Consolidated Financial Results for the Fiscal Year Ended March 31, 2004

The summary of this document (unaudited) has been translated from the original Japanese document released on April 27, 2004 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 Listing: Tokyo Stock Exchange
Stock Code: 8574
Head Office: Tokyo
(URL: http://cyber.promise.co.jp/)

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Application of U.S. GAAP: Not applicable

1. Consolidated Financial Results for the Fiscal Year Ended March 2004 (Apr. 1, 2003 -- Mar. 31, 2004)

(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	%
Year ended Mar. 31, 2004	390,980	-4.8	87,869	-17.8	89,858	-16.8
Year ended Mar. 31, 2003	410,619	4.1	106,957	-6.6	108,030	-3.6

	Net income		Net income per share	Diluted net income per share	ROE	Recurring profit to total asset ratio	Recurring profit to operating income ratio
	Millions of yen	%	Yen	Yen	%	%	%
Year ended Mar. 31, 2004	41,576	-31.5	342.18	--	6.6	5.0	23.0
Year ended Mar. 31, 2003	60,716	-3.5	483.61	--	10.2	5.9	26.3

Notes:
1. Equity in net gain (loss) of affiliate: Year ended Mar. 31, 2004: ¥94 million Year ended Mar. 31, 2003: -¥36 million
2. Average number of shares (consolidated): Year ended Mar. 31, 2004: 121,256,422 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
Year ended Mar. 31, 2004	1,718,721	636,667	37.0	5,260.21
Year ended Mar. 31, 2003	1,855,352	618,109	33.3	4,952.12

Note:
Number of shares outstanding (consolidated): Year ended Mar. 31, 2004: 121,018,416 Year ended Mar. 31, 2003: 124,796,732

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash provided by (used in) investing activities	Net cash used in financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended Mar. 31, 2004	93,967	28,956	-127,970	101,110
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
Year ended Mar. 31, 2004: ¥29,572 million Year ended Mar. 31, 2003: -¥71,829 million.

(4) Scope of Consolidation and Application of Equity Method

Consolidated subsidiaries: 8
Non-consolidated subsidiaries accounted for by the equity method: -
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: 3
Companies included in equity method accounting: -
Companies excluded from equity method accounting: -

2. Forecast for the Fiscal Year Ending March 31, 2005 (Apr. 1, 2004 -- Mar. 31, 2005)

	Operating income	Recurring profit	Net income
	Millions of yen	Millions of yen	Millions of yen
Six months ending Sept. 30, 2004	186,081	55,200	32,400
Year ending Mar. 31, 2005	369,317	103,800	60,000

Reference: Projected net income per share for the year ending Mar. 31, 2005: ¥494.25

Notes:
1. Projected net income per share for the fiscal year ending Mar. 31, 2005 is calculated based on projected average number of shares of 121,234,521.
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., eight 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.

<u>Financing Business</u>
The financing business is the Promise 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 Promise 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.

<u>Other Businesses</u>
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 Life Co., Ltd. (consolidated subsidiary) operates a real estate business, centered on PAL Building, which collects rents for tenant-occupied buildings. PAL Life also provides a variety of services, including travel arrangements and credit verification, to Group companies.

Net Future Co., Ltd. (consolidated subsidiary) provides telemarketing 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. (consolidated subsidiary) operates an automobile installment sales business in Taiwan.

Note: On February 1, 2004, PAL Corporation Ltd. changed its corporate name to PAL Life Co., Ltd.

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

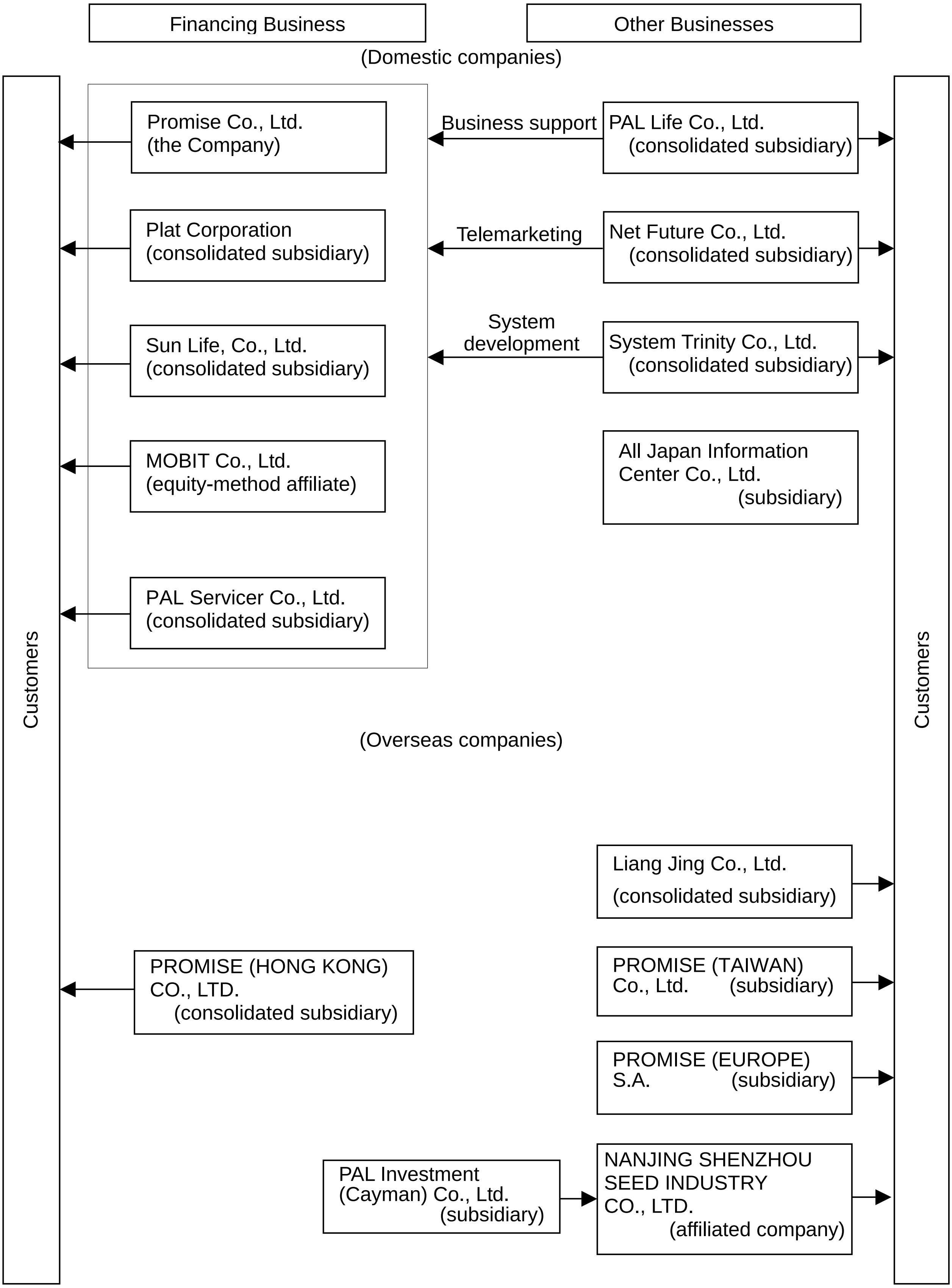
[Overseas affiliated companies]	[Business description]
PROMISE (EUROPE) S.A.	Management of golf courses
PAL Investment (Cayman) Co., Ltd.	Investment in China (NANJING SHENZHOU SEED INDUSTRY CO., LTD.)
NANJING SHENZHOU SEED INDUSTRY CO., LTD.	Production, processing, and sales of agricultural seeds
PROMISE (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 2003, 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 2003, 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. Yuukei Co., Ltd., accounted for as a consolidated subsidiary in fiscal 2003, was merged with Liang Jing Co., Ltd. on July 1, 2003, with Liang Jing Co., Ltd. as the continuing entity.

