

March-ended 2012, 3rd quarter closing briefing (Japanese standard) (consolidated)

February 9, 2012

Listed corporation name J Trust Co., Ltd. Stock Exchange Osaka

Code Number 8508 <http://www.jt-corp.co.jp/>

Representative(Function) President & CEO (Name) Nobuyoshi Fujisawa

Contact person (Function) Director (Name) Kazunori Kuroda TEL03-4330-9100

Scheduled date for quarter report submitting February 10, 2012

Dividend payment start scheduled on —

--Quarter term account supplementary explanation materials are made or not?: Yes

--Quarter term closing explanation meeting is held or not? No

(rounded down to million JPY)

1. Consolidated results for 3rd quarter of March-ended 2012 (April.1.2011 – December.31. 2011)

(1) Consolidated operational results (cumulative)

(% express variation compared to same quarter term of the last year)(Note) Comprehensive income

3rd quarter of 2012 ¥33,004 Million (-%)

3rd quarter of 2011 ¥1,929 Million (-%)

(2) Consolidated Financial Situation(ref.) Equity Capital

3rd quarter of 2012 ¥46,470 Million

March-ended 2011 ¥13,894 Million

2. Dividend situation

	Yearly dividend sum				
	1 st quarter end	2 nd quarter end	3 rd quarter end	Year end	Total
	JPY	JPY	JPY	JPY	JPY
March-ended 2011	-	4.00		6.00	10.00
March-ended 2012	-	6.00	-		
March-ended 2012(estimation)	-		-	6.00	12.00

(Note) Corrections after recent results estimations officially declared are made or not? No

3. Consolidated results for March-ended 2012 (April.1.2011 – March.31.2012)

(% express variation compared to same quarter term of the last year)

	Income form Operations		Profit from Operations		Ordinary Profit		Current term net profit		Quarter term net profit per share
	Million JPY	%	Million JPY	%	Million JPY	%	Million JPY	%	
Through the year	25,766	52.4	4,124	△ 4.6	4,045	△ 6.4	32,595	908.1	1,089.25

(Note) Corrections after recent results estimations officially declared are made or not? No

4. Other

(1) Transfers of most important subsidiaries within current quarter consolidated cumulative period (transfers of specific subsidiaries following consolidation scope changes): Yes

New: 2 firms (company name) The Neoline Credit Excepted: - firm (company name)

KC Card Co Ltd

(Note) For details please see page 4 “ 2. Items regarding summary information (other). (1) Transfers of most important subsidiaries within current quarter consolidated cumulative period

(2) When making quarter consolidated financial statements, was specific accounting processing applied or not? No

(3) Accounting guideline changes / accounting estimate changes / redispays after correction

((1)) Accounting guideline changes due to corrections of accounting standards, etc. No
 ((2)) Accounting guideline changes, other than ((1)) No
 ((3)) Accounting estimate changes No
 ((4)) Redisplays after correction No

(4) Delivered stock number (ordinary stocks)
 ((1)) Delivered stocks at term end (including own shares)
 ((2)) Equity shares at term end
 ((3)) Average shares during term (quarter consolidated)

March-ended 2012 3Q	30,078,780 shares	March-ended 2011	30,009,780 shares
March-ended 2012 3Q	114,786 shares	March-ended 2011	114,716 shares
March-ended 2012 3Q	29,924,091 shares	March-ended 2011-3Q	29,738,752 shares

(*) Indication regarding the situation of quarter term review procedure implementation
 Since this quarter term earnings summary is not subject of the quarter-term review procedure based on the Law for Financial Product Transactions,
 quarter-term review procedure based on the Law for Financial Product Transactions are not completed.

(*) Explanations with regard the correct use of result estimations, other special notes
 Explanations with regard the correct use of result estimations, other special notes, or contents related to future result expectations contained within the present materials are
 based on information obtained by our firm at present and on certain assumptions considered as reasonable, therefore the real results might greatly differ due to various causes.
 With regard to the conditions that make the result estimation assumption, please refer to page 4 “ 1. Qualitative information regarding current quarter-term closing account,
 (3) Qualitative information regarding jointed result estimations”.

(*)Regarding the preparation method of the account complementary explanation material
 Closing supplementary explanation materials are indicated on our company homepage.
 (Our company homepage)
<http://www.jt-corp.co.jp/>

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1. Qualitative information regarding current quarter-term closing account

(1) Qualitative information regarding consolidated business results

With regard to Japanese economy for the current 3rd quarter term jointed cumulative period, although future prospects concerning economic environment are extremely difficult to make due to the consequences of the Great Eastern Japan Earthquake in addition with stagnation of stock values, yen appreciation and concerns on the perspectives of European economy occurred after the European debt issues, there are also some good signs, such as revitalization of demand after the earthquake, increase of personal consumption, that give us a minimal business confidence.

