

# Cedyna Financial Corporation



## Consolidated Financial Results for the Year ended March 31, 2010

### Cedyna Financial Corporation

May 14, 2010

Code Number:	8258
Shares Listed on:	First Section of The Tokyo Stock Exchange First Section of The Nagoya Stock Exchange (URL: <a href="http://www.cedyna.co.jp">http://www.cedyna.co.jp</a> )
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### **【Disclaimer】**

This is an English translation of the original Japanese document extracted from the Japanese Financial Statements (Kessan Tanshin) filed with the Tokyo Stock Exchange on May 14, 2010.

All the financial information has been prepared in accordance with the Japanese generally accepted accounting principles. The document herein contains forward-looking statements based upon the judgment of Cedyna's management in view of the information currently available.

Actual results may be significantly affected by various factors, including but not limited to, changes in the Japanese economy and the business environment surrounding Cedyna Financial Corp.

## Cedyna Financial Corporation

### 1. Consolidated operating results and financial condition for the fiscal year (April 1, 2009 to March 31, 2010)

#### (1) Consolidated Operating Results

(Amounts rounded off to million yen)

	Year ended March 31, 2010		Year ended March 31, 2009	
	Millions of yen	% change	Millions of yen	% change
Operating revenues	232,743	-	140,254	-
Operating income	-40,377	-	7,448	-
Ordinary income	-38,518	-	7,527	-
Net income	-67,876	-	3,974	-
Net income per share	¥139.86		¥16.56	
Net income per share - fully diluted	-		¥15.10	
Return on equity	-120.3%		6.6%	
Ordinary income/Total assets	-2.7%		1.2%	
Operating income/Operating revenues	-17.3%		5.3%	

#### Reference:

Investment gains on equity method:

Year ended March 31, 2010:	283 million yen
Year ended March 31, 2009:	3 million yen

Note1: We have not reported diluted net income per share for the fiscal year ended March 31, 2010, despite the existence of potential shareholders, as we incurred a net loss in this fiscal year.

Note2: The figures for the previous year are those of the surviving company, OMC Card, Inc.

Additionally, as the fiscal year ended March 2009 was an irregular 13-month term due to a change in the accounting period, year-on-year changes are not presented.

#### (2) Consolidated Financial Condition

	As of March 31, 2010	As of March 31, 2009
Total assets	2,216,213 million yen	619,652 million yen
Net asset value	43,018 million yen	70,506 million yen
Shareholders' equity ratio	1.9%	11.3%
Shareholders' equity per share	¥87.83	¥252.36

#### Reference:

Net asset value ( excluded minority interest ):

Year ended March 31, 2010:	42,640 million yen
Year ended March 31, 2009:	70,214 million yen

## 2. Dividend

	Year ended March 31, 2010	Year ending March 31, 2011 (projected)	Year ended March 31, 2009
Dividend per share for the year			
End of the first quarter	-	-	-
End of the first half	¥0.00	¥0.00	¥0.00
End of the third quarter	-	-	-
End of term	¥0.00	¥0.00	¥0.00
Total amount (full year)	¥0.00	¥0.00	¥0.00

## 3. Consolidated projection for the year ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(The percentage figures shown in operating revenue, operating income, ordinary income and net income columns represent year-on-year changes.)

	Year ending March 31, 2011			
	First half		Full year	
	Millions of yen	% change	Millions of yen	% change
Operating revenue	111,100	93.9	224,600	96.5
Operating income	7,000	-	18,600	-
Ordinary income	7,200	-	19,000	-
Net income	6,800	-	18,200	-
Net income per share	9.66	-	24.05	-

## Cedyna Financial Corporation

### 4. Other

(1) Significant changes in subsidiaries during the term

(Changes to specific subsidiaries accompanying changes in the scope of consolidation) : None

(2) Changes in accounting principles, procedures or methods of presentation for preparing consolidated financial statements.

