The summary of this document (unaudited) has been translated from the original Japanese document released on May 1, 2007 for reference only.
In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.

6. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

Classification	Foot-notes	FY 2006 (Mar. 31, 2006)			FY 2007 (Mar. 31, 2007)			Change
		Amount		%	Amount		%	Amount
(Assets)								
I Current assets								
1 Cash and deposits			46,243			52,835		6,592
2 Consumer loans receivable: Principal	1,2, 3,8		1,295,316			1,193,876		(101,439)
3 Short-term loans receivable	9		20,732			84,834		64,102
4 Prepaid expenses			1,355			1,152		(203)
5 Accrued income taxes			—			4,966		4,966
6 Accrued income			12,235			11,588		(647)
7 Loans to affiliates	4		77,400			71,100		(6,300)
8 Deferred tax assets			41,019			59,522		18,503
9 Claim for indemnities			—			7,276		7,276
10 Other			9,844			6,964		(2,879)
Allowance for credit losses	11		(101,500)			(259,200)		(157,700)
Total current assets			1,402,648	87.8		1,234,918	89.1	(167,730)
II Fixed assets								
1 Property and equipment								
(1) Buildings		22,534			22,313			
Accumulated depreciation		11,469	11,064		12,075	10,238		(826)
(2) Structures		4,155			4,061			
Accumulated depreciation		2,581	1,573		2,683	1,378		(195)
(3) Fixtures		28,895			28,551			
Accumulated depreciation		19,078	9,816		20,753	7,797		(2,018)
(4) Land			44,158			44,077		(80)
Total property and equipment, net			66,613	4.2		63,491	4.6	(3,121)
2 Intangible fixed assets								
(1) Software			8,047			7,876		(170)
(2) Telephone rights			748			672		(75)
(3) Other			10			5		(5)
Total intangible fixed assets, net			8,806	0.5		8,554	0.6	(251)
3 Investments and advances								
(1) Investments in securities	1		39,438			22,774		(16,664)
(2) Investments in and advances to subsidiaries and affiliates			69,125			44,863		(24,261)
(3) Long-term prepaid expenses			1,007			564		(443)
(4) Guaranty money deposited			9,190			9,030		(160)
(5) Other			1,517			1,057		(460)
Total investments and advances			120,280	7.5		78,289	5.7	(41,990)
Total fixed assets			195,700	12.2		150,336	10.9	(45,364)
Total assets			1,598,348	100.0		1,385,254	100.0	(213,094)

(Continued) (Millions of yen)

Classification	Foot-notes	FY 2006 (Mar. 31, 2006) Amount		%	FY 2007 (Mar. 31, 2007) Amount		%	Change Amount
(Liabilities)								
I Current liabilities								
1 Short-term loans payable			5,432			5,000		(432)
2 Current portion of long-term loans payable	1		138,465			128,777		(9,688)
3 Commercial paper			20,000			—		(20,000)
4 Bonds scheduled for redemption within one year			55,000			50,000		(5,000)
5 Accounts payable			5,088			4,576		(512)
6 Accrued expenses			2,619			2,828		208
7 Accrued income taxes			24,575			104		(24,471)
8 Deposits			3,355			4,230		874
9 Income in advance			21			22		0
10 Accrued bonuses to employees			2,935			2,935		—
11 Accruals for debt guarantees			7,417			12,233		4,816
12 Allowance for business losses of subsidiary			5,051			—		(5,051)
13 Allowance for losses on interest repayments			21,200			65,800		44,600
14 Other			243			288		45
Total current liabilities			291,405	18.2		276,794	20.0	(14,610)
II Long-term liabilities								
1 Corporate bonds			180,000			190,000		10,000
2 Long-term loans payable	1		364,664			385,439		20,775
3 Deferred tax liabilities			3,951			3,846		(104)
4 Accrued severance indemnities for employees			1,292			867		(424)
5 Allowance for retirement benefits for directors and corporate auditors			312			337		25
6 Accruals for loss guarantees			2,000			—		(2,000)
7 Allowance for losses on interest repayments			—			167,600		167,600
8 Other			60			53		(7)
Total long-term liabilities			552,280	34.6		748,143	54.0	195,863
Total liabilities			843,685	52.8		1,024,938	74.0	181,252
(Shareholders' equity)								
I Common stock	5		80,737	5.0		—	—	—
II Capital surplus								
1 Additional paid-in capital			112,639			—		—
2 Other								
Net gain on sales of treasury stock			14,697			—		—
Total capital surplus			127,337	8.0		—	—	—
III Retained earnings								
1 Legal reserve			12,263			—		—
2 Voluntary reserve								
Voluntary reserve			538,700			—		—
3 Unappropriated retained earnings			41,434			—		—
Total retained earnings			592,397	37.1		—	—	—
IV Net unrealized gain on securities			11,609	0.7		—	—	—
V Treasury stock	6		(57,418)	(3.6)		—	—	—
Total shareholders' equity			754,662	47.2		—	—	—
Total liabilities and shareholders' equity			1,598,348	100.0		—	—	—

