

Flash Report for the 6-Month Term ended January 31, 2005 (non-consolidated)

March 24, 2005

Name of the listed company: SFCG CO., LTD. (formerly Shohkoh Fund & Co., Ltd.)

Listing stock exchange: Tokyo Stock Exchange (First section)

Code No.: 8597

Location of principal office: Tokyo

URL <http://www.sfcg-ir.com/>

Representative: Kenshin Oshima (President)

Contact: Wataru Kikuchi (Director and General Manager of Business Planning Dept.) Tel. +81-(0)-3-3270-4177

Date of meeting of the Board of Directors for approval of the interim term settlement: March 24, 2005

Interim dividend: Adopted

Beginning date of interim dividend payment:

Unit share system for trading purposes: Adopted (1 unit: 10 shares)

1. Results for the 6-Month term (non-consolidated) (August 1, 2004 – January 31, 2005)

*Amounts are shown in millions with fractions omitted except for per-share data. Figures less than ¥0.01 for per-share data are omitted.

(1) Operating results

(¥ million)

	Operating revenue		Operating profit		Ordinary profit	
For reporting interim term	29,989	(15.5%)	8,520	(30.7%)	8,842	(29.4%)
For previous interim term	25,966	(8.5%)	6,519	(19.3%)	6,833	(19.4%)
For previous term ended July 31, 2004	53,412	(11.8%)	13,760	(9.5%)	14,353	(10.1%)

	Net income		Net income per share (¥)
For reporting interim term	4,858	(36.2%)	429.57
For previous interim term	3,567	(10.8%)	315.58
For previous term ended July 31, 2004	7,628	(11.7%)	674.70

(Notes) 1. Average number of shares outstanding during the interim term

For reporting interim term: 11,309,738 shares

For previous interim term: 11,305,734 shares

For previous term ended July 31, 2003: 11,306,063 shares

2. Average number of shares for the period is calculated after exclusion of treasury shares.

3. Changes in accounting method: none

4. The percentage figures accompanying operating revenue, operating profit, ordinary profit and net income represent year-on-year change.

(2) Dividend distribution

	Interim dividend (¥)	Term-end dividend (¥)
As of reporting interim term-end	0.00	-
As of previous interim term-end	0.00	-
As of term-end (July 31, 2004)	-	200.00

(Note) Breakdown of dividend for the previous term: ordinary dividend (¥100.00), extraordinary dividend (¥100.00)

(3) Financial position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity ratio (%)	Shareholders' equity per share (¥)
As of reporting interim term-end	435,604	233,443	53.6	20,693.25
As of previous interim term-end	365,165	227,360	62.3	20,110.24
As of term-end (July 31, 2004)	407,396	231,740	56.9	20,465.93

(Notes) 1. Number of shares issued as of reporting interim term-end: 11,281,135 shares

as of previous interim term-end: 11,305,724 shares

as of previous term-end (July 31, 2004): 11,323,240 shares

2. Treasury stock as of reporting interim term-end: 89,665 shares

as of previous interim term-end: 65,076 shares

as of previous term-end (July 31, 2004): 47,560 shares

3. Number of shares issued as of previous term end does not include Treasury stocks

2. Business Forecast for the Year ending July 31, 2004 (August 1, 2004 – July 31, 2005)

(¥ million)

	Operating revenue	Ordinary profit	Net income	Annual dividend per share (¥)	
				Term-end dividend (¥)	
Full term ending July 31, 2005	59,000	17,000	8,800	100.00	100.00

(Reference) Estimated net income per share (for full term): ¥780.06

The above figures are based on information available at the time of disclosure. Unforeseen and uncontrollable factors may cause future performance to differ substantially from forecasts.

Non-Consolidated Financial Statements

Non-Consolidated Balance Sheet

(¥ million)

