions in Article 427, Paragraph 1 of the Act. The liability for damages under those agreements is limited to the minimum amount stipulated in the relevant laws and ordinances, and the agreements with Mr. Mitsuhiro Umezu and Mr. Hitoshi Shimbo are scheduled to be renewed upon their respective reappointments. The Company plans to enter into a similar agreement with Mr. Atsushi Murakami upon his appointment.
6. The Company has reported to the Tokyo Stock Exchange that Mr. Mitsuhiro Umezu and Mr. Hitoshi Shimbo are independent directors subject to the rules of the Tokyo Stock Exchange, and the Company plans to continue to designate each of them as an independent director upon their respective reappointments.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

(Appendix to the Convocation Notice for 39th Ordinary General Meeting of Shareholders)

Business Report

(April 1, 2015 - March 31, 2016)

1. Overview of Consolidated Business Activities

(1) Developments and Results of Business Activities

During the fiscal year ended March 31, 2016, the Japanese economy showed signs of gradual improvement in corporate earnings and the employment environment, as well as hints of recovery in consumer spending due to the effects of various economic policies implemented by the government. However, the possibility of an economic downturn remained due to the possibility of downside risks in overseas economies triggered by the unclear economic outlook of emerging nations in Asia, represented by China, 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 the shrinking trend of the market has begun to slow down.

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

In the fiscal year ended March 31, 2016, the final year of the medium-term management plan, the Group continued to focus its efforts on expanding business bases in the aforementioned three core businesses. The total balance of receivables in the loan business and guarantee business reached our medium-term target of 1.6 trillion yen. Accounts receivable - operating loans as of the end of the current fiscal year continued to favorably increase for the second consecutive fiscal year in the loan business and the balance of guaranteed receivables rose further than in the previous fiscal year in the guarantee business. Also, the Group worked to expand business operations and strengthen its internal control structures in the overseas financial business.

Consolidated operating revenue for fiscal year ended March 31, 2016, amounted to 237,683 million yen (up 8.4% year-on-year) primarily due to increases in interest on consumer loans and revenue from credit guarantee. Operating expenses increased to 222,166 million yen (up 8.3% year-on-year) primarily due to increases in provision for loss on interest repayment and provision of allowance for doubtful accounts. Operating income increased to 15,516 million yen (up 10.3% year-on-year), ordinary income increased to 16,200 million yen (up 9.9% year-on-year), and profit attributable to owners of parent increased to 14,598 million yen (up 13.5% year-on-year).

Details of main financial service businesses by 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.

As for the improvement of product/service functions and gathering and acquiring of new customers, we extended operating hours of our automatic contract machines by one hour both in the morning and in the evening, to 8:00 a.m. to 10:00 p.m., in order to further enhance customer convenience. Recognizing the growing importance of the internet as an advertising platform, we continued advertising on YouTube and other sites, while implementing online campaigns such as our new "Incentive Program Provided Exclusively Online" for customers who make online registration in advance and then introduce their friends to us. Furthermore, in light of the advances of women in society and other trends, we strove to appeal to working women by introducing web pages for women and promoting other measures. Commercials featuring actress "Hiromi Nagasaku" achieved a high public reception and, together with the sound logo from "Hajimete no (First Time at) ACOM", helped increase the number of new customers.

We continued to focus our efforts on the promotion of credit cards. The total number of card members increased to 254 thousand (up 18.0% year-on-year) and the annual transaction volume increased to 23,381 million yen (up 30.8% year-on-year).

In addition to the above marketing activities, we have endeavored to maintain the soundness of our loan portfolio and improve the customer-reception quality of our employees by reinforcing the development of human resources through training for credit control, and customer reception including the improvement of the accuracy of credit screenings. As a result, accounts receivable - operating loans at the end of the current fiscal year increased to 767,127 million yen (up 2.7% year-on-year) and accounts receivable - installment increased to 27,855 million yen (up 29.0% year-on-year).

In the domestic loan and credit card business, the business segment's operating revenue was 133,170 million yen (up 3.5% year-on-year) mainly due to an increase in interest on consumer loans in accordance with our business expansion. The business segment posted an operating loss of 11,841 million yen mainly due to an increase in provision for loss on interest repayment under operating expenses (compared with operating loss of 8,364 million yen for the prior fiscal year).

2) Guarantee business

In the guarantee business, the Company and MU Credit Guarantee Co., LTD. worked on the promotion of new guarantee tie-ups and measures to enhance partnerships with existing partners amid the growth trend in the bank card loan market.

The Company formed a new guarantee alliance with Sony Bank Incorporated, increasing the combined number of business partners of the Company and MU Credit Guarantee Co., LTD. to 47 banks at the end of the fiscal year under review.

To enhance partnerships with existing partners, the Company reviewed and revised its system for receiving applications for guarantee screening and workflow and strove to reduce the screening times for the purpose of meeting the needs of customers. Moreover, as support toward increasing the balance of loans receivable for our partners' loan products, the Company made proposals and offered assistance regarding matters such as credit limit renewals and loan interest rate adjustments, with a view to strengthening their product competitiveness and ability to gather and acquire new customers.

As a result, the balance of guaranteed receivables at the Group level reached 987,508 million yen (up 14.7% year-on-year) at the end of the current fiscal year. The business segment's operating revenue was 48,868 million yen (up 19.2% year-on-year) mainly due to an increase in revenue from credit guarantee. Operating income was 14,466 million yen (up 30.0% year-on-year).

3) Overseas financial business

In the overseas financial business, business operations were proactively carried out in the pursuit of expanding the relevant businesses.

The loan business of EASY BUY Public Company Limited in the Kingdom of Thailand actively conducted marketing activities of the Umay^{+} brand with the aim of enhancing the brand image and gathering and acquiring new customers, in spite of the current political instabilities in that country. As a result, the number of new contracts and loans receivable of consumer loans have increased steadily, thereby building the top-brand position in Thailand.

The banking business of PT. Bank Nusantara Parahyangan, Tbk. in the Republic of Indonesia worked

to expand income with a view to strengthening its internal control structure amid lingering future uncertainty about the domestic economy.

In the Socialist Republic of Vietnam, where the Company has established a representative office, the Company applied for a license to operate as a finance company in May 2014. The Company has continued surveys on various local laws/regulations and risks, and market analysis for future business development. The Company also continues with necessary surveys in other Asian countries to explore the feasibility of business development.

As a result, the business segment's operating revenue and operating income were 48,294 million yen (up 12.5% year-on-year) and 11,138 million yen (up 9.7% year-on-year), respectively.

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.

As the amount of collection from purchased receivables increased from the prior fiscal year, the business segment's operating revenue was 6,579 million yen (up 0.7% year-on-year) and operating income was 1,071 million yen (up 43.5% year-on-year) primarily due to decreases in cost of purchased receivable and provision for bad debts.

(2) Acquisition or Disposal of Shares, Other Equity or Stock Acquisition Rights of Other Companies

The Company acquired all shares of MU Credit Guarantee Co., LTD., which had been held by other companies, on December 25, 2015, to make it a wholly owned subsidiary.

(3) Capital Investment

During the fiscal year under review, there was no notable capital investment or disposal or sale of important equipment to report.

(4) Financing

1) The Company has issued the Domestic Unsecured Straight Bonds for part of repayment of long-term loans payable as follows:

May 2015	70th Straight Bond	10.0 billion yen
May 2015	71st Straight Bond	15.0 billion yen

2) EASY BUY Public Company Limited, the Company's consolidated subsidiary, has issued bonds payable for purposes such as repayment of loans payable and redemption of bonds as follows:

February 2015	35 million US dollars
March 2015	2.5 billion Thai baht
September 2015	2.0 billion Thai baht

(Note) The fiscal year end for EASY BUY Public Company Limited is December 31.

3) EASY BUY Public Company Limited, the Company's consolidated subsidiary, raised 600 million Thai baht through a capital increase by shareholder allotment on September 25, 2015.

(5) Issues to be Addressed

The Company has formulated its new three-year medium-term management plan beginning in the fiscal year ending March 31, 2017, and set a medium-term management policy of "with expeditious reactions to environmental changes, ACOM will establish a solid management base which can support continuous growth, while creating services which exceed customers' expectations." The Company will speedily respond to changes in customer needs and in products and services in the consumer credit market, as well as social changes such as the evolution of ICT (Information and Communications Technology), advances of women in society, and the declining birth rate and aging population, to create services that exceed customer expectations. Furthermore, in order to fulfill the social responsibility and mission expected of a money-lending and guarantee business and become a company that grows together with society, the Company aims to build up its management base by strengthening the human resources, computer systems, and financial foundations that support the business, in addition to further promoting compliance and CS management.

For the fiscal year ending March 31, 2019, the final year of this medium-term management plan, the Company has set targets in the domestic market of 870.0 billion yen in balance of receivables in the loan and credit card business, and 1,280.0 billion yen in balance of guaranteed receivables, a total of 2.1 trillion yen or more, and in overseas markets, targets of 51.0 billion Thai baht in balance of loans receivable for EASY BUY Public Company Limited in the Kingdom of Thailand, and 8,010.0 billion rupiah of loans receivable in the banking business of PT. Bank Nusantara Parahyangan, Tbk. in the Republic of Indonesia.

In the fiscal year ending March 31, 2017, the first year of this medium-term management plan, the Company will address the following issues to achieve these targets.

Targets and other forward-looking statements are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute a promise by the Company that the anticipated results will be achieved. Actual results may differ significantly due to various factors.

- Loan and credit card business

In the loan and credit card business, the Company, under its philosophy "putting the customer first," will continue to strive to improve its product and service functions and convenience while enhancing its promotion activities and improving credit screening accuracy as a means to gain more customers, grow the number of members, and maintain the soundness of its loan portfolio.

- Guarantee business

The Group will promote guarantee business with a firm grasp on current market that is expanding in personal card loans provided by financial institutions. In order to meet needs of each and every financial institution in alliance, increasing in complexity as market invigorates, the Group will make the best use of its expertise gained from loan business to enhance and improve service functions.

- Overseas financial business

For overseas financial business, with a focus on expanding our overseas finance business, the Company will continue to pursue research and analysis activities aimed at realization of beginning business in new regions, as well as work on expanding business at existing overseas subsidiaries and strengthen their internal control structures.

