

Consolidated Financial Results for the Nine-Month Period (3Q) Ended December 31, 2006

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(URL: <http://www.promise.co.jp/english/ir/>)

(Stock Code: 8574, Tokyo Stock Exchange)

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1. Significant Matters Concerning the Preparation of Quarterly Financial Information

- (1) Use of simplifications in accounting methods: No
- (2) Change in accounting methods in the current fiscal year: No
- (3) Change in scope of consolidation or application of equity method: Yes (Added one company and excluded one company)
- (Addition to consolidation) Subsidiary PROMISE (THAILAND) CO., LTD., was newly added to the scope of consolidation.
- (Exclusion from consolidation) STC Co., Ltd., was absorbed by Net Future Co., Ltd., through a merger. As a result, STC has been removed from the scope of consolidation.

2. Consolidated Financial Results for the Three Quarters of the Fiscal Year Ending March 2007 (Apr. 1, 2006 – Dec. 31, 2006)

(1) 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		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3Q FY 2007	282,831	(1.5)	5,897	(92.7)	7,313	(91.0)	(168,787)	—
3Q FY 2006	287,187	3.0	80,326	(20.7)	81,355	(21.0)	48,245	(20.9)
Year ended Mar. 31, 2006	381,297	3.1	67,351	(47.5)	70,013	(46.5)	42,046	(44.2)

	Net income (loss) per share	Diluted net income (loss) per share
	Yen	Yen
3Q FY 2007	(1,330.93)	—
3Q FY 2006	367.27	—
Year ended Mar. 31, 2006	321.38	—

Note: Percentages for operating income, operating profit, recurring profit and net income (loss) represent percentage changes from the same period of the previous year.

Summary of Consolidated Operating Results

During the three quarters of the fiscal year ending March 2007, Japan's economy strengthened as capital expenditures rose due to strong corporate earnings and improvements in employment and income levels backed a recovery in consumer spending. Despite this strength, the outlook remains uncertain due to signs of economic weakness. In addition, the pace of the economic recovery varies across different industries, regional location, and other factors. Furthermore, there are concerns about an upturn in interest rate and other developments.

In Japan's consumer finance industry, there have been extensive discussions about making radical revisions to the country's money lending business system and related laws and regulations. The result was the December 2006 passage of the Law to Partially Amend to the Money Lending Business Control and Regulation Law.

Provisions of the amended law will not become fully effective until the end of a transitional period of about three years. But there will be a big reduction in the maximum interest rate on loans because the interest rate restriction under the Capital Subscription Law will become the same as the restriction under the Interest Rate Restriction Law. Furthermore, the amendments tighten numerous restrictions, including restrictions on the total amount of credit extensions and on new entrants to the consumer finance industry. Consequently, the amended money lending business law will have an enormous impact on Japan's consumer finance industry. This impact is expected to lead to a significant contraction in the consumer finance market and a realignment of the entire industry that will include weaker companies going out of business.

In this environment, the Promise Group reported a 1.5% decrease in operating income to ¥282,831 million compared with the three quarters in the previous fiscal year. Recurring profit fell 91.0% to ¥7,313 million because of an increase in expenses for interest repayments and credit losses.

Promise recalculated its allowance for losses on interest repayments based on guidance issued by the Japanese Institute of Certified Public Accountants (JICPA) concerning the accounting treatment of allowances established by consumer finance and related companies for losses on interest repayment claims (JICPA Industry Committee Report No. 37, October 13, 2006). The result of this recalculation was a provision of ¥228,360 million, including the portion of estimated interest repayments applicable to the loan principal of ¥80,730 million, for the allowance for credit losses. Due to this provision, there was a net loss of ¥168,787 million.

In addition, in a meeting of its board of directors held on December 12, 2006, Promise decided to dissolve its consolidated subsidiary PROMISE (TAIWAN) CO., LTD. To prepare for the estimated losses resulting from this action, a ¥4,500 million provision was made by Promise (non-consolidated) to the allowance for business losses of subsidiary.