Also for the money lending industry, to which our Group is belonging, the severe business environment is still continuing: although the increase of interest return requests are on a slight convergence trend, business are shrinking or closing one after another due to the market shrinkage subsequent to the complete implementation of the Modified Money lending Business Law and to the worsening of capital making environment.

Within the credit card industry, although immediately after the earthquake shopping turnover fell temporarily around the affected areas, it is returning to a recovery tendency. With regard to real estate industry, although there are signs of a steady tendency, such as a slight increase compared to the previous year, as new-housing building has recovered mainly in the Tokyo metropolitan area, on the other hand real estate prices nationwide are in decline, real estate transactions are considered to be still in an adjustment phase, as the environment surrounding the industry is extremely stringent.

Based on such business environment, in the current third consolidated cumulative quarter of the fiscal year, the Group, after developing toward overseas market in the first quarter accounting period by acquiring all shares of The Neoline Credit which is a consumer-finance company in South Korea, in the second quarter accounting period, entered the credit-card business by acquiring shares of KC Card Co. Ltd (formerly Rakuten KC Co., Ltd, herein after called "KC Card") from Rakuten Inc.

Moreover, for the current third consolidated accounting period, we signed a sponsorship contract with the purpose of business restructuring assistance of the reorganized Takefuji Co Ltd (hereinafter called "Takefuji"), which company received on January 31, 2010 from the Tokyo Territorial Tribunal the decision to start company reorganization procedure (corporate reorganization case No. 12 mi/2010 Tokyo District Court). For the future, we will strive to enhance corporate value of the Group by continuing to expand B-to-C business by taking advantage of the know-how held by our company and also by strengthening of guarantee business by utilizing the customer base of KC Card and Takefuji.

With regard to the credit guarantee business, we made efforts to accumulate the balance of debt guarantees, such as signing with Saikyoginko Inc. a new guarantee service contract with regard to collateralized-loans for business operators.

As a result, for the current consolidated cumulative 3rd period, due to the add-up of the credit business revenue of KC Card operating revenues are ¥17,246 million (up 34.9% compared with the same quarter the previous year), and operational profit is ¥4,251 million (up 44.6% compared with the same quarter the previous year). The ordinary profit was only ¥3,807 million (29.3% up compared to same period of the previous year), as currency exchange losses were recorded due to abrupt yen appreciation and won depreciation; yet, due to the recording of ¥29,444 million of special profit due to the negative goodwill resulting from acquiring KC Card stocks, the net profit of the term was of ¥32,990 million (¥1,889 million on the same period of the last year).

Segment results are as below:

((1)) Credit business

(Credit services for business operators)

With regard to credit services for business operators, the main operator is Lopro Co. Ltd. As a result of the promotion of discount drafts as a medium- to long-term strategy in financial services business, draft finance balances of have been increasing steadily. Nevertheless, regarding business operational loans, they are decreasing as a result of smooth recovery.

As a result, with regard to finance balances at the end of the fiscal year second consolidated quarter, with 2,084 million by commercial drafts (up 19.1 percent year on year), ¥1,802 million by

operational loan (down 38.9% year on year). 50 million by long-term operating receivables (up 37.6% compared the same quarter the previous year), so that finance balance is now ¥3,937 million (down 16.8% compared to the prior year quarter), including long-term operating receivables.

(Credit service for consumers)

With regard to credit service for consumers, the main operator are Lopro Co. Ltd and Saikyo Card Co Ltd.

With regard to finance balance at the end of the current fiscal consolidated third quarter, as a result of the fact that recovery went smoothly, with 5,711 million by operation loans (down 47.2% year on year) and 1,669 million by long-term operating receivables yen (down 39.3% compared to the same quarter the previous year), the finance balance is totalling 7,380 million (down 45.6% compared to same period of the last year), including long-term operating receivables.

(Credit, consumer credit service)

With regard to credit card service, since KC Card Co Ltd became a subsidiary within the second consolidated quarter, we are developing credit card business by utilizing the brand-power and the rich know-how of KC Card, which follows from its predecessor Kokunaishinpan Co. Ltd. With regard to consumer credit service, Lopro Co. Ltd and Saikyo Card Co Ltd perform consumer credit business by installment sales.