(2) Promise Group Organization



(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	8 (6)	Debt guarantees and loans	ATM network tie-up	Business office leasing	
Sun Life Co., Ltd.	Takamatsu, Kagawa Prefecture	¥185 million	Consumer finance	100.00	4 (3)	Loans	ATM network tie-up	Business office leasing	
PAL Servicer Co., Ltd.	Chuo-ku, Osaka	¥500 million	Debt collection	100.00	3 (2)	Debt guarantees	--	--	1
PAL Life Co., Ltd.	Chiyoda-ku, Tokyo	¥3,000 million	Credit obligation investigations, management of leased real estate	100.00	7 (5)	Loans	--	Business office leasing	2
Net Future Co., Ltd.	Chiyoda-ku, Tokyo	¥300 million	Telemarketing, Maintenance and management of ATMs	100.00	5 (4)	Debt guarantees and loans	--	Business office leasing	
System Trinity Co., Ltd.	Chiyoda-ku, Tokyo	¥90 million	Computer system design, operation, and management	100.00	4 (3)	Loans	--	Business office leasing	
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$290,000 thousand	Automobile installment sales	100.00	5 (4)	Debt guarantees	--	--	

Notes:

1. PAL Servicer Co., Ltd., was consolidated from the fiscal year ended Mar. 31, 2004 due to its increased importance within the Group.
2. PAL Life Co., Ltd.'s corporate name was changed from PAL Corporation Ltd. At the same time, the location of that company's headquarters was also changed.
3. 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

To earn the support of a wide customer base and attain sustainable growth, the Promise Group is making its utmost efforts to realize the Promise Vision. Promise Vision is a paradigm for the Company to specialize in the business domain of consumer financing and focus on businesses that evolve in tandem with customer needs and the times. The 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 that can provide financial support and advice to customers on a one-to-one basis.

Despite increasingly fierce inter-industry competition, the Promise Group is striving to generate earnings and strengthen its business foundation by creating a high-quality loan portfolio and offering highly personalized lending services to an even broader customer base. Looking ahead, the Group aims to promote more-efficient use and greater sharing of its corporate resources and assets as well as strives to raise efficiency in accordance with circumstances. By taking these measures, the Group aims to improve return on assets (ROA), which it regards as the most important management indicator.

2) Dividend Policy

The Promise Group considers returning a portion of profits to shareholders to be an issue of the highest priority. Looking ahead, the Promise Group intends further enhance retained earnings and bolster its financial condition. On the other hand, the Group will work to improve earnings by drawing on a solid business foundation formed by high-quality assets, and will return profits in accordance with shareholder expectations. In view of the market environment, the Company’s policy regarding the use of retained earnings will be to curtail capital investment compared with the period of rapid expansion and to allocate retained earnings for investments in information technology (IT) and for investments to raise efficiency.

3) Medium- and Long-term Business Strategy

The long-term slump in the Japanese economy and worsening of the employment and wage environments has made the issue of loans becoming nonperforming a major point of concern for the consumer finance industry, the core business of the Promise Group. Under these circumstances, the Promise Group is striving to secure a stable earnings base, achieve profits in accordance with stakeholder expectations, and attain further growth of the entire Group. To achieve these objectives, the Group is attaching top priority to minimizing nonperforming loans and increasing customer retention.

As part of these efforts, Promise is adopting three specific strategies.

[1] Improve the capabilities of the Promise Group, mainly in consumer finance services, by restructuring various Group companies according to function;

[2] Cultivate new markets while responding to the diverse funding needs of the Group’s broad customer base by offering a full line of interest rate options in the consumer finance market; and

[3] Increase efficiency and promote the shared use of Group corporate resources, including personnel, business channels, credit analysis/loan management capabilities, fund procurement functions, and systems infrastructure.

The Promise Group’s strategy of offering a “full lineup of interest rate products” allows the Group to provide services best suited to customer needs. Specifically, Promise, the parent company, offers products with interest rates ranging from 17.8% to 25.55%, while Mobit provides loans with interest rates at 15% and 18% and Plat and Sun Life charge rates up to 29.2%.

Also, Promise is implementing a strategy to “promote the sharing of the Group’s management resources.” As typified by the joint use of automated contract machines and ATMs by Promise and Plat, Promise is progressing with the creation of a new business model that “raises efficiency through the sharing of resources,” as it strives to achieve low-cost operations and sharpen its competitiveness.

Promise strives to provide services based on the concept that “Promise is number one in the minds of consumers.” Accordingly, Promise works to continually upgrade its three essential contact points with customers --- products, networks, and communication. Products are designed to accurately meet customer needs using know-how cultivated over many years. Networks are used to provide customers with easy and close access, including through tie-ups with financial institutions. Communication is carried out using a leading-edge IT infrastructure to create relationships of mutual trust with customers.

Promise continues to press ahead with restructuring commenced in the previous fiscal year with the objectives of strengthening its financial, systems, and personnel foundations. By taking these steps, Promise is building a firm business foundation for providing services based on the concept that "Promise is number one in the minds of customers."

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

The Promise Group strives for a relationship of coexistence and coprosperity with society as a trusted corporate citizen. Accordingly, the Group believes that stringent compliance is paramount for establishing a sound and highly transparent system of corporate governance and for preventing management risk. The Group continually works 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 respond to urgent business issues and for making prompt business decisions.

Promise augments this with 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 undertakes scheduled internal inspections of all other departments. Additionally, with the cooperation of corporate auditors, the Inspection Department works closely with the internal auditing departments of each Group company to improve internal controls for the entire Group. Moreover, Promise and its outside auditors have no business or other conflicts of interest.

Mainly through the Compliance Department, which was set up in October 2001, Promise is working to instill the importance of compliance in employees through the formulation of a Code of Ethics and through internal education and on-the-job training. To bolster this structure, since 2003 personnel have been encouraged to take and pass the compliance officer test (consumer finance course) offered by Kinzai Institute for Financial Affairs. As of June 2003, 1,171 employees have passed this test. By adopting such measures, Promise is working to firmly establish compliance as part of its corporate culture.

From the perspective of raising management transparency and improving disclosure to shareholders, Promise undertakes dynamic investor relations activities both in Japan and overseas. By carrying out proactive disclosure targeted at investors, the mass media, and industry watchers, Promise strives to promote a greater understanding of its corporate activities.

5) Other Important Management Issues

[1] Voluntary retirement program

As part of structural reforms commenced in fiscal 2003, Promise implemented a voluntary retirement program aimed at achieving an optimally structured human resources portfolio by correcting the Company's employee age composition. Under this program, 734 employees chose voluntary retirement, with an effective retirement date of March 31, 2004.

We believe these measures will enable Promise to improve its corporate structure, which is an aim of its structural reforms, and will also allow the Company to strengthen its ability to respond appropriately to changes in the environment and bolster its competitiveness.

[2] 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 Commercial Finance Co., Ltd. (currently GE Consumer Finance Co., Ltd.).

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

(2) Business Results and Financial Condition

1) Overview of Fiscal 2004

Despite a protracted period of pessimistic sentiment resulting from uncertainties regarding the direction of the economy due to such factors as long-term deflation and a slowdown of the U.S. economy, during the fiscal year the scope of the mild recovery in the Japanese economy continued to widen—underpinned by robust capital investment and brisk exports—as the rebound spread from manufacturing to non-manufacturing industries and from large companies to small- and medium-sized enterprises. In addition, despite continued harsh conditions, the employment and wage environment has recently shown a partial pickup, while regular household spending is also exhibiting signs of brightness that include an increase in personal consumption.

However, the consumer finance industry inevitably recorded large loan losses due to the effects of personal bankruptcies and legal settlements for debt problems against a background of a long-term slump in the employment and wage environments. Moreover, the size of market grew only slightly because of activities to reduce lending levels.

Amid this business environment, respective Promise Group consumer finance companies worked to minimize nonperforming loans and enhance customer retention. Accordingly, management has introduced new policies, strengthened its credit asset management, and taken a vigorous approach to trimming costs.

Results for fiscal 2004 by business are provided as follows.

[1] Financing Business

In the Promise Group's mainstay consumer finance business, the balance of loans outstanding fell slightly, owing to a review of lending standards to prevent nonperforming loans accompanying a deterioration in the employment and wage environments and the sale of GC Co., Ltd. As a result, in fiscal 2004, the consumer financing business posted financial revenues of ¥377,962 million, down ¥17,728 million, or 4.5%, from the previous fiscal year.

The principal policies undertaken in fiscal 2004 are outlined below.

(Strengthening Sales Structure)

In April 2003, Promise moved to flatten its organizational structure by abolishing its division system, excluding the Marketing Division. At the same time, Promise clearly separated the Planning and Development Division from the Policy Implementation Division to strengthen its planning, development, and policy promotion capabilities. Additionally, with the primary aim of fortifying the coordination between headquarters functions and front-line sales, Promise abolished its Eastern and Western Area Marketing Divisions and introduced a system consisting of seven geographic blocs. Each bloc has its own ST Center (a department for centralized processing for automated contract machines) and Customer Relation Center to provide closer interaction with customers and strengthen customer counseling functions.