Term Account title	As of January 31, 2004		As of January 31, 2005		As of July 31, 2004	
	Amounts	Ratio to total assets	Amounts	Ratio to total assets	Amounts	Ratio to total assets
Assets		%		%		%
Current assets	348,581	95.5	407,729	93.6	389,356	95.6
Cash and cash equivalents	19,030		46,238		48,689	
Commercial bills discounted	38,735		37,610		38,771	
Loans to customers	297,587		330,966		304,764	
Short-term loans to affiliated companies	16,341		9,770		14,395	
Deferred tax assets	2,742		2,711		2,581	
Deposits	-		16,688		8,851	
Other current assets	12,262		3,426		10,173	
Allowance for doubtful accounts	(38,117)		(39,682)		(38,869)	
Noncurrent assets	16,583	4.5	27,875	6.4	18,039	4.4
Tangible fixed assets	1,345		1,207		1,427	
Intangible assets	1,800		1,998		1,980	
Investments and other noncurrent assets	13,438		24,669		14,631	
Investment in affiliates	5,049		6,974		4,589	
Other investments assets	8,456		17,753		10,102	
Allowance for doubtful accounts	(67)		(58)		(59)	
Total assets	365,165	100.0	435,604	100.0	407,396	100.0
Liabilities						
Current liabilities	23,315	6.3	23,862	5.5	20,713	5.1
Short-term borrowings	16,121		15,624		13,373	
Accrued Income taxes	3,333		4,768		3,529	
Accrued bonuses to employees	92		-		19	
Other current liabilities	3,768		3,470		3,791	
Long-term debt	114,489	31.4	178,299	40.9	154,942	38.0
Bond	-		20,000		20,000	
Long-term borrowings	113,977		157,714		134,439	
Accrued retirement benefits	216		68		74	
Other long-term liabilities	295		516		428	
Total liabilities	137,804	37.7	202,161	46.4	175,656	43.1
Shareholders' equity						
Common stock	79,149	21.7	79,149	18.2	79,149	19.4
Capital surplus	78,969	21.6	79,035	18.2	79,035	19.4
Capital surplus	78,969		78,969		78,969	
profit on disposal of treasury stocks			65		65	
Retained earnings	70,164	19.2	76,818	17.6	74,224	18.2
Retained earnings	1,318		1,318		1,318	
voluntary earned reserve	62,800		68,800		62,800	
Unappropriated retained earnings	6,045		6,699		10,106	
Unrealized profit/loss on other securities	3	0.0	183	0.0	8	0.0
Treasury stock	(926)	(0.2)	(1,742)	(0.4)	(677)	(0.1)
Total shareholders' equity	227,360	62.3	233,443	53.6	231,740	56.9
Total liabilities, minority interests and shareholders' equity	365,165	100.0	435,604	100.0	407,396	100.0

Consolidated Statement of Income

(¥ million)

Account title	Term	Previous interim term (August 1, 2003 – January 31, 2004)		Interim term (August 1, 2004 – January 31, 2005)		Reference:Fiscal 2003 term (August 1, 2003 – July 31, 2004)	
		Amounts	Ratio to operating revenues	Amounts	Ratio to operating revenues	Amounts	Ratio to operating revenues
Operating profit/loss			%		%		%
Operating revenues		25,966	100.0	29,989	100.0	53,412	100.0
Discount charges		2,107		2,175		4,391	
Interest on loans		22,809		27,137		47,241	
Fees and commissions		1,048		674		1,778	
Other operating revenues		0		2		0	
Operating expenses		1,878	7.2	2,578	8.6	4,090	7.7
Interest on borrowings		1,339		1,798		3,046	
Other operating expenses		538		780		1,043	
Gross operating profit		24,087	92.8	27,410	91.4	49,322	92.3
Selling, general and administrative expenses		17,568	67.7	18,889	63.0	35,561	66.6
Operating profit		6,519	25.1	8,520	28.4	13,760	25.7
Non-operating revenues		320	1.2	331	1.1	668	1.3
Non-operating expenses		7	0.0	9	0.0	75	0.1
Recurring profit		6,833	26.3	8,842	29.5	14,353	26.9
Extraordinary profit		163	0.6	123	0.4	267	0.4
Extraordinary loss		552	2.1	22	0.1	929	1.7
Income before income taxes		6,443	24.8	8,943	29.8	13,691	25.6
Income taxes:							
Current		3,140	12.1	4,212	14.0	6,111	11.4
Deferred		(264)	(1.0)	(127)	(0.4)	(48)	(0.1)
Net income		3,567	13.7	4,858	16.2	7,628	14.3
Retained earnings carried forward		2,477		1,841		2,477	
Unappropriated retained earnings		6,045		6,699		10,106	

