

(TRANSLATION)

November 4, 2004

**Condensed Statements of Non-consolidated Financial Results  
for the Six Months Ended September 30, 2004**

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|--|--|
| Company Name:  | NISSIN CO., LTD.<br>(URL: <a href="http://www.nissin-f.co.jp/">http://www.nissin-f.co.jp/</a> )                      |
| Stock Exchange Listings:   | Tokyo Stock Exchange, First Section (Code: 8571)<br>New York Stock Exchange (Trading Symbol: NIS)                    |
| Location of Head Office:   | Tokyo and Ehime  |
| President:   | Kunihiko Sakioka,<br>Representative Director   |
| Inquiries:   | Hitoshi Higaki,<br>Managing Director and<br>General Manager of Operations Control Division<br>(Tel: +81-3-3348-2424) |
| Date of Board of Directors' Meeting for Approval of the Financial Results: | November 4, 2004   |
| Application of GAAP:   | Japanese GAAP  |
| Half-Year Dividend:  | Yes  |
| Date of Half-Year Dividend Payment:  | From December 10, 2004   |
| Trade Unit:  | One Unit is Constituted of 100 Shares  |

**6. SUMMARY OF THE NON-CONSOLIDATED FINANCIAL RESULTS**

**1. Non-consolidated Financial Results for the Six Months Ended September 30, 2004**

(1) Non-consolidated Operating Results

|                    | Six Months Ended September 30,   |                         |         |                         | Year Ended March 31, |                         |
|--------------------|----------------------------------|-------------------------|---------|-------------------------|----------------------|-------------------------|
|                    | 2003                             |                         | 2004    |                         | 2004                 |                         |
|                    | Amount                           | Percentages<br>(Note 4) | Amount  | Percentages<br>(Note 4) | Amount               | Percentages<br>(Note 4) |
|                    | (in millions except percentages) |                         |         |                         |                      |                         |
| Operating revenues | ¥20,799                          | 2.6%                    | ¥16,805 | (19.2)%                 | ¥40,795              | (1.4)%                  |
| Operating income   | 5,235                            | 17.5                    | 4,178   | (20.1)                  | 10,668               | 2.0                     |
| Ordinary income    | 5,241                            | 17.8                    | 4,432   | (15.3)                  | 10,596               | 2.8                     |
| Net income         | 2,665                            | 11.6                    | 4,567   | 71.4                    | 5,483                | 10.9                    |

  

|                                | Six Months Ended<br>September 30, |         | Year Ended<br>March 31, |
|--------------------------------|-----------------------------------|---------|-------------------------|
|                                | 2003                              |         | 2004                    |
|                                | 2003                              |         | 2004                    |
|                                | (in yen)                          |         |                         |
| Net income per share:<br>Basic | ¥ 21.21                           | ¥ 18.01 | ¥ 43.49                 |

- Notes: 1. The weighted-average numbers of outstanding shares were 125,633,219 shares for the six months ended September 30, 2003, 253,519,211 shares for the six months ended September 30, 2004 and 124,679,832 shares for the year ended March 31, 2004.  
 2. On May 20, 2004, NISSIN completed a 2-for-1 stock split.  
 3. Changes in accounting policy: None  
 4. The percentages indicated in the rows for operating revenues, operating income, ordinary income and net income represent the rates of increase (decrease) from the respective figures for the corresponding period of the previous year.

(2) Dividends

|                               | Six Months Ended<br>September 30, |        | Year Ended<br>March 31, |
|-------------------------------|-----------------------------------|--------|-------------------------|
|                               | 2003                              |        | 2004                    |
|                               | 2003                              |        | 2004                    |
| Dividends per share (in yen): |                                   |        |                         |
| Half-year dividends           | ¥ 3.75                            | ¥ 2.75 | ¥ —                     |
| Full-year dividends           | —                                 | —      | 8.50                    |

- Notes: 1. Commemorative dividend of ¥0.50 per share was included in “Half-year dividends” for the six months ended September 30, 2004.  
 2. On May 20, 2004, NISSIN completed a 2-for-1 stock split.

(3) Non-consolidated Financial Position

|  | September 30,                                       |          | March 31, |
|--|---|----------|-----------|
|  | 2003  | 2004     | 2004      |
|  | (in millions except percentages and per share data) |          |           |
| Total assets                           | ¥191,318  | ¥179,111 | ¥201,733  |
| Shareholders' equity                   | 46,503  | 57,426   | 53,150    |
| Shareholders' equity ratio (%)         | 24.3%   | 32.1%    | 26.4%     |
| Shareholder' equity per share (in yen) | 376.58  | 225.59   | 420.58    |

- Notes: 1. There were 123,488,276 outstanding shares at September 30, 2003, 254,565,865 outstanding shares at September 30, 2004 and 126,228,167 outstanding shares at March 31, 2004.  
 2. The numbers of shares of treasury stock were 9,135,780 shares at September 30, 2003, 15,076,045 shares at September 30, 2004 and 8,498,025 shares at March 31, 2004.  
 3. On May 20, 2004, NISSIN completed a 2-for-1 stock split.

**2. Non-consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2005**

|                    | Year Ending<br>March 31, 2005 |
|--------------------|-------------------------------|
|                    | (in millions )                |
| Operating revenues | ¥ 32,642                      |
| Ordinary income    | 7,580                         |
| Net income         | 6,591                         |

  

|                     | Year Ending<br>March 31, 2005 |
|---------------------|-------------------------------|
|                     | (in yen<br>per share)         |
| Year-end dividends  | ¥ 1.15                        |
| Full-year dividends | 2.525                         |

(Reference) Net income per share for the fiscal year ending March 31, 2005 is forecasted to be ¥12.94.

