

**Summary of Consolidated Financial and Operating Results
for the First Quarter of the Fiscal Year Ending July 31, 2008**

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 Stock Exchange Listing: Tokyo Stock Exchange, First Section
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1. Financial and operating results for the first quarter of the fiscal year ending July 31, 2008 (August 1, 2007 – October 31, 2007)

(1) Results of operations (Consolidated)

Rounded down to million yen

	Operating revenue		Operating profit		Recurring profit	
	Million yen	YoY change %	Million yen	YoY change %	Million yen	YoY change %
FY2008 First Quarter	31,752	16.0	9,422	25.3	8,909	19.6
FY 2007 First Quarter	27,371	13.5	7,518	17.9	7,447	17.4
FY 2007	109,825	—	36,039	—	35,620	—

	Net income (for the period)		Net income per share (basic)	Net income per share (diluted)
	Million yen	%	Yen	Yen
FY2008 First Quarter	3,619	-5.3	295.62	—
FY 2007 First Quarter	3,822	14.4	312.17	294.96
FY 2007	2,584	—	211.4	—

Note: The percentages for operating revenue, operating profit, recurring profit and net income represent changes from the same period of the previous fiscal year.

(2) Financial position (Consolidated)

Rounded down to million yen

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2008 First Quarter	862,359	278,055	30.4	21,397.64
FY 2007 First Quarter	668,253	268,627	39.1	21,326.81
FY 2007	847,008	266,299	30.7	21,249.28

2. Dividends

The Company does not pay (first-quarter record date: October 31) quarterly dividends.

3. Consolidated Business Forecasts for the fiscal year ending July 31, 2008 (August 1, 2007 – July 31, 2008)

Performance thus far in the fiscal year is generally in line with the forecast. Therefore, SFCG is making no changes to the forecast for the current fiscal year ending July 2008 that was announced on September 27, 2007.

4. Others

(1) Changes in significant subsidiaries (Changes in specific subsidiaries accompanied by changes in the scope of consolidation): Yes

Consolidated subsidiaries:

Newly included: --

Excluded:--

Equity-method affiliates:

Newly included: 1 (SATO FOODS INDUSTRIES CO., LTD)

Excluded:--

(2) Use of simplified accounting methods for certain items: No

(3) Revisions to accounting standards from previous fiscal year: None

Note: For details, see the sections on Qualitative Information and Financial Statements (Page 3) and Other Items (Page 4)

Forward-looking Statements

These materials contain forward-looking statements, which are based on the current forecasts, estimates, assumptions, plans, beliefs and evaluations of the SFCG Co., Ltd. in light of information currently available to management, and contain known and unknown risks, uncertainties and other factors. SFCG Co., Ltd. therefore wishes to caution readers that SFCG Co., Ltd.'s actual results, performance, achievements or financial position could be materially different from any future results, performance, achievements or financial position expressed or implied in these forward-looking statements, and SFCG Co., Ltd. undertakes no obligation to publicly update or revise any forward-looking statements after the issue of this material.

Review of Operations, Financial Statements and Other Items

1. Results of Operations

During the first quarter, Japan's economy remained healthy as consistently strong corporate earnings supported growth in private-sector capital expenditures.

In Japan's non-bank money-lending industry, which includes some businesses of SFCG's finance and investments segment, companies are restructuring their operations in response to challenges posed by the passage in late 2006 of amendments to the Money Lending Business Law. Companies are rebuilding their business models, closing unprofitable branches, reducing workforces and taking many other actions.

In the finance business of the SFCG Group, companies are moving rapidly to restructure their loan portfolios. Due to these actions, the finance business performed well as the balance of loans secured by real estate and other collateral continued to climb steadily.

In the real estate segment, performance was generally strong because of growth in the rent guarantee business due to a continuation of aggressive sales activities.

In the others segment, performance was generally favorable due to the contribution of a newly consolidated subsidiary.

In the first quarter, consolidated operating revenue increased 16.0% year on year to 31,752 million yen, operating profit increased 25.3% to 9,422 million yen, recurring profit increased 19.6% to 8,909 million yen and net income decreased 5.3% to 3,619 million yen.

2. Financial Position

(Assets, liabilities and net assets)

During the first quarter, total assets increased 15,351 million yen to 862,259 million yen. Current assets climbed 11,021 million yen to 786,480 million yen mainly because of growth in loans to customers. Non-current assets increased 4,330 million yen to 75,879 million yen mainly because of the addition of the buildings and machinery of a newly consolidated subsidiary.