As results of above facts, the balance of advance-paid installment at the end of the third consolidated quarter is ¥74,440 million (the same quarter of previous year ¥ 1,952 million), long-term operating receivables 8,059 million (the same quarter of previous year ¥ 47 million), the balance of advance-paid installment including long-term operating receivables is 82,500 million (prior year quarter ¥1,999 million).

(Credit guarantee service)

With regard to credit guarantee service, the main operators are Nihon Hosho Co. Ltd, Lopro Co. Ltd and KC Card Co Ltd. We have been promoting the expansion of credit guarantee business as medium-to long-term strategy. We made efforts to accumulate debt guarantee balance, mainly for loans of Saikyoginko Co. Ltd. and Tokyo Star Bank.

As results, the balance of debt guarantees at the end of third quarter consolidated accounting period, with ¥ 10,696 million by guarantees for collateralized loans (up 163.1% year on year), ¥ 5,478 million by unsecured loan guarantees (up 14.2% compared to same period of the previous year), the balance of debt guaranteed has become ¥ 16,174 million (up 82.5% compared to the same period of the last year).

(Debt purchase service)

With regard to receivable purchase services, our firm, Lopro Co, Ltd, Partir Receivable Collection Co. Ltd, United Partir and United Partir One are performing. As medium-to long-term strategy, we are actively purchasing new receivables, nevertheless since the recovery of purchased loans goes even stronger, purchased loans outstanding at the end of third consolidated quarter was ¥2,510 million (down 47.9% the same quarter the previous year).

As a result, operating revenues in the financial business is 14,274 million (up 40.7% compared with the same period the previous year), and segment profit is ¥4,317 million (up 62.8% compared with the same period of the previous year).

((2)) Real estate business

With regard to the real estate business, we are developing business mainly by Keynote Co Ltd, and, while taking advantage of the synergy with finance business, we aim to generate revenue through housing related business, by not only sale or brokerage of ready-built houses, but also such as houses built on order or second-hand house renovations.

As a result, operating revenues in the real estate business is 1,580 million (down 32.0% compared with the same period of the previous year), and segment profit is ¥99 million (down 70.5% compared with the same period of the previous year).

((3)) Overseas business

With regard to overseas business, The Neoline Credit is deploying consumer credit business. Starting from Seoul, South Korea, following the opening of two branches in Daejeon and Daegu during the second consolidated period, we aim to extend the loan balance steadily within the growing consumer finance market in Korea by continuing to expand our branch network, as we schedule to open branches in Incheon and Pusan by January 2012 (in Pusan branch is already open

as of January 2012).

As a result, operating loans at the end of the third quarter consolidated accounting period were ¥ 5,199 million, operating revenue in overseas operations ¥ 1,430 million and segment profit was ¥ 168 million. As for the consolidated subsidiary, due to the acquisition of shares in the first quarter consolidated accounting period, it does not compare to the prior year quarter.

((4)) Other businesses

With regard to other businesses, within J Trust System we are mainly developing Group's system and proceeding to computer operation and management work.

As a result, operating revenues in other business is 650 million (down 0.0% compared with the same quarter the previous year), and segment profit is ¥72 million (up 32.9% compared with the same quarter the previous year).

(2) Qualitative information regarding consolidated financial situation

General assets at the end of the current third consolidated accounting period grew by ¥78,848 million compared to previous year consolidated accounting period, to ¥116,710 million (208.2% growth compared to previous term).

This is due mainly to the decrease by ¥6,373 million of cash and deposits following payments of the last count to Rakuten Co Ltd for acquiring KC Card and payments for assisting Takefuji during the third consolidated cumulative period, and also to the decrease following the increase by ¥12,614 million of doubtful account allowances caused mainly by the balance increase of installment advances and operational loans, following the making of KC Card and The Neoline Credit consolidated subsidiaries.

On the other hand, general assets increased due to increases of installment advances, including long-term operational receivables by ¥81,025 and operational loans ¥450 million, of tangible assets by ¥3,679 million, and in addition of the increase of the advances caused mainly by payments towards assisting Takefuji by ¥8,998 million.

With regard to debts, they are ¥68,862 million (up 188.1% year-on-year), an increase of ¥44,962 million compared to the end of the previous fiscal year. This is mainly due to the increase by ¥28,055 million of short- and long- term borrowings, including discounted bills, allocated for payments towards Rakuten Co Ltd for the acquirement of KC Card and for assisting Takefuji, etc. and also to the increase by ¥15,528 million of interest return loss allowance due to making of KC Card a consolidated subsidiary.

