Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2005

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In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.

Company Name: Promise Co., Ltd.
Stock Code: 8574
(URL: http://cyber.promise.co.jp/)

Stock Listing: Tokyo Stock Exchange
Head Office: Tokyo

President and Representative Director: Hiroki Jinnai
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Date of Board of Directors' Meeting on Fiscal Year-End Account Closing: April 25, 2005
Interim Dividend System: Applicable
Date of Payment of Dividends (Planned): June 22, 2005
General Meeting of Shareholders: June 21, 2005
Unit Stock System: Applicable (1 unit = 50 shares)

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 2005 (Apr. 1, 2004 — Mar. 31, 2005)

(1) Non-Consolidated Operating Results

(Note: In this report, amounts of less than one million yen are omitted and per share figures are rounded down to two decimal places)

	Operating income		Operating profit		Recurring profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Mar. 31, 2005	313,041	(2.8)	116,129	40.4	118,171	40.0
Year ended Mar. 31, 2004	322,167	(1.3)	82,735	(21.5)	84,434	(21.1)

	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, 2005	68,174	38.2	521.02	520.86	9.7	7.1	37.7
Year ended Mar. 31, 2004	49,318	(19.7)	406.05	—	8.1	5.0	26.2

Notes: 1. Average number of shares
Year ended Mar. 31, 2005: 130,622,213
Year ended Mar. 31, 2004: 121,278,983
2. Change in accounting method: Applicable (early application of asset impairment accounting)
3. Percentages for operating income, operating profit, recurring profit and net income represent percentage changes from the previous fiscal year.

(2) Dividends

	Cash dividends per share for the fiscal year			Total cash dividends (Annual)	Payout ratio	Dividends to shareholders' equity ratio
		Sept. 30, 2005	Mar. 31, 2006			
	Yen	Yen	Yen	Millions of yen	%	%
Year ended Mar. 31, 2005	105.00	50.00	55.00	14,118	20.2	1.8
Year ended Mar. 31, 2004	100.00	50.00	50.00	12,095	24.6	1.9

Note: Breakdown of cash dividends for the year ended Mar. 31, 2005
Cash dividends per share: ¥50
Commemorative cash dividends per share: ¥5

(3) Non-Consolidated Financial Position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Year ended Mar. 31, 2005	1,653,098	774,486	46.9	5,756.77
Year ended Mar. 31, 2004	1,668,134	624,010	37.4	5,155.72

Notes: 1. Number of shares outstanding
Mar. 31, 2005: 134,514,360
Mar. 31, 2004: 121,018,416
2. Number of shares of treasury stock
Mar. 31, 2005: 352,305
Mar. 31, 2004: 4,948,249

2. Forecast for the Fiscal Year Ending March 31, 2006 (Apr. 1, 2005 — Mar. 31, 2006)

	Operating income	Recurring profit	Net income	Cash dividends per share for the fiscal year		
				Sept. 30, 2005	Mar. 31, 2006	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen	Yen
Six months ending Sept. 30, 2005	155,096	50,200	29,500	52.50	—	—
Year ending Mar. 31, 2006	312,790	100,000	62,500	—	52.50	105.00

Reference: Projected net income per share for the fiscal year ending Mar. 31, 2006: ¥463.76

Notes: 1. Projected net income per share for the fiscal year ending Mar. 31, 2006 is calculated based on projected average number of shares of 134,514,360.
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.

Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

Classification	FY 2004 (Mar. 31, 2004)			FY 2005 (Mar. 31, 2005)			Change
	Amount		%	Amount		%	Amount
(Assets)							
I Current assets							
1 Cash and deposits		44,618			58,204		13,586
2 Consumer loans receivable: Principal		1,352,847			1,326,794		(26,052)
3 Short-term loans		50,728			53,183		2,454
4 Prepaid expenses		2,621			1,618		(1,003)
5 Accrued income		13,025			12,445		(579)
6 Loans to affiliates		108,840			96,300		(12,540)
7 Deferred tax assets		34,789			25,189		(9,599)
8 Other		3,212			4,412		1,200
Allowance for credit losses		(108,300)			(97,400)		10,900
Total current assets		1,502,382	90.1		1,480,747	89.6	(21,634)
II Fixed assets							
1 Property and equipment							
(1) Buildings	21,419			21,824			
Accumulated depreciation	9,929	11,490		10,744	11,079		(410)
(2) Structures	4,241			4,180			
Accumulated depreciation	2,241	2,000		2,409	1,770		(229)
(3) Furniture and fixtures	28,800			27,709			
Accumulated depreciation	19,078	9,721		16,245	11,464		1,742
(4) Land		45,354			44,219		(1,134)
(5) Construction work in progress		—			179		179
Total property and equipment		68,566	4.1		68,714	4.2	147
2 Intangible fixed assets							
(1) Software		4,801			6,051		1,249
(2) Telephone rights		961			870		(91)
(3) Other		73			41		(32)
Total intangible fixed assets		5,837	0.3		6,963	0.4	1,126
3 Investments and advances							
(1) Investments in securities		24,763			11,649		(13,113)
(2) Stock of affiliates		49,417			69,200		19,783
(3) Investments in equity other than capital stock		737			0		(737)
(4) Long-term loans to affiliates		1,810			—		(1,810)
(5) Long-term prepaid expenses		1,009			961		(48)
(6) Guaranty money deposited		9,237			9,331		94
(7) Deferred tax assets		2,853			3,821		967
(8) Other		1,519			1,707		187
Total investments and advances		91,347	5.5		96,672	5.8	5,324
Total fixed assets		165,751	9.9		172,350	10.4	6,598
Total assets		1,668,134	100.0		1,653,098	100.0	(15,036)

