Consolidated Financial Results for the Six-Month Period Ended September 30, 2003

The summary of this document (unaudited) has been translated from the original Japanese document released on October 23, 2003 for reference only. In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.

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Stock Code: 8574
(URL: http://cyber.promise.co.jp/)

Stock Listing: Tokyo Stock Exchange
Head Office: Tokyo

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Meeting of Board of Directors for approval of results: October 23, 2003
Application of U.S. GAAP: Not applicable

1. Consolidated Financial Results for Interim Period Ended September 2003 (Apr. 1, 2003 -- Sept. 30, 2003)

(1) Consolidated Operating Results

(Note: In this report, amounts (consolidated) of less than one million are omitted.)

	Operating income		Operating profit		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six-months ended Sept. 30, 2003	202,024	-1.6	42,474	-27.2	44,141	-24.2
Six-months ended Sept. 30, 2002	205,410	5.0	58,361	-11.8	58,221	-10.5
Year ended Mar. 31, 2003	410,619		106,957		108,030	

	Net income		Net income per share	Net income per share after dilution
	Millions of yen	%	Yen	Yen
Six-months ended Sept. 30, 2003	26,743	-18.0	219.94	--
Six-months ended Sept. 30, 2002	32,610	-11.7	259.84	--
Year ended Mar. 31, 2003	60,716		483.61	--

Notes:

1. Equity in net gain (loss) of affiliate
   Six-months ended Sept. 30, 2003: ¥8 million   Six-months ended Sept. 30, 2002: -¥453 million
   Year ended Mar. 31, 2003: -¥36 million
2. Average number of shares (consolidated)
   Six-months ended Sept. 30, 2003: 121,593,915   Six-months ended Sept. 30, 2002: 125,498,106
   Year ended Mar. 31, 2003: 125,338,763
3. Change in accounting method: None
4. Percentages for operating income, operating profit, recurring profit, and net income represent percentage changes from the same period of the previous year.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Six-months ended Sept. 30, 2003	1,777,110	625,105	35.2	5,169.91
Six-months ended Sept. 30, 2002	1,860,492	601,065	32.3	4,789.45
Year ended Mar. 31, 2003	1,855,352	618,109	33.3	4,952.12

Note:
Number of shares outstanding (consolidated)
Six-months ended Sept. 30, 2003: 120,912,176 Six-months ended Sept. 30, 2002: 125,497,694
Year ended Mar. 31, 2003: 124,796,732

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Six-months ended Sept. 30, 2003	29,346	69,319	-46,640	158,278
Six-months ended Sept. 30, 2002	-36,007	569	16,330	105,157
Year ended Mar. 31, 2003	9,168	-818	-26,890	105,760

Note:
Increase in consumer loans receivable included in net cash provided by (used in) operating activities
Six-months ended Sept. 30, 2003: ¥850 million Six-months ended Sept. 30, 2002: -¥58,196 million
Year ended Mar. 31, 2003: -¥71,829 million.

(4) Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 9
Non-consolidated subsidiaries accounted for by the equity method: 0
Affiliates accounted for by the equity method: 1

(5) Changes in the Scope of Consolidation and Equity Method

Newly consolidated subsidiaries: 1
Subsidiaries excluded from consolidation: 2
Companies included in equity method accounting: 0
Companies excluded from equity method accounting: 0

2. Forecast for the Fiscal Year Ending March 31, 2004 (Apr. 1, 2003 -- Mar. 31, 2004)

	Operating income	Recurring profit	Net income
	Millions of yen	Millions of yen	Millions of yen
Year ending Mar. 31, 2004	393,392	83,374	48,116

Reference: Projected net income per share for the year ending Mar. 31, 2004: ¥396.13

Notes:
1. Projected net income per share for the fiscal year ending Mar. 31, 2004 is calculated based on projected average number of shares of 121,253,046.
2. The above forecasts are based on information currently available to the Company at the time of the release of this report. Actual results could differ materially from projections due to various factors.

Appendix

1 Company Profile

(1) The Promise Group consists of Promise Co., Ltd., nine consolidated subsidiaries, four non-consolidated subsidiaries, and two affiliated companies (including one accounted for by the equity method of consolidation). The Group's principal business activities and the operations of each subsidiary and affiliated company are described below.

Financing Business

The financing business is the Group's principal business. It mainly involves the direct provision of both unsecured and unguaranteed small-lot loans (i.e., the consumer financing business) to general consumers based on simplified credit analysis.

The Group is constructing a system that will enable it to provide comprehensive consumer loan services to a broad range of customers. In Japan, Promise Co., Ltd., Plat Corporation (consolidated subsidiary), Sun Life Co., Ltd., (consolidated subsidiary), and MOBIT Co., Ltd. (equity-method affiliate) operate consumer loan businesses.

Overseas, PROMISE (HONG KONG) CO., LTD. (consolidated subsidiary) operates a consumer loan business in Hong Kong.

Promise and MOBIT also provide guarantees on loans made by financial institutions to individuals. PAL Servicer Co., Ltd. (consolidated subsidiary) operates a debt factoring and collection business.

Other Businesses

In addition to the aforementioned businesses, the Promise Group leverages the know-how cultivated in its core consumer loan business to develop finance-related businesses both in Japan and overseas.

PAL Corporation Ltd. (consolidated subsidiary) operates a real estate business, centered on Pal Building, which collects rents for tenant-occupied buildings. PAL Corporation also provides a variety of services, including travel arrangements and credit verification, to Group companies.

Net Future Co., Ltd. (consolidated subsidiary) provides telemarketing and ATM network services to Group companies. System Trinity Co., Ltd. (consolidated subsidiary) provides computer system design, operation, and management for Group companies.

Overseas, Liang Jing Co., Ltd. and Yuukei Co., Ltd. (consolidated subsidiaries) operate automobile installment sales businesses in Taiwan.

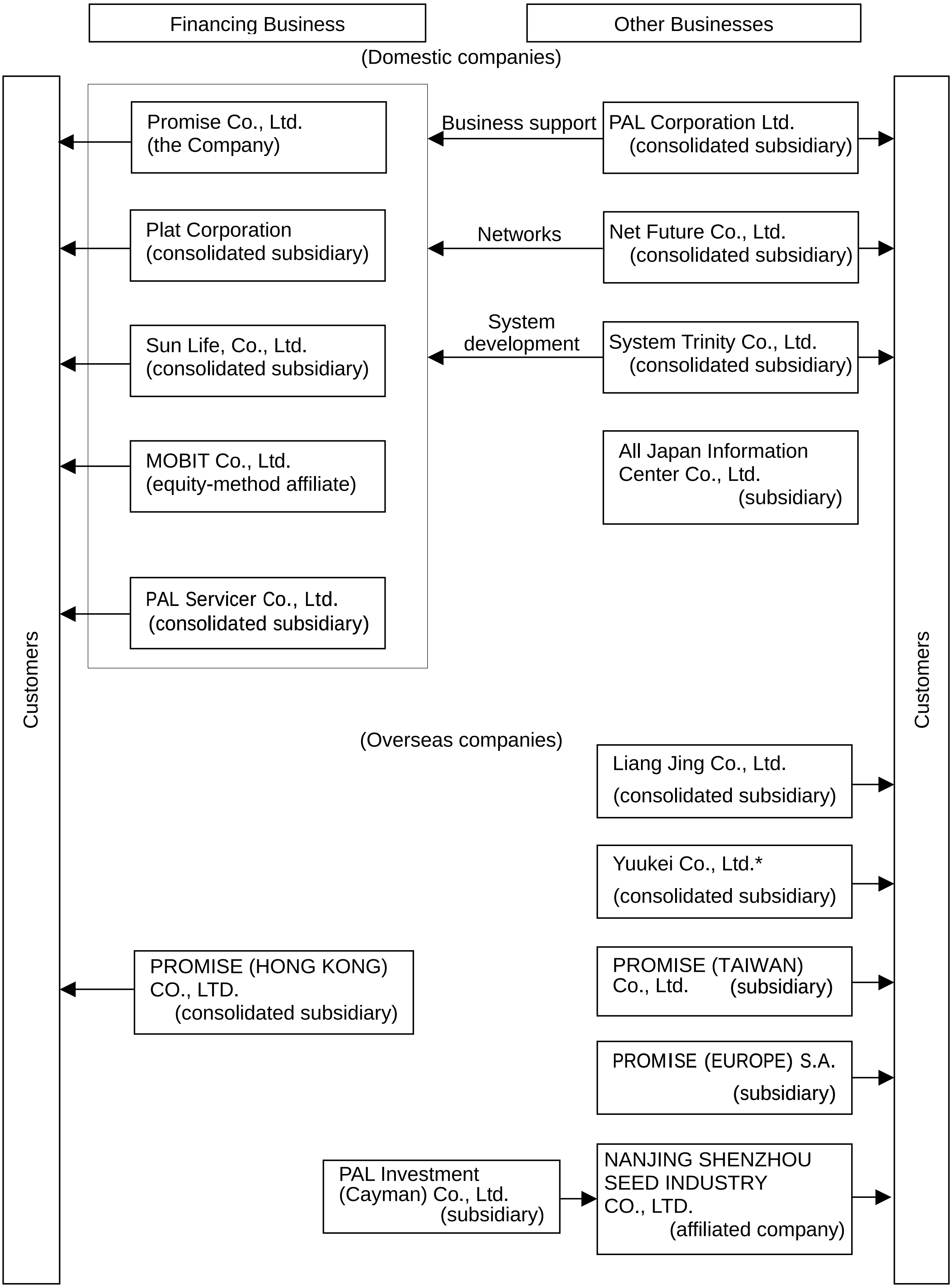
The names and business descriptions of other affiliated companies are listed below.

[Domestic affiliated companies]	[Business description]
All Japan Information Center Co., Ltd.	Holding of securities

[Overseas affiliated companies]	[Business Description]
PROMISE (EUROPE) S.A.	Management of golf courses
PAL Investment (Cayman) Co., Ltd.	Investment in China (NANJING SHENZHOU SEED INDUSTRY CO., LTD.)
NANJING SHENZHOU SEED INDUSTRY CO., LTD.	Production, processing, and sales of agricultural seeds
PROMISE (TAIWAN) Co., Ltd.	Credit appraisal and analysis for loans and purchase of claimable assets

Notes:
1. GC Co., Ltd., accounted for as a consolidated subsidiary in fiscal 2002, and its wholly owned subsidiary, MITSUWAKAI Co., Ltd., were excluded from the scope of consolidation on August 6, 2003, when all shares in GC Co., Ltd. were acquired by General Electric Capital Consumer Finance Co., Ltd. (currently GE Consumer Finance Co., Ltd.).
2. HARBIN SHENNONG M.V. FEED CO., LTD. accounted for as an affiliated company in fiscal 2002, was excluded from the category of affiliated company on August 19, 2003, when PAL Investment (Cayman) Co., Ltd. sold its holdings in the company.
3. Liang Jing Co., Ltd. and Yuukei Co., Ltd. were merged on July 1, 2003, with Liang Jing Co., Ltd. as the continuing company.

(2) Promise Group Organization



*Note: Yuukei Co., Ltd. (consolidated subsidiary) was merged into the operations of Liang Jing Co., Ltd. (consolidated subsidiary) on July 1, 2003.