With regard to net assets, they are ¥47,847 million (up 242.7% year-on-year), an increase of ¥33,885 million compared to the end of the previous fiscal year. This is mainly due on one hand to the decrease in retained earnings due primarily to paying ¥ 358 million dividends of surplus, and on the other hand to the increase due to the recording of a net income of ¥32,990 million for the quarter term.

As a result, net assets per share increased to ¥ 1,550.89 an increase of ¥ 1,086.11 from the end of the previous fiscal year, and the equity ratio increased by 3.1 points from 36.7% on the previous fiscal year-end, to become 39.8%.

(3) Qualitative information regarding consolidated result estimations

With regard to the operational profit and the net profit for the current third consolidated cumulative period, the results are exceeding the through-year result estimations published on September 16, 2011. Nevertheless, at present, we are performing a detailed survey taking into account business environment for the fourth consolidated accounting period and we consider that there are many aspects difficult to prospect as the increase of assistance-related expenses towards Takefuji, capital procurement costs, or the future tendency of exchange ratios.

Therefore, at the present stage, with regard to through-term result estimations for year 2012 by March, there are no changes compared to the result estimations declared on September 16, 2011.

2. Items regarding summary information (other)

(1) Transfers of most important subsidiaries within current quarter term jointed cumulative period

During 1st consolidated quarter cumulative accounting period, we acquired all the outstanding shares of The Neoline Credit which is a consumer finance company in Korea, made it a consolidated subsidiary, and thus included it within the scope of consolidation. Also, during the 2nd quarter

consolidated accounting period, we acquired KC Co Ltd (formerly Rakuten KC Co Ltd) from Rakuten Co. Ltd, made it a consolidated subsidiary, and thus included it within the scope of consolidation.

(2) Additional information

Starting with the accounting changes and error corrections made after the beginning of the first quarter consolidated accounting period, we are applying "Accounting Standards for Accounting Changes and Error Corrections" (Corporation Accounting Standards Nr. 24, 4 December 2009), and "Guideline on Accounting Standards for correction of errors and accounting changes" (Corporation Accounting Standards Application Guideline, Nr. 24, 4 December 2009).

3. Quarterly consolidated financial statements

(1) Quarterly consolidated loan-debt statements

(unit: thousand JPY)

	Previous consolidated accounting year (March 31, 2011)	Current 3rd consolidated accounting period (December 31, 2011)
Assets		
Current assets		
Cash and deposits	14,846,078	8,472,368
Commercial notes	1,900,086	2,084,573
Accounts receivable-operating loans	11,725,831	12,712,899
Advances paid - installment	1,443,454	74,440,468
Purchased receivables	4,008,882	2,510,469
Subrogation receivable	518,308	509,441
Merchandise and finished goods	412,182	1,355,243
Work in process	153,259	169,678
Deposits paid	24,695	9,023,648
Other	1,097,206	4,158,853
Allowance for doubtful accounts	△1,836,658	△6,995,537
Total current assets	34,293,325	108,442,107
Noncurrent assets		
Property, plant and equipment	1,166,225	4,845,733
Intangible assets		
Goodwill	344,149	377,562
Other	111,626	104,812
Total intangible assets	455,775	482,375
Investments and other assets		
Long-term loans receivable	2,286,790	9,779,570
Other	1,042,948	1,999,209
Allowance for doubtful accounts	△1,382,519	△8,838,282
Total investments and other assets	1,947,219	2,940,497
Total noncurrent assets	3,569,220	8,268,606
Total Assets	37,862,546	116,710,713
Liabilities		
Current liabilities		
Notes discounted	1,291,838	1,674,283
Short-term loans payable	2,465,516	3,937,440
Short-term loans payable to shareholders,director or employees	—	22,000,000
Current portion of long-term loans payable	1,515,545	2,465,333
Accounts payable-other	304,509	903,188
Income taxes payable	1,062,163	497,016
Provision for loss on interest repayment	3,359,521	10,667,743
Other allowances	—	179,105
Other	265,579	1,289,707
Total current liabilities	10,264,673	43,613,818
Noncurrent liabilities		
Long-term loans payable	10,814,803	14,065,934
Provision for loss on interest repayment	2,382,998	10,603,453
Provision for loss on guarantees	203,372	178,268
Provision for retirement benefits	—	7,630
Other	234,753	393,759
Total noncurrent liabilities	13,635,928	25,249,045
Total liabilities	23,900,601	68,862,864