(Millions of yen)

Classification	FY 2004 (Mar. 31, 2004)		FY 2005 (Mar. 31, 2005)		Change
	Amount	%	Amount	%	Amount
(Liabilities)					
I Current liabilities					
1 Current portion of long-term debt	189,555		185,710		(3,844)
2 Bonds scheduled for redemption within one year	50,000		50,000		—
3 Accounts payable	32,311		9,342		(22,968)
4 Accrued expenses	3,671		3,122		(549)
5 Accrued income taxes	12,869		22,585		9,716
6 Deposits	3,281		3,170		(110)
7 Income in advance	66		18		(48)
8 Reserve for bonuses	3,110		2,989		(121)
9 Accruals for debt guarantees	70		193		123
10 Other	263		173		(89)
Total current liabilities	295,199	17.7	277,306	16.8	(17,892)
II Long-term liabilities					
1 Corporate bonds	255,000		215,000		(40,000)
2 Long-term debt	477,077		371,329		(105,747)
3 Long-term accounts payable	559		112		(447)
4 Accrued severance indemnities for employees	12,688		13,681		992
5 Allowance for retirement benefits for directors and auditors	288		280		(8)
6 Accruals for loss guarantees	2,700		860		(1,839)
7 Other	609		40		(569)
Total long-term liabilities	748,923	44.9	601,304	36.3	(147,618)
Total liabilities	1,044,123	62.6	878,611	53.1	(165,511)
(Shareholders' equity)					
I Common stock	49,053	2.9	80,737	4.9	31,684
II Additional paid-in capital					
1 Additional paid-in capital	80,955		112,639		31,684
2 Other additional paid-in capital					
Net gain on sales of treasury stock	254		14,741		14,486
Total additional paid-in capital	81,210	4.9	127,381	7.7	46,170
III Retained earnings					
1 Legal reserves	12,263		12,263		—
2 Voluntary reserves					
Contingency reserve	448,700		485,700		37,000
3 Unappropriated retained earnings	49,427		67,758		18,330
Total retained earnings	510,391	30.6	565,722	34.2	55,330
IV Net unrealized gain on securities	4,151	0.2	3,431	0.2	(719)
V Treasury stock	(20,795)	(1.2)	(2,786)	(0.1)	18,009
Total shareholders' equity	624,010	37.4	774,486	46.9	150,475
Total liabilities and shareholders' equity	1,668,134	100.0	1,653,098	100.0	(15,036)

(2) Non-Consolidated Statements of Income

(Millions of yen)

Classification	FY 2004 (Apr.1, 2003 — Mar. 31, 2004)			FY 2005 (Apr.1, 2004 — Mar. 31, 2005)			Change
	Amount		%	Amount		%	Amount
I Operating income							
1 Interest on consumer loans		314,681			305,470		(9,210)
2 Other financial revenues							
(1) Interest on deposits	3			7			
(2) Interest on loans	2,002	2,005		1,870	1,877		(127)
3 Other operating income		5,481			5,693		212
Total operating income		322,167	100.0		313,041	100.0	(9,126)
II Operating expenses							
1 Financial expenses							
(1) Interest expense	18,886			16,307			
(2) Other	1,250	20,136		1,123	17,431		(2,705)
2 Other operating expenses							
(1) Advertising expenses	13,441			14,227			
(2) Provision for uncollectible loans	108,017			77,689			
(3) Credit losses	7,237			—			
(4) Provision for debt guarantees	70			244			
(5) Employees' salaries and bonuses	22,983			19,099			
(6) Provision for bonuses	3,110			2,989			
(7) Net periodic benefit cost	2,875			2,791			
(8) Allowance for retirement accounts for directors and auditors	46			43			
(9) Employee welfare expenses	3,238			2,590			
(10) Rent expenses	10,649			8,485			
(11) Depreciation	5,890			6,348			
(12) Fee expenses	15,826			17,053			
(13) Communications expenses	3,784			3,678			
(14) Other	22,123	219,295		24,239	179,480		(39,815)
Total operating expenses		239,432	74.3		196,912	62.9	(42,520)
Operating profit		82,735	25.7		116,129	37.1	33,394
III Non-operating revenues							
1 Interest on loans	245			203			
2 Dividend income	1,089			1,114			
3 Insurance money received and insurance dividends	237			319			
4 Equity in earnings of Tokumei Kumiai	405			447			
5 Miscellaneous income	314	2,292	0.7	676	2,759	0.8	467
IV Non-operating expenses							
1 New share issuing expense	—			230			
2 Bond issue expenses	7			8			
3 Expense for relocation of offices	321			227			
4 Expense for dissolution of offices	71			81			
5 Miscellaneous losses	191	593	0.2	169	718	0.2	124
Recurring profit		84,434	26.2		118,171	37.7	33,736