(Continued) (Millions of yen)

Classification	Foot-notes	FY 2006 (Mar. 31, 2006)			FY 2007 (Mar. 31, 2007)			Change
		Amount		%	Amount		%	Amount
(Net assets)								
I Shareholders' equity								
1 Common stock	5		—	—		80,737	5.8	—
2 Capital surplus								
(1) Additional paid-in capital		—			112,639			
(2) Other		—			14,697			
Total capital surplus			—	—		127,336	9.2	—
3 Retained earnings								
(1) Legal reserve		—			12,263			
(2) Other								
Voluntary reserve		—			566,700			
Retained earnings to be carried forward		—			(374,889)			
Total retained earnings			—	—		204,073	14.7	—
4 Treasury stock			—	—		(57,423)	(4.1)	—
Total shareholders' equity			—	—		354,725	25.6	—
II Valuation and translation differences								
1 Net unrealized gain on securities			—			5,609		—
2 Net deferred hedge losses			—			(19)		—
Total valuation and translation differences			—	—		5,590	0.4	—
Total net assets			—	—		360,315	26.0	—
Total liabilities and net assets			—	—		1,385,254	100.0	—

(2) Non-Consolidated Statements of Income

(Millions of yen)

Classification	Foot-notes	FY 2006 (Apr. 1, 2005 – Mar. 31, 2006) Amount		%	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007) Amount		%	Change Amount
I Operating income								
1 Interest on consumer loans			296,730			276,843		(19,886)
2 Other financial revenues								
(1) Interest on deposits		2			31			
(2) Interest on loans		1,558			1,471			
(3) Other		0	1,561		—	1,502		(59)
3 Other operating income			9,667			21,564		11,896
Total operating income			307,960	100.0		299,910	100.0	(8,049)
II Operating expenses								
1 Financial expenses								
(1) Interest expense	1	13,703			13,089			
(2) Other		854	14,558		1,005	14,095		(462)
2 Other operating expenses								
(1) Advertising expenses		13,329			10,615			
(2) Provision for uncollectible loans		95,087			204,721			
(3) Credit losses written off against the allowance		—			6,043			
(4) Provision for debt guarantees		7,573			10,771			
(5) Provision for losses on interest repayments		21,200			141,075			
(6) Loss on sales of credit		—			32,627			
(7) Employees' salaries and bonuses		18,813			18,716			
(8) Provision for bonuses		2,920			2,935			
(9) Net periodic benefit cost		(3,954)			1,924			
(10) Allowance for retirement accounts for directors and corporate auditors		48			48			
(11) Employee welfare expenses		2,726			2,854			
(12) Rent expenses		9,188			8,631			
(13) Depreciation		7,627			7,208			
(14) Fee expenses		17,717			17,466			
(15) Communications expenses		3,226			2,896			
(16) Expenses for interest repayments		12,455			—			
(17) Other		19,232	227,192		14,785	483,324		256,132
Total operating expenses			241,750	78.5		497,419	165.9	255,669
Operating profit (loss)			66,210	21.5		(197,508)	(65.9)	(263,718)
III Non-operating income								
1 Interest on loans	10	166			197			
2 Interest on investment securities		0			—			
3 Dividend income		216			210			
4 Insurance money received and insurance dividends		540			147			
5 Equity in earnings of Tokumei Kumiai		242			—			
6 Management consulting fees	10	—			124			
7 Miscellaneous income	10	712	1,877	0.6	338	1,019	0.3	(858)

(Continued) (Millions of yen)

Classification	Foot-notes	FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)			FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)			Change
		Amount		%	Amount		%	Amount
IV Non-operating expenses								
1 Expense for relocation of offices		222			155			
2 Expense for dissolution of offices		34			39			
3 Amortization of guarantee deposits, etc.		50			19			
4 Miscellaneous losses		61	369	0.1	148	363	0.1	(6)
Recurring profit (loss)			67,718	22.0		(196,852)	(65.6)	(264,570)
V Extraordinary income								
1 Gain on sales of property and equipment	2	1			9			
2 Net gain on sales of investments in securities		583			2,900			
3 Gain on return of substitutional portion of the welfare pension fund plan		7,765			—			
4 Reversal of accruals for loss guarantees		—			220			
5 Other	3	3	8,354	2.7	—	3,129	1.0	(5,225)
VI Extraordinary losses								
1 Loss on disposal of property and equipment	4	381			294			
2 Loss on sales of property and equipment	5	87			70			
3 Impairment loss	6	111			43			
4 Loss on liquidations of subsidiaries	7	—			4,111			
5 Loss on valuation of investments in securities		—			5,598			
6 Loss on valuation of investments in subsidiaries	8	303			26,881			
7 Reserve for business losses of subsidiary		5,051			—			
8 Provision for losses on interest repayments		—			156,050			
9 Provision for loss guarantees		1,139			—			
10 Other	9	108	7,183	2.3	70	193,120	64.4	185,936
Income (loss) before income taxes			68,889	22.4		(386,843)	(129.0)	(455,733)
Income taxes Current		41,562			2,575			
Deferred		(13,667)	27,895	9.1	(14,478)	(11,903)	(4.0)	39,798
Net income (loss)			40,994	13.3		(374,940)	(125.0)	(415,934)
Balance carried forward			7,243					
Cash dividends			6,803					
Unappropriated retained earnings			41,434					