(6) Changes in Assets and Income of the Company

(Millions of yen, unless otherwise stated)

Item	36th fiscal year ended March 31, 2013	37th fiscal year ended March 31, 2014	38th fiscal year ended March 31, 2015	39th fiscal year ended March 31, 2016
Operating revenue	193,028	202,240	219,289	237,683
Ordinary income	21,835	15,567	14,747	16,200
Profit attributable to owners of parent	20,839	10,632	12,864	14,598
Basic earnings per share (yen)	13.30	6.79	8.21	9.32
Total assets	1,165,576	1,155,203	1,190,368	1,175,063
Net assets	286,710	306,726	328,315	338,132
Net assets per share (yen)	178.59	187.92	199.53	206.42
Loans receivable of consumer loans at fiscal year-end	800,393	828,622	877,427	902,150
Accounts receivable - installment at fiscal year-end	20,526	18,111	22,295	28,393
Shareholders' equity ratio (%)	24.00	25.48	26.26	27.52

(Note) Basic earnings per share is calculated based on the average number of shares issued during each fiscal year excluding treasury stock. Net assets per share are calculated based on the total number of shares issued as of the end of each fiscal year excluding treasury stock.

(7) Principal Parent Company and Subsidiaries

1) Relationship with the parent company

Company Name	Number of shares held (Thousands)	Parent company's percentage of voting rights held (%)	Remarks
Mitsubishi UFJ Financial Group, Inc.	629,464 (40,741)	40.18 (2.60)	Conclusion of business management agreement Conclusion of business and capital alliance agreement

(Note) The numbers in parentheses in the "Number of shares held" and "Parent company's percentage of voting rights held" represent the included number of shares indirectly held and the percentage of voting rights indirectly held, respectively.

2) Principal subsidiaries

Subsidiaries with capital exceeding 100 million yen are as follows:

Company name	Capital	The Company's percentage of voting rights holding (%)	Main business
IR Loan Servicing, Inc.	520 (Millions of yen)	100.00	Loan servicing business
MU Credit Guarantee Co., LTD.	300 (Millions of yen)	100.00	Credit guarantee business
EASY BUY Public Company Limited	4,500 (Millions of Thai baht)	71.00	Unsecured loan business and installment loan business (installment sales finance business)
PT. Bank Nusantara Parahyangan, Tbk.	338,416 (Millions of rupiah)	66.15	Banking business

(Notes) 1. EASY BUY Public Company Limited increased its capital from 39 million Thai baht to 45 million Thai baht, following a capital increase through shareholder allotment on September 25, 2015.
2. ACOM (U.S.A.) INC. has been excluded from the scope of principal subsidiaries, as a result of the completion of its liquidation in the current fiscal year.
3. The Company acquired all shares of MU Credit Guarantee Co., LTD., which had been held by other companies, on December 25, 2015, to make it a wholly owned subsidiary.

(8) Principal Businesses (as of March 31, 2016)

The principal businesses of the Group include loan and credit card business, guarantee business, overseas financial business, and loan servicing business.

(9) Principal Offices (as of March 31, 2016)

1) Principal offices of the Company

Head office: 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo

Business outlets

Loan business outlets	1,085
Staffed outlets	39
Unstaffed outlets	1,046
Automatic contract machine corners	1,085 locations (1,119)

(Note) The following are the numbers of automated teller machines:

ATMs	64,156
Proprietary	1,112
Tie-up	63,044

2) Principal offices of the subsidiaries

Name	Location	Name	Location
IR Loan Servicing, Inc.	Chiyoda-ku, Tokyo	EASY BUY Public Company Limited	Bangkok, Kingdom of Thailand
MU Credit Guarantee Co., LTD.	Shinjuku-ku, Tokyo	PT. Bank Nusantara Parahyangan, Tbk.	Bandung, Republic of Indonesia

(Note) ACOM (U.S.A.) INC. has been excluded, as a result of the completion of its liquidation in the current fiscal year.

(10) Employees (as of March 31, 2016)

1) Number of employees of the consolidated group

Category	Number of employees
Loan and credit card business	1,354 (123)
Guarantee business	186 (8)
Overseas financial business	3,962 (230)
Loan servicing business	139 (14)
Company-wide (common)	395 (19)
Total	6,036 (394)

(Notes) 1. The number of employees represents the number of employees at work (excluding the number of employees transferred from the Group companies to non-Group companies and including the number of employees transferred to the Group companies from non-Group companies) and does not include the number of fixed-term employees.
2. The figures in parentheses in "Number of employees" are the annual average number of fixed-term employees. (If the number of temporary employees of fixed-term employees is counted as 1 person per 8 work hours a day, the annual average number of fixed-term employees will be 381.)
3. The number of employees in the "Company-wide (common)" is the number of employees belonging to the administration departments of the Head Office and thus do not fall into any business segment.

2) Employees of the Company

Category	Number of employees	Year-on-year increase (decrease)	Average age	Average length of service
Male	1,214	(21)	42 years and 4 months	18 years and 3 months
Female	678	62	34 years and 9 month	8 years and 8 months
Total	1,892	41	39 years and 7 month	14 years and 10 months

(Note) The number of employees represents the number of employees at work (excluding the number of employees transferred out of the Company and including the number of employees transferred in the Company), and does not include the number of fixed-term employees.

(11) Major Creditors (as of March 31, 2016)

The Company's major creditors and amounts borrowed are as follows.

Creditor	Amount borrowed (Millions of yen)
Mitsubishi UFJ Trust and Banking Corporation	156,058
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	52,218
Shinsei Bank, Limited	47,275
Aozora Bank, Ltd.	30,120
Shinkin Central Bank	20,055

(Note) The amount borrowed from The Bank of Tokyo-Mitsubishi UFJ, Ltd. includes borrowings by privately placed bonds.

2. Matters concerning Shares of the Company (as of March 31, 2016)

(1) Shares

Total number of shares authorized to be issued	Total number of shares issued	Number of shareholders
5,321,974,000	1,596,282,800	11,488

(2) Major Shareholders (Top 10)

Shareholder name	Number of shares held (Thousands)	Percentage of ownership (%)
Mitsubishi UFJ Financial Group, Inc.	588,723	37.57
Maruito Shokusan Co., Ltd.	273,467	17.45
Maruito Co., Ltd.	125,533	8.01
Foundation of Kinoshita Memorial Enterprise	92,192	5.88
Maruito Shoten Co., Ltd.	38,733	2.47
Trust Account of General Incorporated Association Kyoei-Kai	32,598	2.08
Mitsubishi UFJ Trust and Banking Corporation	31,572	2.01
Shigeyoshi Kinoshita	30,007	1.91
NOBUKA Co., Ltd.	30,000	1.91
Japan Trustee Service Bank, Ltd. (Trust account 4)	26,824	1.71

(Notes) 1. For the number of shares held, the amount is rounded down to the nearest thousand.
2. The Company holds 29,668,592 shares of treasury stock but is excluded from the list of major shareholders above.
3. The percentage of ownership is calculated excluding treasury stock.

3. Matters concerning the Stock Acquisition Rights, etc.

(1) Stock acquisition rights held by the Directors and Company Auditors of the Company and issued in consideration of their execution of duties

Not applicable.

(2) Stock acquisition rights issued to employees, etc. in consideration of their execution of duties during this fiscal year

Not applicable.

4. Matters concerning Directors and Company Auditors of the Company

(1) Directors and Company Auditors (as of March 31, 2016)

Position	Name	Responsibility within the Company and significant concurrent positions
Chairman, President & CEO	Shigeyoshi Kinoshita	Chief Executive Officer
Deputy Chairman	Toshiaki Kajiura	In charge of Compliance Department and Internal Audit Department
Managing Director	Masataka Kinoshita	Executive Managing Officer Head of Credit Business Promotion Division (In charge of Business Planning Department, Business Promotion Department, East Japan Business Promotion Department, West Japan Business Promotion Department and Compliance for Credit Business Promotion Office)
Managing Director	Kazuo Fukumoto	Executive Managing Officer (In charge of Treasury Department, General Affairs Department and System Development & Administration Division)
Managing Director	Teruyuki Sagehashi	Executive Managing Officer (In charge of Corporate Planning Department, Finance Department and Human Resources Department)
Director	Takahiro Yanai	Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc. Managing Director (Representative Director) of The Bank of Tokyo Mitsubishi-UFJ, Ltd.
Director	Mitsuhiro Umezu	Associate Professor, Faculty of Business and Commerce, Keio University Outside Director of SAN-AI OIL CO., LTD.
Director	Hitoshi Shimbo	Attorney at law Nozomi Sogo Attorneys at Law
Full-time Company Auditor	Shigeru Sato	
Full-time Company Auditor	Tatsuya Ito	
Company Auditor	Osamu Takada	Outside Director of TOHOKU CHEMICAL CO., LTD.
Company Auditor	Takashi Doi	Attorney at law Outside Auditor of ARATA CORPORATION

(Notes) 1. Directors Mitsuhiro Umezu and Hitoshi Shimbo are both Outside Directors, and have been designated and registered as independent directors with the Tokyo Stock Exchange in accordance with its regulations.
2. Company Auditors Tatsuya Ito, Osamu Takada and Takashi Doi are Outside Company Auditors, and have been designated and registered as independent auditors with the Tokyo Stock Exchange in accordance with its regulations.
3. Company Auditor Shigeru Sato held the positions of Executive Officer and Chief General Manager of Treasury Dept. of the Company, possessing sufficient knowledge regarding finance and accounting.
4. Executive Officers who do not hold concurrent positions as Directors are as follows:

Position	Name	Responsibility within the Company and significant concurrent positions
Executive Managing Officer	Etsuro Tabuchi	In charge of Special Mission
Executive Managing Officer	Michio Atsuda	In charge of Overseas Business Department
Executive Managing Officer	Nobuyoshi Matsutani	In charge of Business Process Management Department, Corporate Risk Management Department Vice in charge of Compliance Department
Executive Managing Officer	Tomomi Uchida	Deputy Head of Credit Business Promotion Division Chief General Manager of Business Promotion Department
Executive Managing Officer	Makoto Kondo	In charge of Guarantee Business Department
Executive Managing Officer	Yasuhiro Kamura	Head of Credit Supervision Division In charge of Credit Supervision Department I, Credit Supervision Department II and Compliance for Credit Supervision Office
Executive Officer	Yoshiharu Kita	Chief General Manager of Internal Audit Department
Executive Officer	Noriyoshi Watanabe	Chief General Manager of Corporate Planning Department
Executive Officer	Yoshinori Matsubara	Chief General Manager of System Development & Administration Division
Executive Officer	Satoru Miyakawa	Chief General Manager of General Affairs Department
Executive Officer	Michihito Onodera	Chief General Manager of Guarantee Business Department
Executive Officer	Tomoo Shikanoya	Chief General Manager of Compliance Department
Executive Officer	Masayuki Sone	Chief General Manager of East Japan Business Promotion Department
Executive Officer	Takashi Kiribuchi	Chief General Manager of Treasury Department
Executive Officer	Akihiro Kiyooka	Chief General Manager of Finance Department