(Continued) (Millions of yen)

Classification	FY 2004 (Apr.1, 2003 — Mar. 31, 2004)			FY 2005 (Apr.1, 2004 — Mar. 31, 2005)			Change
	Amount		%	Amount		%	Amount
V Extraordinary income							
1 Gain on sales of property and equipment	—			4			
2 Net gain on sales of investments in securities	501			702			
3 Gain on sales of investment in subsidiaries	23,737			—			
4 Other	—	24,238	7.5	0	707	0.2	(23,531)
VI Extraordinary losses							
1 Net loss on disposal of property and equipment	1,763			1,184			
2 Net loss on sales of property and equipment	13			150			
3 Asset impairment loss	—			1,015			
4 Net loss on sales of investments in securities	51			—			
5 Impairment loss on deposits for golf club membership	47			37			
6 Loss on valuation of investments in subsidiaries	189			1,560			
7 Provision for loss guarantees	2,700			—			
8 Special retirement payments	18,745			—			
9 Other	38	23,549	7.3	36	3,984	1.2	(19,565)
Income before income taxes		85,123	26.4		114,895	36.7	29,771
Income taxes Current	37,800			37,595			
Deferred	(1,994)	35,805	11.1	9,125	46,720	14.9	10,915
Net income		49,318	15.3		68,174	21.8	18,855
Balance carried forward		6,154			6,304		149
Cash dividends		6,045			6,720		674
Unappropriated retained earnings		49,427			67,758		18,330

(3) Appropriation of Profit

(Millions of yen)

Classification	FY 2004 (Jun. 23, 2004)*		FY 2005 (Jun. 21, 2005)*		Change	
	Amount		Amount		Amount	
(Appropriation of unappropriated retained earnings)						
I Unappropriated retained earnings		49,427		67,758		18,330
II To be appropriated as follows						
1 Dividends	6,049		7,398		1,348	
2 Directors' bonuses	73		117		44	
[Of which auditors' bonuses]	[13]		[26]		[12]	
3 Voluntary reserve						
Contingency reserve	37,000	43,123	53,000	60,515	16,000	17,392
III Amount carried forward to next period		6,304		7,243		938
(Appropriation of other capital surplus)						
I Other capital surplus						
1 Net gain on sales of treasury stock		254		14,741		14,486
II Amount carried forward to next period						
1 Net gain on sales of treasury stock		254		14,741		14,486

Notes: 1.* denotes date of General Meeting of Shareholders for FY2004 and planned for FY2005.
2. For the previous fiscal year, interim cash dividends of ¥6,045 million (¥50.00 per share) were paid on December 1, 2003.
3. For the fiscal year under review, interim cash dividends of ¥6,720 million (¥50.00 per share) were paid on December 1, 2004.

(4) Material Items Related to Basis of Presentation of Non-Consolidated Financial Statements