(unit: thousand JPY)

	Previous consolidated accounting year (March 31, 2011)	Current 3 rd consolidated accounting period (December 31, 2011)
Net assets		
Shareholders' equity		
Capital stock	4,496,096	4,505,155
Capital surplus	2,230,894	2,239,953
Retained earnings	7,235,454	39,867,400
Treasury stock	△72,978	△72,999
Total shareholders' equity	13,889,466	46,539,508
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,190	3,208
Foreign currency conversion adjustments	—	△71,869
Total accumulated other comprehensive income	5,190	△68,661
Subscription rights to shares	52,441	100,453
Minority interests	14,846	1,276,548
Total net assets	13,961,944	47,847,849
Total liabilities and net assets	37,862,546	116,710,713

(2) Quarter consolidated income statement and quarter consolidated comprehensive income statement
(Quarter consolidated income statement for 3rd quarter consolidated cumulative period)

(unit: thousand JPY)

	Previous 3rd quarter consolidated cumulative period (From April 1 st , 2010 To December 31, 2010)	Current 3rd consolidated cumulative period (From April 1 st , 2011 To December 31, 2011)
Operating revenue	12,780,944	17,246,364
Operating expenses	3,748,064	2,819,201
Operating gross profit	9,032,879	14,427,163
Selling, general and administrative expenses	6,092,823	10,175,364
Operating income	2,940,056	4,251,798
Non-operating income		
Interest income	2,216	76
Dividends income	2,094	23,396
House rent income	15,559	117,023
Miscellaneous income	11,261	19,287
Total non-operating income	31,132	159,783
Non-operating expenses		
Interest expenses	10,901	15,504
Depreciation	9,437	24,796
Deposit cancellation loss	5,835	—
Foreign exchange losses	—	552,898
Miscellaneous loss	974	11,216
Total non-operating expenses	27,148	604,415
Ordinary income	2,944,040	3,807,166
Extraordinary income		
Gain on prior periods adjustment	35,593	—

Gain on sales of noncurrent assets	6,747	317,836
Gain on sales of investment securities	—	1,700
Gain on negative goodwill	6,926	29,444,347
Other	3,250	153,504
Total Special Profit	52,517	29,917,388
Special losses		
Loss on sales of fixed assets	2,669	14,432
Loss on disposal of fixed assets	14,326	2,914
Loss on fixed asset revaluation	800	2,001
Impairment loss	33,218	47,522
Loss on sales of investment securities	—	2,839
Loss of revaluation of investment in securities	24	1
Other	—	14,457
Total extraordinary losses	51,038	84,168
Income before income taxes and minority interests	2,945,519	33,640,386
Income taxes-current	1,027,064	692,662
Income taxes-deferred	9,633	△130,138
Total income taxes	1,036,697	562,524
Quarterly net profit before minority balance adjustment	1,908,821	33,077,862
Minority interests in income	19,584	86,935
Net income	1,889,236	32,990,926

Quarter term consolidated comprehensive profit calculation for 3rd quarter consolidated cumulative period)

(unit: thousand JPY)

	3rd quarter consolidated cumulative period (From April 1 st , 2010 To December 31, 2010)	Current 3rd consolidated cumulative period (From April 1 st , 2011 To December 31, 2011)
Quarterly net profit before minority balance adjustment	1,908,821	33,077,862
Other comprehensive profits		
Other unrealized securities	20,840	△1,982
Foreign currency conversion adjustments	—	△71,869
Total other comprehensive profits	20,840	△73,851
Quarterly comprehensive profit	1,929,662	33,004,010
(breakdown)		
Quarterly comprehensive profit according to parent company shareholders	1,910,077	32,917,074
Quarterly comprehensive profit according to minority shareholders	19,584	86,935

(3) Notes regarding premises for a sustainable corporation
There is no corresponding item.

(4) Segment information, etc.
(segment information)

I. Previous 3rd quarter consolidated cumulative period (from April 1 2010 to December 31 2010)

1. Information with regard to operating income per each segment and to the amounts of profit or loss

(unit: thousand JPY)

	Reported segment			Other (Note)	Total
	Moneylending business	Real estate business	Total		
Operating income					
Income from operations towards outside customers	10,147,002	2,323,252	12,470,254	310,689	12,780,944
Income from internal operations between segments Or transfer amount	—	2,681	2,681	340,395	343,076
Total	10,147,002	2,325,934	12,472,936	651,085	13,124,021
Segment profit	2,651,834	339,086	2,990,920	54,871	3,045,792

(Note) “Other” column stands for business segments not included within the reported segment, which consists of computer utilization and administration work, software entrusted development and utilization instruction services.