(Those to be described in the section of significant accounting policies for preparing consolidated financial statements):

① Changes due to revision of accounting principles: Yes

② Changes other than ①: Yes

(3) Shares issued and outstanding (common stock):

① Number of shares issued and outstanding at the end of the period (including treasury stock):

Year ended March 31, 2010: 487,596,479 shares

Year ended March 31, 2009: 280,348,682 shares

② Number of treasury stock at the end of the period:

Year ended March 31, 2010: 2,119,108 shares

Year ended March 31, 2009: 2,116,000 shares

### [ Reference ]

#### 1. Non-consolidated operating results and financial condition for the fiscal year (April 1, 2009 to March 31, 2010)

(1) Non-consolidated Operating Results

(Amounts rounded off to million yen)

	Year ended March 31, 2010		Year ended March 31, 2009	
	Millions of yen	% change	Millions of yen	% change
Operating revenues	223,906	-	137,713	-
Operating income	-40,830	-	6,941	-
Ordinary income	-39,225	-	7,001	-
Net income	-67,924	-	2,877	-
Net income per share	¥-139.96		¥11.99	
Net income per share - fully diluted	-		¥10.94	

Note1: We have not reported diluted net income per share for the fiscal year ended March 31, 2010, despite the existence of potential shareholders, as we incurred a net loss in this fiscal year.

Note2: The figures for the previous year are those of the surviving company, OMC Card, Inc.

Additionally, as the fiscal year ended March 2009 was an irregular 13-month term due to a change in the accounting period, year-on-year changes are not presented.

(2) Non-consolidated Financial Condition

	As of March 31, 2010	As of March 31, 2009
Total assets	2,213,442 million yen	616,785 million yen
Net asset value	41,680 million yen	69,303 million yen
Shareholders' equity ratio	1.9%	11.2%
Shareholders' equity per share	¥85.85	¥249.09

Reference:

Net asset value ( excluded minority interest ):

Year ended March 31, 2010: 41,680 million yen

Year ended March 31, 2009: 69,303 million yen

#### 2. Non-consolidated projection for the year ending March 31, 2011 (April 1, 2010 to March 31, 2011)

(The percentage figures shown in operating revenue, operating income, ordinary income and net income columns represent year-on-year changes.)

	Year ending March 31, 2011			
	First half		Full year	
	Millions of yen	% change	Millions of yen	% change
Operating revenue	106,100	93.8	214,600	95.8
Operating income	6,500	-	17,300	-
Ordinary income	6,600	-	17,500	-
Net income	6,500	-	17,300	-
Net income per share	9.24	-	22.86	-

## Cedyna Financial Corporation

### < Information and Financial Statements >

#### [ Financial position ]

At the end of the term, total assets were ¥2,216,213 million. Current assets amounted to ¥2,115,431 million, fixed assets amounted to ¥100,653 million., deferred assets amounted to ¥128 million.

On the Liabilities, it totaled ¥2,173,195 million. Current liabilities amounted to ¥1,677,872 million, long-term liabilities amounted to ¥495,322 million.

As the Company merged with Central Finance Co., Ltd, and QUOQ Inc. with effect from April 1, 2009, it assumed assets and liabilities of Central Finance of ¥1,071,510 million and ¥1,062,145 million respectively and assets and liabilities of QUOQ of ¥727,976 million and ¥712,556 million respectively.  
Net assets at the end of the term amounted to ¥43,018 million.

### < Revisions in significant standards and matters used for consolidated financial statements >

#### [ Adoption of accounting standards for the valuation of inventories ]

To date, we have employed a cost basis valuation based on the specific cost method in our valuation of inventories. Following the adoption of the Accounting Standard for the Valuation of Inventories (ASBJ Statement No. 9, issued on July 5, 2006) with effect from the current consolidated accounting period, we have made an additional reduction to book values due to lower profitability on the cost basis valuation based on the specific cost method.

This has a minor impact on our consolidated operating loss, ordinary loss and loss before income taxes in the consolidated accounting period.

#### [ Accounting standard for lease transactions ]

Finance lease transactions without title transfer were formerly accounted for as operating leases.