Total liabilities increased 3,595 million yen to 58,434 million yen. This was primarily attributable to growth in long-term loans and bonds.

Net assets amounted to 278,055 million yen, 11,755 million yen less than at the end of the previous fiscal year. This was the net result of increases in retained earnings due to first quarter net income and in minority interests due to the newly consolidated subsidiary and other factors.

3. Outlook for Fiscal 2008

Performance thus far in the fiscal year is generally in line with the forecast. Therefore, SFCG is making no changes to the forecast that was announced on September 27, 2007.

4. Other Items

(1) Changes in significant subsidiaries during the period (Changes in specific subsidiaries resulting in changes in the scope of consolidation)

SATO FOODS INDUSTRIES CO., LTD., which was an equity-method affiliate, was accounted for as a consolidated subsidiary beginning in the first quarter due to the purchase of additional stock of this company.

(2) Use of simplified accounting methods

Not applicable

(3) Revisions to accounting standards from previous fiscal year

Not applicable

Summary Quarterly Consolidated Financial Statements
(1) Summary Quarterly Consolidated Balance Sheets

(Unit: Yen in millions, %)

Period Account	1Q FY2007 (as of Oct 31, 2006)	1Q FY2008 (As of Oct 31, 2007)	Change		FY 2007 (As of July 31, 2007)
	Amount	Amount	Amount	Pct.	Amount
Assets					
I . Current assets					
1. Cash and deposits	55,230	35,808	-19,421	-35.2	40,960
2. Commercial bill discounted	36,651	14,514	-22,137	-60.4	30,773
3. Trade notes and accounts receivable	3,614	7,484	3,869	107.1	3,586
4. Loans to customers	486,392	653,639	167,247	34.4	632,594
5. Operational investment in securities	7,367	6,851	-515	-7.0	6,459
6. Inventories	11,195	20,219	9,023	80.6	16,856
7. Deferred tax assets-current	3,712	6,717	3,005	81.0	6,864
8. Short-term loans receivable	16,950	2,026	-14,923	-88.0	7,156
9. Deposits	19,334	43,326	23,992	124.1	33,411
10. Other current assets	7,503	14,317	6,813	90.8	14,215
Allowance for doubtful accounts	-34,900	-18,426	16,473	-47.2	-17,419
Total current assets	(613,052)	(786,480)	173,427	28.3	(775,459)
II . Non-current assets					
1. Property and equipment	(2,670)	(7,333)	4,662	174.6	(1,931)
2. Intangible assets	(1,765)	(3,135)	1,370	77.6	(1,578)
3. Investment and other assets	(50,764)	(65,410)	14,646	28.9	(68,039)
(1) Investment in securities	42,075	54,256	12,181	29.0	56,753
(2) Deferred tax assets-non current	1,952	2,482	530	27.2	2,294
(3) Other non-current assets	7,528	9,438	1,910	25.4	9,853
Allowance for doubtful accounts	-791	-766	25	-3.2	-863
Total non-current assets	(55,200)	(75,879)	20,679	37.5	(71,548)
Total assets	668,253	862,359	194,106	29.0	847,008
Liabilities					
I . Current liabilities					
1. Trade notes and accounts payable	1,957	3,595	1,637	83.7	3,344
2. Short-term debt	98,269	118,759	20,489	20.9	115,798
3. Current portion of long-term debt	92,722	75,153	-17,569	-18.9	64,721
4. Commercial paper	—	21,800	21,800	—	35,700
5. Short-term bonds	—	4,020	4,020	—	—
6. Income taxes payable	3,478	4,237	759	21.8	2,574
7. Deferred tax liabilities-current	829	614	-214	-25.9	293
8. Allowance for performance of lease guarantees	54	63	9	16.9	293
9. Allowance for sales returns	—	184	184	—	169
10. Allowance for loss on interest repayments	2,325	5,777	3,452	148.5	4,921
11. Others	6,062	15,978	9,915	163.6	27,039
Total current liabilities	(205,698)	(250,182)	44,483	21.6	(254,855)
II . Long-term liabilities					
1. Bonds	20,000	20,000	—	—	20,000
2. Long-term debt	170,818	313,472	142,654	83.5	305,311
3. Accrued retirement benefits	28	41	13	45.7	19
4. Product warranty reserve	33	25	-8	-24.4	24
5. Deferred tax liabilities-non current	2,256	53	-2,203	-97.6	36
6. Others	788	528	-260	-33.0	461
Total long-term liabilities	(193,926)	(334,122)	140,195	72.3	(325,853)
Total liabilities	399,625	584,304	184,679	46.2	580,708