FY 2004 (Apr. 1, 2003 — Mar. 31, 2004)	FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)
1. Standards and Methods for Valuing Investment Securities	**1. Standards and Methods for Valuing Investment Securities**
(1) Investment securities Investments in stocks of non-consolidated subsidiaries and affiliates are valued on a cost basis using the moving average method.	(1) Investment securities (No change)
(2) Other securities [1] Marketable Other securities are stated at market value as of the fiscal year-end. Adjustments to market value are recorded as an increase or decrease in shareholders' equity. Costs of their sales are determined by the moving average method. [2] Other securities that are not marketable are stated at cost, with cost being determined by the moving average method.	(2) Other securities [1] (No change) [2] (No change)
2. Standards and Methods for Valuing Derivatives	**2. Standards and Methods for Valuing Derivatives**
Derivatives Derivatives are stated at market value.	Derivatives (No change)
3. Method of Depreciation of Fixed Assets	**3. Method of Depreciation of Fixed Assets**
(1) Property and equipment Property and equipment are principally depreciated using the declining-balance method. However, buildings (excluding associated equipment) acquired on or after April 1, 1998 are depreciated using the straight-line method over the estimated useful lives of the assets. Moreover, small-sum assets of more than ¥100,000 and less than ¥200,000 are depreciated uniformly over a period of three years. The main useful lives are as follows: Buildings and structures: 3–50 years Equipment and fixtures: 2–20 years	(1) Property and equipment (No change)
(2) Intangible fixed assets 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. Moreover, small-sum assets of more than ¥100,000 and less than ¥200,000 are amortized uniformly over a period of three years.	(2) Intangible fixed assets (No change)
(3) Long-term prepaid expenses Long-term prepaid expenses are amortized on an average basis.	(3) Long-term prepaid expenses (No change)
4. Method of Transaction of Deferred Assets	**4. Method of Transaction of Deferred Assets**
(1) Bond issue expenses Entire amount expensed as incurred.	(1) Bond issue expenses (No change)
(2) ――――――	(2) New share issuing expense Entire amount expensed as incurred.

FY 2004 (Apr. 1, 2003 — Mar. 31, 2004)	FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)
5. Accounting Basis for Reserves (1) Allowance for credit losses The allowance for credit losses is provisioned at the actual loss rate. Additional provisions are made in amounts deemed necessary to cover possible non-collectible accounts in accordance with the state of consumer loans outstanding.	**5. Accounting Basis for Reserves** (1) Allowance for credit losses (No change)
(2) Reserve for bonuses Reserve for bonuses to employees on the payroll at the end of the fiscal year is provisioned based on the expected payment amount.	(2) Reserve for bonuses (No change)
(3) Accruals for debt guarantees Accruals for debt guarantees are provided to cover possible future losses on guarantees at the end of the fiscal year.	(3) Accruals for debt guarantees (No change)
(4) Accrued severance indemnities for employees The amount of accrued severance indemnities for employees is provided based on the amount of the benefit obligation and plan assets as of the 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 the 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, special retirement payments have been recorded as extraordinary losses.	(4) Accrued severance indemnities for employees The amount of accrued severance indemnities for employees is provided based on the amount of the benefit obligation and plan assets as of the 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 the fiscal year as stipulated in the Company's bylaws.
(5) Allowance for retirement benefits for directors and auditors The past service cost for directors is determined based on the required payment amount at the end of the fiscal year as stipulated in the Company's bylaws.	(5) Allowance for retirement benefits for directors and auditors (No change)
(6) Accruals for loss guarantees The Company has made a provision for estimated loss to cover non-collectible amounts of claims for indemnities due to the sales of investments in subsidiaries.	(6) Accruals for loss guarantees (No change)
6. Accounting for Revenues and Expenses Interest on consumer loans Interest on consumer loans is recognized on an accrual basis. For the Company, 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.	**6. Accounting for Revenues and Expenses** Interest on consumer loans (No change)
7. 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.	**7. Lease Transactions** (No change)

FY 2004 (Apr. 1, 2003 — Mar. 31, 2004)	FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)
8. Hedging (1) 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.	**8. Hedging** (1) Hedge accounting method (No change)
(2) 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).	(2) Hedging instruments and hedging targets (No change)
(3) Hedging policy The basic hedging policy is to minimize the impact of sharp movements in interest rates on procured funds.	(3) Hedging policy (No change)
(4) 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.	(4) Determining hedging effectiveness (No change)
(5) 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 the Company's Finance Regulations. Guidelines for Managing Risk by Type is revised in a timely manner in response to changes in the risk environment, whereupon such revisions shall be reported to the Board of Directors.	(5) Risk management system (No change)
9. Other Material Items Related to Basis of Presentation of Non-Consolidated Financial Statements Accounting for consumption taxes National consumption taxes and regional consumption taxes are accounted for at the Company using the net-of-tax method. However, consumption taxes not subject to fixed asset related exclusion are recorded in Other in Investments and advances on the relevant balance sheets and are amortized over five years.	**8. Other Material Items Related to Basis of Presentation of Non-Consolidated Financial Statements** Accounting for consumption taxes (No change)

(5) Changes in Accounting Practices

FY 2004 (Apr. 1, 2003 — Mar. 31, 2004)	FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)
—————	**(Accounting standards for impairment of fixed assets)** The Company has adopted accounting standards for impairment of fixed assets (Opinion on the Establishment of Accounting Standards for Impairment of Fixed Assets (Business Accounting Council, August 9, 2002)) and Guidance on Accounting Standards for Impairment of Fixed Assets (Accounting Standards Board of Japan, Practical Guidance No. 6, October 31, 2003) from the fiscal year ended March 31, 2005. Application of these standards resulted in a reduction of ¥1,015 million in income before income taxes. The cumulative impairment loss after revision has been directly charged to individual asset accounts in accordance with regulations for presentation of the non-consolidated financial statements.