- Notes: 1. NISSIN will conduct a 2-for-1 stock split on November 19, 2004. Net income per share for the year ending March 31, 2005 is calculated by using the number of outstanding shares of common stock at September 30, 2004 adjusted for the stock split (509,131,730 shares). If the number of outstanding shares of common stock is not adjusted to reflect the stock split, net income per share for the year ending March 31, 2005 would be forecasted to be ¥25.89.  
 2. Our forecasts reflect our judgment based on the information available at this time. Because actual results may differ from these forecasts, you should not make an investment decision based solely on these forecasts. To read the assumptions used for these forecasts and other related considerations, see pages 19 and 20 of the Supplementary Materials.

7. NON-CONSOLIDATED FINANCIAL STATEMENTS

(1) Non-consolidated Balance Sheets

|                                       | September 30,   |                        |                 |                        | March 31,       |                        |
|---------------------------------------|-----------------|------------------------|-----------------|------------------------|-----------------|------------------------|
|                                       | 2003            |                        | 2004            |                        | 2004            |                        |
|                                       | Amount          | Percentage<br>of Total | Amount          | Percentage<br>of Total | Amount          | Percentage<br>of Total |
| (in millions except percentages)      |                 |                        |                 |                        |                 |                        |
| <b>ASSETS:</b>                        |                 |                        |                 |                        |                 |                        |
| <b>Current Assets:</b>                |                 |                        |                 |                        |                 |                        |
| Cash and deposits                     | ¥ 18,769        |                        | ¥ 18,681        |                        | ¥ 18,362        |                        |
| Notes receivable (Note 5)             | 216             |                        | 155             |                        | 396             |                        |
| Loans receivable (Notes 2,3,7 and 8)  | 169,975         |                        | 137,366         |                        | 175,044         |                        |
| Other                                 | 2,946           |                        | 1,847           |                        | 3,076           |                        |
| Allowance for loan losses             | (10,231)        |                        | (6,914)         |                        | (10,424)        |                        |
| <b>Total Current Assets</b>           | <b>181,677</b>  | <b>95.0</b>            | <b>151,136</b>  | <b>84.4</b>            | <b>186,454</b>  | <b>92.4</b>            |
| <b>Fixed Asset:</b>                   |                 |                        |                 |                        |                 |                        |
| Tangible fixed assets (Notes 1 and 2) |                 |                        |                 |                        |                 |                        |
| Land                                  | 946             |                        | 355             |                        | 355             |                        |
| Other                                 | 638             |                        | 610             |                        | 597             |                        |
| Total tangible fixed assets           | 1,585           |                        | 966             |                        | 953             |                        |
| Intangible fixed assets               | 1,105           |                        | 2,209           |                        | 1,085           |                        |
| Investments and other assets          |                 |                        |                 |                        |                 |                        |
| Investment securities                 | —               |                        | 13,325          |                        | 9,167           |                        |
| Other (Notes 2 and 7)                 | 9,505           |                        | 14,719          |                        | 7,177           |                        |
| Allowance for loan losses             | (2,555)         |                        | (3,244)         |                        | (3,103)         |                        |
| Total investments and other assets    | 6,950           |                        | 24,799          |                        | 13,240          |                        |
| <b>Total Fixed Assets</b>             | <b>9,640</b>    | <b>5.0</b>             | <b>27,975</b>   | <b>15.6</b>            | <b>15,278</b>   | <b>7.6</b>             |
| <b>Total Assets</b>                   | <b>¥191,318</b> | <b>100.0</b>           | <b>¥179,111</b> | <b>100.0</b>           | <b>¥201,733</b> | <b>100.0</b>           |