(3) Status of Consolidated Subsidiaries

Name	Location	Capital	Principal business	% of voting rights	Related information				Notes
					Directors	Capital support	Business dealings	Leased facilities	
Plat Corporation	Kita-ku, Osaka	¥2,400 million	Consumer finance	100.00	7 (5)	Debt guarantees and loans	ATM network tie-up	--	
Sun Life Co., Ltd.	Takamatsu, Kagawa Prefecture	¥185 million	Consumer finance	100.00	4 (3)	Loans	ATM network tie-up	Offices	
PAL Servicer Co., Ltd.	Chuo-ku, Osaka	¥500 million	Debt collection	100.00	4 (3)	Debt guarantees and loans	--	--	1
PAL Corporation Ltd.	Kita-ku, Osaka	¥3,000 million	Building leasing	100.00	8 (6)	Loans	--	Offices	
Net Future Co., Ltd.	Chiyoda-ku, Tokyo	¥300 million	Telemarketing, ATM network management /administration	100.00	5 (5)	Debt guarantees and loans	ATM network tie-up	Offices	
System Trinity Co., Ltd.	Chiyoda-ku, Tokyo	¥90 million	Computer system design, operation, and management	100.00	4 (3)	Loans	--	--	
PROMISE (HONG KONG) CO., LTD.	Hong Kong	HK$45,000 thousand	Consumer finance	100.00	4 (3)	Debt guarantees	--	--	
Liang Jing Co., Ltd.	Taipei, Taiwan	NT$250,000 thousand	Automobile installment sales	100.00 (40.00)	6 (5)	Debt guarantees	--	--	2
Yuukei Co., Ltd.	Taipei, Taiwan	NT$140,000 thousand	Automobile installment sales	100.00	6 (5)	--	--	--	3

Notes:

1. PAL Servicer Co., Ltd., was consolidated from the interim period for the fiscal year ending Mar. 31, 2004 due to its increased importance within the Group.
2. The figure in parentheses for percentage of voting rights for Liang Jing Co., Ltd., is the proportion directly held by Yuukei Co., Ltd.
3. Yuukei Co., Ltd. was merged into the operations of Liang Jing Co., Ltd. on July 1, 2003. However, because Yuukei's interim period ended June 30, 2003, it is included in the scope of consolidation.
4. The figure in parentheses under directors represents the number of directors serving in concurrent positions.

(4) Status of Equity-Method Affiliate

Name	Address	Capital	Principal business	% of voting rights	Related information				Notes
					Directors	Capital support	Business dealings	Leased facilities	
MOBIT Co., Ltd.	Shinjuku-ku, Tokyo	¥20,000 million	Consumer finance	45.00	4 (2)	--	ATM network tie-up	--	

Note:
The figure in parentheses under directors represents the number of directors serving in concurrent positions.

2 Management Policies, Business Results, and Financial Condition

(1) Management Policies

1) Basic Management Policies

Promise's corporate philosophy rests on three major principles: 1) being a trusted corporate citizen and helping people enjoy more affluent lifestyles; 2) achieving sustainable growth by pursuing a fair profit through efficient business; and 3) being the consumer finance company of choice and operating based on relationships of coexistence and coprosperity with society and employees. Under this philosophy, the Company aims to expand through the trust placed in it by stakeholders, beginning with our customers, with all activities grounded in compliance with all relevant laws and regulations.

Promise also recognizes the importance of maximizing corporate value by increasing its social significance and winning the support of society. To accomplish this, Promise works to improve customer satisfaction and discourage people from taking on heavy debt burdens. As such, Promise exerts its fullest efforts to realizing Promise Vision, the company's medium- and long-term corporate vision. Promise Vision is a paradigm for the Company to specialize in the business domain of consumer financing and focus on businesses that change along with customer needs and the times. Promise Vision is also a roadmap for evolution from customer relationships based on borrowing and lending to relationships driven by utility and advice. By taking these steps, Promise aims to evolve into a personal main bank with the ability to provide financial support and advice to customers on a one-to-one basis.

Although inter-industry competition in the retail finance sector is increasingly escalating, the Promise Group (Promise Co. Ltd., and consolidated subsidiaries) is working to generate earnings by expanding its business base through the creation of a high-quality loan portfolio and through offering highly personalized lending services to a broad customer base. Going forward, the Group intends to share assets more broadly among its constituents and use corporate resources more efficiently. The Group also aims to improve return on assets (ROA), the management indicator that the Group considers most important by engaging in the retail financing business.

2) Dividend Policy

The Company believes that returning a portion of profits to shareholders is an issue of the highest priority. In line with this policy, the Company plans to pay an interim dividend of ¥50.00 per share and a term-end dividend of ¥50.00 per share, amounting to ¥100.00 per share for the full fiscal year.

The Company's policy is to use retained earnings for operating funds, expansion of business channels, upgrade of IT and strategic investment in new facilities/upgrades that are tied to enhanced business competitiveness.

With the objective of improving capital efficiency, enabling more flexible execution of capital policies, and increasing shareholder return, the Company had acquired four million of its own shares prior to its 42nd annual general meeting of shareholders in June 2003. At that same meeting, a resolution was approved for repurchasing up to 12 million additional shares.

Going forward, the Company aims to further enhance retained earnings, strengthen its financial condition, increase earnings through proactive business expansion, and return profits in line with shareholder expectations.

3) Medium- and Long-term Business Plan

The prolonged slump in the Japanese economy and deterioration in the employment and wage environments has made the issue of nonperforming loans a significant point of concern for the consumer finance industry. Under these conditions, the Promise Group is taking steps to secure new sources of earnings, achieve a fair rate of earnings growth, and expand operations of the Group as a whole. To accomplish this, the Company is focusing on policies aimed at minimizing nonperforming loans and increasing customer retention. In conjunction, the Company is employing three specific strategies:

- [1] Improve Group capabilities by restructuring business functions to revolve more around consumer finance services;
- [2] Increase efficiency and promote the shared use of Group corporate resources, including personnel, business channels, credit/loan management capabilities, funds procurement functions, and systems infrastructure; and

[3] Cultivate new markets while responding to the diverse funding needs of the Group's broad customer base by offering a full line of interest options in the consumer finance market.

Promise aims to provide service based on the concept that "Promise is number one in the minds of customers." As such, the Company works to continually upgrade its three essential contact points with customers—products, networks, and communication.

Products are the result of know-how cultivated over many years and are designed to accurately meet customer needs. Networks are deployed to provide customers with easy and close access, including through tie-ups with financial institutions. Communication is conducted via a cutting-edge IT infrastructure to create relationships of mutual trust with customers.

The Company is also pushing ahead with restructuring that began in the previous fiscal year to strengthen its financial, system and personnel bases. By doing so, the Company is constructing a solid business foundation for delivering services based on the concept "Promise is number one in the minds of customers."

4) Basic Stance on Corporate Governance and Status of Policy Execution

The Promise Group seeks a relationship of coexistence and coprosperity with society as a trusted corporate citizen. As such, the Group believes that strict compliance is the foundation for constructing a system of corporate governance that is highly transparent. The Group continually strives to strengthen and reinforce such a system.

Promise introduced an Executive Officer System in June 2002. The Board of Directors is small, consisting of seven members, who are responsible for deliberating strategies to deal with pressing business issues and to make speedy business decisions.

In addition, Promise has an auditing system that consists of four auditors (two inside auditors and two outside auditors). To determine the effectiveness and actual execution of internal controls, the Inspection Department conducts scheduled internal inspections of all other departments. Also, with the cooperation of corporate auditors, the Inspection Department works closely with the internal auditing departments of each Group company, with the aim of improving internal controls for the Group as a whole. Moreover, Promise and its outside auditors have no business or other mutual interests.

Meanwhile, the Company instituted a Compliance Department in October 2001. This department is at the heart of the Company's efforts to instill the importance of compliance in employees through formulation of a Code of Ethics and through internal education/training. To strengthen this system, since 2003, personnel in management positions or above have been encouraged to take a compliance practices course (correspondence course) as well as take and pass the compliance officer test (consumer finance course) offered by Kinzai Institute for Financial Affairs. In taking these steps, the Company seeks to ingrain compliance more deeply within its corporate culture.

To increase management transparency and improve disclosure to shareholders, the Company conducts dynamic investor relations activities both in Japan and overseas. Through proactive disclosure aimed at investors, the mass media, and industry watchers, the Company aims to promote better corporate understanding.

5) Other Important Management Issues

[1] Sale of sales finance business

In August 2003, Promise sold its entire stake in the wholly owned sales finance company, GC Co., Ltd., to General Electric Capital Consumer Finance Co., Ltd. (currently GE Consumer Finance Co., Ltd.).

Consistent with Promise Vision, this sale was aimed at improving business efficiency and increasing earnings power by achieving greater concentration of corporate resources in the consumer finance business.

[2] Lowering of discount rate applied to benefit obligations

Promise intends to lower the discount rate applied to its benefit obligations from 2.5% to 2.1%. This move is aimed at bringing the rate more in line with actual investment yields in light of the prevailing investment environment. Management believes that this move will promote maintenance of a healthy balance sheet and a sounder corporate structure.

(2) Business Results and Financial Condition

1) Overview of Interim Period Ended September 30, 2003 and Business Results

During the interim period ended September 20, 2003, the Japanese economy showed some signs of recovery. These included higher stocks prices, with the Nikkei average topping the 10,000 mark for the first time in a year in August, and capital investment picking up, albeit modestly. However, future household spending still remains unclear, as the employment and wage environments remain harsh, illustrated by the fact that the overall unemployment rate remains stuck at a high level and companies continue to reduce headcounts and trim personnel expenses.

In the consumer finance industry, companies are inclined to reduce lending levels in light of the diminished repayment capabilities of employed people, the main lending targets. Consequently, growth in the consumer finance market has been gradual.

Under these conditions, the Promise Group has focused on minimizing nonperforming loans and improving customer retention to realize the goals set forth in Promise Vision. As part of this effort, management has introduced new policies, bolstered mechanisms for credit asset management, and aggressively cut costs.

Results for the interim period ended September 30, 2003 by business are provided below.

[1] Financing Business

In the core consumer financing business, the balance of loans outstanding fell slightly, reflecting still-weak consumer sentiment and reassessment of lending standards as a means of preventing nonperforming loans associated with deterioration in the employment and wage environments. As a result, in the interim period ended September 30, 2003, the consumer financing business recorded financial revenues of ¥194,937 million, down ¥2,372 million, or 1.2%, from the previous interim period.

The major policies undertaken in the interim period ended September 30, 2003 are outlined below.

(Strengthening Sales Structure)

In April 2003, Promise realigned its operations to enable speedier responses to shifts in its principal markets driven by escalating competition. This realignment has provided the Company with a flatter organizational structure and a stronger sales structure in terms of planning, development, and policy promotion capabilities.