(6) Additional Information

FY 2004 (Apr. 1, 2003 — Mar. 31, 2004)	FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)
—————	The Local Taxes Amendment Law (Law No. 9, 2003) was promulgated on March 31, 2003, resulting in the introduction of a pro-forma standard taxation system for fiscal years commencing on or after April 1, 2004. In accordance with the introduction of this system, the added value and asset portions of enterprise tax are recorded in Other operating expenses as given in Practical Solution on Presentation for Corporate Size Based Aspect of Corporate Income Tax on Income Statement (Accounting Standards Board of Japan, Practical Guidance No. 12, February 13, 2004) beginning with the fiscal year ended March 31, 2005. As a result of these changes, other operating expenses increased ¥877 million, while operating profit, recurring profit and income before income taxes decreased ¥877 million.

(7) Explanatory Notes

(Footnotes to Non-Consolidated Balance Sheets)

FY 2004 (Mar. 31, 2004)

1. Assets pledged and corresponding liabilities

a) Assets pledged (Millions of yen)

Type	Book value at end of fiscal year
Consumer loans receivable	185,719
Total	185,719

b) Corresponding liabilities (Millions of yen)

Item	Balance at end of fiscal year
Current portion of long-term debt	49,493
Long-term debt	131,188
Total	180,681

In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of ¥310,602 million. Corresponding liabilities were long-term debt of ¥297,315 million (including ¥84,126 million current portion of long-term debt) as well as a guaranteed obligation for affiliates of ¥2,845 million.

2. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were ¥1,347,657 million.

3. Revolving credit facility

Within lending commitment line contracts for consumer loans, ¥1,352,344 million was in revolving credit facility agreements (automatic renewal through basic revolving loan contract). These are agreements 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 ¥351,936 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.

4. Loans to affiliates are loans to consolidated subsidiaries engaged in financing business.

FY 2005 (Mar. 31, 2005)

1. Assets pledged and corresponding liabilities

a) Assets pledged (Millions of yen)

Type	Book value at end of fiscal year
Consumer loans receivable	156,374
Total	156,374

b) Corresponding liabilities (Millions of yen)

Item	Balance at end of fiscal year
Current portion of long-term debt	51,830
Long-term debt	100,004
Total	151,834

In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of ¥280,967 million. Corresponding liabilities were long-term debt of ¥269,590 million (including ¥77,989 million current portion of long-term debt) as well as a guaranteed obligation for affiliates of ¥1,996 million.

2. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were ¥1,322,701 million.

3. Revolving credit facility

Within lending commitment line contracts for consumer loans, ¥1,326,430 million was in revolving credit facility agreements (automatic renewal through basic revolving loan contract). These are agreements 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 ¥347,442 million (including ¥226 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.

4. (No change)

FY 2004 (Mar. 31, 2004)

5. Common stock

Authorized 300,000,000 shares

In the event of retirement of stock pursuant to the Company's articles of incorporation, the number of Company-issued stock will decrease.

Number of shares issued 125,966,665 shares

6. Number of shares of treasury stock held

Common stock 4,948,249 shares

7. Contingent liabilities

(1) Guarantee obligations in the loan guarantee business

¥2,778 million

(2) Warranty obligations

¥29,858 million

This obligation was entailed in the transfer of the entire amount of stock held by Promise in subsidiary GC Co., Ltd. to General Electric Capital Consumer Finance Co., Ltd. (currently GE Consumer Finance Co., Ltd.) and represents the remaining balance of obligations that fall under the category of warranty obligations, which are only one portion of Company debt obligations.

(3) Guarantees of loans to subsidiaries and employees

(Millions of yen)

Borrower	Guarantee amount
(Subsidiaries)	
Pal Servicer Co., Ltd.	10,000
PROMISE (HONG KONG) CO., LTD.	9,959
Liang Jing Co., Ltd.	3,824
Net Future Co., Ltd.	500
Plat Corporation	258
Subtotal	24,541
(Employees)	2
Total	24,544

In foreign currency, guaranteed obligations to PROMISE (HONG KONG) CO., LTD. totaled HK$735 million and to Liang Jing Co., Ltd. totaled NT$1,195 million.

8. Status of non-performing loans (Millions of yen)

Classification	Amount
Credits of bankrupt borrowers	1,135
Delinquent loans	160
Delinquent loans three months or more past the due date	11,132
Restructured loans	47,254
Total	59,681

(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.