*Japanese GAAP  
Non-consolidated Financial Statements*

|  | September 30,   |                        |                 |                        | March 31,       |                        |
|--|-----------------|------------------------|-----------------|------------------------|-----------------|------------------------|
|  | 2003            |                        | 2004            |                        | 2004            |                        |
|  | Amount          | Percentage<br>of Total | Amount          | Percentage<br>of Total | Amount          | Percentage<br>of Total |
| (in millions except percentages)                               |                 |                        |                 |                        |                 |                        |
| <b>LIABILITIES:</b>  |                 |                        |                 |                        |                 |                        |
| <b>Current Liabilities:</b>                                    |                 |                        |                 |                        |                 |                        |
| Short-term borrowings (Note 2)                                 | ¥ 3,100         |                        | ¥ 4,183         |                        | ¥ 2,100         |                        |
| Current portion of long-term borrowings (Note 2)               | 52,265          |                        | 44,490          |                        | 50,423          |                        |
| Current portion of bonds                                       | 11,500          |                        | 10,000          |                        | 21,500          |                        |
| Commercial paper   | 1,400           |                        | 1,500           |                        | 3,200           |                        |
| Accrued income taxes   | 2,106           |                        | 1,880           |                        | 2,231           |                        |
| Accrued bonuses  | 519             |                        | 482             |                        | 617             |                        |
| Reserve for guarantee losses                                   | 60              |                        | 173             |                        | 108             |                        |
| Warrants   | 114             |                        | —               |                        | 5               |                        |
| Other (Note 5)   | 755             |                        | 1,696           |                        | 1,209           |                        |
| <b>Total Current Liabilities</b>                               | <b>71,821</b>   | <b>37.5</b>            | <b>64,405</b>   | <b>35.9</b>            | <b>81,395</b>   | <b>40.3</b>            |
| <b>Long-term Liabilities:</b>                                  |                 |                        |                 |                        |                 |                        |
| Bonds  | 15,500          |                        | 7,000           |                        | 6,000           |                        |
| Convertible bond   | 10,000          |                        | 9,999           |                        | 10,000          |                        |
| Long-term borrowings (Note 2)                                  | 44,320          |                        | 35,677          |                        | 43,677          |                        |
| Asset backed commercial paper (Note 2)                         | 2,777           |                        | 3,782           |                        | 6,465           |                        |
| Accrued retirement benefits — directors and statutory auditors | 333             |                        | 330             |                        | 333             |                        |
| Other  | 61              |                        | 489             |                        | 711             |                        |
| <b>Total Long-term Liabilities</b>                             | <b>72,993</b>   | <b>38.2</b>            | <b>57,279</b>   | <b>32.0</b>            | <b>67,188</b>   | <b>33.3</b>            |
| <b>Total Liabilities</b>                                       | <b>144,814</b>  | <b>75.7</b>            | <b>121,685</b>  | <b>67.9</b>            | <b>148,583</b>  | <b>73.6</b>            |
| <b>SHAREHOLDERS' EQUITY:</b>                                   |                 |                        |                 |                        |                 |                        |
| Common stock (Note 6)  | 6,610           | 3.4                    | 7,245           | 4.1                    | 7,218           | 3.6                    |
| Additional paid-in capital                                     |                 |                        |                 |                        |                 |                        |
| General  | 8,933           |                        | 9,679           |                        | 9,647           |                        |
| Other  |                 |                        |                 |                        |                 |                        |
| Gain on sales of treasury stock                                | 1               |                        | 163             |                        | 44              |                        |
| <b>Total additional paid-in capital</b>                        | <b>8,935</b>    | <b>4.7</b>             | <b>9,842</b>    | <b>5.5</b>             | <b>9,691</b>    | <b>4.8</b>             |
| Retained earnings  |                 |                        |                 |                        |                 |                        |
| Legal reserve  | 400             |                        | 400             |                        | 400             |                        |
| General reserves   | 30,800          |                        | 35,100          |                        | 30,800          |                        |
| Unappropriated retained earnings                               | 3,265           |                        | 5,227           |                        | 5,620           |                        |
| <b>Total retained earnings</b>                                 | <b>34,465</b>   | <b>18.0</b>            | <b>40,728</b>   | <b>22.7</b>            | <b>36,821</b>   | <b>18.3</b>            |
| Unrealized gain on investment securities                       | 498             | 0.3                    | 2,917           | 1.6                    | 3,147           | 1.6                    |
| Treasury stock   | (4,006)         | (2.1)                  | (3,307)         | (1.8)                  | (3,727)         | (1.9)                  |
| <b>Total Shareholders' Equity</b>                              | <b>46,503</b>   | <b>24.3</b>            | <b>57,426</b>   | <b>32.1</b>            | <b>53,150</b>   | <b>26.4</b>            |
| <b>Total Liabilities and Shareholders' Equity</b>              | <b>¥191,318</b> | <b>100.0</b>           | <b>¥179,111</b> | <b>100.0</b>           | <b>¥201,733</b> | <b>100.0</b>           |

**(2) Non-consolidated Statements of Income**

|  | Six Months Ended September 30, |   |                |   | Year Ended March 31, |   |
|--|--------------------------------|---|----------------|---|----------------------|---|
|  | 2003                           |   | 2004           |   | 2004                 |   |
|  | Amount                         | Percentage<br>of Total<br>Operating<br>Revenues | Amount         | Percentage<br>of Total<br>Operating<br>Revenues | Amount               | Percentage<br>of Total<br>Operating<br>Revenues |
| (in millions except percentages)                         |                                |   |                |   |                      |   |
| <b>Operating Revenues:</b>                               |                                |   |                |   |                      |   |
| Interest income from notes and loans receivable          | ¥ 19,823                       |   | ¥ 15,398       |   | ¥ 38,623             |   |
| Other financial income                                   | 0                              |   | 0              |   | 1                    |   |
| Other operating income                                   | 975                            |   | 1,406          |   | 2,170                |   |
| <b>Total operating revenues</b>                          | <b>20,799</b>                  | <b>100.0</b>                                    | <b>16,805</b>  | <b>100.0</b>                                    | <b>40,795</b>        | <b>100.0</b>                                    |
| <b>Operating Expenses:</b>                               |                                |   |                |   |                      |   |
| Financial costs  | 1,741                          |   | 1,419          |   | 3,389                |   |
| Other operating expenses (Note 5)                        | 13,823                         |   | 11,207         |   | 26,737               |   |
| <b>Total operating expenses</b>                          | <b>15,564</b>                  | <b>74.8</b>                                     | <b>12,627</b>  | <b>75.1</b>                                     | <b>30,126</b>        | <b>73.8</b>                                     |
| <b>Operating Income</b>                                  | <b>5,235</b>                   | <b>25.2</b>                                     | <b>4,178</b>   | <b>24.9</b>                                     | <b>10,668</b>        | <b>26.2</b>                                     |
| Other income (Note 1)                                    | 48                             | 0.2   | 513            | 3.0   | 94                   | 0.2   |
| Other expenses (Note 2)                                  | 42                             | 0.2   | 259            | 1.5   | 166                  | 0.4   |
| <b>Ordinary Income</b>                                   | <b>5,241</b>                   | <b>25.2</b>                                     | <b>4,432</b>   | <b>26.4</b>                                     | <b>10,596</b>        | <b>26.0</b>                                     |
| Special gain (Note 3)                                    | 173                            | 0.8   | 3,346          | 19.9  | 705                  | 1.7   |
| Special losses (Note 4)                                  | 673                            | 3.2   | 31             | 0.2   | 1,597                | 3.9   |
| <b>Income Before Income Taxes</b>                        | <b>4,740</b>                   | <b>22.8</b>                                     | <b>7,748</b>   | <b>46.1</b>                                     | <b>9,705</b>         | <b>23.8</b>                                     |
| <b>Income Taxes:</b>                                     |                                |   |                |   |                      |   |
| Current  | 2,092                          |   | 1,828          |   | 4,590                |   |
| Deferred   | (16)                           |   | 1,352          |   | (369)                |   |
| <b>Total income taxes</b>                                | <b>2,075</b>                   | <b>10.0</b>                                     | <b>3,180</b>   | <b>18.9</b>                                     | <b>4,221</b>         | <b>10.4</b>                                     |
| <b>Net Income</b>  | <b>2,665</b>                   | <b>12.8</b>                                     | <b>4,567</b>   | <b>27.2</b>                                     | <b>5,483</b>         | <b>13.4</b>                                     |
| Retained earnings at beginning of period                 | 600                            |   | 660            |   | 600                  |   |
| Half-year dividends paid                                 | —                              |   | —              |   | 463                  |   |
| <b>Unappropriated Retained Earnings at End of Period</b> | <b>¥ 3,265</b>                 |   | <b>¥ 5,227</b> |   | <b>¥ 5,620</b>       |   |