(3) Appropriation of Profit

(millions of yen)

Classification	Foot-notes	FY 2006 (Jun. 20, 2006)* Amount	
(Appropriation of unappropriated retained earnings)			
I Unappropriated retained earnings			41,434
II To be appropriated as follows			
1 Dividends		6,657	
2 Directors' bonuses		67	
[Of which corporate auditors' bonuses]		[15]	
3 Voluntary reserve			
Voluntary reserve		28,000	34,725
III Amount carried forward to next period			6,708
(Appropriation of other capital surplus)			
I Other capital surplus			14,697
II Amount carried forward to next period			14,697

Notes: 1. * denotes date of General Meeting of Shareholders for FY2006.
2. For the previous fiscal year, interim cash dividends of 6,803 million yen (52.50 yen per share) were paid on December 1, 2005.

(4) Non-Consolidated Statement of Changes in Net Assets

FY 2007 (Apr. 1, 2006 – Mar. 31, 2007) (Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus		Retained earnings			Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other	Legal reserve	Other: Voluntary reserve	Other: 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 fiscal year								
Cash dividends paid *						(6,657)		(6,657)
Cash dividends paid						(6,657)		(6,657)
Bonuses to directors and corporate auditors *						(67)		(67)
Voluntary reserve					28,000	(28,000)		—
Net loss						(374,940)		(374,940)
Acquisition of treasury stock							(4)	(4)
Disposal of treasury stock			(0)				0	0
Total changes during the fiscal year	—	—	(0)	—	28,000	(416,323)	(4)	(388,328)
Balance at March 31, 2007	80,737	112,639	14,697	12,263	566,700	(374,889)	(57,423)	354,725

	Valuation and translation differences			Total net assets
	Net unrealized gain on securities	Net deferred hedge losses	Total valuation and translation differences	
Balance at March 31, 2006	11,609	—	11,609	754,662
Changes during the fiscal year				
Cash dividends paid *				(6,657)
Cash dividends paid				(6,657)
Bonuses to directors and corporate auditors *				(67)
Voluntary reserve				—
Net loss				(374,940)
Acquisition of treasury stock				(4)
Disposal of treasury stock				0
Changes of items other than shareholders' equity during the fiscal year—net	(5,999)	(19)	(6,018)	(6,018)
Total changes during the fiscal year	(5,999)	(19)	(6,018)	(394,347)
Balance at March 31, 2007	5,609	(19)	5,590	360,315

* Dividend and bonuses which were approved at the General Meeting of Shareholders held on June 20, 2006.

(5) Basis of Presentation of Non-Consolidated Financial Statements

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
1. Standards and Methods for Valuing Securities (1) Securities Investments in stocks of subsidiaries and affiliates are valued on a cost basis using the moving average method. (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.	1. Standards and Methods for Valuing Securities (1) 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 net assets. Costs of their sales are determined by the moving average method. [2] (No change)
2. Standards and Methods for Valuing Derivatives Derivatives Derivatives are stated at market value.	2. Standards and Methods for Valuing Derivatives Derivatives (No change)
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 equal to or more than 100,000 yen and less than 200,000 yen 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 (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 equal to or more than 100,000 yen and less than 200,000 yen are amortized uniformly over a period of three years. (3) Long-term prepaid expenses Long-term prepaid expenses are amortized on an average basis.	3. Method of Depreciation of Fixed Assets (1) Property and equipment (No change) (2) Intangible fixed assets (No change) (3) Long-term prepaid expenses (No change)
4. Method of Transaction of Deferred Assets Bond issue expenses Entire amount expensed as incurred.	4. Method of Transaction of Deferred Assets Bond issue expenses (No change)

