Non-Consolidated Financial Results for the Six-Month Period Ended September 30, 2005

The summary of this document (unaudited) has been translated from the original Japanese document released on October 27, 2005 for reference only.
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 Listing: Tokyo Stock Exchange
Stock Code: 8574
Head Office: Tokyo
(URL: http://www.promise.co.jp/english/ir/)

President and Representative Director: Hiroki Jinnai
Inquiries: Yasuhiko Katsumi, General Manager, Corporate Communications Dept.
TEL: 81-3-3287-1515
Meeting of Board of Directors for Approval of Results: October 27, 2005
Interim Dividend System: Applicable
Payment of Interim Dividends: December 1, 2005
Unit Stock System: Applicable (1 unit = 50 shares)

1. Non-Consolidated Financial Results for Interim Period Ended September 2005 (Apr. 1, 2005 – Sept. 30, 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	%
Six months ended Sept. 30, 2005	154,227	(2.5)	48,667	(20.2)	49,356	(20.6)
Six months ended Sept. 30, 2004	158,123	(2.8)	60,990	50.4	62,199	48.2
Year ended Mar. 31, 2005	313,041		116,129		118,171	

	Net income		Net income per share
	Millions of yen	%	Yen
Six months ended Sept. 30, 2005	28,580	(22.8)	215.75
Six months ended Sept. 30, 2004	37,036	2.3	291.99
Year ended Mar. 31, 2005	68,174		521.02

Notes: 1. Average number of shares
Six months ended Sept. 30, 2005: 132,469,563
Six months ended Sept. 30, 2004: 126,838,325
Year ended Mar. 31, 2005: 130,622,213
2. Change in accounting method: Not applicable
3. Percentages for operating income, operating profit, recurring profit and net income represent percentage changes from the same period of the previous year.

(2) Dividends

	Cash dividends per share for the interim period	Cash dividends per share for the fiscal year
	Yen	Yen
Six months ended Sept. 30, 2005	52.50	—
Six months ended Sept. 30, 2004	50.00	—
Year ended Mar. 31, 2005	—	105.00

(3) Non-Consolidated Financial Position

	Total assets	Shareholders' equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Sept. 30, 2005	1,589,848	762,282	48.0	5,882.07
Sept. 30, 2004	1,663,833	749,443	45.0	5,576.09
Mar. 31, 2005	1,653,098	774,486	46.9	5,756.77

Notes: 1. Number of shares outstanding
Sept. 30, 2005: 129,594,139
Sept. 30, 2004: 134,402,787
Mar. 31, 2005: 134,514,360
2. Number of shares of treasury stock
Sept. 30, 2005: 5,272,526
Sept. 30, 2004: 463,878
Mar. 31, 2005: 352,305

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

	Operating income	Recurring profit	Net income	Cash dividends per share for full fiscal year	
				Sept. 30, 2005	
	Millions of yen	Millions of yen	Millions of yen	Yen	Yen
Year ending Mar. 31, 2006	308,187	95,800	60,000	52.50	105.00

Reference: Projected net income per share for the fiscal year ending Mar. 31, 2006: ¥456.99

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 131,035,790.