(2) Directors Who Retired during the Fiscal Year under Review

Name	Date of retirement	Reason for retirement	Position, responsibility within the Company and significant concurrent positions at the time of retirement
Kiyoshi Tachiki	June 24, 2015	Expiration of term	Senior Managing Director Senior Executive Managing Officer In charge of Corporate Planning Department, Finance Department, Treasury Department and General Affairs Department
Satoru Tomimatsu	June 24, 2015	Expiration of term	Senior Managing Director Senior Executive Managing Officer Head of Credit Supervision Division In charge of Credit Supervision Department I, Credit Supervision Department II and Compliance for Credit Supervision Office
Tadachiyo Osada	June 24, 2015	Expiration of term	Director Managing Executive Officer of Mitsubishi UFJ Financial Group, Inc. Senior Managing Director (Representative Director) of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Shinichi Yasuda	June 24, 2015	Expiration of term	Full-time Company Auditor Outside Director of NJS CO., LTD.
Eiji Oshima	June 24, 2015	Expiration of term	Full-time Company Auditor

(3) Total Amount of Compensation to Directors and Company Auditors

Category	Number of recipients	Amount paid (Thousands of yen)
Directors	11	150,630
Company Auditors	6	54,795
Total	17	205,425

(Notes) 1. At the 29th Ordinary General Meeting of Shareholders held on June 22, 2006, it was resolved that compensation paid to Directors per year shall be no more than 420 million yen.
2. At the 26th Ordinary General Meeting of Shareholders held on June 27, 2003, it was resolved that compensation paid to Company Auditors per month shall be no more than 8 million yen.
3. The number of Directors and the number of Company Auditors at the end of the fiscal year under review were eight and four, respectively. The reason for the discrepancy between these numbers and the above compensation recipients is that the above numbers of recipients include three Directors and two Company Auditors who retired due to the expiration of their terms of office at the close of the 38th Ordinary General Meeting of Shareholders held on June 24, 2015.
4. Total amount of compensation paid to Outside Directors and Outside Company Auditors was 50,505 thousand yen (seven persons).

(4) Summary of Limited Liability Agreement

Based on the provisions in Paragraph 1, Article 427 of the Companies Act, the Company has concluded a limited liability agreement under Paragraph 1, Article 423 of the Companies Act with each Director (excluding those with authority on business execution, etc.) and Company Auditor. In addition, liability for damage under such agreement will be limited to the minimum amount stipulated in the law.

(5) Matters concerning Outside Directors and Outside Company Auditors

1) Significant concurrent positions in other companies and relationship between the Company and these companies.

- Director Mitsuhiro Umezu is an Outside Director of SAN-AI OIL CO., LTD. There are no special interests between the organization and the Company.
- Director Hitoshi Shimbo is an attorney at Nozomi Sogo Attorneys at Law. There are no special interests between the organization and the Company.
- Company Auditor Osamu Takada is an Outside Director of TOHOKU CHEMICAL CO., LTD. There are no special interests between the organization and the Company.
- Company Auditor Takashi Doi is an Outside Auditor of ARATA CORPORATION. There are no special interests between the organization and the Company.

2) Major activities of Outside Directors and Outside Company Auditors during the fiscal year under review

Name	Position	Major activities
Mitsuhiro Umezu	Outside Director	He attended 17 out of 20 Board of Directors meetings held during fiscal year under review and made productive opinions and advice for the Company's management, drawing on his acquired diverse experience and knowledge, deep insights regarding corporate ethics, and abundant experience as an Outside Director of other companies.
Hitoshi Shimbo	Outside Director	During the fiscal year under review, he attended all 14 Board of Directors meetings held after he took office as Director on June 24, 2015 (he was elected at the 38th Ordinary General Meeting of Shareholders) and made valuable opinions and advice for the Company's management, drawing on his sophisticated expertise and a wealth of working experience gained through his career as an attorney at law.
Tatsuya Ito	Outside Company Auditor	During the fiscal year under review, he attended all 14 Board of Directors meetings and all ten Board of Company Auditors meetings held after he took office as Company Auditor on June 24, 2015 (he was elected at the 38th Ordinary General Meeting of Shareholders) and actively offered opinions and advice and posed questions from an independent standpoint, drawing on his wealth of experience and knowledge gained through his career at a financial institution, as well as his insight as an attorney at law. In addition, he maintained active cooperation with accounting auditors and the internal audit department, etc.
Osamu Takada	Outside Company Auditor	During the fiscal year under review, he attended all 14 Board of Directors meetings and all ten Board of Company Auditors meetings held after he took office as Company Auditor on June 24, 2015 (he was elected at the 38th Ordinary General Meeting of Shareholders) and actively offered opinions and advice and posed questions from an independent standpoint, drawing on his wealth of experience and knowledge in general, as well as those gained through his past career as corporate executive. In addition, he maintained active cooperation with accounting auditors and the internal audit department, etc.

Name	Position	Major activities
Takashi Doi	Outside Company Auditor	He attended all 20 Board of Directors meetings and all 15 Board of Company Auditors meetings held during the fiscal year under review and actively offered opinions and advice and posed questions from an independent standpoint, drawing on his wealth of experience primarily in his career as an attorney at law. In addition, he maintained active cooperation with accounting auditors and the internal audit department, etc.

5. Accounting Auditor

(1) Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

(2) Amount of Compensation to Accounting Auditor for the Fiscal Year under Review

1) Compensation to the accounting auditor for the fiscal year under review	109,000 thousand yen
2) Total amount of monetary and other financial benefits payable to the accounting auditor by the Company and its consolidated subsidiaries	133,600 thousand yen

(Notes) 1. The audit agreement entered into by the Company and the accounting auditor does not clearly distinguish the amount of compensation for audits prescribed in the Companies Act and those prescribed in the Financial Instruments and Exchange Act, and practically it cannot be distinguished. Therefore, 1) above shows the total amount of such compensation.

2. The Board of Company Auditors of the Company agreed to the amount of compensation to the accounting auditor, as it decided that such amount was reasonable based on the examination thereof, following the analysis/evaluation on the results of accounting audit carried out in the prior fiscal year by the accounting auditor, as well as the verification of the audit plan for the current fiscal year and the basis for calculating the estimated compensation, etc.

3. Among the Company's principal subsidiaries, EASY BUY Public Company Limited and PT. Bank Nusantara Parahyangan, Tbk. have been subject to statutory audit by accounting auditors other than the Company's accounting auditor.

(3) Policy on Determination of Dismissal or Non-Reappointment of the Accounting Auditor

In case the Board of Company Auditors determines that the accounting auditor falls under the provisions specified in each item, Paragraph 1, Article 340 of the Companies Act, the Board of Company Auditors shall dismiss the accounting auditor conditional upon its unanimous approval.

In cases that the Board of Company Auditors determines that dismissal or non-reappointment of the accounting auditor is appropriate mainly including the fact that the accounting auditor has difficulty in execution of duties, the Board of Company Auditors shall decide the contents of proposal for the General Meeting of Shareholders to dismiss or not to reappoint the accounting auditor.

6. The Company's System and Policy

Systems to ensure the appropriateness of business activities and overview of the status of operation thereof

1) System to ensure that execution of duties by the Directors and employees of the Company and its subsidiaries complies with laws, regulations and the Articles of Incorporation of the Company
   (a) The Company regards compliance as the highest priority in the corporate management, and establishes the ACOM Group Code of Ethics and Code of Conduct, while developing the rules for compliance and various internal rules and making employees fully aware of them.
   (b) The Company and its subsidiaries establish a committee on compliance, etc., officers responsible for compliance, and departments with across-the-board responsibilities for compliance.
   (c) The Company and its subsidiaries formulate compliance plans and manage its progress.
   (d) The Company and its subsidiaries establish contact points for reporting and inquiries concerning the act of violations or possible violations of compliance.
   (e) In accordance with the ACOM Group Code of Ethics and the Group's basic policy with respect to antisocial forces, the Company develops a system to prevent relations with antisocial forces and ensure appropriate business operations.
   (f) In accordance with the Group's basic policy for the internal control over financial reporting, the Company develops a system to ensure the accuracy and reliability of financial reporting. The Company also establishes a system to disclose financial information by setting up a Financial Information Disclosure Committee.
   (g) The Company establishes an internal audit department and ensures its independence and specialties. It also develops an internal audit system, in accordance with the rules on internal audit, to ensure the soundness and appropriateness of businesses. Additionally, the Company's internal audit department implements audits on its subsidiaries or supports their audits in order to contribute to development of the internal control system of its subsidiaries.

   [Overview of the status of operation]

   The Company has formulated the ACOM Group Code of Ethics and Code of Conduct and issued copies thereof to all officers and employees. The Company has appointed officers responsible for compliance and established departments with across-the-board responsibilities for compliance, arranging quarterly report to the Board of Directors on the progress of the compliance plan, status of prevention of transactions involving antisocial forces, and results of audits including those of subsidiaries. The Compliance Committee has held six meetings, carrying out deliberation on the important matters concerning the development and operation of the compliance system, matters concerning the formulation of the basic compliance plan, etc. The Financial Information Disclosure Committee has held eight meetings, conducting prior deliberation of the matters to be discussed at the Board of Directors, on issues such as the financial information subject to disclosure.

2) System concerning storage and management of information on the execution of duties by Directors of the Company
   (a) In accordance with the rules for confidential information management and related rules, the Company establishes procedures for managing documents related to the execution of duties by the Directors (including electromagnetic records), stores and manages such information in an appropriate manner, ensuring that such documents are available for inspection by directors when necessary.
   (b) In order to maintain the appropriateness of information storage and management, the Company appoints personnel responsible for information security management, determines the roles of respective organizations, officers and employees, and stores and manages information in a systematic manner. The Company regularly verifies the status of information storage and management.

   [Overview of the status of operation]

   The Company makes amendments to the rules, etc. concerning information management, such as the "Information Security Management Rules" and the "Classified Information Management Rules," and reviews the framework for storage and management of information as appropriate. The Company has appointed personnel responsible for information security management, and regularly verifies the roles of respective organizations, officers and employees involved in information security, as well as the status of storage and management of information.

3) Rules concerning loss risk management and other systems of the Company and its subsidiaries

(a) The Company and its subsidiaries establish systems for proper and efficient risk management in accordance with the rules for risk management.

(b) In order to manage risks in an integrated manner, the Company and its subsidiaries establish a committee on risk management, etc., officers responsible for risk management, and departments with across-the-board responsibilities for risk management.

(c) The Company and its subsidiaries establish systems to minimize economic losses and loss of credibility and to continue or swiftly resume business operations in cases where risks that may have significant internal or external impacts arise.