2. Main contents of total amounts of profit or loss and differences from quarter consolidated balance statement recorded amounts, for reported segments (items concerning differences adjustment)

(unit: thousand JPY)

Profit	Amount
Total for reported segment	2,990,920
Losses on “Other”	54,871
Eliminations of transaction between segments	3,404
Corporate expenses (note)	△ 109,140
Operating profit of the quarter consolidated balance statement	2,940,056

(Note) Corporate expenses are mainly general administration expenses that do not pertain to the reported segment.

3. Information with regard to impairment losses of fixed assets or goodwill on each segment
There is no corresponding item.

II. Current third quarter consolidated cumulative period (from April 1 2011 to December 31 2011)

1. Information with regard to operating income per each segment and to the amounts of profit or loss

(unit: thousand JPY)

	Reported segment				Other (Note)	Total
	Moneylending business	Real estate business	Overseas business	Total		
Operating income						
Income from operations towards outside customers	14,008,870	1,555,867	1,430,222	16,994,959	251,404	17,246,364
Income or transfer amount from internal operations between segments	265,521	25,040	—	290,562	399,416	689,979

Total	14,274,392	1,580,908	1,430,222	17,285,522	650,820	17,936,343
Segment profit	4,317,663	99,944	168,996	4,586,604	72,936	4,659,541

(Note) “Other” column stands for business segments not included within the reported segment, which consists of computer utilization and administration work, software entrusted development and utilization instruction services.

2. Information with regard to assets per each segment

Within the “Moneylending business” segment, during the 2nd consolidated accounting period we acquired the shares of KC Card Co Ltd (formerly Rakuten KC Co ltd) from Rakuten Co Ltd and it became a consolidated subsidiary. As a consequence, compared to the end-date of the previous consolidated accounting year, the asset amount of the “Money lending” segment for the current 3rd quarter consolidated accounting period increased by ¥81,200,192 thousand.

3. Main contents of total amounts of profit or loss and differences from quarter consolidated balance statement recorded amounts, for reported segments (items concerning differences adjustment)

(unit: thousand JPY)

Profit	Amount
Total for reported segment	4,586,604
Losses on “Other”	72,936
Eliminations of transaction between segments	△ 120,834
Corporate expenses (note)	△ 286,908
Operating profit of the quarter consolidated balance statement	4,251,798

(Note) Corporate expenses are mainly general administration expenses that do not pertain to the reported segment.

4. Information with regard to impairment losses of fixed assets or goodwill on each segment (Important negative goodwill gain)

Within the “Money lending business” segment, during the 2nd consolidated accounting period we acquired the shares of KC Card Co Ltd (formerly Rakuten KC Co ltd) from Rakuten Co Ltd and it became a consolidated subsidiary. At the time of integration of the company, as a result of the revaluation of the fair value of assets and debts of the company, a negative goodwill gain of ¥29,444,347 thousands occurred, which is recorded as special profit (negative goodwill gain) within the 3rd consolidated cumulative period.

5. Items with regard to changes of reported segments

On April 1, 2011, following to acquiring all issued shares of The Neoline Credit. including overseas business, and consolidating it as a subsidiary, new reported segment “Overseas Business” was added.

As for the previous third quarter consolidated cumulative period, there is no corresponding item.

(5) Notes for cases of substantial variations of stock-owner capital amounts

On August 1 2011, we acquired the shares of KC Card Co Ltd (formerly Rakuten KC Co ltd) from Rakuten Co Ltd, and it became a consolidated subsidiary. At the time of incorporation, because of the revaluation of the fair value of assets and debts of the company, a negative goodwill gain of ¥29,444,347 thousands was recorded as special profit within the 3rd consolidated cumulative period.

As a result, shareholder's equity at the end of 3rd quarter consolidated cumulative accounting period increased substantially, due to the increase of profit surplus by ¥32,631,946 million compared to the end of the previous consolidated fiscal year.

(6) Important subsequent events

1. At the meeting of the Board of directors of our group and of Lopro Co ltd held on January12.2012, based on the sponsorship contract with reorganized Takefuji Co ltd (hereinafter called “Takefuji”)

signed on December 28.2011, it was resolved the signing of a company split (absorbing split) contract that makes Lopro Co ltd an inheriting company. The contract was signed on January 16.2012. Outline are as following.