However, it was permitted that the "Accounting Standard for Lease Transactions" (ASBJ Statement No. 13, revised on March 30, 2007) and the "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16, revised on March 30, 2007) be applied to the financial statements relevant to the consolidated fiscal year beginning on.

As a result, the Company adopted the aforementioned standard and guidance from the consolidated fiscal year, capitalizing all finance lease transactions.

In addition, leased assets related to finance lease transactions without title transfer are depreciated on a straight-line basis, with the lease periods counted as their useful lives and no residual value.

The impact of this change on operating loss, ordinary loss and loss before income taxes is slight.

#### [ Adoption of accounting standard for business combinations and other standards ]

As the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No.22, December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23, December 26, 2008), "Revised Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16, December 26, 2008) and "Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, December 26, 2008) may be applied to business combinations and divestitures first occurring during consolidated accounting periods starting on or after April 1 2009, the Company has adopted these standards from the current accounting period.

### < Financial Instruments >

With effect from this consolidated accounting period, the financial statements are drawn up in accordance with the Accounting Standard for Financial Instruments (Accounting Standards Board of Japan (ASBJ) Statement No. 10, March 10, 2008) and the Implementation Guidance on Disclosures of Fair Value of Financial Instruments (ASBJ Guidance No. 19, March 10, 2008).

#### [ Items relating to financial instruments ]

The Group limits its fund management to short-term deposits, and focuses on borrowing from banks and other financial institutions for raising funds. Installment sales receivables, loan guarantee receivables and operating loans, which are all operating receivables, have exposure to customer credit risk, but the Group aims to mitigate such risk in line with its internal management regulations.

The Group's investment securities are primarily equity; listed stock is measured at fair value every quarter, while for unlisted stock the Group assesses the issuing company's financial position regularly. Almost all notes payable and accounts payable, both operating liabilities, fall due within one year. Funds raised through borrowings, commercial paper and other such sources of finance are generally used for working capital.

The Group undertakes interest swaps to hedge against the risk of interest rate fluctuations in respect of some of its long-term borrowings so that interest payment rates will be fixed.

The Group's trading in derivatives amounts to undertaking such interest swaps with the aim of hedging the risk of fluctuations in the interest due on borrowings, and the Group adheres to internal management regulations to trade in them only to the extent genuinely necessary.

The Group uses market value as a basis for calculating the fair value of financial instruments, but where market value does not exist, another rational method is used in valuation.

As such a valuation incorporates variable factors, the valuation may differ depending on the assumptions used.

**Cedyna Financial Corporation**  
**Summary Consolidated Balance Sheets**

**ASSETS**

	As of March 31, 2010 Millions of yen	As of March 31, 2009 Millions of yen
<b>Current assets:</b>		
Cash and cash equivalents	138,588	53,157
Installment sales receivables	824,421	182,173
Credit guarantees receivables	699,461	-
Operating loans	483,593	349,345
Lease investment assets	10,843	-
Inventories	349	903
Deferred tax assets	25,303	30,603
Other	44,858	27,234
Allowance for doubtful accounts	-111,987	-58,892
<b>Total current assets:</b>	<b>2,115,431</b>	<b>584,525</b>
<b>Fixed assets:</b>		
Property and equipment:		
Buildings and structures	2,746	1,513
Accumulated depreciation	-1,078	-762
Buildings and structures, net	1,668	751
Land	545	1
Lease assets	2,721	-
Accumulated depreciation	-1,891	-
Lease assets, net	829	-
Other	2,644	687
Accumulated depreciation	-1,453	-375
Other, net	1,191	312
Total property and equipment	4,234	1,064
Intangible fixed assets:		
Total intangible fixed assets	32,856	7,076
Investment and other assets:		
Investment securities	29,599	2,500
Past-due operating claims	7,484	390
Deferred tax assets	17,776	20,728
Other	14,038	3,636
Allowance for doubtful accounts	-5,335	-407
Total investment and other assets	63,562	26,848
<b>Total fixed assets:</b>	<b>100,653</b>	<b>34,990</b>
<b>Deferred assets:</b>		
Stock issuance cost	128	137
<b>Total deferred assets:</b>	<b>128</b>	<b>137</b>
<b>Total assets</b>	<b>2,216,213</b>	<b>619,652</b>