[Overview of the status of operation]

The Company has appointed officers responsible for risk management and established departments with across-the-board responsibilities for risk management. The Company makes amendments to the rules, etc. concerning business continuity and reviews the framework for business continuity and prompt restoration of business operations as appropriate. The Risk Management Committee has held four meetings, deliberating on matters concerning the development of the risk management system in general, matters concerning risk assessment, and priority risk management measures.

4) System to ensure efficient execution of duties by the Directors of the Company and its subsidiaries

(a) The Company formulates the Group's management policies and management plans and carries out business management based on appropriate methods.

(b) The Company establishes the Executive Officer's meeting and various committees so as to conduct decision making concerning the execution of duties delegated from the Board of Directors and prior deliberations on matters to be discussed in the meetings of the Board of the Directors.

(c) The Company and its subsidiaries, based on internal rules, etc., determine the division of duties by each organization and the criteria of decision making for each position so as to make decisions more quickly and execute duties more efficiently.

[Overview of the status of operation]

The Board of Directors makes resolutions on the Group's management policies and management plans. Status of business execution based on qualitative management data, etc. is reported to the Board of Directors on a monthly basis. 30 meetings of the Executive Officers' Meeting have been held, engaging in decision-making concerning the execution of duties delegated from the Board of Directors and prior deliberation on the matters to be discussed at the Board of Directors.

5) System to ensure the propriety of business carried out by the group consisting of the Company, parent company and subsidiaries

(a) While maintaining independence as a publicly-traded company, the Company coordinates with the parent company in accordance with the rules for consultation and reporting with the parent company. The Company also establishes the Group's business management systems in accordance with the parent company's policy for its group management so as to contribute to the appropriate business operations of both of the groups.

(b) The Company establishes departments for managing its subsidiaries, and manages subsidiaries in accordance with the rules for management of subsidiaries, etc. The Company's subsidiaries report important matters with business operations and management to the Company's Executive Officer's meeting.

[Overview of the status of operation]

The Company manages subsidiaries based on the "Affiliates Management Rules." Status of various aspects of operation at each subsidiary including budgetary control, main qualitative management data and the progress of credit business measures is reported to the Executive Officers' Meeting on a monthly basis.

6) System concerning employees to assist Company Auditors' duties

(a) The Company will establish the Administration for Board of Company Auditors to assist in the Company Auditors' duties, and appoint assistants for Company Auditors.

(b) The number of employees to assist Company Auditors and their requirements will be decided after discussion with the Board of Company Auditors.

(c) Employees to assist Company Auditors will be exclusively in charge of work that assists Company Auditors, and will not be subject to instructions and orders from the Directors and other operational

organizations.

(d) Assignment, transfer, evaluation and disciplinary action of employees who assist Company Auditors will be decided after discussion with the Board of Company Auditors.

[Overview of the status of operation]

The Company has established the Administration for Board of Company Auditors to assist in the Company Auditors' duties, and appointed two dedicated employees to assist Company Auditors, who will not be subject to instructions and orders from the Directors and other operational organizations.

7) System for reporting to Company Auditors

The Company reports to Company Auditors the following matters concerning the Company and its subsidiaries. The person who reports to Company Auditors shall not be treated unfavorably due to the reporting.

(i) Matters which may significantly damage the Company
(ii) Any material violation of laws and regulations, etc.
(iii) Implementation Status and results of internal audits
(iv) Status of whistleblowing and details of the reporting
(v) Other matters Company Auditors ask to be reported

[Overview of the status of operation]

Status of the execution of Directors' duties, status of internal audits, etc., are reported to Company Auditors on a regular basis, while matters which may significantly damage the Company and any like cases are reported to Company Auditors without delay when such matters occur.

8) Other systems to ensure that audits are effectively implemented by Company Auditors of the Company

(a) Directors will ensure a system that allows Company Auditors to: attend the Board of Directors meetings, the Executive Officers' meetings, and other important meetings and committees; and have access to the important documents concerning the execution of duties, such as statutory documents.
(b) Directors will have regular meetings with Company Auditors to exchange opinions on issues with which the Company should deal, issues concerning the execution of duties, and primary issues on audits. They will also take actions regarding the matters that the Company Auditors deems necessary to be addressed.
(c) Directors and employees will esteem the rules of the Board of Company Auditors and other rules, including audit policies, and cooperate with Company Auditors for inspection and consultation requests.
(d) The internal audit department will establish a cooperation system for exchanging information with Company Auditors in order to contribute to ensuring the effectiveness of audits.
(e) The Board of Company Auditors will prepare budgets for expenses necessary for the execution of their duties and present them to the Company. Expenses incurred over the budget, in an urgent or temporary manner, may be requested for reimbursement afterwards.

[Overview of the status of operation]

Under the provision of Company Auditors' authority to attend meetings made in the "Rules of the Executive Officers' Meeting" and regulations on various Committees, Company Auditors attend various Committees including the Executive Officers' Meeting, the Compliance Committee, the Financial Information Disclosure Committee and the Risk Management Committee, apart from the Board of Directors meetings. Company Auditors' access to statutory documents and other important documents concerning the execution of duties is prescribed in the "Rules for Ensuring the Effectiveness of Audits by Company Auditors." Directors have regular meetings with Company Auditors to exchange opinions on issues which the Company should address, issues concerning the execution of duties, and primary issues on audits.

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damage arising from the translation.

Consolidated Financial Statements

(April 1, 2015 - March 31, 2016)

Consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		**(Liabilities)**	
Current assets	**1,121,629**	**Current liabilities**	**227,529**
Cash and deposits	87,506	Accounts payable-trade	385
Loans receivable of consumer loans	902,150	Short-term loans payable	18,286
Loans receivable of banking business	56,575	Current portion of long-term loans payable	103,758
Accounts receivable-installment	28,393	Current portion of bonds payable	16,700
Purchased receivables	10,709	Deposits of banking business	63,875
Short-term investment securities	545	Lease obligations	372
Trading account securities	692	Income taxes payable	3,136
Supplies	67	Provision for loss on guarantees	8,093
Deferred tax assets	33,179	Asset retirement obligations	14
Other	59,903	Deferred installment income	64
Allowance for doubtful accounts	(58,094)	Other	12,842
Noncurrent assets	**53,434**	**Noncurrent liabilities**	**609,401**
Property, plant and equipment	23,495	Bonds payable	193,058
Buildings and structures	5,826	Long-term loans payable	316,766
Vehicles	3	Lease obligations	586
Equipment	10,580	Deferred tax liabilities	3,913
Land	6,234	Provision for directors' retirement benefits	26
Lease assets	851	Provision for loss on interest repayment	90,000
Intangible assets	12,476	Net defined benefit liability	207
Software	5,973	Asset retirement obligations	4,546
Goodwill	6,459	Other	295
Leasehold right	4		
Telephone subscription right	37	**Total liabilities**	**836,930**
Other	1		
Investments and other assets	17,462	**(Net assets)**	
Investment securities	4,962	**Shareholders' equity**	**321,641**
Net defined benefit asset	4,374	Capital stock	63,832
Guarantee deposits	5,632	Capital surplus	73,578
Other	3,177	Retained earnings	204,025
Allowance for doubtful accounts	(685)	Treasury stock	(19,794)
		Accumulated other comprehensive income	**1,735**
		Valuation difference on available-for-sale securities	7
		Foreign currency translation adjustments	1,669
		Remeasurements of defined benefit plans	57
		Non-controlling interests	**14,755**
		Total net assets	**338,132**
Total assets	**1,175,063**	**Total liabilities and net assets**	**1,175,063**

Consolidated Statement of Income

(April 1, 2015 - March 31, 2016)

(Millions of yen)

Description	Amount	
Operating revenue		237,683
Interest on consumer loans	151,600	
Interest on loans of banking business	8,104	
Credit card revenue	3,401	
Per-item revenue	87	
Revenue from credit guarantee	43,472	
Collection from purchased receivable	5,549	
Other financial revenue	1,187	
Other operating revenue	24,279	
Operating expenses		222,166
Financial expenses	17,313	
Cost of purchased receivable	2,382	
Other operating expenses	202,471	
Operating income		**15,516**
Non-operating income		781
Interest income	308	
Dividend income	10	
Equity in earnings of affiliates	8	
House rent income	302	
Other	152	
Non-operating expenses		97
Interest expenses	18	
Foreign exchange losses	34	
Loss on investments in partnership	12	
Loss on insurance cancellation	16	
Other	15	
Ordinary income		**16,200**
Extraordinary income		113
Gain on sales of noncurrent assets	8	
Gain on sales of investment securities	105	
Extraordinary loss		1,329
Loss on sales of noncurrent assets	3	
Loss on retirement of noncurrent assets	74	
Impairment loss	6	
Loss on valuation of investment securities	0	
Loss on liquidation of a subsidiary	1,243	
Other	0	
Income before income taxes		**14,985**
Income taxes-current	4,656	
Income taxes-deferred	(7,606)	(2,950)
Profit		**17,935**
Profit attributable to non-controlling interests		**3,337**
Profit attributable to owners of parent		**14,598**

Consolidated Statement of Changes in Net Assets

(April 1, 2015 - March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	63,832	73,671	189,426	(19,794)	307,136
Changes of items during the period					
Profit attributable to owners of parent			14,598		14,598
Purchase of treasury stock				(0)	(0)
Purchase of shares of consolidated subsidiaries		(93)			(93)
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	(93)	14,598	(0)	14,504
Balance at the end of current period	63,832	73,578	204,025	(19,794)	321,641

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	8	3,546	1,896	5,450	15,727	328,315
Changes of items during the period						
Profit attributable to owners of parent						14,598
Purchase of treasury stock						(0)
Purchase of shares of consolidated subsidiaries						(93)
Net changes of items other than shareholders' equity	(0)	(1,876)	(1,838)	(3,715)	(972)	(4,687)
Total changes of items during the period	(0)	(1,876)	(1,838)	(3,715)	(972)	9,817
Balance at the end of current period	7	1,669	57	1,735	14,755	338,132

Notes to the Consolidated Financial Statements

(From April 1, 2015 to March 31, 2016)

1. Notes to Significant Matters Providing the Basis for the Preparation of Consolidated Financial Statements

(1) Matters concerning the scope of consolidation

Number of consolidated subsidiaries: 6

Names of principal consolidated subsidiaries are referred to in "(7) Principal Parent Company and Subsidiaries of 1. Overview of Consolidated Business Activities," therefore they are omitted here.

ACOM (U.S.A.) INC., which had been a consolidated subsidiary until the prior fiscal year, was excluded from the scope of consolidation, as a result of the completion of its liquidation during the fiscal year under review.