(1) Business and scale of the company split

- ① Business Consumer lending business
- ② Scale ¥7,352 million (operational income for October-
ending 2011) (see note)

(Note) The indicated amount also includes operational profits other than the inherited business, as operational income for the inherited business only was not calculated.

(2) The form of company split

Absorbing division by which Takefuji becomes split company and Lopro Co ltd becomes inheriting company

(3) Name, business, assets, debts, asset amount and number of employees of the split company and of the inheriting company following company division

□ Split company

Name	Reorganized company Takefuji Co ltd
Business	Consumer lending business
Amount of assets	¥73,650 million (as of October31.2011)
Amount of debts	¥1,495,658 million (as of October31. 2011)
Amount of net assets	¥△1,422,008 million (as of October31.2011)
Number of Employees	471 (as of 27 December 2011)

□ Inheriting company

Name	Lopro Co ltd
Business	Consumer/business operator money lending, guarantee business
Amount of assets	¥23,858 million (as of February28.2011)
Amount of debts	¥21,613 million (as of February28.2011)
Amount of net assets	¥2,244 million (as o fFebruary28.2011)
Number of Employees	284 (as of 31 December 2011)

(4) The term of company division

1 March 2012 (scheduled)

(5) Items and amounts of inherited assets and debts

Assets		Debts	
Item	Amount	Item	Amount
Current assets	¥22,535 million	Current liabilities	—
Fixed Assets	¥1,809 million	Fixed liabilities	¥292 million
Total Assets	¥24,344 million	Total Liabilities	¥292 million

(Note) Items and amounts of inherited assets and debts are calculated based on the balance sheet as of October 31.2012, therefore the amounts inherited in fact may differ from the amounts above.

2. Within the Board Meeting of KC Card Co ltd held on January 25.2012 and the Board Meeting of the our Group held on February 3.2012, with the purpose of expanding credit guarantee business and enhancing business funds— which is our medium- and long-term strategy—it was resolved the transfer (sale) of a part of the operational loan receivable of KC Card Co ltd towards Saikyo Bank Co ltd. The receivable transfer contract was signed on February 6.2012. Outline are as following.

(1) Name of the company who received the transfer

Saikyo Bank Co ltd

(2) Type of transferred assets and their previous use

Type Operating loan receivables ¥3,811,396 thousand (provisional) (see Note)

Use Operational asset

(Note) The receivables subject to transfer were calculated by taking January 25, 2012 as a standard date; the final amount of the receivables subject to transfer will be confirmed by March 2012.

(3) The term of transfer

February 6, 2012

(4) Transfer price

¥3,811,396 thousand (provisional) (see Note)

(Note) The receivables subject to transfer were calculated by taking January 25, 2012 as a standard date; the final amount of the receivables subject to transfer will be confirmed by March 2012.

(5) Other important items

With regard to the guaranteeing of the currently transferred receivables on February 6, 2012, we signed together with Saikyo Bank Co Ltd a guarantee contract by which KC Card Co Ltd is the guaranteeing company and our Group is the secondary guaranteeing company.

4. Complementary information

Operational results

(1) Breakdown of loan balance

Section			End of previous 3rd quarter consolidated cumulative period (as of December 31, 2010)		End of current 3rd consolidated accounting period (as of December 31, 2011)	
			Amount (thousand JPY)	Structural ratio	Amount (thousand JPY)	Structural ratio
Domestic	Credit services for consumers	Unsecured loans	15,511,633 (2,744,386)	84.7	8,132,393 (1,589,141)	49.2
		Corporate combination adjustment	△2,922,879	△16.0	△1,241,945	△7.5
		Collateralized loans	981,412 (5,809)	5.4	489,660 (79,884)	3.0
		Subtotal	13,570,167 (2,750,196)	74.1	7,380,108 (1,669,025)	44.7
	Credit services for business operators	Commercial bill discounting	1,758,014 (7,880)	9.6	2,091,963 (7,390)	12.7
		Unsecured loans	1,209,587 (28,877)	6.6	757,561 (40,011)	4.6
		Collateralized loans	1,767,621 (73)	9.7	1,088,299 (3,268)	6.6
		Subtotal	4,735,223 (36,831)	25.9	3,937,824 (50,670)	23.9
	Total commercial bill discounting		1,758,014 (7,880)	9.6	2,091,963 (7,390)	12.7
	Total operational loans		16,547,376 (2,779,147)	90.4	9,225,969 (1,712,306)	55.9
	Total		18,305,390 (2,787,027)	100.0	11,317,933 (1,719,696)	68.6

Overseas	Credit services for consumers	Unsecured loans	— (—)	— (—)	5,192,502 (—)	31.4
		Collateralized loans	— (—)	— (—)	6,733 (—)	0.0
	Total		— (—)	— (—)	5,199,236 (—)	31.4
	Total		18,305,390 (2,787,027)	100.0	16,517,169 (1,719,696)	100.0

(Notes) 1. Long-term operational receivables are written in brackets.

