

**Attachment**

**Progress and Plans Toward Creating a Robust Asset Portfolio**

**Results as of September 30, 2004**

(Billions of yen)	Target		Disposed						Undisposed	
			Actual loss (sale and withdrawal)		Reserves (planned sale and withdrawal)		Reserves (off-balance sheet next fiscal year onward)			
	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss
Acceleration of selection and focus	350.0	260.0	95.2	68.7	157.7	123.4	44.8	44.8	52.3	23.1
Disposal of real estate, etc.	250.0	150.0	21.6	13.3					228.4	136.7
<b>Total</b>	<b>600.0</b>	<b>410.0</b>	<b>116.8</b>	<b>82.0</b>	<b>157.7</b>	<b>123.4</b>	<b>44.8</b>	<b>44.8</b>	<b>280.7</b>	<b>159.8</b>

\* Asset reduction is the amount of assets to be reduced under acceleration of selection and focus and disposal of real estate, and indicates off balance sheet assets.

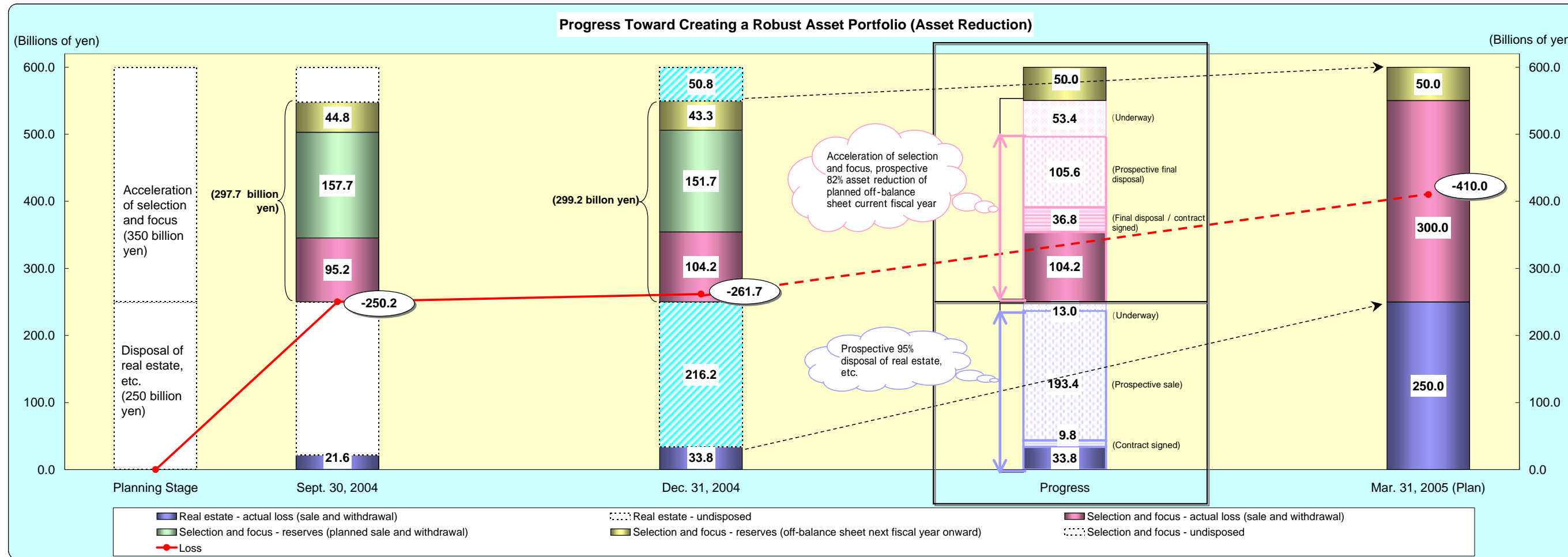
**Results as of December 31, 2004**

(Billions of yen)	Target		Disposed						Undisposed	
			Actual loss (sale and withdrawal)		Reserves (planned sale and withdrawal)		Reserves (off-balance sheet next fiscal year onward)			
	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss
Acceleration of selection and focus	350.0	260.0	104.2	74.8	151.7 <sup>*1</sup>	119.8	43.3	43.3	50.8	22.1
Disposal of real estate, etc.	250.0	150.0	33.8	23.8					216.2	126.2
<b>Total</b>	<b>600.0</b>	<b>410.0</b>	<b>138.0</b>	<b>98.6</b>	<b>151.7</b>	<b>119.8</b>	<b>43.3</b>	<b>43.3</b>	<b>267.0</b>	<b>148.3</b>

\*1. 8 billion yen was transferred to actual loss (sale and withdrawal) from September 30, 2004.  
\*2. 1.5 billion yen was transferred to reserves (planned sale and withdrawal) from September 30, 2004.