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
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) Accrued bonuses to employees The accrued bonuses to employees on the payroll at the end of the fiscal year is provisioned based on the expected payment amount.	(2) Accrued bonuses to employees (No change)
(3) Accrued bonuses to directors and corporate auditors ――――――	(3) Accrued bonuses to directors and corporate auditors To provide for bonuses to directors and corporate auditors, the Company provides an allowance for the current fiscal year portion that based on the expected payment of bonuses to directors and corporate auditors. (Changes in accounting policy) Effective from the fiscal year under review, the Company has adopted the “Accounting Standard for Directors’ Bonuses” (Statement No. 4 of the Accounting Standards Board of Japan, November 29, 2005). However, based on the financial results, no items were recorded under this standard in the fiscal year under review. Consequently, adoption of this standard had no effect on earnings.
(4) 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 (No change)
(5) Provision for business losses of subsidiary To provide for business losses on financial assistance to a subsidiary, an allowance is provided based on the financial status of the subsidiary and the estimated amount of losses for the account of the Company.	(5) Provision for business losses of subsidiary ――――――
(6) Allowance for losses on interest repayments The provision to the allowance is rationally estimated and booked based on the number of repayment claims by customers, etc., for interest paid in excess of the ceiling under the Interest Rate Restriction Law for which out-of-court settlements have not already been reached and the historical amount of repayments while also taking into consideration the recent repayment conditions.	(6) Allowance for losses on interest repayments The provision to the allowance is rationally estimated and booked based on the number of repayment claims by customers, etc., for interest paid in excess of the ceiling under the Interest Rate Restriction Law for which out-of-court settlements have not already been reached and the historical amount of repayments while also taking into consideration the recent repayment conditions.

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
(Additional information) On March 15, 2006, the Japanese Institute of Certified Public Accountants announced guidelines on auditing consumer finance companies (Research Center Deliberation Report No. 24) that take into account the Supreme Court ruling concerning the application of repayment rules stipulated under the Money Lending Business Control and Regulation Law. Based on the increased materiality of interest repayments, starting with the current fiscal year, the Company has set up an allowance for losses on interest repayments as a current liability. In accordance with this action, a provision for losses on interest repayments totaling 21,200 million yen was included in operating expenses for the current fiscal year under review. As a result, compared with using the same accounting procedures in the previous fiscal year, operating profit, recurring profit, and net income declined 21,200 million yen.	(Additional information) Effective from the fiscal year under review, the Company changed the basis for calculating the allowance for losses on interest payments to conform with the "Application of Auditing for Provision of Allowance for Losses for Reclaimed Refund of Interest in the Accounting of Consumer Finance Companies" of the Industry Audit Practice Committee Report No. 37 (October 13, 2006) by the Japanese Institute of Certified Public Accountants. As a result, the Company recorded 156,050 million yen (provision for losses on interest repayments) as an extraordinary loss to account for the difference between the amount that was calculated in accordance with the above report at the beginning of the fiscal year under review and the amount that was calculated in accordance with the standard applied in the previous fiscal year. Of the expected losses on interest repayments applicable to principal of consumer loans receivable, 157,400 million yen of estimated interest repayments was included in the allowance for credit losses.
(7) 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) Along with the enforcement of the Defined Benefit Corporate Pension Law, on April 22, 2005, the Company obtained approval from Japan's Minister of Health, Labor and Welfare to be exempted from the future benefit obligation for the substitutional portion of contributory funded benefit pension plan. In turn, on March 31, 2006, the Company received approval to return the prior portion. The impact on income or losses in the current fiscal year under review on a non-consolidated basis amounted to an extraordinary income of 7,765 million yen.	(7) 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 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
(8) Allowance for retirement benefits for directors and corporate auditors The past service cost for directors and corporate auditors is determined based on the required payment amount at the end of the fiscal year as stipulated in the Company's bylaws. (9) 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.	(8) Allowance for retirement benefits for directors and corporate auditors (No change) (9) Accruals for loss guarantees ———
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)
8. Hedging (1) Hedge accounting method The Company use deferred method for hedge accounting. Exceptional accrual method is used to account for interest rate swap agreements and interest rate cap agreements that meet specified conditions. (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). (3) Hedging policy The basic hedging policy is to minimize the impact of sharp movements in interest rates on procured funds. (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.	8. Hedging (1) Hedge accounting method (No change) (2) Hedging instruments and hedging targets (No change) (3) Hedging policy (No change) (4) Determining hedging effectiveness (No change)

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
(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 in 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, nondeductible consumption taxes subject to fixed asset are recorded in Other in Investments and advances on the relevant balance sheets and are amortized over five years.	9. Other Material Items in Basis of Presentation of Non-Consolidated Financial Statements Accounting for consumption taxes (No change)

(6) Changes in Accounting Practices

(Changes in Accounting Practices)

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
―――――	(Accounting Standard for Presentation of Net Assets in the Balance Sheet) From the fiscal year under review, the Company has adopted "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Statement No. 5, December 9, 2005) and "Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Guidance No. 8, December 9, 2005) of the Accounting Standards Board of Japan. The adoption of the new accounting standard will have no significant effect on the financial statements. The amount corresponding to Shareholders' equity under the former standards is 360,335 million yen. Net assets in the balance sheet for the fiscal year under review have been presented in accordance with the revised disclosure rules of financial statements.