First, the Company flattened its organizational structure by abolishing its division system, excluding the Marketing Division, and took steps to speed up decision-making. Simultaneously, the Company reorganized its Sales Structure to consolidate previously scattered planning and development functions. As a result ot these measures, we created a Marketing Planning Department. Moreover, we established the Marketing Administration Department as the department for promoting various marketing strategies. Additionaly, the Company established a Marketing Operation Department to integrate control of centralized marketing centers, including Promise Call Centers. The purpose of clearly delineating the planning and development department and the policy execution department was to further strengthen planning, development, and policy promotion capabilities. In addition, to strengthen the coordination between headquarters functions and local sales branches, the Company abolished its Eastern and Western Area Marketing Divisions while establishing a system consisting of seven geographic blocs operating under a marketing division. Each bloc has its own ST Center and Customer Relationship Center to provide services tailored to the needs of a particular region, thereby allowing closer interaction with customers and enabling better counseling functions.

Also, in July 2003, the Company introduced *Chosoku* loan processing machines with the aim of increasing user convenience and acquiring new customers. *Chosoku* are compact, low-cost terminals that require only 5–10 minutes to process new applications, conduct provisional credit analyses, and issue temporary cards. These features allow *Chosoku* to be positioned in locations where we were previously unable to open branches because of space limitations. While exploiting the advantages of *Chosoku*, the Company also reassessed its existing channels, including branches, from the perspective of customer traffic. As a result, the Company changed the format of some branches and closed/consolidated others, thereby improving marketing capabilities and reducing operating costs.

The Company intends to continue emphasizing an optimal balance between operational efficiency and service quality while taking into account market conditions and regional characteristics. Simultaneously, the Company might, at any given time, consolidate or decentralize operations that have achieved balance to reduce operating costs and improve profitability.

(Improving quality of loan portfolio and strengthening loan management system)
In addition to its existing methods of loan management based on computer automated scoring systems, Promise uses a more effective, so-called “navigation system” that enables detailed responses to the needs of individual customers. This system is aimed at discouraging customers from taking on too much debt while strengthening lending functions.

The Company also works to flexibly assess its loan management system from the perspective of efficiency and effectiveness, with the aim of creating a stronger overall system. In April 2003, Legal Centers were set up in each marketing bloc to consolidate previously scattered legal functions. With this move, the Company has improved its ability to deal with petitions for personal bankruptcy, which remain on the rise, and court-mandated debt adjustments.

Meanwhile, Promise is introducing its know-how in loan management methods in its Group companies, with the aim of strengthening lending functions and improving loan portfolio quality.

Going forward, the Company intends to shift to a navigator-type operating structure, centered on its navigation system. At the same time, efforts will be focused on improving loan management methods and increasing loan portfolio quality for the Group as a whole.

(Providing greater customer convenience)
Promise’s main aim is to acquire new customers and increase the satisfaction of existing ones. As such, the Company intends to use IT and business alliances to deliver services based on the concept that “Promise is number one in the minds of customers.”

Within its service network, the Company is working to create an environment that makes lending and repayment easy and that places no constraints on time or location. The Company is also forging alliances with financial institutions and convenience stores to efficiently expand its network of ATMs and cash dispensers. In July 2003, Promise formed an alliance with Sumitomo Mitsui Banking Corporation, which has the top branch network among city banks and locates its ATMs inside convenience stores operated by am/pm JAPAN CO., LTD. This alliance has provided Promise customers with even greater network services. At the end of September 2003, Promise had a total of 110,909 locations in its payment/withdrawal channel, consisting of its own ATMs and those of its 443 alliance partners, making it the industry leader in terms of network scale.

With regard to products, Promise is pushing forward with cards issued jointly with a broad array of companies and organizations to compliment its existing product line-up and thereby respond to diverse customer needs. In April 2003, Promise teamed up with New Japan Prowrestling Co., Ltd., to issue a fan club ID that includes a cash-on-credit capability. In August 2003, Promise joined with Matsumoto Household Movers Co., Ltd., as well as real estate companies, to provide specific-purpose loans, such as those to cover moving expenses, rent, and security deposits. This alliance strategy is designed to enable the Company to better respond to customers’ funding needs.

(Acquiring new profit bases)
Promise teamed up with The Kita-Nippon Bank, Ltd. in April 2003 and The Hokuetsu Bank, Ltd. in June 2003 to cooperate in loan guarantees for unsecured loans to individuals. Representing maximum leveraging of the Company’s lending know-how cultivated over many years in the consumer finance industry, this move is aimed at securing a new profit base. The resulting balance of loan guarantees is firm, totaling ¥1,438 million at both banks at the end of September 2003.

Continuing to focus on the consumer finance industry and leveraging related know-how, Promise is taking steps to secure new profit bases in the financial field as well as ancillary business domains and thereby expand its corporate base and improve earnings power.

[2] Other Businesses

In Other Businesses, Promise has pursued the realignment of functions, including the consolidation into related departments of Promise operations involving the design, execution, and management of signage and branches, which had been the responsibility of PAL Corporation Ltd. Additionaly, Net Future Co., Ltd. began offering its telemarketing services on an outsourcing basis, and PAL Corporation did the same with its research business, both with the aim of securing new earnings bases. However, against the backdrop of the prolonged deflationary environment in Japan and the Company's internal policies aimed at reducing costs, all companies, with the exception of System Trinity Co., Ltd. saw revenue declines associated with lower order volume. Consequently, other operating revenues for the interim period ended September 30, 2003 declined ¥1,013 million, or 12.5%, from the previous period, to ¥7,087 million.

On July 1, 2003, the operations of wholly owned subsidiaries, Liang Jing Co., Ltd., and Yuukei Co., Ltd., both operating as automobile installment sales companies in Taiwan, were merged with Liang Jing Co., Ltd. as the continuing company. This merger was carried out in line with changing conditions in Taiwan.

As a result of the aforementioned activities, in the interim period ended September 30, 2003, consolidated operating income declined ¥3,385 million, or 1.6%, from the interim period in the previous fiscal year, to ¥202,024 million. The main factor was a slight decline in the balance of loans in the core consumer financing business. Regarding earnings, credit costs increased against the backdrop of a rise in personal bankruptcy petitions. Also, expenses associated with lowering of the discount rate applied to benefit obligations at the Company exceeded the benefits of cost reductions. As a result, recurring profit declined ¥14,080 million, or 24.2%, from the interim period in the previous fiscal year, to ¥44,141 million, while net income declined ¥5,866 million, or 18.0%, to ¥26,743 million.

2) Financial Position

Assets, liabilities, and shareholders' equity at the end of the interim period ended September 30, 2003, are shown below.

Total assets	¥1,777,110 million (down 4.2% from March 31, 2003)
Shareholders' equity	¥625,105 million (up 1.1% from March 31, 2003)
Shareholders equity ratio	35.2% (up 1.9 percentage points from March 31, 2003)

Total assets at the end of the interim period ended September 30, 2003 declined ¥78,241 from the end of the previous fiscal year. The main factors were as follows: 1) the balance of loans outstanding in the core unsecured loan business fell ¥55,006 million; 2) the allowance for credit losses rose ¥10,090 million due to stricter loan assessments associated with deterioration in loan quality; and 3) Notes and accounts receivable declined ¥52,204 million in conjunction with the sale of GC Co., Ltd.

Total liabilities declined ¥85,237 million, reflecting mainly a ¥54,916 million decline in borrowing and a ¥17,000 million drop in corporate bonds outstanding. Shareholders' equity rose ¥6,995 million. This was due principally to the net effect of a ¥19,770 million rise in retained earnings and a ¥14,636 million increase in treasury stock, which is a deductible item.

Consolidated cash flows for the interim period ended September 30, 2003 are shown as follows:
Net cash provided by operating activities totaled ¥29,346 million, while net cash provided by investing activities amounted to ¥69,319 million, and net cash used in financing activities amounted to a net outflow of ¥46,640 million. As a result, at the end of the interim period ended September 30, 2003, cash and cash equivalents were up ¥52,517 million, or 49.7% from the end of the previous fiscal year, to ¥158,278 million.

(Net cash provided by operating activities)

Net cash provided by operating activities totaled ¥29,346 million, an improvement of ¥65,354 million from the same period in the previous fiscal year. This improvement was due mainly to the fact that loans in the core consumer financing business rose ¥58,196 million during the interim period of the previous fiscal year, whereas the balance of these loans declined ¥850 million in the interim period under review in conjunction with a reassessment of lending standards.

(Net cash provided by investing activities)
Net cash provided by investing activities rose ¥68,750 million from the same period in the previous fiscal year to ¥69,319 million. This increase mainly reflected ¥25,038 million in inflows from the Company's entire holdings of consolidated subsidiary GC Co., Ltd., and the repayment of ¥41,800 million in loans to GC Co., Ltd., which was excluded from consolidated results.

(Net cash used in financing activities)
Net cash used in financing activities amounted to ¥46,640 million, representing a decrease of ¥62,971 million from the same period in the previous fiscal year. This reflected mainly the use ¥32,000 million for corporate bond redemptions of the ¥98,666 million in cash provided by operating activities and cash used in investing activities and the payment of ¥15,414 million to acquire treasury stock.

3) Outlook for Fiscal Year ending March 31, 2004
The domestic economy continues to brighten, raising hopes for a recovery in stock prices and capital investment. However, the outlook still remains unclear, owing to such factors as deep-seated concerns about the financial industry and weak consumer spending. All these developments suggest that the direction of the economy will remain difficult to gauge.

Turning to the consumer finance industry, the nation's absolute unemployment rate remains high and companies are reducing headcounts and cutting personnel expenses, resulting in ongoing increases in petitions for personal bankruptcy and court-mandated debt adjustments. Amid this situation, competition for customers that transcends industry bounds has resulted in weak growth in loan balances and increased credit costs, which in turn have created the risk of earnings deterioration. As such, the operating environment for the consumer finance industry is likely to remain harsh for the foreseeable future.

Even amid this environment, the Company continues to place strong emphasis on the issues of minimizing nonperforming loans and improving customer retention to secure a stable flow of earnings and achieve corporate growth.

To this end, the Promise Group continues to emphasize improving loan quality and is deploying a strategy aimed at offering a full line of interest options that meet the funding needs of a diverse customer base. In doing so, the Group aims to diversify its risk exposure while increasing its loan balance. At the same time, the Group is taking initiatives to enhance the efficiency of the Group and improve profitability through greater sharing of Group resources and activities to build a more diverse and more stable funding base.

In addition, Promise restructured its loan management system in October 2003 by decentralizing the responsibility for loan management to branches, which was previously centralized in each operating area. This has made the financing process, from loan origination to recovery, more consistent, which has in turn created more contact points with customers and improved communication. By effectively leveraging this navigation system, the Company aims to prevent loans from becoming nonperforming while increasing customer retention.

In other activities, the Company is redoubling efforts to reduce operating expenses, including pursuing greater efficiency in the media mix for advertising. Also, the Company remains focused on securing new profit bases by creating a new business model that capitalizes on strategic alliances with firms that have different business formats and that operate in different industries.

For the fiscal year ending March 31, 2004, the Company is forecasting operating income of ¥393,392 million, a decline of 4.2% from the previous fiscal year. Recurring profit is expected to fall 22.8% to ¥83,374 million, while net income is projected to decline 20.8% to ¥48,116 million.

* The above forecasts are based on information currently available to the Company at the time of the release of this report. Actual results could differ materially from projections due to various factors.