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
3Q FY 2007	1,659,569	594,158	35.2	4,609.35
3Q FY 2006	1,744,070	792,714	45.5	6,164.47
Mar. 31, 2006	1,760,186	776,357	44.1	6,121.14

Consolidated Cash Flows

	Net cash provided by operating activities	Net cash provided by (used in) investing activities	Net cash used in financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
3Q FY 2007	50,119	1,436	(16,858)	98,887
3Q FY 2006	58,466	(18,286)	(84,864)	66,178
Year ended Mar. 31, 2006	74,552	(25,801)	(95,729)	63,851

Summary of Consolidated Financial Position

On a consolidated basis, cash and cash equivalents increased ¥35,035 million, or 54.9%, from cash at the beginning of the period, to ¥98,887 million.

(Net cash provided by operating activities)

Net cash provided by operating activities for the three quarters under review amounted to ¥50,119 million. Loss before income taxes and minority interests was ¥163,699 million, but there was an increase in non-cash expenses that was mainly due to the ¥123,660 million increase in the allowance for losses on interest repayments and the ¥88,582 million increase in the allowance for credit losses.

(Net cash provided by (used in) investing activities)

Net cash provided by investing activities for the three quarters totaled ¥1,436 million. The principal factors were proceeds from sales of investments in securities of ¥3,865 million.

(Net cash used in financing activities)

Net cash used in financing activities for the three quarters was ¥16,858 million. This was mainly attributable to an outflow of ¥3,538 million caused by a reduction in proceeds from borrowings, bonds and commercial paper and to cash dividends paid of ¥13,315 million.

Business Performance Forecasts for the Fiscal Year Ending March 2007

Promise may revise the previous forecast if necessary after determining trends in interest repayment claims and other items.

(Appendix)

Consolidated Financial Statements**(1) Summary of Consolidated Balance Sheets**

(Millions of yen)

Classification	3Q FY 2007 (Dec. 31, 2006)	3Q FY 2006 (Dec. 31, 2005)	Change		FY 2006 (Mar. 31, 2006)
	Amount	Amount	Amount	%	Amount
(Assets)					
I Current assets					
1 Cash and deposits	68,782	57,820	10,962	19.0	55,638
2 Notes and accounts receivable	4,263	3,770	492	13.1	4,137
3 Consumer loans receivable:					
Principal	1,547,420	1,591,529	(44,109)	(2.8)	1,580,982
4 Other	125,031	69,458	55,572	80.0	93,210
Allowance for credit losses	(224,002)	(132,817)	(91,184)	68.7	(135,440)
Total current assets	1,521,495	1,589,761	(68,266)	(4.3)	1,598,527
II Fixed assets					
1 Property and equipment, net	73,848	77,423	(3,574)	(4.6)	76,728
2 Intangible fixed assets, net					
(1) Excess investment cost over net assets of consolidated subsidiaries acquired, net	—	12,396	(12,396)	(100.0)	11,964
(2) Goodwill	10,669	—	10,669	—	—
(3) Other	8,644	10,746	(2,102)	(19.6)	9,065
Total intangible fixed assets, net	19,314	23,143	(3,829)	(16.5)	21,030
3 Investments and advances	44,911	53,741	(8,830)	(16.4)	63,899
Total fixed assets	138,074	154,308	(16,234)	(10.5)	161,658
Total assets	1,659,569	1,744,070	(84,500)	(4.8)	1,760,186

(Continued)

(Millions of yen)

