

1. Resume of Result / FYE July 2005

September 16, 2005

[1] Financial Results of the previous fiscal year:

	Consolidated basis			Non-consolidated basis		
	Revenue	Recurring Profit	Net Income	Revenue	Recurring Profit	Net Income
FY2005	¥86.0bn	¥20.3bn	¥12.6bn	¥60.8bn	¥18.1bn	¥10.1bn
(Y-o-Y Changes)	+¥8.3bn/+10.6%	+¥4.4bn/+27.3%	+¥4.3bn/+51.4%	+¥7.4bn/+13.8%	+¥3.7bn/+25.8%	+¥2.5bn/+33.0%
FY2004	¥77.7bn	¥15.9bn	¥8.3bn	¥53.4bn	¥14.4bn	¥7.6bn

Five Key initiatives of the previous year

Though "bad news should come first" is SFCG's policy, no applicable bad news could be found. 5 positive reports as follows.

- (1) Achieved 1,501 sales people, exceeding 1,500 quota.
- (2) Achieved 3,002 new accounts in August (a month later than the plan), exceeding 3,000 per month quota.
- (3) Improved the average interest rate of our main product, Shohkoh revolving loan, by 1.4% from 17.6% in 2004 to 19.0% in 2005
- (4) Decreased 431 outstanding lawsuits (50.3%) from 857 in 2004 to 426 in 2005). This is the result of complete management system in on going credit monitoring and production of notary deed of loan agreement before default event.
(Note: Damage case against Mainichi Shinbun with respect to asserted unfair or unauthorized production of notary deed by SFCG has been amicably settled.
- (5) Maruman went public on July 21, 2005 in Daisho Hercules (Osaka Stock Exchange Class "Hercules") and T-Zone HD, the subsidiary of SFCG earned JPY3.2 capital gains. In celebration of successful IPO of Maruman, memorial dividends in amount of JPY100 will be distributed per share. Total dividends will be JPY200 (Normal dividends of JPY100 + memorial dividends of JPY100) per share.

[2] 5-Year Mid-Term Plan and Forecast for this fiscal year

1. 5-year Mid-Term Plan "500(Five Hundred) Plan" (FY 07/2005 to FY 07/2009)

- (1) Consolidated recurring profit of JPY50 billion => Challenging plan to make 2.5 times of FY 07/2005 recurring profit of JPY20.3 billion in 4 FYs.
- (2) Non-consolidated recurring profit of JPY42 billion => Plan to exceed the best performance of JPY41 billion of the FY 01/1999

2. Forecast for this fiscal year: Plan to increase both in revenue and recurring profit by continuous increasing the balance of Shohkoh Revolving loans.

	Consolidated basis			Non-consolidated basis		
	Revenue	Recurring Profit	Net Income	Revenue	Recurring Profit	Net Income
FY2006	¥95.0bn	¥24.5bn	¥13.5bn	¥67.0bn	¥22.0bn	¥12.2bn
(Y-o-Y Changes)	+¥9.0bn/+10.5%	+¥4.2bn/+20.7%	+¥0.9bn/+7.1%	+¥6.2bn/+10.2%	+¥3.9bn/+21.5%	+¥2.1bn/+20.8%
FY2005	¥86.0bn	¥20.3bn	¥12.6bn	¥60.8bn	¥18.1bn	¥10.1bn

[3] Strategies by Products for this fiscal year

	July 2004	July 2005	Y-o-Y Changes	Forecast at the beginning of FY July 2006	Y-o-Y Changes	Business Strategy for this fiscal year
Shohkoh Loan	¥258.3bn	¥290.4bn	+¥32.1bn/+12.4%	JPY325.0 bn	+JPY34.6bn/+11.9%	Keep proactive growth as achieved 3,000+ per month new accounts in August 2005.
Real Estate Loan	¥46.4bn	¥63.9bn	+¥17.5bn/+37.7%	JPY65.0bn	+1.1bn/+1.7%	Expect to stay at the same level. Promote Short-term high-cycle business by lending to professional realtors. Avoid impact of changes in real estate market.
Bill Discounting	¥38.8bn	¥29.6bn	-¥9.2bn/-23.7%	JPY30.0bn	+0.4bn/1.4%	Plan at the same level due to the decrease of volume of trading commercial notes market.
Total	¥343.5bn	¥383.9bn	+¥40.4bn/+11.8%	JPY420.0bn	+36.1bn/9.4%	

[4] Four Key Initiatives for this fiscal year

1. Expand sales force and branches
 - (1) Increase sales force up to 1,800 (including part-timers). Plan to hire 300 new college graduates.
 - (2) Increase 32 branches to total 146. 32 branches will be opened in the 1st quarter, 16 branches in September, and 16 in October.
 - (3) Newly open 118 "in-house branches" in the existing large to mid-size branches in August. 3,002 new accounts in August was the result of the effect of "managers of in-house branch".