Note:
Figures in the section "Management Policies, Business Results, and Financial Condition" do not include consumption tax.

3 Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

	End of FY 2003 interim period (Sept. 30, 2002)			End of FY 2004 interim period (Sept. 30, 2003)			Abbreviated consolidated balance sheets for end of FY 2003 (Mar. 31, 2003)		
Classification	Amount (Millions of yen)		% of total	Amount (Millions of yen)		% of total	Amount (Millions of yen)		% of total
(Assets)									
I Current assets									
1 Cash and deposits		67,664			74,169			63,848	
2 Notes and accounts receivable		61,630			8,792			60,997	
3 Consumer loans receivable		1,599,804			1,559,517			1,614,523	
4 Short-term loans		46,865			87,261			49,726	
5 Deferred tax assets		28,373			33,208			37,702	
6 Other		29,715			32,250			25,258	
Allowance for credit losses		-97,686			-124,640			-114,550	
Total current assets		1,736,367	93.3		1,670,558	94.0		1,737,505	93.6
II Fixed assets									
1 Property and equipment									
(1) Buildings and structures	30,094			29,263			30,038		
Accumulated depreciation	13,145	16,949		14,036	15,227		13,859	16,178	
(2) Furniture, fixtures and equipment	38,019			35,041			37,770		
Accumulated depreciation	26,665	11,353		26,988	8,052		27,985	9,784	
(3) Land		13,075			12,905			13,044	
Total property and equipment		41,379	2.2		36,185	2.0		39,008	2.1
2 Intangible fixed assets									
(1) Excess investment cost over net assets of consolidated subsidiaries acquired		6,165			6,094			5,775	
(2) Other		10,460			6,511			10,375	
Total intangible fixed assets		16,626	0.9		12,606	0.7		16,150	0.9
3 Investments and advances									
(1) Investments in securities		32,265			30,611			28,589	
(2) Deferred tax assets		4,998			8,597			7,573	
(3) Other		28,855			18,549			26,525	
Total investments and advances		66,119	3.6		57,759	3.3		62,687	3.4
Total fixed assets		124,125	6.7		106,551	6.0		117,846	6.4
Total assets		1,860,492	100.0		1,777,110	100.0		1,855,352	100.0

Classification	End of FY 2003 interim period (Sept. 30, 2002) Amount (Millions of yen)	% of total	End of FY 2004 interim period (Sept. 30, 2003) Amount (Millions of yen)	% of total	Abbreviated consolidated balance sheets for end of FY 2003 (Mar. 31, 2003) Amount (Millions of yen)	% of total
(Liabilities)						
I Current liabilities						
1 Trade	1,669		287		1,733	
2 Short-term borrowings	16,020		27,464		24,394	
3 Current portion of long-term debt	238,369		209,796		246,754	
4 Bonds scheduled for redemption within one year	52,000		30,000		32,000	
5 Accrued income taxes	21,406		26,236		31,809	
6 Reserve for bonuses	4,794		4,502		4,640	
7 Allowance for loss on guarantees	--		28		--	
8 Other	27,944		15,348		24,985	
Total current liabilities	362,206	19.5	313,664	17.6	366,318	19.8
II Long-term liabilities						
1 Corporate bonds	280,000		275,000		290,000	
2 Long-term debt	596,336		537,013		558,041	
3 Accrued severance indemnities	14,736		19,971		17,688	
4 Allowance for retirement benefits for directors and auditors	384		343		422	
5 Allowance for indemnity losses	--		2,700		--	
6 Other	5,764		3,312		4,772	
Total long-term liabilities	897,221	48.2	838,340	47.2	870,924	46.9
Total liabilities	1,259,427	67.7	1,152,005	64.8	1,237,242	66.7
(Minority interest held by other companies in consolidated subsidiaries and affiliate)						
Minority interest held by other companies in owned consolidated subsidiaries and affiliate	--	--	--	--	--	--
(Shareholders' equity)						
I Common stock	49,053	2.6	49,053	2.8	49,053	2.6
II Additional paid-in capital	92,287	5.0	92,287	5.2	92,287	5.0
III Retained earnings	462,140	24.8	503,743	28.3	483,972	26.1
IV Net unrealized gain (loss) on securities	1,442	0.1	1,447	0.1	-403	-0.0
V Foreign currency translation adjustments	-145	-0.0	-219	-0.0	-228	-0.0
VI Treasury stock	-3,712	-0.2	-21,207	-1.2	-6,571	-0.4
Total shareholders' equity	601,065	32.3	625,105	35.2	618,109	33.3
Total liabilities, minority interest, and shareholders' equity	1,860,492	100.0	1,777,110	100.0	1,855,352	100.0

(2) Consolidated Statements of Income

	FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)			FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)			Abbreviated consolidated statement of income for FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)		
Classification	Amount (Millions of yen)		% of total	Amount (Millions of yen)		% of total	Amount (Millions of yen)		% of total
I Operating income									
1 Interest on consumer loans		190,004			188,720			381,125	
2 Other financial revenues		1,171			31			2,307	
3 Sales		5,233			4,817			9,868	
4 Other operating income		9,000			8,455			17,316	
Total operating income		205,410	100.0		202,024	100.0		410,619	100.0
II Operating expenses									
1 Financial expenses		12,956			11,012			24,802	
2 Cost of sales		4,431			4,266			8,539	
3 Other operating expenses									
(1) Advertising expenses	13,250			7,930			22,198		
(2) Provision for uncollectible loans	54,903			76,074			114,732		
(3) Credit losses	--			--			10,077		
(4) Employees' salaries and bonuses	14,494			13,836			33,364		
(5) Provision for bonuses	4,743			4,582			4,598		
(6) Allowance for employee retirement benefits	1,729			3,351			5,668		
(7) Allowance for retirement accounts for directors and auditors	44			41			89		
(8) Employee welfare expenses	2,069			2,468			4,074		
(9) Rent expenses	7,565			6,929			14,589		
(10) Depreciation	4,186			3,745			8,714		
(11) Fee expenses	8,410			8,570			17,017		
(12) Communications expenses	3,132			2,635			6,055		
(13) Amortization of difference between cost of investment and equity in net assets of consolidated subsidiaries	318			408			709		
(14) Other	14,812	129,661		13,697	144,271		28,430	270,319	
Total operating expenses		147,048	71.6		159,550	79.0		303,661	74.0
Operating profit		58,361	28.4		42,474	21.0		106,957	26.0
III Non-operating revenues									
1 Interest and dividend income on investments	702			1,495			786		
2 Insurance money received and insurance dividends	--			--			269		
3 Equity in earnings of Tokumei Kumiai	282			251			973		
4 Equity in net gain of affiliated companies	--			8			--		
5 Other	267	1,252	0.6	264	2,019	1.0	429	2,458	0.6

	FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)			FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)			Abbreviated consolidated statement of income for FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)		
Classification	Amount (Millions of yen)		% of total	Amount (Millions of yen)		% of total	Amount (Millions of yen)		% of total
IV Non-operating expenses									
1 Interest expense	185			105			329		
2 Expense for relocation of offices	546			70			624		
3 Equity in net loss of affiliated companies	453			--			36		
4 Other	206	1,391	0.7	177	352	0.2	395	1,386	0.3
Recurring profit		58,221	28.3		44,141	21.8		108,030	26.3
V Extraordinary income									
1 Net gain on sale of stock in affiliated companies	--			12,659			--		
2 Net gain on sales of investments in securities	3			102			5		
3 Gain on sales of golf club membership	2			--			36		
4 Other	0	5	0.0	--	12,761	6.3	0	42	0.0
VI Extraordinary losses									
1 Net loss on sales or disposal of property and equipment	1,121			178			1,374		
2 Net loss on sales of investments in securities	7			30			10		
3 Loss on valuation of investments in securities	--			--			511		
4 Impairment loss on deposits for golf club membership	11			24			42		
5 Loss on lease cancellations	300			--			300		
6 Allowance for indemnity losses	--			2,700			--		
7 Other	23	1,464	0.7	197	3,131	1.5	26	2,266	0.5
Income before income taxes		56,763	27.6		53,772	26.6		105,805	25.8
Income taxes (current)	21,668			26,400			53,211		
Income taxes (deferred)	2,483	24,152	11.7	627	27,028	13.4	-8,122	45,089	11.0
Net income		32,610	15.9		26,743	13.2		60,716	14.8

(3) Consolidated Statement of Retained Earnings

Classification	FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002) Amount (Millions of yen)		FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003) Amount (Millions of yen)		Abbreviated consolidated statement of retained earnings for FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003) Amount (Millions of yen)	
(Additional paid-in capital)						
I Additional paid-in capital at beginning of period						
Additional paid-in capital at beginning of period		92,287		92,287		92,287
II Additional paid-in capital at end of period		92,287		92,287		92,287
(Retained earnings)						
I Retained earnings at beginning of period						
Retained earnings at beginning of period		436,003		483,972		436,003
II Increase in retained earnings						
Interim net income		32,610		26,743		60,716
III Decrease in retained earnings						
1 Cash dividends	6,276		6,245		12,549	
2 Bonuses to directors and corporate auditors	197		100		197	
3 Loss from differentials of retirement of treasury stock	--		288		--	
4 Decline in retained earnings due to inclusion of newly consolidated subsidiaries	--	6,473	338	6,973	--	12,747
IV Retained earnings at end of period		462,140		503,743		483,972

(4) Consolidated Statements of Cash Flows

	FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)	FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)	Abbreviated consolidated statement of cash flows for FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)
Classification	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
I Operating activities			
1 Income before income taxes	56,763	53,772	105,805
2 Depreciation and amortization	4,186	3,745	8,714
3 Amortization of difference between cost of investment and equity in net assets of consolidated subsidiaries	318	408	709
4 Increase in provision for credit loss on receivables and consumer loans	11,393	17,722	28,444
5 Increase in provision for bonuses	206	17	52
6 Increase in provision for loss on guarantees	--	28	--
7 Increase in provision for accrued severance indemnities	455	2,474	3,660
8 Increase/decrease in allowance for retirement benefits for directors and auditors ("-" represents decrease)	-688	27	-661
9 Increase in allowance for indemnity losses	--	2,700	--
10 Interest and dividend income on investments	-702	-1,495	-786
11 Interest expense	185	105	329
12 Equity in net loss (gain) of affilitated companies	453	-8	36
13 Net gain on sale of stock in affiliated companies	--	-12,659	--
14 Net gain on sale of investments in securities	-3	-102	-5
15 Net loss on sales or disposal of property and equipments	1,121	178	1,374
16 Equity in earnings of Tokumei Kumiai	-282	-251	-973
17 Increase/decrease in consumer loans receivable: Principal ("-" represents increase)	-58,196	850	-71,829
18 Increase/decrease in sales credits ("-" represents increase)	-7,465	2,148	-4,776
19 Decrease in procurement obligations	-4,529	-1,278	-3,421
20 Other	2,745	-8,469	5,663
Subtotal	5,961	59,915	72,336
21 Interest and dividend income	701	1,498	785
22 Interest expense	-185	-105	-329
23 Income taxes paid	-42,484	-31,962	-63,623
Net cash provided by (used in) operating activities	-36,007	29,346	9,168

	FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)	FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)	Abbreviated consolidated statement of cash flows for FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)
Classification	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
II Investing activities			
1 Payment for purchase of property and equipment	-1,003	-428	-1,899
2 Proceeds from sales of property and equipment	1,209	10	1,259
3 Payment for purchase of investments in securities	-30	--	-30
4 Proceeds from sales of investments in securities	149	420	254
5 Acquisition of shares of subsidiaries resulted in the change in scope of consolidation	269	--	269
6 Proceeds from sales of shares of subsidiaries resulted in the change in scope of consolidation	--	25,038	--
7 Payment for purchase of shares of subsidiaries	--	--	-250
8 Payment for loans made	-1,600	--	-2,900
9 Proceeds from collection of loans receivable	103	41,803	105
10 Other	1,471	2,475	2,372
Net cash provided by (used in) investing activities	569	69,319	-818
III Financing activities			
1 Net repayment on commercial paper	-745	-206	-2,121
2 Proceeds from short-term borrowings	25,713	44,044	69,084
3 Repayments of short-term borrowings	-29,130	-38,719	-64,044
4 Proceeds from long-term debt	114,170	118,870	193,088
5 Repayments of long-term debt	-106,898	-132,357	-215,703
6 Proceeds from issuance of bonds	29,799	14,896	39,718
7 Redemption of bonds	-10,000	-32,000	-30,000
8 Proceeds from sale of treasury stock	--	489	--
9 Increase in treasury stock	--	-15,414	-2,862
10 Cash dividends paid	-6,276	-6,245	-12,549
11 Other	-301	--	-1,500
Net cash provided by (used in) financing activities	16,330	-46,640	-26,890
IV Effect of exchange rate changes on cash and cash equivalents	-124	3	-88
V Net increase in cash and cash equivalents (“-“ represents decrease)	-19,231	52,030	-18,628
VI Cash and cash equivalents at beginning of period	124,389	105,760	124,389
VII Effect of the increase in scope of consolidated subsidiaries	--	487	--
VIII Cash and cash equivalents at end of period	105,157	158,278	105,760

(5) Material Items in Basis of Presenting Interim Consolidated Financial Statements

1) Scope of Consolidation

[1] Consolidated subsidiaries: 9
Company name
[Domestic]: Plat Corporation
Sun Life Co., Ltd.
PAL Servicer Co., Ltd. (new)
PAL Corporation Ltd.
Net Future Co., Ltd.
System Trinity Co., Ltd.
Total of six companies

PAL Servicer Co., Ltd. was consolidated from the interim period for the fiscal year ending March 31, 2004 due to its increased importance within the Group.

GC Co., Ltd., accounted for as a consolidated subsidiary in fiscal 2002, and its wholly owned subsidiary, MITSUWAKAI Co., Ltd., were excluded from the scope of consolidation on August 6, 2003, when all shares in GC Co., Ltd. were acquired by General Electric Capital Consumer Finance Co., Ltd. (currently GE Consumer Finance Co., Ltd.).

[Overseas]: PROMISE (HONG KONG) CO., LTD.
Liang Jing Co., Ltd.
Yuukei Co., Ltd.
Total of three companies

[2] Major non-consolidated subsidiaries
PROMISE (EUROPE) S.A.
(Reason for exclusion from consolidation)
The remaining non-consolidated subsidiaries at September 30, 2003 were not consolidated because their aggregate amount of assets, operating income, net income (amount corresponding with equity), and retained earnings (amount corresponding with equity) were not material to the consolidated results of operations.

2) Application of the Equity Method

[1] Number of companies to which equity method has been applied: 1
Company name: MOBIT Co., Ltd.

[2] The equity method was not applied to the non-consolidated subsidiary PROMISE (EUROPE) S.A. and affiliated company NANJIN SHENZHOU SEED INDUSTRY CO., LTD. because their net income (amount corresponding with equity) and retained earnings (amount corresponding with equity) were not material to consolidated net income and retained earnings, respectively, and have no overall material influence on the Company's operations.

[3] The date of application of the equity method coincides with the last day of the interim period.

3) Interim Period-end for Consolidated Subsidiaries

Consolidated subsidiaries whose interim period-end differs from the end of the consolidated interim period-end are as follows:

Company Name	Interim Period-End
PROMISE (HONG KONG) CO., LTD.	June 30
Liang Jing Co., Ltd.	June 30
Yuukei Co., Ltd.	June 30

For the above consolidated subsidiaries, financial statements compiled as of their respective interim period-ends are used to tabulate consolidated results. However, material events that occur between that time and the end of the consolidated fiscal year-end are necessarily reflected in the consolidated financial statements.

4) Summary of Significant Accounting Policies

[1] Standards and methods for valuing material assets

a. Investment securities

Other securities

1. Securities that are marketable are stated at market value as of the interim period-end. Adjustments to market value are recorded as an increase or decrease in shareholders' equity. Costs of their sales are determined by the moving average method.
2. Securities that are not marketable are stated at cost, with cost being determined by the moving average method.

b. Derivatives are stated at marke value.

[2] Method of depreciation of material depreciable assets

a. Property and equipment are principally depreciated using the declining balance method

However, structures (excluding associated equipment) acquired on or after April 1, 1998 are depreciated using the straight-line method over the estimated useful lives of the assets.

The main useful lives are as follows:

Buildings and structures: 3–50 years; equipment and fixtures and vehicles: 2–20 years

b. Intangible fixed assets are depreciated using the straight-line method

However, amortization of computer software (for internal use) is principally calculated using the straight-line method over five years, the estimated useful life.

c. Long-term prepaid expenses are amortized on an average basis

[3] Accounting basis for reserves

a. Allowance for credit losses

The reserve for loan losses is provisioned at the actual loss rate.

Additional provisions are made in amounts deemed necessary to cover possible non-collectable accounts in accordance with the state of consumer loans outstanding.

In addition, overseas subsidiaries provision the reserve in amounts based on the probability of debt recovery.

b. Reserve for bonuses

Reserves for bonuses to employees on the payroll at the end of the interim period are provisioned based on the expected payment amount.

c. Provision for losses on guarantees

Provision for losses on guarantees are provisioned based on the expected amount of losses on guarantees at the end of the interim period.

d. Accrued severance indemnities

The amount of accrued severance indemnities for employees is based on the amount of the projected benefit obligation less the fair value of the pension plan assets. The accrued severance indemnity cost for the interim period is charged to income as incurred.

The accrued severance indemnities for executive officers are determined separately based on the required payment amount at the end of the interim period as stipulated in the Company's bylaws.

e. Allowance for retirement benefits for directors and auditors

The past service cost for directors is determined based on the required payment amount at the end of the interim period as stipulated in the Company's bylaws.

f. Allowance for indemnity losses

Allowance for indemnity losses arising from the performance of deficiency liability associated with the sale of stock in an affiliated company are reserved based on the expected amount of loss for those deficiency liabilities highly likely to be executed and taking into account the prospects for recovery through the performance of the right of recourse.

[4] Foreign currency translations (assets and liabilities denominated in major foreign currencies)

Foreign-currency denominated receivables and payables are translated into Japanese yen at the spot rate prevailing on the respective balance sheet dates. Translation differences are treated as gains and losses.

Assets and liabilities of overseas companies are translated into Japanese yen at the prevailing spot rate on the respective balance sheet dates. Income and expenses are translated at the average rate for the period. Translation differences are included in Foreign currency translation adjustments in Shareholders' equity on the balance sheet**.**

[5] Lease transaction
Where financing leases do not transfer ownership of the leased property to the lessee during the term of the lease, the leased property is not capitalized and the lease expenses are charged to income in the period they are incurred.

[6] Hedging
a. Hedge accounting method
The Company uses deferral hedge accounting.
Exceptional accounting is used to account for interest rate swap agreements and interest rate cap agreements that meet specified conditions.
b. Hedging instruments and hedging targets
Hedging instruments: Interest rate cap agreements and interest rate swap agreements
Hedging targets: Funds procured at variable interest rates, for which a rise in market interest rates will contribute to an increase in fund procurement costs (interest payment).
c. Hedging policy
The basic hedging policy is to minimize the impact of sharp movements in interest rates on procured funds.
d. Determining hedging effectiveness
The hedging instruments are measured for effectiveness by correlation with respect to the difference between interest rate indicators upon the instruments and positions being hedged.
e. Risk management system
The Company manages market risk in accordance with methods for managing the various risks arising from financial activities as set forth in Guidelines for Managing Risk by Type, which is contained in Financial Policy.
Guidelines for Managing Risk by Type is revised in a timely manner in response to changes in the risk environment, where in such revisions shall be reported to the Board of Directors.
Also, consolidated subsidiaries conduct hedging transactions with prior approval from the Company.

[7] Other material items related to basis of preparation for interim consolidated financial statements
a. Accounting for revenues and expenses
Interest on consumer loans
Interest on consumer loans are recognized when repayments are made.
For the Company and domestic subsidiaries, accrued interest on loans is determined using the lower of the interest rate specified in the Interest Rate Restriction Law or the contracted interest rate. For overseas subsidiaries, accrued interest is determined using the contracted interest rate.
b. Accounting for consumption taxes
National consumption taxes and regional consumption taxes are accounted for at the Company using the net-of-tax method, with the same method principally applied at subsidiaries.
However, consumption taxes not subject to fixed asset-related exclusion are recorded as “Other” within Investments and advances on the relevant interim balance sheets and are amortized over five years.

5) Funds Included on Interim Consolidated Statement of Cash Flows
Funds (cash and cash equivalents) included on the interim consolidated statement of cash flows include cash on hand, deposits readily convertible to cash, and instruments easily converted to cash. Also included are short-term investments that mature within three months of maturity and that carry little risk of price fluctuation.

(6) Explanatory Notes
(Footnotes to Interim Consolidated Balance Sheets)

At end of interim period (Sept. 30, 2002)

1 A breakdown of notes and accounts receivable was as follows:

Details	Amount (Millions of yen)
(Sales on installment)	
Installment notes receivable	8,708
Installment accounts receivable	1,649
Subtotal	10,358
(Installment purchase brokering)	
Installment accounts receivable	50,953
(Sales)	
Accounts receivable	318
Total	61,630

2 Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were ¥1,589,079 million.

3 Assets pledged and corresponding liabilities

a) Assets pledged

Type	Interim book value (Millions of yen)
Deposits	750
Notes and accounts receivable	13,962
Consumer loans receivable	253,344
Buildings and land	8,380
Other	63
Total	276,501

b) Corresponding liabilities

Type	Balance at end of interim period (Millions of yen)
Short-term borrowings	2,106
Current portion of long-term debt	80,940
Current liabilities, other	811
Long-term debt	172,071
Long-term liabilities, other	761
Total	256,692

At end of interim period (Sept. 30, 2003)

1 A breakdown of notes and accounts receivable was as follows:

Details	Amount (Millions of yen)
(Sales on installment)	
Installment notes receivable	6,654
Installment accounts receivable	1,922
Subtotal	8,577
(Sales)	
Accounts receivable	215
Total	8,792

2 Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were ¥1,553,489 million.