Item	For Previous interim term (Aug. 1, 2003 - Jan. 31, 2004)	For Reporting Interim term (Aug. 1, 2004 - Jan. 31, 2005)	For Previous term (Aug. 1, 2003 - Jul. 31, 2004)
(3) Accrued retirement benefits	Accrued retirement benefits are posted to eligible employees who have been entitled to receive lump-sum retirement money as of July 31,2002 in the amount of 100% of the sum for voluntary retirement, based on the estimated balance of employees' prior service obligations, assuming that all eligible employees terminate their service at the end of the reporting term.	Accrued retirement benefits are posted to eligible employees who have been entitled to receive lump-sum retirement money as of July 31,2002, assuming that all eligible employees terminate their service at the end of the reporting term.	As of left
4. Leases	Finance leases other than those deemed to transfer the ownership of the leased assets to the lessee are accounted for by methods similar to those applicable to ordinary operating leases.	As of left	As of left
5. Hedge accounting	<p>(1) Hedge accounting method Deferred hedge accounting is used.</p> <p>(2) Hedging instruments and hedged items Hedging instruments: interest rate swaps and interest rate caps Hedged items: loans payable with floating interest rates</p> <p>(3) Hedging policy In compliance with the regulations of the Company, the Company conducts cash flow hedging against interest rate fluctuation risk.</p> <p>(4) Valuation of effectiveness of hedge accounting The Company assesses hedging effectiveness through comparison of accumulated cash flow changes in hedging instruments and relevant hedged items.</p>	<p>(1) Hedge accounting method As of left</p> <p>(2) Hedging instruments and hedged items As of left</p> <p>(3) Hedging policy As of left</p> <p>(4) Valuation of effectiveness of hedge As of left</p>	<p>(1) Hedge accounting method As of left</p> <p>(2) Hedging instruments and hedged items As of left</p> <p>(3) Hedging policy As of left</p> <p>(4) Valuation of effectiveness of hedge As of left</p>
6. Other significant accounting principles	<p>(1) Operating revenue recognition Income received from customers in the form of discount charges and interest is, at the end of the maturity period or due date, recognized as part of the operating revenue.</p> <p>(2) Consumption tax accounting Consumption taxes are excluded from the amounts in the non-consolidated income statements. Suspense receipts and payment of consumption taxes offset each other, and the net amounts are posted under other current liabilities.</p>	<p>(1) Operating revenue recognition AS of left</p> <p>(2) Consumption tax accounting As of left</p>	<p>(1) Operating revenue recognition AS of left</p> <p>(2) Consumption tax accounting Consumption taxes are excluded from the amounts in the non-consolidated income statements.</p>