FY 2005 (Mar. 31, 2005)

5. Common stock

Authorized 300,000,000 shares

In the event of retirement of stock pursuant to the Company's articles of incorporation, the number of Company-issued stock will decrease.

Number of shares issued 134,866,665 shares

6. Number of shares of treasury stock held

Common stock 352,305 shares

7. Contingent liabilities

(1) Guarantee obligations in the loan guarantee business

¥4,818 million

(2) Warranty obligations

¥15,410 million

This obligation was entailed in the transfer of the entire amount of stock held by Promise in subsidiary GC Co., Ltd. to General Electric Capital Consumer Finance Co., Ltd. (currently GE Consumer Finance Co., Ltd.) and represents the remaining balance of obligations that fall under the category of warranty obligations, which are only one portion of Company debt obligations.

(3) Guarantees of loans to subsidiaries

(Millions of yen)

Borrower	Guarantee amount
(Subsidiaries)	
PROMISE (HONG KONG) CO., LTD.	8,964
PROMISE (TAIWAN) Co., Ltd.	1,700
Plat Corporation	114
Total	10,778

In foreign currency, guaranteed obligations to PROMISE (HONG KONG) CO., LTD. totaled HK$651 million.

8. Status of non-performing loans (Millions of yen)

Classification	Amount
Credits of bankrupt borrowers	931
Delinquent loans	96
Delinquent loans three months or more past the due date	9,561
Restructured loans	56,896
Total	67,487

(1) (No change)

FY 2004 (Mar. 31, 2004)	FY 2005 (Mar. 31, 2005)
(2) Delinquent loans are credits whose accruing interest is not recorded as income for the same reason as the above and do not include credits of bankrupt borrowers and the loans to which postponement of interest payment was made with the object of reconstructing and supporting the borrowers.	(2) (No change)
(3) Delinquent loans three months or more past the due date are loans which are delinquent for three months or more from the due date of interest or principal under the terms of the related loan agreements and do not include credits of bankrupt borrowers and delinquent loans, as described above.	(3) (No change)
(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 three months or more past the due date, as described above. Of ¥47,254 million in restructured loans, restructured loans which are 30 days or less past due were ¥42,674 million.	(4) Restructured loans are loans to which a certain concession favorable to borrowers, such as postponement of interest payment and other methods, was made with the object of encouraging repayment and do not include credits of bankrupt borrowers, delinquent loans and delinquent loans three months or more past the due date, as described above. Of ¥56,896 million in restructured loans, restructured loans which are 30 days or less past due were ¥52,166 million.
9. 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 received is as follows:	**9. Loan collateral** A repurchase agreement of ¥44,376 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 received is as follows:

FY 2004 (Millions of yen)

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

FY 2005 (Millions of yen)

Type	Market value
Commercial paper	24,997
Securities	18,005
Beneficial interest in trust	1,380
Total	44,382

FY 2004 (Mar. 31, 2004)	FY 2005 (Mar. 31, 2005)
10. The unutilized balance from overdraft contracts on current accounts (including contracts based on overdraft contracts on current accounts) and contracts for the commitment line of loans are as follows:	**10.** The unutilized balance from overdraft contracts on current accounts (including contracts based on overdraft contracts on current accounts) and contracts for the commitment line of loans are as follows:

(Overdraft contracts on current accounts) (Millions of yen)

	FY 2004	FY 2005
Total contracts	50	50
Contracts exercised	—	—
Difference	50	50

(Contracts for the commitment line of loans) (Millions of yen)

	FY 2004	FY 2005
Total contracts	240,140	236,890
Contracts exercised	—	—
Difference	240,140	236,890

FY 2004 (Mar. 31, 2004)	FY 2005 (Mar. 31, 2005)
11. Dividend restrictions Financial assets are valued using fair value, which resulted in an increase in net assets of ¥4,151 million. This amount is the total of net assets restricted from appropriation to dividends under Article 124, Paragraph 3 of the Japanese Commercial Code.	**11. Dividend restrictions** Financial assets are valued using fair value, which resulted in an increase in net assets of ¥3,431 million. This amount is the total of net assets restricted from appropriation to dividends under Article 124, Paragraph 3 of the Japanese Commercial Code.