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 2005 interim period (Sept. 30, 2004)		FY 2006 interim period (Sept. 30, 2005)		FY 2005 (Summary) (Mar. 31, 2005)	
	Amount	%	Amount	%	Amount	%
(Assets)						
I Current assets						
1 Cash and deposits	80,759		47,722		58,204	
2 Consumer loans receivable: Principal	1,347,628		1,316,242		1,326,794	
3 Short-term loans	145,335		114,931		149,483	
4 Other	42,386		37,435		43,665	
Allowance for credit losses	(102,400)		(98,700)		(97,400)	
Total current assets	1,513,709	91.0	1,417,631	89.2	1,480,747	89.6
II Fixed assets						
1 Property and equipment, net	67,182		67,401		68,714	
2 Intangible fixed assets, net	5,254		8,282		6,963	
3 Investments and advances	77,687		96,532		96,672	
Total fixed assets	150,124	9.0	172,216	10.8	172,350	10.4
Total assets	1,663,833	100.0	1,589,848	100.0	1,653,098	100.0
(Liabilities)						
I Current liabilities						
1 Short-term borrowings	—		2,494		—	
2 Current portion of long-term debt	200,231		160,558		185,710	
3 Bonds scheduled for redemption within one year	30,000		85,000		50,000	
4 Accrued income taxes	15,142		15,213		22,585	
5 Reserve for bonuses	3,017		2,888		2,989	
6 Accruals for debt guarantees	134		867		193	
7 Accruals for debt guarantees of affiliated companies	—		1,300		—	
8 Other	10,742		12,148		15,828	
Total current liabilities	259,267	15.6	280,469	17.6	277,306	16.8
II Long-term liabilities						
1 Corporate bonds	255,000		180,000		215,000	
2 Long-term debt	382,712		352,318		371,329	
3 Accrued severance indemnities for employees	14,069		13,589		13,681	
4 Allowance for retirement benefits for directors and auditors	258		286		280	
5 Accruals for loss guarantees	2,700		860		860	
6 Other	382		41		153	
Total long-term liabilities	655,123	39.4	547,096	34.4	601,304	36.3
Total liabilities	914,390	55.0	827,566	52.0	878,611	53.1
(Shareholders' equity)						
I Common stock	80,737	4.9	80,737	5.1	80,737	4.9
II Capital surplus						
1 Additional paid-in capital	112,639		112,639		112,639	
2 Other	14,616		14,697		14,741	
Total capital surplus	127,256	7.6	127,337	8.0	127,381	7.7
III Retained earnings						
1 Legal reserve	12,263		12,263		12,263	
2 Voluntary reserve	485,700		538,700		485,700	
3 Unappropriated retained earnings	43,341		35,824		67,758	
Total retained earnings	541,304	32.5	586,787	36.9	565,722	34.2
IV Net unrealized gain on securities	3,504	0.2	4,371	0.3	3,431	0.2
V Treasury stock	(3,359)	(0.2)	(36,952)	(2.3)	(2,786)	(0.1)
Total shareholders' equity	749,443	45.0	762,282	48.0	774,486	46.9
Total liabilities and shareholders' equity	1,663,833	100.0	1,589,848	100.0	1,653,098	100.0

(2) Non-Consolidated Statements of Income

(Millions of yen)

Classification	FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)		FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)		FY 2005 (Summary) (Apr. 1, 2004 – Mar. 31, 2005)	
	Amount	%	Amount	%	Amount	%
I Operating income						
1 Interest on consumer loans	154,261		149,947		305,470	
2 Other	3,861		4,279		7,570	
Total operating income	158,123	100.0	154,227	100.0	313,041	100.0
II Operating expenses						
1 Financial expenses	9,356		7,600		17,431	
2 Other	87,776		97,959		179,480	
Total operating expenses	97,132	61.4	105,560	68.4	196,912	62.9
Operating profit	60,990	38.6	48,667	31.6	116,129	37.1
III Non-operating revenues	1,692	1.0	853	0.5	2,759	0.8
IV Non-operating expenses	483	0.3	164	0.1	718	0.2
Recurring profit	62,199	39.3	49,356	32.0	118,171	37.7
V Extraordinary income	329	0.2	586	0.4	707	0.2
VI Extraordinary losses	703	0.4	1,853	1.2	3,984	1.2
Income before income taxes	61,825	39.1	48,089	31.2	114,895	36.7
Income taxes Current	14,921		15,451		37, 595	
Deferred	9,867		4,056		9,125	
Total	24,788	15.7	19,508	12.7	46,720	14.9
Net income	37,036	23.4	28,580	18.5	68,174	21.8
Balance carried forward	6,304		7,243		6,304	
Cash dividends	—		—		6,720	
Unappropriated retained earnings	43,341		35,824		67,758	

(3) Material Items in Basis of Presentation of Non-Consolidated Financial Statements