Account	1Q FY2007 (as of Oct 31, 2006)	1Q FY2008 (As of Oct 31, 2007)	Change		FY 2007 (As of July 31, 2007)
	Amount	Amount	Amount	Change (%)	Amount
Net assets					
I. Shareholders' equity					
1. Common stock	79,149	79,149	—	—	79,149
2. Capital surplus	84,338	84,338	—	—	84,338
3. Retained earnings	95,167	99,057	3,890	4.1	97,151
4. Treasury stock	-2	-3	0	32.1	-3
Total shareholders' equity	(258,652)	(262,541)	3,889	1.5	(260,635)
II. Valuation and translation					
1. Net unrealized gain/loss on available -for sale securities	3,163	48	-3,114	-98.5	63
2. Deferred gains or losses on hedges	-814	-915	-101	12.5	-792
3. Foreign exchange translation adjustments	152	346	193	126.5	296
Total valuation and translation adjustment	(2,501)	(-521)	-3,023	-120.8	(-432)
III. Minority interests	(7,473)	(16,034)	8,561	114.6	(6,095)
Total net assets	268,627	278,055	9,427	3.5	266,299
Total liabilities and net assets	668,253	862,359	194,106	29.0	847,008

(2) Summary Quarterly Consolidated Statements of Income

(Unit:Yen in millions,%)

Account	1Q FY2007 (as of Oct 31, 2006)	1Q FY2008 (As of Oct 31, 2007)	Change		FY 2007 (As of July 31, 2007)
	Amount	Amount	Amount	Change (%)	Amount
I. Operating revenue	(27,371)	(31,752)	4,380	16.0	(109,825)
1. Discount charges	896	750	-146	-16.3	3,271
2. Interest on loans	16,685	18,651	1,966	11.8	67,563
3. Fees and commissions	851	1,234	383	45.0	4,410
4. Revenues	8,510	10,750	2,239	26.3	34,327
5. Other operating revenue	427	365	-61	-14.4	252
II. Operating expenses	(8,642)	(12,726)	4,084	47.3	(39,421)
1. Interest expenses	1,361	2,220	859	63.2	7,565
2. Cost of sales	6,285	7,217	931	14.8	25,167
3. Other operating expenses	996	3,289	2,292	230.1	6,688
Gross operating profit	18,728	19,025	296	1.6	70,403
III. Selling, general and administrative expenses	11,210	9,603	-1,606	-14.3	34,364
Operating profit	7,518	9,422	1,903	25.3	36,039
IV. Other income	(191)	(313)	122	63.9	(1,193)
1. Interest income	93	51	-41	-44.7	380
2. Dividends received	—	12	12	—	16
3. Rent received	26	3	-22	-86.4	71
4. Other non-operating income	71	245	174	242.9	725
V. Non-operating expenses	(262)	(826)	564	215.1	(1,612)
1. Interest expenses	161	322	161	99.5	1,072
2. Investment in equity-method subsidiary	—	385	385	—	366
3. Other non-operating expenses	100	118	18	17.9	173
Recurring profit	7,447	8,909	1,461	19.6	35,620
VI. Extraordinary profit	(25)	(301)	275	1,087.0	(4,573)
1. Gain on sale of investment in securities	—	59	59	—	—
2. Gain on sale of investment in related companies	—	—	—	—	4,118
3. Prior-year adjustments	24	—	-24	-100.0	273
4. Provision of allowance for performance of lease guarantees	—	197	197	—	—
5. Provision of allowance for directors retirement benefits	—	44	44	—	—
6. Other extraordinary profit	0	0	0	5.6	181
VII. Extraordinary loss	(68)	(0)	-67	-98.7	(25,711)
1. Loss on disposal of property and equipment	68	0	-67	-98.7	301
2. Bad debt loss	—	—	—	—	23,502
3. Other extraordinary loss	—	—	—	—	1,907
Income before income taxes and minority Interests	7,404	9,209	1,805	24.4	14,482
Income taxes (Income Tax, Inhabitant Tax, Enterprise Tax)	2,918	4,492	1,573	53.9	13,383
Deferred tax	300	500	199	66.1	-3,343
Minority interests	361	597	235	65.1	1,857
Net income	3,822	3,619	-202	-5.3	2,584