(Changes in Disclosure Method)

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
(Non-Consolidated Balance Sheet) Effective from the fiscal year under review, Investment in equity other than capital stock (0 million yen in the fiscal year under review), classified under Investments and Advances in the previous fiscal year, is included in Other under Investments and Advances since the amount declined in the fiscal year under review. (Non-Consolidated Statements of Income) 1. Effective from the fiscal year under review, Expenses for interest repayments (4,665 million yen in the previous fiscal year), included in Other under Other operating expenses in the previous fiscal year, is reclassified and presented as a line item since the amount exceeded 5% of total Other operating expenses. 2. Effective from the fiscal year under review, Amortization of guarantee deposits, etc. (35 million yen in the previous fiscal year), included in Miscellaneous losses under Non-operating expenses in the previous fiscal year, is reclassified and presented as a line item since the amount exceeded 10% of total Non-operating expenses.	(Non-Consolidated Balance Sheet) Effective from the fiscal year under review, Claim for indemnities (1,393 million yen in the previous fiscal year), included in Other under Current assets in the previous fiscal year was reclassified and presented individually in view of its increased importance in the context of the non-consolidated financial statements. (Non-Consolidated Statements of Income) 1. Effective from the fiscal year under review, Interest on investment securities (0 million yen in the previous fiscal year), classified under Non-operating income in the previous fiscal year was included in Miscellaneous income under Non-operating income since the amount declined in the fiscal year under review. 2. Effective from the fiscal year under review, Management consulting fees (98 million yen in the previous fiscal year), included in Miscellaneous income under Non-operating income in the previous fiscal year was reclassified and presented individually since the amount exceeded 10% of total Non-operating income. 3. Effective from the fiscal year under review, Loss on valuation of investments in securities (49 million yen in the previous fiscal year), included in Other under Extraordinary loss in the previous fiscal year was reclassified and presented individually in view of its increased importance in the context of the non-consolidated financial statements.

(7) Explanatory Notes

(Footnotes to Non-Consolidated Balance Sheets)

<table>
<tr><th>FY 2006
(Mar. 31, 2006)</th><th>FY 2007
(Mar. 31, 2007)</th></tr>
<tr><td>
1. Assets pledged and corresponding liabilities
a) Assets pledged (Millions of yen)
<table>
<tr><th>Type</th><th>Book value at end of fiscal year</th></tr>
<tr><td>Consumer loans receivable</td><td>131,788</td></tr>
<tr><td>Total</td><td>131,788</td></tr>
</table>
b) Corresponding liabilities (Millions of yen)
<table>
<tr><th>Item</th><th>Balance at end of fiscal year</th></tr>
<tr><td>Current portion of long-term loans payable</td><td>35,841</td></tr>
<tr><td>Long-term loans payable</td><td>92,163</td></tr>
<tr><td>Total</td><td>128,004</td></tr>
</table>
In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of 277,149 million yen. Corresponding liabilities were long-term loans payable of 268,401 million yen (including 64,123 million yen current portion of long-term loans payable).
Of the total amount of investments in securities, 21 million yen was being used as collateral for sales guarantees.

2. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were 1,291,953 million yen.

3. Revolving credit facility
Within consumer loans receivable, 1,295,032 million yen 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 340,119 million yen (including 190 million yen 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 good reasons, each contract contains a clause in which the Company can deny financing for loan applications and upwardly or downwardly revise the credit line.
Even after the completion of contracts, the Company periodically revises contract details and adopts measures to ensure credit safely.
</td><td>
1. Assets pledged and corresponding liabilities
a) Assets pledged (Millions of yen)
<table>
<tr><th>Type</th><th>Book value at end of fiscal year</th></tr>
<tr><td>Consumer loans receivable</td><td>116,059</td></tr>
<tr><td>Total</td><td>116,059</td></tr>
</table>
b) Corresponding liabilities (Millions of yen)
<table>
<tr><th>Item</th><th>Balance at end of fiscal year</th></tr>
<tr><td>Current portion of long-term loans payable</td><td>31,804</td></tr>
<tr><td>Long-term loans payable</td><td>80,866</td></tr>
<tr><td>Total</td><td>112,670</td></tr>
</table>
In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of 294,028 million yen. Corresponding liabilities were short-term loans payable of 5,000 million yen and long-term loans payable of 289,028 million yen (including 67,268 million yen current portion of long-term loans payable).
Of the total amount of investments in securities, 21 million yen was being used as collateral for sales guarantees.

2. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were 1,191,129 million yen.