Notes to Non-Consolidated Financial Statements

Balance sheet items

For Previous interim term (Aug. 1, 2003 - Jan. 31, 2004)	For Reporting Interim term (Aug. 1, 2004 - Jan. 31, 2005)	For Previous term (Aug. 1, 2003 - Jul. 31, 2004)																														
1. Accumulated amounts of depreciation for tangible fixed assets ¥573 million	1. Accumulated amounts of depreciation for tangible fixed assets ¥676 million	1. Accumulated amounts of depreciation for tangible fixed assets ¥596 million																														
2. Assets pledged as collateral See the table below for an overview of assets pledged as collateral in regard to ¥5,249 million in short-term loans and ¥105,342 million in long-term loans.	2. Assets pledged as collateral See the table below for an overview of assets pledged as collateral in regard to ¥2,404 million in short-term loans and ¥141,469 million in long-term loans.	2. Assets pledged as collateral See the table below for an overview of assets pledged as collateral in regard to ¥2,000 million in short-term borrowings, ¥112 million in current portion of long-term debt, and the remaining portion of ¥124,611 million.																														
(Millions of yen)	(Millions of yen)	(Millions of yen)																														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Assets pledged as collateral</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>Deposits</td> <td style="text-align: right;">57</td> </tr> <tr> <td>Commercial bills discounted</td> <td style="text-align: right;">25,576</td> </tr> <tr> <td>Loans to customers</td> <td style="text-align: right;">133,116</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">158,750</td> </tr> </tbody> </table>	Assets pledged as collateral	Amount	Deposits	57	Commercial bills discounted	25,576	Loans to customers	133,116	Total	158,750	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Assets pledged as collateral</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>Deposits</td> <td style="text-align: right;">334</td> </tr> <tr> <td>Commercial bills discounted</td> <td style="text-align: right;">26,853</td> </tr> <tr> <td>Loans to customers</td> <td style="text-align: right;">176,512</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">203,700</td> </tr> </tbody> </table>	Assets pledged as collateral	Amount	Deposits	334	Commercial bills discounted	26,853	Loans to customers	176,512	Total	203,700	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Assets pledged as collateral</th> <th style="text-align: right;">Amount</th> </tr> </thead> <tbody> <tr> <td>Deposits</td> <td style="text-align: right;">238</td> </tr> <tr> <td>Commercial bills discounted</td> <td style="text-align: right;">26,748</td> </tr> <tr> <td>Loans to customers</td> <td style="text-align: right;">154,307</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">181,295</td> </tr> </tbody> </table>	Assets pledged as collateral	Amount	Deposits	238	Commercial bills discounted	26,748	Loans to customers	154,307	Total	181,295
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<p>Furthermore, the Company has concluded futures contracts for the transfer of receivables in regard to ¥18,564 million in loans to customers. The total debt corresponding to this figure is ¥17,964 million, consisting of ¥9,592 million in short-term borrowings and ¥8,372 million in long-term debt. In addition, the Company employs securitization schemes for trade receivables including commercial bills and loans secured by real estate, and these receivables are treated as negotiable collateral loans. Assets pledged as collateral under the securitization schemes are as follows.</p> <p>The trade receivables included in the balance of commercial bills and that of loans to customers amounted to ¥24,477 million and ¥8,135 million. In connection with the securitization of trade receivables mentioned above, ¥8,470 million is reserved in "other current assets."</p>	<p>In addition to the aforementioned, the Company has concluded futures contracts for the transfer of receivables in regard to ¥27,825 million in loans to customers. The total debt corresponding to this figure is ¥25,482 million, consisting of ¥12,185 million in short-term borrowings, ¥13,297 million in long-term debt.</p> <p>Moreover, the Company has employed securitization schemes under which a portion of commercial bills discounted and loans to customers are treated as negotiable collateral loans. The balance of commercial bills discounted falling into the category of negotiable collateral loans (negotiable notes) amounts to ¥23,604 million and the relevant balance of loans to customers comes to ¥170,909 million.</p> <p>In connection with the securitization mentioned above, ¥16,688 million is included in "deposited money" and ¥2,180 million is reserved in "others" under investments and other assets.</p>	<p>In addition, the Company has concluded future contracts for the transfer of receivables in regard to ¥22,241 million in loans to customers. The total debt corresponding to this figure is ¥21,648 million, consisting of ¥5,400 million in short-term borrowings, ¥6,776 million in current portion of long-term debt, and the remaining portion of ¥9,472 million. Moreover, the Company has employed securitization schemes under which a portion of commercial bills discounted and loans to customers are treated as negotiable collateral loans. The balance of commercial bills discounted falling into the category of negotiable collateral loans (negotiable notes) amounts to ¥23,586 million and the relevant balance of loans to customers comes to ¥148,706 million.</p> <p>In connection with the securitization of commercial bills discounted and loans to customers mentioned above, ¥8,851 million was included in "deposited money" and ¥2,180 million is reserved in "specified money trust."</p>																														
3. _____	3. Guarantee obligations The Company's guarantee obligations are as follows. (Bank loans) Midas Capital Co., Ltd. ¥2,789 million	3. Guarantee obligations The Company's guarantee obligations are as follows. (Bank loans) Midas Capital Co., Ltd. ¥1,762 million																														
4. Commercial bills whose dates of maturity fall on the interim balance sheet date The interim balance sheet date fell on a bank holiday. Nevertheless, commercial bills with maturity falling on the interim balance sheet date in an amount of ¥3,625 million were treated assuming that account settlements were made on that date.	4. _____	4. Trade notes whose date of maturity falls on the balance sheet date The balance sheet date for the reporting term fell on a bank holiday. The term-end balance of commercial bills discounted, however, is calculated assuming that trade notes with date of maturity falling on the balance sheet date are settled on the said date. For the reporting term, relevant trade notes are as follows. Commercial bills: ¥4,013 million																														