Classification	3Q FY 2007 (Dec. 31, 2006)	3Q FY 2006 (Dec. 31, 2005)	Change		FY 2006 (Mar. 31, 2006)
	Amount	Amount	Amount	%	Amount
(Liabilities)					
I Current liabilities					
1 Short-term borrowings	137,555	107,178	30,376	28.3	117,726
2 Current portion of long-term debt	139,112	151,827	(12,714)	(8.4)	142,106
3 Bonds scheduled for redemption within one year	50,000	55,000	(5,000)	(9.1)	55,000
4 Reserve for bonuses	1,869	1,623	246	15.2	3,491
5 Allowance for losses on interest repayments	35,150	—	35,150	—	23,970
6 Other	30,483	62,076	(31,593)	(50.9)	67,420
Total current liabilities	394,170	377,705	16,465	4.4	409,714
II Long-term liabilities					
1 Corporate bonds	150,000	180,000	(30,000)	(16.7)	180,000
2 Long-term debt	404,787	362,119	42,668	11.8	369,949
3 Accrued severance indemnities for employees	1,131	13,931	(12,799)	(91.9)	2,048
4 Allowance for retirement benefits for directors and auditors	426	410	16	4.0	422
5 Accruals for loss guarantees	—	860	(860)	(100.0)	2,000
6 Allowance for losses on interest repayments	112,480	—	112,480	—	—
7 Other	2,414	1,520	893	58.8	7,634
Total long-term liabilities	671,240	558,841	112,398	20.1	562,054
Total liabilities	1,065,410	936,546	128,863	13.8	971,768
(Minority interests)					
Minority interests	—	14,808	—	—	12,059
(Shareholders' equity)					
I Common stock	—	80,737	—	—	80,737
II Capital surplus	—	138,414	—	—	138,414
III Retained earnings	—	609,107	—	—	602,907
IV Net unrealized gain on securities	—	9,062	—	—	11,607
V Foreign currency translation adjustments	—	(223)	—	—	109
VI Treasury stock	—	(44,383)	—	—	(57,418)
Total shareholders' equity	—	792,714	—	—	776,357
Total liabilities, minority interests and shareholders' equity	—	1,744,070	—	—	1,760,186
(Net assets)					
I Shareholders' equity					
1 Common stock	80,737	—	—	—	—
2 Capital surplus	138,413	—	—	—	—
3 Retained earnings	420,514	—	—	—	—
4 Treasury stock	(57,422)	—	—	—	—
Total shareholders' equity	582,243	—	—	—	—
II Valuation and translation differences					
1 Net unrealized gain on securities	2,054	—	—	—	—
2 Deferred hedge losses	(21)	—	—	—	—
3 Foreign currency translation adjustments	273	—	—	—	—
Total valuation and translation differences	2,307	—	—	—	—
III Minority interests	9,607	—	—	—	—
Total net assets	594,158	—	—	—	—
Total liabilities and net assets	1,659,569	—	—	—	—

(2) Summary of Consolidated Statements of Income (Loss)

(Millions of yen)