2. Enhance collection system
 - (1) Practice the slogan of "sales staff who are not able to collect loans are not eligible as SFCG person" in ALL employees. Fulfilled only down to the managers level in last FY.
 - (2) "Evolution to SFCG-style Game of Wall Painting of Tom Sawyer." Sales staff compete for "unlimited increase of compensation and allowance of vacation at Hawaii" depending on the amount of CFP as though it were a game.
 - (3) Follow up voluntary efforts on thorough credit monitoring. Fulfill among ALL employees, led by the "101 monkeys" leading team.

3. Consolidation and spin-off of back-offices
 - (1) Consolidation of back-offices. Cut costs by eliminating unnecessary overlapped functions and headcounts.
 - (2) Spin-off of back-offices: (a) General Affair Cost Cutter Co.,Ltd.; (b) Accounting Controller Co.,Ltd.; (c) HR PR Brain Co.,Ltd.; (d) Finance IR Brain Co.,Ltd.; and, (e) Risk Management Co.,Ltd.
 - (3) Privatization of back-offices. As a result, turn back-offices, cost center, into a profit center.
Note: Effects of General Affair Cost Cutter Co.,Ltd. Cut the supply and fixture costs for new stores from JPY3 million to JPY1 million by using second -handed.

4. Secure Funding Sources and Interest Rate Risk Diversification
 - (1) Diversify main funding sources. Two more lenders of West LB (JPY5 billion) and Mizuho Securities (JPY4.2 billion)m, in total of 5 lenders now including Citi Bank (JPY73 billion), Bayerische Hypo- Vereinsbank (JPY45.8 billion) Lehman Brothers (JPY27 billion).
 - (2) Secure future funds for growth. JPY180 billion commitment line from the five main funding sources.
 - (3) Fixed the rate for JPY183 billion loans, 94% of the total outstanding loan balance (JPY194.5bin). Fixed the rate for JPY90 billion until 2011 by swap and cap.

[5]Subsidiaries

- (1) Enhance SFCG Group's consolidated management
 - ① Mr. Oshima of SFCG's President assumed the position of the chairman of T·Zone HD. Enhance the group management.
 - ② Offices of group companies are concentrated in the "Muromachi Center Building." Speed-up management decision process.
 - ③ "Mitsui Nihonbashi Tower," the posh landmark in Nihonbashi was completed in August 2005. SFCG shall remain in the practical building across the street from the Tower.

- (2) Future IPO Candidate after Maruman
 - ④ e·MAX Co.,Ltd.(reform and sales of auctioned real estate) plans to go public in the end of July 2006.
 - ⑤ (a) T·Zone Strategy Co.,Ltd. (a software and PC Parts distributor), (b) Justice Servicer Co.,Ltd (a collection agency / special servicer), (c) Midas Capital Co.,Ltd(a wholesale finance company), and Midas Appraiser and Guarantee Co.,Ltd.(MAG) plans to go public in three FY, by July 2008.
 - ⑥ At the time when the interest rate hikes is our opportunity to go for M&A. Over-borrowing company which got used to low interest rate will be in the crisis.

- (3) Listed companies reporting large holding of stocks
 - ⑦ As of September 14, 2005, (a) Biofermin (Osaka Stock Exchange Class 1, 23.6%), (b) Sato Foods (JASDAQ, 23.9%), and (c) Riken Vitamin (Tokyo Stock Exchange Class 2, 21.7%) are consolidated in equity method.
 - ⑧ As of September 14, 2005, (a) Nippon Kanzai (Tokyo Stock Exchange, Class 1 19.6%), (b) Miyako (JAZDAQ, 16.3%), ST Chemical (Tokyo Stock Exchange Class 1, 10.7%), (d) Ota Kaki (JASDAQ, 8.5%) are subject to regulated reporting as large holdings of stocks.
 - ⑨ Held 9.2% of Hikari Business Form (JASDAQ) but sold all of them in the fiscal year of 2005 as they disqualified our investment standard.