3. Revolving credit facility
Within consumer loans receivable, 1,193,655 million yen 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 298,310 million yen (including 168 million yen 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 good reasons, each contract contains a clause in which the Company can deny financing for loan applications and upwardly or downwardly revise the credit line.
Even after the completion of contracts, the Company periodically revises contract details and adopts measures to ensure credit safely.
</td></tr>
</table>

FY 2006 (Mar. 31, 2006)	FY 2007 (Mar. 31, 2007)
4. Loans to affiliates are loans to consolidated subsidiaries engaged in consumer finance business.	4. (No change)
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	5. Common stock ――――――
6. Number of shares of treasury stock held Common stock 8,047,638 shares	6. Number of shares of treasury stock held ――――――
7. Contingent liabilities (1) Guarantee obligations in the loan guarantee business 164,512 million yen (2) Warranty obligations 2,104 million yen 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	7. Contingent liabilities (1) Guarantee obligations in the loan guarantee business 282,939 million yen (2) ―――――― (3) Guarantees of loans to subsidiaries

FY 2006 (Millions of yen)

Borrower	Guarantee amount
(Subsidiaries)	
PROMISE (HONG KONG) CO., LTD.	7,716
PROMISE (TAIWAN) CO., LTD.	2,600
NANJING SHENZHOU SEED INDUSTRY CO., LTD.	73
QUOQLOAN INC.	10
Total	10,399

In foreign currency, guaranteed obligations to PROMISE (HONG KONG) CO., LTD. totaled HK$510 million and to NANJING SHENZHOU SEED INDUSTRY CO., LTD. totaled CNY 5 million.

FY 2007 (Millions of yen)

Borrower	Guarantee amount
(Subsidiaries)	
PROMISE (HONG KONG) CO., LTD.	4,684
PROMISE (THAILAND) CO., LTD.	3,853
NANJING SHENZHOU SEED INDUSTRY CO., LTD.	76
Total	8,613

Guarantees of loans are made in foreign currency. Guaranteed obligations to PROMISE (HONG KONG) CO., LTD. totaled HK$310 million, PROMISE (THAILAND) CO., LTD. totaled TB1,050 million and to NANJING SHENZHOU SEED INDUSTRY CO., LTD. totaled CNY 5 million.

FY 2006 (Mar. 31, 2006)

8. Status of non-performing loans

(Millions of yen)

Classification	Amount
Credits of bankrupt borrowers	695
Delinquent loans	90
Delinquent loans three months or more past the due date	10,964
Restructured loans	60,745
Total	72,496

(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.

(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.

(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.

(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 60,745 million yen in restructured loans, restructured loans which are 30 days or less past due were 56,075 million yen.

9. Loan collateral

A repurchase agreement of 9,999 million yen was included in Short-term loans receivable.

Consequently, commercial paper is accepted as collateral from the seller of repurchased agreement.

The market value for marketable securities received is as follows: (Millions of yen)

Type	Market value
Commercial paper	9,999
Total	9,999

FY 2007 (Mar. 31, 2007)

8. Status of non-performing loans

(Millions of yen)

Classification	Amount
Credits of bankrupt borrowers	492
Delinquent loans	76
Delinquent loans three months or more past the due date	14,292
Restructured loans	66,927
Total	81,789

(1) (No change)

(2) (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 66,927 million yen in restructured loans, restructured loans which are 30 days or less past due were 63,270 million yen.

9. Loan collateral

A repurchase agreement of 71,931 million yen was included in Short-term loans receivable.

Consequently, commercial paper and securities are accepted as collateral from the seller of repurchased agreement.

The market value for marketable securities received is as follows: (Millions of yen)

Type	Market value
Commercial paper	61,934
Securities	9,997
Total	71,931

FY 2006 (Mar. 31, 2006)	FY 2007 (Mar. 31, 2007)
10. The unutilized balance from overdraft contracts on current accounts (including similar contracts) and contracts for the loan commitment were as follows:	10. The unutilized balance from overdraft contracts on current accounts (including similar contracts) and contracts for the loan commitment were as follows. Within the unutilized balance of loan commitment, 59,025 million yen apply to financial covenants. Terms for this portion of the commitment line are under negotiations.
(Overdraft contracts on current accounts) (Millions of yen) Total contracts 7,050 Contracts exercised 5,432 Difference 1,618	(Overdraft contracts on current accounts) (Millions of yen) Total contracts 14,050 Contracts exercised — Difference 14,050
(Contracts for the commitment line of loans) (Millions of yen) Total contracts 168,235 Contracts exercised — Difference 168,235	(Contracts for the commitment line of loans) (Millions of yen) Total contracts 108,025 Contracts exercised — Difference 108,025
11. ―――――	11. Of the allowance for credit losses, 157,400 million yen of estimated interest repayments was included as repayment apply to principal of loans.
12. Dividend restrictions Financial assets are valued using fair value, which resulted in an increase in net assets of 11,609 million yen. This amount is the total of net assets restricted from appropriation to dividends under Article 124, Paragraph 3 of the Japanese Commercial Code.	12. ―――――