2. Overseas credit service for consumers is performed by The Neoline Credit. As the above became a consolidated subsidiary on April 1 2011, it is not registered at the end of the previous 3rd quarter consolidated accounting period.

(2) Installment advance payments balance

Section	End of previous 3rd quarter consolidated cumulative period (as of December 31, 2010)	End of current 3rd consolidated accounting period (as of December 31, 2011)
	Amount (thousand JPY)	Amount (thousand JPY)
Installment advance balance	1,999,936 (47,523)	82,500,342 (8,059,873)

(Note) 1. Long-term operational receivables are written in brackets.

2. As of August 1st, 2011, KC Card Co Ltd was made a consolidated subsidiary, installment advance payment increased substantially, therefore as its importance increased, it is separately mentioned at the end of current 2nd quarter consolidated accounting period.

(3) Breakdown of debt guarantee balance

Section	End of previous 3rd quarter consolidated cumulative period (as of December 31, 2010)		End of current 3rd consolidated accounting period (as of December 31, 2011)	
	Amount (thousand JPY)	Structural ratio (%)	Amount (thousand JPY)	Structural ratio (%)
Unsecured	4,797,436	54.1	5,478,403	33.9
Collateralized	4,064,730	45.9	10,696,060	66.1
Total	8,862,166	100.0	16,174,463	100.0

(4) Breakdown of operational income

(unit: thousand JPY)

Section		Previous 3 rd term Consolidated cumulative quarter (From April 1 st , 2010 To December 31, 2010)	Current 3 rd quarter Consolidated cumulative quarter (From April 1 st , 2011 To December 31, 2011)	Previous consolidated accounting year (From April 1 st , 2010 To March 31, 2011)
1. Consumer-oriented				
(1) Unsecured loans	1. Deed loans	2,138,044	2,609,768	2,690,447
	(2) Collateralized loans	86,373	73,299	110,796
	Total consumer-oriented	2,224,418	2,683,067	2,801,244
2. Business operator oriented				
(1) Commercial bill discounting	1. Discount received	95,185	153,666	141,409
	(2) Unsecured loans	13,127	31,593	17,618
	2. Deed loans	51,584	39,883	67,370
	Subtotal	64,711	71,476	84,989
(3) Collateralized loans	1. Real-estate secured loans	45,174	43,786	66,463

	2. Securities lending	1,687	3,281	2,883
	3. Golf membership right collateralized loans	395	172	435
	4. Medical fee collateralized loans	325	510	556
	5. Deposit collateral loans	3,226	2,322	4,139
	Subtotal	50,809	50,073	74,478
	Total business-operator oriented	210,707	275,217	300,877
I. Loan interests / Discount received		2,435,125	2,958,284	3,102,121
II. Purchased receivable recovery amount		1,762,922	2,113,277	2,669,992
III. Real-estate business turnover		2,323,252	1,555,867	3,167,160
IV. Installment advance payment fees	1. Mediation income for comprehensive credit purchases	—	1,291,684	—
	2. Moneylending income	—	4,618,431	—
	3. Installment advance payment fees	512,314	232,297	616,679
	Subtotal	512,314	6,142,414	616,679
V. Other	1. Fees received	246,613	252,227	391,370
	2. Guarantees fees received	367,224	510,197	513,968
	3. Deposit interests	1,954	7,491	2,970
	4. Other financing incomes	4,706,688	2,703,827	5,823,330
	5. Other	424,849	1,002,775	621,373
	Subtotal	5,747,329	4,476,519	7,353,013
Total operating income		12,780,944	17,246,364	16,908,967

(Note) 1. Other financing incomes are mainly the recordings of the difference between recovered amount of loan receivables within the receivables purchasing service and their acquisition cost.

2. “1. Mediating income on comprehensive credit purchase” and “2. Financing income” from “IV. Installment advance payment fees” are income of the credit card service performed by KC Card Co Ltd. As the above became a consolidated subsidiary on August 1, 2011, it is not registered neither at the end of the previous third quarter consolidated accounting period, nor for the previous consolidated fiscal year.