3 Assets pledged and corresponding liabilities

a) Assets pledged

Type	Interim book value (Millions of yen)
Deposits	456
Notes and accounts receivable	2,737
Consumer loans receivable	214,194
Buildings and land	8,077
Other	49
Total	225,514

b) Corresponding liabilities

Type	Balance at end of interim period (Millions of yen)
Short-term borrowings	1,141
Current portion of long-term debt	67,541
Current liabilities, other	121
Long-term debt	138,602
Total	207,406

At end of fiscal year (Mar. 31, 2003)

1 A breakdown of notes and accounts receivable was as follows:

Details	Amount (Millions of yen)
(Sales on installment)	
Installment notes receivable	7,559
Installment accounts receivable	1,756
Subtotal	9,315
(Installment purchase brokering)	
Installment accounts receivable	51,521
(Sales)	
Accounts receivable	159
Total	60,997

2 Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were ¥1,607,121 million.

3 Assets pledged and corresponding liabilities

a) Assets pledged

Type	Book value at end of fiscal year (Millions of yen)
Deposits	648
Notes and accounts receivable	10,930
Consumer loans receivable	243,751
Buildings and land	8,131
Other	55
Total	263,518

b) Corresponding liabilities

Type	Balance at end of fiscal year (Millions of yen)
Short-term borrowings	1,385
Current portion of long-term debt	82,011
Current liabilities, other	576
Long-term debt	156,759
Total	240,733

At end of interim period (Sept. 30, 2002)	At end of interim period (Sept. 30, 2003)	At end of fiscal year (Mar. 31, 2003)
(1) In addition to the above, Promise entered into forward contracts of assigning for notes and accounts receivable and consumer loans receivable. The contract amounts were ¥9,188 million and ¥372,840 million, respectively. Corresponding liabilities were short-term borrowings of ¥1,000 million, current portion of long-term debt of ¥103,507 million, and long-term debt of ¥263,441 million.	(1) In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of ¥339,440 million. Corresponding liabilities were current portion of long-term debt of ¥87,899 million and long-term debt of ¥240,416 million.	(1) In addition to the above, Promise entered into forward contracts of assigning for notes and accounts receivable and consumer loans receivable. The contract amounts were ¥9,888 million and ¥357,659 million, respectively. Corresponding liabilities were short-term borrowings of ¥3,150 million, current portion of long-term debt of ¥107,762 million, and long-term debt of ¥243,976 million.
(2) Security deposit return obligations for lease contracts, which are included in buildings and land, were ¥115 million.	(2) ----------	(2) ----------

4 Status of non-performing loans

Classification	Amount (Millions of yen) Sept. 30, 2002	Amount (Millions of yen) Sept. 30, 2003	Amount (Millions of yen) Mar. 31, 2003
Credits of bankrupt borrowers	3,469	4,411	4,436
Delinquent loans	634	820	699
Delinquent loans past due three months or more	14,450	19,509	13,849
Restructured loans	40,164	50,196	46,416
Total	58,718	74,937	65,402

At end of interim period (Sept. 30, 2002)	At end of interim period (Sept. 30, 2003)	At end of fiscal year (Mar. 31, 2003)
(1) Credits of bankrupt borrowers are loans under declaration of bankruptcy, reconstruction and similar proceedings, whose accruing interest is not recorded as income because the principal or interest on such loans is unlikely to be recovered in view of the considerable period of postponement of the principal or interest, or other circumstances.	(1) (No change)	(1) (No change)
(2) Delinquent loans are credits whose accruing interest is not recorded as income for the same reason as the above and do not include credits of bankrupt borrowers and the loans to which postponement of interest payment was made with the object of reconstructing and supporting the borrowers.	(2) (No change)	(2) (No change)
(3) Delinquent loans past due three months or more are loans which are delinquent for three months or more from the due date of interest or principal under the terms of the related loan agreements and do not include credits of bankrupt borrowers and delinquent loans, as described above.	(3) (No change)	(3) (No change)

At end of interim period (Sept. 30, 2002)	At end of interim period (Sept. 30, 2003)	At end of fiscal year (Mar. 31, 2003)
(4) Restructured loans are loans to which a certain concession favorable to borrowers, such as postponement of interest payment and other methods, was made with the object of encouraging repayment and do not include credits of bankrupt borrowers, delinquent loans and delinquent loans past due three months or more, as described above. Of ¥40,164 million in restructured loans, restructured loans which are 30 days or less past due were ¥35,533 million.	(4) Restructured loans are loans to which a certain concession favorable to borrowers, such as postponement of interest payment and other methods, was made with the object of encouraging repayment and do not include credits of bankrupt borrowers, delinquent loans and delinquent loans past due three months or more, as described above. Of ¥50,196 million in restructured loans, restructured loans which are 30 days or less past due were ¥45,171 million.	(4) Restructured loans are loans to which a certain concession favorable to borrowers, such as postponement of interest payment and other methods, was made with the object of encouraging repayment and do not include credits of bankrupt borrowers, delinquent loans and delinquent loans past due three months or more, as described above. Of ¥46,416 million in restructured loans, restructured loans which are 30 days or less past due were ¥41,245 million.
5 Allowance for credit losses included in “Other” within Investments and advances was ¥637 million.	**5** Allowance for credit losses included in “Other” within in Investments and advances was ¥406 million.	**5** Allowance for credit losses included in “Other” within in Investments and advances was ¥848 million.
6 Commercial paper included in “Other” within Current liabilities was ¥4,063 million.	**6** Commercial paper included in “Other” within Current liabilities was ¥2,394 million.	**6** Commercial paper included in “Other” within Current liabilities was ¥2,595 million.
7 ----------	**7 Contingent liabilities** (1) Guarantee obligations in the credit guarantee business ¥1,438 million (2) Contingent liabilities related to business in Taiwan for purchasing loans with conditions precedent ¥243 million (3) Warrantly obligations ¥37,652 million This obligation was entailed in the transfer of the entire amount of stock held by Promise in subsidiary GC Co., Ltd. to General Electric Capital Consumer Finance Co., Ltd. (currently GE Consumer Finance Co., Ltd.), and represents the remaining balance of obligations that fall under the category of warrantly obligations, which are only one portion of Company debt obligations.	**7 Contingent liabilities** Contingent liabilities related to business in Taiwan for purchasing loans with conditions precedent ¥232 million

At the end of interim period (Sept. 30, 2002)

8 Revolving credit facility

Within lending commitment line contracts for consumer loans, ¥1,593,773 million was in revolving credit facility agreements (automatic renewal through basic revolving loan contract). This is a contract whereby companies can loan repeatedly up to a predetermined amount to a customer on request, if the customer has met the terms and conditions of the contract.

The total balance of revolving credit facilities unused was ¥419,004 million (including ¥292 million in secured revolving credit facilities). This balance includes credit facilities of customers without any loan balance, except for those making no payments or receipt for two years or more.

There are also contracts whose term ends without the lending option being executed, and thus do not necessarily have an impact on future cash flows of the Company.

For changes in the credit status of customers or other credible reasons, each contract contains a provision in which the Company can deny financing for loan applications and upwardly or downwardly revise the maximum credit line.

Even after the completion of contracts, the Company periodically revises contract details and adopts measures to ensure credit safely.

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9 Loan collateral

A repurchase agreement of ¥44,390 million is included in Short-term loans.

Consequently, marketable securities are accepted as collateral from the seller of repurchased marketable securities.

The interim market value for marketable securities received is as follows:

Type	Market value (Millions of Yen)
Commercial paper	33,086
Securities	8,070
Beneficial interest in trust	3,200
Total	44,357

At the end of interim period (Sept. 30, 2003)

8 Revolving credit facility

Within lending commitment line contracts for consumer loans, ¥1,558,619 million was in revolving credit facility agreements (automatic renewal through basic revolving loan contract). This is a contract whereby companies can loan repeatedly up to a predetermined amount to a customer on request, if the customer has met the terms and conditions of the contract.

The total balance of revolving credit facilities unused was ¥383,865 million (including ¥275 million in secured revolving credit facilities). This balance includes credit facilities of customers without any loan balance, except for those making no payments or receipt for two years or more.

There are also contracts whose term ends without the lending option being executed, and thus do not necessarily have an impact on future cash flows of the Company.

For changes in the credit status of customers or other credible reasons, each contract contains a provision in which the Company can deny financing for loan applications and upwardly or downwardly revise the maximum credit line.

Even after the completion of contracts, the Company periodically revises contract details and adopts measures to ensure credit safely.

9 Loan collateral

A repurchase agreement of ¥87,261 million is included in Short-term loans.

Consequently, marketable securities are accepted as collateral from the seller of repurchased marketable securities.

The interim market value for marketable securities received is as follows:

Type	Market value (Millions of Yen)
Commercial paper	57,293
Securities	25,970
Beneficial interest in trust	3,969
Total	87,233

At end of fiscal year (Mar. 31, 2003)

8 Revolving credit facility

Within lending commitment line contracts for consumer loans, ¥1,611,186 million was in revolving credit facility agreements (automatic renewal through basic revolving loan contract). This is a contract whereby companies can loan repeatedly up to a predetermined amount to a customer on request, if the customer has met the terms and conditions of the contract.

The total balance of revolving credit facilities unused was ¥420,184 million (including ¥282 million in secured revolving credit facilities). This balance includes credit facilities of customers without any loan balance, except for those making no payments or receipt for two years or more.

There are also contracts whose term ends without the lending option being executed, and thus do not necessarily have an impact on future cash flows of the Company.

For changes in the credit status of customers or other credible reasons, each contract contains a provision in which the Company can deny financing for loan applications and upwardly or downwardly revise the maximum credit line.

Even after the completion of contracts, the Company periodically revises contract details and adopts measures to ensure credit safely.

9 Loan collateral

A repurchase agreement of ¥46,076 million is included in Short-term loans.

Consequently, marketable securities are accepted as collateral from the seller of repurchased marketable securities.