(2) Matters concerning application of the equity method

Number of equity-method-affiliate: 1

Name of the equity-method-affiliate: MU Communications Co., Ltd.

(3) Matters concerning accounting policies

1) Evaluation standards and methods for significant assets

(a) Marketable securities

Trading securities	Market value method (the cost of securities sold is computed using the moving average method)
Held-to-maturity securities	Mainly amortization cost method (Interest method)
Other marketable securities	
Securities with market quotations	Stated at market value at the end of the fiscal year (Unrealized gains or losses are comprehensively reported as a component of net assets and the cost of securities sold is computed using the moving average method)
Securities without market quotations	Stated at cost by the moving-average method The investments in limited investment partnerships and other similar partnerships (those deemed as "securities" according to the Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported, using the equity method, based on the latest financial statements available as at the closing dates stipulated by the respective partnership contracts.

(b) Derivative transactions, etc.

Swap transactions	Market value method

(c) Inventories

Merchandise	Stated at cost, on an individual specified cost basis (balance sheet value is computed by the method of devaluing book price to reflect declines in profitability)
Supplies	Mainly at cost, based on the first-in first-out method

2) Depreciation and amortization methods for significant depreciable assets

(a) Property, plant and equipment (excluding lease assets)

The Company and its domestic consolidated subsidiaries

Declining balance method

Overseas consolidated subsidiaries

Straight-line method

(b) Intangible assets (excluding lease assets)

Software for internal use	Amortized by the straight-line method over their estimated useful lives (5 years) in the Company.
Other intangible assets	Straight-line method

(c) Lease assets

Lease assets concerning transfer ownership finance lease transactions

Depreciated by the same depreciation method applied to

	noncurrent assets owned by the Company
Lease assets concerning non-transfer ownership finance lease transactions	
	Depreciated by the straight-line method, defining the lease term of respective assets as their useful lives, with residual value equaling zero
(d) Long-term prepaid expenses	Depreciated by the equal installment method
(e) Deferred assets	
Bond issuance cost	These costs are fully charged to income when they are paid.

3) Accounting standards for the translation of foreign currency-denominated assets and liabilities into Japanese yen

Foreign currency-denominated monetary claims and obligations are translated into Japanese yen, using the spot exchange rates on the closing date of consolidated accounting and the resulting translation gains and losses are recognized as income and expenses.

Assets and liabilities and income and expenses of overseas subsidiaries are translated into Japanese yen at the spot exchange rates on the account closing date and average exchange rates, respectively. The resulting translation gains and losses are recorded as foreign currency translation adjustments and non-controlling interests under the net assets section.

4) Accounting standards for significant allowances and provisions

Allowance for doubtful accounts	To provide for potential loss on consumer loans and other loans, the Company and its consolidated subsidiaries make an allowance for the expected amount of irrecoverable loans. Allowances for ordinary bad debts are computed, based on the historical rate of default. For specific debts where recovery is doubtful, the Company considers the likelihood of recovery on an individual basis.
Provision for loss on guarantees	To provide for loss on guarantees, the Company and its consolidated subsidiaries make an allowance for potential losses at the end of the fiscal year.
Provision for directors' retirement benefits	Certain domestic consolidated subsidiaries make provisions for a necessary amount of directors' retirement benefits at the end of each fiscal year, in accordance with the Company's internal rules.
Provision for loss on interest repayment	To prepare for potential loss on interest repayment in the future, the Company estimates and provides a reasonable amount of provision for loss on interest repayment, in consideration of the past actual results and the latest interest repayment situations.

5) Accounting standards for significant revenue and expenses

Interest on consumer loans	Interest is recorded on an accrual basis. Accrued interest on consumer loans is recorded, using the interest rate stipulated in the Interest Rate Restriction Act or the contracted interest rate of the Company, whichever the lower.
Credit card revenue	
Fees from customers	Recorded by the credit balance method
Fees from member stores	Recorded as fees at the time of transaction
Revenue from credit guarantee	Recorded by the credit balance method
(Note) Details of each recording method are as follows:	
Credit balance method	Fees to be recorded as revenue is calculated pursuant to the prescribed rates applicable to the relevant credit balance.

6) Significant hedge accounting method

(a) Hedge accounting method

The Company adopts the deferred hedge accounting. However, exceptional accounting treatments are applied to certain interest-rate swaps which meet specific conditions and designation transactions are applied to those that conform to the requirements of designated currency swap transactions.

(b) Hedging instruments and hedging items

Interest rate-related items

Hedging instruments	Interest-rate swap agreements
Hedging items	Loans payable with variable interest rates and bonds payable with variable interest rates

Currency-related items

Hedging instruments	Currency swap agreements
Hedging items	Foreign-currency-denominated loans payable and foreign-currency-denominated bonds payable

(c) Hedging policy

The Company and its subsidiaries enter into derivatives contracts to hedge against various risks. These contracts include the following: Interest-rate swaps to hedge against the risk of fluctuations in interest rates relating to loans payable with variable interest rates and bonds payable with variable interest rates for the purpose of protecting cash flows. Currency swap contracts to hedge against the risk of fluctuations in exchange rates relating to loans payable and interest on loans relating to foreign-currency-denominated loans payable and foreign-currency-denominated bonds payable for the purpose of protecting cash flows.

(d) Method for evaluating hedging effectiveness

With regard to interest rate-related hedging, important requirements concerning hedging instruments and hedging items are closely matched with each other. Also, the Company can assume that fluctuations in interest rates and cash flows are fully offset by the fluctuations in hedging instruments on an ongoing basis since the implementation of hedging contracts. Therefore, the judgment of hedging effectiveness is omitted. On currency-related hedging, currency swap contracts are entered into on the same conditions as heading items, thus the Company can assume that fluctuations in exchange rates or cash flows are fully offset by the fluctuations of hedge instruments. Therefore, the judgment of hedging effectiveness is omitted.

7) Method and period for amortization of goodwill

Goodwill is amortized by the equal installments method over a period of 10 to 15 years. However, those with insignificant value are fully amortized in the fiscal year in which they were incurred.

8) Other significant matters for the preparation of consolidated financial statements

(a) Accounting method for retirement benefits

Net defined benefit liability is recorded at the amount obtained by subtracting pension assets from retirement benefit obligations based on their projected amounts at the end of the current fiscal year, in order to provide for employees' retirement benefits. If the projected amount of pension assets exceeds the projected amount of retirement benefit obligations, the excess amount is recorded as net defined benefit asset.

Past service costs are charged to expenses, using the straight-line method, over the determined years (5 years) that are not longer than average remaining service years of the employees at the time of occurrence.

Actuarial differences are amortized evenly using the straight-line method over the determined years (5 years) that are not longer than the average remaining service years of employees at the time of occurrence in each fiscal year, beginning from the fiscal year following the time of occurrence.

Actuarial differences and unrecognized past service costs are recorded as remeasurements of defined benefit plans in accumulated other comprehensive income under the net assets section, after adjustments for tax effect.

(b) Accounting method for consumption tax

Transactions subject to consumption tax are recorded at the amount exclusive of consumption tax. However, consumption tax and other taxes imposed on non tax-deductible assets are recorded as an expense for the fiscal year they were incurred.

(c) Adoption of consolidated taxation system

The Company and some of its domestic consolidated subsidiaries have adopted the consolidated taxation system from the current fiscal year.

2. Notes to changes in presentation method

<Changes associated with the adoption of the "Accounting Standard for Business Combinations", etc.>

From the current fiscal year, the Company has adopted the provisions of Paragraph 39 of the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013). As a result, changes are made to the presentation of net income, etc., and "minority interests" is changed to "non-controlling interests".

3. Supplemental information

<Modifications to the amount of deferred tax assets and liabilities due to changes of corporate taxation rates>

Following the enactment of the "Act for Partial Revision of the Income Tax Act, etc." and the "Act on Partial Revision of the Local Tax Act, etc." at the Diet on March 29, 2016, the effective statutory tax rate used in the calculation of deferred tax assets and liabilities for the fiscal year under review (limited to those that will be settled on or after April 1, 2016) has been revised from 32.34% of the prior fiscal year to 30.86% for items expected to be collected or paid in the period from April 1, 2016 to March 31, 2018, and to 30.62% for items expected to be collected or paid on or after April 1, 2018.

As a result, the amount of deferred tax assets (deducting the amount of deferred tax liabilities) decreased by 1,378 million yen and income taxes-deferred, valuation difference on available-for-sale securities and remeasurements of defined benefit plans for the fiscal year under review increased by 1,381 million yen, 0 million yen and 2 million yen, respectively.

4. Notes to Consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment 37,660 million yen

(2) Guaranteed liabilities

	(Millions of yen)
Outstanding guarantee obligation in the guarantee business	987,508
Outstanding guarantee obligation in the banking business	931
Provision for loss on guarantees	8,093
Net	980,346

(3) Cash and deposits include 4,224 million yen of reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia.

5. Notes to Consolidated Statement of Changes in Net Assets

(1) Class and total number of shares issued as of the end of the current fiscal year

Common stock 1,596,282,800 shares

(2) Matters concerning dividends from surplus

1) Dividends paid

Not applicable.

2) Dividends whose record date falls in the current fiscal year, but whose effective date comes after March 31, 2016

Not applicable.

(3) Class and number of shares to be issued upon the exercise of the stock acquisition rights as of the end of the current fiscal year

Not applicable.

6. Notes to financial instruments

(1) Matters concerning the financial instruments

1) The Group's policy for financial instruments

The Group conducts financial service businesses. These include loan business, credit card business, installment sales finance business, guarantee business, loan servicing business and banking business. To finance the operation of these businesses, the Group raises funds through indirect financing, i.e. borrowings from financial institutions, as well as direct financing, such as issuing bonds, liquidation of receivables, etc., in light of the market situation and balance between variable interest rates and fixed interest rates. The Group conducts derivative transactions primarily for the purpose of hedging against the risk of fluctuations in interest rates and exchange rates associated with these financing operations,

and does not have a policy to conduct speculative trading.

2) Details of financial instruments and associated risks

Major financial assets held by the Group are loans receivable of consumer loans, loans receivable of banking business and accounts receivable-installment; these assets are exposed to credit risk resulting from customers' default of payments. In addition, the Group holds shares, bonds, investments in partnership, etc. either on a held-to-maturity or portfolio investment basis, while some consolidated subsidiaries hold them for trading purposes. These assets are exposed to the risk of market value fluctuations and some are open to the risks of issuer's credit and interest rate fluctuations.