**Cedyna Financial Corporation**  
**Summary Consolidated Balance Sheets**

**LIABILITIES AND NET ASSET VALUE**

	As of March 31, 2010 Millions of yen	As of March 31, 2009 Millions of yen
<b>Current liabilities:</b>		
Notes and accounts payable	109,229	42,454
Credit guarantees payable	699,461	-
Short-term borrowings	297,837	67,194
Current portion of bonds with subscription rights to shares	-	13,000
Current portion of long-term loans payable	335,577	132,959
Commercial paper	53,400	36,200
Lease obligations	572	-
Income taxes payable	845	209
Deposits received	22,916	49,372
Deposits received of money collection agency	88,812	-
Reserve for bonuses	2,120	852
Deferred revenue	42,671	1,215
Other	24,428	9,265
<b>Total current liabilities</b>	<b>1,677,872</b>	<b>352,724</b>
<b>Long-term liabilities:</b>		
Long-term debt	392,991	139,076
Lease obligations	502	-
Allowance for credit card points redemption	5,885	5,827
Liability for retirement benefits	6,033	2,799
Allowance for loss on interest refunds	78,093	42,714
Allowance for losses on business transfer	8,500	-
Other	3,317	6,005
<b>Total long-term liabilities</b>	<b>495,322</b>	<b>196,422</b>
<b>Total liabilities</b>	<b>2,173,195</b>	<b>549,146</b>
<b>Net asset value:</b>		
<b>Stockholders' equity:</b>		
Common stock	57,843	51,343
Capital surplus	41,059	8,536
Retained earnings	-52,595	15,280
Treasury stock	-5,044	-5,044
<b>Total stockholders' equity</b>	<b>41,262</b>	<b>70,116</b>
<b>Unrealized gain:</b>		
Unrealized gain on available-for-sale securities	1,195	98
Deferred gains or losses on hedges	182	-
<b>Total unrealized gain</b>	<b>1,377</b>	<b>98</b>
<b>Minority interest</b>	<b>377</b>	<b>292</b>
<b>Total net asset value</b>	<b>43,018</b>	<b>70,506</b>
<b>Total liabilities, Net asset value</b>	<b>2,216,213</b>	<b>619,652</b>