Classification	3Q FY 2007 (Apr. 1, 2006 – Dec. 31, 2006)	3Q FY 2006 (Apr. 1, 2005 – Dec. 31, 2005)	Change		FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)
	Amount	Amount	Amount	%	Amount
I Operating income					
1 Interest on consumer loans	263,768	272,197	(8,428)	(3.1)	360,588
2 Other financial revenues	71	9	61	631.6	13
3 Sales	292	896	(604)	(67.4)	958
4 Other	18,699	14,084	4,615	32.8	19,736
Total operating income	282,831	287,187	(4,355)	(1.5)	381,297
II Operating expenses					
1 Financial expenses	11,380	11,859	(479)	(4.0)	15,496
2 Cost of sales	261	757	(495)	(65.4)	721
3 Other	265,291	194,243	71,048	36.6	297,726
Total operating expenses	276,933	206,860	70,073	33.9	313,945
Operating profit	5,897	80,326	(74,428)	(92.7)	67,351
III Non-operating revenues					
1 Interest and dividend income on investments	262	245	17	7.1	263
2 Equity in net gain of affiliated company	617	342	274	80.0	1,260
3 Other	795	950	(154)	(16.3)	2,086
Total non-operating revenues	1,675	1,538	136	8.9	3,609
IV Non-operating expenses					
1 Interest expense	31	35	(4)	(11.9)	47
2 Other	228	474	(245)	(51.8)	900
Total non-operating expenses	259	509	(249)	(49.0)	948
Recurring profit	7,313	81,355	(74,042)	(91.0)	70,013
V Extraordinary income					
1 Net gain on sales of investments in securities	2,900	583	2,316	396.7	583
2 Gains on return of substitutional portion of the Welfare Pension Fund Plan	—	—	—	—	7,765
3 Reversal of accruals for debt guarantees	1,582	—	1,582	—	—
4 Reversal of accruals for loss guarantees	220	—	220	—	—
5 Other	8	3	5	194.9	27
Total extraordinary income	4,711	586	4,124	702.8	8,377
VI Extraordinary losses					
1 Net loss on sales or disposal of property and equipment	294	510	(215)	(42.3)	861
2 Impairment loss	—	120	(120)	(100.0)	2,621
3 Loss on sales of credit	427	—	427	—	1,781
4 Provision for allowance for losses on interest repayments	174,943	—	174,943	—	—
5 Provision for loss guarantees	—	—	—	—	1,139
6 Loss on changes in equity	—	317	(317)	(100.0)	317
7 Other	59	200	(141)	(70.3)	337
Total extraordinary losses	175,724	1,149	174,575	15,192.5	7,059
Income (loss) before income taxes and minority interests	(163,699)	80,793	(244,493)	—	71,331
Income taxes					
Current	18,990	32,173	(13,183)	(41.0)	45,701
Deferred	(9,960)	2,344	(12,305)	—	(11,696)
Minority interests in net loss of consolidated subsidiaries	3,941	1,970	1,970	100.0	4,719
Net income (loss)	(168,787)	48,245	(217,033)	—	42,046

(3) Summary of Consolidated Statements of Changes in Shareholders' Equity and Net Assets
3Q FY 2007 (Apr. 1, 2006 – Dec. 31, 2006)

(Millions of yen)

	Shareholders' Equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	80,737	138,414	602,907	(57,418)	764,640
Changes during the third quarter					
Cash dividends paid			(13,315)		(13,315)
Bonuses to directors and corporate auditors			(79)		(79)
Decrease due to inclusion of a company in consolidation			(210)		(210)
Net loss			(168,787)		(168,787)
Acquisition of treasury stock				(4)	(4)
Disposal of treasury stock		(0)		0	0
Total changes during the third quarter	—	(0)	(182,393)	(3)	(182,397)
Balance at December 31, 2006	80,737	138,413	420,514	(57,422)	582,243

	Valuation and translation differences				Minority interests	Total net assets
	Net unrealized gain on securities	Deferred hedge losses	Foreign currency translation adjustments	Total valuation and translation differences		
Balance at March 31, 2006	11,607	—	109	11,716	12,059	788,417
Changes during the third quarter						
Cash dividends paid						(13,315)
Bonuses to directors and corporate auditors						(79)
Decrease due to inclusion of a company in consolidation						(210)
Net loss						(168,787)
Acquisition of treasury stock						(4)
Disposal of treasury stock						0
Changes of items other than shareholders' equity during the third quarter—net	(9,552)	(21)	164	(9,409)	(2,452)	(11,861)
Total changes during the third quarter	(9,552)	(21)	164	(9,409)	(2,452)	(194,258)
Balance at December 31, 2006	2,054	(21)	273	2,307	9,607	594,158

(3) Summary of Consolidated Statements of Cash Flows

(Millions of yen)