Financial liabilities including loans payable, bonds and liquid receivables are exposed to liquidity risk, giving some indication of the possibility that the Group may not be able to make payment at the due date as a result of a change in the Group's credit standings or the market environment. Likewise, liabilities with variable interest rates have a certain degree of interest-rate risk, but the Group mitigates this risk through interest rate swap transactions. On the other hand, foreign-currency-denominated liabilities are exposed to the risk of fluctuations in foreign currency exchange rates, which is averted with the help of currency swap agreements.

Derivative transactions include interest rate swap agreements for the purpose of hedging against the risk of fluctuations in interest rates associated with loans payable; and currency swap agreements that aim to hedge against the risk of fluctuations in exchange rates concerning foreign-currency-denominated loans payable and foreign-currency-denominated bonds payable. For details of hedging instruments, hedging items, hedging policy and the method for evaluating hedging effectiveness concerning hedge accounting, please refer to aforementioned "1. Notes to Significant Matters Providing the Basis for the Preparation of Consolidated Financial Statements, (3) Matters concerning accounting policies, 6) Significant hedge accounting method."

3) Risk management system for financial instruments

(a) Credit risk management

According to internal rules, the Company incorporates and operates a structure to cope with individual transaction-based credit administration, credit information management, a credit rating system, a self-assessment system, problem loans and to regularly monitor its credit portfolios. The credit management and credit business promotion divisions separately conduct individual transaction-based screening and credit management, designed to facilitate a mutual surveillance function. In addition, the Company holds a regular management meeting to report and discuss important matters on credit risk management and operations. Separately it has a system under which the internal audit department reviews the appropriateness of the Company's credit business operations, ensuring that the Company engages in a proper credit business. Consolidated subsidiaries also have similar management systems in place.

(b) Market risk management

The Company and some of its consolidated subsidiaries utilize interest rate swap agreements to mitigate the risk of fluctuations in interest payments on their financial liabilities such as loans payable. Also, they basically enter into currency swap agreements to hedge against the risk of fluctuations in exchange rate related to their foreign-currency-denominated liabilities.

With regard to marketable securities, such as shares and bonds, managements receive regular monitoring report regarding market trends, market values, issuers' financial standings, etc., in order to constantly review their asset holdings.

The Group conducts derivative transactions primarily with the aim of optimizing financing costs and adjustment of the fixed/variable interest rates proportion. It does not have a policy of conducting derivatives trading for speculative purposes. Further, execution and administration of derivatives transactions are conducted in accordance with the Company's internal rules that stipulate the trading authority, trading limits, etc., under the basic policy approved at meetings of management.

Consolidated subsidiaries also have similar market risk management systems in place.

In addition, all the loans receivable of consumer loans, which are the Group's principal financial assets, are fixed interest rates, and large part of loans payable and bonds, which are the Group's principal financial liabilities, are also fixed interest rates, therefore they have low sensitivity to fluctuations in interest rates. That is why the Group does not conduct a quantitative analysis on the market risk.

With regards to the items of which market values are determined using the market interest rate, if the interest rate as of March 31, 2016, had been 1 basis point (0.01%) lower, the market value of their net amount (asset side) - relevant financial assets after deduction of financial liabilities - would decrease

by 94 million yen on the condition that all risk variables other than interest rate are constant. To the contrary, if the interest rate had been higher by 1 basis point (0.01%), the net amount would increase by 94 million yen.

(c) Management of liquidity risk associated with financing activities

The Company manages the liquidity risk by reviewing its financing plan on a timely basis according to past financing results, change in market conditions or interest rate situations, etc., based on the financing plan approved at meetings of management. Also for that purpose, it maintains a certain amount of liquidity at all times, secures commitment lines, seeking diversity and appropriate balance of financing methods in light of the market environment. Consolidated subsidiaries also have similar financing systems in place.

4) Supplementary explanations on market value of financial instruments

Market value of financial instruments are measured based on the quoted market price, if available, or reasonably assessed value if a quoted market price is not available. Market value of financial instruments which quoted market price is not available is calculated based on certain assumptions, and the value might differ if different assumptions are used. In addition, the contract amount of the derivative transactions described below in "(2) Matters concerning the market value of financial instruments" does not represent the market risk of the derivative transactions.

(2) Matters concerning the market value of financial instruments

The book value on the consolidated balance sheet and market value of financial instruments as of March 31, 2016, as well as the differences between these values are described below. Financial instruments whose market values appear to be extremely difficult to determine are not included in the table. (See (Note 2))

(Millions of yen)

	Book Value	Market Value	Difference
1) Cash and deposits	87,506	87,506	-
2) Loans receivable of consumer loans	902,150		
Allowance for doubtful accounts	(37,585)		
Provision for loss on interest repayment (Amount of voluntary waiver of repayments)	(13,800)		
	850,765	1,101,321	250,556
3) Loans receivable of banking business	56,575		
Allowance for doubtful accounts	(890)		
	55,684	60,789	5,104
4) Accounts receivable-installment	28,393		
Allowance for doubtful accounts	(2,560)		
Deferred installment income	(64)		
	25,767	34,216	8,448
5) Purchased receivables	10,709		
Allowance for doubtful accounts	(2,487)		
	8,221	8,221	-
6) Marketable securities, trading account securities and investment securities			
(a) Trading securities	692	692	-
(b) Held-to-maturity securities	4,204	4,142	(62)
(c) Other securities	58	58	-
Total assets	1,032,902	1,296,949	264,046
1) Short-term loans payable	18,286	18,286	-
2) Deposits of banking business	63,875	63,875	-
3) Current portion of bonds payable and bonds payable	209,758	212,041	2,282
4) Current portion of long-term loans payable and long-term loans payable	420,525	422,250	1,725
Total liabilities	712,445	716,453	4,007
Derivative transaction (*)			
(a) Transactions not subject to the application of hedge accounting	-	-	-
(b) Transactions subject to the application of hedge accounting	-	-	-
Total derivative transactions	-	-	-

(*) Receivables and payables incurred by derivative transactions are presented in net. Net payables are presented in brackets "[ ]."

Note 1: Matters concerning the calculation method for the market value of financial instruments, marketable securities and derivatives trading

Assets

1) Cash and deposits

Deposits without maturity are stated at their book values, as their market values approximate book values. Deposits with maturity are stated at their book values, as their remaining periods are short (within a year) and their market values approximate book values.

2) Loans receivable of consumer loans, 3) loans receivable of banking business and 4) accounts receivable-installment

The fiscal year-end outstanding balances are stated at their present values, which are calculated by discounting expected future cash flows of the potentially recoverable principal and interest by the current market interest rate. These exclude secured loans and accounts receivable-installment, which are stated at

adjusted book value; the expected amount of loan losses on these assets are calculated based on the expected recoverable amount of their collateral securities, hence their market values approximate their balance sheet values at the closing date, less the current expected amount of loan losses. Meanwhile, the assets related to the installment sales finance business at certain consolidated subsidiaries are stated at adjusted book value, as their average remaining periods are roughly one year and their market values approximate their balance sheet values net of an allowance for doubtful accounts.

5) Purchased receivables

These are stated at adjusted book value. The expected amount of loan losses on these assets are calculated based on either the present value of expected future cash flows or expected recoverable amount of their collateral securities or guarantees; hence their market values approximate their balance sheet values at the closing date, less the current expected amount of loan losses.

6) Marketable securities, trading account securities and investment securities

Shares are stated at the stock exchange quoted price, bonds are stated at either the stock exchange quoted price or the price presented by transacting financial institutions. Certain bonds are stated at book value using the amortized cost method, as they are redeemed in the short term and their market values approximate book values. Certificate of deposit is stated at book value, as they are short-term assets and their market values approximate book values.

Notes to securities according to holding purposes are as follows.

(a) Trading securities

Unrealized gain or loss reported as an income or loss for the current fiscal year 0 million yen

(b) Held-to-maturity securities

The book values on the consolidated balance sheet and market values of held-to-maturity securities by type, as well as differences between these values are as follows. No held-to-maturity securities were sold during the current fiscal year.

(Millions of yen)

Type	Book Value	Market Value	Difference
Market value greater than book value on the consolidated balance sheet			
(a) Government/municipal	1,054	1,065	10
(b) Corporate	-	-	-
(c) Other	-	-	-
Subtotal	1,054	1,065	10
Market value not greater than book value on the consolidated balance sheet			
(a) Government/municipal	3,150	3,077	(73)
(b) Corporate	-	-	-
(c) Other	-	-	-
Subtotal	3,150	3,077	(73)
Total	4,204	4,142	(62)

(c) Other securities

Sale value for other securities during the current fiscal year is 108 million yen; the total gain on sales is 105 million yen. The acquisition costs of other securities, their value on the consolidated balance sheet and differences by type are as follows.

(Millions of yen)

Type	Book Value	Acquisition cost	Difference
Acquisition cost not greater than book value on the consolidated balance sheet			
(a) Stocks	0	0	0
(b) Bonds			
Government/municipal	58	56	2
Corporate	-	-	-
Other	-	-	-
(c) Other	-	-	-
Subtotal	58	56	2
Acquisition cost greater than book value on the consolidated balance sheet			
(a) Stocks	-	-	-
(b) Bonds			
Government/municipal	-	-	-
Corporate	-	-	-
Other	-	-	-
(c) Other	-	-	-
Subtotal	-	-	-
Total	58	56	2

(d) Impaired securities that were written down to their fair values

During the fiscal year under review, the Group reported a loss of 0 million yen arising from a write-down of impaired securities (unlisted shares).

Liabilities

1) Short-term loans payable

These liabilities are stated at book value as they are settled in the short-term and their market values approximate their book values.

2) Deposits of banking business

Deposits with maturity less than 1 year are stated at book value as they are settled in the short-term and their market values approximate their book values. Deposits with maturity exceeding 1 year are stated at the present value which is calculated by discounting a principal with interest income by the current market interest rate.

3) Current portion of bonds payable and bonds payable

Bonds with market value are stated at market price. Bonds without market value and privately offered bonds are stated at the present value which is calculated by discounting a principal with interest income by the discount rate (i.e. the current market interest rate in consideration of credit risk).

4) Current portion of long-term loans payable and long-term loans payable

Long-term loans payable are stated at the present value which is calculated by discounting a principal with interest income by the discount rate (i.e. the current market interest rate in consideration of credit risk).

Derivative transactions

Derivative transactions subject to the application of hedge accounting

With regard to derivative transactions which are subject to the application of hedge accounting, the contract amount or equivalent of the principal amount prescribed by the contract as of the closing date of consolidated accounting according to hedge accounting methods are as follows.