**Target for March 31, 2005**

(Billions of yen)	Target		Disposed						Undisposed	
			Actual loss (sale and withdrawal)		Reserves (planned sale and withdrawal)		Reserves (off-balance sheet next fiscal year onward)			
	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss	Asset Reduction	Loss
Acceleration of selection and focus	350.0	260.0	300.0	210.0	0	0	50.0	50.0	0	0
Disposal of real estate, etc.	250.0	150.0	250.0	150.0					0	0
<b>Total</b>	<b>600.0</b>	<b>410.0</b>	<b>550.0</b>	<b>360.0</b>	<b>0</b>	<b>0</b>	<b>50.0</b>	<b>50.0</b>	<b>0</b>	<b>0</b>



**[Measures Taken up to Dispose of Assets as of December 31, 2004 ]**

Acceleration of selection and focus:	Disposal of real estate, etc.:
<p><b>Actual loss</b> (sale and withdrawal completed by Dec. 31, 2004) Asset reduction of 104.2 billion yen, loss of 74.8 billion yen (Third quarter portion: asset reduction of 9.0 billion yen, loss of 6.1 billion yen)</p> <ul style="list-style-type: none"> <li>- Sold communications-related stocks</li> <li>- Withdrew from overseas automobile finance subsidiary</li> <li>- Withdrew from domestic home appliance and health-related equipment wholesale business</li> <li>- Withdrew from domestic automobile sales business</li> <li>- Settlement of lawsuit in Japan</li> <li>- Withdrew from overseas office building business</li> </ul> <p><b>Reserves</b> (planned sale and withdrawal in fourth quarter of fiscal 2004) Asset reduction of 151.7 billion yen, loss of 119.8 billion yen</p> <ul style="list-style-type: none"> <li>- Withdrawal from aircraft financing business</li> <li>- Withdrawal from low-profit overseas automobile business</li> <li>- Latin America private-sector medical equipment project</li> <li>- Withdrawal from overseas construction machinery subsidiary</li> <li>- Withdrawal from overseas communications business</li> <li>- Withdrawal from unprofitable domestic plastic products</li> </ul>	<p><b>Actual loss</b> (sale and withdrawal by Dec. 31, 2004) Asset reduction of 33.8 billion yen and loss of 23.8 billion yen (Third quarter portion: asset reduction of 12.2 billion yen, loss of 10.5 billion yen)</p> <ul style="list-style-type: none"> <li>- Sale of warehouses and some land for building single-unit homes</li> </ul>
<p><b>Reserves</b> (off-balance sheet next fiscal year onward) Asset reduction of 43.3 billion yen, loss of 43.3 billion yen</p> <ul style="list-style-type: none"> <li>- Reserves with legal limits due to lawsuits</li> <li>- Reinforce reserves against receivables involving country risk</li> <li>- Withdrawal from low-profit overseas fossil product businesses</li> </ul> <p><b>Undisposed</b></p> <ul style="list-style-type: none"> <li>- Withdrawal from large aircraft and other low-profit aircraft operating lease business</li> <li>- Expense write-offs</li> </ul>	

\* Asterisks indicate items disposed of since first half.

**[Current Conditions and Expected Progress in the Future]**

Acceleration of selection and focus:	Disposal of real estate, etc.:
<p><b>Final disposal and contract signed</b> (Asset reduction of 36.8 billion yen)</p> <ul style="list-style-type: none"> <li>- Incomplete final disposal of signed contracts and basic agreements</li> </ul> <p><b>Prospective final disposal</b> (finish disposal by March) (Asset reduction of 105.6 billion yen)</p> <ul style="list-style-type: none"> <li>- Signed basic agreements with possible buyers</li> <li>- Negotiating to narrow down possible buyers</li> <li>- Prospective debt collection</li> </ul>	<p><b>Signed contracts</b> (Asset reduction of 9.8 billion yen)</p> <ul style="list-style-type: none"> <li>- Signed contracts awaiting final transfer completion</li> </ul> <p><b>Prospective sales</b> (finish sales by March) (Asset reduction of 193.4 billion yen)</p> <ul style="list-style-type: none"> <li>- Negotiating contract details (price already agreed upon)</li> <li>- Finished bidding</li> </ul>
<p><b>Underway</b> (Asset reduction of 53.4 billion yen)</p> <ul style="list-style-type: none"> <li>- Negotiating with several possible buyers</li> <li>- Also examining sale on the market while negotiating debt collection</li> </ul> <p><b>Reserves</b> (off-balance sheet next fiscal year onward) (Asset reduction of 50.0 billion yen)</p> <ul style="list-style-type: none"> <li>- Items with legal limitations due to pending lawsuits in Japan and overseas</li> <li>- Strengthen reservers for country risk receivables</li> </ul>	<p><b>Underway</b> (Asset reduction of 13.0 billion yen)</p> <ul style="list-style-type: none"> <li>- Negotiating with several possible buyers</li> </ul>