In July 2003, Promise introduced *Chosoku* loan processing machines with the aim of acquiring new customers. As of the end of March 2004, 123 *Chosok*u machines had been installed. *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 installed in locations where we were previously unable to open branches because of space limitations. While utilizing the advantages of *Chosoku*, Promise also reviewed its existing channels, including branches, from the perspective of customer traffic. As a result, Promise altered the format of some branches and closed/consolidated others, thus improving marketing capabilities and reducing operating costs.

Promise will continue emphasizing an optimal balance between operational efficiency and service quality. Concurrently, while considering market conditions and regional characteristics, Promise will at any given time, consolidate or decentralize operations that have achieved balance to both reduce operating costs and improve profitability.

(Improving quality of loan portfolio and strengthening loan management system)
Besides its existing methods of loan management based on computer automated scoring systems, Promise uses the 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.

Promise also strives to flexibly assess its loan management system in terms of efficiency and effectiveness, with the aim of building a stronger overall system. In April 2003, Legal Centers were established in each marketing bloc to consolidate previously scattered legal functions. By taking this measure, the Company has strengthened its ability to respond to petitions for personal bankruptcy and court-mandated debt adjustments. Moreover, from October 2003, loan management operations---previously concentrated within departments in each geographic bloc---were dispersed among sales branches.

This move is aimed at integrating our processes—from new lending to collecting---thereby increasing points of contact with customers and raising the effectiveness of customer communications. This, in turn, will allow Promise to build a structure capable of more effectively utilizing the “navigation system.”

In addition, Promise has introduced its know-how in loan management methods at Plat and Sun Life and is continually reassessing its loan management structure with the aims of bolstering its lending functions and improving the quality of the Group’s loan portfolio.

With an eye to the future, Promise will proceed with its navigator-type operating structure, centered on its navigation system, while concentrating on enhancing loan management methods and raising loan portfolio quality for the entire Group.

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

Regarding its service network, Promise is establishing alliances with financial institutions and convenience stores to create an environment that makes lending and repayment easy and that places no constraints on time or place. As a result of these efforts, Promise has built the industry’s largest CD/ATM network, with a total of 113,168 locations (98,554 CDs/ATMs, 14,614 convenience stores) in its deposit/withdrawal channel, consisting of those it operates independently and those of its 429 alliance partners, at the end of March 2004.

Promise is also vigorously introducing new services as it strives to further raise customer convenience. As part of these efforts, Promise launched Internet Repayment Service in February 2004. Targeted at customers who use Internet-based banking of financial institutions, the new service introduced by Promise allows customers to immediately carry out repayment procedures using the Company’s own website.

In products, Promise is focusing on the matter of cards issued jointly with a broad array of companies in addition to offering its existing product line up, thereby addressing a wide range of customer needs. Such cards include a fan club ID that includes a cash-on-credit capability issued from April 2003 through a tie-up with New Japan Prowrestling Co., Ltd. In August 2003, Promise teamed 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. Through this alliance strategy, Promise can 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 for loan guarantees for unsecured loans to individuals. These tie-ups are aimed at securing a new profit base by drawing fully on Promise’s lending know-how cultivated over many years in the consumer finance industry. The resulting balance of loan guarantees is brisk, totaling ¥2,778 million at both banks at the end of March 2004. With a view toward effectively deploying its management resources, Promise is making available all its ATMs throughout the country. At the end of March 2004, Promise’s ATMs were available for use by 20 companies, including one bank-affiliated

credit card company, six installment sales finance companies, and 13 consumer finance companies (includes three Group companies). In the future as well, Promise will continue to concentrate on the consumer finance industry as it uses its related know-how while securing new profit bases and expanding the earnings power of its businesses in the financial field as well as in peripheral domains.

[2] Other Businesses

In Other Businesses, Promise has progressed with the reorganization of functions of the entire Group. This includes the consolidation of operations involving the design, execution, and management of signage and branches into related departments of Promise Co., Ltd., which had been the responsibility of PAL Life Co., Ltd. (corporate name changed from PAL Corporation Ltd. in February 2004). In addition, with the aim of securing new earnings bases, Net Future Co., Ltd. began offering its telemarketing services on an outsourcing basis as did PAL Life with its research business. However, because of the effects of the prolonged slump in the Japanese economy environment and the implementation of cost-cutting measures within the Promise Group, all companies, with the exception of System Trinity Co., Ltd. and Net Future, recorded decreases in revenue accompanying a decrease in order volume. As a result, other operating revenue for the fiscal year declined ¥1,909 million, or 12.8%, from the previous period, to ¥13,018 million.

To create a more-efficient business structure, 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 entity.

Due to the previously mentioned activities, consolidated operating income in fiscal 2004 declined ¥19,638 million, or 4.8%, to ¥390,980 million. This decrease reflected a slight decline in the balance of loans in the core consumer finance business. At the profit level, recurring profit decreased ¥18,171 million, or 16.8%, from the previous fiscal year, to ¥89,858 million. This decline is attributable to increased credit costs amid a rise in personal bankruptcy petitions. Net income shrank ¥19,140 million, or 31.5%, to ¥41,576 million. This decrease was due to necessary consolidated accounting adjustments along with the sale of all shares in GC Co., Ltd. as well as to the booking of extraordinary losses accompanying the implementation of a voluntary retirement program.

2) Financial Position

Assets, liabilities, and shareholders' equity at the end of the fiscal 2004 are shown below.

Total assets	¥1,718,721 million (down 7.4% from March 31, 2003)
Shareholders' equity	¥636,667 million (up 3.0% from March 31, 2003)
Shareholders equity ratio	37.0% (up 3.7percentage points from March 31, 2003)

Total assets at the end of fiscal 2004 declined ¥136,631 million from the end of the previous fiscal year. This decline was because of the previously mentioned ¥85,469 million decrease in the balance of loans outstanding, mainly in the core unsecured loan business; the reserve for loan losses increased ¥18,842 million because of stricter loan assessments associated with deterioration in loan quality, and Notes and accounts receivable decreased ¥53,557 million along with the sale of GC Co., Ltd.

Total liabilities fell ¥155,188 million, due to such factors as a ¥132,126 million decline in borrowing and a ¥17,000 million decline in corporate bonds outstanding. Shareholders' equity expanded ¥18,557 million, owing to the net effect of a ¥28,812 million rise in retained earnings and a ¥14,224 million rise in treasury stock, which is a deductible item.

Consolidated cash flows for fiscal 2004 are shown as follows.
As the end of fiscal 2004, cash and cash equivalents (hereinafter, "cash") declined ¥5,138 million, or 4.4% from the end of the previous fiscal year, to ¥101,110 million. This reflected net cash provided by operating activities of ¥93,967 million, net cash provided by investing activities of ¥28,956 million, and net cash used in financing activities of ¥127,970 million.

(Net cash provided by operating activities)

Net cash provided by operating activities amounted to ¥93,967 million, up ¥84,799 million from the previous fiscal year. This increase was due to the recording of a cash inflow of ¥29,572 million due to a decline in the balance of loans, mainly in the Promise Group's core consumer finance business, while

Promise recorded an outflow of ¥71,829 million in consumer loans receivable the previous fiscal year.

(Net cash provided by investing activities)
Net cash provided by investing activities improved ¥29,774 million from the previous fiscal year to ¥28,956 million. This was due mainly to ¥25,247 million in inflows from of the sale of Company's entire holdings of the consolidated subsidiary, GC Co., Ltd., and the repayment of ¥41,800 million in loans to GC Co., Ltd., which was removed from the consolidated accounts. On other hand, payment for the purchase of property and equipment resulted in an outflow of ¥42,490 million.

(Net cash used in financing activities)
Net cash used in financing activities amounted to ¥127,970 million, an increase of ¥101,080 million from the previous fiscal year. This was due primarily to the use of ¥122,924 million in cash provided by operating activities and cash provided by investing activities of ¥332,881 million for the repayment of loans, ¥32,000 million for redemption of corporate bonds, and ¥15,417 million for an increase in treasury stock.

3) Outlook for Fiscal Year ending March 31, 2005
The recovery in the Japanese economy, albeit mild, has gained strength, thanks to such factors as growth in exports, increased capital investment, and improved corporate earnings against a background of a rebound in the U.S. economy and robust demand in China. Along with this recovery, signs of brightness finally appear to be emerging in household expenditures, reflecting slight improvements in the still-harsh employment and wage environments and increases in consumer spending.

However, in the consumer finance industry, although the uptrend in personal bankruptcies has very recently appeared to be slowing, these bankruptcies remain at a high level. Thus, difficult conditions are expected to persist.

Even amid this environment, the Promise Group will continue to place high priority on minimizing nonperforming loans and improving customer retention to secure a stable earnings base and achieve corporate growth.