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
1. Standards and Methods for Valuing Assets	**1. Standards and Methods for Valuing Assets**	**1. Standards and Methods for Valuing Assets**
(1) <u>Investment securities</u> Investments in stocks of non-consolidated subsidiaries and affiliates are valued on a cost basis using the moving average method.	(1) <u>Investment securities</u> (No change)	(1) <u>Investment securities</u> (No change)
<u>Other securities</u> [1] Marketable Other securities are stated at market value as of the interim period-end. Adjustments to market value are recorded as an increase or decrease in shareholders' equity. Costs of their sales are determined by the moving average method.	<u>Other securities</u> [1] (No change)	<u>Other securities</u> [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] (No change)	[2] (No change)
(2) <u>Derivatives</u> Derivatives are stated at market value.	(2) <u>Derivatives</u> (No change)	(2) <u>Derivatives</u> (No change)
2. Method of Depreciation of Fixed Assets	**2. Method of Depreciation of Fixed Assets**	**2. Method of Depreciation of Fixed Assets**
(1) <u>Property and equipment, net</u> Property and equipment, net 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 equal to or 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) <u>Property and equipment, net</u> (No change)	(1) <u>Property and equipment, net</u> (No change)
(2) <u>Intangible fixed assets, net</u> Intangible fixed assets, net 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 equal to or more than ¥100,000 and less than ¥200,000 are amortized uniformly over a period of three years.	(2) <u>Intangible fixed assets, net</u> (No change)	(2) <u>Intangible fixed assets, net</u> (No change)

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
(3) Long-term prepaid expenses Long-term prepaid expenses are amortized on an average basis.	(3) Long-term prepaid expenses (No change)	(3) Long-term prepaid expenses (No change)
3. 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.	**3. Accounting Basis for Reserves** (1) Allowance for credit losses (No change)	**3. Accounting Basis for Reserves** (1) Allowance for credit losses (No change)
(2) Reserve for bonuses The reserve for bonuses to employees on the payroll at the end of the interim period is provisioned based on the expected payment amount.	(2) Reserve for bonuses (No change)	(2) Reserve for bonuses The reserve for bonuses to employees on the payroll at the end of the fiscal year is provisioned based on the expected payment amount.
(3) Accruals for debt guarantees Accruals for debt guarantees are provided to cover possible future losses on guarantees at the end of the interim period.	(3) Accruals for debt guarantees (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.
(4) Accruals for debt guarantees of affiliated companies ―――――	(4) Accruals for debt guarantees of affiliated companies To provide for losses on debt guarantees of affiliated companies, an amount equal to the expected losses at the end of the interim period was booked as an accrued expense.	(4) Accruals for debt guarantees of affiliated companies ―――――
(5) Accrued severance indemnities for employees The amount of accrued severance indemnities for employees is provided based on the amount of the projected benefit obligation less the fair value of the pension plan assets. The accrued severance indemnity cost for the interim period is charged to income as incurred. The accrued severance indemnities for executive officers are determined separately based on the required payment amount at the end of the interim period as stipulated in the Company's bylaws.	(5) Accrued severance indemnities for employees The amount of accrued severance indemnities for employees is provided based on the amount of the projected benefit obligation less the fair value of the pension plan assets. The accrued severance indemnity cost for the interim period is charged to income as incurred. The accrued severance indemnities for executive officers are determined separately based on the required payment amount at the end of the interim period as stipulated in the Company's bylaws.	(5) 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.

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
	(Additional information) As a result of the enactment of the Defined Benefit Corporate Pension Plan Law, the Company was approved by the Ministry of Health, Labour and Welfare in Japan for exemption from the obligation for benefits related to future employee service under the substitutional portion on April 22, 2005. At the end of the interim period, the amount calculated as the required reimbursement (minimum obligation reserve) was ¥6,955 million. The gain that would be incurred through the application of Section 44-2 of the Practical Guidelines of Accounting for Retirement Benefits (Interim Report) (The Japanese Institute of Certified Public Accountants Accounting Committee Report No. 13) if said required reimbursement (minimum obligation reserve) was paid at the end of the interim period under review is ¥7,838 million.	
(6) Allowance for retirement benefits for directors and auditors The past service cost for directors is determined based on the required payment amount at the end of the interim period as stipulated in the Company's bylaws.	(6) Allowance for retirement benefits for directors and auditors (No change)	(6) 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.
(7) 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.	(7) Accruals for loss guarantees (No change)	(7) Accruals for loss guarantees (No change)
4. 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.	**4. Lease Transactions** (No change)	**4. Lease Transactions** (No change)