**(3) Significant Accounting Policies**

1. Valuation and Computation of Assets

1. Investment securities

I. Investment in subsidiaries and affiliates

Cost method, cost being determined by the moving average method.

II. Other securities

Marketable securities

Market value is determined by the quoted price at the end of the period.

(Marketable securities are carried at market value with unrealized gains and losses. The unrealized gains and losses, net of taxes, are reported in a separate component of shareholders' equity. Cost of securities sold is computed using the moving average method.)

Non-marketable securities

Cost method, cost being determined by the moving average method.

2. Depreciation and Amortization of Fixed Assets

1. Tangible fixed assets

Depreciation of tangible fixed assets other than buildings newly acquired after April 1, 1998, excluding building improvements, is computed using the declining-balance method by using rates based on the estimated useful lives of the respective assets, and depreciation of newly acquired buildings is computed using the straight-line method.

2. Intangible fixed assets

Internal-use software costs are amortized using the straight-line method over 5 years, which is the estimated useful life.

3. Long-term prepaid expenses

Long-term prepaid expenses are amortized using the straight-line method.

3. Allowance for Loan Losses and Accrued Expenses

1. Allowance for loan losses

The allowance for loan losses is maintained at a level that, in management's judgment, is adequate to provide for the amount of loan losses. It is calculated by applying a percentage derived from past collection experience to general loans, and by individually estimating uncollectible amounts with respect to certain doubtful loans.

2. Accrued bonuses

Accrued bonuses are provided for the payment of employees' bonuses based on estimated amounts of future payments attributable to the corresponding period.

3. Reserve for guarantee losses

The reserve for guarantee losses is maintained at a level that, in management's judgment, is adequate to provide for estimated probable losses from known and inherent risks in guarantee transactions.

4. Accrued retirement benefits — directors and statutory auditors

Accrued retirement benefits of NISSIN's directors and statutory auditors are provided at the amount which would have been required if all directors and statutory auditors had terminated their services at the balance sheet date. These amounts are determined in accordance with NISSIN's internal rules.

4. Accounting for Lease Transactions

Finance leases, except leases for which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.

5. Other Significant Accounting Policies for the Preparation of Non-consolidated Financial Statements

1. Interest income from notes and loans receivable

Interest income from notes and loans receivable is recognized on an accrual basis.

However, accrued interest income is recognized at the lower of the contractual interest rate or the restricted rate stipulated by the Interest Restriction Law in Japan.

2. Accounting treatment of consumption taxes

Consumption taxes are excluded from transaction amounts.

Consumption taxes not subject to the exclusion are treated as expense for the relevant period.

6. Change in Presentation

Non-consolidated Balance Sheets

"Investment securities", which was classified as a part of "Investments and other assets" as of September 30, 2003, is classified separately as of September 30, 2004, as the amount of "Investment securities" exceeded 5% of total assets. The amount of "Investment securities" as of September 30, 2003 was ¥2,822 million.

7. Additional Information

Non-consolidated Statements of Income

In conjunction with the promulgation of the "Law Concerning an Amendment of the Local Tax Laws etc., (Law No. 9, 2003)" on March 31, 2003, the pro forma standard taxation system was adopted on corporate income taxes from the fiscal year beginning on April 1, 2004. Effective April 1, 2004, the Company adopted ASB Practical Issues No. 12, "Practical Treatment Concerning Presentation of Income Statement Regarding Pro Forma Standard Taxation of Corporate Income Tax", which was issued by the Accounting Standards Board of Japan (ASBJ) on February 13, 2004. As a result, value-added tax and capital ratio tax amounting to ¥52 million were charged as a part of corporate enterprise tax, and were included in "Operating expenses — Other operating expenses".

**(4) Notes to Non-consolidated Financial Statements**

**Non-consolidated Balance Sheets**

Note 1. Accumulated depreciation of tangible fixed assets as of September 30, 2003, September 30, 2004 and March 31, 2004 is ¥844 million, ¥806 million and ¥832 million, respectively.