Income statement items

For Previous interim term (Aug. 1, 2003 - Jan. 31, 2004)		For Reporting Interim term (Aug. 1, 2004 - Jan. 31, 2005)		For Previous term (Aug. 1, 2003 - Jul. 31, 2004)	
1. Main item in non-operating profit/loss		1. Main item in non-operating profit/loss		1. Main item in non-operating profit/loss	
Interest received:	¥287 million	Interest received:	¥278 million	Interest received:	¥561 million
2. Depreciation and amortization		2. Depreciation and amortization		2. Depreciation and amortization	
Tangible fixed assets:	¥68 million	Tangible fixed assets:	¥89 million	Tangible fixed assets:	¥161 million
Intangible assets:	¥238 million	Intangible assets:	¥295 million	Intangible assets:	¥499 million

Securities

1. Available-for-sale securities with market quotations

(Millions of yen)

	For Previous interim term (Aug. 1, 2003 - Jan. 31, 2004)			For Reporting Interim term (Aug. 1, 2004 - Jan. 31, 2005)			For Previous term (Aug. 1, 2003 - Jul. 31, 2004)		
	Acquisition cost	Balance-sheet value	Net unrealized loss	Acquisition cost	Balance-sheet value	Net unrealized loss	Acquisition cost	Balance-sheet value	Net unrealized loss
Equity shares of subsidiary	180	3,825	3,645	3,060	7,593	4,532	1,389	4,694	3,305

Per-share data

For Previous interim term (Aug. 1, 2003 - Jan. 31, 2004)		For Reporting Interim term (Aug. 1, 2004 - Jan. 31, 2005)		For Previous term (Aug. 1, 2003 - Jul. 31, 2004)	
Equity per share:	¥20,110.24	Equity per share:	¥20,693.25	Equity per share:	¥20,465.93
EPS: ¥	¥315.58	EPS:	¥429.57	EPS:	¥674.70
Diluted earnings per share	—	Diluted earnings per share	¥404.04	Diluted earnings per share	¥669.37
Description of diluted earnings per share is omitted as the Company has no balance of warrants with potential dilution effects.					

(Note) Basis for calculation of net income per share and diluted earnings per share is as follows.

	For Previous interim term (Aug. 1, 2003 - Jan. 31, 2004)	For Reporting Interim term (Aug. 1, 2004 - Jan. 31, 2005)	For Previous term (Aug. 1, 2003 - Jul. 31, 2004)
Net income per share			
Net income (¥ million)	3,567	4,858	7,628
Amounts excluded from the scope of control of ordinary shareholders (¥ million)	—	—	—
Net income under the control of ordinary shareholders (¥ million)	3,567	4,858	7,628
Average number of shares outstanding during period (thousand shares)	11,305	11,309	11,306
Diluted net income per share			
Net income (¥ million)	—	—	—
Amounts excluded from the scope of control of ordinary shareholders (¥ million)	—	(—)	(—)
Net income under the control of ordinary shareholders (¥ million)	—	714	90
Average number of shares outstanding during period	—	(714)	(90)

Subsequent Events

Nothing particular to report

Consolidated Loan Assets

(¥ million)

		Term	Previous interim term (Aug. 1, 2003 - Jan. 31, 2004)		Interim term (Aug. 1, 2004 - Jan. 31, 2005)		Previous term (Aug. 1, 2003 - Jul. 31, 2004)		
			Amount	Ratio(%)	Amount	Ratio(%)	Amount	Ratio(%)	
Operating revenues	Corporate financing	Discount charges	2,107	8.1	2,175	7.3	4,391	8.2	
		Interest on loans	Revolving loans to commercial and industrial companies	20,418	78.7	25,020	83.4	42,662	79.9
			Real-estate-secured loans	2,313	8.9	2,058	6.9	4,450	8.3
			Other secured loans	77	0.3	57	0.2	129	0.3
			Subtotal	22,809	87.9	27,137	90.5	47,241	88.5
		Feeds and commissions	1,048	4.0	674	2.2	1,778	3.3	
	Other financial revenues	0	0.0	2	0.0	0	0.0		
	Total	25,966	100.0	29,989	100.0	53,412	100.0		
Loan balance	Loans to customers	Commercial bills discounted	38,735	11.5	37,610	10.2	38,771	11.3	
		Revolving loans to commercial and industrial companies	244,126	72.6	273,266	74.2	258,342	75.2	
		Real-estate-secured loans	49,970	14.9	54,653	14.8	43,012	12.5	
		Other secured loans	3,489	1.0	3,045	0.8	3,408	1.0	
		Subtotal	297,587	88.5	330,966	89.8	304,764	88.7	
		Total	336,323	100.0	368,576	100.0	343,535	100.0	