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
5. Hedging	**5. Hedging**	**5. 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.	(1) Hedge accounting method (No change)	(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)	(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)	(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)	(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)	(5) Risk management system (No change)

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
6. Other Material Items Related to Basis of Presentation of Interim Non-Consolidated Financial Statements (1) Accounting for revenues and expenses 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. (2) 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 interim balance sheets and are amortized over five years. The difference of suspense consumption tax paid less suspense consumption tax received is recorded in Other in Current liabilities.	**6. Other Material Items Related to Basis of Presentation of Interim Non-Consolidated Financial Statements** (1) Accounting for revenues and expenses (No change) (2) Accounting for consumption taxes (No change)	**6. Other Material Items Related to Basis of Presentation of Non-Consolidated Financial Statements** (1) Accounting for revenues and expenses (No change) (2) 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.

(4) Changes in Accounting Practices

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	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 interim period ended September 30, 2004. Application of these standards resulted in a reduction of ¥263 million in income before income taxes compared with the previous accounting practices. The cumulative impairment loss after revision has been directly charged to individual asset accounts in accordance with regulations for the presentation of the interim non-consolidated financial statements.	―――――	**(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 the presentation of the non-consolidated financial statements.

(5) Additional Information

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
The Local Taxes Amendment Law (2003 Law No. 9) 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 interim period ended September 30, 2004. As a result of these changes, other operating expenses increased ¥391 million, while operating profit, recurring profit, and income before income taxes decreased ¥391 million.	―――――	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.

(6) Explanatory Notes
(Footnotes to Non-Consolidated Balance Sheets)

FY 2005 interim period (Sept. 30, 2004)

1. Accumulated depreciation on property and equipment
¥32,559 million

2. Assets pledged and corresponding liabilities

a) Assets pledged (Millions of yen)

Type	Interim book value
Consumer loans receivable	161,170
Total	161,170

b) Corresponding liabilities (Millions of yen)

Item	Balance at end of interim period
Current portion of long-term debt	56,836
Long-term debt	100,001
Total	156,837

In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of ¥273,355 million. Corresponding liabilities were long-term debt of ¥260,213 million (including ¥81,268 million current portion of long-term debt) as well as a guaranteed obligation for affiliates of ¥3,916 million.

3. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were ¥1,342,940 million.

4. Revolving credit facility
Within lending commitment line contracts for consumer loans, ¥1,347,200 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 ¥350,046 million (including ¥227 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.

FY 2006 interim period (Sept. 30, 2005)

1. Accumulated depreciation on property and equipment
¥31,291 million

2. Assets pledged and corresponding liabilities

a) Assets pledged (Millions of yen)

Type	Interim book value
Consumer loans receivable	146,593
Total	146,593

b) Corresponding liabilities (Millions of yen)

Item	Balance at end of interim period
Current portion of long-term debt	39,332
Long-term debt	102,854
Total	142,186

In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of ¥263,313 million. Corresponding liabilities were long-term debt of ¥252,924 million (including ¥76,032 million current portion of long-term debt) as well as a guaranteed obligation for affiliates of ¥1,896 million.

Of the total amount of investment securities, ¥21 million was being used as collateral for sales guarantees.

3. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were ¥1,312,510 million.

4. Revolving credit facility
Within lending commitment line contracts for consumer loans, ¥1,315,928 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 ¥346,249 million (including ¥194 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.

FY 2005 (Mar. 31, 2005)

1. Accumulated depreciation on property and equipment
¥29,400 million

2. 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.

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

4. 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.

FY 2005 interim period (Sept. 30, 2004)

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.