Note 2. Assets pledged for short and long-term borrowings as collateral at September 30, 2003, September 30, 2004 and March 31, 2004 are as follows:

|                              | September 30, |         | March 31, |
|------------------------------|---------------|---------|-----------|
|                              | 2003          | 2004    | 2004      |
|                              | (in millions) |         |           |
| Loans receivable             | ¥33,139       | ¥21,126 | ¥28,295   |
| Land                         | 262           | —       | 262       |
| Other tangible fixed assets  | 366           | —       | 356       |
| Investments and other assets | 16            | —       | 9         |

Corresponding borrowings secured by the above collateral at September 30, 2003, September 30, 2004 and March 31, 2004 are as follows:

|  | September 30, |         | March 31, |
|--|---------------|---------|-----------|
|  | 2003          | 2004    | 2004      |
|  | (in millions) |         |           |
| Short-term borrowings                            | ¥ 3,100       | ¥ 1,500 | ¥ 2,100   |
| Long-term borrowings (including current portion) | 27,452        | 17,569  | 22,938    |

Loans receivable, other than the above, that will be transferred pursuant to forward contracts and the corresponding long-term borrowings including current portion at September 30, 2003, September 30, 2004 and March 31, 2004 are as follows:

|  | September 30, |         | March 31, |
|--|---------------|---------|-----------|
|  | 2003          | 2004    | 2004      |
|  | (in millions) |         |           |
| Loans receivable                                 | ¥ 6,555       | ¥ 3,089 | ¥ 5,557   |
| Long-term borrowings (including current portion) | 6,124         | 2,805   | 4,967     |

In addition, beginning with the year ended March 31, 2003, NISSIN has entrusted certain loans outstanding to a trust bank. In order to raise funds, NISSIN sold its senior beneficiary interest in these loans outstanding in trust to a third party. These transactions constitute a legal sale under Japanese law. Since NISSIN reserves an option to repurchase the senior beneficiary interest, NISSIN does not recognize the extinguishment of the aforementioned interest in the financial statements and the funds are recognized as a long-term liability related interest. There is no control over the interest by NISSIN except through the above option. Entrusted loans outstanding included in “Loans receivable”, and the related long-term liability recorded in “Asset backed commercial paper” at September 30, 2003, September 30, 2004 and March 31, 2004 are as follows:

*Japanese GAAP*  
*Non-consolidated Financial Statements*

|                               | September 30, |               | March 31, |
|-------------------------------|---------------|---------------|-----------|
|                               | 2003          | 2004          | 2004      |
|                               |               | (in millions) |           |
| Loans receivable              | ¥ 4,237       | ¥ 6,895       | ¥ 9,593   |
| Asset backed commercial paper | 2,777         | 3,782         | 6,465     |

Note 3. Unsecured consumer loans included in loans receivable at September 30, 2003, September 30, 2004 and March 31, 2004 are ¥37,797 million, ¥2,374 million and ¥35,604 million, respectively.

Note 4. Commitments and contingencies

|   | September 30, |               | March 31, |
|---|---------------|---------------|-----------|
|   | 2003          | 2004          | 2004      |
|   |               | (in millions) |           |
| Guarantees for loans outstanding of alliance companies    | ¥ 2,334       | ¥ 5,325       | ¥ 3,508   |
| Guarantees for borrowings of subsidiaries and affiliates: |               |               |           |
| Nissin Servicer Co., Ltd.                                 | 2,501         | —             | 2,096     |
| Shinsei Business Finance Co., Ltd.                        | —             | 2,300         | 1,200     |

Note 5. Rediscounted notes at September 30, 2004 and March 31, 2004 are ¥80 million and ¥262 million, respectively. There were no rediscounted notes at September 30, 2003.

Note 6. Stock issuance

(1) Increases in the number of shares that resulted from exercises of warrant rights for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are as follows:

|  | Six Months Ended September 30, |         | Year Ended |
|--|--------------------------------|---------|------------|
|  | 2003                           | 2004    | March 31,  |
|  |                                |         | 2004       |
| Number of shares issued (shares)                               | —                              | 186,979 | 2,102,136  |
| Exercise price (in yen)  | ¥ —                            | ¥ 288.8 | ¥ 577.5    |
| Total amount of increase in shareholders' equity (in millions) | —                              | 53      | 1,213      |
| Amount of increase in common stock per exercise (in yen)       | —                              | 145     | 289        |
| Total amount of increase in common stock (in millions)         | —                              | 27      | 607        |

(2) Increases in the number of shares that resulted from conversion of convertible bonds for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are as follows:

|  | Six Months Ended September 30, |          | Year Ended |
|--|--------------------------------|----------|------------|
|  | 2003                           | 2004     | March 31,  |
|  |                                |          | 2004       |
| Number of shares issued (shares)                               | —                              | 2,547    | —          |
| Convertible price (in yen)                                     | ¥ —                            | ¥ 392.50 | ¥ —        |
| Total amount of increase in shareholders' equity (in millions) | —                              | 0        | —          |
| Amount of increase in common stock per conversion (in yen)     | —                              | 197      | —          |
| Total amount of increase in common stock (in millions)         | —                              | 0        | —          |

(3) Increases in the number of shares that resulted from stock splits for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are as follows:

|                                  | Six Months Ended September 30, |              | Year Ended<br>March 31, |
|----------------------------------|--------------------------------|--------------|-------------------------|
|                                  | 2003                           | 2004         | 2004                    |
| Date of stock splits             | May 20, 2003                   | May 20, 2004 | May 20, 2003            |
| Stock split ratio                | 2-for-1                        | 2-for-1      | 2-for-1                 |
| Number of shares issued (shares) | 66,312,028                     | 134,726,192  | 66,312,028              |

Note 7. According to the requirement of the Nonbank Bond Issuing Law, bankrupt and delinquent loans receivable are classified as follows:

|  | September 30,  |               | March 31,      |
|--|----------------|---------------|----------------|
|  | 2003           | 2004          | 2004           |
|  | (in millions)  |               |                |
| (1) Bankrupt loans receivable                          | ¥ 814          | ¥ 969         | ¥ 998          |
| (2) Delinquent loans receivable                        | 2,520          | 3,004         | 2,851          |
| (3) Delinquent loans receivable (three months or more) | —              | —             | —              |
| (4) Restructured loans receivable                      | 13,217         | 13,555        | 14,418         |
| <b>Total</b>   | <b>¥16,553</b> | <b>17,530</b> | <b>¥18,268</b> |