The market value for marketable securities at the end of the fiscal year received is as follows:

Type	Market value (Millions of Yen)
Commercial paper	28,999
Securities	14,027
Beneficial interest in trust	3,050
Total	46,076

<table>
<tr><th>At the end of interim period
(Sept. 30, 2002)</th><th>At the end of interim period
(Sept. 30, 2002)</th><th>At end of fiscal year
(Mar. 31, 2003)</th></tr>
<tr>
<td>10 The unutilized balance from overdraft contracts on current accounts (including contracts based on overdraft contracts on current accounts) and contracts for the commitment line of loans are as follows:
(Overdraft contracts on current accounts) (Millions of yen)
Total contracts 13,785
Contracts exercised 5,680
Difference 8,105
(Contracts for the commitment line of loans) (Millions of yen)
Total contracts 161,110
Contracts exercised 10,334
Difference 150,775</td>
<td>10 The unutilized balance from overdraft contracts on current accounts (including contracts based on overdraft contracts on current accounts) and contracts for the commitment line of loans are as follows:
(Overdraft contracts on current accounts) (Millions of yen)
Total contracts 28,901
Contracts exercised 24,853
Difference 4,047
(Contracts for the commitment line of loans) (Millions of yen)
Total contracts 238,110
Contracts exercised 11,136
Difference 226,974</td>
<td>10 The unutilized balance from overdraft contracts on current accounts (including contracts based on overdraft contracts on current accounts) and contracts for the commitment line of loans are as follows:
(Overdraft contracts on current accounts) (Millions of yen)
Total contracts 17,100
Contracts exercised 6,645
Difference 10,454
(Contracts for the commitment line of loans) (Millions of yen)
Total contracts 232,080
Contracts exercised 11,227
Difference 220,852</td>
</tr>
</table>

(Footnotes to Consolidated Statements of Income)

<table>
<tr><th>At end of interim period
(Sept. 30, 2002)</th><th>At end of interim period
(Sept. 30, 2003)</th><th>At end of fiscal year
(Mar. 31, 2003)</th></tr>
<tr><td>1 Other financial revenues
(Millions of yen)
(1) Interest on deposits 6
(2) Interest on securities 0
(3) Interest on loans 8
(4) Other 1,157
Total 1,171</td><td>1 Other financial revenues
(Millions of yen)
(1) Interest on deposits 1
(2) Interest on securities 0
(3) Interest on loans 19
(4) Other 9
Total 31</td><td>1 Other financial revenues
(Millions of yen)
(1) Interest on deposits 8
(2) Interest on securities 0
(3) Interest on loans 14
(4) Other 2,284
Total 2,307</td></tr>
<tr><td>2 Financial expenses
(Millions of yen)
(1) Interest expense 9,394
(2) Bond interest 3,002
(3) Other 559
Total 12,956</td><td>2 Financial expenses
(Millions of yen)
(1) Interest expense 7,456
(2) Bond interest 2,924
(3) Other 631
Total 11,012</td><td>2 Financial expenses
(Millions of yen)
(1) Interest expense 17,847
(2) Bond interest 5,944
(3) Other 1,009
Total 24,802</td></tr>
<tr><td>3 Interest and dividend income on investments included ¥486 million in dividends on preference shares.</td><td>3 Interest and dividend income on investments included ¥1,348 million in dividends on preferrence shares.</td><td>3 Interest and dividend income on investments included ¥486 million in dividends on preference shares.</td></tr>
<tr><td>4 Net loss on sales or disposal of property and equipment comprised a ¥922 million disposal loss related to buildings/fixtures and equipment and a ¥198 million loss on sales related to fixtures and equipment.</td><td>4 Net loss on sales or disposal of property and equipment comprised a ¥178 million disposal loss related to buildings/fixtures and equipment.</td><td>4 Net loss on sales or disposal of property and equipment comprised a ¥1,131 million disposal loss related to buildings/fixtures and equipment and a ¥242 million loss on sales related to fixtures and equipment.</td></tr>
<tr><td>5 Valuation losses on deposit for golf club memberships comprised impairment losses on golf club memberships.</td><td>5 Valuation losses on deposit for golf club memberships comprised impairment losses on golf club memberships.</td><td>5 Valuation losses on deposit for golf club memberships comprised impairment losses on golf club memberships.</td></tr>
<tr><td>6 The basis for classification of financial revenues and financial expenses in the financing business on the consolidated statement of income are as follows:
(1) Financial revenues are expressed as operating income.
Financial revenues exclude all loan interest and dividends at affiliated companies classified under other operations as well as interest and dividends on investment securities.</td><td>6 The basis for classification of financial revenues and financial expenses in the financing business on the consolidated statement of income are as follows:
(1) Financial revenues are expressed as operating income.
(No change)</td><td>6 The basis for classification of financial revenues and financial expenses in the financing business on the consolidated statement of income are as follows:
(1) Financial revenues are expressed as operating income.
(No change)</td></tr>
<tr><td>(2) Financial expenses are expressed as operating expenses.
Financial expenses excludes all interest paid that cannot be clearly matched to operating income.</td><td>(2) Financial expenses are expressed as operating expenses.
(No change)</td><td>(2) Financial expenses are expressed as operating expenses.
(No change)</td></tr>
</table>

(Footnotes to Consolidated Statements of Cash Flows)

FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)		FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)		FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	
The balance of cash and cash equivalents shown on the balance sheet as of the end of the interim period is broken down as follows:		The balance of cash and cash equivalents shown on the balance sheet as of the end of the interim period is broken down as follows:		The balance of cash and cash equivalents shown on the balance sheet as of the end of the fiscal year is broken down as follows:	
(Millions of yen)		(Millions of yen)		(Millions of yen)	
Cash and deposits	67,664	Cash and deposits	74,169	Cash and deposits	63,848
Short-term loans	46,865	Short-term loans	87,261	Short-term loans	49,726
Total	114,530	Total	161,430	Total	113,574
Time deposits with maturity exceeding three months	-6,897	Time deposits with maturity exceeding three months	-3,152	Time deposits with maturity exceeding three months	-4,163
Short-term loans excluding repurchase agreements	-2,475	Short-term loans excluding repurchase agreements	--	Short-term loans excluding repurchase agreements	-3,650
Cash and cash equivalents	105,157	Cash and cash equivalents	158,278	Cash and cash equivalents	105,760

(Footnotes to Lease Transactions)

FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)

1 Finance lease transactions other than those where ownership of the leased asset is transferred to the leasee.

(1) Equivalent of acquisition cost, accumulated depreciation and net book value of the leased assets at the end of the period

	Equivalent of acquisition cost (Millions of yen)	Equivalent of accumu-lated depreci-ation (Millions of yen)	Equivalent of net book value (Millions of yen)
Equipment and fixtures	7,699	4,124	3,574
Intangible fixed assets and other	112	45	66
Total	7,811	4,169	3,641

(2) Equivalent of aggregate future lease payments
(Millions of yen)

Within one year	1,426
Over one year	2,320
Total	3,746

(3) Lease fees, equivalent of depreciation and equivalent of interest expense
(Millions of yen)

Lease fees	1,080
Equivalent of depreciation	960
Equivalent of interest expense	89

(4) Method of calculation of equivalent of depreciation
Calculated by using the straight-line method, assuming that the lease period corresponds to the useful life of the asset and has a residual value of zero

(5) Method of calculation of equivalent of interest
The equivalent of interest is regarded as the difference between the total lease payments and the amount equivalent to acquisition cost of the asset. The interest method is used to calculate the portion applicable to each accounting period.

FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)

1 Finance lease transactions other than those where ownership of the leased asset is transferred to the leasee.

(1) Equivalent of acquisition cost, accumulated depreciation and net book value of the leased assets at the end of the period

	Equivalent of acquisition cost (Millions of yen)	Equivalent of accumu-lated depreci-ation (Millions of yen)	Equivalent of net book value (Millions of yen)
Equipment and fixtures	4,896	2,369	2,527
Intangible fixed assets and other	112	67	44
Total	5,008	2,436	2,571

(2) Equivalent of aggregate future lease payments
(Millions of yen)

Within one year	1,171
Over one year	1,485
Total	2,656

(3) Lease fees, equivalent of depreciation and equivalent of interest expense
(Millions of yen)

Lease fees	680
Equivalent of depreciation	619
Equivalent of interest expense	63

(4) Method of calculation of equivalent of depreciation
(No change)

(5) Method of calculation of equivalent of interest
(No change)

FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)

1 Finance lease transactions other than those where ownership of the leased asset is transferred to the leasee.

(1) Equivalent of acquisition cost, accumulated depreciation and net book value of the leased assets at the end of the fiscal year

	Equivalent of acquisition cost (Millions of yen)	Equivalent of accumu-lated depreci-ation (Millions of yen)	Equivalent of net book value (Millions of yen)
Equipment and fixtures	6,868	2,747	4,120
Intangible fixed assets and other	112	56	55
Total	6,980	2,804	4,175

(2) Equivalent of aggregate future lease payments
(Millions of yen)

Within one year	1,548
Over one year	2,718
Total	4,267

(3) Lease fees, equivalent of depreciation and equivalent of interest expense
(Millions of yen)

Lease fees	1,991
Equivalent of depreciation	1,794
Equivalent of interest expense	160

(4) Method of calculation of equivalent of depreciation
(No change)

(5) Method of calculation of equivalent of interest
(No change)

FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)		FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)		FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	
2 Operating leases		**2 Operating leases**		**2 Operating leases**	
Unexpired leases		Unexpired leases		Unexpired leases	
(Millions of yen)		(Millions of yen)		(Millions of yen)	
One year or less	86	One year or less	104	One year or less	36
More than one year	2	More than one year	162	More than one year	1
Total	89	Total	267	Total	38

(Footnotes to Securities)
Securities
I. End of previous interim period (Sept. 30, 2002)

1. "Other securities" stated at market value (Millions of yen)

	Acquisition cost	Book value per consolidated balance sheet at end of interim period	Difference
(1) Equity securities	6,418	8,885	2,466
(2) Others	259	137	-122
Total	6,678	9,022	2,344

Note:
An impairment of ¥3 million was recorded for equity securities within marketable "Other securities" stated at market value during the interim period. Regarding impairment accounting for marketable "Other securities," if the market value of such securities has declined more than 50% below book value at the end of the interim period, any decreases in the carrying amount are charged to income as the loss on valuation of investments in securities. In the case their fair market value has declined more than 30% but less than 50% of their book value, impairment accounting is applied to the necessary amount upon considering such factors as the possibility of a recovery in value.

2. "Other securities" with no market value and book value per consolidated balance sheet (Millions of yen)

(Other securities)	
Non-listed equity securities (excluding OTC-traded equity securities)	2,591
Preference shares	13,300

II. End of interim period (Sept. 30, 2003)

1. "Other securities" stated at market value (Millions of yen)

	Acquisition cost	Book value per consolidated balance sheet at end of interim period	Difference
(1) Equity securities	6,157	8,455	2,298
(2) Others	115	146	31
Total	6,272	8,602	2,329

Note:
No impairment was recorded for equity securities within "Other securities" stated at market value during the interim period. Regarding impairment accounting for "Other securities," if the market value of such securities has declined more than 50% below book value at the end of the interim period, any decreases in the carrying amount are charged to income as the loss on valuation of investments in securities. In the case their fair market value has declined more than 30% but less than 50% of their book value, impairment accounting is applied to the necessary amount upon considering such factors as the possibility of a recovery in value.

2. "Other securities" with no market value and book value per consolidated balance sheet (Millions of yen)

(Other securities)	
Non-listed equity securities (Excluding OTC traded equity securities)	1,353
Preference shares	13,300

III. End of fiscal year (Mar. 31, 2003)

1. "Other securities" stated at market value (Millions of yen)

	Acquisition cost	Book value per consolidated balance sheet at end of interim period	Difference
(1) Equity securities	5,866	5,059	-806
(2) Others	115	115	--
Total	5,981	5,175	-806

Note:
An impairment of ¥511 million was recorded for equity securities within "Other securities" stated at market value during the fiscal year. Regarding impairment accounting for marketable "Other securities," if the market value of such securities has declined more than 50% below book value at the end of the fiscal year, any decreases in the carrying amount are charged to income as the loss on valuation of investments in securities. In the case their fair market value has declined more than 30% but less than 50% of their book value, impairment accounting is applied to the necessary amount upon considering such factors as the

possibility of a recovery in value.