5. Contingent Liabilities

(1) Guarantee obligations in the loan guarantee business
¥3,826 million

(2) Warranty obligations
¥22,138 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)	
PROMISE (HONG KONG) CO., LTD.	10,039
Pal Servicer Co., Ltd.	10,000
PROMISE (TAIWAN) Co., Ltd.	1,432
Plat Corporation	186
Subtotal	21,657
(Employees)	2
Total	21,659

In foreign currency, guarantee obligations to PROMISE (HONG KONG) CO., LTD. totaled HK$705 million.

FY 2006 interim period (Sept. 30, 2005)

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.

5. Contingent Liabilities

(1) Guarantee obligations in the loan guarantee business
¥49,182 million

(2) Warranty obligations
¥2,579 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.	8,243
PROMISE (TAIWAN) Co., Ltd.	2,600
QUOQLOAN INC.	47
Total	10,890

In foreign currency, guarantee obligations to PROMISE (HONG KONG) CO., LTD. totaled HK$565 million.

FY 2005 (Mar. 31, 2005)

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.

5. 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, guarantee obligations to PROMISE (HONG KONG) CO., LTD. totaled HK$651 million.

FY 2005 interim period (Sept. 30, 2004)	FY 2006 interim period (Sept. 30, 2005)	FY 2005 (Mar. 31, 2005)
6. Status of nonperforming loans (Millions of yen)	**6. Status of nonperforming loans** (Millions of yen)	**6. Status of nonperforming loans** (Millions of yen)

Classification	FY 2005 interim period Amount	FY 2006 interim period Amount	FY 2005 Amount
Credits of bankrupt borrowers	1,111	922	931
Delinquent loans	160	105	96
Delinquent loans three months or more past the due date	12,990	12,710	9,561
Restructured loans	54,102	57,469	56,896
Total	68,364	71,207	67,487

FY 2005 interim period (Sept. 30, 2004)	FY 2006 interim period (Sept. 30, 2005)	FY 2005 (Mar. 31, 2005)
(1) Credits of bankrupt borrowers are loans under declaration of bankruptcy, reconstruction, and similar proceedings whose accruing interest is not recorded as income because the principal or interest on such loans is unlikely to be recovered in view of the considerable period of postponement of the principal or interest, or other circumstances.	(1) (No change)	(1) (No change)
(2) Delinquent loans are credits whose accruing interest is not recorded as income for the same reason as the above and do not include credits of bankrupt borrowers and the loans to which postponement of interest payment was made with the object of reconstructing and supporting the borrowers.	(2) (No change)	(2) (No change)
(3) Delinquent loans 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)	(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 ¥54,102 million in restructured loans, restructured loans which are 30 days or less past due were ¥49,486 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 ¥57,469 million in restructured loans, restructured loans which are 30 days or less past due were ¥53,241 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.