- Notes: (1) "Bankrupt loans receivable", for which unreceived interest is not accrued, are loans delinquent for a considerable period of time and for which the principal or interest on such loans is unlikely to be recovered due to the occurrence of events defined in the Japanese Corporation Tax Law (Government Ordinance No. 97, 1965), Regulation 96-1(3) and Regulation 96-1(4).
- (2) "Delinquent loans receivable" are loans receivable for which unreceived interest is not accrued due to customers' delinquency, excluding loans receivables mentioned in (1), (4).
- (3) "Delinquent loans receivable (three months or more)" are loans receivable for which the payments of principal and interest have been delayed for three months or more, excluding loans receivables mentioned in (1), (2).
- (4) "Restructured loans receivable" are loans receivable for which NISSIN reached agreement with the debtors on favorable treatment for the debtors such as reduction and exemption of interest, grace of principal and interest payments, relinquishment of loans receivable, among others, in order to reorganize the borrowing company and support their financial conditions, excluding loans receivable mentioned in (1), (2), (3).

Note 8. The balances of loans outstanding loans receivable under credit line agreements, including revolving contracts, at September 30, 2003, September 30, 2004 and March 31, 2004 are as follows:

|  | September 30, |         | March 31, |
|--|---------------|---------|-----------|
|  | 2003          | 2004    | 2004      |
|  | (in millions) |         |           |
| Loans outstanding under credit line agreements | ¥55,498       | ¥21,651 | ¥54,294   |

Under the terms and conditions of NISSIN's credit line agreements, NISSIN may, but is not committed to, lend funds to customers up to a maximum total amount of ¥71,339 million and ¥95,895 million at September 30, 2004 and March 31, 2004, respectively. NISSIN reviews credit lines based on account usage and customer creditworthiness.

NISSIN's unfunded credit lines at September 30, 2003, September 30, 2004 and March 31, 2004 are as follows:

|  | <u>September 30,</u> |                      | <u>March 31,</u> |
|--|----------------------|----------------------|------------------|
|  | <u>2003</u>          | <u>2004</u>          | <u>2004</u>      |
|  |                      | <i>(in millions)</i> |                  |
| Total of unfunded credit lines                           | ¥37,035              | ¥49,687              | ¥41,601          |
| Of which unfunded credit lines without loans outstanding | 30,109               | 45,236               | 34,624           |

Certain portions of these agreements lapse without ever being used. Therefore, the amount of unfunded credit lines will not necessarily affect future cash flows of NISSIN.

Under these agreements, NISSIN also may discontinue or reduce the credit lines of customers based on the deterioration of their credit status and other substantial reasons. In addition, NISSIN examines the agreements regularly in order to take measures for credit conservation.

**Non-consolidated Statements of Income**

Note 1. Significant components of other income for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are as follows:

|   | Six Months Ended<br>September 30, |      | Year Ended<br>March 31, |
|---|-----------------------------------|------|-------------------------|
|   | 2003                              | 2004 | 2004                    |
| (in millions)   |                                   |      |                         |
| <b>Other income:</b>                                      |                                   |      |                         |
| Interest income from securities                           | ¥ 0                               | ¥ 0  | ¥ 0                     |
| Interest and dividends                                    | 12                                | 3    | 22                      |
| Guarantee fees received                                   | 17                                | 17   | 41                      |
| Dividends from insurance                                  | 0                                 | 0    | 6                       |
| Interest income from loans to subsidiaries and affiliates | 9                                 | 46   | 10                      |
| Fees received in connection with sale of loans receivable | —                                 | 385  | —                       |
| Fee received from securities loaned                       | —                                 | 50   | —                       |

Note 2. Significant components of other expenses for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are as follows:

|   | Six Months Ended<br>September 30, |      | Year Ended<br>March 31, |
|---|-----------------------------------|------|-------------------------|
|   | 2003                              | 2004 | 2004                    |
| (in millions)   |                                   |      |                         |
| <b>Other expenses:</b>                                  |                                   |      |                         |
| Stock issuance costs                                    | ¥ 21                              | ¥ 55 | ¥ 35                    |
| Bonds issuance costs                                    | 3                                 | 9    | 14                      |
| Penalty for cancellation of real estate lease contracts | 14                                | 46   | 23                      |
| Syndicated loan borrowing costs                         | —                                 | 140  | —                       |

Note 3. Significant components of special gain for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are as follows:

|   | Six Months Ended<br>September 30, |       | Year Ended<br>March 31, |
|---|-----------------------------------|-------|-------------------------|
|   | 2003                              | 2004  | 2004                    |
| (in millions)                           |                                   |       |                         |
| <b>Special gain:</b>                    |                                   |       |                         |
| Gain on sales of fixed assets (land)    | ¥ 116                             | ¥ —   | ¥ 116                   |
| Gain on sales of investments securities | 55                                | 18    | 343                     |
| Reversal of allowance for loan losses   | —                                 | 3,327 | —                       |

Note 4. Significant components of special losses for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are follows:

|   | Six Months Ended<br>September 30, |      | Year Ended<br>March 31, |  |
|---|-----------------------------------|------|-------------------------|--|
|   | 2003                              | 2004 | 2004                    |  |
| (in millions)                               |                                   |      |                         |  |
| <b>Special losses:</b>                      |                                   |      |                         |  |
| Losses on sales of fixed assets (land)      | ¥ 3                               | ¥ —  | ¥ 3                     |  |
| Losses on sales of fixed assets (buildings) | 1                                 | —    | 1                       |  |
| Losses on disposal of fixed assets          | 37                                | 30   | 42                      |  |
| Losses on sales of investment securities    | 310                               | 0    | 469                     |  |
| Impairment of investment securities         | 320                               | —    | 239                     |  |