(Footnotes to Non-Consolidated Statements of Income)

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

1. Bond interest of ¥5,657 million is included in interest expense.

2. ——————

3. Gain on sale of investment in subsidiaries is due to the sale of the Company's subsidiary GC Co., Ltd.

4. ——————

5. Breakdown of net loss on disposal of property and equipment

	(Millions of yen)
Buildings	447
Structures	113
Furniture and fixtures	1,202
Total	1,763

6. Breakdown of net loss on sales of property and equipment

	(Millions of yen)
Land	0
Furniture and fixtures	13
Total	13

7. ——————

FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)

1. Bond interest of ¥5,124 million is included in interest expense.

2. Gain on sales of property and equipment is due to the sale of Company-owned condominiums.

3. ——————

4. Other in Extraordinary income comprises sale of golf club membership.

5. Breakdown of net loss on disposal of property and equipment

	(Millions of yen)
Buildings	147
Structures	45
Furniture and fixtures	870
Software	120
Total	1,184

6. Breakdown of net loss on sales of property and equipment

	(Millions of yen)
Buildings	3
Furniture and fixtures	0
Land	32
Telephone rights	113
Total	150

7. During the fiscal year ended March 31, 2005, the following groups of assets of the Company have been charged with impairment losses.

Prefecture	Use	Category
Kagawa	Idle asset	Land
Tokyo	Idle asset	Land
Ishikawa	Idle asset	Land
Osaka	Idle asset	Land
Hiroshima	Idle asset	Land

Method of Grouping Assets
The Company divides its asset groups into two categories: finance for assets related to the financing business and idle assets not related to the financing business for each asset item of other businesses.

Process of Recognizing Asset Impairment Losses and Amount Recorded
Idle assets for which market value has fallen markedly below book value have been adjusted to amounts approaching their potential recovery value. Of the reduction amount, an impairment loss of ¥1,015 million was booked as extraordinary losses.

Method of Calculating Recovery Value
Recovery value is stated as the net sales value. It is calculated using the assessment value, etc., of a real estate appraiser.

FY 2004 (Apr. 1, 2003 — Mar. 31, 2004)	FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)
8. Impairment loss on deposits for golf club membership comprised impairment losses on golf club memberships.	**8.** Impairment loss on deposits for golf club membership comprised impairment losses on golf club memberships.
9. Loss on valuation of investments in subsidiaries comprised impairment losses on valuation of investments in subsidiaries.	**9.** Loss on valuation of investments in subsidiaries comprised impairment losses on valuation of investments in subsidiaries.
10. Special retirement payments is a special added portion resulting from the implementation of a voluntary retirement program.	**10.** ――――――
11. Other in Extraordinary losses comprises loss on redemption of investments in securities.	**11.** Other in Extraordinary losses comprises a ¥29 million asset impairment charge to investment securities and a ¥6 million benefit dispensation expense paid to disaster victims.
12. Note concerning affiliates Main items included in each topic related to affiliates (Millions of yen) Interest on loans 219 Loan guarantee income 32 Miscellaneous income 29	**12. Note concerning affiliates** Main items included in each topic related to affiliates (Millions of yen) Interest on loans 184 Miscellaneous income 87
13. The basis for classification of financial revenues and financial expenses on the non-consolidated statement of income is as follows: (1) Financial revenues are expressed as operating income. Financial revenues exclude all interest on loans and dividends received at affiliated companies (except for the portion for consolidated subsidiaries engaged in the financing business) as well as interest and dividends on investment securities. (2) Financial expenses are expressed as operating expenses. Financial expenses exclude all interest paid that cannot be clearly matched to operating income.	**13.** The basis for classification of financial revenues and financial expenses on the non-consolidated statement of income is as follows: (1) Financial revenues are expressed as operating income. (No change) (1) Financial expenses are expressed as operating expenses. (No change)

(Footnotes to Lease Transactions)

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 lessee

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

(Millions of yen)

	Equivalent of acquisition cost	Equivalent of accumulated depreciation	Equivalent of net book value
Vehicles and carriers	358	244	113
Furniture, fixtures and equipment	3,439	1,867	1,572
Total	3,798	2,112	1,686

(2) Equivalent of aggregate future lease payments

(Millions of yen)

Due within one year	943
Due after one year	797
Total	1,740

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

(Millions of yen)

Lease fees	1,008
Equivalent of depreciation	950
Equivalent of interest expense	61

(4) Method of calculation of equivalent of depreciation

The equivalent of depreciation is 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 expense

The equivalent of interest expense 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

Unexpired leases	(Millions of yen)
Due within one year	97
Due after one year	97
Total	195

FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)

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

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

(Millions of yen)

	Equivalent of acquisition cost	Equivalent of accumulated depreciation	Equivalent of net book value
Vehicles and carriers	160	123	37
Furniture, fixtures and equipment	3,419	2,702	717
Total	3,580	2,825	754

(2) Equivalent of aggregate future lease payments

(Millions of yen)

Due within one year	668
Due after one year	120
Total	789

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

(Millions of yen)

Lease fees	933
Equivalent of depreciation	869
Equivalent of interest expense	50

(4) Method of calculation of equivalent of depreciation

(No change)

(5) Method of calculation of equivalent of interest expense

(No change)

2. Operating leases

Unexpired leases	(Millions of yen)
Due within one year	97
Due after one year	—
Total	97

(Footnote to Securities)

In fiscal 2004 (as of March 31, 2004), there were no securities with market value among subsidiaries and affiliates.
In fiscal 2005 (as of March 31, 2005), there were no securities with market value among subsidiaries and affiliates.