Therefore, the Promise Group continues to focus on improving loan quality and is implementing its strategy of offering a full line of interest rate options that meet the funding needs of a diverse customer base. Through these measures, the Group intends to diversify its risk exposure while increasing its loan balance. Concurrently, the Group is working to raise its earning power by promoting the sharing of management resources and striving to build a more diverse and more stable funding base and raising the Group's management efficiency.

In other activities, Promise is progressing with efforts to prune costs, which includes promoting higher efficiency through its media mix for advertising. Also, Promise is working to establish a new business model that utilizes e-commerce, mainly via the Net Business Development Department, set up in March 2004.

Also, Promise will continue to make investments to upgrade services that enhance customer convenience, which includes the establishment of a quick-response structure for IC card systems.

For the fiscal year ending March 31, 2005, the Promise is forecasting operating income of ¥369,317 million, down 5.5% from the previous fiscal year. Recurring profit is expected to increase 15.5% to ¥103,800 million, while net income is forecast to increase 44.3% to ¥60,000 million.

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

The above forecasts are based on forecasts 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. Such factors include the following.

[1] Interest rates on lending by the various companies in the Promise Group are regulated by the Capital Subscription Law, with the legal maximum annual interest rate limited to 29.2%. However, a

lowering of this maximum rate could have an effect on Promise's business results.

[2] The operations of respective companies in the Promise Group are subject to various regulations under the Money Lending Control Law. Future revisions to this law or penalties imposed on Promise for violation of laws and ordinances could have an effect on Promise's business results.

[3] A portion of interest on lending by respective companies in the Promise Group exceeds the maximum rate under the Interest Restriction Law (20% for principal of less that ¥100,000, 18% for principal from ¥100,000 to less than ¥1,000,000, and 15% for principal of ¥1,000,000 or more). There is a possibility that Promise could be requested to return the portions that exceed the maximum interest rate.

3 Consolidated Financial Statements

(1) Consolidated Balance Sheets

Classification	FY 2003 (Mar. 31, 2003) Amount (Millions of yen)		% of total	FY 2004 (Mar. 31, 2004) Amount (Millions of yen)		% of total	Change Amount (Millions of yen)
(Assets)							
I Current assets							
1 Cash and deposits		63,848			52,233		-11,614
2 Notes and accounts receivable		60,997			7,439		-53,557
3 Consumer loans receivable		1,614,523			1,529,054		-85,469
4 Short-term loans		49,726			48,994		-731
5 Deferred tax assets		37,702			40,337		2,635
6 Other		25,258			28,895		3,636
Reserve for loan losses		-114,550			-133,392		-18,842
Total current assets		1,737,505	93.6		1,573,562	91.6	-163,943
II Fixed assets							
1 Property and equipment							
(1) Buildings and structures	30,038			31,355			
Accumulated depreciation	13,859	16,178		14,233	17,132		953
(2) Furniture, fixtures and equipment	37,770			30,660			
Accumulated depreciation	27,985	9,784		20,217	10,442		657
(3) Land		13,044			52,061		39,016
Total property and equipment		39,008	2.1		79,636	4.6	40,628
2 Intangible fixed assets							
(1) Excess investment cost over net assets of consolidated subsidiaries acquired		5,775			5,649		-125
(2) Other		10,375			6,114		-4,261
Total intangible fixed assets		16,150	0.9		11,763	0.7	-4,386
3 Investments and advances							
(1) Investments in securities		28,589			34,742		6,153
(2) Deferred tax assets		7,573			3,933		-3,640
(3) Other		26,525			15,081		-11,443
Total investments and advances		62,687	3.4		53,758	3.1	-8,929
Total fixed assets		117,846	6.4		145,158	8.4	27,311
Total assets		1,855,352	100.0		1,718,721	100.0	-136,631

Classification	FY 2003 (Mar. 31, 2003)		FY 2004 (Mar. 31, 2004)		Change
	Amount (Millions of yen)	% of total	Amount (Millions of yen)	% of total	Amount (Millions of yen)
(Liabilities)					
I Current liabilities					
1 Trade	1,733		189		-1,543
2 Short-term borrowings	24,394		15,423		-8,971
3 Current portion of long-term debt	246,754		196,998		-49,756
4 Bonds scheduled for redemption within one year	32,000		50,000		18,000
5 Accrued income taxes	31,809		15,739		-16,069
6 Reserve for bonuses	4,640		3,678		-962
7 Provision for loss on guarantees	--		70		70
8 Other	24,985		41,126		16,141
Total current liabilities	366,318	19.8	323,226	18.8	-43,092
II Long-term liabilities					
1 Corporate bonds	290,000		255,000		-35,000
2 Long-term debt	558,041		484,642		-73,398
3 Accrued severance indemnities	17,688		13,333		-4,355
4 Allowance for retirement benefits for directors and auditors	422		361		-60
5 Allowance for indemnity losses	--		2,700		2,700
6 Other	4,772		2,789		-1,982
Total long-term liabilities	870,924	46.9	758,827	44.2	-112,096
Total liabilities	1,237,242	66.7	1,082,054	63.0	-155,188
(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	2.9	--
II Additional paid-in capital	92,287	5.0	92,287	5.4	--
III Retained earnings	483,972	26.1	512,784	29.8	28,812
IV Net unrealized gain (loss) on securities	-403	-0.0	4,150	0.2	4,554
V Foreign currency translation adjustments	-228	-0.0	-813	-0.1	-585
VI Treasury stock	-6,571	-0.4	-20,795	-1.2	-14,224
Total shareholders' equity	618,109	33.3	636,667	37.0	18,557
Total liabilities, minority interest, and shareholders' equity	1,855,352	100.0	1,718,721	100.0	-136,631

(2) Consolidated Statements of Income

Classification	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003) Amount (Millions of yen)		% of total	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004) Amount (Millions of yen)		% of total	Change Amount (Millions of yen)
I Operating income							
1 Interest on consumer loans		381,125			368,662		
2 Other financial revenues		2,307			40		
3 Sales		9,868			8,199		
4 Other operating income		17,316			14,077		
Total operating income		410,619	100.0		390,980	100.0	-19,638
II Operating expenses							
1 Financial expenses		24,802			21,398		
2 Cost of sales		8,539			7,151		
3 Other operating expenses							
(1) Advertising expenses	22,198			15,608			
(2) Provision for uncollectible loans	114,732			136,525			
(3) Credit losses	10,077			9,887			
(4) Employees' salaries and bonuses	33,364			30,882			
(5) Provision for bonuses	4,598			3,806			
(6) Allowance for employee retirement benefits	5,668			3,160			
(7) Allowance for retirement accounts for directors and auditors	89			85			
(8) Employee welfare expenses	4,074			4,169			
(9) Rent expenses	14,589			12,758			
(10) Depreciation	8,714			6,768			
(11) Fee expenses	17,017			17,713			
(12) Communications expenses	6,055			4,893			
(13) Amortization of difference between cost of investment and equity in net assets of consolidated subsidiaries	709			854			
(14) Other	28,430	270,319		27,447	274,560		
Total operating expenses		303,661	74.0		303,111	77.5	-549
Operating profit		106,957	26.0		87,869	22.5	-19,088
III Non-operating revenues							
1 Interest and dividend income on investments	786			1,559			
2 Insurance money received and insurance dividends	269			242			
3 Equity in earnings of Tokumei Kumiai	973			691			
4 Equity in net gain of affiliated companies	--			94			
5 Other	429	2,458	0.6	428	3,016	0.8	557

Classification	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)			FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)			Change
	Amount (Millions of yen)		% of total	Amount (Millions of yen)		% of total	Amount (Millions of yen)
IV Non-operating expenses							
1 Interest expense	329			192			
2 Expense for relocation of offices	624			346			
3 Equity in net loss of affiliated companies	36			--			
4 Other	395	1,386	0.3	488	1,027	0.3	-359
Recurring profit		108,030	26.3		89,858	23.0	-18,171
V Extraordinary income							
1 Net gain on sale of stock in affiliated companies	--			12,868			
2 Net gain on sales of investments in securities	5			503			
3 Gain on sales of golf club membership	36			--			
4 Other	0	42	0.0	1	13,373	3.4	13,331
VI Extraordinary losses							
1 Net loss on sales or disposal of property and equipment	1,374			1,862			
2 Net loss on sales of investments in securities	10			61			
3 Loss on valuation of investments in securities	511			--			
4 Impairment loss on deposits for golf club membership	42			66			
5 Loss on lease cancellations	300			--			
6 Allowance for indemnity losses	--			2,700			
7 Additional retirement benefits	--			18,745			
8 Other	26	2,266	0.5	657	24,094	6.2	21,827
Income before income taxes		105,805	25.8		79,138	20.2	-26,667
Income taxes (current)	53,211			41,283			
Income taxes (deferred)	-8,122	45,089	11.0	-3,722	37,561	9.6	-7,527
Net income		60,716	14.8		41,576	10.6	-19,140