Note 5. Depreciation and amortization expenses for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are as follows:

|  | Six Months Ended<br>September 30, |      | Year Ended<br>March 31, |  |
|--|-----------------------------------|------|-------------------------|--|
|  | 2003                              | 2004 | 2004                    |  |
| (in millions)                                  |                                   |      |                         |  |
| <b>Depreciation and amortization expenses:</b> |                                   |      |                         |  |
| Tangible fixed assets                          | ¥ 36                              | ¥ 29 | ¥ 73                    |  |
| Intangible fixed assets                        | 13                                | 13   | 26                      |  |

**Significant Subsequent Events**

On August 17, 2004, the Board of Directors approved a stock split as follows:

|  |  |
|--|--|
| 1) Stock split method:                 | 2-for-1 stock split for all shares owned by the shareholders of record on September 30, 2004 |
| 2) Type of shares to be issued:        | Common stock   |
| 3) Increase in the number of shares:   | 269,641,910 shares   |
| 4) Stock split date:                   | November 19, 2004  |
| 5) Dividends paid for the period from: | October 1, 2004  |

If the stock split is deemed to have occurred on April 1, 2003, per share data are adjusted retrospectively as follows:

|                                | Six Months Ended September 30, |          | Year Ended<br>March 31, |
|--------------------------------|--------------------------------|----------|-------------------------|
|                                | 2003                           | 2004     | 2004                    |
|                                |                                | (in yen) |                         |
| Shareholders' equity per share | ¥ 94.15                        | ¥ 112.79 | ¥ 105.15                |
| Net income per share:          |                                |          |                         |
| Basic                          | 5.30                           | 9.01     | 10.87                   |
| Diluted                        | —                              | 8.21     | 10.05                   |

The diluted net income per share for the six months ended September 30, 2003 is not presented, as there was no dilutive effect for the corresponding period.

**(5) Lease**

Finance leases, except leases for which the ownership of the leased assets is transferred to the lessee, are as follows:

Lessee

1. Equivalents of acquisition costs, accumulated amortization and book value at September 30, 2003, September 30, 2004 and March 31, 2004 are as follows:

|                                     | September 30, |         | March 31, |
|-------------------------------------|---------------|---------|-----------|
|                                     | 2003          | 2004    | 2004      |
|                                     | (in millions) |         |           |
| Equipment:                          |               |         |           |
| Acquisition costs equivalent        | ¥ 1,550       | ¥ 2,368 | ¥ 1,993   |
| Accumulated amortization equivalent | (611)         | (820)   | (705)     |
| Book value equivalent               | 939           | 1,548   | 1,287     |
| Software:                           |               |         |           |
| Acquisition costs equivalent        | 1,522         | 1,317   | 1,392     |
| Accumulated amortization equivalent | (782)         | (723)   | (787)     |
| Book value equivalent               | 739           | 593     | 605       |
| Other:                              |               |         |           |
| Acquisition costs equivalent        | 4             | 4       | 4         |
| Accumulated amortization equivalent | (1)           | (2)     | (1)       |
| Book value equivalent               | 3             | 2       | 2         |
| Total:                              |               |         |           |
| Acquisition costs equivalent        | ¥ 3,077       | ¥ 3,689 | ¥ 3,390   |
| Accumulated amortization equivalent | (1,395)       | (1,546) | (1,494)   |
| Book value equivalent               | 1,682         | 2,143   | 1,895     |

2. The amounts of future minimum lease payments at September 30, 2003, September 30, 2004 and March 31, 2004 are as follows:

|                     | September 30, |         | March 31, |
|---------------------|---------------|---------|-----------|
|                     | 2003          | 2004    | 2004      |
|                     | (in millions) |         |           |
| Due within one year | ¥ 595         | ¥ 742   | ¥ 645     |
| Due after one year  | 1,111         | 1,428   | 1,275     |
| Total               | ¥ 1,706       | ¥ 2,170 | ¥ 1,920   |

3. Lease payments, amortization expense equivalent, interest expense equivalent for the six months ended September 30, 2003, September 30, 2004 and the year ended March 31, 2004 are as follows:

|                                 | Six Months Ended |               | Year Ended |
|---------------------------------|------------------|---------------|------------|
|                                 | September 30,    | September 30, | March 31,  |
|                                 | 2003             | 2004          | 2004       |
|                                 | (in millions)    |               |            |
| Lease payments                  | ¥ 363            | ¥ 407         | ¥ 747      |
| Amortization expense equivalent | 345              | 390           | 712        |
| Interest expense equivalent     | 17               | 19            | 36         |

4. The method to calculate amortization expense equivalent and interest expense equivalent of leased property are as follows:

- Amortization expense equivalent is calculated by using the straight-line method over the respective lease terms with no residual value.
- Interest expense equivalent of a lease obligation is calculated as the difference between the total lease payments and the acquisition cost equivalent of the leased property, with the amount allocated to each relevant accounting period using the interest method.

Impairment of Fixed Assets

The itemized presentation is omitted, as there is no impairment loss allocated to leased assets.