(Footnotes to Non-Consolidated Statements of Income)

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
1. Bond interest of 4,641 million yen is included in interest expense.	1. Bond interest of 3,904 million yen is included in interest expense.
2. Gain on sales of property and equipment is due to the sale of telephone rights.	2. Gain on sales of property and equipment is due to the sale of buildings and land.
3. Other in Extraordinary income comprises sale of golf club membership, etc.	3. ―――――
4. Breakdown of net loss on disposal of property and equipment (Millions of yen) Buildings 160 Structures 18 Equipment and fixtures 183 Software 19 Total 381	4. Breakdown of net loss on disposal of property and equipment (Millions of yen) Buildings 131 Structures 32 Equipment and fixtures 124 Software 5 Total 294

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
5. Breakdown of net loss on sales of property and equipment (Millions of yen) Telephone rights 87 Total 87	5. Breakdown of net loss on sales of property and equipment (Millions of yen) Telephone rights 65 Land 5 Total 70
6. During the fiscal year ended March 31, 2006, the following groups of assets of the Company have been charged with impairment losses. Use: Idle asset / Category: Land, telephone rights / Location: Tokyo (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 111 million yen was booked as extraordinary losses. Of that amount, 61 million yen was for land and 49 million yen was for telephone rights. (Method of Calculating Recovery Value) Recovery value was stated as the net sales value. It is calculated using the assessment value by real estate appraiser for land and market value for telephone rights.	6. During the fiscal year ended March 31, 2007, the following groups of assets of the Company have been charged with impairment losses. Use: Idle asset / Category: Building, Land / Location: Nigata (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 43million yen was booked as extraordinary losses. Of that amount, 35 million yen was for buildings and 7 million yen was for land. (Method of Calculating Recovery Value) Recovery value was stated as the net sales value. It is calculated using the assessment value by real estate appraiser for buildings and land.
7. ――――――	7. Loss on liquidations of subsidiaries represents a loss resulting from the elimination of excessive debt at consolidated subsidiary PROMISE (TAIWAN) CO., LTD. to simplify liquidation proceedings of this company.
8. Loss on valuation of investments in subsidiaries comprised impairment losses on valuation of investments in subsidiaries.	8. Loss on valuation of investments in subsidiaries comprised impairment losses on valuation of investments in subsidiaries. Of the total impairment loss, the loss related to QUOQLOAN is 13,628 million yen. Impairment loss related to At-Loan is 13,253 million yen.
9. Other in Extraordinary losses comprises a 55 million yen loss on sales of golf club membership, 49 million yen asset impairment charge to investment securities and a 3 million yen benefit dispensation expense paid to disaster victims.	9. Other in Extraordinary losses comprises a 67 million yen loss on sales of leisure club membership and 3 million yen loss on redemption of investment securities.

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
10. Note concerning affiliates Main items included in each topic related to affiliates (Millions of yen) Interest on loans 148 Miscellaneous income 109	10. Note concerning affiliates Main items included in each topic related to affiliates (Millions of yen) Interest on loans 181 Management consulting fees 124 Miscellaneous income 8
11. The basis for classification of financial revenues and financial expenses on the non-consolidated statement of income is as follows: (1) Scope of financial revenues 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 consumer finance business) as well as interest and dividends on investment securities. (2) Scope of financial expenses expressed as operating expenses. Financial expenses exclude all interest paid that cannot be clearly matched to operating income.	11. The basis for classification of financial revenues and financial expenses on the non-consolidated statement of income is as follows: (1) Scope of financial revenues expressed as operating income (No change) (2) Scope of financial expenses expressed as operating expenses. (No change)

(Footnotes to Non-Consolidated Statement of Changes in Shareholders' Equity and Net Assets)

FY2007 (Apr. 1, 2006 – Mar. 31, 2007)

Treasury stock (Shares)

Type of shares	FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	Increase	Decrease	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
Common shares	8,047,638	853	89	8,048,402

(Summary of changes)
Increase in the number of shares
Purchase of odd-lot shares: 853 shares
Decrease in the number of shares
Sale of shares to shareholders holding odd-lot shares: 89 shares

(Footnotes to Securities)

FY2006 (as of March 31, 2006)

There were no securities with market value among subsidiaries and affiliates.

FY2007 (as of March 31, 2007)

There were no securities with market value among subsidiaries and affiliates.