<table>
<tr><th>FY 2005 interim period
(Sept. 30, 2004)</th><th>FY 2006 interim period
(Sept. 30, 2005)</th><th>FY 2005
(Mar. 31, 2005)</th></tr>
<tr>
<td>7. Loan collateral
A repurchase agreement of ¥37,998 million is included in Short-term loans.
Consequently, marketable securities are accepted as collateral from the seller of repurchased marketable securities.
The interim market value for marketable securities received is as follows: (Millions of yen)
<table><tr><th>Type</th><th>Market value</th></tr><tr><td>Commercial paper</td><td>24,998</td></tr><tr><td>Securities</td><td>12,999</td></tr><tr><td>Total</td><td>37,998</td></tr></table></td>
<td>7. Loan collateral
A repurchase agreement of ¥15,998 million is included in Short-term loans.
Consequently, marketable securities are accepted as collateral from the seller of repurchased marketable securities.
The interim market value for marketable securities received is as follows: (Millions of yen)
<table><tr><th>Type</th><th>Market value</th></tr><tr><td>Commercial paper</td><td>15,998</td></tr><tr><td>Total</td><td>15,998</td></tr></table></td>
<td>7. 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: (Millions of yen)
<table><tr><th>Type</th><th>Market value</th></tr><tr><td>Commercial paper</td><td>24,997</td></tr><tr><td>Securities</td><td>18,005</td></tr><tr><td>Beneficial interest in trust</td><td>1,380</td></tr><tr><td>Total</td><td>44,382</td></tr></table></td>
</tr>
<tr>
<td>8. 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)
<table><tr><td>Total contracts</td><td>50</td></tr><tr><td>Contracts exercised</td><td>—</td></tr><tr><td>Difference</td><td>50</td></tr></table>
(Contracts for the commitment line of loans) (Millions of yen)
<table><tr><td>Total contracts</td><td>245,500</td></tr><tr><td>Contracts exercised</td><td>—</td></tr><tr><td>Difference</td><td>245,500</td></tr></table></td>
<td>8. 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)
<table><tr><td>Total contracts</td><td>7,050</td></tr><tr><td>Contracts exercised</td><td>2,494</td></tr><tr><td>Difference</td><td>4,556</td></tr></table>
(Contracts for the commitment line of loans) (Millions of yen)
<table><tr><td>Total contracts</td><td>236,720</td></tr><tr><td>Contracts exercised</td><td>—</td></tr><tr><td>Difference</td><td>236,720</td></tr></table></td>
<td>8. 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)
<table><tr><td>Total contracts</td><td>50</td></tr><tr><td>Contracts exercised</td><td>—</td></tr><tr><td>Difference</td><td>50</td></tr></table>
(Contracts for the commitment line of loans) (Millions of yen)
<table><tr><td>Total contracts</td><td>236,890</td></tr><tr><td>Contracts exercised</td><td>—</td></tr><tr><td>Difference</td><td>236,890</td></tr></table></td>
</tr>
</table>

(Footnotes to Non-Consolidated Statements of Income)

1. Financial expenses (Millions of yen)

	FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Interest expense	5,752	4,249	10,503
Bond interest	2,620	2,435	5,124
Bond issue expenses	67	58	68

2. Depreciation (Millions of yen)

	FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Property and equipment	2,222	2,537	4,769
Intangible fixed assets	849	1,048	1,578

3. Non-operating revenues (Millions of yen)

	FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Interest on loans	112	80	203
Dividend income	1,092	146	1,114
Equity in earnings of Tokumei Kumiai	218	242	447
Gain on reversal of premium of pension fund		150	
Insurance money received and insurance dividend			319

4. Non-operating expenses (Millions of yen)

	FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Stock issue expenses	230		230
Expense for relocation of offices	79	106	227
Cancellation of leasehold deposits	45	25	81

5. Extraordinary income (Millions of yen)

	FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Net gain on sales of investment in securities	325	583	702

6. Extraordinary losses (Millions of yen)

	FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Accruals for debt guarantees of affiliated companies		1,300	
Loss on valuation of investments in subsidiaries	303	303	1,560
Impairment loss	263	61	1,015

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)

7. During the interim period ended September 30, 2004, 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 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 ¥263 million was booked as extraordinary losses.

Method of Calculating Recovery Value

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

FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)

7. During the interim period under review, the following group of assets of the Company has been charged with impairment losses.

Prefecture	Use	Category
Tokyo	Idle asset	Land

Method of Grouping Assets

(No change)

Process of Recognizing 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 ¥61 million was booked as extraordinary losses.

Method of Calculating Recovery Value

(No change)

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

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
Tokyo	Idle asset, scheduled asset sales	Land
Ishikawa	Idle asset	Land
Osaka	Idle asset	Land
Hiroshima	Idle asset	Land
Kagawa	Idle asset	Land

Method of Grouping Assets

(No change)

Process of Recognizing 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

(No change)

(Footnotes to Lease Transactions)

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 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 the interim period-end

(Millions of yen)

	Equivalent of acquisition cost	Equivalent of accumulated depreciation	Equivalent of net book value
Vehicles and carriers	300	203	97
Furniture, fixtures and equipment	3,419	2,274	1,144
Total	3,719	2,478	1,241

FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 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 the interim period-end

(Millions of yen)

	Equivalent of acquisition cost	Equivalent of accumulated depreciation	Equivalent of net book value
Vehicles and carriers	110	82	27
Furniture, fixtures and equipment	3,415	3,117	297
Total	3,525	3,200	325