Classification	3Q FY 2007 (Apr. 1, 2006 – Dec. 31, 2006)	3Q FY 2006 (Apr. 1, 2005 – Dec. 31, 2005)	FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)
	Amount	Amount	Amount
I Operating activities			
1 Income (loss) before income taxes and minority interests	(163,699)	80,793	71,331
2 Depreciation and amortization	5,547	6,740	9,243
3 Amortization of difference between cost of investment and equity in net assets of consolidated subsidiaries	—	1,353	1,785
4 Amortization of goodwill	1,295	—	—
5 Increase in allowance for credit losses	88,582	2,165	4,473
6 Increase in allowance for losses on interest repayments	123,660	—	23,970
7 Interest and dividend income on investments	(262)	(245)	(263)
8 Equity in net gain of affiliated company	(617)	(342)	(1,260)
9 Net gain on sales of investments in securities	(2,900)	(583)	(583)
10 Decrease in consumer loans receivable: Principal	33,646	9,785	21,214
11 Decrease (increase) in sales credits	568	(4,022)	(4,875)
12 Increase in claim for indemnities	(3,955)	—	—
13 Increase (decrease) in procurement obligations	(1,491)	(2,541)	1,796
14 Other	3,972	7,671	(7,696)
Subtotal	84,345	100,774	119,136
15 Interest and dividend income	271	238	241
16 Interest expense	(31)	(35)	(47)
17 Income taxes paid	(34,467)	(42,511)	(44,778)
Net cash provided by operating activities	50,119	58,466	74,552
II Investing activities			
1 Payment for purchase of property and equipment	(1,803)	(5,366)	(6,289)
2 Payment for purchase of intangible fixed assets	(1,958)	(3,817)	(5,059)
3 Proceeds from sales of investments in securities	3,865	1,595	1,419
4 Other	1,333	(10,698)	(15,872)
Net cash provided by (used in) investing activities	1,436	(18,286)	(25,801)
III Financing activities			
1 Net repayment of commercial paper	(20,000)	32,000	20,000
2 Proceeds from short-term borrowings	121,148	38,979	60,895
3 Repayments of short-term borrowings	(104,477)	(14,718)	(28,722)
4 Proceeds from long-term debt	146,936	98,062	143,365
5 Repayments of long-term debt	(112,040)	(153,232)	(198,201)
6 Proceeds from issuance of bonds, net of expenses	19,895	19,887	19,886
7 Redemption of bonds	(55,000)	(50,000)	(50,000)
8 Proceeds from sale of treasury stock	0	503	504
9 Payment for purchase of treasury stock	(4)	(42,144)	(55,180)
10 Cash dividends paid	(13,315)	(14,201)	(14,201)
11 Proceeds of capital contributions by minority shareholders	—	—	5,925
Net cash used in financing activities	(16,858)	(84,864)	(95,729)
IV Effect of exchange rate changes on cash and cash equivalents	23	9	(22)
V Net increase (decrease) in cash and cash equivalents	34,720	(44,674)	(47,002)
VI Cash and cash equivalents at beginning of period	63,851	110,853	110,853
VII Effect of the increase in scope of consolidated subsidiaries	314	—	—
VIII Cash and cash equivalents at end of period	98,887	66,178	63,851

(Segment Information)

1. Operations by business segment

Three quarters of FY 2007 (Apr. 1, 2006 – Dec. 31, 2006) and three quarters of FY 2006 (Apr. 1, 2005 – Dec. 31, 2005)

Because the Company's consumer financing business accounts for more than 90% of total operating income and operating profit, business segment information is omitted.

2. Operations by geographic segment

Three quarters of FY 2007 (Apr. 1, 2006 – Dec. 31, 2006) and three quarters of FY 2006 (Apr. 1, 2005 – Dec. 31, 2005)

Because Japan accounts for more than 90% of the Company's total operating income, geographic segment information is omitted.

3. Overseas operating income

Three quarters of FY 2007 (Apr. 1, 2006 – Dec. 31, 2006) and three quarters of FY 2006 (Apr. 1, 2005 – Dec. 31, 2005)

Because overseas operating income accounts for less than 10% of total operating income, overseas operating income information is omitted.