(3) Consolidated Statement of Retained Earnings

Classification	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003) Amount (Millions of yen)		FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004) Amount (Millions of yen)	
(Additional paid-in capital)				
I Additional paid-in capital at beginning of period		92,287		92,287
II Additional paid-in capital at fiscal year-end		92,287		92,287
(Retained earnings)				
I Retained earnings at beginning of period		436,003		483,972
II Increase in retained earnings				
Net income		60,716		41,576
III Decrease in retained earnings				
1 Cash dividends	12,549		12,291	
2 Bonuses to directors and corporate auditors	197		100	
3 Loss from differentials of treasury stock	--		33	
4 Decline in retained earnings due to inclusion of newly consolidated subsidiaries	--	12,747	338	12,764
IV Retained earnings at fiscal year- end		483,972		512,784

(4) Consolidated Statements of Cash Flows

Classification	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)	Change
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
I Operating activities			
1 Income before income taxes	105,805	79,138	-26,667
2 Depreciation and amortization	8,714	6,768	-1,946
3 Amortization of difference between cost of investment and equity in net assets of consolidated subsidiaries	709	854	145
4 Increase in provision for credit loss on receivables and consumer loans	28,444	26,856	-1,588
5 Increase/decrease in provision for bonuses ("-" represents decrease)	52	-806	-858
6 Increase in provision for loss on guarantees	--	70	70
7 Increase/decrease in provision for accrued severance indemnities ("-" represents decrease)	3,660	-4,163	-7,824
8 Increase/decrease in allowance for retirement benefits for directors and auditors ("-" represents decrease)	-661	46	708
9 Increase in allowance for indemnity losses	--	2,700	2,700
10 Interest and dividend income on investments	-786	-1,559	-772
11 Interest expense	329	192	-136
12 Equity in net loss (gain) of affilitated companies	36	-94	-131
13 Net gain on sale of stock in affiliated companies	--	-12,868	-12,868
14 Net gain on sale of investments in securities	-5	-503	-497
15 Net loss on sales or disposal of property and equipment	1,374	1,862	487
16 Equity in earnings of Tokumei Kumiai	-973	-691	282
17 Additional retirement benefits	--	18,745	18,745
18 Increase/decrease in consumer loans receivable: Principal ("-" represents increase)	-71,829	29,572	101,402
19 Increase/decrease in sales credits ("-" represents increase)	-4,776	4,185	8,962
20 Increase/decrease in procurement obligations ("-" represents decrease)	-3,421	4,550	7,971
21 Other	5,663	-4,950	-10,614
Subtotal	72,336	149,904	77,567
22 Interest and dividend income	785	1,572	787
23 Interest expense	-329	-192	136
24 Income taxes paid	-63,623	-57,316	6,307
Net cash provided by operating activities	9,168	93,967	84,799

Classification	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)	Change
	Amount (Millions of yen)	Amount (Millions of yen)	Amount (Millions of yen)
II Investing activities			
1 Payment for purchase of property and equipment	-1,899	-44,389	-42,490
2 Proceeds from sales of property and equipment	1,259	31	-1,228
3 Payment for purchase of investments in securities	-30	-0	29
4 Proceeds from sales of investments in securities	254	1,569	1,315
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	--	25,247	25,247
7 Payment for purchase of shares of subsidiaries	-250	-357	-107
8 Payment for loans made	-2,900	-30	2,870
9 Proceeds from collection of loans receivable	105	41,816	41,711
10 Other	2,372	5,069	2,696
Net cash provided by (used in) investing activities	-818	28,956	29,774
III Financing activities			
1 Net repayment on commercial paper	-2,121	-420	1,700
2 Proceeds from short-term borrowings	69,084	71,670	2,585
3 Repayments of short-term borrowings	-64,044	-77,769	-13,725
4 Proceeds from long-term debt	193,088	177,314	-15,773
5 Repayments of long-term debt	-215,703	-255,111	-39,407
6 Proceeds from issuance of bonds	39,718	14,896	-24,822
7 Redemption of bonds	-30,000	-32,000	-2,000
8 Proceeds from sale of treasury stock	--	1,159	1,159
9 Increase in treasury stock	-2,862	-15,417	-12,554
10 Cash dividends paid by parent company	-12,549	-12,291	258
11 Other	-1,500	--	1,500
Net cash used in financing activities	-26,890	-127,970	-101,080
IV Effect of exchange rate changes on cash and cash equivalents	-88	-91	-3
V Net decrease in cash and cash equivalents	-18,628	-5,138	13,490
VI Cash and cash equivalents at beginning of period	124,389	105,760	-18,628
VII Effect of the increase in scope of consolidated subsidiaries	--	487	487
VIII Cash and cash equivalents at end of period	105,760	101,110	-4,650

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

1) Scope of Consolidation

[1] Consolidated subsidiaries: 8

Company name

[Domestic]:	Plat Corporation
	Sun Life Co., Ltd.
	PAL Servicer Co., Ltd. (new, Note 1)
	PAL Life Co., Ltd. (Note 2)
	Net Future Co., Ltd.
	System Trinity Co., Ltd.
	Total of six companies
[Overseas]:	PROMISE (HONG KONG) CO., LTD.
	Liang Jing Co., Ltd. (Note 3)
	Total of two companies

Notes:

1) PAL Servicer Co., Ltd. was consolidated from the fiscal year ended March 31, 2004 due to its increased importance within the Group.
2) On February 1, 2004, PAL Life Co., Ltd. changed its corporate name from PAL Corporation Ltd.
3) In fiscal 2004, Yuukei Co., Ltd. merged with Liang Jing Co., Ltd. as the continuing entity. Thus, Yuukei Co., Ltd. was removed from the scope of consolidation.
4) GC Co., Ltd., accounted for as a consolidated subsidiary in fiscal 2003, 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] Major non-consolidated subsidiaries

PROMISE (EUROPE) S.A.

(Reason for exclusion from consolidation)

The remaining non-consolidated subsidiaries 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 fiscal year.

3) Fiscal Year-end for Consolidated Subsidiaries

Consolidated subsidiaries whose fiscal year-end differs from the end of the consolidated fiscal year-end are as follows:

Company Name	Period-end
PROMISE (HONG KONG) CO., LTD.	Dec. 31
Liang Jing Co., Ltd.	Dec. 31

For the above consolidated subsidiaries, financial statements compiled as of their respective 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 at the end of fiscal year. 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 market value.

[2] Method of depreciation of material depreciable assets

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

However, buildings (excluding ancillary 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. Reserve for loan 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 fiscal year 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 fiscal year.

d. Accrued severance indemnities

The amount of accrued severance indemnities is based on the amount of the projected retirement benefit obligations and related pension plan assets as of the consolidated fiscal year-end.

Prior service cost and actuarial differences are charged to income in a lump sum in the fiscal year in which they occur.

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

(Additional Information)

Due to the large number of retiring employees at year-end in line with the introduction of a voluntary retirement program, additional retirement benefits has been recorded as an extraordinary loss.

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 fiscal year 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 transactions
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 Regulations.

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 the consolidated financial statements
a. Accounting for revenues and expenses

Interest on consumer loans

Interest on consumer loans is recognized on an accrual basis.

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 balance sheets and are amortized over five years.

5) Material items related to the valuation of assets and liabilities of consolidated subsidiaries

All assets and liabilities of consolidated subsidiaries are valued using the mark-to-market method.

6) Materials items related to amortization of difference between cost of investment and equity in net assets of consolidated subsidiaries

Difference between cost of investment and equity in net assets of consolidated subsidiaries is amortized equally over a 10-year period.

7) Material items related to the handling of appropriation of income and other matters

The appropriation of income of consolidated subsidiaries in the Consolidated Statement of Retained Earnings is prepared based on the appropriation of income confirmed during the consolidated fiscal year.

8) Funds Included on the Consolidated Statement of Cash Flows

Funds (cash and cash equivalents) included on the 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 Consolidated Balance Sheets)

FY 2003 (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

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.

FY 2004 (Mar. 31, 2004)

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

Details	Amount (Millions of yen)
(Sales on installment)	
Installment notes receivable	4,914
Installment accounts receivable	1,873
Subtotal	6,787
(Sales)	
Accounts receivable	651
Total	7,439

2 Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were ¥1,523,667 million.