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 the 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

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
(2) Equivalent of aggregate future lease payments (Millions of yen) Due within one year 949 Due after one year 367 Total 1,317	(2) Equivalent of aggregate future lease payments (Millions of yen) Due within one year 306 Due after one year 49 Total 356	(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 500 Equivalent of depreciation 463 Equivalent of interest expense 29	(3) Lease fees, equivalent of depreciation, and equivalent of interest expense (Millions of yen) Lease fees 467 Equivalent of depreciation 435 Equivalent of interest expense 11	(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 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.	(4) Method of calculation of equivalent of depreciation (No change)	(4) Method of calculation of equivalent of depreciation (No change)
(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.	(5) Method of calculation of equivalent of interest expense (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 48 Total 146	**2. Operating leases** Unexpired leases (Millions of yen) Due within one year 180 Due after one year 249 Total 429	**2. Operating leases** Unexpired leases (Millions of yen) Due within one year 97 Due after one year — Total 97

(Footnotes to Securities)

At the end of the previous interim period, there were no securities with market value among subsidiaries and affiliates.

At the end of the interim period under review, there were no securities with market value among subsidiaries and affiliates.

At the end of the previous fiscal year, there were no securities with market value among subsidiaries and affiliates.

(Per Share Data)

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Shareholders’ equity per share ¥5,576.09	Shareholders’ equity per share ¥5,882.07	Shareholders’ equity per share ¥5,756.77
Net income per share ¥291.99	Net income per share ¥215.75	Net income per share ¥521.02
Diluted net income per share ¥291.89	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 and diluted net income per share are based on the following data.

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Interim net income on non-consolidated statements of income ¥37,036 million	Interim net income on non-consolidated statements of income ¥28,580 million	Net income on non-consolidated statements of income ¥68,174 million
Interim net income for common stock ¥37,036 million	Interim net income for common stock ¥28,580 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 ¥— million	Principal category of funds not available to shareholders of common stock Bonuses to directors and corporate auditors from the disposition of profits ¥— 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 ¥— million	Principal category of funds not available to shareholders ¥— million	Principal category of funds not available to shareholders ¥117 million
Average number of shares outstanding in interim period 126,838 thousand	Average number of shares outstanding in interim period 132,469 thousand	Average number of shares outstanding in fiscal year 130,622 thousand
Major adjustments to interim net income included in the calculation of interim fully diluted net income per share ¥— million	Major adjustments to interim net income included in the calculation of interim 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 interim net income ¥— million	Adjustment to interim net income ¥— million	Adjustment to net income ¥— million
Major categories of the additional number of shares included in the calculation of interim fully diluted net income per share Stock acquisition rights 42 thousand	Major categories of the additional number of shares included in the calculation of interim 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 42 thousand	Additional number of shares — thousand	Additional number of shares 38 thousand
A summary of latent shares is not included in the calculation of interim fully diluted net income per share because there were no shares with a dilutive effect during the period. Treasury stock held for stock option: 351,000 shares	A summary of latent shares is not included in the calculation of interim fully diluted net income per share because there were no shares with a dilutive effect during the period. Treasury stock held for stock option: 351,000 shares There were 214,800 shares with stock option as of September 30, 2005, reflecting a 136,200 decrease in the number of shares with acquisition rights owing to the loss of rights.	A summary of latent shares is not included in the calculation of fully diluted net income per share because there were no shares with a dilutive effect during the fiscal year. 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.

(Cash Dividends Per Share)

FY 2005 interim period (Apr. 1, 2004 – Sept. 30, 2004)	FY 2006 interim period (Apr. 1, 2005 – Sept. 30, 2005)	FY 2005 (Apr. 1, 2004 – Mar. 31, 2005)
Common stock: ¥50.00 Cash dividends per share: ¥50.00 Commemorative cash dividends per share: ¥—	Common stock: ¥52.50 Cash dividends per share: ¥52.50 Commemorative cash dividends per share: ¥—	Common stock: ¥105.00 Cash dividends per share: ¥100.00 Commemorative cash dividends per share: ¥5.00