Consolidated Business Results**(1) Operating Income**

(Millions of yen)

Classification		3Q FY 2007 (Apr. 1, 2006 – Dec. 31, 2006)		3Q FY 2006 (Apr. 1, 2005 – Dec. 31, 2005)		FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	
		Amount	%	Amount	%	Amount	%
Operating income from financing business	Interest on consumer loans	263,768	93.3	272,197	94.8	360,588	94.6
	Collection of written-off loans	4,198	1.5	3,972	1.4	5,234	1.4
	Fees and commissions	283	0.1	102	0.0	204	0.0
	Collection of purchased receivables	2,330	0.8	2,112	0.7	2,638	0.7
	Loan guarantee revenues	4,204	1.5	2,512	0.9	3,432	0.9
	Other financial revenues	71	0.0	9	0.0	13	0.0
Subtotal		274,856	97.2	280,906	97.8	372,111	97.6
Operating income from other businesses	Sales	292	0.1	896	0.3	958	0.2
	Other	7,682	2.7	5,384	1.9	8,227	2.2
	Subtotal	7,975	2.8	6,281	2.2	9,186	2.4
Total		282,831	100.0	287,187	100.0	381,297	100.0

Note: Within Operating income from financing business, Collection of written-off loans, Fees and commissions, Collection of purchased receivables, Loan guarantee revenues, as well as Other in Operating income from other businesses, are listed in the summary of consolidated statements of income (loss) under Other operating income.

(2) Other Indicators

Classification		3Q FY 2007 (Apr. 1, 2006 – Dec. 31, 2006)	3Q FY 2006 (Apr. 1, 2005 – Dec. 31, 2005)	FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)
Consumer loans outstanding		1,547,420	1,591,529	1,580,982
(Millions of yen)	Unsecured loans	1,544,394	1,587,819	1,577,494
	Secured loans	3,025	3,709	3,488
Number of customers		2,868,031	2,986,065	2,950,145
	Unsecured loans	2,866,773	2,984,575	2,948,737
	Secured loans	1,258	1,490	1,408
Number of branches		1,590	1,582	1,586
	Staffed branches	473	473	472
	Unstaffed branches	1,117	1,109	1,114
Number of automated contract machines		1,532	1,519	1,529
Number of ATMs		1,690	1,718	1,694
Number of loan processing machines		1,006	946	1,013
Number of employees		5,129	5,058	4,985
Loan losses (Millions of yen)		103,087	82,252	116,790
Allowance for credit losses (Millions of yen)		224,234	133,053	135,673
Net income (loss) per share (Yen)		(1,330.93)	367.27	321.38
Net assets per share (Yen)		4,609.35	6,164.47	6,121.14

Notes: 1. Number of customers is the total number of customers of Promise and each of its consolidated subsidiaries and is derived from the number of debtors listed in the breakdown of customers compiled through computer-aided name identification.
2. Number of automated contract machines is the total number of automated contract machines installed.
3. Number of employees is the number of workers.
4. Allowance for credit losses includes Reserve for loan losses listed under Investments and advances on the consolidated balance sheets.

(Reference)

Non-Consolidated Financial Statements**(1) Summary of Non-Consolidated Balance Sheets**

(Millions of yen)