2. “Other securities” with no market value and book value per consolidated balance sheet
(Millions of yen)

(Other securities)	
Discount bank debentures	27
Non-listed equity securities (excluding OTC traded equity securities)	2,068
Preference shares	13,300

(Footnotes to Derivatives Transactions)
Contract Amounts, Fair Value, and Valuation Gains and Losses on Derivatives Transactions

Object	Transaction	At end of interim period (Sept. 30, 2002)			At end of interim period (Sept. 30, 2003)			At end of fiscal year (Mar. 31, 2003)		
		Millions of yen			Millions of yen			Millions of yen		
		Contract amount	Fair value	Valuation gain or loss	Contract amount	Fair value	Valuation gain or loss	Contract amount	Fair value	Valuation gain or loss
Interest	Interest rate cap (purchased)	6,000 (20)	0	-20	2,000 (3)	0	-3	4,000 (10)	0	-10
Interest	Interest rate swap (Fixed payment/variable received)	20,000	-489	-489	32,607	-477	-477	20,960	-450	-450
Total		26,000	-488	-509	34,607	-477	-481	24,960	-450	-461

(1) Details of Transactions
Promise engages in interest rate cap and interest rate swap transactions.

(2) Policy Regarding Transactions
The Company does not independently engage in derivative transactions for trading to achieve short-term buying and selling gains or in transactions for speculative purposes.

(3) Purpose of Transactions
Regarding variable-rate interest payments on procured funds, to avoid the impact of a rise in future market interest rates on fund procurement costs (interest expenses), the Company establishes fixed ceilings using interest rate caps to hedge rises in interest expenses. In addition, the Company uses interest rate swaps to fix its cost of funds procured at variable interest rates.

(4) Transaction Risks
Derivative transactions involve market risk and credit risk. However, market risk resulting from fluctuations in market interest rates is offset by risk resulting from fluctuations in market interest rates on funds procured (liabilities) at variable interest rates. Moreover, the Company believes there is no significant credit risk since it engages in transactions only with large financial institutions.

(5) Risk Management regarding Transactions
Determining the need for risk hedging as well as specific hedging methods for each type of risk accompanying the execution of finance activities are stipulated by the Company’s Finance Regulations. The Treasury Department executes derivates transactions in accordance with these regulations.

Each derivative contract is entered into only after obtaining a decision as stipulated by the Work Assignment Regulations. The details of the contract and the aforementioned decision are checked and confirmed by the General Affairs Department, and after a seal is affixed the contract can be executed.

Prior approval from Promise is required for consolidated subsidiaries to execute derivatives transactions. Promise will base its decision on whether to approve or disapprove the derivatives transactions in accordance with standards determined by the Company.

A director in charge will report periodically to the Board of Directors about the management of derivatives transactions, including those of consolidated subsidiaries. The Inspection Department will check the details of the derivatives contracts that have been inspected by the Treasury Department.

(6) Supplementary Explanation on Contract Amounts, Fair Value, and Valuation Gains and Losses on Derivatives Transactions

Notional amounts for derivatives transactions listed in “Contract amounts, fair value, and valuation gains and losses on derivatives transactions” are the notional amounts at the end of the respective interim periods (and end of fiscal year). The figures only represent calculations of notional amounts for nominal contract values of interest rate cap and interest rate swap transactions or for transaction settlements. There is no transfer of monetary assets in accordance with the stated amounts, and these amounts do not indicate market risk or credit risk related to derivatives transactions.

Notes:
1. Fair value is calculated based on prices presented by financial institutions.
   In calculating fair value, the Company forms a contract for calculating fair value with a third-party institution not involved in the derivatives transaction. The price presented by the financial institution with which the derivatives contract has been formed is then checked to verify fairness, after which the derivatives can be used.
2. The amounts shown in parentheses for the contract amounts of interest rate caps are the prepaid cap fees on the consolidated balance sheets (interim periods), and the corresponding fair value and gains and losses are shown.
3. Derivative transactions using deferral hedge accounting are excluded.

(Segment Information)

FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)	FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)
1 Operations by business segment Because the Company’s consumer financing business accounts for over 90% of total operating income and operating profit for all segments, business segment information is omitted.	**1 Operations by business segment** (No change)	**1 Operations by business segment** Because the Company’s consumer financing business accounts for over 90% of total operating income, operating profit, and asset value for all segments, and business segment information is omitted.
2 Operations by geographic segment Because Japan accounts for more than 90% of the Company’s operating income for all segments, geographic segment information is omitted.	**2 Operations by geographic segment** (No change)	**2 Operations by geographic segment** Because Japan accounts for more than 90% of the Company’s operating income and asset value for all segments, geographic segment information is omitted.
3 Overseas operating income Because overseas operating income accounts for less than 10% of total operating income, overseas operating income information is omitted.	**3 Overseas operating income** (No change)	**3 Overseas operating income** (No change)

(Per Share Data)

FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)	FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)
Net assets per share ¥4,789.45 Net income per share ¥259.84 The figure of diluted net income per share is not disclosed since there was no potential share of common stock that had a dilutive effect. (Additional information) "Accounting Standards for Net Income per Share" will be applied from the current fiscal year on a consolidated basis (Corporate Accounting Standards Committee, September 25, 2002, Article 2 of Corporate Accounting Standards) and "Applicable Guidelines in Accounting Standards for Net Income per Share" (Corporate Accounting Standards Committee, September 25, 2002, Article 4 of Applicable Guidelines for Corporate Accounting Standards). Had Promise utilized the same method as used in the past, net assets per share and net income per share would have been as shown below. Net assets per share ¥4,789.45 Net income per share ¥259.84	Net assets per share ¥5,169.91 Net income per share ¥219.94 The figure of diluted net income per share is not disclosed since there was no potential share of common stock that had a dilutive effect. ----------	Net assets per share ¥4,952.12 Net income per share ¥483.61 The figure of diluted net income per share is not disclosed since there was no potential share of common stock that had dilutive a effect. "Accounting Standards for Net Income per Share" will be applied from the current fiscal year on a consolidated basis (Corporate Accounting Standards Committee, September 25, 2002, Article 2 of Corporate Accounting Standards) and "Applicable Guidelines in Accounting Standards for Net Income per Share" (Corporate Accounting Standards Committee, September 25, 2002, Article 4 of Applicable Guidelines for Corporate Accounting Standards). Had Promise utilized the same method as used in the past, net assets per share and net income per share would have been as shown below. Net assets per share ¥4,952.93 Net income per share ¥484.41

Note: Calculations of interim net income per share are based on the following data

	FY 2003 interim period (Apr. 1, 2002 – Sept. 30, 2002)	FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)
Interim net income on consolidated statements of income (Millions of yen)	32,610	26,743	60,716
Principal category of funds not available to shareholders of common stock Bonuses to directors and corporate auditors from the disposition of profits (Millions of yen)	--	--	100
Interim net income for common stock (Millions of yen)	32,610	26,743	60,616
Average number of shares outstanding in interim period (Thousands of shares)	125,498	121,593	125,338
A summary of latent shares are not included in calculations of diluted interim net income per share because there were no shares with a dilutive effect during the period.	(1) Treasury stock held for stock option: 351,000 shares (2) Warrant for stock option: 718,500 shares	(1) (No change) (2) Warrant for stock option: 718,500 shares There were 707,950 shares with new share acquisition rights as of Sept. 30, 2003, reflecting a 10,550 decrease in the number of shares with acquisition rights owing to the loss of rights.	(1) (No change) (2) Warrant for stock option: 718,500 shares There were 709,350 shares with new share acquisition rights as of Mar. 31, 2003, reflecting a 9,150 decrease in the number of shares with acquisition rights owing to the loss of rights.

4 Business Results

(1) Operating Income

Classification		FY 2003 interim period (Apr. 1, 2002 -- Sept. 30, 2002)		FY 2004 interim period (Apr. 1, 2003 -- Sept. 30, 2003)		FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	
		Millions of yen	% of total	Millions of yen	% of total	Millions of yen	% of total
Operating income from financing business	Interest on consumer loans	190,004	92.5	188,720	93.4	381,125	92.8
	Collection of written-off loans	3,359	1.6	2,959	1.5	6,537	1.6
	Fees and commissions	2,773	1.4	2,603	1.3	5,720	1.4
	Other financial revenues	1,171	0.6	31	0.0	2,307	0.6
	Other	--	--	622	0.3	--	--
	Subtotal	197,309	96.1	194,937	96.5	395,691	96.4
Operating income from other businesses	Sales	5,233	2.5	4,817	2.4	9,868	2.4
	Other	2,866	1.4	2,269	1.1	5,058	1.2
	Subtotal	8,100	3.9	7,087	3.5	14,927	3.6
Total		205,410	100.0	202,024	100.0	410,619	100.0

Notes:
1. Within Operating income from financing business, Other financial revenues include interest on deposits and loans and Other includes income on credit obligations purchased.
2. Within Operating income from other business, Other includes income from the leasing of real estate and commission income.
3. Collection of written-off loans, Fees and commissions, and Other within Operating income from the financing business, as well as Other within Operating income from other businesses, are listed within the consolidated statements of income under Other operating income.

(2) Other Indicators

Category		At end of interim period (Sept. 30, 2002)		At end of Interim period (Sept. 30, 2003)		At end of fiscal year (Mar. 31, 2003)	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated	Consolidated	Non-consolidated
Consumer loans outstanding (Millions of yen)		1,599,804	1,367,400	1,559,517	1,375,578	1,614,523	1,375,693
	Unsecured loans	1,590,025	1,360,452	1,553,489	1,369,779	1,608,145	1,369,570
	Secured loans	9,779	6,947	6,028	5,799	6,378	6,122
Number of customers		3,249,241	2,573,588	3,009,013	2,488,390	3,226,462	2,538,902
	Unsecured loans	3,246,632	2,571,138	3,006,780	2,486,287	3,224,121	2,536,706
	Secured loans	2,609	2,450	2,233	2,103	2,341	2,196
Number of branches		1,699	1,525	1,699	1,533	1,711	1,541
	Staffed branches	578	458	535	423	570	455
	Unstaffed branches	1,121	1,067	1,164	1,110	1,141	1,086
Number of automated credit providers		1,539	1,476	1,556	1,493	1,556	1,493
Number of ATMs/CDs		2,104	1,831	2,018	1,814	2,105	1,839
Loan processing machines		--	--	38	38	--	--
Number of employees		5,936	4,216	5,518	4,131	5,773	4,075
Loan losses (Millions of yen)		43,762	31,592	58,352	44,599	96,608	70,462
Reserve for loan losses (Millions of yen)		98,324	75,000	125,046	100,300	115,398	87,000
Net income per share (Yen)		259.84	273.52	219.94	297.66	483.61	488.87
Shareholders' equity per share (Yen)		4,789.45	4,626.82	5,169.91	5,074.55	4,952.12	4,780.81

Notes:
1. Number of customers is the total number of customers of Promise and each of its consolidated subsidiaries and is derived from the number of debtors listed in the breakdown of customers compiled through computer-aided name identification.
2. Number of automated credit providers is the total number of automated credit providers installed.
3. There were no CDs among the total number of ATM/CDs (63 at the end of the previous interim period and 57 at the end of the previous fiscal year).
4. Number of employees is the number of workers. Seconded employees are included in the number of employees of the companies to which they have been seconded.
5. Reserve for loan losses includes Allowance for credit losses listed under Others within Investments and advances.