**Cedyna Financial Corporation**  
**Summary Consolidated Statements of Income**

	(Millions of yen)	(Millions of yen)
	Year ended March 31, 2010	Year ended March 31, 2009
	Millions of yen	Millions of yen
<b>Operating revenues:</b>		
Credit card contracts	57,844	32,988
Personal credit contracts	34,802	156
Credit guarantees	16,889	-
Loan contracts	91,457	92,266
Other revenues	31,029	14,764
Financial transactions	719	78
<b>Total operating revenues</b>	<b>232,743</b>	<b>140,254</b>
<b>Operating expenses:</b>		
SG&A expenses:		
Advertising expenses	14,309	15,237
Provision for credit card points redemption	4,078	4,252
Salaries and bonuses	30,744	12,758
Provision for bonuses	2,120	852
Provision for retirement benefits	1,191	499
Provision for officers' retirement benefits	-	1
Commission fee	20,815	7,685
Operations consignment expenses	19,599	6,600
Provision for operating receivables	38,717	6,064
Communication expenses	11,853	6,173
Rents	6,130	1,997
Provision for loss on interest refunds	57,062	37,915
Other	39,567	21,123
<b>Total SG&amp;A expenses</b>	<b>246,193</b>	<b>121,162</b>
Financial expenses:		
Interest expenses	18,318	10,348
Other	2,398	1,295
<b>Total financial expenses</b>	<b>20,716</b>	<b>11,644</b>
Other	6,211	-
<b>Total operating expenses</b>	<b>273,120</b>	<b>132,806</b>
<b>Operating income/loss</b>	<b>-40,377</b>	<b>7,448</b>
<b>Non-operating income:</b>		
Dividends income	724	-
Investment gains on equity method	283	3
Other	1,272	269
<b>Total non-operating income</b>	<b>2,280</b>	<b>273</b>
<b>Non-operating expenses:</b>		
Miscellaneous loss	421	193
<b>Total non-operating expenses</b>	<b>421</b>	<b>193</b>
<b>Ordinary income/loss</b>	<b>-38,518</b>	<b>7,527</b>
<b>Extraordinary income:</b>		
Gains on sales of investment securities	4,960	107
Gain on redemption of investment securities	-	3,627
Gain on negative goodwill	7,062	-
Other	279	68
<b>Total extraordinary income</b>	<b>12,302</b>	<b>3,802</b>
<b>Extraordinary losses:</b>		
Loss on valuation of real estate for sale	566	-
Loss on sales and retirement of noncurrent assets	158	-
Loss on valuation of investment securities	405	1,488
Provision for operating receivables	9,895	-
Extra retirement payments	12,058	-
Loss on abolishment of a part of retirement benefit plan	244	-
Merger expenses	808	368
Other	296	271
<b>Total extraordinary losses</b>	<b>24,433</b>	<b>2,128</b>
<b>Income/loss before income taxes</b>	<b>-50,649</b>	<b>9,201</b>
<b>Income taxes:</b>		
Income taxes, current	961	1,944
Income taxes, deferred	16,179	3,197
<b>Total income taxes</b>	<b>17,140</b>	<b>5,141</b>
<b>Loss before minority interests</b>	<b>-67,790</b>	<b>-</b>
<b>Minority interests</b>	<b>85</b>	<b>84</b>
<b>Net income/loss</b>	<b>-67,876</b>	<b>3,974</b>

**Cedyna Financial Corporation**

**Consolidated Statement of Changes in Stockholders' Equity**

	(Millions of yen)	
	Year ended March 31, 2010 Millions of yen	Year ended March 31, 2009 Millions of yen
<b>Stockholders' equity</b>		
<b>Common stock</b>		
Balance, beginning of the period	51,343	43,343
Changes of items during the period		
Issuance of common stock	6,500	7,999
Total changes of items during the period	<u>6,500</u>	<u>7,999</u>
Balance, end of the period	<u>57,843</u>	<u>51,343</u>
<b>Capital surplus</b>		
Balance, beginning of the period	8,536	536
Changes of items during the period		
Issuance of common stock	6,500	7,999
Increase by merger	26,023	-
Disposal of treasury stock	-1	-
Total changes of items during the period	<u>32,522</u>	<u>7,999</u>
Balance, end of the period	<u>41,059</u>	<u>8,536</u>
<b>Retained earnings</b>		
Balance, beginning of the period	15,280	11,306
Changes of items during the period		
Net income/loss	-67,876	3,974
Disposal of treasury stock	-	-0
Total changes of items during the period	<u>-67,876</u>	<u>3,974</u>
Balance, end of the period	<u>-52,595</u>	<u>15,280</u>
<b>Treasury stock</b>		
Balance, beginning of the period	-5,044	-5,044
Changes of items during the period		
Purchase of treasury stock	-0	-0
Disposal of treasury stock	1	0
Total changes of items during the period	<u>0</u>	<u>-0</u>
Balance, end of the period	<u>-5,044</u>	<u>-5,044</u>
<b>Total stockholders' equity</b>		
Balance, beginning of the period	70,116	50,141
Changes of items during the period		
Issuance of common stock	13,000	15,999
Increase by merger	26,023	-
Net income/loss	-67,876	3,974
Purchase of treasury stock	-0	-0
Disposal of treasury stock	0	0
Total changes of items during the period	<u>-28,853</u>	<u>19,974</u>
Balance, end of the period	<u>41,262</u>	<u>70,116</u>