(a) Interest-related derivatives

(Millions of yen)

Hedge accounting method	Transaction type	Major hedging items	Contract amount	Amount of more than 1 year-period contracts	Market value
Interest rate swap agreements subject to the application of exceptional accounting treatments	Interest rate swap agreements Fixed interest payments and floating interest receivables	Long-term loans payable and bonds payable	261,813	207,384	(Note)

(Note) Interest rate swap agreements subject to the application of exceptional treatments are recognized together with hedging items (i.e. long-term loans payable and bonds payable), therefore, their market values are included in the market value of the relevant long-term loans payable, etc.

(b) Currency-related derivatives

(Millions of yen)

Hedge accounting method	Transaction type	Major hedging items	Contract amount	Amount of more than 1 year-period contracts	Market value
Exchange contracts subject to the application of designation transactions	Currency swap agreements	Long-term loans payable and bonds payable	21,885	18,081	(Note)

(Note) Currency swap agreements subject to the application of designation transactions are recognized together with hedging items (i.e. long-term loans payable and bonds payable), therefore, their market values are included in the market value of the relevant long-term loans payable, etc.

Note 2: Financial instruments whose market values appear to be extremely difficult to determine are as follows.

(Millions of yen)

Item	Book value
1) Unlisted shares (*1) (*2)	1,149
2) Investments in investment partnerships (*1) (*3)	94
Total	1,244

(*1) These shares are not included in "Asset 6) Marketable securities, trading account securities and investment securities" which contain information about the market value of financial instruments.

(*2) The market value of unlisted shares is not disclosed, as they are not quoted on a stock exchange and it appears to be extremely difficult to determine their market values.

(*3) The market value of investments in investment partnerships is not disclosed, as partnerships' assets comprise unlisted shares and other investment instruments whose market values appear to be extremely difficult to determine.

Note 3: The scheduled redemption amount of monetary claims and marketable securities with maturity

(Millions of yen)

	Up to 1 year	More than 1 year and up to 2 years	More than 2 years and up to 3 years	More than 3 years and up to 4 years	More than 4 years and up to 5 years	More than 5 years
Cash and deposits	87,506	-	-	-	-	-
Loans receivable of consumer loans (*1) (*2)	167,077	164,284	162,203	159,581	157,412	51,280
Loans receivable of banking business	33,257	2,721	4,009	4,472	5,310	6,804
Accounts receivable-installment (*1) (*2)	5,850	5,320	5,341	5,341	5,341	42
Marketable securities and Investment securities						
1) Held-to-maturity securities						
Government bond	545	261	533	307	17	2,539
2) Other marketable securities with maturities						
Government bond	-	-	58	-	-	-
Other	-	-	-	-	-	-
Total	294,238	172,588	172,146	169,703	168,082	60,666

(*1) Loans receivables of consumer loans and accounts receivable-installment do not include loans with potential defaults whose redemption schedule is unclear (amount: 34,336 million yen).

(*2) The amounts of loans receivable of consumer loans and accounts receivable-installment in the credit card business are the expected amounts assuming that average minimum payments are to be made on a fixed date in each month.

Note 4: Scheduled repayment amount of bonds payable, long-term loans payable, lease obligations and other interest-bearing liabilities after the consolidated closing date

(Millions of yen)

	Up to 1 year	More than 1 year and up to 2 years	More than 2 years and up to 3 years	More than 3 years and up to 4 years	More than 4 years and up to 5 years	More than 5 years
Short-term loans payable	18,286	-	-	-	-	-
Deposits of banking business	63,875	-	-	-	-	-
Current portion of bonds payable and bonds payable	16,700	25,000	45,020	31,222	41,816	50,000
Current portion of long-term loans payable and long-term loans payable	103,758	102,668	118,821	75,312	19,965	-
Lease obligations	372	276	211	87	11	-
Total	202,991	127,944	164,052	106,622	61,793	50,000

7. Notes to Per Share Information
(1) Net assets per share 206.42 yen
(2) Basic earnings per share 9.32 yen

8. Other
Figures less than one million yen are rounded down to the nearest one million yen.

Non-consolidated Financial Statements

(April 1, 2015 - March 31, 2016)

Non-consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Description	Amount	Description	Amount
(Assets)		**(Liabilities)**	
Current assets	**905,226**	**Current liabilities**	**114,356**
Cash and deposits	73,932	Accounts payable-trade	369
Loans receivable of consumer loans	767,127	Current portion of long-term loans payable	93,942
Accounts receivable-installment	27,855	Lease obligations	372
Supplies	41	Accounts payable-other	2,882
Prepaid expenses	520	Accrued expenses	6,829
Deferred tax assets	30,638	Income taxes payable	2,057
Accrued income	12,774	Deposits received	242
Short-term loans receivable from subsidiaries and affiliates	4,000	Provision for loss on guarantees	7,590
Right to reimbursement	30,901	Asset retirement obligations	12
Other	1,454	Other	59
Allowance for doubtful accounts	(44,020)	**Noncurrent liabilities**	**556,337**
Noncurrent assets	**65,577**	Bonds payable	171,000
Property, plant and equipment	22,065	Long-term loans payable	289,014
Buildings	4,360	Lease obligations	586
Structures	956	Deferred tax liabilities	1,294
Vehicles	0	Provision for loss on interest repayment	90,000
Equipment	9,776	Asset retirement obligations	4,297
Land	6,121	Other	144
Lease assets	851		
Intangible assets	10,728		
Software	4,226	**Total liabilities**	**670,693**
Goodwill	6,459		
Leasehold right	4	**(Net assets)**	
Telephone subscription right	36	**Shareholders' equity**	**300,101**
Other	1	Capital stock	63,832
Investments and other assets	32,782	Capital surplus	76,010
Investment securities	997	Legal capital surplus	72,322
Stocks of subsidiaries and affiliates	19,347	Other capital surplus	3,687
Long-term loans receivable from subsidiaries and affiliates	668	Retained earnings	180,052
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,064	Legal retained earnings	4,320
Long-term prepaid expenses	212	Other retained earnings	175,732
Guarantee deposits	5,241	General reserve	80,000
Prepaid pension cost	4,171	Retained earnings brought forward	95,732
Other	1,758	Treasury stock	(19,794)
Allowance for doubtful accounts	(680)	**Valuation and translation adjustments**	**7**
		Valuation difference on available-for-sale securities	7
		Total net assets	**300,109**
Total assets	**970,803**	**Total liabilities and net assets**	**970,803**

Non-consolidated Statement of Income

(April 1, 2015 - March 31, 2016)

(Millions of yen)

Description	Amount	
Operating revenue		175,380
Interest on consumer loans	116,112	
Credit card revenue	3,401	
Revenue from credit guarantee	36,460	
Other financial revenue	23	
Net sales of goods	490	
Other operating revenue	18,891	
Operating expenses		174,352
Financial expenses	8,299	
Cost of goods sold	228	
Other operating expenses	165,824	
Operating income		**1,028**
Non-operating income		4,282
Interest income	79	
Interest on securities	0	
Dividend income	3,726	
Other	475	
Non-operating expenses		140
Interest expenses	18	
Foreign exchange losses	85	
Loss on insurance cancellation	16	
Other	20	
Ordinary income		**5,171**
Extraordinary income		108
Gain on sales of noncurrent assets	3	
Gain on sales of investment securities	105	
Extraordinary loss		1,402
Loss on sales of noncurrent assets	3	
Loss on retirement of noncurrent assets	71	
Impairment loss	6	
Loss on valuation of investment securities	0	
Loss on liquidation of a subsidiary	1,320	
Other	0	
Income before income taxes		**3,876**
Income taxes-current	1,816	
Income taxes-deferred	(7,797)	(5,980)
Profit		**9,857**

Non-consolidated Statement of Changes in Net Assets

(April 1, 2015 - March 31, 2016)

(Millions of yen)

	Shareholders' equity									
		Capital surplus			Retained earnings					
						Other retained earnings				
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	General reserve	Retained earnings brought forward	Total retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	63,832	72,322	3,687	76,010	4,320	80,000	85,874	170,194	(19,794)	290,244
Changes of items during the period										
Profit							9,857	9,857		9,857
Purchase of treasury stock									(0)	(0)
Net changes of items other than shareholders' equity										
Total changes of items during the period	—	—	—	—	—	—	9,857	9,857	(0)	9,857
Balance at the end of current period	63,832	72,322	3,687	76,010	4,320	80,000	95,732	180,052	(19,794)	300,101

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	8	8	290,252
Changes of items during the period			
Profit			9,857
Purchase of treasury stock			(0)
Net changes of items other than shareholders' equity	(0)	(0)	(0)
Total changes of items during the period	(0)	(0)	9,857
Balance at the end of current period	7	7	300,109

Notes to Non-consolidated Financial Statements

1. Notes to Matters concerning Significant Accounting Policies

(1) Evaluation standards and methods for assets

1) Evaluation standards and methods for marketable securities

Stocks of subsidiaries and affiliates	Stated at cost by the moving-average method
Other marketable securities	
Securities with market quotations	Stated at market value at the end of the fiscal year (Unrealized gains or losses are comprehensively reported as a component of net assets and the cost of securities sold is computed using the moving average method)
Securities without market quotations	Stated at cost by the moving-average method The investments in limited investment partnerships and other similar partnerships (those deemed as "securities" according to the Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) are reported, using the equity method, based on the latest financial statements available as at the closing dates stipulated by the respective partnership contracts.

2) Evaluation standards and methods for derivatives

Swap transactions	Market value method

3) Evaluation standards and methods for inventories

Merchandise	Stated at cost, on an individual specified cost basis (balance sheet value is computed by the method of devaluing book price to reflect declines in profitability)
Supplies	Mainly at cost, based on the first-in first-out method

(2) Depreciation and amortization methods for noncurrent assets

Property, plant and equipment (excluding lease assets)	Declining balance method
Intangible assets (excluding lease assets)	
Software for internal use	Amortized by the straight-line method over their estimated useful lives (5 years) in the Company
Goodwill	Amortized by the equal installments method over a period of 10 to 15 years
Other intangible assets	Straight-line method
Lease assets	
Non-transfer ownership finance lease transactions	Depreciated by the straight-line method, defining the lease term of respective assets as their useful lives, with residual value equaling zero
Long-term prepaid expenses	Depreciated by the equal installment method

(3) Accounting method for deferred assets

Bond issuance cost	These costs are fully charged to income when they are paid.

(4) Accounting standards for allowances and provisions

Allowance for doubtful accounts	To provide for potential loss on consumer loans and other loans, the Company makes an allowance for the expected amount of irrecoverable loans. Allowances for ordinary bad debts are computed, based on the historical rate of default. For specific debts where recovery is doubtful, the Company considers the likelihood of recovery on an individual basis.