3 Assets pledged and corresponding liabilities

a) Assets pledged

Type	Book value at end of fiscal year (Millions of yen)
Deposits	6
Notes and accounts receivable	1,913
Consumer loans receivable	186,019
Buildings and land	8,016
Other	43
Total	196,000

b) Corresponding liabilities

Type	Balance at end of fiscal year (Millions of yen)
Short-term borrowings	315
Current portion of long-term debt	50,549
Current liabilities, other	535
Long-term debt	132,560
Total	183,959

In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable. The contract amount was ¥314,500 million. Corresponding liabilities were current portion of long-term debt of ¥87,960 million and long-term debt of ¥216,026 million.

<table>
<tr><th>FY 2003
(Mar. 31, 2003)</th><th>FY 2004
(Mar. 31, 2004)</th></tr>
<tr><td>4 Status of non-performing loans

<table>
<tr><th>Classification</th><th>Amount
(Millions of yen)</th></tr>
<tr><td>Credits of bankrupt borrowers</td><td>4,436</td></tr>
<tr><td>Delinquent loans</td><td>699</td></tr>
<tr><td>Delinquent loans past due by three months or more</td><td>13,849</td></tr>
<tr><td>Restructured loans</td><td>46,416</td></tr>
<tr><td>Total</td><td>65,402</td></tr>
</table>
</td><td>4 Status of non-performing loans

<table>
<tr><th>Classification</th><th>Amount
(Millions of yen)</th></tr>
<tr><td>Credits of bankrupt borrowers</td><td>1,693</td></tr>
<tr><td>Delinquent loans</td><td>601</td></tr>
<tr><td>Delinquent loans past due by three months or more</td><td>13,857</td></tr>
<tr><td>Restructured loans</td><td>57,853</td></tr>
<tr><td>Total</td><td>74,007</td></tr>
</table>
</td></tr>
<tr><td>(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.</td><td>(1) (No change)</td></tr>
<tr><td>(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.</td><td>(2) (No change)</td></tr>
<tr><td>(3) Delinquent loans past due by 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.</td><td>(3) (No change)</td></tr>
<tr><td>(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 by 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.</td><td>(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 by three months or more, as described above.
Of ¥57,853 million in restructured loans, restructured loans which are 30 days or less past due were ¥51,703 million.</td></tr>
<tr><td>5 Shares in non-consolidated subsidiaries and affiliated companies were as follows.
Investments in securities
(equity securities) ¥8,018 million</td><td>5 Shares in non-consolidated subsidiaries and affiliated companies were as follows.
Investments in securities
(equity securities) ¥7,780 million</td></tr>
<tr><td>6 Reserve for loan losses included in “Other” within Investments and advances was ¥848 million.</td><td>6 Reserve for loan losses included in “Other” within Investments and advances was ¥484 million.</td></tr>
<tr><td>7 Commercial paper included in “Other” within Current liabilities was ¥2,595 million.</td><td>7 Commercial paper included in “Other” within Current liabilities was ¥1,968 million.</td></tr>
<tr><td>8 Contingent liabilities
Contingent liabilities related to business in Taiwan for purchasing loans with conditions precedent
¥232 million</td><td>8 Contingent liabilities
(1) Guarantee obligations in the credit guarantee
¥2,778 million
(2) Contingent liabilities related to business in Taiwan for purchasing loans with conditions precedent
¥224 million
(3) Warranty obligations
¥29,858 million</td></tr>
</table>

FY 2003 (Mar. 31, 2003)	FY 2004 (Mar. 31, 2004)
	This obligation was entailed in the transfer of the entire amount of stock held by Promise in the 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 warranty obligations, which are only one portion of Company debt obligations.
9 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 Revolving credit facility** Within lending commitment line contracts for consumer loans, ¥1,528,307 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 ¥378,477 million (including ¥252 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.
10 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 fiscal year received is as follows:	**10 Loan collateral** A repurchase agreement of ¥48,964 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 fiscal year received is as follows:

FY 2003:

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

FY 2004:

Type	Market value (Millions of Yen)
Commercial paper	32,994
Securities	12,996
Beneficial interest in trust	2,970
Total	48,961

<table>
<tr><th>FY 2003
(Mar. 31, 2003)</th><th>FY 2004
(Mar. 31, 2004)</th></tr>
<tr><td>11 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

12 Total number of shares issued consists of 125,966 thousand common shares.

13 Number of shares of treasury stock held
Number of shares of treasury stock held by Promise 1,054 thousand shares
Number of shares of treasury stock held by consolidated subsidiaries 115 thousand shares</td><td>11 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 18,293
Contracts exercised 12,416
Difference 5,876
(Contracts for the commitment line of loans)
(Millions of yen)
Total contracts 253,250
Contracts exercised 9,798
Difference 243,452

12 (No change)

13 Number of shares of treasury stock held
Number of shares of treasury stock held by Promise 4,948 thousand shares</td></tr>
</table>

(Footnotes to Consolidated Statements of Income)

FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)
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	**1 Other financial revenues** (Millions of yen) (1) Interest on deposits 3 (2) Interest on securities 0 (3) Interest on loans 27 (4) Other 9 Total 40
2 Financial expenses (Millions of yen) (1) Interest expense 17,847 (2) Bond interest 5,944 (3) Other 1,009 Total 24,802	**2 Financial expenses** (Millions of yen) (1) Interest expense 14,438 (2) Bond interest 5,657 (3) Other 1,302 Total 21,398
3 Interest and dividend income on investments included ¥486 million in dividends on preferrence shares.	**3** Interest and dividend income on investments included ¥1,348 million in dividends on preferrence shares.
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.	**4** Net loss on sales or disposal of property and equipment comprised a ¥1,847 million disposal loss related to buildings/fixtures and equipment and a ¥14 million loss on sales related to fixtures and equipment.
5 Valuation losses on deposit for golf club memberships comprised impairment losses on golf club memberships.	**5** Valuation losses on deposit for golf club memberships comprised impairment losses on golf club memberships.
6 ------	**6** Additional retirement benefits is a special added portion resulting from the implementation of a voluntary retirement program.
7 The basis for classification of financial revenues and financial expenses in the financing business on the Consolidated Statement of Income are as follows:	**7** 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 interest on loans and dividends at affiliated companies classified under other operations as well as interest and dividends on investment securities. (2) Financial expenses are expressed as operating expenses. Financial expenses excludes all interest paid that cannot be clearly matched to operating income.	(1) Financial revenues are expressed as operating income. (No change) (2) Financial expenses are expressed as operating expenses. (No change)

(Footnotes to Consolidated Statements of Cash Flows)

FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)
1 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:	**1** 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:

FY 2003 (Millions of yen)

Cash and deposits	63,848
Short-term loans	49,726
Total	113,574
Time deposits with maturity exceeding three months	-4,163
Short-term loans excluding repurchase agreements	-3,650
Cash and cash equivalents	105,760

FY 2004 (Millions of yen)

Cash and deposits	52,233
Short-term loans	48,994
Total	101,228
Time deposits with maturity exceeding three months	-87
Short-term loans excluding repurchase agreements	-30
Cash and cash equivalents	101,110

FY 2003:

2 Breakdown of principal assets and liabilities of a company that became newly consolidated subsidiary through the acquisition of stock.

The following shows a breakdown of assets and liabilities at the time of commencement of consolidation of MITSUWAKAI Co., Ltd. along with the consolidation of that company. It also shows the relation between the acquisition cost of that company's securities and income (net amount) from acquisition of MITSUWAKAI Co., Ltd.

(Millions of yen)

Current assets	2,397
(Consumer loans receivable within current assets)	1,028
Fixed assets	358
Current liabilities	-2,533
(Short-term borrowings within current liabilities)	-2,316
Long-term liabilities	-39
Excess investment cost over net assets of consolidated subsidiaries acquired	-72
Acquisition cost of securities	110
Cash and cash equivalents	-380
Difference: Income from the acquisition of MITSUWAKAI Co., Ltd.	269

FY 2004:

2 ------

FY 2003:

3 ------

FY 2004:

3 Breakdown of principal assets and liabilities of companies that are no longer consolidated subsidiaries due to the sale their stock.

The following shows a breakdown of assets and liabilities of. GC Co., Ltd. and MITSUWAKAI Co., Ltd. at the time of their removal from consolidation along with the sale of shares of those companies.

	GC Co., Ltd.	MITSUWAKAI Co., Ltd.
Current assets	¥112,874 million	¥2,244 million
Fixed assets	¥5,799 million	¥391 million
Total assets	¥118,673 million	¥2,636 million

	GC Co., Ltd.	MITSUWAKAI Co., Ltd.
Current liabilities	¥51,305 million	¥2,418 million
Fixed liabilities	¥48,113 million	¥29 million
Total liabilities	¥99,418 million	¥2,448 million

(Footnotes to Lease Transactions)

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 fiscal year

	Equivalent of acquisition cost (Millions of yen)	Equivalent of accumulated depreciation (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 at end of fiscal year

(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
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.