Classification	3Q FY 2007 (Dec. 31, 2006)	3Q FY 2006 (Dec. 31, 2005)	Change		FY 2006 (Mar. 31, 2006)
	Amount	Amount	Amount	%	Amount
(Assets)					
I Current assets					
1 Cash and deposits	54,130	48,121	6,009	12.5	46,243
2 Consumer loans receivable:					
Principal	1,246,333	1,306,272	(59,939)	(4.6)	1,295,316
3 Short-term loans	115,614	99,082	16,531	16.7	98,132
4 Other	85,016	46,262	38,753	83.8	64,455
Allowance for credit losses	(182,200)	(98,900)	(83,300)	84.2	(101,500)
Total current assets	1,318,894	1,400,839	(81,944)	(5.8)	1,402,648
II Fixed assets					
1 Property and equipment, net	63,849	67,046	(3,196)	(4.8)	66,613
2 Intangible fixed assets, net	8,405	8,347	57	0.7	8,806
3 Investments and advances	108,121	110,854	(2,732)	(2.5)	120,280
Total fixed assets	180,375	186,247	(5,871)	(3.2)	195,700
Total assets	1,499,270	1,587,086	(87,816)	(5.5)	1,598,348
(Liabilities)					
I Current liabilities					
1 Short-term borrowings	8,302	3,874	4,428	114.3	5,432
2 Current portion of long-term debt	135,512	149,833	(14,321)	(9.6)	138,465
3 Commercial paper	—	32,000	(32,000)	(100.0)	20,000
4 Bonds scheduled for redemption within one year	50,000	55,000	(5,000)	(9.1)	55,000
5 Accrued income taxes	10,041	12,961	(2,919)	(22.5)	24,575
6 Reserve for bonuses	1,533	1,357	175	12.9	2,935
7 Accruals for debt guarantees	13,676	1,506	12,170	808.1	7,417
8 Accruals for debt guarantees of affiliated companies	—	1,300	(1,300)	(100.0)	—
9 Allowance for business losses on subsidiary	9,551	—	9,551	—	5,051
10 Allowance for losses on interest repayments	30,600	—	30,600	—	21,200
11 Other	10,713	12,767	(2,054)	(16.1)	11,329
Total current liabilities	269,929	270,599	(670)	(0.2)	291,405
II Long-term liabilities					
1 Corporate bonds	150,000	180,000	(30,000)	(16.7)	180,000
2 Long-term debt	402,761	353,676	49,085	13.9	364,664
3 Accrued severance indemnities for employees	434	13,235	(12,800)	(96.7)	1,292
4 Allowance for retirement benefits for directors and corporate auditors	324	299	25	8.5	312
5 Accruals for loss guarantees	—	860	(860)	(100.0)	2,000
6 Allowance for losses on interest repayments	103,600	—	103,600	—	—
7 Other	1,010	81	928	1,135.8	4,011
Total long-term liabilities	658,131	548,152	109,978	20.1	552,280
Total liabilities	928,060	818,752	109,307	13.4	843,685

(Continued)

(Millions of yen)

Classification	3Q FY 2007 (Dec. 31, 2006)	3Q FY 2006 (Dec. 31, 2005)	Change		FY 2006 (Mar. 31, 2006)
	Amount	Amount	Amount	%	Amount
(Shareholders' equity)					
I Common stock	—	80,737	—	—	80,737
II Capital surplus					
1 Additional paid-in capital	—	112,639	—	—	112,639
2 Other	—	14,697	—	—	14,697
Total capital surplus	—	127,337	—	—	127,337
III Retained earnings					
1 Legal reserves	—	12,263	—	—	12,263
2 Voluntary reserves	—	538,700	—	—	538,700
3 Unappropriated retained earnings	—	44,617	—	—	41,434
Total retained earnings	—	595,581	—	—	592,397
IV Net unrealized gain on securities	—	9,061	—	—	11,609
V Treasury stock	—	(44,383)	—	—	(57,418)
Total shareholders' equity	—	768,334	—	—	754,662
Total liabilities and shareholders' equity	—	1,587,086	—	—	1,598,348
(Net assets)					
I Shareholders' equity					
1 Common stock	80,737	—	—	—	—
2 Capital surplus					
1) Additional paid-in capital	112,639	—	—	—	—
2) Other	14,697	—	—	—	—
Total capital surplus	127,337	—	—	—	—
3 Retained earnings					
1) Legal reserve	12,263	—	—	—	—
2) Other	406,258	—	—	—	—
Total retained earnings	418,521	—	—	—	—
4 Treasury stock	(57,422)	—	—	—	—
Total shareholders' equity	569,173	—	—	—	—
II Valuation and translation differences					
1 Net unrealized gain on securities	2,057	—	—	—	—
2 Deferred hedge losses	(21)	—	—	—	—
Total valuation and translation differences	2,036	—	—	—	—
Total net assets	571,210	—	—	—	—
Total liabilities and net assets	1,499,270	—	—	—	—