Provision for loss on guarantees	To provide for loss on guarantees, the Company makes an allowance for potential losses at the end of the fiscal year.
Provision for retirement benefits	To provide for employees' retirement benefits, the amount obtained by subtracting pension assets from retirement benefit obligations is recorded, based on their projected amounts as of the end of this fiscal year. If the projected amount of pension assets exceeds the projected amount of retirement benefit obligations after addition or deduction of unrecognized past service liabilities and unrecognized actuarial differences, the excess amount is recorded as prepaid pension cost. Past service costs are charged to expenses, using the straight-line method, over the determined years (5 years) that are not longer than average remaining service years of the employees at the time of occurrence. Actuarial differences are amortized evenly using the straight-line method over the determined years (5 years) that are not longer than the average remaining service years of employees at the time of occurrence in each fiscal year, beginning from the fiscal year following the time of occurrence.
Provision for loss on interest repayment	To prepare for potential loss on interest repayment in the future, the Company estimates and provides a reasonable amount of provision for loss on interest repayment, in consideration of the past actual results and the latest interest repayment situations.

(5) Accounting standards for revenue and expenses

Interest on consumer loans	Interest is recorded on an accrual basis. Accrued interest on consumer loans is recorded, using the interest rate stipulated in the Interest Rate Restriction Act or the contracted interest rate of the Company, whichever the lower.
Credit card revenue	
Fees from customers	Recorded by the credit balance method
Fees from member stores	Recorded as fees at the time of transaction
Revenue from credit guarantee	Recorded by the credit balance method

(Note) Details of each recording method are as follows:

Credit balance method	Fees to be recorded as revenue is calculated pursuant to the prescribed rates applicable to the relevant credit balance.

(6) Hedge accounting method

1) Hedge accounting method

The Company adopts the deferred hedge accounting. However, exceptional accounting treatments are applied to certain interest-rate swaps which meet specific conditions and designation transactions are applied to those that conform to the requirements of designated currency swap transactions.

2) Hedging instruments and hedging items

Interest rate-related items	
Hedging instruments	Interest-rate swap agreements
Hedging items	Loans payable with variable interest rates and bonds payable with variable interest rates
Currency-related items	
Hedging instruments	Currency swap agreements
Hedging items	Foreign-currency-denominated loans payable

3) Hedging policy

The Company enters into derivatives contracts to hedge against various risks. These contracts include the following: Interest-rate swaps to hedge against the risk of fluctuations in interest rates relating to loans payable with variable interest rates and bonds payable with variable interest rates for the purpose of protecting cash flows. Currency swap contracts to hedge against the risk of fluctuations in exchange rates relating to loans payable and interest on loans relating to foreign-currency-denominated loans payable for the purpose of protecting cash flows.

4) Method for evaluating hedging effectiveness

With regard to interest rate-related hedging, important requirements concerning hedging instruments and hedging items are closely matched with each other. Also, the Company can assume that fluctuations in interest rates and cash flows are fully offset by the fluctuations in hedging instruments on an ongoing basis since the implementation of hedging contracts. Therefore, the judgment of hedging effectiveness is omitted. On currency-related hedging, currency swap contracts are entered into on the same conditions as heading items, thus the Company can assume that fluctuations in exchange rates or cash flows are fully offset by the fluctuations of hedge instruments. Therefore, the judgment of hedging effectiveness is omitted.

(7) Other significant matters providing the basis for the preparation of financial statements

1) Accounting method for consumption tax

Transactions subject to consumption tax are recorded at the amount exclusive of consumption tax. However, consumption tax and other taxes imposed on non tax-deductible assets are recorded as an expense for the fiscal year they were incurred.

2) Adoption of consolidated taxation system

The Company has adopted the consolidated taxation system from the current fiscal year.

2. Notes to Changes in Accounting Policies

<Non-consolidated Statement of Income>

From the fiscal year under review, “Loss on investments in partnership” under non-operating expenses, which was listed separately in the prior fiscal year, is included in “Other,” as its monetary value has become insignificant.

The amount of “Loss on investments in partnership” for the fiscal year under review was 12 million yen.

3. Notes to Non-consolidated Balance Sheet

(1) Accumulated depreciation of property, plant and equipment 33,911 million yen

(2) Guaranteed liabilities (Millions of yen)

Outstanding guarantee obligation for liabilities of subsidiaries and affiliates	15,094
Outstanding guarantee obligation in the guarantee business	885,770
Provision for loss on guarantees	7,590
Net	878,180

(3) Monetary claims and liabilities to subsidiaries and affiliates (Millions of yen)

Short-term monetary claims	143
Long-term monetary claims	5
Short-term monetary liabilities	30

4. Notes to Non-consolidated Statement of Income

Transactions with subsidiaries and affiliates (Millions of yen)

Operating transactions	
Operating revenue	194
Operating expenses	470
Transactions other than operating transactions	3,852

5. Notes to Non-consolidated Statement of Changes in Net Assets

Class and number of shares of treasury stock as of March 31, 2016

Common stock 29,668,592 shares

6. Notes to tax effect accounting

(1) Breakdown of major factors that caused deferred tax assets and liabilities (Millions of yen)

Deferred tax assets	
Bad debts expenses	10,800
Allowance for doubtful accounts	2,895
Provision for loss on guarantees	2,342
Provision for loss on interest repayment	27,774
Accrued bonuses	419
Unrecognized accrued interest	486
Software	2,447
Asset retirement obligations	1,191
Deferred assets	267
Deferred consumption taxes	213
Loss on valuation of securities	201
Loss on valuation of stocks of subsidiaries and affiliates	1,035
Enterprise tax payable	222
Impairment loss	257
Dividends on shares	2,460
Retained loss	148,952
Other	403
Deferred tax assets (subtotal)	202,369
Valuation allowance	(171,731)
Total deferred tax assets	30,638
Deferred tax liabilities	
Valuation difference on available-for-sale securities	3
Prepaid pension cost	1,277
Other	13
Total deferred tax liabilities	1,294
Net deferred tax assets	29,344

(2) Modifications to the amount of deferred tax assets and liabilities due to changes of corporate taxation rates

Following the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” and the “Act on Partial Revision of the Local Tax Act, etc.” at the Diet on March 29, 2016, the effective statutory tax rate used in the calculation of deferred tax assets and liabilities for the fiscal year under review (limited to those that will be settled on or after April 1, 2016) has been revised from 32.34% of the prior fiscal year to 30.86% for items expected to be collected or paid in the period from April 1, 2016 to March 31, 2018, and to 30.62% for items expected to be collected or paid on or after April 1, 2018.

As a result, the amount of deferred tax assets (deducting the amount of deferred tax liabilities) decreased by 1,379 million yen and income taxes-deferred and valuation difference on available-for-sale securities for the fiscal year under review increased by 1,379 million yen and 0 million yen, respectively.

7. Notes to Transactions between Related Parties

(1) Subsidiaries and affiliates, etc.

(Millions of yen)

Type	Name	Location	Paid-in Capital	Business outline	Ratio of voting rights holding (held)
Subsidiary	EASY BUY Public Company Limited	Bangkok, the Kingdom of Thailand	4,500 (Millions of Thai baht)	Unsecured loan business and installment loan business (installment sales finance business)	Direct 71.00%

(Millions of yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Subsidiary	EASY BUY Public Company Limited	Guarantee of liabilities	Loan guarantee fees received	61	Accrued income	2
			Outstanding guarantee obligation	15,094	-	-

(Note) Terms and conditions of transactions and their policies

The commission rate on the debt guarantee, associated with the borrowings of EASY BUY Public Company Limited from banks is determined on similar terms and conditions applied to general transactions, in consideration of the prevailing market rates.

(2) Companies etc. with the same parent company

(Millions of yen)

Type	Name	Location	Paid-in Capital	Business outline	Ratio of voting rights holding (held)
Companies of the same parent company	Mitsubishi UFJ Trust and Banking Corporation	Chiyoda-ku, Tokyo	324,279	Trust banking business	Direct (2.01 %)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Chiyoda-ku, Tokyo	1,711,958	Banking business	-

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Companies of the same parent company	Mitsubishi UFJ Trust and Banking Corporation	Borrowing	Borrowing of the capital	Borrowing 55,730 Repayment 49,730	Current portion of long-term loans payable	33,788
					Long-term loans payable	122,270
			Payment of interest	2,804	Accrued expenses	17
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Borrowing	Borrowing of the capital	Borrowing - Repayment -	Long-term loans payable	42,218
			Payment of interest	746	Accrued expenses	-
		Guarantee of liabilities	Receiving of guarantee fees for unsecured loans provided by the Company	19,728	Accrued income	5,077
			Outstanding guarantee obligation	565,685	-	-

(Note) Terms and conditions of the transaction and its policies

1. Interest rates of the borrowing from Mitsubishi UFJ Trust and Banking Corporation and The Bank of Tokyo-Mitsubishi UFJ, Ltd. are the money market rates.
2. Guarantee commission rates on the debt guarantees for consumer loan by The Bank of Tokyo-Mitsubishi UFJ, Ltd. is determined after negotiation by taking the market of guarantee commission into consideration. In the event that consumer loan debtors of The Bank of Tokyo-Mitsubishi UFJ, Ltd. are deemed to have difficulty in performing debt payments, in accordance with the agreement with the Bank of Tokyo-Mitsubishi UFJ, Ltd, the Company performs subrogation. Terms and conditions of this subrogation performance are determined through mutual consultation by both parties.

(3) Directors and major individual shareholders, etc.

(Millions of yen)

Type	Name	Location	Paid-in Capital	Business outline or Occupation	Ratio of voting rights holding (held)
Director and other close relative	Kyosuke Kinoshita	-	-	Chairman of The Institute for Research on Household Economics	-

(Millions of yen)

Type	Name	Relationship	Summary of transactions	Amount of transaction	Item	Outstanding amount at the end of the fiscal year
Director and other close relative	Kyosuke Kinoshita	-	Donation	40	-	-

(Notes) 1. Above transaction amounts do not include consumption tax, etc.
2. Terms and conditions of transactions and their policies
(1) The Institute for Research on Household Economics conducts research on household economy. The Company determines the terms and conditions of transactions by comprehensively considering the Institute's business plans and business performance.
(2) Mr. Kyosuke Kinoshita, the Chairman of The Institute for Research on Household Economics, retired on May 31, 2015, and no longer falls under the type of Director and other close relative. Therefore, the amount of transaction provided above is that relevant to the period in which he was a related party of such type.

8. Notes to Per Share Information

(1) Net assets per share 191.57 yen
(2) Basic earnings per share 6.29 yen

9. Other

Figures less than one million yen are rounded down to the nearest one million yen.