2 Operating leases

(Millions of yen)

Unexpired leases

One year or less	36
More than one year	1
Total	38

FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)

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 fiscal year

	Equivalent of acquisition cost (Millions of yen)	Equivalent of accumulated depreciation (Millions of yen)	Equivalent of net book value (Millions of yen)
Equipment and fixtures	4,310	2,426	1,884
Intangible fixed assets and other	118	80	38
Total	4,429	2,506	1,922

(2) Equivalent of aggregate future lease payments at end of fiscal year

(Millions of yen)

Within one year	1,050
Over one year	937
Total	1,988

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

(Millions of yen)

Lease fees	1,199
Equivalent of depreciation	1,118
Equivalent of interest expense	77

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

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

2 Operating leases

(Millions of yen)

Unexpired leases

One year or less	106
More than one year	113
Total	219

(Footnotes to Securities)

I. End of previous fiscal year (Apr. 1, 2002 -- Mar.31, 2003)
Securities
1. “Other securities” stated at market value (Millions of yen)

	Acquisition cost	Book value per consolidated balance sheet at end of fiscal year	Difference
(Securities whose book values on the accompanying consolidated balance sheet exceed their acquisition costs)			
(1) Equity securities	1,412	1,577	165
Subtotal	1,412	1,577	165
(Securities whose book values on the accompanying consolidated balance sheet do not exceed their acquisition costs)			
(1) Equity securities	4,454	3,482	-971
(2) Others	115	115	--
Subtotal	4,569	3,597	-971
Total	5,981	5,175	-806

Note:
An impairment of ¥511 million was recorded for equity securities within marketable “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 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 sold during the fiscal year (Millions of yen)

Proceeds from sales	Gain on sales	Loss on sales
254	5	10

3. “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

4. Scheduled redemption amount for other securities reaching maturity (Millions of yen)

	Within one year	Over one year and within five years	Over five years and within ten years	Over ten years
Stock fund	--	330	--	--
Discount bank debentures	27	--	--	--

II. End of fiscal year (Apr. 1, 2003 -- Mar. 31, 2004)

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

	Acquisition cost	Book value per consolidated balance sheet at end of fiscal year	Difference
(Securities whose book values on the accompanying consolidated balance sheet exceed their acquisition costs)			
(1) Equity securities	6,207	13,036	6,829
(2) Others	115	172	57
Subtotal	6,322	13,208	6,886
(Securities whose book values on the accompanying consolidated balance sheet do not exceed their acquisition costs)			
(1) Equity securities	1	1	-0
Subtotal	1	1	-0
Total	6,324	13,210	6,886

Note:
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 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 sold during the fiscal year (Millions of yen)

Proceeds from sales	Gain on sales	Loss on sales
1,596	503	61

3. "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)	451
Preference shares	13,300

4. Scheduled redemption amount for other securities reaching maturity (Millions of yen)

	Within one year	Over one year and within five years	Over five years and within ten years	Over ten years
Stock fund	105	--	--	--

(Footnotes to Derivatives Transactions)
1 Matters Related to the State of Transactions

FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)
1 Details of Transactions Promise engages in interest rate cap and interest rate swap transactions.	**1 Details of Transactions** (No change)
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.	**2 Policy Regarding Transactions** (No change)
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.	**3 Purpose of Transactions** (No change)
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.	**4 Transaction Risks** (No change)
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 Financial 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	**5 Risk Management regarding Transactions** (No change)

FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)
details of the derivatives contracts that have been inspected by the Treasury Department. **6** Supplementary Explanation of Matters Related to Market Value of Transactions Notional amounts for derivatives transactions listed in “Matters related to market value of transactions” are the notional amounts at the 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.	**6** Supplementary Explanation of Matters Related to Market Value of Transactions (No change)

Matters Related to Market Value, etc., of Derivative Transactions

(Millions of yen)

Classification	Transaction	FY 2003 (Mar. 31, 2003)				FY 2004 (Mar. 31, 2004)			
		Contract amount	More than one year	Fair value	Valuation gain or loss	Contract amount	More than one year	Fair value	Valuation gain or loss
Non-market transactions	Interest rate cap (purchased)	4,000 (10)	-- (--)	0	-10	-- (--)	-- (--)	--	--
	Interest rate swap (Fixed payment/variable received)	20,960	20,800	-450	-450	41,562	37,132	-667	-667
Total		24,960	20,800	-450	-461	41,562	37,132	-667	-667

(Notes)

FY 2003 (Mar. 31, 2003)	FY 2004 (Mar. 31, 2004)
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 fair value can be used.	1 (No change)
2 The amount shown in parentheses for the contract amounts of interest rate caps is the prepaid cap fee on the consolidated balance sheets, and the corresponding fair value and gains and losses are shown.	2 (No change)
3 Derivative transactions using deferral hedge accounting are excluded.	3 (No change)

(Retirement Benefits)

<table>
<tr><th>FY 2003
(Apr. 1, 2002 -- Mar. 31, 2003)</th><th>FY 2004
(Apr. 1, 2003 -- Mar. 31, 2004)</th></tr>
<tr><td>1 Overview of retirement benefit plans
The Company and domestic consolidated subsidiaries have three types of defined-benefits retirement plans: employees' pension fund, tax-qualified retirement annuity plan and lump-sum severance payment plan. Details are as follows:
The Company employs a tax-qualified retirement annuity plan as part of its retirement benefit plan, while also possessing an adjusted pension fund (employees' pension fund) system based on the Welfare Pension Insurance Law.
Certain domestic consolidated subsidiaries employ a tax-qualified retirement annuity plan for all or part of respective retirement benefit plans.
Overseas consolidated subsidiaries have contributory pension plans, with company obligations contributing to retirement funds.</td><td>1 Overview of retirement benefit plans
(No change)</td></tr>
<tr><td>2 Retirement benefit obligations (Millions of yen)
(1) Retirement benefit obligation -34,507
(2) Plan assets 16,818
(3) Funded status -17,688
(4) Net liability recognized in balance sheet -17,688
(5) Accrued severance indemnities for employees -17,688
Notes:
1 Substitutional portion of the employees' pension fund are included in the above figures.
2 Certain subsidiaries' benefit obligations were calculated using a simplified method.</td><td>2 Retirement benefit obligations (Millions of yen)
(1) Retirement benefit obligations -33,064
(2) Plan assets 20,510
(3) Funded status -12,553
(4) Net liability recognized in balance sheet -12,553
(5) Prepaid pension expenses 779
(6) Accrued severance indemnities for employees ((4)-(5)) -13,333
Notes:
1 Retirement benefits from the voluntary retirement program introduced during the period will be paid in the subsequent fiscal period. As a result, benefit obligation of ¥6,521 million has not been included in accrued severance indemnities for employees, is recorded together with additional retirement benefits of ¥18,745 million listed in current liabilities under "Other."
2 Substitutional portion of the employees' pension fund is included in the above figures.
3 Certain subsidiaries' benefit obligations were calculated using a simplified method.</td></tr>
</table>

FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)
3 Net periodic benefit costs (Millions of yen) (1) Service cost (Notes 1, 2 and 3) 2,474 (2) Interest cost 901 (3) Expected return on plan assets -3 (4) Past service cost (Note 4) -2,173 (5) Net actuarial loss 4,478 (6) Net periodic benefit cost 5,677 Notes: 1 Contributions made by employees to the employees' pension fund are excluded. 2 Net periodic benefit costs of consolidated subsidiaries using the simplified method are added up in "(1) Service cost." 3 Retirement benefits amounting to ¥9 million recorded in cost of sales has been included in (1)Service cost. 4 The Company revised its regulations regarding the age personnel are eligible to receive payments related to the substitutional portion of the employees' pension fund in this consolidated fiscal year in line with revisions to the Welfare Pension Insurance Law in March 2000. The amount of past service costs due to this change was -¥2,279 million. Three consolidated subsidiaries were integrated during the period. The amount of past service cost due to the alignment of retirement benefit regulations with the surviving company was ¥106 million.	3 Net periodic benefit costs (Millions of yen) (1) Service cost (Notes 1, 2 and 3) 2,600 (2) Interest cost 851 (3) Expected return on plan assets -3 (4) Past service cost (Note 4) 593 (5) Net actuarial loss -871 (6) Net periodic benefit cost 3,170 Notes: 1 Contributions made by employees to the employees' pension fund are excluded. 2 Net periodic benefit costs of consolidated subsidiaries using the simplified method are added up in "(1) Service cost." 3 Retirement benefits amounting to ¥9 million recorded in cost of sales has been included in (1)Service cost. 4 The Company revised its regulations regarding the introduction of a reward system (effective April 2003) in this consolidated fiscal year in line with revisions to the Welfare Pension Insurance Law in March 2000. The amount of past service costs due to this change was ¥593 million. 5 In addition to the above net periodic benefit costs, ¥18,745 million in expenses related to voluntary retirement was recorded as an extraordinary losses.
4 Assumptions in calculating retirement benefit obligations (1) Allocation of projected retirement benefit obligations: Based on length of service (2) Discount rate: 2.5% (3) Expected rate of return on investments (Tax-qualified pension plan): 0.0%~1.0% (Employees' pension fund): 0.0% (4) Years for amortizing past service cost: In year incurred (5) Years for amortizing net actuarial losses: In year incurred	4 Assumptions in calculating retirement benefit obligations (1) Allocation of projected retirement benefit obligations: Based on length of service (2) Discount rate: 2.1%~2.5% (3) Expected rate of return on investments (Tax-qualified pension plan): 0.0%~1.0% (Employees' pension fund): 0.0% (4) Years for amortizing past service cost: In year incurred (5) Years for amortizing net actuarial losses: In year incurred