(Footnotes to Tax Effect Accounting)

FY 2004 (Mar. 31, 2004)

1. Major components of deferred tax assets and deferred tax liabilities

(Millions of yen)

Deferred tax assets (current):	
Credit losses for receivables and consumer loans	14,967
Allowance for credit losses	13,497
Accrued income	3,470
Accrued enterprise taxes	1,321
Provision for bonuses	1,265
Other	267
Total deferred tax assets (current)	34,789
Deferred tax assets (fixed):	
Amount exceeding the tax limit for accrued severance indemnities for employees	4,432
Provisions for loss guarantees	1,098
Other	170
Total deferred tax assets (fixed)	5,701
Total deferred tax assets	40,490
Deferred tax liabilities:	
Net unrealized loss on securities	2,847
Total deferred tax liabilities (fixed)	2,847
Net deferred tax assets (fixed)	2,853

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 income taxes after the application of tax effect accounting.

Because the difference between the statutory tax rate and income taxes after the application of tax effect accounting is 5% or less, this breakdown has been omitted.

FY 2005 (Mar. 31, 2005)

1. Major components of deferred tax assets and deferred tax liabilities

(Millions of yen)

Deferred tax assets:	
Credit losses for receivables and consumer loans	15,128
Allowance for credit losses	2,682
Accrued income	3,781
Provision for bonuses	1,216
Accrued severance indemnities for employees	5,360
Provisions for loss guarantees	564
Accrued enterprise taxes	1,781
Other	850
Total deferred tax assets	31,365
Deferred tax liabilities:	
Net unrealized loss on securities	2,354
Total deferred tax liabilities	2,354
Net deferred tax assets	29,010

Note: Net deferred tax assets for this consolidated fiscal year are included in the items below on the consolidated balance sheet

(Millions of yen)

Current assets - Deferred tax assets	25,189
Fixed assets - Deferred tax assets	3,821

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 income taxes after the application of tax effect accounting.

(No change)

(Per Share Data)

FY 2004 (Apr. 1, 2003 — Mar. 31, 2004)		FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)	
Net assets per share	¥5,155.72	Net assets per share	¥5,756.77
Net income per share	¥406.05	Net income per share	¥521.02
The figure of diluted net income per share is not disclosed because there was no potential share of common stock that had a dilutive effect.		Diluted net income per share	¥520.86

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

FY 2004 (Apr. 1, 2003 — Mar. 31, 2004)	FY 2005 (Apr. 1, 2004 — Mar. 31, 2005)
Net income on non-consolidated statement of income ¥49,318 million	Net income on non-consolidated statement of income ¥68,174 million
Net income for common stock ¥49,245 million	Net income for common stock ¥68,056 million
Principal category of funds not available to shareholders of common stock Bonuses to directors and corporate auditors from the disposition of profits ¥73 million	Principal category of funds not available to shareholders of common stock Bonuses to directors and corporate auditors from the disposition of profits ¥117 million
Principal category of funds not available to shareholders ¥73 million	Principal category of funds not available to shareholders ¥117 million
Average number of shares outstanding in fiscal year 121,278 thousand	Average number of shares outstanding in fiscal year 130,622 thousand
Major adjustments to net income included in the calculation of fully diluted net income per share ¥— million	Major adjustments to net income included in the calculation of fully diluted net income per share ¥— million
Adjustment to net income ¥— million	Adjustment to net income ¥— million
Major categories of the additional number of shares included in the calculation of fully diluted net income per share Stock acquisition rights — thousand	Major categories of the additional number of shares included in the calculation of fully diluted net income per share Stock acquisition rights 38 thousand
Additional number of shares — thousand	Additional number of shares 38 thousand
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 fiscal year. (1) Treasury stock held for stock option: 351,000 shares (2) Stock acquisition rights for stock option: 611,750 shares There were 470,000 shares with stock acquisition rights as of March 31, 2004, reflecting a 141,750 decrease in the number of shares with acquisition rights owing to the loss of rights.	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 fiscal year. (1) Treasury stock held for stock option: 351,000 shares There were 222,000 shares with stock option as of March 31, 2005, reflecting a 129,000 decrease in the number of shares with acquisition rights owing to the loss of rights. (2) Stock acquisition rights for stock option: ――――

(8) Change of Directors

Any change of directors will be announced immediately, where possible.
We plan to announce any change in directors on May 13, 2005.