(Footnotes to Tax Effect Accounting)

FY 2006 (Mar. 31, 2006)

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

	(Millions of yen)
Deferred tax assets:	
Credit losses for receivables and consumer loans	17,831
Allowance for credit losses	663
Accrued income	4,128
Provision for bonuses	1,194
Accrued severance indemnities for employees	525
Provisions for loss guarantees	1,027
Accrued enterprise taxes	1,871
Allowance for losses on interest repayments	8,626
Gain on return of substitutional portion of contributory the Welfare Pension Fund Plan	3,159
Provision for accruals for debt guarantee	3,017
Allowance for business losses of subsidiary	2,055
Other	929
Total deferred tax assets	45,032
Deferred tax liabilities:	
Net unrealized loss on securities	7,964
Total deferred tax liabilities	7,964
Net deferred tax assets	37,068

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

	(Millions of yen)
Current assets - Deferred tax assets	41,019
Fixed assets - Deferred tax assets	3,951

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 2007 (Mar. 31, 2007)

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

	(Millions of yen)
Deferred tax assets:	
Credit losses for receivables and consumer loans	19,159
Allowance for credit losses	63,789
Accrued income	3,204
Provision for bonuses	1,194
Accrued severance indemnities for employees	333
Allowance for losses on interest repayments	94,970
Provision for accruals for debt guarantee	4,977
Allowance for business losses of subsidiary	3,728
Loss on valuation of Investments in subsidiaries	11,061
Allowance for indemnity losses	1,869
Other	619
Subtotal deferred tax assets	204,908
Valuation allowance	(145,385)
Total deferred tax assets	59,522
Deferred tax liabilities:	
Net unrealized loss on securities	3,846
Total deferred tax liabilities	3,846
Net deferred tax assets	55,676

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

	(Millions of yen)
Current assets - Deferred tax assets	59,522
Fixed assets - Deferred tax assets	3,846

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.

Information on factors underlying significant differentials between the burden of the statutory tax rate and income taxes are not presented since the Company reported a loss before income taxes.

(Per Share Data)

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
Net assets per share 5,950.17 yen Net income per share 313.42 yen 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.	Net assets per share 2,841.19 yen Net loss per share 2,956.51 yen 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. It is also not presented since the Company posted a net loss for the period.

Note: Calculations of net income (loss) per share and diluted net income (loss) per share are based on the following data.

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
Net income on non-consolidated statement of income 40,994 million yen	Net loss on non-consolidated statement of income (374,940) million yen
Net income related to common stock 40,927 million yen	Net loss related to common stock (374,940) million yen
Principal category of funds not available to shareholders of common stock Bonuses to directors and corporate auditors from the disposition of profits 67 million yen	Principal category of funds not available to shareholders of common stock Bonuses to directors and corporate auditors from the disposition of profits — million yen
Amount not attributable to common stock 67 million yen	Amount not attributable to common stock — million yen
Average number of common stock outstanding in fiscal year 130,581 thousand	Average number of common stock outstanding in fiscal year 126,818 thousand
Major adjustments to net income included in the calculation of diluted net income per share — million yen	Major adjustments to net income included in the calculation of diluted net income per share — million yen
Adjustment to net income — million yen	Adjustment to net income — million yen
Major categories of the additional number of common stock included in the calculation of diluted net income per share Stock acquisition rights — thousand	Major categories of the additional number of common stock included in the calculation of diluted net income per share Stock acquisition rights — thousand
Increased number of common stock — thousand	Increased number of common stock — thousand
A summary of dilutive shares which were not included in the calculation of diluted net income per share since there were no dilutive effect. Treasury stock held for stock option: 351,000 shares There were 214,800 shares with stock option as of March 31, 2006, reflecting 136,200 shares decrease owing to loss of rights.	A summary of dilutive shares which were not included in the calculation of diluted net income per share since there were no dilutive effect. Treasury stock held for stock option: 351,000 shares There were 190,200 shares with stock option as of March 31, 2007, reflecting 160,800 shares decrease owing to loss of rights.

(Subsequent events)

FY 2006 (Apr. 1, 2005 – Mar. 31, 2006)	FY 2007 (Apr. 1, 2006 – Mar. 31, 2007)
――――――	In the Board of Director's Meeting held on May 1, 2007, the Company has made resolution to make reorganization of two consolidated subsidiaries, QUOQLOAN, INC. and Sun Life Co., Ltd. Both consolidated subsidiaries are currently operating consumer finance business. However, in light of amendments of the Money Lending Business Law, and for efficiency of group business operations, both consolidated subsidiaries will stop new contracts. Large part of loans will be transferred to the Company and its consolidated subsidiary, PAL Servicer Co., Ltd. Both consolidated subsidiaries will continue to operate solely for the purpose of collecting certain loans for the time being. Accordingly, all branches for both consolidated subsidiaries are planned to closed. However, details of the scheme are currently under discussion, therefore the impact on results of operation for the fiscal year ended March 2008 is yet to be determined.

7. Other

Change of Directors

Any change of directors will be announced immediately, where possible.
We plan to announce any change in directors on May 18, 2007.