(Tax Effect Accounting)

FY 2003 (Mar. 31, 2003)	FY 2004 (Mar. 31, 2004)
1 The tax effects of temporary differences which give rise to a significant portion of the deferred tax assets and deferred tax liabilities (Millions of yen) Deferred tax assets Nondeductible write-off of bad debts 12,199 Amount exceeding the tax limit for the amount of transfer of the provision for loan losses 16,983 Amount exceeding the tax limit for the provision of retirement benefits 6,497 Nondeductible accrued interest 3,306 Nondeductible accrued income tax 2,846 Other 3,837 Total deferred tax assets 45,670 Deferred tax liabilities Change in valuation of other marketable securities 394 Total deferred tax liabilities 394 Balance of deferred tax assets 45,275	1 The tax effects of temporary differences which give rise to a significant portion of the deferred tax assets and deferred tax liabilities (Millions of yen) Deferred tax assets Nondeductible write-off of bad debts 16,183 Amount exceeding the tax limit for the amount of transfer of the provision for loan losses 17,812 Nondeductible accrued interest 3,480 Amount exceeding the tax limit for the transfer of the provision of retirement benefits 1,486 Amount exceeding the tax limit for the transfer of the reserve for bonuses 4,693 Amount of transfer of allowance for indemnity losses 1,098 Nondeductible accrued income tax 1,536 Other 826 Total deferred tax assets 47,118 Deferred tax liabilities Change in valuation of other marketable securities 2,847 Total deferred tax liabilities 2,847 Balance of deferred tax assets 44,270
(Note) Balance of deferred tax assets for this consolidated fiscal year is included in the items below in the Consolidated Balance Sheets. (Millions of yen) Current assets - Deferred tax assets 37,702 Fixed assets - Deferred tax assets 7,573	(Note) Balance of deferred tax assets for this consolidated fiscal year is included in the items below in the Consolidated Balance Sheets. (Millions of yen) Current assets - Deferred tax assets 40,337 Fixed assets - Deferred tax assets 3,933
2 The following is a breakdown of the principal categories that are factors underlying significant differentials between the burden of the statutory tax rate and corporate taxes after the application of tax affect accounting. Omitted as difference between the statutory tax rate and the effective tax rate was less than 5% of the statutory tax rate.	2 The following is a breakdown of the principal categories that are factors underlying significant differentials between the burden of the statutory tax rate and corporate taxes after the application of tax affect accounting. Statutory tax rate 42.0% (Adjustment) Effect of removal from consolidation 5.6% Loss on valuation of shares in affiliates -1.2% Other 1.1% Effective tax rate 47.5%
3 On March 31, 2003, the law governing municipal tax was revised (Law No. 9 of 2003). The statutory tax rate for using calculation of deferred tax assets and deferred tax liabilities, (of which temporary difference will be realized after April 1, 2004), was changed from 42.0% to 40.6%. As a result of this change, the amount of deferred tax assets (deferred tax assets offset by deferred tax liabilities) decreased by ¥255 million and deferred income tax in fiscal 2003 increased by ¥255 million.	3 ------

(Segment Information)

1 Operations by business segment
Fiscal 2003 (Apr. 1, 2002 – Mar. 31, 2003) and fiscal 2004 (Apr. 1, 2003 – Mar. 31, 2004)
Because the Company's consumer financing business accounts for over 90% of total operating income, operating profit, and asset value for all segments, business segment information is omitted.

2 Operations by geographic segment
Fiscal 2003 (Apr. 1, 2002 – Mar. 31, 2003) and fiscal 2004 (Apr. 1, 2003 – Mar. 31, 2004)
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
Fiscal 2003 (Apr. 1, 2002 – Mar. 31, 2003) and fiscal 2004 (Apr. 1, 2003 – Mar. 31, 2004)
Because overseas operating income accounts for less than 10% of total operating income, overseas operating income information is omitted.

(Transactions between Related Parties)
Fiscal 2003 (Apr. 1, 2002 – Mar. 31, 2003) and fiscal 2004 (Apr. 1, 2003 – Mar. 31, 2004)
No special items to report.

(Per Share Data)

FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)
Net assets per share ¥4,952.12 Net income per share ¥483.61 "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	Net assets per share ¥5,260.21 Net income per share ¥342.18 ------

Notes:

1 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.

2 Calculations of net income per share are based on the following data.

	FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)	FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004)
Net income (Millions of yen)	60,716	41,576
Principal category of funds not available to shareholders of common stock (Millions of yen)	100	84
(Bonuses to directors and corporate auditors from the disposition of profits) (Millions of yen)	(100)	(84)
Net income for common stock (Millions of yen)	60,616	41,492
Average number of shares outstanding at the end of fiscal year (Thousands of shares)	125,338	121,256
A summary of latent shares is not included in calculations of diluted 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 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.	(1) (No change) (2) Warrant for stock option: 611,750 shares There were 470,000 shares with new share acquisition rights as of Mar. 31, 2004, reflecting a 141,750 decrease in the number of shares with acquisition rights owing to the loss of rights.

4 Business Results

(1) Operating Income

Classification		FY 2003 (Apr. 1, 2002 -- Mar. 31, 2003)		FY 2004 (Apr. 1, 2003 -- Mar. 31, 2004	
		Millions of yen	% of total	Millions of yen	% of total
Operating income from financing business	Interest on consumer loans	381,125	92.8	368,662	94.3
	Collection of written-off loans	6,537	1.6	5,384	1.4
	Fees and commissions	5,720	1.4	2,603	0.7
	Collection of purchased receivable	--	--	1,271	0.3
	Other financial revenues	2,307	0.6	40	0.0
	Subtotal	395,691	96.4	377,962	96.7
Operating income from other businesses	Sales	9,868	2.4	8,199	2.1
	Other	5,058	1.2	4,819	1.2
	Subtotal	14,927	3.6	13,018	3.3
Total		410,619	100.0	390,980	100.0

Notes:
1. Within Operating income from financing business, Other financial revenues include interest on deposits and loans.
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 Collection of purchased receivable, 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		FY 2003 (Mar. 31, 2003)		FY 2004 (Mar. 31, 2004)	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated
Consumer loans outstanding (Millions of yen)		1,614,523	1,375,693	1,529,054	1,352,847
	Unsecured loans	1,608,145	1,369,570	1,523,667	1,347,657
	Secured loans	6,378	6,122	5,387	5,189
Number of customers		3,226,462	2,538,902	2,940,142	2,441,488
	Unsecured loans	3,224,121	2,536,706	2,938,126	2,439,585
	Secured loans	2,341	2,196	2,016	1,903
Number of branches		1,711	1,541	1,644	1,478
	Staffed branches	570	455	544	430
	Unstaffed branches	1,141	1,086	1,100	1,048
Number of automated credit providers		1,556	1,493	1,503	1,440
Number of ATMs/CDs		2,105	1,839	1,782	1,725
Number of loan processing machines		--	--	123	123
Number of employees		5,773	4,075	4,599	3,323
Loan losses (Millions of yen)		96,608	70,462	119,571	93,955
Reserve for loan losses (Millions of yen)		115,398	87,000	133,876	108,300
Net income per share (Yen)		483.61	488.87	342.18	406.05
Shareholders' equity per share (Yen)		4,952.12	4,780.81	5,260.21	5,155.72

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 (57 at the end of fiscal 2003).
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 Reserve for loan losses listed under Others within Investments and advances.