(2) Summary of Non-Consolidated Statements of Income (Loss)

(Millions of yen)

Classification	3Q FY 2007 (Apr. 1, 2006 – Dec. 31, 2006)	3Q FY 2006 (Apr. 1, 2005 – Dec. 31, 2005)	Change		FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)
	Amount	Amount	Amount	%	Amount
I Operating income					
1 Interest on consumer loans	212,575	224,566	(11,990)	(5.3)	296,730
2 Other	17,889	6,978	10,911	156.4	11,229
Total operating income	230,465	231,544	(1,079)	(0.5)	307,960
II Operating expenses					
1 Financial expenses	10,404	11,197	(793)	(7.1)	14,558
2 Other	218,615	145,494	73,120	50.3	227,192
Total operating expenses	229,019	156,692	72,327	46.2	241,750
Operating profit	1,445	74,852	(73,407)	(98.1)	66,210
III Non-operating revenues	823	976	(153)	(15.7)	1,877
IV Non-operating expenses	208	256	(48)	(19.0)	369
Recurring profit	2,060	75,572	(73,511)	(97.3)	67,718
V Extraordinary income	3,129	586	2,543	433.7	8,354
VI Extraordinary losses	160,877	1,958	158,918	8,112.6	7,183
Income (loss) before income taxes	(155,687)	74,199	(229,887)	—	68,889
Income taxes					
Current	17,407	28,770	(11,362)	(39.5)	41,562
Deferred	(12,602)	1,251	(13,853)	—	(13,667)
Net income (loss)	(160,492)	44,177	(204,670)	—	40,994
Balance carried forward	—	7,243	—	—	7,243
Cash dividends	—	6,803	—	—	6,803
Unappropriated retained earnings	—	44,617	—	—	41,434

(3) Summary of Non-Consolidated Statement of Changes in Shareholders' Equity and Net Assets
3Q FY 2007 (Apr. 1, 2006 – Dec. 31, 2006) (Millions of yen)

	Shareholders' equity							Treasury stock	Total shareholders' equity
	Common stock	Capital surplus		Retained earnings					
		Additional paid-in capital	Other	Legal reserve	Other				
					Voluntary reserve	Retained earnings to be carried forward			
Balance at March 31, 2006	80,737	112,639	14,697	12,263	538,700	41,434	(57,418)	743,053	
Changes during the third quarter									
Cash dividends paid						(13,315)		(13,315)	
Bonuses to directors and corporate auditors						(67)		(67)	
Voluntary reserve					28,000	(28,000)		—	
Net loss						(160,492)		(160,492)	
Acquisition of treasury stock							(4)	(4)	
Disposal of treasury stock			(0)				0	0	
Total changes during the third quarter	—	—	(0)	—	28,000	(201,876)	(3)	(173,879)	
Balance at December 31, 2006	80,737	112,639	14,697	12,263	566,700	(160,441)	(57,422)	569,173	

	Valuation and translation differences			Total net assets
	Net unrealized gain on securities	Deferred hedge losses	Total valuation and translation differences	
Balance at March 31, 2006	11,609	—	11,609	754,662
Changes during the third quarter				
Cash dividends paid				(13,315)
Bonuses to directors and corporate auditors				(67)
Voluntary reserve				—
Net loss				(160,492)
Acquisition of treasury stock				(4)
Disposal of treasury stock				0
Changes of items other than shareholders' equity during the third quarter—net	(9,551)	(21)	(9,572)	(9,572)
Total changes during the third quarter	(9,551)	(21)	(9,572)	(183,452)
Balance at December 31, 2006	2,057	(21)	2,036	571,210