**Cedyna Financial Corporation**

**Consolidated Statement of Changes in Stockholders' Equity**

	(Millions of yen)	
	Year ended March 31, 2010 Millions of yen	Year ended March 31, 2009 Millions of yen
<b>Unrealized gain</b>		
<b>Unrealized gain on available-for-sale securities</b>		
Balance, beginning of the period	98	225
Changes of items during the period		
Net changes of items other than shareholders' equity	1,097	-127
Total changes of items during the period	1,097	-127
Balance, end of the period	1,195	98
<b>Deferred gains or losses on hedges</b>		
Balance, beginning of the period	-	-
Changes of items during the period		
Net changes of items other than shareholders' equity	182	-
Total changes of items during the period	182	-
Balance, end of the period	182	-
<b>Total unrealized gain</b>		
Balance, beginning of the period	98	225
Changes of items during the period		
Net changes of items other than shareholders' equity	1,279	-127
Total changes of items during the period	1,279	-127
Balance, end of the period	1,377	98
<b>Minority interest</b>		
Balance, beginning of the period	292	207
Changes of items during the period		
Net changes of items other than shareholders' equity	85	84
Total changes of items during the period	85	84
Balance, end of the period	377	292
<b>Total net asset value</b>		
Balance, beginning of the period	70,506	50,574
Changes of items during the period		
Issuance of common stock	13,000	15,999
Increase by merger	26,023	-
Net income/loss	-67,876	3,974
Purchase of treasury stock	-0	-0
Disposal of treasury stock	0	0
Net changes of items other than shareholders' equity	1,364	-42
Total changes of items during the period	-27,488	19,932
Balance, end of the period	43,018	70,506

**Cedyna Financial Corporation**  
**Consolidated Statements of Cash Flows**

	(Millions of yen)	
	Year ended March 31, 2010	Year ended March 31, 2009
<b>Cash flows from operating activities:</b>		
Income/loss before income taxes	-50,649	9,201
Depreciation and amortization	1,466	304
Amortization of intangible fixed assets	9,071	3,267
Increase/decrease in provision for doubtful accounts	-1,239	-30,830
Increase/decrease in reserve for bonuses	-845	338
Increase/decrease in reserve for credit card points redemption	-1,083	515
Increase/decrease in reserve for retirement benefits	-1,647	-63
Increase/decrease in reserve for officers' retirement benefits	-	-10
Increase in allowance for losses on interest refunds	14,672	12,881
Increase/decrease in provision for losses on business transfer	-600	-
Interest and dividend income	-769	-115
Interest expenses	19,068	-
Investment gain/loss on equity method	-283	-3
Gain on negative goodwill	-7,062	-
Extra retirement payment	12,058	-
Gain/losses on sales of investment securities	-4,952	-107
Gain/losses on devaluation of investment securities	405	1,488
Gain/losses on redemption of investment securities	-	-3,627
Increase/decrease in operating receivables	135,473	-1,541
Increase/decrease in notes and accounts payable	-39,119	12,349
Increase/decrease in deposits received	-27,909	590
Increase/decrease in deferred revenue	-12,789	181
Other	22,232	-3,767
Sub-total	<b>65,498</b>	<b>1,051</b>
Interest and dividend received	772	115
Interest expenses paid	-19,550	-
Payments for extra retirement payments	-11,994	-
Income taxes refund	5,075	-
Income taxes paid	-930	-13,728
<b>Net cash provided by ( used in ) operating activities</b>	<b>38,870</b>	<b>-12,561</b>
<b>Cash flows from investing activities:</b>		
Purchase of property/equipment	-1,073	-258
Purchase of intangible fixed assets	-12,382	-2,827
Proceeds from sales of intangible fixed assets	-	1
Purchase of investment securities	-21	-
Proceeds from sales of investment securities	5,590	178
Proceeds from redemption of investment securities	-	3,627
Payments by Merger	-913	-738
Other	394	-37
<b>Net cash ( used in ) provided by investing activities</b>	<b>-8,406</b>	<b>-55</b>
<b>Cash flows from financing activities:</b>		
Net increase/decrease in short-term borrowings	11,537	-36,195
Net increase in commercial paper	12,200	13,700
Proceeds from long-term debt	241,502	112,471
Repayment of long-term debt	-316,856	-137,443
Redemption of convertible bond-type bonds	-	-
with stock acquisition rights	-11,600	12,917
Proceeds from issuance of new shares through third party allotment	-	15,835
Repurchase of treasury stock	-	-0
Dividends paid	-	-1
Other	-954	-0
<b>Net cash ( used in ) provided by financing activities</b>	<b>-64,170</b>	<b>-18,716</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>-116</b>	<b>-1</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-33,823</b>	<b>-31,334</b>
<b>Cash and cash equivalents, beginning of term</b>	<b>53,157</b>	<b>84,492</b>
<b>Increase in cash and cash equivalents resulting from merger</b>	<b>117,587</b>	<b>-</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	<b>1,566</b>	<b>-</b>
<b>Cash and cash equivalents, end of term</b>	<b>138,488</b>	<b>53,157</b>