**(6) Investment Securities**

Information regarding investments in subsidiaries and affiliates with market value available at September 30, 2003, September 30, 2004 and March 31, 2004 is as follows:

|                            | September 30,     |                 |             |                   |                 |                | March 31,         |                 |             |
|----------------------------|-------------------|-----------------|-------------|-------------------|-----------------|----------------|-------------------|-----------------|-------------|
|                            | 2003              |                 |             | 2004              |                 |                | 2004              |                 |             |
|                            | Carrying<br>Value | Market<br>Value | Differences | Carrying<br>Value | Market<br>Value | Differences    | Carrying<br>Value | Market<br>Value | Differences |
|                            | (in millions)     |                 |             |                   |                 |                |                   |                 |             |
| Investment in subsidiaries | ¥ —               | ¥ —             | ¥ —         | ¥500              | ¥30,600         | ¥30,100        | ¥—                | ¥—              | ¥ —         |
| Investment in affiliates   | 300               | 383             | 83          | —                 | —               | —              | —                 | —               | —           |
| <b>Total</b>               | <b>¥300</b>       | <b>¥383</b>     | <b>¥ 83</b> | <b>¥500</b>       | <b>¥30,600</b>  | <b>¥30,100</b> | <b>¥—</b>         | <b>¥—</b>       | <b>¥ —</b>  |

**Supplemental Reference Data**

The summary of net income per share (EPS) with retrospective adjustments for the half-year periods of the past five years is as follows:

1. Before retrospective adjustments

Consolidated:

| Per share data                 | Six Months Ended September 30, |          |          |         |         |
|--------------------------------|--------------------------------|----------|----------|---------|---------|
|                                | 2000                           | 2001     | 2002     | 2003    | 2004    |
|                                |                                |          | (in yen) |         |         |
| Net income per share           | ¥ 216.94                       | ¥ 59.19  | ¥ 38.86  | ¥ 22.16 | ¥ 23.88 |
| Shareholders' equity per share | 3,389.59                       | 1,236.60 | 678.52   | 377.41  | 234.07  |
| Half-year dividends per share  | 35.00                          | 12.50    | 6.50     | 3.75    | 2.75    |

|   | September 30, |            |            |             |             |
|---|---------------|------------|------------|-------------|-------------|
|   | 2000          | 2001       | 2002       | 2003        | 2004        |
|   |               |            | (shares)   |             |             |
| Number of outstanding shares at end of period | 10,789,161    | 33,117,603 | 64,710,002 | 123,488,276 | 254,565,865 |

Non-consolidated:

| Per share data                 | Six Months Ended September 30, |          |          |         |         |
|--------------------------------|--------------------------------|----------|----------|---------|---------|
|                                | 2000                           | 2001     | 2002     | 2003    | 2004    |
|                                |                                |          | (in yen) |         |         |
| Net income per share           | ¥ 223.28                       | ¥ 62.87  | ¥ 36.82  | ¥ 21.21 | ¥ 18.01 |
| Shareholders' equity per share | 3,396.17                       | 1,242.58 | 680.16   | 376.58  | 225.59  |
| Half-year dividends per share  | 35.00                          | 12.50    | 6.50     | 3.75    | 2.75    |

|   | September 30, |            |            |             |             |
|---|---------------|------------|------------|-------------|-------------|
|   | 2000          | 2001       | 2002       | 2003        | 2004        |
|   |               |            | (shares)   |             |             |
| Number of outstanding shares at end of period | 10,789,161    | 33,117,603 | 64,710,002 | 123,488,276 | 254,565,865 |

If the per share data figures for the six months ended September 30, 2004 presented in the Condensed Statements of Financial Results are set as 100, the figures retrospectively adjusted for the dilutions caused by the stock splits are presented below.

2. After retrospective adjustments

Consolidated:

| Per share data                 | Six Months Ended September 30, |        |        |         |         |
|--------------------------------|--------------------------------|--------|--------|---------|---------|
|                                | 2000                           | 2001   | 2002   | 2003    | 2004    |
|                                | (in yen)                       |        |        |         |         |
| Net income per share           | ¥ 9.04                         | ¥ 7.40 | ¥ 9.71 | ¥ 11.08 | ¥ 23.88 |
| Shareholders' equity per share | 141.24                         | 154.58 | 169.63 | 188.70  | 234.07  |
| Half-year dividends per share  | 1.46                           | 1.56   | 1.63   | 1.88    | 2.75    |

|   | September 30, |             |             |             |             |
|---|---------------|-------------|-------------|-------------|-------------|
|   | 2000          | 2001        | 2002        | 2003        | 2004        |
|   | (shares)      |             |             |             |             |
| Number of outstanding shares at end of period | 258,928,968   | 260,940,824 | 258,840,008 | 246,976,552 | 254,565,865 |

Non-consolidated:

| Per share data                 | Six Months Ended September 30, |        |        |         |         |
|--------------------------------|--------------------------------|--------|--------|---------|---------|
|                                | 2000                           | 2001   | 2002   | 2003    | 2004    |
|                                | (in yen)                       |        |        |         |         |
| Net income per share           | ¥ 9.30                         | ¥ 7.86 | ¥ 9.20 | ¥ 10.61 | ¥ 18.01 |
| Shareholders' equity per share | 141.50                         | 155.32 | 170.04 | 188.29  | 225.59  |
| Half-year dividends per share  | 1.46                           | 1.56   | 1.63   | 1.88    | 2.75    |

|   | September 30, |             |             |             |             |
|---|---------------|-------------|-------------|-------------|-------------|
|   | 2000          | 2001        | 2002        | 2003        | 2004        |
|   | (shares)      |             |             |             |             |
| Number of outstanding shares at end of period | 258,928,968   | 260,940,824 | 258,840,008 | 246,976,552 | 254,565,865 |

- Note: 1. On May 21, 2001, NISSIN completed a 3-for-1 stock split.  
 2. On May 21, 2002, NISSIN completed a 2-for-1 stock split.  
 3. On May 20, 2003, NISSIN completed a 2-for-1 stock split.  
 4. On May 20, 2004, NISSIN completed a 2-for-1 stock split.  
 5. Net income per share is calculated by assuming that all the stock splits occurred at the beginning of their respective periods.  
 6. The per share data are adjusted retrospectively, applying Accounting Standards Board Statement (ASB Statement) No.2, "Accounting Standard Concerning Net Income Per Share", issued by the Accounting Standard Board of Japan (ASBJ) on September 25, 2002.