## Cedyna Financial Corporation

### [ Significant subsequent events ]

(Resolution to issue new shares by way of a third-party allotment)

By a resolution at a board meeting held on January 6, 2010 and at an extraordinary general shareholders' meeting, Cedyna will issue new shares by way of a third-party allotment (the "Third-Party Allotment") on May 31, 2010, provided that the proposed issuance is subject to filings with, and permissions and approvals of, the relevant authorities.

- (1) Type and number of shares to be issued  
Common stock: 324,675,300 shares
- (2) Amount to be issued  
¥154 per share
- (3) Total amount to be issued  
¥49,999,996,200
- (4) Amount of capital increase  
Capital will be increased by ¥77 per share (total ¥24,999,998,100)
- (5) Subscriber and shares to be allocated  
324,675,300 shares allocated to SMFG Card & Credit, Inc.
- (6) Application date  
May 31, 2010
- (7) Payment date  
May 31, 2010
- (8) Purposes for which raised funds will be used  
It is anticipated that the ¥49.5 billion estimated net receipt expected to be raised by the Third-Party Allotment will be appropriated as follows: approximately ¥5 billion will be invested in new business development, including the expansion of financial services overseas in regions such as South-East Asia; approximately ¥19 billion will be invested in development of next generation systems for credit card and other businesses in co-operation with Sumitomo Mitsui Card Company, Limited; and approximately ¥25.5 billion will be invested in business restructuring (including investments in integrating businesses within Cedyna after the Merger, realizing synergies through linkages within SMFG group, reforming cost structure, and upgrading infrastructure to respond to legislative changes such as the Installment Sales Act). The raised funds are scheduled to be used between June 2010 and March 2015.

**Cedyna Financial Corporation**

**Consolidated Statements of Transaction volume**

	Year ended March 31, 2010		Year ended March 31, 2009		Increase Decrease	
	Millions of yen	Ratio(%)	Millions of yen	Ratio(%)	Millions of yen	Change(%)
Credit card contracts	1,922,793 (1,918,800)	29.5	1,186,279 (1,184,237)	63.8	—	—
Personal credit contracts	640,317 (628,695)	9.8	1,307 (1,194)	0.1	—	—
Guarantee contracts	407,033 (398,823)	6.3	— ( — )	—	—	—
Loan contracts	472,339 (471,333)	7.3	436,120 (436,120)	23.4	—	—
Other	3,065,770	47.1	235,908	12.7	—	—
Total	6,508,254	100.0	1,859,616	100.0	—	—

Note:

1. The numbers in ( ) represent principal amounts.

2. Money collection agency service has a major portion of "Other."

3. In guarantee contracts, outstanding balance of guarantee contracts of loans with revolving lines of credit amounted to ¥ 56,927 million.

4. The figures for the previous year are those of the surviving company, OMC Card, Inc.

Additionally, as the fiscal year ended March 2009 was an irregular 13-month term due to a change in the accounting period, year-on-year changes are not presented.